

Prakash Pipes Limited

PVC Pipes & Fittings | Flexible Packaging

Investor Presentation August, 2020



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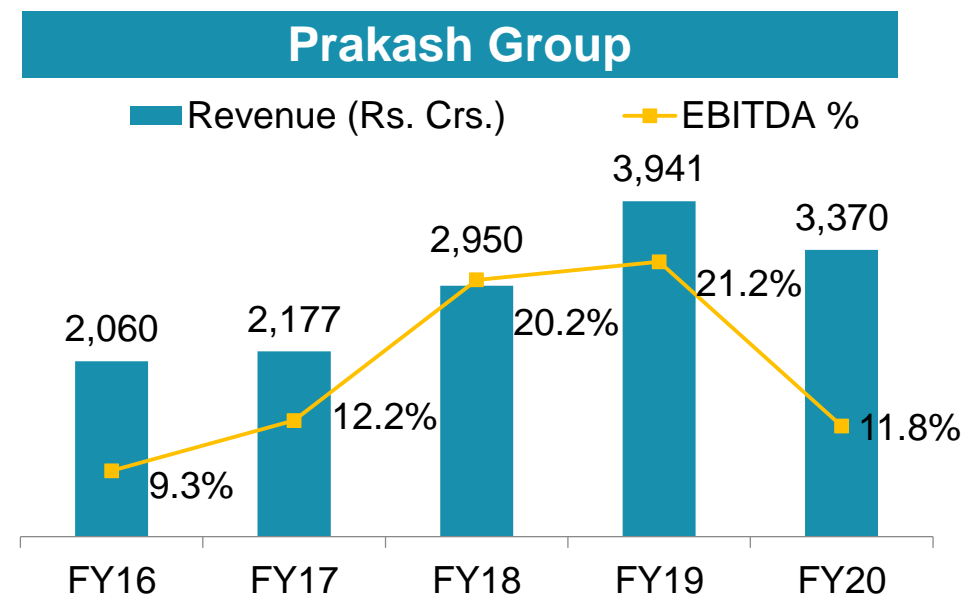
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Prakash Group Introduction

- Prakash Group was incorporated and promoted by Sh. Ved Prakash Agarwal in the year 1980, as a PVC pipes manufacturing company
- Business interests spanning steel, power, mining, networking services, PVC pipes & fittings, flexible packaging
- Rs. 40 billion group value by net worth
- Listed on major Indian bourses - BSE & NSE
- 4000+ employee strength
- Technology & infrastructure at par with global standards
- Focused on quality through innovation & faster reach to customer
- Strong market presence of **Prakash** brand



**Revenue growth of affected in FY17 due to demonetization, in FY20 due to Covid-19*

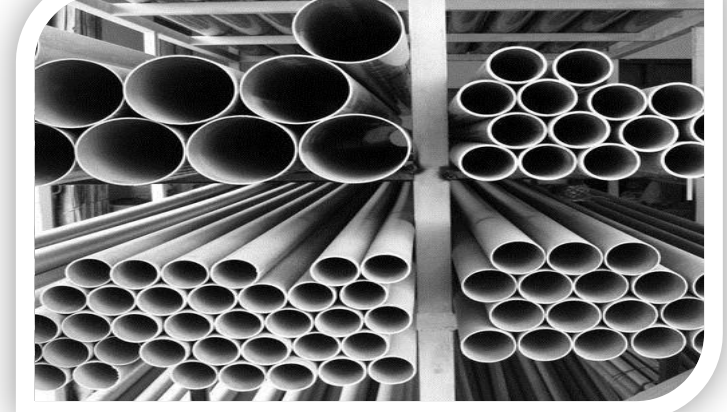
Prakash Group: Diversified Business Segments



Steel



Power



Plastics

Prakash Industries Limited

- **1.1 Mn MTPA** Integrated Steel Plant at Chhattisgarh
- **Captive Iron ore mines** in Chhattisgarh & Odisha

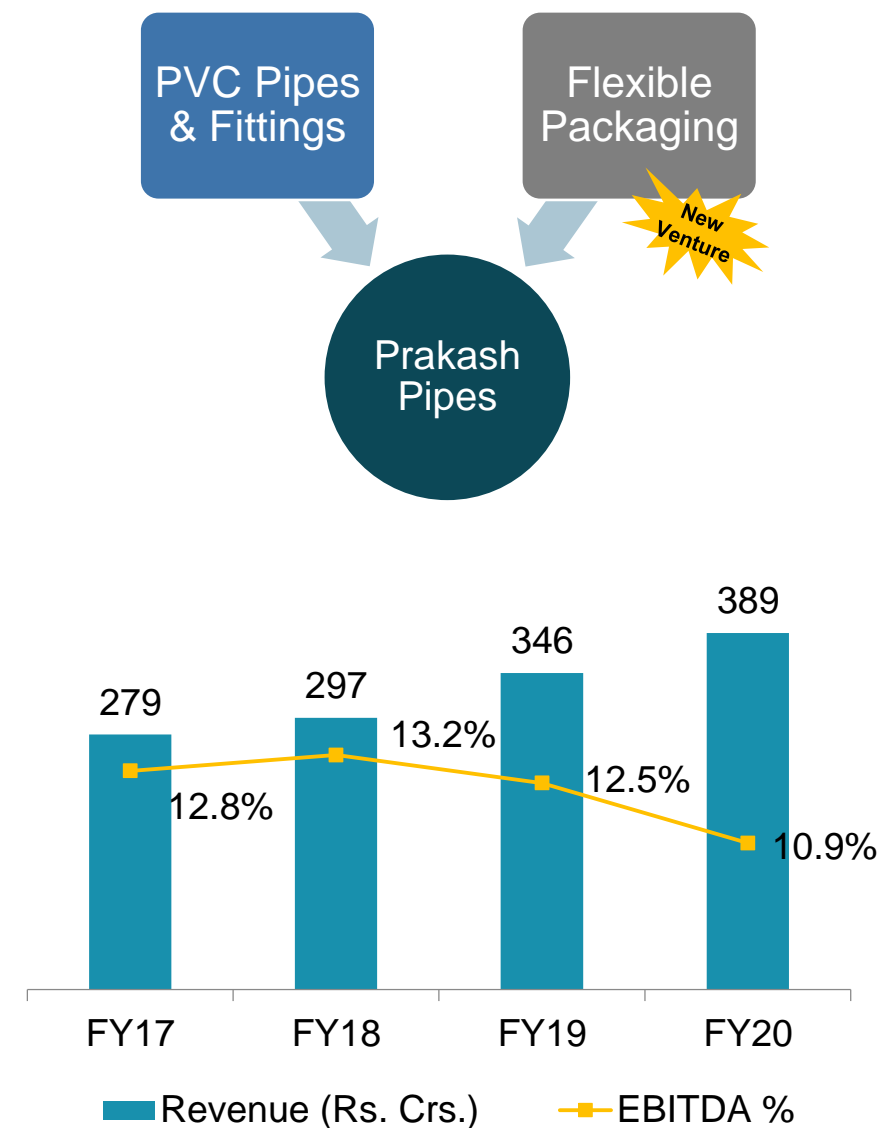
- **230 MW** Captive Power Plant at Chhattisgarh
- **5.6 MW** Wind Farm at Tamil Nadu

Prakash Pipes Limited

- **55,000 MTPA** PVC Pipes & Fittings Plant at Uttarakhand
- **9,600 MTPA** Flexible Packaging Plant at Uttarakhand

Overview – Prakash Pipes Limited

- The state-of-the-art manufacturing facility is situated at Kashipur, Uttarakhand
- The Current Capacity of PVC Pipes & Fittings is **55,000 TPA**
- Strong Brand presence of **Prakash** brand in North India
- Witnessing **Revenue growth of 11% CAGR** in last 4 years
- **Operating Profit margin growth at 6% CAGR** in last 3 years
- Ventured into Flexible Packaging business at Kashipur in 2018 by setting up **9,600 MTPA** capacity in laminates
- The Flexible Packaging unit manufactures high performance barrier films and laminates that find application in packaging of food, beverages, oil, personal care and pharmaceutical products
- The Plant has been set up adjacent to the PVC Pipes & Fittings unit and funded entirely through **internal accruals**



DEBT FREE

**Revenue growth affected in FY17 due to demonetization, in FY20 due to Covid-19*

Product Portfolio – PVC Pipes & Fittings



PVC Pipes



Column Pipes



SWR Pipes



PVC Fittings



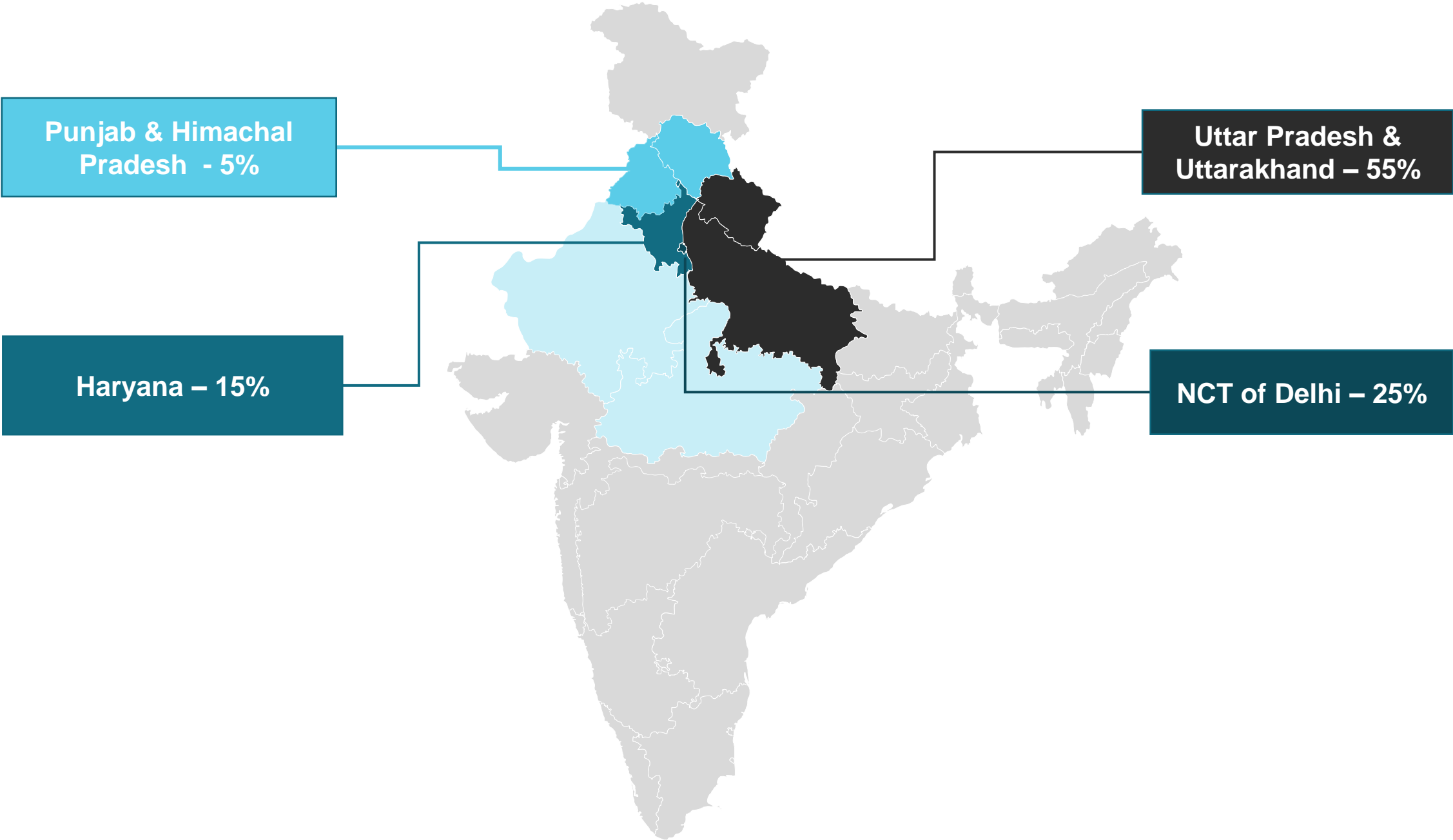
Plumbing Pipes



Casing Pipes

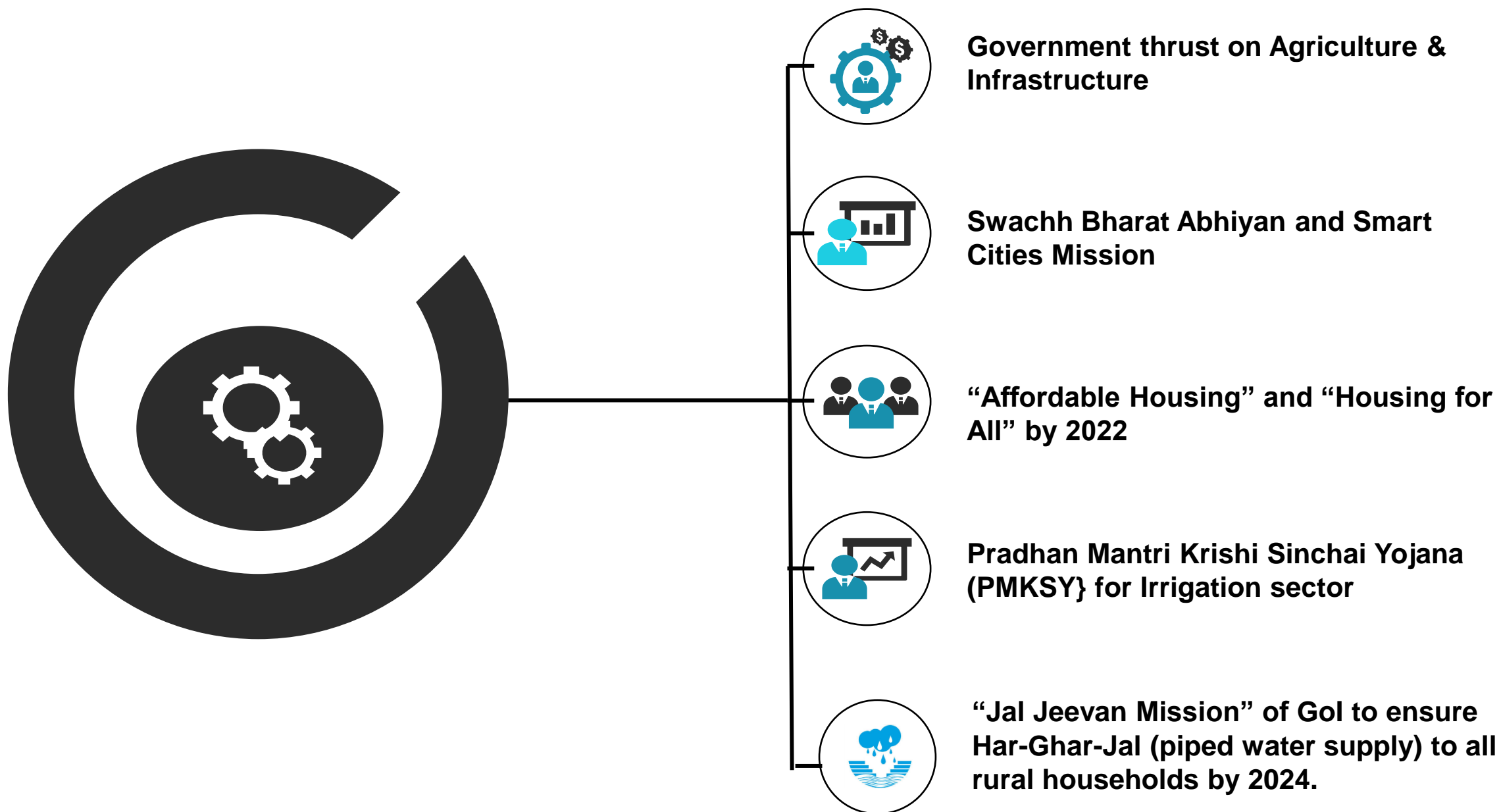


Our Footprint – Geographical Contribution Mix





Key Growth Drivers – PVC Pipes & Fittings



Flexible Packaging – Product Offerings

The packaging business provides technologically superior and sustainable packaging solutions such as high performance barrier films and laminates by rotogravure printing, extrusion lamination / coating, solvent base / solvent less lamination that find **application** in packaging of food, beverages, oil, personal care and pharmaceutical products

- Success driven by high product quality coupled with the engagement of marquee clients – a range of prominent international and Indian brands
- Doubling flexible packaging capacity from 9,600 MTPA to 19,200 MTPA in FY21
- Driving efficiencies through backward integration into manufacturing of inks, Blown PE film, printing cylinders, and forward integration into value-added specialized products
- Vision and mission is to emerge as an attractive fast-growing mid-sized player with an acceptable critical mass

APPLICATION OF FLEXIBLE PACKAGING

FMCG Shampoo & Conditioners Soaps & Detergents Vegetative Oils Tea & Coffee Juices & Drinks Candies Confectionery Aromatic Oils	Wheat, Rice & Cereals Spices
FOOD Chips Biscuits Noodles Frozen food Sugar Dairy Products	INFRASTRUCTURE & OTHERS Cement Motor Oil & Lubricants Paints Garden Fertilizers Pharmaceuticals Contraceptives



Flexible Packaging – State of the Art Technology

Packaging unit at Kashipur (Uttarakhand) is a blend of art, science and technology. It is a state-of-the-art plant with technologically advanced QA/QC lab.



Gravure Printing



Adhesive Lamination



Extrusion Coating Lamination



Multilayer Blown Film



ISO 22000: 2005, ISO 9001: 2015 & BRC ‘A’ Grade Certified Plant

Flexible Packaging – Key Clientele

PATANJALI

Devarpan
Namkeen & Snacks

CG CHAUDHARY GROUP
Touching life everyday

Priniti
Swad Mein No.1

KRBL Limited

ORGANIC INDIA®

Huhtamaki - PPL

CORNITOS

Anmol
Yours Tastefully

PRAN

Cream Bell

Farmer Fresh

EMS

Mrs. Bector's
CREMICA
SINCE 1978

HAVELLS

ODAT
FOOD & BEVERAGE PVT. LTD.

NUTRA
FOODS & BEVERAGES

ASIAN

BIKAJI
ASLEE BIKANERI

Dalmia
Bharat Cement

FOOD
GUPTAJI
PARK

MANforce
CONDOMS

Bambino

Os
Conquer the world

CHITTCHORE
SINCE-1955
Namkeenz

Aakriti
Close to your heart

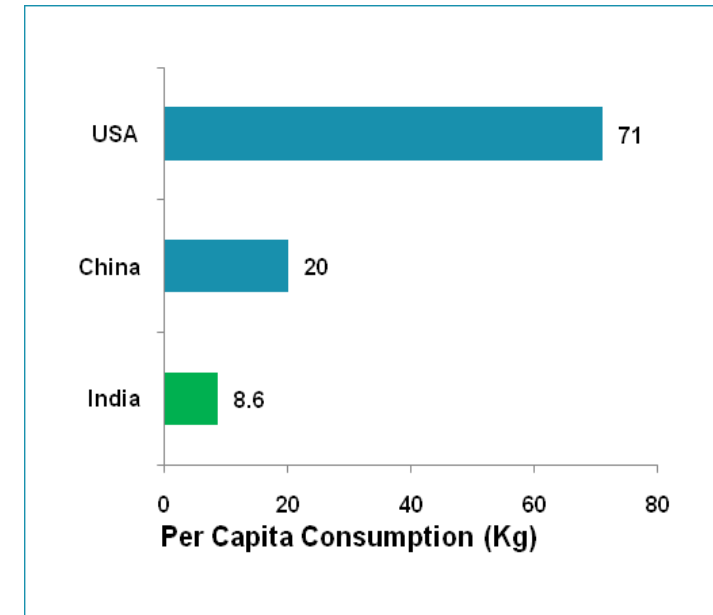
TASTILO
NACHO CHIPS

MADHUSUDAN

among others...

Key Growth Drivers – Flexible Packaging

- Indian packaging industry valued at over INR 3 Lakh Crores and is further expected to grow at 13% CAGR over the next 5 years
- Indian packaging industry growth driven by:
 - Light weight, lower space requirement and carrying convenience
 - Rise of organized retail chains
 - Increase in smaller packages due to more nuclear families
 - Higher e-commerce penetration necessitating multilayer, durable packaging & security
 - Increase in purchasing power and demand for better packaged products
 - Tool for brand building
 - Urbanization and Increase in working woman population





Financial & Operational Performance FY20

PVC Pipe Division

Despite the disruption due to the COVID-19 pandemic, the PVC Pipe division managed growth in its sales volume over the last financial year. Encouraged by the performance of the division and taking into consideration the future growth potential in the sector, the Company has undertaken expansion in its range of PVC fittings, which is a high margin and high growth segment.

Flexible Packaging Division

The Flexible Packaging division has registered phenomenal growth in its sales volume over the last financial year. The growth is driven at the back of new clientele, improved operational efficiencies and greater market acceptability of the products. During the year, the Company also doubled its manufacturing capacity.

Looking at the future growth prospects in the packaging industry, the Company is further doubling its flexible packaging capacity in the current financial year. The expansion is being funded entirely through internal accruals.

Outlook

Despite the challenging economic environment due to the COVID-19 pandemic, the Company is currently operating its manufacturing capacities at optimum utilization levels as demand is robust from essential sectors like Agriculture & Infrastructure for PVC Pipes & Fittings and FMCG & Pharmaceuticals for Flexible Packaging. The Company expects demand will continue to increase in coming quarters.



Profitability Highlights

Profitability (Rs. Crs.)	FY17	FY18	FY19	FY20
Total Revenue	278.7	296.7	345.6	389.2
<i>growth %</i>	<i>10.2%</i>	<i>6.5%</i>	<i>16.5%</i>	<i>12.6%</i>
EBITDA	35.7	39.3	43.2	42.4
<i>EBITDA margin (%)</i>	<i>12.8%</i>	<i>13.2%</i>	<i>12.5%</i>	<i>10.9%</i>
Depreciation	2.7	3.6	4.7	6.5
Interest	-	-	0.2	1.6
Profit Before Tax	33.1	35.7	38.3	34.3
<i>PBT margin (%)</i>	<i>11.9%</i>	<i>12.0%</i>	<i>11.1%</i>	<i>8.8%</i>

Sales Volume (MTPA)	FY17	FY18	FY19	FY20
PVC Pipes & Fittings	34,864	38,772	42,012	43,305
<i>growth %</i>	<i>2.4%*</i>	<i>11.2%</i>	<i>8.4%</i>	<i>3.1%</i>
Flexible Packaging	-	-	316	3,227
<i>growth %</i>				<i>921.2%</i>

*Revenue & volume growth affected in FY17 due to demonetization, in FY20 due to Covid-19



Balance Sheet Highlights

(Rs. Crores)

Equities & Liabilities	FY19	FY20
Shareholder's Funds	109.2	132.3
Debt	0.1	5.1
Non Current liabilities	2.2	2.4
Current liabilities	29.0	39.0
Total Equities & Liabilities	140.5	178.8

Key Ratios	FY19	FY20
Book value per share	Rs. 53.5	Rs. 64.8
ROE	26%	18.7%
Current Ratio	2.6:1	2.3:1
Working Capital Cycle	45 Days	45 Days

Assets	FY19	FY20
Non-current assets		
Fixed assets	43.6	54.8
Other non-current assets	22.7	25.5
Current Assets		
Inventories	17.4	29.6
Trade receivables	31.6	43.2
Cash & other financial assets	14.9	18.5
Other Current Assets	10.3	7.2
Total Assets	140.5	178.8

Corporate Social Responsibility

Corporate Social Responsibility (CSR) has been integral part of the Prakash Group of Companies.

Following are the broad areas of the initiatives:

- Providing safe drinking water facilities
- Conducting training programs for promotion of vocational skills & environmental sustainability
- Promoting health care programs
- Maintaining sports & recreational facilities
- Generating employment opportunities for local people



Clean & Safe Water



Education



Wasteland Reclamation & Plantation



***Thank
You***

For more information:
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or write to pplho@prakash.com