

Prakash Pipes Limited

PVC Pipes & Fittings | Flexible Packaging

Investor Presentation August, 2019



Disclaimer

This presentation and the accompanying slides (the “Presentation”), has been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



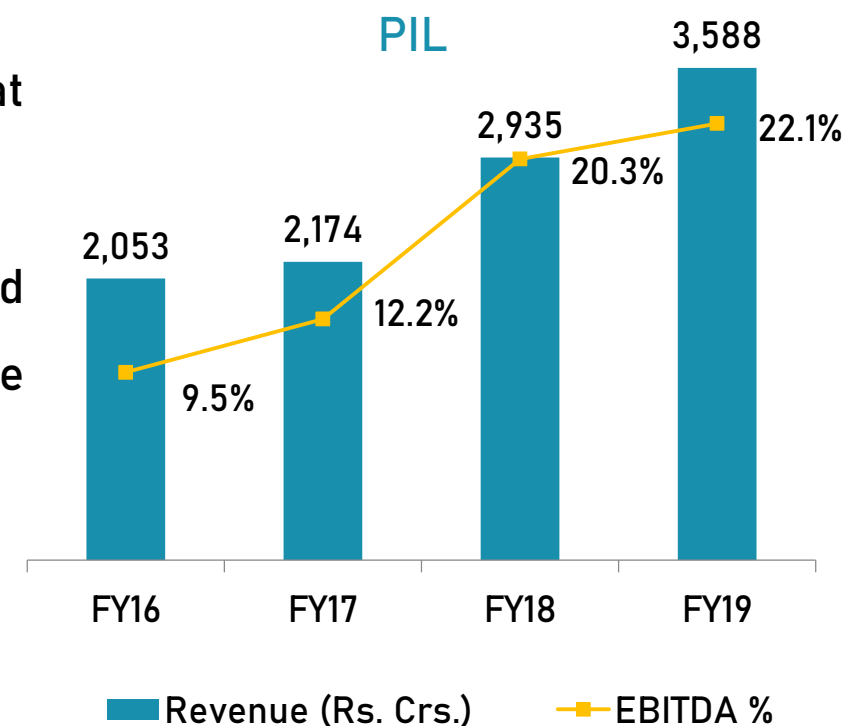
Contents

	Pg.	#
Group Introduction	4	
	6	
PVC Pipes & Fittings	7	
	10	
Financial Highlights	14	
	17	
Company Overview		
Flexible Packaging		
Corporate Social Responsibility		



Prakash Group Introduction

- Prakash Group was incorporated and promoted by Sh. Ved Prakash Agarwal in the year 1980, as a PVC pipes manufacturing company
- The flagship company, Prakash Industries Limited (PIL), went public in the year 1981
- PIL diversified its business into steel manufacturing in the year 1993 in technical collaboration with Lurgi GmbH, Germany and further diversified into thermal power, wind power and mining of coal & iron ore
- PIL's manufacturing facilities for Steel & Power are located at Champa & Raipur, in the state of Chhattisgarh
- PIL has demerged its Plastics Division (PVC Pipes & Fittings and Flexible Packaging) into Prakash Pipes Limited (PPL) through the Scheme of Demerger with effect from 1st April, 2018
- PPL got listed on NSE & BSE on 14th June, 2019
- PPL sells PVC Pipes & Fittings under the brand **Prakash®** which has the largest market share in North India



Prakash Group: Diversified Business Segments



Steel



Power



Plastics

Prakash Industries Limited

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

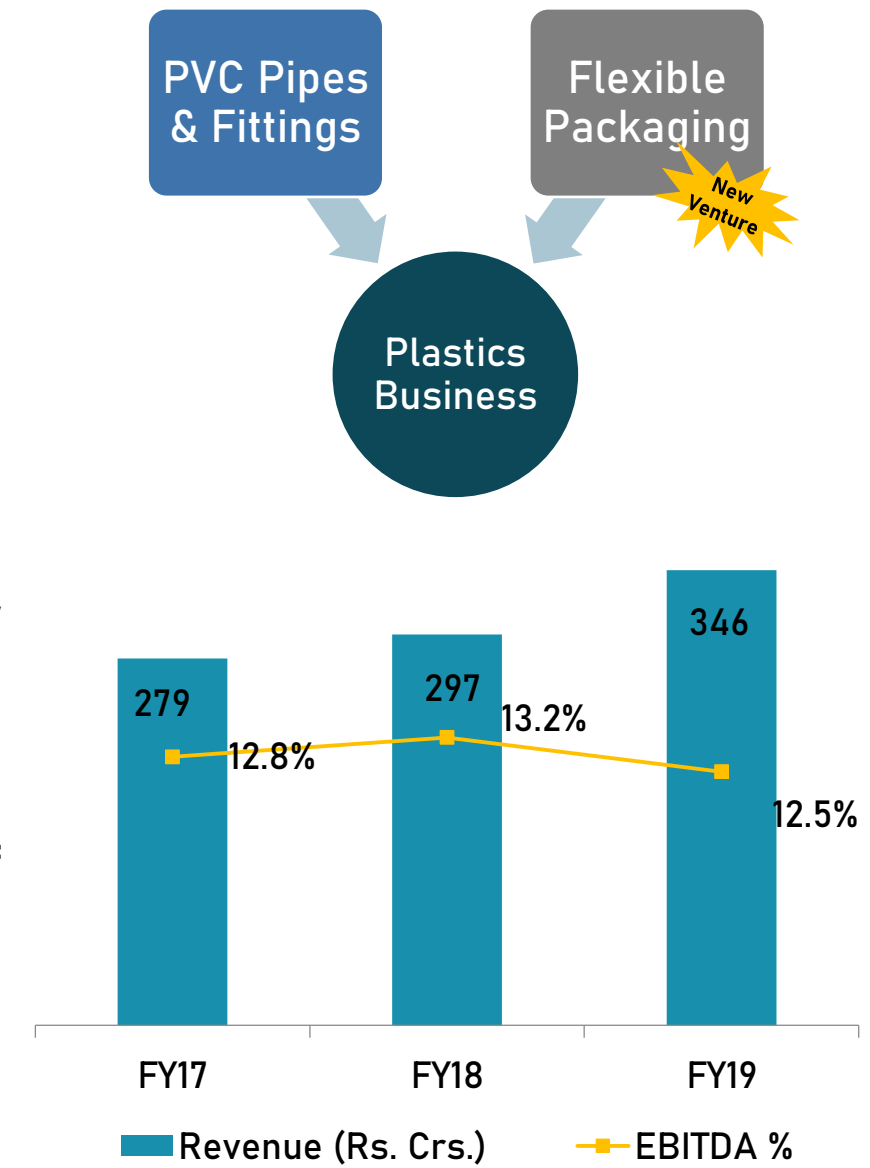
- 230 MW Captive Power Plant at Chhattisgarh
- 6 MW Wind Farm at Tamil Nadu

Prakash Pipes Limited

- 55,000 TPA PVC Pipes & Fittings Plant at Uttarakhand
- 5,400 TPA Flexible Packaging Plant at Uttarakhand

Overview – Prakash Pipes Limited

- The state of art manufacturing facility is situated at Kashipur, Uttarakhand
- The Current Capacity of PVC Pipes & Fittings is 55,000 TPA
- Strong Brand presence in North India
- Witnessing Revenue growth of 11% CAGR in last 3 years
- Operating Profit margin growth at 10% CAGR in last 3 years
- Ventured into Flexible Packaging business at Kashipur in 2018 by setting up 5400 TPA 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



Total Debt : NIL

Note: FY17 and FY18 figures represent Plastics division of PIL which has been demerged into Prakash Pipes Limited

Product Portfolio – PVC Pipes & Fittings



uPVC Pipes



Column Pipes



SWR Pipes



uPVC Fittings



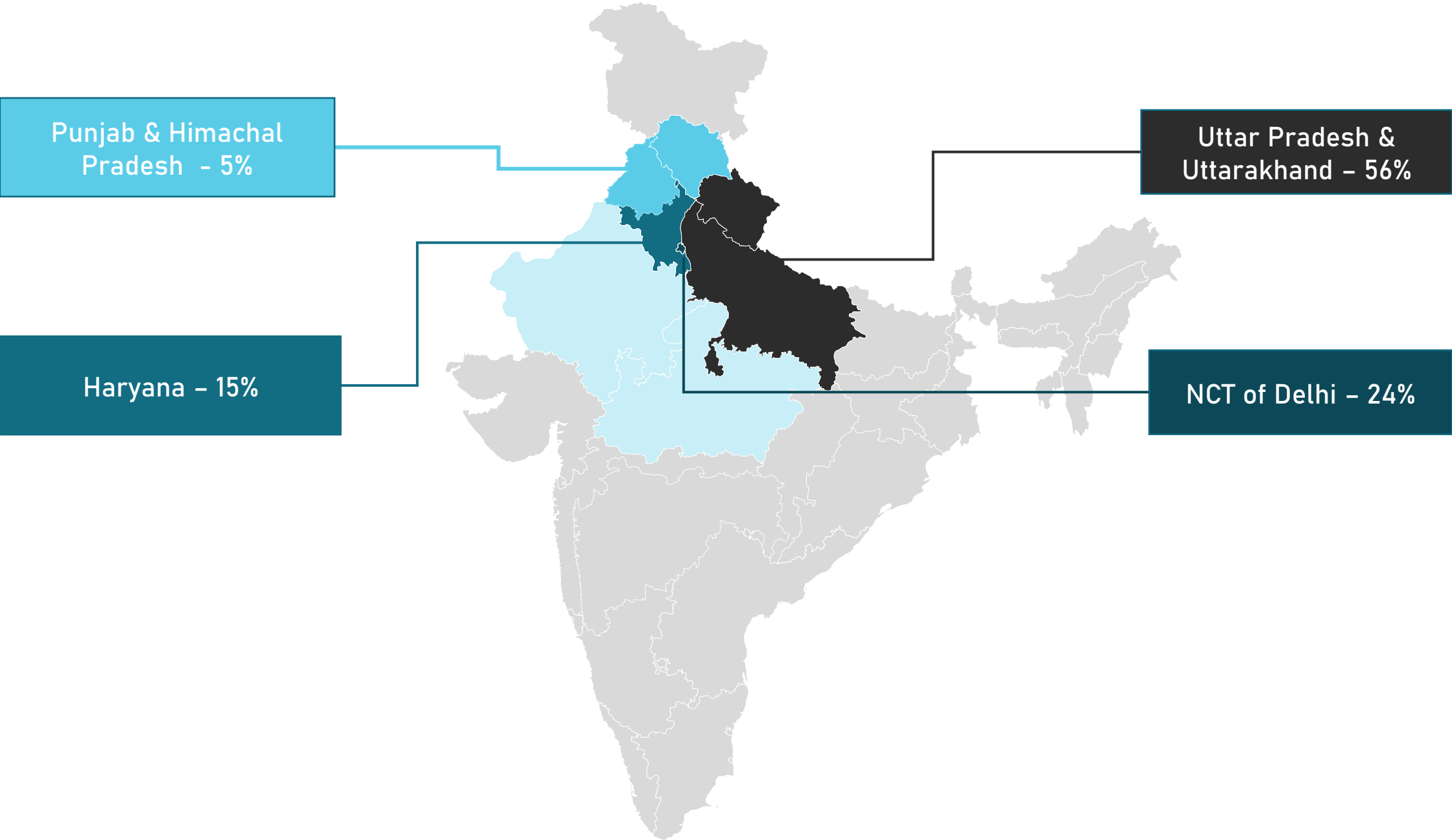
Plumbing Pipes



Casing Pipes



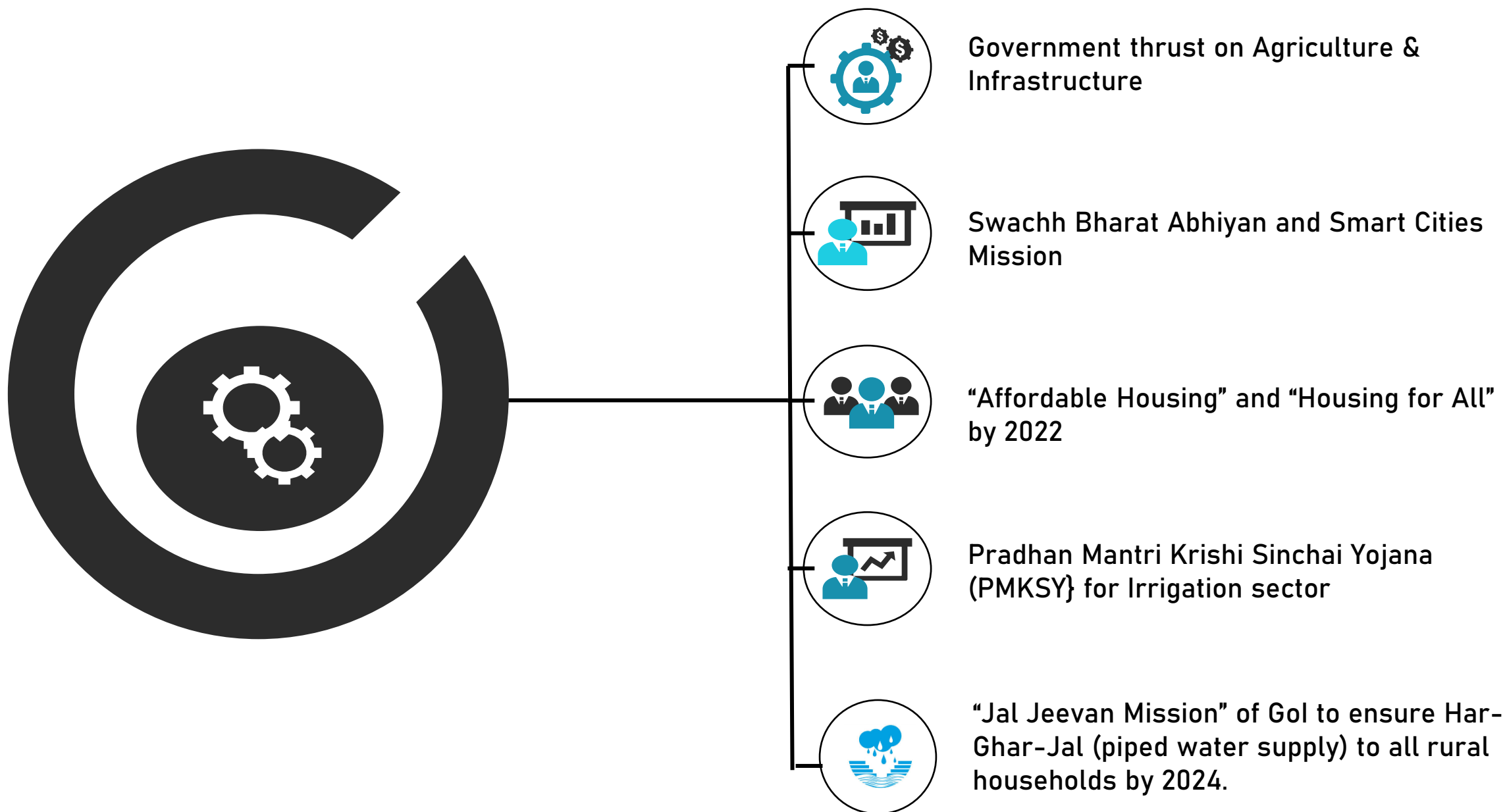
Our Footprint – Geographical Contribution Mix



Based on FY2019 Sales Volumes



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:

FMCG

Shampoo & Conditioners	Confectionery
Soaps & Detergents	Aromatic Oils
Vegetative Oils	Candies
Tea & Coffee	Juices & Drinks

FOOD

Snacks	Rice & Cereals
Noodles	Frozen food
Sugar	Wheat Flour
Cheese & Dairy Products	Spices

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



Multilayer Blown Film



Solvent Less Lamination



Solvent Based Lamination



Extrusion Coating Lamination



Slitting

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

Flexible Packaging – Key Clientele

PATANJALI

Devarpan
Namkeen & Snacks

TASTILO
NACHO CHIPS

Priniti
Swad Mein No.1

Os
Conquer the world

ORGANIC
INDIA®

Huhtamaki - PPL

CORNITOS

Anmol
Yours Tastefully

PRAN

PEPITOS
CRUNCHY SNACK-POPS

Farmer
Fresh

EMS

ESTER
INDUSTRIES LTD.

Naughty
Snacks

Dalmia
Bharat Cement

FOOD
GUPTAJI
PARK

HALDIRAM BHUJAWALA
Choice of India

Saburi

BIZ
ON
GO

CHITTCORE
SINCE-1955
Namkeenz

Aakriti
Close to your heart

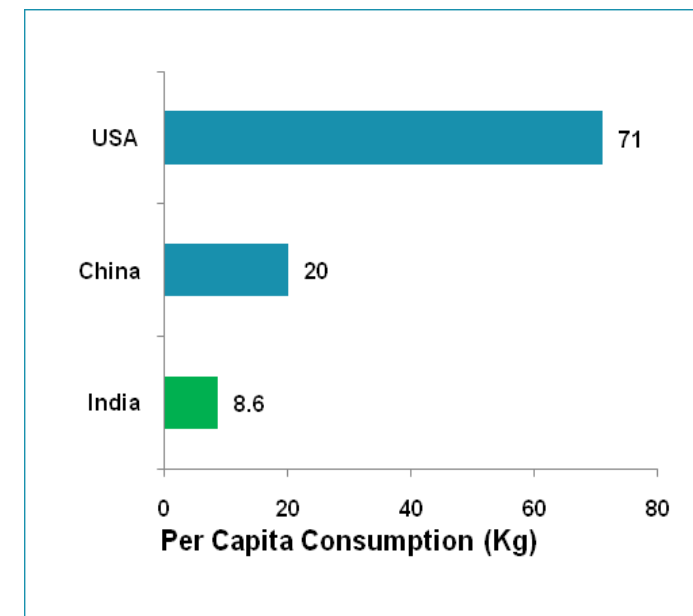
DOCTOR+PLUS

BOUNTIFUL

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 Q1FY20

Particulars	Amount (Rs. Crore)
Total Revenue	105.0
EBITDA	10.8
Profit After Tax	6.4

Highest ever quarterly Sales volume

The Company registered highest ever sales volume of 13,504 tonnes during the quarter, registering growth of more than 15% over the corresponding period of last financial year. The sales growth was primarily driven by higher capacity utilization at the back of healthy and stable demand in the industry.

Future Outlook

In the Union Budget, the Government of India has announced “*Jal Jeevan Mission*” under “Jal Shakti Mantralaya” to ensure *Har-Ghar-Jal* (piped water supply) to all rural households by 2024. This, in addition to existing Government initiatives such as *Pradhan Mantri Krishi Sinchai Yojana (PMKSY)*, *Housing for All by 2022*, *Smart Cities Mission*, *Swachh Bharat Mission*, shall further fuel the demand for PVC Pipes & Fittings in near future.

Looking at the increasing demand scenario, the Company is adding additional capacity of 12,000 MTPA of PVC Pipes & Fittings at its existing plant in Kashipur, Uttarakhand.



Profitability Highlights

(Rs. Crores)

Profitability	FY17	FY18	FY19	CAGR
Total Revenue	278.7	296.7	345.6	
<i>growth %</i>	<i>10.2%</i>	<i>6.5%</i>	<i>16.5%</i>	<i>11.4%</i>
EBITDA	35.7	39.3	43.2	
<i>EBITDA margin (%)</i>	<i>12.8%</i>	<i>13.2%</i>	<i>12.5%</i>	<i>10.0%</i>
Depreciation	2.7	3.6	4.7	
Interest	-	-	0.2	
Profit Before Tax	33.1	35.7	38.3	
<i>PBT margin (%)</i>	<i>11.9%</i>	<i>12.0%</i>	<i>11.1%</i>	<i>7.6%</i>

(Metric Tonnes)

Sales Volume	FY17	FY18	FY19	CAGR
PVC Pipes & Fittings	34,864	38,772	42,328	
<i>growth %</i>	<i>2.4%*</i>	<i>11.2%</i>	<i>9.2%</i>	<i>10.2%</i>

*Volume growth in FY17 was affected due to demonetization

Note: FY17 and FY18 figures represent Plastics division of PIL which has been demerged into Prakash Pipes Limited



Balance Sheet Highlights

(Rs. Crores)

Equities & Liabilities	FY19
Shareholder's Funds	109.2
Debt	0.1
Non Current liabilities	2.2
Current liabilities	29.0
Total Equities & Liabilities	140.5

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

Assets	FY19
Non-current assets	
Fixed assets	43.6
Other non-current assets	22.7
Current Assets	
Inventories	17.4
Trade receivables	31.6
Cash & other financial assets	14.9
Other Current Assets	10.3
Total Assets	140.5

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:
Visit www.prakashplastics.in
or write to pawank@prakash.com