

# Emmbi Industries Limited Investor Presentation Q4, FY 2017-18



## Disclaimer

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# 1. Q4FY 2018 – Highlights



# Targeted v/s Realized



## FY18 Projections

## Achievements in FY18

### Financial Performance

Targeted Revenue Growth: 15-18%  
EBITDA Margin: 20-25bps per quarter  
PAT Growth: >20%

Revenue Growth: +16%  
EBITDA Margin: 23bps per quarter  
PAT Growth: +23%

### Product Development

Aim to Launch New Product / Service and Processes Improvement every quarter for improving profitability

1. Q1FY18 | Wool Pack
2. Q2FY18 | Poultry Curtain
3. Q3FY18 | Manufacturing 4.0
4. Q4FY18 | Machine Sealing

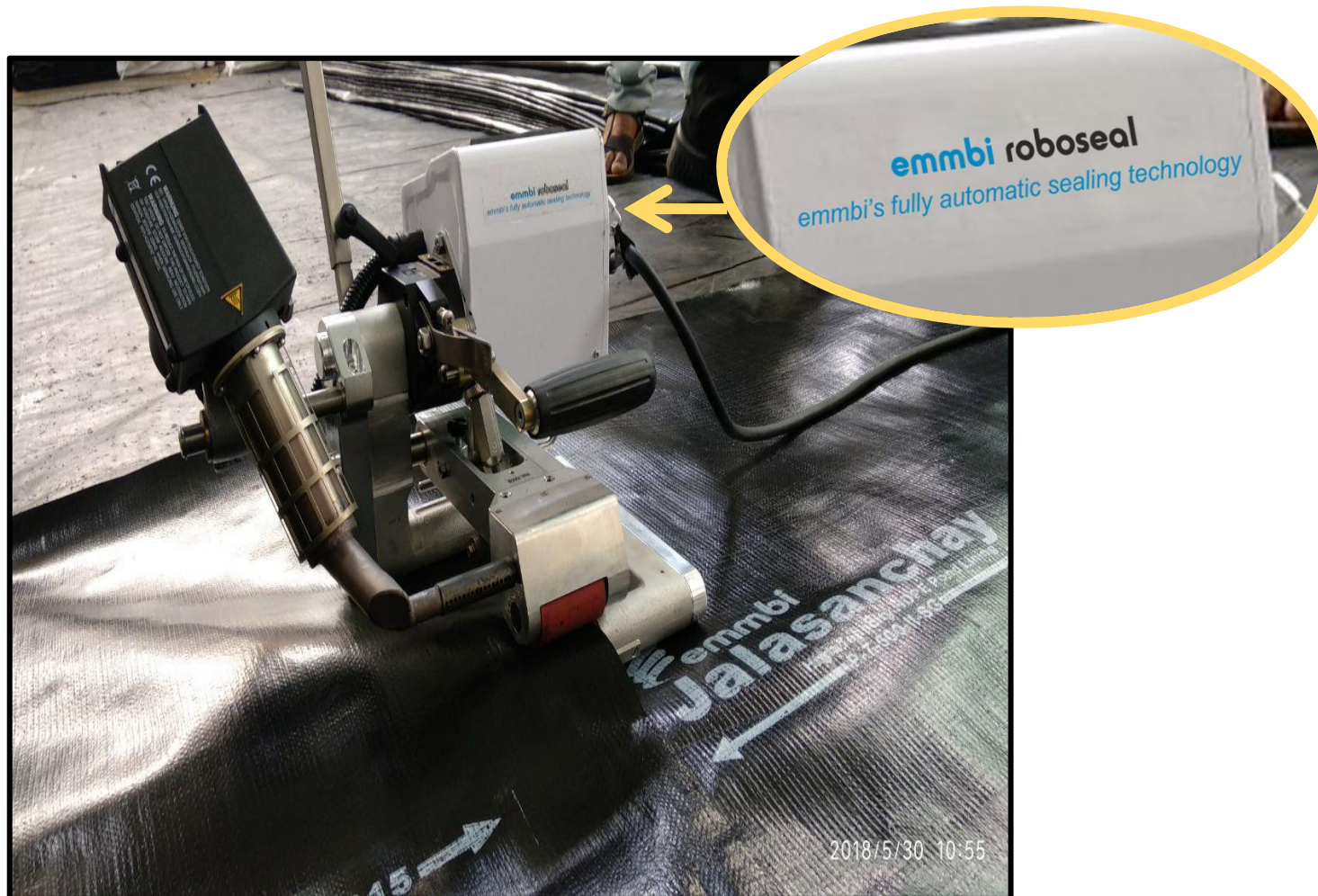
### Operational Performance

Average Ponds per day-4  
Distributors and Agents-100  
Ground Force Support-10 members  
Share in topline of B2C Vertical-10%

Average Ponds per day-4  
Distributors and Agents-90  
Ground Force Support-10 members  
Share in topline of B2C Vertical-10%

## Key Innovation

World's first Company to launch the robotic sealing application for Pond Liners



- ✓ Improved precision and speed for application with minimum human intervention
- ✓ Reduces the seepage rate to near Zero level
- ✓ Enables Emmbi to launch world's widest width liners

## 2. Financial Performance



# Sustained growth across all financial parameters

| (₹ Millions)    | 2013  | 2014  | 2015  | 2016   | 2017   | 2018   |
|-----------------|-------|-------|-------|--------|--------|--------|
| <b>Revenues</b> | 1,475 | 1,680 | 1,929 | 2,177  | 2,410  | 2,790  |
| <b>EBIDTA</b>   | 126   | 154   | 202   | 270    | 297    | 353    |
| <b>PAT</b>      | 32.42 | 43.34 | 59.65 | 105.95 | 124.35 | 152.62 |
| <b>EPS</b>      | 1.91  | 2.45  | 3.37  | 5.99   | 7.03   | 8.63   |
| <b>BV</b>       | 30.73 | 32.89 | 35.86 | 41.24  | 47.74  | 55.53  |

**40+  
Products**

**14  
Patents**

**200+  
Clients**

**56  
Countries**

| Increase                     | 2013   | 2014  | 2015   | 2016    | 2017   | 2018   |
|------------------------------|--------|-------|--------|---------|--------|--------|
| <b>Increase in Revenue %</b> | 40.52  | 13.94 | 14.81  | 12.83   | 10.72  | 15.77  |
| <b>EBIDTA %</b>              | 9.01 % | 9.69% | 10.99% | 12.97 % | 12.94% | 13.87% |
| <b>Increase in PAT %</b>     | -2.02  | 33.70 | 37.62  | 77.63   | 17.36  | 22.73  |



# Key Operating Highlights



Revenue

**+15.77%**

(12 Months Y-O-Y)

EBIDTA

**+93 bps**

(12 Months Y-O-Y)

PAT and EPS

**+22.73%**

(12 Months Y-O-Y)

- Healthy growth in Consumer Business driven by Brand awareness
- Capturing New Markets by strengthening distribution network
- Steady Improvement in Product Mix through strong in-house R&D
- Adoption of Industry 4.0 (Internet of Things & Machine Learning) driving Operational Efficiencies

# 3. Product Verticals and Growth Drivers



# Business Verticals



## Specialty Packaging

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**Estimated Global Market:  
30 US \$ Billion**

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Currently accounting for the bulk of our products, the Specialty Packaging division caters to a wide array of industries, from food and pharma to chemicals, cement and more – to transport and store materials.



## Advanced Composites

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**Estimated Global Market:  
36.5 US \$ Billion**

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The Advanced Composites division focuses on creating high-tech solutions for specialized applications.

This division creates solutions for hazardous waste management, asbestos removal, fire-retardant applications etc.



## Water Conservation

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**Estimated Global Market:  
2.5 US \$ Billion**

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The Water Conservation portfolio, as the name suggests, focuses on creating solutions for the storage, transport and distribution of water.

These products – like pond liners and flexible tanks – are marketed under the Jalasanchay brand.



## Agro Polymers

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**Estimated Global Market:  
4 US \$ Billion**

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Products manufactured by the Agro Polymer division are marketed under the Krishirakshak name. These focus primarily on crop protection and de-risking the farmer from the weather.

Typical applications include Mulch Films, Crop Covers and flexible pipes.

# Growth Drivers



**Specialty Packaging**



**Advanced Composites**



**Water Conservation**



**Agro Polymers**

**Strengthen B2B Base**

Consolidate across industry verticals

**Increased share of Value Added Products**

Focus on margin expansion through better acceptance of value added products

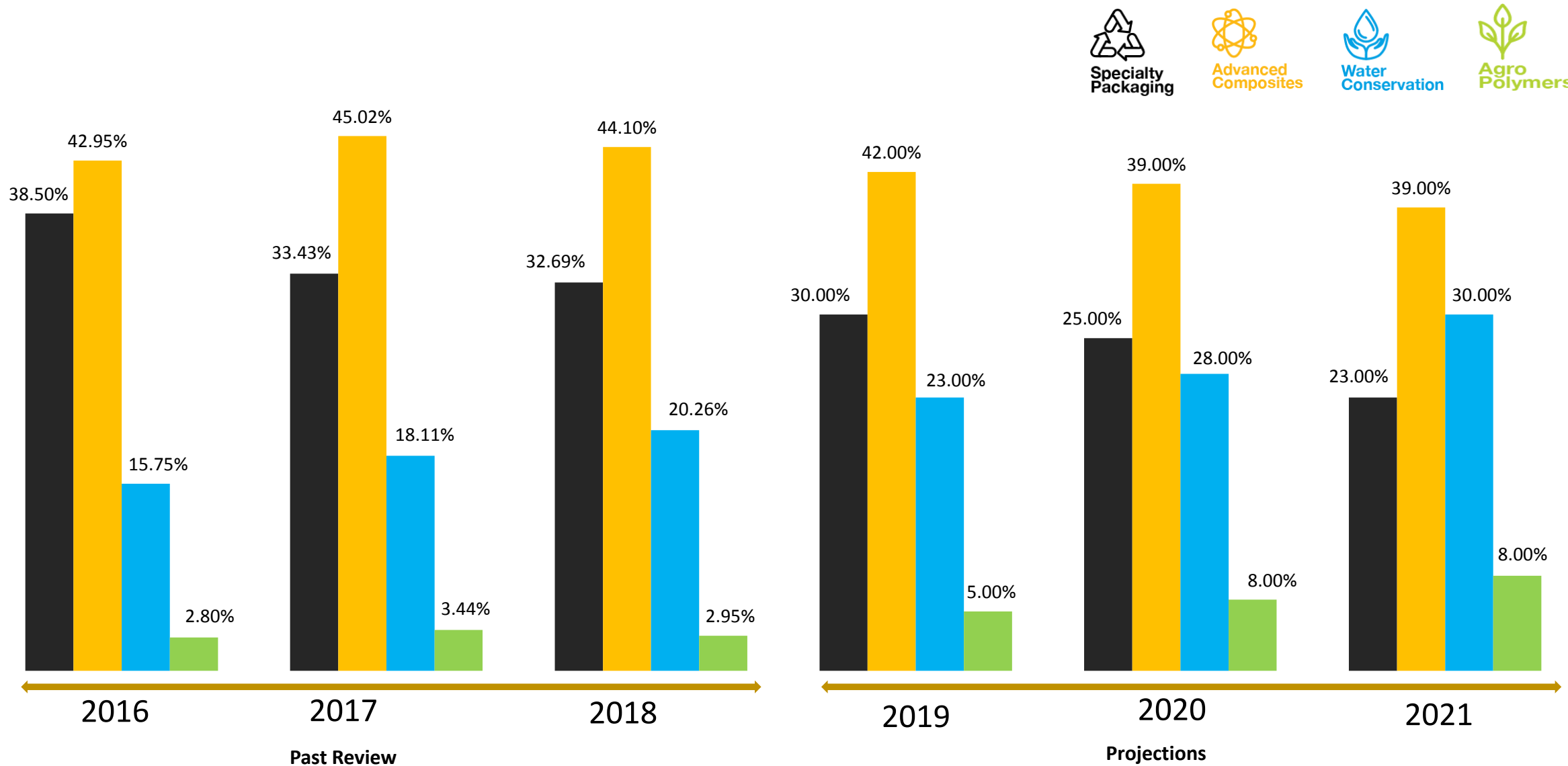
**Expand B2C Vertical**

Develop advanced products in B2C segment to drive margins

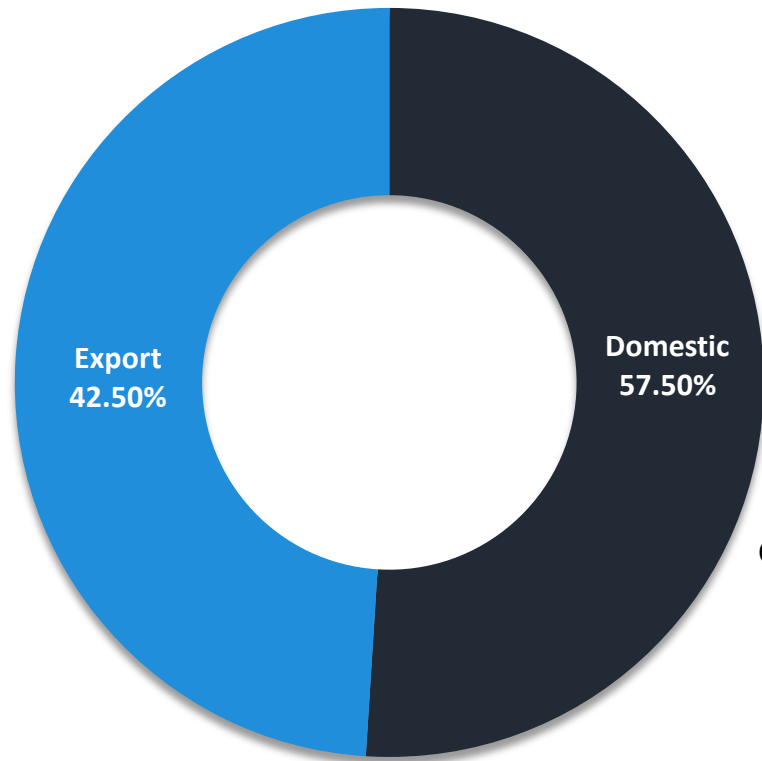
**Shift in Buying Pattern**

Cater to greener, cleaner and efficient crop protection technology

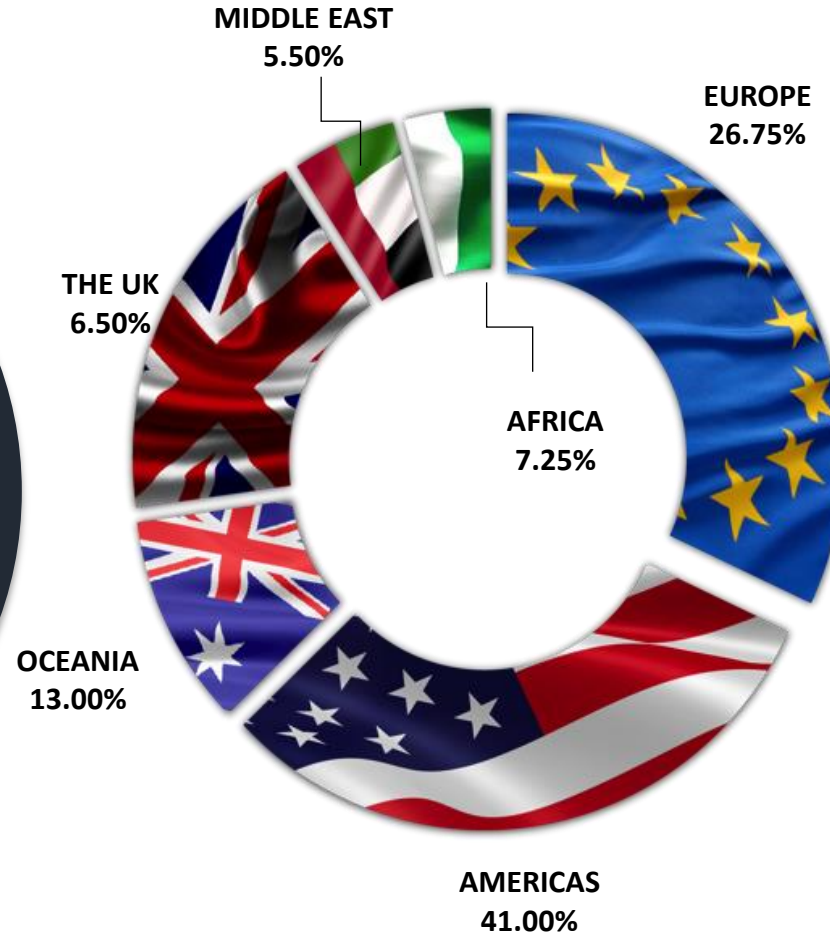
# Revenue Breakdown



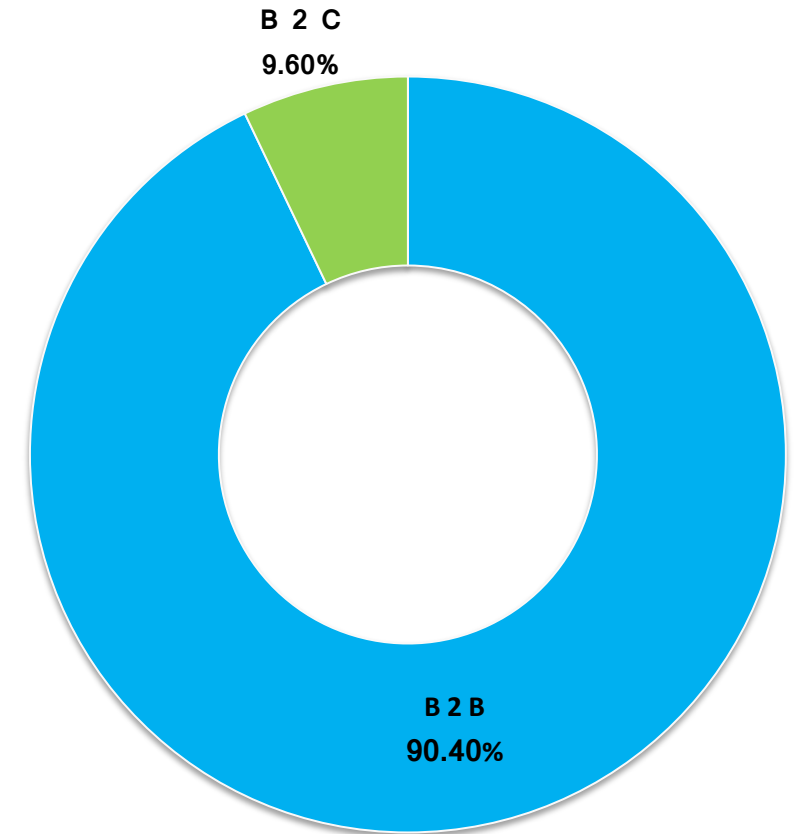
# Business by geography and vertical



**BUSINESS SPLIT AS OF 31<sup>st</sup> March, 2018**



**EXPORT : GEOGRAPHIC SPREAD**

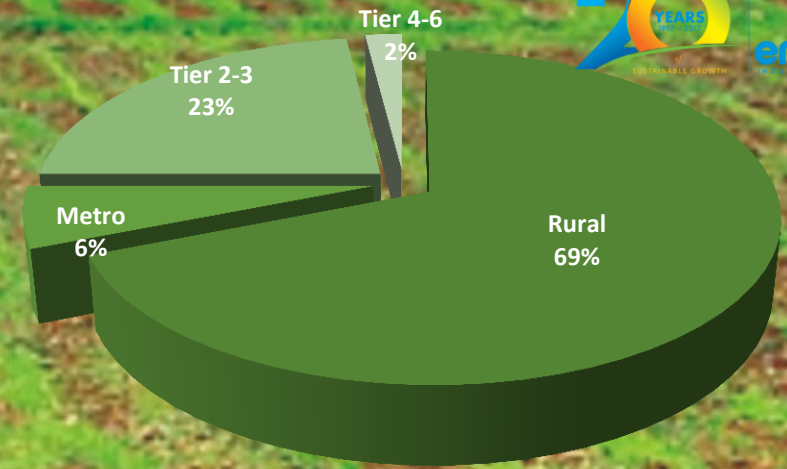


**BUSINESS SPLIT : B2B vs B2C**

## 4. Future Outlook – The Focus on Rural India



# India is still primarily rural!



**68.8%**  
of India lives in villages\*

**18.0%**  
of our GDP is agriculture#

\*Source: 2011 Census, Govt of India

# Source: KPMG's Indian Economic Survey, 2014-15



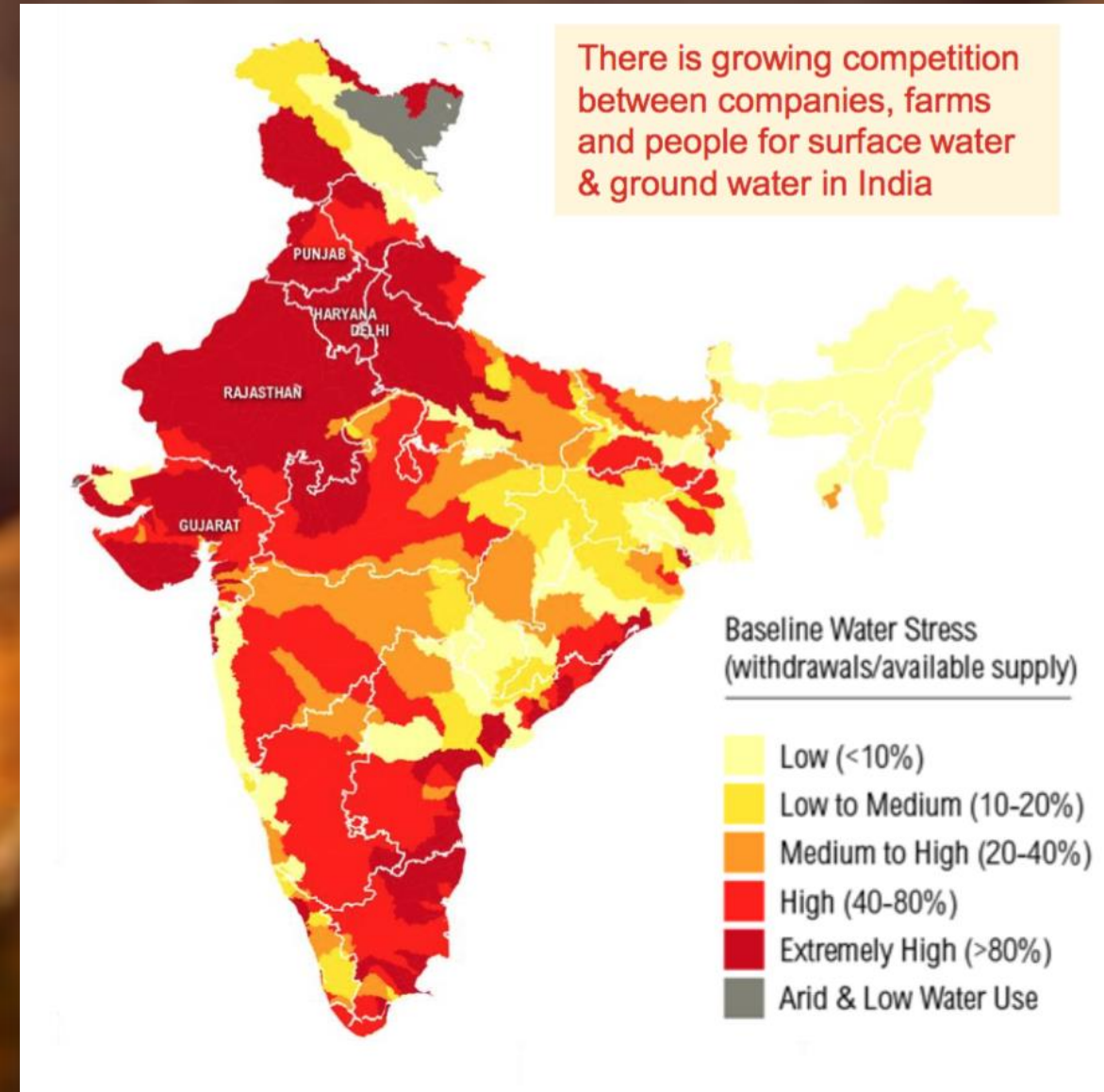
But fraught with challenges

Water, a primary concern

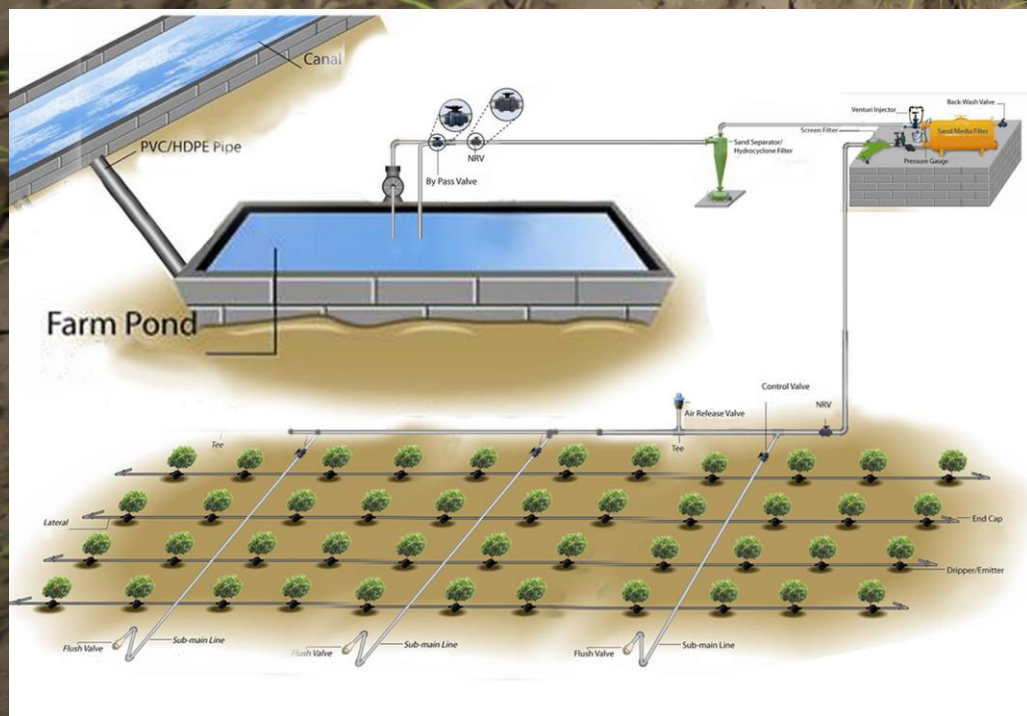
~54%

India lives faces high to very high water stress\*

\* Source: Water Resources Institute



# Importance of Pond in the new age micro irrigation



- Pond a Stagnant source of water is first building block of micro irrigation
- Depletion in underground water table causing conventional wells & borewells unviable
- Govt. mandating certain crops must be micro-irrigated (Sugarcane, Fruits)
- Potential of Micro Irrigation is 69 mn hectares
- Present penetration is around 9 mn hectares
- Less than 20 % of them have ponds

# Clearly, We have a role to play...

## What we've achieved

2,000+ Ponds

4,000+ Hectares

2 states

18 months

1 Pond Every 6 Hours (Avg.)

We believe we can create

**One Pond Every Hour**

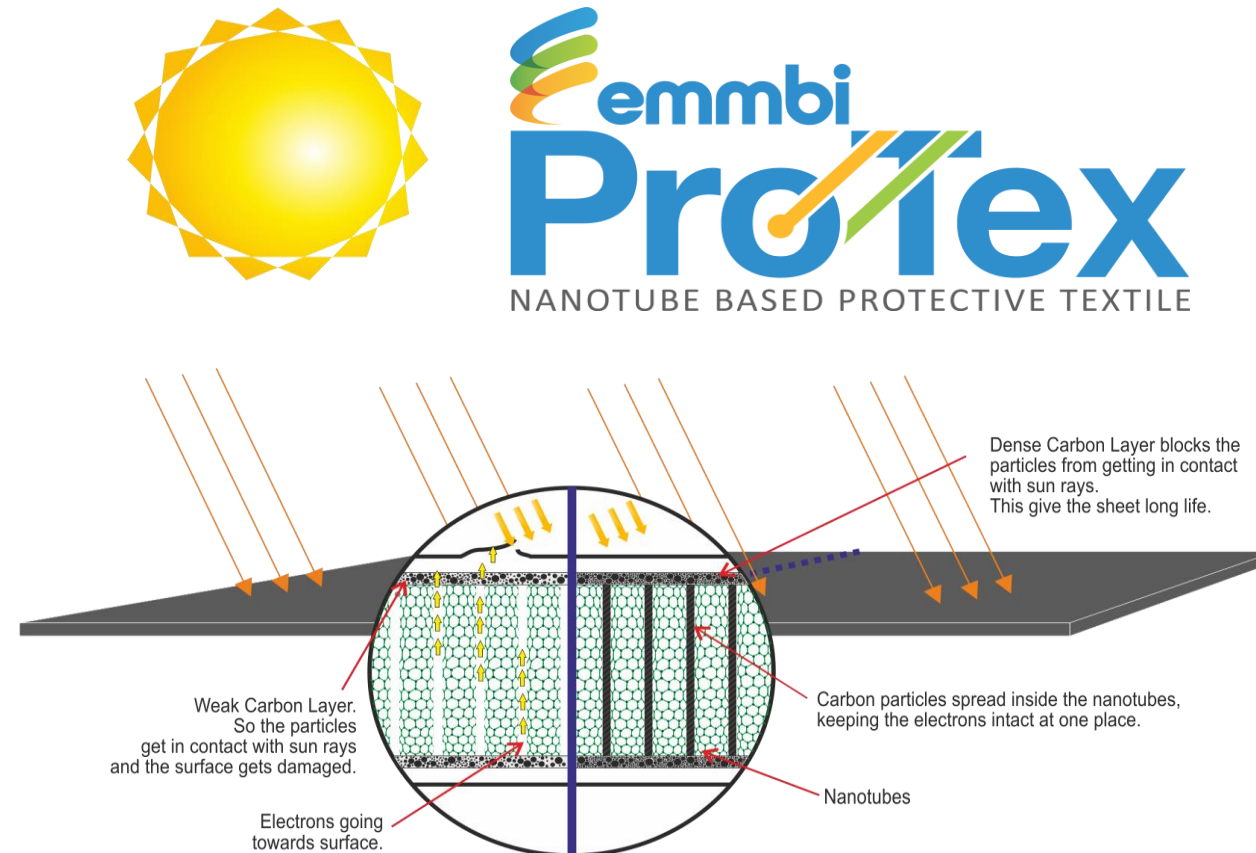
With existing capacity

4 more states in next 3 Years

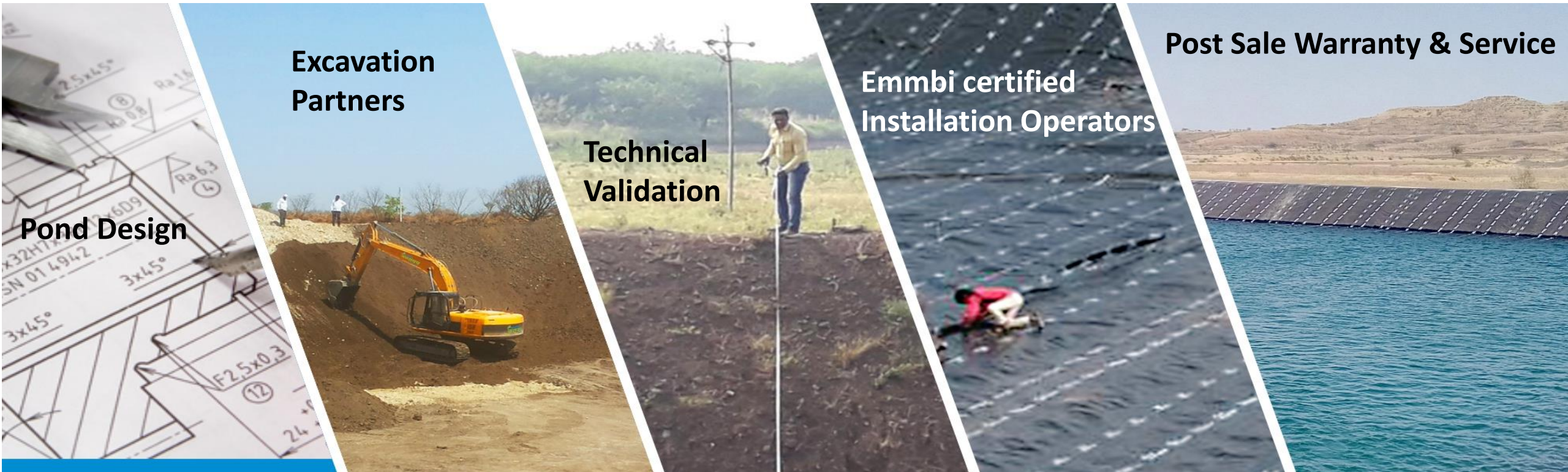
**Impact Film Link**

<https://www.youtube.com/watch?v=8CfYFEWSITg>

- A Special Woven Polymer Based Pond Liner with worlds widest width to reduce joints and improve effectiveness



- Complete End-to-End Solution: Pond Design, Excavation Partners, Technical Validation, Product Supply, Emmbi Certified Installation Operators, Post Sale Warranty & Service Team



- Creating a Brand Emmbi synonyms to water storage



**Village Meetings**



**Wall Painting**



**Agro-Exhibitions**

# Allied Products

- Flexi tanks for the Rural Transportation
- Evaporation Management for improving the Storage Efficiency
- Crop Protection and Yield Enhancement Products





# Appendix A, B & C



# A. Innovation – Emmbi's DNA



# Our in-house R&D Center



- Govt. of India, Department of Science & Technology Certified
- Filed 14 Patents in past 6 years
- 35 member Dedicated R & D Team
- Approx. 2.5 % of Revenue is allocated as budget
- Helps maintain the target of “20 % Revenue from product developed in past 20 months”

# Early successes



## Poultry Curtain (Agro Polymer)

- **Application:** Poultry Industry. Poultry Curtain is a low-cost light polarizer to improve the growth of chicks.
- **What they use Conventionally?:** Electric Bulbs or Yello Fabric
- **What's unique:** We have designed the product which can filter a light of the particular frequency which helps in the growth of the chicks.
- **Market Potential in focus area:** Rs. 20.00 Crores Per Annum.

# Early successes



## Coffee Bag (Advanced Composites)

- **Aroma Lock:** A specialized technology using aluminum film, that helps preserve freshness of food
- **Application:** transportation of Coffee, Tea and similar commodities that need to keep retain their natural aroma and flavors
- A super convenient sealing mechanism helps on-site filling of the material on farms

# Early successes



## Wool Pack (Advanced Composites)

- **Application:** Contamination-free packaging of raw wool
- **Why it's better:** traditionally, wool was packed in nylon packaging which is very expensive. We developed a special blend of polymer that offers all the conventional woolpack benefits at half the cost
- Wool Pack has been designed and developed by Emmbi Innovation lab, based on standards defined by various Wool Exchange Authorities across the globe.
- **Potential:** Global wool production is about 2 million tonnes per year hence the scope for woolpack is massive.

# Early successes

## Animal Discharge Route



Patent Pending - TEMP/E-1/33242/2017-MUM

Helps trapped animals and reptiles to quickly and safely exit farm pond

## Anti-Evaporation Cover



Patent Pending - TEMP/E-1/33245/2017- MUM

Ultra-light UV stabilized HDPE fabric Greatly reduces losses of water to evaporation

## Water Landing Strip



Patent Pending - TEMP/E-1/33249/2017-MUM

Protects your pond liner panels from being degraded by the pressure exerted by water falling from a height.

## Dead Weight Pipe



Covers a larger area than a traditional cement bag  
Long Life (UV stabilized)

## Pond Lining Accessories

These Patented products further enhance the performance of the pond liner by offering safety and saving of water by evaporation loss

# Contamination-free manufacturing



emmbi  
**CleanTec**  
CONTAMINATION-FREE PRODUCTION SYSTEM



## B. Product Profile of Emmbi



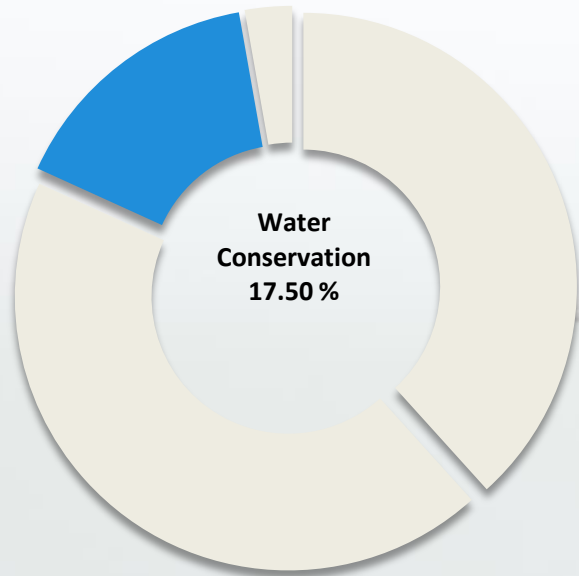


Water  
Conservation

Helped irrigate **3,300 Hectares** of crops using **1650 ponds** in 2 states of India in past **18 months**

Pic: Pond for 8 million ltr Water Storage  
Created by Emmbi At Pahur, Dist Jalgaon,  
State of Maharashtra, India

# Product Snapshot



Pond Liner



Check Dam

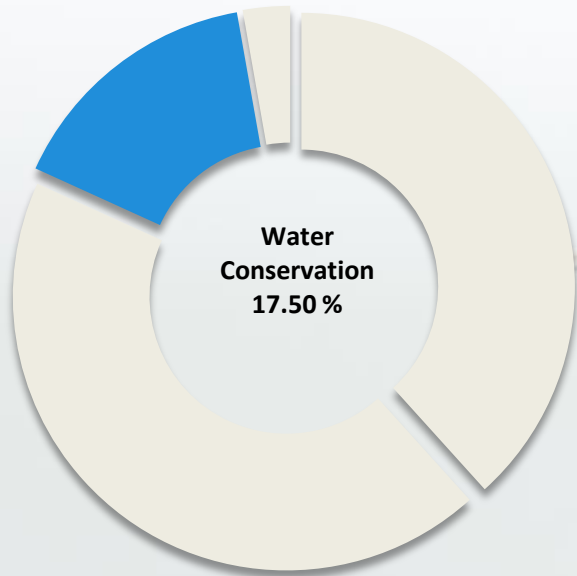


Canal Liner



Collapsible Pipe

# Product Snapshot



Cycle Tank



1000 Liter Flexi Tank



500 Liter Standing Tank



Open Flexi Tank

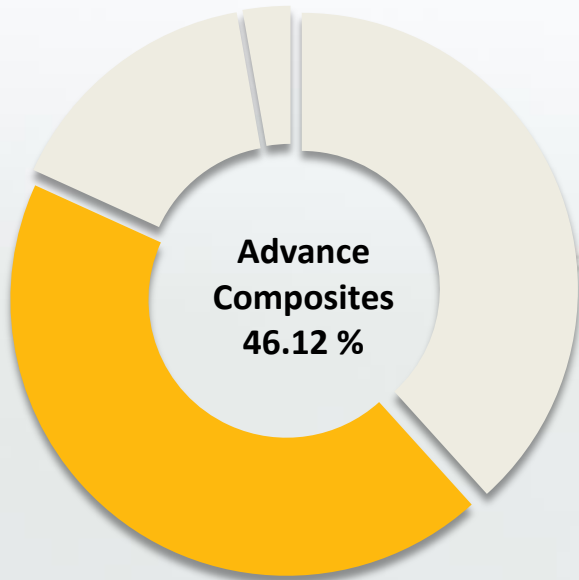


Advanced  
Composites

Helped to **protect priceless lives and assets worth Billions** with our **Advanced Composite Range**



# Product Snapshot



UN Certified FIBC



Application of UN Certified FIBC



Water – Slug Separator

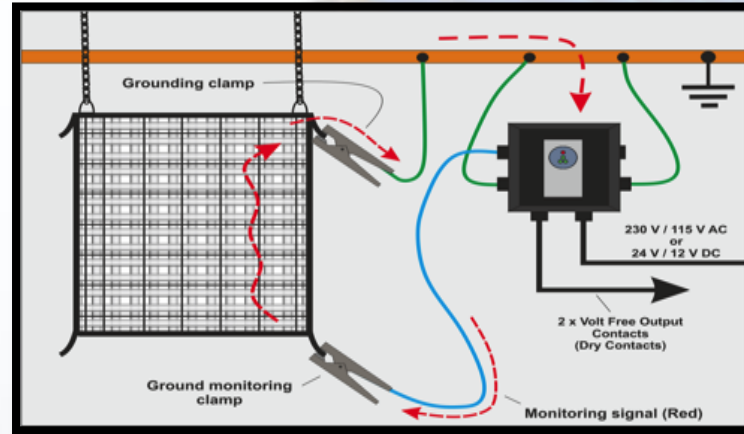
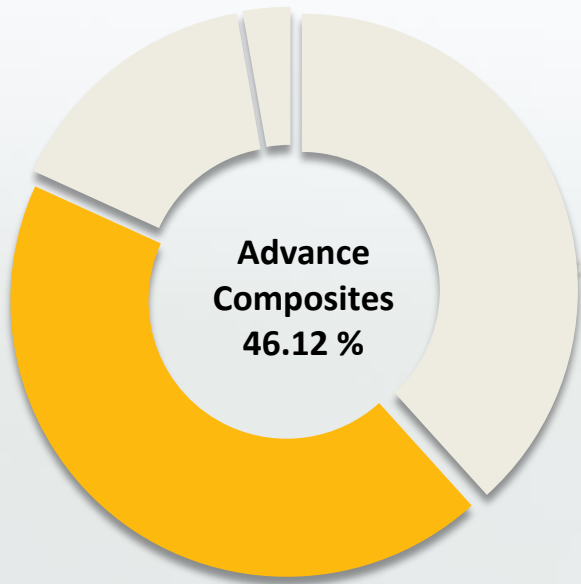


Application of Anti Carcinogenic Packaging



Nuclear Power plant Waste Disposal

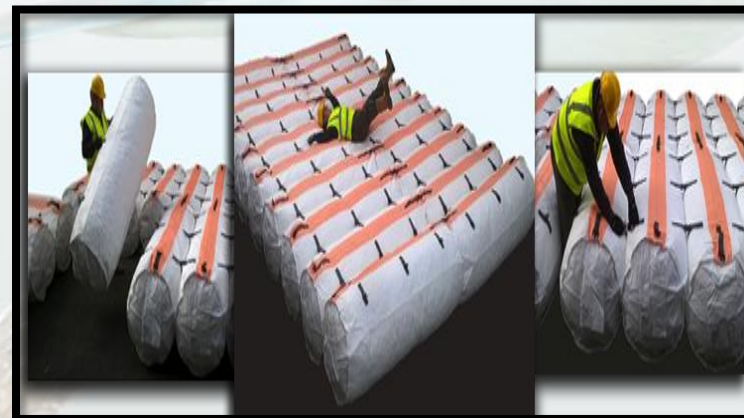
# Product Snapshot



**Electrically Conductive Polymer**



**Anti-Corrosive VCI Films**



**Application for Fall Arrest**



**Anti Corrosive Fabric**



Helped put **4 Million Tones** of food & Other Cargo in your service every single year, **safely**

# Product Snapshot



Construction FIBC



Application of Construction FIBC



Packaging Barrier Films

**Bulk Packaging with  
lowest carbon foot print  
only  
0.7 gm polymer can hold  
up to 1 kg of Material**



# Product Snapshot



Specialty  
Packaging



“Form Stable” Conductive



Liquid & Solid Container Liner



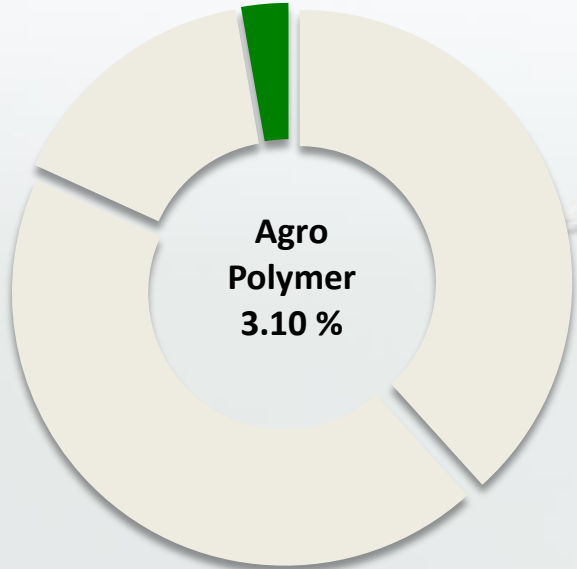
Urban Waste Disposal

**Perfect partner to new age Supply Chain system , and Hyper Local Models of Distribution, Typically used by Multinationals & e-commerce companies**

Help protect your food from contamination from hazardous chemicals and pesticides, **naturally**

Actual Picture from KVK Baramati, Dist Pune,  
State of Maharashtra, India

# Product Snapshot



Mulch Film



Crop Cover



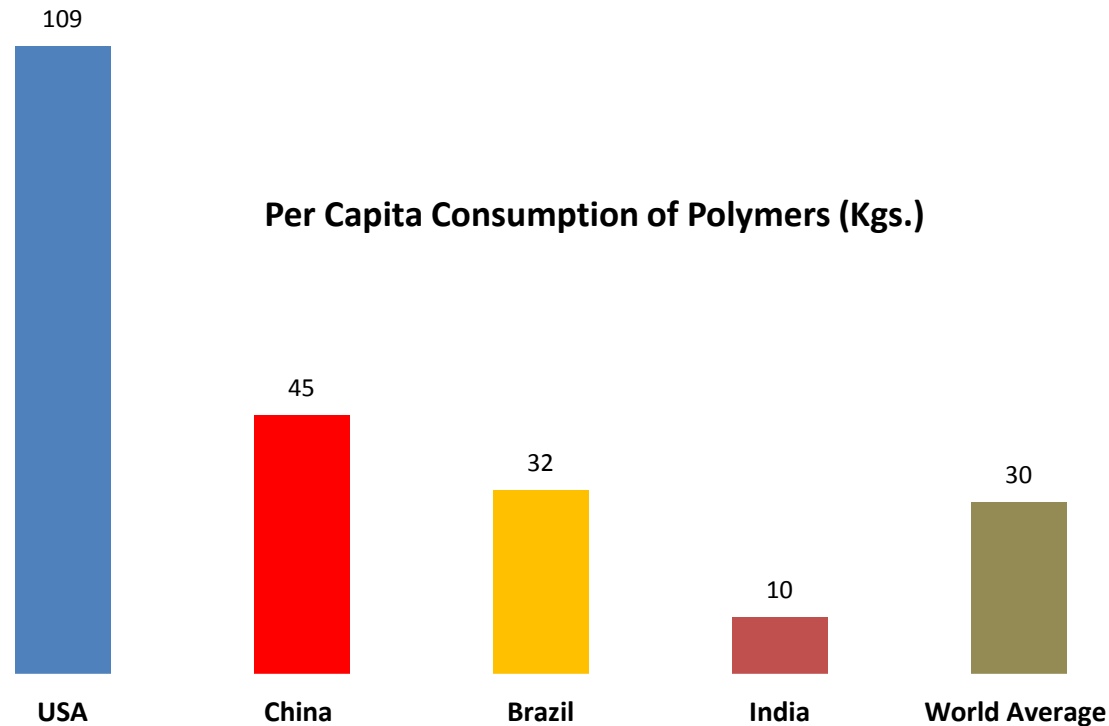
Silage Incubator



Shade Net

## C. Polymer Processing Industry : Global Perspective

# Compared to the global averages, India still has head-room for growth



## INDIA LAGS THE WORLD IN POLYMER CONSUMPTION

India's consumption of polymers is still a third of the global average.

## URBANIZATION TO DRIVE CONSUMPTION

As the country urbanizes and grows economically, we see a significant uptick in polymer consumption.

# In India, Emmbi Industries is driving this shift through unique applications

## Conventional applications

Jute Bags  
Concrete Canal Liners  
Concrete / Metal Water Tanks  
Metal Sludge Separator Tanks  
Oil Based Anticorrosive Packaging  
Paper Packaging Bags  
Earthen Pots to Carry Water



## Modern applications

PP Bags  
Woven Polymer Canal Liners  
Woven Polymer Flexi Tank  
Woven PP Water Sludge Separator  
Polymer Based Anticorrosive (VCI) Packaging  
Polymer Based Paper Look Alike Bags  
Plastic Water Tanks to Carry on Cycle

### **New Applications**

Polymer Pond Liner  
Crop Covers  
Pneumatic Safety Systems  
Woven Polymer "Lapeta Pipe"

THANK YOU

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