



Emmbi Industries
Limited
**Creating a
brighter future**

Investor Presentation

Q3, 2019-2020

Disclaimer

This is not an investment recommendation, and this presentation contains forward-looking statements, identified by words such as 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on.

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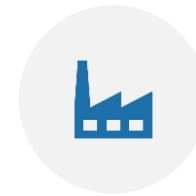
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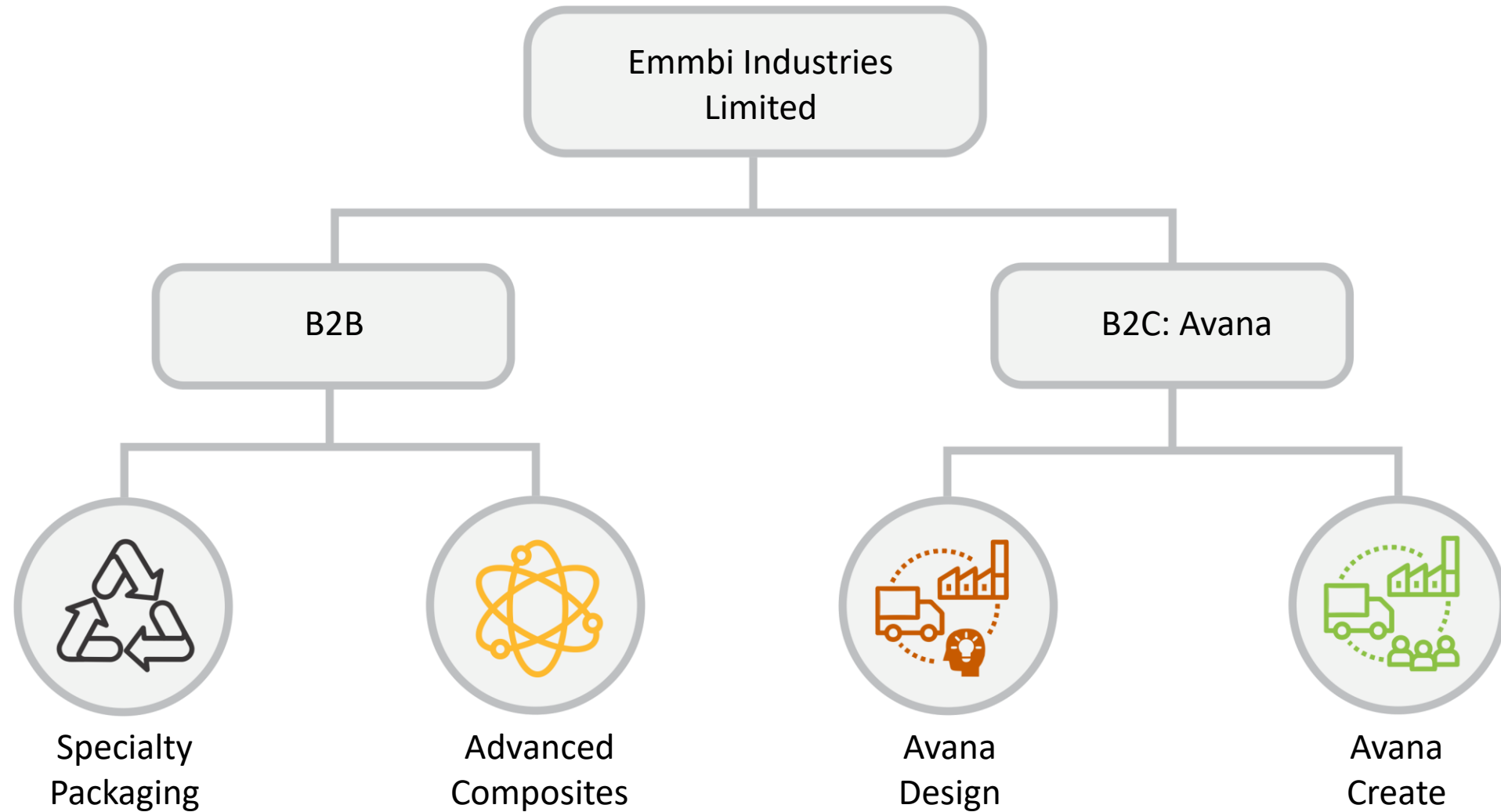
Long Term
Growth Drivers



Company Introduction



Business Verticals



B2B Market Overview



Accelerating growth in global manufacturing will drive a rise in demand for bulk packaging



Developing markets – in particular, India and Indonesia – will lead this growth

We are catering to this through specialized sales teams for these markets



US will see growth from food and chemical sectors

We are catering to this through Emmbi CleanTech – our USFDA approved food and pharmaceutical manufacturing facility



FIBCs will outpace RIBCs because of:

Ease of loading/unloading

More product per container

Ability to be reused in closed distribution systems

B2B: Specialty Packaging

- Estimated Global Market: 30 US \$ Billion
- The Specialty Packaging division caters to a wide array of industries, from food and pharma to chemicals, cement and more – to transport and store material



B2B: Advanced Composites

- Estimated Global Market: 36.5 US \$ Billion
- 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, water conservation etc.

Avana Market Overview



54% of India faces high to extremely-high water stress



Water Conservation is being brought to the forefront of government policy

This is resulting in more funds for the creation of farm ponds, which are built by Avana under our brands Jalasanchay and Jalasanchay Super



India to double farmer income by 2022-23

This would put more money in the hands of the consumer and boost sales for agri-businesses

B2C: Avana Create

- Avana Create includes products and services where we design, manufacture and distribute products
- This range includes:
 - Jalasanchay (Pond Liner)
 - Jalasanchay Super (Pond Liner)
 - Kapila (Murghas Bags)
 - Bioflocking Tanks (for fish cultivation)
- While selecting products for this range, we ensure that our technical strength in manufacturing can be used to deliver a product that can command a market premium

B2C: Avana Design

- Avana Design includes products where we design and distribute products, that are made by partner manufacturers
- This range will include the following by Q1 of 2020-21:
 - Rakshak by Avana (Tarpaulin)
 - Leno Bags (for vegetables and onion transport)
- This range will also include the following by Q4 of 2020-21:
 - Fish Feed
 - Fish Seed
- Products in this range will help us grow in an asset-light manner, and let us focus investments on expanding our distribution network
- They will leverage on our current agri-distribution network, with 300+ retail touchpoints, more efficiently



Highlights of the Quarter



Financial Highlights

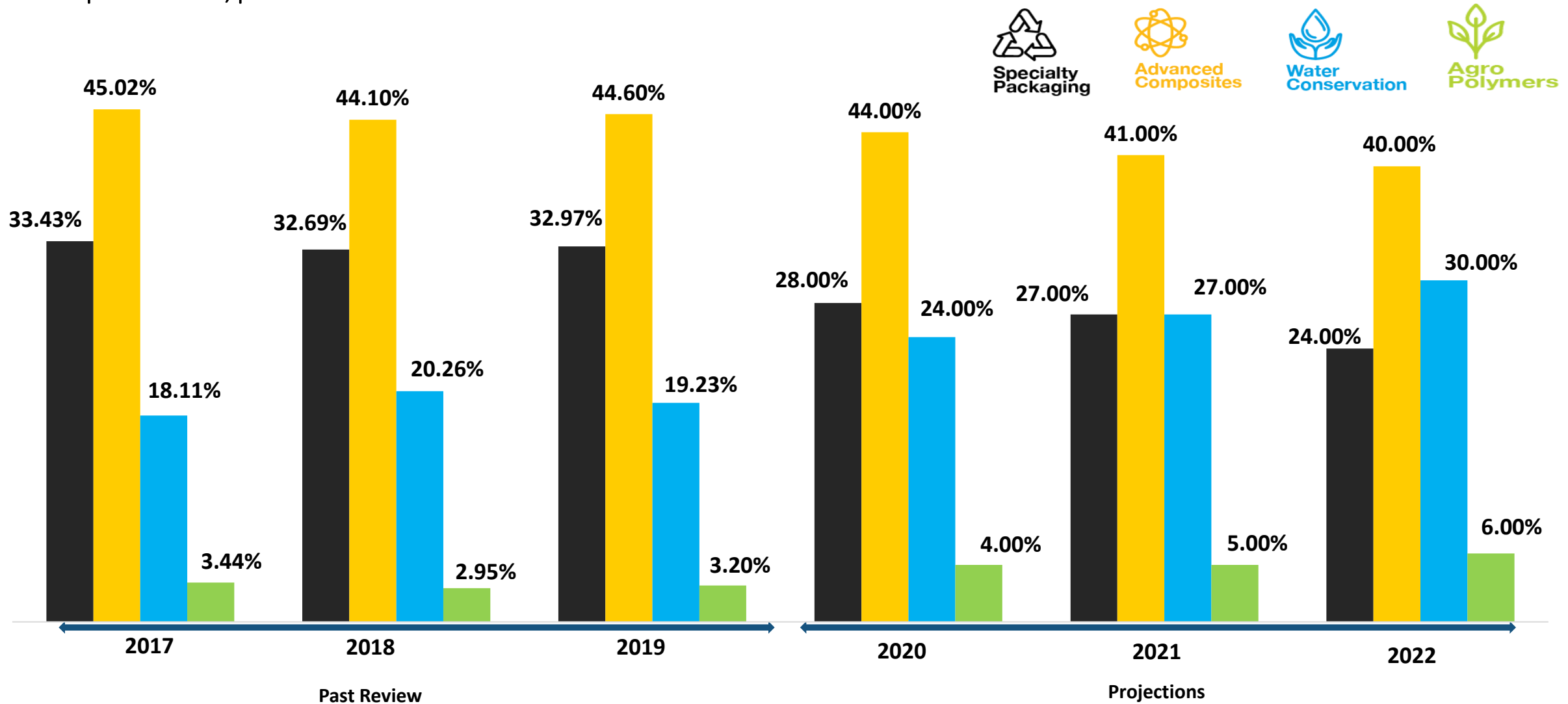
40+ Products	15+ Patents	200+ Clients	57+ Countries
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(₹ Millions)	2015	2016	2017	2018	2019	Q3 2020
Revenues	1,929	2,177	2,410	2,790	3,148	877
EBIDTA	202	270	297	353	411	98
PAT	60	106	124	153	178	36
EPS	3.37	5.99	7.03	8.63	10.06	2.03
BV	35.86	41.24	47.74	55.53	64.99	70.52

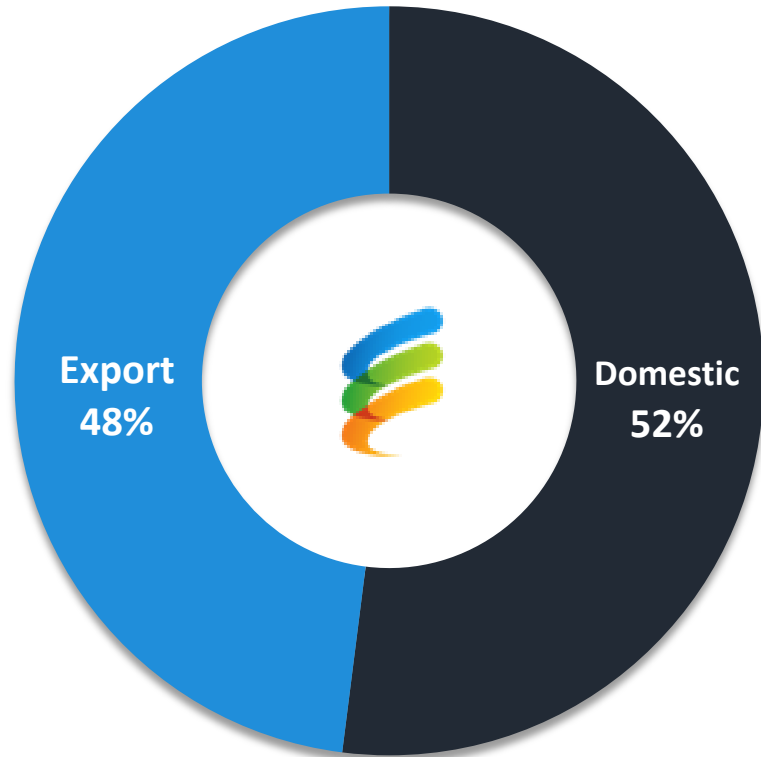
Growth	2015	2016	2017	2018	2019	Q3 2020
Revenue Growth %	14.81	12.83	10.72	15.77	12.85	7.78
EBIDTA %	10.99%	12.97%	12.94%	13.87%	14.22%	12.05%
PAT Growth %	37.62	77.63	17.36	22.73	16.57	(20.01)

Vertical Wise Revenue

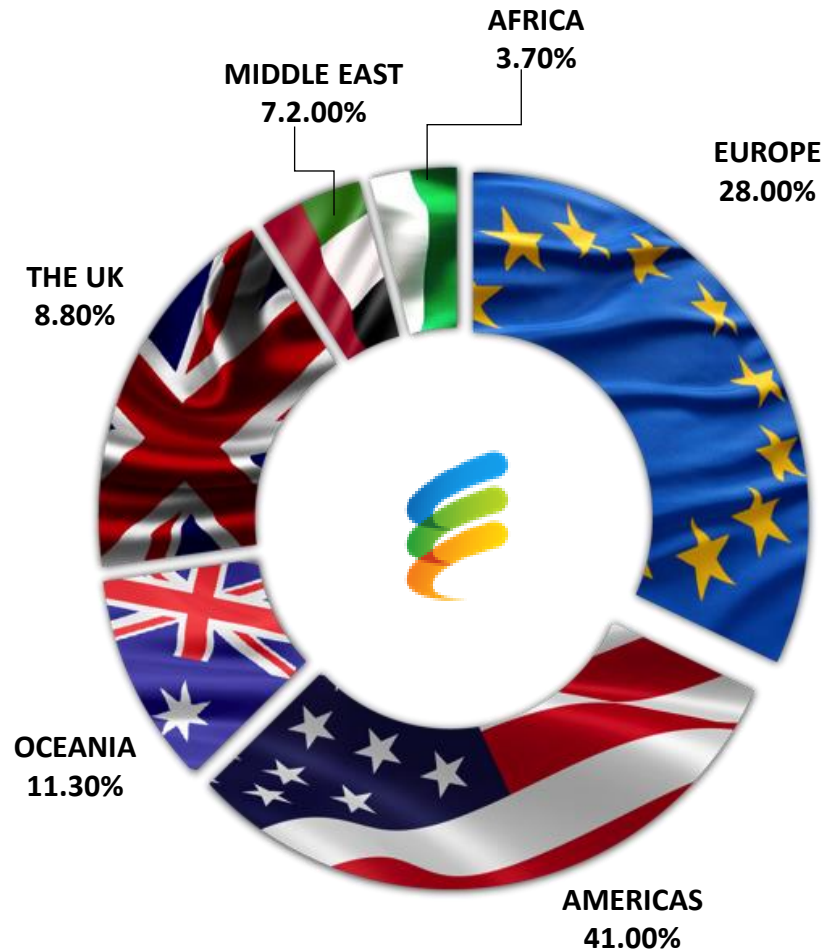
Revenue guidance are continued from the Investor Presentation for Q2 of 2019-20. These will be updated in the annual presentation, per usual.



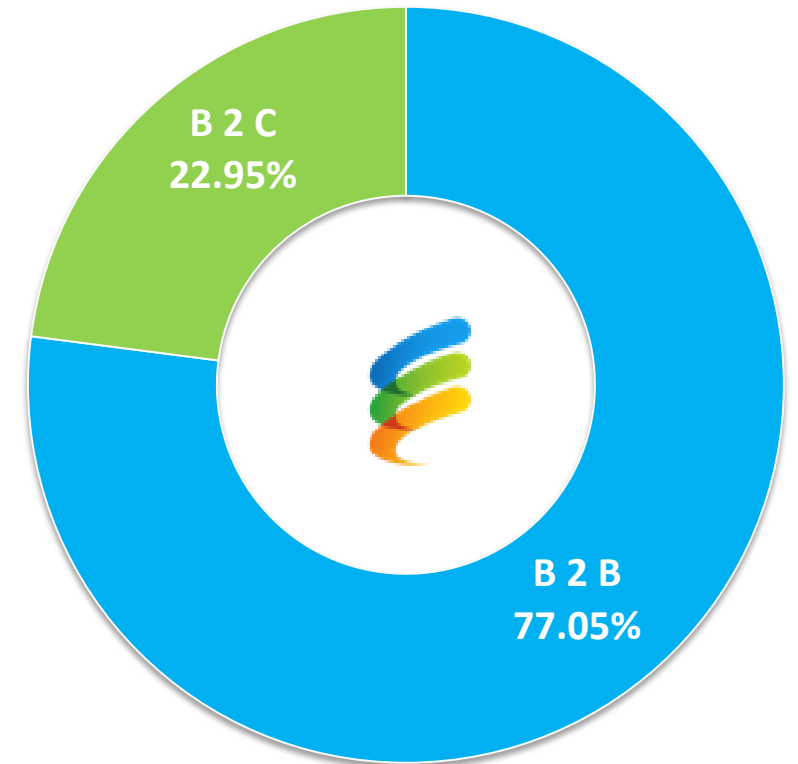
Revenue Split



Market Wise Split
As on 30th Sept 2019



Export Split



Business Vertical Split
B2B vs B2C

Kisan Exhibition in Pune

- 1,500 ponds booked ~ approximately 30 Crore of Sale Value in the Avana Kisan Samruddhi Bonanza
- Establishment of Avana as a market leader in the pond liner segment
- Test launch of Murghas Bag



Independent Analyst Research Report: Avana emerges as the Market Leader



Prime Stall Location



Value Chain Integration



Improved Retail Experience



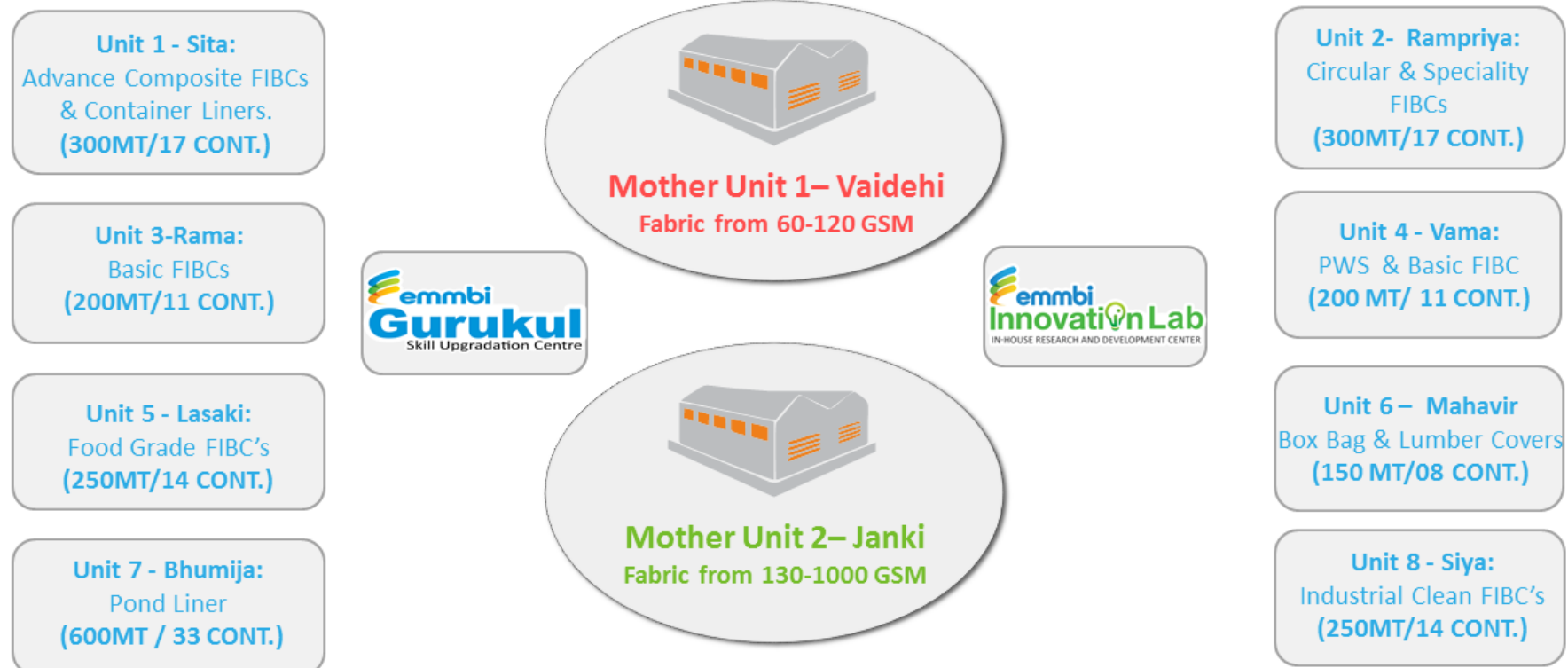
High on Branding

Emmbi Industries – Participation in Kisan 2019 – Big Hit!				KRChoksey research
CMP INR 100	Target INR 174	Recommendation BUY	Market Cap (INR Mn) INR 1,751	Sector Containers & Packaging
Emmbi Industries participated in Kisan Fair in Plasticulture and Protective Cultivation Vertical				
Key Participation Highlights				
<ul style="list-style-type: none"> Emmbi Industries, showcased its agri-community centric solutions for farmers under strategic business unit Avana <ul style="list-style-type: none"> Avana creates comprehensive water solutions focused towards benefiting farmers primarily in drought prone regions like Maharashtra, Rajasthan, Karnataka and Madhya Pradesh Through its retail brands, Jalasanchay and Jalasanchay Super, Avana has stored over 35 billion liters of water in partnership with more than 8000 farmers The major participation highlight was presenting the Avana Jalasanchay Super, a sky blue coloured lined artificial farm pond solution based on its patented Habitech Technology to help reduce evaporation by 50% and increases algal presence in the pond water to support fish farming <ul style="list-style-type: none"> Under brand Jalasanchay, Avana manufacturers one of the country's widest pond geo-membrane at 13.5 feet, which minimizes leakages and subsequent water wastage at highly competitive prices compared to peer companies (reference slide: Annexure Exhibit 2) According to Mr. Makrand Appalwar, Chairman & MD, Emmbi Industries Ltd., Avana strives to create over 2,500 Jalasanchay Super farm ponds by FY2021. By September 2019, Emmbi has achieved 7,000+ Ponds with 12,000+ Hectares of Land Irrigated through 200 retail touch points. 				

Emmbi Industries – Participation in Kisan 2019 – Big Hit!		KRChoksey research
Avana differentiated itself from its peer participating companies on several fronts including,		
<ul style="list-style-type: none"> Prime location, right at the entry gate along with a spacious stall layout ensured high footfall Inclusion of dealers in the event from across key regions ensured high attention to prospective customers including on spot sales conversions <ul style="list-style-type: none"> Had one of the highest number of company representatives to discuss, manage and address queries from customers visiting the pavilion Complete integration of the value chain by providing separate information desks on, <ul style="list-style-type: none"> Bank financing / subsidies: Had tied up with Axis bank, whose representatives guided farmers / individuals on the various details including subsidies which can be availed under different categories basis usgae of pond liners like agricultural farming, poultry farming, fish farming etc. Fish farming, and the advantages of undertaking the same to increase farmer's income Technical support and assistance in understanding how to build pond liners including size, depth etc. High on Branding through usage of local language & music (Marathi) to better engage the visitors; the company also sold merchandise such as umbrella's, T-shirts etc. with the Avana logo Incentives and Spot Prizes, for early bird entries encouraged several farmers from Nagpur, Nashik, Ahmednagar, Aurangabad, Kolhapur and many other districts to participate actively and support in saving water 		

Manufacturing Developments

- Creation of an automobile style manufacturing system
 - Different components are manufactured in different units
 - This would lead to improved unit efficiency, and in-turn, helping our profitability



Innovation of the Quarter

- India's first Murghas Bag
- Used to ferment fodder for healthier cows and improved yields
- Test Launch at Kisan 2019
 - Over 200 bags sold in 3 days!
- Will be retailed from April 2020



Brighter Employees

At Emmbi, we are taking multiple steps to ensure that our people lead brighter lives. These initiatives will also improve productivity and retention.

- Menstrual Work From Home Policy
- Health Insurance coverage for all workers
 - Including Avana field employees
- Brightness Ambassadors to boost employee morale
- Paternity Leave
- Flexible Work Hours





Union Budget 2020

How will this impact us?



Agriculture and Water Conservation

- Focus on 100 water-stressed districts
 - Impact: Concentrated business potential for Avana in said districts
- ~ ₹ 11,500 Crores for Jal Jeevan Mission for 2020-21
 - Impact: Additional allocation for canal lining, community ponds and percolation tank lining in the rural sector
- ~ ₹ 2.3 Lakh Crores for Irrigation and Rural Development
 - Impact: Additional allocation for pond lining in the rural sector
- Focus on doubling farmer income by 2022
 - Impact: Increased disposable income in the hands of the rural consumer leading to incremental rural business

Long Term Impacts

- Funding of ~₹ 1,400 Crores for the Technical Textiles sector and ~₹ 1.7 Lakh Crores for Infrastructure Development
 - Long term impact: Provision of Technology Upgradation Funds (TUF) for companies in technical textile manufacturing
- Creation of a national cold chain network, and focus on fisheries development in the rural sector
 - Long term impact: Potential for increased business with a buy-back policy for fish grown in Jalasanchay Super ponds
- 500 APMC-like marketplaces for fisheries sales
 - Long term impact: Improved potential for fishery sales will lead to the creation of more fishponds





Long Term Growth Drivers



B2B Growth Drivers

Emmbi has identified that a long-term growth driver in polymer processing will be green polymers – substances that have the same functionality as current polymers, but a lower environmental impact. With this in mind, we have designed:

- Emmbi EcoSafe
 - See the next slide for complete details
- Emmbi Reclaim
 - 30% of the material used in the bag is industrially recycled
 - Improves recycling efficiency
 - Increasing demand in western markets, specifically United Kingdom
 - All products can be custom made with a Reclaim design

Emmbi EcoSafe

- Products made with a single homopolymer design
- Use only raffia grade polypropylene, as opposed to multiple polymers
- No separation required during recycling
- All products can be custom made with an EcoSafe design
- **Fully recyclable**

Spare parts	Conventional Process	Emmbi Way
Body Fabric	Polypropylene	Raffia Grade Polypropylene
Liner	Low Density Polyethylene	Raffia Grade Polypropylene
Stitching Thread	Polyester	Raffia Grade Polypropylene
B Lock	Nylon	Raffia Grade Polypropylene
Filler cord	Crimped Polypropylene	Raffia Grade Polypropylene
Document Pocket	Low-Density Polyethylene	Raffia Grade Polypropylene

Avana Growth Drivers

- Focus on distribution, design and marketing with partner manufacturers
 - Asset Light growth
 - Investment focused on increasing retail touchpoints
- Creation of a service-focused organization
 - USP within rural consumer durables sector, water conservation in particular
- Creating an ecosystem of products
 - For instance, selling fish feed and fish seeds to farmers who use Jalasanchay Super ponds



Thank you!

For more information, please contact
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