

Emmbi Industries Limited

Investor Presentation

Q2, 2020-2021

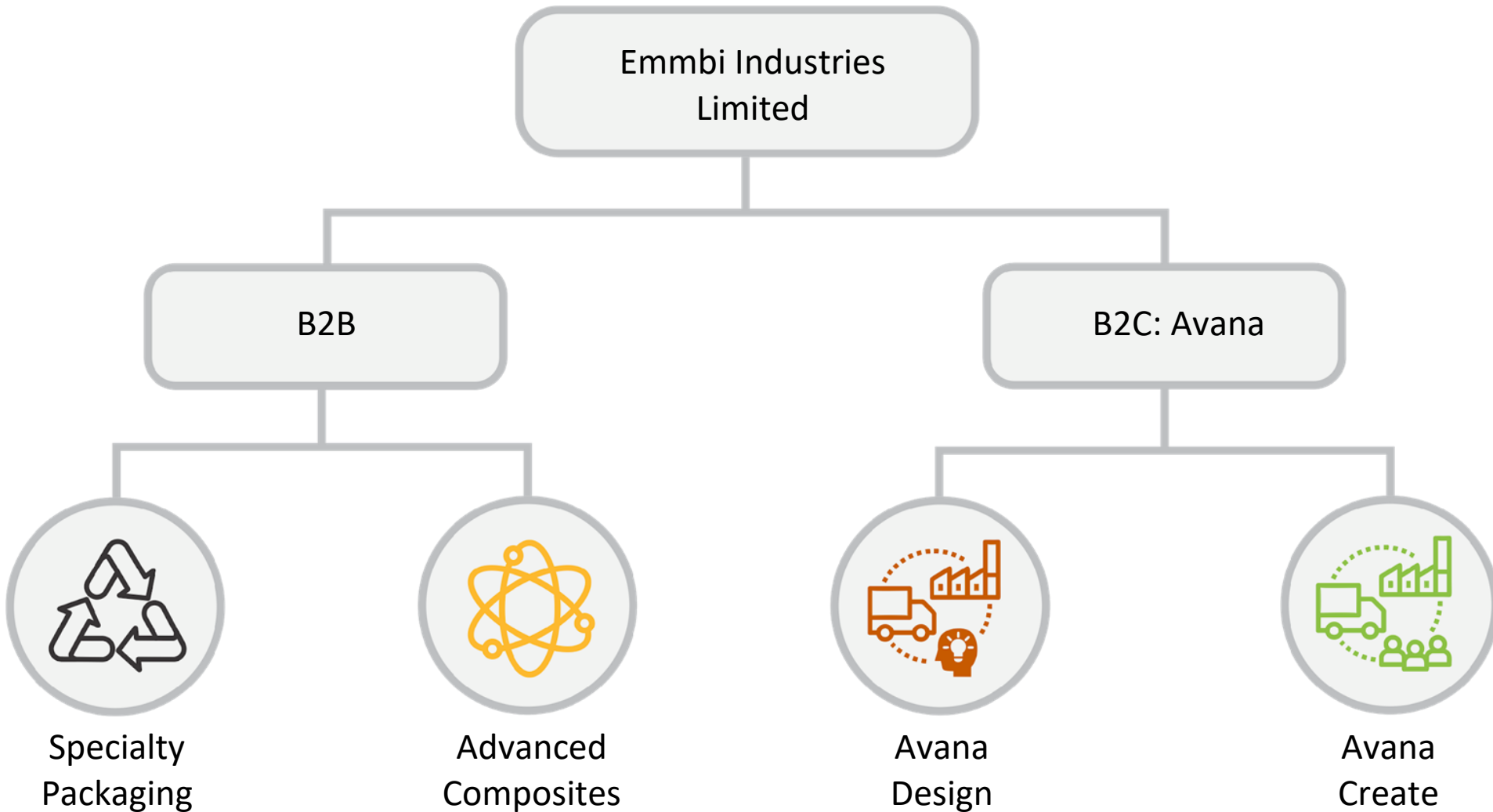


Disclaimer

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.

All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, these are subject to extraneous, as well as other factors. You are required to do your own research prior to making any strategic or commercial decisions based on this presentation. Neither the Company or its Directors, Management and/or Employees can be held liable for decisions made by the readers.

Business Verticals



B2B: Specialty Packaging

- Estimated Global Market: US \$30 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: US \$36.5 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.
- 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.
- Considering the severe travel restrictions in the State of Maharashtra due to lockdown the “Avana Design & Distribution” project will be delayed by 6 months. Now it is expected to complete by end of FY 21.

Financial Highlights



Financial Highlights

40⁺ Products	15⁺ Patents	200⁺ Clients	57⁺ Countries
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(₹ Millions)	2016	2017	2018	2019	2020	Q2 2021
Revenues	2,177	2,410	2,790	3,148	3,331	672
EBIDTA	270	297	353	411	376	63
PAT	106	124	153	178	146	12.02
EPS	5.99	7.03	8.63	10.06	8.27	0.68
BV	41.24	47.74	55.53	64.99	72.57	73.39

Growth	2016	2017	2018	2019	2020	Q2 2021
Revenue Growth %	12.83	10.72	15.77	12.85	5.81	(23.05)
EBIDTA %	12.97%	12.94%	13.87%	14.22%	12.36%	11.01%
PAT Growth %	77.63	17.36	22.73	16.57	(17.78)	(68.82)

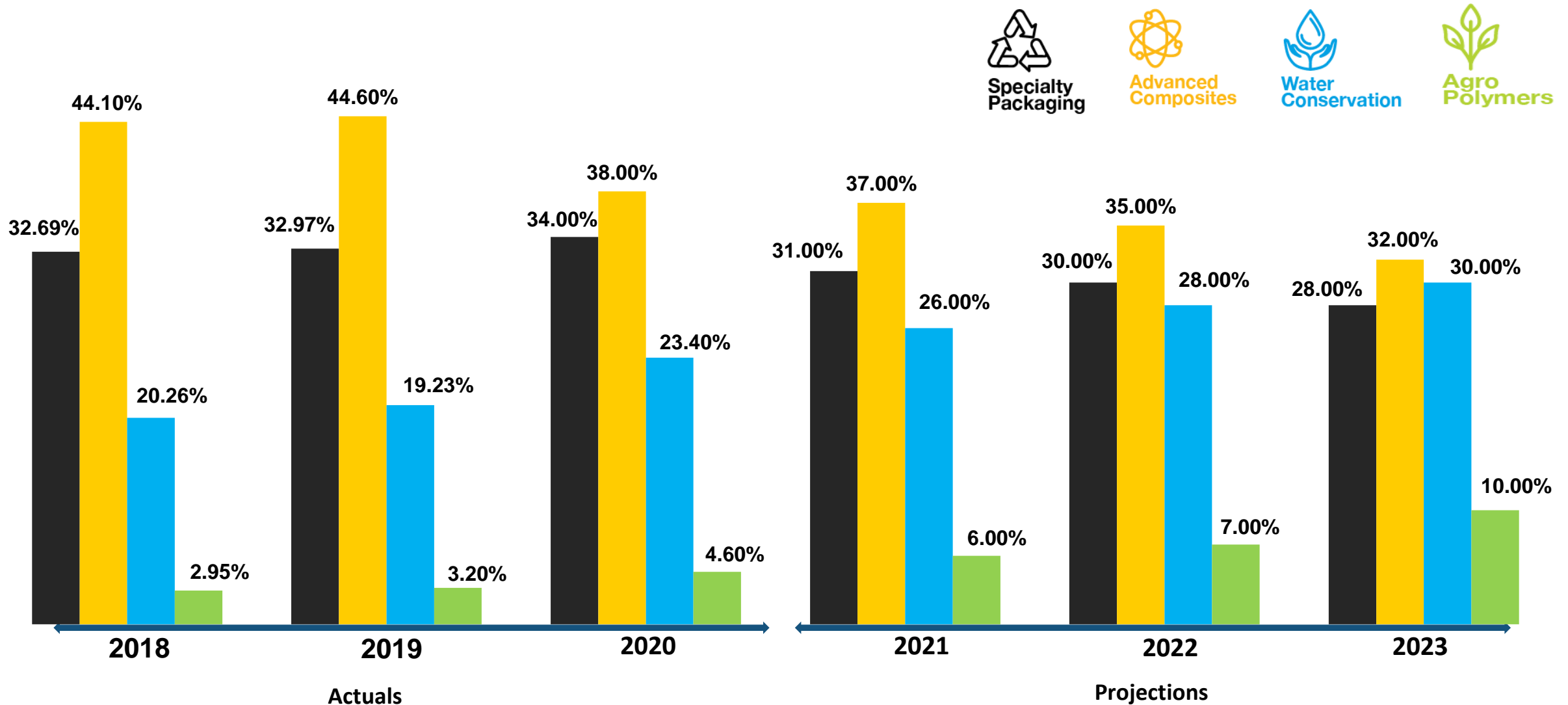
Financial Highlights

Covid Period			
(₹ Millions)	Q1 2021	Q2 2021	% Change
Revenues	574.87	671.91	16.88
EBIDTA	59.28	62.83	5.99
PAT	10.58	12.02	13.62
EPS	0.60	0.68	13.62
BV	NA	NA	NA

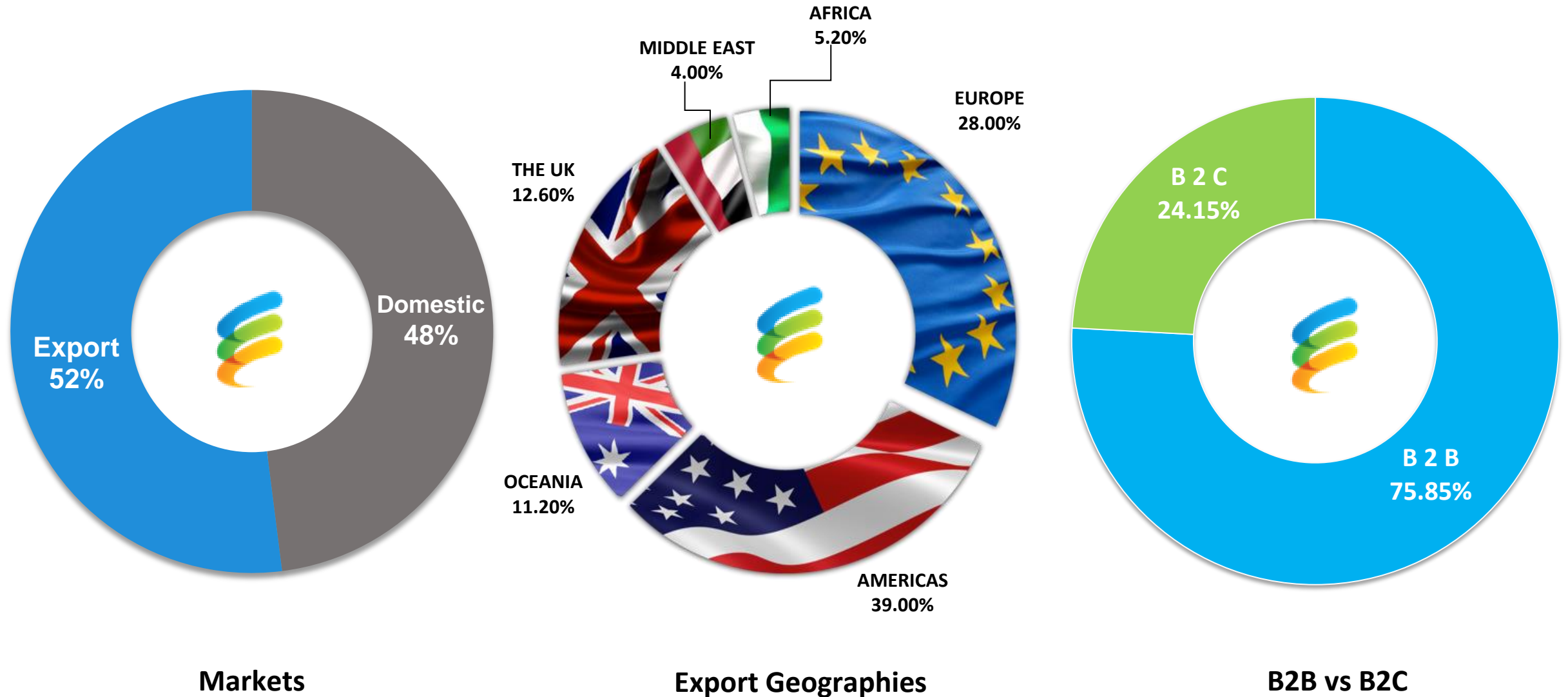
(₹ Millions)	Q2 2020	Q2 2021	% Change	HYE 2020	HYE 2021	% Change
Revenues	873.16	671.91	(23.05)	1,608.15	1,246.77	(22.47)
EBIDTA	98.68	62.83	(36.32)	191.18	122.12	(36.12)
PAT	38.56	12.02	68.82)	72.90	22.60	(69.00)
EPS	2.18	0.68	(68.82)	4.12	1.28	(69.00)
BV	NA	NA	NA	68.49	73.39	7.15

- Revenues have increased compared to previous quarter based on increased activity
- The decline in Revenues Q-o-Q and H1-o-H1 is attributed to the extraordinary negative effects of the Pandemic
- Supply Side Bottle Necks (Both Availability of Labor, Logistics, and Lock Down) resulted in Declining Revenues, and Lower Profitability rather than Demand Factors.
- Our order books are healthy, and over the next few quarters it would show a marked improvement.
- Despite the challenges, we continue to have a positive cash flow from operations, and have also retired loans ahead of time.

Vertical Wise Revenue



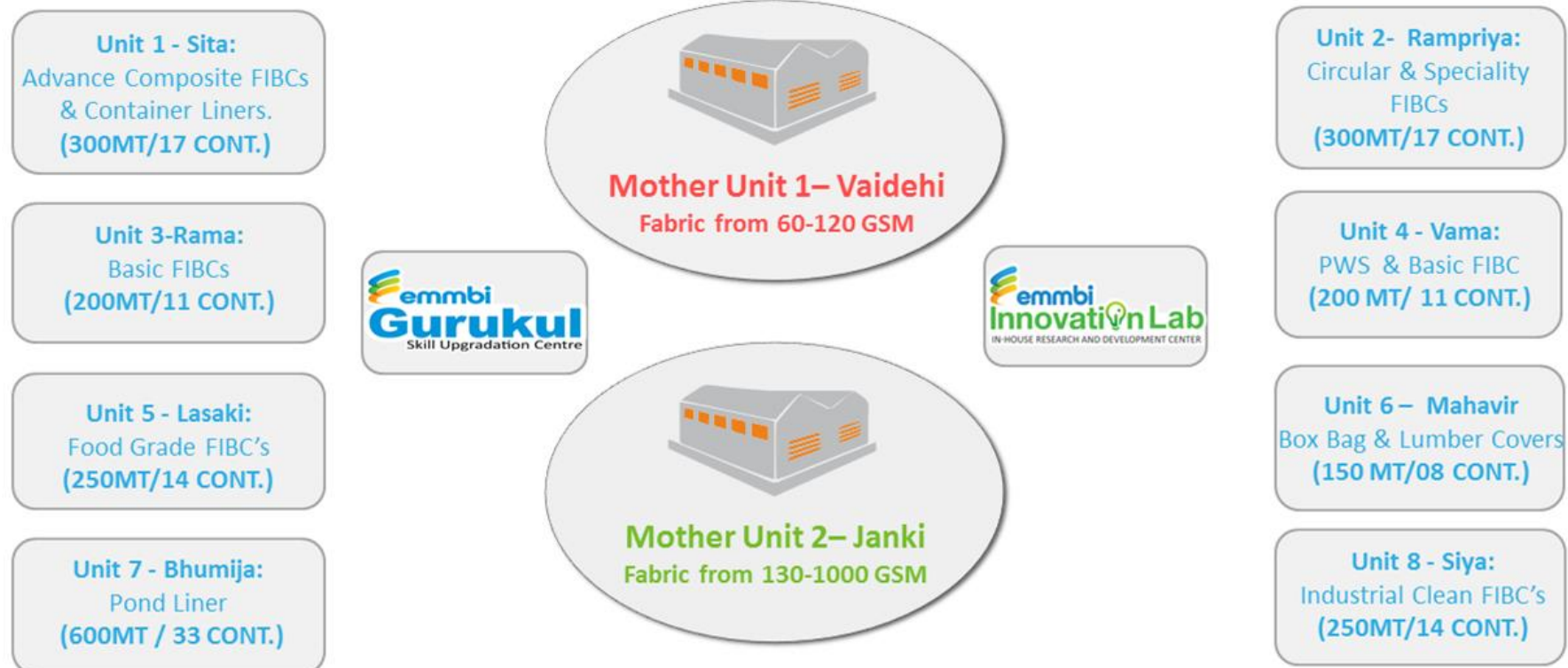
Revenue Breakdown



* Figures as on 30th September, 2020. The revised figures will be published half yearly.

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



Product Developments of the Quarter

Avana Matsyadani Anti-Bird Net

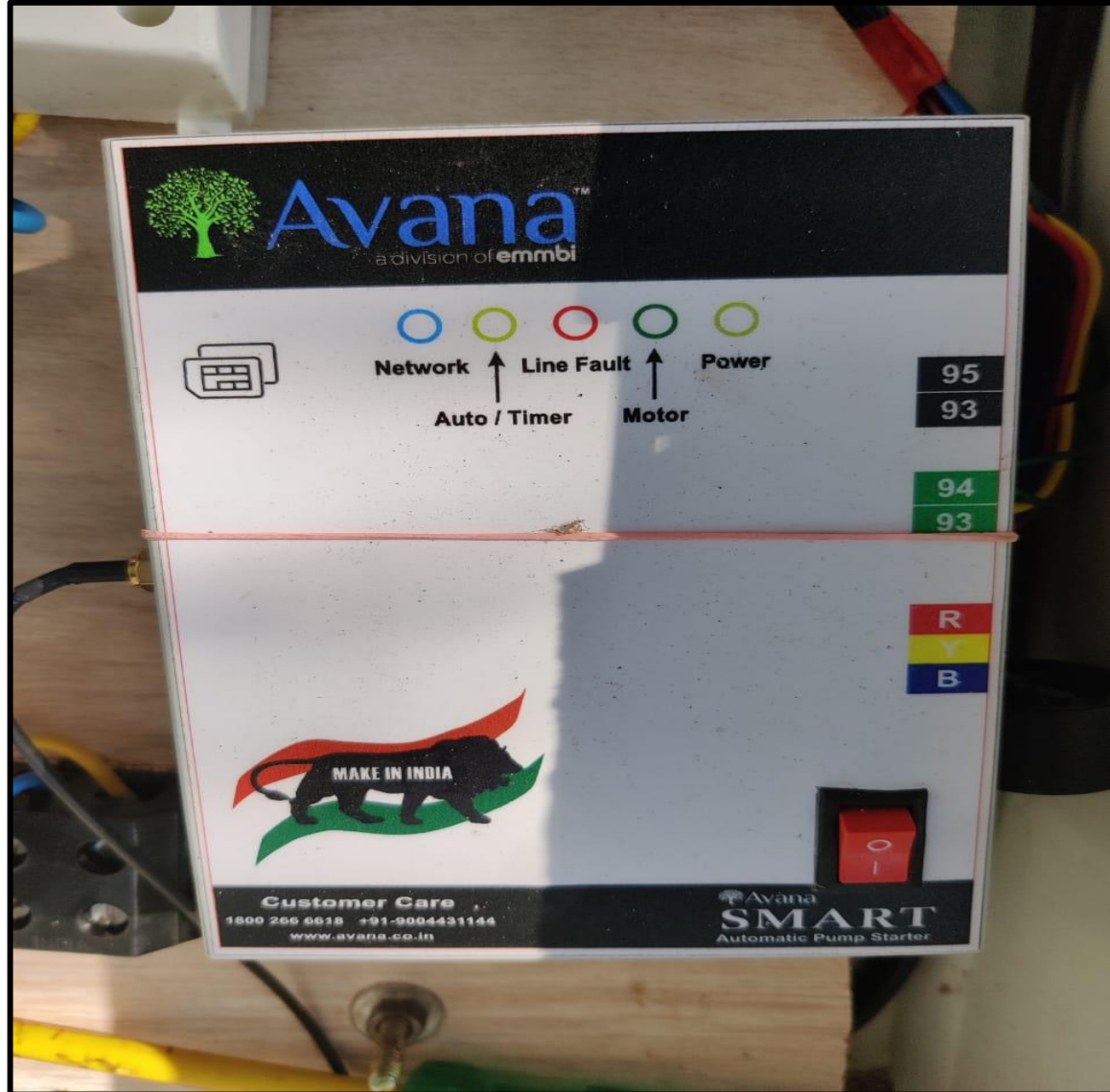


Avana Matsyadani Anti-Bird Net

- Avana's Matsyadani Anti-Bird Net is created to protect fish in ponds from being eaten by birds. The product is sold in a bundle with Jalasanchay Super, and also as an individual product by itself.
- This product has a large market in states that regularly practice fishing - such as Andhra Pradesh and Telangana - and will also be a growing product in states where fish cultivation is increasing by the day, such as Maharashtra.

Product Developments of the Quarter

Avana Smart Pump Starter



Avana Smart Pump Starter

Avana's Smart Pump Starter is created with a vision to help farmers automate the process of pumping water in their fields. This is because, having conserved water through an Avana Jalasanchay Farm Pond, farmers are looking to properly manage and utilize their water.

At an affordable price point of just Rs. 5,000, the Smart Starter lets farmers **use any phone to start, stop and check the status of their pumps**. This means that they can operate their pump from anywhere in the world, without being physically present at the location. Compatible with any phone (including non smart phones) and any pump starter thereby increasing potential market size. This is an asset light creation which is designed and marketed by Avana but built by a manufacturing partner.

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**
 - Kindly refer 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

Emmbi's COVID response



Direct involvement of management in day-to-day production operations

- In order to improve the speed of decision making and keeping the manufacturing operations running efficiently in COVID-19 Situation, temporarily the MD, CFO alongwith CEO Avana have shifted to Silvassa.
- To mitigate the impact of disruptions the management is directly involved at all levels of operations on daily basis.
- Direct interaction with the production team on daily basis to identify and resolve operational roadblocks arising due to disruptions.
- Increase in production efficiency and boost in employee morale.

Measures and steps taken to deal with COVID response

Sanitization & Safety Measures

- Mandatory Sanitization of all workers, employees, visitors, etc. at all entry and exit points. Thermal screening of individuals entering the factory premises.
- Sanitization of entire factory and machineries thrice every day.
- Sanitization of all vehicles and containers entering the factory premises.
- Free distribution of Ayurvedic Immunity Boosting Tablets to all the staff and workers of the Company.
- COVID insurance cover taken for all workers, employees and management.

A small green seedling with four leaves is growing out of a crack in dry, cracked earth. The sun is shining brightly from the top left, creating a lens flare effect. The background is a vast, cracked, and parched landscape.

Thank You

For more information,
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