

# Jindal

## Poly Films



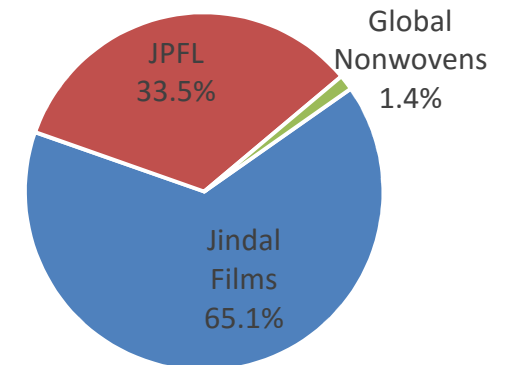
Q1 FY 2017  
Results Presentation  
September 2016



# Q1FY17 Performance Highlights

- Jindal Poly Films (Consolidated):
  - Revenue at Rs 1,779 Crores declined by 8% (Q1 FY'16), which more or less represents price decrease on account of raw material prices
  - Operating income at Rs 290 Crores Vs Rs 341 Crores in Q1FY16
    - Operating margins at 16.3% Vs 17.7% in Q1FY16
  - Total Comprehensive Income (as per IND AS) at Rs 122 Crores
- Jindal Films – US and Europe
  - Revenue at USD 176 mn against USD 691 mn in FY16
  - Operating Income at USD 30 mn against USD 85 mn in FY16
  - PAT at USD 15 mn against USD 34 mn in FY16
- Global Nonwoven
  - Revenue at Rs 25.6 Crores
  - EBIDTA at Rs 5.12 Crores
- The company has decided to amalgamate its wholly owned subsidiary M/S Global Nonwovens Limited w.e.f. 1<sup>st</sup> April '15
  - The Scheme is subject to approval of High Courts

Operating Revenue Rs Crs





# Business Evolution

2014 – 2016

## Reorganization

- Merged Manufacturing business of Jindal Photo
- 41,000 TPA new BOPP line commissioned in July 2016
- 14,000 TPA Coater plant commissioned
- Received BRC Packaging and Packaging Materials – Standard Certified at Nasik Facility
- Global Nonwoven commences commercial production from 1st July '15
- Increase of Shareholding in Global Nonwoven from 60.4% to 100%

2009 – 2013

## Acquired – Exxon Mobil BOPP films Business

- Another 8.7 meter, thin PET film line was installed
- Acquired BOPP films business from Exxon Mobil, with 5 plants, R & D centre and 190 + registered patents.
- Demerged Investments in separate investments company, Jindal Poly Investments and Finance Co.
- 6th BOPP line in Nasik

2006 – 2008

## Leadership in BOPP

- Yarn production discontinued
- Commissioned 3rd BOPP line of 45,000 TPA, - one of the largest in the world and becomes the largest producer of BOPP in India
- Commissioned 2 BOPP film lines capacity of 90,000 TPA (4th & 5th Line)

2004 – 2005

## Expansion – BOPET & BOPP

- Expansion of BOPP capacity by 32,000 TPA & BOPET capacity by 25,000 TPA

1996 – 2003

## Entry – BOPET & BOPP

- Started Manufacturing – BOPET Films at Nasik, Maharashtra
- Diversified into BOPP Films and entered the metallised films segment
- Acquisition of REXOR, France

1985 – 1993

## Polyester Yarn Business

- Commenced manufacturing of Polyester Yarns at Bulandshar, UP
- Backward Integration into manufacturing of polyester chips for captive use

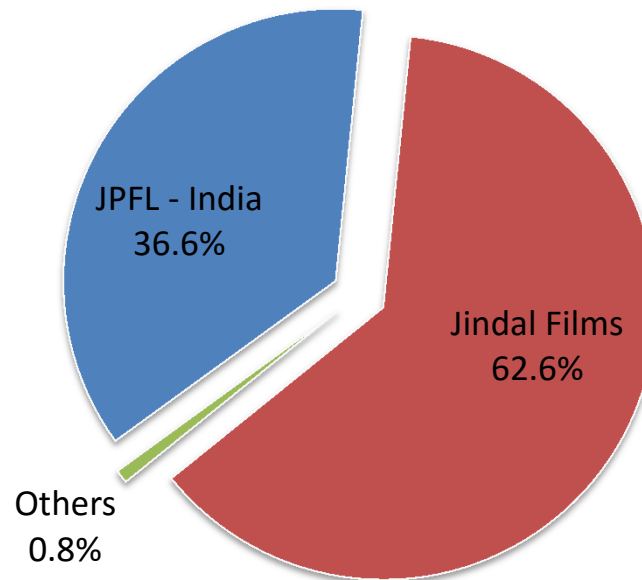
# Business Structure



## FY 16 Operating Revenues

### Jindal Poly Films

Leader in BOPP and BOPET films in India



### Jindal Films

Acquired BOPP films business from Exxon Mobil in Year 2013

Leader in BOPP films in US and Europe, specialising in metalized and coated films





## Business Details





# Our Manufacturing Setup

	Number of lines				
	BOPET	BOPP	Coating	Metalizing	Non-Woven
India - Nasik	5 lines	7 lines	2 lines	10 lines	1 Line
Europe	-	9 lines	5 lines	2 lines	-
United States	-	6 lines	3 lines	1 lines	-
Total Installed Capacity	1,27,000 TPA	4,66,000 TPA			18,000 TPA
Scheduled Capacity Additions (in next 2 years)	-	1,20,000 TPA			-
Target Capacity	1,27,000 TPA	5,86,000 TPA			18,000 TPA

## Capex over the next 2 years:

- 2 additional BOPP lines one each in US and Europe
- Additional metalizing and coating capacities
- Capex of ~Rs 750 Crores

Expected Commissioning	
Europe & US	H1 FY2018

# Speciality Films



	BOPET	BOPP	Coated Films / Metalized Films
Product Characteristic	Improves shelf life of product and increases product appeal	Higher moisture retention properties, easy to recycle	Vacuum deposits of Aluminum on BOPET and BOPP Films to provide better barrier / Provides advanced barrier, print receptivity
Applications	FMCG packaging, lamination to other plastic films Electronics, Stationary, Motor Insulation, Sequence for textile	Textile, Tape, FMCG packaging, Labels Lamination to Paper and other plastic films	Packaging of processed and semi processed food items with moisture, oxygen barrier & Metallic Yarn / Pressure sensitive labels and flexible packaging industry, other tailor made properties

# Global Nonwovens Ltd



## NonWovens

Polypropylene based nonwoven packaging solutions with REICOFIL Germany Technology

## Our Range

SS Rolls – Weight 10 – 17 GSM 60%  
SMS Rolls – Weight 12 – 55 GSM 40%

## Applications

Hygiene and medical applications

## Capacity

Nasik – plant commissioned on 1<sup>st</sup> July 2015,  
Capacity 18,000 TPA

## Market Potential

Presently 70% of India's requirement is imported, supplied to established brands in India

## Project Costing

Total Project cost of Rs 481 Crores – Rs 335 Crores Debt & Rs 146 Crores Equity  
Project under TUFS (subsidy scheme) with interest and capital subsidy







# Financial & Operating performance





# Financials: Q1 FY17 (As per Ind AS)

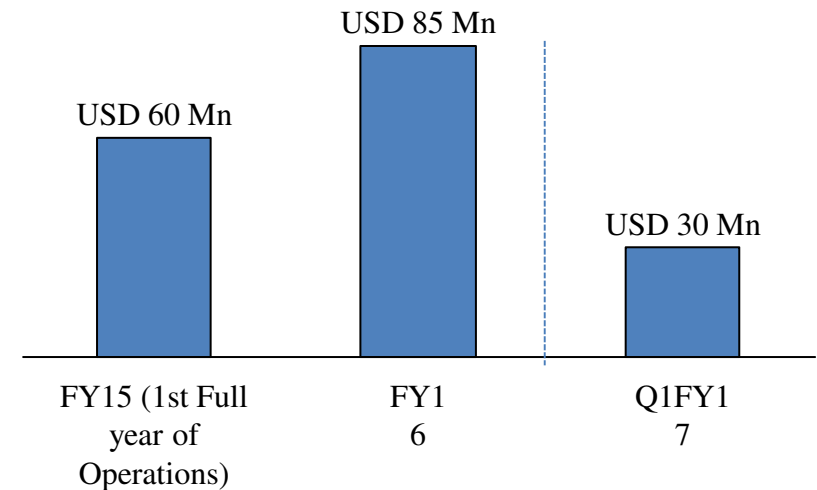
Particulars (Rs. in Crores)	Standalone			Consolidated		
	Q1FY17	Q1FY16	YoY %	Q1FY17	Q1FY16	YoY %
<b>Revenue</b>	596	<b>760</b>	<b>-22%</b>	1779	<b>1930</b>	<b>-8%</b>
Operating Cost	518	604		1488	1589	
<b>Operating Income</b>	<b>78</b>	<b>156</b>	<b>-50%</b>	<b>291</b>	<b>341</b>	<b>-15%</b>
<b>Operating Income Margin</b>	<b>13.2%</b>	<b>20.5%</b>		<b>16.3%</b>	<b>17.7%</b>	
Other Income	8	9		9	23	
Depreciation	17	14		65	55	
Finance Cost	11	10		27	19	
<b>PBT</b>	<b>58</b>	<b>141</b>		<b>208</b>	<b>290</b>	
Tax Expenses	18	32		58	79	
<b>PAT from ordinary activities</b>	<b>40</b>	<b>109</b>	<b>-63%</b>	<b>150</b>	<b>211</b>	<b>-29%</b>
Associate interest	-	-		1	0	
Minority Interest	-	-		50	48	
PAT after Minority Interest	40	109	-63%	99	163	-39%
Other Comprehensive Income	-	-		23	45	
<b>Total Comprehensive Income</b>	<b>40</b>	<b>109</b>		<b>122</b>	<b>208</b>	
<b>Total Comprehensive Income Margin</b>	<b>6.8%</b>	<b>14.4%</b>	<b>-53%</b>	<b>6.9%</b>	<b>10.8%</b>	<b>-39%</b>



# Jindal Films (US & Europe) - P&L Statement

USD Million Financials as per EU – IFRS	Q1FY17	FY16	FY15
<b>Exchange Rate (Euro /USD)</b>	<b>1.1292</b>	<b>1.1013</b>	<b>1.0780</b>
<b>Revenue</b>	<b>176</b>	<b>691</b>	<b>665</b>
Operating Cost	146	606	615
<b>Operating Income</b>	<b>30</b>	<b>85</b>	<b>50</b>
<b>Operating Income Margin</b>	<b>17.0%</b>	<b>12.3%</b>	<b>7.6%</b>
Depreciation	7	29	26
<b>Finance Cost</b>	<b>2</b>	<b>8</b>	<b>28</b>
<b>PBT</b>	<b>21</b>	<b>48</b>	<b>-4</b>
Tax Expenses	-6	-14	5
<b>PAT from ordinary activities</b>	<b>15</b>	<b>34</b>	<b>1</b>
<b>Net Profit Margin</b>	<b>8.3%</b>	<b>4.9%</b>	<b>0.3%</b>

Substantial improvement in operating income since acquisition





# Jindal Films (US & Europe) - Balance Sheet

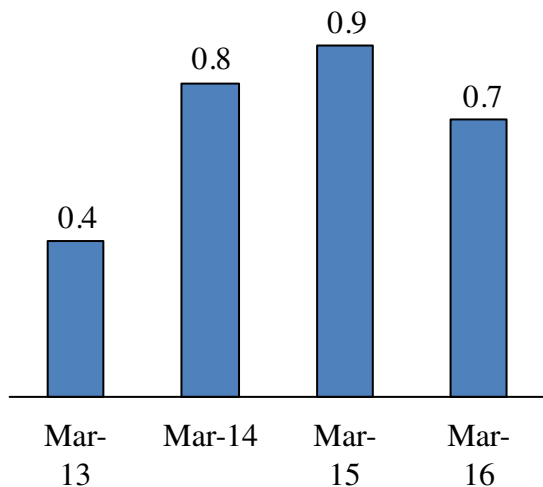
USD Million Financials as per EU – IFRS	Mar '16	Mar '15
<b>Exchange Rate (Euro /USD)</b>	<b>1.1013</b>	<b>1.0780</b>
<b>Shareholders Funds</b>	<b>171</b>	<b>129</b>
<b>Total Non-current Liabilities</b>	<b>150</b>	<b>175</b>
Debt & finance	82	98
Other Long- term Liabilities	68	77
<b>Total Current Liabilities</b>	<b>163</b>	<b>159</b>
Debt & financing	43	55
Accounts payable	66	65
Other Current Liabilities	54	39
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>484</b>	<b>463</b>
<b>Non-Current Assets</b>	<b>238</b>	<b>234</b>
Fixed Assets	235	231
Other Non Current Assets	3	3
<b>Current Assets</b>	<b>246</b>	<b>230</b>
Inventories	120	110
Trade Receivables	91	88
Cash & Cash Equivalents	12	13
Other Current Assets	23	19
<b>TOTAL ASSETS</b>	<b>484</b>	<b>463</b>
<b>Net Debt to Equity Ratio</b>	<b>0.66</b>	<b>1.09</b>
<b>Net Working Capital</b>	<b>126</b>	<b>126</b>



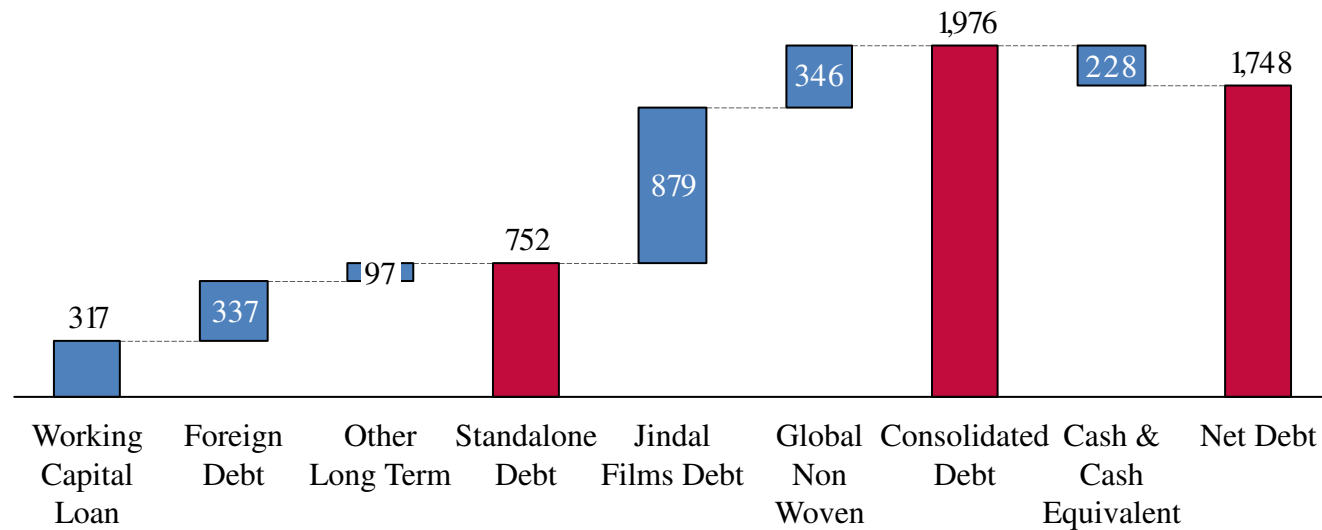
# Managing Debt at Comfortable Levels

- Global Non Woven project under TUFS with interest and capital subsidy
- Recent Financing Developments –
  - Amalgamation of GNL with JPFL will bring in reduction in present interest rates of GNL. Tie-up is more or less done

Debt to Equity  
(Consolidated)



Mar – 16 Debt break up  
(Consolidated)



Net Debt as of 30<sup>th</sup> June 2016 at Rs 1,704 Crores



# Balance Sheet (As per Indian GAAP)

Particulars (Rs. in Crores)	Standalone		Consolidated	
	Mar '16	Mar '15	Mar '16	Mar '15
<b>Shareholders Funds</b>				
<b>Net Worth</b>	<b>1,805</b>	<b>1,543</b>	<b>2,395</b>	<b>1,775</b>
Minority Interest			641	468
<b>Total Non-current Liabilities</b>	<b>564</b>	<b>436</b>	<b>1870</b>	<b>1954</b>
Long-term borrowings	370	256	1,249	1,229
Other Long- term Liabilities	193	180	621	725
<b>Total Current Liabilities</b>	<b>642</b>	<b>590</b>	<b>1807</b>	<b>1614</b>
Short Term Borrowings	317	264	532	483
Trade Payables	158	205	616	636
Other Current Liabilities	167	121	659	496
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>3,010</b>	<b>2,568</b>	<b>6,713</b>	<b>5,812</b>
<b>Non-Current Assets</b>	<b>2,203</b>	<b>1,686</b>	<b>4,116</b>	<b>3,434</b>
Fixed Assets	1,441	1,199	3,403	2,994
Other Non Current Assets	762	487	713	440
<b>Current Assets</b>	<b>808</b>	<b>883</b>	<b>2597</b>	<b>2378</b>
Current Investment	41	126	69	139
Inventories	275	268	1,109	963
Trade Receivables	121	153	732	703
Cash & Cash Equivalents	53	39	158	125
Other Current Assets	318	296	528	447
<b>TOTAL ASSETS</b>	<b>3,010</b>	<b>2,568</b>	<b>6,713</b>	<b>5,812</b>
<b>Net Debt</b>	<b>657</b>	<b>384</b>	<b>1,748</b>	<b>1,606</b>
<b>Net Debt to Equity Ratio</b>	<b>0.4</b>	<b>0.25</b>	<b>0.7</b>	<b>0.9</b>
<b>Net Working Capital</b>	<b>237</b>	<b>216</b>	<b>1,225</b>	<b>1,031</b>



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