

Phillips Carbon Black Limited



www.pcblltd.com

June 2017

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A trusted **Global** player providing cutting edge solutions to our **Partners** and an exciting workplace to our **People**

RP- Sanjiv Goenka Group

- RP-Sanjiv Goenka Group is a well known diversified business house in India
- RP-Sanjiv Goenka Group has interests across diverse business sectors - Power & Natural Resources, Carbon Black, IT & Education, Retail, Media & Entertainment and Infrastructure
- Power Generation and Distribution contribute a majority of the revenues of RP-SG Group
- Approx. 45,000 employees and 3,00,000 shareholders
- Sanjiv Goenka is the principal shareholder of the RP-Sanjiv Goenka Group together with other Group companies



Major Companies	Businesses
CESC	Fully Integrated Private Power Utility
Phillips Carbon Black	Largest Carbon Black Manufacturer
Spencer`s Retail	2 nd Largest Food Based Retailer
Firstsource Solutions	Top 3 Pure Play BPO Player
Saregama India	Biggest Collection of Indian Music
Harrisons Malayalam	Tea and Rubber Plantations

Indian Tyre Industry Overview

- 39 tyre companies
- 60 tyre plants
- 11 ATMA member companies
- Rs. 55,000 crs tyre industry turnover in India
- Rs. 10,500 crs tyre exports from India



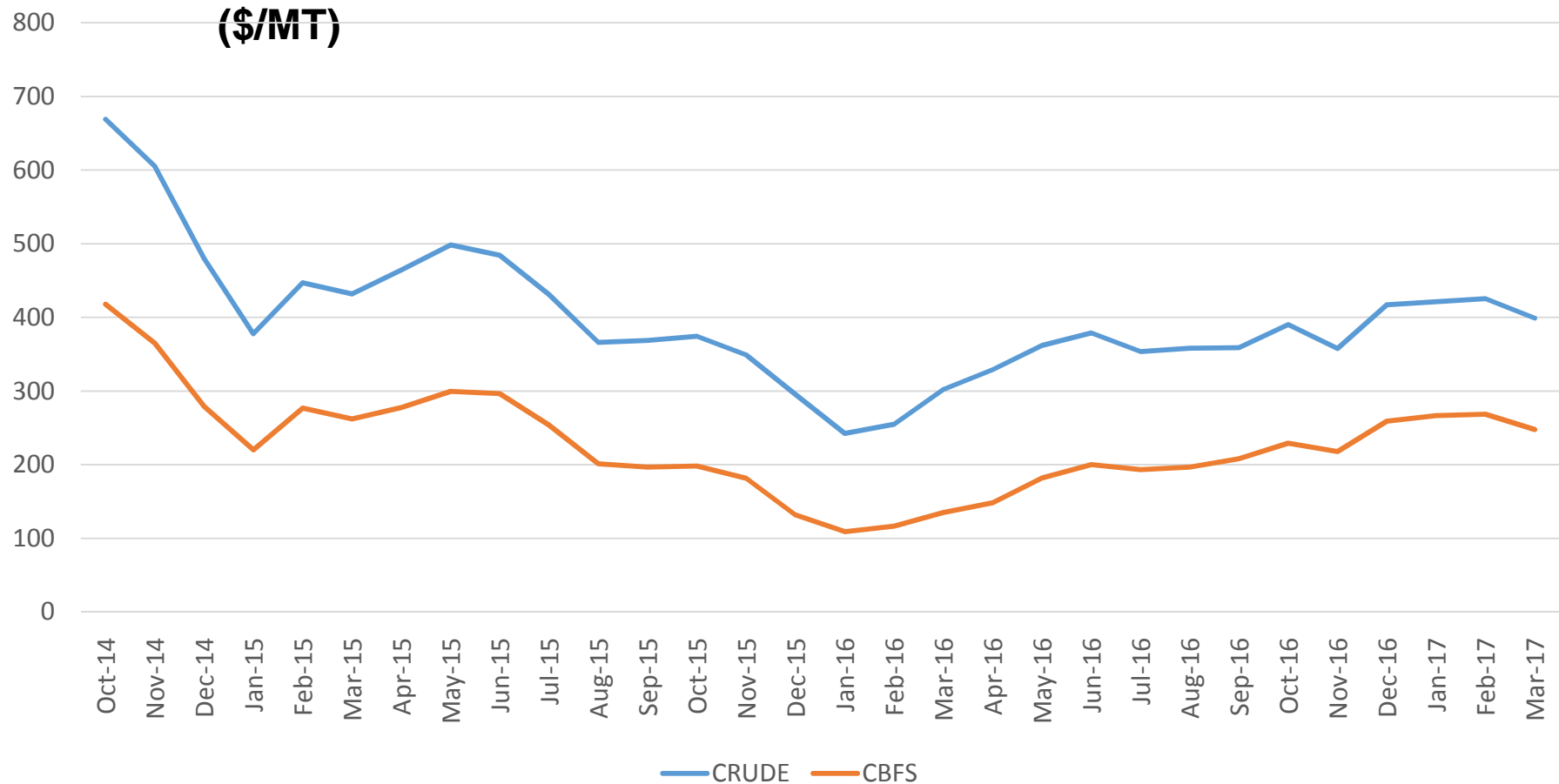
Increasing capacity of major players in the industry

Segmentwise capacity in TPD	Apollo		JKI (including Cavendish)		MRF		CEAT	
	FY17e	FY18e	FY17e	FY18e	FY17e	FY18e	FY17e	FY18e
CV Bias	500	500	650	650	800	800	280	280
TBR	350	700	600	700	300	350	70	80
PCR	450	500	250	250	500	550	200	200
LCV	100	100	70	70	100	120	85	85
2W	-	100	100	180	350	420	320	360
Farm Segment /OTR	100	100	100	100	200	220	50	90
Total Tonne per day	1,500	2,000	1,770	1,950	2,250	2,460	1,005	1,095

Current CB Industry Trend

- Lower feedstock prices owing to drop in crude prices
- Fall in CB imports in India on account of anti-dumping duty
- Better capacity utilization of domestic CB companies
- Reduction of Chinese dominance in global CB markets on account of higher coal-tar prices

Brent Crude & CBFS Price



CB Growth Drivers

- Economic growth driving demand in automobile, construction, electronics sectors
- Tyre capacity addition in Asia
- Long term business tie-up with global tyre customers
- Growing “Specialty Black” business
- Moving up the value chain in product portfolio

Phillips Carbon Black - at a Glance



Largest producer in India
7th largest globally



Installed Capacity of 472 KT
Co-Generation Power Plants of 76MW



Global tyre companies and
specialized application users
(Paints, Inks, Plastics etc.)



Market presence in
30+ countries



- ISO/TS16949:2009
- ISO9001: 2008
- ISO14001:2004
- OHSAS18001:2007



BSE (Code – 506590)
NSE (PHILIPCARB)



Rubber & Specialty blacks

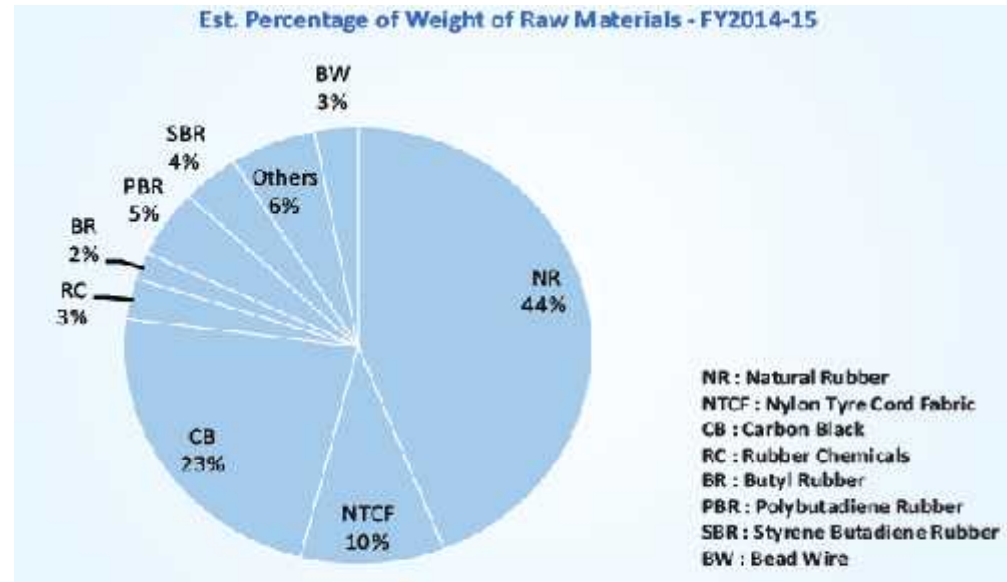


Focus on Specialty Black

High performance Rubber Blacks

Power plants based on tail gas

CB is a critical raw material for Tyre Industry

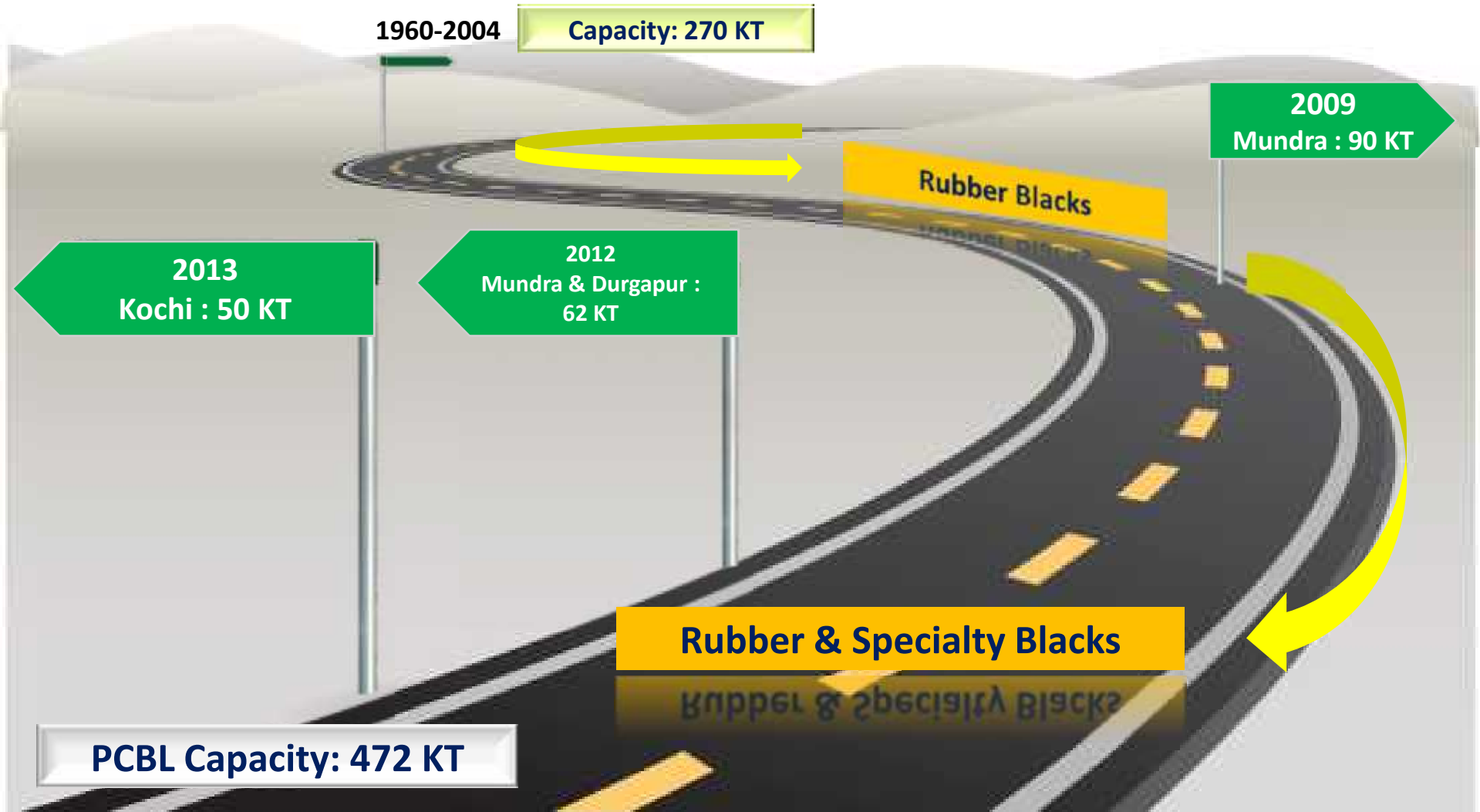


Current installed capacity

S.No	Location	CB (MT)	CPP (MW)
1	Durgapur, W.Bengal	1,47,000	30
2	Mundra, Gujarat	140,000	24
3	Palej, Gujarat	95,000	12
4	Kochi, Kerala	90,000	10
Total		4,72,000	76

PCBL Journey

Started with **Phillips Petroleum** in **1960**, collaboration with **Columbian Chemical**, acquisition of CB division of **Gujarat Carbon Ltd** and amalgamation with **Carbon & Chemicals Ltd**





International Rubber Conference 2016 , Japan



Top Export Award by AIRIA in FY15 in Raw Material sector



National Rubber conference , 2017



Make in India 2016, Mumbai



"Great Manager Awards" by Times Ascent and People Business

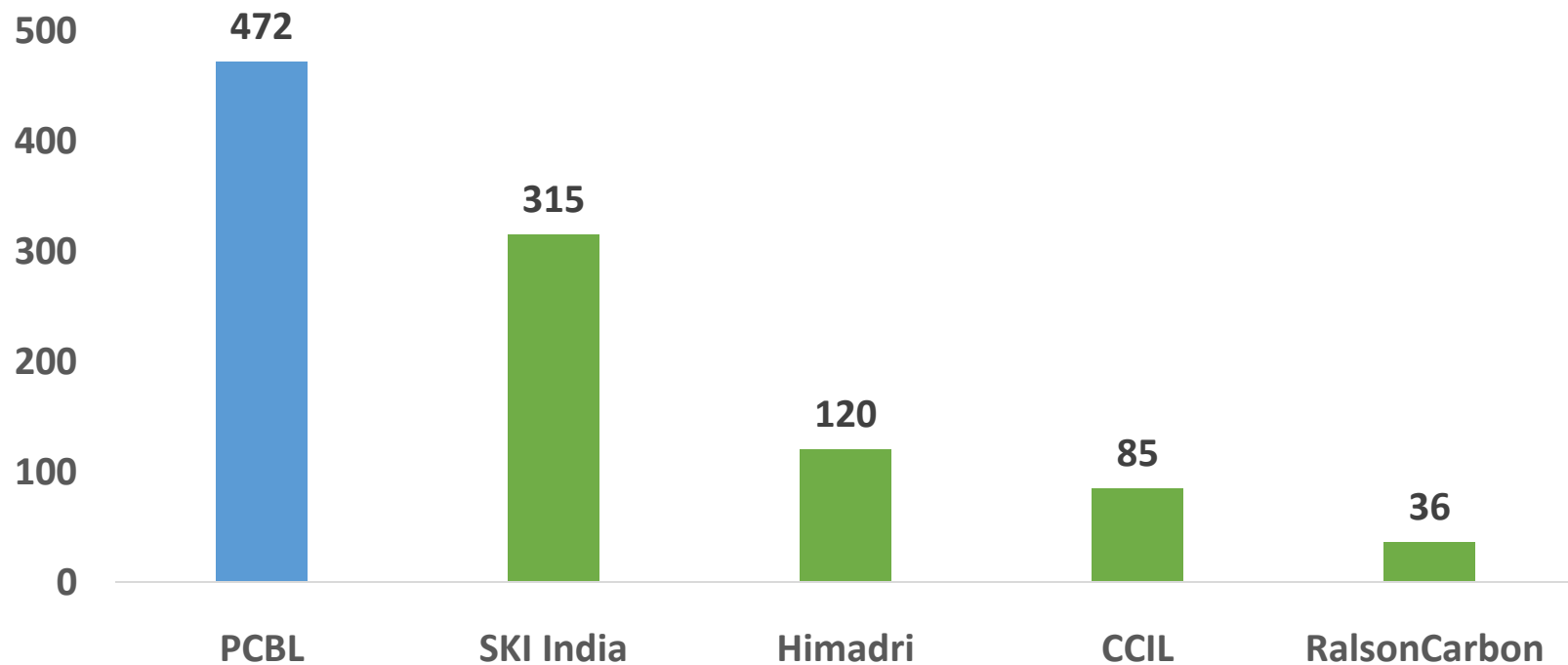
Partners in Growth - Customers



AND MANY MORE ...

Positioning

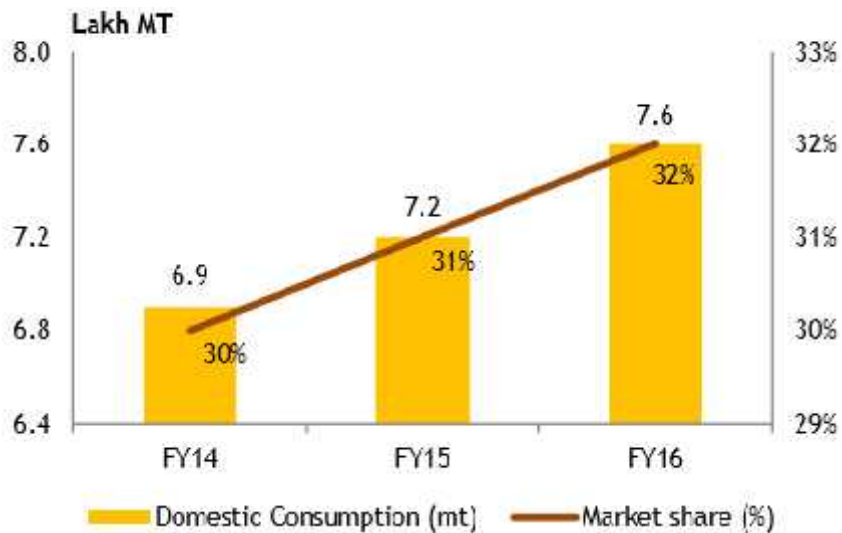
Domestic Positioning by Capacity (KTPY)



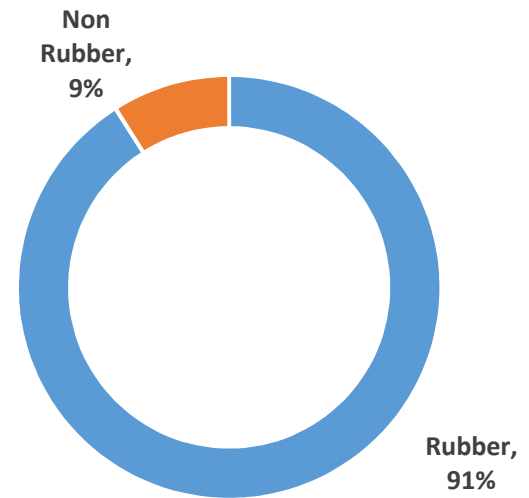
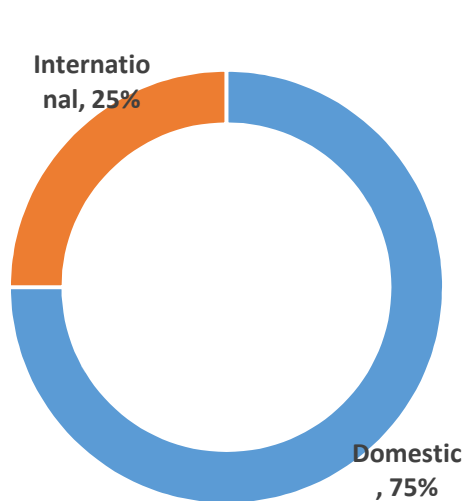
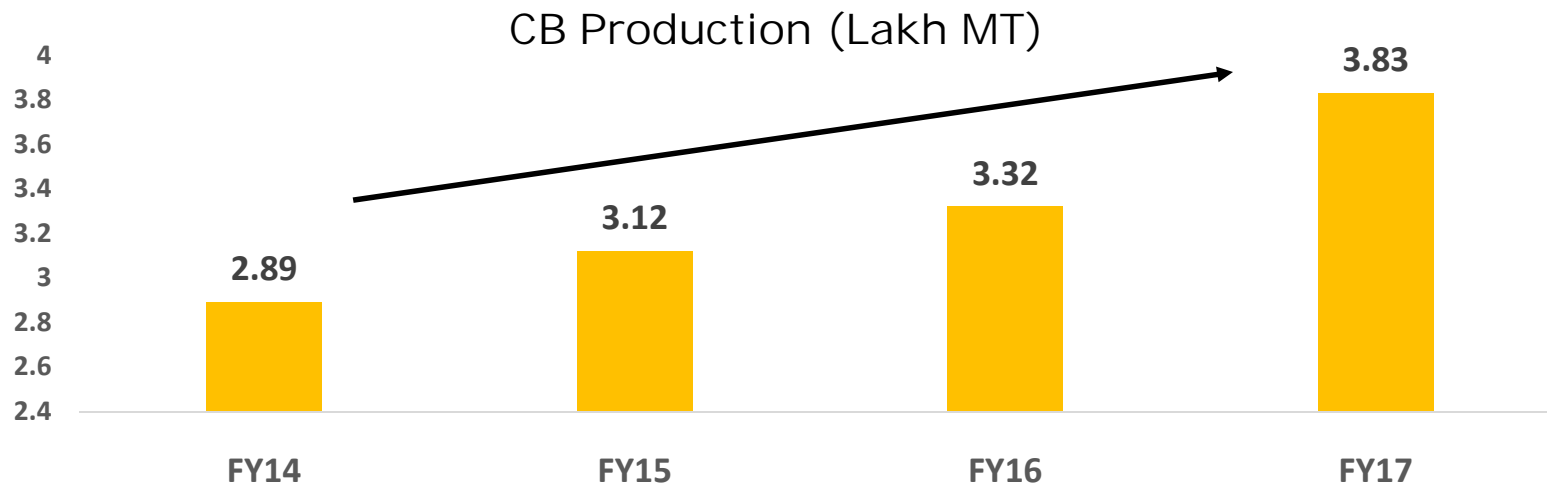
Market Share

PCBL is market leader in carbon black in India

Export of carbon black and market share of PCBL



Production and Sales Volume Trend



Our Growth will come from....

1.
Brand
positioning in
global markets

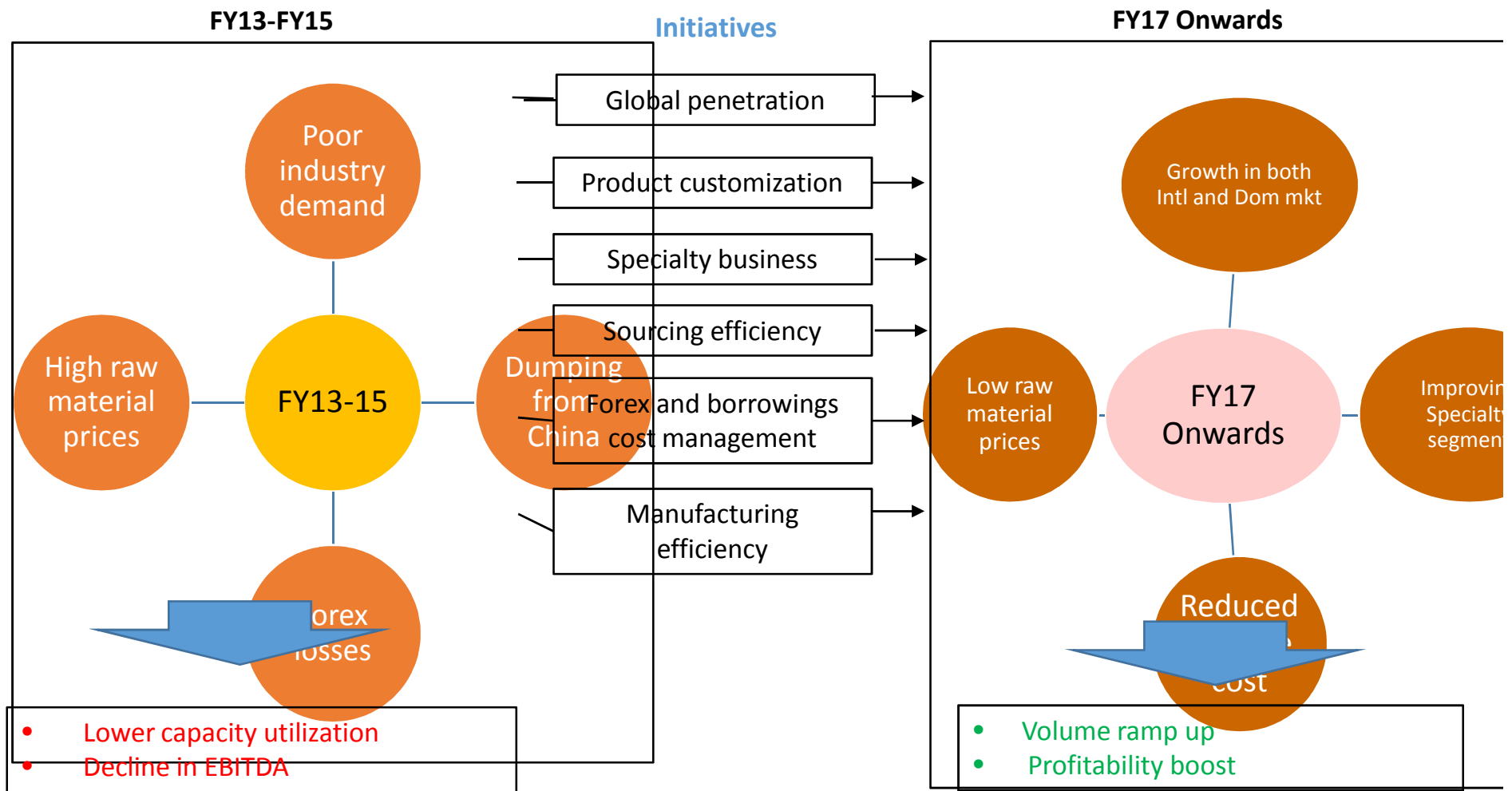
2.
Portfolio mix
towards high value
products

3.
Addition of
New Grades

4.
Manufacturing &
virtual plants near
customers

5.
Specialty and high
performance blacks

Business Acceleration Underway

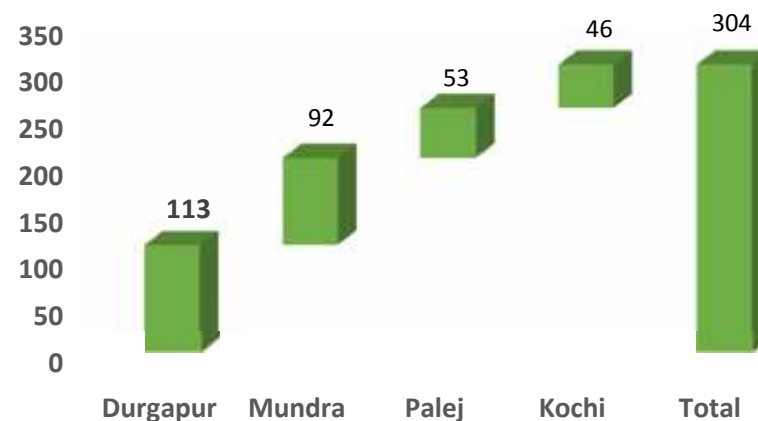


Accelerating contribution by power segment

Power Capacity Across Plants (MW)



Power Sales Volume Across Plants (MU)



	FY14	FY15	FY16	FY17
CB Production (MT Lakhs)	2.89	3.12	3.32	3.83
Power Generation (MU)	346	342	372	484
Power Export (MU)	204	199	225	304
Power Sale (Rs Crs)	65	69	77	81
Power EBITDA (Rs Crs)	48	49	45	51

Approximately 40% of power generated is used to meet captive requirement, balance 60% is exported to grid

Increasing efficiency and CB production volume has been driving growth of power revenue

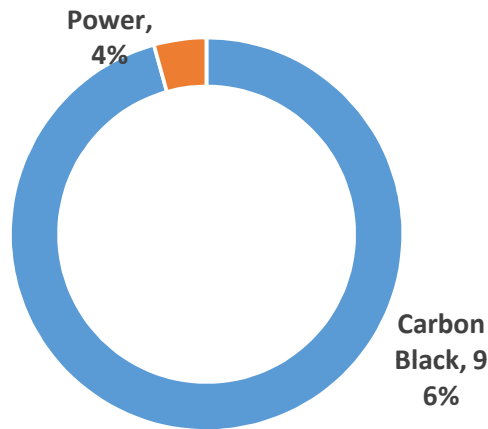
Increasing focus on Specialty black



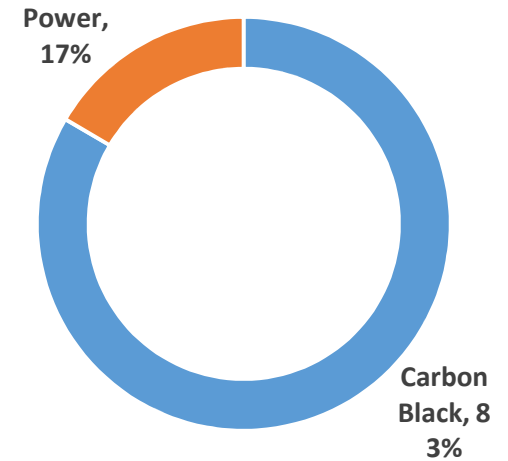
- Specialty black is increasingly being used in high end applications like plastics, inks, paints and coatings, toners, and electronic components
- PCBL is India's leading manufacturer of specialty CB
- Ramping up specialty size to reduce India's dependence on imports

Financial Overview –FY17

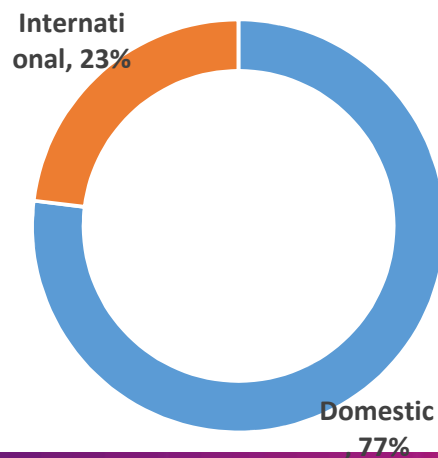
Revenue Split by business (%)



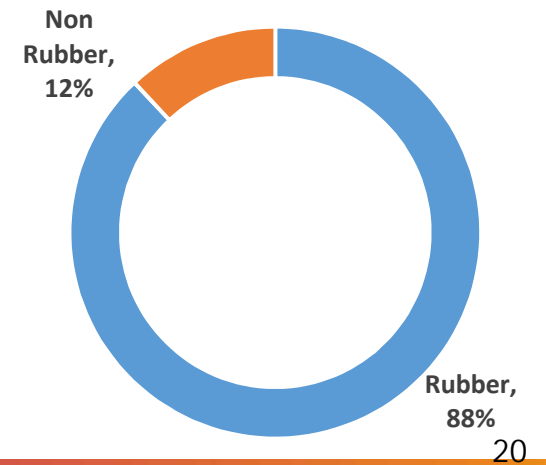
EBITDA Split (%)

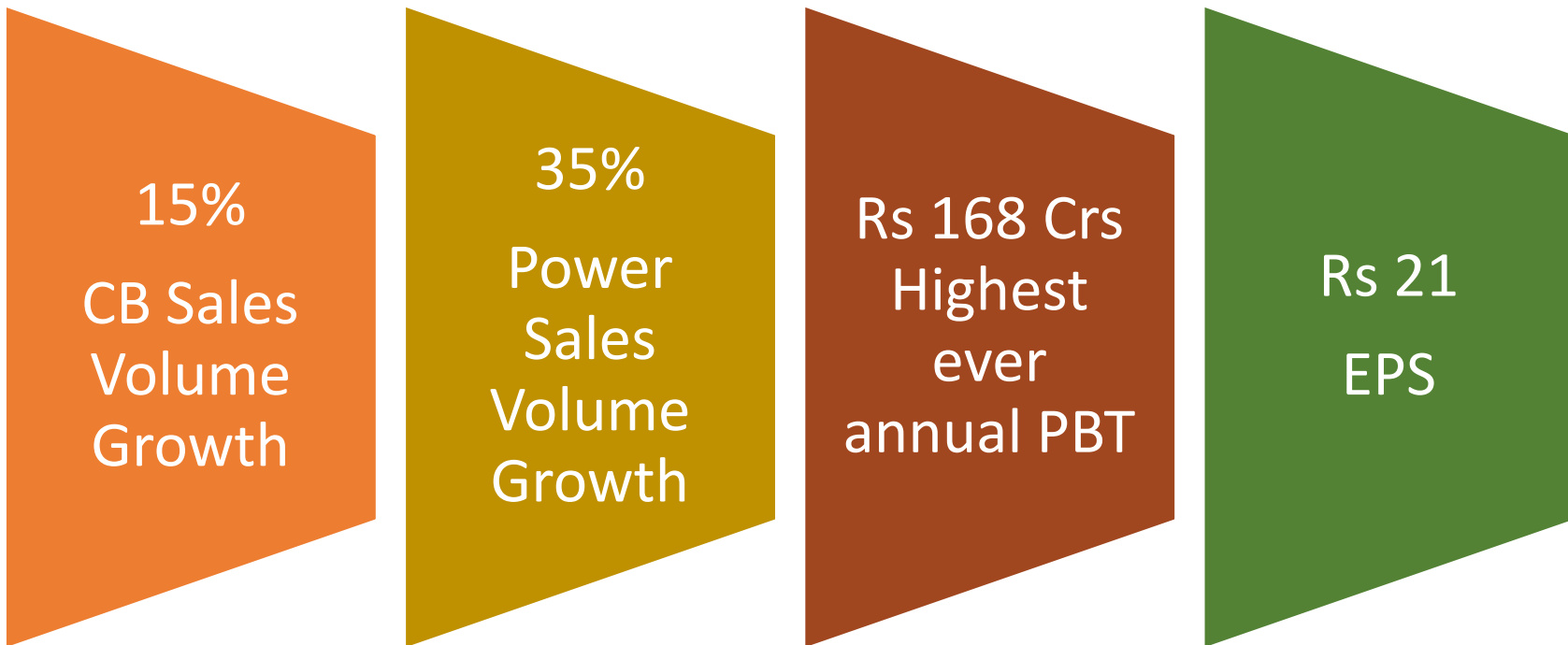


Revenue split by region (%)



Revenue split by product (%)



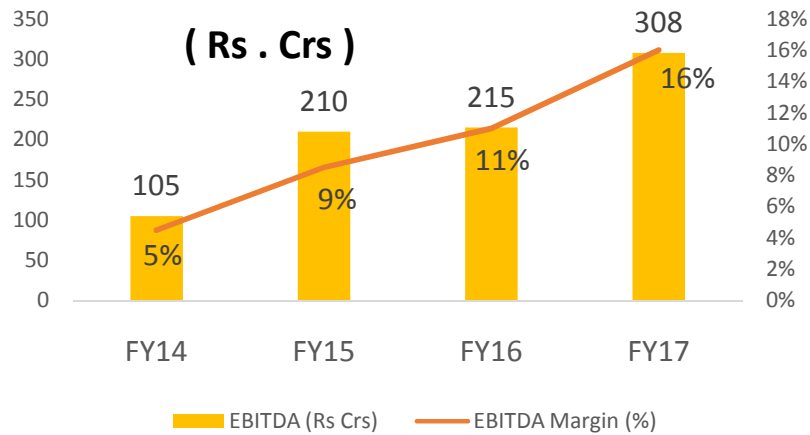


GROWTH is a continuous process...

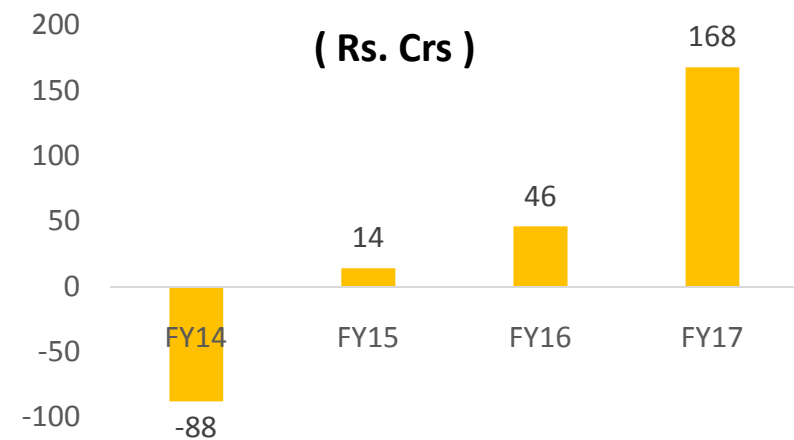
We REINFORCE this with our endeavours

Strong Financials

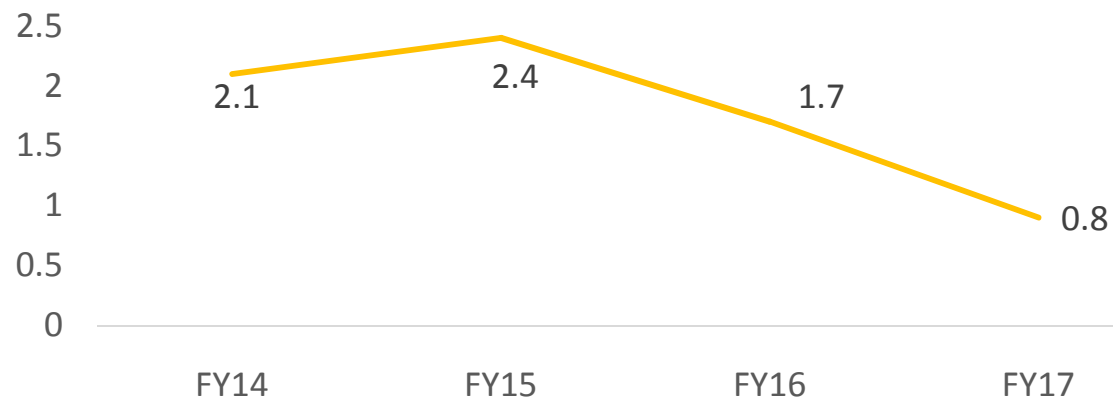
Improving EBITDA and EBITDA margins



PBT turnaround



Net Debt /Equity coming down



Quantitative Performance

Particulars	Q4FY17	Q4FY16	%Change (QoQ)
Production (MT)	96,741	87,640	10%
<i>Capacity Utilization(%)</i>	94%	85%	9%
Total Sales Volume (MT)	98,017	88,507	11%
Domestic (MT)	71,902	64,153	12%
Export (MT)	26,115	24,354	7%

Particulars	FY17	FY16	%Change (YoY)
Production (MT)	383,316	332,038	15%
<i>Capacity Utilization(%)</i>	94%	81%	13%
Total Sales Volume (MT)	386,694	335,146	15%
Domestic (MT)	293,964	242,621	21%
Export (MT)	92,730	92,525	-

Financial Performance

Particulars	Q4FY17 (Rs. Cr)	Q4FY16 (Rs. Cr)	%Change (QoQ)
Net Sales (incl. other income)	558	460	21%
EBITDA	92	54	69%
EBITDA%	17%	12%	5%
PBT	63	15	310%
PAT	28	3	930%

Particulars	FY17 (Rs. Cr)	FY16 (Rs. Cr)	%Change (YoY)
Net Sales (incl. other income)	1947	1908	2%
EBITDA	308	215	41%
EBITDA%	16%	11%	5%
PBT	168	46	264%
PAT	73	15	388%

Performance Highlights

- Increasing EBITDA and PBT on account of continuous improvement in manufacturing, procurement and financing efficiencies
- Increased capacity utilization driven by improved plant performance
- Revenue growth on account of sales volume growth & value added products
- Volume growth over last three years in specialty black segment
- Plans to increase overall capacity by 8 %

Thank You