

INDIA : UV/EB MARKET POTENTIAL

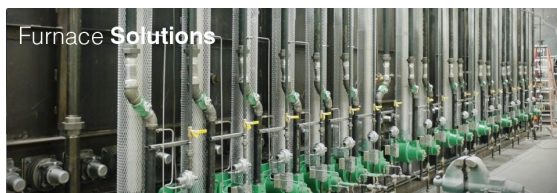
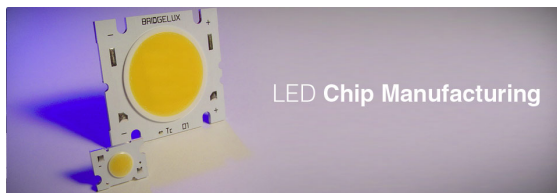
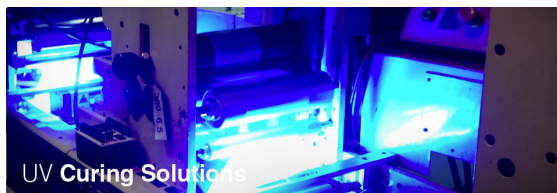
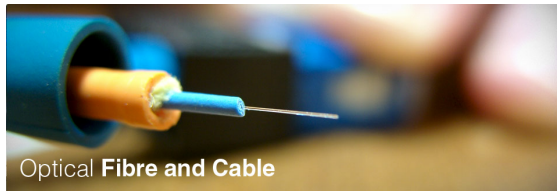
ANKIT SINGHAL
SIMCO MATERIALS INTERNATIONAL PVT LTD
NEW DELHI - INDIA

*RADTECH INDIA, Nov 20-21, 2014



SIMCO Group of Companies

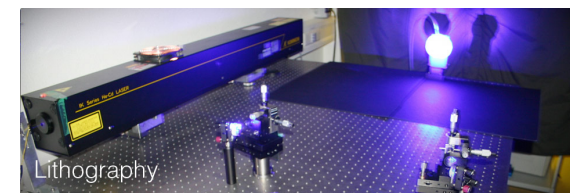
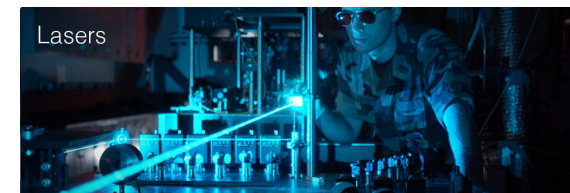
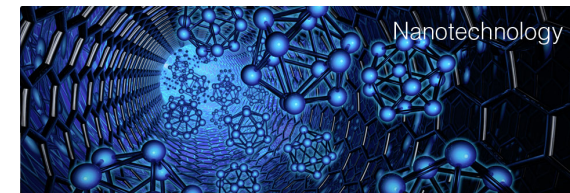
Our Industrial Sector



Who we are

- We are a 30 year old company serving the high technology sector of the Indian sub-continent.
- A group of two companies, one targeting the R&D sector and other the industrial segment.
- In 2012-13, the group did sales of over USD 16 M.
- Over 30 employees where the top management received Masters and PhDs from top institutes like IIT and USC, Los Angeles.
- 4 offices in Bangalore, Kolkata, Mumbai with headquarters in Delhi.

Our R&D Sector



INDIA – Rhythm in Chaos

- “MAKE IN INDIA” drive by the new government.
- Prime Minister announced connecting all the villages with optical fiber.
- Environmentally friendly technology initiative by the government.
- Anti-corruption drive
- A positive change is imminent.

Political

Technology

- Second largest telecom network.
- Third highest number of internet users.
- Has capabilities of Nuclear power, space exploration, carbon fiber.
- Targeting Chip manufacturing.
- Electronics market -> \$400 B (2020)
- Semi-Conductor Design -> \$70 B (2020)
- Preference in absorption of technology.

- The Indian economy is 11th in the world by GDP which is 4.9% for 2014-15 and estimated to grow to 5.7% in 2015 (as per OECD)
- Third largest by purchasing power parity
- 19th largest exporter, 10th largest importer
- Indian retail market has CAGR 18.8%

Economic

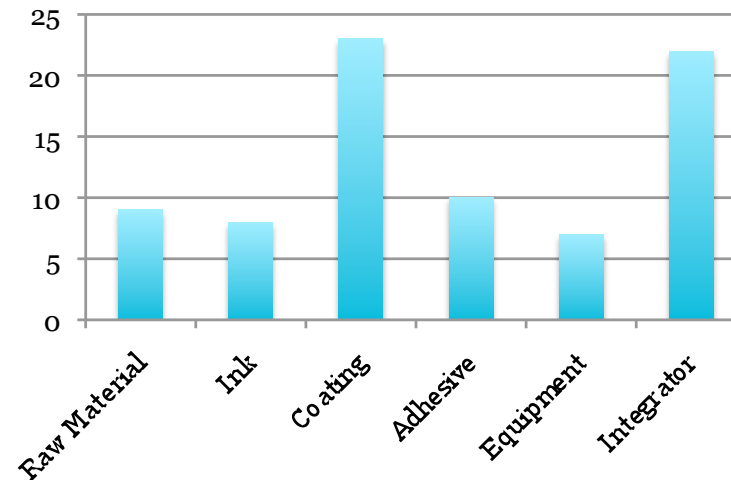
Social

- World's second largest English speaking country
- 1.2 Billion people with 64% in age-bracket of 15-64 years and median age of 24 years.
- 22 different languages spoken, 6 religions
- Family oriented but with complex business culture

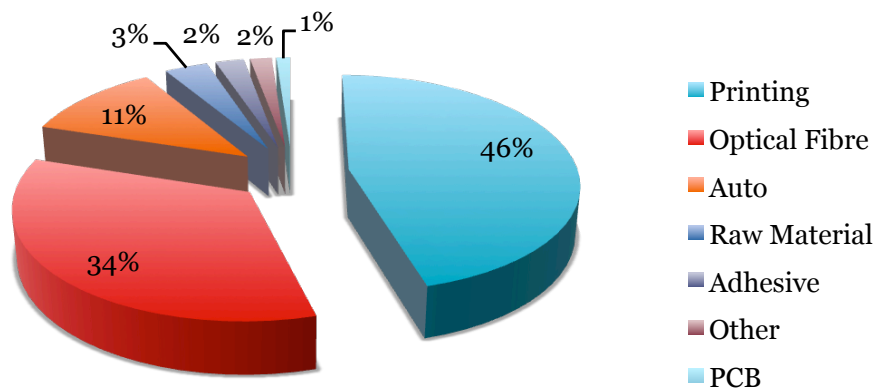
UV/EB at a glance

- Indian imports of UV Formulations alone, stand at more than \$29 Million in 2013.
- Imports of over \$2 Million worth of EB coatings in 2013.
- Printing/Packaging Industry is the biggest consumer of UV/EB, followed by Optical fiber and auto lighting.
- \$600,000 worth of UV arc-lamps imported.

Estimated number of UV Suppliers

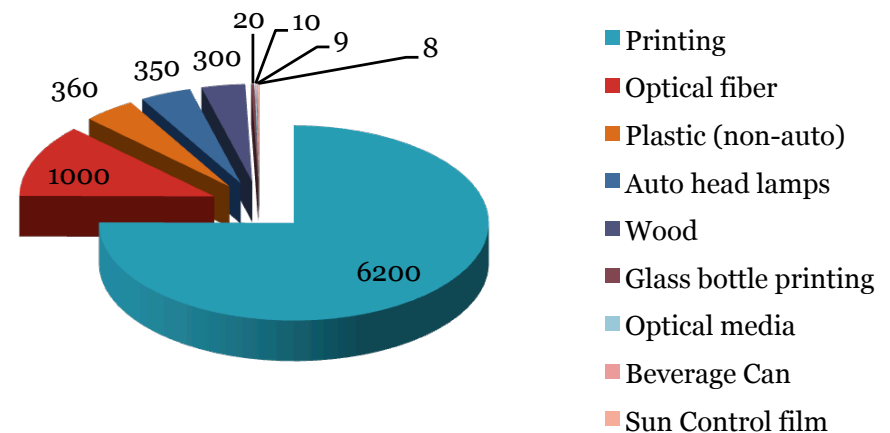


UV Imports (% by Value) in 2013-14



Source : Import Data

Estimated consumption (MT)

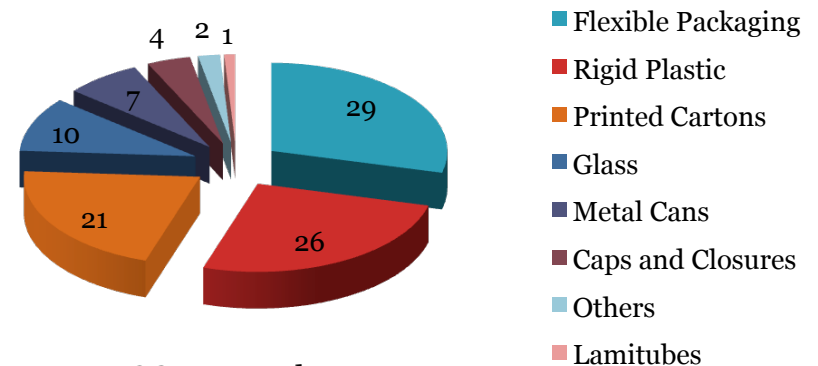


Source : Industry Experts

Printing-Packaging

- The Indian consumer packaging market was estimated at around USD 8.7 billion in 2012-13
- Flexible packaging industry is expected to witness a minimum growth of 18-20% annually.
- Digital printing at about 25-30%.
- Apart from big players India has about 200 small ink manufacturers.

**Indian Consumer Packaging Industry
2012-13 (% by Value)**



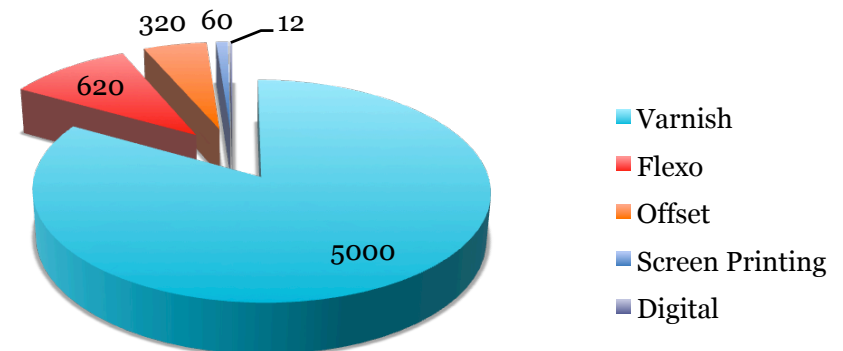
Source : MCG Research

Estimated number of UV printing units



Source : Industry Experts

Estimated UV Consumption (MT)



Source : Industry Experts

Printing-Packaging

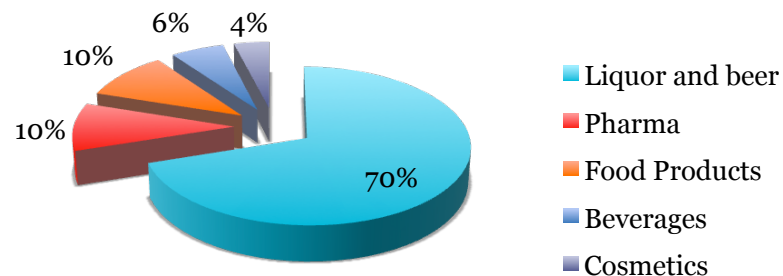
Glass

- Indian glass container industry is estimated to be USD 1.2B and is expected to grow at 12%.
- 400 Million bottles are printed with UV inks per year.

Beverage Can

- Installed Capacity of 1.9 Billion Cans.
- Demand will increase significantly due to increased urbanization and rising disposable income.
- Per capital Beverage Can consumption in India is less than one Can per capita per year. (Source : Rexam)

**Glass Container Consumption
(by Industry)**



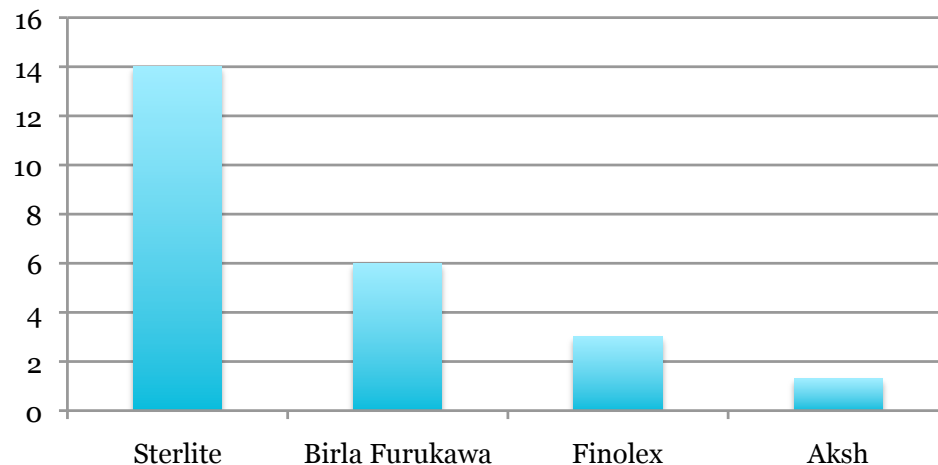
Beer consumption expected CAGR at 13% between 2012-17, which should drive the both, the Indian Beverage Can as well as the Glass Bottle Industry.

Source : HNG

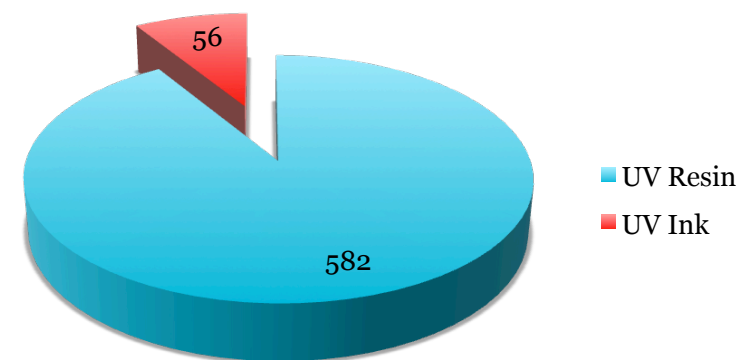
Optical Fiber

- With the subscriber base of nearly 898 Million, India has the second largest telecom network.
- Third highest number of internet users, with CAGR of 19.7%
- Broadband subscriptions of 15.1 million in 2013, expected to reach 117.6 by 2015E.
- Broadband connectivity to all the 2,50,000 villages in the country within next three years. This project envisages 25,00,000 kms of optic fibre cable (OFC).
- Around 30M Fiber km installed capacity for optical fiber.
- Corning established a fiber plant in 2013 with a joint venture with Finolex

Installed Capacity (M FKm)



Consumption (MT) in 2012-13

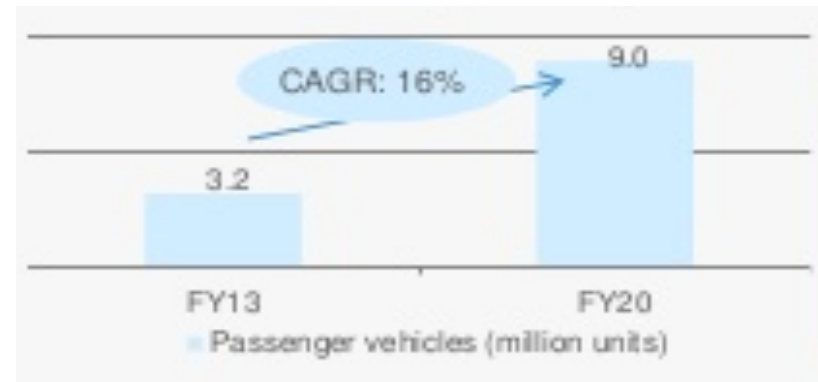
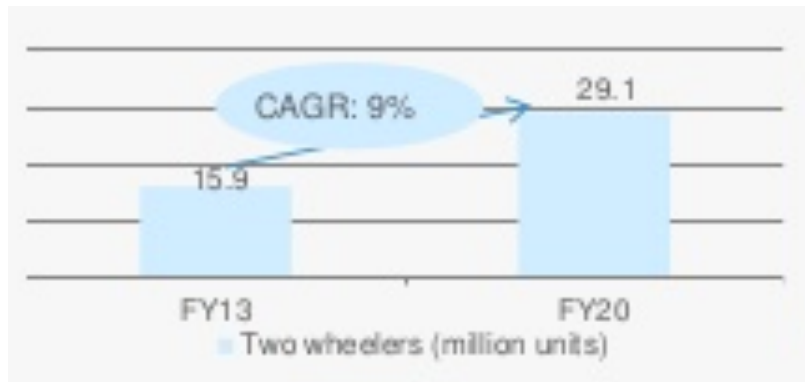


Auto Head lamps

- The Automotive industry is estimated to grow at a CAGR of 13% during 2012–2021
- World's second largest two wheeler manufacturer.
- Lumax Industries which accounts for over 60% market share in Indian Automobile Lighting Business registered a growth of 8.63% in 2012-13.

Over 40 UV coating lines in this segment

Over 300 MT/yr of UV coatings consumed

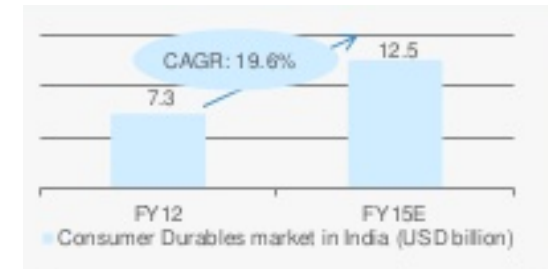


Source : IBEF India

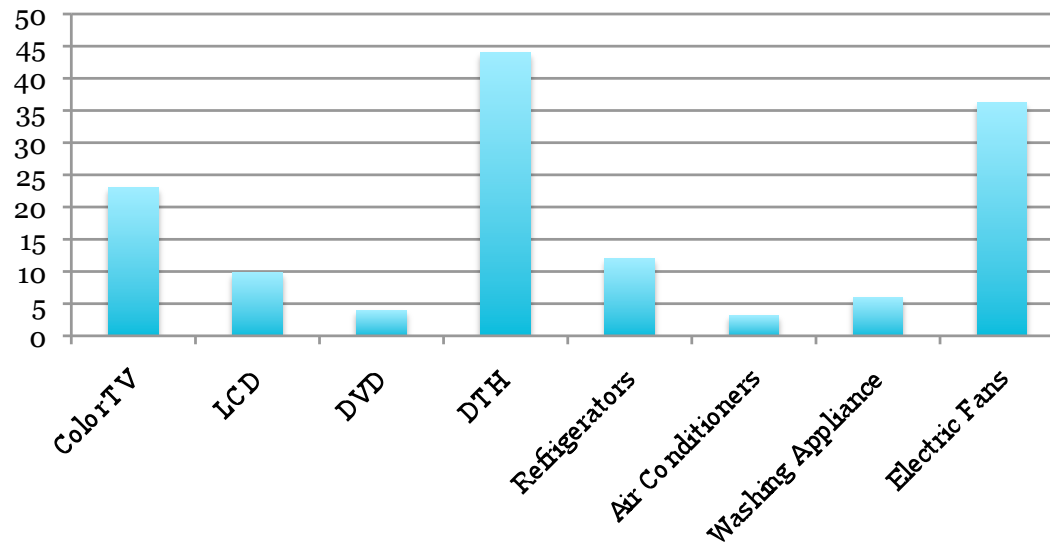
Plastic (excluding Auto lens)

- Consumer durable market to reach \$12.5B by 2015.
- FMCG market expected to increase at CAGR 14.7%.
- 250 million mobile phones are sold annually.
- India has 900-million mobile phone connections and expected to reach 1.2 Billion by 2016
- Over 3 Billion optical media manufacturing.

Source : IBEF India



Consumer Durables Sales (Millions)



Metal Industry

Metal Industry

- The country slated to become second largest steel producer by 2015 with CAGR at 7.7% over 2005-12.
- India is among the fastest growing steel tubes and pipe manufacturers in the world, with production estimated at 10 Million Tons per year.



Source : IBEF India

Key Drivers

- Telecom sector : Additional 400,000 base stations and 50,000 towers
- Infrastructure - CAGR 14.5%, FY12-17
 - Power : Target to add capacity of 93000 MW in 2017-2022
 - Real Estate : By 2020, this sector is expected to report revenues worth US\$ 180 billion
- Automotive - CAGR 11.5%, FY12-21
- Oil and Gas : 30,000 km of pipe by 2017.
- Aviation : To invest worth \$30B in the next decade to modernize existing airports and add more airports.

NEW UV/EB COATINGS FOR METAL COILS
that could replace existing Chemical and Thermal
treatment processes

Other Potential Markets

Wood Industry

- Indian furniture Industry is estimated at around USD 11.73B (Source: Annual Report-2013 Greenply Industries Ltd) and is estimated to grow at 25-30% CAGR over the next few years (Source: Ernst & Young).

Source: Kotak Securities - Private Client Research

Adhesive

- Indian adhesive market size is estimated at USD 1B.
- India has been able to register meaningful growth in adhesives sales of over 15% in the past few years

Source: Kotak Securities - Private Client Research

PCB

- The PCB industry for the year 2010-2011 closed with an impressive growth of 17 %.
- Total Indian PCB Market Size is about USD 664 M.

Source: IPCA India

Floor Coating

- India's floor coating market is in a very nascent stage.

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