

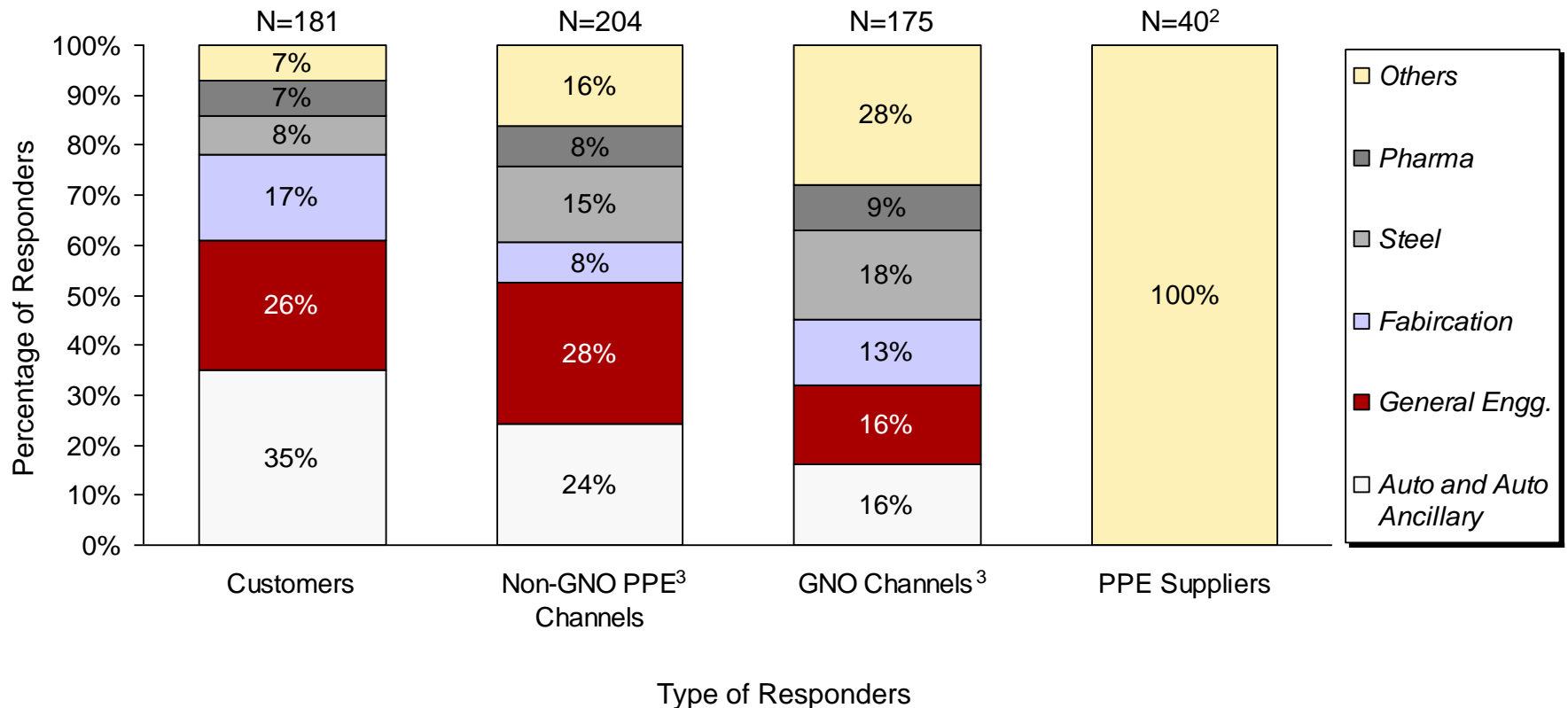
Personal Protective Equipment (PPE) Industry

Key Assumptions and Background:

- Study is done to understand the market entry feasibility of Personal Protective Equipment (PPE) for GNO from the perspective of “Abrasive business synergy”
- Areas covered in this study include:
 - Synergy between PPE market and current GNO ecosystem (Customer, Channels and Brand Image)
 - Develop an understanding of market from:
 - a. Demand (Customer) Side
 - b. Supplier (Manufacturer/Importer) Side
 - c. Product Side
 - d. Channels Side
 - Addressable market and expected revenue for 1 to 5 years of launch
- Study has come up with scenario based recommendations for GNO’s PPE plan
- Recommendations need to be “Test marketed” before creating a detailed go to market strategy

RedSeer has completed 600¹ Primary Interviews across Customers, Channels and PPE Suppliers

Primary Research Summary
(Total=600¹)



Note:

1: Doesn't include the repeat interviews, dipstick interactions

2: Suppliers are not segmented by industry type

3: Industry segmentation is not exclusive

Source RedSeer Analysis

Summary:

- Indian PPE market is pegged at around INR 7800 Million with an expected CAGR of ~19%
- By Revenue 60% of Indian PPE market is controlled by Organized players
- Organized Market is consolidated with presence of 10-12 Major players, unorganized market is highly fragmented
- Current GNO business has high level of synergy with PPE market due to Channel and Customer Readiness along with GNO Brand
- PPE market is Price sensitive but big customers are ready to pay a premium on brand and quality
- Direct supplier channel are the key form of PPE distribution for large and organized players
- There is a definite space for new entrants in market, but “me-too” products will have limited appeal

SWOT Analysis of GNO in PPE market

Strength <ul style="list-style-type: none">• High level of Synergy for GNO from Channels and Customers• Synergy with Non-GNO PPE Channels• Trusted Brand Image of GNO• Pan India presence of GNO	Weakness <ul style="list-style-type: none">• Current GNO distribution is not aligned with High Speed of Delivery need of PPE channel• GNO's lack of PPE experience
Threat <ul style="list-style-type: none">• Presence of “Me-too” products in Market• Presence of other imports and low entry barrier in PPE market• PPE comes under discretionary spend for most industries	Opportunity <ul style="list-style-type: none">• Small but fast growing market• Lack of clear established market leaders• Existing Pain areas for customers• Knowledge Gap

Agenda

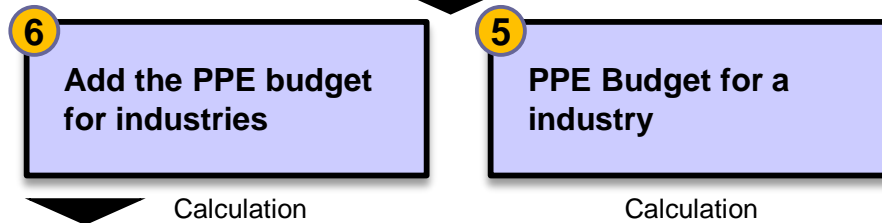
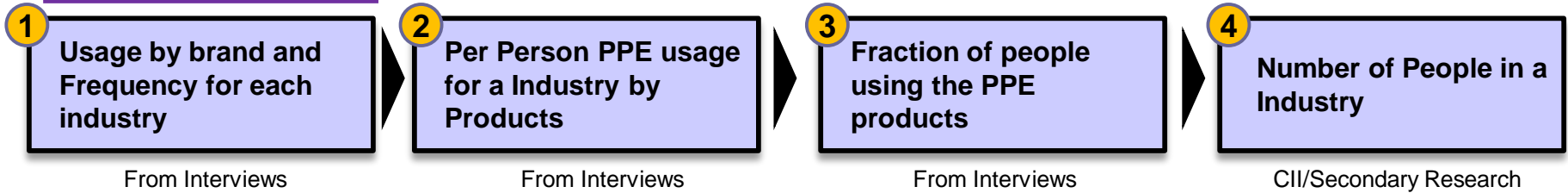
- Market Overview

- GNO and PPE Synergies**
- Industry Overview**
- Product Analysis**
- Channel Dynamics**
- Supplier Analysis**
- Recommendations**

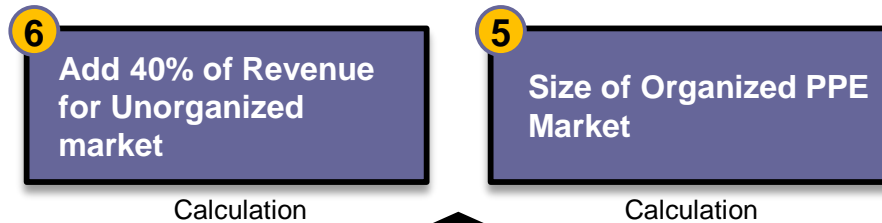
- 1. Indian PPE market is estimated to be at INR 7800 million growing at 19% CAGR.**
- 2. Construction is the biggest consumer of PPE by revenue.**
- 3. Organized players account for 60% of PPE market by revenue.**

Market has been estimated from Demand and Supply Side

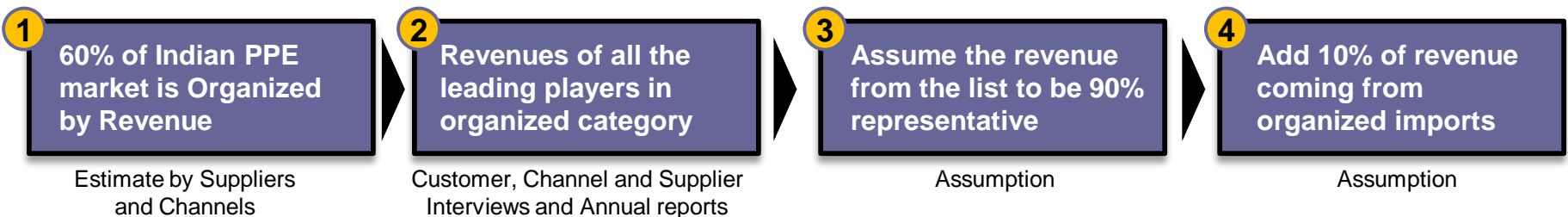
From Demand Side



Indian PPE Market

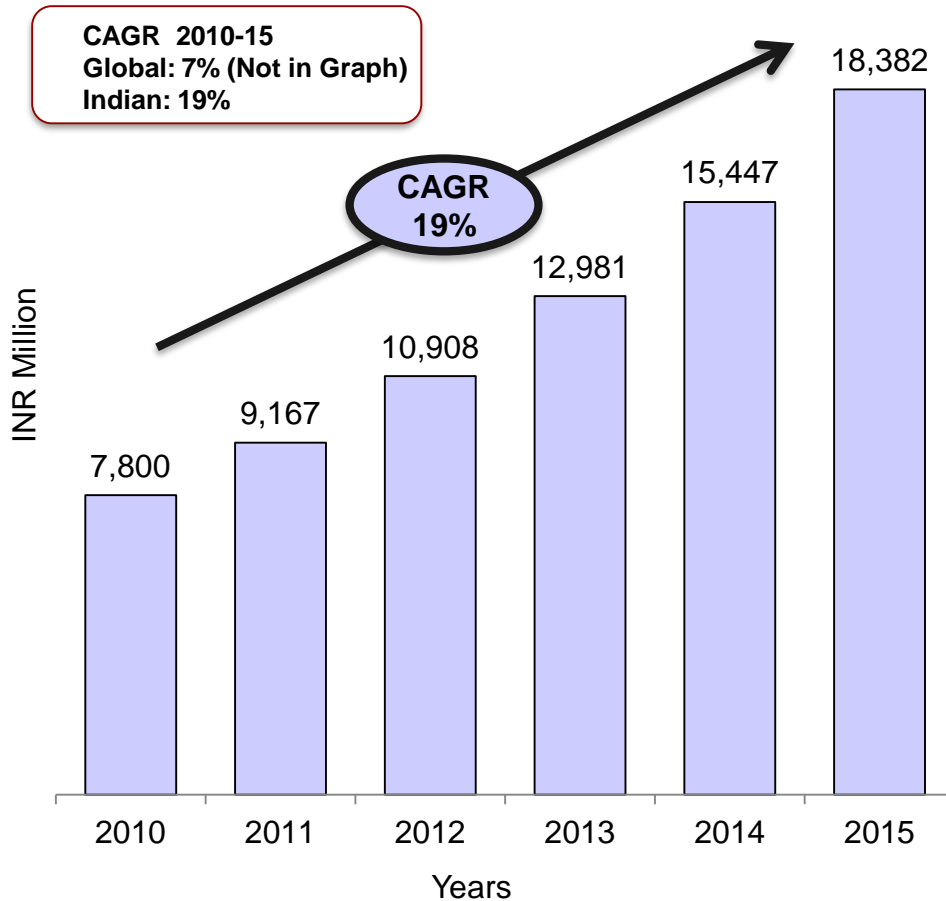


From Supply Side

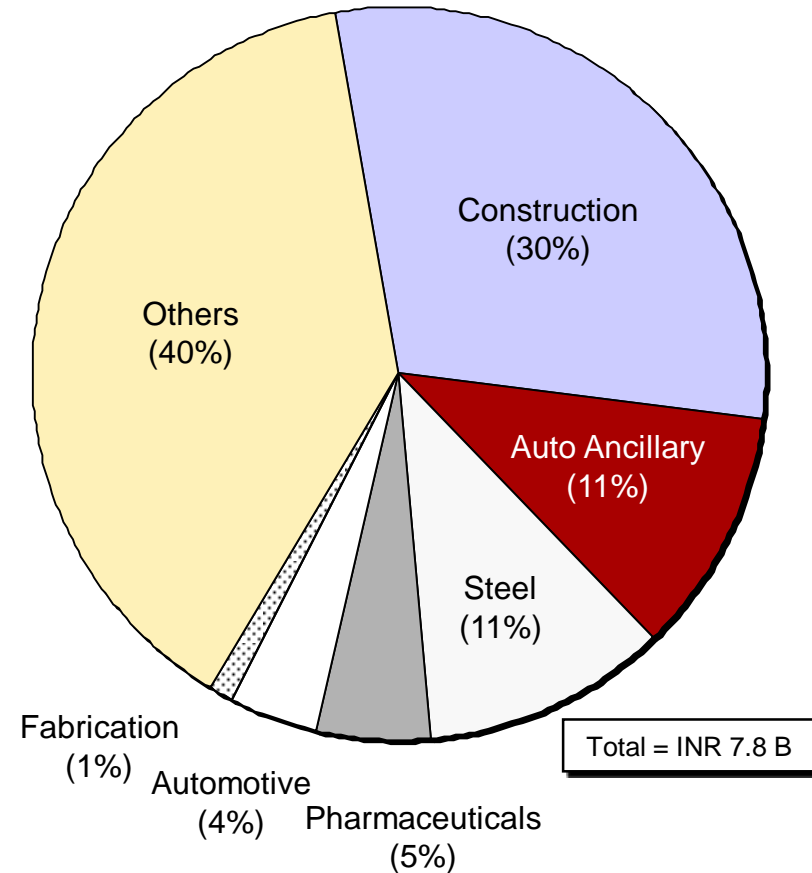


Indian PPE market is estimated to be at INR 7800 million

Indian Safety Product Market Size (PPE) (2010-2015)

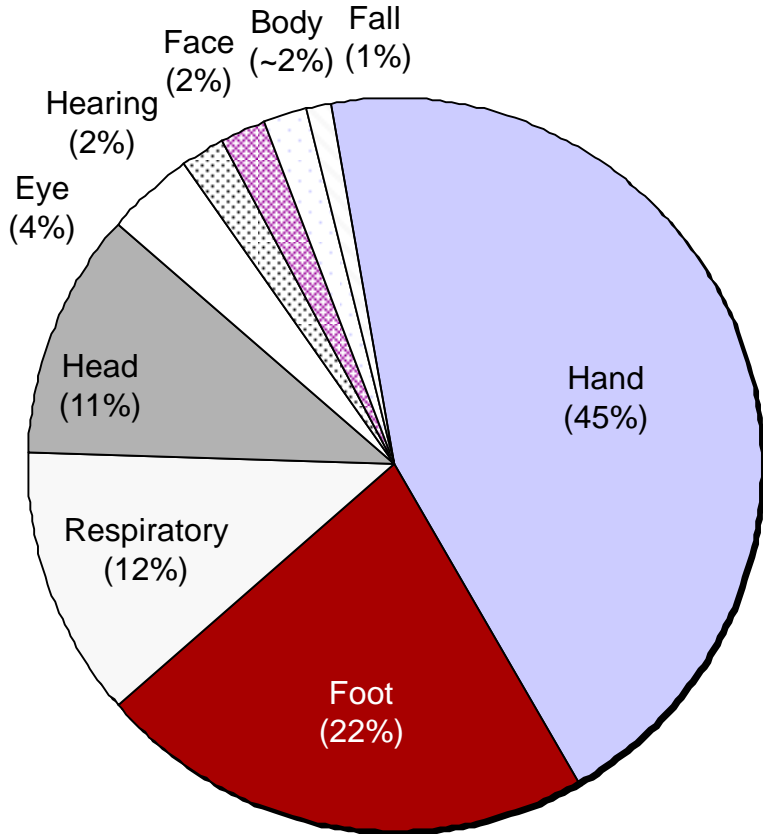


PPE Market Revenue – By Industry (2010)



Hand, Foot and Respiratory account for biggest pie of PPE market by revenue

**PPE Market Revenue – by Products¹
(2010)**

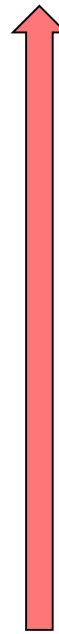


Total = INR 4.72 Billion

**Organized Market By PPE Category
(On Revenue Basis)**

Category	Organized
Fall Protection	Above 80%
Foot protection	Above 80%
Respiratory Protection	Above 80%
Body Protection	60% to 80%
Hearing Protection	60% to 80%
Head Protection	60% to 80%
Eye Protection	40% to 60%
Face Protection	Under 40%
Hand Protection	Under 40%

Organized



Un-Organized

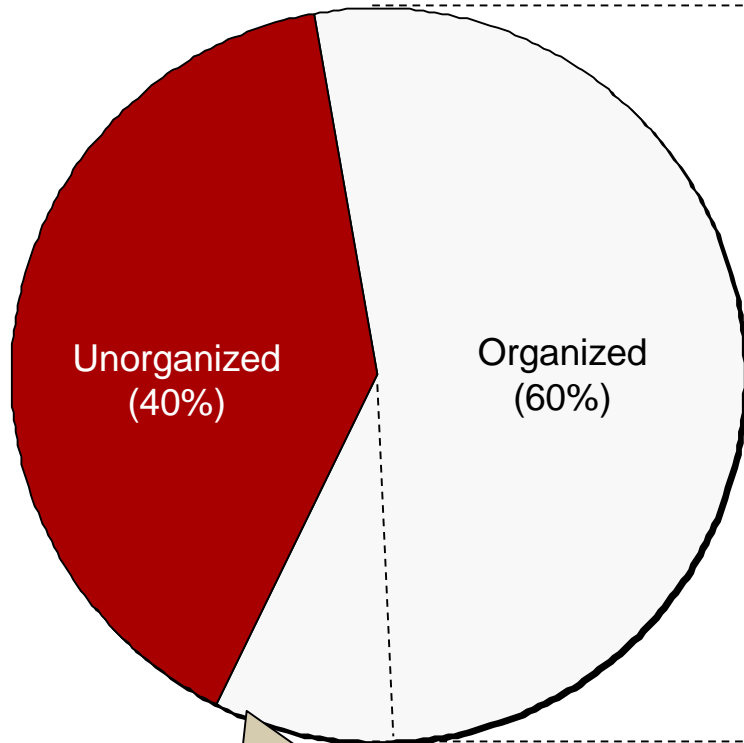
Note:

1: Following share for different categories is based on the sectors – Automotive, Auto Ancillary, Fabrication, Pharmaceuticals, Steel and Construction

Source: RedSeer Analysis, Frost & Sullivan Industry Reports

By revenue 60% of the PPE market is organized - 3M is the biggest player

Indian PPE Market By Revenue (2010)

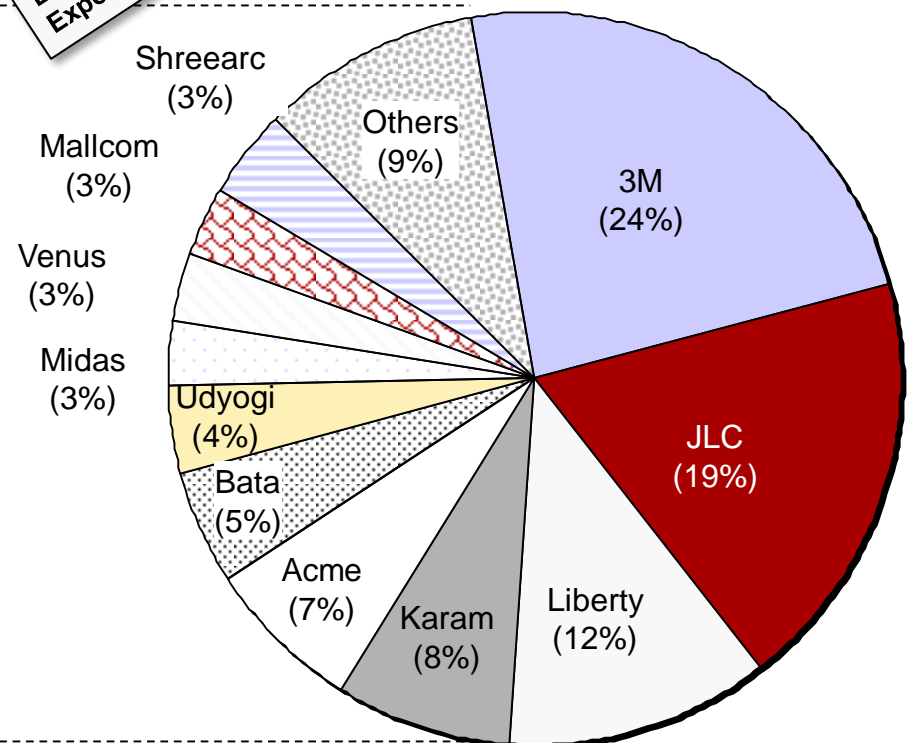


Total = INR 7800 Million

10%-15% of the Organized market is from imports

Organized Market-By Key Players¹ (2010)

Excluding Exports



Total = INR 3813 Million

Note: 1, Domestic Revenue only
Source: RedSeer Analysis,

Agenda

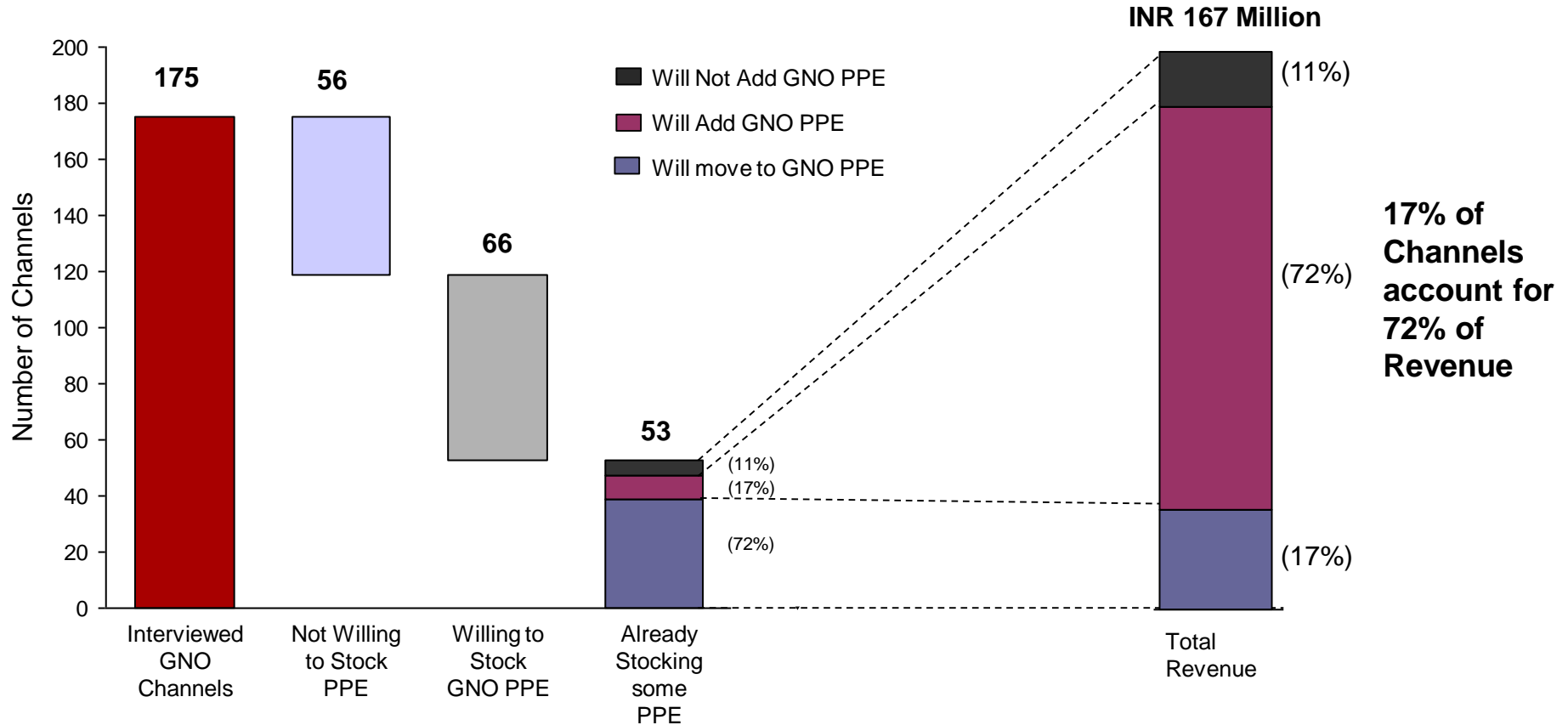
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1. **GNO has high level of synergy with PPE industry**
2. **Existing GNO Channels are doing an annual PPE business worth of INR 167 Million upwards**

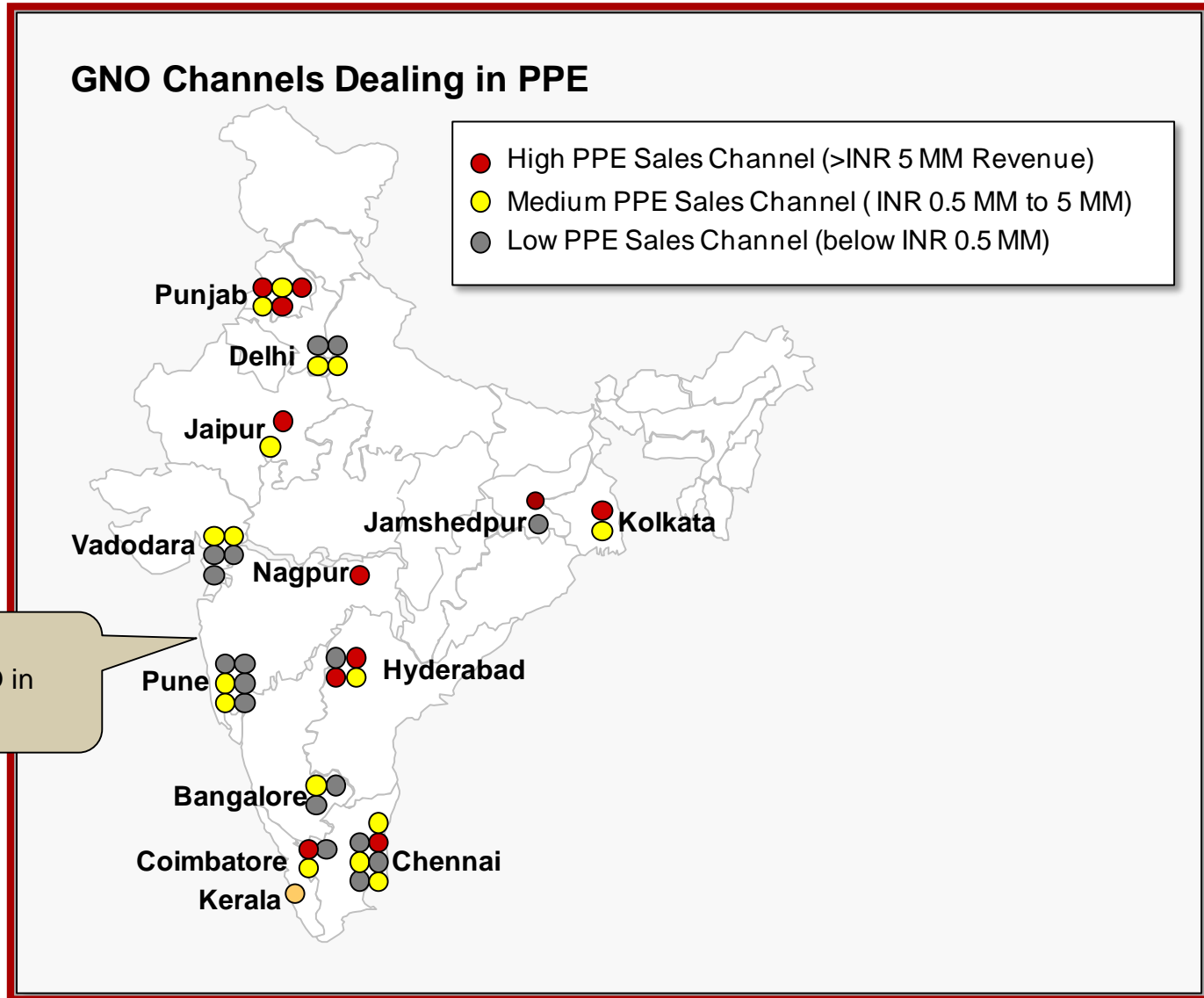
... with a combined annual turnover of INR 167 Million

GNO Channels PPE Synergy (For 175 Responses)

Current GNO Channel PPE Revenue (53 Responses – Already Stocking PPE)



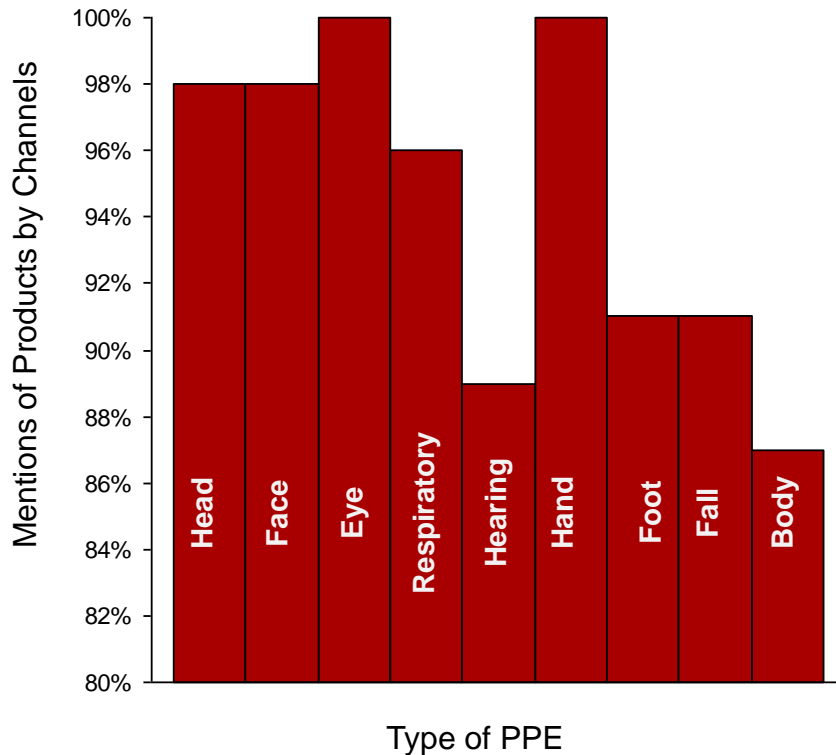
GNO Channels dealing in PPE are well spread across India



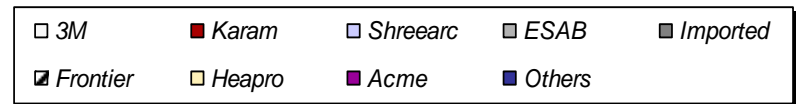
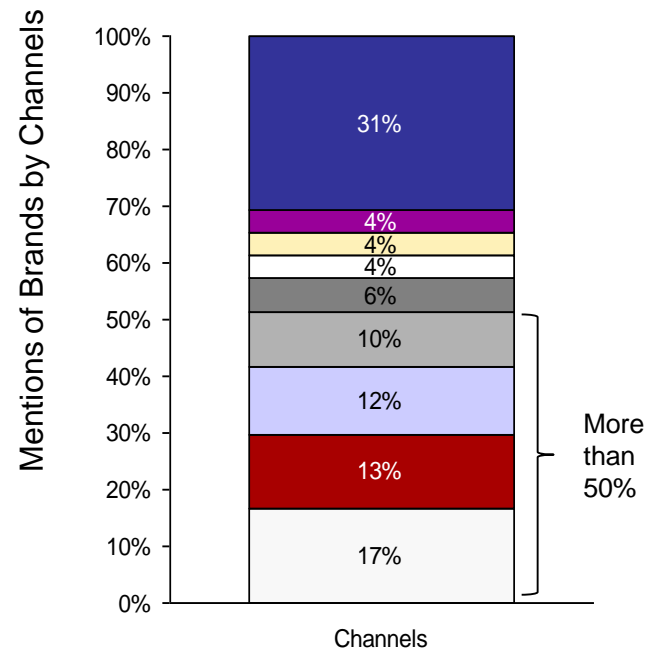
Note: Based on 176 GNO Channel interviews
Source: RedSeer Analysis,

GNO Channels are not product or brand focused

PPE Products Stored by GNO Channels (53 Channels)



PPE Brands Stored by GNO Channels (53 Channels)



Other Brands: Venus, Venitex, Stanvac, Intech, DuPont, local, Chinese, Power, Metro, Protector, POC, Prima, Zoom, Scott, Others

Source: RedSeer Analysis,

Reasons for keeping and not keeping GNO PPE

Response of GNO Channels on PPE products (175 Response)

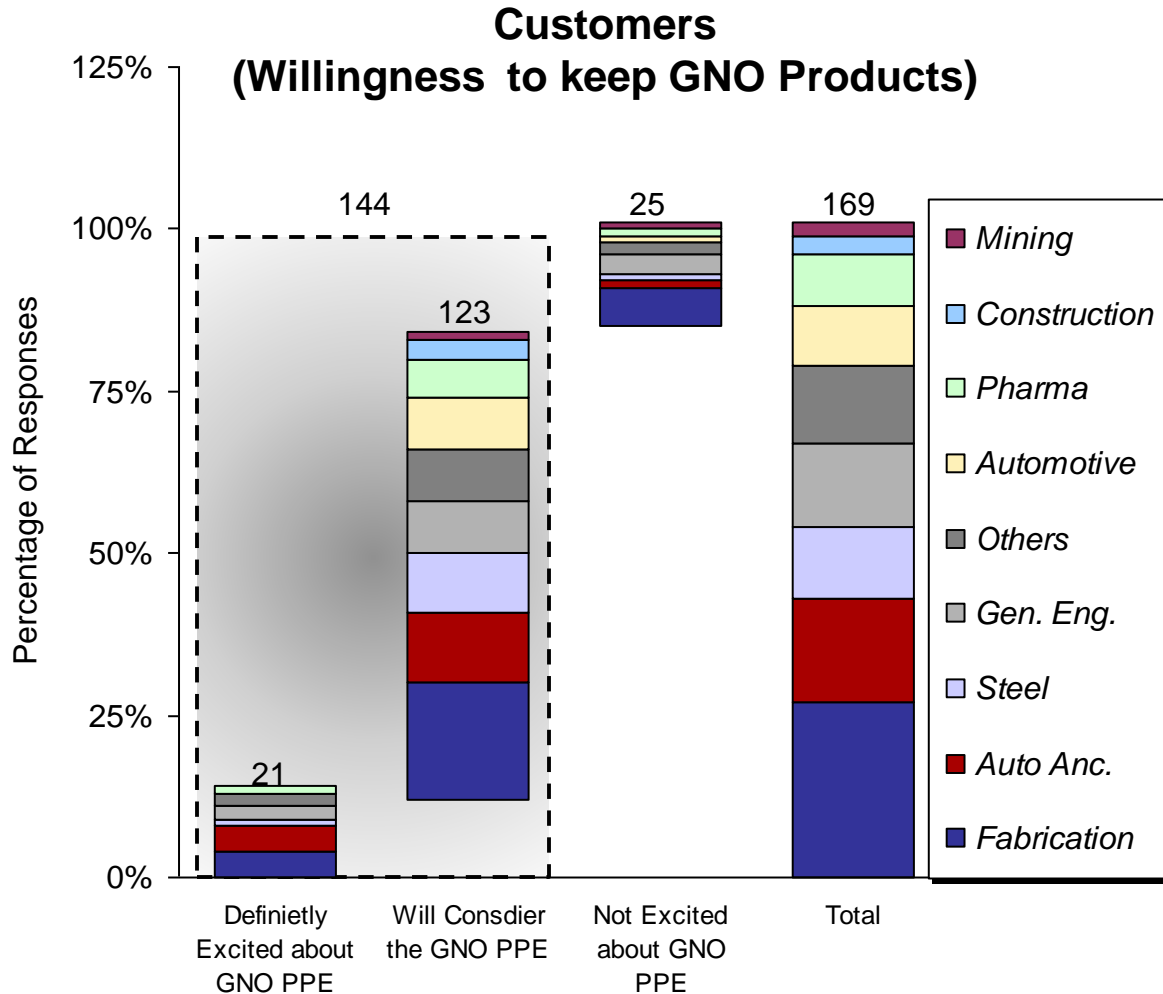
Willing to Stock GNO PPE (113 Response)

1. PPE products have synergy with existing business
2. GNO has a reputed brand Image among the customers. (Most customers have a long running association with GNO)
3. Channels have faith in GNO ability to provide a good product

Not willing to Stock GNO PPE (62 Response)

1. Highly Price sensitive market and GNO is associated with premium products
2. PPE market requires high speed of delivery unlike Abrasives market.
3. Lack of knowledge/ Awareness about PPE.
4. Non-Core Business area

85% of Customer's are ready to consider using GNO PPE products



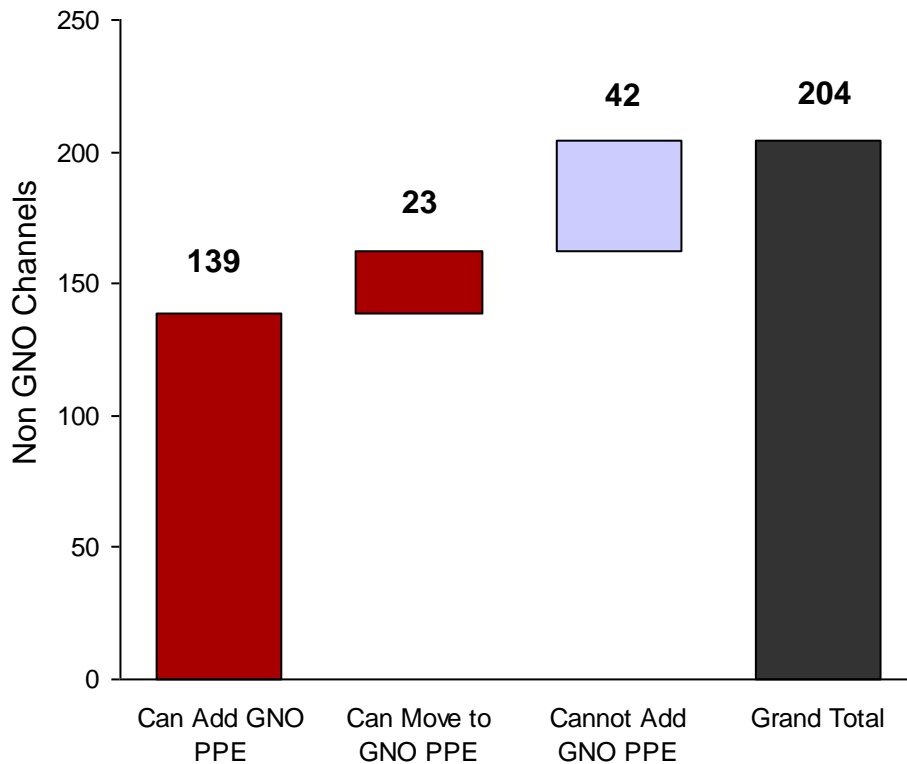
- 85% of customers are excited about GNO entering into PPE segment.
- Fabrication & Auto-Ancillary are the most excited industry about GNO entering PPE Market.

1: Only 169 out of 181 customers responded for this analysis

Source: RedSeer Analysis,

~80% non GNO PPE Channels are ready to do business with GNO

**NON GNO PPE Channels
(Willingness to keep GNO Products)**



Discussion

- GNO has good brand image and dealers expect GNO to come up with differentiating product in terms of price/ quality
- Reasons for not willing to add GNO
 - Existing low priced products
 - Have authorized dealership of big brands
 - Apprehensions about GNOs supply chain issues
- Non GNO Channels are cautiously optimistic to new brands

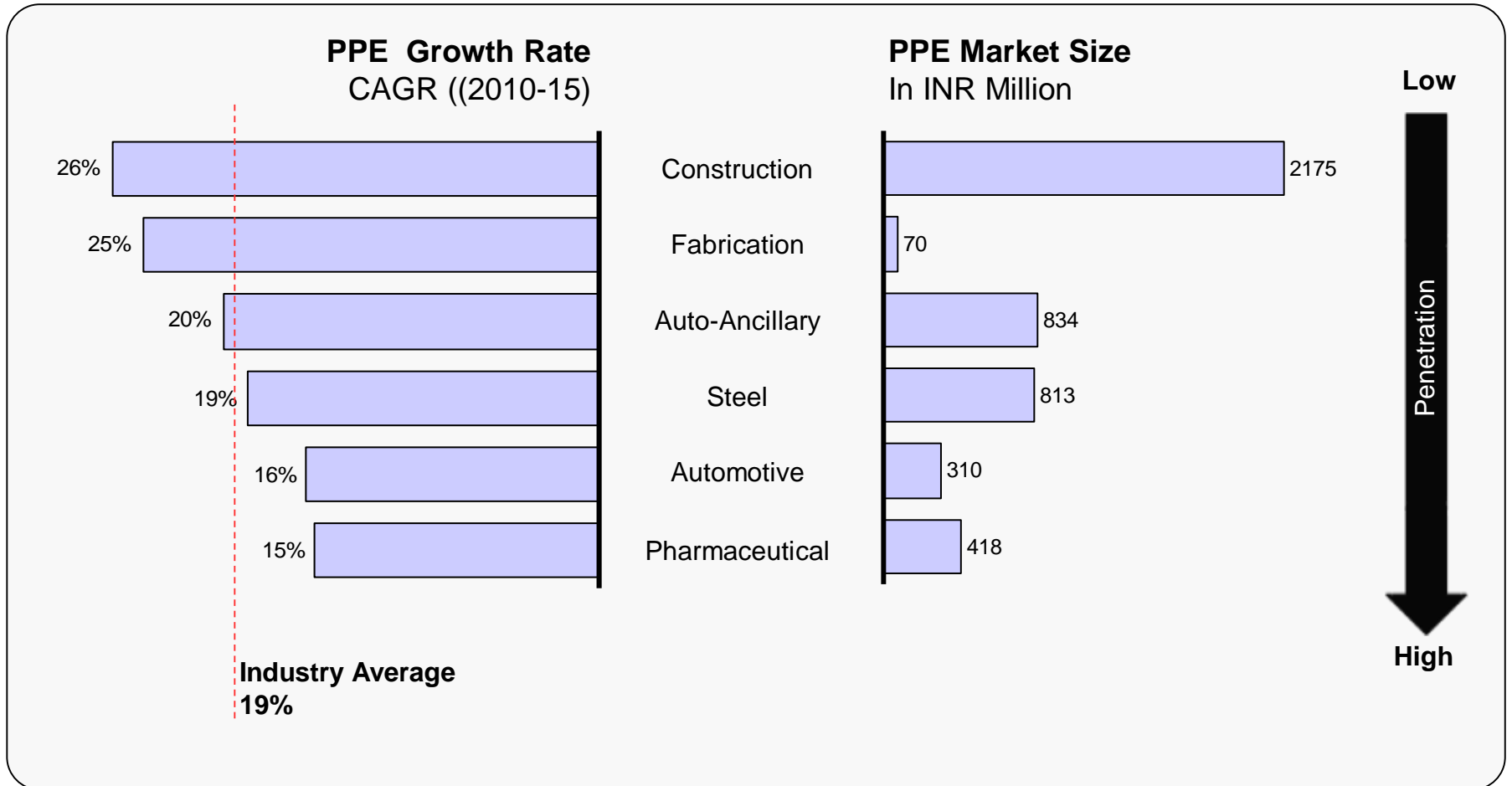
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1. **Construction is the largest consumer of PPE but the penetration is lowest**
2. **Automotive is the GNO relevant industry with highest PPE penetration**
3. **Low PPE users like Fabrication have high growth in PPE adoption**

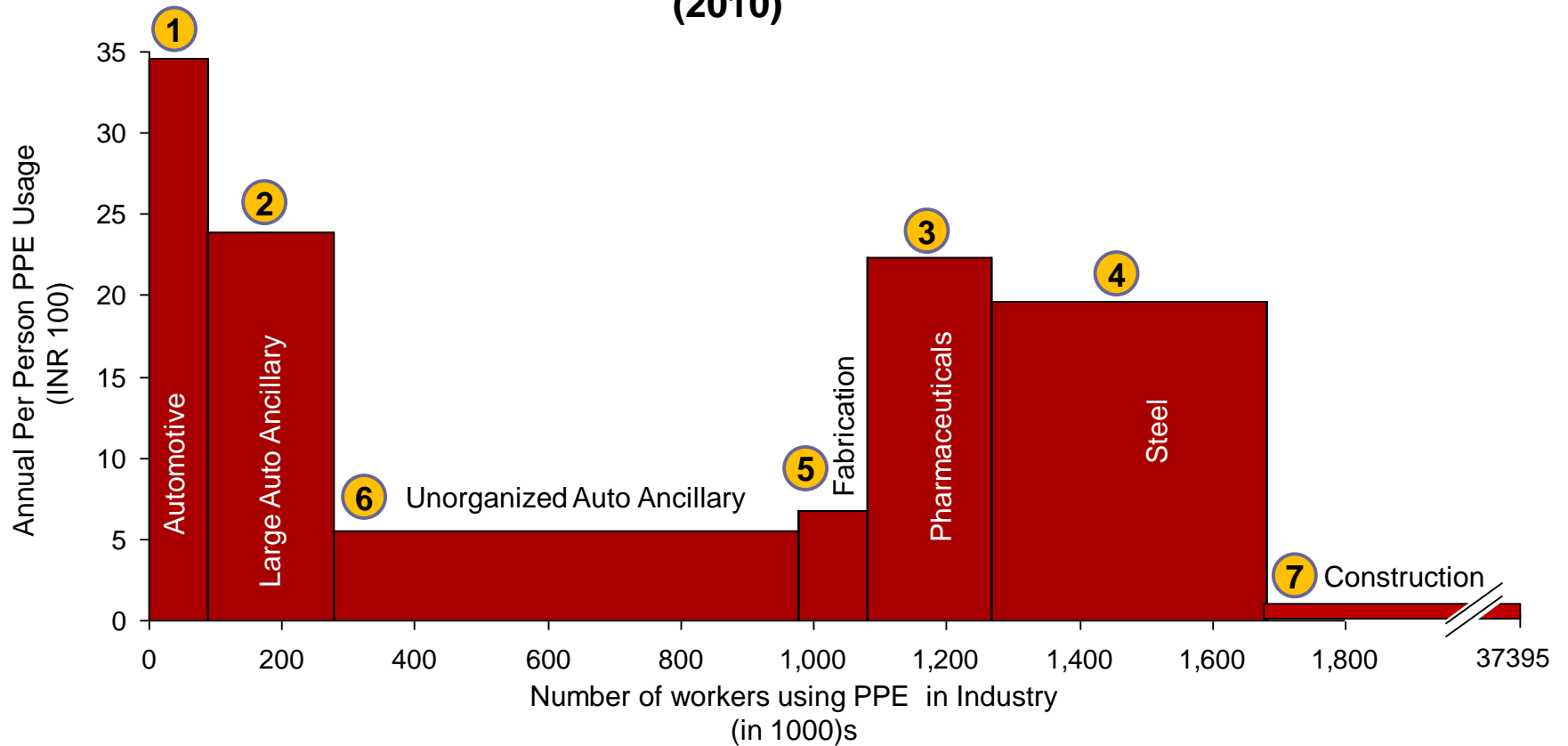
Low penetration industries have high growth rate

Growth rate of PPE Market by Industries



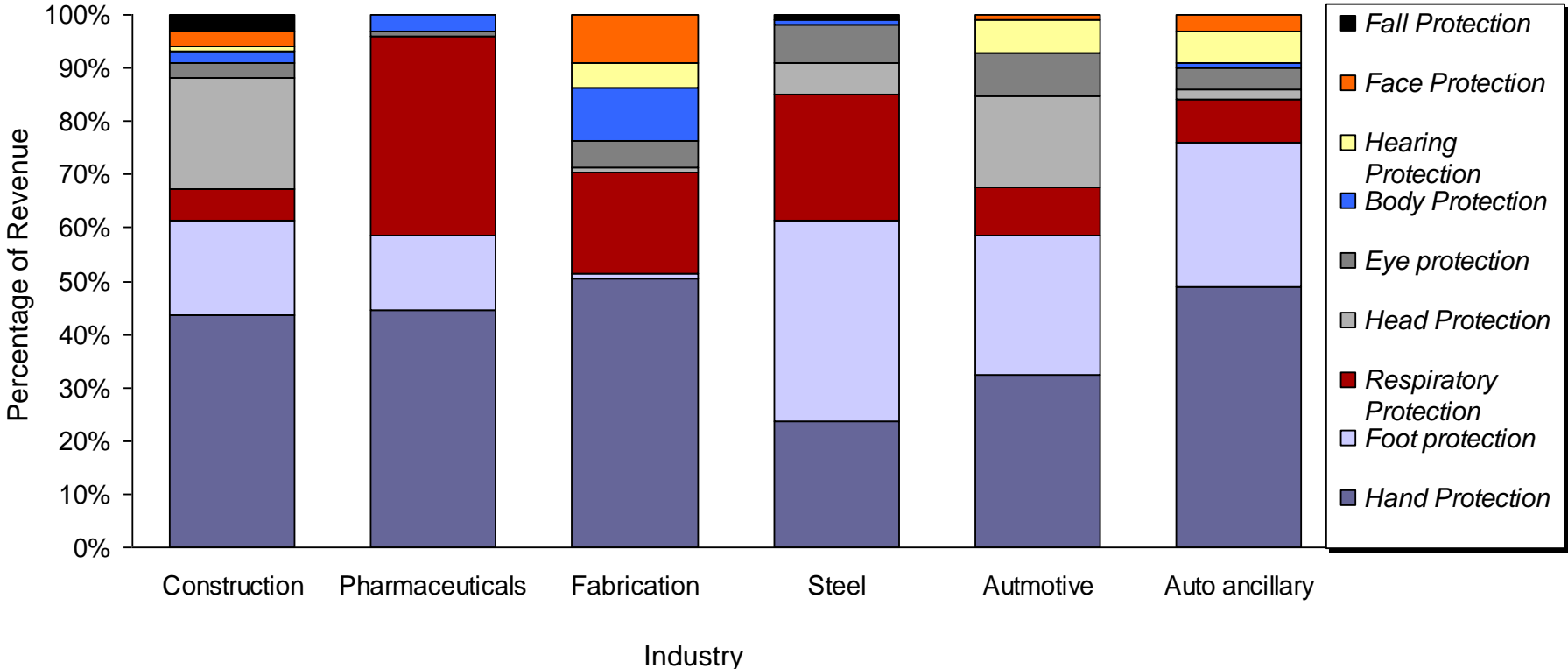
Automotive and Auto-Ancillary have the highest PPE usage per person

Industry wise PPE usage Pattern
(2010)

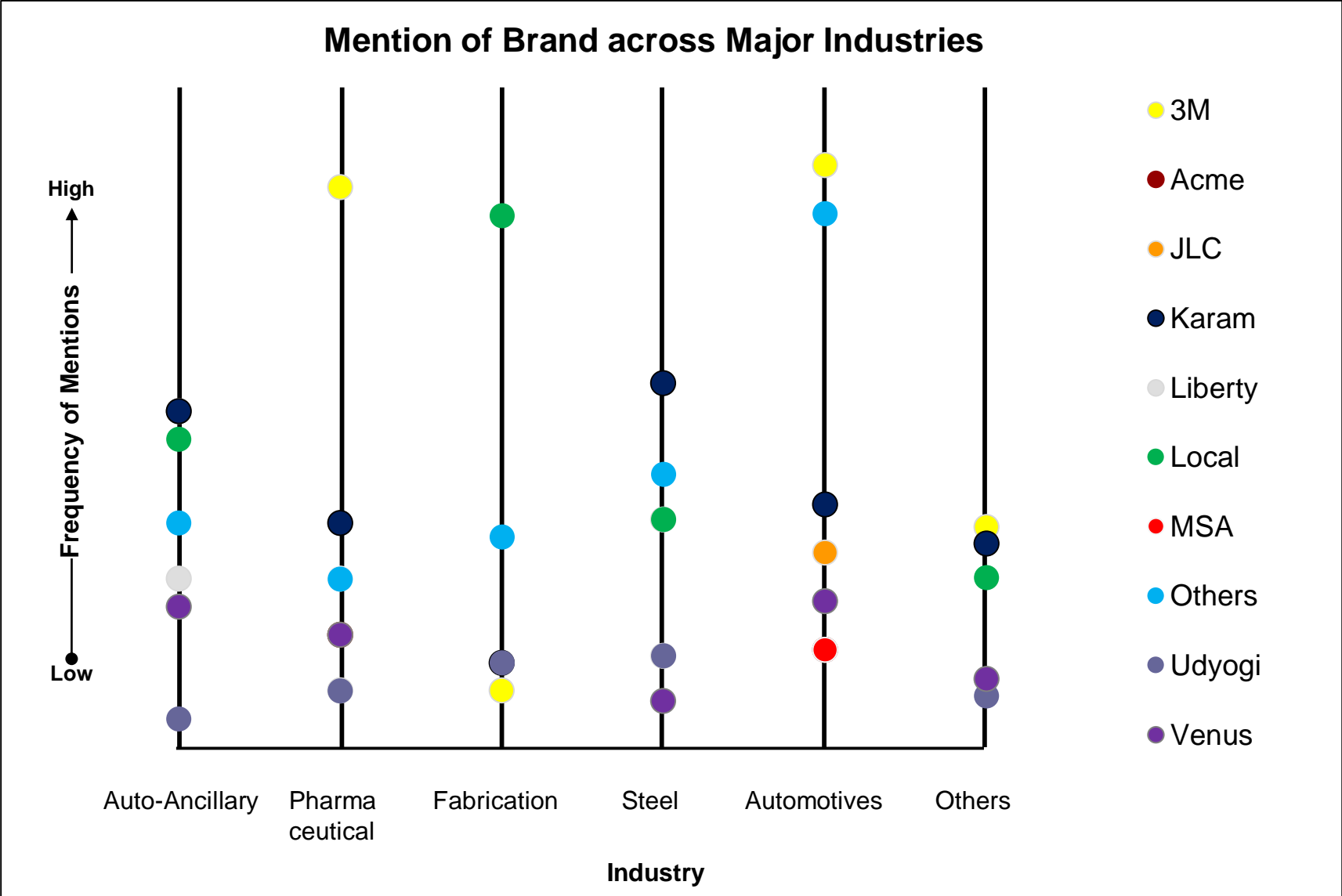


Hand Protection is the most commonly used product across every industry

PPE Revenue Split – By Products
(For Select Industries)



3M and Karam are the most popular brand in organized industry



Source: RedSeer Analysis,

Thank You!

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getting the full presentation