

Cosmo First Limited

(Formerly Cosmo Films Ltd)

Consolidated Results

Cosmo First publishes Sept quarter results

In Rs. Crores	Q2 FY24	Q1 FY24	Q2 FY23
Net Revenue	664	658	778
EBITDA	72	55	124
EBITDA %	10.9%	8.4%	15.9%
PBT	29	16	97
PAT	22	14	73
EPS (In Rs.) (not annualized)	8.3	5.4	27.2

New Delhi, 8th November 2023: Cosmo First Limited today declared its financial results for the quarter ended September 2023.

Improved Q2, FY24 EBITDA is underpinned by enhanced BOPP film margins primarily due to festive season demand pick, partial revival of export demand and range bound movement in raw material prices. The Company continues to outperform the industry at large on the back of speciality films.

The near to medium term BOPP and BOPET margins are expected to remain subdued, more so for BOPET films due to an industry-wide supply overhang (58% capacity increase over Dec 21 capacity in BOPET vs. 23% in BOPP and an incremental 17% more by Mar26 in BOPET vs. 40% more in BOPP). The Company is working towards BOPET margin improvement over the next few quarters on the strength of shrink films and many other specialty films already launched.

With an objective to rationalize cost, the Company is in process of shifting extrusion coating plant from South Korea to India and has carried out operational restructuring in South Korea in Q2, FY24. Consequently, the consolidated results are affected by one-time restructuring costs of INR 3 crores.

Under new initiatives, the Company has launched its Rigid Packaging business under the brand name 'Cosmo Plastech' which will manufacture thin wall containers and sheets for a wide array of FMCG products particularly for food industry. The Company has also started metallization of capacitor film which shall serve the rapidly growing electronics industry in India.

The Company's Petcare vertical (Zigly) continued to grow rapidly and clocked monthly revenue (GMV) run rate of about Rs. 4 crores on the back of expanding retail footprints 19 stores as at Sept end and increased online presence. The Company shall now look for consolidation in H2, FY24 before initiating next round of growth in FY 25.

The Speciality Chemical subsidiary has got good initial response with its Packaging and Lamination adhesives and shall scale up the same in a phased manner from H2, FY24. Many of these new business initiatives post higher capacity utilization in the next 3-4 quarters will drive growth.

Commenting on Company's performance Mr. Pankaj Poddar, Group CEO, Cosmo First Ltd said *"In short-term the Company remained focussed on increasing specialty sales. In the medium term, multiple drivers including speciality BOPET films, sun shield film, rigid packaging and specialty chemicals will result in profitability enhancement / margin stabilisation. Zigly will take 2-3 years to turn profitable and will be a wealth creator for the stakeholders. Pet adoption is expected to grow multi fold over the coming years with smaller families and rise of disposable incomes."*

About Cosmo First Limited

Founded in 1981 by Mr. Ashok Jaipuria, Cosmo First today has a presence across 100+ countries around the globe. Cosmo First is a global leader in specialty films and an emerging player in specialty chemicals (Masterbatches, Adhesive & Coating chemicals), digital first Omni channel Pet care business under the brand name 'Zigly', Rigid Packaging (Cosmo Plastech) and soon to be launched Window Films (under Cosmo Sunshield brand name).

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