

Investors Presentation

Speciality Films for Sustainable Packaging

Flexible Packaging | Lamination | Labeling | Synthetic Paper

May 2019

Discussion Summary

- ❑ Company Overview
- ❑ India Demand-Supply Dynamics and Capacity Expansion
- ❑ Financials
- ❑ Key Focus Areas
- ❑ Corporate Governance & Management
- ❑ Corporate Social Responsibility

Company Overview



Strong History & Leading Position

- ❑ Established in 1981, Cosmo Films Ltd. is the pioneer of BOPP Films Industry in India.
- ❑ Promoted by Mr. Ashok Jaipuria, the company is also the largest BOPP film exporter from India.

Global Leader in Thermal Lam Films

- ❑ With the acquisition of GBC Commercial Print in June 2009, Cosmo is now the world's largest producer of thermal lamination films.

Unique Proposition

- ❑ Uniquely positioned with good mix of commodity and speciality films.
- ❑ Widest product portfolio under one roof.
- ❑ Multiple lines allowing dedicated runs for speciality films.

Production Facilities

Units in India, Korea, & USA with annual installed capacity as follows:

- ❑ BOPP Films: 196K MT
- ❑ Thermal Films: 40K MT
- ❑ Coated Specialty Films: 10K MT
- ❑ Metalized Films: 22K MT
- ❑ CPP Films: 10K MT

Strong Export Footprints

- ❑ Leading BOPP Films exporter from India with export to more than 100 countries .

Strong Financials

- ❑ Continuous growth and profitability track record.

Corporate Governance & Professional Management

- ❑ Strong Independent board
- ❑ High on Corporate Governance
- ❑ Professional Management

Strong R&D Focus

- ❑ Collective R&D experience of over 100 years.
- ❑ Recently received one patent for Release BOPP Film and applied for a new patent for High Barrier CPP Film. This in addition to 6 patents in India and 3 in US.

Certification, Awards & Recognition

- ❑ ISO 9001:2000
- ❑ ISO 14001:2004
- ❑ British Retail Consortium (BRC)
- ❑ American Institute of Baking (AIB)
- ❑ Winner of several product innovation awards viz. PFFCA, Asia Star etc.



“To be the most preferred global brand offering value added oriented films for packaging, labels, lamination and industrial applications.”

Company Overview - BOPP EDGE



MOISTURE BARRIER
Better Shelf Life,
Guard Sensitive
Products



CHEMICALLY INERT
Suitable For Food &
Pharma



LOW COF AND LOW SIT
Good Machinability
At High Speeds



HEAT SEALABILITY
Suitable For Flexible
Packaging



**EXCELLENT CLARITY &
HIGH GLOSS**
Better Aesthetics



LOWEST DENSITY
Higher Yield



**LOW MELTING POINT &
MOLECULAR WEIGHT**
Fully Recyclable
Environment Friendly



VERSATILE IN NATURE
Additives Can Lead To
Various Modifications
& High Performance

Company Overview - Product Portfolio



PACKAGING FILMS

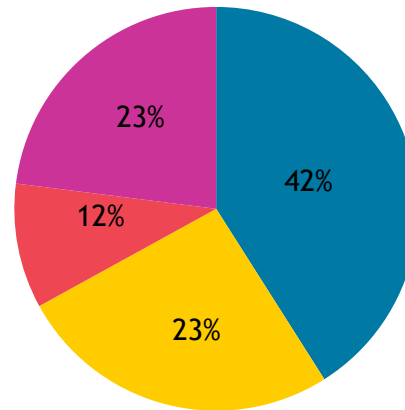
1. Print & Pouching Films
2. Barrier Films
3. Overwrap Films
4. Lidding Films



LAMINATION FILMS

1. Standard Range (Thermal Lamination & Wet Lamination)
2. Special Application Lamination Films
3. Premium Lamination Films

SALES REVENUE



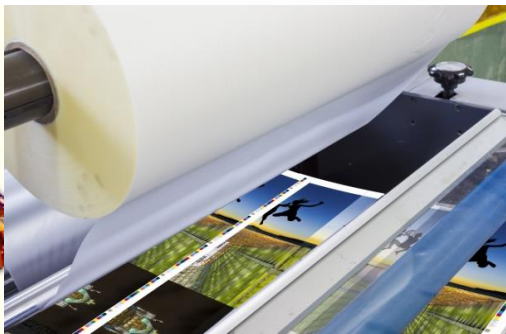
LABEL FILMS

1. Pressure Sensitive Label stock films
2. Direct Thermal Printable films
3. In-mould films
4. Wrap Around label films



INDUSTRIAL FILMS

1. Synthetic paper
2. Tape & Textile Films



- Packaging
- Lamination
- Label
- Industrial



Key New Value Add Product launches in last few quarters



PACKAGING FILMS

High Barrier Heat Resistant Film

1

Specifically designed for printing layer as a replacement of BOPET film in multilayer laminates. Ideal for packaging of oily snack food.

High Metal Bond CPP Film

2

High Metal Bonding resulting into good inter-layer bond strength

BOPP Films for SOAP Wrapping

3

Enhances moisture barrier which help to maintains consistent SOAP weight for longer time.

LABEL FILMS

High Gloss Metalized Label Film

1

Mirror Finish Glossy film which can be printed with high speed flexo printing machine. Suitable for premium labeling applications for instance liquor & personal care

LAMINATION FILMS

Universal PET Lidding Film

1

Universal lidding film which laminates with different plastic and paper materials and has easy release

Metalized Velvet Film

2

Excellent Matte velvet finish with a silvery look; ideal for luxury gift packaging, cosmetics, perfume cartons etc

INDUSTRIAL FILMS

High Tear Resistant Synthetic Paper (CSP)

1

Originally designed for high tear resistant tag applications. Also offers moisture, oil and chemical resistance just like standard synthetic paper.

Tape Release Film

2

Pressure sensitive tapes
Release coated BOPP liners

Manufacturing Footprint



		NUMBER OF LINES				
		BOPP	Thermal	Coating*	Metalizing	CPP
PLANTS	Waluj, Aurangabad, India	5 Lines	2 Lines	3 Lines	1 Line	1 Line
	Karjan, Vadodara, India	3 Lines		1 Lines	2 Line	1 Line
	Shendra, Aurangabad, India	1 Line	5 Lines	1 Line	1 Line	
	Asan, Korea		1 Line			
TOTAL INSTALLED CAPACITY		1,96,000 TPA	40,000 TPA	10,000 TPA*	22,000 TPA	10,000 TPA
FUTURE CAPACITY ADDITION						

* Further New Coating capacity is expected to get commissioned in Q1, FY19-20.

Waluj, India



Shendra, India



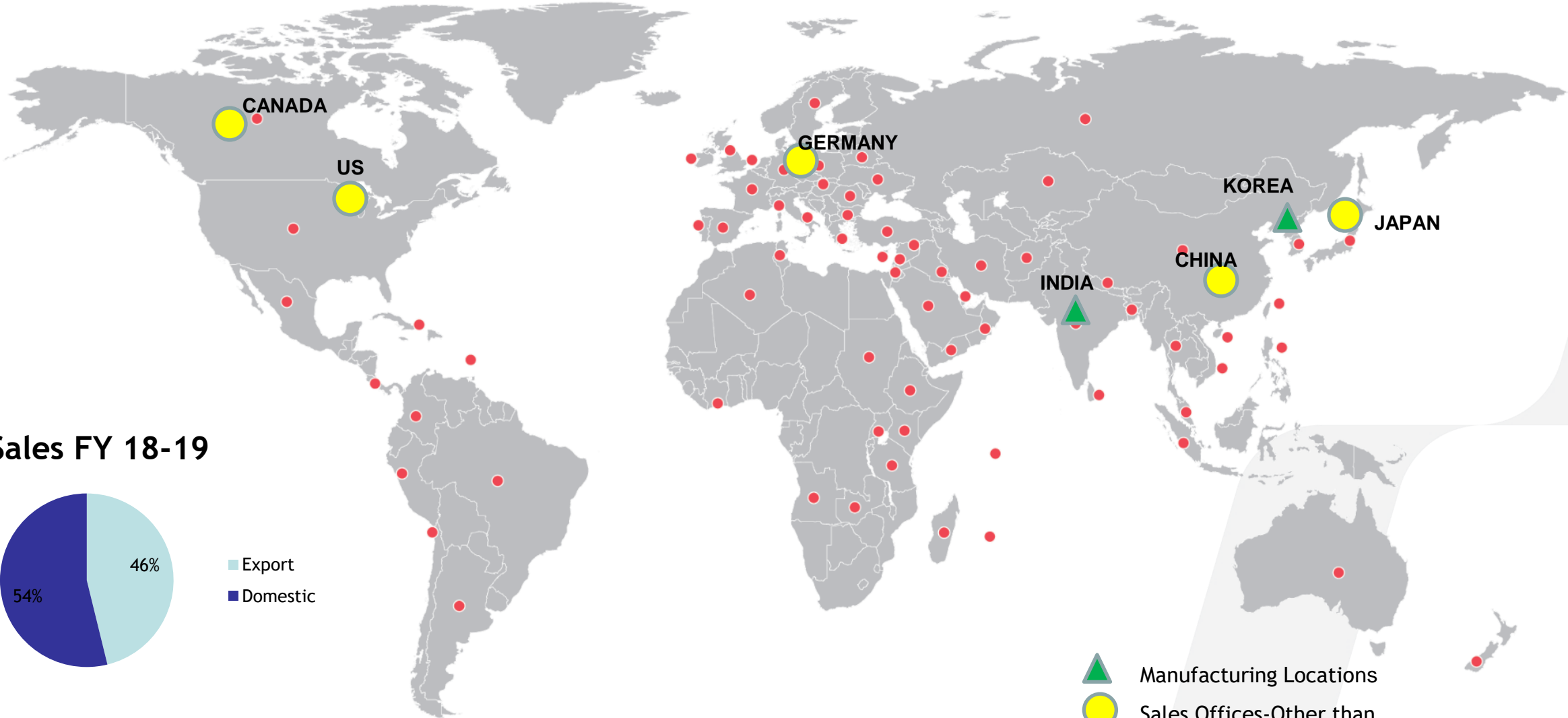
Karjan, India



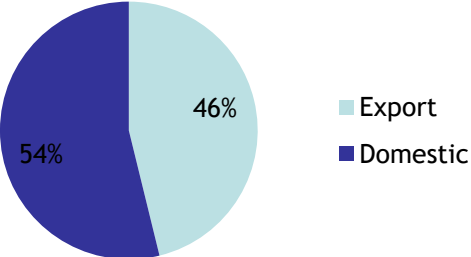
Asan, Korea



Company Overview - Customer Base



Sales FY 18-19



- Manufacturing Locations
- Sales Offices-Other than manufacturing locations

Key Customers



FLEXO SPRING S.A.S



Americk Packaging

UPM



Disclosure: All these are trademarks of respective Owners

Some of the brands we service



GODFREY PHILLIPS
—INDIA LIMITED—



Disclosure: All these are trademarks of respective Owners

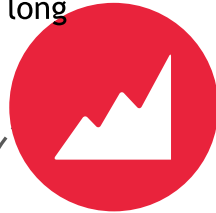
India Demand-Supply Dynamics and Capacity Expansion



- ❑ Global BOPP demand is estimated to be approx 8 million MT per annum
- ❑ The global demand and supply are broadly balanced except China



- ❑ Currently India BOPP production capability is estimated at approx. 600k-620k MT per annum.
- ❑ India domestic BOPP consumption is approx. 430k-450k MT per annum and remaining is broadly exported.
- ❑ Indian BOPP Industry has been growing at almost double of the India's GDP growth rate over long term.



Strong domestic and global demand is helping efficient capacity utilisation.



In line with strong demand fundamentals, Cosmo Films has implemented an increase in capacity by 60k MT p.a. in early Feb 2017 with 10.4 meter width state of art BOPP line, which is one of the lowest cost producing line in the world.

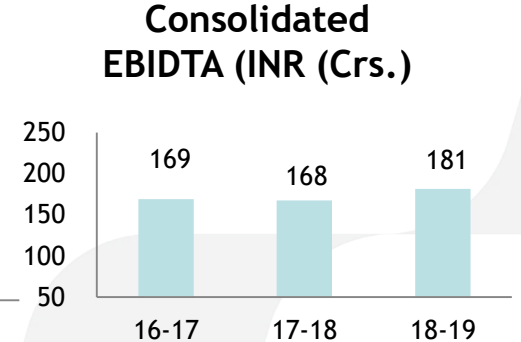
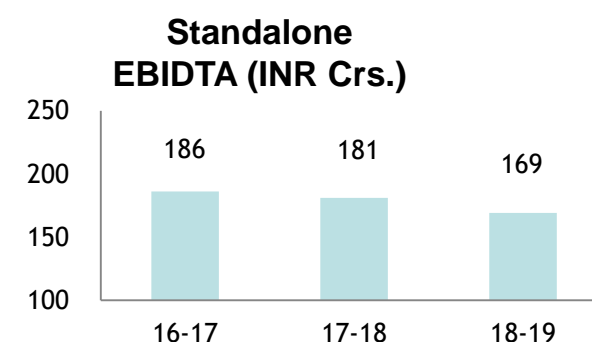
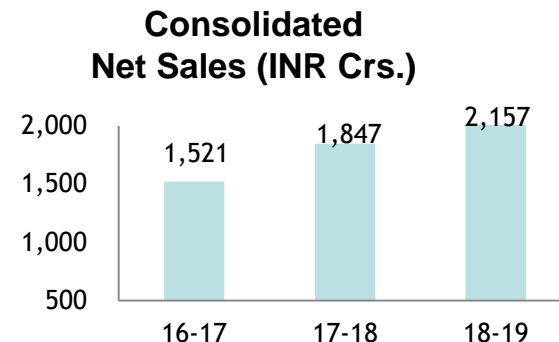
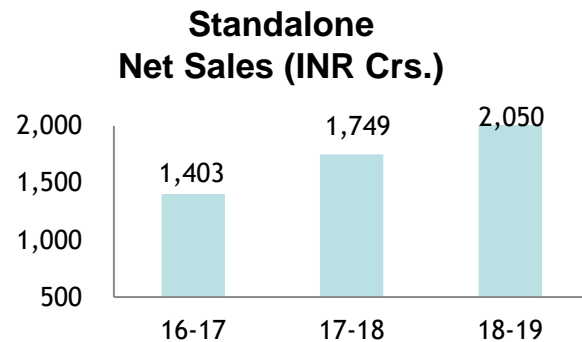


India BOPP Demand & Supply Dynamics:

- ❑ Considering low packaged food penetration in India and rising personal disposable income, the Industry is estimated to grow fast.
- ❑ Investment in organized retail industry and change in pack format from rigid to flexible is going to further add to increasing demand.
- ❑ Based on capacity addition announced in India, new capacity expected in the Industry may not be able to address growing India demand. On current India BOPP Industry demand base, one new line each year may not be sufficient to address India's growing demand.

Data Source: AMI/PCI/Other Independent Research and Industry Sources

Particulars	Audited FY 16-17		Audited FY 17-18		Audited FY 18-19	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	1,403	1,521	1,749	1,847	2,050	2,157
EBIDTA	186	169	181	168	169	181
EBIDTA %	13%	11%	10%	9%	8%	8%
PBT	115	91	85	64	69	72
PAT	108	85	85	64	58	61
EPS	56	45	44	34	30	342
Book Value	297	295	332	323	363	355



✓ During FY 18-19, higher sales volume (up by 5%), sales growth in specialty and operational improvement at USA subsidiary resulted in higher EBITDA at Rs. 181.4 crores even though the domestic BOPP films margins were subdued in first three quarters. PAT in FY 18-19 came out to be marginally lower compared to FY 17-18 because there was zero tax incidence in FY 17-18 due to one-time tax adjustment.

✓ BOPP film margins, which has been running subdued in India domestic industry from last two years due to demand-supply mismatch, has witnessed improvement during Q4, FY18-19 although yet to reach normalized level.

✓ Management focus shall continue to be on expanding specialty, full utilization of capacity and Internal efficiencies.

Financials Contd ..



Particulars	Audited Q4 FY 18-19		Unaudited Q3 FY 18-19		INR Crores Audited Q4 FY 17-18	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidate
						d
Net Sales	522	550	536	558	464	502
EBIDTA	58	58	29	36	43	39
EBIDTA %	11%	11%	5%	7%	9%	8%
PBT	35	34	7	11	18	12
PAT	29	28	9	13	29	25
EPS*	30	32	31	31	44	34
Book Value	363	355	345	340	332	323

*EPS is calculated on the basis of trailing 12 months results

Key Highlights - Q4, FY18-19 Results

Q4 FY19 net revenue increased by 10% on YOY basis backed by 6% increase in sales volume, pass through of raw material prices and favourable product mix changes.

The company achieved its highest ever quarterly EBITDA of Rs 58.4 crores during the quarter . BOPP films margins improved during the quarter due to better demand and supply balance in domestic segment. This together with growth in speciality films sales and continued improvement in operational efficiencies contributed to improved results.

Financials - Key Ratios



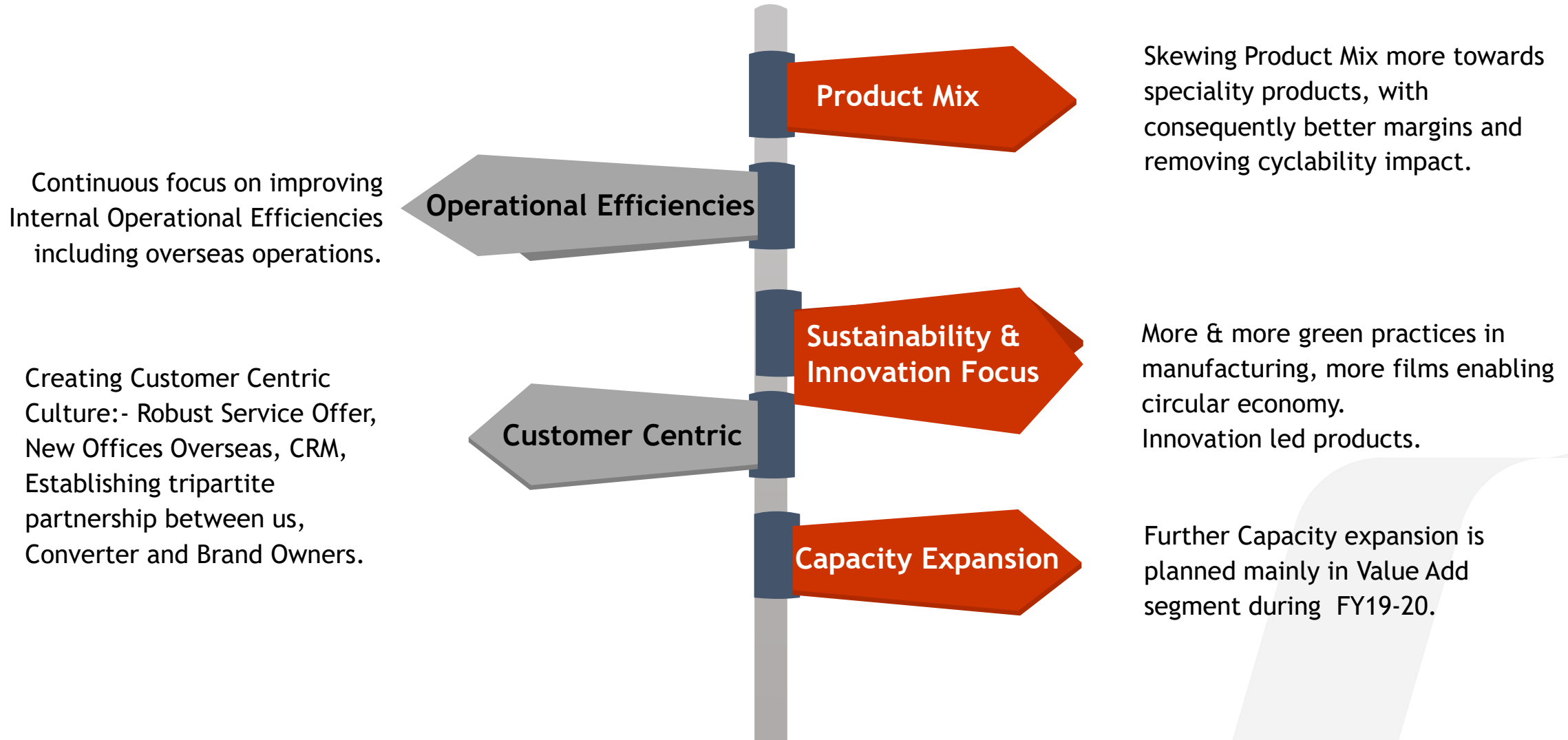
Particulars	Audited FY 17-18		Audited FY 18-19	
	Standalone	Consolidated	Standalone	Consolidated
ROE (%) *	14%	11%	9%	9%
ROCE (%) *	10%	9%	8%	9%
Net Worth (INR Crores)	637	620	695	680
Net Debt (INR Crores)	617	681	588	643
Net Debt/Equity Ratio (times)	1.0	1.1	0.9	1.0
Asset Turnover Ratio (times)*	2.2	2.4	2.0	2.1
Dividend per share (INR)	6.0		6.0	
Net Debt/EBITDA (times)*	3.4	4.1	3.5	3.5

✓ BOPP film margins, which has been running subdued in India domestic industry from last two years due to demand-supply mismatch, has witnessed improvement during Q4, FY18-19 although yet to reach normalized level. This has caused drop in ROE temporarily.

✓ During FY 18-19, higher sales volume (up by 5%), sales growth in specialty and operational improvement at USA subsidiary resulted in higher EBITDA at Rs. 181.4 crores even though the domestic BOPP films margins were subdued in first three quarters. PAT in FY 18-19 came out to be marginally lower compared to FY 17-18 because there was zero tax incidence in FY 17-18 due to one-time tax adjustment.

✓ Management focus shall continue to be on expanding specialty, full utilization of capacity and Internal efficiencies.

Key Focus Areas



Focus on Innovation led Products

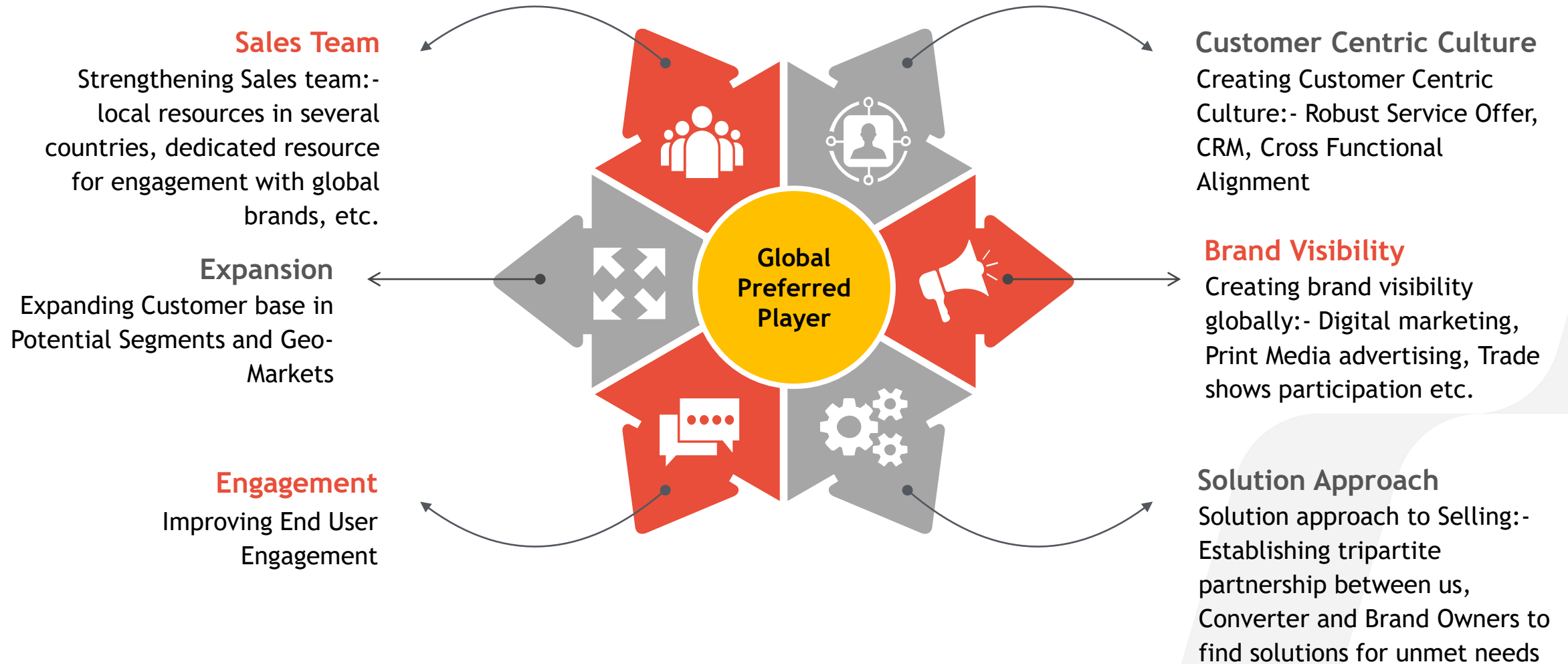
- Solutions for recyclable laminates
- BOPET Replacement BOPP Films
 - Heat Resistant Film
 - Transparent Heat Resistant Barrier Film
- Transparent BOPP Barrier Films- overwrap or single layer packaging
- Metalized BOPP Barrier Films
 - High Moisture Barrier (HMB)
 - High Speed Barrier with High Hot Tack (HSB)
 - Ultra High Barrier (UHB)
- Metalized CPP Barrier Film
- Low Temp. Seal (LTS) Films for High Speed Operations
- Metalized CPP Film with Ultra High Metal Bond Strength
- Universal Lidding Films
- Synthetic Paper- durable alternative to pulp based paper

Focus on Sustainability

- Films Enabling circular economy
- ISO 14001 & BRC global standards
- 100% water based coatings
- Oxo-biodegradable films
- Down gauging
- Water Recycling
- Rain water harvesting



Customer Centricity to become Global preferred Player



Corporate Governance - Board of Directors



- **Mr. Ashok Jaipuria, Chairman & Managing Director**

Our founder Chairman & Managing Director has more than 40 years of experience of the Corporate World. He is a Member of the Executive Committee of the FICCI, president of the Golf Foundation, a member of the Board of Governors of IIT- Patna and among the Board of Directors of DPS, Gurgaon.



- **Mr. A. K. Jain, Whole Time Director**

Mr. Jain has over four decades of experience in Finance and Accounts and General Management functions in industrial enterprises in India. Mr. Jain is a Commerce Graduate from Meerut University and an AICWA from ICWAI and a Certified Information System Auditor from Information System Audit and Control Association, USA.



- **Mr. H K Agrawal, Independent Director**

Mr. Agrawal has over four decades of experience in the fields of Strategic Management, Organization Structure, Finance and Training. He is an independent Management Consultant. Mr. H.K. Agrawal is a Mechanical Engineer from University of Jodhpur and MBA from Indian Institute of Management, Ahmedabad.



- **Mr. Rajeev Gupta, Independent Director**

Mr. Gupta earned his B.Tech from IIT-Banaras Hindu University and a M.B.A. from the Indian Institute of Management, Ahmedabad. He was till recently the Managing Director of Carlyle Asia Partners and the Head of the Carlyle India Buyout Team.



Corporate Governance - Board of Directors (Contd..)



- Ms. Alpana Parida, **Non Executive Non Independent Director**

Ms. Alpana Parida has more than two decades of extensive experience in retail and marketing communications in the US and in India. Ms. Alpana Parida graduated from IIM-Ahmedabad in and has a degree in Economics from St. Stephens, Delhi University. Currently she is the President of DY Works, India's oldest and largest Branding Firm headquartered in Mumbai.



- Mr. Ashish Kumar Guha, **Independent Director**

Mr. Ashish Kumar Guha has served as Chief Executive Officer & Managing Director at Heidelberg Cement India Limited. He has been a member of Indian Business delegation to the United States and many other nations. He is an Honours Graduate in Economics and an Alumnus of London Business School (Management Development Programme).



- Mr. Pratip Chaudhuri, **Independent Director**

Mr. Pratip Chaudhuri holds a BSc. (Hons) Degree from St. Stephen's College, Delhi University and MBA from University Business School, Chandigarh. He is a Certified Associate of Indian Institute of Bankers (CAIIB). He retired as Chairman of State Bank of India, which is India's largest Bank. He is currently serving on the Board of several leading Companies.



Corporate Governance - Board of Directors (Contd..)



- **Mr. H. N. Sinor, Independent Director**

Mr. H. N. Sinor has been a veteran banker, having spent over four decades in public as well as private sector banks like Union Bank of India, Central Bank of India and ICICI Bank. He was MD and CEO of ICICI Bank and after ICICI's merger with ICICI Bank, became Joint MD until his superannuation. He is also associated with various charitable and other trusts engaged in social activities.



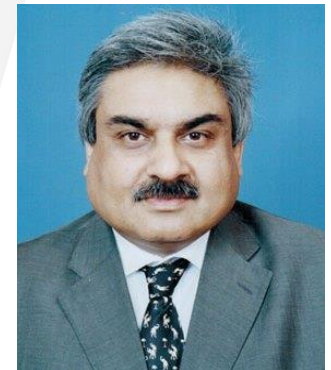
- **Dr. Vivek Nangia, Independent Director**

Dr. Nangia is one of the very few qualified Infectious Diseases Specialists in the entire country having successfully completed first a Diploma and then M.Sc in Infectious Diseases from London University, UK as well as an Editor of a textbook titled “Sleep Related Breathing Disorders”, published by JayPee brothers in 2014. He is acting as Director & Head - Department of Pulmonology, Medical ICU and Sleep Medicine, Fortis Ft. Lt. Rajan Dhall Hospital-New Delhi, Director - Department of Pulmonology, Fortis Escorts Heart Institute and Research Center, Okhla Road, New Delhi and Senior Consultant, Infectious Diseases Fortis Ft. Lt. Rajan Dhall Hospital- New Delhi.



- **Mr. Anil Wadhwa, Independent Director**

Mr. Wadhwa is an Ex- Member of the Indian Foreign Services. He holds a Masters Degree in History with specialization in Chinese History and Medieval Indian History and Architecture. He has served as Indian Ambassador to Poland, Lithuania, Sultanate of Oman, Thailand, Italy and San Marino. He has also served as a Permanent Representative of India to the Rome based UN Agencies—FAO, IFAD and WFP. He was Secretary (East) in the Ministry of External Affairs in New Delhi from 2014-2016 looking after South-East Asia, Australasia and Pacific, Gulf and West Asian regions. He was also the leader of the Senior officials to all meetings of ASEAN, ASEM, ACD, Arab League, Mekong- Ganga Cooperation, ARF and East Asia Summit.



Senior Management



- **Mr. Pankaj Poddar, Chief Executive Officer**

Mr Pankaj Poddar's career spans over a period of more than 20 years in finance, advisory, assurance and various leadership as well as management roles. Before joining Cosmo, Pankaj has worked with automotive & FMCG industries. His last stint was with Avon Beauty products as "Director Finance". Pankaj has also worked as the India CFO for Delphi Automotive Systems, Regional Head Assurance Services for Reckitt Benckiser and Manager Advisory & Assurance Services in Ernst & Young. Pankaj is a B.Com (H) from SRCC, qualified Chartered Accountant and holds a diploma in management. Awarded Indian CEO of the Year - 2016 by Brand Summit India.



- **Mr. Neeraj Jain, Chief Financial Officer**

Mr. Neeraj has over 20 years of experience in finance, business planning and strategy, taxation and risk management. Neeraj is with the Cosmo Films from March 2013 and has worked with Havells, Aditya Birla Management Corporation, and Bajaj Allianz on different leadership roles before joining Cosmo Films. He is a Bachelor of Commerce from Delhi University, a qualified Chartered Accountant and a Certified Information Systems Auditor (CISA) from ISACA, USA.

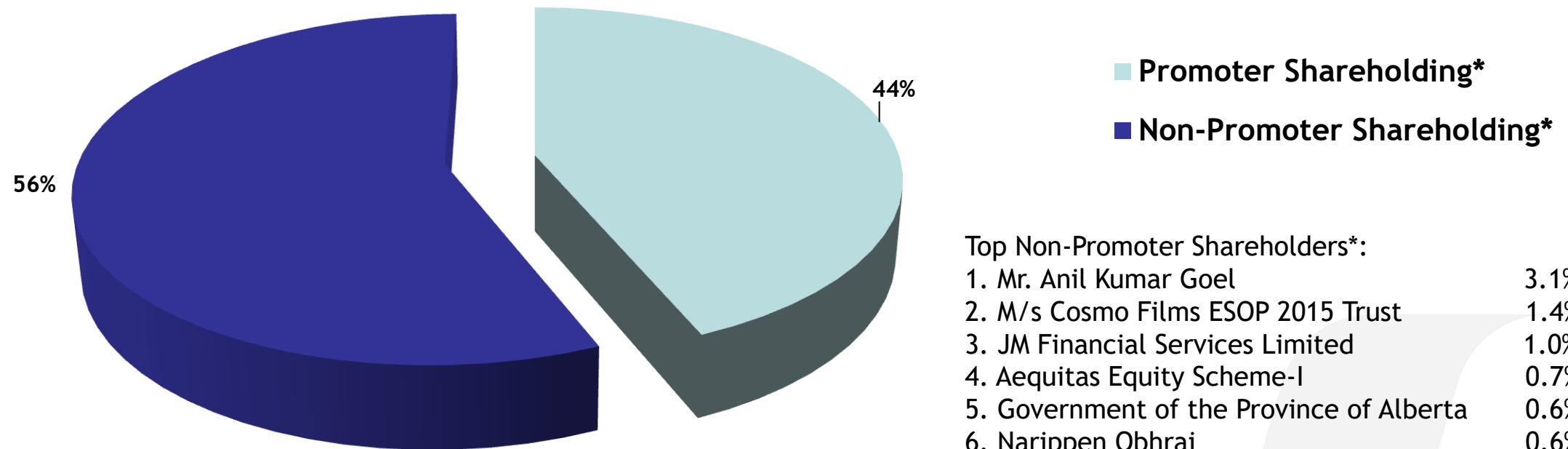


Mr. Sanjay Chincholikar, Head- Operations (India Films Business)

Mr. Sanjay Chincholikar's career spans over 31 years in the field of manufacturing, engineering, projects, quality control, application and business development, sales and marketing and various leadership as well as management roles. In his current role, he heads Operations of India Films Business and is responsible for Manufacturing, Engineering, Research & Development, Quality Assurance and Technical Services Function. Sanjay is a Mechanical Engineer as well as a B.COM graduate. He is a post graduate in Sales and Marketing and holds a Diploma in management, business & factory management. He is also a certified Energy Manager by Bureau of Energy Efficiency, Government of India.



Shareholding Pattern (%age)

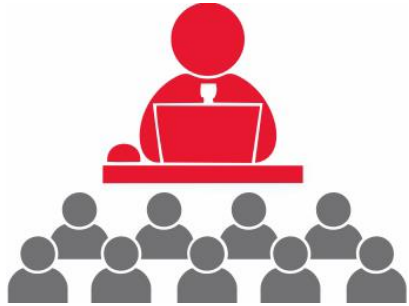


Top Non-Promoter Shareholders*:

1. Mr. Anil Kumar Goel	3.1%
2. M/s Cosmo Films ESOP 2015 Trust	1.4%
3. JM Financial Services Limited	1.0%
4. Aequitas Equity Scheme-I	0.7%
5. Government of the Province of Alberta	0.6%
6. Narippen Obhrai	0.6%
7. Nirmal Bang Securities Pvt. Ltd.	0.5%
8. LSV Global Concentrated Value Fund	0.4%

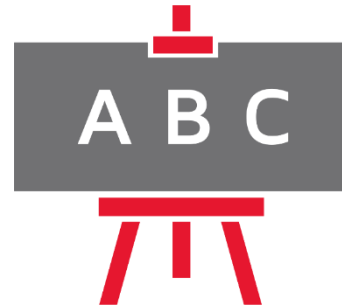
* As at March 31st, 2019

Some of the Flagship Programs (Education to 10,000+ Students)



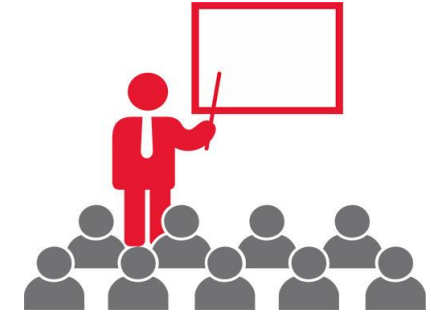
Computer Literacy Program

Covers 4,000 students from class I to XII every year



Basic English Learning Program

Implementation in 8 primary schools with 1,500 students



Cosmo Gyan Vihar Kendra

Identifies, enrolls and grades 2,500+ students from Class I to VII every year to strengthen their reading & writing skills

- National Award for Excellence in CSR & Sustainability -2015 in the category "Education Improvement"
- Asia Pacific Enterprise Leadership Award -2013 in the category Commitment to Philanthropy
- Africa CSR Leadership Award-2012 in the category improvement of Education
- "Transforming young lives through technology": An evaluation of the impact of the Computer Literacy Program in rural areas of Vadodra district - A paper Presented in Global Evaluation Conclave, New Delhi in 2010

Disclosure

Certain statements in this presentation are “forward-looking statements”. These statements are based on management’s current expectations and are subject to uncertainty and changes in circumstances. These statements are not guarantees of future results or occurrences. Actual results other financial condition may differ materially from those included in these statements due to a variety of factors. Any forward-looking statements made by or on behalf of Cosmo Films speak only as to the date they are made, and Cosmo Films does not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made.

Thank you



www.cosmofilms.com