



Specialty Solution for Packaging

LAMINATION | LABELS | OVERWRAPS | PACKAGING PRINTING | POUCHING

Feb 2017

Discussion Summary

- ❑ Company Overview
- ❑ Demand-Supply Dynamics and Capacity Expansion
- ❑ Financials
- ❑ Focus Areas for EBIDTA Improvement
- ❑ Corporate Governance & Management
- ❑ Environment & CSR



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

Strong History & Leading Position

- ❑ Established in 1981, Cosmo Films Limited is Pioneer of BOPP Industry in India and one of the global leaders and manufacturers of BOPP Films
- ❑ Promoted by **Mr. Ashok Jaipuria**, the company is also the largest BOPP films exporter from India

Global Leader in Thermal Lamination

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

Unique Proposition

- ❑ Uniquely positioned to have mix of BOPP and Value Add Films
- ❑ Customer Solution provider rather only producing commodity films
- ❑ Multiple lines allowing dedicated runs for Value Add Films

Production Facilities

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

- ❑ BOPP: 196k MT
- ❑ Thermal: 40K MT
- ❑ Coated Specialty Films: 10K MT
- ❑ Metalized Films: 15k MT

Strong Export Footprints

- ❑ Leading BOPP Films exporter from India with export to more than 80 countries

Strong Financials

- ❑ Continuous growth and profitability track record

Corporate Governance & Professional Management

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

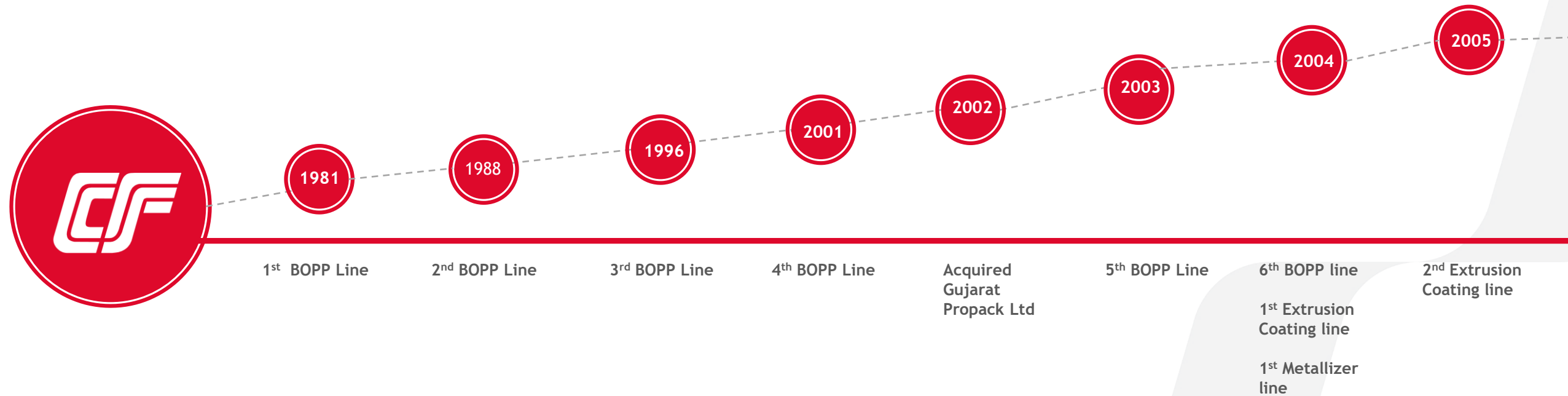
Strong R&D Focus

- ❑ Collective R&D experience of over 100 person years.
- ❑ Well ahead in the Product Development Curve, First Thermal Lamination film & first BOPP player to be doing DTP coatings

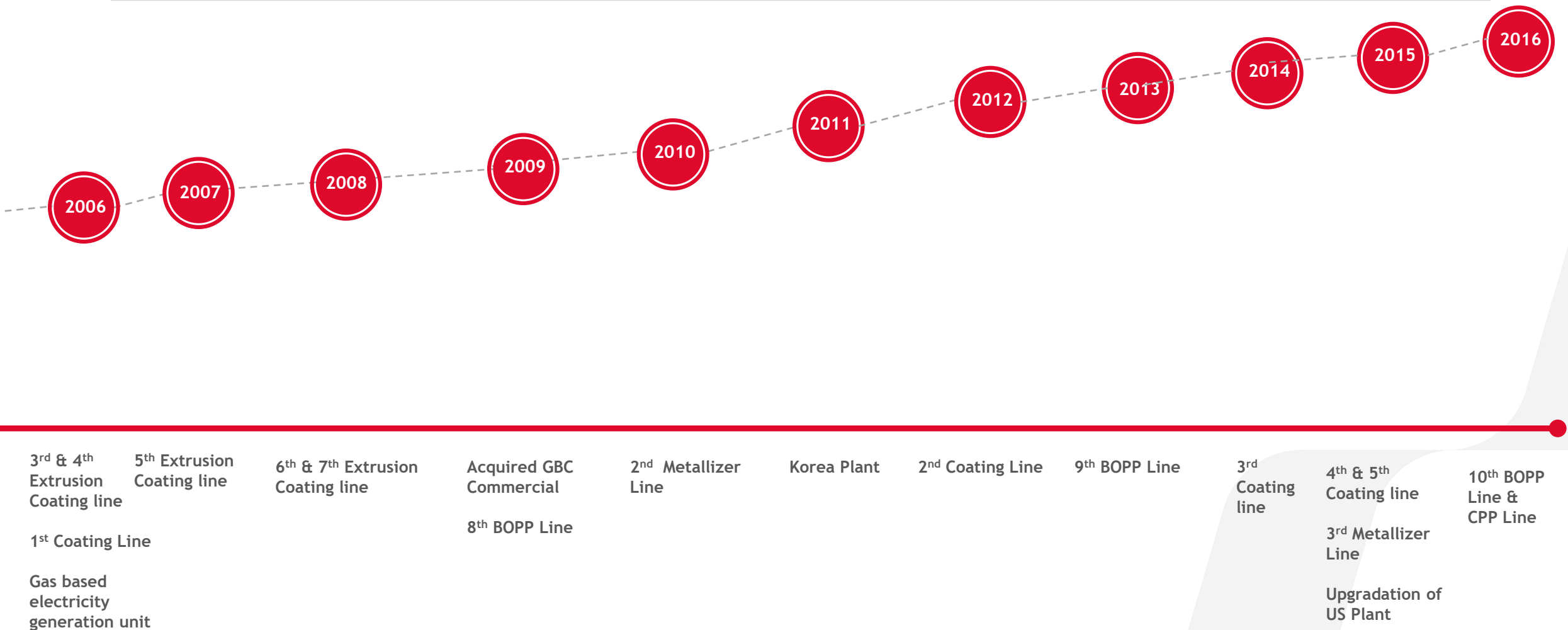
Certification, Awards & Recognition

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

Company Overview - Milestones



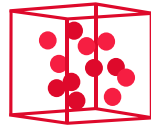
Company Overview - Milestones





EXCELLENT CLARITY

BETTER AESTHETICS
HIGH GLOSS



LOWEST DENSITY

HIGHER YIELD



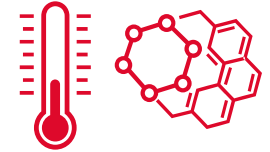
BARRIER TO MOISTURE

BETTER SHELF LIFE
GUARD SENSITIVE
PRODUCTS



CHEMICALLY INERT

SUITABLE FOR FOOD &
PHARMA



LOW MELTING POINT & MOLECULAR WEIGHT

FULLY RECYCLABLE

Company Overview - Product Portfolio



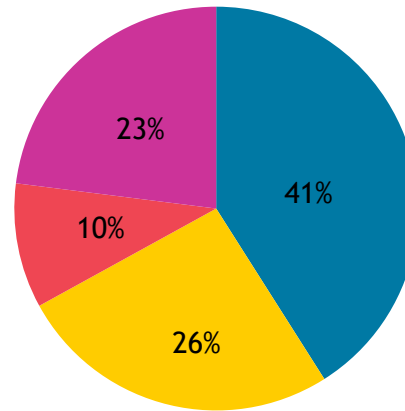
PACKAGING FILMS

1. Print & Pouching films
2. Barrier films
3. Overwrap films

LAMINATION FILMS

1. Dry (thermal) Lamination films
2. Wet (Print) 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



New Product launches in last few quarters (strong pipeline for Value Add Films)



PACKAGING FILMS

Cement Bags

1

Reduce Cement wastage and better presentation of cement bags

High Shrink Tight Wrap Cigarette Film

2

Very high shrinkage in both the direction for tight wrapping and provides very good hot slip property

High Speed, Barrier and Sealing Strength metalized BOPP & CPP Film

3

Metalized BOPP and CPP Film with excellent high barrier, sealing and speed

LABEL FILMS

Direct thermal printable (DTP) film and Paper

1

Airline baggage tag, labels, etc.

LAMINATION FILMS

Lidding Film

1

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

Black Velvet Film

2

BOPP based black velvet lamination films with enhanced aesthetics. Perfect for post-lamination processes like spot UV, foil stamping, printing, etc.

INDUSTRIAL FILMS

Tape Release Film

1

Pressure sensitive tapes
Release coated BOPP liners

Improved Synthetic papers (CSP)

2

With enhanced features such as quick drying (Labels, Tags, Maps, ID Card, Tickets for adventure parks etc.)

Company Overview - Manufacturing Footprint

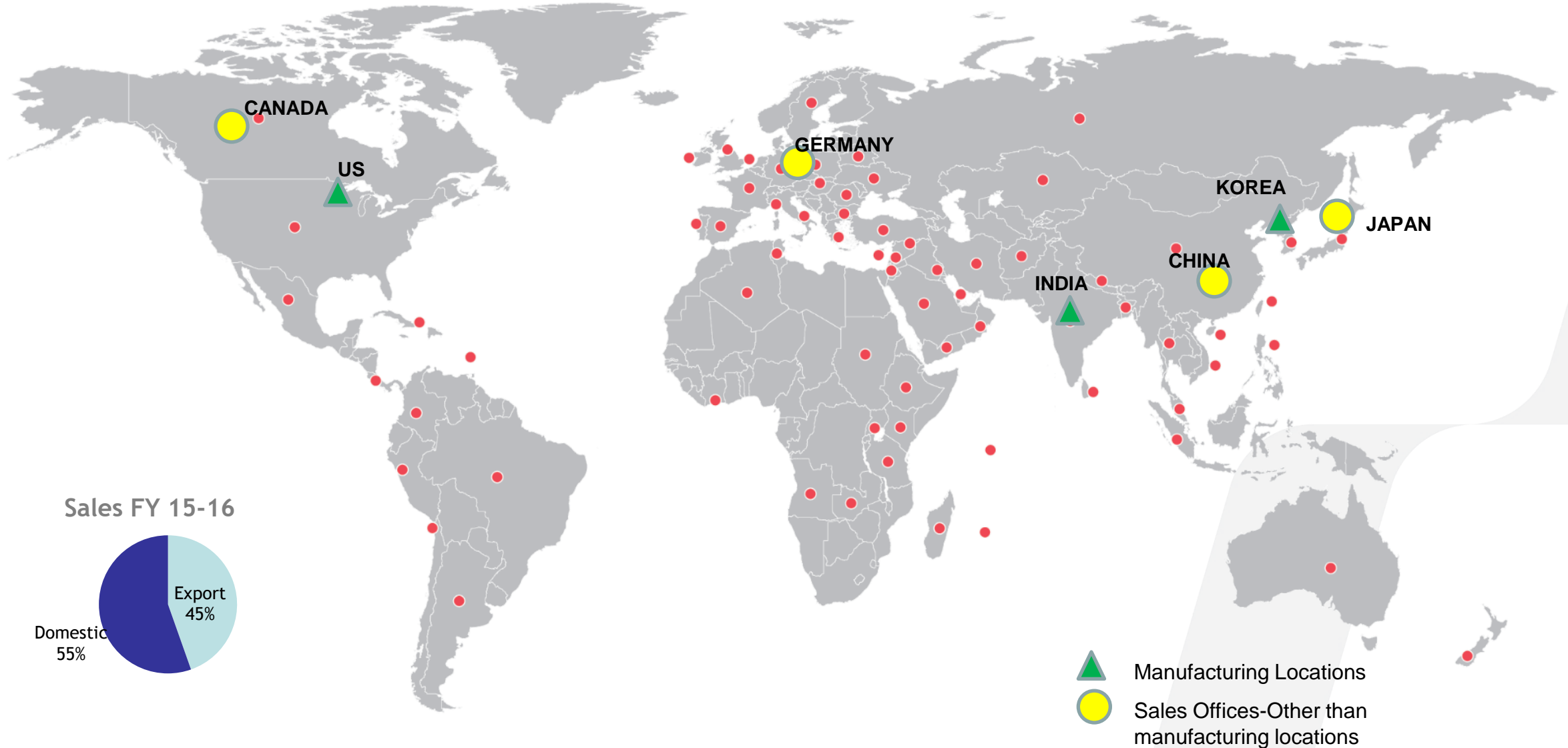


Number of lines					
Plants		BOPP	Thermal	Coating	Metalizing
	Waluj, Aurangabad, India	5 Lines	3 Lines	2 Lines	1 Line
	Karjan, Vadodara, India	3 Lines*	2 Lines	2 Lines	1 Line
	Shendra, Aurangabad, India	1 Line	3 Lines	1 Line	1 Line
	Korea, Choongnam		1 Line		
	USA , Hagerstown		1 Line		
	TOTAL INSTALLED CAPACITY	1,96,000 TPA	40,000 TPA	10,000 TPA	15,000 TPA
Future Committed Capacity				7,200 TPA	
Grand Total		1,96,000 TPA *	40,000 TPA	10,000 TPA	22,200 TPA

*Including recent commencement of 10.4 meter wide 60k MT annual capacity in early Feb 2017, which is expected to contribute substantial growth in sales and profit from FY 2017-18 onwards.



Company Overview - Customer Base



Company Overview - Customers: A Glimpse



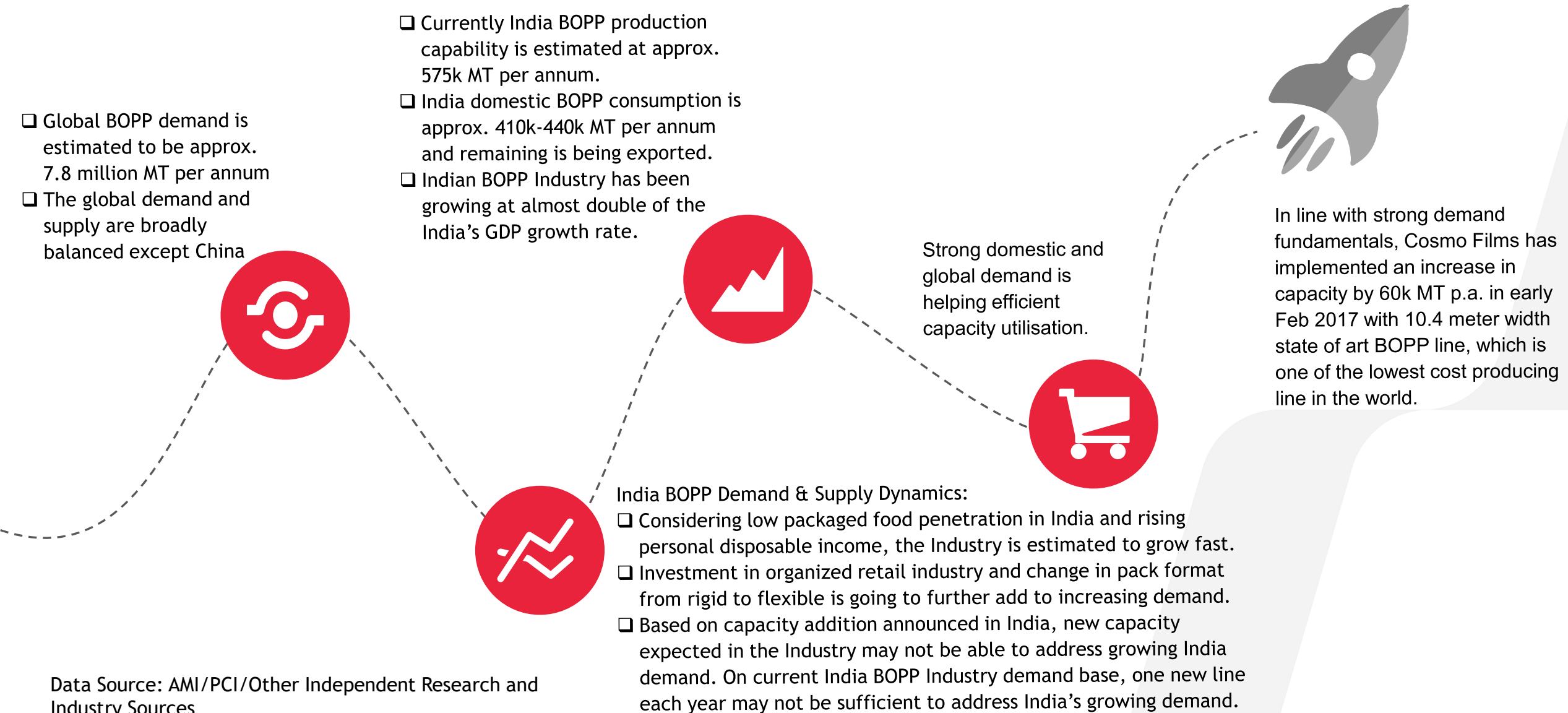
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Company Overview - Key Converters

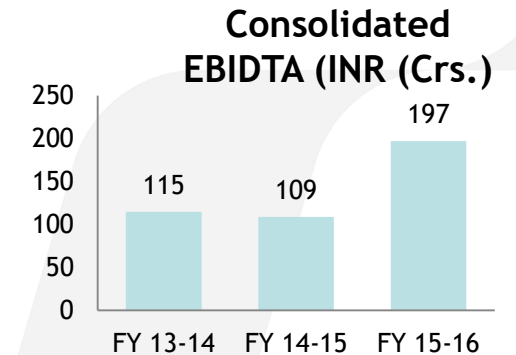
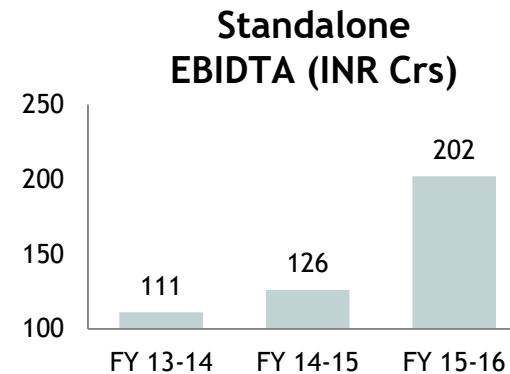
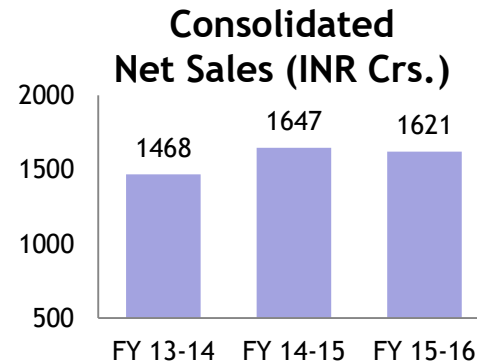
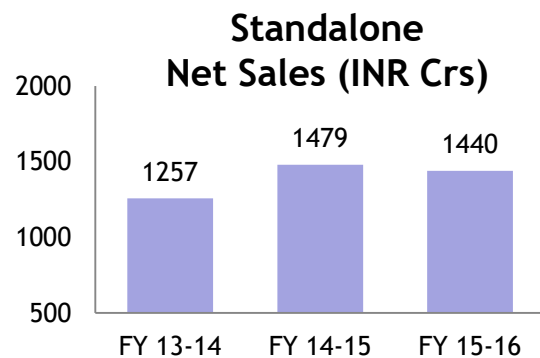


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Demand-Supply Dynamics and Capacity Expansion



Particulars	Audited FY 13-14		Audited FY 14-15		INR Crores Audited FY 15-16	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	1,257	1,468	1,479	1,647	1,440	1,621
EBIDTA	111	115	126	109	202	197
EBIDTA %	9%	8%	9%	7%	14%	12%
PBT before Exceptional	30	27	58	35	142	131
Exceptional Items	(21)	(29)	(9)	3	(6)	(7)
PBT after Exceptional Items	10	(2)	49	38	135	124
PAT	8	(6)	40	28	108	96
EPS	4	-	21	14	56	50
Book Value	193	185	211	196	256	235



- ✓ New capacity addition in FY 12-13 impacted margins temporarily in India, which is now totally reversed
- ✓ Consolidation results in FY 13-14 and 14-15 were adversely impacted by USA subsidiary, which is on operational improvement phase

Particulars	Unaudited Q3 FY 16-17		Unaudited Q2 FY 16-17		INR Crores	
	Unaudited Q3 FY 16-17		Unaudited Q2 FY 16-17		Unaudited Q3 FY 15-16	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	341	359	364	404	341	388
EBIDTA	40	35	50	46	48	46
EBIDTA %	12%	10%	14%	11%	14%	12%
PBT before Exceptional	24	17	34	29	34	30
Exceptional Items	1	2	-1	-2	-2	-1
PBT after Exceptional Items	25	19	33	27	32	29
PAT	27	21	27	21	36	33
EPS*	56	44	61	50	50	44
Book Value	298	269	284	257	253	234

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

Key Highlights - Q3, FY16-17 Results

During Q3 FY 16-17, the company was under installation of its new line (largest in India with a capacity of 60,000 TPA). Given that new line is installed at the existing site, shut-downs had to be taken on existing lines which caused a volume drop. The demonetisation too has impacted the company adversely both on volumes and margins. The said two factors have caused a volume drop of 6%.

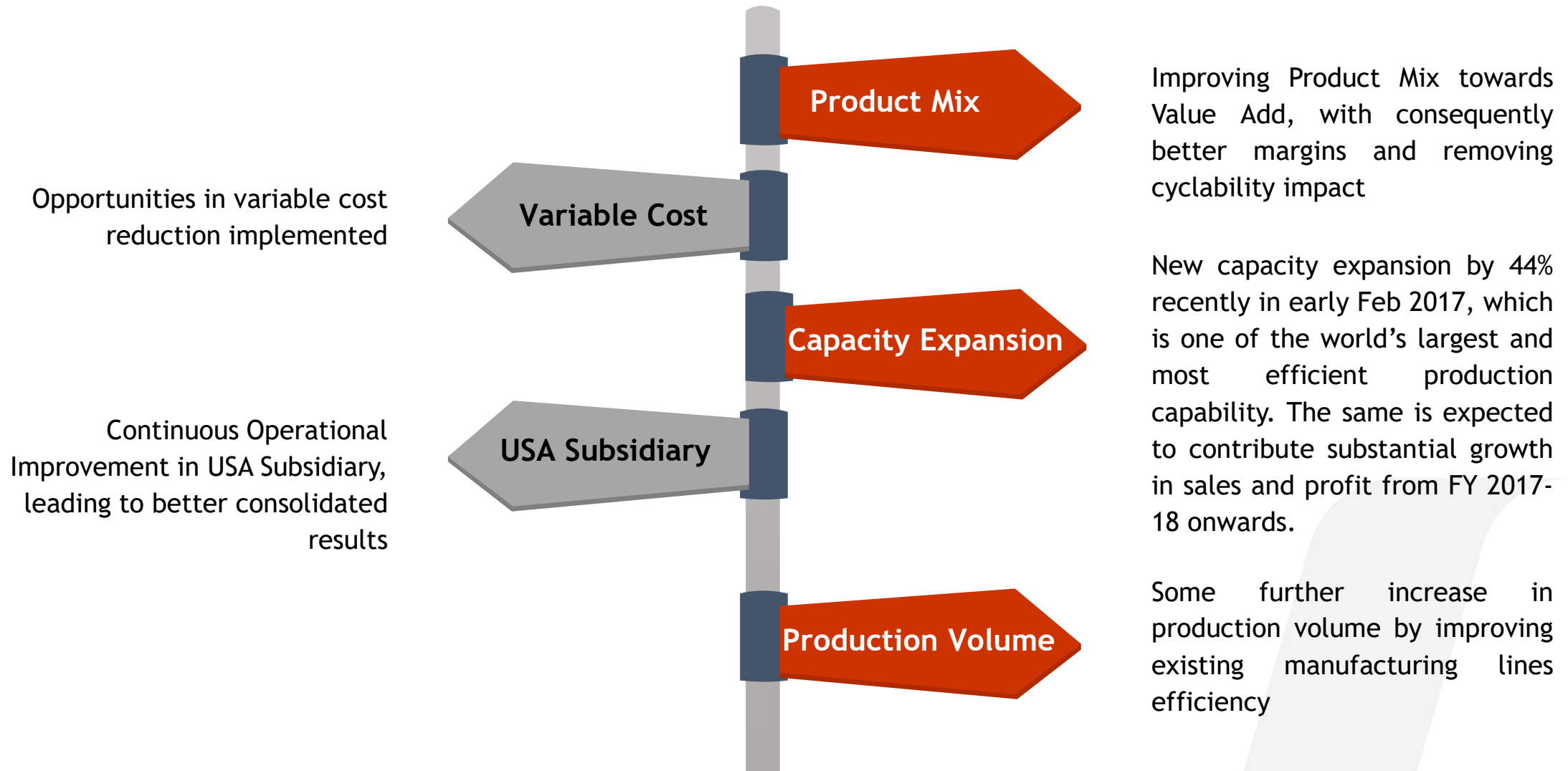
The new line (with capacity enhancement of 40%) has already now been commissioned in early Feb 2017 ahead of schedule at lower than planned cost.

Financials - Key Ratios

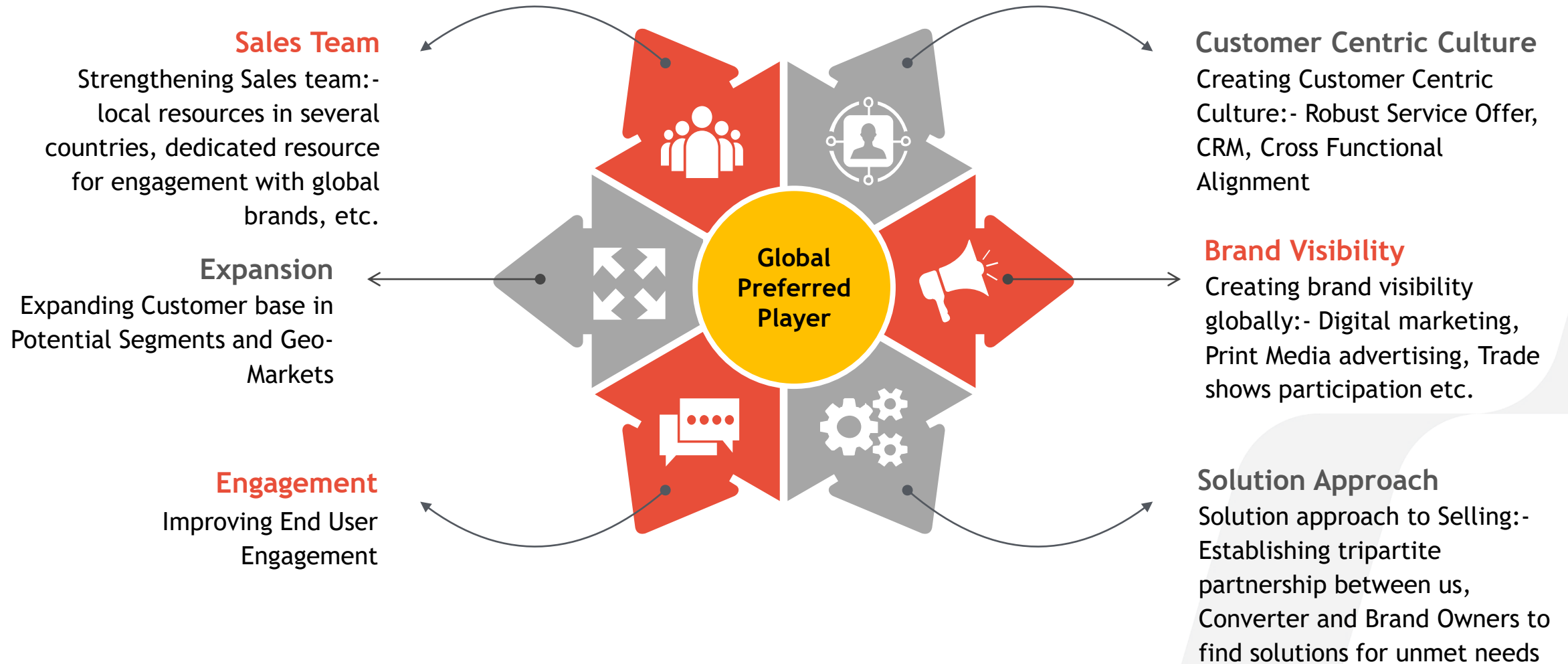


Particulars	Audited FY 13-14			Audited FY 14-15			Audited FY 15-16	
	Standalone	Consolidated		Standalone	Consolidated		Standalone	Consolidated
ROE (%)	10.7%	11.1%		9.7%	7.4%		21.7%	21.0%
ROCE (%)	7.0%	7.0%		10.0%	8.0%		17.0%	16.8%
Net Worth (INR Crores)	375.3	360.0		410.7	380.6		498.0	456.0
Net Debt (INR Crores)	517.0	526.9		453.7	465.0		384.1	389.7
Debt/Equity Ratio (times)	1.4	1.5		1.1	1.2		0.8	0.9
Asset Turnover Ratio (times)	2.2	2.3		2.7	2.7		2.4	2.5
Dividend per share (INR)	1.0			3.5			10.0	
Net Debt/EBITDA (times)	4.7	4.6		3.6	4.3		1.9	2.0

Focus Areas for Improvement in EBITDA levels



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.



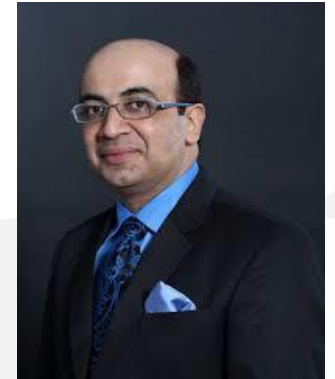
- Mr. H. N. Sinor, **Independent Director**

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 Flt. 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 Flt. Lt. Rajan Dhall Hospital- New Delhi.



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

Mr Pankaj Poddar's career spans over a period of 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 17 years of experience in finance, business planning and strategy, taxation and risk management. He is a Bachelor of Commerce from Delhi University, a qualified Chartered Accountant and a Certified Information Systems Auditor (CISA) from ISACA, USA. Neeraj is with the Cosmo Films from March 2013 and has worked with Havells, Aditya Birla Group and Bajaj Allianz before joining Cosmo Films.

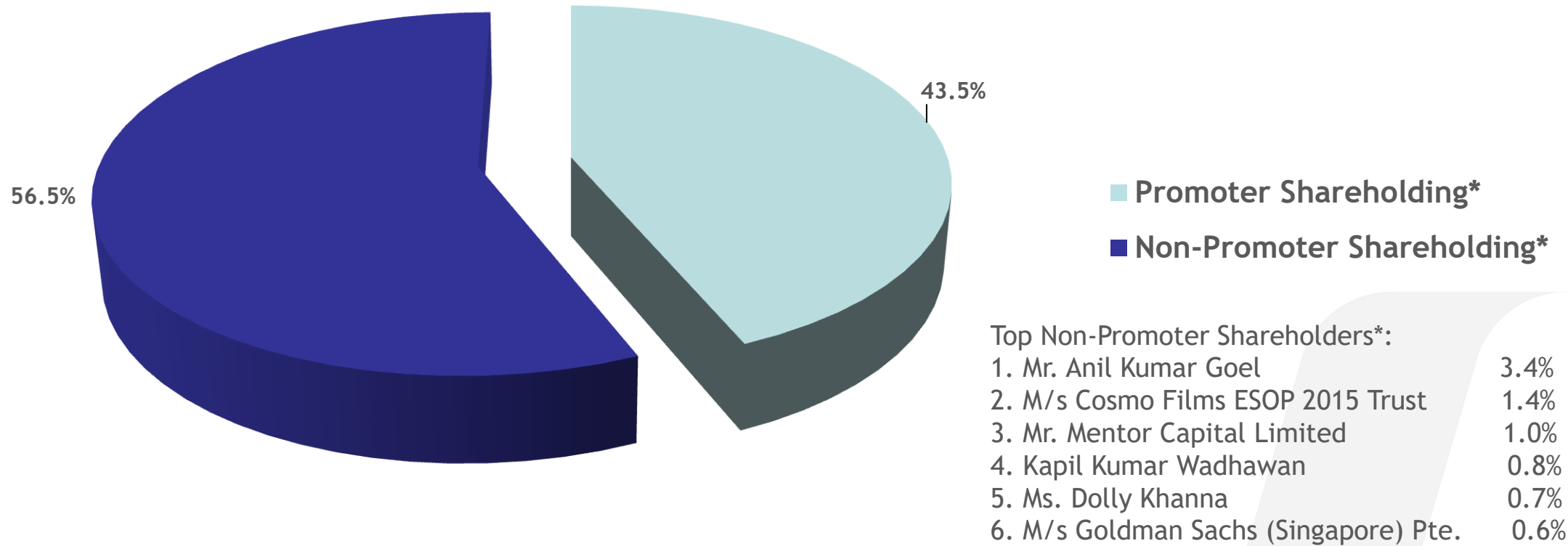


- **Mr. Satish Subramanian, Vice President - Global Sales & Marketing**

Mr. Satish has over 20 years of sales experience in B2B & B2C and has expertise in Global Account Management, Business Development, Multi-Channel Sales, Solution Selling, Strategy Development, Retail Supply Chain, Product Management and P&L Management. Mr. Satish is a Bachelor in Computer Science from Ferguson College, Pune and MBA from Symbiosis Institute of Business Management, Pune.



Shareholding Pattern (%age)



* As at Dec 31st, 2016

Care for environment



- ✓ ISO 140001
- ✓ BRC Global Standard
- ✓ Down gauging
- ✓ Oxo-biodegradable films
- ✓ Water Recycling
- ✓ Effluent treatment plant
- ✓ Natural lighting
- ✓ Support to water based ink printing
- ✓ 100% water based coating
- ✓ Rain water harvesting



1. The Company's CSR arm 'Cosmo Foundation' was established in 2008 and has built in partnership with sixteen government & grant-in-aid schools spread over 10 villages in the Karjan Block of Gujarat around 2,500 students who are receiving quality education.
2. Cosmo Foundation is crowned with National Award for Excellence in CSR and sustainability in the category – Best Education Improvement Award.
3. Four Public Gardens are maintained in Aurangabad to enhance City's environment and green area.
4. Sponsored Shahid Bhagat Singh Cricket Tournament organized by Trade Unions in Aurangabad.



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