Cosmo First Limited
Q4 & FY26 Results Conference Call
May 21, 2026

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Cosmo First Limited to discuss the Q4 FY26 Results.

Today we have with us from the management, Group CEO – Mr. Pankaj Poddar, Group CFO – Mr. Neeraj Jain, Global Business Head Films Business – Mr. Kulbhushan Malik and CEO - Zigly & Head Corporate Development – Mr. Saurabh Jain

Starting off with the Statutory Declaration:

Certain statements of the conference call may be forward-looking. These statements are based on management's current expectations and are subject to uncertainties and changes in circumstances. These statements are not guarantees of future results.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

Now, may I request Mr. Neeraj Jain to take us through his opening remarks, subsequent to which we can open the floor for the Q&A.

Thank you and over to you, Mr. Neeraj Jain.

Neeraj Jain: Good afternoon, ladies and gentlemen and thank you for joining us on Cosmo March 2026 Results Conference Call. We will begin this call with brief opening remarks from management which may be followed by the questions.

First, talking about the financial results for the quarter and the year ended March ’26:

- Consolidated sales for the March 2026 quarter is Rs 1,021 crores which is higher by 37% from March 2025Q primarily due to higher volume by 41%. The gap is due to lower average RM price on YoY basis.
- The Company has done well to manage the uncertainty caused by West Asia war and posted EBITDA increase by 53% in Q4 to Rs. 130 crores compared to Rs 85 crores during March 2025Q. The incremental EBITDA is primarily driven by:

1. Higher sales volume (41%) mainly due to new capacities,
2. Higher speciality sales volume (which is growing at about 10% CAGR)
3. Higher EBITDA by the specialty chemical subsidiary by Rs 7 crores

- There was onetime exceptional item of Rs 7.2 crores related to a provision made by the Company's subsidiary in Netherlands.
- BOPP margin was running at Rs 20/- per kg in Q4 vs Rs 13 per kg in Dec-25 quarter and Rs 20/- March-25 quarter,
- BOPET margin was running at Rs 18/- per kg in Q4 vs Rs 12/- per kg in Dec-25 quarter & Rs 18/- per kg in March-25 quarter
- PAT improvement is moderate due to increased depreciation and interest related to new capacities and one time impact of reversal of deferred tax assets of Rs 5.3 crores due to reorganization of the subsidiary in South Korea.

Now moving to full year results:

- For the full year, the Company has posted 26% increase in revenue, mainly backed by 27% increase in volume post commissioning of BOPP and CPP lines during the year.
- EBITDA has increased by 32% to Rs 479 crores primarily due to higher volume (27%), higher speciality films sales and enhanced EBITDA from speciality chemical business (Rs 53 crores vs last year comparative EBITDA of Rs 33 crores).

Moving to outlook for the Film business:

- The Company expects double-digit topline growth next year mainly due to enhanced utilization of BOPP and CPP capacity added in FY25-26.
- Recently announced reduction in the USA tariff will lead to improved profitability from the USA operations from next year.

Now moving to new business verticals performance.

Speciality Chemicals:

- The Specialty Chemical subsidiary has continued to achieve tractions and posted sales of Rs 54 crores with 25%+ EBITDA in Q4, FY26. For FY25-26, the subsidiary has done Rs 204 crores topline with 25%+ EBITDA.

Rigid Packaging:

- Cosmo Plastech (Rigid packaging vertical) has posted over 70% topline growth in Q4 on YoY basis. The business vertical has reached EBITDA-breakeven. Now FY27 focus shall be on achieving higher profitability through higher capacity utilization.

Moving to Consumer businesses:

- Cosmo has two consumer businesses i.e. Zigly (Petcare) and Cosmo Consumer (which include Window films, Paint Protection Films & Ceramic Coatings)
- Both the consumer businesses continue to scale-up. Zigly has posted 54% topline growth in Q4 FY26 on YoY basis. The other consumer business which we started in FY25-26, it is gaining traction very substantially
- The business model is moving more towards services and house brands which is high margin business.

Moving to Corporate:

- CAPEX cycle of the Company is largely complete. Focus will be on sweating strategic CAPEX done in last 3 years (₹1,200 Cr.).
- There is clear roadmap to reduce net debt over next 2 years. In this direction, the Company has reduced net debt by Rs 75 crores during last 6 months to Rs 1,159 cr. (2.4 times to EBITDA and 0.7 times to equity)
- Our new businesses (specialty chemicals, Plastech and Cosmo Consumer) are scaling and will lead to incremental ROCE.
- Focus is going to be on intrinsic value growth for each business
- The Board of Directors had recommended dividend of Rs. 4 per equity share for FY25-26 subject to approval of shareholders.

I think with this we will conclude our opening remarks and would like to open the call for the questions please. Thank you.

Moderator: Thank you very much sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Harshit Khadka from Robo Capital. Please go ahead.

Harshit Khadka: Thank you for the opportunity. I just wanted to understand that in your opening commentary you mentioned that the prices of BOPET and BOPP have increased. Can you throw some more light on that? I just wanted to understand the industry outlook, how it is right now and how do you see it going forward in FY27?

Management: Industry margins for BOPET and BOPP may remain volatile in the current year as new capacity comes. Although we see a macro-level demand supply balance. What we control is mix and cost. Speciality Films are 60% of our films and are growing, which insulates blended margins. We are also the lowest cost producer in India, which gives us downside protection. On the demand side, Indian flexible packaging volumes are growing 8%-10%. We are tracking incremental share through Speciality positioning. Our FY30 target for Cosmo ROCE continues to be our focus area. Quarterly EBITDA margins might vary with industry cycles.

Harshit Khadka: My second question is regarding Zigly. I can see in the PPT that it is at an annualized run rate of INR 90 crores per annum. You have mentioned that there are plans to unlock value in FY27. What exactly are you planning?

Management: First step is to have this in a separate subsidiary within this financial year. We are exploring whether it is the right time for getting some external capital to fund future growth for this business.

Harshit Khadka: Do you have any guidance for FY27 and FY28 regarding your top line and EBITDA?

Management: Top line should grow in double digits in the current year because we still have unutilized capacities in BOPP and CPP and also for our new businesses. EBITDA, we cannot talk about industry cycles, so it is always very difficult for us to give any guidance. But in general, the good thing is that US duties have been taken away, which should be very favorable for us in the times to come. Cosmo Consumer continues to grow at a rapid pace, so is Zigly and Plastech. So, these new businesses, volume and speciality growth in films and US subsidiary, all these will help us get decent margins in the current year.

Harshit Khadka: Okay, I understand. Thank you.

Moderator: Thank you. The next question is from the line of Jatin Damania from Swan Investments. Please go ahead.

Jatin Damania: Good afternoon, sir. Thank you for the opportunity. Firstly, on the Films business, just wanted to understand, post the war, we had seen a sharp increase in the PTA and MEG prices, but our revenue spreads have also improved. But how do we see a domestic market demand supply as imports have also reduced and currently if you compare it with the last quarter, what will be the average spread in the month of April-May.

Management: See, polyester firm already has got now anti-dumping duty from neighboring country. The demand continues to grow at 8%-10% year-on-year. However, as we say this, there is still, I would say, supply is a bit more than demand for BOPET. And until these balances out the margins will continue to fluctuate in BOPET. As I said earlier, it's always very difficult to give any projections around this. But if you see year-on-year basis, then the polyester margins are certainly improving.

Management: And just to add it, if you look at Cosmo's Film business, 90% of this is BOPP-CPP and close to 10% is the BOPET.

Jatin Damania: What will be the current BOPP spreads when you compare with the Q4 average?

Management: So, it's ranging broadly in the similar range of Quarter 4.

Jatin Damania: Okay. In last year, we commenced the new BOPP line. So, going ahead, how shall one look at the Speciality Film business or the value-added Film business, overall contribution to the growth of the company?

Management: When we started this new line, our overall Speciality share went down from close to 70% to 53-54%. By Quarter 4, we are already at 60% and from 2019 till 2026, we have seen a 10% CAGR. So, though the base is continuously going up but we expect this growth rate to maintain.

Jatin Damania: Okay. Good to hear that. And secondly, regarding the contribution, see, if you look at the FY25 and FY26 numbers, we have seen a substantial increase in the overall employee costs and the other expenses. So, going ahead in FY26-27, I mean, how shall one look at the employee costs and the other expenses because in FY25, our total employee expenses were INR 250 crores, whereas in FY26, we are at INR 336 crores, almost 30% growth. So, what has led to a sharp increase in the overall employee expenses and how shall one look for the FY27-28 numbers going ahead?

Management: So, we should not grow these costs too much from Quarter 4 run rate. These costs went up because we were scaling up all our businesses. Even Film business had a close to 40-50% volume growth potential because of the new capacities we put up. So, these cost increases are in line with the new business growth and as a percentage, these costs should ideally come down.

Jatin Damania: So, that means the Q4 run rate, we should probably maintain for the FY27 henceforth?

Management: Yes. I mean, they will go through normal inflation, but otherwise, Quarter 4 run rate ideally be maintained with the inflation.

Jatin Damania: And, sir, from the time we started the Cosmo Consumer, we have seen a significant improvement We have improved the contribution of the Window Films and Paint Protection films over a period of time, What is going to be normalized margin that we will be generating on that business.

Management: Cosmo Consumer business will have gross margins of anywhere between 35%-40%.

Jatin Damania: And on the revenue front, also, we will look at the contribution coming from the films business, I mean, Cosmo Consumer business.

Management: See, right now, in the first year, we closed at INR 23 crores. Right now, we should have very significant growth because we are getting these products approved in various countries. And we have to take different certifications as we move along different countries. Right now, most of the numbers that we have done is from India. In the coming years, we should start scaling up in America and Europe as well.

Management: Furthermore, as we exit FY26, we are already tracking an annualized revenue run rate of INR 38 crores.

Jatin Damania: Have we already got approval from the US and Europe or are we still in the discussion stage on that front.

Management: In the current financial year, we have started dispatching material to both America and Europe. It will take some time to scale up because customers typically start with one pallet and then gradually move towards one entire container. But we should see significant growth in the coming year itself in US, Europe, both, while we continue to scale up India.

Jatin Damania: Sure, sir. A couple of more questions and I will join back in the queue. Thank you.

Moderator: Thank you. The next question is from the line of Aman Sonthalia from AK Securities. Please go ahead.

Aman Sonthalia : Congratulations to the Management for a good set of numbers. And the best part is that the management has reduced the debt, which is a great thing. Sir, my question is related to, in the last quarter, there was a great increase in the raw material price and the BOPP price. Definitely we would have had some inventory in our hand. So, the margin has increased to just INR 20. So, any reason for that?

Management: You see, a large part of our inventory of the finished goods was at the port at the end of the year. So, major part of the inventory gain got parked with the finished goods in transit.

Aman Sonthalia : And, sir, how is the demand supply situation in BOPP business? As recently I saw in the presentation of SRF, that they are not setting up the plant as announced by them. So, how do you see the future prospect of BOPP business, commodity part?

Management: As we already said, that our focus remains increasing our Speciality growth. Having said that, I think in the next three years, there are seven to eight lines coming in India, which is, I would say, more or less, balanced with the demand growth that is expected. There could be some oversupply of core films for a short period, depending on the commissioning timeline for new lines , and I think seeing that SRF may have decided to delay their CAPEX or defer their CAPEX at this stage. But then, our company will continue to focus on export opportunities, growing their Speciality business as such.

Aman Sonthalia : And, sir, the duty benefit will accrue from this quarter, I think, in the US business. So, how do you see the growth in the US market for our business?

Management: We should see anywhere between 15 to 20% growth as a minimum in US business. We are already winning multiple businesses in America, and customers highly appreciated the way we dealt with them during this period. The good news is that we did not lose any customers during that time, and we have already started to win multiple new customers, in the last three to four months.

Aman Sonthalia : Sir, as far as PPF film and window film, we are looking for US market and Europe market. But, in the US market, I think already, Garware Hi-Tech is the market leader. So, whether we will be able to get into that market or the European market is more promising?

Management: The US market is huge. The market itself, window film plus PPF, in US would exceed $0.5 billion. And we see a very good opportunity both in US, Europe, and not just these two continents, but we also see growth in future to come from Africa, Middle East and South America. But given that we have to take certifications in each and every country, therefore, this process normally in the initial couple of years takes time, and once you have all the necessary approvals, you have distributors made, the material is with the retailer, then you start seeing much more growth.

Aman Sonthalia : Okay, sir. Thank you. This is from my side.

Moderator: Thank you. The next question is from the line of Saransh Gupta from Swan Investments. Please go ahead.

Saransh Gupta: Thank you for the question. Sir, I just wanted to understand, in our segmental revenue, what do we report in the other segments?

Management: Other segments include the rigid packaging vertical, and the Cosmo Consumer part, which includes the window film and paint protection film.

Saransh Gupta: In our opening remarks, where we did mention that rigid packaging is growing, is at breakeven level, and in our Consumer business as well, we have been growing good, and there is good potential for us ahead. Still, we have been reporting losses in our other business. So, how is that?

Management: On a full year basis, we did lose money in Plastech. In Quarter 4, we were at breakeven, EBITDA breakeven. PBT level, we may have made some small losses. Cosmo Consumer, given that we are spending on marketing, in fact, even in Cosmo Consumer, without marketing costs, we are EBITDA breakeven. But given that we must initially build our brand, there were marketing costs incurred, and that is the losses that we had. These businesses have been set up recently, Cosmo Consumer is less than 12 months, and Plastech business is less than 18 months old. So, they will take some time for them to be profitable at the PBT level, but they should not be way far.

Saransh Gupta: When can we expect that, and how much do we have to spend incrementally to get our PBT positive?

Management: You see, in FY27, Plastech business should start making high single-digit EBITDA, while in FY28, we expect it to be high or mid-teens EBITDA numbers. Cosmo Consumer will continue to make losses in the current financial year, for the simple reason that we will continue to be aggressive in building our brand. I feel that Cosmo Consumer will take at least couple of years to be profitable. First thing is to reach INR 100 crores benchmark at the earliest.

Saransh Gupta: I just want to understand the bridge, what do we need to do to reach that level? I know that we are focusing on the exports market, so what lever do we have?

Management: There are multiple things that we are doing. First is, we are looking on the domestic market as a very good opportunity. We have appointed more than +50 distributors for both the product lines. We are also investing in building a brand portfolio in the domestic market. Secondly, we are looking at exports as a significant opportunity. We have started making distributors in America and Europe, and then we will also start making distributors in South America. Middle East is right now a bit disturbed there. So, we are confident of the 50% CAGR itself in Cosmo Consumer as a minimum.

Saransh Gupta: Understood, so that would be great. Other than that, I wanted to understand, in this quarter our Speciality gross margin has come down from INR 65 per kg to INR 63 per kg. I just wanted to understand why is that though US has opened for us, so what led to decrease in the gross margin?

Management: That was a very marginal drop. Actually per kg margin, you will notice, it is a function of sales mix as well. As you said so, some of the customers, particularly Speciality customers, generally we are able to take the price reset at the end of either month or the quarter. So, that is why there will be some lag in taking some price increases.

Management: In core films, the pass-through happens almost on an immediate basis. But Speciality, there is always a lag of one to three months. So, that could be the main reason for this.

Saransh Gupta: So, sir, will it be fair to assume that our next quarter we will be seeing higher gross margins at current level?

Management: Most likely, other than the mix part that we cannot comment, but most likely there should be an upswing.

Saransh Gupta: Definitely, sir, understood.

Moderator: Thank you so much, Mr. Gupta. We will take the next question from the line of Raman KV from Sequent Investments. Please go ahead.

Raman KV: So, one, I just want to understand that now we are done with the CAPEX phase. What is our current utilization on the film side, which includes both BOPP as well as BOPET and other CPP films. And second one, sir, we have been growing our Speciality Chemicals business at 20% revenue over the past 2-3 years. But during this year, it has grown around 9%-10%. So, going forward, what was the reason for the slow growth during the year? And going forward, what is your outlook for the coming year with respect to Speciality Chemicals?

Management: So, from a capacity utilization perspective, we have 15%-20% growth potential from last year's numbers. Coming to Chemical, we grew by 20% this year as well. However, given that raw material prices were lower and most of the pricing is raw material linked, so therefore the actual growth in value terms is coming at 10%. However, the volume growth was 20% even in the last financial year. And the margins you could see have gone up substantially. And EBITDA has gone up from INR 33 CR to INR 53 CR. So, we have been able to increase margins very significantly this year.

Raman KV: Understood, sir. Sir, can I just have the volume figure for the year with respect to the BOPP and BOPET films, like the entire film?

Management: Whatever information we could share is already there in our investor presentation.

Raman KV: Understood, sir. Thanks.

Moderator: Thank you. The next question is from the line of Aryan Vadaria from Equitas Investments. Please go ahead.

Aryan Vadaria: Hi, Sir. Congratulations on the great set of numbers. You yourself said that 7-8 lines are going to come live in the next year or two. So, what are we expecting in terms of margins here? If Speciality businesses, you are saying that you will focus on Speciality, then this extra capacity can also focus on Speciality, right? So, what are you expecting the competitive scenario to be like in the next 1-2 years?

Management: We have said this even in the past that for us, the focus remains on the Speciality Film growth. The industry margins can remain volatile as the new capacity comes in the next 2-3 years. Although we see a macro level demand supply balance. What we definitely control is mix and cost and we are already one of the lowest cost producers in the country. We are growing Speciality Films at 10% CAGR and though the base is growing, we continue to grow the Speciality at the same rate. And as you may see, we have launched multiple ranges of products in the film. We have also come out with Green Graphic Films. So, there are some very good innovations that Cosmo has done, and this should help us to continue to scale up our Speciality business.

Aryan Vadaria: Understood. And just on the consumer side, what is your 5-year view in terms of scaling the business? Because there is a lot of competition. You have given the numbers in your presentation, but how are you incorporating the culture? I would like to understand more on how you are treating it internally in the business?

Management: So, see the thesis there is market will not push. India PPF penetration is just 1-2% versus China at 15%. So, it is a 10x plus gap on a INR 500 crore Indian PPF market growing at 30% per annum. What we need to see is that our Q4 exit rate is already at INR 38 crores versus full year at INR 23 crores. Which basically tells that the trajectory is already steep. And we are entering the detailing channel multiplying rapidly across Tier-1 and Tier-2 cities. We already have started Export SKUs as well, including trying to grow in all the geographies across the globe. So, we are easily confident of more than 50% CAGR in this business.

Aryan Vadaria: Understood. And profitability you have already mentioned. Just one last question on the debt. We are seeing inflationary environment; there might be rate hike. How is our expectations on debt management and what are we guiding in terms of interest cost?

Management: Debt should continue to come down. We have reduced debts by close to INR 75 crores this year since Sep'25. Given that next year the CAPEX is expected to be less than INR 100 crores. We should be able to decrease our debt even by a higher amount this year. And this will continue in FY28, the outlook is to reduce the debt even further. So, we are already at 2.4x to EBITDA in terms of debt. And we will bring it below within next 12 to 18 months.

Aryan Vadaria: Understood. Thank you sir.

Moderator: Thank you. The next question is from the line of Rajkumar Vidyanathan from RK Invest. Please go ahead.

Rajkumar Vidyanathan: Thanks a lot for the opportunity. Sir, just two questions. So, first one is, the US tariff has now been asked to refund. So, just wanted to know whether Cosmo US has filed an application for getting the refund?

Management: Yes, the courts have opened the process for the refund. We are right now studying that process and going to file the refund soon. It is expected that this refund process may take anywhere between 6 months to 12 months.

Management: Okay. And do you know what would be the approximate quantum?

Management: See, the refund will be more than INR 60 crores. But then some of it also has to be given back to the customers given that some customers have given us price increases. So, we will know the exact situation in next 6 to 12 months.

Rajkumar Vidyanathan: Okay, but there is something that will flow to the bottom line during the year, right?

Management: It will flow both to the bottom line as well as the cash flow.

Rajkumar Vidyanathan: Okay, that's great sir. And second thing, these margins that you mentioned, the BOPET margins and the BOPP margins, so these margins are kind of flat when you look at year-on-year, right? The margin improvement is only there when you compare quarter-on-quarter. Is that correct?

Management: See, these margins are volatile and as Cosmo, we are never as much concerned about these core film margins because our focus remains on growing our Speciality business. It is very difficult to predict these margins. So, it is very difficult to project these margins. Although we see a macro level demand supply balance.

Rajkumar Vidyanathan: Okay, and in your commentary, you mentioned that this quarter the PAT growth is moderate due to some of the one-offs. So, is it fair to expect the current quarter will be better than the Q4 numbers that you reported given that the margins are higher

Management: Yes.

Rajkumar Vidyanathan: It should be better than Q4.

Management: Total one-off item in Q4 which has a PAT impact is close to INR 12 crores, which will obviously be not there for next year.

Moderator: Thank you, sir, for answering those questions. We will take the next question from the line of Vipul Kumar Shah from Sumangal Investments. Please go ahead.

Vipul Kumar Shah: Hi, thanks for the opportunity, sir. So, when are we likely to reach 70% Speciality sales where we were in Q4 FY25?

Management: You see, in Q4 FY26, we have reached around 60%. On a full year basis, we are at 56%-57%. If you do the math with 10% CAGR growth in speciality volumes, you can get the answers.

Vipul Kumar Shah: No, would you elaborate? I didn't understand, sir.

Management: It will be roughly 18-24 months.

Vipul Kumar Shah: It must be that there is a raw material price increase. So, what will be the impact of the raw material price increase in the current quarter?

Management: In terms of Speciality, it's pass-through. Obviously, there is a time lag in Speciality because price increases happen either on a monthly or quarterly basis. In case of commodities, the intention of the industry is always to immediately react to any price changes. So, that is the way we operate as an industry.

Vipul Kumar Shah: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Kevin Gandhi from CapGrow Capital. Please go ahead.

Kevin Gandhi: Hello. Thank you, sir, for taking my question. I had questions primarily on the BOPET side. So, sir, just wanted to know what is the current supply-demand situation of BOPET? Are we seeing any new lines being commissioned? And do we think that the spreads of BOPET should increase from the current trajectory?

Management: Well, our exposure in BOPET is only 10%. And within BOPET also, Cosmo's focus is largely Speciality growth. Coming to industry dynamics, there are not many lines coming up in BOPET because there was an excess supply. Now, there is an anti-dumping duty on neighboring countries for BOPET film imports. So, that has also given us some relaxation within the industry. So, this demand supply should be balanced in the time to come. It may take anywhere between 12 to 18 months for the demand and supply to equalize as such.

Kevin Gandhi: Okay, sir. Got it. And, sir, the spreads of BOPET should increase from the current trajectory, from the current levels of 18 per kg, do you think?

Management: The trend says that yes, it should increase.

Kevin Gandhi: Okay, sir. Okay. Thank you. Thank you for the answer.

Moderator: Thank you. The next question is from the line of Jhanvi Shah from Share India. Please go ahead.

Jhanvi Shah: Hello, sir. Congratulations on the result. What was the capacity utilization for all the lines?

Management: There is a 15% to 20% opportunity with us for the current year, from last year.

Jhanvi Shah: No, sir. I am asking what was the utilization for the year, FY26?

Management: Full year business is 80% to 85%.

Jhanvi Shah: Okay, sir. Thank you, sir. That's it.

Moderator: Thank you. The next question is from the line of Gaurav from Capital Farming Consultants. Please go ahead.

Gaurav: Yes. Hi. Thanks for the opportunity. So, I have two questions. First question is with respect to our new businesses, right? Like Cosmo Plastech, in which we achieved a turnover of approximately INR 92 CR, Cosmo Consumer, INR 23 CR and other business, in which we have been consistently investing, I think, from last almost 5 years, right? So, if you can guide us that how much capital we have invested in these three businesses independently, if possible to guide us on that, that capital invested. And how much capital do we envisage that incremental will be invested in FY27 and FY28, right? And what kind of return profile can we expect, right? As we have specifically mentioned that ROCE in our Speciality Chemicals is 25%. So, what kind of ROCE can we expect in these three businesses, Plastech Consumer and Pet Care Individually going forward?

Management: Sorry, the voice was not clear and I am not able to gather all the questions. So, just to answer your first question, see, other than film, from the start of these businesses, we have invested close to INR 275-300 CR in these businesses.

Gaurav: Okay. Let me repeat my question, if you allow.

Management: Yes, go ahead.

Gaurav: So, in Plastech, Cosmo Consumer, individually, how much capital we have invested till FY26? And how much incremental capital we are expecting in FY27 and FY28, right? Addition to this, like we have mentioned in Speciality Chemicals, we are earning ROCE of approximately 25%. So, what is our expectation in terms of ROCE from these three individual businesses going forward?

Management: Yes, these are still too many questions. Sorry about that. But, just to try and answer, in the three businesses that you asked, our capital invested is close to INR 275 crores to INR 300 crores. We, I mean, the investment, the further investment in these three businesses are not expected to be huge. All put together should be in the range of INR 50 crores to INR 75 crores in the next year and a year thereafter.

Gaurav: So, my second question is with respect to our films business, right? Since we have almost done our CAPEX into that in last three years, and CAPEX utilization, you have given us guidance on that. So, question is that, like, we have seen our debt level speaking as well. So, in FY27 and FY28, if you can quantify that, what could be the expected debt level that we can see getting reduced on our books, right? And, according to that, what is the return on equity or return on capital employed that we can expect on an overall business in FY27 and FY28? That's it. Thank you.

Management: So, see, from a debt perspective, right now we are operating at 2.4x to EBITDA, and this year we have reduced our debt by INR 75 crores. We would like to bring this below 2x within 12 to 18 months from now. And the ROCE right now was impacted because we had incurred a lot of CAPEX in last two, three years. Now that CAPEX cycle is almost over, therefore the ROCE will start going up. For FY26, it is 11%, and next year we expect it to be around 14% to 15% in the coming years, and this will continue to go up as we ramp up our capacity utilization and grow in new businesses.

Moderator: Thank you, sir. The next question is from the line of Saransh Gupta from Swan Investments. Please go ahead. As there is no response, we will move on to the next question from Saket Kapoor from Kapoor Company. Please go ahead.

Saket Kapoor: Yes. Namaskar, sir. Am I audible?

Management: Yes, you are audible.

Saket Kapoor: Thank you for the opportunity. Sir, you did mention about that taking into account that one-off of INR 12 crores for this quarter, that will not be appearing. How is the operating environment is also better than what we have expected before? That understanding is correct?

Management: The world has become so uncertain and volatile that it is very difficult to predict even for tomorrow. So, unfortunately, I do not have any straight answer to that. But the good thing is that Cosmo continues to grow Speciality sales by 10% CAGR year-on-year in spite of a higher base each year. And that is what we continue to make our effort that we continue to grow our Speciality sales.

Saket Kapoor: Right, sir. And you also answered that our utilization levels are close to 80% to 85%. That is for the Flexible Packaging segment. Which category or as an overall you have given that number?

Management; So, in Film business, we have an opportunity to increase our volumes by another 15% to 20%. In other businesses, there is still more capacities available. Like in Chemical, there is a potential to increase our business by close to INR 100 more crores. In Plastech, there is potential to grow by another 30%. In Cosmo Consumer, we are hardly at 20% capacity utilization still. So, in other businesses, the potential to grow is much more.

Saket Kapoor: Okay. Sir, for Speciality Chemical, what was our revenue number? I think so for the last year.

Management; Approximately INR 204 crores last year.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for today. I would now like to hand the conference over to the management for closing comments. Thank you and over to you, sir.

Management: Sure.

- Company's focus will be on sweating ₹1,200 Cr strategic CAPEX done in last 3 years
- Each business vertical will focus on high margin and high ROCE
- Key focus shall be intrinsic value growth for each business and unlock value at appropriate time
- Further strengthen financial resilience by reducing corporate net debt substantially in next 2 years

- Also to mention that sum of parts of the intrinsic value of businesses far exceeds the current market capitalization

At the last we would like to repeat the statutory declaration:

Certain statements in this Con-Call may be 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. Many thanks for joining Conference call.

Moderator: Thank you, members of the Management. On behalf of Cosmo First Limited, that concludes this conference. We thank you for joining us and you may now disconnect your line. Thank you.