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The Manager (Listing) BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001 Scrip Code: 508814	The Manager (Listing) National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex Mumbai-400 051 Security ID: “COSMOFIRST”
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Sub: Transcript of Analyst/Investor Earnings Call

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the transcript of Analyst/Investor Earning Call held on May 21, 2025.

The same is also available on the website of the Company at the below mentioned link:

<https://www.cosmofirst.com/investors/investors-presentation>

You are requested to take the same on your records.

Thanking You

Yours faithfully
For Cosmo First Limited

Jyoti Dixit
Company Secretary & Compliance Officer

Cosmo First Limited
Q4 & FY25 Earnings Conference Call

21-May-2025

Moderator: Ladies and gentlemen, good day and welcome to the Investor Call of Cosmo First Limited to discuss the Q4 and FY'25 Results. Today, we have with us from the management Group Chief Executive Officer, Mr. Pankaj Poddar and Group Chief Financial Officer Mr. Neeraj Jain.

Starting off with the statutory declaration. Certain statements in the conference call may be forward-looking. These statements are based on the 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 this conference call, please signal an operator by pressing "*" then "0" on your touchtone 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 sir.

Neeraj Jain: Well thank you. Very good afternoon, ladies and gentlemen, I am Neeraj Jain Group Chief Financial Officer at Cosmo First, along with my colleague, Mr. Pankaj Poddar, Group Chief Executive Officer at Cosmo First.

Before I go to the financial results, I would like to mention that our financial results for the March '25 Quarter, and Investors Presentations are available on Company's website. We will first discuss a brief on the performance of the company for the March '25 quarter and year ending March '25, which may be followed by the questions.

Consolidated sales for March '25 quarter is Rs.746 crores, which is higher by 16% from March'24 quarter, primarily on the backing of higher specialty sales, higher BOPP margins, and we witnessed higher sales in USA and Netherlands operations. The EBITDA for the quarter has increased to Rs.85 crores compared to Rs.67 crores during the March '24 quarter. The improvement in EBITDA is backed by higher specialty sales, better BOPP and BOPET film margins, and enhanced cost rationalization by about Rs.9 crore. In fact, the EBITDA would have been even better, but for two two onetime non-recurring items , first cost of 4.3 crores on shifting the thermal line from Korea to India, which should provide annual benefit of close to Rs.10 crore, cost we incurred in shifting during the quarter was one time. Number two, 10% lower volume on the BOPET film line, which was a planned maintenance shut down.

Moving to full year FY'25:

EBITDA at Rs.362 crores is higher by Rs.111 crore which is 44% increase compared to last year, primarily due to higher specialty sales, which has grown by 10% compared to last year. Number two, cost rationalization of about Rs.25 crore. Number three, better BOPP and BOPET film margin and in the last improved performance of the Specialty Chemical subsidiary. The consolidated PAT at Rs.133 crore for FY'25 is higher by 115% from last year.

The company is growing Specialty Film sales by close to 10% CAGR growth over the last six years, in-line with this FY'25 specialty growth has also been close to 10%. The BOPP film margin has been running at Rs.21 per kg in March '25 quarter, as against Rs.21 per kg in December '24

quarter and Rs.14 per kg in March '24 quarter, hence broadly at par with the previous quarter, but better on a Y-o-Y basis.

Moving to outlook:

The company has already invested close to Rs.1180 crore in last three years as capex in multiple growth projects including BOPP line, CPP line, polyester line, metallizer's and coating line, Sunshield and Paint protection film and rigid packaging. These will yield a significant ramp up in revenue as well as profitability in next two to three years.

Further expanding on the growth, the cast polypropylene line, which we call CPP line, with an annual capacity of 22,000 metric ton has started operations in March '25. Sunshield film has also started commercial production from May 2025, the company has successfully done pilot runs for Sunshield with (+50) distributors who are going to distribute both Sunshield film and Paint Protection films. The BOPP line having an annual capacity of close to 81,000 metric ton, is also expected to start operation from Q1 of FY'26.

The company's focus will be on taking full leverage of the new investments, grow specialty film sales, expand in international geographies, and further push down the cost (expected annualized cost savings at Rs 25 crores). The new film lines are the most cost-efficient and should make Cosmo more competitive in the market.

Moving to Specialty Chemical subsidiary:

The Specialty Chemical subsidiary has achieved high teens EBITDA, with a top line of Rs.180 crore FY'25. This business verticals should continue to grow backed by new innovative products and specialty film sales.

Moving to pet care vertical, Zigly.

In Zigly, we have launched multiple private labels and enhanced our Vet care services, our business model is moving more towards services and private label, which is a high margin business.

Well, the Board of Directors of the company has recommended dividend of Rs.4 per equity share for the Financial Year 24-25 which will be subject to approval of shareholders in upcoming annual general meeting.

The debt position of the company, the company's net debt is at Rs.967 crores, which is 2.7x to EBITDA and 0.7 times to equity. The financials remain strong. At March '25 most part of the debt related to growth is already built in the balance sheet, but returns are yet to kick in out of the majority of the capex.

With this, we would like to take a pause and would like to open the call for the questions please.

Moderator:

Thank you very much. We will now begin the Q&A session. The first question is from the line of Neerav from Anvil Wealth. Please go ahead.

Neerav:

Good afternoon, sir. Sir, I have few questions to ask. So, in your opening remarks, you said that we have been growing our specialty BOPP volumes by close to 10% CAGR over the last few years. So how do you see FY'26 panning out for us in terms of specialty volumes?

Management:

Well, we said 10% growth Neerav is for specialty sales actually Specialty Film sale, and we have several products are in pipeline, besides we already have good range of the Specialty Film. So we are quite optimist that the growth rate should be better off in FY'26.

Neerav:

And you are talking about the volumes, right?

Management: We are referring to the volume for the Specialty Films.

Neerav: Correct. Sir, in terms of our total breakup of specialty versus commodity, we have already reached 71% in FY25. If we are able to grow our specialty volumes by another let's say 10% or similar run rate for FY'26 would there be any need for further investments in the specialty BOPP because now our commodity line is also going online from Q1 of FY'26 so would there be a need to put up the additional capacities for specialty BOPP?

Management: Actually yes, because what is going to happen is, we are putting in the new BOPP line. Initially, the ratio may be little skewed on the new capacity towards the commodity, but slowly it will move to the specialty in-line with the broad strategy in company has been following. So in line with that, we are growing the capacity of the Specialty Films, like the coating film and all. So which would help in the medium term to move towards the Specialty Film.

Neerav: Got it. And sir, when we see our commodity BOPP margins vis-à-vis that of semi specialty and the specialty BOPP, let us presume that if commodity BOPP margins come down. Would the delta between the specialty, semi specialty and commodity BOPP, is the right indicator to track, or let us say a fall of Rs.5 margin in the commodity BOPP also translate into the similar fall of Rs.5 in the specialty or semi specialty so how does that metric works?

Management: Well frankly, in our past experience the Specialty Film margins broadly remain the same, except there may be some minor changes due to change in the mix. Semi specialty runs with a additional delta over the commodity. But the relationship is not linear, so let us say if commodity margins moves by Rs.10 or so, it's not necessary semi specialty margin will also change by 10. It may change by Rs.4, Rs.5 or Rs.6, depending on the criticality of the film. To answer your question, in the specialty film, largely the margins are protected. Semi specialty changes with the change in the commodity but delta is lower compared to the change in the commodity.

Neerav: Got it and sir this 71% Specialty Films, how would the breakup look like in terms of semi specialty and specialty?

Management: It keeps changing from quarter-to-quarter, but broadly you can say 50:50.

Neerav: Got it. The second question is, on the sun control films, you mentioned that we have already started commercial production. So how can the ramp up of revenue we can see in FY'26 and FY'27?

Management: So, as far as domestic market is concerned, we have got a very positive response, and we do expect that in a year, we should be doing between window film and PPF easily, Rs.15 to Rs.20 crores next year itself. As far as export is concerned, we still need to do more work in terms of approaching distributors and getting trials done. So, there we see that majority of the growth will actually happen in FY'27. So, we expect next year should be closing anywhere between Rs.25 to Rs.30 crores, and a year thereafter, we should exceed Rs.50 crores.

But another thing is that we are also planning to launch some more products, I cannot share more details. But this is becoming like a complete consumer vertical in itself, where there is a lot of focus in bringing products which are right now, either not made in India or made by only one or two players. And so we will be launching more products and create a very serious brand within the country. You can go to cosmoconsumer.com and see more details about it. So there will be two businesses in consumer segment. One is Zigly and second is Cosmo Consumer. And we do expect that this vertical will be profitable much earlier than even Zigly, because here the gross margins are quite good and Zigly has a lot of cost on the retail side where one side we continue to do cost reduction, but at the same time, the gross margins are good.

Neerav: So what could be considered as a break-even sales for the sun control films?

- Management:** It should be, actually it purely depends on how much marketing cost we do. Right now, we feel Rs.35 crores should be the break even. But I don't know if you get a chance to see some of the videos that we launched this year. We have already released two videos of Cosmo Sunshield, because there is a lot of awareness that we need to create in the market. Obviously, we are doing a very low-cost marketing, largely digital marketing to begin with, but we will scale up the marketing as we move along and ensure that customers are aware for such a beautiful product where the paybacks are so good, the customer comfort is involved, the green building is involved. So it's an awesome product, it is just that we need to market it really well and domestic market has got a very good traction, we have created a very strong sales team, more than 60 people trying to put, go to every corner of the country. So, domestic, I feel will be able to crack the code faster, export we still need to learn more and do much more work.
- Neerav:** So just a last bit, like since you mentioned that our focus initially would be on the domestic market, what could be the size of Indian market so far as this sun control films is concerned, any ballpark idea if you can share?
- Management:** Yes, see the window film addressable market is Rs.400 crore, but a lot of imports is happening from China. You may be aware there is only one local competition who is representing just 10% market. And rest of it is coming not just from China, actually it is coming from lot of this is coming from even America and Europe. So it is America, Europe, Japan, China and Korea, five countries where it is coming from. And as far as building is concerned right now it is happening mostly in the commercial complexes where it is some kind of technical selling, but consumers at large are not aware about these window films, which is what we intend to do. Automobile itself is a good segment, and we are not saying that domestic is the only focus area. Export is also equally a very critical area for us. It is just that, we started doing the trials in the domestic market, and we have already created a good understanding with many distributors. We are working very aggressively even on the export market and export is a much larger \$2 billion market where we need to create an impact.
- Moderator:** Thank you. The next question is on the line of Saransh Gupta from Swan Investments. Please go ahead.
- Saransh Gupta:** Sir, just wanted to understand in your opening remarks you alluded that you have invested Rs.1000 crores of the capex and all the facilities now are largely on stream, other than the BOPP line which is coming up with 81,000 MT. So just wanted to understand two things here. Earlier we were starting with a capex of 67,000 tons of the BOPP line now, which we have upgraded to 81,000. So is there any change in the technology or the upgradation of the machinery on that part. And post the announcement of our capex and the capacity coming on the stream, how do you see these spreads moving on the commodity for the rest of the year?
- Management:** Yes, during the tenure of the contract, we did change and we moved to the latest technology which the supplier announced. So yes, it is there and to answer the point number two, commodity margins are very difficult to project, they keep moving up and down all the time. So we can't really comment as Cosmo, our focus remains going in international markets and scaling up our specialty sales. So we will continue working that path in the short term yes, we will have to sell more commodity films because of the new line, but the focus is to just be there on the specialty focus.
- Management:** And just to add to it, this new line is one of the lowest cost of production line available so that in any case should have.
- Saransh Gupta:** Sure, sir that's really helpful. So definitely the new line once it comes in second half, we could have a little bit better margin as compared to the existing product line?
- Management:** It is not going to come in the second half, it is going to come in Quarter 1 itself, most likely it should be up and running by end of this month.

- Saransh Gupta:** Sure, sir and secondly, now with our majority of the capex is over .With Rs.900 crores of the net debt that is there on the book. So how do we see that movement going ahead from here or is there any other capex or strategic initiatives which is there on the pipeline?
- Management:** See this year also, as the first question came, we are going to spend some more capex this year to add to our specialty capacity. So, on the specialty side, one is we are going to sweat out our existing assets, and we feel there is a potential there. At the same time, we are adding a couple of more value addition lines in this year. So there is additional around Rs.200 plus crore capex this year which will be largely done through internal accrual. A year thereafter, we are not going to have that kind of capex, so we will see major capex, major debt reduction from the next year. This year, most of the internal accruals will be used for the capex and the working capital increase because of the growth in sales. And next year, you would start seeing a reduction.
- Saransh Gupta:** Sir on the specialty now, since you are going to add up another 200 crores of capex, so the existing capacity, where we have done Rs.1180 crores in Financial Year'25 and earlies. What will the peak revenue that one can get from the existing and what is the asset turnover one can expect from the new 200 crores of the block?
- Management:** With all the assets including Zigly, , with BOPP, CPP line, BOPET line to full potential, we should be, we can potentially touch close to Rs.5000 crores with full utilization of all assets across all business verticals. But this year, we are expecting anywhere between Rs.3500 to Rs.4000 crore sales, and a year thereafter, and the 10% to 15% jump. But the peaking will happen because, essentially with Sunshield we keep peaking every year and similarly, with Zigly it will keep growing and same with chemical where we do not need to invest much capex, we can still touch 350 crores in the sales. The film assets will sweat out completely in next 12 months. But as far as our other businesses are concerned, there the full sweating will take more time. I feel Plastech, and the film will be fully sweat within this year.
- Saransh Gupta:** Thank you for the detailed answer. Sir one more question on the Neerav's questions when you indicated on the SCF that probably will be doing a Rs.25 crores of revenue this year and Rs.50 to Rs.75 next year, with a breakeven of 35 so, he tried to assume that this year on the sun control films only, there will be a net-net loss of Rs.10 crores?
- Management:** No, not really Rs.10 crores, if we are behind, let's say we are behind by Rs.10, Rs.15 crores from break even sales. So there will be Rs.7, Rs.8 crores, Rs.10 crores at best loss from this year. And it also boils down to how much marketing cost we incur. We are going to increase our marketing cost in a phased manner and not a blast immediately. So the losses would not be beyond Rs.8 to Rs.10 crores in any case.
- Saransh Gupta:** Sir, last question from my side, it's a book-keeping question. So can you help us in understanding the EBITDA contribution from the rigid packaging and Zigly for the full year FY'25?
- Management:** So this is available on our investor's presentation in much more detail.
- Moderator:** Thank you. The next question is from the line of Amit Agarwal from Leeway Investments. Please go ahead.
- Amit Agarwal:** It sounds like the company is growing at such a faster pace, and still, it's very shocking that the promoters have sold 4% stake in the company, any particular reason because that has been a big dampener on the share market. And is there any financial transaction between the promoter and the company this year?
- Management:** Yes, see that was his personal need and if you had seen earlier, when he had fund, actually bought shares. But last year, he had purchased some personal asset, and he needed to fund that, and therefore he had to sell some shares. So, promoters can also have personal needs to manage their cash flows. What is your second question?

- Amit Agarwal:** Is there any financial transaction between the company and the promoter this year, like kind of loan to the company from the promoters or something like that?
- Management:** Not really. There was in between, for a very few days, there was a transaction. There was a very small loan, not small, but there was a loan which was given, and that was immediately repaid, something of that sort. It was nothing material.
- Amit Agarwal:** Okay. And my second question is, regarding Zigly, do you think Zigly still facing heat from the quick commerce business, because they are delivering more than 5 or 10 minutes all the products. So are we tying up with any quick commerce business like Blinkit it or Swiggy or Zepto?
- Management:** We have tied up with them, but these players do not have more than 1.5% market share. And in pet care the customer needs are too varied, and quick commerce is largely able to service very few products. So, that is not a challenge, we are also giving Omni channel delivery to our customer. The bigger issue right now in product side is that the margins are not good enough. The suppliers are not offering good margins to any of the players, and therefore some of our competitors, and including Zigly, we are trying to move in the direction of private label so as to move the margins and also provide better quality products to the customer.
- Amit Agarwal:** And how many stores do you have right now, and can you just throw some light to buy sales growth in the store which are quite old now?
- Management:** Yes, so as far as retail is concerned, or let's say centers are concerned, in last 12 months we have grown double, and we have, right now 32 stores. On the online sales we have significantly reduced sales because we were realizing that, they were unnecessarily happening at too much losses without any building up of brand equity. So, we kind of reduced our sales on marketplaces quite a bit. Our focus is growing more on our own websites, and that too, delivery through various stores which are there pan India. So that is a strategy we are adopting. As far as services are concerned, they should be profitable sooner than later. In products, we need to do more work, because we need to introduce a lot of private labels. We already introduced multiple private labels in few categories, and within this year, we will be launching many more to ensure that at least we have some products in every category of pet care. So that is the direction we are taking and so one side, we are trying to give faster delivery and reduce the cost to the customers by delivering from their nearest location. And at the same time, we are also trying to improve our margin so that products at large can also become profitable in the times to come.
- Amit Agarwal:** And out of 32 stores how many are breakeven, they have reached cash breakeven and what is the sales growth for each store, which are quite old?
- Management:** Some of the old stores have started to turn break even and be profitable. What we are realizing is, as I said earlier services like grooming at the pan India level is profitable for us. Vet care, given that we have invested quite a bit in vet care in the last eight, nine months, vet care is still not profitable, but many of the centers in vet care are profitable already. What is really hurting us is the product side where margins are not coming either in online, or offline, and that is purely because the supplier partners are not offering enough margins. Food is the main thing, and most of the food suppliers, they are playing really monopolistic and not giving more than 30%, 35% margins. So we are pushing them really hard one side, educating them that this way industry can't survive. But at the same time, we are looking forward to launch our own private label so that at least we can shift some of the demand from these old brands to new brands by companies like us.
- Amit Agarwal:** Sorry, you have not given any growth for store-to-store, like each store?
- Management:** Yes, so as I said overall, at a retail level we are growing 5% to 10% month-on-month. Some months, these are around 3%, 4%, 5%, they are growing 10%, 12% also. And in last 12 months, the run rate has doubled.

- Moderator:** Thank you. The next question is from the line of Arun Malhotra from CAPGROW Capital Advisors. Please go ahead.
- Arun Malhotra:** Can you throw some light on the outlook for both BOPP and BOPET?
- Management:** What outlook sorry, globally they are doing both nicely, even in India they are growing nicely.
- Arun Malhotra:** So any expectations of price, margins going forward what is the supply side scenario, is it going to be as super profitable as we were in 2022-23 or still going to be muted as it has been there in the last few quarters?
- Management:** Polyester can have better margin, for the simple fact that polyester last two years, not much capacity has come worldwide or even in India. BOPPs concern this year in India, there are four, five lines coming up. So there may be a temporary blip, but as I said earlier, that our focus is largely specialty sales and specialty our margins are quite stable. Whatever commodity sales we do that definitely gets impacted by the local market.
- Arun Malhotra:** Sure. And there is one more problem which we have personally been grappling is that, the CAPEX has doubled in the last two years if you see our margins for specialty has increased, and even for base films. The mix has also moved in favor of the specialty, but the revenues are almost same for last two, three years, the profitability is still the same. The EBITDA and net profit actually is much lower than FY'22-23. Our ROCE and ROE are below our cost of capital, so which reflects a poor allocation of capital, and we are still talking of more capex. So what is the management outlook on all these fronts?
- Management:** Two things, first is COVID were exceptional years, because globally supply chains were impacted. But having said so, we have clearly stated in our media release, that in last three years we have done almost Rs.1200 crore of capex, and last year itself we have done Rs.500 plus crore of capex. It doesn't happen that the moment you spend capex next day returns start coming. It does take some time and as polyester got installed in the FY'23 and this year, it has started contributing reasonably to the EBITDA numbers. Even in polyester, we are moving the direction of selling more and more specialty. We have got close to 35% to 40% semi specialty sales on polyester. We have worked on some high-end Specialty Films also when it comes to polyester films. So these are the capex which is done recently, which are yet to start maturing. Once they start maturing, our revenue and profitability numbers will grow quite a bit.
- And just to add to it Arun, ROCE is appearing subdued today, because the most part of the debt related to the new growth is already in the balance sheet. But we do not have commensurate last 12 months earning out of it. So once we have all the new growth assets contributing, so that would help and post that only probably you may like to look at the ROCE.
- Arun Malhotra:** Sure, so do you think 26 or FY'27 would be the year when all this doubling of the capex, the move towards specialty and introduction with new products will start getting reflected FY'26 or FY'27,
- Management:** FY'26 also you will see a good growth and FY'27 also will see a good growth. Obviously, the full utilization assets, especially for non-film business, will continue to happen year-after-year. But FY'27 the film assets will be fully utilized. And they will be greatly utilized within FY'27.
- Arun Malhotra:** Sure, and any thoughts on the demerger of the pet care business. Are you looking at a critical size before you take the decision or more allocation, more requirement of capital, and you bring in a private equity partner or an IPO, what is the thought process behind it?
- Management:** We will separate it out at the right time as we said, we had indicated that in next three years to four years we will do it so as of now, those projections are not changing, we will be doing it at the right time once we see that overall, obviously as you rightly pointed out that we reach a decent scale. And at the same time, our losses in that business come down significantly.

Moderator: Thank you. The next question is from the line of Madhur Rathie from Counter Cyclical Investments. Please go ahead.

Madhur Rathie: Sir, I wanted to understand regarding our margins, or margins per kg that we can expect in FY'26 considering that this BOPP line that we are coming will be manufacturing commodity in the prior period and then move to specialty, sir so what kind of margin can we expect?

Management: If I got your question right, you are asking FY'26 projected margins, right?

Madhur Rathie: Yes, sir.

Management: So, as we said, on the commodity part of the business it is very, very difficult to project the margin. For the specialty, we said it should be largely in the similar range as last year. Semi specialty, as we said, moves with the change in the commodity, but not in a linear relationship, if we look at holistically, since there is not much capacity expected on the BOPET side. So, we expect margins should improve on the BOPET side logically, on BOPP side, there may be few quarters when there will be excess capacity, because four, five lines are expected in the current financial year that may temporarily have some kind of impact on the community, part of the business. But then, since domestic demand is growing 10%, 12% year-on-year, that should bridge the gap.

Madhur Rathie: So, sir if I understand our new BOPP line that will come, so just like what would be if you would say like, set up breakeven level there is a manufacturing commodity so that there will reduce, so can you expect it to at least break even in FY'26 and post some margins, or because of the commodity element, margins would be much lower than what we can expect from this additional capacity?

Management: Well, I will give you a little perspective on this. So new BOPP line would minimum generate, close to 90% utilization it would be close to 5000 metric ton monthly sales, even if we take the very subdued kind of the margins Rs.15 or so, it should generate Rs.7.5 crore of the gross margin on a monthly basis and fixed overhead on this line we do not expect more than Rs.8, Rs.9 crore on annual basis. So just wanted to give slight perspective that, with that kind of capacity coming, and that too, at a lower cost of production, it should add to the bottom line significantly once it's operational fully.

Madhur Rathie: Okay, got it. So a minimum of Rs.70, Rs.80 crore is the conservative side we can expect to have them next year. Sir, I wanted to understand the next question regarding. Sir, just a clarification in SCF we expect a Rs.15 to Rs.20 crore revenue in FY'26 is that right?

Management: So what Pankaj said is, sun control film and PPF taken together close to, we are looking at close to Rs.25 crore in FY'26.

Madhur Rathie: Got it, that is the combined number and Rs.50 to Rs.75 for FY'27 that is the combined number as well?

Management: Yes.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor and Co. Please go ahead.

Saket Kapoor: Sir, just correct me you mentioned that at the expanded capacity and at optimum utilization. We will be clocking revenue to the tune of Rs.3500 to Rs.3700 for FY'25-26 and that is including the BOPP film that will get commissioned and stabilized by the 1st Quarter or 1st Quarter onwards?

Management: That's right, so we said between Rs.3500 to Rs.4000 crore, that kind of revenue we should be able to generate in FY'26.

- Saket Kapoor:** And sir in your presentation, you have mentioned about, you have given the EBITDA numbers business vertical wise for FY'25, and it is mentioned here the reported EBITDA at 12.5 and then you have given the segregation for specialty, pet care, rigid and packaging. So post the contribution margins improving from the rigid packaging and also from the specialty and also with the addition of the new lines in the BOPP segment. How should this margin trajectory on a blended basis, or segment wise basis should look like for the current financial year, what kind of trajectory should we expect?
- Management:** So there is going to be a significant ramp up in film, because we are adding significant capacity in FY'26, the other verticals would also grow, like the Specialty Chemicals, Zigly and Plastech and of course the sun control film now, but the ratio if you look at it on the comparative basis, since numbers are much larger than film, So it may little look skewed towards this one in FY'26 but over a period of time, as Pankaj said, we are looking at once it has close to reasonable kind of the size on the new business vertical, out of we are looking at close to Rs.5000 crore of the top line with a 18%, 20% revenue coming from the new business verticals.
- Saket Kapoor:** Sir last time can you come again sir, Rs.5000 crore, I missed you there was a drop in line?
- Management:** The revenue with 18% to 20% from the new business verticals, other than films.
- Saket Kapoor:** So, the blended EBITDA margin which we posted, 12.5 for this financial year. This should go, in what trajectory in the current financial year, a ballpark figure?
- Management:** Difficult to project at this moment but you may write to us at the given email ID in our investors presentation.
- Saket Kapoor:** Okay. Sir we are also going to do further capex of Rs.200 crore for this financial year, so that will also add to any sales capacity or where will this capex will be attributed to?
- Management:** So, as we said we are adding capacity on the specialty side, Specialty Film side. So these will be value add kind of the special film over the BOPP or the BOPET.
- Saket Kapoor:** Right sir, and lastly for this Rs.584 closing CWIP balance will get capitalized with the commissioning of our BOPP line by the end of the 1st Quarter itself or if you could just give me timeline, when are we going to capitalize this amount?
- Management:** We expect within this current quarter only.
- Saket Kapoor:** The entire closing balance of Rs.584 crore will get capitalized that is totally attributed to the BOPP?
- Management:** Sorry, what is Rs.584 you are referring to?
- Saket Kapoor:** The Rs.584 crore is the closing balance as on 31st March in the capital work in progress. So with the capitalization of the BOPP line, how much, what amounts will get capitalized?
- Management:** So out of that, a larger part is BOPP film which we are going to commission in the current Quarter 1 only. And the second part is the sun control film, which in any case we have already started the commercial production, starting from the May.
- Moderator:** Thank you. The next question is from the line of Vipul Kumar Shah from Sumangal Investment. Please go ahead.
- Vipul Kumar Shah:** So, what was the GMV of pet care business for the whole of the year, and at what revenue rate that business will break even?

Management: So on the first part, currently we are running Rs.5crore of the monthly GMV for Zigly operations. It's very difficult to project at this point of time, whether breakeven will be at x amount or the Y amount, it will depend on lot of factors, how much we are spending on the marketing, on the branding, whether the large part of sales is coming on the retail, private label, services, so little difficult at this point of time. What we are looking at now is focus more on the growth, more particularly on the private label sales, which has high margin and services revenue, which again got very high margins. So, companies focus is first at this moment, grow these verticals much more which in any case will translate to profitability in the years to come.

Vipul Kumar Shah: So can you split Zigly sales between products and services, so what was because services carry little higher margins as compared to products. So, if it is possible, please split the Zigly sales into products and services?

Management: 60:40.

Vipul Kumar Shah: 60 in favor of products?

Management: Service 60, and 40 products.

Vipul Kumar Shah: Service 60 and 40 products?

Management: That's right.

Vipul Kumar Shah: Okay, and sir, this BOPET line, it is entirely for specialty, or in BOPET also we manufacture commodity films also?

Management: Right now, we do a mix of semi specialty and commodity and in the times to come our focus is to move more and more specialty, close to 35%, 40% is somewhere between semi specialty, specialty products.

Vipul Kumar Shah: So, 60% BOPET is commodity, right sir?

Management: Yes.

Vipul Kumar Shah: Out of our total specialty and semi specialty volume, what should be the split of exports versus domestic?

Management: Specialty is mostly exported, so domestic also has some specialty market.

Vipul Kumar Shah: So that is my question, sir. So if you take specialty.

Management: Right now we do close to 55% to 60% exports, and most of it is specialty.

Vipul Kumar Shah: Okay and sir, my last question is, you mentioned about you are starting a new vertical Cosmo Consumers. So can you share more details, what type of products are there, what type of investment will be required in this business?

Management: One is Window film and second is Paint Protection film. Window film investment and Paint protection complete investment has been done, Paint protection we may have to do some small incremental investment, but that's not large. We are launching some more product, which does not entail too much of investment, again. So investment would not be so much of a concern, it is basically building a brand it is more about marketing cost and capturing market.

Vipul Kumar Shah: So you have renamed this sun shield and Paint protection film as a consumer business, right?

Management: Yes, the brand name for window film remains Cosmo Sunshield, and similarly for PPF, remains Cosmo PPF. But we have created an entity above that, which is Cosmo Consumer, which will represent more-and-more consumer products.

Vipul Kumar Shah: In your presentation, the market for this Paint Protection film, car Paint protection film is just 10,000 cars. Am I missing something, it's a very small number so why have we started this business?

Management: No, it is much bigger and every car, the value of the Paint protection film is lakh rupee or above. So market is quite big, it's not a small market.

Vipul Kumar Shah: Okay, so content is very high per car.

Management: Yes.

Moderator: Thank you. Ladies and gentlemen, that was the last question for today's conference call. I now hand the conference over to the management for closing comments.

Neeraj Jain: To summarize, the company's specialty sales has increased by close to 10% in FY'25 and we expect similar trend to continue in FY'26 which will strengthen the business model. For film business company's focus will be on taking full leverage of the new investments, grow Specialty Film sales, expanding international geographies more and further push down the cost. Among new business verticals, Specialty Chemical is already making high-teens EBITDA, the other verticals should also follow the profitability. While Zigly may take some time to become profitable, however, it should be a significant value creator.

In the last I would repeat the statutory declaration. Certain statements in this concall 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. Thank you. Thank you to all of you for joining.

Moderator: Thank you. On behalf of Cosmo First Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. Thank you.