COSMO FILMS
Engineered to Enhance

BIAXIALLY ORIENTED POLYPROPYLENE

LAMINATION I LABELS I OVERWRAPS I PACKAGING PRINTING POUCHING

December 2015

Discussion Summary

- ❑Company Overview
- ❑Demand-Supply Dynamics and Capacity Expansion
- ❑Financials
- ❑Structural Shift in EBIDTA levels
- ❑Corporate Governance & Management
- ❑Environment & CSR

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Company Overview - Vision 2020

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

2

Company Overview

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

Production Facilities

Units in India, Korea, & USA with annual installed capacity as follows:
❑ BOPP: 136k 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

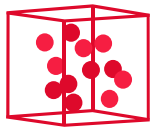
Certification, Awards & Recognition

❑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 - BOPP EDGE

EXCELLENT CLARITY

BETTER AESTHETICS
HIGH GLOSS



LOWEST DENSITY

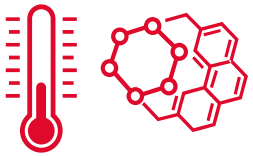
HIGHER YIELD

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

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

New Product launches in last 6-9 months (strong pipeline for Value Add Films)

PACKAGING FILMS

S.No.	Project	Application
1	Improved High Aroma Barrier clear film	Tea, Coffee, Premium quality snacks, biscuit packaging applications
2	High shrink tight wrap film with >10% shrink (Higher Shrink)	Cigarette wrap & general overwrap for faster packing speed
3	High moisture barrier metallized film	Inner seal web in multi layer laminate or sandwich lamination for biscuits packaging
4	Metallized high seal strength & high barrier	As a single web or laminates for snack, confectionery & bakery food (provides both high barrier as well as high seal strength)
5	Oxo-Biodegradable film	Decomposes in open environment for packaging application

INDUSTRIAL FILMS

S.No.	Project	Application
1	Improved Synthetic papers (CSP)	With enhanced features such as quick drying (Labels, Tags, Maps, ID card, Tickets for adventure parks etc)

LAMINATION FILMS

S.No.	Project	Application
1	Improved Thermal scuff resistant matte film	Graphic, corrugation lamination
2	Gluable Stampable BOPP film	Suitable for post lamination operations such as hot stamping
3	Improved Hi-Tac Digital Thermal Gloss film	Lamination on digital printed surfaces

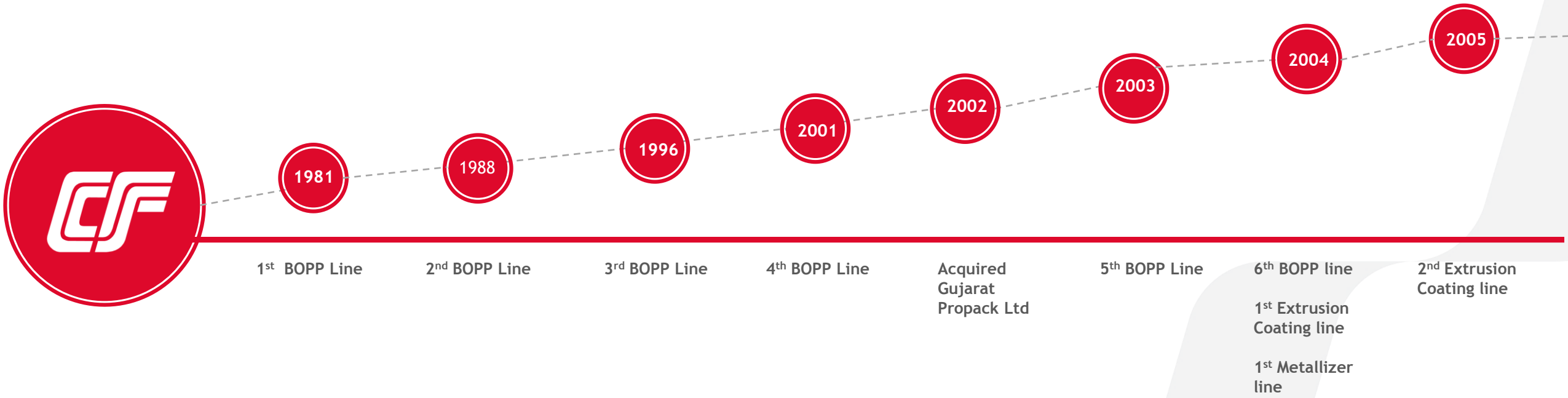
LABEL FILMS

S.No.	Project	Application
1	Improved IML orange peel film	Injection molding in-mould labeling application.
2	Direct termal printable (DTP) film	Airline baggages tag, labels, etc
3	Universal printable label film	Pressure sensitive labeling

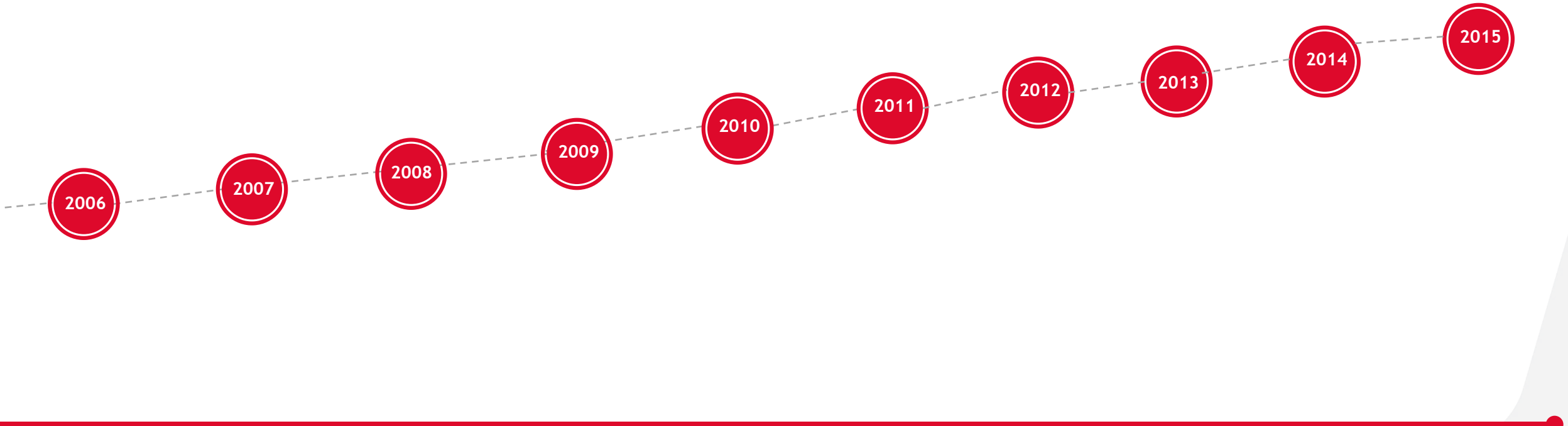
Company Overview - Manufacturing Footprint

Plants	Number of lines			
	BOPP	Thermal	Coating	Metalizing
Waluj, Aurangabad, India	5 Lines	3 Lines	2 Lines	1 Line
Karjan, Vadodara, India	2 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	1,36,000 TPA	40,000 TPA	10,000 TPA	15,000 TPA
Future Committed Capacity	60,000 TPA			
Grand Total	1,96,000 TPA	40,000 TPA	10,000 TPA	15,000 TPA

Company Overview - Milestones



Company Overview - Milestones



2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3rd & 4th Extrusion Coating line 1st Coating Line Gas based electricity generation unit	5th Extrusion Coating line	6th & 7th Extrusion Coating line	Acquired GBC Commercial 8th BOPP Line	2nd Metallizer Line	Korea Plant	2nd Coating Line	9th BOPP Line	3rd Coating line	4th & 5th Coating line 3rd Metallizer Line Upgradation of US Plant

Company Overview - Customer Base

Company Overview - Customers: A Glimpse

Disclosure: All these are trademarks of respective Owners

Company Overview - Key Converters

Disclosure: All these are trademarks of respective Owners

Demand-Supply Dynamics and Capacity Expansion

❑ Global annual BOPP demand is estimated to be approx 7.2 million MT. The global demand and supply are broadly balanced except China.

❑ Currently India BOPP production capability is estimated at approx 500k MT per annum. India domestic BOPP consumption is approx 350k MT per annum and export from India is about 110k MT per annum. Indian BOPP Industry has been growing at almost double of the India's GDP growth rate.

❑ India BOPP Demand & Supply Dynamics:

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

❑ Strong domestic and global demand is helping efficient capacity utilisation, hence enhanced EBITDA margins (margin improvement trend is already being witnessed from last few quarters).

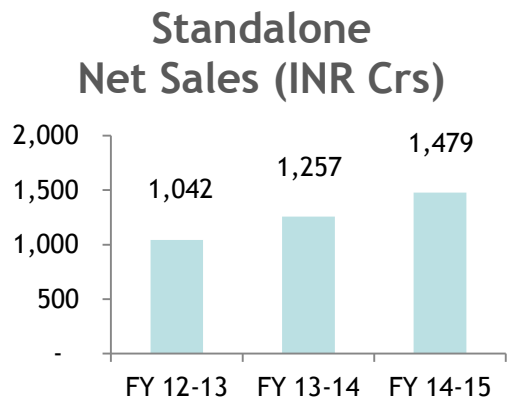
❑ In line with strong demand fundamentals, Cosmo Films is implementing an increase in capacity by 60k MT p.a. with 10.4 meter width state of art BOPP line, which is one of the lowest cost producing line in the world. The financing is already tied up for the same.

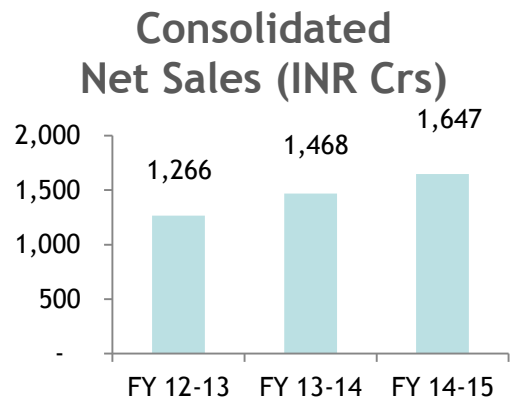
Data Source: PCI Consulting/Industry Sources

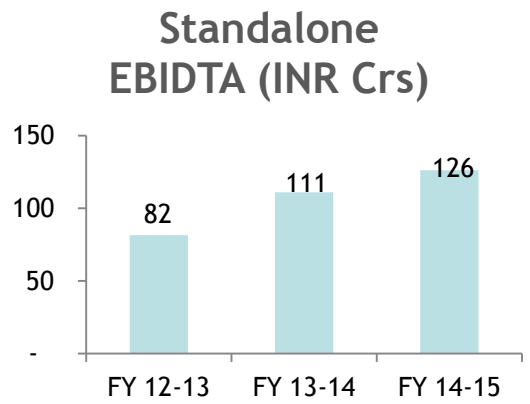
Financials

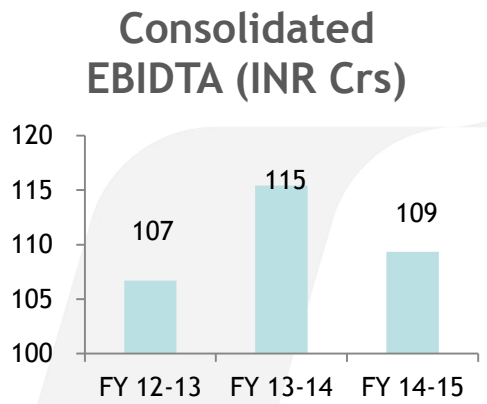
INR Crores

Particulars	Audited FY 12-13		Audited FY 13-14		Audited FY 14-15	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	1,042	1,266	1,257	1,468	1,479	1,647
EBIDTA	**82**	**107**	**111**	**115**	**126**	**109**
EBIDTA %	***8%***	***8%***	***9%***	***8%***	***9%***	***7%***
PBT before Exceptional	26	39	30	27	58	35
Exceptional Items	(6)	(17)	(21)	(29)	(9)	3
PBT after Exceptional Items	20	22	10	(2)	49	38
PAT	**14**	**11**	**8**	**(6)**	**40**	**28**
EPS*	7	6	4	-	21	14
Book Value	190	178	193	185	211	196









✓New capacity addition in FY 12-13 impacted margins temporarily in India, which is now totally reversed
✓Consolidation results were adversely impacted by USA subsidiary, which has turned around completely

Financials Contd ..

INR Crores

Particulars	Unaudited Q3 FY 14-15		Unaudited Q4 FY 14-15		Unaudited Q1 FY 15-16		Unaudited Q2 FY 15-16	
	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone	Consolidated
Net Sales	328	360	347	390	362	409	385	435
EBIDTA	**21**	**17**	**46**	**37**	**49**	**48**	**50**	**50**
EBIDTA %	***6%***	***5%***	***13%***	***10%***	***14%***	***12%***	***13%***	***12%***
PBT before Exceptional	4	(1)	28	18	34	32	35	34
Exceptional Items	(4)	(2)	0	7	(2)	(2)	(1)	(1)
PBT after Exceptional Items	0	(4)	28	25	32	30	34	33
PAT	**10**	**5**	**18**	**14**	**21**	**18**	**22**	**21**
EPS*	16	8	21	14	28	22	37	30
Book Value	205	194	211	196	223	207	234	216

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

Structural Shift in EBITDA levels

A trend visible over the last few quarters due to….

- ❑Improving Product Mix towards Value Add, with consequently better margins
- ❑Sustainable reduction in variable cost (approx INR 20-25 crores pa)
- ❑Increase in production volume by improving existing manufacturing lines efficiency
- ❑Merchant Export from India Scheme (MEIS) – 2015 for Export from SEZ to benefit Cosmo's exports margins
- ❑USA Subsidiary Turnaround, leading to better consolidated results
- ❑Fixed Cost rationalization including Finance Cost
- ❑Beside EBITDA movers, SEZ tax exemption to start from FY 15-16 onwards
- ❑New planned capacity expansion by 44% with one of the world's largest and most efficient production capability at low financing cost would further help higher asset turnover along with improved ratios.

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.

Senior Management

- 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.

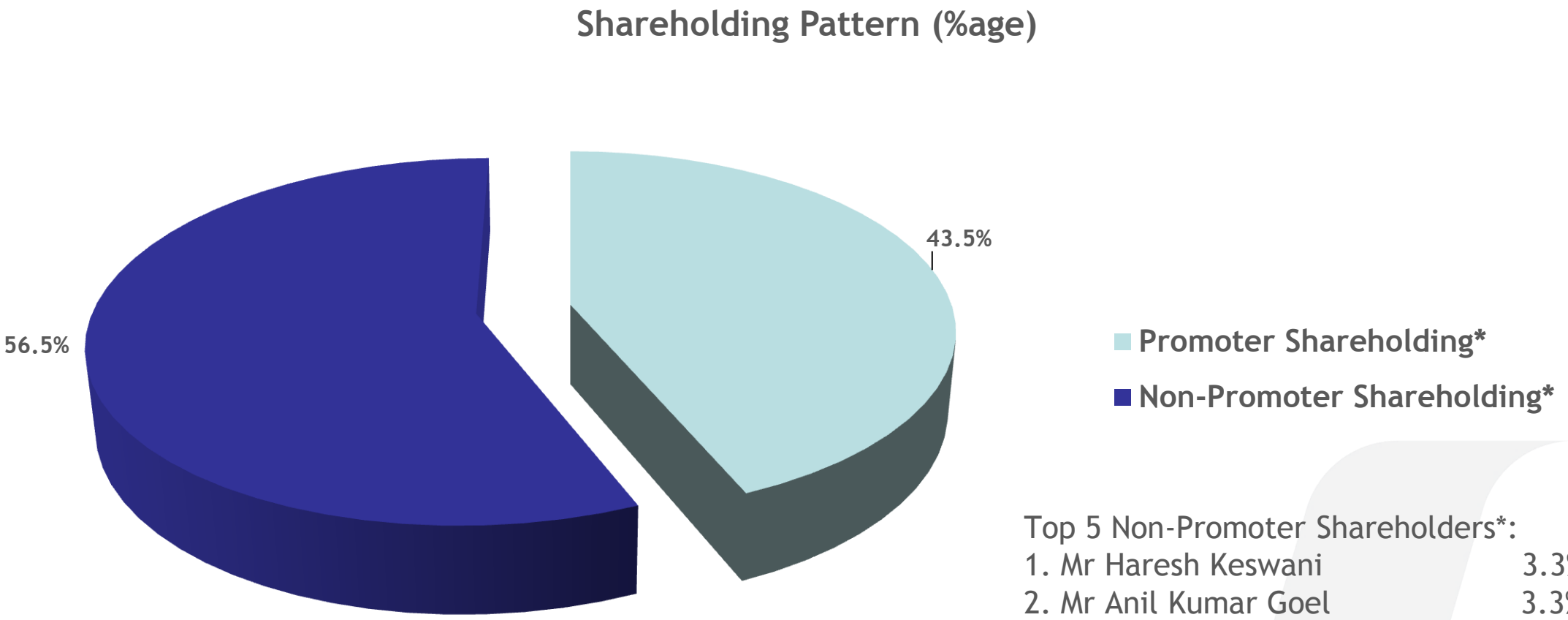
- Mr. Neeraj Jain, **Chief Financial Officer**

Mr. Neeraj has over 16 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



Top 5 Non-Promoter Shareholders*:

1. Mr Haresh Keswani	3.3%
2. Mr Anil Kumar Goel	3.3%
3. Mr Ricky Ishwards Kirpalani	1.6%
4. IL and FS Trust Co. Ltd.	1.2%
5. Reliance Capital Trustee	1.6%

* As at Sept 30th, 2015

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

Corporate Social Responsibility – Cosmo Foundation

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.

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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

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www.cosmofilms.com