

Q1 FY2023 Earnings Presentation



10 August 2022



Disclaimer

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Company Overview

TCPL - One of India's leading producers of sustainable packaging solutions for customers across industries



32
YEARS

Of proving an array of
packaging solutions



1,078
(RS. CRORE)

Revenue
(FY22)



126
(RS. CRORE)

Cash Profit*
(FY22)



8

Manufacturing
units



~1,900

Employees
(FY22)



19.8%

30 years Revenue
CAGR



15.5%

30 years EBITDA
CAGR



26.8%

30 years PAT
CAGR

Business Overview

- One of India's largest Folding Carton manufacturers and convertors of paperboard
- Innovative player in the Flexible packaging industry
- Close-to-Demand Pan-India Footprint to fast-track growth
- Caters to Consumer Goods, Food & Beverage, Tobacco, Liquor, Agro-Chemicals, Pharma, and various other industries
- Accredited with international certifications of quality and implemented Integrated Management System (IMS) for all-round quality assurance



Folding Cartons

**Revenue Mix
(FY22)**

~85-90%

~10-15%



Flexible Packaging

Folding Carton Division

- One of India's leading Carton Packaging companies since 1990s driven by adoption of industry-leading technology
- Offers wide-range of innovative, sustainable & unique packaging solutions
- Well-positioned to support diverse customer requirements with PAN India presence and network



MONOCARTONS



SPECIALTY & GIFT PACKAGING



SHELF READY PACKS



FOOD & BEVERAGES PACKAGING



PHARMA PACKAGING

Flexible Packaging Division

- Innovative player providing versatile and sustainable solutions to customers across industry verticals
- Offers a variety of products including Pouches, Laminates, Shrink Sleeves, and Wrap Around Labels



POUCHES



SHRINK SLEEVES



WRAP AROUND LABELS



LAMINATES

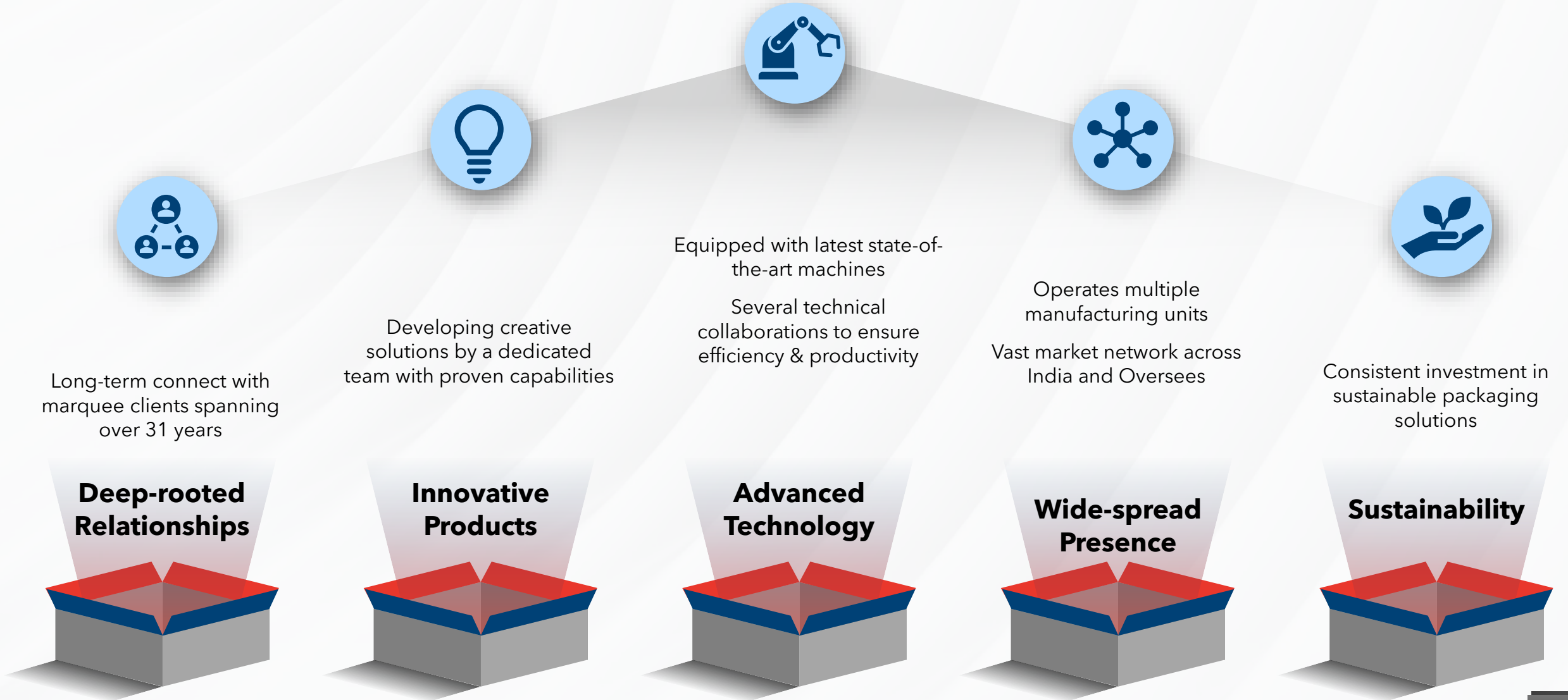


TIPPING PAPER



BUNDLE PAPER, INNER FRAMES & SOFT PACKS

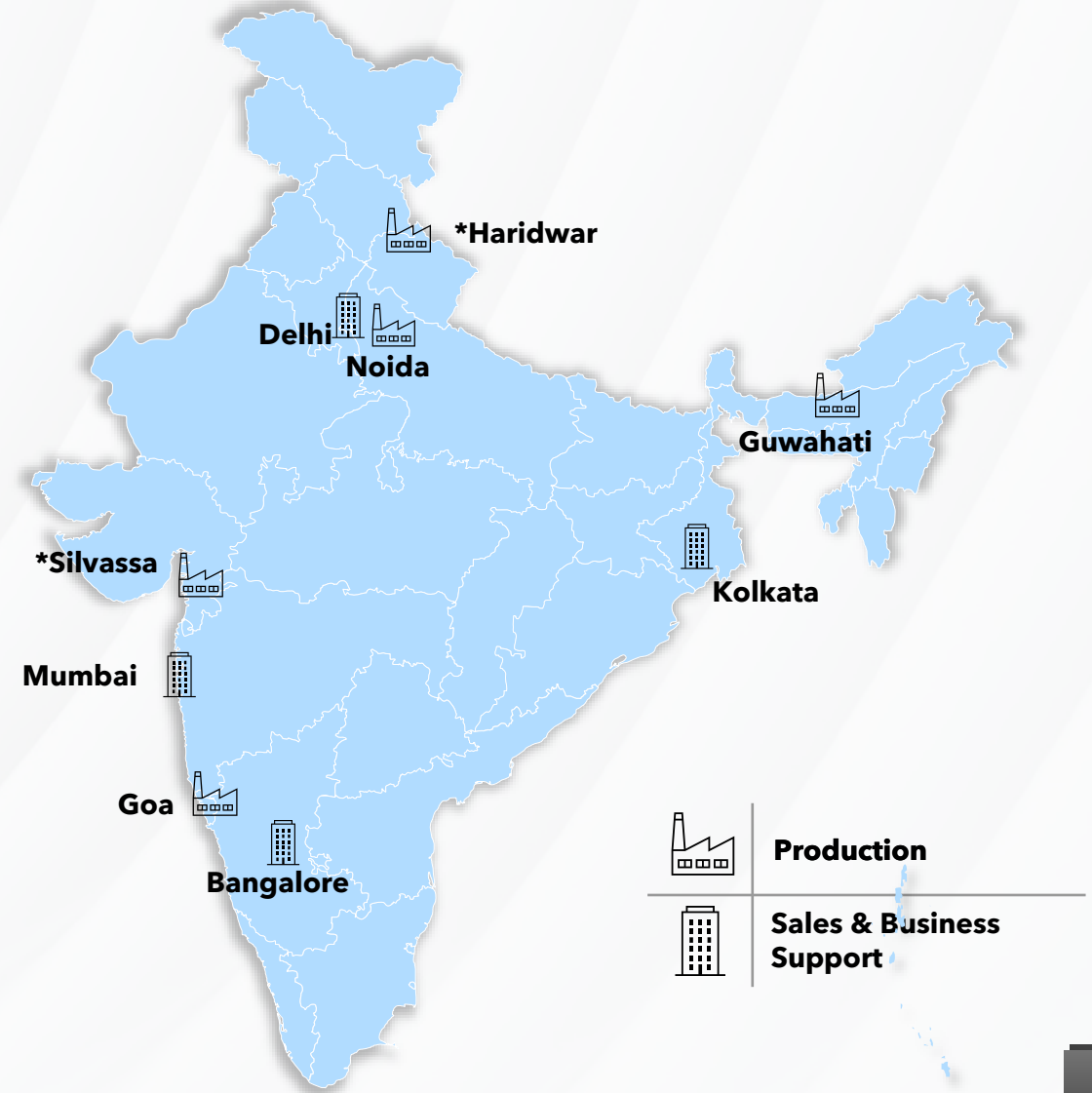
Pillars of Strength



Pan-India Presence

Close-to-demand strategy has enabled TCPL to emerge as one of India's leading sustainable packaging solution providers

Headquartered in **Mumbai**,
TCPL operates **8** manufacturing
units across **5** locations & has
marketing offices in **key metro
cities**



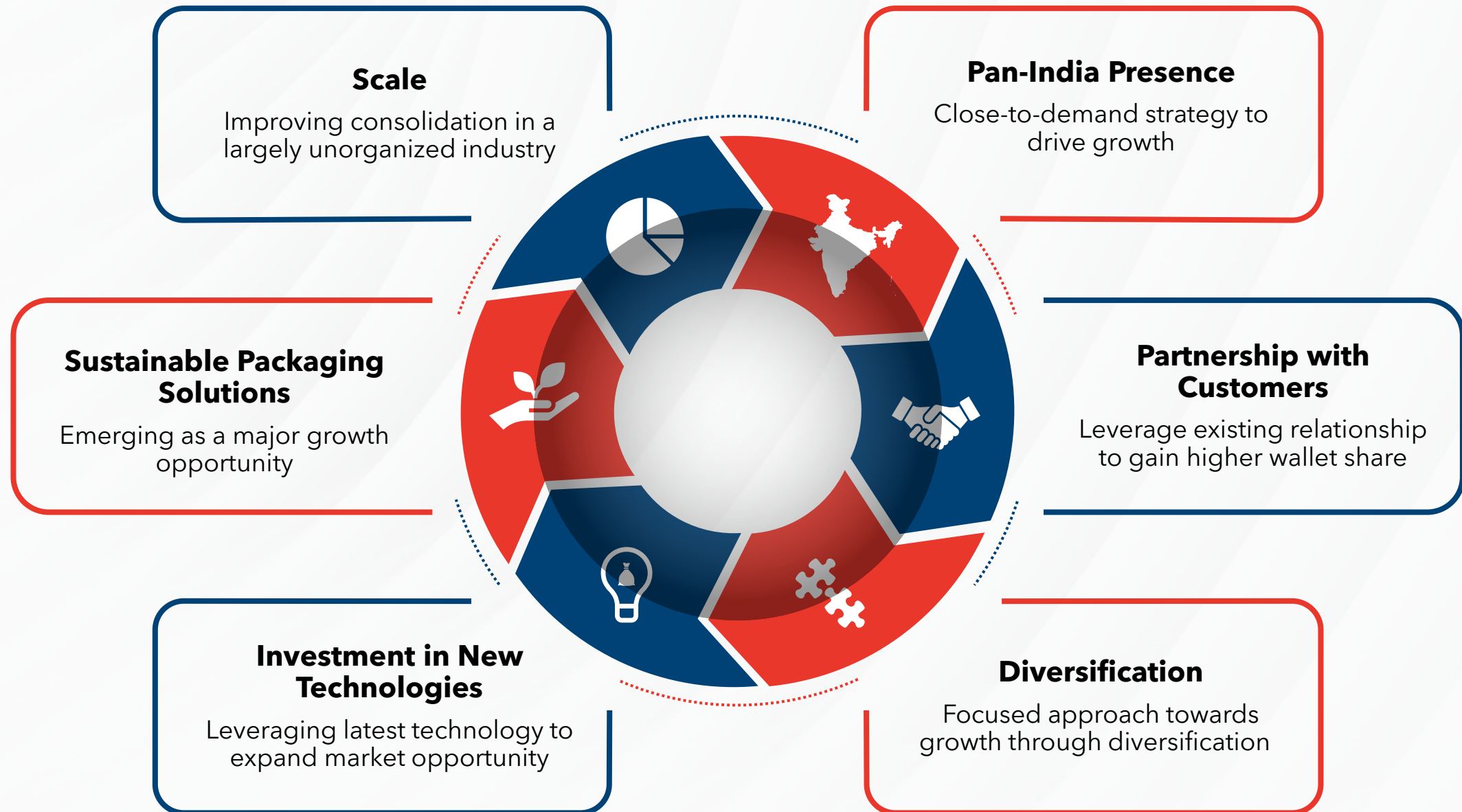
Note: Silvassa and Haridwar have 3 & 2 manufacturing units, respectively

Marquee Clients



"Enables leading companies across industries identify the right packaging solutions"

Key Growth Levers



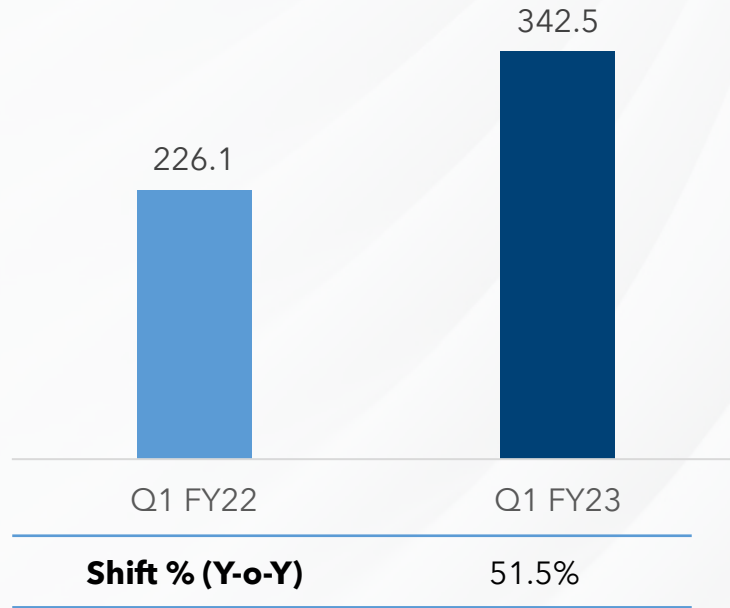


Q1 FY2023 Results Overview

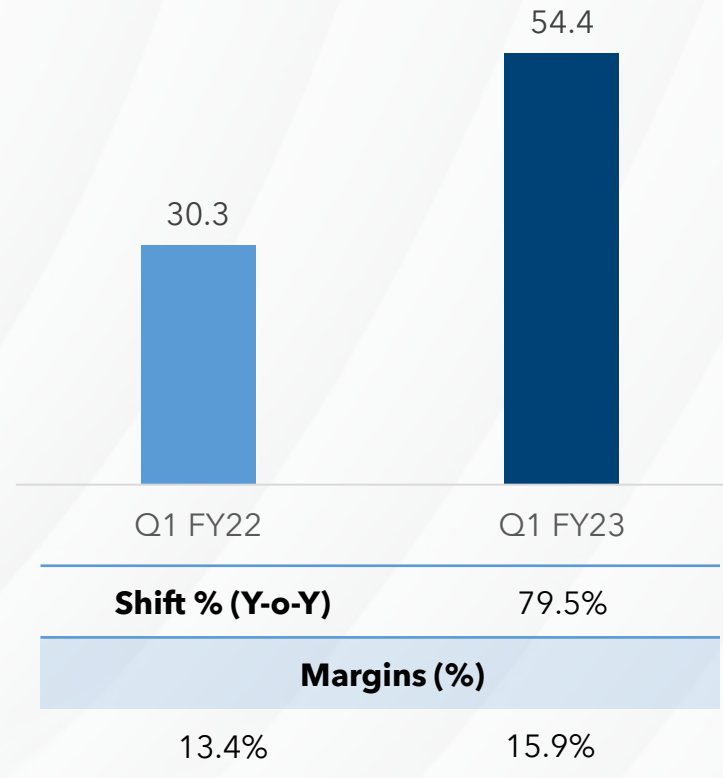
Q1 FY23 - Key Financial Highlights Consolidated



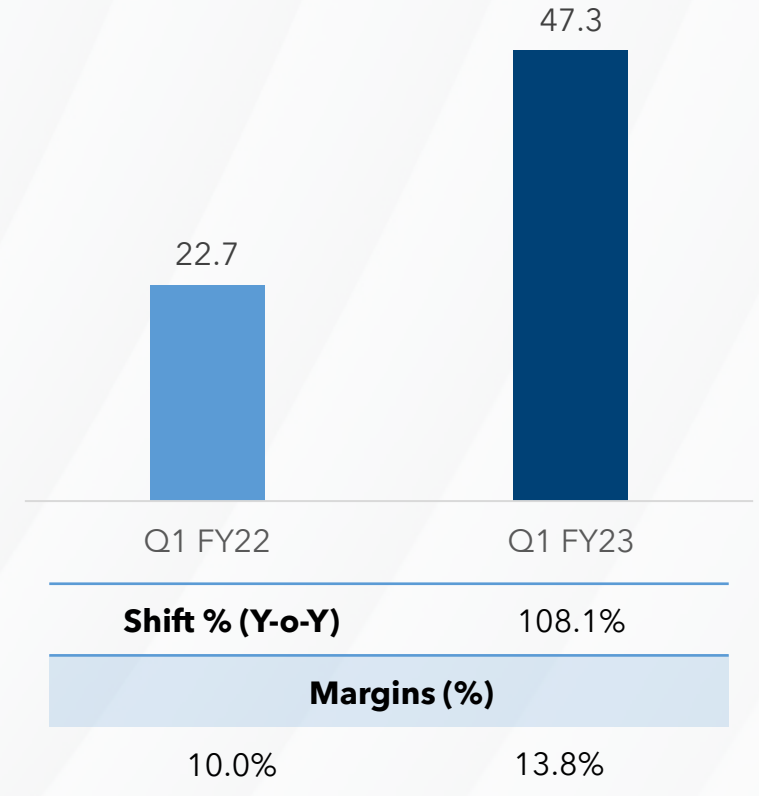
Total Revenues (Rs. Cr.)



EBITDA (Rs. Cr.)

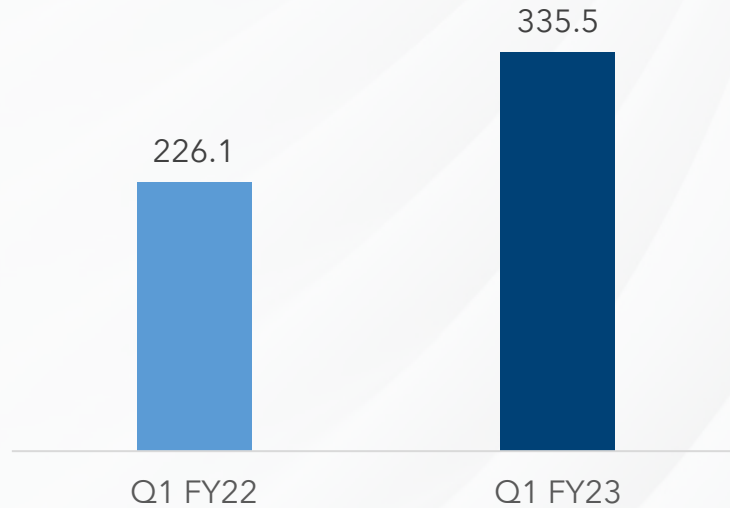


Cash Profit (Rs. Cr.)



Q1 FY23 - Key Financial Highlights Standalone

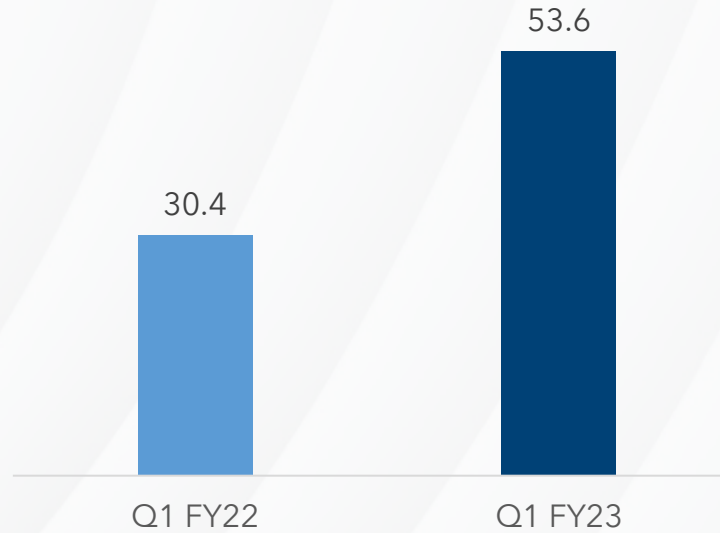
Total Revenues (Rs. Cr.)



Shift % (Y-o-Y)

48.4%

EBITDA (Rs. Cr.)



Shift % (Y-o-Y)

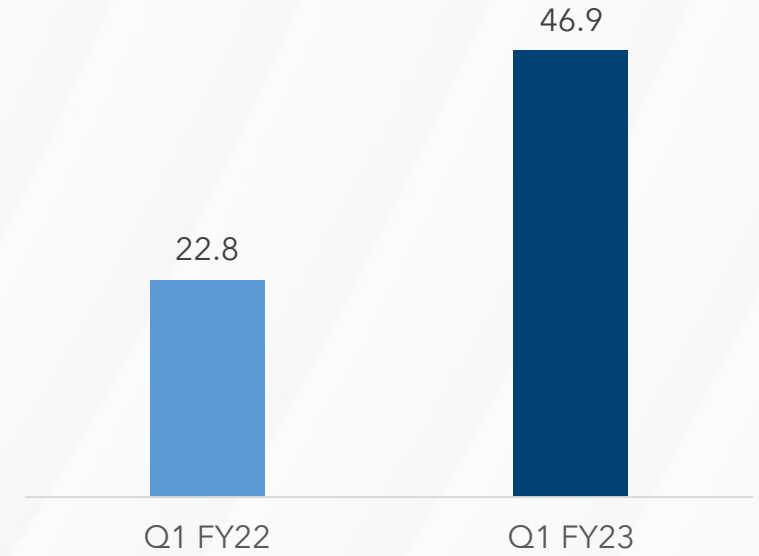
76.3%

Margins (%)

13.4%

16.0%

Cash Profit (Rs. Cr.)



Shift % (Y-o-Y)

105.6%

Margins (%)

10.1%

14.0%

TCPL Innofilms Private Limited, a wholly owned subsidiary of the Company, has commenced commercial production of its Polyethylene (PE) blown film plant

- This plant, located at Silvassa, is one of the world's first few state-of-the-art innovative PE blown film lines
 - Products based on eco-friendly Machine-Direction Orientation (MDO) technology are anticipated to see substantial growth in demand due to rising customer requirements for sustainable and recyclable solutions

Management Message

Commenting on the performance for Q1 FY2023 Mr. Saket Kanoria, Managing Director, TCPL Packaging Limited said

"We are pleased to report that we have commenced the fiscal year 2023 on a strong note despite a challenging macro environment. On a Y-o-Y basis, our standalone revenues grew by 48.4% to Rs. 335.5 crore and Cash Profits improved by 105.6% to Rs. 46.9 crore in Q1. While we continue to witness volatility in raw material prices, we were able to mitigate the impact & improve our margins.

In a key development, TCPL Innofilms Private Limited, the Company's wholly owned subsidiary, commenced the commercial production of its Polyethylene (PE) blown film line. With India's ban on single-use plastics, we are clearly moving towards eco-friendly policies to accelerate the green transition. We believe TCPL is fully equipped and will proactively drive the development of this sustainable flexible packaging solution. Overall, TCPL is well positioned to cater to the growing demand for sustainable packaging solutions from leading brands and continues to support efforts towards facilitating a waste-free world.

Our focused strategy of growth through diversification has enabled us to consistently outperform our underlying industries. We are one of the few listed Companies in India to have grown almost every year for the past 30 years with a revenue and PAT CAGR of ~20% and ~27% respectively. We remain committed to sustainably growing the Company in the future, which will help create value for all our stakeholders."



COPPL Acquisition – Enters high potential rigid boxes segment



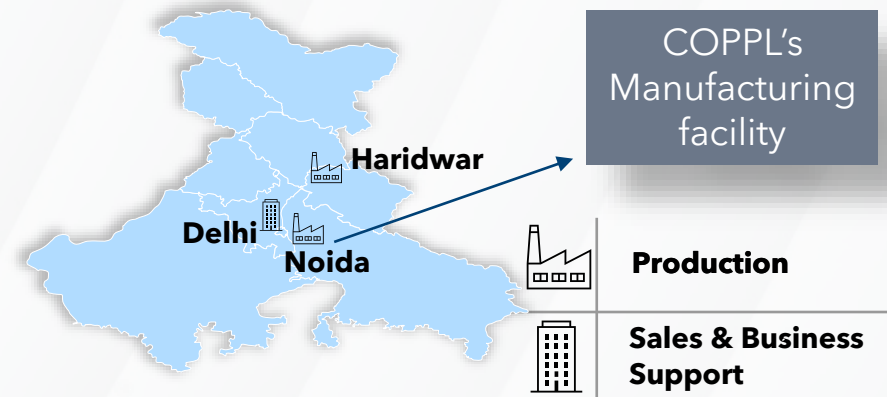
About Creative Offset Printer Private Limited (COPPL)

- Incorporated in 2002, COPPL was started by Mr. Rohit Khanna & Ms. Gazal Dhillon
- Core business is manufacturing of rigid packaging boxes
- Strategically located at Noida, COPPL's production facility is well-equipped to target India's largest mobile manufacturing hub
- Associated with major mobile firms operating in Noida including Samsung & supplies various types of mobile boxes

Acquisition Details

- TCPL acquired a majority stake (83% equity stake) in COPPL as of July 2022
- Taps high potential rigid boxes segment focused on one of the fastest growing smartphone markets in the world
- Diversifies product offering & strengthens position as a leading producer of sustainable packaging solutions for customers across industries

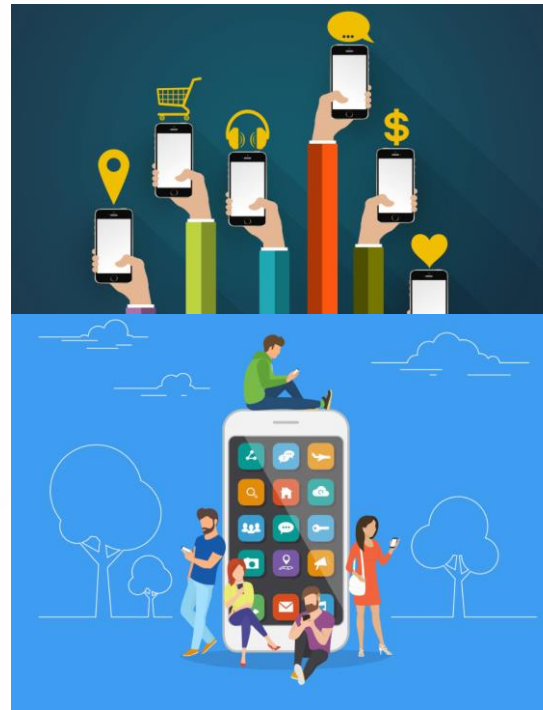
Since both companies have production facilities in close proximity, TCPL aims to capitalize from key synergies, like cost rationalization & optimization



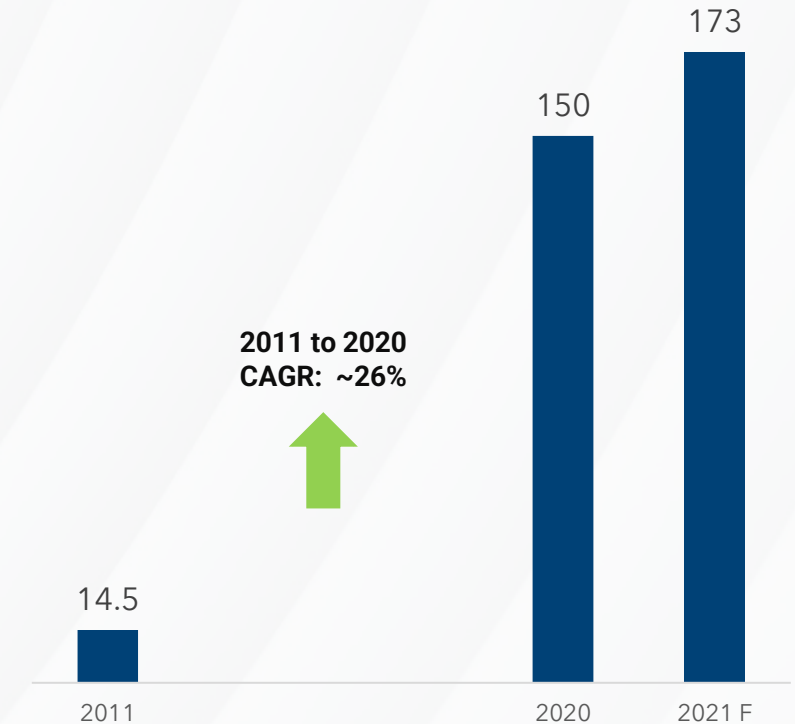
Update on COPPL Acquisition

Indian Smart phone market

- One of the fastest growing markets for smartphones in the World with high value add
- Over the years, Indian Smartphone shipment has grown tenfold, exceeding markets such as North America, Latin America, and Africa
- India is the world's 2nd largest mobile manufacturing country, and is vying for the top spot by attracting global giants with production-linked incentives (PLI)
 - This bodes well for the rigid box manufacturing business, which caters to the mobile industry for not only the Indian market but for exports as well



Indian Smartphone Shipment (Million)



Source: [Statista 2021](#)

High potential rigid packaging segment: TCPL to tap one of the fastest-growing smartphone markets in the world

Update on TCPL Innofilms

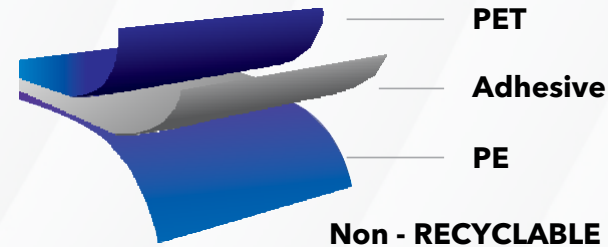


In 2021, TCPL incorporated a subsidiary company TCPL Innofilms Pvt Ltd to manufacture and distribute blown polyethylene (PE) film and **sustainable packaging films**

These films will enable customers to transition towards **fully recyclable and sustainable packaging structures**

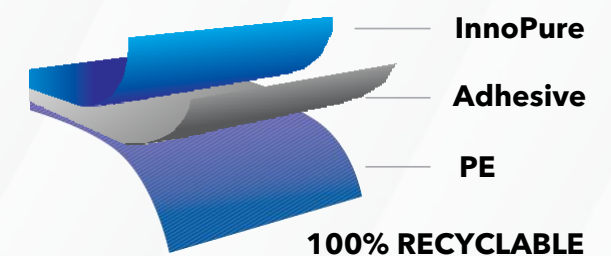
TCPL INNOFILMS SPECIALTY

CURRENT STRUCTURE



(Above is an example of a common structure in the market)

NEW STRUCTURE



(Above is an example of the use of our specialty PE Film)

- The unique technology being employed by Innofilms offers **specially oriented PE films** to replace typically stiffer films like Polyester (PET)
- Such specially oriented PE films, once laminated with another layer of sealant PE film, will result in a **mono-polymer packaging product**
- This development will help in replacing **current multi-polymer, non-recyclable products** prevalent in the market
- This plant is one of a kind and the Company will be **amongst the very few companies in India to be equipped with such capability**

Consolidated P&L Statement



| Particulars (Rs. crore) | Q1 FY23 | Q1 FY22 | Y-o-Y Change (%) | FY2022 | FY2021 | Y-o-Y Change (%) |
|---------------------------------|--------------|--------------|---------------------|---------------|--------------|---------------------|
| Revenues from Operations | 334.2 | 222.9 | 49.9% | 1065.4 | 886.4 | 20.2% |
| Other Operating Income | 8.3 | 3.2 | 158.6% | 20.4 | 17.5 | 16.5% |
| Total Revenues | 342.5 | 226.1 | 51.5% | 1085.7 | 903.8 | 20.1% |
| Total Expenditure | | | | | | |
| • Raw Material expenses | 204.6 | 136.1 | 50.4% | 654.5 | 523.1 | 25.1% |
| • Employee benefits expense | 29.9 | 23.9 | 24.9% | 101.5 | 90.3 | 12.4% |
| • Other expenses | 53.6 | 35.8 | 49.7% | 174.8 | 157.0 | 11.3% |
| EBITDA | 54.4 | 30.3 | 79.5% | 155.0 | 133.5 | 16.1% |
| EBITDA Margin (%) | 16% | 13% | 248 bps | 15% | 15% | -51 bps |
| Other Income | 3.5 | 0.1 | 2607.7% | 2.9 | 2.5 | 13.0% |
| Finance Costs | 10.7 | 7.7 | 38.1% | 34.2 | 37.2 | -8.0% |
| Depreciation and Amortization | 15.5 | 13.3 | 16.4% | 55.9 | 51.5 | 8.6% |
| PBT | 31.8 | 9.4 | 238.2% | 67.8 | 47.3 | 43.1% |
| Tax expense | 9.3 | 3.5 | 168.1% | 20.9 | 13.9 | 50.6% |
| PAT | 22.5 | 5.9 | 279.0% | 46.9 | 33.5 | 40.0% |
| PAT Margin (%) | 7% | 3% | 395 bps | 4% | 4% | 61 bps |
| Cash Profit | 47.3 | 22.7 | 108.1% | 123.7 | 98.8 | 25.1% |
| EPS Diluted (Rs.) | 24.73 | 6.54 | 278.1% | 51.51 | 36.78 | 40.0% |

Standalone P&L Statement

| Particulars (Rs. crore) | Q1 FY23 | Q1 FY22 | Y-o-Y Change (%) | FY2022 | FY2021 | Y-o-Y Change (%) |
|---------------------------------|--------------|--------------|---------------------|---------------|--------------|---------------------|
| Revenues from Operations | 327.2 | 222.9 | 46.8% | 1055.9 | 886.4 | 19.1% |
| Other Operating Income | 8.3 | 3.2 | 158.6% | 20.2 | 17.5 | 15.4% |
| Total Revenues | 335.5 | 226.1 | 48.4% | 1076.0 | 903.8 | 19.1% |
| Total Expenditure | | | | | | |
| • Raw Material expenses | 202.0 | 136.1 | 48.4% | 648.4 | 523.1 | 23.9% |
| • Employee benefits expense | 28.4 | 23.9 | 18.6% | 99.6 | 90.3 | 10.4% |
| • Other expenses | 51.5 | 35.7 | 44.3% | 171.5 | 156.7 | 9.5% |
| EBITDA | 53.6 | 30.4 | 76.3% | 156.5 | 133.7 | 17.0% |
| EBITDA Margin (%) | 16% | 13% | 253 bps | 15% | 15% | -25 bps |
| Other Income | 3.5 | 0.1 | 2561.5% | 2.4 | 2.5 | -6.3% |
| Finance Costs | 10.2 | 7.7 | 31.6% | 33.4 | 37.2 | -10.1% |
| Depreciation and Amortization | 15.0 | 13.3 | 12.5% | 55.3 | 51.5 | 7.3% |
| PBT | 31.9 | 9.5 | 236.8% | 70.2 | 47.6 | 47.5% |
| Tax expense | 9.3 | 3.5 | 167.9% | 21.0 | 13.9 | 51.3% |
| PAT | 22.6 | 6.0 | 276.5% | 49.3 | 33.7 | 46.0% |
| PAT Margin (%) | 7% | 3% | 408 bps | 5% | 4% | 84 bps |
| Cash Profit | 46.9 | 22.8 | 105.6% | 125.5 | 99.1 | 26.6% |
| EPS Diluted (Rs.) | 24.81 | 6.61 | 275.3% | 54.13 | 37.08 | 46.0% |

Total Revenues

On Standalone basis, Total Revenues stood at Rs. 335.5 crore as against Rs. 226.1 crore, higher by 48.4%

- On a YoY basis, the Company reported strong revenue growth on the back of healthy contribution from both business segments
- In the backdrop of a challenging economic landscape, improved realizations and healthy volumes during the period assisted overall growth

EBITDA

On Standalone basis, EBITDA came in at Rs. 53.6 crore, with EBITDA Margins at 16.0%

- The Company registered strong margin performance as it was able to efficiently pass on raw material price increases witnessed during the period under review

Cash Profit After Tax

On Standalone basis, Cash PAT came in healthy at Rs. 46.9 crore, with Cash PAT Margins at 14.0%

- PAT improved by 276.5% to Rs. 22.6 crore
- In Q1, Depreciation came in at Rs. 15.0 crore and finance cost stood at Rs. 10.2 crore

Balance Sheet Snapshot



Rs. 366.5
Crore

Net-worth



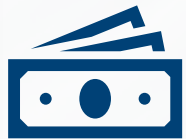
Rs. 780.3
Crore

Capital Employed



Rs. 919.6
Crore

Fixed Assets (Gross)



Rs. 3.9
Crore

Cash & Investments



Rs. 354.3
Crore

Net Debt



81 Days

Net Working Capital Days

Note: As on 30th June 2022



Annexure

Q1 FY2023 Earnings Conference Call

Time

- 11:30 p.m. IST on Friday, August 12, 2022

Pre-registration

To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:



Primary dial-in number

- + 91 22 6280 1141 / 7115 8042

International Toll-Free

Number

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

About Us



TCPL Packaging Limited (TCPL) (BSE: 523301, NSE: TCPLPACK), is one of India's leading producers of sustainable packaging solutions for customers across industries. The Company partners with customers to provide paperboard-based packaging solutions including folding cartons, printed blanks and outers, litho-lamination, plastic cartons, blister packs, and shelf-ready packaging. TCPL has also ventured into the flexible packaging industry, with capability to produce printed cork-tipping paper, laminates, sleeves, and wrap-around labels.

Headquartered in Mumbai, India, TCPL has a PAN India presence with 8 state-of-the-art manufacturing facilities and marketing offices in key metro cities. Over the years, the Company has effectively diversified and broadened its operations to service a wide range of packaging products, while consistently adding new customers and increasing its share of business in established customers and markets.

For further information, please contact:



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Anoop Poojari / Jenny Rose Kunnappally



CDR India



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Email: anoop@cdr-india.com / jenny@cdr-india.com

A dense collage of various Indian consumer products. Visible items include Kellogg's Corn Flakes, Nescafé Classic, Horlicks, Complan, Kinder Joy, Red Label, Nutricia Dexolac, Glucon-D, Knorr Classic Soup, Verka, Toblerone, F&N, Crocin, Zandu Vigorex, and others. A semi-transparent white box with the text 'Thank You' is overlaid in the center.

Thank You