

Q2 & H1 FY2023 Earnings Presentation



08 November 2022



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Company Overview

At a Glance

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

*Note – Calculation for Cash Profit: PBT + Depreciation

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

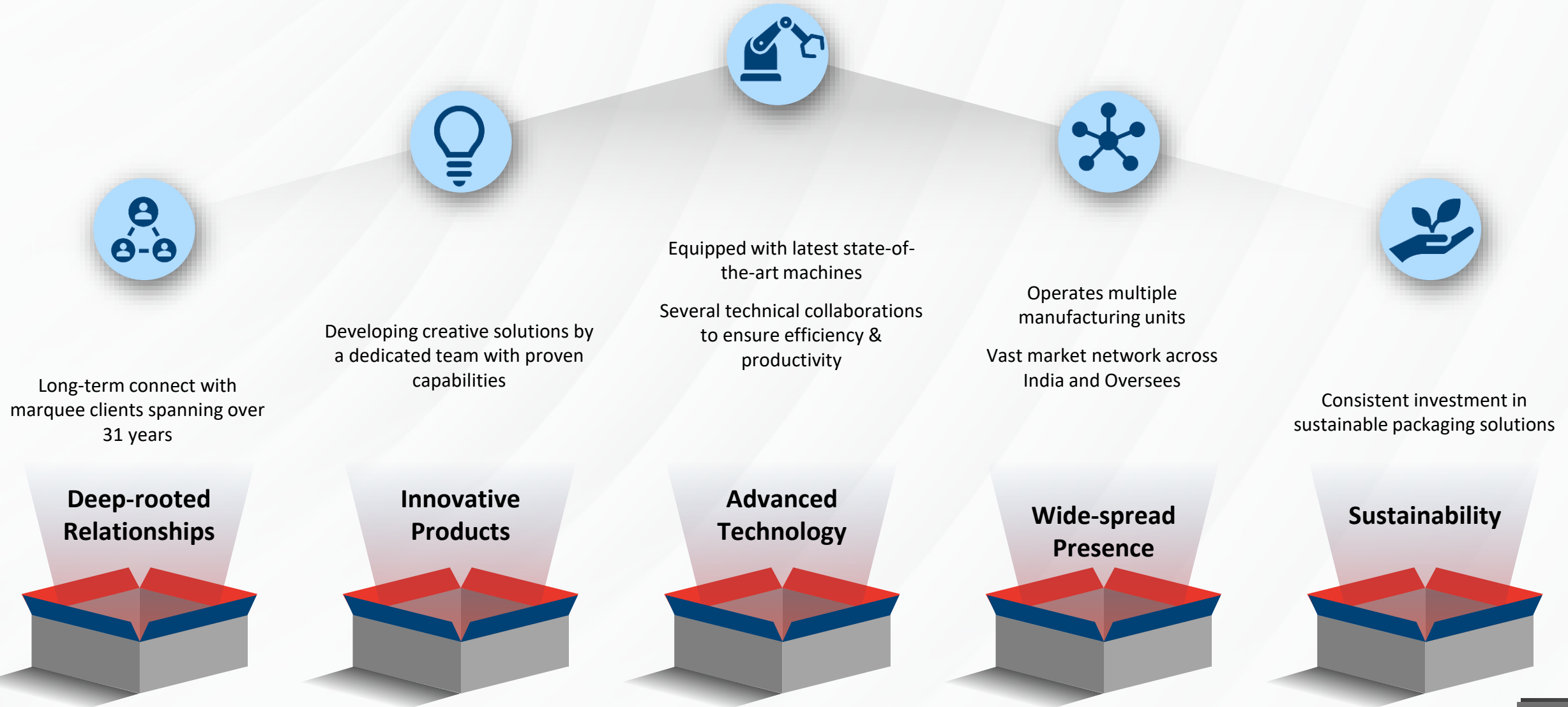


TIPPING PAPER



BUNDLE PAPER, INNER FRAMES & SOFT PACKS

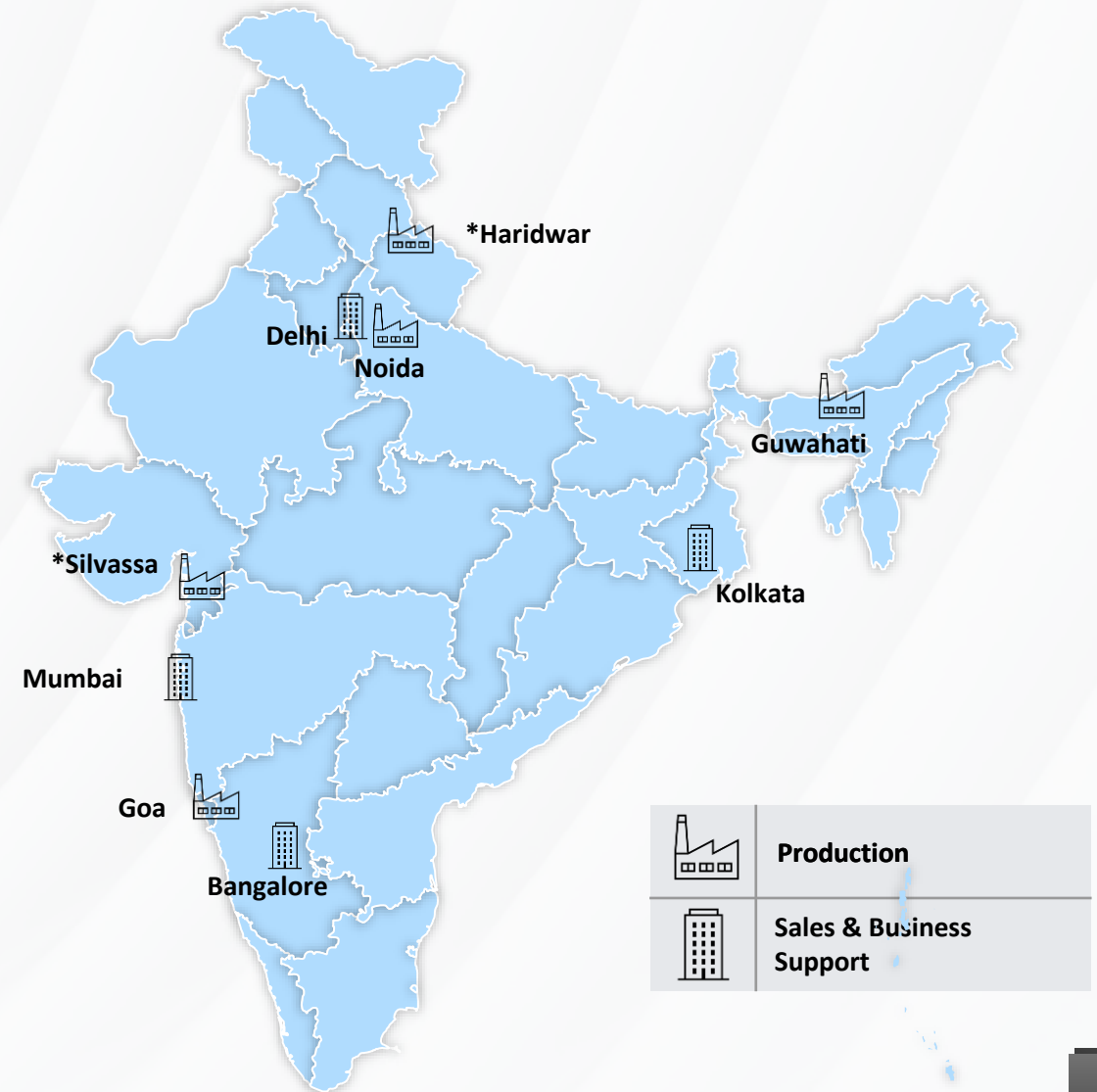
Pillars of Strength



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**



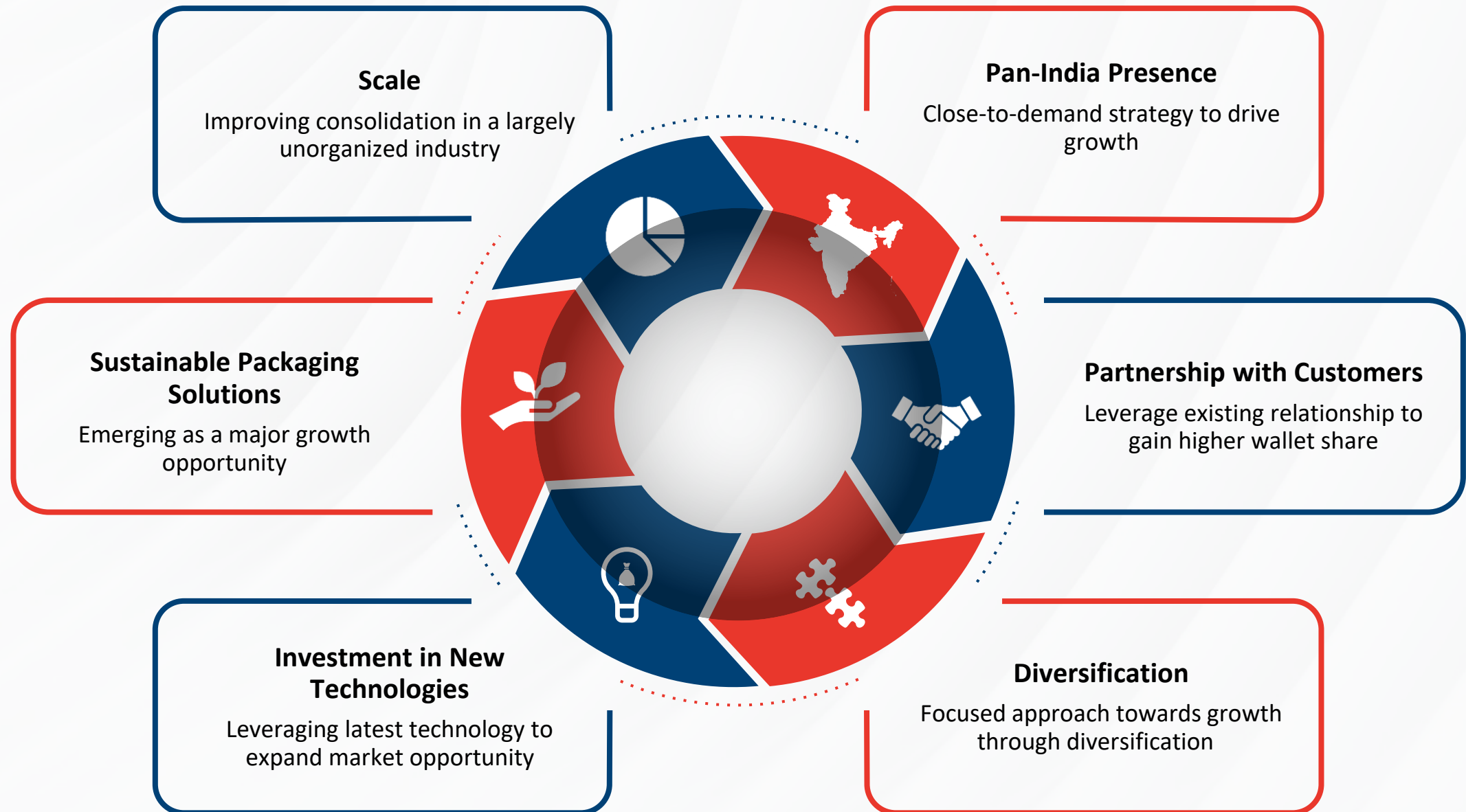
Note: Silvassa and Haridwar have 3 & 2 manufacturing units, respectively

Marquee Clients



“Enables leading companies across industries identify the right packaging solutions”

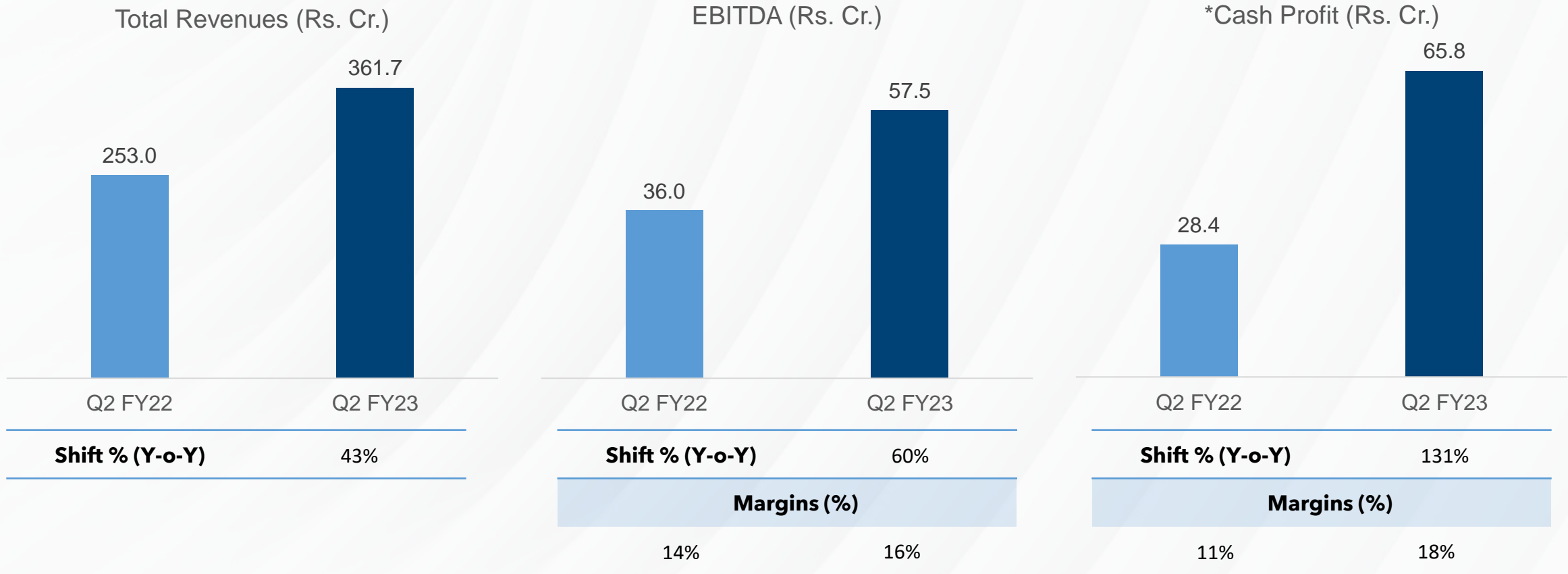
Key Growth Levers





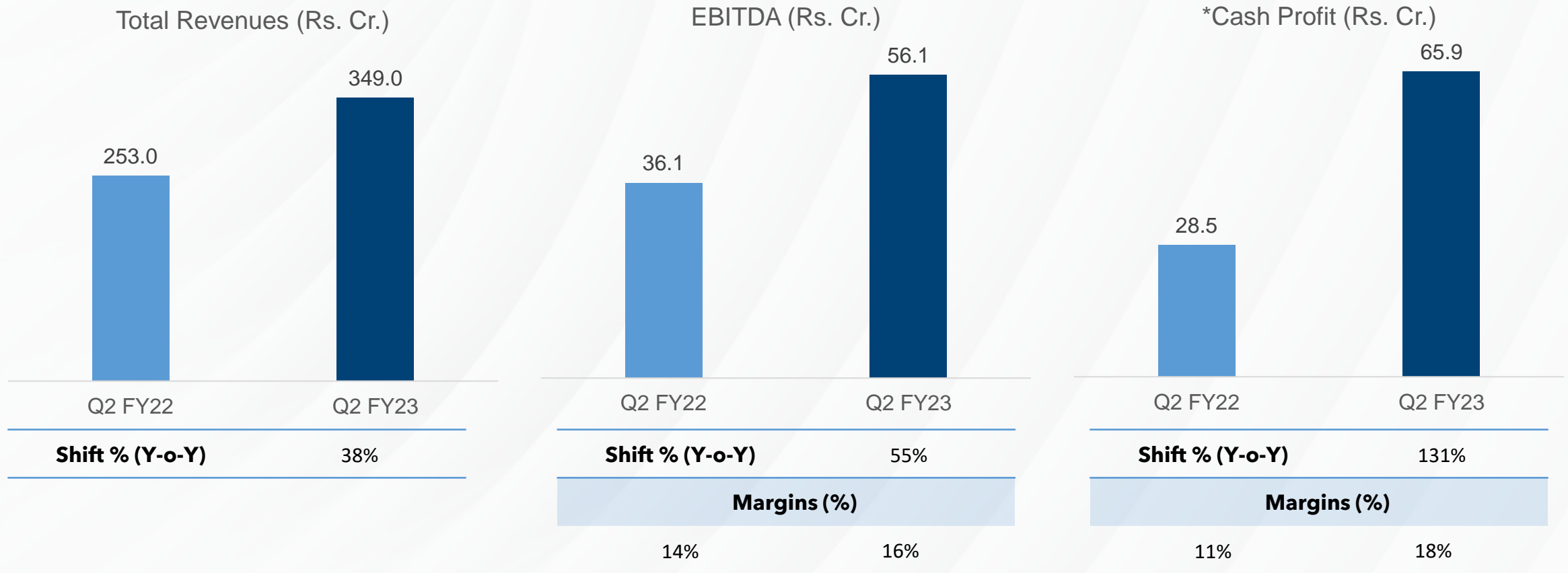
Q2 & H1 FY2023 Results Overview

Q2 FY23 - Key Financial Highlights Consolidated



**Note: In Q2FY23, TCPL received Rs. 17.3 crore as an insurance claim for loss of fixed assets damaged by fire and loss of profit in the previous year. This is classified as an exceptional item, and thus the Profit reflects this one-off amount*

Q2 FY23 - Key Financial Highlights Standalone



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Management Message

Commenting on the performance for Q2 & H1 FY2023 Mr. Saket Kanoria, Managing Director, TCPL Packaging Limited said

“TCPL has shown solid resilience and achieved yet another quarter of strong performance amidst a challenging operating environment. Our consolidated revenues grew by 43% Y-o-Y to Rs. 361.7 crore on the back of higher volumes and better realizations. In addition, we witnessed stability in our key raw materials, which enabled us to register robust profitability during the quarter. EBITDA improved by 60% Y-o-Y to Rs. 57.5 crore in Q2, translating into healthy margins of 16%.

With our COPPL acquisition, the Company has entered the high-potential rigid box segment and is catering to several fast-growing end-user electronic industries. This is in-line with our growth through diversification strategy and strengthens our long-term growth prospects. I am pleased to share that we have successfully onboarded a number of customers in this segment and look forward to enhancing our business with them in the coming quarters.

Over the coming years, the packaging industry is expected to witness huge growth as India moves towards self-reliance in manufacturing across various industries. We believe TCPL is well poised to capitalize on the rising demand on the back of our expertise to design, develop, and deliver sustainable packaging solutions for leading brands.”



COPPL Acquisition – Enters high potential rigid boxes segment



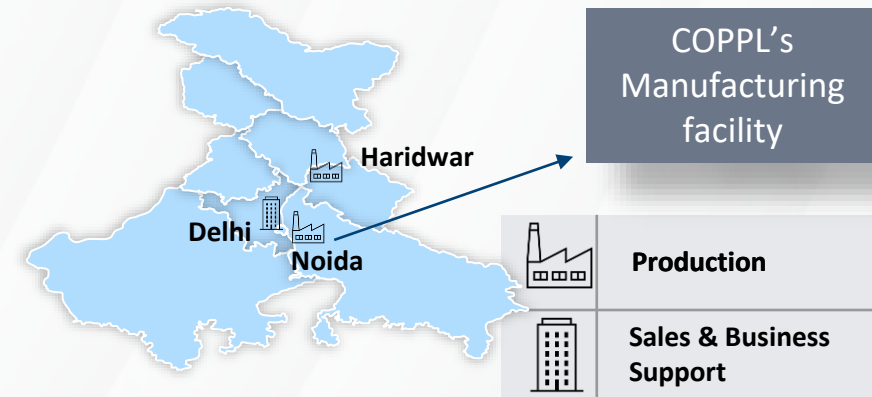
About Creative Offset Printer Private Limited (COPPL)

- ❑ 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

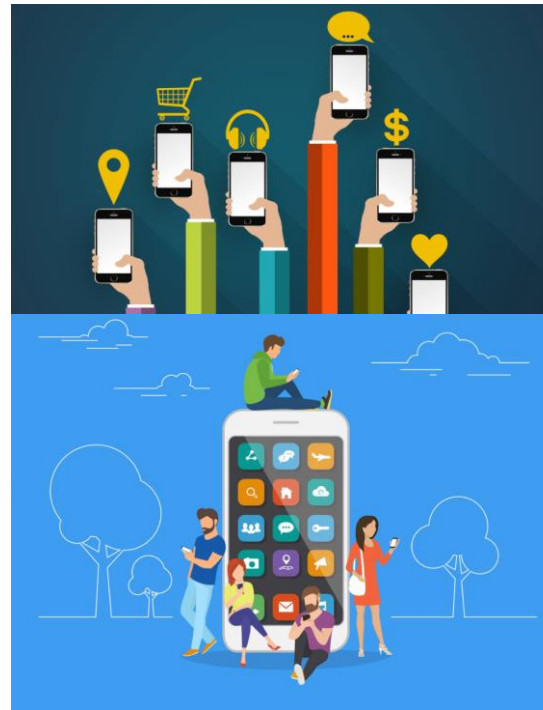
Since both companies have production facilities in close proximity, TCPL aims to capitalize from key synergies, like cost rationalization & optimization



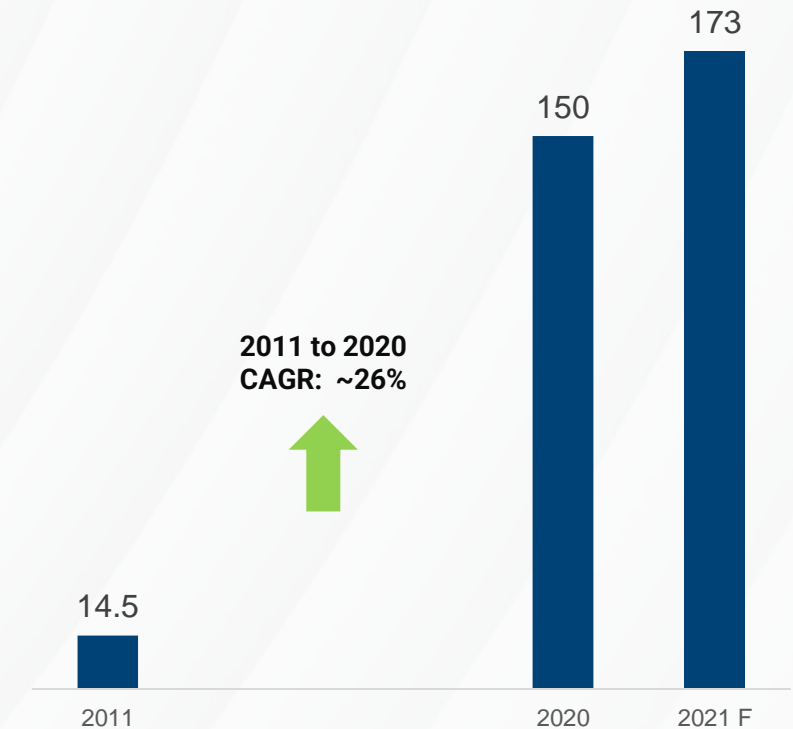
Update on COPPL Acquisition

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

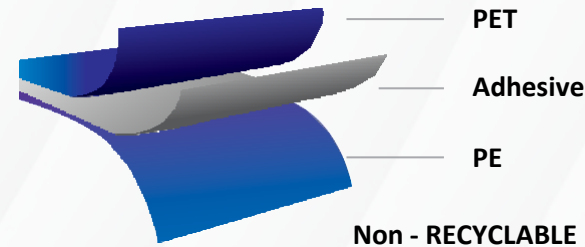


In 2021, TCPL incorporated a subsidiary company TCPL Innofilms Pvt Ltd to manufacture and distribute blown polyethylene (PE) film and **sustainable packaging films**

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

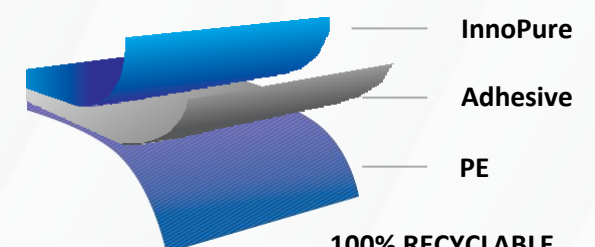
TCPL INNOFILMS SPECIALTY

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)	Q2 FY23	Q2 FY22	Y-o-Y Change (%)	H1 FY23	H1 FY22	Y-o-Y Change (%)
Revenues from Operations	354.6	247.7	43.1%	688.8	470.6	46.4%
Other Operating Income	7.2	5.3	35.3%	15.5	8.5	81.9%
Total	361.7	253.0	43.0%	704.2	479.1	47.0%
Total Expenditure						
• Raw Material expenses	218.7	151.4	44.5%	423.3	287.5	47.3%
• Employee benefits expense	30.0	25.1	19.2%	59.8	49.1	22.0%
• Other expenses	55.6	40.5	37.3%	109.1	76.2	43.2%
EBITDA	57.5	36.0	59.6%	111.9	66.4	68.7%
EBITDA Margin (%)	15.9%	14.2%	165 bps	15.9%	13.8%	204 bps
Other Income	2.4	0.4	500.0%	5.9	0.5	1017.0%
Finance Costs	11.4	8.0	42.2%	22.1	15.7	40.4%
Depreciation and Amortization	15.9	13.6	16.9%	31.4	26.9	16.7%
PBT	32.7	14.9	119.7%	64.4	24.3	165.3%
Exceptional Items	17.3	0.0	-	17.3	0.0	-
PBT after Exceptional Items	49.9	14.9	236.0%	81.7	24.3	236.5%
Tax expense	10.4	4.3	144.1%	19.7	7.7	154.7%
PAT*	39.5	10.6	272.9%	62.0	16.6	274.7%
PAT Margin (%)	10.9%	4.2%	674 bps	8.8%	3.5%	535 bps
Cash Profit*	65.8	28.4	131.4%	113.1	51.2	120.9%
EPS Diluted (Rs.)*	43.43	11.65	272.8%	68.16	18.19	274.7%

*Note: In Q2FY23, TCPL received Rs. 17.3 crore as an insurance claim for loss of fixed assets damaged by fire and loss of profit in the previous year. This is classified as an exceptional item, and thus the Profit reflects this one-off amount

Standalone P&L Statement

Particulars (Rs. crore)	Q2 FY23	Q2 FY22	Y-o-Y Change (%)	H1 FY23	H1 FY22	Y-o-Y Change (%)
Revenues from Operations	341.9	247.7	38.0%	669.0	470.6	42.2%
Other Operating Income	7.2	5.3	35.2%	15.5	8.5	81.8%
Total	349.0	253.0	37.9%	684.5	479.1	42.9%
Total Expenditure						
• Raw Material expenses	213.1	151.4	40.8%	415.1	287.5	44.4%
• Employee benefits expense	28.1	25.1	11.8%	56.5	49.1	15.1%
• Other expenses	51.7	40.4	28.0%	103.2	76.1	35.7%
EBITDA	56.1	36.1	55.3%	109.6	66.5	64.9%
EBITDA Margin (%)	16.1%	14.3%	180 bps	16.0%	13.9%	214 bps
Other Income	2.8	0.4	597.5%	6.3	0.5	1079.2%
Finance Costs	10.3	8.0	28.3%	20.4	15.7	30.1%
Depreciation and Amortization	15.0	13.6	10.6%	30.0	26.9	11.6%
PBT	33.6	14.9	124.9%	65.4	24.4	168.2%
Exceptional Items	17.3	0.0	-	17.3	0.0	-
PBT after Exceptional Items	50.9	14.9	240.6%	82.7	24.4	239.0%
Tax expense	10.3	4.3	142.3%	19.6	7.7	153.8%
PAT*	40.6	10.7	279.8%	63.1	16.7	278.4%
PAT Margin (%)	11.6%	4.2%	740 bps	9.2%	3.5%	574 bps
Cash Profit*	65.9	28.5	131.1%	112.7	51.3	119.7%
EPS Diluted (Rs.)*	44.56	11.73	279.9%	69.37	18.34	278.2%

*Note: In Q2FY23, TCPL received Rs. 17.3 crore as an insurance claim for loss of fixed assets damaged by fire and loss of profit in the previous year. This is classified as an exceptional item, and thus the Profit reflects this one-off amount

Q2 FY23: Financial & Operational Discussions (Y-o-Y)



Total Revenues

On a Consolidated basis, Total Revenues stood at Rs. 361.7 crore, healthy at 43% YoY

- ▣ Reported robust revenue growth on a YoY basis year on account of a promising performance from both our business segments
- ▣ The Company expects an improvement in revenues and believes the trend to continue in the upcoming quarters as it is witnessing healthy demand growth and encouraging growth prospects
- ▣ Stable realizations and improvement in volumes during the period drove the overall growth

EBITDA

On a Consolidated basis, EBITDA came in at Rs. 57.5 crore, with EBITDA Margins at 16%

- ▣ 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 Consolidated basis, Cash PAT came in healthy at Rs. 65.8 crore, with Cash PAT Margins at 18.2%

- ▣ *PAT improved by 273% to Rs. 39.5 crore
- ▣ In Q2, Depreciation came in at Rs. 15.9 crore and finance cost stood at Rs. 11.4 crore.

**Note: In Q2FY23, TCPL received Rs. 17.3 crore as an insurance claim for loss of fixed assets damaged by fire and loss of profit in the previous year. This is classified as an exceptional item, and thus the Profit reflects this one-off amount*

Balance Sheet Snapshot



Rs. 397.7
Crore

Net-worth



Rs. 807.2
Crore

Capital Employed



Rs. 936.2
Crore

Fixed Assets (Gross)



Rs. 5.4
Crore

Cash & Investments



Rs. 404.1
Crore

Net Debt



84 Days

Net Working Capital Days

Note: As on 30th September 2022



Annexure

Conference Call Details

Q2 & H1 FY2023 Earnings Conference Call

Time	<ul style="list-style-type: none">• 11:00 a.m. IST on Monday, November 14, 2022
Pre-registration	<p>To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:</p> <div>Click here to ExpressJoin the Call</div>
Primary dial-in number	<ul style="list-style-type: none">• + 91 22 6280 1141 / 7115 8042
International Toll-Free Number	<ul style="list-style-type: none">• 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.

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Thank You