

Q4 & FY2023 Earnings Presentation



26 May 2023



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Company Overview

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



33

YEARS

Of providing an
array of packaging
solutions



1,475

(RS. CRORE)

Revenue
(FY23)



216

(RS. CRORE)

Cash Profit
(FY23)



8

Manufacturing
units



~2,000

Employees
(FY23)



18%

30 years Revenue
CAGR



14%

30 years EBITDA
CAGR



15%

30 years PAT
CAGR



20%

ROCE
(FY23)



28%

ROE
(FY23)

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
(FY23)**

~85%



~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

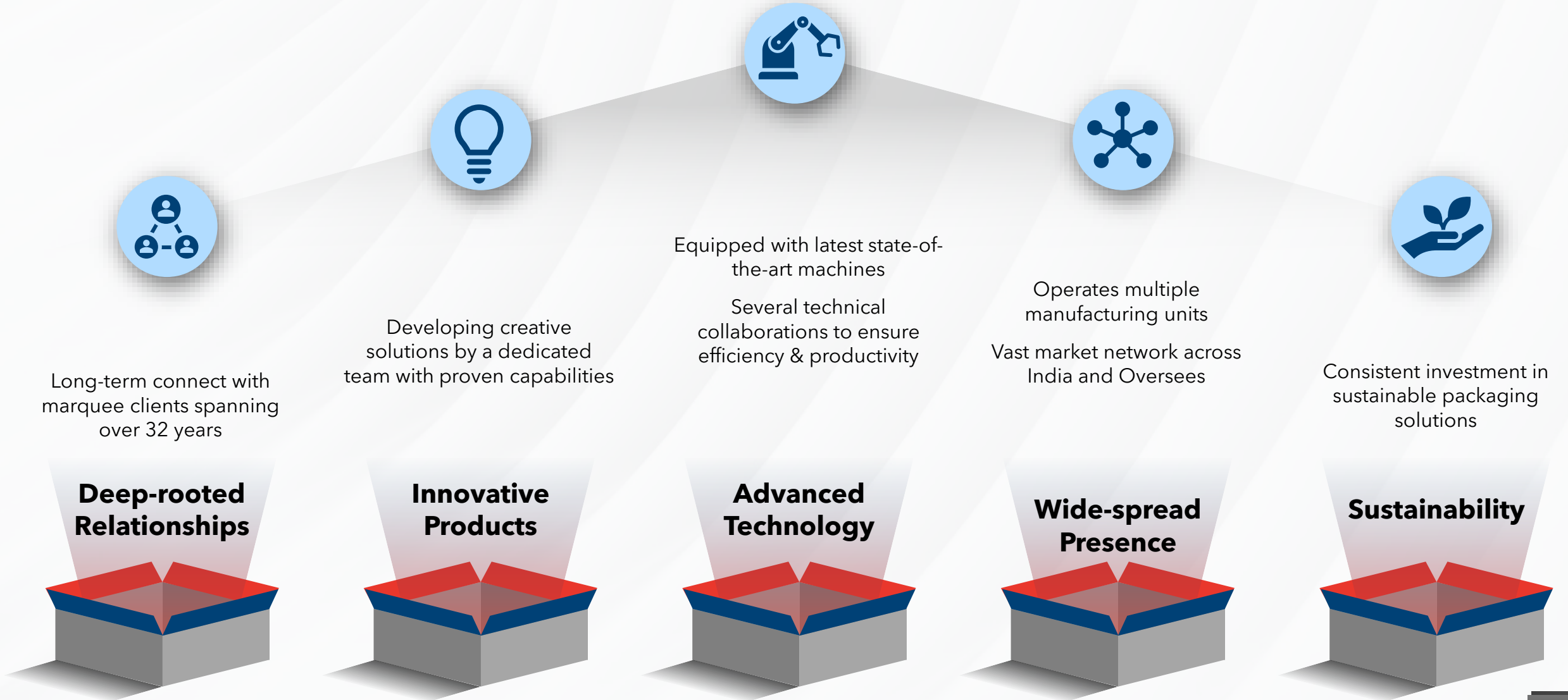


TIPPING PAPER



BUNDLE PAPER, INNER FRAMES & SOFT PACKS

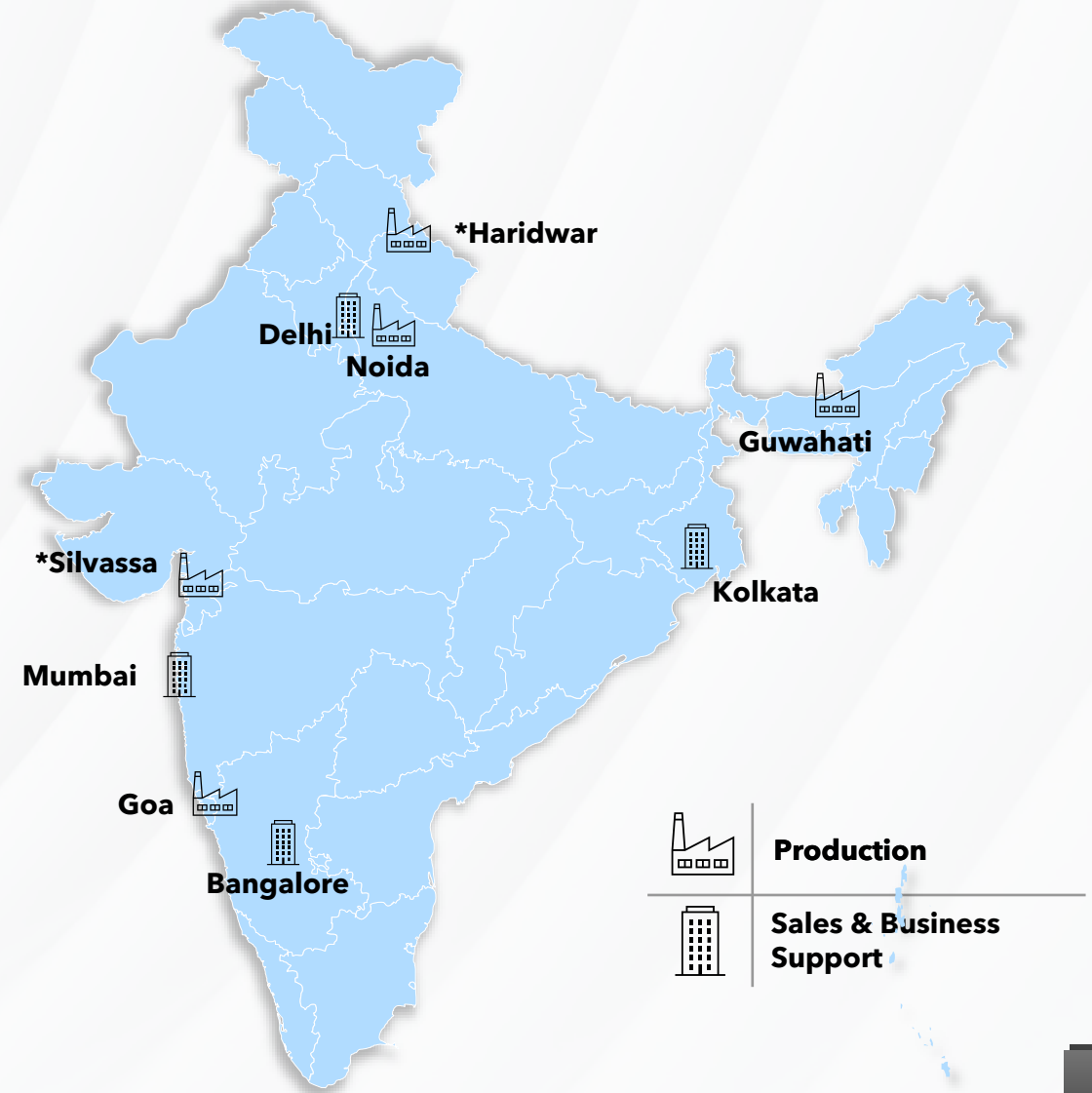
Pillars of Strength



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"

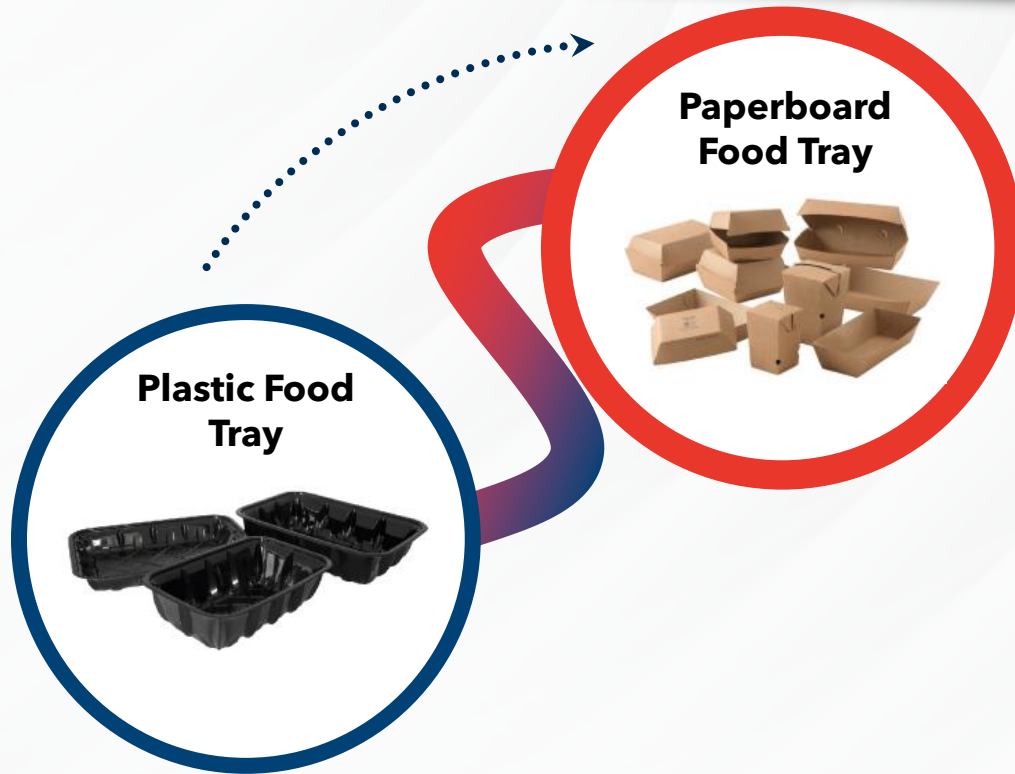
Sustainable Packaging – Renewable, Recyclable and Compostable

- Growing global trend towards eco-friendly packaging solutions fueled considerable growth over the last decade
 - Ever increasing end-consumer awareness and demand for eco-friendly & recyclable offerings
- Paperboard is a naturally Renewable, Recyclable and Compostable material
 - TCPL utilizes a mix of virgin (renewable) & recycled paperboard as raw material
- TCPL is continuously working with potential and existing clients to transition from plastic to paper-based packaging
 - Most of the Company's packaging solutions are 100% Renewable, Recyclable and Compostable



Sustainability Initiatives – Paperboard

Replacement of plastic in food packaging - Working on replacement of non-sustainable materials like plastic food trays with biodegradable and environmentally friendly alternatives.



Replacement of plastic in e-commerce - Working on solutions to cut down on plastics in e-commerce and online delivery platforms

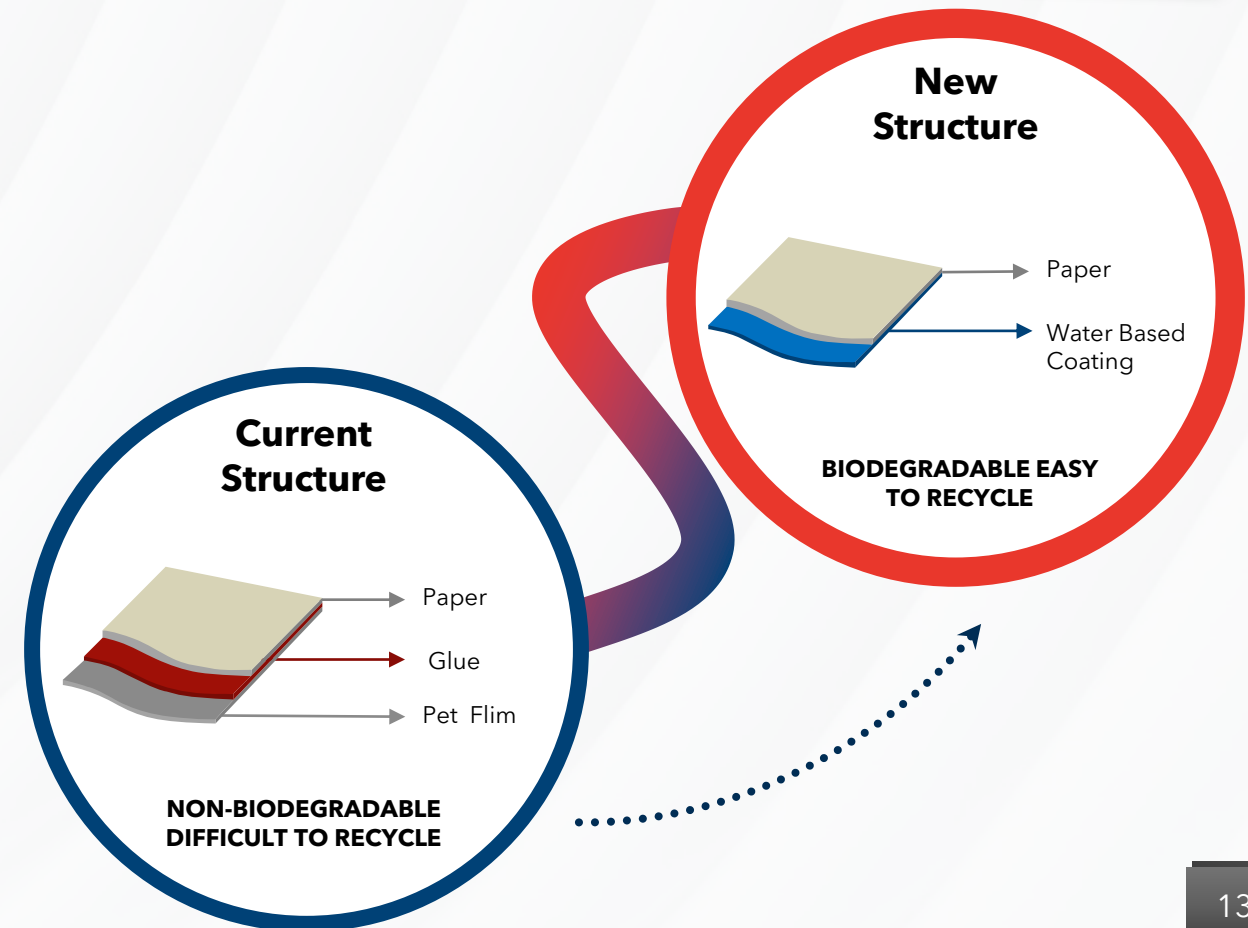
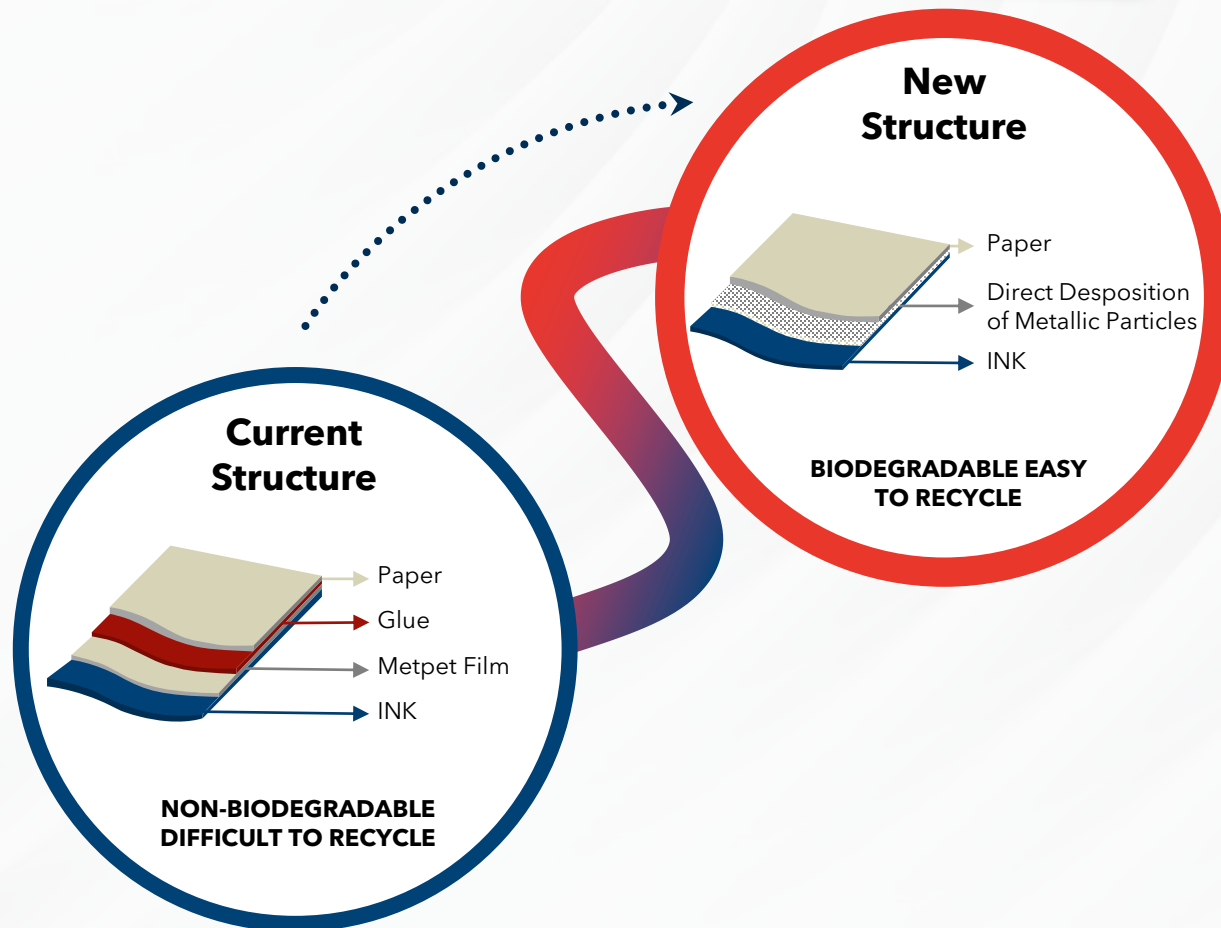


Sustainability Initiatives – Paperboard

Metallised Board - developed in-house facility to transfer metallised effects on paperboard, giving the same quality and finish as metallised plastic film widely used in the industry

Replacement of plastic film lamination and plastic extrusion for food and other barrier packaging

We are also working on alternative water-based coatings to replace plastic film lamination or plastic extrusion coating, for example plastic-lined cups and food packaging, with sustainable solutions



Sustainability Initiatives – Flexible packaging

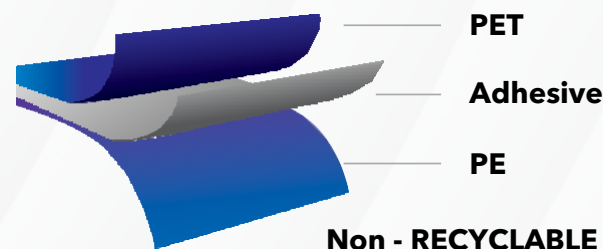


In 2021, TCPL incorporated a subsidiary company TCPL Innofilms Pvt Ltd to manufacture and distribute blown polyethylene (PE) film and **sustainable packaging films**

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

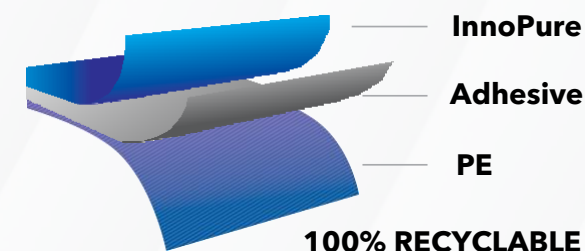
TCPL INNOFILMS SPECIALTY

CURRENT STRUCTURE



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

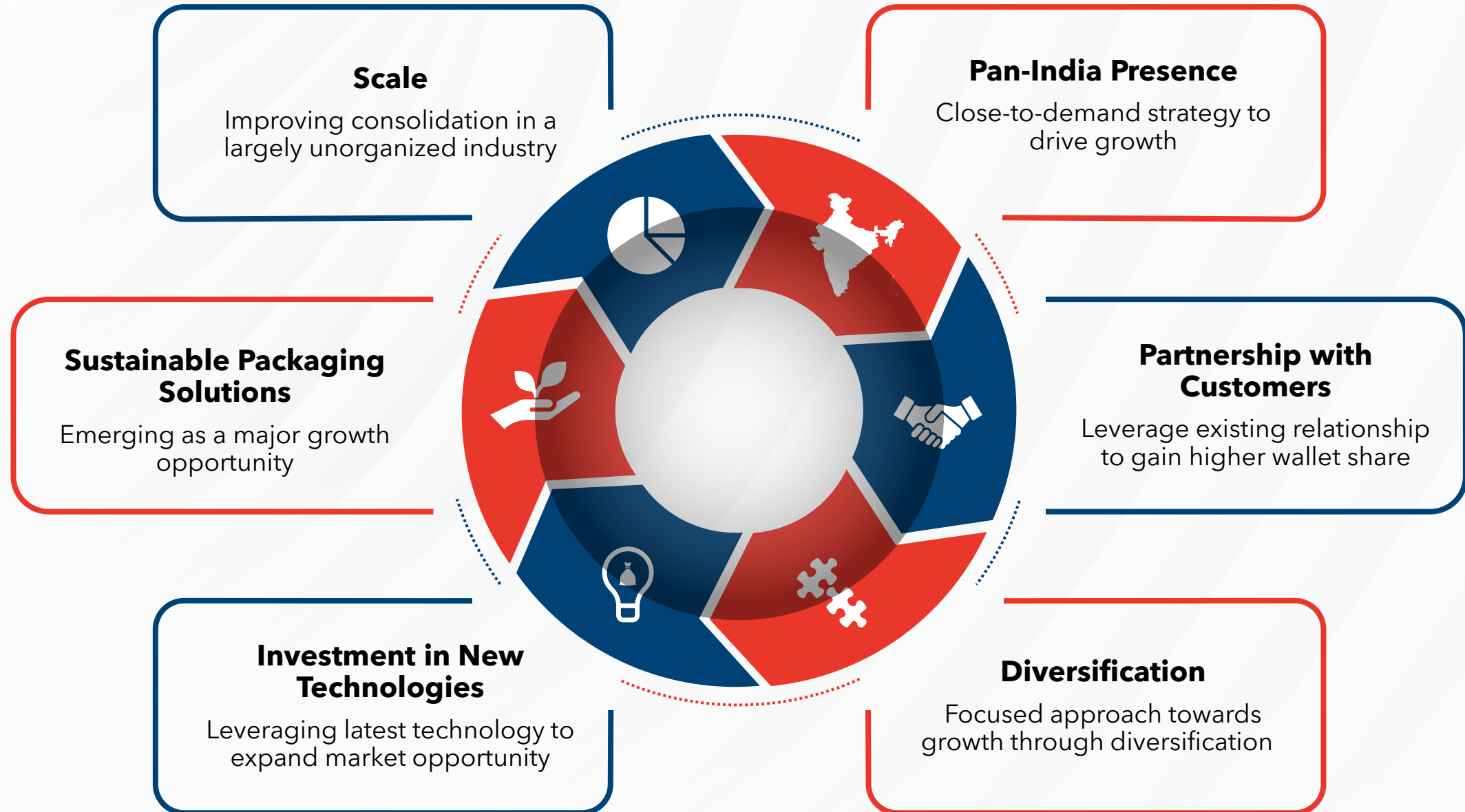
NEW STRUCTURE



(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**

Key Growth Levers



COPPL Acquisition – Enters high potential rigid boxes segment



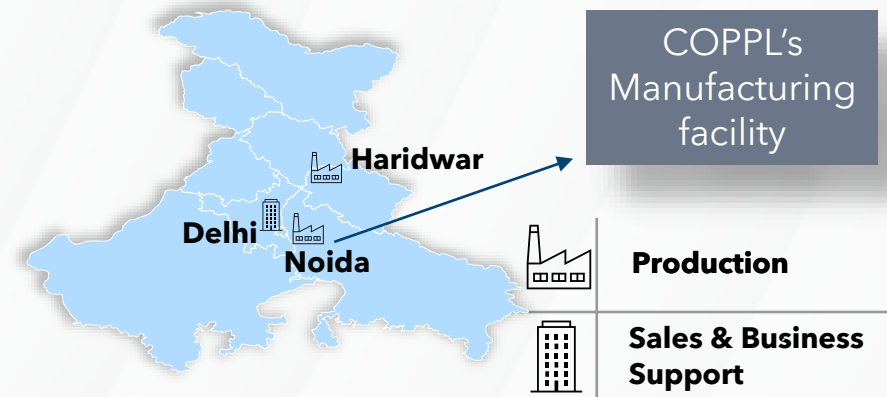
About Creative Offset Printer Private Limited (COPPL)

- 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 update

- TCPL currently owns a majority stake (~89% equity stake) in COPPL as of May 2023
- 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



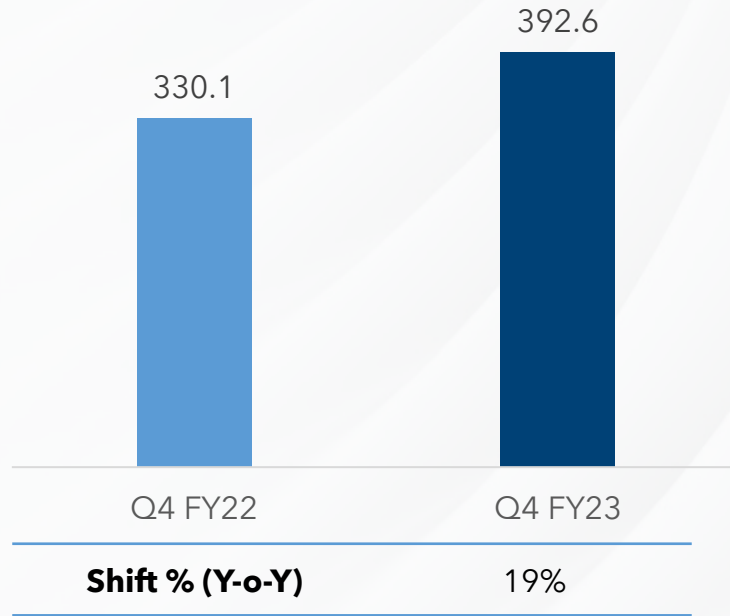


Q4 & FY2023 Results Overview

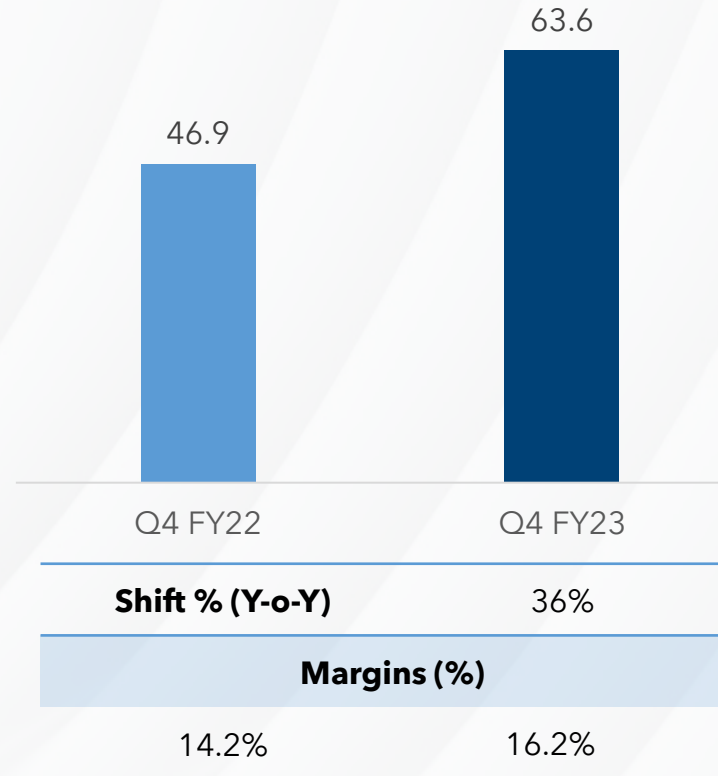
Q4 FY23 - Key Financial Highlights Consolidated



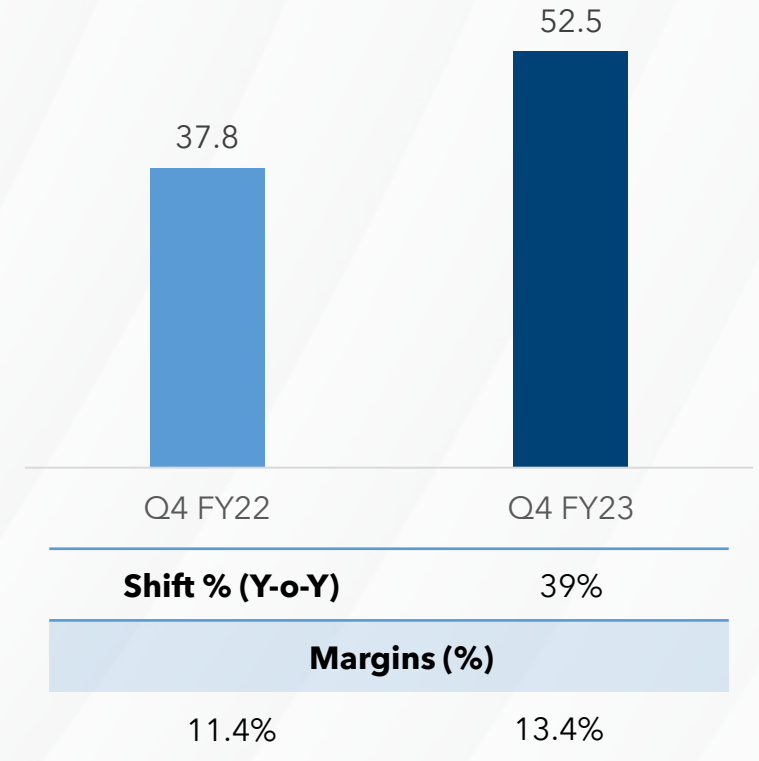
Total Revenues (Rs. Cr.)



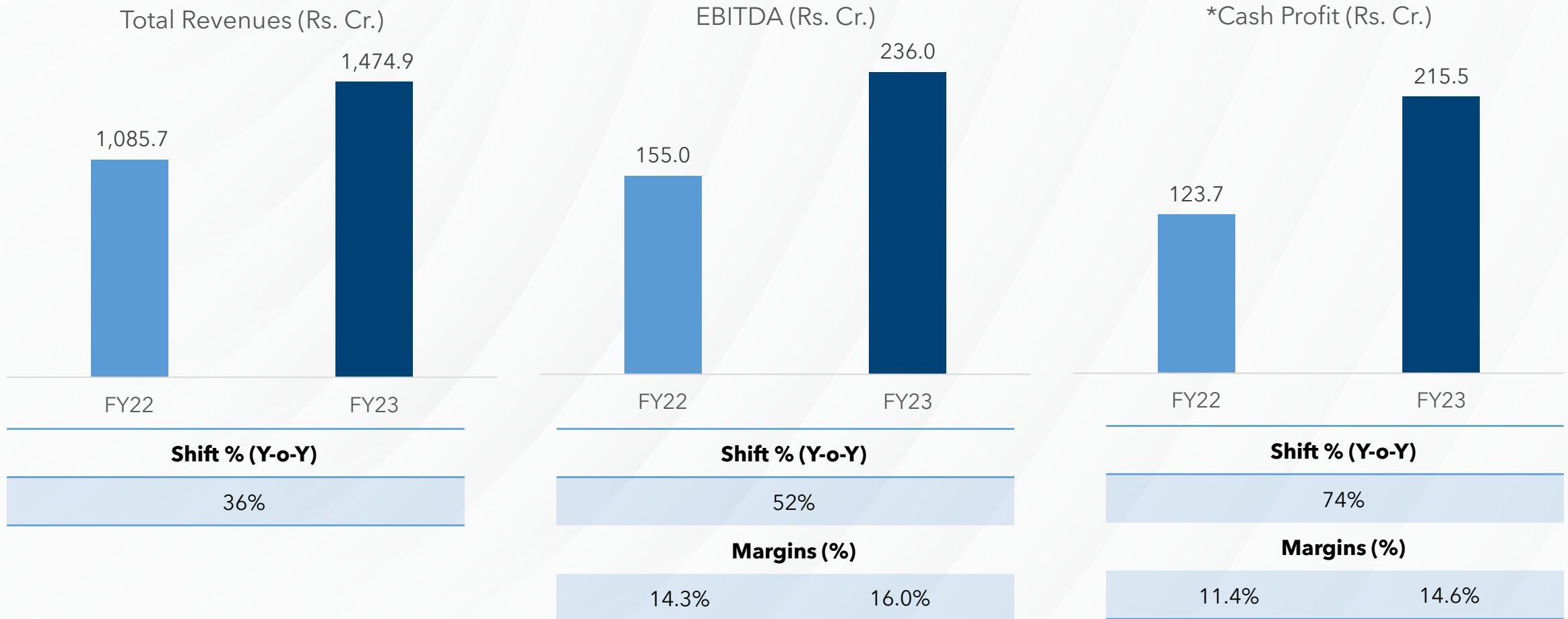
EBITDA (Rs. Cr.)



Cash Profit (Rs. Cr.)



FY23 - Key Financial Highlights Consolidated



**Note: In Q2 FY23, 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*

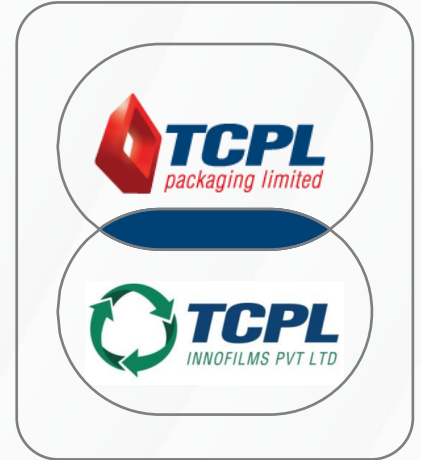
Update on Capex Initiatives



- TCPL has recently commissioned a state-of-the-art advanced offset printing line along with ancillary equipment at the Silvassa facility. TCPL has also acquired and integrated neighbouring properties to meet the requirements of the expanded capacity at Silvassa.
- The Company plans to further expand its Haridwar facility by installing a new line in the second half of FY24
- TCPL is witnessing high growth in demand for its flexible packaging products. Therefore, the Company plans to establish a third line in the flexible packaging plant in the second half of FY24
- TCPL continues to explore various other strategic initiatives to promote sustainable packaging solutions
- The Company remains focused on maintaining its strategic priority of generating healthy return ratios while prudently making future investments
 - The Company achieved impressive return ratios in FY23, with consolidated ROCE and ROE reaching 20% and 28% respectively, reflecting its strong financial performance and effective capital utilization

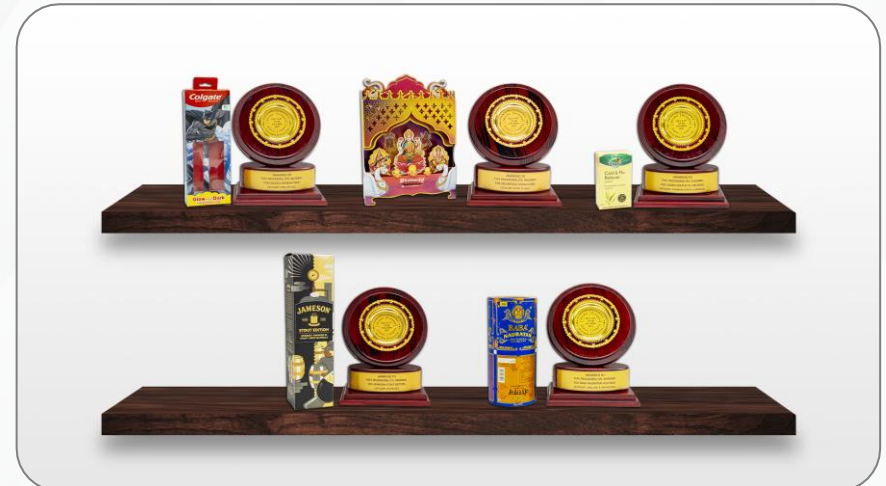
Integration of TCPL Innofilms, a wholly owned subsidiary, with TCPL Packaging to achieve Cost Efficiency and Synergies

- Merger of TCPL Innofilms into TCPL will result in reduced administrative costs by eliminating redundant paperwork and streamlining operations
- The synergistic consolidation will optimize resources, improve productivity, and contribute to the company's financial efficiency



Awards & Accolades Received in FY23

- TCPL received two awards at the Supplier Quality Excellence (SQE) Meet organised by Marico Ltd
 - Industry Best Practices for an insightful presentation on "Quality improvement Initiatives"
 - CAPA Champion
- TCPL also won several awards at the annual award ceremony of SIES SOP Star Awards 2022 for Excellence in Printing, organised by SIES School of Packaging, under the following categories:
 - Folding carton category: Goldmedal Diwali Card, Zandu Cold & Flu Reliever, Colgate Batman Pack, and Jameson Stout Edition
 - Flexible packaging material: Baba Nauratan Holi Pack



Management Message

Commenting on the performance for Q4 & FY2023 Mr. Saket Kanoria, Managing Director, TCPL Packaging Limited said

"We are delighted to announce the successful conclusion of yet another remarkable year. We registered a substantial growth of 36% in our consolidated total revenues to Rs. 1,475 crore in FY23. By effectively managing costs and increasing sales growth, we have achieved a record EBITDA of Rs. 236 crore, translating into strong margins of 16%. Furthermore, in FY23 our PBT and Cash Profits exhibited an exceptional growth of 98% and 74% to Rs. 134 crore and Rs. 216 crore respectively.

We have always pursued a growth strategy based on end-user industry diversification. Despite encountering a subdued domestic demand environment in some key sectors during the year, we successfully expanded our operations geographically and capitalized on export opportunities, resulting in robust growth.

Leveraging our extensive expertise and institutional strengths, it would be our ongoing endeavour to sustain the impressive 30-year revenue CAGR of ~18%. This growth will be fuelled by expanded capacity, strategic end-user industry diversification, and the increasing demand for eco-friendly packaging solutions. Our commitment to growth has consistently delivered superior results, creating sustainable value for all stakeholders. Furthermore, we are pleased to announce that the Board of Directors has recommended a dividend of Rs. 20 per share, marking the 23rd consecutive year of uninterrupted dividend pay-outs, in line with our consistent dividend policy."



Consolidated P&L Statement



Particulars (Rs. crore)	Q4 FY23	Q4 FY22	Y-o-Y Change (%)	FY23	FY22	Y-o-Y Change (%)
Revenues from Operations	383.4	323.1	18.6%	1442.2	1065.4	35.4%
Other Operating Income	9.2	7.0	31.6%	32.7	20.4	60.5%
Total Revenues	392.6	330.1	18.9%	1474.9	1085.7	35.8%
Total Expenditure						
• Raw Material expenses	236.5	201.4	17.4%	887.9	654.5	35.7%
• Employee benefits expense	30.3	27.3	11.2%	123.5	101.5	21.6%
• Other expenses	62.2	54.6	13.9%	227.6	174.8	30.2%
EBITDA	63.6	46.9	35.6%	236.0	155.0	52.3%
EBITDA Margin (%)	16.2%	14.2%	199 bps	16.0%	14.3%	173 bps
Other Income	2.0	0.8	145.0%	9.6	2.9	236.4%
Finance Costs	13.1	9.9	31.9%	47.4	34.2	38.6%
Depreciation and Amortization	16.8	14.7	14.3%	63.9	55.9	14.3%
PBT	35.7	23.1	54.5%	134.3	67.8	98.3%
Exceptional Items				17.3		
PBT after Exceptional Items	35.7	23.1	54.5%	151.6	67.8	123.8%
Tax expense	11.6	6.7	73.9%	41.1	20.9	96.9%
PAT*	24.1	16.4	46.7%	110.5	46.9	135.7%
PAT Margin (%)	6.1%	5.0%	116 bps	7.5%	4.3%	317 bps
Cash Profit*	52.5	37.8	38.9%	215.5	123.7	74.3%
EPS Diluted (Rs.)*	26.54	18.07	46.9%	121.36	51.51	135.6%

*Note: In Q2 FY23, 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)	Q4 FY23	Q4 FY22	Y-o-Y Change (%)	FY23	FY22	Y-o-Y Change (%)
Revenues from Operations	372.6	316.0	17.9%	1400.0	1055.9	32.6%
Other Operating Income	8.4	6.8	23.2%	31.8	20.2	57.9%
Total Revenues	381.0	322.9	18.0%	1431.9	1076.0	33.1%
Total Expenditure						
• Raw Material expenses	230.2	196.7	17.0%	868.0	648.4	33.9%
• Employee benefits expense	27.8	25.7	8.1%	115.5	99.6	15.9%
• Other expenses	57.3	52.0	10.3%	212.7	171.5	24.0%
EBITDA	65.7	48.4	35.7%	235.7	156.5	50.6%
EBITDA Margin (%)	17.2%	15.0%	224 bps	16.5%	14.5%	191 bps
Other Income	0.7	0.3	125.0%	10.0	2.4	319.3%
Finance Costs	11.9	9.3	28.1%	43.6	33.4	30.6%
Depreciation and Amortization	15.9	14.2	12.2%	61.0	55.3	10.3%
PBT	38.6	25.3	52.7%	141.1	70.2	100.9%
Exceptional Items	-	-		17.3	-	
PBT after Exceptional Items	38.6	25.3	52.7%	158.4	70.2	125.5%
Tax expense	11.0	6.8	63.0%	40.8	21.0	94.6%
PAT*	27.6	18.5	48.9%	117.5	49.3	138.7%
PAT Margin (%)	7.2%	5.7%	150 bps	8.2%	4.6%	363 bps
Cash Profit*	54.5	39.4	38.2%	219.3	125.5	74.8%
EPS Diluted (Rs.)*	30.29	20.35	48.8%	129.17	54.13	138.6%

*Note: In Q2 FY23, 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

Total Revenues

On a Consolidated basis, Total Revenues stood at Rs. 393 crore as against Rs. 330 crore, higher by 19%

- On a YoY basis, the Company reported strong revenue growth on the back of healthy contribution from both business segments
 - Successful expansion into new geographic markets, growing customer base, and a diversified product portfolio assisted overall performance
- The Company expects an uptick in domestic demand in the upcoming quarters driven by the easing of inflationary pressures and economic growth

EBITDA

On a Consolidated basis, EBITDA came in at Rs. 64 crore, with EBITDA Margins at 16%

- The Company delivered robust margin performance by successfully mitigating the effects of increased raw material costs witnessed during the year and leveraging operational efficiencies

Cash Profit After Tax

On a Consolidated basis, Cash PAT was healthy at Rs. 52 crore, with Cash PAT Margins at 13%

- PAT came in at Rs. 24 crore
- Depreciation came in at Rs. 16.8 crore and finance cost stood at Rs. 13.1 crore

Balance Sheet Snapshot – Consolidated



Rs. 443.5
Crore

Net-worth



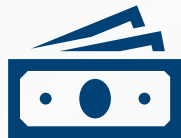
Rs. 932.3
Crore

Capital Employed



Rs. 854.4
Crore

Fixed Assets (Gross)



Rs. 7.3
Crore

Cash & Investments



Rs. 481.4
Crore

Net Debt



105
Days

Net Working Capital Days

Note: As on 31st March 2023



Annexure

Q4 & FY2023 Earnings Conference Call

Time

- 3:00 p.m. IST on Monday, May 29, 2023

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 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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CDR India



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A dense collage of various Indian consumer products. Visible items include Kellogg's Corn Flakes, Nescafé Classic, Finolex, Glucon-D, DEXOLAC, Red Label, Knorr Classic Soup, verka, PediaSure, Horlicks, Complian, and Toblerone. A semi-transparent white box with the text 'Thank You' is overlaid on the center.

Thank You