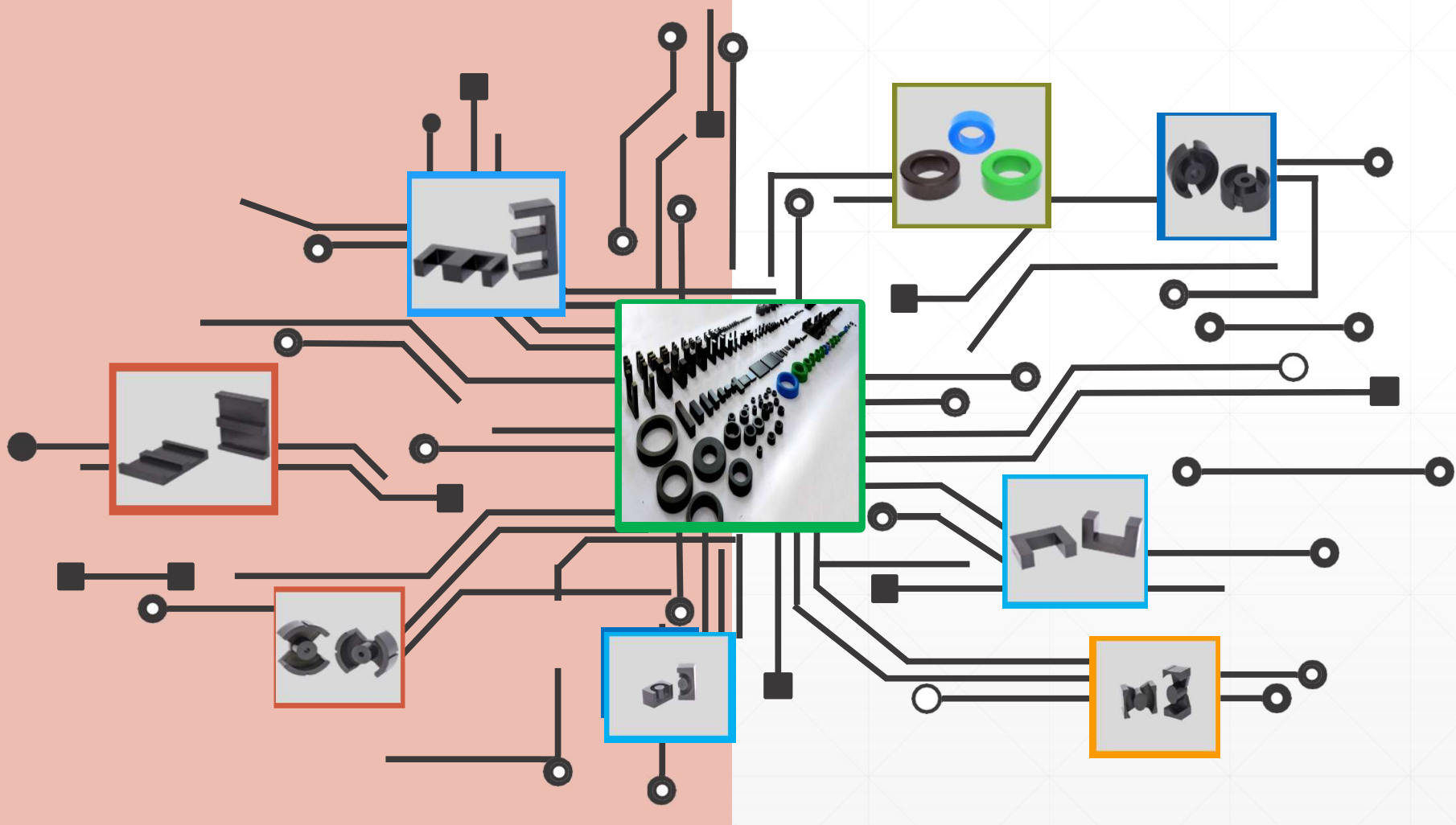


# Cosmo Ferrites Limited

Investor Presentation – December 2022



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## Discussion Summary

- Cosmo Ferrites Limited – An Overview
- December 2022 Quarter Financial Results
- Strategic Perspective
- Financial Snapshot
- ESG Focus



# **COSMO FERRITES - AN OVERVIEW**

# Company Overview



## ESTABLISHMENT

Established in 1986, Cosmo Ferrites Limited is one of the largest manufacturer of Mn-Zn based Soft Ferrite cores used in Power Electronics Industry



## PROMOTER

Promoted by Mr. Ashok Jaipuria, 1<sup>st</sup> Generation Entrepreneur, who introduced the country to Soft Ferrite Cores.



## PRODUCT RANGE

- MnZn Ferrite Components (EE, EC, ETD, EER, EI, EFC, UU, TOROIDS, EP, RM, PQ, Pot, Planar, PTS, I Bar, EFF, EVD and EED)
- Pre-Calcined Ferrite Powder



## CAPACITY

- Ferrites Powder 3,600 Tons
- Ferrites Component 3,600 Tons



## DEMOGRAPHIC DISTRIBUTION

- Export 46%
- Domestic (India) 54%



## EXPORT MARKET

Europe, USA, UK, New Zealand, Israel, Turkey, Thailand, Malaysia, China, Sri Lanka etc.



## CERTIFICATIONS

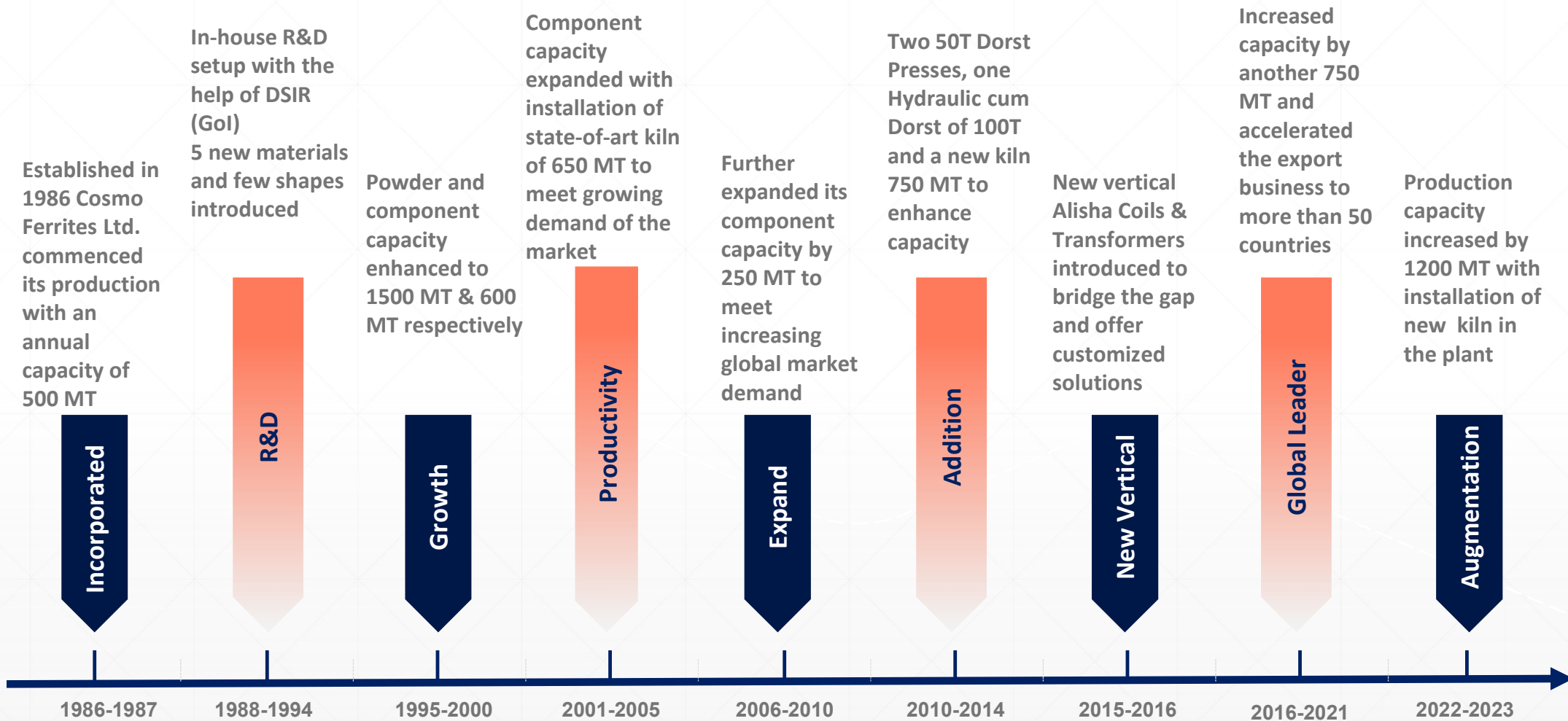
ISO 9001:2015  
ISO 14001:2015  
ISO/TS:16949  
ROHS Certified  
REACH Compliant  
UL Approved Insulation Coating



## MANUFACTURING FACILITY

Located in the Foothills of Himalayas at Jabli, Solan Dist., Himachal Pradesh, India

# Company Overview – Key Milestones





## Company Overview – Vision & Mission

### Vision

“Striving to become the market, product and quality leader of soft ferrite cores in the power electronics industry.”

### Mission

“We shall endeavour to be an organization which delivers outstanding customer service, respects all individuals working with it and always encourages initiative & innovation.”

## Business Overview – Manufacturing Infrastructure



### Powder Making Plant

In-house Powder  
Manufacturing Facility

Installed capacity

Powder Production – 3600  
Tons

Ferrite Production – 2400  
Tons



### Press

Rotary Press

Hydraulic Press

Mechanical Press (Dorst  
Make)



### Kiln

REIDHAMMER (Germany) - 4



### Grinder

Linear Abrasive

Famtec Aplanab

4 Station Automatic Grinding  
Line

Diskus Werke





## Market Segments We Cater:

**Automotive**  
Antenna, Sensors



**Solar**  
Inverter, Current Sensor



**Industrial Electronics**  
Medical , Power Supplies



**Electric Vehicle Battery Charger,**  
OBD, Wireless Charging



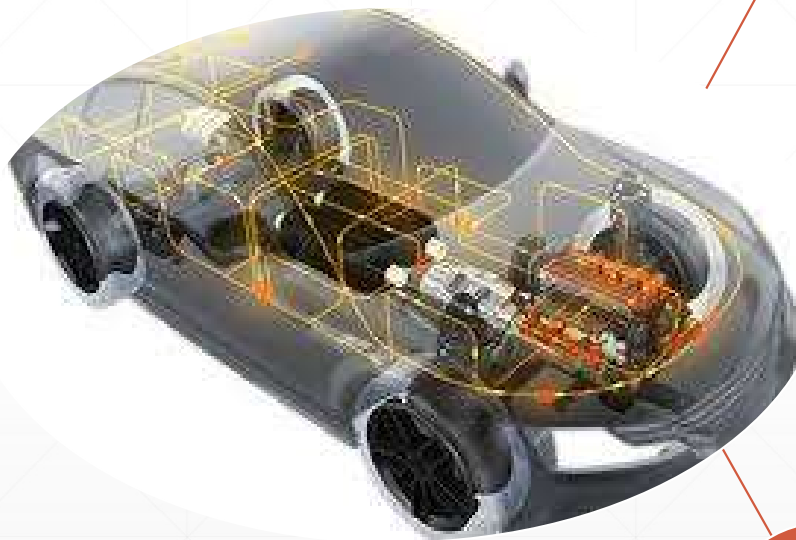
**EMI Filters**  
Line Filter, Choke



**Lighting**  
Inductor, Transformer



## Market Segment: Automotive Applications



### Lighting

- LED Lighting
- LED Headlights

### Common for EVS and HEVS

- DC/DC Battery
- Boost Charger
- Inverter

### Plug-in & Electric

- Battery Charger
- Wireless Charger

### Access Control

- Passive Entry
- Passive Start

## Product Categories- Ferrites



### EE Cores

- Sizes Available from 10 mm to 128 mm
- Application – Power Transformer and Inductors



### Pot Cores

- Sizes Available from 14 mm to 36 mm
- Application – Power Transformers, Power Inductors, Converters, Inverters, SMPS and Filter Inductors



### Toroid (With and Without Coating)

- Sizes Available from 06 mm to 202 mm
- Application - Wide Band and Pulse Transformers and Common Mode Chokes



### RM Cores

- Sizes Available from 05 mm to 14 mm
- Application – Power and Wide Band Transformer; High Q Inductors and Tuned Transformers



### UU Cores

- Sizes Available from 10 mm to 141 mm
- Application – Power Transformer and Inductors



### EER/ETD Cores

- Sizes Available from 29 mm to 59 mm
- Application – Power Transformer and Inductors

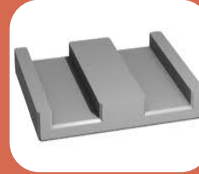
## Product Categories- Ferrites

## continued ...



### PQ Cores

- Sizes Available from 20 mm to 71 mm
- Application – Power Transformer and Inductors



### Planar Cores

- Sizes Available from 18 mm to 153 mm
- Application – Differential Inductors and DC/DC, AC/DC converters



### EC Cores

- Sizes Available from 35 mm to 90 mm
- Application – Power Transformer and Inductors



### I Bars, Plates

- Sizes Available from 20 mm to 186 mm
- Application – Antennas, High Frequency Welding, EV Charging.



### PM Cores

- Sizes Available from 50 mm to 87 mm
- Application – Power Conversion Transformer



### EFF Cores

- Sizes Available from 15 mm to 30 mm
- Application – Excellent space utilization for transformers and inductors



# Compliance with Global Standards



IATF 16949



ISO 9001:2015  
(ACT)



ISO 9001:2015  
(CFR)



ISO 14001:2015



UL94 V-0 Approved  
Coating

# Business Overview – Customer Network





## Business Overview – Global Clientele

1

### 63% - Asia

India | China | Sri Lanka  
Thailand | Turkey | Taiwan  
Malaysia | Vietnam | Japan

2

### 34% - Europe

Germany | Italy | Poland  
Czech Republic | Spain  
United Kingdom | France  
Russia | Ukraine | Denmark

3

### 4% - North America

United States of America

4

### 1% - South America

Brazil | Argentina



# Business Overview – Our Customers



Dixon Technologies (India) Limited



\* Above include direct and indirect customers

Disclosure: All these are trademarks of respective Owners

## Business Overview – R&D Resource Centre



**XRF** for determination of material composition and purity level accurately.



**XRD** for determination of crystalline phases present in ferrite system \*



**Particle size analyser** for determination of particle size distribution in powder material \*



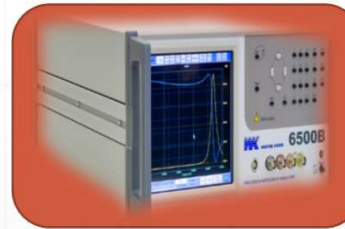
**Atmosphere controlled kiln** for sintering ferrite materials at lab scale with customized electromagnetic properties



**Computerised BET surface analyser** for determining specific surface area of powder materials



**High resolution digital microscope (1000 x)** for determining granulate shape, size, defects and micro crack \*



**Precision Impedance analyzer** capable to measure up-to 5 MHz \*



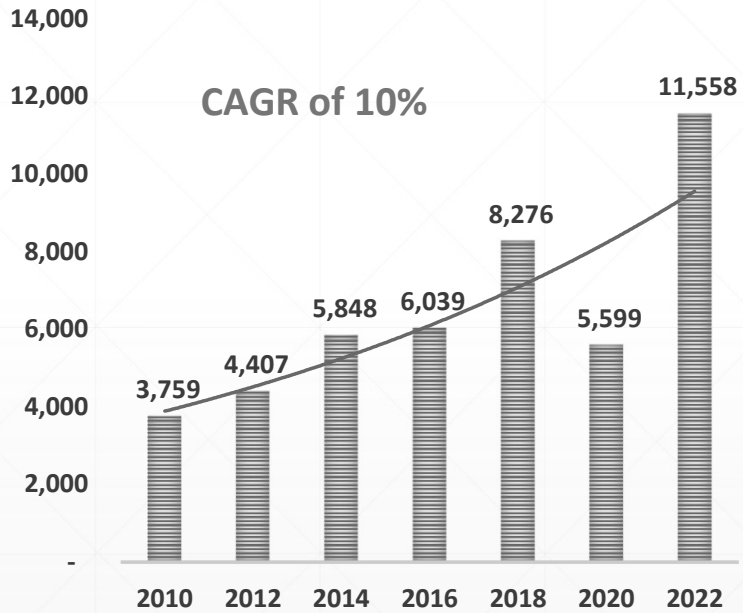
**Powerloss combined with B-H loop tracer** capable to measure upto 2 MHz \*

\* Planned in FY 23

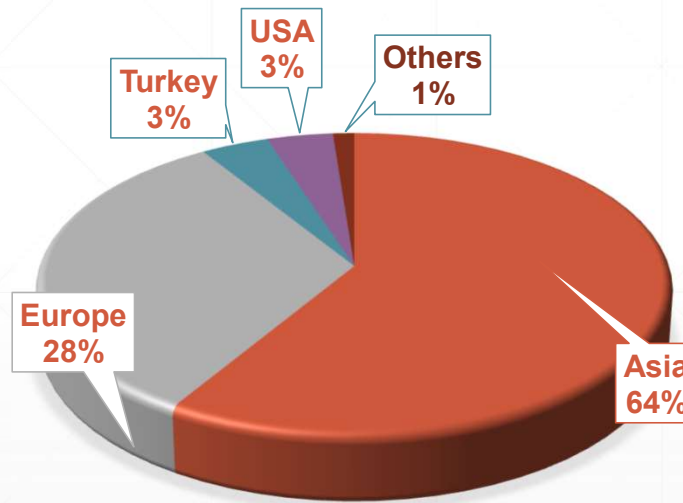
# Business Journey

**Sales Revenue:  
(INR lakhs)**

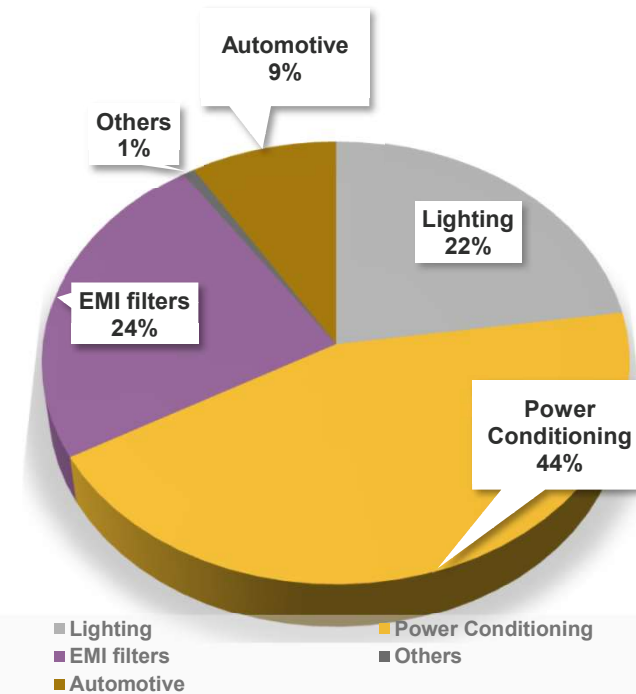
**CAGR of 10%**



**Geography Wise %  
FY 2021-22**



**Segment Wise %  
FY 2021-22**



# **FINANCIAL RESULTS - December 2022Q**



## December 2022 Quarter – Financial Performance

(fig. in Rs. Lakhs)

Particular	Quarter Ended			Nine Months Ended	
	31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Net Sales	2,336	2,457	3,475	8,337	8,075
EBITDA	183	189	918	976	2,011
EBITDA %	8%	8%	26%	12%	25%
PBT	(59)	(50)	550	291	1238
PAT	(46)	(41)	408	227	933

### Key Highlights – Dec 2022 Quarter Results

The Revenue and EBIDTA dropped on YoY basis primarily due to continued subdued lower exports sales generally having higher margins (particularly from Europe region due to inventory corrections, shortage of chips, geo-political turmoil and fears of recession in Europe). Further, there is an inventory loss of Rs 1 crore due to drop in raw material prices.

Management see signs of improvement from Q4 with continued domestic sales growth and partial expected recovery in export sales. The new Kiln for higher permeability ferrite cores (technologically advanced ferrite cores) is expected to start operations from FY24 which will improve sales mix further towards value-add products.

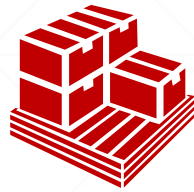


# STRATEGIC PERSPECTIVE

# Why Cosmo Ferrite?



**Flexibility in job -line allocation**



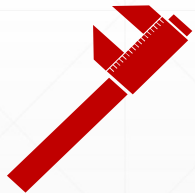
**Widest product portfolio under one roof**



**Global reach**



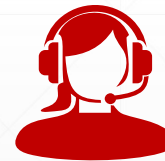
**3 plus decades of Soft Ferrite excellence**



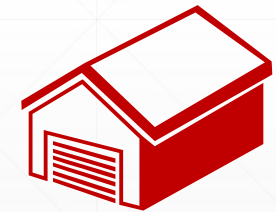
**Ahead in Product Development Curve**



**Customized Innovation**



**Key Account Teams**



**Global Stocking Availability**

# Key Future Growth & Profitability Drivers



## Meet growing demand of Soft Ferrite cores with increased capacity

Ferrite capacity will be increase from present production capacity of 200 Ton per month to 300 Ton per month from H2 FY23



## Moving towards high end application (Top Hat Kiln)

With Top Hat Kiln, Cosmo expects to meet customers' growing demands related to high permeability ferrite cores with an additional capacity of 25 Ton per month H2 FY 23 onwards. The focus will be on high end applications



## Going Vocal for Local by promoting localization of critical raw materials

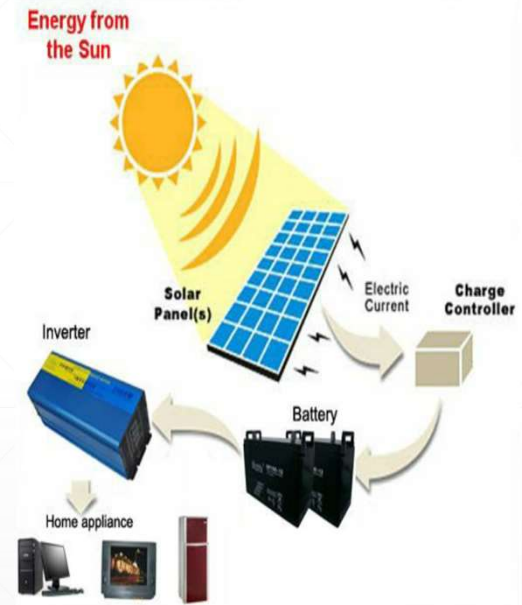
To reduce dependence on imports and improve costs, the Company is working on localization of critical raw materials and will complete this by December 2022.



## Meet growing demand of Powder with increased capacity

Ferrite powder production will be increased from present capacity of 300 Ton per month to 500 Ton per month by H2 FY23

# Emerging Trends to Drive Demand of Soft Ferrites!!



- Significant push Globally to increase sales of EVs.
- Solar and Wind Energy are going to become mainstream energy sources
- IOT, Cloud computing, 5G and Industry 4.0 are on an acceleration mode

# FINANCIAL SNAPSHOT

## Financials – Some recent years

(fig. in Rs. Lakhs)

Particulars	FY 2019-20	FY 2020-21	FY 2021-22
	Audited	Audited	Audited
Net Sales	5,501	6,365	11,384
EBITDA	-209	787	2,949
EBITDA %	-4%	12%	26%
PBT	-1004	50	1897
PAT	-1003	180	1423
EPS (in Rs.)	-8.34	1.50	11.83
Book Value	11.45	12.95	24.83

### Key Highlights – FY22 Results

During FY22, PAT has increased by 690% YoY primarily due to following reasons :

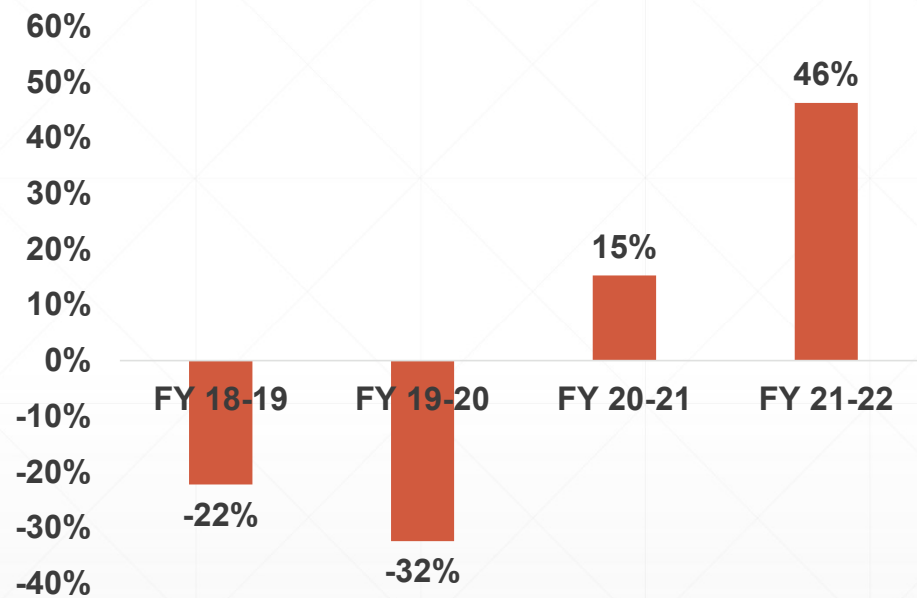
- Improved sales mix (shift towards high-end applications)
- Better sales realisation
- Higher export sales
- Localisation
- Power cost rationalization
- Improved input/output ratio



## Key Financial Highlights – ROCE & ROE %

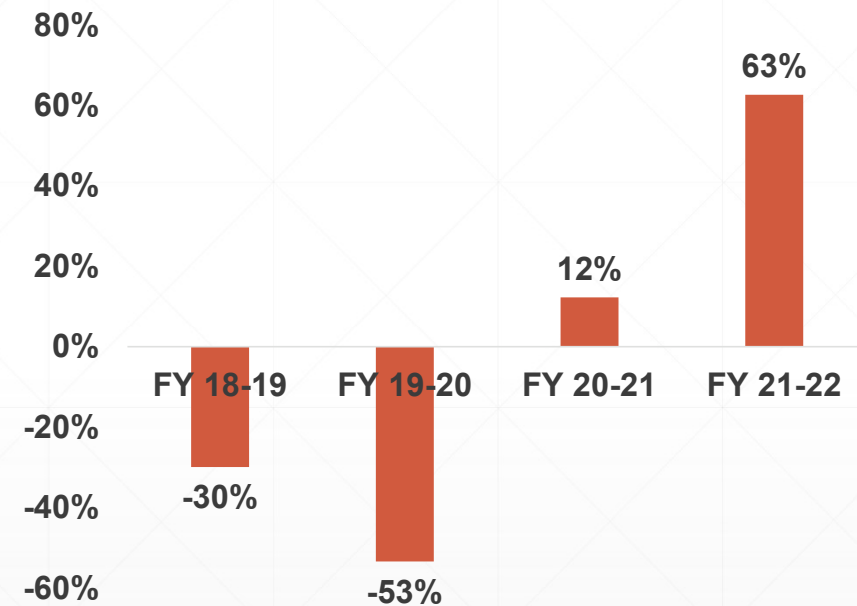
Turnaround improvement in ROCE and ROE ....

**ROCE %**



	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<b>ROCE</b>	-22%	-32%	15%	46%

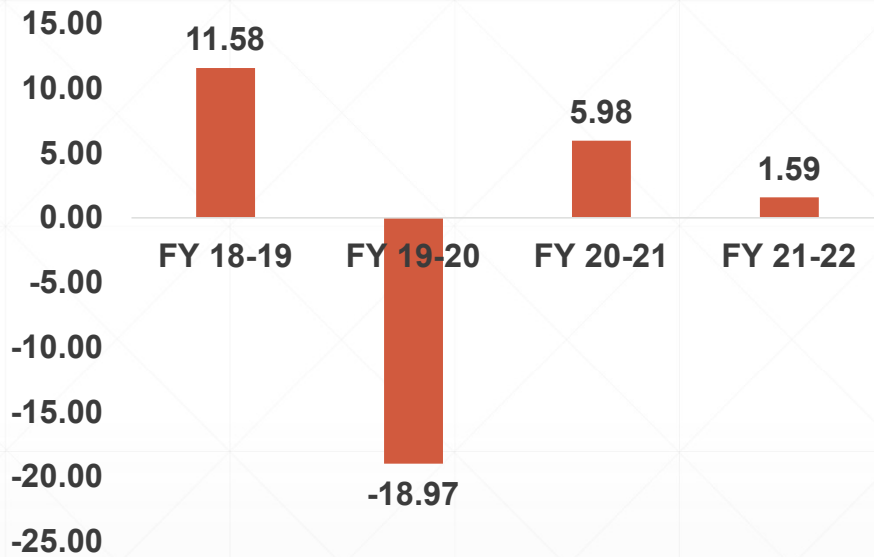
**ROE %**



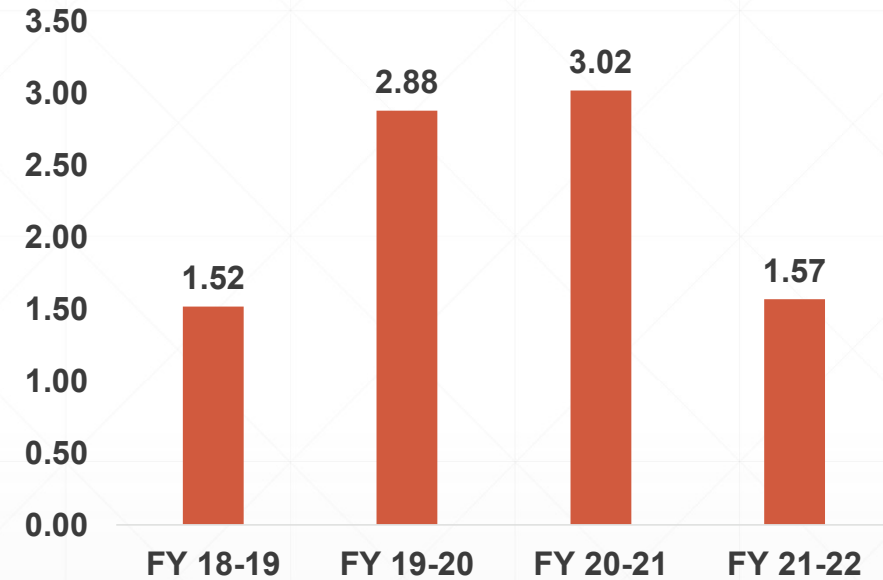
	FY 18-19	FY 19-20	FY 20-21	FY 21-22
<b>ROE</b>	-30%	-53%	12%	63%

## Key Financial Highlights – Debt Ratios

### Debt EBITDA



### Debt Equity

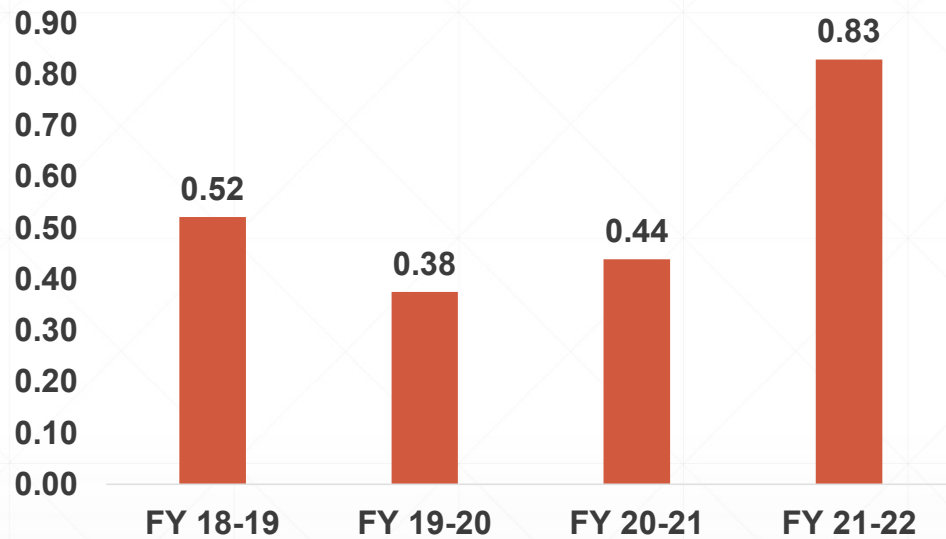


Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Debt EBITDA	11.58	-18.97	5.98	1.59

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Debt Equity	1.52	2.88	3.02	1.57

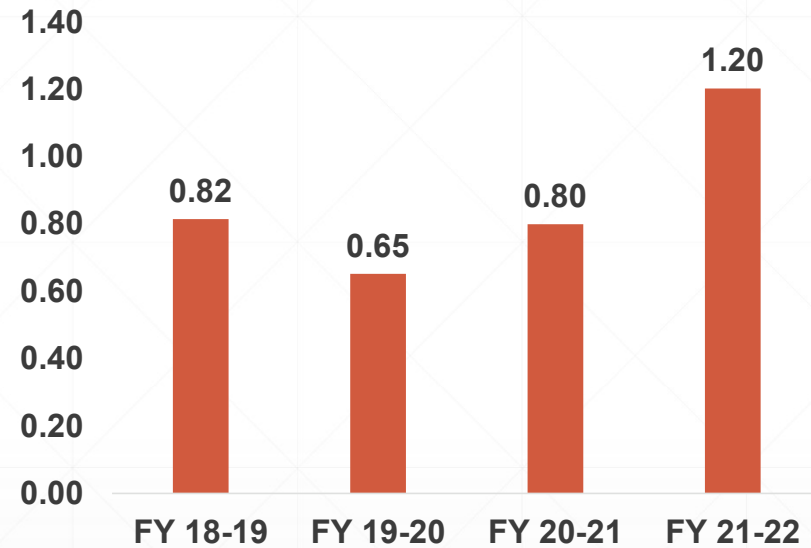
## Key Financial Highlights – Other Key Ratios

### Current Ratio



Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Current ratio	0.52	0.38	0.44	0.83

### Asset Turnover



Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22
Asset Turnover	0.82	0.65	0.80	1.20

Entry barriers as Soft Ferrites requires Years of R&D, Customer approvals and entire backward integration

# **ESG & SUSTAINABILITY INITIATIVES**

# Approach towards Sustainability

## Technology



- Customized innovation
- Ahead in product development curve
- Wide product portfolio under one roof

## Environment



- Carbon footprints reduction
- People health , safety and well beings
- Flexibility in job -line allocation

## Values

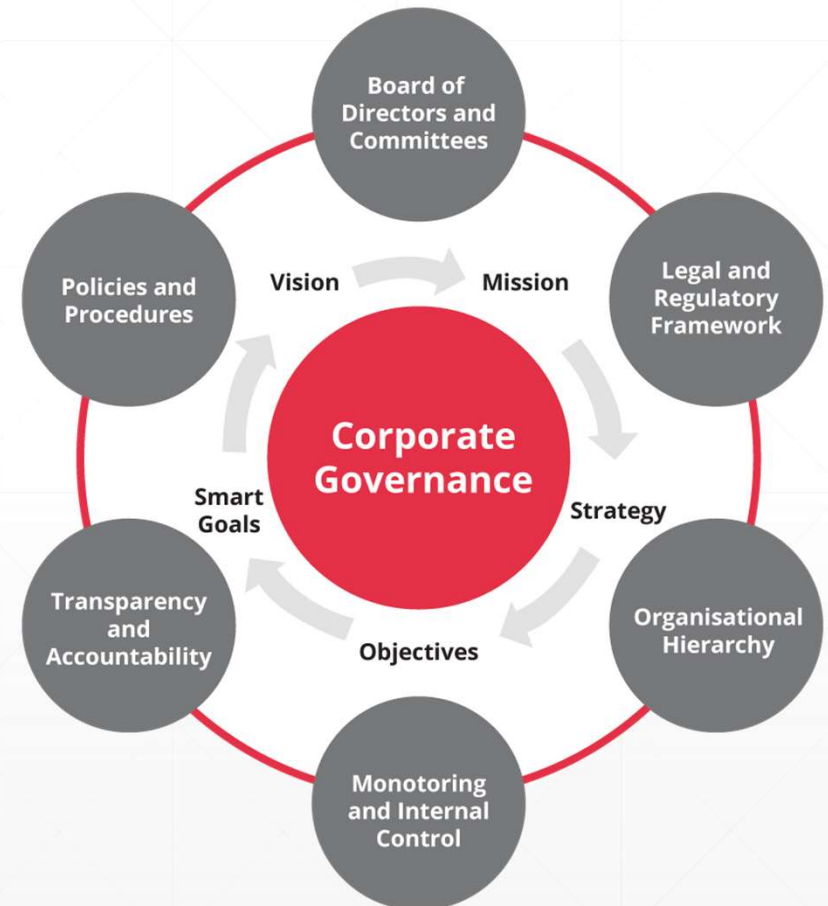


- Risk management practices
- Transparency and accountability
- Effective Internal Control Environment

# Corporate Governance

## *Well established practices in place*

- I. Well qualified Board of Directors from diversified fields with majority of directors being independent
- II. 71% independent directors
- III. Independent Audit Committee with Board of Directors
- IV. Established risk management practices
- V. Separate Independent directors meetings
- VI. Experienced and independent internal audit function
- VII. Board performance evaluation
- VIII. Active Whistle Blower Policy
- IX. Professional Management





# Company Overview – Board of Directors



**Mr. Ambrish Jaipuria**  
Chairman

CEO & Executive Director at Cosmo Ferrites Ltd. Mr. Jaipuria is also on the board of Hanuman Textile MFG, Inv Co. Ltd. and Sunrise Manufacturing Co. Ltd.



**Mr. Janardhan Pralhadrao Gupta**  
Independent Non-Executive Director

28 years of experience in Plastic packaging and film manufacturing company in departments like Accounts, Finance, Secretarial, Commercial Logistics, Purchase, Indirect taxation, Legal.



**Mr. Pankaj Poddar**  
Group Chief Executive Officer

Over 27 years of experience in finance, advisory and various leadership roles with strengths in commercials, analytics, negotiation, team engagement & strategy building



**Mrs. Himalayani Gupta**  
Independent Non-Executive Director

Consultant to several national & multinational organisations, including Fortune 500 Companies. Her area of expertise are IPR, Contracts, Trust & Societies, Corporate & Partnership laws.



**Mr. Rajesh Kumar Gupta**  
Independent Non-Executive Director

Experienced in Manufacturing, Accounts & Finance, Taxation, Banking, Rehabilitation Scheme /implementation under BIFR, Capital Investment Negotiations.



**Mr. Neeraj Sharma**  
Independent Non- Executive Director

20 years of experience in Oil & Gas, Healthcare, Hospitality and E-Commerce in areas like International/Domestic Tax, Transfer Pricing, Regulatory & Policy matters.

# Company Overview – Leadership Team



**Mr. Ambrish Jaipuria**  
Chairman

CEO & Executive Director at Cosmo Ferrites Ltd. Mr. Jaipuria is also on the board of Hanuman Textile MFG, Inv Co. Ltd. and Sunrise Manufacturing Co. Ltd.



**Mr. Pankaj Poddar**  
Group Chief Executive Officer

Over 27 years of experience in finance, advisory and various leadership roles with strengths in commercials, analytics, negotiation, team engagement & strategy building



**Mr. Neeraj Jain**  
Group Chief Financial Officer

Over 22 years of experience in finance, strategy and risk management with large manufacturing and service industries in leadership roles



**Mr. Vikas Puri**  
Business Head

28 years of experience in Strategy, Business Development, Sales, Operations, Project Management.



**Mr. Sanjeev Katoch**  
General Manager

Experience of 33 years in field of Plant Operations, Project, Business & Strategy Management



**Mr. Sanjiv Jindal**  
Chief Financial Officer

Experience of 32 years in finance while working with large engineering and automotive manufacturing industries.



**Mr. K. Sriram**  
AGM (Operations and R&D)

Experience of more than 28 years in R&D of Ferrites and Production Process Management of Ceramic Components.

# Awards and Recognition



*ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports/Large Scale" Year 2016-17*



*ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports" Year 2020-21*



*ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports/Large Scale" Year 2013-14*



*43rd ELCINA-EFY Award for Outstanding Achievement in "Exports/Large Scale" Year 2017-18*

*Instituted in 1976 by Electronic Industries Association Of India, ELCINA awards are highly regarded in industry circles Awards have been supported by officials of Department of Electronics & IT (Government of India) through their participation in selection process*

# Thank You



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Head Quarters:

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New District Centre, Jasola,  
New Delhi – 110 025, India



**HIMACHAL PRADESH**  
Regd. Office and Works

Post Office – Jabli  
District – Solan  
Himachal Pradesh – 173 209  
India

**For more information, please contact:**

**Mr. Sanjiv Jindal**

Chief Financial Officer

Email ID: [Sanjiv.jindal@cosmoferrites.com](mailto:Sanjiv.jindal@cosmoferrites.com)