

Wed, 27<sup>th</sup> Oct' 21

## OVERVIEW

- Clariant Chemicals (India) Ltd is engaged in manufacturing and selling of Specialty Chemicals.
- Its products are served to various sectors such as agriculture, infrastructure, home and personal care, packaging, consumer goods, transportation, and healthcare.
- Specialty Chemicals segment which comprises of dyestuff, synthetic resins, binder materials, functional effects and coating, auxiliaries and chemicals.

## STRENGTHS

- Even though most players in the Basic Materials strive to innovate, Clariant Chemicals India has successful record at consumer driven innovation.
- Clariant Chemicals India has a strong market leadership position in the Chemicals - Plastics & Rubber industry. It has helped the company to rapidly scale new products successes.
- Over the years Clariant Chemicals India has ventured into various businesses outside the Basic Materials sector

## BUSINESS STRATEGY

- Clariant successfully divested its Healthcare Packaging business in 2019 and continued the divestments of its Pigments business.
- The proceeds from the divestments will be used to invest in innovations and technological applications within Clariant's core Business Areas.
- Clariant will be able to intensify its focus on customer experience and fast, reliable customer fulfillment, as well as on the development of innovative and sustainable products and applications.

## GROWTH ENGINES

- The mission of Clariant's R&D is to provide the best service to clients, meeting market needs.
- Sustainability is a top priority at Clariant. It begins with product development, continues with the production process, the resources utilized, transport and product safety, and finally ends with the best possible recovery.
- Once prepared, characterized and tested, our in-house pilot scale facilities enable us to carry out a pilot scale trial to verify results prior to full scale-up in a plant.

## FUTURE PROSPECTS

- The board of directors of the COMPANY authorised the sale of the Masterbatch Business to PolyOne Polymers India or its Indian subsidiary on a going concern basis via a slump sale for a total consideration of Rs 426 crore.
- The company said it signed agreement subject to the approval of the shareholders and all other applicable statutory approvals.
- Last month, the board had approved the sale of business unit — Additives (BU - Additives) to Clariant India, a related party, on a going concern basis.

## SUMMARY OF FINANCIALS

- Revenue / turnover of COSMO FILMS LIMITED is Over INR 500 crs.
- The company's EBIT growth has been recorded at 4.34%.
- The company has a growth in net worth of 5.67%.
- The company has an operating income of 136.8%.
- The company has a growth in assets of 5.47%
- The company's current liabilities has been decreased by 20.92%.

Growth Rates (Compound Annual)	1 Yr	3 Yr	5 Yr	10yr
Revenue %	(3.5)	(10.5)	(4.7)	(3.5)
Operating Income %	136.8	70.1	8.1	(13.9)
Earnings/Share %	1079.8	116.3	39.3	8.2
Dividends %	3920	100.3	7.1	22.5
Book Value/Share %	(37.5)	(13.3)	-	2.5
Stock Total Return	101.4	27.4	0.1	34.2
Market +/-	67.0	12.8	(10.4)	25.0

Valuation Analysis	Current	5Yr Avg	Ind	Mkt.
Price/Earnings	5.7	50.6	46.0	15.2
Forward P/E	-	-	-	-
Price/Cash Flow	23.1	14.4	35.4	9.9
Price/Free Cash Flow	27.8	23.2	-	-
Dividend Yield %	11.5	10.1	0.5	2.8
Price/Book	3.2	1.8	9.8	2.1
Price/Sales	1.6	1.1	5.7	-

Profitability Analysis	Current	5Yr Avg	Ind.	Mkt.
Return on Equity %	-	11.9	21.5	15.4
Return on Asset %	-	8.1	12.8	5.6
Gross Margin %	38.7	36.5	40.1	-
Operating Margin %	7.7	3.1	17.7	-
Net Margin %	28.6	8.9	12.6	21.4
Inventory Turns	-	3.5	4.0	-
FixedAsset Turns	-	3.1	2.5	-

Financial Position (INR)	03-20(Mil.)	03-21 (Mil.)
Cash	259	643
Inventories	1,257	1,347
Receivables	—	—
Current Assets	6,324	4,252
Fixed Assets	2,223	1,497
Intangibles	89	89
Total Assets	9,435	69,490
Payables	1,721	2,120
Short-Term Debt	-	0
Current Liabilities	2,522	2,284
Long-Term Debt	-	-
Total Liabilities	2,920	2,418
Total Equity	6,514	4,072

Source: Company filings & Analyst research