



*India's leading provider of Coding and Marking solutions*

**Investor Presentation**

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# Company Overview

- Control Print is India's leading Coding and Marking solutions provider commanding a domestic market share of ~18%
- Product portfolio includes Printers for printing variable information, related Consumables and Spares
- Product Application - Regulatory requirement, Inventory Control, Traceability, Operational Efficiency, Branding and Counterfeit Prevention
- 25+ years of technology leadership and collaboration with foreign technical partners
- Diverse customer base with long term relationships through unparalleled expertise
- Professional leadership team with rich industry and technical experience
- Sales close to INR 1,740 mn in a high margin business
- Uniquely positioned to capitalize significant growth opportunity driven by stringent regulatory requirements over display of specific product details on manufactured products applicable across many sectors and increasing acceptance of applications of Coding and Marking solutions

# Vision & Mission



**“To be South Asia’s leading Coding and Marking Solutions Provider.”**

## MISSION



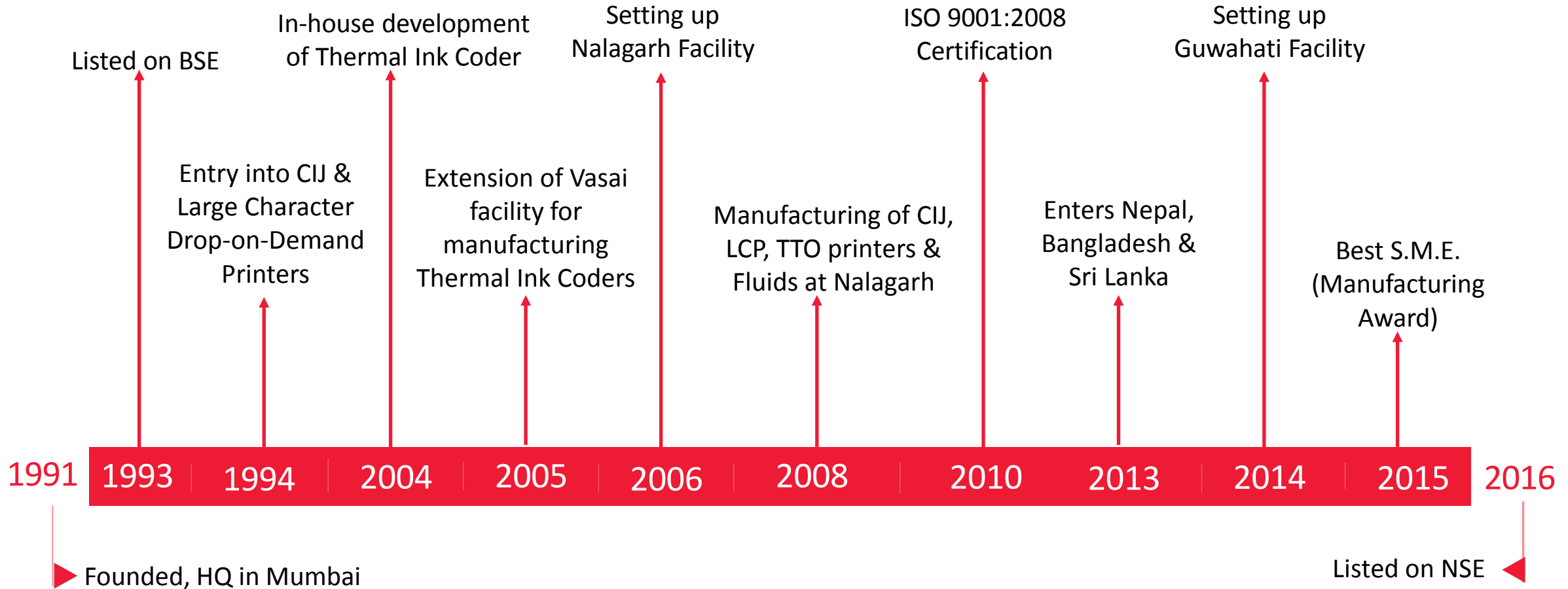
**“To provide our customers, shareholders, employees and society with the highest value through:**

- ✓ **Market Leadership**
- ✓ **Continuous Innovation**
- ✓ **Maintaining superior standards in our products and performance**
- ✓ **Developing consistently superior technology**
- ✓ **Working alongside the company values.”**

# About Control Print

- Control Print is India's leading Coding and Marking solutions provider for printing variable information such as batch numbers, manufacturing & expiry dates, MRP, serial number, special markings, logos, company/ brand name, & barcodes
- Portfolio includes Continuous Inkjet Printer (CIJ), Large Character Drop on Demand Printer (LCP), Thermal Ink Coders, Thermal Transfer Over Printer (TTO), Laser Coders, Thermal Inkjet Printer, High Resolution Piezo Inkjet Printer and related consumables (ink/ fluids) and spare parts
- State-of-the-art manufacturing facilities in Nalagarh, Himachal Pradesh and Guwahati, Assam with necessary support tools, services and amenities to ensure highest quality of products and services
- Caters to the entire range of manufacturing industries including Personal Care, Food & Beverages, Pharmaceuticals, Construction Materials, Cables, Wires & Pipes, Metals, Automotive & Electronics, Agro-chemicals, Chemicals & Petrochemicals and many more
- Provides complete range of Coding and Marking solutions and widest range of Consumables for every application
- Technology collaboration with **KBA-Metronic GmbH**, Germany and **Macsa ID, S.A**, Spain
- Specialized R&D team of engineers working towards continuous improvement of technology
- 25+ years of experience with more than 7,000+ installations
- Increasing PAN India presence of Sales and Service engineers with a strength of approx. 300 nos.
- Listed on BSE & NSE with market capitalization of approx. INR 7,000 mn as on May 31, 2018

# Our Journey



# Manufacturing Facilities

## Nalagarh, Himachal Pradesh



- 45,000 square feet manufacturing facility
- Installed capacity of 3,000 printers/ annum
- Manufacturing of CIJ, TIC, TIJ, LCP, TTO, HRC Printers
- Comprehensive training and repair facilities

## Guwahati, Assam



- 90,000 square feet manufacturing & warehousing facility
- Ink & Solvent manufacturing capacity of 1 million litres
- Printer manufacturing to start in 2016-2017
- Large potential for future expansion
- Comprehensive laboratory & testing facilities



# Pan India Presence

3

Factories

5

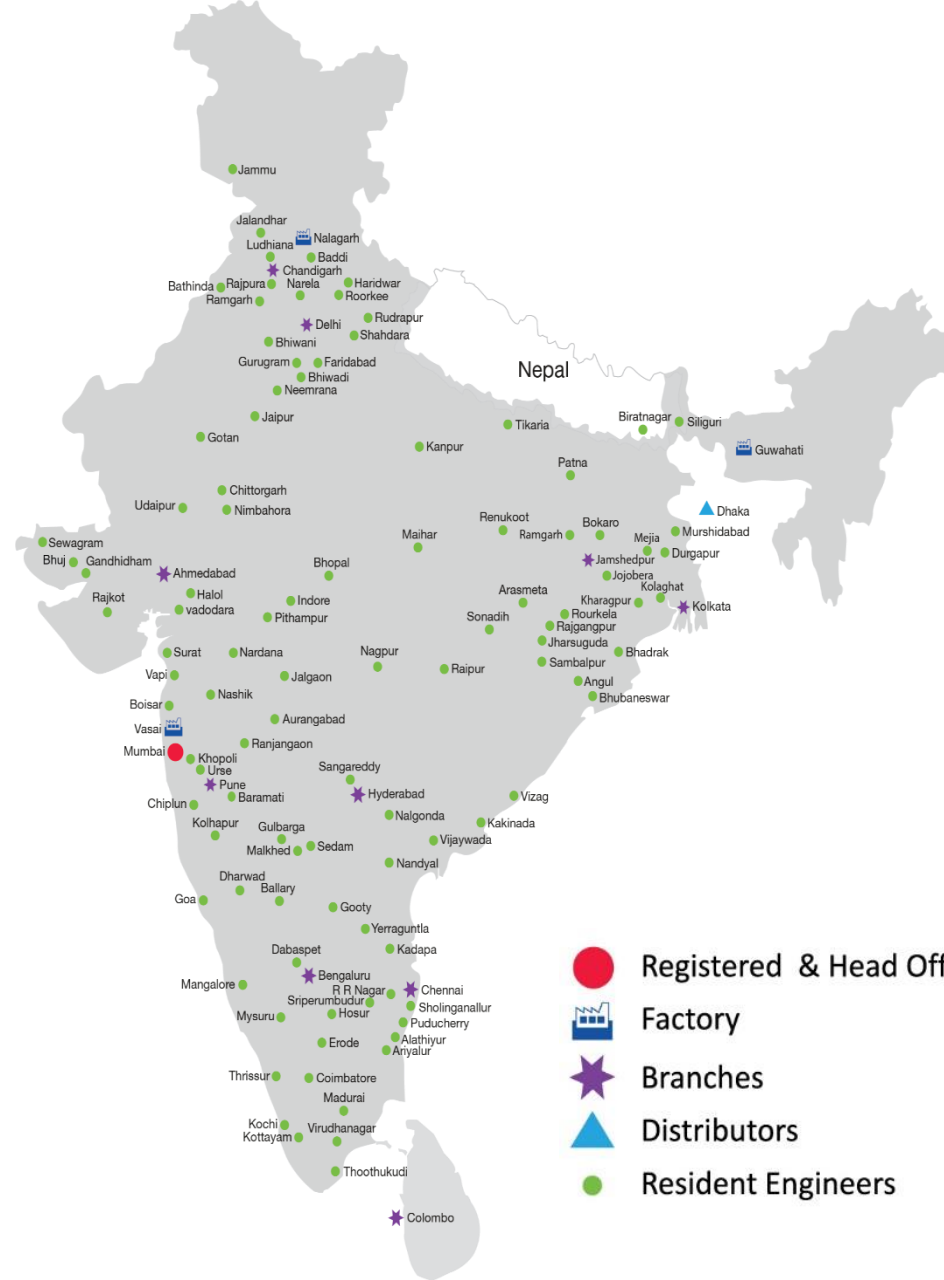
Countries

11

Branches

360+

Field staff



- Registered & Head Office
- Factory
- Branches
- Distributors
- Resident Engineers

# What Is Coding And Marking

Coding and marking refers to printing of variable information on products during manufacturing process.



Branding & Product  
Information



Barcoding



Manufacturing, Batch &  
Date Codes



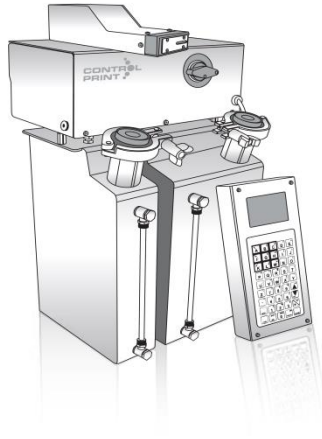
Traceability / Track  
& Trace

# Products & Applications

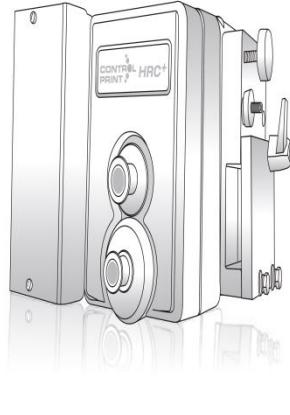
## Products



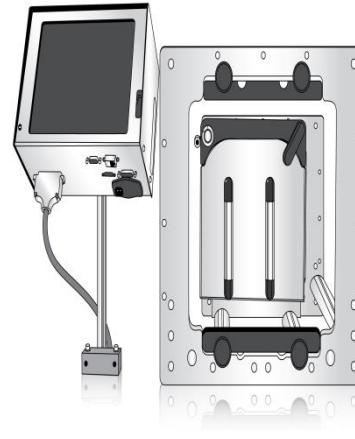
Continuous Ink Jet Printer



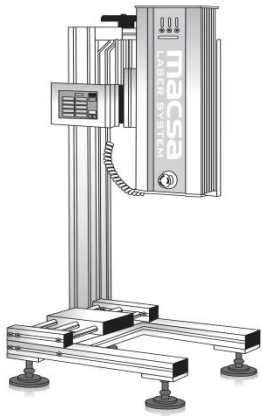
Large Character Printer



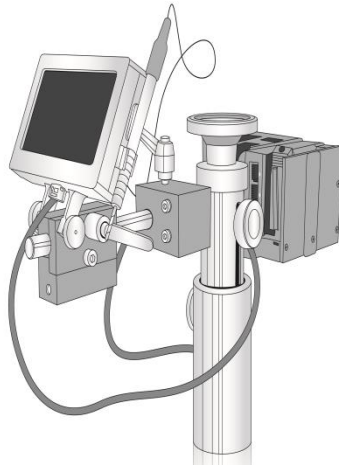
Thermal Ink Coder



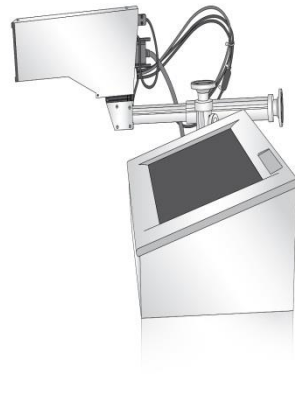
Thermal Transfer Over Printer



Laser Printer



Thermal Inkjet Printer



High Resolution Inkjet Printer



Consumables

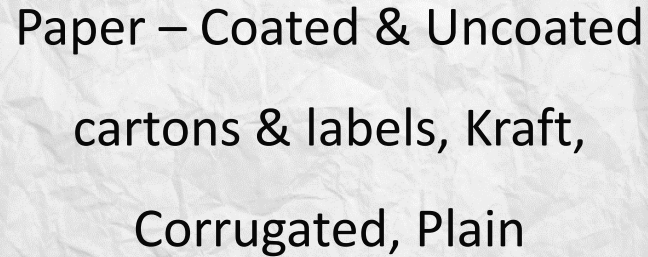
## Applications

- Satisfying Legal Requirements
- Providing Product Information to customers
- Traceability
- Quality Control
- Branding
- Customer Quality Perception
- Inventory Control
- Reduction in wastage of packing material
- Counterfeit prevention
- Legal liability and warranty protection
- Operational Efficiency
- Supply change management

# CATERING TO EVERY VERTICAL AND EVERY SUBSTRATE



Metal – Steel & Aluminium  
Sheets, Cans, Corrugations



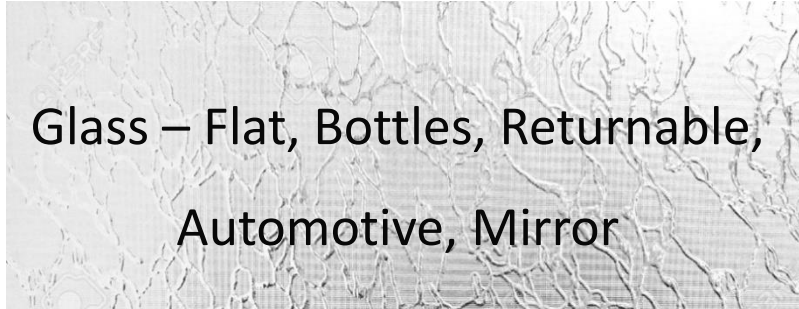
Paper – Coated & Uncoated  
cartons & labels, Kraft,  
Corrugated, Plain



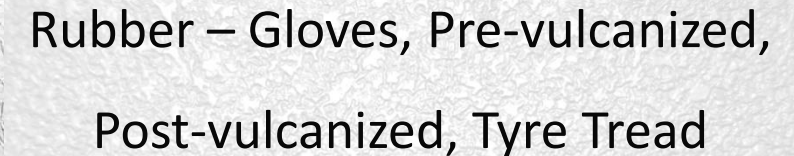
Plastic Films – PET, Polyester, PP,  
LLDPE, BOPP, Metallized



Rigid Plastics – PP, HDPE, PVC  
Containers & Jars, PP, Nylon,  
ABD, HDPE parts/components



Glass – Flat, Bottles, Returnable,  
Automotive, Mirror



Rubber – Gloves, Pre-vulcanized,  
Post-vulcanized, Tyre Tread



Woven Sacks – PP, HDPE, Paper

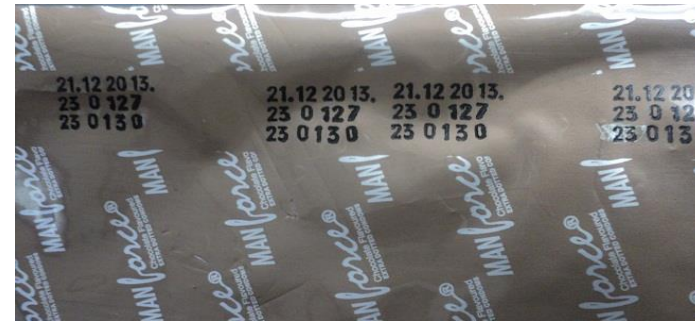
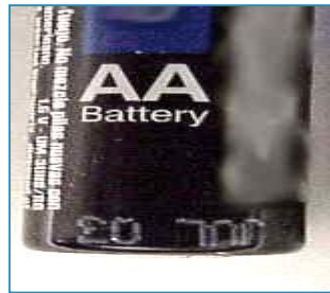


Extruded Plastics – PVC, PE,  
XLPE, CPVC, HDPE



Wood - Plywood, MDF, Particle  
Board, Decorative Laminate

# Print Samples





# Marquee Clientele



# Excellence Awards



"The Best SME's - Manufacturing 2015"



"ISO 9001:2008 for Quality Management"



# Management Team

## Basant Kabra - Chairman & MD



- Chairman & Managing Director of the Company since 1991
- More than four decades of experience in overall management of the Company
- Mr. Basant Kabra holds a degree of Bachelors in Chemical Engineering

## Shiva Kabra – Joint Managing Director



- Oversees the marketing, business development and strategy of the Company
- Over 14 years of experience in the field of marketing, business development and strategy.
- Mr. Shiva Kabra is a graduate in Economics and Mathematics and holds a degree of Masters in Business Administration

## Rahul Khettry - Chief Financial Officer



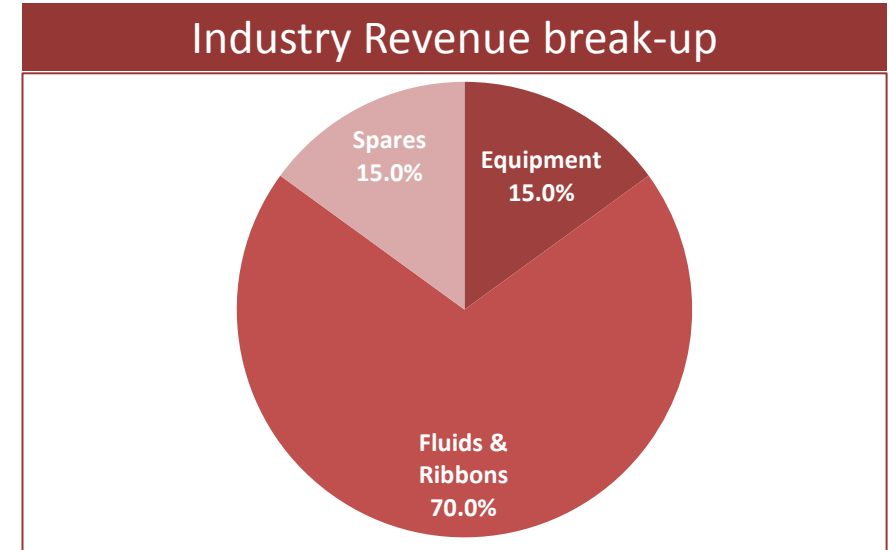
- Over 15 years of experience in leading and managing companies including Multi-National Joint Ventures
- Strong financial background well complemented with operational, commercial and legal expertise
- Responsible for finance operations of the Company

# Business Overview

- Control Print provides its customers the ability to code, mark, address, decorate or personalize their products:
  - In-line in the manufacturing process and under all manufacturing conditions and
  - Adding fully variable alpha numeric, graphics and machine readable codes to products or packaging in real time
- The profitability in the business is almost entirely linked to the revenues from Consumables, Spares and Services as the industry trend is to sell printers at low margins
- The primary purpose of sale of printers is to increase the installed base as higher base of printers ensures higher revenues from Consumables, Spares and Services in future
- Company derives revenues from following three streams:
  - Sale of Printers on outright basis, Printers on Rent and on Cost per Print basis
  - Sale of consumables like Inkjet fluids, Ribbons and Inkrolls
  - Annual Maintenance Services
- No single client accounts for more than 5% of total revenue

# Global Industry Overview

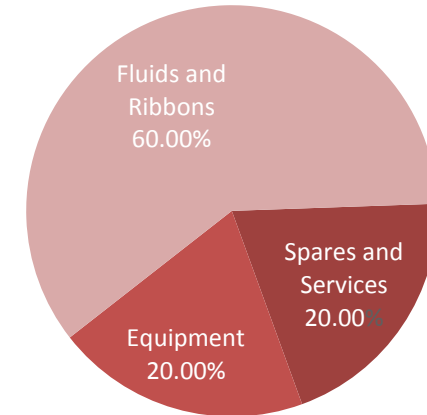
- Global Coding Industry is estimated at US\$ 5 bn as of 2018 and is expected to grow at a CAGR of 6-7% over next 5 years to reach approx. US\$ 7 bn by 2023
  - Developed markets are growing at 1 - 1.5x GDP growth and Developing markets are growing at 2 - 2.5x GDP growth
- Industry is Dominated by 3 global players - Markem-Imaje S.A., a wholly owned subsidiary of Dover Plc. USA; Videojet Technologies Inc., a wholly owned subsidiary of Danaher Plc. USA and Domino Printing Sciences Plc.
- Besides the 3 global players there are series of well entrenched small-medium companies which have strong geographical position and strong technological position in a certain technology
- Movement in market shares once well entrenched is normally slow
- Industry has witnessed stable and secular growth over the years as it enables companies to primarily meet basic regulatory and traceability requirements
- Technology barriers exists for CIJ products and several other product lines; Market is becoming more mature with CIJ showing slow but stable growth but TIJ, TTO, and Piezo HR LCP showing strong sales growth



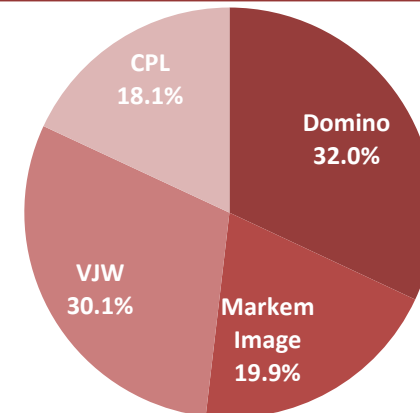
# Indian Industry Overview

- Indian Coding Industry is estimated at Rs. 9,000 – 10,000 mn as of FY2016
- Industry is oligopolistic in nature with global major players accounting for approximately 80 - 85% of the market
  - Markem-Imaje S.A,
  - Videojet Technologies Inc,
  - Domino Printing Sciences Plc,
  - Control Print Limited
- Industry has witnessed consistent growth of 15%+ over the last decade and is estimated to grow at similar rates (approximately 10-15% India's GDP growth) in the near future
- Within the equipment segment, CIJ printers have been growing at a stable rate of 7-8% annually. However, increasing adoption of TIJ, TTO, and LCP printers is expected to drive the industry growth higher

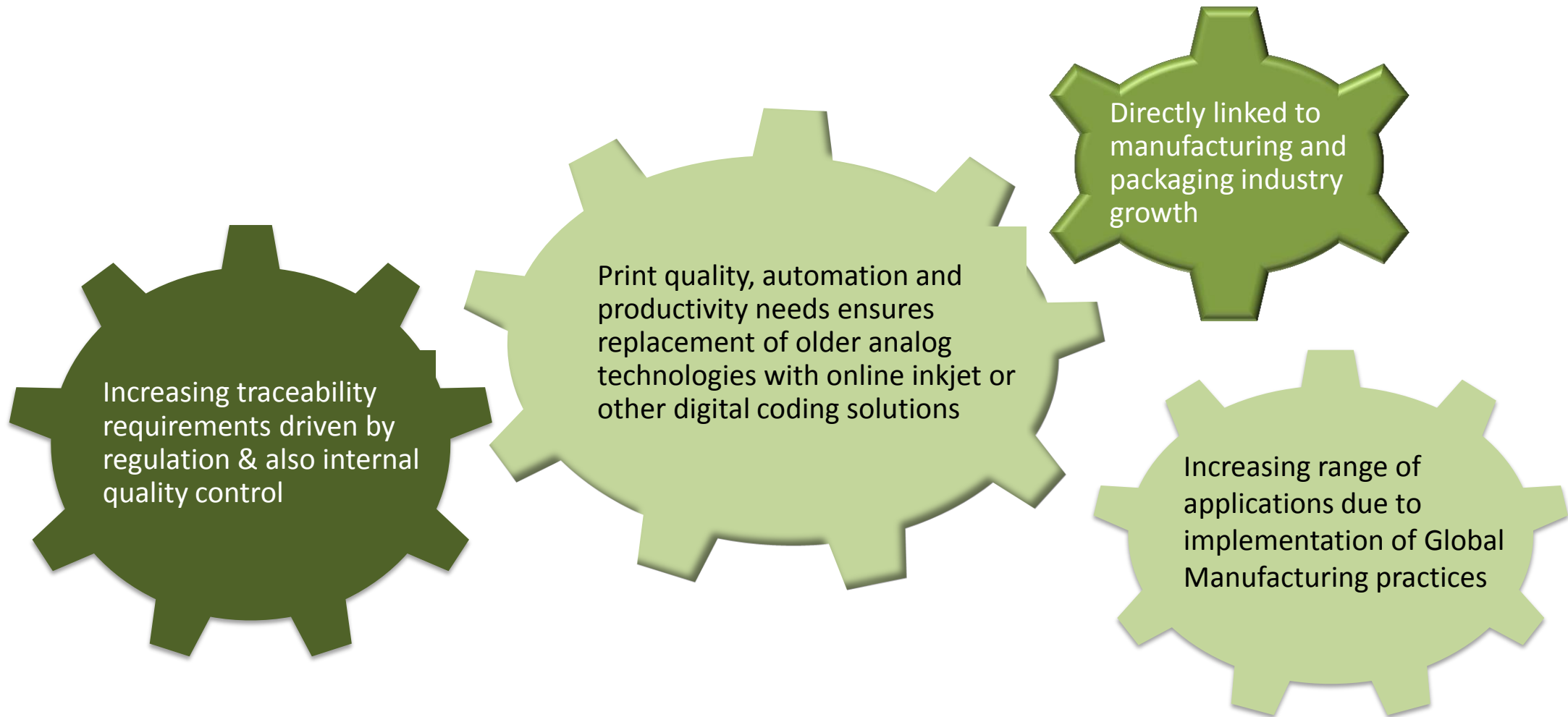
Industry Revenue break-up



Market Share (FY2015)



# Industry Growth Drivers



# Barriers to Entry

## Customer Loyalty

- Customer are inelastic towards having a second supplier for service, separate stocks and readiness to learn new systems
- 70%+ sales are from repeat customers for all major players

## Capital Intensive

- Comprehensive range of spares & printers to be stocked irrespective of individual sales
- Gestation period of 5 to 7 years mainly towards building a pan India Brand

## Pan India Reach

- Nationwide service structure with huge direct sales team
- Training and experience of ~ 2 years for an engineer to be able to handle breakdown calls independently

# Key Strengths

## Robust Business model

- Growth driven by innovation with sustained after market revenues from large installed base
- Extensive customer base with no dependence upon any one customer or sector
- Local manufacturing facilitating cost competitive supplies without any quality compromises

## Technical Expertise

- Tie-ups with individual “Best of Breed” partners for technology gives an edge over competition
- Strong engineering capabilities enables cost-effective offerings and complete packaged solutions tailored to meet the specific needs of customers

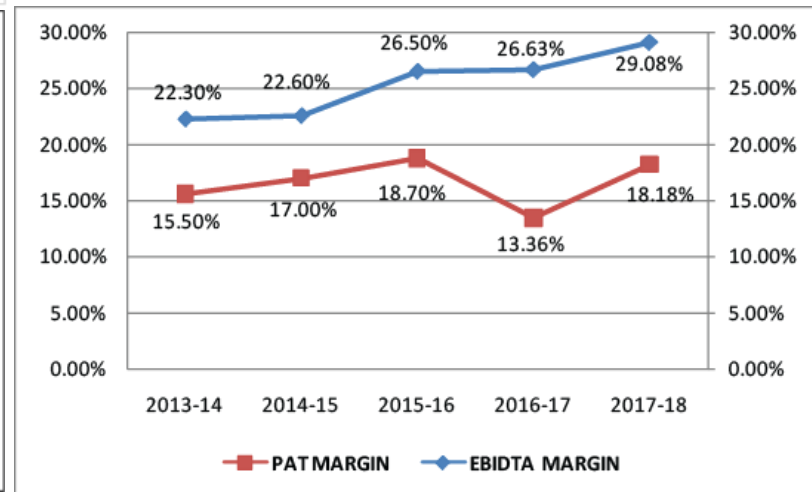
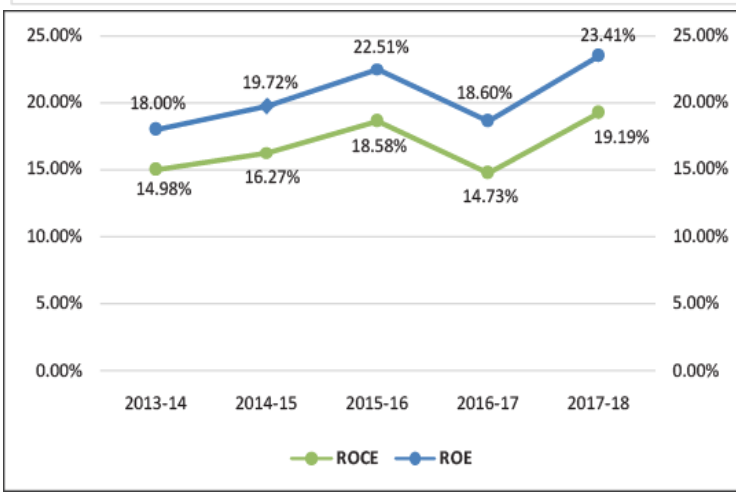
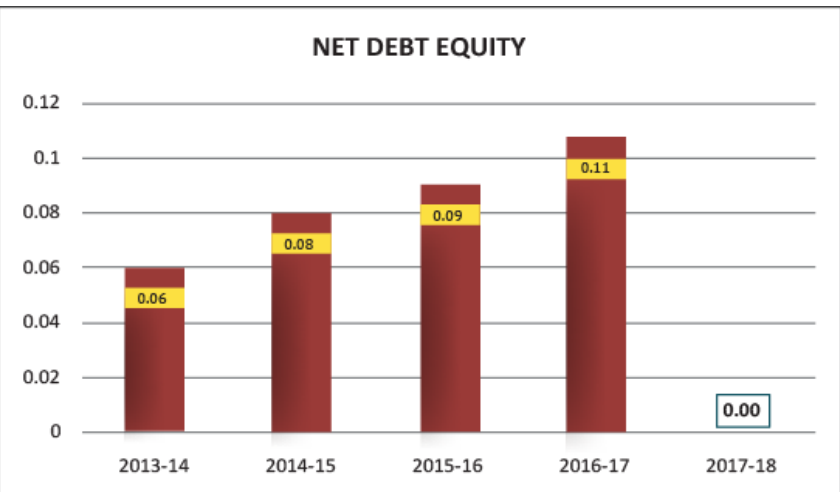
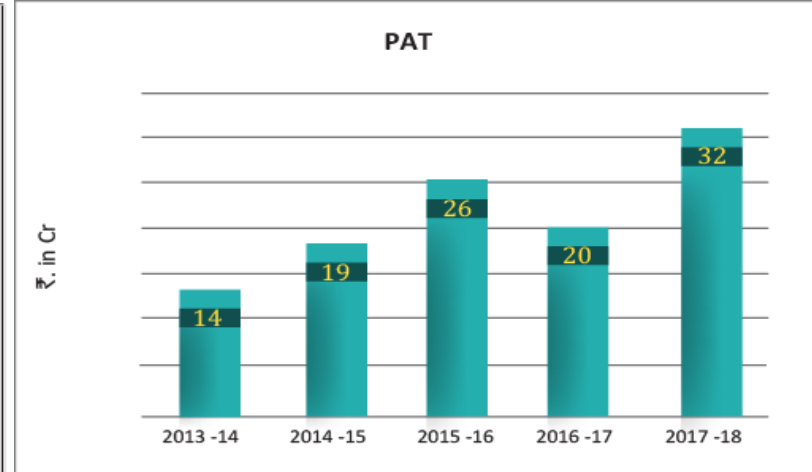
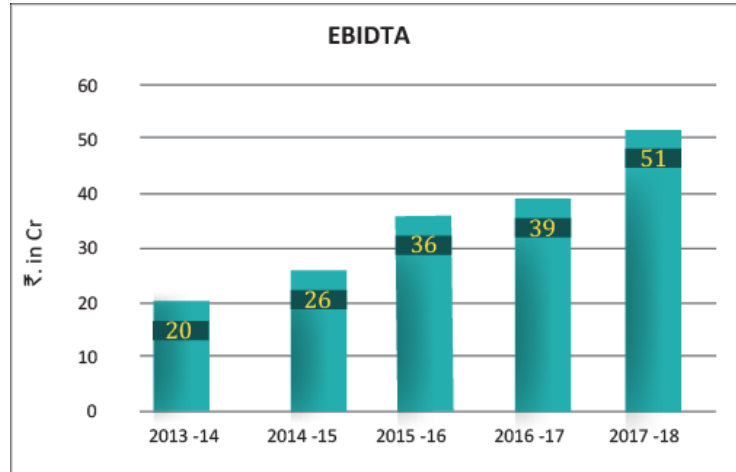
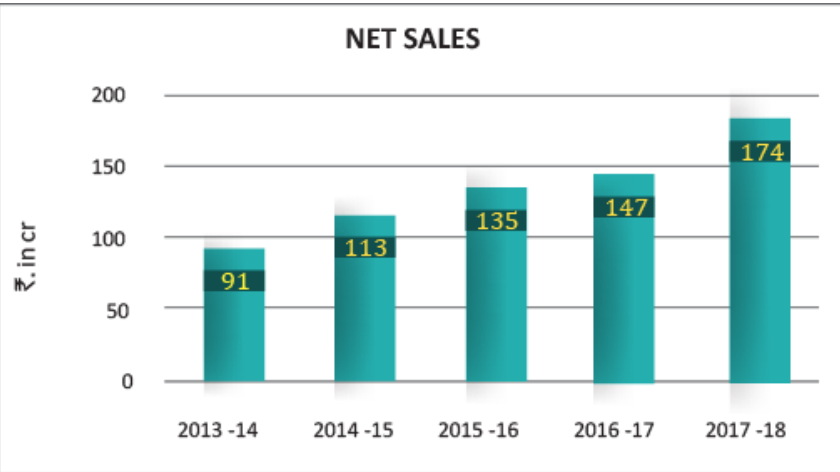
## Positioned for Growth

- Launching new products of TIJ Printer and High Resolution Piezo Inkjet Printer
- Marketing push to increase the visibility with the customers
- Leveraging Indian experience to tap new markets - Successfully entered Nepal and Bangladesh and actively developing a strategy to focus on African market and ASEAN countries

## Levers for margin expansion

- Localized production of certain inks to improve margins going ahead
- Implementation of RFID or Smartcard protection in all products to prevent counterfeits (revenue loss of ~20% in the consumables segment currently due to spurious sales)

# Financial Highlights



Note: Variations in Figures of F.Y. 2016-17 are due to transition to Ind AS Accounting



# Brief Annual Financials

Particulars (₹ in crore)	FY2017 - 18	FY2016 - 17	FY2015 - 16	FY 2014-15	FY2013-14
Net sales	173.93	147.82	134.50	115.50	92.90
Gross Profit	113.07	96.50	89.20	72.20	55.70
Gross margin (%)	65.01	65.28	66.30	64.00	61.20
EBITDA	50.58	39.36	35.70	25.60	20.30
EBITDA margin (%)	29.08	26.63	26.50	22.10	21.90
EBIT	39.81	27.09	33.00	23.60	19.10
PBT	38.51	26.04	34.30	26.90	19.40
PAT	31.62	19.75	25.20	18.40	14.10
PAT margin (%)	18.18	13.36	18.70	16.00	15.20
Earning Per Share (Rs.)	19.99	12.60	16.10	18.70	15.60
Dividend per Share (Rs.)	6.50	6.00	6.00	4.00	2.50
Share Capital	16.33	15.67	15.70	9.90	9.10
Networth	183.82	137.10	122.00	101.90	84.70
Total Debt	0.00	14.73	13.10	8.20	5.30
Net Fixed Assets	83.29	80.15	43.10	33.90	22.60
Net Current Assets	93.58	50.27	80.90	62.00	49.70

Note: FY17 & FY18 figures are as per Ind AS and the other year's figures are as per Ind GAAP

# Future Outlook

Potential for strong growth driven by regulatory requirement applicable across many sectors

Exponential sales growth expected in industries with low penetration due to conversion to C&M printers

Pegging for increased market share with higher Installed Base

New product launches of TIJ Printer, High Resolution Piezo Inkjet Printer and TTO Printer

Replacement market expected to generate good volumes

Focus on increasing marketing efforts and increasing visibility of the Company in India

Expand footprint in new Geographies like Africa and ASEAN countries

Спасибо Russian 多謝 Traditional Chinese Gracias Spanish  
**Thank You** Obrigado Brazilian Portuguese  
Grazie Italian DANKIE Dutch Danke German Merci French  
شكراً Arabic 多谢 Simplified Chinese 감사합니다 Korean  
ありがとうございました Japanese Ngiyabonga

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Andheri-Kurla Road, Marol Naka, Andheri (East),  
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