

From the Chairman's Desk

We are half way through our financial calendar and while the industry was abuzz with the news of a possible ban on single-use plastics (SUP) in the last few months, the announcement by The Hon'ble Prime Minister Shri Narendra Modi to phase out SUP by 2022 has thrown a great opportunity at UFlex, to create and implement our ideas to make a sustainable and plastic waste free environment.

As regards to our second quarter performance, **Consolidated Revenue during the quarter was INR 1875 cr and EBITDA rose by 5.4% to INR 279 cr YoY and EBITDA margins improved from 13.1% to 14.9% on Y-o-Y basis. The consolidated net profit fell marginally by 1.8% on YoY basis to INR 94 cr.** The Total Production Volume was 94218 MT as against 102442 MT during in Q2FY19, due to shifting of one BOPET line from Dubai to Russia which will be operational in Q4FY20.

Keeping in mind our commitment towards the planet and the changing needs of the consumer packaged goods' industry towards sustainable packaging, **equipping our clientele with a mix of recyclable and biodegradable products besides setting up of PCR facilities at our plants shall remain our big focus, this year**, over and above, our continuing efforts to advocate to the government and industry that MLP is 100% recyclable. UFlex USA plant is already certified by SCS Global for its minimum 90% post-consumer recycled (PCR) content PET film and **UFlex will gradually set up PCR facilities at some of its plants worldwide.**

UFlex is providing leadership to the industry and the industry association is proposing to set up a pilot plant which will showcase how to segregate municipal waste and recycle plastic waste and will surely address the negative perception around plastic, which is actually a boon material. These efforts will definitely help in reducing the plastic waste in the environment and create a truly circular plastic economy.

Ashok Chaturvedi
Chairman & Managing Director



From the Vice Chairman's Desk



UFlex has always lead the way with treading on the roads unknown and discovering the best of technology for a better future. As a plastic manufacturer, we are trying to achieve a world where one doesn't see plastic where it isn't supposed to be and are trying to get to that goal. Although it's a challenge, it needs a combination of technology, plastic and people to solve this problem. **This is where UFlex is paving the way with its global initiative 'Project Plastic Fix', designed to make the company part of a solution to keep plastic in the economy and out of the environment. This project advocates the message that plastic is a problem that can be solved and UFlex' existing solutions will be used, such that, plastic that the world has already manufactured gets recycled and reused in the economy, without affecting the ecology.**

With **Project Plastic Fix**, the only requirement from the consumer will be of getting the waste to the right place once, while the rest will be addressed with UFlex' different methodologies it has - Recycling and Reprocessing of MLP waste into Granules & Fuel; Make green packaging film Asclepius with waste plastic bottles and our soon to be launched 100% Biodegradable films. The project will make plastic waste problem fixable by attaching economic value to it.

Anantshree Chaturvedi
Vice Chairman & CEO - FlexFilms International

Financial Summary

(Consolidated)

(in INR Million)

| | 2 nd Quarter (1 st July - 30 th September) | | | Up to 2 nd Quarter (1 st April - 30 th September) | | |
|-------------------|---|-----------------|-----------------|--|---------------|-----------------|
| | Net Revenue | EBITDA | Net Profit | Net Revenue | EBITDA | Net Profit |
| FY 2019-20 | 18753 | 2788 | 940 | 38573 | 5561 | 1847 |
| FY 2018-19 | 20208 | 2646 | 957 | 39331 | 5198 | 1898 |
| % Change | (-) 7.2% | (+) 5.4% | (-) 1.8% | (-) 1.9% | (+) 7% | (-) 2.7% |



High Output Multi Lane Filling & Packing Machine for Stick Packs: Two versions of Multi-lane Fill & Pack machines **Stick Pack 200P & Stick Pack 200L** were launched by the engineering business for efficient packaging of **granule content like Sugar, Salt, Coffee Creamer etc. and Liquid content like Mayonnaise, Honey, Sauces, Tomato Ketchup etc.** Stick Pack 200P for packaging of powder & granules is equipped with a 5-track system leading to higher production capacity of 175 to 225 packs per minute, whereas for Stick Pack 200L, the 3 tracks can easily produce anywhere between 75 to 90 packs per minute.

The machines are ideal to pack a weight of 3 to 8gm and can run various combinations of multi-layer packaging substrates like PET, PE, Aluminium and Paper, depending on the packaging requirement.

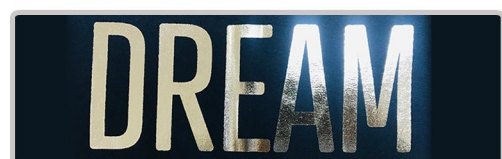
The new launch with additional benefits like easy operation of the machine, low maintenance cost and reduced energy consumption, has already found takers in India.

Introduces Solutions for Textile & Pharmaceutical Industry: The Holography business of UFlex launched a series of innovations designed for its customers in textile industry and pharmaceutical packaging:

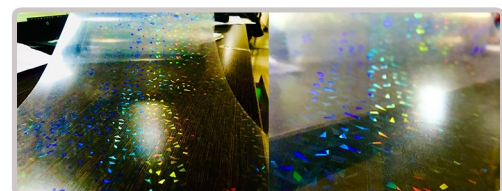
a. With already a majority stake in Sequin market in India, UFlex launched its variant of **Multicolor Printed Sequin for the Textile Industry**, which will further strengthen its position in this segment.



b. The indigenously built **Multi-wash Stamping Foil** by UFlex makes it the only architect of this product in the country and will also be exported outside India. The foil can withstand 7 washes without it being damaged, once the stamping is done on textile.



c. With the **foray of Transparent Holographic PVC** into Bangladesh's pharmaceutical packaging market, UFlex has become the first and only company in the world to develop this innovative product, that transfers holographic image to 250 micron PVC, not only enhancing the aesthetic appeal of pharma packs, but also providing an anti-counterfeit solution.



Accolades



1. UFlex won the title of India's Most Trusted Flexible Packaging Solutions Company 2019 by International Brand Consulting Corporation, USA

2. UFlex was named AON Best Employer Company on Employee Experience for 2019



Accolades Contd...

3. **UFlex Chemicals won 2nd International Award from Royal Society of Prevention of Accidents, UK for Good EHS practices**



4. **Best Jury Award in CII National Competition on Low Cost Automation for Productivity Improvement was awarded to the Chemicals Business of UFlex**



5. **Apex India Plant Efficiency Award 2019 conferred on UFlex Chemicals Business in the Platinum category**



Sustainability

UFlex has launched a pioneering sustainability global initiative '**Project Plastic Fix**', with the aim to clean up plastic waste and convert it into products that have an economic value, thereby creating a circular economy. In essence 'waste becomes wealth'.

UFlex will eradicate plastic waste in four distinct ways through a mix of various methodologies it already practices, such as, **Recycling plastic waste into granules further used to make over 10,000 household and industrial products like road dividers, outdoor furniture, dustbins and many more useful articles**; **Reprocessing plastic waste into fuel through a process called Pyrolysis that emits zero greenhouse emission**; **Collecting and converting plastic bottle waste into green upto 100% PCR grade packaging film Asclepius™**; and **Converting plastic waste into 100% biodegradable biomass with our new enzyme based technology**.



Also making Project Plastic Fix unique and different is that **waste collection will be done by individuals directly engaged by UFlex, thus eliminating the 'middleman' that typically would see the largest benefit from these transactions**. Importantly, **Project Plastic Fix** contributes to poverty alleviation as the person responsible for collecting and depositing the waste, receives the maximum return.

The project is being piloted in India, Poland and Mexico, to begin with. UFlex will be looking at additional locations along the U.S. East Coast and in the United Kingdom later.

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