

QUARTER THAT WAS 'APRIL 2022 – JUNE 2022' COMMUNIQUÉ AUGUST 2022

Message from the Chairman & Managing Director

The global headwinds arising from geo-political turbulence between Russia and Ukraine are posing a downside risk as crude oil, energy and food prices witnessed a sharp surge due to global supply chain disruptions. The galloping inflation arising from supply chain issues and easy monetary policies of last two years is also playing spoil-sport and the focus has shifted to taming inflation leading to unprecedented interest rate hikes by Central Banks across the world which will impact consumption. However, against this backdrop of fears of stagflation and recession, the flexible packaging industry has done reasonably well thus again proving its resilience to challenges.



At UFlex, we are amplifying our objectives to have backward integration for BOPET packaging films via a PET resin facility set up in Panipat (India) to ensure consistent availability of quality raw materials at reasonable prices that will help protect the margins. The project is likely to be commissioned by FY2026. The increased capacity of Aseptic Liquid Packaging plant was available during the quarter and thus helped the business achieve sales volume growth of 123% YoY.

Speaking on the numbers, in the quarter ending June 2022, UFlex registered consolidated total revenue of INR 4045.8 cr witnessing a growth of 46.5% YoY. The PAT stood at INR 374.5 cr up by 41.9% YoY and EBITDA grew by 44.3% YoY to reach INR 725 cr for the same period. Total production output rose by 14.8% YoY in the said quarter to reach 159793 MT; and Total sales volume stood at 154811 MT witnessing a jump of 15.7% YoY. Our Nigeria plant which was commissioned in Q2 of FY22 has ramped up well and achieved capacity utilisation of 70%+ in the quarter.

Moving forward, we will continue to create growth opportunities that deliver value to all our stakeholders while powering innovations in sustainable packaging that would propel our business as well as the society forward.

Ashok Chaturvedi
Chairman & Managing Director - UFlex Limited

Message from the Vice Chairman



The world is struggling with economic uncertainties which has dampened business confidence and investments globally, however I firmly believe that we will be able to get past these challenges sooner or later. Nonetheless in these ambiguous times, we should not lose sight of the big picture, underpinned by three core components at Flex Films. The first is **Research**, which is at the heart of all our innovations; next is **Accessibility**, which drives our strategy to have a global outreach and the last is **Trust**, without which no development can be expected to thrive.

Since ever, Flex Films has been helping customers navigate through the transitions in flexible packaging concepts, which have delivered value and virtue to help the brands connect with its consumers. Sadly, plastic swings between its irreplaceable need and undecided fate; hence, it is imperative for sustainability to bloom with a wider magnitude so that the very definition and use of plastics is perceived as a gift to the civilisation, and not taken otherwise.

As a leader in flexible packaging materials, there is no denying the fact that rising plastic waste is a global crisis. But, we must also acknowledge the fact that plastics have a significant contribution in reducing greenhouse gas emissions that contribute to climate change, and this earmarks our responsibility to keep a regular check on our waste streams.

British historian Robert Swan had once said that the greatest threat to our planet today is the belief that someone else will save it. As inhabitants of this world, we must take full responsibility for its upkeep. In a world rife with depleting resources and increasing waste generation, sustainability must extend beyond the business. Assuming this energy, Flex Films takes pride in "being the company of and for the world", as we liaise with every key stakeholder to unearth solutions to the most pressing ecological and social issues for the generations henceforth.

Anantshree Chaturvedi
Vice Chairman & CEO - Flex Films International

FINANCIAL SUMMARY - CONSOLIDATED

(IN INR MILLION)

	1 st Quarter (1 st April 2022 - 30 th June 2022)		
	Total Revenue	EBITDA	Net Profit
FY 2022-23	40458	7250	3745
FY 2021-22	27612	5024	2640
% Change	(+) 46.5%	(+) 44.3%	(+) 41.9%

In the quarter, UFlex steered the path of innovation by bringing a host of solutions that makes a good combination of sustainability and value-addition.

Flexible Packaging Business

3D Pouch with Registered Window Metallization for Premium Brown Sugar by Triveni Engineering: After its recent success with Triveni Engineering for the packing of its premium crystal sugar, UFlex has come up with a three-layered 3D pouch with registered metallization for their premium brown sugar. The pack's structure is made of PET / Window MET PET and NAT PE. Its structure provides a metallic sheen look to the pack while allowing consumers to see the packed content that helps them make an instant buying decision. Owing to its 3D structure, the brand leverages on pack's standability at the base, and a side gusset that positions its premium brown sugar packs uniquely on the retail shelves.



Profile Spout Pouch with Re-closable Option & Easy Pour Experience for BB Royal Cold-press Cooking Oil: Conventionally, edible oil has been packed in either a regular pouch or a rigid bottle. Such packaging formats often offer limited differentiation on the shelves for buy as well as its use that sometimes could be quite cumbersome with oil spilling while pouring it. This development made by UFlex for BB Royal Organic Edible Oil is a unique offering for edible oil packaging applications in which the structure is made of PET / BON / PE with a spout for easy pour experience. This structure has emerged as a viable solution for packaging edible oil, and successfully replaces the need for rigid containers. Beyond convenience and striking aesthetics, its 3-ply packaging structure offers good standability that creates a unique shelf appeal on the retail shelves. The elegant look of the pack is achieved through a profiled format.



3D Pouch with Paper-based Barrier Laminate for Beachville Coffee Roaster: Around the world, coffee lovers have known to form an initial connect with their favourite coffee by its aroma. With the growing need for sustainability across the segments, coffee brands are turning towards more eco-friendly packaging formats like paper-based ones with attractive designs that make them stand out on the retail shelves. On these lines, UFlex has developed a unique pack for Beachville Coffee Roaster with a standable pack structure that offers good barrier properties to keep the packed coffee in the desired state. Its one side valve helps retain freshness of the coffee and prevents extraneous factors like moisture, air and more from affecting the quality of the packed content.



Packaging Films Business

PET-based Silica Master-batch Solution for BOPET film: The packaging films business has enhanced the handling methodology of BOPET films with the development of a new PET Silica master-batch solution that controls anti-blocking properties in BOPET film development. So far, the flexible packaging business had been using 6,000 ppm to 10,000 ppm of Silica chips that comprises of 7.5% to 12.5% dosing used of silica chips for film production that facilitates easy roll handling and prevents the film from blocking hazards like rippling, wrinkles and other. With the development of this value enriched Silica Masterbatch solution with upto 40,000 and 60,000 ppm, the packaging films business has not only achieved higher anti-blocking properties but has also been successful to make a significant reduction in production cost. Additionally with this development, the packaging films business has been able to lower down the dosage level to 1-2% for film manufacturers.

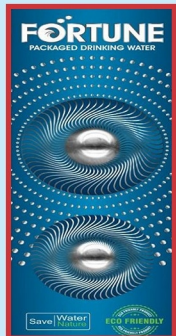


Holography Business

Multi-coloured Holographic Textile Foil with New Pattern for Enhanced Aesthetics: The post COVID period has witnessed the emergence of a significant trend in the holographic material application field. Fashion brands are on a constant lookout for recognition by the use of new, attractive bright and shiny reflective materials that scream for attention and signify nothing less than a celebration. Radiating an extremely futuristic vibe, the foil-effect fabric has taken the fashion industry by storm. With this trend, fashion gets enhanced into a joyous atmosphere of reflection and radiance, making it more eye-catching and vibrant. Catering to the demand for aesthetic rich development in the textile space, the company has developed an array of appealing textile foil options that can stunningly make brands stand out. This development has gained acceptance of many textile brands.



Fresnel Lens Self-Adhesive Holographic Labelling Solution to Prevent Counterfeiting & Enhance Aesthetics: Taking note of the pain area of brands on rising counterfeiting cases that jeopardise business interest coupled with the need for premium product positioning, UFlex has integrated Registered Fresnel Lens Technology in labelling solution to give a premium look by placing two lenses at the middle and bottom of the label. The Fresnel lens used on the printed area reflects light at multiple angles providing 3-dimensional depth and look to the product. The combination of a Fresnel lens that is reflective from various angles along with vibrant printing produces an effect that is both aesthetically striking and instantly recognizable for scrutiny. The printing technology combines two major features; the first is the registered holographic substrate while the second involves doing a precise re-registration printing on the same substrate, making it next to impossible to replicate using a compromised set-up. This application is used across several industry verticals such as FMCG, Automobile, Lubricants, Apparel, Liquor, Agro Chemicals, Personal Care and Electronics.



Plastic-grade Hot Stamping Foil for Premium Aesthetics on Stationary Products: In the competitive business landscape, Plastic Grade Hot Stamping foil is gaining widespread prominence as it adds a glow to products' appearance to make it stand out on the retail shelves. To help brands elevate their products' look and make it grab attention, UFlex has developed Plastic-grade Hot Stamping Foil solution that is used for a very wide range of applications. This special plastic grade foil is suitable for plastic surfaces such as PVC and PP. It is widely used for writing instruments, picture frames, wall clocks, etc. This development is witnessing big orders especially from the stationery segment.



TOROSLIT-1650, a High-speed Turret Slitter for Wide Web Widths: With demand for packaging film on the rise, the need for a high-speed and high-performance slitter that overcomes the limitations of conventional slitters has been gaining importance. To meet the demand for high-quality slitters, UFlex has developed a high-speed turret slitter with a web width of 1650mm. TOROSLIT-1650 overcomes the shortcomings of conventional slitters that were observed during pancake applications. It is a floor lifting, self-shaft chucking, tool-less unwinder that ensures perfect tension control and winding even while handling low gauge films ranging from 8 microns onwards. The fast and continuous change over from rotary cutter to razor cutter, further adds to the operators comfort while using the machine. This slitter comes with a turret type auto splicing re-winder with a quick and automated roll removal system. Its compact design is a big advantage that keeps from the need of large spaces for installation. Furthermore, adding to the accuracy and productivity are its automated blades placed at the core position that elevates overall slitting experience. Owing to its advantages, TOROSLIT-1650 is fast emerging as the preferred slitter for the packaging film manufacturers worldwide.



FLEXBOND SF WET LM 35 Water-based Adhesive for Wet Lamination Application: UFlex has developed FLEXBOND SF WET LM 35, a water-based synthetic adhesive designed mainly for wet lamination of clear BOPP & PVC films to paper or duplex board applications with manual or semi-automatic machines. This adhesive when used on paper or duplex board offers excellent gloss and bond strength and can be applied via a smooth roller-coater. Being water-based, this product helps brand enhance their green footprint.



Retort grade 2K PU Adhesive FLEXCOTE HP 875/ FLEXCOTE HP 75: With growing demand for ready-to-eat food, the need for retort packaging formats is witnessing a sharp surge. Retort packaging formats allow packed foods to be warmed within the pack to be made ready for consumption. However, to strengthen the structure, adhesives play a major role in keeping retort properties intact, even when it comes in contact with boiling water. Understanding the requirements of retort pouching, the company has developed a 2-pack solvent-based PU adhesive specially designed for high-end retort pouch applications. Due to its super strong adhesion, the pack can resist a boiling temperature of 131°C for 30 minutes with upto 2 kilograms of packed pressure. This development is most suitable for food and pharma packaging applications.



Awards & Accolades



Won 'Outstanding Work in Circularity Award in Large Enterprises' title at the Indian Circular Economy Forum ACE Award 2022.

The only packaging manufacturer to be featured amongst top 200 of BW BusinessWorld India's Most Sustainable Companies 2021.



Was awarded as the 'Best Organization in HR Practices' at the National Management Summit 2022 organized by Top Rankers Management Club.



The Chemicals business was acknowledged with a 'Certificate of Special Recognition' by CII at for its Environment Health & Safety Practices at the Northern Region EHS Competition.



Connect with Us

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