

# QUARTER THAT WAS 'OCTOBER 2020 – DECEMBER 2020' COMMUNIQUÉ FEBRUARY 2021



## Message from Chairman & Managing Director's Desk

The past year was full of challenges, the pandemic brought in extraordinary circumstances that we had never imagined of. With our hands on approach, not only were we able to overcome these challenges but also discover new opportunities and avenues for growth, in these times. With the vaccination drive that has already begun, 2021 will be the year that shall see a rebound in consumer confidence with pent-up demand being unleashed across all segments. This will certainly accelerate the demand for flexible packaging, which has been serving the core sectors even during the pandemic.

In line with our plans to expand our business and manufacturing capabilities further, a landmark we accomplished in the quarter was **commissioning of our new 10.4 meter wide BOPET line in Poland with a production capacity of 45,000 TPA**. In India, after a gap of 16 years, **we are now adding capacity for packaging films and are setting up a greenfield plant in Karnataka that will house a BOPET and CPP line with cumulative production capacity of 63,000 TPA** enabling us to serve a large base of our clients located in South India. **We are also expanding outside India with plans to set up brownfield CPP film line at our UAE plant that will add a production capacity of 18,000 TPA**. With growing demand from our patrons for holographic aseptic packaging, we are on our way to realize our vision of doubling the capacity of our plant in Sanand from existing 3.5bn packs to 7bn packs per annum.



Continuing a streak of healthy performance, **our Consolidated Net Profit for Q3 FY2020-21 grew by 89% YoY to INR 159.9 crore and Consolidated EBITDA jumped by 50.8% YoY to INR 416.7 crore. Consolidated Revenue for the third quarter of the fiscal 2020-21 stood at INR 2111.1 crore, an increase of 17.2% YoY. Total Production Volume during Q3 FY2020-21 was 110918 metric tonnes (MT) registering a growth of 19.1% YoY whereas Total Sales Volume was 111513 MT, an increase of 21.4% YoY.**

This year is an important one for UFlex with our new plants getting commissioned and more sustainability offerings to be unveiled. As part of our endeavor to build a legacy of quality packaging for a safer tomorrow, we strive to outperform our own benchmarks and be remembered for years as an enterprise that raised the bar of flexible packaging.

**Ashok Chaturvedi**

**Chairman & Managing Director - UFlex Group**

## Message from the Vice Chairman's Desk



**"You never know how strong you are until being strong is the only choice you have." – Bob Marley** Indeed, FlexFilms has stood strong against the backdrop of pandemic to march ahead and take on markets' demand with zeal and vigor. Our plants have been operating at almost full utilization at all our locations worldwide and to meet the burgeoning demand for packaging materials from our patrons (experienced due to a paradigm shift in consumer behavior), not only have we continued with non-stop production but have also started new lines, despite the global unrest. This quarter saw the **addition of a new BOPET film line at our Poland facility that will ramp up our production capacity in European Union region by over two-folds**. Moreover, we are **increasing our production in UAE plant as well**.

We have also been experiencing a renewed interest in **our sustainable products like Asclepius** due to more people working from home and having the time and opportunity to investigate these products further. Towards this, we are doing rigorous research to replace fossil fuel with PCR grade and **also minimize plastic waste to produce revolutionary green film materials** that shall gain favor with our customers and planet, as we put this pandemic behind us.

With time rolling, our energies will be focused on **bolstering our product portfolio and executing our expansion plans of locations & facilities to widen our outreach**. With our foresightedness, the hard work of our personnel and our unflinching emphasis on sustainability, FlexFilms is poised for a **future that is more profitable, greener and brighter than ever**.

**Anantshree Chaturvedi**

**Vice Chairman & CEO - FlexFilms International**

(in INR Million)

## FINANCIAL SUMMARY - CONSOLIDATED

	3 <sup>rd</sup> Quarter (1 <sup>st</sup> October- 31 <sup>st</sup> December 2020)			Up to 3 <sup>rd</sup> Quarter (1 <sup>st</sup> April - 31 <sup>st</sup> December 2020)		
	Net Revenue	EBITDA	Net Profit	Net Revenue	EBITDA	Net Profit
<b>FY 2020-21</b>	21111	4167	1599	63431	13106	5782
<b>FY 2019-20</b>	18013	2764	846	56586	8325	2693
<b>% Change</b>	<b>(+) 17.2%</b>	<b>(+) 50.8%</b>	<b>(+) 89%</b>	<b>(+) 12.1%</b>	<b>(+) 57.4%</b>	<b>(+) 114.7%</b>



UFlex introduced a host of new product innovations & developments to set a benchmark for the packaging sector:-

## Engineering Business:

**A New Variant of Secondary Slitter Developed:** UFlex introduced 'ACCU ECOSLIT 30', a secondary slitter with a capability to slit 3000 meters wide web powered with a capacity for slitting into six ups with a speed of upto 800mpm, making the company the only Indian Manufacturer to engineer such a kind of machine.



**A Machine that Seals the Bag and its Counterfeiting Challenges:** In some markets, pouches and bags are stitched after filling of product making it vulnerable to counterfeits as it is easy to unstitch, replace the product and stitch back the pouch for retailing. To fix this issue, UFlex has developed a Bag-Sealing machine 'WS 535' that replaces stitching with sealing. Moreover, this all-in-one bag sealing machine fits many applications, laminate structures & bag dimensions and delivers clean seals and enhanced look and feel of the bag/pouch to the customers.



## Chemicals Business:



**Alcohol based Dual Purpose Sanitizer:** Continuing its expansion of product portfolio to fight Covid-19, UFlex launched dual purpose alcohol based hand sanitizer 'FLEXGUARD-I' that contains Isopropyl Alcohol IP-75% V/V and complies with WHO guidelines. This skin-friendly sanitizer can be used to clean hands as well as surfaces and is being supplied via bulk distributors for commercial purpose.



**Patent for New Process to Derive Epoxy Ester Resin:** UFlex secured a patent for a new process to derive Epoxy Ester Resin following the provisions of the Patents Act, 1970. This is the first patent for Chemicals business ever in India and will ensure technical advancement in providing a process for resin preparation without the need for waste water treatment, a significant move in the direction of sustainability.



**Solvent based PU Adhesive for Velcro Application:** The vertical developed a solvent based two components PU adhesive that is specially designed to provide stiffness to velcro after application to hook & loop fastener. Its best use is in orthopaedic, apparel and footwear industry segments.



**Water-based Oxygen barrier Coating for Food Packaging Application:** UFlex launched a water-based oxygen barrier coating 'FLEXCOAT UF0008' for food packaging to achieve oxygen barrier properties on BOPP and CPP films. This coating provides extended shelf life to food packed and is suitable for use in snack packaging segments like noodles, potato chips, cookies, etc.

## Cylinders Business:

**Rotogravure Printing Cylinder for Watermark on Steel Sheets:** UFlex manufactured watermark printing cylinders on steel sheets by its state-of-the-art laser engraving line making the company the first Indian manufacturer to achieve this feat.

This process has been a challenge in the past as the pigments of steel sheet paint are substantially different in size and shape as compared to conventional gravure inks, therefore rotogravure printing on metal substrates was critical and that too with minimum depositions effect required for watermark. The customization of cell geometry (in the form of a hexagonal honey comb cell structure) of the rotogravure cylinder on direct laser engraving line is the task here as the pigments of the steel paint inks have a tendency to get stuck inside the cells of the engraved cylinder (cell filling). This breakthrough will be beneficial for brands and will enhance the products' image.





**Matt finish 3D Pouches Packed with Value-added Features:** UFlex developed six variants of matt finish film based 3D pouches to pack coffee beans for Al Fanoos Coffee in the Saudi Arabian and Gulf markets. The BOPP, PET, PE structure pouch holds myriad features such as 3D design for shelf impact, Hot Stamp to prevent from counterfeiting forces, Slider Zipper that promotes reusability at the point of consumption, a Breathing Valve that allows excess gas to exit from the pack such that packed contents remains fresh for a longer duration, a See-through Window on the side, and a Side Handle that allows easy carriage. With all these features packed in, this pouch is a perfect combination to add value and convenience to brands as well as consumers.



**Easy Tear Laminate for Sanitizers:** With the demand for sanitizers and disinfectants still booming due to Corona virus scare, the vertical developed two variants of easy tear laminate for I2Cure BioShield Lotion that allows easy dispensation of alcohol-free sanitizer. With the lotion being Halal certified, it has been receiving a lot of interest from Middle East, South Asian and Indian markets.



**Jumbo Bags for Proamino-T Poultry Feed:** The jumbo bags for packing poultry feed are one of the few bulk bags in non-woven format with high tensile strength and weather resistance. The bag that is developed for Indian market offers durability and convenience of carriage with safety, despite its capacity to carry mass quantity.



**R&D Successfully Commercialised Many of its Solutions:** The R&D team of Flexible Packaging business works closely with many brands to offer them bespoke solutions besides constantly creating new solutions based on market research. With its extensive findings, quite a few of the innovations were successfully commercialised:



- Easy to peel strength pouches for PS Kona WB Coffee in which the peel strength has been customized with regulated opening force.
- Paper foil based laminated film for packing seasoning mix for Kroger Ranch Salad Dressing & Seasoning Mix.
- Replaced PET in EVoH based BOPP film structure to make it a recyclable Monopolymer laminate for Purina Dog Chow PET Food.
- Special PET + PET based retort pouches replaced previously used oriented nylon for packaging of pre-cooked rice for TJ Morris. The replacement in structure has led to cost saving for the brand.

Holography Business:

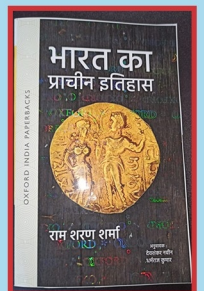


**Holographic Aluminium Lidding Foil for Pharma Industry:** In order to arrest the counterfeiting threats in pharma sector, the vertical developed robust anti-counterfeiting solution through holographic lidding foil commonly used for blister packs. The holographic foil has overt features which are easily recognizable to the end user. The foil also allows use of covert features on this solution lending authenticity to pharma company drugs.



**Holographic Film for Ghee Packaging:** Ghee is a part of daily consumption in every household and is highly prone to counterfeiting. In order to fight the menace of duplication, UFlex has developed a customised Holographic Film for outer carton packaging replacing the use of plain metalized film laminated cartons for a prominent ghee brand thereby helping differentiate pure ghee from the fakes. Anti-counterfeiting features are engrained in this film's design, such that it not just prevents it from counterfeiting but also offers a unique look to the carton and adds shelf impact.

**Holographic Thermal Film for Books & Publication:** The Publication Industry is one of the worst victims of counterfeiting where duplicators impinge sales by undercutting price and damage authentic brand reputation. In order to address publications' concern, an eco-friendly transparent holographic thermal film was developed for lamination on book covers that besides protecting it from counterfeiting, also boosts the aesthetics with excellent gloss on book, enhances cover transparency and fosters good bond strength.







RANK	2019	2020	COMPANY	CITY	REVENUE ₹ crore	TOP CHG(%)
181	204	181	APL APPLIANCE	Delhi-NCR	7,881.08	8.47
182	276	182	INDIAN RAILWAY	Mumbai	2,978.87	10.94
183	183	183	MAHINDRA & MAHINDRA	Mumbai	2,855.30	4.40
184	230	184	BAFL INDIA	Mumbai	2,848.82	23.25
185	294	185	SHREE RANGA SUGARS	Bhopal	2,802.53	49.23
186	166	186	CSFC	Vadodra	2,695.24	-6.80
187	220	187	WINDPOOL OF INDIA	Pune	2,645.82	14.40
188	188	188	APAR INDUSTRIES	Vadodra	2,524.97	4.89
189	254	189	HINDCO	Delhi-NCR	2,511.84	15.42
190	180	190	UFLEX	Delhi-NCR	2,481.24	-6.01
191	275	191	ALLCARGO LOGISTICS	Mumbai	2,464.14	7.65
192	190	192	SIR	Delhi-NCR	2,453.47	2.28
193	271	193	ABIR INDIA	Bengaluru	2,432.07	5.03
194	200	194	PUBLICITE INDUSTRIES	Mumbai	2,425.71	1.87
195	220	195	DEUTSCHE BANK	Delhi-NCR	2,386.05	5.85

1. UFlex was the only packaging company amongst top 200 of Fortune 500 India's Largest Corporation List.



2. Three innovations from FlexFilms USA make it to winners list of WorldStar Packaging Awards 2021 :

- a) F-STF Ultra Soft Super Durable BOPET Film for Luxury Products
- b) Asclepius™ PCR based BOPET Film for Food Packaging
- c) F-HBP-M Metallized High Barrier BOPET Film for Food Packaging

3. Asepto, the Liquid Packaging Business of UFlex awarded as one of 'The Most Admired Brand of 2020' by White Page International.



4. UFlex CMD Ashok Chaturvedi and its Liquid Packaging Business President & CEO Ashwani Sharma honored as 'Inspirational Leaders of India 2020' by White Page International.

## CONNECT WITH US

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