

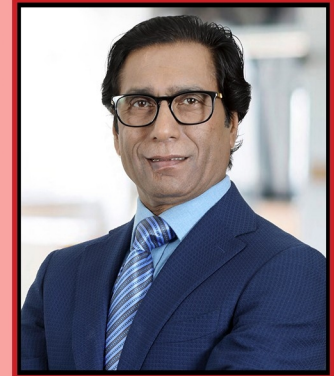
# QUARTER THAT WAS 'JANUARY 2021 – MARCH 2021' COMMUNIQUÉ JUNE 2021



## From the Chairman's Desk:

The year that went by reinforced UFlex brand slogan 'A part of your daily life' as the COVID-19 pandemic subsequent waves again threw unprecedented challenges and constraints, yet UFlex rose above these challenges to achieve the **highest ever production & sales volumes, revenue and profitability in Q4 as well as in FY2020-21**. Moreover, UFlex commissioned its brownfield projects in Poland (BOPET films) & Egypt (BOPP films) and re-commissioned BOPET film line at Russia.

The pandemic did not dampen our focus on **environmental, social and governance (ESG)** practices and we continued to accentuate our efforts on this front. After the success of post-consumer multi-layer mixed plastic waste and PET bottle waste recycling lines at Noida (India), we are in the process of replicating these at our overseas locations, at an even larger scale. At our Mexico facility, we are setting up a plant to **upcycle post-consumer PET bottles waste into high recycled content polyester PCR films**, for flexible packaging applications and also propose to set up facilities to **recycle post-consumer multi-layer mixed plastic waste to make molded, injection molded and extrusion molded components**, both of which shall contribute to a circular plastic economy. In Poland, again, we are setting up plant to recycle post-consumer multi-layered mixed plastic waste to make molded, injection molded and extrusion molded components. Our efforts on biodegradable packaging films have also made substantial progress and we believe that the future of flexible packaging will be defined by combination of Biodegradable and Recyclable packaging.



Apart from our already announced Greenfield BOPET and CPP packaging films lines at Dharwad, India and Brownfield CPP packaging film line in Dubai, we are doubling the capacity of our aseptic packaging business at Sanand, India to 7 bln packs per annum by setting up an additional printing line with an outlay INR 120 cr approx. as the existing capacity is likely to be constrained soon.

Putting the numbers in perspective, in Q4 FY2020-21, **UFlex recorded a surge of 163% YoY to report consolidated net profit at INR 264.7 cr whereas our consolidated EBITDA rose by 87% YoY to INR 516.4 cr**. The consolidated total revenue for the quarter stood at INR 2571.8 cr, a rise of 45.1% YoY. While the total production volume for Q4FY20-21 stood at 126822 MT registering a growth of 33.7% YoY, the total sales volume for the same period was 136429 MT, an increase of 43.5% YoY. We strive to surpass these achievements in FY22 and beyond driven by commissioning of packaging films lines in Nigeria and Hungary and increased capacity utilisation levels at Poland and Egypt facilities.

**Ashok Chaturvedi**

**Chairman & Managing Director - UFlex Group**

## Message from Vice Chairman's desk:

COVID-19 pandemic is the biggest challenge that the global community has faced in recent memory, so far. It sent the world in a tizzy and came with its own set of challenges. For some, it was a moment of reflection, or reconnection. For FlexFilms, a farsighted approach, agility and responsiveness took center stage to match the sudden spike in packaging materials demand that required us to chalk out alternate plans to ensure consistent supply and safety of our teammates.

We turned towards '**thinking locally, acting globally**' and that helped us turn the corner. A year when new projects and products for many businesses were stalled, FlexFilms commissioned three of its projects - a BOPET film line in Russia and Poland each, and a BOPP film line in Egypt - with the backing of UFlex and local resources, thus having a wider reach, globally.

I am a strong believer of statistics and cold data alone not being the sole indicator of any business growth, but also how much 'real good' can that business induce in culture and society. At FlexFilms, we have always placed sustainability at the zenith and have taken inspirational cues to develop packaging material for the safety of the planet and its civilization. Going further, we are looking to develop packaging materials and technologies that are more and more eco-friendly, that tells a story about how the product was packaged, and one that finds its purpose beyond its original use.

Extending our **global sustainability campaign Project Plastic Fix**, our Mexico plant will be ready with capabilities to recycle post-consumer multi-layer mixed plastic and PET bottles waste, and make Asclepius™ film out of the latter. We will have a similar set up in Poland as well to recycle post-consumer multi-layer mixed plastic waste.

I see the future of packaging commodities space as a goldmine of uncountable opportunities. Our path to progress encompasses- economic, environmental, cultural, and equitable growth - and one that will undergird our commitment to drive sustainable, long-term, incremental value to each of our stakeholders.

*"We can't become what we need to be by remaining what we are." - Oprah Winfrey*



**Anantshree Chaturvedi**

**Vice Chairman & CEO - FlexFilms International**

**The Board has recommended 25% Dividend**

## FINANCIAL SUMMARY - CONSOLIDATED

(in INR Million)

	4 <sup>th</sup> Quarter (1 <sup>st</sup> January 2021 - 31 <sup>st</sup> March 2021)			Full Financial Year (1 <sup>st</sup> April 2020- 31 <sup>st</sup> March 2021)		
	Net Revenue	EBITDA	Net Profit	Net Revenue	EBITDA	Net Profit
<b>FY 2020-21</b>	25718	5164	2647	89149	18270	8429
<b>FY 2019-20</b>	17730	2764	1006	74316	11089	3698
<b>% Change</b>	<b>(+) 45.1%</b>	<b>(+) 87%</b>	<b>(+) 163%</b>	<b>(+) 20%</b>	<b>(+) 64.8%</b>	<b>(+) 128%</b>

**UFlex steered the path of innovation by unveiling a range of new products and solutions,**

**Flexible Packaging Business**

**New sustainable laminate structure with reduced plastic use:** With sustainability and green packaging driving our innovations, the Flexible Packaging business made progress in introducing a new laminate structure with reduced thickness of 3.0 gsm as compared to current 10 gsm extrusion thickness, without compromising on its barrier and other functional properties. The new laminate offers good machinability and increased laminate yield. The technology used has helped reduce the plastic content by over 10%. One of our patrons earlier using 58 GSM three-ply packaging structure for snack packaging has switched to the new structure, thus moving a step closer to their sustainability goals.



**Improved packaging structure for Paper Boat Swing 150 ml juice range:** Global supply chains have been disrupted ever since the outbreak of COVID-19 hurting various sectors. With uncertainty looming over the end of the pandemic phase, more and more companies are reducing their dependence on imports. Besides helping them de-risk their supply chain, this move also helps save cost. Realising the need to be *atmanirbhar*, UFlex has developed a flexible packaging structure for Paper Boat Swing 150 ml artificial juice range by replacing BON, which had to be imported earlier, with ISOPET which UFlex manufactures in-house. Overcoming uncertainties on supply chain operations, it enjoys reduced turnaround time of 7 days as against 110 days of earlier process. This has helped the Paper Boat enjoy substantial cost benefits. Moreover, the revised structure stands at par with similar qualitative attributes which the old structure of the pack offered.



**Revamped structure for fast-food packaging:** For little hunger & quick bites, noodles form the instant serving in many households worldwide. However noodle brands still have a long way to go to improve their handling and shelf-appeal at the retail stores. Understanding the pain areas of the brand *Ching's Secret* for packaging of *hakka noodles* that faced issues like pack puncture, noodles poking from the pack and dearth of instant connect with the consumer, UFlex developed a new polymer recipe with 15 micron TFP PET and special texture coating with register spot gloss & metal reflective shiny effect. The new structure is high dart puncture resistant and the surface of the pack reflects a combination of sheen along with an engrained noodle-like matte effect. This development has helped *Ching's Secret* present their packs more confidently on the retail shelves.



**Spout packaging format for decoction coffee:** Sealing the aroma of a perfectly brewed decoction coffee, the spout pouches developed by UFlex for packaging of filter coffee decoction by *Araku Beverages* is a move to make decoction coffee available as fresh and strongly flavoured as made at home. The stand-up spout pouch allows retaining the authentic flavour and aroma of decoction coffee for a longer time and lets easy dispensation at the consumer's end. In addition to this, the pack offers excellent shelf appeal and strengthens the brand image for *Araku*. This product, due to its packaging, is gaining huge interest in South India.



**Holography Business**



**Token for paint industry:** An innovative product application from Holography business of UFlex to help brands engage with their customers, this holographic token placed inside each paint container is intended for trade promotions which can be redeemed at any paint retailer or wholesaler for cash prizes. UFlex has developed a special grade lamination film which has non-repellent properties with good adhesion and remains durable for a longer period, and prevents the paper inside the token from getting soiled. This application implies both side critical lamination process and is widely used in the paint industry.



**Patch embroidery with hot melt film for textile industry:** The Indian bridal wear industry is growing at a swift rate and is anticipated to become the largest wedding market in the world. The wedding trousseau industry however needs to keep reinventing itself with latest trends and value offerings. Adding variety to the high-end bridal industry, UFlex has crafted a new product application for hot melt film where various shapes and designs are cut through laser cutting machines and then applied onto garments by 'heat & pressure process'. This is followed up with embroidery on the edges of the patch. With this addition, the Hot Melt portfolio is anticipated to witness growth in demand by upto 15% as normalcy returns and Indian wedding market see a spike.



**CPP glitter film for décor:** Used as lamination film on premium decorative boxes, this new product launch from Holography offers multiple applications on fancy and rigid boxes used for jewellery boxes, luxury clothing packaging and wedding boxes.

## Engineering Business

**Three new applications established in multi-track machines for sachet market:** In order to match pace with the growth of single serve sachet market also known as the 'coin market', the Engineering business has adapted its Multi-track machines to establish three new applications in one machine, which allows to pack two solids (sugar and noodle seasoning) and one liquid product (ketchup). The advanced Multi-track machine, which has already bagged a few commercial orders, meets the parameters of secured packing, product flow, accurate filling of weight and cost effective packaging thus delivering enhanced performance in sachet packing.



**Non-stop turret based slitting machine for BOPP pancake:** The Engineering business also developed Toroslit 2250, which is a non-stop turret based slitting machine. The machine efficiently slits large quantities of BOPP film pancakes at a speed of 700 meters per minute.



**Solvent-less Laminator with registered lamination:** The new Solvent-less Laminator is designed to meet the requirement of registered lamination of window metalized film that finds its use in giving customers a choice of see-through window without compromising on the barrier properties of the pack. This unique feature like 'show window' for the pouch allows brands to promote the sale of their premium products and consumers to see the product content inside. The machine is drawing interest from Converters around the globe leading to fast commercialization.



## Chemicals Business



**High quality UV LED Flexo ink series for narrow web printing:** The Chemicals business introduced FLEXPRESS NW series inks, high-quality UV LED curable Flexo inks which have been developed specifically for the narrow web printing industry. These inks deliver superb printability, outstanding ink transfer and low foaming features for the most steady and smooth press performance. Designed to be used on a wide range of plastic and paper substrates, this series includes process colours, pantone bases, whites and coatings. UFLEX series of UV LED Flexo Inks offer enhanced scratch and scuff resistance properties, less maintenance on press, faster make-readies, and overall superior print consistency. These inks are most compatible for use in packaging, labels etc.



**FLEXMATT paper effect OP ink:** Another new product launched was FLEXMATT paper effect OP Ink, a toluene and ketone free single component coating HRK10529 that gives an excellent paper/sand feel effect on PET, BOPP and PVC substrates. This coating that can be applied on surface with gravure printing machines provides a striking and tactile, slight edgy paper feel to product packaging. Customers wanting to up their game and make their products stand out will find the use of this ink beneficial.

## Aseptic Liquid Packaging Business

**Radico collaborated with Asepto to launch blended whiskey in new aseptic packs:** Radico Khaitan partnered with Asepto to launch its whiskey brand 'Triple Eight' in Karnataka in new-age aseptic packs imbibing iconic foil stamping feature, thus giving the packs a unique identity amongst its consumers.



## Packaging Films Business



**Ultra-high barrier transparent AIOx BOPP film B-ULX for dry food packaging:** B-ULX, a transparent ultra-high barrier transparent Alox BOPP film offers Alox protection on one side and heat seal-ability on its reverse. This film delivers excellent barrier (<math><1.0 \text{ gm or cc/m}^2/\text{day}</math>) against gas, oxygen, moisture; offers good resistance to mineral oil and arrests the aroma. In addition to its strong barrier properties, the film renders excellent optics that helps with product visibility, clear vacuum coating and good seal functionality. This film has high application for packaging dry edible food items like nuts, trails, beverage powder, cookies, chips, crackers and cookies that need to be protected. Making the film chlorine-free throws a unique opportunity for brands to position itself as sustainable.


**Outstanding barrier metallized BOPP film B-UHB-M suited for aluminum foil replacement:** B-UHB-M is an outstanding barrier metallized BOPP film with properties of ultra-high surface energy on one side and heat seal-ability on the other. With exceptional barrier properties (<math><0.1 \text{ gm or cc/m}^2/\text{day}</math>) that prevent the packed contents from oxygen, moisture, aroma and mineral oils, the film has efficaciously replaced aluminium foil, is recyclable and uses a chlorine-free solution, thus enhancing its sustainability levels. It also offers excellent metal adhesion (doesn't suffer from delamination issues), flex-cracking resistance (doesn't form cracks on rough handling) and can be dispensed at high speed (without breakages). B-UHB-M is of great use to Converters in packaging dry fruits, beverages, snacks like chips, crackers, cookies and confectionery packaging.





**Direct embossable polyester film F-EMB to boost aesthetics:** F-EMB is a specialty BOPET film with embossable layer having specialty polymer on one side. This emboss-able layer feature of F-EMB eliminates the process of additional polymer coating before embossing and its high clarity complements well with holography jobs through soft embossing route. The film possesses good mechanical, surface and thermal properties and ensures excellent processing with chemical resistance. All these attributes lead to high quality output with deep, sharp and clear impressions during the course of embossing. It serves as a base film for Converters in holography jobs, direct embossing and metallizing and used a lot more for manufacturing of decorative packaging, glitters, hot stamping, cosmetic packs, book cover laminations & corrugated box lamination.

**Sustainable transparent high heat resistance BOPP film with exceptional oxygen blocking:** With many brands focussing on easily recyclable packaging structures as part of their sustainability mission, UFlex' developed high barrier BOPP film B-THB with a mono-material structure, is a successful replacement to conventional BOPET film. B-THB has functionally modified treated layer on one side and heat resistance surface on another side with excellent oxygen barrier properties. The film exhibits strong jaw release property (to strengthen end seals), good optics and machinability; strong seal finish in stand-up pouches & 3D bags and arrests the challenge of inside gusseted film sticking to itself. Beyond these virtues, the film is fully recyclable and helps brands and converters meet their sustainability goals. This film is best used for packaging formats like 3D pouches and stand-up pouches to pack snacks & confectionery items.

### Awards & Accolades

 FlexFilms USA won **Packaging Gateway Excellence Awards 2020** in 'Best COVID-19 Response' category for successful continuity of business during the pandemic.

 UFlex won **Packaging Gateway Excellence Awards 2020** in the category 'Environmental Impact' for driving the circular economy with its path-breaking technology to recycle MLP packaging homogeneously.

 UFlex products won the highest number of awards at the **SIES SOP Star Awards 2020** across **multiple categories:-**

#### Product Packaging

1. High barrier recycling laminate for *Polly Peanotter*
  2. Holographic PVC pharma blister pack for *Sumo* by *Alkem Laboratories*
  3. ASEPTO tamper-proof packaging for *Wave Distillers*
  4. Transparent UV HRI holographic film for carton packaging
- #### Ancillary Packaging Materials
5. Water-based ink 'FLEXAQUAPAP' for food wrap
  6. Flexseal blister coating for blister packaging
  7. Solvent-free polyurethane adhesive with 3OH component

#### Packaging for Non Packaging Applications

8. Dhoop Chhao textile printing foil
9. Cylinders for flower design by hand embossing effect

#### Flexible Packaging

10. High hermetic seal ultra-low SIT white CPP film 'C-CWU' for mono-material sustainable packaging solutions

#### Labels

11. Registered lens technology with holographic labels for edible oil brand *Sona Sikka*

#### Academics / Students / Education

12. Printing security documents for Education sector



## CONNECT WITH US

**Corporate Office :** A - 107-108, Sector - IV, Noida - 201 301 (U.P.) India  
**Phone No. :** +91-120-4012339 | **Mumbai Office No. :** +91-22-61189180  
**Mail us :** investorrelations@uflexltd.com | **Visit us :** www.uflexltd.com

 @uflexltd  @uflexltd  @uflexltd  @uflexgroup