

From the Chairman's Desk

Uflex has progressed exponentially in the last few years with its products, technological and engineering capabilities, keeping in mind the evolving needs of the packaging industry, along with environmental needs.



We have been striving hard and making all possible efforts to provide our customers with innovative and sustainable packaging solutions that are also economical. **This is reflected through a steady performance in first quarter of fiscal 2019-20. The Consolidated Revenue grew by 3.6% to INR 1982 cr in Q1 and EBITDA rose by 8.7% to INR 277.3 cr Y-o-Y. On standalone basis, the revenue increased by 2.23% to INR 1051 crore and EBITDA jumped by 11.7% to INR 132.6 crore. While Total Production volume was almost constant at 100814 MT Y-o-Y basis, Packaging production volume was up by 4.8% Y-o-Y to 21018 MT.**

To ensure that we are future-ready and have a better outreach of sustainable solutions to our clients located globally, we are scaling up our operations internationally. **Our ongoing investment in Hungary, Nigeria and Russia to set up manufacturing facilities for packaging films** attests our commitment to deliver packaging excellence to each of our customer.

To optimally use our film line capacity, we are shifting one of our BOPET film manufacturing line from UAE to Russia, since the production from this line was already largely dedicated to markets in Russia & CIS countries. This will enable us to serve customers locally apart from substantial cost saving of freight, energy and import duties.

There is a lot of noise around plastic and as leaders in the industry, we are cognizant of this challenge and the need to assure the world that plastic is a solvable problem. For this, **our main focus will be on recycling and bio-degradable projects and Uflex is working on a range of revolutionary plastic films that will be bio-degradable as well recyclable by nature, thereby reducing plastic waste going into landfill and save our planet.**

Ashok Chaturvedi
Chairman & Managing Director

From the Vice Chairman's Desk

Green packaging and sustainable solutions have become a rule rather than a norm for CPGs and end-users. More and more brands are consciously veering towards manufacturers that provide these products made from green sources, as part of their sustainability roadmap.

Though continuous engagement with FlexFilms, responsible consumer brands with a mission to accomplish their sustainable packaging goal of 2025, are understanding the benefits of embracing a high PCR content film early in their production chain and the contribution they can make to build a more resilient and closed-loop ecosystem. **Flex Films' 90% PCR content PET film range Asclepius, that delivers on that promise, has registered an enormous growth in demand of ~500% in the last six months. UPM Raflatac uses our PCR films for both label face stocks and liners whereas major convertor such as Morris is now offering Asclepius as part of their product portfolio. We have interest from a major international brand owner to explore a closed loop recycle project with them through the use of our PCR film. Hickies is working on scale up trials with us for packaging of their tie-free shoe lace.**



Our goal is also to be a truly transnational company spread across all major consumption zones. A step in that direction was the commencing of construction of **our packaging film manufacturing plant in Russia** that will further strengthen our position in that region. The plant that will begin operations in FY 2021 will start with the production of PET Films and its assortment.

Anantshree Chaturvedi
Vice Chairman & CEO - FlexFilms International

Financial Summary

(Consolidated)

(in INR Million)

	First Quarter (1 st April-30 th June)		
	Total Revenue	EBITDA	Net Profit
FY 2019-20	19820	2773	907
FY 2018-19	19123	2552	941
% Change	(+) 3.6%	(+) 8.7%	(-) 3.6%

4D Bag, a Brick Shaped all Panel Registered Bag with Handle and Re-closable Option – An ideal packaging solution for the FMCG industry has been launched in the Middle East, Iraq and Sri Lanka. The revolutionary product combines the stand-ability feature of a rigid packaging with functional advantages of conventional flexible packaging, lending it prominence on the shelf. The handle and re-closable option provides convenience and ease of use. Priced between both rigid and conventional flexible bags, the 4D bag is finding many takers in the rice, coffee, tea, detergents and pet food industries.



Water-based Inks for Various Kinds of Packaging – Water-based inks for paper printing for flexible packaging, paper & board segments for food wraps and paper cups for beverages was launched by the Chemicals Business. This product, which comes with excellent printability, good scuff and water repellent properties, has successfully qualified for big brands such as Coca Cola, PepsiCo and Subway.

Flexseal HSL-WBHS 18, a Heat Seal Lacquer – A water-based dispersion, designed to give good adhesion and heat-sealing properties on a range of substrates like paper, foil, metal and other polar substrates; it can achieve appropriate Coefficient of Friction for high speed packing lines. Flexseal HSL-WBHS series heat seal coatings are water-based and balance low seal initiation temperature with high seal strength. This latest innovation by Chemicals business of Uflex is compliant with FDA regulations in direct food contact applications.

UV LED Inks Records Sizable Spike in Sales – The recently launched UV LED Inks for narrow web and sheeted business segments by the Chemicals Business, generated substantial revenue, in this quarter, by scaling up its sales by a whopping 70% growth and adding key customers in the African market, to its portfolio.



Collar Type Form Fill & Seal Packaging Machine with Higher Productivity – Fully Automatic Collar Type Twin Head Form Fill & Seal Machine UFLEX SUPER CTSD is an indigenously designed continuous motion machine for the efficient packing of various products like Tea, Sugar, Spices, Cookies, Snack Foods, Wafers, Detergent, Pulses, Rice, Flour, Candies, etc. in center-seal pouches of size 10gm-100gm. The unsurpassed accuracy and speed of the machine to pack upto 280 pouches/ min though with less utilization of space, capital, maintenance cost leads to higher output and productivity. This machine will cater to domestic as well as overseas markets.

Improved Vertical Form Fill & Seal Machine – We are the only manufacturer of the CT150C packaging machine in India that addresses the challenge of packing snacks that are light in weight, yet not freefalling, such as wafers. The machine, that was commercialized this quarter, can pack 75- 85 pouch per minute.



New Pick Fill Seal Machine with 8 Stations for Packing Bigger Pouches – PFS8 is a fully automatic intermittent motion machine with 8 station rotary indexing, filling and sealing mechanism to pack granules snacks in pre-formed pouches like four side seal, center-seal pouch, standup pouch and zipper pouch. Instead of the earlier version of packaging machine with 10 stations that had a limitation with size of products it can pack, PFS8 is best to pack bigger pouches required for family packs, 1.5 kg packs etc. It is useful for packing of products such as pesticides, pet food, snacks, detergent, agricultural seeds etc and has already found purchasers in India.

Converting Machine for Big Bags – To be commercialized and made available outside India by Q2 of this financial year, BBM-12 will make Uflex the only India-based manufacturer and one of the two globally to build this machine. It is ideal to make bags of size 10kgs =< such as pet food, rice, flour etc; and can produce upto 25 bags per minute. Currently under trial, the machine can make centre-seal bag, side gusseted bag, side gusseted truncated bag etc.



New Wider Width AIOx Machine – FlexFilms Mexico plant's new and second AIOx line with maximum width of 1615 mm commenced operations. Besides providing good clarity to the film, the line will offer better barrier uniformity across the web width.

Accolades



Golden Peacock Environment Management Awards 2019 presented to Chemicals Business of Uflex in the category of 'Special Commendation Award'



PET Based Alu-Alu Packaging by Uflex Adjudged Winner at **4th Annual India Packaging Awards** for 'Excellence in Sustainable Packaging'



Platinum Award for 'Risk Management Systems' to Chemical Business of Uflex at **Fame Risk Management Award 2019**



Sustainability



Social Sustainability

Project for renovation of a primary school in Noida (Sector 27) was undertaken by the company. This includes construction of a new building after the existing structure's demolition, continue the school's cleanliness and ensure availability of safe drinking water to its children.



Environmental Sustainability

As part of Uflex's philanthropic initiatives aimed at restoration of village ecosystem, it had supported the rejuvenation of two ponds at Village Mohbalipur, one pond in village Nagla Shahpur and one pond in village Dayanatpur in April 2018. Taking forward its mission to conserve the ponds and keep them well maintained, Uflex has taken up - cleaning of these ponds, recharging of its structures, digging, repairing of ponds' fencing and planting new trees around it- this quarter. Additional two new ponds in village Dayanatpur in Jewar were also adopted for its revival and beautification.



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