

## Message from Chairman & Managing Director

The global economy has still been reeling under the effects of COVID-19 catastrophe. As communities and industries adapt themselves to the new ways of living, the economy is gradually limping back to normalcy. We have seen some green shoots of recovery in sectors that were badly affected in the initial phase, although further revival is expected to be a long and rough ride.

Packaging is an essential industry that binds the world together and has truly been a harbinger of the economy and of consumption, in this crisis. Given the convenience of use that packaging offers and the fear of virus spread, packaging has not only ensured access of supplies and safe consumption, but also reiterated its position as a necessity for people. This is why the packaging industry is unaffected by COVID-19 pandemic.

In the initial phase of lockdown, everything in the rule book was being questioned and everything had to be worked out all over again. In such rigorous times, UFlex took the onus to meet the growing packaging demand of the world while ensuring safety of our personnel. The commitment and passion of our people coupled with our business strategy to adopt innovative pathways to derive better customer experience with speedy execution helped us sail through this phase successfully. As a business, we have progressed exponentially both in volumes and expanding our customer base, in the first half of the fiscal 2020-2021.



**In the quarter ending September 2020, we achieved the highest ever quarterly Production, Sales, Revenue, EBITDA & PAT. The Consolidated Total Revenue was INR 2234.5 crore up 19.2% YoY, EBITDA rose by 69.6% to INR 472.9 crore YoY and Consolidated Net Profit jumped 136% YoY to INR 221.8 crore. Total Production Volume during Q2 FY2020-21 was 118470 MT registering a growth of 25.7% YoY whereas Total Sales Volume was 111645 MT, an increase of 18.8% YoY. The Packaging business also witnessed a healthy sales volume growth of 23.3% YoY.**

I am very proud to announce that despite several bottlenecks due to the ongoing pandemic, we have commenced commercial production at our Russia plant. UFlex has already demonstrated that the plastic packaging manufactured by it is 100% recyclable and we are going to make it biodegradable too.

**Ashok Chaturvedi**  
Chairman & Managing Director - UFlex Group

## FINANCIAL SUMMARY - CONSOLIDATED

(in INR Million)

	2 <sup>nd</sup> Quarter (1 <sup>st</sup> July - 30 <sup>th</sup> September 2020)			Up to 2 <sup>nd</sup> Quarter (1 <sup>st</sup> April - 30 <sup>th</sup> September 2020)		
	Net Revenue	EBITDA	Net Profit	Net Revenue	EBITDA	Net Profit
<b>FY 2020-21</b>	22345	4729	2218	42320	8940	4183
<b>FY 2019-20</b>	18753	2788	940	38753	5561	1847
<b>% Change</b>	<b>(+) 19.2%</b>	<b>(+) 69.6%</b>	<b>(+) 136%</b>	<b>(+) 9.2%</b>	<b>(+) 60.8%</b>	<b>(+) 126.5%</b>

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

## Engineering Business:

**Collar-type Form Fill Seal Machine for Snacks Packaging:** In sync with 'Atmanirbhar Bharat' initiative, the Engineering Business of UFlex locally developed a higher speed Collar Type Form Fill & Seal machine CT 120 that has already been witnessing early success with a few big orders. CT 120 is completely servo driven with an operator friendly human interface. It facilitates efficient vacuum pulling, smooth-motion cross & vertical seal technology that delivers superior quality seal with high seal integrity. This machine runs at a speed of 120 PPM with a very low rate of on-line rejections on snack packaging applications. This is the first Indian continuous type VFFS machine running at this high speed with minimal rejection meeting the standards of any international machines.



**Rotary Machine Foray into Spice Packaging:** UFlex successfully forayed into spice packaging segment for the first time ever, thereby expanding its portfolio of Rotary machines. Spice is an ever growing market segment, and this success has opened up many new business opportunities for the company. With this new introduction spices can be packed now at a speeds of 300 to 400 packs per minute in pack sizes between 15 gms to 25 gms.



## Flexible Packaging Business:

**Bespoke Packaging Innovation for Big Brands:** UFlex created packaging formats for big brands like Nestle, AgroTech Foods and Olam Agro for its product variants.



a. For Nestle's launch of new **Maggi Chilli Garlic Fried Rice Instant Spice Mix**, UFlex designed a structure comprising of 10 micron polyester pack with 6.35 micron Aluminum foil and 50 micron EVOH Poly that provides excellent moisture and oxygen barrier to pack seasoning that needs the aroma to be retained till its consumption.



b. For Agro Tech Foods **Sundrop Duo Twist Wrap**, the requirement was to pack confectionary in a 23 micron metallized polyester pack with twist grade that allows surface printing and anti-static coating for smoother running of the pack through the machine. Due to the combination of matted gloss printing, in which the product printed on the package looks glossy while the rest of the pack wears a matted look, the pack catches instant attention when placed on retail shelves.



c. For the launch of **dry fruits, spices & rice of global food & agri-business brand Olam Agro**, UFlex created laminates & pouches with a structure of 12 micron PET, 12 micron window MET PET and 90 micron PE to pack contents with requirement of a strong barrier to retain aroma, nutrients & taste within shelf life. These single web laminates with side gusset window offers a good view of actual product to consumers. UFlex also worked on giving these packs a distinctive shelf appeal by using white ink separation with lacquer that lends a fusion look of metallic & matt on the pouch, while the registered matt coat makes the brand name and image of the product shine with its surrounding looking matted.

## Chemicals Business:

**Toluene-free Inks for Food Packaging:** The Chemicals business launched toluene free inks for vinyl, PU & polyamide based chemistries. Toluene free inks comply with revised guidelines issued by Bureau of Indian Standards (BIS IS 15495:2020). It is best suited for flexible packaging segments for food, pharma and hygiene applications.

**Single Solvent-free Adhesives with Multiple Hardeners (OH):** The company launched two component solvent-free adhesives range with one resin compatible with three different hardeners for general to medium to high performance applications. The new solvent-free adhesive is suitable for flexible packaging with hot filling application like ketchup, juice that needs sterilization. Solvent-free adhesives provide good heat resistance and are used to join layers of film and foils in medium to high-performance packaging applications. UFlex latest product also helps clients reduce their adhesives inventory.

**Side & Bottom Sealing Adhesive for Paper Bags:** A water based 'side and bottom sealing adhesive' for automated high-speed paper bag making machines was developed by UFlex. These bags are getting a lot of traction in the e-commerce space especially by players like Amazon & Flipkart, to achieve their sustainability goals.

## Packaging Films Business:

**Metal Textured Film for Shelf-appeal:** The Metal textured film is derived when textures are incorporated on a specially formulated BOPET substrate that is availed with the use of special polymers and nano materials, to impart good reflectance, depth and ease of processing. The films' two variants *F-Brush-M* and *F-Lin-M* are extensively used to produce labels and provide premium quality lamination on board, graphic and advertising banners, wall papers, automotive parts, sheet moldings and white goods. It is available in 23, 36 and 50+ micron thickness. *F-Brush-M*, available in silver, gold and rose color, is used to achieve a fine brush like effect on a metallized polyester film to give a steel look on the shelf with excellent gloss and shine. Whereas, *F-LIN-M* is a special coated metallic linen textured polyester film that gives excellent gloss and design with seamless impressions. Both variants are compliant with the EU and FDA standards. The entire manufacturing of the film involves no use of solvents or UV radiation which makes the film sustainable.



**Ultra-low OTR PET Film for Food Packaging:** Patent pending film *F-ULP* is a coated transparent BOPET film with barrier layer coated on one side that provides an ultra-high oxygen barrier. *F-ULP* has the highest level of barrier achievement with one of the lowest OTR in the world. The standard film has the OTR values of less than 0.4cc/m<sup>2</sup>/day which can be reduced further down to 0.08cc/m<sup>2</sup>/day or even lesser depending upon the coating thickness. The coating has an excellent adhesion on the substrate which gives it good bond strength with all types of adhesive systems in multi-layered laminates. Besides, the film also offers strong barrier against moisture, supreme crack resistance transparency and yields cost and environmental benefits, making it a preferred film by brands. The film is best suited to pack dry foods, confectionaries, snacks, dairy products, perishable products and processed foods.



**BOPET Film for Printing & Lamination Application:** UFlex launched *F-MSH* grade polyester film for multiple printing and lamination application. It is a mono-extruded matte finish polyester film that has high haze of more than 80% and low gloss with excellent muted and grainy surface. This grade of polyester film is also available with on corona treatment or chemically coated side and complies with FDA and EC regulations for food packaging. This film is highly beneficial for thermal lamination, label application, board lamination etc where one requires outstanding print quality and strong stiffness.

**Sealable & Peelable BOPET Film with Water-based Coating for Lidding:** *F-TPS*, a sealable and peelable polyester film with water-based eco-friendly coating, is a sustainable concept with low GSM instead of using solvent base coated product. This film offers higher optical clarity with 4-5% haze as against conventional haze product, and possesses anti-fog characteristics for hot and cold conditions. This film, that is USFDA and EU compliant, allows printed or metallized lidding on variations of PET like amorphous A-PET, recycled R-PET and crystalline C-PET, G-PET and PVC substrate.

**High Oxygen Barrier BOPET Film for Dry & Chilled Food Packaging:** Transparent high barrier polyester 'green' film *F-PGS* provides excellent barrier against oxygen and has chlorine free, water-based environment friendly coating technology. Additionally, the film offers excellent flex crack resistance unlike metal oxide coated film or Aluminium metallized film. Being optically clear and thermally stable with excellent processability and due to its attribute to retain OTR at elevated humidity, this film is suitable for dry & chilled food and liquid packaging.

## Holography Business:



**Digital Foil for Ink & Varnish:** Digital Foil has been created by the Holography business through process of applying hot stamping foil to an ink or varnish without the requirement of a die. These foils have been specifically manufactured to bond on ink, toner or varnish whilst still using heat and pressure. Digital foils have a huge potential in local and global markets and has already acquired its first customer overseas.





**Registered Lens Label for Edible Oil Packs:** Counterfeiting in edible oil segment has been posing serious challenges to the brand owners on account of sales and profit loss, brand dilution, unfair warranty and supply chain loss claims. To counter this menace faced by a famous edible oil brand, UFlex customised Registered Lens Label that helped the brand fight counterfeiting issues. This printing technology combines features of doing registration on holographic substrate and of doing precise re-registration printing on the same substrate which makes it next to impossible to replicate. The packaging of this customized holographic substrate is recyclable / biodegradable.




**Labels for Hand-sanitizer:** UFlex developed labels for a prominent alcohol brand that pivoted to manufacturing hand sanitizers as part of its social endeavour to promote hygiene and safe health practices to meet the sudden spike in demand for hand sanitizers, triggered by the on-going COVID-19 pandemic.

# FACTS ABOUT OUR RUSSIA PLANT

 Flex Films RUS LLC situated in Stupino district in Moscow region commenced commercial production

 The avant-garde facility has an 8.7 meter wide Biaxially Oriented Polyethylene Terephthalate (BOPET) Film Line with a capacity to manufacture 30,000 TPA

 One 2.5 meter wide plasma enhanced advanced metallizer with a capacity of 6,000 TPA

 Equipped with gas based captive power plant consisting of 2X 6.7MW gas engines



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