

QUARTER THAT WAS 'JANUARY 2022 – MARCH 2022' COMMUNIQUÉ MAY 2022



Message from the Chairman & Managing Director

Our focus on responsible growth inspires us to ponder over sustainable developments that stand more validated now, than ever before, and will contribute to the betterment of the planet and its inhabitants.

To me, the next few years will unfold a world of opportunities emanating from the advent of new Plastic Waste Management (Amendment) Rules 2022 in India. The ban on the use of single-use plastic in our country is around the corner and our preparedness for the same with the setting-up of India's first U-shaped paper straw line for aseptic carton packs is already gaining traction from many beverage brands. We are ready with the finest solutions and equipped to abide by the new EPR rules both ways, for us and our customers; and are also working on advanced biodegradable solutions for several plastic packaging. We would like to assure everyone that to overcome any challenges in plastic packaging, our in-house R&D team with external support is working around the clock to architect solutions for our valued clientele.



The last fiscal brought us a mix of challenges and opportunities that we together faced with resilience and persistence. We took long strides to commission our greenfield packaging film manufacturing facilities in Nigeria and Hungary. Our BOPET and CPP film line expansion in Dharwad in Karnataka, and our CPP film line project in UAE has picked up pace and its implementation is on track. We have successfully commissioned the doubling of our aseptic liquid packaging capacity at our plant in Sanand.

Putting the financials in perspective, UFlex registered a surge of 32.3% YoY to report consolidated Net Profit at INR 350.3 cr in Q4FY22 whereas consolidated EBITDA rose by 42.2% YoY to INR 734.4 cr. The consolidated Revenue for the same period stood at INR 3915.1 cr witnessing a jump of 52.2% YoY. UFlex clocked Total Production Output of 160475 MT and Total Sales Volume of 164079 MT, registering an increase of 26.2% & 20% YoY respectively.

For FY22, UFlex achieved consolidated Revenue of INR 13224.7 cr rising by 48.3% YoY whereas the consolidated Net Profit rose by 30.3% YoY to INR 1098.3 cr. The consolidated EBITDA for FY2021-22 registered a growth of 24.8% YoY to reach INR 2280 cr and Total Sales Volume stood at 599259 MT reflecting a rise of 29.3% YoY.

Before I close, I would like to thank everyone who has been a part of our growth story in the last year. Let's brace up for an action-packed year ahead, where we aim to achieve new milestones, and will together witness flexible packaging industry catapult to a new level of brilliance.

Ashok Chaturvedi
Chairman & Managing Director - UFlex Limited

Message from the Vice Chairman



Carrying out a purpose begins with the actual realization of what we are trying to achieve. We are finally starting to see sustainability gather momentum amongst brands, retailers, packaging community and legislations that are connecting with each to accomplish a defined purpose, one that commits to delivering benefits to every layer of the society and species who share this planet, over and above creating value for their business.

As leaders in flexible packaging, we responsibly abide by the imperatives that have become increasingly evident in recent years owing to, amongst others, climate change and related concern on rising plastic waste. And this triggers the need for the world to move from a linear economy model to a circular one. It is projected that by 2040, consumers won't give us a choice between sustainability and convenience, and will need both. Consequently, brands will need packaging solutions that provide end-of-life possibilities without compromising convenience and performance. The good news is that the CPG brands are recognising the potential in closing the loop with packaging. Our PCR based films in PET and PE that have been available for quite a few years, complements the goal and vision of these brands.

Brands are also turning towards more recycle-friendly designs and this requires development of robust collection and recycling infrastructure to address the challenge of plastic waste reaching the right stream as well as limited availability of high-quality recycled plastic waste. Recognizing the lacunae, we are considering scaling up our recycling infrastructure at our other global locations as well post India, Poland and Mexico.

Today, countries around the world are adopting measures that are in the purview of the EPR umbrella. The directions may sound rigorous to comply with in the first place, but it will unearth the treasure of 'a sustainable and liveable planet' for the future. The next 5-7 years will be game changing for polymer industry and we aim to play a larger role in the driving seat. And, that is the big purpose fuelling the innovative spirit and green soul of Flex Films.

Anantshree Chaturvedi
Vice Chairman & CEO - Flex Films International

FINANCIAL SUMMARY - CONSOLIDATED

(IN INR MILLION)

	4 th Quarter (1 st January - 31 st March 2022)			Full Financial Year (1 st April 2021 - 31 st March 2022)		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2021-22	39151	7344	3503	132247	22800	10983
FY 2020-21	25718	5164	2647	89149	18270	8429
% Change	(+) 52.2%	(+) 42.2%	(+) 32.3%	(+) 48.3%	(+) 24.8%	(+) 30.3%

The Board has recommended 30% Dividend

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

Three-layered PET/PE Packaging Format with Registered Window Lamination: Sugar is a frequently consumed item in every household that has quite a few brands selling it. However, what matters most to the consumers is the quality and clarity of sugar which if possible to be easily viewed through the pack, makes the purchase that much easier. Taking note of this, the flexible packaging business of UFlex has developed a three-layered PET/PE packaging structure for 1kg and 5kg quantity for *Triveni Engineering* with a registered window metallization that allows buyers to be confident of the premium quality of packed sugar. With this unique packaging in tricolour graphics, the brand has been able to push the sales of its premium quality sugar and find its sweet spot!



Stand-up 3D Pouch with Registered Window and Press-to-close Feature for Ready-to-eat Seafood Packaging: For fresh food especially perishables like seafood, visibility of the product along with a strong and sturdy packaging that retains seafood's freshness is important for the consumers. For the brand *Sailor's Choice*, UFlex has developed a 3D standing pouch made from the goodness of PE and PE-NAT to pack cooked frozen prawns. The pack that comes with a see-through registered window allows customers to have a clear view of the seafood even in the deep-freezer of the stores. The first press-to-close 3D pouch ever developed for cooked frozen prawns facilitates reusability letting seafood lovers to savour it for a longer time.



Packaging Films Business



Superior Oxygen & Moisture Barrier Transparent BOPP film: Food packaging requires a strong packaging structure that protects the content from a lot of extraneous factors that could spoil the product. Responding to the packaging requirements of food brands especially ones that need to pack dry powders like instant soup, masalas etc, UFlex has developed B-TEM, a high barrier BOPP film that provides an excellent oxygen barrier of 0.3 cc/m²/day, high moisture barrier resistance of 3.5 gm/m²/day and an outstanding WVTR of 1.6 gm/m²/day in duplex structure making it a much improved and higher barrier version of the previous avatar of the film. This mono-material film developed with coating on one side and corona treatment on the other side stands high on sustainability quotient due to it being recyclable. It is suitable for sandwich application and surface printing, especially for matte varnish, and offers reverse printing with BOPP and CPP grades.

Holography Business

Ultra-matte Effect Foil for High-end Home Furnishings: With the latest home décor trends tilting more towards luxury feel that includes foil prints, metal embellished designs and brass finish, UFlex has developed an ultra-matte effect foil for high-end furnishing requirements such as furniture upholstery, curtains and other home décor items. The premium effect is achieved by using heat and pressure on the surface, due to which the design renders added brilliance and depth along with a shine but with a very subtle effect. Until recently, embellished home furnishings with gold and silver effect was witnessing demand uptake, however going further, copper and brass foil effects are set to gather pace as the trend is slowly drifting towards lavish and luxurious vintage designs for home furnishings and textiles.



Sparkle Glitter Effect Film for Decorative Applications: In a quest to grab consumers' attention, luxury brands are always on the lookout for eye-catching solutions that enhance the appeal of their products. To fill this gap, UFlex has developed a Sparkle Glitter Effect Film that provides a high glitter yet matted effect on multiple surfaces. It is used in an array of applications such as premium carry bags laminated with non-woven fabrics, gift-wraps, luxury gift boxes, textile laces, photo lamination etc.



Chemicals Business



FLEXCOAT AQUABAN Coating for Corrugation Boxes: With a large number of fresh fruits with extended shelf life hitting the retail shelves, the need for strong and sturdy corrugated packaging boxes, which can hold the packed contents safe, has gained impetus. FLEXCOAT AQUABAN, a water repellent coating for kraft paper is used as an inner liner on corrugation boxes which helps maintain the structural integrity of corrugated shipping boxes in transit movement and stands good even during extreme weather conditions to preserve perishable goods. A versatile water-based coating, FLEXCOAT AQUABAN complies with FDA guidelines.



FLEXCURE HFS Over Printable Coating for Labelling Applications: Finding that perfect finish coating that complements with both wet and dry UV inks has always concerned converters and brands. FLEXCURE HFS, a free radical chemistry based UV gloss varnish is the answer for in-line and off-line applications and offers the possibility of hot foil stamping over printable & good scuff resistance properties on glossy areas of texture pattern. This premium over-printable coating has been specifically formulated to be applied in-line over wet or dry UV inks and is suitable for fast curing for full or flat overprint coating of all types of printed papers, boards of mono-cartons, other packaging materials, and for various types of labels used in the labelling industry.



FLEXCURE Sheetfed MT Series for Offset Application for Metal Packaging Decoration: In the fiercely competitive world, FMCG and CPG brands focus a lot on the metal packaging structures that require impeccable finesse for their products to stand out on the retail shelves. FLEXCURE Sheetfed MT series represents a new generation UV ink for decoration over metal packaging. This series has been specially developed for printing on aluminium & tin plate sheets, both two and three piece cans, and also for high-end packaging for industrial, body care products, and other non-food packaging applications. With its use, UFlex patrons are able to exhibit their products with confidence on stores' counters.

Engineering Business

FLEXPRESS 10000 Servo Control Liquid Filling Machine for Aseptic Liquid Packaging: With the demand for packed beverages like juice, dairy products and alcohol burgeoning, the need for fast movement of supply chain operations including quick production has become non-negotiable. To meet this growing demand, UFlex has developed servo powered liquid filling machine 'FLEXPRESS 10000' which has the capacity to pack 10,000 aseptic liquid packs in an hour. The machine is equipped with a user-friendly Human Interface Module (HMI) integrated with an advanced Programmable Logic controller (PLC) system that facilitates easy operations. The USP of this machine is its main drive system which is aided by high-end water-cooled servo motors that provide flexibility to manage multiple volume range, quick change-over time, and prevent wear and tear of machine. Since its launch, the machine has been generating a lot of interest from brands with two already installed while few more are in the pipeline for supply.



Awards & Accolades



Fully recyclable mono-polymer bags for large quantity rice packaging was adjudged runner-up in **Packaging (Large)** category at **The Economic Times Polymers Awards 2022**.

Paper-based tube Kraftika by FlexiTubes won gold for 'Packaging Excellence' and two silvers for 'Technical Innovation' and 'Expanding the Use of Flexible Packaging' at **Flexible Packaging Awards 2022**.

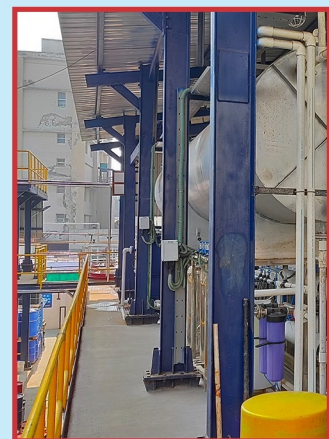


UFlex swept 11 titles at **SIES SOP Star Awards 2021** across its businesses for **Packaging Innovation and Creativity**.

Zero Liquid Discharge Facility



UFlex Chemicals Plant in Noida Becomes Zero Liquid Discharge Facility for Water & Environmental Protection: Driven by the aim to reduce water consumption and its pollution, the Chemicals production unit of UFlex in Noida became a Zero Liquid Discharge (ZLD) facility. The plant has proactively adopted this technology to significantly reduce its freshwater consumption by recognizing the importance of wastewater purification and recycling, thus saving close to 20 kilolitres of water everyday. Since this was introduced, the Chemicals plant has been using 100% supply of effluent treated water which is subsequently treated further. The permeate good quality water derived is re-used in boiler feed, cooling tower makeup water and fume hoods, without being discharged into the municipal sewer thereby putting the discarded water back to use. The rejected water is converted into solid waste residue via an evaporation process that is later discarded as hazardous waste, as per the regulatory norms.



Connect with Us

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