

Message from Chairman & Managing Director

Packaging provides a solution to feed the planet and deliver goods safely while minimising food waste. A product's packaging is the first thing a consumer sees and it often acts as the 'silent salesman'.

However, packaging waste management especially of plastic is an ever increasing area of focus, across the world. The targets taken by large brands and regulatory focus to move towards sustainable packaging will definitely result in increased plastic waste recycling over the years. However, to meet the ambitious targets for recycling, the industry needs substantial investment in recycling infrastructure and new recycling technologies that makes considerable increase in recycled content in packaging. As per an estimate, the world needs US\$ 135bn investment to reclaim 50% of plastics waste.

One thing is certain! Given the significantly lower carbon footprint of plastic packaging, especially flexible packaging, it is the most sustainable choice. Noteworthy is United Nation agency Food & Agriculture Organisation's (FAO) suggestion that **to reduce food waste and loss, the solution is to use more but better packaging rather than less packaging**. The flexible packaging industry is responding to new realities and challenges by investing in new technologies, developing packaging formats that are made of Post-consumer Recycled(PCR) content and/or are designed for easier recycling, making biodegradable options and partnering with brand-owners to increase closed-loop recycling programmes.

UFlex has been walking the green path by recycling post-consumer MLP mixed plastic waste; upcycling recycled resins into our PCR films range and also creating solutions that use lesser amount of virgin plastic at source. The new high-value line of products and solutions including the proposed enzyme-based biodegradable packaging solution are aimed at adoption of responsible packaging and reflects our increased focus and investments in R&D. UFlex has already been recycling close to 30,000 tonnes of plastic waste per year and our target is to reach 1,00,000 tonnes. The new recycling lines to be commissioned in our Mexico and Poland facility and the proposed recycling infrastructure in Egypt will help us realize our vision. We are also expecting the new EPR regulations in India shortly which will bring more certainty towards sustainable packaging.

As far as our performance in Q3FY2021-22 goes, despite the rising raw material prices, **we surpassed our previous record by achieving the highest ever total production volume that stood at 153441 MT witnessing a jump of 38% YoY for the quarter under review whereas Total Sales Volume mirrored the 38% YoY rise to reach 154224 MT. Our consolidated Net Profit stood at ₹ 313.2 cr surging by 95.9% YoY whereas the consolidated EBITDA was ₹ 618.7 cr, up by 48.5% YoY for Q3FY21-22. The consolidated total revenue registered 64.6% YoY jump to reach ₹ 3474.3 cr for the quarter under review.** The growth is on the back of optimised product mix and contribution to topline made by the new lines that were commissioned in the past quarters. Looking ahead, we are expecting incremental growth in forthcoming quarters as we operationalize our new aseptic liquid packaging capacity in Sanand and packaging films lines in Karnataka & Dubai.



Ashok Chaturvedi
Chairman & Managing Director - UFlex Group

Message from the Vice Chairman's Desk



The last year will go down as a turning point in the history not just because of the world coming back on track after the pandemic outbreak, but also because there has been a spotlight on climate change issues that the world must take note of and address in the years to come. '2022 - The Tiger Year' is a year of recovery, expansion, of maximising our energies, thinking big and taking those small chances that come along the way. This year ignites the spirit of us Flexians to further enhance the innovation and sustainability share in our products and processes.

In the quarter that went by, we tapped into opportunities to participate at physical trade expos across the world where we exhibited our range of sustainable products. It was insightful to meet the packaging fraternity and brand owners with whom we brainstormed for possible collaborations on advancements in material science and address the evolving consumer preference for sustainable packaging. Keeping that in mind, this year you will see more packaging concepts aimed at minimizing waste and delivering polymer structures that upholds the products' condition on the retail shelves.

Our new manufacturing lines that we commissioned in the last one year including Nigeria have contributed significantly to the topline growth reflecting the demand for the packaging films we make.

I am of the firm belief that with our business acumen, scientific capabilities and robust capacities, we are set to roar this year!

Anantshree Chaturvedi
Vice Chairman & CEO - Flex Films International

FINANCIAL SUMMARY - CONSOLIDATED

(IN INR MILLION)

	3 rd Quarter (1 st October - 31 st December 2021)			Up to 3 rd Quarter (1 st April - 31 st December 2021)		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2021-22	34743	6187	3132	92716	15456	7480
FY 2020-21	21111	4167	1599	63431	13106	5782
% Change	(+) 64.6%	(+) 48.5%	(+) 95.9%	(+) 46.1%	(+) 17.9%	(+) 29.3%

UFlex Rides High On Innovative Product Developments

Launches a host of innovative products & solutions across the entire flexible packaging value chain.

Flexible Packaging Business

3D Bags with Perforation to Give Kids an Easy-tear Experience: Kids unboxing their gift packs is nothing less than a celebratory ritual where they seek an emotional experience in checking what's inside the pack. However, when opening the package becomes an arduous task, it dampens their spirit. UFlex' product development team responded to the brand's ask for convenience that children need to access the toys or goodies inside the pack easily and introduced a smart solution by adding one extra attachment with a perforation line on the 3D bag enabling easy tearing of the pack. This absolutely novel concept has added convenience to joy and enthusiasm of children opening the package, thus making the brand enjoy popularity amongst them.



Standee Spout Pouches to Pour Out Chai: Beverage cafes have been embracing innovations that helps them cover the last mile smoothly to deliver hot, piping tea in its most pristine state to chai-lovers. Fulfilling the need of beverage cafes to retain the temperature of tea for a long duration, UFlex has developed a special standee spout pouch that delivers the comfort of drinking brewed tea and enhances users' experience. The pouch structure is made with BON and special grade PE along with 21mm spout on the top for spill-free pouring of the tea. With this pouch contained in a tea delivery box, the cafes are more confident of delivering the goodness of brewed tea at the doorstep of the consumers seamlessly.



Paper-based Packaging Laminate for Tetley Tea Bags: With rising concerns around packaging waste, Tata Consumer Products that wanted to make a switch to sustainable packaging for its brand 'Tetley Tea' collaborated with UFlex to supply its green tea bags in a paper-based packaging. For this, UFlex developed a packaging structure made of paper and aluminium foil with registered hot stamping feature using emerging high energy curing chemistries to deliver a high performance and low migration product system that supports cross-linking of inks and high gloss coatings. The advanced development process at UFlex besides being environment friendly with no CO₂ emissions, replaces the conventional process in which solvents were used. The paper-based packaging structure can be easily recycled thereby taking the brand a step closer to its green mission and giving consumers a sense of pride in using sustainable packaging format.



Chemicals Business



High-performance Sealing for Packaging with Flexbon 601A_Flexbon 601W Adhesive: A high opacity and two-component solvent-free white adhesive, 'Flexbon 601A_Flexbon 601W' is best suited for food packaging such as snacks and staples that requires added strength in sealing. It is compatible with various films such as PET/MET PET, BOPP/MET BOPP, PET/MET CPP. Due to its excellent wettability that helps it maintain a firm contact with substrate, the product reduces the requirement of white ink coating substantially and delivers good optics. These factors add value to clients' products by offering optimum results that elevates the look of a printed pack considerably making them even more eye-catching.



Two Component Solvent-free Adhesive Flexbon 702A_Flexbon 777C for Multiple Laminates: It is a two-component solvent-free adhesive used for general to medium performance in snack packaging applications. It provides fast cure, high-run speeds with an excellent appearance on the laminates. This product offers excellent wetting on metallized substrates to give speckling-free performance on PET, BOPP, LDPE, MBOPP, MCPPE and MPET based applications.



Flexcure Super Glide Coating for Lustrous Looking Packs: The attractive appearance of a clear, glossy coating is an important feature for many packaging applications. Flexcure Coating is a free-radical chemistry-based UV coating, that is applied in-line over wet or dry UV inks, or offline over dry conventional inks to impart excellent slip & scuff resistance properties. Flexcure Super Glide Coating is a great fit for fast curing in different types of food and non-food applications such as PVC sheet, mono-cartons and book titles.



FlexFab HR Ink for Cement & Fertilizers Packaging: Packaging for building materials and fertilizers require ink with sharp printability and impressions due to the intrinsic woven packaging structure. With its expertise in ink domain, the Chemicals business has addressed this challenge with FlexFab HR Ink, a solvent-based printing ink designed for printing on HDPE/PP woven packaging structures. Due to its sharp printability, high strength, excellent adhesion on laminates and scratch resistance properties, FlexFab HR Ink is highly valued by its customers.

Engineering Business

Registered Lamination Process led Machine for Clear Product Packaging: Brands have always been exploring ways to earn consumer's trust and gain credibility for their product. One way to achieve this is to give consumers a clear view of what's packed inside via a see-through window. However, in achieving this, the aesthetic of a pack often tends to get compromised. To ensure a fine blend of giving a clear view as well as maintaining visual appeal, the Engineering business of UFlex has introduced registered lamination process. The automated process embedded in the machine combines two films into the process that keeps track of the pre-printed mark on film on both unwinders. This process detects any errors emanating which yields a precise registered lamination product with zero defect output. During the entire process, the products' visibility & packs' aesthetics remains the focal point. This process has already found acceptance by quite a few customers wanting to promote product visualisation.



Holography Business

Mirror Film for Safe & Appealing Toys: Toys help children have fun along with catering to their developmental needs, and are often their best friend. But in a world that is crowded with different options, the toy manufacturers have a tough job of making them appealing for kids who are known to have a short attention span. To address this challenge, UFlex has introduced a mirror film for the toy segment under the 'Make in India' initiative to showcase its cutting-edge technology for toy segment applications. This new product made of soft polyester material, has been designed to incorporate various patterns to ensure learning without compromising on child safety. The mirror-like effect has been achieved with an acrylic coating on the film. Replacing the traditional glass, the toy's mirror is unbreakable, foldable and appropriate for a child's use without any worries of accidents. Due to its success in the toy segment, extending its use in fashion and accessories segment such as on handbags, wallets, shoes, etc. is being explored.



Packaging Films Business

High-barrier Metallized Recyclable BOPP Film 'B-TUH-M' for Food Packaging Applications: Low-unit packs (LUP) and Multi-unit packs (MUP) such as biscuits, bakery & snacks often witness quick consumption. These packs require a packaging structure that is made using a metallized film that offers superior oxygen (<math><10\text{cc}/\text{m}^2/\text{day}</math>) and moisture barrier (<math><0.10\text{ gm}/\text{m}^2/\text{day}</math>) with robust seal performance. B-TUH-M, a high barrier and robust seal metallized BOPP film has been developed by UFlex to replace the three-layered structure with two-layers in numerous seal packaging formats especially multi-unit packs. The film offers good optics, excellent printability, and consistent slip & anti-static properties. The high barrier film's structure imparts excellent high seal strength of 1500 gm/25 mm, hermetic seal, high & broad hot tack and low SIT. The film also offers good metal adhesion for brilliant metal appearance, good extrusion bond and excellent resistance to metal cracking. Due to its ability to be recyclable and reduced layers in the laminate, this sustainable film is greening our portfolio even further.

Multi-layered Mono-material BOPP Film 'B-TGM' with Outstanding Oxygen, Aroma & Moisture Barrier for Pouches and Bags: Some oxygen-sensitive foods like dry-fruits & nuts need to be packed such that it helps retain its freshness and quality for long while locking in its aroma. The newly developed B-TGM BOPP is made to address the barrier requirements for oxygen, moisture and atmosphere-sensitive products. B-TGM is a special effect coated BOPP film with the best oxygen barrier delivering the least OTR ever for a BOPP film (<math><0.28\text{ cc}/\text{m}^2/\text{day}</math>). It has excellent water barrier properties (<math><2.9\text{ gm}/\text{m}^2/\text{day}</math>) in duplex structure, exceptional moisture resistance and low heat seal initiation temperature (95°C). The recyclable film that offers excellent clarity and product visibility is an environment friendly solution; and has properties infused into the mono-material film through a unique step proprietary process onto a specially formulated coating and base film substrate. This multi-layered mono-material BOPP film substrate is specially designed with special polymers to achieve ease of processing for the converters that consequently enhances shelf life of the packed products.



Awards & Accolades



Recognised with **Mahatma Award in CSR Excellence and Sustainability** for its impactful work on Water Conservation and Resource Management in Noida villages.

Food compliant water-based ink FLEXAQUAPAP for Food Wraps by Chemicals business outshines at **WorldStar 2022 awards** for its ability to meet business and sustainability goals.



Chemicals Business won a Platinum award at **Apex Green Leaf Award 2020** for Environment Excellence.

Connect with Us

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