

QUARTER THAT WAS 'JULY 2021 – SEPTEMBER 2021' COMMUNIQUÉ NOVEMBER 2021

From the Chairman's Desk:

Tomorrow is Diwali and at the outset, let me share my heartiest greetings with each one of you. Let us celebrate the festival responsibly and I wish you all a bright year ahead.

UFlex scaled new vistas with successful global expansions in the past quarters and these new commissioned capacities have started to contribute to our business growth. Strengthening our leadership position in Africa, **we have successfully commissioned our greenfield project in Nigeria that will house a first-of-its-kind 10.6 meter wide BOPET film line with a capacity of 45,000 TPA.**

With the spirit and commitment to serve the planet, UFlex has been at the forefront of creating solutions and technologies on plastic waste management for several years. To share our expertise and practices in recovering and recycling post-consumer plastic waste with the world and also learn interesting practices from others, **we recently joined Alliance to End Plastic Waste**, a global non-profit organization with a mission to eliminate plastic waste in the environment, **as a board member.**

With the single-minded objective of complementing sustainability with elevated customer and consumer experience, we pushed ourselves to think beyond our benchmarks and meet the festive demand coming from our valued patronage. However, the quarter witnessed heightened cost pressures with frequent increases in raw material prices, higher shipping & energy costs, and consequently a strong order book position only meant servicing these customers at increased input prices, thus affecting the margins. The company posted consolidated EBITDA at 424.5 cr for Q2FY21-22 down by 10.2% YoY whereas the consolidated PAT stood at 170.7 cr, dropping by 23% YoY. The consolidated Revenue registered YoY growth of 36% at 3036.2 cr for the quarter, **the highest ever revenue posted in any quarter.**

Backed by a strong demand for packaging films and new lines that were commissioned in the past quarters, **Packaging Films Production witnessed a jump of 33.5% YoY to reach 124670 MT in Q2FY22 while Packaging Films Sales witnessed an increase of 41.6% YoY to mark 122321 MT.** Overall Sales Volume for the quarter was up by 31.5% YoY. With the demand that we have been witnessing, I am confident that we will bounce back with much more zeal and new energy.

I am delighted to state that **India Ratings has upgraded the credit rating of UFlex by two notches to 'IND AA-' with a stable outlook reflecting the improvement in overall business profile of the company.** Before I close, I would like to thank everyone who has been a part of our growth story, for the trust they have placed in us and also for the unmoved commitment to position UFlex as the global leader in packaging science.



Ashok Chaturvedi

Chairman & Managing Director - UFlex Limited

From the Vice Chairman's Desk:

At Flex Films, **we do the right things, in the right way, for the right reasons to have a long lasting impact - this is the Flex Films way!** Our core values and accountability towards our ecosystem is a constant reminder of what we believe in and how we operate, and that helps us streamline our actions for a better tomorrow.

As a responsible and sustainable corporation, we go beyond embracing the *letter of the law*, which is why our actions reflect in our repute and places us as a player that works hand-in-hand with the environment. We believe that it is important to understand the right things to do and further up our game.

In our vision to underline the importance of plastics as a commodity in our daily life and also in the economy, we are taking noteworthy steps to be recognized as a global sustainability cum packaging brand. Our recent association with 'Alliance to End Plastic Waste' comes at a point of time when debates around plastic are gaining decibels, and we are equally keen to bring to light the methodologies we practice to reinstate the virtue of plastic in the world.

Scaling up of our recycling infrastructure at our key manufacturing locations across the world with an already established recycling project in India, is an attestation of our equally strong focus on plastic waste management as much as it is on our core business growth. **I am happy to share that now we also have a window to our initiatives on sustainability via our website www.projectplasticfix.com that we launched for the world.**

We are lending our part in fostering communities and uplifting the quality of life by foraying into new regions. **Our expansion in Nigeria will open up opportunities, not only for us, but also for local communities and allied businesses allowing us to make a difference to their daily life.**

Let me also take this opportunity to wish you all a happy, safe and a sustainable Diwali.



Anantshree Chaturvedi

Vice Chairman & CEO - Flex Films International

FINANCIAL SUMMARY - CONSOLIDATED

(in INR Million)

	2 nd Quarter (1 st July - 30 th September 2021)			Up to 2 nd Quarter (1 st April - 30 th September 2021)		
	Total Revenue	EBITDA	Net Profit	Total Revenue	EBITDA	Net Profit
FY 2021-22	30,362	4,245	1,707	57,973	9,269	4,348
FY 2020-21	22,345	4,729	2,218	42,320	8,940	4,183
% Change	(+) 36%	(-) 10.2%	(-) 23%	(+) 37%	(+) 3.6%	(+) 4%

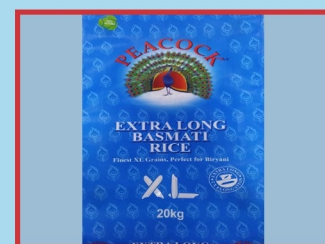
Innovations and new product development have always positioned UFlex distinctively.
It developed a host of packaging products and applications in Q2FY2021-22:

Flexible Packaging Business

High Barrier Mono-material Recyclable Bag for Snack Packaging for KIMS: Snacks form a quick bite to keep on-the-go hunger at bay and its packaging undergoes frequent changes to retain consumer interest and make it convenient for them. In order to make the brands stay relevant as well as sustainable in the snacks segment, the flexible packaging business of UFlex has developed a heavy-duty mono-material bag for *Danish* brand *KIMS* for its snacks packaging segment for the European market. The high-barrier packaging is made of mono-material under polypropylene extreme and bears recyclable 'logo 5' mark enabling easy recycling in the existing polypropylene recycling streams while ensuring that the snack packed remains fresh as ever. These snack packs are being used by *KIMS* to pack food products such as chips, wafers etc.



MOPE based Mono-polymer Recyclable Bag for Large Quantity Rice Packaging for EBRO: UFlex has developed a new MOPE/PE recyclable structure with registered matt coating and special PE Mono-Polymer based laminate film for *EBRO* rice brand *Peacock*. The newly developed structure for rice packaging possesses similar mechanical and other properties allowing easy recyclability of PE in conventional extruders and can be easily run on existing packaging line with minor adjustments. This development has cleared all tests related to handling, post filling of the pack content, and has successfully fulfilled required barrier properties throughout the defined shelf life of the packed rice thus positioning itself as a suitable packaging application for large quantities.



50% Higher Barrier PET Film Structure for Asal Coin Parota: Frozen food segment has experienced a steady growth since the pandemic as people have been gravitating towards foods with longer shelf lives. Frozen and refrigerated food needs a special barrier structure to pack the food content such that it doesn't lose its integrity even months after opening it. Customising the requirement for the brand *Milky Mist*, UFlex has developed a three-side sealed pouch packaging structure to pack *Asal Coin Parota* through use of a special high barrier PET film that increases the barrier properties by 50% under ambient conditions and allows the parota to stay fresh for a longer duration.



Value added Packaging in Two Sizes for Fidele Pet Food: For most Pet food buyers, what drives consumers decision is a host of factors including convenience, portability and ergonomics; product safety and freshness; transparency in product descriptions and clean labels; sustainability and recycling; and above all getting best value for their money. With this in focus, UFlex has developed two packaging sizes of 3kg and 12kg to pack pet food for the brand *Fidele*. Its packaging structure comprises of specialized Matt finished PET polyester and its pocket slider allows reclose-ability thereby adding to consumer's convenience. The side gusset handle in the 3kg variant helps easy carrying and pouring whereas the 12kg variant comes with bottom pinch pasting allowing multi-dimensional display, thus helping the brand to leverage as much branding opportunity as it can and make it stand out on the retail shelves.



Transparent High-barrier Laminate Sachet to Pack Dairy Whitener for Namaste India Foods: Dairy whiteners have seen much use to prepare tea or coffee instantly in home kitchens of nuclear families and also works as an excellent milk substitute for working couples who may not have the time to buy fresh milk and prepare tea or coffee at odd hours. To enhance the ease attached with use of dairy whitener, UFlex has manufactured a transparent high-barrier laminate to pack 26gms of Gold Standard Dairy Whitener for *Namaste India Foods*. The packaging structure allows the brand owner to showcase the product through a see-through window and at the same time provides the barrier required for packaged dairy whitener.



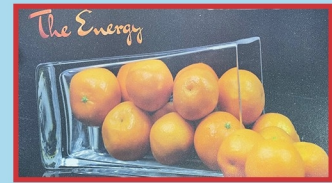
Cylinders Business



Manufacturing of Flexo KodakNX Printing Plates for Improved Print Quality: The Cylinders business has recently started in-house manufacturing of Flexo KodakNX printing plates that are popular worldwide owing to their excellent print quality. Flexo KodakNX printing plates are the preferred choice for flexo printing jobs due to laser square spot exposure technology. Its perfect flat top dots with no oxidation of polymer helps printers achieve higher consistency for printing applications. These plates complement with a variety of inks including water-based inks and solvent-free inks; and allows easy printing on all types of substrates. It is due to its print efficiency and compatibility with sustainable inks that the converters, printers and brand owners are able to enjoy supreme quality print impression while simultaneously stepping closer to their sustainability goals.

Holography Business

PVC Sparkle Glitter film for Photo Album Application: Memories for lifetime should be treasured with utmost elegance. In order to elevate the overall experience of photographs placed fondly in a photo album, the holography business has developed a technology in which a special grade film is infused to create glitter effects on the photo album. This application is by far the best alternative used for photo album applications and outperforms the conventional photo albums with its premium and attractive finish.



Packaging Films Business



Ultra High Barrier and High Metal Bond Metallized Polyester Film F-UHB- M for Aluminium Foil Replacement: Flex Films USA launched its patented BOPET high barrier film F-UHB-M, designed to replace aluminium foil in flexible packaging applications. F-UHB-M addresses challenges of the Converting Industry that has relied for long on aluminium foil for packaging despite several of its limitations including material availability, high material cost, weak integrity, propensity for in-use pinhole formation and difficulty in recycling. With its new specially formulated BOPET structure, F-UHB-M comes with superior gas and water barrier while achieving one of the lowest oxygen and moisture barrier values (0.1 cc/m²-day & 0.1 gm/m²-day respectively) and industry-leading metal adhesion of 1200 gm/25mm that aids improvement and extension of product shelf-life. F-UHB-M helps Converting industry move from a 'difficult to recycle 4-ply laminate structure with aluminum foil' to a 'much simpler, easily recyclable 3-ply laminate structure comprising of F-UHB-M film' without compromising on barrier performance, thus helping the customer achieve reduced laminate weight and lesser cost with minimized carbon footprint.

Chemicals Business

Flexbond WB White Adhesive for Food and Non-Food Packaging Applications: Flexbond WB white adhesive is a water-base white adhesive designed for flexible film and paper laminates used in food and non-food packaging applications. Flexbond WB provides excellent opacity and bond strength in paper to film as well as film to film laminates. Since white color holds a significant importance for printing applications, this product is highly recommended for production of laminates having higher proportion of white print area as compared to other colors thereby substantially reducing the use of white ink and processing cost of printing inks.



HRK09990 Flexgreen Laminating Adhesive: UV LED technologies are witnessing a significant progression into the future of printing industry. Flexgreen series UV flexo adhesives are formulated for high end label and tag printing applications. HRK09990 has an excellent rheology characteristics of smooth flow and non-tackiness, thereby making it ideal for most printing equipments and various product applications in the label industry. This has been specially formulated for use with UV LED curing lamps of wavelength 385-395nm.



Flexcure Opaque White Ink for Shrink Sleeve Application: In the fight for attention on retail shelves of supermarkets, shrink sleeves are playing an anchor role by offering 360° coverage of graphics on a product container, allowing more display area for the brand owner to print its message. Flexcure White Ink is specially designed to meet the demand of Flexo White Ink shrink sleeve applications. It is a UV cure ink and provides consistent cure at the highest speed, imparts good adhesion and post shrink performance on shrink substrates. It offers excellent printability and transfer with finer aniloxes.



Engineering Business

Trim Rewinder 'Trim Line 1000' for Slitting Jobs: Ever since the outbreak of pandemic, the requirement of packaging film has been witnessing elevated demand which has also triggered demand for slitters and Trim Rewinders. The Engineering business of UFlex has developed a Trim Rewinder model 'Trim line 1000' which is an extended portfolio to the community of range of slitters. Its robust speed of 1000 mpm has been appreciated by its patrons and has it already bagged two orders. Not only has the rewinder been perceived as an add-on machine with new slitters but also has the capability of retrofitting, i.e., it can be easily added to conventional slitters as well. This machine marks a step towards recycling of trimming in an organized method.





Pre-formed Pouch Making Machine for Arresting Counterfeiting Challenges & Enhancing Pack Looks: Counterfeiting has been one of the biggest threats to business interest. To arrest the challenges of counterfeiting amongst brands in various sectors, Engineering business of UFlex has developed a new series of pouch making machines that integrates holographic strip within the pre-printed film with 100% 'i mark to i mark' registration accuracy. Besides addressing the challenge of counterfeiting with I-mark registration, the machine's D-motion sealing technology provides enhanced *Dwell time* for sealing thus improving aesthetics and seal integrity allowing repeat use. Thus, the machine renders double fold benefits to brand owners - of counterfeiting as well as enjoying the holographic attributes that enhance the overall look and feel of the product to make their product stand out on retail shelves.

Flex Films to Redefine Packaging Experience for Nigeria



Flex Films Nigeria



-  **UFlex commissions its greenfield project at Ogun State of Nigeria.**
-  **Spread over 37 acres, the plant houses first-of-its-kind 10.6 meter wide BOPET film line in Africa with a production capacity of 45,000 TPA.**
-  **Two 2.5 meter Metallizers installed with a total production capacity of 15,000 TPA.**
-  **State-of-the-art energy efficient facility, certified by Environmental Impact Assessment, is equipped with a gas based captive power plant.**
-  **The plant will cater to demand from Nigeria, ECOWAS (Western Africa) & USA.**
-  **Set up with an investment of approximately USD 100 million, Flex Films Africa Private Limited has generated over 220 direct jobs.**










Awards & Accolades




Our passion for innovation has enabled UFlex to create outstanding solutions for its patrons that have positioned many brands distinctively. The company clinched **18 awards** at **IFCA Star Awards 2021** for 'Innovation & Creativity' and 'Best Branding through Packaging' categories.




By Flexible Packaging

-  Non-woven block bottom bags for *Ripuraj Rice*
-  Hot seal pinch concept WPP bags for *Mahmood Rice*
-  Value-added 3D pouch packaging for *Al-Fanoos Coffee*
-  Standee pouches with metallized PE & matt effect for cable packaging for *Hills Cab*
-  Stand-up hot fill decoction pouches for *Araku Filter Coffee*
-  Resource efficient pouches for *Naturohabit Fresh Beauty Products and Cosmetics*
-  Non-woven bags with high tensile strength and barrier properties for poultry feed packaging for *Promois International*






By Cylinders

-  Cylinders for holographic lens effect and hidden security features for *Taycon Natural Potato Snacks*
-  Hand embossing effects with laser etched cylinders for *OM Vinyls*
-  Pyramid effect on artificial leather(PU) for *OM Vinyls*


By Chemicals

-  Flexseal blister coating for sealing PET/PVC Blisters & fold-over packaging applications

By Holography

-  Dhoop Chhao textile printing using foil
-  Holographic PVC - pharma blister pack for *Sumo* by *Alkem Laboratories*
-  Registered lens technology with holographic labels for *Sona Sikka*
-  Security labels with registered de-metallization
-  Printing security documents for Education sector

By FlexiTubes

-  360 degree reverse printing technology for *Strex Serum Shine Conditioner*

By Asepto

-  Foil stamping feature for *Fresca Mango Juice* 200ml packs



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