

UFLEX LIMITED

Q3 and 9M FY26 EARNINGS CONFERENCE CALL: February 16, 2026, 04:00 P.M. IST



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ACTIVE Q&A PARTICIPANTS:

- Aman Sonthalia - AK Securities
- Chirag Singhal - First Water Fund
- Kaushik Poddar - KB Capital Markets
- Saket Kapoor - Kapoor & Company
- Krisha - Groww Capital

Moderator: Ladies and gentlemen, good day, and welcome to UFlex Limited Q3 and 9M FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ronak Ostwal. Thank you, and over to you.

Ronak Ostwal: Thank you. Hello and good afternoon to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining the Q3 and 9MFY '26 Earnings Conference Call of UFlex Limited. Today from the management, we have Mr. Sumeet Kumar, Executive Vice President - Finance; and Mr. Surajit Pal, Vice President, Head of Investor Relations. So, without any delay, I will hand over the call to Mr. Surajit Pal, Vice President, Head of Investor Relations, for his opening remarks. Thank you, and over to you, sir.

Surajit Pal: Thank you, Ronak. Good afternoon, everyone. Thank you for joining us today for Q3 and 9M FY '26 Earnings Conference Call of UFlex Limited.

Let me draw your attention to the fact that on this call, our discussion will include certain forward-looking statements, which are predictions, projections or other estimates about future events. These estimates reflect management's current expectations about the future performance of the company. Please note that these estimates involve several risks and uncertainties that could cause our actual results to differ materially from what is expressed or implied.

I would now request Mr. Sumeet Kumar, Executive VP, Finance, UFlex Group for his opening remarks, following which we will open the forum for question-and-answer session. Over to you, sir.

Sumeet Kumar: Hello. Good afternoon, everyone. Thank you so much for joining UFlex Q3 and 9M FY '26 earnings call. I am Sumeet Kumar, Executive Vice President, Finance. In fact, I will

take this opportunity for those joining us for the first time to briefly introduce UFlex and our business operations, for those who are joining us for the first time.

UFlex Limited is India's largest multinational flexible packaging and solutions company, uniquely integrated across the entire packaging value chain from raw materials to finished consumer ready packaging solutions. Our integrated ecosystem begins with the production of virgin PET chips and recycled PET chips, which form the backbone of our BOPET based films.

Our packaging film portfolio includes BOPET, BOPP, CPP, recycled PET films and a wide range of value-added specialty films, which includes ALOx, specialty films, high barrier films, et cetera. These upstream capabilities are complemented by strong intermediary products portfolio of high-performance inks, adhesive coatings, holography solutions, printing cylinders and engineering equipment, enabling a full in-house capability, quality control and operational efficiencies.

At the downstream end, we provide complete packaging solutions, including flexible laminates, pouches, tubes and aseptic liquid packaging cartons. We serve leading global brands across FMCG, across food and beverages, pharmaceutical, personal care and industrial Sectors. This fully backward integrated model enhances supply chain reliability, drives innovation to strengthen sustainability initiatives and positions UFlex as a comprehensive one-stop packaging partner globally.

Now before I come to performance about the quarter, in fact, I would like to highlight that this was a challenging quarter in terms of the macro headwinds. There were two major macroeconomic events, which were the drivers under which we have done this quarter, and nine-month performance. and both coming from domestic as well as international.

So overall, for our international markets, we had the impact of the U.S. tariff-related uncertainty as a major driver, impacting the performance, and at the same time, we were in the midst of a GST transition, and as GST rationalization had an impact within India to a great extent. And despite such a challenging demand environment in certain segments, we remain focused on operational discipline, product mix improvement, cost optimization and long-term value creation.

All of that is reflected in the numbers of the quarter, which are, for the nine months, we clocked a revenue of Rs. 114,157 million, which on the corresponding period of last year was up 0.8% year-on-year. We had reported EBITDA at a stable level of Rs. 13,571 million which is more or less in line with last year's EBITDA of nine months for the same period.

We had a normalized EBITDA which was at almost Rs. 13 billion, which was down 9.6% year-on-year and margin at 11.4%. We had PBT, which was up 136% to Rs. 1,863 million, which was supported by lower exceptional impact versus last year. And we had a major swing in the PAT at Rs. 1.21 billion versus loss of Rs. 263 million in the nine-month period of last year.

Coming to the performance for the quarter 3, per se, we had revenue at Rs. 36,329 million versus Rs. 37,775 million, which was 3.8% down on the corresponding quarter of last year, and that was largely on account of volume softness because of the factors mentioned below and also because of a lot of import-related pricing pressure in the market. We had a reported EBITDA, which rose 9.7% at Rs. 4,596 million, and there was a margin expansion of 180 basis points quarter-on-quarter at 12.7%.

During the quarter, we also had foreign exchange and derivative gains of Rs. 201 million, which were adjusted, resulting in a flat normalized EBITDA for the quarter. And hence, the normalized EBITDA was at Rs. 4,395 million, which was up 12.8% on a sequential quarter basis and margin overall improved to 12.1%, which was a 200-basis point expansion quarter-on-quarter.

We had the profit before exceptional items, which increased 56% quarter-on-quarter to Rs. 643 million, and PAT stood at Rs. 361 million, which was up by 34% on a sequential quarter basis. and EPS was at Rs. 5.01 per share.

I would like to touch upon slightly on the aseptic packaging business. Our aseptic liquid packaging business delivered steady growth during the period with volumes increasing by 2.3% year-on-year to 1.8 billion packs as against 1.76 billion packs in corresponding quarter 3 of last year. And for the nine-month period, volumes grew 4.4% to 5.9 billion packs as against 5.7 billion packs in the 9 months of last year. reflecting strong execution and improved product mix.

This reinforces the structural growth potential of the aseptic packaging category as we see. And looking ahead, as we know, quarter 4 and quarter 1 are seasonally the strongest quarter for aseptic packaging business. So, the current quarter and next quarter are expected to witness much better prospects, supported by category tailwinds and pre-season loading.

We expect this momentum to strengthen and anticipate a robust season and summer in FY '27. Assuming trade inventory liquidation and inclement weather conditions are now largely behind us. We expect our aseptic packaging business to have a total sales volume of close to about 8.5 billion packs in the next fiscal, subject to overall F&B beverage industry behind. Thank you.

I would now request if you have any questions, I would love to take that.

Moderator: Thank you very much. The first question comes from the line of Aman Kumar from A K Securities. Please go ahead.

Aman Kumar: Sir, so far, so good we are doing very well as far as turnover is concerned. Sir, but could you please outline the company's road map for debt reduction? And are there any specific leverage targets or timeline over the next 1-2 years that the investors should be aware of?

Sumeet Kumar: Yes. So, in fact, we see at the current leverage level, we see this trend seems to be plateauing at the current level. We must keep in mind at this stage that we are near commissioning stage for 3 of our large projects, which includes our 12 billion packs expansion of aseptic liquid packaging facilities in Egypt. We are having almost 40,000 tons recycling plant at the near commissioning stage in India, and we have also woven polypropylene bag, which is 80 billion bag production capacity in Mexico. So, we are almost at the end of this 3 major project commissioning, and given that we largely feel that now on, it will be a leverage, it will be a function of improving EBITDA as a result of this project being operational, and significantly, it should reduce the leverage overall. We are not looking at this debt level in isolation. We look at the impact of the bearing on the leverage. So, with the improving EBITDA and largely this capex cycle being at the juncture that we are, we expect this leverage should be more or less should peak at the current level.

Aman Kumar: Sir, you have told that you will freeze the debt level to this level, but again you have announced the BOPP project. So, every now and then you are announcing projects and keeping the debt level to a very high level. So, whenever there is a downturn in the economy all over the world, I think the company will be in deep trouble, if we don't look into to control the debt, because in the past Mr. Bhatia used to say that the debt will not increase any more, but again we see there is an increase in the next quarter. So, I think you have to assure the investor that this is the maximum debt the company will have and then how the management will repay this debt over a period of time.

Sumeet Kumar: Yes. So, in fact, thank you for this point, and in fact, we take this point in the spirit of the guidance that the concern about this leverage is something which is very much on top of our priority too, and we look at it as an interplay of the debt level, the current debt level and the current capex. But at the same time, we see this improving more on account of this EBITDA improvement from here.

So, what I can say is that we see this leverage ratio, which is at the current level, more or less being at the peak. And so far as no reduction of that, it will be an interplay of overall repayment which, in fact, is during the year. And at the same time, EBITDA improvement will lead to this leveraging coming more under moderation is what I can say.

Aman Kumar: And sir, which key markets are currently performing well for UFlex and where we are facing challenges? And what factors are driving the differences in performance across geographies?

Sumeet Kumar: Yes, so in fact, as you see that we now have current revenue mix of close to about 44% coming from within India. We have 56% of the revenue now coming from overseas markets. We see that overseas, Egypt and Mexico as the two largest setups outside India definitely driving the growth.

And while most of the market, not just in India, but as you know this tariff-related uncertainties have also resulted in our packaging films business, which contributes to almost two-thirds of the overall revenues, also being impacted because of the US-related headwinds and also tariff-related uncertainties, a lot of exports were

reoriented to the non-US market. And that meant that to some extent even the Europe or Middle East North Africa market, which are the other major markets that we operate in, were also impacted by this kind of supply gap mismatch, and that also resulted in some kind of pricing pressure on the realization.

Now the good part is that we see in the current quarter that trend in fact is showing some signs of reversal. As we all know that now this tariff-related thing is easing those uncertainties which will mean that this will be stabilized going back to the normal supply chain operations. That will help us improve our performance in these major markets and also definitely in India where we have already seen the prices improving and there is a price recovery for BOPET films currently at about 100 ton, likewise we have seen marked improvement in the BOPP films.

During the quarter as we started the quarter, these were the things which were actually weighing on the industry as a whole, but we see by the end of the quarter and more particularly in the current quarter, those trends being reversed, so we are confident that overall we feel that this will result in the current quarter and on more pronounced basis in the next fiscal these things to hold extremely good for us.

Aman Kumar: So, this is the domestic scenario. What about the international scenario as far as BOPET and BOPP is concerned? Do you think that the margin will improve like India overseas?

Sumeet Kumar: Yes, so in fact I can talk about the way we see the market improving because if you talk about this, US market currently has the major imports of BOPP films. So, US itself is not a local producer of BOPP and with the increased demand of BOPP it is being catered by different markets. We definitely see US market as a major prospect for the BOPP films for industry, for us as a whole. Overall, we see that Egypt and largely Mexico plant being benefited by this overall demand which is showing a sign of improvement.

Aman Kumar: Sir, could you share the expected commissioning and stabilization timeline for aseptic packaging plant in Egypt, the recycling plant in Noida and WPP plant in Mexico?

Sumeet Kumar: Yes, so largely it seems to be very much on course. I think I can say that between the current and the next quarter we should see these three projects being commissioned, give and take a few months here and there, but I expect that between now and end of the first quarter, we should have all these three projects up and running.

Moderator: The next question comes from the line of Chirag Singhal from First Water Fund. Please go ahead.

Chirag Singhal: Thank you for the opportunity. My first question is on ASEPTO. So, what are the target volumes for FY'26 and if you could also help me with your targets for FY'27 and FY'28?

Sumeet Kumar: So, in fact, we see that in the current nine months ended December '25, we had total of 5.9 billion packs as against 5.7 billion packs in the nine months of last fiscal. Largely we see that this year we should be having this total aseptic packaging business to be in the range of around 8.5 billion packs, though we expect that this can be slightly better, but we are keeping our guidance to about 8.5 billion packs.

Next year onwards, as we are almost near commissioning stage of the similar capacity in Egypt and now with the full impact of the extra 5 billion packs expansion in India, and with increased capacity utilization and particularly as I said quarter four and quarter one being the peak season, we expect that to translate a better utilization of these capacities. So, I can say without putting a number that it should show a significant improvement from the current year's numbers of 8.5 billion packs or thereabout.

Chirag Singhal: Is it possible to give a range at least for FY '27? Because you will have India as well as Egypt up and running. So, just trying to understand what kind of increase in volumes we should expect?

Sumeet Kumar: Yes, so, in fact, we are very, very upbeat about the current quarter, and we feel that by the end of this quarter, we would be in a fairly good position to give a proper sense of the numbers to expect from fiscal '27. I think that will be an appropriate time because we have to first reach a stage of commissioning of the aseptic liquid packaging facility in Egypt and once we have that, first year of course will be a ramp up and utilization level we have to calibrate as to what extent of course it will be

linked to the market demand and everything. But we feel that both the facilities firing together and the improved demand should also lead to a much more improved number in the next fiscal. At this stage, I'll rather wait for another quarter to give a specific number guidance for the next year.

Chirag Singhal: Okay. And this Egypt plant, are you expecting the commissioning to happen in current quarter or in Q1?

Sumeet Kumar: I am expecting this between current and next quarter. We are just around the corner about commissioning of that plant. I think it may be somewhere within 90 days from now, so that can be either end of this quarter or somewhere in the first quarter. I will rather put it as over the next 90 days or so.

Chirag Singhal: Okay. Next question is on, specific locations' capacity utilization. So, if I look at Mexico, Hungary, Poland, there was a sharp dip in the capacity utilization during the quarter. So, what were the key reasons and what should we expect for the coming fiscal?

Sumeet Kumar: Yes. So, in the most places, I think this is this is not different from the overall theme which impacted the packaging films production volume to some extent. And Europe, Poland, Hungary, as you talked about, were also to a great extent impacted by the reorientation of the exports and a little bit of supply glut. And that meant that, to some extent, these production volumes were curtailed.

But at the same time, having said that, the trend seems to be reversing many places largely as a fallout of things happening in the U.S. Thankfully, that should result into restoring of the normal utilization level for these markets as well. But overall, if you ask me to answer your question, it was impacted for the same factors that I mentioned earlier, of U.S.-related for out also impacting the non-U.S. market verses, including EU.

Chirag Singhal: And what are you guiding for like capacity utilization at these 3 locations for the coming fiscal?

- Sumeet Kumar:** Overall, we see it will be at the level where it was earlier, which is about 80% plus kind of capacity utilization which is what we can expect from this.
- Chirag Singhal:** So, Poland, which is showing at 56.7% in Q3 even that you are saying it should go to 80% odd in the coming fiscal because the rest are not as low as Poland, but I'm just trying to get a confirmation.
- Sumeet Kumar:** Yes. So overall, in fact, we are saying that these 3 locations put together looks like improved capacity utilization and for Hungary and more particularly for Poland, if I request Surajit to pitch in, he had a point to make, I request him in to add.
- Surajit Pal:** Yes, Chirag, you must be aware that, you know, this is seasonally pretty diminutive character in Europe, particularly in Eastern Europe, plus holiday season. So, every year similar kinds of things happen, but this time along with this seasonal fallacy we also have the impact of this extra supply from the kind of films which we have received which was actually destined for US but because of this uncertainty, that has actually flooded the European market as well as North Africa and Middle East. That is one of the reasons.
- Another reason is that when this kind of opportunity are seen by the market players, particularly the warehouse guys or the wholesaler guys, they were also holding less because they were expecting price will come down. As a result of it, they were not buying very big quantity, they're not giving big commitment. Now once these various multiple countries are making deals with US and more or less this uncertainty has tapered off, and everybody is getting back to normalization.
- These things we are already observing in the reflection of price realization both in India and export market. And that's why Sumeet had suggested that you might be seeing much better improved quarter in Q4.
- Chirag Singhal:** Okay. Got it. Just one last question on the PET resins plants. Both the plants that we have. What was the capacity utilization in Q3 and again the same, what are you guiding for in FY'27?

Sumeet Kumar: Yes, so Egypt plant operated at about 45%-46% capacity utilization in quarter, and for nine months about 57.8%. In fact, this was on back of the commissioning of this Egypt plant in the quarter four of last year. So, in very first year in nine months of operations we have seen a utilization close to about 60% since commissioning last year. And India's Panipat plant for PET chips in fact had overall nine-month capacity utilization of close to about 79%. For the quarter, again for the same reason, it was slightly less compared to previous year at 68%.

Chirag Singhal: And is it fair to assume full capacity utilization in the coming year?

Sumeet Kumar: Yes, for the coming year in fact we'll see, number one, this capacity utilization steadily improving. And from a nine-month utilization of 58%-60% we should see Egypt plant utilization in the range of close to about 80%. And for Panipat plant we expect this to be further improving from the current level of 79% to upward of 85%-90%.

Surajit Pal: To add to what Sumeet's commentary is that we have also technically improved ourselves in Panipat more into BG grade chips, so what it means is that even if we stay at the similar kind of utilization, our realization will be much better, our margin profile will be much better in Panipat. So, we are not focusing on, say 75-80 for initial two years is pretty good utilization level.

So, if you cross 80%, then you are thinking of or 90%, you're thinking of putting up a new plant, which is not required actually at this point of time because given the government's initial phases of implementing PET chips and recycled PET chips and all these things. So, the situation that has tumbled out is that we are focusing more on value addition.

And if government implementation expands more and more across the industry, there will be more demand for value-added BG products or bottle-grade chips product, where we are focusing more, so going forward you can say that we are definitely going to increase our capacity utilization but quality value utilization.

Moderator: The next question comes from the line of Kaushik Poddar from KB Capital Markets Private Limited.

Kaushik Poddar: What is the kind of margin you are looking at? Right now, you are at EBITDA margin of 12%. What is the kind of margin you are looking at for this quarter as well as for the next year?

Sumeet Kumar: So, overall if you see, in fact, we are still not at 12%, we are at 11.5% kind of margin for the nine months. We definitely see that margin, while it has shown on a sequential quarter basis, it has seen an expansion of 200 basis points over the previous quarter, which is currently at for nine months it's about 11.5%. We see it in the range of about 12% or so for the year as a whole.

And moving forward, as the product mix improves, as we are able to realize the price realization is better for our packaging films and for value-added films, that should show a consistent and steady improvement, but as for this fiscal, we expect this to be in the range of 12% or so.

Kaushik Poddar: Can we expect a better margin next year?

Sumeet Kumar: Yes, that's exactly what in fact we see as unfolding because as a result of, I said that improved product mix, we see a more of cost rationalization and also better price realization from our overseas and Indian market. All this translating into a better EBITDA margin, improving from 12% further upwards. And this is what we can see as a trend, as an expectation in the next fiscal of FY'27.

Kaushik Poddar: See another thing, these three plants that are coming into operation this quarter and next quarter. I think the projection given was that these three plants will give an incremental turnover of Rs. 2,000 crores with a margin for these three plants at 20%. Are you sticking to that?

Sumeet Kumar: Yes, so I think just to place it in the right perspective, these three plants once commissioned, the numbers which are indicated or what we are discussing is in context of the full capacity utilization of these three plants. And as we definitely expect and it's not very much expected that this utilization will ramp up over a period of time.

So, say for the next fiscal if we are having a 60%-70% utilization. We can accordingly calibrate the numbers, but we expect on a full capacity utilization yes, these numbers do hold good and we should get an incremental revenue on account of these three projects' contribution of close to about Rs. 2,000 crore - Rs. 2,500 crores with the margin which if not at 20%, we can expect a high-teens margin there.

Moderator: Thank you. The next question comes from the line of Saket Kapoor from Kapoor and Co.

Saket Kapoor: Sir, as you mentioned that there were external factors that led to lower utilization for the film segment, especially domestically. So, in terms of the exit of Q4, what should the film segment utilization levels be that we may expect or and if as an entity including aseptic as well as print packaging everything, where should we land for Q4 which is seasonally also a better quarter?

Sumeet Kumar: Yes, so when we talk about quarter four, we will have to basically look at it more, I would like to give a more nuanced response to that coming from different segments. For packaging films to start with as we see this was a quarter of softer demand, this was a quarter of pricing pressure. And definitely that all translated into a little bit I'll say resilient but not robust performance for the quarter.

And having said that for quarter four for packaging films as such we expect that now the worst, the challenge is behind us and which is very much reflected in the current signals that we are getting from the market. As you are aware the prices have firmed up, in fact it has held up and now holding up at the level of 110 or thereabouts for BOPET and likewise for BOPP.

And if you see in the quarter performance we also definitely had a marked improvement in our flexible packaging business contributing to the overall revenues, so, while overall numbers stay one, but at the same time within that if you actually analyze a little bit, you will find the packaging business has already started showing signs of improvement from the successful GST transition. And we also expect that a lot of de-stocking which is over will result into much better prospects for flexible packaging business.

For aseptic business as you rightly said the quarter four is definitely and typically one of the better quarters. Quarter one being the best and quarter two also is very good. So all that for the different segment, I think will look good, look promising for us for quarter four overall as the performance.

And on back of this behind us, we expect these numbers to be much better for quarter four as a whole, and definitely as we talked about the three projects on the commissioning, I think the full impact of that or at least the substantial impact of that will also be seen in the fiscal '27, so, here on in fact I am very confident that we see starting quarter four improved trajectory which we will be more particular about rather than chasing a number.

Saket Kapoor:

Right, sir. So, you mentioned about prices for the film holding, so can you give some color on how the spreads are shaping up for the commoditized film for both BOPET as well as BOPP for the month of February or what was the January and February trends?

Sumeet Kumar:

Yes, so in fact, if you see, it had gone all the way low of almost like Rs. 90 per kg we are talking about BOPET films, which with a steady increase and also a part of the conscious strategy to some extent, has resulted and the pricing pressure from import of those films now subsided as a combination of these things the prices have been steady, have held up and now reached the level of close to about 110 on the BOPET side.

Likewise on BOPP, if you see the prices are for the different grades, which is TNT and NTT, so, you see the prices of NTT, largely the segment that we operate in, is at prices of Rs. 120- Rs. 121 per kg now, which has again improved significantly from the previous month.

Saket Kapoor:

And sir RM also moved in that bracket and putting pressure on margins or these are all demand led and RM being same the conversion margins are higher?

Sumeet Kumar:

So, RM it's actually an interesting aspect that we need to understand that RM was also to a great extent also to do to some extent as we gather from China. And as RM

was in fact weighed down by a lot of imports from China and because of Chinese producers chasing the volume more than

the price, but we understand off late there has been a conscious shift or at least a direction from Chinese government to rather focus more on holding the price and not chasing the volume. And with that we expect that off late the trend has been that RM prices have been more consistent. And moving on, I think it should be more to tracking the RM prices rather than moving in different direction, so largely the prices uptrend and all will also be underscored by the same trend being followed in the raw material prices.

Saket Kapoor: Sir last point come again I missed you.

Sumeet Kumar: I was telling that raw material prices in fact have now shown some kind of steady trend and to some extent it was also to do with, what we gather from the landscape is that there is a direction in China also about focusing not on chasing the volume, not on increasing the volume but focusing more on price realization, which has meant that there is no undue pressure on the raw material prices which has also reflected in the firm prices for the packaging films.

Largely we feel that this trend, which like tracks the raw material prices, will continue and that's where we feel that there will be some kind of steady trajectory for both the raw material as well as for the end packaging films prices.

Saket Kapoor: Right, sir. And now coming to the debt part as the first participant Aman sir had mentioned about, the debt being at the higher levels I think so. Just a case in point sir what are our current maturities going ahead for the next financial year? I think so peak debt, is our net debt is Rs. 8,000 crore, so what is our first-year current maturities for the coming ensuing year?

Sumeet Kumar: Yes, so in fact when we talk about the debt profile, this is actually important also to understand that number one, it has to be also seen that we see an improvement in the debt profile in the sense that cost of funds we see, it may be a little premature for me to give specific, but we are working on a plan where we see cost of funds

steadily going down. And as we are significantly done with this three projects' capex plan.

So, we feel that a combination of three factors, which is like these three projects' major capex cycle being over, number two, the translation or result of this into a positive improvement in EBITDA, and number three, the cost of funds is expected to come down further based on certain plans that we are working on, we see this debt profile and moving forward, it will give a lot more comfort to all of you.

Saket Kapoor: Can you give me the current maturity part? And then sir small point, even with the rationalization of cost for the finance cost is going to rise since we will be capitalizing projects in the ensuing two quarters. So, the absolute number will go up?

Sumeet Kumar: Yes, but at the same time given the repayment cycle, it kind of offsets each other. As you rightly said the capitalization is done with the capex spent part, so that way the debt part will not be showing an increase on that count. At the same time, very rightly pointed out by you that it will reflect in that being expensed out which will definitely mean slightly higher interest cost per se. But what I was alluding to was the cost of funds, so we expect cost of funds to come down based on the plans that we are working on.

Saket Kapoor: What is the current blended cost of funds, sir? My last two questions.

Sumeet Kumar: Yes. So current blended cost of funds will be about 7%, 6.9 to 7% blended cost of funds.

Saket Kapoor: Okay. And can you give the number for the current maturity for next year?

Sumeet Kumar: It will be close to about Rs. 1,450 crore to Rs. 1,500 crore. The CT LTD, the current maturity over next one year.

Moderator: The next question comes from the line of Krisha from Groww Capital.

Krisha: So, in the last earnings call top-line growth guidance stood at 5% and EBITDA to be in the range of Rs. 1,800 crore to Rs. 1,850 crore. So, are we confident of achieving the same? Can you provide some guidance range for EBITDA margins?

Sumeet Kumar: Yes. So, in fact EBITDA margin I said that for the FY'26 fiscal, we expect it to be within the range of 12% translating to an EBITDA which largely should hold the guidance given earlier of Rs. 1,800 crore to Rs. 1,850 crore for the year as a whole, so we are confident with this improved performance in quarter four which we are expecting and we are witnessing to some extent, we feel that that guidance holds good in terms of EBITDA expected numbers for FY'26.

Moderator: The next follow-up question comes from the line of Aman Kumar from AK Securities.

Aman Kumar: Sir, my question is that we are setting up a liquid packaging plant in Egypt. And we have already expanded our capacity in India. Since lot of export was happening to the market where Egypt will cater. So, do you think that since export market will now be taken care of by Egypt plant, so how we will sell from this Indian plant? So, we can fully utilize the capacity here?

Sumeet Kumar: Yes. So, largely, if you see, right now, at 8.5; expected 8.5 billion packs of capacity, or number of packs for the fiscal, it's largely being catered to by the plant in India, which is at Sanand. Of course, you know that 7 billion capacity we expanded by another 5 billion packs to 12 billion packs here. And given the demand, which is from overseas, is largely expected to be catered from the plant in Egypt.

Why we chose Egypt was also because you'll realize that Egypt generally is a destination, is a geography with very stable tariff regime, very stable trade relations with most of the major markets including US and EU, so Egypt for us was a strategic decision to set up this expansion of facility.

From there we see that as a gateway catering to many markets which were not to the fullest extent being catered to from here. So, we see that these will be very complementary to each other rather than being in any kind of conflict in terms of market.

Aman Kumar: Sir, because 40% of our production, the capacity when it was 7 billion, the 40% was exported. Now our capacity is 12 billion pack, and the export market will be taken care by Egypt. So are you confident that we will be able to sell 12 billion pack in India only?

Sumeet Kumar: Yes, so I think this is where to some extent, we are actually relying on two things. Number one, we expect an exponential growth in industry segment per se for liquid packaging and on top of that in India we are already the market leader and we expect to further consolidate that position from number two to the leader.

That will mean that there is a lot of upside in terms of market demand within India, which of course will be catered and that has been the reason for us to strategically invest in expansion of the capacity. Had we not been confident of the domestic market demand, we would have first added the overseas facility to look more at the export market.

We see this India market and also the larger global market being of great prospect for our liquid packaging business and hence both the things of the same capacity looks like we are confident of that being leveraged in a position to cater to the increasing market share and holding the margins to great extent. And that's what we expect from our liquid packaging business on a whole.

Aman Kumar: Sir, what is the reason for dip in the chemical business in this quarter?

Surajit Pal: So overall in fact chemical business, yes, it was it was actually a combination of the change in the product mix and also something to do all derivatives and value-added products largely reflecting the broader trend in the in the underlying industry segment, which were also impacted. But we feel just like other segment this is also stabilizing, and we expect a better performance from the chemical segment as well.

Aman Kumar: Sir, one more question that we have invested lot of money in this commodity film business whether it is BOPET or BOPP or CPP. So instead of putting money in commodity film where it like it requires lot of capex. Why are we not invested in value-added film where the capex is quite low, but the margin are quite high?

Sumeet Kumar: Yes. So actually in fact if you see that's exactly what I was meaning by improved product mix in the sense that on one hand we have the base layer as the base packaging film, but most of the places including Egypt, including Hungary and other

places we have also invested and added the capacity of, as I talked about, metallized AlOx and ultra-high barrier films and those are now forming an increasing share of the overall packaging films segment, because on one hand this does not mean the incremental capex of the same proportion and also it helps in terms of the better realization. And in most of the evolved markets, in fact, there is a great demand for these high-barrier, metallized, value-added specialized films, and that's where these segments as things stabilize in US and other places, we expect that investment and strategic focus on this high value-added film segment will hold good for us.

Moderator: The next question comes from the line of Kaushik Poddar from KB Capital Markets Private Limited.

Kaushik Poddar: We are going to start another year in another 15 days. Do you see any change on the EPR front as far as your company is concerned?

Surajit Pal: EPR in fact is very close to our heart. It is a very strategic investment from our side, and we feel that this government is also equally committed to this thing, translating into what we believe should be something which should be of excellent prospect for us. And if you see the general guidelines about the EPR mix for rigid, flexible as well as, you know, multi-lateral multi-material flexible plastic, where there were guidelines talking about 30% to 10% or 5% of this recycling material, the government has only pushed it out to some extent and largely it has meant that what was expected to happen by this fiscal is only going to pan out play out in the coming Years.

There has been a window available for next 3 years to make up for what was not implemented now. And that also shows in our view the commitment of the government of the highest order. We feel that this will mean that sooner or later as more and more manufacturers adopt this, it will help our strategic investment in this and should hold good for your company.

Kaushik Poddar: I mean, do you see as a result your margin also coming up?

Sumeet Kumar: Yes, overall, in fact we see as when the actual implementation of this happens, that will largely track the increased utilization. And we being one of the best entrenched players in the recycling capacity, we will be the early beneficiary and should be able

to get the benefit of our significant strategic investment in that as this starts getting implemented resulting in the numbers of this renewable mix.

Moderator: The next question comes from the line of Saket Kapoor from Kapoor & Co.

Saket Kapoor: Yes, sir. Thank you for the opportunity. Sir, as you mentioned that the current maturities are at peak of Rs. 1,450 crore- Rs. 1,500 crore, sir? Is that number correct for the next year?

Sumeet Kumar: Yes, that's over the next year.

Saket Kapoor: So we should be, Yes, so for the next year should we expect that debt to decline by that number itself or on an absolute number, because net debt to EBITDA would be a misnomer with the contribution from the new projects, still we are just contemplating and planning for the next year. So, on an absolute number basis will this number be reduced, the opening the closing number for December?

Surajit Pal: So, as I said that in isolation looking at the net debt number will not give the right perspective in the sense that we see this EBITDA performance for the next fiscal to improve making this leverage ratio net debt to EBITDA ratio which in our opinion has peaked at the current level to improve.

Now with the repayment or current portion of the long-term debt or repayment over next 12 months of Rs. 1,450 crore- Rs. 1,500 crore and there is a remaining capex of close to about 1200 crore, largely it should square off. We don't expect any significant addition in the debt, but at the same time improvement in the leverage profile based on the improved EBITDA is what I can say, not necessarily reflecting in the reduced debt number, but we can see improvement in the leverage ratio.

Saket Kapoor: Okay. Is it the 1,200 which you mentioned right now will be spent for the next financial year in which project?

Sumeet Kumar: So, some part of this as we talked about these projects which are yet to see the full completion and commissioning. Yes, we have about 36 million, we are about close to about Rs. 350 crore of capex spent which is remaining post after the quarter 3 for our Egypt aseptic plant.

We will have for remaining capex of close to about Rs. 110 crore-Rs. 120 crore for the recycling plant at Noida. And we will have; the next one will be the BOPP Dharwad plant expenditure. So all put together, that is the residual capex which based on the current plans for the capex seems to be tinkered to a significant level over the course of next 1-year.

So given the repayment of this and remaining capex requirement of so much, I think largely it will kind of offset each other, holding the debt level, I don't say that it will come down in the immediate year, but this has to be seen in the context of the improved EBITDA and resulting in a leverage ratio being better is what we can expect.

Saket Kapoor:

Okay. That point is well taken. Now just to conclude, see we are operating in various geographies, so in the net debt numbers if we could provide us in next time in the presentation with geography-wise working capital debt as well as long-term debt, so that will suffice some understanding of where the debt is currently being held. That would give us much more clear picture about the same.

So that bifurcation would suffice lot of our queries where the debt is held in which geography and then we can contemplate about the currency translation and other issues also, the risk part there itself. That is different ball game. My request is that if one can look forward presentation of debt geography-wise segmentally, so that will suffice the issue?

And then we are operating in all across the globe, sir what kind of systems, IT systems, SAP are in place wherein we get real-time position of all the plants that are operating across the globe, or do we need to accumulate data post the quarter end and how do we reconcile things, sir?

Surajit Pal:

Yes, so I think there were two parts to your question. One was related to debt profile and you were specifically looking at this split of long-term and working capital and also to get some sense of India and overseas. So, in fact probably kind of adding an inkling of this and from our side, if you actually see Slide number 24 of the presentation shared, there is already a profile, a split given of long-term debt and working capital.

So long-term debt is about 74% of the total debt and working capital and short-term is 26%. Likewise, within the long-term debt, there is a split given of domestic and overseas. So domestic at 40% and overseas at about 60%. And largely you will also see this also bringing out a very clear pointer that 60% of the overseas business is in line with our major growth plans which are from overseas. This debt is aligned to our capex investment, major growth plans and that largely is being reflected in the split between domestic and overseas business at overseas debt at 40%-60%.

Coming to the second point which you made about the IT system, ERP implementation as a policy, in fact in all locations we follow the uniform ERP Oracle that is already implemented across all locations, all entities, so there's nothing like quarter end scurry for the numbers and trying to collate those numbers based on a parallel Excel kind of MIS, so that is very much part of the ERP implementation which has been done across all the entities, across all the geography.

Saket Kapoor:

So then, sir, what should investors read into always declaring of results on the penultimate day of the statutory requirement? Every quarter, either our results are declared on 10, 11 or 12, that is the penultimate day which remains or 14. In fact, since we are on the call of UFlex will discuss only the other. In fact, the industry itself, the entire concept for the film industry, every results for the film packaging film industries are at the fag end, either on 10 to 14 are the numbers, so we will be speaking to other companies on their platform, but I would like to know from the UFlex team that what remains pending that we need to come up with results only on the penultimate day?

Sumeet Kumar:

Yes. So, the number one, first of all, let me assure you that this is not because of anything pending as such. This is not something to do if it is related to the ERP or Oracle system implementation, as I told that is something which is already in place. It is not something that results in any holdback or delay in terms of getting the data, so we take your point that penultimate day or a day before and all maybe something that can be a pointer can be a suggestion for us to look at.

And having said that, I think about other industry players, I should not be commenting on that. But maybe to some extent we being the industry leaders to some extent this may also be somewhere closer to these major industry players announcing the

results. But I take your point, I think this is a suggestion which is welcome suggestion and it is not for any kind of constraint or anything, it is largely something that we can talk about.

I will refrain from talking about other players in this who have more or less as you rightly said announced around the same time. So that part I will not comment on, but I take your suggestion as a welcome suggestion to see if we can actually push it a bit ahead.

Saket Kapoor:

Yes, sir, just look at the bottlenecks and get them get sorted out, so this will help your investor community and since we set the benchmark, so the other people will also follow suit. That is what my understanding was. And lastly, sir one more request if we could also have on our conference call our Vice Chairman CEO Mr. Anantshree to spare time with the investing community since there is no representation from the promoter.

Although sir this is not to undermine your or Surajitda or Manoj Pandeyji's significance or credibility, but it is just a humble suggestion from minority shareholders that there should be some representation in one form or the other either on a half-yearly basis or on an annual basis wherein we hear from the promoter who are also a partner with us in this entire profile.

I think so all others are professional people including you, Surajit da and Manoj Pandey ji who are conducting and answering us during the course. So that's again a humble suggestion if that could be deliberated on the merit of it and look forward.

Sumeet Kumar:

Most definitely. I think that is a suggestion which is definitely worth checking home. And as you rightly said that, I mean, at the end of the day, in our own humble ways, we try our best to do justice to this presentation. But I understand there is a difference always in terms of a strategic vision in the road map ahead. Hearing it from the promoters does have a different impact, at least in terms of vision. So, this point is well taken. We will definitely take it to the promoters to get it.

Saket Kapoor:

Sir, only to add to that vision and everything is being informed by them to you, and you are deliberating and extending to us. Am I correct on that front, sir?

Sumeet Kumar: No, that point I will say that is despite with all humility, I'll say that's something which basically needs more understanding. It is not something that we hear and we are communicating to you. This is actually from the management side with all responsibility it is something which is on behalf of UFlex. Whether you hear it from Mr. Anantshree Chaturvedi or from us, it will be the same message coming from the common goal. But at the same time, hearing it in the strategic vision ahead. Of course, there can't be any substitute to the promoters, the founder. That point is well taken.

Saket Kapoor: Yes, sir, with all humility I made my submission, sir, not to pinpoint on any aspect and we are totally satisfied with the way the calls are conducted, presentation are given, updates are sent, so no questions on that. But we would definitely want to have our promoters' representation on the calls going ahead. And that's all from my side. Thank you, sir. And all the best to the team for the coming ensuing quarter, sir.

Sumeet Kumar: Thank you. We need your wishes. Thanks a lot.

Moderator: Thank you very much. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to management for closing remarks.

Surajit Pal: Thank you for joining us today. We appreciate your time, questions, and continued support. The transcript of this call will be made available shortly on our website at www.UFlexlimited.com. We value this platform as it enables us to engage meaningfully with our investors and stakeholders and look forward to keeping you updated on our progress in the coming Quarters. Wish you all those present here. Thank you.

Sumeet Kumar: Wonderful experience interacting with you. We welcome your questions, suggestions and a lot of insights, and look forward to engaging with you again. Thank you so much.

Moderator: Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.

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