



UFLEX LIMITED

Division/Office: CORPORATE - SECRETARIAL

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UFLEX/SEC/2020/

11 November, 2020

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/I, G-Block
Bandra-Kurla Complex
Bandra (E),
Mumbai – 400051

The BSE Limited
Corporate Relationships Department
1st Floor, New Trading Ring,
Rotunda Building, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

Subject : Press Release

Dear Sir,

We attach herewith a "Press Release" for the information of Members.

Thanking you,

Yours faithfully,
For UFLEX LIMITED

(Ajay Krishna)
Sr. Vice President (Legal) &
Company Secretary

Encl : As above

UFlex Delivers a Robust Performance in Q2 FY20-21

~ Highest-ever Quarterly Production & Sales Volumes at 118470 MT & 111645 MT ~

~ Highest ever Quarterly Revenue at 2234.5 crore ~

~ Highest-ever Quarterly EBITDA at 472.9 crore & PAT at 221.8 crore ~

~ Russia Packaging Films plant commences commercial production despite COVID crisis ~

11 November, 2020, Noida: UFlex Ltd, India's largest multinational flexible packaging company and a global player in polymer sciences, today declared its earnings for the **quarter ending September, 2020**. The company posted a strong performance with **Consolidated Revenue rising by 19.2% YoY to INR 2234.5 crore, EBITDA increasing by 69.6% YoY to INR 472.9 crore and Net Profit jumping YoY by 136% to INR 221.8 crore in Q2 FY2020-21**.

The company has registered back-to-back successful quarters where they witnessed surge in demand for multiple lines of businesses while also adding newer clients. **This is evident by the rise in total sales volume by 18.8% YoY to 111645 MT in Q2FY2020-21. Total production volume for the quarter showed an increase of 25.7% YoY to 118470 MT, the Packaging Films production volume grew by 26.8% YoY and Packaging production volume grew by 22.1% YoY.**

Speaking of the strong results, Rajesh Bhatia, Group CFO at UFlex Limited said, "As expected, this quarter our performance has continued on the growth trajectory. The surge in production and sales volume of Packaging Films is on account of additional output from Russia & Poland plants. The surge in packaging production and sales volumes by 22% and 23.3% YoY respectively is an outstanding achievement. Whether it is developing new solutions or adding new customers, we have ensured a holistic growth performance. CRISIL has reaffirmed our long-term and short term credit rating at A/stable & A1 respectively."

Ashok Chaturvedi, Chairman & Managing Director, UFlex Limited said, "This quarter has witnessed a resurgent UFlex, despite all the COVID-19 challenges, achieving highest ever quarterly production, sales, revenue, EBITDA & PAT. We have been pivotal in providing packaged products to the end consumers during the pandemic period. To ensure that we are future-ready and have a better outreach of sustainable solutions to our clients located globally, we have been scaling up our international operations. We are glad to announce that during the quarter, we commenced commercial operations from Russian facility which will help bring us closer to our customers in Russia & CIS markets."

He continued, "We are eagerly waiting for a COVID-19 problem to be over which will bring focus back on sustainability in flexible packaging as we are ready to commercialize our various biodegradability initiatives."

In Q2 FY 2020-21, UFlex introduced a host of new product innovations and developments to set a benchmark for the packaging sector:-

➤ **Engineering Business:**

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



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

➤ **Holography Business:**

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

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

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

➤ **Chemicals Business:**

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

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

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

➤ **Flexible Packaging Business:**

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

a. For Nestle's launch of new *Maggi Chilli Garlic Fried Rice Instant Spice Mix*, UFlex designed a structure comprising of 10 micron polyester pack with 6.35 micron Aluminum foil and 50



- micron EVOH Poly that provides excellent moisture and oxygen barrier to pack seasoning that needs the aroma to be retained till its consumption.
- b. For Agro Tech Foods *Sundrop Duo Twist Wrap*, the requirement was to pack confectionary in a 23 micron metallized polyester pack with twist grade that allows surface printing and anti-static coating for smoother running of the pack through the machine. Due to the combination of matted gloss printing, in which the product printed on the package looks glossy while the rest of the pack wears a matted look, the pack catches instant attention when placed on retail shelves.
 - c. For the launch of dry fruits, spices & rice of global food & agri-business brand Olam Agro, UFlex created laminates & pouches with a structure of 12 micron PET, 12 micron window MET PET and 90 micron PE to pack contents with requirement of a strong barrier to retain aroma, nutrients & taste within shelf life. These single web laminates with side gusset window offers a good view of actual product to consumers. UFlex also worked on giving these packs a distinctive shelf appeal by using white ink separation with lacquer that lends a fusion look of metallic & matt on the pouch, while the registered matt coat makes the brand name and image of the product shine with its surrounding looking matted.

➤ **Films Business:**

1. **Metal Textured Film for Shelf-appeal:** The Metal textured film is derived when textures are incorporated on a specially formulated BOPET substrate that is availed with the use of special polymers and nano materials, to impart good reflectance, depth and ease of processing. The films' two variants *F-Brush-M* and *F-Lin-M* are extensively used to produce labels and provide premium quality lamination on board, graphic and advertising banners, wall papers, automotive parts, sheet moldings and white goods. It is available in 23, 36 and 50+ micron thickness. *F-Brush-M*, available in silver, gold and rose colour, is used to achieve a fine brush like effect on a metallized polyester film to give a steel look on the shelf with excellent gloss and shine. Whereas, *F-LIN-M* is a special coated metallic linen textured polyester film that gives excellent gloss and design with seamless impressions. Both variants are compliant with the EU and FDA standards. The entire manufacturing of the film involves no use of solvents or UV radiation which makes the film sustainable.
2. **Ultra-low OTR PET Film for Food Packaging** – Patent pending film F-ULP is a coated transparent BOPET film with barrier layer coated on one side that provides an ultra-high oxygen barrier. F-ULP has the highest level of barrier achievement with one of the lowest OTR in the world. The standard film has the OTR values of less than 0.4cc/m²/day which can be reduced further down to 0.08cc/m²/day or even lesser depending upon the coating thickness. The coating has an excellent adhesion on the substrate which gives it good bond strength with all types of adhesive systems in multi-layered laminates. Besides, the film also offers strong barrier against moisture, supreme crack resistance transparency and yields cost and environmental benefits, making it a preferred film by brands. The film is best suited to pack dry foods, confectionaries, snacks, dairy products, perishable products and processed foods.
2. **BOPET Film for Printing & Lamination Application** – UFlex launched F-MSH grade polyester film for multiple printing and lamination application. It is a mono-extruded matte finish polyester film that has high haze of more than 80% and low gloss with excellent muted and grainy surface. This grade of polyester film is also available with on corona treatment or chemically coated side and complies with FDA and EC regulations for food packaging. This film is highly beneficial for thermal lamination, label application, board lamination etc where one requires outstanding print quality and strong stiffness.
3. **Sealable & Peelable BOPET Film with Water-based Coating for Lidding:** F-TPS, a sealable and peelable polyester film with water-based eco-friendly coating, is a sustainable concept with low GSM instead of using solvent base coated product. This film offers higher optical clarity with 4-5% haze as against conventional haze product, and possesses anti-fog characteristics for hot and cold conditions. This film, that is USFDA and EU compliant, allows





printed or metallized lidding on variations of PET like amorphous A-PET, recycled R-PET and crystalline C-PET, G-PET and PVC substrate.

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

For more details on the Results for Quarter ended September 30, 2020 click on:

www.uflexltd.com/financials.php

About UFlex:

UFlex is India's largest multinational flexible packaging materials and Solution Company and a leading global player in Polymer Sciences. Since its inception back in 1985, UFlex has grown from strength to strength to evolve as a truly Indian Multinational with consumers spread across the world. UFlex today has state-of-the-art packaging facilities at multiple locations in India with installed capacity of around 1,35,000 TPA and has packaging film manufacturing facilities in India, UAE, Mexico Egypt, Poland, USA and Russia.

Integrated within its core business profile are allied businesses like Aseptic Liquid Packaging, Engineering, Cylinders, Holography and Chemicals which further gives UFlex a superior edge over competition. UFlex offers technologically superior packaging solutions for a wide variety of products such as snack foods, confectionery, sugar, rice, other cereals, beverages, tea & coffee, dessert mixes, noodles, wheat flour, soaps, detergents, shampoos, conditioners, vegetable oil, spices, marinades & pastes, dairy products, frozen food, poultry, anti-fog, pet food, pharmaceuticals, contraceptives, garden fertilizers, plant nutrients, motor oil, lubricants, automotive and engineering components etc.

All UFlex plants are accredited with ISO 9001, 14001, HACCP & BRC certifications. UFlex caters to markets spanning across the globe in over 150 countries ranging from USA to Asia. Some of UFlex' clients on the global turf include P&G, PepsiCo, Tata Global Beverages, Mondelez, L'Oreal, Britannia, Haldiram's, Amul, Ferrero Rocher, Perfetti, GSK, Nestle, Agrotech Foods, Coca-Cola, Mars Wrigley, Johnson & Johnson amongst others.

UFlex is a winner of various prestigious national and international awards for its products' excellence including Dow's 2018 30th Awards for Packaging Innovation and Sustainability Awards 2018 besides the recently won 'Packaging Company of the Year' by *PrintWeek Awards 2019*. UFlex became the 'first company in the world to recycle mix plastic waste' for which it earned recognition at *Davos Recycle Forum in 1995*. For more details, click on: www.UFlexltd.com

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