UFLEX LIMITED

Division/Office: CORPORATE - SECRETARIAL
Corporate Office: A-107-108, Sector-IV, Distt. Gautam Budh Nagar, NOIDA - 201301, (U.P.), India
Tel.: +91-120-4012345/2522558 **Fax:** +91-120-2442903
Website: www.uflexltd.com **E-mail ID:** secretarial@uflexltd.com

UFLEX/SEC/2026/ November 20, 2026

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

Scrip Code : UFLEX

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

Scrip Code : 500148

Subject : Transcript of the earnings conference call conducted on November 16, 2026

Dear Sir(s),

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of the earnings conference call conducted on ***Monday, November 16, 2026 at 4:00 PM IST.***

Request you to take on record.

Thanking you,

Yours faithfully,
For UFLEX LIMITED

RITESH CHAUDHRY Digitally signed by RITESH CHAUDHRY
Date: 2026.11.20 17:48:34 +05'30'

(Ritesh Chaudhry)
Sr. Vice President - Secretarial &
Company Secretary

Encl: As above

UFLEX LIMITED

Q2 & H1 FY27 EARNINGS CONFERENCE CALL: NOVEMBER 16, 2026, 04:00 P.M. IST

MANAGEMENT: **MR. ARUN KUMAR SHARMA – PRESIDENT, FINANCE AND ACCOUNTS AND GROUP CHIEF FINANCIAL OFFICER, UFLEX LIMITED**
MR. SURAJIT PAL – VICE PRESIDENT, HEAD OF INVESTOR RELATIONS, UFLEX LIMITED

HOST: **MR. ASHVATH RAJAN – ARIHANT CAPITAL MARKETS LIMITED**

ACTIVE Q&A PARTICIPANTS:

- **Wilson Lewis –** Individual Investor
- **Kaushik Poddar –** KB Capital Markets
- **Shashank Mehta** – Parekh Family Office
- **Sumangal Pugalia** – RaRe Enterprises
- **Siddharth Soni** – Jainam Broking
- **Saket Kapoor –** Kapoor & Company
- **Randhir Kumar Singh –** Randhir HUF

Moderator: Ladies and gentlemen, good day and welcome to the UFlex Limited Q2 and H1 FY27 conference call hosted by Arihant Capital Markets Limited. 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.

I now hand the conference over to Mr. Ashvath Rajan from Arihant Capital Markets Limited. Thank you, and over to you.

Ashvath Rajan: Thank you. Good evening, everyone. On behalf of Arihant Capital, I would like to thank all of you for joining the UFlex Q2 and H1 FY27 results conference call. From the company's leadership team, we have Mr. Arun Kumar Sharma, President Finance and Accounts and CFO, and Mr. Surajit Pal, Vice President and Head of Investor Relations. We will open the call with opening remarks by the management, followed by the Q&A session.

I would now like to hand over the call to Mr. Surajit Pal to make opening comments. Over to you, sir.

Surajit Pal: Thank you, Ashvath. Good afternoon, everyone. Thank you for joining us today for Q2 and H1 FY27 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. Arun Kumar Sharma, President Finance and Accounts and Group CFO, UFlex Limited, for his opening remarks, following which we will open the forum for question-and-answer session. Over to you, sir.

Arun Kumar Sharma: Thank you, Surajit, and a very good afternoon to everyone joining us today. On behalf of the entire UFlex team, I extend a very warm welcome to all our shareholders, analysts, and other stakeholders on this call. UFlex has delivered three consecutive quarters of strong performance, with the momentum established in Q4 FY26 carrying forward in Q1 FY27 and sustaining further in Q2 FY27.

Our Q2 performance, marked by robust year-on-year revenue growth and meaningful profitability expansion, underscores the strength of our diversified global footprint, resilient business model, and ability to navigate market volatility while capitalizing on growth opportunities.

This performance has been achieved despite a challenging operating environment marked by elevated inflation, higher crude and energy prices, rising logistic costs, and supply chain disruptions, alongside price and demand volatility amid the ongoing West Asia conflict. Our integrated business model, global footprint, and disciplined execution reinforce our confidence in remaining firmly on track to achieve our robust FY27 growth outlook.

Q2 FY27 key financial highlights.

Consolidated revenue for Q2 FY27 grew 26% year-on-year to Rs.48,694 million, reflecting incremental revenue of Rs.10,084 million over corresponding quarter last year. Normalized EBITDA increased 95% year-on-year to Rs.7,588 million, with normalized EBITDA margin expanding by 550 basis points to 15.6%. Of the incremental revenue generated during the quarter, overseas operations contributed 56%, while India operations accounted for remaining 44%.

Turning to incremental normalized EBITDA, overseas operations accounted for 74% of the total incremental normalized EBITDA of Rs. 3,694 million, while India operations contributed remaining 26%. This highlights the significant improvement in overseas profitability, which was the primary driver of consolidated EBITDA growth.

Consolidated net profit after tax and non-controlling interest grew 689% year-on-year to Rs. 2,106 million, with net profit margin expanding by 360 basis points to 4.3%.

Drivers of growth.

Now let me take you through the key drivers of growth in Q2 FY27. Overseas operations remained the key growth engine, contributing 56% of incremental revenue and 70% of incremental normalized EBITDA. Revenue growth was driven by higher realization and localized sourcing premiums, while profitability improvement was supported by incremental realization from raw material cost pass-through, a better product mix, and operational leverage.

Egypt, Mexico, Hungary, U.S.A, Poland, and Nigeria were the key overseas contributors, alongside the strong performance of our India packaging films and PET chip businesses.

Sales volume.

Total sales volume increased 1.5% year-on-year to 163,532 metric ton in Q2 FY27. Packaging films accounted for 78.9% of total volume, while the packaging business contributed the remaining 21.1%. Packaging films volume grew 3% year-on-year to 129,025 metric ton, supported by converters' preference for sourcing packaging films from local and regional producers. Packaging business volume declined 3.9% year-on-year to 34,507 metric ton, primarily reflecting our strategic shift towards higher-margin flexible packaging businesses in the Indian market.

Expansion and capex.

Moving to our expansion and capex initiatives, we incurred capital expenditure of Rs. 5,689 million during Q2 FY27, primarily towards three key projects: the aseptic packaging facility in Egypt, recycling unit at Sector 155 Noida, and BOPP line at Dharwad, India.

Business outlook for FY27.

Turning to our business outlook for FY27, we remain confident of achieving our guided revenue and EBITDA growth of around 30% for the full year. In H1 FY27, we achieved revenue of Rs. 102,666 million and EBITDA of Rs. 15,961 million,

representing approximately 49%-51% and 60%-62% respectively of our full-year targets. Our outlook is underpinned by multiple growth levers, including the sustenance of current utilization levels, subject to normal seasonal variation inherent in the industry, a favorable product mix, and improving utilization of recently commissioned capacities.

These include our 39,600 metric ton per annum recycling facility at Noida Sector 155, 80-million-unit WPP bag facility at Mexico, and two coating lines in Egypt and Mexico. These capacities are expected to contribute progressively to revenue and EBITDA as utilization ramps up.

Additional growth drivers include product mix optimization in India's flexible packaging business, higher utilization and sales from aseptic packaging plant at Sanand, increased production of value-added films in Hungary, and commissioning of 12 billion pack aseptic packaging facility in Egypt in H2 FY27. We also see further headroom for growth through higher capacity utilization across our operations in Dubai, Nigeria, CIS, and Poland.

With that, we would be happy to take your questions and provide any additional insight that may assist you in your analysis and understanding the company's performance and growth prospects. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Wilson, an Individual Investor. Please go ahead.

Wilson: This is Wilson Lewis. First of all, congratulations for fantastic results. My main criteria was, when is the company likely to reduce its debt of Rs. 8,000 crore? That is my only concern.

Arun Kumar Sharma: See, Wilson, you should look at the company from a growth perspective and the overall leverage perspective. Our leverage ratios were very high in FY 2025 and 2026. We have brought down those leverage ratios from 4.5 plus to 3.33 in Q2 FY27. We have also guided the market that we will be in the range of 3 - 3.5 at the end of this financial year. Going forward in FY28/'29, when the capacities become 100% utilized of the new capex what we have done, we will see much reduced leveraging level going forward.

Let me also introduce a fact here. You are seeing the leverage on an absolute front, but if you see out of this leverage, almost Rs. 1,000 crore of capex has been done for the assets which are yet to get commercialized, which will get commercialized and be 100% capacity over a period of two years. If you take out those Rs. 1,000 crore from this operating leverage, then you will see our ratios are much more stronger as compared to 3.33 also. You should look from overall perspective.

We are in a growth company which is growing at a CAGR of 10% year-on-year for last 5-6 years. We have to invest, and our capacity utilization is increasing year-on-year. We have to invest in capex to keep on growing.

If today we have not invested in Egypt, Mexico, Nigeria, Poland, Hungary, had we remained in India only, you would have seen what disaster would have happened, because overseas is giving much better results as compared to Indian operations due to the prevailing circumstances and competitive situation in India.

Overall, the strategy is to grow at a good pace, side by side keep the leverage under control, which we are doing it, and we are demonstrating by giving you the leverage ratio. Our profit margin is also growing; EBITDA is also growing year-on-year. You should also take this into account.

Any company which has got a high growth phase, will have a leverage little on the higher side, but any leverage which is around 3x the EBITDA, I do not call it a very high leverage. It is a leverage where the growth is in focus. I hope I am able to answer your question.

Wilson: Yes, fine. Thank you. When is the likelihood of Dharwad plant to be commercialized?

Arun Kumar Sharma: Mainly H1 FY28.

Wilson: Thank you.

Arun Kumar Sharma: The capex is still going on there, and H1 FY28, that will be most probably being commercial operations will happen.

Moderator: Thank you. The next question is from the line of Kaushik Poddar from KB Capital Markets Private Limited. Please go ahead.

Kaushik Poddar: Yes. Mr. Sharma, in your opening address, if I heard you correctly, in the first two quarters, you have attained around 50% turnover for the whole year and EBITDA of 60%. That means you are speaking of, say, around Rs. 20,000 crore turnover and EBITDA of around Rs. 2,700 crore. Is my calculation right, or I heard it something wrong?

Arun Kumar Sharma: No, your calculation is very much correct. We have given the guidance for this year itself in the beginning of the year, because we have done the capex in such a way that our top line this year should grow by at least, we are targeting around 30%. Profit also will grow around 30%.

If you take this 30% into account from FY26 financial results, you will reach to these figures. To reinforce our point that in H1, whatever results we have attained, they always lead you to that figure only that we are well on track to achieve our guidance for FY27.

Kaushik Poddar: Okay. Can you explain the reason why the profit margin has gone up from, say, whatever it was in the last two years?

Arun Kumar Sharma: See, it all depends on the capacity utilization. Now the capacity utilization is running at around 80%. If the capacity utilization was little lower, then our expenses will be higher because fixed costs cannot get distributed accordingly, so once your capacity utilization keeps on increasing, your margin will keep on increasing.

That is why from last year to this year, our margins have increased significantly because we are reaching towards 80% capacity utilization. 80% means our margins are going to be sound. On top of it, the capacity what we are using overseas is yielding much better margin as compared to capacity in India because of a competitive landscape.

Our philosophy of being near to the customers, like in Egypt, like in Nigeria, in Mexico, that is yielding very good result because we are able to demonstrate to our customers uninterrupted supply chain because we are able to deliver material to them right on time without any disturbance.

Whereas if you have to export from India, you will have all those challenges of getting a container. The freight cost has moved up like anything. Those challenges are not there when you are near to the customers. Customers are also willing to pay you the delta for that continued supply and ensuring them that their ultimate sales is not getting affected because of our packaging material. These two things have really helped us in ramping up our profitability over last three, four quarters.

And we hope so that now we are well entrenched into our manufacturing cycle and our capex cycle. Commercial production will also start happening in our new capex in what we have done, so our profitability will keep on continuing in this range only over next few years.

Kaushik Poddar: It's really gratifying to see such consistency in profitability. I mean, consistency usually gets a good multiple in the market also. Hopefully, that will get reflected in stock price of yours. My last question is on the aseptic packaging front. You have mentioned that the aseptic packaging, there is a threat of imports in India.

And on top of that, some part of it used to get exported to, say, Egypt or something, where you are putting up a new plant, which is coming on streams here. How do you see the aseptic packaging, the turnover and profitability, both in India and Egypt, if you can lay the roadmap for the next 2-3 years?

Arun Kumar Sharma: Yes. See, aseptic packaging is our value-added product what we've entered into. In India, we have a good capacity of around 12 billion packs. The utilization is around 80% there. And exporting from India, you're right, there's a lot of challenge from cheap imports, what is happening from Indonesia and other countries.

That's why the margins are getting affected on the aseptic business standalone basis. To counter this, we are going to start the plant of our aseptic business in Egypt in H2 FY27. Once that plant gets operationalized, first year, we'll do a capacity of around 30%.

Next year, we'll reach around 60% capacity, and third year, we'll reach around 100% capacity. Once we reach 100% capacity, you can see our margins stepping up there also. And this will give us a good growth into aseptic business, which will continue till up to FY29. We have planned our capex in such a way that when the capacity

becomes 100% in FY28 or FY29, you'll see the full potential of aseptic business being unfolded into our profitability.

Kaushik Poddar: Yes. And see, I think last time, you had spoken of tripling your turnover in the next three years. Is that between FY26 and FY29? I think that is what you meant. Do you stick to that?

Arun Kumar Sharma: No, not tripling the turnover. Our capacity utilization, whatever we have in FY26, that will get ramped up by FY29. Our turnover depends on how the price realization happens. Whatever capacity we have in tonnage, whatever we are making FY26, that we want to at least double by FY29. That is what we spoke last time.

Kaushik Poddar: The capacity utilization, right? That is what you are speaking of.

Arun Kumar Sharma: Yes.

Kaushik Poddar: Okay. And see, on the aseptic packaging front, domestic. How do you see this year? Do you see the competition coming down or something happening on the domestic front?

Arun Kumar Sharma: We welcome the competition. Competition is always good for growth. We should never be afraid of competition because competition enables you to optimize your cost and do more innovation in the product profile. All that we are doing it, and competition is stiff in India as of now.

But we are, I think, a big player in this market, so we are able to take care of the competition also. But whatever profitability you are expecting, had the competition not been there so much, our margins would have certainly been much higher. But I think we are having a decent margin in our aseptic business because it is a value-added product for us, and we will continue to grow that business in India and Egypt as well.

Kaushik Poddar: Thank you for answering all my queries and hope you are able to give a consistent result which will give you the higher multiples. Thank you.

Moderator: Thank you. The next question is from the line of Shashank Mehta from Parekh Family Office. Please go ahead.

Shashank Mehta: A couple of questions. This one is regarding the commercial production. Has the commercial production started for Egypt aseptic? What is the level which you plan to achieve for this entire financial year, and how many customers have approved the plant, and how are you expecting the volumes to be?

Arun Kumar Sharma: A question about the commercial production, which we hopefully shall announce in H2 FY27. Before March 2027, most probably we will have the commercial production out from our Egypt plant. That is good news for us. The capacity there we planned is of 12 billion packs as of now. First year means when we start the commercial production, we will achieve 30% capacity utilization because customers' approvals are coming in, and we have got a very good profile of customers there who have given us the validation batches.

We have sent the validation batches to them also. Few of them are approved already. I cannot disclose the name of the customers because they are big MNC clients and we have a confidentiality with them. It is very encouraging to see big multinational customers approaching us for our Egypt facility. Hopefully, we will see that within next two years' time, our facility will be fully utilized.

Shashank Mehta: Fair enough. What are the EBITDA margins which you expect, your payback, and the return on capital which you expect from Egypt? At what utilization do you expect it to break even?

Arun Kumar Sharma: See, division-wise, EBITDA margins and other things, it is very difficult to give because we are a multi-product and multi-division company. If you look from a general perspective and concept, we look for any capex with a payback from three to five years' time horizon. That is our horizon when we put up a capex. Capacity utilization always depends on which product we are entering into.

If you are asking for Egypt, we are confident of achieving 30% in first year, going to 60% in second year, and 100% in third year. I would like to just qualify this. If our customer validation goes as expected, as it is going now, we may have a further capacity utilization in year or two itself. That all depends on how the customers approach us. Till now, the customer's response has been very encouraging, and we

are hopeful that we will be able to turn around this project very profitable in the years to come.

Shashank Mehta: Last question is, as you guys are moving towards flexible packaging, which is into the high-margin segment, how much volume are you willing to give up on packaging?

Arun Kumar Sharma: How much volume you are able to give up? I did not get your question. Can you repeat that, please?

Surajit Pal: Come again, please.

Shashank Mehta: See, as you are moving towards, flexible packaging, which is your high-margin product, so how much more volume are you willing to give up on packaging volume? has it cost key accounts? and did your Q2 volume stabilize?

Arun Kumar Sharma: See, the whole strategy is to get into value-added products where the margins are much higher as compared to the normal products. If volumes are lower also in the value-added products, our margins are higher. That is our, I think, underlying assumptions what we are working on, that get more and more value-added products in our business so that our margins remain on a high side.

Even though we may lose little bit volume here and there, but our margins and overall revenue should keep on increasing. With that assumption, we keep on introducing new product in the market. We do all the different coated films product also, which give us a higher margin. That philosophy going forward, we will keep on testing and moving ahead with that.

Surajit Pal: Hi Shashank, Surajit here. Basically, what our management is planning in packaging space is that we will refocus on the product which gives us a better margin profile. As we are also upgrading our skill and the machinery, we want to focus only on the goods clientele, where we could get a good support both on top line and bottom line.

As well as in that process, what will happen is that our base will be broader instead of concentrating on one or two or three or four guys, so it will be basically a two-pronged benefit. One is that we will be expanding our base, so we will not be depending, so, our concentration risk will be lower. Second thing is that our margin profile will be higher.

Shashank Mehta: Yes, fair enough. That answers my question. Thank you, and all the best to you and your team.

Moderator: Thank you. The next question is from the line of Sumangal Pugalia from RaRe Enterprises. Please go ahead.

Sumangal Pugalia: Yes. Hello. Thank you for the opportunity. I wanted to understand the spread that we make on our core business. I can see one of the slides in your presentation that the prices of films have, I think, come off a little bit after the end of the quarter. How did we understand the inventory gains and spread that we made in Q1, Q2? The change in the prices now, what will that have as an impact in Q3 and Q4?

Arun Kumar Sharma: Sumangal, a very good question from your side. The margins keep on, the finished goods pricing, or let's say film pricing, keep on fluctuating quarter-on-quarter, you would have seen. But we make various type of films where our average pricing doesn't go down that much as what you see in individual film pricing.

I can't give you the actual pricing, but if you see a spread, which has been very consistent from, if you look at Q4 2026 to Q1 2027 to Q2 2027, our spread on BOPET films has been very much consistent, and we are able to maintain that spread, because in our industry, you see, the raw material prices are generally passed on to the customers, because it keeps on changing depending on the crude benchmark rates, whatever come out.

Most of our contracts are designed in such a way that all the fluctuation in the key raw materials are passed on to the customers. That's why our spread, what you see across the last 3-4 quarters, have been maintained. As we move into the higher category films like BOPP and other category of coated films, the margins keep on strengthening film by film.

Our ambition is that we should produce more value-added films here, where the margins are not impacted as much as on a plain film, and we are able to maintain that spread consistently on quarter-on-quarter basis. I can see I have a data from January 2026 till November 2026.

Although the finished pricing of films have changed a lot during this time, the margins or spread, what we call it, does not change that much because of the nature of how we deal with our customers and how we get into the contract with customers, because all these products are made to order. They are not just made for stocking purpose. Once you make these products for made to order, they are designed for particular customers, and we deal with large customers.

They are willing to pay us a little bit extra because of our consistent supply chain, a good quality product, and delivery on time, so that is the reason because of our geographical reach as well as India also, we have so many locations in north, in south, in west. This really helps us in maintaining the margins. Hopefully, in Q3 and Q4 and going forward also, we will be able to demonstrate strong margins on our products.

Sumangal Pugalia: Just can you call out, like, how much is the spread we made last year and this year so that we can compare like to like? Because the top line growth is obviously a mix of the volume growth, which is a much lesser part now than the pricing increase.

Arun Kumar Sharma: See, the spread, if you look at, I can tell you, I cannot tell you about the value-added product what we make. But if you look at plain BOPET film, basically. We can give you that because these are available in the market. It has ranged from Rs.25 to Rs.35 spread, basically. You can see the spread is in that range, and it is for over nine months. If you average it out, it is almost consistent. But the moment we move to the value-added films, basically coated films and other AlOx films, there the spread goes little higher because we are not into the plain films, basically. We are doing a lot of value-added films where the returns are much higher as compared to the plain films.

Sumangal Pugalia: On a consolidated level, basic working shows around Rs.120-Rs.126 per kilogram in H1. Is that correct?

Arun Kumar Sharma: Yes. The price of plain BOPET film had ranged from Rs.108 in January 2026 to Rs.151, which was in October end, and it is continuing. That is the kind of change. I think crude also would have changed accordingly. In January, crude would have been in the range of Rs.90s, whereas in October and September, it was over Rs.110-Rs.112. You see there is a clear linkage between the crude prices and the film prices.

But the point to note is that these prices may change quite significantly depending on the crude thing and all, but the spread is quite consistent, and it moves higher and higher once you move into the higher value-added products. I think our main focus is now to sell various coated films, which are categorized as a value-added product for us, not the simple BOPET 12-micron plain films.

Sumangal Pugalia: Very nice. Thank you so much.

Moderator: Thank you. The next question is from the line of Siddharth Soni from Jainam Broking. Please go ahead.

Siddharth Soni: My first question is that the WPP plant we had started on July 31, how many bags were sold in the Q2, and what is the utilization that we expect in FY27? And how many customers have approved it, if you could quantify that?

Arun Kumar Sharma: See, one of the very large customers in U.S., which sells the pet food in a big way in U.S. and North America market, has already approved our facility of WPP. The first year, I think we started in July this facility, and we are running at a capacity of around 30% to 35% odd as of now. Going forward, this capacity shall be increased to 70% in FY28, and maybe we can reach earlier that capacity also, and by FY28, we will go 100%.

WPP is a premium product for us, and one of the very large pet product suppliers of U.S., a big multinational, has already approved our facility, and he has, I can say in so many words, that till now, whatever we are producing, he is picking up from us. We have also been validated by five more customers.

Very soon, we will start supplying to them once our capacity starts ramping up. That facility has come up very well for us, and I think you will see the full impact of this facility in FY28, which is going to be a changing year for this capex what we have done in Mexico.

Siddharth Soni: All right, sir. Actually, sir, there was some disturbance on my line, so I missed the utilization part. What are we expecting in FY27?

Arun Kumar Sharma: First year, we are around 30%-35% of the capacity installed. What I said is that this has been already validated and approved for supply by one customer, and four other

customers are in the pipeline who are going to approve this facility. By FY28 and FY29, you will see 100% utilization of this facility with very healthy EBITDA margins on this.

Siddharth Soni: Understood. Sir, the second question was regarding the Noida recycling plant, which we had started, I guess, in April. Sir, what was the Q2 utilization for it, and what is the in-house vs sold parts? If you could just explain that.

Arun Kumar Sharma: See, whatever we are spending in recycling, it is being done with the future in mind. You know what is going to happen in future, but I think this government mandate is going to be effective.

It is already effective, but government is going to come very strictly on all the producers to abide by the rules what have been set up. All these facilities of recycling, what you said across geographies, Noida, Malanpur, Jammu, Poland, Egypt, Mexico, we are going to see very good utilization in going years.

As of now, utilization may be on a little lower side, but I think by next financial year, you will see much better utilization of these facilities because the implementation or enforcement of these guidelines what government has issued on recycled chips is already in force, and I think you will see this getting reinforced by FY28 again.

Siddharth Soni: Fair enough. Sir, just one follow-up on this question as well. Basically, how do we recycle chip prices and just compare it with the virgin chips?

Surajit Pal: Come again, please. Recycled chips?

Arun Kumar Sharma: PET chip prices.

Surajit Pal: Recycled chips, FG and BG is something like, if it is getting into film grade, it will be roughly around Rs.114, and bottle grade will be around anything between Rs.128 to Rs.130. Vis-a-vis virgin chips will be roughly around Rs.115.

Siddharth Soni: I understood, sir.

Arun Kumar Sharma: What I can tell you, going forward, the recycled chips will be much in demand because of the norms what are being set out, and the pricing also will be better than the virgin

chips. That is what we expect going forward in future, and that's why we have put this capex to be future-ready and not be wanting for these capacities going forward.

Siddharth Soni: Okay, sir. That is fair enough. And sir, just one last question. What would be the margin difference between the domestic and the international products? And sir, just a short follow-up, what are we doing to improve for the domestic products, the margins?

Arun Kumar Sharma: See, domestic margins will always be lower than the overseas margins, because overseas price realization is much higher as compared to India's price realization. But the blended margin, overseas plus India, you see we are in the range of 14% to 15%. And that margin is very sustainable going forward also, and we'll continue to drive that margin higher and higher, because I don't want to quote a margin of overseas and India business, but overseas is, of course, much higher as compared to India margins. And blended margin will come in the range of 15%, basically driven by 60% driven by overseas margin.

Siddharth Soni: Okay, sir. At least in the midterm, we expect these margins to sustain, right?

Arun Kumar Sharma: Not midterm. I am saying long term, we will sustain and improve these margins. That is why we are doing this capex.

Siddharth Soni: All right, sir.

Arun Kumar Sharma: We are looking at five-year horizon from here.

Siddharth Soni: Fantastic, sir, on that case. Yes, that was just my last question.

Moderator: Thank you. The next question is from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Yes, sir. Thank you. Firstly, very elaborate call and explaining to us very minutely. Just to summarize in brief, we are expecting this blended margin of, say, 15.9% which we have for H1. These are very sustainable set of numbers going ahead. That is the first understanding we should have.

Arun Kumar Sharma: Yes. I think what I like to comment on this is these are very sustainable margin, but our endeavour will be to improve these margins going forward. That is why we have done the capex in very special plants at Egypt, at Mexico, and recycled PET chips, so we will continue to improve these margins, but to answer your question, these are very sustainable margin on a higher turnover also.

Saket Kapoor: Right. Now, when we look at the volume part, correct me here, sir, barring India, all the other geographies, there is a sequential dip. what does that explain? Is it the seasonality factor or how should one look at this number? I am just referring to your release, page number four.

Arun Kumar Sharma: You see, first of all, you should give credit to the company for being so transparent, and we are sharing all the capacities across the region. But these capacity utilization keeps on changing quarter-on-quarter. At some location, there can be 4%-5% dip. Some location can be 4%-5% up also in the capacity utilization because it depends on what shipment goes, because we have to be strict in our accounting policies.

Any shipment which gets closed by 31st, then we do not take for sales etc. But overall, you should not see from a particular geography, you should see overall capacity utilization which is around 80% odd. That is what you should focus on more, that we are inching towards such a high-capacity utilization. That is why we are able to achieve these high EBITDA margin in film business.

Continuing forward, our endeavour is that we should achieve at least 90% capacity utilization in all these geographies. Once we achieve 90% capacity utilization in all these geographies, you can see EBITDA margin and fixed cost automatically gets adjusted in such a way that our margin keeps on improving because fixed cost is already covered.

Now, whatever capacity utilization increases, we are able to increase margins basically. Overall, we are happy that we are using around 80% as of now. Our endeavour is next year we should go to 90 odd percent. Then once the new capacities what are being commercialized in FY27 end or FY28 beginning, those will give us a good growth going forward in FY28 and FY29.

Saket Kapoor: Got it, sir.

Arun Kumar Sharma: That is our perspective on the capacity utilization.

Saket Kapoor: Very correct, sir. If you take the value-added part, I think the Q-on-Q, there is where in your slide number, next page itself, wherein you have mentioned that for June quarter, the value-added segment, I think there is a dip as a percentage of revenue. Correct me if I am wrong. Yes, there is a dip if you take the value-added.

Arun Kumar Sharma: Value-added products contribute as of now almost 30% of our total sales. Going forward, more and more value-added products are going to come into play, and they are going to give us a very healthy EBITDA margins on this. That is why our focus here going forward on building these capacities and running these capacities at maximum whatever is permitted as per the norms. You will see going forward these capacities running to the maximum extent what is possible in that scenario.

Value-added product in next three years' time, by FY29, will be 50% of our total top line. That will ensure that we are able to maintain and improve these margins over a sustained period of at least three to five years. As of now, that is what vision we have set up for ourselves internally.

Saket Kapoor: Very encouraging to hear and hope it gets implemented also, God willing. Sir, just give me an understanding about what kind of capitalization are we going to see from the capital work in progress, Rs.2,000 crore closing balance by March 2027, and then its impact on the main cost effectiveness that I can take offline also.

If you could also give me an understanding of the aseptic part of the story. I think so, wherein we had the seasonality factor also that works into play, and we have a lot of trust on this product contribution to both the top line and the bottom line. I think this is also classified under value-added product. Going ahead, how this particular product or the vertical is going to perform, and then two small points.

Arun Kumar Sharma: This is a key product vertical for us because we have expanded this product in India also, and we are setting up a new line in Egypt also. Aseptic is something which is a way forward for all packaging industry, you would have seen. Even now, liquor is being sold in aseptic packaging.

Growth potential is very good in this business. You also mentioned seasonality. Winter is a little seasonal for them because in juices and other thing, consumption goes down winter. But Q4 and Q1 is the highest season for them. 60% sales happen in Q4 and Q1, and balance happens 40%, so, you are right that the seasonality is there in aseptic.

But going forward, this business vertical is going to be the driving force of our business also, because we see more and more companies asking for this aseptic kind of packaging, because first, it enhances the life of the product, aesthetic improvement happens, and the cost is also coming down on making these aseptic products now. That is why we are very much gung-ho on this vertical, and this will be a major component of our value-added products going forward.

Saket Kapoor: Right, sir. On the capitalization of the capital work in progress closing balance, Rs. 2,000 crore.

Arun Kumar Sharma: See, I told you, aseptic will happen by H2 FY27. Dharwad is going to be in H1 FY28. I think these are the two main plants, what are going to be capitalized in incoming years, so, most of the CWIP, whatever is there, will get translated into two fixed assets by capitalizing these two products. By FY28, most of it will be into the assets.

Saket Kapoor: Okay. Just to add to it, sir, just two bookkeeping questions. Number one is on the advanced tax payment. On the advanced tax payment part, sir, can you give what payment has been made? Because the numbers provided are net of refunds also.

Can you give us some color, and how should investors read this number on a consolidated basis? Because the other geographies' tax payments are very different. What kind of reconciliation can we do on these tax payments, sir?

Arun Kumar Sharma: Yes, Mr. Kapoor, we are very much focused on planning where to put up a plant. You see, most of the plants where we put up in overseas geography as well as in Indian geography, they are in our tax-efficient jurisdiction. That is why our tax payout as well as our P&L tax is, I think, much on a lower side.

That is why we are able to pass on much of the EBITDA to the net profit. Almost 30%-40% of EBITDA flows into the net profit because of good tax planning and setting up

the plant in a region where they have lot of tax advantages. You will see Egypt, Mexico, Nigeria, everywhere we have set up a plant in a trade zone where we get lot of incentive from the government.

As well as in India, Jammu also, we got lot of incentive from the government. Sanand, Dharwad, they are all set up in a place where we have lot of tax advantages. That is why, if you see, our tax percentage is on a very lower side as compared to maximum tax, what is around 30%. We are paying much less than that because of these reasons.

Saket Kapoor: If I may add only a small point. In terms of the integrating part, I think, so we are very well backward and forward integrated packaging conglomerate. Even the investment in the gravure and the cylinders required for the packaging segment, are we doing that also inhouse? What kind of capacity do we have there, if any number you can give

Arun Kumar Sharma: No, we are, because for packaging cylinders and the chemical division it is required for ensuring those packaging goes on fine. We are doing. They are not big, I think, as compared to films, but we are doing reasonable capex there so that we get good value-added product. And they are one of the value-added product profiles what we have, so, aseptic, cylinders, chemicals, they are all in a value-added product for us.

Holography is one of the very good value-added products for us, so you see, we are present across the value chain, from chemical inks, adhesives, to holography, to printing cylinders, to flexible packaging, aseptic packaging, and engineering. Engineering is something which is very important because we have to set up these machineries in the customer premises for packaging to meet their demand.

If they want to pack in 100 ml pack, 200 ml pack, 400 ml pack, whatever they want to do, we set up these machineries. Our engineering division in-house goes and set up these machineries in the customer's premises so that the customer can use our packaging material and keep on filling these. That's why there's forward and backward integration. We start from PET chips; we end up with the final material.

That is giving lot of advantages in managing during these turbulent times where most of the companies are finding it difficult to manage because the supply chain get disturbed and their selling potential or their raw material procurement get disturbed.

Whereas we are able to set up because even our PET chip facilities are set up near to refineries. Like, we have big PET chip facility in Panipat, which is next to IOC refinery.

Similarly, in Egypt, we have PET chip facility very near to the refinery there. It is all strategic location how we have gone geographically as well as in India. That is helping us to maintain that smooth supply chain. Hopefully, in future, we will be demonstrating that through our numbers to you.

Saket Kapoor: Yes, I got that. Only a small suggestion, sir, to Manoj Ji and Surajit sir, that we are already putting forward a very comprehensive press release along with the result. If we can combine that itself with the investor presentation, because there is a lot of duplicate data points that we are bringing up again in the presentation, and we have to go through the entire set not to miss a point.

It is only a humble suggestion, if we can create one single one with the comprehensive way, as we have already revamped our presentation also. It is a small suggestion from my side, if that could be worked out.

Arun Kumar Sharma: We take note of that, sir. Thank you for your suggestion.

Saket Kapoor: Thank you, sir, and my best wishes to the team. Thank you.

Moderator: Thank you. The next question is on the line of Randhir Kumar Singh, an Individual Investor. Please go ahead.

Randhir Kumar Singh: Thanks for the good set of results. Sir, I want to know volume growth of H2 FY27.

Arun Kumar Sharma: See, H1, we have grown by almost around 2%., you are talking sales volume, no?

Randhir Kumar Singh: Yes, sir.

Arun Kumar Sharma: We hope that this volume will be growing in the same vicinity in H2 also. We will try to improve, but you should expect the same volume growth in H2 also.

Randhir Kumar Singh: Sir, in the previous call, you have said 30% volume growth. Sir, when will we start seeing 30% volume growth, from FY28 or from H2 FY28?

Arun Kumar Sharma: You are wrong. Not 30% volume growth, but we said 30% value growth. We said this year our top line and EBITDA will move up by 30%, which we are demonstrating because we have already achieved of that 50% top line in H1 and 60% EBITDA in H1.

We said that top line will grow, not the volume. Volume is very difficult because we have some capacity there. Capacity can run up to 80% only. We have to do value-added products. Our value of revenue will grow 30%, which is growing as per the target.

Randhir Kumar Singh: Sir, our DSO, can it be improved from here? What kind of sustainable DSO could we expect?

Surajit Pal: See, generally on this kind of business, receivables is not high. We are expecting that receivables will come down because it is only because of the lag period of between one month or two months of overlapping. I think by the end of this fiscal, you will see that much lower level.

Moderator: Thank you. Ladies and gentlemen, that was the last question for the day, and now I hand the conference over to Mr. Surajit for the closing comments.

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.uflexltd.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.

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

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Contact information:

Mr. Surajit Pal, Vice President, Head of Investor Relations
Mr. Manoj Pandey, Manager, Investor Relations
Email: investorrelations@uflexltd.com

Corporate Address:

A - 107 - 108, Sector - IV, Noida - 201301 (U.P.), India
Phone No.: +91 120 4012345 | Fax No.: +91 120 2556040
Corporate ID: L22209DL1988PLC032166

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