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UFLEX/SEC/2026/ August 21, 2026

The National Stock Exchange of India Limited
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Plot No.C/l, G-Block
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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 August 17, 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, August 17, 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: 2026.08.21 17:29:13 +05'30'

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

Encl: As above

UFLEX LIMITED

Q1 FY27 EARNINGS CONFERENCE CALL: AUGUST 17, 2026, 04:00 P.M. IST

MANAGEMENT: **MR. ARUN KUMAR SHARMA – PRESIDENT, FINANCE AND ACCOUNTS AND 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:

- **Kashmira –** SM Advisory
- **Randhir Kumar Singh –** Randhir HUF
- **Saket Kapoor –** Kapoor & Company
- **NV Alpha Asset** – Rikesh Parikh
- **Chirag Singhal** – First Water Fund
- **Tisha Shah** – Equentis
- **Garvita Jain –** Seven Islands
- **Kaushik Poddar –** KB Capital Markets
- **Lakshmi Narayanan –** Fleet Management

Moderator: Ladies and gentlemen, good day, and welcome to the UFlex Limited Q1 FY27 Results Conference Call, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode. There will be an opportunity for you to ask questions after the presentation concludes. Should you need any assistance during this conference, please signal an operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded.

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

Ashvath Rajan: Thank you. Good evening, everyone. On behalf of Arihant Capital Markets, I would like to thank all of you for taking time and join us on UFlex Q1 FY27 Results Conference Call. From the company's leadership team, we have with us Mr. Arun Kumar Sharma, President, Finance and Accounts and CFO; and Mr. Surajit Pal, Vice President, Head of Investor Relations. We will open the call with opening remarks by the management, followed by a Q&A session.

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

Surajit Pal: Thanks, Ashvath. Good evening, everyone. Thank you for joining us today for the Q1 FY27 earnings conference call of UFlex Limited. Before we begin, I would like to briefly introduce Mr. Arun Kumar Sharma, our President, Finance and Accounts and Chief Financial Officer. We are pleased to have him with us and look forward to his perspectives on the company's financial performance and outlook.

Let me draw your attention to the fact that on this call, our discussion will include certain forward-looking statements, which are predictions, projections and 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. Thank you. Over to you, sir.

Arun Kumar Sharma: Thank you, Surajit. A very good evening to everyone joining us today. On behalf of entire UFlex team, I extend a warm welcome to all our shareholders, analysts and other stakeholders on this call. I'm pleased to report that we have started fiscal 2027 on a strong note, delivering a clear acceleration in our overall growth trajectory. Building on the momentum established in Q4 FY26, this performance reflects the resilience of our integrated global business model and operational execution.

Now we'll discuss UFlex's Q1 FY27 performance.

Top line and earnings momentum. Consolidated revenue for Q1 FY27 grew 38% Y-o-Y to Rs. 53,972 million. EBITDA rose 92% Y-o-Y to Rs. 9,198 million with EBITDA margin expanding 480 basis points Y-o-Y to 17%, marking our highest EBITDA performance in the last 21 quarters.

With 80% incremental revenue contributed by overseas operations and 20% by India, our incremental revenue was RS. 14,753 million in Q1. Packaging Films, including chips, contributed Rs. 12,093 million of the incremental revenue, while Rs. 1,988 million was contributed by the Packaging business.

Normalized EBITDA post adjustment of Rs. 825 million on forex derivative transactions reached Rs. 8,373 million, which is 78% growth year-on-year, expanded to 15.5%. Our overseas operations contributed around 91% of the Rs. 4,410 million incremental EBITDA, reflecting a significant improvement in overseas profitability and driving the consolidated EBITDA growth. Consolidated net profit after tax and non-controlling interest PAT was Rs. 4,233 million with a net margin of 7.8% compared to Rs. 580 million and a net margin of 1.5% in Q1 FY26.

Now we'll discuss the drivers of growth. Overseas operations drive Q1 FY27 growth and profitability. Margin expansion was driven by operational leverage, stronger realizations, pass-through of higher raw material costs, currency tailwinds and localized sourcing premiums. Overseas operations, particularly in Egypt, Mexico and Nigeria, alongside our India PET chips business served as a key growth driver of our profitability. Total sales volume for the quarter reached 173,471 metric tons, which is 1.7% year-on-year growth.

The expansion of packaging films volume to 136,186 metric tons, which is 4.9% year-on-year growth, was supported by preference of sourcing by the converters from local regional producers of film across international markets.

Overall Packaging volumes slipped 8.4% year-on-year to 37,285 metric tons, primarily due to strategic shift towards high-margin products in India in flexible Packaging business and softness in Aseptic Packaging due to duty-free import at aggressive prices in Indian market, while overseas volumes were impacted by larger pack sizes mix and some disruptions in consignment deliveries due to West Asia crisis.

Next, I will provide some inputs on geography-wise volume split. In India, Packaging Films sales volume increased 9.1% quarter-on-quarter to 29,323 metric tons. On the domestic front, Packaging Films demand improved sequentially as converters and brand owners gradually resumed purchases since price normalization in May and June. Our demand softened year-on-year as Q1 FY26 at a higher base due to temporary supply shortage in the industry.

Americas sales volume increased 18% Y-o-Y to 31,724 metric tons. This was supported by the U.S. government push for domestic production and onshoring amid evolving trade policies. Constrained imports from West Asia and India are expected to sustain the positive volume growth outlook ahead.

In Europe, sales volume was flat Y-o-Y and stood at 35,653 metric tons amid continued pressure from low-priced imports with demand expected to moderate next quarter due to seasonal holidays. CIS BOPET Film sales benefited from steady demand, while CPP volumes were impacted by increased low-priced imports.

Middle East and Africa region volumes increased 16.5% sequentially and 14.9% year-on-year to 39,486 metric tons, primarily driven by strong local and regional sourcing as customers derisk their supply chains amid the West Asia crisis. Egypt led the growth, while Nigeria benefited from robust export opportunities and improving domestic demand.

On our strategic expansion and capex front, we have incurred Rs. 4,782 million in capex in Q1, primarily allocated across 4 key projects. Egypt Aseptic facility, Rs. 1,236 million; Mexico WPP bags, Rs. 205 million; Noida Sector 155 recycling unit in India, Rs. 320 million; and Dharwad BOPP Line India, Rs. 215 million.

We are making steady progress on key projects. 39,000 metric tons per annum recycling plant at Noida Sector 155 was successfully commissioned on April 30, 2026. 80-million-unit WPP bags plant in Mexico was commissioned on July 31, 2026. Work on our Greenfield Aseptic project in Egypt, 12 billion packs remain on schedule for commissioning in FY27.

We enter FY27 with multiple growth levers getting traction, including headroom for incremental production in India, Nigeria, CIS and Mexico. Additionally, we recently commissioned 39,600 metric ton per annum recycling facility in Noida Sector 155-and 80-million-unit WPP bags facility in Mexico will progressively contribute to revenue and EBITDA as they ramp up.

Higher utilization led by localized sourcing to derisk the unscheduled supply chain disruption and a shift towards value-added Packaging Films will remain our key growth themes, supporting sustained profitable growth. While Q2 is expected to see some normalization from the exceptionally strong realization in Q1, our underlying growth trajectory remains set, positioning us for FY27 growth and continued improvement in earnings quality.

Now we open the line for Q&A session.

Moderator: The first question is from the line of Kashmira from SM Advisory.

Kashmira: My first question is, how are the price realizations shaping up in India and the export market?

Arun Kumar Sharma: Price, to give you a very specific, it will be difficult, but I can tell you that price realization is up 30% as compared to when the war started in West Asia, so our BOPET prices as well as BOPP prices have gone up. BOPP prices have gone up by 25%, and BOPET prices have gone up by almost 30%-35% from, to be specific from February '26 level to now, it is 25-32% higher on BOPP and BOPET rate is around 30-35% higher.

Kashmira: Okay. Got it. And my second question is, how are the raw material price trends expected to move in the future? And how correlated is that with the Film spreads going forward?

Arun Kumar Sharma: See raw material prices are also moving up, but not to that extent what the finished good prices are moving up because it is being normalized now and prices are, I think, getting normalized as of now.

Kashmira: Okay. And are we planning for any new geographies, product lines or M&A opportunities beyond the current capex pipeline?

Arun Kumar Sharma: See, right now, we do only greenfield projects and our project in Egypt Aseptic plant is up for commissioning, which will be done in H1, like we have said. And we are hopeful that we'll be able to announce very soon that the project is coming on stream, and that will give us a big flip on our revenue as well as on our bottom line.

Kashmira: Got it. The last question from my side would be, given the relatively higher margin profile of liquid packaging with the peer reporting improvement from like 5% to 6%, do we see an opportunity to further scale its presence in the segment to support our overall margin expansion?

Arun Kumar Sharma: Yes. Aseptic has been a little slower in expansion in this quarter. But that will be a key driver going forward, because once our line comes up in Egypt, that will be a big revenue generator for us. Thus, we are also touching decent capacity in our existing Indian plant, so on the Aseptic plant, I think we'll have a good revenue and good EBITDA margin going forward from that.

Moderator: The next question is from the line of Randhir Kumar Singh from Randhir HUF.

Randhir Kumar Singh: Thanks for taking my questions. Sir, I would like to understand whether the Q1 FY27 top-line growth and EBITDA margin are sustainable for whole year FY27?

Arun Kumar Sharma: Yes, it is absolutely sustainable, because the revenue growth and margins are not efforts of 1 quarter or 2 quarters, it is the efforts of last 2-3 years capex done because as you know it takes a lot of time in capex ramping up because any capex you put up, it takes 3 years to get to 100% potential, so whatever capex, we are putting up now, you can see how those will unfold going forward. Whatever numbers we have achieved in Q1, they are very much sustainable.

Going forward, I think the momentum is very strong and will continue to show better results because our capex's are coming on stream now and more and more capacity utilization is getting in business now.

Randhir Kumar Singh: Sir, FY27 as a top line or EBITDA margin guidance, if you can just elaborate?

Arun Kumar Sharma: Generally, we should not give guidance because guidance in today's market scenario is very difficult. Things change very fast because of this geopolitical situation. But you were asking a specific question. Just to respect as an investor, I think we're expecting 35% growth in our top line in this financial year. And similarly, EBITDA also, we'll see the same growth coming up in this financial year as compared to last financial year.

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

Saket Kapoor: Yes, sir. In continuation to the earlier participant question. As you mentioned, quarter 2 will see normalization, so if you could just dwell better, that means what are we anticipating? What should we work on in terms of normalization going ahead for Q2?

Arun Kumar Sharma: See, it's very difficult to benchmark anything quarter-on-quarter because a lot of things change in a quarter. But if you benchmark against year-on-year, so like I just said that whatever revenue we achieved in FY26, we are going to achieve at least 35% more revenue in FY27. And similarly, EBITDA also will be higher by the same margin in FY27. You should look more at the year-on-year basis because quarter-on-quarter fluctuations can be unpredictable also sometimes. Year-on-year gives a better perspective on how the company is growing.

Both for top line and bottom line, you can expect a decent growth, 30% plus in coming year. And same growth will continue in FY28 also because these capex's, what are coming on a stream, this year where 2 have come on stream, 1 is coming up in the first half. They'll have a decent capacity utilization going forward, so, they'll give a very high margin and revenue in FY28 as well as in FY29. You should look at a long-term perspective till FY29, we are seeing a visible and a very decent growth coming up because all the ingredients of growth are in place now.

Capex is in place; Capacity utilization is increasing. Our operational efficiency has come up. All these factors will deliver very decent growth to the company in next 2 years' time, so FY27 will be a good year for the company, 28, 29, we see decent growth margins coming up all these 3 years.

Saket Kapoor: Sir, as you mentioned that I'm not taking a myopic view, but just to understand and dwell further, when we look at our FY26 revenue, it was Rs. 15,600 crores, I think Rs. 15,660 crore or something in that vicinity. And our profit before tax was to the tune of Rs. 420 crores, correct, sir?

And now for this quarter itself, we have done PBT of Rs. 490 crores. Just to take that question forward, that 35% growth and the EBITDA part, we are already done with the year's profitability in the first quarter itself, so that was the reason why I would like to understand when you spell out that there will be normalization going ahead, what is the band that you are referring to that we must keep in mind in terms of factoring the word normalization?

Arun Kumar Sharma: See, what we mean by this is that, you're right, a very valid question you were asking. This year, in first quarter itself, we are reporting a PAT of Rs. 423 crores, which is almost 6x higher than, I think, Q1 FY26 year-on-year.

But whatever growth we are getting in FY27, we're getting growth from all the geographies which are in a very optimal tax bracket margins, so our tax expense is also going down quite significantly because we are generating big margins from Egypt, a big margin from European and U.S. territory plus Mexico, other places.

Our tax expense will be much optimized because of these regions where we are present. That will give a big boost to our PAT margin going forward in FY27, so normalization doesn't mean that we are talking about anything or something going down. Normalization means that this quarter has seen tremendous growth, but what guidance we're giving is that we'll grow by 35%, which is very good growth in today's market conditions.

Saket Kapoor: When investors will look at and compare Q2 results from the previous Q2, we are eyeing a minimum 35% growth in both top and bottom line. That should be the understanding.

Arun Kumar Sharma: See, in the beginning of my remarks, I told you very clearly, we don't benchmark any company quarter-on-quarter, you should benchmark year-on-year.

Saket Kapoor: I just kept it year-on-year.

Arun Kumar Sharma: If you are benchmarking quarter-on-quarter, I can say that we'll not let you down. I think you are fully confident. We are also equally confident. But as a prudent and a long-term investor, you should always look year-on-year, because quarter-on-quarter, some shipments can get missed because of West Asia crisis, something can happen on a shipment, some shipments get delayed here and there.

One shipment can be huge difference in a top line. Say, 30th June, we are not able to ship something we shipped on 1st July, it will count in next quarter, so better you take year-on-year concept, that will be much better for you to analyze the company performance, which is going to be very healthy for next 3 years going forward.

Saket Kapoor: Okay. Sir, now on the capital work in progress. My voice is echoing.

Arun Kumar Sharma: No, no, we can hear you clearly. Please go ahead.

Saket Kapoor: Okay. Fine. Sir, on the capital work in progress closing balance, can you give some more color how is this number going to shape up with the Egypt Aseptic unit getting capitalized? By September, what would be the closing balance? And going ahead, what are our projects where we'll be putting further money?

Arun Kumar Sharma: Yes. Good valid question. I'll tell you for this year, we have 4 capex, which we have done in FY27 or planned in FY27. First is Egypt one, which is coming up with a capacity of 12 billion packs, where we have already done a capex of over USD 100 million. And now only capex, what is remaining is USD 15 million, so not much capex is planned for Egypt now going forward.

Similarly, Dharwad India, which is a Brownfield BOPP Line, where we have done a capex of USD 10 million. There we plan a good capex of around USD 50+ odd million, which we are planning for FY27 and '28 put together. Something will go in Mexico also. WPP bags are already announced, but we have done a capex of USD 54 million. And we're not expecting much capex to be done there now, so all capex is done.

Noida Sector 155, we have done a capex of USD 32 million, so we are all done with that capex. From this, you can see our capex cycle for this financial year is almost 75% done. And whatever capex's are remaining, which are new capex's of around, if you put total all this will be around USD 100 million or less USD 80 million capex, we'll be doing going forward.

You can see from that, that whatever capex we are putting up, we are putting with a very judicious understanding that they should start yielding results in the next 2 years' time because whenever the capex is put up, first year, it is just 20% capacity, second year, it will be 50%, and third will be 100% capacity, so, to keep the company growing consistently over years, we have to put capex. But you can see wherever we have put capex in Egypt, Dharwad, India, Mexico, they are all yielding very good results. And because of these capex's, you can see our numbers showing where they are right now. These numbers are not just because we have done some magic in last 1 year. The efforts are going on for the last 3 years.

That's why these numbers are coming up. And when I'm talking FY29, whatever efforts we are putting this year, they will show a good result in FY29. It's a continuous process of putting capex, making those capex and earning the revenue because had this company been only present in India, then you would have seen we would be in a very tough spot, but because we are geographically so diversified, in this challenging situation and times also, we are delivering a very good margins to our shareholders, a very good top line growth to our shareholders, which will continue till FY29.

Saket Kapoor: Just to add to the Egypt part of the story, and I'll join the queue, that is 12 billion packs, so for this year, we will be ramping up the capacity and the contribution will be, sir, in what vicinity? And secondly, for Noida recycling, it is Rs. 30 million or USD 30 million, sir? I missed your number, the investment.

Arun Kumar Sharma: Noida, we have done USD 30+ million till now and which is the capex to be done, not more capex has to be done there now. And if you are seeing Egypt, which we'll announce commissioning very soon. I think the trials are going on there. And in the first year, if everything goes fine because in the plant, there is a lot of technical, practical things to happen there. We can see around 30% capacity being utilized there.

Out of 12 billion packs, which is the annual capacity, we can do 30% in first year. Second year, certainly, we'll reach around 60% to 70%. And third year, we'll reach around 100% capacity there, so you can see how the buildup will happen, but Egypt being our second largest manufacturing site from UFlex global perspective, we are very well, I think, there to launch it very soon now, and you see the results coming up in Q3 and Q4 also.

Moderator: The next question is from the line of Rikesh Parikh from NV Alpha Asset.

Rikesh Parikh: Congratulations on a good set of numbers. Sir, I just want to understand this recent rise in BOPP and PET prices, are they stable at this higher level? Or how is it, like, how one should be looking at it?

Arun Kumar Sharma: See, prices are quite stable as of now, but we don't see any major correction in the prices, but these are global situations evolving every day. Till this route remains high and this crisis keeps on happening in West Asia, we see the prices being in the vicinity of what they are currently.

But if everything normalizes, you may see some correction in the prices, but our raw material sourcing and our finished selling prices will have the same margin what we have now, so we are not much concerned on the pricing front. We are concerned that whatever margins we make, we should continue to hold those margins. And we are confident that we will hold those margins throughout the year.

Rikesh Parikh: Sure. That's helpful. Secondly, what should be the EBITDA band we should be looking at on an adjusted basis ex of currency, what we reflect around 15.5% current this quarter?

Arun Kumar Sharma: The currency is only Rs. 70 crores. It's not a big amount. And Rs. 70 crores on Rs. 5,000 crores plus turnover is very minimal amount. Currency is not impacting much on our margin. And it is Rs. 70-odd crore, which can go here and there in every quarter end, you never know.

Don't read too much in that currency because it can be negative also next quarter, so I think you should read the margin as I've given the guidance in the beginning that we'll have 35% growth as compared to last year in the margins in FY27. And similarly, on the top line also, we'll have that growth.

Rikesh Parikh: Okay. And in terms of debt, should we consider this is the peak that we have reached as of now from the immediate capex point of view?

Arun Kumar Sharma: See, first of all, let me just tell you, don't link capex and debt. Capex we're doing for growth. And if we don't do capex, how will we grow, so whatever growth you see in the company today has been the result of capex we've done 3 years back. Today, what capex's we'll do, that will give us good growth in FY28, FY29.

Capex, we have to do because we can't be restricting ourselves in one geography. Otherwise, the company will not be able to sustain all these geopolitical pressures, competition and other things, so we want to be near to the customers. Whenever we have a big market, like you see in Middle East, we cater through Dubai facility. In U.S. and other places, we cater to a Mexico facility. In Europe, we cater through our Poland and Hungary facility. And in Nigeria, we cater to African customers. All customers are catered.

Mostly, we are trying to be near to the customer so that geopolitically whatever is happening, when shipment becomes so difficult from one place to other places, it won't affect us. We are derisking our top-line model in such a way that where we are present at least 75% of our turnover should come from near to our customer policy, that is what we are adopting. That is on the capex front.

On the debt front, I think we are very conscious of this that our debt was higher in FY26. Our Debt-EBITDA margin was around 4.5x, which you would see in this quarter itself, it has come down to 3.5. And going forward also, we'll ensure that we retain the same kind of leverage what we have as of now.

And this leverage will come down by end of FY28 much lower once all these capacities, what are not utilized to the 100% becomes 100% capacity utilization, then you will see our leverage going even below 3x by FY28, so we are very much conscious, aware of this fact that leverage has to be under control, which is under control because we are paying all loans on time, all interest on time, so that is least of a worry.

Our worry is that we have to grow with the complex environment we are operating in. And we should give good growth to our shareholders, which is around 30% each year on bottom and top line. That is our first target. I hope I've answered your question.

Rikesh Parikh: Yes, sure. And sir, the last question. You have mentioned that Aseptic Packaging, we are seeing some dumping and aggressive pricing in the imports. Is it normalizing now? Or how is it like?

Arun Kumar Sharma: What has happened in Aseptic, we are getting a lot of duty-free imports from Indonesia, where India has signed a treaty where duty-free imports keep on coming. But Indian consumer market is growing at least 5% to 8% each year now, so the demand is also increasing. We are hopeful that even despite this dumping by Indonesia, the volumes requirement in India and other markets will be much higher.

And this quarter, of course, our volumes have not grown so much. But value-wise, we have grown. Whatever value addition price we're getting is because now we are moving from normal films to value-added products, which can give us a better realization, so those are being done very aggressively now.

From Q3 onwards, you see Aseptic coming back on track, which was a little, I think, volume-wise, not the price-wise, was a little slow in this quarter. Next quarter it will pick up. And then because all this packaging industry is more linked to the consumer growth or FMCG growth in India, which we are seeing very good growth coming forward now because middle class income is expanding from Rs. 20 lakhs to Rs. 30 lakhs now. They'll be buying all these materials.

And Packaging is something which is very integral to our growth in India. And everything in India is getting, I think, dispatched now. It's not that people don't go and buy from the market, they order. Packaging becomes a very critical thing now, so, you see Aseptic Packaging is going to be a big driver of growth for the company going forward because it improves the quality of the product, it improves the life of the product, it improves the aesthetic appeal of the product. All these are going to help, and we have an installed capacity of almost 24 billion there. And I think we'll be using much of the capacity by the year-end now.

Moderator: The next question is from the line of Chirag Singhal from First Water Fund.

Chirag Singhal: Congrats on great set of numbers. First question on the Egypt Asepto. By when do you see this plant getting commissioned? And have we received all the necessary approvals and accreditations from customers already?

Arun Kumar Sharma: Yes, those things are in progress, and we are very advanced on those things as of now, and that is why we are confident that in H1, this should be commercialized because I think we have got almost all the approvals now. But seeing the geopolitical scenario, we are saying H1, it can be a little bit here and there, 1 or 2 weeks here and there, but we are targeting H1 as of now.

Chirag Singhal: Okay. And you mentioned 30% utilization for the current year, so 30% for 6 months or it was 30% annualized?

Arun Kumar Sharma: It will be annualized because we don't talk of a broken period. We should always take annualized numbers into account. And I think maybe once we again get assembled in Q3, you'll see the impact of the numbers.

Chirag Singhal: You are expecting close to 2 billion packs in terms of volumes from the Egypt facility in the current year?

Arun Kumar Sharma: Yes, it should be around 2 billion.

Surajit Pal: Chirag, Surajit here. Basically, what Arun is mentioning is that 12 months in 1 year post commercialization, that will be the number we are targeting.

Chirag Singhal: For this year, how much volume should we expect from Egypt? Egypt in total, like total Aseptic volumes and coming from Egypt?

Arun Kumar Sharma: See, if you see only Egypt, we are setting up a 12 billion capacity there. And if we start operating on 1st October, this is what we are saying, then 6 months' operation is there. In 6 months, the facility becomes 6 billion. And out of 6 billion, you say if we use capacity utilization is 30%, that's why I said 2 billion around that will be what will be used up in this financial year.

Chirag Singhal: Okay. Second question is on the utilization of the operating profits. You mentioned that the growth that we have seen in Q1 this year and even through FY29, you are seeing good growth because all your capex's are now coming to fruition. Broadly, what is the split that you see in terms of utilization? How much do you see will go towards debt reduction?

How much do you think will go towards capex? And if you have any number for, let's say, rewarding the shareholders in form of buybacks and dividends, how much would that number be? In the past, what we have seen is that you have taken like all these huge capex's, debt and internal accruals using both debt and internal accruals.

Going forward, like what is your plan in terms of utilizing the cash flow? What percentage of it will go to capex, debt reduction and rewarding the shareholders?

Arun Kumar Sharma: Chirag, in any company, if you see, if there's no growth opportunity, we do buyback of shares. You have seen in IT industry, when IT industry was really under pressure, they did buyback of shares. But in our industry, growth opportunities are so much that even if we don't reward our shareholders by buying back the shares, they'll get rewarded by increasing their wealth.

Either we reward shareholders by increasing their wealth or by doing buyback, which is one of the same things. Our policy is that we should reward shareholders by increasing their wealth, which you see in the next 3 years, I think wealth creation will happen, so that shareholders will not have any point to complain about that, and we hope that we'll grow more than the benchmark.

Second, you asked how much debt reduction will happen. I've given you a number already. We have reduced our ratio from 4.5x to 3.5x. 1x is a big reduction, 30% reduction in our leverage. And going forward, what I'm saying is FY28, we'll be at 3x, which is further reduction.

So, I'm not going beyond FY28. By FY29, you can see if the same trend continues, there will be much more reduction. Whatever debt reductions do happen and surplus cash we generate, they'll go for reduction of debt only and the shareholders' value will keep on increasing, Be patient. Whatever we are doing, we are very conscious of the fact that we have to reward our shareholders either by way of generating the wealth or by buyback, but buyback is something which is for industry where there's no growth plan. But we have a growth plan, so we'll always reward our shareholders by generating good wealth for them.

Chirag Singhal: Got it. You mentioned FY29 a couple of times on today's call as something that we should be looking at for growth when all your capex's will be commissioned and you will be running at full utilization.

If you were to put numbers to it, I mean, for this year, you have mentioned 30% plus 35% top-line growth and similar numbers you are expecting on the bottom line. But till FY29, like what is the CAGR, if we look at FY26 as a base, what is the CAGR that I should be keeping in mind in terms of top line and bottom line? Any metric that you can provide, which can give a better idea about what we're looking at in terms of FY29.

Arun Kumar Sharma: See, why we are talking FY29 more prominently as of now is because the Aseptic facility in Egypt will be 100% utilized by that time. You can see 12 billion packs coming into the market and giving the full returns to us. Our recycling facility in Noida will be 100% up and running at that time.

And WPP also will be 100% running up that time, so even these 3 facilities will give a very good CAGR to the business as a whole. But if you want to look at these CAGRs, I think we have to calculate these numbers.

But I think I don't want to quote any number as of now, I can quote 10% or something, but that will be misleading, so what I'll request is for Surajit to share the number with you once we have the calculations. But all these 3 facilities when they 100% come up online, you can see what kind of top line and what kind of bottom line will be there in the system at all, so that will give a big flip to our top line as well as bottom line and see a very good growth. And I think CAGR from FY26 to FY29, 4 years, at least should be 10%. That is what I feel. But we'll reconfirm these numbers to you. Surajit can confirm the numbers.

Chirag Singhal: Okay. So just a follow-up on the utilization of cash flow. I understand that you want to keep reinvesting because, I mean, I agree that that's how you will see growth. But maybe if you can guide me in a different way, which is incrementally, whatever cash flow you will generate and whatever you will apportion it towards capex, what percentage of it will go towards Packaging Films and what percentage of it will go towards non-Packaging Films?

As I think in the last 3-4 years, there has been a clear shift towards high-margin, high ROE businesses, like most of your capital has gone towards the high ROE segments such as Asepto, now WPP bags, recycling.

These 3 are your, I believe, high-margin, high ROE verticals. Incrementally, do you have any number that we have kept for yourself that, okay, this is the total capex that we are going to spend? And how much out of that, will go towards Packaging Films and the rest will go towards all these high-margin verticals?

Arun Kumar Sharma: See, right now, whatever growth you are seeing in margin is primarily coming from the value-added product what we are making, so it's but natural that capital allocation will happen to these new sectors only.

Whatever capex we do going forward, at least 60% to 70% will go into value-added products only and balance can go into maintenance or regular products because like you see, WPP is coming up, Noida Sector 155 has come up, even Egypt is coming up.

All this capital allocation has already been decided that we have to move from general product to value-added product to enhance our accessibility in the market, plus margin also will improve because of that, so major capex will happen in these value-added products, and capital allocation also will happen accordingly.

Chirag Singhal: 60% to 70% of the total capex that will go towards total? That's very great. I mean in terms of margins and ROE, I think it will be very good going forward.

Moderator: The next question is from the line of Tisha Shah from Equentis.

Tisha Shah: Congratulations on a great set of numbers. I just wanted to know the 15.5% margins that you've given in this quarter, are they sustainable going forward, the normalized EBITDA margins?

Arun Kumar Sharma: In the beginning of the call, we said these margins are very sustainable going forward and not sustainable for this year but going forward for next 3 years. But let me just add that 15.5% margin is something which we are working on it, but what guidance we have given for FY27 is 30% top line and 30% bottom line growth. Similar growth we'll have next year also, so you can see what kind of margin we'll be able to generate going forward.

But these are margins which can be achieved with the kind of capex we've done, kind of focus we have on the value-added products now. And I think that what market perception is and what market is treating us like this, it is going to happen in a long tenure.

Tisha Shah: If I calculate 35% growth on the EBITDA from March 26 numbers, it comes to Rs. 2,500-odd crore. And from that, we have already given Rs. 840-odd crore in Q1, so then if I divide it into the rest of the quarters, it comes to only around RS. 550 crores, so then these EBITDA margins?

Arun Kumar Sharma: Everything is not mathematics in business; everything is not mathematics. You have to look from a full financial year perspective. And that's why I'm saying that we'll deliver, for FY27, good results, and you can see 14% plus margin. As of now, what we can perceive that, that will happen.

But if things remain as good as they are currently and no untoward incident happens on the geopolitical front, we'll give you better results than this. But don't calculate mathematics wise because it doesn't work that way in our business.

Moderator: The next question is from the line of Garvita Jain from Seven Islands PMS.

Garvita Jain: My question is on the lines of top line growth. I wanted to understand that you also noted that the revenue growth

Arun Kumar Sharma: Voice is not clear.

Surajit Pal: Garvita, your voice is not audible. Reconnect please.

Garvita Jain: Yes. I wanted to understand one thing. You noted that revenue growth this quarter was primarily value driven, correct? And then volume expansion was very limited.

Could you please disaggregate this volume growth? What I want to understand is what percentage was driven by cost pass-throughs and inflationary pricing actions versus a structural expansion from a richer product mix or operating leverage?

Arun Kumar Sharma: Very valid question, I think you have asked. But let me tell you, in our business, we don't carry much inventory in our books of accounts because prices fluctuate too often here. Whatever gain you are seeing in our volume as well as in our prices, they are the prices which have been passed on to the customers.

And whatever prices we achieved in this quarter, the prices may a little bit differ in next quarter also, but I think we are seeing quite stable pricing going forward, because things have become so complicated that anyone can supply goods to the customers in a regular fashion, so they look for an integrated player like UFlex, which is backward and forward integrated player.

We get the first opportunity to supply to the customers, and they are willing to pay reasonably good price to us to sustain their supply chain. And our supply chain is very strong. We are able to procure the raw material at a good price. We are able to supply the material to them from our various geographical locations. All this pricing is not something which is one-off, but we have made in such a way that our business is commanding this pricing, and we hope that we'll continue to have this pricing going forward also. And if volume growth also happens, you will see the icing on the cake.

Garvita Jain: Okay, so are you saying that the prices which were there in quarter 1, we can consider that as a base price and 35% growth, which we are targeting for full year, that is going to be the volume growth for us?

Arun Kumar Sharma: I said 35% from FY26 numbers. Take that into account FY26 numbers, from that you can take 35% growth.

Moderator: The next question is from the line of Kaushik Poddar from KB Capital Markets.

Kaushik Poddar: Yes. See, if I divide your result between domestic and international, domestic, the top line is up by 40%, whereas your bottom line is 15% of the total consolidated amount as far as domestic is concerned, so when do we see a turnaround in this figure so that this EBITDA or PAT is on a proportionate basis to the turnover? That's question number one.

And the second question is that you are talking about the higher profit and profitability in the international operation because customers prefer local sourcing and you are forward and backward integrated. If you can expand on this also a little bit so that we have a better understanding of the same.

Arun Kumar Sharma: See, our 60% to 65% business is coming from overseas now. When we set up these facilities which are very good and operating margins are much more overseas as compared to Indian business, because in India, the passing of pricing to our customers is slightly difficult, whereas prices can be passed on much easily to our overseas customers, so that is one.

Kaushik Poddar: Higher margin in India?

Arun Kumar Sharma: Overseas business will always give a higher margin because the price at which we sell the product in overseas market is, if I can give you a ballpark figure, it's almost 2.5x of what we sell in India. But India, the cost is also lower. There, the cost is also higher base. But despite the higher cost in overseas market, we get a better price realization and better margin there because customers are willing to pay that price.

In India, we have to be very cautious of the competition of the pricing what customers are willing to pay. But good part in India is that India is expanding at a very good pace in FMCG market. And if FMCG market continues to grow 5% to 8%, what is expected as per the reports, then the Packaging industry will also grow.

If Packaging industry grows, then UFlex is the leader in that, we'll also grow here, so your have a very valid question that if India also catches up with whatever revenue and whatever margins we get in overseas market, you can see much, much better results. But we are just keeping things as it is right now. 60% to 65% growth will come from overseas markets. Rest will come from Indian market.

But India, the volume will be much higher. Prices can be a little softer here, whereas overseas, the prices and volumes are growing at a very good pace. It's a company which has been deleveraged from one geography now.

We are present in India in a big way, Egypt in our second largest facility, then we are in North America. We are in Africa and in Nigeria region. We are in the European region. We are in the CIS region, so you see all the regions we are covering now, and we expanded very meaningfully in all these regions where availability of raw material is there, and we can cater to every continent depending on the requirement.

So that is how it is, because this is an industry which has to be near to the customers, which we are always striving to achieve, and I think we have achieved quite a few. But till FY29, we'll keep on expanding in this fashion so that even if something goes wrong in one territory, other territory performs, and our results are not impacted by just one territory impact.

Kaushik Poddar: Okay. And secondly, if we look at the volume Y-o-Y, the volume is up only 1.7%, so can you give an indication how are you expecting the volumes over, since you're talking of FY29 for 3 years, FY27, FY28 and FY29.

Arun Kumar Sharma: See, if you add up the capacities what are coming up, if I can add up, we should double our quantity in next 3 years' time.

Kaushik Poddar: In 3 years' time, you are talking about doubling in volume, right?

Arun Kumar Sharma: Volume, yes. We have right now 173,000+ tonnes. In 3 years, we should be doubling the volume because our WPP will be fully utilized by the time. Egypt will be fully utilized by that time. Our India recycling facility, which is just a little bit fully utilized, so by '29 end, you can see much bigger volume going forward.

Kaushik Poddar: Okay. the takeaway is that?

Arun Kumar Sharma: I'm talking of FY29. Okay?

Kaushik Poddar: Yes, so doubling of volume by FY29 from what FY26 was there?

Arun Kumar Sharma: Yes

Kaushik Poddar: Surajit, you said something I just missed.

Surajit Pal: No, I didn't say. I mean, Arun is only addressing.

Arun Kumar Sharma: No, no, he didn't say anything. Surajit, do you want to say something?

Surajit Pal: No, it's fine. See, Kaushik, so there are a lot of opportunities. I mean, if you look into our utilization graph this year, even domestic is currently only 70%-73%. We have a lot of unutilized specialty segment things, something like Metalizer, something like, say, ultra-high barrier Films where we have quite a big opportunity, and we are currently utilizing around 30%-35%, 40%, so those things will come up quite strongly.

Dharwad will be another thing which will come next year. And as a result of it, we are, as Arun said, we have pretty much derisked our business model, so if one geography is down, another geography goes up, for example, West Asia crisis.

Now because of that, what happened is that there is definitely a crisis of PET chips. Now what happened is that we have chips both in domestic market as well as in Egypt market. Now that Egyptian plant is supplying to all our subsidiaries. I mean, be it in Europe, be it in Africa, be it in Mexico, so we are supplying everywhere else.

As a result of it, we have our own system, and which is not dependent on others. And as a result of it, our clients depend on us about our assurity, about our security of supply and respecting the timeline to provide the Film, so that's why they are ready to give premium. That's why they are ready to continue with that. And if you look into our peers also, I mean there is a lot of inventory gain, which is not there actually with us.

Arun Kumar Sharma: That I told in beginning we don't carry much inventory in our books, yes.

Moderator: The next question is from the line of Lakshmi Narayanan from Fleet Management.

Lakshmi Narayanan: I just want to know this, you have said in presentation, your interest cost came down by 0.5%. And now the results are even much better, so how were you able to reduce it and whether your rating improved or we can negotiate even better rate going forward?

Arun Kumar Sharma: See, our rating is AA- as of now, and we are dual rated by CRISIL as well as by India Ratings. And whatever interest rate we are paying as of now and whatever rating we are enjoying, I am hopeful that we should reduce our interest costs by 1% in next 1 years' time. And you will see that even if you reduce by 1% going forward, there will be a great reduction. That's why you can see the reduction of 0.3%-0.4% in this quarter itself. But by next 1 year, we'll reduce our interest costs by at least 1%.

Lakshmi Narayanan: Great. Sir, a couple of, I don't know, 1 year or 2 years back, we were thinking about listing our overseas arm in U.S.A. Will it be a good opportunity?

Arun Kumar Sharma: No, I think we are developing a good business model now. Once the business model becomes more robust and we are able to deliver what we said till FY29, then our management will decide what to do because the business has to evolve every year basis now, so whichever territory, whichever region, whichever market gives us a good value, we can evaluate. But as of now, I don't think we have any such thought process.

But by FY29, certainly, we'll again evaluate everything that which market is good for us because we are in India, we have subsidiaries in Dubai and subsidiaries all across the globe. We'll see how does it pan out because as of now, saying something about that is very, I think, too early to say that. But on your interest part, I think I appreciate your question, and we'll strive to reduce it by at least 1% going forward in 1 year's time.

Lakshmi Narayanan: Right, sir. And sir, regarding this, you said Egypt plant supplying, but recently, this Bab-el-Mandeb also become a flash point, so any update on that? Of course, your ship is not coming from Saudi.

Arun Kumar Sharma: So that is what I said we are running a derisked model now. India caters to mostly India demands and other areas cater to other areas demand. Somebody who is dependent on Indian export only will have a difficulty in supplying the material. But we have all across geographies and are fully integrated, fully backward and forward integrated. That's why we are able to work through these difficult times and give you the results what there are in this first quarter.

And going forward also, we are talking so confidently just because of this derisked model, what we started working on last 3 years. And going forward, this will be very much in place in the next 3 years also. You should appreciate our strategy that we are trying to work out in all geographies near to the customers.

Lakshmi Narayanan: Sir, if I can squeeze one more. Recently, our articles have been amended. When I see a lot of new unrelated things like paper, electronic device, software, hardware, infra all added. Is there any thought process going on in particular field?

Arun Kumar Sharma: No thought process going on. Basically, you see government is trying to upgrade the Packaging industry also in a big way, so we are also trying to upgrade the Packaging industry. We are also adding the value-added products now, which can be paper, which can be other materials, so just to enable that whatever R&D is doing, and it should not remain in the R&D, it should come as a commercial thing for us, so we are enabling those things because in the next 3 years, you may see a lot many products coming out from paper, all this packaging, everything. We are preparing ourselves for that, and it's good to prepare in advance and do things so that we are not caught up on a wrong foot when the decision comes out, so it's just a very thought-out process going forward to meet the demands of world over and to the industry what is evolving in this scenario.

Moderator: Next question is from the line of Khilesh Sahu from JB Finserv. As there's no response from the participant, we will now proceed to close the call.

Ladies and gentlemen, we will now hand the conference over to Mr. Surajit for 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.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.

Moderator: Thank you, sir. We thank the management for this call. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining, and you may now disconnect your lines. Thank you.

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