

7 February 2023



Corporate Service Department BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	The Listing Department National Stock Exchange of India Ltd Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E) Mumbai 400051
Scrip: Equity 500135. NCDs 960311	Trading Symbol: EPL

Ref.: EPL Limited (EPL)

Sub.: Investors notes/updates with respect to the Unaudited Financial Results for the third quarter and nine month ended 31 December 2022.

Dear Sirs,

Please find attached copy of the Investors notes/updates as mentioned in the subject line.

We request you to kindly take note of the aforesaid and acknowledge receipt.

Thanking You

Yours faithfully
For EPL Limited



AM Suresh Savaliya
SVP - Legal & Company Secretary

Encl.: As above

Filed online



Leading the pack
sustainably

EPL LIMITED

(Formerly known as Essel Propack Limited)

Q3 FY23 Earnings Presentation

Safe Harbour

Certain statements in this presentation concerning our future growth prospects are forward-looking statements. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition in packaging industry including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, industry segment concentration, our ability to manage our operations, reduced demand for packaging products in our key focus areas, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which is EPL (Formerly known as Essel Propack Limited) has made strategic investments, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies, and unauthorized use of our intellectual property and general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

Key topics

- **Q3 FY23 Highlights and Financial Performance**

[Quarterly financial performance in the following slides is based on company performance excluding Brazil operations to make it comparable. Brazil greenfield investment is for future business growth. Financial performance including Brazil is on page 25]

- Costs and Comprehensive Margin Improvement Plan
- Progress on Sustainability
- Looking Ahead
- Appendix

Q3 FY23 Highlights – EBITDA margin recovery YoY and on sequential basis

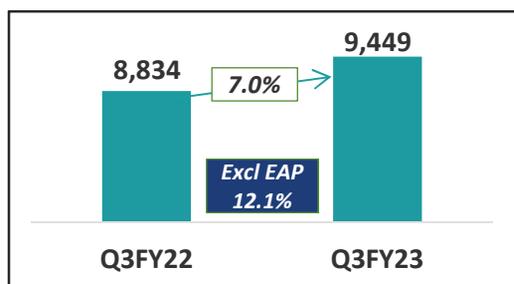
- 1** Strong double digit revenue growth excluding EAP at 12.1% (12.7% at constant currency). Overall Revenue growth of 7% (7.8% at constant currency)
- 2** EBITDA margin increased to 16.6% (sequentially from 16.3% and YoY from 15.7%) despite EAP challenges. EBITDA grew by 13.2% YoY.
- 3** Strong PAT growth at 11.9% YoY
- 4** EPL among Leadership band in CDP rating for Climate change. Rating upgraded to A- from B last year.
- 5** Brazil project is on track; customer trials underway

EBITDA margin @ 16.6% including Brazil

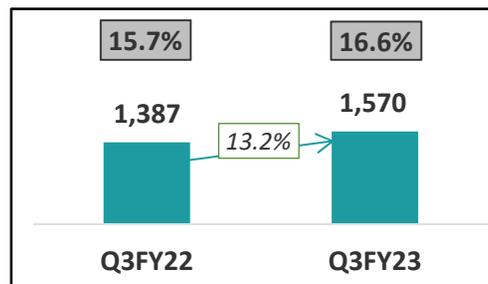
Q3 FY23 Consolidated Financial Highlights

(INR million)

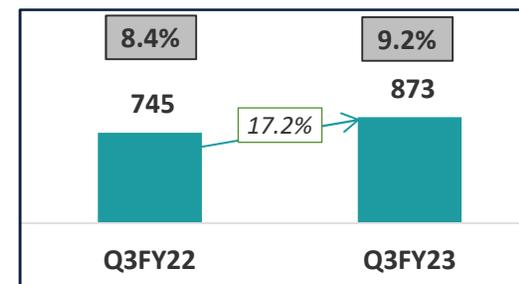
Revenue from Operations



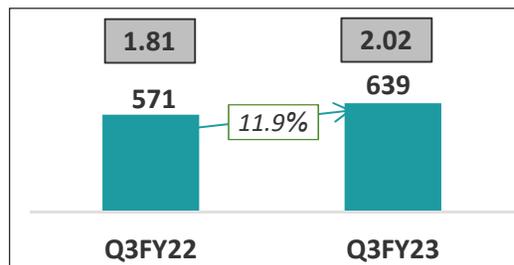
EBITDA¹ and EBITDA Margins



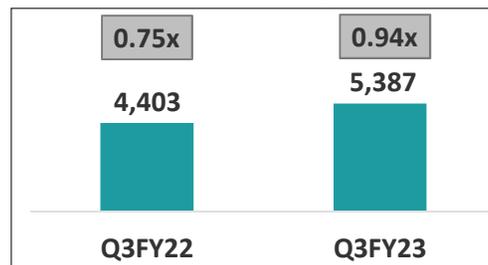
EBIT and EBIT Margins



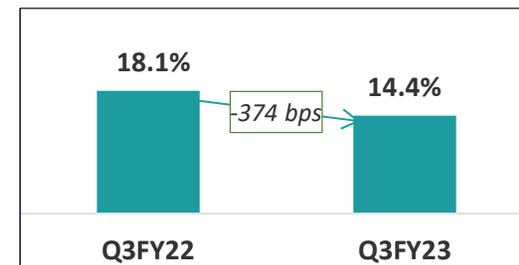
PAT² and EPS (INR)



Net Debt and Net Debt/ LTM EBITDA



ROCE²



- ▶ Revenue growth of 12.1% across all regions except EAP. AMESA (+9.2%), Americas (+19.0%), Europe (+10.3%); EAP (-8.0%)
- ▶ EBITDA margin increased to 16.6% (sequentially from 16.3% and YoY from 15.7%) despite EAP challenges

(1) EBITDA excludes foreign exchange loss of INR 75 mn for Q3 FY23 (INR 1 mn for Q3FY22)

(2) Excluding exceptional items (2) Return on Capital Employed, defined as EBIT / Average Capital Employed, on a trailing twelve month basis and adjusted for INR 160 mn for Dec 22 and Dec 21 of Transition Services Agreement (TSA) related expense and INR 123 mn for Dec 22 (INR 154 mn for Dec 21) of ESOP related expenses

EPL – Capital Efficient, Sustainable Revenue Growth

(INR million)

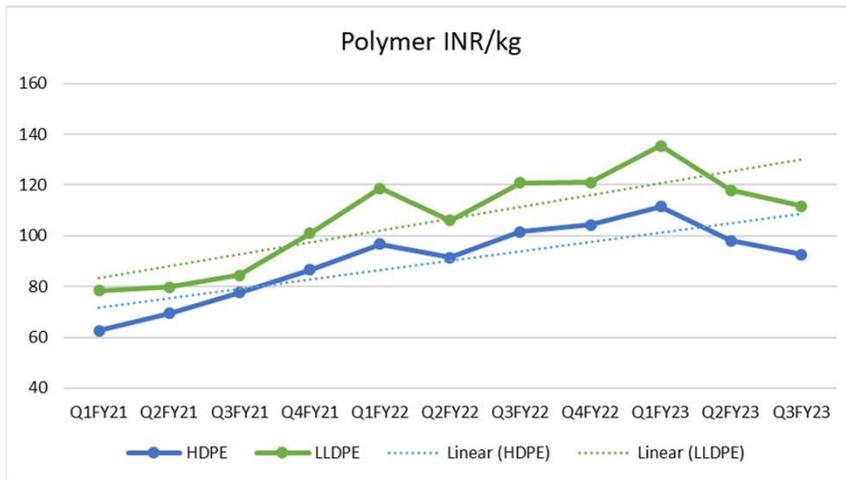
		Q3FY22	Q3FY23	Growth	
Growth ¹	Revenue	8,834	9,449	7.0%	Revenue growth excluding EAP at 12.1%
	Adjusted EBITDA	1489	1636	9.9%	
	Adjusted EPS (INR)	2.09	2.42	15.6%	
Capital Efficiency	ROCE ²	As of Dec 21 18.1%	As of Dec 22 14.4%	-374 bps	
	Net Debt	4,403	5,387		
	Capex	FY22 2,755	YTD FY23 2,003		

(1) Refer page 22 for details on Adjusted EBITDA and Adjusted EPS

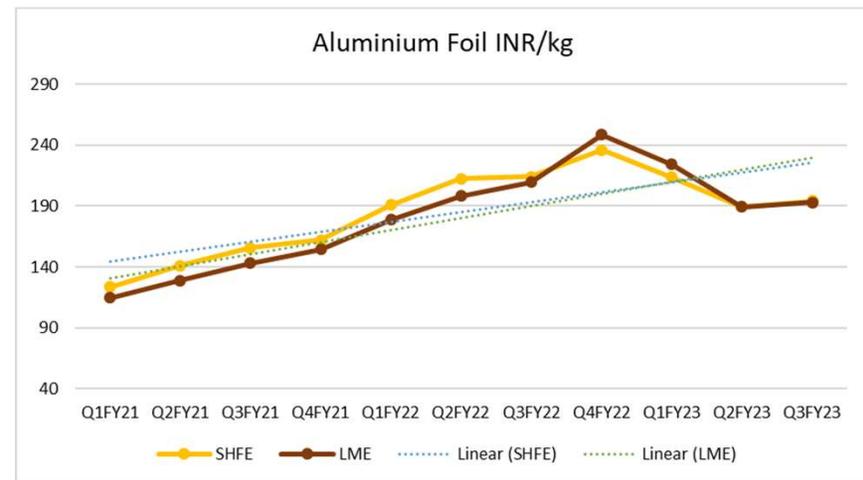
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- Q3 FY23 Highlights and Financial Performance
- **Costs and Comprehensive Margin Improvement Plan**
- Progress on Sustainability
- Looking Ahead
- Appendix

Input material prices still higher than pre-pandemic level; decline seen from Q2 FY23



Source – ICIS M LLDPE and HDPE Index
CBIC Exchange rate



Source – LME and SHFE Index
CBIC Exchange rate

- ▶ Polymer and foil prices still higher than pre-pandemic level in dollar terms and further impacted by exchange rate
- ▶ Decline in polymer and foil prices seen in dollar and landed cost terms starting Q2 FY23
- ▶ Ocean freight rates started declining

Comprehensive plan in place to control and recover costs

1 Consistent efforts on inflation-led price Increases

- ▶ Continuous price increase efforts for non contracted customers; Contractual pass-through as per 3-month lag
- ▶ Good progress on additional price increases to cover for inflationary overheads and continuing

2 Mix Improvement

- ▶ Focus on higher-profit segments and value-added offerings led to revenue growth mainly driven by *'Personal Care & beyond'**

3 Cost Productivity

- ▶ Operating expenses growth lower than revenue growth
- ▶ Increased in-house manufacturing of caps and closures – implemented for India; benefit accruing in the current year
- ▶ Global program to further reduce scrap and wastage on track

4 Procurement

- ▶ Dynamic sourcing strategy and manufacturing location optimization

5 Organizational Review

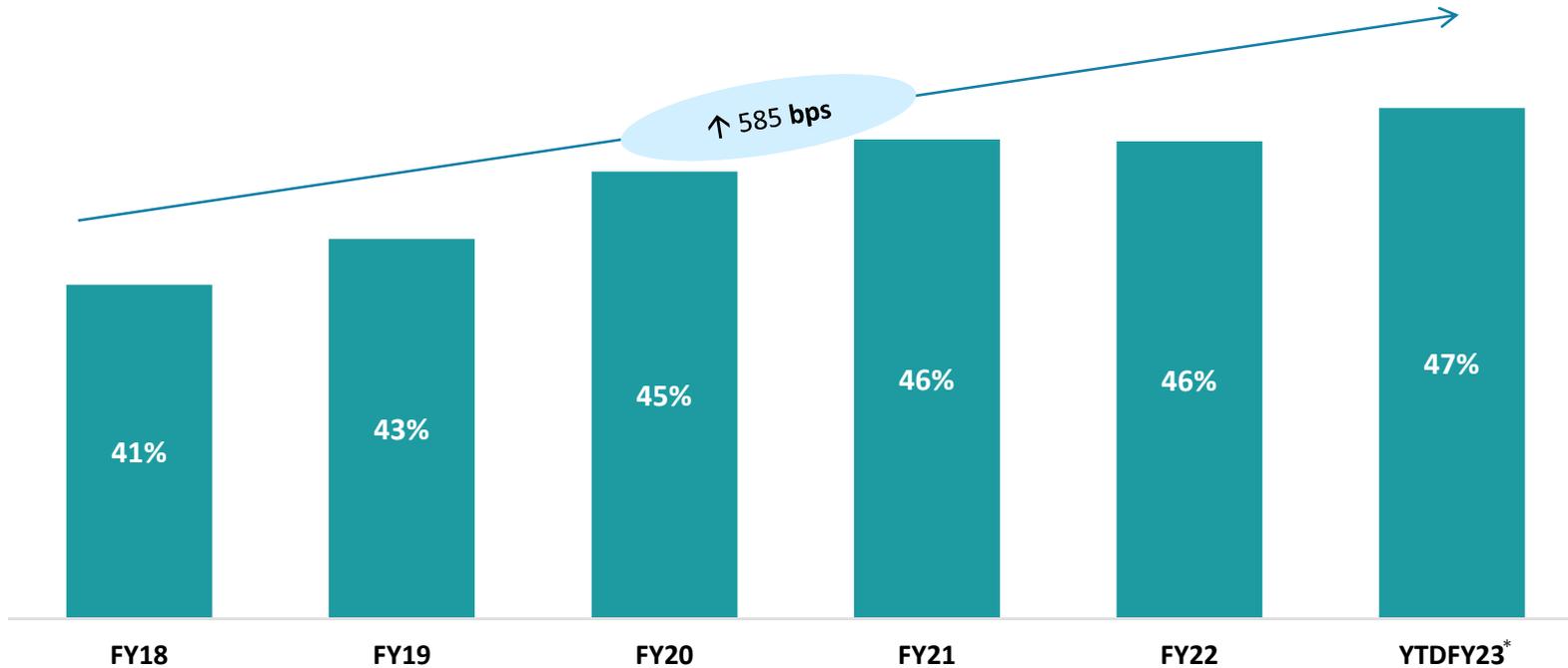
- ▶ Program to enhance organizational effectiveness and efficiency

Implementation of comprehensive plan on track

* *'Personal Care and beyond'* includes Beauty & Cosmetics, Pharma etc

'Personal Care & beyond'* category contribution stood at 47% YTD FY23

'Personal Care & beyond'* contribution to Tube Revenue

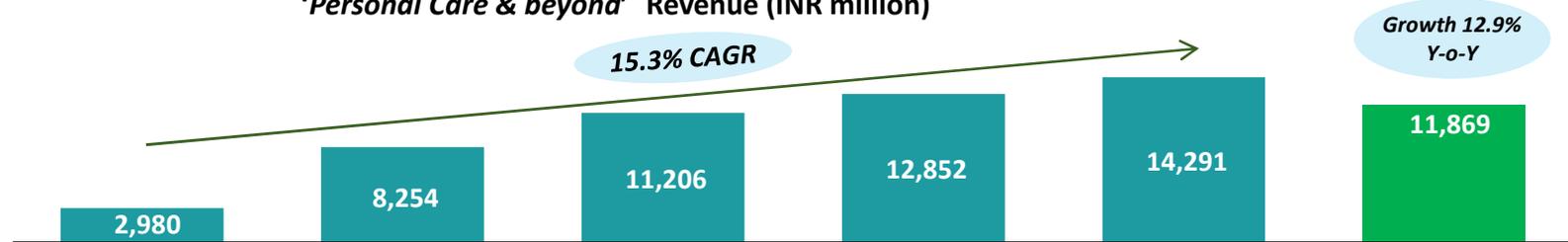


'Personal Care & beyond'* revenue growth higher than Oral Care

* 'Personal Care and beyond' includes Beauty & Cosmetics, Pharma etc

‘Personal Care & beyond’* category has grown at a 15.3% CAGR over the last 12 years and continues to be the major growth driver for EPL in FY23

‘Personal Care & beyond’* Revenue (INR million)



Sub-categories	FY11	FY15	FY20	FY21	FY22	YTD FY23
Face Care	✓	✓	✓	✓	✓	✓
Hair Care	✗	✗	✓	✓	✓	✓
OTC Medication*	✗	✓	✓	✓	✓	✓
Prescription Medication*	✗	✗	✓	✓	✓	✓
Food	✗	✓	✓	✓	✓	✓
Home	✗	✗	✓	✓	✓	✓
Hygiene Products*	✗	✗	✓	✓	✓	✓
Eye Care	✗	✗	✓	✓	✓	✓
Hand Cream	✗	✗	✓	✓	✓	✓
New Applicator (B&C)	✗	✗	✗	✓	✓	✓
Grease / gear oil	✗	✗	✗	✗	✗	✓

Actively Pursuing →

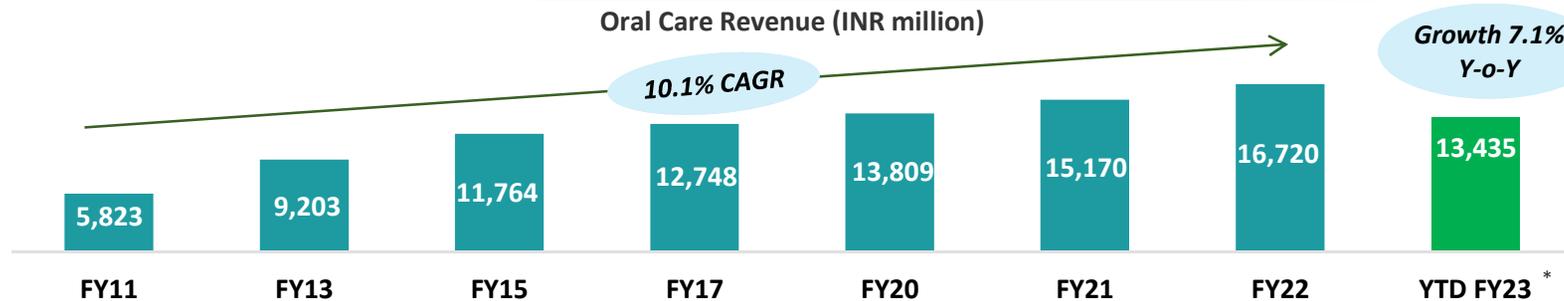
‘Personal Care & beyond’* revenue growth higher than Oral Care

* Pharma

* ‘Personal Care and beyond’ includes Beauty & Cosmetics, Pharma etc.

*YTD FY23 revenue impacted by decline in EAP business; excl EAP category growth @ 14.5%

Established Global Leadership in Oral Care with the segment demonstrating steady long-term revenue growth at a CAGR of 10.1%



Customers



Market Positioning

1. Market leader across key markets
2. Long term relationships with customers
3. Continued leadership through product and process innovation
4. Unique, agile, and customer-specific supply chain models

#1

Business highlights

1. Wallet share gain with marquee global consumer companies
2. Market share gain from regional players in China
3. Partial recovery of travel and sample tubes leading to Oral care growth in Americas
4. Commercialized five brands with sustainable Platina tubes globally

*YTD FY23 revenue impacted by decline in EAP business; excl EAP category growth @ 13.7%

Sustained momentum on new business wins through innovation and sustainable offerings

Venturing into new categories and businesses



Foxtale
Acne
Cream -
India

Xinyue D30
Oral tube
with airless
pump - China



Laminate Conversion



Raptakos
Brett – Zytee
– Aluminium
to Laminate
conversion -
India

UL China
Skin D22&
D40 super
oval &D50
VSL tube
converted
from
extrude
tube



Strengthening Sustainability - Platina



P&G China
Pantene Hair
Care

GSK
Sensodyne -
Thailand



Design Disruption



Neo Seam –
Minimizing Visual
Impact of Side Seam –
Europe

Awards



- Abbott India Appreciation Award
- BIS certification for EPL HDPE Tubes
- Colgate India Appreciation certificate

Brazil Update

- Brazil project progressing well
- Customer trials underway



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Sustainability : “Leading the Pack”

Product Sustainability

- ▶ Emergence of Platina as a benchmark for Sustainable Solutions and a market success across all categories
- ▶ Plan to double Platina volumes in FY23 on track



RecyClass™



Process Sustainability

- ▶ CDP A- rating (Leadership band) on climate change over B last year, best amongst the industry
- ▶ Reaffirmed CDP B rating on water security
- ▶ Positive ranking in all our commitments by Ellen Macarthur Foundation
- ▶ Company wide effort for EcoVadis Go for Gold on track



People Sustainability: *Corporate Social Responsibility*



Our CSR vision is in alignment with the overall EPL ambition of becoming the most sustainable packaging company in the world. All CSR works are undertaken as part of People Sustainability, and all actions are a step further towards “**Greening Lives**” by enabling its employees, customers, communities, and all other stakeholders live sustainably.

1. **Green Communities Program:**

- 486 benches made from plastic recycled from our factory scrap donated across 8 schools in Wada, Vasind and Vapi
- Plan to donate further 200 such benches in the current FY in Goa and Nalagarh

2. **Skill Development Program:**

- Training in progress for 228 apprentices with diverse skillset to improve their employability

3. **Community Welfare Program:**

- Supporting communities near our plants by strategic investment for building infrastructure and promote health & education
- 2 water projects completed near Vasind and additional 8 projects worth Rs. 76 lacs under progress
- Implementation of community plastic waste management project in Vasind and Wada for Plastic waste segregation



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Looking Ahead: Double digit revenue growth with margin recovery

- 1 Deliver double-digit revenue growth as China recovers
- 2 Continued focus on (i) margin improvement through mix and cost efficiency and (ii) efficient capital allocation
- 3 Price increase actions to continue to cover inflation related cost increases, particularly in western geographies
- 4 Several concerns of last 2 years behind us; however possible global recession risk
- 5 Continued focus on customer conversion to sustainable solutions

We remain cautiously optimistic on continuous improvement

Our 4X4 Mantra for Growth

Purpose: To be the most sustainable packaging company in the world

Where we will win (4Cs)



Product Sustainability: Offer the most sustainable packaging solutions

How we will win (4 Enablers)



Process and People Sustainability: Be the most sustainable packaging company

Double Digit Profitable Growth

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Q3 FY23: Adjusted EBITDA

(INR million)

<i>Adjustments</i>	EBITDA	PAT ¹
Reported Q3FY23 numbers	1,570	639
• TSA ² related expenses	+40	+30
• One time acquisition/ merger/ FX / patent related costs	+3	+73
• ESOP related cost	+23	+23
Adjusted Q3FY23 numbers	1,636	765
Reported Q3FY22 numbers	1,387	571
• TSA ² related expenses	+40	+30
• One time acquisition/ merger/ patent related costs	+16	+13
• ESOP related cost	+46	+46
Adjusted Q3FY22 numbers	1,489	660
Like for Like Y-o-Y Growth (%)	9.9%	15.9%

Q3 FY23 Performance – AMESA and EAP

(INR million)

AMESA			
Particulars	Q3FY23	Q3FY22	% change
Revenue	3,521	3,225	9.2%
EBITDA	731	701	4.3%
EBITDA %	20.8%	21.7%	
EBIT	464	448	3.6%
EBIT %	13.2%	13.9%	
EAP			
Particulars	Q3FY23	Q3FY22	% change
Revenue	2,262	2,459	-8.0%
EBITDA	490	549	-10.8%
EBITDA %	21.7%	22.3%	
EBIT	365	419	-12.9%
EBIT %	16.1%	17.0%	

EBITDA and EBIT is adjusted for ESOP cost for all the regions and also TSA related cost for AMESA

Q3 FY23 Performance – Americas and Europe

(INR million)

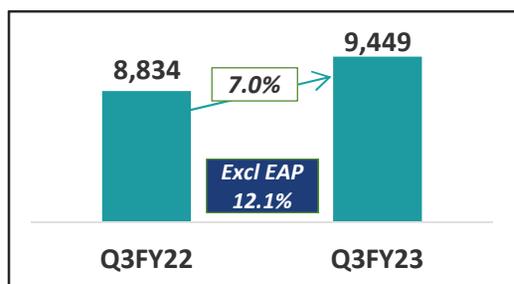
Americas			
Particulars	Q3FY23	Q3FY22	% change
Revenue	2,260	1,899	19.0%
EBITDA	274	175	56.8%
EBITDA %	12.1%	9.2%	
EBIT	117	56	108.9%
EBIT %	5.2%	2.9%	
Europe			
Particulars	Q3FY23	Q3FY22	% change
Revenue	1,911	1,732	10.3%
EBITDA	109	118	-7.8%
EBITDA %	5.7%	6.8%	
EBIT	-34	-18	88.9%
EBIT %	-1.8%	-1.0%	

EBITDA and EBIT is adjusted for ESOP cost for all the regions.

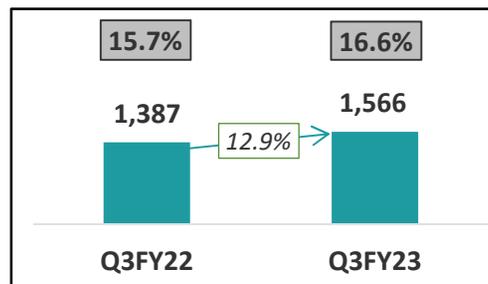
Q3 FY23 Consolidated Financial Highlights *Including Brazil*

(INR million)

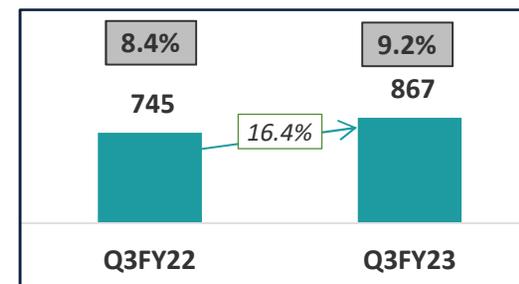
Revenue from Operations



EBITDA¹ and EBITDA Margins



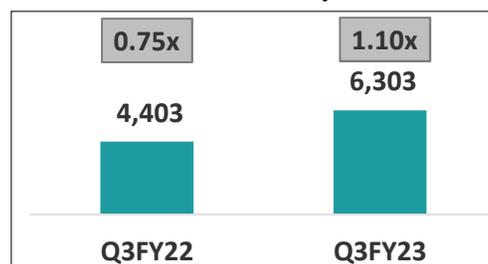
EBIT and EBIT Margins



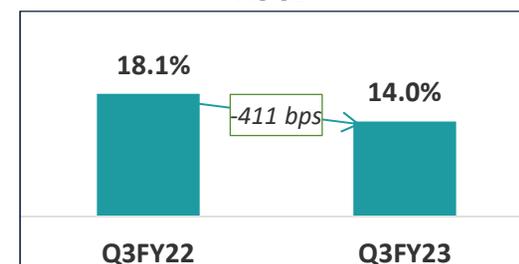
PAT¹ and EPS (INR)



Net Debt and Net Debt/ LTM EBITDA



ROCE²



(1) EBITDA excludes foreign exchange loss of INR 76 mn for Q3 FY23 (INR 1 mn for Q3FY22)

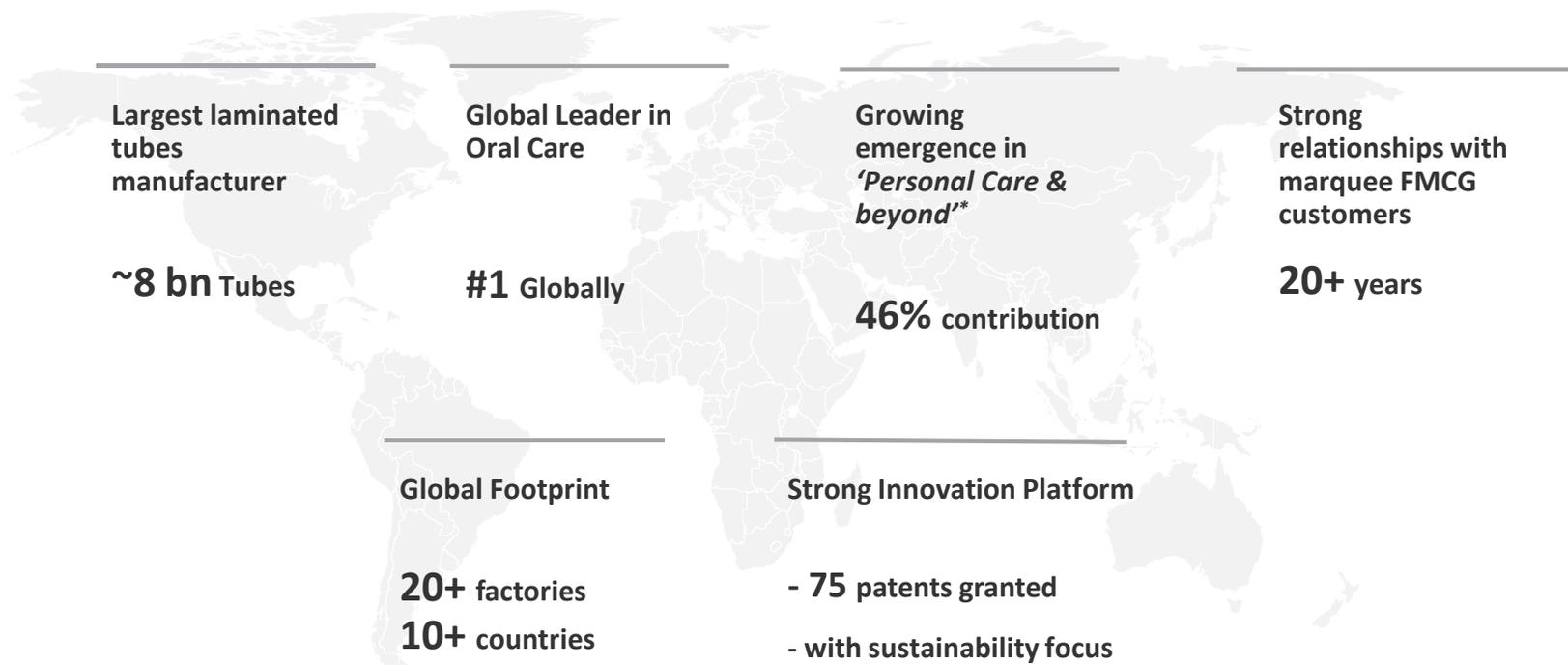
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About EPL

(Formerly known as Essel Propack Limited)

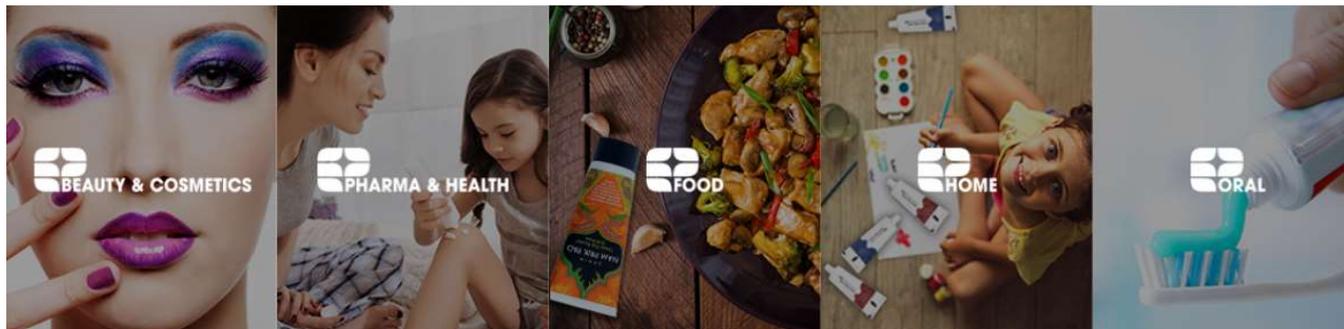
EPL: Company Overview



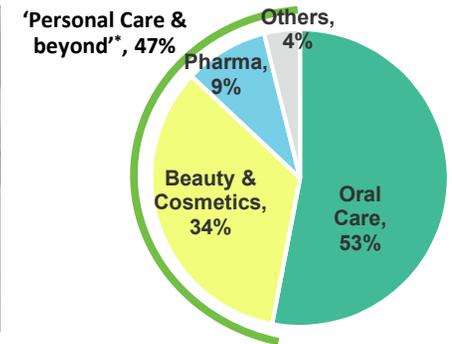
* *'Personal Care and beyond'* includes Beauty & Cosmetics, Pharma etc

Note: Numbers on this page are as of 31 March, 2022

EPL Caters to Marquee Customers Across Trillion Dollar Categories



Tube revenue split (YTD FY23)



About EPL

EPL is the largest global specialty packaging company, manufacturing laminated plastic tubes catering to the FMCG and Pharma space. Employing over 3,366 people representing over 25 different nationalities, EPL functions in nine countries through 20 state of the art facilities, and is continuing to grow every year.

EPL is the world's largest laminated tube manufacturer with units operating across countries such as USA, Mexico, Colombia, Poland, Germany, Egypt, China, Philippines and India. These facilities cater to diverse categories that include brands in Oral Care, Beauty & Cosmetics, Pharma & Health, Food, and Home, offering customized solutions through continuously pioneering first-in-class innovations in materials, technology and processes.

**EPL (Formerly known as Essel Propack Limited)
CIN : L74950MH1982PLC028947**

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LEADING THE PACK

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