

26 July 2022



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
Script: Equity 500135. NCDs 960310 & 960311	Trading Symbol: EPL

Ref.: EPL Limited (EPL)

Sub.: Investors notes/updates with respect to the Unaudited Financial Results for the quarter ended 30 June 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



4 Suresh Savaliya
SVP - Legal & Company Secretary

Encl.: As above

Filed online



Leading the
pack

EPL LIMITED
(Formerly known as Essel Propack Limited)
Q1 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.

- **Q1 FY23 Highlights and Financial Performance**
- **Costs and Comprehensive Margin Improvement Plan**
- **Progress on Sustainability**
- **Looking Ahead**
- **Appendix**

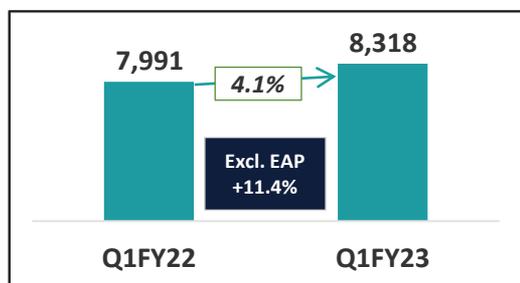
Q1 FY23 Highlights - Strong double digit revenue growth across all regions except EAP

- 1 Strong double digit revenue growth across all regions except EAP, which was impacted by Covid lockdowns. Revenue growth excluding EAP at 11.4%**
- 2 EBITDA margin @ 15.1%, despite EAP business impacted by Covid lockdowns, and continuing raw material inflation and other input cost increases**
- 3 Net debt reduced by INR 459 million sequentially**
- 4 Bagged Silver medal in Ecovadis; ranked in the top 5% of plastic products companies rated by EcoVadis**
- 5 Brazil project continues to make good progress. New entity incorporated; first commercial delivery expected by end of FY23**

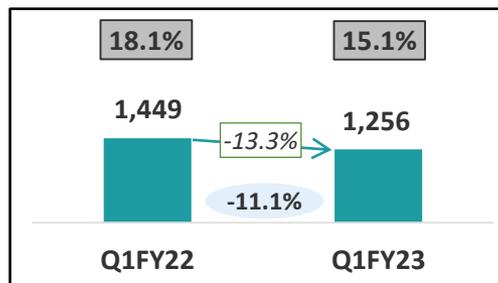
Q1 FY23 Consolidated Financial Highlights

(INR million)

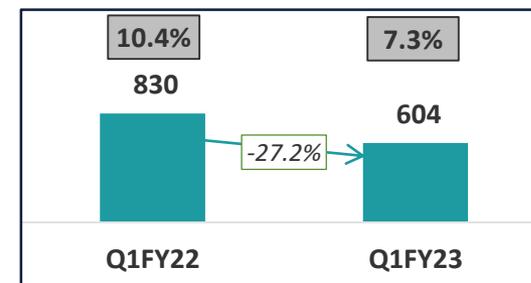
Revenue from Operations



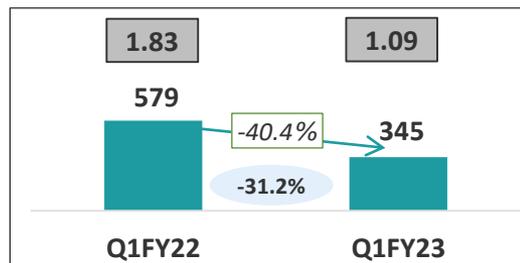
EBITDA and EBITDA Margins



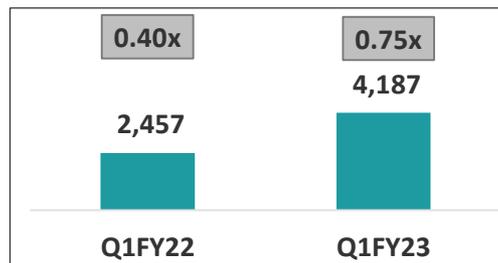
EBIT and EBIT Margins



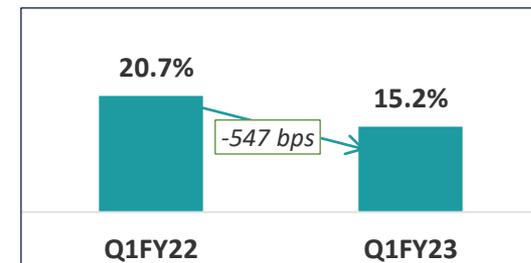
PAT¹ and EPS (INR)



Net Debt and Net Debt/ LTM EBITDA



ROCE²



Adjusted growth %

Sequential reduction in net debt by INR 459 million

- ▶ Strong double digit revenue growth across all regions except EAP. AMESA (+13.4%), Americas (+20.4%), Europe (+10.5%) and EAP (-6.4%)
- ▶ Revenue growth excluding EAP at 11.4%
- ▶ Margin impacted by lower EAP performance, in addition to continuing raw material inflation, freight cost, absenteeism due to Covid and energy cost in western geographies.

(1) 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 in Jun 21 and Jun 22 of Transition Services Agreement (TSA) related expense and INR 136 mn for Jun 22 (INR 155 mn for Jun 21) of ESOP related expenses

EPL – Capital Efficient, Sustainable Revenue Growth

(INR million)

	Q1FY22	Q1FY23	Growth		
Growth¹	Revenue	7,991	8,318	4.1%	Excl. EAP +11.4%
	Adjusted EBITDA	1,503	1,336	-11.1%	
	Adjusted EPS (INR)	1.91	1.31	-31.2%	
Capital Efficiency		As of March 22	As of June 22		
	ROCE ²	16.3%	15.2%	-102 bps	
	Net Debt	4,646	4,187		
		FY22	Q1 FY23		
	Capex	2,755	480		

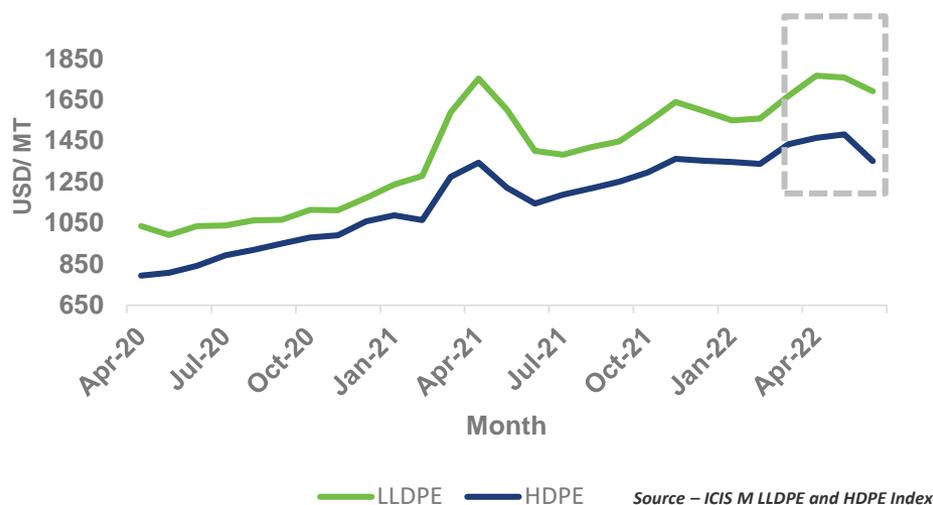
(1) Refer page 22 for details on Adjusted EBITDA and Adjusted EPS

(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 in Mar 22 and Jun 22 of Transition Services Agreement (TSA) related expense and INR 136 mn for Jun 22 (INR 123 mn for Mar 22) of ESOP related expenses

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Raw Material prices and other input costs remained high in Q1, but RM prices started to temper towards end of quarter

Polymer Movement



Foil Movement



	Q1FY23 vs Q1FY22	Q1FY23 vs Q4FY22
LLDPE	9%	9%
HDPE	11%	4%
LME	20%	-12%
SHFE	7%	-12%

- ▶ Polymer prices were higher in Q1FY23 than both last year and preceding quarter
- ▶ While YoY foil prices were higher, the price level declined from preceding quarter level
- ▶ Freight cost – International and Domestic freight started softening at the end of the quarter
- ▶ Energy cost – Europe is witnessing high inflation in energy cost
- ▶ Minimum Wages – Wage increases following high inflation in western countries

Comprehensive plan in place to control and recover costs

1 Judicious Price Increases

- ▶ Continuous price increase efforts for non contracted customers
- ▶ Contractual pass-through as per 3-month lag

2 Mix Improvement

- ▶ Focus on higher-profit segments and value-added offerings

3 Cost Productivity

- ▶ Increased in-house manufacturing of caps and closures – implemented for India; benefit has started to accrue in FY23
- ▶ Global program to further reduce scrap and wastage

4 Procurement

- ▶ Dynamic sourcing strategy and manufacturing location optimization

5 Organizational Review

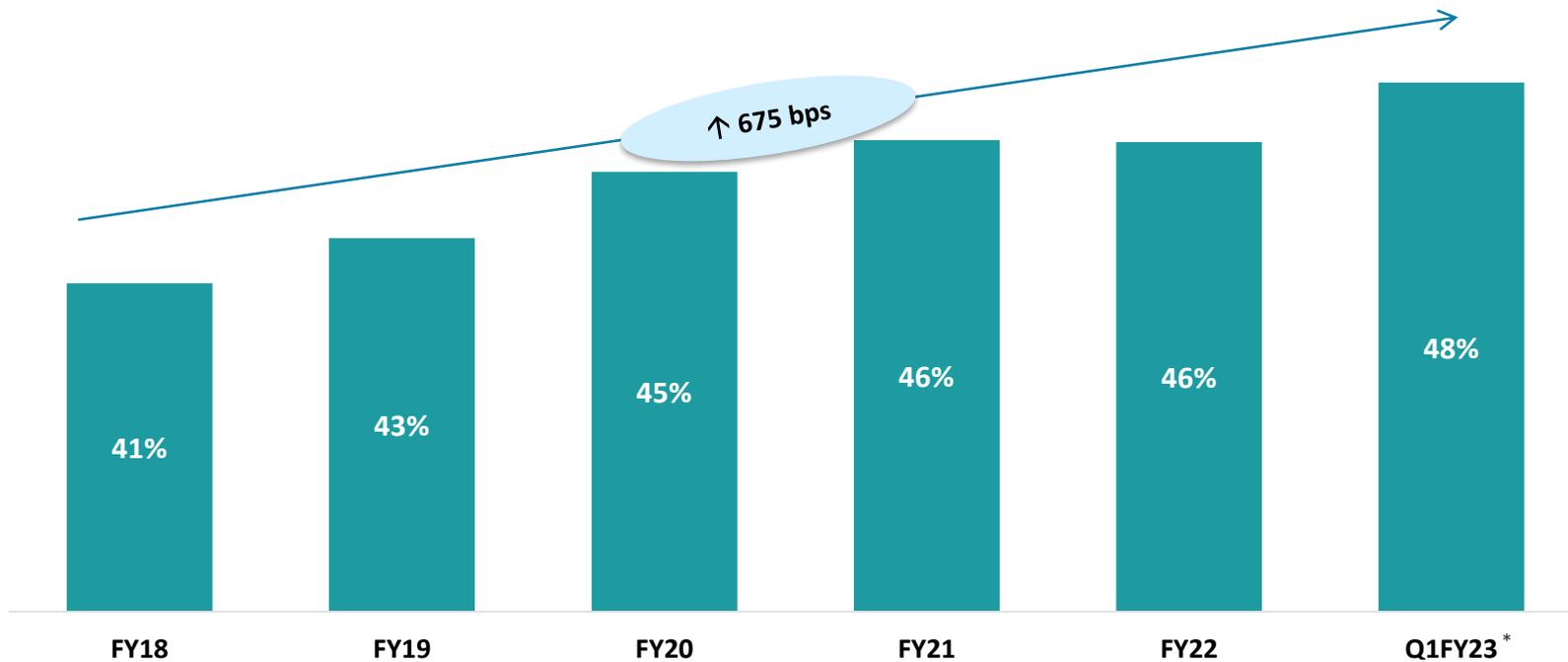
- ▶ Program to enhance organizational effectiveness and efficiency



Implementation of comprehensive plan ongoing to recover margins

Non-Oral Care Contribution stood at 48% in Q1FY23

Non-Oral Care Contribution to Tube Revenue



Non-Oral Care revenue growth higher than Oral Care

*Q1FY23 % accentuated by decline in EAP business

Non-Oral Care 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 Revenue (INR million)



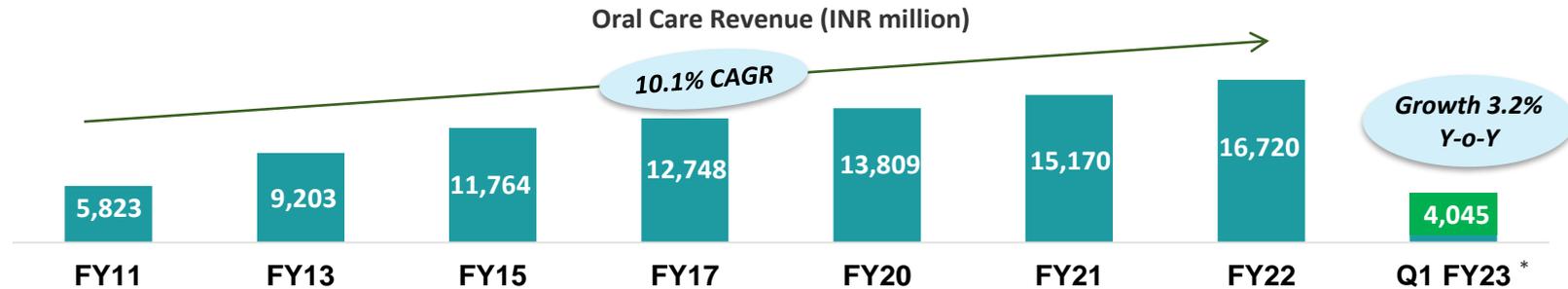
Sub-categories	FY11	FY15	FY20	FY21	FY22	Q1 FY23
Face Care	✓	✓	✓	✓	✓	
Hair Care	✗	✗	✓	✓	✓	
OTC Medication*	✗	✓	✓	✓	✓	
Prescription Medication*	✗	✗	✓	✓	✓	
Food	✗	✓	✓	✓	✓	
Home	✗	✗	✓	✓	✓	
Hygiene Products*	✗	✗	✓	✓	✓	
Eye Care	✗	✗	✓	✓	✓	
Hand Cream	✗	✗	✓	✓	✓	
New Applicator (B&C)	✗	✗	✗	✓	✓	Actively Pursuing

Focus on sustainability efforts and strategic partnership with customers

Non-Oral Care revenue growth higher than Oral Care

* Pharma

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

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

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. Converted and commercialized two brands with sustainable Platina Tubes for biggest partner in India

*Q1FY23 revenue impacted by decline in EAP business

New business wins - Including conversion from aluminum to laminated tubes



Strong business pipeline across the regions to deliver growth

Brazil Update

- Brazil project on track
- New entity incorporated
- Factory location finalized; lease agreement in place
- Recruitment in progress
- First commercial delivery expected by end of FY23
- Phase 1 project outlay ~ INR 1300 mn



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Product Sustainability: Offering the most sustainable packaging solutions

Commercial Leadership

- ▶ Driving Platina as the most superior 100% recyclable tube
- ▶ Plan to double Platina volumes in FY23 is on track
- ▶ Expanded range of solutions - Platina Vision, Platina ME, Platina Shine, Platina PCRmax, and Platina Biomax
- ▶ Partnerships with leading customers such as Colgate, Unilever, P&G, GSK, and Hela already in place



Thinner tubes



Metallised tubes



Highly transparent tubes



RecyClass™



Staying Future Ready

- ▶ Highest PCR solutions
- ▶ Developing minimum weight tubes
- ▶ Alternate material tubes
- ▶ Commitment to New Plastics Economy – led by Ellen MacArthur Foundation
- ▶ Founding member of India Plastics Pact



Global Commitment



Process Sustainability: *Be the most sustainable packaging company*

Where are we?

- ▶ Released second edition of sustainability report; **Silver medal in Ecovadis**
- ▶ Signatory to United Nations Global Compact - world's largest Corporate Sustainability Initiative
- ▶ CDP ratings: 'B' in Climate Change and Water Security, 'A' in Supplier Engagement



Where are we heading?

- ▶ Net zero emissions by 2050; 30% reduction in emissions by 2030
- ▶ Gold medal in EcoVadis
- ▶ 'A' rating in CDP for Climate Change, Water Security, and Supplier Engagement



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:

EPL donated 186 benches across 4 schools in Wada & Vasind. The benches are manufactured with plastic recycled from our factory scrap

2. Skill Development Program:

EPL is running a skill development program to train apprentices with diverse skillset thereby improving their employability

3. Community Welfare Program:

EPL is supporting the communities near our plants by strategic investments to build infrastructure for promoting health & education



Benches donated to schools

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Looking Ahead: Committed to double digit revenue growth with margin recovery

- 1 Committed to deliver double-digit revenue growth**
- 2 Comprehensive margin recovery plan, including ongoing pricing success, is expected to improve margins**
- 3 Early indication of softening of raw material prices**
- 4 Short term challenges remain due to Covid lockdowns in China, albeit with lower intensity**
- 5 Increased customer engagement on sustainability; plan to double Platina volume on track**

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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Q1FY23: Adjusted EBITDA

(INR million)

<i>Adjustments</i>	EBITDA	PAT ¹
Reported Q1FY23 numbers	1,256	345
• TSA ² related expenses	+40	+30
• One time acquisition related costs	+0	+0
• ESOP related cost	+40	+40
Adjusted Q1FY23 numbers	1,336	415
Reported Q1FY22 numbers	1,449	579
• TSA ² related expenses	+40	+30
• One time acquisition related costs	+3	+3
• China Tax refund	-	-20
• ESOP related cost	+11	+11
Adjusted Q1FY22 numbers	1,503	603
Like for Like Y-o-Y Growth (%)	-11.1%	-31.2%

Q1FY23 Performance – AMESA and EAP

(INR million)

AMESA			
Particulars	Q1FY23	Q1FY22	% change
Revenue	3,198	2,819	13.4%
EBITDA	634	613	3.4%
EBITDA %	19.8%	21.8%	
EBIT	382	351	8.8%
EBIT %	11.9%	12.5%	
EAP			
Particulars	Q1FY23	Q1FY22	% change
Revenue	1,928	2,060	-6.4%
EBITDA	374	465	-19.7%
EBITDA %	19.4%	22.6%	
EBIT	247	346	-28.6%
EBIT %	12.8%	16.8%	

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

Q1FY23 Performance – Americas and Europe

(INR million)

Americas			
Particulars	Q1FY23	Q1FY22	% change
Revenue	1,973	1,639	20.4%
EBITDA	242	233	4.1%
EBITDA %	12.3%	14.2%	
EBIT	108	124	-13.0%
EBIT %	5.5%	7.5%	
Europe			
Particulars	Q1FY23	Q1FY22	% change
Revenue	1,972	1,784	10.5%
EBITDA	173	233	-25.6%
EBITDA %	8.8%	13.1%	
EBIT	38	106	-64.0%
EBIT %	1.9%	6.0%	

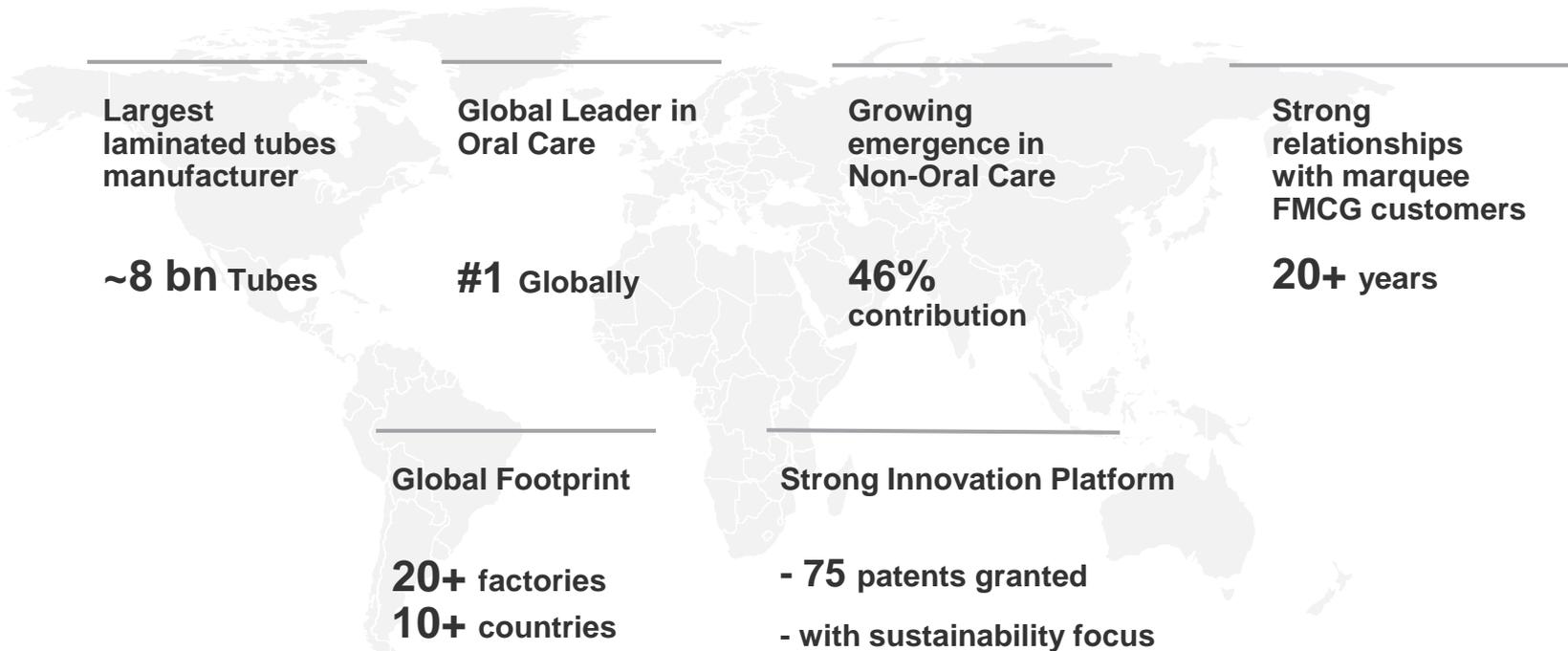
EBITDA and EBIT is adjusted for ESOP cost for all the regions.



About EPL

(Formerly known as Essel Propack Limited)

EPL: Company Overview

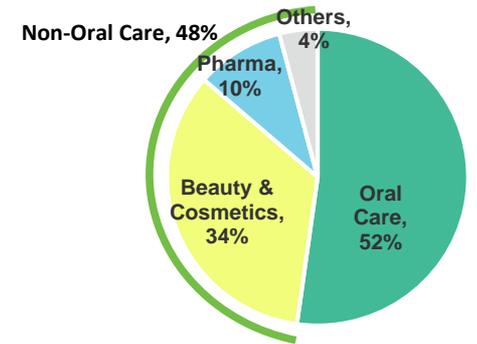


Note: Numbers on this page are as of 31 March, 2022

EPL Caters to Marquee Customers Across Trillion Dollar Categories



Tube revenue split (Q1FY23)



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

Thank you



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