

8 August 2023

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

**Ref.: EPL Limited (EPL)**

**Sub.: Investors notes / updates with respect to the Unaudited Financial Results for the Quarter and year ended 30 June 2023.**

Dear Sirs,

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

The above is pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for your information and record.

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

Yours faithfully,  
For **EPL Limited**



**Keyur Doshi**  
Company Secretary

Encl: A/a

Filed online

**Registered Office**

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# EPL LIMITED

(Formerly known as Essel Propack Limited)

Q1FY24 Earnings Presentation

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## Safe Harbour

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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.

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## Key topics

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- **Q1FY24 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 shown at the end of this presentation*

- Performance Improvement Plan
- Progress on Sustainability
- Looking Ahead
- Appendix

## Q1FY24 Highlights – EBITDA margin improvement continues in Q1FY24

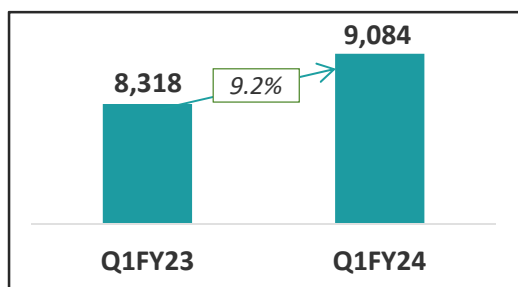
- 1 Solid revenue growth at 9.2%**
- 2 Strong EBITDA margin in Q1FY24 at 17.9%<sup>1</sup>; increase of 282 bps YoY and 69 bps sequentially. EBITDA grew by 29.6% YoY**
- 3 PAT growth of 82.3% YoY**
- 4 Strong cash flow generation leading to YoY and sequential reduction in Net debt, resulting into lower Net Debt/EBITDA at 0.43x**
- 5 Return on Capital employed increased to 16.2% with YoY and sequential increase of 98 bps and 119 bps respectively**
- 6 Brazil ramp-up underway**

(1) Including Brazil Q1FY24 EBITDA margin @ 17.5%

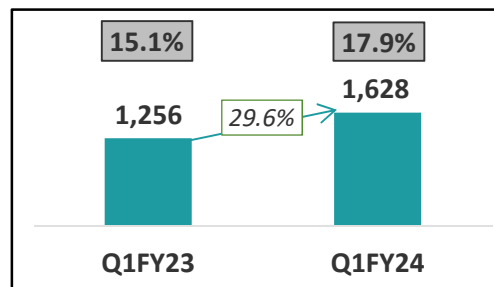
## Q1FY24 Consolidated Financial Highlights

(INR million)

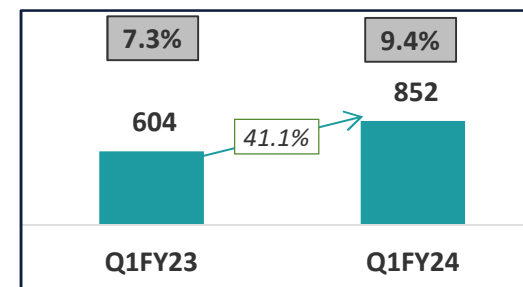
### Revenue from Operations



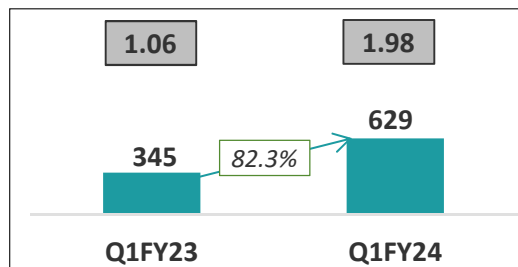
### EBITDA and EBITDA Margins



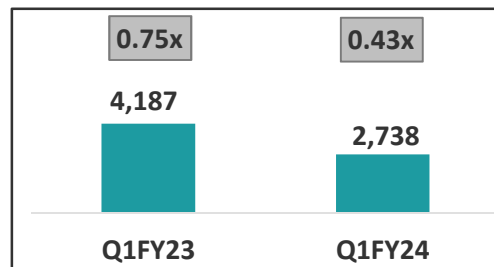
### EBIT and EBIT Margins



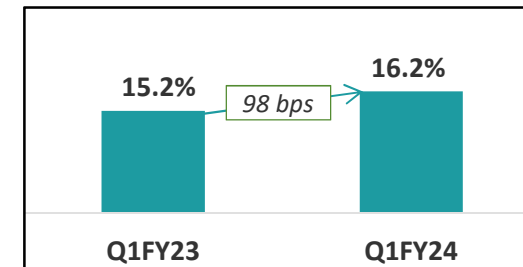
### PAT<sup>1</sup> and EPS (INR)



### Net Debt and Net Debt/ LTM EBITDA



### ROCE<sup>2</sup>



- ▶ Good revenue growth across all regions. AMESA<sup>3</sup> (+5.0%), EAP (+11.5%), Americas (+9.5%), Europe (+7.8)
- ▶ EBITDA margin at 17.9%; increase of 282 bps YoY and 69 bps sequentially

(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 for Jun 23 and Jun 22 of Transition Services Agreement (TSA) related expense and INR 90 mn for Jun 23 (INR 136 mn for Jun 22) of ESOP related expenses

(3) India Standalone YoY revenue grew at 6.9%

## EPL – Capital Efficient, Sustainable Revenue Growth

(INR million)

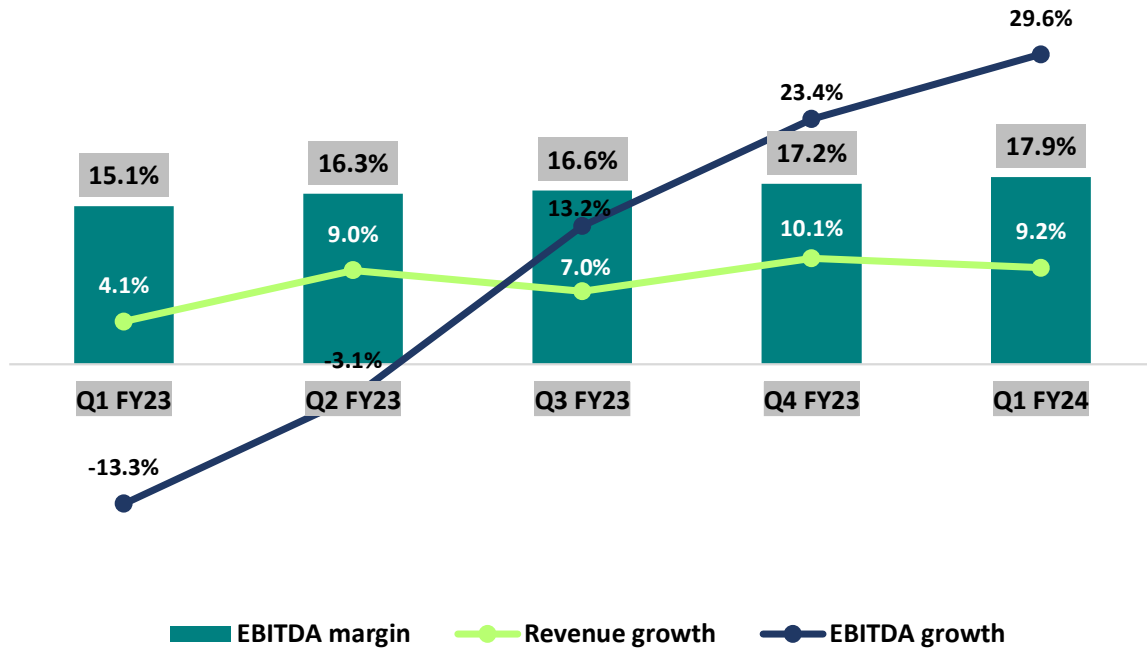
	Q1FY23	Q1FY24	Growth	
<b>Growth<sup>1</sup></b>	Revenue	8,318	9,084	9.2%
	Adjusted EBITDA	1336	1688	26.4%
	Adjusted EPS (INR)	1.31	2.13	63.0%
<b>Capital Efficiency</b>	ROCE <sup>2</sup>	As of Mar 23 15.0%	As of Jun 23 16.2%	
	Net Debt	3,638	2,738	
	Capex	FY23 2,308	Q1FY24 501	

(1) Refer page 26 for details on Adjusted EBITDA and Adjusted EPS

(2) Return on Capital Employed, defined as EBIT / Average Capital Employed, on a trailing twelve month basis and adjusted for INR 160 mn for Jun 23 and Mar 23 of Transition Services Agreement (TSA) related expense and INR 90 mn for Jun 23 (INR 110 mn for Mar 23) of ESOP related expenses

## Margin recovery continues in Q1FY24

### Revenue and EBITDA YoY growth trajectory



- Strong EBITDA margin at 17.9%
- EBITDA YoY growth of 29.6%
- Increase of 282 bps YoY



- Q4FY23 Highlights and Financial Performance
- **Performance Improvement Plan**
- Progress on Sustainability
- Looking Ahead
- Appendix

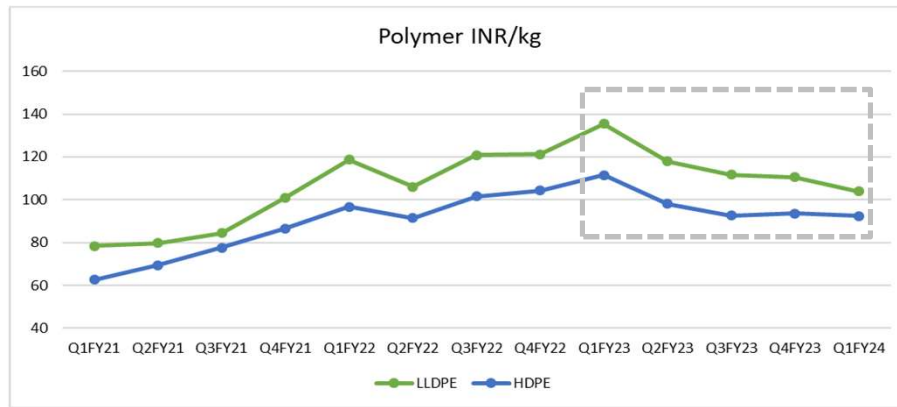
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## Going for Growth

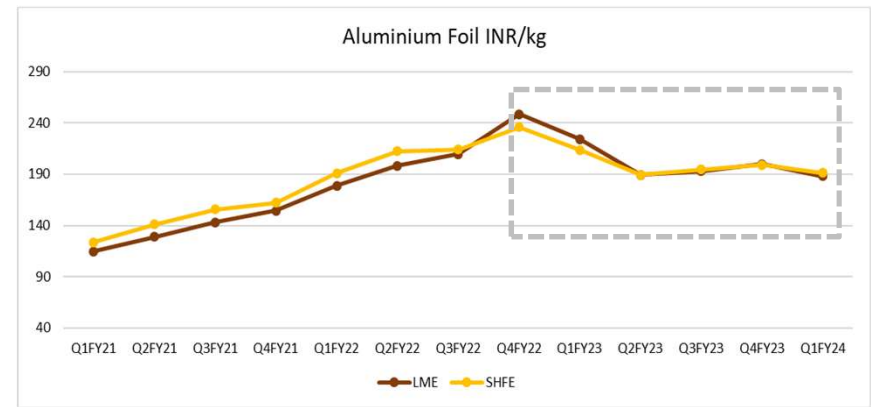
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- 1 Brazil ramp up has started. Plan to win additional customers in place**
- 2 Creating flexibility in supply chain to get small volume customers**
- 3 Enhanced segment focus on Beauty & Cosmetic category**
- 4 Launching of neo-seam technology across regions**
- 5 Working closely with multiple customers to support their sustainability goals**

## Polymer prices steadily declined from the peak in Q1FY23 to Q1FY24; aluminium foil prices remained at Q2FY23 level



Source – ICIS M LLDPE and HDPE Index  
CBIC Exchange rate



Source – LME and SHFE Index  
CBIC Exchange rate

- ▶ Polymer and foil USD prices have declined from Q1 FY23 and Q4 FY22 level respectively, however the prices remain higher than pre-Covid level. USD rate in Q1FY24 was higher than FY21 by 10.5% which further increased the landed cost.
- ▶ Ocean freight rates declined to below pre-Covid level

## Comprehensive plan for cost control and margin recovery

### 1 Active price management

- ▶ Selective price increases / retentions

### 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 across regions
- ▶ Global program for alternate material sourcing and scrap / waste reduction while improving manufacturing productivity

### 4 Organizational Review

- ▶ Program to enhance organizational effectiveness and efficiency

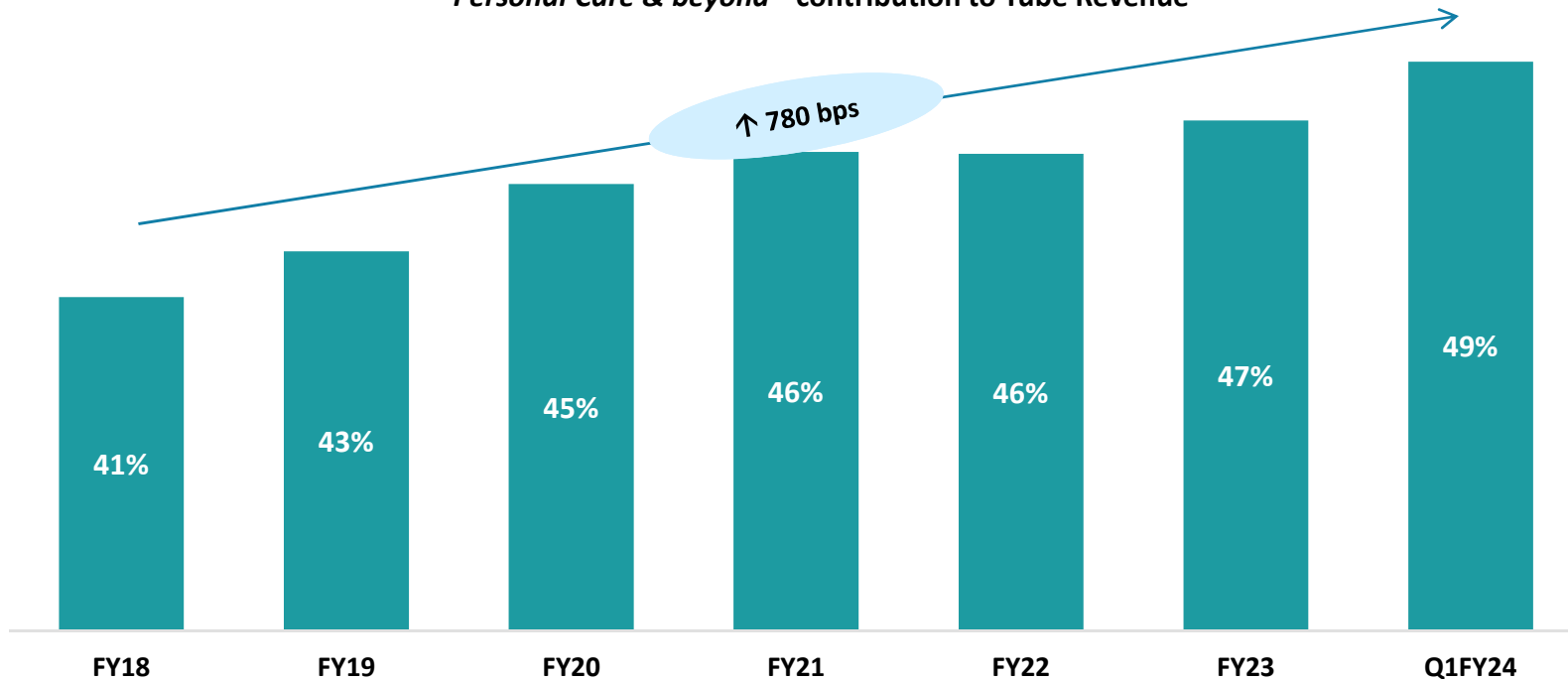


Leading to quarter on quarter operating margin improvement

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

## 'Personal Care & beyond'\* category contribution stood at 49% in Q1FY24

'Personal Care & beyond'\* contribution to Tube Revenue

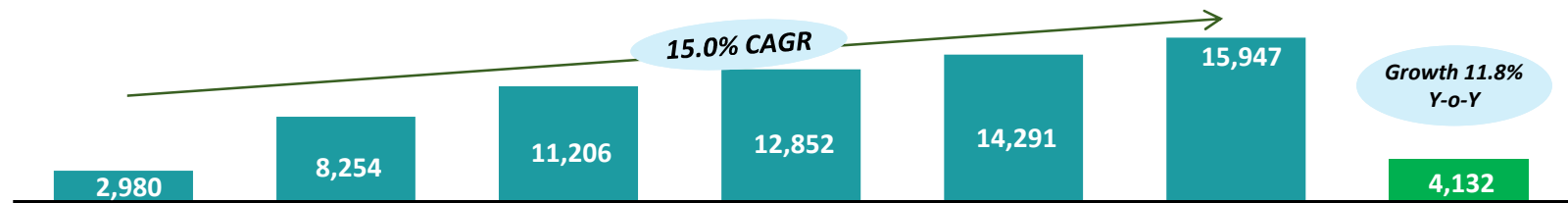


'Personal Care & beyond'\* revenue growth higher than Oral Care

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

**‘Personal Care & beyond’\* category has grown at a 15% CAGR over the last 13 years and continues to be the major growth driver for EPL in FY23**

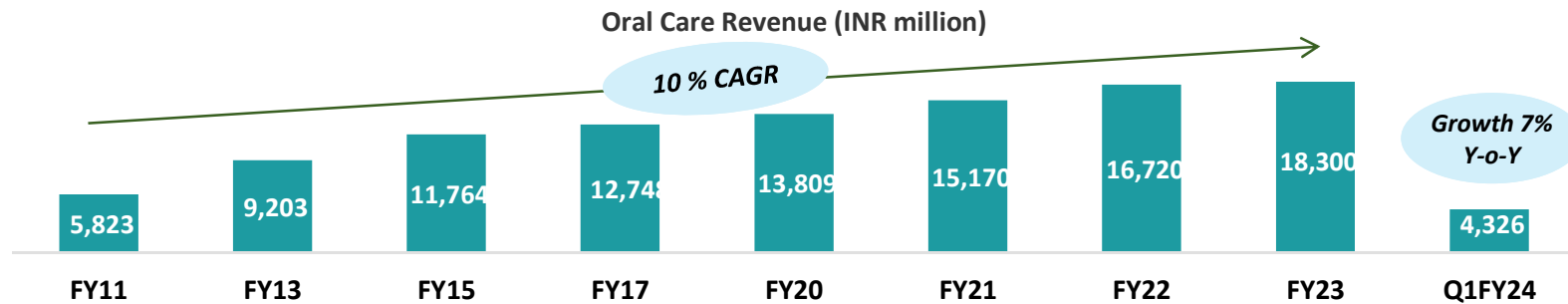
‘Personal Care & beyond’\* Revenue (INR million)



Sub-categories	FY11	FY15	FY20	FY21	FY22	FY23	Q1FY24
Face Care	✓	✓	✓	✓	✓	✓	✓
Hair Care	✗	✗	✓	✓	✓	✓	✓
OTC Medication #	✗	✓	✓	✓	✓	✓	✓
Prescription Medication #	✗	✗	✓	✓	✓	✓	✓
Food	✗	✓	✓	✓	✓	✓	✓
Home	✗	✗	✓	✓	✓	✓	✓
Hygiene Products #	✗	✗	✓	✓	✓	✓	✓
Eye Care	✗	✗	✓	✓	✓	✓	✓
Hand Cream	✗	✗	✓	✓	✓	✓	✓
New Applicator (B&C)	✗	✗	✗	✓	✓	Actively Pursuing →	✓
Grease / gear oil	✗	✗	✗	✗	✗	✓	✓

**‘Personal Care & beyond’\* revenue growth higher than Oral Care. Work in progress towards adding sub segments in B&C category.**

## Established Global Leadership in Oral Care with the segment demonstrating steady long-term revenue growth at a CAGR of 10.0%



### 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 India and China
3. Entry in Brazil will further increase Oral care business
4. Acceleration of commercialization of sustainable Platina tubes globally

# Sustained momentum on new business wins through innovation and sustainable offerings

## Venturing into new categories



India -  
Pandharpuri  
Chandan

China -  
Shein  
Sheglam Eye  
base Cream



## Lamitube Conversion



India - Polo  
water colour  
from  
aluminum

China - GSK  
Bactroban  
ointment  
from  
aluminum



## Strengthening Sustainability – Platina



Australia – Ensign Lab Comvita  
Toothpaste



Thailand – J&J  
Baby Cream

Japan – Meterra Oral  
Tube



## Disruption



China - 943 D40 super  
oval light sunscreen  
cream Special-shaped  
tail sealing



China -  
Collgene-  
D19 Eye  
Cream with  
ceramic  
massage  
head



## Awards



2 awards at the 4th Edition of the India ESG Summit & Awards 2023 conceptualized and curated by Transformance! 🏆

- ◇ **ESG Best Performer of the Year Award** - for EPL's 2022 performance on the ESG domain & its external global achievement /ratings on ESG related assessment
- ◇ **Top 20 ESG Champions - Mr. Jayesh Boraste** - based on feedback received from ESG Fraternity, external research and from ESG, CSO Sustainability Head Conferences held across India.

3 awards from Foundation for Innovative Packaging and Sustainability at ResPack 2023 program, acknowledging our unwavering dedication to responsible and innovative packaging.

- ◇ **Foxtale Pin-Point Silicon Valve Applicator tube** in innovations category
- ◇ **Plum Hybrid Sunscreen airless pump tube** in innovations category
- ◇ **Colgate Vedshakti HAPE multi squeeze PBL platina tube** in sustainable category



## Brazil update



Ramp up underway

- Q4FY23 Highlights and Financial Performance
- Performance Improvement Plan
- **Progress on Sustainability**
- Looking Ahead
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## Sustainability: Plan to double sustainable tubes volume in FY24 on track

### Product Sustainability

- ▶ Emergence of Platina as a benchmark for Sustainable Solutions and a market success across all categories
- ▶ 2.5x sustainable tubes delivered in FY23; ~10% of total tubes
- ▶ Plan to double the sale of sustainable tubes in FY24



### Process Sustainability

- ▶ EPL Limited awarded "Gold Medal" in 2023 EcoVadis Sustainability assessment
- ▶ Maintained CDP 'A' Leadership rating on supplier engagement; best in packaging industry and 'A-' on climate change (Leadership band).



## 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.

### Green Communities

1. 1598 families covered through plastic waste awareness sessions and 5,178 kgs of plastic waste collected across the villages of Vasind and Wada
2. 340 flower pots and 4 benches made of recycled plastic waste donated. Target of 340 benches donation by Aug 31



### Skill Development :

- As of June 30, 59 trainees onboarded under D.Voc programme and 191 appretices.
- Target of increasing Di.Voc trainees to 200 by Q2

### Community Welfare

1. Sant Gadhge Maharaj Ashram – Girl’s hostel inauguration, Vasind
2. Dhanoli Primary School classrooms inauguration, Vapi



- Q4FY23 Highlights and Financial Performance
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## Looking Ahead

- 1 Continue growth momentum in India and China; some demand softening in western geographies
- 2 Accelerate Beauty and Cosmetics category by winning small customers
- 3 Ramp up Brazil volume and expand customer base in Brazil
- 4 Continued focus on (i) margin improvement through mix and cost efficiency (ii) efficient capital allocation (iii) manufacturing location optimization
- 5 Double sustainable tubes volume with continued focus on customer conversion to sustainable solutions

We remain focused on margin improvement while being cautiously optimistic about the future

## 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**



- Q4FY23 Highlights and Financial Performance
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## Q1FY24: Adjusted EBITDA and PAT

(INR million)

<i>Adjustments</i>	EBITDA	PAT <sup>1</sup>
<b>Reported Q1FY24 numbers</b>	<b>1,628</b>	<b>629</b>
• TSA <sup>2</sup> related expenses	+40	+30
• ESOP related cost	+20	+20
• One time acquisition/ merger/ FX/ patent related costs	0	0
<b>Adjusted Q1FY24 numbers</b>	<b>1,688</b>	<b>679</b>
<b>Reported Q1FY23 numbers</b>	<b>1,256</b>	<b>345</b>
• TSA <sup>2</sup> related expenses	+40	+30
• ESOP related cost	+40	+40
• One time acquisition/ merger/ patent related costs	0	0
<b>Adjusted Q1FY23 numbers</b>	<b>1,336</b>	<b>415</b>
<b>Like for Like Y-o-Y Growth (%)</b>	<b>26.4%</b>	<b>63.6%</b>

(1) PAT excluding exceptional items; (2) Transition Services Agreement

## Q1FY24 Performance – AMESA and EAP

(INR million)

AMESA			
Particulars	Q1FY24	Q1FY23	% change
Revenue	3,358	3,198	5.0%
EBITDA	732	634	15.4%
EBITDA %	21.8%	19.8%	
EBIT	420	382	9.9%
EBIT %	12.5%	11.9%	
EAP			
Particulars	Q1FY24	Q1FY23	% change
Revenue	2,149	1,928	11.5%
EBITDA	489	374	30.9%
EBITDA %	22.8%	19.4%	
EBIT	351	247	42.1%
EBIT %	16.3%	12.8%	

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

## Q1FY24 Performance – Americas and Europe

(INR million)

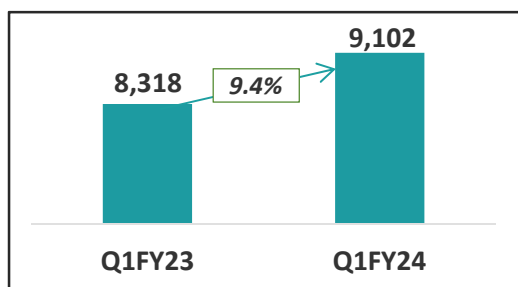
Americas			
Particulars	Q1FY24	Q1FY23	% change
Revenue	2,160	1,973	9.5%
EBITDA	250	242	3.0%
EBITDA %	11.6%	12.3%	
EBIT	88	108	-18.5%
EBIT %	4.1%	5.5%	
Europe			
Particulars	Q1FY24	Q1FY23	% change
Revenue	2,125	1,972	7.8%
EBITDA	242	173	39.7%
EBITDA %	11.4%	8.8%	
EBIT	82	38	115.8%
EBIT %	3.9%	1.9%	

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

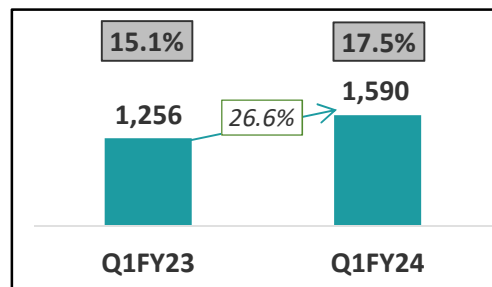
## Q1FY24 Consolidated Financial Highlights *including Brazil*

(INR million)

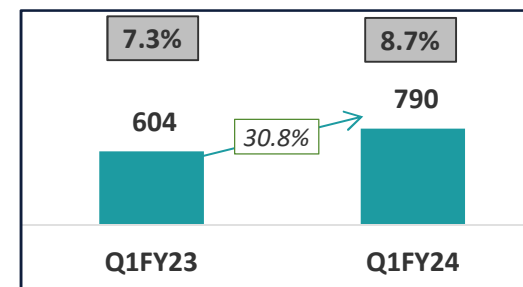
### Revenue from Operations



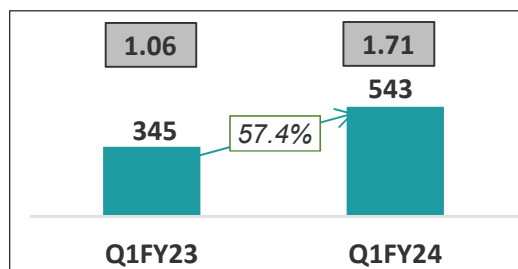
### EBITDA and EBITDA Margins



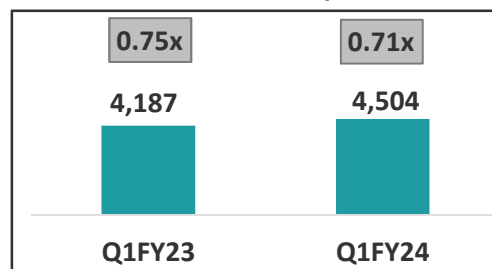
### EBIT and EBIT Margins



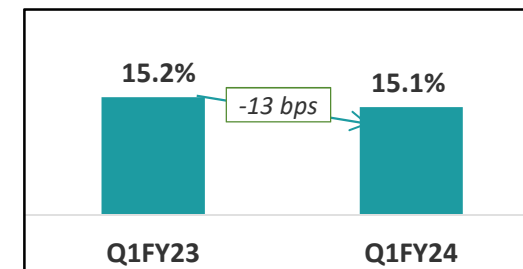
### PAT<sup>1</sup> and EPS (INR)



### Net Debt and Net Debt/ LTM EBITDA



### ROCE<sup>2</sup>



- ▶ Good revenue growth across all regions. AMESA (+5.0%), EAP (+11.5%), Americas (+10.4%), Europe (+7.8)
- ▶ EBITDA margin at 17.5%; increase of 237 bps YoY and 56 bps sequentially

(1) Excluding exceptional items

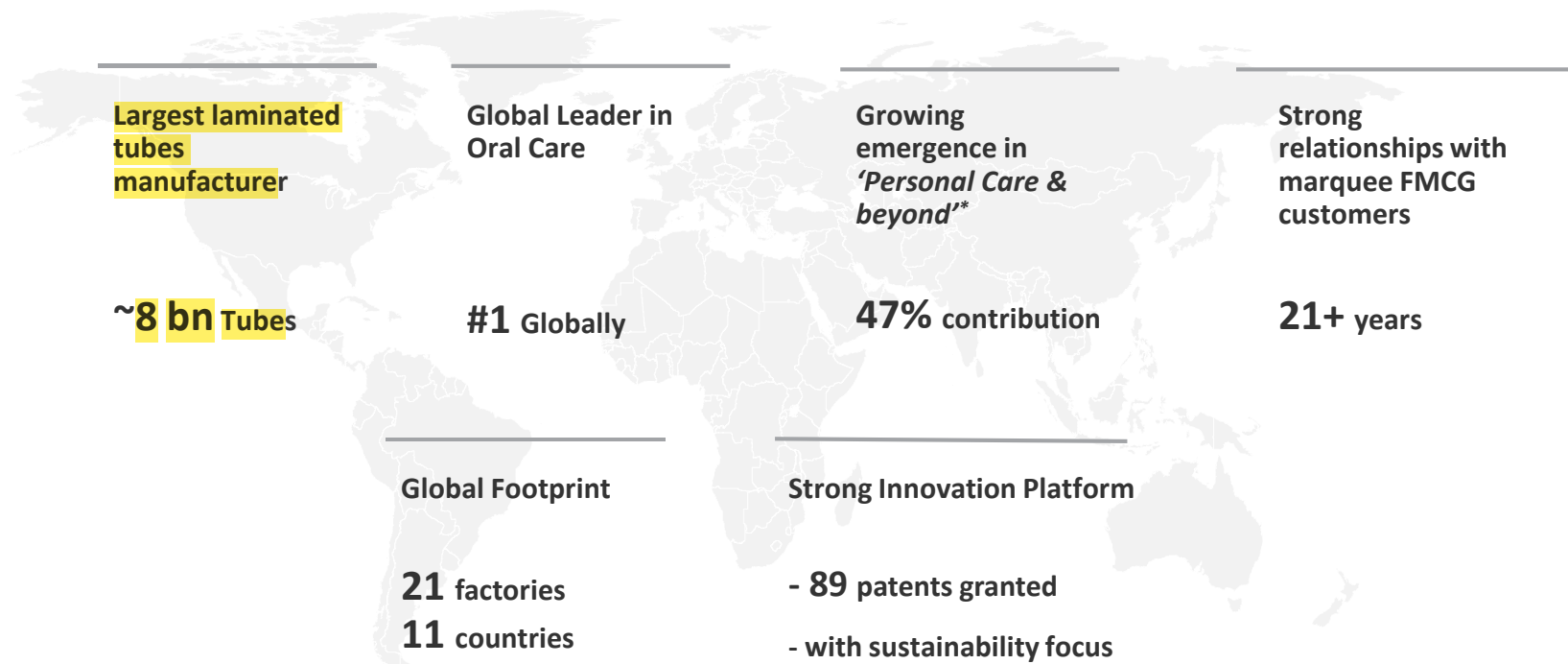
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# About EPL

(Formerly known as Essel Propack Limited)

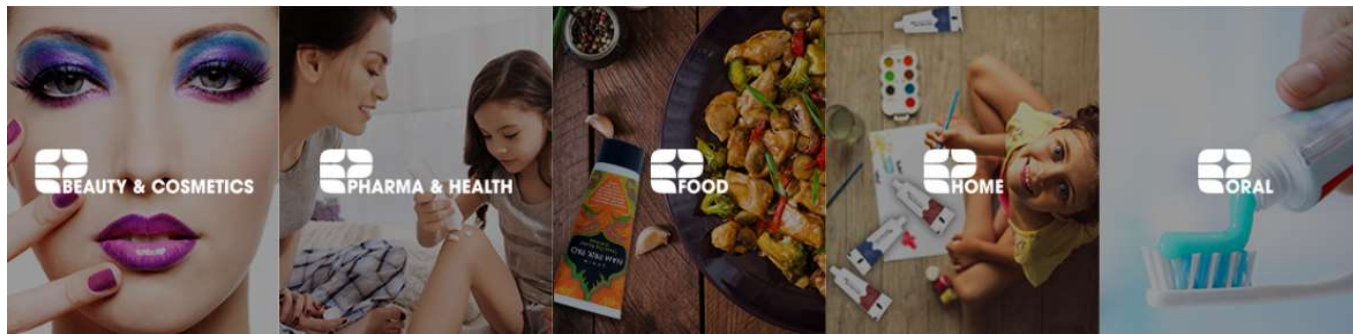
## EPL: Company Overview



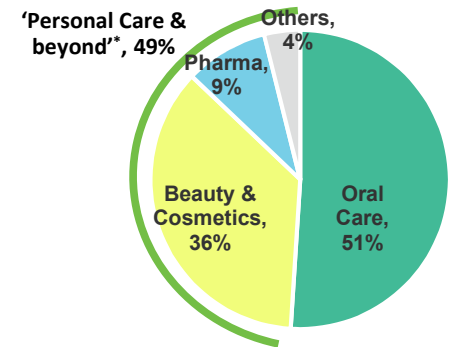
\* *'Personal Care and beyond'* includes Beauty & Cosmetics, Pharma etc

Note: Numbers on this page are as of 31 March, 2023

## EPL Caters to Marquee Customers Across Trillion Dollar Categories



Tube revenue split (Q1FY24)





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## About EPL

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**EPL is the largest global specialty packaging company, manufacturing laminated plastic tubes catering to the FMCG and Pharma space. Employing over 3,577 people representing over 25 different nationalities, EPL functions in eleven countries through 21 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, Brazil, 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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**EPL LIMITED**

**(Formerly known as Essel Propack Limited)**

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