

### What's inside

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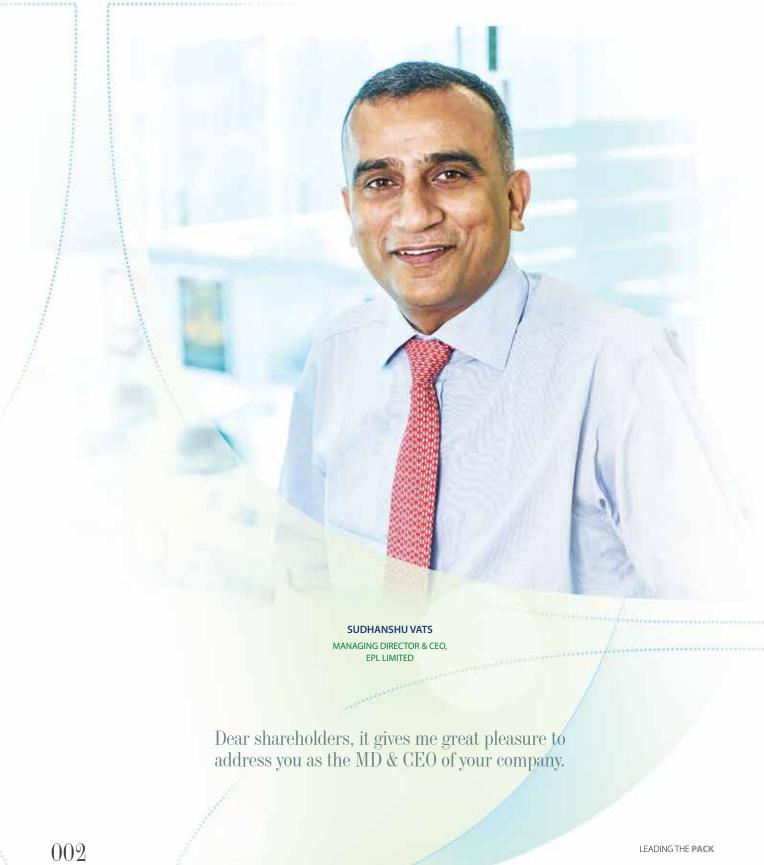








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It Was The Worst Of Times; It Was The Best Of Times (with apologies to Charles Dickens)

020-21 was a year unlike any other in our living memory. Just as your company was poised for big strides forward, the Covid 19 pandemic struck globally. It disrupted businesses everywhere, both ours and those of our customers and suppliers.

This prolonged uncertainty continues, with varying degrees of vaccination rollout and the emergence of newer variants of the virus. While many markets are now bouncing back, it may still be months before we return to business as usual. Even through all this, I am glad to tell you that 'when times got tough, your company got going'.

# Extraordinary performance in an exacting year

Despite these disruptions, I am delighted to share that your company delivered exceptional results even as we mitigated risks and ensured employee safety. EPL delivered double digit revenue growth at 12%, and a strong growth of 15.3% in PAT. This is a standout performance from everyone at EPL.

EAP region led from the front in performance, driving innovation, penetrating new categories and gaining from a sharp V-shaped economic recovery in China. The region delivered a remarkable revenue growth of 25.5% and a PBIT growth of 43.8%.

Europe grew strongly by proactively launching hand-sanitizer tubes for several brands. The region also delivered on its strategic agenda of margin improvement, increasing EBITDA by 177 basis points. Sales grew strongly by 13.5%, and PBIT by an impressive 63.6% in a very tough year.

AMESA came up with a fighting performance despite the crippling lockdown that India announced in March, 2020. Sales grew at 6.1% and PBIT grew 0.7%. We entered new segments, acquired new pharma customers, secured wins over rivals, and kept a tight leash on costs. Your company acquired Creative StyloPack, a specialist player with a strong

presence in Beauty & Cosmetics. This complements EPL's strengths and will accelerate our growth in FY'22.

The Americas saw sales of travel-tubes dropping sharply due to the pandemic's impact on the travel industry. The second and third waves in the USA led to higher absenteeism and overtime costs, impacting profits. While sales grew 5.4%, PBIT declined by 19.8%. Despite this, we have generated a strong sales pipeline that will accelerate growth momentum in FY22 and beyond.

#### **Exciting times ahead**

Expanding the Box by sharply segmenting the market: EPL has been the global leader in Oral Care for several years. Going forward, we are looking to grow across 5 key categories – Oral Care, Beauty & Cosmetics, Pharma & Health Care, Foods & Nutrition and Home Care. This marks an important strategic shift for us. We will extend our global leadership in Oral Care, both in volume and value. In addition, we will aggressively drive penetration in Beauty & Cosmetics as well as Pharma & Health Care. We will also systematically build our presence in Foods & Nutrition and Home Care.

Green Packaging: Sustainability is our overarching priority. Consumers are driving this agenda globally, as are our top clients who have gone ahead and made bold commitments to all their stakeholders. EPL will ride this wave, partnering and leading our customers in the process.

The future is digital: The one upside of Covid19 is that it has accelerated all things digital. Digital Transformation will fundamentally change how we do business and how we relate with our stakeholders every day. EPL is leaping forward into the future with big, bold ideas to transform our business.

Unpacking new possibilities: EPL has always thrived on innovation. We are making our client partnerships more agile, and simultaneously strengthening our global delivery system. We are working on ideas to enhance our innovation rate – from seamless idea sharing, to enhancing customer experiences, common platforms, customization and co-creation. The future is exciting, and we will invent our way there.

Strengthening Cost Leadership: One of EPL's key competitive strengths is its cost advantage. We pursue this with a missionary zeal and are constantly exploring new ideas to drive up our margins. We are determined to stretch our cost leadership even further with new ideas, particularly on digitization and integration.

Greening Lives: As a responsible social organization, EPL has launched a CSR strategy. Under the banner of 'Greening Lives', we are driving focused initiatives on waste management and skilling of youth across each of our factories in India. This will soon be extended to other markets as well.

#### Leading the Pack

In FY21, your company changed its name from Essel Propack Limited to EPL Limited. We redesigned the brand with a contemporary logo that strongly suggests our intent on sustainability. We also introduced a more audacious tagline - "Leading the Pack", reflecting our ambition as global leaders.

Leading the Pack is our vision; a way of life for all of us. It guides the way we think and the choices we make. It is time for us at EPL to step up and boldly extend our global leadership - and Leading the Pack is our mantra.

We have also started to enhance our visibility and salience as a brand. With the launch of a modern website and active engagement on digital media, we are better placed than ever before to proactively engage prospects and customers globally.



We are dedicating this document and the year ahead to this idea -





EPL at a **Glance**  Total Sales (₹ mn)

30,916

Sales by Category

 $54.1^{\%}$  Oral care

 $\underset{\text{Others}}{45.9}\%$ 

Employees ())  $\sim 3.365$ 

**Nationalities** 



37% Indians



20% Other Asians



 $43^{\%}$  Others

EPL's
Strategic
direction



Drive growth across 5 categories **globally** 



Lead on **sustainability** (products, processes, people)



Digitally transform the business



Accelerate innovation



Extend cost leadership

#### Sales by region



AMESA 31%

25%

AMERICAS 20%

 $\frac{\text{EUROPE}}{24\%}$ 

#### **About EPL**



The largest global specialty packaging company



Operates through its state-of-theart facilities in the US, Mexico, Colombia, Poland, Germany, Egypt, Russia, China, the Philippines and India.  $\sim 8^{bn}$ 

Tubes

Largest laminated tube manufacturer

 $20^{+}$ 

Factories

Global footprint

66

Patents granted

Strong innovation platform

19.9%

EBITDA margin

19.7%

### Focus geographies



Drive profitable growth in **Europe and North America** 



Expand aggressively in **EAP and Latin America** 



#### ····· Mission ·····

# Market Leading Revenue Growth. Capital Efficient, Consistent Farnings Growth

(₹ million)	FY21	FY20	Growth
Revenue	30,916	27,614	12.0%
EBITDA	6155	5,600	9.9%
Net Profit	2,391	2,073	15.3%
EPS (₹)	7.58	6.57	15.3%
ROCE (%)	19.7	17.8	191 bps
Net Debt	3,147	2,742	-
Capex	1,760	1,286	-

# Leading the pack on Sustainability

#### The future is green

Packaging sustainability is not a 'choice anymore. It is our very permission to operate, anywhere in the world. With increasing urgency from consumers, customers and governments, we are rushing into an era of total sustainability.

Our largest clients like Unilever, P&G, Colgate and GSK have committed to stiff sustainability targets and have drawn clear road maps for achieving the same. They aim to achieve total recyclability, reduce plastic usage and eventually evaluate new eco-friendly packaging alternates to plastics. Some clients have additionally announced their intention to pack toothpaste tubes without secondary packaging going forward; and EPL is in a great position to partner with such clients through advanced innovations in both decoration/stamping and structures.

#### Leading from the front

We won't lag behind. Indeed, we are leading the pack, steering the journey along with many clients. We have products that qualify under all the 3 Rs of sustainability, as well as laminated tubes that can closely match the barrier properties of Aluminium-based laminates and tubes. Our fully recyclable Platina tubes have already been launched by major brands. Even during the pandemic, we set new records in delivering tubes that offered various sustainability benefits.

These efforts have got their due recognition. Platina has been recognized as the world's first 100% recyclable laminate including shoulder & cap. More such firsts will follow.

#### Contributing to a circular economy

Redesigning operations to simultaneously benefit business, society and the environment is crucial. Linear 'take-makewaste' models are now passe, and we need to design for regeneration, gradually decoupling growth from the consumption of finite resources.

We complete the circle by making tubes that effectively use Post-Consumer Recycled (PCR) resin. Today we offer tubes with up to 50% PCR content, significantly reducing the need for virgin resins. We are also working to incorporate post-industrial recycled (PIR) resin as an alternate to virgin resins. The day is not far when every tube made by EPL will have a fraction of PCR or PIR resin in it.

At EPL, we believe we can play a strong part in caring for the environment and optimizing our resource usage considering the future generations to come. We are totally invested in the future; after all, that's where we are going to lead the rest of our lives!





PL partnered with Hela Gewürzwerk Hermann Laue GmbH (since 1905) to create more sustainable packaging for Hela's brands - Fruit Up and Würz Wonder, as well as the classics from the Spice Ketchup range. We succeeded in harmonizing Hela's customer requirements on sustainability. With an extremely high oxygen barrier close to that of Aluminium Barrier laminates, EPL's Platina Pro solution allows Hela to pack challenging material like ketchups is an optimal, safe, and odourless way. This has been a technical breakthrough for us, as we had to ensure the necessary barrier properties are maintained throughout the entire life cycle of the product.

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