

**Strong at**



**Resilient. Sustainable. Confident**

## About the Theme & Report

We are proud to present our FY 2022-2023 Annual Report, which marks 40 years of EPL's operational excellence, with a focus on sustainability, resilience, and being future confident.

EPL's journey has been marked with challenges, but the company has consistently demonstrated resilience in overcoming them. Adapting to ever-changing market dynamics, regulatory landscapes, and customer demands, we have emerged stronger, delivering sustained value to our stakeholders.

Our ability to quickly adapt and recover from unexpected disruptions has helped us maintain our leadership in a dynamic and complex environment. Our resilient operations have prepared us to overcome economic downturns and natural disasters, ensuring continuity in our operations and enhancing our brand. We remain committed to meeting our stakeholders' requirements and maintaining our position as a resilient and forward-thinking industry leader.

Sustainability is at the core of our business and drives our responsible and environmentally conscious growth. We have taken the lead in minimising environmental and social impacts, maximising long-term economic viability. Our focus on responsible sourcing practices, eco-friendly products and solutions, and effective waste management has generated value for all stakeholders, ensuring our long-term success.

Our future confidence is a result of our strong business fundamentals, focus on sustainability, and positive outlook for our stakeholders. Over the last 40 years, we have invested in creating a strong leadership team, effective strategic planning, and sustainable operations, achieving a more prosperous future.

We are grateful to our stakeholders, including customers, employees, shareholders, and communities, for their invaluable support. We remain committed to delivering sustainable value and shaping a better tomorrow for all.

The Geographical Segments addressed in this report are:

**AMESA** (Africa, Middle East and South Asia) includes operations in India and Egypt.

**EAP** (East Asia Pacific) includes operations in China and Philippines.

**AMERICAS** includes operations in United States of America, Mexico, Colombia and Brazil.

**EUROPE** includes operations in United Kingdom, Poland, Russia and Germany.

### Reporting period

The information is reported for the period 1 April 2022 to 31 March 2023. For key performance indicators (KPIs), comparative figures for the last five years have been incorporated in the Five Year Summary of the report to provide a comprehensive view.

### Auditors' reports

The Auditors' Report for fiscal 2023 from Statutory Auditor M/s Walker Chandiok & Co. LLP, Chartered Accountants does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report from D. M. Zaveri & Co., Practicing Company Secretaries, does not contain any qualification, reservation or adverse remark. The report is enclosed as an Annexure to the Board's report.



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EPL Manufacturing Facility, Poland



# 40 YEARS OF EPL

Resilient. Sustainable. Confident



Became Essel Propack after acquiring Propack, a worldwide laminated tube business from Switzerland

Fifth plant in Goa, India

Sixth plant in Silvassa, India

Acquired Propack plants in Philippines, China, Mexico, Venezuela, Colombia & a JV in Indonesia

First manufacturing facility built in Vasind, India with a tubing capacity of 4 million per month

Second manufacturing facility built in Murbad, India

Wholly-owned subsidiary in Guangzhou, China

2000 to 2001

1995 to 1997

2002 to 2003

1998 to 1999

Entered into the US with a greenfield facility in Danville

Finalised JV in Dresden, Germany named EDG by acquiring Dental Cosmetic



1984

1985 to 1994

First overseas plant in Egypt

Fourth plant in Wada, India



1982

22<sup>nd</sup> December 1982, Essel Packaging Limited founded



Gold Rating for  
EcoVadis 2023

Began commercial  
operations in Brazil

2023



Essel Propack acquired  
by Blackstone Inc. and  
renamed to EPL Ltd

New manufacturing  
plant in Suzhou, China

New greenfield plant  
in Tianjin, China

2020

2021 to  
2022

Acquired Arista  
Tubes, UK, renaming  
it as EPL, UK

Commercial operations  
began in Russia &  
Nalagarh (India) plant

Acquired Telcon  
Packaging, UK

2004 to  
2005

2008 to  
2013

2014 to  
2019

Acquired Creative  
Stylo Packs Private  
Limited in November

EPL commits to  
Science Based Target  
Initiative (SBTi)

EcoVadis Silver  
Rating for EPL

22<sup>nd</sup> December 2022,  
EPL completes 40 Years

2006 to  
2007

Started operations  
at Sanand, India

New manufacturing  
facility at Bhilad  
(Vapi), India

Acquired Tacpro  
Inc. USA & Avalon  
medical services,  
Singapore & Packaging  
India Pvt. Ltd.

Co-extruded plastic  
tubes plant in Poland



# Leading the pack in times of VUCA

Dear Valued Stakeholders,

I am pleased to present EPL's annual report for FY23, my second as the MD & Global CEO.

### 40 Year Milestone

At the outset, I would like to congratulate all stakeholders on your company's 40th anniversary, since its inception in December 1982. From a single plant in Vasind, India, to an impressive 21 state-of-the-art manufacturing facilities spanning five continents, your company is the largest global manufacturer of laminated tubes, setting the highest standards in innovation, R&D, cost leadership and quality.

### Resilient. Sustainable. Confident.

During my two-year tenure leading EPL, I have observed some remarkable attributes ingrained across the team - from CXOs to executives.

Firstly, we are a highly resilient company, enabling us to navigate market shocks, volatile economies and uncertainties, coupled with a solutions-oriented mind-set that drives task accomplishment. Secondly, EPL is a highly innovative company, where people are encouraged to think out of the box and try new ideas. This has helped us to keep a focus on creating the future.

The above attributes were evident during the recent years, which were marked by volatility, uncertainty, complexity and ambiguity (VUCA), where EPL remained one of the top performers. Most recently, the business has started bouncing back, giving us confidence as we look ahead.

A combination of these factors, along with our recent accomplishments in sustainability keeps us rooted to our philosophy of leading the pack, sustainably.

We are resilient. We are sustainable. We are confident!

### General Environment

FY23 continued to be challenging, with the VUCA environment persisting for a major part of the year, impacting businesses globally. China was severely impacted by the COVID pandemic, while the Russia-Ukraine conflict led to volatility in input material and energy costs. Freight rates sky rocketed. Increased minimum wage combined with currency devaluation and high interest rates added further pressure. The situation improved quarter on quarter, with several input costs stabilising. Forex, however, continued to be volatile through the year, with the devaluation of the Egyptian Pound impacting us significantly.

### Business Performance

Despite these challenges, it was a year of recovery for the company, with consolidated revenue growth of 7.6%. AMESA, EUROPE and AMERICAS posted double-digit revenue growth, while EAP was subdued due to the pandemic. Notably, EBITDA margin and absolute EBITDA displayed a YoY growth in the last 2 quarters; excluding Brazil, Q4 exit EBITDA margin stood at 17.2%, and absolute EBITDA grew by 23.4%.



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## Anand Kripalu

Managing Director & Global CEO



Our performance has been recognised across various global forums and this reflects in our credit ratings. I am happy to share that CARE Ratings has upgraded your company from CARE AA to CARE AA+; Stable (Double A Plus; Outlook: Stable) for NCDs, other long-term bank facilities, and short-term bank facilities. India Rating and Research (Fitch) has reaffirmed our Issuer Rating at IND AA+ this year. The short term rating remained at A-1+ by both agencies.

### Sustainable Performance and Future

This year, EPL took a significant leap towards its vision of becoming the most sustainable packaging company in the world. Recently, we achieved a major milestone in that journey - EPL Group has been awarded a Gold Medal by EcoVadis for its sustainable endeavours. This recognition places EPL amongst the top 5% of 90,000+ companies assessed by EcoVadis globally, and amongst the top 3% of companies in plastic manufacturing. Additionally, your company received a CDP rating of 'A-' on environment and 'A' on supplier engagement, placing it in the leadership band. All of EPL's sustainability initiatives also garnered positive accreditation from the Ellen McArthur Foundation.

In line with our commitment to a circular economy, EPL surpassed its goal of doubling volumes of sustainable tubes this year, with actual sales volume 2.5 times higher than last year. Sustainable tubes are now 10% of all tubes we sell. During this short span, EPL's flagship sustainable packaging solution, Platina, has gained market success, with major global brands across industries adopting these tubes. Building further on these accomplishments, we have set a target to, yet again, double our volumes in FY24.

In our quest to continue the momentum, we have developed a roadmap that recognises the interconnected nature of Product, People and Process sustainability. We have accordingly set clear goals to achieve Net Zero globally by 2050, as per the Science-Based Targets Initiative (SBTi). Your company remains a signatory to the new plastic global commitment led by the Ellen McArthur Foundation and United Nations Environment Programme, India Plastics Pact and United Nations Global Compact (UNGC). Our recently published third sustainability report captures the achievements and targets in detail.

 We are on the path  
to become the most  
sustainable packaging  
company in the world.

Being aligned with UNGC principles incorporating people practices on ethics, labour and human rights, EPL aims to further improve its diversity and become a more gender-equal workplace with a target of 30% female workforce globally by FY 25, up from the current 24%. In this context, you will be happy to note that EPL was adjudged the "Best Company To Work For" in the Manufacturing sector at The Iconic Platinum Awards by Feather Touch, and "National Best Employer Brands of 2022" by Times Ascent. Our CSR initiatives align with the UN Sustainable Development Goals (UNSDGs), focusing on community development, skill development and plastic waste management.

### Business Strategy

We have formulated a 4x4 mantra for achieving our goals. Our focus is on 4Cs - Category, Customer, Country, and Cost and we support this with 4 enablers - **Innovation, Bold Sales & Marketing, Digital Transformation**, and a **One EPL** ethos. Research and Development continues to be a key growth driver. This year EPL filed 31 new global patents focusing on the sustainability theme. Our company now has an IP portfolio of 89 granted active patents, and 65 filings pending grant.

### Looking to the Future: Everything's going Digital

EPL is taking a proactive approach by investing in futuristic technologies and increasing its Technological Quotient. The focus remains on developing and incorporating SMART technology into tube producing assets for higher outcomes – that is sustainable, high quality, zero wastage in value chain, and better speed to market.

In alignment with this approach, EPL's IT Function plays a critical role as a growth enabler and catalyst of operational excellence. This is done through digital transformation that focuses on **Enterprise Initiatives, Stakeholders Engagement & Collaboration, Operational Excellence, and Telescopic Insight through Data Analytics**.

### Conclusion

FY23 marked the year of recovery where we stayed resilient and strong through the challenges, growing every quarter. Though challenges remain in the macro and micro context, and the general environment remains uncertain, FY 24 promises to be an exciting year for EPL. We are ramping our operations in Brazil while pursuing growth in every other region. We remain committed to delivering sustainable double digit growth with margin improvement to create long-term value for all our stakeholders.

I wish to conclude by thanking our employees, customers, value chain partners, shareholders, and stakeholders for being there throughout EPL's 40-year journey.



## About **EPL**

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# Our Vision

To be the most sustainable packaging company in the world

# Our Mission

Market leading revenue growth. Capital efficient, Consistent earnings growth

# Our Values

- | Disciplined Creativity
- | Remarkable Service
- | Commerce with Care
- | Customer Leading

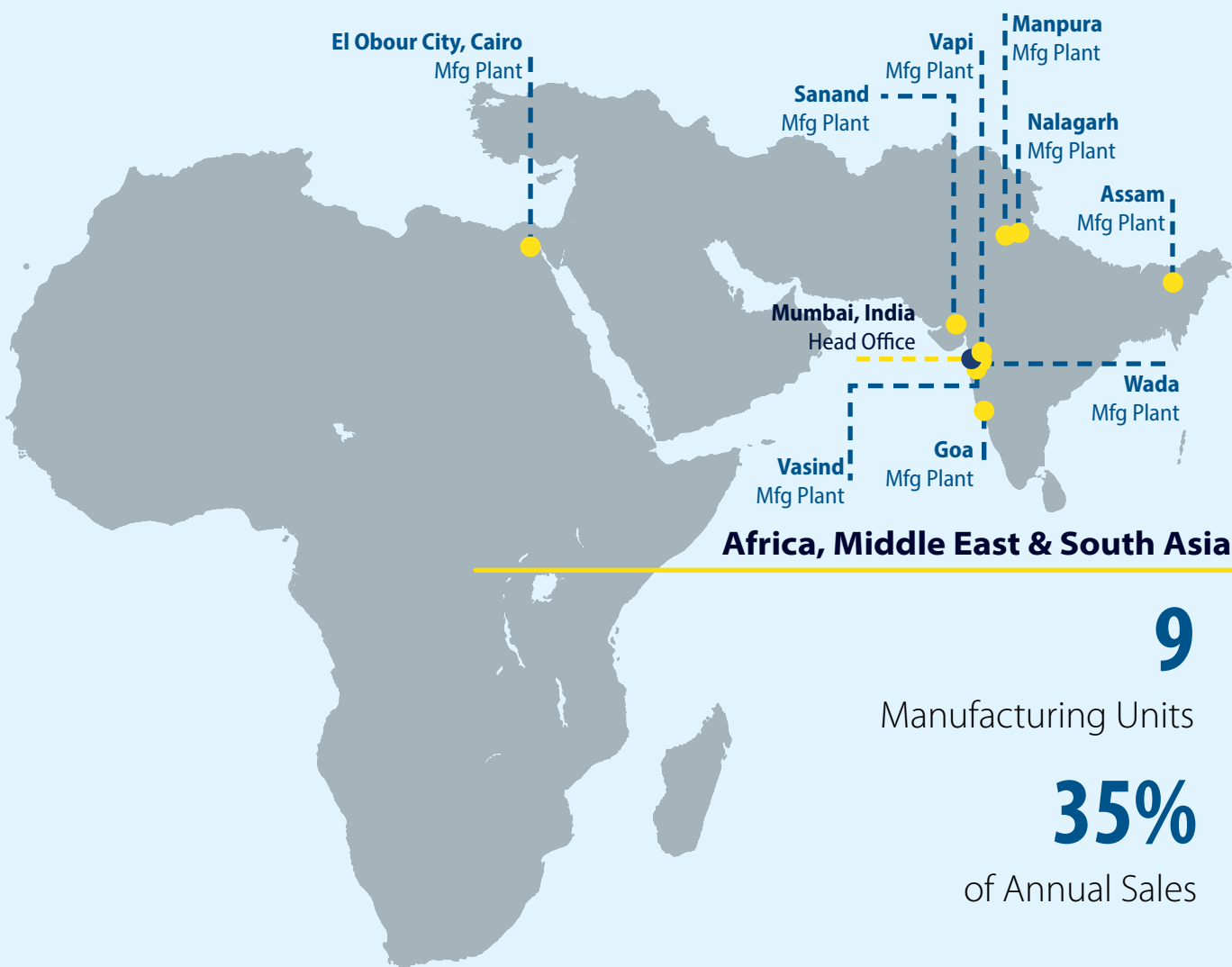
EPL is the world's largest specialty packaging company, headquartered in Mumbai, India with 21 state of the art manufacturing facilities spanning across 11 countries (Brazil, China, Colombia, Egypt, Germany, India, Mexico, Philippines, Poland, and the United States) and 5 continents. Employing over 3500 people representing 25 different nationalities, EPL is an EcoVadis Gold rated company with a vision of leading the pack in people, product and process sustainability.

Beginning its remarkable journey in 1982, EPL stands tall today with a total annual production of over 8 billion tubes and a preferred partner to the world's biggest brands in Beauty & Cosmetics, Food, Oral Care, Pharma & Healthcare and Home Care. It is estimated that every third tube produced in the oral category globally is an EPL tube.

With its vision of 'Leading the pack sustainably', EPL offers a wide range of highly innovative, aesthetically superior and sustainable solutions in laminates, laminated tubes, extruded tubes, caps & closures and dispensing systems. EPL's focus on offering solutions through continuously pioneering first-in-class innovation across materials, technology and processes enable customized sustainable packaging for every customer.

Further information about EPL can be found at [www.eplglobal.com](http://www.eplglobal.com).





## Europe

1

Sales Office

# 2

## Manufacturing Units

21%

of Annual Sales

