

12<sup>th</sup> February 2024

Department of Corporate Services

**BSE Limited**

Phiroze Jeejeebhoy Towers

Mumbai – 400 001

**Security Code No – 509820**

The Listing Department

**National Stock Exchange of India Ltd**

Exchange Plaza,

Bandra Kurla

Complex Bandra

(East),

Mumbai 400 051

**Security Code - HUHTAMAKI**

Sub: **Investor Presentation for the quarter and year ended 31<sup>st</sup> December 2023.**

Dear Sir/Madam,

This is further to our letter dated 7<sup>th</sup> February 2024, intimating about an Earnings Conference Call to be hosted by the Company on 12<sup>th</sup> February, 2024 at 3.30 p.m.(IST).

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the presentation to Analysts / Investors on Audited Financial Results of the Company for quarter and year ended 31<sup>st</sup> December 2023.

The presentation is also available on Company's website at [www.flexbiles.huhtamaki.in](http://www.flexbiles.huhtamaki.in)

Kindly take the same on your records.

Thanking you,

Yours faithfully,

For Huhtamaki India limited

Jagdish Agarwal  
Executive Director & CFO

Encl.: As above

Registered Office:  
Huhtamaki India Ltd.  
A-802, Crescenzo,  
C-38/39, G - Block Bandra  
Kurla Complex, Bandra (E),  
Mumbai-400 051  
Maharashtra.

Tel: +91 (022) 6260 6800/6260 6900  
CIN: L21011 MH1950FLC145537  
[www.flexbiles.huhtamaki.in](http://www.flexbiles.huhtamaki.in)

# Earnings presentation – Q4 2023



Huhtamaki India Limited

Dhananjay Salunkhe  
Managing Director

Jagdish Agarwal  
Executive Director & CFO

# Disclaimer

Information presented herein contains, or may be deemed to contain, forward-looking statements. These statements relate to future events or Huhtamaki India Limited's (the Company) future financial performance, including, but not limited to, strategic plans, potential growth, expected capital expenditure, ability to generate cash flows, liquidity and cost savings that involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties include, but are not limited to: (1) general economic conditions such as movements in currency rates, volatile raw material and energy prices and political uncertainties; (2) industry conditions such as demand for the Company's products, pricing pressures and competitive situation; and (3) the Company's own operating and other conditions such as the success of manufacturing activities and the achievement of efficiencies therein as well as the success of pending and future acquisitions and restructurings and product innovations. Future results may vary from the results expressed in, or implied by, forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information currently available to the management, and the Company assumes no obligation to update or revise any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity

# Performance during Q4 2023

- **Market environment and impact** – Improved profitability, however continued to be impacted by lower volume. Strategy in place to drive long term sustainable growth
- **Financial performance**
  - Lower net sales QoQ and YoY
  - EBIT, PBT and EPS improved QoQ and YoY
- **Footprint optimization** 1 Flexible Packaging plant relocated and consolidated with other sites
- **Monetized land parcels** in Thane and Ambernath
- **Investment in operations and technology** for sustainable solutions



# Financial review



# Operational efficiency and mix are driving improved earnings despite lower sales

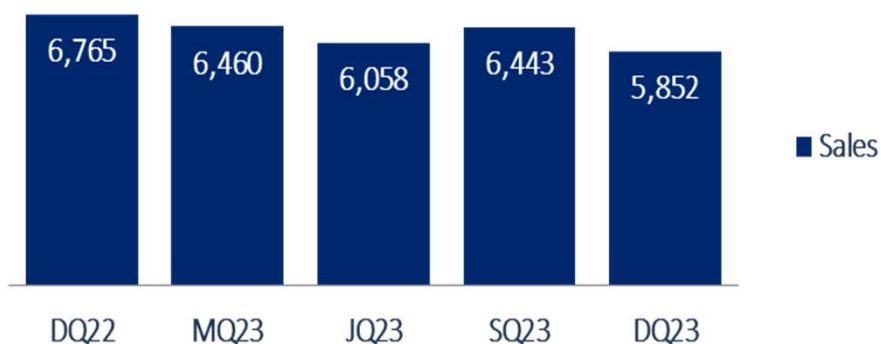
MINR	Q4 23	Q4 22	Change Q4 22	2023	2022	Change 2022
Sale of products and services	5,851.9	6,765.2	-13.5 %	24,813.2	29,165.0	-14.9 %
EBITDA	617.9	456.0	35.5 %	2,102	1,742.6	20.6 %
<i>EBITDA %</i>	<b>10.56%</b>	6.74%		<b>8.47%</b>	5.97%	
EBIT	506.1	246.2	105.6 %	1,610.3	882.1	82.6 %
<i>EBIT %</i>	<b>8.6%</b>	3.6%		<b>6.5%</b>	3.0%	
Finance Cost	-62.4	-85.5	27.0 %	-305.2	-322.8	5.5 %
Profit/(Loss) before Tax *	443.7	160.7	176.1 %	1,305.1	559.3	133.3 %
Profit/(Loss) before Tax	4,160.2	160.7	2488.8 %	5,000.4	559.3	794.0 %
Profit/(Loss) for the period	3,274.2	168.4	1844.3 %	4,096.3	496.4	725.2 %
Earnings in Rs. Per share *	5.11	2.23	129.3 %	16.27	6.57	147.5 %
Earnings in Rs. Per share	43.36	2.23	1844.7 %	54.24	6.57	725.2 %

\*Excluding exceptional item

- Q4 23 and 2023 Sales growth impacted by lower volumes
- EBIT and PBT improved despite lower sales due to continued focus on operational efficiency and mix
- Depreciation lower by MINR 44.8 and MINR 273.3 for Q4 23 and 2023 respectively, due to changed useful life and method of charging depreciation on certain Property, Plant and Equipment (PPE)
- Financing cost decreased due to lower borrowing
- 132 employees opted for Voluntary Retirement involving a pay-out of MINR 341 to the employees
- Aggregate net profit on sales of land and buildings in Thane and Ambarnath – MINR 4,086.9

# Improved margins, net sales continued to be impacted by lower volume

## Net Sales



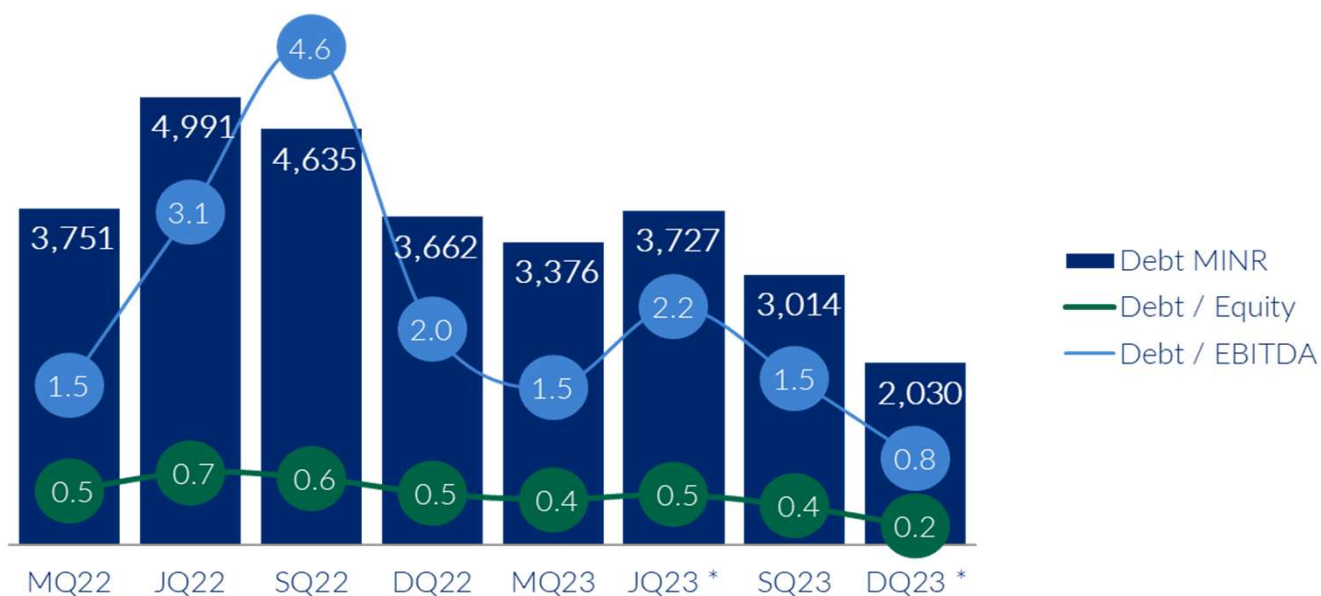
## EBIT and EBIT margin



*\*Excluding exceptional item*

*JQ – June quarter, SQ – Sept Quarter, DQ – Dec Quarter and MQ – Mar Quarter*

## Gross debt to EBITDA decreased



*\*Excluding exceptional item*

*JQ – June quarter, SQ – Sept Quarter, DQ – Dec Quarter and MQ – Mar Quarter*

- At the end of Q4 23:
  - Net Debt – Nil
  - Cash and cash equivalents MINR 1,445
  - Investment of MINR 2,473 made during the quarter in bank deposits and liquid mutual funds.
  - Unutilized fund-based limits with bank MINR 3,823



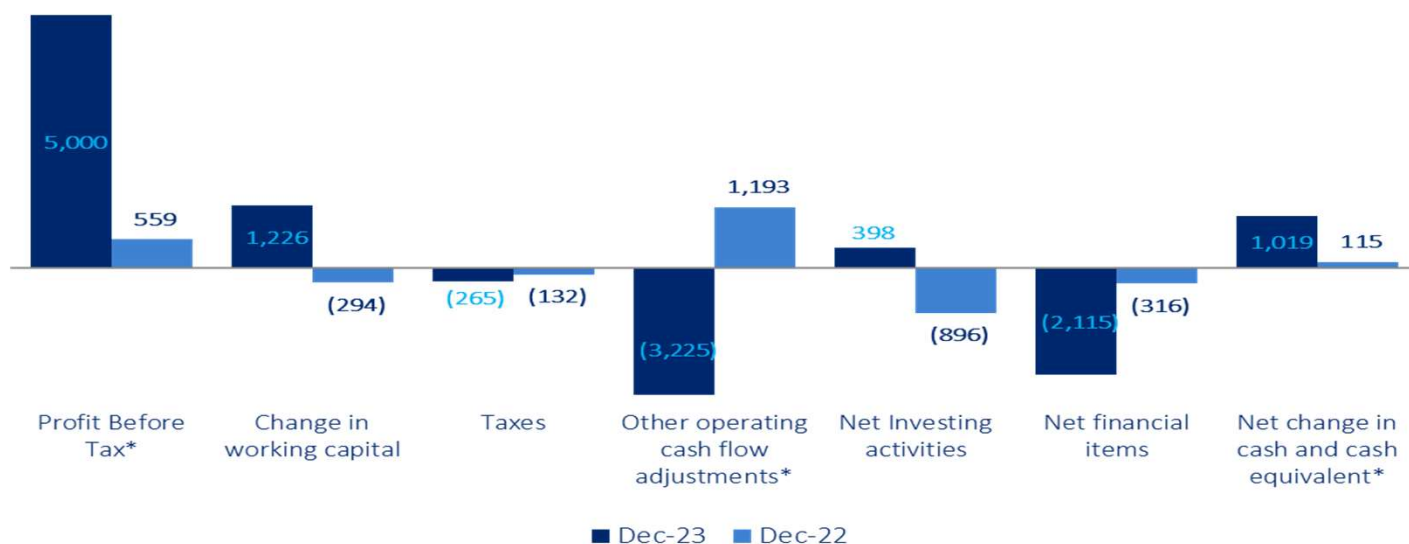
## Financial position improved

MINR	Dec-23	Dec-22
Total assets	20,010	17,507
Operating working capital	3,534	4,787
Net debt	-	3,230
Total Equity	11,505	7,570
Debt - Equity Ratio	0.2	0.5
Current Ratio	2.2	1.4

- Operating working capital decreased mainly due to lower receivables
- Gross debt lower than December 2022. Net Debt - Nil
- Financial position improved, driven by strong cash flow

# Cash flow supported by working capital improvement and sale of fixed assets

Cash flow bridge  
MINR



\*Including exceptional item

Cash flow driven by:

- Higher Profit before tax
- Change in working capital mainly following decrease in receivables and inventories partially offset by a decrease in trade payables
- Significant proceed received from sales of fixed assets
- Higher taxes
- Reduction in short term borrowings

In our commitment to sustainability, we are proud to present Huhtamaki blueloop™



blue**loop**™

blue**loop**™ is our enterprise-wide sustainability brand aligned with our 2030 strategy to become the first choice in sustainable packaging solutions, driven by technology and operational excellence

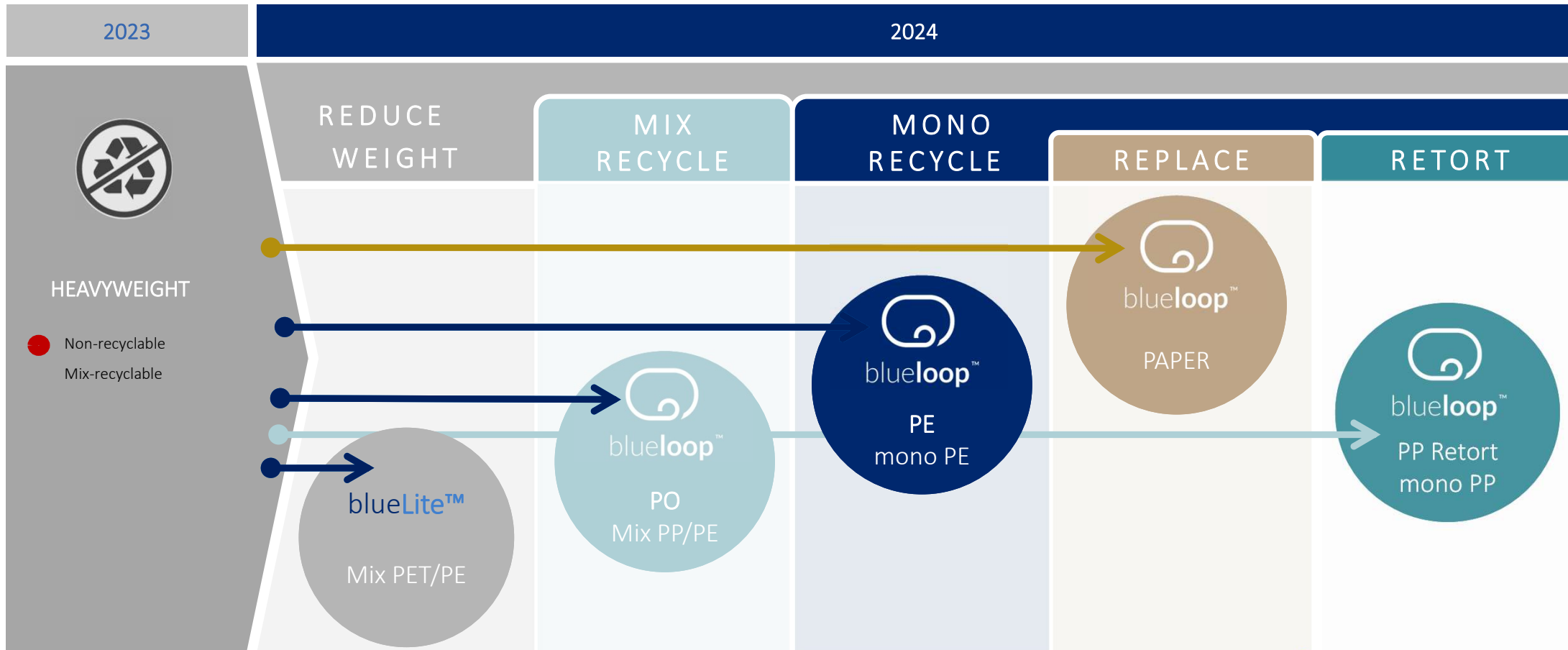


# We are on a transformation journey to become the first choice in sustainable packaging solutions





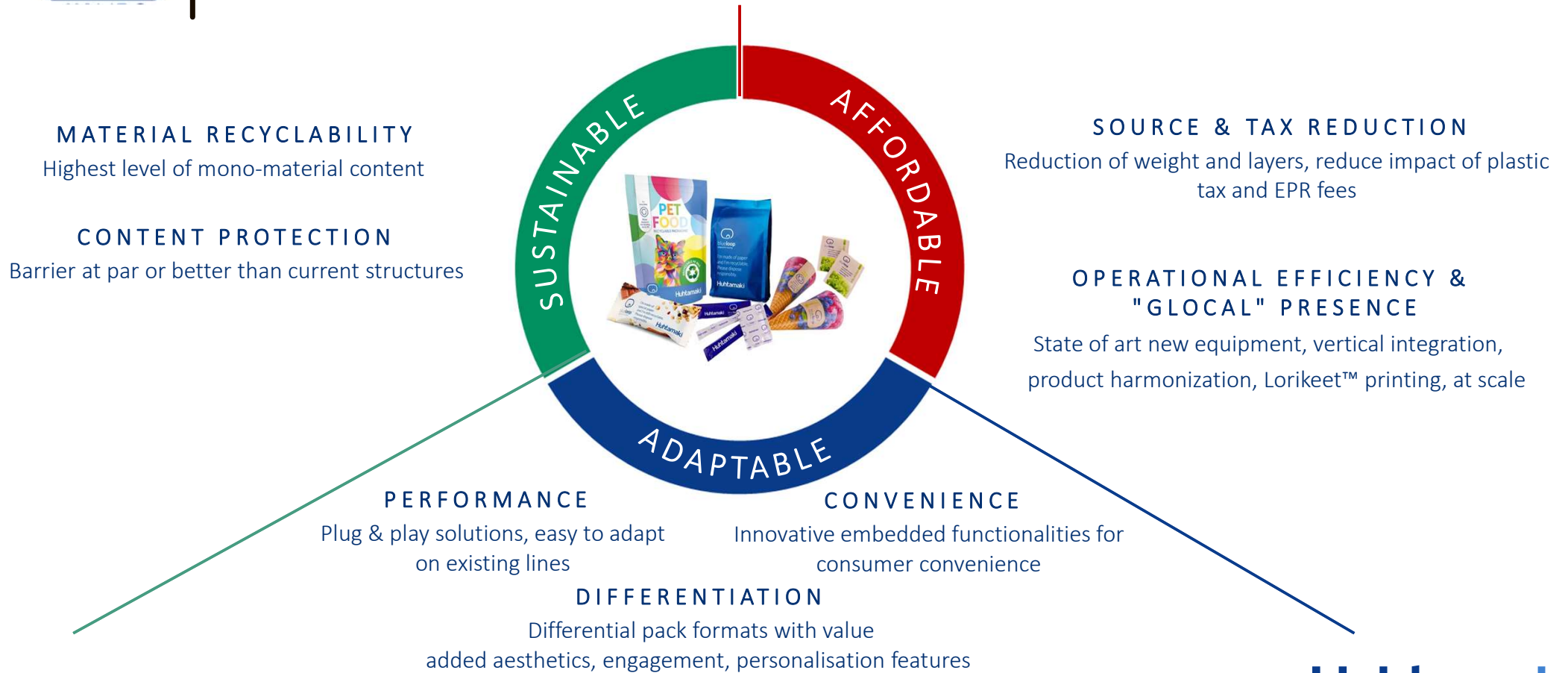
# The new investments enable us to develop a range of recyclable solutions under the blueloop™ umbrella





# blueloop™ solutions - The power of three

## Future ready solutions for customers

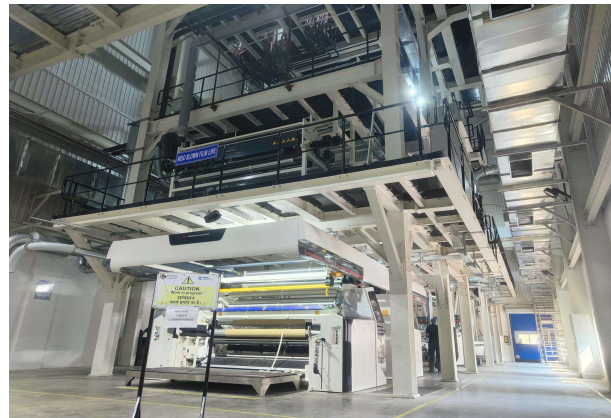


# We have successfully completed the installation of blueloop™ assets at Silvassa

New building



5 Layer MDO Line



7 Layer Barrier Line



# Transformation





# Footprint Optimization - Capacity consolidation



- Hyderabad Flexible Plant
- Daman Labels Plant
- Hyderabad Labels Plant
- Sikkim Labels Plant
- Mahape Labels Plant

- 5 manufacturing sites were consolidated during the year – footprint of 15 sites to 10 sites
- Production shifted with no material impact to business
- The capacity of the sites shifted to other operating sites to benefit from scale
- Footprint optimization based on
  - Changing market dynamics
  - Customer landscape
  - Cost effectiveness

# Monetized the Company's land parcels, enhanced liquidity

## Majiwada, Thane



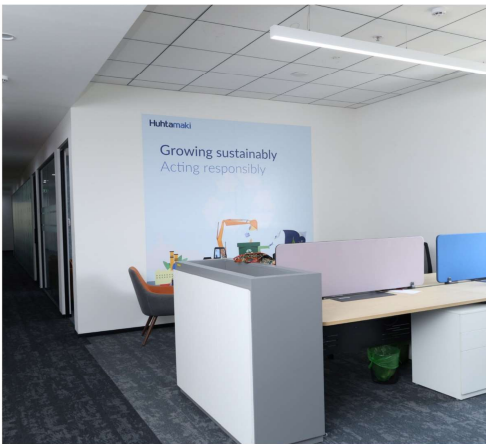
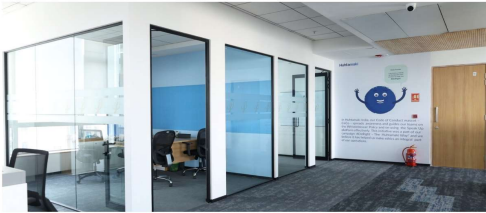
- 11 acres land, sold for a consideration of MINR 4,290
- Consideration received – MINR 4,069 and balance MINR 222 is receivable subject to satisfaction of conditions precedent.

## Ambarnath, Thane



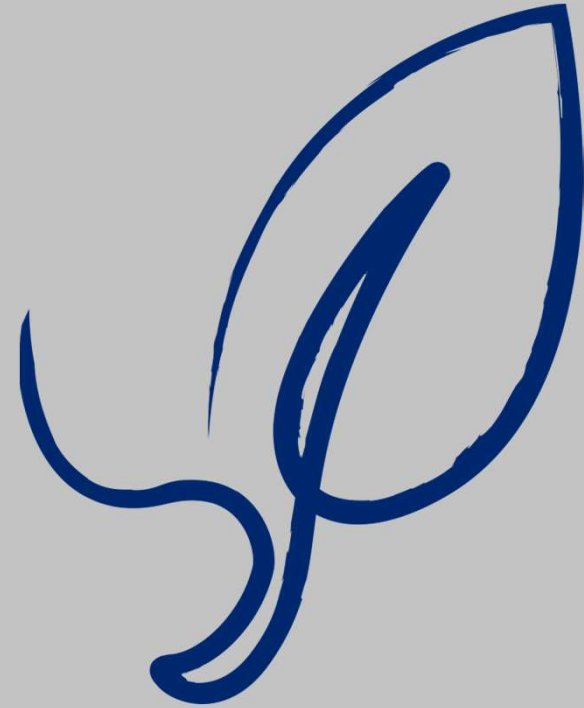
- 7 acres land along with building , sold for a consideration of MINR 300
- Entire consideration received

# Corporate office consolidation in line with one Huhtamaki vision



- Consolidated Airoli and Thane offices and moved to the new office in Hiranandani Estate – Thane
- One office with all modern amenities and well equipped with all the safety feature
- One Huhtamaki Vision, employees working from one place and improved collaborations

# Sustainability



# Continued progress towards our sustainability goals

## Climate Action

Huhtamaki has committed to **Carbon Neutral Production by year 2030**. Multiple projects are undertaken to optimize and reduce scope 1 and scope 2 energy consumption, thus reducing associated GHG emissions. Below are a few initiatives -



New Solar Power projects being initiated for Khopoli and Ambernath units, to be commissioned in 2024



Biomass (Renewable) fired heater at SriCity continues operations, mitigating the sites's scope 1 emissions

## Social Initiatives

Huhtamaki's community involvement strategy reflects our commitment to advance the **UN Sustainable Development Goals**, and our own 2030 Strategy.

Our CSR initiatives are driven by a vision to improve the quality of life by supporting causes that benefit local schools, neighborhoods, healthcare etc.



Baddi site distributed 400 stationary kits and water coolers to a nearby local school



Rudrapur site donated power back up batteries and stationary kits at a local Govt. Primary School

## Water Risk Assessment

Water Risk Assessment was completed for 5 sites in India which have exposure to water scarcity. Basis the results of the risk assessment, mitigation plans will be identified in 2024.



## Water Consumption

Water scarcity is an important topic for India. Huhtamaki has initiated third party **water risk assessment program** for all its site situated in high water risk areas (7 sites). Company is implementing Zero Liquid discharge projects at feasible locations.



2 of our sites (Taloja and Guwahati) are **Zero Liquid Discharge**

For further information,  
please contact us:

[investor.communication@huhtamaki.com](mailto:investor.communication@huhtamaki.com)

<https://www.huhtamaki.com/en-in/flexible-packaging/investors>

# Thank You