

June 5, 2020

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

Scrip Code: 539940

Name of Scrip: MAXVIL

Sub.: Press Release

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Press Release dated June 05, 2020.

This is for your information and records.

Thanking you,

Yours faithfully

For **Max Ventures and Industries Limited**



Saket Gupta
Company Secretary and Compliance Officer

MaxVIL back to Profits in FY20; Reports PAT of Rs. 441 Mn versus loss of Rs. 293 Mn in FY19

- ✓ Consolidated Revenues for FY20 at Rs.13,822 Mn, up by 50 % year on year
- ✓ Consolidated EBITDA for FY20 at Rs. 1,667 Mn, up by 784 % year on year
- ✓ Consolidated PAT for FY20 at Rs. 441 Mn, versus Loss of Rs. 293 Mn in FY19
- ✓ Both Max Towers and Max House (phase 1), which is nearing completion, had strong leasing pipeline; closed transaction with a marquee tenant during Covid-19 and enquiries have restarted as nation is exiting lockdown

5th June 2020, New Delhi:

Max Ventures & Industries Limited (MaxVIL), a part of India's leading multi-business conglomerate, Max Group, operates across two core businesses of Real Estate in NCR and Specialty Packaging Films. MaxVIL announced its audited financial results for the quarter and full year ended 31st March 2020 today.

In FY20, MaxVIL achieved Revenue Growth of 50% with EBITDA of Rs. 1,667 Mn and PAT of Rs. 441 Mn aided by strong and sustained performance across both businesses. In Q4FY20, revenue stood at Rs. 2,531 Mn, up by 1 % YoY while EBITDA were at Rs. 357 Mn. vs Rs. 96 Mn in Q4FY19, led by healthy leasing momentum in its flagship commercial project and a healthy contribution margin in its packaging business. Profit after Tax for Q4FY20 was recorded at Rs. 34 Mn. compared to a loss of Rs. 56 Mn in the same quarter last year.

Commercial Real Estate

The Global Pandemic is expected to lead to short term demand disruption, but the supply side is expected to face an equally severe crunch. With a shortage of Grade A+ office spaces which offer safety, security, continuity of operations and healthy working environment, we are confident of a faster recovery especially for focused players like us. Cost optimization drive from Corporates will lead to migration of tenants from expensive, old and strata sold assets in locations to developer owned and managed Grade A+ assets within NCR. We also anticipate that large occupiers in business hubs such as Gurugram will diversify their real estate footprint to transition to a hub and spoke workplace model for superior business continuity. We believe that this will further aid the demand for its office assets in Okhla and Noida. The crisis will lead to further consolidation in the Real Estate industry and enable MaxVIL to emerge as the preferred brand in the NCR region.

The company has introduced curated innovative office space solutions recognizing the needs of office occupiers to re-locate while conserving cash to increase focus on health and safety of their employees. With these measures in place, the company is confident of attracting corporates with expansion needs as well as occupiers of legacy workplaces in Delhi's central business district who may have challenges of implementing comprehensive hygiene, health and safety protocols due to limitations presented by older office buildings.

Earlier in FY20, MaxVIL made significant progress in its core business of Real Estate. The company launched its first Commercial project, Max Towers in Noida in April 2019 and has been successful in leasing more than 50% of the space to marquee tenants. Max Estates' second commercial project, Phase 1 of Max House at Okhla is in final stages of completion and is expected to launch in Q2FY21. Max Estates has begun implementing its strategy of capital light approach in Real Estate with the investment by New York Life (NYL) in its third Project named Max Square in Sector 129 on Noida

Expressway. MaxVIL was also successful in laying strong foundations for its asset services company - Max Asset Services Limited (MAS), which continues to add new clients and leverage its knowledge base in providing services such as building operations management, as well as managed office space to customers.

While Max Estates was able to significantly scale up the Real estate portfolio, its focus on Balance Sheet continues to take priority: Gross Debt in Real estate business is Rs. 1,010 Mn and with overall cash of Rs. 1,056 Mn, it is Net Debt ZERO. With sufficient financial resources and a strong balance sheet, the company is confident of completing its current projects and more importantly acquiring distressed assets to deliver a world class experience.

MaxVIL's packaging films business, Max Speciality Films Limited (MSFL) has turned around in FY20. With revenue growth of 11% YoY to Rs. 9,660 Mn along with EBIT of Rs. 826 Mn, MSFL is confident of a sustainable growth momentum for the next few quarters benefiting from low raw material prices and improved uptick in demand.

Commenting on the performance, Sahil Vachani, MD & CEO of MaxVIL said, "FY 20 has been an instrumental year that has set the platform for MaxVIL to emerge as the most preferred brand and among the leaders in Commercial Real Estate in NCR. The company has effectively demonstrated capabilities around project execution, leasing, asset management, prudent capital management and distressed acquisitions over the past year.

MaxVIL over the past year has also cemented its foothold in the speciality packaging Industry with leading Innovations across recyclability solutions for the Indian and Global market.

The team has achieved the above strategic objectives while ensuring robust growth in profitability which is sustainable.

Covid-19 is expected to impact business environment and momentum in the short term, however, on the back of strong fundamentals of the Indian Economy and Delhi-NCR commercial real estate market, we are confident about doing well in quarters to come. Our strategy to focus on marquee tenants for our commercial projects has worked well. We have witnessed over 90% of on time and full payment of dues from tenants for March and April 2020. Our strong value proposition led to us signing a new tenant for Max Towers even during the lockdown."

Our objectives for FY21 will be to fully lease Max Towers and Phase 1 of Max House, Okhla. We will also start construction on Phase 2 of Max House, Okhla and Max Square, Noida. Despite some lockdown forced delays currently, we will aim to complete these projects as per original schedule of FY 22 and FY 23. We will continue the Asset Light approach while evaluating and pursuing distressed opportunities of commercial projects in Delhi NCR.

MSFL continues to deliver an improved performance with higher share of value-added specialty films. With favourable raw material prices, stable industry wide capacity and strong uptick in demand from FMCG companies, the company is confident of sustainable performance in the quarters to come. Backed by strong R&D skills, product innovation capabilities, MSFL is strengthening its business model and 'Go to Market' proposition.

Key performance highlights of MaxVIL verticals are as below:

Max Estates Limited (MEL)

✓ **Max Towers, Noida**

- Have leased out more than 50% of Area of Max Towers at a premium of 25-30% to immediate micro market
- During Covid-19, the company was successful in leasing ~25,000 sq. ft area to a large listed entity – a testimony of the value proposition that Max Towers and Noida market offers to potential tenants
- Majority of the occupants in the Grade A+ project is mid to large corporates and consulting firms with their corporate office headquartered at Max Towers, thus lending long-term lease visibility and high credibility in real estate product and design capabilities of Max Group.

✓ **Max House, Okhla**

- Phase 1 of Max House was expected to be launched in April 2020 however the same has been delayed due to lockdown which halted construction work at the site.
- The construction has resumed and is expected to now complete in early Q2FY21. The company is also developing product and pricing innovations for this project.
- With a strategic location combined with excellent accessibility and connectivity to the entire NCR, Max House will be the only Grade A+ office in Okhla phase III.
- Phase 2 of the project will commence construction in Q2FY21

✓ **Max Square, Noida**

- Max Estates had acquired a land parcel in Sector 129 on Noida Expressway in November 2019. This is its 3rd commercial real estate project in Delhi-NCR. Subsequently, in February 2020, it divested 49% equity stake to New York Life (NYL) for Rs. 857 Mn. This is in line with its strategy of building a Capital light real estate portfolio which allows the company to develop significant scale in Commercial real estate segment in Delhi-NCR.
- This project is named Max Square and MEL will be responsible for the final delivery of the project along with leasing the entire 700,000 sq. ft area. MEL will be entitled to a development fee on the project from JV Company – Northern Propmart Solutions Limited.
- NYL has already invested Rs. 686 Mn out of the total commitment of Rs. 857 Mn.
- The land parcel will be developed as a Grade A+ office project with F&B outlets and amenities, absence of which has been a big pain point in this micro market. The project design and planning has been completed. Project has received Fire NOC, AAI approval as well as Building plan permissions from the Noida Authority.
- It is expected to commence construction in early Q2FY21 and targets to deliver the project in Q4 FY22.

Max Asset Services Limited

- Max Asset Services (MAS) complements the Real Estate arm of MaxVIL to complete its objective of offering a differentiated solution in the Leased Commercial Office market in Delhi-NCR and focusing on real estate as a service opportunity
- MAS is supporting and furthering the *WorkWell* philosophy in the Commercial Office segment in the Delhi-NCR market by curating superior experiences for tenants in the buildings
- Covid-19 has surfaced new opportunities in Asset services sector and MAS with its experience of providing safety, security, continuity of operations especially during the last 3 months of nationwide lockdown, expects to gain significant momentum and will be a key differentiator in attracting tenants to its office assets

Max I. Limited

- Max I. continues to evaluate promising companies in the RE-enabled space while tracking performance of current investments
- The company is working on new solutions and technology that can aid productivity and increase efficiency while enhancing safety and security of their tenants. Its work on latest innovative technologies is expected to increase revenue and/or decrease costs

Max Speciality Films Limited

Packaging Films Segment	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20	FY20	FY19	Growth
Revenue (Rs. Mn)	2,339	2,530	2,354	2,437	9,660	8,736	11%
EBIT (Rs. Mn)	241	295	150	140	826	228	262%
EBIT Margins (%)	10.3%	11.7%	6.4%	5.7%	8.5%	2.6%	590bps
Volumes (MT)	15,003	16,169	15,735	16,052	62,959	57,679	9%

- Packaging for food being covered under essential services, the plant was operational throughout lockdown with the exception of a few days in March 2020.
- Lower raw material prices on back of a steep fall in crude has resulted in better margins and profitability in FY20 vs. FY19
- Volumes for Q4FY20 stood at 15,003 MT as compared to 16,169 MT in Q3FY20 and EBIT margins reduced by 140 bps to 10.3 % in Q4FY20 from 11.7% in Q3FY20. Volumes for FY20 stood at 62,959 MT a growth of 9% YoY with EBIT margins at 8.5% expanding by 590 bps YoY.
- Value added speciality films contributed 48% to packaging Volumes in Q4FY20 vs. 42 % in Q3FY20 while for FY20 the volume contribution stood at 42% versus 34% in FY19
- Revenue contribution from more profitable value-added specialty films at 59% in Q4FY20 and 48 % in FY20
- MSFL's endeavour is to increase the contribution of Value-added specialty films significantly from current levels leading to improved profitability
- With no major capacity addition seen coming on-line for the next year in the industry, the company expects the utilization levels and profitability to sustain for next few quarters

About Max Ventures & Industries Limited (MaxVIL):

MaxVIL

Max Ventures & Industries Limited (MaxVIL), a part of the leading Indian multi-business conglomerate Max Group, owns and operates a real estate business through its 100% subsidiary, Max Estates, and a packaging films business through Max Speciality Films, a 51:49 strategic partnership with Toppan, Japan. MaxVIL also has a real estate services & management company – Max Asset Services and an investment subsidiary, Max I., which supports real estate entrepreneurial ventures. MaxVIL is listed on NSE and BSE.

Max Estates Limited

Established in 2016, Max Estates Limited is the real estate arm of the Max Group and a wholly owned subsidiary of MaxVIL. Its vision is to bring the Group's values of Excellence, Credibility and Sevabhav to the Indian real estate sector. Its marquee projects include a one-of-its-kind commercial office space Max Towers, on the edge of South Delhi that opened its doors in 2019 and 222 Rajpur, a luxury residential villa community on Rajpur Road, Dehradun. It aims to create, build and operate Grade A+ office spaces in Delhi-NCR. The company recently entered in a JV for with New York Life (NYL) for its 3rd commercial project in Delhi-NCR

Max Speciality Films Limited

Max Speciality Films, a subsidiary of MaxVIL, is an innovation leader in the Speciality Packaging Films business. It has a strategic partnership with Japan's Toppan Printing Co. Ltd., a leading global printing company. Max Speciality Films is among the leading manufacturers of Biaxially Oriented Polypropylene (BOPP) films including speciality packaging, labels, coating and thermal lamination films for the India and overseas markets, with a total capacity of 80.50 Kilo Tonnes Per Annum (KTPA).

Max I. Limited

Max I. Limited is MaxVIL's wholly owned subsidiary, which facilitates Intellectual & Financial Capital to promising and proven early-stage organisations across identified sunrise sectors. Max I.'s future focus will be on proptech start-ups. It has recently launched a proptech accelerator called 'Maxcelerator'.

Max Asset Services Limited, a wholly owned subsidiary of MaxVIL that provides value added facility management to current and future Max Estates projects and builds and operates managed office spaces.

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