

July 28, 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 July 28, 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

Encl.: As above

MaxVIL shows resilient performance in Q1FY21; reports PAT of Rs. 131 Mn

MaxVIL Q1FY21 Financial Highlights:

- ✓ Consolidated Revenue at Rs. 2,586 Mn
- ✓ Consolidated EBITDA at Rs. 470 Mn
- ✓ Consolidated PAT at Rs. 131 Mn

Max Estates Q1FY21:

- ✓ Max House phase 1 has received completion certificate; project to be launched for leasing in Q2FY21
- ✓ Work on new Grade A+, 0.7 Mn Sq. Ft. office project, Max Square on Noida Expressway with New York Life as 49% equity partner to start in Q2FY21
- ✓ Max Towers rent collection above 90%
- ✓ Net Zero debt in real estate business
- ✓ Expects to benefit from anticipated consolidation in the Real State sector in Delhi-NCR, expects leasing momentum to be back on track in early H2FY21.

Max Speciality Films Q1FY21:

- ✓ EBIT at Rs 400 Mn, grows by 186% YoY
- ✓ EBIT margin expands by 1020 basis points YoY to 15.9%

28th July 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 un-audited financial results for the quarter ended 30th June 2020.

MaxVIL Q1FY21 net revenue stood at Rs. 2,586 Mn as compared to Rs. 4,255 Mn in Q1FY20. Excluding the one-off sale transaction of Rs. 1,618 Mn undertaken during Q1FY20 in its Real Estate Business & gain on part sale of Rs. 185 Mn in Nykaa; revenue increased by 5.4% YoY from Rs. 2,452 Mn in Q1FY20 to Rs. 2,586 Mn in Q1FY21. EBITDA & EBITDA Margins for Q1FY21 stood at Rs. 470 Mn and 18.2% respectively. PAT and PAT Margins for Q1FY21 stood at Rs. 131 Mn & 5.0% respectively.

MaxVIL's real estate business vertical 'Max Estates' second Grade A+ commercial office project – Max House in Okhla – Phase 1, with a leasable area of 1.05 lakh Sq. Ft. has received completion certificate and will be launched for leasing in Q2FY21. The project has already been launched digitally, Max Estates' first ever digital launch. Work for the second phase of the project, with a similar additional leasable area, is expected to commence in Q3FY21.

During the current quarter, work for Max Estates' 3rd commercial project – Max Square located at Noida Expressway will also commence. With a leasable area of ~0.7 Mn Sq. Ft., Max Square will be Max Estates largest Commercial Office project. The company had earlier announced that New York Life will have a 49% Equity stake in this project. New York Life is one of the largest American life insurers and has a large portfolio of real estate investments across the world.

The company believes that the demand for commercial offices in NCR is impacted currently till Q2 FY21, but supply is expected to fall equally due to some NCR based developer's inability to complete the projects on account of their overstretched balance sheets and lack of liquidity. Max being a

credible brand with focus on Grade A+ commercial office segment, strong balance sheet with access to Institutional Equity capital is well placed to capture the market, as industry grapples with consolidation.

MaxVIL's packaging films business vertical – MSFL continues to show resilience in performance. MSFL reported 3.1% revenue growth YoY to Rs. 2,512 Mn in Q1FY21. EBIT stood at Rs. 400 Mn, up by 186% YoY. EBIT Margins expanded by 1020 bps YoY to 15.9% in Q1FY21 on account of higher volume contribution from value added speciality films.

Commenting on the performance, Sahil Vachani, MD & CEO of MaxVIL said, “Q1FY21 has been a strong quarter for our packaging films business vertical which continues to witness positive trajectory on back of stable demand in FMCG products even during the lockdown in April and May. In our Real Estate Business, we have started witnessing increased enquiries for our office space though new leasing activity in the industry remained slow as occupiers reassess their office space requirements. In our existing office asset, Max Towers, we have received more than 90% on time and full payments from our tenants, which is a testimony to our strong and reputed tenant profile.

We expect occupiers will prefer Grade A+ developer managed office spaces in Delhi NCR which offer safety, security, continuity of operations and healthy working environment. Our office spaces are well equipped with high end new age technologies which are necessary to monitor and implement safety and social distancing measures to provide a hygienic and healthy working environment for our tenants.

Max Estates is all set to benefit from the expected consolidation in real estate sector in Delhi-NCR and the distressed opportunities it will present. We are currently well poised with net zero debt on our balance sheet. With our strategy of Capital Light real estate business backed by availability of Institutional Equity Capital, we are confident scaling our Real Estate business in Delhi NCR in times to come.

Our packaging films business vertical – MSFL, after a phase of cyclical downturn, has now set into a firm growth trajectory with strong fundamentals. We continue to move up the value chain with higher share of value-added speciality films enabling us to steadily expand our contribution margins. We are continuously engaged with leading FMCG companies to add value to their packaging needs with our research capabilities. With favourable domestic and exports demand, stabilised supply, and improved realisations, we expect a highly profitable coming quarters and financial year.”

Key performance highlights of MaxVIL verticals are as below:

Max Estates Limited (MEL)

✓ Max Towers, Noida

- Total leased area at Max Towers stands at ~275,000 Sq. Ft. for Max Estates and Investors for which Max Estates holds the leasing rights
- Leased area attributable to Max Estates stands at ~140,000 Sq. Ft.
- Lease Rental Income attributable to Max Estates stood at Rs. 44 Mn in Q1FY21 at a weighted average rental of Rs. 100 per Sq. Ft. per month
- Healthy rental collections of more than 90% in Q1FY21 for Max Towers

✓ Max House, Okhla

- Phase 1 of the Max House comprising of ~1,05,000 Sq. Ft. leasable area has received completion certificate and will be launched for leasing in Q2FY21

- The company is also developing product and pricing innovations for this project, thus confident to achieve higher occupancy by end of FY21
- 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; of similar size to phase 1 will commence construction in Q3FY21

✓ **Max Square, Noida**

- Max Square is Max Estates 3rd Grade A+ office project with F&B outlets and other amenities with a total leasable area of ~0.7 Mn Sq. Ft.
- Max Square will be jointly developed by Max Estates & New York Life. Max Estates will be responsible for the final delivery of the project and be entitled to a development fee on the project from JV Company – Northern Propmart Solutions Limited
- Work on the project is expected to commence during Q2FY21 and targeted to be delivered in Q4FY23
- New York Life has invested the first tranche of Rs. 686 Mn out of the total commitment of Rs. 857 Mn

Max Asset Services Limited

- Max Asset Services Limited (MAS) focuses on providing services such as building operations management, as well as managed offices for enterprises
- MAS has been playing a pivotal role in implementing new age technology tools such as mobile app, video analytics, visitor management etc. in offices which is essential to provide pleasant experience to the tenants along with safety measures.
- MAS has delivered its second managed office project at Max Towers for a Fortune 500 client

Max I. Limited

- Max I. continues to evaluate promising companies in the RE-enabled space while tracking performance of current investments
- The company is already working with many start-ups involved in the technologies which are implementing health, hygiene & enables social distancing. This enhances the overall experience for a tenant residing at their premises

Max Speciality Films Limited

MSFL	Q1FY21	Q4 FY20	Q3 FY20	Q2 FY20	Q1 FY20
Revenue (Rs. Mn)	2,512	2,339	2,530	2,354	2,437
EBIT (Rs. Mn)	400	218	246	150	140
EBIT Margins (%)	15.9%	9.3%	9.7%	6.4%	5.7%
Volumes (MT)	16,258	15,003	16,169	15,735	16,052

- MSFL's packaging facilities being covered under essential services continued to operate smoothly even under lockdown during Q1FY21
- Value added speciality films contributed 39% to Packaging Volumes in Q1FY21 vs. 37% in Q1FY20 and 48% in Q4FY20
- Value added speciality films contributed 46% to total MSFL Revenue in Q1FY21 vs. 43% in Q1FY20 and 59% in Q4FY20
- MSFL volumes for Q1FY21 stood at 16,258 MT as compared to 16,052 MT in Q1FY20 and 15,003 MT in Q4FY20
- Improvement in Revenue & Profitability in Q1FY21 is on the back of better product mix, higher realisations, stable raw material prices and overheads cost optimisations

- Company is setting up a new Metallizer Line and is expected to be up and running by the third quarter of FY 2020-21. This line will not increase overall capacity because the base film remains the same, but it will enhance MSFL's ability to improve the value-added speciality component in its product category
- This new Metallizer Line is being developed at an investment of Rs. 30 crores contributed by MSFL & its JV partner Toppan in the ratios of their existing shareholding that is 51:49
- In FY21, MSFL's focus will continue to be on improving volume contribution from value added speciality films to enhance its profitability and ensure optimum utilization of facilities

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. focuses on synergistic investment opportunities with real estate businesses through "Maxcelerate", an ecosystem for real estate technology start-ups. The key objective of Max I. is to find and nurture companies synergistic to the real estate business of the Max group through deeper and patient engagement.

Max Asset Services Limited (MAS)

MAS focuses on providing services such as building operations management, as well as managed offices for enterprises. MAS leverages various technological tools such as mobile app, video analytics, visitor management etc. which help in managing costs while delivering superior customer experience.

Safe Harbor statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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