

# Gujarat Fluorochemicals Limited

## Investor Presentation

### Q1FY24



Earnings Update Q1FY24

Financial Trend

Company Overview

Core Competencies





# Earnings Update

## Q1FY24



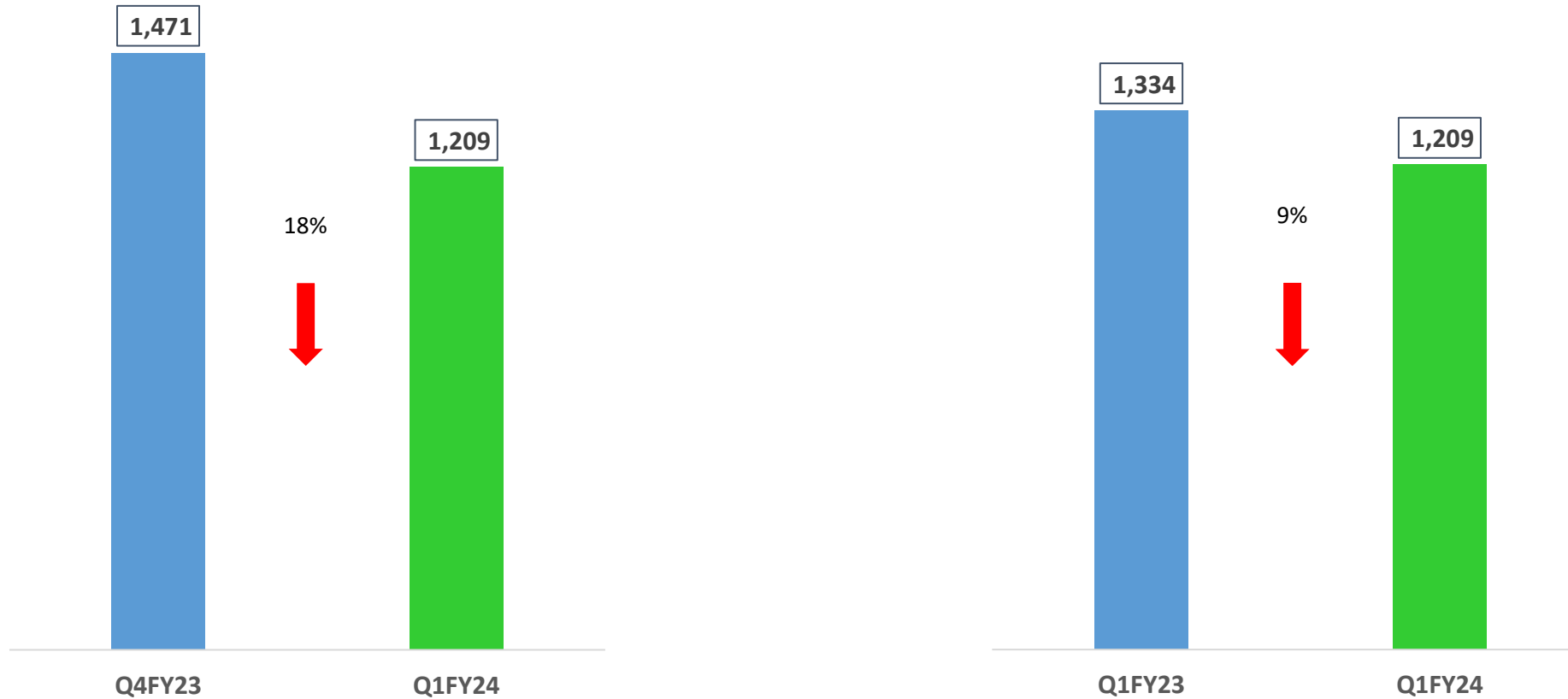
# Q1FY24 Highlights

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- Consolidated **Revenue from Operations** for Q1FY24 was Rs. 1209 Cr **down by 9%** on a YoY basis.
- Consolidated **EBIDTA** for Q1FY24 was Rs. 348 Cr **down by 24%** on a YoY basis.
- The **EBIDTA margins** for Q1FY24 **were 29%** as against 34% in Q1FY23.
- Consolidated **PAT** for Q1FY24 was at Rs. 201 Cr **down by 34%** on a YoY basis.
- **RoCE & RoE** was at **17.62% & 14.32%** respectively.
- Our Advance Materials business (fluoropolymers) continues to hold well despite destocking.



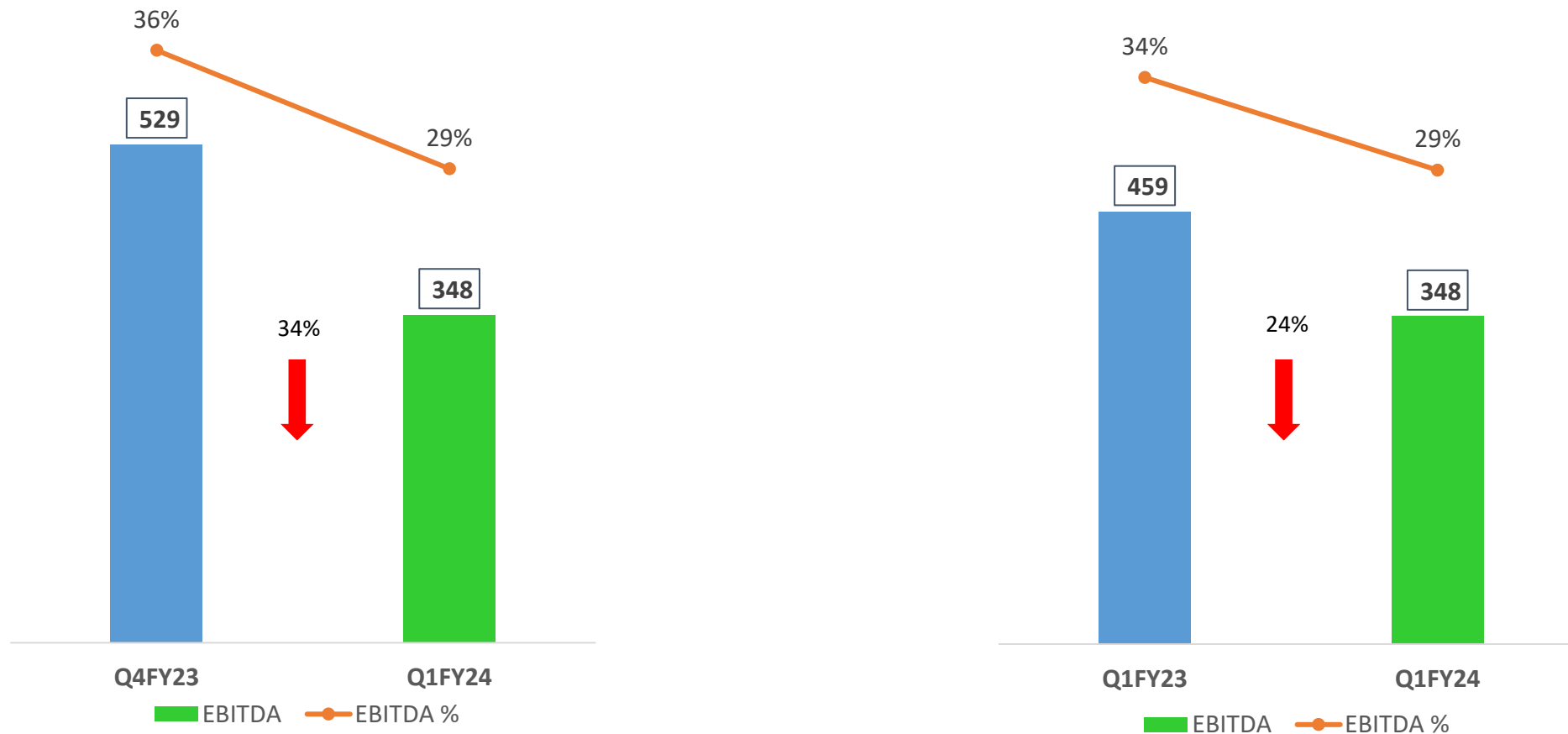
# Consolidated Revenue from operations



Figures in Rs. Cr



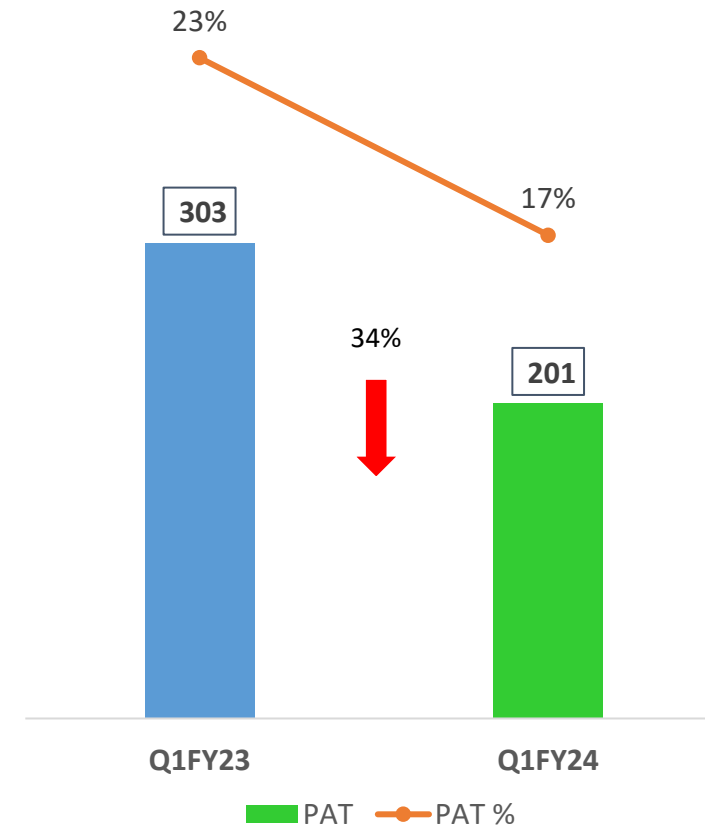
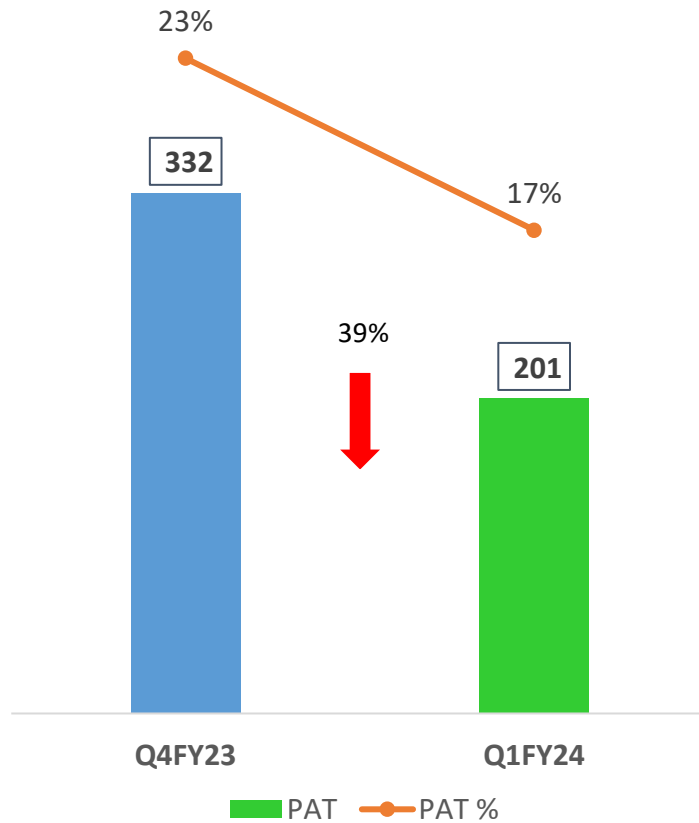
# Consolidated EBITDA & EBITDA Margin



Figures in Rs. Cr



# Consolidated PAT & PAT Margin

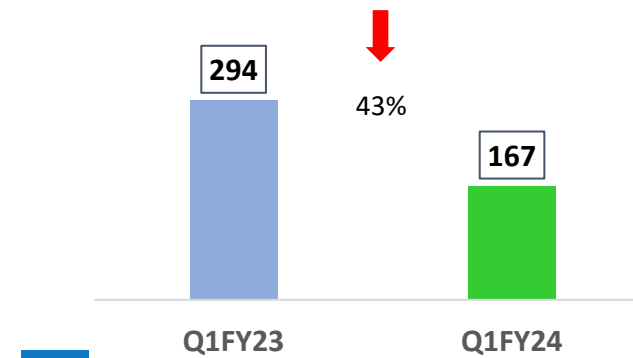
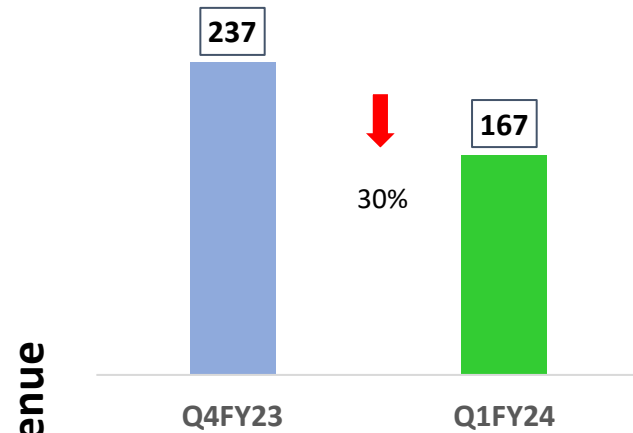


Figures in Rs. Cr

PAT excludes Income Tax pertaining to earlier years



# Business Vertical – Bulk Chemicals



Figures in Rs. Cr

## Performance and Outlook – Bulk Chemicals

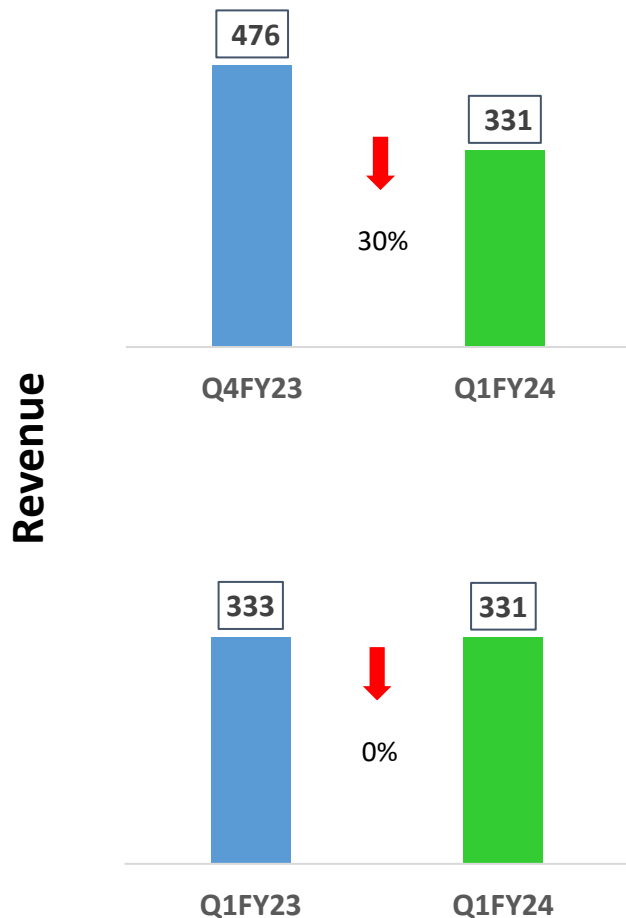
Plants were running at full capacity during the quarter.

Caustic soda / MDC prices remained weak due to overcapacities and lower demand.

Demand and prices are expected to remain muted for the next few quarters.



# Business Vertical – Fluorochemicals



## Performance and Outlook - Fluorochemicals

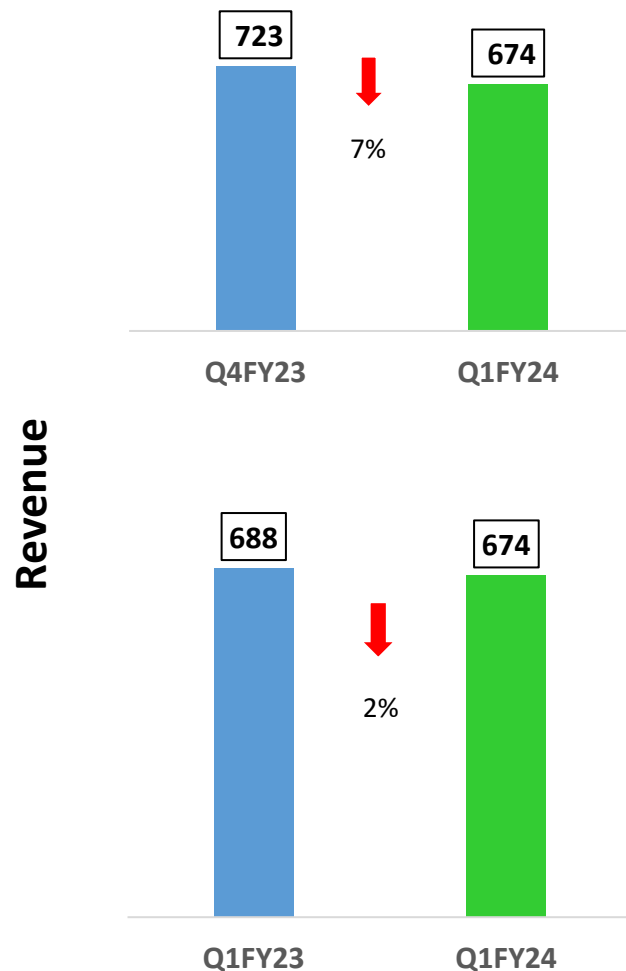
Volumes and prices of the refrigerants were impacted due to weak summer both in the domestic and overseas markets.

Fluorochemicals were weak due to muted demand from the end user industries and increased supplies from China.

Demand for refrigerants in the H2FY24 is expected to be stronger specially in the overseas markets.

Figures in Rs. Cr

# Business Vertical – Fluoropolymers



## Performance and Outlook - Fluoropolymer

Prices have remained stable despite the impact on export volumes due to destocking.

We expect prices to improve in the coming quarters with improvement in the product mix.

We expect volume growth to pick up gradually with reduced impact of destocking and increase in capacity utilization of new fluoropolymers.

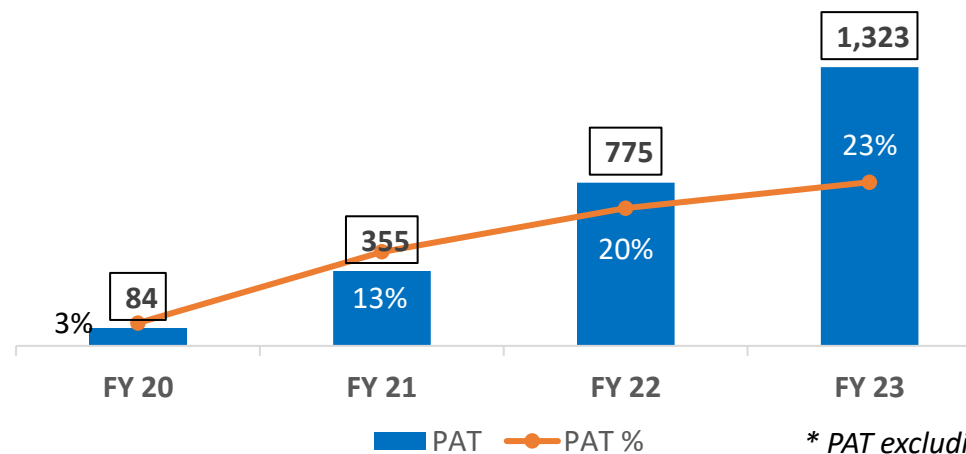
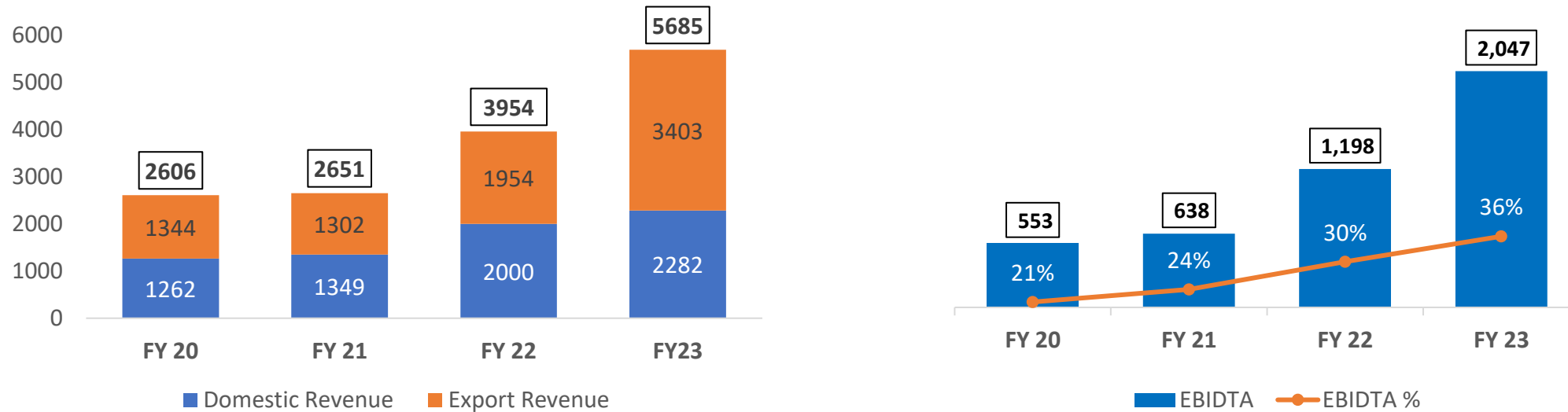
Figures in Rs. Cr



# Financial Trend

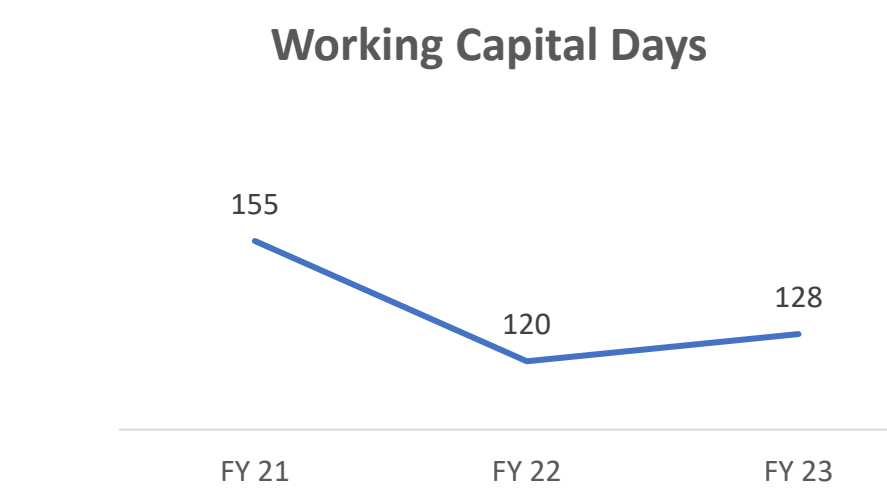
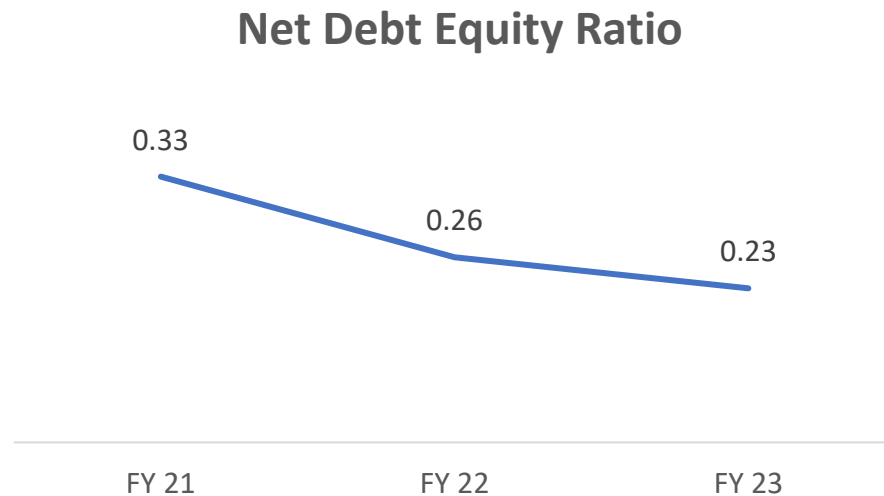
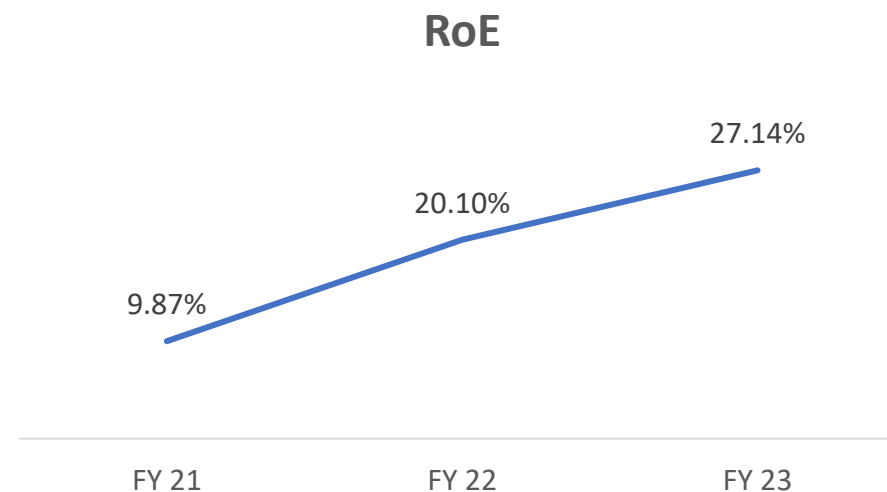
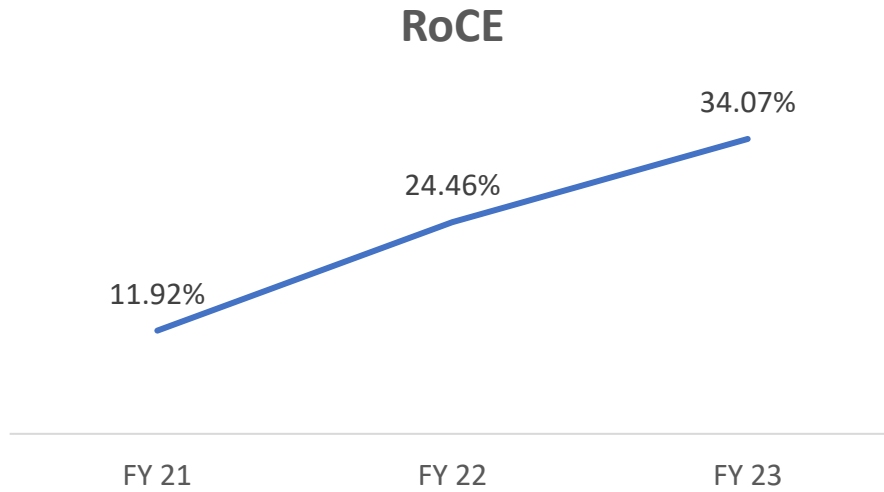


# Annual Revenue, EBIDTA and PAT Trend



\* PAT excluding exceptional items & earlier years taxation

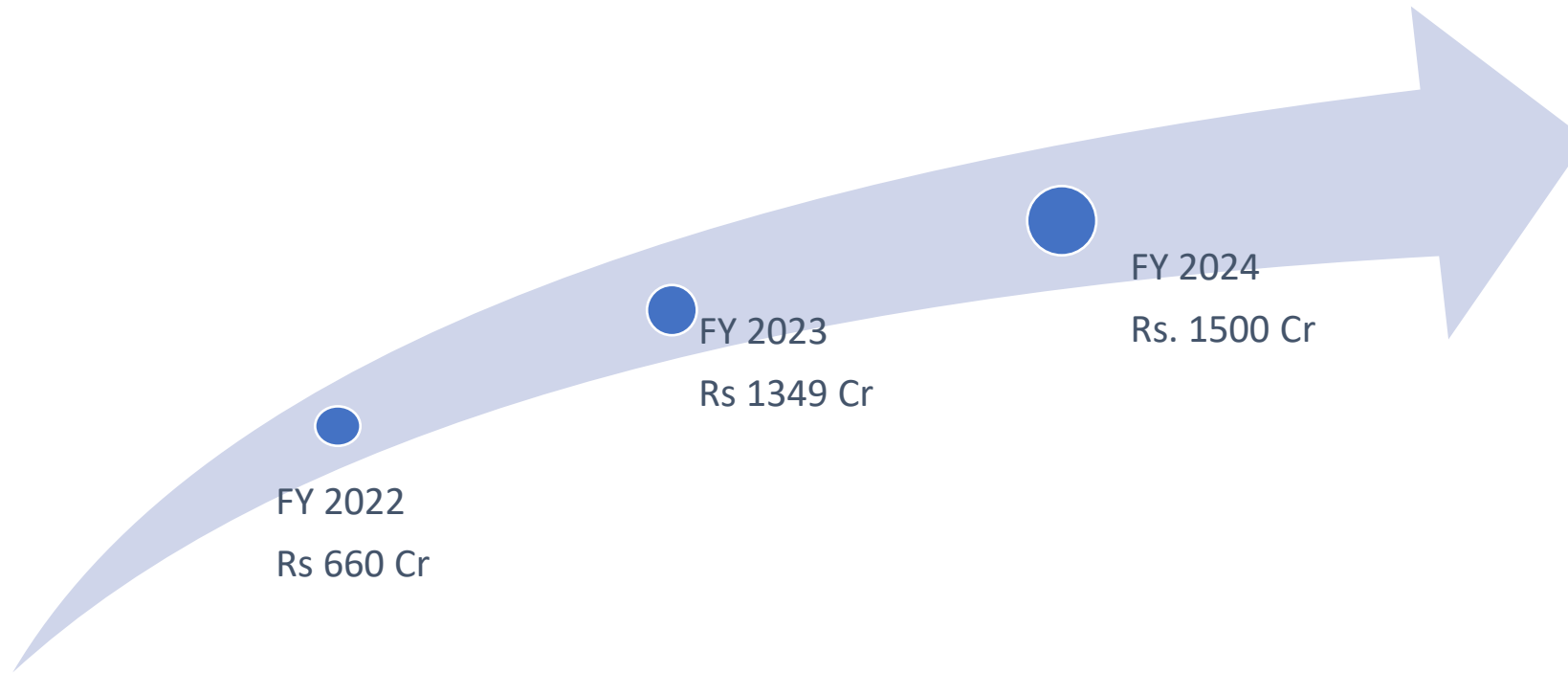
# Annual RoCE-RoE , Debt-Equity & Working Capital Trend



\* Excluding one offs and extraordinary income / loss



# Capex



GFL is currently investing / has planned capex towards expanding its capacities for Fluoropolymers, Refrigerant Gases and Battery Chemicals.





# COMPANY OVERVIEW



# INOX GFL GROUP



An **INOXGFL** Group Company

The INOXGFL Group with a legacy of more than 90 years is one of the largest business Groups in India. The Group is a forerunner in diversified business segments comprising specialty chemicals, fluoropolymers, gases, wind turbines and renewables. The Group currently with 3 listed entities has a market capitalization ~ 5 bn USD.



## Chemical Business



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company.
- Business verticals : Fluoropolymers, Fluorospecialities & Chemicals.
- Largest PTFE / fluoropolymer manufacturer in India.
- Developing products / grades catering to new age businesses viz. EV- Batteries, Solar Panels & Hydrogen Fuel Cells.

## Renewable Energy Business



- Inox Wind Ltd is a fully integrated player in the wind energy market and provides end-to-end turnkey solutions.



- INOX Green Energy Services Limited is India's leading wind O&M services player with more than 10 years of operating history.

**Inox Wind Energy Ltd.**

- Inox Wind Energy Ltd is the holding company of wind business.





# Business Verticals



**BULK CHEMICALS**

30 years of expertise in Fluorine Chemistry



**FLUORO CHEMICALS**

Established player in Fluoropolymers, Specialty Chemicals, Refrigerants & Bulk Chemicals



**FLUOROPOLYMERS**

Three manufacturing facilities in India, Fluorspar mine in Morocco, offices and warehouses in Europe and USA



**NEW AGE INDUSTRY**

Only Fluoropolymer producer in India and amongst the top few globally. Major supplier of Fluoropolymers to Europe and USA

Foray into New Age Business – Chemicals & Fluoropolymers for EV- Batteries, Solar Panels & Hydrogen Fuel Cells

# Bulk Chemicals Vertical

PRODUCTS	CAUSTIC SODA	CHLOROFORM	METHYLENE DI CHLORIDE	CTC
APPLICATIONS	<ul style="list-style-type: none"><li>• Textiles</li><li>• Soaps &amp; Detergents</li><li>• Alumina</li></ul>	<ul style="list-style-type: none"><li>• Feedstock for Refrigerant Gas R-22</li><li>• Solvent - Pharma</li></ul>	<ul style="list-style-type: none"><li>• Pharma API</li><li>• Foam manufacturing</li><li>• Agri-chem &amp; Pharma Formulation</li></ul>	<ul style="list-style-type: none"><li>• Pesticides</li><li>• Agricultural Chemicals</li><li>• Plastics</li><li>• Resins</li></ul>

➤ Major producer of Chloroform and MDC.



# Fluorochemicals Vertical

PRODUCTS	HF BASED	TFE BASED	KF BASED	REFRIGERANTS
APPLICATIONS	<ul style="list-style-type: none"><li>• Agrochemical majorly Insecticides, Herbicides &amp; Fungicides</li><li>• Plant Growth Regulators</li></ul>	<ul style="list-style-type: none"><li>• Pharmaceutical Intermediates,</li><li>• Agrochemical Pesticide &amp; Intermediates</li></ul>	<ul style="list-style-type: none"><li>• Pharmaceutical Intermediates,</li><li>• Agrochemical Pesticide &amp; Intermediates</li></ul>	<ul style="list-style-type: none"><li>• Air-conditioners</li></ul>

- GFL has been developing its value added product portfolio based on carbon, fluorine, nitrogen, hydrogen and oxygen. These products contribute significantly in the field of agro-chemicals, pharmaceuticals, EV battery chemicals and several more.
- Entry barriers : Technical know-how, process safety, raw-material availability and product validation.
- GFL with its integrated value chains starting from basic raw materials offers a host of building blocks for these Specialty Chemicals.
- Largest R -22 producer from India
- Other Refrigerant gases in the portfolio includes R125, R410 amongst others.



# Fluoropolymers Vertical

PRODUCTS	PTFE	MICRO POWDERS	PFA	PVDF	FEP	FKM	PPA
<b>APPLICATIONS</b>	<ul style="list-style-type: none"> <li>• Oil &amp; Gas</li> <li>• Pharma &amp; CPI</li> <li>• Food</li> <li>• Automotive</li> <li>• Aero-space &amp; Defense</li> <li>• Electricals</li> <li>• Electronics &amp; Semi-conductors</li> <li>• Cookware</li> <li>• Construction &amp; Mechanical Parts</li> </ul>	<ul style="list-style-type: none"> <li>• Printing Inks</li> <li>• Engineering Plastics</li> <li>• Coatings</li> <li>• Industrial Finishes</li> <li>• Paints</li> <li>• Elastomers</li> <li>• Oils &amp; Greases</li> </ul>	<ul style="list-style-type: none"> <li>• Semi-conductors</li> <li>• Aero-space</li> <li>• Chemical Processing</li> <li>• Corrosion Resistant Fluid Transfer</li> <li>• Wire &amp; Cables</li> <li>• Telecom</li> </ul>	<ul style="list-style-type: none"> <li>• Chemical Processing</li> <li>• Electronics</li> <li>• Architecture</li> <li>• Pharma</li> <li>• EV Batteries</li> <li>• Solar Panels</li> <li>• Water Treatment Membranes</li> <li>• Oil &amp; Gas</li> </ul>	<ul style="list-style-type: none"> <li>• Wire &amp; Cable</li> <li>• Defense</li> <li>• Aerospace</li> <li>• Telecom</li> <li>• Chemical Processing</li> </ul>	<ul style="list-style-type: none"> <li>• Automotive</li> <li>• Chemicals</li> <li>• Refineries</li> <li>• Semiconductors</li> <li>• Aviation</li> <li>• Food &amp; Pharma</li> </ul>	<ul style="list-style-type: none"> <li>• Improve Surface Finish &amp; Gloss for LLDPE</li> <li>• HDPE &amp; PP Films</li> <li>• Partitioning Agent</li> </ul>

- Entry barriers :
  - Technical know-how, process safety, raw-material availability, capex intensive.
  - Customer validation, approvals and qualifications, a time consuming & painstaking process.
- Huge growth potential :
  - 5G, EV Battery, Solar Panel, Hydrogen Fuel Cells, Semi-conductors, Internet of Things, Clean Environment.
- Fluoropolymers have unique set of properties with no technically viable substitutes which can impart the same set of properties and performance:
  - Fire, Weather, Temperature, Wear & Friction Resistant / Non-Wetting / Non-Stick / Dielectric Strength / Durability & Long life.



# New Age Industry Vertical

APPLICATIONS	ELECTRIC VEHICLES	SOLAR PANELS	HYDROGEN FUEL CELLS / ELECTROLYZERS
PRODUCTS	<ul style="list-style-type: none"> <li>• PVDF Electrode Binders</li> <li>• Battery Chemicals</li> <li>• LiPF6</li> <li>• Additives</li> <li>• Electrolyte Formulations</li> </ul>	<ul style="list-style-type: none"> <li>• PVDF Film</li> <li>• Back-sheet</li> </ul>	<ul style="list-style-type: none"> <li>• Fluoropolymers(FKM, PTFE, FEP)</li> <li>• Membranes</li> <li>• Charging Accessories</li> </ul>

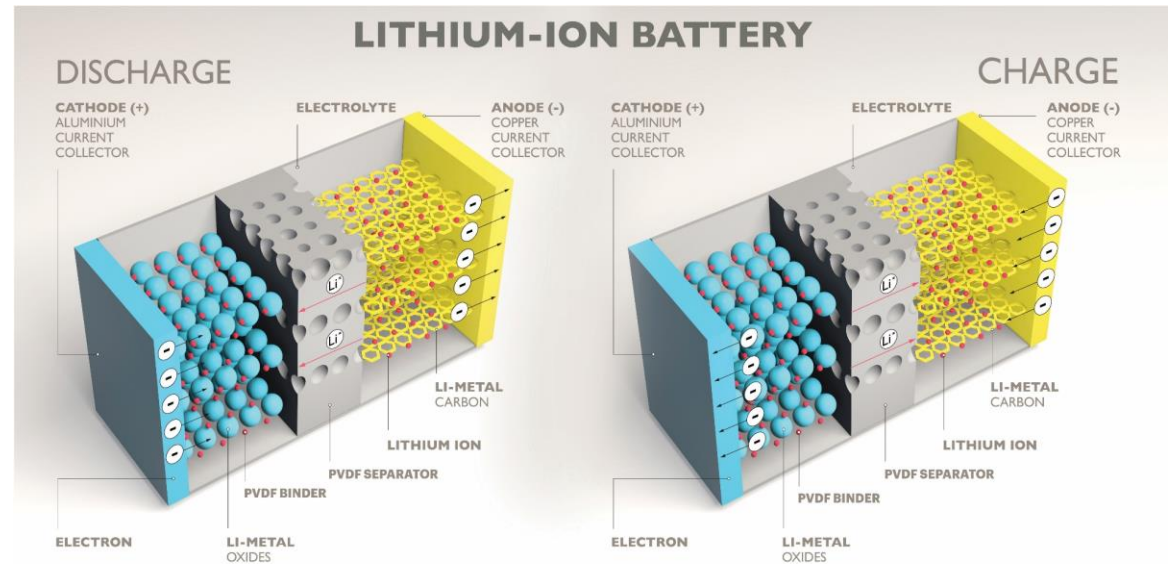
- GFL has developed technology and products to participate in each of these industries having huge potential and offering higher margins.
- Entry barriers : Technology, product development, stringent quality standards, buyer qualification, gestation period and a capex intensive integrated value chain.



# New Age Vertical-Electric Vehicle Batteries

APPLICATIONS	ELECTRIC VEHICLES BATTERIES
PRODUCTS	<ul style="list-style-type: none"> <li>• PVDF Electrode Binders</li> <li>• Battery Chemicals</li> <li>• LiPF<sub>6</sub></li> <li>• Additives</li> <li>• Electrolyte Formulations</li> </ul>

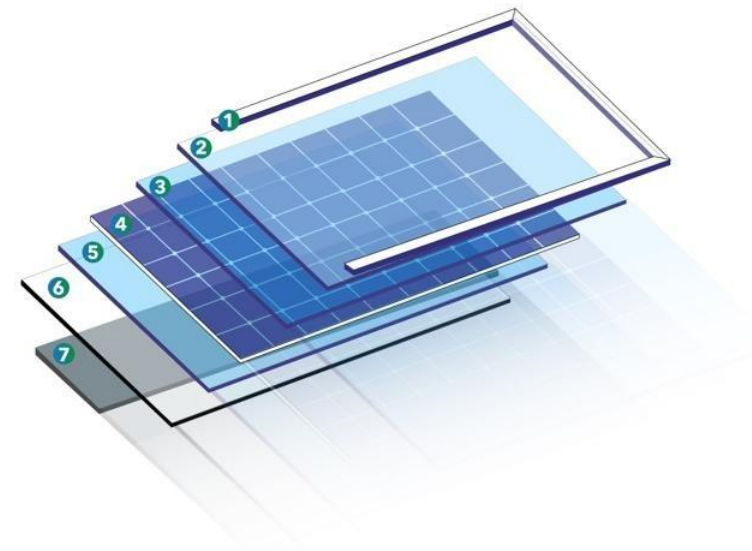
- Battery demand 2030 for EVs, energy storage and consumer electronics is estimated at 2633 GWH with EV battery chain providing revenue opportunities of 300 Billion US\$ by 2030. (Source: World Economic Forum, Mckinsey Analysis dated October 2019 ).
- Almost a dozen companies are planning to set up EV Battery manufacturing plants in India over the next few years, in line with the Government push to make India a significant global manufacturer of EV vehicles.
- GFL is in the process of setting up an integrated battery chemicals complex. In addition, GFL has developed suitable PVDF grades for cathode binder application.
- This initiative will require significant capex in the next few years and will ensure a robust growth in revenues and profits.



# New Age Vertical-Solar Panels

APPLICATIONS	SOLAR PANELS
PRODUCTS	<ul style="list-style-type: none"><li>• PVDF Film</li><li>• Back-sheet</li></ul>

- Under the Solar Mission, to reduce both the carbon emissions and the dependence on imports of oil, the Indian Government has announced a very ambitious target of achieving 450 GW of renewable energy by 2030.
- Solar panels are the heart of solar power plants and these contain back-sheet based on PVDF film.
- GFL is setting up India's first PVDF solar film project which will be commissioned in the next financial year. With our own integrated PVDF manufacturing facilities, this plant will be ideally suited to cater to both the domestic and international markets.



- ◆ Al Frame
- ◆ Glass
- ◆ Solar Cells
- ◆ Connecting ribbons
- ◆ Back Sheet - PVF/PVDF
- ◆ Junction Box
- ◆ EVA Sheet

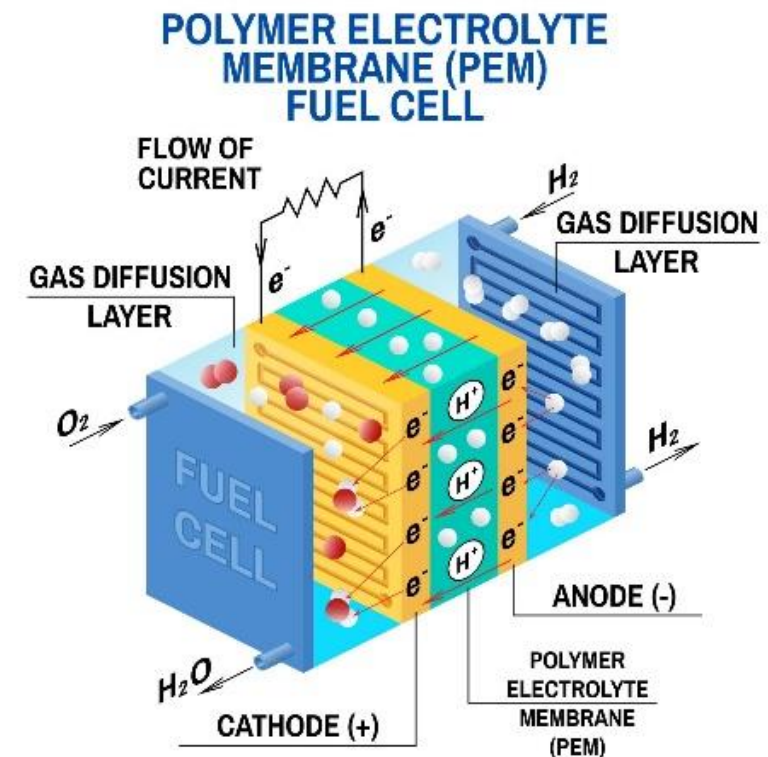
**Solar Panel**



# New Age Vertical-Hydrogen Fuel Cells / Electrolyzers

APPLICATIONS	HYDROGEN FUEL CELLS / ELECTROLYZERS
PRODUCTS	<ul style="list-style-type: none"><li>• Fluoropolymers(FKM, PTFE, FEP)</li><li>• Membranes</li><li>• Charging Accessories</li></ul>

- Green hydrogen has the potential to decarbonise industry, transport, energy and heating leading to significant emission reductions. There are around 200 hydrogen fuel cell projects currently announced in Europe alone, with investments focussed across multiple industries, from transport to heavy industry. (Source: Hydrogen Council, Europe). In India, major business houses have already announced huge capital outlay in the hydrogen sector.
- Electrolysers enable the transformation of renewable energy such as wind and solar power into green hydrogen. Fluoropolymers are integral to the functioning of Electrolysers. In addition, fluoropolymer based proton exchange membranes (PEM) form the heart of fuel cells and electrolysers.
- GFL with its rich experience and a portfolio of majorly Fluoropolymers is well equipped to cater to the Fluoropolymers required for the hydrogen electrolysers, fuel cells and charging stations. GFL has also taken up the project to indigenously develop and produce the PEM membranes.
- GFL expects this initiative to offer a sustained business growth over the foreseeable future.

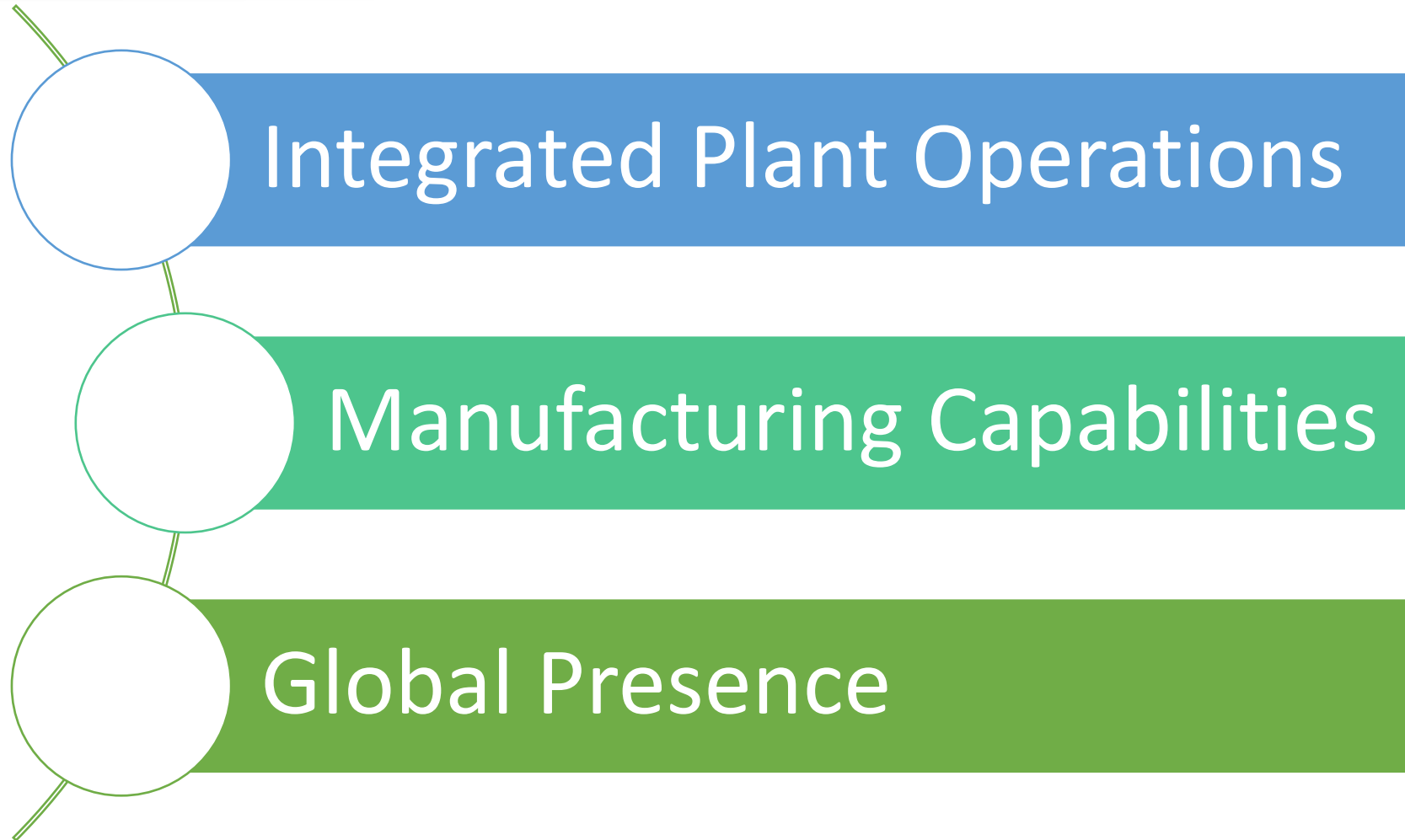




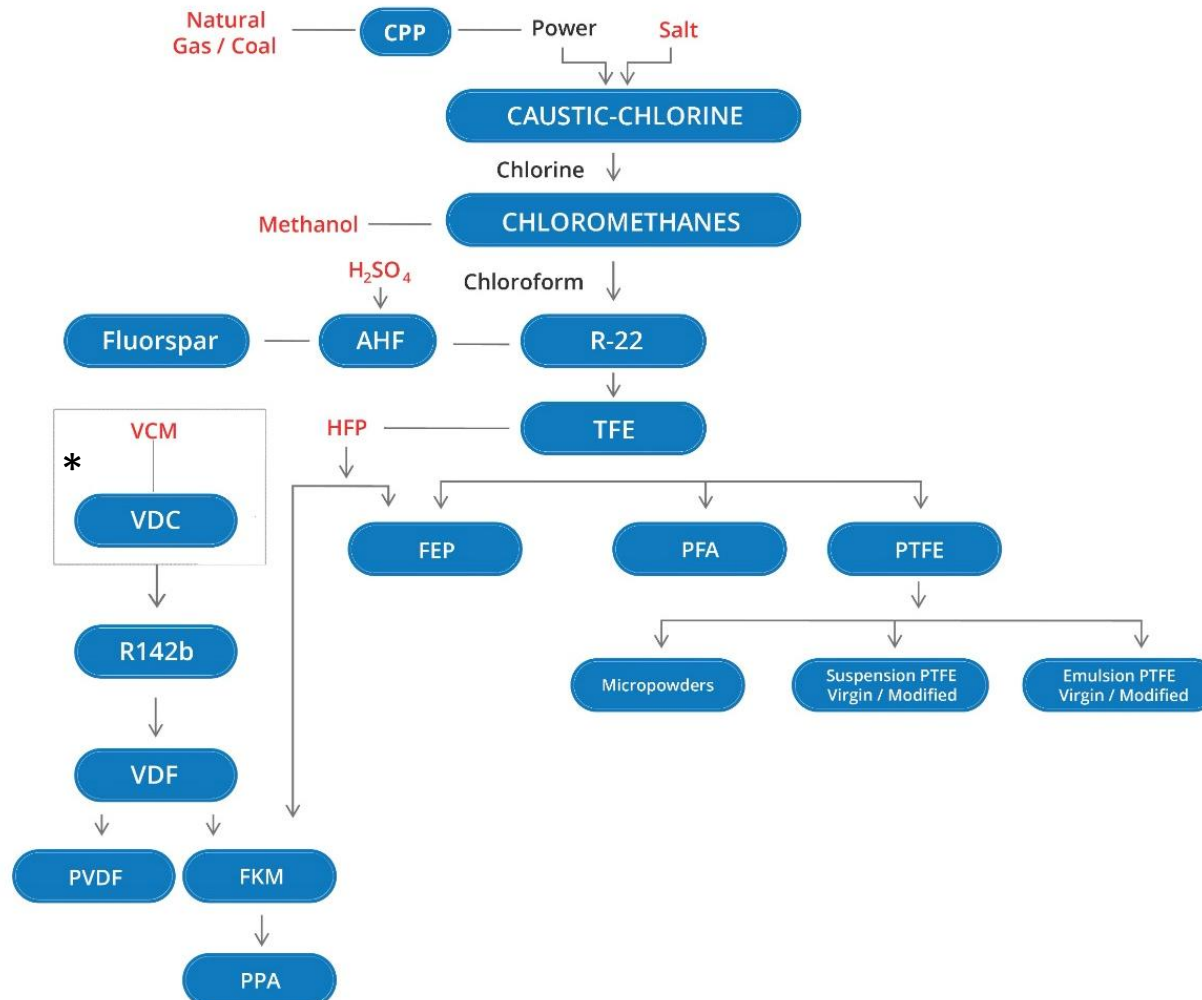


# Core Competencies

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# Integrated Operations



GFL's vertically integrated facility makes it one of the most reliable producers, of a wide range of Fluoropolymers, globally.

Integration play helps GFL to maximise value addition.

\* Under Implementation



# Manufacturing Facilities

## RANJIT NAGAR, GUJARAT, INDIA



Specialty Chemicals & Refrigerants

Commissioned in 1989

Largest Refrigerant Capacity in India

ISO 9001:2015, ISO 14001:2015 and  
ISO 45001:2018 certified

## DAHEJ, GUJARAT, INDIA



Fluoropolymers, Specialty & Bulk  
Chemicals

Commissioned in 2007

Largest Fluoropolymer Plant in India

Vertically Integrated Plant

ISO 9001:2015, ISO 14001:2015 and  
ISO 45001:2018 certified

## JOLVA, GUJARAT, INDIA



Fluoropolymers, Specialty & New  
Age Chemicals

Under Phased Commissioning



# Research & Development

Enables customised solutions and develop sustainable technology

Collaborates with renowned educational and research institutes

Equipped with team of highly efficient researchers, scientists and product specialists, state of the art equipment including application development laboratories

DST approved Fluoropolymers Research and Application development centre



# Sustainability Awards & Certification



## CERTIFICATIONS

Health – Safety - Environment

ISO 14001 : 2015  
ISO 9001 : 2015  
ISO 45001 : 2018

Ethics

ISO 37001 : 2016  
ISO / IEC 27001 : 2013  
SA8000:2014

Social Responsibility

We have aligned all our Internal & Supply chain processes as per the following standards  
ISO 26000 : 2010  
ISO 20400 : 2017

# Regulatory Compliance



ROHS - Restriction of Hazardous Substances



USP Class VI - United States Pharmacopeia



REACH - Registration, Evaluation, Authorization and Restriction of Chemicals



SVHC - Substances of Very High Concern



3A - Sanitary standards for design and fabrication of equipment



EC 10/2011 - European Commission



FDA - Food and Drug Administration



EC 1935/2004 - European Commission



WRAS - Water Regulation Advisory Scheme



# For further queries:

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# Thank You

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These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond GFCL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

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