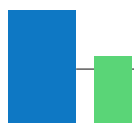


# Gujarat Fluorochemicals Limited

## Investor Presentation

Q3FY22

28 Jan 2022



Q3FY22 Earnings Update

Financial Trend

Overview

Core Competencies



# Financial Performance

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## Q3FY22 – Earnings Update

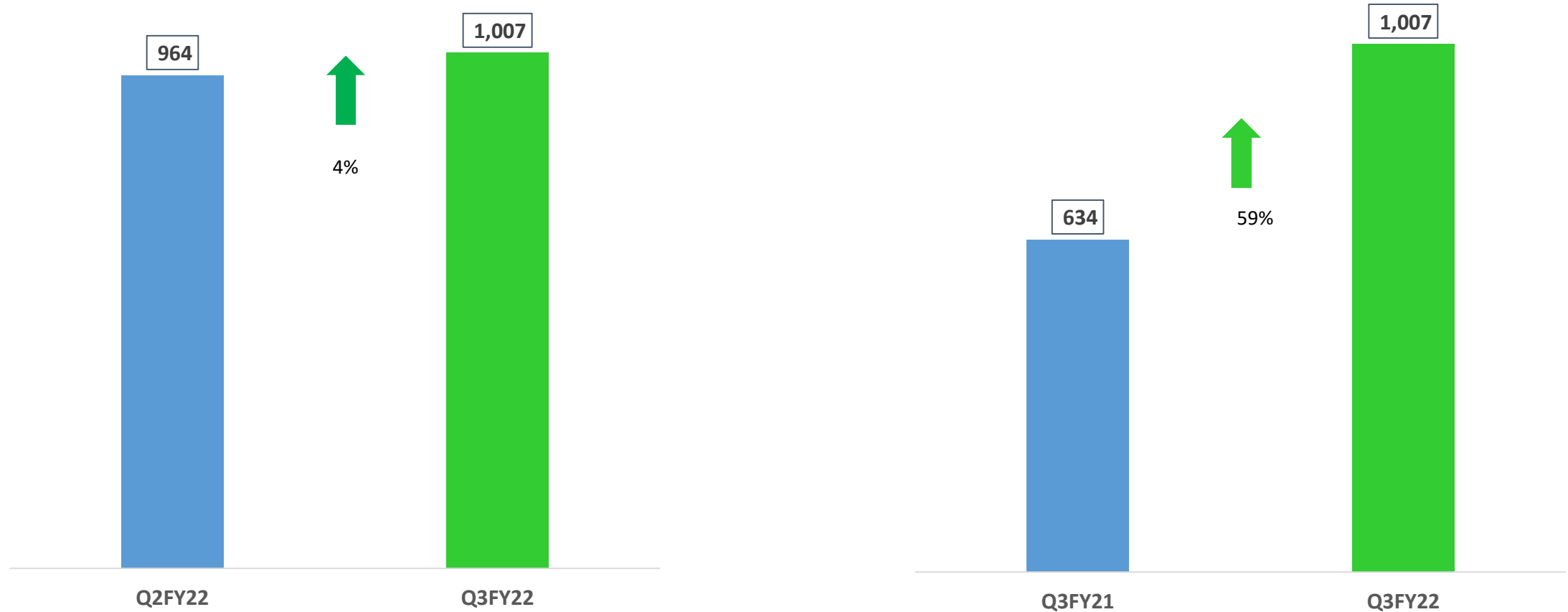


# Q3FY22 Highlights

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- **Consolidated revenues for the quarter were at Rs. 1007 Cr up by 59% on a YoY basis.**
- **Consolidated EBIDTA for the quarter was at Rs. 319 Cr up by 125% on a YoY basis.**
- **The EBIDTA margins for the quarter were 32% as compared to 22% for Q3FY21.**
- **Consolidated PAT for the quarter was at Rs. 201 Cr up by 95% on a YoY basis.**
- **The PAT margins for the quarter were 20% as compared to 16% for Q3FY21.**
- **The growth in the quarter was led by increase in PTFE and Caustic Soda prices.**
- **The new fluoropolymers witness growth of 41% on a YoY basis, however on a sequential basis the segment witnessed a dip of 17%, this was primarily due to unavailability of R142b, the feedstock for PVDF and FKM.**
- **The sales in this segment were further dented on account of the fire incident at our Ranjit Nagar plant which delayed commissioning of our captive R142b capacity.**
- **R142b has now been commercialized at our Ranjit Nagar facility.**
- **New projects / additional capacities announced earlier, entailing a capex of Rs. 2500 Cr over FY 22-24 are on track.**

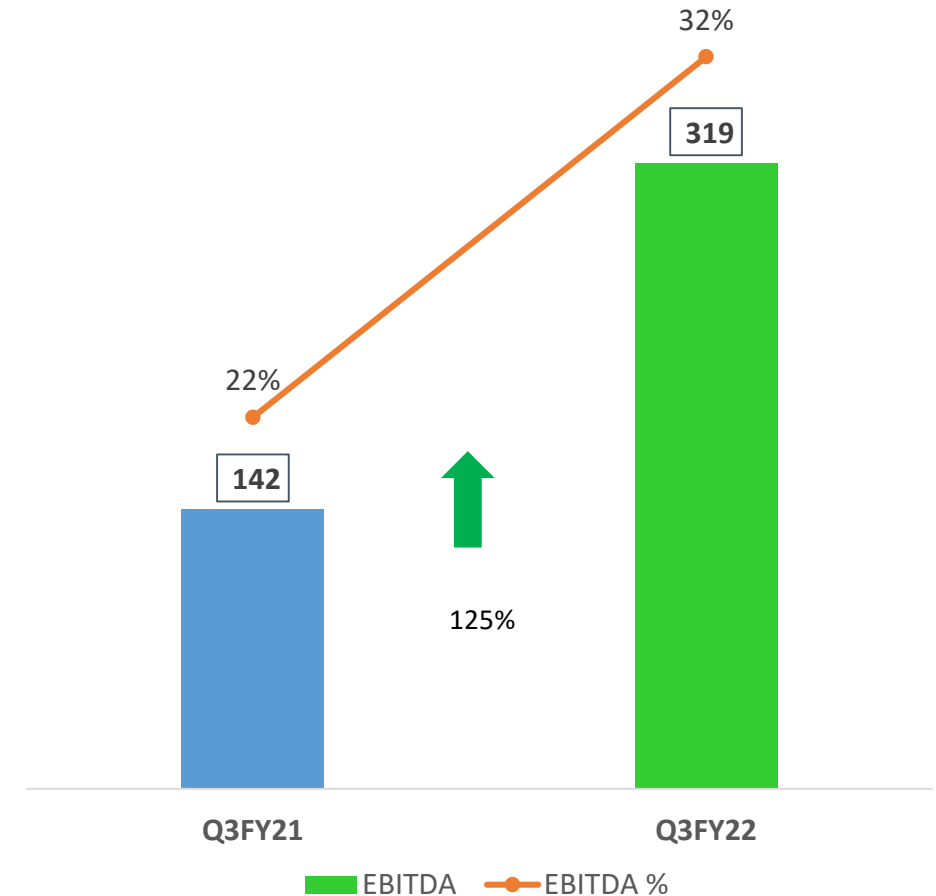
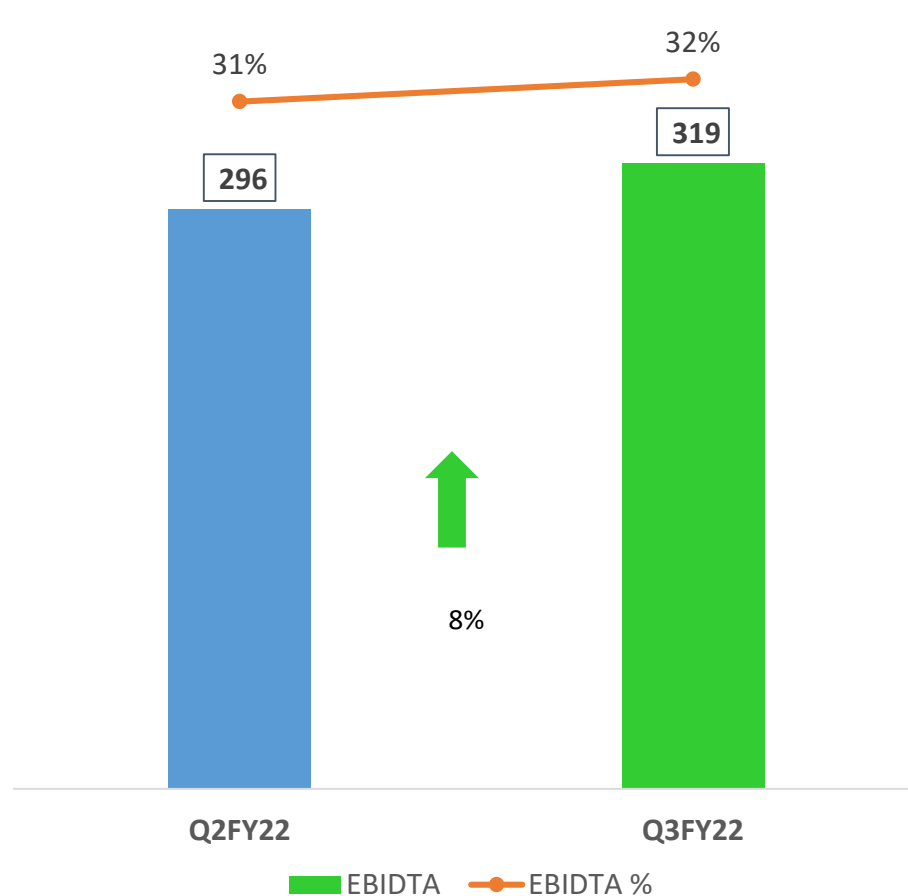
# Consolidated Revenue



Figures in Rs. Cr



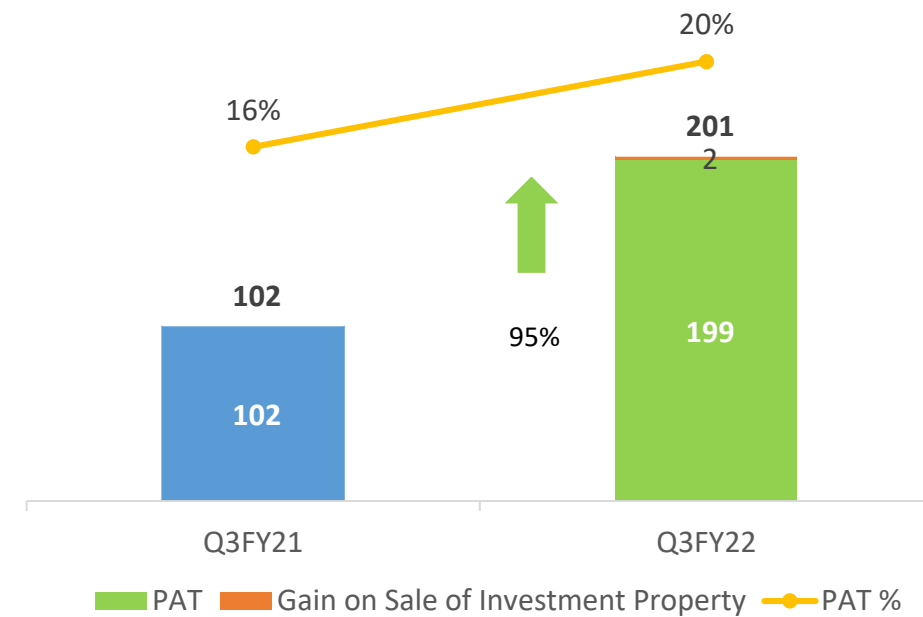
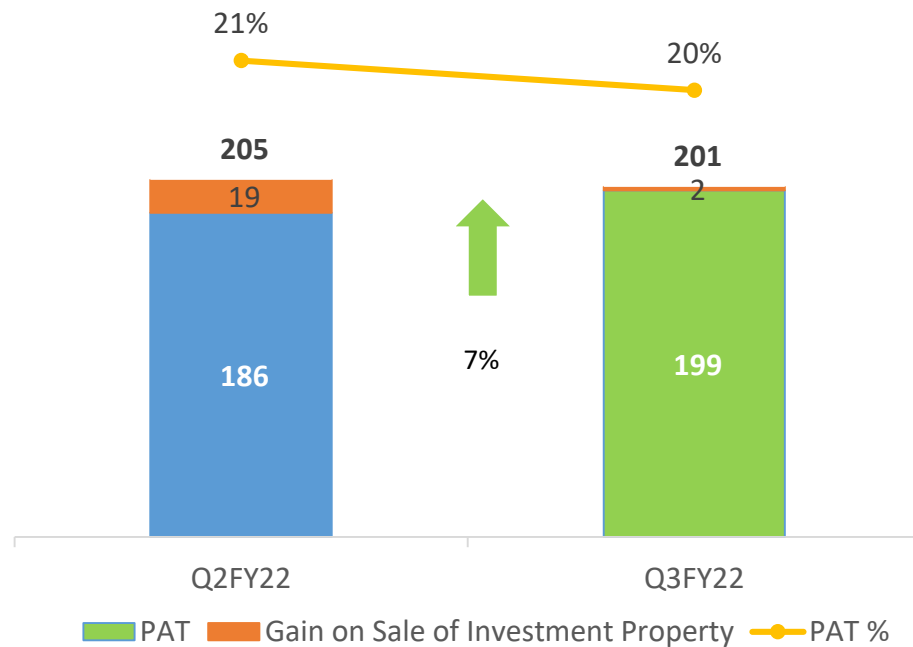
# Consolidated EBITDA & EBITDA Margin



Figures in Rs. Cr



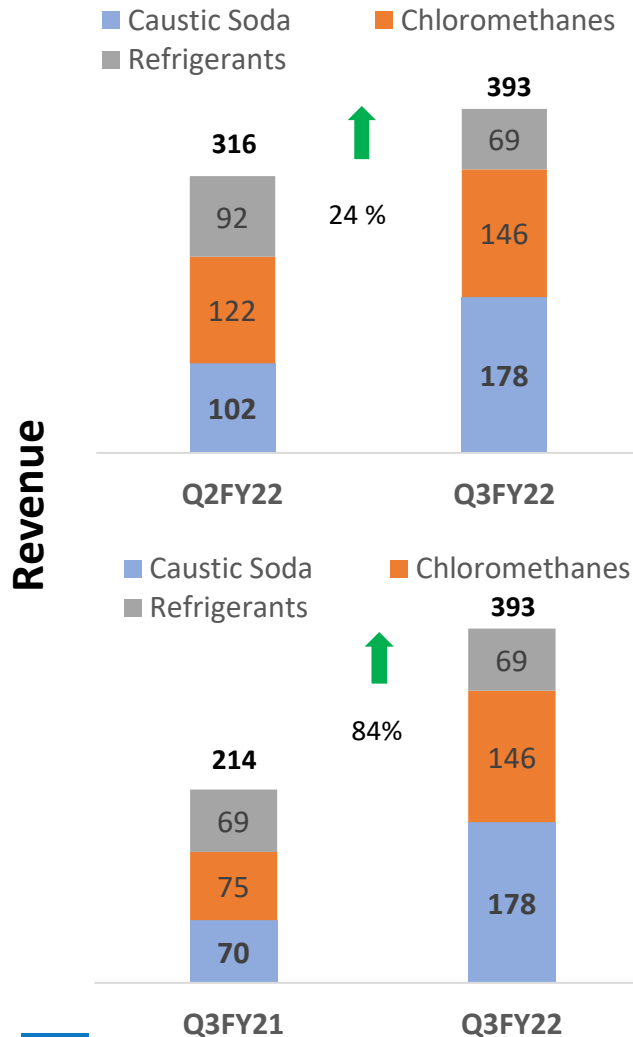
# Consolidated PAT & PAT Margin



Figures in Rs. Cr



# Business Vertical – Bulk Chemicals



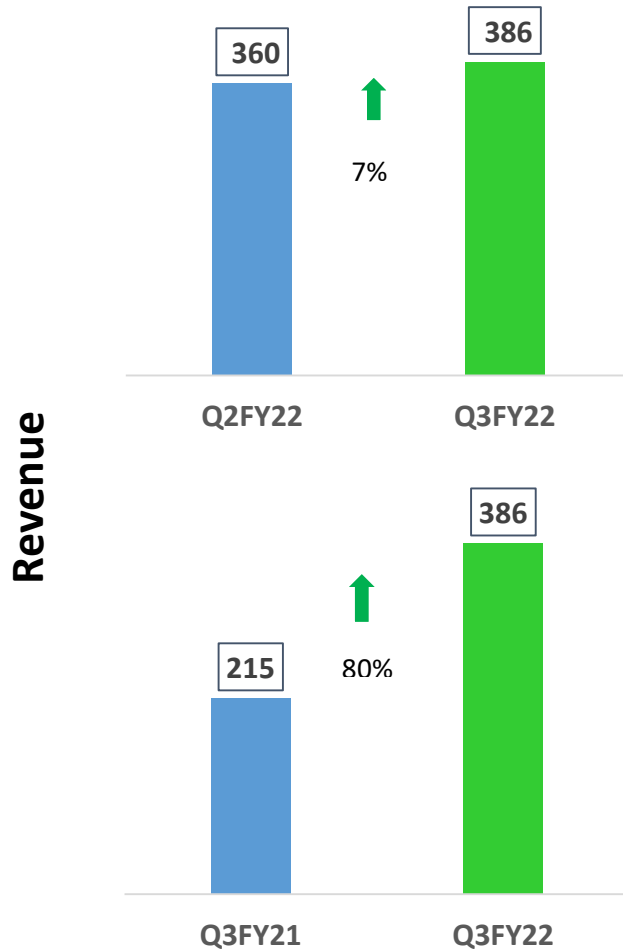
Figures in Rs. Cr

Caustic Soda	Chloromethanes	Refrigerants
Plants are currently running at full capacity.	Plants are running at full capacity.	Volumes and Prices have declined during the quarter on account of seasonality.
Caustic soda prices moved up sharply during the quarter and now seem to have stabilized.	Prices of MDC have started coming down from the peak levels achieved in Oct-Nov 21.	Demand is expected to start strengthening from the current quarter.
Demand-Supply situation expected to remain balanced for the next several quarters.	Prices are likely to be impacted from the Q1FY23 as additional capacities are commissioned domestically.	
There has been an increase in costs because of elevated energy prices. However, these costs have been more than offset by higher realizations.		





# Business Vertical – Fluoropolymer(PTFE)



## Fluoropolymer(PTFE)

Plants are running at full capacity.

Demand is robust across all geographies.

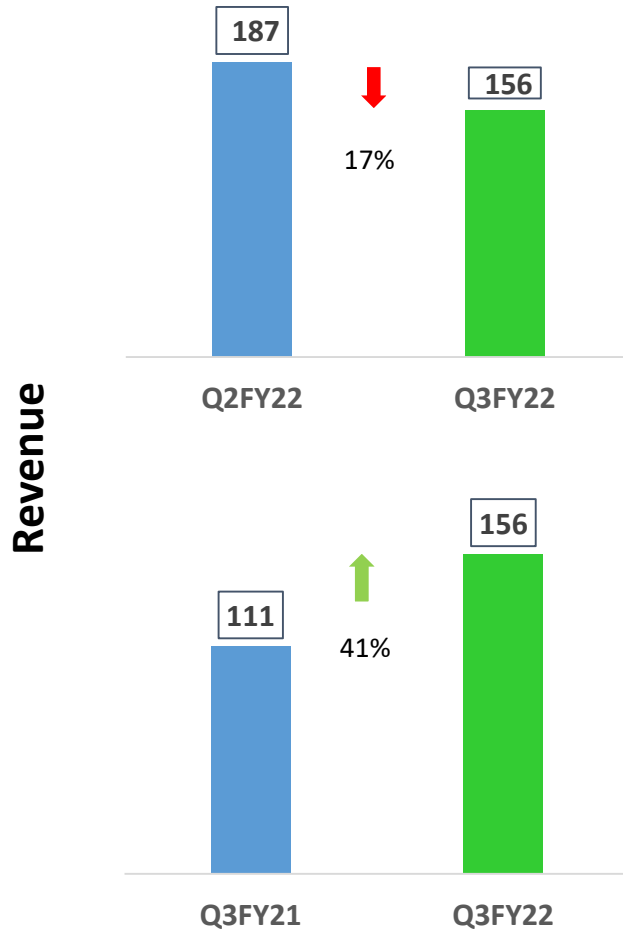
Prices have moved up due to rising demand and cost push.

Demand expected to remain robust for the next several quarters.

Capacity augmentation being planned in line with demand growth.

Figures in Rs. Cr

# ...New Fluoropolymers



## New Fluoropolymer

Capacities are in place for all 6 new fluoropolymers (FKM, PFA, FEP, PVDF, PPA, and Micro Powders).

Capacity utilization in Q3FY22 is around 55% majorly on account of limited availability of R142b.

Various grades under each polymer have already been established and few new PVDF grades developed are in the process of customer qualifications.

Expect to reach 100% utilization of existing capacity by Q1FY23.

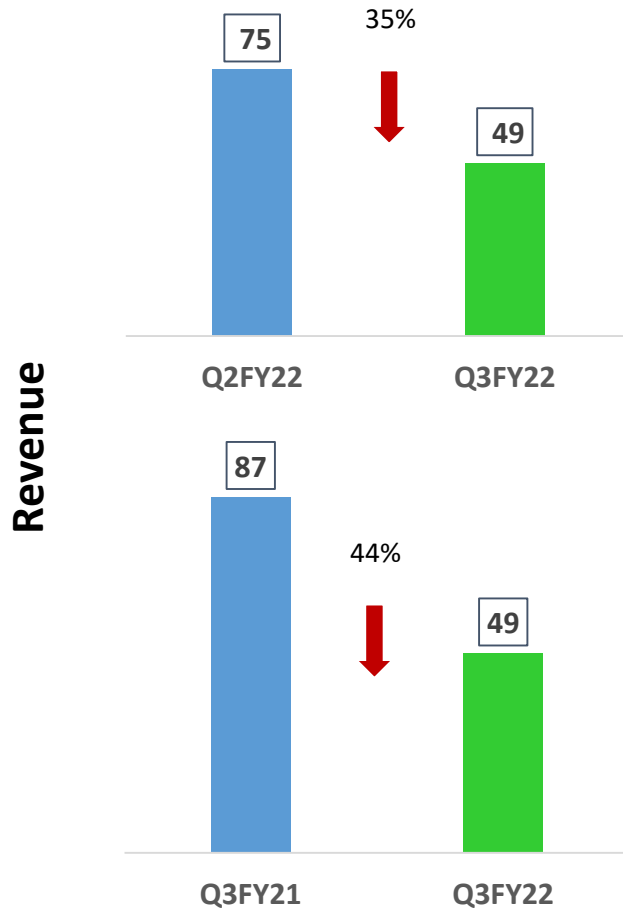
There is substantial increase in demand for FKM, PVDF and Micro Powders. Additional capacities for these products are under installation and commissioning.

Prices for FKM and PVDF have moved up due to rising demand and cost push of key raw material R142b.

Availability of R142b was adversely impacted as the fire incident in Ranjit Nagar delayed the commissioning of our own R142b capacity.

Figures in Rs. Cr

# Business Vertical – Specialty Chemical



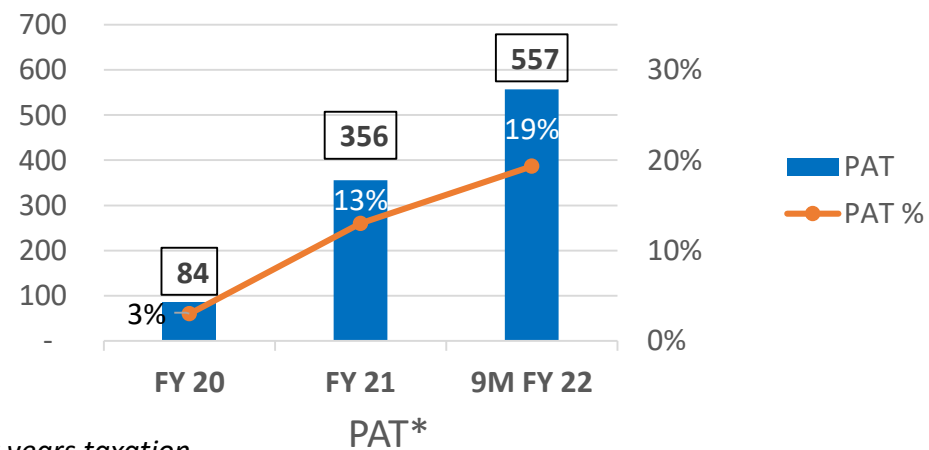
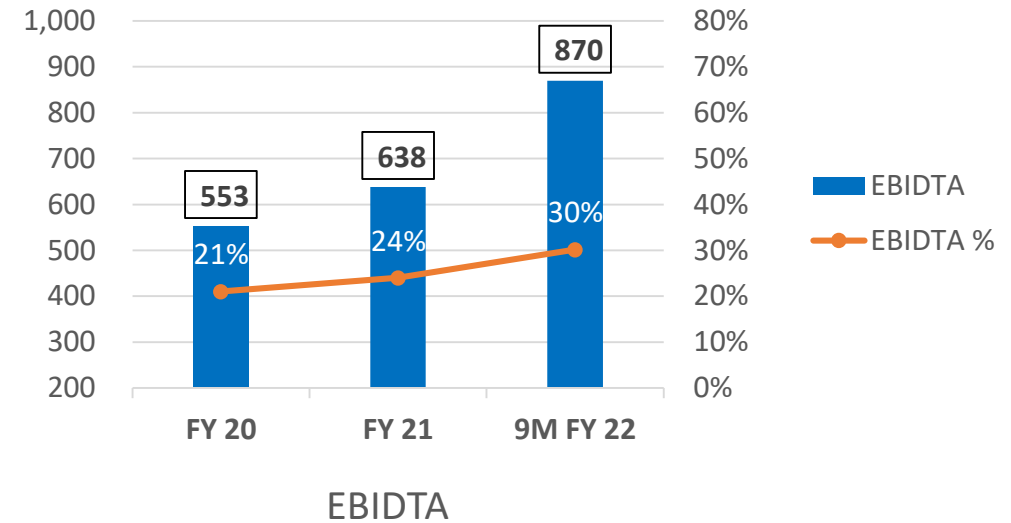
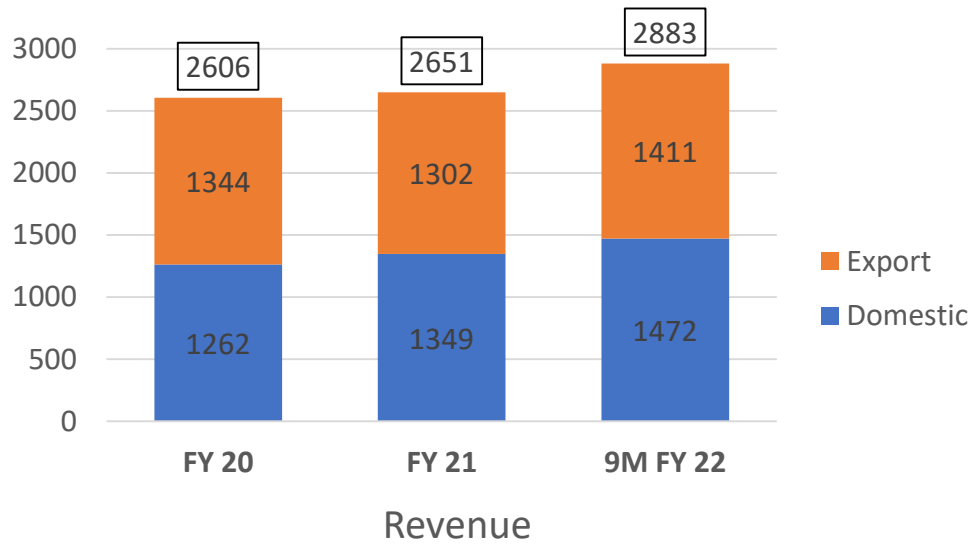
Specialty Chemical
11 products have been fully commercialized.
Production & sales during Q3 FY 22 majorly impacted due to fire at Ranjit Nagar plant.
3 new plants for manufacturing of 8 additional products are expected to be commissioned by Q4FY22.
We envisage substantial increase in revenues from Q1FY23, with the new plants getting fully operational.

Figures in Rs. Cr

# Financial Trends



# Revenue, EBIDTA and PAT Trend

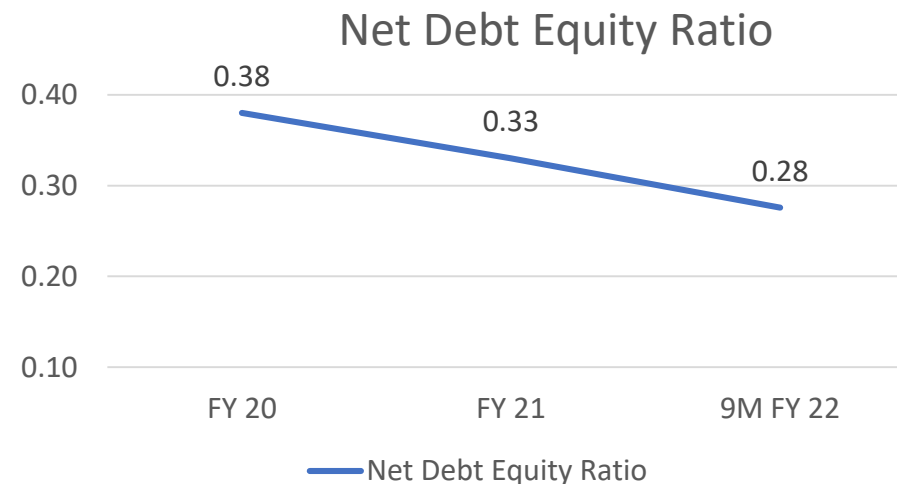
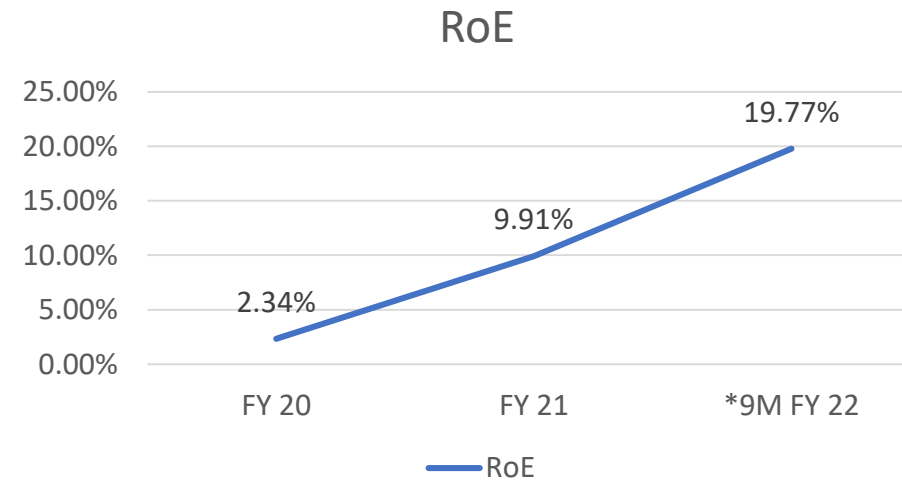
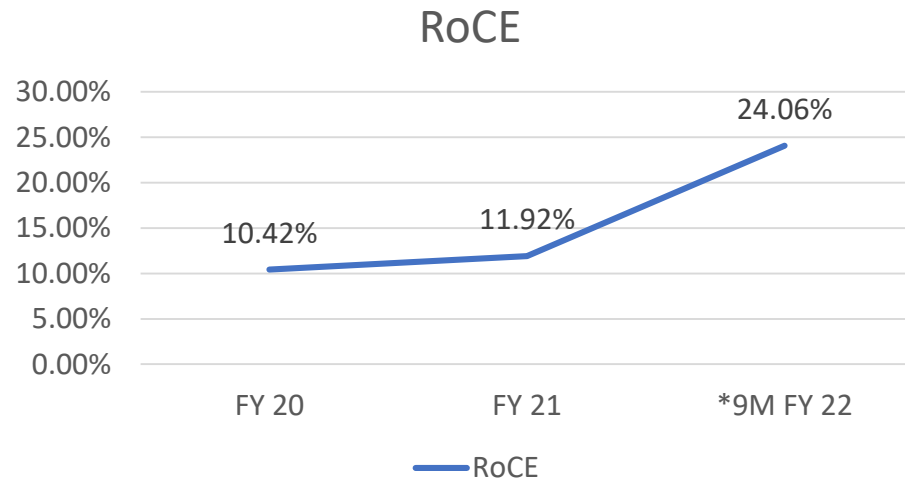


Figures in Rs. Cr

\* PAT excluding exceptional items & earlier years taxation



# RoCE, RoE and Debt Equity Trend



\* Annualised & Excluding one offs and extraordinary income / loss

# GFL Overview





# INOX GFL GROUP



An **INOXGFL** Group Company

The Inox Group, established more than 90 years ago, is a well-regarded USD multi Billion group with diversified presence. The Inox GFL group has 2 major business verticals, Chemicals and the Renewable Energy .



## Chemical Business



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company
- Business verticals : Fluoropolymers, Fluorospecialities & Chemicals.
- The only PTFE / fluoropolymer manufacturer in India

## Renewable Energy Business



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

**Inox Wind Energy Ltd.**

- Inox Wind Energy Ltd is the holding company of wind business & demerged from GFL Ltd in FY 21





# Business Verticals



**BULK CHEMICALS**

30 years of expertise in Fluorine Chemistry



**FLUOROPOLYMERS**

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



**SPECIALTY CHEMICALS**

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



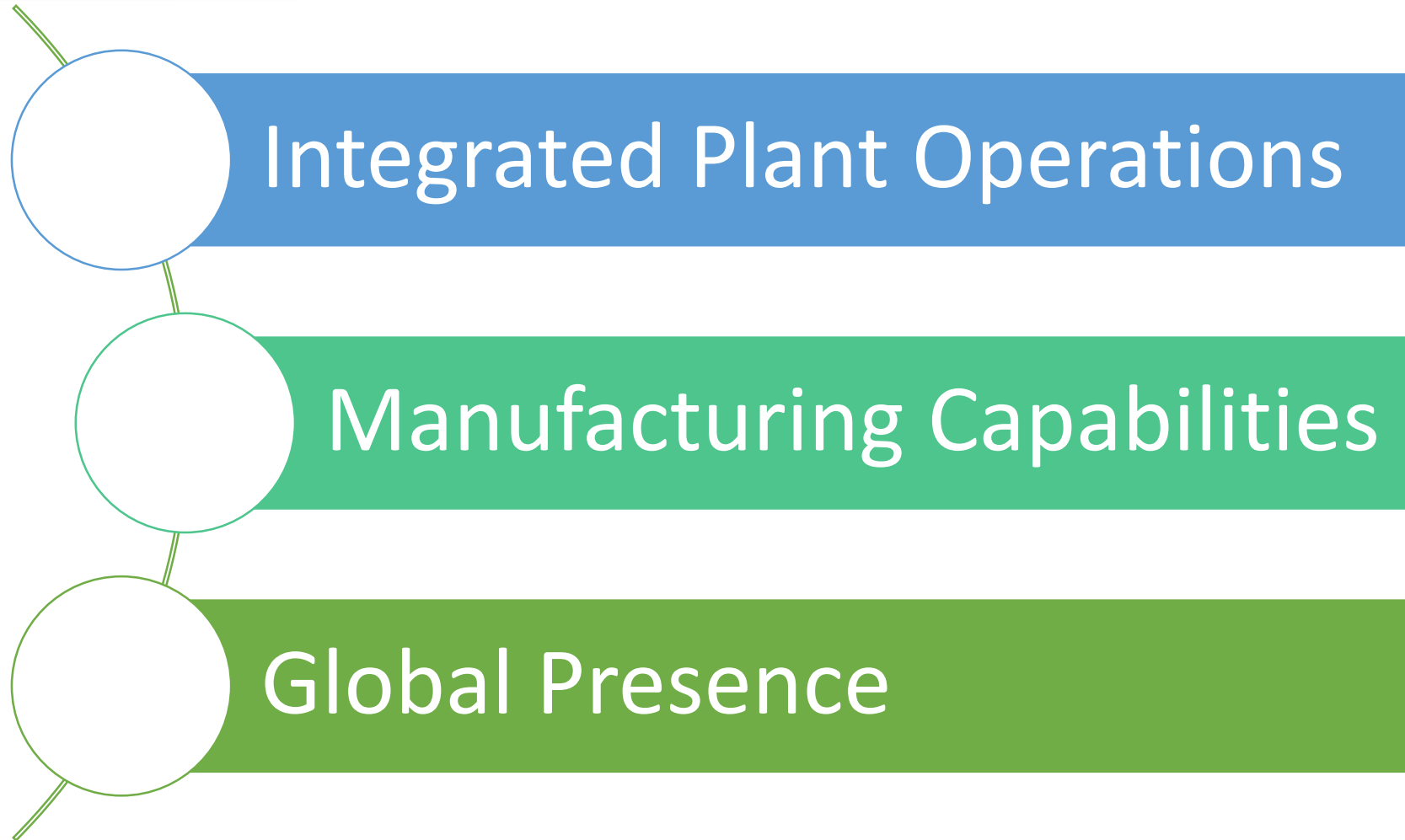
**NEW AGE INDUSTRY**

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

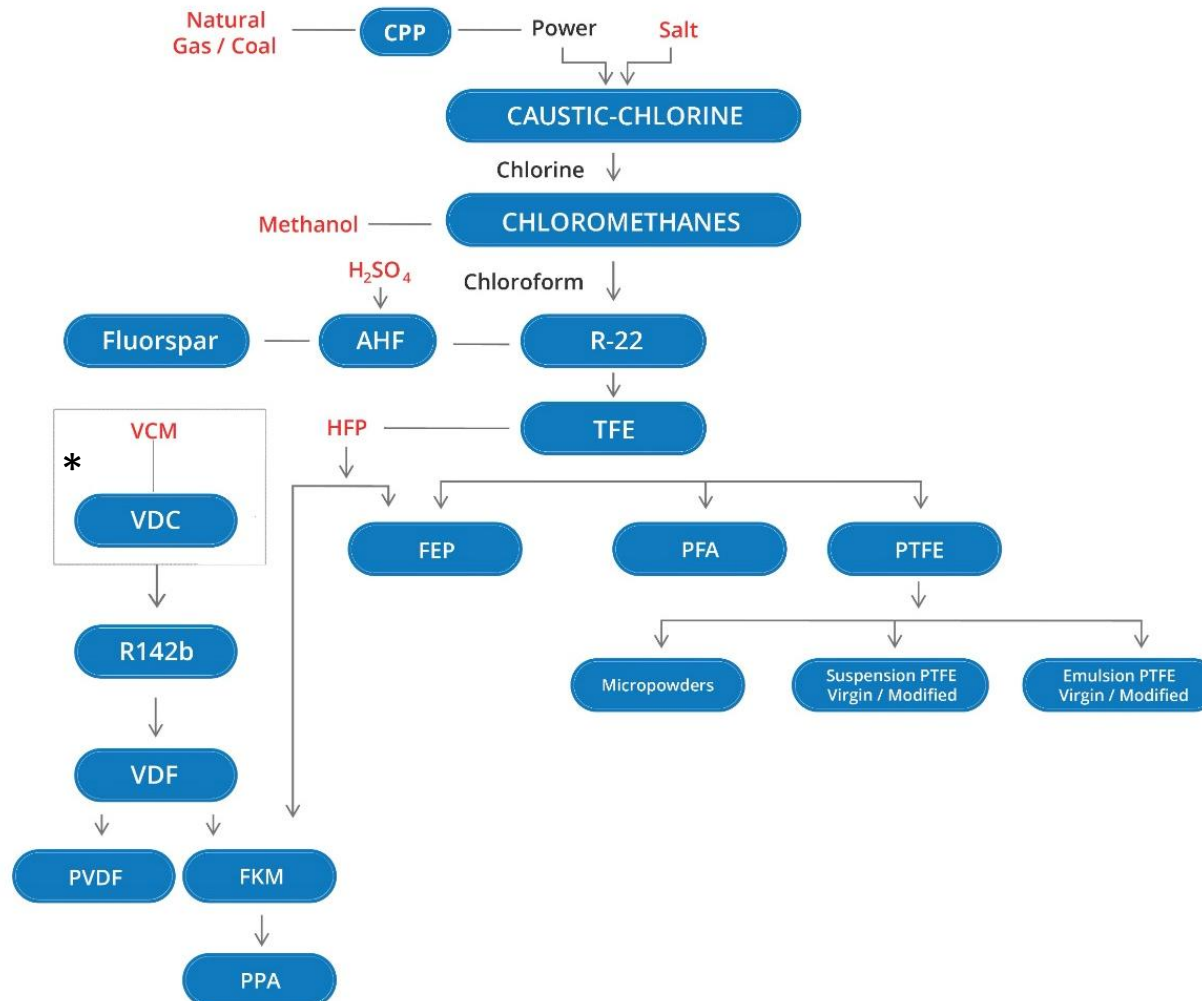
Foray into New Age Business – Chemicals & Fluoropolymers for EV- Batteries, Solar Panels & Hydrogen Fuel Cells

# 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.

R142b has now been commercialised.

\* Proposed

# Bulk Chemicals Vertical

PRODUCTS	CAUSTIC SODA	CHLOROFORM	METHYLENE DI CHLORIDE	REFRIGERANTS	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>Air-conditioners</li> </ul>	<ul style="list-style-type: none"> <li>Pesticides</li> <li>Agricultural Chemicals</li> <li>Plastics</li> <li>Resins</li> </ul>

- Largest R -22 producer and exporter from India.
- Major producer of Chloroform and MDC.



# 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 knowhow, 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.



# Fluoropolymers – Global Market

## ➤ Fluoropolymers

- Global fluoropolymers market is currently estimated at around 320,000 tons per year.
- China has the largest capacity.

## ➤ PTFE

- Global PTFE market is estimated at 175,000 tons per year, growing at a CAGR of 4-5% annually.
- China is a largest producer, most of PTFE produced in China is consumed internally in China.
- Outside of China, Europe is the second largest market.

## ➤ PVDF

- Second largest polymer after PTFE, current capacity at ~ 55000 tons / year, been growing at 4-5% however expected to grow at a significantly higher CAGR on account of
  - EV potential.
  - Solar potential.
- Together with FKM, PVDF uses R142b as the feed stock.
- R142b is in global short supply currently.

*\*All the above estimates are based on company's internal assumptions and market intelligence.*





# Specialty Chemicals Vertical

PRODUCTS	HF BASED	TFE BASED	KF BASED
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>

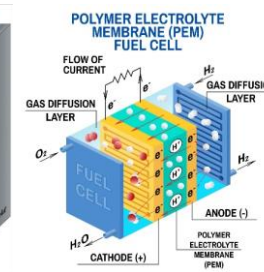
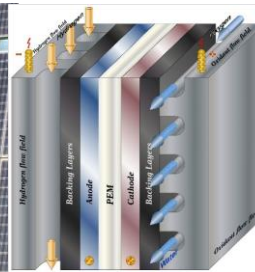
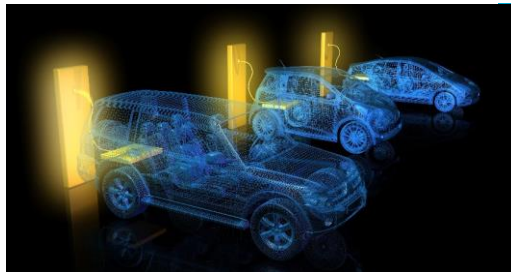
- GFL has been developing its value added product portfolio based on carbon, fluorine, nitrogen, hydrogen and oxygen. These products contribute significantly in the field of agro-chemicals, pharmaceuticals, EV battery chemicals and several more.
- Entry barriers : Technical knowhow, process safety, raw-material availability and product validation.
- Fluorine molecule are gaining traction over the conventional molecules due to increased biological activity of agrochemicals and pharmaceuticals creating more market demand.
- As a result most of the newly introduced pharma and agro active ingredients are having fluorine molecule attached in their final actives.
- GFL with its integrated value chains starting from basic raw materials offers a host of building blocks for these Specialty Chemicals.



# 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> <li>• Battery casing</li> </ul>	<ul style="list-style-type: none"> <li>• PVDF Films</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>• LiPF6</li><li>• Additives</li><li>• Electrolyte Formulations</li><li>• Battery casings</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 ).
- World leaders Tesla, Toyota, GM, Ford, Volkswagen, Audi, BMW and others planning to move to EVs. Large number of battery plants are being planned worldwide to meet the growing requirements.
- 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 Films</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.



# 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 major 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.



# 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

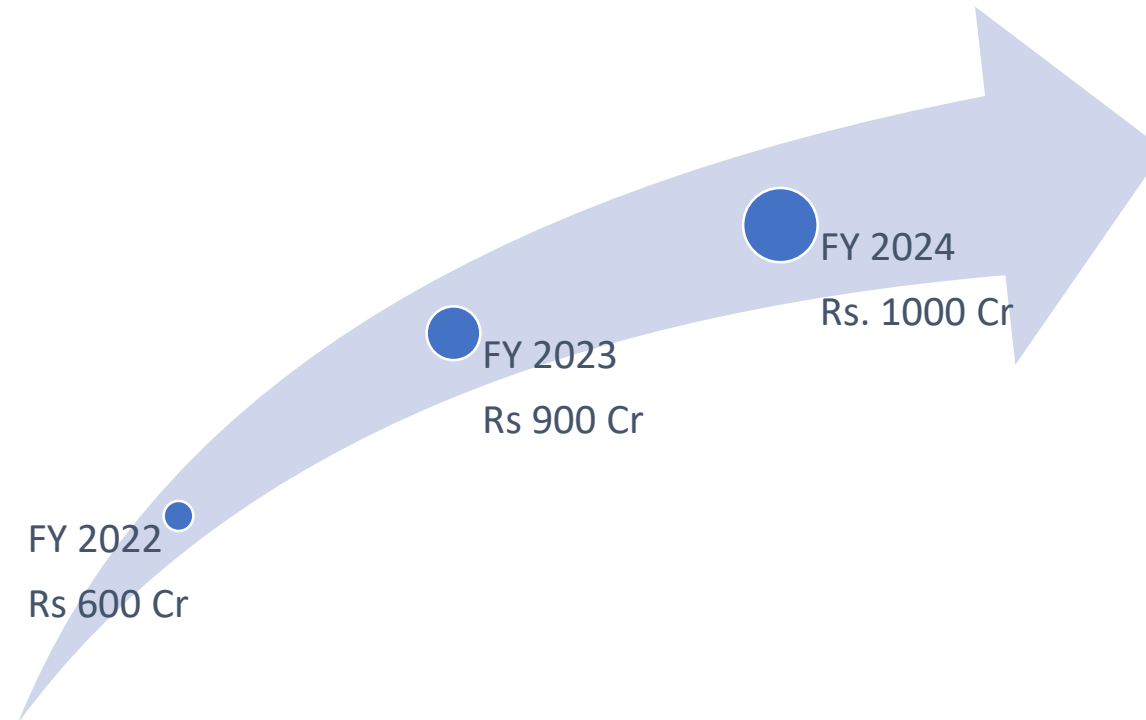


Fluoropolymers, Specialty & New  
Age Chemicals

Under Phased Commissioning



# Capex Plan



GFL is currently investing / has planned capex towards expanding its capacities for Bulk & Specialty Chemicals, Fluoropolymers and New Age Products.



# 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, with state of the art equipment including application development laboratories

DST approved Fluoropolymers Research and Application development centre





# 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



# Sustainability Awards & Certification



## OVERALL SCORE(2021)

Gujarat Fluorochemicals Ltd (Group) is in the top 7% of companies rated by EcoVadis in the Manufacture of basic chemicals, fertilizers and nitrogen compounds, plastics and synthetic rubber in primary forms industry.

Publication date: 30 Mar 2021  
Valid until:30 Mar 2022

## CERTIFICATIONS

Health – Safety - Environment

ISO 14001 : 2015  
ISO 9001 : 2015  
ISO 4501 : 2018

Ethics

ISO 37001 : 2016  
ISO / IEC 27001 : 2013

Social Responsibility

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



# GFL – Way Forward

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- We believe that company should see a significant revenue growth and profitability improvement owing to the following
  - **Expansions** : we have / are in the process of augmenting existing as well as adding new capacities in new Fluoropolymers and Specialty Chemicals which are yet to be fully commissioned. The same are expected to reach full utilization in the next 2-3 quarters leading to higher revenues and profits. RoCE is expected to further improve given the higher margins from these incremental sales.
  - **New Age Products** : We believe our New Age products will see substantial growth in next few years and with higher margins will lead to further improvement in our financial return ratios. During Q3 FY 22 GFL incorporated wholly owned subsidiaries, GFCL EV Products Limited & GFCL Solar and Green Hydrogen Products Limited, primarily focused on this segment.
  - **Debt Reduction** : while our current net debt equity ratio is very low, we intend to reduce it further so as to be a zero debt company in the near future.
  - **Reduction in Working Capital Cycle** : We are continuously focusing on reducing inventories and receivables as well as more efficient procurement to reduce overall working capital. Our efforts have resulted into reduction of working capital cycle from 168 days as on 31<sup>st</sup> March 2021, to 138 days as on Dec 31<sup>st</sup>, 2021.



# For further queries:

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**Bhavin Desai**

**Company Secretary**

Email: [bvdesai@gfl.co.in](mailto:bvdesai@gfl.co.in)



*Thank  
you*



This presentation and the following discussion may contain “forward looking statements” by Gujarat Fluorochemicals Limited (“GFCL” or “the Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future state of affairs, results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of GFCL about the business, industry and markets in which GFCL operates.

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.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of GFCL. In particular, such statements should not be regarded as a projection of future performance of GFCL. It should be noted that the actual performance or achievements of GFCL may vary significantly from such statements.

Accordingly, this presentation is subject to disclaimer and qualified in its entirety, by assumptions and qualifications and therefore, the readers are cautioned not to place undue reliance on forward looking statements as a number of factors could cause assumptions, actual future results and events do differs materially from those expressed in the forward looking statements.