

Gujarat Fluorochemicals Limited

Investor Presentation

Q2FY24



Earnings Update Q2FY24

Financial Trend

Company Overview

Core Competencies





Earnings Update

Q2FY24

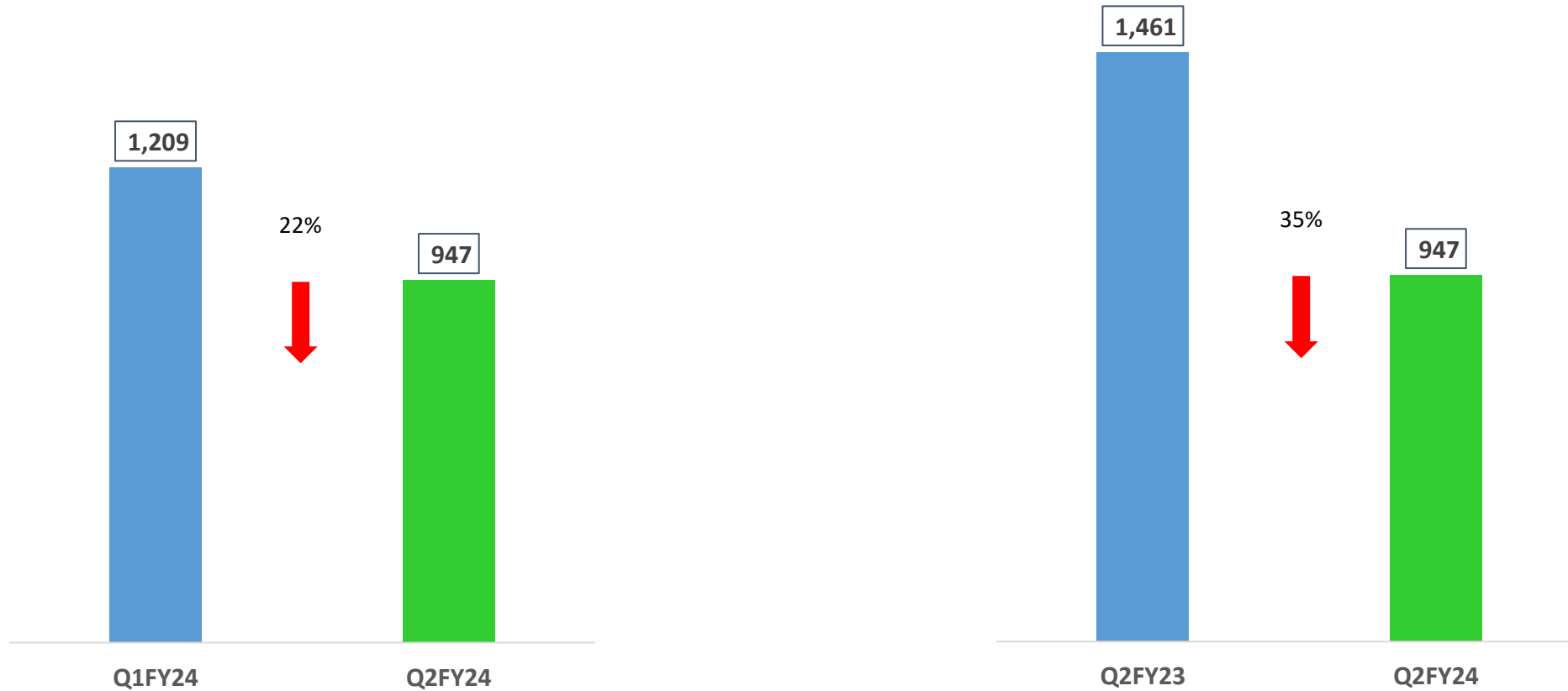


Q2FY24 Highlights

- Consolidated Revenue from Operations for Q2FY24 was Rs. 947 Cr down by 35% on a YoY basis.
- Consolidated EBIDTA for Q2FY24 was Rs. 163 Cr down by 70% on a YoY basis.
- The EBIDTA margins for Q2FY24 were 17% as against 37% in Q2FY23.
- Consolidated PAT for Q2FY24 was Rs. 53 Cr down by 85% on a YoY basis.
- RoCE & RoE stood at 11.64% & 9.01% respectively.
- Integrated LiPF6 and Electrolyte plants are in advance stage of commissioning and expect to start sampling to customers very shortly.



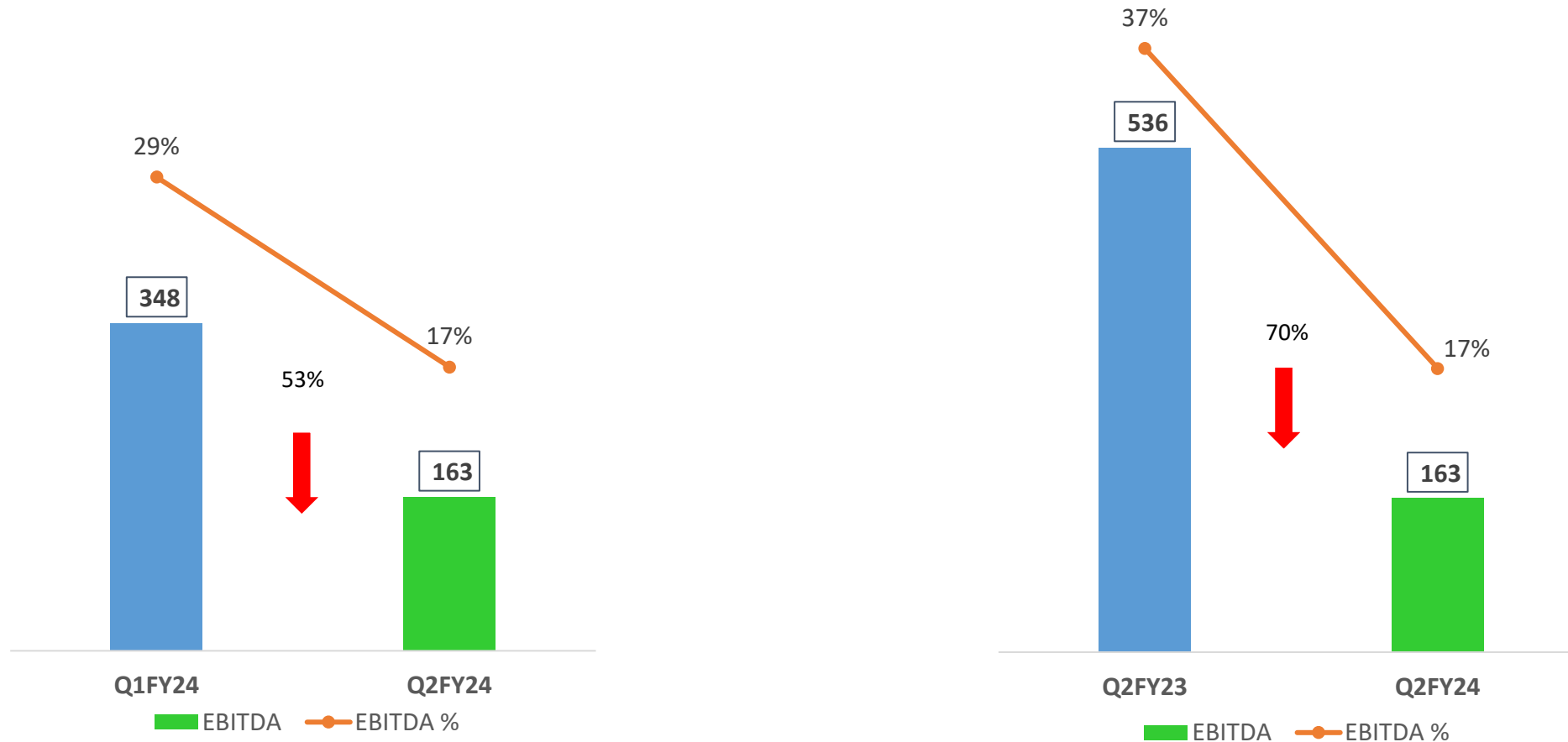
Consolidated Revenue From Operations



Figures in Rs. Cr



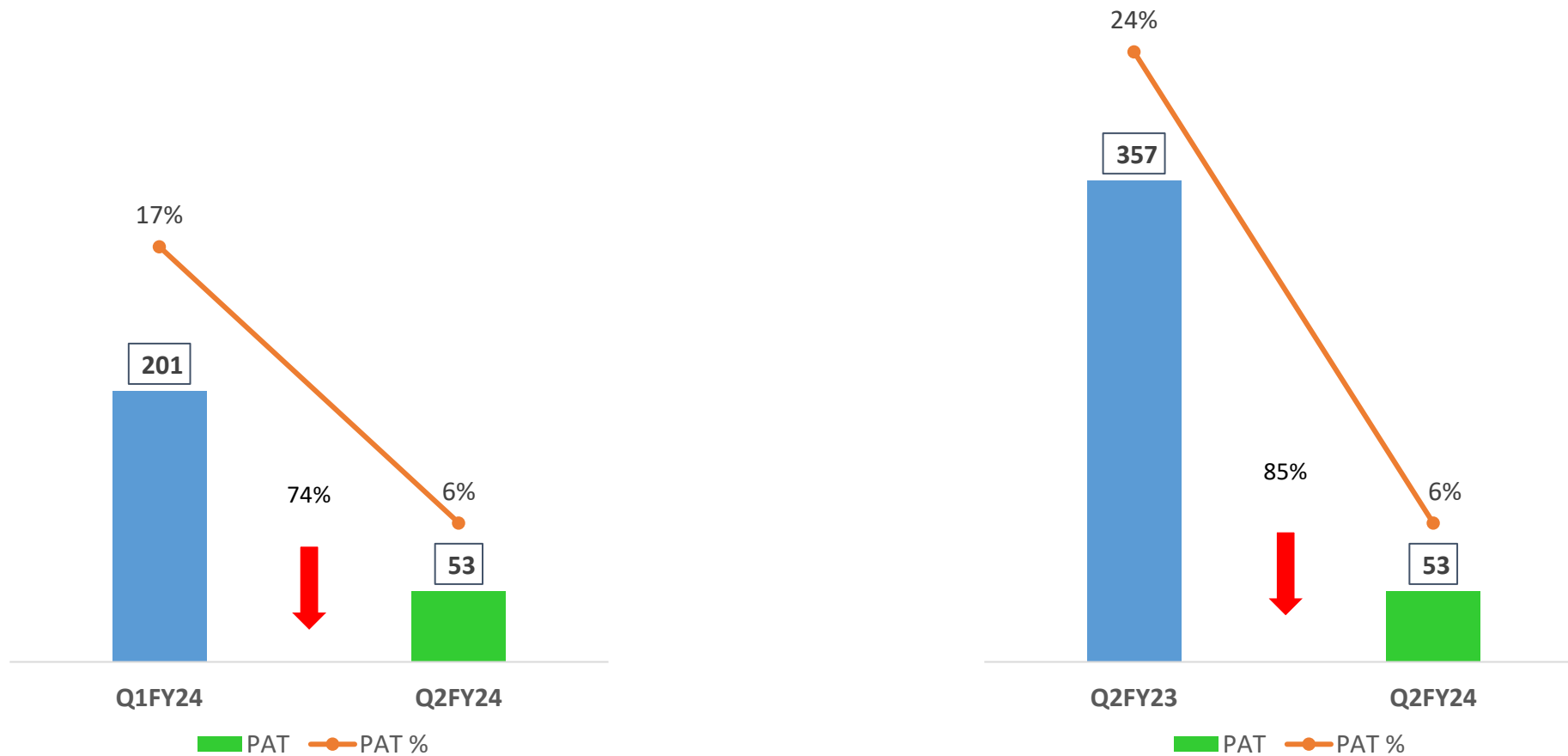
Consolidated EBITDA & EBITDA Margin



Figures in Rs. Cr



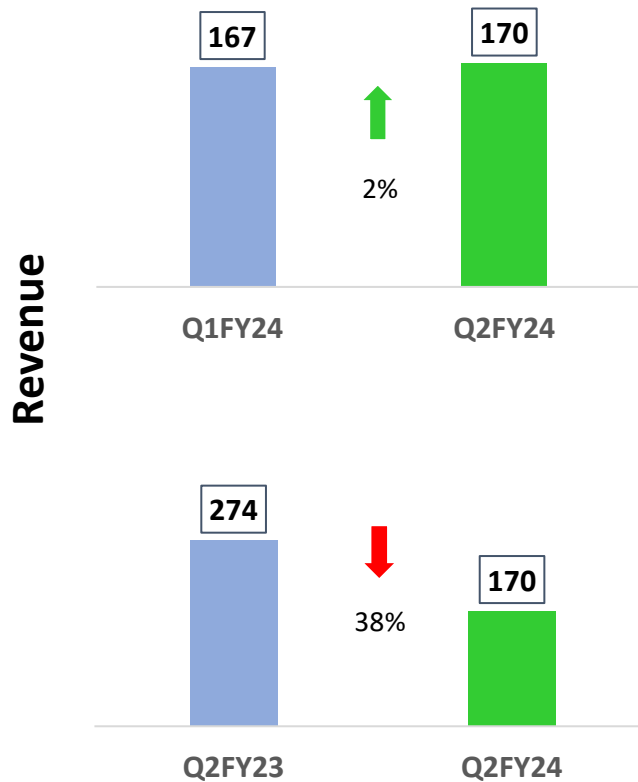
Consolidated PAT & PAT Margin



Figures in Rs. Cr



Business Vertical – Bulk Chemicals



Performance and Outlook – Bulk Chemicals

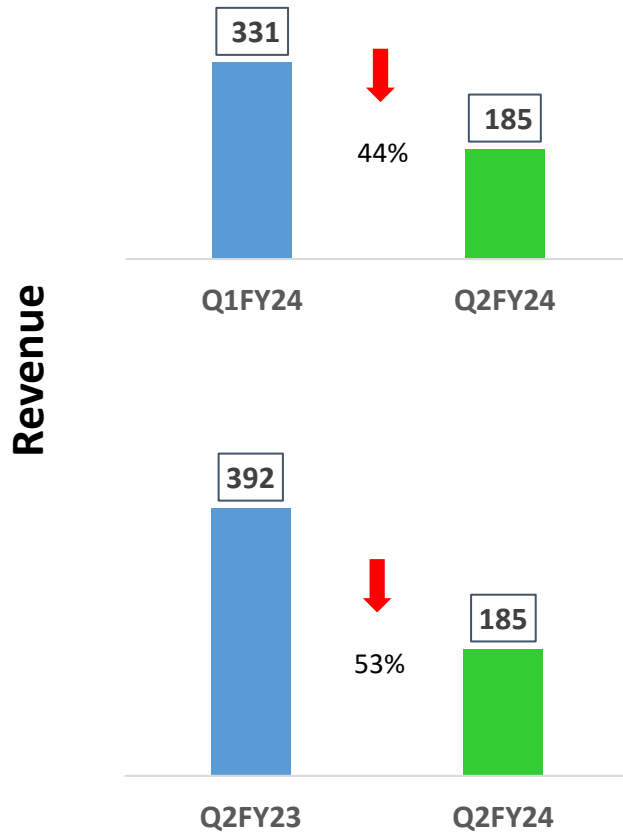
Volumes have improved marginally over the previous quarter.

Caustic soda/MDC prices were impacted further during the quarter but expected to have bottomed out.

Expect this segment to perform better in H2FY23 as compared to H1FY23.

Figures in Rs. Cr

Business Vertical – Fluorochemicals



Performance and Outlook - Fluorochemicals

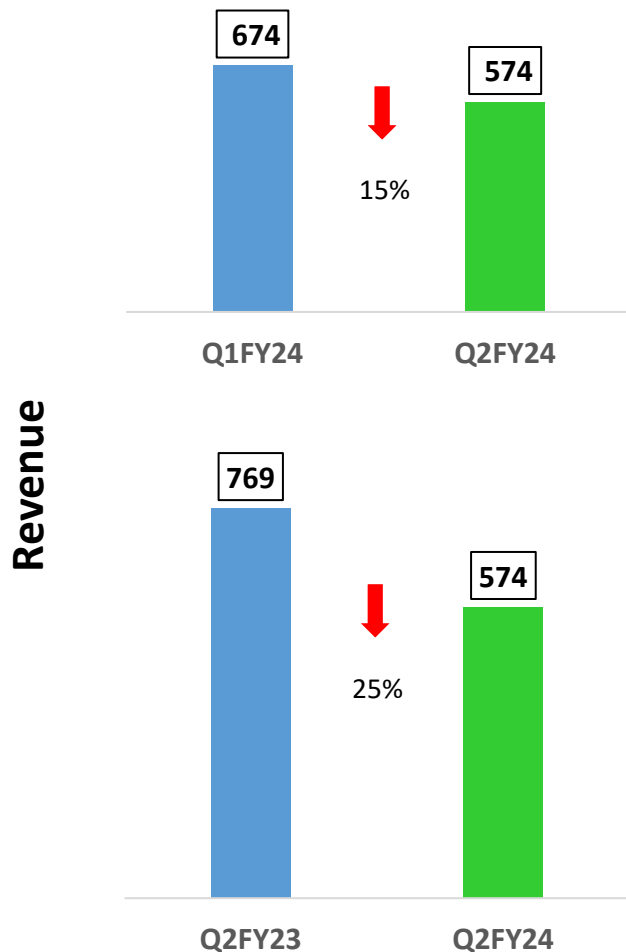
Volumes and Prices have been impacted significantly on account of drop in R125 exports to US and also due to poor season in domestic market.

Specialty chemical continues to be sluggish and Chinese dumping particularly in this segment to continue impacting both revenue and margins.

Ref Gas volumes are expected to improve going forward however may remain subdued compared to FY23 due to impact of phasing out in US and aggressive Chinese pricing.

Figures in Rs. Cr

Business Vertical – Fluoropolymers



Figures in Rs. Cr

Performance and Outlook - Fluoropolymer

Fluoropolymers performance majorly impacted due to, (i) commodity and lower end grades of PTFE where prices saw a sharp decline due to Chinese dumping, (ii) due to continued destocking in higher end grades, and headwinds due to sluggishness in demand particularly in Europe.

H2FY24 is expected to be better as compared to H1FY24 primarily due to expected phasing out of destocking, pickup in the demand in US and positive impact of exit of legacy players.

GFL has been working on optimizing product mix for entire fluoropolymer segment to move to higher end grades, this is expected to yield better results starting H2FY24.

Additional fluoropolymer capacities that were recently setup are expected to result in continued increase in sales over the subsequent quarters.

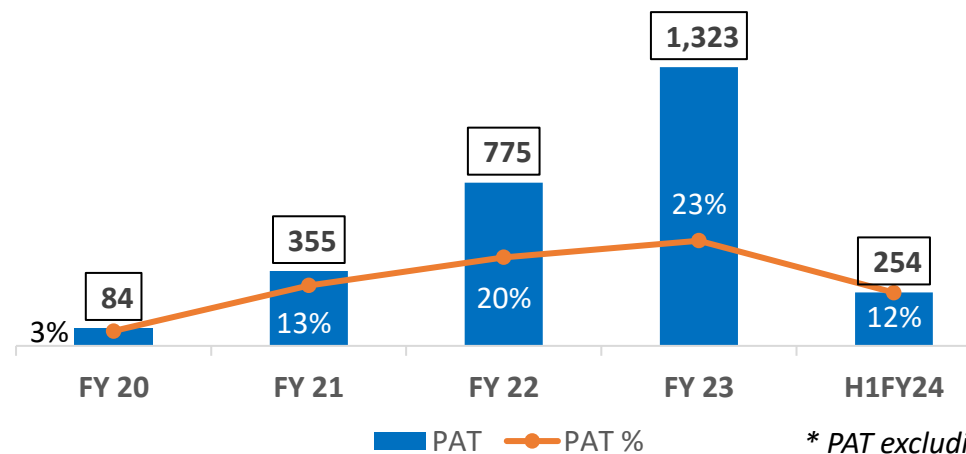
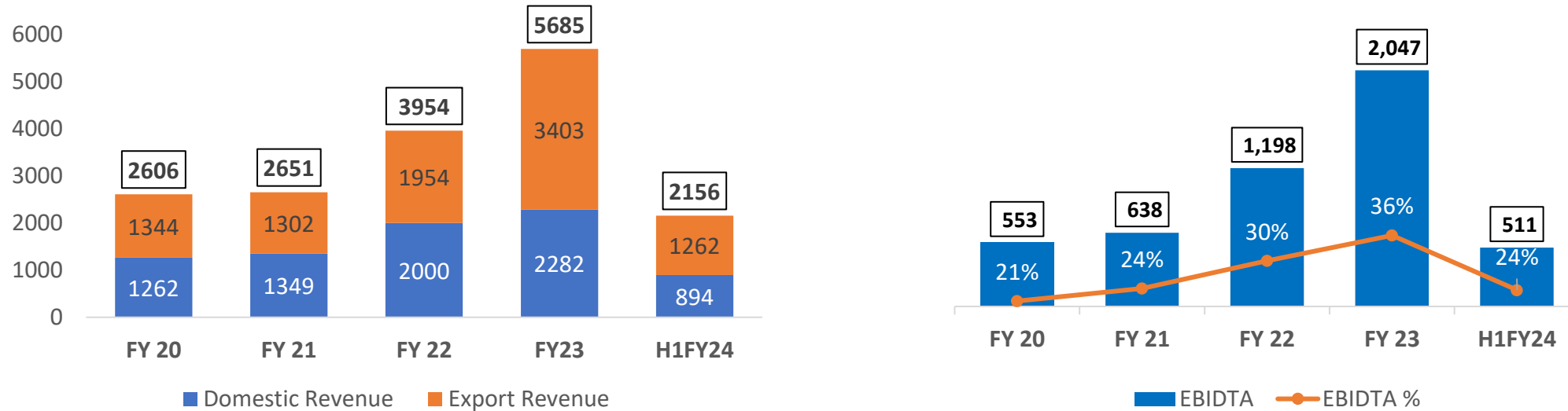
Sunrise sectors such as EV, Green Hydrogen, Semi-conductors and Solar amongst others to contribute to further increase in demand for various fluoropolymers.



Financial Trend



Annual Revenue, EBIDTA and PAT Trend

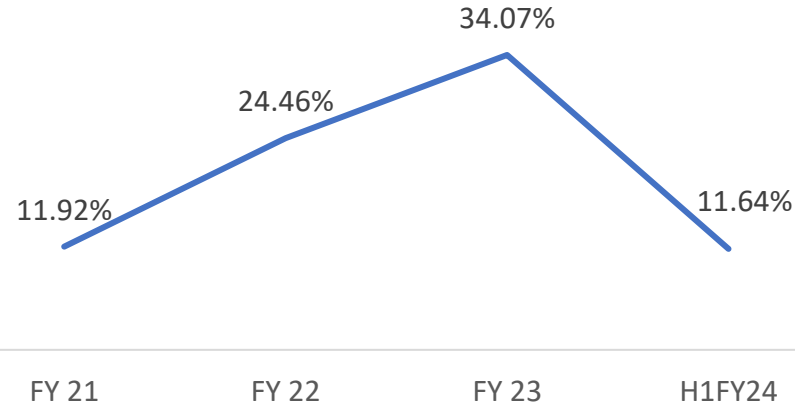


* PAT excluding exceptional items & earlier years taxation

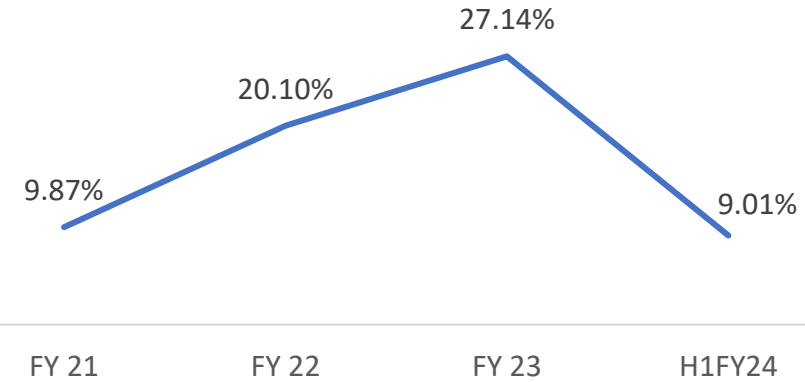
Figures in Rs. Cr

RoCE-RoE, Debt-Equity & Working Capital Trend

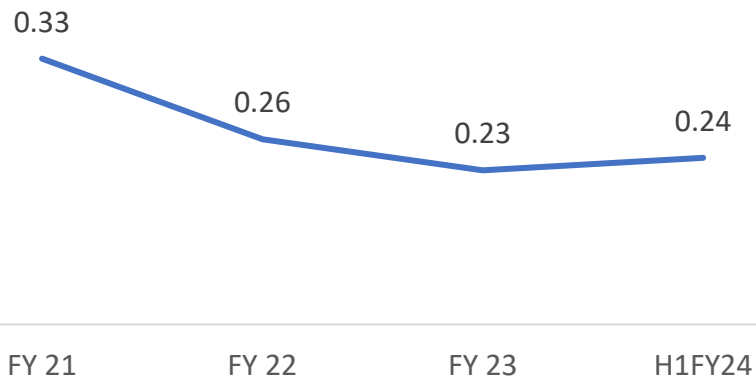
RoCE



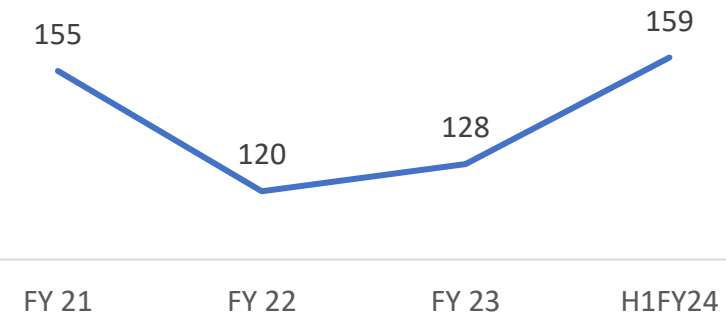
RoE



Net Debt Equity Ratio

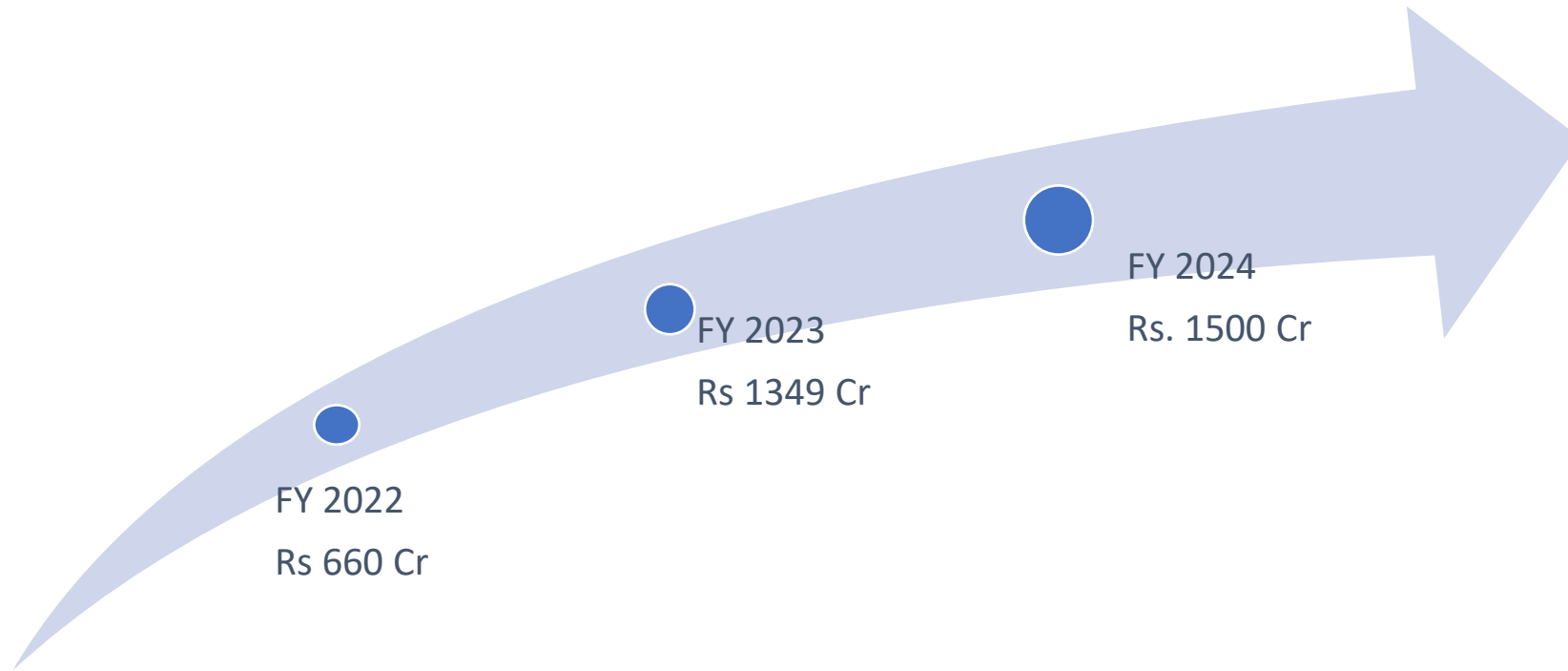


Working Capital Days



* Excluding one offs and extraordinary income / loss

Capex



Some part of the planned capex for FY24 is expected to be staggered to H1FY25. Capex plans for subsequent years remain unchanged.





COMPANY OVERVIEW



INOXGFL 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 4 listed entities has a market capitalization ~ 5 bn USD.



Chemical Business



- Gujarat Fluorochemicals Ltd, leading Indian Chemicals Company.
- Business verticals : Fluoropolymers, Fluorochemicals & Bulk 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. The company is in process of amalgamation into Inox Wind Ltd.



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">• Textiles• Soaps & Detergents• Alumina	<ul style="list-style-type: none">• Feedstock for Refrigerant Gas R-22• Solvent - Pharma	<ul style="list-style-type: none">• Pharma API• Foam manufacturing• Agri-chem & Pharma Formulation	<ul style="list-style-type: none">• Pesticides• Agricultural Chemicals• Plastics• Resins

➤ Major producer of Chloroform and MDC.



Fluorochemicals Vertical

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

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

- 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"> • PVDF Electrode Binders • Battery Chemicals • LiPF6 • Additives • Electrolyte Formulations 	<ul style="list-style-type: none"> • PVDF Film • Back-sheet 	<ul style="list-style-type: none"> • Fluoropolymers(FKM, PTFE, FEP) • Membranes • Charging Accessories

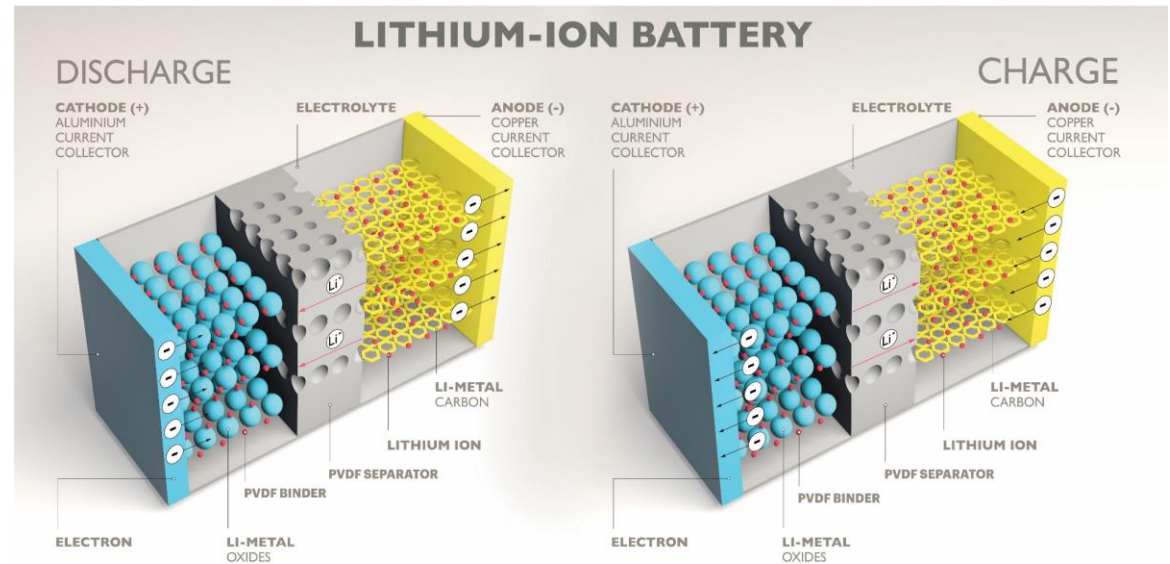
- GFL has developed technology and products to participate in each of these industries having huge potential and offering higher margins.
- Entry barriers : Technology, product development, stringent quality standards, buyer qualification, gestation period and a capex intensive integrated value chain.



New Age Vertical-Electric Vehicle Batteries

APPLICATIONS	ELECTRIC VEHICLES BATTERIES
PRODUCTS	<ul style="list-style-type: none"> • PVDF Electrode Binders • Battery Chemicals • LiPF₆ • Additives • Electrolyte Formulations

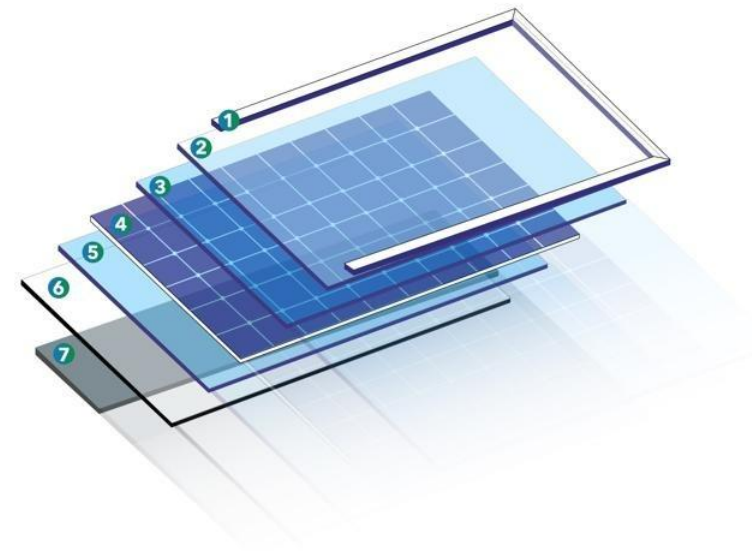
- Battery demand 2030 for EVs, energy storage and consumer electronics is estimated at 2633 GWH with EV battery chain providing revenue opportunities of 300 Billion US\$ by 2030. (Source: World Economic Forum, Mckinsey Analysis dated October 2019).
- Almost a dozen companies are planning to set up EV 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">• PVDF Film• Back-sheet

- Under the Solar Mission, to reduce both the carbon emissions and the dependance 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

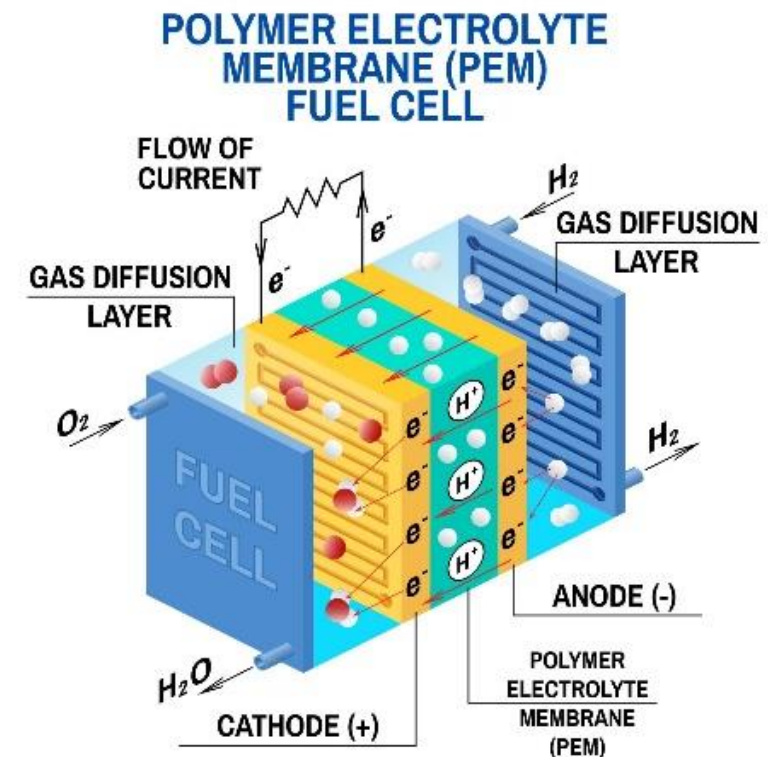
Solar Panel



New Age Vertical-Hydrogen Fuel Cells / Electrolyzers

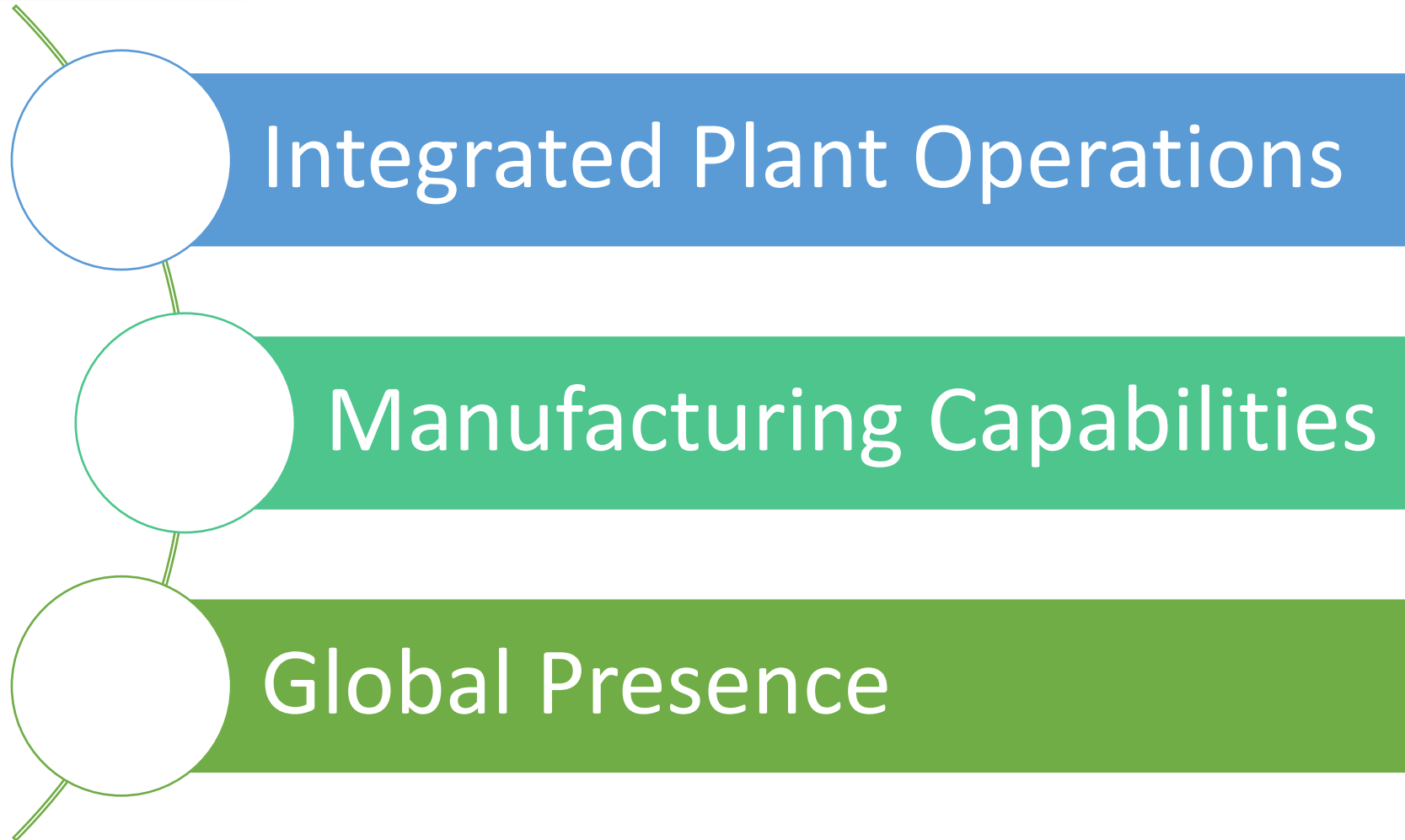
APPLICATIONS	HYDROGEN FUEL CELLS / ELECTROLYZERS
PRODUCTS	<ul style="list-style-type: none">• Fluoropolymers(FKM, PTFE, FEP)• Membranes• Charging Accessories

- 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.

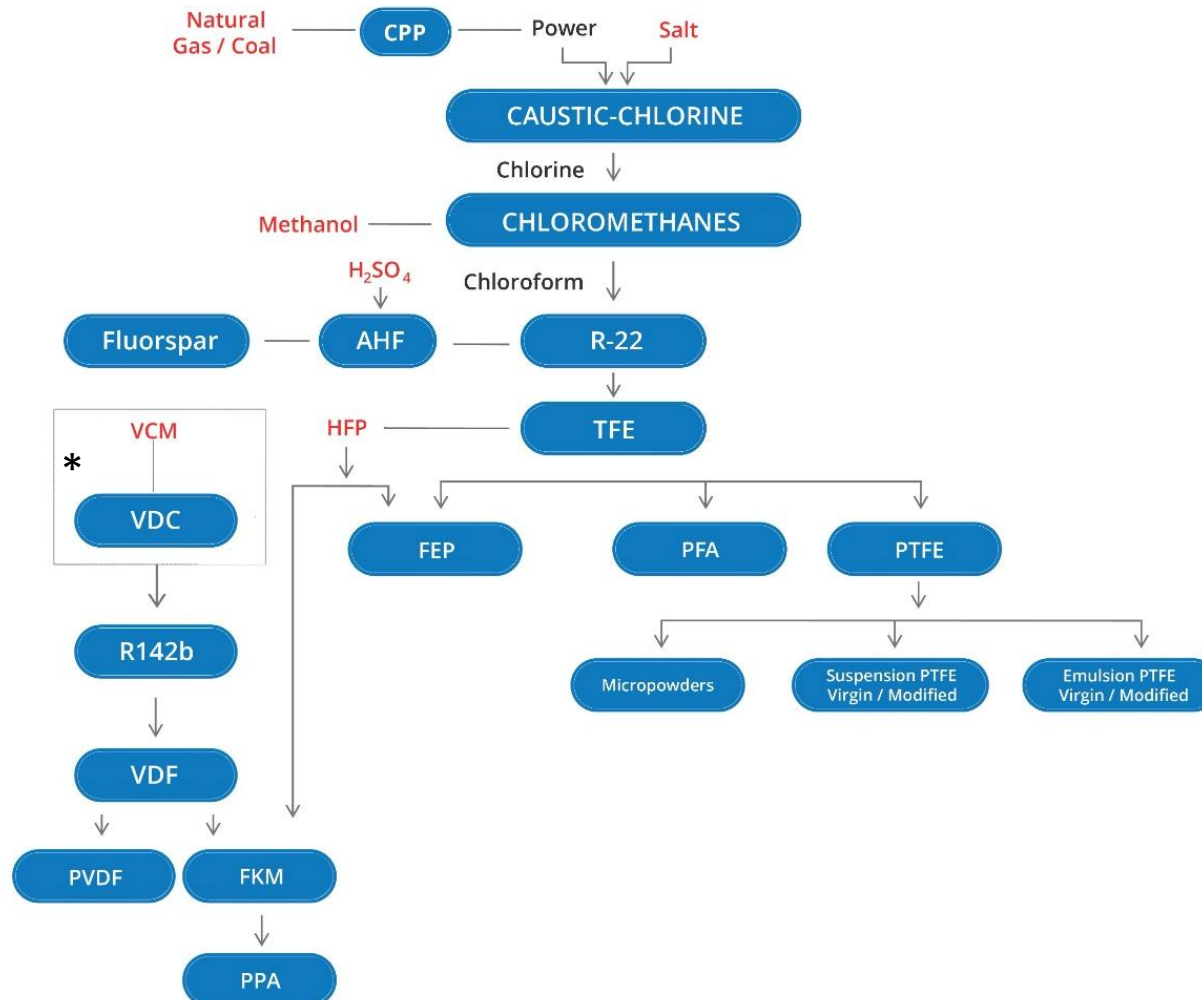




Core Competencies



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

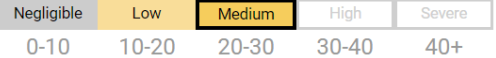

Collaborates with renowned educational and research institutes

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

ESG Ratings	Environment	Social	Governance
<p>ESG Risk Rating CORE ?</p> <p>24.5 Medium Risk</p>  <p>MORNINGSTAR SUSTAINALYTICS</p> 	<p>ISO 14001:2015 Environment Management System</p> <p>ISO 9001:2015 Quality Management System</p>	<p>ISO 45001:2018 Occupational Health & Safety Management System</p> <p>SA – 8000 Social Accountability</p> <p>ISO 26000 Social Responsibility</p> <p>ISO 20400 Sustainable Procurement</p>	<p>ISO 37001:2016 Anti Bribery Management System</p> <p>ISO/IEC 27001:2022 Information security management systems</p>



Sustainability

Environment

Social



2000282 GJ

FY 23 Renewable energy inputs

Reused 24% ↑

FY 23 Integrated Waste Management

14% ↓

FY 23 Water Consumption

11% ↓

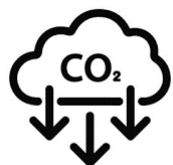
FY 23 Wastewater disposal

8% ↑

FY 23 Water Recycled

14% ↓

FY 23 GHG Emission Reduction



3418 Numbers

FY 23 Total Employee

8%

FY 23 Employee Retention Rate

> 0.25

FY 23 Lost time incident frequency rate (LTIFR)

> 0.7

FY 23 Total recordable incident frequency rate

78%

FY 23 Beneficiaries from vulnerable and marginalized groups

8.62 Crores

FY 23 CSR Investment



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



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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.

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.

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