

Gujarat Fluorochemicals Limited

Investor Presentation

Q1FY23



Earnings Update Q1FY23

Financial Trend

Company Overview

Core Competencies





Earnings Update - Q1FY23

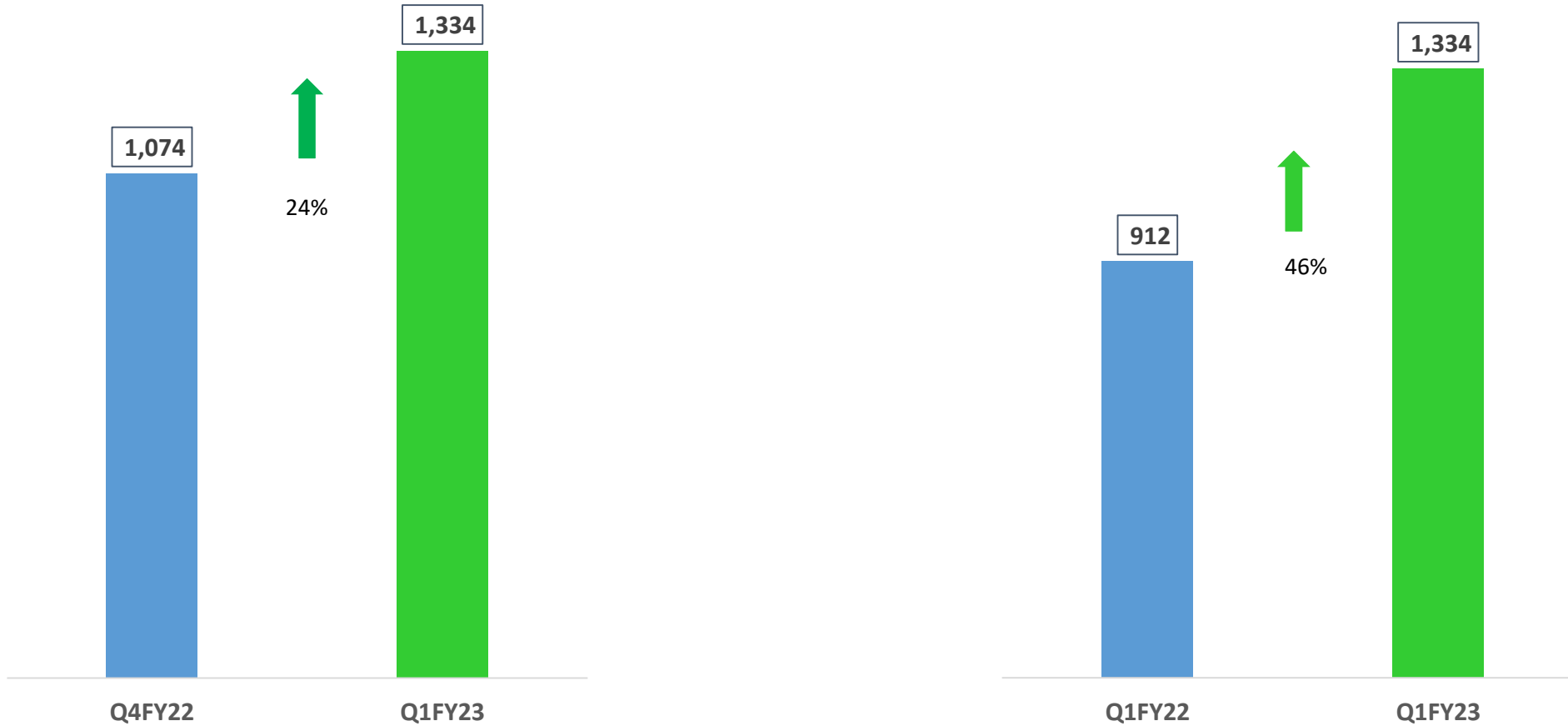


Q1FY23 Highlights

- Consolidated **Revenue** for Q1FY23 was Rs. 1334 Cr **up by 46%** on a YoY basis.
- Consolidated **EBIDTA** for Q1FY23 was Rs. 459 Cr **up by 80%** on a YoY basis.
- The **EBIDTA margins** for Q1FY23 **were 34%** as against 28% in Q1FY22.
- Consolidated **PAT** for Q1FY23 was at Rs. 303 Cr **up by 101%** on a YoY basis.
- **RoCE & RoE** improved to **35.3% & 27.7%** respectively.
- Continue to expand and commercialize additional capacities for new fluoropolymers.
- New projects / additional capacities announced earlier are progressing as per schedule.



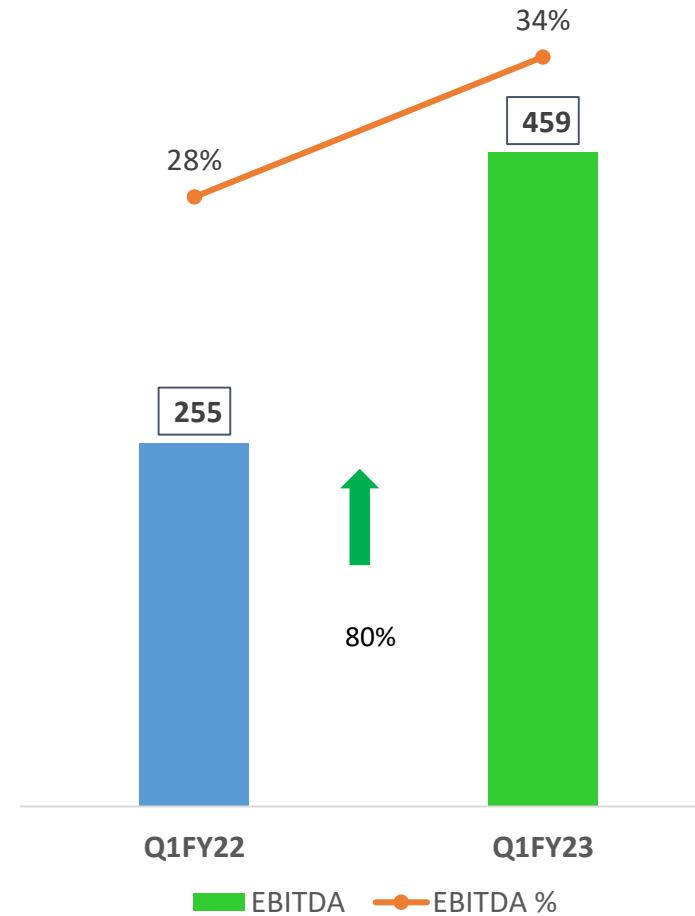
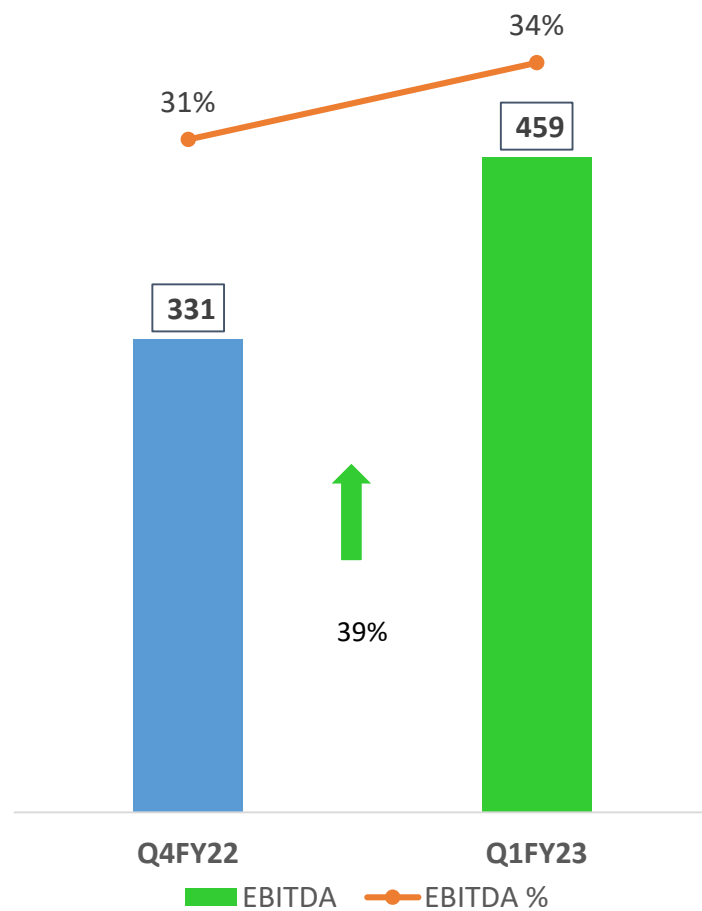
Consolidated Revenue



Figures in Rs. Cr



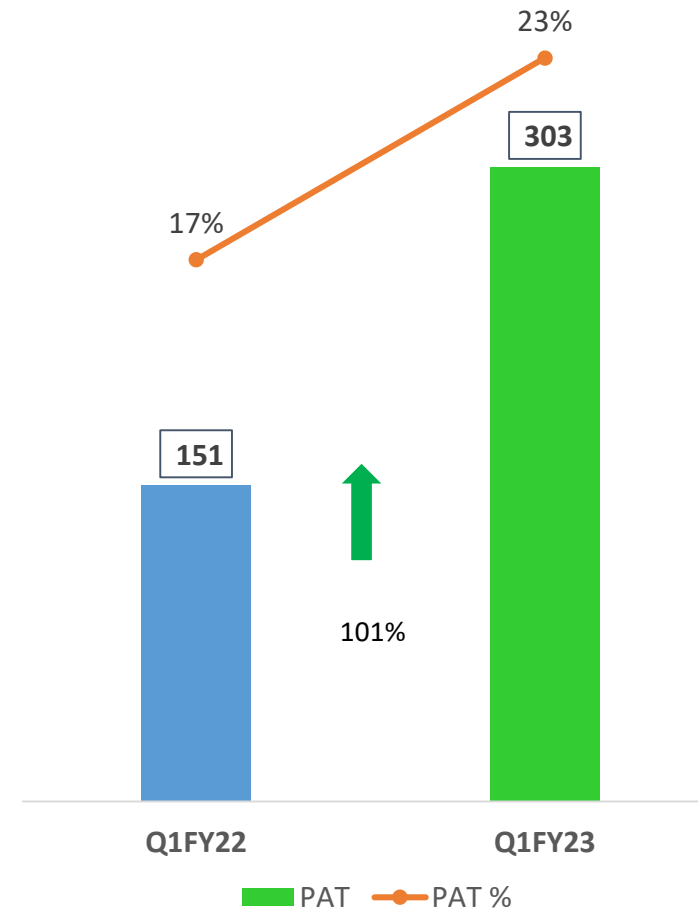
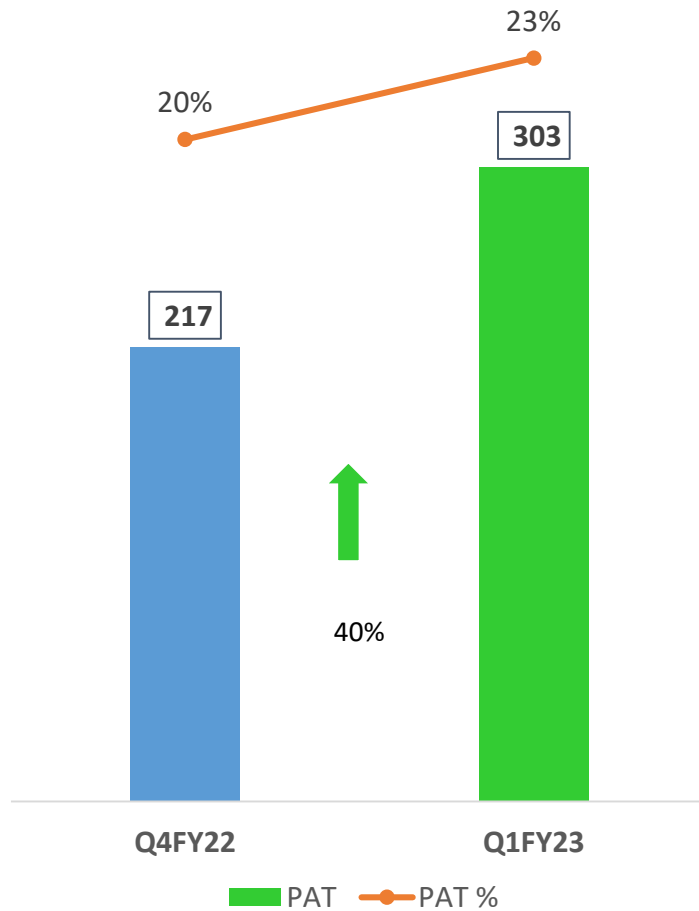
Consolidated EBITDA & EBITDA Margin



Figures in Rs. Cr



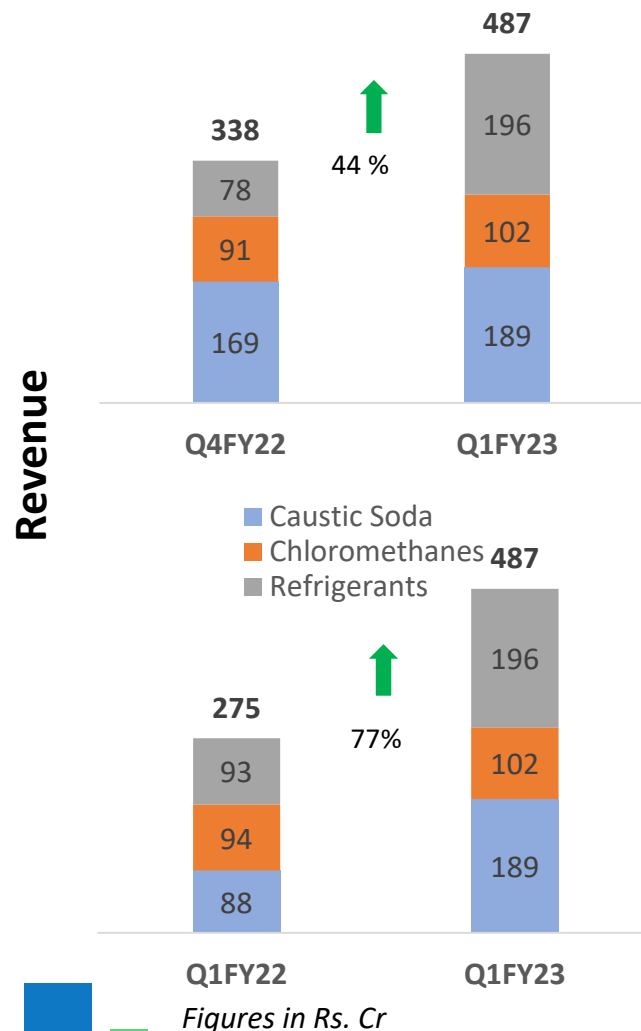
Consolidated PAT & PAT Margin



Figures in Rs. Cr

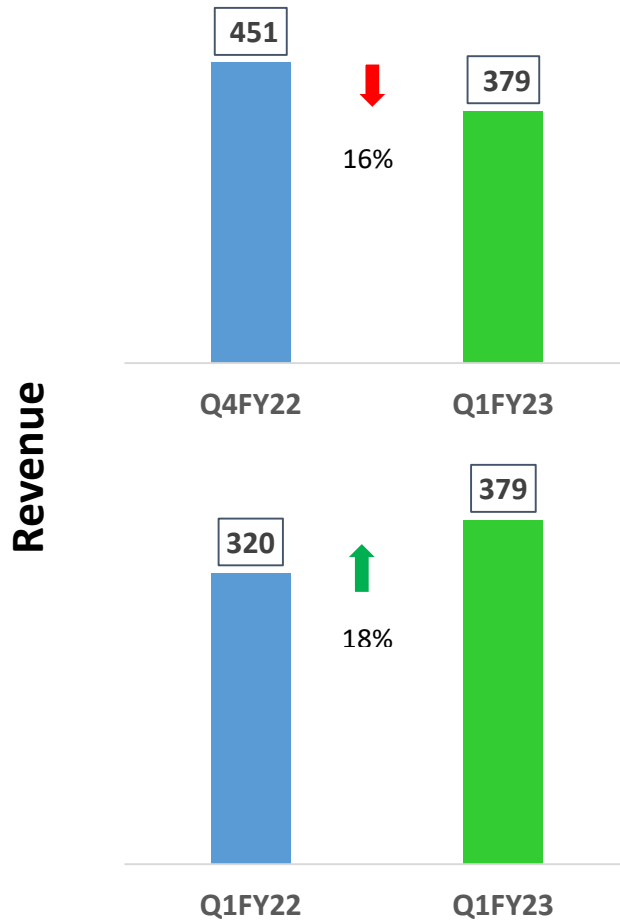


Business Vertical – Bulk Chemicals



Caustic Soda	Chloromethanes	Refrigerants
Plants running at full capacity during the quarter.	Plants running at full capacity barring planned annual shut down during the quarter.	Volumes and Prices have improved due to commencement of R125 sales.
Caustic soda prices increased marginally during this quarter and are expected to remain stable.	Prices of MDC remained stable during this quarter.	Demand is expected to remain stable except for seasonal variations.
Demand-Supply situation expected to remain balanced for the next several quarters.	Prices are likely to be impacted going forward as additional domestic capacities are expected to be commissioned.	
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)

Limited availability of TFE for PTFE due to product mix change during the quarter resulted in lower production. The TFE capacity is being augmented to meet the higher requirements for both PTFE and Refrigerants.

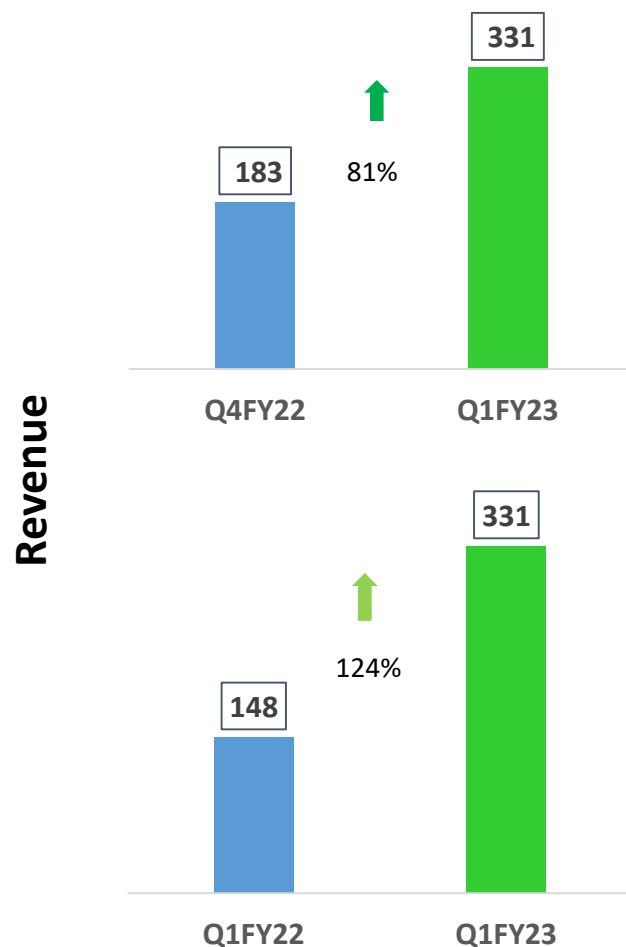
Demand continues to stay strong across geographies and applications.

Prices have remained stable during the quarter.

Capacity augmentation being planned in line with demand growth.

Figures in Rs. Cr

...New Fluoropolymers



Figures in Rs. Cr

New Fluoropolymer

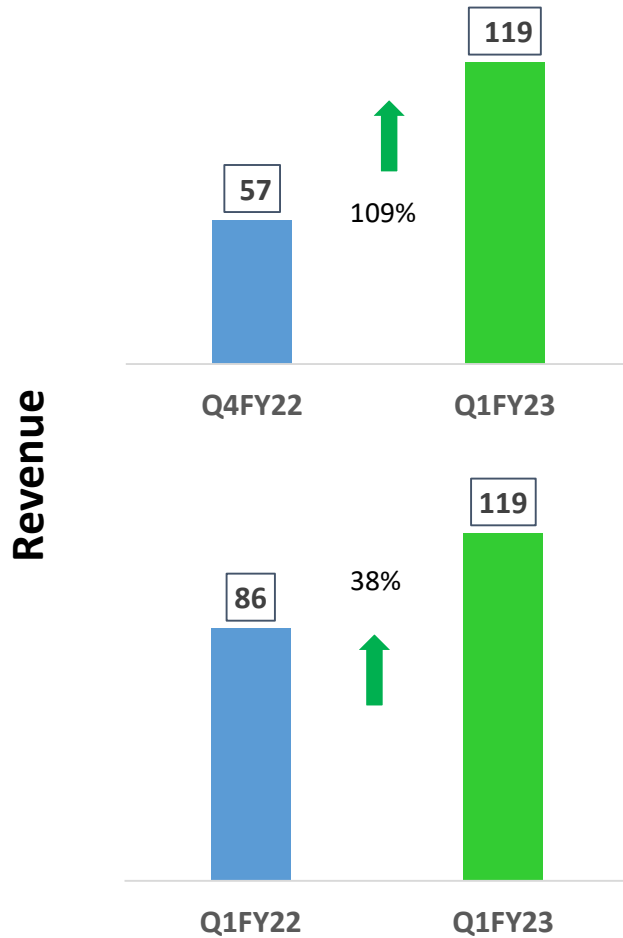
The higher revenues realized during this quarter is due to additional capacities commissioned and price improvements.

There is continued increase in demand, which will be met with additional capacities expected to be commissioned going forward.

Development of newer grades has resulted into expansion of volumes for all the fluoropolymers in all geographies.

Prices for new fluoropolymers are expected to remain strong.

Business Vertical – Specialty Chemical



Specialty Chemical

Normal operations have resumed.

New plants are being commissioned and expected to gradually ramp up production in the upcoming quarters.

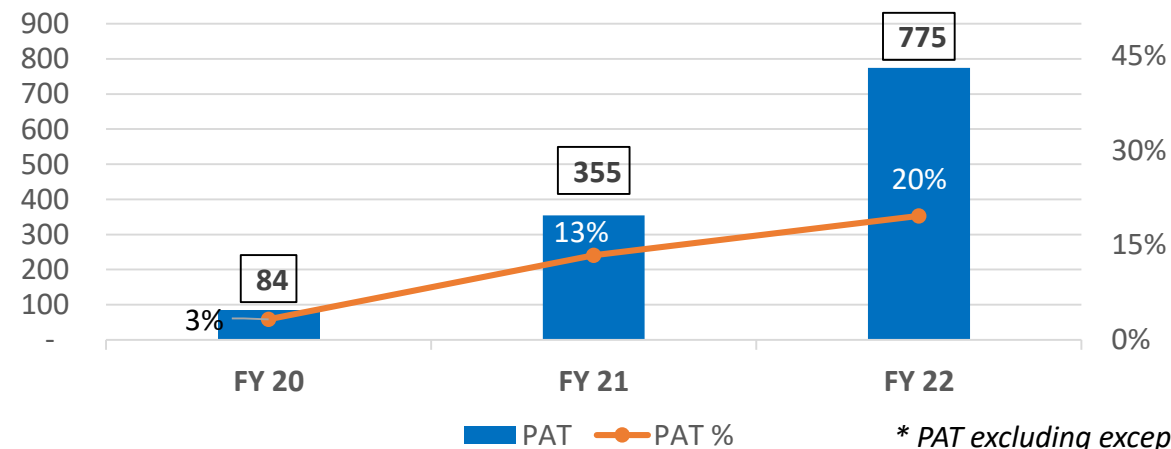
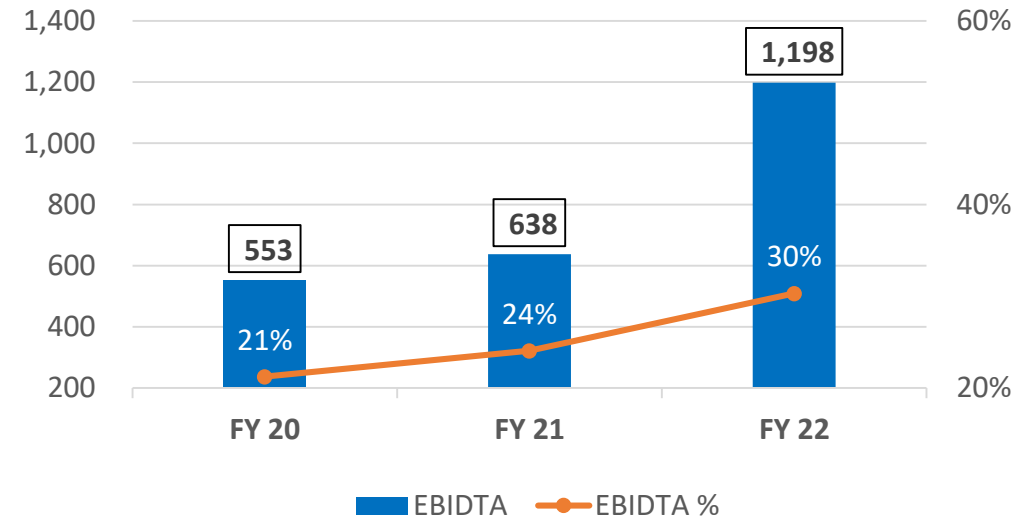
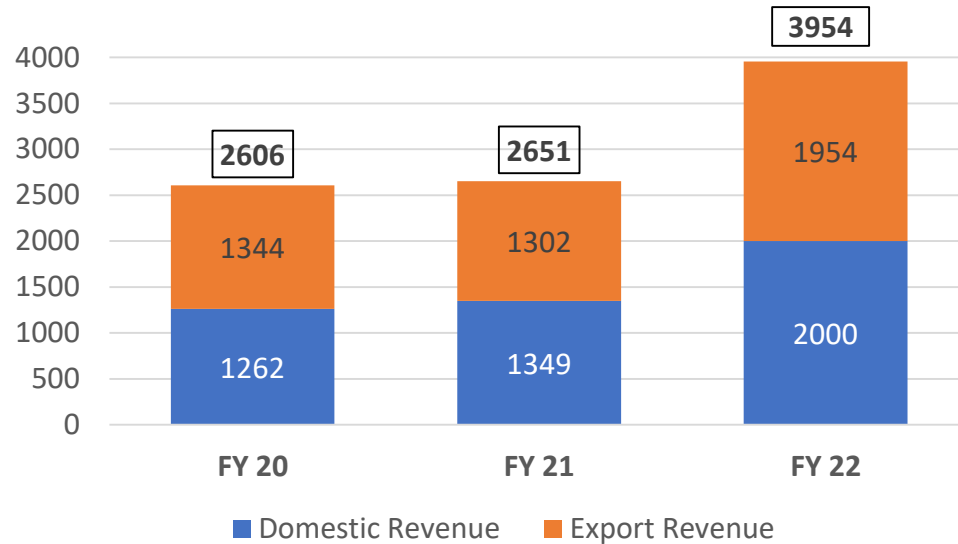
Figures in Rs. Cr



Financial Trend



Annual Revenue, EBIDTA and PAT Trend

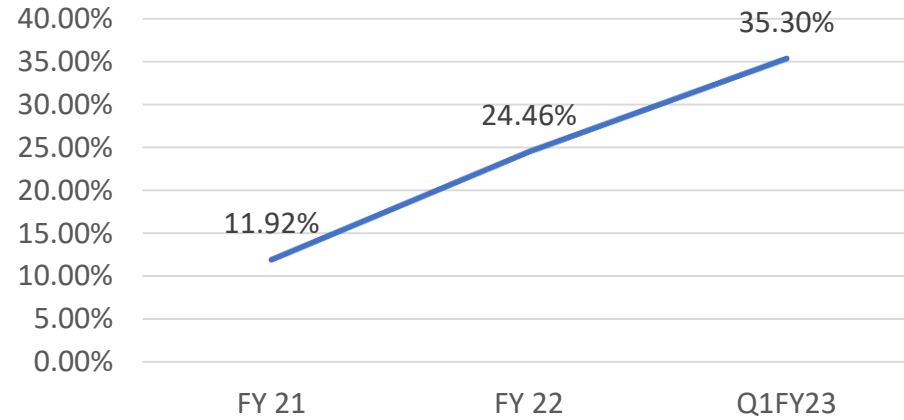


Figures in Rs. Cr

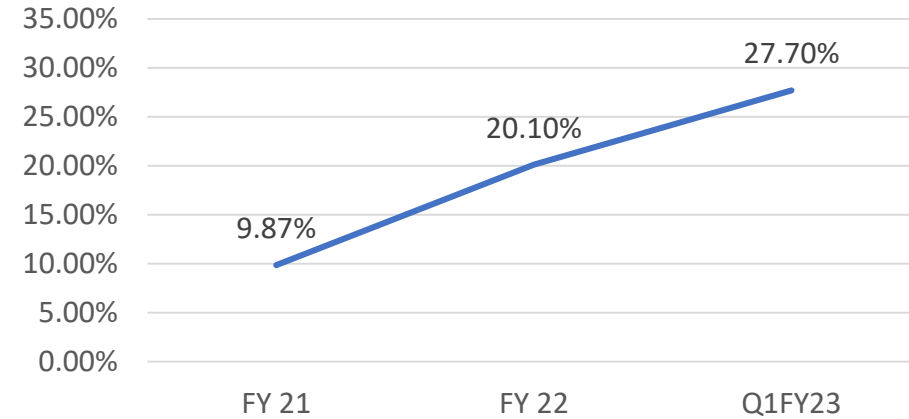
* PAT excluding exceptional items & earlier years taxation

RoCE-RoE , Debt-Equity & Working Capital Trend

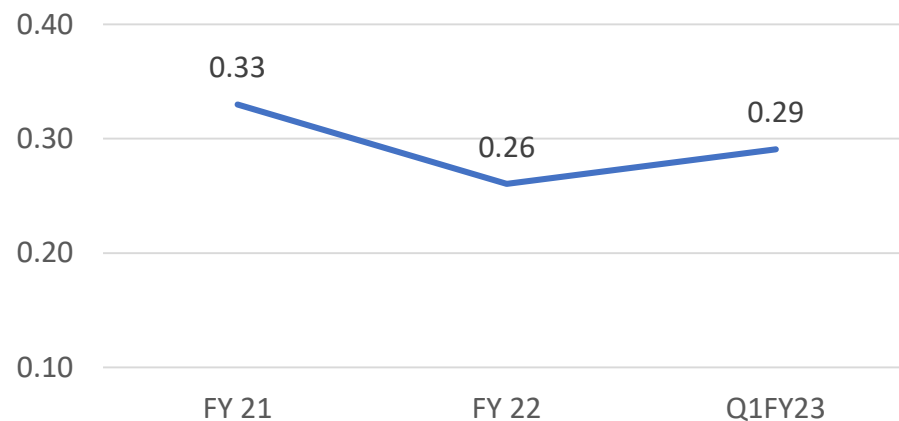
RoCE



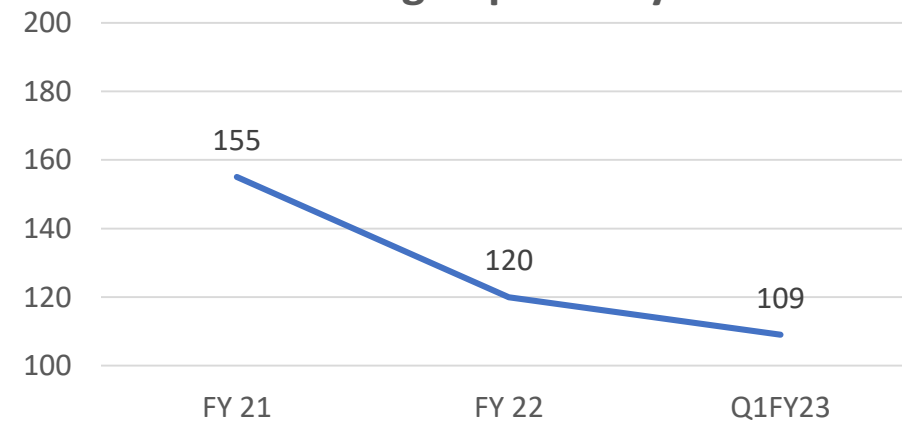
RoE



Net Debt Equity Ratio



Working Capital Days



* Excluding one offs and extraordinary income / loss

Capex Plan



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





COMPANY OVERVIEW



INOX GFL GROUP



An **INOXGFL** Group Company

The Inox GFL Group with a legacy of more than 90 years is one of the largest business Group's 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.
- The only 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 8 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



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

Bulk Chemicals Vertical

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

- 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
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 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.



Specialty Chemicals Vertical

PRODUCTS	HF BASED	TFE BASED	KF BASED
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

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

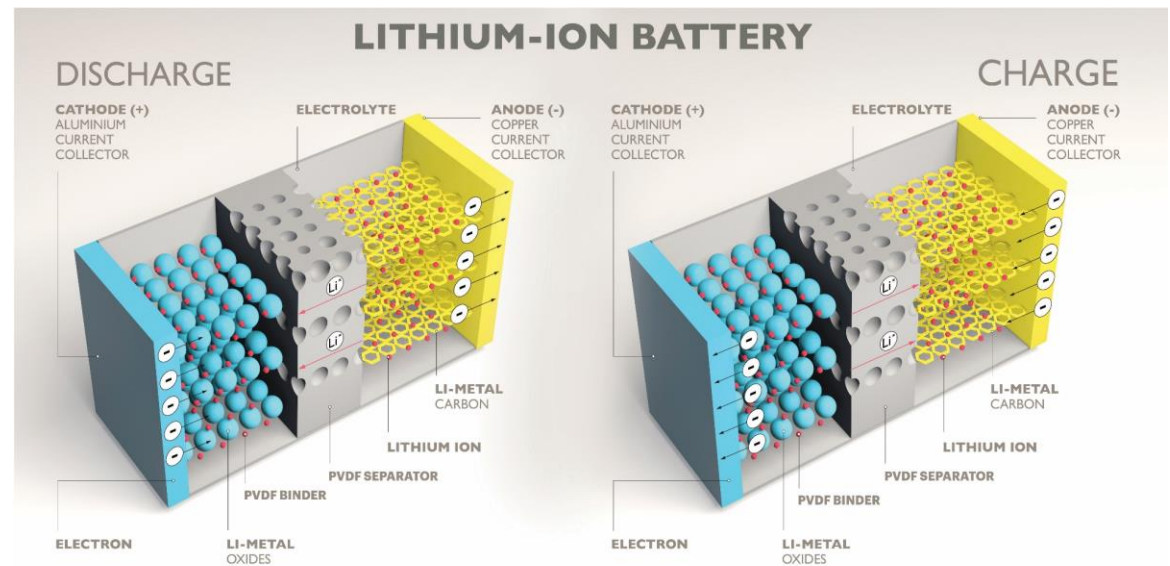
- GFL has developed technology and products to participate in each of these industries having huge potential and offering higher margins.
- Entry barriers : Technology, product development, stringent quality standards, buyer qualification, gestation period and a capex intensive integrated value chain.



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 casings

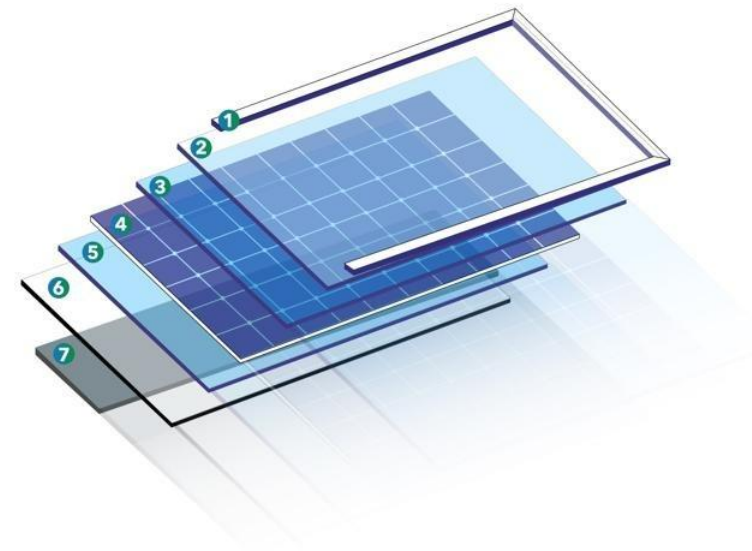
- Battery demand 2030 for EVs, energy storage and consumer electronics is estimated at 2633 GWH with EV battery chain providing revenue opportunities of 300 Billion US\$ by 2030. (Source: World Economic Forum, Mckinsey Analysis dated October 2019).
- Almost a dozen companies are planning to set up EV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

- 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

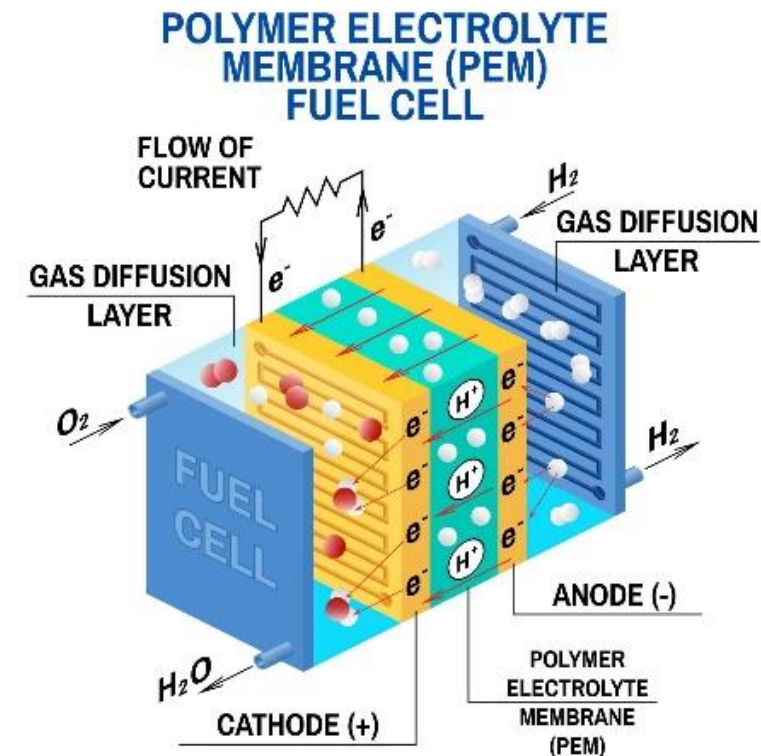
Solar Panel



New Age Vertical-Hydrogen Fuel Cells / Electrolyzers

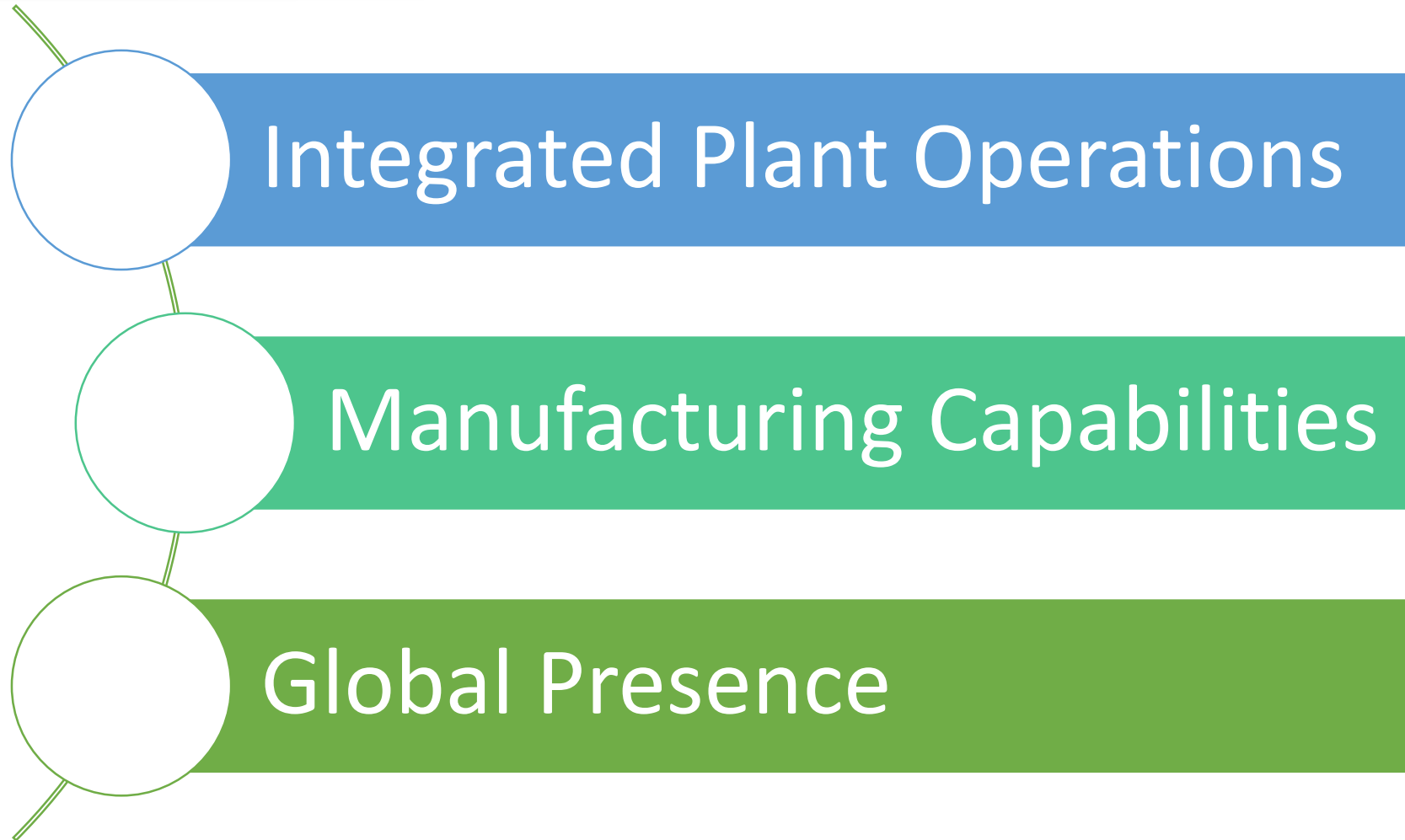
APPLICATIONS	HYDROGEN FUEL CELLS / ELECTROLYZERS
PRODUCTS	<ul style="list-style-type: none">• Fluoropolymers(FKM, PTFE, FEP)• Membranes• Charging Accessories

- 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 electrolyzers.
- GFL with its rich experience and a portfolio of major Fluoropolymers is well equipped to cater to the Fluoropolymers required for the hydrogen electrolyzers, 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.

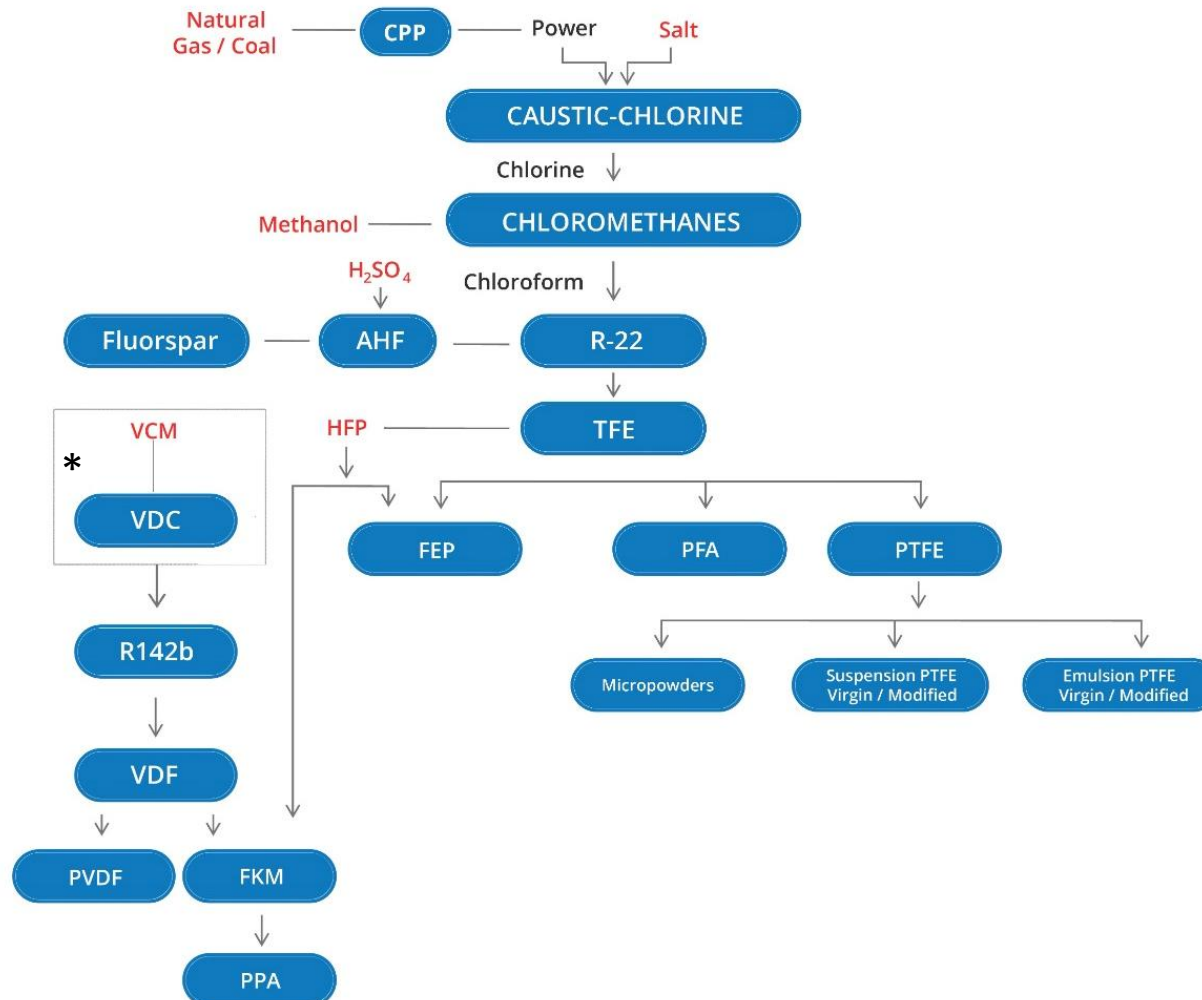




Core Competencies



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, 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



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Thank You

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