

August 11, 2023

The Compliance Manager

BSE Limited

Corporate Relationship Department,

Phiroze Jeejeebhoy Towers,

Dalal Street,

Mumbai 400001.

Scrip Code: **500655**

The Manager, Listing Department

National Stock Exchange of India

Limited

Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,

Bandra (East), Mumbai 400 051.

Trading Symbol: **GRWRHITECH**

Subject: Regulation 30 of SEBI (LODR) Regulations, 2015-Press Release

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, we are enclosing herewith Press Release on the Unaudited Financial Results of the Company for the quarter ended June 30, 2023.

Thanking you,

For **Garware Hi-Tech Films Limited**

(Formerly known as Garware Polyester Limited)

Awaneesh Srivastava

Company Secretary

FCS 8513

Garware Hi-Tech Films Limited

FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2023

Consolidated revenue for Q1FY24 up 2.7% to Rs 380 crores and PAT was stable at Rs 44 crores compared to Q1FY23.

Solar protection and speciality films saw a recovery in volumes during the quarter compared to Q4FY23.

PPF business has grown significantly as a result of the expansion of the distribution network and the focus on the premium car segment. PPF business is expected to maximize capacity utilisation in the coming quarters.

Pearl float and solid white shrink films now commercialised. Shrink film volume drivers are customer conversion to sustainable materials and customised solutions.

Debt prepaid by Rs 50 crore, total debt presently at Rs 73 crore.

Mumbai, August 11, 2023: Garware Hi-Tech Films Limited (GHFL) (BOM: 500655 | NSE: GRWRHITECH), a global manufacturer of Solar Control Films (SCF), Paint Protection Films (PPF) and other speciality polyester films, announced results for the quarter ended June 30, 2023.

Consolidated Financial Summary:

Rs in Cr

Particulars	Quarter Ended					Year Ended
	Q1FY24	Q4FY23	Q1FY23	QoQ	YoY	FY23
Revenue	380	349	370	8.7%	2.7%	1,438
EBITDA	73	70	71	3.4%	2.9%	269
EBITDA %	19.2%	20.2%	19.1%	-	-	18.7%
Cash Profit	54	53	52	1.7%	3.3%	199
PBT	59	56	59	4.3%	(1.0%)	220
PAT	44	43	45	1.4%	(1.9%)	166
PAT %	11.5%	12.3%	12.0%	-	-	11.6%
EPS	18.81	18.54	19.17	-	-	71.51

Dr S. B. Garware, Chairperson and Managing Director of GHFL

Commenting on the results, **Dr S B Garware, Chairman and Managing Director**, said, "*GHFL has embarked on a major transformation journey with speciality films, expanded distribution channels and a customer-centric approach at its core. Building on the initiatives undertaken a few years ago, the company has effectively positioned itself as a leading manufacturer and exporter of Solar Control Films, Paint Protection Films, and other specialised polyester films. In addition, the commitment to financial improvement is reflected in a strong balance sheet with a healthy cash reserve and a remarkable achievement of zero net debt.*"

Ms Monika Garware, Vice Chairman and Joint Managing Director added, "*Improving our product mix towards value-added films remains a top priority, supported by expected macroeconomic improvements in key markets such as the US and Europe. While the poly-film industry faces challenges from overcapacity and oversupply, GHFL's outstanding performance is attributed to its commitment to value-added products and its ability to navigate through global macroeconomic adversity. These high-value-added speciality films account for a significant 80% of the company's total revenues, playing a key role in maintaining revenue stability and driving profitability.*"

Business Updates:

Solar Control Film (SCF)

The Solar Control Film market in India is highly underpenetrated. The domestic market has shown a higher-than-expected uptake of SCF, prompting the decision to re-introduce the Company's 'Safety Glazing' window film in India. The 'Safety Glazing' window film has high UV and heat rejection properties, improves fuel efficiency and protects passengers from shattered glass. On the export side, the improved macroeconomic situation in the US has contributed to a recovery in volumes and the Company's business outlook, although challenges remain in the European and UK markets. However, our strategic response has been to increase deployment resources in international markets to actively engage and win new customers.

Paint Protection Film (PPF)

GHFL is experiencing robust demand for PPF in India and in the export market, enabling maximize capacity utilisation in the coming quarters. The key driver is to educate and create awareness among end-customers to increase sales by focusing on the premium automotive sector and higher film content from the electric vehicle (EV) segment. To ensure superior and consistent application of the product for end users, we have also initiated an ongoing training programme for the PPF applicators. As the only manufacturer of premium PPF in the country, around 80% of GHFL's products are exported to key global markets. Leveraging SCF's distribution network and asset-light application studios (GAS), GHFL is poised for strategic business expansion.

Shrink Film

A dedicated shrink film production line is complemented by additional fungible capacity to increase output. During Q1FY24, 'Pearl Float' and 'Solid White' shrink films were

commercialised. The shrink film business has seen significant expansion due to focused efforts in the domestic market, boosted by a shift in customer preference from PVC-based films to recyclable PET-based shrink films. GHFL currently has a significant 60% market share with prominent converters within India. With control over the fully integrated production cycle, GHFL is poised to unlock significant potential by providing tailor-made, high quality and environmentally friendly shrink films in line with market requirements.

Revenue Growth

In Q1FY24, GHFL reported consolidated revenues of Rs 380 crores, a growth of 2.7% over Q1FY23. This growth was driven by a manifold increase in the volume of PPF business in both export and domestic markets, though tempered by subdued demand in SCF. The company's presence in speciality films has positioned it for superior growth compared to the poly film industry, which is currently facing overcapacity.

Margin

In the first quarter of FY24, EBITDA was at Rs. 73 crores, an increase of 2.9% over the corresponding quarter last year. This improvement in EBITDA was driven by higher PPF volumes and lower other expenses. However, these gains were tempered by lower-than-expected SCF volume growth in some key markets due to geopolitical tensions and destocking, coupled with margin pressure on IPD products, which could not be fully passed on to domestic customers due to overcapacity constraints.

Outlook

Expected growth in solar control films will be driven by domestic demand and favourable prospects in the automotive and architecture sectors. The re-launch of the Company's "safety glazing" window films for the domestic market is adding further momentum. In the Paint Protection Films business, the company is optimistic about both the Indian and global markets due to increasing customer awareness of PPF attributes such as scratch resistance, hydrophobicity and self-healing properties. In addition, the company expects higher PPF penetration driven by the premiumisation of the Indian automotive market and the rapid growth of the EV segment.

About Garware Hi-Tech Films Limited

GHFL is a global manufacturer of Solar Control Films, Paint Protection Films and other speciality polyester films. GHFL is one of the few companies in the world to have a vertically integrated chip-to-film operation in Aurangabad, India, with state-of-the-art facilities to produce a highly flexible product mix.

**For further information, please contact:**

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