

**June 01, 2023**

The Compliance Manager  
**BSE Limited**  
Corporate Relationship Dept.,  
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**

Dear Sir/Madam,

**Subject: Investor Presentation on the Audited Financial Results for the quarter and year ended March 31, 2023**

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Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Investor presentation on the Audited Financial Results of the Company for the quarter and financial Year ended March 31, 2023.

This is for your information and records.

Thanking you,

Yours faithfully,  
For **Garware Hi-Tech Films Limited**  
(Formerly known as Garware Polyester Limited)

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**Awaneesh Srivastava**  
**Company Secretary**  
**FCS8513**  
**Encl. as stated above.**



# Garware Hi-tech Films Ltd. (GHFL)

Investor presentation

Q4 FY23 & FY23

Investors Meet : Thursday, June 1, 2023  
at 2:30pm

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Our discussion may include predictions, estimates or other information that might be considered forward-looking. While these forward-looking statements represent our current judgment on what the future holds, they are subject to risks and uncertainties that could cause actual results to differ materially, some of which maybe beyond management control. No assurance is given about future events or the actual results, which may differ materially from those projected herein. You are cautioned not to place undue reliance on these forward-looking statements, which reflect our opinions only as of the date of this presentation. Please keep in mind that we are not obligating ourselves to revise or publicly release the results of any revision to these forward-looking statements considering new information or future events. Throughout today's discussion, we will attempt to present some important factors relating to our business that, which we presently believe, may affect our predictions. You should also review our most recent annual reports, disclosures, and regulatory filings for a more complete discussion of these factors and other risks. This presentation does not constitute an offer to sell or a solicitation of an offer to buy or sell GHFL stock and in no event shall the Company be held responsible or liable for any damages or lost opportunities resulting from use of this material or any guidance or any other statements given by the management. Numbers for previous periods may have been regrouped/rearranged/reworked for comparison purpose and for better analysis. Growth rates have been calculated based on reported INR financial information.

# Company Overview



## High margin Specialty films

- Manufacturers & suppliers of premium quality value accretive products with focus on consumer products
- Key application in automobiles, FMCG, Industrial sector
- Capability to produce diversified customized products

- Suncontrol Film
- Paint Protection Film
- Shrink Film

**80%** FY23 Value added product contribution

## Manufacturing Excellence

- Fully vertically integrated chips-to-film manufacturer
- Improved efficiency with streamlined operations
- Capable of scaling up production with fungible capacities
- Recently commissioned PPF Line of 300 LSF p.a. & Suncontrol Film line of 1800 LSF p.a.

**2** Manufacturing Locations

**42,000** MT pa **IPD Capacity**

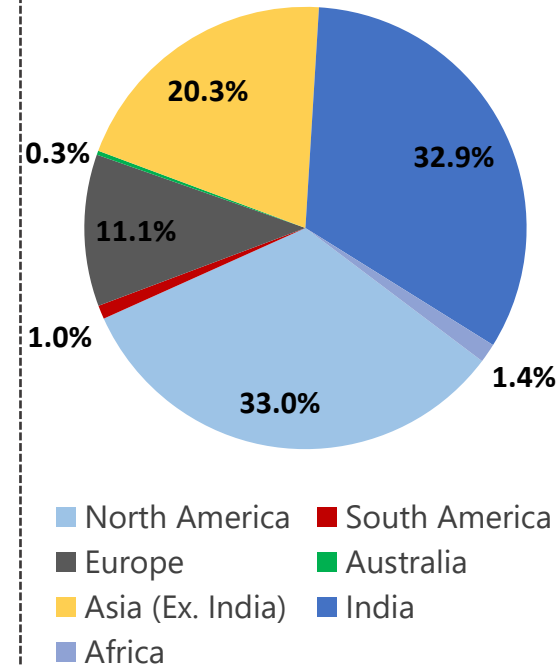
**4,500** LSF pa **CPD Capacity**

## Increasing Global Reach

Leading premium brand, exporting to 90+ countries with established sales & distribution channels

**>70% - FY23 Export Revenue**

### Geographical Revenue Mix – FY23



## Fostering Sustainable Financial Performance

- Resilient performance despite challenging business environment
- Sustainable Margins for Specialty films
- Improving Financial Health

**Healthy Cash flows**

**Zero net debt**

**Low Collection days – 8 days for FY23**

- Revenue CAGR\* of 11.5%
- PAT CAGR\* of 38.1%
- 100% Dividend paying company

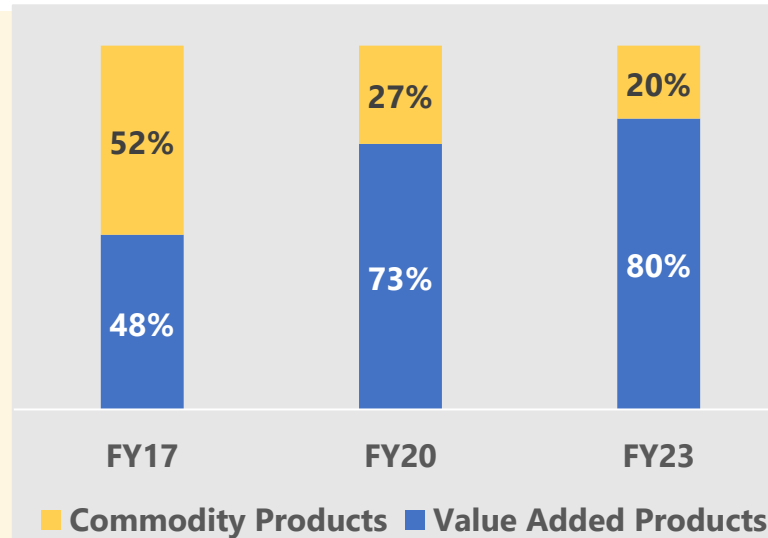
\*from FY18 – FY23

# Transitioned into a Value-Added Product Business

GHFL has ventured into value-added products like SunControl, Paint Protection and Shrink Film, resulting in better recovery of revenue, and improved margins.

## FY17 & Prior

- Before its transformation, GHFL had a diverse portfolio that included both commodity and value-added businesses.
- While GHFL was already the largest exporter of polyester films in India, there was a greater emphasis on commodity-oriented businesses.
- The business faced lower margins, significant competition and less differentiation



## FY18 & Beyond

- GHFL has undergone a significant shift in its business strategy, resulting in a strong performance in specialty films industry with higher margins and a highly differentiated product portfolio.
- GHFL's ability to adapt to changing market conditions and invest in high-margin value accretive products has allowed to thrive in a competitive and volatile environment.

### FY17\*

#### Polyester Films

INR 874 Crores

9%

2.5%

~58%

INR 1254 Crores

#### Business

Revenue from operations

EBITDA Margin

PAT Margin

Export Share

Net worth

### FY23\*

#### Value Added Specialty Films

INR 1,438 Crores

18.7%

11.6%

~70%

INR 1,856 Crores

\*Consolidated Financial Numbers

# Breaking Barriers: GHFL Brand dominance

## Brand GHFL

### Leading Choice

Quality, technology, and practical understanding of the business have made GHFL a top choice globally

### Premium

We are a renowned brand with a history of producing premium high-quality films with strong recall globally.

### Accredited

GHFL's products have a strong marketing appeal, with various Intl. accreditations and certifications such as European Chemicals Agency, EU Regulation, etc.

### TOP 3

The Tier 1 premium category Global brand is among Top 3 largest selling window films in US & Europe

### Global Patents

Strong portfolio of patented technology for manufacturing films - Over 9 Registered Patents/Pending and 168 Registered Trademarks (India & Abroad).

### Gold Shield

Awarded Gold Shield by the Government of India in recognition of the company's capability for developing Polyester Film with in-house technology.



**>90%  
Export**

**>90% of SunControl Films are exported**

**~72%  
Export**

**~72% of Paint Protection Films are exported**

**60%  
Share**

**Market leader with +60% market share in India**

**#1**

**India's first company to produce PCR grade & APR certified Eco-friendly Shrink Films**

**#1**

**Rank #1 at Tint-Off Contest in USA**

**2nd  
Largest**

**2nd Largest global Capacity of SunControl Films**

**34  
years**

**Winner - Top Exporters' Award for 34 years (Plexcouncil)**

**Top 2**

**One of the only Two manufacturers of dyed polyester films, globally**



# Business Overview





### Diversified product portfolio

Expanding and diversifying the range of value-added and patented products, such as PPF, can lead to a strong demand and higher share of margin accretive products. This can also help maintain customer retention and increase demand for quality products.

Global pioneer in Polyester Film manufacturing



### R&D Focus

Focusing on R&D to introduce new value-added products and patented technology can help maintain business leadership across the product chain. This can also result in higher export contribution and expansion to new business segment models such as B2C.

### Global reach & Expansion

Expanding the presence in high entry barrier markets and tapping into potential new markets can lead to steady performance from a long-term perspective. Additionally, identifying and responding swiftly to new trends and opportunities in the market can be beneficial for growth..



### Strong Financial position

Maintaining a strong financial position for future growth opportunities.

### Integrated Chips-to-SunControl Films Manufacturing

GHFL's integrated chips-to-films manufacturing strategy ensures quality control, cost efficiency, and responsiveness to market demands. It allows for a wider range of products and customization options, enhancing the company's competitive advantage.



# Diversified Portfolio driving GHFL's Success

### Consumer Product Division (CPD)

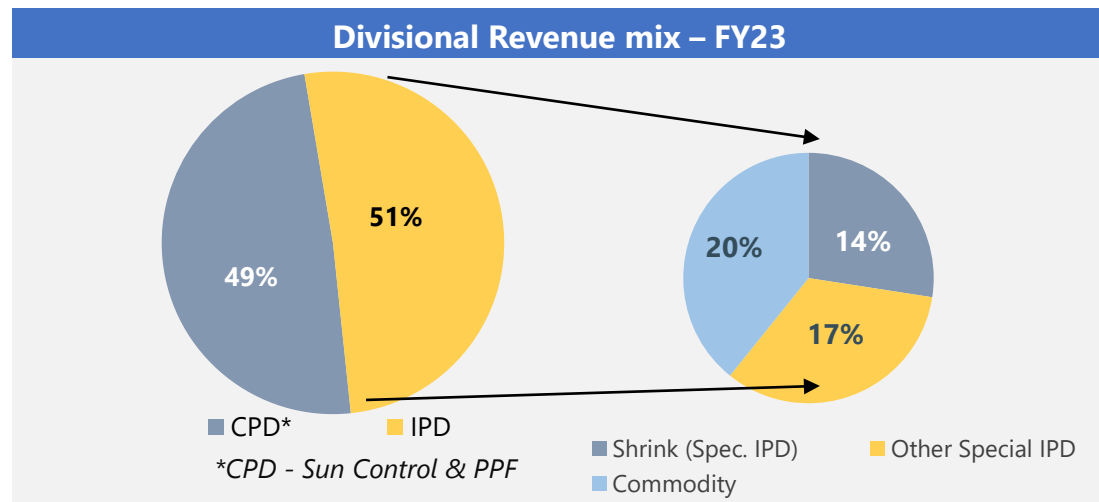
#### Value Added Product

- Automotive Suncontrol Film
- Paint Protection Film
- Safety Film
- Architectural Film

### Industrial Product Division (IPD)

Value Added Product	Commodity
<ul style="list-style-type: none"> <li>• Shrink Film</li> <li>• Electrical &amp; Electronics</li> <li>• Release Liners</li> </ul>	<ul style="list-style-type: none"> <li>• Thermal Lamination</li> <li>• Plain Film</li> <li>• Packaging &amp; Lidding Film</li> <li>• Metalized Film</li> </ul>

➤ The Consumer Product Division (CPD) and Special Industrial Product Division (IPD) are part of the value-added business of GHFL



### Business wise Revenue mix – FY23

#### Value added products (VAP) %

Category	Share	Category	Share
CPD	49%	Commodity IPD	20%
Shrink - Special IPD	14%	-	-
Other - Special IPD	17%	-	-
<b>Total VAP</b>	<b>80%</b>	<b>Total Commodity</b>	<b>20%</b>

# SunControl Films

GHFL is only company in the world with backward integration for manufacturing Solar control films

## Unique Product Features of Garware SunControl

### Extreme UV resistance

Block 99% of harmful UV rays, preventing skin damage and interior fading.

### Unparalleled heat protection

78% solar energy rejection providing unparalleled heat protection offering uniform cooling.

### Extremely durable

Extremely durable lifespan with a 10-15 year warranty.

### Environment friendly

3-5% reduction in fuel consumption and carbon emissions

### Lasts long without fading

The film is made of a high-quality durable material

## U. S. P.

### Skin Protection

### Interior Safety

### Added Privacy Layer

### Better Gas mileage

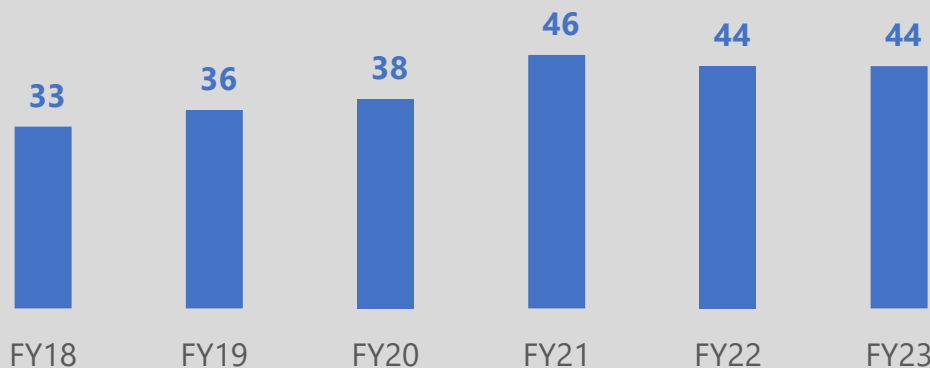
### Anti glare screen

## Key Application Industries

- Residential & commercial buildings
- Automobiles
- Transportation vehicles
- Retail stores and showrooms

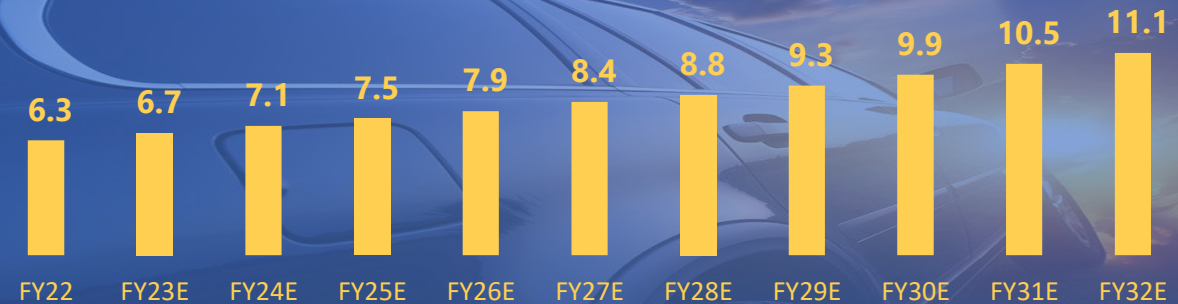
SunControl Films is one of the fast-growing businesses for GHFL, contributing 44% revenue in FY23.

### % of Revenue from SunControl Films



The Global SunControl Film (SCF) Market is expected to grow at a CAGR of 5.8% from 2022 to 2032.

### Global Sun control Film (SCF) Market (in US\$ billion)



Source: Future Market Insights

# SunControl Films – Key Drivers

## GHFL Competitive Advantages

### Premium leading brand & Monopoly

- Premium Tier-1 brand in global markets
- Only one of its kind to manufacture Chip-to-films, Films to Metalized Films to Suncontrol Window Films
- 2nd-largest global capacity and 3rd largest branded player in US, European Markets

### Patented Technology

- Technology patented in the USA & 15 other countries
- We believe we are one of the two companies worldwide to produce dyed polyester film.

### Differentiated products

- Wide range of films catering to different requirements of sun control, safety, security, privacy, and aesthetics ideal and durable for any glass trait.

### Quality manufacturer

- Lack of quality sun-control manufacturers in the industry with the ability to create unique chemistry for films for specialist end-applications.



**4,200** LSF pa  
**Installed Capacity**

**80\***%  
**Capacity Utilization**

Further scope to utilize the capacity to meet the increasing demand

## Key Growth Drives

### Product Demand & Related Sector Demand

- Rising domestic demand
- Positive outlook for automotive and real estate sectors

### Capacity Expansion by 75%

- Commissioned Lamination facility of 1,800 LSF p.a. (Q3FY23)

### Increasing awareness toward sustainability

- Favorable trend towards sustainable buildings and rising Awareness of benefits of Suncontrol films
- Rising temperatures leading to higher demand

### Established Distributor Network globally

- Exclusive distributorship and established partnerships with regional distributors
- Leading choice for professional dealers and installers

### Digital awareness and marketing campaigns

- Sales channels via OEMs & dealerships as part of their offering leading to greater trust among consumers
- Digital-driven drive awareness initiatives and influencer campaign with applicators, glass suppliers to drive greater adoption

\*Capacity constraint in the SCF manufacturing facility has been alleviated by capacity expansion in FY23. Capacity utilization is around 80% on pro-rata basis and 54% on annualized basis.

# Paint Protection Films

Scratch-resistant and durable paint protection films are a result of over 6 decades of perfecting polyester manufacturing process.

## GHFL Competitive Advantages

### Integrated PPF Manufacturing

- A single-source, vertically integrated manufacturing process that produces self-healing & abrasion-resistant films.
- PPFs are manufactured in a state-of-the-art, ISO-9001:2015 certified facility that makes just about everything that goes into the PPFs

More than 70% PPF is exported to major global markets.

GHFL is the sole producer of professional-grade Premium paint protection film (PPF) in India.

Advanced technology, strong quality standards, and practical business understanding, making it a top choice for customers worldwide.

~ 72%  
Export

Dominance

Top-tier  
International  
brand



## Key Applications

High gloss finish PPFs, shield vehicle's exterior from daily wear & tear such as scuffs, scratches, bird droppings, stone chips, etc.

## Unique Product Features of Garware PPF

- Excellent durability
- Auto Self-healing
- Custom fit
- High Gloss
- UV Resistant
- Water Repellent
- Installer friendly & Repositionable
- Top-notch optical clarity & Invisible
- Non-yellowing & solvent resistant



## Key Growth Drives

300 LSF pa

**Installed Capacity**

50\* %

**Capacity Utilization**

Further scope to utilize the capacity to meet the increasing demand

### Capacity Expansion

- Commissioned PPF facility of 300 LSF p.a capacity in FY21

### Leveraging the existing Established Distributor & Tinter Network

- Paint protection films (PPFs) are often installed by the same tinters who install window films
- By leveraging existing channel opportunities for SCFs, GHFL has a clear opportunity to expand the distribution network and increase the visibility of PPFs.

~10%

**PPF Penetration Rate in USA**

### Under penetrated PPF market

- Massive headroom to grow penetration
- Increasing share of Priority segment for PPF (Sedan, SUV, MPV) in overall auto sales

8 – 10 %

**Market Share Outlook (USA)**

### Rise in demand

- GHFL expects to capture a market share of 8-10% in the USA as well as increase its share in India and other markets owing to Increasing global demand for vehicles, recovery in the auto sector along with Low PPF penetration

65

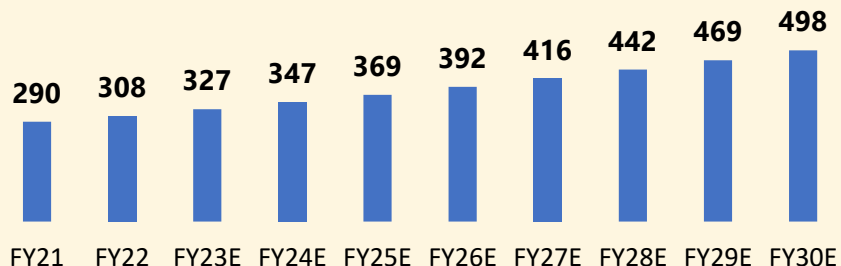
**GAS Channel partners**

### Strong Marketing Campaign

- Setting up of Garware Application Studios (GAS) in an asset-light B2C model with 65 channel partners
- Social media marketing campaign gained strong business traction and customer interest
- Dedicated training centers to impart PPF application skills

PPF market expected CAGR of 6.5% from 2022 to 2030

**Global PPF Market (in US\$ Million)**



Source: Future Market Insights

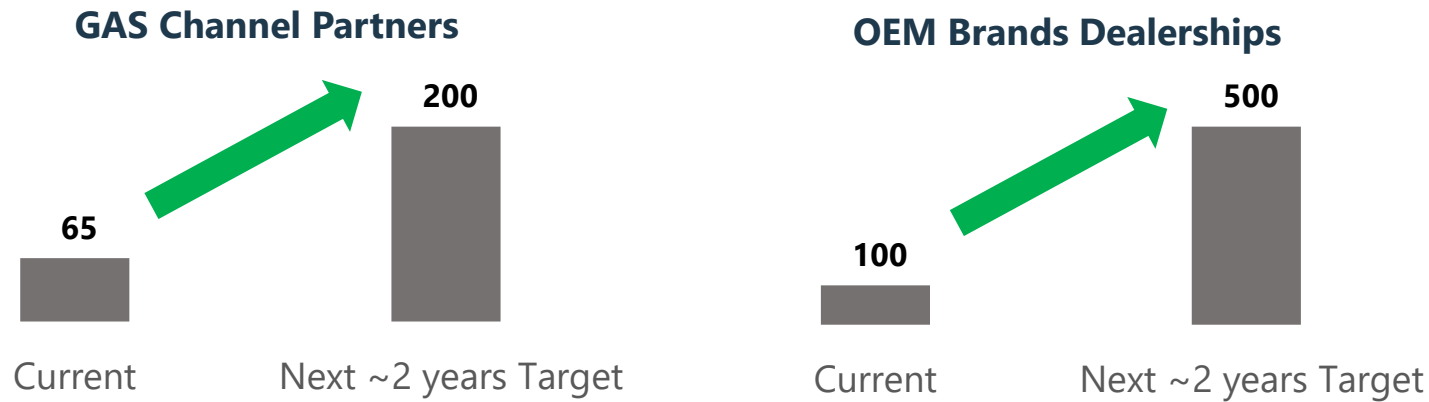
\* 2-year average, including for intermediate products

# Targeting B2C Business Model

## Garware Application Studios (GAS)

- Detailing and Car care Studios dedicated to installing PPF on new or used vehicles by certified and trained applicators
- Targeting direct B2C space by setting up world-class (GAS)
- Asset light model across major Tier 1 and Tier 2 cities
- Associated with 65+ channel partners
- Associated with 25 OEM brands in India, covering 100+ dealership network

## Strengthening GAS and OEMs network





## Key Highlights

### ~60% Market Share

GHFL holds ~60% market share of Shrink Film in India & one of largest manufacturers in the Indian subcontinent.

### Catering to Large converters

Caters to leading shrink film converters to meet their specific requirements and deliver tailored solutions

### Specialty film

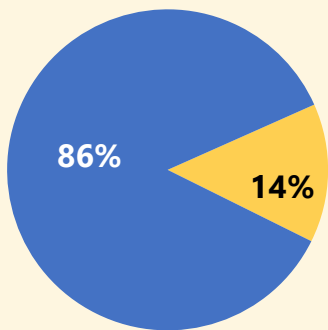
High-shrink PET film is a Specialty film, which requires a complex mix of the capabilities of technology, machinery and quality raw material

### Recyclable

One of the greatest upsides of PET shrink films is that they are recyclable



## ~14% of Revenue from Shrink Films (FY23)



■ Shrink Films    ■ Others

## Key Applications

- **Packaging applications:** Used for outer sleeve wrapping & label applications of plastic bottles and containers, glasses, cans and cups of various shapes and sizes.
- **Preservation:** Durability protects and preserves the packaging contents
- **Improved Retail visibility:** Improve visual appeal of the product packaging, and allows printing high-quality graphics to gain desired retail visibility
- **Key Industries:** areas of use for the product are in the industries dealing with food and beverages, cosmetics, and pharmaceuticals.

## GHFL Competitive Advantages

### Wide variety due to consistent R&D

- Consistent R&D and innovation, the company today manufactures total 12 variants of the high-shrink film.

### GARWARE USP

- Niche area of application for use of sleeve labels with anti-counterfeiting properties
- Excellent printability
- Ease of application across high-contour and innovative shapes
- Tamper and pilferage-proof product protection
- High levels of machinability with improved yield

### Product handling Support

- GHFL offers training for handling and usage
- Continuous customer support service

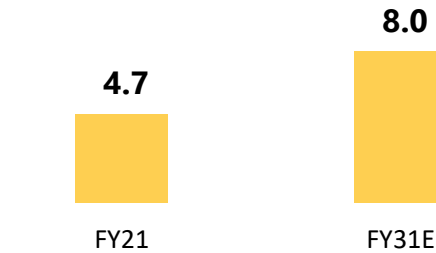
### Environment friendly

- No emission of hazardous chemicals.
- Post-Consumer Recycled (PCR) Shrink Films help customers achieve sustainability goals

## Key Growth Drives

- Global shrink film is expected to grow at a CAGR of 5.4% from 2022 to 2031.

### Global Shrink Film Market (in US\$ billion)



Source: Allied Market Research

### Macro Economic factors

Surge in urbanization and penetration of digitalization, improvement in lifestyles & increase in per capita incomes have boosted use of shrink films

### Increased use of Labels

Rise in shopping malls and supermarkets in the developed and developing countries across the globe has driven demand for shrink film labels

### Domestic Demand

India has a great scope to emerge as a sizable player in shrink film manufacturing as part of China-plus-one diversification strategy.

### Global market

Diversified Customer base across the globe, including Europe, Africa & Middle East, besides the Indian market.

### Post Pandemic surge in demand

Rise in demand for fast food and rise in awareness among the people regarding importance of packaging of food materials during pandemic outbreak

### Headroom for growth

With current ~14% contribution to GHFL's revenue, we envisage headroom for growth for this segment

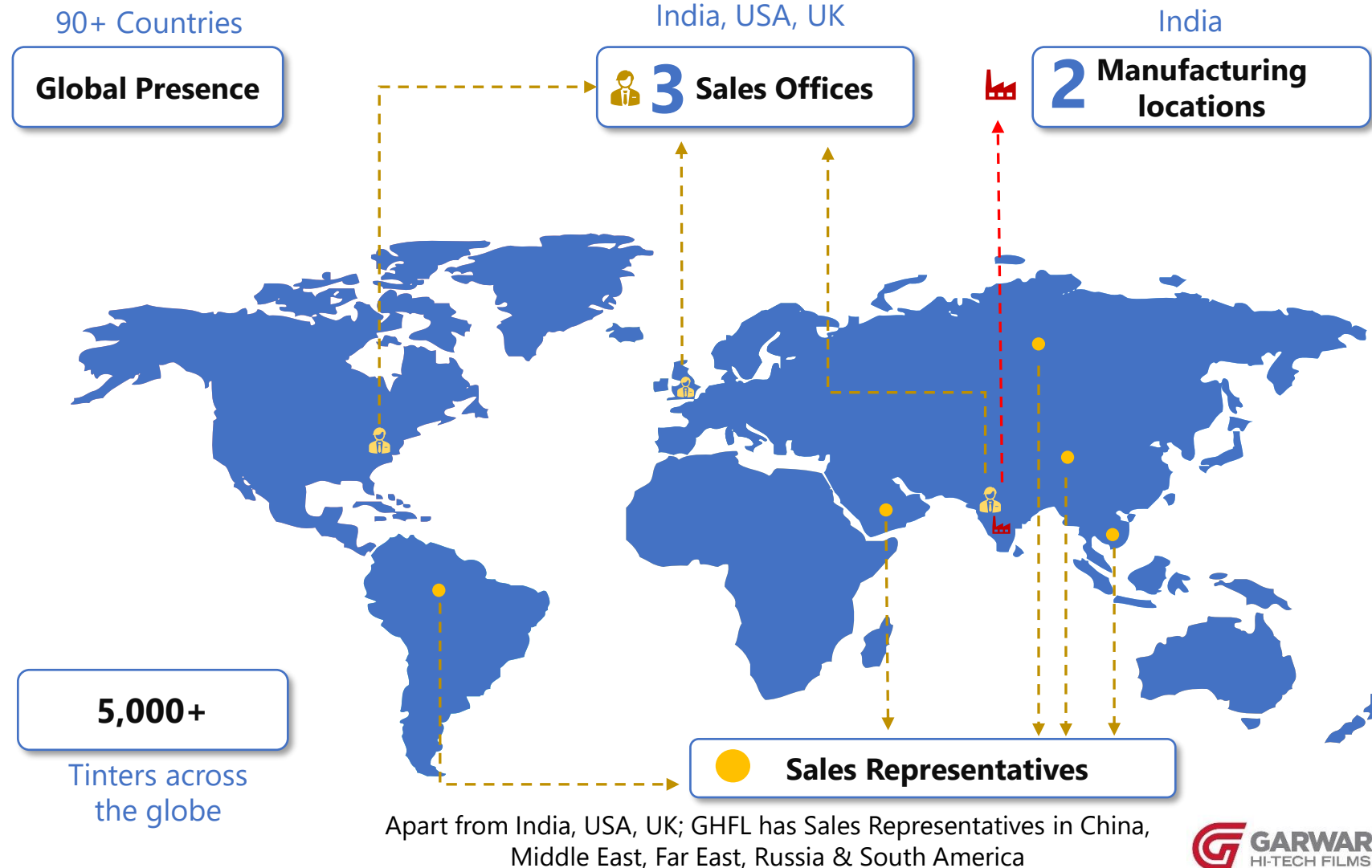
### Rise in e-commerce services

Shrink film packaging materials are used in e-commerce product delivery, deliver fresh groceries, beverage's etc.

# A Robust Global Network

GHFL's global network and unique product diversification provide diversified revenue streams and insulation from regional risks, reducing dependence on any particular market or customer.

- Strong global distribution network
- Established Sales Channels globally
- Presence in 90+ countries through 5000+ tinters
- Access to worldwide customer network
- Clear strategy of dispatch to distributors
- Reduced delivery lead time
- Adoption of Cash-n-carry model for Efficient working capital management



# GHFL Manufacturing footprints

Pioneering the Future of Specialty Polyester Films

2

Fully Vertically integrated Manufacturing Locations

Waluj  
Aurangabad

Chikalthana  
Aurangabad

- Polyester Chips plant
- Four BOPET Film lines
- Extrusion coating line / Thermal Line
- Metalizer
- Sun Control Film plant for Automobile, Architectural & Safety
- Paint Protection Film plant



State-of-the-art, ISO-9001:2015 certified facility at Waluj



Fungible Capacity

19

- Crucial for improving sales mix & responding to stable demand
- Enables shift between value-added and commodity products

Total Installed Capacity

Product Line	MT/LSF
Chips Plant	66,000 MT
IPD	42,000 MT
Sun Control Film	4,200 LSF
PPF	300 LSF

- SFC\* 80%
- PPF\*\* 50%
- IPD 92%

Current Utilization Ratio

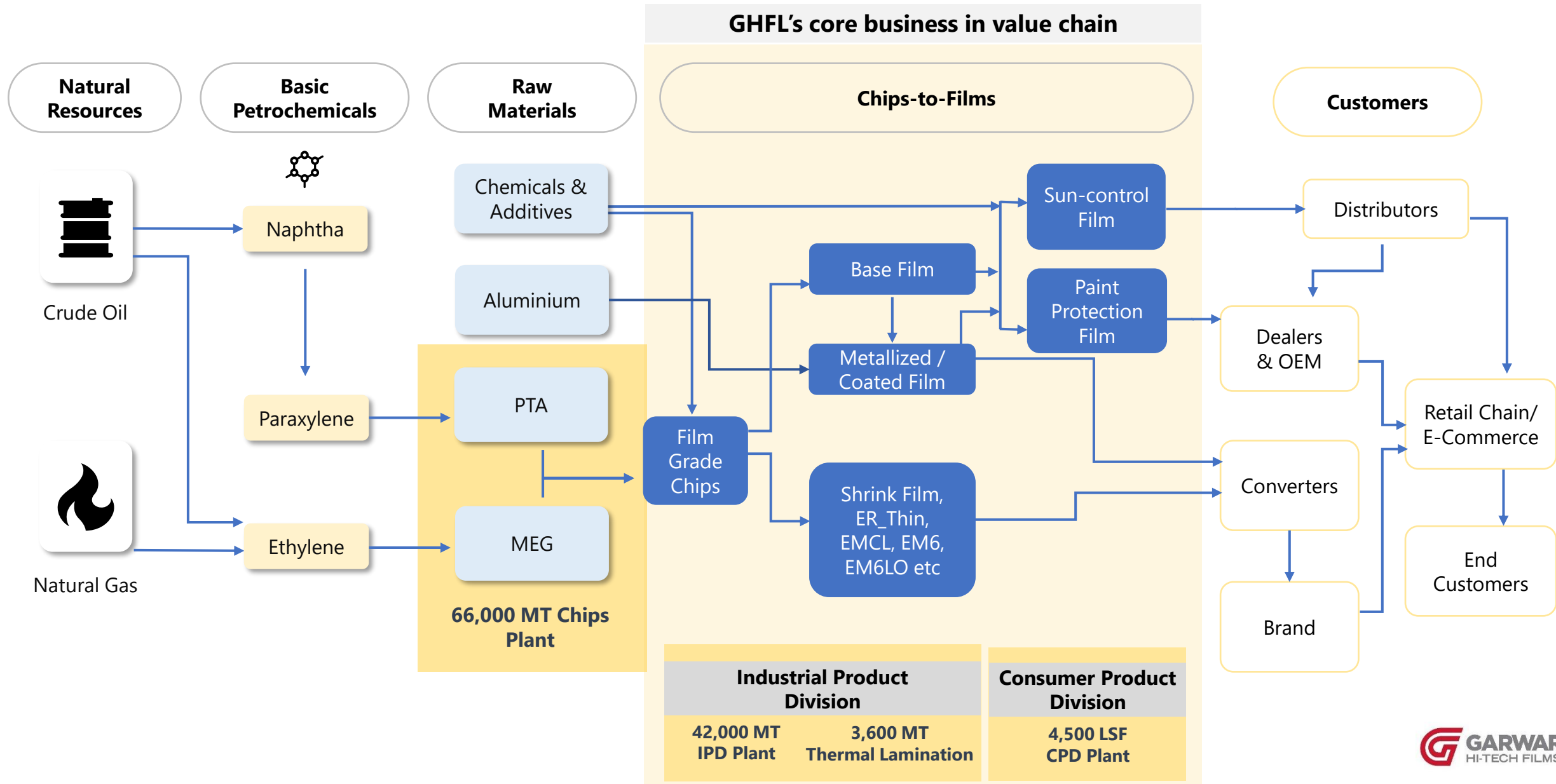
- SCF utilization at 80%. Capacity constraints mitigated by capacity addition in FY23
- GHFL aims to increase SCF utilization to ~90% in 2 years

\*Capacity constraint in the SCF manufacturing facility has been alleviated by capacity expansion in FY23. Capacity utilization is around 80% on pro-rata basis and 54% on annualized basis.

\*\* 2-year average, including for intermediate products

# Vertically Integrated Chips-to-Films Manufacturing

GHFL enjoys complete control due to its vertical integration excellence, streamlining films manufacturing



# Vertical Integration: A Strategic Advantage

Unparalleled Competitive Advantages due to its Vertical Integration

## ✓ Self Sufficient

Eliminates dependency on other manufacturers or outside vendors.

## ✓ Cost optimization

Improve supply chain efficiency and cost optimization by reducing waste, improving quality, reducing lead times, and enabling better coordination and decision-making.

## ✓ Raw material availability

Ensures required and continuous availability of quality raw materials enabling a stable supply

## ✓ Emerging market niches

Help create Emerging market niches by enabling greater customization, faster time-to-market, greater flexibility, and improved quality.



# Innovation-driven R&D

Dynamic manufacturing facility with a dedicated R&D department



## “TPM Excellence Category - A” Award from the Japanese Institute of Plant Maintenance (JIPM)

- Separate R&D department recognized by the Department of Scientific & Industrial Research (DSIR), Government of India for its superior performance
- In-house R&D capabilities driving innovation, customization & unique differentiated products
- Equipped with state-of-the-art technology & advanced instrumentation
- Continuous innovation through Patent Filings, Product Development, Application Modification, and Process Improvement - Over 9 Registered Patents/Pending



- TPM excellence award JIPM
- BRCGS Certified (Food & Packaging Grade)

50

- Dedicated R&D Team members

168

- 168 Registered Trademarks (India & Abroad) | Over 9 Registered Patents/Pending

### Quality Control

- In-house production of high-quality films to ensure durability and longevity, focusing on strict quality control.
- An ISO 9001:2015 certified company.
- We follow LEAN 6-Sigma DMAIC methodology for problem-solving, we have certified LSSBB & LSSMBB practitioners.

### Dedicated Team of Technical & Scientific Personnel

### Backward Integration

Ability to modify properties of polyester chips before production, allowing a range of varieties.

### Pilot Plants

Pilot facility for Polymerization / Extrusion / Coating to develop prototype samples as a part of development activities.

# Growth Oriented Capex completed

## Key CAPEX



## CAPEX Rationale

Strengthening SunControl Business

Opportunity in Complimentary PPF Business

INR 270 crores (FY21 – FY23)

Completed in 2 tranches

## Tranche 1

INR 135 Crores

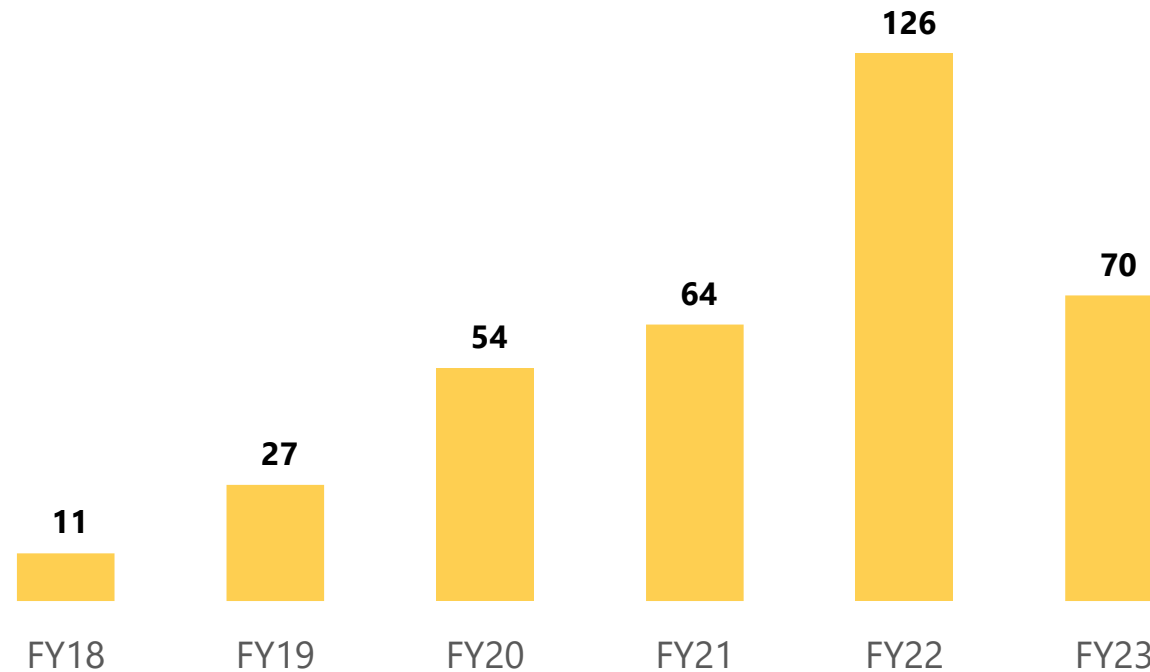
- Upgradation of Manufacturing Facilities
- Setup of New PPF Line of 300 LSF p.a.
- Setup of New Metallizer 3,400 MT p.a

## Tranche 2

INR 135 Crores

- Setup of New Lamination Window Film Line of 1800 LSF p.a.
- Commenced commercial production in Q3FY23

CAPEX (INR crores)



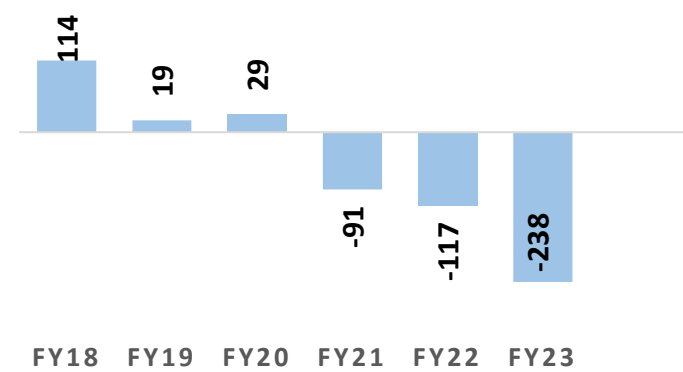


# Debt Profile

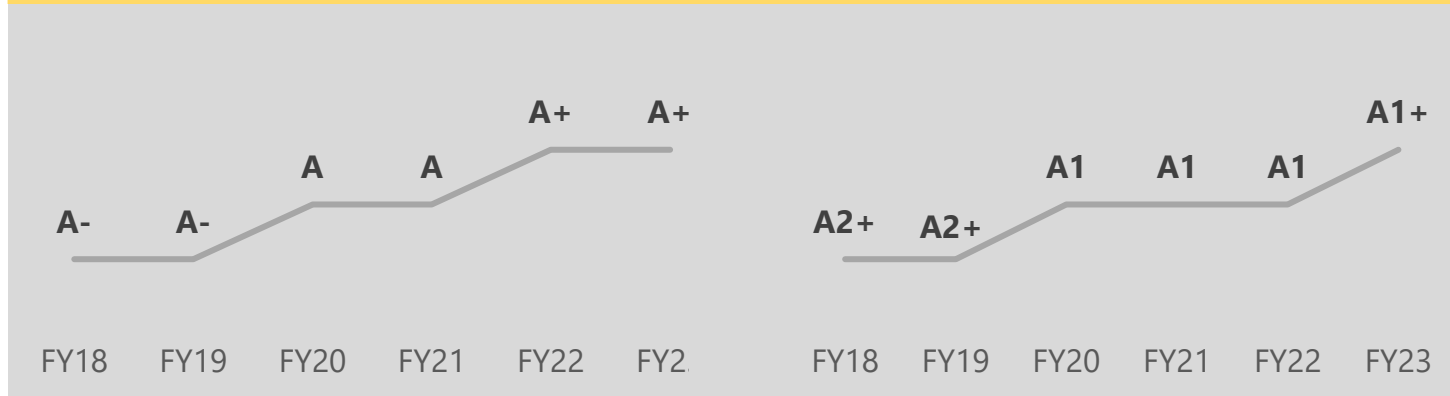
## Total Debt breakdown

Particulars	INR Crores
Long Term	81.24
Short Term	67.27
<b>Total Debt</b>	<b>148.51</b>

## Net Debt (INR Crores)



## Credit Rating



### Key Aspects

- Moved to zero net debt and improved balance sheet over the years
- Focus on organic growth with CAPEX planned of INR 270 crores
- Completed major capex expenditure on paint protection film manufacturing Line and new lamination facility for window film
- Strong working capital management and advance payments from customers and better inventory management
- Plans to reduce long-term debt by INR 50 crores, subject to approvals
- Recently prepaid debt of INR 25 crores, current outstanding stands at INR 109 crores

# BRSR-ESG at GHFL : 3P's of Sustainability

Sustainable, Responsible, and Committed

## PLANET

**50% Reduction** (By FY 2029-30)

Target to reduce 50% of absolute emissions with respect to FY 2022-23 in the year 2029-30

Reducing resource dependency and lowering emissions through sustainable practices.

Conducting carbon footprint audits & implementing carbon-offset measures

Wastewater recycling through evaporator technology and , Recycling & upcycling film waste

Water conservation efforts like rainwater harvesting, and Effluent Treatment Plant (ETP).

Smart energy efficiency measures and exploring solar panels and clean air mechanisms.

Screw press technology to reduce groundwater contamination and air pollution

Membership in Association of Plastic Recyclers APR, USA

## PRODUCT

**3-5% Reduction** (By FY 2029-30)

SunControl films reducing 3-5% fuel consumption and carbon emissions

1st company in India to introduce PETG to replace hazardous PVC shrink label films

Incorporating recycled polyester as a substitute for common virgin polyester

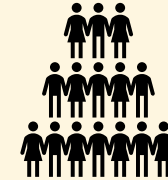
Utilizing 30% PCR materials in shrink film and other film products

Introducing new product variants using PCR PET, reducing carbon footprint

### Initiatives & Recognition

- IGBC certification under Manufacturing / Product category
- Business Responsibility Sustainability Report
- Global Reporting Initiative (GRI)
- EHS (Environment, Health and Safety) policy
- PDCA (Plan-Do-Check-Act) cycle in Health management system

## PEOPLE



- Promoting diversity & inclusion
- Investing in skilling & workforce development
- Supporting local employment opportunities
- fostering community engagement initiatives
- Ensuring compliance with human rights and & people-safety processes
- CSR focus on education, gender equality, women empowerment, addressing hunger, poverty, nutrition, and health-related issues

# Financial Highlights





**Dr. S B Garware**  
**Chairman and Managing Director**

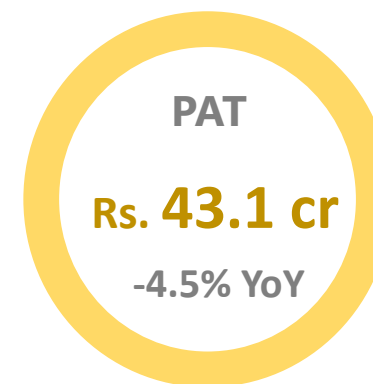
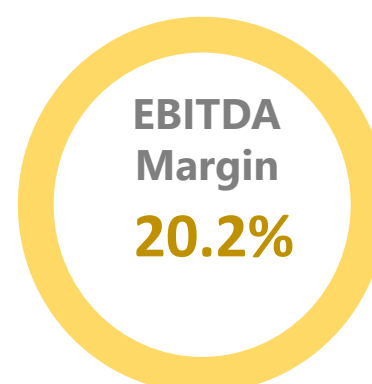
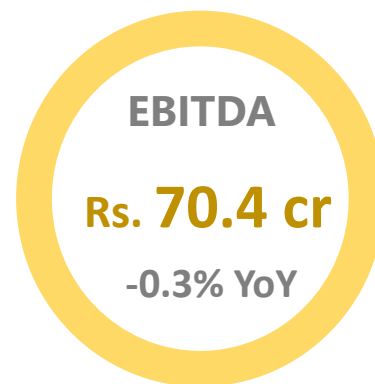
"We have increased our focus and efforts on distribution network expansion and marketing activities to build brand awareness and demand for our world-class PPF and SCF products. We have also engaged Boston Consulting Group (BCG) to accelerate B2C growth in the domestic market.

"For the PPF business, we are setting up B2C application studios, already associated with 65+ GAS partners and 100+ dealership networks to provide seamless service to our customers. We are running pilots with two major OEMs for the PPF pre-installation and are also in advanced talks with many other brands. We are leveraging SCF's existing established dealer and tinter network to accelerate growth in the architectural film business. A team of trained applicators from Garware Training Centre creating a market for our products. Lastly, our digitally driven awareness initiatives and influencer campaign with customers and applicators are driving greater adoption of automotive and architectural films in the domestic market".

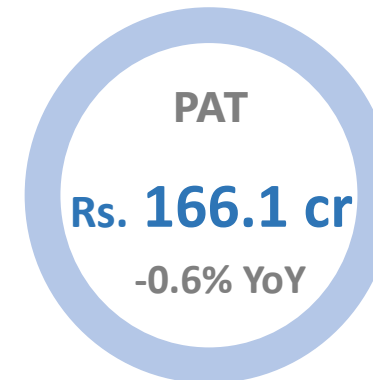
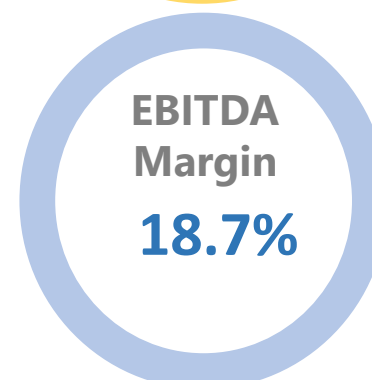
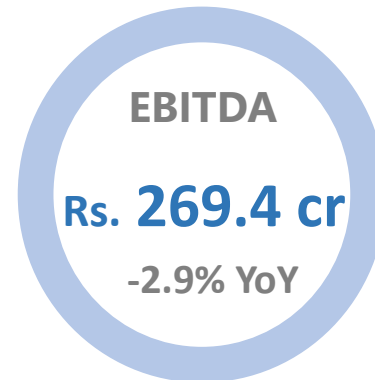
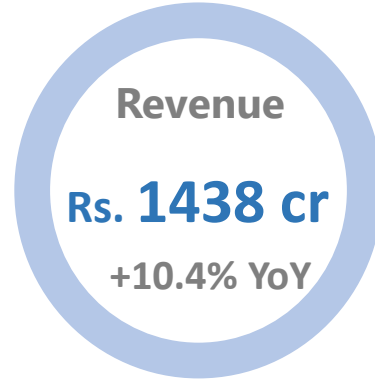
# Resilient performance in a challenging environment

Consolidated

Q4 FY23



FY23

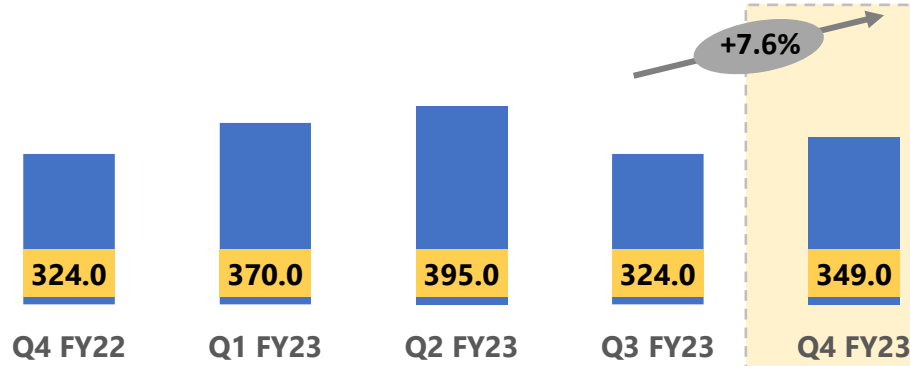


## Highlights:

- Significant business recovery in Q4FY23 compared to sequential Q3FY23, revenue up by 7.6% and PAT up by 41.7%
- 3M ending Mar 31, 2023:
  - Sales stood at Rs 349 crores, up by 7.9% over last year
  - PAT stood at Rs 43.1 crores, down by -4.5% over last year
- 12M ending Mar 31, 2023:
  - Sales stood at Rs 1438 crores, up by 10.4% over last year
  - PAT stood at Rs 166.1 crores, down by 0.6% over last year

# Quarterly Financial Performance – Q4 FY23

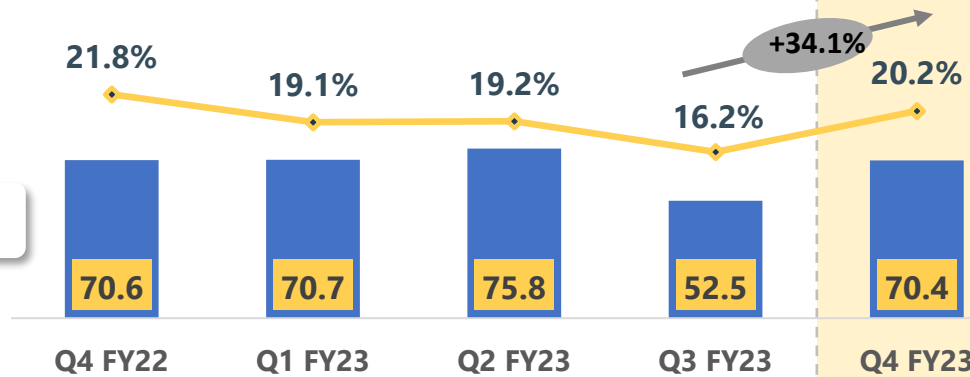
## Revenue



## Comments

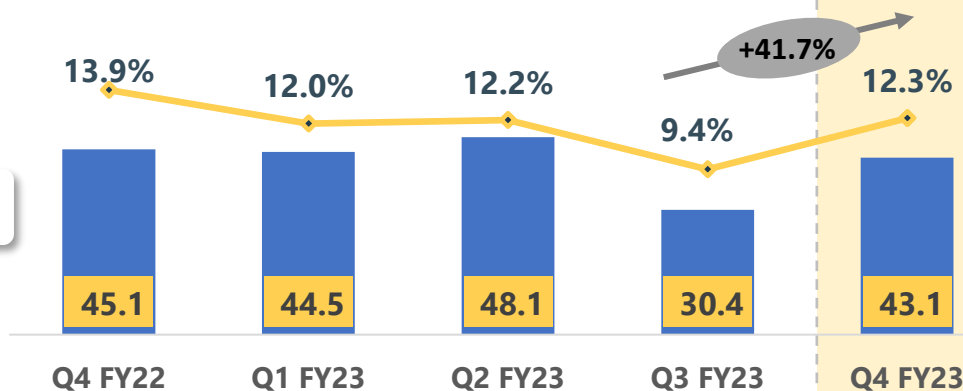
- Sales for quarter Q4FY23 stood at Rs 349 crores, up by 7.6% QoQ and up by 7.9% YoY.
- Sales for the year FY23 stood at Rs 1438 crores, up by 10.4% YoY
- GHFL's presence in speciality films has helped it to grow better than the poly-film industry, which is suffering from transient demand and capacity gaps, and to show strong resilience during global macroeconomic issues.

## EBITDA



- EBITDA for quarter Q4FY23 stood at Rs 70.4 crores, up by 34.1% QoQ and down by 0.3% YoY.
- EBITDA for the year FY23 stood at Rs 269.4 crores, down by 2.9% YoY
- While EBITDA recovered significantly compared to the sequential quarter (Q3FY23), it remained flat compared to the same quarter of the previous year. EBITDA improved due to higher PPF and shrink film volumes, offset by lower-than-expected SCF volumes growth in some key markets owing to geo-political tensions and higher RM raw material costs in IPD products, which could not be fully passed on to domestic customers due to overcapacity.

## PAT



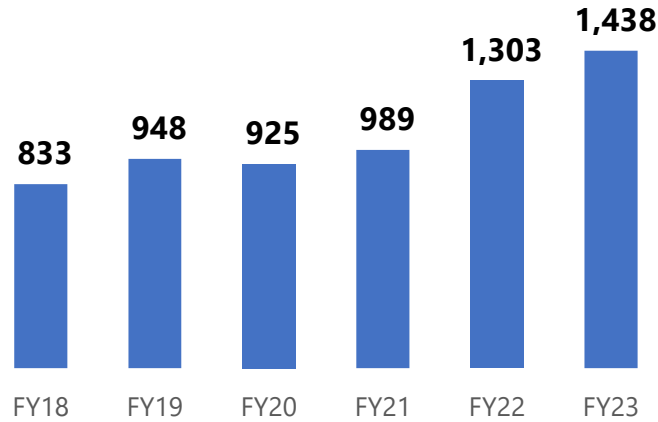
- PAT for quarter Q4FY23 stood at Rs 43.1 crores, up by 41.7% QoQ and down by 4.5% YoY.
- PAT for the year FY23 stood at Rs 166.1 crores, down by 0.6% YoY

- **Appointment of Director Technical** - Mr. M. S. Adsul. An alumni of UDCT Mumbai, Mr. Adsul has more than 40 years of experience in Plastics & Polymer Engineering
- **New Product Launch** : Environment friendly shrink film - 'white and low density'
- 60+ Garware Application Studios (GAS) for PPF operational in India
- Increased our efforts on network expansion, marketing & branding activities to drive CPD **growth in the domestic market**
- GHFL has kickstarted the process of **reducing cost and increasing productivity** in the value stream. Initiated power and fuel cost optimization, along with improving manpower productivity through a structured and scientific assessment
- Running pilots with **two major OEMs for the PPF pre-installation** and also in advanced talks with many other brands.

# Stable Performance Metrics

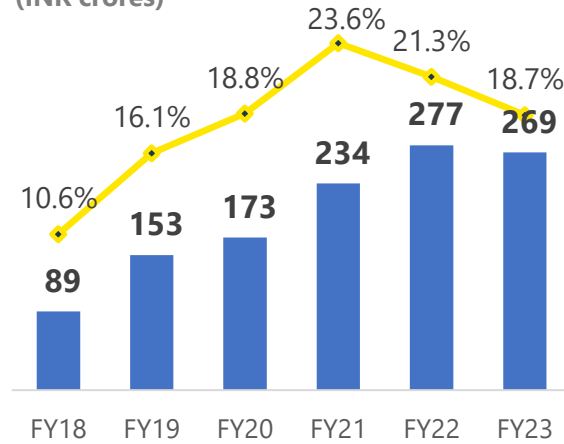
## Revenue from Operations

(INR crores)



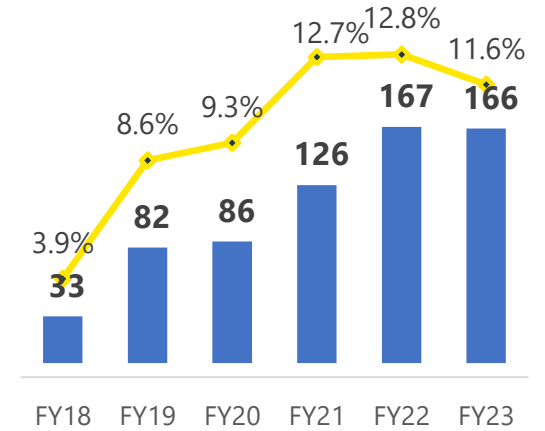
## EBITDA

(INR crores)



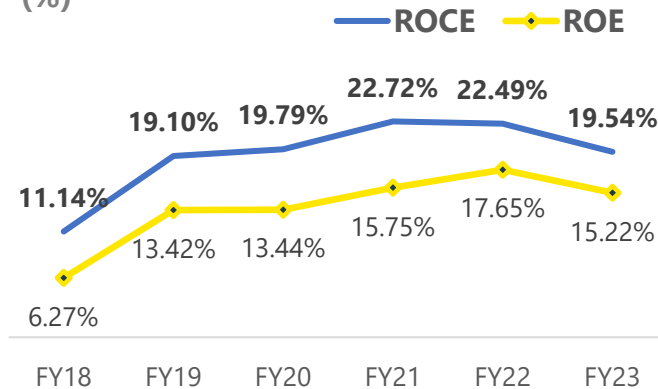
## PAT

(INR crores)



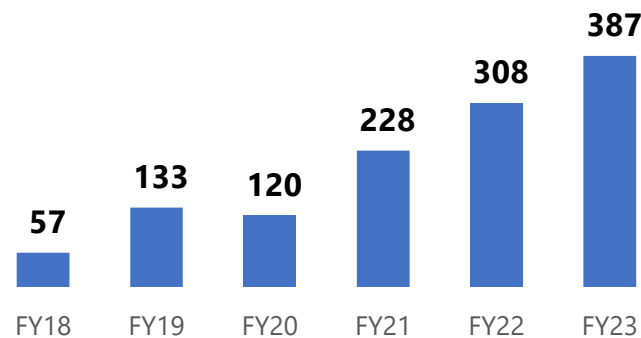
## ROE & ROCE\*

(%)

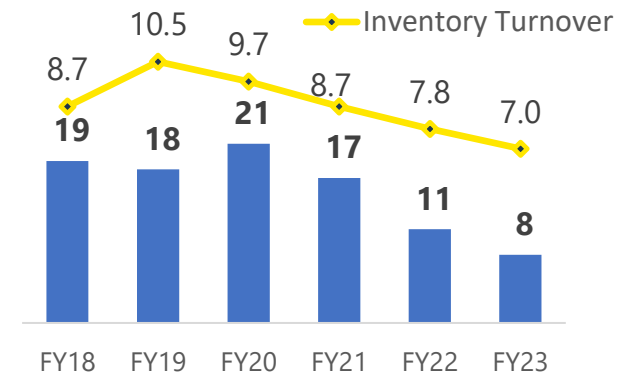


## Cash, Bank & Liquid Funds

(INR crores)



## Collection (Days) & Inventory Turnover



\*Above ratios are Consolidated basis and is adjusted for revaluation reserve of Rs 764 crores



# Profit and Loss Summary

Consolidated

In Rs. Crores

Particulars	Quarter Ended			Year Ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from Operations	349.0	324.4	323.5	1438.0	1302.6
Other Income	17.1	7.5	15.4	42.16	39.4
Total Income	366.1	331.9	338.9	1480.2	1342.1
Cost of Material	156.8	144.8	156.3	648.4	597.7
Inventory Changes	14.3	2.4	-25.8	16.4	-67.9
Power & Fuel	29.8	29.8	27.6	126.0	105.0
Employees benefit expenses	28.9	29.7	30.8	121.9	122.9
Other Expense	66.1	72.70	79.5	298.2	306.9
EBITDA	70.4	52.5	70.6	269.4	277.5
Finance Cost	4.7	4.0	4.6	17.0	18.2
Depreciation and amortisation expense	9.6	8.0	7.2	32.4	28.2
Profit before tax	56.2	40.5	58.8	220.0	231.1
Tax Expenses	13.1	10.1	13.7	53.8	63.9
Net Profit after tax	43.1	30.4	45.1	166.1	167.2
EPS (Rs.)	18.5	13.1	19.4	71.5	72

# Balance Sheet Summary

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In Rs. Crores

Liabilities	Mar-23	Mar-22	Assets	Mar-23	Mar-22
<b>Shareholders Fund</b>	<b>1,855.82</b>	<b>1,710.88</b>	<b>Non-Current Assets</b>	<b>1,563.11</b>	<b>1,535.68</b>
Share Capital	23.23	23.23	Property, Plant And Equipment	1466.01	1,338.96
Other Equity	1,832.59	1,687.65	Capital Work-In-Progress	10.32	95.85
			Intangible Assets	1.23	1.68
<b>Financial Liabilities</b>	<b>120.89</b>	<b>161.42</b>	Intangible Assets Under Development	0.09	0.07
a) Borrowings	75.36	117.02	Financial Assets		
b) Other Financial Liabilities	9.39	13.17	(a) Investments	76.4	74.43
Provisions	4.42	3.89	(b) Other Financial Assets	2.98	2.32
Other Non Current Liability			Deferred Tax Assets (Net)	-	-
Deferred Tax Liabilities (Net)	31.72	27.34	Other Non - Current Assets	6.09	22.37
<b>Current Liabilities</b>	<b>237.63</b>	<b>260.89</b>	<b>Current Assets</b>	<b>651.23</b>	<b>597.50</b>
Financial Liabilities			Inventories	198.85	210.33
(a) Borrowings	65.43	65.43	<b>Financial Assets</b>		
(b) Lease Liabilities	7.01	6.25	(a) Investments	316.3	199.64
(c) Trade And Other Payables	103.57	109.90	(b) Trade Receivables	29.95	33.26
(d) Other Financial Liabilities	16.58	23.00	(c) Cash And Cash Equivalentents	59.99	99.31
Other Current Liabilities	35.58	45.65	(d) Bank Balances Other Than (c) Above	10.47	8.91
Provisions	6.44	9.66	(e) Loans	0.34	0.13
Current Tax Liabilities (Net)	3.02	0.99	(f) Other Financial Assets	1.53	1.70
			Current Tax Assets (Net)	0	0.45
			Assets Classified as Held for Sale	0	-
			Other Current Assets	33.80	43.77
<b>Total Equity and Liabilities</b>	<b>2,214.34</b>	<b>2,133.18</b>	<b>Total Assets</b>	<b>2,214.34</b>	<b>2,133.18</b>



# Annexures

**CPD**

## Consumer Product Division

### Automotive Suncontrol Film

- GHFL manufactures automotive films with different VLT, UV and heat rejection properties reducing the heat entering car interiors and keeps them cool.

### Paint Protection Film

- Leveraging 8+ decades of expertise in polyester manufacturing, GHFL offers scratch-resistant, self-healing and durable paint protection films that provide optimal protection for car paint from various external damages.
- Available in 6 Mil, 7 Mil & 8 Mil thickness

### Safety Film

- Polyester safety films provide high impact resistance to glass, reduces glare, and prevent glass from splintering upon impact, while maintaining optical clarity and transparency.
- Available in 4 & 7 Mil thickness and in combination of Suncontrol Film

### Architectural Film

- GHFL produces a range of architectural films that can be customized to any glass surface, offering protection from harmful UV rays and reducing heat transmission for both residential and commercial buildings.

**IPD**

## Special Industrial Product Division (IPD)

### Shrink Film

- GHFL produces shrink films for wrapping and labeling plastic bottles, containers, cans, and cups of various sizes,
- GHFL caters to prominent converters such

### Electrical & Electronics

- Electrical and Electronics specialty films are widely used in various applications in the electronics industry due to their unique properties such as high electrical insulation, thermal stability, moisture resistance, and excellent dimensional stability.
- Variants: EM6-LO, EM6, ER and ERE

### Release Liners

- Release liners are a specialty film coated with silicon on one side to enhance release properties and used in various applications including as release liners and release labels.
- Variants: PT026 (In-line), Sipet Liner (Off-line), PT016 (In-line)

## Commodity

## Industrial Product Division (IPD)

### Thermal Lamination

- They type of specialty films that are designed to provide heat insulation, energy efficiency, increased comfort and protection in various applications like Book covers, Posters, Catalogues, cartons, Visiting cards etc
- Variants: BOPP Thermal Base, BOPP Wet, Coated, BOPP Gloss and BOPP, Mat

### Plain Film

- Plain films offer excellent mechanical and optical properties, making them suitable for a wide range of applications such as label stocks, photographs, tags, lamination, reprographics, and OHP, etc.
- Variants: EM, EMCL, ERT-PT008, Opaque, LDF, TRDR, Gardigi, Matt MT21, Face Stock

### Packaging & Lidding Film

- Packaging & Lidding Films are designed for protecting and preserving various products, including food, beverages, and consumer goods, as well as metallizing and improving adhesion.
- Variants: ER, ERT – PT007

### Metalized Film

- GHFL produces custom packaging-grade metalized films with design versatility, shiny appearance, and barrier properties to meet customers' needs.
- Key applications are Flexible packaging, Lamination, Retort packaging, material requiring high barrier properties

# Thank You

**Garware Hi-Tech Films Limited.**

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