

**November 10, 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 - Quarter 2 FY 24**

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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 for Quarter 2 FY 24.

Thanking you,

Yours faithfully,  
For **Garware Hi-Tech Films Limited**

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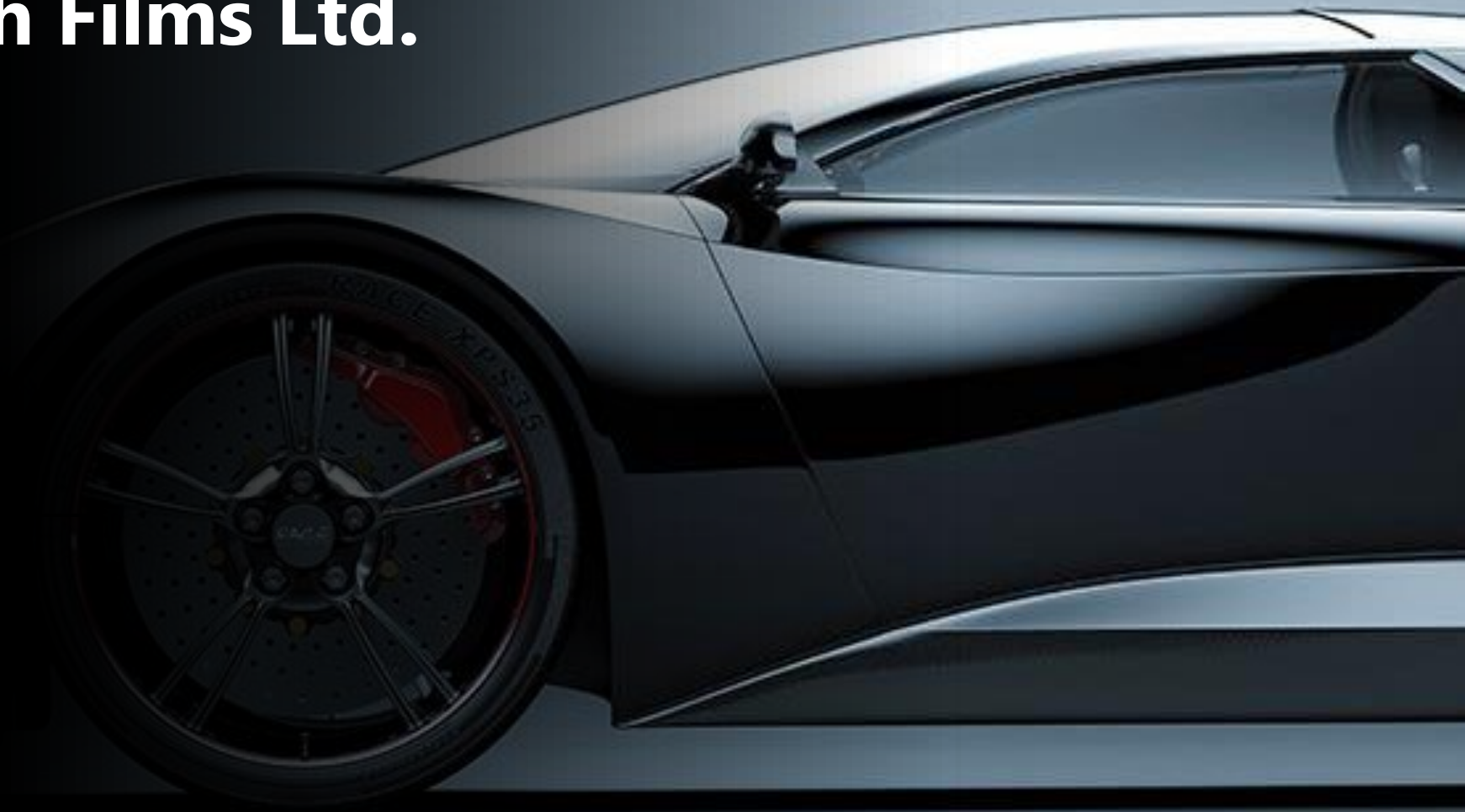
**Awaneesh Srivastava**  
**Company Secretary**  
**FCS 8513**

**Encl. as stated above.**



# Garware Hi-tech Films Ltd. (GHFL)

Investor Presentation  
Q2FY24



# Contents

- 01 Company Overview
- 02 Product Overview
- 03 Q2FY24 Highlights
- 04 Annexure

Automobile Window



Architecture



Safety



Paint Protection



Shrink



Industrial



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



# Our Journey : Transformation to speciality film player

**GHFL established by  
Padmabhushan Late Dr. Bhalchandra (Abasaheb) Garware  
and Dr. S. B. Garware**



**Dr. Abasaheb Garware  
Founder Chairman**



**Dr. S. B. Garware  
Chairman and MD**



**GHFL has embarked on a transformative journey led by the next generation, the daughters of Dr. S. B. Garware, ensuring robust growth and strength.**



**Ms. Monika Garware  
Vice Chairperson &  
Jt. MD**



**Mrs. Sarita Garware Ramsay  
Jt. Managing  
Director**



**Ms. Sonia Garware  
Non-Independent  
Director**

## 1933 - 1960

### The Beginning

- ❑ **Started Business from Trading cars** - The origin back to 1933 started business of trading imported cars
- ❑ **Ventured into Plastic industry**, with production of plastic buttons for Navy during World War II.
- ❑ Company's commitment to diversification led to introduction of products, such as knitting needles, pen holders, & toothbrushes.

## 1960 - 1980

### Diverse Ventures

- ❑ **Whole new world of possibilities opened up** - The sixties brought new challenges in the form of new technologies. We responded by expanding our product line to include PVC pipes.
- ❑ **New Plant Setup** - To meet the growing demands, two new plants were set up – polyester film plant in Aurangabad and metallizing unit in Nasik.

## 1980 - 2017

### Expansion and Innovation

- ❑ **US Patents and listing on BSE**
- ❑ **Backward Integrated** DMT Plant
- ❑ Commencement of **Audio, Video, and Computer Tapes** happened.
- ❑ Additional Capacity for **Polyester films** - new name 'Garware Polyester Limited.
- ❑ Entry into **Solar Control Film business in 1990**
- ❑ Diversification to **BOPP**

## 2017 & Beyond

### Transformation into VAP

- ❑ 2021, renamed as Garware Hi-Tech Films Limited, emphasizing **shift toward specialty films**.
- ❑ **Advanced Material** - Cutting-edge innovations for automotive and industrial sectors, coupled with robust R&D capabilities offer our customers a genuine competitive edge.
- ❑ **Establishment of Paint Protection Film Business**
- ❑ R&D investment led to additional **new patents registered/in-process**.

## Customer-Centric Growth

### Value-Added 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

- Solar Control Film
- Paint Protection Film
- Shrink Film

**89%** Q2FY24 Value added product contribution

### Manufacturing Excellence

- Fully vertically integrated chips-to-film manufacturer
- Capable of scaling up production with fungible capacities
- Backed by robust R&D to produce VAP films with unique patented technologies
- Comprehensive quality control and flexibility in delivering customized products across a range of over 3,000+ SKUs.

**2** Manufacturing Locations

**42,000** MT pa IPD Capacity

**4,500** LSF pa CPD Capacity

### Strengthening Domestic Market Share

- Project Apex to drive exponentials growth in domestic market
- Relaunch of safety glazing film and strengthening PPF distribution channel
- Comprehensive training program for applicators and tinters
- Resource addition at new geographies

**GAS**

**Garware Application Studios for exclusive access to Safety Glazing Films and PPF**

**600+ applicators trained in India**

### Fostering Sustainable Financial Performance

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

**Healthy Cash flows**

**Zero debt & 355 cr cash surplus**

**Low Collection days – 4 days for H1FY24**

- Revenue CAGR\* of 11.8%
- PAT CAGR\* of 38.1%
- 100% Dividend paying company\*

\*from FY18 – FY23

**Tier 1 Brand**  
A premium global brand, ranking top 3 in US and Europe

**World's Largest**  
One of World's largest Single-location SCF capacity

**~60%**  
Leading player in India's shrink film market with over 60% market share.

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

**Gold Shield**  
Awarded Gold Shield by the Government of India

**Exclusive Tech**  
One of only 2 with dyed SCF films, globally

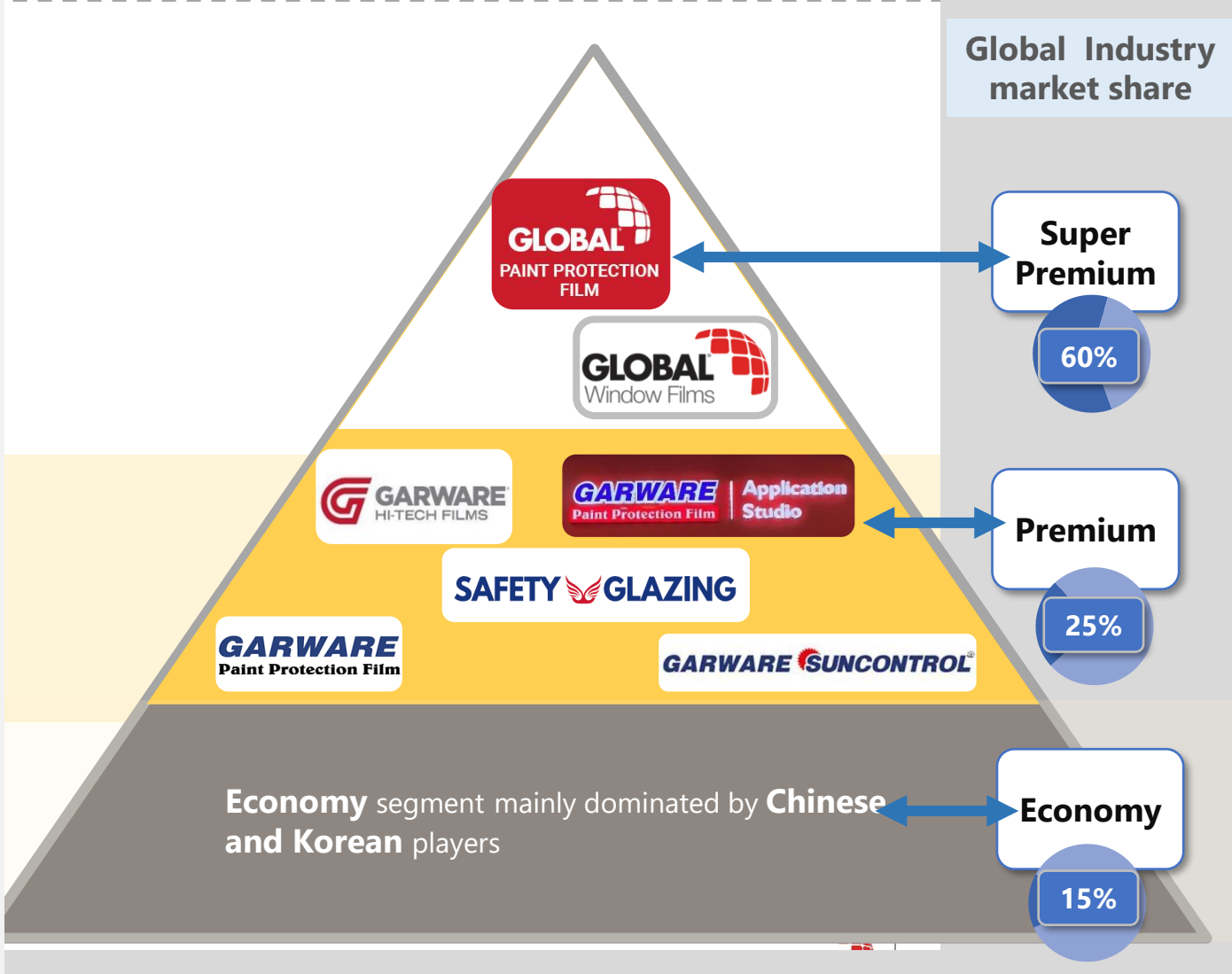
**Global Patents**  
Over 10 Registered/Pending Patents and 168 Registered Trademarks

**1<sup>st</sup>**  
India's first company to produce PCR grade & APR certified Eco-friendly Shrink Films

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

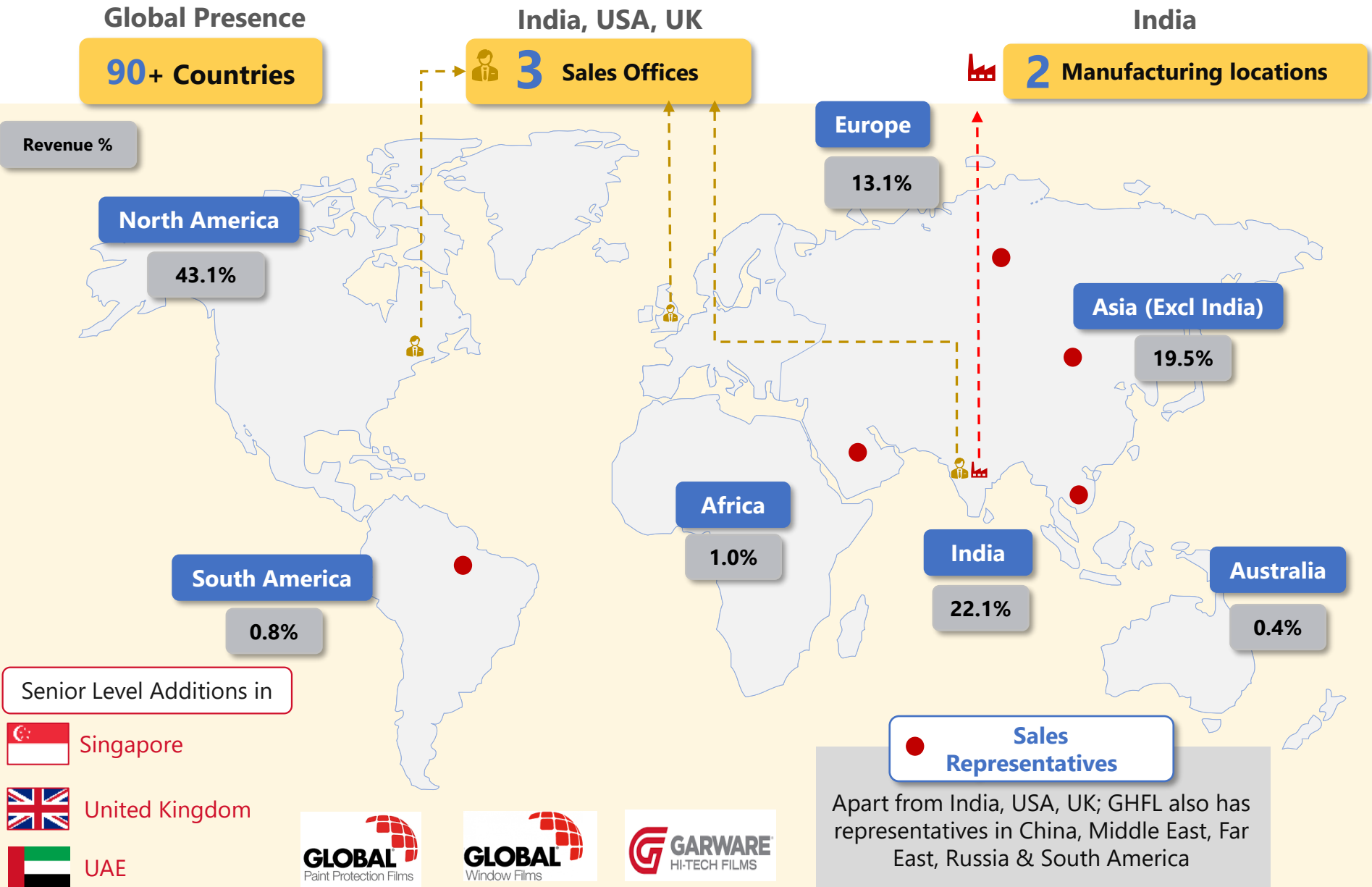
**5000+**  
Association with Tinters Worldwide

Our 'Global' and 'Garware' brands are aimed at the high end of the market, differentiating them from other international competitors in the premium and economy categories.





# Geographical Strategy | Mature Market with High-end Customer Base



5000+

Tinters across the globe

77.9%

Export Revenue in Q2FY24

- Strong global distribution network and established sales channels globally
- Clear strategy of dispatch to distributors
- Reduced delivery lead time
- Adoption of Cash-n-carry model for Efficient working capital management

New Geography Inclusion

- Philippines
- Uzbekistan
- Spain

# Product Overview



# Diversified Portfolio driving GHFL's Success

## Consumer Product Division (CPD)

### Value Added Product

- Automotive Solar Control Film
- Paint Protection Film
- Safety Film
- Architectural Solar Control Film

## Industrial Product Division (IPD)

### Value Added Product

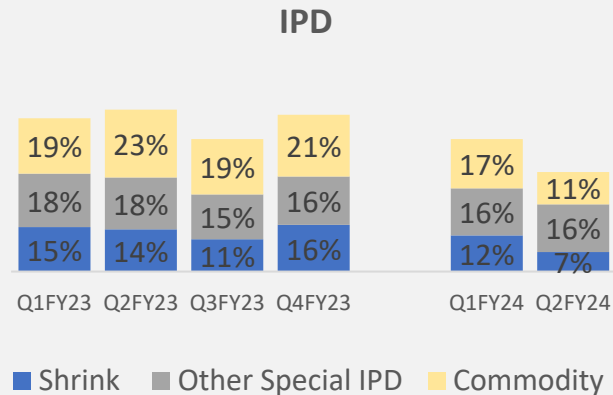
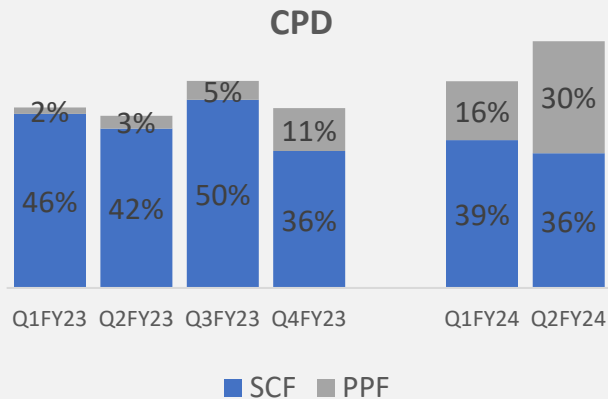
- Shrink Film
- Electrical/Electronics Insulation
- Release Liners

### Commodity

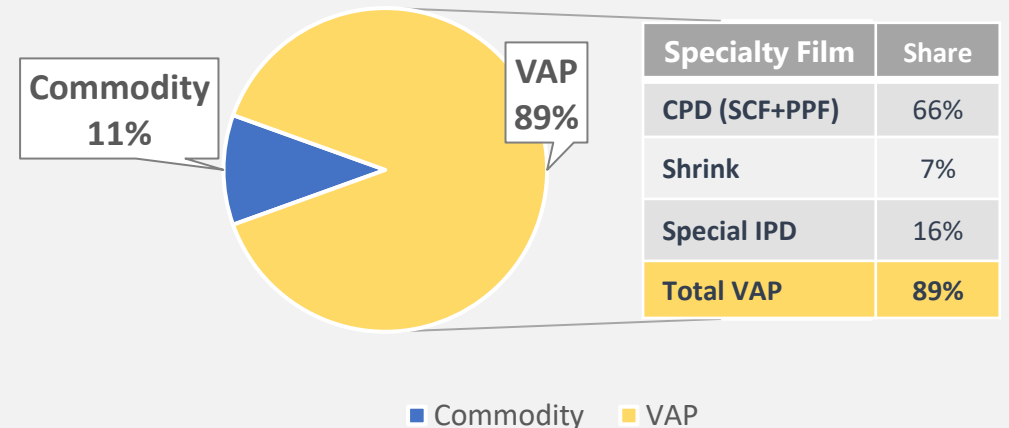
- Thermal Lamination
- Plain Film
- Packaging & Lidding Film
- Metalized Film

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

### Revenue Mix



### Value Added Product (VAP) mix – Q2FY24



# Solar Control Film | Competitive Advantage

## Premium Leading Brand

- Only company in the world with backward integration (Chip-to-films)
- The largest global capacity at one location & amongst top 3 premium brands in US, European markets

## Patented Technology

- One of the two companies worldwide with dyed polyester film Technology patented in USA & 15 others countries worldwide

## Differentiated Products

- Wide range of films catering to different requirements of SCF, safety, security, privacy, and aesthetics ideal and durable for any glass trait.
- Intl. accreditations and certifications such as European Chemicals Agency, EU Regulation, etc.

## Unique Product Features

- **Extreme UV Resistance**; blocking almost 99% of harmful rays
- **Unparalleled heat protection**; 78% solar rejection
- **Extremely durable** lifespan around 10-15 years
- **Eco-Friendly** 3-5% reduction in average fuel consumption
- **Anti Glare screen** with added privacy layer

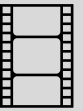
**Only company in the world with backward integration and extensive in-house manufacturing processes for SCF**



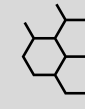
PET Dyeing



Resins



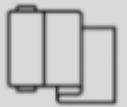
Release Liners



Adhesives & Chemicals



PET Film Extrusion



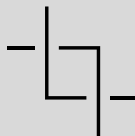
Metalised PET



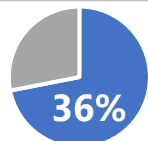
Lamination of Polyester Layer



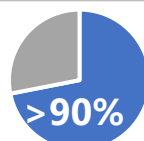
Scratch Resistance Coating



Finished Slitting



**SCF Revenue Share in Q2FY24**



**SCF Exported**



## Front Windshield

- ARCTIC COOL SHIELD
- COOL VISION GNDR
- COOL VISION NEUTRAL
- ICE COOL SHIELD GNDR
- ICE COOL SHIELD GREEN
- ICE COOL GREY SHIELD
- FRONTY SRC
- FRONVU SRC

70%  
VLT



## Side & Rear Windows

- INTERNATIONAL SERIES
- ICE COOL SERIES
- ARCTIC COOL SERIES
- ECOLITE & ALPS SERIES

50%  
VLT

### HIGH PERFORMANCE (HP) WINDOW FILMS



Made with high quality metallised films and its tint can be profusely crafted to match customers need. The visibility of these films can be modified according to desired shade. These films are in total compliance with the tint limits prescribed by the regulatory authorities.

### INFRARED RESISTANT (IR) WINDOW FILMS



Eliminates/Minimise heat discomforts of commuters. These films are made with organometallic nanoparticles which maximise the rejection of infrared/heat rays. This helps to avoid overheating of Car's interiors and leads to enhanced fuel efficiency.

### LIGHT REFLECTIVE WINDOW FILMS



Made with a micro-thin, partially transparent metallic layer that ensures superior light reflection. These thin-layered films make for excellent viewing for the passengers in the car and gives off a polished look that enhances Car's aesthetics. The versatile nature of the reflective films regulates the temperature inside the car and prevents damage to leathered surfaces caused by harmful UV exposure.

### NON-REFLECTIVE FILMS



Designed to enhance view by allowing visible light into the car while keeping heat out, giving a clear and safe view. Tinted films rejects heat and comes with many colour options like Grey, Charcoal, Black, Green, Bronze, Graphite & Clear. Super shrink property to easily install on curved glasses.

### PREMIUM WINDOW FILMS



Premium window films are made with superior quality materials to ensure crystal clear visibility with upto 99% UV rejection. These films do not interfere with the car's polished visuals and can be applied to the windows with striking precision. The unique technology used during manufacturing produces exceptional protection against the UV rays without any metallising properties.

## Untapped domestic market and product diversification

- Reintroduction of GHFL 'safety glazing' window film in India.
- Diversification into complementary architectural film segments

## 1,800 LSF p.a new lamination line

- Incremental revenue capacity from additional lamination facility of 1,800 LSF p.a.

## Strong R&D and demand for sustainable products

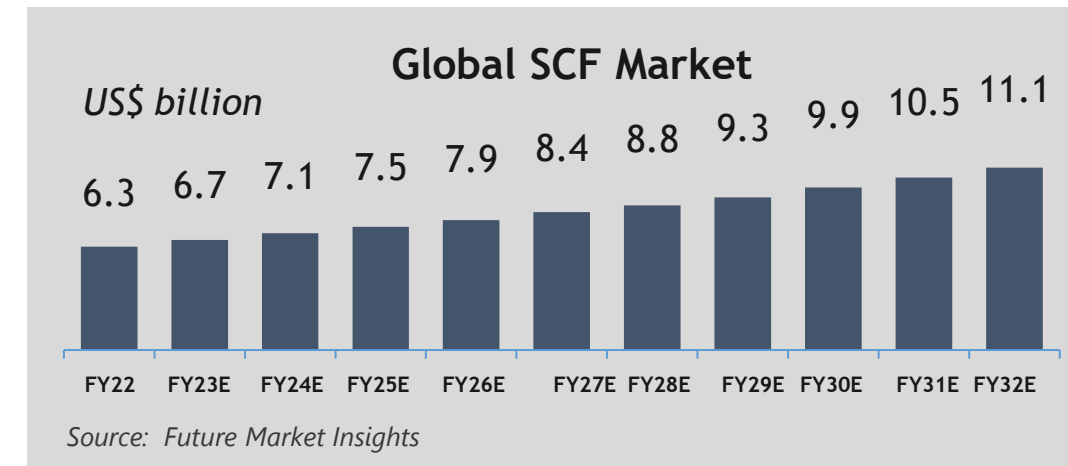
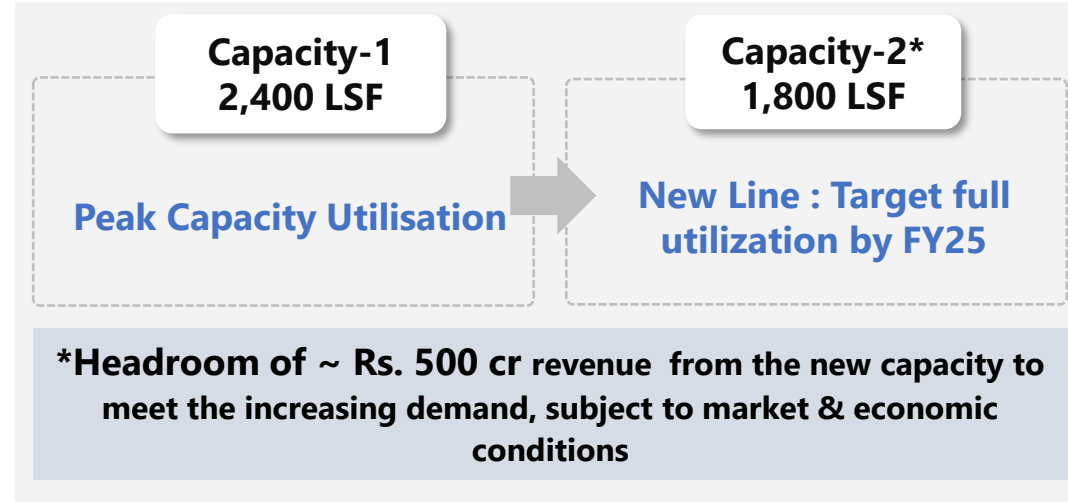
- Product innovation Introducing new value-added films, environment friendly films and patented technologies help maintain business leadership
- Favorable trend towards sustainable buildings and rising awareness of benefits of SCF films, especially in light of the increasing temperatures.

## Established distributor network globally & economic recovery

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

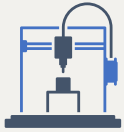
## Digital awareness and marketing campaigns

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



Global Sun Control Film (SCF) Market is expected to **grow** at a **CAGR of 5.8%** from 2022 to 2032

GHFL Market Share is ~8-10%, leaving ample headroom for growth



**Sole Producer**

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



**Vertically Integrated Manufacturing**

- A single-source manufacturing facility with in a state-of-the-art, ISO-9001:2015 certification capable to produces self-healing & abrasion-resistant films.



**Global Brand & Export Quality**

- Advanced technology with high quality standards, & pioneer in Automotive films business, making it a top choice for customers worldwide.
- More than 88% of PPF is exported Worldwide



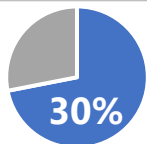
**Robust R&D**

- Scratch-resistant, hydrophobic, self-healing & abrasion-resistant films properties with good durability of paint protection films are a result of robust R&D facility

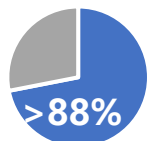


**Unique Product Features**

- **Excellent Durability**
- **Auto Self Healing**
- **Hydrophobic**
- **UV Resistant**
- **Top notch clarity**
- **Non-yellowing**
- **Scratch Resistance**
- **High Gloss**
- **Matt Finished**



**PPF Revenue Share in Q2FY24**



**PPF Exported**

## ➔ Plus

180-micron thick film with a 3-year warranty, offers an optically clear, high-gloss, hydrophobic top-coat, self-healing film properties designed to safeguard the vehicles from rock chips, scuffs, and minor scratches.

## ➔ Premium

Advanced 200-micron thick PPF with a 5-year warranty, has exceptional defense & guards against day-to-day damages. Its built-in hydrophobic top-coat properties gives naturally slick surface that repels water.

## ➔ PPF Kits

Garware paint protection film kits are meticulously designed to ensure an exact/custom fit, emphasizing precision for the Car's door cup and door edge etc.

## ➔ Matte Finish

Offers a non-reflective, low-gloss finish, enhancing your car's exterior with a subtle, stylish appearance, appealing to car enthusiasts aiming for a distinctive look. Ideal choice for providing a protection that perfectly matches the original surface.

## ➔ Ultra Premium

Enhanced factory-direct PPF, driven by OEMs introducing full vehicle wraps. GHFL stands as a sought-after OEM partner, offering guidance and overseeing dedicated installation facilities to ensure meticulous application, cost efficiency, and unwavering consumer satisfaction.

- ➔ **Retail – Plus, Premium Customized Kits and Matte Finish**
- ➔ **B2B/OEMs – Ultra Premium, PPF Kits**



Take out your Car in rains  
without worrying about the Paint

[www.garwareppf.com](http://www.garwareppf.com)

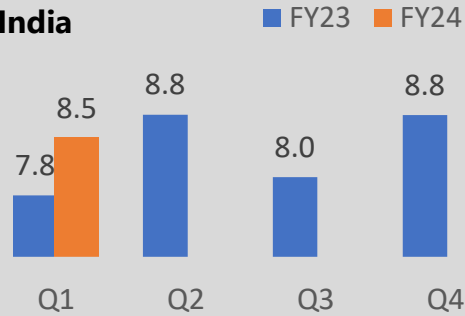


## Under penetrated and untapped PPF market in India

- Indian market is in the early stages of “building awareness” - scratch resistance, hydrophobicity, self-healing, and more benefits.
- Huge market potential, however, the current adoption rates are very low in India at <0.5% compared with 10-12% in the US and China
- Increasing share of premium & luxury vehicle segment (Sedan, SUV, MPV) and growth in the EV segment to enable higher PPF adoption

### PV Sales – India

In Lakhs



Annually ~30-35 lakh cars sold in India and nearly 40% are SUV and luxury car segment – which is essentially the target segment for PPF

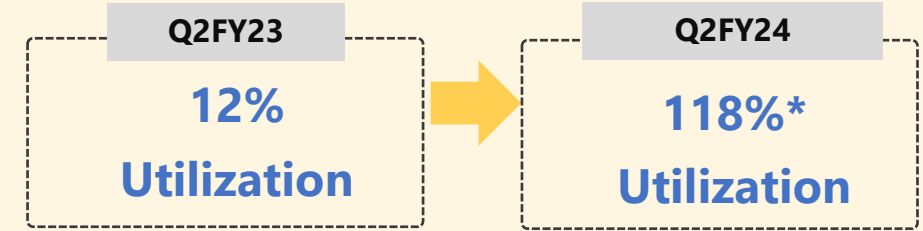
## Leveraging the existing Established Distributor & Tinter Network

- By leveraging existing channel opportunities/tinters/distributors of SCFs, GHFL has a clear opportunity to expand the distribution network and increase the visibility of PPFs.

## Strong Marketing Campaign

- Setting up of Garware Application Studios (GAS) in an asset-light B2C model with 87 channel partners (GAS + distributor).
- Social media marketing campaign gained strong traction and customer interest
- Dedicated training centers to impart PPF application skills

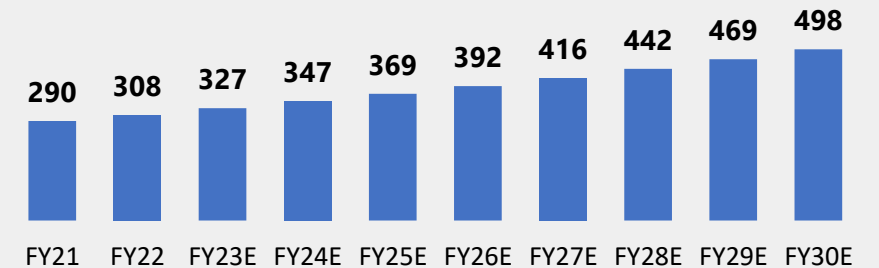
## Installed Capacity – 300 LSF



\*PPF plant is now operating at peak capacity, but the fungible capacity of our new lamination line has currently alleviated our capacity constraints

PPF market expected CAGR of 6.5% from 2022 to 2030

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



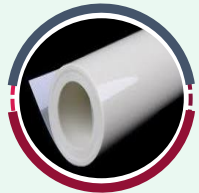
Source: Future Market Insights

## Value Added Products



### Shrink Film

Wrapping & labelling plastic bottles, containers, cans, cups, etc. of various sizes



### Electrical & Electronics

Used in electronics industry because of properties like electrical insulation, thermal stability, moisture resistance, & excellent dimensional stability.



### Release Liners

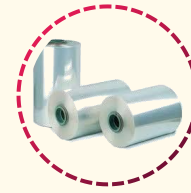
Coated with silicon on one side to enhance release properties & used in applications like release labels

## Commodity Products



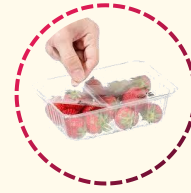
### Thermal Lamination

Provide heat insulation, energy efficiency, increased comfort & protection in various applications like Book covers, Posters, etc.



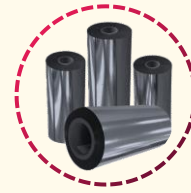
### Plain Film

Offers excellent mechanical & optical properties used in as label stocks, photographs, tags, lamination, OPH, etc.



### Packaging & Lidding Film

Protects & preserves various products like food, beverages & consumer goods



### Metalized Film

Provides design versatility, shiny appearance & barrier properties to meet customer specific needs

## Wide variety

- 12 variants (under High, Medium and Low Shrink options) powered by a strong focus on R&D

## Robust entry barrier & customer loyalty

- Implementing products at customer's end requires extensive trial periods, application training and comprehensive customer support

## Largest manufacturer

- In Indian Subcontinent, holding 60% market share of Indian market

## Catering big converters

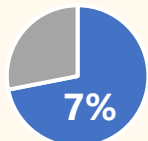
- By meeting their specific requirement & delivering tailored solution

## Specialty films

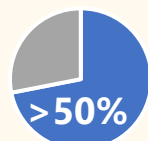
- Designed with complex mix of tech, machinery & quality of RM

## Eco-Friendly product

- Utilizing 30% PCR materials in shrink film



**Shrink Revenue Share in Q2FY24**



**Shrink Exported**

## Product 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

Commercialization of 2 new eco-friendly films

'Pearl Float' & 'Solid White' film

THE TRANSVERSE SHRINKAGE OF THIS MONO-AXIALLY ORIENTED SOLID WHITE CO-POLYESTER HIGH SHRINK FILM EXCEEDS 75%



## Key Industries



Agriculture



Food & Beverage



Pharmaceutical

## Key Applications



### Packaging

Used for outer sleeve wrapping & label applications of containers of various shapes and sizes.



### Preservation

Durability protects and preserves the packaging contents



### Retail Visibility

Improve visual appeal of the product packaging, and allows printing high-quality graphics to gain desired retail visibility

Shrink Films with UV stabilization used in **dairy industry** and vitamin-based beverages to protect them from UV rays.





## India's Rising Role in Shrink Film Manufacturing

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

## Consumer preference for environment-friendly shrink films

Shift in customer preference from PVC to recyclable PET-based shrink films. GHFL incorporates 30% PCR materials in its shrink films

## Global market

GHFL's diversified Customer base across the globe, including Europe, Africa & Middle East, besides the Indian market.

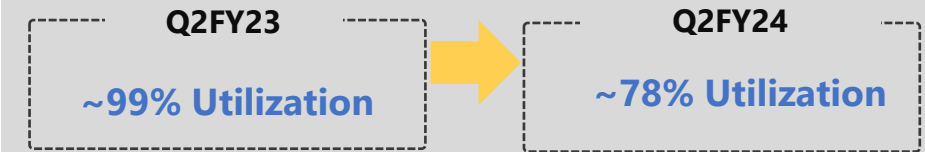
## Rise in e-commerce services and demand for packed food

Rise in awareness among the people regarding importance of packaging of food materials during pandemic outbreak. Shrink film packaging materials are used in e-commerce product delivery, deliver fresh groceries, beverage's etc.

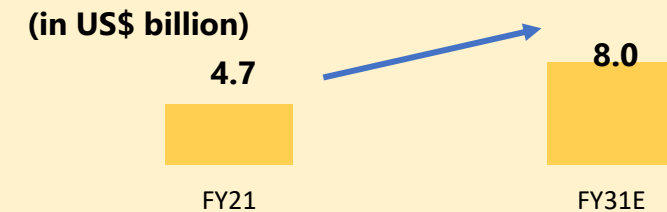
## Headroom for growth

With current ~12% contribution to GHFL's revenue, we envisage headroom for growth for this segment

## IPD Capacity Utilization



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



Source: Allied Market Research



### Macro Economic factors

Surge in urbanization and penetration of digitalization, improvement in lifestyles & increase in per capita incomes to boost 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



## Sun Control Films

- 1 Applied to the inside surface of Glass Windows
- 2 Reduces solar heat, UV light & glare, keeps inside room cooler
- 3 Multiple SKUs with different properties to suit your needs



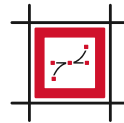
## Privacy Films

- 1 Provides privacy to rooms, conference rooms, bath areas and improves confidentiality
- 2 Improves ambience and aesthetics



## Safety & Security Films

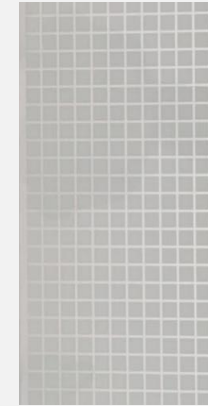
- 1 Holds broken glass shards intact & minimizes chances of injuries
- 2 Maintains visual identity of the glass
- 3 Protects glass surface from scratches



## Designer & Decorative Films

- 1 Transforms normal clear glass to a designer glass – varied colors & designs
- 2 Freedom to change glass designs on renovation by changing only the film, not the more expensive glass

## Unique range Privacy Films



Ice Cubes

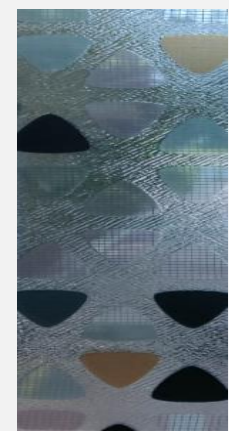
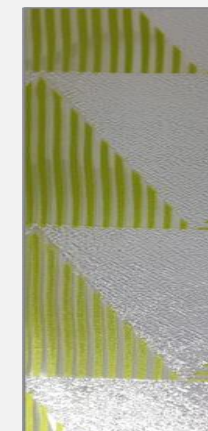


Ice lines



Ice Blind

## Niche range of Designer Films



Creates different environments & desired ambience for home and office interiors

# Our Global Marquee Clients



Bank of Brazil



Imperial College London



Luton Airport, London

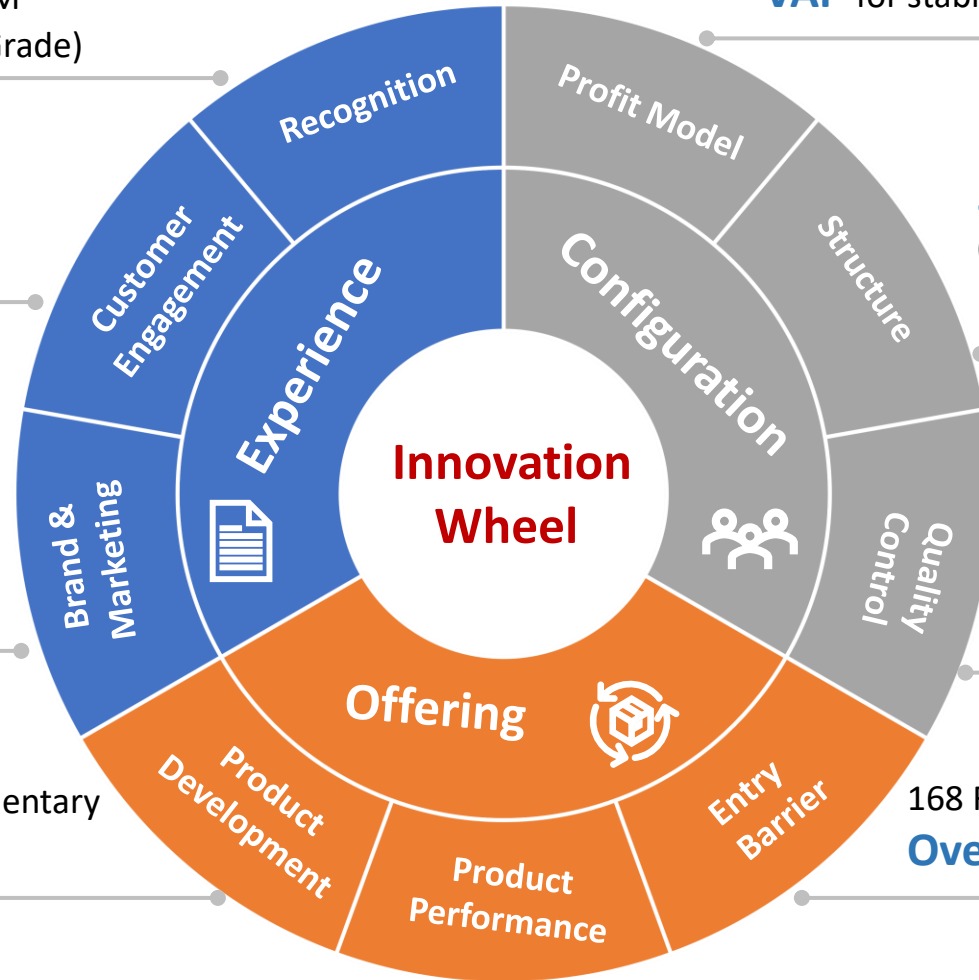


Changi Airport, Singapore



- Recognition by Indian Dep. of Scientific & Industrial Research (DSIR)
- **TPM Excellence Award** by JIPM
- BRCGS Certified (Food & Packaging Grade)

**VAP** for stable revenue and high margin growth



Continuous **Interaction & Feedback** to foster innovation

Representation of product offerings and business globally

**Product extension** into complimentary business

**50** dedicated R&D Team members (Technical & Scientific Personnel) and **Pilot Plants**

- An ISO 9001:2015 certified company.
- LEAN 6-Sigma DMAIC methodology for problem-solving, supported by certified LSSBB & LSSMBB practitioners

168 Registered Trademarks (India & Abroad) and **Over 10 registered/pending patents**

**Distinguishing features** and functionalities and customized products/RM due to backward integrations



# Expanding Channels and Customer Base : Marketing & Branding Initiatives



200+ US/Europe/Middle East manufacturers, distributors visited us at SEMA show  
Showcased new products and R&D pipeline to select targets



## Marketing Strategy for Exponential Domestic Market Growth from SCF and PPF



Reintroducing Safety Glazing Film with favorable shift in Indian Regulations, leveraging local manufacturing and strong brand recall



Accelerated expansion of the Garware Application Studios (GAS) exclusively retailing and applying Garware products



Retail counter addition initiatives launched in high potential markets to expedite counter addition and augment our share of business



Launched a comprehensive training program for applicators and sales executives to create supporting ecosystem



Direct tie ups with large auto OEMs, real estate consumers to develop a long-term sticky sales channel



Building end consumer pull leveraging digital marketing

## Focused sales-burst program supported by our channel partners



### Crack team driven on-ground sales effort

Deploying agile and specialized teams to boost sales through targeted road shows



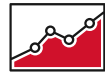
### Sharp digital communication

Executing precise and impactful digital communication strategies with target audiences to maximize online engagement



### Business development with our Channel partners

Robust business development initiatives with our trusted channel partners, promoting mutual growth. Facilitating corporate deals at scale and brand-level partnership - Auto OEMs, Hospitality, Advocacy.



### Pilot, Scale Up & Accelerate

A 3-phased approach piloting in one of the critical geographies, scaling it up to 3 geographies & implementing a nationwide sales burst initiative

**Ensures better visibility and enhanced safety aligned with Central Motor Vehicle Rule**

## Product Launch

**SAFETY GLAZING**

Relaunch of GHFL's 'Safety Glazing' window film in India



**High Under-penetration**

Indian domestic market is highly under penetrated

**Increasing Demand**

Domestic market has shown higher than expected uptake of SCF

**Regulatory permission\***

New domestic automotive rules allow usage of safety glazing materials

**Sole manufacturer**

GHFL is the sole manufacturer of safety glazing film conforming to the standards

## Safety Glazing Material – Key Highlights

**“End-to-end” application technique**

Novel "end-to-end" application method for enhanced coverage and quality, accompanied by region-wise applicator training.

**Regulatory Adherence**

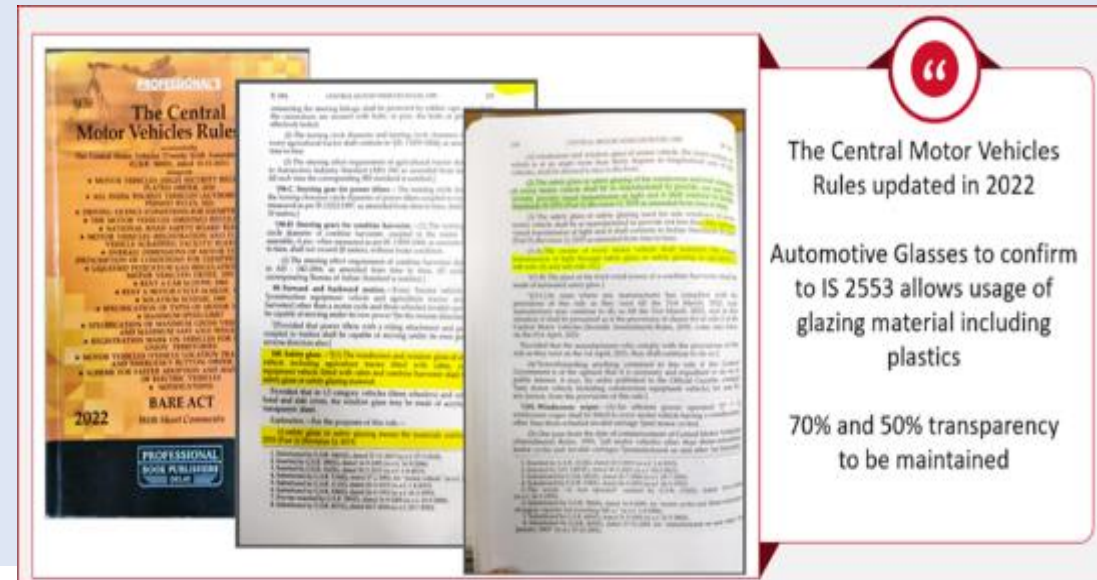
GHFL's Safety Glazing Material is in compliance with 50/70 VLT rule as specified in IS 2553 of CMVR Rule Book.

**Film Authenticity**

Employing dot code embossing and SKU name printing on kits for accurate identification of genuine Garware products..

**Sustainable Packaging**

Use of perforated boxes and tubes designed for single-use tear-away, promoting re-use of packaging materials.



The Central Motor Vehicles Rules updated in 2022

Automotive Glasses to confirm to IS 2553 allows usage of glazing material including plastics

70% and 50% transparency to be maintained

**Garware Application Studios (GAS) :** Detailing and Car care Studios for exclusive access to Garware's premium safety glazing films and PPF



Introducing a D2C channel of **certified and trained applicators**



Aim to achieve **multifold footprint growth** by launching Asset-Light application studios across prominent geographies



Application studios **thrive with our CRM platform's** robust support



GAS will play a **pivotal role as certified application providers** as Garware extends its **B2B channel** to include OEMs & multi-brand dealerships.

Vile Parle, Mumbai

**GARWARE**  
Paint Protection Film

Where Passion Meets Perfection:  
**Explore Our Exclusive Application Studio**



## Strengthening GAS and OEMs network

**GAS and PPF Distributors**

200

96



Current



Next ~2 years Target

**OEM Brands Dealerships**

900

500 +



Current



Next ~2 years Target





## Ensure a High-Quality Finish

Applicator Network expansion deliberate endeavor, recognizing their pivotal role in ensuring the highest standards of finishing

## Cutting-Edge Training Center

Established the Garware training center with state of art facility using the most modern techniques and technology

## Deeper Penetration

Starting with region wise (Tier 2& tier 3 towns) applicator mastery programs



30+

Trainings conducted

600+

Applicators trained

50+

Cities reached

2x

Growth in PPF sales in YTD FY24 vis-à-vis our selected measurement period of FY 23

1.9x

Growth in number of new retail counters added in FY 24 compared to selected measurement period of FY 23

85%

Increase in our reach – as measured by the pin codes we are serving in

2.7X

Increase in website traffic growth

## Harnessing our digital platforms to boost customer impressions.



Metrics	Pre period	Project Apex	Increase
Website Traffic	32K	86K	2.7X
Instagram Reach <sup>2</sup>	1M	4M	4X
Instagram Engagement <sup>2</sup>	4K	18K	4.5X
Facebook Reach <sup>2</sup>	5M	7.6M	2.5X



# Q2FY24 Highlights







*"Our PPF business has delivered strong volume and revenue growth with committed orders from our US customers and from our deepening domestic distribution network. The PPF plant is now operating at peak capacity, and the fungible capacity of our new lamination line has currently alleviated our capacity constraints. Our recent launch of safety glazing film in India has shown promising results. We aim to invest resources to capitalise on this opportunity in India through robust marketing and product awareness initiatives."*

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

\*\*\*\*\*

*"During the quarter, we have maintained consistent growth amidst the challenges faced by the polyester film industry. Our PPF business has grown significantly and our flagship SCF business has recorded a consistent volume improvement over the last 2-3 quarters. In addition, the recovery in commodity film prices is expected and would help to increase our revenues and margins. We have prepaid our long-term debt, underlining our strong financial position. Our balance sheet reflects cash reserves of around Rs 350 crore, which is expected to support our capacity additions and future growth."*

**Ms Monika Garware, Vice Chairperson and Joint Managing Director**



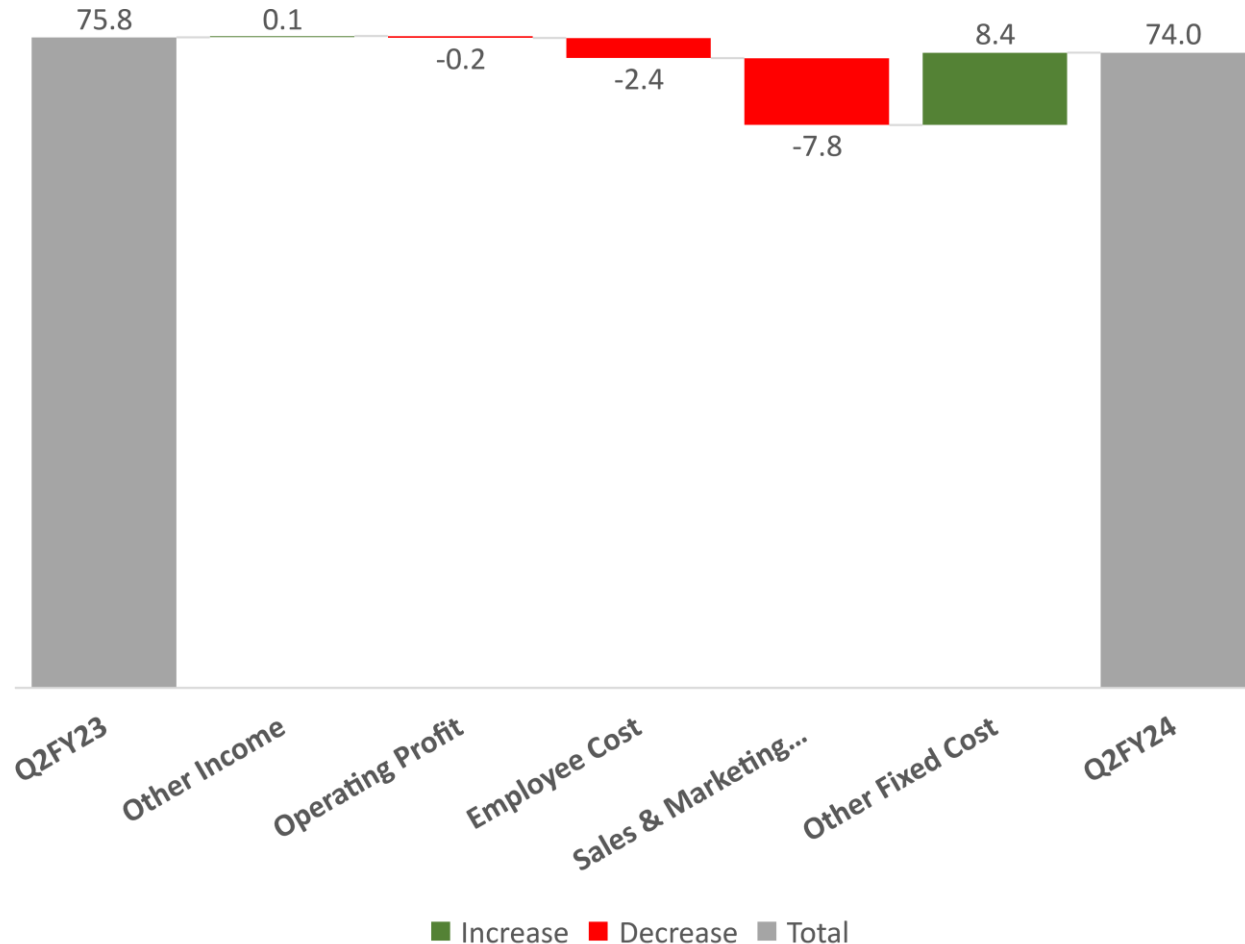
## New Initiatives and Developments | Q2FY24

1. Agreement signed and **delivery started with Mahindra Automotive** as OE supplier for PPF. Agreement in progress with three more OEMs for PPF/Safety Glazing
2. **Full repayment of term loans**, resulting in a gross debt balance of zero, as of date
3. **Patents granted** each for advance adhesive system for **Window Films and Low Oligomer Films**. Two more patents are applied for IPD division.
4. Under architectural film business, **Decorative Films commercialized in the USA**.
5. Product qualifications and commercial agreements with **two major customers in the US for Shrink Films**
6. **PPF is running at its peak capacity** and forecast looks good.
7. Added GAS and PPF distributors, currently stands at **96 channel partners**
8. Social Media reach has grown widely with good lead generation



## EBITDA Bridge

In cr



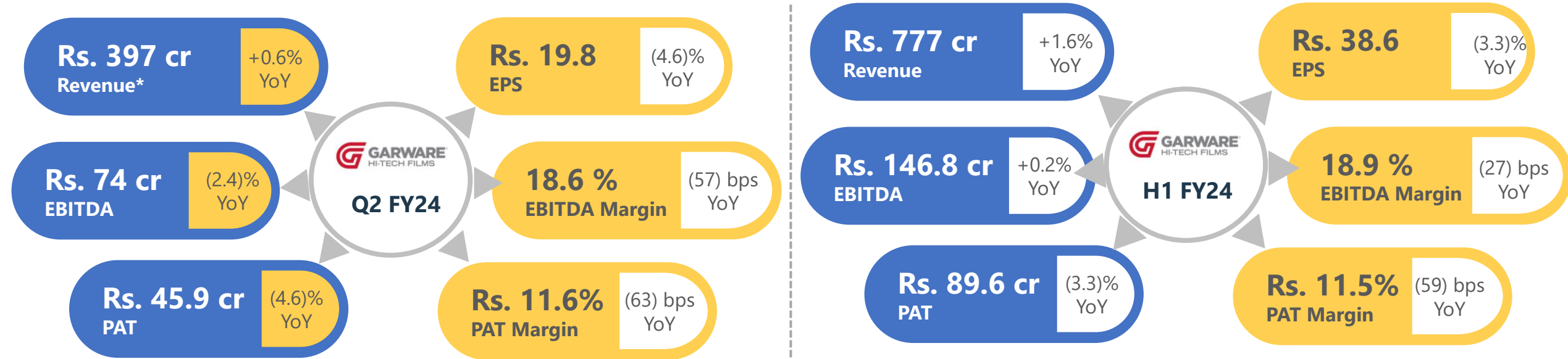
## Comments

- EBITDA impacted by an aggressive approach to sales and marketing expenses, including consulting fees, and the subsequent increase in resource recruitment, with specific focus on promoting PPF and SCF products within the domestic market.
- India CPD business increased from Rs 26 crores in H1FY23 to Rs 47 crores H1FY24.

\* Sales & Marketing expense includes fee for brand and marketing consultancy

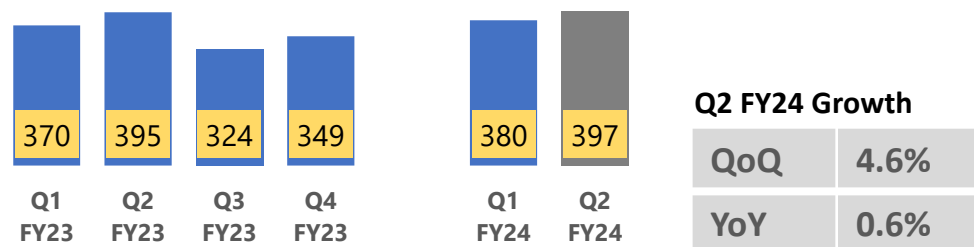
# Stable performance in a challenging environment

## Consolidated – Q2FY24 and H1FY24

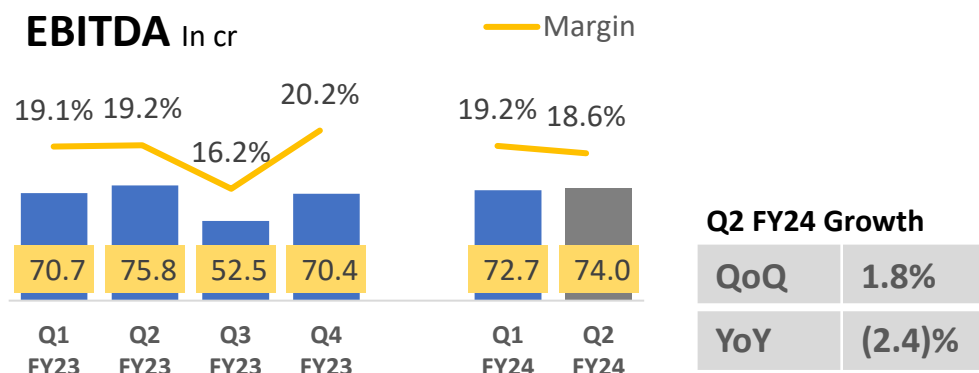


\*Robust business growth in Q2FY24 compared to sequential Q1FY24, **revenue up by 4.6% and PAT up by 5.1%**

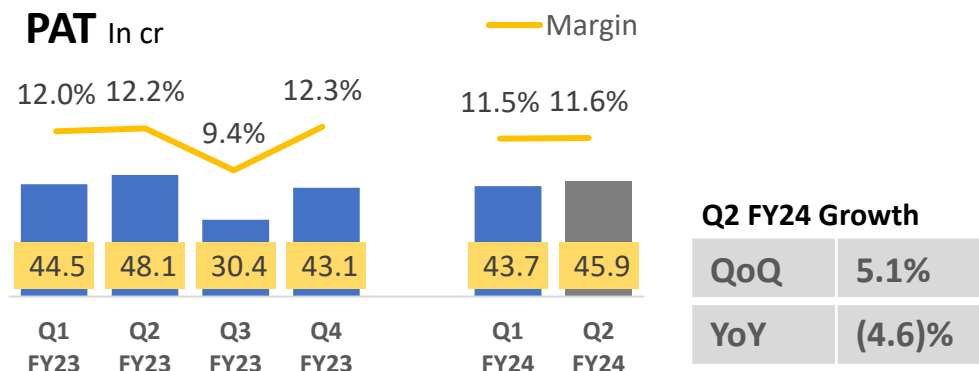
## Revenue In cr



## EBITDA In cr



## PAT In cr



## Comments

### Revenue

- Sales for quarter Q2FY24 stood at Rs 397 crores, up by 4.6% QoQ and up by 0.6% YoY.
- Sales for H1FY24 stood at Rs 777 crores, up by 1.6% YoY.
- The PPF business maintained its significant growth trajectory, supported by volume recovery in the SCF business, but tempered by decline in the IPD business.
- GHFL's speciality films contribute around 90% of its revenues, positioning it for superior growth compared to the poly film industry, which is currently facing overcapacity challenges..

### EBITDA & PAT

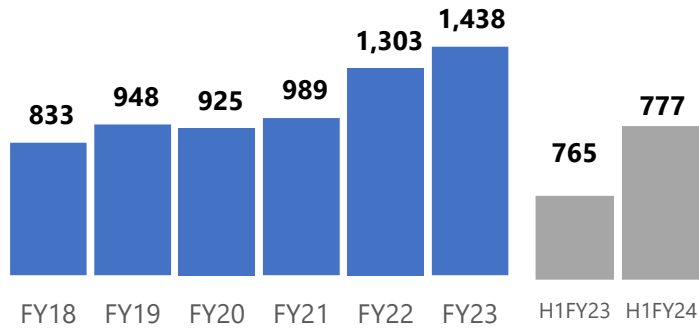
- EBITDA for quarter Q2FY24 stood at Rs 74.0 crores, up by 1.8% QoQ and down by 2.4% YoY.
- EBITDA for H1FY24 stood at Rs 146.8 crores, up by 0.2% YoY.
- EBITDA gains driven by higher PPF and SCF volumes, but tempered by margin pressure on IPD products and strategic yet aggressive investments in marketing and sales initiatives - a critical expense in line with the growth strategy. Although marketing costs may continue in the short to medium term, these investments are expected to significantly strengthen our market presence in the long term
- PAT for quarter Q2FY24 stood at Rs 45.9 crores, up by 5.1% QoQ and down by 4.6% YoY.



# Stable Historical Performance

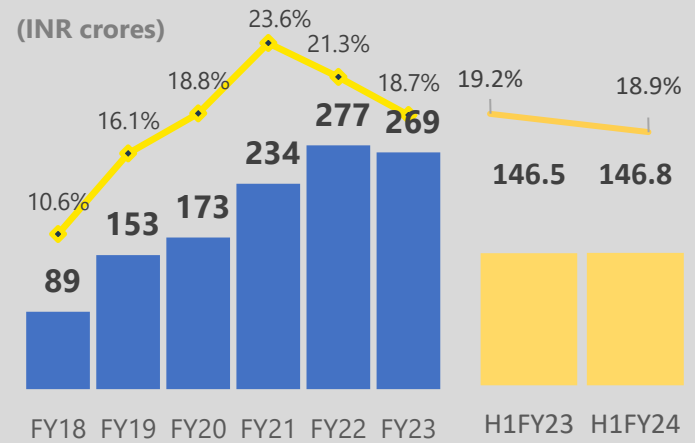
## Revenue from Operations

(INR crores)



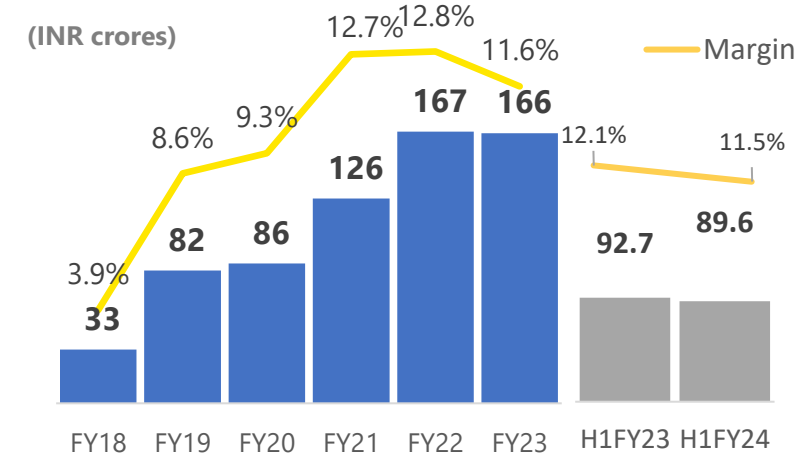
## EBITDA

(INR crores)



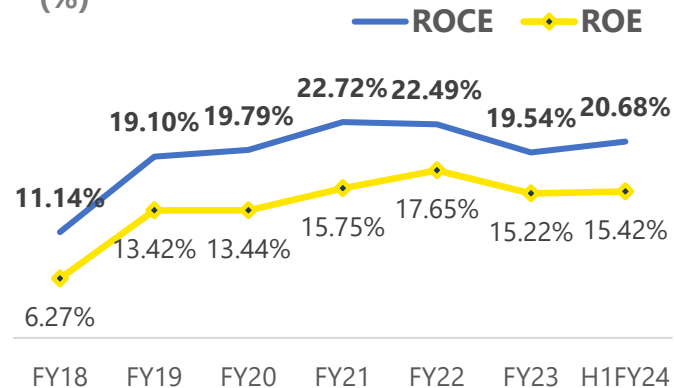
## PAT

(INR crores)



## ROE & ROCE\*

(%)

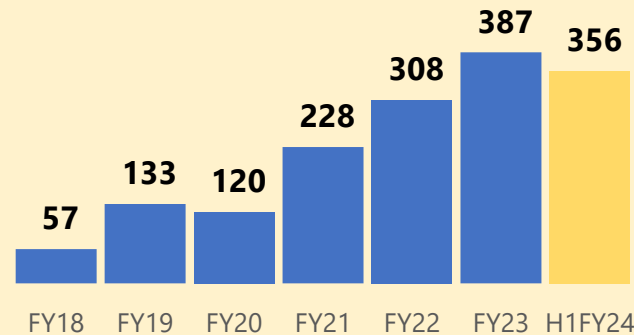


ROCE and ROE ratios

- Consolidated basis and is adjusted for revaluation reserve of Rs 764 crores
- H1FY24 on annualized basis

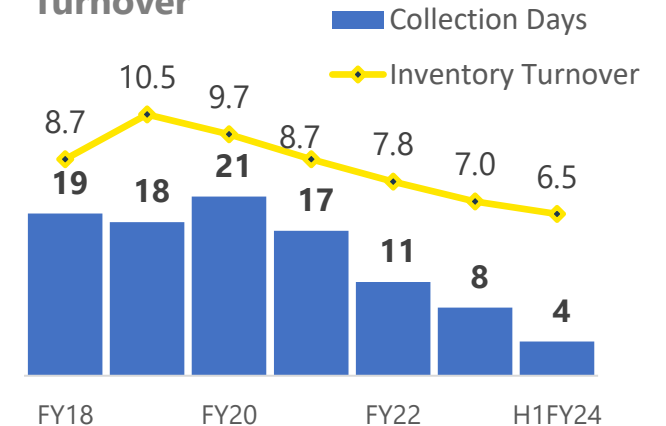
## Cash, Bank & Liquid Funds\*\*

(INR crores)



\*\*Reduced cash balances attributable to debt repayment

## Collection (Days) & Inventory Turnover



# Annexure



# Leadership : Our Pillars

Driving Growth, Excellence and Innovation at GHFL



**Dr. S. B. Garware**

**CMD**

- Graduated from Dulwich College, a prestigious institute in England and studied Senior Business Management course at the University of Edinburgh
- Has held prestigious posts such as President - Maharashtra Chamber of Commerce, Director – LIC, Director – SBI, Honorary Counsel General of Turkey – Western India Office



**Ms. Monika Garware**

**Vice Chairperson & Jt. MD**

- Graduate from in Vassar College, NY & MBA - Pace University - Lubin School of Business, NY
- Looks after production, R&D, innovation, finance, legal, corporate strategy, and business development



**Mrs. Sarita Garware Ramsay**

**Jt. Managing Director**

- MBA degree from European University , She has wide experience in Marketing & Corporate Affairs
- Handles the company's human resources, production and operations management, R&D, domestic sales,



**Ms. Sonia Garware**

**Non-Independent Director**

- MBA degree from Boston College, USA.
- Handles international sales and marketing, finance, business development, and strategy.

## Key Speakers

**Mr. M.S. Adsul**

**Director - Technical**

**Mr. Deepak Joshi**

**Director - Sales & Marketing**

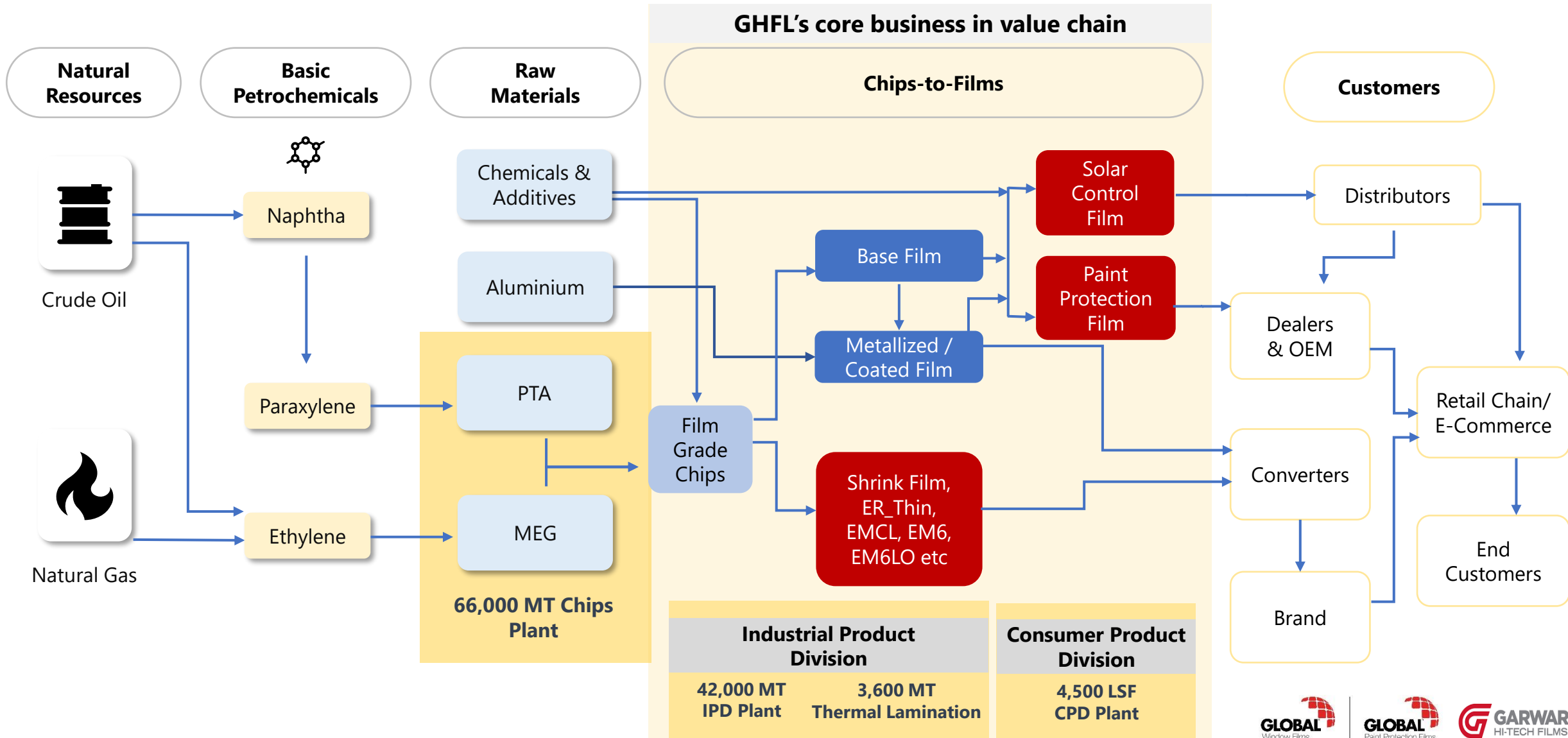
**Mr. Pradeep Mehta**

**Chief Financial Officer**



# Vertically Integrated Chips-to-Films Manufacturing

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





# GHFL Manufacturing footprints

Pioneering the Future of Specialty Polyester Films

2

Fully Vertically integrated Manufacturing Locations

Waluj, Chhatrapati Sambhaji Nagar (Aurangabad)

Chikalhana, Chhatrapati Sambhaji Nagar (Aurangabad)

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



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



Fungible Capacity <sup>41</sup>

- 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
Solar Control Film	4,200 LSF
PPF	300 LSF

- SCF1 - Full utilization
- SCF2 - New Line
- PPF 118%
- IPD 78%

**Current Utilization Ratio**

- SCF-1 line of 2,400 LSF is fully utilized
- SCF-2 (New Line) : Target full utilization by FY25
- The new SCF-2 line of 1800 LFS has potential to generate ~Rs 500 crores of revenue. Capacity utilization is subject to market & economic conditions.

# Product Division Summary

**CPD**

## Consumer Product Division

### Automotive Solar Control 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 6+ 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 SCF

### 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.

# Product Division Summary

**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

### 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)



# Product Division Summary

## 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



# 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.





## SEMA Show – November 2023



## International WF Conference & Tint-off (Ruby Sponsor)



## Wide Open Rallies | Sponsorship



## Social Media Campaigns





## Foundation for Sustainable Well-being



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



**1st company** in India to introduce recyclable PETG replacing hazardous PVC shrink label films



Solar Control films **reduce 3-5% fuel consumption** and carbon emissions



Target to reduce **50% of absolute emissions** by year 2030



**Water conservation** via Wastewater recycling, rainwater harvesting, & Effluent Treatment Plant



Member of **Association of Plastic Recyclers** (APR), USA



Under **Employee Safety**, Zero accidents in last 4 years



# CSR Initiatives



A dedicated Community Centre in Waluj Area which helps in Contribution towards Society, Rural Development, Environment & Nature.



Jalpurti Abhiyan in efforts to provide clean Drinking Water.



Health Awareness camps & Surya Namaskar Competitions



Vermi Compost with domestic and garden waste



Plantation on Large Scale & Beautification of roads with Plantation drive



COVID - 19 Safety MESAURES



Personality Development Program for students from rural area.

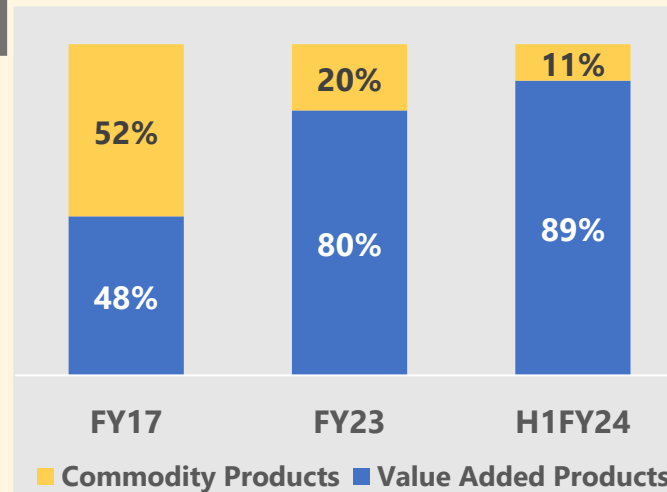


# Transitioned into a Value-Added Product Business

GHFL has ventured into value-added products like Solar Control, 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*	Business Transition	FY23*	H1 FY24*
<b>Polyester Films</b>		<b>Value Added Specialty Films</b>	
INR 874 Crores	Revenue from operations	INR 1,438 Crores	INR 777 Cr
9%	EBITDA Margin	18.7%	18.9%
2.5%	PAT Margin	11.6%	11.6%
~58%	Export Share	~70%	77.8%
INR 1,254 Crores	Net worth	INR 1,856 Crores	1926 Crores

\*Consolidated Financial Numbers

# Profit and Loss Summary

50

Consolidated

In Rs. Crores (except EPS)

Particulars	Quarter Ended			Year Ended
	30.09.2023	30.06.2023	30.09.2022	31.03.2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Revenue from Operations	397.1	379.7	394.8	1438.0
Other Income	9.2	8.9	9.0	42.16
Total Income	406.3	388.6	403.8	1480.2
Cost of Material	207.6	171.4	163.7	648.4
Inventory Changes	-19.7	8.2	18.0	16.4
Power & Fuel	30.8	29.7	34.4	126.0
Employees benefit expenses	32.97	35.3	30.6	121.9
Other Expense	80.5	71.3	81.2	298.2
EBITDA	74	72.7	75.8	269.4
Finance Cost	3.7	4.3	4.1	17.0
Depreciation and Amortisation Expense	9.7	9.8	7.63	32.4
Profit before tax	<b>60.7</b>	58.6	64.2	220.0
Tax Expenses	14.8	14.9	16.02	53.8
Net Profit after tax	45.9	43.7	48.1	166.1
EPS (Rs.)	19.8	18.8	20.7	71.5

# Balance Sheet Summary

51

In Rs. Crores

Liabilities	Sep-23	Mar-23	Assets	Sep-23	Mar-23
<b>Shareholders Fund</b>	<b>1,926.30</b>	<b>1,855.82</b>	<b>Non-Current Assets</b>	<b>1,555.86</b>	<b>1,563.11</b>
Share Capital	23.23	23.23	(a) Property, Plant and Equipment	1,457.52	1466.01
Other Equity	1,903.07	1,832.59	(b) Capital work - in - progress	8.99	10.32
			(c) Intangible assets	1.18	1.23
<b>Non-current liabilities</b>	<b>67.92</b>	<b>120.89</b>	(d) Intangible assets under Development	0.09	0.09
(a) Financial Liabilities			(e) Financial Assets		
(i) Borrowings	17.76	75.36	(i) Investments	83.53	76.4
(ii) Lease Liabilities	8.67	9.39	(ii) Other financial assets	3.03	2.98
(b) Deferred Tax Liabilities (Net)	36.46	31.72	(f) Other non - current assets	1.52	6.09
(c) Provisions	5.03	4.42			
			<b>Current assets</b>	<b>656.43</b>	<b>651.23</b>
<b>Current liabilities</b>	<b>218.07</b>	<b>237.63</b>	(a) Inventories	238.84	198.85
(a) Financial Liabilities			(b) Financial Assets		
(i) Borrowings	19.96	65.43	(i) Investments	254.37	316.3
(ii) Lease Liabilities	7.30	7.01	(ii) Trade receivables	15.86	29.95
(iii) Trade payables dues to			(iii) Cash and cash equivalents	90.14	59.99
- Micro and Small Enterprises	8.15	10.39	(iv) Bank balances other than (iii) above	11.30	10.47
- Other Than Micro and Small Enterprises	105.19	93.18	(v) Loans	0.81	0.34
(iv) Other Financial Liabilities	16.60	16.58	(vi) Other financial assets	0.92	1.53
(b) Other current liabilities	50.04	35.58	(c) Current tax assets (Net)	0.67	0
(c) Current Tax Liability (Net)	3.84	3.02	(d) Other current assets	43.52	33.80
(d) Provisions	6.99	6.44			
<b>Total Equity and Liabilities</b>	<b>2,212.29</b>	<b>2,214.34</b>	<b>Total Assets</b>	<b>2,212.29</b>	<b>2,214.34</b>

Acronym	Full Form
<b>CPD</b>	Consumer Product Division
<b>IPD</b>	Industrial Product Division
<b>VAP</b>	Value Added Product
<b>SCF</b>	Solar Control Film
<b>PPF</b>	Paint Protection Film
<b>GAS</b>	Garware Application Studio
<b>PV</b>	Passenger Vehicle
<b>D2C</b>	Direct to Customer
<b>OEM</b>	Original Equipment Manufacturer
<b>LSF</b>	Lakh Square Feet
<b>MT</b>	Metric Ton



# Thank You

**Garware Hi-Tech Films Limited.**

CIN: L10889MH1957PLC010889

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