

**November 9, 2023**

The Compliance Manager  
BSE Limited  
Corporate Relationship Department,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400001.

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.

**Scrip Code: 500655**

**Trading Symbol: GRWRHITECH**

**Subject: Outcome of the Board Meeting held on Thursday, November 9, 2023**

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that, the Board of Directors of the Company at its meeting held today i.e., Thursday November 09, 2023, *inter-alia*, considered and approved the following:

1. The Unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2023 along with Limited Review Reports of the Statutory Auditors thereon. A Copy of Results and Limited Review Reports are enclosed;
2. The Press Release, covering the financials results is enclosed herewith.

The meeting commenced at 12.30 P.M. and concluded around 1.25 P.M.

Thanking you,

Yours faithfully,

**For Garware Hi-Tech Films Limited**



**Awaneesh Srivastava**  
**Company Secretary**  
**FCS 8513**  
**Encl. as stated above**



## Garware Hi-Tech Films Limited

### FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2023

Consolidated revenues for Q2FY24 remained steady at Rs 397 crores and PAT at Rs 46 crores, a stable performance

With strong volume growth in PPF especially from the US customers and an expansion of the domestic distribution network, the PPF plant is currently operating at its peak capacity

New patents for adhesive-backed, hydrolysis-resistant window film and low oligomer film are expected to strengthen our market position.

Product qualifications and commercial agreements with top-tier US customers for shrink films, with potential to generate additional revenues.

Gross debt at zero, all term loans prepaid

**Mumbai, November 9, 2023:** Garware Hi-Tech Films Limited (GHFL) (BOM: 500655 | NSE: GRWRHITECH), a global manufacturer of Solar Control Films (SCF), Paint Protection Films (PPF) and other speciality polyester films, announced results for the quarter and half year ended September 30, 2023.

#### Consolidated Financial Summary:

Rs in crores (except EPS)

Particulars	Quarter Ended					Half Year Ended			Year Ended
	Q2FY24	Q1FY24	Q2FY23	QoQ	YoY	H1FY24	H1FY23	YoY	FY23
Revenue	397.1	379.7	394.8	4.6%	0.6%	776.8	764.6	1.6%	1,438
EBITDA	74.0	72.7	75.8	1.8%	(2.4%)	146.8	146.5	0.2%	269
EBITDA %	18.6%	19.2%	19.2%	-	-	18.9%	19.2%	-	18.7%
Cash Profit	55.6	53.5	55.8	3.9%	(0.4%)	109.2	107.6	1.5%	199
PBT	60.7	58.6	64.2	3.6%	(5.5%)	119.2	123.3	(3.3%)	220
PAT	45.9	43.7	48.1	5.0%	(4.6%)	89.6	92.7	(3.3%)	166
PAT %	11.6%	11.5%	12.2%	-	-	11.5%	12.1%	-	11.6%
EPS	19.8	18.8	20.7	-	-	38.6	39.9	-	71.51

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

Commenting on the results, **Dr S B Garware, Chairman and Managing Director**, said: *"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."*

**Ms Monika Garware, Vice Chairperson and Joint Managing Director** added, *"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."*

**Business Updates:****Solar Control Film (SCF)**

SCF contributed 36% of the total revenue in Q2FY24 vs 39% in Q1FY24, even as there was ~8% revenue growth in Q2 compared with Q1FY24, due to a higher volume growth in PPF. Our target for the domestic SCF business is to contribute around 6% to 8% of sales within the next 3-4 years. We are capitalising on the untapped domestic market with re-launch of the "Safety Glazing" window film, robust marketing strategies and increased resource allocation for the domestic market. At the same time, the export market has seen an upturn due to an improved macroeconomic environment and increased car sales, contributing to a volume recovery in the SCF business over the last 2-3 quarters.

In addition, our strategic diversification into complementary architectural film segments has been demonstrated by the successful commercialisation of decorative films in the US. Finally, the acquisition of a patent for an advanced adhesive-backed window film represents a technological advance.

**Paint Protection Film (PPF)**

PPF contributed 30% of the total revenue in Q2FY24 vs 16% in Q1FY24. PPF business continues to perform well, largely driven by strong demand from our US-based distributors, continued expansion of our domestic distribution network and robust marketing initiatives to increase product awareness. The PPF plant operated at a capacity utilisation of 118% as the company effectively managed potential capacity constraints by utilising the available fungible capacity from the new SCF lamination line.

The Company achieved its target of acquiring 500 OEM brand dealerships ahead of the planned schedule. It plans to scale up, setting a new goal of 900 dealers within the next two years. Additionally, GHFL secured partnerships with almost 100 PPF studios and channel partners, marking nearly half of its intended target.

**IPD Business**

In Q2FY24, the revenue share of our IPD business, which includes shrink, special IPD, and other commodity films, was 34%, down from 54% in the corresponding quarter last year due to increase share of CPD business and IPD headwinds. The specialised IPD products, including low oligomer, release liners and other intermediates, have shown steady growth. The shrink film business experienced a decline due to lower demand; however, product qualification and commercial agreements with two major customers in the US signalled growth opportunities in shrink film. In contrast, the commodity-based IPD films continue to face headwinds from oversupply in the polyester film industry, which we expect to reverse in the coming quarters. The cumulative capacity utilisation of IPD plants was 78%, compared to 99% in the corresponding quarter last year. GHFL successfully secured a patent for low oligomer film and has two other patents in process for the IPD division.

**Revenue Growth**

In Q2FY24, GHFL's consolidated revenue stood at Rs 397 crore and PAT at Rs 46 crore, showing a stable performance. In Q2FY24, the PPF business maintained its significant growth trajectory, SCF business saw volume recovery, but revenue tempered by degrowth in the IPD business. In Q2FY24, the CPD segment saw a revenue growth of 53% compared to the corresponding quarter last year. In comparison, the IPD segment reported a decline of 32% in revenue during the same period. Around 78% of revenue is generated from film exports, primarily contributed by North America and Asia. GHFL's speciality films contribute ~90% of its revenues, positioning it for superior growth compared to the poly film industry, which is currently facing overcapacity challenges.

**Margin**

In Q2FY24, GHFL reported an EBITDA of Rs. 74.0 crores (vs Rs 72.7 crores in Q1FY24, Rs 75.8 crores in Q2FY23), driven by higher PPF and SCF volumes. However, these gains were tempered by margin pressure on IPD products and strategic yet aggressive expenditure in marketing and sales initiatives. In Q2FY24, we have expensed Rs 5.76 crores towards such new marketing/sales initiatives, the benefits of which would accrue in the long run. Excluding these strategic marketing cost, the EBITDA for Q2FY24 would have been Rs 79.8 crores (vs Rs 75.6 crores in Q1FY24, Rs 75.8 crores in Q2FY23).

**Outlook**

The untapped potential in the domestic market for safety window films and PPF, coupled with robust branding, marketing efforts and an expanding distribution channel for CPD products, is expected to drive volume/revenue growth in India. In addition, the export market is showing robust momentum for both PPF and SCF, particularly from established markets such as the USA. Diversification into complementary architectural and decorative films is expected to contribute to sales growth in the medium/long term. Shrink films and other specialised IPD products are expected to benefit from new patents and products, and increasing customer preference for environmentally friendly films.

**About Garware Hi-Tech Films Limited**

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



**For further information, please contact:**

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