



Life's god with our chemistry

Archean Chemical Industries Limited

11th November 2024

National Stock Exchange of India Limited
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051
Symbol-ACI

BSE Limited
Listing Operations
Phiroze Jeejeebhoy Towers Dalal Street
Mumbai-400001
Scrip Code- 543657

Dear Sir/Madam,

Subject: Investor presentation for the second quarter and half year ended 30th September 2024

Reference: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find enclosed Investor Presentation for Q2 of FY 24-25.

The above information shall be made available on the website of the Company at www.archeanchemicals.com

This is for your information and records.

Thanking you

Yours faithfully
For Archean Chemical Industries Limited

R Raghunathan
Chief Financial Officer

Enc- as above



Archean
Chemical
Industries
Limited

Archean Chemical Industries Limited

Q2 & H1 FY25 - Investor Presentation





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A leading Manufacturer of **Specialty Marine Chemicals** in India



Strong Clientele - 40 Global & 32 Domestic



Largest exporter of Bromine and Industrial Salt in India



'Responsible Care' Certification is in process

Rs. 4,754.5 Mn
H1 FY25 Revenue

Bromine

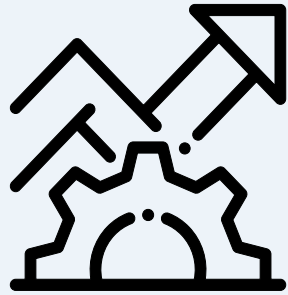
- Leadership position in Indian Bromine merchant sales

Industrial Salt

- 100% Export business

Sulphate of Potash

- Only Manufacturer from natural sea brine in India



Q2 & H1 FY25 Performance Highlights

Profit & Loss Statement



Particulars (Rs. in mn)	Q2 FY25	Q2 FY24	Q1 FY25	H1 FY25	H1 FY24
Total Income	2,520.5	3,020.4	2,234.0	4,754.5	6,563.4
Cost of material consumed	114.6	119.4	124.2	238.8	254.6
Change in Inventory	2.4	68.2	(317.0)	(314.6)	231.7
Purchase of Stock –in – Trade	-	-	-	-	-
Employee Cost	123.3	192.0	140.7	264.0	395.3
Other Expenses	1,382.2	1,569.1	1,437.4	2,819.6	3,150.7
EBITDA	898.1	1,071.7	848.6	1,746.7	2,531.1
Depreciation	179.9	174.6	178.9	358.8	349.2
EBIT	718.2	897.1	669.8	1,387.9	2,181.9
Finance Cost	20.4	20.0	18.7	39.1	50.6
Profit before Tax	697.8	877.1	651.0	1,348.8	2,131.4
Exceptional Item*	(401.8)	-	-	(401.8)	-
Tax	77.3	213.6	166.4	243.7	526.2
Profit After Tax	218.7	663.5	484.6	703.3	1,605.2
EPS (in Rs.) - Basic	1.77	5.39	3.93	5.70	13.04
EPS (in Rs.) - Diluted	1.76	5.37	3.92	5.69	12.99



*Exceptional item is due to Asna cyclone impact resulting in loss of Industrial salt stock of Rs. 40.18 Crs (4.72 Lakhs MT) in Gujarat during August 24 / September 24. The Company has initiated the claim process with the insurance company

Balance Sheet Statement



Particulars(Rs. in mn)	Sept-24	Mar-24
Shareholder's Funds	17,650.9	17,064.2
Equity Share Capital	246.8	246.8
Reserves & Surplus	17,404.1	16,817.4
Non-Current Liabilities	1,615.0	1,606.8
Financial Liability		
Borrowings	5.0	6.0
Lease Liability	292.1	312.3
Provisions	50.0	50.7
Deferred Tax Liabilities	1,267.9	1,237.8
Current Liabilities	1,067.3	1,239.4
Financial Liability		
Borrowings	1.9	1.9
Lease Liability	65.2	70.5
Trade Payables	943.7	990.0
Other Financial Liabilities	26.4	151.9
Other Current Liabilities	25.4	18.7
Current tax liabilities (net)	-	-
Provisions	4.7	6.4
Total Equity & Liabilities	20,333.2	19,910.3

Particulars(Rs. in mn)	Sept-24	Mar-24
Non-Current Assets	13,023.7	12,893.5
Property Plant & Equipment	10,357.6	10,581.9
CWIP	177.0	205.9
Right of Use Assets	249.6	281.2
Intangible Assets	0.9	1.2
Financial Assets		
Investments	110.0	110.0
Loans	1,607.5	1,403.0
Other Financial Assets	247.1	190.5
Income Tax Assets (Net)	130.3	54.0
Other Non - Current Assets	143.8	65.9
Current Assets	7,309.5	7,016.8
Inventories	1,188.5	1,270.0
Financial Assets		
Current Investments	4,111.9	3,358.3
Trade receivables	1,079.7	1,558.5
Cash and cash equivalents	440.1	438.7
Bank balances	-	-
Loans	5.3	4.3
Other Financial Assets	158.9	150.9
Other Current Assets	325.0	236.0
Total Assets	20,333.2	19,910.3

Cash Flow Statement



Particulars (Rs. mn)	Sept-24	Sept-23
Profit before Tax & Exceptional	947.0	2,131.4
Adjustment for Depreciation & other items	151.7	237.7
Operating profit before working capital changes	1,098.7	2,369.1
Changes in working capital	209.8	271.6
Cash generated from operations	1,308.5	2,640.7
Direct taxes paid (net of refund)	-289.6	-433.0
Net Cash from Operating Activities	1,018.9	2,207.7
Net Cash from Investing Activities	-822.0	-1,607.5
Net Cash from Financing Activities	-195.5	-344.2
Net Change in cash and cash equivalents	1.4	256.0
Cash and cash equivalents at the beginning of the year	438.7	52.7
Cash and cash equivalents at the end of the year	440.1	308.7



Strategic Update & Recent developments



1. Clas-Sic Wafer Fab Limited



Cost of Acquisition: The primary subscription involves investment of GBP 10 mn, and a secondary purchase involves GBP 5 mn



Acquired 21.33% of equity share capital



Market Potential: The SiC market is forecast to grow at a 26% CAGR through 2030

Overview

- **Company Name:** Clas-SiC Wafer Fab Limited
- **Specialization:**
 - ✓ Manufacturing of SiC devices
 - ✓ Development of advanced SiC process modules and design kits
 - ✓ Focus on MOSFETs (Metal-Oxide-Semiconductor Field-Effect Transistors) and diodes
- **Industry Focus:** Semi-Conductor
- **Target Applications:**
 - ✓ Energy-efficient green technologies (e.g., electric vehicles, renewable energy systems)
 - ✓ Industrial power electronics
 - ✓ Data centers
- **Location:** United Kingdom
- **Key Advantages:** Critical role in enabling energy efficiency in various industrial and green tech sectors

Investment Rationale

- **First Investment:** This will be India's first investment of its kind in a company with Silicon Carbide (SiC) MOSFETs and devices production capability
- **Strategic Alignment with Semiconductor Initiative:** The investment supports the broader semiconductor strategy through **SiCSem Private Limited (SiCSem)**, aligning with the company's vision to expand in the compound semiconductor space
- **Technology Exclusivity in India:** The investment secures exclusive access to advanced SiC technology in India, providing a competitive edge in the domestic market
- **Key Synergies :** ACIL's core competency in specialty chemicals, creates natural synergies with its SiC semiconductor business

Other Details

- **Production Setup:** ACIL is targeting to manufacture high quality SiC power devices in next 24-36 months (First Phase) to serve both domestic and international market
- **Government Approval:** SiCSem has submitted an application for the Indian Semiconductor Mission under the Government of India, which is currently awaiting approval



2. Offgrid Energy Labs



Cost of Acquisition: \$12 million



Market Potential: The global demand for stationary energy storage is expected to exceed \$30 billion by 2030



To Acquire 21% on a fully diluted basis

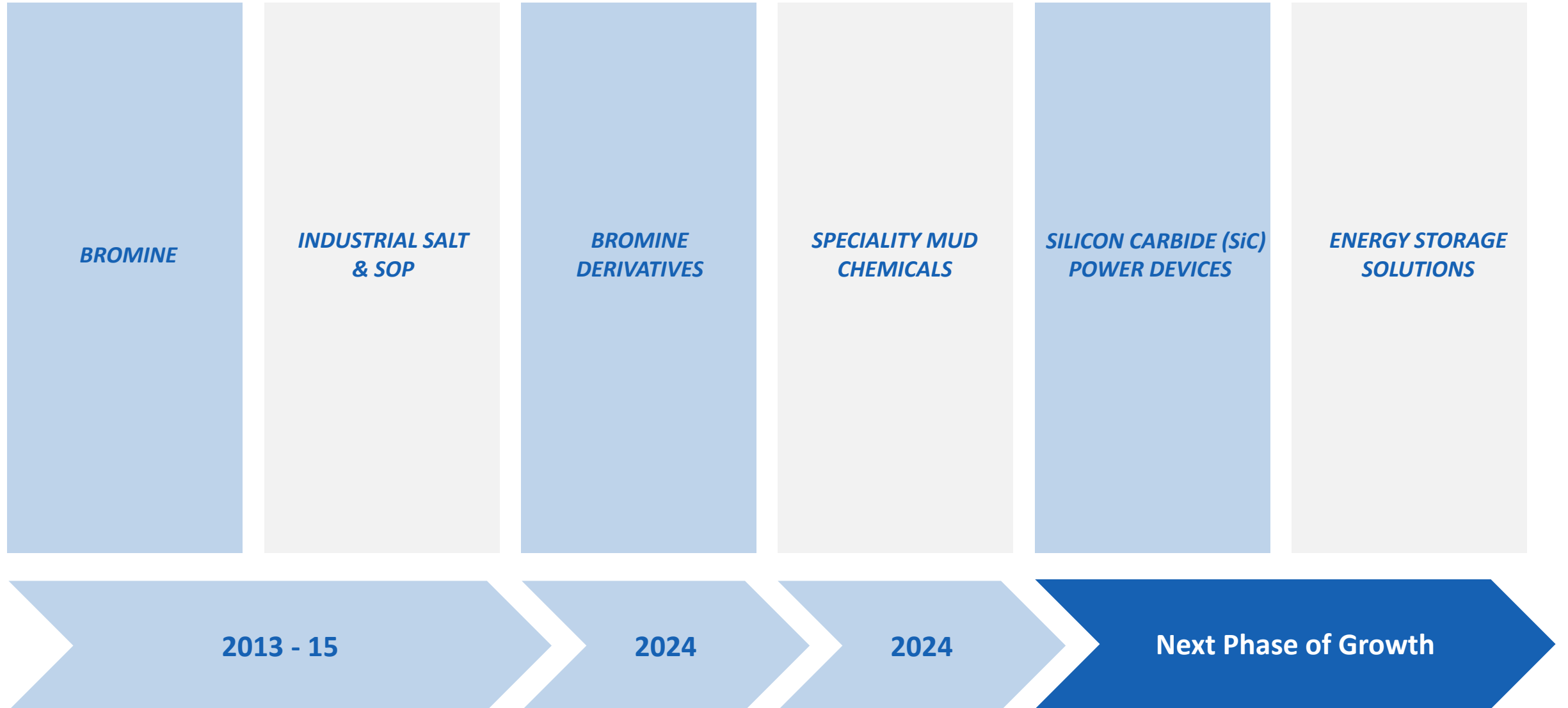
Overview

- **Company Name:** Offgrid Energy Labs
- **Technology Developed:** Patented battery technology
- **Target Applications:**
 - ✓ Renewable energy storage
 - ✓ Low-power mobility solutions
- **Industry Focus:** Energy Storage Sector
- **Core Chemistry:** Zinc Bromide Chemistry
- **Battery Characteristics:**
 - ✓ Ideal for applications requiring daily deep charge and discharge
- **Location:** USA
- **Key Advantages:**
 - ✓ Significant cost advantages
 - ✓ Improved performance characteristics

Investment Rationale

- **Strategic Alignment:** Aligns with broader strategy to enter the energy storage sector, with a focus on renewable energy applications and industrial storage and Grid stability
- **Support for Offgrid:** The investment will help meet Offgrid's need for specialty chemicals and assist in their manufacturing scale-up
- **Market Opportunity:** The investment positions ACIL to participate in the rapidly growing energy storage market, creating long-term value
- **Technology Differentiation:** Zinc Bromide batteries offer superior cycle life (7,500 cycles), safety, and cost-effectiveness compared to lithium-ion batteries, making them ideal for daily charge-discharge cycles in commercial and industrial (C&I) solar applications as well as utility-scale grid stability projects
- **Pilot and Giga-Factory:** ACIL is supporting the establishment of a pilot manufacturing facility in the UK, with an intention to establish a giga-factory in India in near future to scale Zinc Bromide battery production
- **Key Synergy :** ACIL's bromine business has a direct synergy with Zinc Bromide batteries, which use zinc-bromide chemistry for the battery

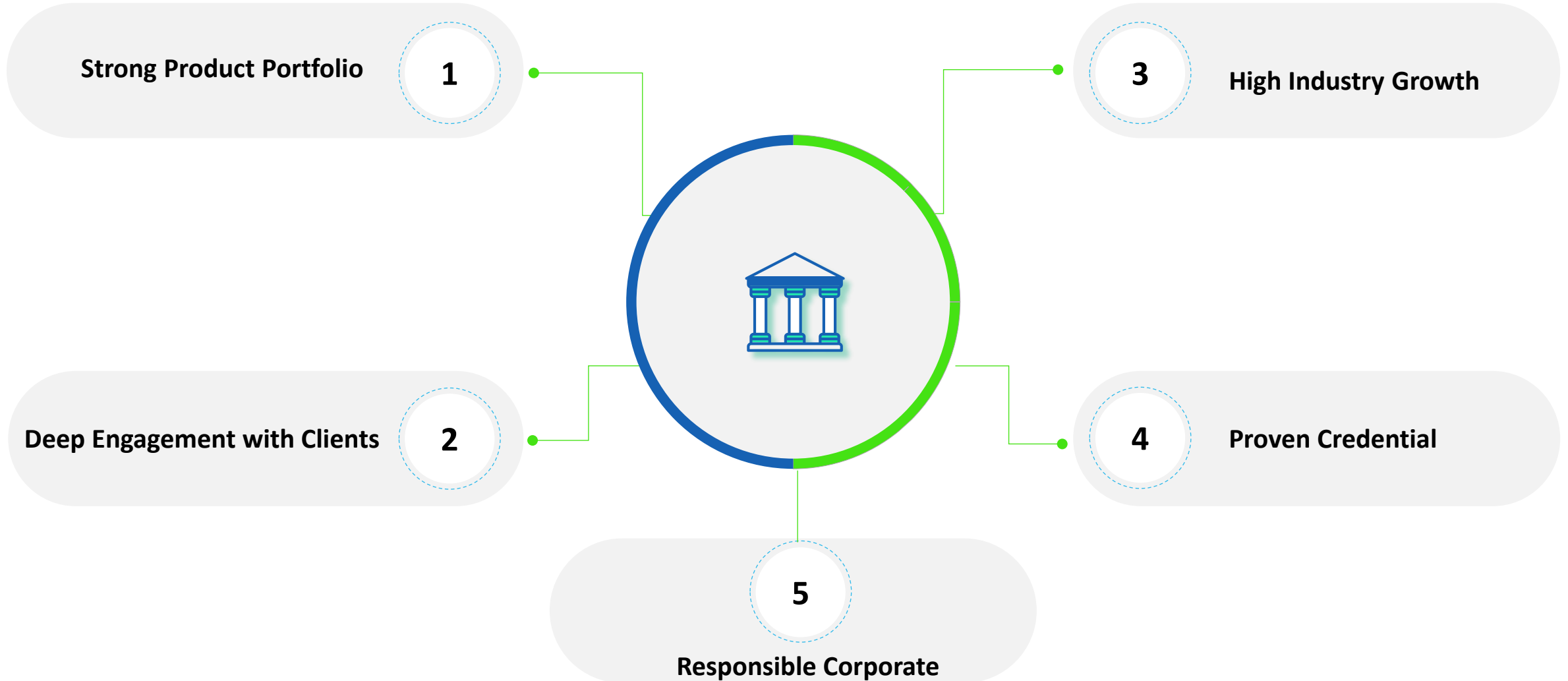
Diversification Strategy with natural synergy





Key Attributes behind Strong Foundation

Key Attributes Behind Strong Foundation





Product

Bromine

Industrial Salt

SOP

Overview

- Bromine is the only non-metallic element that is a liquid at standard conditions
- It is a member of the halogen family and is found naturally in seawater, underground brine deposits and other water reservoirs

- There are 14,000 commercial uses of Salt, a source of Sodium and Chlorine which are basic components of an array of materials – such as plastics, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers etc.

- Sulphate of Potash, also known as potassium sulphate, is a high-end, **specialty fertilizer** for chlorine-sensitive crops.

Archean's Position

- Leadership position in Indian Bromine merchant sales

- Produced using the solar evaporation method

- Only Manufacturer of SOP from natural sea brine, in India
- KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years

End User Industries

- Pharmaceuticals
- Agrochemicals
- Flame Retardants
- Water Treatment
- Oil & Gas & energy storage

- Chloralkali Chemicals
- Food & Beverage
- Water Treatment
- Oil & Gas

- Agrochemicals
- Various industries including glass, cosmetics etc.
- Medical uses



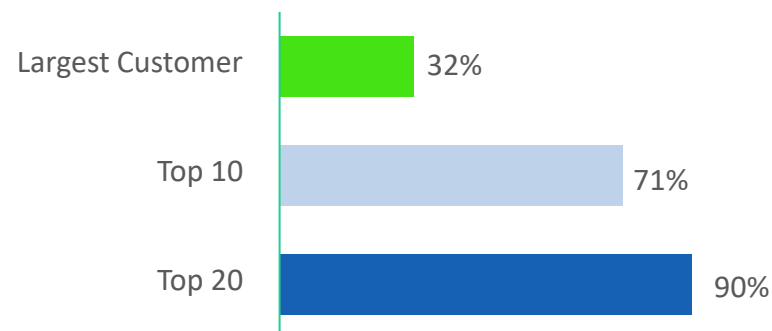
Enduring customer relationships helped to expand product offerings and geographic reach

Strong Clientele

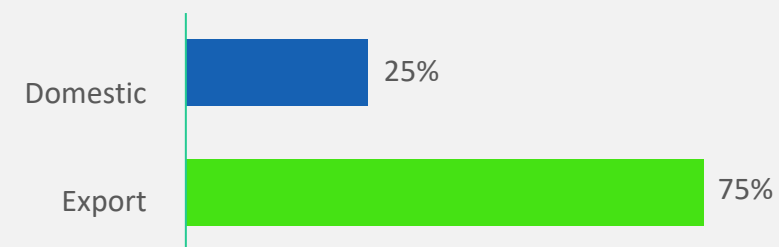


TOTAL **72** Clients

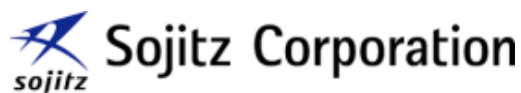
H1 FY25 Revenue Contribution



H1 FY25 High Focus on Exports



Major Clients



A Japanese Trading Conglomerate, Largest Customer



- Sojitz is a Japanese Trading Conglomerate with **diverse client base**
- Enjoy relationships in **excess of five years** with seven out of top ten customers



Product

Bromine

Industrial Salt

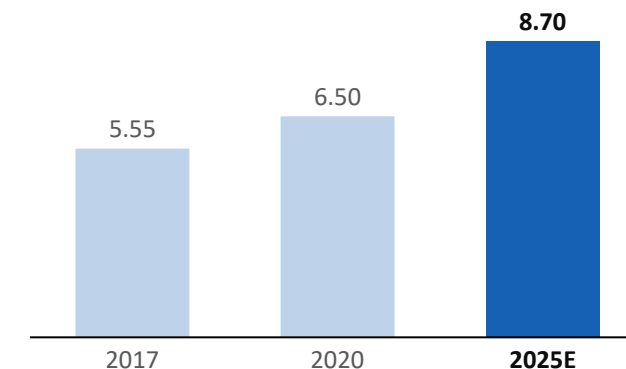
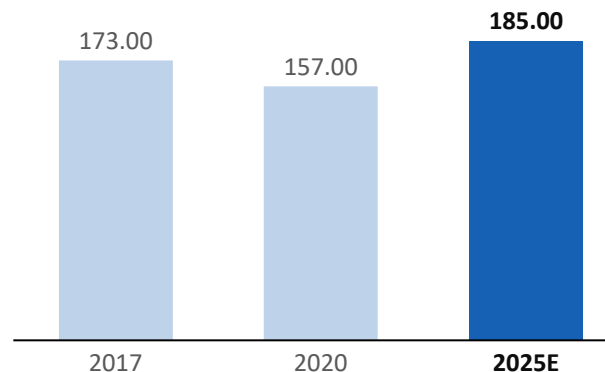
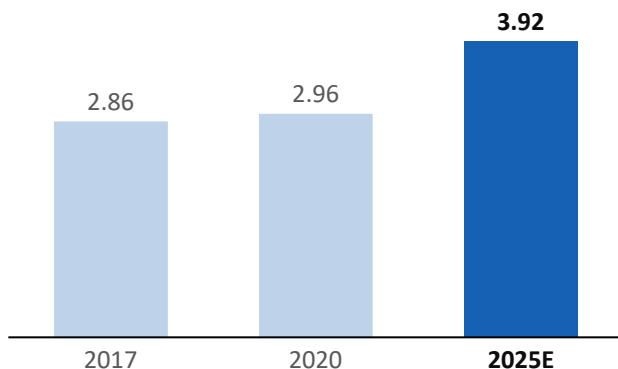
Sulphate of Potash

(US\$ billion)

(mn in MT)

(mn in MT)

*Global
Market Size*



*High Growth
In
End User Industries*

- Increasing demand for flame retardants
- Increasing demand in Agro chemicals
- Increasing consumption of oil well chemicals
- Increasing use of bromide compounds in energy flow batteries

- Increasing industrialization leading to increase in Chlor Alkali, PVC & Polyurethane
- Increase in demand from the food and beverage industry

- Increase in use of fruits and vegetables growing fertilizers primarily

With Industry Standards and Regulatory Credentials

Key Certificates



MINISTRY OF COMMERCE
AND INDUSTRY
DIRECTOR GENERAL OF
FOREIGN TRADE

सत्यमेव जयते

- Accredited four star export house by Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India
- Member-signatory to **Responsible CARE** – Indian Chemical Council
- **REACH** certification enabling the Company to export Sulphate of Potash products to European customers

R&D Depth

- State of art R&D facility at plant location.
- Continuous effort undertaken to evaluate the brine chemistry.
- R&D facility has been set up in Jhagadia for Bromine downstream project.





Environment & Safety Measure

Environment and safety considerations are an important part of our operations. We undertake an annual environment and safety audit and strive to ensure that we do not discharge any harmful elements from our manufacturing operations.

- Annual environment and safety audit
- Environment Management Cell Program
- Stack & Ambient Air, water Quality and noise level Monitoring
- Water Audit
- Use of ISO tanks certified by the Bureau Veritas Quality International (“BVQI”) tanks



Social

Focused on education and skill development and healthcare for our staff and local community. We have carried out activities set forth below:

- Supply of drinking water to surrounding areas situated near Hajipir Factory
- Medical camps to raise health awareness amongst the local community
- Donation to schools for promoting education at Hajipir
- Building renovation of Hajipir & Nara Schools
- Rural development activities



Governance

Undertakes all necessary steps to comply with all the requirements of Listing Regulations and the Companies Act. Committees of the Board

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders’ Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee



Capex Update and Way Forward



01. Brownfield Expansion

Expanded Bromine and Industrial Salt capacities

Bromine

- Added an additional 14,500 MT per annum capacity in FY23 which will be used for producing Bromine Derivatives in the upcoming greenfield project

Industrial Salt

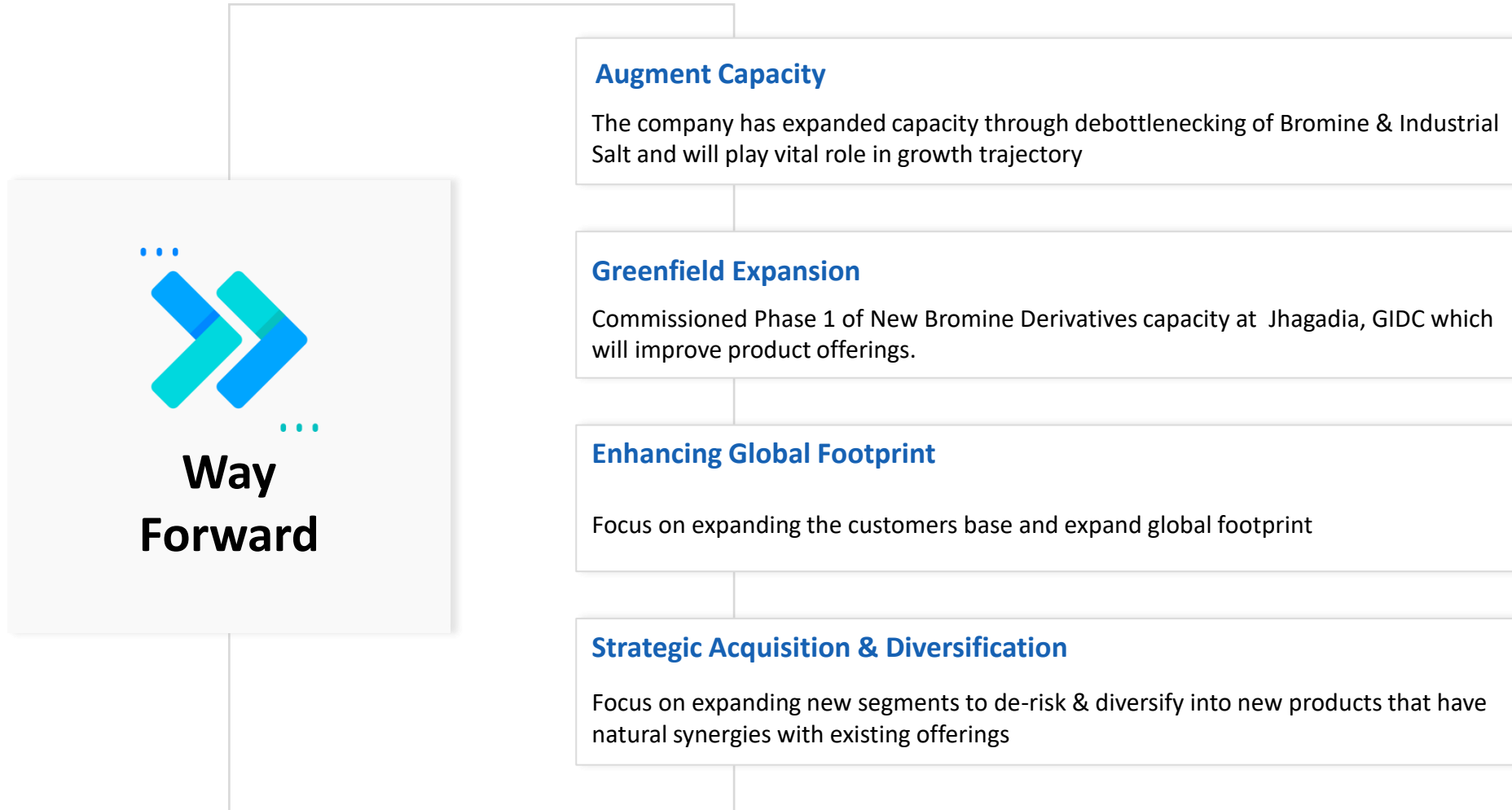
- To expand the manufacturing capacities for Industrial Salt production by adding one additional washery unit with 2 Lines of 240 tons per hour each.

02. Greenfield Expansion

Expanded downstream Bromine derivative performance products

Bromine Derivatives

- Phase 1 expansion of new facility at Jhagadia, GIDC through Acume Chemicals Private Limited (Subsidiary) commissioned in Q4FY24 to manufacture Bromine Performance Derivatives
- Capex related to flame retardants is currently on hold and will update as per progress





Thank You !

Company:



Archean Chemical Industries Ltd.

CIN - L24298TN2009PLC072270

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