

February 3, 2024

**माघ - कृष्ण पक्ष- अष्टमी
विक्रम संवत्, २०८०**

**National Stock Exchange of India
Limited**
“Exchange Plaza”
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building, P.J.
Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir/Madam,

Subject: Investors’ Presentation – Q3FY24 Business Update

As informed on January 25, 2024 that a conference call to discuss the Q3FY24 results of the company with Mr. R S Jalan, Managing Director and Mr. Raman Chopra, CFO & Executive Director (Finance) is scheduled to be held on **Monday, February 5, 2024 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q3FY24 (i.e. Business Update), which is going to be circulated for the scheduled investors’ conference, is enclosed herewith for your reference & record.

Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you

Yours truly

For GHCL Limited

Bhwneshwar Mishra
Vice President - Sustainability & Company Secretary
(Membership No.: FCS 5330)



GHCL Limited

Q3 FY24 Investor Update

February 2024

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Safe Harbour

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Management commentary



Commenting on the Q3 FY24 performance, Mr. R. S. Jalan, MD said:



"In the third quarter of the current fiscal year, our performance moderated in line with prevailing industry dynamics, characterized by weak demand trends globally particularly Europe. We have seen an oversupply situation in Soda Ash in the region, resulting in higher influx into India, thereby impacting realizations. We took a preventive maintenance shutdown in October 2023, temporarily impairing volumes by ~20,000 metric tons and this is reflected in our performance. However, we are optimistic about accelerating our growth momentum once demand rebounds.

We have executed MOUs with Government of Gujarat demonstrating our commitment towards future growth of GHCL. Our Greenfield project is progressing well. Moreover, our forthcoming expansion endeavors focusing on vacuum salt production, enhancing salt yield, and prioritizing digital transformation are underway and will augment our capability and drive benefits going forward.

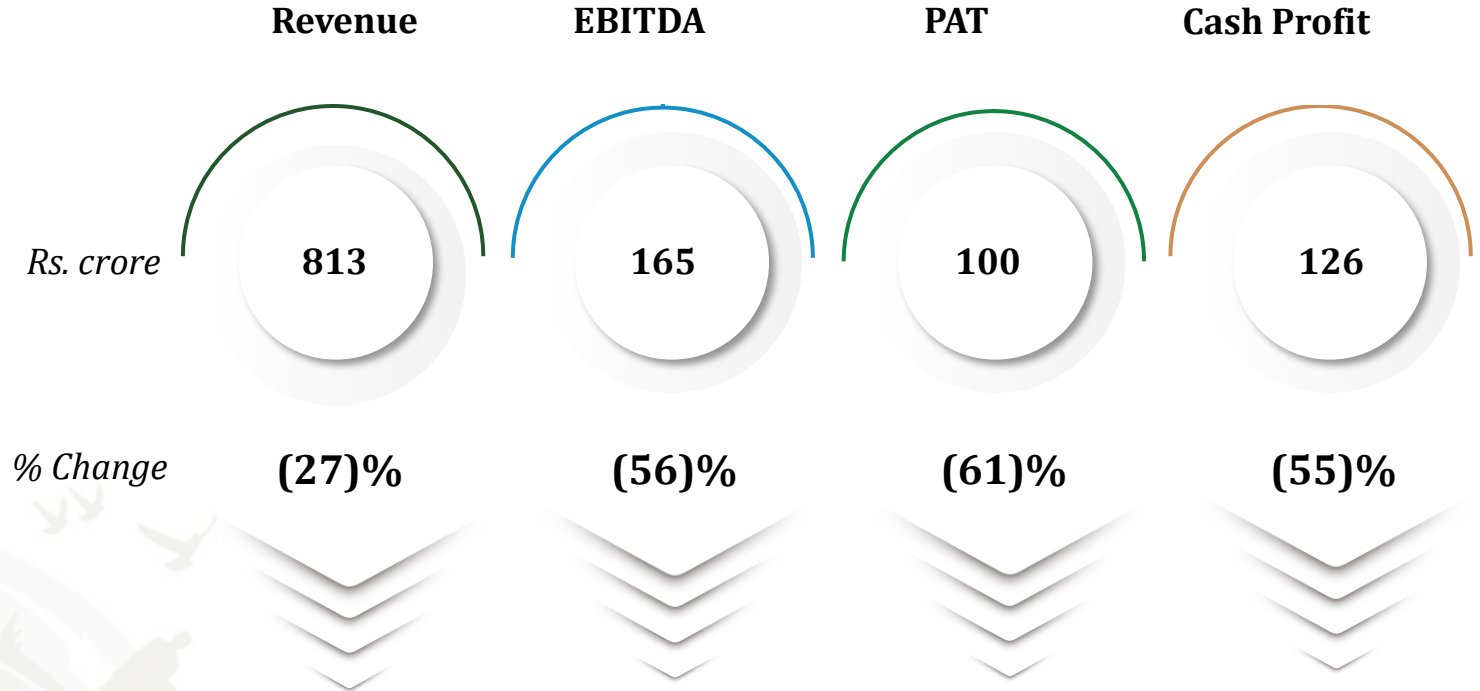
All these factors will significantly contribute to our long-term performance momentum and augment value for all our stakeholders."

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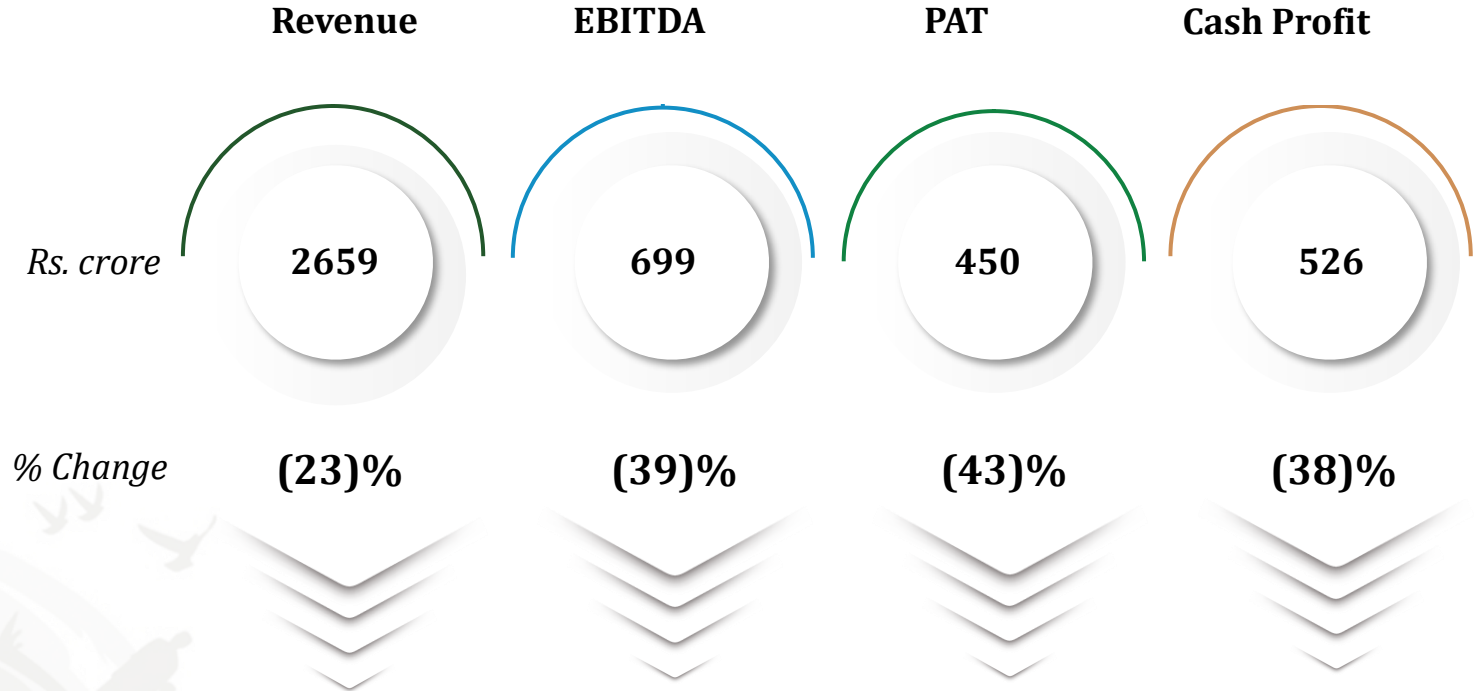
Performance highlights – Q3 FY24

**Q3 FY24
Vs
Q3 FY23
(Y-o-Y)**



Performance highlights – 9M FY24

**9M FY24
Vs
9M FY23
(Y-o-Y)**

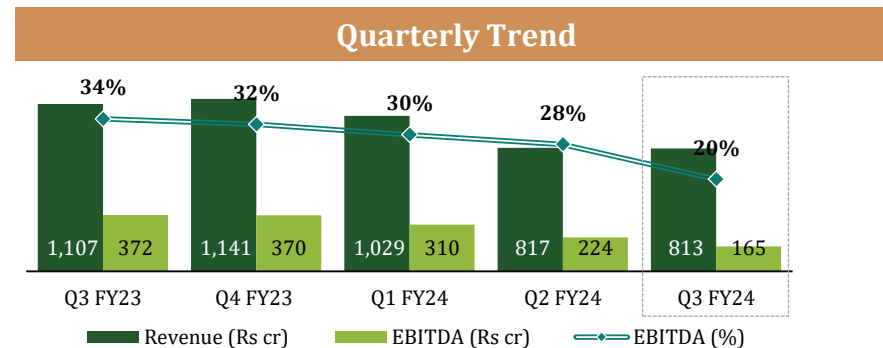


Note: Excluding exceptional profit on demerger of spinning business amounting to Rs. 219 Crore

Q3 FY24 highlights

(Rs. In Crore)

Particulars	Q3 FY24	Q3 FY23	Y-o-Y	Q2 FY24	Q-o-Q
Revenue	813	1,107	(27%)	817	(0.5%)
EBITDA	165	372	(56%)	224	(26%)
EBITDA Margin %	20.3%	33.6%	(1330 bps)	27.5%	(720 bps)



Performance Highlights

- Revenue performance in Q3 FY24 moderated due to:
 - Lower production volumes by ~20K MT attributed to maintenance shutdown undertaken in October 2023. The planned shutdown was strategically timed, considering the sluggish global demand scenario.
 - Subdued realization due to increased imports into India as demand in certain regions particularly Europe and Americas is low.
- Absolute EBITDA declined in Q3 FY24 by 56% YoY with EBITDA margin came in at 20.3% due to fall in realisation and lower volume, though partially negated by reduction in inputs costs.



Profit & loss statement

(Rs. In Crore)

Particulars	Q3 FY24	Q3 FY23	Y-o-Y	Q2 FY24	Q-o-Q	9M FY24	9M FY 23	Y-o-Y
Revenue from continued operations*	813	1,107	(27%)	817	(0.5%)	2,659	3,443	(23%)
Operating Expenses of continued operations	648	735	(12%)	593	9%	1,959	2,293	(15%)
EBITDA from continued operations	165	372	(56%)	224	(26%)	699	1150	(39%)
EBITDA Margins of continued operations	20.3%	33.6%	(1330 bps)	27.5%	(720 bps)	26.3%	33.4%	(710 bps)
Depreciation of continued operations	26	22	18%	26	0%	76	67	13%
EBIT from continued operations	139	350	(60%)	198	(30%)	623	1,082	(42%)
Interest of continued operations	6	10	(36%)	7	(12%)	21	28	(26%)
Profit Before Tax from continued operations before exceptional items	133	340	(61%)	191	(31%)	602	1054	(43%)
Exceptional Item of continued operations	--	--	NM	-	NM	219	55	NM
Profit Before Tax from continued operations	133	340	(61%)	191	(31%)	822	1109	(26%)
Tax of continued operations	33	86	(62%)	49	(32%)	153	267	(43%)
Profit After Tax from continued Operations	100	254	(61%)	143	(30%)	669	842	(21%)
Profit/(Loss) After Tax from discontinued Operations	--	(5)	NM	--	NM	--	57	NM
Profit After Tax	100	249	(60%)	143	(30%)	669	899	(26%)

Note: Revenue includes transportation charges recovered from customers as per IND AS requirement

Impact of Interim Union Budget 2024

FY24-25 interim union budget has clearly outlined Government's focus on:

Positive Impact on GHCL

1) Net zero by 2070 (**Rooftop Solarisation**, Non fossil fuel, E-vehicles)



2) Significantly higher allocation for **PM Awas Yognna** (PMAY)



3) Higher capex allocation for **Infrastructure** sectors

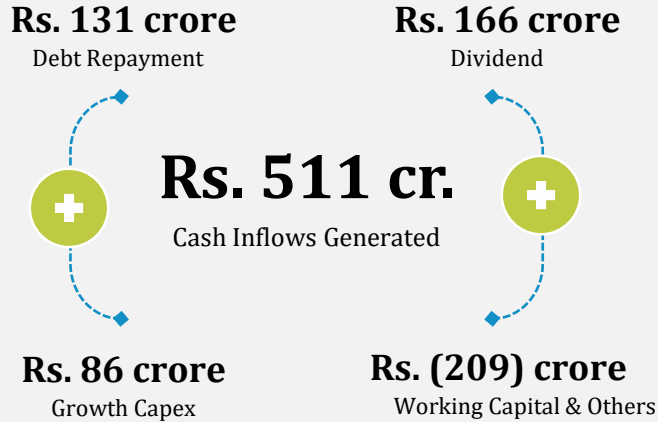


GHCL Soda Ash business to benefit from the aforesaid announcement in the budget driving the growth for solar energy, housing and infrastructure sectors.



Resource allocation & key financial ratios

Efficient Capital Allocation



Increase in cash & Cash
Equivalents** Rs. 337 crore.

Closing cash & Cash Equivalents**
Rs. 841 crore.

Net Debt Free

Net Cash Surplus of **Rs. 625 cr.**

Gross Debt **Rs. 217 cr.**

Key Ratios

Net Debt/(Cash) to Equity	ROCE*
(0.22)x	29%
Net Debt/(Cash) to EBITDA	ROE*
(0.58)x	33%

Note: *ROCE and ROE post tax are calculated based on trailing 12 months. ** *Cash and cash equivalents consists of cash, bank and current investments.

Business outlook



Near Term

- Many parts of the world, including Europe and Americas are experiencing a decrease in demand.
- Soda Ash market worldwide is oversupplied affecting prices. Turkish manufacturers are exporting beyond Europe and new production capacities have been build in China and US.
- However, demand in China has increased by ~5% during the current year mainly on account of robust demand from solar glass and lithium carbonate segments.
- Input costs, particularly energy prices are gradually decreasing.
- We expect Soda Ash prices to have nearly bottomed out and should stabilize at current level.

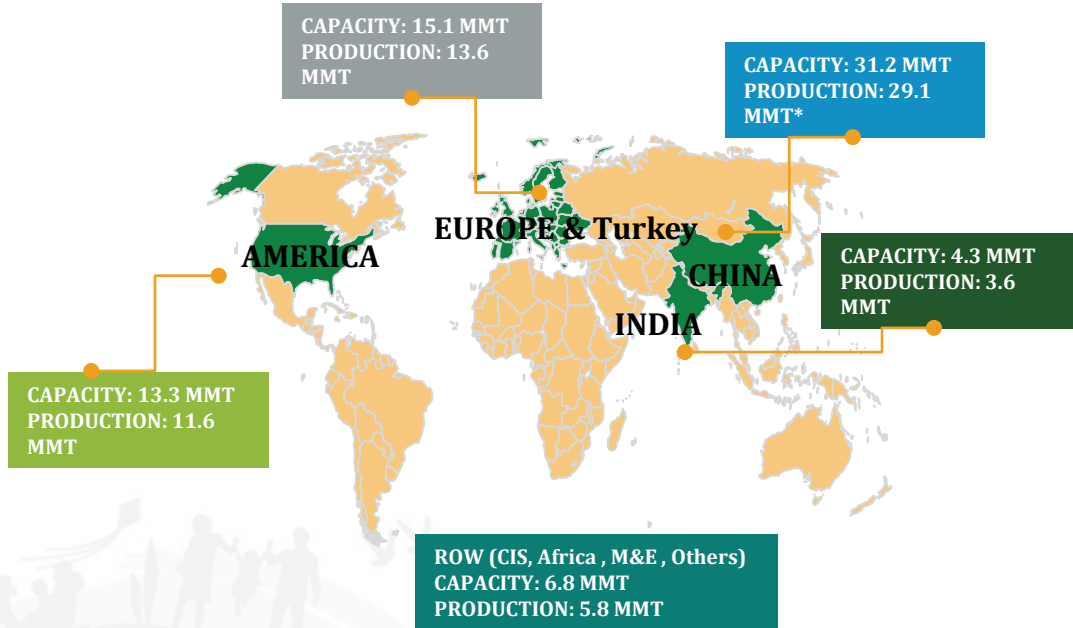
Long Term

- The long-term demand for soda ash is strong and expected to increase from 63 million MT to 78-83 million MT by 2030. This growth is fueled by global green initiatives like solar glass, lithium carbonate and flue gas treatment.
- Natural soda ash, particularly from the US and China, will see a gradual increase in market share. Meanwhile, synthetic soda ash will continue to play a significant role in the global market.
- China is dominating the global energy transmission with increased adoption of EVs and PV Solar. It is anticipated that China will prioritise its domestic market consumption over international trade. Also smaller and inefficient soda ash plants may eventually be closed due to evolving market conditions.



Global outlook on the soda ash industry

GLOBAL SIZE: CAPACITY-71 MMT, PRODUCTION-64 MMT*



Soda Ash Market Overview by Key Regions

Turkey:

Turkish soda ash manufacturers are facing poor demand in Europe. As a result they are aggressively exporting to Asian markets.

Americas:

Soda Ash Market was oversupplied due to increased production and slower demand growth especially in South America resulting in increased exports including to China.

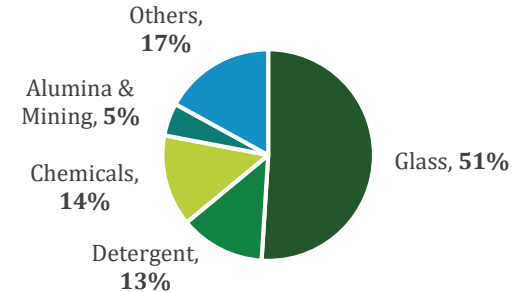
China:

Berun's new Inner Mongolia plant is getting commissioned in phases. China is expected to have good growth in 2023 driven by the new energy industry.

Europe:

Though energy prices has eased, there is severe lack of demand in the European Region. Some of the capacity will be reorganized in medium term.

Global Demand by User Segment



Globally, market is growing @ 2.5%-3% pa CAGR generating around ~2Mn MT additional soda ash demand every year

Note: Capacity as of FY2022-23. China's Inner Magnolia capacity (~4 MMT) and other are under ramp-up and not included.

Focus on driving responsible future growth



Key Growth levers

- Focus on Greenfield Soda Ash project of 5L MT
- Salt yield improvement
- Vacuum salt from waste energy
- Benefits from doubling (Sodium Bicarbonate) Capacity from 60k to 120K MT
- Augmenting backward integration of raw material for enhanced control on cost
- Focus on reducing carbon footprint – 2.7 MW wind installed out of proposed 6.5 MW of renewable energy projects
- Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies



Smarter foundation for better tomorrow; Creating scale - strengthening leadership



Sodium bicarbonate – longer term play

Overview of Sodium Bicarbonate

Doubled capacity from 30K MT to 60K MT in 2017 and then to 1,20K MT in 2023

Generally named as baking soda, bread soda, cooking soda and bicarbonate of soda



Specialization and decade old experience in manufacturing

Used in Cooking, Pharmaceuticals, Fire Extinguishers, pH balancer, and Cleaning agent

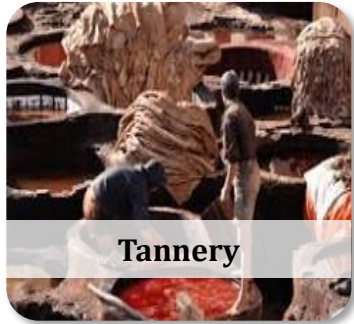
Future Benefits

Full benefits to come in future from capacity already doubled to 120K MT

Likely solution-based offerings for Flue gas treatment



Key application of Sodium bicarbonate



A Thermal Power Plant is successfully using Sodium bicarbonate for FGD treatment and GHCL is supplying its materials.

Potential application of Sodium bicarbonate in flue gas treatment is under trial phase; could be a game changer if successful



Company Overview



GHCL – An introduction



Best-in-class



- Operations management
- CAPEX planning and execution
- Financial management

Professional Mgmt.

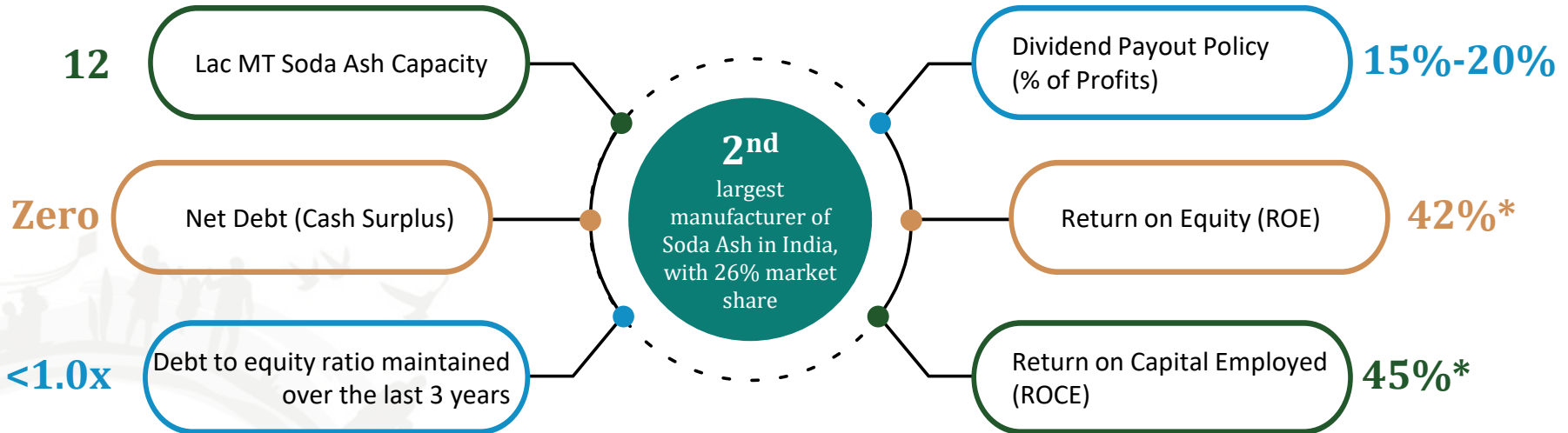


- Focused management approach
- Strategy led by professional management team

Targeting



- To grow profits at a CAGR 15% on a long-term horizon
- To inculcate value systems that defines our culture
- To drive sustainable inclusive growth involving all stakeholders

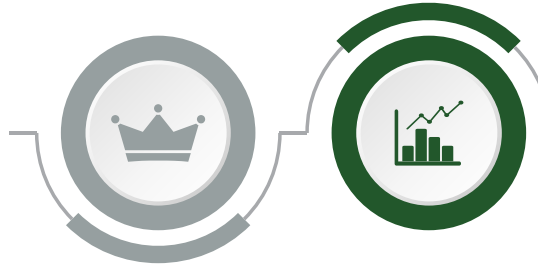


Note : *As on 31st March, 2023

GHCL overview



Best in class
operational
efficiencies and
capacity utilizations



Leading soda
ash player in
India

Focus to emerge
as a sustainable
business
organization

Business
Philosophy of
Inclusive growth of
all stakeholders

Professionally
managed
workforce

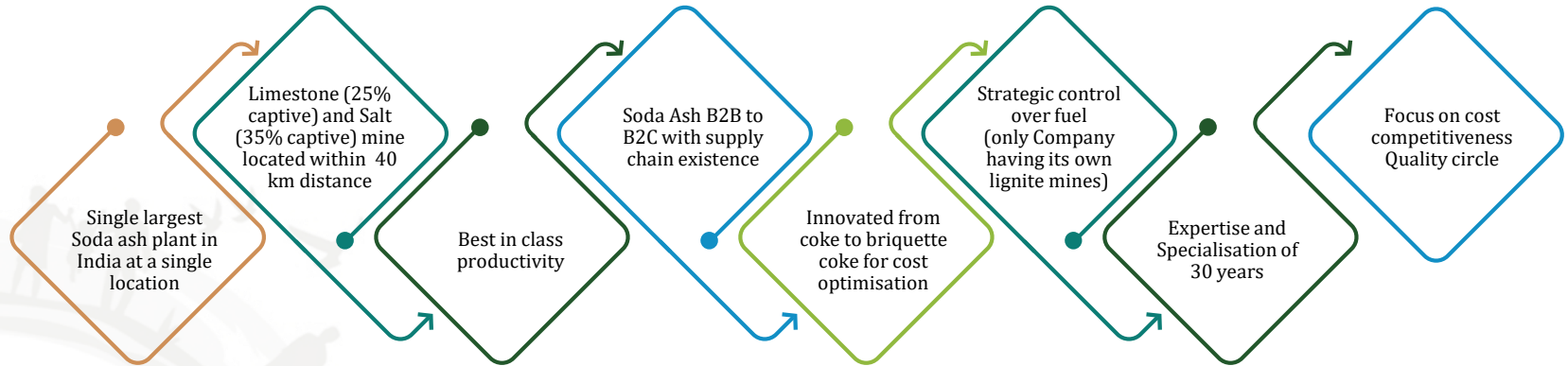
3 decades of
Indian
Manufacturing
experience

Quality assets, high-potential runway for growth

Key Strengths

- Comfort of key input material integration
- Industry leading efficiency and productivity
- Brownfield scale up achieved at minimal capex
- Strong service orientation towards customers

Key Differentiators

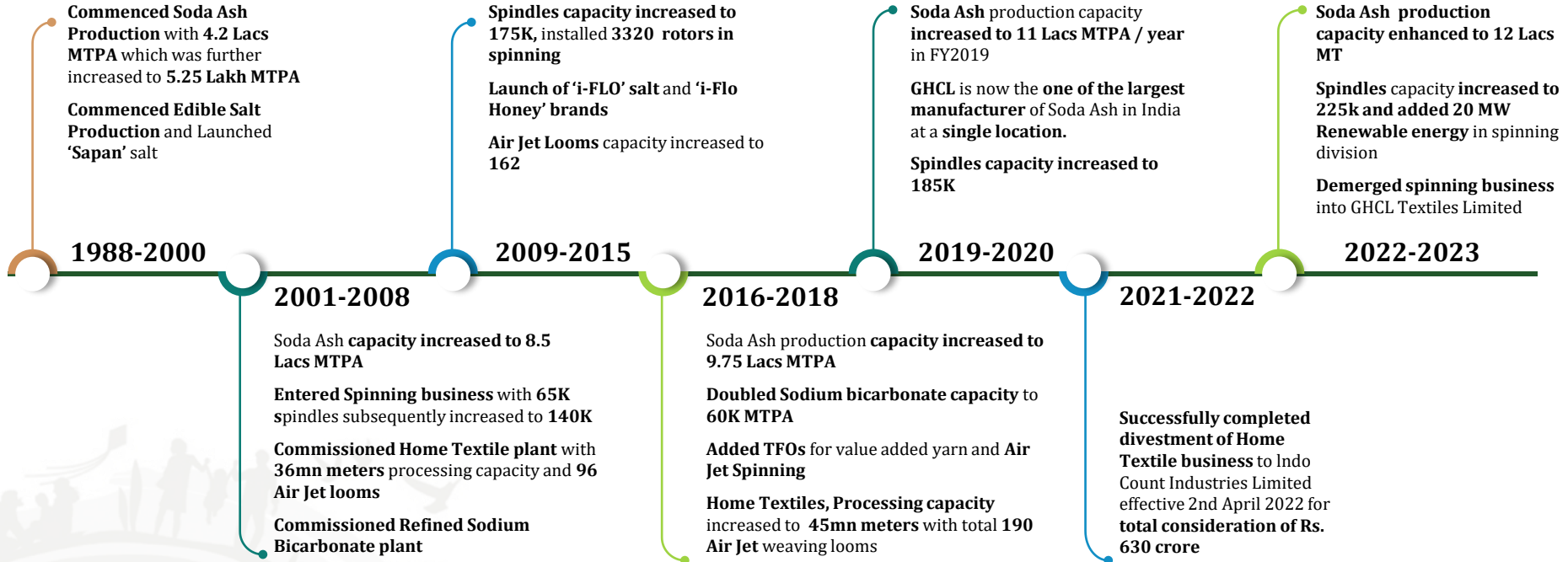


Chemicals	Performance
Revenues (5-year CAGR)	18%
EBITDA (5 Years CAGR)	20%
Debt (Rs. Cr)	Zero Net Debt; Cash surplus Rs. 625 crore

*CAGR calculated at FY23 levels



Evolution of GHCL through the years



Our objective

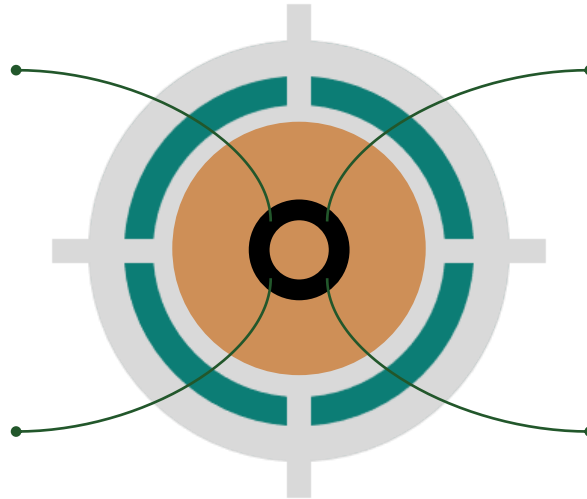
“Achieve a CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

Responsible Growth

Organic Growth – CAPEX, Non-CAPEX led Growth, Growth – M&A/JV and Optimize Return on Capital

Brand Image

Corporate Governance, Customer Focus and Stakeholder Engagement



ESG

HSE – Zero Harm, CSR – Responsible Citizen and Renewable Energy

Learning Organization

Competency Building, Talent Management and Employer of Choice

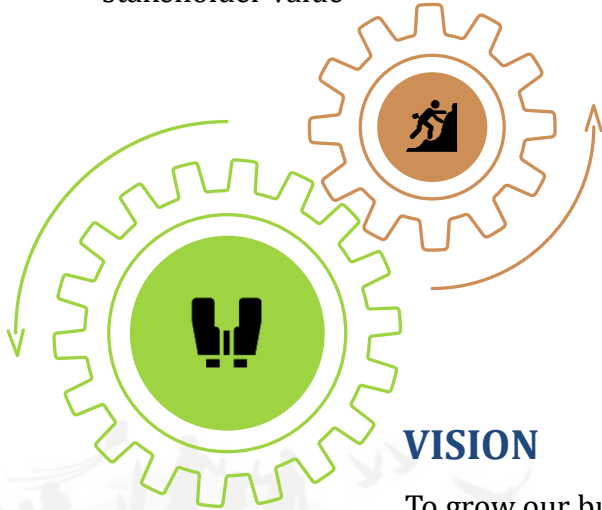
To Grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation



Core values at forefront

MISSION

Responsibly maximising stakeholder value



VISION

To grow our business responsibly, with governance, sustainability and core values as our foundation

- GHCL is a unique workplace which is dotted with its Core Values, defining its culture
- Every employee in the Company is expected to imbibe its Core Values and interact within the business ecosystem with all its stakeholders accordingly
- Here we have established the link for performance appraisals of every employee with core value surveys conducted twice a year



Respect

Thoughtful and show regards for another person.



Trust

Confidence in each others' capabilities and intentions.



Ownership

Responsibilities of own decisions and actions.



Integrated teamwork

Each person to work towards larger group objectives.

Spearheaded by distinguished management

R S Jalan
Managing Director



Raman Chopra
CFO & Executive Director



Experienced and accomplished Board of Directors

Anurag Dalmia
(Chairman)

Neelabh Dalmia
(Executive Director, Growth & Diversification)

Dr. Manoj Vaish
(Independent Lead Director)

Mrs. Vijaylaxmi Joshi
(Ex-IAS) (Independent Director)

Lavanya Rastogi
(Independent Director)

Arun Kumar Jain
(Ex-IRS) (Independent Director)

Justice (Rtd.) Ravindra Singh
(Independent Director)

Resilient Operational Team

NN Radia
(President & COO)

Mayuresh Hede
(Head of Operations)

Sunil Singh
(Head of Marketing)

Jayesh Patel
(Head of Greenfield Project)

Bhwneshwar Mishra
(Head of Sustainability & CS)

Anil Singh
(Head of HR and IR)

Awards & recognitions



Mahatma Award



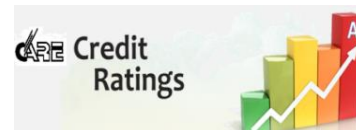
for CSR Excellence

HR Excellence Award

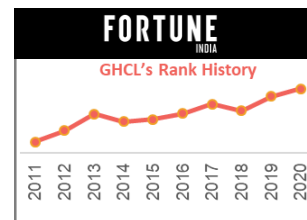


GHCL received 12th CII National HR Excellence Award for strong commitment 13th CEO Conference

5 Notch Upgrades in last 6 years



Enhanced Credit Ratings – Upgraded to AA- with Stable outlook,



Referred as **Great Place to work** in seventh consecutive years of participation
Recognized in **Top 50 manufacturing workplace**

Sustainability 4.0 Awards



by Frost & Sullivan as Challenger Award 1st Runner Up, Mega large business, process sector.

Gold National Awards



for Manufacturing Competitiveness- 2019-20 by International Research Institute for Manufacturing



About us



GHCL Limited was incorporated on 14th October 1983. The Company has established itself as a well-diversified group with an ascertained footprint in chemicals and consumer products segments. In Chemicals, the Company mainly manufactures Soda Ash (Anhydrous Sodium Carbonate) that is a major raw material for detergents & glass industries; and Sodium Bicarbonate (Baking Soda). Consumer Products operation is another business for GHCL where it is a leader in manufacturing and selling edible salt, industrial grade salt and jujube honey in the country under the brand name of I-Flo.

At GHCL Ltd., sustainability is a core element of the business strategy as defined under the aegis of 'GHCL Way' which has four pillars i.e., Responsible Stewardship, Social Inclusiveness, Promoting Relationship and Adding Value. GHCL is committed to working closely with all stakeholders at various plant locations for promoting the agenda of sustainability underpin on GHCL Ltd. core values (Respect, Trust, Ownership and Integrated Teamwork).

For more information, please visit us at www.ghcl.co.in

Contact Us:



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Thank You

