

August 12, 2024

To,
Listing/ Compliance Department
BSE LTD.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

BSE CODE –524208

To,
Listing/Compliance Department
**National Stock Exchange of
India Limited**
“Exchange Plaza”, Plot No. C/1,
G Block Bandra - Kurla Complex,
Bandra (E), Mumbai – 400 051.
NSE CODE:AARTIIND

Dear Sir/Madam,

Sub.: Results Presentation
Ref: Regulation 30 of the SEBI
(LODR) Regulations, 2015

Please find enclosed herewith the Q1 FY25 Results Presentation of the Company for your records.

Kindly take the same on record.

Thanking You,

Yours faithfully,
FOR AARTI INDUSTRIES LIMITED

RAJ SARRAF
COMPANY SECRETARY
ICSI M. NO. A15526
Encl.: As above.



Aarti Industries Limited

Q1 FY25 Results Presentation

Resilient Today

Promising Tomorrow



Disclaimer

AARTI INDUSTRIES LIMITED may, from time to time, make written and oral forward-looking statements, in addition to statements contained in the company's filings with BSE Limited [BSE] and National Stock Exchange of India Limited [NSE], and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the AARTI INDUSTRIES LIMITED.

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Company Overview

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Q1 FY25 Highlights

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Growth Opportunity & Strategy



Our Ethos



PURPOSE

Right Chemistry for a Brighter Tomorrow



VISION

To emerge as a Global Partner of Choice for leading consumers of speciality chemicals and intermediates



MISSION

Delighted Stakeholders



CARE



INTEGRITY



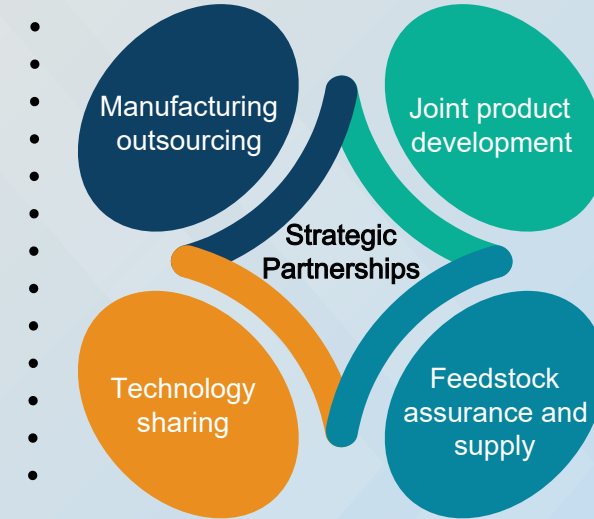
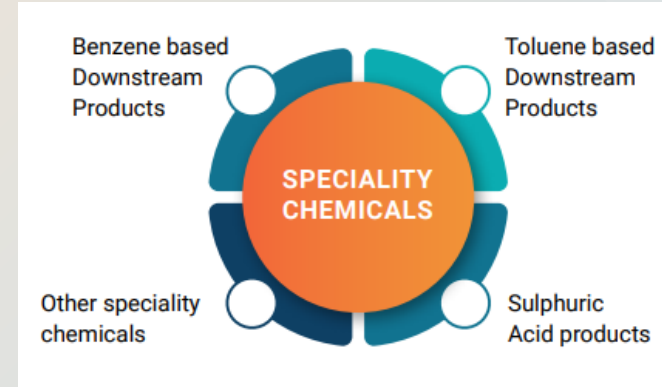
EXCELLENCE



About Aarti Industries Limited

Overview

- Established by first generation technocrats in **1984**
- Specialized in **Benzene**-based derivatives
- **Integrated** operations and high-cost optimization
- Key **value chains** include Nitro Chloro Benzenes, Di-Chlorobenzenes, Phenylenediamines, Nitro Toluene Value Chain and Sulphuric Acid & downstream
- Strong **R&D capabilities** with IPRs for customized products
- **Strategically located**: In western India with proximity to ports



100+
Products



1,100+
Domestic & Global
Customers



60
Exporting
countries



16
Manufacturing
Plants



11
Zero Liquid
Discharge Plants



6,000+
Employees



2
State-of-the-art
R&D centres



5
No. of
co-generation power plants



Key Strengths



Global Player in Benzene based Derivatives with Integrated Operations

Top 3

In Chlorination and Nitration globally

Top 2

In Hydrogenation globally



Well placed to benefit from Industry Tailwinds

Alternate to China & Europe

Fully Backward Integrated

Low-cost, sustainable manufacturing opportunities in sunrise sectors



Strong Focus on R&D and Process Innovation

40+

Products in R&D pipeline



Well Diversified Across Multiple Dimensions

100+

Multi-product

60+

Countries

400+

Global Customer

700+

Domestic Customer



Thrust on Sustainability

44%

Water recycled

8,200+ KL

Harvested through rainwater

14.29%

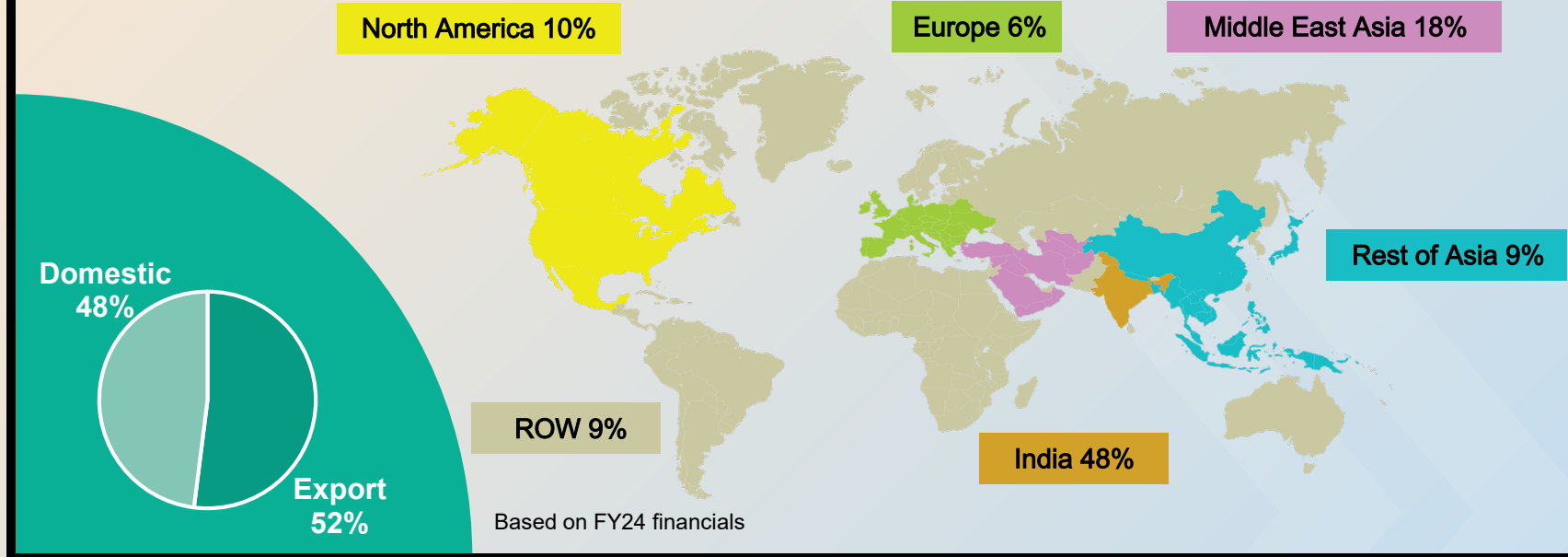
Women at board level



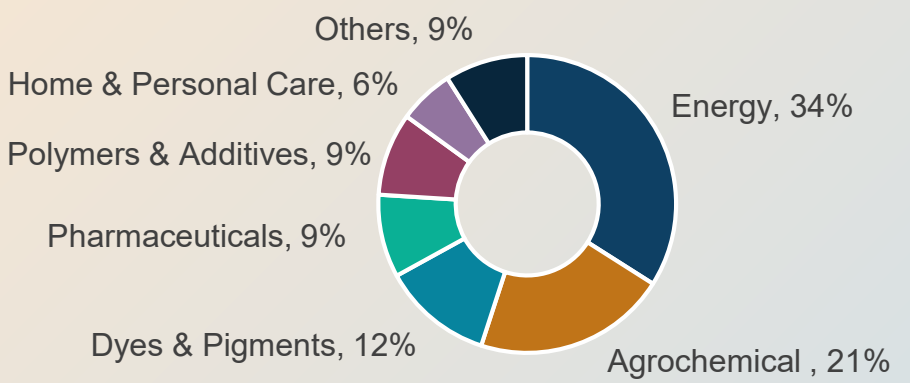
Key End-Use Industries Served

- Textiles and Fabrics
- Paints
- Medicines
- Air Fresheners
- Agrochemicals
- Polymers & Additives
- Oil Refineries

Well Diversified Across Various Regions



Key End-use profile



Key Customers

Based on FY24 financials



Innovating the future: Strong R&D infrastructure



2

State-of-the-art R&D centres
at Maharashtra & Gujarat

250+

R&D workforce with 19
PhDs

40+

Planned product
introductions, more than 50%
products will be launched first
time in India

40,000
Sq. Ft.

Covered by an ultra-modern
synthesis laboratory

15+

Patent applications for
corresponding to 10 patent families

Fully Digitised Paperless Laboratory with ISO 27001: 2013 Accreditation

- **45+** in-house products developed in the last 3 years with **20+** products scaled up at Pilot stage
- Expertise in Photochlorination, Nitration, AHF, Grignard, Diazotization and more
- Built a state-of-the-art **12,000 sq. ft.** analytical and **8,000 sq. ft.** process safety laboratory
- New chemistries include Photochemistry, Balz-Schiemann, Vapour Phase Chemistry, Fluorination, Henry reaction, Hoffman Degradation, Isomerization and Grignard Chemistry



Sustainability Is At The Core Of What Aarti Does



Environment

- 11 sites are Zero Liquid Discharge / Zero Liquid Discharge ready Facilities.
- Total water recycled ~44% of the total water withdrawal
- More than 8,200 KL water harvested through rainwater
- Recycled 92% waste, remaining 8% is responsibly disposed



Social

- Incorporated requirements of UN Global Compact, International Labour Organisation's (ILO) Declaration and Sexual Harassment of Women at Workplace Act, 2013, etc.
- Locally Sourced over 75% of raw materials and 98% engineering goods.
- Over 1.5 lakhs lives benefited through our CSR initiatives
- Implementation of Best-in-Class Safety Practices



Governance

- Robust Compliance framework covering 78 acts, 101 rules and 10,000 compliance provisions
- Cloud first approach for scalability and reliability to enable future growth
- Robust Information Security Practices and Technology Centre and R&D are ISO 27001 certified



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Growth Opportunity & Strategy





Commenting on the performance for Q1 FY25, Mr. Rajendra Gogri – Chairman at Aarti Industries Limited said:

“We continue to deliver yet another quarter of sequential growth. This performance came despite pricing headwinds as well as supply chain pressures. Additionally, continued global challenges from overcapacity in China affected demand supply dynamics. Nonetheless, we remained focused on execution and anticipate a better volume-led recovery in this year.

Recognizing the evolving market landscape, we have undertaken a strategic transformation. In addition to strengthening our senior leadership team, we have forged strategic partnerships to offer customized solutions from concept-to-commissioning stage. Our goal is delivering sustainable growth while maximizing our potential. Today, we are a future-ready organization committed to exceptional customer value.

As we embark on our 40th year in Specialty Chemicals, Aarti Industries is stronger than ever with renewed vigor on excellence, innovation, passion, and determination. As a global partner of choice, we will continue to serve and expand our robust client base, while ensuring sustained value creation for our shareholders by optimising our assets and venturing into newer business opportunities.”





Mr. Suyog Kotecha joins as Chief Executive Officer and Executive Director

- Suyog, well recognized in the industry, comes with over two decades of extensive experience in specialty chemicals.
- Held key leadership positions across various stages of the value chain (Reliance Industries Limited, McKinsey & Company, etc.)
- Aarti will benefit from his deep expertise and robust relationships with large customers/ partners.
- Will oversee day-to-day operations and collaborate closely with leadership on strategic planning.
- To play a pivotal role in driving new growth avenues.



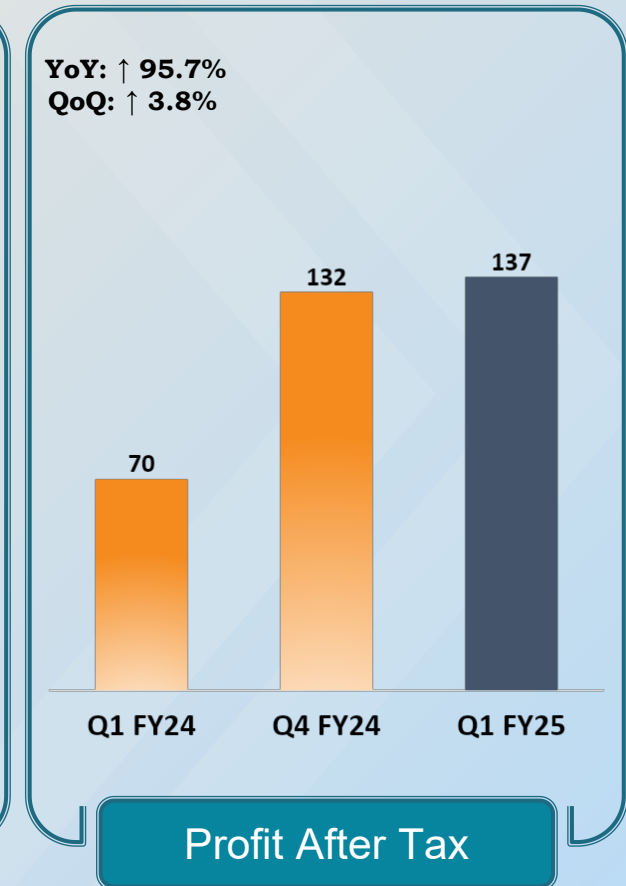
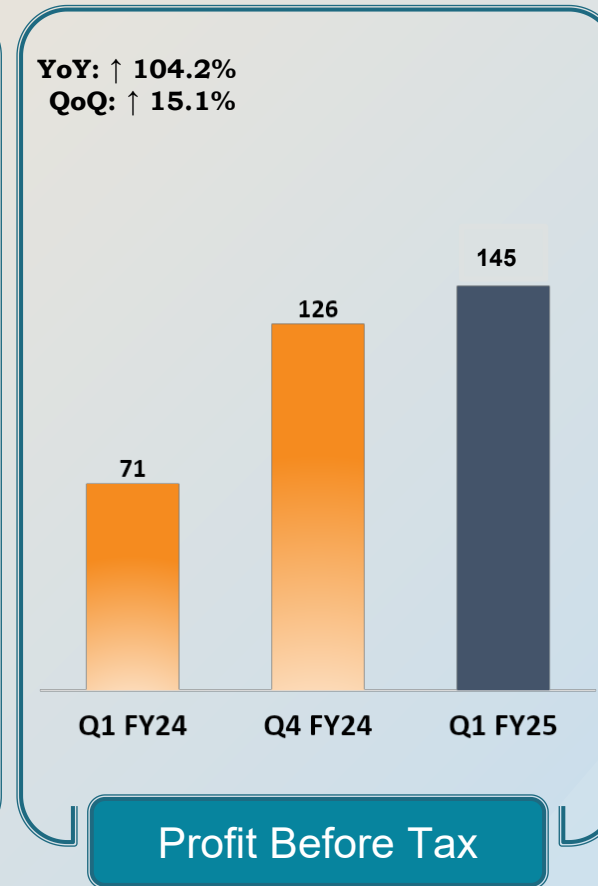
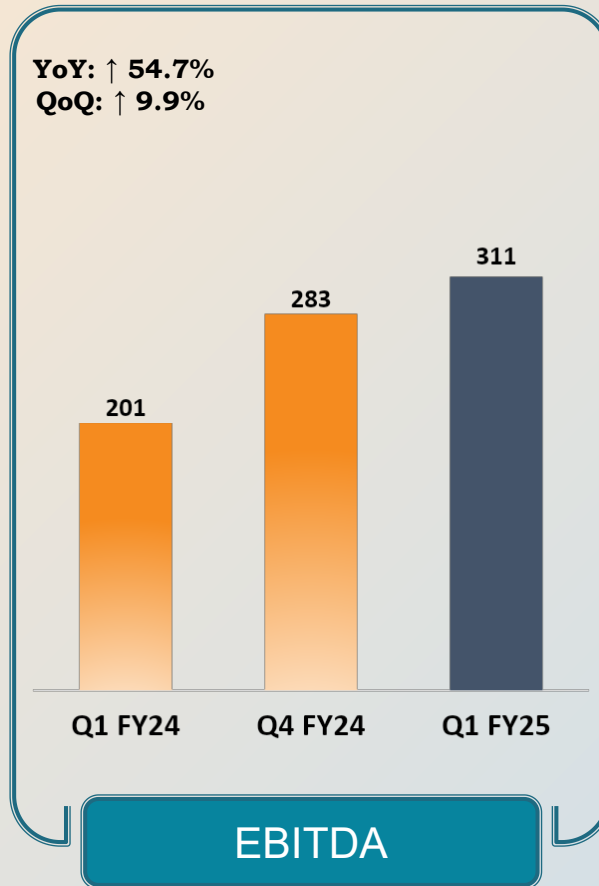
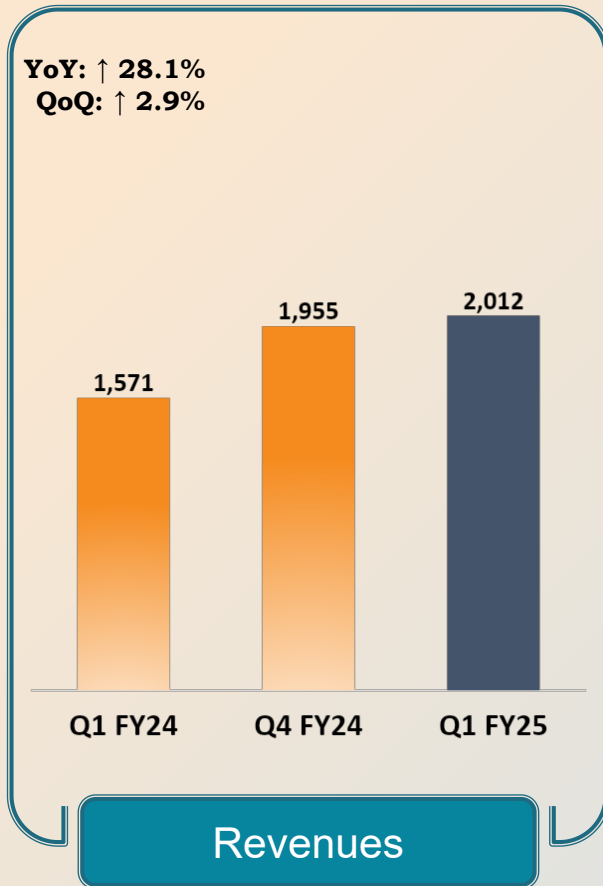


Aarti Industries Ltd. and UPL Limited set up a 50: 50 Joint Venture for manufacturing and marketing of specialty chemicals

- JV shall engage in supply of downstream derivatives of amines that have diverse applications in agrochemicals and paints.
- Initial investment from both the partners to be Rs. 12.50 crore each. Subsequently, Rs. 137.50 crore each will be infused over a period of about 24 months.
- Capex estimated to be about Rs. 300 crore
- First of its kind partnership between two large Indian companies, leveraging the strengths and competencies on key inputs.
- Commercial supplies expected by Q1 FY27 with peak annual revenue potential of Rs. 400-500 crore in next 2-3 years.



Q1 FY25 Highlights (Consolidated)



Amt in Rs. Crore
EBITDA includes other income



Performance Overview– Q1 FY25

Revenue Rs. 2012 cr.

+3% Q-o-Q

+28% Y-o-Y

EBITDA Rs. 311 cr.

+10% Q-o-Q

+55% Y-o-Y

PAT Rs. 137 cr.

+4% Q-o-Q

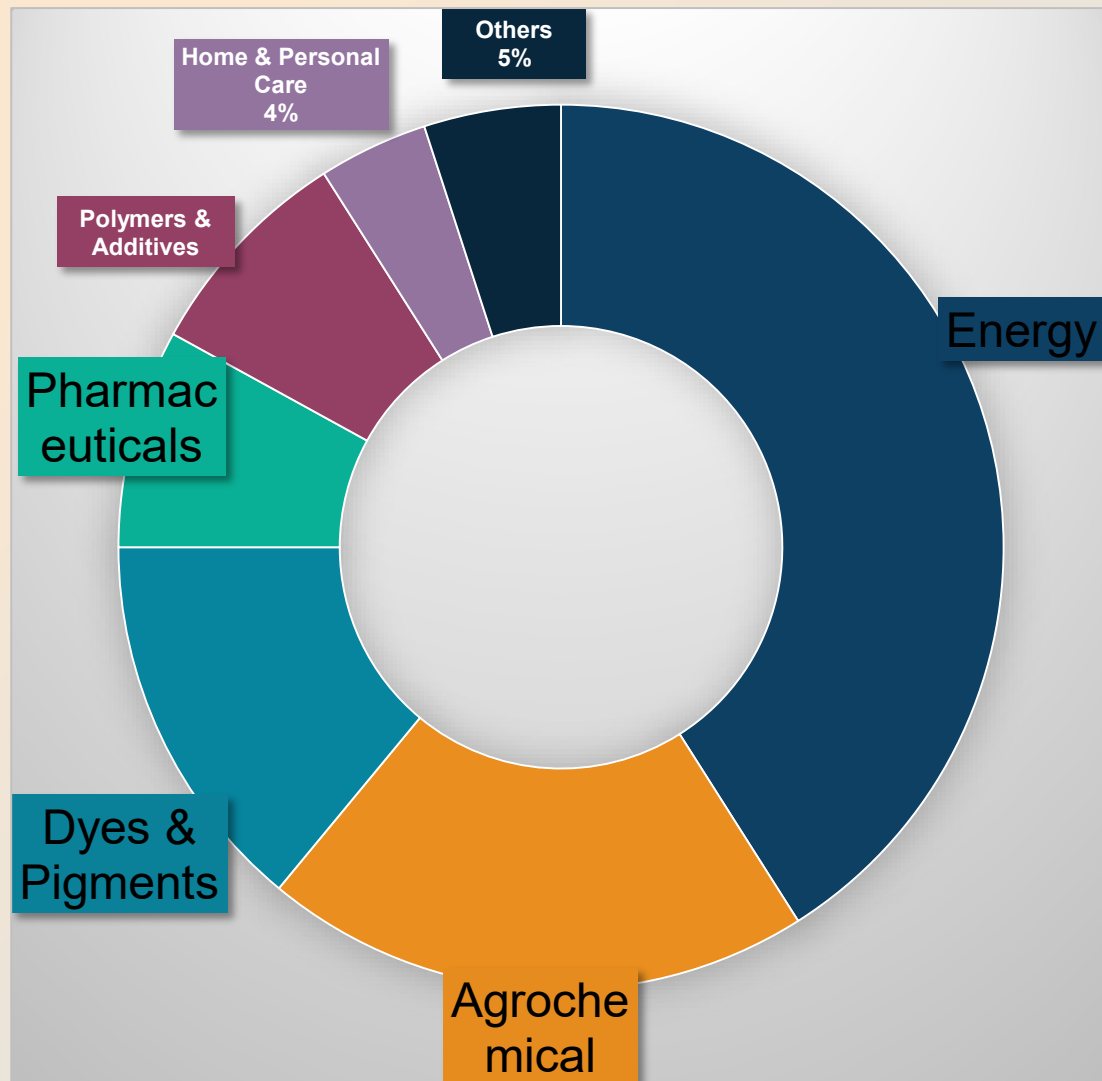
+96% Y-o-Y

- Revenue growth driven by volume-led recovery in both core and contracted products.
- Saw healthy rebound in exports for select products, along with stable domestic volumes.
- Products catering to the discretionary portfolio witnessed continued recovery. Non-discretionary portfolio saw some improvement, although all round revival is anticipated later this fiscal year.
- Dumping from China into global market continues, resulting in ongoing pressure on margins.
- Red Sea crisis has impacted the global supply chain, which is resulting into higher TaT, thereby impacting volumes in certain instances.
- EBITDA increased despite severe pricing pressures. Performance was anchored by:
 - Volume-led operating leverage with better product mix.
- Y-o-Y increase in interest costs is attributed to ongoing CAPEX initiatives and rising interest rates.
- Capitalisation of new projects commissioned in FY24 led to higher depreciation.
- PAT demonstrates robust operating performance.
- **Key Project Updates**
 - Phase 2 Acid revamp cum expansion completed in Q1 FY25.
 - Other Projects such as NT & Ethylation expansion, debottlenecking and expansion of few specialty chemicals units, greenfield Chloro Toluene project, MPP, etc. are progressing well as planned.
 - Q1 FY25 Capex is about Rs. 270 crore.

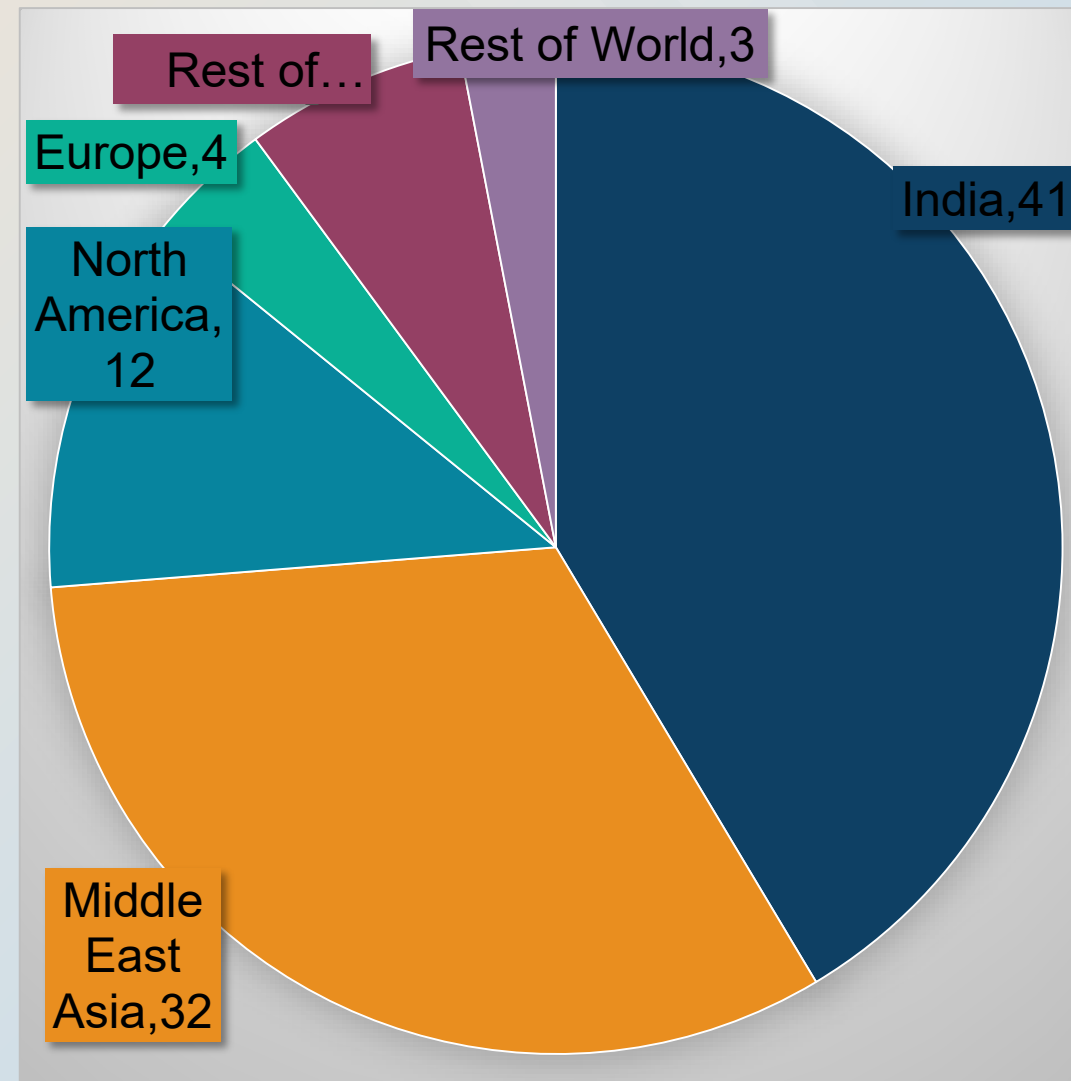


Revenue Profile- Q1 FY25

End-use Sales



Region wise Sales



Q1 FY25– Consolidated Profit & Loss

Rs. In Crs.



Particulars	Q1 FY25	Q1 FY24	Y-o-Y (%)	Q4 FY24	Q-o-Q (%)
Gross Income	2,012	1,571	28.1%	1,955	2.9%
Exports	1,117	674	65.7%	1,015	10.0%
<i>Exports %</i>	55.5%	42.9%		51.9%	
Other Income	6	-	-	-	-
EBITDA	311	201	54.7%	283	9.9%
<i>EBITDA (%)</i>	15.5%	12.8%		14.5%	
EBIT	209	112	86.6%	185	13.0%
<i>EBIT (%)</i>	10.4%	7.1%		9.5%	
PAT	137	70	95.7%	132	3.8%
<i>PAT (%)</i>	6.8%	4.5%		6.8%	
EPS (Rs.)	3.77	1.93	95.3%	3.64	3.6%



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Growth Opportunity & Strategy



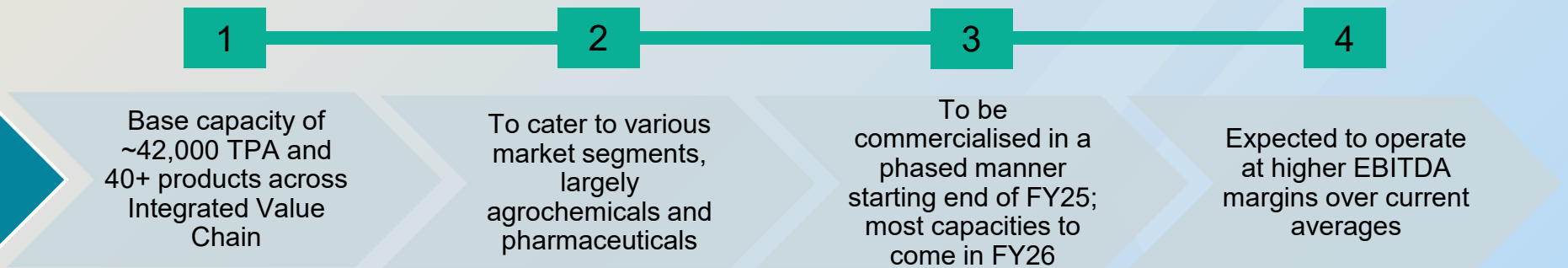
Future Growth Projects: Driven by R&D & Innovation

Growth Initiatives under way



FY26 & beyond

Foray into new value chain – Chloro toluene and downstream products



Future Growth Opportunities & Outlook

Growth Strategy



Partnership with Global Companies

- Collaborate with world's leading chemical companies
- Build on existing partnerships and build new ones
- Contract Manufacturing



New Product Development

- Explore new value Chains
- Add new chemistry: e.g., Photochlorination, AHF Fluorination, etc.
- Expansion of existing Value chain



Bio and Sunrise sector

- Sustainable/ green products with focus on biochemistry, circularity.
- Battery chemicals, Electronics chemicals, new age materials, high end polymers etc.

Outlook

FY25

- Recovery of Volumes across the sector, ramp-up of capacities and higher operating leverages shall lead to EBITDA growth
- Commissioning of expanded capacities of NT, Ethylation and other specialty Chemicals capacities.
- Zone 4 to start gradually going onstream

FY26 and beyond

- EBITDA growth driven by:
 - Zone 4 ramping up
 - New Strategic opportunities
 - Higher utilisation for existing capacities at Zone 1, 2 and 3



About Us



Aarti Industries Limited (AIL) is one of the most competitive benzene-based speciality chemical companies in the world. AIL is a rare instance of a global speciality chemicals company that combines process chemistry competence (recipe focus) with scale-up engineering competence (asset utilization). Over the last decade, AIL has transformed from an Indian company servicing global markets to what is fundamentally a global company selecting to manufacture out of India. The Company globally ranks at 1st – 4th position for 75% of its portfolio and is “Partner of Choice” for various Major Global & Domestic Customers.

AIL has de-risked portfolio that is multi-product, multi-geography, multi-customer and multi-industry. AIL has 100+ products, 700+ domestic customers, 400+ export customers spread across the globe in 60+ countries with major presence in USA, Europe, Japan. AIL serves leading consumers across the globe for Speciality Chemicals and Intermediate for Pharmaceuticals, Agro Chemicals, Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, Surfactants and various other Speciality Chemicals.

AIL is committed to Safety Health & Environment, equipped with Quality policy mapped to global benchmarks ensuring customer confidence and business sustainability. The Company has 11 Zero Discharge units and a strong focus on Reduce-Reuse-Recover across its 16 manufacturing sites.

AIL is a responsible corporate citizen engaged in community welfare through associated trusts (including Aarti Foundation and Dhanvallabh Charitable Trust) as well as focused NGOs engaged in diverse social causes.

Over the years, AIL has received multiple awards and recognitions for outstanding export performance, leadership in the chemical industry, efforts in conserving the environments as well as ensuring sustainable growth through path breaking innovation.

For further information please log on to www.aarti-industries.com or contact:

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Thank You

Resilient Today

Promising Tomorrow

