

November 11, 2022

Ref. No.: **AIL/SE/68/2022-23**

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001, MH.

Scrip Code: **543534**

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

Symbol: **AETHER**

Dear Madam / Sir,

Subject: Presentation on Financial Results

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the presentation on Financial Results for the Second Quarter ended on September 30, 2022 is enclosed herewith.

We request you to kindly take the information on your records.

Thank you.

For Aether Industries Limited



Chitrarth Rajan Parghi
Company Secretary & Compliance Officer



Encl.: As attached

**CHITRARTH
RAJAN PARGHI**

Digitally signed by
CHITRARTH RAJAN
PARGHI
Date: 2022.11.11
16:49:02 +05'30'

Aether Industries Limited

Registered Office: Plot No. 8203, GIDC Sachin, Surat-394230, Gujarat, India.

Phone: +91-261-6603000 || Email: info@aether.co.in || Web: www.aether.co.in || CIN: L24100GJ2013PLC073434

Factory: Plot No. 8203, Beside Shakti Distillery, Near Rajkamal Chokdi, Road No. 8, Sachin GIDC, Sachin, Surat-394230, Gujarat, India.



Q2 / FY23 Presentation

November 11, 2022

AETHER.NS 543534



Why Aether?

The True Story

[8 x 8] Matrix of chemistry / technology competencies developed in-house, from scratch, which caters to various segments of chemical industry

R&D Driven Approach

Deep rooted R&D-led product development team comprising 193 highly qualified people including 91 scientists (with PhDs or M. Sc. / B. Sc. degrees) and 102 engineers (SEPT-22)

Growth Engines

Successfully launched 3 business models in 5 years into commercialisation:

1. Large scale manufacturing
2. CRAMS
3. Contract / Exclusive manufacturing

1st Time In India

Most of our advanced intermediates and specialty chemicals manufactured for the first time in India

Rich Infrastructure

Extensively expanded R&D, pilot plant, and manufacturing (2 new greenfield projects, all fully DCS automated) capabilities

Unique Team

Techno-commercial excellence in promoter group, expert global technology and BD team, average age of 750+ staff is 32 years (SEPT-22)

Marquee Customers

200+ International and domestic customers, customer base includes top innovator MNC companies across industry spectrum

One of the Fastest Growing

We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 52.9% between Fiscal 2018 and Fiscal 2022



Highlights

New Products

New product launched under Large Scale Manufacturing business model having end application in pharmaceutical industry.

New Customers

We have started business with 11 new customers during the quarter across all business models.

Revamped and Expanded R&D

Expanded R&D centre has become operational and is equipped with 55 fume hoods in R&D and more than 100 reactors in pilot plant.

Solar Power Plant

The Company's solar power plant has been commissioned since July 2022 and is giving more than 80% output, helping save electricity cost.

Team Members

More than 50 new team members have joined Aether in HFY23 across all departments.

Customer Audits

Successfully concluded twelve customer audits and certification audits in HFY.



Quarter Snapshot

1,466

Total Revenue

433

EBITDA

29.5%

272

PAT

18.6%

Our Managing Director, Mr. Ashwin Desai says, "If you have tools, you will have work".

I reiterate his thoughts in the business of Aether, where if you have adequate inventory of Raw Material on hand, you will be able to deliver in time to the customers and that is what we are doing.

Moreover, the R&D backed products are unique and have been the import-substitute and promoting to the "Make in India" initiative of the Government of India.

Our direct competition is with China, for most of our products that we have developed and are dealing in and hence the "China +" also being adhered by us.

- Faiz Naqariya (Chief Financial Officer)

(INR MM)



Snapshot

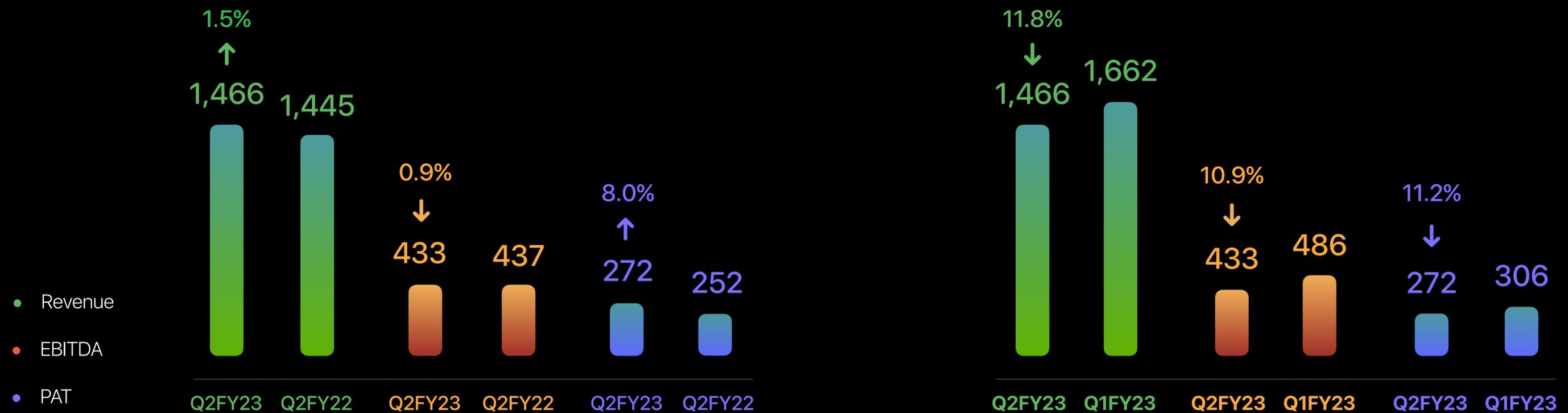
(INR MM)

Y-o-Y

Y-o-Y is comparison of Q2FY23 with Q2FY22

Q-o-Q

Q-o-Q is comparison with previous quarter Q2FY23 and Q1FY23

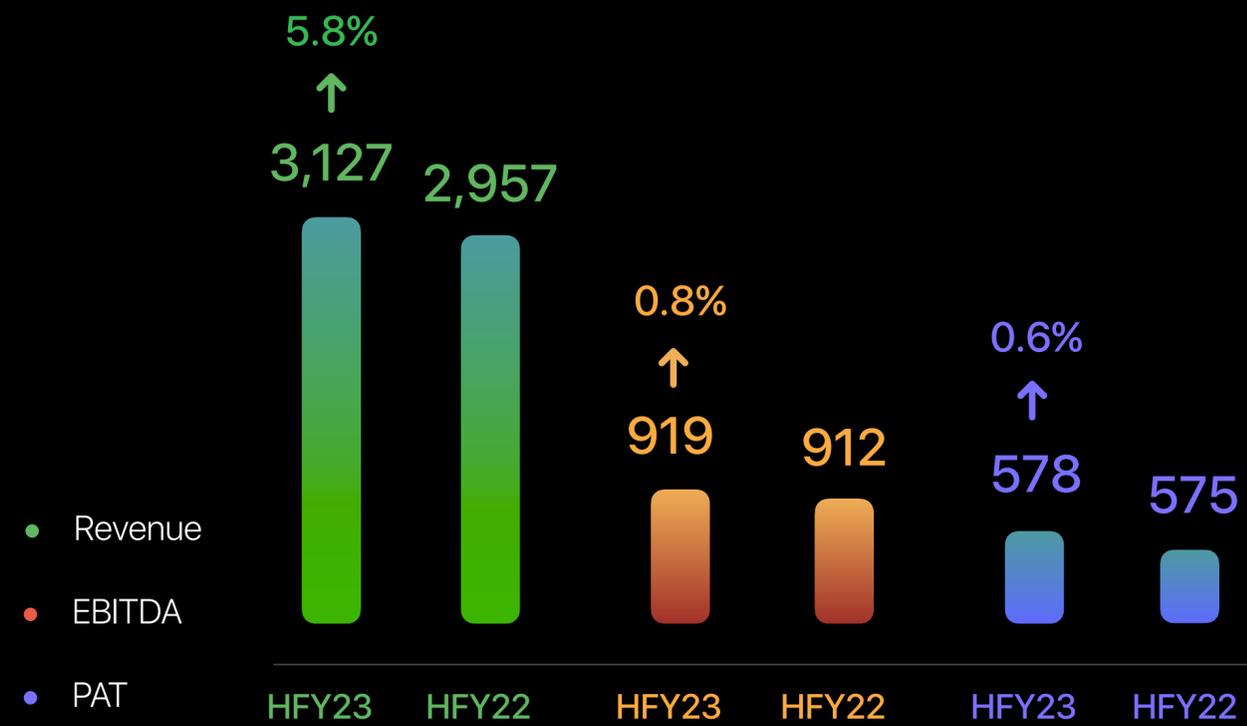


Snapshot

(INR MM)

HY-o-HY

HY-o-HY is comparison of HFY23 with HFY22



Business Segments

52%

Large Scale Manufacturing

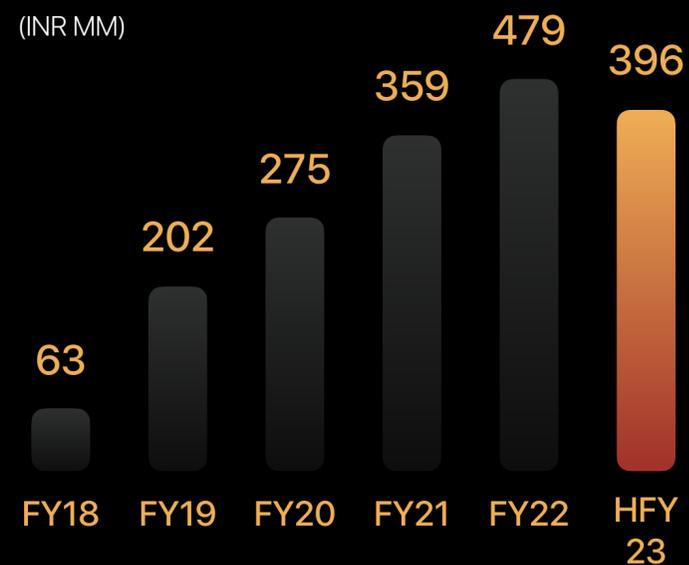
Advanced intermediates and speciality chemicals with application across the industry spectrum



13%

Contract Research and Manufacturing Services - CRAMS

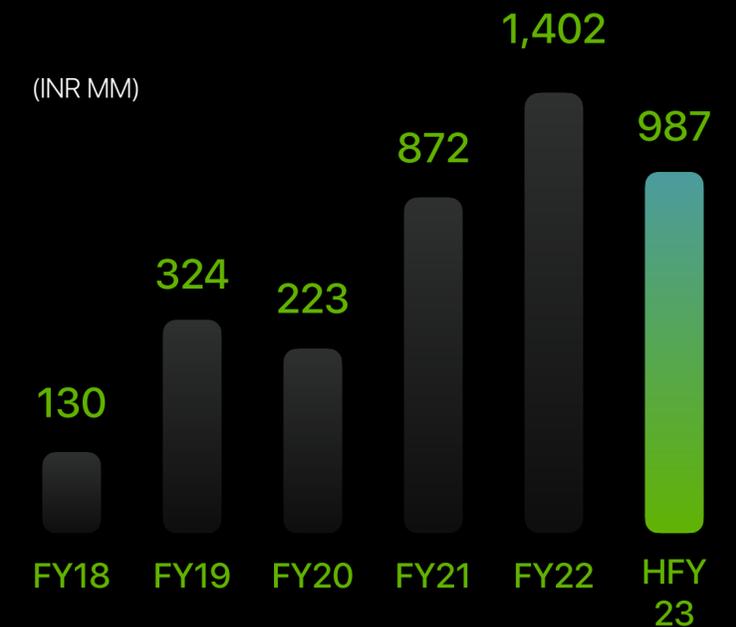
Contract research, scale-up services, technology development, low volume high value contract manufacturing



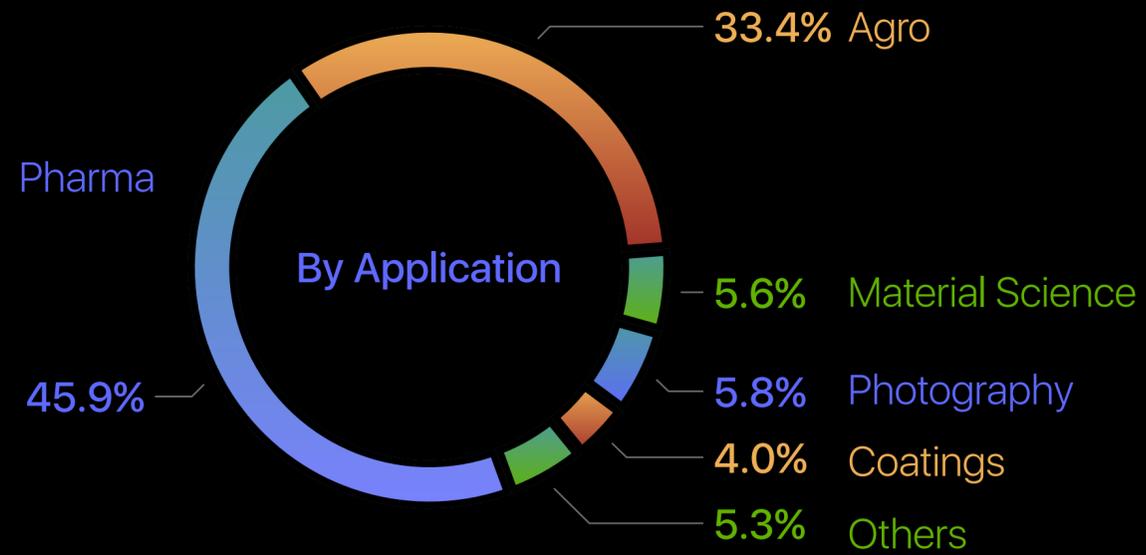
33%

Contract / Exclusive Manufacturing

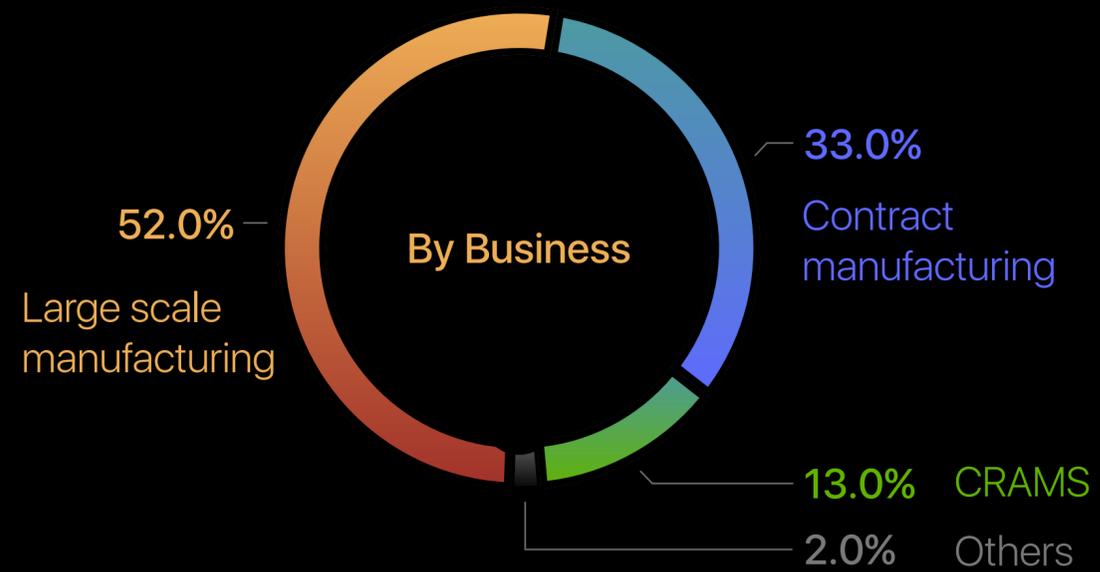
Manufacture under contractual supply agreements with MNCs



Aether Today



H1-FY23



Research and Development

R&D has been critical to success and a differentiating factor vis-à-vis competitors

Experts at helm of R&D / CRAMS

MARCH-22

164

Highly qualified employees,
including

92

Scientists with
PhD / M. Sc and B. Sc

72

Engineers

SEPT-22

193

Highly qualified employees,
including

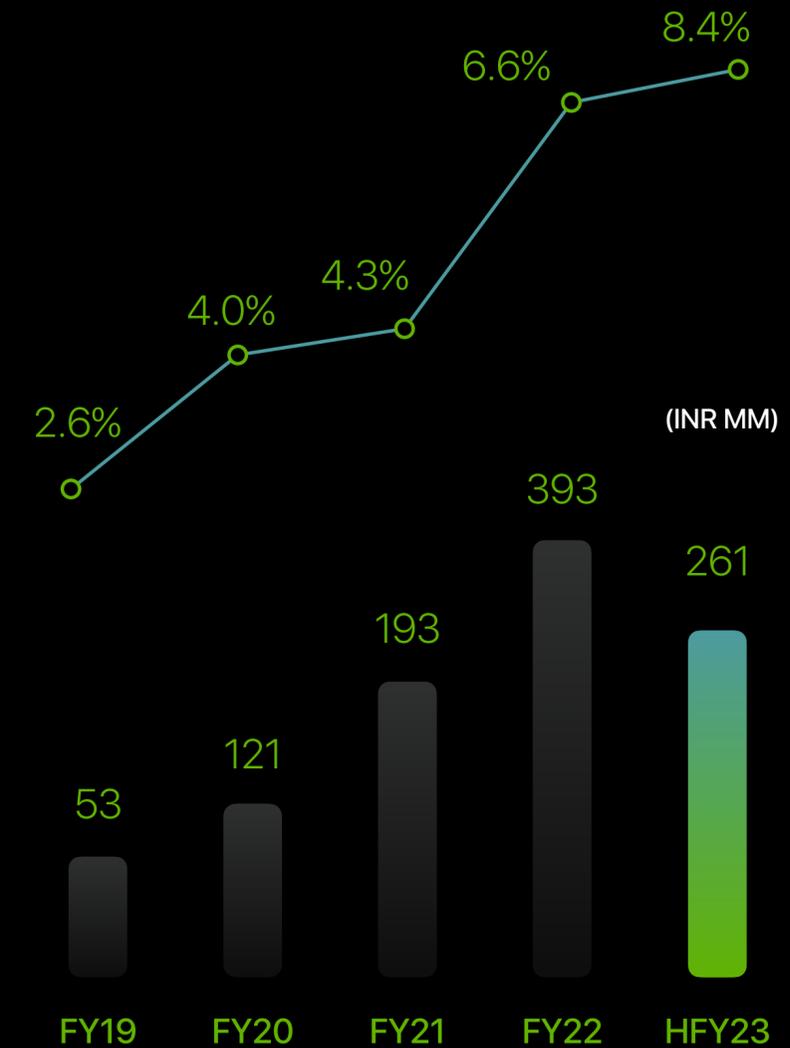
91

Scientists with
PhD / M. Sc and B. Sc

102

Engineers

Consistently rising R&D expenditure



Solar Power Plant

16 MW Plant

for manufacturing facility 1, 2 and proposed green field project



**Saving of
Rs.14 MM (approx.)**
with more than 80% output in the first
quarter itself after installation

Offsetting 24000 Tonnes of Carbon Dioxide

emission per annum



July 2022

Power generation started



Expansion - Site 3 Facility

Located diagonally opposite

to the current Manufacturing Facility 2 in GIDC, Sachin, Surat, Gujarat, India



Civil work already completed

Installation

of plant, machinery and equipment along with other assets is in progress



December 2022

Facility to be operational



Additional 3500 MT

capacities approximately per annum will be added



IPO Fund Utilisation

1. Capital expenditure is in line with the timeline planned and expect to be complete within mentioned timelines.
2. Working Capital cycle of the company being monitored well for reducing it upto desired levels
3. Aether is a debt free company as all the term loans are fully paid off and working capital limits zeroed down
4. General corporate purpose funds being utilised for the future expansions

(INR MM)

Objects of issue	Amount as per the Offer Document (A)	*Amount Withdrawn from Monitoring Agency (B)	% Amount Withdrawn	Amount Pending to be withdrawn from Monitoring Agency (E = A - B)
Funding capital expenditure requirements for the proposed Greenfield project	1,630	310	19.02%	1320
Funding working capital requirements of the Company	1,650	600	36.36%	1050
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company	1,379	1,379	100%	0
General Corporate Purposes	1,276	960	75.24%	316
Total	5,935	3249	54.74%	2686

*Cumulative utilisation from the date of IPO



Financial Results for Q2 of FY23

INR MM	Q2FY23	Q1FY23	Q2FY22	H1FY23	H1FY22	FY22
	Unaudited	Unaudited	Audited	Unaudited	Audited	Audited
Revenue from operations	1,402	1,600	1,412	3,002	2,913	5,900
Other income	64	62	32	126	44	70
Total income	1,466	1,662	1,445	3,127	2,957	5,970
Cost of goods sold #	682	830	666	1,512	1,391	2,880
Employee benefits expense	89	72	79	161	142	270
Other expenses	262	274	263	535	511	1,069
EBITDA	433	486	437	919	912	1,751
Depreciation & amortization expense	54	45	34	100	64	155
EBIT	378	441	403	819	848	1,596
Finance cost	6	29	32	35	72	131
Profit before tax	372	412	371	784	776	1,465
Tax expenses (Current + Deferred)	100	106	119	206	201	375
Profit after tax	272	306	252	578	575	1,089

Cost of goods sold = Cost of materials consumed in operation and incidental cost + Changes in inventories of finished goods and work-in-progress



Balance Sheet

INR MM	FY20	FY21	FY22	H1FY23	INR MM	FY20	FY21	FY22	H1FY23
ASSETS					EQUITY AND LIABILITIES				
Non-Current Assets					Equity				
Property, plant and equipment	1,206	2,065	2,355	3,490	Equity share capital	86	101	1,127	1,245
Capital work-in-progress	172	2	577	1,444	Other equity	697	1,642	2,742	10,783
Investments + Other Financial Assets	22	17	25	57	Total equity	783	1,743	3,869	12,028
Intangible Assets	6	6	4	6	Non-current Liabilities				
Right-of-Use Assets	82	92	211	216	Borrowings	951	1,038	1,218	0
Other non-current assets	39	12	427	263	Lease liabilities	16	27	51	55
Total non-current assets	1,527	2,194	3,600	5,475	Deferred tax liabilities (net)	76	102	139	194
CURRENT ASSETS					Total non-current liabilities	1,043	1,167	1,408	249
Inventories	719	847	1,627	2,057	Current Liabilities				
Trade receivables	630	1,082	1,635	2,127	Borrowings	754	1,044	1,633	262
Cash and bank balances	36	56	180	2,880	Lease liabilities	3	4	6	9
Loans + Other Financial Assets	8	235	181	48	Trade payables	384	478	699	809
Other current assets	85	115	474	842	Other current liabilities#	39	94	85	71
Total current assets	1,478	2,335	4,098	7,952	Total current liabilities	1,179	1,619	2,422	1,151
Total Assets	3,005	4,529	7,698	13,428	Total equity and liabilities	3,005	4,529	7,698	13,428

includes Other Financial Liabilities, Other Current Liabilities, Provisions and Current Tax Liabilities (Net)



Cash Flow Statement

INR MM

	FY20	FY21	FY22	H1FY22	H1FY23
Cash generated from operations	309	432	284	419	(223)
Net cash from operating activities	177	232	(54)	259	(423)
Net cash (used in) investing activities	(480)	(766)	(1,509)	(345)	(1,885)
Cash flow from financing activities					
Net cash used in financing activities	326	554	1,688	117	4,963
Net increase / (decrease) in cash and cash equivalents	23	20	125	31	2,654
Cash and cash equivalents at the beginning of the period	13	36	56	56	180
Cash and cash equivalents at the end of the period	36	56	180	86	2,835

Figures in () represent negative numbers



Corporate Information

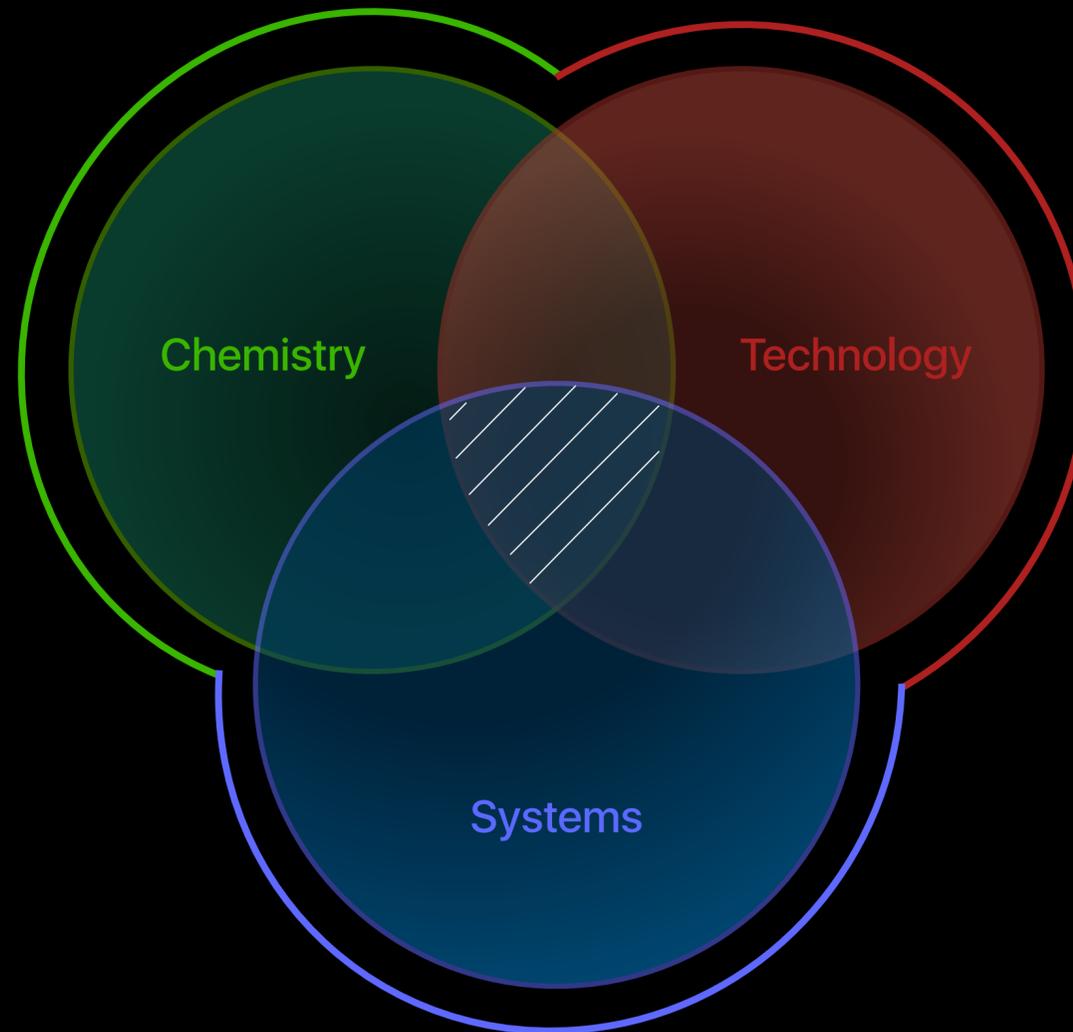
Core Competencies

Chemistry

- Grignards and Organolithiations
- Ethylene Oxide Chemistry
 - Tandem Grignard / Ethylene Oxide
- Isobutylene Chemistry
- Hydrogenation
 - Asymmetric Hydrogenation
- Heterogeneous Catalysis
- Exothermic Chemistry
- Cross Coupling Chemistry
- Olefin Metathesis / Polymerisation

Technology

- Continuous Reaction
- Batch Reaction
- High Pressure Reaction
- Fixed Bed Reaction
- Cryogenic Reaction
- High Vacuum Distillation
- Wiped Film Distillation
- Process Automation



Systems

- SAP, AIRIS, AES
- Multiple Certifications
- Distributed Control Systems (DCS) Automation

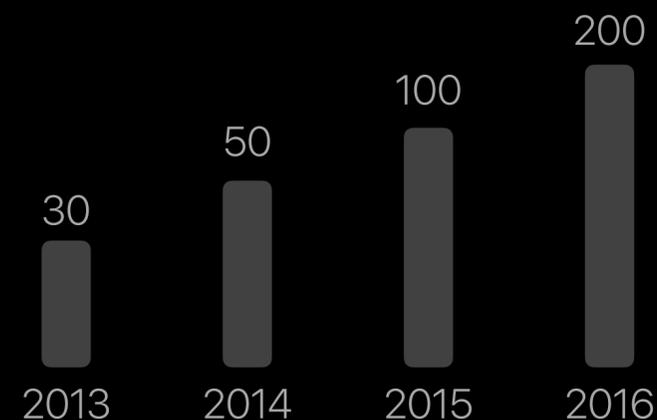
8 x 8 Matrix



Phase 1

Concept to Create
2013 – 2016

- Incorporation of Company
- Vision to create niche in global chemical industry with creative approach towards chemistry, technology and systems
- Focus on building R&D and pilot plant capability centred around core competencies
- Commencement of R&D and pilot plant operations
- Construction of Greenfield project (Manufacturing Facility - 2)
- Commencement of manufacturing operations
- Team Aether grows from 0 to > 200



Phase 2

Create to Build
2017 – 2021

- Streamlined manufacturing for 22 products
- Revenue grew from INR 1,000 MM to INR 4,500 MM within 4 years of commercial operations
- Largest manufacturer in the world for 4 products and sole manufacturer in India for 7 products, by volume (CY-2020)

5 ISO, ISMS and GMP accreditations

22 Products launched

130+ Global and domestic customers across 17 countries

81 Scientists (with PhDs or M. Sc. / B. Sc. degrees)

700+ Team at Aether

Phase 3

Build to Scale
2022 onwards

- Site 3 - Construction work almost done, installation of plant and equipments in progress
- Land acquisition in process for 4th manufacturing facility, construction to start soon
- Launch multiple new products over immediate two fiscal years
- Continue to add new core chemistry and technology competencies
- Aggressively expand CRAMS / exclusive manufacturing business models
- Look at acquisition opportunities in USA and Europe for R&D and manufacturing assets with differentiated technology

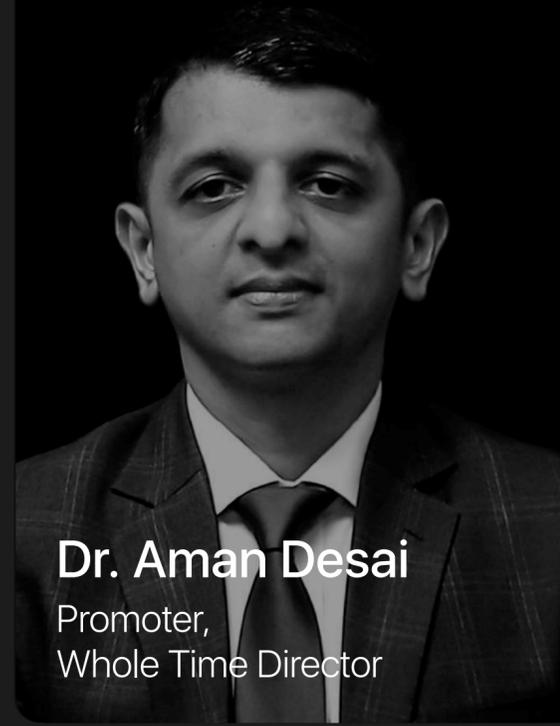


Key Pillars



Ashwin Desai
Founding Promoter,
Managing Director

- Bachelor of Chemical Engineering from Institute of Chemical Technology (UDCT, 1974)
- Distinguished Alumni Award by UDCT (2010)
- Prior to Aether, Founder / Chairman / MD of Anupam Rasayan (India) Limited (till 2013)
- Spearheading the continuous (flow) technology core competency
- Aether's visionary, multiple decades of experience in speciality chemicals



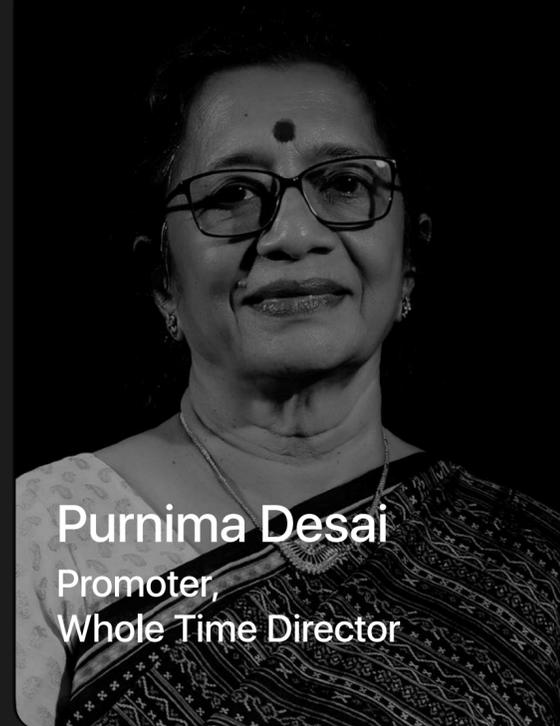
Dr. Aman Desai
Promoter,
Whole Time Director

- Bachelor of Chemical Technology - ICT (UDCT, 2005), PhD in Organic Chemistry from Michigan State University (USA, 2010)
- Prior to Aether, project leader in Process Development group in Core R&D HQ of The Dow Chemical Company (USA, 2010-2012)
- Co-author of 25 publications, 4 patents in USA and published worldwide
- Distinguished Alumni Award by UDCT (2018)
- 10+ years of experience in speciality chemicals



Rohan Desai
Promoter,
Whole Time Director

- Bachelor of Commerce from VNSG University of Commerce, Surat
- Prior to Aether, Director at Anupam Rasayan (India) Limited (till 2013)
- Handles commercial portfolio including sales, finance, strategic procurement, human resources and systems
- Extensive experience in speciality chemicals

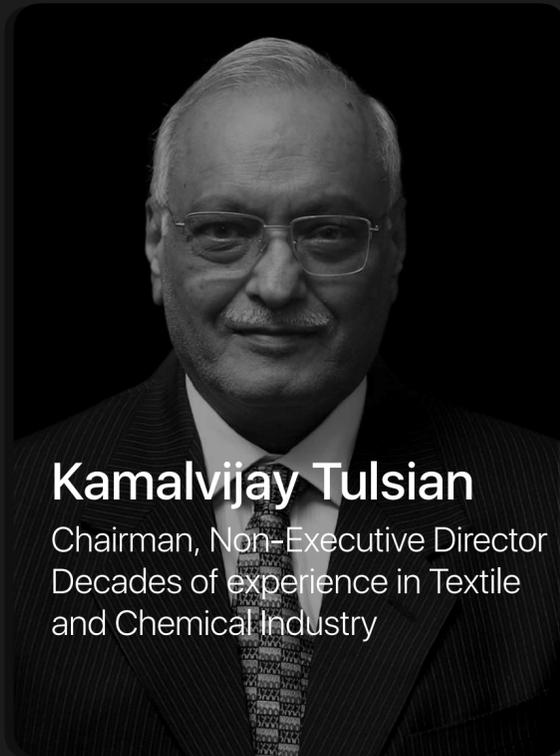


Purnima Desai
Promoter,
Whole Time Director

- Bachelor of Commerce from University of Delhi (1975)
- Prior to Aether, Director at Anupam Rasayan (India) Limited (till 2013)
- Leads overall finance and accounting operations
- Multiple decades of experience in speciality chemicals



Experienced Board



Kamalvijay Tulsian
Chairman, Non-Executive Director
Decades of experience in Textile
and Chemical Industry



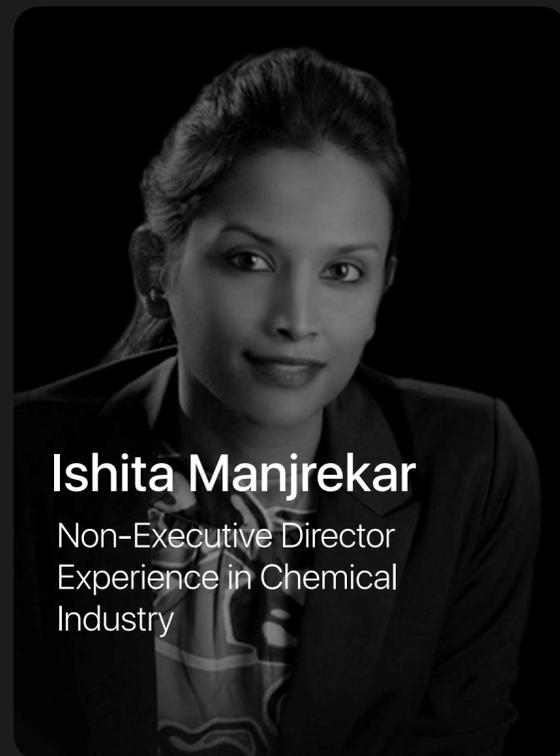
Jeevan Lal Nagori
Non-Executive Independent
Director
Experience 34 years in Chemical
Industries



Leja Hattiangadi
Non-Executive Independent
Director
Decades of experience in
Engineering Contracting /
Chemical Industry



Dr. Amol Kulkarni
Non-Executive Independent
Director
Experience 34 years as a
Scientist



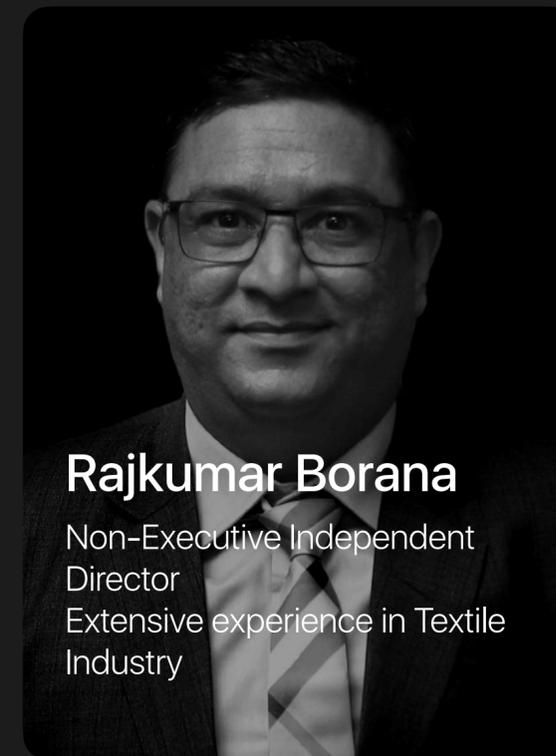
Ishita Manjrekar
Non-Executive Director
Experience in Chemical
Industry



Arun Kanodiya
Non-Executive Independent
Director
15+ years of experience in
Chartered Accountancy and
Finance



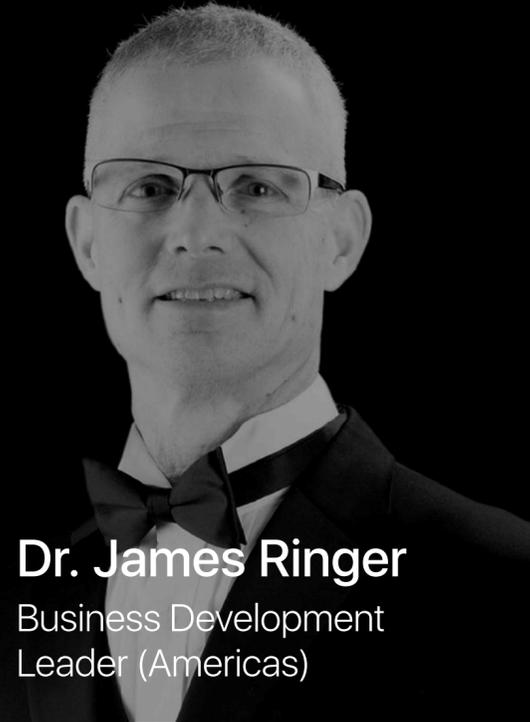
Jitendra Vakharia
Non-Executive Independent
Director
Decades of experience in
Chemical and Textile Industry



Rajkumar Borana
Non-Executive Independent
Director
Extensive experience in Textile
Industry



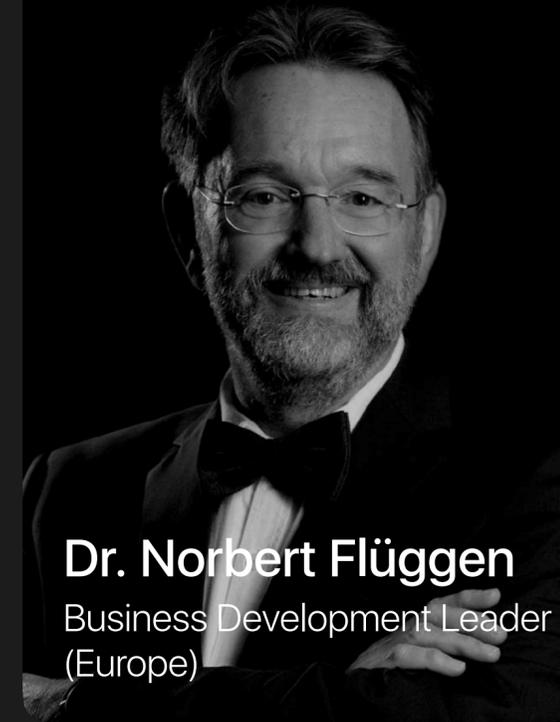
SMP and KMP



Dr. James Ringer

Business Development
Leader (Americas)

- Bachelor's Science (Purdue Univ. USA) and PhD Organic Chemistry (Univ. Wisconsin, USA)
- > 30 years at The Dow Chemical Company (and subsidiaries) at various positions - Leader R&D Director
- Co-inventor on 22 USA patents, published worldwide



Dr. Norbert Flüggen

Business Development Leader
(Europe)

- Diploma Physics and Doctorate of Natural Sciences (PhD), Univ. Hannover (Germany)
- Decades of experience in Chemical Industry
- Previously at ALTANA AG (Germany)



Raymond Roach

Business Development
Leader (Americas)

- Bachelor's Science and Master's Chem. Engg., Univ. of Pittsburgh (USA)
- Decades of experience in Chemical Industry
- Previously at the Dow Chemical Company (USA)
- Co-inventor of 7 USA patents, published worldwide



Faiz Nagariya

Chief Financial Officer

- B. Comm. (Mumbai University), FCA (ICAI)
- 25+ years experience
- Previously at Ala Metals LLC (Dubai)



Select Marquee Customer Base – Domestic and Global

Pharmaceutical



Oil and Gas



Textiles



High performance photography



Material Science / Coatings



Agrochemical



Other Sectors



QEHS

Quality

High standards of quality for products

To cover

Manufacturing

Supply Chain

Product Delivery

To ensure

Consistent Quality

Efficiency

Safety of Products

In last 3 Fiscal Years

57

Times, our facilities have been audited by

43

Customers or their external coordinators

Environment

Vibrant infrastructure installed for environment and sustainability efforts

- 100 KLPD in-house zero liquid discharge (ZLD) plant
- Triple stage multiple effect evaporator (MEE)
- Mechanical vapour recompression (MVR) plant
- Agitated thin film evaporator (ATFE)
- Reverse osmosis (RO) plant
- Soil biotechnology (SBT) platform with ozonation
- Employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process



QEHS

Health and Safety

Prioritises health and safety of employees

- Undertaking hazard and operability studies before commencing commercial production of new products
 - Dedicated team of safety personnel
 - Mobile application for safety and emergencies
 - Modern fire-fighting and safety systems
 - DCS automation system to control safety systems and processes
 - Combined fire hydrant water reserve of over 2,000 m³ capacity
-
- Occupational Health and Safety Hazard Prevention
 - Incident Management
 - Health and Safety Permits
 - Emergency Prevention, Preparedness, and Response
 - Working and Living Conditions
 - Training and Communication

ISO 9001

For Quality

ISO 45001

for Occupational Safety

ISO 14001

of workforce as Environment Team

ISO 27001

of Information Security Management

INDIAN GMP

for Manufacturing

UN GLOBAL COMPACT

Annual Corporate Member

SILVER ECOVADIS MEDAL

among the top 25 percent of companies

5.3%*

of workforce as QC/
QA/ADL Team

4.2%*

of workforce as
Safety Team

5.9%*

of workforce as
Environment Team

* as on Sept 30, 2022



Environmental Social Governance



Environmental

- Adoption of the green chemistries or more accurately sustainable chemistry since inception.
- Principles of energy saving and conservation, atom economy
- 4R strategy (reduce / recover / recycle / reuse)
- Undertaking hazard and operability studies.

Social

- Focused on:
 - Education (especially for girls)
 - Skill development
 - Healthcare
- Total spent of Rs. 16.08 MM towards CSR in HFY23
- Done through our dedicated non-profit making entity - 'Aether Foundation'.

Governance

- Technically sound and extensively experienced Board members
- Transparency and accountability at each level
- Adequate corporate governance helps:
 - Improved capital flow
 - Risk mitigation
 - Reputation boost
 - Effective decision making
 - focus on compliance
 - Higher staff retention
 - Limitation of conflicts of interests





Certain statements and opinions with respect to the anticipated future performance of the company in the presentation ("forward - looking statements"), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward -looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward - looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward - looking-statements only speak as at the date the presentation is provided to the recipient and the company is not under any obligation to update or revise such forward -looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and the company has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.

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