

May 6, 2024

वैशाख - कृष्ण पक्ष, त्रयोदशी
विक्रम सम्वत् २०८१

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 – Q4FY24 Business Update

As informed on April 30, 2024 that a conference call to discuss the Q4FY24 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 **Tuesday, May 7, 2024 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q4FY24 (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

Q4 FY24 Investor Update

May 2024

A handwritten signature in black ink, located in the bottom right corner of the slide.



Safe Harbour

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Management commentary



Commenting on the Q4 FY24 performance, Mr. R. S. Jalan, MD said:



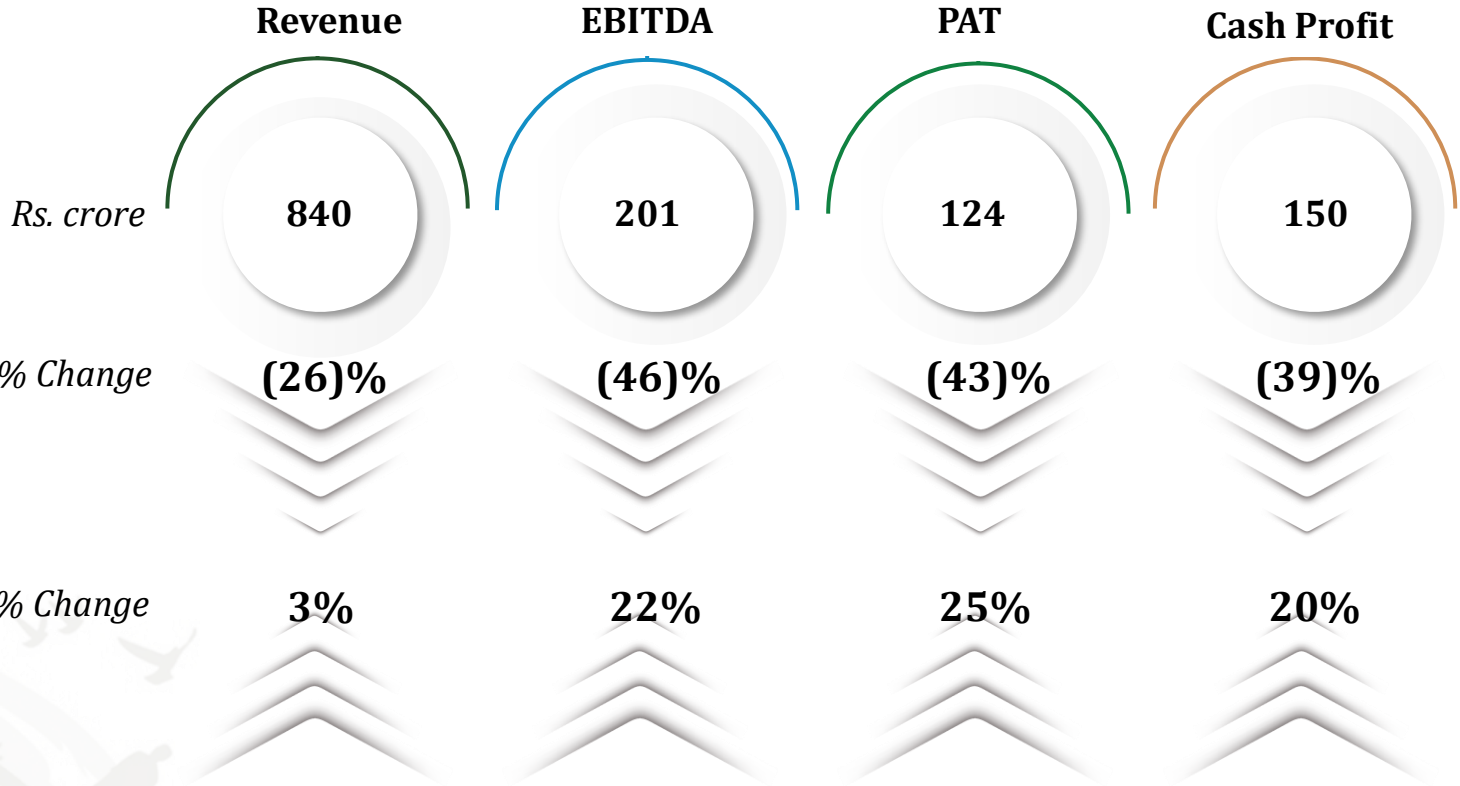
“Fiscal Year 2024 posed several challenges for the industry owing to many global headwinds that affected the overall consumption patterns. Our performance during the year was influenced by weak realisation trends caused by significant import of Soda Ash in the country from Turkey, US and Russia. Higher imports into India were triggered by continued weak demand environment in the European region. This led to a domestic demand supply mismatch and exerted pressure on realization and margins. That being said, we are watchful of the situation and demand trend at various end-use sectors.

We are making good progress on the planned growth endeavors. In the Greenfield Soda Ash project, we are making progress and expect to obtain approvals soon. Vacuum salt project is moving ahead as planned. We are conceiving a new bromine project at our existing salt works. Further, in FY24, we have successfully completed installation of 6.7MW of renewable energy consisting of 2.7MW of wind and 4.0 MW of solar energy which demonstrate our commitment to strengthen the sustainability efforts. We believe, these steps will enhance our growth trajectory and accelerate our profitability in the future.”



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Performance highlights – Q4 FY24



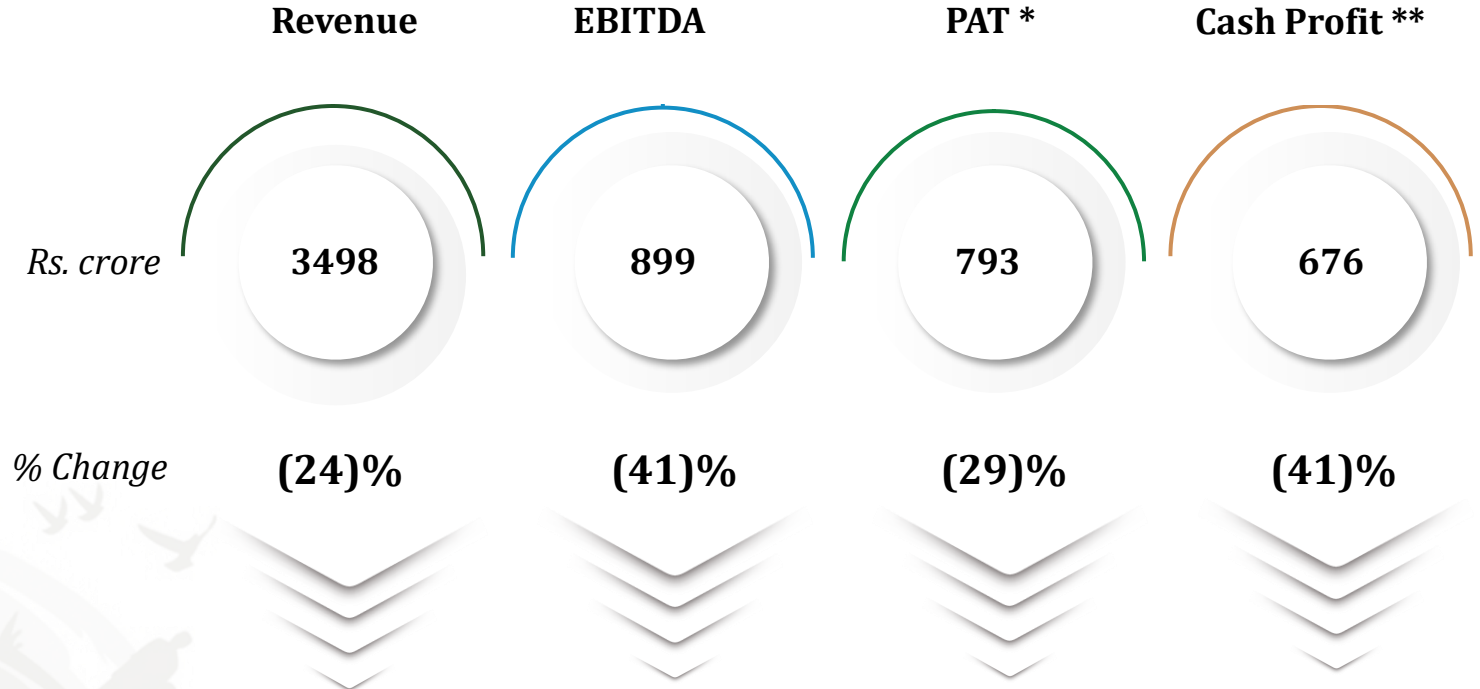
Q4 FY24
Vs
Q4 FY23
(Y-o-Y)

Q4 FY24
Vs
Q3 FY24
(Q-o-Q)



Performance highlights – FY24

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



Note:

* PAT including exceptional items of Rs. 219 Cr. of non-cash gain on demerger of GHCL Textiles Ltd. in FY24 and Rs. 55 Cr in FY23. Excluding exceptional items, PAT would amount to Rs. 574 Cr that is a change of (45)% yoy.

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

Profit & loss statement

(Rs. In Crore)

Particulars	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q	FY24	FY 23	Y-o-Y
Revenue from continued operations*	840	1,141	(26%)	813	3%	3,498	4,584	(24%)
Operating Expenses of continued operations	639	770	(17%)	648	(1%)	2,599	3,064	(15%)
EBITDA from continued operations	201	371	(46%)	165	22%	899	1,519	(41%)
EBITDA Margins of continued operations	23.9%	32.5%	(856 bps)	20.3%	361 bps	25.7%	33.1%	(742 bps)
Depreciation of continued operations	26	27	(4%)	26	0%	102	94	9%
EBIT from continued operations	175	344	(49%)	139	26%	797	1,426	(44%)
Interest of continued operations	5	10	(50%)	6	(17%)	25	39	(36%)
Profit Before Tax from continued operations before exceptional items	170	333	(49%)	133	28%	772	1,387	(44%)
Exceptional Item of continued operations	--	--	NM	--	NM	219	55	NM
Profit Before Tax from continued operations	170	334	(49%)	133	28%	991	1,442	(31%)
Tax of continued operations	45	83	(46%)	33	36%	198	350	(43%)
Profit After Tax from continued Operations	125	251	(50%)	100	25%	793	1,092	(27%)
Profit/(Loss) After Tax from discontinued Operations	--	(33)	NM	--	NM	--	24	NM
Profit After Tax	124	218	(43%)	100	24%	793	1,117	(29%)

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

Balance Sheet



(Rs. In Crore)

Particulars	As on March 31, 2024	As on March 31, 2023
<u>Assets</u>		
Non-Current Assets	1990	1968
Current Assets excluding cash and cash equivalents	873	1034
Cash and cash equivalents *	898	505
Asset held for sale and discontinued operations	--	1618
Total Assets	3761	5125
<u>Liabilities</u>		
Shareholders' Funds **	2970	3934
Non-Current Liabilities	377	504
Current Liabilities	414	428
Liabilities associated with asset held for sale and discontinued operations	--	259
Total Liabilities	3761	5125

Note:

* Cash and cash equivalents consists of cash, bank and current investments.

** Current year numbers include the impact of demerger of GHCL Textile from GHCL Limited effective 1-April-2023.

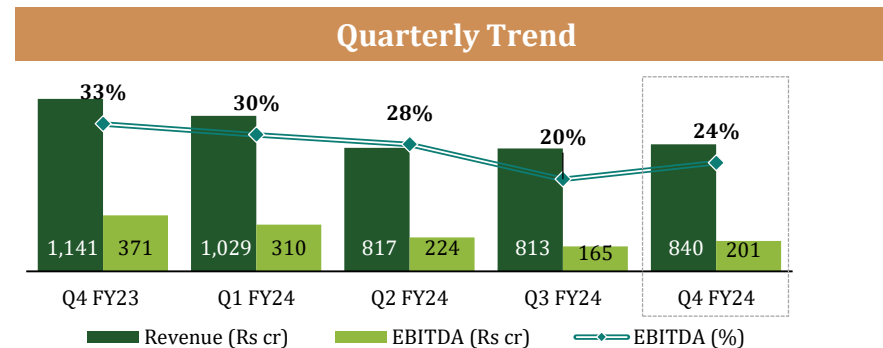



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Q4 FY24 highlights

(Rs. In Crore)

Particulars	Q4 FY24	Q4 FY23	Y-o-Y	Q3 FY24	Q-o-Q
Revenue	840	1141	(26%)	813	3%
EBITDA	201	371	(46%)	165	22%
EBITDA Margin %	23.9%	32.5%	(856 bps)	20.3%	361 bps



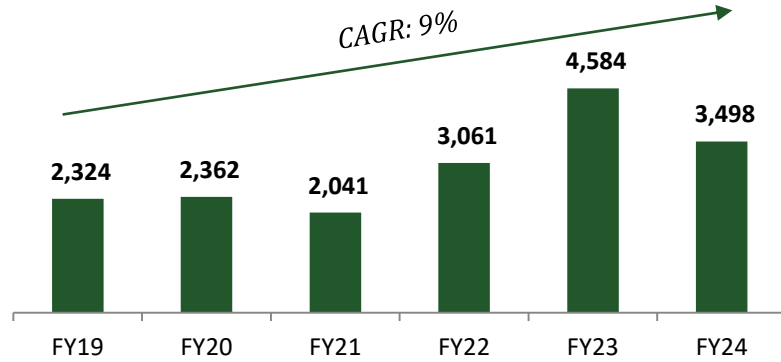
Performance Highlights

- Q4 FY24 performance has to be seen in light of continued higher imports of Soda Ash into India
 - Revenue increased on a sequential basis due to higher volumes in Q4 however on slightly reduced realization. From Q4 FY23 revenue declined mainly due to reduction in realization mainly because of higher imports.
- Absolute EBITDA increased by 22% on a sequential basis due to higher volume and reduction in direct costs.

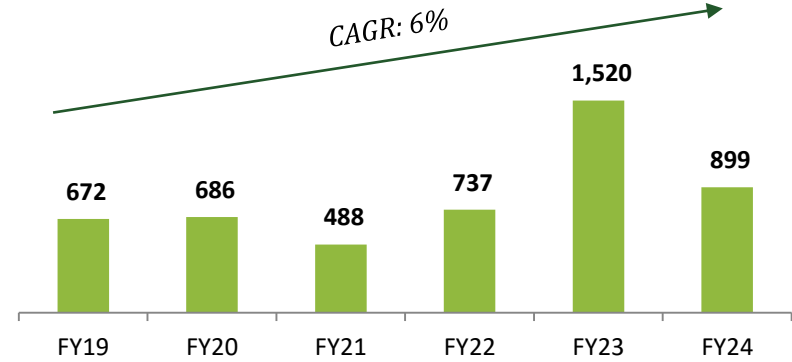


Historical financial overview

Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)

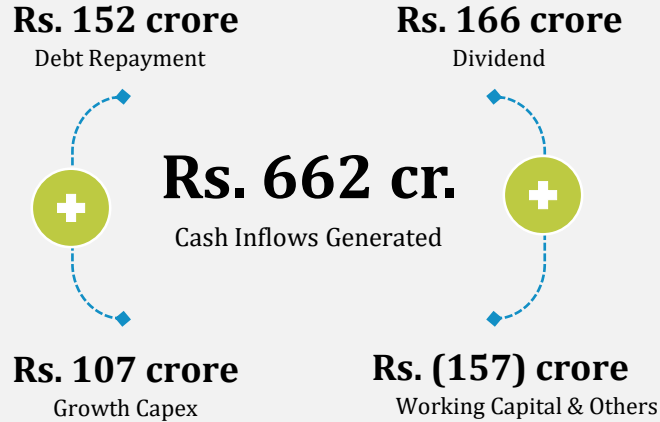


- FY24 is better than the previous 5 years from FY19 till FY22, except FY23 which was an extraordinary strong year
- Industry was able to accommodate substantial price increase in FY23 in-line with favorable demand supply dynamics and supportive foreign exchange trends and was an extraordinary strong year. As a result, the gains in realisation, revenues and margins in FY23 stand out in the last 5-year period.
- FY21 was impacted adversely by COVID-19

Note: Revenue & EBITDA adjusted for demerger of GHCL Textile business.

Resource allocation & key financial ratios

Efficient Capital Allocation For FY24



Increase in cash & Cash Equivalents Rs. 393 crore.**

Closing cash & Cash Equivalents Rs. 898 crore.**

Net Debt Free

Net Cash Surplus of **Rs. 701 cr.**

Gross Debt **Rs. 197 cr.**

Key Ratios

Net Debt/(Cash) to Equity	ROCE*
(0.24)x	23%
Net Debt/(Cash) to EBITDA	ROE*
(0.78)x	27%

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

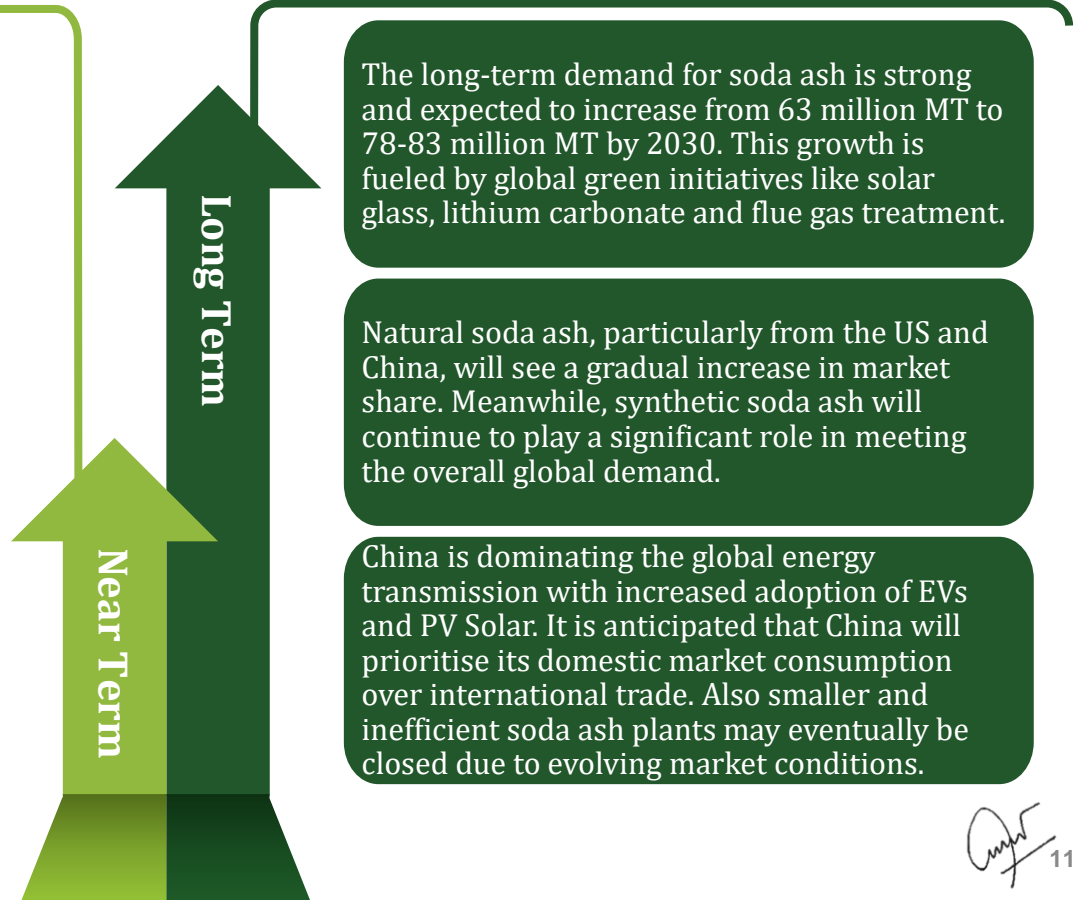
Many parts of the world, including Europe and Americas continue to experience high inflation and soft demand of Soda Ash.

Soda Ash market worldwide is oversupplied and new production capacities have been built in China and US. US and Turkey are exporting including to Asia affecting prices.

However, demand in China has increased by ~10% in CY2023 mainly on account of robust demand from solar glass and lithium carbonate segments.

Input costs, particularly energy prices are gradually decreasing are lower now compared to beginning of year.

We expect Soda Ash prices to have nearly bottomed out and should stabilize at current level.



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 meeting the overall global demand.

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.



Focus on driving responsible future growth



Key Growth levers

- Greenfield Soda Ash project of 5L MT
- Vacuum salt from waste energy
- Bromine project at existing salt work
- Salt yield improvement
- Augmenting backward integration of raw material for enhanced control on cost
- Focus on reducing carbon footprint
- Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies

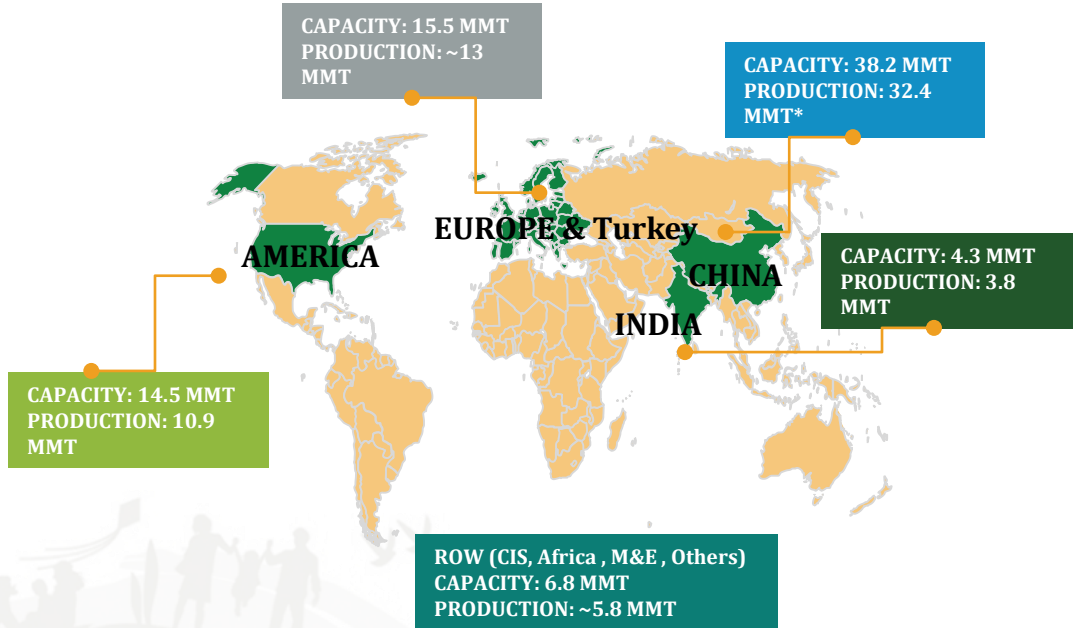


Smarter foundation for better tomorrow; Creating scale - strengthening leadership



Global outlook on the soda ash industry

GLOBAL SIZE: CAPACITY~80 MMT, PRODUCTION-66 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 including China.

Americas:

Soda Ash Market was oversupplied due to increased capacity and production. Americas has increased exports to various regions including Asia and Europe.

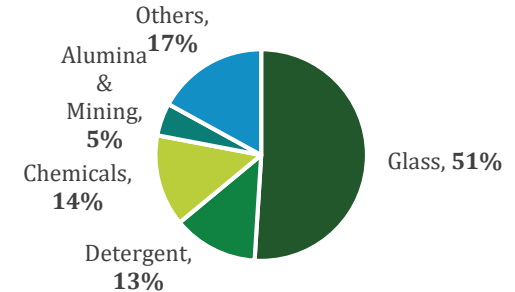
China:

China has delivered strong domestic demand in CY 2023 of around 10% yoy. Berun's plant at Inner Mongolia completed 5MMT capacity.

Europe:

Higher inflation has impacted customer sentiments and demand. 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: * Including new capacities recently commissioned such as China's Inner Magnolia and others (~7 MMT), USA's Genesis (~1.2MMT), and Turkey (0.4MMT).

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

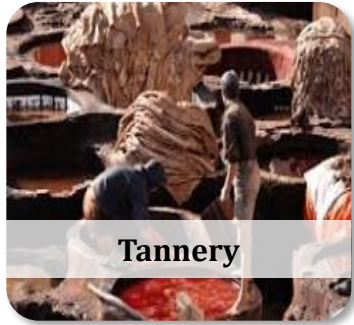
Future Benefits

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



Tannery



Pharma



Food



Animal Feed



Chemicals

A Thermal Power Producer 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.

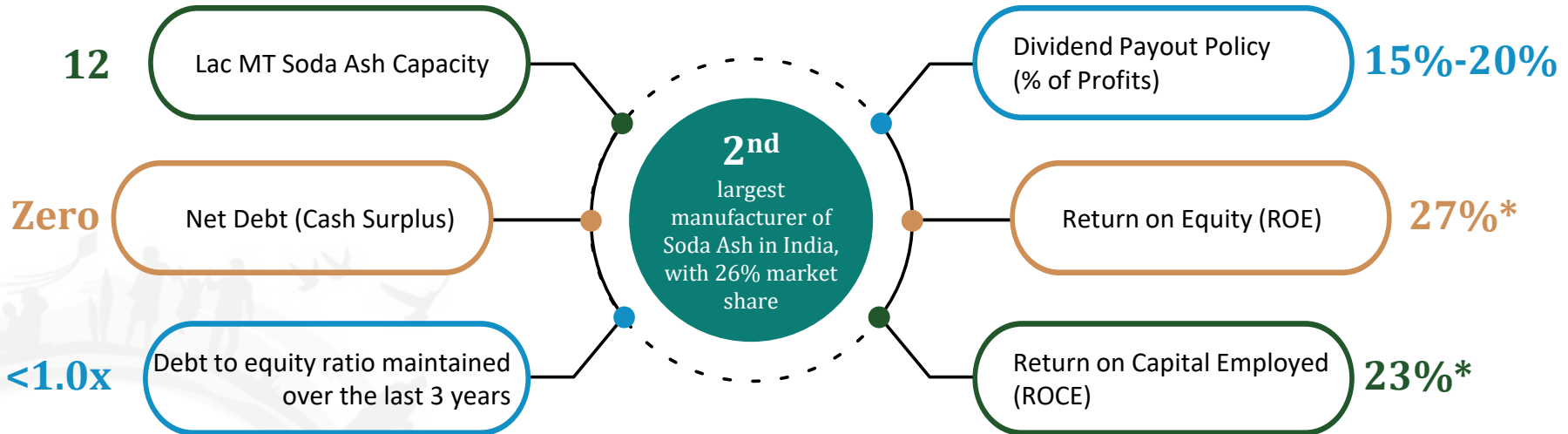


- Focused management approach
- Strategy led by professional management team

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

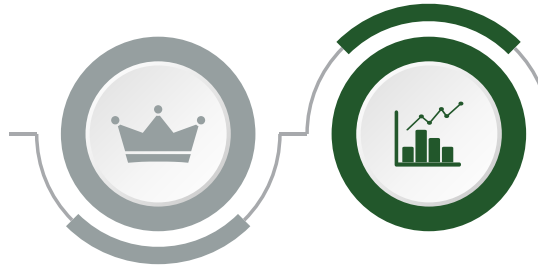


Note : *As on 31st March, 2024

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

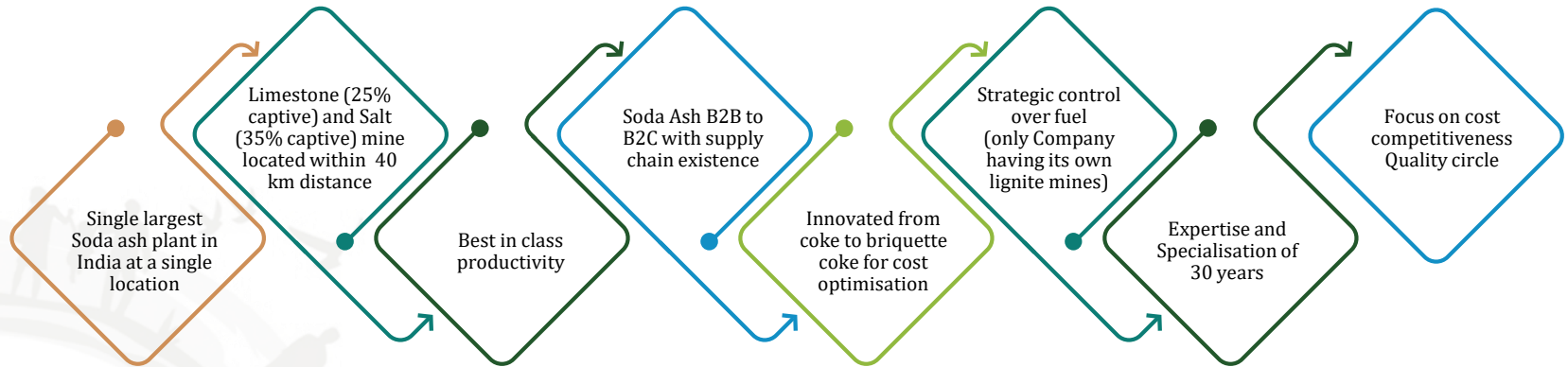
3 decades of
Indian
Manufacturing
experience

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

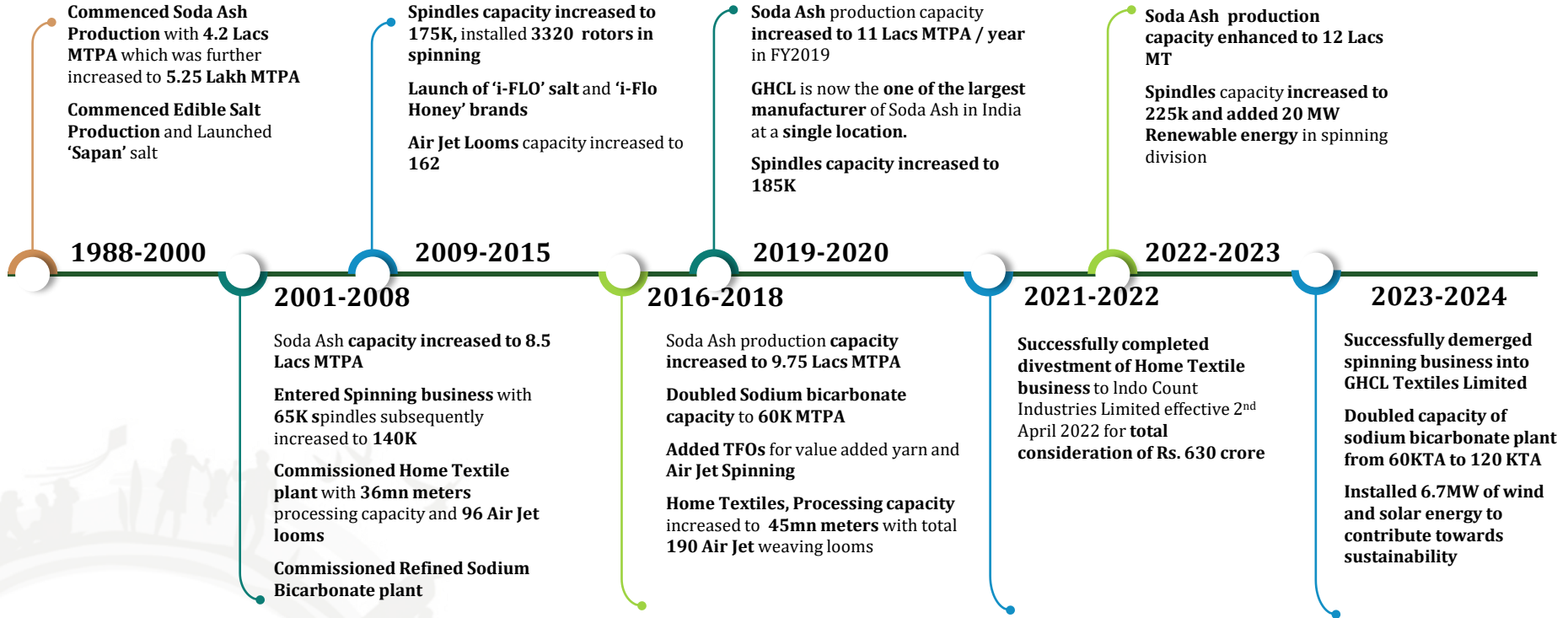


Chemicals	Performance
Revenues (5-year CAGR)	10%
EBITDA (5 Years CAGR)	7%
Debt (Rs. Cr)	Zero Net Debt; Cash surplus Rs. 701 crore

*CAGR calculated at FY24 levels



Evolution of GHCL through the years



Our objective

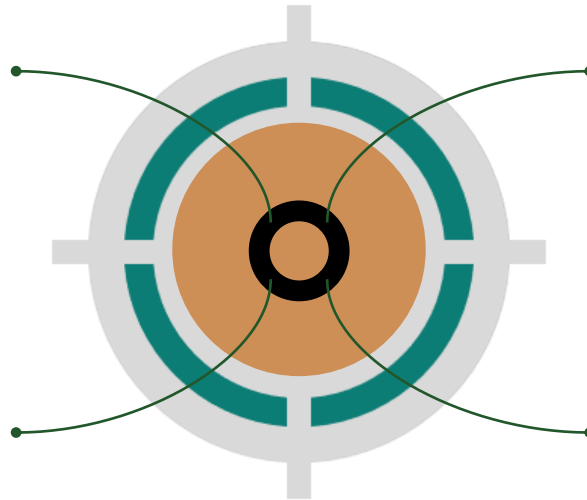
“Achieve a CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

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

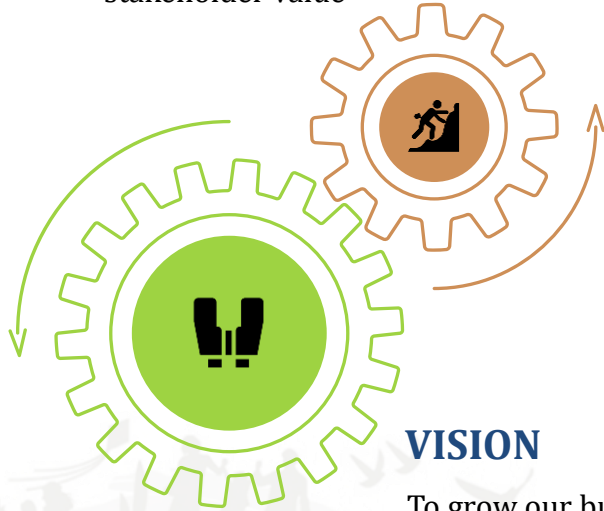
To Grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation



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)

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

Neelabh Dalmia
(Executive Director, Growth & Diversification)

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

Dr. Manoj Vaish
(Independent Lead Director)

Justice (Rtd.) Ravindra Singh
(Independent Director)

Resilient Operational Team

NN Radia
(Sr. President & COO)

Jayesh Patel
(Head of Greenfield Project)

Mayuresh Hede
(Head of Operations)

Bhowneshwar Mishra
(Head of Sustainability & CS)

Sunil Singh
(Head of Marketing)

Anil Singh
(Head of HR and IR)

Awards & recognitions



Mahatma Award



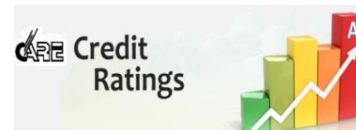
for CSR Excellence

HR Excellence Award

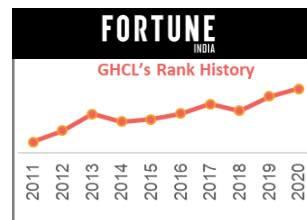


GHCL received 12th CII National HR Excellence Award for strong commitment 13th CEO Conference

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:



Manu Jain



GHCL Limited



Tel: +91 120 493 9934



Email: manujain@ghcl.co.in



Siddharth Rangnekar / Nishid Solanki



CDR India



Tel: +91 22 6645 1209 / 1221



Email: siddharth@cdr-india.com / nishid@cdr-india.com



Thank You

