

October 29, 2024

कार्तिक - कृष्ण पक्ष, द्वादशी
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 – Q2FY25 Business Update

As informed on October 9, 2023 that a conference call to discuss the Q2FY25 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 **Wednesday, October 30, 2024 at 12.00 PM (IST)**. In this regard, copy of the financials and other business details for Q2FY25 (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

Q2 FY25 Investor Update
October 2024



Safe Harbour



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A handwritten signature in black ink is located in the bottom right corner of the slide. The signature is stylized and appears to be the name of an individual. Below the signature is a small number '2'.

Management commentary on Q2 FY25 Results



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



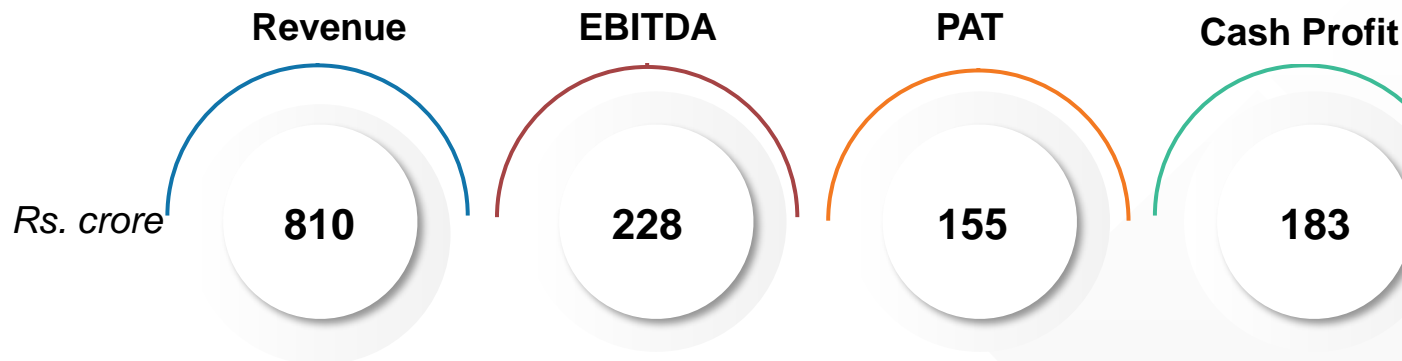
“We are glad to report a resilient Q2 performance, with a clear focus on operating excellence. As one of the largest producers of Soda Ash at a single site, we have been in prime position to meet requirements of the domestic end user industry.

Realizations have stayed tempered during the quarter despite some increase in net imports of Soda Ash. Pricing may remain range-bound as industry challenges have not yet fully resolved. Potential risks persist due to the geopolitical situation in Europe, the Middle East, and a slowdown in China soda ash markets, which could have cascading effects on demand and pricing internationally. India could potentially stall installation of new FGD units going forward, which will adversely impact the growth of Sodium Bi-Carbonate. We remain focused on driving a highly efficient business that prioritizes profitable growth in a constrained environment.

Steps taken by GoI to encourage production of solar glass domestically, including the 10% import duty levied on imports, will further enhance efforts to anchor production within the country. This will help expand Soda Ash demand sustainably, in the coming years while the traditional end use applications will continue to grow in-line with economic activities and user consumption.

Apart from improving prospects in Soda Ash, the performance going ahead will be supported by planned expansion initiatives around Vacuum Salt and Bromine, both of which will start contributing from next year. Overall, we remain committed to maximizing shareholder value through strategic decision-making and effective execution.”

Performance highlights – Q2 FY25



% Change

5%

3%

3%

3%

**Q2 FY25
Vs
Q1 FY25
(Q-o-Q)**

% Change

1%

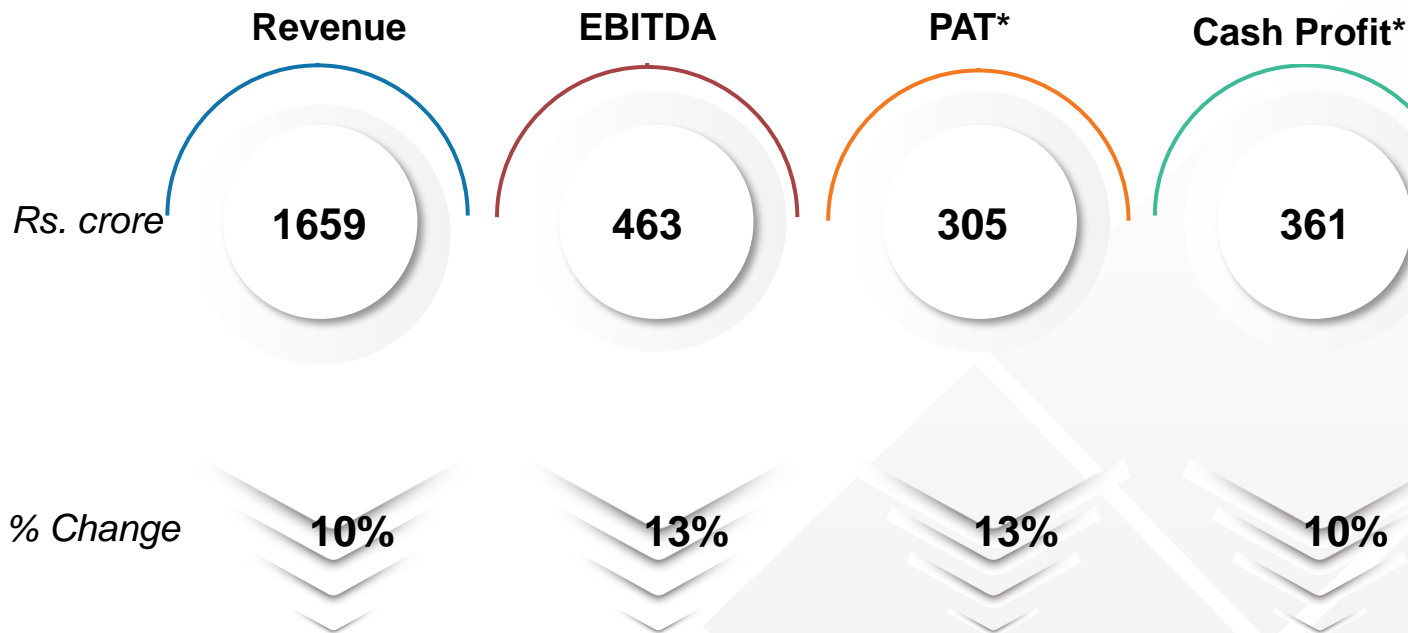
2%

8%

8%

**Q2 FY25
Vs
Q2 FY24
(Y-o-Y)**

Performance highlights – H1 FY25



H1 FY25
Vs
H1 FY24

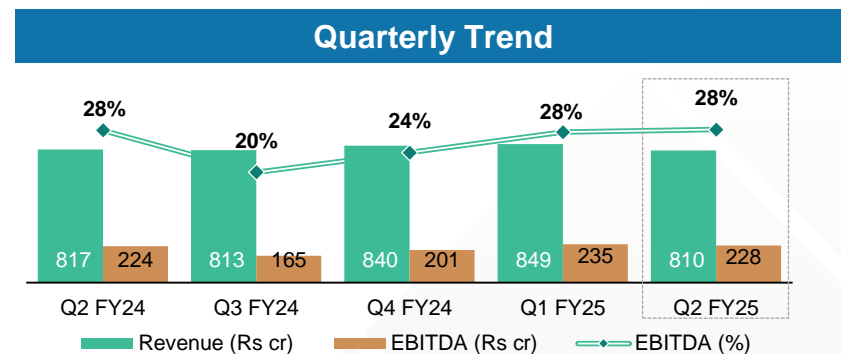
* Note: Excluding exceptional items of Rs. 219 Crore in H1 FY24 on account of non-cash gain on demerger of spinning business.

Q2 FY25 highlights



(Rs. In Crore)

Particulars	Q2 FY25	Q2 FY24	Y-o-Y	Q1 FY25	Q-o-Q
Revenue	810	817	(1%)	849	(5%)
EBITDA	228	224	2%	235	(3%)
EBITDA Margin %	28.2%	27.5%	71 bps	27.7%	50 bps



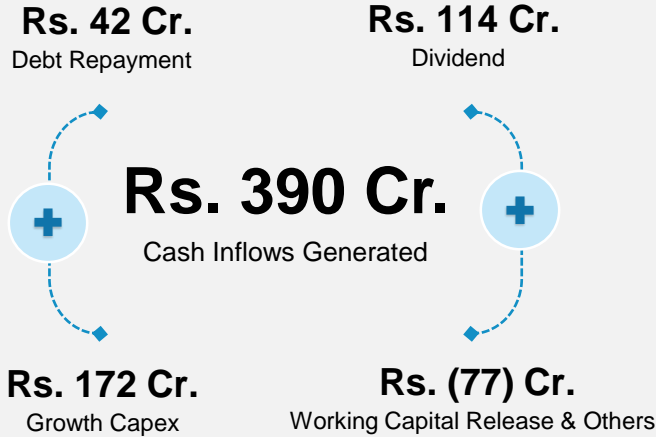
Performance Highlights

- Overall resilient performance achieved during the quarter in light of challenging global market conditions and higher imports into India
- 1% revenue decline over Q2 FY24 is mainly on account of lower realization, while 5% decline over Q1 FY25 is due to lower volumes on account of annual plant maintenance activities. As these activities have been completed, production volume will normalise in the coming quarter.
- 2% increase in EBITDA over Q2 of last year while 3% decline over Q1 of this year is mainly due to better cost control measures and operating efficiencies despite lower volumes as explained above.

Resource allocation & key financial ratios



Efficient Capital Allocation For H1 FY25



Decrease in cash & cash equivalents Rs. 140 Cr.**

Closing cash & cash equivalents Rs. 1038 Cr.**

Net Debt Free

Net Cash Surplus of **Rs. 881 Cr.**

Gross Debt **Rs. 156 Cr.**

Key Ratios

Net Cash to Equity

0.28x

ROCE*

20%

Net Cash to EBITDA

1.06x

ROE*

17%

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

7

Profit & loss statement

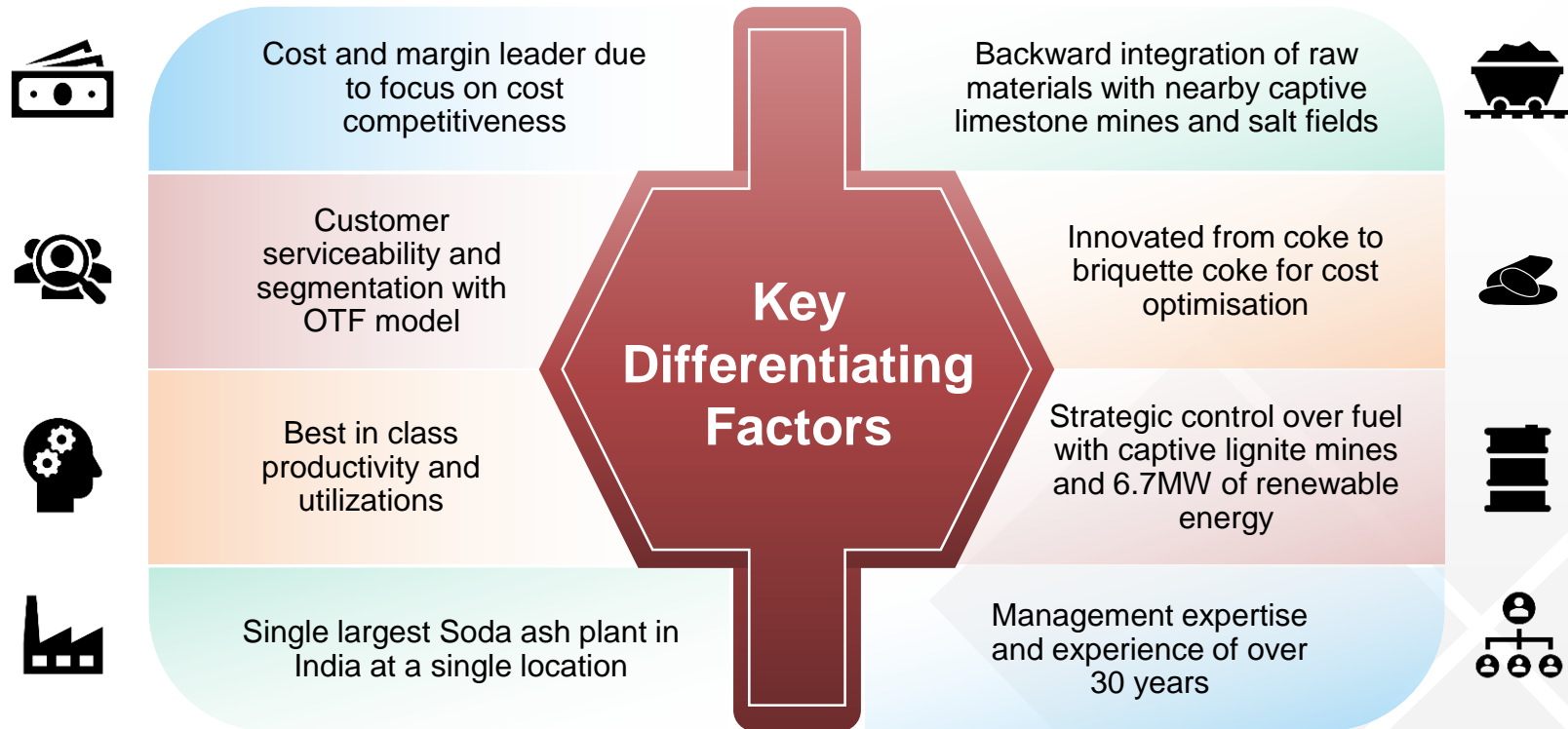


(Rs. In Crore)

	Q2 FY25	Q2 FY24	Y-o-Y	Q1 FY25	Q-o-Q	FY24
Revenue	810	817	(1%)	849	(5%)	3,498
Operating Expenses	582	593	(2%)	614	(5%)	2,599
EBITDA	228	224	2%	235	(3%)	899
<i>EBITDA Margins</i>	28.2%	27.5%	68 bps	27.7%	48 bps	25.7%
Depreciation	28	26	7%	27	3%	102
EBIT	200	198	1%	208	(3%)	797
Interest	4	7	(40%)	4	(2%)	25
PBT before exceptional items	196	191	3%	203	(3%)	772
Exceptional Item	--	--	NM	--	NM	219
Profit Before Tax	196	191	3%	203	(3%)	991
Tax	41	49	(15%)	53	(22%)	198
Profit After Tax	155	143	8%	151	3%	793

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

GHCL – A class leader with proven track record of strong execution

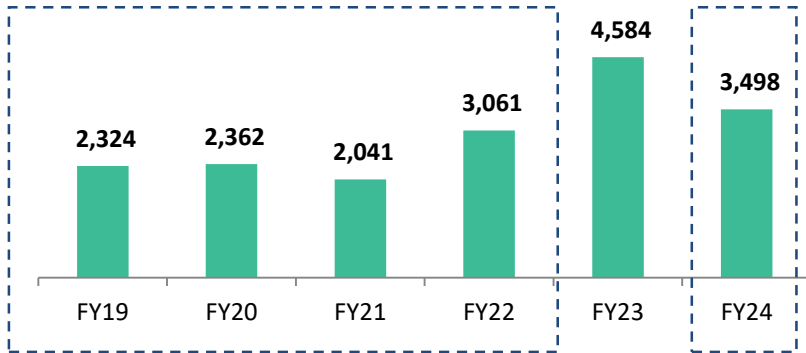


Despite the headwinds faced by the Chemical sector, GHCL has maintained performance due to focus on operational efficiencies. It is well positioned to capture the future upsides upon normalization of external dynamics.

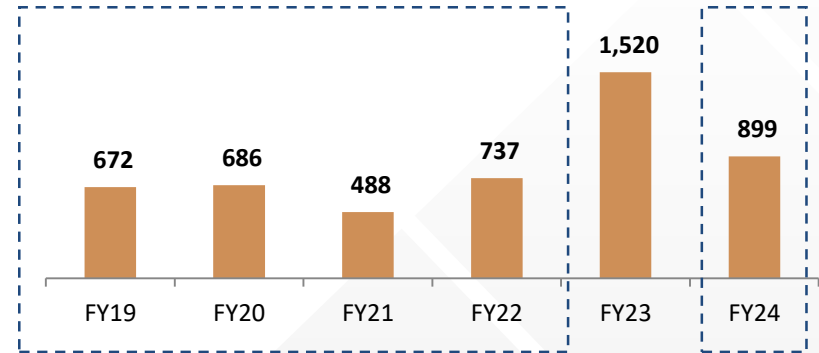
Proven track record of financial performance



Revenue (Rs. Cr.)



EBITDA (Rs. Cr.)



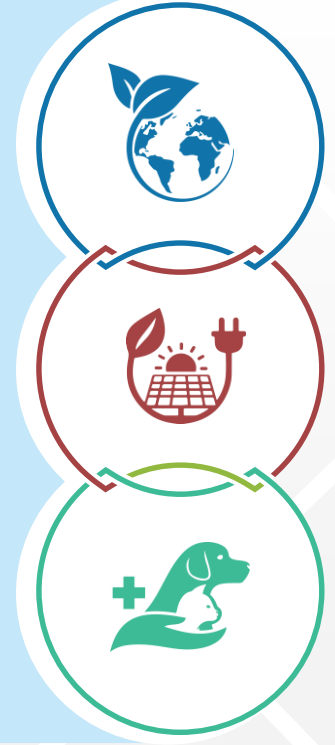
- **Relative to the prior 5 years, FY24 stands out for best performance, except for FY23 which was an extraordinary strong year.**
- In FY23, industry was able to accommodate substantial price increase due to favorable demand-supply dynamics and supportive global trends. As a result, FY23 stood out as an extraordinary strong year.
- FY21 was impacted adversely by COVID-19.

Building a resilient tomorrow



Key Growth levers

- Greenfield Soda Ash project of 5.5L MT (phase I) followed by 5.5L MT (phase II)
- New land parcel in Kutch for salt and bromine
- Vacuum salt from waste energy
- Bromine project at existing salt work

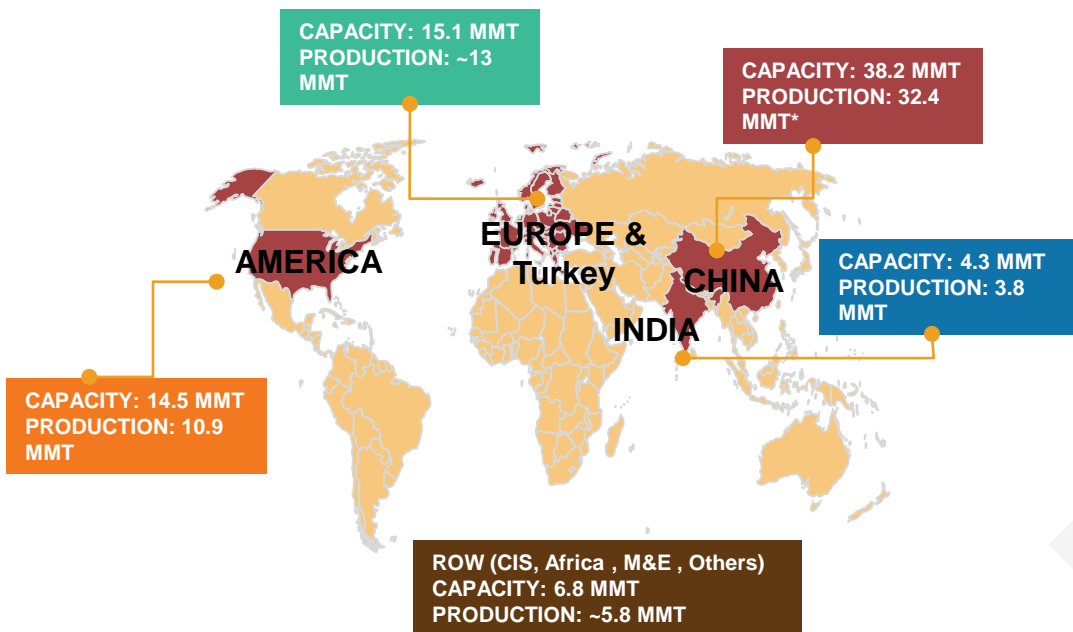


Smarter foundation for better tomorrow; Creating scale - strengthening leadership

Global outlook on the soda ash industry



GLOBAL SIZE: CAPACITY~79 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 production and soft domestic demand, resulting in higher exports.

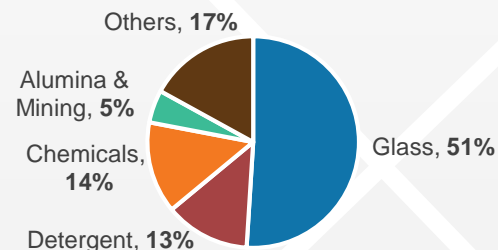
China:

China has delivered strong domestic demand due to solar glass. 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



Global market is growing at 2.5-3% CAGR, generating around ~2Mn MT incremental Soda Ash demand each year

Note: * Including new capacities recently commissioned Inner Magnolia & others in China (~7 MMT), USA (~1.2MMT), and Turkey (0.4MMT).



Company Overview

GHCL – An introduction



Best-in-class



- Operations management
- CAPEX planning and execution
- Financial management

Professional Mgmt.

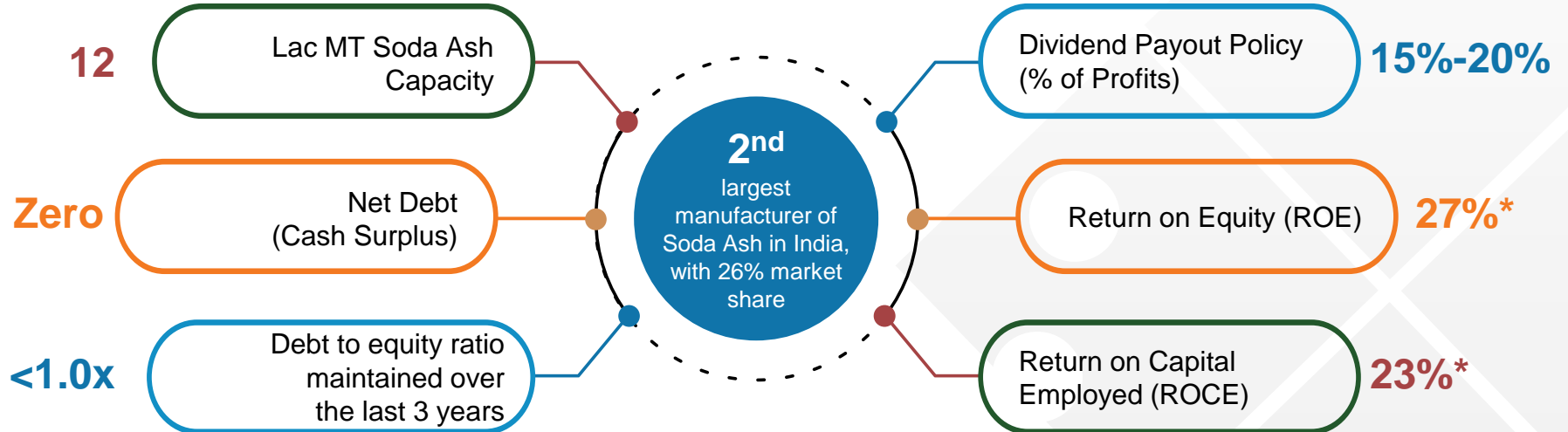


- Focused management approach
- Strategy led by professional management team

Targeting

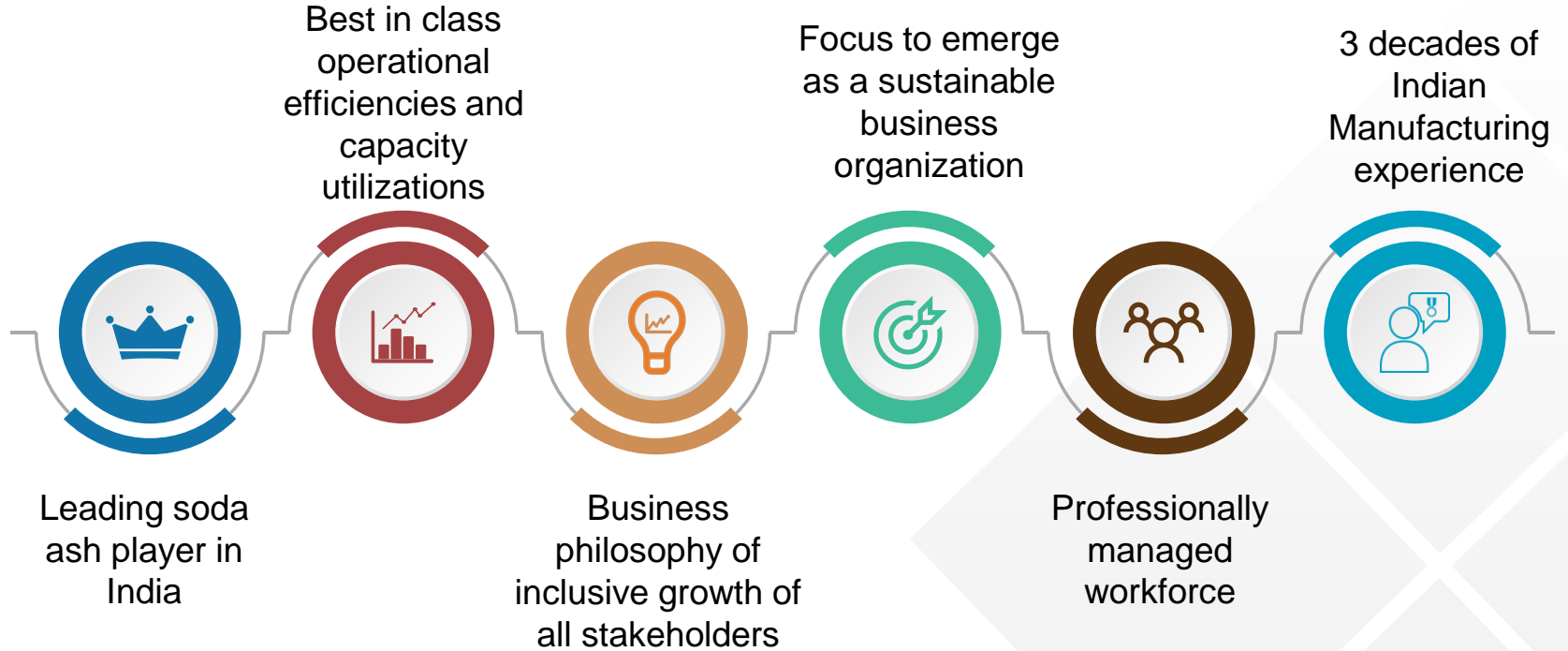


- To grow profits at a CAGR 15% on a long-term horizon
- To inculcate value systems that defines our culture
- To drive sustainable inclusive growth involving all stakeholders

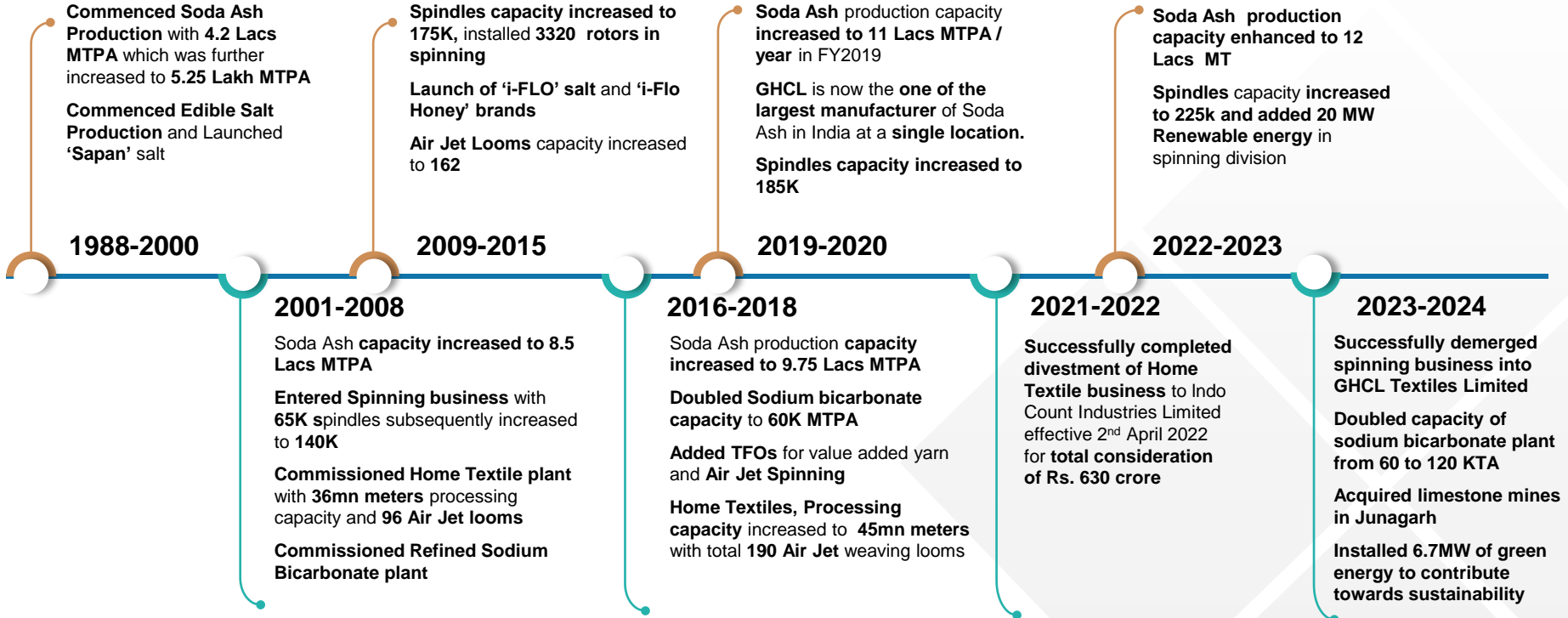


Note : *As on 31st March, 2024

Unique value proposition



Evolution of GHCL through the years



Our objective



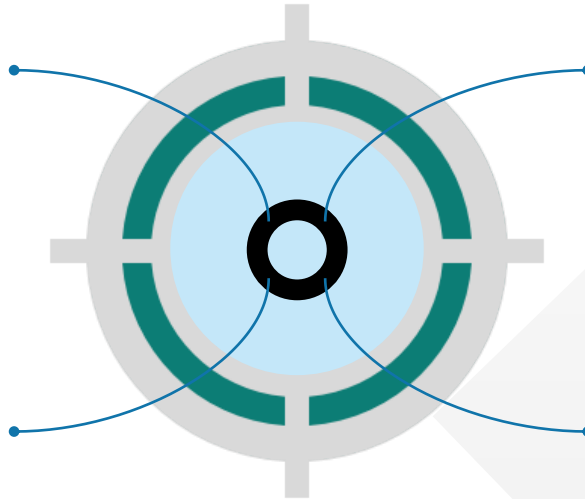
“Achieve a CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

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

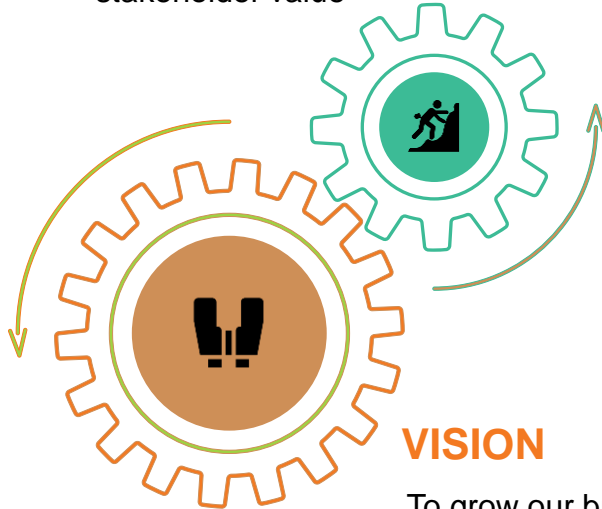
Competency Building, Talent Management and Employer of Choice

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.

Quest for innovation

RBC Plant innovation: Commissioned a 150 TPD energy-efficient Rotating Biological Contactor (RBC) plant. Equipped with advanced technologies for optimal wastewater treatment and reduced energy consumption. Enables resource recovery from wastewater, supporting circular economy efforts and sustainable growth

Chiller integration: Commissioned an additional 1650 TR chiller using return seawater. Enhances process efficiency and system reliability. Optimizes cooling operations and reduces energy consumption. Reduces freshwater usage and minimizes environmental impact. Supports production processes and advances sustainability goals.

Enhanced tower efficiency: Installed booster blowers to ensure consistent combustion air supply. Improves combustion efficiency and reduces energy usage. Optimizes kiln performance, mitigates system strain, and prevents potential issues. Demonstrates commitment to enhanced tower efficiency and effective pressure management.

Digitization & Automation: Engaged in digital transformation. Implemented historian system, automated weighbridge operations. Analytical models optimize carbonation tower operations. Enhances efficiency, productivity, and operational excellence. Focus on cost-efficiency through cutting-edge technologies and data analytics.

Robotic Process Automation (RPA) Implementation: Leveraging RPA for digital transformation. Automates manual, rule-based tasks to boost efficiency and productivity. Successful tests include automated Advanced Shipping Notice (ASN) posting using BOTs. Digitizing raw material document management and automating invoice processing. Implementing across functions to manage repetitive tasks effectively.

IMPLEMENTATION OF ROBOTIC PROCESS AUTOMATION



Sustainability vision

Zero Harm Initiative

- Target – Zero reportable injuries
- Target – Zero environmental incidents

Climate Warrior Initiative

- Target – 30% reduction in Scope 1 and 2 emissions by 2030
- Target – Implementation of internal carbon pricing in procurement process

Stakeholder Centricity – Targets:

- Trusted CSR brand
- To be among the Top 100 Great Place to Work
- Target – Single-digit overall attrition rate
- 5% representation of overall female employees

Savings of Rs.
11.6 Crore
through
process
efficiency
initiatives

88,662 KL
water
recycled /
reused



Product offerings



Soda Ash Light

- Key sodium carbonate variant
- Density: ~0.7g/cc
- Essential for: Detergent manufacturing & Soap manufacturing

Dense Soda Ash

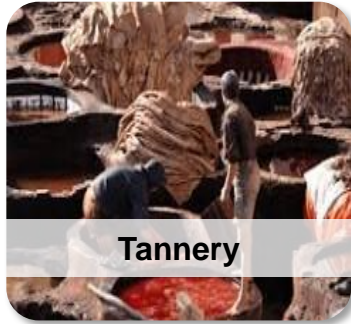
- Also known as Sodium Bicarbonate (Baking Soda)
- Natural alkaline compound
- Versatile applications: Cleaning products, Personal care items (e.g., toothpaste), Pharmaceutical industry

Sodium Bicarbonate

- High-quality Soda Ash Dense production
- Derived from sodium chloride and limestone
- Uses include: Detergents, Cleaning industries, Water treatments, Glass manufacturing



Key application of Sodium bicarbonate



Multiple uses of Sodium Bi-Carbonate across various industries to grow along with India's economic growth and rising aspirations

Awards & recognitions



Gujarat Lignite Mines Safety & Swachhata



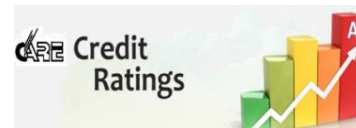
GHCL Khadsaliya Lignite Mines received 17 awards

Most Trusted Leaders Award



Mr. R.S. Jalan, MD GHCL was honored with the prestigious "India's Most Trusted Leaders Award" by The Great Place to Work

5 Notch Upgrades in last 6 years



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

Mahatma Award



CSR Excellence

National Water Awards GOI



Third Best Industry for CSR at the 4th National Water Awards by Ministry of Jal Shakti, GOI

CII Excellence in 3R



Received CII Award for Excellence in 3R (Reduce, Reuse and Recycle)



Rank 2023



ET 500

Rank 2023



(Rank 2022: 386)

Great Place To Work for eighth consecutive years of participation. Recognized in Top 50 Manufacturing Workplace.

Guided by a visionary team



R S Jalan
Managing Director



Raman Chopra
CFO & Executive Director



Experienced and accomplished Board of Directors

Anurag Dalmia
(Non-Executive 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)

Bhwneshwar Mishra
(Head of Sustainability & CS)

Sunil Singh
(Head of Marketing)

Anil Singh
(Head of HR and IR)

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

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Scan the QR Code to know more about the company



Thank You

