

February 1, 2025

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 Q3 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.



Q3FY25 Performance Update
01 Feb 2025

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

 Q3FY25 and YTM FY25 Highlights

 Future Outlook and Roadmap



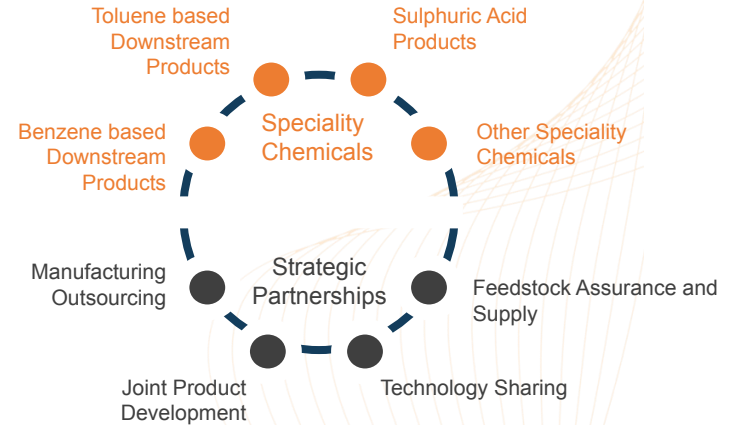
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 **Company overview**

 **Q3FY25 and YTM FY25 Highlights**

 **Future Outlook and Roadmap**

- Established by **first generation technocrats** in **1984**
- 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





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

AIL VALUES



CARE



INTEGRITY



EXCELLENCE



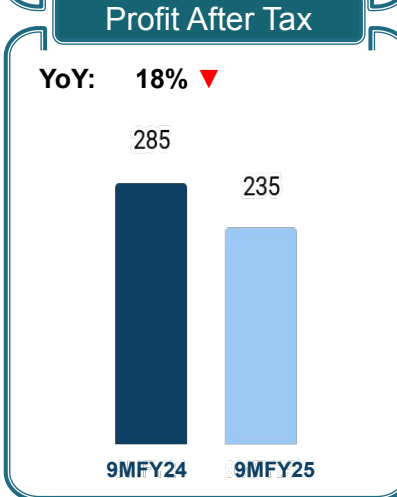
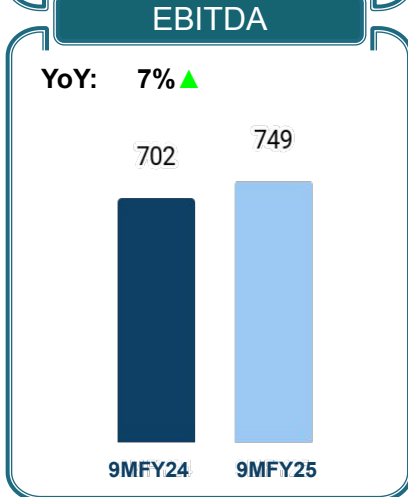
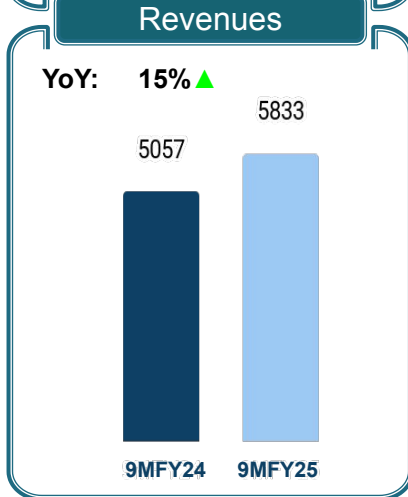
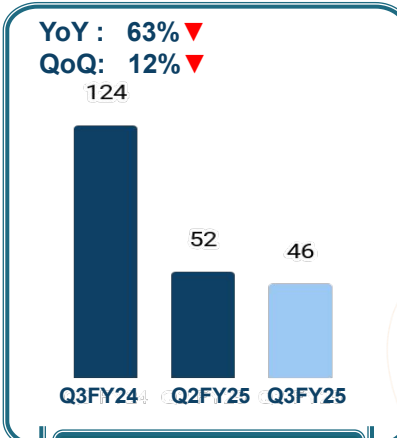
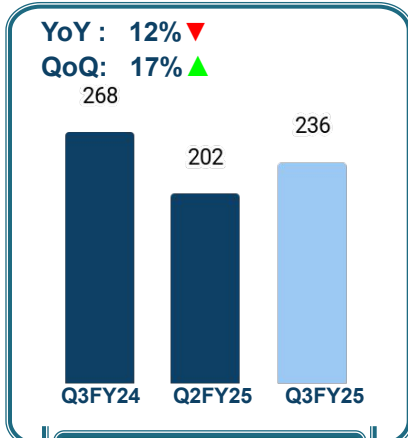
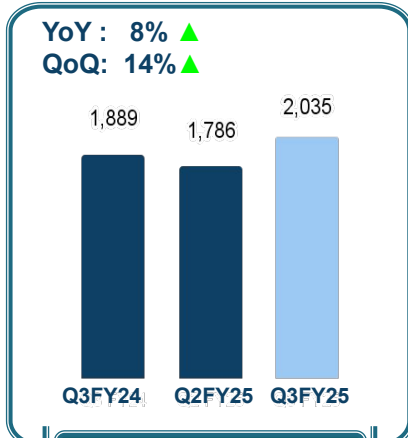
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Q3 & YTM FY25 Highlights (Consolidated)



- Non-Energy Business Volumes:
 - YoY: ▲ 14%,
 - QoQ: ▲ 8%
- Volume uptick visible across end applications of Dyes, Pigments, Polymer Additives, while Agrochemicals continues to remain soft.
- Pricing pressure persists across various product chains.
- Energy Business Volumes:
 - YoY: ▼ 14%
 - QoQ: ▲ 10%
 - A large volume bulk shipment moved in early Jan.
- Q3FY25 Finance Costs and PAT impacted by mark to market loss on Long term ECB Loan of 23 crs arising due to Rupee depreciation.

Business Highlights



Nitro-toluene & Ethylation expansion projects successfully commissioned and are under volume ramp-up



Agreement signed with Cleanmax & Prozeal for renewable power purchase | AIL's renewable share in total power purchase will exceed 75% and achieve significant cost savings from Q1FY27



Growth Capex: Zone-4 projects execution progressing as per plan and expected to commission gradually through FY26



Variable and Fixed cost optimization initiatives implementation on track



Foray into chemical recycling of plastics | JV signed between ACL and ReSRL

Capacities and utilization trend for few major products

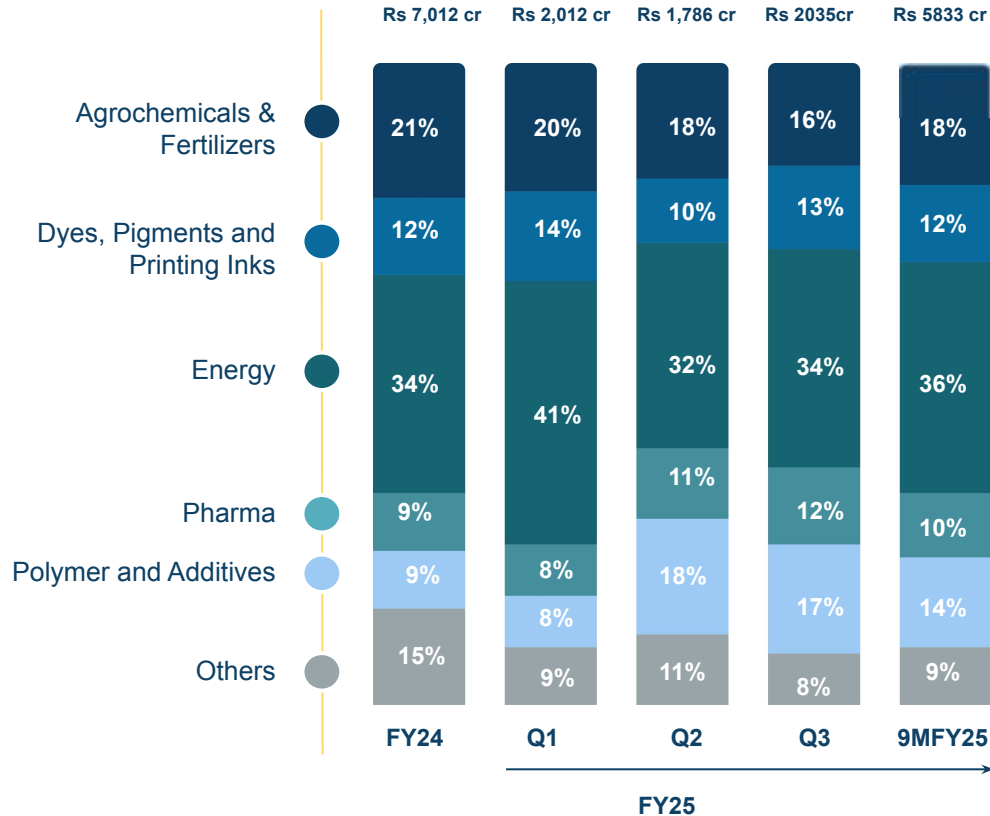
Product Groups	Capacity (in KTPA) (Expanded period)	FY22	FY23	FY24	Q1 FY25	Q2 FY25	Q3 FY25	9M FY24	9M FY25	Y-o-Y 9 month	9M FY25 Utilization%
NCB	108 (From Q3FY24)	76.6	77.8	73.5	19.5	19.0	22.9	54.7	61.4	12%	76%
DCB	120	74.6	84.2	80.7	24.1	23.3	20.8	56.3	68.2	21%	76%
Hydrogenation ²	60	35.7	37.2	39.1	10.3	11.2	11.3	28.6	32.8	15%	73%
PDA	12	6.5	4.2	4.4	0.6	1.0	1.3	2.5	2.9	16%	32%
NT	45 (From Q4FY25)	16.0	23.9	30.5	7.6	7.4	6.5	23.8	21.5	-10%	64%
Ethylation ²	25-30 (From Q4FY25)	7.2	11.9	10.5	2.6	3.2	4.1	7.3	9.9	35%	53%
MMA	200 (From Q3FY25)	23.1	37.8	89.3	31.1	20.5	36.6	58.9	88.2	50%	59%

Significant upside possible from higher asset utilization—operating leverage tied to demand growth

Notes

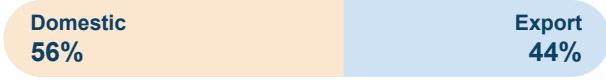

- Above capacities and volume nos are for few product only and not the entire range of AIL products.
- 9 months FY25 utilisation % are arrived at by comparing the 9 months FY25 volumes with the capacities to be available by end of FY25.

Revenue by End Use

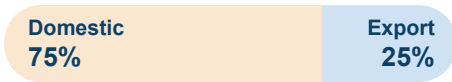
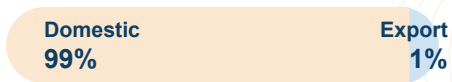



- 9M end-use application mix is broadly similar to FY24 end-use mix.
- Agrochemical sector continues to be under pressure.
- Dyes, Pigment & Printing Inks and Pharma applications remains steady..
- Energy end application is witnessing growth as it is getting evolved and has large potential to grow further.
- Polymer & Additives continues to be on a recovery path.

Application wise market updates & business highlights (1/2)

End Use	Agrochemical & Fertilizers	Energy & Additives
Key Products	Chloro Anilines, Di Chloro Phenols, Ethylated & Fluorinated products	MMA, CaCl ₂
Revenue Share ¹	18%	36%
Domestic / Exports ¹	 <p>Domestic 56% Export 44%</p>	 <p>Domestic 20% Export 80%</p>
Market Update	<ul style="list-style-type: none"> Indian market was largely resilient but pricing was suppressed due to imports Inventory levels have normalized in most European markets 	<ul style="list-style-type: none"> Gasoline - Naphtha crack remained weak in Q3 impacting the octane boosting economics Expected to improve in Q4
Business Highlights	<ul style="list-style-type: none"> Focus on gaining market share for ethylation products to improve capacity utilization, also working on development of new downstream products Backward integration completed for select downstream products which are already part of the portfolio 	<ul style="list-style-type: none"> Adjustments in pricing strategy led to uptick in Export volumes QoQ Strategic efforts to diversify customer and geography base in progress

Application wise market updates & business highlights (2/2)

End Use	Dyes, Pigments & Printing Inks	Pharmaceuticals	Polymer and additives
Key Products	PNCB, DCBH, PNT	PNCB, MDCB & Fluorinated compounds	PDCB, MPDA, ONA
Revenue Share ¹	12%	10%	14%
Domestic / Exports ¹			
Market Update	<ul style="list-style-type: none"> Global consolidation expected to support domestic demand Sluggish outlook for European pigment industry driven by high cost 	<ul style="list-style-type: none"> India's domestic drug market continues to show robust growth Overcapacity in fluoro-intermediates in China impacting pricing in Indian market 	<ul style="list-style-type: none"> US automotive market strengthened in Q4 CY24 2025 demand environment is uncertain with potential policy changes from the new administration
Business Highlights	<ul style="list-style-type: none"> Demand volume has been improving Cost optimization initiatives under implementation to tackle pricing pressure 	<ul style="list-style-type: none"> Domestic market share of PNCB in PAP/ downstream market expected to have positive developments from Q1-FY26 	<ul style="list-style-type: none"> Focus on increasing market shares in US and Japan.



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Key EBITDA Growth Drivers in near term (H2FY25 - FY28)

Cost Optimisation

₹ 150-200 Cr

Switching to BPT¹ to improve Cogen

Renewable Power phase 2

Waste energy streams utilization, ETP cost optimisation

Fixed cost optimization

Yield improvement

Volume and margin Ramp-up

₹ 350-550 Cr

Acid, DCB & NCB ramp-up

Ethylation & NT volume ramp-up

MMA volume ramp-up

Fluorination and Speciality Chemicals ramp-up

CAPEX led growth

₹ 300-450 Cr

Pilot commissioned to fuel NPD²

MPP comm.³

MPP ramp-up

Zone 4 comm.³

Zone 4 ramp-up

UPL JV comm³

Ramp-up

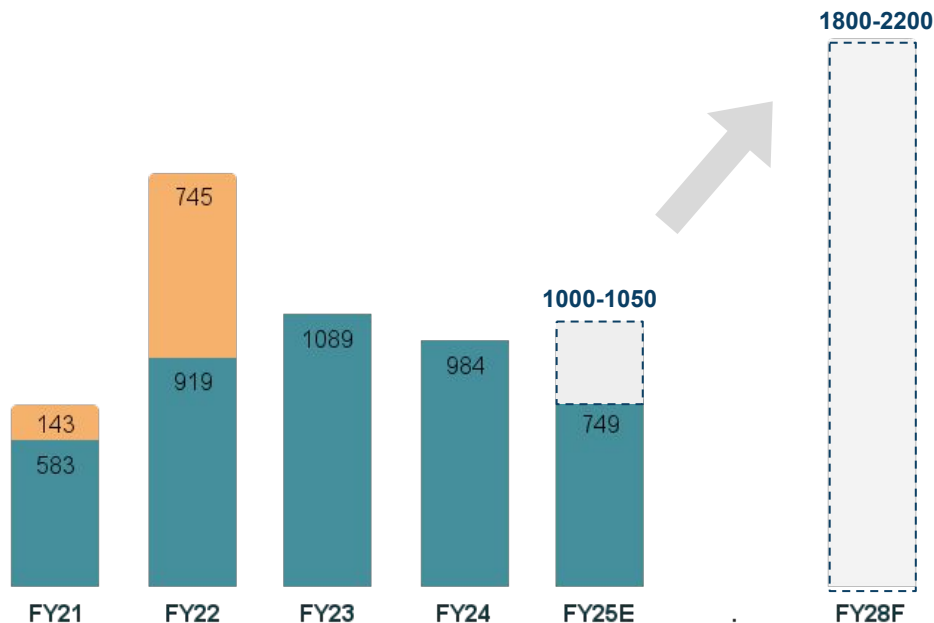
1 BPT: Back Pressure Turbine

2 NPD: New Product Development

3 Commissioning

Growth Outlook - consistent with previous update

- Core YTD EBITDA
- Contract-1 Cancellation
- Projected Annual EBITDA



- Consistent volume growth over 3 yrs driven by increased capacities
- Operating leverages and cost optimisation initiatives to drive EBITDA growth beyond volume growth
- Capex for FY25 estimated to be ₹ 1300-1500 Cr vs the earlier estimate of ₹ 1500-1800 Cr.
- Capex for FY26 estimated to be around ₹ 1000 Cr.
- Target EBITDA range of ₹ 1800-2200 Cr in 3 years; Debt/EBITDA of <2.5x and ROCE of >15%



New Growth Avenues leveraging AIL's core strengths

- Sustainable manufacturing
- R&D
- Customer Relationships

Leveraging R&D and tech for asset light growth

- Have built significant R&D and technical capability which allows us to develop new chemistries
- Plan to leverage asset-light tolling / outsourcing model for early commercialization of these new chemistries

Exploring strategic alliances

- 5+ projects of different chemistries under various phases of discussion e.g.,
 - Backward integration of existing polymer base molecule
 - Intermediate for end use in Personal care
 - Polymerization project for end use in oil additives

Early bets on sunrise sectors

- Strategic Partnerships / Potential Joint Ventures in the fields of
 - Sustainability / Circularity / Chemical recycling
 - Electronic chemicals
 - Speciality chemistries in battery material and others



Foray into Chemical Recycling of plastics

Re Sustainability and Recycling Pvt Ltd (ReSRL), a Re Sustainability Company (ReSL), and

Aarti Circularity Limited (ACL), a wholly owned subsidiary of Aarti Industries Limited (AIL), have joined hands to establish a transformative **first of its kind in India Joint-Venture Company (JVCO)** for driving the development of Plastic Materials Recycling Facilities (PMRFs) across India

- The first **Plastic Materials Recycling Facility (PMRF) in Hyderabad** will advance recycling infra and support sustainable waste management
- This Partnership is committed to achieving a resource recovery **capacity of 500 TPD by 2030**
- The PMRFs will focus on **segregating, extracting, and recycling resources from diverse waste streams, including plastics, to produce Advanced Circular Materials (ACM)** that can be utilised as raw materials, fuels, or recycled polymer feedstock





Thank You



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