

August 7, 2023

श्रावण (अधिक)- कृष्णपक्ष – सप्तमी
विक्रम सम्वत २०८०

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 – Q1FY24 Business Update

As informed on August 2, 2023 that a conference call to discuss the Q1FY24 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 **Monday, August 7, 2023 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q1FY24 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference, is enclosed herewith for your reference & record.

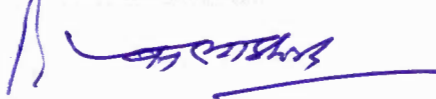
Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you'

Yours truly

For GHCL Limited



Bhuneshwar Mishra
Vice President - Sustainability & Company Secretary
(Membership No.: FCS 5330)



Nurturing a better
future



GHCL Limited

Q1 FY24 Investor Update

August 2023

— Zorabiyev



Safe Harbour

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Management commentary



Commenting on the Q1 FY24 performance, Mr. R. S. Jalan, MD said:

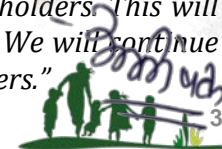


"We reported resilient performance in the first quarter of the current fiscal year on the backdrop of challenging market conditions aggravated by higher-than-expected imports of Soda Ash into the country from Russia, Turkey as well as US. This led to temporary oversupply situation thereby impacting the realisations. Additionally, domestic demand was flat from key end use sectors during the quarter. However, this is expected to improve in medium to long term based on emergence of newer applications.

We continue to strengthen our integration on the raw material side to ensure dependability of sourcing, in-line with our growth aspirations. Our salt yield improvement and digitization projects are underway and will enhance the throughput once complete.

In the Soda Ash industry, we take pride in being the 2nd largest manufacturer in India with nearly 26% market share. To meet the growing domestic demand, we are embarking on an expansion journey to increase our capacity by 5 lakh tones in the first phase through greenfield project. This expansion is progressing well . Once commissioned, GHCL will be the largest Soda Ash producer in the country.

In a notable achievement, we have demerged our Textiles Business this quarter and the same has been listed on both BSE and NSE thereby unlocking value for our esteemed shareholders. This will help us to have focused teams in place to drive both the businesses independently. We will continue to sweat our assets and grow responsibly to meet the expectations of our stakeholders."

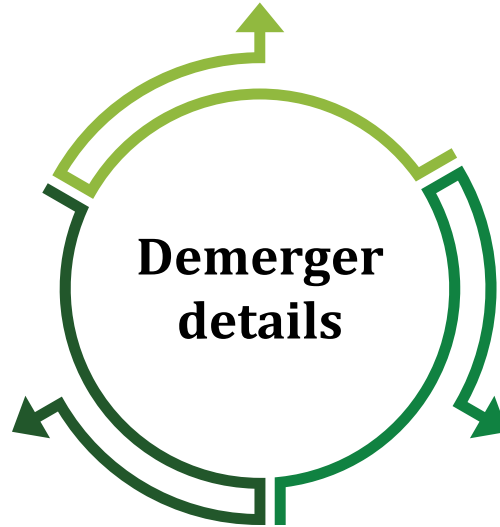


Demerger of the spinning business into 'GHCL Textiles Limited'



Effective April 1, 2023, GHCL Limited has successfully demerged its spinning business into a separate entity called GHCL Textiles Limited.

GHCL shareholders have received shares of GHCL Textiles Limited in the ratio of 1:1, and it was listed on both NSE & BSE on June 12, 2023



Shareholding pattern of GHCL Textiles remains same as on record date

GHCL Textiles has assumed all the assets and liabilities of the spinning business

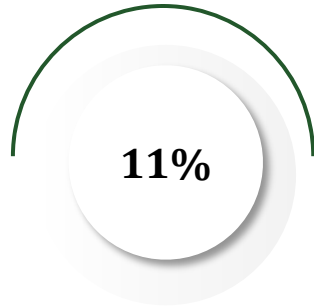
Post Demerger, GHCL Limited is exclusively focused on sustainably driving Inorganics Chemicals' business



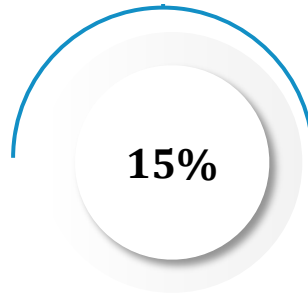
Performance highlights – Q1 FY24

Q1 FY24
Vs
Q1 FY23
(Y-o-Y)

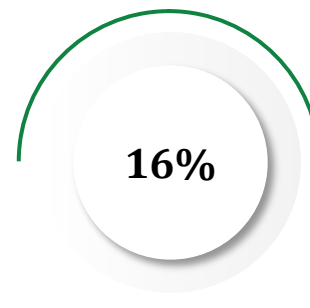
Revenue
Rs. 1,029 crore



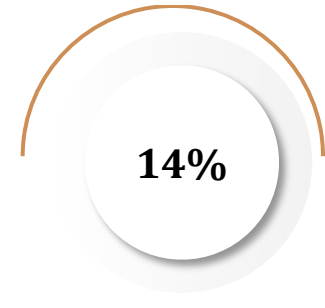
EBITDA
Rs. 310 crore



PAT*
Rs. 207 crore



Cash Profit*
Rs. 231 crore



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

Profit & loss statement



(Rs. In Crore)

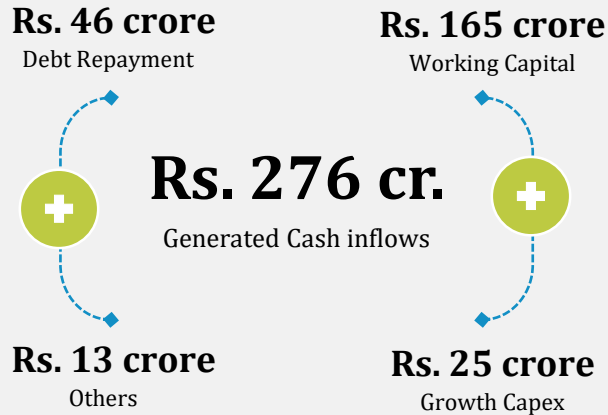
Particulars	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23	Q-o-Q	FY23
Revenue from continued operations*	1,029	1,153	(11%)	1,141	(10%)	4,584
Operating Expenses of continued operations	719	789	(9%)	771	(7%)	3,064
EBITDA from continued operations	310	364	(15%)	370	(16%)	1,520
EBITDA Margins of continued operations	30.1%	31.6%	(146 bps)	32.5%	(232 bps)	33.2%
Depreciation of continued operations	24	22	11%	27	(9%)	94
EBIT from continued operations	286	342	(17%)	344	(17%)	1,426
Interest of continued operations	8	10	(21%)	10	(24%)	39
Exceptional Item of continued operations	(219)	(64)	NM	--	NM	(55)
Profit Before Tax from continued operations	497	397	25%	333	49%	1,443
Tax of continued operations	71	87	(18%)	83	(14%)	350
Profit After Tax from continued Operations	426	310	38%	251	70%	1,092
Profit After Tax from discontinued Operations	--	49	NM	(33)	NM	24
Profit After Tax	426	359	19%	218	96%	1,117

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



Resource allocation & key financial ratios

Efficient Capital Allocation – Q1 FY24



**Increase in cash & Cash
Equivalents** Rs. 488 crore.**

**Closing cash & Cash
Equivalents** - Rs. 515 crore.**

Net Debt Free

Net Cash Surplus of

Rs. 213 cr.

Key Ratio's

Gross Debt	Net Debt/ Equity	Net Debt/ EBITDA
Rs. 302 cr.	(0.08)x	(0.15)x
	ROCE*	ROE*
	41%	44%

Note: *ROCE and ROE post tax are calculated based on trailing 12 months. ** *Net Debt surplus is calculated after deducting cash, bank and current investments considered as cash and cash equivalents.

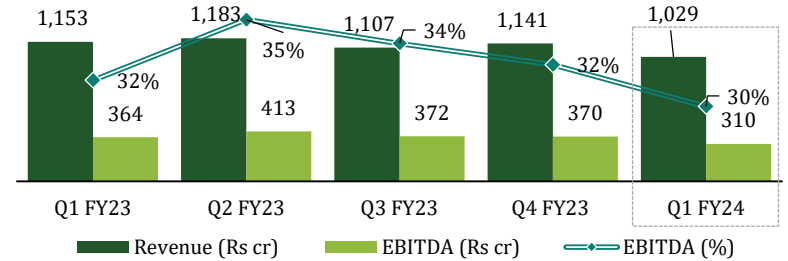


Q1 FY24 highlights

(Rs. In Crore)

Particulars	Q1 FY24	Q1 FY23	Y-o-Y	Q4 FY23
Revenue	1,029	1,153	(11%)	1,141
EBITDA	310	364	(15%)	370
EBITDA %	30.1%	31.6%	(146 bps)	32.5%

Quarterly Trend



Performance Highlights

- Revenue growth was impacted due to :
 - Lower volumes due to break down in limekiln as reported earlier
 - Softer realizations with easing energy costs and higher imports;
- EBITDA margins were at 30.1% and absolute EBITDA declined by 15% on a Y-o-Y basis due to lower realizations and volumes as above said.

Business outlook – Short to Near term



- Recessionary trend in most part of world including Americas, China and Europe adversely impacting demand.
- Soda Ash market is oversupplied globally.
- As indicated in last call, some blip may occur in short term, While new capacities came on stream in China and US.
- Realization have reduced mainly due to:
 - Reduction in input cost
 - Supply chain cost below pre CoVID level.
 - New supplies from China and USA.
- Soda ash prices expected to be soft in next 1-2 quarters.



Business outlook – Medium to Long term



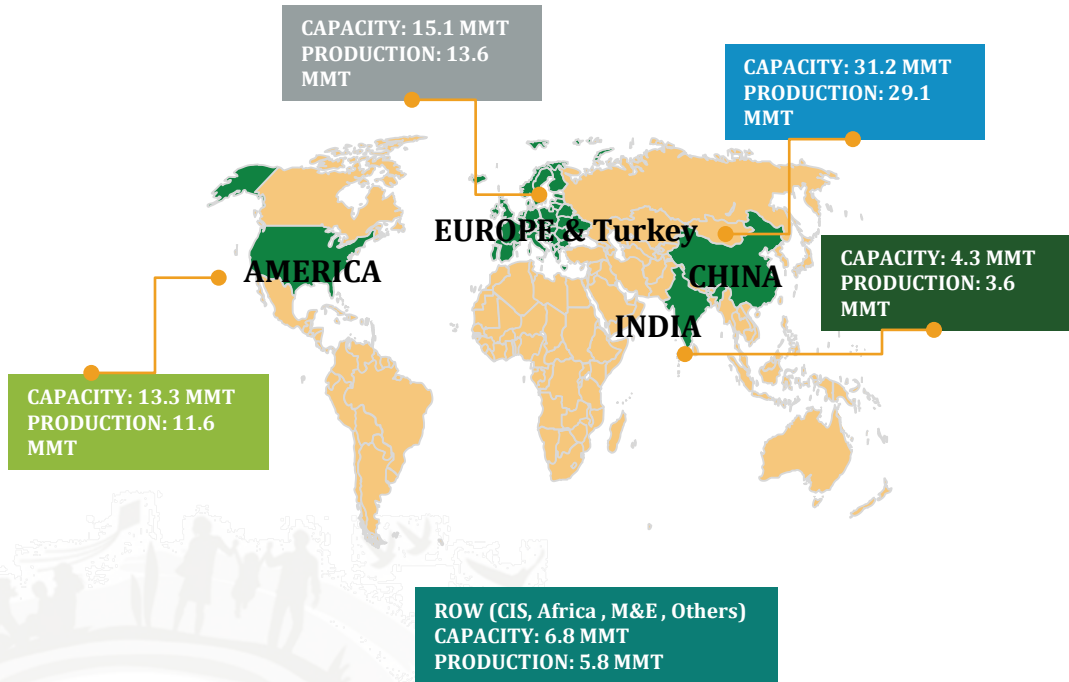
- As per global industry outlook, long term demand is very healthy and is likely to grow from 63 million MT to 78-83 million MT by 2030
- This increase in demand shall be driven by newer segments such as solar glass, lithium and sodium bi-carbonate
- In view of above, long term demand scenario will be very robust
- However, some blip may occur in short term. While new capacities came on stream in China and US, supply in rest of the world remains tight
- China's presence in international trade in future will reduce significantly, as it is likely to focus more on its expanding domestic market on back of demand from solar glass and Lithium carbonate
- With softening of energy prices and input cost there may be some moderation in Soda ash prices, However the margins are likely to remain stable





Global outlook on the soda ash industry

GLOBAL SIZE: CAPACITY-71 MMT, PRODUCTION-64 MMT



Soda Ash Market Outlook

Soda Ash demand remained tepid and market continued to oversupplied during the quarter in most parts of the world with softer realizations in anticipation of new capacities.

However Soda Ash demand for longer term continued stronger with boost from sectors linked to the environment including solar glass, lithium carbonate and FTG.

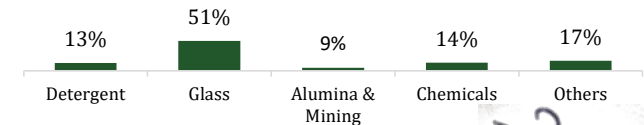
Turkey:
Turkish soda ash market today is soft in line with rest of Europe. As such, Turkey have extra volumes available and going aggressive in export prices.

Americas:
Soda Ash Market was oversupplied especially in soda America despite incremental demand from lithium carbonate. Some container glass plants closed due to poor end user demand.

China:
Berun's Inner Mongolia plant can create a temporary blip in demand supply scenario. Softer prices in anticipation of new capacity. Recovery in real estate is slow.

Europe:
Production facilities are back to optimized productions level with easing in energy prices resulting in oversupply in the regions

Global Demand Concentration (User Segment)



Globally, market is growing @ 2.5%-3% pa CAGR generating around ~2Mn MT additional soda ash demand every year

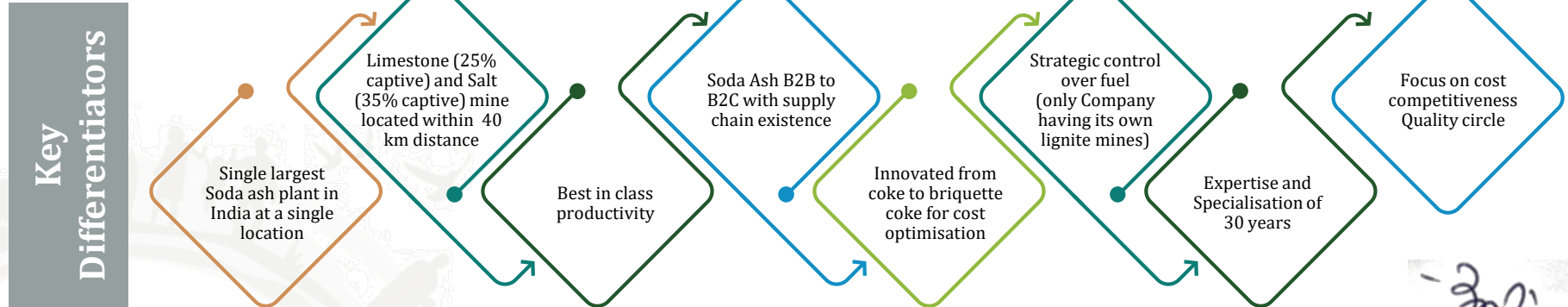


Quality assets, high-potential runway for growth

Chemicals business

- 1.2 mn tons largest single location facility
- Comfort of key input material integration
- Industry leading efficiency and productivity
- Brownfield scale up achieved at minimal capex
- Strong service orientation towards customers

Chemicals	Performance
Revenues (5-year CAGR)	17%
EBITDA Margins (5 Years Avg.)	29%
Debt (Rs. Cr)	Zero Net Debt; Cash surplus Rs. 213 crore



* CAGR calculated at FY 23 levels.



Focus on driving responsible future growth – Inorganic Chemicals



Inorganic Chemicals – Growth levers

- Vacuum salt from waste energy.
- Salt Yield improvement.
- Benefits from doubling (Sodium Bicarbonate) Capacity from 60k to 120K MT.
- Focus on Greenfield Soda Ash project of 5L MT
- Augmenting backward integration of raw material for enhanced control on cost
- Focus on reducing carbon footprint – proposed 6.5 MW of renewable energy project
- 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



Inorganic chemicals – Sodium bicarbonate



Doubled capacity from 30,000 to 60,000 MT in December 2017

Generally named as baking soda, bread soda, cooking soda and bicarbonate of soda



Doubling capacity from 60,000 MT to 1,20,000 MT

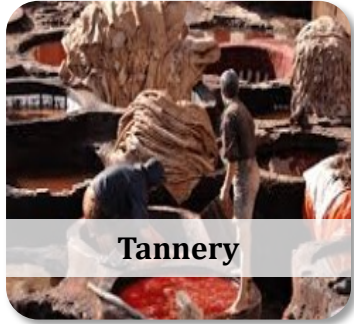
Likely solution-based offerings for Flue gas treatment

Specialization and decade old experience in manufacturing

Used in Cooking, Pharmaceuticals, Fire Extinguishers, pH balancer, and Cleaning agent



Key application of Sodium bicarbonate



Potential application of Sodium bicarbonate in flue gas treatment is under trial phase; could be a game changer if successful

Awards & recognitions



Mahatma Award



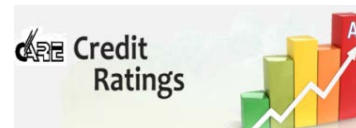
for CSR Excellence

HR Excellence Award

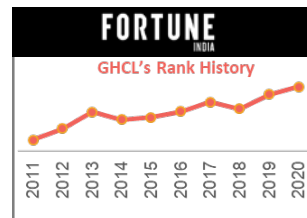


GHCL received 12th CII National HR Excellence Award for strong commitment 13th CEO Conference

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

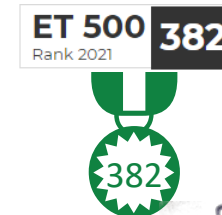


by Frost & Sullivan as Challenger Award 1st Runner Up, Mega large business, process sector.

Gold National Awards



for Manufacturing Competitiveness- 2019-20 by International Research Institute for Manufacturing



Company Overview




Handwritten signature or mark in purple ink.

GHCL – An introduction



Best-in-class




- Operations management
- CAPEX planning and execution
- Financial management

Professional Mgmt.

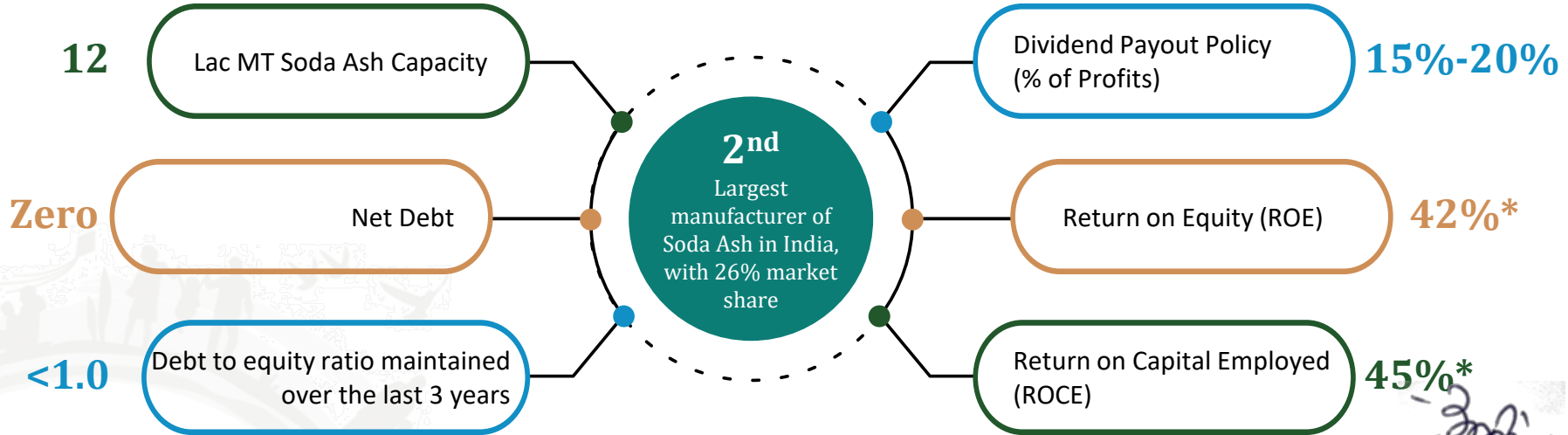


- Focused management approach
- Strategy led by professional management team

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



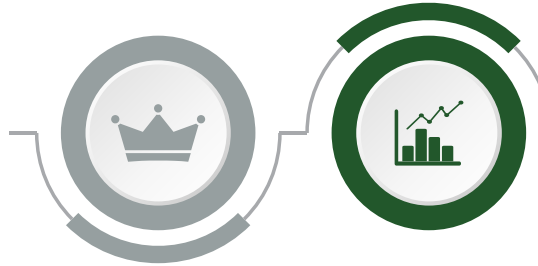
Note : *As on 31st March, 2023



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



Evolution of GHCL through the years



Commenced Soda Ash Production with 4.2 Lacs MTPA which was further increased to 5.25 Lakh MTPA

Commenced Edible Salt Production and Launched 'Sapan' salt

1988-2000

2001-2008

Soda Ash capacity increased to 8.5 Lacs MTPA

Entered Spinning business with 65K spindles subsequently increased to 140K

Commissioned Home Textile plant with 36mn meters processing capacity and 96 Air Jet looms

Commissioned Refined Sodium Bicarbonate plant

Spindles capacity increased to 175K, installed 3320 rotors in spinning

Launch of 'i-FLO' salt and 'i-Flo Honey' brands

Air Jet Looms capacity increased to 162

2009-2015

2016-2018

Soda Ash production capacity increased to 9.75 Lacs MTPA

Doubled Sodium bicarbonate capacity to 60K MTPA

Added TFOs for value added yarn and Air Jet Spinning

Home Textiles, Processing capacity increased to 45mn meters with total 190 Air Jet weaving looms

Soda Ash production capacity increased to 11 Lacs MTPA / year in FY2019

GHCL is now the one of the largest manufacturer of Soda Ash in India at a single location.

Spindles capacity increased to 185K

2019-2020

2021-2022

Successfully completed divestment of Home Textile business to Indo Count Industries Limited effective 2nd April 2022 for total consideration of Rs. 630 crore

Soda Ash production capacity enhanced to 12 Lacs MT

Spindles capacity increased to 225k and added 20 MW Renewable energy in spinning division

Demerged spinning business into GHCL Textiles Limited

2022-2023



Our objective



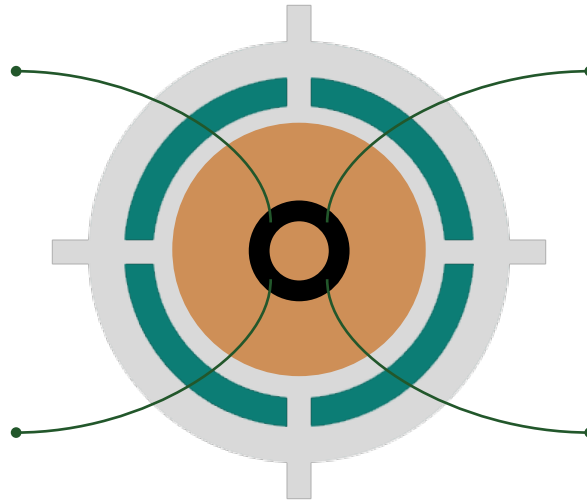
“Achieve a CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

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

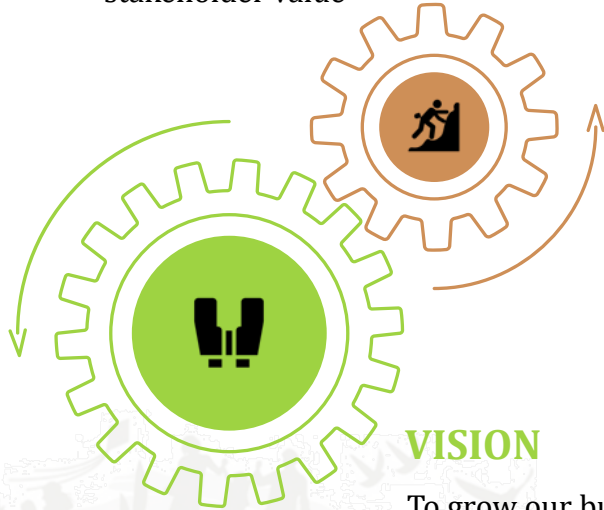
To Grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation



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

Mr. Anurag Dalmia
(Vice Chairman)

Neelabh Dalmia
(Executive Director,
Growth & Diversification)

Dr. Manoj Vaish
(Independent Director)

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

Mr. Lavanya Rastogi
(Independent Director)

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

Justice (Rtd.) Ravindra Singh
(Independent Director)

Resilient Operational Team

NN Radia
(President & COO, Soda Ash)

Mayuresh Hedge
(Head of Operations, Soda Ash)

Sunil Singh
(Head of Marketing, Soda Ash & CEO CPD)

Jayesh Patel
(Head of Greenfield Project, Soda Ash)

Bhwneshwar Mishra
(Head of Sustainability & CS)

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

Contact Us:



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Thank You



— Zorhi's