

November 7, 2023

कार्तिक कृष्ण पक्ष दशमी
विक्रम संवत्, 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 – Q2FY24 Business Update

As informed on October 30, 2023 that a conference call to discuss the Q2FY24 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, November 7, 2023 at 5.00 PM (IST)**. In this regard, copy of the financials and other business details for Q2FY24 (i.e. Business Update), which is going to be circulated for the scheduled investors' conference, is enclosed herewith for your reference & record.

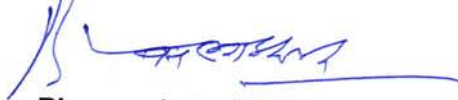
Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you

Yours truly

For GHCL Limited



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



GHCL Limited

Q2 FY24 Investor Update

November 2023

A small, 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 Q2 FY24 performance, Mr. R. S. Jalan, MD said:



“Our performance during the quarter was influenced by several factors like continued weakness in the global Soda Ash markets resulting in oversupply situation, increased imports in India and reduction in energy and associated costs. While the global markets continue to remain soft, we are beginning to observe early signs of demand recovery in domestic market especially in the conventional end-user sectors. This is in addition to the emerging demand arising from the new sunrise industries of solar glass, lithium and sodium bicarbonate.”

We have consistently delivered value for our stakeholders through sustained expansion in earnings. To maintain this trajectory, we have ambitious growth plans lined up over the next few years including greenfield expansion, vacuum salt project, expansion of bi-carb plant, product basket expansion and salt yield improvement among others. Upon completion, this will accelerate our growth momentum and position us among the top-tier industry leaders.”

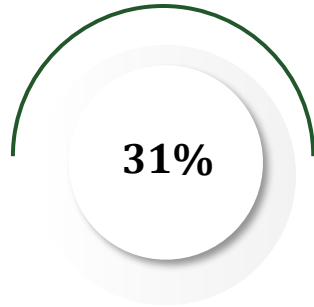
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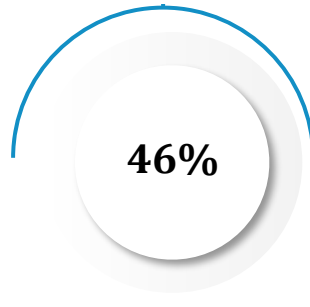
Performance highlights – Q2 FY24

**Q2 FY24
Vs
Q2 FY23
(Y-o-Y)**

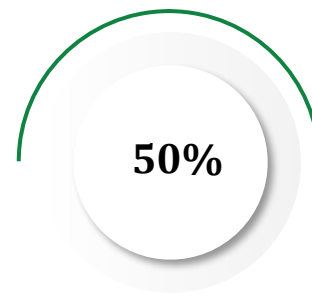
Revenue
Rs. 817 crore



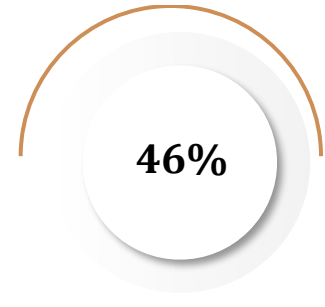
EBITDA
Rs. 224 crore



PAT
Rs. 143 crore



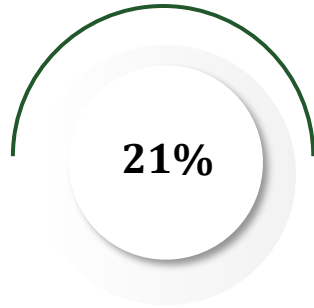
Cash Profit
Rs. 169 crore



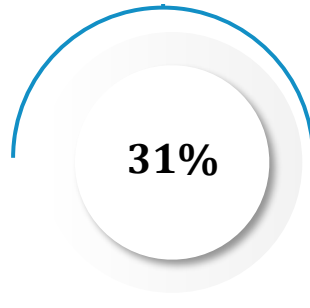
Performance highlights – H1 FY24

**H1 FY24
Vs
H1 FY23
(Y-o-Y)**

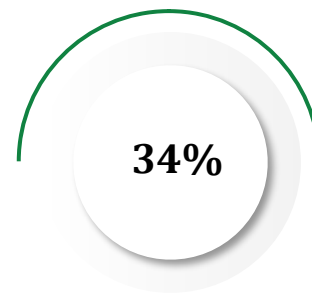
Revenue
Rs. 1846 crore



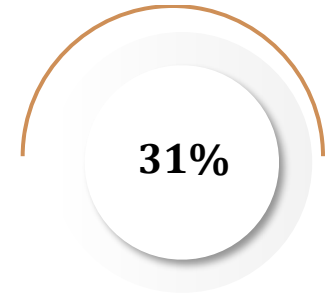
EBITDA
Rs. 534 crore



PAT
Rs. 350 crore



Cash Profit
Rs. 400 crore

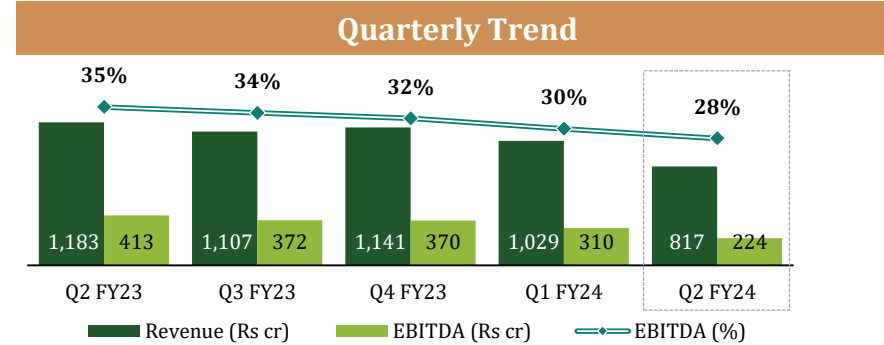


*Note: *Excluding exceptional profit on demerger of spinning business amounting to Rs. 219 Crore*

Q2 FY24 highlights

(Rs. In Crore)

Particulars	Q2 FY24	Q2 FY23	Y-o-Y	Q1 FY24	Q-o-Q
Revenue	817	1,183	(31%)	1,029	(21%)
EBITDA	224	413	(46%)	310	(28%)
EBITDA Margin %	27.5%	34.9%	(745 bps)	30.1%	(270 bps)



Performance Highlights

- Revenue has to be seen in light of:
 - global softness resulting in increased imports into India
 - impacting realization and some softness in sales, though near normalised volumes in-line with improving demand scenario
- EBITDA margins were at 27.5% and absolute EBITDA declined by 46% on a Y-o-Y basis impacted by lower realization and volume though partially set-off by receding input costs

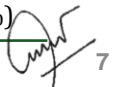


Profit & loss statement

(Rs. In Crore)

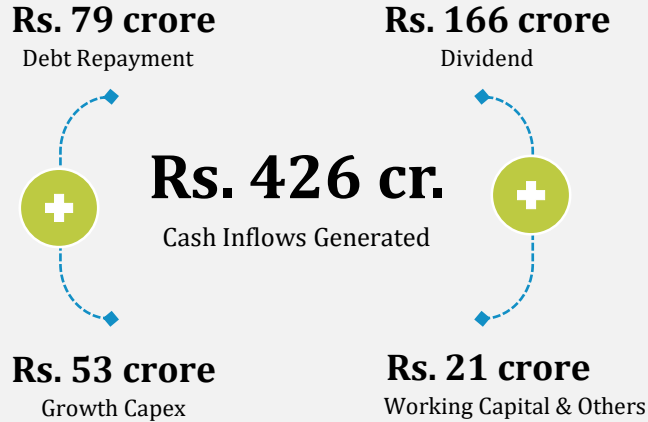
Particulars	Q2 FY24	Q2 FY23	Y-o-Y	Q1 FY24	Q-o-Q	H1 FY24	H1 FY23	Y-o-Y
Revenue from continued operations*	817	1,183	(31%)	1,029	(21%)	1846	2336	(21%)
Operating Expenses of continued operations	593	770	(23%)	719	(18%)	1311	1,558	(16%)
EBITDA from continued operations	224	413	(46%)	310	(28%)	534	777	(31%)
EBITDA Margins of continued operations	27.5%	34.9%	(740 bps)	30.1%	(260 bps)	28.9%	33.3%	(440 bps)
Depreciation of continued operations	26	23	13%	24	8%	50	45	11%
EBIT from continued operations	198	390	(49%)	286	(31%)	484	732	(34%)
Interest of continued operations	7	9	(21%)	8	(8%)	15	19	(21%)
Profit Before Tax from continued operations before exceptional items	191	381	(50%)	278	(31%)	469	713	(34%)
Exceptional Item of continued operations	-	(9)	NM	219	NM	219	55	NM
Profit Before Tax from continued operations	191	372	(49%)	497	(62%)	689	769	(10%)
Tax of continued operations	49	94	(49%)	71	(31%)	120	181	(34%)
Profit After Tax from continued Operations	143	278	(49%)	426	(67%)	569	588	(3%)
Profit After Tax from discontinued Operations	--	13	NM	--	NM	--	61	NM
Profit After Tax	143	291	(51%)	426	(67%)	569	649	(12%)

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




Resource allocation & key financial ratios

Efficient Capital Allocation



Increase in cash & Cash Equivalents Rs. 106 crore.**

Closing cash & Cash Equivalents Rs. 611 crore.**

Net Debt Free

Net Cash Surplus of

Rs. 343 cr.

Key Ratio's

Gross Debt	Net Debt/ Equity	Net Debt/ EBITDA
Rs. 268 cr.	(0.13)x	(0.27)x
ROCE*	ROE*	
36%	40%	

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.

Business outlook



Near Term

- Soft demand trend in most part of world including Americas, China and especially Europe.
- Soda Ash market is oversupplied globally with new capacities coming on-stream in China and US.
- As a result realization have been impacted. However, input cost particularly energy are receding which may partially mitigate the fall.
- Soda ash prices expected to remain subdued for the next 1-2 quarters as demand growth remains sluggish and new supplies are getting absorbed in the market.

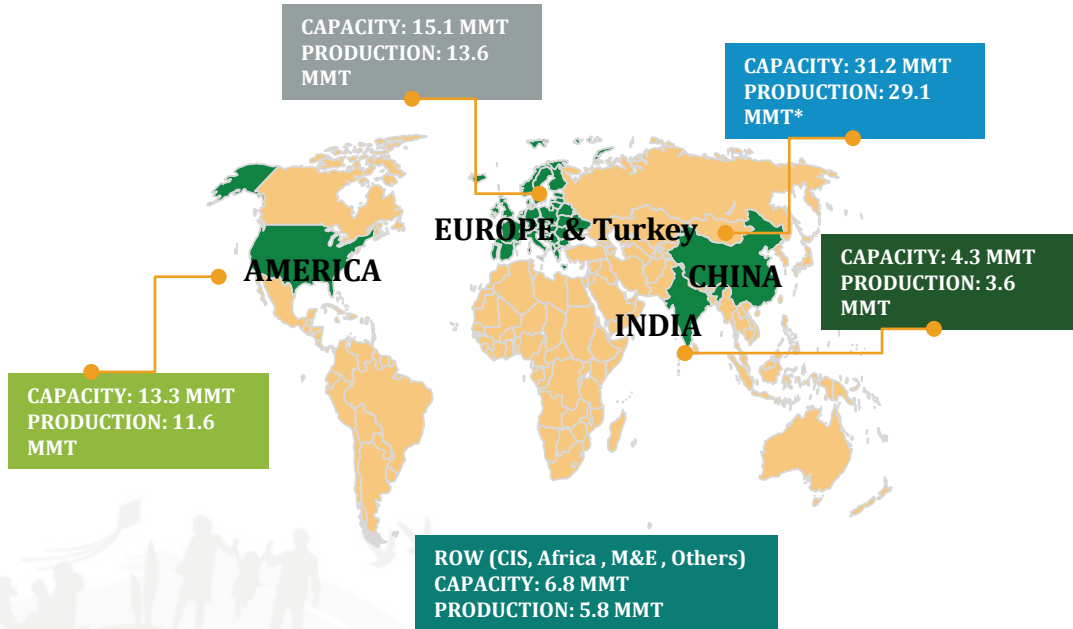
Long Term

- Long term demand is very healthy and is likely to grow from 63m MT to 78-83m MT by 2030 driven by global green initiatives such as solar glass and lithium carbonate.
- Share of natural soda ash will gradually increase especially from US and China. However, synthetic soda ash will remain relevant in the global market.
- China's presence in international trade will reduce, as it is likely to focus more on its expanding domestic market. China's real estate sector will eventually recover while its dominance in energy transmission through adoption of Electric Vehicles and PV Solar will expand rapidly. Some of the smaller and inefficient plants may shut down in future.



Global outlook on the soda ash industry

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



Soda Ash Market Outlook

Soda Ash demand remained tepid while market continued to remain oversupplied in most part of the world with newer capacities getting commissioned resulting in higher exports and softer realizations.

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

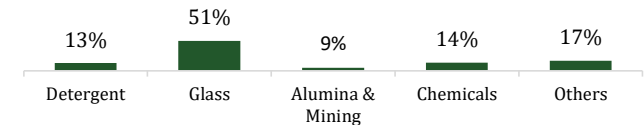
Turkey:
Turkish soda ash manufacturers are facing poor demand in Europe, they have extra volumes available and going aggressive in export including to Asian markets.

Americas:
Soda Ash Market was oversupplied due to increased production and slower demand growth especially in South America resulting in increased exports including to China.

China:
Berun's new Inner Mongolia plant is getting commissioned in phases. However, the new energy industry is developing rapidly and the soda ash consumption shall increase.

Europe:
Though energy prices has eased, there is severe lack of demand in the European Region. Some of the capacity will be reorganized in medium term.

Global Demand Concentration (User Segment)



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

Note: Capacity as of FY2022-23. China's Inner Magnolia capacity (3m MT) and other are under ramp-up and not included.

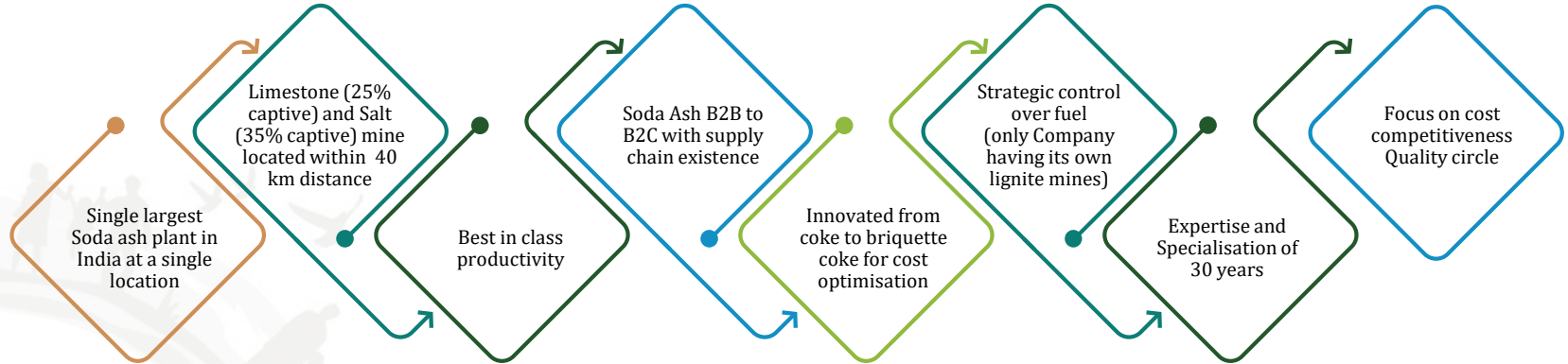
Quality assets, high-potential runway for growth

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)	18%
EBITDA (5 Years CAGR)	20%
Debt (Rs. Cr)	Zero Net Debt; Cash surplus Rs. 343 crore

Key Differentiators



*CAGR calculated at FY23 levels

Focus on driving responsible future growth



Key Growth levers

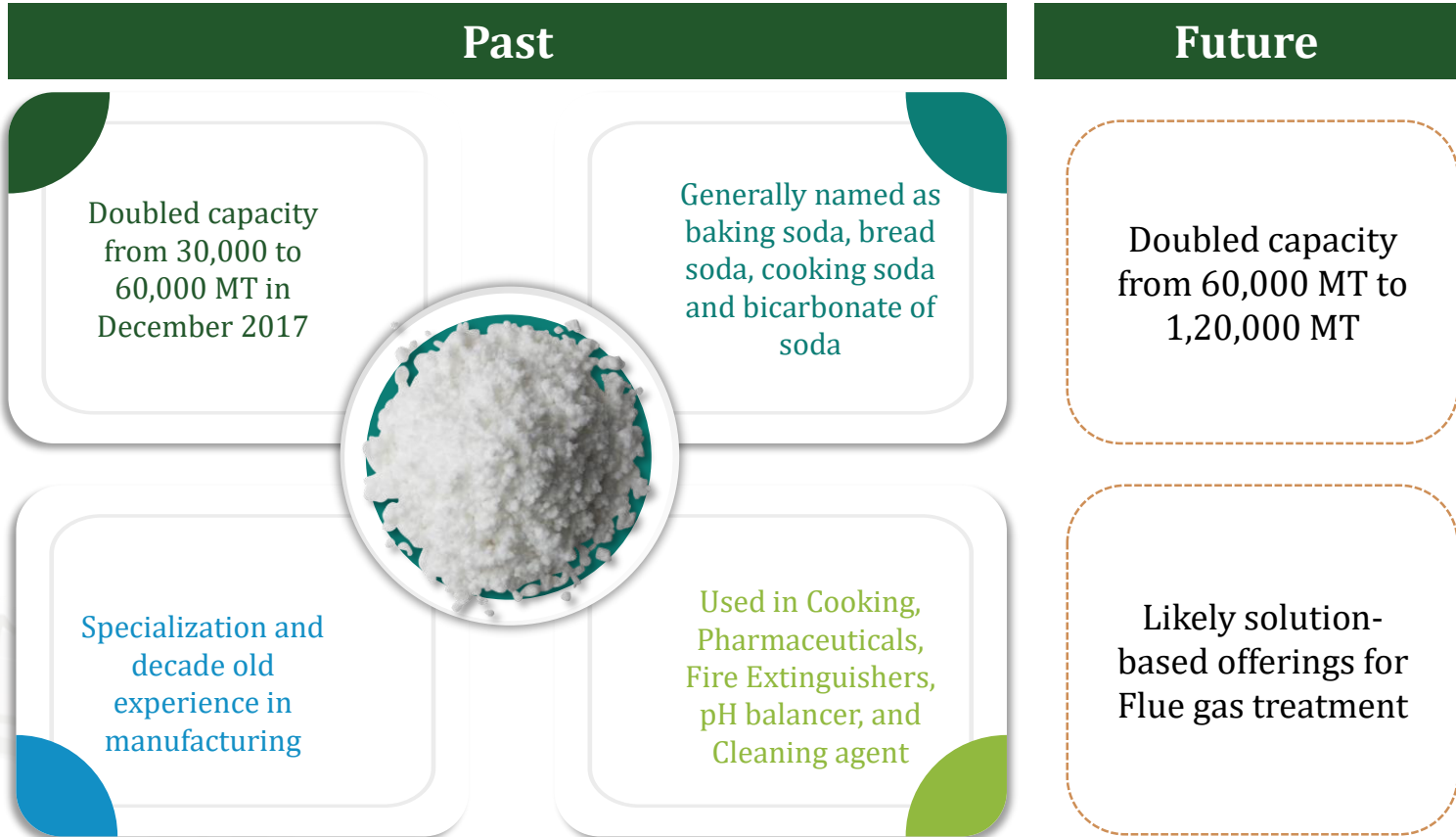
- Vacuum salt from waste energy
- Salt Yield improvement
- Benefits from doubling (Sodium Bicarbonate) Capacity from 60k to 120K MT
- Focus on Greenfield Soda Ash project of 5L MT
- Augmenting backward integration of raw material for enhanced control on cost
- Focus on reducing carbon footprint – proposed 6.5 MW of renewable energy project
- Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies



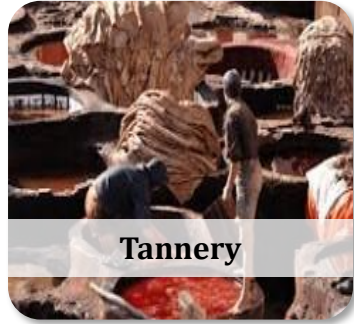
Smarter foundation for better tomorrow; Creating scale - strengthening leadership



Sodium bicarbonate – longer term play



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



Company Overview



Amal

GHCL – An introduction



Best-in-class



- Operations management
- CAPEX planning and execution
- Financial management

Professional Mgmt.

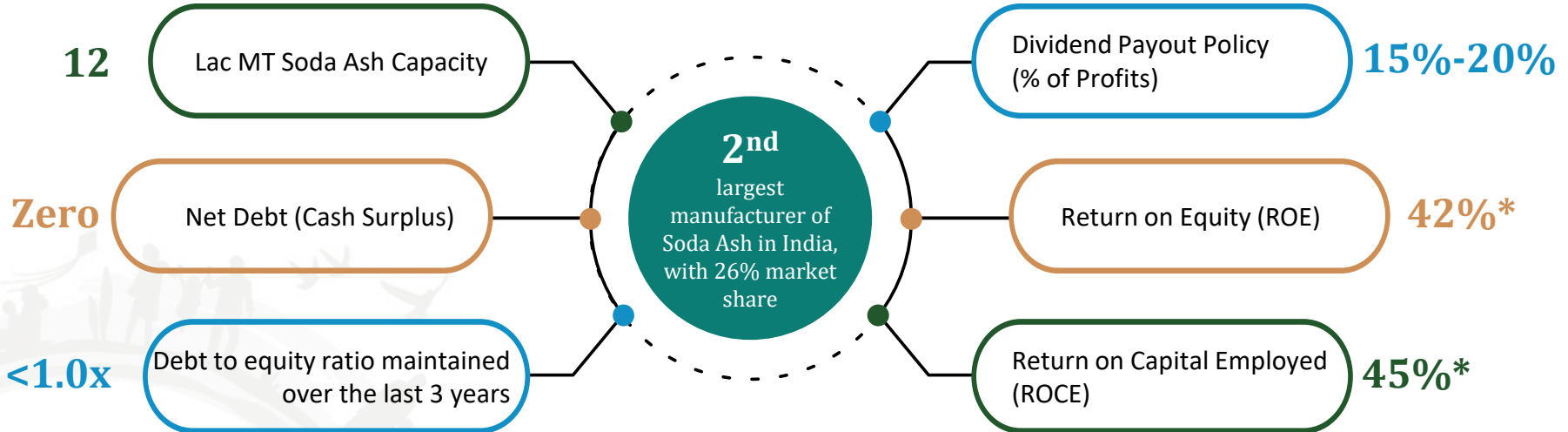


- Focused management approach
- Strategy led by professional management team

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

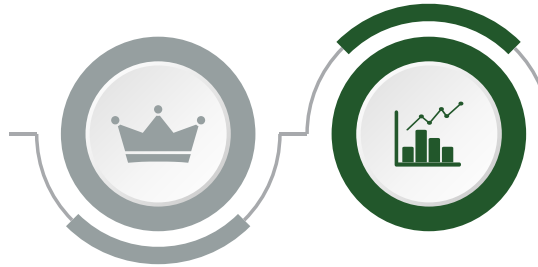


Note : *As on 31st March, 2023

GHCL overview



Best in class
operational
efficiencies and
capacity utilizations



Leading soda
ash player in
India

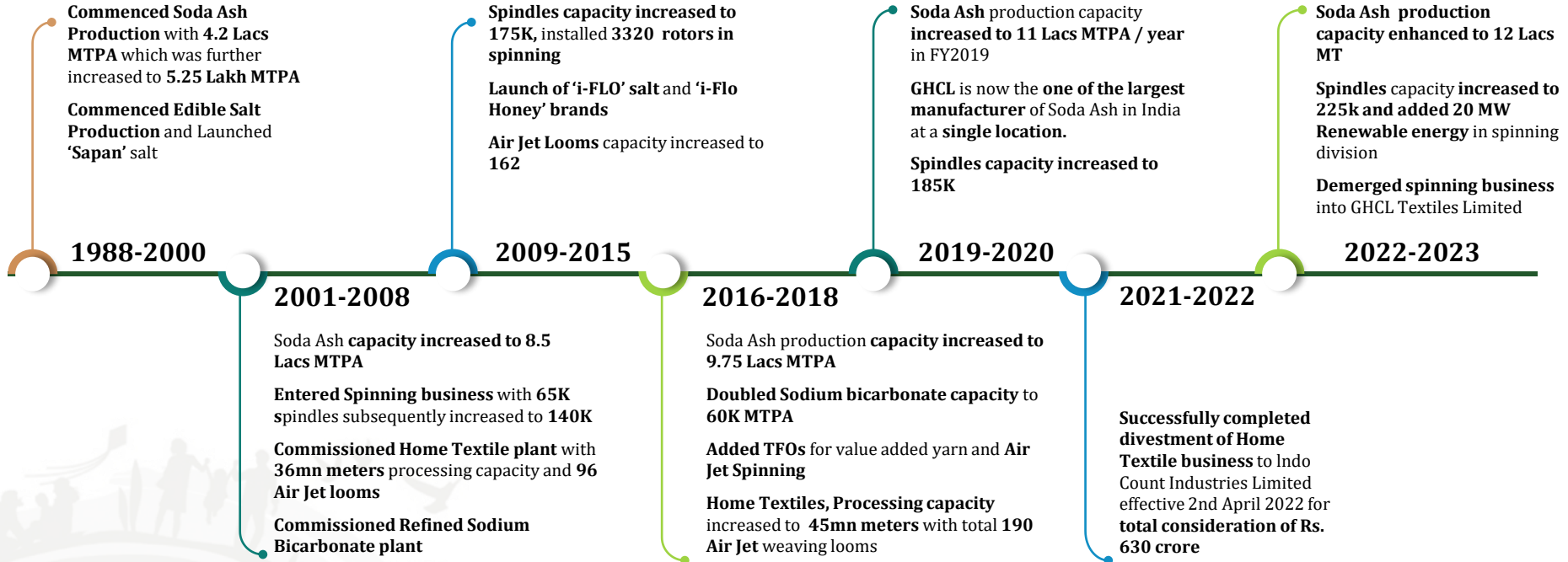
Focus to emerge
as a sustainable
business
organization

Business
Philosophy of
Inclusive growth of
all stakeholders

Professionally
managed
workforce

3 decades of
Indian
Manufacturing
experience

Evolution of GHCL through the years



Our objective

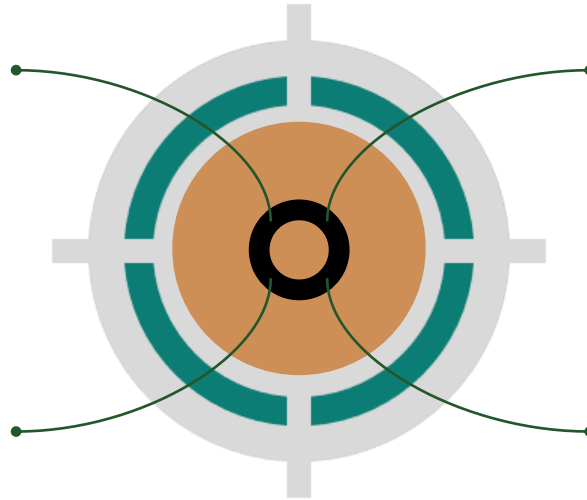
“Achieve a CAGR growth of 15% in bottom-line with creating value for all our 5 stakeholders”

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

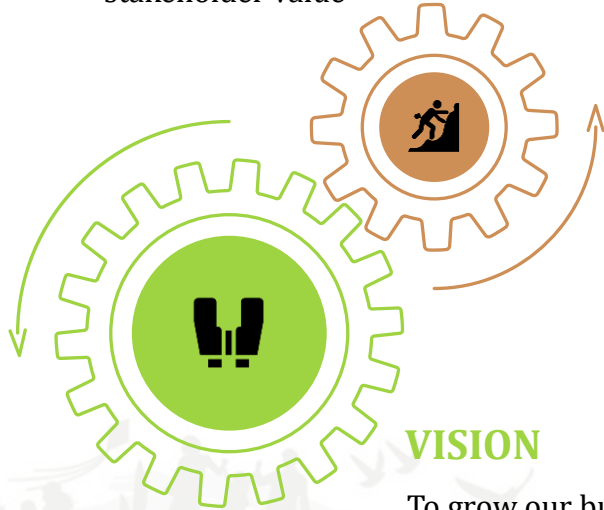
To Grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation



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)

Mayuresh Hedge
(Head of Operations)

Sunil Singh
(Head of Marketing & CEO CPD)

Jayesh Patel
(Head of Greenfield Project)

Bhwneshwar Mishra
(Head of Sustainability & CS)

Anil Singh
(Head of HR and IR)

Awards & recognitions

Mahatma Award



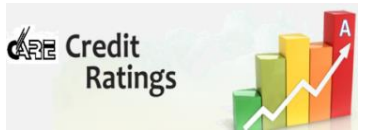
for CSR Excellence

HR Excellence Award

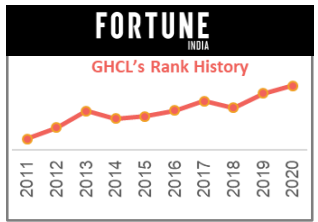


GHCL received 12th CII National HR Excellence Award for strong commitment 13th CEO Conference

5 Notch Upgrades in last 6 years



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



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



Referred as **Great Place to work** in seventh consecutive years of participation
Recognized in **Top 50 manufacturing workplace**



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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CDR India



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Thank You



Amber