



Life's god with our chemistry

# Archean Chemical Industries Limited

**November 04, 2023**

National Stock Exchange of India Limited  
Exchange Plaza  
Bandra-Kurla Complex, Bandra (E)  
Mumbai-400051  
**Symbol-ACI**

BSE Limited  
Listing Operations  
Phiroze Jeejeebhoy Towers Dalal Street  
Mumbai-400001  
**Scrip Code- 543657**

Dear Sir/Madam,

**Subject: Investor Presentation for the quarter and half year ended Sep 30, 2023**

**Reference: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, please find enclosed Investor Presentation for Q2 of FY 23-24 .

The above information shall be made available on the website of the Company at [www.archeanchemicals.com](http://www.archeanchemicals.com)

This is for your information and records.

Thanking you

Yours faithfully  
**For Archean Chemical Industries Limited**

**S Balasundharam**  
**Company Secretary & Compliance Officer**  
**M. No. A11114**

**Enc- as above**



Archean  
Chemical  
Industries  
Limited

# Archean Chemical Industries Limited

Q2 & H1 FY24 - Investor Presentation

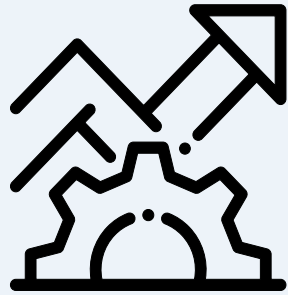




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## Q2 FY24 Performance Highlights

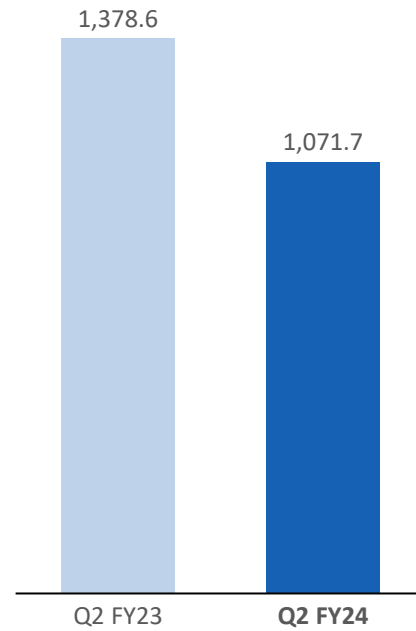
# Q2 FY24 Performance Highlights



Total Revenue (Rs. mn)



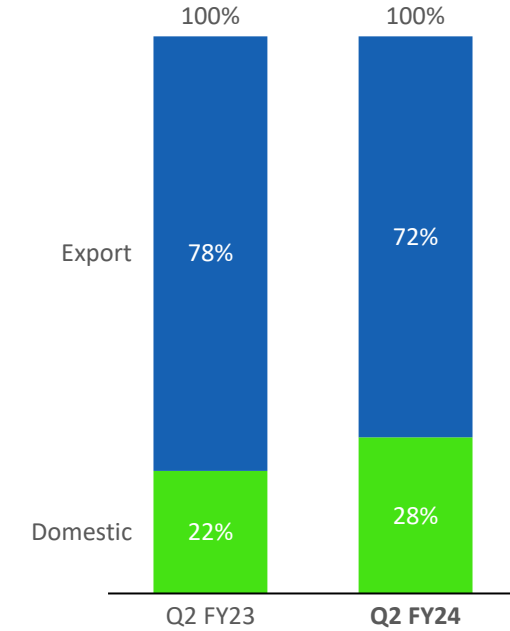
EBITDA (Rs. mn)



Profit After Tax (Rs. mn)



Geographic-Wise (%)



# Profit & Loss Statement



Particulars (Rs. in mn)	Q2 FY24	Q2 FY23	YoY %
<b>Total Income</b>	<b>3,020.4</b>	<b>3,126.5</b>	<b>(3.4)</b>
Cost of material consumed	119.4	84.7	
Change in Inventory	68.2	208.4	
Employee Cost	192.0	114.7	
Other Expenses	1,569.1	1,340.0	
<b>EBITDA</b>	<b>1,071.7</b>	<b>1,378.6</b>	<b>(22.3)</b>
<b>EBITDA Margin (%)</b>	<b>35.5%</b>	<b>44.1%</b>	
Depreciation	174.6	168.6	
<b>EBIT</b>	<b>897.1</b>	<b>1210.0</b>	
<b>EBIT Margin (%)</b>	<b>29.7%</b>	<b>38.7%</b>	
Finance Cost	20.0	349.7	
<b>Profit before Tax</b>	<b>877.1</b>	<b>860.3</b>	
Tax	213.6	221.2	
<b>Profit After Tax</b>	<b>663.5</b>	<b>639.1</b>	<b>3.8</b>
<b>Profit After Tax Margin (%)</b>	<b>22.0%</b>	<b>20.4%</b>	
EPS (in Rs.) - Basic	5.39	6.19	
EPS (in Rs.) - Diluted	5.37	6.19	

# Balance Sheet Statement



Particulars(Rs. in mn)	Sept-23	Mar-23
<b>Shareholder's Funds</b>	<b>15,699.1</b>	<b>14,325.2</b>
Equity Share Capital	246.1	246.1
Reserves & Surplus	15,453.0	14,079.1
<b>Non-Current Liabilities</b>	<b>1,533.4</b>	<b>1,520.0</b>
Financial Liability		
(i) Borrowings	7.0	7.9
(ii) Other Financial Liabilities	323.1	357.1
Provisions	0.4	0.5
Other Non Current Liabilities	-	-
Deferred Tax Liabilities	1,202.9	1,154.5
<b>Current Liabilities</b>	<b>1,597.5</b>	<b>1,713.4</b>
Financial Liability		
(i) Borrowings	251.8	207.0
(ii) Trade Payables	1,004.2	955.5
(iii) Other Financial Liabilities	241.2	326.4
Other Current Liabilities	22.3	193.6
Current tax liabilities (net)	72.3	28.3
Provisions	5.7	2.6
<b>Total Equity &amp; Liabilities</b>	<b>18,829.9</b>	<b>17,558.6</b>

Particulars(Rs. in mn)	Sept-23	Mar-23
<b>Non-Current Assets</b>	<b>11,837.8</b>	<b>11,795.6</b>
Property Plant & Equipment	10,522.5	10,648.1
CWIP	480.4	332.0
Right of Use Assets	291.9	325.0
Intangible Assets	1.4	1.7
Investments	50.0	50.0
Loans	316.4	140.5
Other Financial Assets	56.1	230.2
Other Non-Current Assets	119.0	68.2
<b>Current Assets</b>	<b>6,992.1</b>	<b>5,762.9</b>
Inventories	1,427.3	1,677.6
Investments	3,285.8	2,100.8
Financial Assets		
(i)Trade receivables	1,188.7	1,177.4
(ii)Cash and cash equivalent	308.7	52.7
(iii)Bank balances	266.5	267.0
(iv)Other Financial Assets	178.6	169.0
Other Current Assets	336.5	318.4
<b>Total Assets</b>	<b>18,829.9</b>	<b>17,558.6</b>

# Cashflow Statement



Particulars (Rs. mn)	Sept'23	Sept'22
<b>Profit before Tax &amp; Exceptional</b>	<b>2,131.4</b>	<b>1,992.4</b>
Adjustment for Depreciation & other items	237.7	1,203.5
<b>Operating profit before working capital changes</b>	<b>2,369.1</b>	<b>3,195.9</b>
Changes in working capital	271.6	-283.2
<b>Cash generated from operations</b>	<b>2,640.7</b>	<b>2,912.7</b>
Direct taxes paid (net of refund)	-433.0	-80.0
<b>Net Cash from Operating Activities</b>	<b>2,207.7</b>	<b>2,832.7</b>
<b>Net Cash from Investing Activities</b>	<b>-1,607.5</b>	<b>-609.4</b>
<b>Net Cash from Financing Activities</b>	<b>-344.2</b>	<b>-1,728.8</b>
Net Change in cash and cash equivalents	<b>256.0</b>	<b>494.5</b>
Cash and cash equivalents at the beginning of the year	52.7	72.5
<b>Cash and cash equivalents at the end of the period</b>	<b>308.7</b>	<b>567.0</b>





A leading Manufacturer of **Specialty Marine Chemicals** in India



**Strong Clientele** - 29 Global & 38 Domestic



**Integrated production** Facility located at Hajipir, Gujarat



**Largest exporter** of Bromine and Industrial Salt in India



**'Responsible Care'** Certification is in process

**Rs. 6,563 Mn**  
**\*H1 FY24 Revenue**

## Bromine

- Leadership position in Indian Bromine merchant sales

## Industrial Salt

- 100% Export business

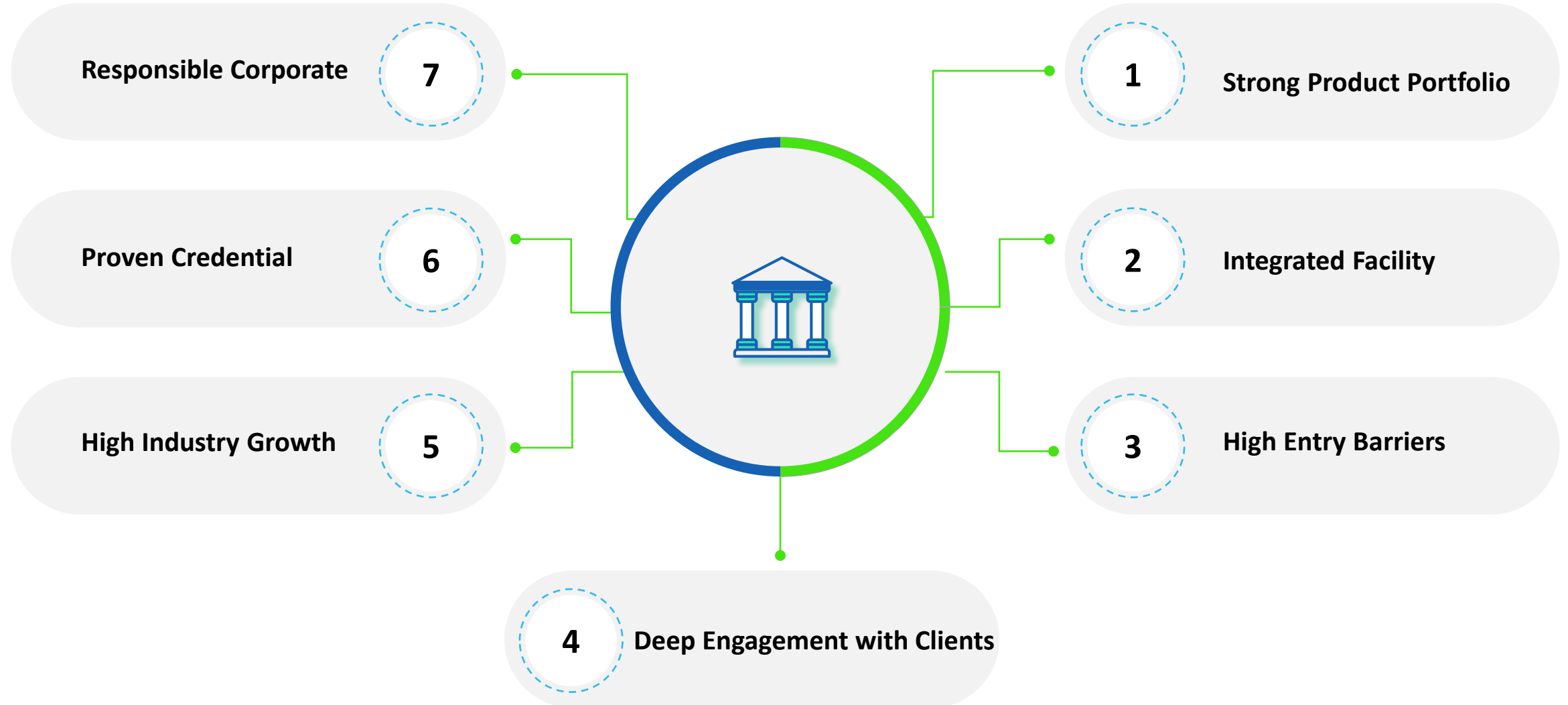
## Sulphate of Potash

- Only Manufacturer from natural sea brine in India



## Key Attributes behind Strong Foundation

# Key Attributes Behind Strong Foundation



# 1. Strong Product Portfolio



## Product

### Bromine

### Industrial Salt

### SOP

## Overview

- Bromine is the only non-metallic element that is a liquid at standard conditions
- It is a member of the halogen family and is found naturally in seawater, underground brine deposits and other water reservoirs

- There are 14,000 commercial uses of Salt, a source of Sodium and Chlorine which are basic components of an array of materials – such as plastics, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers etc.

- Sulphate of Potash, also known as potassium sulphate, is a high-end, **specialty fertilizer** for chlorine-sensitive crops.

## Archean's Position

- Leadership position in Indian Bromine merchant sales

- Produced using the solar evaporation method.
- 100% Export business

- Only Manufacturer of SOP from natural sea brine, in India
- KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years

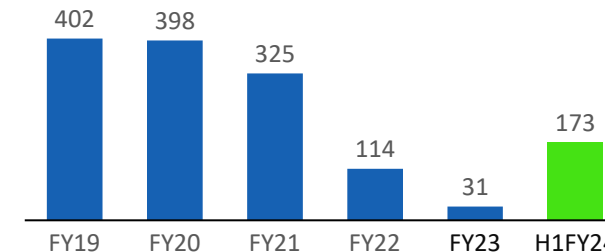
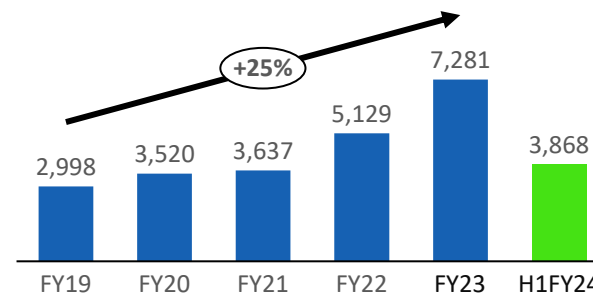
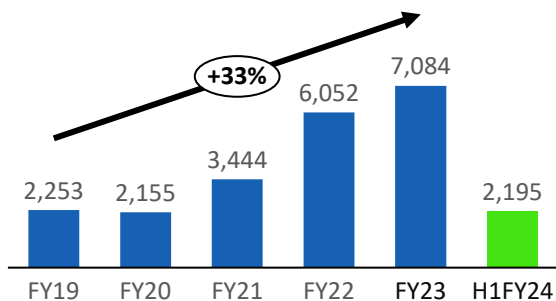
## End User Industries

- Pharmaceuticals
- Agrochemicals
- Flame Retardants
- Water Treatment
- Oil & Gas & energy storage

- Chloralkali Chemicals
- Food & Beverage
- Water Treatment
- Oil & Gas

- Agrochemicals
- Various industries including glass, cosmetics etc.
- Medical uses

## \*Revenue Trend (mn)



\*On Standalone basis

## 2. Integrated Production Facility at Hajipir, Gujarat



### Location Advantages

- The manufacturing facility is located in close proximity to the **Jakhau Jetty** and **Mundra Port**. The Jakhau Jetty is a fair-weather facility, operating for seven to eight months a year from October to May
- It has a designed capacity of 5 million MT per annum and a capacity to load 28,000 MT equipped with a twin conveyor system, diesel generator sets
- An **integrated manufacturing site** with **access to the Rann of Kutch reserves** and a close connectivity to ports, results in production process efficiency, deliver superior quality and timely products

### Established Infrastructure

- Archean **use brine from own reservoirs** as raw material which include Industrial Salt, kainite and end bittern. Other raw materials are primarily sourced from third-party suppliers in India
- Globally, two most popular Bromine production sites are near the Dead Sea (Israel & Jordan) and the underground well in Arkansas region in the USA
- India is well placed with brine resources at the Great Rann of Kutch in Gujarat



# 3. High Entry Barriers



*Archean has proven to be a reputed producer with a track record of providing high quality products*

1

Access to Reserves

2

Limited number of locations globally with a suitable climate

3

Multi year Investment in Brine field Development

4

High cost and intricacy of product development

5

Rigorous product approval systems

6

Difficult customer acquisition

7

High degree of technical skill and specialized expertise for material handling

8

Development time of brine reservoirs

# 4. Deep Engagement with Clients



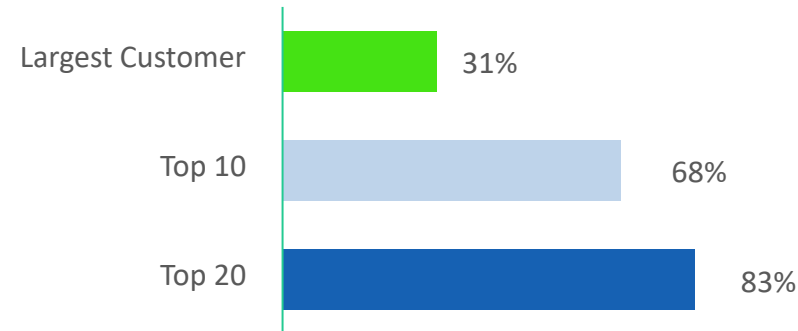
Enduring customer relationships helped to expand product offerings and geographic reach

## Strong Clientele

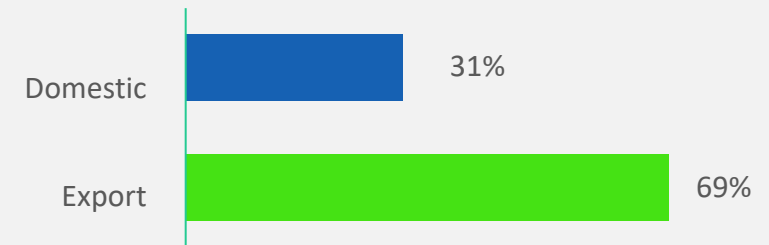


TOTAL **67** Clients

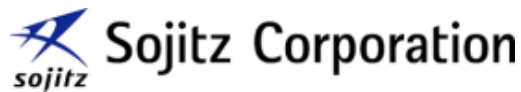
## Revenue Contribution



## High Focus on Exports



## Major Clients



A Japanese Trading Conglomerate, Largest Customer & Equity Shareholder



- Sojitz is a Japanese Trading Conglomerate with **diverse client base**
- Enjoy relationships in **excess of five years** with seven out of top ten customers

# 5. High Industry Growth



*Product*

**Bromine**

**Industrial Salt**

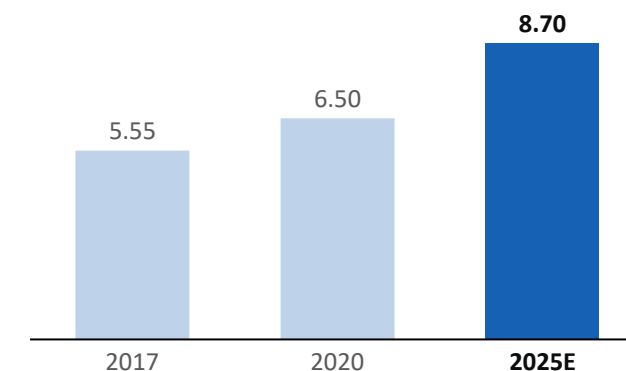
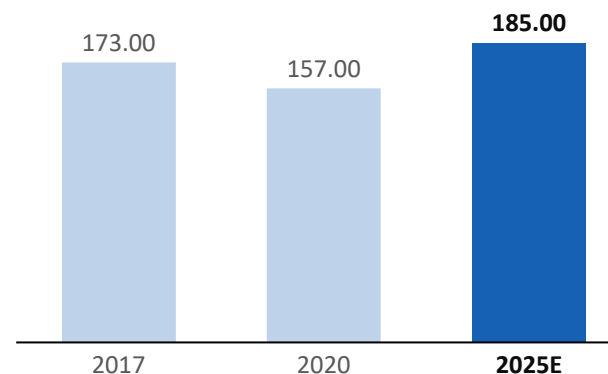
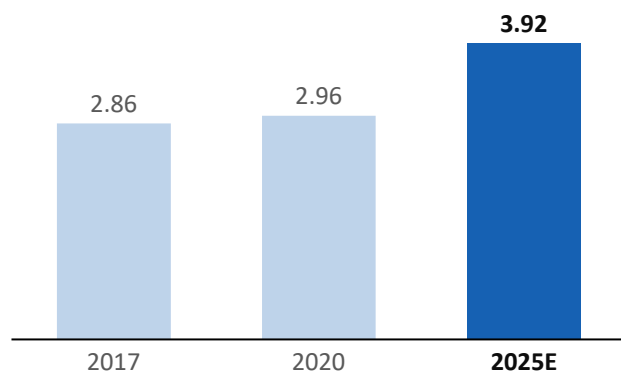
**Sulphate of Potash**

(US\$ billion)

(mn in MT)

(mn in MT)

*Global  
Market Size*



*High Growth  
In  
End User Industries*

- Increasing demand for flame retardants
- Increasing demand in Agro chemicals
- Increasing consumption of oil well chemicals
- Increasing use of bromide compounds in energy flow batteries

- Increasing industrialization leading to increase in Chlor Alkali, PVC & Polyurethane
- Increase in demand from the food and beverage industry

- Increase in use of fruits and vegetables growing fertilizers primarily





## With Industry Standards and Regulatory Credentials

### Key Certificates



MINISTRY OF COMMERCE  
AND INDUSTRY  
DIRECTOR GENERAL OF  
FOREIGN TRADE

सत्यमेव जयते

- Accredited four star export house by Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India
- Member-signatory to **Responsible CARE** – Indian Chemical Council
- **REACH** certification enabling the Company to export Sulphate of Potash products to European customers

### R&D Depth

- State of art R&D facility at plant location.
- Continuous effort undertaken to evaluate the brine chemistry.
- Recently, brand new R&D facility has been set up in Jhagadia for Bromine downstream project.





## Environment & Safety Measure

Environment and safety considerations are an important part of our operations. We undertake an annual environment and safety audit and strive to ensure that we do not discharge any harmful elements from our manufacturing operations.

- Annual environment and safety audit
- Environment Management Cell Program
- Stack & Ambient Air, water Quality and noise level Monitoring
- Water Audit
- Use of ISO tanks certified by the Bureau Veritas Quality International (“BVQI”) tanks



## Social

Focused on education and skill development and healthcare for our staff and local community. We have carried out activities set forth below:

- Supply of drinking water to surrounding areas situated near Hajipir Factory
- Medical camps to raise health awareness amongst the local community
- Donation to schools for promoting education at Hajipir
- Building renovation of Hajipir & Nara Schools
- Rural development activities



## Governance

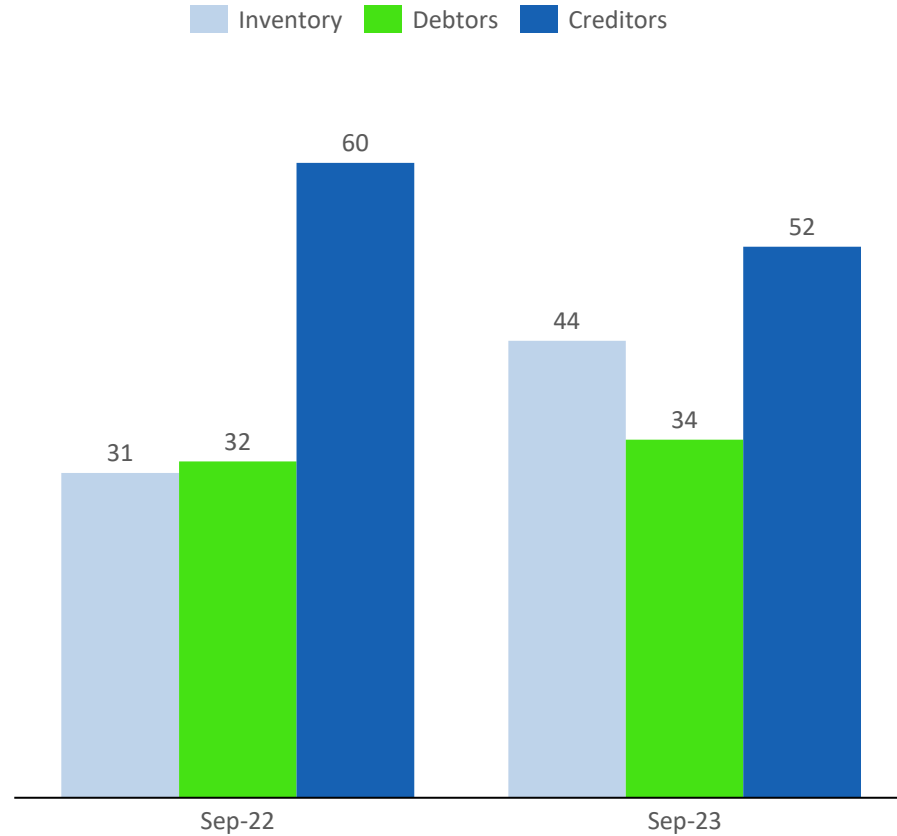
Undertakes all necessary steps to comply with all the requirements of Listing Regulations and the Companies Act. Committees of the Board

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders’ Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

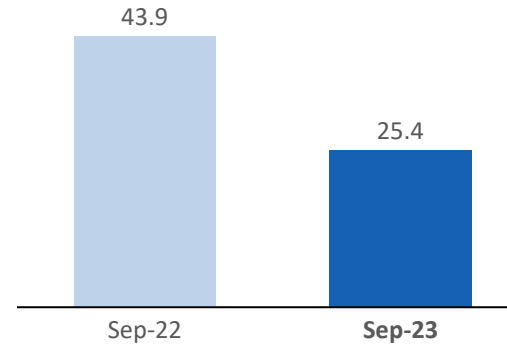
# 8. Strong Balance Sheet Performance\*\*



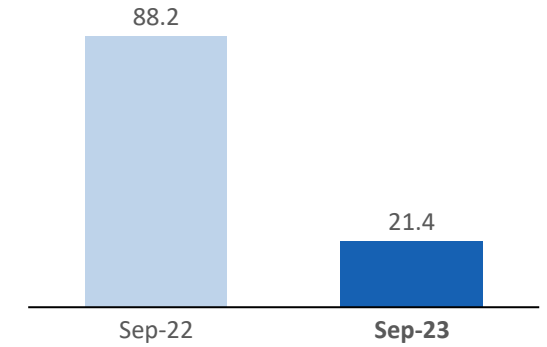
### Inventory, Debtors and Creditors Turnover (in days)



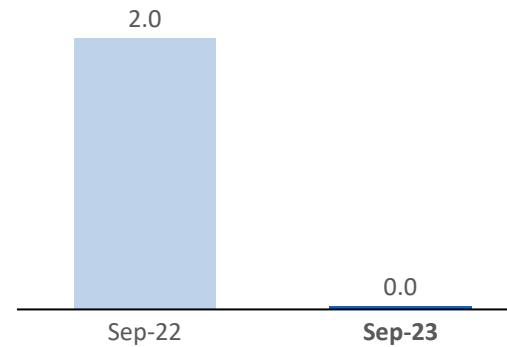
### RoCE (%)



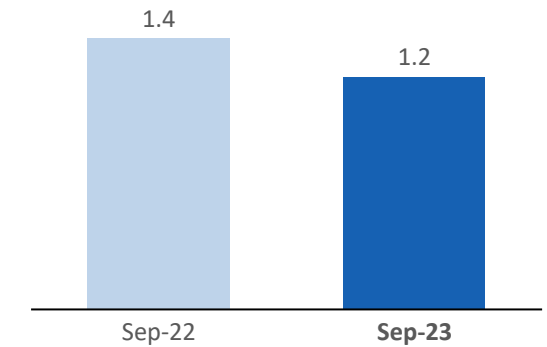
### RoE (%)



### Net Debt to Equity (x)



### Fixed Asset Turnover (x)





# Next level of Growth



## 01. Brownfield Expansion

Expanded Bromine and Industrial Salt capacities

### Bromine

- Added a feed enrichment section at the site in Hajipir, Gujarat which increased Bromine capacity by 18,000 MT per annum.
- Added an additional 14,500 MT per annum capacity in FY23 which will be used for producing Bromine Derivatives in the upcoming greenfield project

### Industrial Salt

- Intend to expand the manufacturing capacities for Industrial Salt production by adding one additional washery of 250 tons per hour

## 02. Greenfield Expansion

To expand into downstream Bromine derivative performance products

### Bromine Derivatives

- Setting up a new facility at Jhagadia, GIDC through Acume Chemicals Private Limited (Subsidiary) to manufacture Bromine Performance Derivatives
- Primarily Brominated flame retardants, Clear Brine Fluids & Bromine Catalysts

# Greenfield Expansion of Bromine Derivatives



Acume  
Chemicals  
Pvt. Ltd.

**Subsidiary**

~Rs. 2,520 Mn

**CAPEX**

Jhagadia,  
GIDC

**Location**

Q1FY25e

**Timeline**

## Bromine Derivatives

### High-end Flame Retardant 10,000 MTPA

### Clear Brine Fluids 13,000 MTPA

### Pure Terephthalic Acid (PTA) Synthesis 5,000 MTPA

## Overview

- Globally, properties worth billions of dollars are lost due to fire-related accidents every year. This makes anti-inflammatory agents or flame retardants crucial chemicals

- A chemical compound used with additives in Well completion operations to make the solids free from brines
- These fluids are extensively used in the oil & gas well-drilling industry

- Primarily used to produce polyester
- A majority of PTA is consumed in the development of polyester resins, such as polyester films, polyester fibre and yarn, and PET material bottles
- Brominated catalyst is used for production of PTA

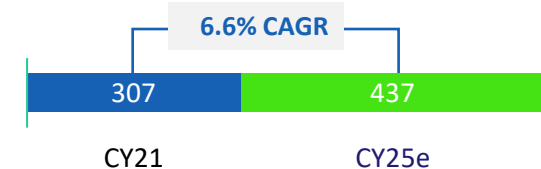
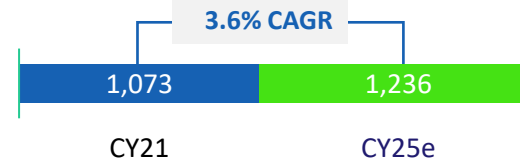
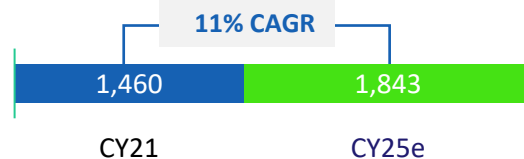
## End User Industries

- Electronics industry, wire and cable compounds and in everyday commodities such as rubbers etc.

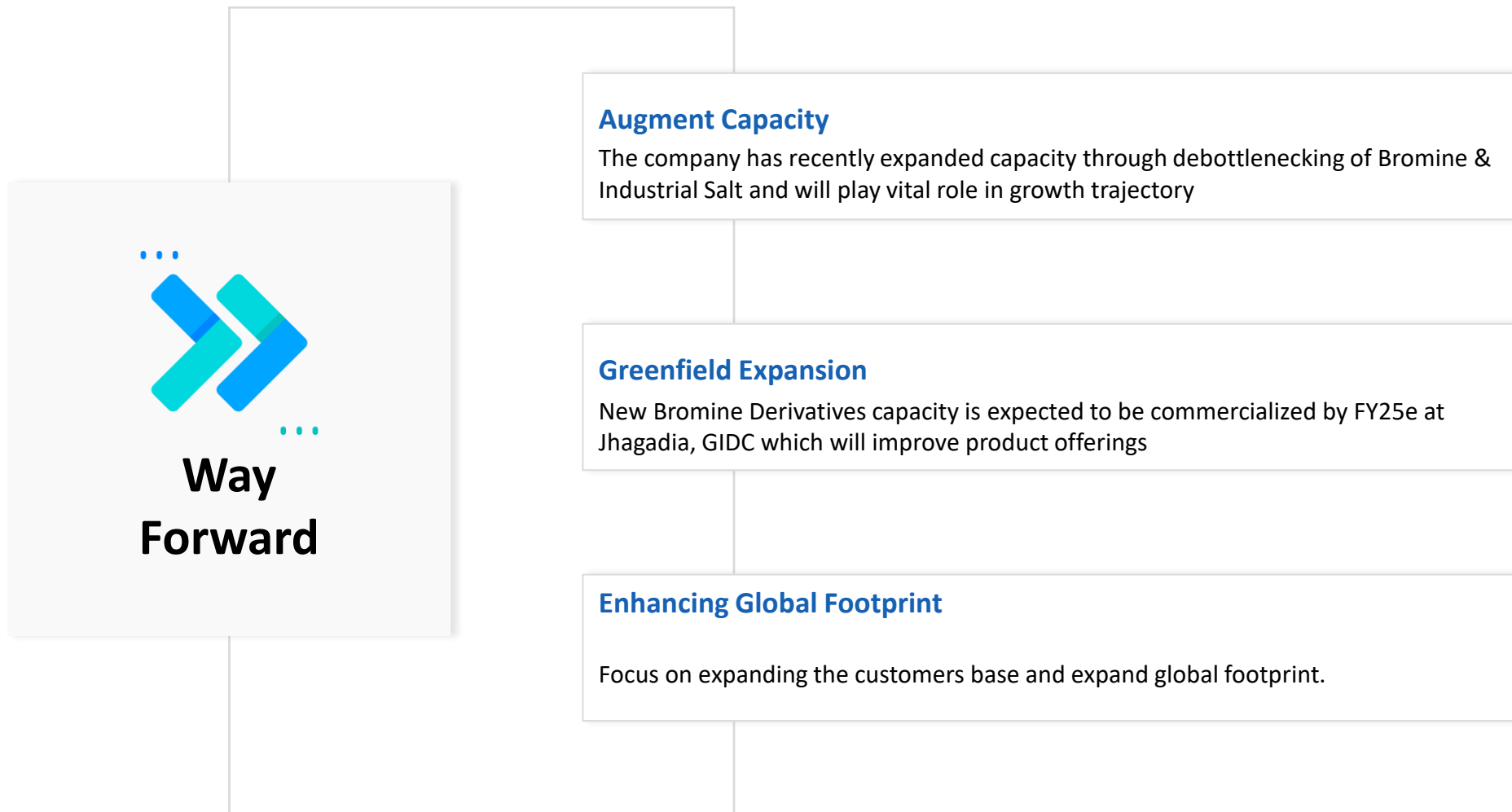
- Produce calcium bromide which is used in Oil drilling and organic synthesis and flow batteries.

- Polyester resins, such as polyester films, polyester fibre and yarn, and PET material bottles.

## Global Market



\$ in mn





Archean  
Chemical  
Industries  
Ltd.

# Thank You !

## Company:



**Archean Chemical Industries Ltd.**

CIN - L24298TN2009PLC072270

**Mr. Rajeev K / Mr. Raghunathan R**

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## Investor Relations Advisor:

**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Ltd.**

CIN - U74140MH2010PTC204285

**Mr. Shrikant Sangani / Ms. Manasi Bodas**

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