



DRIVING EXCELLENCE

# GHCL LIMITED

Q3 & 9M FY21 Investor Update

January 2021



The choice of a healthy family!



# Safe Harbour



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# Quarterly Update





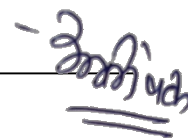
*“Resilient and agile business strategy and strong focus on internal business conduct can sail through toughest testing times and creates a moat against external factors”.*

### Commenting on the Q3 & 9M FY21 performance, Mr. R. S. Jalan, MD said:

*“The pandemic has entered a decisive stage, with several vaccines getting approval worldwide and here in India too. The flow of business is getting restored and the broader economy is making appreciable strides towards normalcy.*

*We have demonstrated encouraging performance during the quarter under review with 26% profitability (PBT) growth on Y-o-Y basis and 41% profitability (PBT) growth Q-o-Q basis. Strong performance is a result of concerted efforts undertaken by the Company and healthy demand scenario for our products in both the business segments.*

*We are focused, agile and committed for sustainable inclusive growth of all our 5 stakeholders and creating the value for them ”*



# Business Update on COVID-19 Pandemic

## Soda Ash



Capacity utilisation back to pre-Covid level



Q3 FY21



9M FY21



Demand pick up in key end user industries resulted in higher utilisation levels



Detergent industry continues to be least impacted by the pandemic.  
Flat glass has almost recovered to pre-CoVID levels.

## Textile



Favourable dynamics in Textile business



Both spinning and home textiles have shown resilient performance driven by positive demand landscape.



Better pricing trends helping both the sub segments of Textiles. Focus on moving to value-added side of spinning to limit commodity price pressures



Reported EBITDA margin of 20.1%, which is our highest ever margins in this business.

*Signature*

## Performance Highlights – Q3 FY21



Revenue

₹ 809 crore

EBITDA

₹ 204 crore

PBT

₹ 150 crore

PAT

₹ 111 crore

Cash Profit

₹ 145 crore

Q-o-Q



4%



26%



41%



41%



31%

Y-o-Y



3%\*



15%



26%



9%



9%

\* Exceptional item of Rs. 9.57 Cr. reported during Q3 FY 20 adjusted in revenue for like to like comparison.

*Signature*



# Performance Highlights – 9M FY21



Y-o-Y

Revenues

₹ 2,028 crore



20%\*

EBITDA

₹ 451 crore



25%

PBT

₹ 279 crore



34%

PAT

₹ 206 crore



37%

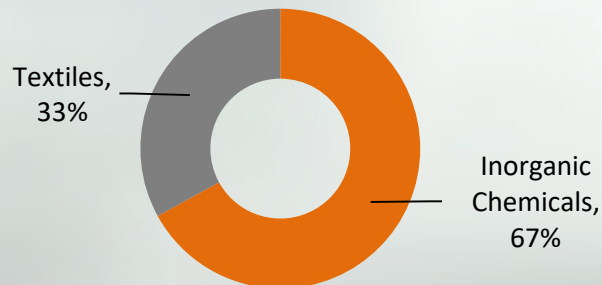
Cash Profit

₹ 306 crore

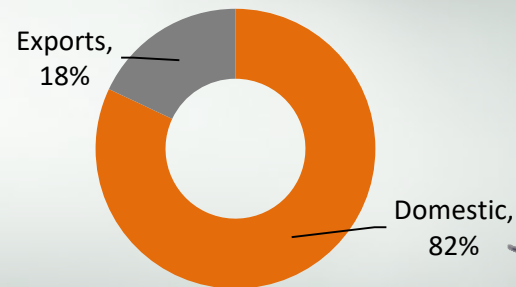


28%

## Segment-wise Revenue break-up\*\*



## Domestic : Exports Revenue break-up\*\*



\* Exceptional item of Rs. 9.57 Cr. reported during Q3 FY 20 adjusted in revenue for like to like comparison.

\*\*Based on FY20 Financials.



# Profit & Loss Statement



(Rs. In Crore)

Particulars	Q3 FY21	Q3 FY20	Y-o-Y	Q2 FY21	Q-o-Q	9M FY21	9M FY20	Y-o-Y
Revenue	809	834*	(3)%	779	4%	2,028	2,539*	(20)%
Operating Expenses	605	657	(8)%	617	(2)%	1,577	1,937	(19)%
EBITDA	204	177	15%	162	26%	451	602	(25)%
EBITDA Margin	25.3%	21.2%	4.1%	20.8%	4.5%	22.2%	23.7%	(1.5)%
Depreciation	34	32	6%	33	5%	100	96	5%
EBIT	170	145	17%	129	31%	351	506	(31)%
Interest	20	26	(22)%	23	(15)%	72	85	(16)%
Exceptional Item	--	--*	--	-	-	--	--*	--
Profit Before Tax	150	119	26%	106	41%	279	421	(34)%
Tax	39	18	121%	28	42%	73	95	(23)%
Profit After Tax	111	101	9%	78	41%	206	327	(37)%

\* Exceptional item of Rs. 9.57 Cr. reported during Q3 FY 20 adjusted in revenue for like to like comparison.

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# Q3 FY21 Segment Highlights – Inorganic Chemicals



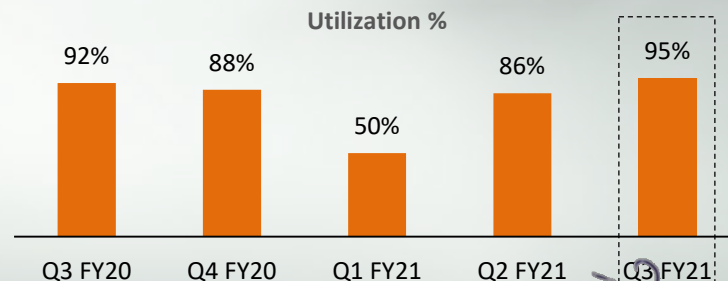
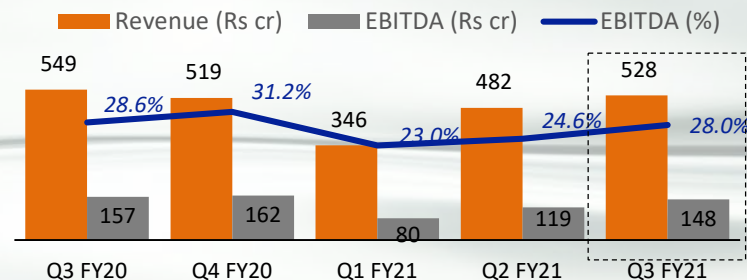
(Rs. In Crore)

Particulars	Q3 FY21	Q3 FY20	Y-o-Y	Q2 FY21	Q-o-Q
Revenue	528	549	(4)%	482	10%
EBITDA	148	157	(6)%	119	25%
EBITDA %	28.0%	28.6%	(0.6)%	24.6%	3.4%

## Performance Highlights

- Revenue down by 4% Y-o-Y and up 10% Q-o-Q. Sequential performance was led by higher volumes in soda ash. Y-o-Y performance appears moderated due to lower realizations by 7%.
- EBITDA was lower by 6% Y-o-Y due to lower realizations, while it was higher by 25% Q-o-Q. Better Efficiencies and higher volumes on Q-o-Q basis resulted in steady EBITDA performance.
- EBITDA margins came in at 28.0%, lower by 60 bps Y-o-Y and higher by 3.4% Q-o-Q. Margins were supported by better operating efficiencies on the cost front.

## Inorganic Chemicals – Quarterly Trend



# Q3 FY21 Segment Highlights – Textiles



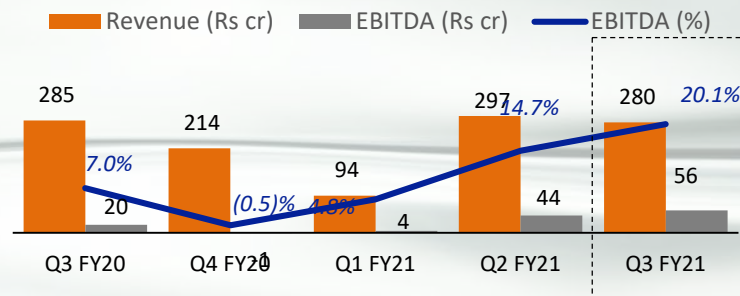
(Rs. In Crore)

Particulars	Q3 FY21	Q3 FY20	Y-o-Y	Q2 FY21	Q-o-Q
Revenue	280	285*	(2)%	297	(6)%
EBITDA	56	20	183%	44	30%
EBITDA %	20.1%	7.0%	13.1%	14.7%	5.4%

## Performance Highlights

- Revenues down by 2% Y-o-Y and 6% Q-o-Q due to variation in shipments on quarter to quarter basis.
- Focus on value-added segment and cost optimization has resulted in better EBITDA performance, higher by 13% Y-o-Y and 5% Q-o-Q
  - EBITDA margin improved to record high 20.1%.

## Textile – Quarterly Trend



\* Exceptional item of Rs. 9.57 Cr. reported during Q3 FY 20 adjusted in revenue for like to like comparison.

# Efficient Capital Allocation (9M FY21) & Key Ratios



## Key Ratios

Rs. 821 cr.  
Gross Debt

Rs. 783 cr.  
Net Debt

0.33x  
Net Debt/Equity

14%\*  
ROCE\*

12%\*  
ROE\*

\* ROCE and ROE are calculated based on trailing 12 months, including the severe impact of pandemic in Q1 FY21.



# Demerger of the Textiles business of GHCL



## Fine prints of demerger

- The Board approved a scheme of demerger where **Textiles business of GHCL will be demerged into a separate Company**
- Shareholders of GHCL will be allotted shares in the new company in the **swap ratio of 1:1, one share of Rs. 2 each for every share of Rs. 10 held in the GHCL**
- The resulting company will takeover **all the assets and liabilities of the Textile business and will be listed on NSE and BSE.**
- **No change in the shareholding pattern** of the Demerged Company.

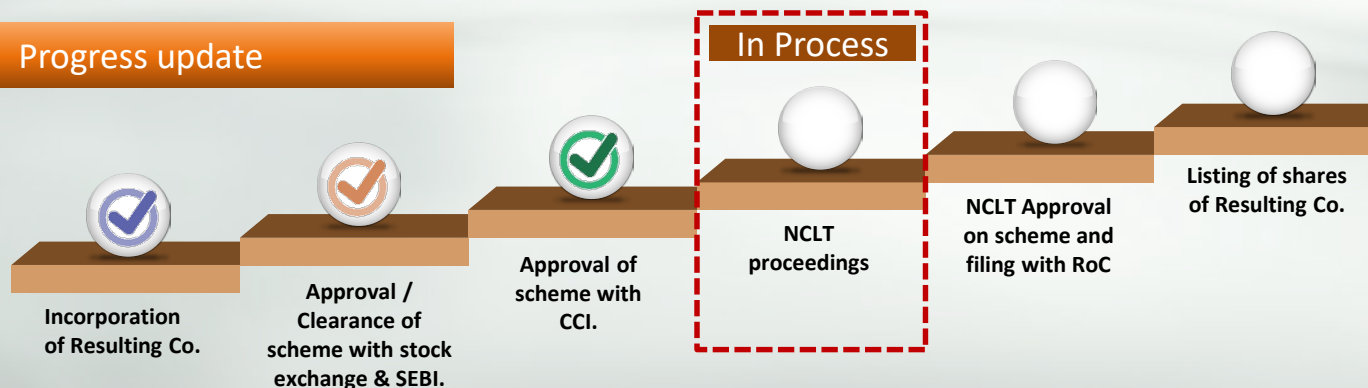


Focused growth



Concentrated approach

## Progress update



Business synergies

Filed 1<sup>st</sup> motion application on 22<sup>nd</sup> Dec 2020, Hon'ble NCLT has pronounced order on 22<sup>nd</sup> Jan 2021.

*Signature*

# Company Overview



# GHCL – An Introduction



## Best-in-class

- Operations management
- CAPEX planning and execution
- Financial management



- Focused management approach
- Strategy led by professional management team



## Targeting

- To grow profits at a CAGR 20% on a long term horizon
- To inculcate value systems that defines our culture
- To drive sustainable inclusive growth involving all stakeholders

**2<sup>nd</sup>** Largest manufacturer of Soda Ash in India,  
with 25% market share

**11.00**

Lac MT  
Soda Ash Capacity

**45**

MN MT Textile  
Processing Capacity

**1.85**

Lac  
Spindle Capacity

**90%+**

Capacity Utilisation  
Soda Ash

**17%**

5-Year PAT CAGR  
Rs.407 Cr from Rs.  
183 Cr

**17%\***

Return on Capital  
Employed (ROCE)



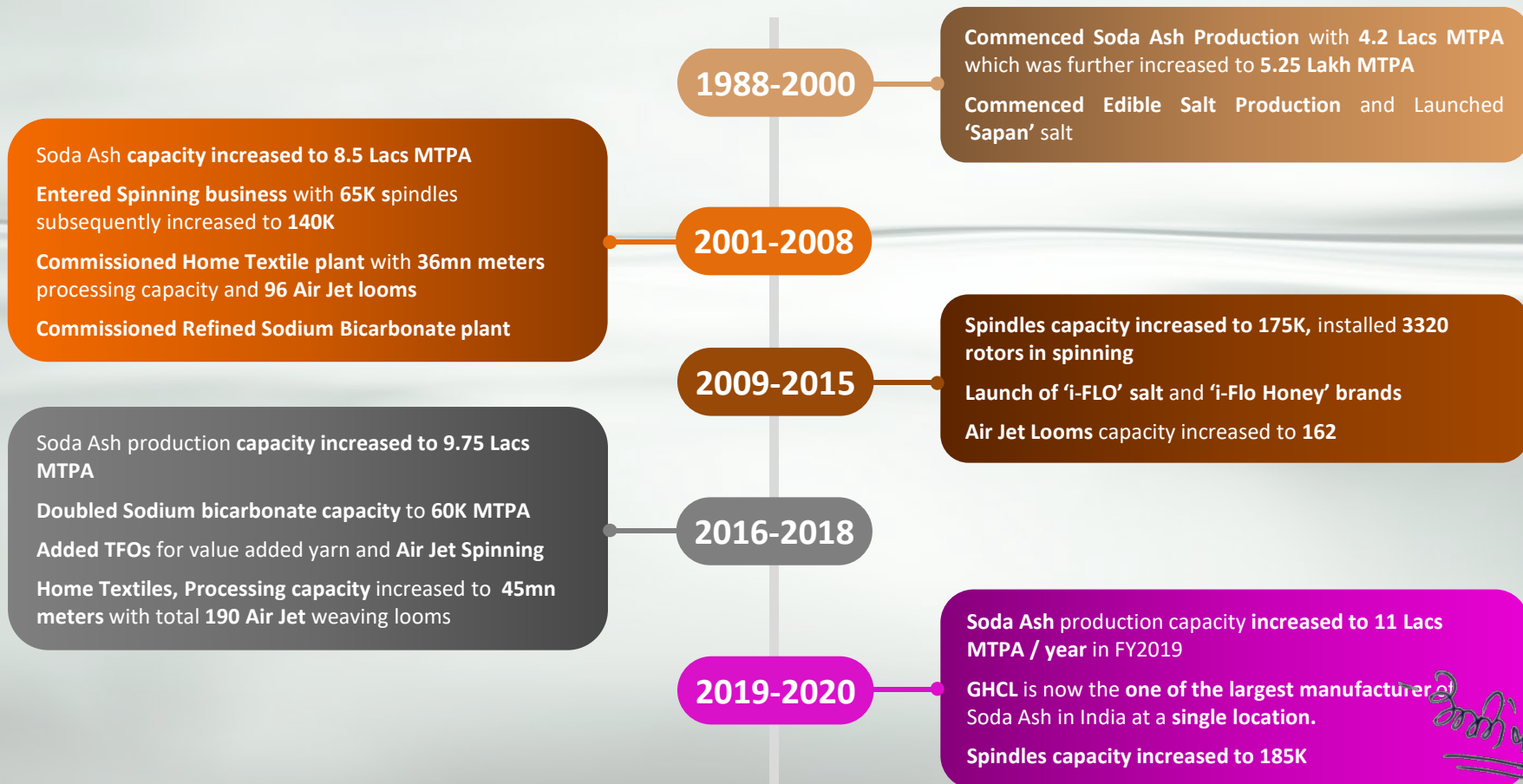
# GHCL Overview



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# Evolution of GHCL through the years



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# Spearheaded by distinguished management



**R S Jalan**  
*Managing Director*



**Raman Chopra**  
*CFO & Executive Director*

## Experienced and accomplished Board of Directors

**Mr. Sanjay Dalmia**  
(Chairman)

**Mr. Anurag Dalmia**  
(Vice Chairman)

**Mr. Neelabh Dalmia**  
(Executive Director, Textiles)

**Justice (Rtd.) Ravindra Singh**  
(Independent Director)

**Dr. Manoj Vaish**  
(Independent Director)

**Mrs. Vijaylaxmi Joshi**  
(Independent Director)

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

**Mr. Lavanya Rastogi**  
(Independent Director)

## Resilient Operational Team

**NN Radia**  
*President & COO, Soda Ash*

**M. Sivabalasubramanian**  
*CEO, Spinning*

**Biswarup Goswami**  
*CHRO*

**Bhuwneshwar Mishra**  
*Company Secretary*

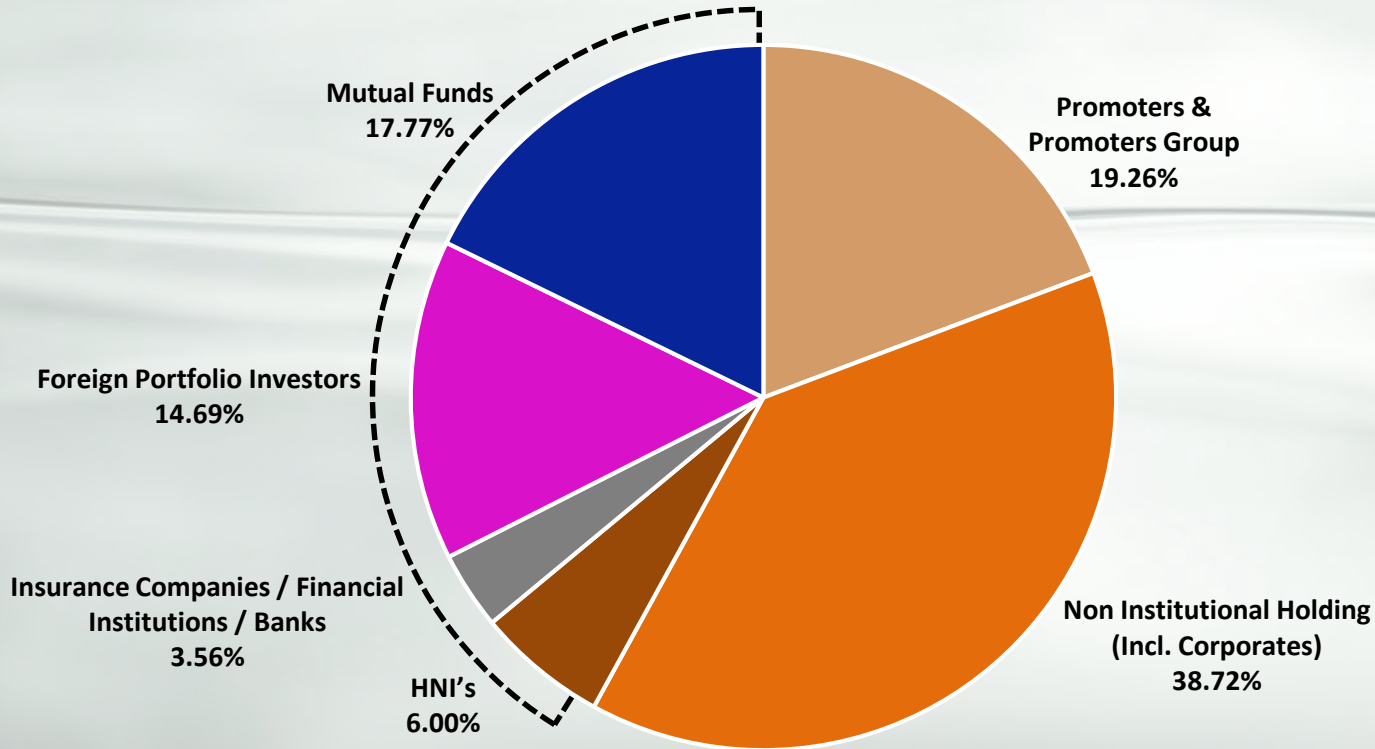
# Core Values at forefront

- GHCL is an unique work place 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.



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## Strong Institutional & HNI Holding – ~42%



**MF holding has increased to 17.77% in Dec-20 From 16.72% in Mar-20.**

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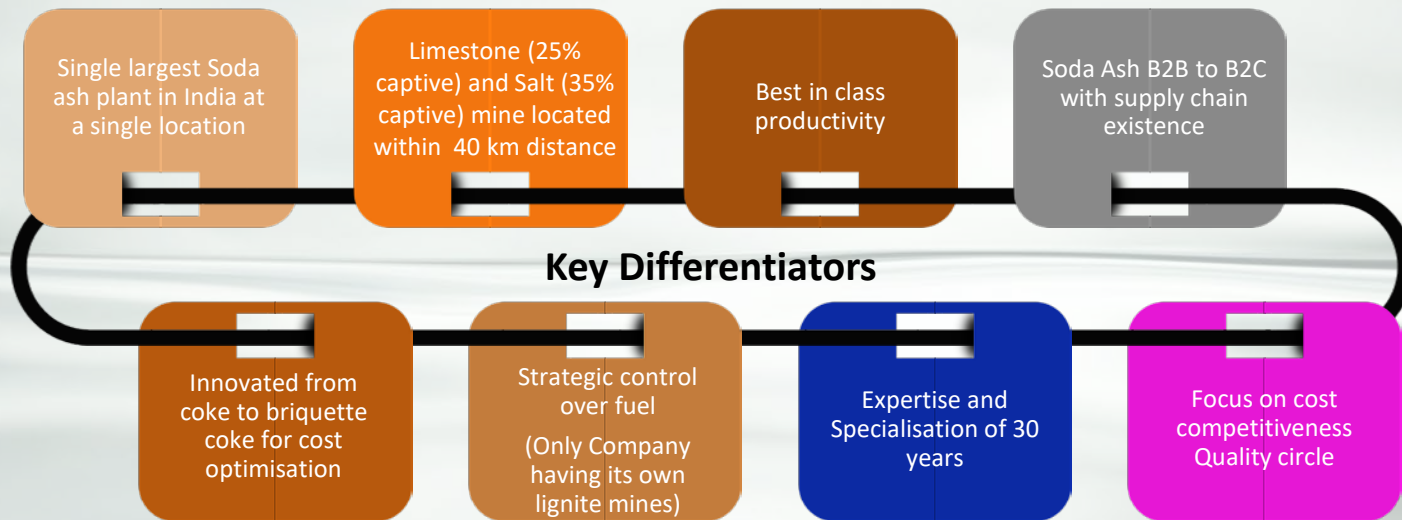
# Inorganic Chemicals



The choice of a healthy family!

- 20/11/2023

# Commanding leadership in Soda Ash manufacturing



## Margin Leadership

\* Based on last 3 year's average EBITDA Margin.

**+90%**

Capacity utilization;  
Highest in industry

**11.00L MT**

Soda ash capacity;  
25% market share of  
domestic demand

**+30%\***

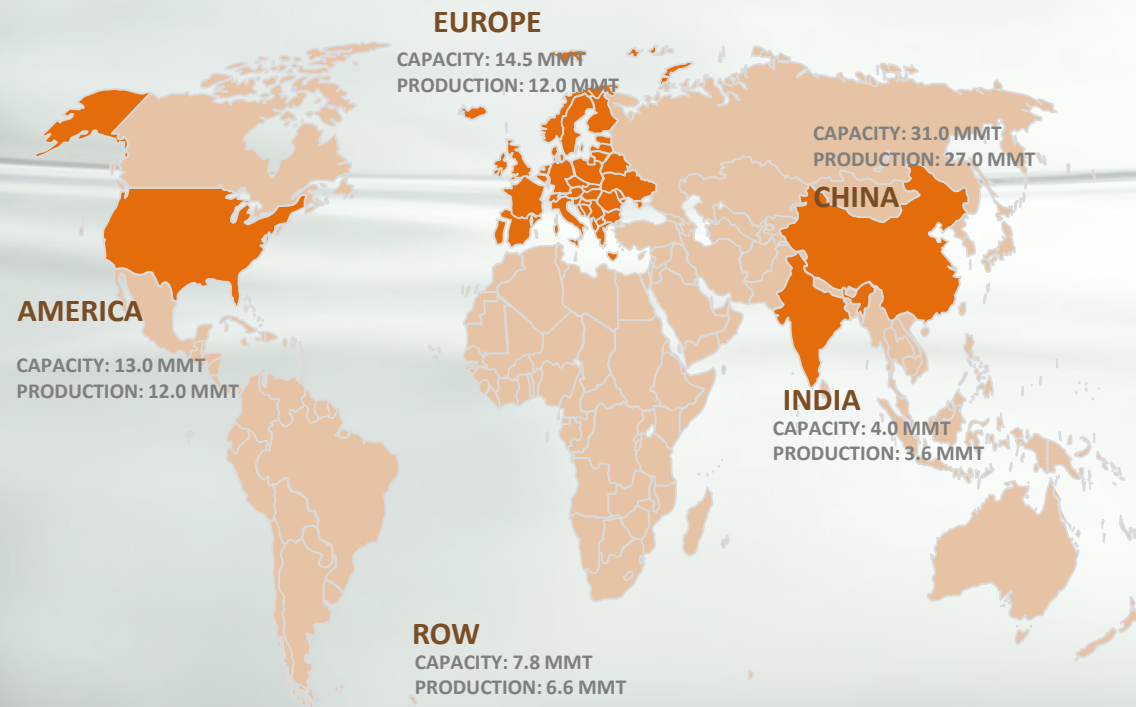
EBITDA Margins;  
consistent high  
margins

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# Global outlook on the Soda Ash industry



**GLOBAL SIZE: CAPACITY-70 MMT, PRODUCTION-61 MMT**



## Soda Ash Market Outlook

World Soda Ash markets witnessed some improvement, though overall demand remains far from normal and subdued with dip in prices in most geographies.

- **China:** Markets witnessed improvements with growing economic activities. Domestic demand is recovering due to revival in flat glass. Prices were supported by moderate production levels. Exports for the last 10 months are up by 2.3% yoy.
- **Europe:** Despite concerns around new Covid-19 strain, markets have strengthened due to stable container glass and improving flat glass segments.
- **Turkey:** Quite aggressive in pushing exports despite weak global markets. A weak Turkish currency helped in favorable pricing. Further, lower exports by China helped Turkish producers to gain market share in the Asia-Pacific region.
- **US:** Production has reduced due to high inventories and weak market conditions. Domestic demand remained low and uncertain. Exports are adversely impacted due to lack of demand from South-America and South East-Asia along with strong competition from Turkey.

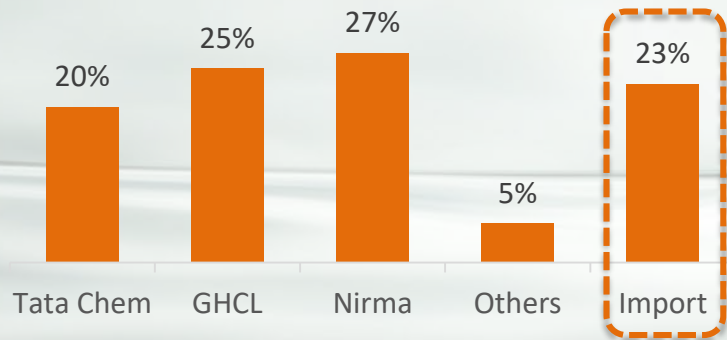
Globally market is growing @ 2.0% pa CAGR requiring around 1.2Mn MT additional supplies every year.

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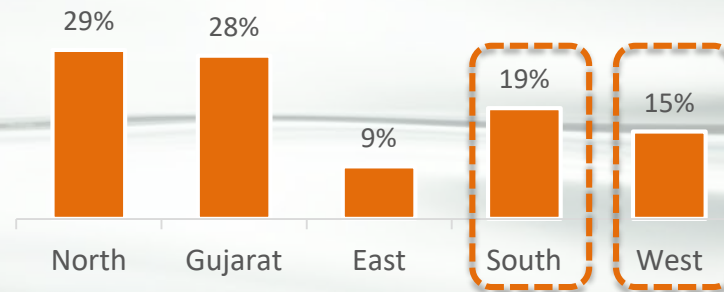
# Soda Ash Dynamics (Domestic Industry)



## Domestic Market Share

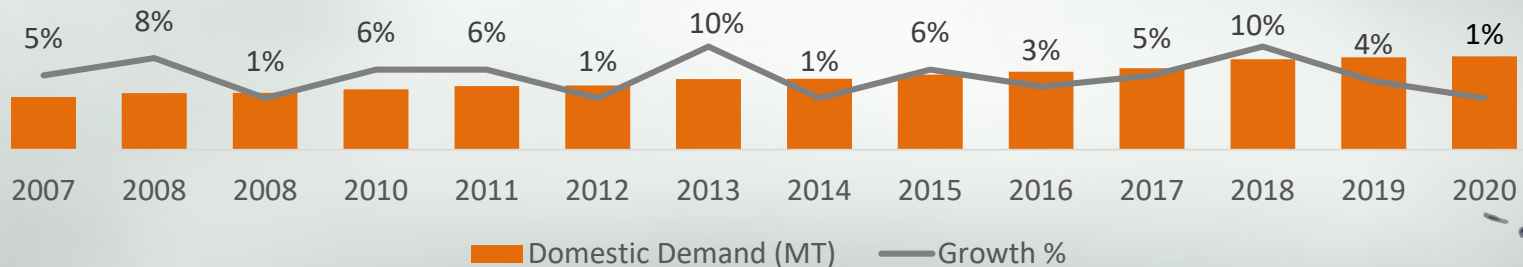


## Domestic Demand Concentration



\* Based on External demand for FY19 (Source : IMA)

## Domestic Demand & Growth Trend (CAGR Growth of 5% during period)



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# At GHCL, Soda Ash is managed unlike any commodity

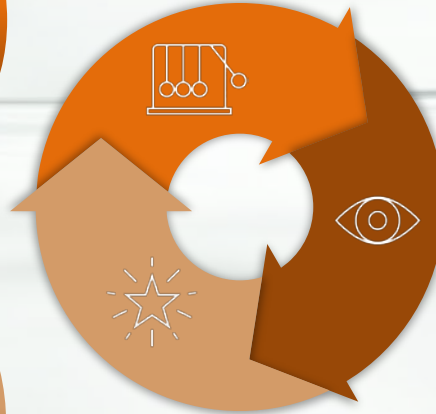


## Balanced Demand & Supply Scenario

- Historically, no mismatches in Demand supply as supply always followed demand globally

## Excellence in Execution

- Sustaining high utilization rates while maintaining periodic enhancement in capacities. Achieved through better planning and maintenance practices



## Visibility of Earnings

- Soda Ash business has consistently performed well with steady realizations and margins

Assured visibility on growth through managed execution of highly efficient capacities

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# Application diversity of Soda Ash across end-user industries



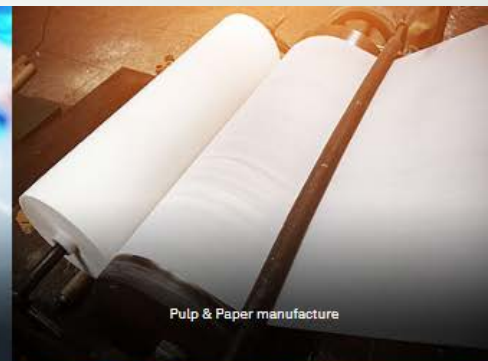
Soap & Detergents



Glass Manufacturing



Chemicals



Pulp & Paper manufacture



Textile Industry



Non-Ferrous Metallurgy



Water Treatment



Mining

30/01/2023

# Inorganic Chemicals – Sodium Bicarbonate



Specialization and experience in manufacturing of around a decade

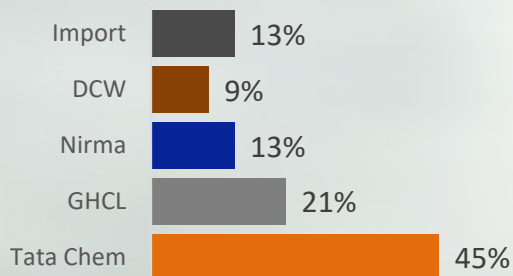
Doubled capacity from 30,000 to 60,000 MT in December 2017

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

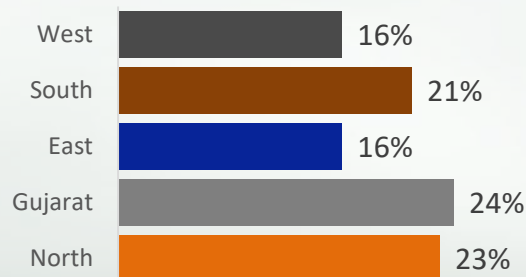
Used in Cooking, Pharmaceuticals, Fire Extinguishers, pH balancer, and Cleaning agent



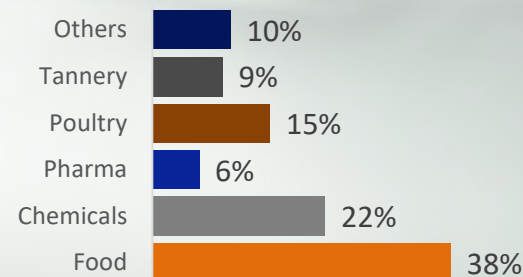
Domestic Demand Share



Domestic Demand Concentration



User Segment spread



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# Key Application of Sodium Bicarbonate

Tannery



Pharma



Food



Animal Feed



Chemicals

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

*Signature*



# Marquee Clients



GUJARAT  
BOROSIL  
LIMITED



- 20/11/23

# Textiles Segment

REKÖÖP  
RECYCLED WITH CERTAINTY



30th March

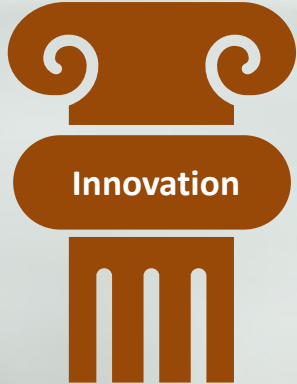
# GHCL's Home Textile 4 Pillar Strategy



Sustainability



Traceability



Innovation

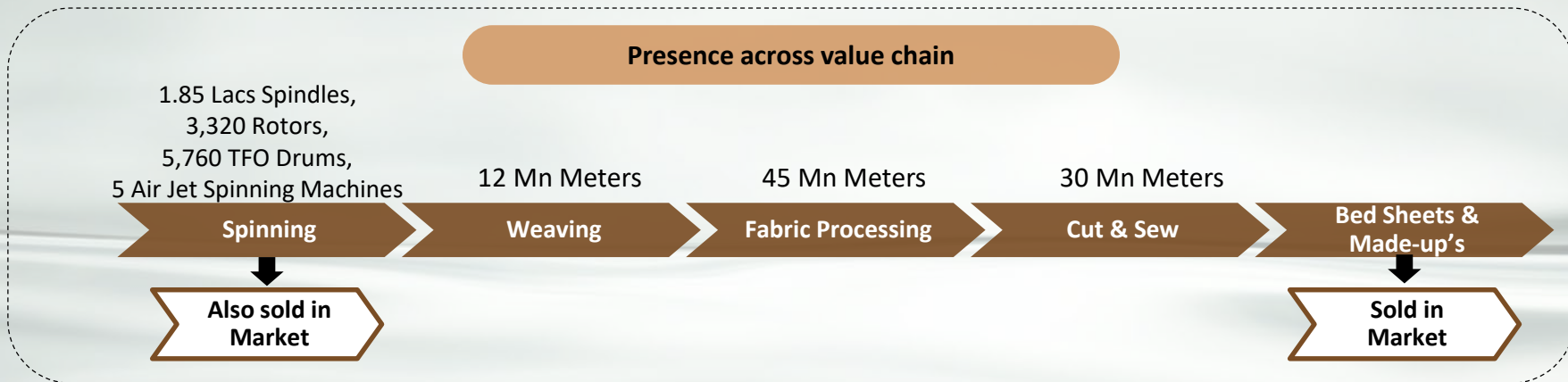


Exceeding  
Expectation



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# Complete Integration improving the efficiency



- **Spindle capacity close to double of home textile requirement giving an opportunity to benefit from expansion of sheeting capacity**
  - Spinning unit located near Madurai in Tamil Nadu
  - Yarn ranging from 16s to 32s in open end, 30s to 120s in ring spun compact counts in 100% cotton and 24s to 70s counts in blended yarns
  - 27.2 MW windmill capacity
- **State-of-the-art Home Textiles facility at Vapi with weaving, processing and made ups**
  - Best of plants and equipment sourced from Germany and Japan - Beninger, Kuster, Monforts
  - Flexibility to process both cotton and blended fabrics.

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# Marquee Clients



**KOHL'S**



**BED BATH &  
BEYOND**



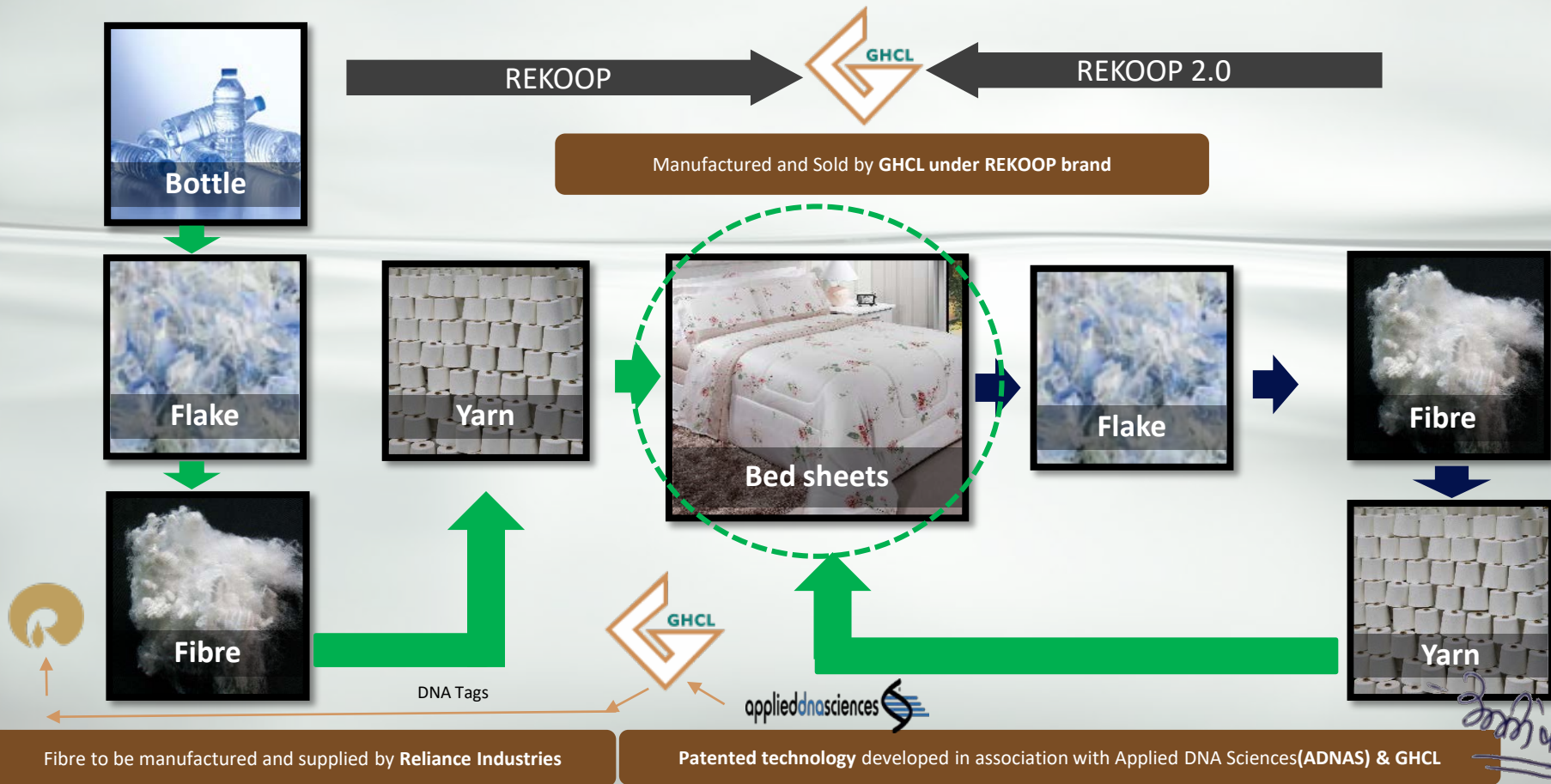
**Sainsbury's**

**amazon.com**

 **Walmart.com**

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# Reinventing the REKOOP to REKOOP 2.0



# Focus on driving profitable growth



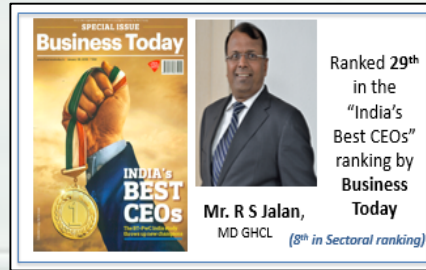
# Awards & Recognitions



Referred as **Great Place to work** in four consecutive years of participation



Awarded trio of Golden Peacock awards for **Corporate Governance, Corporate social responsibility** and **National Quality**



## Mine Award

GHCL Limestones Mines received Mine award under A2 category at 26th Mines Environment and Mineral Conservation week



## SIMA Technofacts Award

GHCL Yarn division received SIMA Technofacts Award at the 13th CEO Conference



## Par Excellence Award

Won 'Par Excellence Award' at the 6th National Conclave on 5S, Ankleshwar Chapter, Quality Circle Form of India (QCFI)



# About Us



**GHCL Limited** was incorporated on 14th of October 1983. The Company has established itself as a well-diversified group with an ascertained footprint in chemicals, textiles 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). Its Textiles operations is an integrated set up which commences right from spinning of fiber (yarn), weaving, dyeing, printing till the finished products, like sheets & duvets, take shape which are primarily exported worldwide. GHCL's Home Textiles products are predominantly exported worldwide to countries like United Kingdom, United States of America, Australia, Canada, Germany and other European Union countries as well. 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 Team work).

For more information please visit us at [www.ghcl.co.in](http://www.ghcl.co.in)

## Contact Us:

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**[nishid@cdr-india.com](mailto:nishid@cdr-india.com)**

A handwritten signature in black ink is located in the bottom right corner of the slide. The signature is stylized and appears to be written in a cursive or semi-cursive script.

The background of the slide is a photograph of a large industrial facility, likely a chemical or petrochemical plant. It features numerous tall distillation columns, a complex network of pipes, and large storage tanks. A white van is parked on a road in the foreground. The image is overlaid with a semi-transparent orange and white graphic that frames the central text.

# Thank You

*— 20/11/23*