



DRIVING EXCELLENCE

GHCL LIMITED

Q2 FY22 Investor Update

October 2021



Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by GHCL Limited (the “Company” or “GHCL”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Table of Contents

Quarterly Update

4

Company Overview

17

Inorganic Chemicals Segment

24

Textiles Segment

34

Handwritten signature

Quarterly Update



— *સાચી વાત* —



“Actively evaluating opportunities to diversify into specialty and other bulk chemicals within Inorganic Chemicals segment.”

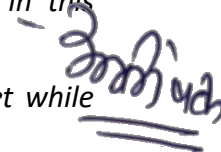
Commenting on the Q2 FY22 performance, Mr. R. S. Jalan, MD said:

“We have demonstrated solid performance during the quarter under review after swiftly navigating through the severe second wave of Covid-19 pandemic. The performance was bolstered by steep economic recovery across the country validated by sequential uptick in demand cycles and positive pricing scenario. In addition, improved vaccination coverage and a growing sense of normalcy have led to enhanced consumption, especially from June onwards.

Our Inorganic Chemicals segment continues to witness strong demand from downstream segments. There is a significant increase in energy and raw material costs. However, with favorable demand scenario we have been able to pass this increase to our customers. We remain on track to further cement our leadership position in Inorganic Chemicals through modular expansion, debottlenecking and operating excellence. That said, our focus on diversifying from the soda-ash business and expand product basket remains unabated.

Spinning continues to witness robust growth, with yarn and cotton prices at historic highs, and improving spreads. The home textile business also saw sharp jump in revenues, led by higher sales to US and other export markets. We remain focused on adding new value-added products in this segment to boost our performance.

Going forward, we are confident of generating strong cash flows with healthy balance sheet while delivering sustained earnings performance.”



Performance Highlights – Q2 FY22



Q2 FY22
Vs
Q2 FY21

27%

24%

41%

40%

49%

Revenue
₹ 987 crore

EBITDA
₹ 201 crore

PBT
₹ 149 crore

PAT
₹ 109 crore

Cash Profit
₹ 165 crore

Q2 FY22
Vs
Q1 FY22

16%

7%

8%

8%

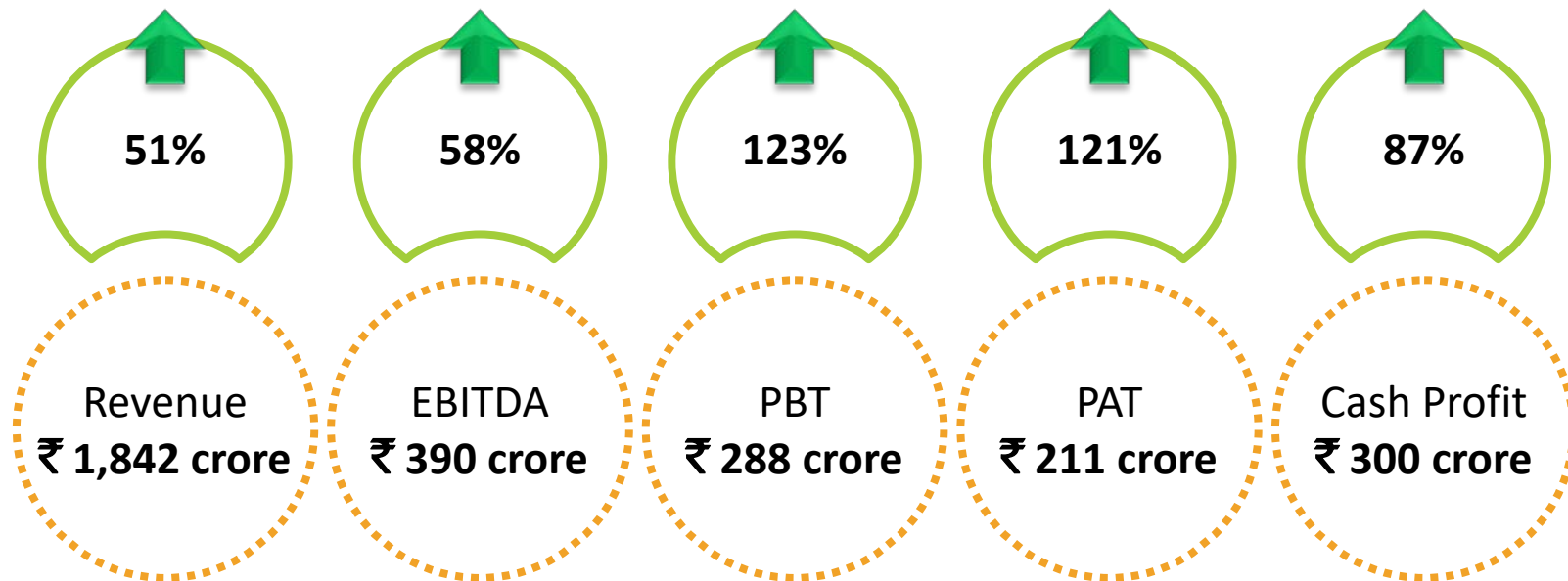
22%

2022/23

Performance Highlights – H1 FY22



H1 FY22
Vs
H1 FY21



Signature

Profit & Loss Statement



(Rs. In Crore)

Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q	H1 FY22	H1 FY21	Y-o-Y
Revenue	987	779	27%	854	16%	1,842	1,220	51%
Operating Expenses	786	617	27%	666	18%	1,452	973	49%
EBITDA	201	162	24%	189	7%	390	247	58%
EBITDA Margin	20.4%	20.8%	(40 BPS)	22.1%	(1.7)%	21.2%	20.2%	1%
Depreciation	35	33	6%	34	4%	69	66	4%
EBIT	166	129	29%	155	7%	321	181	78%
Interest	17	23	(27%)	17	3%	34	52	(35%)
Exceptional Item	--	--	--	--	--	--	--	--
Profit Before Tax	149	106	41%	138	8%	288	129	123%
Tax	40	28	44%	37	8%	77	34	127%
Profit After Tax	109	78	40%	101	8%	211	95	121%

Handwritten signature

Resource allocation & Key financial ratios



Efficient Capital Allocation



Key Ratio's

Gross Debt		Net Debt	
Rs. 726 cr.		Rs. 697 cr.	
Net Debt/Equity	ROCE *	ROE*	
0.26x	18%	16%	

* ROCE and ROE are calculated based on trailing 12 months.

Balance Sheet



(Rs. In Crore)

Particular	Sept 2021	March 2021
Non Current Assets (A)	2,930	2,893
Current Assets (B)	1,212	1,099
Current Liabilities (C)	464	444
Net Working Capital (D)=(B)-(C)	747	654
Capital Employed (A)+ (D)	3,678	3,547
Net Worth (E)	2,669	2,502
Other Non Current Liabilities (F)	283	277
Long Term Debt (G)	457	564
Short Term Debt (H)	269	204
Total Debt (J)=(G)+(H)+(I)	726	768
Capital Employed (E) + (F) + (J)	3,678	3,547

Handwritten signature

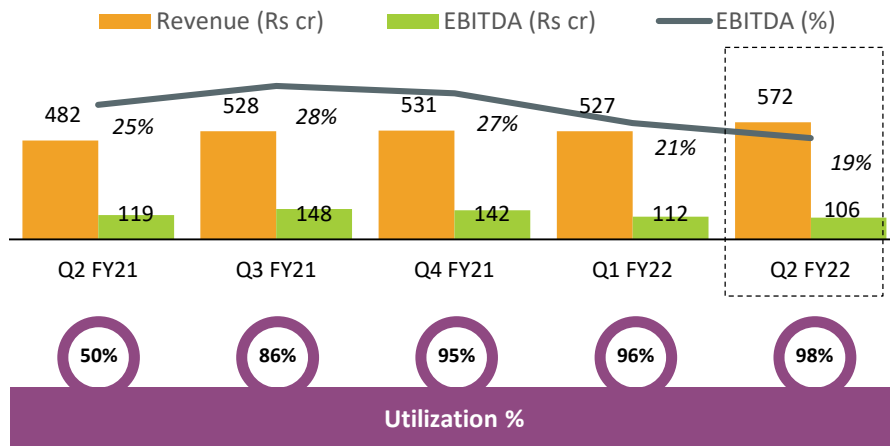
Q2 FY22 Segment Highlights – Inorganic Chemicals



(Rs. In Crore)

Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q
Revenue	572	482	19%	527	8%
EBITDA	106	119	(11%)	112	(6)%
EBITDA %	18.5%	24.6%	(6.1)%	21.2%	(2.7%)

Inorganic Chemicals – Quarterly Trend



Performance Highlights

- ❖ Reported significant improvement in revenues Y-o-Y fueled by volume gains of 12% as demand returned to pre-COVID levels across various end sectors.
- ❖ Revenues increased by 8% on Q-o-Q
- ❖ EBITDA appears moderated due to substantial increase in the utility and raw material cost.
- ❖ Able to pass on surge in energy and raw material cost with price hikes taken during Q2FY22, The impact of which would be seen in coming months.

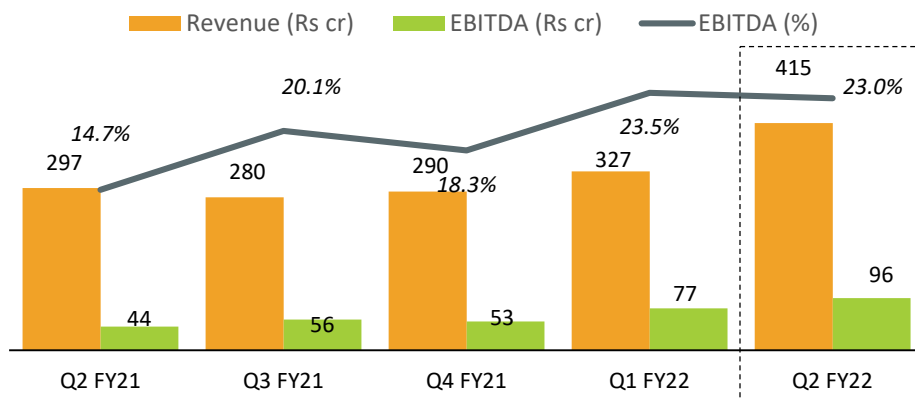
Q2 FY22 Segment Highlights – Textiles



(Rs. In Crore)

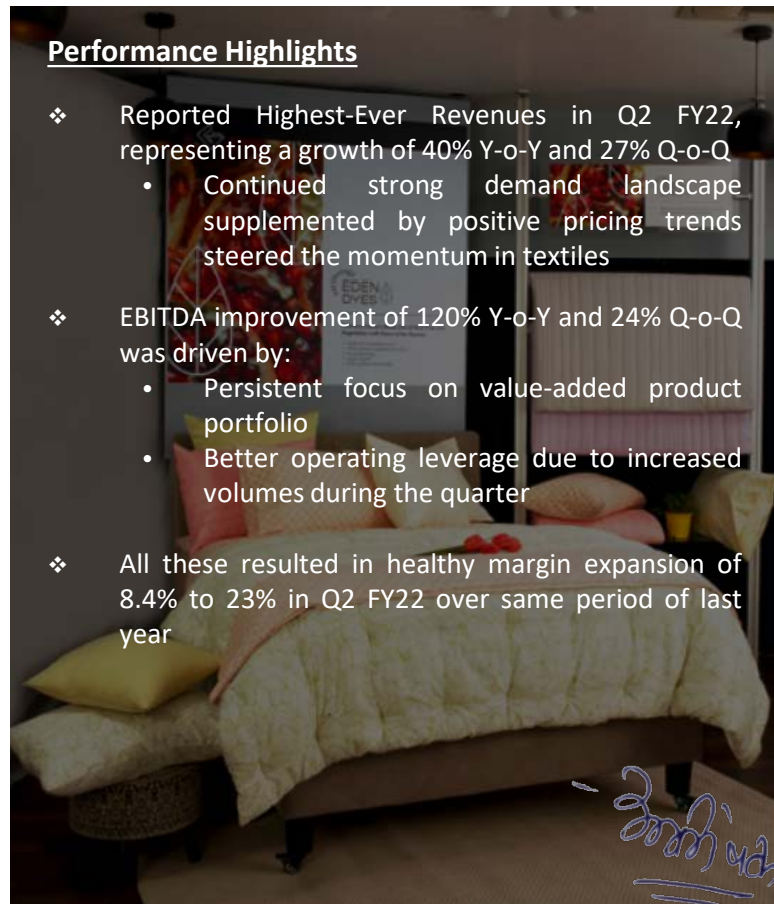
Particulars	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q
Revenue	415	297	40%	327	27%
EBITDA	96	44	120%	77	24%
EBITDA %	23.0%	14.7%	8.4%	23.5%	(50BPS)

Textile – Quarterly Trend



Performance Highlights

- ❖ Reported Highest-Ever Revenues in Q2 FY22, representing a growth of 40% Y-o-Y and 27% Q-o-Q
 - Continued strong demand landscape supplemented by positive pricing trends steered the momentum in textiles
- ❖ EBITDA improvement of 120% Y-o-Y and 24% Q-o-Q was driven by:
 - Persistent focus on value-added product portfolio
 - Better operating leverage due to increased volumes during the quarter
- ❖ All these resulted in healthy margin expansion of 8.4% to 23% in Q2 FY22 over same period of last year



Recent updates



- ❖ CRISIL Ratings assigned CRISIL AA -/Stable (i.e., Double A Minus with Stable outlook) to GHCL Limited for issuance of Non-Convertible Debentures (NCD) of Rs. 150 crore, which may be issued within a period of 180 days.
- ❖ During last quarter CARE updated rating to AA-.



- ❖ Undertaken the initiative to vaccinate all the direct and indirect workforce and the cost is borne by the company:
 - ❖ 98% of the workforce have vaccinated so far.
 - ❖ 76% of the workforce have been administered with both the dose of vaccine.
- ❖ Roll out the policy for financial assistance to families of deceased workforce impacted by CoVID.



- ❖ Crowned with Great place to work recognition for 5th time in a row;
 - ❖ 7 point jump this year, Trust Index from 80 to 87; Top hundred companies are at the index of 86.
 - ❖ Recognized among one of the best chemicals business.



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

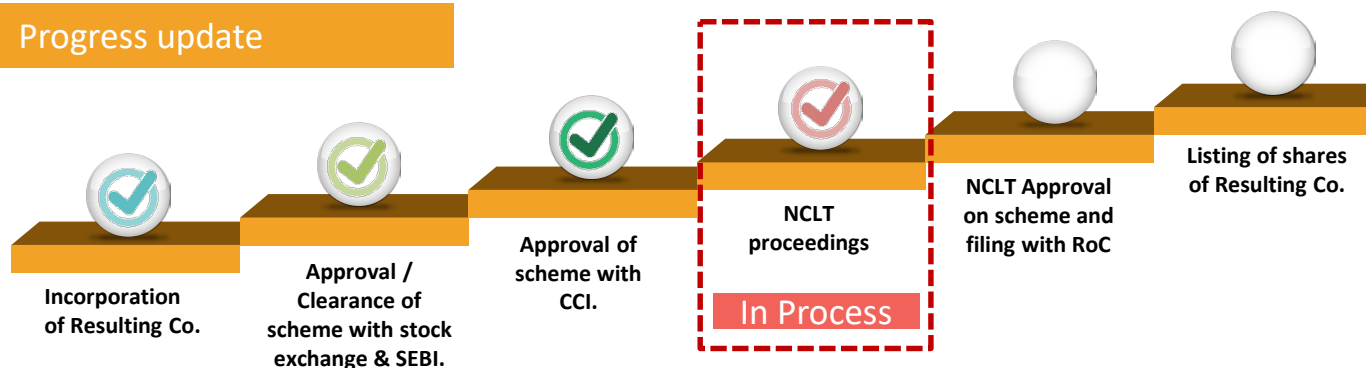


Concentrated approach



Business synergies

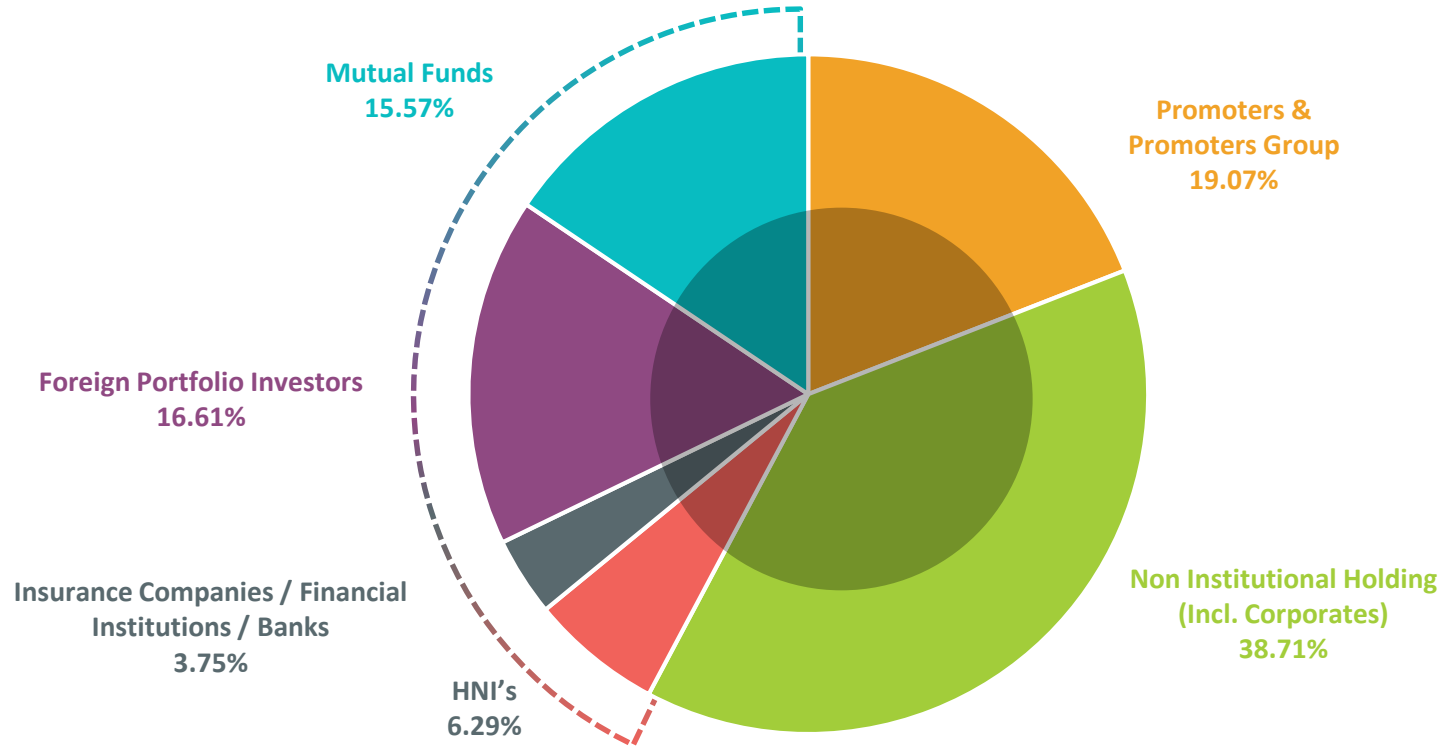
Progress update



2nd motion petition was heard on 23rd Aug 2021, Next hearing is scheduled on 23rd Nov 2021..

2021/11/23

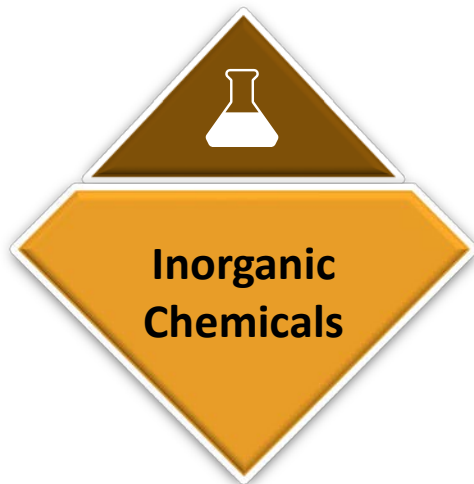
Strong Institutional & HNI Holding – ~42%



Note: Shareholding as of September 30, 2021; HNI - Individuals holding share capital in excess of Rs. 2 lakhs.

Signature

Focus on driving responsible future growth



- ❖ Debottlenecking of existing soda ash facility by 50k MT, along with modular greenfield project.
- ❖ Doubling RBC Capacity from 60k to 120K MT.
- ❖ Augmenting our backward integration of raw material for control on cost.
- ❖ Inducting AI & IoT 4.0 at plant level for manufacturing excellence which can enable immense efficiencies.
- ❖ Exploring product basket expansion.



- ❖ Expansion of Spinning facility.
- ❖ Focus on green energy.
- ❖ Value added and Quality products.
- ❖ Customer realignment and operating excellence.
- ❖ Emphasis on sustainability and innovation as core planks.

Signature

Company Overview



સાગર પાલ

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 15%-18% on a long term horizon
- ❖ To inculcate value systems that defines our culture
- ❖ To drive sustainable inclusive growth involving all stakeholders



11
45
1.85
<1.0

Lac MT Soda Ash Capacity

MN MT Textile Processing Capacity

Lac Spindle Capacity

Debt to equity ratio maintained over the last 3 years

2nd

Largest manufacturer
of Soda Ash in India,
with 25% market
share

Capacity Utilisation of Soda Ash

Operating locations across India

Return on Capital Employed (ROCE)

Capital expenditure (Rs. Cr)

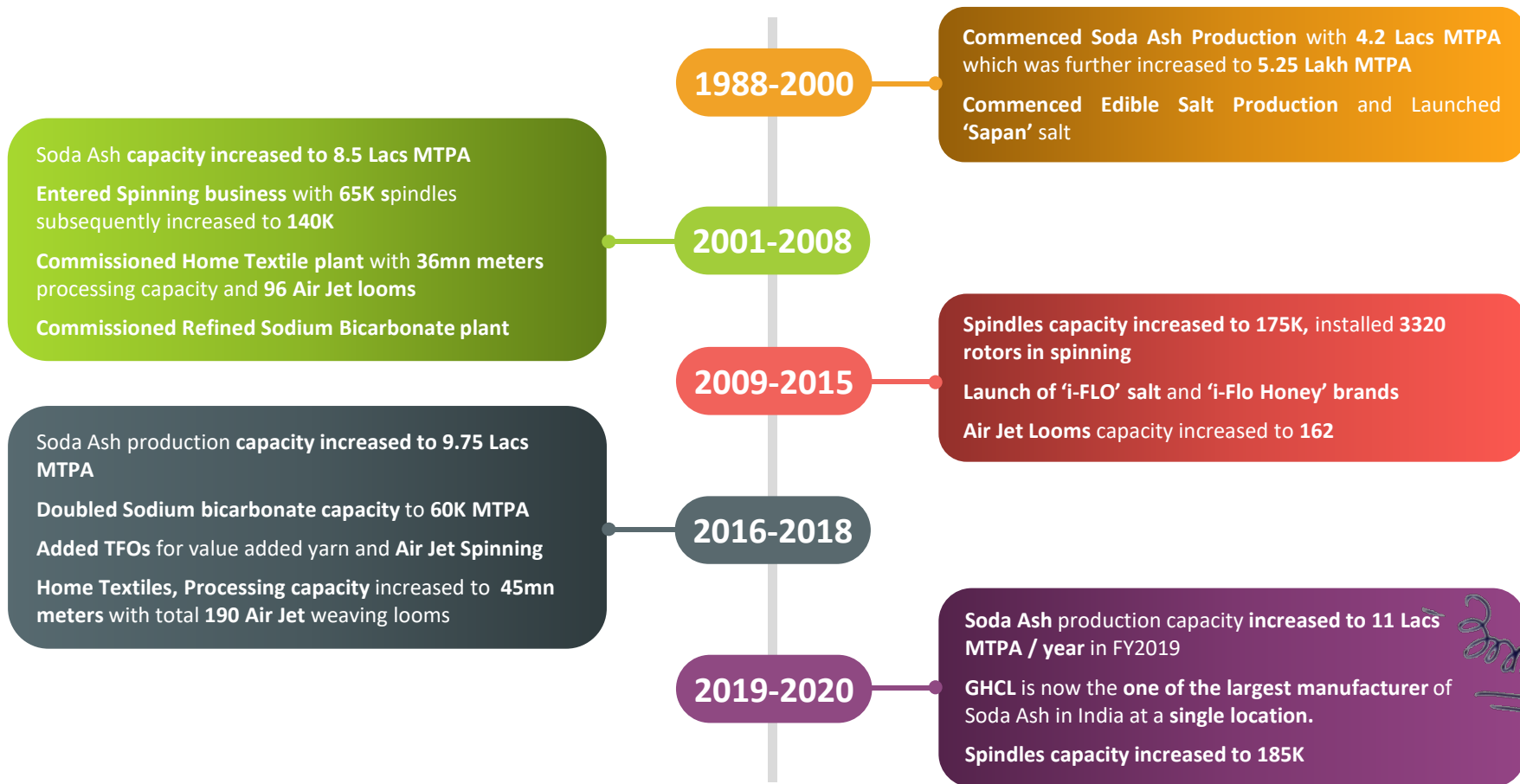
90%+
10
14%
112

GHCL Overview



Pragya

Evolution of GHCL through the years



Sustainability Vision 2023



GHCL's business goals include sustainability. To embed sustainability in business and operations, concentrating attention on material concerns like environmental management, culture, and employee health and engagement, in order to ensure long-term success while still living up to core values.



Zero harm

- ❖ Zero reportable injuries
- ❖ Zero environmental incidences

Responsible steward

- ❖ 20% specific freshwater consumption reduction
- ❖ 10% specific energy consumption reduction
- ❖ Green building certification for Noida office

Climate warrior

- ❖ 20% GHG emission reduction
- ❖ Implement ICP

Stakeholder centric

- ❖ 30% reduction of high-risk suppliers in supply chain
- ❖ Trusted CSR brand
- ❖ To be among Top 100 Great Places To Work (GPTW)
- ❖ Single digit overall attrition rate
- ❖ 25% female employees' representation in overall headcount & 10% in executive cadre
- ❖ Increased employment of specially-abled candidates by 50%

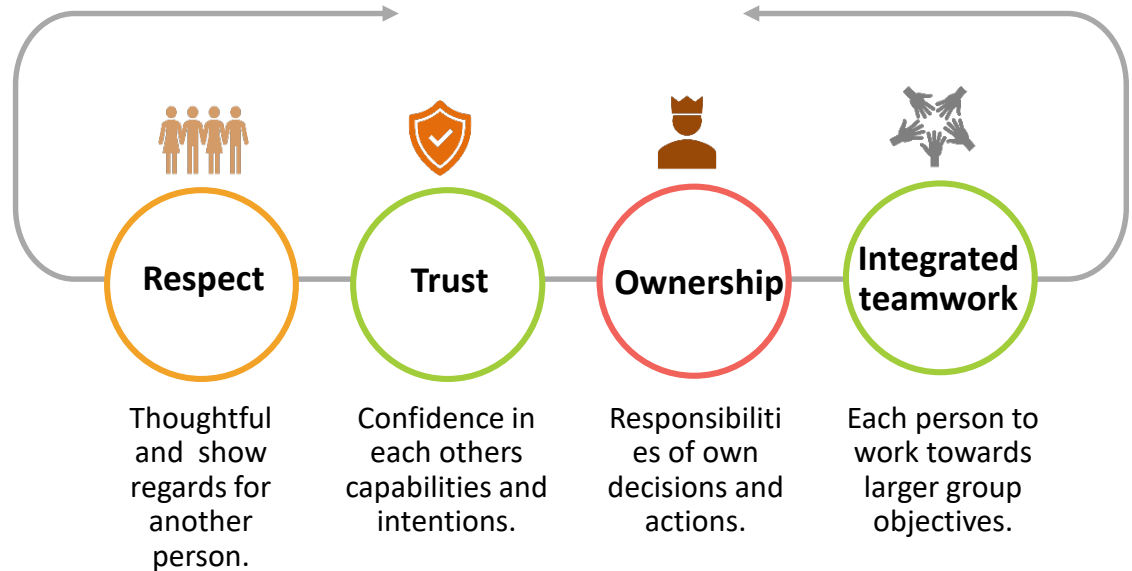


GROWTH. ACCOUNTABILITY. RESPONSIBILITY

Signature

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.



Signature

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)

Neelabh Dalmia
(Executive Director, Textiles)

Dr. Manoj Vaish
(Independent Director)

Justice (Rtd.) Ravindra Singh
(Independent Director)

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

Mrs. Vijaylaxmi Joshi
(Independent Director)

Mr. Lavanya Rastogi
(Independent Director)

Resilient Operational Team

NN Radia
President & COO, Soda Ash

M. Sivabalasubramanian
CEO, Spinning

Sunil Singh
VP, Marketing (Soda Ash)

MV Murlikrishna
CEO, Consumer Products

Biswarup Goswami
CHRO

Bhuwadeshwar Mishra
*Sr. GM Sustainability &
Company Secretary*

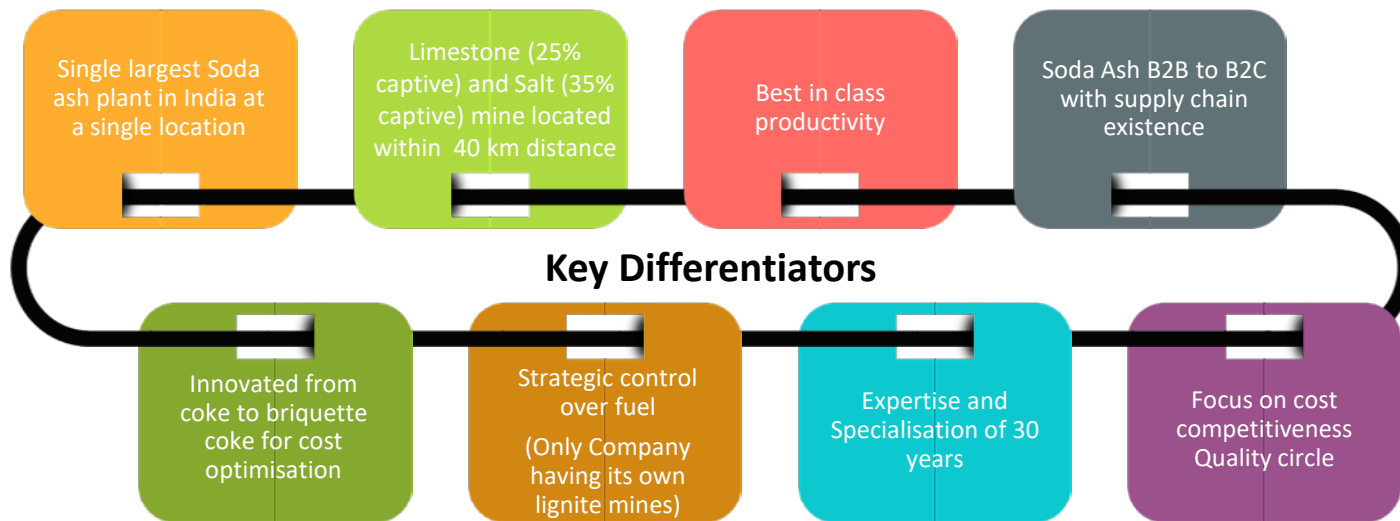
Inorganic Chemicals



The choice of a healthy family!

Handwritten signature

Commanding leadership in Soda Ash manufacturing



Margin Leadership

+90%

Capacity utilization;
Highest in industry

11 L MT

Soda ash capacity;
25% market share of
domestic demand

+30%*

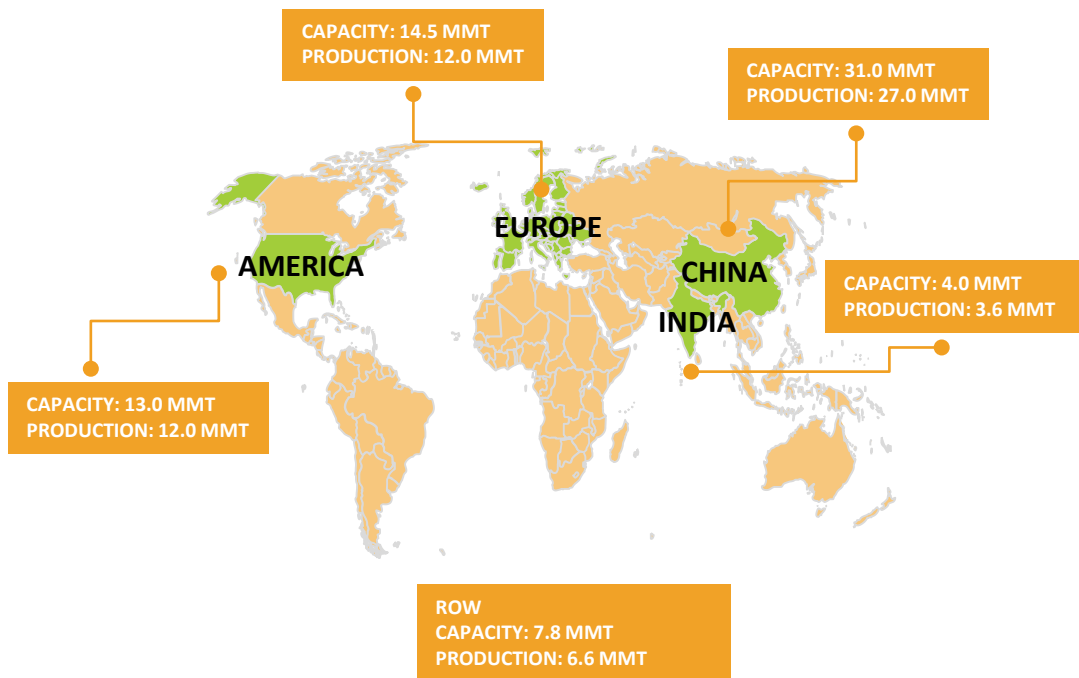
EBITDA Margins;
consistent high
margins

* Based on last 5 year's average EBITDA Margin.

Signature

Global outlook on the Soda Ash industry

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



Soda Ash Market Outlook

Global industry is yet to reach pre-CoVID level due to supply chain issues, plant closure in China, and energy crisis. However, demand for Soda Ash has improved from last year, driven by boost in demand for flat glass and solar glass. Prices have improved due to rising energy prices and disruption in international supply chain. Vessel freight have been reported at high levels and container availability still remains a challenge.

China: Strong domestic demand has resulted in exports being largely discontinued. It is now becoming an net importer of Soda Ash. Solar Glass manufacturing is emerging as a prominent segment for use of Soda Ash.

Europe: EU region has seen steady demand across all end-user segments of Soda Ash..

Turkey: Exports grew as they are now also exporting to Russia, China and SE Asia.

US: Domestic demand is strong, production and exports have reached to pre-pandemic levels. US exporters are gaining exports in SE Asia / ME markets, along with Turkey, as China withdraws to meet its domestic demand

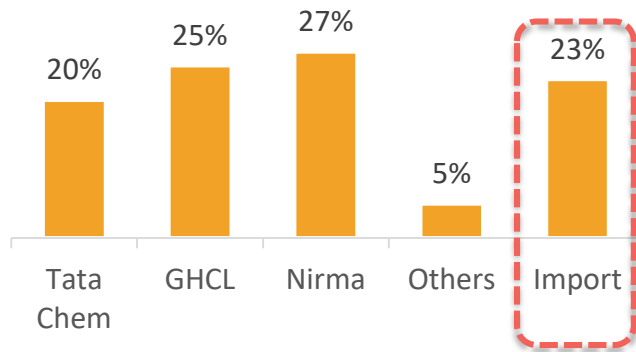
Middle East & Africa: Demand recovery is strong across all sectors as markets are opening up.

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

Soda Ash Dynamics (Domestic Industry)

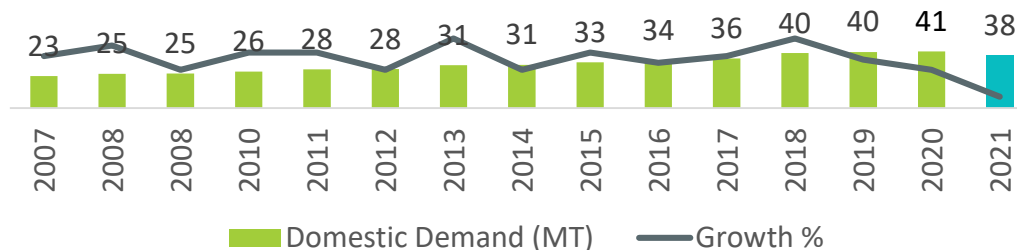


Domestic Market Share

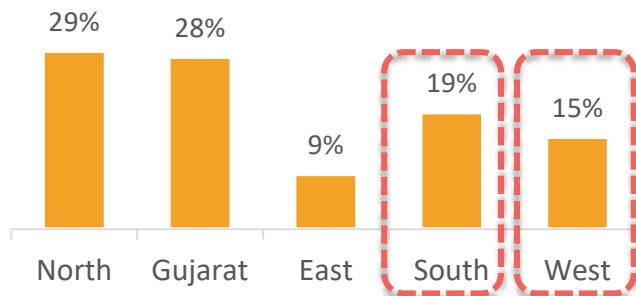


Domestic Demand & Growth Trend

(CAGR Growth of 5% during period upto FY 21)

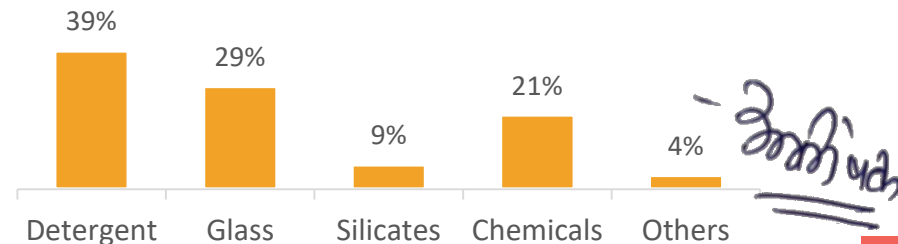


Domestic Demand Concentration



Domestic Demand Concentration

(User Segment)



At GHCL, Soda Ash is managed unlike any commodity



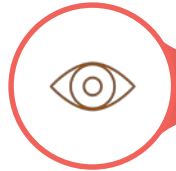
Balanced Demand & Supply Scenario

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

Signature

Application diversity of Soda Ash across end-user industries



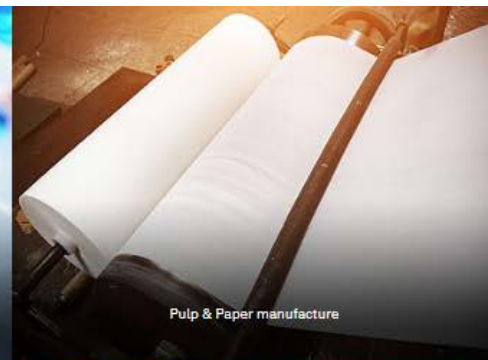
Soap & Detergents



Glass Manufacturing



Chemicals



Pulp & Paper manufacture



Textile Industry



Non- Ferrous Metallurgy



Water Treatment

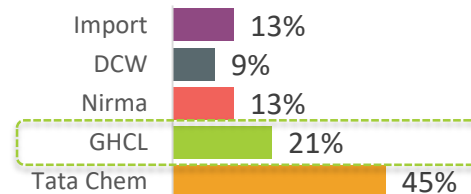


Mining

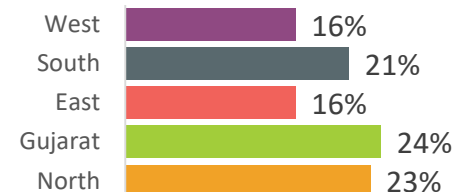
Inorganic Chemicals – Sodium Bicarbonate



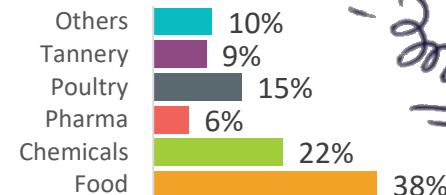
Domestic Demand Share



Domestic Demand Concentration



User Segment spread



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

Expansion and diversification in Consumer Products Division

- ❖ Premium edible Salt Manufacturer in South India
- ❖ Expansion of product portfolio under the brand i-FLO
- ❖ Venturing into the Premium Honey Category
- ❖ Introduction of new powdered spices
- ❖ Entry into new markets in Maharashtra and Goa
- ❖ Expansion of products in powered blended spices category



Handwritten signature

Marquee Clients



GUJARAT
BOROSIL
LIMITED



SAINT-GOBAIN



Signature

Textiles Segment

GHCL

CIRKULARITY
Join the Dots

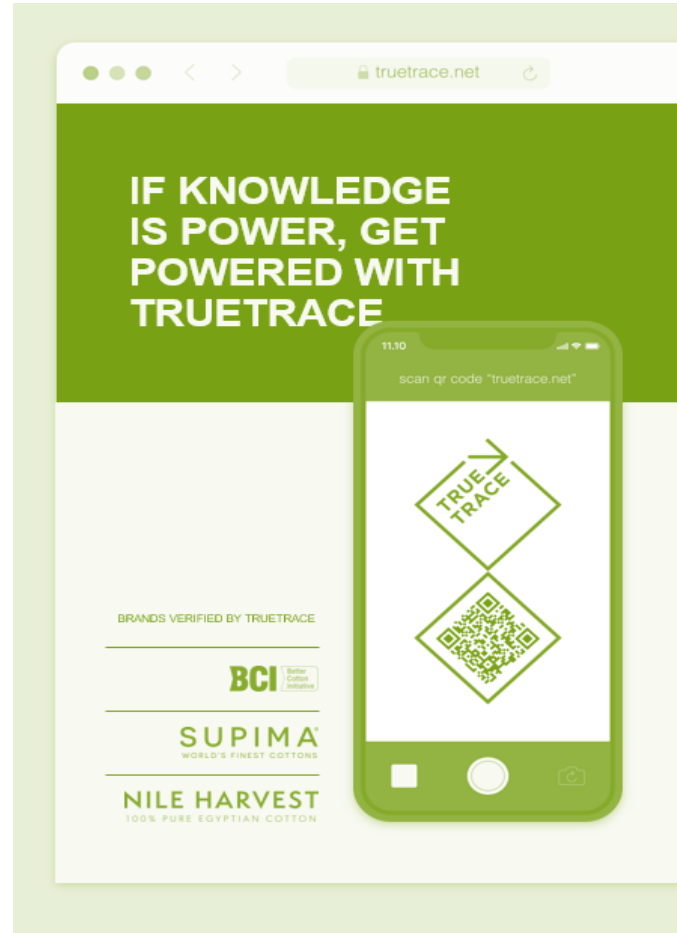
Digitized

GHCL's Home Textile 4 Pillar Strategy



- 2021/22

Leveraging technology for end to end traceability – “True trace”



One of unique inhouse development for complete traceability of product

Truth at Your Fingertips

Traceability has never been so important. TrueTrace technology makes it easier than ever to guarantee the quality and origins of your textiles.

Scan the QR code to go online and trace:

- The field and ginners of the raw fibres.
- Exact batch of fibres that made your textiles.
- Certificate numbers from local authorities who independently verified provenance.

Signature

Complete Integration improving the efficiency



PRESENCE ACROSS VALUE CHAIN

1.85 Lacs Spindles,
3,320 Rotors,
5,760 TFO Drums,
5 Air Jet Spinning
Machines

Spinning

Also sold in Market

12 Mn Meters

Weaving

45 Mn Meters

**Fabric
Processing**

30 Mn Meters

Cut & Sew

**Bed
Sheets &
Made-up's**

Sold in Market

- ❖ 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.

Signature

Marquee Clients



KOHL'S



**BED BATH &
BEYOND**



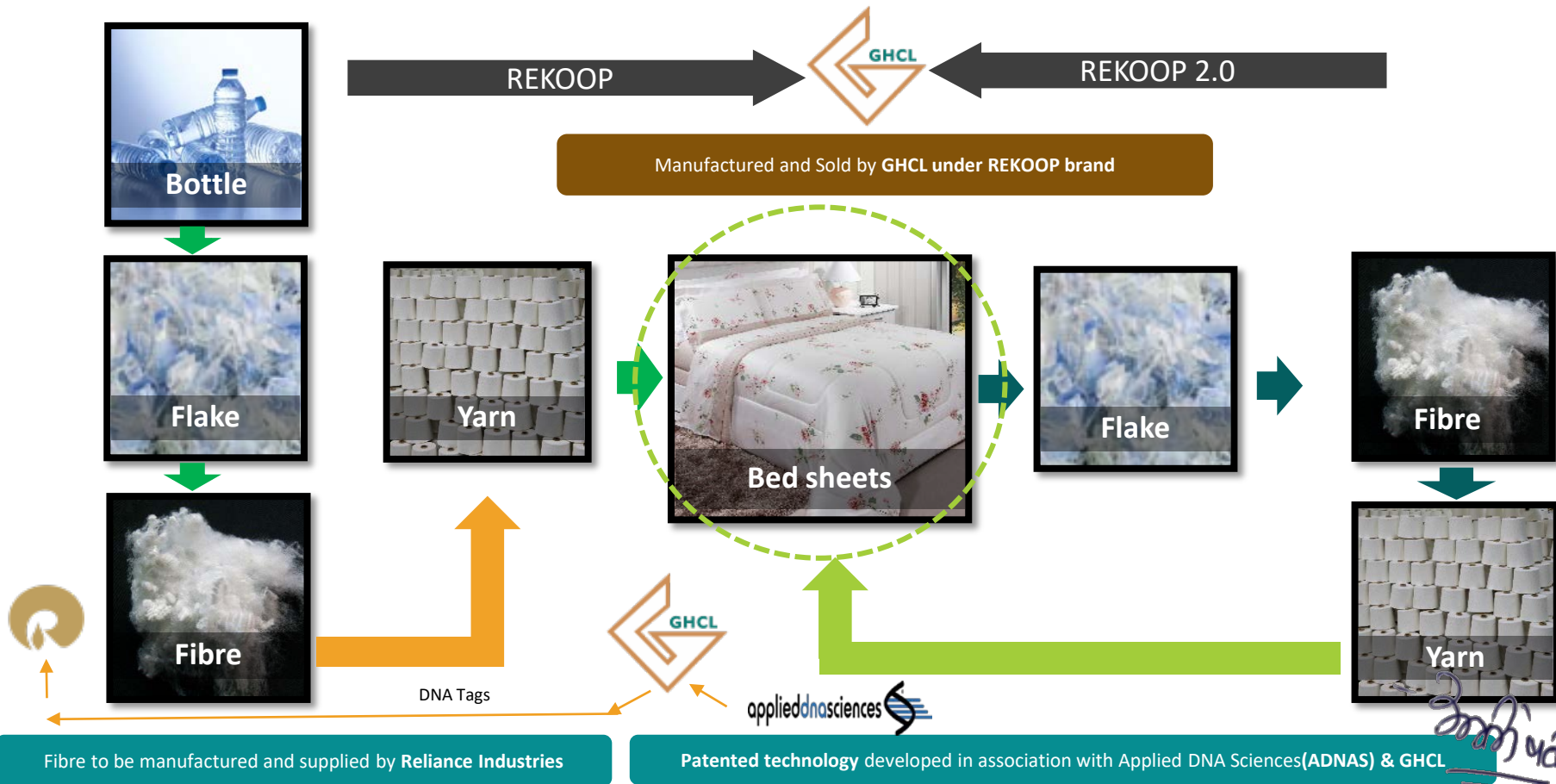
Sainsbury's

amazon.com

 **Walmart.com**

— Zorin

Reinventing the REKOOP to REKOOP2.0



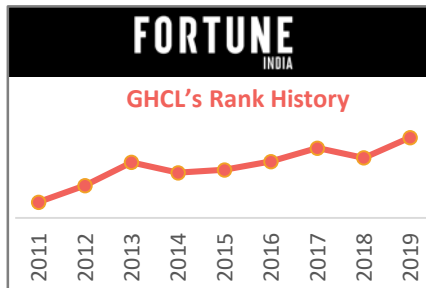
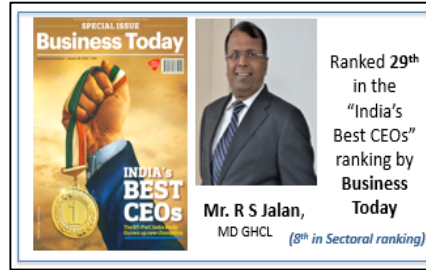
Awards & Recognitions



Referred as **Great Place to work** in five 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

FORTUNE 500
2019
India's



ET 500



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 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

Contact Us:

Abhishek Chaturvedi
GHCL Limited
Tel: +91 120 493 9929
Email: abhishekchaturvedi@ghcl.co.in

Siddharth Rangnekar / Nishid Solanki
CDR India
Tel: +91 22 6645 1209 / 1221
Email: siddharth@cdr-india.com
nishid@cdr-india.com

Handwritten signature

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. A semi-transparent red and orange wave-like graphic is overlaid across the middle of the image.

Thank You

— Zorhiya