

August 4, 2023

To,
Listing/Compliance Department
BSE LTD.
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

BSE CODE : 524208

Dear Sir/Madam,

To,
Listing/Compliance Department
**National Stock Exchange of
India Limited**
“Exchange Plaza”, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.
NSE Symbol : AARTIIND

Sub: Investor Presentation
Ref: Regulation 30(6) of the SEBI (LODR)
Regulations, 2015

Please find enclosed herewith presentation made to the Shareholders of the Company at the **40th Annual General Meeting** held today i.e. August 4, 2023.

Kindly take the same on record.

Thanking You,

Yours faithfully,
FOR AARTI INDUSTRIES LIMITED

RAJ SARRAF
COMPANY SECRETARY
ICSI M. NO. A15526
Encl. As above.



AIL – Annual General Meeting
4th Aug 2023



AARTI
INDUSTRIES

Disclaimer



AARTI INDUSTRIES LIMITED may, from time to time, make written and oral forward looking statements, in addition to statements contained in the company's filings with BSE Limited [BSE] and National Stock Exchange of India Limited [NSE], and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the AARTI INDUSTRIES LIMITED.

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Agenda

01

Company
Overview

02

Financial
Snapshot &
Shareholder
Info

03

Strengths

04

Growth
Opportunity &
Strategy

05

Corporate
Social
Responsibility

Vision, Mission and Values



OUR VISION

To emerge as a 'Global partner of choice' for leading consumers of specialty chemicals and intermediates



OUR MISSION

Delighted stakeholders

OUR VALUES



Integrity

We practice highest ethical and moral standards

Care

Our commitment to care includes all our stakeholders – our employees, our customers, our suppliers, our community and our environment



Excellence

We continuously raise the bar of our performance to delight our stakeholders



About Aarti Industries Limited



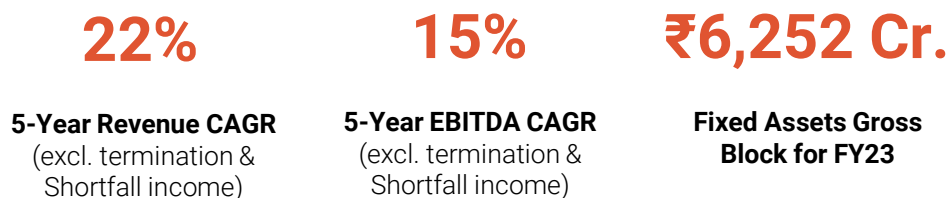
Overview

- Established by first generation technocrats in **1984**
- Specialized in **Benzene**-based derivatives
- Integrated** operations and high cost optimization
- Key **value chains** include Nitro Chloro Benzenes, Di-Chlorobenzenes, Phenylenediamines, Nitro Toluene Value Chain and Sulphuric Acid & downstream
- Strong **R&D capabilities** with IPRs for customized products
- Strategically located:** In western India with proximity to ports

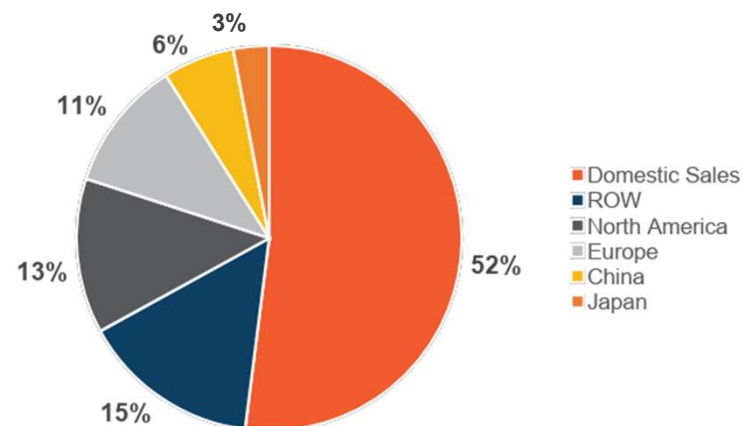


Note: The data and numbers presented on this slide corresponds to the Chemical business only.

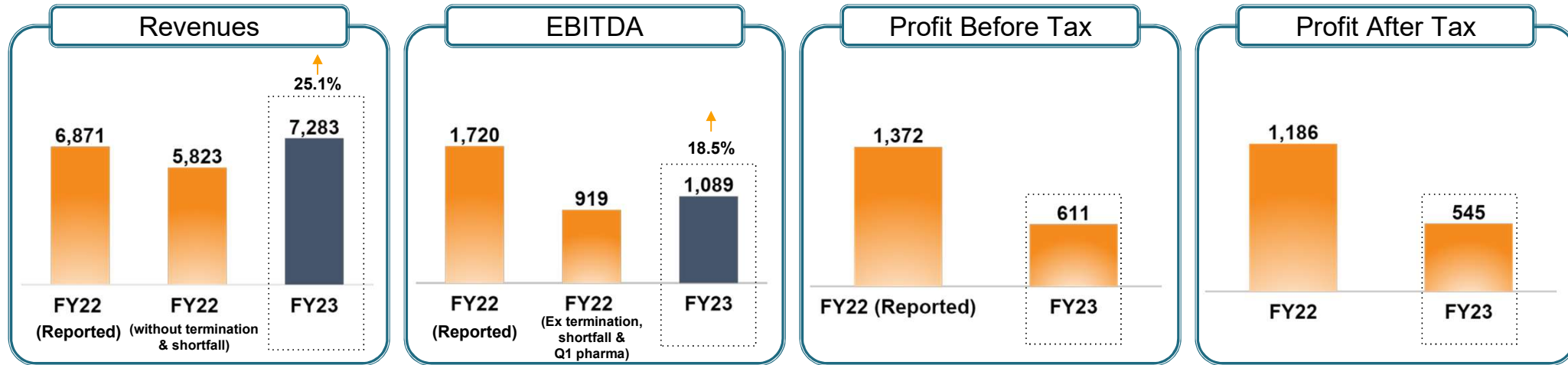
Financial Trends



Geographical Revenue break-up (FY23)



FY23 Highlights (Consolidated) and Key Updates



- Robust revenue momentum **supported by better realisations trends** owing to Company's ability to pass on sharp spikes in RM costs and other utilities. This was backed by healthy volume gains led by continued strong demand trajectory in the key end-user industries
- EBITDA performance **bolstered by operating leverage** due to high utilisation levels across plants. The Company's robust pricing model (RM pass through model) helped to **maintain the absolute delta margin (expressed in per kg terms) despite unprecedented challenges** during the year posed by inflation in raw material prices and other costs, as well as logistical constraints

Key Milestones in FY23

40+

Products in R&D pipeline

INR 1300+ cr.

CAPEX entailed

52 : 48

Domestic & Exports
revenue-mix

~85%

Contribution of Value-
Added Products

0.58x

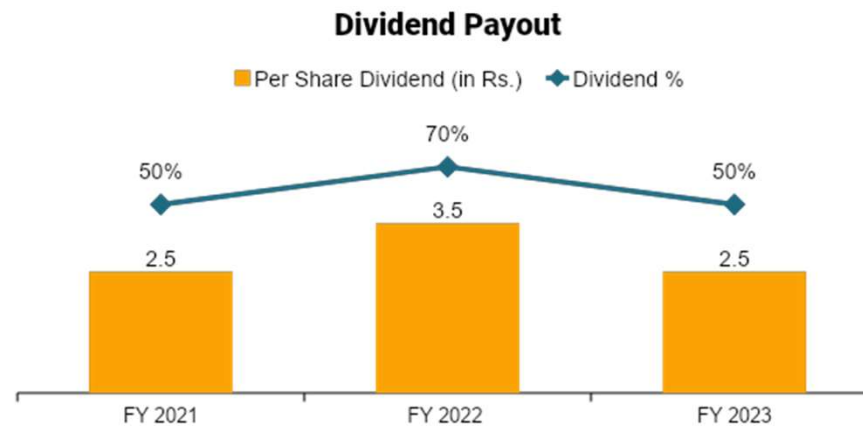
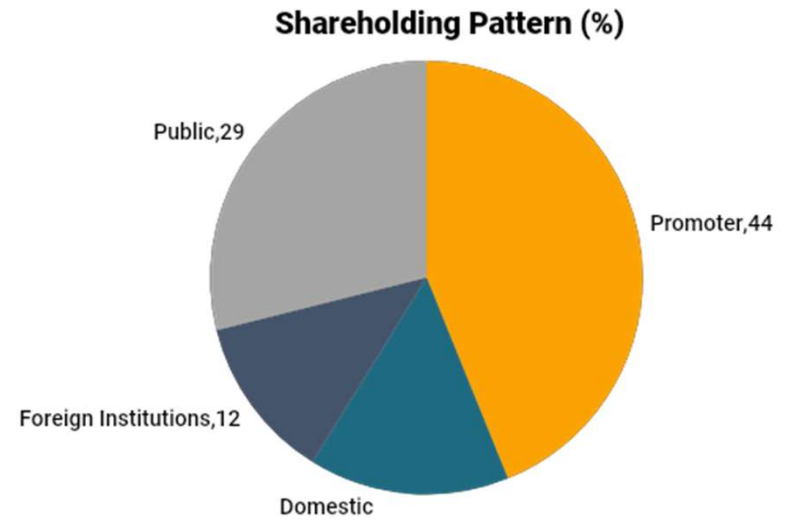
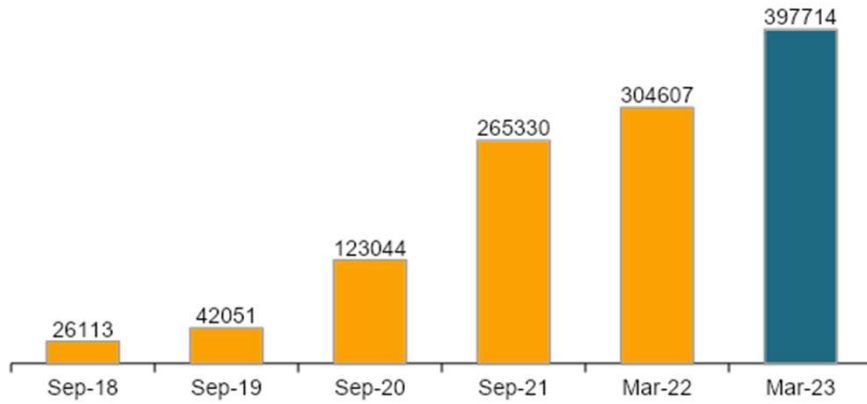
Debt : Equity

- Signed a binding term-sheet with Deepak Fertilisers for 20-year Nitric Acid offtake and supply arrangement valued at over Rs. 8,000 crore
- Demerged the Pharma entity into a separate Company – Aarti PharmaLabs Limited

On Projects:

- Project related to 2nd contract started seeing volume ramp up.
- Commercialised facility for the 3rd Long Term contract at Jhagadia
- Commercialised two Speciality Chemical Complex at Jhagadia
- Announced Expansion in Nitro Toluene and Ethylation Capacities
- Project work under way at Zone 4 (Jhagadia) for Multi purpose plant and Chloro Toluene & Downstream related projects
- Other project initiatives on track

Shareholders Info



Key Strengths



Global Player in Benzene based Derivatives with Integrated Operations

Top 3

In Chlorination and Nitration globally

Top 2

In Hydrogenation globally

Well placed to benefit from Industry Tailwinds

Alternate to China & Europe

Fully Backward Integrated
Low-cost, sustainable manufacturing opportunities in sunrise sectors

Strong Focus on R&D and Process Innovation

40+

Products in R&D pipeline

Well Diversified Across Multiple Dimensions

100+

Multi-product

60+

Countries

400+

Global Customer

700+

Domestic Customer

Thrust on Sustainability

45%

Water recycled

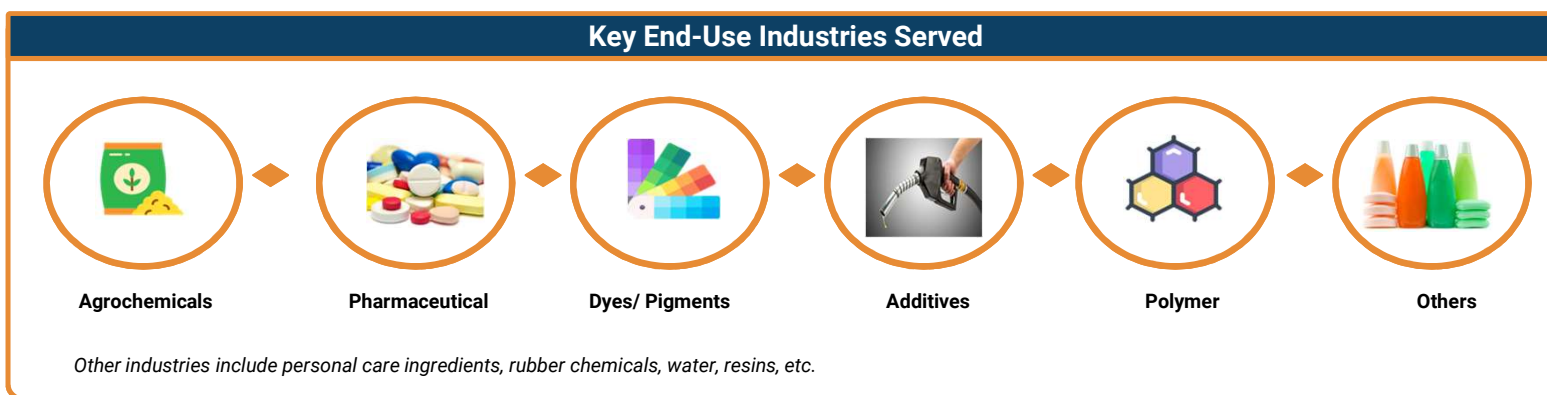
0.15

LTIFR

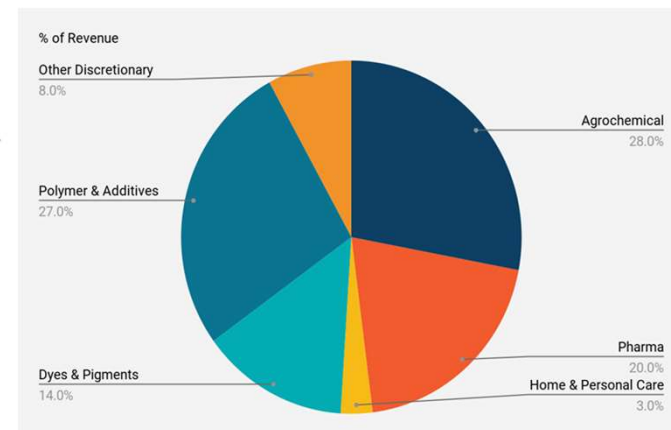
18.75%

Women at board level

Well Diversified across Customer Profile & Product End Usage



Key Customers



Innovation and R&D



2	19	8	40+	18,000 sq. ft.
State-of-the-art R&D centres at Maharashtra & Gujarat	PhDs and 220+ scientists	Patents filed	Planned product introductions, more than 50% products will be launched first time in India	Covered by an ultra-modern synthesis laboratory


Fully Digitised Paperless Laboratory with ISO 27001:2013 Accreditation



- **Developed various products and processes in-house throughout AIL's journey**
- **Expertise in diverse chemistries at plant and lab scale, including:** Photochlorination, Nitration, AHF, Grignard, Diazotization and more
- **Built a state-of-the-art 6,500 sq. ft. analytical laboratory with experienced and qualified scientists**
- Has a dedicated team of scientists who develop strategic chemistries for multiple growth projects, such as:
 - Photochemistry
 - Vapour Phase Technology
 - Flow Chemistry Technology

Sustainability Is At The Core Of What Aarti Does





AIL received the gold award in the 2022 EcoVadis CSR assessment, placing us in the top 3% of evaluated companies globally




- Sustainalytics rates Aarti as "Medium Risk"
- AIL score is 24.5
- Aarti is ranked in the top 3 among peers in the Indian chemical sector



- Achieved B in Climate Change and A- rating in Supplier Engagement disclosure for 2022-23
- Chemical industry and Global average rating is at C.




Permission to use Responsible Care (RC) Logo for a period of 3 Years from April 2022 to March 2025




ENVIRONMENT

- 11 sites are Zero Liquid Discharge (ZLD)
- Total water recycled ~45% of the total water withdrawal in FY 23
- More than 6547 KL water harvested through rainwater in FY 23
- Recycled 92% waste, remaining 8% is responsibly disposed



Social

- Incorporated requirements of UN Global Compact, International Labour Organisation's (ILO) Declaration and Sexual Harassment of Women at Workplace Act, 2013, etc.
- Locally Sourced over 75% of raw materials and 97% engineering goods.
- 13 lakhs + lives benefited through our CSR initiatives
- Implementation of Best-in-Class Safety Practices



Governance

- Robust Compliance framework covering 78 acts, 101 rules and 10000 compliance provisions
- Cloud first approach for scalability and reliability to enable future growth
- Robust Information Security Practices and Technology Centre and R&D are ISO 27001 certified

Golden Decade for Chemicals in India

Global Factors

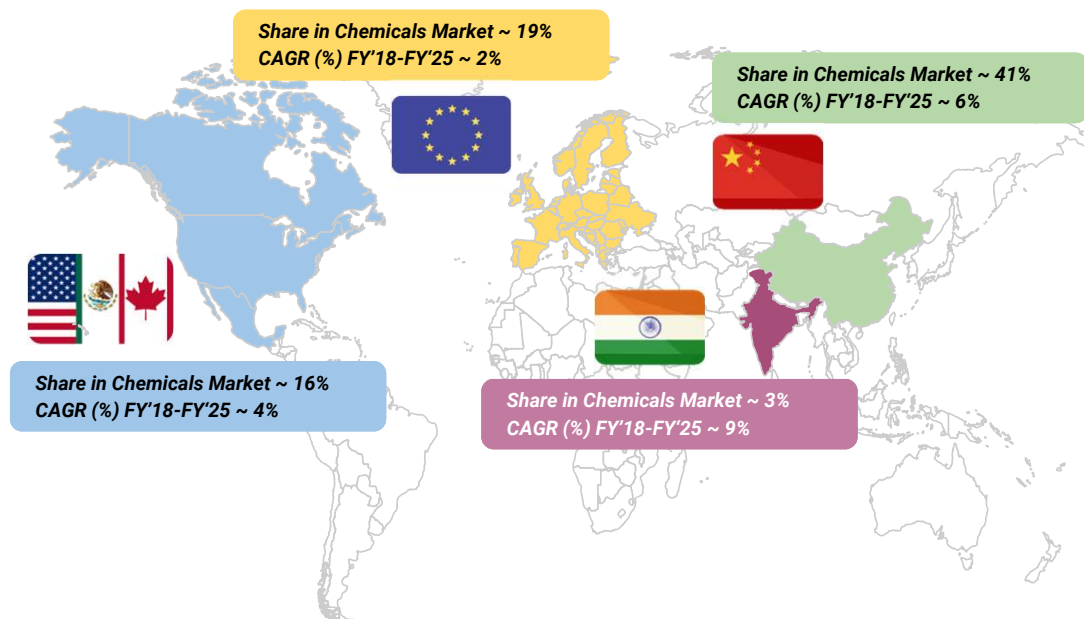
- Supply Chain Independent of China
- Europe + 1

Domestic Boost

- PLI for Manufacturing for various end-use sectors including Pharmaceuticals

Carbon Neutral

- Carbon Neutral theme will lead to lot of new opportunities in Chemical Sector
- Focus on
 - Renewables Energy
 - Electric Vehicles
 - 3R principle: Reduce: Reuse & Recycle
 - Sustainable Manufacturing



India is poised to capitalize on the USD 1 trillion global chemical market by 2040 with 10-12% market share, offering abundant sectoral opportunities for domestic and international chemical manufacturers

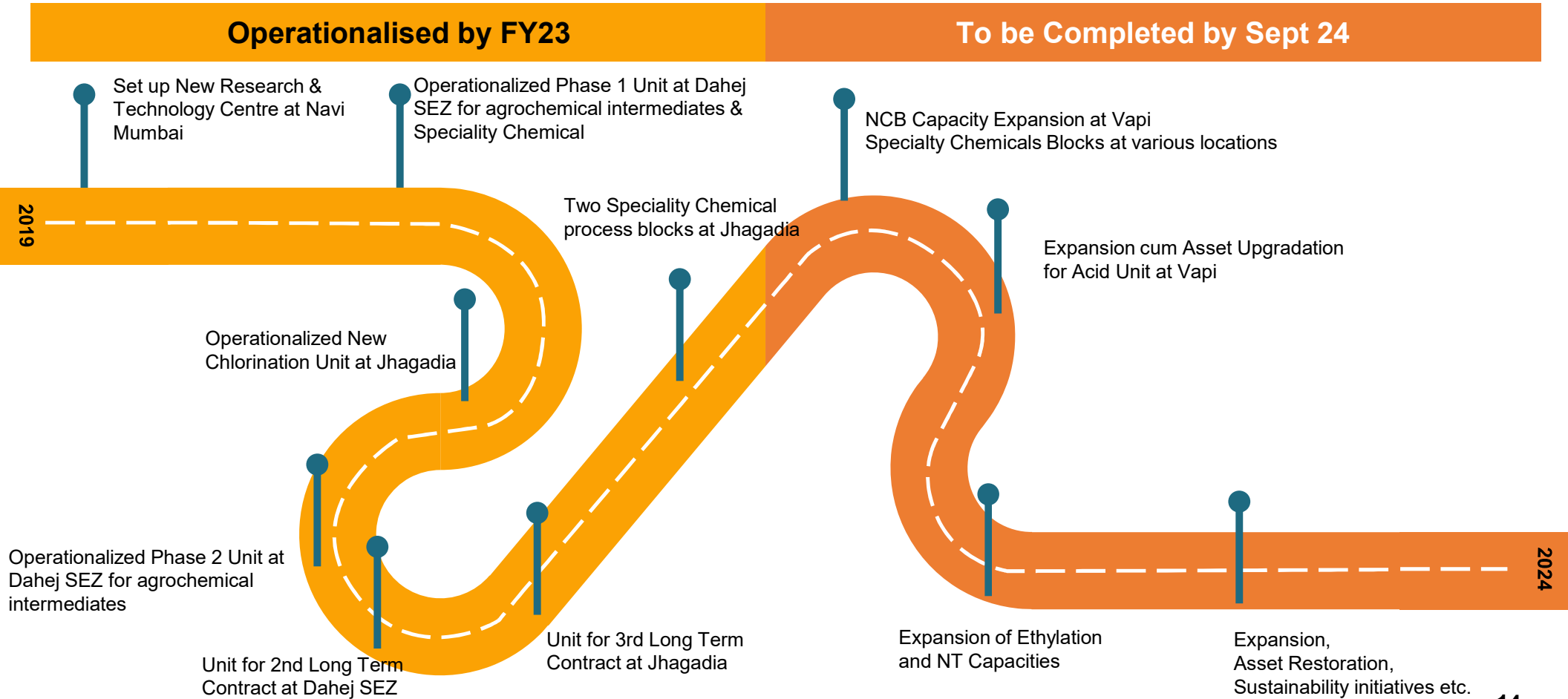
Source: American Chemistry Council, China Petroleum and Chemical Industry Federation, India - Department of Chemicals and Petrochemicals, European Chemical Industry Council, 13
CEPIC, McKinsey: 2023 India: The next chemicals manufacturing hub

Major Projects: FY19 – H1 FY25

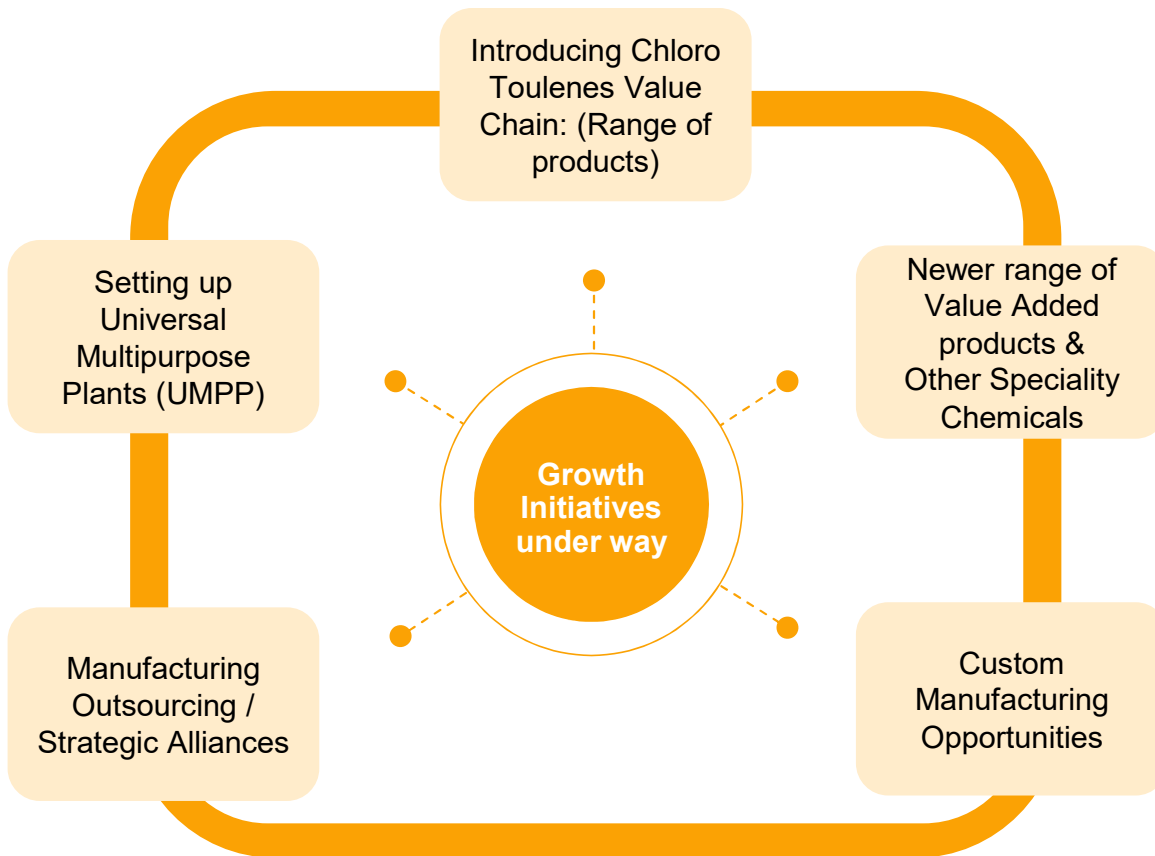


Operationalised by FY23

To be Completed by Sept 24



Future Growth Projects: Driven by R&D & Innovation



- Adding new chemistries and Value added products
 - 40+ products for Chemicals through and Integrated Value Chain.
 - Chloro Toulène Base capacity: ~ 42000 TPA
- EBITDA margin ~ 25% - 30%
- CAPEX of about:
 - Rs. 2,500-3,000 crore for Chemicals
- Site development work initiated on 100+ acre land at Jhagadia
- Environmental Clearances obtained / in process
- Project works already underway
- Will drive the growth from FY25 and beyond
- End use majorly in Agrochemicals & Pharma.

Contributing for Social Development



Together for prosperity

‘Nearly 260 million people who are below the poverty line have to join mainstream of a good life.’

- Late Dr. APJ Abdul Kalam



Livelihood Opportunities & Housing Aid



Cluster & Rural Development



Livelihood Opportunities & Housing Aid



Education & Skill Development



Water Conservation & Environment

Spent for FY 22-23
INR 14.73 Crs

Lives Impacted
~13 lakhs



Thank You

