



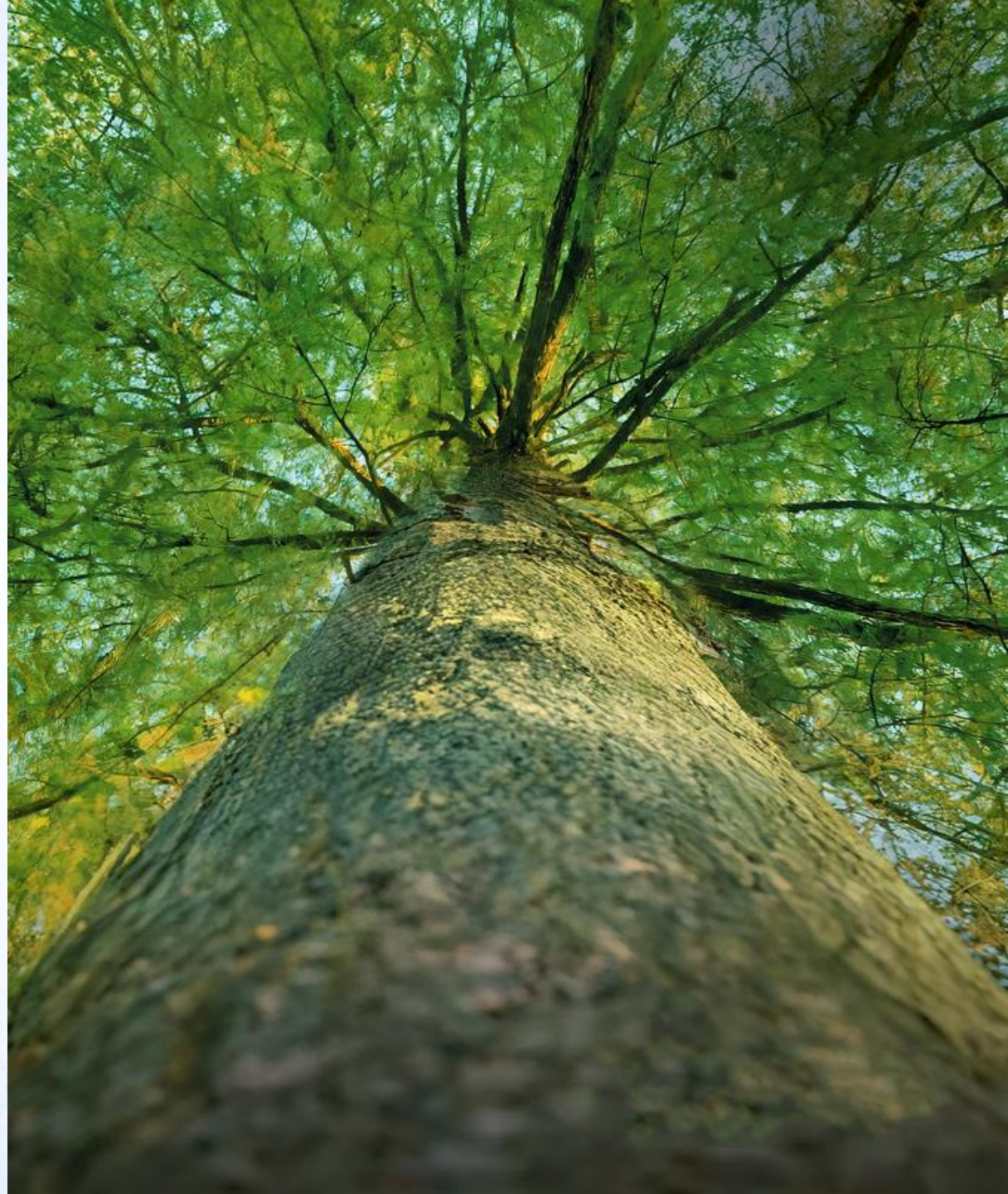
Our endeavour

Endure

Enhance

Excel

May 2, 2024



Disclaimer

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Agenda



Background



Performance trend



Overview 2023-24



Way forward



Servicing society



Chemical industry updates



Financials 2023-24



Sub-segments overview

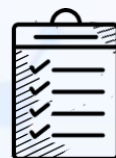


Interactions

Chemicals and daily life



More than 96% of all manufactured goods are directly enabled by chemistry



Industries served



Agriculture



Automobile



Composites



Construction



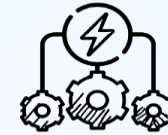
Cosmetics



Defense



Dyestuff



Electrical and electronics



Flavour



Food



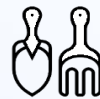
Fragrance



Glass



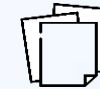
Home care



Horticulture



Paint and Coatings



Paper



Personal care



Pharmaceuticals



Rubber



Soap and detergent



Sport and leisure



Textile



Tyre



Wind energy

about Atul



founder

Kasturbhai Lalbhai
(1894 – 1980)

three dreams

- ... create wealth for rural India
- ... generate employment on a large scale
- ... make India self-reliant

incorporation

September 5, 1947



first site

spread across 1,300 acres



economist

Balwantrai Mazumdar
(1902 – 1981)



first company of India

inaugurated by its first Prime Minister



chemical engineer

Siddharth Lalbhai
(1923 – 1998)

Profile



8 production sites

several
1st products manufactured first time in India



4,000 customers



30 industries



83 countries



900 products |
400 formulations



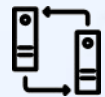
140 brands



5 international subsidiary entities for sales



73 mw captive power plants



32 MLD effluent treatment

Entities



Atul Bioscience Ltd



Atul Brasil Quimicos Ltda



DPD Ltd



Atul China Ltd



Atul Rajasthan Date Palms Ltd



Atul Europe Ltd



Amal Ltd



Atul Ireland Ltd



Atul Foundation



Atul Club



Atul Ltd



Rudolf Atul Chemicals Ltd



Atul Middle-East FZ-LLC



Atul Institute of Vocational Excellence



Anaven LLP



Valsad Institute of Medical Sciences Ltd



Atul USA Inc



Sub-segments



Aromatics



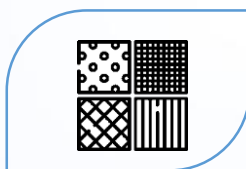
Crop Protection
- Retail



Pharmaceuticals



Bulk Chemicals
and
Intermediates



Colors



Polymers -
Performance
Materials



Crop Protection
- Bulk Actives



Floras



Polymers -
Retail

Performance consolidated

₹ cr



There is no gain without struggle.

- Martin Luther King Junior

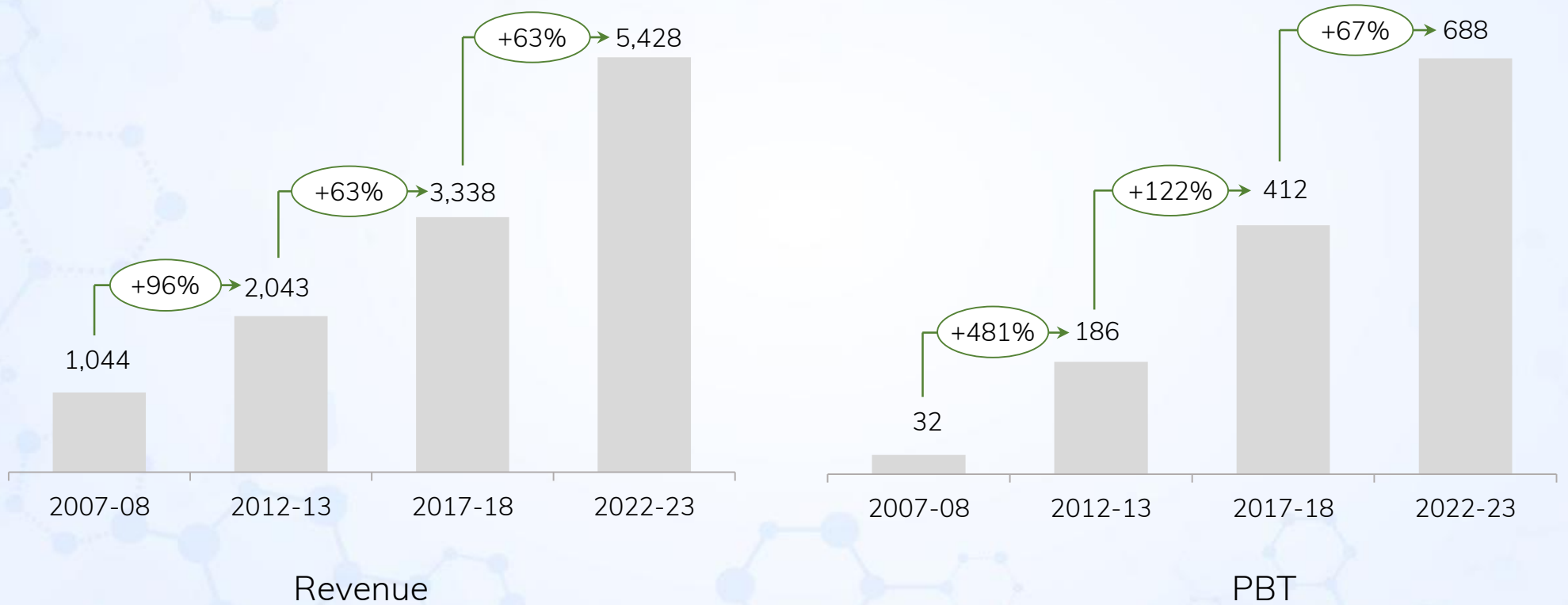
Performance standalone

₹ cr



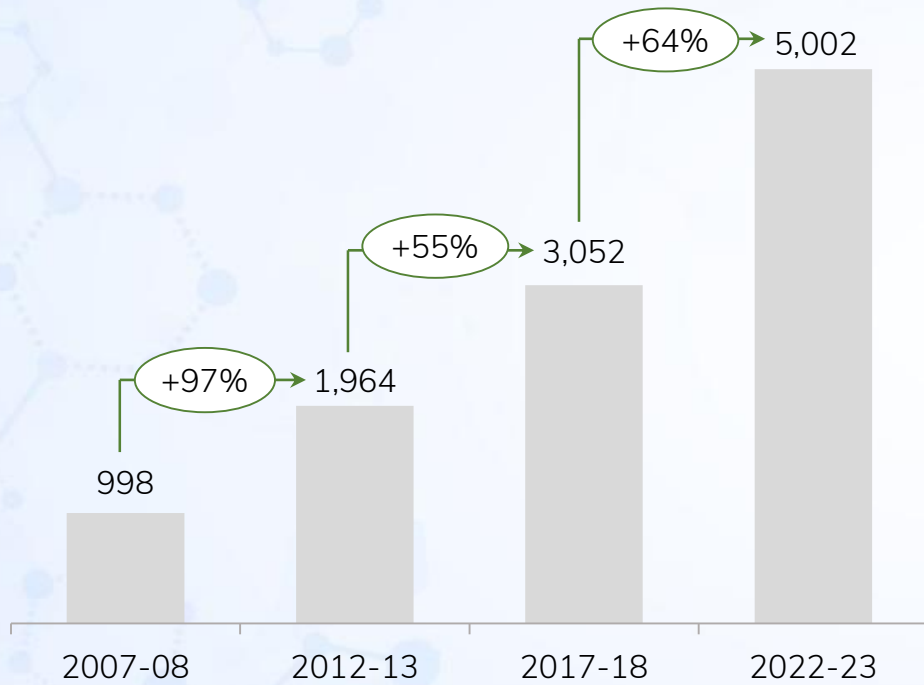
Revenue and PBT consolidated

₹ cr

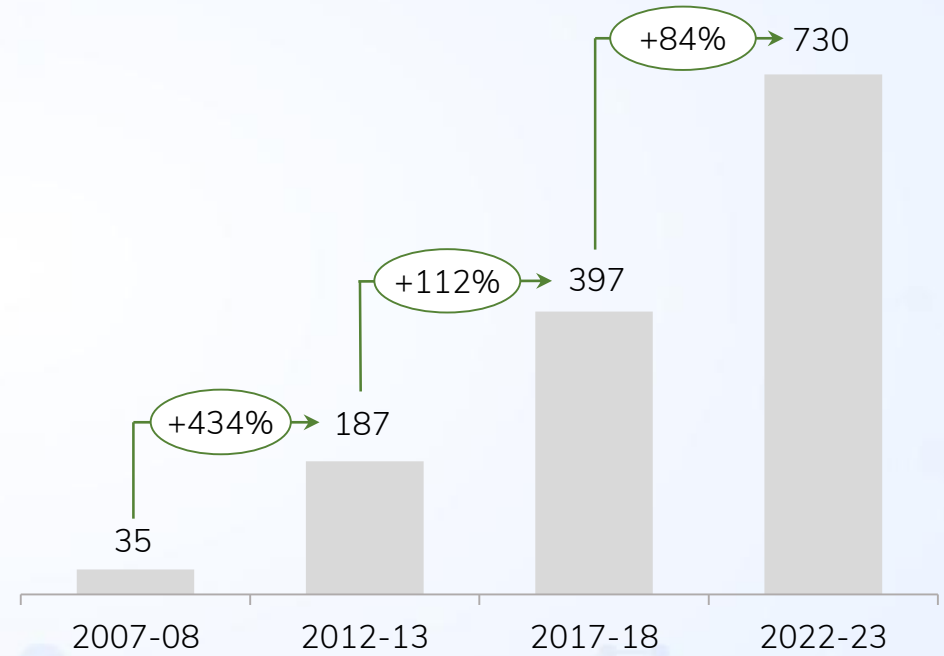


Sales and PBT from operations standalone

₹ cr



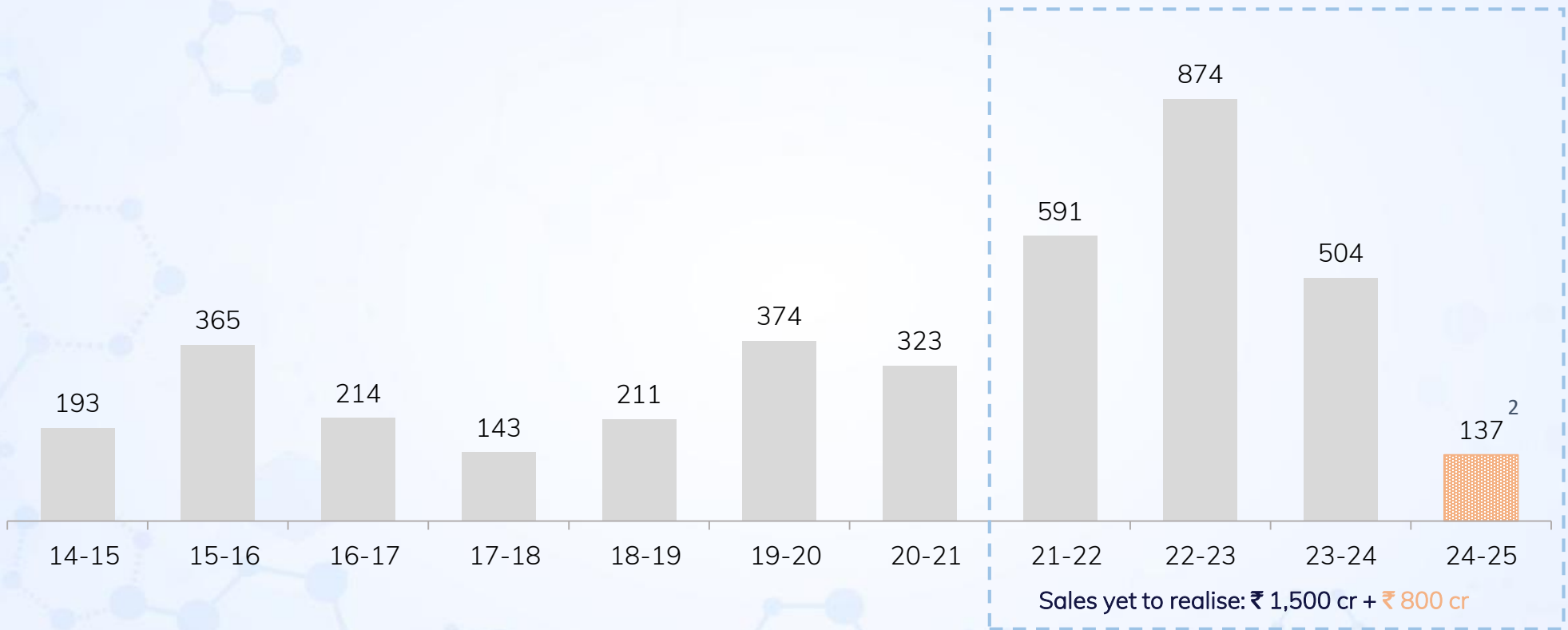
Sales



PBT from operations

Capital expenditure¹ trend consolidated

₹ cr

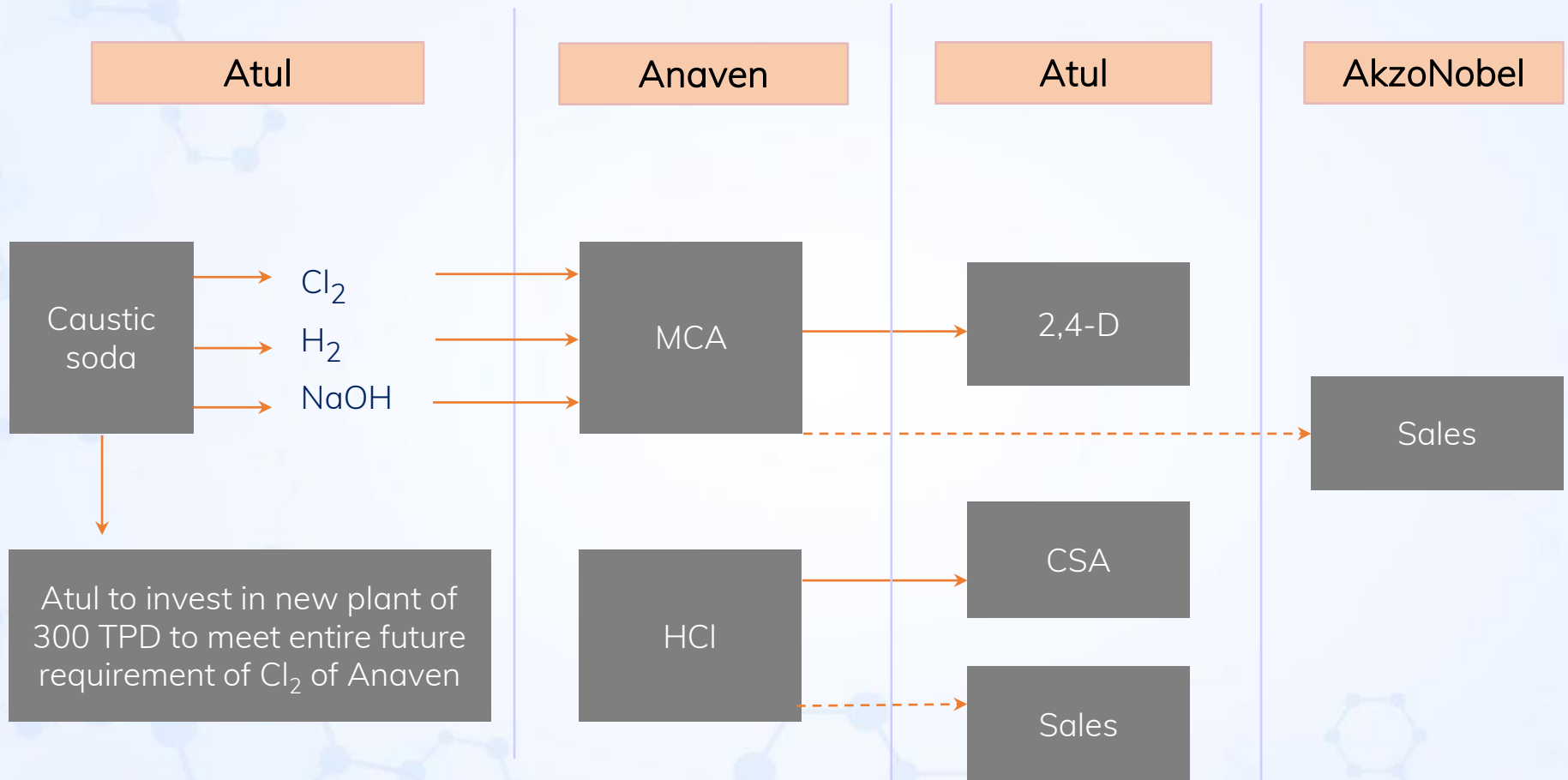


¹ expenditure amount differs from that capitalised

² related only to LER project under implementation

Fitment to strategy

why AkzoNobel and Atul formed Anaven



- AkzoNobel wanted local presence in the fast growing Indian market to increase its share
- Atul wanted to have forward integration of Cl_2 based products and backward integration for 2,4-D

What went well 2023-24

- ◆ two sub-segments generated higher PBT compared to 2022-23 (lower than the best achieved)
- ◆ both retail sub-segments turned PBT positive
- ◆ three subsidiary | associate companies generated higher PBT compared to 2022-23
- ◆ 5% increase in volume over 2022-23 on standalone basis
- ◆ % contribution maintained
- ◆ lower net working capital tie-up by 14 and 7 days on standalone and consolidated basis
- ◆ first patented formulation, Sindica, launched by Crop Protection Retail
- ◆ new process engineering laboratory commissioned
- ◆ Oracle ERP implemented across subsidiary, associate and JV entities
- ◆ five key commercial activities digitalised
- ◆ new state-of-the-art occupational health center started

What did not go well

2023-24

Internal

- delay in implementation of projects
- delay in reaching expected performance in product quality and production | sales volume
- unexpected breakdowns in manufacturing
- low capacity utilisation

External

- global supply chain impacted by geo-political tensions
- subdued demand in key consuming industries
 - destocking in chemical industry
- decrease in chemical prices
- pressure on margins
 - finished goods prices fell more than raw materials prices
 - absolute decrease in contribution per unit

Securing future ever changing

Sales

- CRM
- Planvisage

Manufacturing

- people productivity
- process efficiency

Technology

- debottlenecking
- project management

Research

- new products and formulations
- process engineering

Commercial

- iSourcing | iSupplier
- warehouse management

Finance

- Oracle ERP (across entities)
- robotic automation

Information technology

- pervade visualisation
- communication and collaboration

Human resources

- HR processes
- manpower planning

Values and attributes never changing



Integrity



Continuous improvement



Understanding



Bias for action



Unity



Attention to detail



Responsibility



Structured approach



Learning agility



Excellence



Creativity

Atul Foundation



Education



Empowerment



Health



Relief



Infrastructure



Conservation

new initiatives in CSR



reached 10,224 students through 117 Adhyapikas



trained 23 Anujas to provide pre-primary education in anganwadis



educated 3,220 children through mobile science van



educated 781 health practitioners to take care of mothers and child during first 1,000 days

Atul Foundation Health Center



providing consultations through 4 in-house and 14 visiting doctors to the people from Atul and surrounding villages

World chemical market 2022

Euro bn

Country	Production	Imports	Exports	Consumption	Net imports
China	2,390	208	194	2,404	14
USA	606	147	170	583	-23
Germany	225	133	150	207	-18
Japan	227	52	80	199	-28
India	115	89	42	162	47
France	139	64	76	128	-11
South Korea	139	59	94	103	-36
World	5,622	1,922	1,744	5,800	

- share of China in global GDP 19% but in chemicals 43%
- share of China in global production up from 25.8% in 2010 to 42% in 2022
- share of India almost stagnant around 2.5% in the same period
- India ranked 7th in global production and 5th in consumption
- India the largest net importer of chemicals in the world

Indian chemical industry production versus consumption

Euro bn

Year	Production	Exports	Imports	Consumption
2018	102	28	48	121
2019	101	30	49	119
2020	88	27	42	104
2021	99	33	63	129
2022	115	42	89	162
CAGR	3%	11%	17%	7%

CAGR of consumption significantly higher than CAGR of production

Chemical production

Country	% growth over PY			
	2020	2021	2022	2023
Netherlands	-0.2	4.1	-4.4	-13.2
South Korea	-3.1	8.6	-9.9	-10.7
Germany	-1.3	5.7	-12.1	-10.4
EU27	-2.2	6.1	-6.3	-8.0
Japan	-12.2	5.1	-3.8	-6.4
Brazil	0.0	3.6	1.1	-5.9
USA	-4.9	4.2	2.2	-1.0
India	-5.4	8.0	4.2	0.1
Russia	7.4	7.1	-2.3	4.6
China	2.9	8.4	6.4	9.6
World	-0.5	7.3	1.5	2.3

- Indian chemical production almost stagnant despite strong economy
- domination of China going up despite all geopolitical issues

Trade deficit – Chapter 29

US\$ bn

Country	Imports				Exports				Trade deficit			
	20-21	21-22	22-23	23-24	20-21	21-22	22-23	23-24	20-21	21-22	22-23	23-24
China	9.0	12.5	13.2	11.8	2.4	2.4	1.5	1.2	-6.6	-10.1	-11.7	-10.6
Others	10.7	16.0	15.7	15.5	15.5	19.6	19.9	17.8	4.8	3.6	4.2	2.3
Total	19.7	28.5	29.0	27.3	17.9	22.0	21.4	19.0	-1.8	-6.5	-7.6	-8.3

- trade deficit with China rising very rapidly
- data for 2023-24 extrapolated based on actuals upto December 2023

Export volume – India versus China

Volume: bn units

	2022	2023	Growth
India	5.85	4.67	-20.2%
China	28.66	29.23	2.0%

Profit and loss standalone

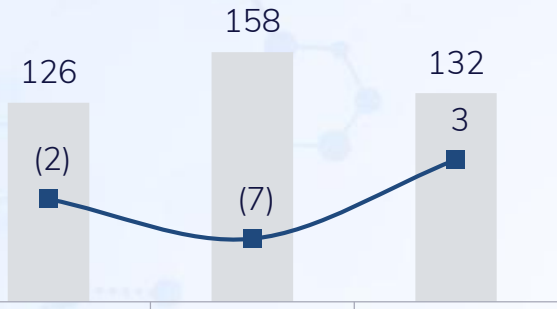
₹ cr

Particulars	2023-24	2022-23	%
Revenue from operations	4,358	5,062	(14%)
Expenditure	3,797	4,366	(13%)
Other income	135	199	(32%)
EBIDTA	696	895	(22%)
EBIDTA %	16%	18%	(2%)
Interest	2	2	-
Depreciation	184	163	13%
PBT	510	730	(30%)
Tax	125	178	(30%)
PAT	385	552	(30%)
RoCE %	13%	19%	
Average capital employed	4,088	3,812	7%

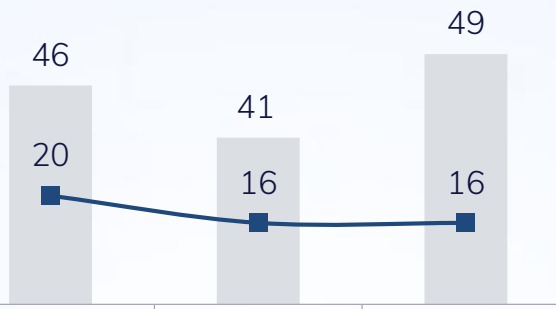
- sales volume increased by 5% despite subdued global demand
- profit reduced due to price pressure

Group entities

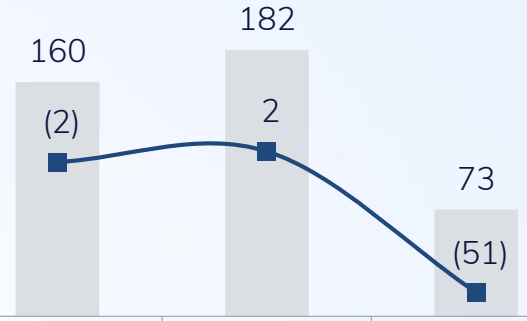
₹ cr



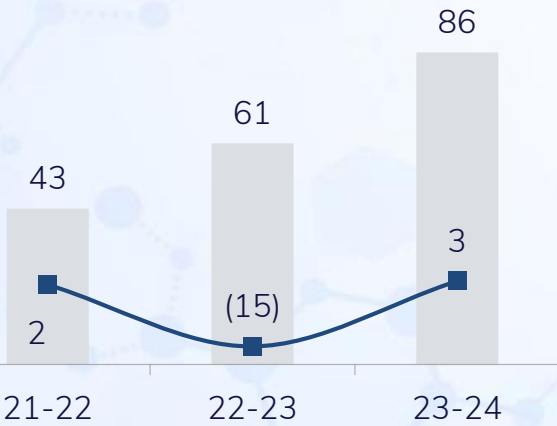
Atul Bioscience Ltd FY 24



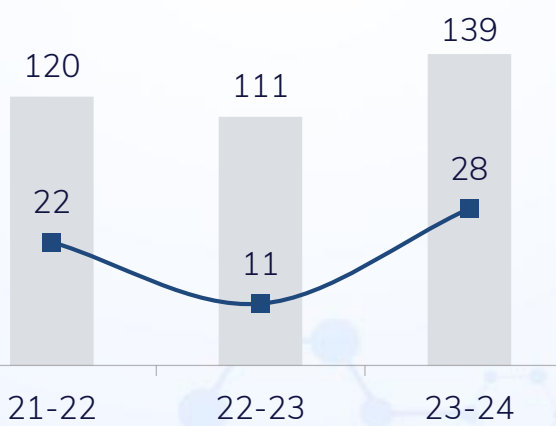
DPD Ltd FY 24



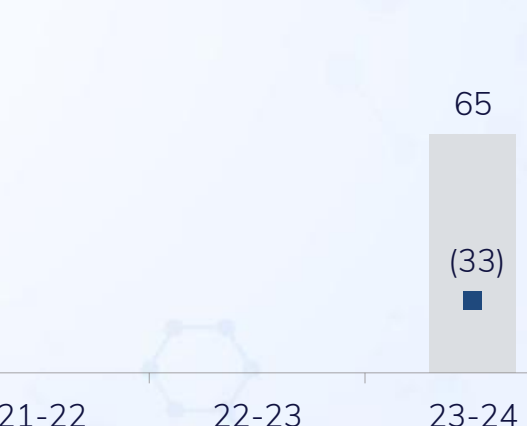
Anaven LLP FY 24



Amal consolidated



Rudolf Atul Chemicals Ltd



Atul Products Ltd

* operations started in Dec 23

■ Sales ■ PBT

Profit and loss consolidated

₹ cr

Particulars	2023-24	2022-23	%
Revenue from operations	4,726	5,428	(13%)
Expenditure	4,089	4,653	(12%)
Other income	58	115	(50%)
EBIDTA	695	890	(22%)
EBIDTA %	15%	16%	(1%)
Interest	11	8	(38%)
Depreciation	243	198	(23%)
PBT before share of associate and JV	441	684	(36%)
Share of associate and JV	10	4	150%
Profit before tax	451	688	(34%)
Tax	127	181	(30%)
PAT	324	507	(36%)
RoCE %	12%	19%	
Average capital employed	3,879	3,545	9%

- depreciation higher due to increased capitalisation
- expenditure decrease in line with sales

Segment results consolidated

₹ cr

Particulars	Life science chemicals			Performance and other chemicals		
	2023-24	2022-23	Inc (dec) %	2023-24	2022-23	Inc (dec) %
Net revenues from operations*	1,427	1,959	(27%)	3,453	3,706	(7%)
Earnings before interest and tax	203	423	(52%)	240	240	-
EBIT %	14%	22%	-	7%	7%	-
Segment net capital employed	981	1,044	(6%)	2,747	2,722	1%
RoCE %	21%	40%	-	9%	9%	-

* including inter-segment transfers

- LSC performance declined due to lower selling price of products of sub-segments; Crop protection
- P&OC performance declined due to very low demand of products of sub-segments; Colors, Polymers and Bulk chemicals

Working capital consolidated

₹ cr

Particulars	Mar 24	Mar 23	Inc (dec)
Inventories	650	820	(170)
Debtors	927	845	82
Other current assets	271	236	35
Gross working capital* (A)	1,848	1,901	(53)
Current liabilities (B)	776	722	54
Net working capital (A-B)	1,072	1,179	(107)

* excluding liquid investment and assets held for sale

Cash flow consolidated

₹ cr

Particulars	2023-24	2022-23
Profit before tax	451	688
Adjustment for depreciation, finance costs and others	223	189
Share of profit on associate and JV	(10)	(4)
Changes in working capital and others	111	27
Cash generated from operations	775	900
Income tax paid net of refunds	(107)	(193)
Net cash inflow from operating activities (A)	668	707
Capex expenditure	(496)	(852)
Redemption (Investments) in equity, bonds and alternate funds	16	(12)
Redemption (Investments) of treasury funds	(216)	369
Repayments (disbursements) of loans given	1	6
Interest and dividend received	12	20
Net cash outflow from investing activities (B)	(683)	(469)
Loan disbursements (repayment) of term loan working capital loans current borrowings	185	(91)
Buy back of equity shares	(62)	(87)
Finance cost	(12)	(8)
Dividend paid on equity shares	(74)	(96)
Transaction with non-controlling interests	-	24
Net cash (used in) flow from financing activities (C)	37	(258)
Net increase (decrease) in cash and cash equivalents (A+B+C)	22	(20)

- working capital improved by ₹ 107 cr

Performance and other chemicals

Life science chemicals

Sub segment: Aromatics

Product groups: Intermediates and API intermediates

Serving: Chemical additives, Fragrance, Personal care and Pharmaceutical industries

Product	Market share (2023-24)	Competition
p-Cresol	48%	Asia (3), North America (1)
p-Cd	34%	Asia (2), India (2)
p-AA	80%	India (3) Asia (1) Europe (1)
p-AAI	83%	India (2)

products: 40

customers: 413

Aromatics

Sales

3y CAGR: 5%



End user industry prospects

₹ cr

	Additives	Fragrance	Personal care
World, \$ bn	4	14	30
CAGR	5%	3.8%	5%
India, \$ mn	37	680	695
CAGR	5%	5%	5-6%

Source: Customer interactions | market reports

Unrealised CAPEX



unrealised sales potential: ₹ 240 cr

Way forward

- implement projects for (3) downstream products (specialty chemicals)
- commercialise (2) products developed in Kilo lab (fragrance)

Performance and other chemicals

Sub segment: Bulk Chemicals and Intermediates

Product groups: Bulk chemicals, Adhesion promoters, Intermediates

Industries served: Cosmetics, Chemical, Dyestuff and Tyre

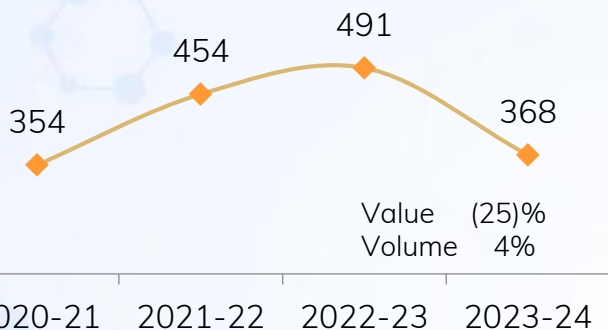
Product	Market share (2023-24)	Competition
Resorcinol	Significant (India) Insignificant (World)	Asia (4)
Resorcinol Formaldehyde Resins	Significant (India) Insignificant (World)	India (2), Asia (5)
1,3-CHD	Significant (India) Significant (World)	India (1), Asia (3)

products: 23 customers: 261

Bulk Chemicals and Intermediates

Sales

3y CAGR: 1%

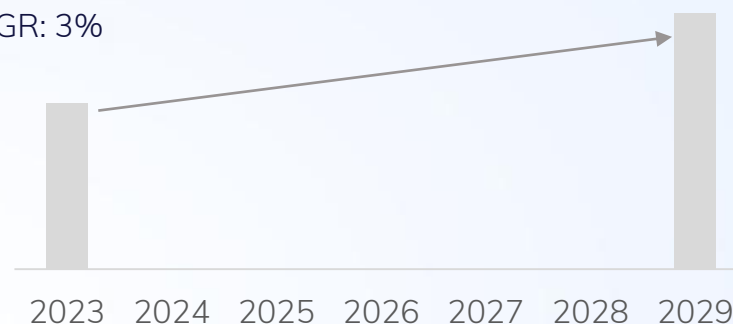


*inclusive of internal sales

End user industry prospects

Global tyre market (mn units)

CAGR: 3%



Relevant products: Resorcinol and RF resins

Source: Global tire (tyre) market size, share and forecast 2023-2029 – Imarc group

Unrealised CAPEX



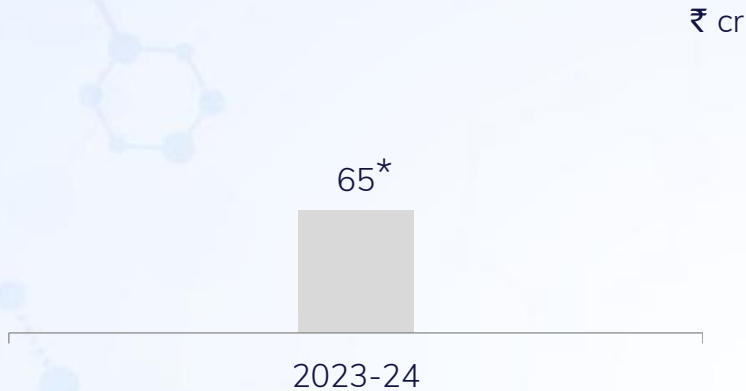
unrealised sales potential (intermediate): ₹ 60 cr

Way forward

- add chlorine, hydrogen and sulphuric acid downstream value added products
- increase share of RF resins with key customers

Atul Products Ltd

Sales

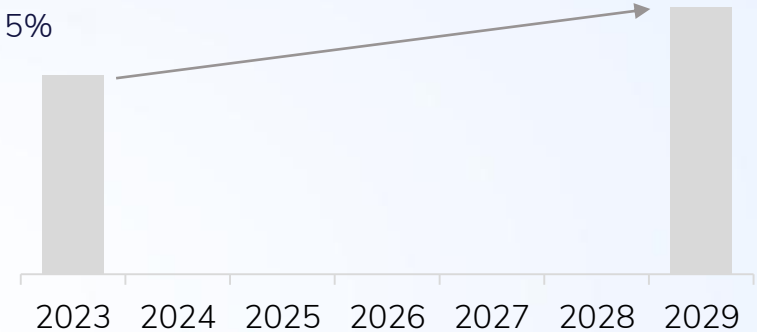


* commercial production started from Dec 2023

End user industry prospects

Chloro alkali market (US\$ bn)

CAGR: 5%



Unrealised CAPEX



unrealised sales potential: ₹ 485 cr

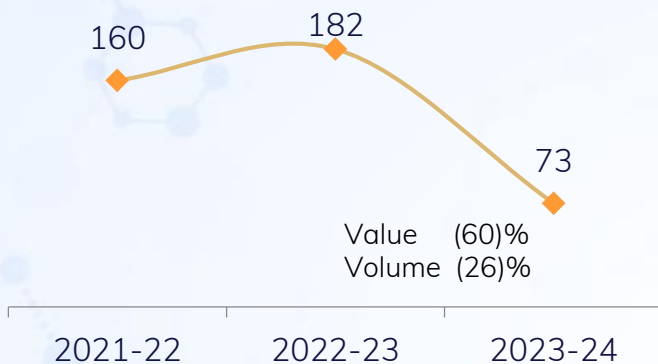
Way forward

- stabilise manufacturing operations
- reach full capacity utilisation

Anaven LLP

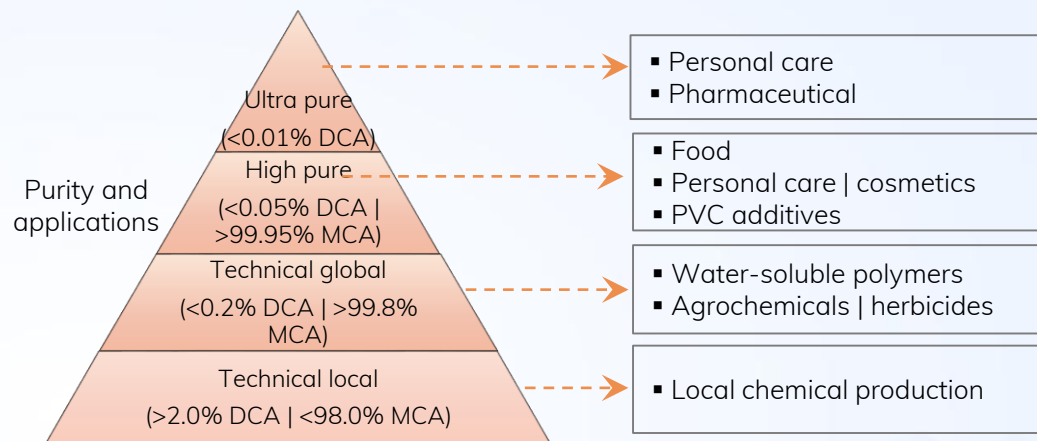
Sales

3y CAGR: (32)%



End user industry | applications

₹ cr



* excluding 2,75,000 tpa consumed in-situ for manufacture of Glyphosate in China

Unrealised CAPEX



unrealised sales potential: ₹ 123 cr

Way forward

- increase market share in India
- optimise operating cost
- introduce downstream products

Performance and other chemicals

Sub segment: Colors

Product groups: Textile dyes, Pigments

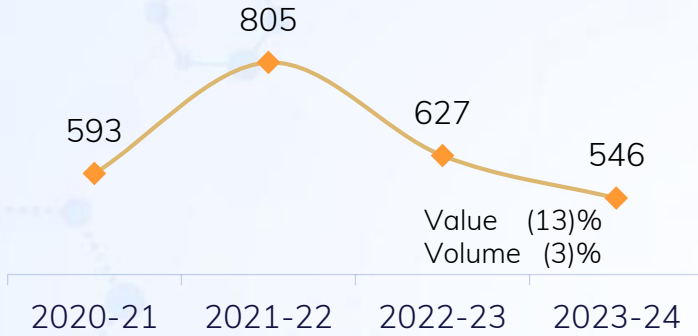
Industries served: Textile, Paint and Coatings and Paper

Product group	Market share (2023-24)	Competition
Textile dyes – Vat	Significant (India) Significant (World)	India (15), Asia (>15), Rest of world(>6)
Textile dyes – Sulphur black	Significant (India) Insignificant (World)	India (14), Asia (>11), Rest of world (>4)
Textile dyes – other	Insignificant (India) Insignificant (World)	India (>100), Asia (>100), Rest of world (>20)
HP pigments	Insignificant (World)	India (5), Rest of world (>12)
products: 488		customers: 298

Colors

Sales

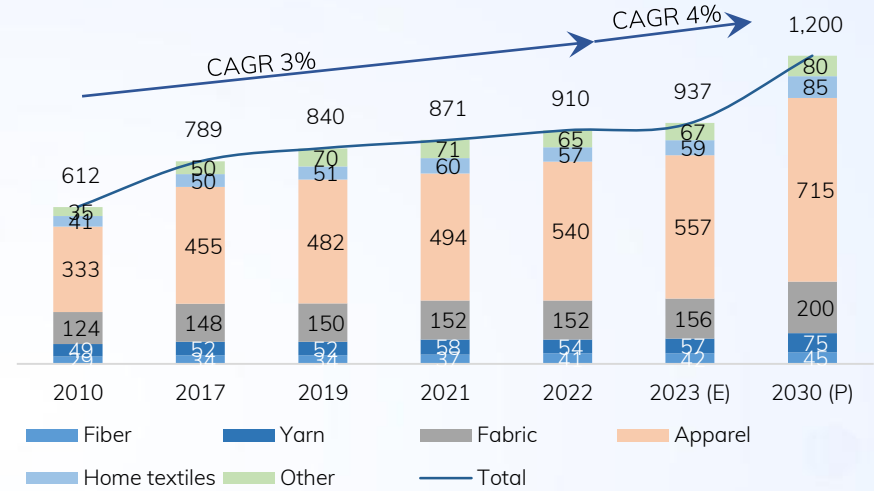
3y CAGR: (3)%



End user industry prospects

₹ cr

US\$ bn



Unrealised CAPEX



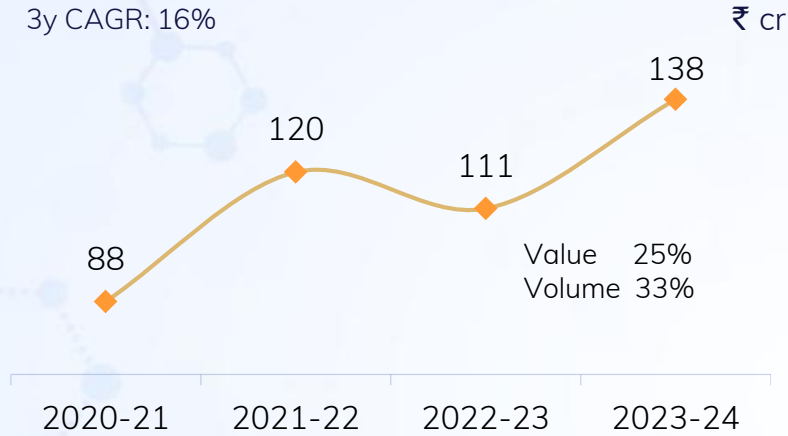
unrealised sales potential: ₹ 400 cr

Way forward

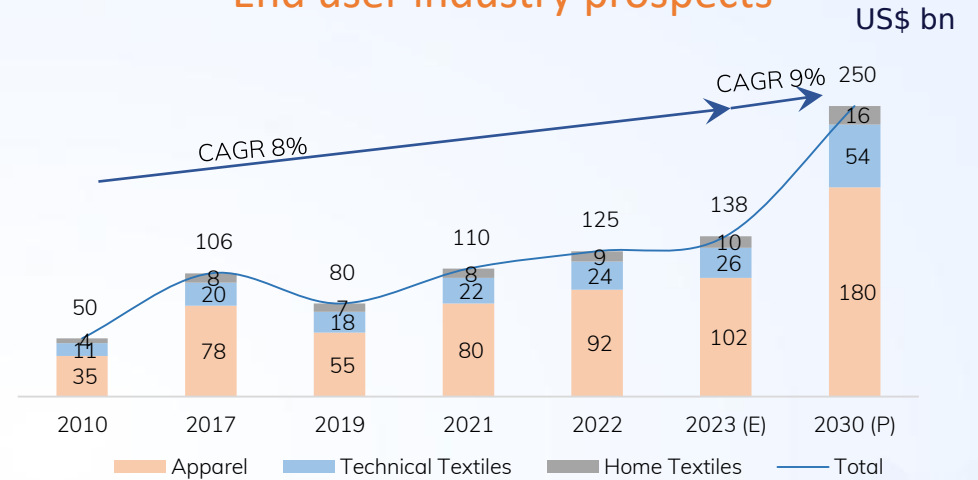
- increase capacity utilisation
- expand product range in reactive and disperse dyes
- develop newer applications for existing products
- broaden market reach in new geographies

Rudolf Atul Chemicals Ltd

Sales



End user industry prospects



Plant



Way forward

- aim to move from top 10 to top 3 textile chemical companies in India in next 5 years
- focus on package promotion in denim | printing | yarn with Colors business
- strengthen product portfolio in synthetic fiber segment

Life science chemicals

Sub segment: Crop Protection – Bulk actives

Product groups: Herbicides, Insecticides and Fungicides

Industries served: agriculture and public health

Product	Market share* (2023-24)	Competition
2,4-D and downstream products	10%	Australia (1), Asia (6), Europe (1), North America (1), South America (1)
Indoxacarb	12%	Asia (2), USA (1)

products: 34
formulations: 43
customers: 220

* world

Crop Protection – Bulk Actives

Sales

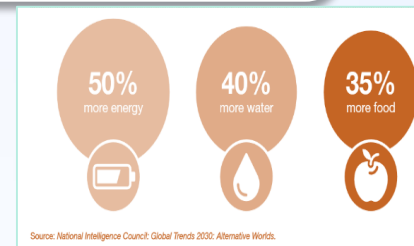
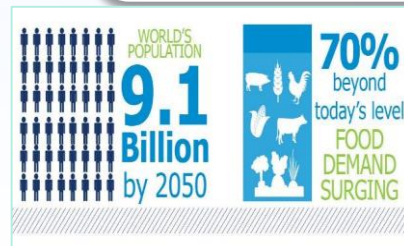
3y CAGR: 2%

₹ cr



End user industry prospects

8.3 bn people by 2030



agriculture and allied businesses remain attractive

Unrealised CAPEX



unrealised sales potential: ~ ₹ 100 cr

Way forward

- launch new products and formulations
- expand regulatory approval footprint
- integrate vertically

Life science chemicals

Sub segment: Crop Protection – Retail

Product groups: Herbicides, Insecticides, Fungicides, Biostimulants and adjuvants

Industries served: agriculture

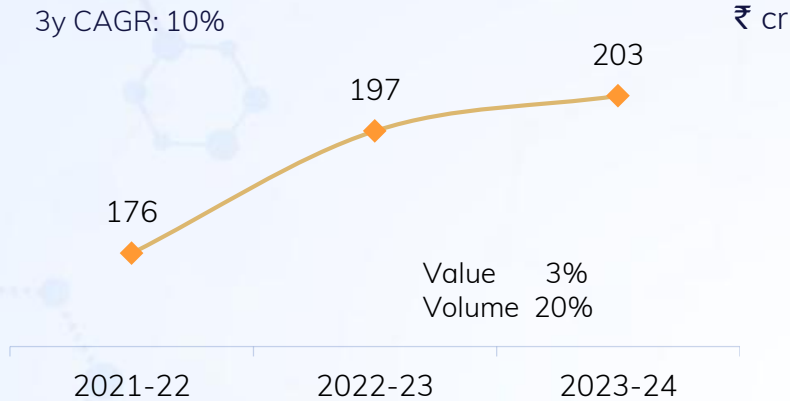
Brand	Market share* (2023-24)	Competition
Zura	24%	Dhanuka, Meghmani, Adama
Salix	28%	Dhanuka, Meghmani, Adama
Cyno	34%	Corteva
Amsac	18%	Gharda
Rhyzo	16%	Rallis, Parijat

brands: 63 customers: 1,700

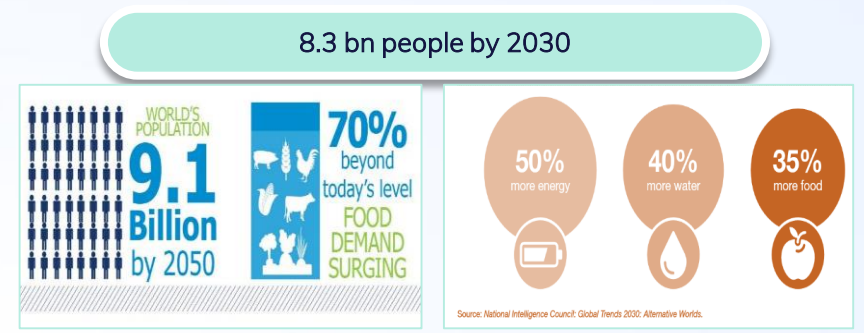
* domestic

Crop Protection – Retail

Sales

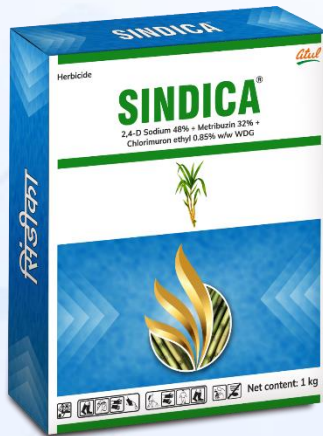


End user industry prospects



agriculture and allied businesses would remain attractive for a long time

New patented formulation



sales potential: ~ ₹ 100 cr

Way forward

- continue to develop patented novel formulations
- organic growth of existing portfolio
- widening the portfolio by way of enhanced cooperations
- optimise channel strength

Brands



Life science chemicals

Sub segment: Pharmaceuticals

Product groups: APIs and API intermediates

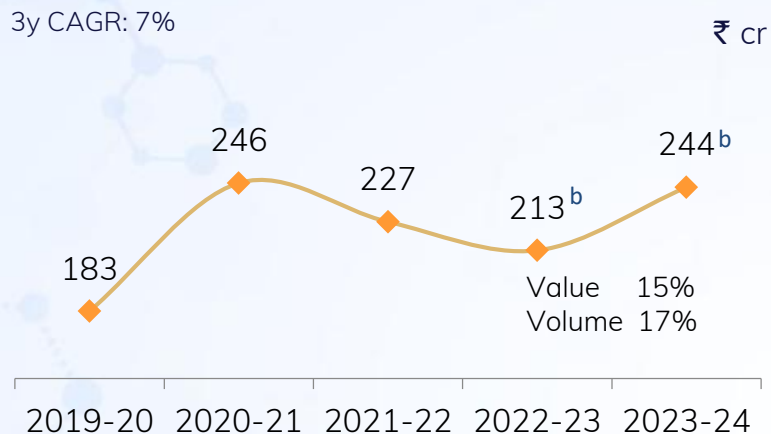
Industries served: Pharmaceutical

Product group	Market share (2023-24)	Competition
APIs and API intermediates	Insignificant (world)	India, Asia, Europe, North America
Dapsone	50%	India, Europe
Phosgene chemicals	Insignificant (world)	Asia, Europe, North America

products: 90 customers: 200

Pharmaceuticals

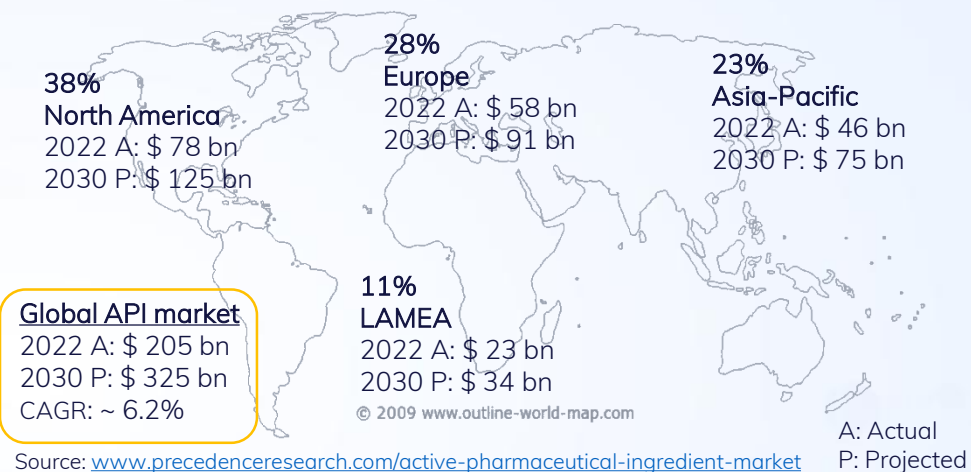
Sales^a



^a inclusive of Atul Bioscience sales

^b sale of critical products suffered during 2022-23 and H1 2023-24 due to fire in PHIN-II

End user industry prospects



Unrealised CAPEX



unrealised sales potential: ₹ 100 cr

Way forward

- increase sales of (12) APIs
- increase sales of (8) new intermediates
- qualify (7) new products
- expedite customer approvals
- file (12) DMFs
- increase CMO business with strategic customers
- clear USFDA | EDQM audit of ABL-2 scheduled in May 2024

Performance and other chemicals

Sub segment: Polymers – Performance materials

Product groups: Epoxy resins, Curing agents, Reactive diluents, Accelerators and Sulfones

Industries served: Adhesives, Aerospace and Defence, Automotive, Composites, Construction, Electrical and electronics, Marine, Paint and coating, Sport and leisure and Wind energy

Product group	Market share (2023-24)	Competition
Epoxy Resins Curing agents	Significant (India)	India (3), Asia, Europe, North America
Reactive diluents	Significant (India)	India (2), Asia, Europe, North America
Sulfones	Significant (World)	India (3), Asia, North America

products: 48

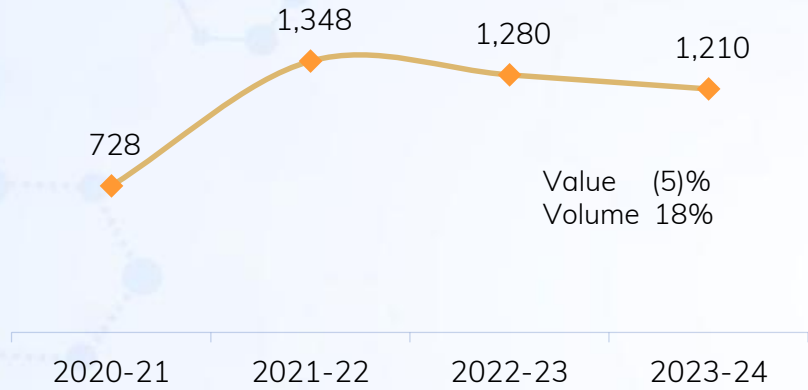
formulations: 272

customers: 520

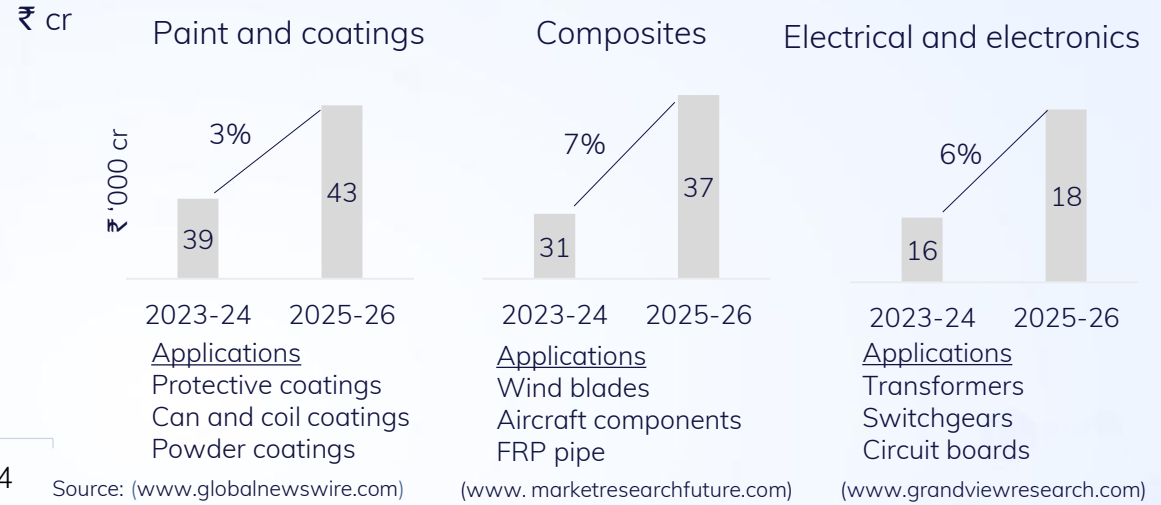
Polymers – Performance materials

Sales

3y CAGR: 18%



End user industry prospects



Unrealised CAPEX



unrealised sales potential: ₹ 104 cr

Way forward

- commission liquid epoxy resins 50,000 TPA plant in 2024-25
- increase reactive diluents and specialty resins capacity
- improve market share in wind blade application
- introduce new products beyond epoxy resins

Polymers – Retail

Product groups: synthetic rubber based adhesives, polyurethane adhesives, epoxy adhesives and sealants, cyanoacrylates and maintenance spray

Industries served: footwear, mattresses, foam and furnishing, construction, automobile and household

Brand	Market share* (2023-24)	Competition
Lapox	7%	Araldite, Bondtite,
Polygrip	5%	Fevicol, Henkel, Bostik,
Lacare	1%	WD40, Rustolene, Rustlick

brands: 3

formulations: 164

customers: 550

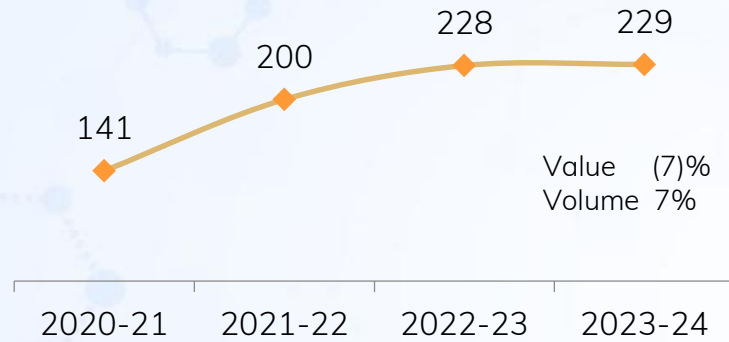
* domestic

Polymers – Retail

Sales

3y CAGR: 18%

₹ cr



End user industry prospects

	LAPOX[®] epoxy	polygrip[®] SR, SBS and PU	LACARE[®] maintenance
India, \$ mn	150	415	25
CAGR	8%	9%	8%

Offering solutions



construction



footwear



automobiles



bangles and handicraft



foam and furnishing



service centers



stone processing



furniture



industrial maintenance



plumbing



HVAC insulation



textile

Way forward

- expand route to market in India
- grow outside of India
- introduce new products and formulations

Brands



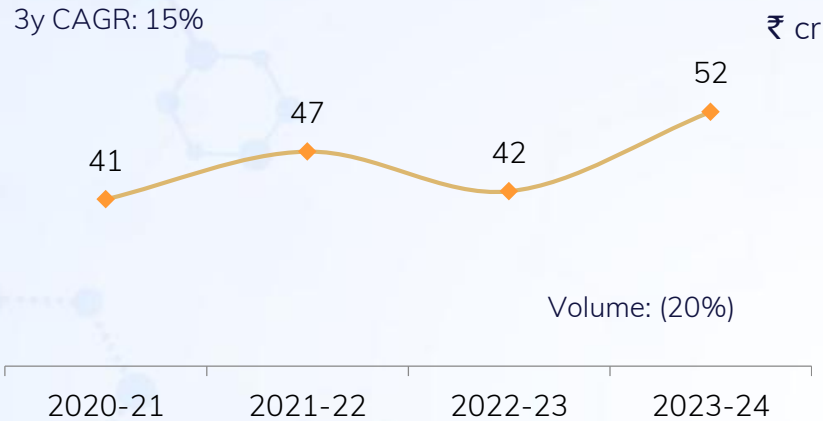
Polygrip



Lapox and Lacare

Sub segment: Floras

Sales



World date palm plantation

Year	World area harvested (lakh ha)	% increase decrease
2013	11.56	
2014	11.52	-0.35
2015	11.23	-2.52
2016	11.83	5.34
2017	11.88	0.42
2018	12.43	4.63
2019	12.83	3.22
2020	12.58	-1.95
2021	12.62	0.32
2022	12.70	

(0.01% of total earth land area) (India 0.06 L ha)

0.63

Market reach

Global

Particulars	Numbers
Countries	35
Acres	> 1,00,000
Plants	> 4 million
Beneficiaries	>300

India

Particulars	Numbers
States	20
Acres	8,349
Plants	4,67,811
Beneficiaries	3,156

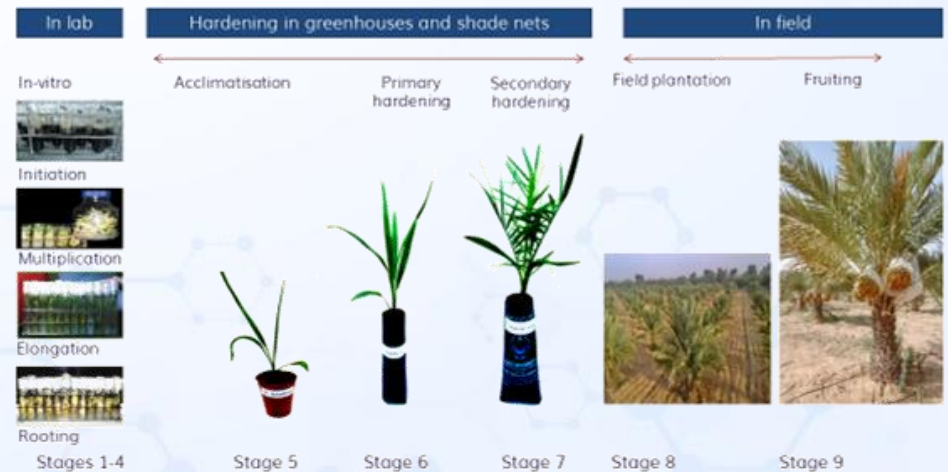
Gujarat

Particulars	Numbers
Districts	28
Acres	4,752
Plants	2,37,578
Beneficiaries	1,378

Rajasthan

Particulars	Numbers
Districts	24
Acres	2,928
Plants	1,87,421
Beneficiaries	1,031

Growth stages



Atul Rajasthan Date Palms Ltd

Agriculture scenario



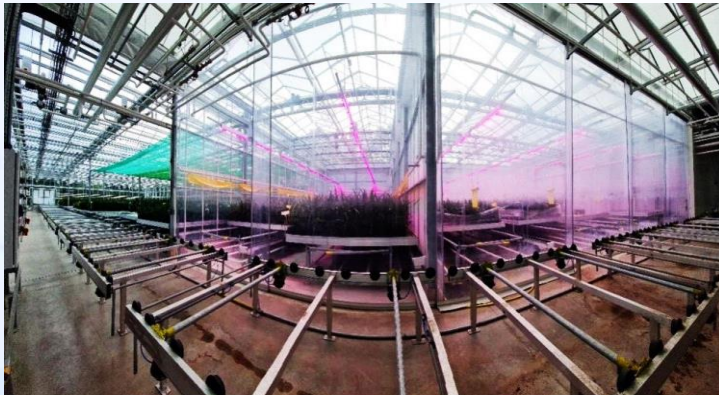
Indicators	India	Global
Agribusiness industry (agriculture, forestry and fisheries)	US\$0.44 bn	US\$3.60 tn
Share of agribusiness in GDP	17.30%	4.40%
Population in 2050 (est)	1.67 bn	10 bn
Rural population in 2022	67%	43%
Employment in agriculture	44%	26.60%
Cropland per capita	0.12 ha	0.20 ha
Water stressed lands	66.60%	18.60%
Hungry population	190 million	770 million
Undernourished	16.60%	9%
Stunted growth in children below 5 years age	31%	22%
Average dietary energy supply	2,594 kCal	2,963 kCal
Prevalence of anemia among women (age: 15 to 49 years)	53%	
Food imports	US\$18.85 bn	
Date imports	4,39,477 MT	

DPD Ltd, UK (Expansion)

Phase – 1



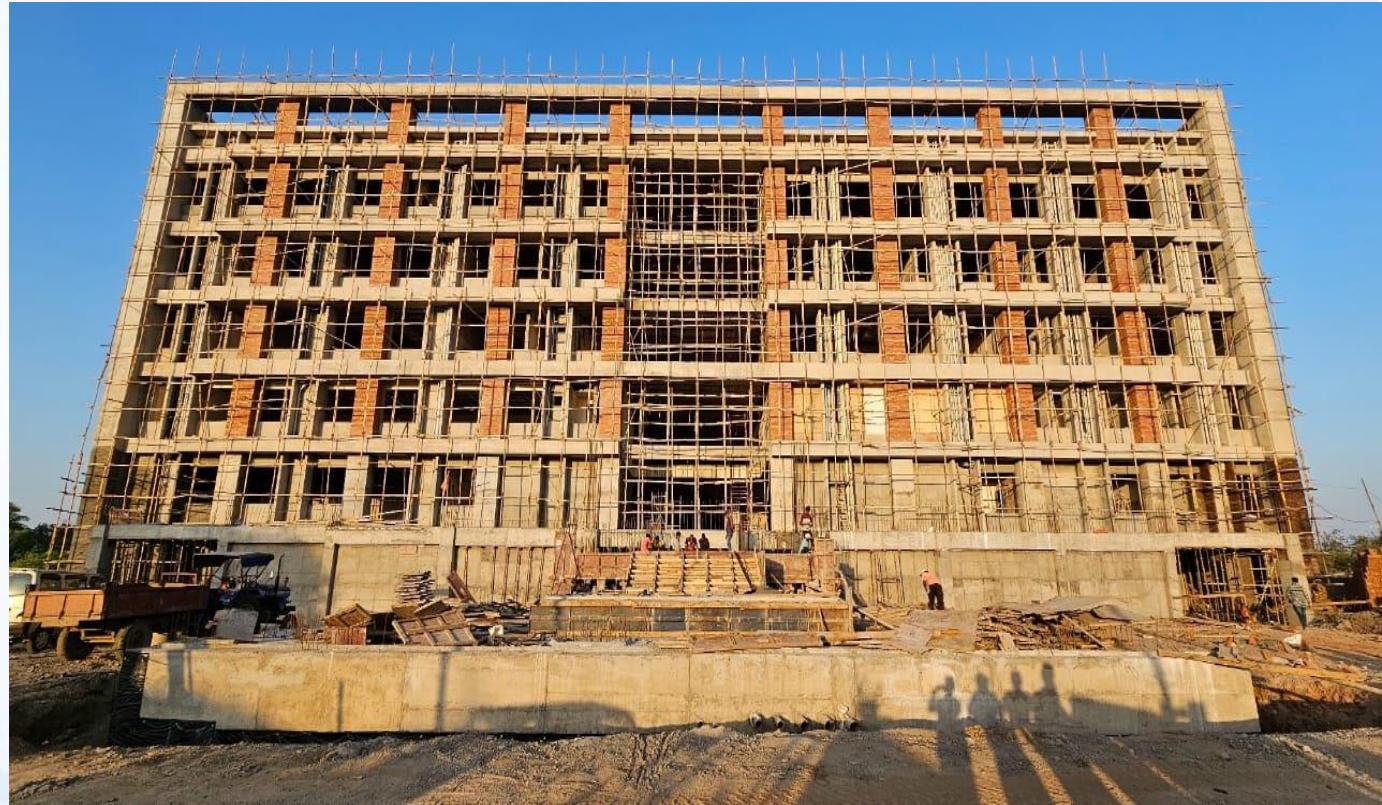
Phase – 2



Valsad Institute of Medical Sciences Ltd



3D view of architect



Actual construction of proposed 200 bed Super Speciality hospital at Valsad (under implementation)

Contact us



Website

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