

**May 13, 2024**

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 CODE:AARTIIND**

**Sub.: Results Presentation**  
**Ref: Regulation 30 of the SEBI**  
**(LODR) Regulations, 2015**

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Please find enclosed herewith the Q4 FY24 Results Presentation of the Company for your records.

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.



**AARTI  
INDUSTRIES**

# Aarti Industries Limited

Q4 FY24 Results Presentation

Unlocking Opportunities

Building a Stronger Future



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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**Q4 & FY24  
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**Growth  
Opportunity  
& Strategy**

# Our Ethos



## PURPOSE

Right Chemistry for a Brighter Tomorrow



## VISION

To emerge as a Global Partner of Choice for leading consumers of speciality chemicals and intermediates



## MISSION

Delighted Stakeholders



CARE



INTEGRITY



EXCELLENCE

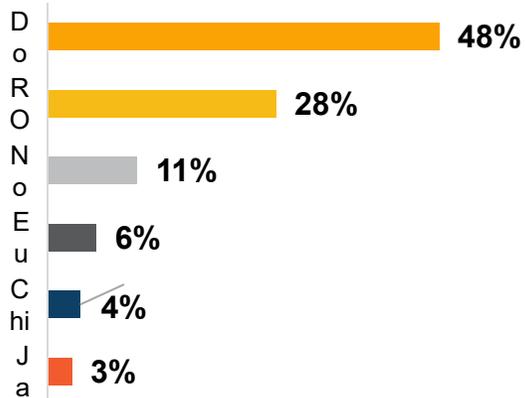
# About *Aarti Industries Limited*

## 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

 <b>100+</b> Products	 <b>1,100+</b> Domestic & Global Customers	 <b>60</b> Exporting countries	 <b>16</b> Manufacturing Plants
 <b>11</b> Zero Liquid Discharge Plants	 <b>6,000+</b> Employees	 <b>2</b> State-of-the-art R&D centres	 <b>5</b> No. of co-generation power plants

Geographical Revenue break-up (FY24)



# 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

**44%**

Water recycled

**6500 KL**

Harvested through rainwater

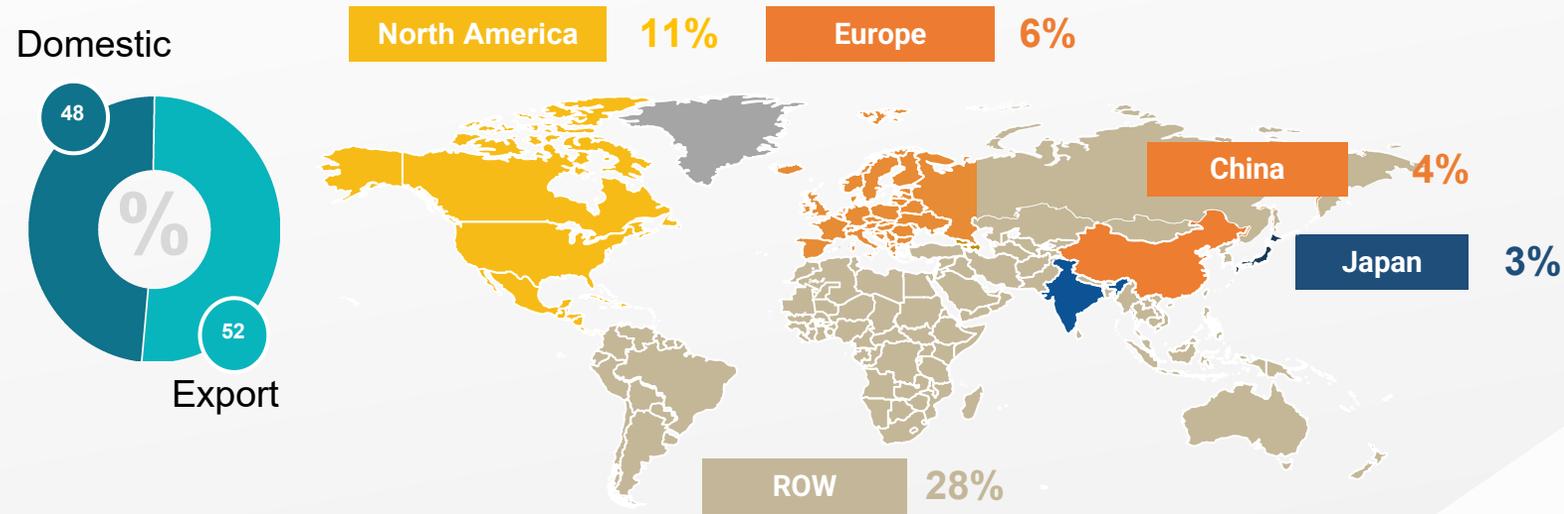
**18.75%**

Women at board level

# Key End-Use Industries Served

-  Textiles and Fabrics
-  Paints
-  Medicines
-  Air Fresheners
-  Agrochemicals
-  Polymers & Additives
-  Oil Refineries

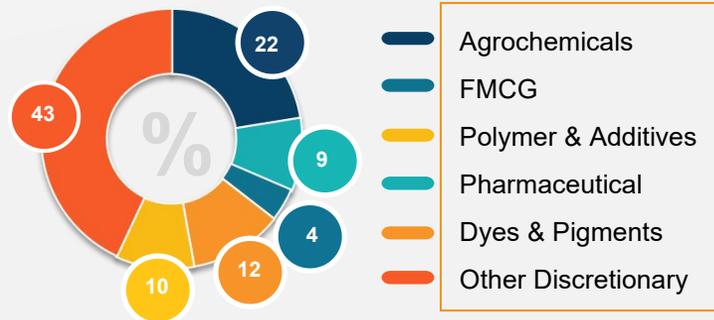
# Well Diversified Across Various Regions



# Key Customers



# Key End-use profile



# Sustainability Is *At The Core Of What Aarti Does*



## Environment

- 11 sites are Zero Liquid Discharge / Zero Liquid Discharge ready Facilities.
- Total water recycled ~44% of the total water withdrawal
- More than 6,500 KL water harvested through rainwater
- 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 98% 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 10,000 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



# Pioneering R&D Excellence



2

State-of-the-art R&D centres at Maharashtra & Gujarat

40+

Planned product introductions, more than 50% products will be launched first time in India

19

PhDs and 220+ scientists

40,000  
Sq. Ft.

Covered by an ultra-modern synthesis laboratory

10

Patents filed

## 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, Nitrilation, AHF, Grignard, Diazotization and more
- Built a state-of-the-art 12,000 sq. ft. analytical and 8000 sq. ft. process safety 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
  - Isomerization



01

Company  
Overview

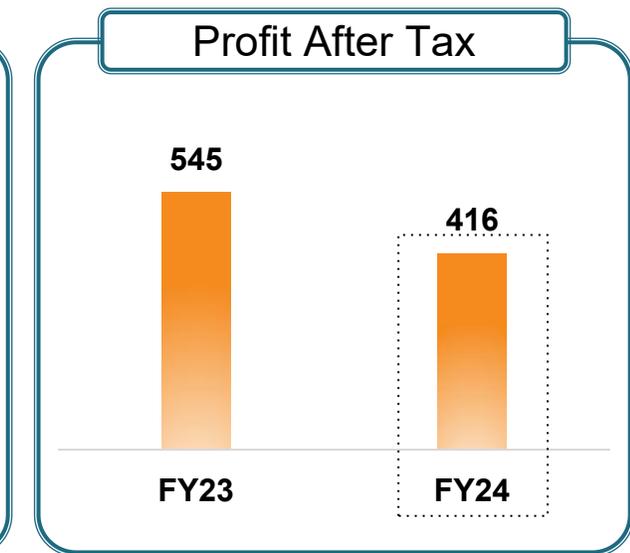
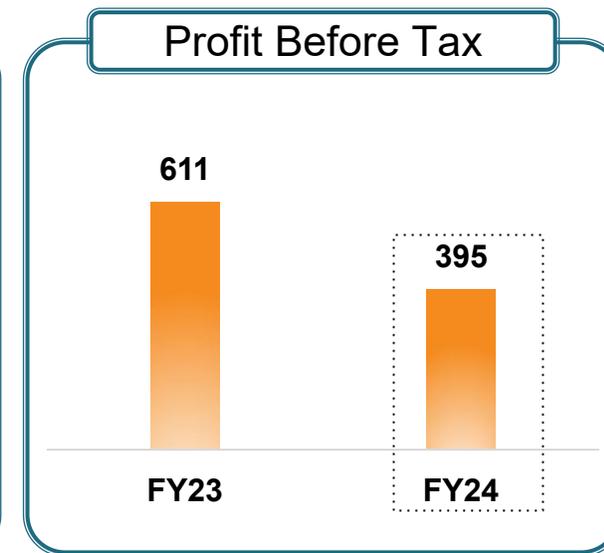
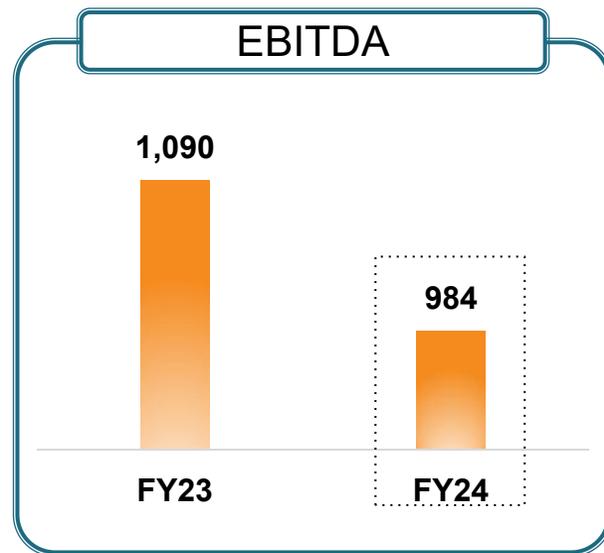
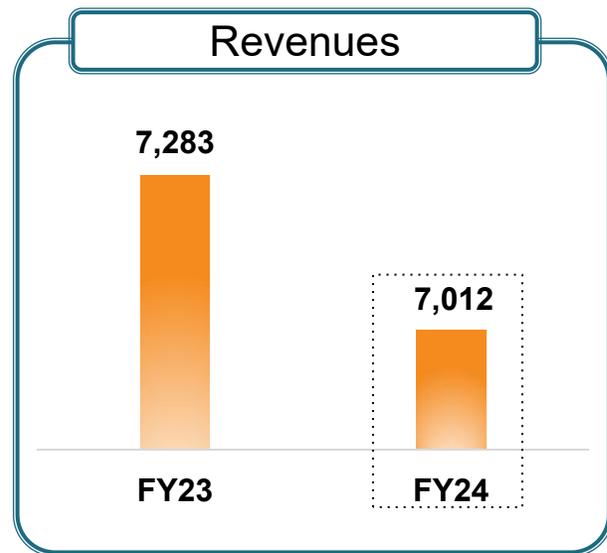
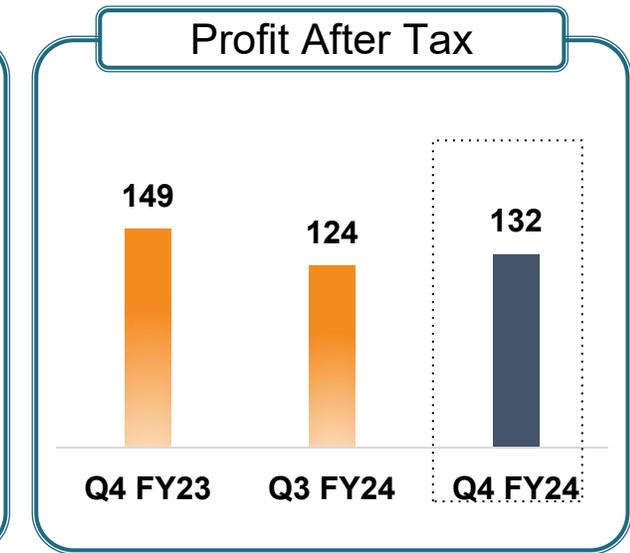
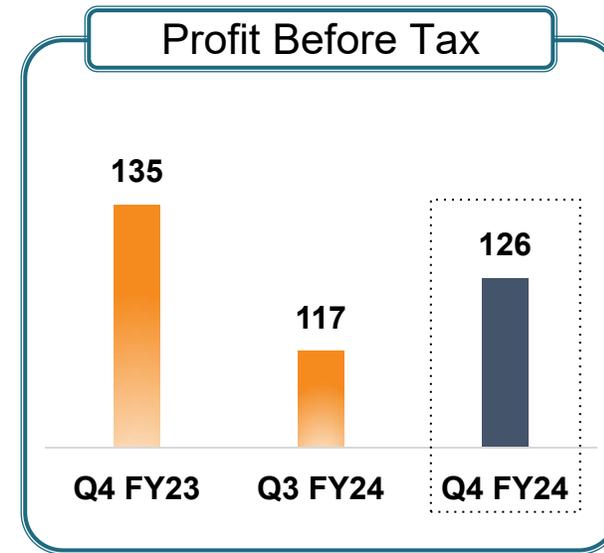
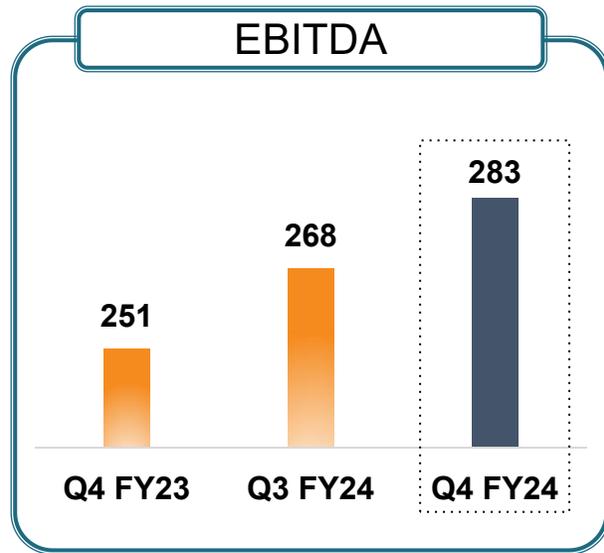
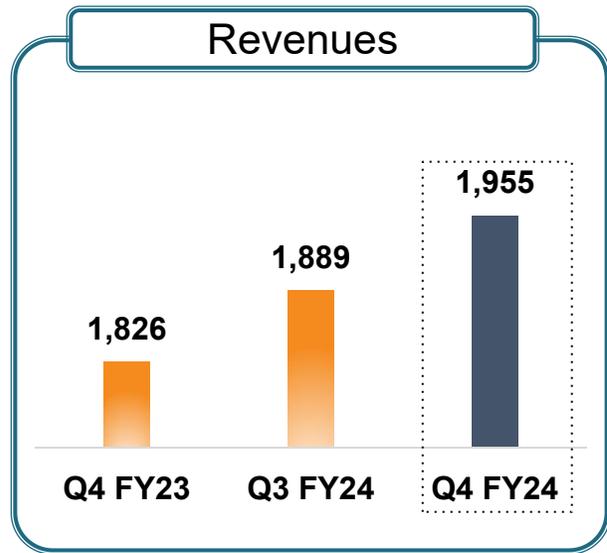
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Q4 & FY24  
Financial  
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Growth  
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& Strategy

# Q4 & FY24 Highlights (Consolidated)



# Performance Overview – Q4 FY24

Rs. 1,955 cr.  
Revenue

- Revenues growth driven by volume increase and also on account of passing on of increase in input prices (including freight costs). Volume growth propelled by better demand recovery in few applications of discretionary portfolio.
- Products within discretionary portfolio has been witnessing volume recovery. While products within the non-discretionary portfolio (Agrochemicals and Pharmaceuticals) continues to remain soft. We expect the demand in these products to gradually also contributed to the volume growth. That said, broad based progressive revival expected in FY25.
- Concerns related to Red Sea resulted into increase in freight costs and also the transit time. Enhanced roundtrip time might cause disruption in global supply chain in future, which might lead to changes in global sourcing strategies.

Rs. 283 cr.  
EBITDA

- EBITDA Increase in line with the guidance given earlier.
- Increase in EBITDA is attributed to:
  - Optimized cost structure with increasing volumes leading to better operating efficiency
  - Favorable product mix
- Interest costs increased on account of rising interest costs; depreciation aligns with the commencement of new capacities.

Rs. 132 cr.  
PAT

- PAT performance reflects the operating trajectory for Q4 FY24 and benefit from favorable tax position.
- Board recommended a dividend of Rs 1/- per share (20% of FV) for FY24.
- **Key Project Updates**
  - Projects such as NT & Ethylation expansion, Acid Phase 2 expansion, debottlenecking and expansion of few speciality chemicals units, greenfield projects at Zone IV (MPP, Pilot Plant and Chloro Toulene units), etc are progressing well as planned



## Commenting on the performance for Q4 FY24, Mr. Rajendra Gogri – Chairman & Managing Director at Aarti Industries Limited said:

*“Fiscal year 2024 presented significant headwinds for the chemical industry primarily due to underlying worries of softening global demand, inventory destocking/correction, slowdown for key global economies etc. This impacted our performances as well. Additionally, geopolitical tensions including military escalation in the Middle East affected cross-border logistics, leading to increased freight costs and longer transit times. Given this context, I believe we have reported a stable and resilient performance, attributed to our deep market understanding, cost leadership, and diversified product range.*”

*We concluded the year with EBITDA exceeding Rs. 984 crores, fulfilling our earlier commitment, and continue to progress steadily towards achieving over EBITDA guidance for FY25. Solid growth projection stems from our expectation of sustained recovery in discretionary segments, emerging signs of revival in the non-discretionary portfolio, higher operating leverages and higher contribution from recently secured contracts. This demonstrates our strong execution capabilities, supported by extensive manufacturing infrastructure and a leadership position in several complex chemical value chains.*”

*All our growth initiatives are proceeding as planned, and we anticipate the phased commissioning of several projects this year. Our Chloro Toluene project is also advancing well, and is expected to come on stream in a phased manner in FY26. Once operational, these projects will position us uniquely within the global chemical value chain and elevate our performance momentum. We aim to harness our profound expertise, maintaining an unwavering focus on R&D excellence, to strengthen our position and increase value for all our stakeholders.”*

## Q4 & FY24 – Consolidated Profit & Loss

Particulars (Rs. Crore)	Q4 FY24	Q4 FY23	Y-o-Y (%)	Q3 FY24	Q-o-Q (%)	FY24	FY23	Y-o-Y (%)
<b>Gross Income from Operations</b>	1,955	1,826	<b>7.06%</b>	1,889	3.49%	7,012	7,283	<b>-3.72%</b>
Exports	1,015	924	<b>9.85%</b>	1,100	<b>-7.73%</b>	3,644	3,517	<b>3.61%</b>
% of Total Income	51.92%	50.60%		58.23%		51.97%	48.29%	
<b>EBITDA (with other Income)</b>	<b>283</b>	<b>251</b>	<b>12.75%</b>	<b>268</b>	<b>5.60%</b>	<b>984</b>	<b>1,090</b>	<b>-9.72%</b>
EBITDA Margin (%)	14.48%	13.75%		14.19%		14.03%	14.97%	
<b>EBIT</b>	<b>185</b>	<b>167</b>	<b>10.78%</b>	<b>171</b>	<b>8.19%</b>	<b>606</b>	<b>780</b>	<b>-22.31%</b>
EBIT Margin (%)	9.46%	9.15%		9.05%		8.64%	10.71%	
<b>PAT</b>	<b>132</b>	<b>149</b>	<b>-11.41%</b>	<b>124</b>	<b>6.45%</b>	<b>416</b>	<b>545</b>	<b>-23.67%</b>
PAT Margin (%)	6.75%	8.16%		6.56%		5.93%	7.48%	
EPS (Rs.)	<b>3.64</b>	<b>4.10</b>	<b>-11.22%</b>	<b>3.42</b>	<b>6.43%</b>	<b>11.49</b>	<b>15.04</b>	<b>-23.60%</b>

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Company  
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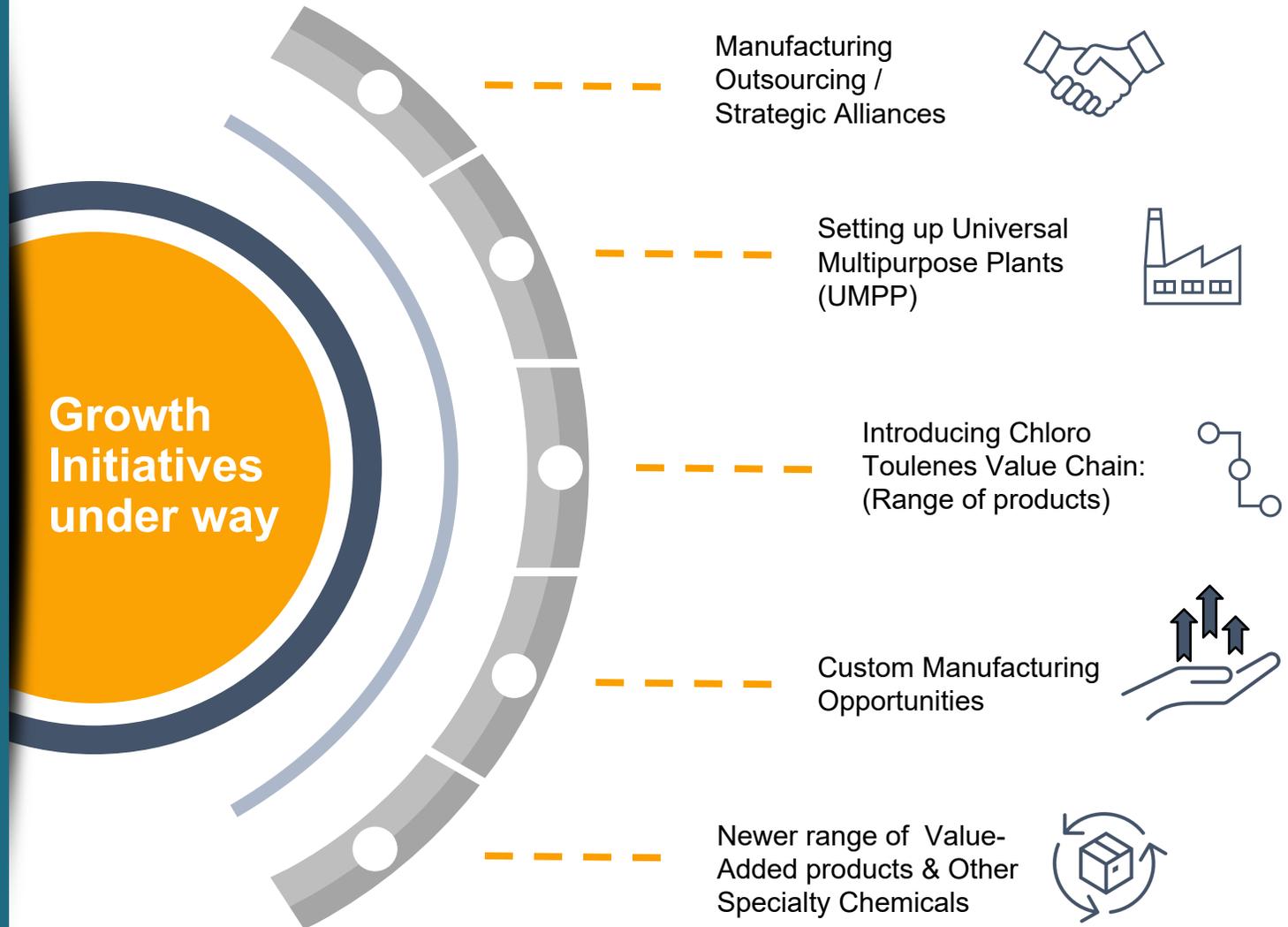
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Growth  
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& Strategy

# 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 Toulene 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 FY26 and beyond
- End use majorly in Agrochemicals & Pharma.



# Future Growth Opportunities & Outlook

## Growth Strategy

### Partnership with Global Companies



- Collaborate with world's leading chemical companies
- Build on existing partnerships and build new ones
- Contract Manufacturing/ CDMO Opportunities

### New Product Development



- Explore new value Chains
- Add new chemistry: e.g., Photochlorination, oxidation etc.
- Expansion of existing Value chain

### Bio and Sunrise sector



- Sustainable/ green products with focus on biochemistry, circularity.
- Battery chemicals, Electronics chemicals, new age materials, high end polymers etc.

## Outlook

### FY25

- Recovery of Volumes across the sector, Ramp-up of capacities and higher operating leverages shall lead to EBITDA growth
- Commissioning of expanded capacities of NT and Ethylation
- Zone 4 to start gradually going onstream.

### FY26 and beyond

- EBITDA to grow by ~ 20-25% CAGR driven by
  - Zone 4 ramping up.
  - New Strategic opportunities
  - Higher utilisation for existing capacities at Zone 1,2,3

# About Us

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**Aarti Industries Limited (AIL)** is one of the most competitive benzene-based speciality chemical companies in the world. AIL is a rare instance of a global speciality chemicals company that combines process chemistry competence (recipe focus) with scale-up engineering competence (asset utilization). Over the last decade, AIL has transformed from an Indian company servicing global markets to what is fundamentally a global company selecting to manufacture out of India. The Company globally ranks at 1st – 4th position for 75% of its portfolio and is “Partner of Choice” for various Major Global & Domestic Customers.

AIL has de-risked portfolio that is multi-product, multi-geography, multi-customer and multi-industry. AIL has 100+ products, 700+ domestic customers, 400+ export customers spread across the globe in 60+ countries with major presence in USA, Europe, Japan. AIL serves leading consumers across the globe for Speciality Chemicals and Intermediate for Pharmaceuticals, Agro Chemicals, Polymers, Pigments, Printing Inks, Dyes, Fuel additives, Aromatics, Surfactants and various other Speciality Chemicals.

AIL is committed to Safety Health & Environment, equipped with Quality policy mapped to global benchmarks ensuring customer confidence and business sustainability. The Company has 11 Zero Discharge units and a strong focus on Reduce-Reuse-Recover across its 15 manufacturing sites.

AIL is a responsible corporate citizen engaged in community welfare through associated trusts (including Aarti Foundation and Dhanvallabh Charitable Trust) as well as focused NGOs engaged in diverse social causes.

Over the years, AIL has received multiple awards and recognitions for outstanding export performance, leadership in the chemical industry, efforts in conserving the environments as well as ensuring sustainable growth through path breaking innovation.

For further information please log on to [www.aarti-industries.com](http://www.aarti-industries.com) or contact:

**Chetan Gandhi / Raj Sarraf**

**Aarti Industries Limited**

Email: [info@aarti-industries.com](mailto:info@aarti-industries.com)

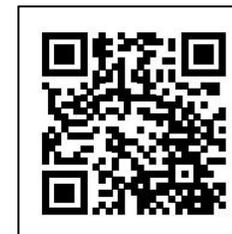
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**Thank You**

**Unlocking Opportunities**

**Building a Stronger Future**

