



Archean  
Chemical  
Industries  
Limited

# Archean Chemical Industries Limited

Q2 & H1 FY25 - Investor Presentation





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A leading Manufacturer of **Specialty Marine Chemicals** in India



**Strong Clientele** - 40 Global & 32 Domestic



**Largest exporter** of Bromine and Industrial Salt in India



**'Responsible Care'** Certification is in process

**Rs. 4,754.5 Mn**  
**H1 FY25 Revenue**

### Bromine

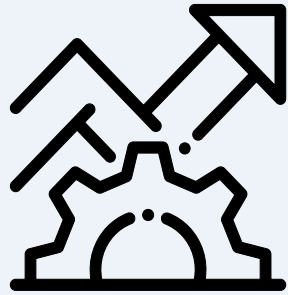
- Leadership position in Indian Bromine merchant sales

### Industrial Salt

- 100% Export business

### Sulphate of Potash

- Only Manufacturer from natural sea brine in India



## Q2 & H1 FY25 Performance Highlights

# Profit & Loss Statement



Particulars (Rs. in mn)	Q2 FY25	Q2 FY24	Q1 FY25	H1 FY25	H1 FY24
<b>Total Income</b>	<b>2,520.5</b>	<b>3,020.4</b>	<b>2,234.0</b>	<b>4,754.5</b>	<b>6,563.4</b>
Cost of material consumed	114.6	119.4	124.2	238.8	254.6
Change in Inventory	2.4	68.2	(317.0)	(314.6)	231.7
Purchase of Stock –in – Trade	-	-	-	-	-
Employee Cost	123.3	192.0	140.7	264.0	395.3
Other Expenses	1,382.2	1,569.1	1,437.4	2,819.6	3,150.7
<b>EBITDA</b>	<b>898.1</b>	<b>1,071.7</b>	<b>848.6</b>	<b>1,746.7</b>	<b>2,531.1</b>
Depreciation	179.9	174.6	178.9	358.8	349.2
<b>EBIT</b>	<b>718.2</b>	<b>897.1</b>	<b>669.8</b>	<b>1,387.9</b>	<b>2,181.9</b>
Finance Cost	20.4	20.0	18.7	39.1	50.6
<b>Profit before Tax</b>	<b>697.8</b>	<b>877.1</b>	<b>651.0</b>	<b>1,348.8</b>	<b>2,131.4</b>
Exceptional Item*	(401.8)	-	-	(401.8)	-
Tax	77.3	213.6	166.4	243.7	526.2
<b>Profit After Tax</b>	<b>218.7</b>	<b>663.5</b>	<b>484.6</b>	<b>703.3</b>	<b>1,605.2</b>
EPS (in Rs.) - Basic	1.77	5.39	3.93	5.70	13.04
EPS (in Rs.) - Diluted	1.76	5.37	3.92	5.69	12.99



\*Exceptional item is due to Asna cyclone impact resulting in loss of Industrial salt stock of Rs. 40.18 Crs (4.72 Lakhs MT) in Gujarat during August 24 / September 24. The Company has initiated the claim process with the insurance company

# Balance Sheet Statement



Particulars(Rs. in mn)	Sept-24	Mar-24
<b>Shareholder's Funds</b>	<b>17,650.9</b>	<b>17,064.2</b>
Equity Share Capital	246.8	246.8
Reserves & Surplus	17,404.1	16,817.4
<b>Non-Current Liabilities</b>	<b>1,615.0</b>	<b>1,606.8</b>
<b>Financial Liability</b>		
Borrowings	5.0	6.0
Lease Liability	292.1	312.3
Provisions	50.0	50.7
Deferred Tax Liabilities	1,267.9	1,237.8
<b>Current Liabilities</b>	<b>1,067.3</b>	<b>1,239.4</b>
<b>Financial Liability</b>		
Borrowings	1.9	1.9
Lease Liability	65.2	70.5
Trade Payables	943.7	990.0
Other Financial Liabilities	26.4	151.9
Other Current Liabilities	25.4	18.7
Current tax liabilities (net)	-	-
Provisions	4.7	6.4
<b>Total Equity &amp; Liabilities</b>	<b>20,333.2</b>	<b>19,910.3</b>

Particulars(Rs. in mn)	Sept-24	Mar-24
<b>Non-Current Assets</b>	<b>13,023.7</b>	<b>12,893.5</b>
Property Plant & Equipment	10,357.6	10,581.9
CWIP	177.0	205.9
Right of Use Assets	249.6	281.2
Intangible Assets	0.9	1.2
<b>Financial Assets</b>		
Investments	110.0	110.0
Loans	1,607.5	1,403.0
Other Financial Assets	247.1	190.5
Income Tax Assets (Net)	130.3	54.0
Other Non - Current Assets	143.8	65.9
<b>Current Assets</b>	<b>7,309.5</b>	<b>7,016.8</b>
Inventories	1,188.5	1,270.0
<b>Financial Assets</b>		
Current Investments	4,111.9	3,358.3
Trade receivables	1,079.7	1,558.5
Cash and cash equivalents	440.1	438.7
Bank balances	-	-
Loans	5.3	4.3
Other Financial Assets	158.9	150.9
Other Current Assets	325.0	236.0
<b>Total Assets</b>	<b>20,333.2</b>	<b>19,910.3</b>

# Cash Flow Statement



Particulars (Rs. mn)	Sept-24	Sept-23
<b>Profit before Tax &amp; Exceptional</b>	<b>947.0</b>	<b>2,131.4</b>
Adjustment for Depreciation & other items	151.7	237.7
<b>Operating profit before working capital changes</b>	<b>1,098.7</b>	<b>2,369.1</b>
Changes in working capital	209.8	271.6
<b>Cash generated from operations</b>	<b>1,308.5</b>	<b>2,640.7</b>
Direct taxes paid (net of refund)	-289.6	-433.0
<b>Net Cash from Operating Activities</b>	<b>1,018.9</b>	<b>2,207.7</b>
<b>Net Cash from Investing Activities</b>	<b>-822.0</b>	<b>-1,607.5</b>
<b>Net Cash from Financing Activities</b>	<b>-195.5</b>	<b>-344.2</b>
Net Change in cash and cash equivalents	1.4	256.0
Cash and cash equivalents at the beginning of the year	438.7	52.7
<b>Cash and cash equivalents at the end of the year</b>	<b>440.1</b>	<b>308.7</b>



## Strategic Update & Recent developments





## 1. Clas-Sic Wafer Fab Limited



**Cost of Acquisition:** The primary subscription involves investment of GBP 10 mn, and a secondary purchase involves GBP 5 mn



**Acquired 21.33%** of equity share capital



**Market Potential:** The SiC market is forecast to grow at a 26% CAGR through 2030

### Overview

- **Company Name:** Clas-SiC Wafer Fab Limited
- **Specialization:**
  - ✓ Manufacturing of SiC devices
  - ✓ Development of advanced SiC process modules and design kits
  - ✓ Focus on MOSFETs (Metal-Oxide-Semiconductor Field-Effect Transistors) and diodes
- **Industry Focus:** Semi-Conductor
- **Target Applications:**
  - ✓ Energy-efficient green technologies (e.g., electric vehicles, renewable energy systems)
  - ✓ Industrial power electronics
  - ✓ Data centers
- **Location:** United Kingdom
- **Key Advantages:** Critical role in enabling energy efficiency in various industrial and green tech sectors

### Investment Rationale

- **First Investment:** This will be India's first investment of its kind in a company with Silicon Carbide (SiC) MOSFETs and devices production capability
- **Strategic Alignment with Semiconductor Initiative:** The investment supports the broader semiconductor strategy through **SiCSem Private Limited (SiCSem)**, aligning with the company's vision to expand in the compound semiconductor space
- **Technology Exclusivity in India:** The investment secures exclusive access to advanced SiC technology in India, providing a competitive edge in the domestic market
- **Key Synergies :** ACIL's core competency in specialty chemicals, creates natural synergies with its SiC semiconductor business

### Other Details

- **Production Setup:** ACIL is targeting to manufacture high quality SiC power devices in next 24-36 months (First Phase) to serve both domestic and international market
- **Government Approval:** SiCSem has submitted an application for the Indian Semiconductor Mission under the Government of India, which is currently awaiting approval



## 2. Offgrid Energy Labs



**Cost of Acquisition:** \$12 million



**Market Potential:** The global demand for stationary energy storage is expected to exceed \$30 billion by 2030



**To Acquire 21% on a fully diluted basis**

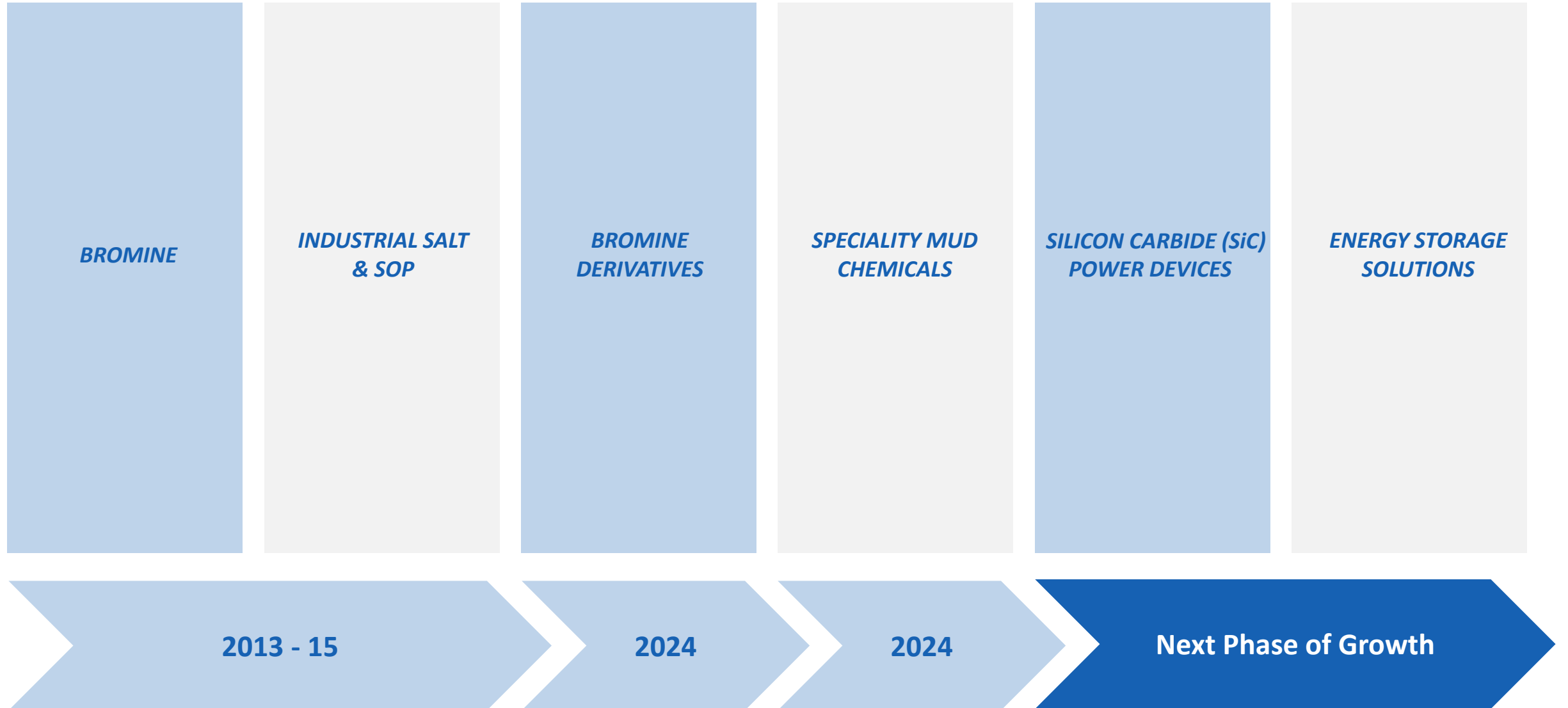
### Overview

- **Company Name:** Offgrid Energy Labs
- **Technology Developed:** Patented battery technology
- **Target Applications:**
  - ✓ Renewable energy storage
  - ✓ Low-power mobility solutions
- **Industry Focus:** Energy Storage Sector
- **Core Chemistry:** Zinc Bromide Chemistry
- **Battery Characteristics:**
  - ✓ Ideal for applications requiring daily deep charge and discharge
- **Location:** USA
- **Key Advantages:**
  - ✓ Significant cost advantages
  - ✓ Improved performance characteristics

### Investment Rationale

- **Strategic Alignment:** Aligns with broader strategy to enter the energy storage sector, with a focus on renewable energy applications and industrial storage and Grid stability
- **Support for Offgrid:** The investment will help meet Offgrid's need for specialty chemicals and assist in their manufacturing scale-up
- **Market Opportunity:** The investment positions ACIL to participate in the rapidly growing energy storage market, creating long-term value
- **Technology Differentiation:** Zinc Bromide batteries offer superior cycle life (7,500 cycles), safety, and cost-effectiveness compared to lithium-ion batteries, making them ideal for daily charge-discharge cycles in commercial and industrial (C&I) solar applications as well as utility-scale grid stability projects
- **Pilot and Giga-Factory:** ACIL is supporting the establishment of a pilot manufacturing facility in the UK, with an intention to establish a giga-factory in India in near future to scale Zinc Bromide battery production
- **Key Synergy :** ACIL's bromine business has a direct synergy with Zinc Bromide batteries, which use zinc-bromide chemistry for the battery

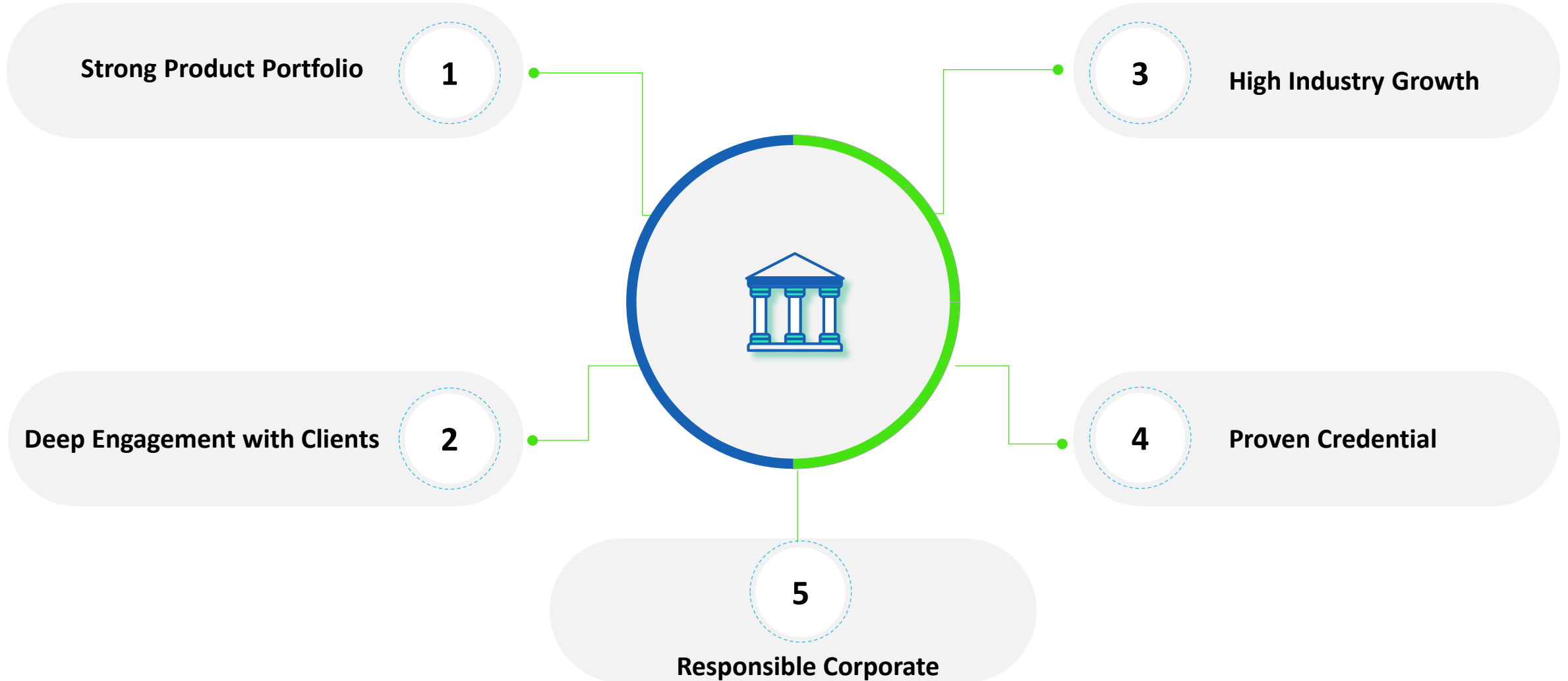
# Diversification Strategy with natural synergy





## Key Attributes behind Strong Foundation

# Key Attributes Behind Strong Foundation





## Product

### Bromine

### Industrial Salt

### SOP

#### Overview

- Bromine is the only non-metallic element that is a liquid at standard conditions
- It is a member of the halogen family and is found naturally in seawater, underground brine deposits and other water reservoirs

- There are 14,000 commercial uses of Salt, a source of Sodium and Chlorine which are basic components of an array of materials – such as plastics, glass, synthetic rubber, cleansers, pesticides, paints, adhesives, fertilizers etc.

- Sulphate of Potash, also known as potassium sulphate, is a high-end, **specialty fertilizer** for chlorine-sensitive crops.

#### Archean's Position

- Leadership position in Indian Bromine merchant sales

- Produced using the solar evaporation method

- Only Manufacturer of SOP from natural sea brine, in India
- KTMS (kainite type mixed salt) had higher NaCl content (Sodium Chloride), which led to lower SOP production in the last few years

#### End User Industries

- Pharmaceuticals
- Agrochemicals
- Flame Retardants
- Water Treatment
- Oil & Gas & energy storage

- Chloralkali Chemicals
- Food & Beverage
- Water Treatment
- Oil & Gas

- Agrochemicals
- Various industries including glass, cosmetics etc.
- Medical uses



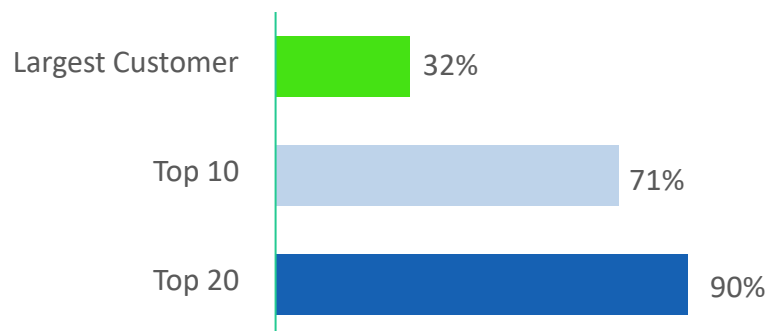
Enduring customer relationships helped to expand product offerings and geographic reach

## Strong Clientele

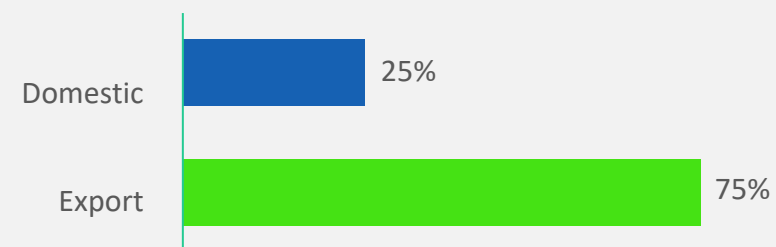


TOTAL **72** Clients

## H1 FY25 Revenue Contribution



## H1 FY25 High Focus on Exports



## Major Clients

**Sojitz Corporation**  
A Japanese Trading Conglomerate, Largest Customer



- Sojitz is a Japanese Trading Conglomerate with **diverse client base**
- Enjoy relationships in **excess of five years** with seven out of top ten customers



*Product*

## Bromine

## Industrial Salt

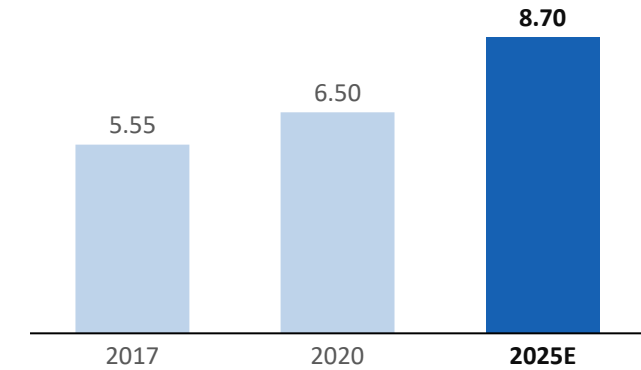
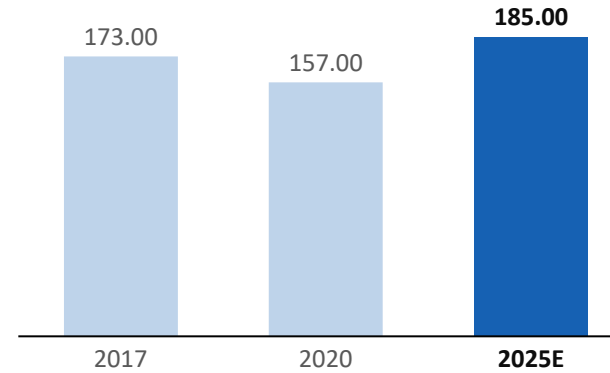
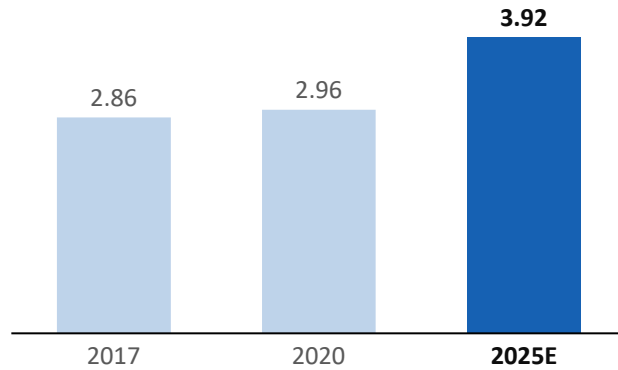
## Sulphate of Potash

(US\$ billion)

(mn in MT)

(mn in MT)

*Global  
Market Size*



*High Growth  
In  
End User Industries*

- Increasing demand for flame retardants
- Increasing demand in Agro chemicals
- Increasing consumption of oil well chemicals
- Increasing use of bromide compounds in energy flow batteries

- Increasing industrialization leading to increase in Chlor Alkali, PVC & Polyurethane
- Increase in demand from the food and beverage industry

- Increase in use of fruits and vegetables growing fertilizers primarily



## With Industry Standards and Regulatory Credentials

### Key Certificates



MINISTRY OF COMMERCE  
AND INDUSTRY  
DIRECTOR GENERAL OF  
FOREIGN TRADE

सत्यमेव जयते

- Accredited four star export house by Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India
- Member-signatory to **Responsible CARE** – Indian Chemical Council
- **REACH** certification enabling the Company to export Sulphate of Potash products to European customers

### R&D Depth

- State of art R&D facility at plant location.
- Continuous effort undertaken to evaluate the brine chemistry.
- R&D facility has been set up in Jhagadia for Bromine downstream project.





## Environment & Safety Measure

Environment and safety considerations are an important part of our operations. We undertake an annual environment and safety audit and strive to ensure that we do not discharge any harmful elements from our manufacturing operations.

- Annual environment and safety audit
- Environment Management Cell Program
- Stack & Ambient Air, water Quality and noise level Monitoring
- Water Audit
- Use of ISO tanks certified by the Bureau Veritas Quality International (“BVQI”) tanks



## Social

Focused on education and skill development and healthcare for our staff and local community. We have carried out activities set forth below:

- Supply of drinking water to surrounding areas situated near Hajipir Factory
- Medical camps to raise health awareness amongst the local community
- Donation to schools for promoting education at Hajipir
- Building renovation of Hajipir & Nara Schools
- Rural development activities



## Governance

Undertakes all necessary steps to comply with all the requirements of Listing Regulations and the Companies Act. Committees of the Board

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders’ Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee



## Capex Update and Way Forward



## 01. Brownfield Expansion

Expanded Bromine and Industrial Salt capacities

### Bromine

- Added an additional 14,500 MT per annum capacity in FY23 which will be used for producing Bromine Derivatives in the upcoming greenfield project

### Industrial Salt

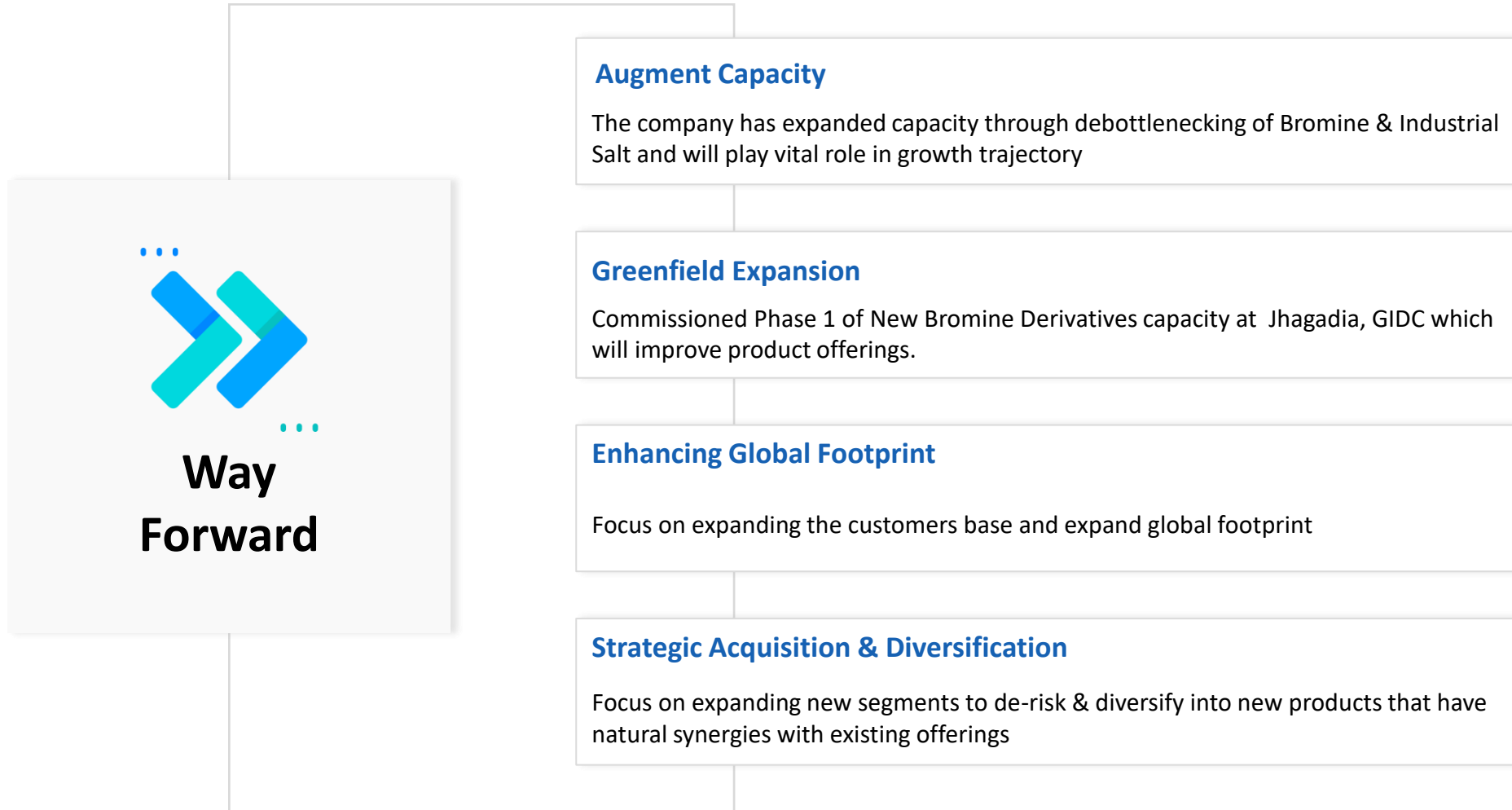
- To expand the manufacturing capacities for Industrial Salt production by adding one additional washery unit with 2 Lines of 240 tons per hour each.

## 02. Greenfield Expansion

Expanded downstream Bromine derivative performance products

### Bromine Derivatives

- Phase 1 expansion of new facility at Jhagadia, GIDC through Acume Chemicals Private Limited (Subsidiary) commissioned in Q4FY24 to manufacture Bromine Performance Derivatives
- Capex related to flame retardants is currently on hold and will update as per progress





# Thank You !

## Company:



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**Strategic Growth Advisors Pvt. Ltd.**

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