

25th July, 2022

Ref. No.: **AIL/SE/26/2022-23**

To,

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001, MH.

Scrip Code: **543534**

National Stock Exchange of India Limited
Exchange Plaza,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051, MH.

Symbol: **AETHER**

Dear Madam / Sir,

Subject: Presentation on Financial Results

In accordance with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the presentation on Financial Results for the First Quarter ended on June 30, 2022 is enclosed herewith.

We request you to kindly take the information on your records.

Thank you.

For Aether Industries Limited



Chitrarth Rajan Parghi
Company Secretary & Compliance Officer



Encl.: As attached

Q1 / FY23 Presentation

JULY 25, 2022



AETHER.NS
543534

Agenda

01
About
Aether.

02
Financial
Summary.

03
QEHS +
ESG.

04
Ongoing
Expansions.

05
Annexure.



About Aether.



Core Competencies

Chemistry

Grignard's and Organolithiations

Ethylene Oxide Chemistry

- Tandem Grignard / Ethylene Oxide

Isobutylene Chemistry

Hydrogenation

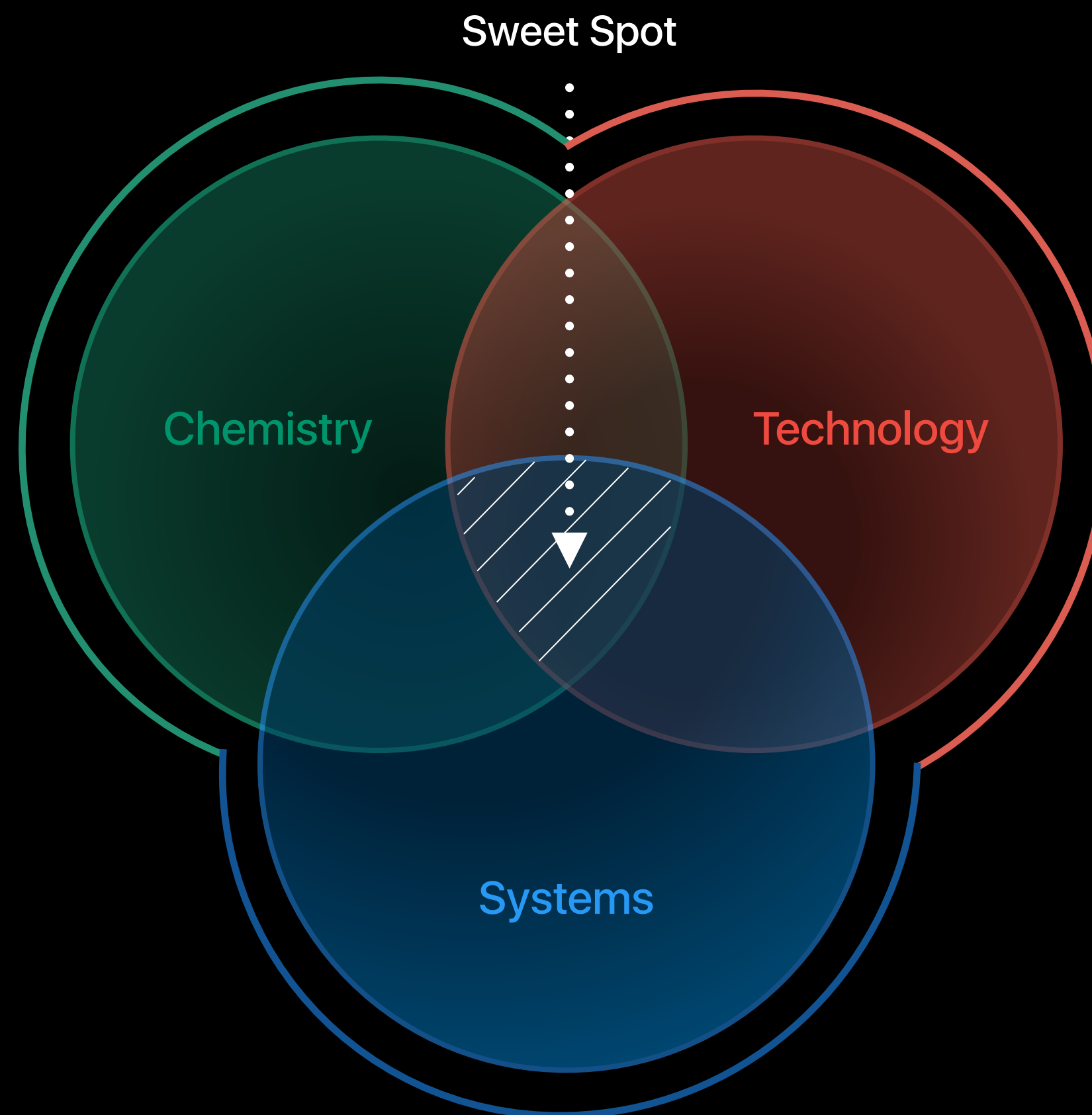
- Asymmetric Hydrogenation

Heterogeneous Catalysis

Exothermic Chemistry

Cross Coupling Chemistry

Olefin Metathesis / Polymerisation



Technology

Continuous Reaction

Batch Reaction

High Pressure Reaction

Fixed Bed Reaction

Cryogenic Reaction

High Vacuum Distillation

Wiped Film Distillation

Process Automation

8 x 8 Matrix

Systems

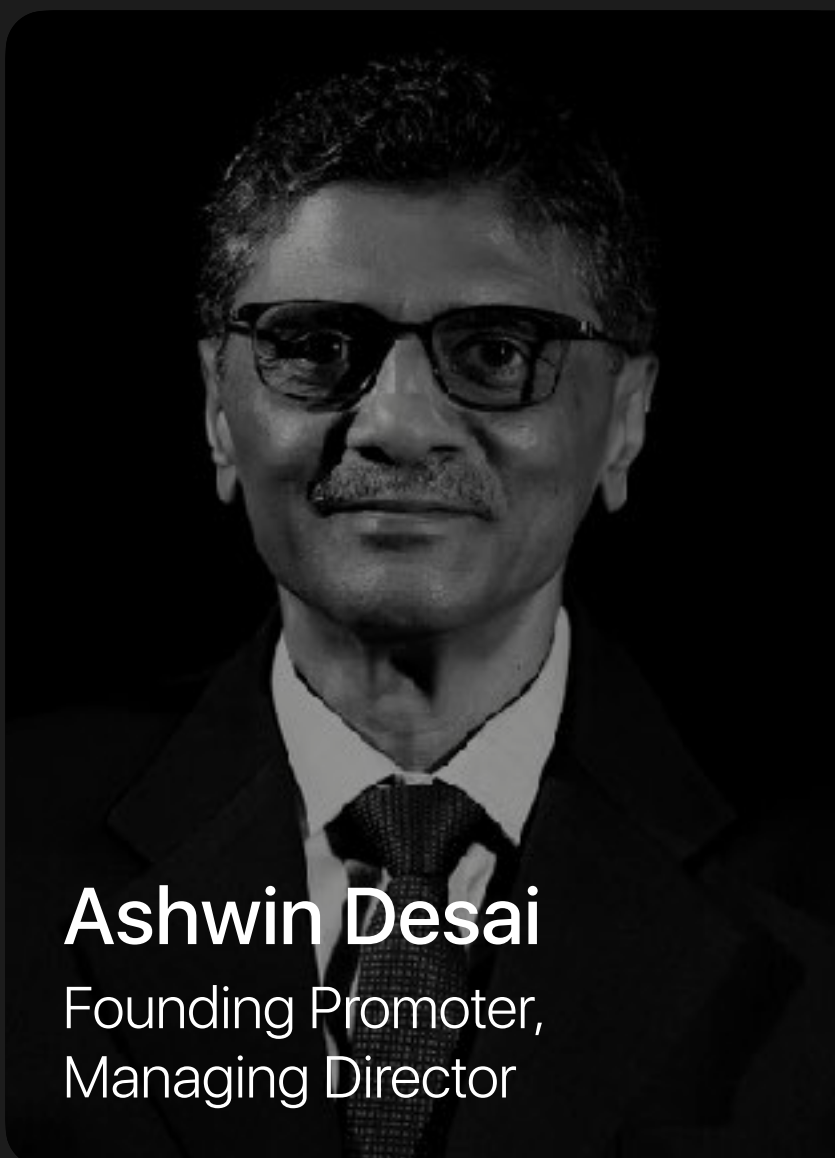
SAP, AIRIS, AES

Multiple Certifications

Distributed Control Systems (DCS) Automation



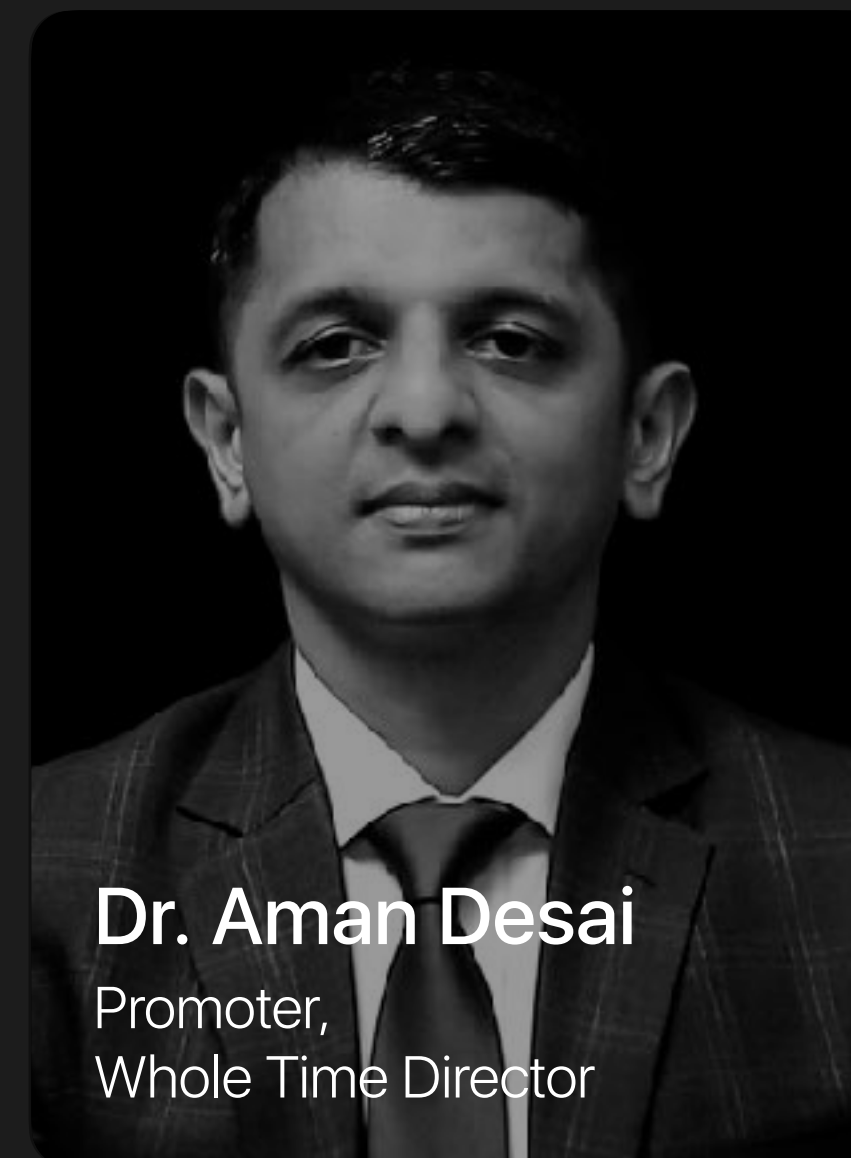
Key Pillars



Ashwin Desai

Founding Promoter,
Managing Director

- Bachelor of Chemical Engineering from Institute of Chemical Technology (UDCT, 1974)
- Distinguished Alumni Award by UDCT (2010)
- Prior to Aether, Founder / Chairman / MD of Anupam Rasayan (India) Limited (till 2013)
- Spearheading the continuous (flow) technology core competency
- Aether's visionary, multiple decades of experience in speciality chemicals



Dr. Aman Desai

Promoter,
Whole Time Director

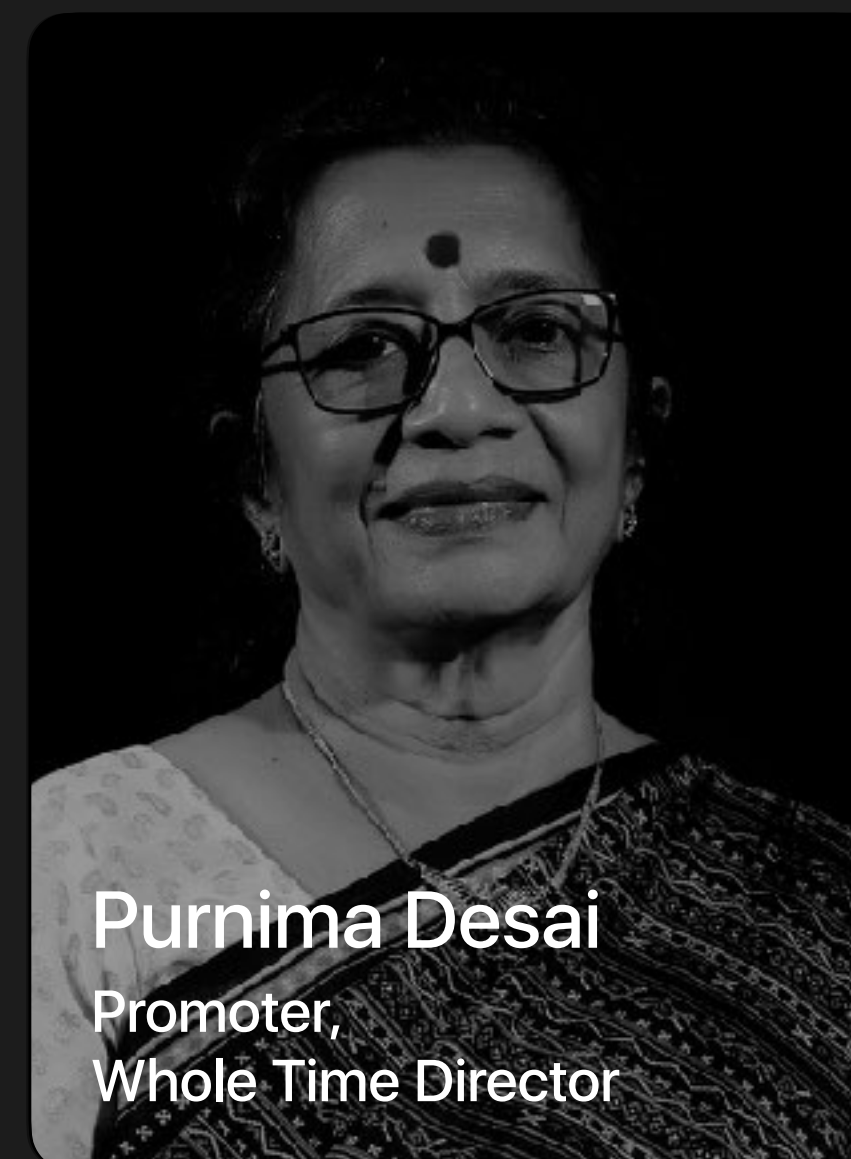
- Bachelor of Chemical Technology - ICT (UDCT, 2005), PhD in Organic Chemistry from Michigan State University (USA, 2010)
- Prior to Aether, project leader in Process Development group in Core R&D HQ of The Dow Chemical Company (USA, 2010-2012)
- Co-author of 25 publications, 4 patents in USA and published worldwide
- Distinguished Alumni Award by UDCT (2018)
- 10+ years of experience in speciality chemicals



Rohan Desai

Promoter,
Whole Time Director

- Bachelor of Commerce from VNSG University of Commerce, Surat
- Prior to Aether, Director at Anupam Rasayan (India) Limited (till 2013)
- Handles commercial portfolio including sales, finance, strategic procurement, human resources and systems
- Extensive experience in speciality chemicals



Purnima Desai

Promoter,
Whole Time Director

- Bachelor of Commerce from University of Delhi (1975)
- Prior to Aether, Director at Anupam Rasayan (India) Limited (till 2013)
- Leads overall finance and accounting operations
- Multiple decades of experience in speciality chemicals

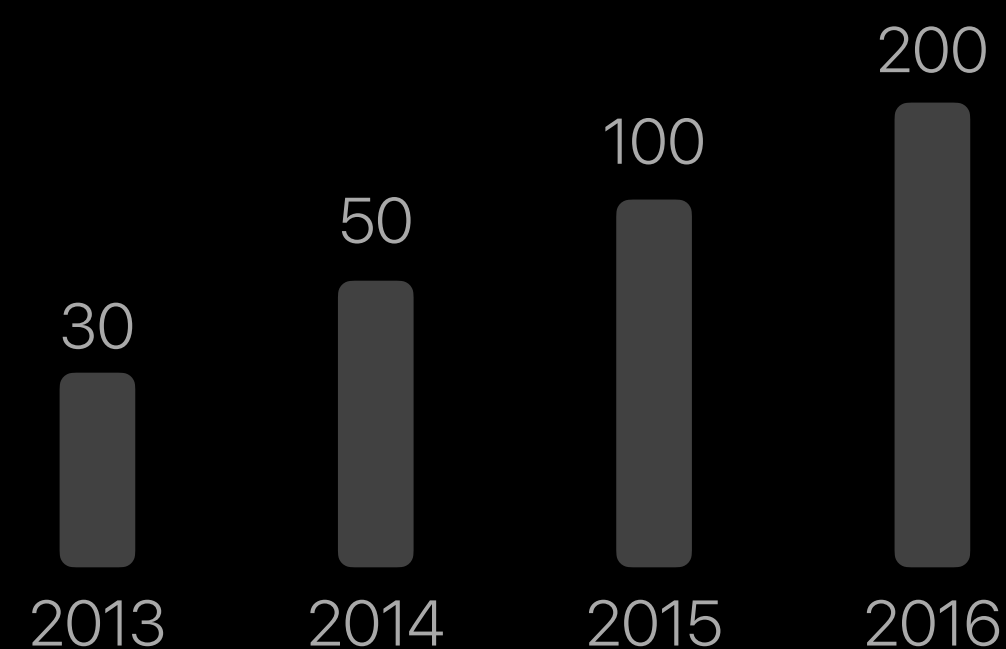


Evolution

Phase 1

Concept to Create
2013 – 2016

- Incorporation of Company
- Vision to create niche in global chemical industry with creative approach towards chemistry, technology and systems
- Focus on building R&D and pilot plant capability centred around core competencies
- Commencement of R&D and pilot plant operations
- Construction of Greenfield project (Manufacturing Facility - 2)
- Commencement of manufacturing operations
- Team Aether grows from 0 to > 200



Phase 2

Concept to Build
2017 – 2021

- Streamlined manufacturing for 22 products
- Revenue grew from INR 1,000 MM to INR 4,500 MM within 4 years of commercial operations
- Largest manufacturer in the world for 4 products and sole manufacturer in India for 7 products, by volume (CY-2020)

5 ISO, ISMS and GMP accreditations

22 Products launched

130+ Global and domestic customers across 17 countries

81 Scientists (with PhDs or M. Sc. / B. Sc. degrees)

700+ Team at Aether

Phase 3

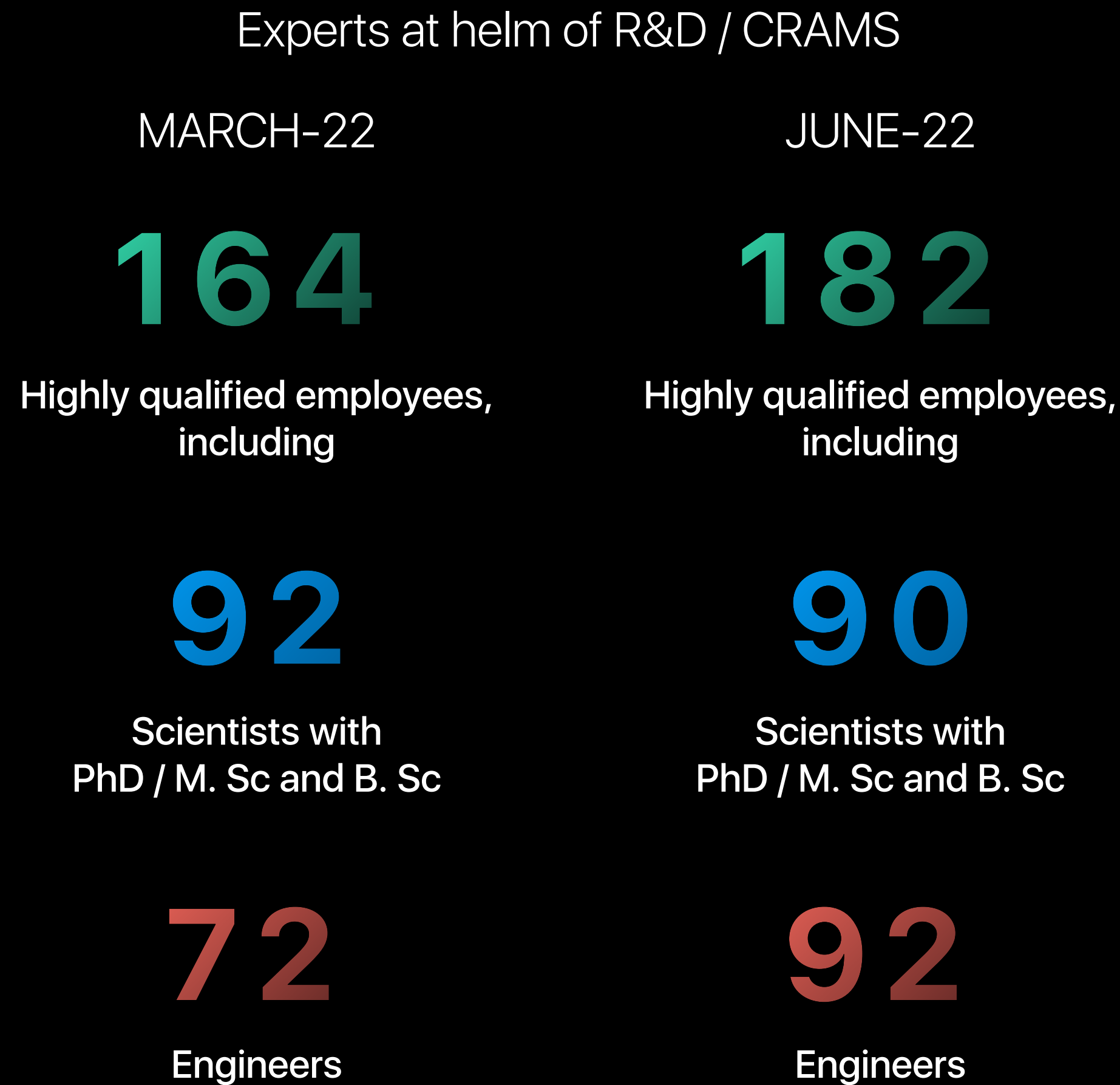
Build to Scale
2022 onwards

- Construction work almost done, ordering and installation of plant and equipments in progress
- Land acquisition in process for 4th manufacturing facility, construction to start by July 2022
- Launch multiple new products over immediate two fiscal years
- Continue to add new core chemistry and technology competencies
- Aggressively expand CRAMS / exclusive manufacturing business models
- Look at acquisition opportunities in USA and Europe for R&D and manufacturing assets with differentiated technology

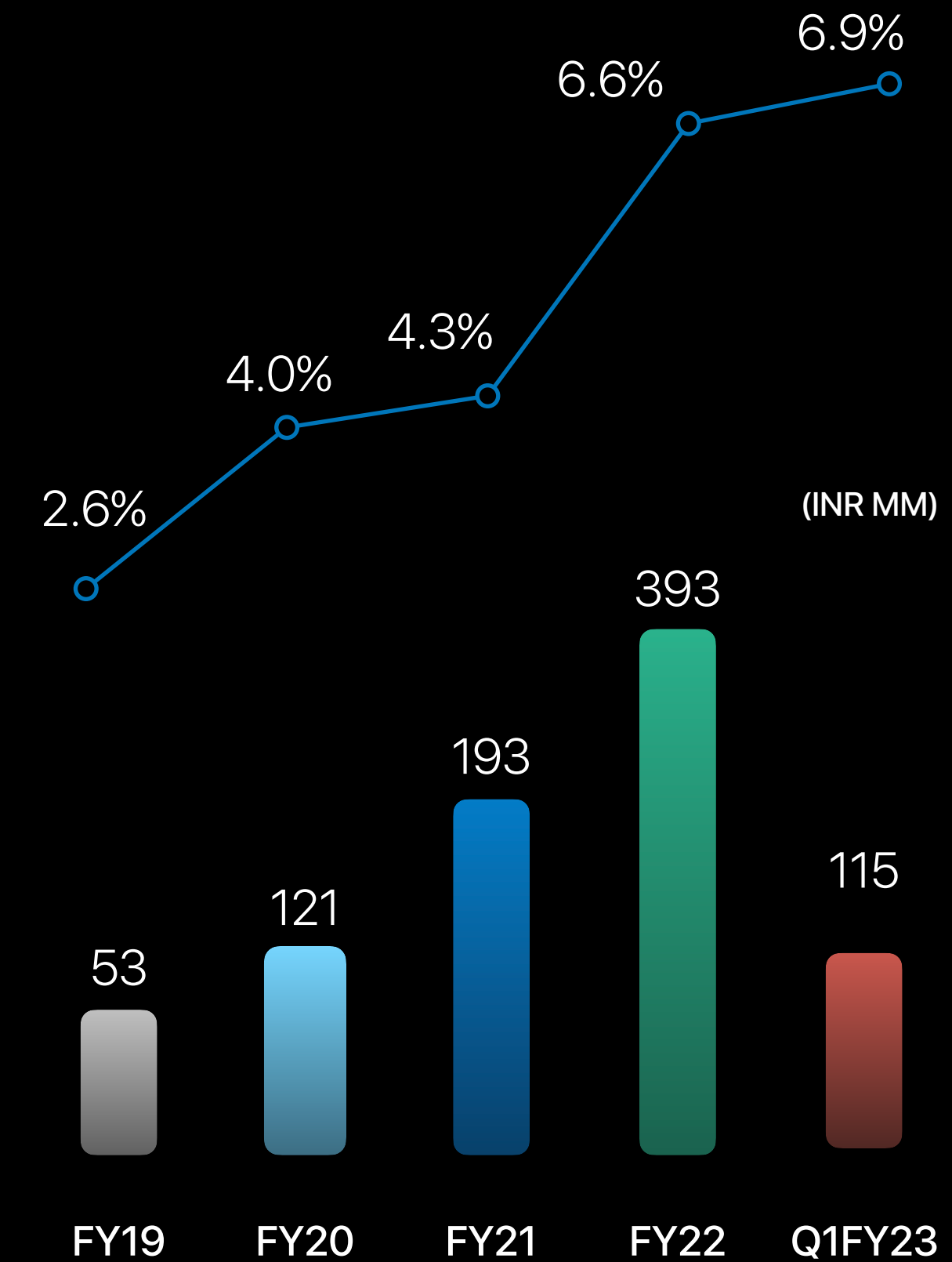


Research & Development

R&D has been critical to success and a differentiating factor vis-à-vis competitors



Consistently rising R&D expenditure



Financial Summary.

1,662

Total Revenue

486

EBITDA

29.3%

306

PAT

18.4%

"We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 52.1% between Fiscal 2018 and Fiscal 2022. We are expanding the business to continue the growth in sustainable manner.

The increase in revenues has helped us earn better and better EBITDA margins, which have grown from mere 22% in FY18 to 29% in FY22 and we are continuing the growth trend in the Q1 of FY23.

Increase in revenues and EBITDA has allowed us to capitalise on increased PAT margins. PAT margins have increased from mere 7% in FY18 to 18% in FY22 and we are continuing the growth trend in Q1 of FY23."

- Faiz Nagariya (Chief Financial Officer)

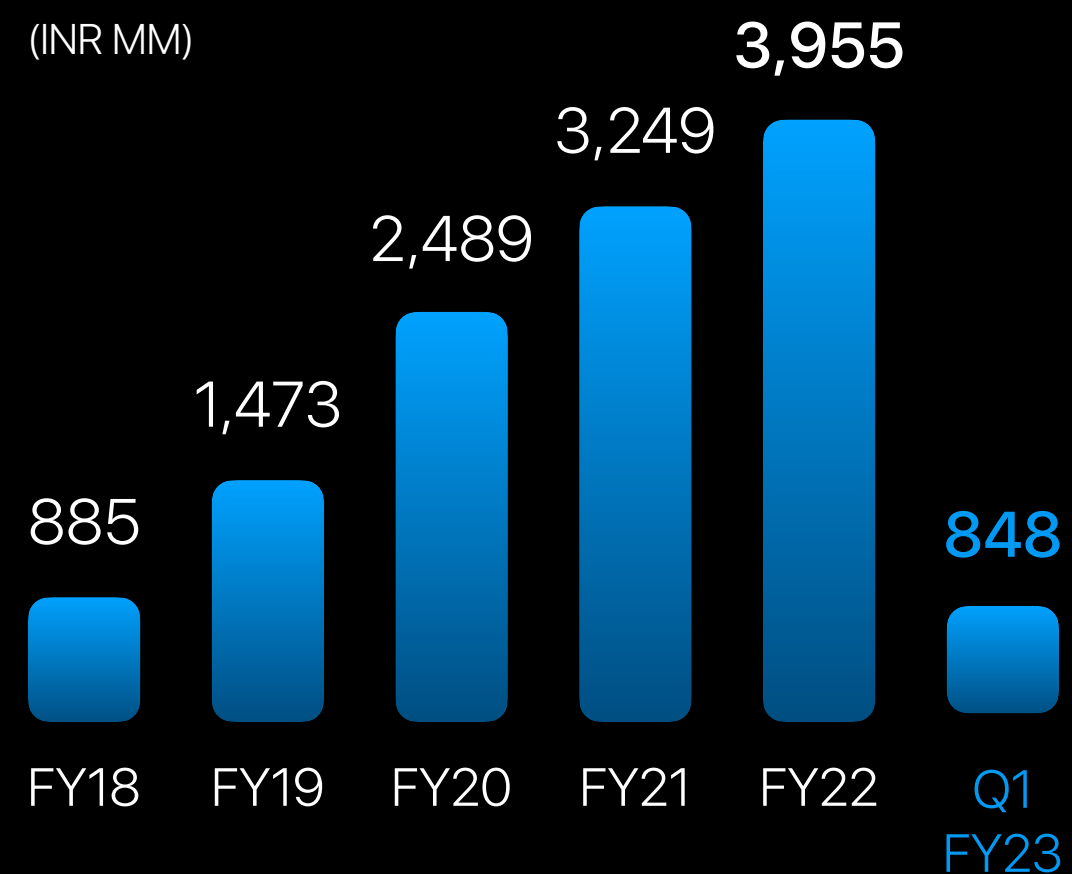
(INR MM)

Business Segments

53%

Large Scale Manufacturing

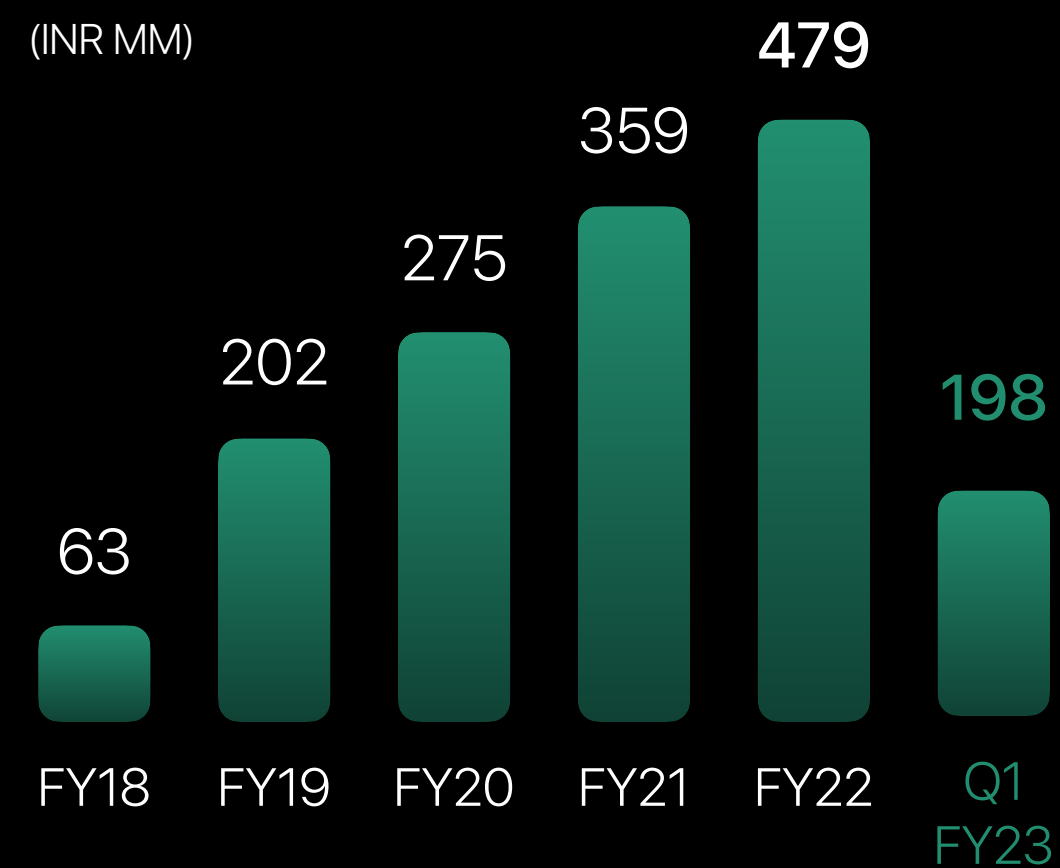
Advanced intermediates and speciality chemicals with application across the industry spectrum



12%

Contract Research and Manufacturing Services - CRAMS

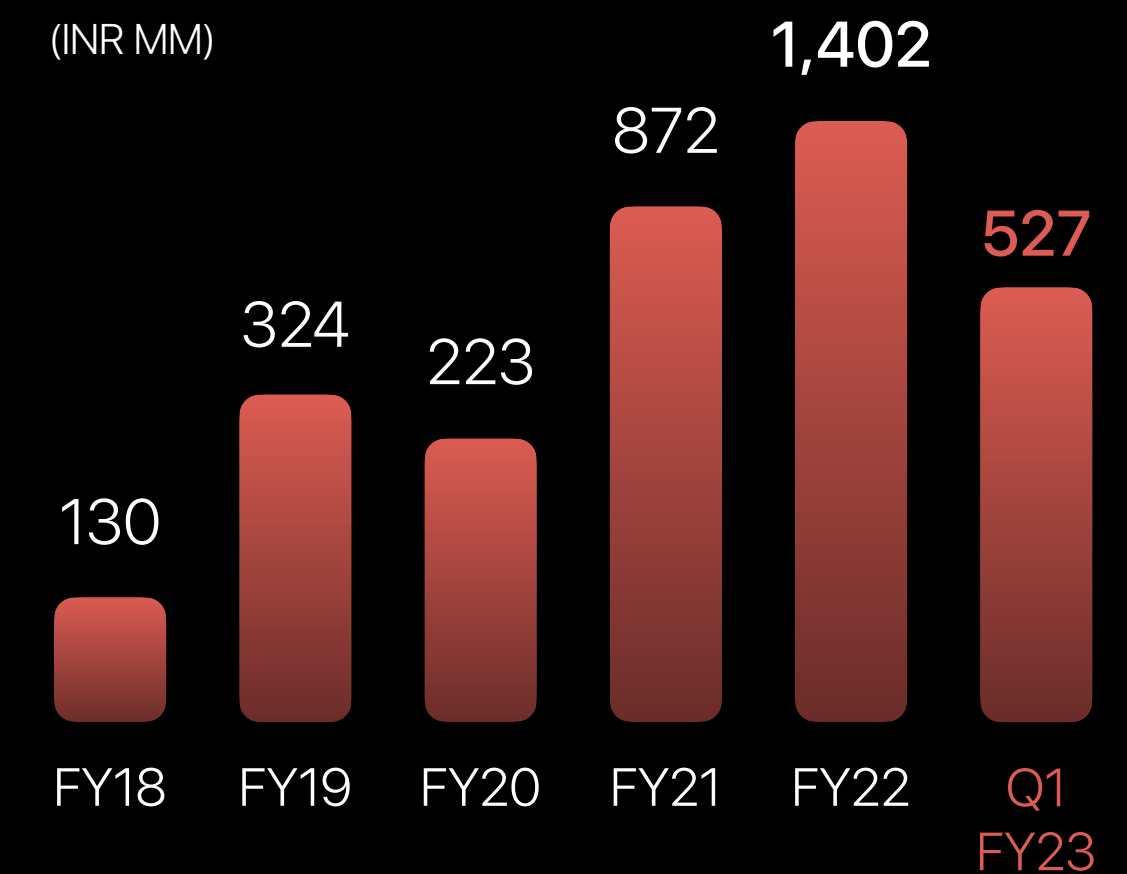
Contract research, scale-up services, technology development, low volume high value contract manufacturing



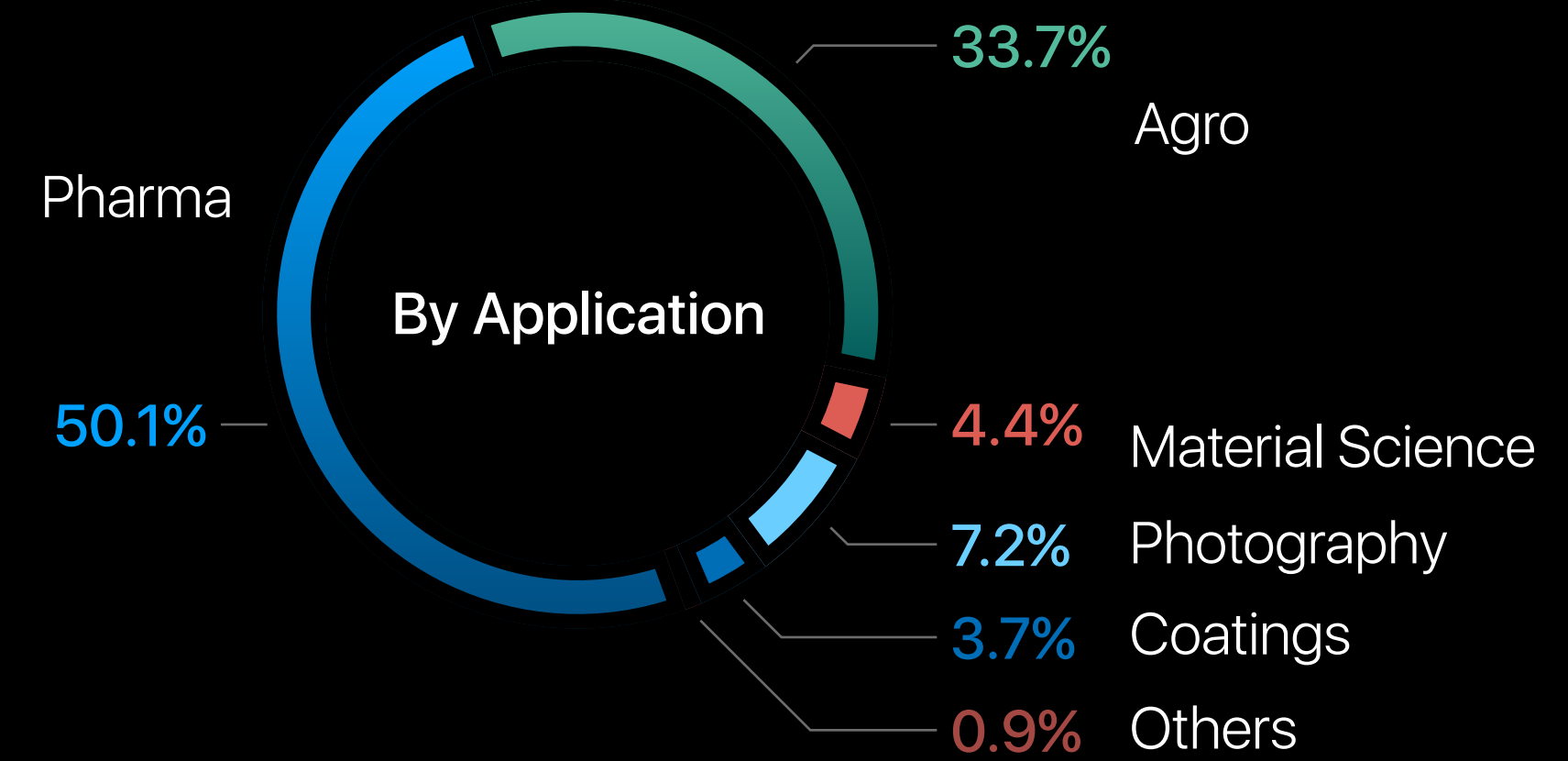
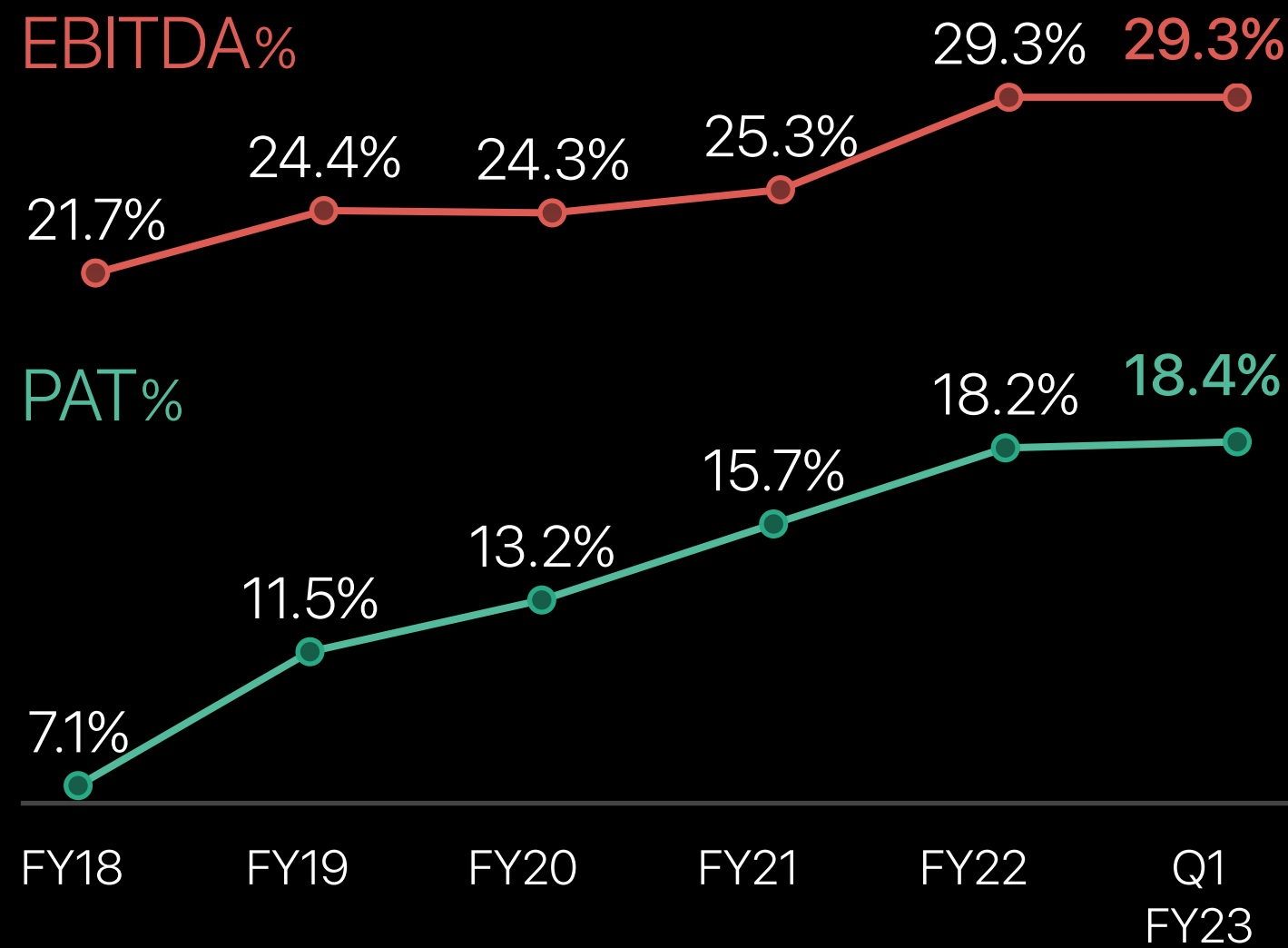
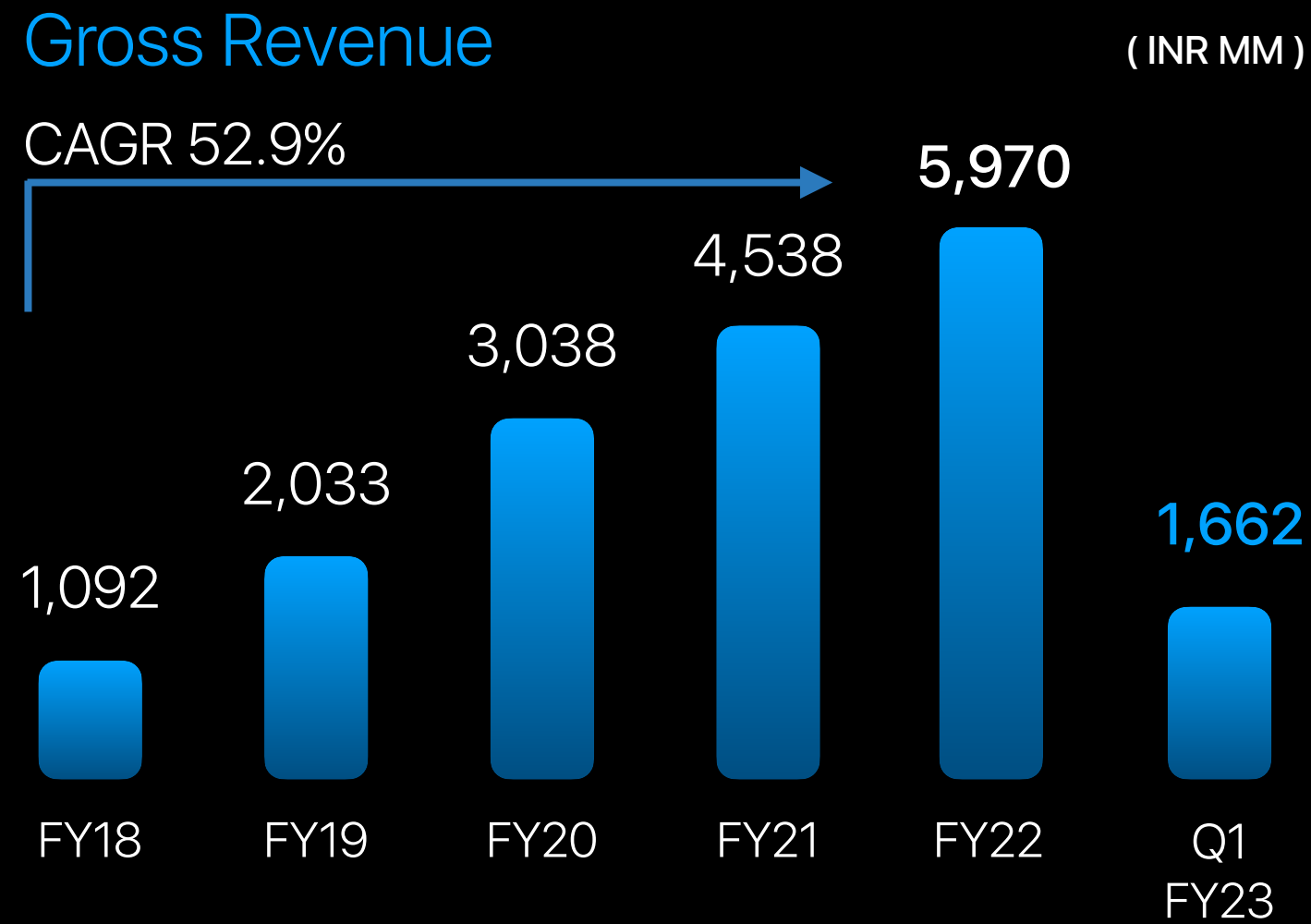
33%

Contract / Exclusive Manufacturing

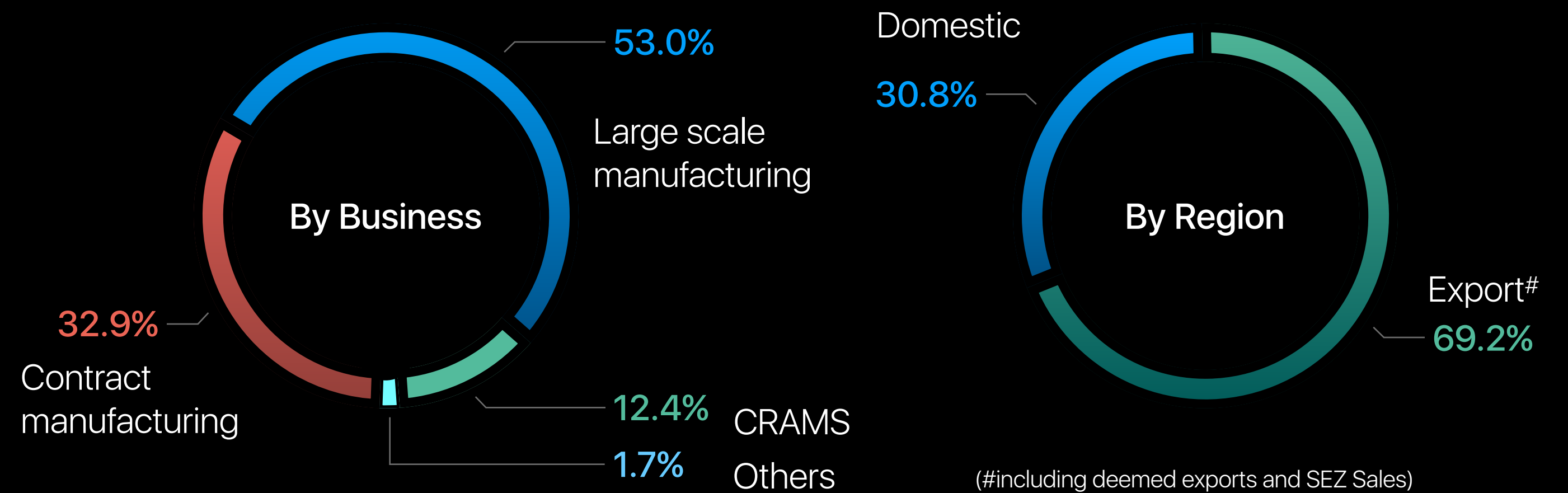
Manufacture under contractual supply agreements with MNCs



Aether Today



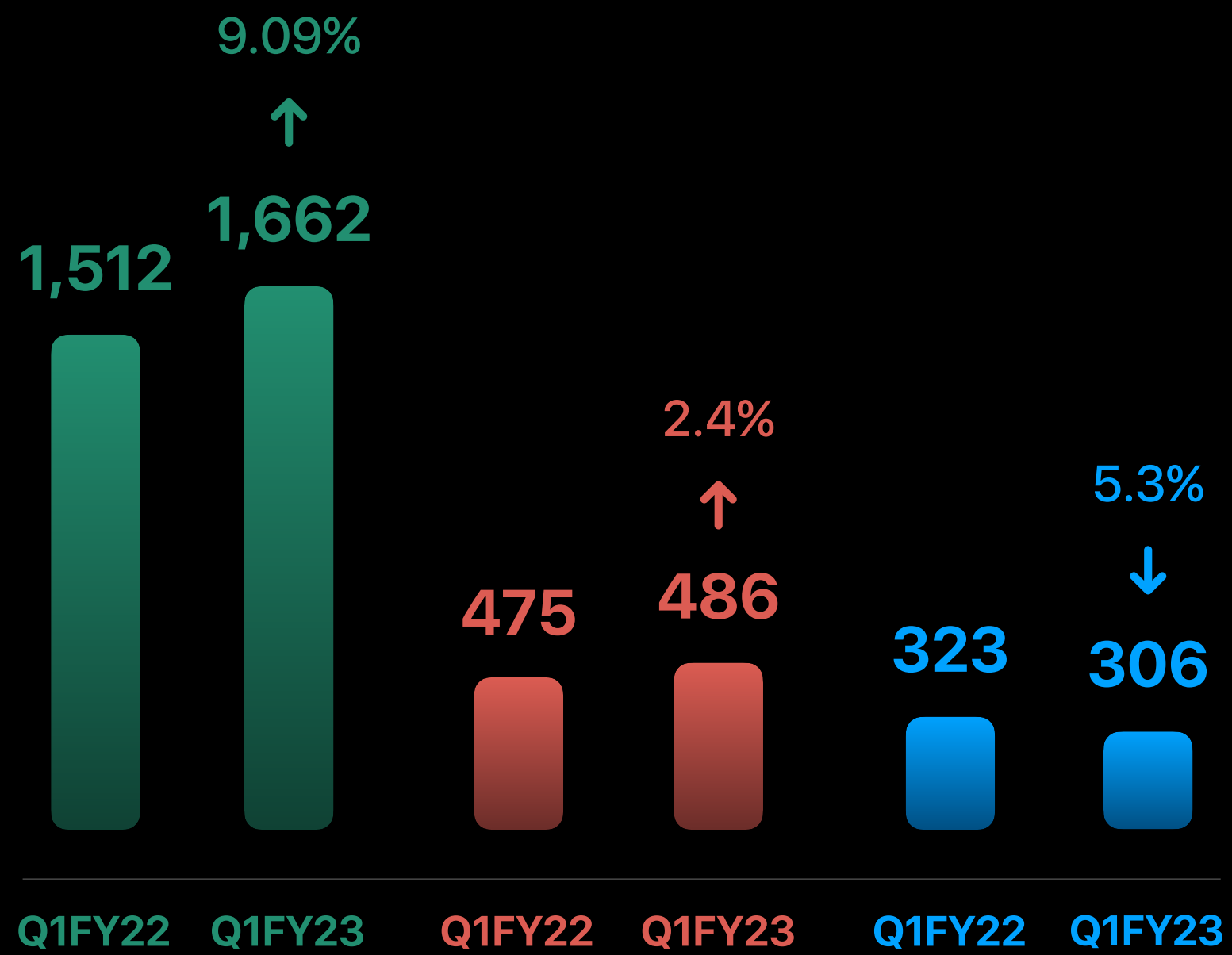
Q1-FY23



Key Performance Highlights

(INR MM)

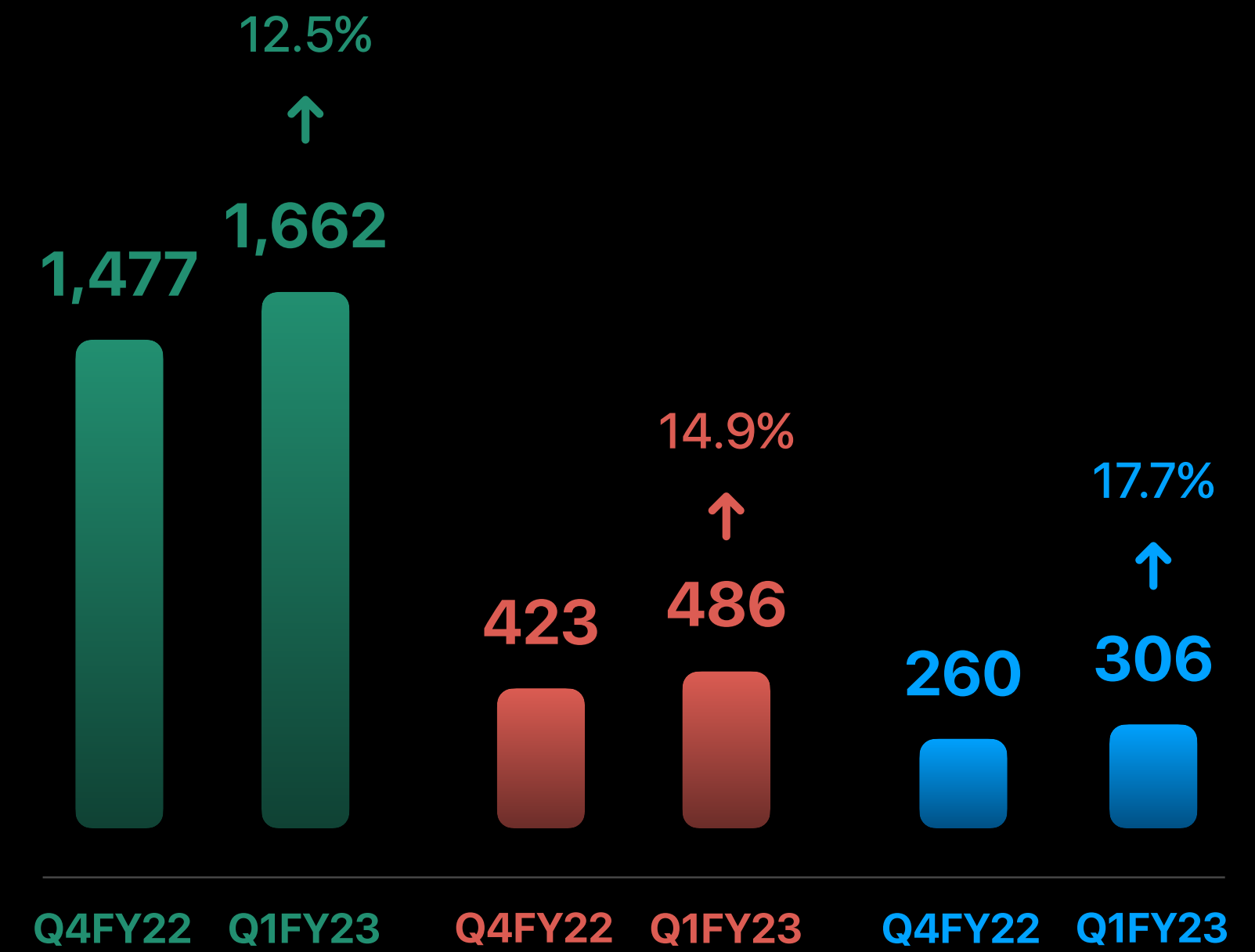
Y-o-Y



● Revenue ● EBITDA ● PAT

Y-o-Y is comparison of Q1FY22 with Q1FY23

Q-o-Q



● Revenue ● EBITDA ● PAT

Q-o-Q is comparison with previous quarter Q4FY22 and Q1FY23



IPO Fund Utilisation

1. Capital expenditure is in line with the timeline planned and expect to be complete within mentioned timelines.
2. Working Capital cycle of the company being monitored well for reducing it upto desired levels
3. Aether is a debt free company as all the term loans are fully paid off and working capital limits zeroed down
4. General corporate purpose funds being utilised for the future expansions

(INR MM)

| Objects of issue | Amount as per the Offer Document (A) | Amount Withdrawn from Monitoring Agency (B) | % Amount Withdrawn | Amount Pending to be withdrawn from Monitoring Agency (E = A - B) |
|--|--------------------------------------|---|--------------------|---|
| Funding capital expenditure requirements for the proposed Greenfield project | 1,630 | 210 | 12.9% | 1,420 |
| Funding working capital requirements of the Company | 1,650 | 300 | 18.2% | 1,350 |
| Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company | 1,379 | 1,379 | 100% | 0 |
| General Corporate Purposes | 1,276 | 560 | 43.9% | 716 |
| Total | 5,935 | 2,449 | 41.3% | 3,486 |

1. 1 - MMBC is manufactured for our customer as part of our contract / exclusive manufacturing business



Select Marquee Customer Base – Domestic and Global

Pharmaceutical



Dr.Reddy's



Agrochemical



Oil and Gas



Textiles



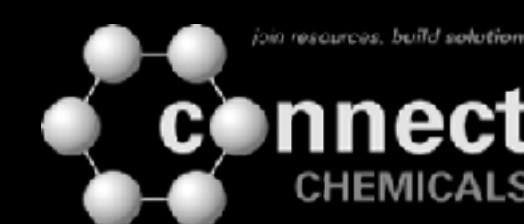
High performance photography



Material Science / Coatings



Other Sectors



QEHS + ESG.

Quality

High standards of quality for products

To cover

Manufacturing

Supply Chain

Product Delivery

To ensure

Consistent Quality

Efficiency

Safety of Products

In last 3 Fiscal Years

57

Times, our facilities have been audited by

43

Customers or their external coordinators

Environment

Vibrant infrastructure installed for environment and sustainability efforts

- 100 KLPD in-house zero liquid discharge (ZLD) plant
- Triple stage multiple effect evaporator (MEE)
- Mechanical vapour recompression (MVR) plant
- Agitated thin film evaporator (ATFE)
- Reverse osmosis (RO) plant
- Soil biotechnology (SBT) platform with ozonation
- Employing cleaner chemistries, semi-continuous or continuous reaction technologies, and automation in the process



QEHS

Health and Safety

Prioritises health and safety of employees

- Undertaking hazard and operability studies before commencing commercial production of new products
- Dedicated team of safety personnel
- Mobile application for safety and emergencies
- Modern fire-fighting and safety systems
- DCS automation system to control safety systems and processes
- Combined fire hydrant water reserve of over 2,000 m³ capacity
- Occupational Health and Safety Hazard Prevention
- Incident Management
- Health and Safety Permits
- Emergency Prevention, Preparedness, and Response
- Working and Living Conditions
- Training and Communication

INDIAN GMP

for Manufacturing

5.8%*

of workforce as QC/
QA/ADL Team

UN GLOBAL COMPACT

Annual Corporate Member

SILVER ECOVADIS MEDAL

among the top 25 percent of companies

4.3%*

of workforce as
Safety Team

ISO 9001

For Quality

ISO 45001

for Occupational Safety

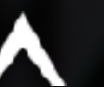
ISO 14001

of workforce as Environment Team

6.0%*

of workforce as
Environment Team

* as on June 30, 2022



Corporate Social Responsibility



ASHRAM SHALA KALIBAL DANG, GUJARAT

Inauguration Date - June 15, 2022

In the last three financial years, the Company has spent Rs. 2.07 Crores towards the CSR Activities, with main focus on education leading to construction of schools in the Dangs and Tapi Rural Areas.



Environmental Social Governance

Sustainability Report on ESG (Environmental, Social and Governance) being prepared in consultation with reputed professional ESG consultants and expected to be available in Q2 of FY23.

Environmental

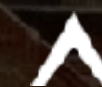
- Adoption of the green chemistries or more accurately sustainable chemistry since inception.
- Principles of energy saving and conservation, atom economy
- 4R strategy (reduce / recover / recycle / reuse)
- Undertaking hazard and operability studies.

Social

- Focused on:
 - Education (especially for girls)
 - Skill development
 - Healthcare
- Total spent of Rs. 2.10 MM towards CSR in Q1 of FY23
- Done through our dedicated non-profit making entity - 'Aether Foundation'.

Governance

- Technically sound and extensively experienced Board members
- Transparency and accountability at each level
- Adequate corporate governance helps:
 - Improved capital flow
 - Risk mitigation
 - Reputation boost
 - Effective decision making
 - focus on compliance
 - Higher staff retention
 - Limitation of conflicts of interests



Ongoing
Expansions.

Expansion - Research & Development Facility

Double expansion of the current Research & Development Labs operational from May 2022

Triple expansion of the same going on.

> **55** Fume Hoods being installed

182 + highly experienced people, including PhD / Scientists and Engineers



Expansion - One of the world's largest Pilot Plant Facility

Triple expansion of the current pilot plant

Operational from June 2022 end

> 100 Reactors being installed

Batch and continuous technology

Skid based pilot plants



Solar Power Project

Leasehold lands acquired for the project

16 MW Plant for manufacturing facility 1, 2 and proposed green field project

Installation work in progress

Power generation expected to start by **July 2022**

Will be able to help **save 24000 Tonnes of Carbon Dioxide** emission per annum

Will take care of **50%** of our electricity load for the three sites



Pictures depicting the commissioning of the solar power project



Expansion - Site 3 Facility

Located diagonally opposite to the current Manufacturing Facility 2 in GIDC, Sachin, Surat, Gujarat, India

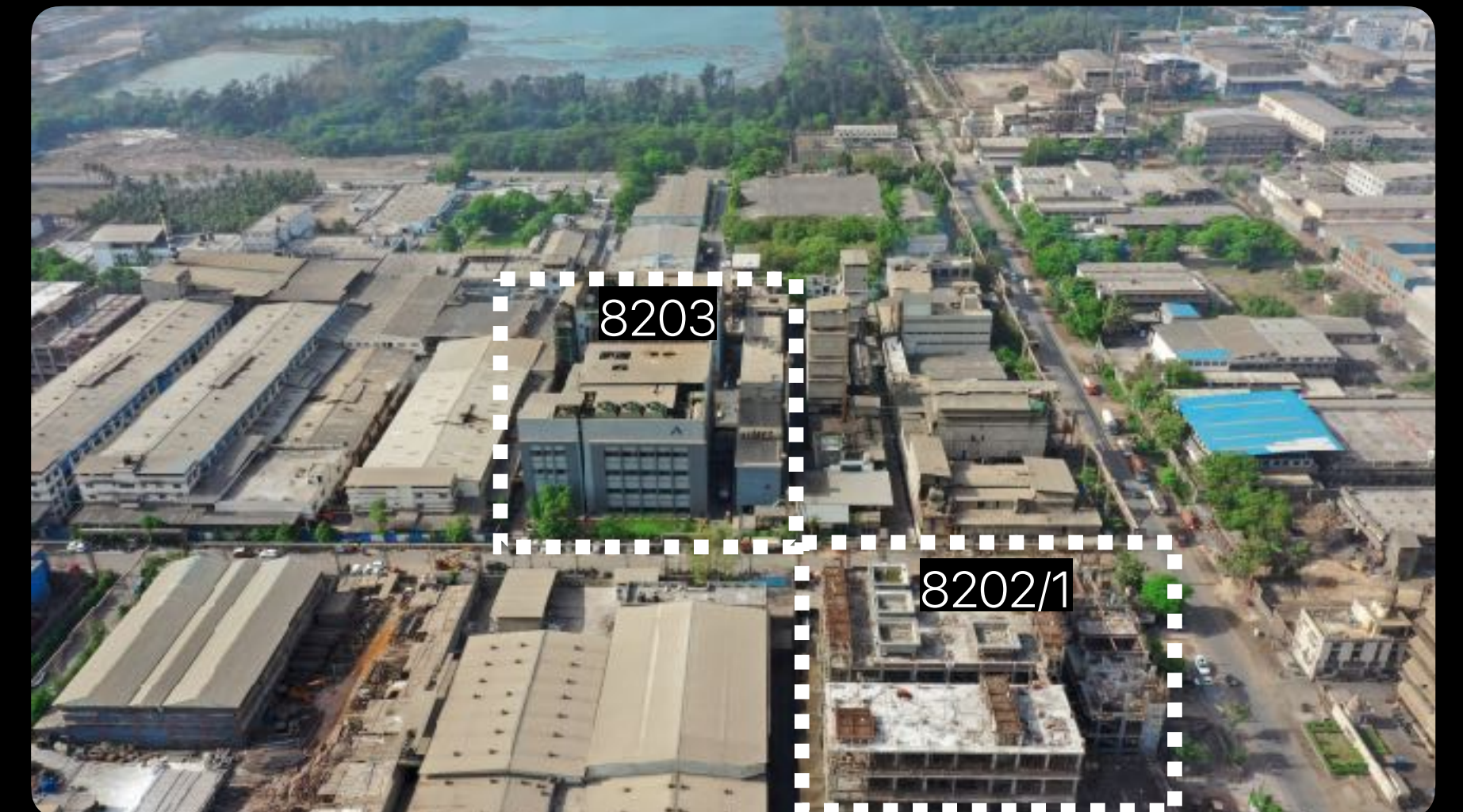
Civil work already completed

Ordering of plant, machinery and equipment in progress

Installation of plant, machinery and equipment along with other assets started from **June 2022 end**

Facility to be **operational** by **December 2022**

Additional capacities of approximately **3500 MT** per annum to be added



Land Acquired

For **future expansions**

Acquired land in **auction**

Plot nos. 14 & 15, Panoli GIDC,
Gujarat

125,000 sq. mtrs. / **31** acres
(approximate)

12 times the land bank of the current
land

Easy proximity to **NH8**

54 Kms drive from current locations
in Surat



Why Aether ?

The True Story

[8 x 8] Matrix of chemistry / technology competencies developed in-house, from scratch, which caters to various segments of chemical industry

R&D Driven Approach

Deep rooted R&D-led product development team comprising 164 highly qualified people including 92 scientists (with PhDs or M. Sc. / B. Sc. degrees) and 72 engineers (MARCH-22)

Growth Engines

Successfully launched 3 business models in 5 years into commercialisation:

1. Large scale manufacturing
2. CRAMS
3. Contract / Exclusive manufacturing

1st Time In India

Most of our advanced intermediates and specialty chemicals manufactured for the first time in India

Market Leading Products

Largest manufacturer of 4 products in the world and only manufacturer of 7 products in India, by volume (CY2020)

Rich Infrastructure

Extensive and expanding R&D, pilot plant (3x, one of the largest in the world), and manufacturing (2 new greenfield projects, all fully DCS automated) capabilities

Unique Team

Techno-commercial excellence in promoter group, expert global technology and BD team, average age of 700+ staff is 31 years (MARCH-22)

Marquee Customers

180+ International and domestic customers, customer base includes top innovator MNC companies across industry spectrum

One of the Fastest Growing

We are one of the fastest growing specialty chemical companies in India, growing at a CAGR of nearly 52.9% between Fiscal 2018 and Fiscal 2022



Annexure.

Financial Results for Q1 of FY23

| INR MM | Q1FY23 | Q4FY22 | Q1FY22 | FY22 |
|-------------------------------------|---------------|---------------|---------------|--------------|
| | Unaudited | Audited | Unaudited | Audited |
| Revenue from operations | 1,600 | 1,475 | 1,500 | 5,900 |
| Other income | 62 | 2 | 12 | 70 |
| Total income | 1,662 | 1,477 | 1,512 | 5,970 |
| Cost of goods sold # | 830 | 732 | 725 | 2,880 |
| Employee benefits expense | 72 | 58 | 63 | 270 |
| Other expenses | 274 | 264 | 249 | 1,069 |
| EBITDA | 486 | 423 | 475 | 1,751 |
| Depreciation & amortization expense | 45 | 41 | 39 | 155 |
| EBIT | 441 | 382 | 436 | 1,596 |
| Finance cost | 29 | 31 | 32 | 131 |
| Profit before tax | 412 | 351 | 404 | 1,465 |
| Tax expenses (Current + Deferred) | 106 | 91 | 81 | 375 |
| Profit after tax | 306 | 260 | 323 | 1,089 |

Cost of goods sold = Cost of materials consumed in operation and incidental cost + Changes in inventories of finished goods and work-in-progress





Certain statements and opinions with respect to the anticipated future performance of the company in the presentation (“forward - looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward -looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward - looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward - looking-statements only speak as at the date the presentation is provided to the recipient and the company is not under any obligation to update or revise such forward -looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and the company has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.

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