

May 21, 2024

Ref. No.: **AIL/SE/13/2024-25 - Update**

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, and further to our intimation having Ref. No. AIL/SE/13/2024-25, the updated presentation on Financial Results of Fourth Quarter and Financial Year ended on March 31, 2024, is enclosed herewith.

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

Thanking you.

For Aether Industries Limited



Chittrarth Rajan Parghi

Company Secretary & Compliance Officer

Mem. No.: F12563



Encl.: As annexed

Q4

FY24

May 21, 2024

HIGHLIGHTS

New Customers

We have started business with 10 new customers during the quarter across all business models

Customer Audits

Successfully concluded 8 customer audits and certification audits in Q4 FY24

Team Members

More than 36 new team members joined Aether in Q4 FY24 across all departments

Fire accident

Fire accident at Manufacturing Facility II, damaging Plant 2 majorly. Revocation in place for 75% of the Site II

Site 3++ Expansion

Regulatory approvals in place, civil work on-going as well as procurement of machineries and equipments. Expected to be operational by Q4FY25

Site 4 Expansion

Commissioning completed, with validation batches being manufactured. Plant commissioned in March 2024.

Site 5 Expansion

EC approval received, wall fencing work completed, ground levelling work started along with application for various regulatory approvals. Operational by Q4FY26



SNAPSHOT

Q-o-Q

Q-o-Q is comparison of Q4 FY24 with Q3 FY24

(INR MM)

	REVENUE	EBITDA	PAT
Q4FY24	1287 ↓ 23%	157 ^{12%} ↓ 59%	10 ^{1%} ↓ 95%
Q3FY24	1682	378 ^{22%}	191 ^{11%}

Impact on margins because of following reasons:

- Compensation paid to the victims amounting to INR 24.00 MM
- Stock write off due to fire accident, valued INR 138.97 MM
- Hospitalisation expenses for the injured during the fire accident INR 21.32 MM
- Incremental Insurance Premium incurred amounting to INR. 29.57 MM on account of claim lodgement with insurance company
- Impact on revenue due to fire accident, consequent events of closure of manufacturing site 2 for a few months and unavailability of the facility for operations



SNAPSHOT

FY-o-FY

FY-o-FY is comparison of FY24 with FY23

(INR MM)

	REVENUE	EBITDA	PAT
FY24	6399	1619 25%	881 14%
	↓ 4%	↓ 20%	↓ 32%
FY23	6676	2028 30%	1304 20%

Impact on margins because of following reasons:

- Compensation paid to the victims amounting to INR 69.64 MM
- Stock write off due to fire accident, valued INR 138.97 MM
- Hospitalisation expenses for the injured during the fire accident INR 29.50 MM
- Incremental Insurance Premium incurred amounting to INR 29.57 MM on account of claim lodgement with insurance company

- Impact on revenue due to fire accident, consequent events of closure of manufacturing site 2 for a few months and unavailability of the facility for operations

EBITDA and PAT, including other income

Margins are after considering the exceptional items due to fire accident, amounting to INR 64 MM

Standalone Numbers



ACCIDENT - UPDATE

- Fire accident on November 29, 2023 Manufacturing Facility 2
- Total 11 casualties reported. The families of the deceased, compensated INR 5 MM per family
- The injured workers hospitalised and given the best treatment, expenses borne by the Company
- GPCB revoked the closure notice, allowing unaffected plants to resume operations in Jan '24, after initially issuing a penalty of INR 5 MM
- The other Manufacturing Facilities (1 and 3) remained up and running
- The loss estimate is likely around Rs. 100 cr, with all the assets, inventories, people and loss of profit, being fully insured
- Expected upfront claim settlement soon, with balance to come in instalments
- Fire-impacted plants 1 & 2 of Site 2 to resume normalcy shortly
- Revocation orders expected anytime for 75% of the facility and operations to begin



CONTINUOUS IMPROVEMENT AND RISK MANAGEMENT

- Immediate global safety review on all processes. Full, systematic, and detailed HazOp studies for every single running process in Site 1 (R&D and pilot plant) and Sites 2 and 3 (production).
- Initiated immediate complete stand down at the R&D site, then initiated safety review for scientist led projects
- Re-evaluating the review process for all pressure reactor systems
- Reviewed PPE and lines of defense for R&D programs
- Regular safety review of manufacturing processes i.e. 3 year annual EH&S review for all hazards at each site
- Re-evaluation and re-design for safety PPE and uniform / apparel for all plant workers, technicians, and staff
- Better evacuation training and focus on emergency evacuation during already regular mock drills (major evacuation route not utilised in escape)
- Implementation of additional process safety and reactive chemical training for lead scientists, engineers, and plant personnel, by additional external reactive chemicals expertise.
- Changes in hierarchy within technical departments:
- Onboarded Chief Technology Officer / CTO to lead R&D and technology functions with a focus on process safety
- Onboarding Head of Operations / COO to be 100% for production operations; 4 current site heads to report to him / her



ANNOUNCEMENTS IN FOCUS



Aether Industries, H.B. Fuller, and Saudi Aramco Technologies Company jointly announce the first commercialization of the sustainable Converge® polyols technology.

H.B. Fuller is one of the world's largest adhesives manufacturer based in the US. The novel Converge® platform demonstrates the potential for carbon footprint reduction when compared to industry-standard polyols. This announcement further underscores our collaborative endeavours in the CASE industry to identify sustainable alternatives that not only enhance performance but also prioritise sustainability.



Novoloop Breaks Ground on Pilot Plant with Aether, Paving the Way for a Circular Plastic Future

Novoloop's Lifecycling™ technology provides an economical and sustainable solution to hard-to-recycle plastics. By using highly scalable mechanisms of oxidation to convert post-consumer polyethylene into useful monomers for durable materials, Novoloop expects to provide its products at prices competitive with fossil-based products. Furthermore, an ISO-compliant life cycle assessment shows that Novoloop monomers can realize a carbon footprint reduction of up to 91% when compared to the conventional process of producing adipic acid.



SITE 3++



Additional 3500 MT capacities approximately per annum will be added on commercialisation of the project

September 2023

Placing of orders for equipment and machineries started

March 2024

On-going civil work along with procurement of equipments

July 2023 project initiation

August 2023 Regulatory approvals applied for

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

Production of 3 to 5 Products upon commercialisation of the project



SITE 4



Located within 200 meters of the current Manufacturing Facility 2 in GIDC, Sachin, Surat, Gujarat, India

Dedicated to CEM upon commercialisation of the project

Aether Speciality Chemicals Limited
100% wholly owned subsidiary

July 2023 project initiation

September 2023 Equipment and machineries ordered

March 2024

Commissioning completed, in alignment with oil field drilling services products, validation batches being produced



SITE 5

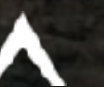
S5 - Panoli

21° 32' 19.302" N, 73° 0' 11.34" E

125,874.64 sq. mtrs. / 31 acres

(approximate)

- Acquired land in GIDC **auction** for **future expansions**
- **12 times** the land bank of the current land at Site-2
- Easy proximity to **NH8**
- **54 Kms** drive from current locations in Surat
- **Plot nos. 14 + 15**, Panoli GIDC, Gujarat
- Regulatory approvals applied for in July 2023
- Ground digging work started in August 2023
- Ordering of equipment and machineries started in September 2023
- EC approval received in December 2023
- Plinth level achieved till ground level



EXECUTION OF ORDER FOR 15MW SOLAR POWER PROJECT

The execution of this new solar power project with auto-tracker modules has started from the date of order and is scheduled to be completed in the FY 2024-25, in phases with an initial commissioning of 5 MW in Q1FY25.

This order holds immense significance for our Company, marking a significant leap forward in our Company's unwavering commitment to sustainability. This will meet the energy requirement of the Company's manufacturing facilities by replacing the conventional energy sources with renewable alternative.



EXPANSION OF WORLD'S LARGEST PILOT PLANT

56 reactors | SS-316, GLR, Hast-C, Ti / PFA coated | 500 to 6000 L | full vac. to 30 bar | -20 to 300 °C
10 batch / cont. distillation columns | SS-316, GLR, Hast-C | full vac. to 10 bar | 150 to 800 mm diam. | 24-100 stages
Wiped film evaporator / dryer | SS-316, Hast-C | 1, 2, 5 m²
25 filters / dryers | SS-316, ETFE coated | Centrifuges (24-48") | ANFD (2-5 KL) | RVPD | VTD | Drum flaker
Total pilot plant equipment : 204

It also includes the Pilot Plant for Novoloop



APPOINTMENT - CTO



Dr. James (Jim) W. Ringer

Chief Technology Officer (CTO)
Aether Industries Limited

Dr James Ringer appointed as the CTO of the company with effect from the opening business hours of March 1, 2024

Bachelor's Science (Purdue Univ. USA) and PhD Organic Chemistry (Univ. Wisconsin, USA)

> 30 years at The Dow Chemical Company (and subsidiaries) at various positions - Leader R&D Director

Co-inventor on 22 USA patents, published worldwide

Already been working with Aether as a Business Development Leader since 3 years

Now, leading R&D and technology functions with focus on process safety

Dr. James (Jim) W. Ringer is a dynamic leader recognized for creating innovation and personnel strategies. Demonstrated ability to generate significant value through building exceptional teamwork and organizational culture with strong personnel development, technical excellence, and project portfolio.



GROWTH OUTLOOK

Short Term Basis (H1 FY25)

- Site 4 commercialisation boosts manufacturing capacities
- Site 3 operations to be revamped to get optimum utilisation of the capacities
- Oil Field Services Company - Strategic Supply Initiation
- Breakthrough in electronic chemicals space with a major global lithium-ion battery producer
- Initiated commissioning of 5 MW solar power plant, aiding to Aether's journey to sustainable development

Medium Term Basis (FY25)

- Site 3++ commissioning
- Strategic launch of 3 to 5 products under LSM model at site 3++
- Commissioning 15 MW solar power plant, pivotal to overall margin growth
- R&D, technology enhancements with commissioning of pilot plant 4
- Establishing our grounds as a premier service provider of sustainable and carbon neutral solutions

Long Term Basis (FY26)

- 750 cr investment progress
- Multiple ongoing negotiations with global leaders for CEM
- Stronger pipeline of products in R&D with better realisations
- Advanced stage discussions on CRAMS with existing customers & numerous global technocrats
- Strategic diversification into a wide array of industry segments



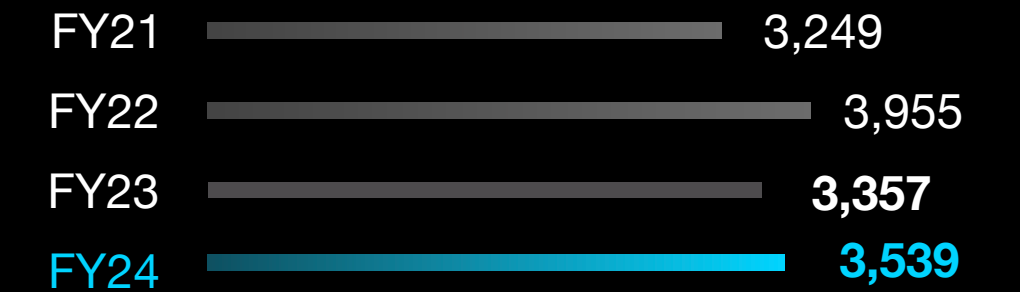
BUSINESS SEGMENTS

(INR MM)

59%

Large Scale Manufacturing

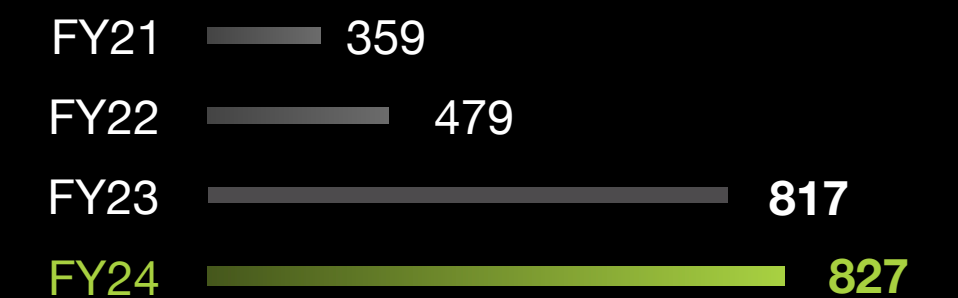
Advanced intermediates and speciality chemicals with application across the industry spectrum



14%

Contract Research and Manufacturing Services - CRAMS

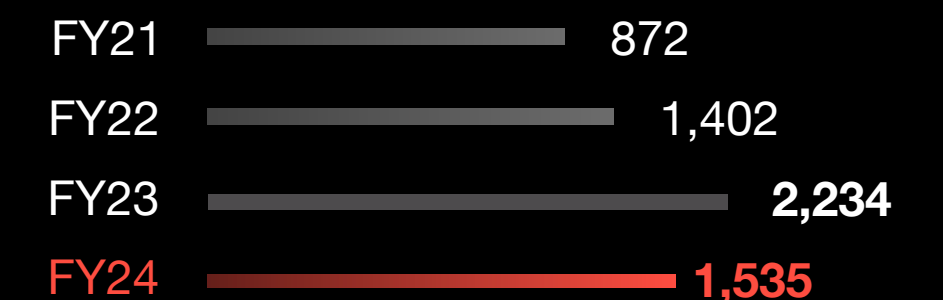
Contract research, scale-up services, technology development, low volume high value contract manufacturing



26%

Contract / Exclusive Manufacturing

Manufacture under contractual supply agreements with MNCs

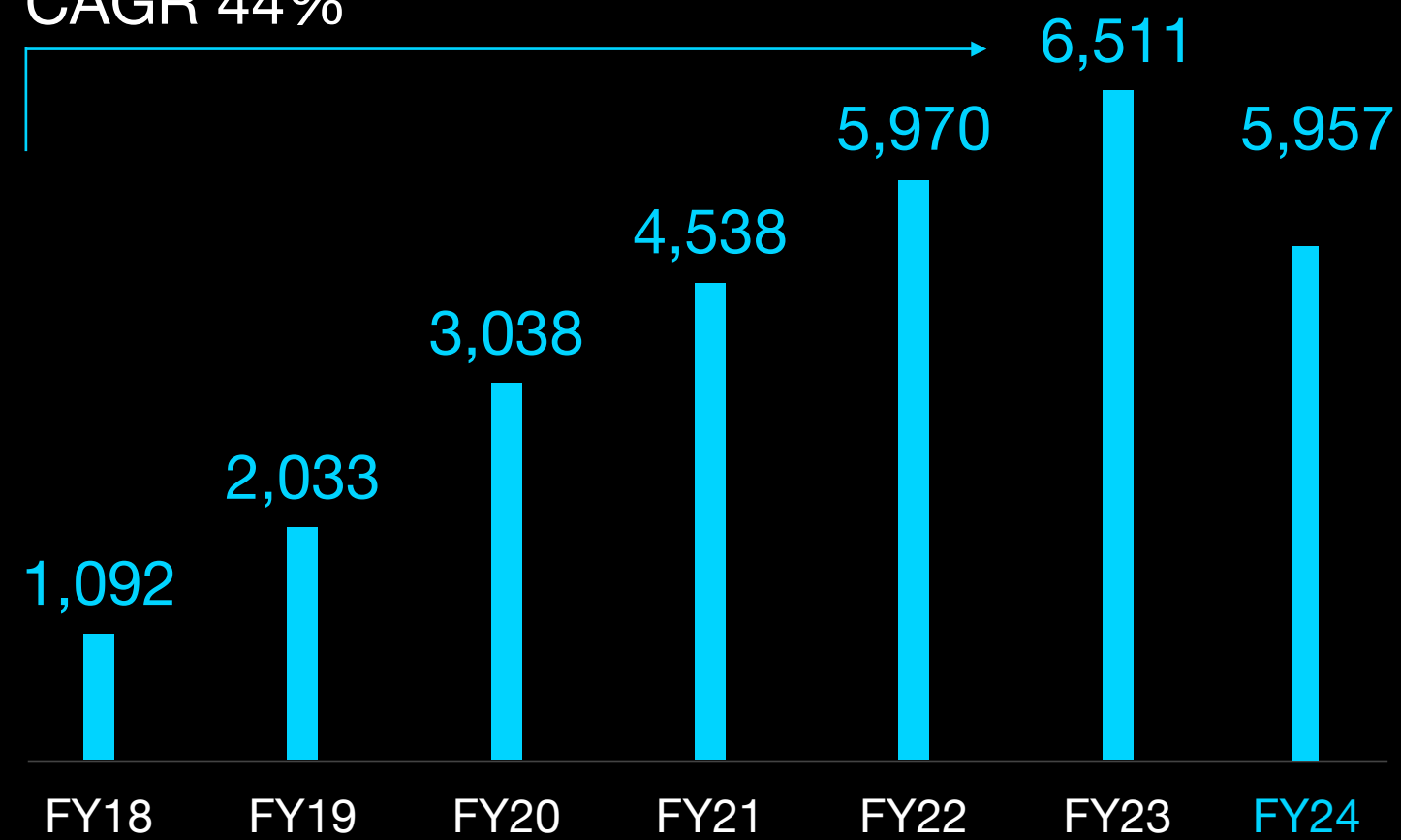


AETHER TODAY

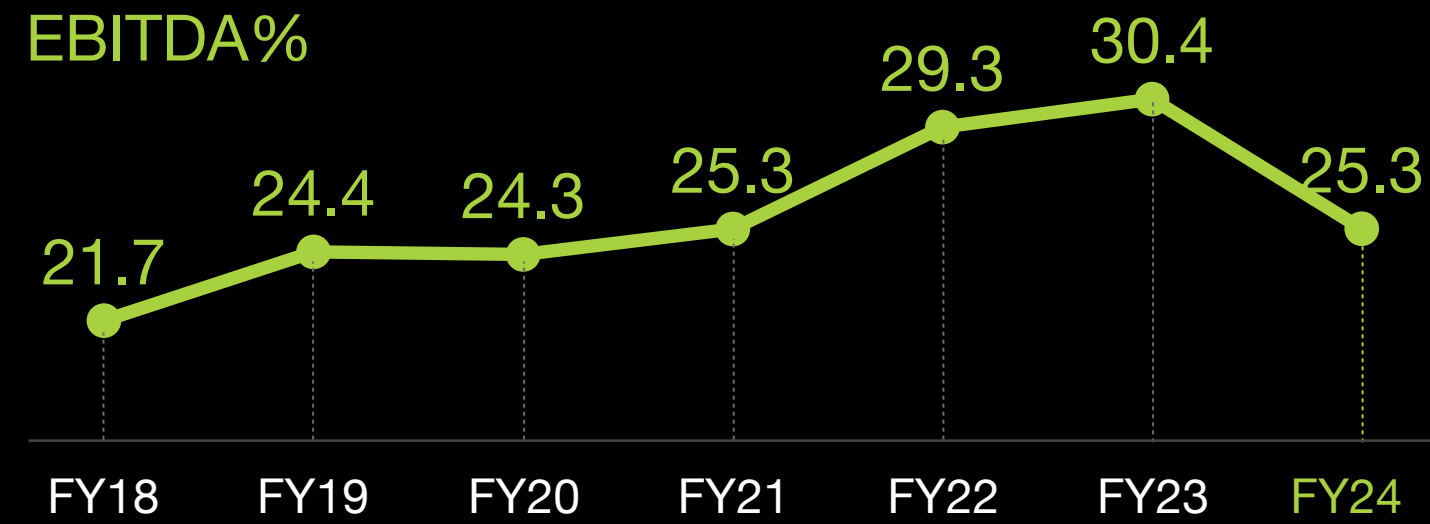
REVENUE FROM OPERATIONS

INR MM

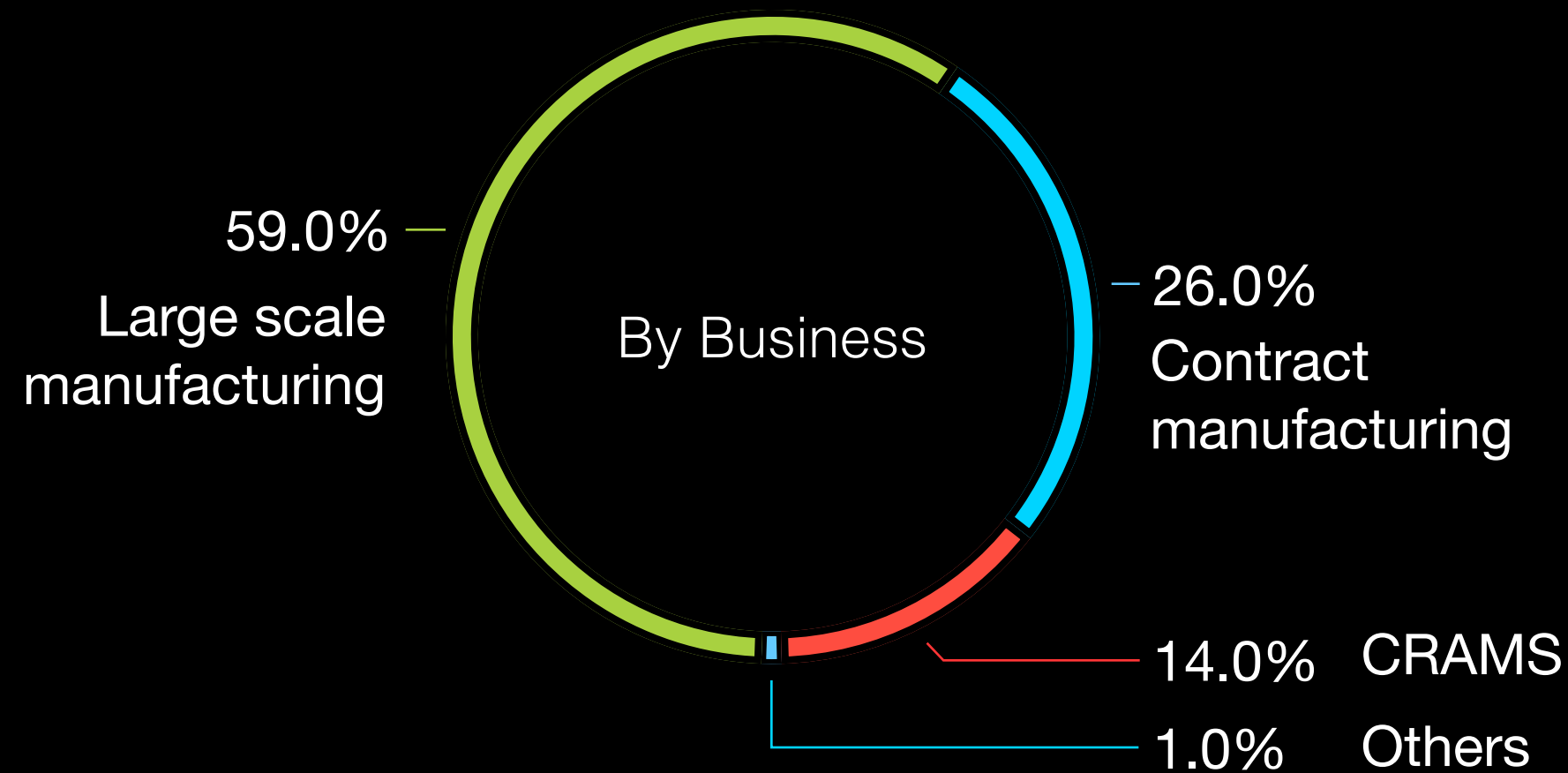
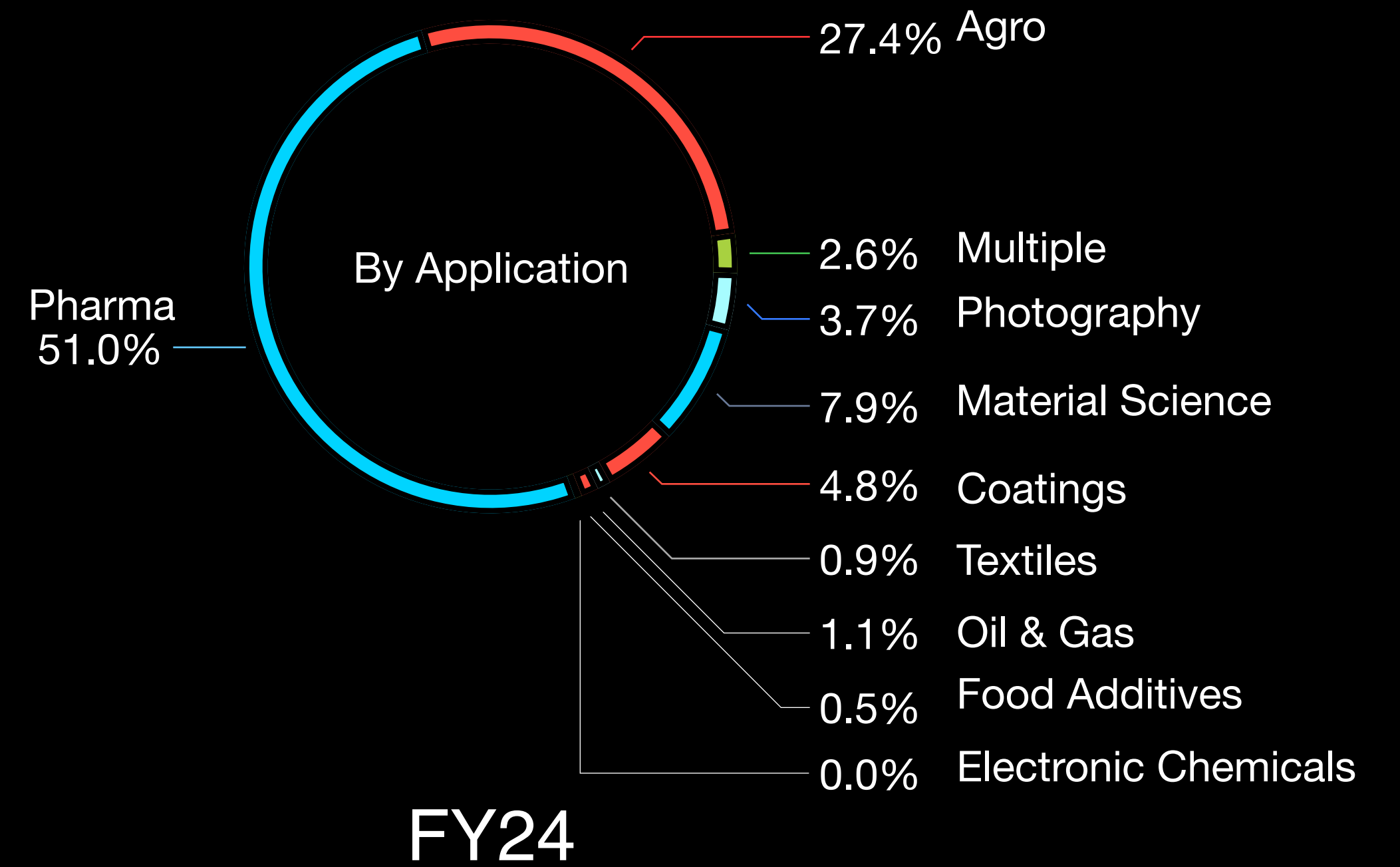
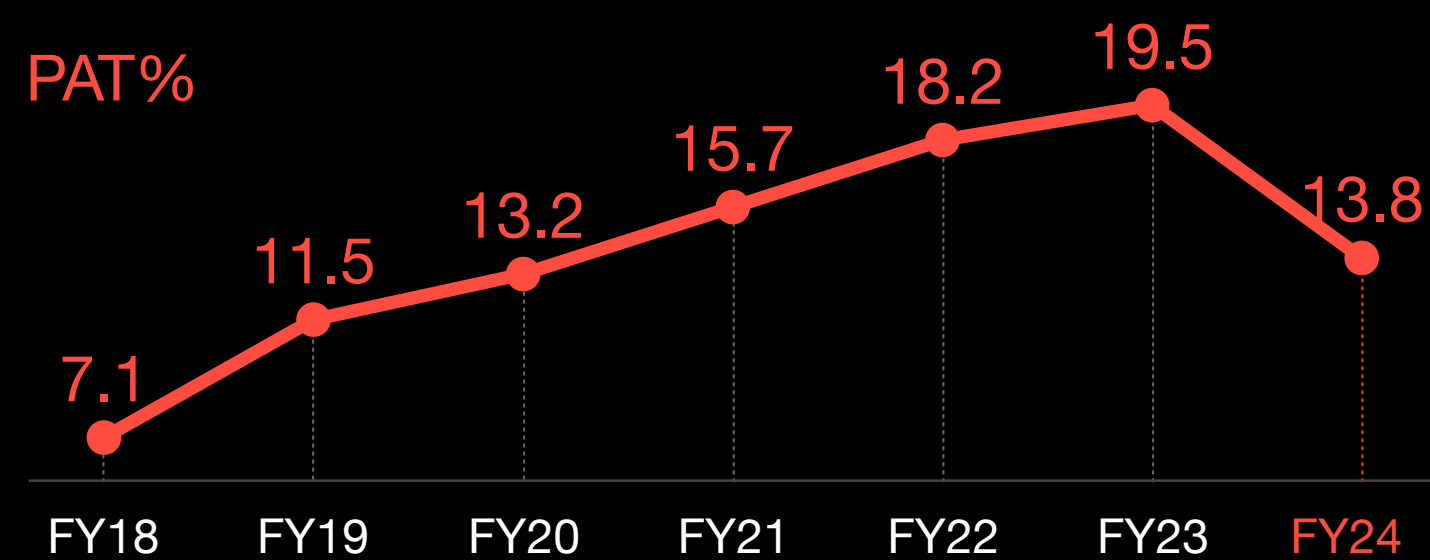
CAGR 44%



EBITDA%



PAT%



includes deemed exports and SEZ Sales



RESEARCH AND DEVELOPMENT

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

Experts at helm of R&D / CRAMS

MARCH-23

233

Highly qualified employees,
including

111

Scientists with
PhD / M. Sc and B. Sc

122

Engineers

MARCH-24

276

Highly qualified employees,
including

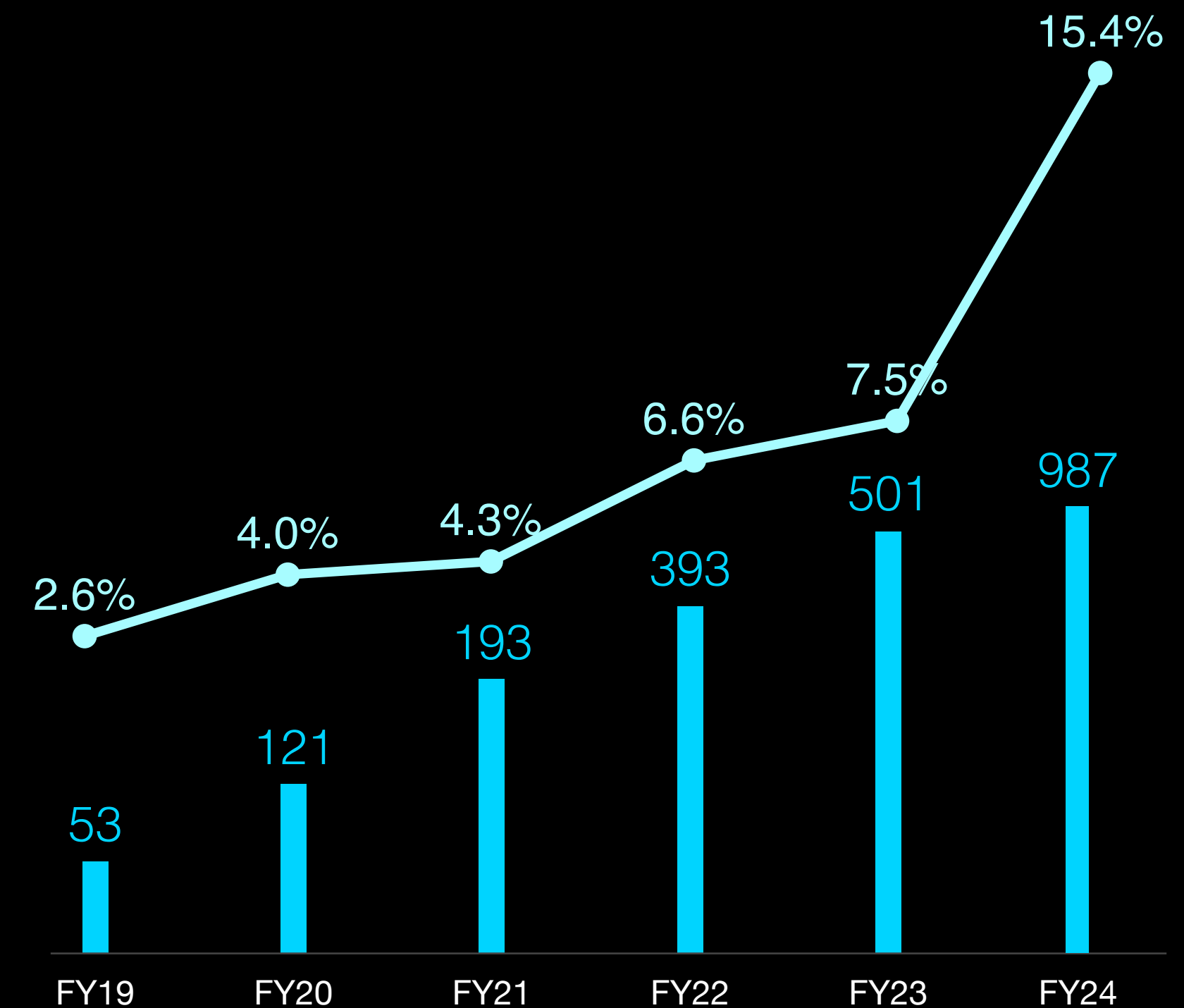
148

Scientists with
PhD / M. Sc and B. Sc

128

Engineers

Consistently rising R&D expenditure



SELECT MARQUEE CUSTOMER BASE | DOMESTIC AND GLOBAL

Pharmaceutical



Dr.Reddy's



Agrochemical



Oil and Gas



High performance photography



Material Science



Coatings

Other Sectors



QEHS

Health and Safety

- 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
- Health and Safety Permits
- Emergency Prevention, Preparedness, and Response
- Working and Living Conditions
- Training and Communication

ISO 9001

for Quality

ISO 45001

for Occupational Safety

ISO 14001

of workforce as Environment Team

ISO 27001

of Information Security Management

INDIAN GMP

for Manufacturing

UN GLOBAL COMPACT

Annual Corporate Member

SILVER ECOVADIS MEDAL

among the top 25 percent of companies

17%

of which

7.31%*

is workforce as
QC/QA/ADL
Team

4.70%*

is workforce as
Safety
Team

5.22%*

is workforce
as
Environment
Team

* as on March 31,2024



QEHS

Quality

High standards of quality for products

To cover

Manufacturing

Supply Chain

Product Delivery

To ensure

Consistent Quality

Efficacy

Safety of Products

In FY24

29

Times, our facilities have been audited by

Customers or their external auditors

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



ENVIRONMENTAL SOCIAL GOVERNANCE

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
 - Life Saving measures
 - Medical Aid / Support
- Total spent of Rs. 27.97 MM towards CSR in FY24 (achieved more than 100% of the total budget of CSR for FY24)

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



STANDALONE FINANCIAL RESULTS FOR Q4 AND FY24

INR MM

Particulars	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	1,150	1,554	1,838	5,957	6,511
Other income	136	128	6	443	165
Total income	1,287	1,682	1,844	6,400	6,676
Cost of goods sold #*	752	912	871	3,193	3,173
Employee benefits expense	116	92	90	386	345
Other expenses	189	236	281	1,063	1,130
Exceptional items**	74	64	0	138	0
EBITDA	157	378	602	1,619	2,028
Depreciation & amortization expense	103	102	69	394	232
EBIT	54	276	533	1,225	1,796
Finance cost	36	21	12	85	51
Profit before tax	17	255	522	1,140	1,745
Tax expenses (Current + Deferred)	7	64	146	259	441
Profit after tax	10	191	376	881	1,304



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

* COGS includes the impact of write off of Inventories amounting to INR 138.97 MM which were damaged in Fire Accident - November 2023

** Includes various expenses like compensation to families of deceased, hospital expenses of the injured, excess insurance premium, GPCB penalty etc. which were incurred due to fire accident

Exceptional items include the various expenses incurred due to fire accident



STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2024

INR MM	FY24	FY23	INR MM	FY24	FY23
ASSETS			EQUITY AND LIABILITIES		
Non-Current Assets			Equity		
Property, plant and equipment	6,097	5,333	Equity share capital	1,325	1,245
Capital work-in-progress	2,143	372	Other equity	19,364	11,201
Right-of-Use Assets	1,327	1,122	Total equity	20,689	12,446
Intangible Assets	5	6	Non-current Liabilities		
Intangibles under development	50	0	Borrowings	0	0
Financial Assets	93	30	Lease liabilities	119	145
Other non-current assets	21	185	Deferred tax liabilities (net)	353	268
Total non-current assets	9,736	7,048	Total non-current liabilities	472	413
CURRENT ASSETS			Current Liabilities		
Inventories	3,412	2,488	Borrowings	1,292	1
Investments	0	10	Lease liabilities	24	11
Trade receivables	2,299	2,589	Trade payables	938	815
Cash and bank balances	5,557	1,022	Other financial & current liabilities	141	113
Loans + Other Financial Assets	1,409	15	Total current liabilities	2,395	940
Other current assets	1,144	627	Total equity and liabilities	23,557	13,799
Total current assets	13,821	6,751			
Total Assets	23,557	13,799			

STANDALONE STATEMENT OF CASH FLOW AS ON MARCH 31, 2024

INR MM	FY24	FY23
Cash generated from operations	153	252
Net cash from operating activities	(20)	(66)
Net cash (used in) investing activities	(3,989)	(3,484)
Net cash used in financing activities	8,542	4,392
Net increase / (decrease) in cash and cash equivalents	4,534	842
Cash and cash equivalents at the beginning of the period	1,022	180
Cash and cash equivalents at the end of the period	5,556	1,022

CONSOLIDATED FINANCIAL RESULTS FOR Q4 AND FY24

INR MM

Particulars	Q4FY24	Q3FY24	Q4FY23	FY24	FY23
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	1,175	1,554	1,838	5,982	6,511
Other income	116	113	6	392	166
Total income	1,291	1,666	1,844	6,374	6,677
Cost of goods sold #*	768	912	871	3,209	3,174
Employee benefits expense	116	92	90	386	345
Other expenses	190	236	281	1,064	1,130
Exceptional items**	74	64	0	138	0
EBITDA	144	362	602	1,576	2,028
Depreciation & amortization expense	104	103	69	397	232
EBIT	40	259	533	1,179	1,796
Finance cost	36	21	12	85	51
Profit before tax	4	238	522	1,095	1,745
Tax expenses (Current + Deferred)	18	64	146	270	441
Profit after tax	-14	174	376	825	1,304



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

* COGS includes the impact of write off of Inventories amounting to INR 138.97 MM which were damaged in Fire Accident - November 2023

** Includes various expenses like compensation to families of deceased, hospital expenses of the injured, excess insurance premium, GPCB penalty etc. which were incurred due to fire accident

Exceptional items include the various expenses incurred due to fire accident
Q4.FY24 Loss on account of deferred tax liability in Aether Speciality Chemicals Limited



CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS ON MARCH 31, 2024

INR MM	FY24	FY23	INR MM	FY24	FY23
ASSETS			EQUITY AND LIABILITIES		
Non-Current Assets			Equity		
Property, plant and equipment	6,933	5,333	Equity share capital	1,325	1,245
Capital work-in-progress	2,261	372	Other equity	19,308	11,201
Right-of-Use Assets	1,596	1,122	Total equity	20,633	12,446
Intangible Assets	6	6	Non-current Liabilities		
Intangibles under development	61	0	Borrowings	0	0
Financial Assets	95	29	Lease liabilities	119	145
Other non-current assets	28	185	Deferred tax liabilities (net)	364	268
Total non-current assets	10,981	7,047	Total non-current liabilities	483	413
CURRENT ASSETS			Current Liabilities		
Inventories	3,435	2,488	Borrowings	1,686	1
Investments	0	10	Lease liabilities	24	11
Trade receivables	2,329	2,590	Trade payables	1,035	815
Cash and bank balances	5,557	1,023	Other financial & current liabilities	145	113
Loans + Other Financial Assets	363	15	Total current liabilities	2,890	940
Other current assets	1,343	627	Total equity and liabilities	24,007	13,799
Total current assets	13,027	6,752			
Total Assets	24,007	13,799			

CONSOLIDATED STATEMENT OF CASH FLOW AS ON MARCH 31, 2024

INR MM	FY24	FY23
Cash generated from operations	8	252
Net cash from operating activities	(165)	(66)
Net cash (used in) investing activities	(4,239)	(3,484)
Net cash used in financing activities	8,938	4,392
Net increase / (decrease) in cash and cash equivalents	4,534	843
Cash and cash equivalents at the beginning of the period	1,023	180
Cash and cash equivalents at the end of the period	5,557	1,023



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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