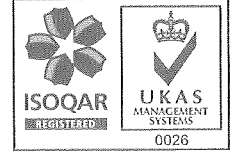


MEGHMANI ORGANICS LIMITED



CORPORATE OFFICE: "MEGHMANI HOUSE", Behind Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad-380 015. Gujarat, (INDIA) Phone No.: +91 79 71761000, 29709600 Fax: +91 79 - 29709605 E-mail: helpdesk@meghmani.com Site: www.meghmani.com CIN: L24110GJ1995PLC024052



03/02/2020

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u>	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u>
SYMBOL:- MEGH	Scrip Code 532865

Dear Sir

Sub: - Investor Presentation on Financials of Q3 & Nine Months FY 20-21

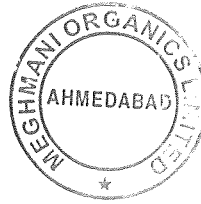
We forward herewith the Investor Presentation prepared on Un-Audited Financial of the Company for the **Third Quarter & Nine Months ended on 31st December, 2019** for information of the Member.

Thanking you.

Yours faithfully,
For Meghmani Organics Limited

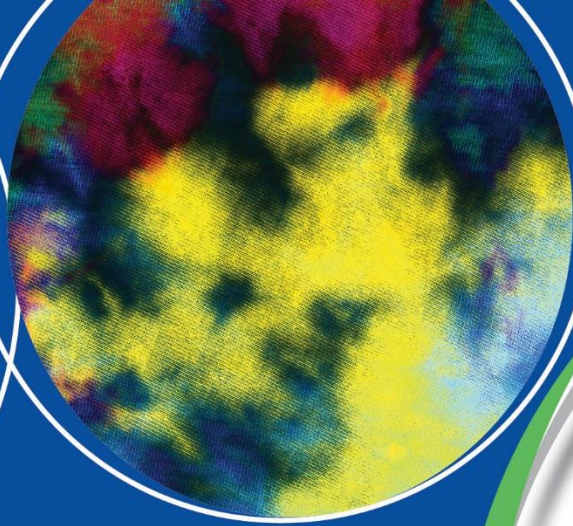
K D Mehta

(K D Mehta)
Company Secretary & Compliance Officer



C C to:- Singapore Stock Exchange

- For information of Members



Meghmani Organics Limited (MOL)

Investor and Analyst Meet 2020
3rd February 2020

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Leading Diversified Chemicals Company Poised for Rapid Growth

Diversified Business Segments

- Pigments (Leading Pigment player with 14% Global market share)
- Agrochemicals (Amongst largest producer of pesticides in India)
- Chlor Alkali & its Derivatives (India's 4th largest Caustic-Chlorine player)

Wide Presence

- Exports to 75+ Countries
- Subsidiaries in US, Dubai and representative office in China
- 7 Dedicated Manufacturing Facilities in India

Robust Financial Performance

- Revenues, EBITDA and PAT clocked 13%, 28% and 59% CAGR during FY15-19
- Impressive Return Ratios
ROCE – 29.2%
ROE – 26.3% (FY19)
- Improving Debt-to-Equity (D/E) profile: Reduced from 1.00x in FY15 to 0.62x in FY19

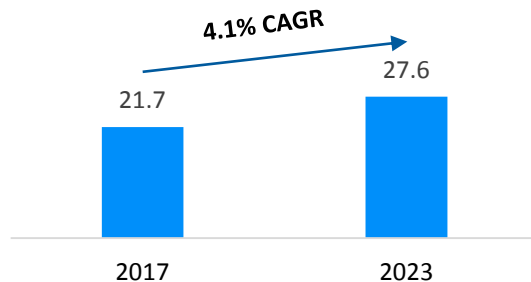
Appetite for Growth

- Revenue target of achieving growth rate of 12-15%
- Confident of achieving the target by enhancing our capacities and timely completion of our on-going capex plans

Industry Dynamics

- India is leader in Phthalocyanine blue and green pigments
- India's pigment sales have been growing at 13-14% CAGR driven by exports due to India's good quality products, stricter environmental standards and higher regulatory compliance
- Paints & coatings and plastics industry have been the major growth drivers (especially from automotive sector)

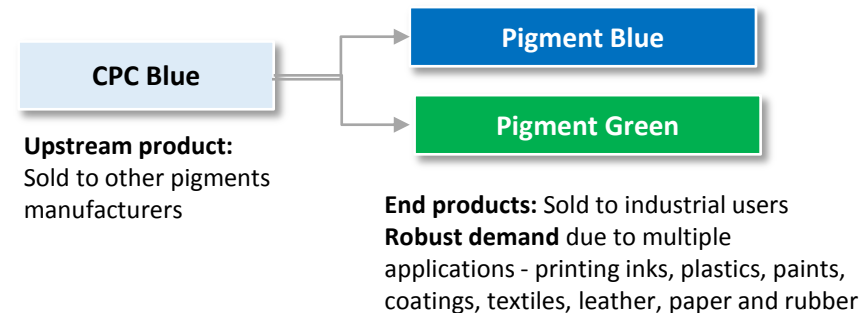
Global Pigments Market Size (USD Bn)



Meghmani's Pigments Profile

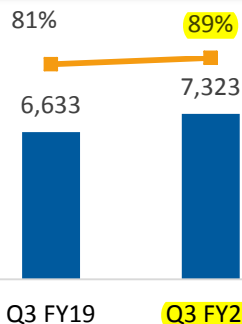
- **Total Capacity: 32,940 MTPA**
- Largest manufacturers of Phthalocyanine-based pigments with 14% global market share & amongst top 3 (capacity wise) global pigments players
- Strong global presence in 70 countries
- Global distribution network - direct presence with subsidiaries in the US, Dubai and a representative office in China
- Strong client relationships (90% business from repeat clients)

Product Portfolio

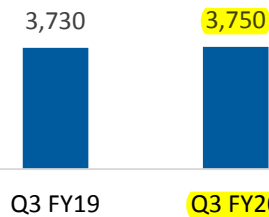


Q3 & 9M FY20 Results: Pigments Business

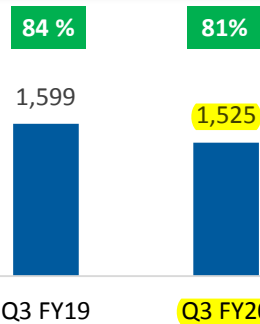
Production & Utilisation (%)



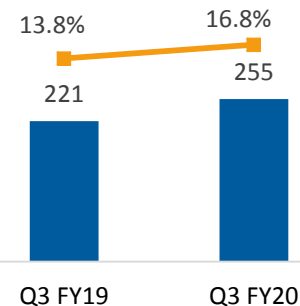
Dispatch / Sales (MT)



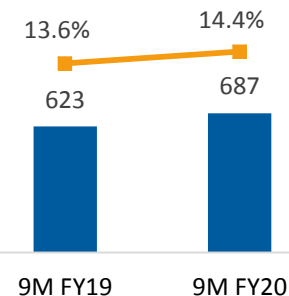
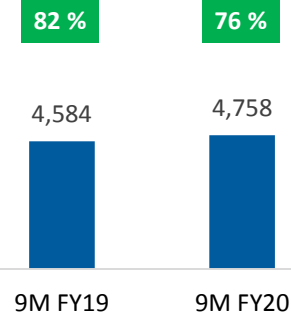
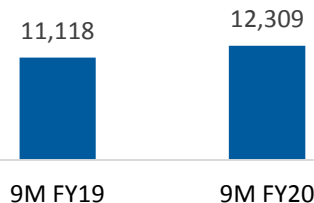
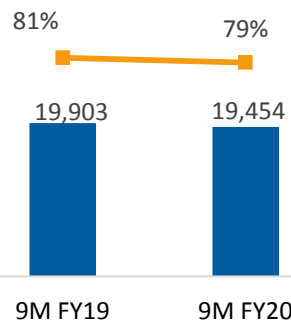
Net Sales (Rs Mn) & Exports



EBITDA (Rs Mn) & Margin (%)



9M FY20 YoY Analysis

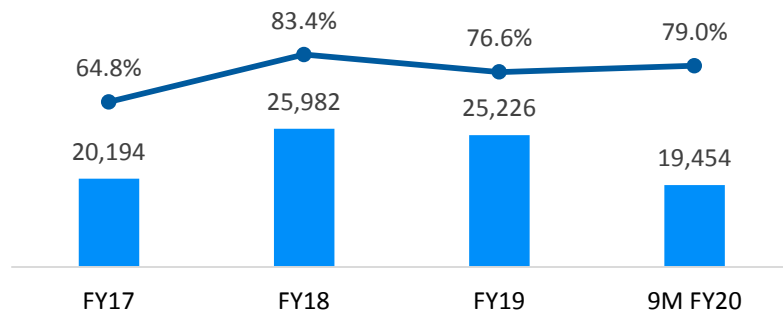


Net Sales including intersegment sales

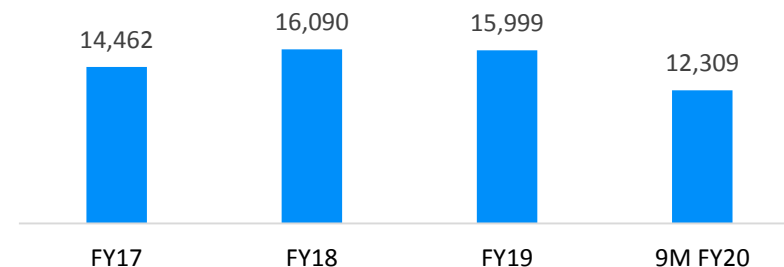
Exports

Pigments Business: Operational Overview

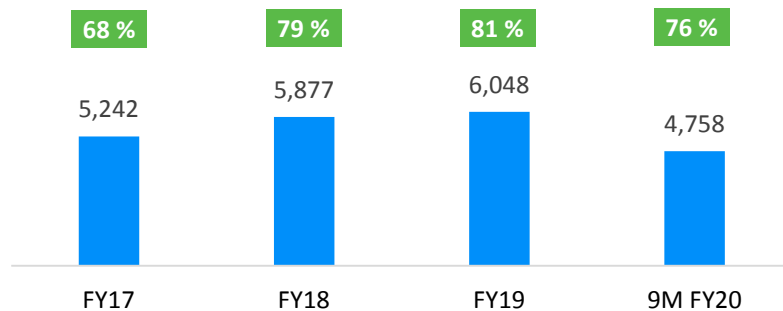
Production (MT) & Capacity Utilisation (%)



Dispatch / Sales (MT)



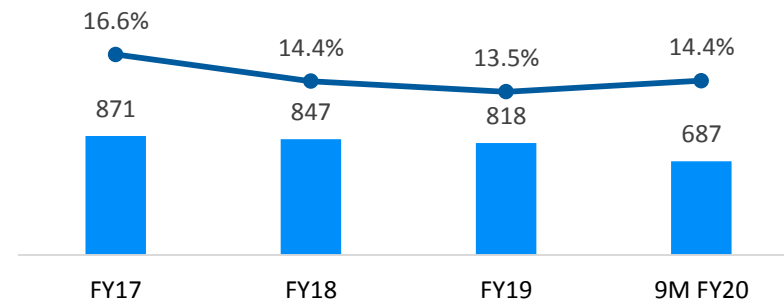
Net Sales (Rs Mn)



Net Sales (excl. excise duty) including intersegment sales

Exports %

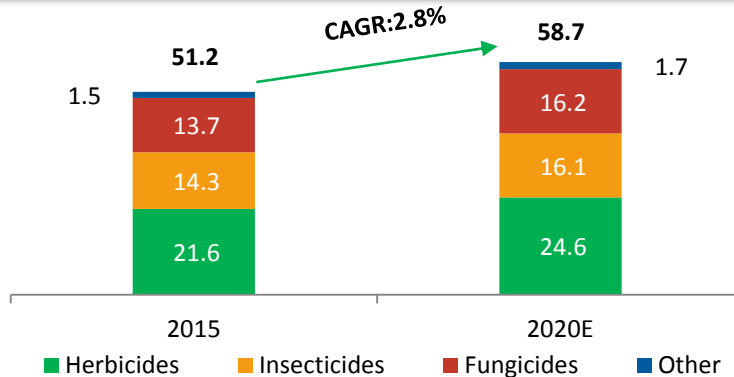
EBITDA (Rs Mn) & EBITDA Margin (%)



Industry Dynamics

- India is the 4th largest global producer of Pesticides with an estimated market size of USD 4.9 Bn in FY17 after United States, Japan and China
- Key drivers - growing population, declining arable land & rising pest concerns
- Products worth ~USD 3 Bn to go off-Patent over 2017-20, gives strong opportunity to generic agrochemical players
- Pesticides consumption in India lowest at 0.6 kg per hectare (kg/h) as against 12.0 kg/h in Japan and 13.0 kg/h in China

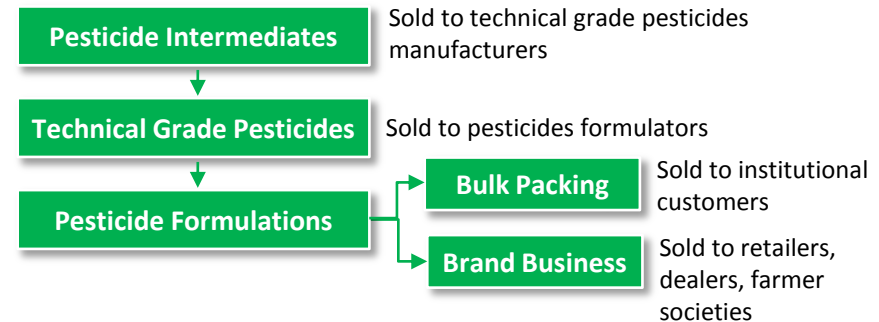
Global Crop Protection Market (USD Bn)



Meghmani's Agrochemical Profile

- Total Capacity: 28,260 MTPA**
- Leading manufacturer of pesticides – products across entire value chain
- Presence across 17 states, with ~2,800 stockists, agents, distributors and dealers' network
- Key Brands: Megastar, Megacyper, Megaban, Synergy, Courage, etc.

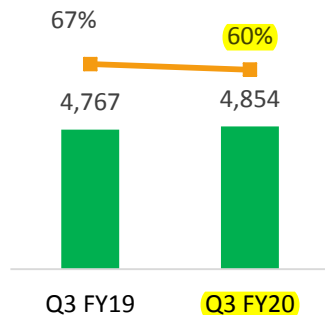
Product Value Chain



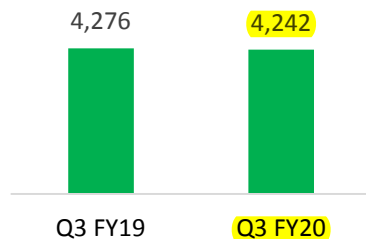
Q3 & 9M FY20 Results: Agrochemicals Business

Q3 FY20 YoY Analysis

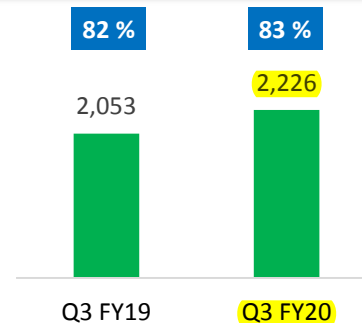
Production & Utilisation (%)



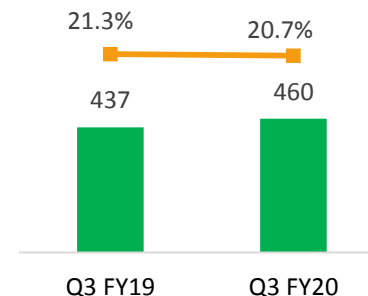
Dispatch / Sales (MT)



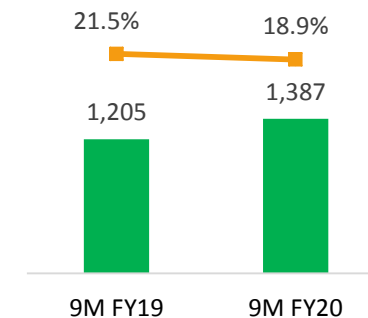
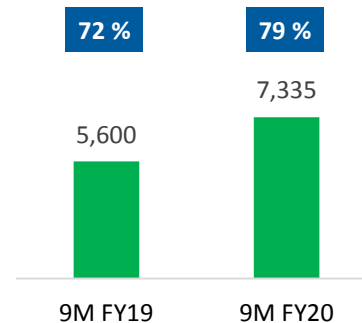
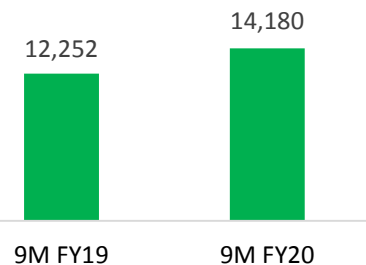
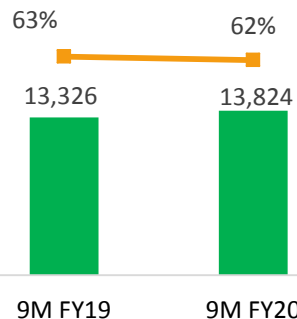
Net Sales (Rs Mn) & Exports



EBITDA (Rs Mn) & Margin (%)

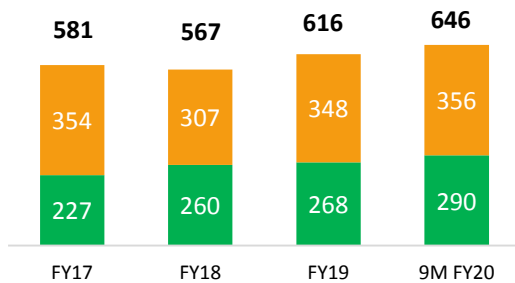


9M FY20 YoY Analysis



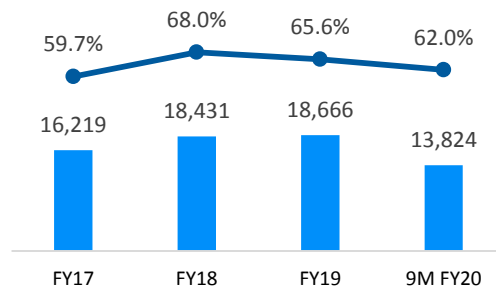
Agrochemicals Business: Operational Overview

Registrations Base

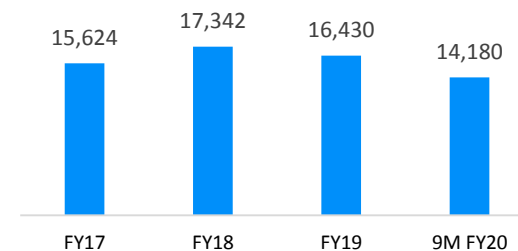


■ Exports ■ CIB (India)

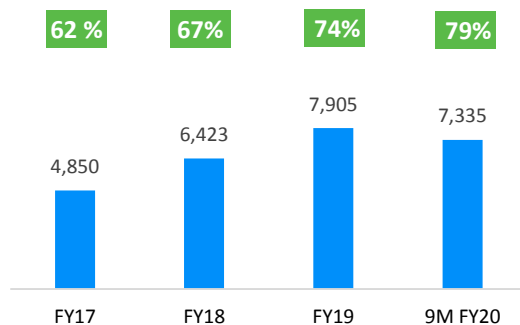
Production (MT) & Capacity Utilisation (%)



Dispatch / Sales (MT)



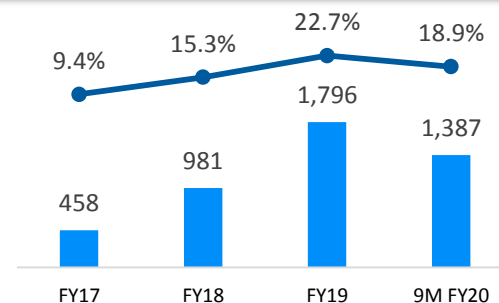
Net Sales (Rs Mn)



Exports %

Net Sales (excl. excise duty) including intersegment sales

EBITDA (Rs Mn) & EBITDA Margin (%)

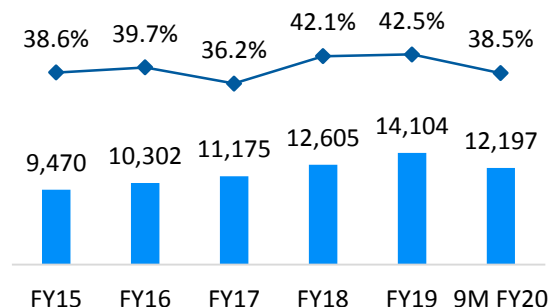


Standalone Financial Snapshot

Rs Mn

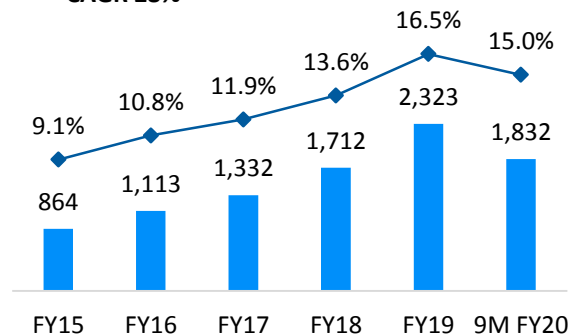
Revenues * & Gross Margin

* CAGR 11%



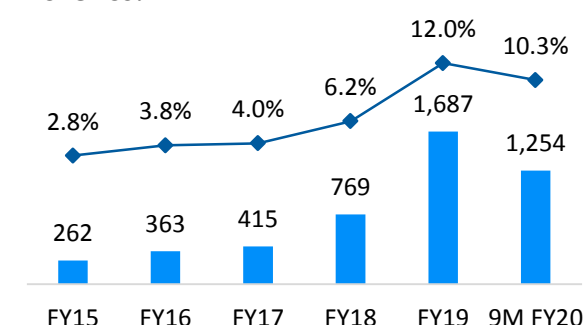
EBITDA & EBITDA Margin

* CAGR 28%



PAT & PAT Margin

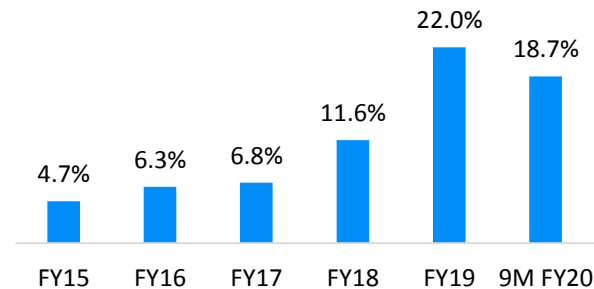
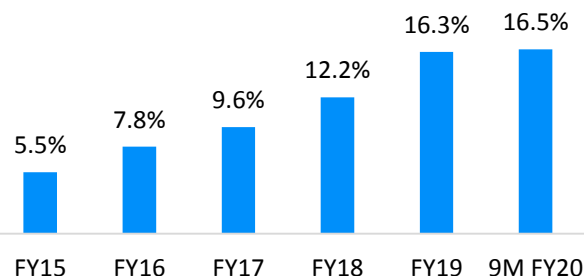
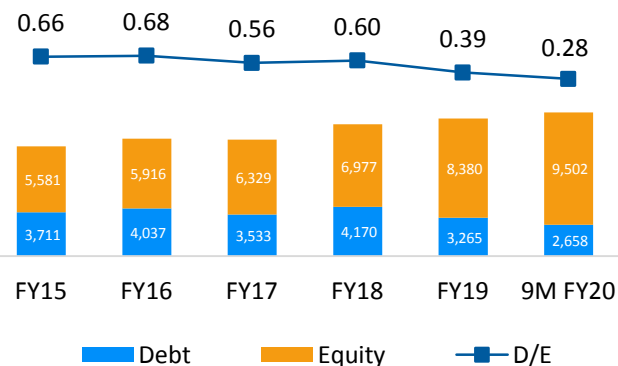
* CAGR 59%



Leverage Analysis

Return on Capital Employed

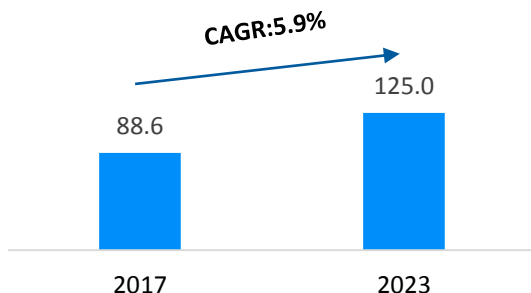
Return on Equity



Industry Dynamics

- The global demand for Chlor-Alkali products will continue to grow driven by diverse industrial uses - glass, alumina, vinyl, water treatment, polyvinyl Chloride (PVC) plastics, soaps, detergents, pulp and paper, textiles etc
- The Indian Caustic industry is a well-established mature industry with a capacity of 3.8 Mn MTPA (Caustic Soda) and an annual turnover of Rs. 70 Bn
- The Indian industry is regarded by global peers as being among the most efficient, eco-friendly and progressive industries

Global Chloro Alkali & its Derivatives Market (USD Bn)



Meghmani's Chloro Alkali & its Derivatives Profile

- **Total Capacity:** Caustic-Chlorine: 294000 MTPA, Caustic Potash: 21,000 MTPA and CMS: 50,000 MTPA
- 2nd largest producer of Caustic Potash
- 3rd largest producer of CMS
- 4th largest (by capacity) Caustic-Chlorine producer in India
- Strategically located with proximity to the port (importing coal) and customers (Caustic Soda & Chlorine supplied via pipeline), leading to lower logistics costs

Product Application

Caustic Soda

Used in soap & detergents, pulp & paper, textiles processing, Organic & Inorganic Chloro solvents

Chlorine

Used in PVC manufacturing, aluminizing, dyes & dyes intermediates, organic & inorganic chemicals, drinking water disinfection, pharmaceuticals

Caustic Potash

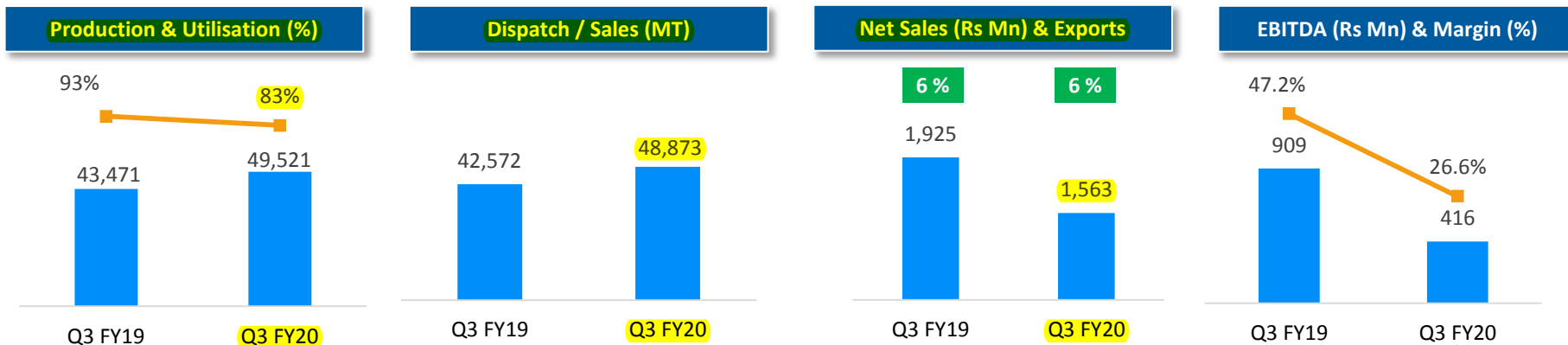
Used in Soaps, Detergents, Fertilizers Chemicals

CMS

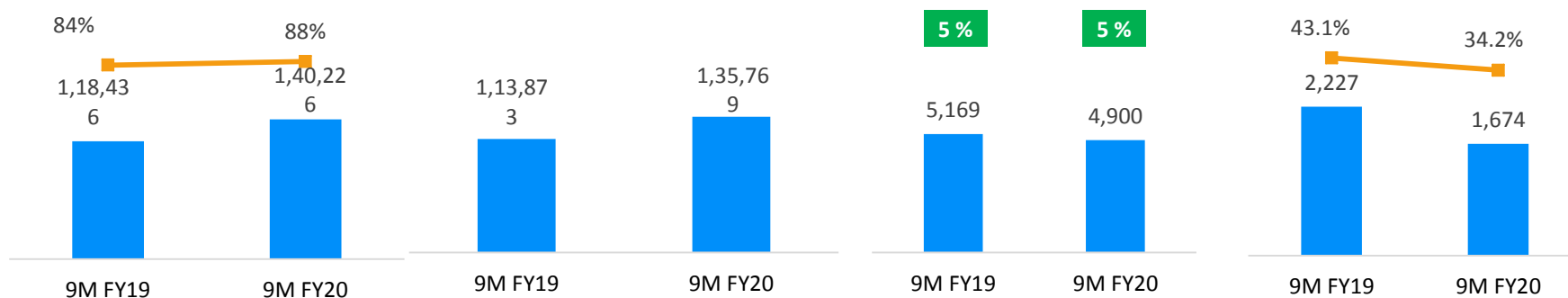
Used in Pharma, Agro Chemicals and Refrigerant gas

Q3 & 9M FY20 Results: Chloro Alkali & its Derivatives Business

Q3 FY20 YoY Analysis

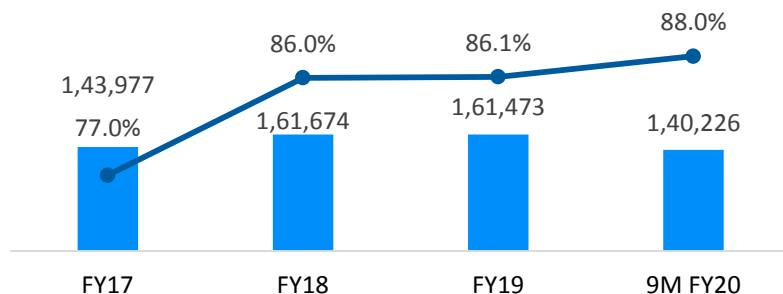


9M FY20 YoY Analysis

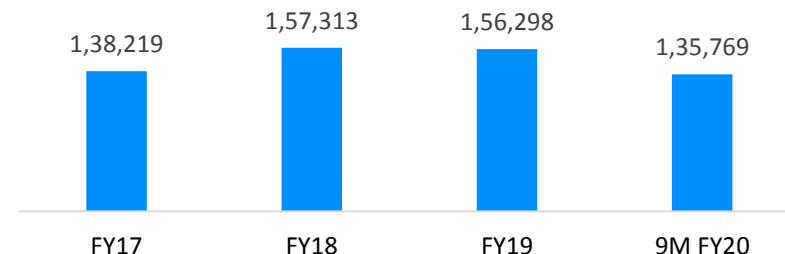


Chloro Alkali & its Derivatives Business: Operational Overview

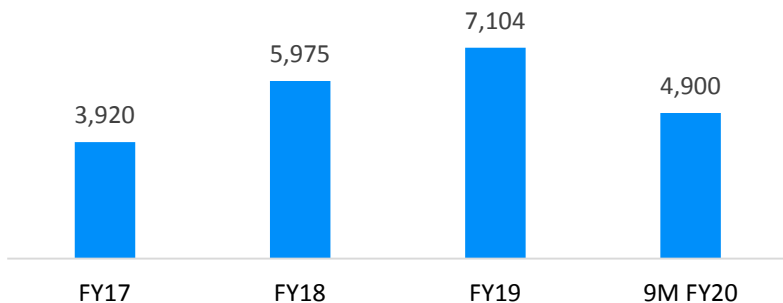
Production (MT) & Capacity Utilisation (%)



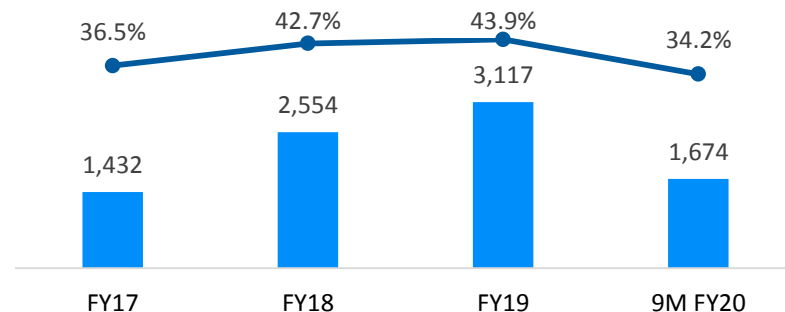
Dispatch / Sales (MT)



Net Sales (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)

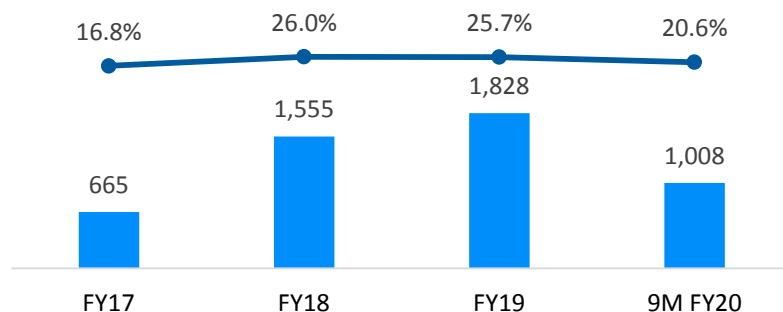


Net Sales (excl. excise duty) including intersegment sales

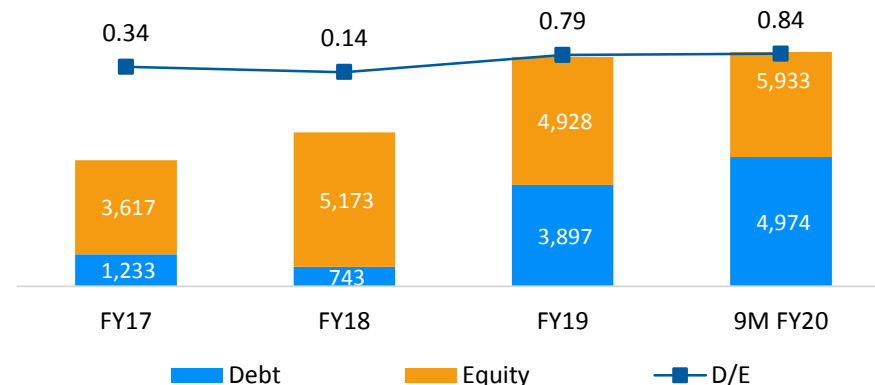
Chloro Alkali & its Derivatives Business: Financial Snapshot

Rs Mn

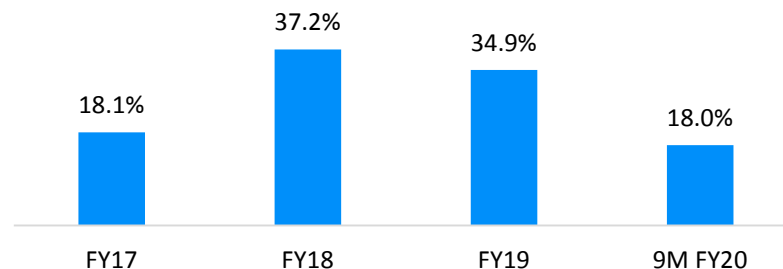
PAT (Rs Mn) & PAT Margin (%)



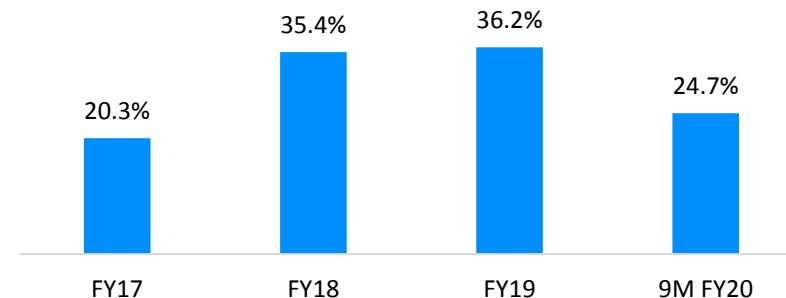
Leverage Analysis



Return on Capital Employed



Return on Equity

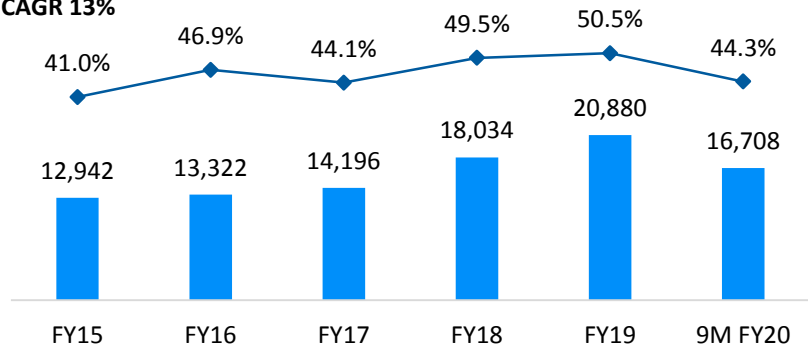


Consolidated Financial Snapshot

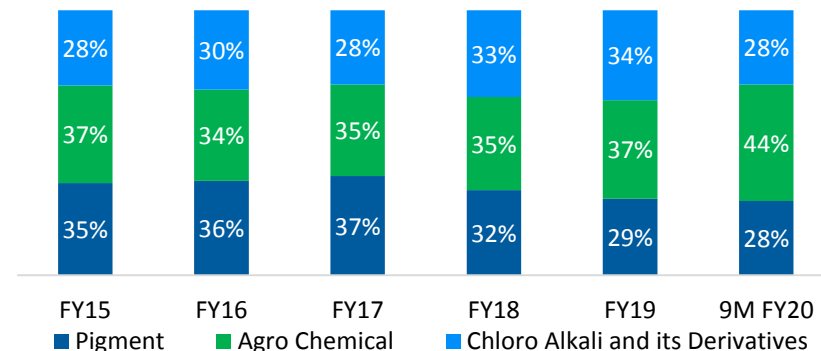
Rs Mn

Revenues * & Gross Margin

* CAGR 13%

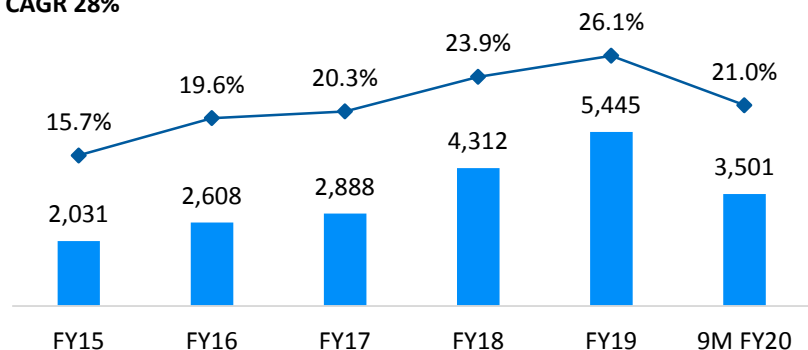


Revenues - Segment Breakup



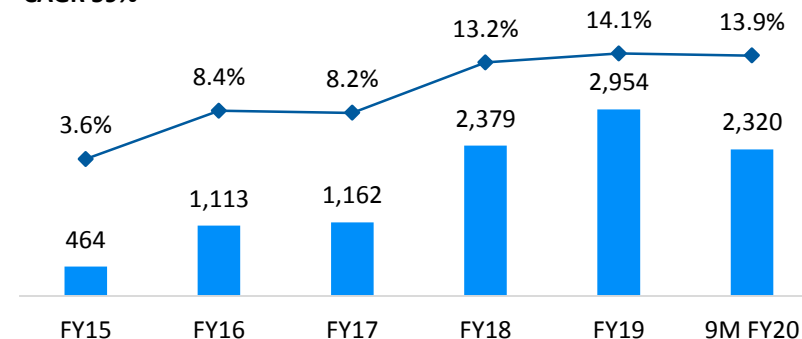
EBITDA & EBITDA Margin

* CAGR 28%



PAT & PAT Margin

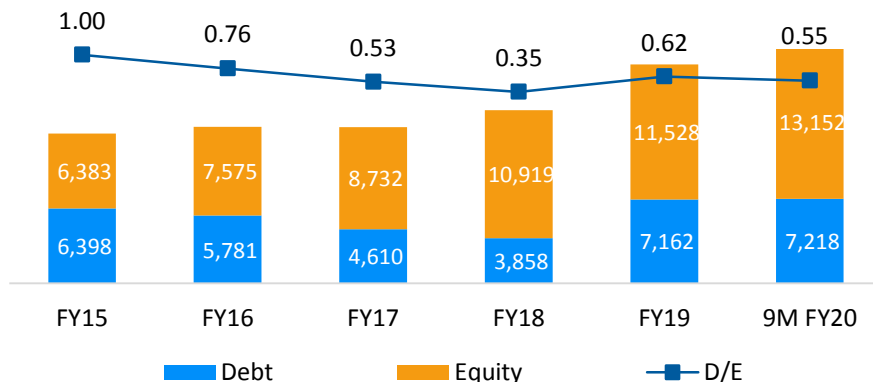
* CAGR 59%



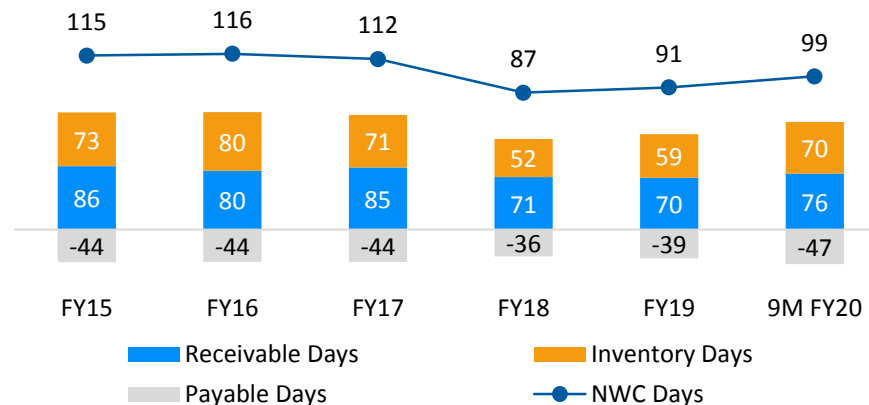
Consolidated Financial Snapshot

Rs Mn

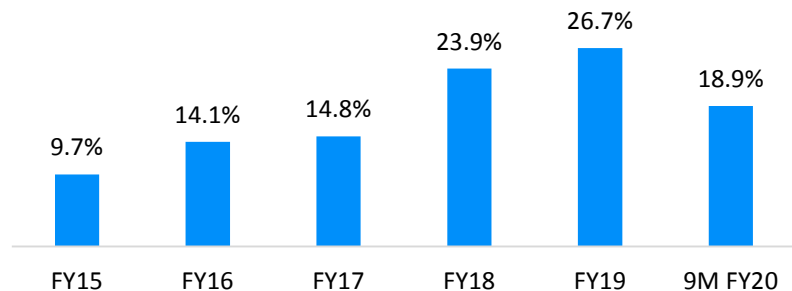
Leverage Analysis



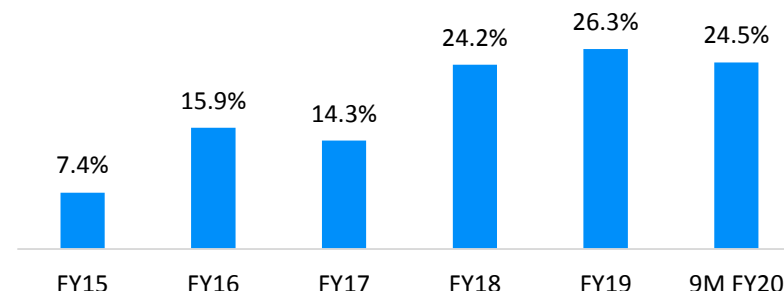
Working Capital Analysis *



Return on Capital Employed



Return on Equity



* Calculated on Net Sales, ROCE = EBIT / Average Capital Employed (Debt + Equity + Minority Interest), ROE = PAT / Average (Equity + Minority Interest)

Q3 & 9M FY20 Results: Consolidated Profit & Loss Statement

Particulars (Rs. in Mn)	Q3 FY20	Q3 FY19	YoY%	9M FY20	9M FY19	YoY%
Revenue from Operations	5,222	5,523	-5.5%	16,708	15,302	9.2%
COGS	2,777	2,762	0.5%	9,300	7,574	22.8%
Gross Profit	2,445	2,761	-11.4%	7,409	7,728	-4.1%
Gross Margins %	46.8%	50.0%	-316 bps	44.3%	50.5%	-616 bps
Employee Expenses	342	331	3.3%	1,033	918	12.5%
Other Expenses	1,057	981	7.7%	2,875	2,953	-2.6%
EBITDA	1,047	1,450	-27.8%	3,501	3,857	-9.2%
EBITDA Margin %	20.0%	26.2%	-620 bps	21.0%	25.2%	-426 bps
Depreciation	224	245	-8.8%	663	733	-9.6%
EBIT	823	1,205	-31.6%	2,838	3,124	-9.2%
Finance Cost	135	76	78.7%	269	378	-28.9%
Other Income	80	41	96.3%	296	354	-16.2%
PBT	768	1,169	-34%	2,865	3,099	-8%
Taxes	201	375	-46.4%	545	917	-40.5%
PAT	567	794	-28.6%	2,320	2,182	6.3%
PAT Margin %	10.9%	14.4%	-352 bps	13.9%	14.3%	-38 bps
PAT after Minority	476	663	-28.2%	1,888	1,848	2.2%

The Way Ahead...



Project	Capex (Rs Crs)	Expected date of Completion	Expected Revenue (Rs Crs)
2.4 D (Capacity -10k TPA)	127	Q1 FY 21	200
Formulation Plant	25	Q3 FY 21	~150-200
Multi Purpose Plant (New Molecules)	150	Q3 FY 22	300
Total	302		~650-700

PIGMENT: Exploring projects to expand into new pigments to increase the product basket

Ongoing projects: Phase I

Project	Capacity	Capex (Rs Crs)	Expected date of Commissioning	Expected Revenue (Rs Crs)
CMS	50 K TPA	160	Commissioned in July 19	160
Hydrogen Peroxide	60 K TPA	160	Q1 FY 21	120-150
Caustic expansion	300 TPD	300	Q4 FY 20	300
CPP Exp	60 to 96 MW	150	Q4 FY 20	
Total		770		610

Additional Capex: Phase II

Project	Capacity	Capex (Rs Crs)	Date of Commissioning	Expected Revenue (Rs Crs)
Epichlorohydrin (ECH)	50 K TPA	275	Q4 FY 22	475

Industry Dynamics

- Domestic imports at ~ 80KTA and growing @ 14.5%

Industry Wide Application:

- Feed Stock in Epoxy Resins in corrosion protection coatings in industries automobile & packaging
- Used as raw material in Pharma intermediates
- Resins in composites used in Aerospace, windmill and Automobile industries

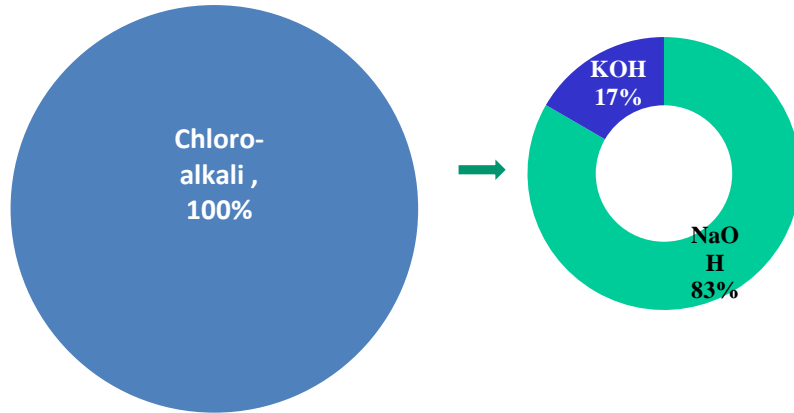
Meghmani's ECH Profile

- 1st Plant in India with Technology from Technip France
- Forward integration of Chlor Alkali (Caustic and HCL in-house raw materials)
- 30% + EBITDA Margins

Chloro- Alkali & its Derivatives (Segment wise revenue outlook)

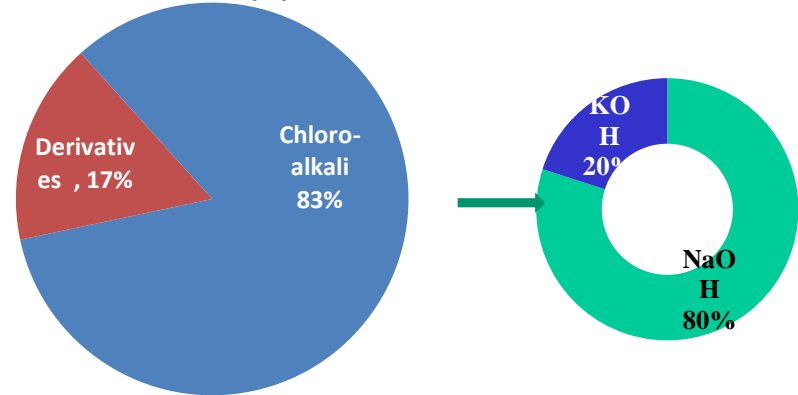
2018-2019(A)

CHLORO-ALKALI SEGMENT

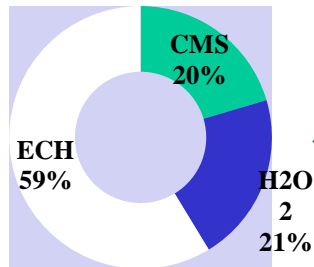


2019-2020('E)

CHLORO-ALKALI SEGMENT

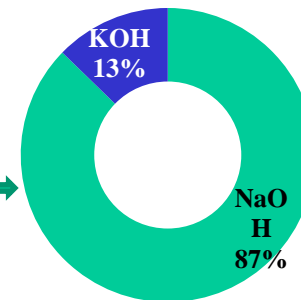
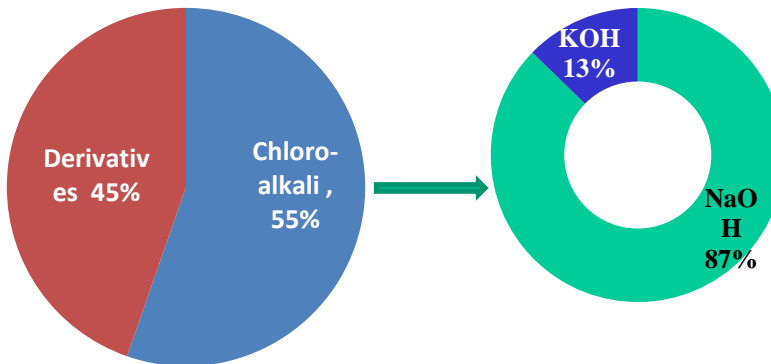


DERIVATIVES SEGMENT



2022-2023(P)

CHLORO-ALKALI SEGMENT



Thank you