Meghmani Finechem Limited

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08.08.2022

To,

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 **SYMBOL:- MFL**	BSE Limited Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 **Scrip Code 543332**

Dear Sir,

Sub.: - Corporate Presentation
Ref.: - Regulation 30 of SEBI (LODR) Regulations, 2015

We forward herewith Corporate Presentation of the Company.

The presentation will be shared to Investors for Virtual Conference/Investors Meet/Conference Call.

The aforesaid information is also being placed on the website of the Company at www.meghmanifinechem.com.

Thanking you.

Yours faithfully,

For Meghmani Finechem Limited

K D Mehta
Company Secretary & Compliance Officer
Membership No. FCS 2051

MEGHMANI FINECHEM LIMITED AHMEDABAD

Encl: As above

Meghmani Finechem Limited

Corporate Presentation

Disclaimer

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Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Risk and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The company does not undertake to update any forward -looking statement that may be made from time to time by or on behalf of the company.

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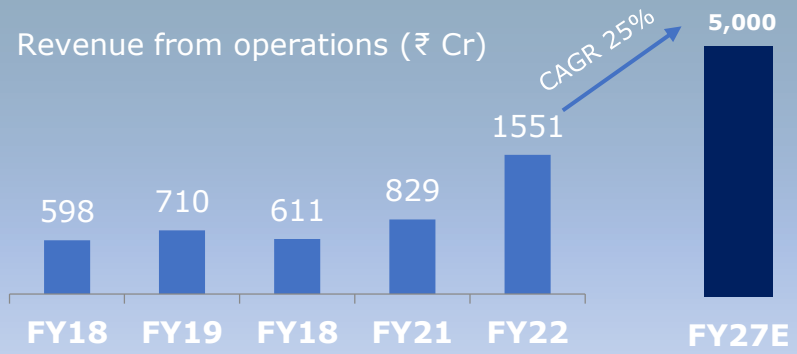
MFL Plant Video

Company Overview

- Founded: 2007
- Employees: 850+
- Capacity: Chlor-Alkali# – 315 KTPA
  Derivatives# – 190 KTPA
- Certified: Responsible Care Certificate
- Manufacturing facility: Fully-integrated & automated complex

32%	29%
5 Year Revenue CAGR (FY22)	*5 Year EBITDA CAGR (FY22)*
1.3x	**29%**
Debt to Equity (FY22)	*ROCE (FY22)*



 # Chlor-Alkali : Caustic Soda - 294 KTPA and Caustic Potash - 21 KTPA
Derivatives : CPVC Resin – 30 KTPA, Epichlorohydrin – 50 KTPA, Chloromethanes - 50 KTPA and Hydrogen Peroxide - 60 KTPA

What are we into

ESG Focus

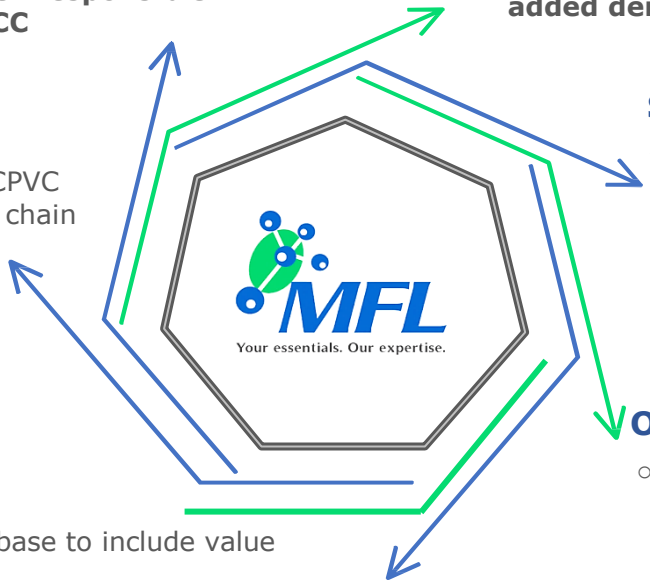
- Strong focus on sustainability - awarded with **the 'Responsible Care'** Logo **by ICC**

Our Business

- Leading producer of **Chlor-alkali products and value added derivatives**

Competitive Advantage

- Domestically produced ECH, CPVC and Chlorotoluene & its value chain to **largely replace import**



Strategic Location

- State of the art manufacturing facilities in Gujarat, **Dahej –India's leading PCPIR region**

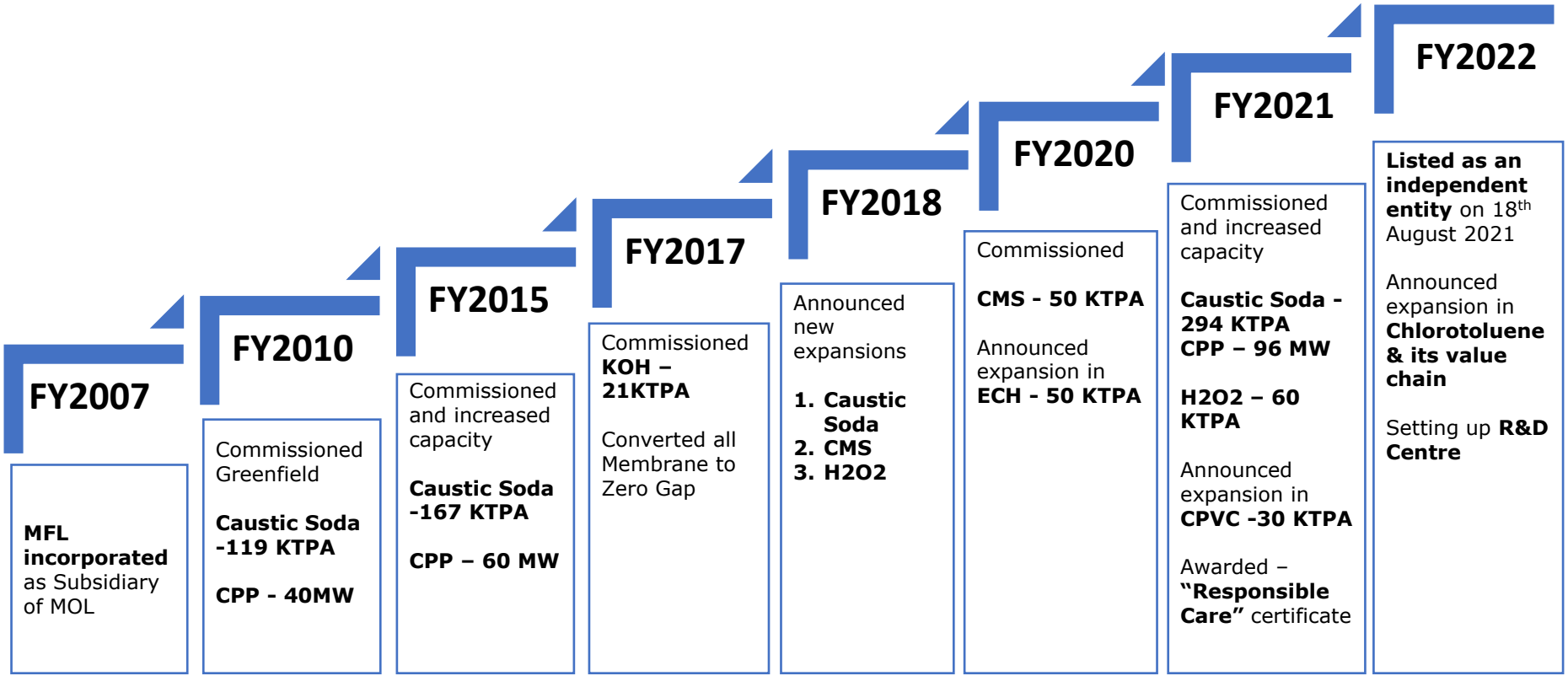
Product Pipeline

- Expanding product base to include value added products
  - **Chlorotoluene and its value chain**

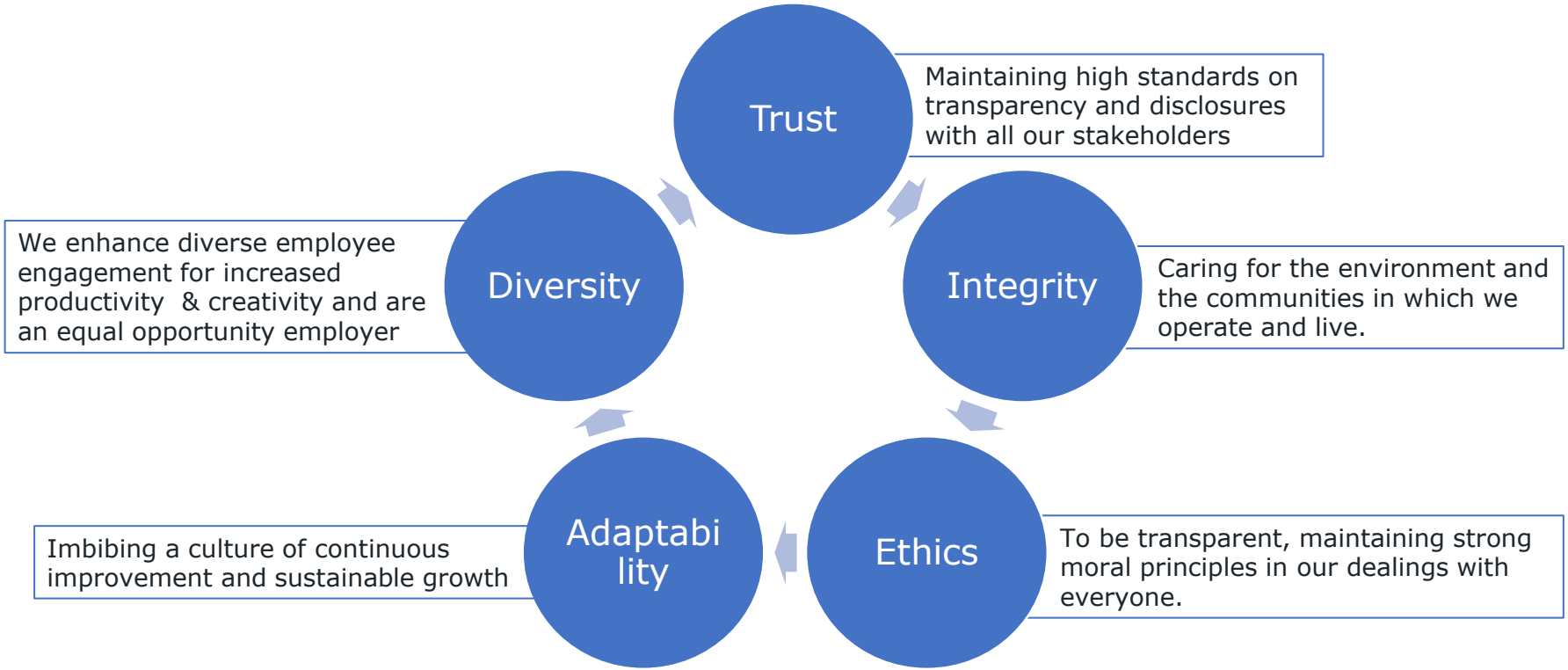
Our Products

- Currently product profile comprises of
  - **Chlor-Alkali**
  - **Chloromethane**
  - **Hydrogen Peroxide**
  - **Epichlorohydrin [ECH]**
  - **Chlorinated Polyvinyl Chloride [CPVC]**

Our Evolution

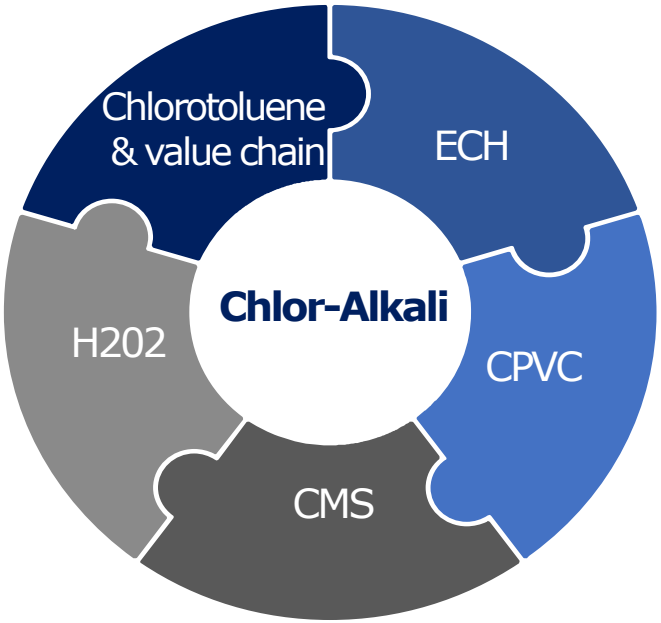


Driven by Strong Values



MFL Evolving to value added specialty products

Fully Integrated Product Portfolio

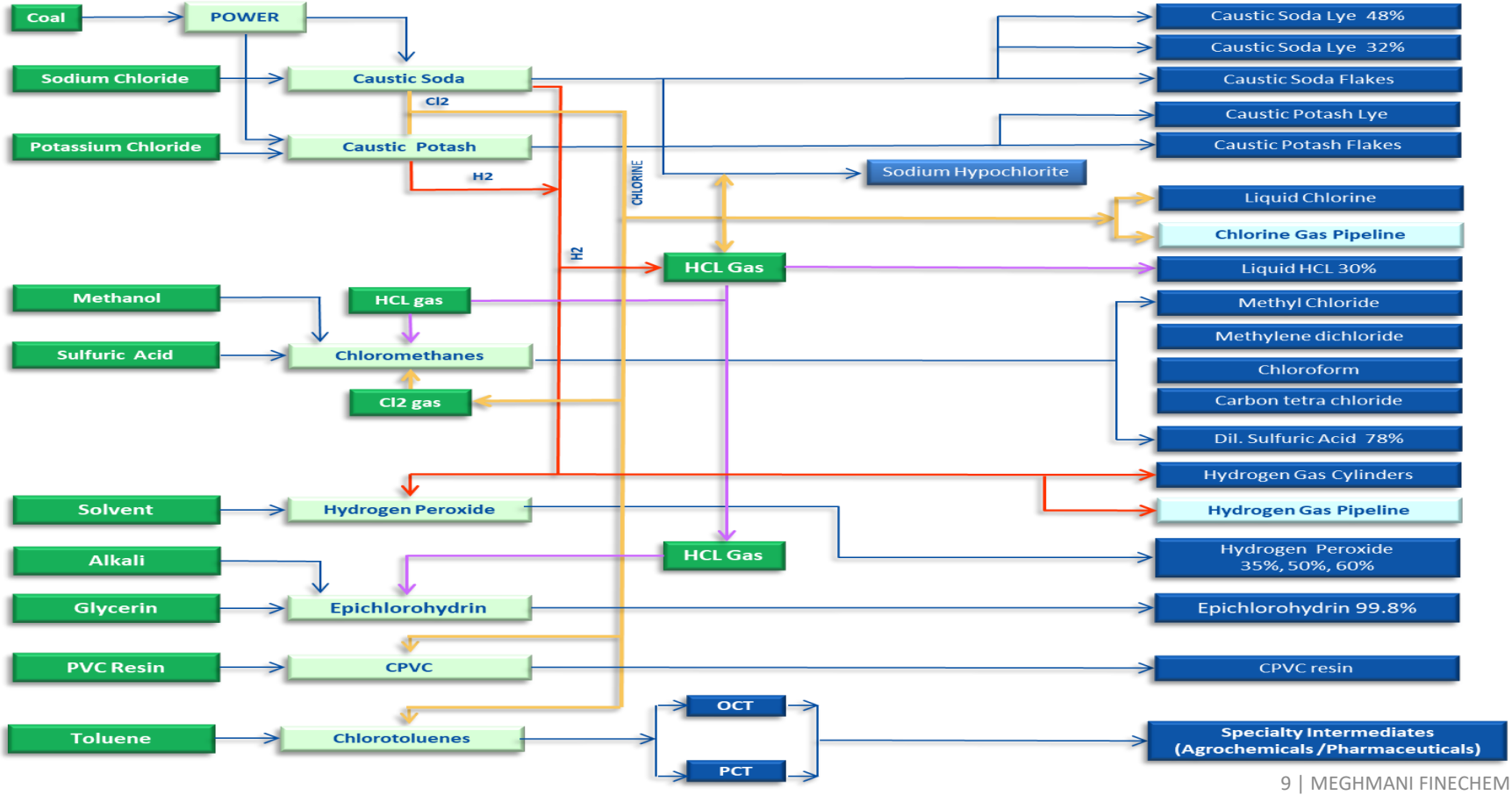


- High Value Products
- Import Substitution – Make in India
- Diversified End User Industries
- Sole Manufacturer of ECH in India

Diversifying Portfolio; De-Risking Business Model

**CMS – Chloromethane, H202 – Hydrogen Peroxide, CPVC – Chlorinated Polyvinyl Chloride , ECH - Epichlorohydrin*

Fully Integrated Complex



Competitive Strength

Well Invested Infrastructure
- State of the art manufacturing facility
- Strategic location with close connectivity to ports and raw material availability.
- Large customer base within a 100 km radius

Well established brand
- MFL is a known brand in Indian chemical market
- Serving domestic customers for last 12 Yrs
- Pan India reach through a wide network of distributors

Focused on Efficiency
- Low cost operations as fully backward and forward integration
- Fully automated complex
- Continuous addition of value added products

Diversified Application Base
- Catering to more than 15 industries
- Revenue split is evened out among customer base
- End user market growing rapidly

Underpinned by a Technically Qualified Leadership Team

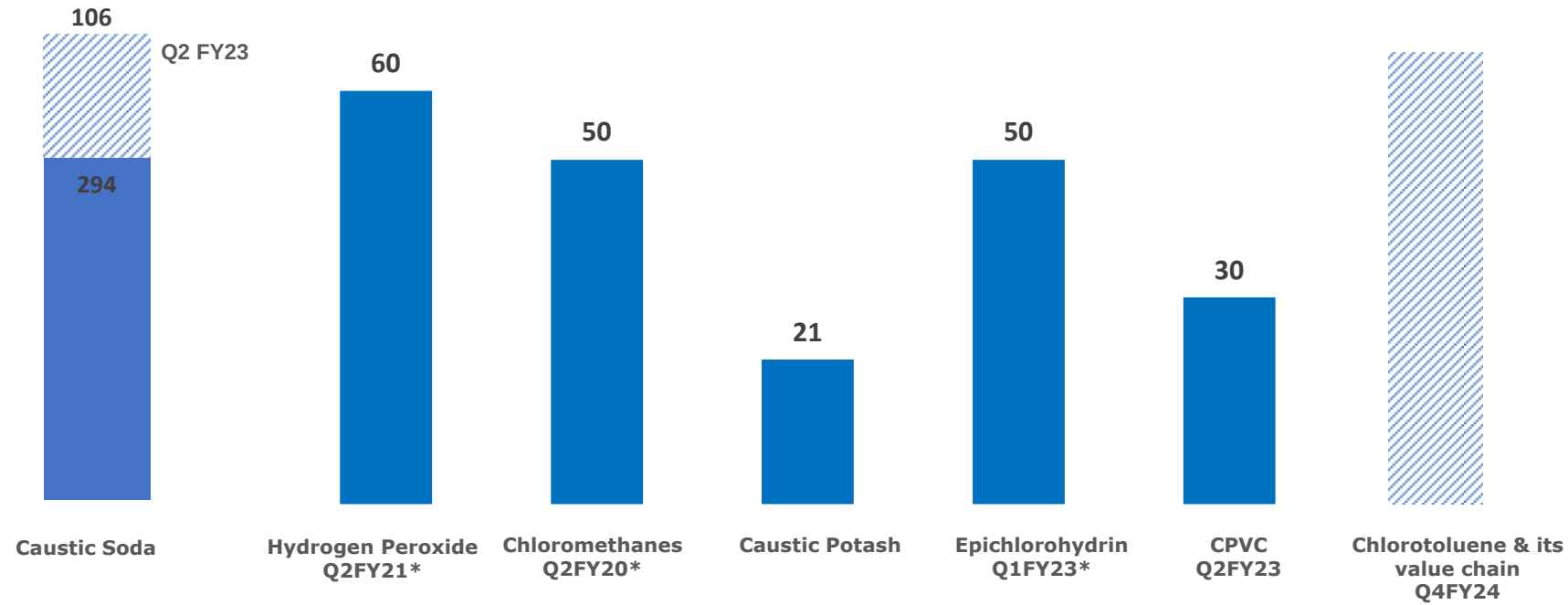
Catering to High Growth Industries

Increased market potential & higher growth exposure

The addressable market for MFL is growing ~10-13% in the next 5 years giving it a huge headroom for growth

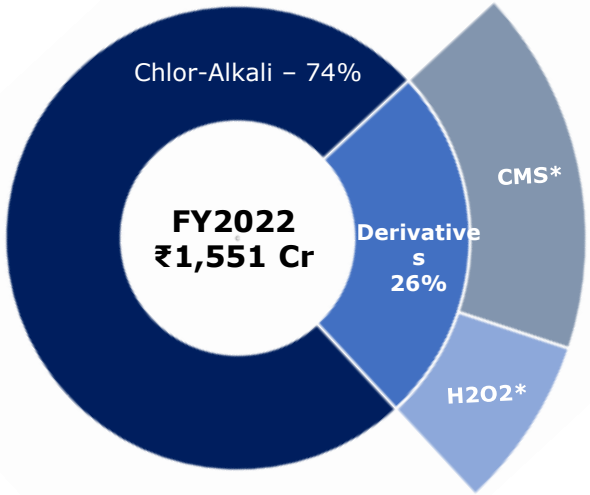
Levers of Future Growth

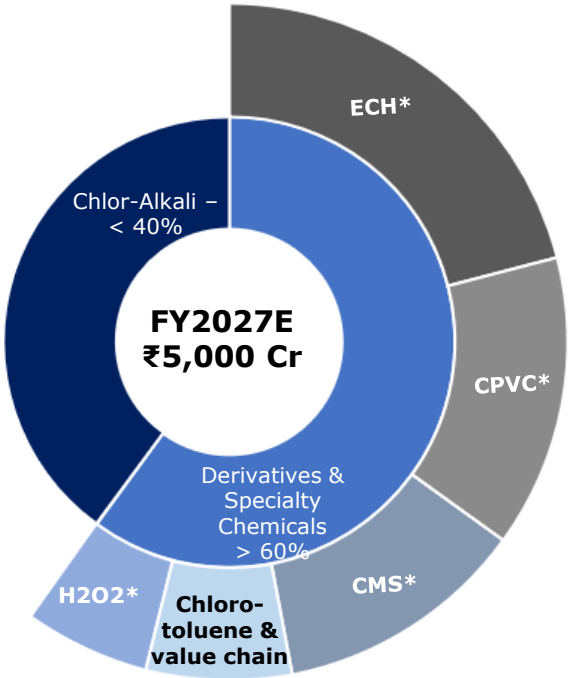
Manufacturing Plant Capacity (‘000 TPA)



*Expected Commissioning , * Commissioning date*

Transitioning to Value added Specialty Chemicals





Revenue from the derivatives and specialty chemical segment to be >60% by FY27E

**CMS – Chloromethane, H202 – Hydrogen Peroxide, CPVC – Chlorinated Polyvinyl Chloride , ECH - Epichlorohydrin*

Product Portfolio – Chlor-Alkali

Caustic Soda (NaOH)

- India's NaOH Requirement: 4,200 KTPA
- Demand CAGR: ~ 8%

Alumina

Textile

Chemicals

- We are 4th largest producer in India
- Caustic Soda is basic raw material and caters to many industries. Major industries are alumina, textile, chemical, etc.
- Demand for Caustic Soda is expected to increase to 5.0 million ton by FY2025
- Co-products are key raw material for our value added downstream products (CMS, H2O2, ECH and CPVC)

Caustic Potash (KOH)

- India's KOH Requirement: 91 KTPA
- Demand CAGR: ~ 8%

Agrochemicals

API

- We are 3rd largest producer in India
- Caustic Potash is majorly consumed in soap & detergent, agrochemical and pharmaceutical industry
- The India's capacity stands at 83 KTPA
- Co-products are key raw material for our value added downstream products (CMS, H2O2, ECH and CPVC)

Product Portfolio – Derivative products

Chloromethanes (CMS)

- India's CMS Requirement: 517 KTPA
- Demand CAGR: ~ 12%

Solvent in Pharma

PTFE Pipes

Refrigerant Gas

- We are 5th largest producer in India
- CMS plant produces 3 products, MDC, Chloroform and CTC. It is majorly drive by MDC
- The India's capacity stands at 477 KPTA
- CMS is used majorly in pharmaceutical, refrigerant, Tetrafluoroethylene (TFE), etc.

Hydrogen Peroxide (H2O2)

- India's H2O2 Requirement: 328 KTPA
- Demand CAGR: ~ 10%

Paper & pulp

Textile

Chemicals

- We are 3rd largest producer in India
- H2O2 demand will continue to grow driven by diverse industrial uses – paper & pulp, textiles, effluent treatment, chemicals, etc.
- The India's capacity stands at 429 KTPA

New Product Portfolio – Specialty Chemicals

CPVC Resin

- ❖ India's CPVC Requirement: 140 KTPA
- ❖ Demand CAGR: ~ 13%

Pipes and Fixtures

- Largest producer in India
- Key raw material for heat resistant pipes
- Antidumping duty Imposition on Imports from China and Korea creating opportunity for domestic Market.
- Growing demand of CPVC in India for Pipe and Fittings in Chemical processing and Irrigation.
- 95% of CPVC resin demand is served through import

Epichlorohydrin (ECH)

- ❖ India's ECH Requirement: 80 KTPA
- ❖ Demand CAGR: ~ 15%

Wind mill

Automobile

Adhesives

- 1st company in India to produce sustainable bio based ECH
- Domestic alternative for 100% imported product
- Competitive advantage due to captive raw materials
- Estimated Capex ₹ 270 Cr, with a capatiy of 50 KTPA

Chlorotoluene & its value chain - Specialty Chemicals

Project Details

- **Capex** for the project will be **₹ 180 Cr and expected revenue of Rs. 300 Cr**
- **Expected commissioning date: Q4FY24**
- This facility will be **forward integrated to our chlor-alkali facility**
- **Range of products** will be manufactured through various reaction capabilities
- This will be **intermediates** for manufacturing **pharmaceutical and agrochemical active ingredients**

Rationale

- **Foundation for the next phase of growth** in Specialty Chemicals
- **Chlorine is captive a raw material** - in line to strengthen fully integrated complex
- **1st in India to manufacture,** under the initiative of Make in India and Aatmanirbhar Bharat
- Facility will enable us to manufacture various reactions

Research & Development Centre

Project Details

- **Capex** for the project will be **₹ 25 Cr**
- A step towards **strengthening presence in Specialty chemicals**
- **Location Changodar, Ahmedabad**

Rationale

- R&D center will be used for creating further molecules for Chlorotoluene and other new molecules, which will be intermediates for pharmaceutical and agrochemical active ingredients
- R&D center will be helpful to create Chlorotoluene eco-system/family and strengthen fully integrated facility
- It will help the company as whole to grow in Specialty Chemical post FY2024

Professional Management Team

Mr. Maulik Patel
Chairman & Managing Director

Mr. Kaushal Soparkar
Managing Director

Mr. Vijay Vasudeva
Head of Operations

Mr. Sanjay Jain
Chief Financial Officer

Mr. Yash Chitnis
Sales Head – Derivatives & Specialty Chemicals

Mr. Naresh Agarwal
Sales Head – Chlor-Alkali

Mr. Pritesh Shah
Supply Chain

Mr. Hamid Sayyad
EHS

Mr. Rakesh Dave
Human Resource

Mr. Jinesh Shah
Projects Head

Focused on ESG

ENVIRONMENT

- Focused on using **best technology** to manage critical resources, to moderate the consumption of energy and natural resources and drive operations efficiently
- Focus is to manufacture more from less, basis for environment responsibility
- **Entered in JV to set up 18.34 MW Wind-Solar Hybrid Power Plant for internal consumption**
- Intend is to minimize effluents discharge while moderating water consumption
- **First company to produce sustainable bio-based Epichlorohydrin**
- **Safety protocols imbibing in the culture** of the company and timely management review safety systems with quantified leading and lagging indicators

SOCIAL RESPONSIBILITY

- **Employees** – Investment in culture of excellence, timely training, scope for growth, talent investment, extensive safety provisions and supporting financially and mentally in difficult times
- **Community** – Engaged community around manufacturing plant. Supporting them in difficult times. Deeply rooted CSR in the area of education, health & family welfare, sustainable livelihood, infrastructure and other social activities
- **Customers and vendors** – Strong and long relation with customers and vendors. Over a period built on eco-system of vendors and primary customers

GOVERNANCE

- Focus on managing the business with all stakeholders in transparent manner
- Proactive in communicating and maintaining transparency with all our stakeholders
- All the strategic decisions are taken considering interest of minority shareholders
- Timely disclosure of material announcements

Growth Strategy

Forward & Backward Integration:

- Scale up capacities in existing products
- New value added products in existing value chains
- Improved market position

Opportunities in high growth sectors:

- Explore opportunities in various sectors
- Increase presence & improve market share
- Entering into products which are fully imported

New Value Chains:

- Expand chemistry expertise to enter new value chains (specialty chemicals)
- Addition of new reaction capabilities

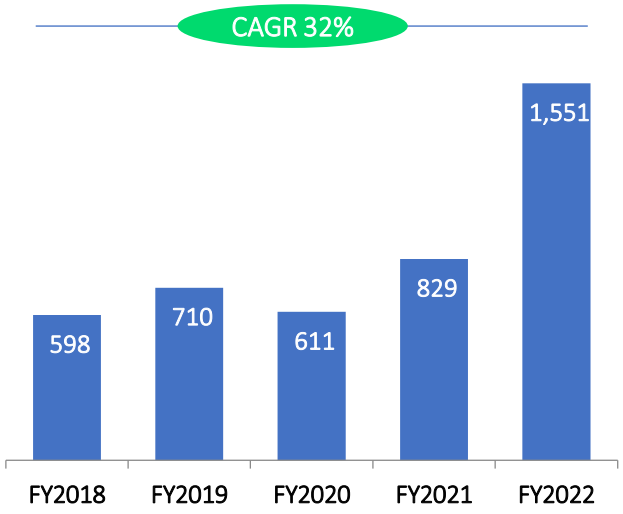
Achieving economies of scale:

- Optimising existing complex
- Achieving efficiency operations to become a low cost producer

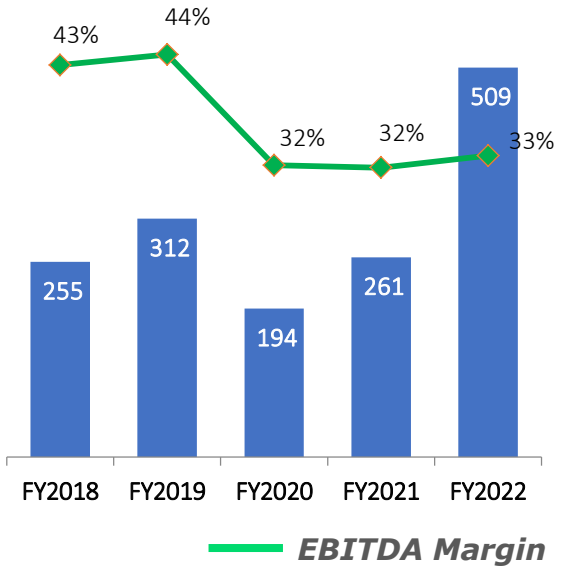
Vision – To achieve revenue of ₹ 5,000 Cr by FY2027

Financial Performance – P&L

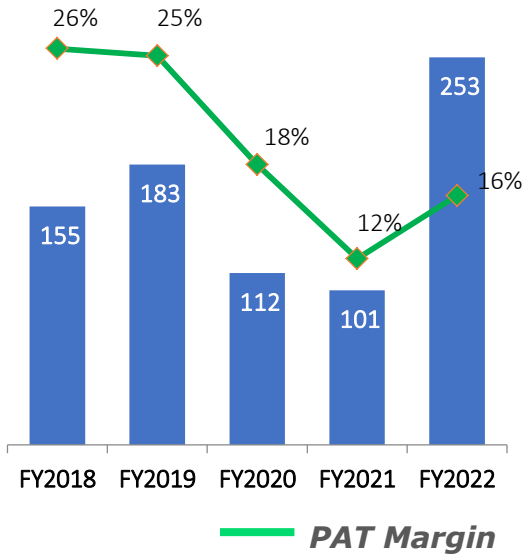
Revenue from operations (₹ Cr)



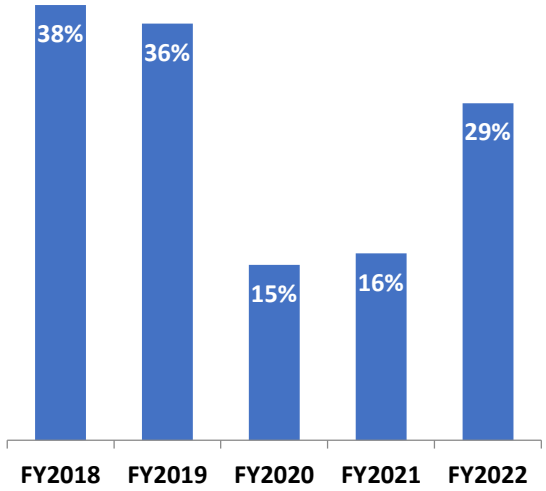
EBITDA (₹ Cr & %)

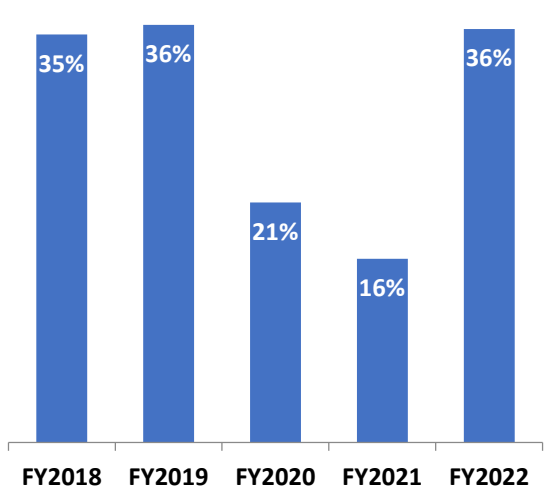


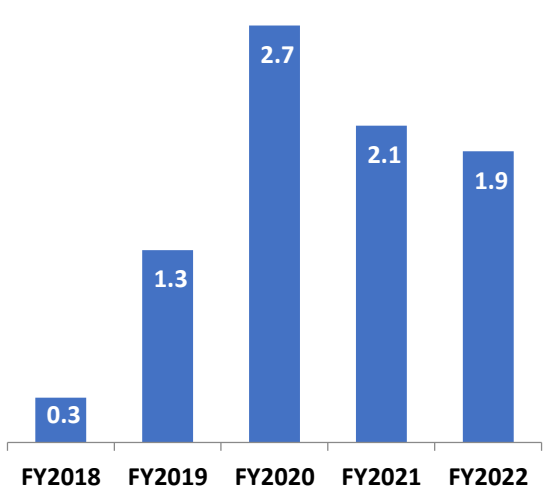
PAT (₹ Cr & %)



Balance Sheet Ratios







Historic Income Statement

Particulars (₹ Cr)	FY18	FY19	FY20	FY21	FY22
Total Revenue	602	720	613	831	1,555
Gross Profit*	335	431	300	407	716
Gross Margin (%)	***56%***	***61%***	***49%***	***49%***	***46%***
EBITDA	255	312	194	261	510
EBITDA Margin (%)	***43%***	***44%***	***32%***	***32%***	***33%***
Depreciation	55	54	44	74	86
Finance Cost	9	25	11	29	44
PBT	195	242	141	161	384
PAT	**155**	**183**	**112**	**101**	**253**
PAT Margin (%)	***26%***	***25%***	***18%***	***12%***	***16%***
EPS (₹)	***22.0***	***25.1***	***27.0***	***24.3***	***60.8***

**Gross profit – Power related cost which were part of other expense, has been moved as a separate heading "Power and Fuel" and has been considered while calculating Gross profit for all the period specified above*

Historic Balance Sheet

Assets (₹ Cr)	FY20	FY21	FY22	Liabilities (₹ Cr)	FY20	FY21	FY22
Fixed Assets	1,131	1,228	1,657	Share Capital	42	42	42
Financial Assets	4	10	8	Reserves & Surplus	542	643	684
Other Non-current Assets	5	29	11	Long-Term Borrowings	418	340	557
Inventories	48	54	154	Redeemable Preference Shares	-	-	211
Trade Receivables	76	119	256	Other Non-current Liabilities	7	35	97
Cash & Bank Balances	0	1	25	Short Term Borrowings	20	75	221
Loans & Advances	0	0	0	Trade Payables	47	73	88
Other Current Assets	7	8	11	Other Current Liabilities	198	240	213
				Short Term Provisions	0	0	10
Total	**1,273**	**1,449**	**1,717**	**Total**	**1,273**	**1,449**	**1,717**

Your essentials. Our expertise.

Corporate Office

"Meghmani House", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad 380015, Gujarat, India

Manufacturing Site

CH/1 and CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, India

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