

Ref: MOL/2021-22/21

October 26, 2021

To, National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051 SYMBOL:- MOL	To, BSE Limited Floor- 25, P J Tower, Dalal Street, Mumbai 400 001 Scrip Code:- 543331
---	---

Dear Sir,

Sub: - Investor Presentation on Financial Results for Q2- FY-2022.

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

We forward herewith the Investor Presentation prepared on Un-Audited Financial Results of the Company for the Second Quarter and half year ended on 30.09.2021 for information of the Member, which is also available on the website of the Company www.meghmani.com.

We request you to take on record.

Thanking you.

Yours faithfully,

For Meghmani Organics Limited
(Formerly known as Meghmani Organochem Limited)



Jayesh Patel
Company Secretary & Compliance Officer
Mem.No:A14898

Encl: As above



CHEMISTRY OF SUCCESS AT WORK

Meghmani Organics Limited

(Erstwhile known as Meghmani Organochem Limited)

Q2 & H1FY22 Results Presentation

October 2021

www.meghmani.com



The presentation has been prepared by Meghmani Organics Limited (“MOL” or the “Company”) solely for information purposes and does not constitute an offer to sell or, recommendation or solicitation of an offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever.

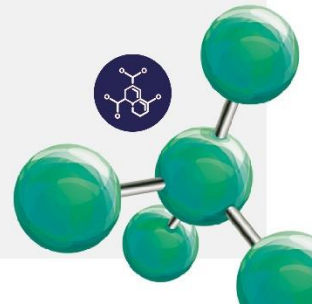
The information contained in this Presentation should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date of the Presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. This presentation is based on the economic, regulatory, market and other conditions as in effect on the date hereof. It should be understood that subsequent developments may affect the information contained in this presentation, which neither the Company nor its affiliates, advisors or representatives are under an obligation to update, revise or affirm.

You acknowledge and agree that the Company and/or its affiliated companies and/or their respective employees and/or agents have no responsibility or liability (express or implied) whatsoever and howsoever arising (including, without limitation for any claim, proceedings, action, suits, losses, expenses, damages or costs) which may be brought against or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this Presentation and neither the Company, its affiliated companies nor their respective employees or agents accepts any liability for any error, omission or misstatement, negligent or otherwise, in this Presentation and any liability in respect of the Presentation or any inaccuracy therein or omission therefrom which might otherwise arise is hereby expressly disclaimed.

Certain statements contained in this Presentation may be statements of the Company’s beliefs, plans and expectations about the future and other forward looking statements that are based on management’s current expectations or beliefs as well as a number of assumptions about the Company’s operations and factors beyond the Company’s control or third party sources and involve known and unknown risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward looking statements. Forward looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. There is no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date of this Presentation.



Q2 & H1FY22 RESULTS UPDATE



Despite challenging business environment, Meghmani Organics Ltd. revenue grew by 28.4% YoY to Rs. 5,457 million in Q2 FY22 aided by strong growth from both the Pigments and Agrochemicals business.

During the quarter, the Company's Gross Profit grew by 11.1% YoY to Rs. 2,345 million. The Gross margin contracted by 667 bps YoY to 43.0% in Q2FY22 due to higher raw materials cost and logistics cost.

Meghmani Organics EBITDA declined by 23.1% YoY to Rs. 777 million. The EBITDA margin contracted by 952 bps YoY owing to an increase in other expenses (392 bps YoY) impacted by higher logistics cost and rise in the cost of raw materials (667 bps YoY). However, a decline in employee expenses (107 bps YoY) arrested further contraction in EBITDA margin during the quarter.

During Q2 FY22, PAT stood flat at Rs. 649 million. The Company's other income grew (11.6x YoY to Rs. 150 million) due to Forex MTM gain, Dividend income on RPS and exceptional gains of Rs. 61 million during the quarter. The Company's PAT margin stood at 11.9% in Q2FY22.

On the Balance Sheet front, the Company's Cash & liquid investments stood at Rs. 2,128 million as on 30th September 2021. Debt-Equity ratio stood at 0.33 as on 30th September 2021. Meghmani Organics return ratios i.e. ROCE and ROE (annualized) stands robust at 17.4% and 21.9%, respectively as on 30th September 2021.

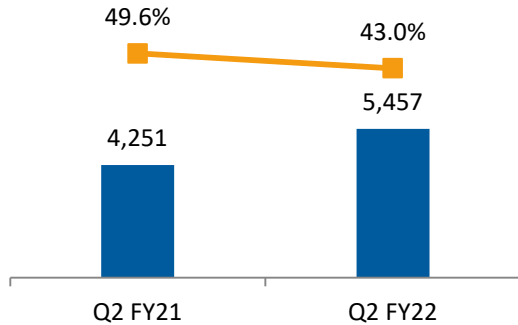
India's chemical industry is at an inflection point thanks to the multinational companies opting 'China plus one' strategy. Meghmani Organics foresees huge untapped growth potential for India's chemical industry and strives to bank on the growth opportunities by remaining committed to maximize its return on investment and create value for its esteemed stakeholders.

Q2 & H1FY22 Results: Key Highlights



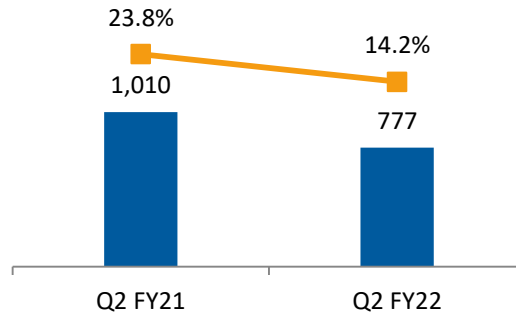
Rs Mn

Revenues & Gross Margin

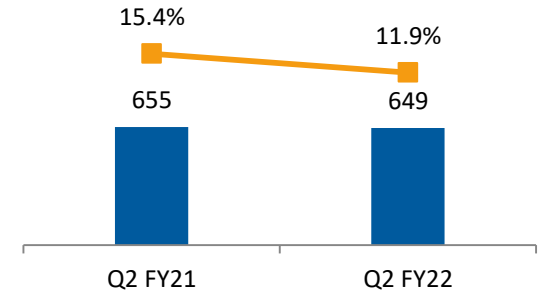


Q2 FY22 YoY Analysis

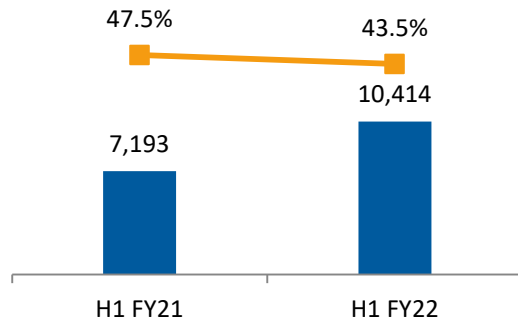
EBITDA & EBITDA Margin



PAT & PAT Margin

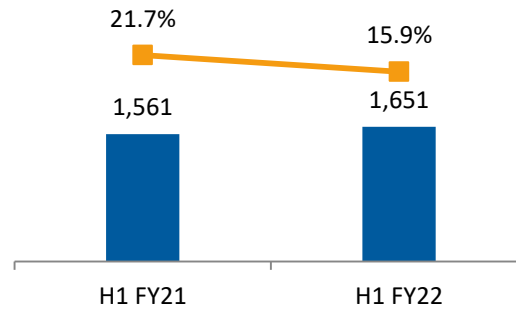


Revenues & Gross Margin

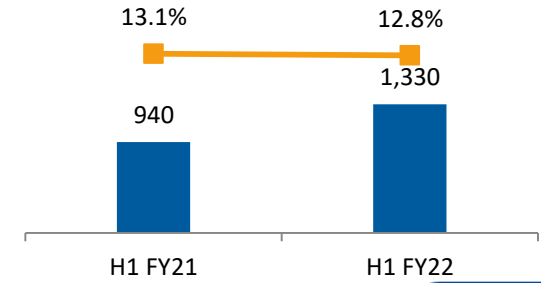


H1 FY22 YoY Analysis

EBITDA & EBITDA Margin



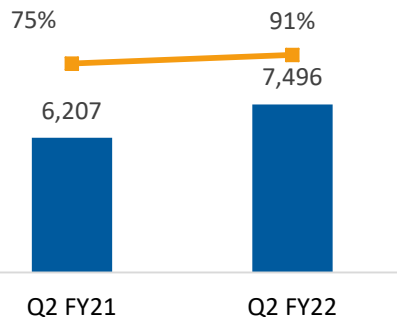
PAT & PAT Margin



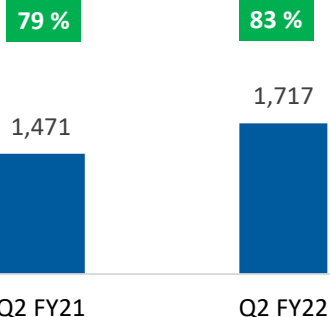
Q2 & H1FY22 Results: Pigments Business

Q2 FY22 YoY Analysis

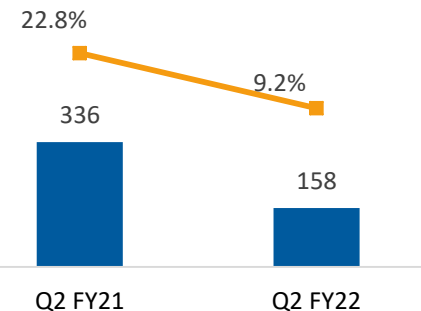
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*

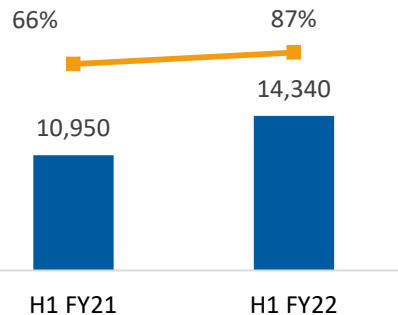


EBITDA (Rs Mn) & Margin (%)

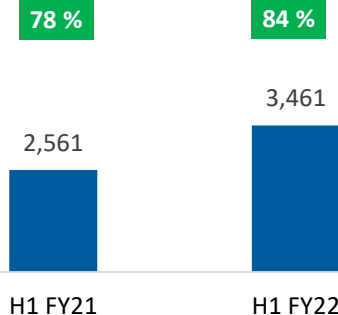


H1 FY22 YoY Analysis

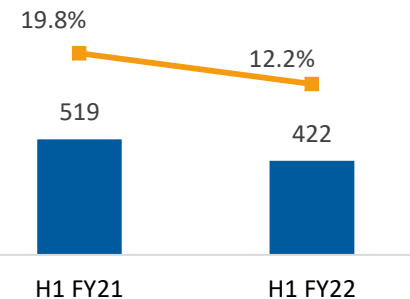
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



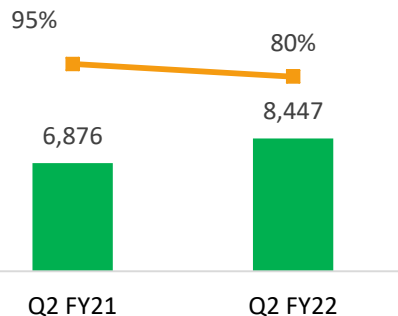
Q2 & H1FY22 Results: Agrochemicals Business



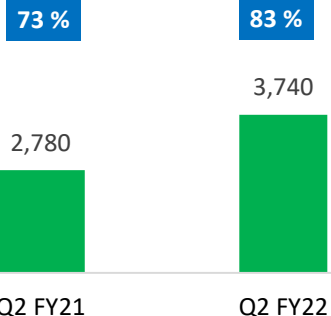
Rs Mn

Q2 FY22 YoY Analysis

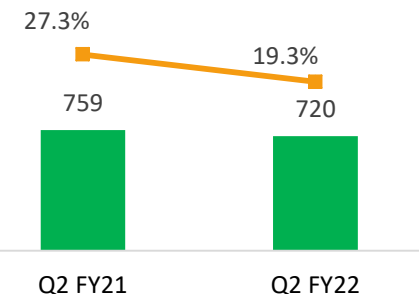
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*

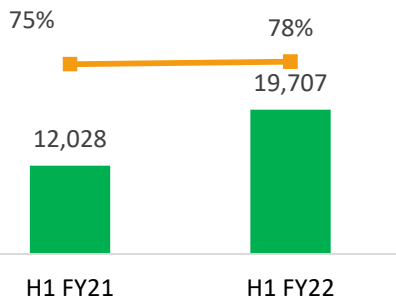


EBITDA (Rs Mn) & Margin (%)

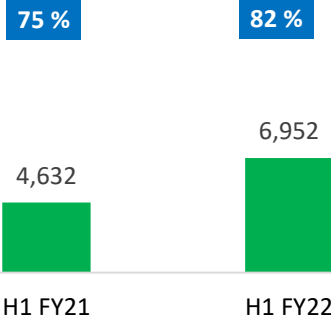


H1 FY22 YoY Analysis

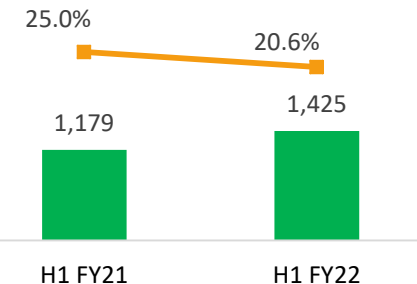
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



*Denotes

Exports

Q2 & H1FY22 Results: Profit & Loss Statement

Particulars (Rs. in Mn)	Q2 FY22	Q2 FY21	YoY%	H1 FY22	H1 FY21	YoY%	FY21
Revenue from Operations	5,457	4,251	28.4%	10,414	7,193	44.8%	16,234
COGS	3,112	2,141	45.4%	5,887	3,775	55.9%	8,975
Gross Profit	2,345	2,110	11.1%	4,527	3,418	32.4%	7,260
Gross Margins %	43.0%	49.6%	-667 bps	43.5%	47.5%	-405 bps	44.7%
Employee Expenses	293	273	7.0%	582	485	19.9%	1,004
Other Expenses	1,275	826	54.3%	2,294	1,372	67.2%	3,456
EBITDA	777	1,010	-23.1%	1,651	1,561	5.8%	2,799
EBITDA Margin %	14.2%	23.8%	-952 bps	15.9%	21.7%	-584 bps	17.2%
Depreciation	146	123	18.9%	299	246	21.4%	506
EBIT	632	888	-28.8%	1,353	1,315	2.9%	2,293
Finance Cost	(35)	18	N.A.	59	80	-25.9%	112
Other Income	150	12	1156.8%	433	29	1,382.5%	247
Exceptional Items	(61)	-	N.A.	(61)	-	N.A.	(65)
PBT	878	882	-0.5%	1,788	1,264	41.4%	2,493
Taxes	229	227	0.9%	457	324	41.0%	643
PAT	649	655	-0.9%	1,330	940	41.5%	1,850
PAT Margin %	11.9%	15.4%	-352 bps	12.8%	13.1%	-29 bps	11.4%
EPS	2.55	2.58	-1.2%	5.23	3.70	41.4%	7.28

Balance Sheet Statement

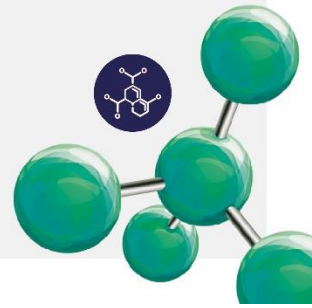


Particulars (Rs. in Mn)	Sep 21	Mar 21
Equity & Liabilities		
Share Capital	254	254
Reserves & Surplus	12,394	11,418
Shareholder's Funds	12,648	11,673
Long-term borrowings	2,456	1,232
Other financial liabilities	78	67
Provisions	145.098	134.932
Deferred tax liabilities (Net)	503	443
Non - Current Liabilities	3,181	1,877
Short-term Borrowings	1,737	1,387
Trade Payables	3,896	3,390
Other Current Liabilities	1,854	1,151
Current Tax Liabilities (Net)	313	193
Current Liabilities	7,800	6,121
Total Equity & Liabilities	23,629	19,671

Particulars (Rs. in Mn)	Sep 21	Mar 21
Assets		
Property, Plant & Equipment	6,897	6,286
Capital WIP	1,357	1,059
Intangible Assets	111	111
Financial Assets	2,174	2,126
Other Non-current assets	75	80
Non-current assets (Tax)	124	128
Investment in Subsidiaries	15	15
Non - Current Assets	10,754	9,805
Inventories	5,278	3,732
Trade Receivables	4,136	4,059
Cash & Cash Equivalents	1,388	211
Investment	740	1,024
Loans and advances	6	4
Other Current Assets	1,328	835
Current Assets	12,876	9,866
Total Assets	23,629	19,671



ABOUT US



Leading Diversified Chemicals Company Poised for Rapid Growth



Pigments

- Started in 1986
- Amongst top 3 global Phthalocyanine based pigment players
- 14% global market share
- FY21 Revenues: Rs 5,784 Mn
- EBITDA Margin: 18.1%
- 36% of Overall Company Revenues
- Expanding into new geographies
- Exploring foray into new pigments



Agrochemicals

- Started in 1995
- Among Top 10 producers of pesticides in India
- Products across entire value chain
- FY21 Revenues: Rs 10,451 Mn
- EBITDA Margin: 22.4%
- 64% of Overall Company Revenues
- Doubled capacity of 2,4-D to 21.6K TPA, Commissioned New Formulation Unit
- Setting up new multipurpose plant (New Molecules)

Financials Highlights: FY20-21

Revenues – Rs 16,234 Mn
(8.0% CAGR*)

EBITDA – Rs 2,799 Mn
(16.0% CAGR*)

PAT – Rs 1,850 Mn
(35.0% CAGR*)

EBITDA Margin – 17.2%
PAT Margin – 11.4%

Debt / Equity – 0.22x

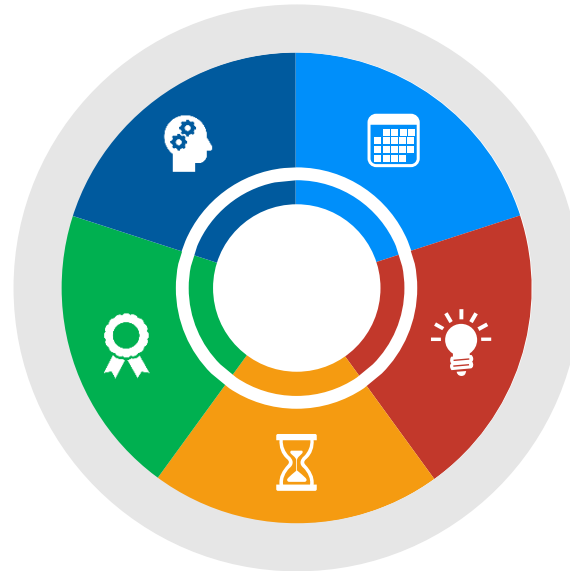
ROCE – 17.1%
ROE – 17.2%

Experienced & Qualified Management and Technical Team

- Rich experience of many decades in chemical sector among the founding members of the company
- Highly qualified technical staff having earlier experience with MNCs and large Indian corporates

Highly Respected Name in Global Chemical Industry

- Amongst top 3 global pigment players
- Well-recognized agrochemical brands (Megaking, Megastar, Megacyper, Megaban, Synergy, and Courage)
- More than 36 brands of various pesticides formulations in India



Diversified Customer Base

- 400+ customer base in Pigments & Agro-Chemicals across diverse industries
- 3,000 + distributors and dealers across India
- Close to 80 % of revenue derived from export market

Strong Financial Performance

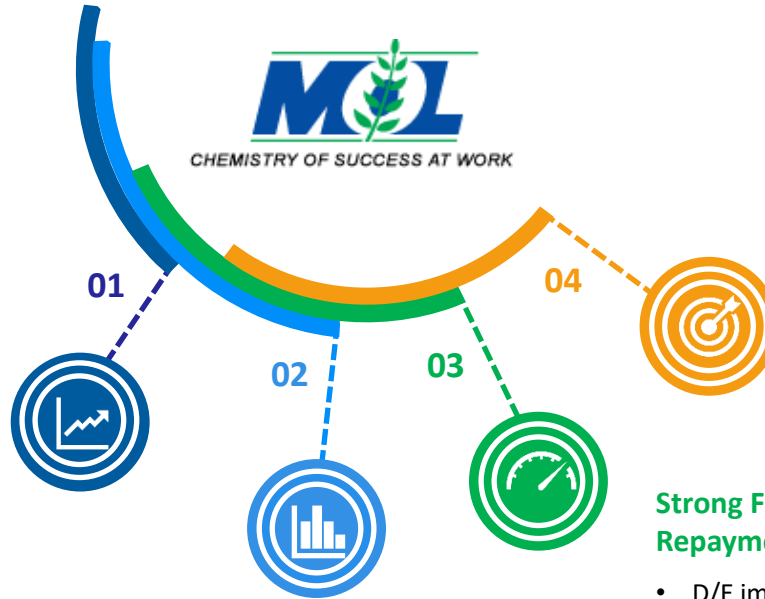
- Consistent Revenue Growth
- Improving Profitability & Return Ratios
- Healthy Balance Sheet

Distinct Cost Advantage

- Vertical integration of production processes
- Effective control on costs & raw material supply
- Produce agrochemical products across entire value chain (intermediates, technical, formulations)
- Strategic location of production facilities with close proximity to sources of raw materials
- Proximity to port leading to easier access to exports market

Consistent Revenue Growth

- Revenues have grown at CAGR 8.0% over FY17-21, with higher contribution from Agrochemical division
- New capex in Agrochemical will further provide significant scope for growth over coming years



Efficient Working Capital Management

- Net working capital reduced from 130 days in FY17 to 113 days in FY21

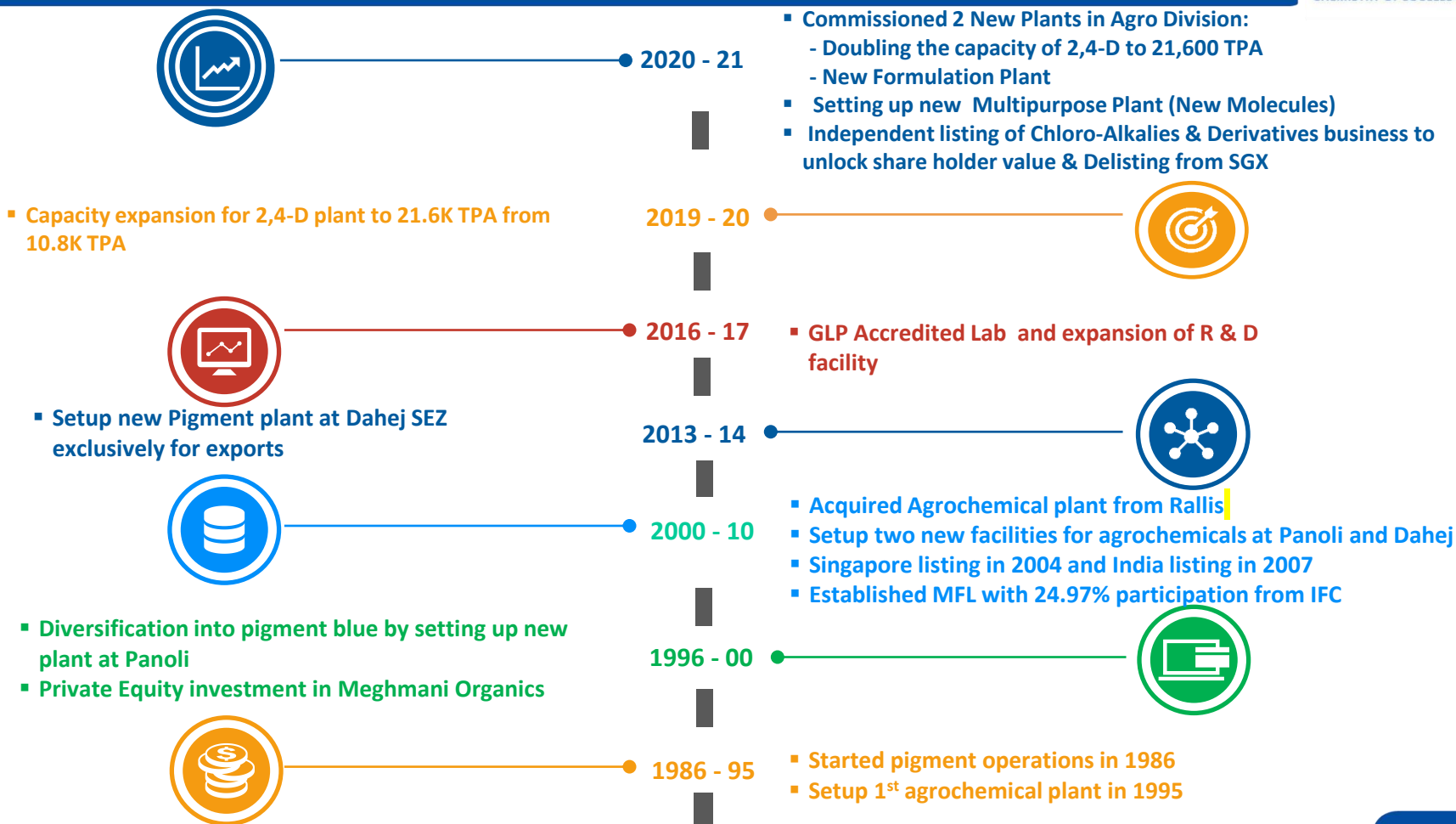
Robust Return Ratios

- Improving profitability
- Strong & lean Balance Sheet
- Significant improvement in return ratios
- ROCE – 9.6% in FY17 to 17.1% in FY21
- ROE – 6.8% in FY17 to 17.2% in FY21

Strong FCF Generation leading to Significant Debt Repayment

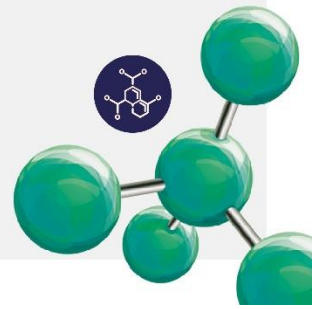
- D/E improved from 0.56x in FY17 to 0.22x in FY21

Key Milestones





BUSINESS OVERVIEW



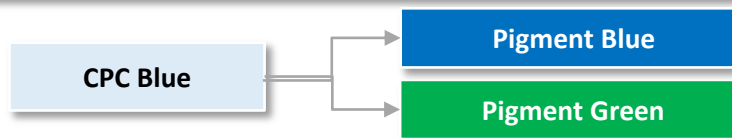
Established Business Profile

- 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). High degree of product customisation, consistent quality and compliance regulations add to client stickiness.

Vertically Integrated Manufacturing Facilities

Total Capacity – 33,180 TPA		
Location	Capacity (MTPA)	Products
GIDC Vatva, Ahmedabad	3,180	Pigment Green and AZO pigment
GIDC Panoli, Bharuch	17,400	CPC Blue, Alpha and Beta Blue
Dahej SEZ	12,600	CPC Blue, Alpha and Beta Blue

Products Portfolio



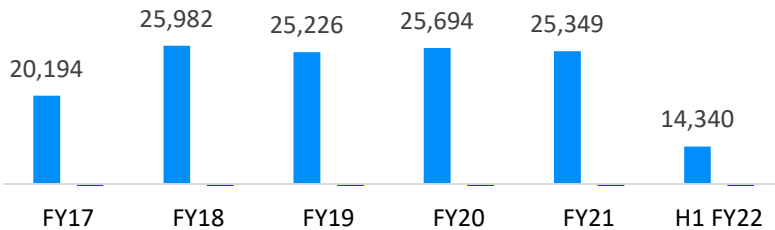
Upstream product:
Sold to other pigments manufacturers

End products: Sold to industrial users
Robust demand due to multiple applications - printing inks, plastics, paints, coatings, textiles, leather, paper and rubber

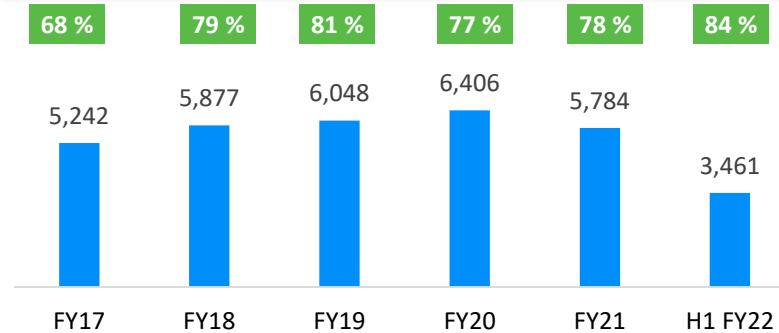
Pigments Business: Operational Overview



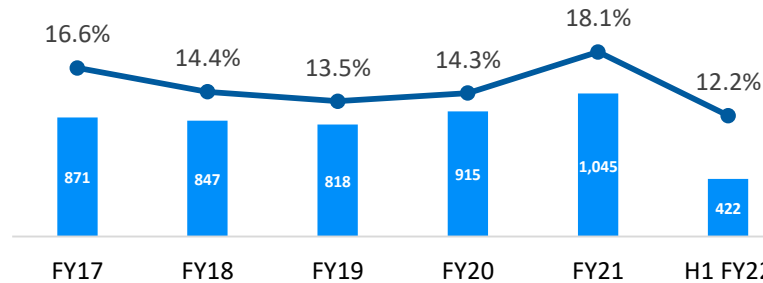
Production (MT)



Net Sales & Exports* (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



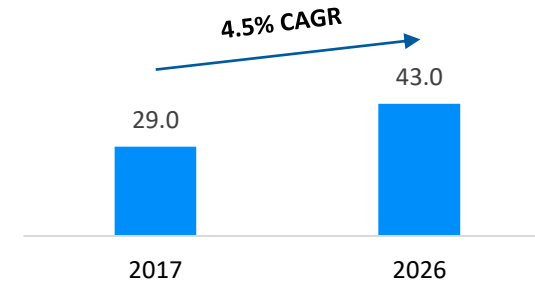
*Denotes

Exports

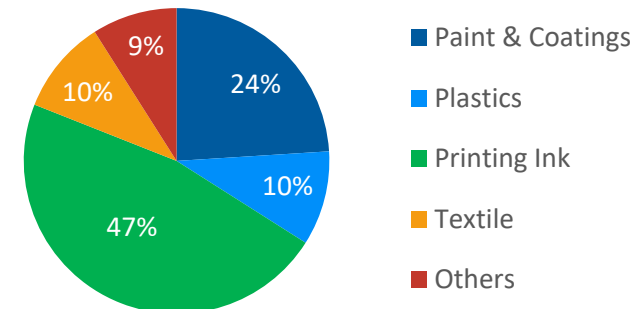
Global Pigments Market

- The global pigments industry consists of three segments – organic, in-organic and specialty pigment
- Organic pigments account for 35-40% mkt. share out of total pigments industry
- Organic pigments include Azo Pigments (yellow & red) (50-55% share), Phthalocyanine Pigments (blue & green) (20% share) and other Pigments (25-30% share)
- Organic Pigments growth is linked to end-user industries mainly printing inks, paints and coatings and textile industries
- Paints & coatings and plastics industry have been the major growth drivers (especially from automotive sector)
- India and China are fast becoming the centre of the global Organic Pigments market
- 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

Global Pigments Market Size (USD Bn)



Demand Driver – Diverse Industrial Use



Established Business Profile

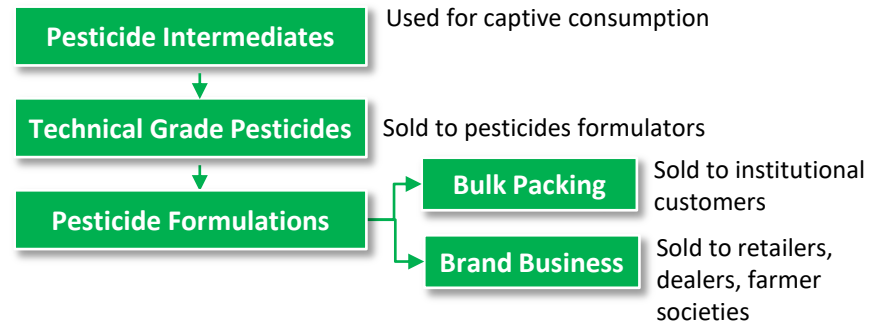
- Leading manufacturer of pesticides – products across entire value chain
- Established global presence across Africa, Brazil, LatAm, US and Europe
- Strong pan-India presence across 19 states, with 3,000 + distributors and dealers network
- Well-recognized formulation brands – Megastar, Megacyper, Megaban, Synergy, Courage
- Major products – 2,4-D, Cypermethrin, Permethrin, Bifenthrin, Lambda cyhalothrin, Profenophos and Chlorpyrifos
- **Completed project in FY21:** Doubling 2,4-D Capacity by addition of 10,800 TPA and New Formulation Plant
- **New Capex:** New Multipurpose plant (MPP) at Dahej with capex of Rs 3.10 Bn (Q2 FY23)

Vertically Integrated Manufacturing Facilities

Total Capacity – 50,700 TPA

Location	Capacity (MTPA)
GIDC Panoli	13,500
GIDC Ankleshwar	6,840
GIDC Dahej	30,360

Product Profile



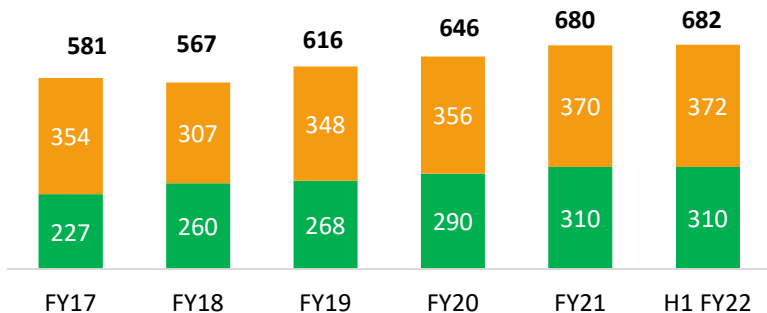
Branded Agrochemical Formulations



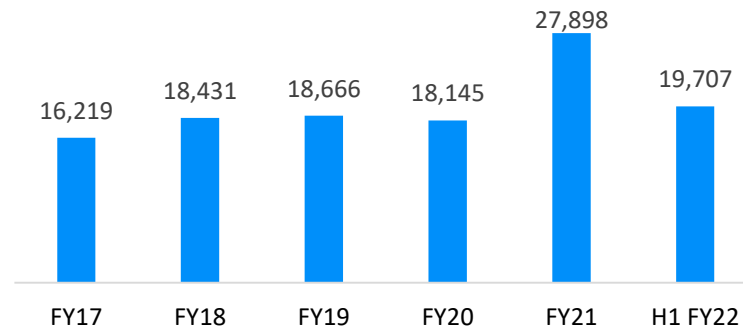
Agrochemicals Business: Operational Overview



Registrations Base

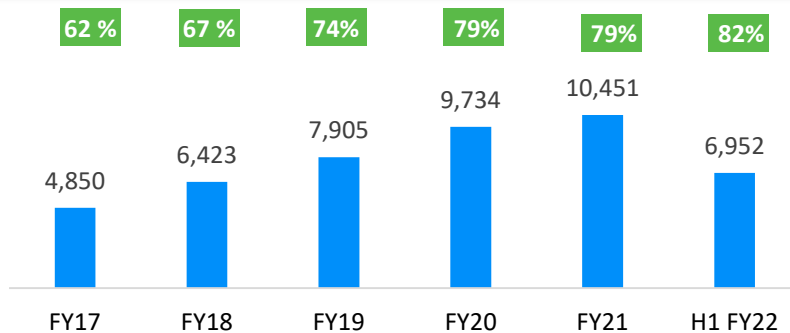


Production (MT)

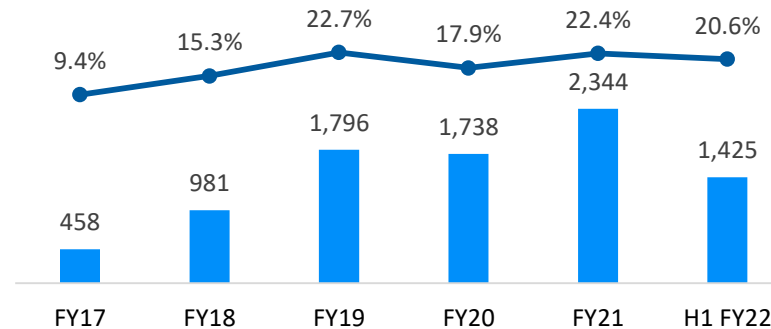


■ Exports ■ CIB (India)

Net Sales and Exports* (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



*Denotes

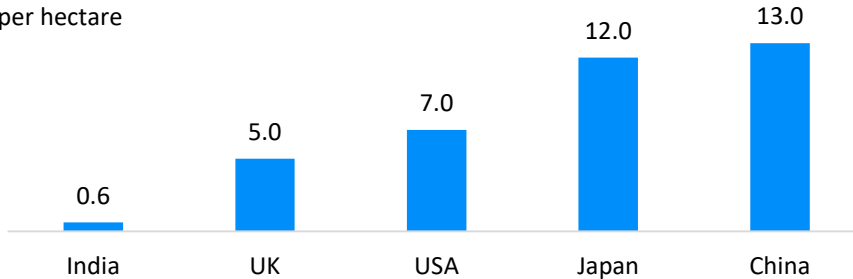
Exports

Global Crop Protection Market

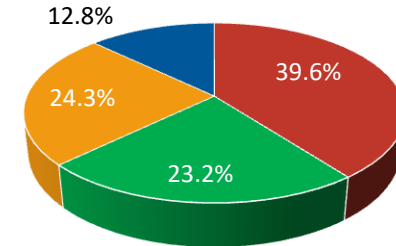
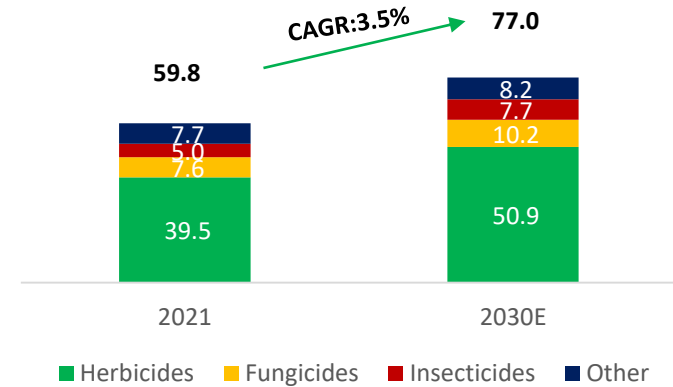
- The global crop protection market is set to grow steadily to reach USD 77 Bn by 2030
- Key drivers - growing population, declining arable land & rising pest concerns
- As per FICCI 9th Agrochemical Conference 2020 report, India is the fourth-largest producer of agrochemicals in the world
- India's agrochemicals market is valued at Rs 42.0 Bn in FY20 (Domestic Market: Rs. 20 Bn and Exports: Rs. 22 Bn). The industry is expected to grow at 8-10% CAGR till 2025

Pesticide Consumption is still Lowest in India

Kg per hectare



Global Crop Protection Market (USD Bn)

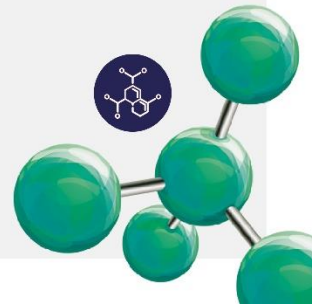


■ Asia ■ North America ■ Rest of World ■ Europe

Source – Magma Information Centre



STRATEGY & OUTLOOK



Pigments

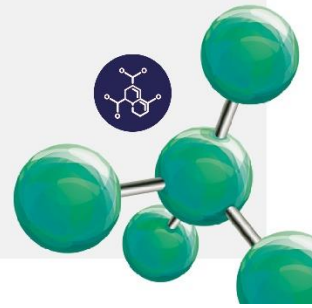
- Among Top 3 producer of phthalocyanine pigments globally
- Continue to focus on increasing domestic presence and capture market share
- Expanding into new geographies
- **Diversification into new and lucrative pigment beyond phthalocyanine pigments.**
- **The management eyes a revenue target of Rs. 1,000 Cr by FY24 for the Pigments Division**

Agrochemicals

- MOL's backward integrated facilities ensure sustainability and lower dependency on raw material prices from China
- Completed projects in FY21: 2,4-D Capacity addition of 10,800 MTPA and new formulation plant to cater the growing agrichemicals demand in the domestic and global market
- **New Multipurpose plant (MPP) with capex of Rs 310 Cr at Dahej expected to be commissioned in Q2 FY23. Expected revenue Rs 600 Cr**
- Expand branded products portfolio to penetrate into the growing domestic market
- **The management eyes a revenue target of Rs. 2,000 Cr by FY24 for Agrochemicals Division**



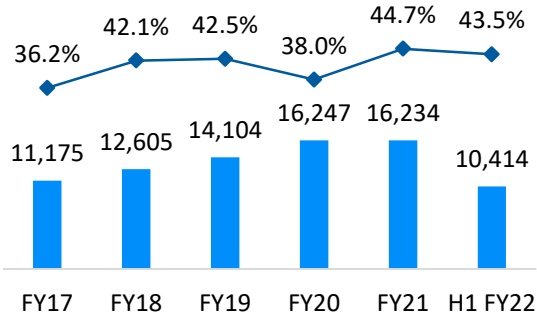
FINANCIAL OVERVIEW



Rs Mn

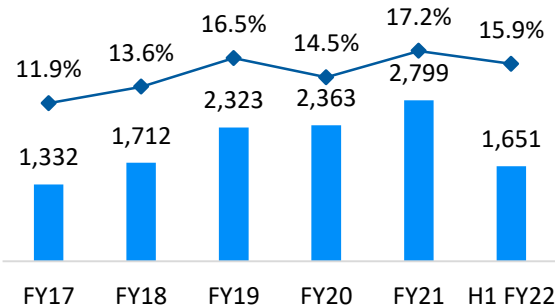
Revenues & Gross Margin

* CAGR 8%



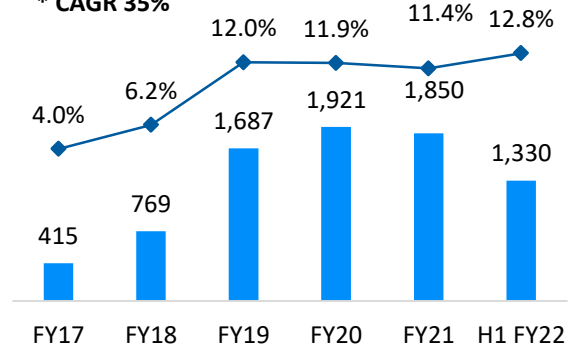
EBITDA & EBITDA Margin

* CAGR 16%

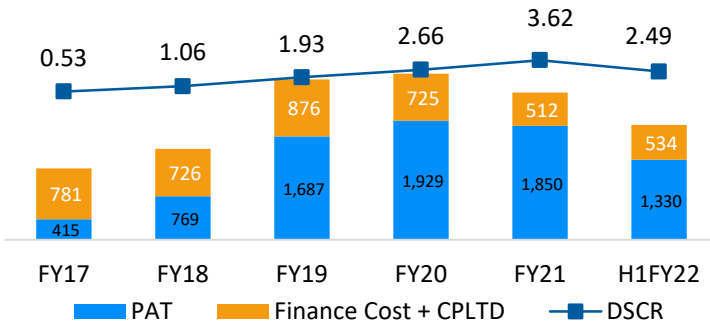


PAT & PAT Margin

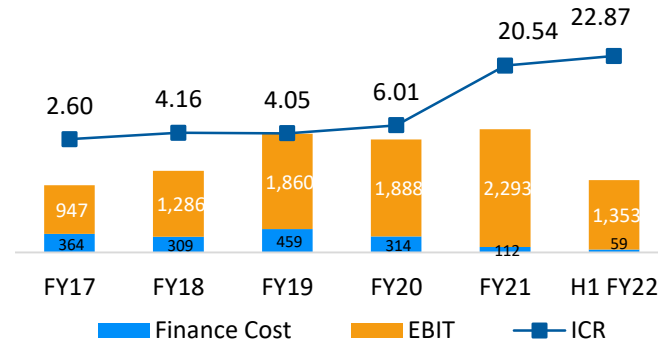
* CAGR 35%



Debt Service Coverage Ratio (DSCR)



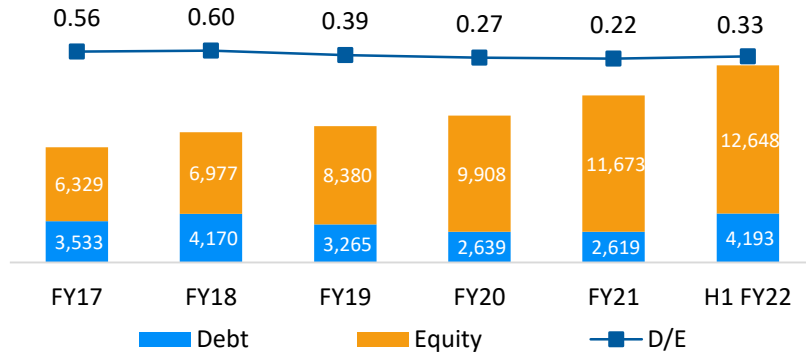
Interest Coverage Ratio (ICR)



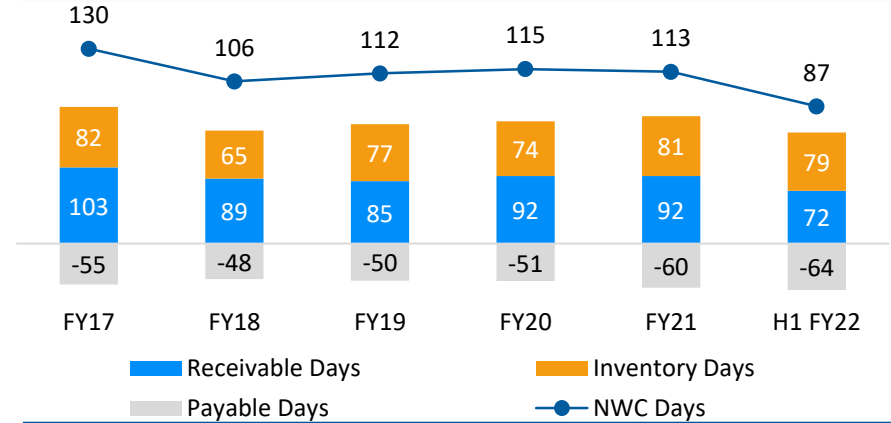
* CAGR calculated for FY17-21

Rs Mn

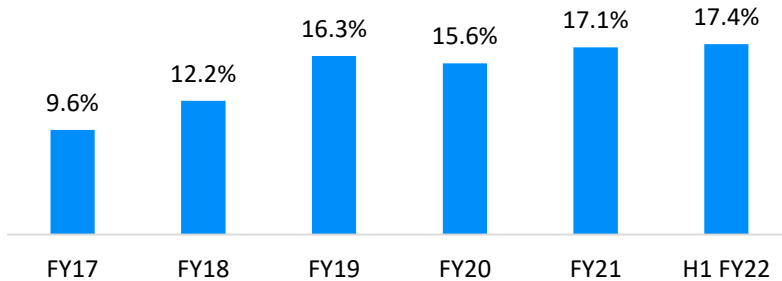
Leverage Analysis



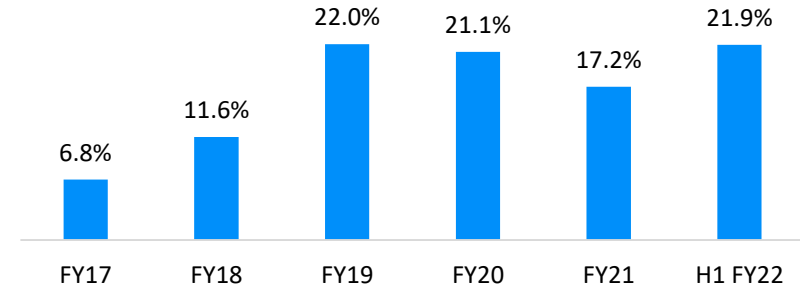
Working Capital Analysis *



Return on Capital Employed



Return on Equity



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

For Further Queries:



CHEMISTRY OF SUCCESS AT WORK

Gurjant Singh Chahal, CFO Bharat Mody, IR Advisor

Email: ir@meghmani.com Email: ir@meghmani.com
Phone: +91-79717 61000 Phone: 98980 46584

DICKENSON

Hiral Keniya / Mehul Mehta, IR Consultants

Contact: 90296 62801 / 98202 80325
Email: meghmani@dickensonworld.com