

Ref: MOL/2022-23/35

July 22, 2022

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

Sub: - Investor Presentation on Financial Results for Q1 FY 2023

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 First Quarter ended on June 30, 2022 for information of the Member, which will also be 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

ICSI M. No: A14898



Encl: As above



CHEMISTRY OF SUCCESS AT WORK

Meghmani Organics Limited

(Erstwhile known as Meghmani Organochem Limited)

Q1 FY23 Results Presentation

July 2022

www.meghmani.com



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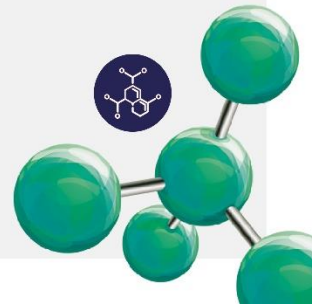
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Q1 FY23 RESULTS UPDATE



Meghmani Organics Ltd. (MOL) revenue grew by 58% YoY to Rs. 7,831 million in Q1 FY23 aided by higher capacity utilization & better realization from the Agrochemical business. The agrochemical business continues its robust performance. The pigment business has reported moderate performance due to the economic slowdown and price volatility. Overall outlook in both businesses remains positive, and the long-term growth trajectories remains encouraging.

During the quarter, the Company's Gross Profit grew by 58 % YoY to Rs. 3,446 million as compared to Rs. 2,182 million in Q1FY22. EBITDA grew by 53% YoY to Rs. 1,341 in Q1 FY23 as compared to Rs. 874 in Q1 FY22. PAT grew by 67% YoY to Rs. 1,139 million. The Company's PAT margin stood at 15% in Q1FY23.

On the Balance Sheet front, the Company's Cash & Cash Equivalents stood at Rs. 1,503 million as on 30th June 2022. The debt-Equity ratio stood at 0.46 as on 30th June 2022. Meghmani Organics return ratios i.e. ROCE and ROE for Q1 FY23(Quarterly) stand robust at 22.5% and 30.4%, respectively.

Global commodities prices volatility, global political turmoil and exorbitant global inflation scenario kept the overall scenario challenging. Despite all these challenges company has performed steadily and met its internal growth targets.

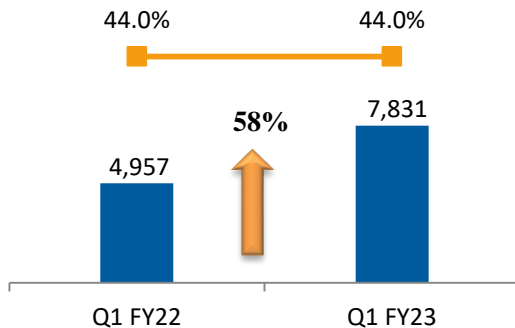
The Capex plans progressing as per the set targets and pre-decided milestones. Meghmani Organics is very optimistic about the overall growth as there is a huge untapped opportunity market in India and the company is all equipped to cater to the available growth opportunity. The company remains committed to sustainable growth and creating long-term value and good returns for the stakeholders.

Q1 FY23 Results: Key Highlights(Standalone)

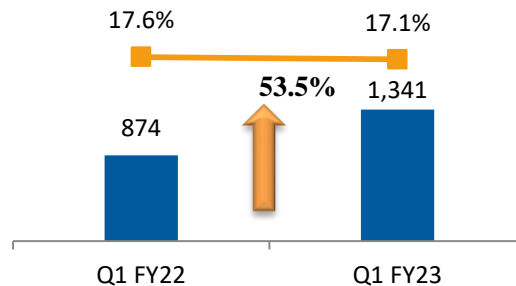
Rs Mn

Q1 FY23 YoY Analysis

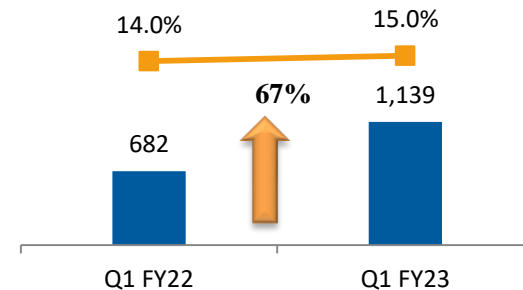
Revenues & Gross Margin



EBITDA & EBITDA Margin

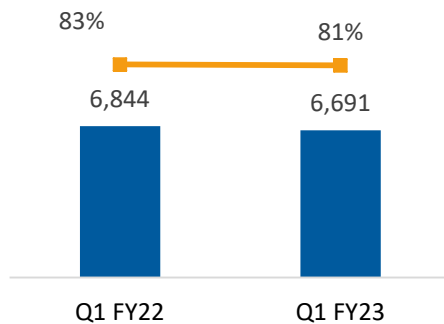


PAT & PAT Margin

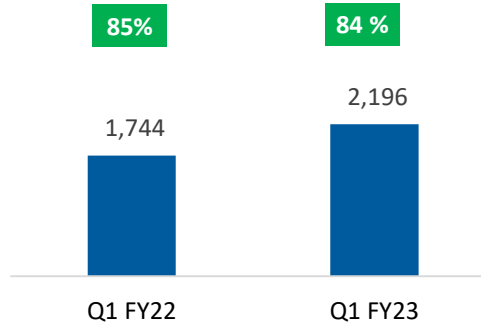


Q1 FY23 YoY Analysis

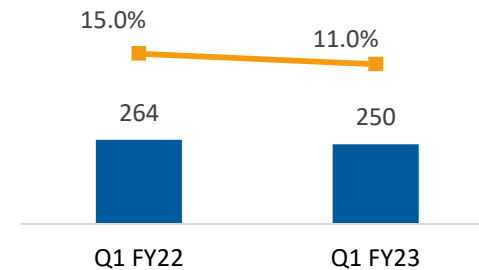
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



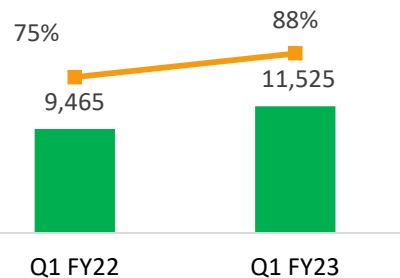
Q1 FY23 Results: Agrochemicals Business



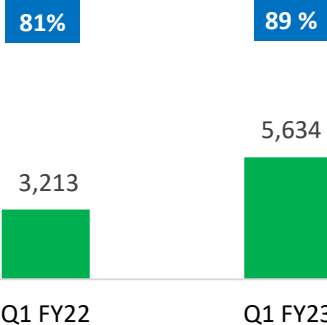
Rs Mn

Q1 FY23 YoY Analysis

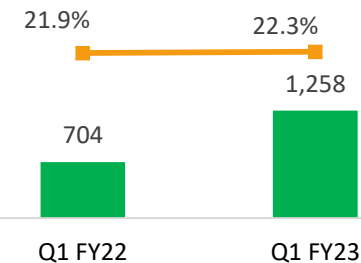
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



*Denotes

Exports

Q1 FY23 Results: Profit & Loss Statement



Particulars (Rs. in Mn)	Q1 FY23	Q1 FY22	YoY%	Q4 FY22	QoQ%	FY 22
Revenue from Operations	7,831	4,957	58.0%	8,134	-3.7%	24,940
COGS	4,385	2,775	58.0%	4,795	-8.6%	14,539
Gross Profit	3,446	2,182	57.9%	3,339	3.2%	10,401
Gross Margins %	44.0%	44.0%	(2 bps)	41.0%	295 bps	41.7%
Employee Expenses	394	289	36.3%	312	26.4%	1,170
Other Expenses	1,711	1,019	67.9%	1,658	3.2%	5,437
EBITDA	1,341	874	53.5%	1,369	-2.0%	3,794
EBITDA Margin %	17.1%	17.6%	(50 bps)	16.8%	30 bps	15.2%
Depreciation	158	153	3.5%	152	3.8%	600
EBIT	1,183	721	64.1%	1,216	-2.8%	3,194
Finance Cost	93	94	N.A.	68	N.A.	93
Other Income	375	283	32.7%	266	41.1%	962
Exceptional Items	0	0	N.A.	0	N.A.	-61
PBT	1,465	910	61.0%	1415	3.5%	4,124
Taxes	325	228	42.7%	345	-5.7%	1,045
PAT	1,139	682	67.1%	1070	6.5%	3,080
PAT Margin %	14.6%	13.8%	79 bps	13.2%	140 bps	12.3%
EPS	4.48	2.68	67%	4.21	0.0%	12.11

Balance Sheet Statement

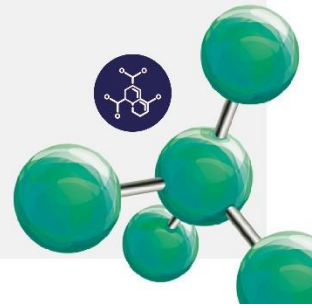


Particulars (Rs. in Mn)	Mar 22	Mar 21
Equity & Liabilities		
Share Capital	254	254
Reserves & Surplus	14,146	11,418
Shareholder's Funds	14,400	11,673
Long-term borrowings	2,088	1,232
Other financial liabilities	46	67
Provisions	160	134
Deferred tax liabilities (Net)	620	443
Non - Current Liabilities	2,914	1,877
Short-term Borrowings	2,855	1,387
Trade Payables	5,724	3,390
Other Current Liabilities	1,246	1,151
Current Tax Liabilities (Net)	189	193
Current Liabilities	10,014	6,121
Total Equity & Liabilities	27,329	19,671

Particulars (Rs. in Mn)	Mar 22	Mar 21
Assets		
Property, Plant & Equipment	7,317	6,286
Capital WIP	1,792	1,059
Intangible Assets	110	111
Financial Assets	2,237	2,126
Other Non-current assets	167	80
Non-current assets (Tax)	205	128
Investment in Subsidiaries	1369	15
Non - Current Assets	13,197	9,805
Inventories	6,279	3,732
Trade Receivables	5,431	4,059
Cash & Cash Equivalents	98	211
Investment		1,024
Loans and advances	5	4
Other Current Assets	2,319	835
Current Assets	14,133	9,866
Total Assets	27,329	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
- FY22 Revenues: Rs 7,555 Mn
- EBITDA Margin: 9.3%
- 30% of Overall Company Revenues
- Expanding into new geographies
- Forayed into white pigments (TiO₂) by the acquisition of KCL



Agrochemicals

- Started in 1995
- Among Top 10 producers of pesticides in India
- Products across entire value chain
- FY22 Revenues: Rs 17,385 Mn
- EBITDA Margin: 20%
- 70% 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: FY22

Revenues – Rs 24,940 Mn
(19.0% CAGR*)

EBITDA – Rs 3,794 Mn
(22.0% CAGR*)

PAT – Rs 3,080 Mn
(41.0% CAGR*)

EBITDA Margin – 15.2%
PAT Margin – 12.3%

Debt / Equity – 0.34x

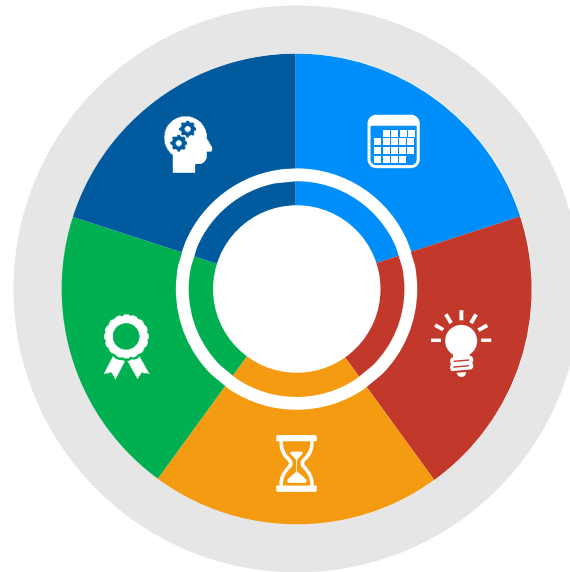
ROCE –19%
ROE 23.6%

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

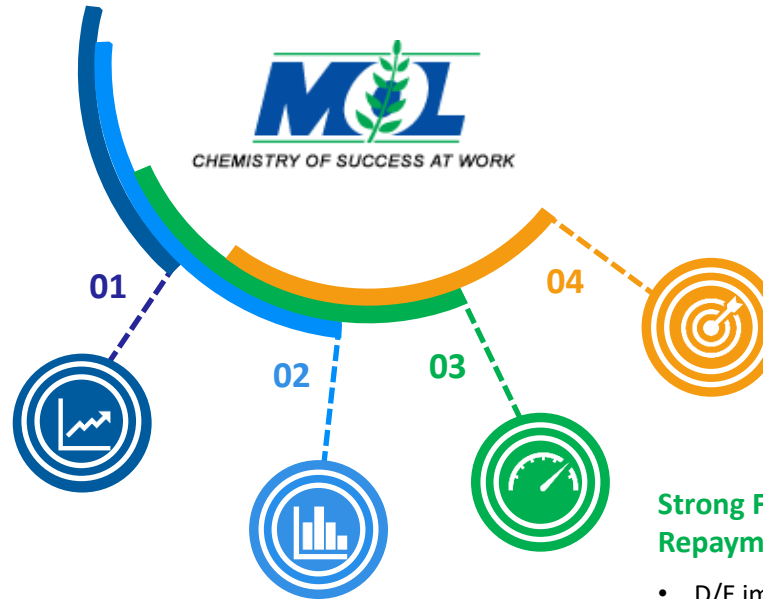
- Consistent Revenue Growth
- Improving Profitability & Return Ratios
- Healthy Balance Sheet

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 19.0% over FY18-22, with higher contribution from Agrochemical division
- New capex in Agrochemical will further provide significant scope for growth over coming years
- Acquisition of Kilburn Chemicals Ltd will faster growth in new EBITDA lucrative white pigment-TiO₂



Efficient Working Capital Management

- Net working capital reduced from 106 days in FY18 to 76 days in FY22

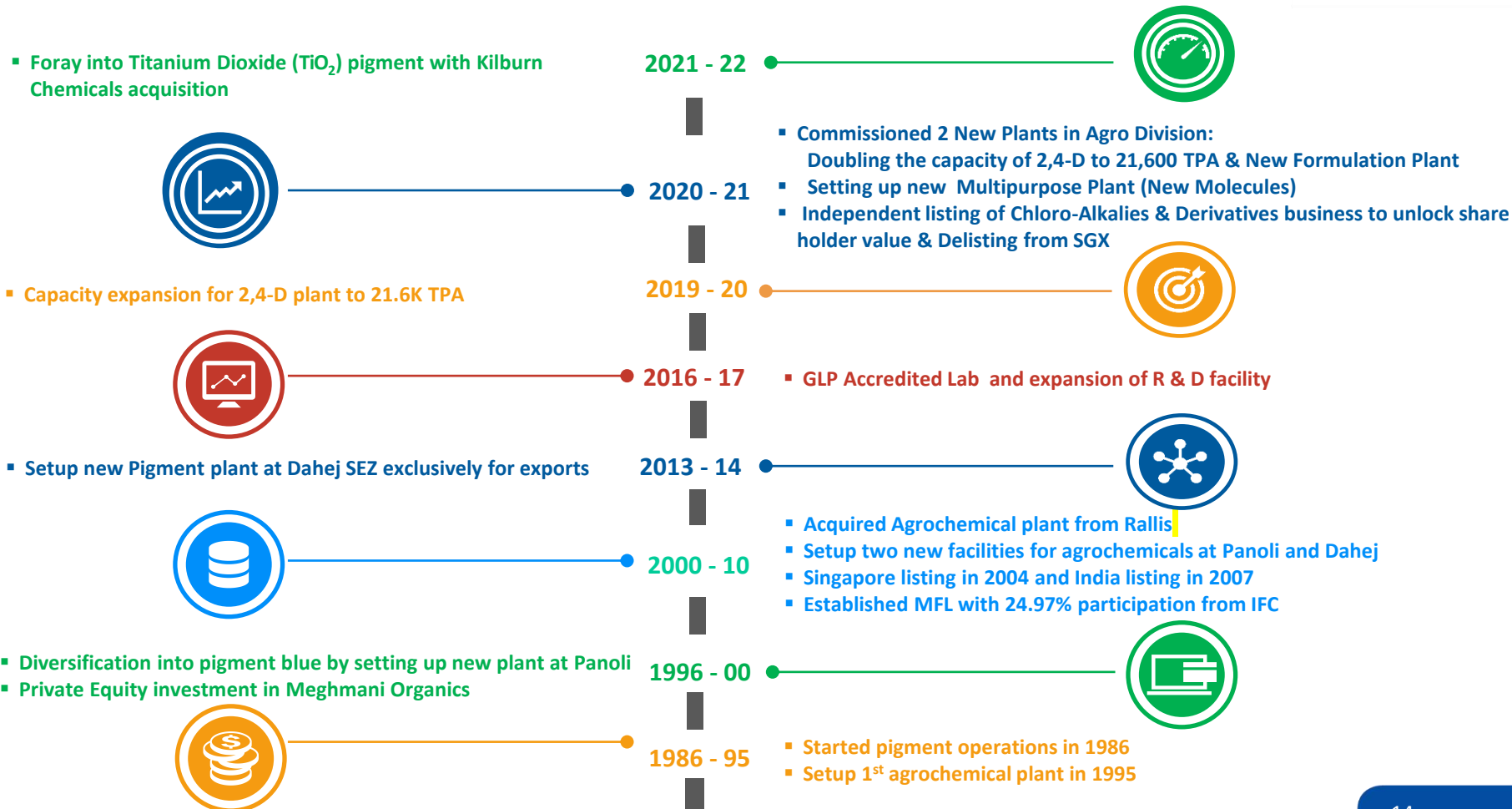
Robust Return Ratios

- Improving profitability
- Strong & lean Balance Sheet
- Significant improvement in return ratios
- ROCE – 12.2% in FY18 to 19% in FY22
- ROE – 11.6% in FY18 to 23.6% in FY22

Strong FCF Generation leading to Significant Debt Repayment

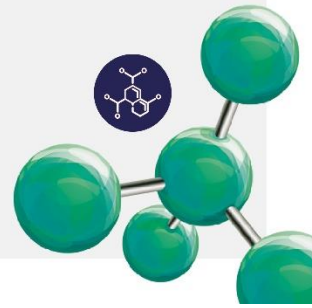
- D/E improved from 0.60x in FY18 to 0.34x in FY22

Key Milestones





BUSINESS OVERVIEW



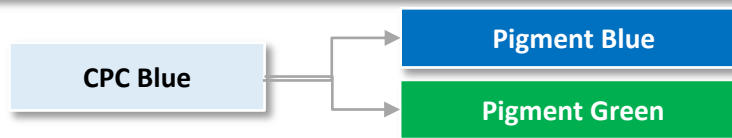
Established Business Profile

- Largest manufacturers of Phthalocyanine-based pigments with 14% global market share & amongst top 3 (capacity wise) global pigments players
- Strong global presence in more than 85 countries,
- Global distribution network - direct presence with subsidiaries in the US 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.
- Diversification into new white pigment- Titanium Dioxide (TiO₂)

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

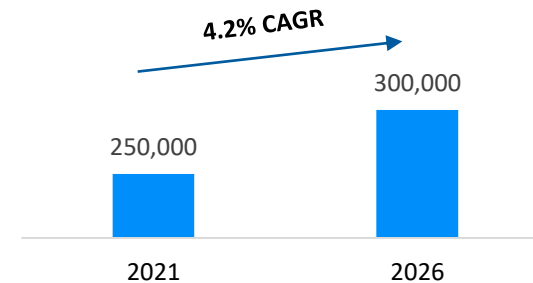
Titanium Dioxide (TiO₂): Snapshot

- Titanium Dioxide (TiO₂) is a naturally occurring white opaque mineral used as a bright white pigment
- Key raw materials are ilmenite ore and sulphuric acid
- TiO₂ is majorly available in two grades: Rutile Grade and Anatase Grade.
- Organic Pigments growth is linked to end-user industries mainly printing inks, paints and coatings and textile industries
- Industrial applications are in Paint, Coating, Plastic, Polymers, Ink, Dyes, Paper etc. and also used in sunscreens and cosmetics

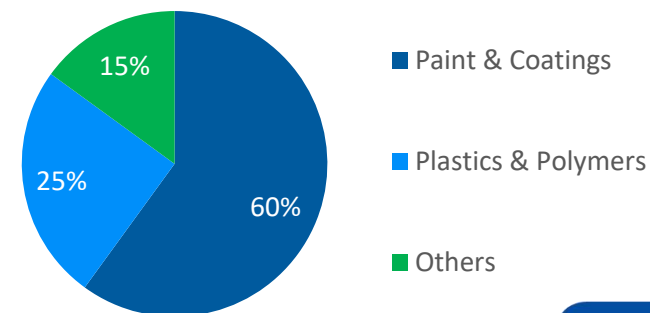
Domestic Demand Dynamics

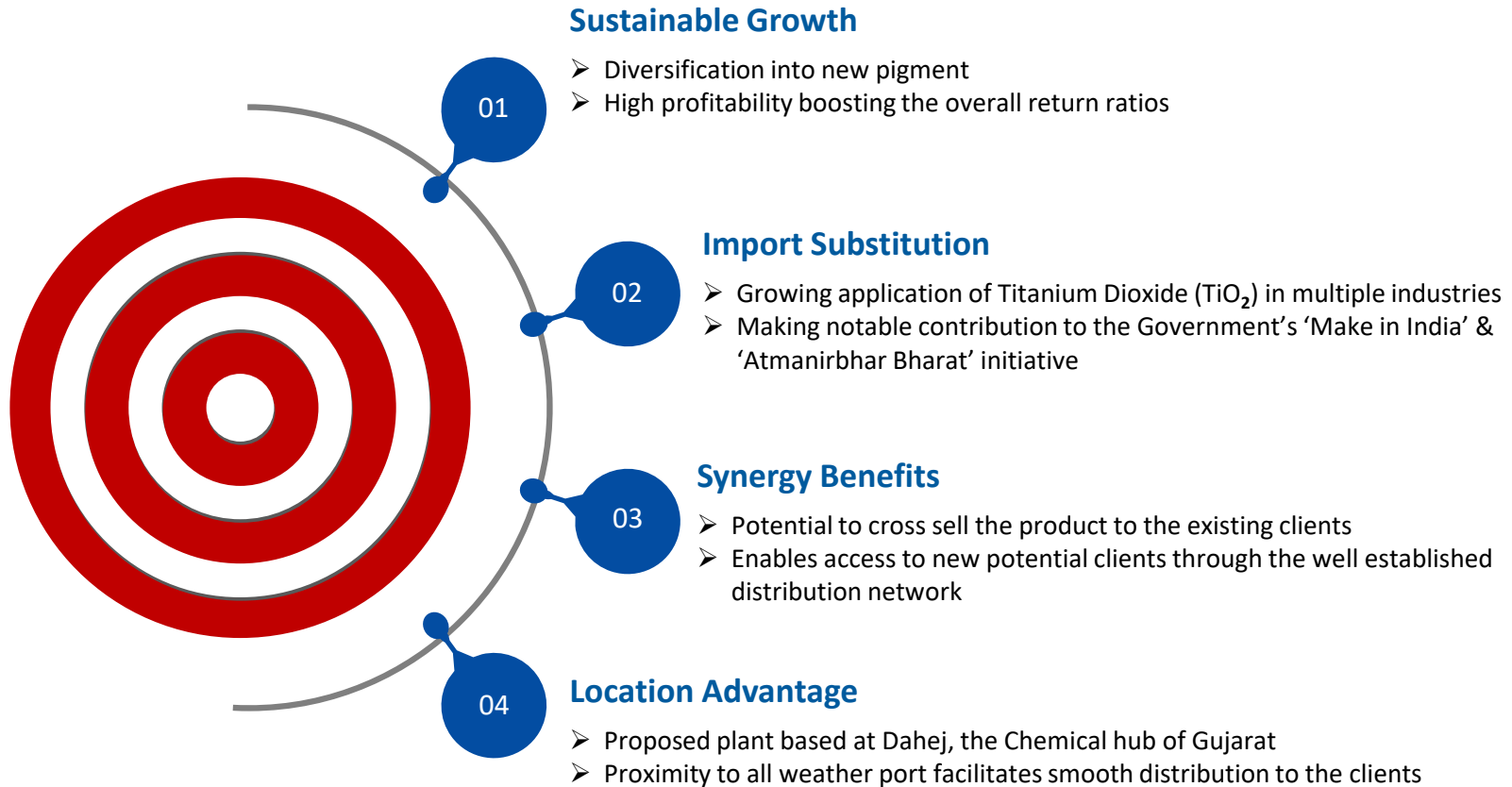
- India's total production Titanium Dioxide (TiO₂) capacity: 81,000 MTPA with 80% demand fulfilled by imports
- India's Titanium Dioxide (TiO₂) expected to grow at 4.2% CAGR reaching 3,00,000 MTPA by 2026
- Meghmani's foray Titanium Dioxide (TiO₂) to promote import substitution thereby contributing to the Government's 'Make in India' and Atmanirbhar Bharat vision

Domestic Market Size (MTPA)



Demand Driver – Diverse Industrial Use





Existing Capacity : 16,500 TPA
Proposed Capacity: 33,000 TPA



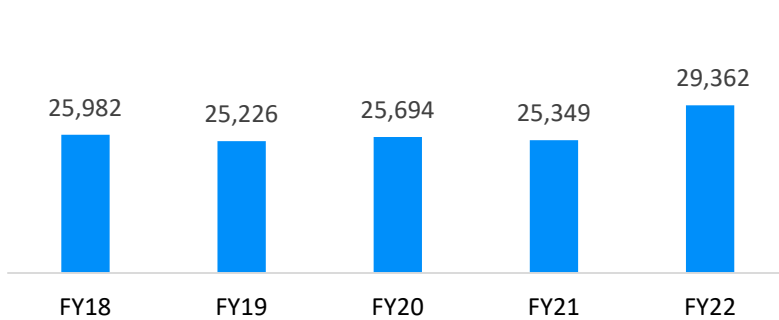
Expected Margin/Ratios



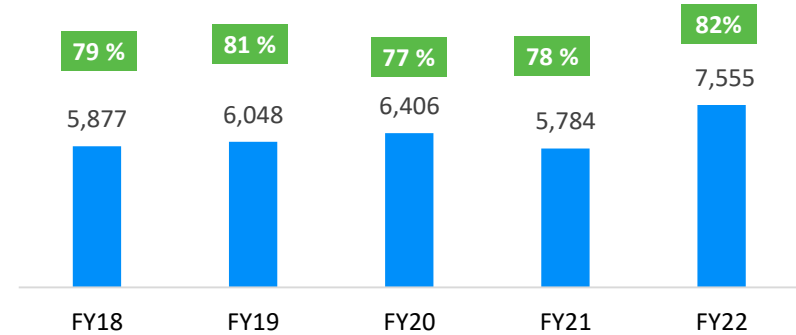
Pigments Business: Operational Overview



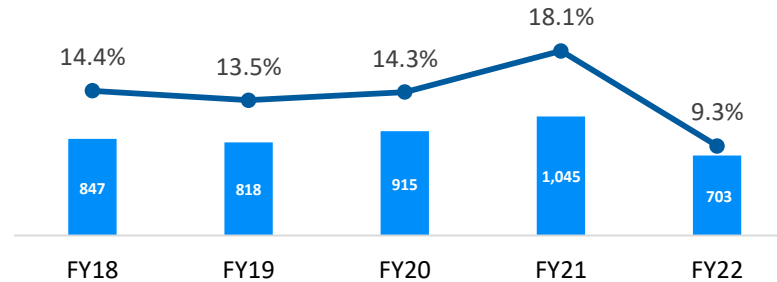
Production (MT)



Net Sales & Exports* (Rs Mn)



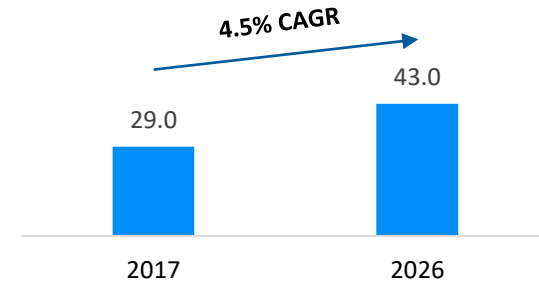
EBITDA (Rs Mn) & EBITDA Margin (%)



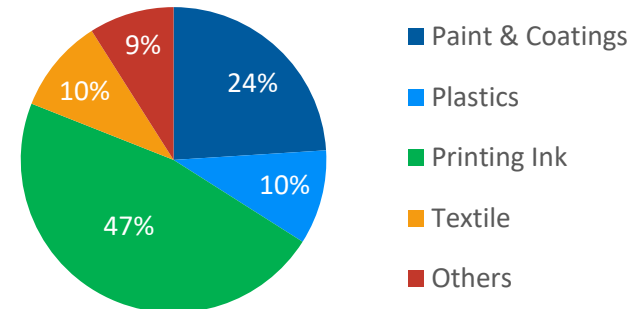
Global Pigments Market

- 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

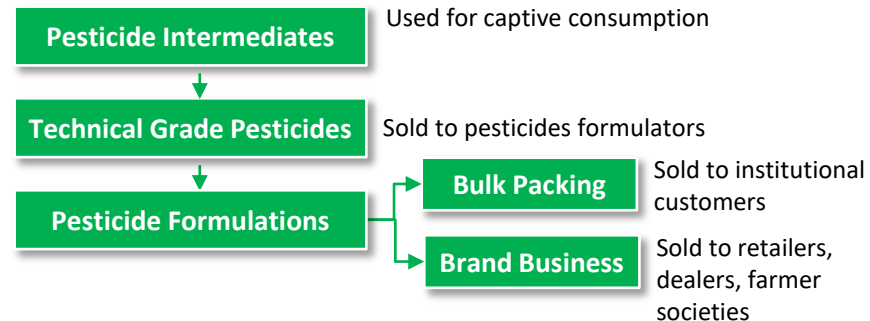
- Leading manufacturer of pesticides – products across entire value chain
- Established global presence across Africa, Brazil, LatAm, US and Europe
- Strong pan-India presence across 19 states, with 3,000 + distributors and dealers network
- Well-recognized formulation brands – Megastar Power, Megaban, Megakill, Correct, Synergy, Courage
- Major products – 2,4-D, Cypermethrin, Permethrin, Bifenthrin, Lambda cyhalothrin, Profenophos and Chlorpyrifos
- **Completed project in FY21:** Doubling 2,4-D Capacity to 21,600 TPA and New Formulation Plant
- **New Capex:** New Multipurpose plant (MPP) at Dahej with capex of Rs 3.50 Bn (Q3 FY23)

Vertically Integrated Manufacturing Facilities

Total Capacity – 52,140 TPA

Location	Capacity (MTPA)
GIDC Panoli	13,500
GIDC Ankleshwar	7,800
GIDC Dahej	30,840

Product Profile



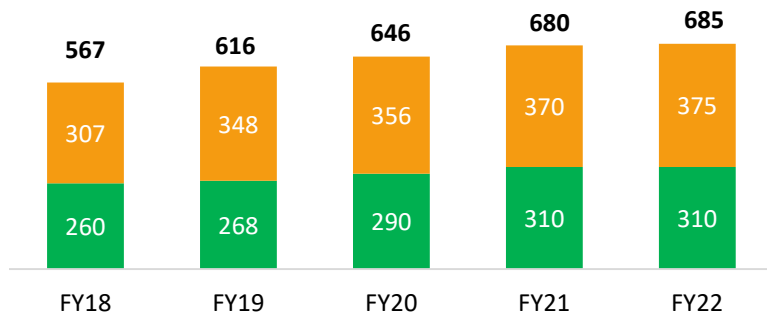
Branded Agrochemical Formulations



Agrochemicals Business: Operational Overview

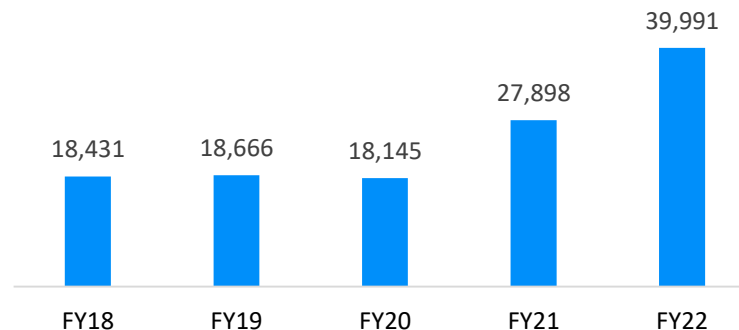


Registrations Base

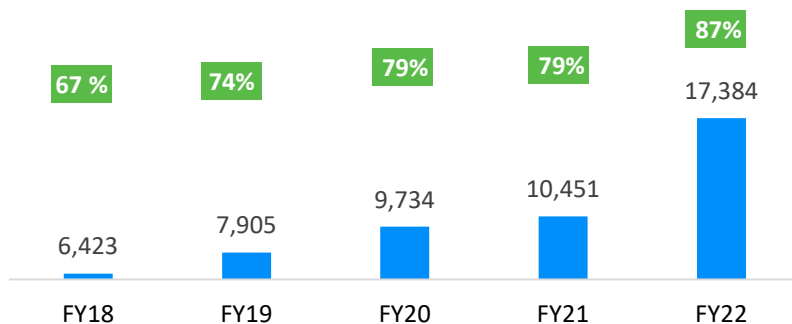


■ Exports ■ CIB (India)

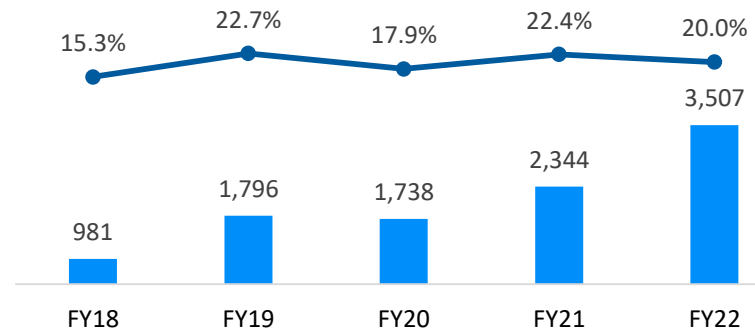
Production (MT)



Net Sales and Exports* (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



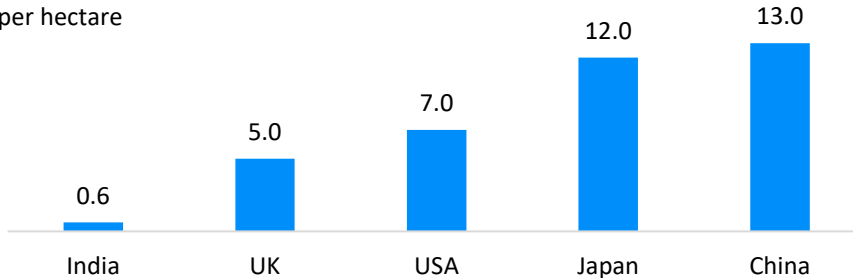
*Denotes Exports

Global Crop Protection Market

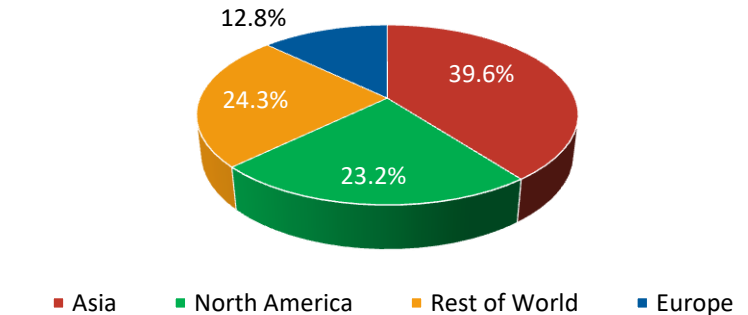
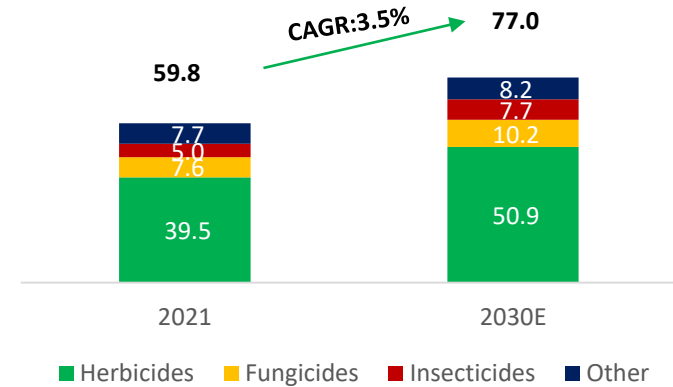
- The global crop protection market is set to grow steadily to reach USD 77 Bn by 2030
- Key drivers - growing population, declining arable land & rising pest concerns
- As per FICCI 9th Agrochemical Conference 2020 report, India is the fourth-largest producer of agrochemicals in the world
- India's 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



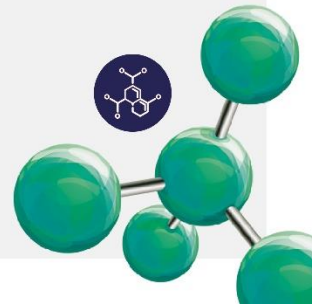
Global Crop Protection Market (USD Bn)



Source – Magma Information Centre



STRATEGY & OUTLOOK



Pigments

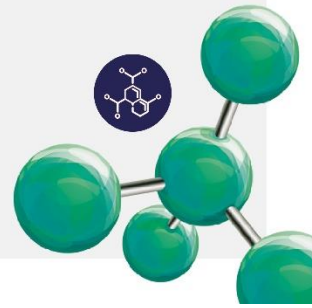
- Among Top 3 producer of phthalocyanine pigments globally
- Continue to focus on increasing domestic presence and capture market share
- Expanding into new geographies
- Diversification into new and lucrative white pigment TiO₂.
- **The management eyes a revenue target of Rs. 1,000 Cr by FY24 for the 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 agrochemicals demand in the domestic and global market
- New Multipurpose plant (MPP) at Dahej expected to be commissioned in Q2 FY23
- 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**



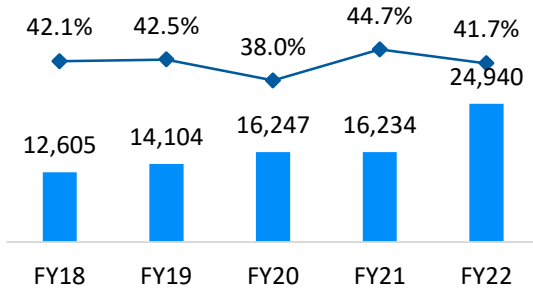
FINANCIAL OVERVIEW



Rs Mn

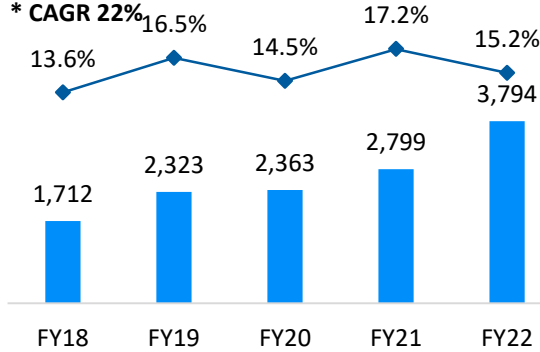
Revenues & Gross Margin

* CAGR 19%



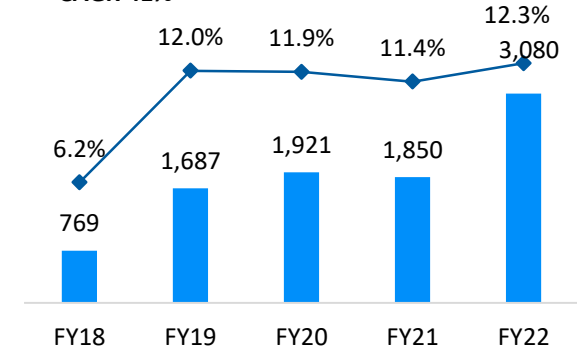
EBITDA & EBITDA Margin

* CAGR 22%

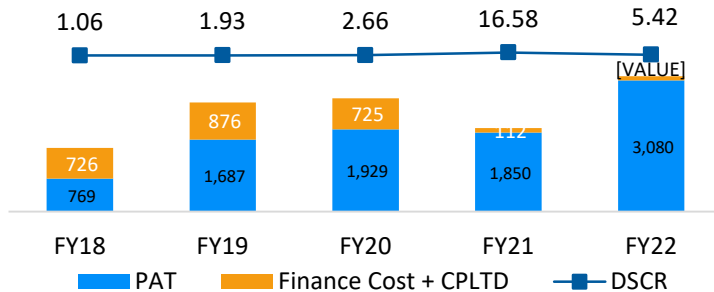


PAT & PAT Margin

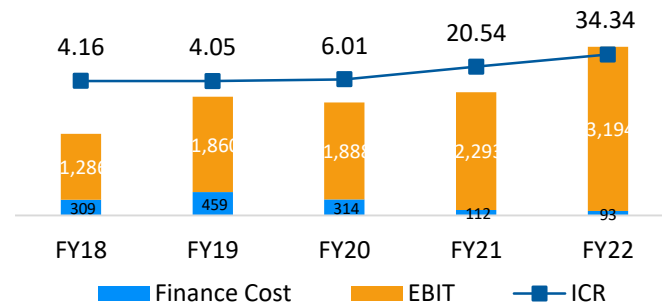
* CAGR 41%



Debt Service Coverage Ratio (DSCR)



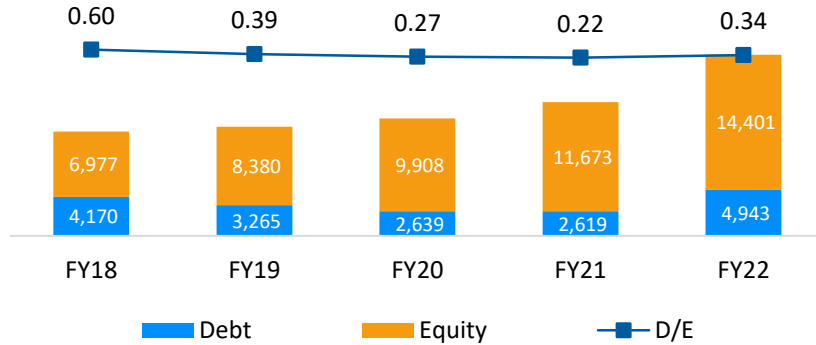
Interest Coverage Ratio (ICR)



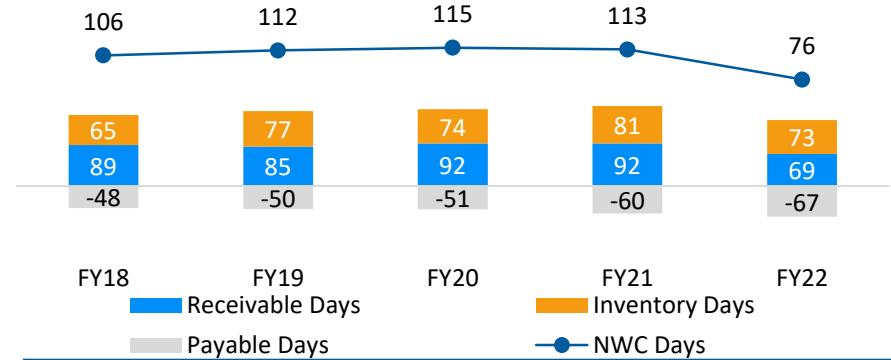
* CAGR calculated for FY18-22

Rs Mn

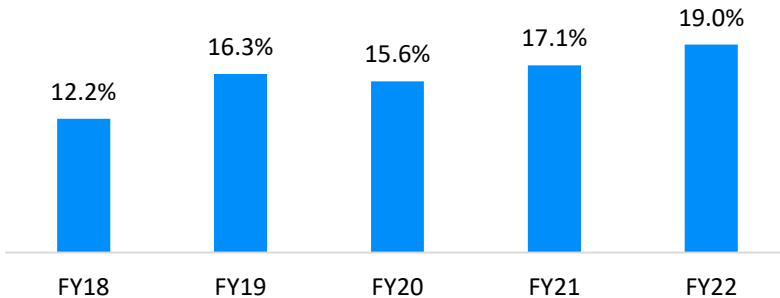
Leverage Analysis



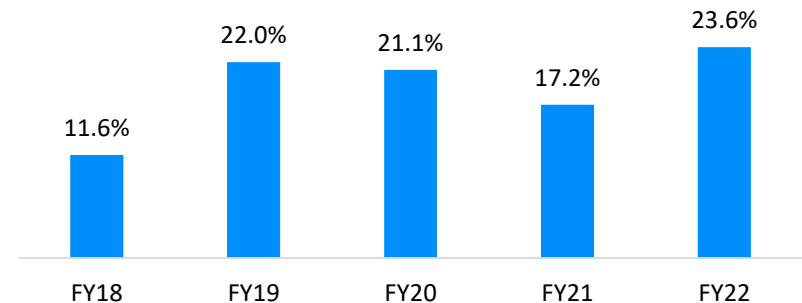
Working Capital Analysis *



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)

For Further Queries:



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