

Ref: MOL/2021-22/40

February 2, 2022

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
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Dear Sir,

Sub: - Investor Presentation on Financial Results for Q3 & Nine Months FY2022.

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 Third Quarter and Nine Months ended on 31.12.2021 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.

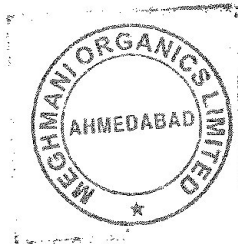
Thanking you.

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)

Q3 & 9MFY22 Results Presentation

February 2022

www.meghmani.com



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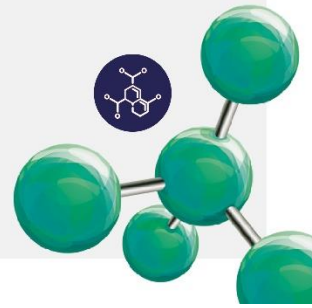
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Q3 & 9MFY22 RESULTS UPDATE



Despite challenging business environment, Meghmani Organics Ltd. (MOL) revenue grew by 43.7% YoY to Rs. 6,392 million in Q3 FY22 aided by higher realisation from Pigments along with improvement in volume & higher realisation from Agrochemicals business.

During the quarter, the Company's Gross Profit grew by 24.8 % YoY to Rs. 2,535 million. As an industry wide phenomenon, MOL too faced the challenge in respect to hardening of raw material prices. Due to sudden and sharp rise of raw material prices, MOL faced challenge in terms of fully passing on to consumers. The Gross margin contracted by 600 bps YoY to 39.7% in Q3FY22. During Q3 FY22, PAT grew by 22.0% YoY to Rs. 679 million. The Company's PAT margin stood at 10.6% in Q3FY22.

On the Balance Sheet front, the Company's Cash & Cash Equivalents stood at Rs. 432 million as on 31th December 2021. Debt-Equity ratio stood at 0.36 as on 31th December 2021. Meghmani Organics return ratios i.e. ROCE and ROE (annualized) stands robust at 16.3% and 21.4%, respectively as on 31th December 2021.

During Q3 FY22, Meghmani Organics acquired Kilburn Chemicals Ltd. for Rs. 1,320 million, thereby fast-tracking its foray into Titanium Dioxide (TiO₂). The aforesaid acquisition was funded from the Company's internal accruals. The plant is located at Dahej, Gujarat and its existing Titanium Dioxide (TiO₂) manufacturing capacity is pegged at 16,500 metric tons per annum (MTPA). MOL anticipates doubling its Titanium Dioxide (TiO₂) capacity to 33,000 MTPA by Q3 FY24 by incurring total capex of Rs. 6,000 million funded by an appropriate mix of internal accruals and debt. The aforesaid plant is expected to contribute ~Rs. 7,000-7,500 million to MOL's topline on a full financial year basis at normal capacity utilisation.

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.

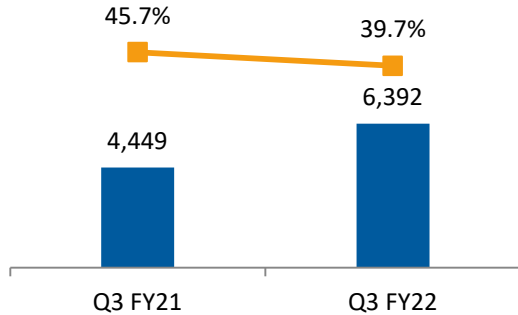
Q3 & 9MFY22 Results: Key Highlights



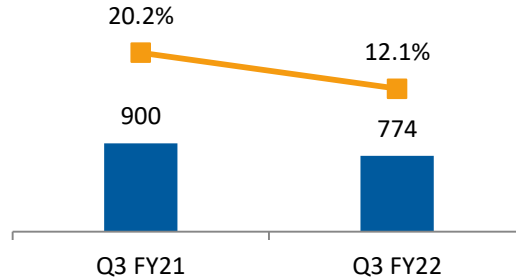
Rs Mn

Q3 FY22 YoY Analysis

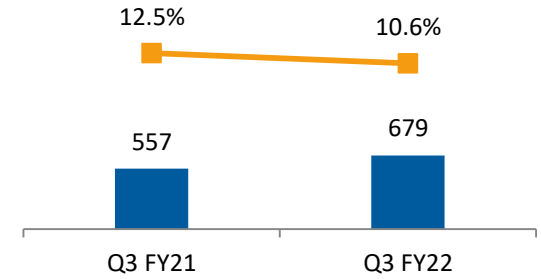
Revenues & Gross Margin



EBITDA & EBITDA Margin

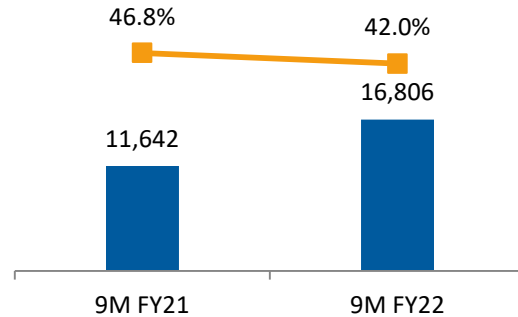


PAT & PAT Margin

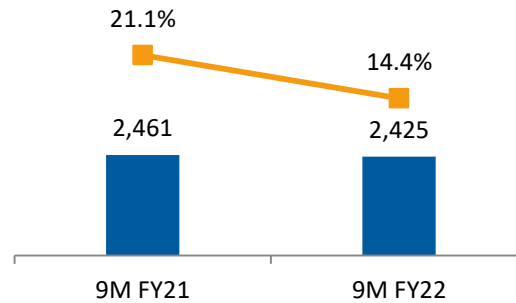


9M FY22 YoY Analysis

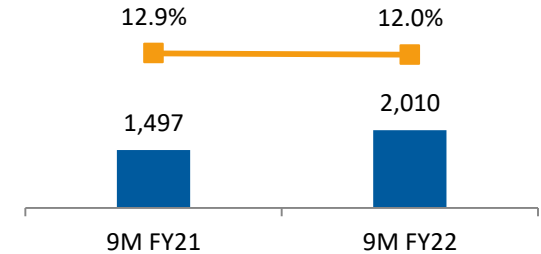
Revenues & Gross Margin



EBITDA & EBITDA Margin



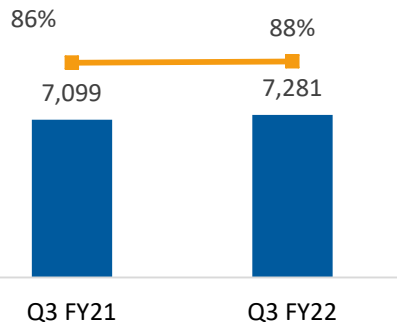
PAT & PAT Margin



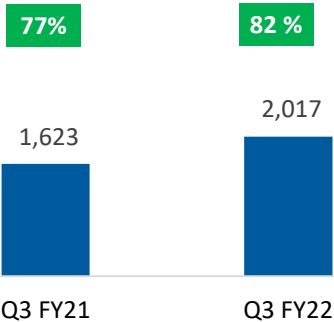
Q3 & 9MFY22 Results: Pigments Business

Q3 FY22 YoY Analysis

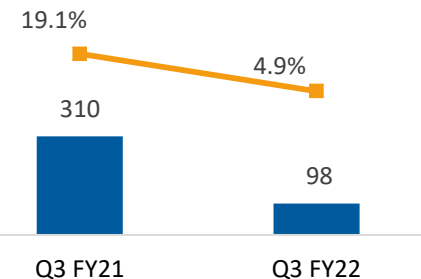
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*

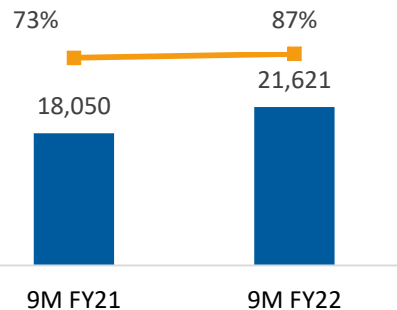


EBITDA (Rs Mn) & Margin (%)

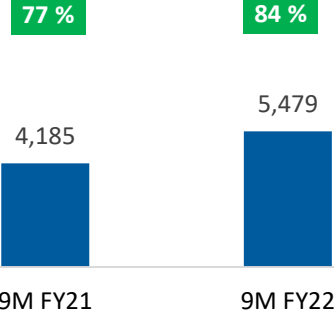


9M FY22 YoY Analysis

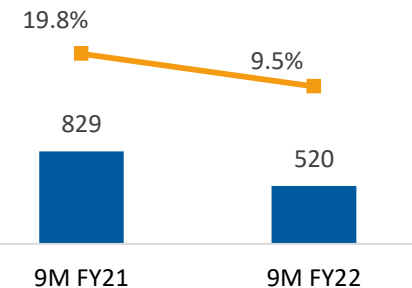
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



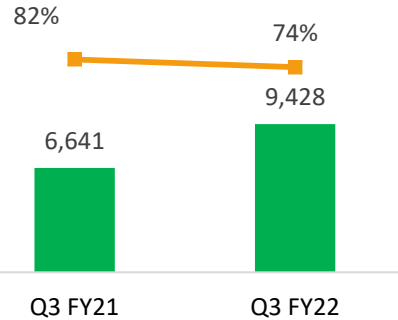
Q3 & 9MFY22 Results: Agrochemicals Business



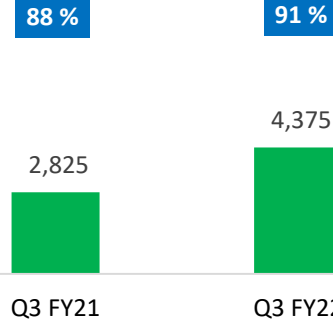
Rs Mn

Q3 FY22 YoY Analysis

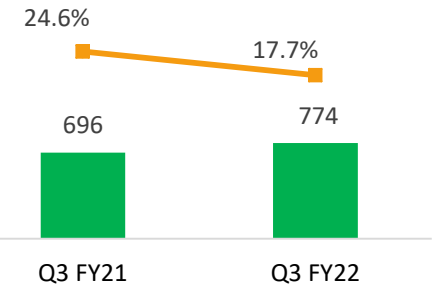
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*

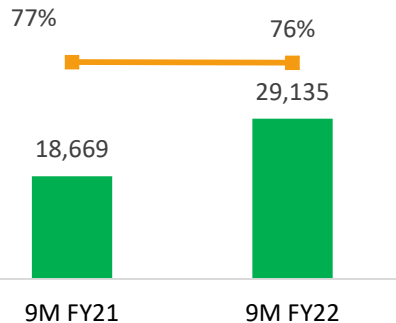


EBITDA (Rs Mn) & Margin (%)

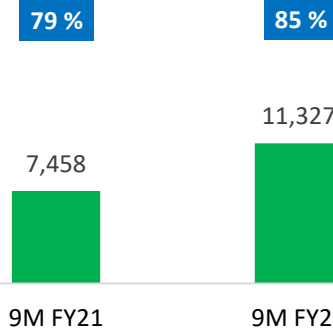


9M FY22 YoY Analysis

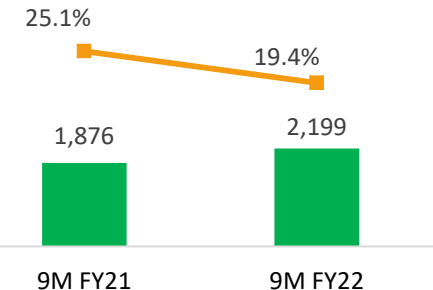
Production & Utilisation (%)



Net Revenue (Rs Mn) & Exports*



EBITDA (Rs Mn) & Margin (%)



*Denotes

Exports

Q3 & 9MFY22 Results: Profit & Loss Statement

Particulars (Rs. in Mn)	Q3 FY22	Q3 FY21	YoY%	9M FY22	9M FY21	YoY%	FY21
Revenue from Operations	6,392	4,449	43.7%	16,806	11,642	44.4%	16,234
COGS	3,857	2,417	59.6%	9,744	6,193	57.3%	8,975
Gross Profit	2,535	2,032	24.8%	7,062	5,450	29.6%	7,260
Gross Margins %	39.7%	45.7%	(600 bps)	42.0%	46.8%	(479 bps)	44.7%
Employee Expenses	277	270	2.5%	858	755	13.7%	1,004
Other Expenses	1,485	862	72.3%	3,778	2,234	69.2%	3,456
EBITDA	774	900	(14.0%)	2,425	2,461	(1.5%)	2,799
EBITDA Margin %	12.1%	20.2%	(813 bps)	14.4%	21.1%	(671 bps)	17.2%
Depreciation	149	123	21.0%	447	369	21.3%	506
EBIT	625	777	(19.6%)	1,978	2,092	(5.5%)	2,293
Finance Cost	(33)	123	(127.0%)	26	203	(87.3%)	112
Other Income	263	36	629.4%	696	65	966.2%	247
Exceptional Items	-	(65)	N.A.	(61)	(65)	(6.0%)	(65)
PBT	922	755	22.1%	2,709	2,020	34.2%	2,493
Taxes	242	198	22.3%	700	523	33.9%	643
PAT	679	557	22.0%	2,010	1,497	34.3%	1,850
PAT Margin %	10.6%	12.5%	(189 bps)	12.0%	12.9%	(90 bps)	11.4%
EPS	2.67	2.19	22.0%	7.90	5.89	34.2%	7.28

Balance Sheet Statement

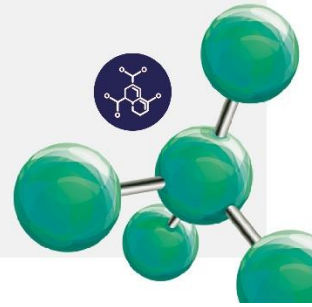


Particulars (Rs. in Mn)	Sep 21	Mar 21
Equity & Liabilities		
Share Capital	254	254
Reserves & Surplus	12,394	11,418
Shareholder's Funds	12,648	11,673
Long-term borrowings	2,456	1,232
Other financial liabilities	78	67
Provisions	145.098	134.932
Deferred tax liabilities (Net)	503	443
Non - Current Liabilities	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
- Forayed into white pigments (TiO₂)



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

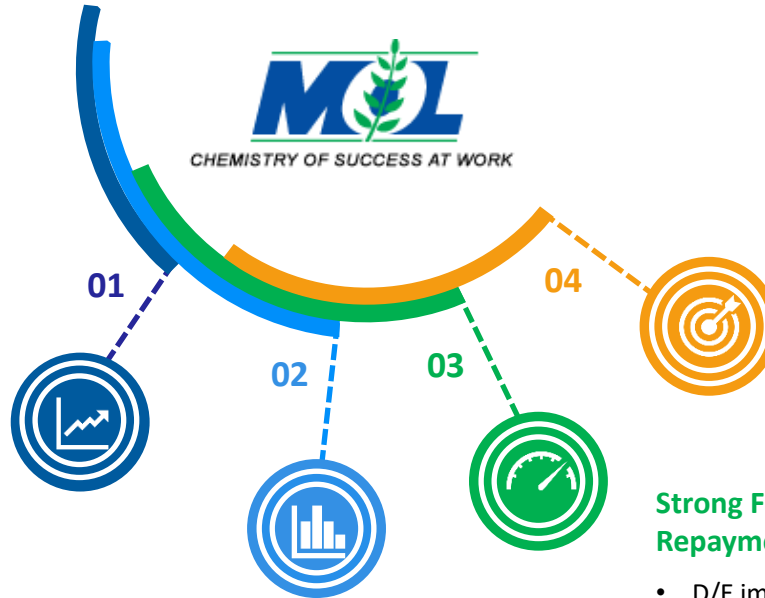
- Consistent Revenue Growth
- Improving Profitability & Return Ratios
- Healthy Balance Sheet

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

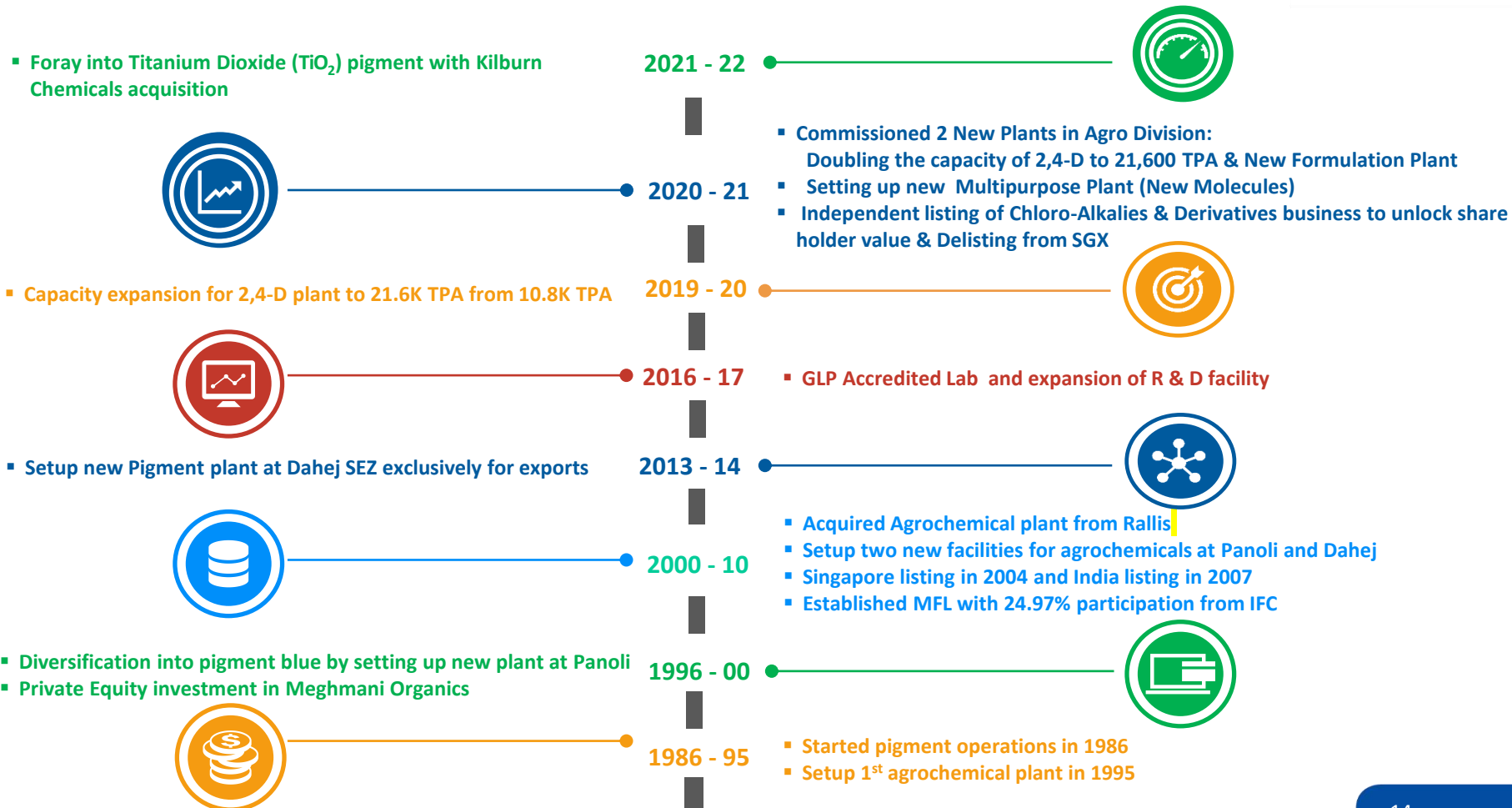
Robust Return Ratios

- 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

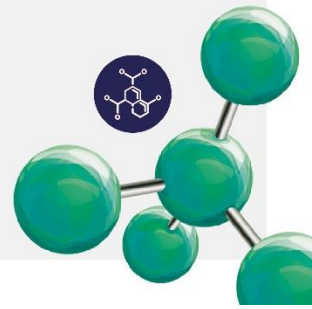
- D/E improved from 0.56x in FY17 to 0.22x in FY21

Key Milestones





BUSINESS OVERVIEW



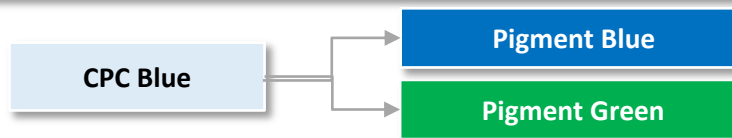
Established Business Profile

- 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

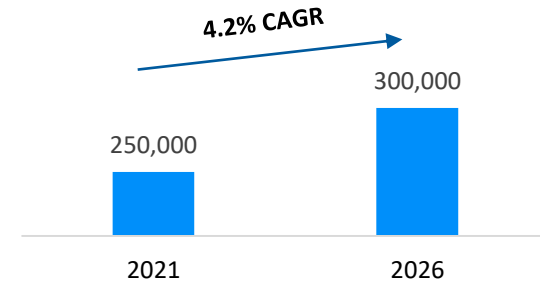
Titanium Dioxide (TiO₂): Snapshot

- 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

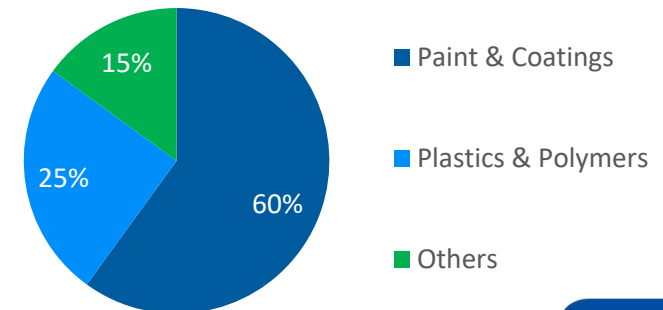
Domestic Demand Dynamics

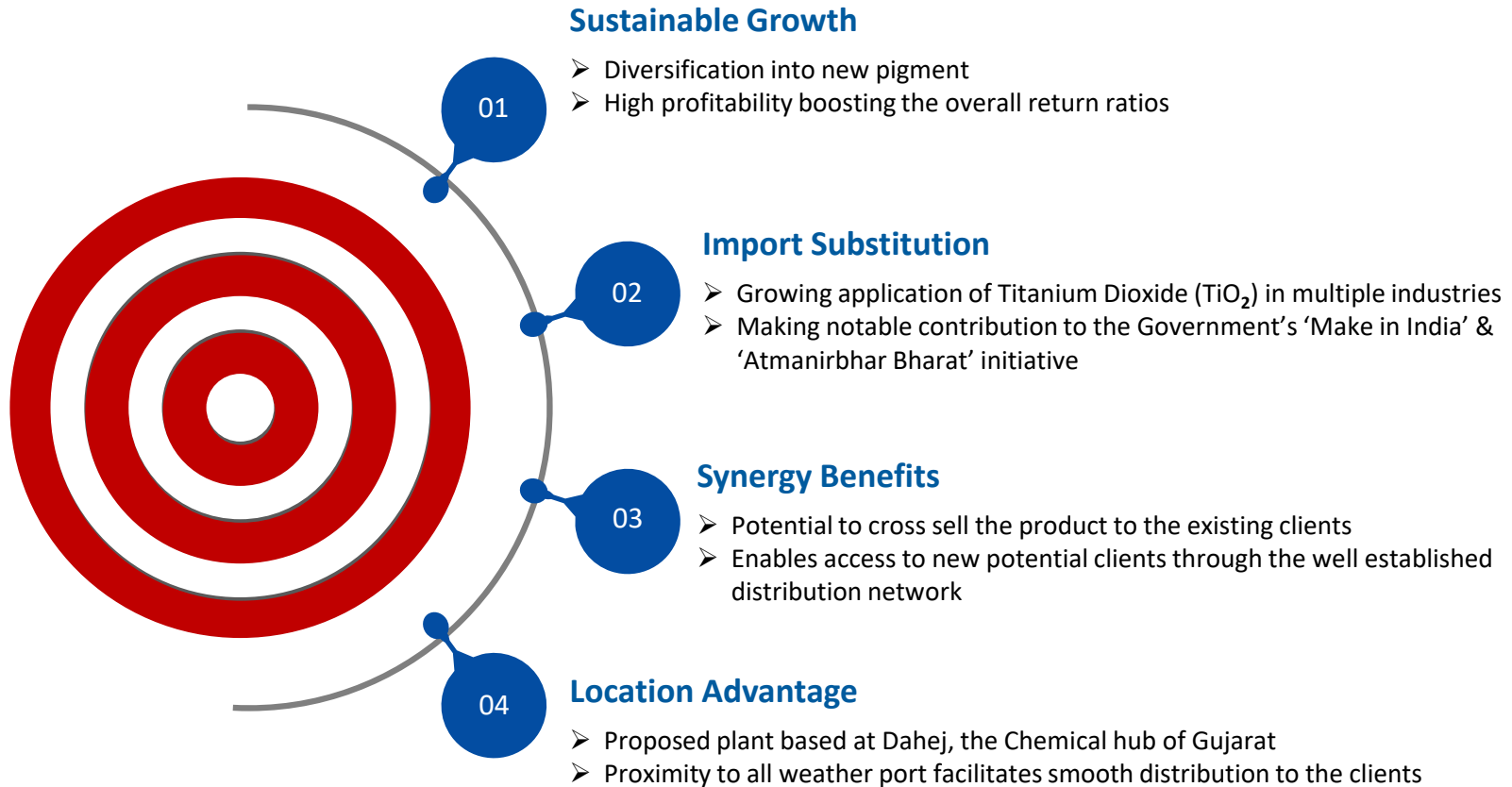
- India's total production Titanium Dioxide (TiO₂) capacity: 81,000 MTPA with 80% demand fulfilled by imports
- India's Titanium Dioxide (TiO₂) expected to grow at 3% CAGR reaching 2,90,000 MTPA by 2026
- Meghmani's foray Titanium Dioxide (TiO₂) to promote import substitution thereby contributing to the Government's 'Make in India' and Atmanirbhar Bharat vision

Domestic Market Size (MTPA)

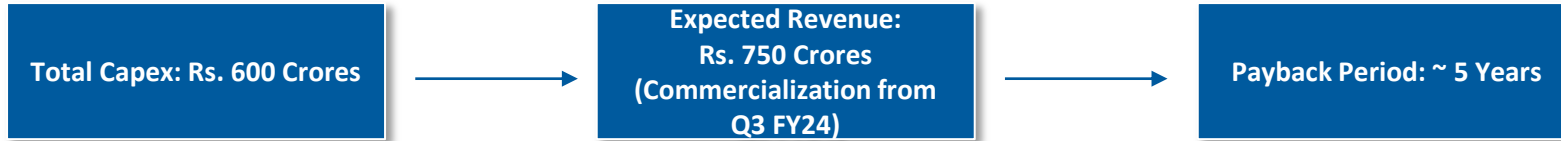


Demand Driver – Diverse Industrial Use





Proposed Capacity: 33,000 TPA



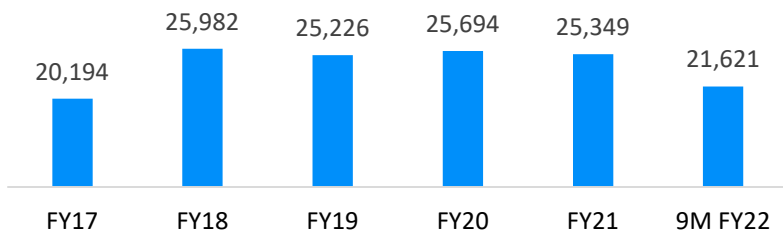
Expected Margin/Ratios



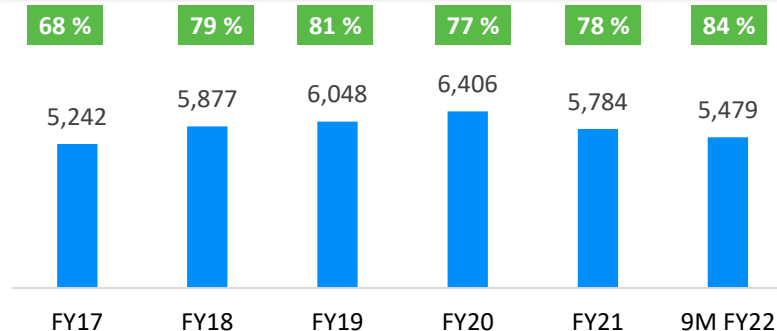
Pigments Business: Operational Overview



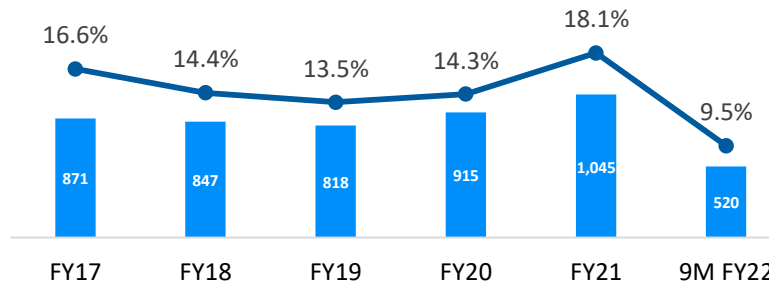
Production (MT)



Net Sales & Exports* (Rs Mn)



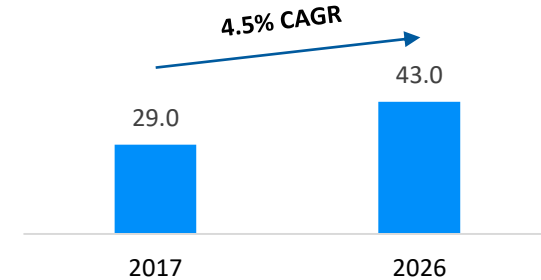
EBITDA (Rs Mn) & EBITDA Margin (%)



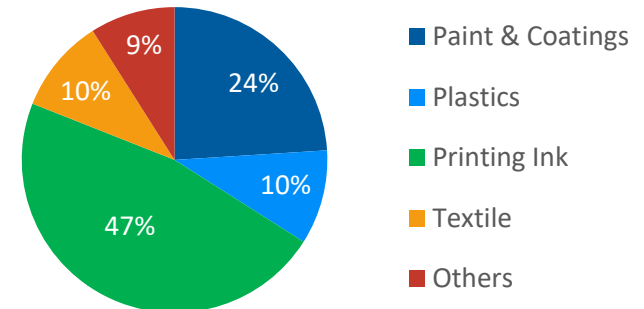
Global Pigments Market

- 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

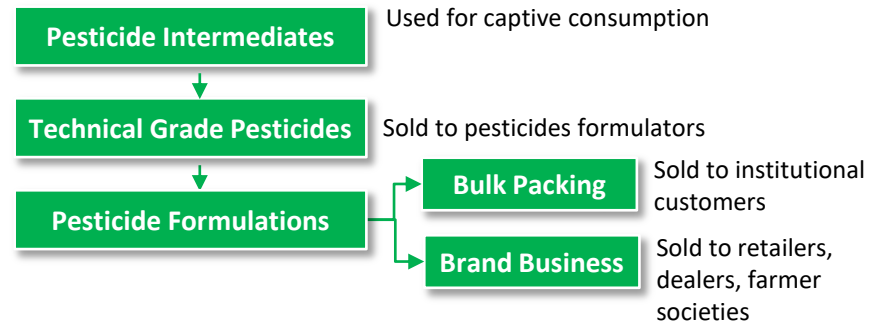
- Leading manufacturer of pesticides – products across entire value chain
- Established global presence across Africa, Brazil, LatAm, US and Europe
- Strong pan-India presence across 19 states, with 3,000 + distributors and dealers network
- Well-recognized formulation brands – Megastar, Megacyper, Megaban, 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 – 51,060 TPA

Location	Capacity (MTPA)
GIDC Panoli	13,500
GIDC Ankleshwar	6,840
GIDC Dahej	30,720

Product Profile



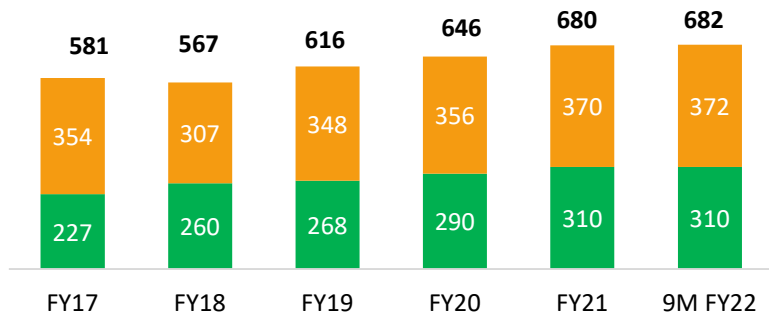
Branded Agrochemical Formulations



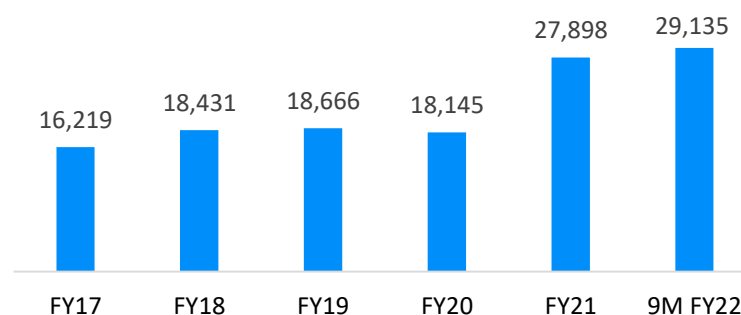
Agrochemicals Business: Operational Overview



Registrations Base

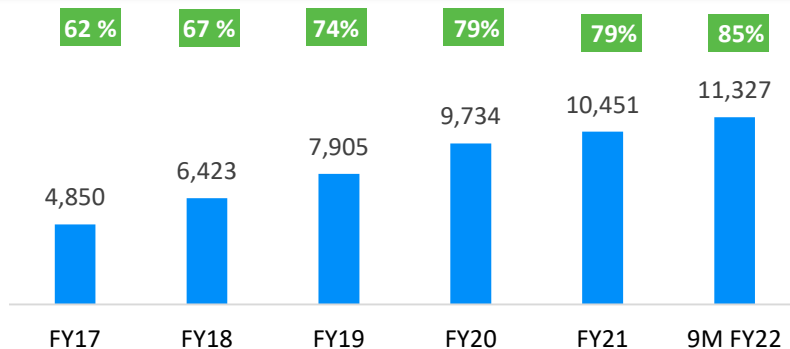


Production (MT)

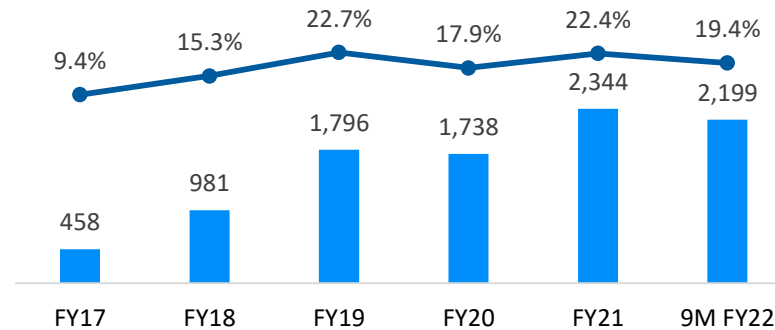


■ Exports ■ CIB (India)

Net Sales and Exports* (Rs Mn)



EBITDA (Rs Mn) & EBITDA Margin (%)



*Denotes

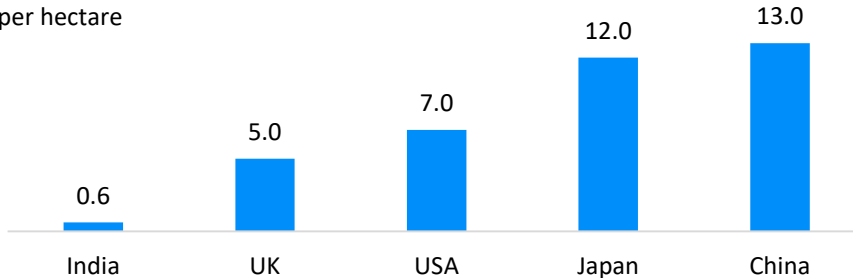
Exports

Global Crop Protection Market

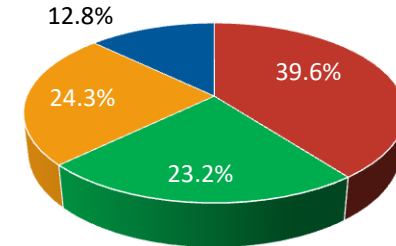
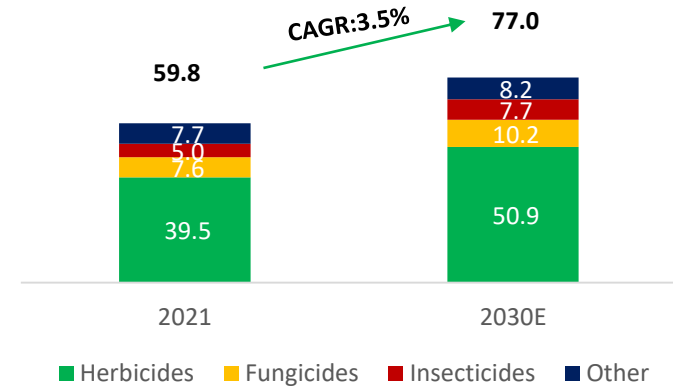
- The global crop protection market is set to grow steadily to reach USD 77 Bn by 2030
- Key drivers - growing population, declining arable land & rising pest concerns
- As per FICCI 9th Agrochemical Conference 2020 report, India is the fourth-largest producer of agrochemicals in the world
- India's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

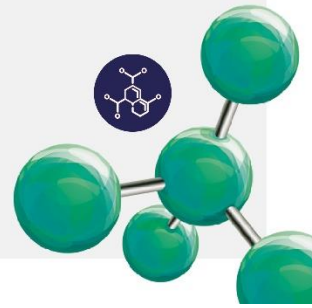


■ Asia ■ North America ■ Rest of World ■ Europe

Source – Magma Information Centre



STRATEGY & OUTLOOK



Pigments

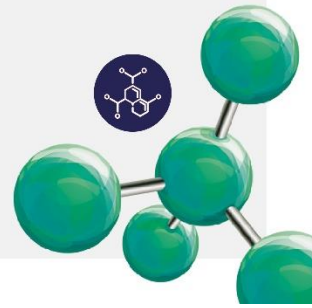
- Among Top 3 producer of phthalocyanine pigments globally
- Continue to focus on increasing domestic presence and capture market share
- Expanding into new geographies
- Diversification into new and lucrative white pigment TiO₂.
- **The management eyes a revenue target of Rs. 1,000 Cr by FY24 for the 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 agrichemicals 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**



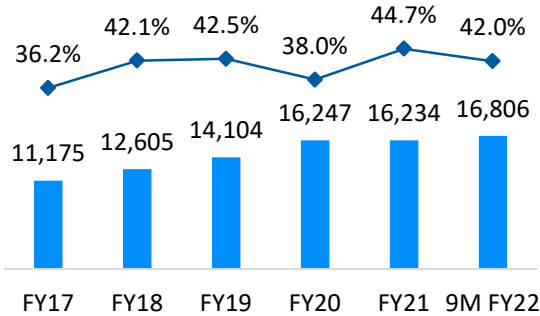
FINANCIAL OVERVIEW



Rs Mn

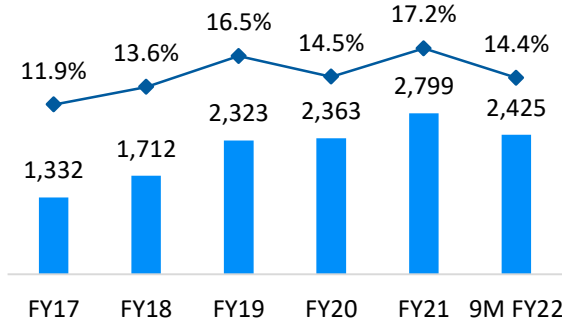
Revenues & Gross Margin

* CAGR 8%



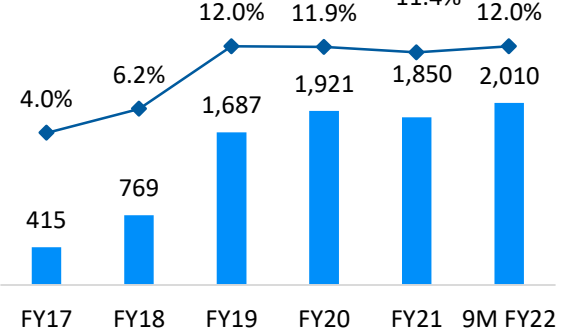
EBITDA & EBITDA Margin

* CAGR 16%

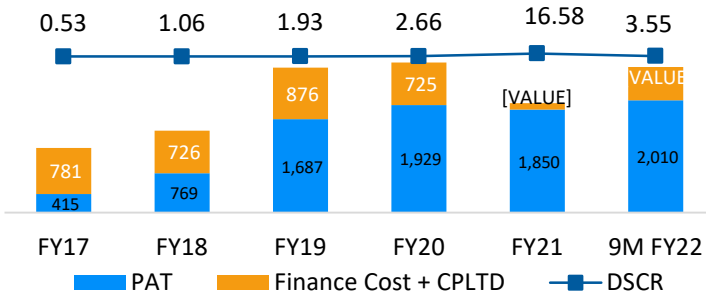


PAT & PAT Margin

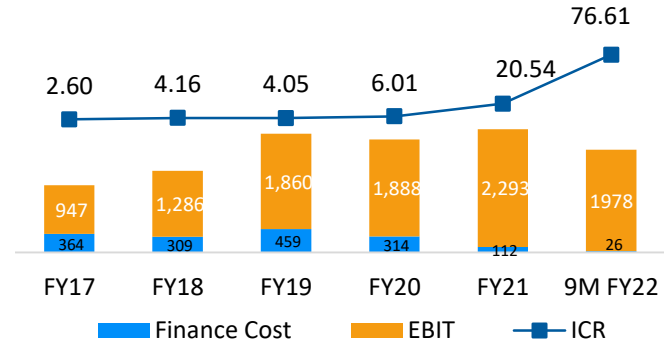
* CAGR 35%



Debt Service Coverage Ratio (DSCR)



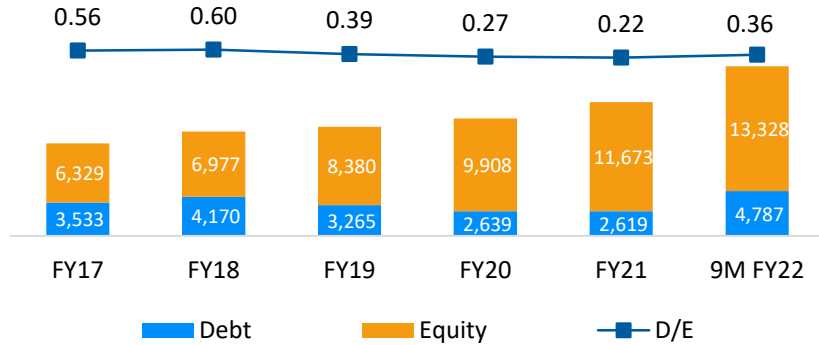
Interest Coverage Ratio (ICR)



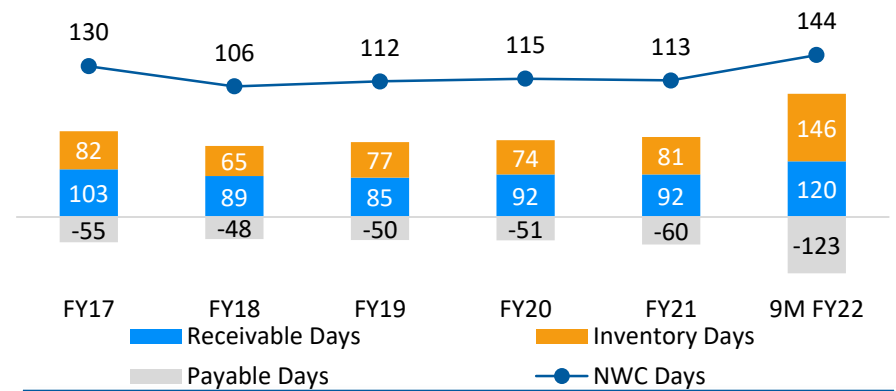
* CAGR calculated for FY17-21

Rs Mn

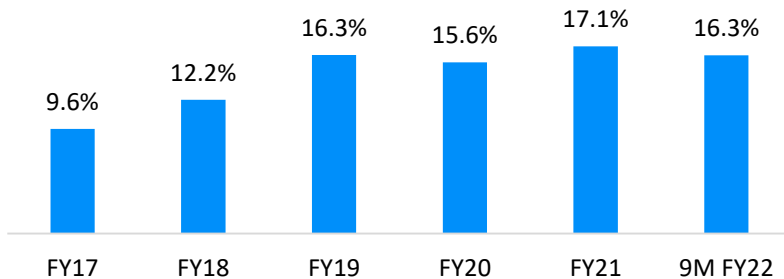
Leverage Analysis



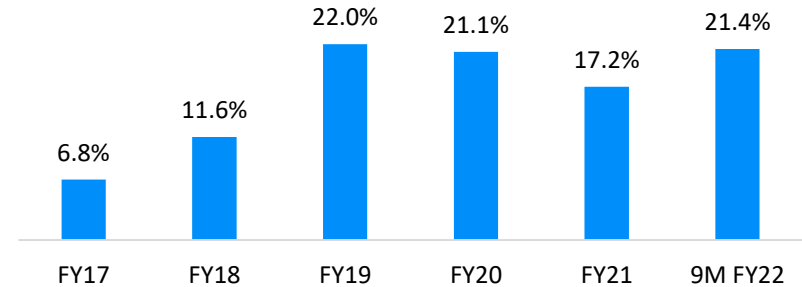
Working Capital Analysis *



Return on Capital Employed



Return on Equity



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

For Further Queries:



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