

05.08.2023

To,

National Stock Exchange of India Limited  
"Exchange Plaza",  
Bandra-Kurla Complex,  
Bandra (East) Mumbai 400 051

BSE Limited  
Floor- 25, P J Tower,  
Dalal Street,  
Mumbai 400 001

**SYMBOL:- MFL**

**Scrip Code: 543332**

Dear Sirs,

**Sub.: Earnings Presentation for Un-Audited Financial Results - Q1 FY2024**

**Ref.: Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Earnings Presentation for Un-audited Financial Results - Q1 FY2024.

The said Press Release and Investors Presentation is also available at [www.meghmanifinechem.com](http://www.meghmanifinechem.com) in the Investor Relations section.

This is for information and records.

Thanking you,

Yours faithfully,

**For Epigral Limited**

(Formerly known as Meghmani Finechem Limited)

**K. D. Mehta**

**Company Secretary and Compliance Officer**

**Membership No. FCS 2051**

# Meghmani Finechem Limited

*Q1FY24 Earnings Presentation*

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*5<sup>th</sup> August, 2023*

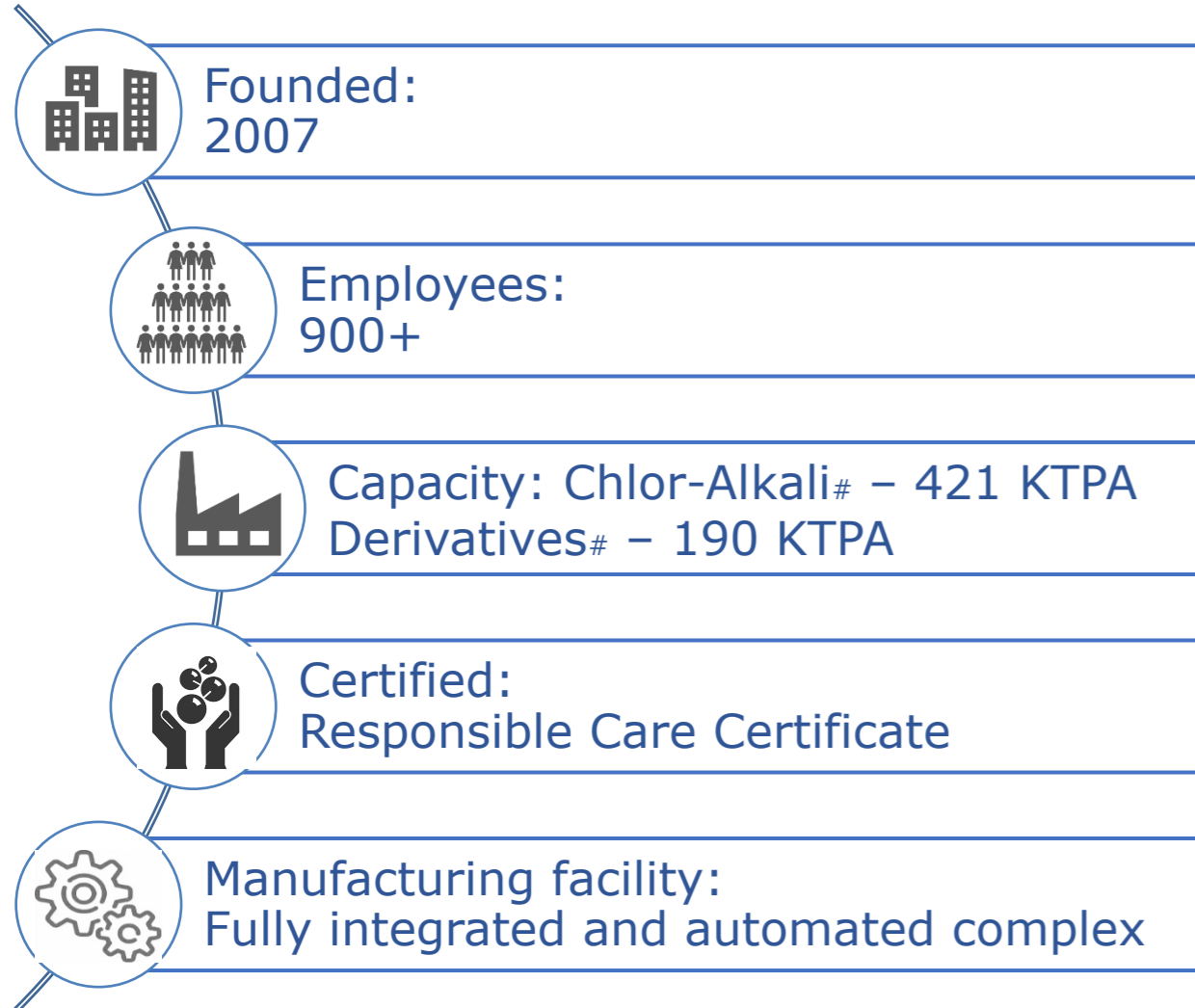


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Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking 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.

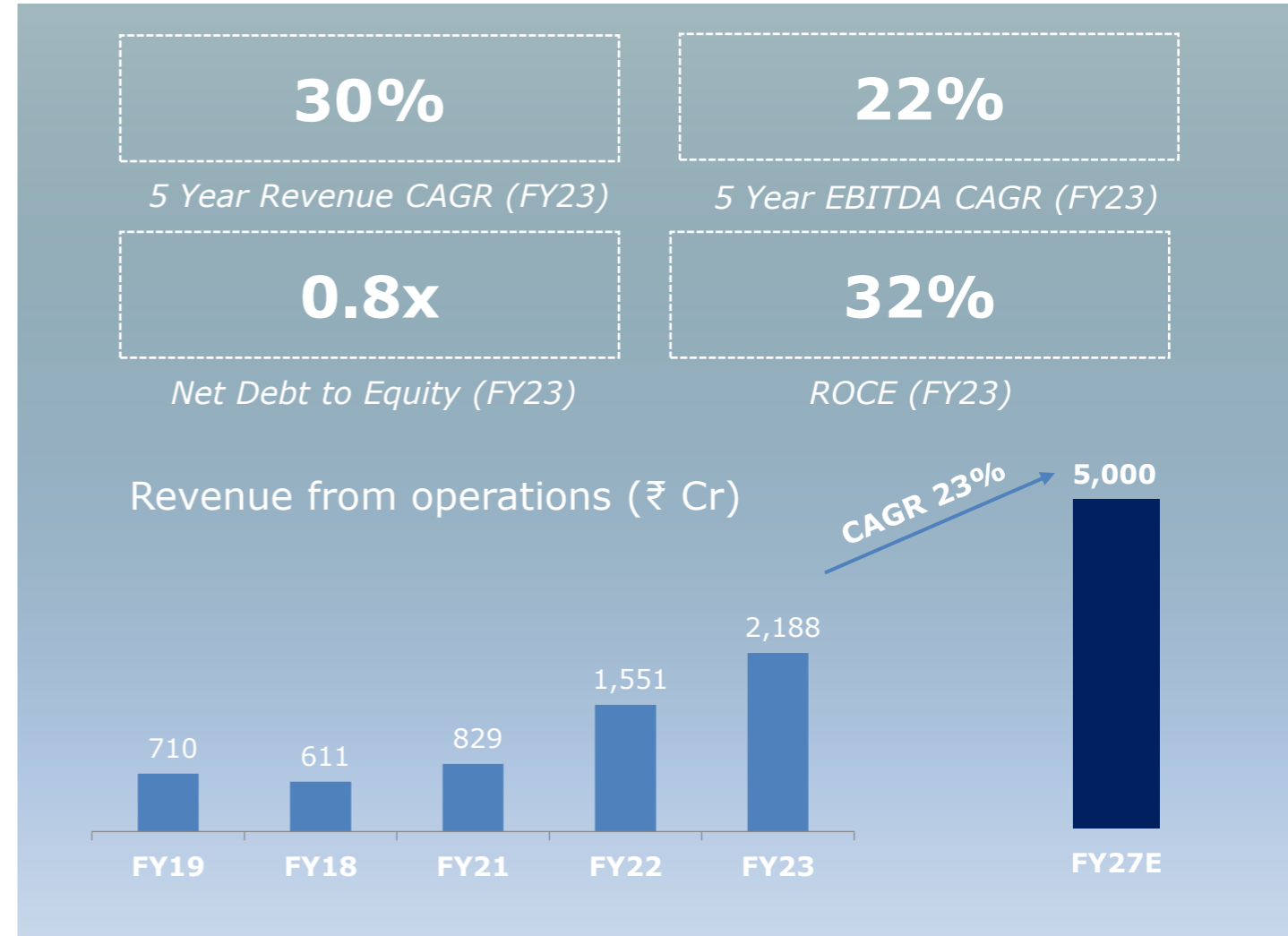
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# Company Overview

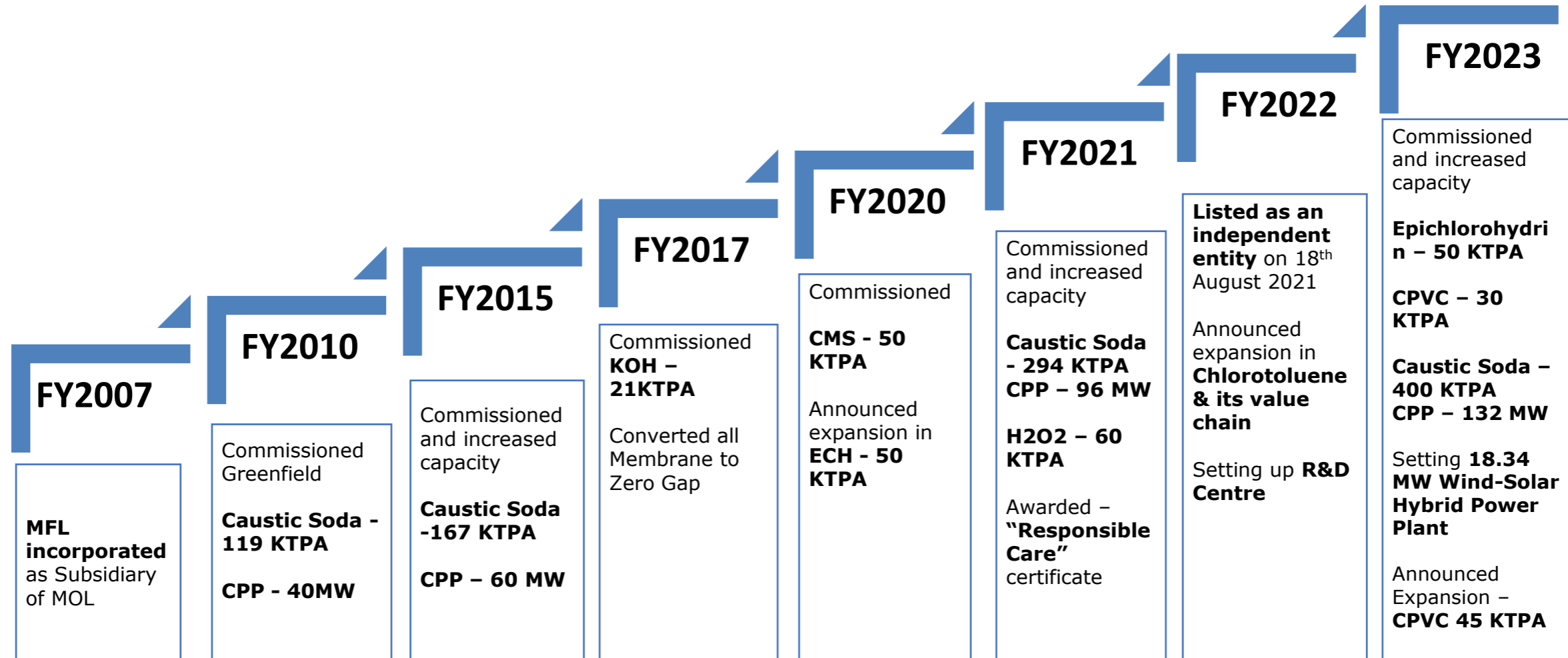


# Chlor-Alkali : Caustic Soda - 400 KTPA and Caustic Potash - 21 KTPA

Derivatives : CPVC – 30 KTPA, Epichlorohydrin – 50 KTPA, Chloromethane - 50 KTPA and Hydrogen Peroxide - 60 KTPA



# MFL Journey



# Q1FY24 - Key Highlights

## Q1FY24 Operational Highlights:

- YoY volume grew by 11% majorly on account of Derivatives & Specialty Chemical segment (CPVC, ECH and Hydrogen Peroxide).
- Capacity utilization of Hydrogen Peroxide reached 104% and CMS reached 103%
- Realizations of all the products are down in Q1FY24 on account of slowdown and destocking happening at global level

## Q1FY24 Financial Highlights:

- YoY, Revenue down by 15% to ₹ 455 Cr on account of drop in realizations from all the products
- Revenue contribution from Derivatives & Specialty Chemical segment increased to 38% in Q1FY24 vs 21% in Q1FY23
- YoY, EBITDA down by 49% to ₹ 95 Cr. Margin stood at 21% on account of high cost of inventory compared to dropped realizations.
- YoY, PAT down by 71% to ₹ 32 Cr in line with drop in EBITDA
- Net Debt/EBITDA stood at 1.5x (1.6x in Q1FY23).

# Q1FY24 - Key Highlights

## Q1FY24 Strategic Highlights:

- Meghmani Finechem board proposed to rename the company to Epigral. The proposal is approved by shareholders and Ministry of Corporate Affairs
- This renaming is undertaken to strengthen the corporate brand in line with the company's commitment to transform the company as a global multi-product chemical conglomerate and enhance our reputation as an integral partner for esteemed clients and our stakeholders
- MFL commissioned 18.34 MW Wind Solar Hybrid Power Plant in Q1FY24
- Expansion of CPVC capacity of 45,000 TPA is on schedule and expected to get commission by Q4FY24
- Expansion of Chlorotoluene & its value chain is on schedule and expected to get commission by Q4FY24
- R&D centre near Ahmedabad, is almost ready and will get commission in Q2FY24

*“FY2023-24 started with a quarter that witnessed global level slowdown and inventory destocking, impacting the chemical industry both at demand level and also at realization level. MFL too got impacted during the quarter gone by, on account of drop in realizations. However, MFL achieved volume growth of 11% YoY in Q1FY24, this volume growth is in line with our expansion plans resulting in volume coming from CPVC, Epichlorohydrin and Hydrogen Peroxide. Revenue contribution from Derivatives and Specialty Chemical stood at 38% compared to 21% for similar period last year. We estimate this volume growth story will continue further as these new projects will further contribute in FY24.*

*Considering our long term vision, we are on schedule for our expansions of CPVC of 45,000 TPA and Chlorotoluene value chain, this will drive volume growth in FY25. Our R&D center is almost ready; hence we are ready with another strong pillar for our future growth in the Specialty Chemical segment.*

*We believe that the current scenario is a phase that will pass and the long term story remains intact. Hence, we are preparing ourselves for long term growth and we are moving in that direction.*

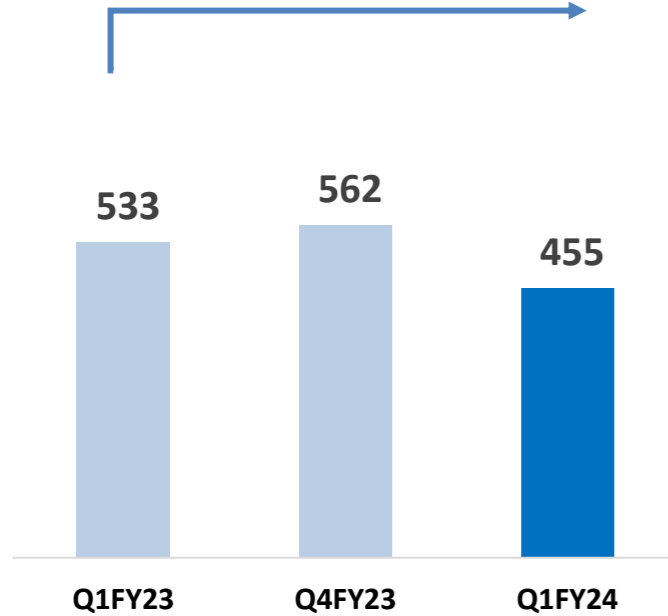
*Our board has taken the initiative to rename our company to Epigral. This activity is undertaken to strengthen our corporate brand in line with our commitment to transform the company as a global multi-product chemical conglomerate and enhance our reputation as an integral partner for esteemed clients and our stakeholders.”*

**- Mr. Maulik Patel, Chairman and Managing Director**



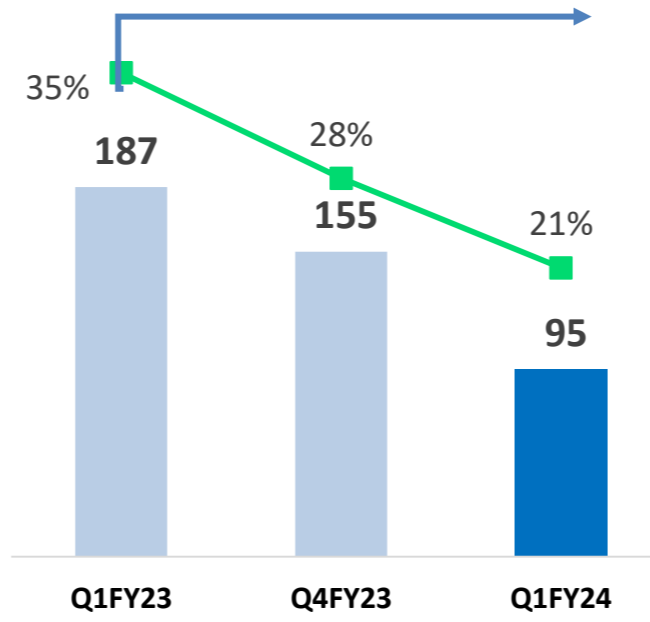
# Q1FY24 Financial Highlights

Revenue YoY Growth: -15%



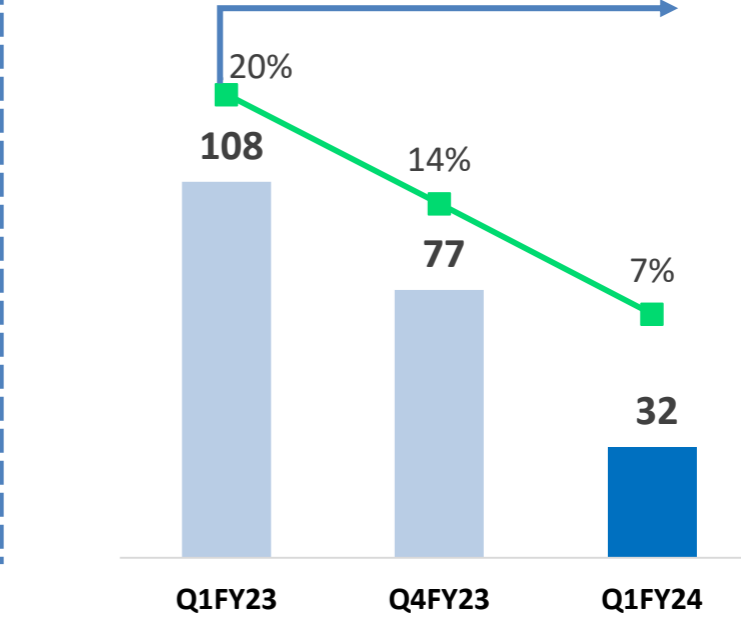
₹ Cr

EBITDA YoY Growth: -49%



EBITDA Margin -%

PAT YoY Growth: -71%

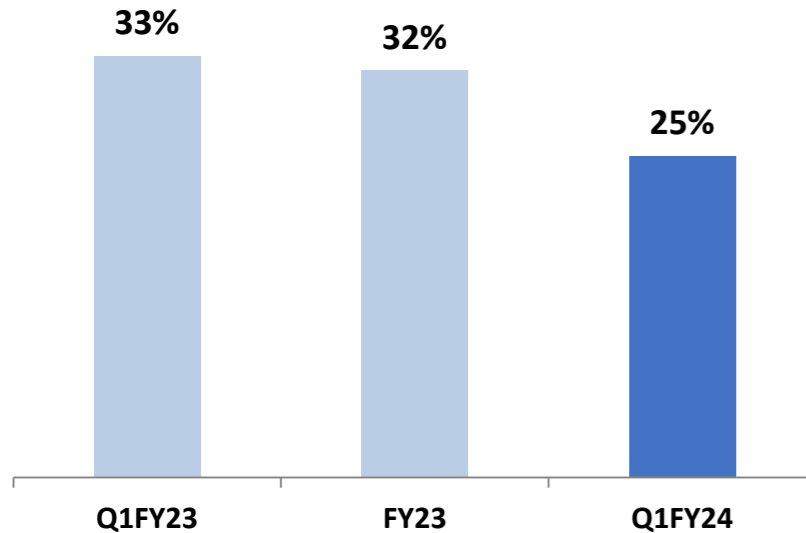


PAT Margin -%

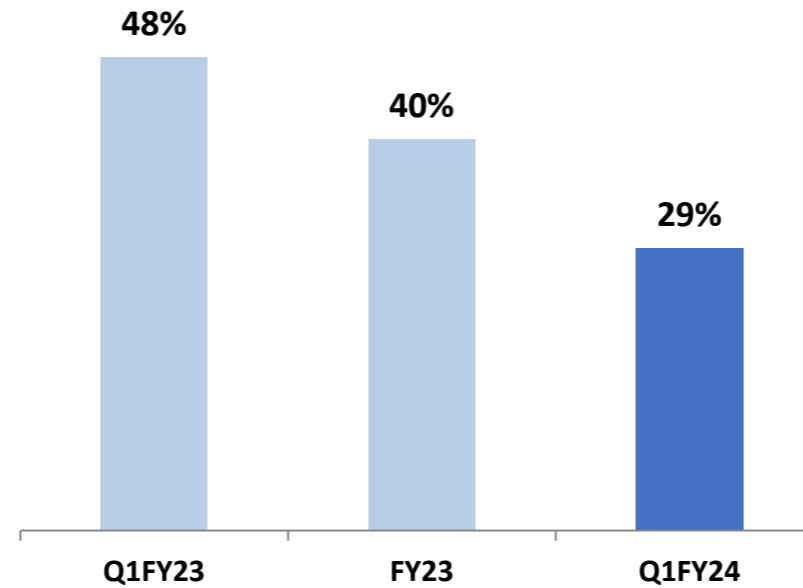
- Revenue was down on account of drop in realization by 26% YoY, however volume grew by 11%
- Revenue from Derivatives & Specialty Chemical grew by 52% even after drop in realizations. YoY volume growth is majorly coming from this segment, i.e. from CPVC, ECH and Hydrogen Peroxide
- EBITDA and PAT was down on account of drop in realizations and high cost of inventory

# Key ratios as on 30<sup>th</sup> June 2023

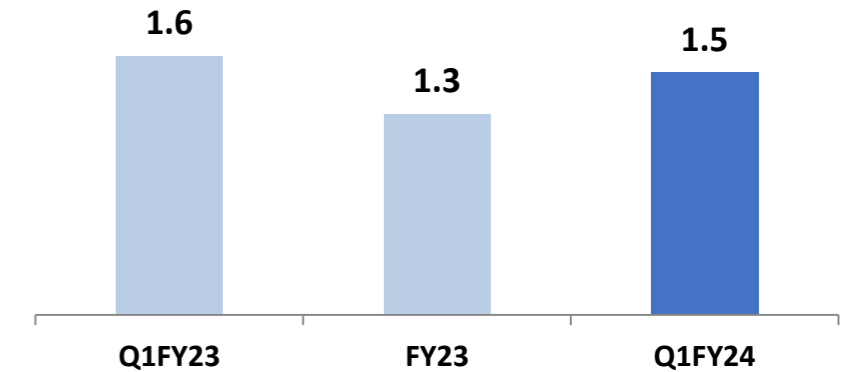
### ROCE (%)



### ROE (%)



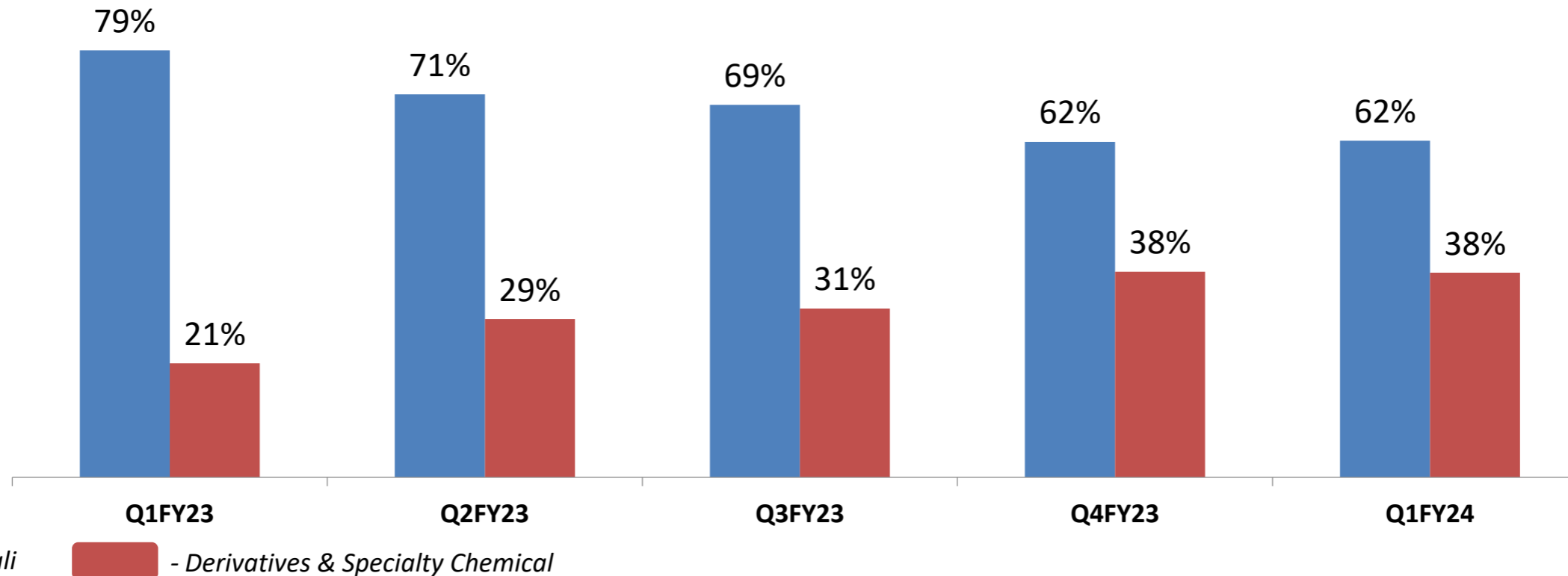
### Net Debt/EBITDA (x)



*TTM EBIT, PAT and EBITDA are considered for above ratios*

- ROCE and ROE was down to 25% and 29% respectively on account of drop in realizations impacting absolute earnings
- Net Debt/EBITDA was at 1.5x (1.6x in Q1FY23) on account of decrease in EBITDA, due to slowdown witnessed at macro level, leading to drop in realizations
- Net Debt/Equity stood at 0.8x in Q1FY24 compared to 1.2x in Q1FY23.

# Revenue Transition towards Derivatives & Specialty Chemicals

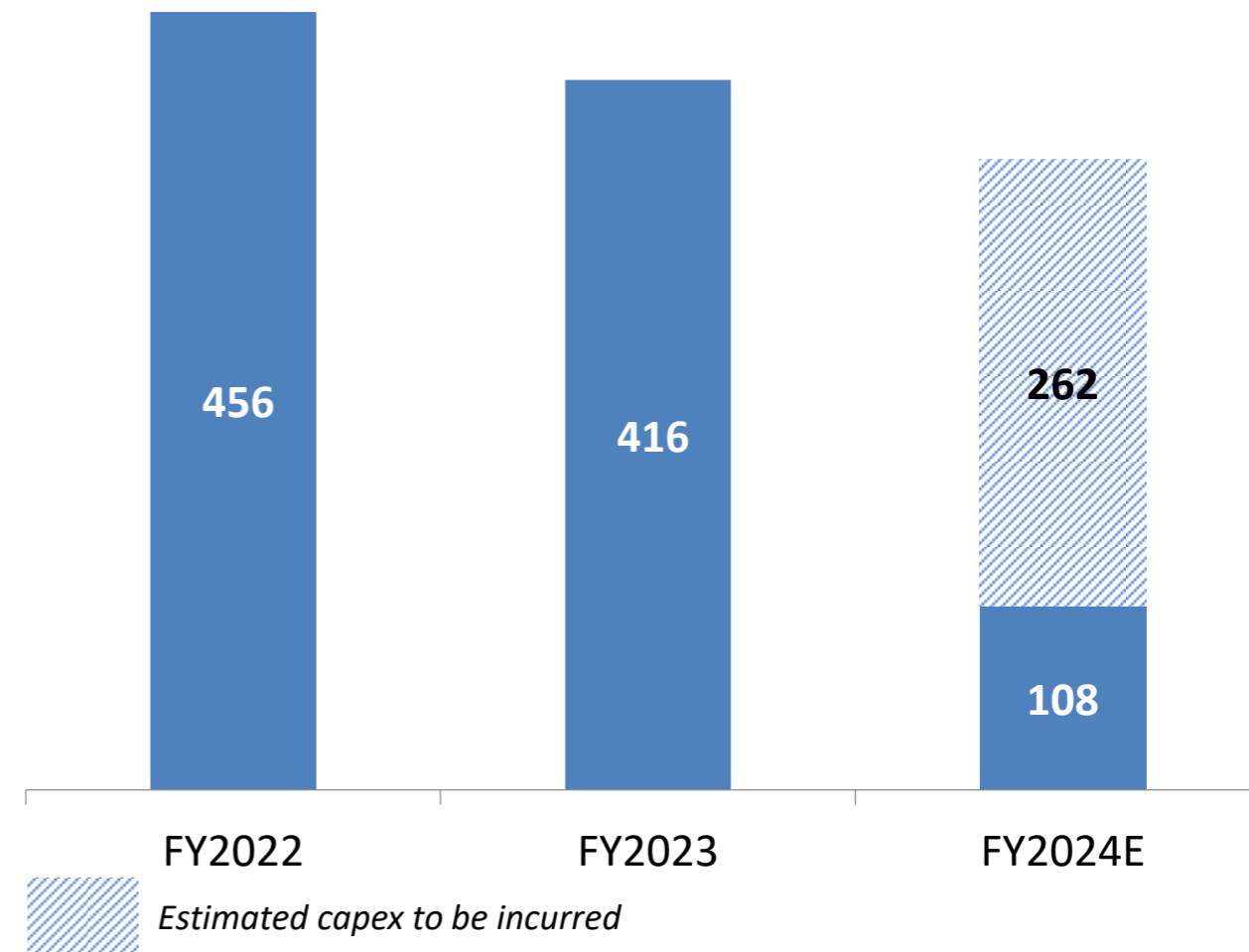


- Revenue contribution from Derivatives and Specialty chemical Segment increased from 21% in Q1FY23 to 38% Q1FY24
- YoY Derivatives and Specialty chemical volume growth stood at 30% on account of CPVC, ECH and Hydrogen Peroxide
- Revenue contribution % from Derivatives and Specialty chemical segment will keep on increasing, as future capex plans are all towards Derivatives and Specialty chemical segment

# Project Update as on 30<sup>th</sup> June 2023

Product	Capacity	Expected Commissioning Date	% of project completed
R&D Centre	-	Q2FY24	95%
Chlorotoluene & its value chain	-	Q4FY24	70%
CPVC Resin (Additional)	45 KTPA	Q4FY24	70%

## Capex Spends - ₹ Cr





## 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
- **Commissioned 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



# Income Statement

Particulars (₹ Cr)	Q1FY24	Q1FY23	YoY % Change	Q4FY23	QoQ % Change
Revenue from Operations	455	533	-15%	562	-19%
Gross Profit	163	250	-35%	224	-27%
<b>Gross Margin (%)</b>	<b>36%</b>	<b>47%</b>		<b>40%</b>	
Operating EBITDA	95	187	-49%	155	-38%
<b>EBITDA Margin (%)</b>	<b>21%</b>	<b>35%</b>		<b>28%</b>	
Depreciation	31	22	40%	30	2%
Finance Cost	18	11	65%	19	-3%
PBT	48	156	-70%	110	-57%
PAT	32	108	-71%	77	-59%
<b>PAT Margin (%)</b>	<b>7%</b>	<b>20%</b>		<b>14%</b>	
Cash Profit	62	130	-52%	107	-42%
EPS (₹)	7.6	25.9	-71%	18.5	-59%

# Historic Income Statement

Particulars (₹ Cr)	FY18	FY19	FY20	FY21	FY22	FY23
Total Revenue	602	720	613	831	1,555	2,196
<b>Gross Profit*</b>	335	431	300	407	716	951
<b>Gross Margin (%)</b>	<b>56%</b>	<b>61%</b>	<b>49%</b>	<b>49%</b>	<b>46%</b>	<b>43%</b>
<b>EBITDA</b>	255	312	194	261	510	689
<b>EBITDA Margin (%)</b>	<b>43%</b>	<b>44%</b>	<b>32%</b>	<b>32%</b>	<b>33%</b>	<b>31%</b>
Depreciation	55	54	44	74	86	109
Finance Cost	9	25	11	29	44	66
<b>PBT</b>	195	242	141	161	383	523
<b>PAT</b>	<b>155</b>	<b>183</b>	<b>112</b>	<b>101</b>	<b>253</b>	<b>353</b>
<b>PAT Margin (%)</b>	<b>26%</b>	<b>25%</b>	<b>18%</b>	<b>12%</b>	<b>16%</b>	<b>16%</b>
<b>EPS (₹)</b>	<b>22.0</b>	<b>25.1</b>	<b>27.0</b>	<b>24.3</b>	<b>60.8</b>	<b>85.0</b>

*\*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)	FY21	FY22	FY23	Liabilities (₹ Cr)	FY21	FY22	FY23
Fixed Assets	1,228	1,657	1,962	Share Capital	42	42	42
Financial Assets	10	8	28	Reserves & Surplus	643	684	1,028
Other Non-current Assets	29	11	23	Long-Term Borrowings	340	557	396
Inventories	54	154	212	Redeemable Preference Shares	-	211	149
Trade Receivables	119	256	166	Other Non-current Liabilities	35	97	171
Cash & Bank Balances	1	25	15	Short Term Borrowings	75	221	332
Loans & Advances	0	0	0	Trade Payables	73	88	110
Other Current Assets	8	11	26	Other Current Liabilities	240	223	205
				Short Term Provisions	0	0	0
<b>Total</b>	<b>1,449</b>	<b>2,124</b>	<b>2,432</b>	<b>Total</b>	<b>1,449</b>	<b>2,124</b>	<b>2,432</b>



# About Us & Investor Contact



Meghmani Finechem Limited (“MFL”), incorporated in 2007, is a leading integrated manufacturer of chemicals in India. The company has state of the art manufacturing facilities in Gujarat, Dahej – a leading PCPIR region in the country. MFL’s Dahej facility is a backward and forward integrated and automated complex with a well-established infrastructure and Captive Power Plants. In India, MFL is the 1<sup>st</sup> to set up an Epichlorohydrin plant and largest capacity plant of CPVC Resin. MFL is India’s 4th largest manufacturer of Caustic Soda, Chlorine and Hydrogen and a leading manufacturer of Caustic Potash, Chloromethanes and Hydrogen Peroxide.

MFL is strengthening its position in specialty chemical segment by expanding CPVC Resin capacity to 75,000 TPA, entering into Chlorotoluene & value chain and setting up R&D centre. The company is focused on sustainable value creation for all its stakeholders and has been awarded with the Responsible Care certificate.

## **For further information**

Please log on to website - [www.meghmanifinechem.com](http://www.meghmanifinechem.com)  
Corporate film - [Video](#)

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