



ORIENTAL CARBON & CHEMICALS LIMITED

14th Floor, Tower-B, World Trade Tower, Plot No. C-1, Sector-16, Noida - 201301, UP
Phone : 91-120-2446850 Website : www.occlindia.com



February 02, 2022

The Manager
BSE Limited
Department of Corporate Services,
Floor 25, P. J. Towers, Dalal Street
Mumbai - 400 001

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (E),
Mumbai - 400 051

Scrip Code: 506579

Symbol: OCCL

Dear Sirs/Madam,

Re: Investor Presentation on Financial Results for the quarter and nine months ended 31st December, 2021

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Presentation on the Q3 9M FY22 Financial Results of the Company.

The above is for your reference and record.

Thanking you,

Yours faithfully,
For Oriental Carbon & Chemicals Ltd

Pranab Kumar Maity
Company Secretary & GM Legal

Encl.: As above.



Oriental Carbon & Chemicals Limited

Providing Solutions...

...Creating Innovations

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This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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The background of the slide is a grayscale, high-contrast image of a wet, textured surface, possibly a metal grate or a similar industrial component. The surface is covered in numerous water droplets of various sizes, which are brightly lit, creating a bokeh effect. The overall tone is industrial and clean.

Q3 & 9M FY22 Financial Highlights

Message from Promoter & Managing Director



Commenting on the results, **Mr. Arvind Goenka, Promoter and Managing Director** said

“Post the second wave of Covid-19 in Q1 FY22, there had been steady recovery in economic activities on the back of large vaccination drive in India with 1 billion shots by Oct 2021 and touched 1.5 billion shots by Jan 2022. We have recorded total income growth of 19% YoY for 9M FY22. However, we witnessed slowdown in demand from domestic as well as international markets due to the impact of third wave of Covid in European and South-East Asian markets.

Rising raw material prices and sea freight costs have impacted our margins and profitability for the quarter. We are taking necessary steps towards controlling costs and shall strive to price hikes for covering higher cost depending on the market environment.

We are pleased to inform that the Company has commissioned its first phase of 5,500 tonnes per annum capacity of Insoluble Sulphur at Dharuhera plant at Haryana from 21st December, 2021. Sulphuric acid plant commissioning is getting delayed due to supplier issues and expect to be commissioned by March 2022. We shall plan for the second phase of Insoluble Sulphur depending on the visibility of demand and market scenario going forward.

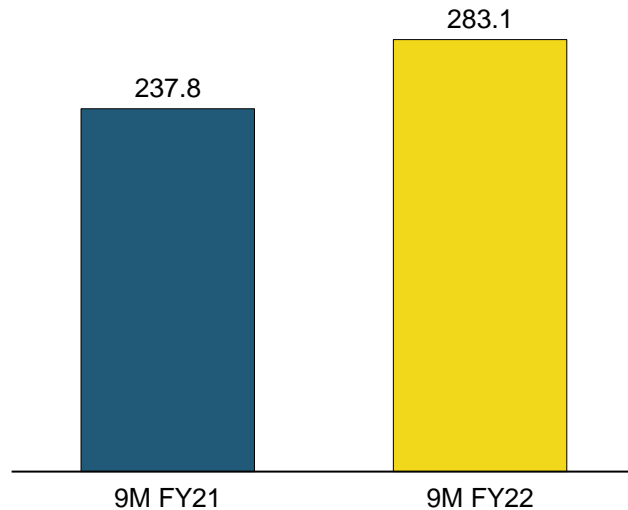
Overall, we expect demand from replacement and export segment to be normalized which should augur well for tyre industry. Also tyre demand from the commercial vehicle industry has remained strong over past few months on account of improved fleet utilization.

With the commissioning of our phase-I of capacity expansion, we are optimistic of gaining new orders in the quarters to come. Outlook for the Tyre industry appears stable to moderately optimistic in light of the shift towards personal mobility and increased vehicle utilization. We are focused on our efforts to deliver sustainable and profitable long-term growth with our dominant position in the industry and also proprietary manufacturing technology that the Company possesses. We are focused on increasing our penetration into high potential geographies like North America.”

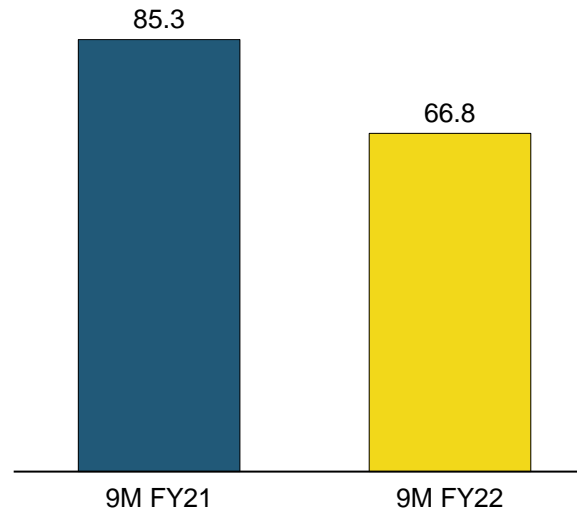
Standalone Financial Highlights: 9M FY22



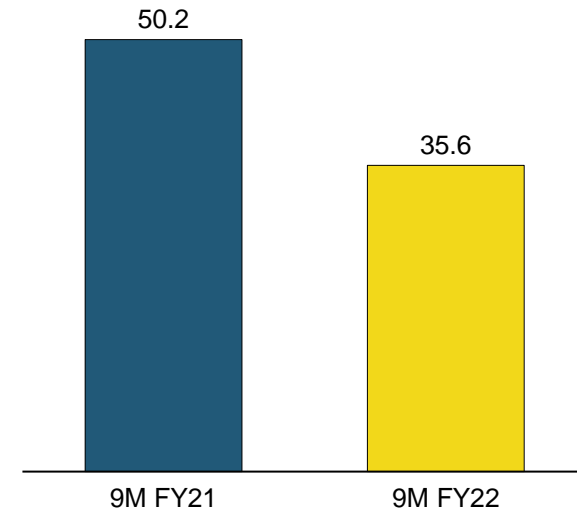
Revenues^ (Rs. Crs)



EBITDA^ (Rs. Crs)



PAT (Rs. Crs)



- Slowdown in demand during Q3 FY22 from domestic as well as international markets due to the impact of third wave of Covid in European and South-East Asian markets
- Rising Raw material and fuel prices have impacted the margins and profitability

Rs. In crs.

^incl. Other Income

Standalone Profit & Loss Statement



Particulars (Rs. Crs.)	Standalone					
	Q3 FY22	Q3 FY21	Q2 FY22	9M FY22	9M FY21	FY21
Total Income from Operations[^]	95.8	109.0	100.9	283.1	237.8	344.7
Raw Material*	32.5	22.7	35.4	90.8	48.9	79.1
Employee Expenses	11.4	13.0	11.6	34.5	33.5	44.0
Other Expenses	32.3	30.6	29.5	91.0	70.1	97.7
EBITDA[^]	19.7	42.8	24.3	66.8	85.3	124.0
EBITDA Margin (%) [^]	20.5%	39.3%	24.1%	23.6%	35.9%	36.0%
Depreciation	5.6	5.1	5.5	16.5	15.2	21.0
EBIT	14.0	37.7	18.8	50.3	70.1	103.0
EBIT Margin (%)	14.6%	34.6%	18.6%	17.8%	29.5%	29.9%
Finance Cost	1.3	1.3	1.2	3.6	4.9	6.3
Profit before Tax	12.8	36.3	17.6	46.7	65.2	96.6
Tax	2.2	7.9	5.0	11.1	14.9	21.6
Profit After Tax	10.6	28.4	12.6	35.6	50.2	75.0
PAT Margin (%)	11.0%	26.1%	12.5%	12.6%	21.1%	21.8%
Other Comprehensive Income	0.0	-0.7	1.1	0.8	-0.3	-0.4
Total Comprehensive Income	10.6	27.8	13.8	36.4	49.9	74.6
EPS	10.58	28.47	12.64	35.65	50.29	75.08

- ✓ The prices of key raw materials and fuel have increased sharply on account of inflationary trend and steep increase in commodity prices across the globe.
- ✓ Supply chain issues have led to increased expenses in terms of freight costs
- ✓ High freight costs and raw material prices have contracted the gross profit and EBITDA margins impacting the overall profitability of the company.

[^]incl. Other Income, *Total Raw material cost incl. change in Inventories

Consolidated Profit & Loss Statement



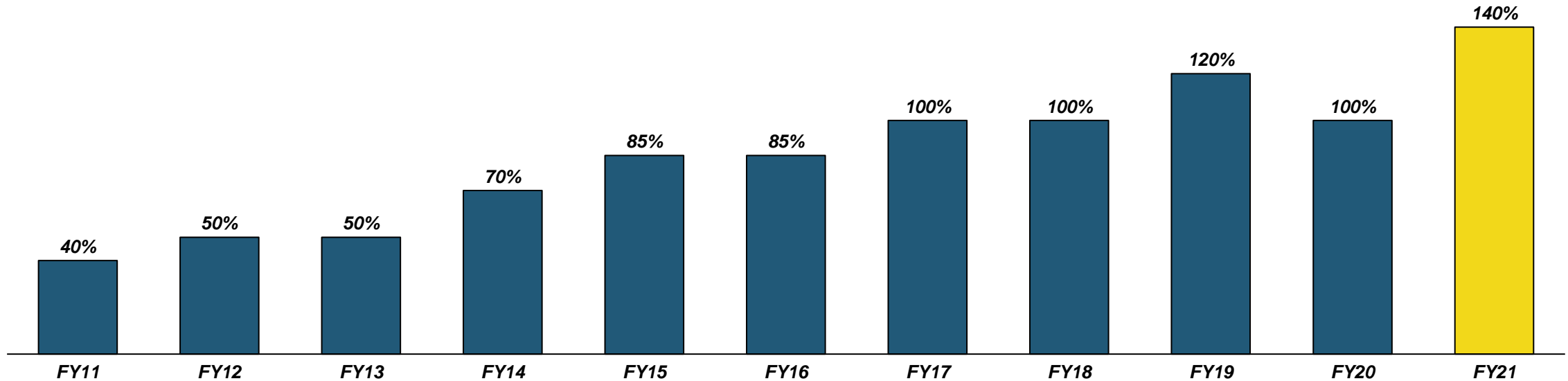
Particulars (Rs. Crs.).	Consolidated					
	Q3 FY22	Q3 FY21	Q1 FY22	9M FY22	9M FY21	FY21
Total Income from Operations^	110.0	120.3	114.7	322.3	265.4	386.5
Raw Material*	40.4	29.1	43.0	112.0	64.4	103.3
Employee Expenses	13.9	15.4	14.5	43.4	40.2	53.4
Other Expenses	33.5	31.6	30.6	93.9	72.5	100.9
EBITDA^	22.2	44.2	26.6	72.9	88.3	129.0
EBITDA Margin (%) ^	20.2%	36.8%	23.2%	22.6%	33.3%	33.4%
Depreciation	5.9	5.4	5.8	17.4	16.0	22.1
EBIT	16.2	38.8	20.8	55.5	72.3	106.9
EBIT Margin (%)	14.8%	32.3%	18.1%	17.2%	27.2%	27.7%
Finance Cost	1.3	1.4	1.2	3.7	5.1	6.5
Profit before Tax	14.9	37.5	19.6	51.8	67.2	100.4
Tax	2.9	7.9	5.5	12.5	14.9	17.4
Profit After Tax	12.1	29.6	14.1	39.3	52.2	83.0
PAT Margin (%)	11.0%	24.6%	12.2%	12.2%	19.7%	21.5%
Other Comprehensive Income	0.0	-0.7	1.1	0.8	-0.3	-0.4
Non-Controlling Interest	0.8	0.5	0.7	1.8	1.0	4.0
Total Comprehensive Income	11.3	28.3	14.5	38.3	50.9	78.6
EPS	11.32	29.04	13.35	37.50	51.29	79.08

^incl. Other Income, *Total Raw material cost incl. change in Inventories

Consistent Dividend Records



Dividend (% of Face Value)



The Board of Directors has declared an Interim Dividend for Financial Year 2021-2022 of Rs.7/- per equity share of Rs.10/- each (70% of FV)

Company Overview



MARKET LEADER

Duncan JP Goenka Group Company
One of the market leader in the production of Insoluble Sulphur

TECHNOLOGY DRIVEN

Aims to be the most respected, most preferred technology driven Insoluble Sulphur supplier to the Rubber industry

MANUFACTURING FACILITIES

State of the art manufacturing facilities in India at Dharuhera (Haryana) and at Mundra (Gujarat)

"REACH" Compliant

OCCL is a people and technology driven company. Our products are "REACH" compliant & Company has ISO40001 & ISO45001 certification

STRONG FINANCIALS

12 Year CAGR
Revenues – 9%
EBITDA – 18%
PAT – 21%

MARKET SHARE

Domestic Share of 55% - 60%
Global market share of ~10%
Customer Base + 40

RATING

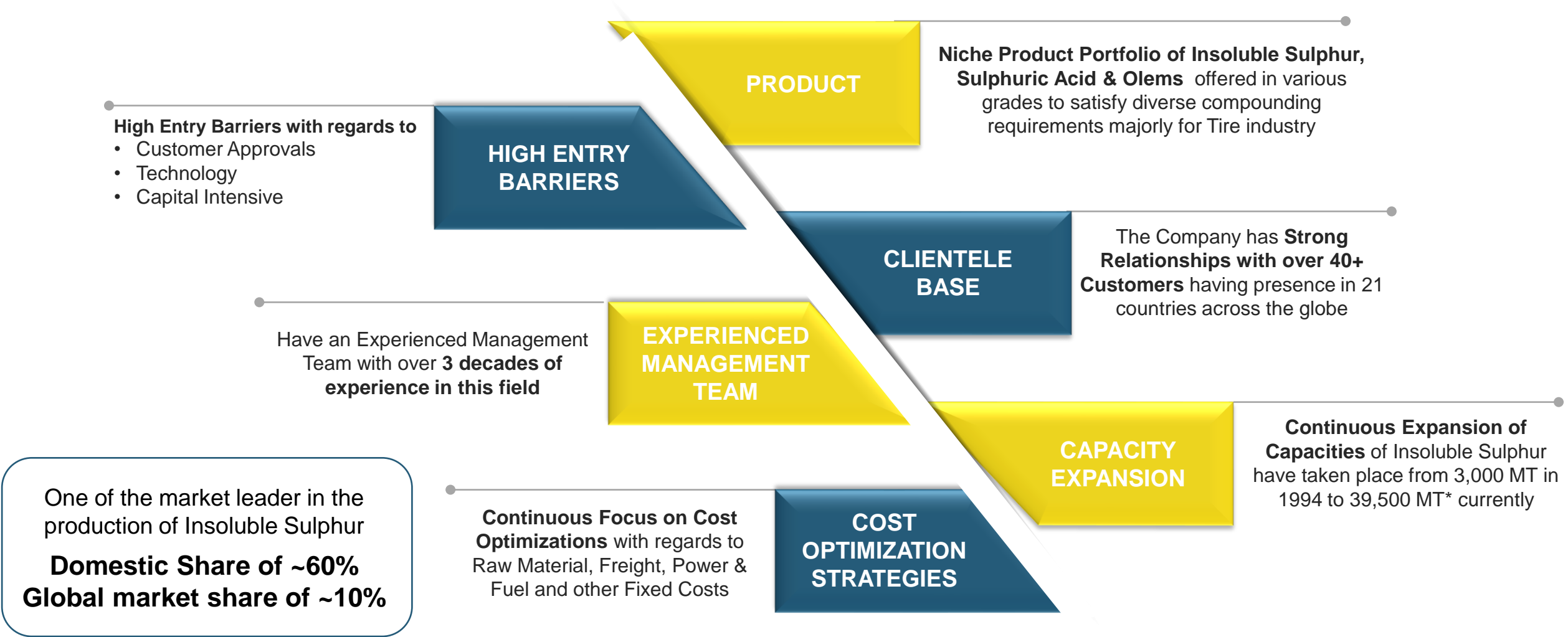
OCCL has been awarded with ECOVADIS GOLD SUSTAINABILITY RATING placing OCCL amongst the top 6% of the companies assessed globally



KEY STRENGTHS



Key Strengths



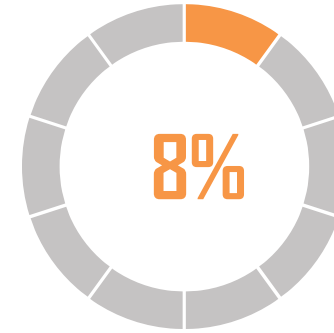
* Phase- I of 5,500 units of IS line commissioned from 21st December 2021

We deliver a Niche Product Portfolio...



INSOLUBLE SULPHUR

- **Insoluble Sulphur is sold under the brand “DIAMOND SULF”**
- Application : Used as vulcanising agent in application where sulphur loading levels are required above the sulphur solubility rating of particular elastomers
- DIAMOND SULF is offered in various grades to satisfy diverse compounding requirements majorly for Tire industry
 1. High Dispersion Grades
 2. High Stability Grades
 3. Special Grades



SULPHURIC ACID & OLEUMS

- **Manufactures both Commercial Grade and Battery Grade Sulphuric Acid and Oleums**
- Application : Dehydrating agent, catalyst, active reactant in chemical processes, solvent, detergents and absorbent
- **Offered in following Grades**
 - Grades of exact purity : Storage battery, rayon, dye, Detergent and pharmaceutical industries
 - Grades of less specifications : Steel, heavy chemical and superphosphate industries

With Strong Customer Relationships...



apollo

Continental 

BRIDGESTONE
Your Journey, Our Passion

MRF

GOODYEAR 

 **JK TYRE**
TOTAL CONTROL



**NOKIAN
TYRES**

CEAT



**SUMITOMO
RUBBER INDUSTRIES**

Having Presence in 21 Countries



...across the globe

Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness.

We have Continuously expanded...

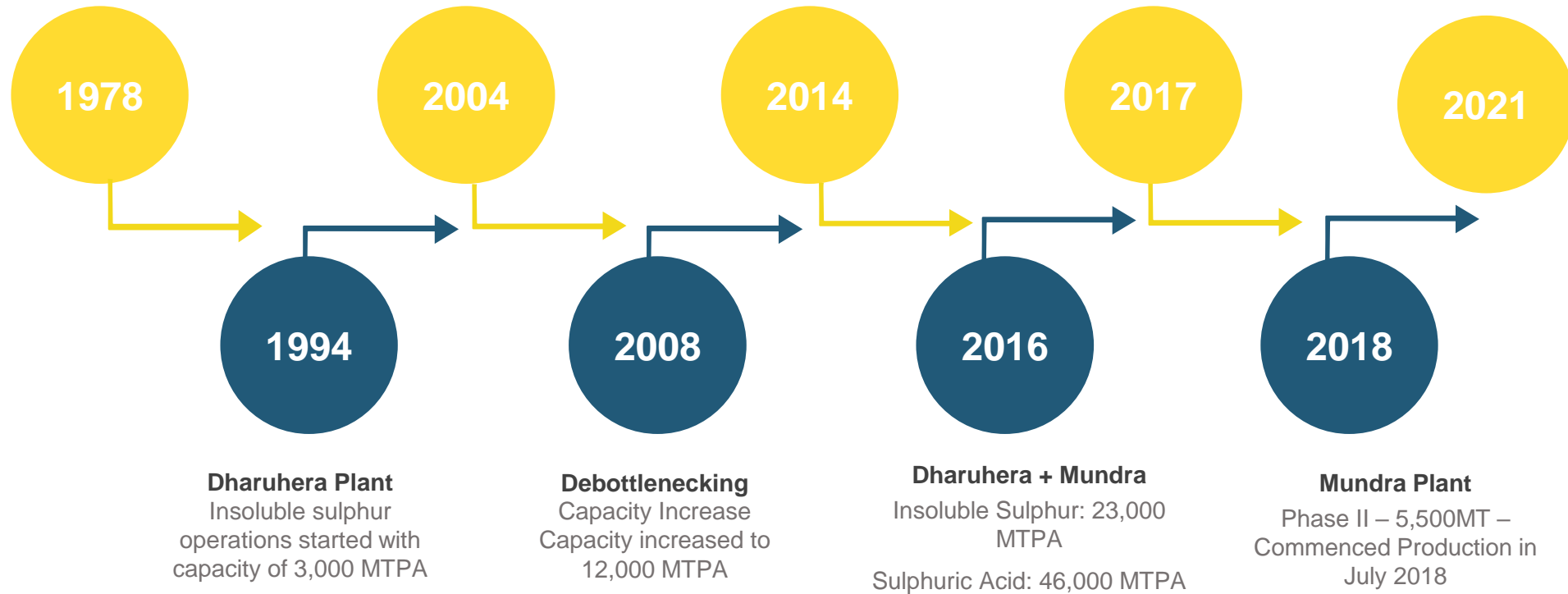
Dharuhera Plant
Incorporated as Dharuhera Chemicals Ltd to manufacture Sulphuric Acid of 30,000 MTPA

Dharuhera Plant – EOU
Set up 2nd line of Insoluble Sulphur with capacity of 4,000 MTPA

Mundra Plant – Phase I & II
Set up Insoluble Sulphur Capacity of 11000 MTPA
Acquired 50% Equity shares of Schrader Duncan Ltd.

Mundra Plant
Increase Insoluble Sulphur Capacity by 11,000 MTPA
Phase I – 5,500MT (2017) – Commenced Production

Dharuhera Plant
Phase I – 5,500MT – Commenced Production in December 2021



Having State of Art Manufacturing Facilities...

Product name	Annual Capacity (MT)	Location	No. Of Lines
Insoluble Sulphur	17,500*	Dharuhera (Haryana)	3
Insoluble Sulphur	22,000	SEZ Mundra (Gujarat)	4
Sulphuric Acid / Oleum	46,000	Dharuhera (Haryana)	1



* Phase- I of 5,500 units of IS line commissioned from 21st December 2021

We use Cost Optimization Strategies

KEY RAW MATERIAL

Sulphur available easily due to ample supply

Naphthenic Oil is procured from domestic as well as international players

LOGISTICAL ADVANTAGE

Presence at the Port gives Location Advantage of reduced Logistic & Freight Cost

~67% of the sales constitutes Exports

FIXED COSTS

With increase production at the plants Operating Leverage to play out

Expansion has resulted in reduced Fixed cost/ Overheads per MT as R&D and Utilities have been shared

POWER COST OPTIMIZATION

Self-Sufficiency of steam for Plant at Dharuhera

Benefits from Lower Power Cost in SEZ Gujarat

TAX BENEFIT

SEZ location of Mundra Plant - Tax Exemption benefit

Experienced Management Team



Mr. J. P. Goenka - Promoter & Chairman

- Graduate from Kolkata University – An Industrialist associated with the renowned multi-Industry group name Duncan
- Having 55 years of Experience in the industries of diverse business interests such as Jute & Cotton Textiles, Wool-Tops, Industrial Explosives, Rubber Chemicals & Engineering products

Mr. Arvind Goenka - Promoter & Managing Director

- Commerce Graduate from Kolkata University with 30 years of Experience in managing jute, lubricants and carbon black industry with expertise in finance & international marketing
- Responsible for the Long-term Goal Setting & Monitoring the progress of the Company

Mr. Akshat Goenka - Promoter & Jt. Managing Director

- Graduate in Economics & International Relations from University of Pennsylvania, USA
- Lead the team for setting up new Plant for manufacturing Insoluble Sulphur at SEZ Mundra, Gujarat

Mr. Anurag Jain - Chief Financial Officer (CFO)

- Part of the company from more than 30 years
- He brings dynamism to the Financial & Commercial Operations of the company & has played a key role in the Growth and Restructuring of the company over the years

Mr. Vijay Sabbarwal: President (Operations)

- He is an IIT graduate & heading the Operations of the company from 2014
- Has over 25 years of experience in diverse Industrial segments like Chemicals, FMCG, Consumer Durables, Auto etc

Mr. Muneesh Batta: Vice President (Marketing)

- An M.B.A (International Business) with over 20 years of experience in International business
- Responsible for marketing of Insoluble Sulphur & increasing market share of Diamond Sulf overseas

Having High Entry Barriers

<p>Product Portfolio</p>	<ul style="list-style-type: none"> • Various grades to satisfy diverse compounding requirements of leading tire manufacturers • Ongoing development of New Grades to meet Customer requirements
<p>Customer Approvals</p>	<ul style="list-style-type: none"> • Minimum 24 months required by Customers to approve & validate product from new supplier • Widely accepted around the world as a preferred vendor by leading tire manufacturers
<p>Capital Intensive</p>	<ul style="list-style-type: none"> • Edge over the others - Proven Track Record In-house Technology
<p>In house Technology</p>	<ul style="list-style-type: none"> • In house R&D team works on a continuous basis to improve Quality of product and its Properties • In house technology team to maintain the technical and quality edge at each production stage

OCCL has successfully implemented its In-house Technology which has been approved by all our Customers across the globe



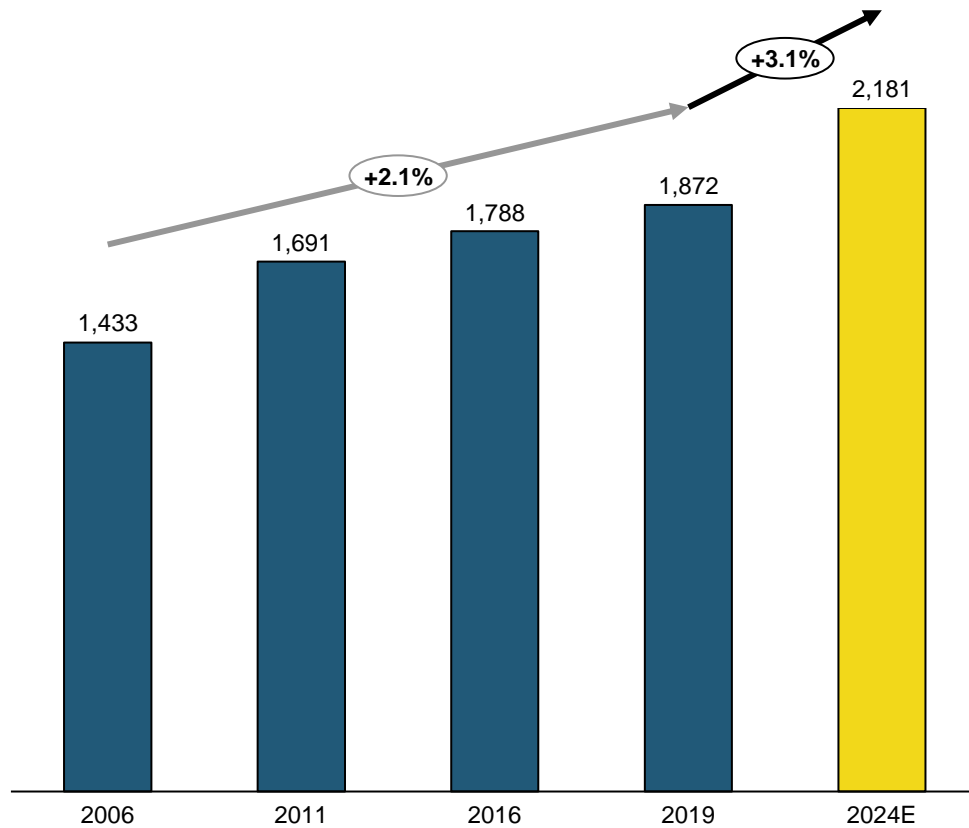
KEY GROWTH OPPORTUNITIES



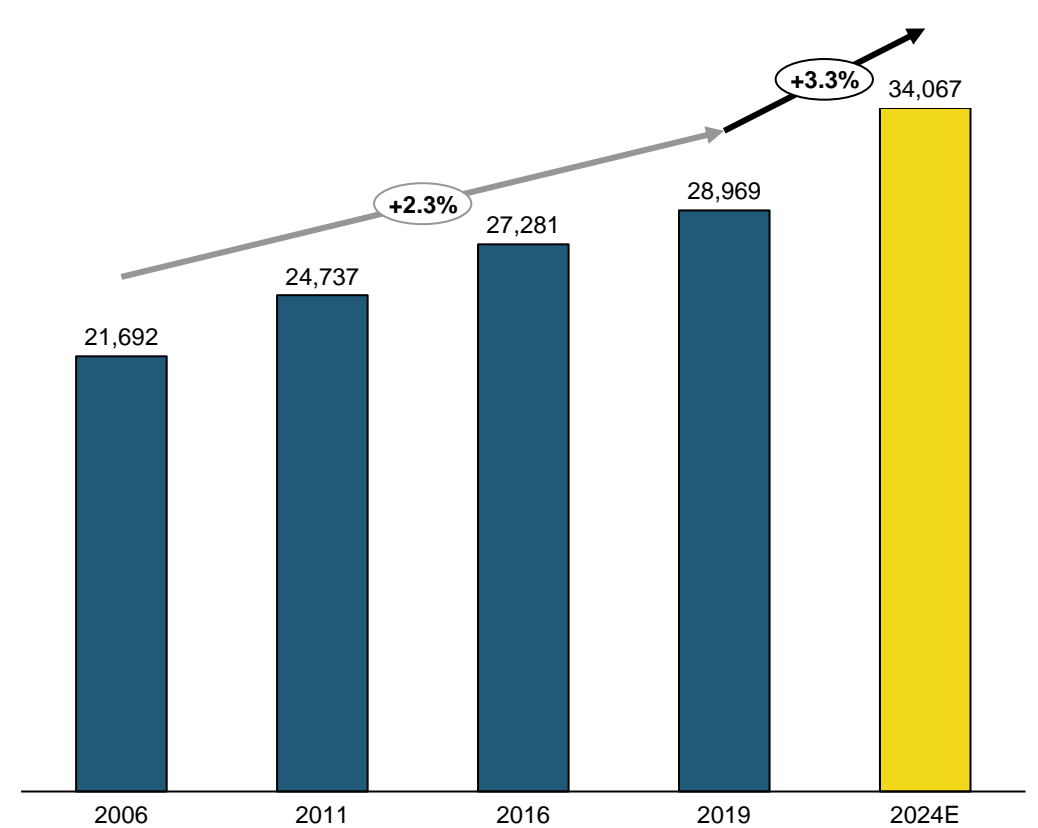
Global Tyre Industry



Tyre Production (mn units)



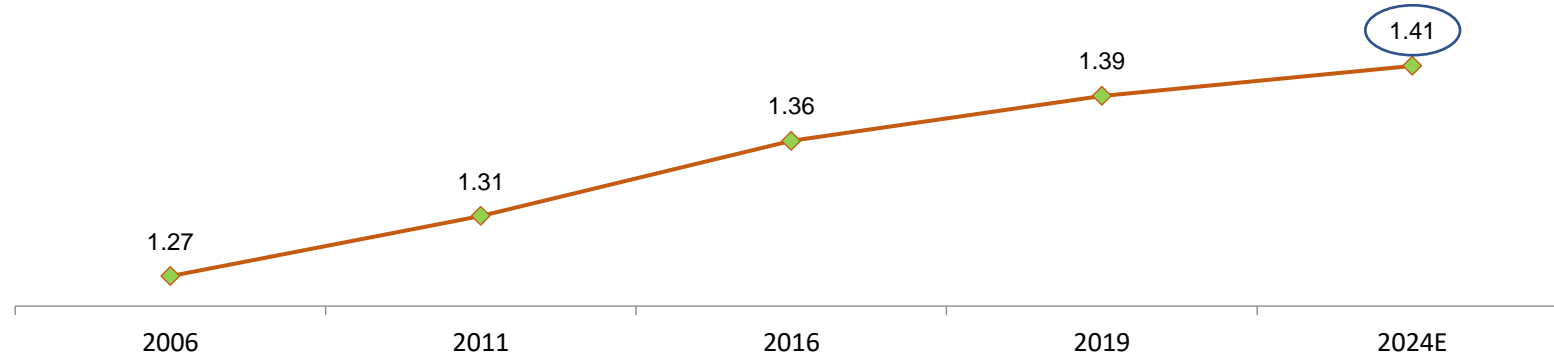
Tyre Rubber Consumption (‘000 tonnes)



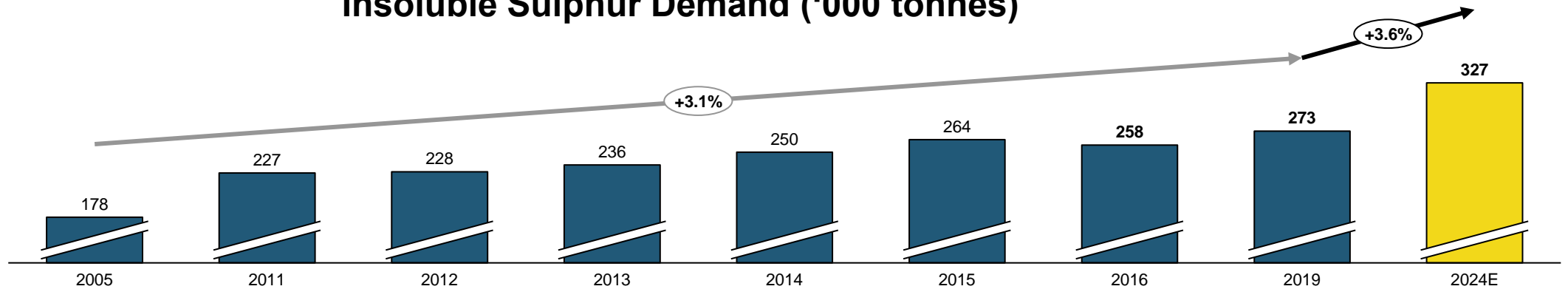
Source: Notch Report

Insoluble Sulphur – Demand Forecast

Radialisation Effect
Insoluble Sulphur to Tire Rubber Ratio



***Insoluble Sulphur Demand ('000 tonnes)**



Source: Notch Report

* Also incl. Insoluble Sulphur used for Non-Tire Goods



Capacity Expansion

- Capacity expansion at Dharuhera, Haryana
- In-house technology and Common Infrastructure available
- Strategic Location to meet Export demand
- Approval from all Large Global Tire Companies

Radialization

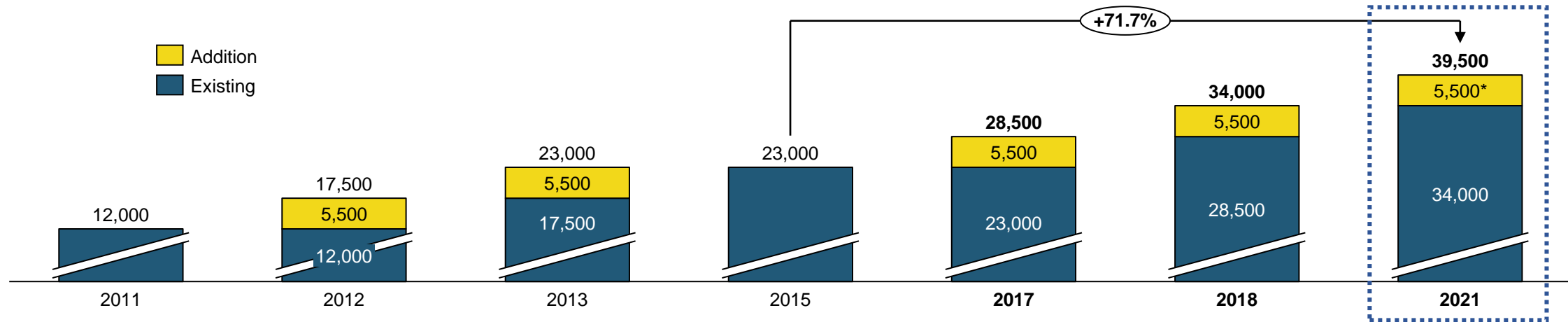
An increase in rate of Radialization in Commercial Vehicles in India will lead to an increase in requirement of Insoluble Sulphur

Geographical Penetration

- North America is the largest market for Insoluble sulphur with potential for growth to increase share
- Insoluble sulphur requirement increasing at a fast pace in Asia – High Growth Market

Increase in Automation in Tire Industry and Higher Performance Expectation from Tires will also drive the demand of Insoluble Sulphur

Capacity Expansion...Ready for Future Growth



Brownfield Expansion To cater to the Growth in Insoluble Sulphur Demand

- Large Tire manufacturers expanding their business in Asia – High Growth Market
- Grabbing opportunities of increasing Radialisation in India
- Strong R&D and in house Technology to support future expansion
- Increase in market share in the Domestic & International market
- Increase presence in North American Market
- Increase from Natural Growth of Existing Customers

* 5,500 units of IS line commissioned from 21st December 2021

Expansion Plan



INSOLUBLE SULPHUR

Expansion of Insoluble Sulphur Capacity
by **11,000 MT** in 2 phases of **5,500 MT** each

First phase of **5,500 MT** of Insoluble Sulphur line commissioned at
Dharuhera (Haryana) from 21st December 2021

SULPHURIC ACID

Expansion of Sulphuric Acid Capacity
by **42,000 MT**

Total Capacity of Sulphuric Acid would become **88,000 MT**

Sulphuric acid plant commissioning is getting delayed due to supplier issues and expect to be commissioned by March 2022



For further information, please contact:

Company :

Investor Relations Advisors :

Oriental Carbon & Chemicals Ltd.

CIN: L24297WB1978PLC031539

Mr. Anurag Jain - CFO

anuragjain@occlindia.com

<http://www.occlindia.com/>

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

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