



MEGHMANI FINECHEM LTD.

Regd. Office: CH/1, CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Bharuch - 392 130. Gujarat, (INDIA)
Phone: +91- 635 9953661/62/63/64/65, E-mail : helpdesk@meghmani.com,
URL: www.meghmani.com CIN: U24100GJ2007PLC051717

20.08.2021

To,

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) <u>Mumbai 400 051</u> SCRIP CODE: MFL	BSE Limited Floor- 25, P J Tower, Dalal Street, <u>Mumbai 400 001</u> SCRIP CODE: 543332
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Dear Sir/s

Sub:- Corporate Presentation.

We forward herewith the Corporate Presentation prepared by the Company.

The presentation will be shared to Investors for Virtual Conference/Investors Meet/Conference Call.

We request you to take note of the above and place it for information of members.

Thanking you.

Yours faithfully,

For Meghmani Finechem Limited

K. D. Mehta
Company Secretary & Compliance Officer



MEGHMANI FINECHEM LIMITED

Corporate Presentation



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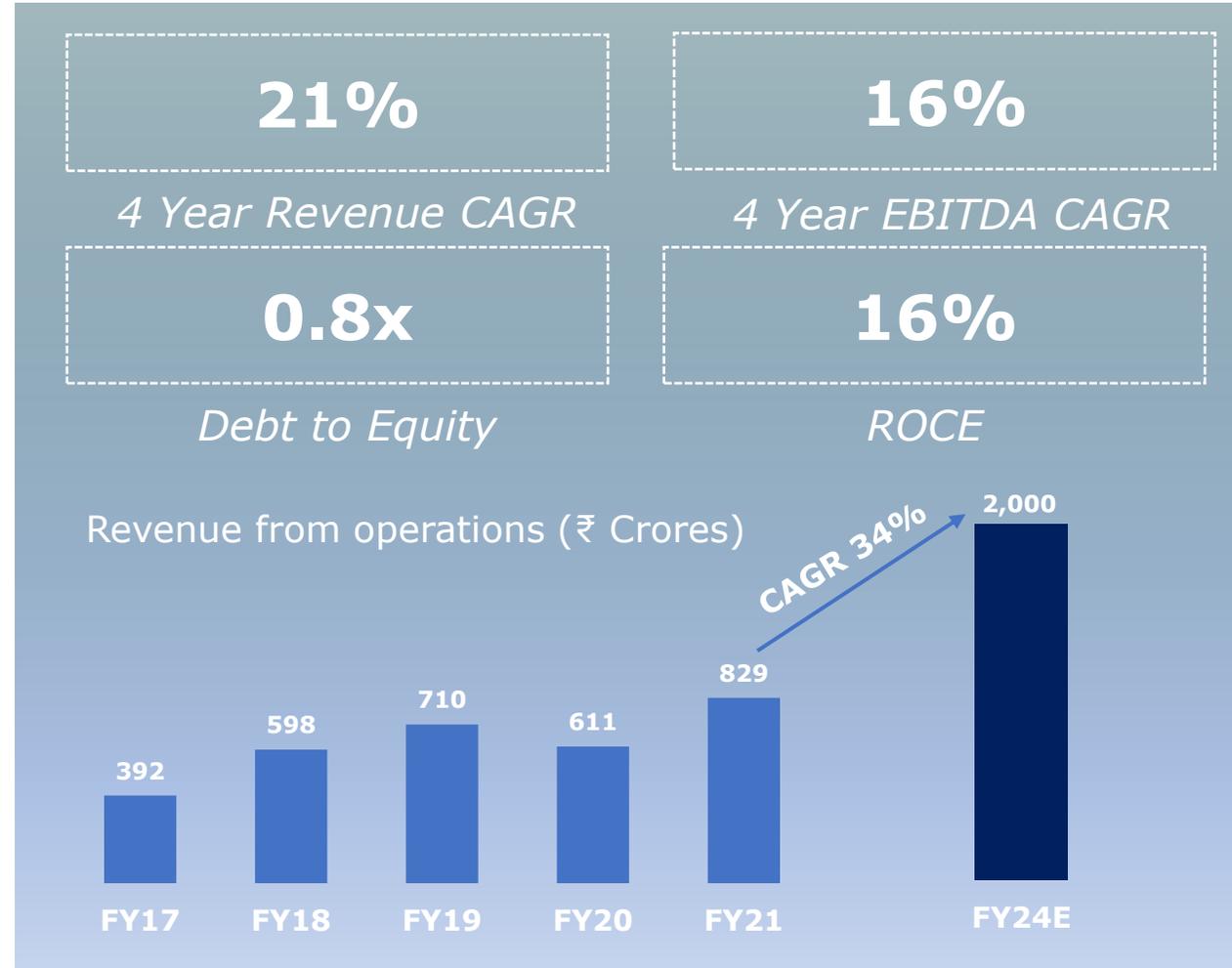
Certain statements in this presentation concerning our future growth prospects are forward looking statements which involve a number of risks and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Risk and uncertainties relating to the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

The Next Gen Business

-  **Founded:**
2007
-  **Employees:**
700+
-  **Capacity: Chlor-Alkali – 315 KTPA**
Derivatives – 110 KTPA
-  **Captive Power Plant:**
96MW
-  **Years of Experience:**
35+



What are we into

ESG Focus

- Strong focus on sustainability - awarded with **the 'Responsible Care' Logo by ICC**

Our Business

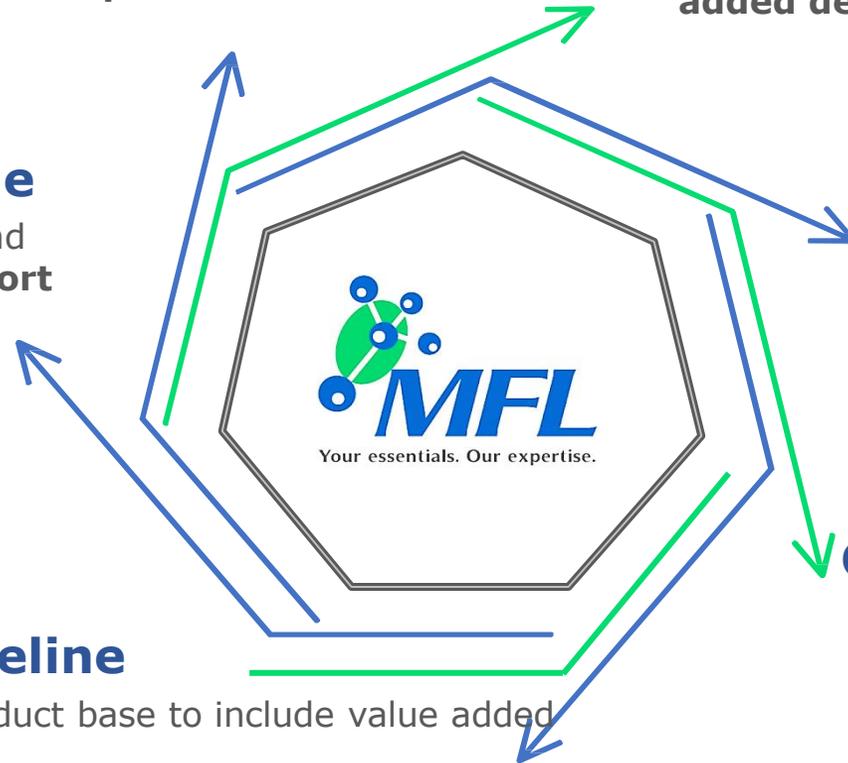
- Leading producer of **Chlor-alkali products and value added derivatives**

Competitive Advantage

- Domestically produced ECH and CPVC to **largely replace import**

Strategic Location

- State of the art manufacturing facilities in Gujarat, **Dahej –India's leading PCPIR region**



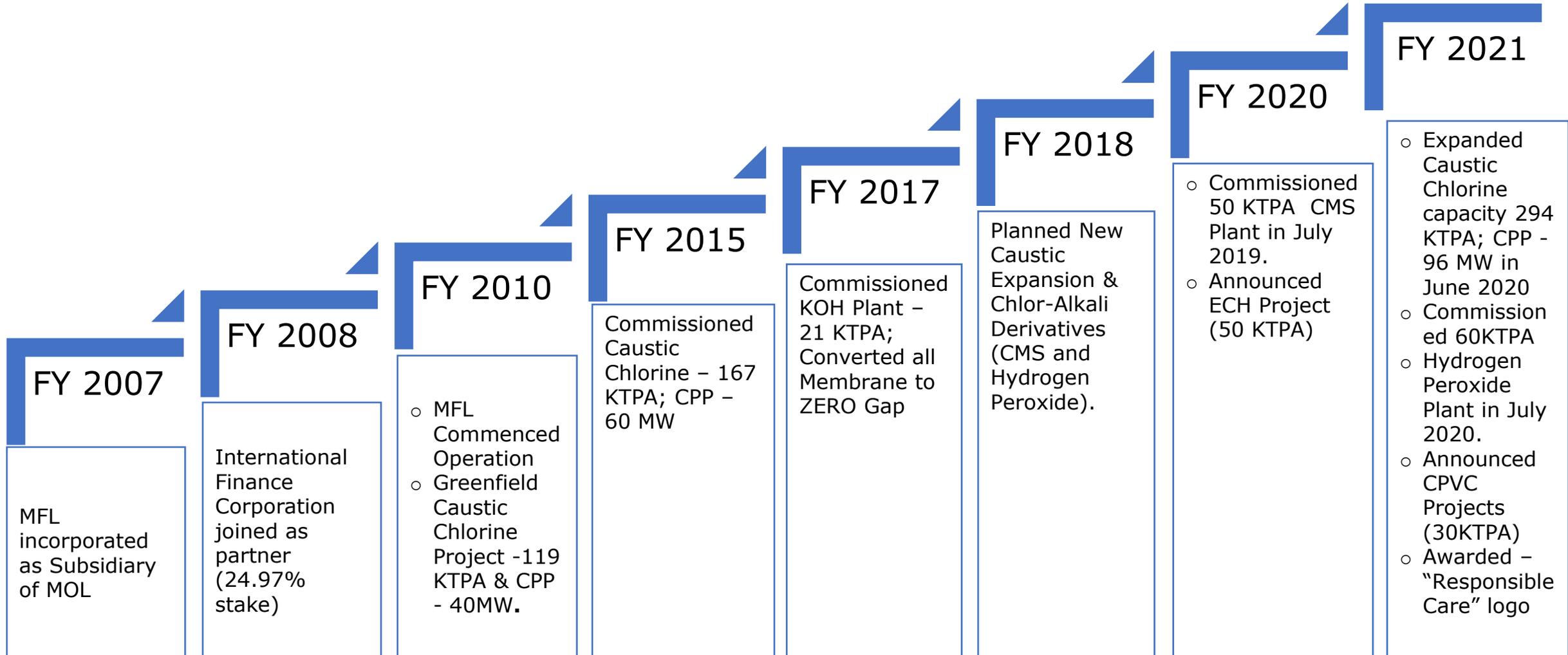
Product Pipeline

- Expanding product base to include value added products
 - **Epichlorohydrin [ECH]**
 - **Chlorinated Polyvinyl Chloride [CPVC]**

Our Products

- Currently producing key products like
 - **Chlor-alkali**
 - **Chloromethane**
 - **Hydrogen Peroxide**

Our Evolution



Driven by Strong Values

Sustainable long term value creation

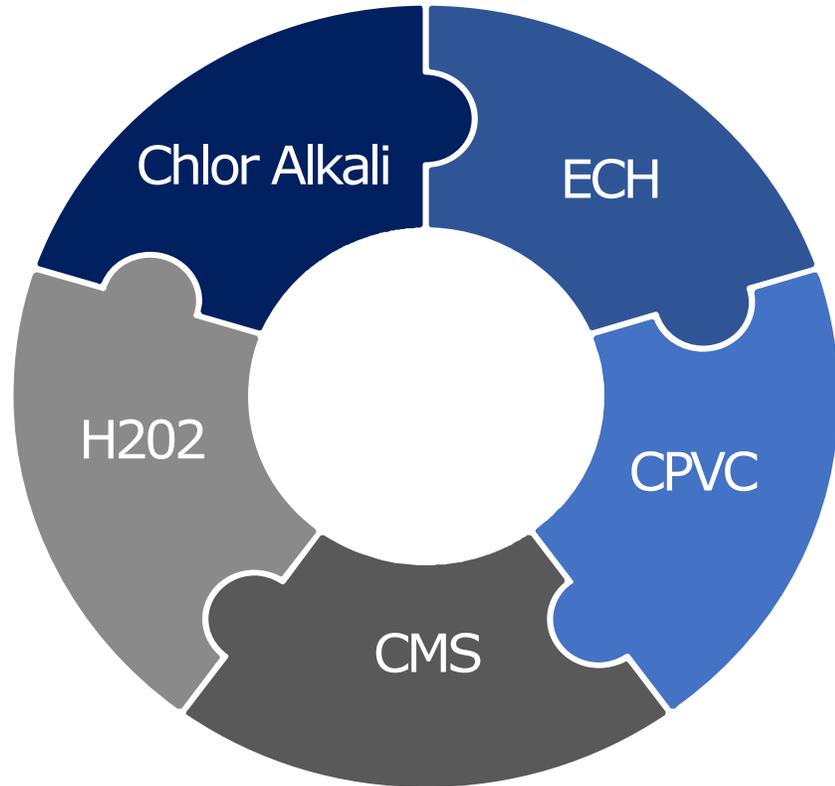
Values: The principles that guide our company strategy



MFL Evolving to value added products

Enabling Capabilities

Fully Integrated Product Portfolio



High Value Products

Import Substitution – Make in India

Diversified End User Industries

Sole Manufacturer of ECH in India

Diversifying Portfolio; De-Risking Business Model

**CMS – Chloromethane, H2O2 – Hydrogen Peroxide, CPVC – Chlorinated Polyvinyl Chloride, ECH – Epichlorohydrin*

Unmatched Strategic Positioning

Competitive Strength



Well Invested Infrastructure

- State of the art manufacturing facility
- Strategic location with close connectivity to ports and raw material availability.
- Large customer base within a 100 km radius



Well established brand

- MFL is a known brand in Indian chemical market
- Serving domestic customers for last 12 Yrs
- Pan India reach through a wide network of distributors



Focused on Efficiency

- Low cost operations as fully backward and forward integration
- Fully automated complex
- Continuous addition of value added products



Diversified Application Base

- Catering to more than 15 industries
- Revenue split is evened out among customer base
- End user market growing rapidly

Underpinned by a Technically Qualified Leadership Team

Catering to High Growth Industries

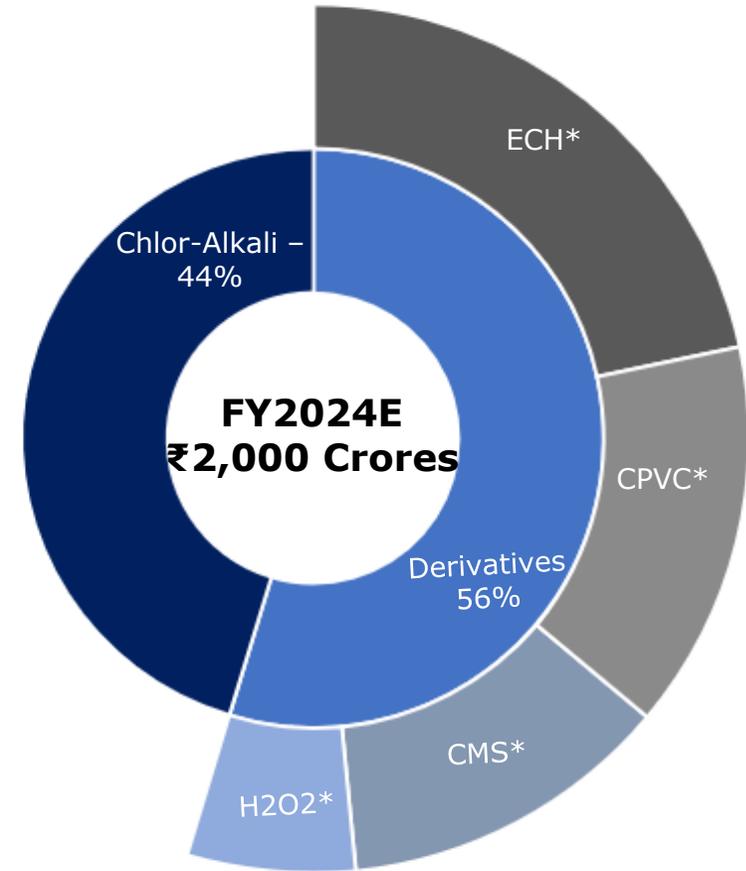
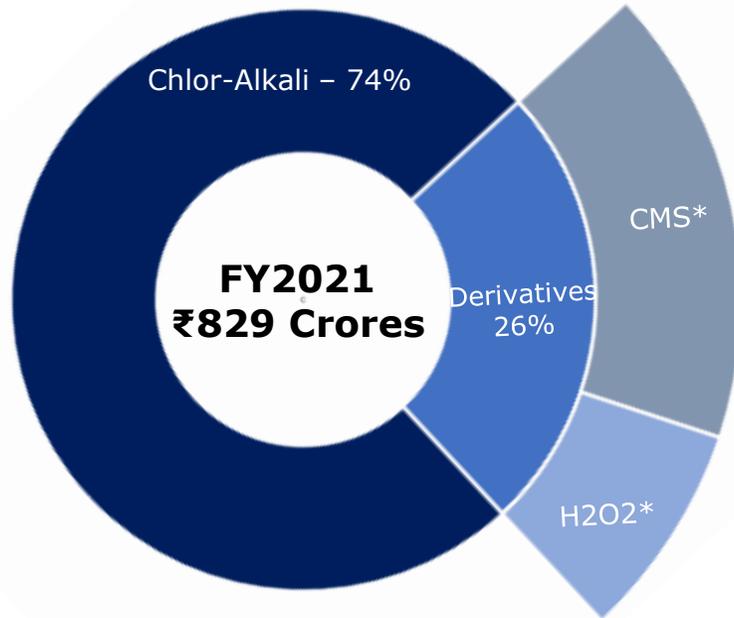
Increased market potential & higher growth exposure



The addressable market for MFL is growing ~10-13% in the next 5 years giving it a huge headroom for growth

Transitioning to Value added products

High value products to fuel future growth



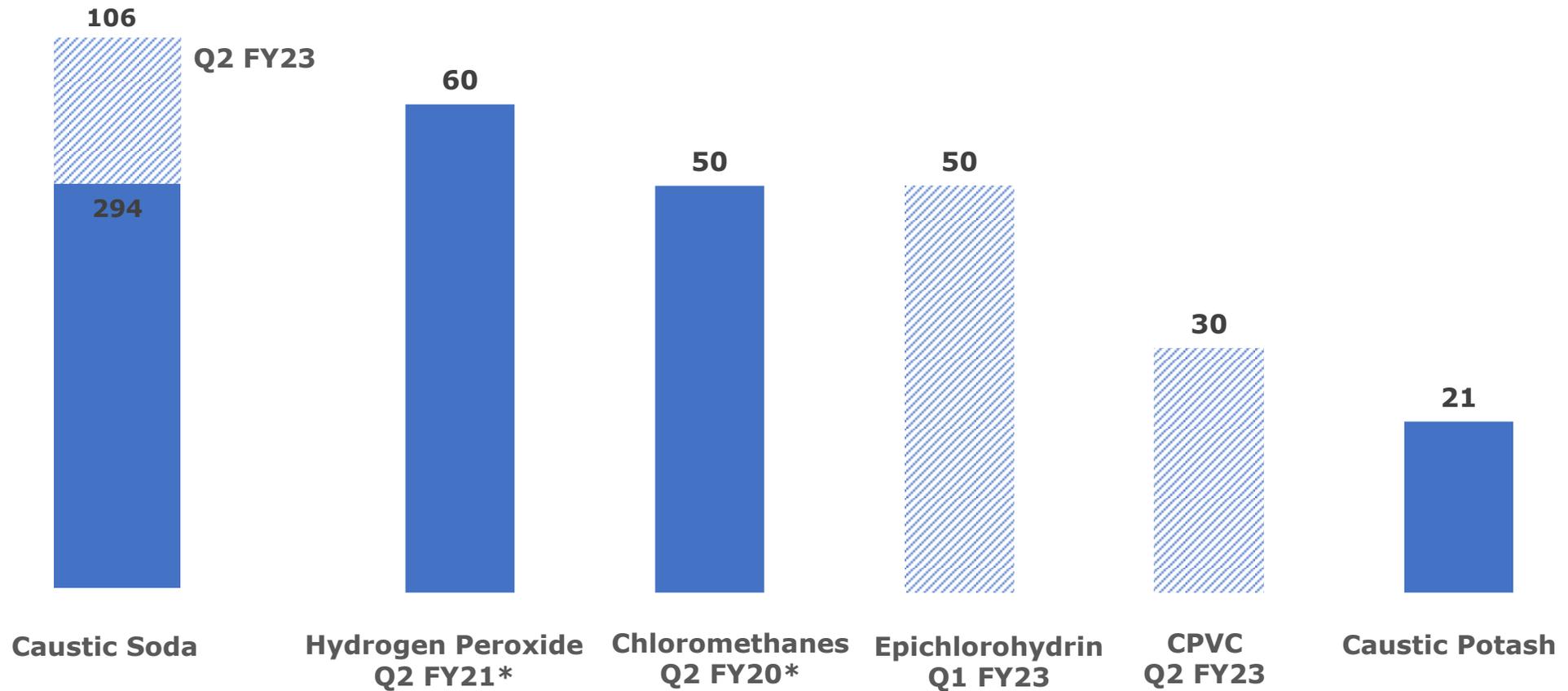
Revenue from the derivatives segment to be >50% by FY24

*CMS – Chloromethane, H2O2 – Hydrogen Peroxide, CPVC – Chlorinated Polyvinyl Chloride, ECH – Epichlorohydrin

Levers of Future Growth

High-margin products with low-cost capacity expansion

Manufacturing Plant Capacity ('000 TPA)



 Expected Commissioning , * Commissioning date

De-Risked and Diversified Product Portfolio

Existing Products

Hydrogen Peroxide

3rd Largest Producer in India

- The Indian Hydrogen Peroxide market was pegged at Rs. 8.5 billion in FY20 and is expected to grow at 7% CAGR in the coming years
- The industry's capacity stands at 384 KTA
- The demand for Hydrogen Peroxide will continue to grow driven by diverse industrial uses - paper, textiles, chemicals, etc

Chloromethane

3rd Largest Producer in India

- Chloromethane's market is driven by MDC demand growing all over India
- The domestic MDC market was valued at Rs. 14.7 billion in FY20 and is expected to grow at 6% CAGR in the coming years
- The Indian industry's capacity stands at 351 KTA
- Chloromethane's demand is driven by key application segments, like pharmaceuticals, crop protection product, Fluoropolymers, paint remover, chemical processing, foam manufacturing, metal clearing, etc.

Caustic Soda

4th Largest Producer in India

- India's demand for caustic soda likely to grow with CAGR @ 3-4% per annum
- Demand of Caustic Soda will increase to 4.2 Mn Ton by FY 2023
- Provide key raw material to downstream projects viz. ECH and CPVC under value chain addition program
- Cater the need of raw material like Caustic Chlorine and Hydrogen to Group companies for their Expansion Projects
- Additional capacity in existing infrastructure leading to better absorption of overheads

Expanding our product portfolio

Significantly replacing imports

CPVC

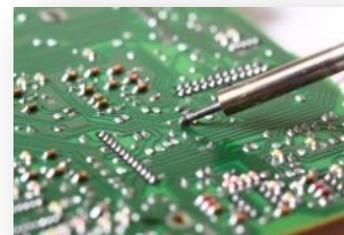
- ❖ India's CPVC Requirement: 126 ktpa
- ❖ Demand CAGR: 13%



- Key raw material for heat resistant pipes
- Antidumping duty Imposition on Imports from China and Korea creating opportunity for domestic Market.
- Growing demand of CPVC in India for Pipe and Fittings in Chemical processing and Irrigation.
- India's pipe market size to reach USD \$5B by2027

Epichlorohydrin (ECH)

- ❖ India's ECH Requirement: 62 ktpa
- ❖ Demand CAGR: 10%



- First company in India to produce sustainable bio based ECH
- Domestic alternative for 100% imported product
- Competitive advantage due to captive raw materials
- Estimated Capex of ₹ 270 Cr, with a capacity of 50ktpa

Professional Management Team

Mr. Maulik Patel
Chairman & Managing Director

Mr. Kaushal Soparkar
Managing Director

Mr. Magan Hania
Manufacturing

Mr. R. S. Rajan
Manufacturing - CPP

Mr. Sanjay Jain
Chief Financial Officer

Mr. Naresh Agarwal
Sales & Marketing

Mr. Pritesh Shah
Supply Chain

Mr. Hamid Sayyad
EHS

Mr. Vikram Bhatt
Human Resource

Mr. Milind Kotecha
Investor Relations

Focussed on Sustainable Operations

Strong ESG Focus

Our Sustainability Standards



Employee & Community Care

- We support, develop and inspire our people to achieve their personal best and treat them with dignity and respect.



Resource Efficiency

- We manage critical resources to minimize consumption and waste, increase reuse and recycle of materials, and drive operations efficiently.



Energy & Climate Cognizance

- We strategically manage our energy and carbon footprint, driving greater efficiency and increasing utilization of renewable resources.



Process Innovation

- We seek to maintain this commitment through an intensive practice of "never-ending process of improvement."

MFL's **upcoming ECH plant** is India's first plant to run on **100% renewable sources**.

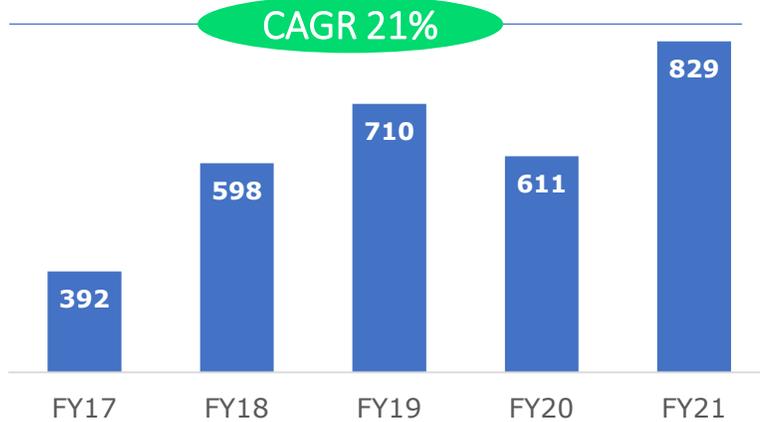
MFL has been awarded the highly recognized "Responsible Care" logo and committed to the **highest standards of health, safety and environment performance**.



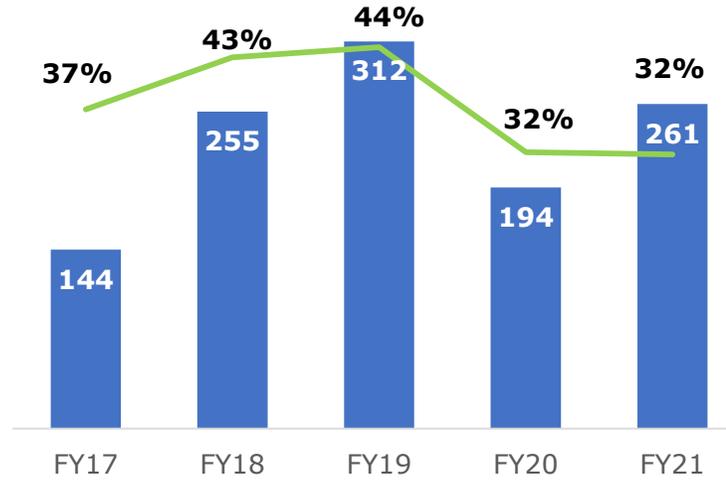
Generating Sustainable Profits

Stakeholder Value Creation

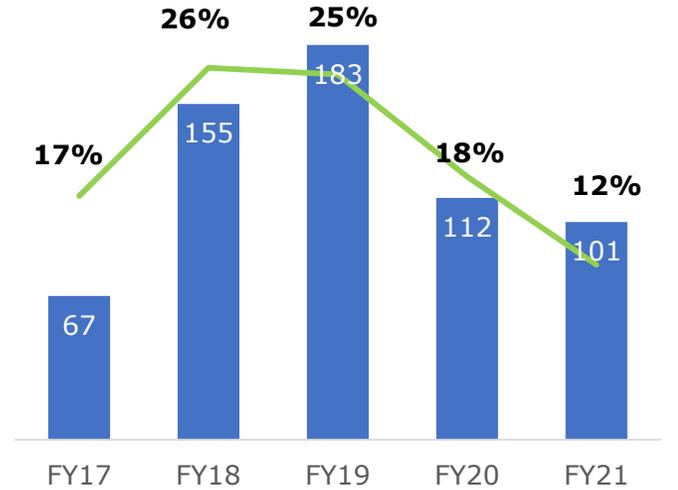
Revenue from operations
(₹ Crores)



EBITDA (₹ Crores)



PAT (₹ Crores)



EBITDA Margin

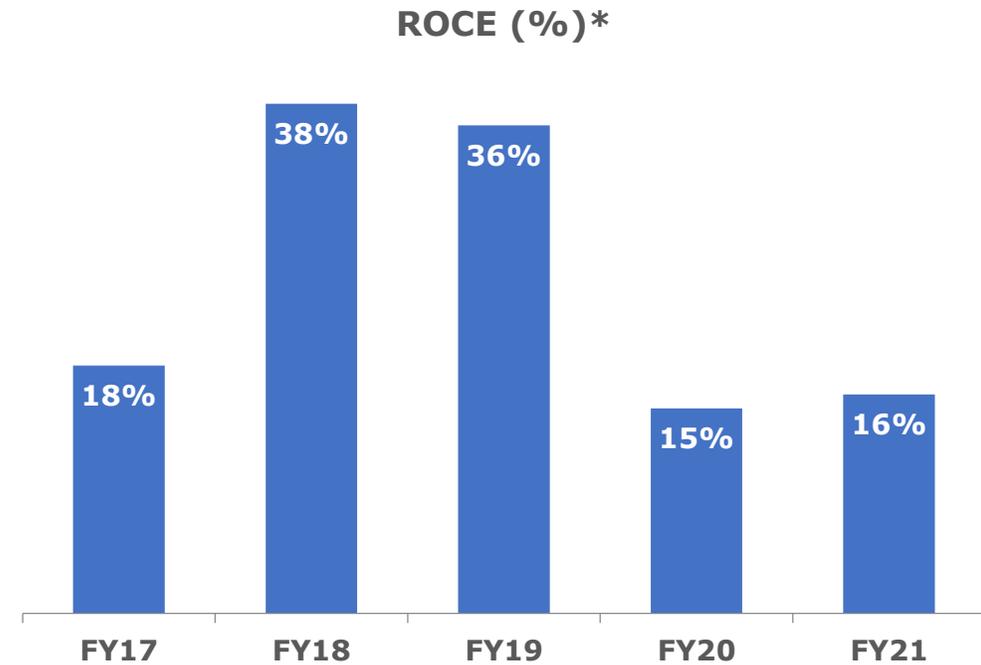
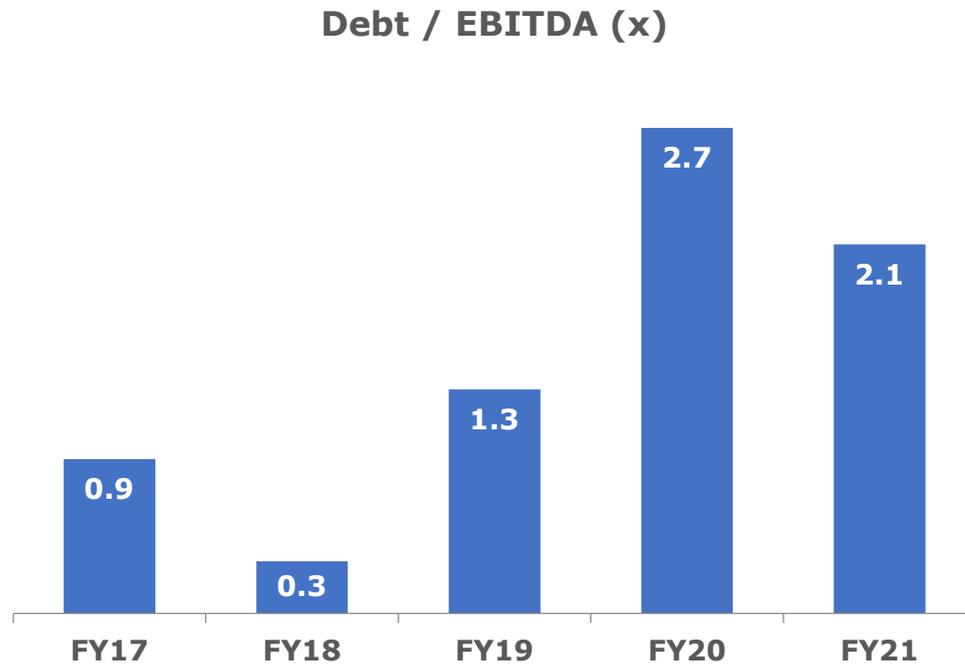
PAT Margin*

*PAT in FY21 affected due to higher depreciation & finance cost

Strong Growth Track Record

Maintaining Strong Balance Sheet

Achieving Strong growth without extensive debt



**ROCE for FY20 & FY21 was impacted by higher CAPEX*

Superior Balance Sheet Strength

Priorities going forward



INTEGRATION:

Strengthen the fully integrated portfolio through process optimisation and efficiency improvements



COST:

Accelerate the next gen business and improve economies of scale

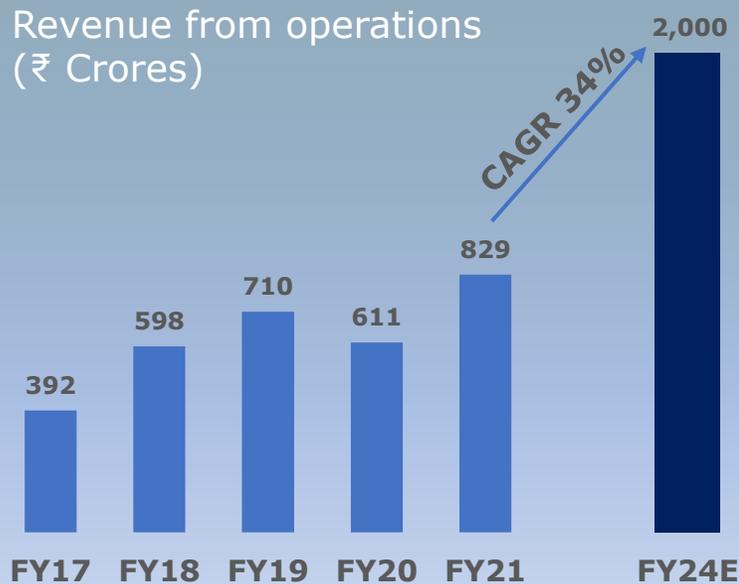


GROWTH:

Identify high value products to further improve business portfolio

Investment Thesis

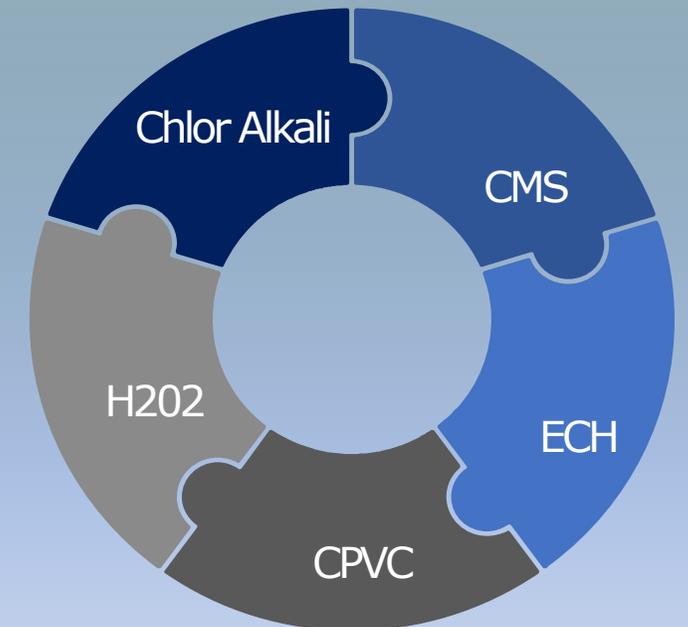
State of the art and scalable manufacturing facilities.



Demerger unlocks the value of 'Chloro Alkali and its value added Derivatives' business currently embedded in the value of Meghmani Organics ('MOL')



Setting up India's first bio based ECH manufacturing facility and expanding its product portfolio to value added derivatives

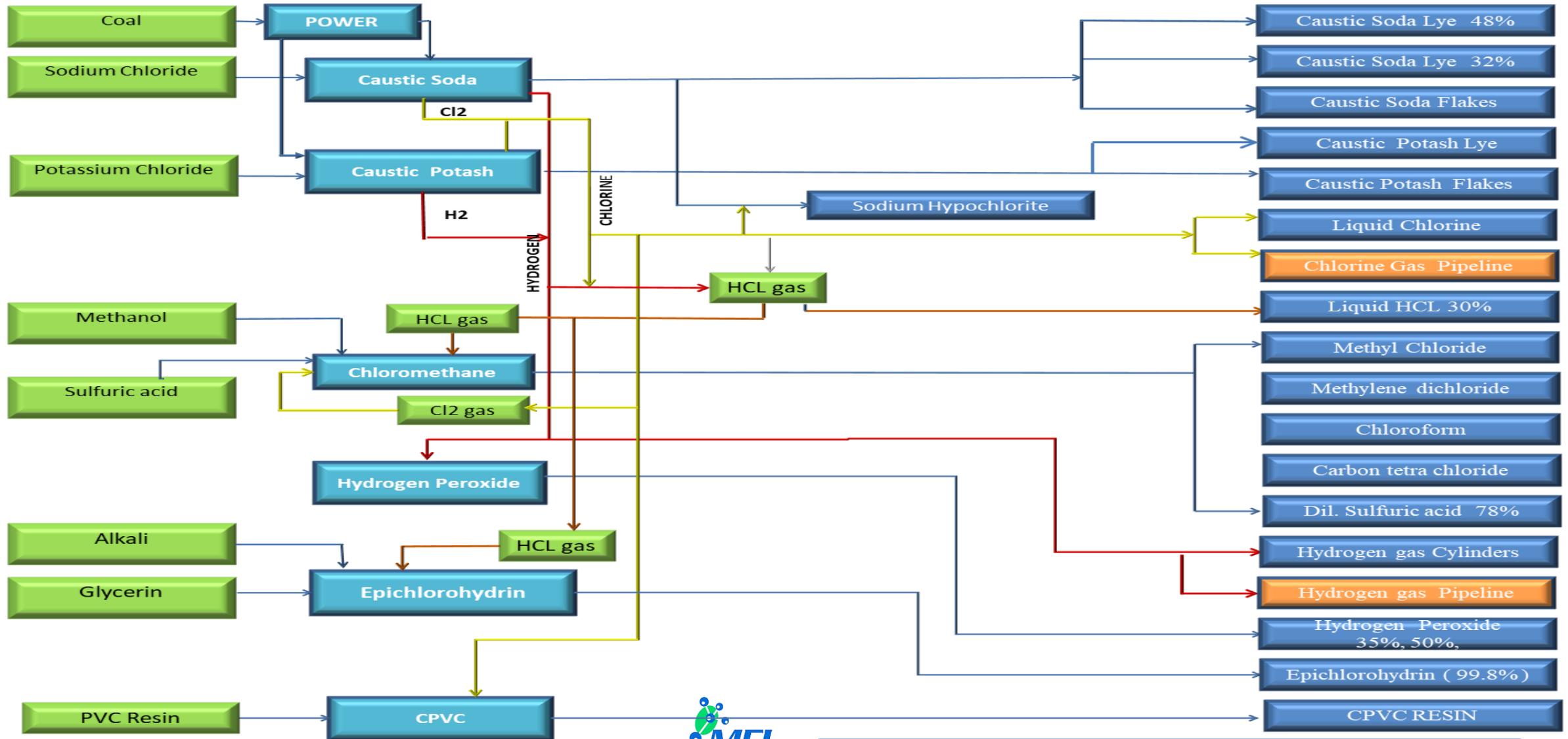


APPENDICES



Fully Integrated Complex

Process flow chart at Dahej Plant



Historic Income Statement

Particulars (₹ Cr)	FY17	FY18	FY19	FY20	FY21
Total Revenue	393	602	720	613	831
Gross Profit	167	359	455	335	443
Gross Margin (%)	43%	60%	64%	55%	53%
EBITDA	144	255	312	194	261
EBITDA Margin (%)	37%	43%	44%	32%	32%
Depreciation	55	55	54	44	74
Finance Cost	14	9	25	11	29
PBT	75	195	242	141	161
PAT	67	155	183	112	101
PAT Margin (%)	17%	26%	25%	18%	12%
EPS (₹)	9.4	22.0	25.1	27.0	24.3

Historic Balance Sheet

Assets (₹ Cr)	FY19	FY20	FY21	Liabilities (₹ Cr)	FY19	FY20	FY21
Fixed Assets	763	1,131	1,228	Share Capital	41	42	42
Financial Assets	5	4	10	Reserves & Surplus	452	542	643
Other Non-current Assets	22	5	29	Long-Term Borrowings	365	418	340
Inventories	41	48	54	Long-term Provisions	9	7	35
Trade Receivables	77	76	119	Short Term Borrowings	2	20	75
Cash & Bank Balances	129	0	1	Trade Payables	36	47	73
Loans & Advances	1	0	0	Other Current Liabilities	136	198	240
Other Current Assets	6	7	8	Short Term Provisions	2	0	0
Total	1,044	1,273	1,449	Total	1,044	1,273	1,449



Corporate Office

"Meghmani House", B/h Safal Profitaire, Corporate Road, Prahladnagar, Ahmedabad 380015, Gujarat, India

Manufacturing Site

CH/1 and CH/2, GIDC Industrial Estate, Dahej, Tal. Vagra, Dist. Bharuch – 392130, Gujarat, India

www.meghmanifinechem.com

Milind Kotecha

Milind.kotecha@meghmani.com

Surabhi Sutaria

surabhi@goindiaadvisors.com