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November 15, 2024

BSE Limited

Pjiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
Scrip Code: 524820

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra-Kurla Complex
Bandra (E), Mumbai-400 051
Scrip Symbol : PANAMAPET

Subject: Corporate Presentation of Panama Petrochem Limited for the quarter ended September 30, 2024.

Dear Sir/Madam,

We enclose herewith a Corporate Presentation of Panama Petrochem Limited for the quarter ended September 30, 2024 for the information of the members and investors.

This is for your information and records.

Thanking You,
For **Panama Petrochem Limited**

Gayatri Sharma
Company Secretary & Compliance Officer



PANAMA PETROCHEM LIMITED

Investor Presentation



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Introduction



Panama Petrochem Ltd. is a well-established Indian Company specializing in the manufacturing and export of petroleum specialty products. Founded in 1982, it has steadily grown its operations to encompass multiple manufacturing facilities across India. The company's product range is extensive, catering to diverse industries such as printing, textiles, rubber, pharmaceuticals, and cosmetics.

With a strong emphasis on quality and innovation, Panama Petrochem has positioned itself as a key player in the Indian petrochemical landscape. The Company's commitment to research and development has enabled it to introduce new products and expand its market reach.





Business Model



Panama Petrochem Ltd. specializes in transforming crude oil derivatives into a range of specialty products through complex chemical processes. The company procures raw materials, conducts research and development, manufactures products, implements stringent quality control, and efficiently manages its supply chain to deliver high-quality products to diverse industries. The Company's operations are likely influenced by factors such as fluctuating oil prices, environmental regulations, and global economic conditions. To maintain its competitive edge, Panama Petrochem invests in research and development to create innovative products and improve production processes. Additionally, the company's commitment to sustainability and corporate social responsibility is likely crucial in its operations.



Business Model

1. Procurement

Sourcing Raw Materials

2. Research And Development

Developing New Products

3. Manufacturing

Production Of High Quality Goods



4. Quality Control

Ensuring Product Quality

5. Logistics

Managing Product Movement

6. Sales And Marketing

Contributing To The Demand Of Products

Financial Metrics



Total Revenue

Rs. 2371 Cr, with year over year growth of 5.14%



Net Profit

Rs. 199 Cr, for the year ended March 2024

Return On Capital Employed (ROCE)

23.46%, indicating strong profitability.

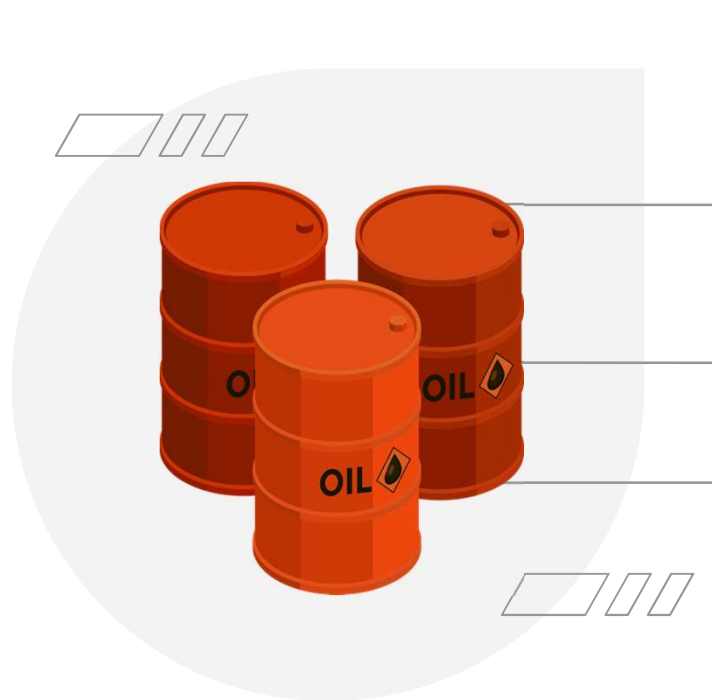
Return on Equity Ratio

19%, showing effective return to shareholders.

Debt To Equity Ratio

0.02, Indicating Strong Balance Sheets

Current Industry Trends



01

Increasing Demand

India's petrochemical sector booms due to rising demand from various industries.

02

Focus On Specialty Products

Panama Petrochem focuses on specialty products for various industries.

03

Export Growth

Panama Petrochem Exports Globally.

Future Outlook

Capacity Expansion

Panama Petrochem has four Indian units and a UAE subsidiary, well-positioned to meet the growing demand.



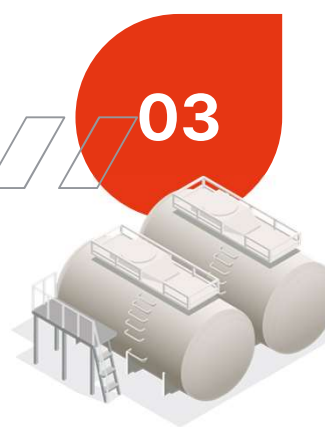
Technological Advancements

Panama Petrochem uses advanced technology for quality production.



Diversification

Panama Petrochem offers diverse products for various industries,



Financial Strength

Panama Petrochem boasts strong financials: low debt, healthy profits, and consistent dividends.





Position



Panama Petrochem Ltd. holds a significant position in the petrochemical market, primarily focusing on the manufacturing and export of petroleum specialty products. The company has established itself as a key player in India's petrochemical sector, with a market capitalization of approximately ₹ 2,250 crore, ranking it among the notable companies in the industry.



Market



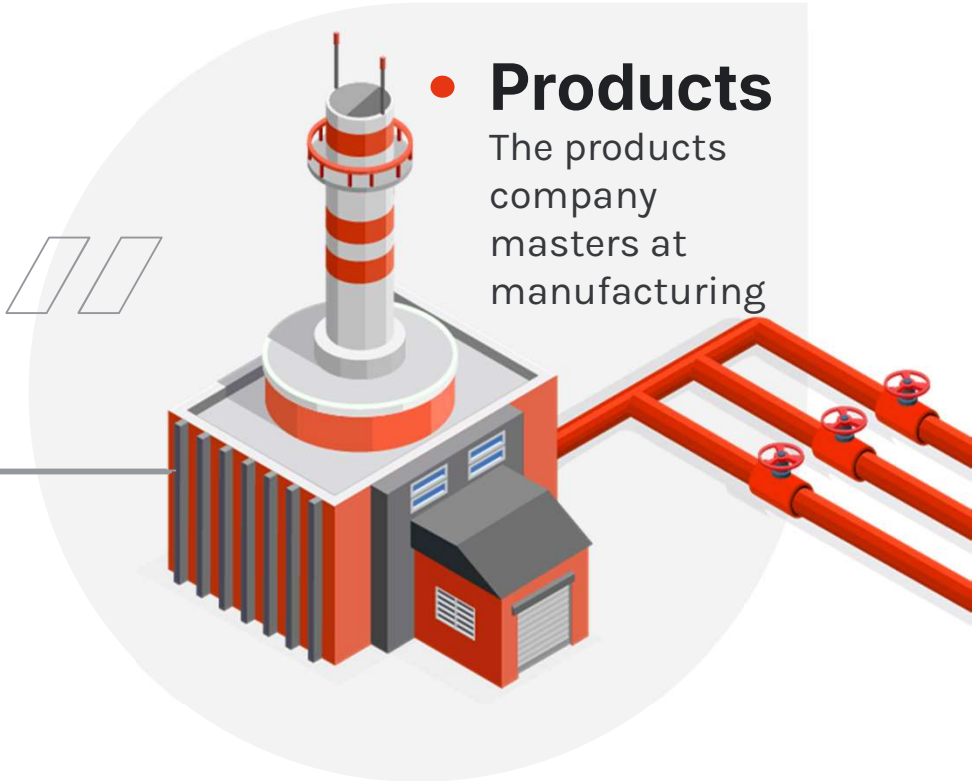
Panama Petrochem Ltd. holds a significant position in the petrochemical market, with a market capitalization of approximately ₹ 2,250 crore and a strong revenue base of around ₹ 2,375 crore, reflecting its robust operational capabilities, while its relatively attractive P/E ratio of 11.2 underscores its competitive edge, which stems from its specialized product range catering to diverse industries, strong export focus enhancing revenue streams and mitigating risks, nearly debt-free financial stability providing flexibility for growth, modern manufacturing facilities ensuring high-quality standards and efficiency, and consistent dividend payouts attracting income-focused investors.



Products



- White Oil/Liquid Paraffin Oil
- Automotive Engine Oil
- Petroleum Jellies
- Transformer Oils
- Ink And Resins
- Rubber Process Oils
- Pharmaceutical Grade Oils
- Cosmetic Grade Oils
- Cable Filing Compounds
- Rubber Chemicals
- Textile Auxiliaries
- Specialty Greases



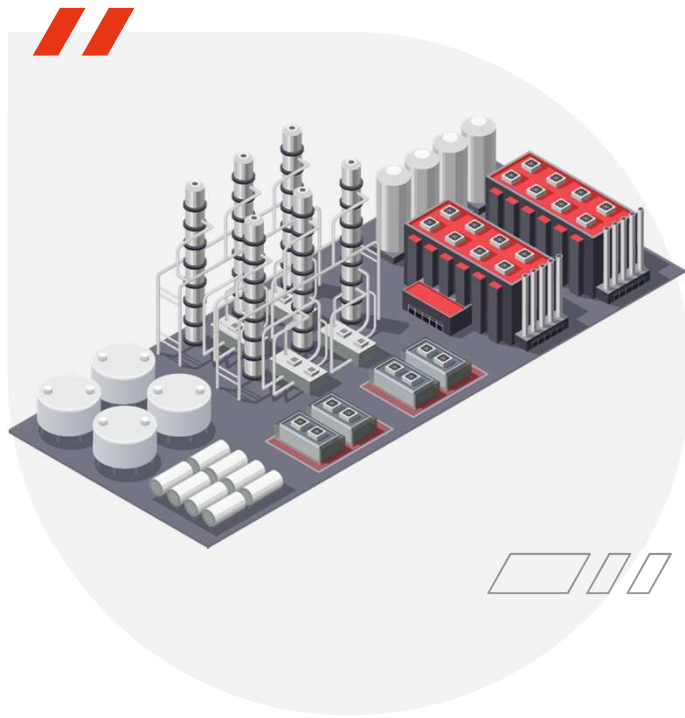
● **Products**
The products company masters at manufacturing

Specialities

Panama Petrochem Limited differentiates itself from competitors through several key innovations:

- Diverse Product Range: Over 80 specialty products, including oils for pharmaceuticals, personal care, and transformer applications.
- Advanced R&D: A DSIR-approved R&D center for continuous product development and improvement.
- Strategic Global Presence: A subsidiary in Ras Al Khaimah, UAE, enhancing logistics and market reach in the GCC and MENA regions.
- Focus on Specialty Products: Emphasis on high-margin specialty chemicals tailored to specific industry needs, fostering customer loyalty and competitive advantage.

These factors collectively position Panama Petrochem as a leader in the specialty chemicals sector.



Innovations

Panama Petrochem Limited is committed to sustainability through several key initiatives:

Emission Reduction: Achieving low Scope 1 and Scope 2 emissions per rupee of turnover.

Water and Energy Conservation: Implementing efficient practices to optimize resource use.

Waste Management: Adopting a waste-free approach with a focus on recycling materials.

Eco-Friendly Products: Investing in renewable and environmentally friendly product alternatives.

Regulatory Compliance: Strict adherence to environmental laws and guidelines.

These efforts highlight Panama Petrochem's dedication to sustainable practices and environmental responsibility.



Historical Financials



Profit Growth:

Achieved a CAGR of 29.9 % in profits over the past five years, reflecting strong operational performance and market demand for specialty chemicals.

Return on Equity (ROE):

Maintained a robust ROE of 25.7% over the last three years, indicating effective management of equity capital and strong profitability relative to shareholders' investments.

Debt Management:

Significantly reduced debt levels, approaching a debt-free status, which enhances financial stability and reduces interest expenses, allowing for reinvestment in growth initiatives.



Product Lines



International Presence:

Establishment of Panol Industries RMC, FZE in RAS Al Khaimah, UAE for GCC and MENA markets.

Export Growth:

Targeting USA, UK, Europe, Australia, Africa, and Southeast Asia for increased exports.

Product Diversification:

Expanding offerings with value-added products like liquid paraffin and other oils.

R&D Focus:

Utilizing the Ankleshwar plant's R&D center for innovative product development.



Supply Chain Resilience



Strategic Partnerships:

Long-term relationships with suppliers and logistics providers to ensure steady raw material supply and efficient distribution.

Geographical Diversification:

Sourcing from diverse locations to reduce dependency and mitigate regional disruptions.

Inventory Management:

Just-in-time inventory system to optimize stock levels and minimize holding costs.



Technological Advancements



Process Automation:

Automated blending, filling, and packaging processes to improve efficiency and safety.

Online Monitoring and Control:

Real-time tracking of key performance indicators for proactive decision-making and enhanced operational efficiency.

Data Analytics:

Leveraging data analytics for insights into production trends and optimization opportunities.

Digital Supply Chain:

Implementation of digital solutions for enhanced supply chain visibility and collaboration, including electronic data interchange (EDI).



Financials results six month ended 30.09.2024

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND THE HALF YEAR ENDED 30 SEPTEMBER 2024							
Sr. No.	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30 Sept 2024	30 June 2024	30 Sept 2023	30 Sept 2024	30 Sept 2023	31 March 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	(a) Revenue from operations	698.91	670.78	574.41	1,369.69	1,103.94	2,356.74
	(b) Other income	2.70	1.94	3.86	4.64	8.89	15.51
	Total Income ((a)+(b))	701.61	672.72	578.27	1,374.33	1,112.83	2,372.25
2	Expenses						
	(a) Cost of material consumed	545.19	522.81	481.15	1,068.00	906.72	1,939.95
	(b) Purchase of stock-in-trade	39.06	41.32	0.99	80.38	23.09	32.07
	(c) (Increase)/decrease in inventories of traded goods and finished goods	6.29	(4.42)	0.95	1.87	(7.67)	(6.15)
	(d) Employee benefits expense	3.56	3.51	3.51	7.07	6.93	14.62
	(e) Finance cost	5.79	3.58	4.31	9.37	8.57	17.96
	(f) Depreciation and amortization expense	2.74	2.74	2.39	5.48	4.81	9.83
	(g) Other expenses	46.43	41.75	26.61	88.18	55.17	123.20
	Total Expenses (a) to (g)	649.06	611.29	519.91	1,260.35	997.62	2,131.48
3	Profit before tax (1-2)	52.55	61.43	58.36	113.98	115.21	240.77
4	Tax Expense						
	(a) Current tax	8.60	10.90	11.20	19.50	21.81	44.32
	(b) Deferred tax	(0.14)	0.36	0.24	0.22	0.59	1.30
	Total tax expenses	8.46	11.26	11.44	19.72	22.40	45.62
5	Profit/(loss) for the period/year (3-4)	44.09	50.17	46.92	94.26	92.81	195.15
6	OTHER COMPREHENSIVE INCOME:						
	A) (i) Items that will not be reclassified subsequently to profit or loss	-	(0.01)	(0.01)	(0.01)	(0.02)	(0.02)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	(0.01)	-	(0.01)	(0.01)
	B) (i) Items that will be reclassified to profit or loss	(0.02)	0.76	(0.03)	0.74	2.03	2.56
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	(0.19)	(0.03)	(0.19)	(0.54)	(0.67)
	(iii) Exchange differences on translation of foreign operations	0.56	0.01	0.13	0.57	1.21	1.94
	Total Other Comprehensive Income	0.54	0.57	0.05	1.11	2.67	3.80
7	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR: (5-6) (Comprising of Profit/(Loss) and Other Comprehensive Income for the Period)	44.63	50.74	46.97	95.37	95.48	198.95
8	Paid-up Equity Share Capital (Face Value ₹ 2 each)	12.10	12.10	12.10	12.10	12.10	12.10
9	Reserves excluding Revaluation Reserve as at balance sheet date						1,090.61
10	Earnings Per Share (EPS) (₹) Basic and Diluted	7.29	8.29	7.75	15.58	15.34	32.26



Thank You!



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