

14th October, 2024

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code – 506655 Scrip Code NCDs - 974058 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Scrip Symbol - SUDARSCHEM

Dear Sir / Madam,

Sub: Analysts / Institutional Investors Conference Call in relation to execution of definitive agreement to acquire Global Pigment Business of Heubach Group - Investors Presentation

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we attach herewith a copy of the Presentation for Analysts / Institutional Investors Conference Call in relation to execution of definitive agreement to acquire Global Pigment Business of Heubach Group scheduled on Tuesday, 15th October, 2024 at 10:00 a.m. (IST).

Kindly take the same on record.

Thanking You, Yours Faithfully, For SUDARSHAN CHEMICAL INDUSTRIES LIMITED

MANDAR VELANKAR GENERAL COUNSEL AND COMPANY SECRETARY

Encl: As above

Sudarshan Chemical Industries Limited Registered Office:

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Corporate Identity No.: L24119PN1951PLC008409



SUDARSHAN

Investor Presentation

October 2024

SAFE HARBOR STATEMENT

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward-looking statements

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements

These risks and uncertainties include, but are not limited to our exposure to changes in general economic conditions, market, Foreign currency and other risks, changes in government policies/regulations, tax regimes as also technological changes

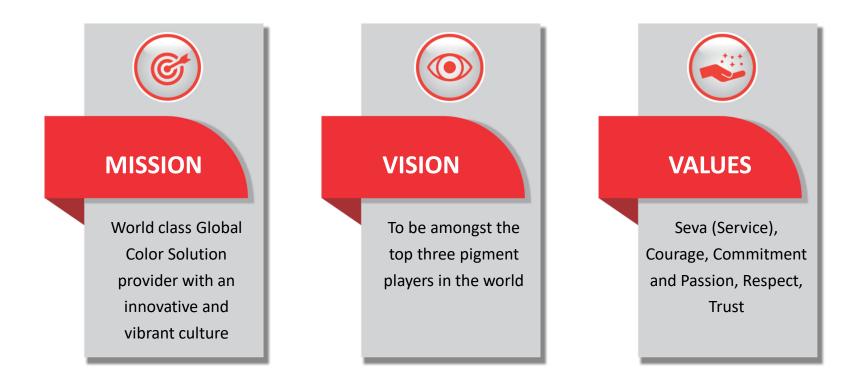
The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of subsequent development, information or events or otherwise





Sudarshan: Vision, Mission & Values

Our growth is fueled by an immense drive to be a leading player in our field





Sudarshan at Glance

We are a leading world-class color solutions provider with a focus on exceptional and sustainable results



CONSOLIDATED REVENUES

~\$307 Mn (FY24)



GEOGRAPHIC POSITION

Third largest pigment player globally
Largest pigment producer in India.



INFRASTRUCTURE

2 Manufacturing plants in Mahad & Roha and 3 R&D centers



PEOPLE

Great Place to
Work (GPTW) certified
1200+ Global Workforce



Strong ESG FOCUS

Ecovadis Gold CDP 'B' Mahatma Award



Heubach is the 2nd largest pigment player globally with 200 year's legacy

- Has a global manufacturing footprint with differentiated and broad product portfolio
- A **strong customer-base** of global blue-chip chemical giants
- Merger of Heubach and Clariant's pigments business created a new pigment powerhouse.
- Experienced management and functional teams



Global Footprint

880 Mn CY23 Revenue

108 Countries - global footprint

17 Manufacturing sites

33 Stock points



Products

200 Years of brand history

2K+ Products sold

2nd Largest pigments player in the world



People and Operations

2.8K Global headcount

164 R&D FTE

10 Technical centers



Heubach's history and recent challenges



Until 2021, the company had revenues of ~EUR 1Bn and consistent profitability track record



Jan 2022, Heubach and S.K. Capital acquired Clariant's Pigment business at valuation of CHF 805 mill (~ EUR 850 mill) | Estimated valuation of combined entity in range of EUR 1 Bn



Post this acquisition, Heubach faced certain challenges due to:

- Headwinds from the Ukraine-Russia conflict leading to rising energy prices and demand reduction
- Significant debt and rising interest rates weakening the balance sheet
- Integration synergies not captured at required pace





Heubach deal came as golden opportunity for Sudarshan to meet it's global aspirations

Why we are excited about this deal

- Sudarshan gets global asset footprint 17 manufacturing facilities in 11 countries
- This transaction is potentially EBITDA and EPS accretive deal
- Access to state of art technology in the pigment industry and related intermediates
- A truly global business spread across
 - All major geographies Europe, Americas, and Asia
 - All major industry segments Coatings, Plastics, Inks (incl. digital inks)
- All manufacturing sites are well maintained and respectable capacity utilization level

Deal facts

Deal Structure

- Asset Purchase Agreement with Insolvent entities in Germany
- Share Purchase Agreement to acquire Solvent entities of Heubach group

Financials

- Purchase price: Rs 1,180 Cr / EUR 127.5 Mn on debt free basis
- Cash infusion for working capital, restructuring, meeting regulatory requirements etc.: ~ Rs 925 Cr / EUR 100 mill
- Acquisition would be through a cash consideration funded by a mix of debt
 & equity

Timelines

 Deal expected to close in first quarter of CY2025, subject to regulatory clearances



Confident and Excited to create value for all our stakeholders

We at Sudarshan are very confident of making this acquisition a great success

- Integrate all entities into one unified Organisation
- Capture synergies across SG&A, manufacturing and procurement
- Strong focus on working capital and cash management
- Create a culture of Customer centricity (Sevā) with agility and efficiency
- Build a high performing management team with quality execution skills and technical competency



Post-acquisition focus on highest priority value creation across multiple areas

Synergies to capture

- A Restructuring operations
- Restructuring operations at non-performing sites incl. shifting select parts of production
- B SG&A Optimisation
- Optimizing SG&A, including considering GBS to reduce cost for non-critical roles
- Efficient integration planning for IT systems
- Manufacturing cost savings
- Potential savings opportunities by optimizing procurement / sourcing for the combined entity
- **D** Volume recovery
- · Volume regain as the industry recovers from the destocking issue





THANK YOU

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• Spiritually fulfilling • Socially just • Environmentally sustainable

