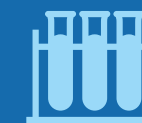




Chemcon Speciality Chemicals Limited Investor Presentation – February 2022



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Q3 & 9M FY22 Highlights



Business Highlights



“Our company has reported a healthy performance despite our facilities being non-operational during the initial period of the quarter. However, we had sufficient finished goods inventory and the same was dispatched to the clients on scheduled time. All our key products like HMDS, CMIC & Bromides have delivered a noteworthy performance. Other new products are yet to gain momentum and are expected to do well in the coming quarters.”

We are delighted to announce that the company has successfully commenced commercial production of P8 facility at Manjusar, Near Vadodara, Gujarat. The Company has added 2,400 MTPA of TMCS. This is a significant achievement for the company as we have completed our backward integration process to produce essential raw material TMCS, which is largely used in the production of HMDS. We will also add 1,200 MT of CMIC to this facility by the end of the month, making us the world's largest producer with a total capacity of 3,000 MTPA.

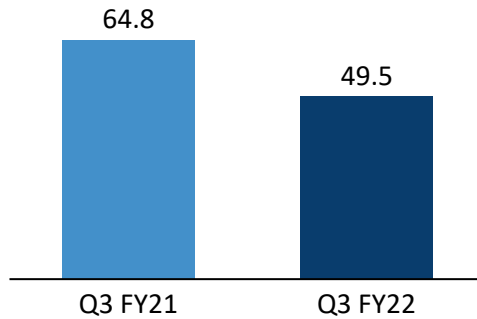
With a wide demand and supply gap, India is a net importer of both HMDS and CMIC chemicals. Being a global leading manufacturer of these pharmaceutical chemicals and a leading manufacturer in India of oilwell completion chemicals, Chemcon is in a strong position to encapsulate the impending prospects buoyed by a long-standing relationship with our customers.”

**Mr. Kamal Aggarwal,
Chairman & Managing Director**

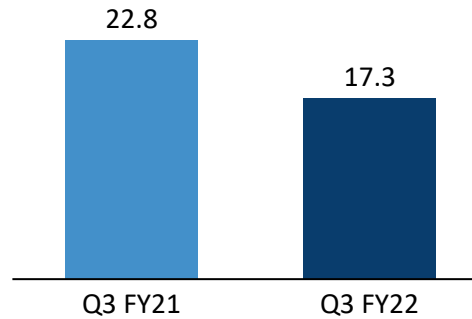
Quarterly Highlights



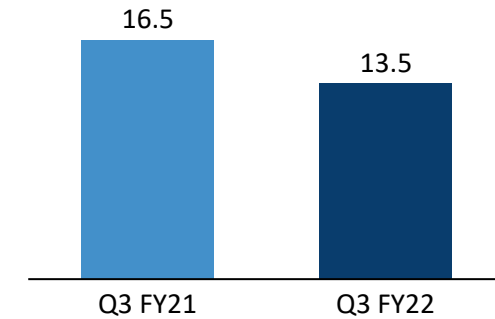
Total Revenue (Rs. Cr)



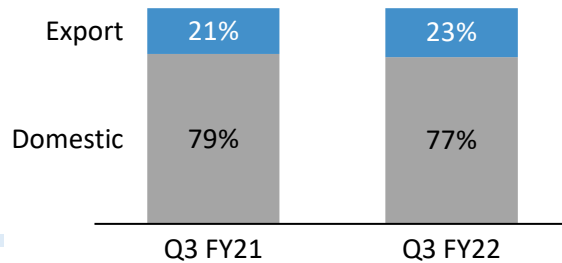
EBITDA (Rs. Cr)



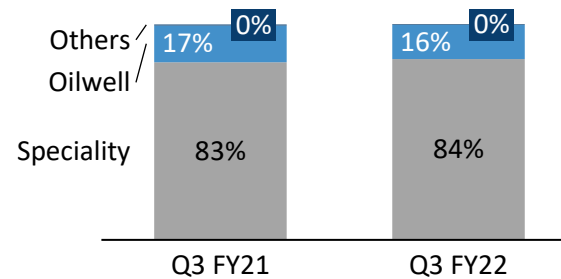
PAT (Rs. Cr)



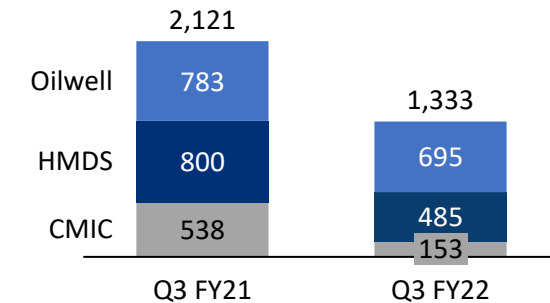
Geographic-Wise (%)



Business-wise (%)



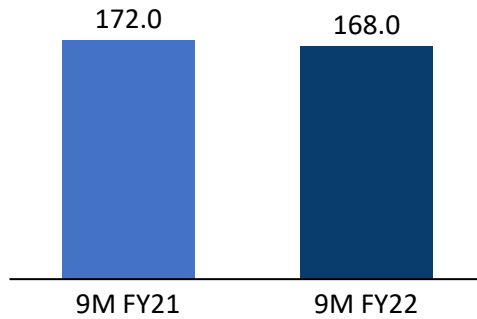
Production Volume (MT)



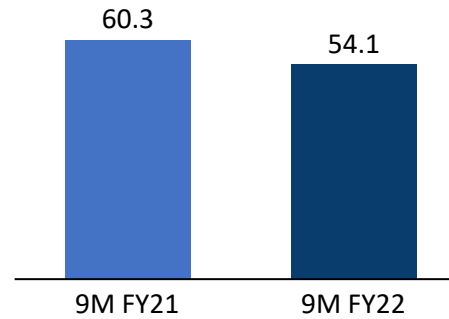
Nine Months Highlights



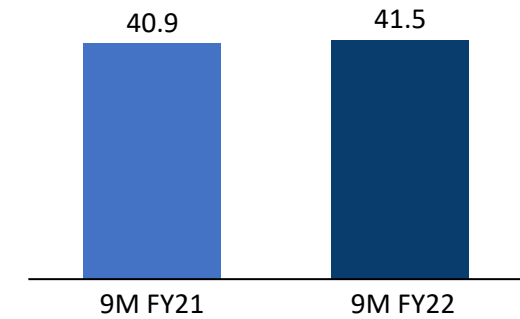
Total Revenue (Rs. Cr)



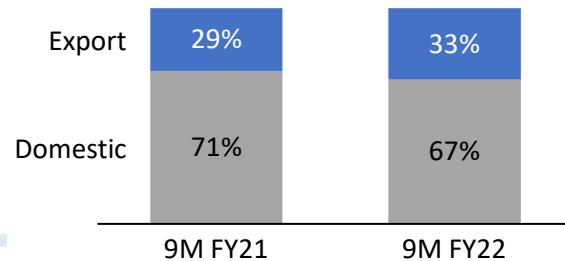
EBITDA (Rs. Cr)



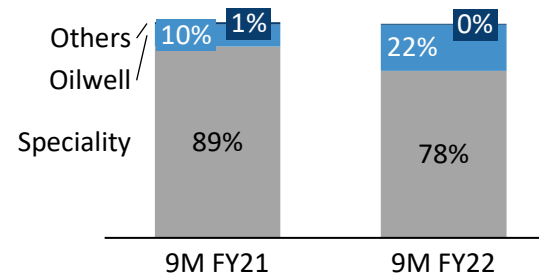
PAT (Rs. Cr)



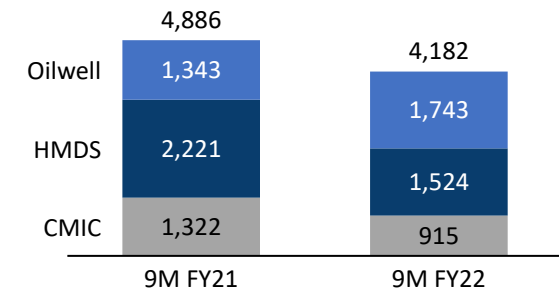
Geographic-Wise (%)



Business-wise (%)



Production Volume (MT)

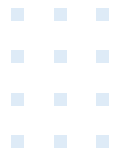


Profit & Loss Statement

Particulars (Rs. Crs)	Q3 FY22	Q3 FY21	Y-o-Y	9M FY22	9M FY21	Y-o-Y
Revenue from Operations	49.5	64.8	-23.6%	168.0	172.0	-2.3%
Cost of Goods Sold	19.0	31.1		77.0	81.6	
Employee Cost	5.0	4.6		14.0	11.6	
Other Expenses	8.3	6.2		22.8	18.5	
EBITDA	17.3	22.8	-24.1%	54.1	60.3	-10.2%
EBITDA Margin %	35.0%	35.2%		32.2%	35.1%	
Other Income	2.3	1.2		6.5	1.5	
Depreciation	1.6	1.4		4.6	4.1	
EBIT	18.1	22.6		56.1	57.7	
Finance Cost	0.1	0.6		0.5	2.9	
Profit before Tax	18.0	22.0		55.6	54.8	
Tax	4.5	5.5		14.1	13.9	
PAT	13.5	16.5	-18.3%	41.5	40.9	1.4%
PAT Margin %	27.2%	25.5%		24.7%	23.8%	
Basic EPS (in Rs.)	3.68	4.50		11.32	12.23	



Company Overview



Company Snapshot

Incorporated in 1988

Manufacturer of Speciality Chemicals

An ISO 9001:2015 and ISO 14001:2015 Certified Company

Business Verticals: Pharmaceuticals & Oilwell Completion Chemicals

Manufacturing Facilities near Manjusar, Vadodara, Gujarat

7 Operational Plants & 3 Warehouses



Only Manufacturer of HMDS in India



3rd Largest Manufacturer of HMDS Worldwide



Largest Manufacturer of CMIC in India



2nd Largest Manufacturer of CMIC worldwide



Only Manufacturer of Zinc Bromide in India



Largest Manufacturer of Calcium Bromide in India

Evolution

FY89

- » Company was incorporated as Gujarat Quinone Private Limited

FY95-98

- » First sale of few chemical products
 - Pyridine Hydrobromide
 - Para Nitro Benzyl Bromide
 - Methyl Iodide
 - GA-1

FY01-03

- » Commenced **HMDS** Business in 2001
- » Discontinued few products due to lower demand

FY05

- » First export shipment of **HMDS**
- » Amalgamation of Chemcon Engineers Private Limited with Gujarat Quinone Private Limited; name changed to "Chemcon Speciality Chemicals Private Limited"

FY14

- » First sale of **CMIC**

FY15

- » First sale of **Calcium Bromide** (Solution)

FY16

- » First sale of **Zinc Bromide** (Solution)

FY17

- » First sale of **Calcium Bromide** (Powder)
- » First sale of **Sodium Bromide** Solution

FY18

- » Increase in annual installed production capacity for
 - **CMIC** from 600 to 1,200 MTPA;
 - **Oilwell Completion Chemicals** from 7,200 to 14,400 MTPA

FY19

- » Increase in annual installed production capacity for **CMIC** from 1,200 MTPA to 1,800 MTPA

FY20

- » **Increase in HMDS Capacity** by commissioning of plant P7

FY21

- » **Plant P2 commissioned** with a capacity to manufacture upto 600 MTPA of Hi-Purity HMDS
- » Product development of **New Chemicals 4 CBC and 2,5DHT completed**
- » Commercial supplies of 4CBC started



Global Presence

FY21 Export Contribution*:
~29%

FY18-FY21 CAGR:
~17%

~50%

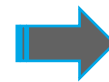
~11%

Key Countries

- » United States of America
- » Italy
- » South Korea
- » Germany
- » People's Republic of China
- » Japan
- » United Arab Emirates
- » Russia
- » Spain
- » Thailand
- » Malaysia

Over Two Decades of Experience in Chemicals

- Manufacturing
- Exports



Well Equipped to Seize Upcoming Opportunities

Entry Barriers

Complex Chemistry

- » The involvement of complex chemistry in the manufacture of the Products, which is difficult to commercialize on a large scale

Stringent Impurity Measure

- » Our processes and products are subject to, and measured against, high quality standards and stringent impurity specifications

Long Gestation Period

- » Customer acquisition involves a long gestation period, resulting in a very few players being involved in manufacturing of the products

Entry Barriers

Technical Know-how

- » Handling chemicals requires a high degree of technical skill and expertise and operations involving such hazardous chemicals ought to be undertaken only by personnel who are well trained to handle such chemicals

Regulatory Norms

- » To comply with all regulatory norms and filings with various agencies

High Replacement Cost

- » Any change in the vendor of the product may require significant time and cost for the customer

Key Long-Term Relationships



Pharmaceutical Chemicals

Oilwell Completion Chemicals

HMDS

CMIC

Inorganic Bromides



Shree Radha Overseas

CC Gran Limited Liability Company

Longstanding Clients

Strong Base

New Product Development

New Customer Reach

Top 5 customers contribute < 55%

Top 10 customers contribute < 70%

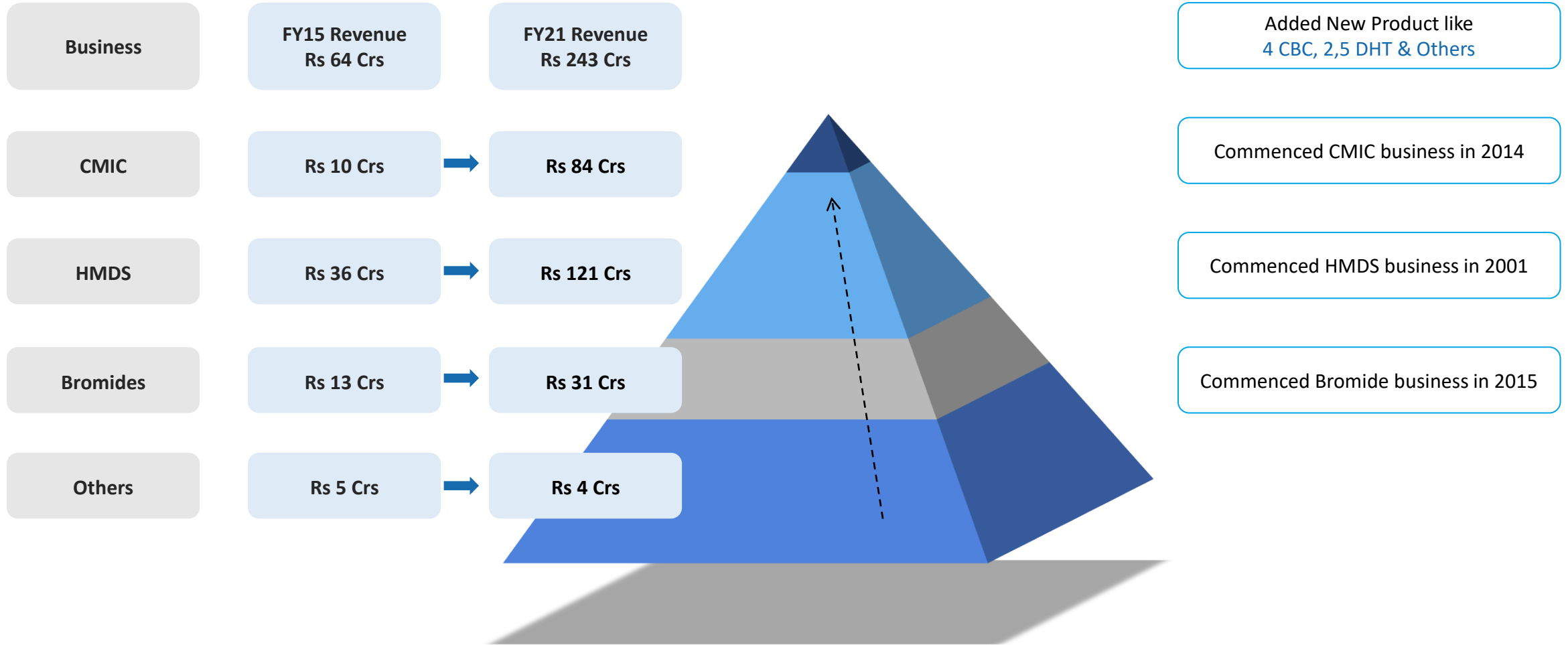
Few customers age more than 2 decades with us

Top 7 customers have been with us for more than 4 years

Well equipped to retain market presence

Leading to increase in new product base and reach out to new customers

Moving up the Value Chain



Board of Directors : Experienced Team



Kamalkumar Rajendra Aggarwal

Chairman and Managing Director

- » Holds Diploma in Petrochemical Technology (Plastic Technology) from the Maharaja Sayajirao University of Baroda, Gujarat
- » He has more than 23 years of experience in the specialized chemicals industry. He has been on our Board since January 19, 2004



Navdeep Naresh Goyal

Deputy Managing Director

- » He is currently associated with Super Industrial Lining Private Limited in the capacity of director (operations)
- » He has more than 10 years of experience in operations. He has been on the Board since April 1, 2015



Rajesh Chimanlal Gandhi

Whole-time Director and Chief Financial Officer

- » Holds a Bachelor's Degree in Commerce from Gujarat University
- » He has more than 20 years of experience in finance & accounts and related operations. He has been on our Board since May 1, 2012



Himanshu Purohit

Whole-time Director

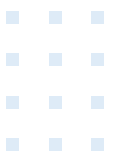
- » He holds a Master's Degree in Science in Inorganic Chemistry from the Sardar Patel University, Gujarat
- » He has more than 20 years of experience in production related operations. He has been on our Board since May 1, 2012



Rajveer Aggarwal

Whole-time Director

- » He holds a bachelor's degree in chemical engineering from the Gujarat Technological University, Gujarat
- » He is currently associated with Medicap Healthcare Limited in the capacity of director (operations). He has more than five years of experience in operations. He has been on the Board since Oct 2017



Board of Directors : Independent Directors



Lalit Chaudhary

Independent Director

- » He holds a bachelors' degree in commerce from the Sardar Patel University, Gujarat
- » He has been associated with Chaudhary Crains Private Limited as a director since 1993. He has more than 20 years of experience as an entrepreneur. He has been on the Board since April 29, 2019



Devendra Rajkumar Mangla

Independent Director

- » He holds a bachelor's degree in commerce from the University of Delhi. He is currently a partner in "Baroda Freight Carrier" and has been associated as partner since 1979
- » He has over 15 years of experience in logistics. He has been on the Board since April 29, 2019



Neelu Shah

Independent Director

- » She holds a B.Sc. from Kanpur University, UP and an MBA from the Jiwaji University, Gwalior
- » She has 5 years of experience in sales. She completed a programme on gold appraisal, organised by the MSME-Technology Development Centre, Agra, GoI. She has been on the Board since April 29, 2019



Bharat Shah

Independent Director

- » He holds a bachelor's degree in science from the Maharaja Sayajirao University of Baroda, Gujarat.
- » In the past, he has been associated with Bank of Baroda in various roles
- » He has more than 37 years of experience in the financial services sector. He has been on the Board since April 29, 2019



Samir Chandrakant Patel

Independent Director

- » He holds a master's degree in science from the Sardar Patel University, Gujarat. He has been associated with Samir Tech – Chem Private Limited as a director
- » He has more than 30 years of experience in manufacturing and trading of laboratory chemicals. He has been on the Board since April 29, 2019



Key Certificates



R&D

In-house laboratory to test

- » Raw materials procured
- » New Products & Innovation
- » Final products testing at the various stages of the manufacturing process
- » Well equipped with new instruments & machinery



Environment

Complying All Environment Laws

- » The Environment (Protection) Act, 1986
- » Water Prevention and Control of Pollution Act
- » Air Prevention and Control of Pollution Act, 1981
- » We are a zero-discharge company





Product Overview



Market Overview



	HMDS	CMIC	Oilwell Completion Chemicals
Global Market Capacity (CY19)	~35,700 MT	~6,880 MT	~362,000 MT
Global Market Production (CY19)	~25,390 MT	~3,927 MT	~246,000 MT
Chemcon Production (FY21)	3,033 MT	1,796 MT	2,011 MT
Chemcon Share in Global Market	> 10%	> 40%	~1%
Domestic Import (CY19)	~1,622 MT	~1,574 MT	-

We are well positioned to substitute imports and maintain growth trajectory

Source: Frost & Sullivan

Hexamethyldisilazane / Hexamethyldisilane

- » HMDS, an organosilicon compound, is a reagent and a precursor to bases that are popular in organic synthesis and organometallic chemistry
- » HMDS is widely used in the pharmaceutical industry as a silylating agent in the process of manufacture of pharmaceutical drugs of the Penicillin group and may also be used in the semiconductor electronics industry and in vinyl silicone rubber to improve their tearing strength

Key Attributes*

Only Manufacturer in India

3rd Largest Manufacturer Worldwide

Capacity

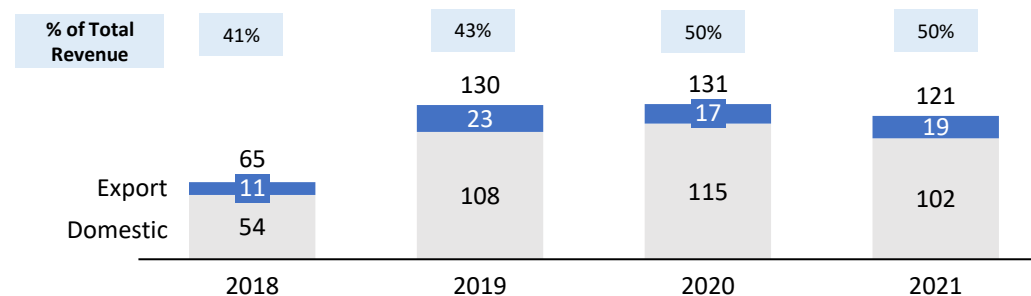
Product	Period	Capacity	Production
HMDS	FY21	4,200	3,033*
Hi-Purity HMDS	FY21	600	-

*Includes Outsource Capacity

End Applications

- » **Pharmaceutical:** As a silylating agent in the process of manufacture of pharmaceutical drugs of the Penicillin group
- » **Semiconductor:** Surface treatment agent of diatomite, white carbon black, titanium and blond additives of photoresist
- » **Organic Synthesis:** Precursor to many bases common in organic synthesis and organometallic chemistry
- » **Others:** Photolithography, electron microscopy and pyrolysis gas chromatography-mass spectrometry

Business Performance (Rs in Cr)



Source: Frost & Sullivan *Above data are as per CY19
Export data are inclusive of Deemed Exports

Chloromethyl Isopropyl Carbonate

- » CMIC (chloromethyl isopropyl carbonate) is an antiviral drug intermediate product, which is a key intermediate for anti-AIDS and anti-hepatitis B drug Tenofovir
- » The downstream product of chloromethyl isopropyl carbonate, Tenofovir is a nucleotide antiviral drug developed by Gilead Corporation of the United States. Tenofovir and its combination preparations have become the largest sales of anti-AIDS drugs

Key Attributes*

Largest Manufacturer in India

2nd Largest Manufacturer Worldwide

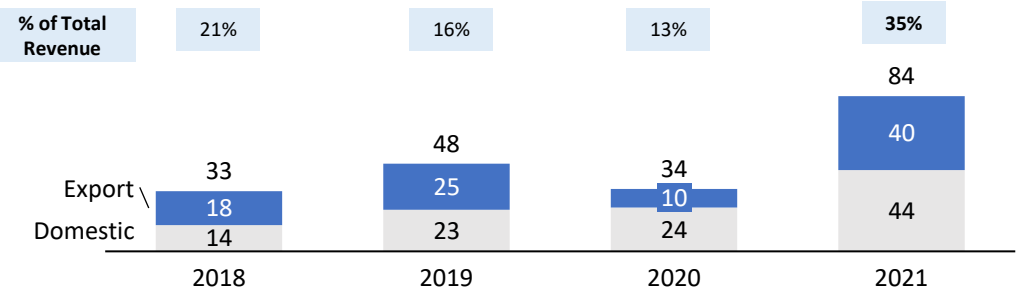
Capacity

Product	Period	Capacity	Production	Utilisation
CMIC	FY21	1,800	1,796	~100%

End Applications

- » CMIC is mainly used in pharmaceutical industry as a key intermediate for anti-AIDS anti-hepatitis B drug Tenofovir
- » CMIC can also be used in synthesis of other antiviral drugs

Business Performance (Rs in Cr)



Source: Frost & Sullivan *Above data are as per CY19
Export data are inclusive of Deemed Exports

Inorganic Bromides: Calcium Bromide, Zinc Bromide and Sodium Bromide

- » Oilwell Completion Chemicals are used to complete the well and is normally a salty solution made up of chlorides or bromides
- » In addition to cleaning the wellbore, after the drilling is finished, completion chemical is used to control the pressure down-hole, prior to and while well completion operations are in progress
- » We manufacture a range of inorganic bromides, namely: Calcium Bromide (solution and powder), Zinc Bromide (solution) & Sodium Bromide (solution and powder)

Key Attributes*

Only Manufacturer of Zinc Bromide in India

Largest Manufacturer of Calcium Bromide in India

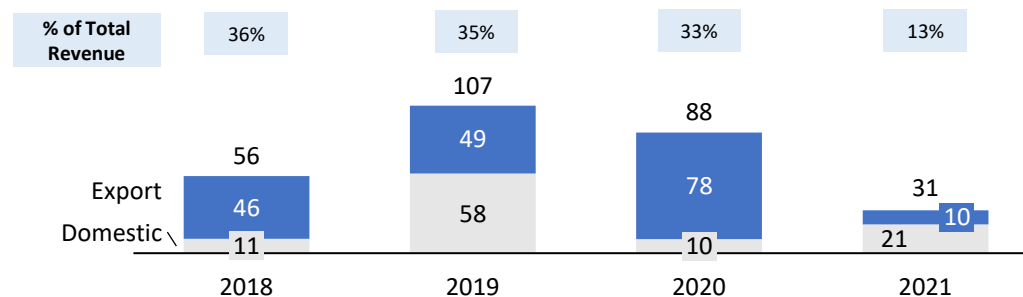
Capacity

Product	Period	Capacity	Production	Utilisation
Bromides (Total)	FY21	15,000	2,011	~13%

End Applications

- » **Sodium Bromide (NaBr)** : Used alone or in a combination with sodium chloride or zinc bromide to form clear work-around and drilling fluids; useful when used in formations that are known to have sensitivity towards calcium
- » **Zinc Bromide (ZnBr₂)**: Clear, solid-free brine fluid; it can be used with other bromides and chlorides to prepare non-damaging liquids
- » **Calcium Bromide (CaBr₂)**: Used as a completion and work-over fluid to control wellbore pressures in upstream oil & gas operations

Business Performance (Rs in Cr)



Source: Frost & Sullivan *Above data are as per CY19
Export data are inclusive of Deemed Exports

Manufacturing Facilities



Dedicated Plants



Multipurpose Plants



In-house Laboratory



Warehouses



Improving Efficiencies

Manufacturing Facilities



7 Operational Plants

6 Owned + 3 Lease Warehouses

3 Proposed Expansion Plants under process

Located at Manjusrar near Vadodara, Gujarat

Plant No	Product categories	Product Manufactured	Installed Capacity (MT P.A)	Volume Reactor Capacity (In KL)
P-3 & P-7	Pharmaceutical Chemicals	HMDS and ancillary products	4,200	177.80
P-2		HMDS (hi-purity)	600	13.00
P-4		CMIC	3,200	121.75
P-6		Multipurpose Capacity - CMIC, 4 CBC & 2,5 DHT		
P-8		Multipurpose Capacity - TMCS, CMIC	Trial run started	
P-9		Proposed Multipurpose Capacity (Pharma Intermediate Chemicals)	Q1FY23e	
P-10		Proposed Multipurpose Capacity (Pharma Intermediate Chemicals)	Q4FY23e	-
P-5	Oilwell Completion Chemicals	Calcium Bromide (solution), Zinc Bromide (solution) and Sodium Bromide (solution)	14,400	57.30
P-1		Calcium Bromide (powder)	600	5.00
Total Capacity (MTPA)			23,000	374.85

2 Marketing Offices in Mohali & Hyderabad on lease

In-House R&D Laboratory

- » eHMDS (also known as hi purity HMDS) capacity can be used for HMDS
- » CMIC capacity can be used for HMDS purpose
- » P7 has the flexibility to manufacture CBC & DHT products

Capacity Expansion

- » We intend to build two additional plants with a total volumetric reactor capacity of 251.00 KL at P8 & P9 unit. These additional plants shall be utilised for the manufacturing of chemicals which are principally used in pharmaceutical industry
- » With the completion of such expansion, the capacity at the manufacturing facility shall increase from 374.85 KL to 625.85 KL and will enable us to significantly benefit from economies of scale

Import Substitution

- » India is net importer of both HMDS and CMIC, with about 40% and 62% of India's current domestic demand being catered by imports for HMDS and CMIC, respectively
- » We are the only manufacturer of HMDS in India and the largest manufacturer of CMIC in India in terms of production in calendar year 2019, aims to capitalize on the potential growth in the demand of CMIC and HMDS in India and to substitute imports

Exploring New Applications

- » Aim to expand the sale of our products to other industries where our products have application
- » For instance, for HMDS, we aim to market our products for end-use applications in other industries including the rubber and semiconductor manufacturing industry
- » Company has recently commissioned a new plant specifically to produce high purity HMDS which finds usage in semi-conductor industry

Cost Efficiencies

- » We intend to continue to be cost efficient in the production of our products. This efficiency is achieved through strategies like –
 - Having a large single location manufacturing facility
 - Dedicated plants for each product
 - Process re-engineering for efficient raw material consumption
 - Being a sizeable player in the industry in each of our products



Way Forward

Strong Growth in

Pharma Industry



Moderate Recovery
in

Oil Industry



Exploring
Opportunities in

New Products

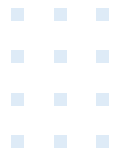


Leading to Long Term Sustainable Growth

New Products, New Clients, New Applications, New Opportunities



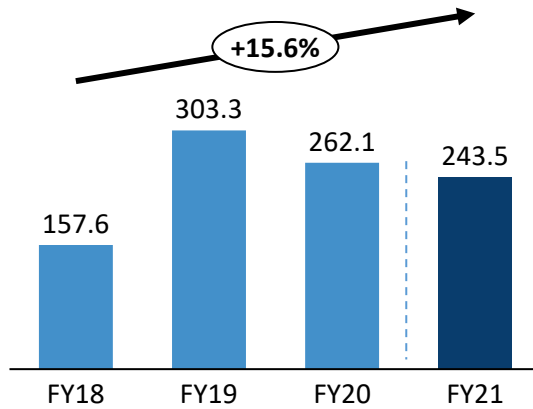
Financial Highlights



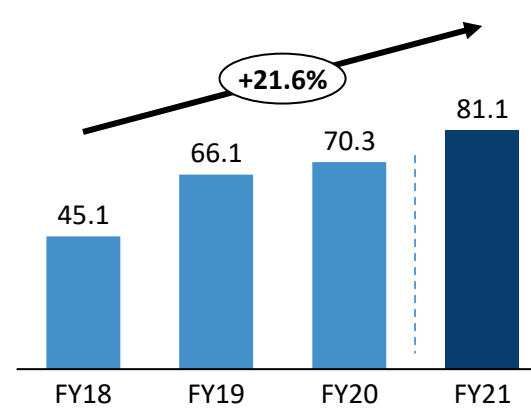
Financial Trends



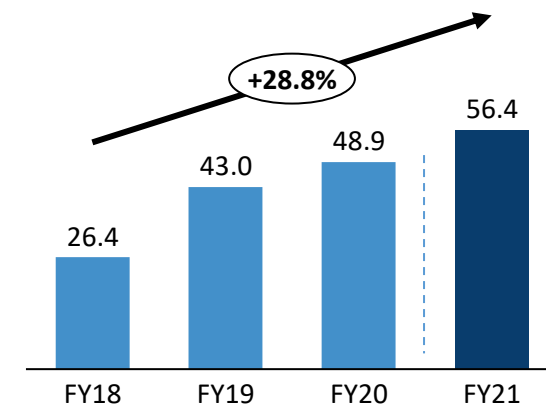
Total Revenue (Rs. Cr)



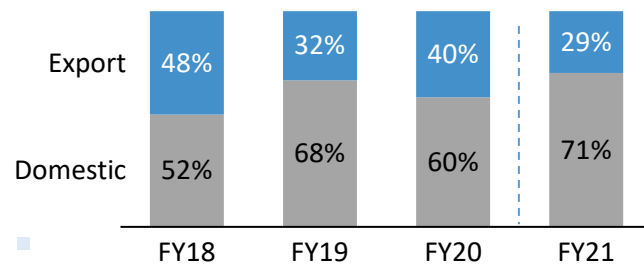
EBITDA (Rs. Cr)



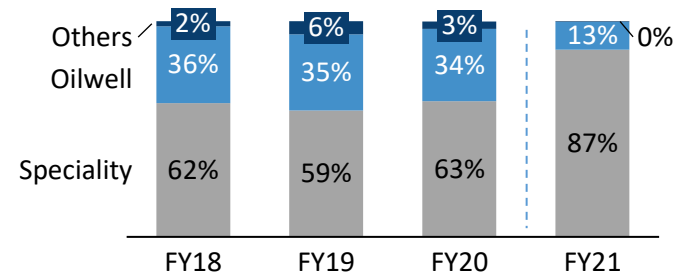
PAT (Rs. Cr)



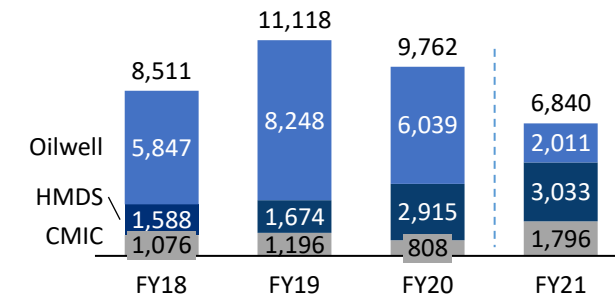
Geographic-Wise (%)



Business-wise (%)



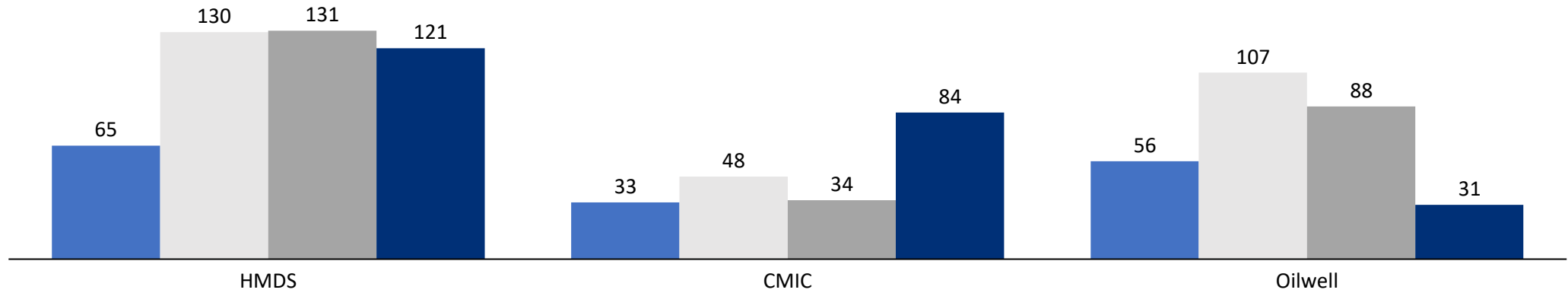
Production Volume (MT)



Performance Highlights

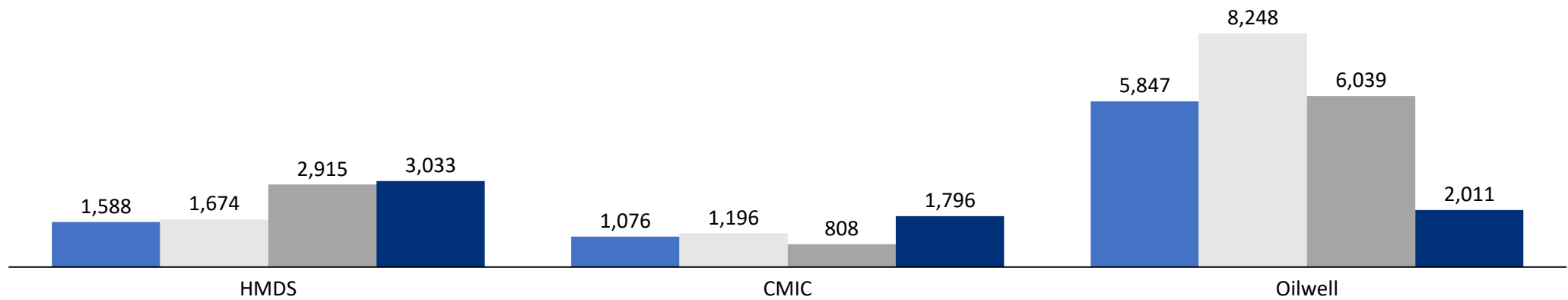


Total Revenue (Rs. Cr)



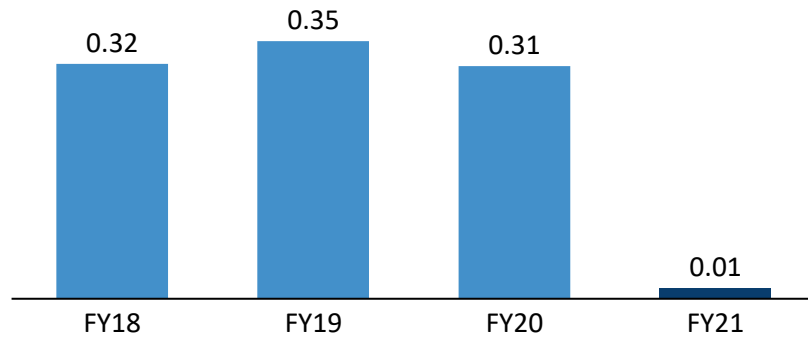
2018 2019 2020 FY21

Production Volume (MTPA)

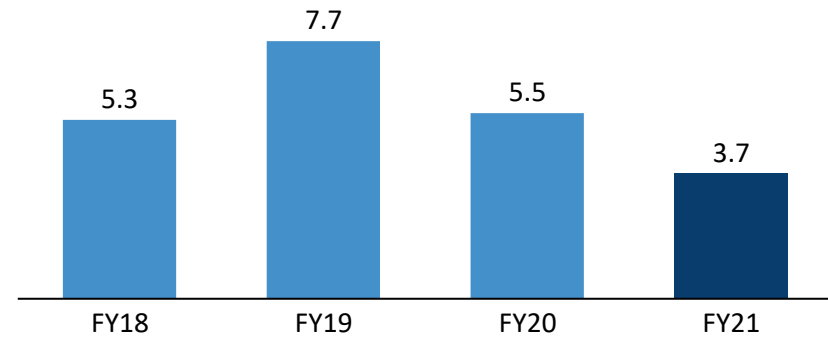


Key Ratios

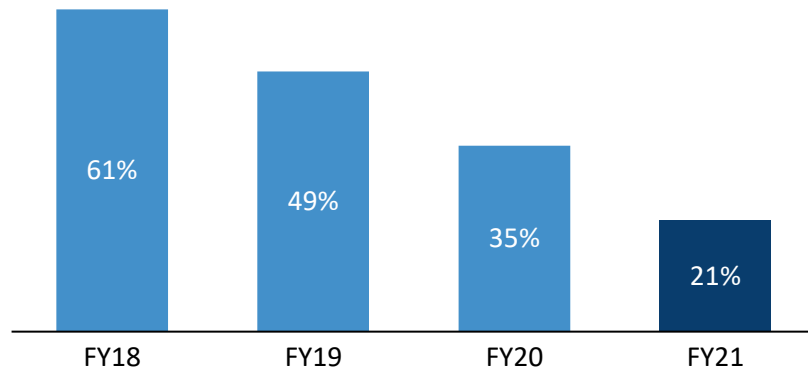
Debt/ equity (x)



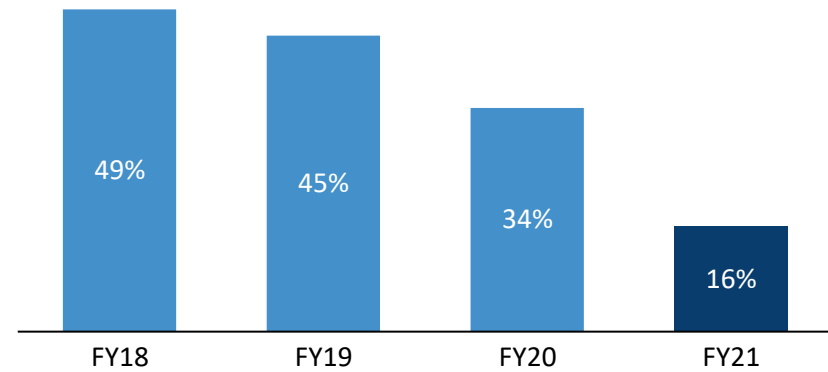
Fixed Asset Turnover(x)



ROCE (%)



ROE (%)



Utilisation of the Net IPO Proceeds



Particulars	Original Cost (as per Prospectus)	Revised Cost	Utilisation Upto 31-12-2021	Unutilisation Amounts as on 31-12-2021
Capital expenditure towards expansion of Manufacturing Facility	41.0	41.0	41.0	-
Incremental working capital requirement	90.0	90.0	40.0	50.0
General corporate purposes*	18.8	19.3	14.3	5.0
Total	149.8	150.3	95.4	55.0

*The revision in general corporate purposes expense is on account of reduction in offer expense as compared to estimated.
 IPO Proceeds which were unutilized as of December 31st 2021 were temporarily invested in deposits with scheduled commercial bank.



Thank You



Chemcon Speciality Chemicals Ltd.

CIN – L24231GJ1988PLC011652

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