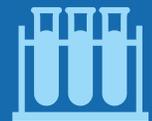




**Chemcon Speciality Chemicals Limited
Investor Presentation – May 2022**



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Chemcon Speciality Chemicals Limited (the “Company”)**, have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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.

This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



Q4 & FY22 Highlights



“We are pleased to close our financial year on a positive note led by continued business momentum in pharma chemicals & moderate recovery of bromide business during the quarter. We clocked a total operating revenue of Rs 89 crs for the quarter, a growth of 25% on YoY basis. Our HMDS & CMIC business were operating at adequate capacity. We are delighted to inform you that we have received permanent revocation letter from local authority. We would like to reiterate that we have zero liquid discharge facilities at Manjusar and adhere all necessary protocol to align with our MNCs clients. We have maintained our market leadership position in our core products.

We are glad to report that we have successfully launched production of CMIC and TMCS at P8 facility at Manjusar. The Company has added 2,400 MTPA of TMCS and 1,200 MTPA of CMIC. We are now the largest manufacturer of CMIC in the world with a total capacity of 3,000 MTPA. Commercial production of P9 has been delayed by couple of months and expected to commercialize in Q2FY23. We will add few existing products and few new products at P9 unit. On the other hand, we are happy to announce that we have started mechanical construction of P10 at the same location for other pharma intermediate products. Commercial production of P10 is expected to commence by end of this financial year.

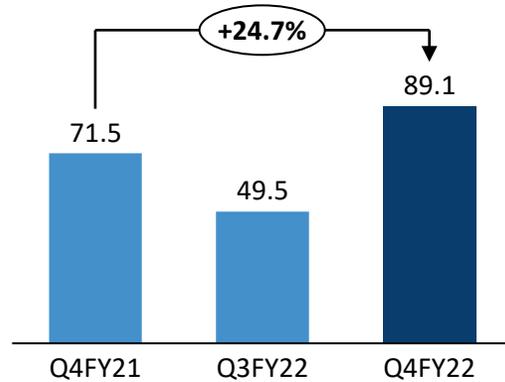
We are now persistently focusing on restoring business growth and expanding product portfolio. India is still a net importer of these two products i.e. HMDS & CMIC and there is ample of opportunity for player like us who can become a long-term reliable partner. We believe that over the years, we have built strong relationship with our customers, who recognise our strengths and proficiencies. Post expansion program, we will be well prepared to seize the upcoming opportunities.”

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

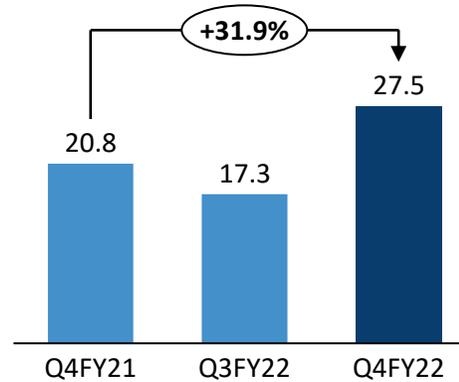
Performance Highlights



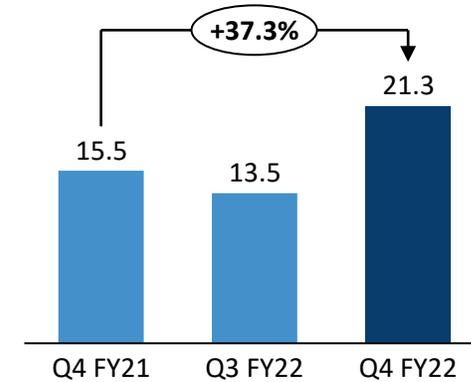
Total Revenue (Rs. Cr)



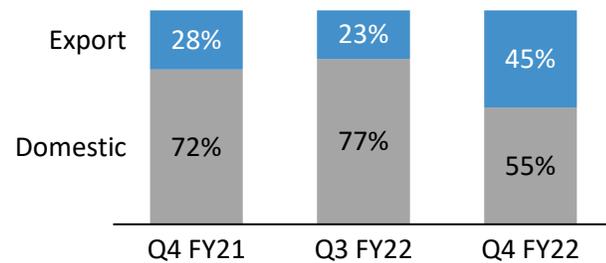
EBITDA (Rs. Cr)



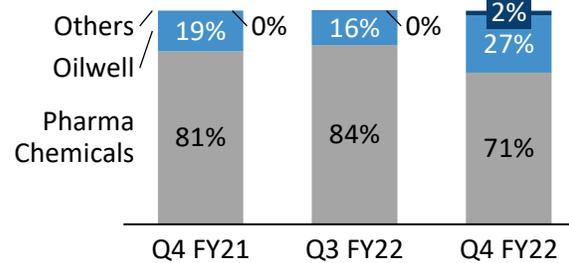
PAT (Rs. Cr)



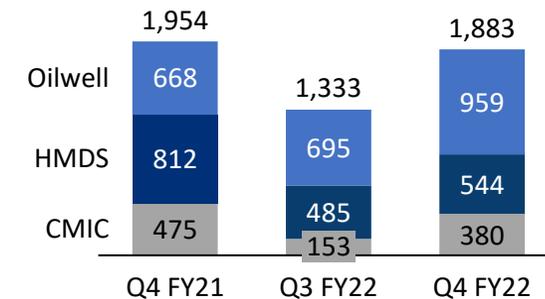
Geographic-Wise (%)



Business-wise (%)

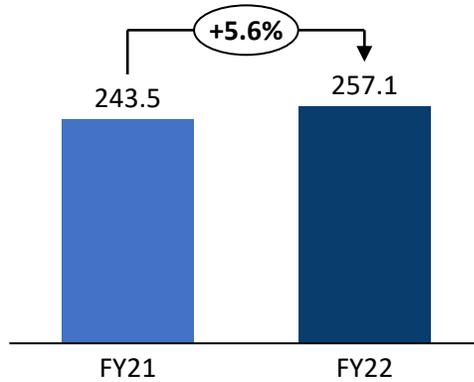


Production Volume (MT)

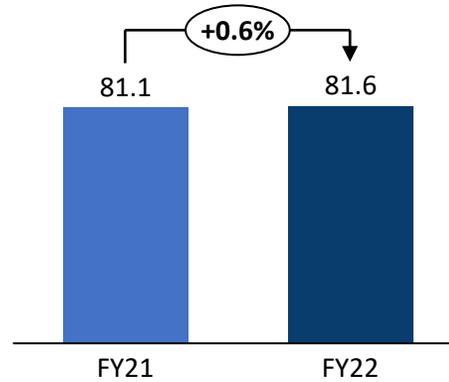


Performance Highlights

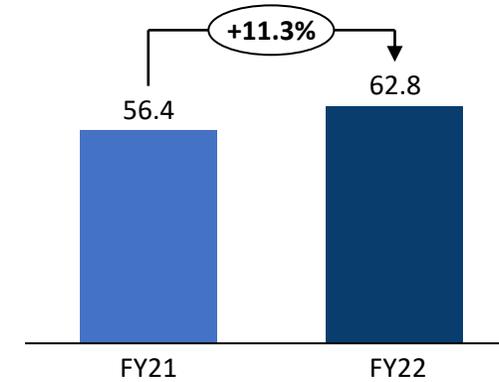
Total Revenue (Rs. Cr)



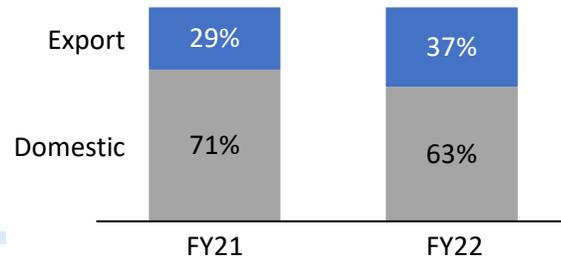
EBITDA (Rs. Cr)



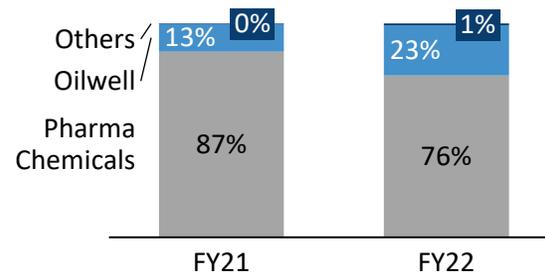
PAT (Rs. Cr)



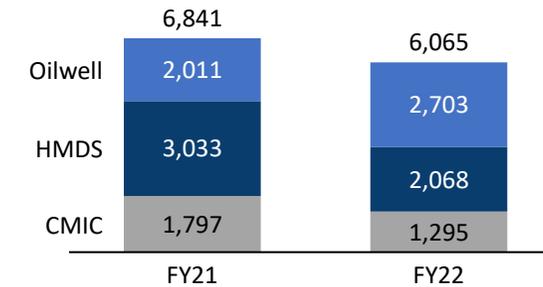
Geographic-Wise (%)



Business-wise (%)



Production Volume (MT)



Profit & Loss Statement



Particulars (Rs. Crs)	Q4 FY22	Q4 FY21	Y-o-Y	FY22	FY21	Y-o-Y
Revenue from Operations	89.1	71.5	24.7%	257.1	243.5	5.6%
Cost of Goods Sold	45.3	37.3		124.4	122.9	
Employee Cost	5.1	4.3		19.1	15.9	
Other Expenses	11.2	9.0		32.0	23.6	
EBITDA	27.5	20.8	31.9%	81.6	81.1	0.6%
EBITDA Margin	30.8%	29.1%		31.7%	33.3%	
Other Income	2.7	3.1		9.2	4.6	
Depreciation	1.7	2.0		6.3	6.1	
EBIT	28.5	22.0		84.6	79.7	
Finance Cost	0.1	0.7		0.6	3.6	
Profit before Tax	28.4	21.3		84.0	76.1	
Tax	7.1	5.8		21.2	19.7	
PAT	21.3	15.5	37.3%	62.8	56.4	11.3%
PAT Margin %	23.9%	21.7%		24.4%	23.2%	
Basic EPS (In Rs.)	5.81	4.23		17.13	16.48	

Balance Sheet



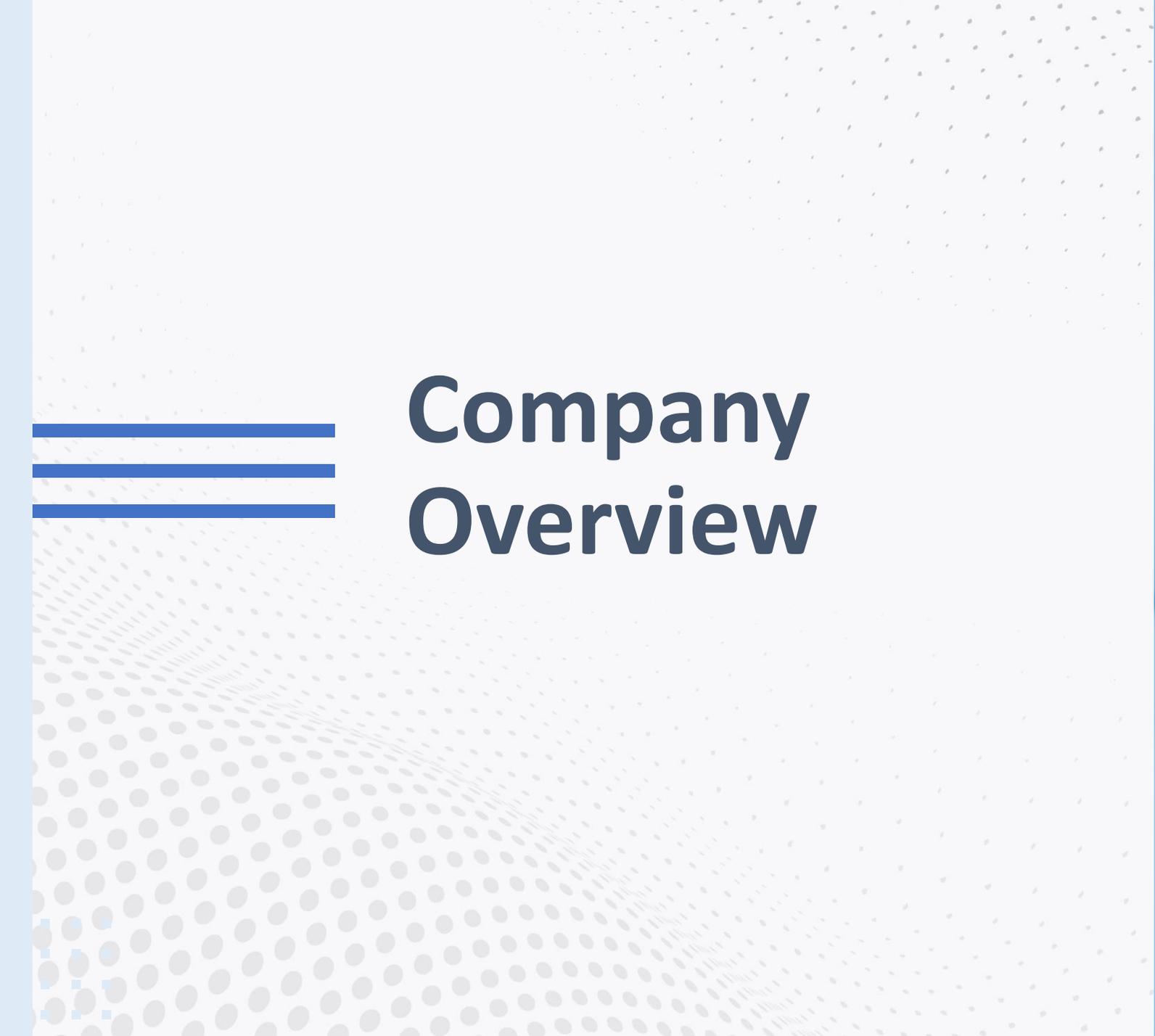
ASSETS (Rs. Crs)	Mar-22	Mar-21
Non-Current Assets		
a) Property, Plant And Equipment	81.7	65.5
b) Capital Work in Progress	34.0	8.5
c) Right Of Use Asset	0.5	1.4
d) Intangible Assets	0.0	0.0
e) Other Financial Assets	0.9	40.3
f) Other Non-Current Assets	5.1	3.3
Sub-Total - Non-Current Assets	122.3	119.1
Current Assets		
a) Inventories	34.6	59.0
b) Financial Assets		
i) Trade Receivables	102.5	94.8
ii) Cash And Cash Equivalentents	35.9	24.4
iii) Bank Balances	188.2	97.5
iv) Other Financial Assets	5.5	4.0
c) Other Current Assets	8.3	4.4
d) Current tax assets	0.7	0.6
Sub-Total - Current Assets	375.7	284.5
Total - Assets	498.0	403.6

EQUITY AND LIABILITIES	Mar-22	Mar-21
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	36.6	36.6
b) Other Equity	380.6	317.1
Total Equity	417.2	353.7
Liabilities		
Non-Current Liabilities		
a) Financial Liabilities		
i) Borrowings	0.6	1.8
ii) Lease Liabilities	0.2	1.1
iii) Other financial liabilities	2.1	5.0
b) Non current Provisions	0.1	0.2
c) Deferred Tax Liabilities (Net)	0.3	1.7
Sub-Total - Non-Current Liabilities	3.2	9.7
Current Liabilities		
a) Financial Liabilities		
i) Borrowing	34.9	3.0
ii) Trade Payables	23.9	22.6
iii) Other Financial Liabilities	7.1	8.4
iv) Lease Liabilities	0.3	0.3
b) Other Current Liabilities	9.8	2.8
c) Short Term Provisions	0.0	0.0
Current tax assets	1.5	3.1
Sub-Total - Current Liabilities	77.6	40.2
Total - Equity And Liabilities	498.0	403.6

Cash Flow Statement



Particulars (Rs. Crs.)	Mar-22	Mar-21
Net Profit Before Tax	84.0	76.1
Adjustments for: Non Cash Items / Other Investment or Financial Items	-1.3	6.4
Operating profit before working capital changes	82.7	82.4
Changes in working capital	14.6	-1.8
Cash generated from Operations	97.3	80.6
Direct taxes paid (net of refund)	23.1	15.6
Net Cash from Operating Activities	74.2	65.0
Net Cash from Investing Activities	-92.5	-152.5
Net Cash from Financing Activities	29.8	110.7
Net Decrease in Cash and Cash equivalents	11.5	23.3
Add: Cash & Cash equivalents at the beginning of the period	24.4	1.1
Cash & Cash equivalents at the end of the period	35.9	24.4



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

8 Operational Plants, 6 Owned and 3
lease Warehouses



Only Manufacturer of HMDS in India



3rd Largest Manufacturer of HMDS
Worldwide



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**

FY15-16

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

FY22

- » **Increase in CMIC & TMCS** Capacity by commissioning of plant P8



Global Presence

FY22 Export
Contribution*:

~37%

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 < 50%

Top 10 customers contribute < 65%

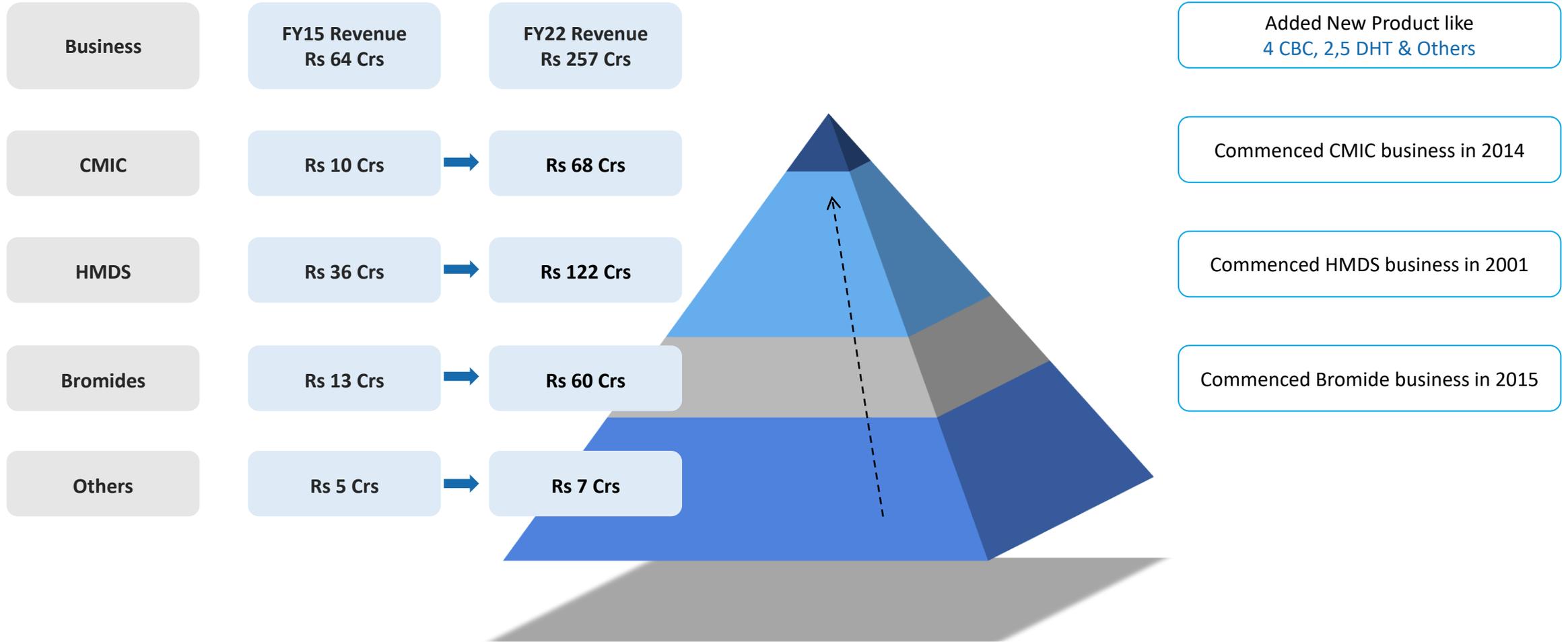
Few customers age more than 2 decades with us

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



Pradeep Agarwal

Independent Director

- » Qualified as Chartered Accountant and Company Secretary
- » He is a Managing Director in a pharmaceutical company and is in the Board of various other companies
- » He is also an Independent Director of Bharat Petroleum Corporation Limited and also engaged in social activities



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



Neelu Shah

Independent Director

- » She holds a bachelor's degree in science . 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, Gol. She 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 (FY22)	2,068 MT	1,295 MT	2,703 MT
Chemcon Share in Global Market	> 5%	> 30%	~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

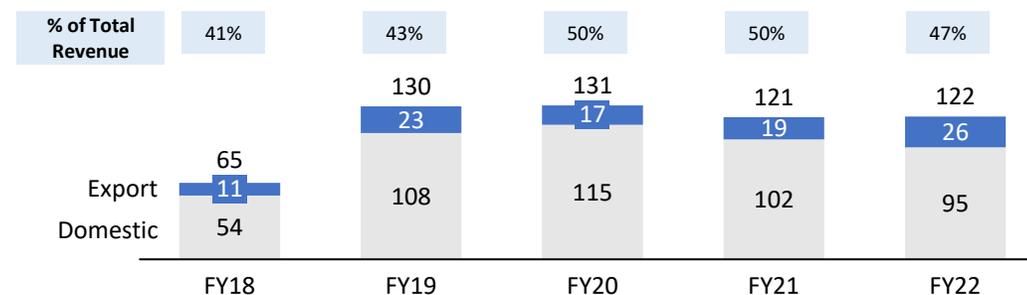
Product	Period	Capacity	Production	Utilisation
HMDS	FY22	4,200	2,068*	49%
Hi-Purity HMDS	FY22	600	-	

*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
Worldwide

Capacity

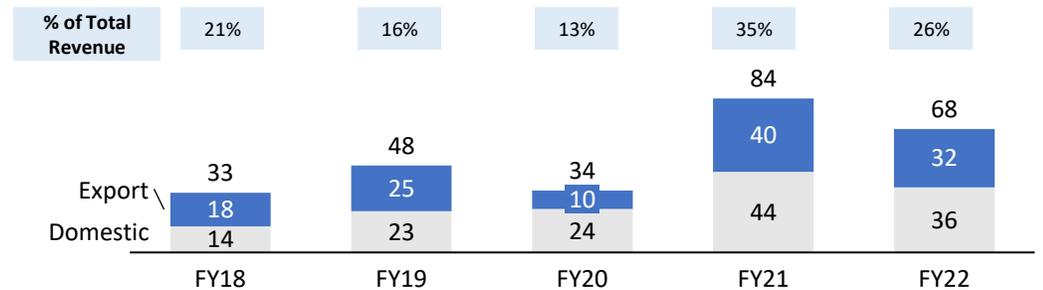
Product	Period	Capacity	Production	Utilisation
CMIC	FY22	1,800	1,295	~72%

*Exclude recently added capacity of 1,200 MT

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

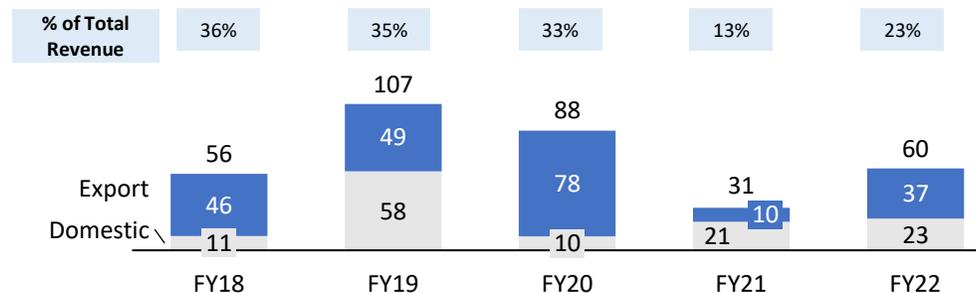
Capacity

Product	Period	Capacity	Production	Utilisation
Bromides (Total)	FY22	15,000	2,703	~18%

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



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	3,600	
P-9		Proposed Multipurpose Capacity (Pharma Intermediate Chemicals)	Q2FY23e	
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
P-1	Calcium Bromide (powder)		600	5.00
Total Capacity (MTPA)			26,600	374.85

Located at Manjusar near Vadodara, Gujarat

8 Operational Plants

2 Proposed Expansion Plants under process

In-House R&D Laboratory

6 Owned + 3 Lease Warehouses

2 Marketing Offices in Mohali & Hyderabad on lease

- » 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 4 CBC & 2,5 DHT products

Capacity Expansion

- » We intend to build two additional plants P9 & P10 unit
- » These additional plants shall be utilised for the manufacturing of chemicals which are principally used in pharmaceutical industry

Import Substitution

- » India's current domestic demand being catered by imports for HMDS and CMIC
- » 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



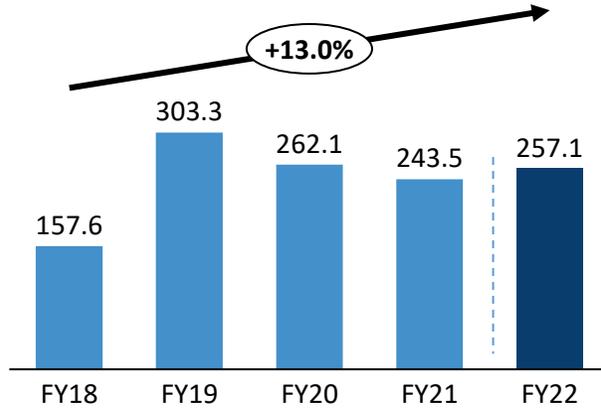
Financial Highlights



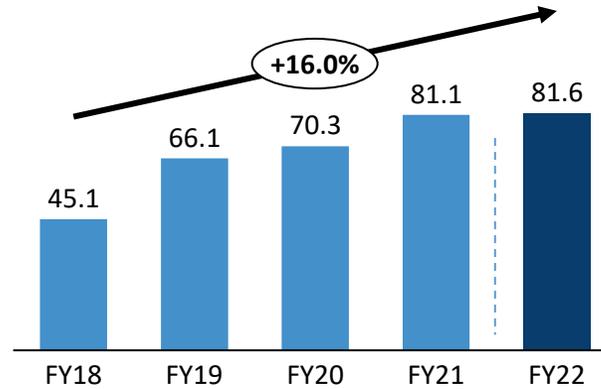
Financial Trends



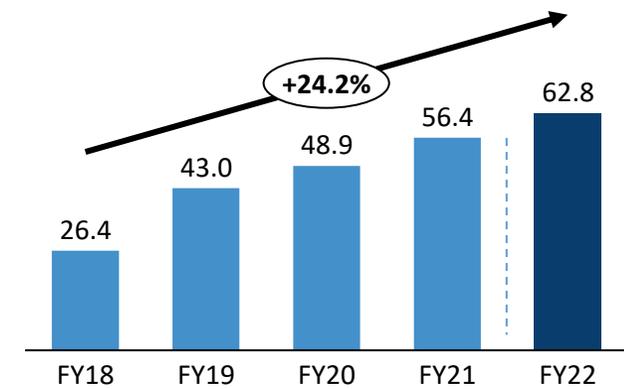
Total Revenue (Rs. Cr)



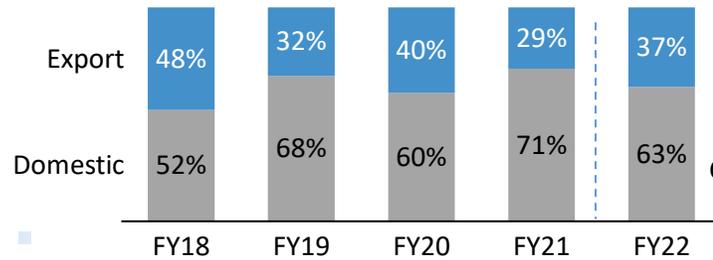
EBITDA (Rs. Cr)



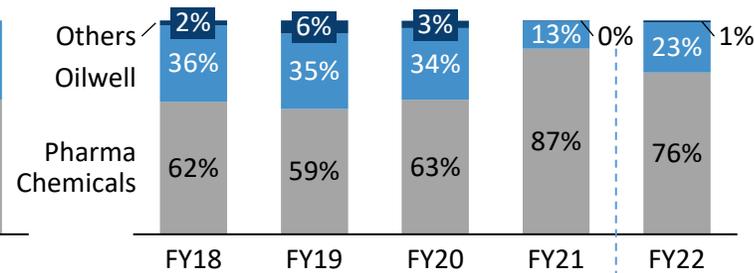
PAT (Rs. Cr)



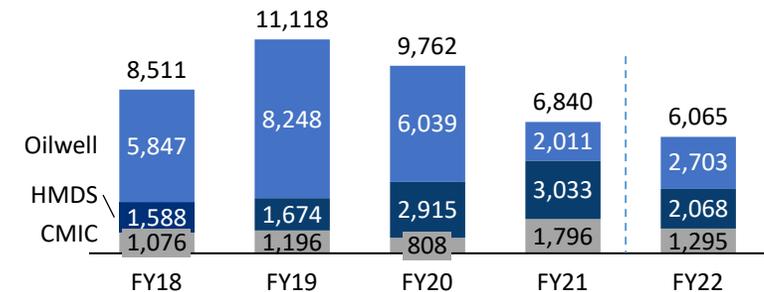
Geographic-Wise (%)



Business-wise (%)



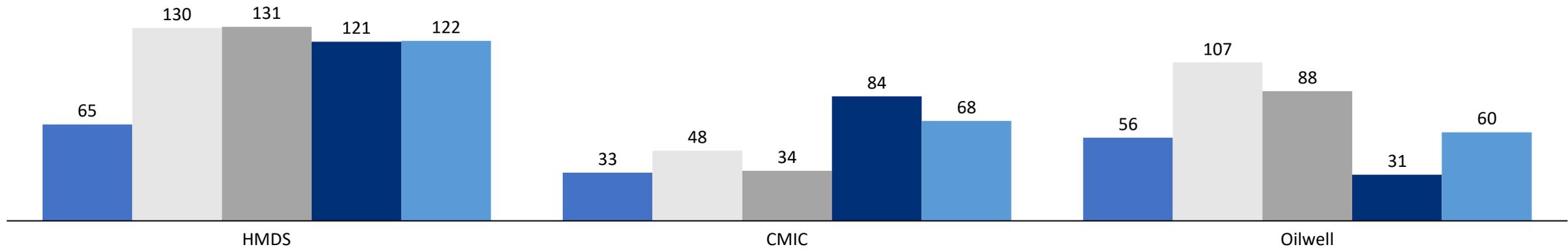
Production Volume (MT)



Performance Highlights

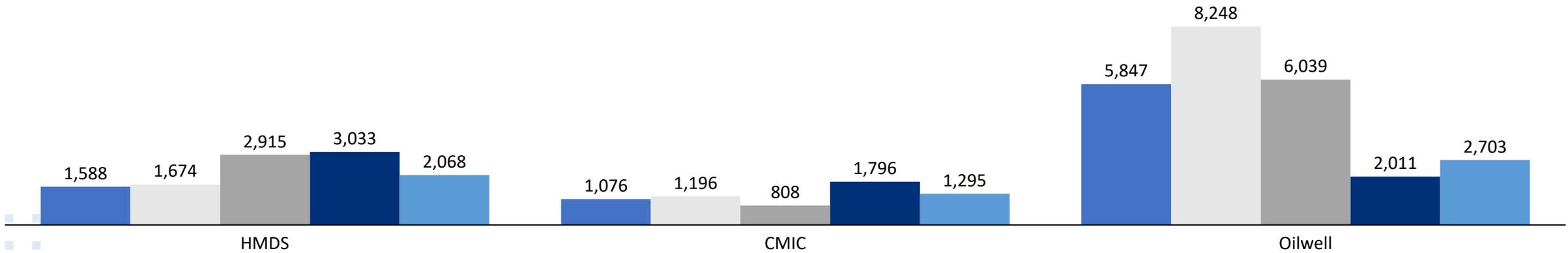


Total Revenue (Rs. Cr)



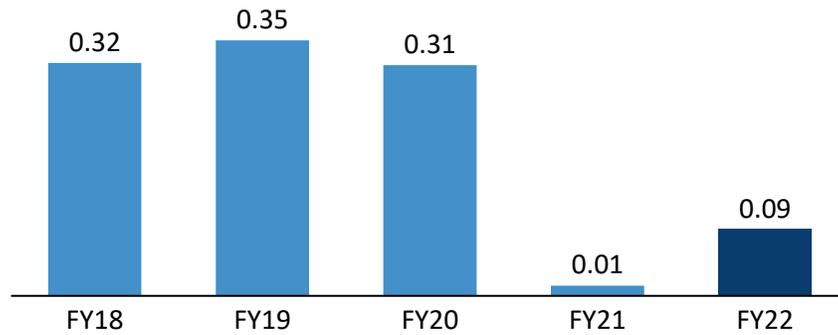
FY18 FY19 FY20 FY21 FY22

Production Volume (MTPA)

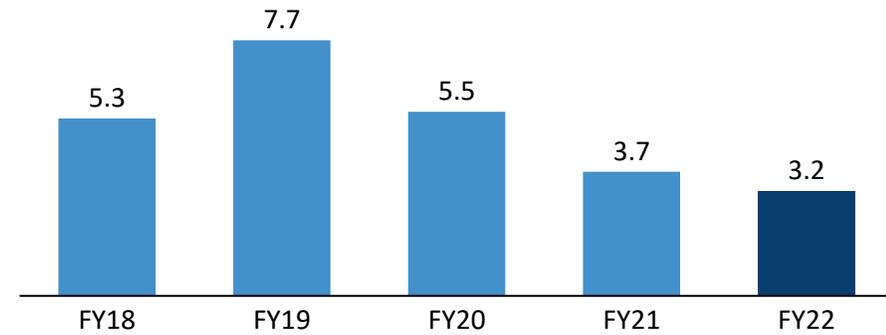


Key Ratios

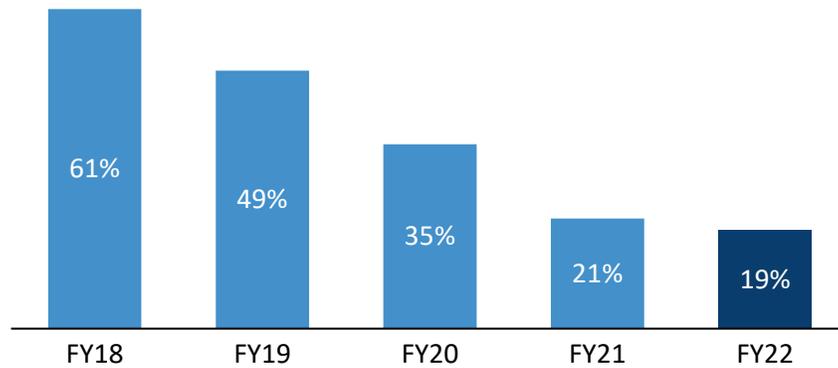
Net Debt/ equity (x)



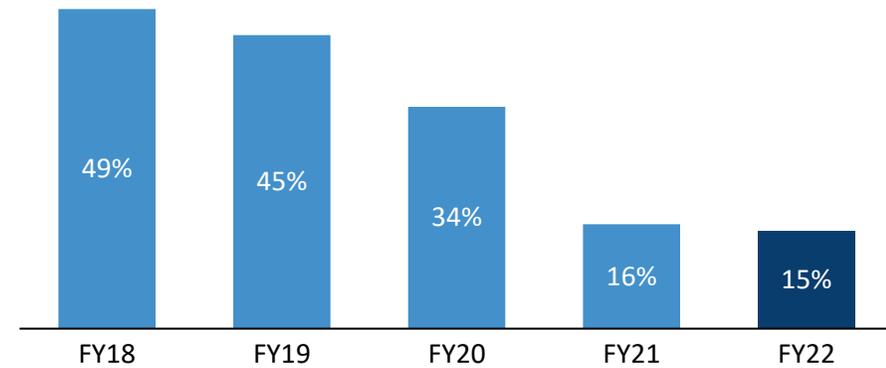
Fixed Asset Turnover(x)



ROCE (%)



ROE (%)



Utilisation of the Net IPO Proceeds



Particulars	Original Cost (as per Prospectus)	Revised Cost	Utilisation Upto 31-03-2022	Unutilisation Amounts as on 31-03-2022
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	15.2	4.1
Total	149.8	150.3	96.2	54.1

*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 March 31st 2022 were temporarily invested in deposits with scheduled commercial bank.



Thank You



Chemcon Speciality Chemicals Ltd.

CIN – L24231GJ1988PLC011652

Mr. Rajesh Gandhi - CFO

Email – rajesh@cscpl.com

www.cscpl.com

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

Mr. Shrikant Sangani / Ms. Pankti Majithia

Email - shrikant.sangani@sgapl.net/ pankti.majithia@sgapl.net

+91 9619595686 /91+ 9619611096

www.sgapl.net

