




**Chemcon Speciality Chemicals Limited
Investor Presentation – August 2024**



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.



Q1 FY25 Performance Highlights



Q1 FY25 Performance Highlights



“We have registered a total revenue of Rs 45 crores for Q1FY25, a significant drop on a YoY basis led by substantial drop in Inorganic Chemicals business. Inorganic chemicals segment has faced challenges due to supply chain disruptions, demand softening, and lower realisation. We anticipate a meaningful recovery in the latter half of FY25.

On the other hand, we have observed a modest recovery in demand for our organic chemicals, such as HMDS, CMIC, and Bromobenzene, particularly from our pharmaceutical and agrochemical clients. Demand for our newly launched organic chemical continues to see some softness trend. The company is focussing further to develop more capabilities on new products and improve the operational efficiencies. Despite near term challenges, we will continue to make an efforts to broaden our product offerings & foresee healthy growth in the coming years.”

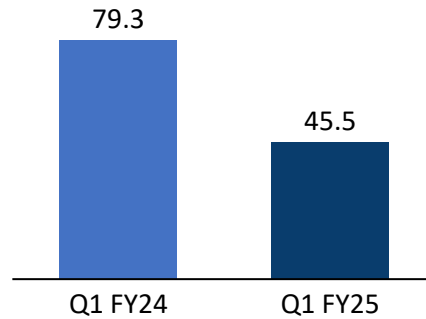
Mr. Kamal Aggarwal,

Chairman & Managing Director

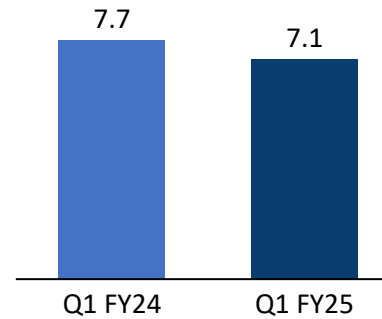
Financial Highlights



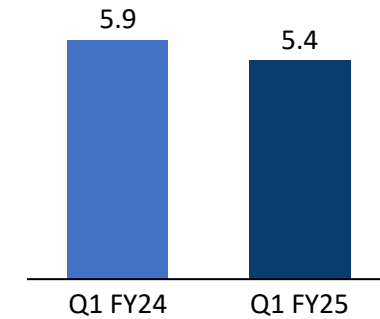
Total Revenue (Rs. Cr)



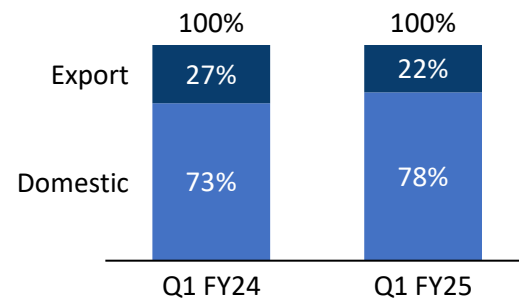
EBITDA (Rs. Cr)



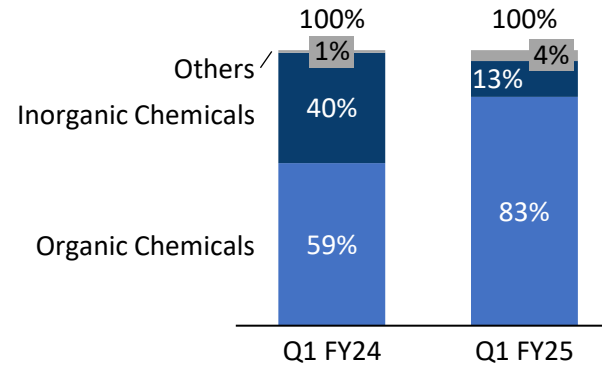
PAT (Rs. Cr)



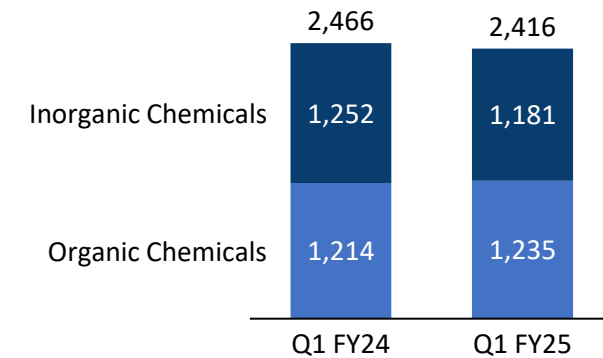
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



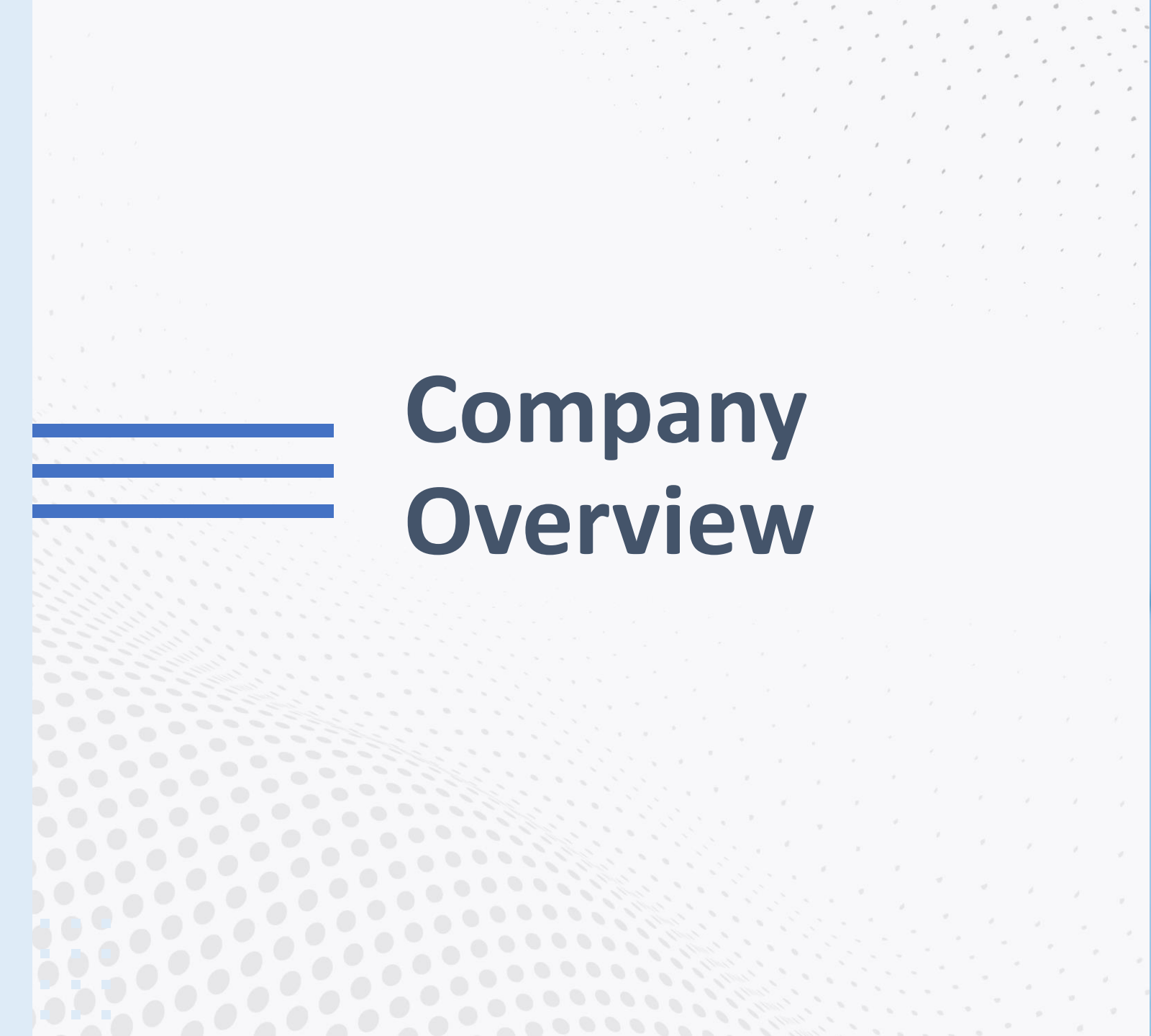
Organic chemicals refers to HMDS, CMIC and Bromobenzene whereas Inorganic chemicals refer to Bromides

Export data are inclusive of Deemed Exports

Profit & Loss Statement



Particulars (Rs. Crs)	Q1 FY25	Q1 FY24	Y-o-Y	FY24
Revenue from Operations	45.5	79.3	-42.6%	267.1
Cost of Goods Sold	26.1	59.9		188.9
Employee Cost	4.7	4.0		18
Other Expenses	7.6	7.7		33.3
EBITDA	7.1	7.7	-7.8%	26.9
EBITDA Margin	15.6%	9.7%		10.1%
Other Income	3.8	3.6		13.2
Depreciation	2.5	2.6		10.3
EBIT	8.4	8.7		29.8
Finance Cost	1.0	0.7		3.5
Profit before Tax	7.4	8.0		26.3
Tax	2.0	2.1		7.1
PAT	5.4	5.9	-9.1%	19.2
PAT Margin %	11.8%	7.4%		7.2%
Basic EPS	1.47	1.61		5.24



Company Overview



Company Snapshot

Incorporated in 1988

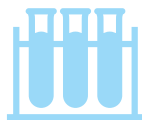
Manufacturer of Speciality Chemicals

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

Business Verticals: Organic Chemicals and Inorganic Chemicals

Manufacturing Facilities near Manjusar, Vadodara, Gujarat

9 Operational Plants, 6 Owned 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 ancillary product of HMDS

FY22 -23

- » **Increase in CMIC & TMCS** Capacity by commissioning of plant P8
- » Increase in bromobenzene capacity by commissioning plant P-9



Global Presence

FY24 Export
Contribution*:

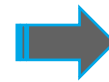
~41%

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



Organic Chemicals

Inorganic Chemicals



Shree Radha Overseas

CC Gran Limited Liability Company

Longstanding Clients

Strong Base

New Product Development

New Customer Reach

Top 5 customers contribute ~40%

Top 10 customers contribute ~55%

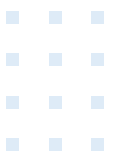
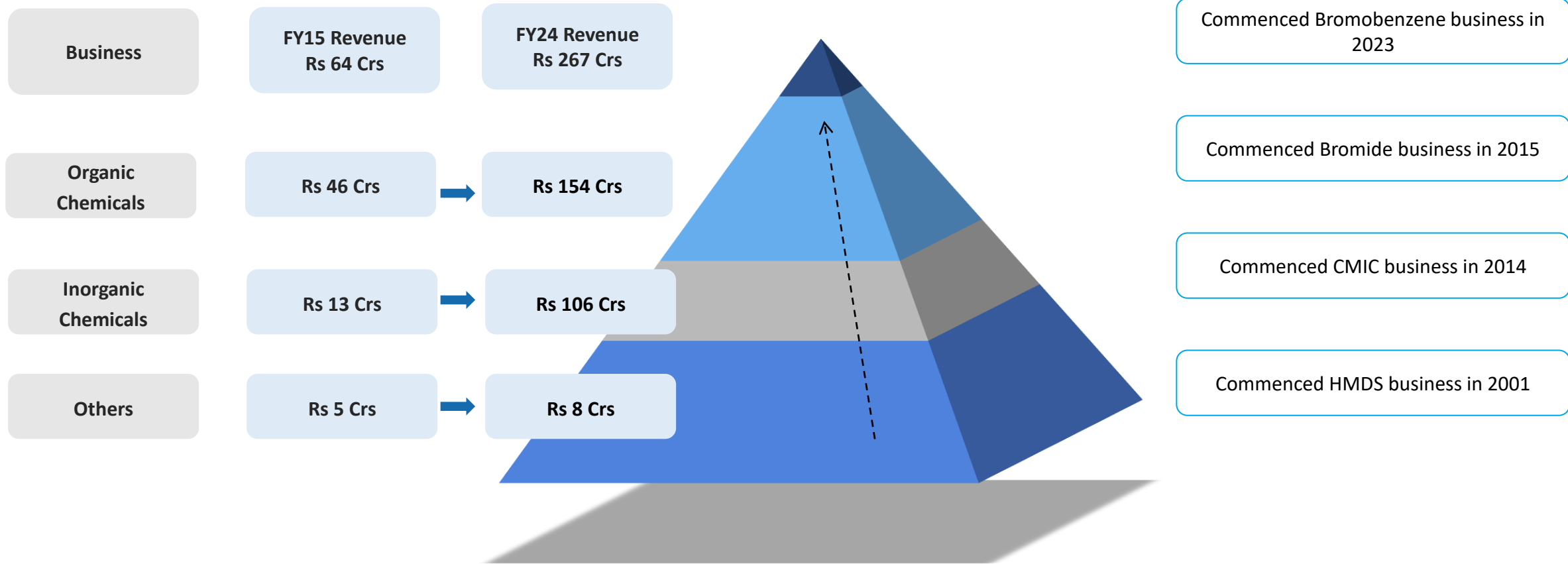
Few customers age more than 2 decades with us

Major customers have been with us for more than 5 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



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



Product Portfolio



Organic Chemicals

HMDS

- 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

Pharmaceuticals & Others

CMIC

- CMIC is an antiviral drug intermediate product, which is a key intermediate for anti-AIDS and anti-hepatitis B drug Tenofovir
- The downstream product of CMIC, Tenofovir is a nucleotide antiviral drug developed by Gilead Corporation of the United States.

Pharmaceuticals

Bromobenzene

- Bromobenzene, is a clear, colourless or pale-yellow liquid. It is manufactured through bromination of benzene in presence of iron and has form of heavy, mobile, colorless liquid having a pungent odor.

Agrochemicals

Inorganic Chemicals

Bromides

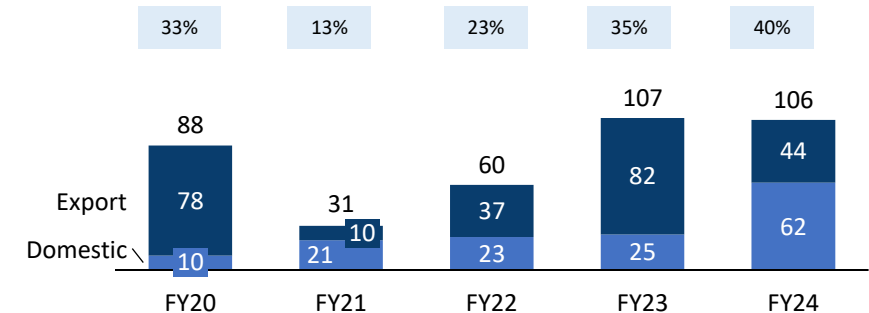
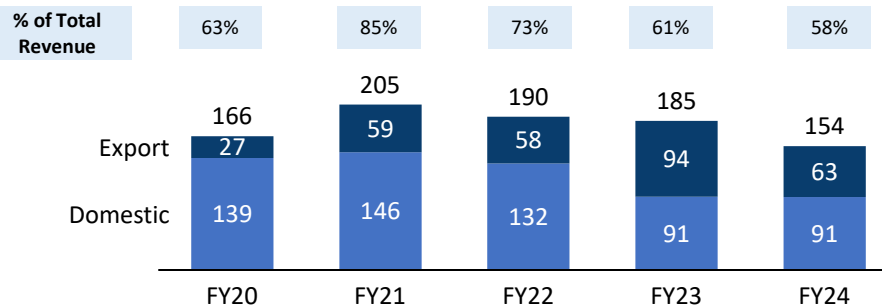
- Oilwell Completion Chemicals are used to complete the well and is normally a salty solution made up of chlorides or bromides
- Company manufacture a range of inorganic bromides, namely: Calcium Bromide (solution and powder), Zinc Bromide (solution) & Sodium Bromide (solution and powder)

Oil Drilling & Fluids

Key Products

End User Industry

Business Performance (Rs in cr)



Export data are inclusive of Deemed Exports

Manufacturing Facilities



Sr No	Product categories	Key Products	Installed Capacity (MTPA)
1	Organic Chemicals	HMDS, CMIC, Bromobenzene and other ancillary products	10,800
2		Proposed P-10 Capacity	H2FY25e
3		Proposed P-11 Capacity	H2FY25e
4	Inorganic Chemicals	Range of Inorganic Bromides	15,000

Located at Manjusar near Vadodara, Gujarat

9 Operational Plants

2 Proposed Expansion Plant under process

In-House R&D Laboratory

6 Owned Warehouses

Located at Manjusar near Vadodara, Gujarat



Capacity Expansion

- » We plan to add additional manufacturing capacity P10 unit and P11 unit by H2FY25. These additional capacity will manufacture organic chemicals

Import Substitution

- » Aims to capitalize on the potential growth of Organic Chemicals in India and to substitute imports

Exploring New Applications

- » Plan to expand the new products to have diversified product portfolio with diversified client base

Cost Efficiencies

- » Ongoing improvement in cost-efficiencies in the production process through Process re-engineering for efficient raw material consumption and through economies of scale



Way Forward

Moderate Growth in

Organic Chemicals



Healthy Growth in

Inorganic Chemicals



Exploring
Opportunities in

New Products



Leading to Long Term Sustainable Growth

New Products, New Clients, New Applications, New Opportunities



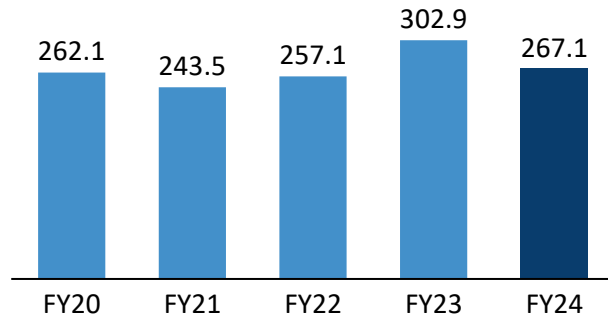
Financial Highlights



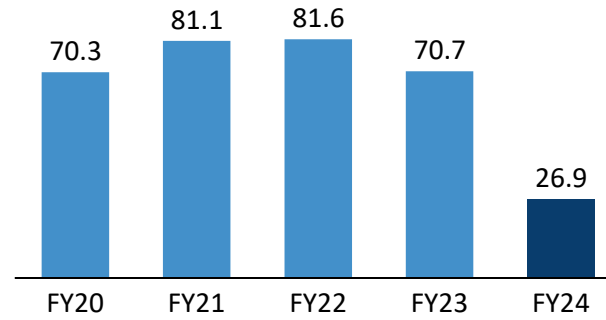
Financial Trends



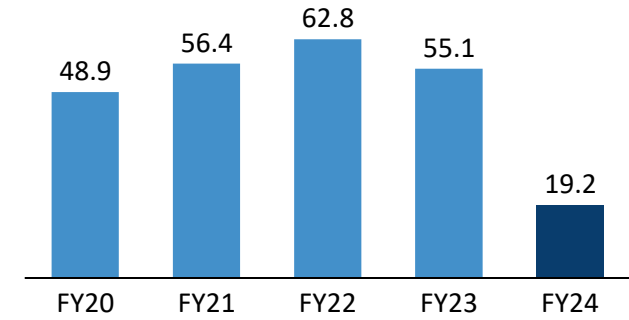
Total Revenue (Rs. Cr)



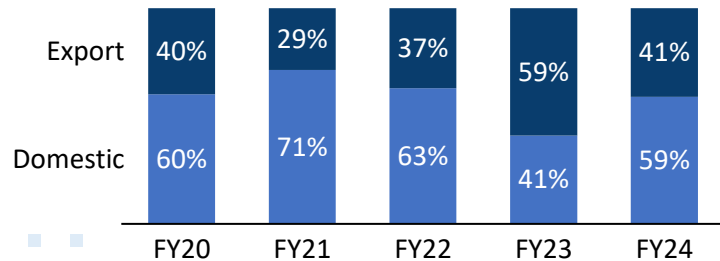
EBITDA (Rs. Cr)



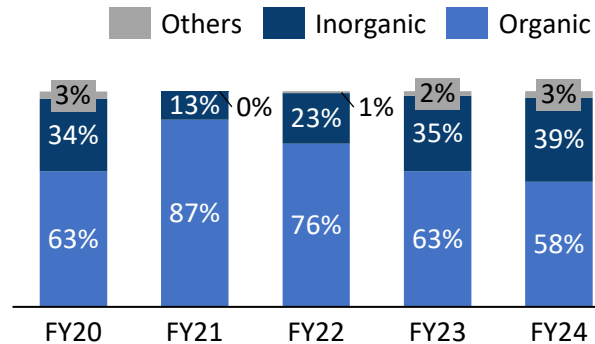
PAT (Rs. Cr)



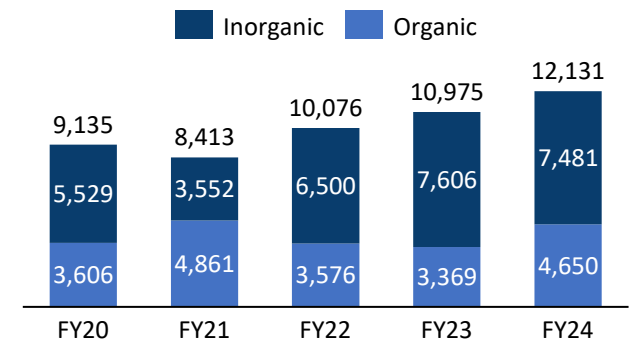
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)

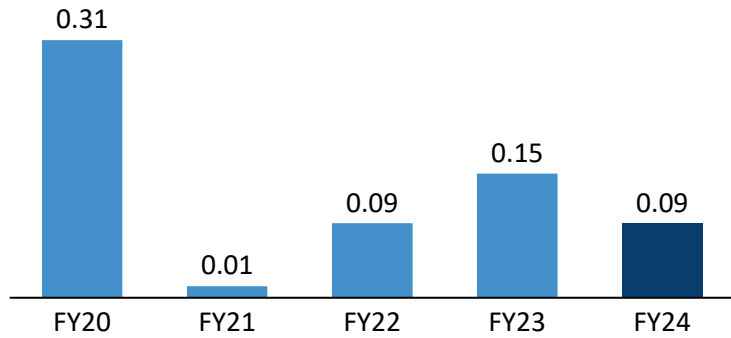


Organic chemicals refers to HMDS, CMIC and Bromobenzene whereas Inorganic chemicals refer to Bromides

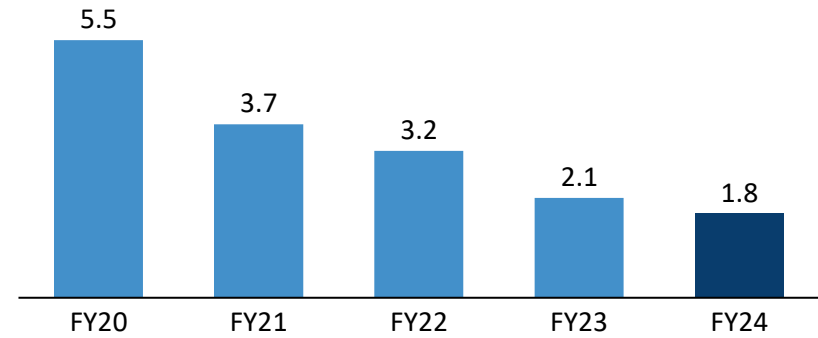
Export data are inclusive of Deemed Exports

Key Ratios

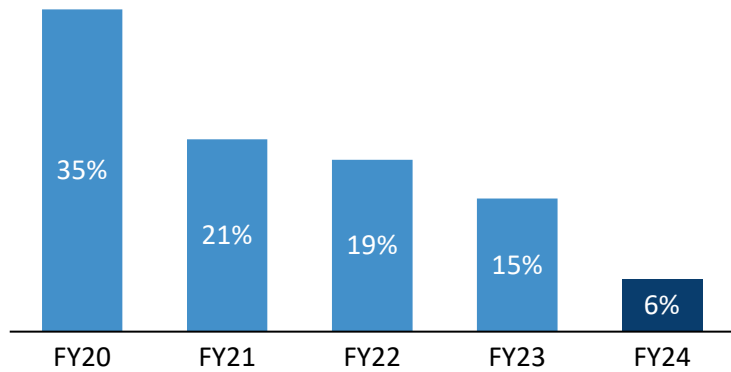
Debt/ equity (x)



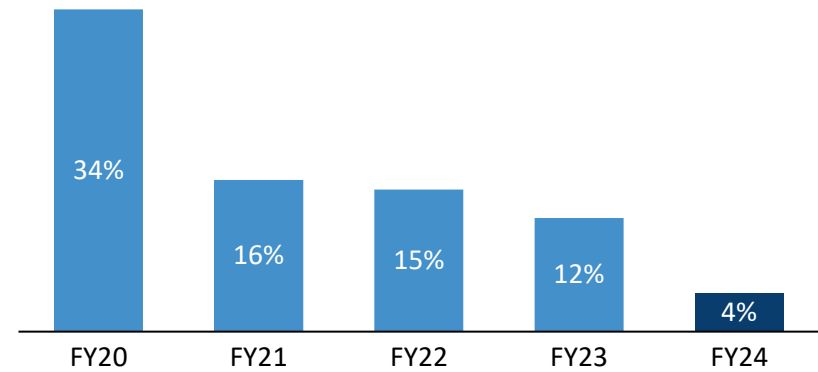
Fixed Asset Turnover(x)



ROCE (%)



ROE (%)



Balance Sheet



ASSETS (Rs. Crs)	Mar-24	Mar-23
Non-Current Assets		
a) Property, Plant And Equipment	146.5	141.4
b) Capital Work in Progress	42.4	13.6
c) Right Of Use Asset	0.0	0.0
d) Intangible Assets	0.0	0.0
e) Other Financial Assets	0.9	84.0
f) Other Non-Current Assets	2.3	3.0
Sub-Total - Non-Current Assets	192.1	242.0
Current Assets		
a) Inventories	61.6	79.0
b) Financial Assets		
i) Trade Receivables	81.9	67.6
ii) Cash And Cash Equivalents	7.1	44.4
iii) Bank Balances	163.5	86.4
iv) Other Financial Assets	9.6	4.3
c) Other Current Assets	21.8	24.4
d) Current tax assets	7.7	5.1
Sub-Total - Current Assets	353.2	311.4
Total - Assets	545.2	553.4

EQUITY AND LIABILITIES	Mar-24	Mar-23
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	36.6	36.6
b) Other Equity	439.8	420.7
Total Equity	476.4	457.4
Liabilities		
Non-Current Liabilities		
a) Financial Liabilities		
i) Borrowings	0.4	0.7
ii) Lease Liabilities	0.0	0.0
iii) Other financial liabilities	0.0	0.8
b) Non current Provisions	0.3	0.1
c) Deferred Tax Liabilities (Net)	4.4	3.1
Sub-Total - Non-Current Liabilities	5.1	4.7
Current Liabilities		
a) Financial Liabilities		
i) Borrowing	42.3	63.2
ii) Trade Payables	12.1	21.4
iii) Other Financial Liabilities	5.5	4.1
iv) Lease Liabilities	0.0	0.0
b) Other Current Liabilities	3.6	2.4
c) Short Term Provisions	0.2	0.0
d) Current tax Liabilities	0.0	0.0
Sub-Total - Current Liabilities	63.7	91.3
Total - Equity And Liabilities	545.2	553.4

Cash Flow Statement



Particulars (Rs. Crs.)	Mar-24	Mar-23
Net Profit Before Tax	26.3	74.2
Adjustments for: Non Cash Items / Other Investment or Financial Items	1.4	-0.8
Operating profit before working capital changes	27.7	73.3
Changes in working capital	-6.7	-38.5
Cash generated from Operations	21.0	34.9
Direct taxes paid (net of refund)	-9.0	-22.1
Net Cash from Operating Activities	12.0	12.7
Net Cash from Investing Activities	-24.6	-16.3
Net Cash from Financing Activities	-24.8	12.0
Net Decrease in Cash and Cash equivalents	-37.4	8.4
Add: Cash & Cash equivalents at the beginning of the period	44.4	36.0
Cash & Cash equivalents at the end of the period	7.1	44.4

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. Shaily Patwa

Email - shrikant.sangani@sgapl.net/ shaily.p@sgapl.net

+91 9619595686 /+91 9819494608

www.sgapl.net

