




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



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Q3 & 9M FY24 Performance Highlights



Q3 FY24 Performance Highlights



“Quarterly performance continued to face headwinds due to moderate demand and lower realization of our key products in organic chemical. Organic Chemicals like HMDS & CMIC continue to witness pressure from pharmaceutical manufacturers and still seems soft as major customers are managing lean inventory due to high carrying costs & moderate demand. In general, challenges persist for Agrochemicals and Pharmaceuticals industry and anticipate widespread demand normalization in the coming quarters.

Though, company registered a volume growth of 13% on a YoY basis mainly driven by Inorganic Chemicals. Demand for our recently launched Organic chemical has improved on a sequential basis and we expect trend to continue. Additionally, we are in the process of adding new products to our product portfolio as part of our de-risking and diversification strategy. These new products will be put into operation at our forthcoming facilities P-10 and P-11 which we expect to commercialize by Q4FY24e and end of FY25e respectively. With a vast array of product offerings, we will be in better position to serve our esteem clients. We have made substantial investments to expand our product line over the years and will continue to do so in the future. Despite ongoing business challenges, we are confident that long term growth opportunities for the company remain intact and expect healthy business growth in the next financial year.”

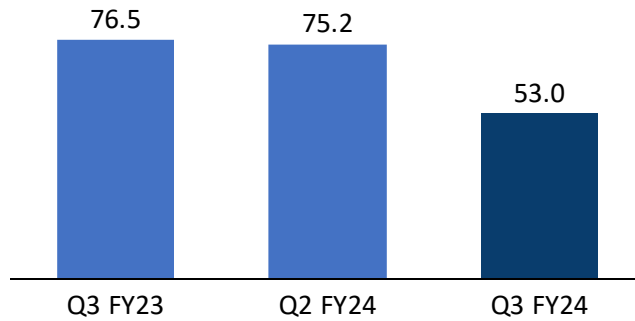
Mr. Kamal Aggarwal,

Chairman & Managing Director

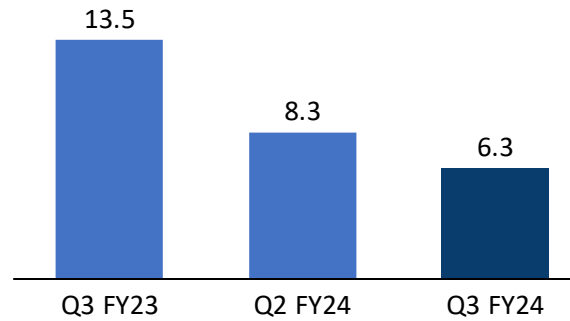
Financial Highlights



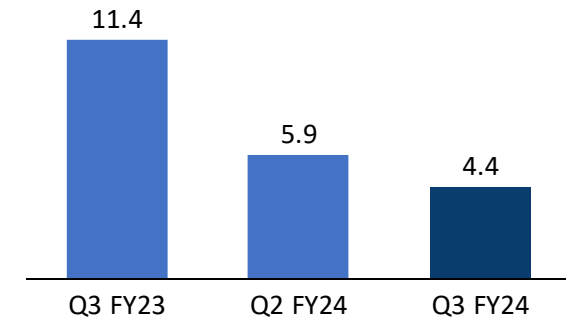
Total Revenue (Rs. Cr)



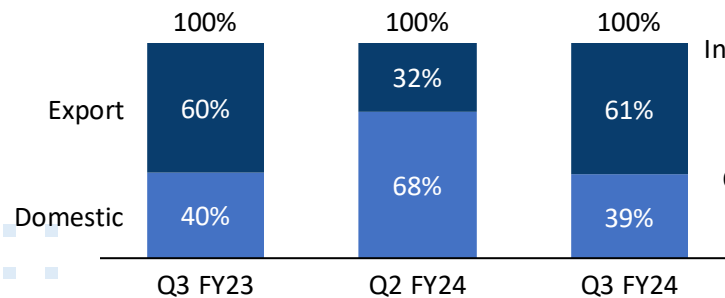
EBITDA (Rs. Cr)



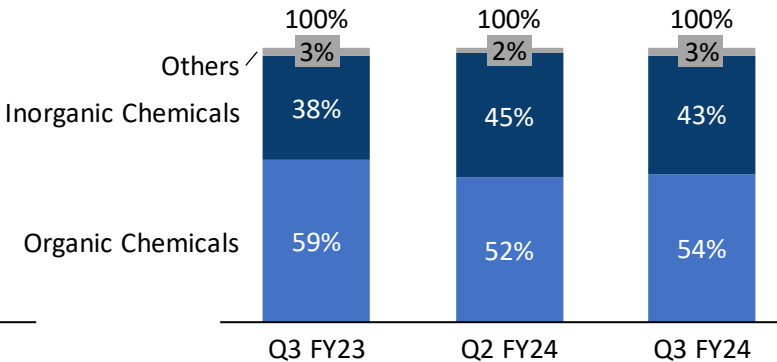
PAT (Rs. Cr)



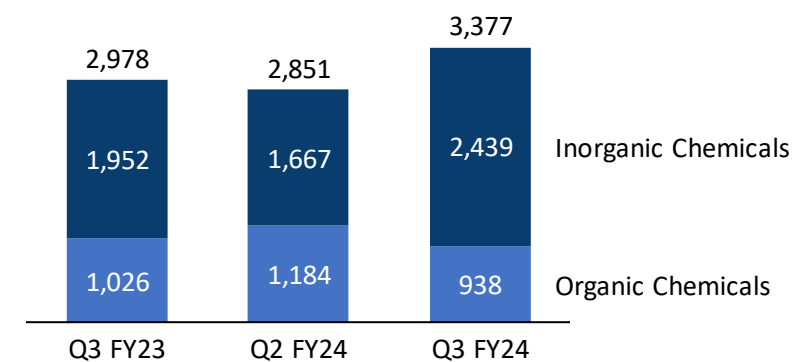
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



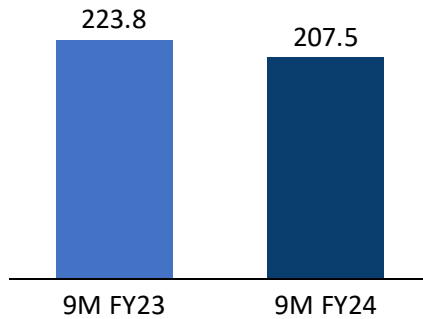
Organic chemicals refers to HMDS, CMIC and Bromobenzene whereas Inorganic chemicals refer to Bromides

Export data are inclusive of Deemed Exports

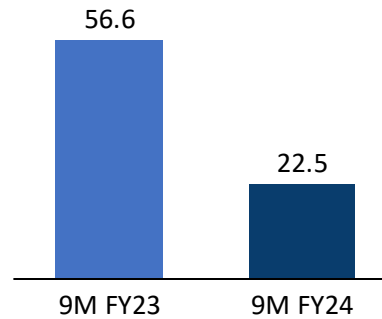
Financial Highlights



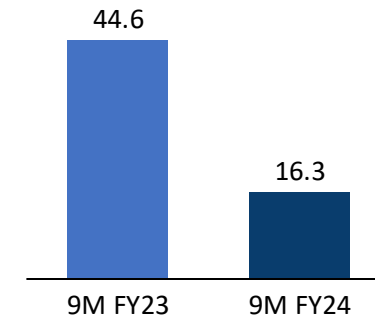
Total Revenue (Rs. Cr)



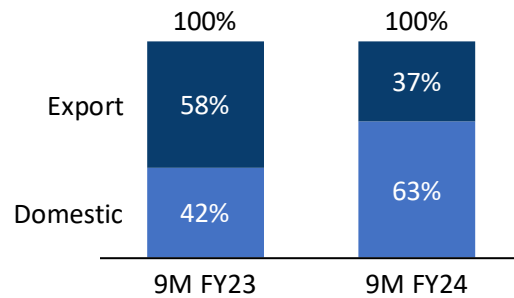
EBITDA (Rs. Cr)



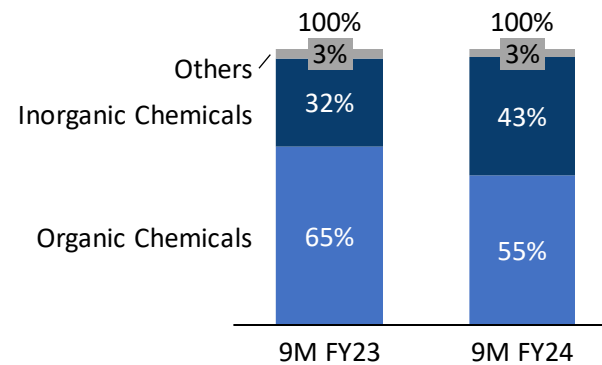
PAT (Rs. Cr)



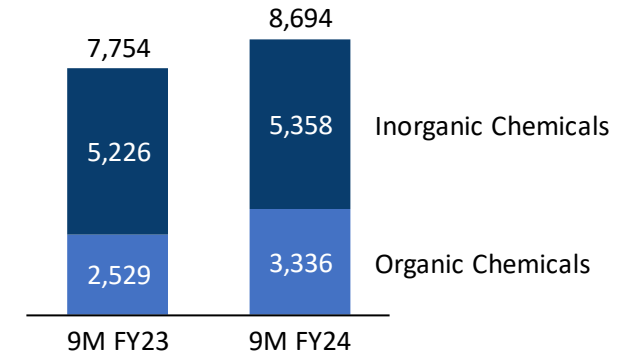
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



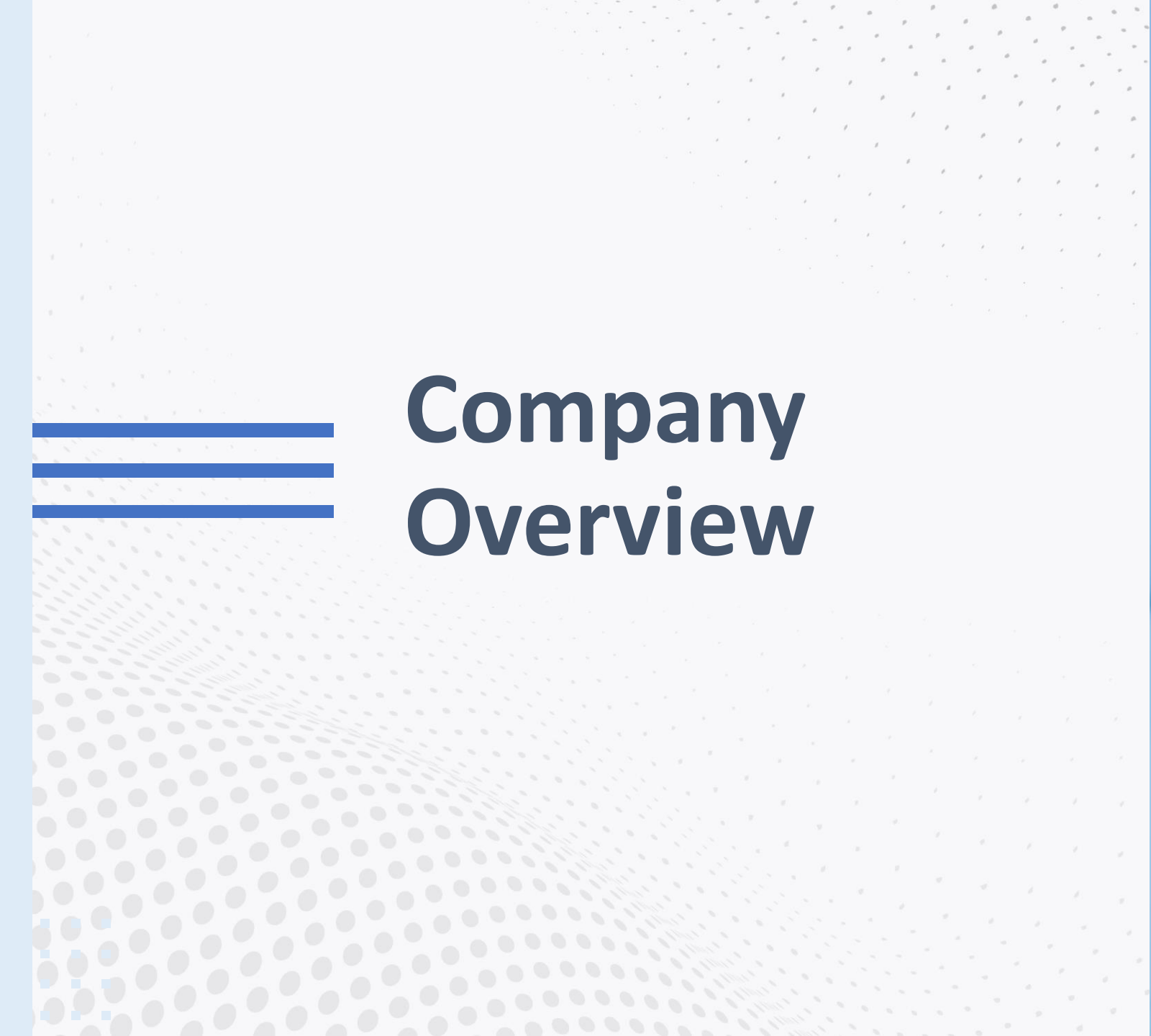
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Export data are inclusive of Deemed Exports

Profit & Loss Statement



| Particulars (Rs. Crs) | Q3 FY24 | Q3 FY23 | Y-o-Y | 9M FY24 | 9M FY23 | Y-o-Y |
|--------------------------------|--------------|--------------|---------------|--------------|--------------|---------------|
| Revenue from Operations | 53.0 | 76.5 | -30.7% | 207.5 | 223.8 | -7.3% |
| Cost of Goods Sold | 34.3 | 49.0 | | 147.6 | 122.2 | |
| Employee Cost | 4.2 | 4.9 | | 13.2 | 15.5 | |
| Other Expenses | 8.2 | 9.1 | | 24.2 | 29.5 | |
| EBITDA | 6.3 | 13.5 | -53.0% | 22.5 | 56.6 | -60.3% |
| EBITDA Margin | 12.0% | 17.6% | | 10.8% | 25.3% | |
| Other Income | 3.3 | 4.5 | | 9.8 | 10.4 | |
| Depreciation | 2.6 | 2.1 | | 7.8 | 6.1 | |
| EBIT | 7.1 | 15.8 | | 24.5 | 60.9 | |
| Finance Cost | 1.0 | 0.6 | | 2.4 | 1.0 | |
| Profit before Tax | 6.1 | 15.2 | | 22.1 | 59.9 | |
| Tax | 1.6 | 3.9 | | 5.8 | 15.3 | |
| PAT | 4.4 | 11.4 | -60.9% | 16.3 | 44.6 | -63.5% |
| PAT Margin % | 8.4% | 14.9% | | 7.9% | 19.9% | |
| Basic EPS | 1.21 | 1.62 | | 4.45 | 12.19 | |



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 Manjusr, 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

FY23 Export
Contribution*:

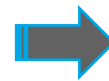
~59%

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



Top 5 customers contribute ~40%

Top 10 customers contribute ~58%

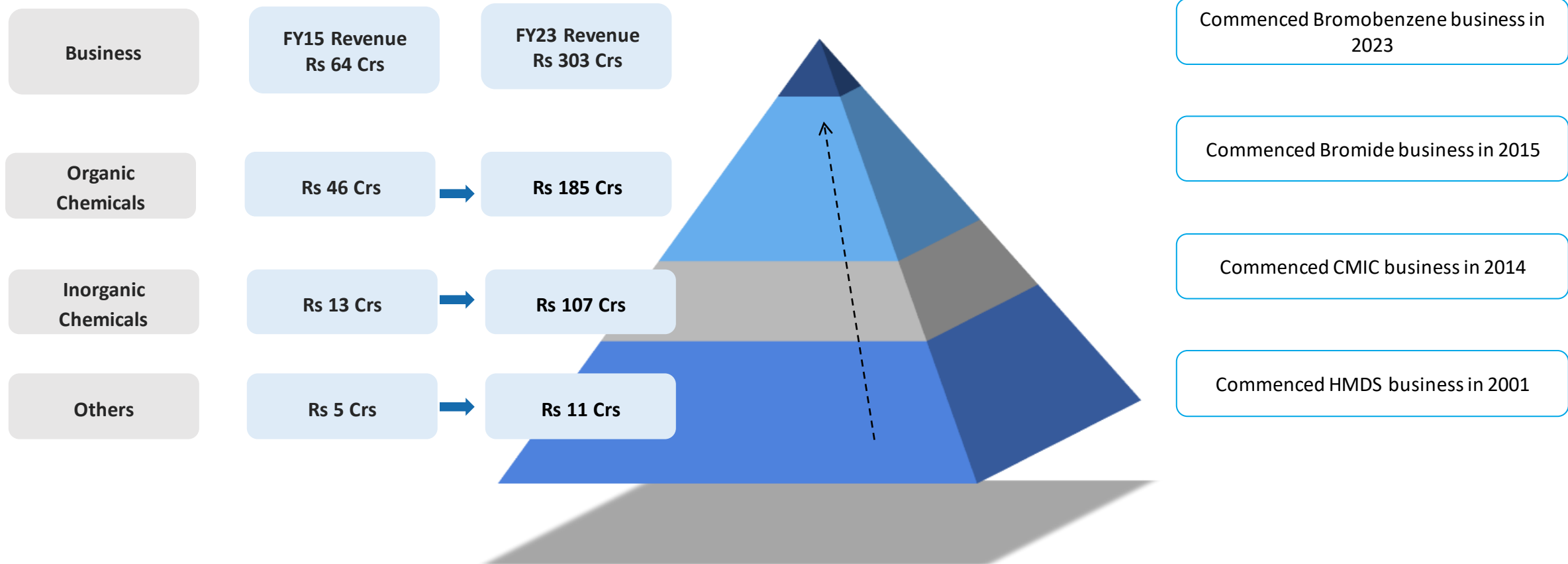
Few customers age more than 2 decades with us

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

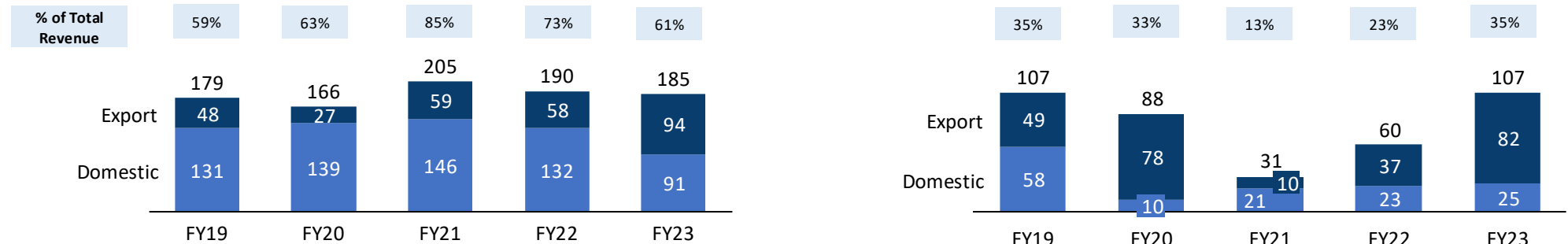
- Oilwell Completion Chemicals are used to complete the well and is normally a salty solution made up of chlorides or bromides
- Company manufacture a range of inorganic bromides, namely: Calcium Bromide (solution and powder), Zinc Bromide (solution) & Sodium Bromide (solution and powder)

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 | Q4FY24e |
| 3 | | Proposed P-11 Capacity | FY25e |
| 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 by end of FY24 and P11 unit by FY25. 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



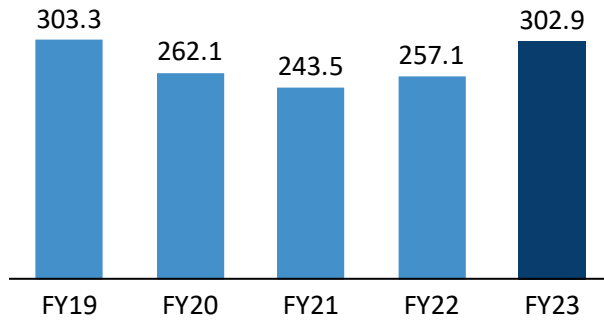
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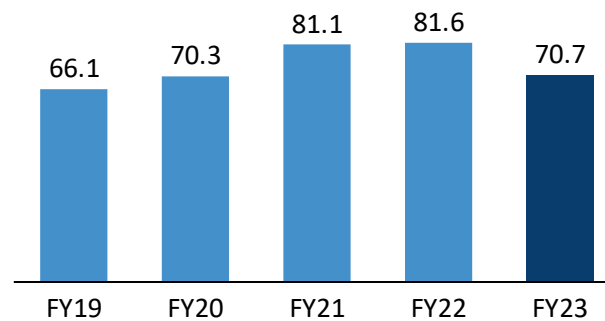
Financial Trends



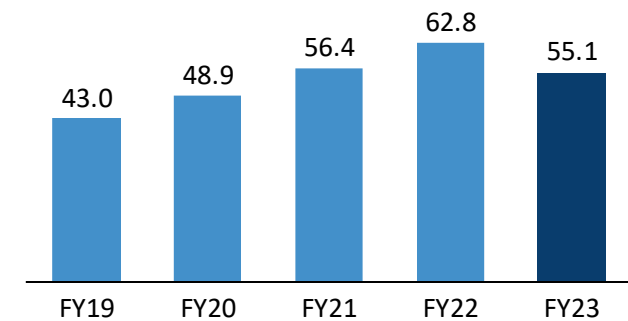
Total Revenue (Rs. Cr)



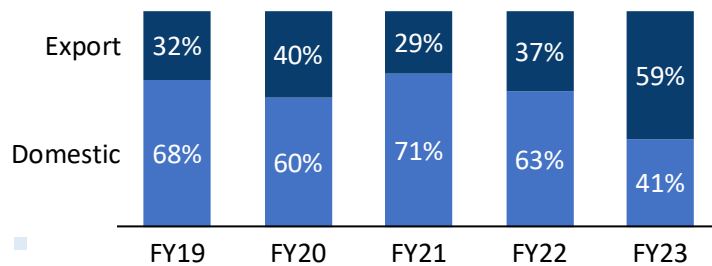
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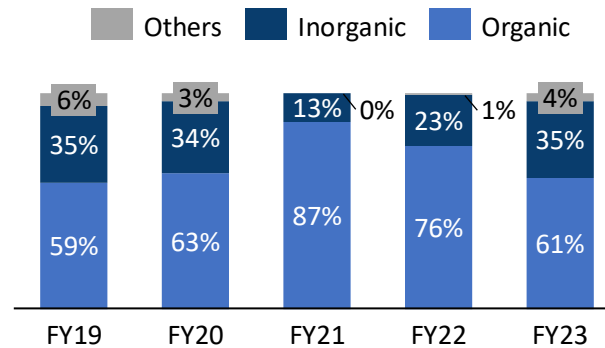
PAT (Rs. Cr)



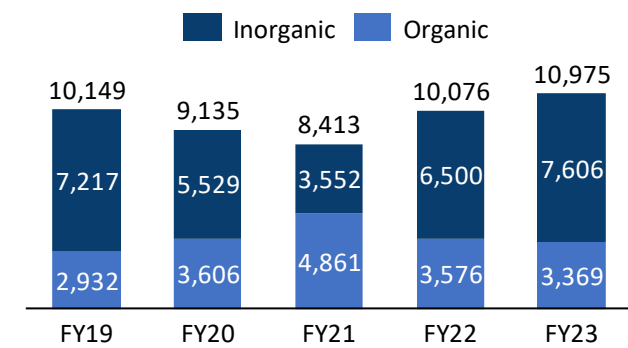
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



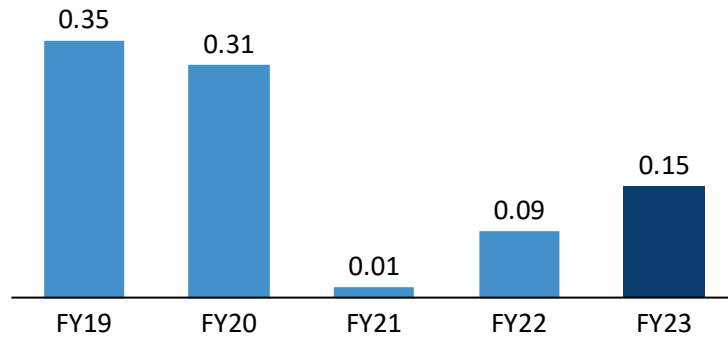
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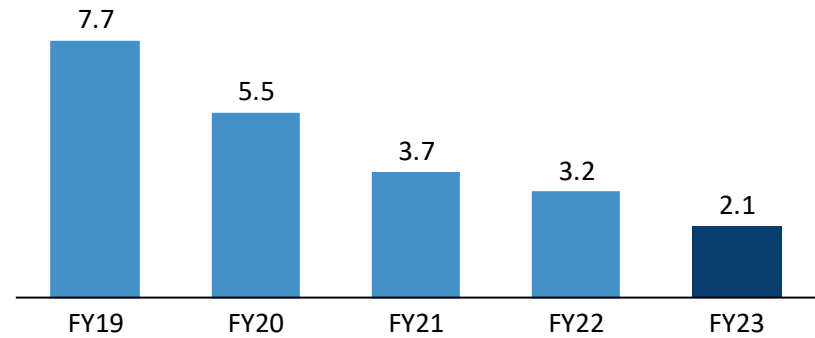
Key Ratios



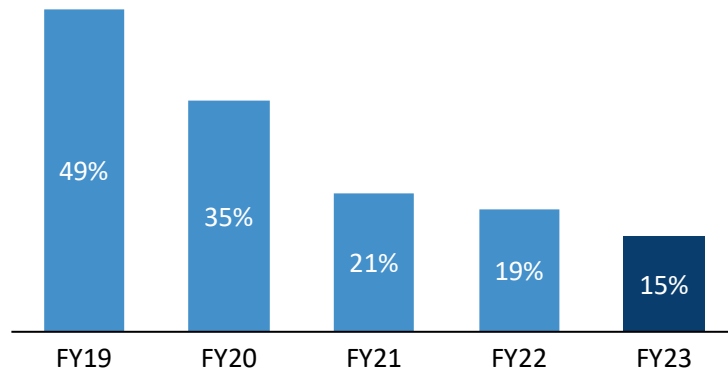
Net Debt/ equity (x)



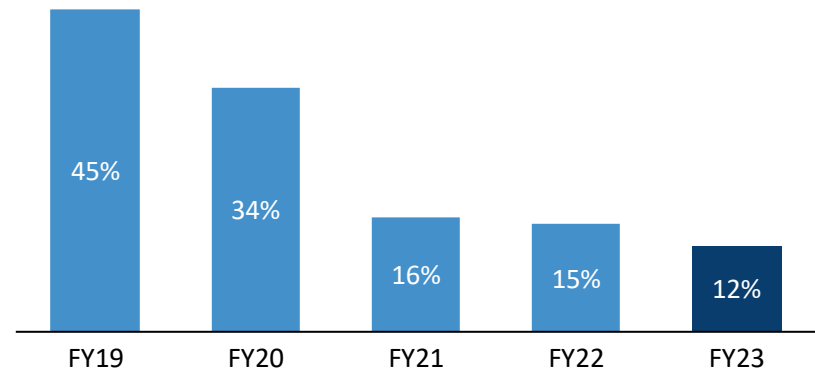
Fixed Asset Turnover(x)



ROCE (%)



ROE (%)



Thank You



Chemcon Speciality Chemicals Ltd.

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