




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



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Q4 & FY24 Performance Highlights



Q4 & FY24 Performance Highlights



“We reported total revenue of Rs 267 crore in FY24, reflecting a 12% decrease compared to the previous year. This decline was driven by soft demand of key products amid global economic uncertainty and lower realizations, which adversely impacted our annual performance. Organic chemicals such as HMDS, CMIC, and Bromobenzene have seen slow uptake from pharmaceutical and agrochemical clients. On a positive note, demand for our recently launched organic chemical has improved year-over-year, and we expect reasonable growth in the next financial year. Our inorganic chemicals business experienced mixed results due to unstable demand, supply chain disruptions, and deferred dispatches to clients. We anticipate demand and price across the products to normalize in H2FY25.”

As part of our strategic plan, we are introducing new products to our portfolio. These products are currently in the trial phase and are expected to become operational at our upcoming facilities, P-10 and P-11. The expansion of these units has been deferred to H2FY25. We will continue to make prudent capital allocations to expand our product line, as we have done in previous years. Based on our ongoing client engagements, we anticipate stable growth in the upcoming fiscal year and remain optimistic about our long-term growth prospects.”

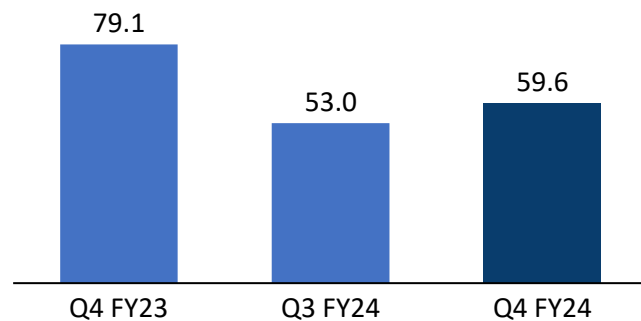
Mr. Kamal Aggarwal,

Chairman & Managing Director

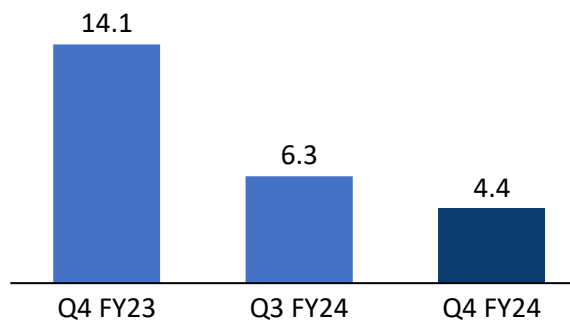
Financial Highlights



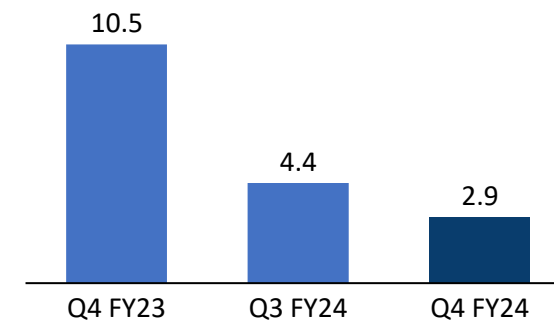
Total Revenue (Rs. Cr)



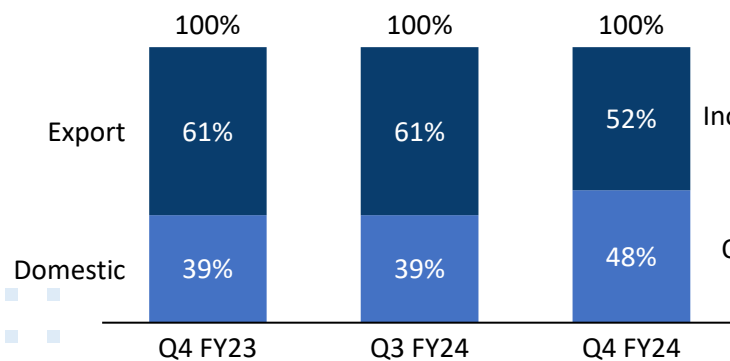
EBITDA (Rs. Cr)



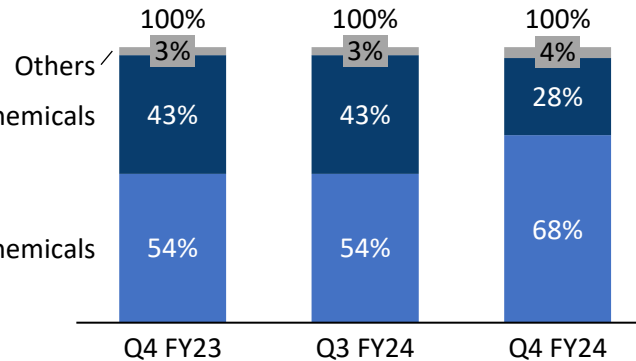
PAT (Rs. Cr)



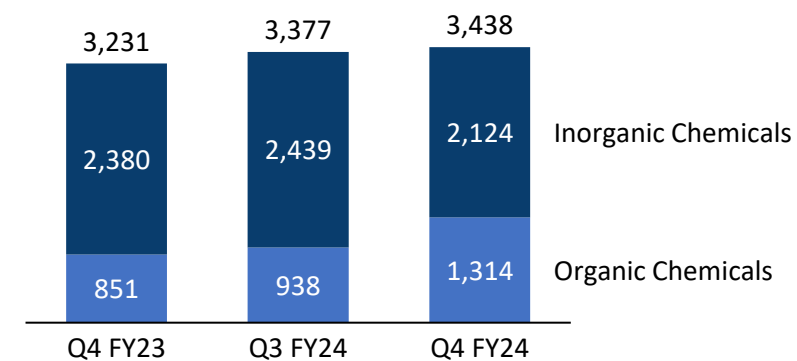
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



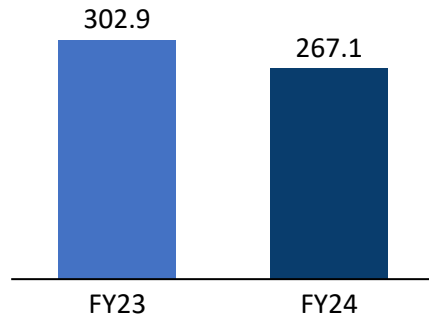
Organic chemicals refers to HMDS, CMIC and Bromobenzene whereas Inorganic chemicals refer to Bromides

Export data are inclusive of Deemed Exports

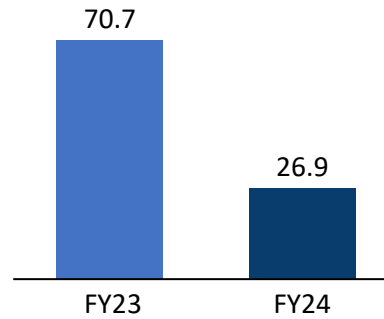
Financial Highlights



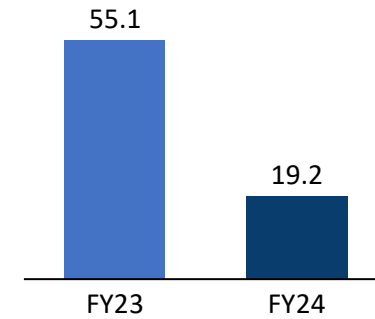
Total Revenue (Rs. Cr)



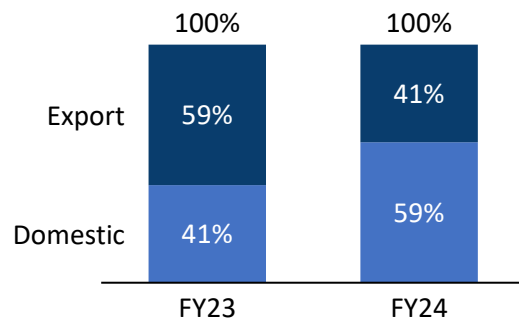
EBITDA (Rs. Cr)



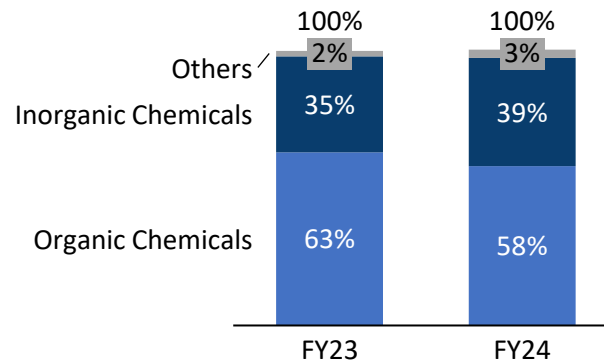
PAT (Rs. Cr)



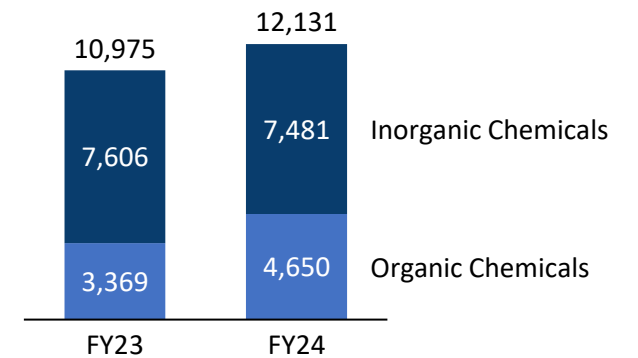
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



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)	Q4 FY24	Q4 FY23	Y-o-Y	FY24	FY23	Y-o-Y
Revenue from Operations	59.6	79.1	-24.6%	267.1	302.9	-11.8%
Cost of Goods Sold	41.3	53.6		188.9	175.7	
Employee Cost	4.8	5.0		18.0	20.5	
Other Expenses	9.1	6.4		33.3	35.9	
EBITDA	4.4	14.1	-68.8%	26.9	70.7	-62.0%
EBITDA Margin	7.4%	17.8%		10.1%	23.3%	
Other Income	3.3	2.9		13.2	13.3	
Depreciation	2.5	2.3		10.3	8.4	
EBIT	5.2	14.7		29.8	75.6	
Finance Cost	1.0	0.5		3.5	1.5	
Profit before Tax	4.2	14.2		26.3	74.2	
Tax	1.3	3.7		7.1	19.0	
PAT	2.9	10.5	-72.3%	19.2	55.1	-65.2%
PAT Margin %	4.9%	13.2%		7.2%	18.2%	
Basic EPS	0.79	2.86		5.24	15.04	

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

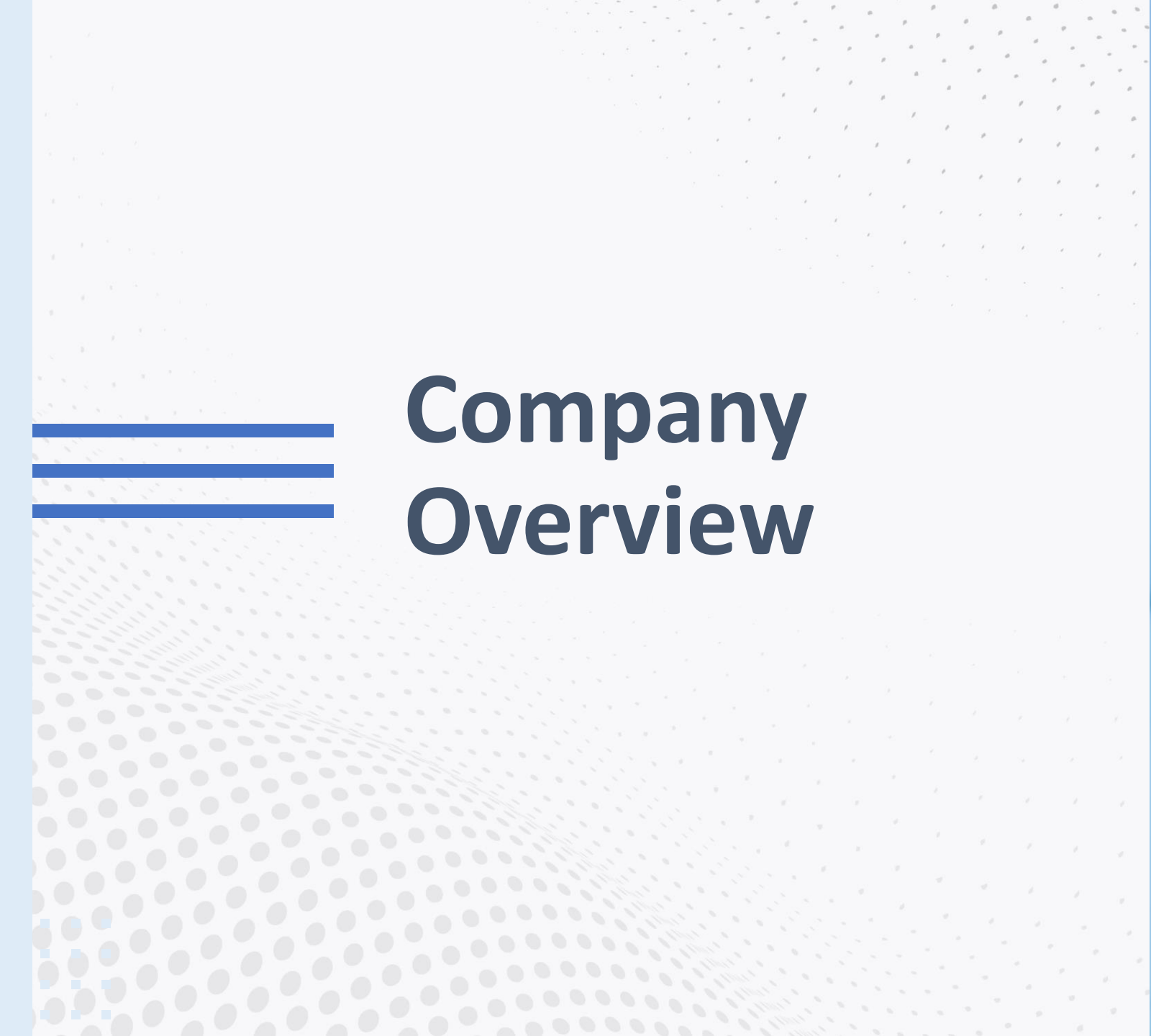
EQUITY AND LIABILITIES	Mar-24	Mar-23
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	36.6	36.6
b) Other Equity	439.8	420.7
Total Equity	476.4	457.4
Liabilities		
Non-Current Liabilities		
a) Financial Liabilities		
i) Borrowings	0.4	0.7
ii) Lease Liabilities	0.0	0.0
iii) Other financial liabilities	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





Company Overview



Company Snapshot

Incorporated in 1988

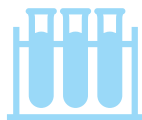
Manufacturer of Speciality
Chemicals

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*:

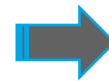
~41%

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%

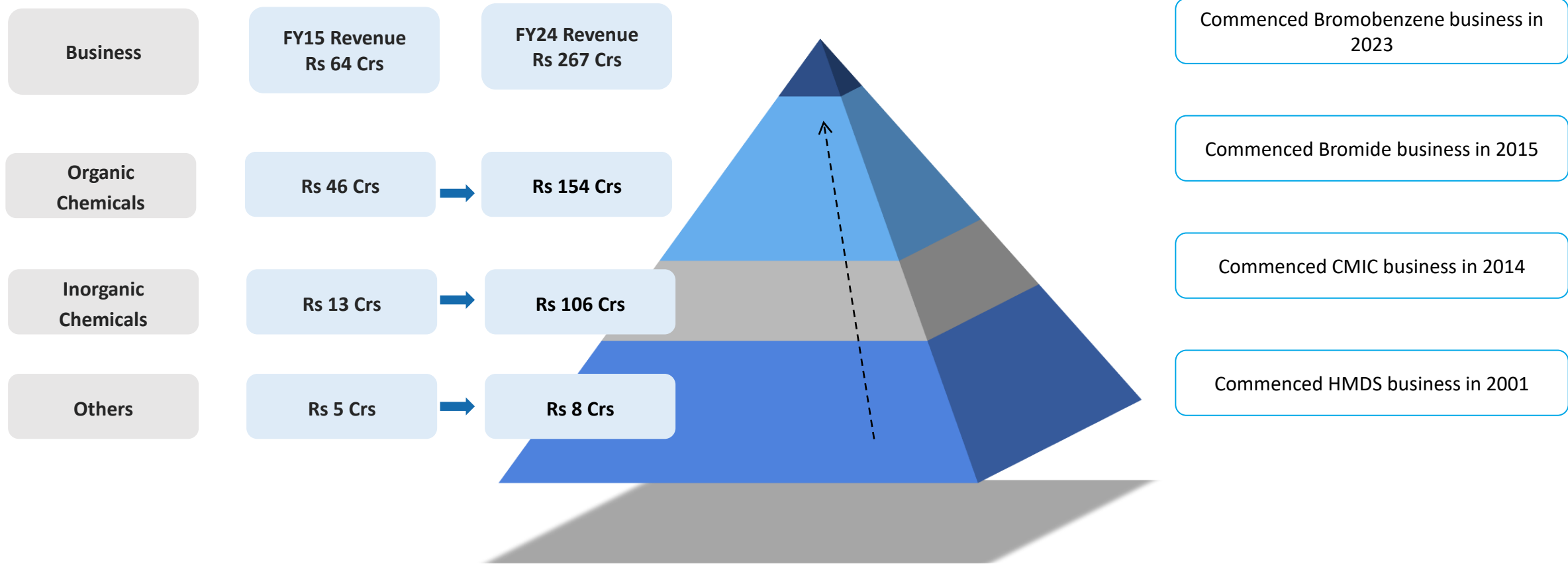
Few customers age more than 2 decades with us

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

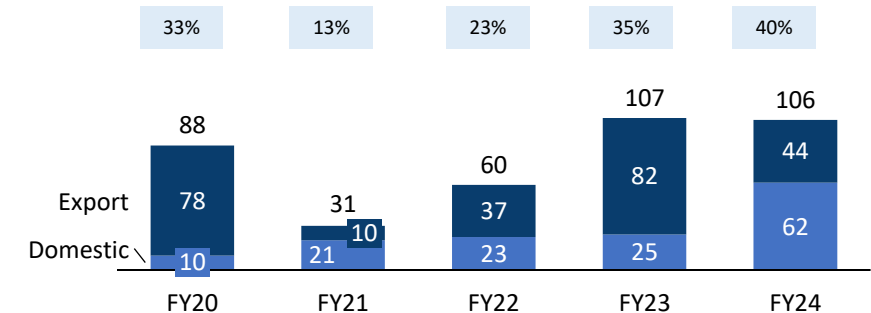
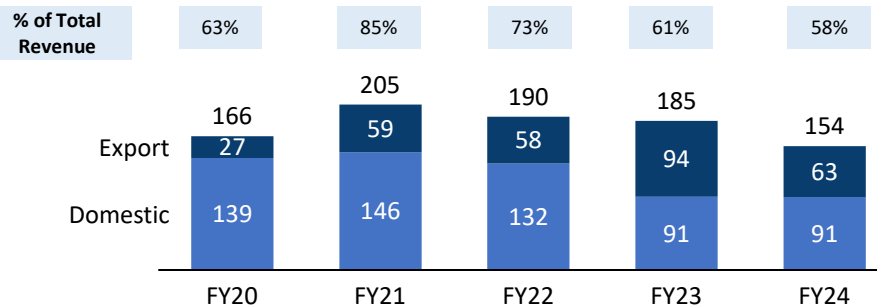
- Oilwell Completion Chemicals are used to complete the well and is normally a salty solution made up of chlorides or bromides
- Company manufacture a range of inorganic bromides, namely: Calcium Bromide (solution and powder), Zinc Bromide (solution) & Sodium Bromide (solution and powder)

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



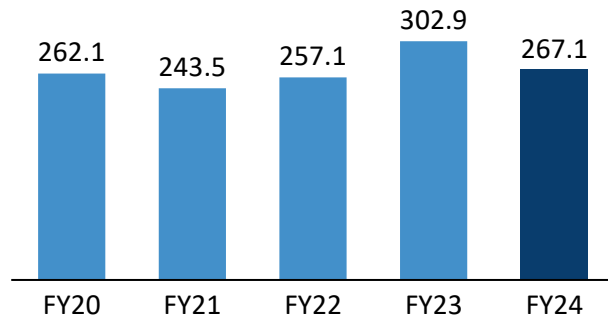
Financial Highlights



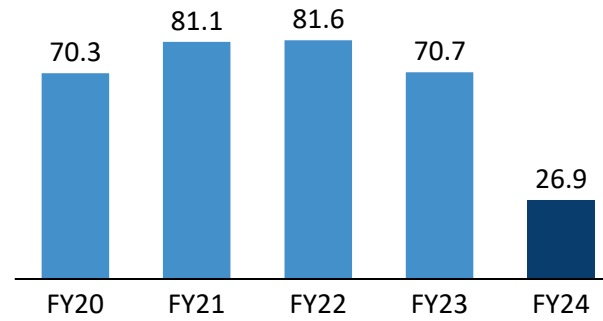
Financial Trends



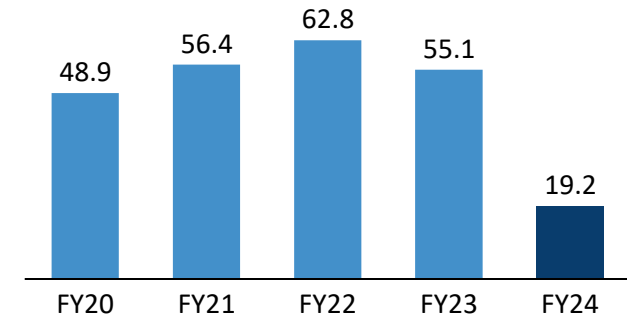
Total Revenue (Rs. Cr)



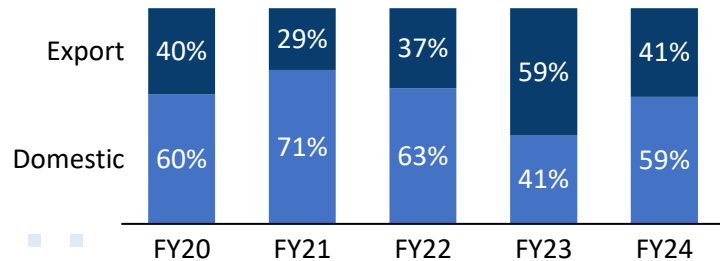
EBITDA (Rs. Cr)



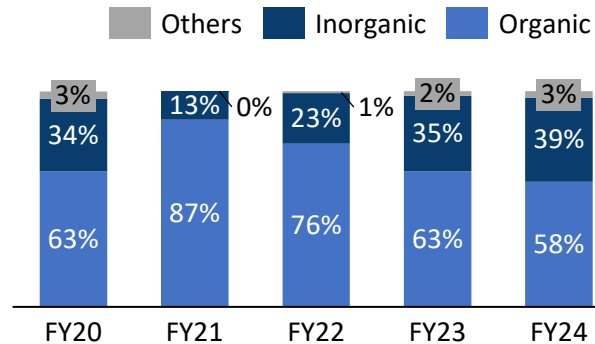
PAT (Rs. Cr)



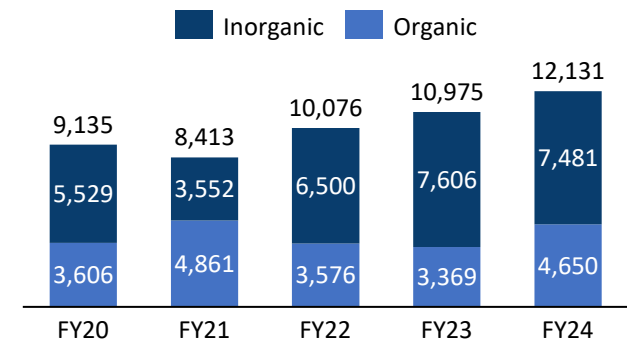
Geographic-Wise (%)



Business-wise (%)



Sales Volume (MT)



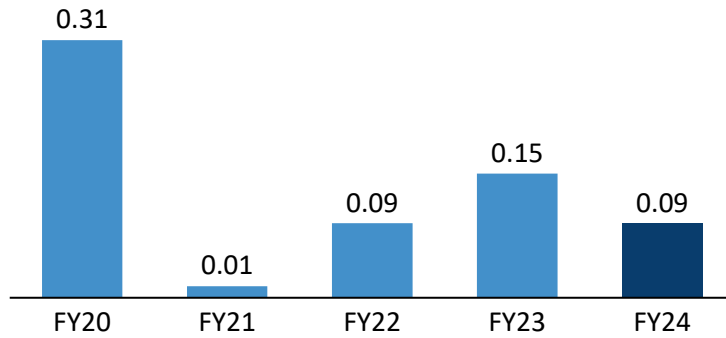
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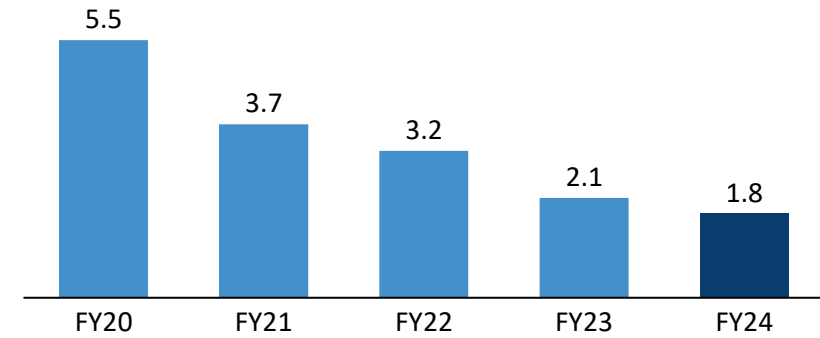
Key Ratios



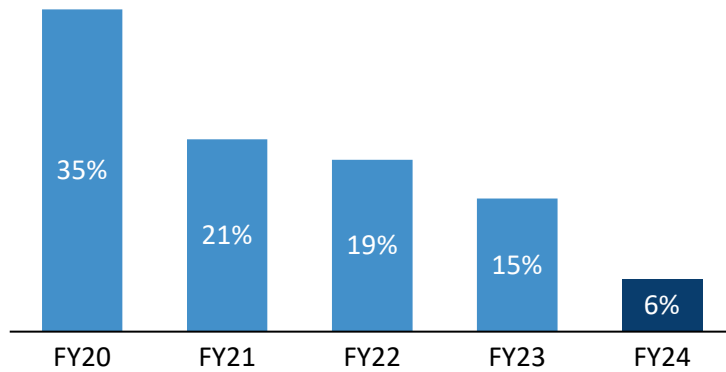
Debt/ equity (x)



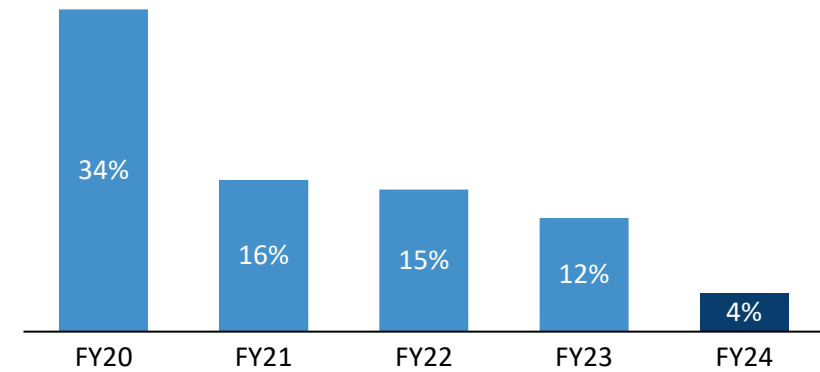
Fixed Asset Turnover(x)



ROCE (%)



ROE (%)



Thank You



Chemcon Speciality Chemicals Ltd.

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