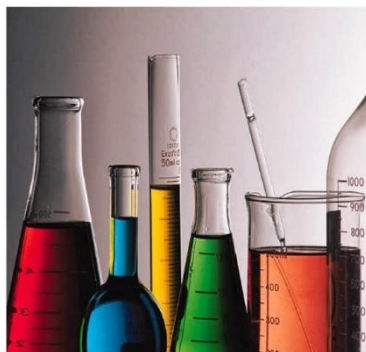




Meghmani Organics Limited (MOL)



Q1 FY17 Investor Presentation

August 2016

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Q1FY17: Robust growth in revenues & profits driven by domestic market

EBITDA and PAT margins increase by 636 bps and 365 bps, respectively.

Revenue

Rs 3,605 mn

Up 17% YoY

EBITDA

Rs 749 mn

Up 67% YoY

EBITDA Margin at 21.1%

PAT

Rs 188 mn

Up 274% YoY

PAT Margin at 5.3%



Pigments

- Revenue up 7% YoY driven by strong performance in domestic market (up 48% YoY)
- Volumes up 13% YoY
- EBITDA up 297% YoY due to lower input costs and decrease in other expenses
- EBITDA margin up at 19% from 5% in Q1FY16



Agrochemicals

- Robust growth of 43% YoY in revenues driven by both domestic market (up 76% YoY) and exports (up 26% YoY). Exports' contribution at 59%
- Volumes up 50% YoY
- Capacity utilisation up, at 75% compared to 71% in Q1FY16 despite production capacity increase of 32% YoY
- EBITDA declines 26% YoY mainly due to increase in input costs and pressure on sales price

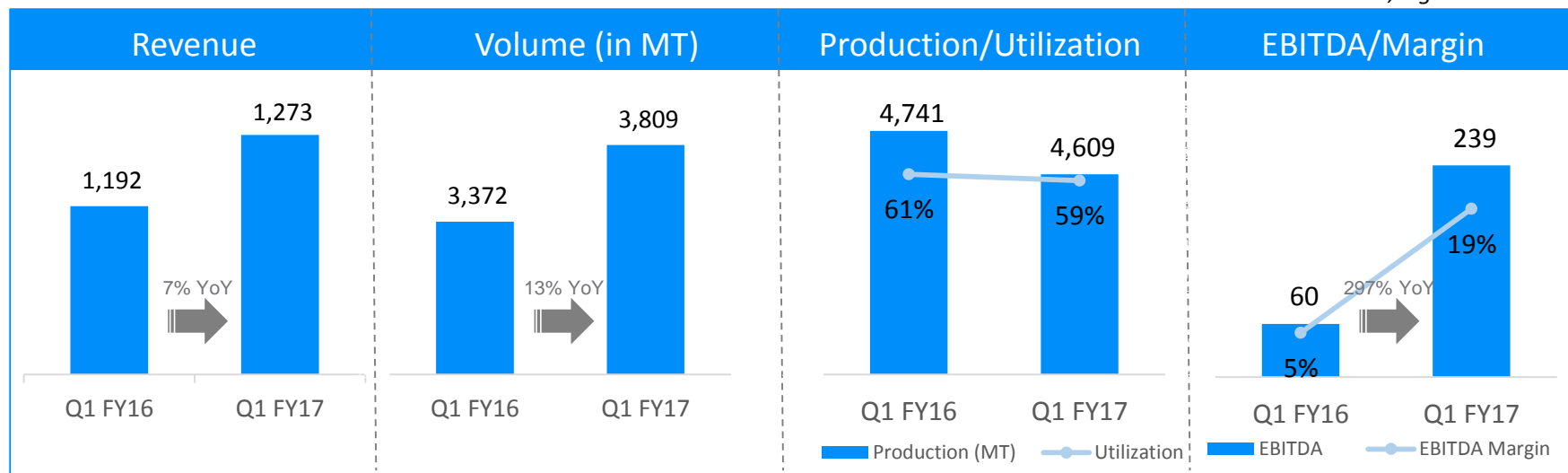


Basic Chemicals

- Revenue up 3% YoY, driven by higher net realizations (up 11% YoY)
- Production commences at new Caustic Potash Plant in Dahej
- Overall capacity utilisation of 71% in the quarter
- EBITDA up 47% YoY, EBITDA Margin at 45%.

Pigments report significant increase in profitability

Consolidated, Figures in Rs mn

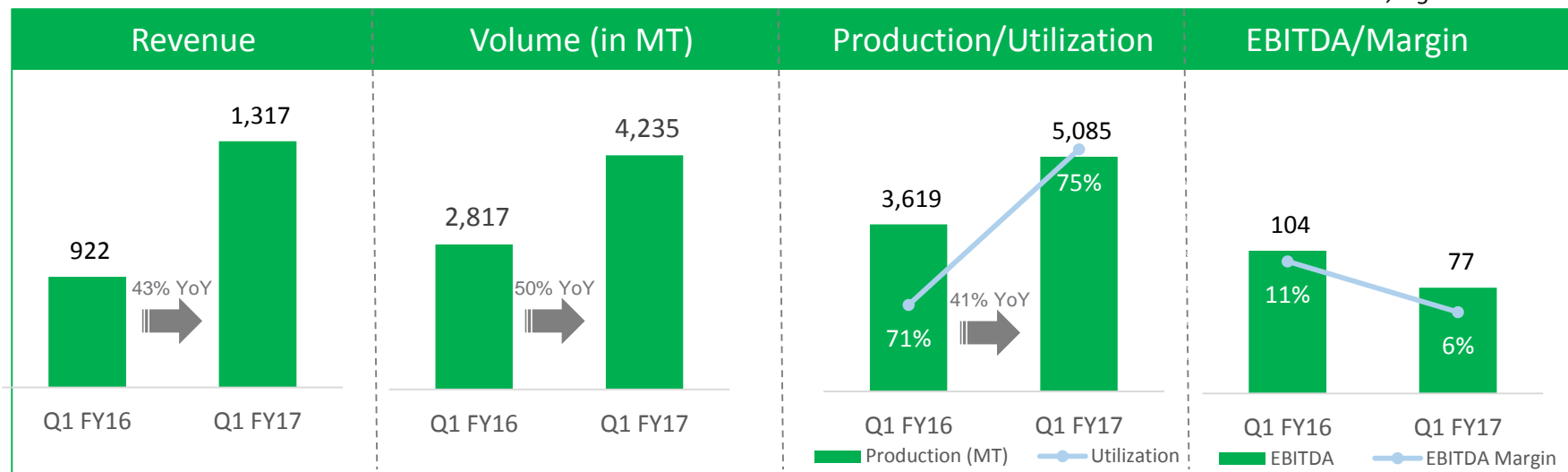


Note: Includes intersegment data

- Revenue increase 7% driven by strong performance in domestic markets which grew 48% YoY and contributed 34% of Pigment's revenue compared to 25% in Q1FY16
- Exports contributed 66% of Pigments revenue compared to 75% in Q1FY16
- EBITDA up 297% YoY at Rs 239 mn in Q1FY17 due to lower input costs and decrease in other expenses
 - EBITDA margin increases from 5% in Q1FY16 to 19% in Q1FY17

Agrochemicals delivers stellar growth led by 50% growth in volumes

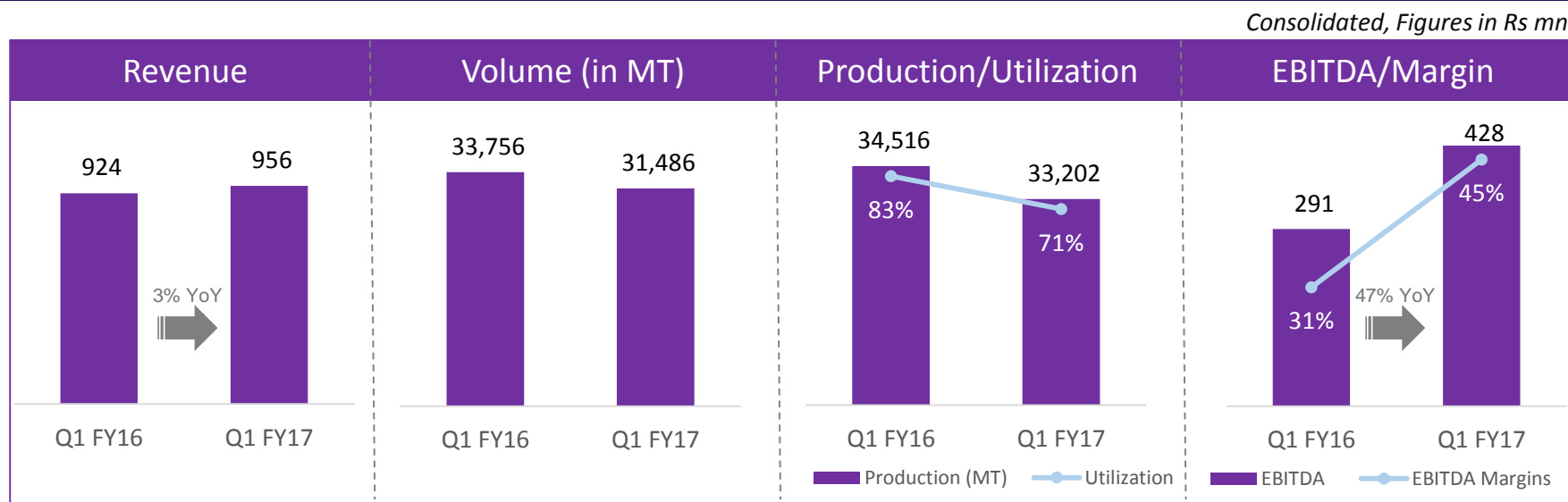
Consolidated, Figures in Rs mn



Note: Includes intersegment data

- Robust revenue growth of 43% driven by 76% growth in Domestic and 26% growth in Exports markets
 - Volumes witnessed strong growth of 50%, however realizations declined due to change in product mix to match demand in the market
- EBITDA declined 26% due to increase in input costs, lower realizations and change in product mix to reach Rs 77 mn
 - Margin decreased from 11% in Q1FY16 to 6% in Q1FY17
- Strong growth in production, up 41% to reach 5,085 MT
 - Overall production capacity increased 32% from 20,520 MT in Q1FY16 to 27,180 MT in Q1FY17

Basic Chemicals: EBITDA margin increases from 31% to 45% YoY

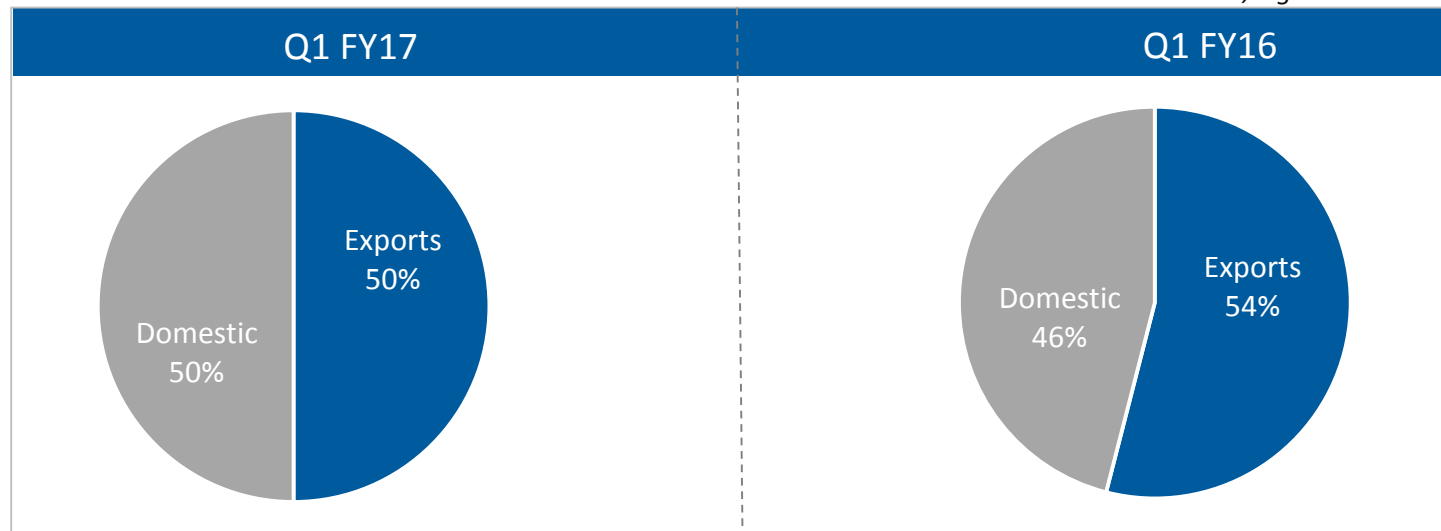


Note: Includes intersegment data

- Revenue up 3% YoY to reach Rs 956 mn as production starts at new Caustic Potash plant
 - ECU realizations increase 11% due to favourable demand supply scenario in Caustic Soda and higher realization of Caustic Potash, newly added product in portfolio
 - Volumes down as plant was intermittently stopped due to synchronisation process of Caustic Potash facility
- EBITDA up 47% YoY to reach Rs 428 mn led by higher ECU realizations and lower input prices
 - EBITDA margin witnesses substantial increase from 31% to 45%
- Production and Utilisation impacted on account of lower utilisation of new Caustic Potash plant and synchronization process
 - Overall production capacity up from 1,66,600 MT in Q1FY16 to 1,87,600 MT in Q1FY17

Strong growth of 25% in domestic market, revenue share up at 50%

Consolidated, Figures in Rs mn



Segmental breakdown				
	Q1 FY17		Q1 FY16	
	Exports	Domestic	Exports	Domestic
Pigments	761	391	772	264
Agrochemicals	783	534	619	303
Basic Chemicals	36	832	6	842
Others	208	1	232	-2
Total	1,788	1,758	1,629	1,406

- Domestic business increased by 25% YoY in Q1FY17 driven by non linear YoY growth of 76% and 48% in Agrochemicals and Pigments, respectively. Basic Chemicals, which is a pure domestic play, declined marginally.
- Exports witnessed 10% YoY growth during the quarter primarily led by 26% growth in Agrochemicals.

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Meghmani Organics Ltd – a leading high growth chemical company

Diversified across products and geographies - servicing 400+ marquee clients in 75 countries



CPC Blue, Pigment Green, Pigment Blue

Leading global player in phthalocyanine pigments industry

- ~7% global market share; among top 3 global blue pigments players
- ~72% revenue from exports, mainly from North America
- Long term client relationships with 90% business from repeat clients
- Contributed 33% to net sales in FY16



Intermediate, Technical Grade & Formulations

Agrochemicals: Products across the entire value chain

- Wide range of bulk & branded products - Megastar, Megacyper, Megaban, Synergy
- Competitive advantage via 183 export registrations; 400 registrations in pipeline
- Pan India presence with sales network doubling to 2,370 distributors in FY16
- ~69% revenue from exports; mainly from LatAm
- Contributed 31% to net sales in FY16

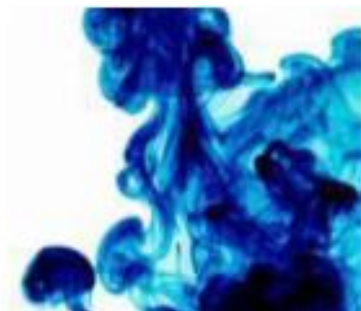


Caustic-Chlorine; expanded into Caustic Potash

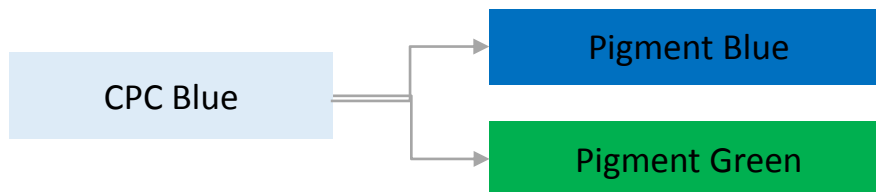
Basic Chemicals: Robust growth with expansion into Caustic Potash

- 4th largest Caustic-Chlorine capacity in India
- Latest 4th generation membrane cell technology imported from Asahi Kasei, Japan
- Strategically located facility at Dahej – proximity to raw material and customers
- 5-year CAGR of ~18% ; contributing 28% to net sales in FY16

Vertically integrated facilities across all businesses



Pigments

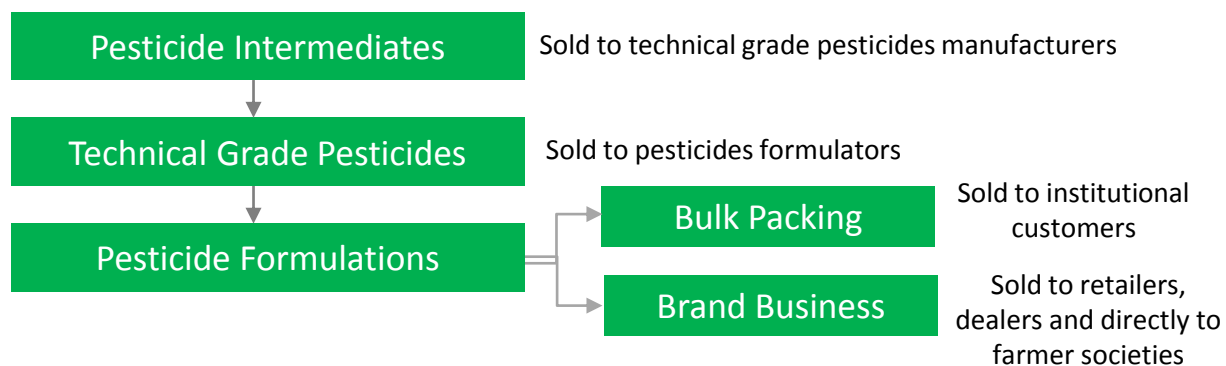


Upstream product: Sold to other pigments manufacturers

End products: Sold to industrial users i.e. inks, paint and plastic manufacturers



Agrochemicals



Sold to technical grade pesticides manufacturers

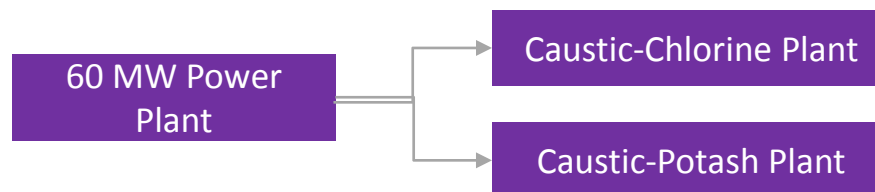
Sold to pesticides formulators

Sold to institutional customers

Sold to retailers, dealers and directly to farmer societies



Basic Chemicals



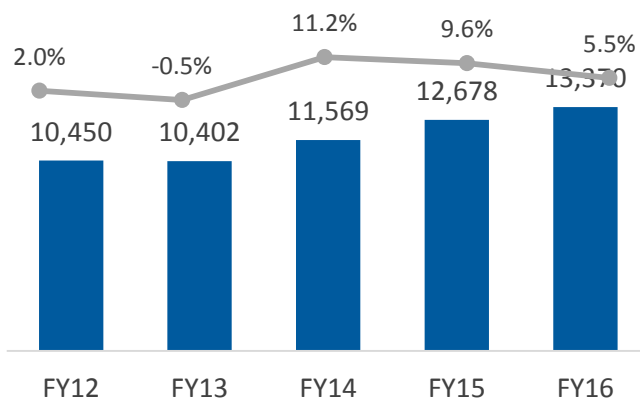
Power is a major raw material to manufacture Basic Chemicals

End products: Sold to industrial users i.e. pharmaceutical, soap, detergent, PVC, chemical and textile manufacturers

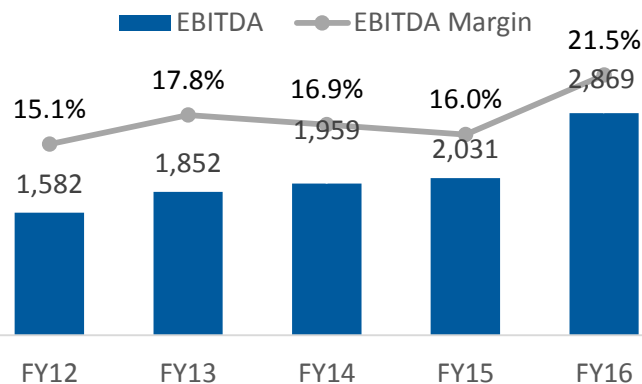
High growth historically with a 5 year PAT CAGR of 17%

Consolidated, Figures in Rs mn

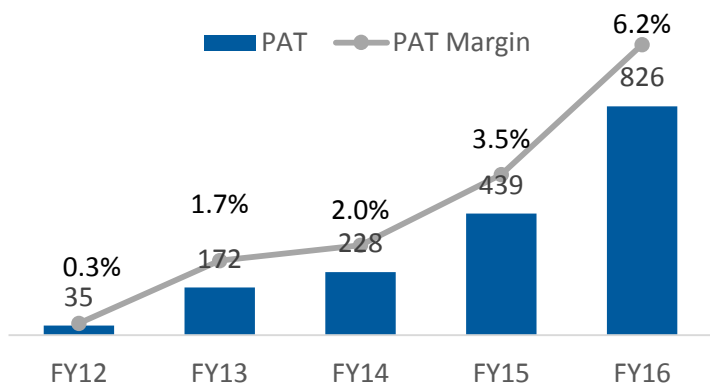
Net Sales and Growth



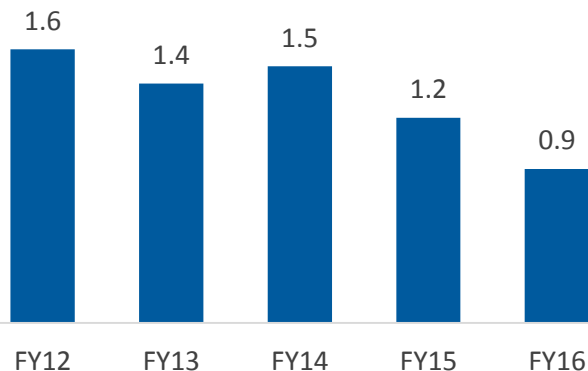
EBITDA and EBITDA Margin



PAT and PAT Margin



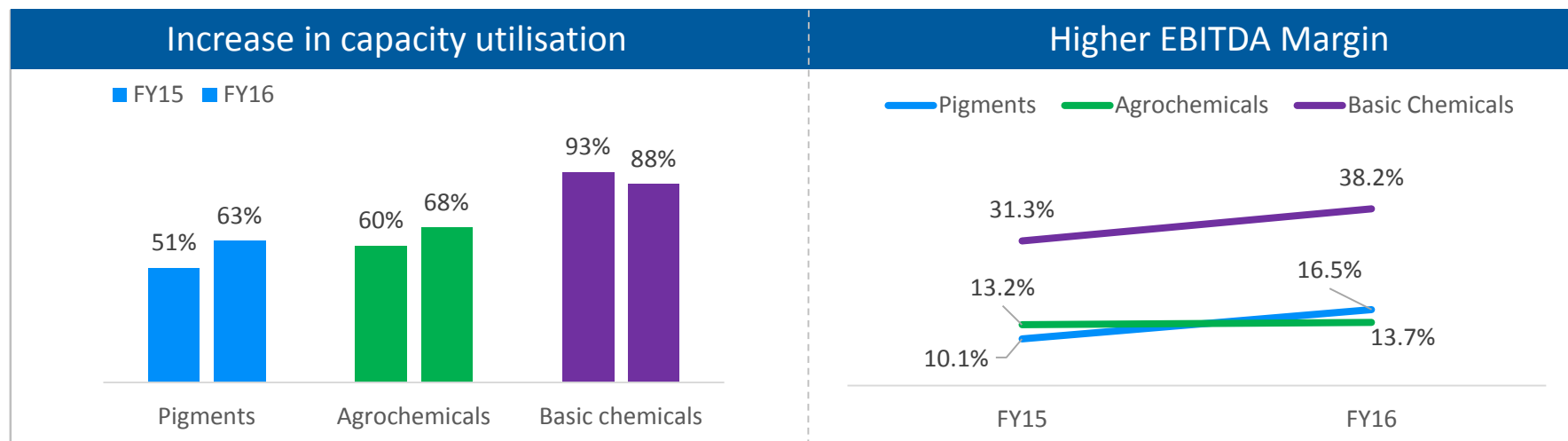
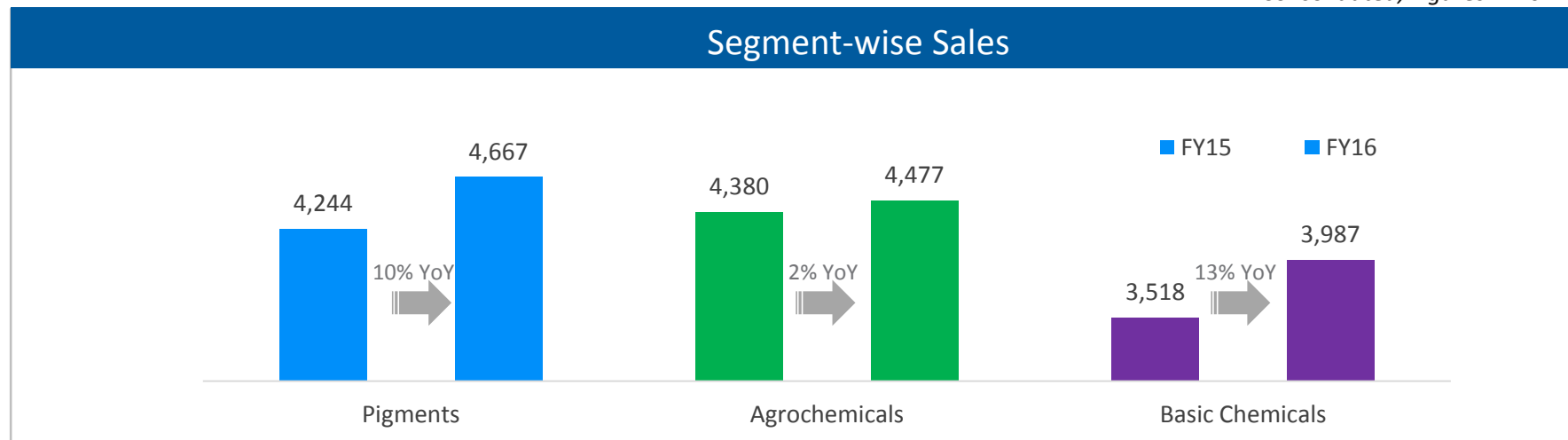
Debt Equity Ratio



Note: All figures are as per previously applicable Indian GAAP

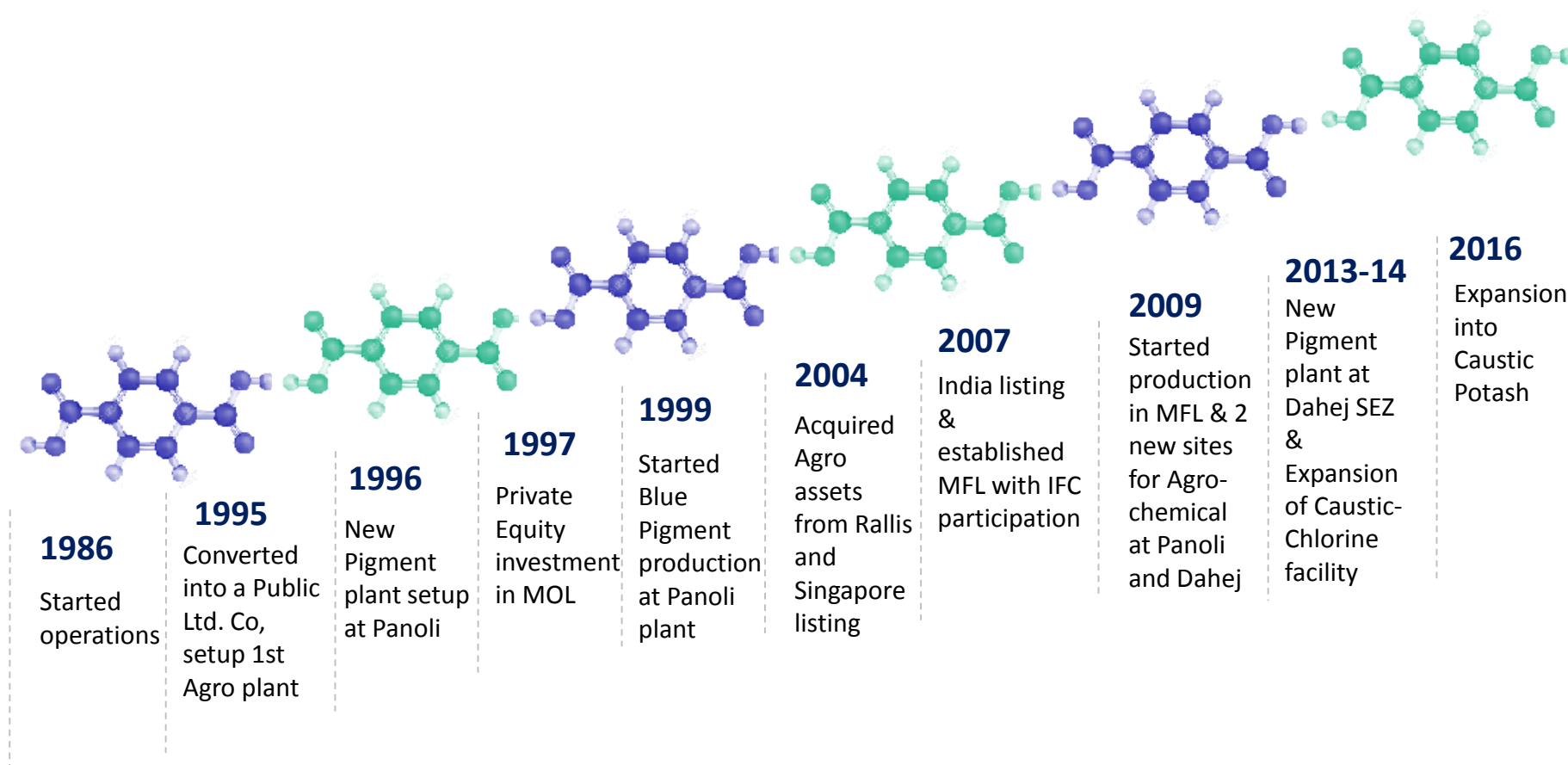
Margin expansion due to better product mix and increase in utilisation

Consolidated, Figures in Rs mn



Note: Includes intersegment data & all figures are as per previously applicable Indian GAAP

Journey of growth. . .



Robust plan for next phase of growth

Strategic Operational and Financial plan for growth and higher margins

Pigments

- Higher focus on Domestic market
- Focus on untapped exports market
- Expand Value added product offerings

Agrochemicals

- Increase branded revenue; expand distribution network
- Enter new geographies via new registration

Basic Chemicals

- New caustic potash plant
- Process optimisation

Sweating the Capacity

Rs 5.6bn spent over last 5 years to increase capacity

Installed capacity to clock revenue of **Rs 20bn** by FY19

Deleveraging

DE Ratio reduced from 1.6x in FY12 to **0.9x in FY16**

Plan to reduce debt by Rs **1.8bn** by FY18

Higher Margins

PAT margins improved from 0.3% in FY12 to **6.2% in FY16**

Better product mix, deleveraging, capacity sweating will lead to margin expansion

Significant uptick in return ratios (ROE/ROCE)

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P&L statement (Consolidated): Q1FY17

Figures in Rs Million

Particulars	Q1 FY17	Q1 FY16	YoY (%)
Net sales / income from operations	3,546	3,035	17%
Other Operating Income	59	55	7%
Total Income from Operations	3,605	3,091	17%
Total Expenditure	2,856	2,642	8%
Consumption of Raw Material	2,017	1,753	15%
Personnel Cost	157	141	11%
Other Expenditure	682	749	-9%
EBITDA	749	448	67%
Depreciation & Amortisation	254	192	32%
EBIT	495	256	93%
Interest & Finance Charges	144	180	-20%
Other Income	50	86	-42%
PBT before exceptional items	401	163	147%
Exceptional items	-	-	NM
PBT	401	163	147%
Tax Expense	122	77	58%
PAT (From ordinary activities)	279	86	226%
Extraordinary items	-	-	NM
PAT	279	86	226%
Minority Expense	91	35	158%
PAT after Minority	188	50	274%

Key Ratios as a % of Total Revenue	Q1 FY17	Q1 FY16
EBITDA	21.1%	14.8%
PAT	5.3%	1.7%
Total Expenditure	80.5%	87.1%
Raw material	56.9%	57.7%
Employee Cost	4.4%	4.6%
Other Expenditure	19.2%	24.7%

P&L statement (Standalone): Q1FY17

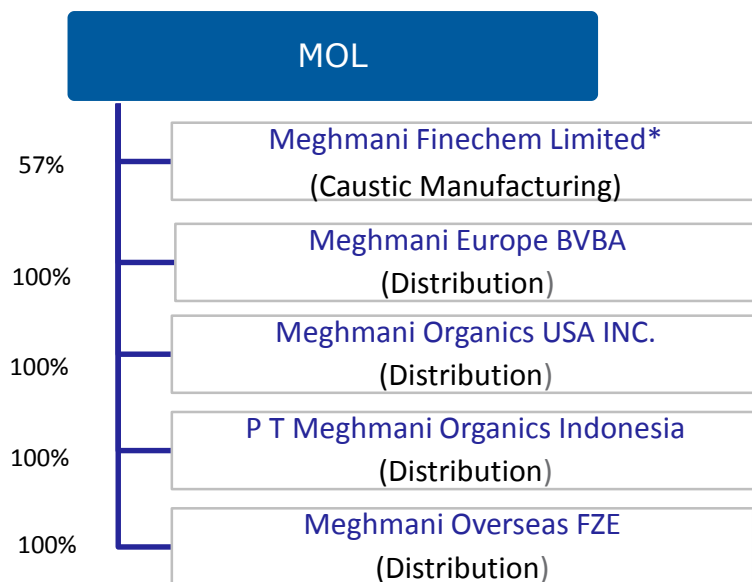
Figures in Rs Million

Particulars	Q1 FY17	Q1 FY16	YoY (%)
Net sales / income from operations	2,686	2,187	23%
Other Operating Income	59	55	7%
Total Income from Operations	2,744	2,242	22%
Total Expenditure	2,425	2,132	14%
Consumption of Raw Material	1,760	1,332	32%
Personnel Cost	116	106	9%
Other Expenditure	550	694	-21%
EBITDA	319	110	190%
Depreciation & Amortisation	96	90	7%
EBIT	223	20	NM
Interest & Finance Charges	102	108	-6%
Other Income	43	78	-44%
PBT before exceptional items	165	(10)	NM
Exceptional items			NM
PBT	165	(10)	NM
Tax Expense	92	29	221%
PAT (From ordinary activities)	73	(39)	NM
Extraordinary items	-	-	NM
PAT	73	(39)	NM
Minority Expense	-	-	NM
PAT after Minority	73	-39	NM

Key Ratios as a % of Total Revenue	Q1 FY17	Q1 FY16
EBITDA	11.9%	5.0%
PAT	2.7%	-1.8%
Total Expenditure	90.3%	97.5%
Raw material	65.5%	60.9%
Employee Cost	4.3%	4.8%
Other Expenditure	20.5%	31.7%

Corporate structure and shareholding pattern

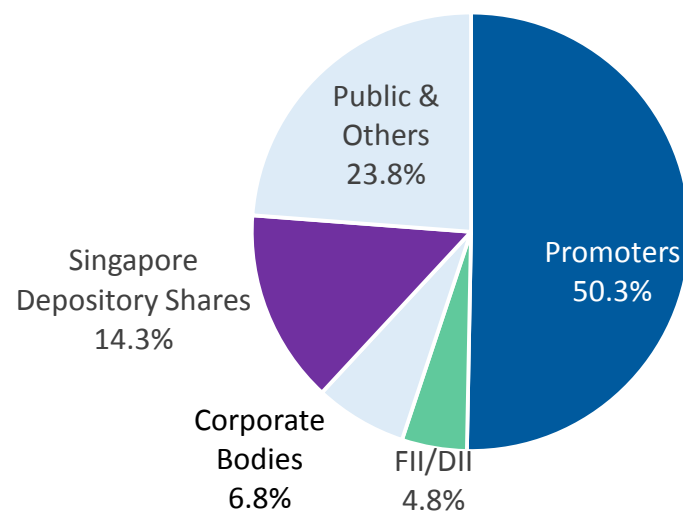
Corporate Structure



*** 25% stake in Meghmani Finechem Limited held by IFC Washington and remaining 18% by individual promoters**

Shareholding Pattern (June 30, 2016)

No of shares: 254 mn



Disclaimer

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to MOL’s future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

MOL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

Contact us

For any Investor Relations queries, please contact:



Email: ir@meghmani.com

Phone: +91-79-71761000



Nisha Kakran/ Seema Shukla

Four-S Services Pvt Ltd

Phone: +91-124-4251442/+91 7718811182

Email: nisha.kakran@four-s.com

seema@four-s.com