

Meghmani Organics Limited (MOL)

Singapore Depository Shareholders – Information Meeting
11th January 2021

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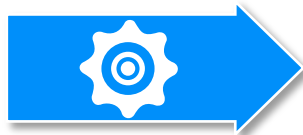
Company Overview



Financial Overview



Growth Strategy



Composite Scheme of Arrangement

Leading Diversified Chemicals Company Poised for Rapid Growth



Pigments

- Started in 1986
- Amongst top 3 global Phthalocyanine based pigment players
- 14% global market share
- FY20 Revenues: Rs 6,406 Mn
- EBITDA Margin: 14.3%
- 29% of Overall Company Revenues
- Expanding into new geographies and Exploring new pigments



Agrochemicals

- Started in 1995
- One of the largest producers of pesticides in India
- Products across entire value chain
- FY20 Revenues: Rs 9,734 Mn
- EBITDA Margin: 17.9%
- 44% of Overall Company Revenues
- Expansion in 2,4-D, Formulation and setting a multipurpose plant



Chloro Alkali & its Derivatives (MFL)

- Started in 2009
- 4th largest Chloro-Alkali & its Derivatives complex in India
- FY20 Revenues: Rs 6,098 Mn
- EBITDA Margin: 32.4%
- 27% of Overall Company Revenues
- Setting up backward integrated ECH, CPVC resin and additional Caustic Soda capacity & CPP project to ensure continual growth

Consolidated Financials Highlights: FY19-20

Revenues – Rs 21,912 Mn
(13.2% CAGR*)

EBITDA – Rs 4,341 Mn
(13.6% CAGR*)

PAT – Rs 2,890 Mn
(26.9% CAGR*)

EBITDA Margin – 19.8%
PAT Margin – 13.2%

Debt / Equity – 0.57x

ROCE – 17.0%
ROE – 22.7%

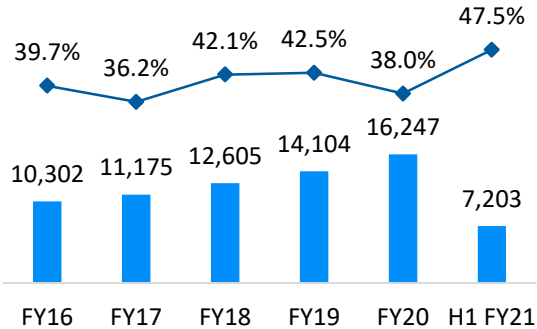
Standalone Financial Snapshot



Rs Mn

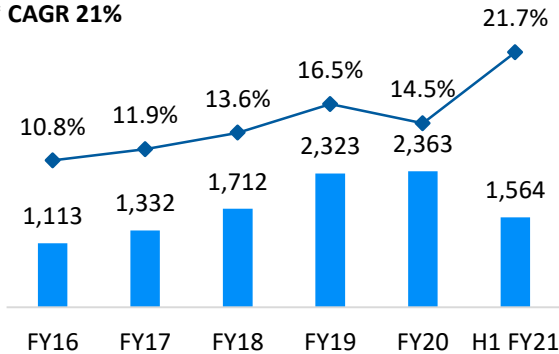
Revenues ^ & Gross Margin

* CAGR 14%



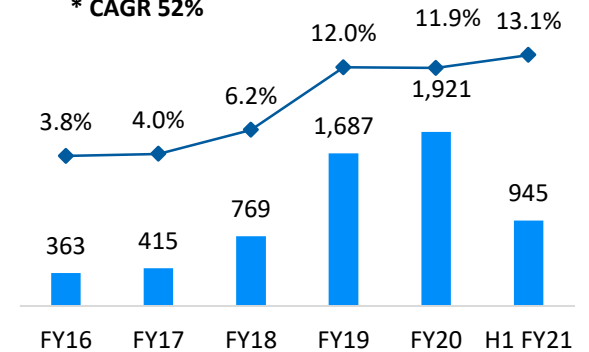
EBITDA & EBITDA Margin

* CAGR 21%

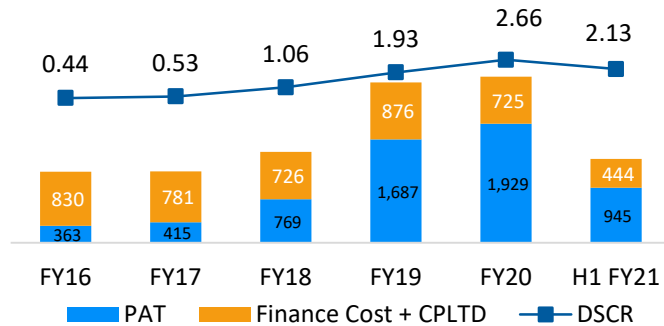


PAT & PAT Margin

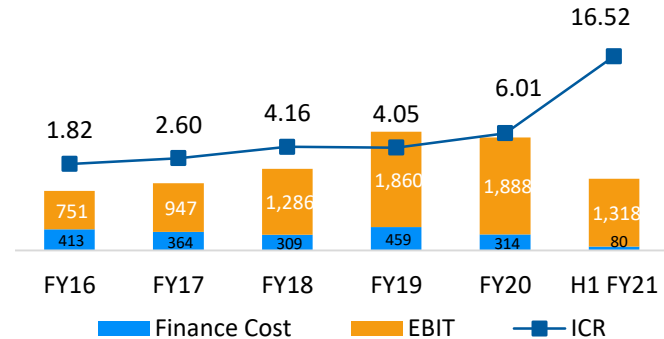
* CAGR 52%



Debt Service Coverage Ratio (DSCR)



Interest Coverage Ratio (ICR)

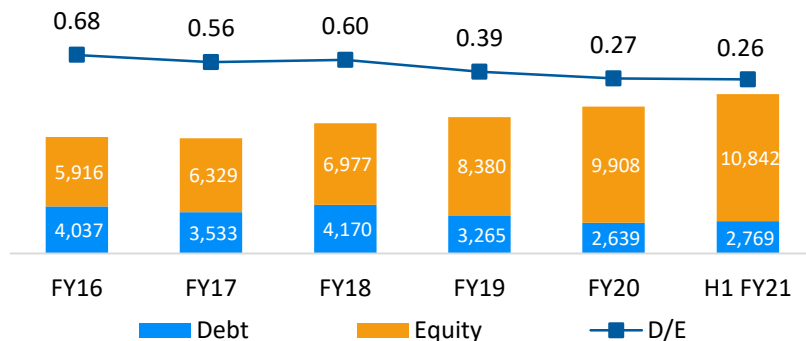


^ P&L for FY16 – 20 are IND-AS

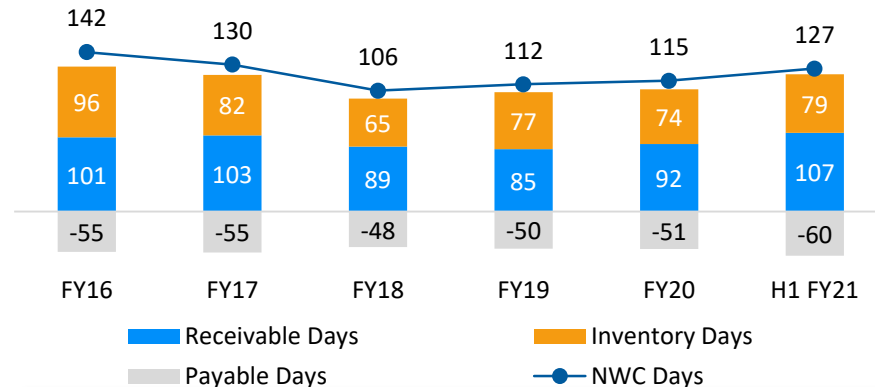
* CAGR calculated for FY16-20

Rs Mn

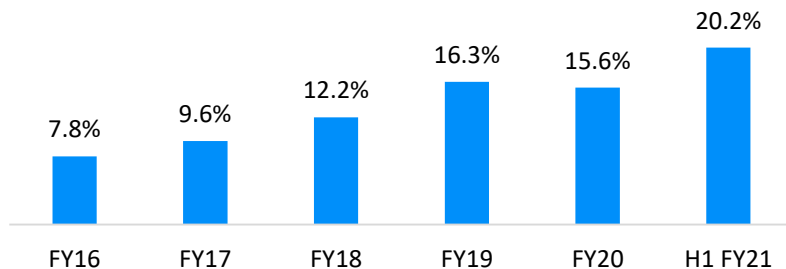
Leverage Analysis



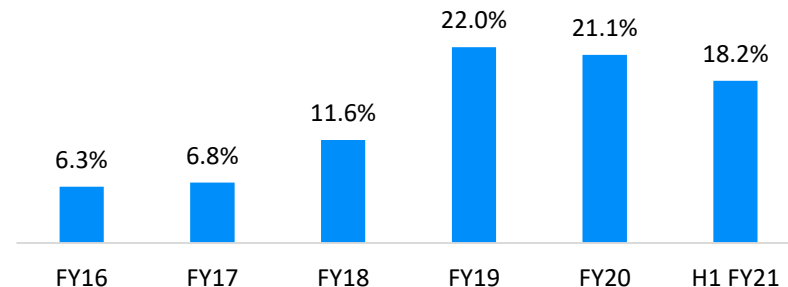
Working Capital Analysis *



Return on Capital Employed



Return on Equity



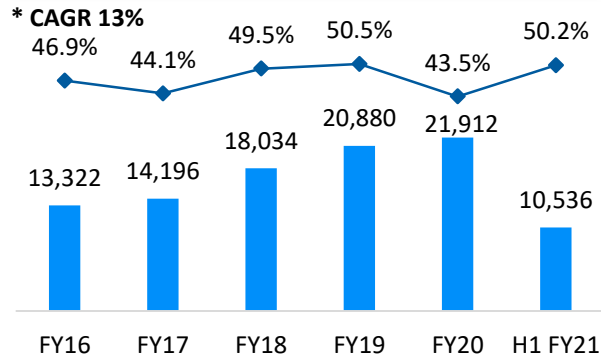
* Calculated on Net Sales, ROCE = EBIT / Average Capital Employed (Debt + Equity + Minority Interest), ROE = PAT / Average (Equity + Minority Interest)

Consolidated Financial Snapshot

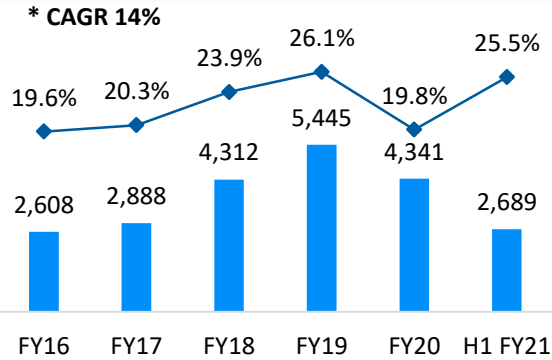


Rs Mn

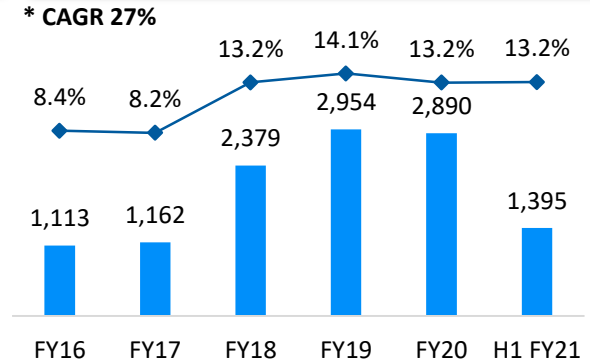
Revenues ^ & Gross Margin



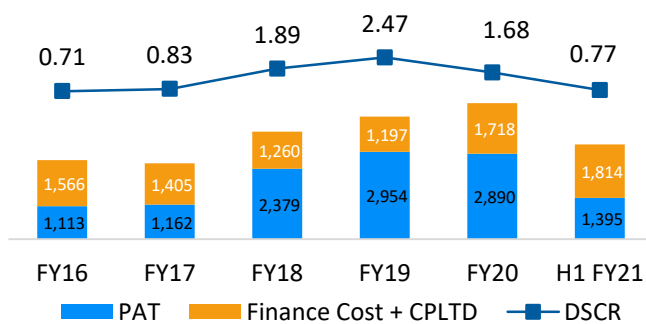
EBITDA & EBITDA Margin



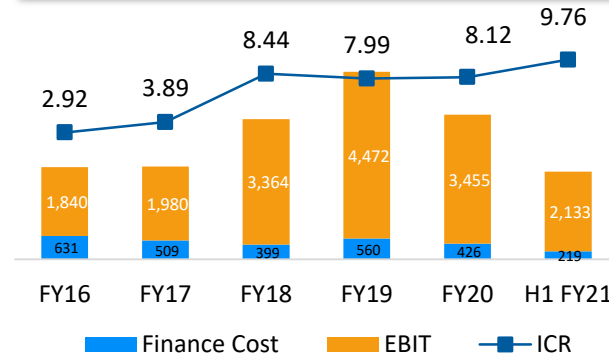
PAT & PAT Margin



Debt Service Coverage Ratio (DSCR)



Interest Coverage Ratio (ICR)



^ P&L for FY16 – 20 are IND-AS

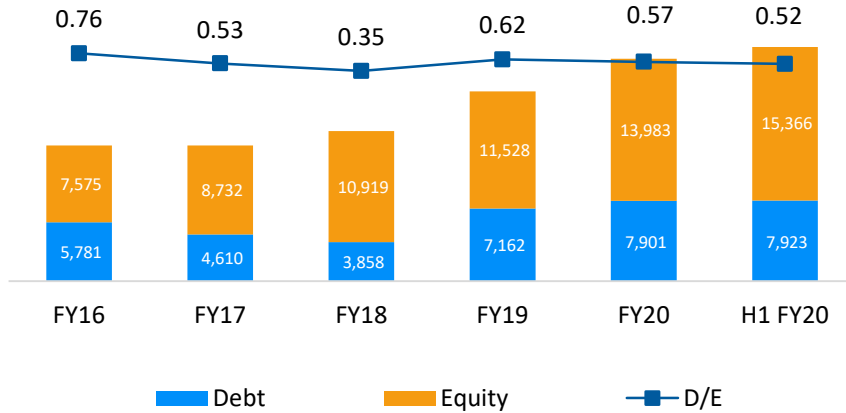
* CAGR calculated for FY16-20

Consolidated Financial Snapshot

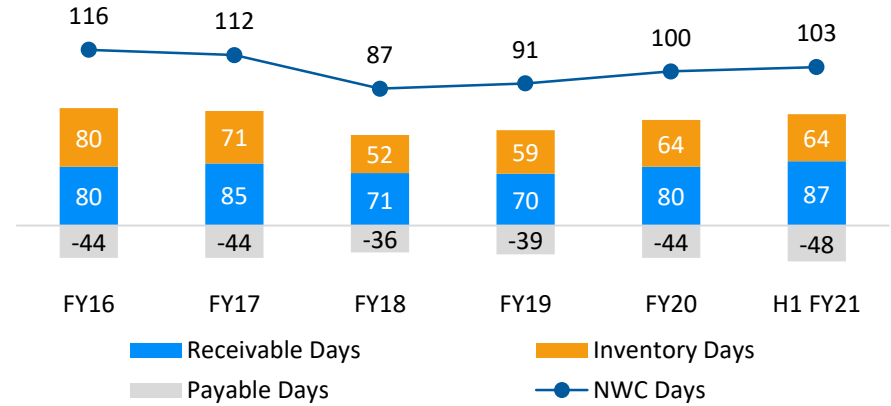


Rs Mn

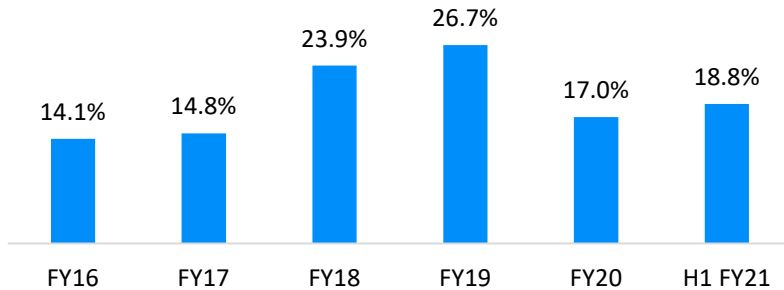
Leverage Analysis



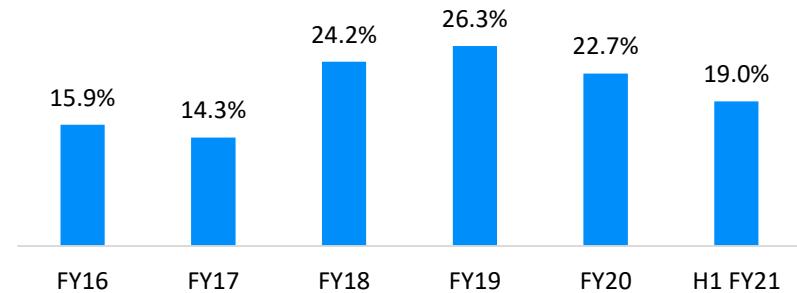
Working Capital Analysis *



Return on Capital Employed



Return on Equity



* Calculated on Net Sales, ROCE = EBIT / Average Capital Employed (Debt + Equity + Minority Interest), ROE = PAT / Average (Equity + Minority Interest)

Project	Capex (Rs Crs)	Expected date of Completion
2.4 D (Capacity - 10k TPA)	127	Completed in Nov'20
Formulation Plant	25	Completed in Nov'20
Multi Purpose Plant (New Molecules)	310	Q4 FY 22
Total	462	

Multi Purpose plant at Dahej is progressing as planned.

Completed Projects

Project	Capacity	Date of Commissioning
CMS	50 K TPA	July 19
Caustic Expansion	300 TPD	June 20
CPP Exp	60 to 96 MW	June 20
Hydrogen Peroxide	60 K TPA	July 20

New Investment –Rs 695 Cr

Project	Capacity	Date of Commissioning
Epichlorohydrin (ECH)	50 K TPA	Q4 FY 22
CPVC Resin	30 K TPA	Q3 FY 23
Caustic Expansion	106 KTPA (Upto 400 KTPA)	Q1 FY 23
CPP Expansion	36 MW (Upto 132 MW)	

ECH is an import substitute. 1st Largest Plant in India based on 100% Renewal sources.

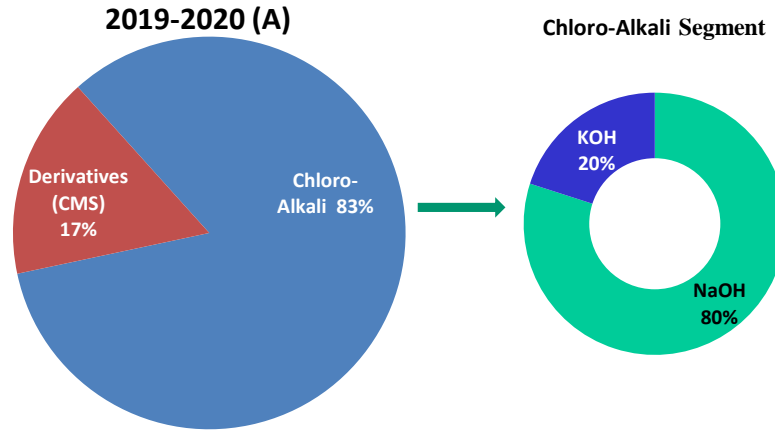
Domestic imports at ~ 70 KTA and growing @ 14.5%

Wide Application across industries as Feed Stock in Epoxy Resins in corrosion protection coatings and Resins in composites used in Aerospace, windmill & Automobile industries

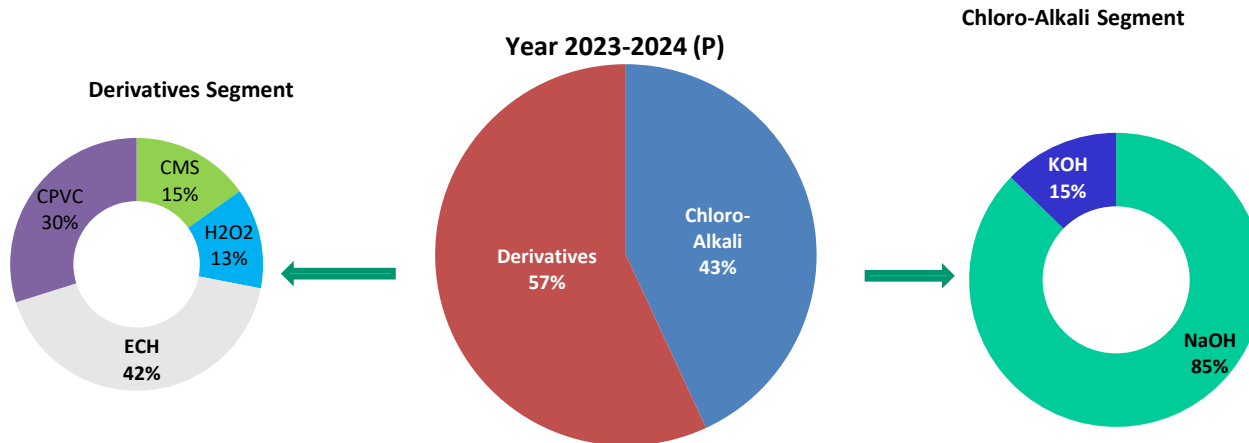
CPVC Resin is an import substitute. Domestic imports at ~ 116 KTA and growing @ 13%

Industry Wide Application as Key raw material for pipe and fittings

Chloro-Alkali & its Derivatives (Increasing Share of Value added products)



The division's share of value added products is expected to grow from 17% in FY20 to 57% in FY24

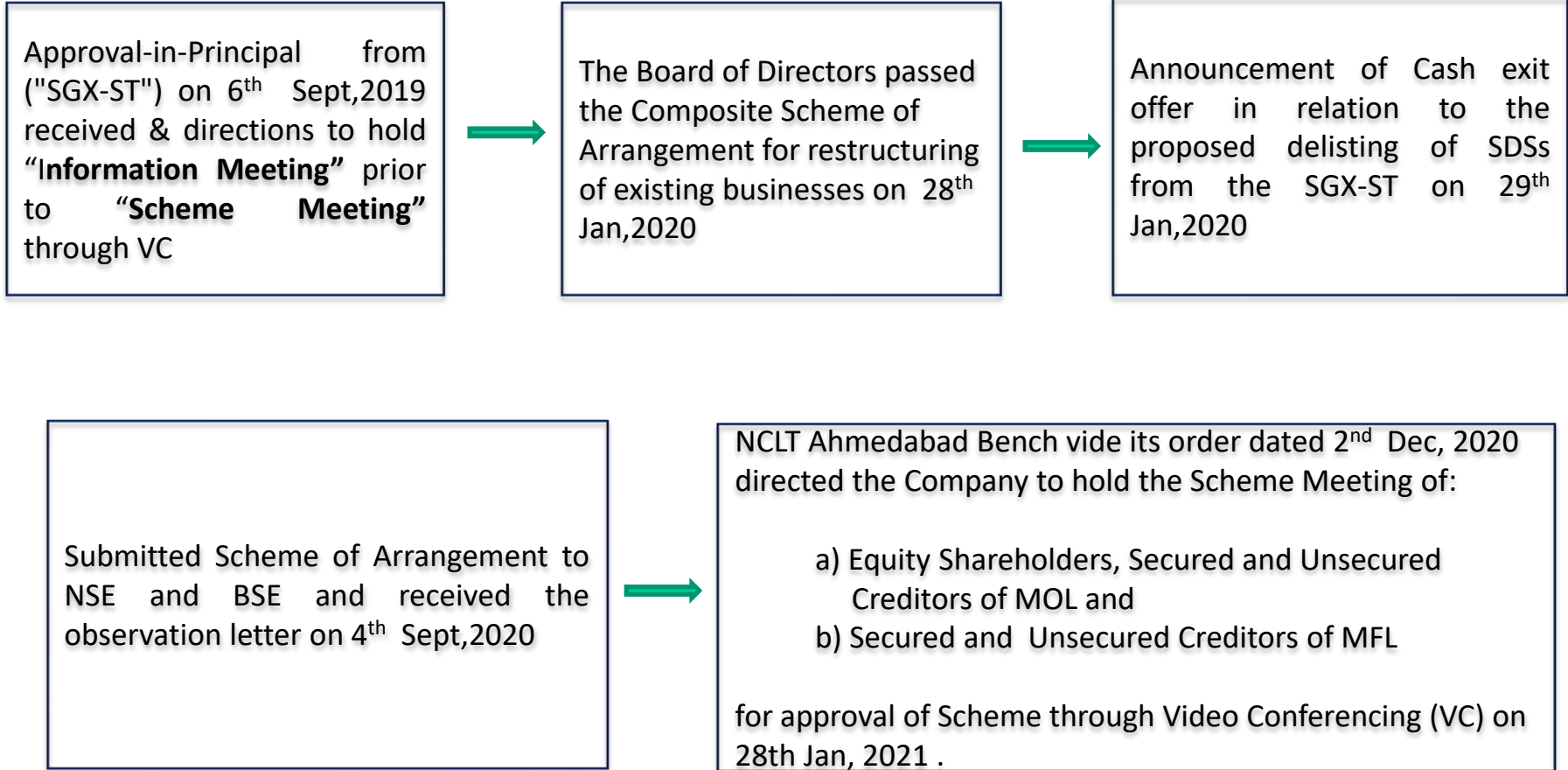


Composite Scheme of Arrangement

Sequence of events



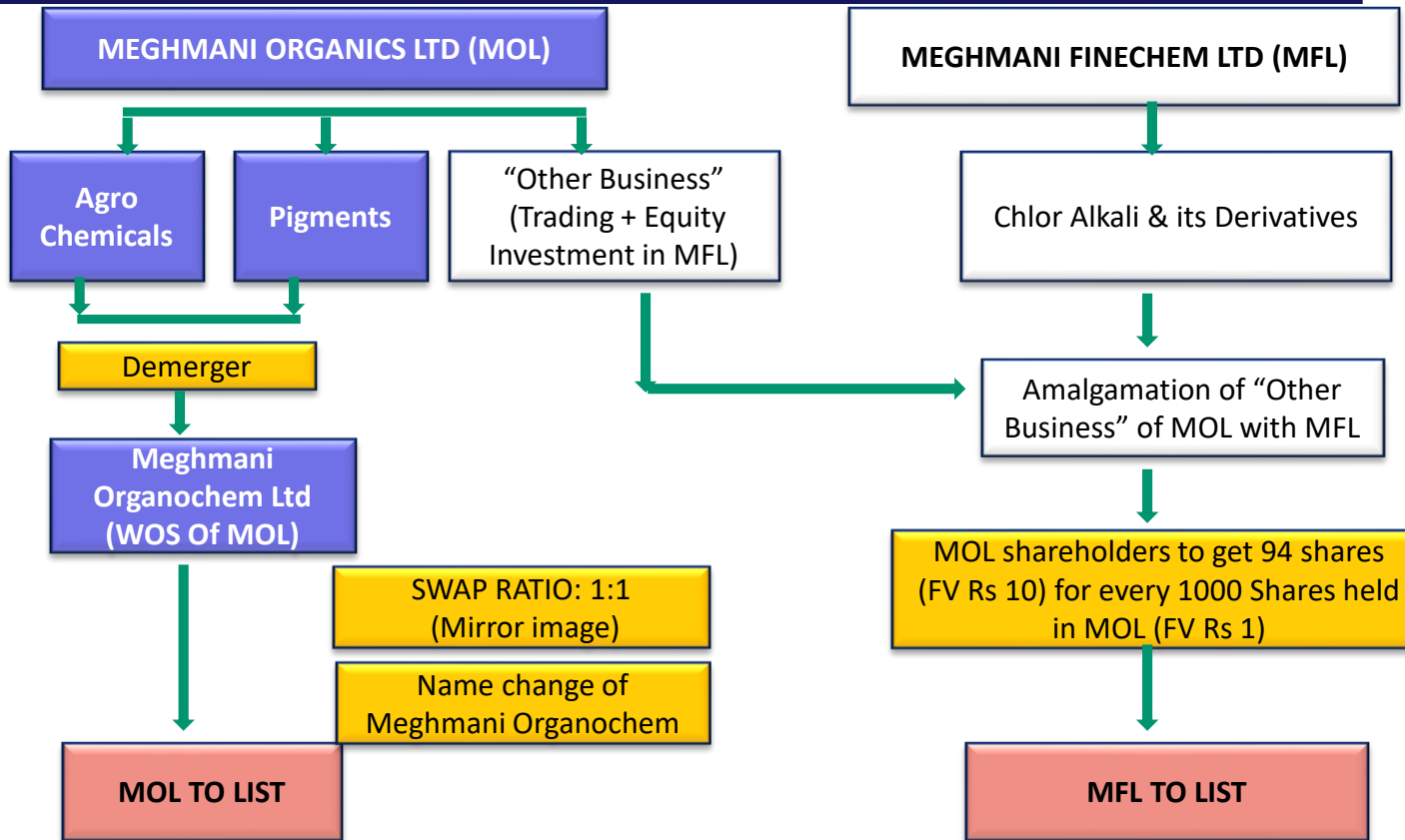
CHEMISTRY OF SUCCESS AT WORK



Scheme of Arrangement



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MOL and MFL both will be listed independently on NSE & BSE

Company will be De-listed from SGX

Objective for the Restructuring



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- ✓ Unlocking value of the 'Chloro Alkali and its Derivatives' business currently embedded in the value of MOL
- ✓ The business dynamics and growth trajectories deserves a status of an independent company. It will Strengthen and further improve operational efficiencies of both the companies
- ✓ Separate and independent listing of MFL and MOL
- ✓ Shareholders of MFL to gain from business valuations of high growth prone 'Chloro Alkali and its Derivatives' business.
- ✓ Focused Investor Opportunities – Choice to investors to invest in MOL or MFL which best suit to their investment strategy and risk profile
- ✓ Delisting from Singapore Stock Exchange enable the Company to cut down substantial administrative and compliance costs

Strong Potential to Unlock Value for Shareholders

A. Cash Exit Offer to SDSs holders

Cash alternative for SDS Holders who don't wish to receive shares of new listed entities

Will be Entitled at Record date and once shares of both companies are listed, to dispose their Consideration shares in Secondary Market at Indian exchanges through Broker

Net proceeds to Foreign depository bank after deducting all cost on pro-rate basis

Custodian will keep the sales proceeds in a separate Account

Cash Electors will received Net proceeds after deduction of WHT

In Case Net disposal proceeds for Cash Electors after WHT is Less than S\$0.72 per SDS then New listed entities will pay the difference to ensure that SDS holder gets S\$0.72 per SDS as "Guaranteed Amount"

A. Cash Exit Offer to SDSs holders – Documentation & Timelines

SDS holders opting for Cash alternative Must send **Election Form** within 60 days from the date of listing (**Election Period**)

SDS holders to provide related Tax Documents together with Election Form:
Present WHT@ 43.68% (for Corporates) & @35.88% (For Individuals) .
If relevant Tax Documents are provided WHT will be reduced to 10.92% (for Corporates) & 11.96% (For Individuals)

Disposal of consideration shares by Custodian through Broker within 60 days of the close of Election Period (**Disposal Period**)

Remittance of proceeds within 12 business days of close of the Disposal Period

Cash Elector failing to provide Tax Documents will not receive Disposal proceeds and will receive Consideration Shares

B. Consideration Shares to SDSs holders

SDS holders who do not wish to elect to receive any Disposal Proceeds will be issued Consideration Shares of both companies

SDS holders will automatically receive the Consideration Shares and will be held by the Custodian on their behalf

As SDSs will be delisted from SGX-ST, SDSs holders will be treated as Non Resident Investors.

SDS holders will be able to sell their equity shares only on Indian Stock Exchanges

Scheme Meeting to be held on 28th Jan,2021 (Through VC)



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- ✓ Scheme Meeting is a one-way proceeding, save that during the Q&A session, registered Shareholders will be allowed to ask questions to the Chairman.
- ✓
- ✓ Shareholders may also send any questions ahead of the Scheme Meeting to ir@meghmani.com by 12.30 p.m. (Singapore Time) of 13 January 2021 (Cut off date).
- ✓ SDS holders should refer to the Notice to participate in the Scheme Meeting.
- ✓ SDS holders will not be able to vote online at the Scheme Meeting.
- ✓ All SDS holders are encouraged to complete, sign and return the **Voting Instruction** by post to Meghmani Organics Limited c/o The Central Depository (Pte) Limited, Singapore 903147, not later than **14 January, 2021 by 12.30 p.m. (Singapore Time)**.
- ✓ Any queries with regards to attending the Scheme Meeting as an observer should be directed to TricorBarbinder Share Registration Services (A division of Tricor Singapore Pte Ltd)) at 80 Robinson Road, #11-02 Singapore 068898 or ir@meghmani.com on or before 13 January 2021 by 12.30 p.m. (Singapore Time)
- ✓ **The link to Join the Scheme Meeting will be activated on 28th January, 2021**

For Further Queries:



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