

Press Release

Meghmani Finechem's Revenue up 81% and PAT grew 93% in H1FY22

Highlights: YoY comparison

| Particulars (₹ Cr) | Q2FY21 | Q2FY22 | Growth | | H1FY21 | H1FY22 | Growth |
|--------------------|--------|--------|--------|--|--------|--------|--------|
| Revenue | 211 | 340 | 61% | | 349 | 630 | 81% |
| EBITDA | 71 | 101 | 41% | | 113 | 193 | 71% |
| PAT | 26 | 47 | 83% | | 44 | 84 | 93% |

The company has delivered a strong operating and financial performance in line with its commitment of growth. The key performance highlights are:

OPERATIONAL HIGHLIGHTS:

- Overall plant utilization improved 16% YoY basis to 90% in Q2FY22.
- H2O2 Plant capacity ramped up and at 85% utilization in Q2FY22
- In Q2FY22, Caustic Soda ECU realisation up 28%; Caustic Potash up 5% on a YoY basis
- In Q2FY22, CMS sales realisation up 53% on YoY basis

H1FY22 FINANCIAL HIGHLIGHTS:

- Revenue up 81% YoY driven by higher sales of Chlor-Alkali and its Derivatives; Chlor-Alkali grew 66% and Derivatives grew 125%
- EBITDA increased by 71% to ₹ 193 Cr; margins maintained at 31% despite surge in raw material prices
- ROCE improved to 23% in H1FY22 due to improved realization in all the products and contribution from new capacities of Hydrogen Peroxide and Caustic Soda.

Q2FY22 FINANCIAL HIGHLIGHTS:

- Chlor-Alkali and Derivatives revenue up 50% and 96% respectively, it led to overall revenue growth of 61% YoY.
- EBITDA grew 41% to ₹ 101 Cr in Q2FY21 on a YoY basis. Margin maintained at 29.6% despite jump in raw material prices
- PAT increased 83% to ₹ 47 Cr and PAT margin improved 169 bps

STRATEGIC UPDATE:

- The expansion plan of Epichlorohydrin (50 KTPA), CPVC (30 KTPA), Caustic Soda (106 KTPA) and CPP (36 MW) are going as per schedule.
- In H1FY22, the Company spent ₹ 230 Cr for expansion of all 3 projects.

Commenting on the results Mr Maulik Patel; Chairman and Managing Director – MFL said: *We are delighted with the stellar performance delivered in H1FY22. Our plants have achieved higher capacity utilization and our projects are on track for completion as per the schedule provided. While the demand environment remains robust, our margins were slightly impacted due to inflationary pressure on raw material prices, primarily coal. Despite this, we are confident that our margins would be sustained in the similar range of 28-32%*

As per the growth outlook, we are convinced that the demand will continue to be robust, and we are strategically positioned to fully capture this demand. We are sure of achieving our long-term revenue guidance of Rs 2,000 Crores by FY24.

The strategic investment done in various capacity enhancements in the last 3 years are now yielding results. Similarly, currently also we are investing in further expansion and new products capacities, to maintain this consistent growth and create exceptional value for shareholders.

About Meghmani Finechem Limited

Meghmani Finechem Limited (“MFL”), incorporated in 2007, is a leading manufacturer of Chlor-Alkali products and value-added Derivatives. The company has state of the art manufacturing facilities in Gujarat, Dahej – a leading PCPIR region in the country. MFL’s Dahej facility is a fully integrated complex with a well-established infrastructure and Captive Power Plants. The company is India’s 4th largest manufacturer of Caustic Soda, Chlorine and Hydrogen and a leading manufacturer of Caustic Potash, Chloromethanes and Hydrogen Peroxide. The company was a subsidiary of the listed entity Meghmani Organics Ltd and after the reorganisation; MFL got listed on August 18, 2021 as an independent entity.

MFL is now expanding its product base to include value added derivative products like Epichlorohydrin (ECH) and Chlorinated Polyvinyl Chloride (CPVC), which are a key raw material for multiple end user industries, which are presently catered by 100% import. The company is focused on sustainable value creation for all its stakeholders and has recently been awarded with the Responsible Care certificate.