# ANUPAM RASAYAN INDIA LTD.

ARILSLDSTX20220512012

Date: May 12, 2022

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| To,<br>**BSE Limited,**<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai -400001, India<br>**SCRIP CODE: 543275** | To,<br>**Sr. General Manager**<br>**National Stock Exchange of India Limited**<br>'Exchange Plaza', C-1, Block-G,<br>Bandra Kurla Complex<br>Bandra (East), Mumbai 400051, India<br>**SYMBOL: ANURAS** |

**Dear Sir/Madam,**

**Subject: Investor Presentation**

We enclose herewith a copy of the 'Investor Presentation' in respect of the audited financial results for the fourth quarter and year ended March 31, 2022.

The Investor Presentation is also being hosted on the Company's website at www.anupamrasayan.com

We request you to kindly note the same and take into your records.

Thanking you,

Yours Faithfully,
**For, Anupam Rasayan India Limited**

Suchi Agarwal

**Suchi Agarwal**
**Company Secretary & Compliance Officer**
**M.N.: A32822**

Encl: Investor presentation

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**CIN - L24231GJ2003PLC042988**

ANUPAM RASAYAN INDIA LIMITED

# ANUPAM RASAYAN INDIA LIMITED

# INVESTOR PRESENTATION

**Q4FY22**

**MAY 2022**

BSE: 543275 | NSE: ANURAS | ISIN: INE930P01018
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01

# FINANCIALS AND OPERATIONAL UPDATES


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# About Anupam

## COMPANY AT A GLANCE

Established Custom Synthesis player with **38** years of track record

Specializes in **multi-step synthesis** undertaking complex chemical reactions to produce key specialty chemicals with focus on developing innovative manufacturing processes

Catering to globally relevant chemical & agrochemical companies, including **25 MNC** and cumulative **68** clients

- GOI recognized three-star export house

Strong supply chain with **backward integrated facilities**

**~27,200 MT** Manufacturing Capacity, spread over **6** manufacturing facilities

Strong technical capabilities in complex chemistries supported by an R&D team of **77** professionals

Incorporated in 1984, Company operates in two verticals, namely

- Life Science related Specialty Chemicals
- Other Specialty Chemicals
- **48** Complex products manufactured as of Q4FY22

**1,491+** committed employees

**Strong and Dedicated** Management Team

***Note: All data as of FY22.***

# Managing Director's Message

**Mr. Anand S Desai**
MANAGING DIRECTOR

*I am pleased to announce that we have delivered a robust year registering a total revenue growth of 29%, mostly driven by a healthy volume ramp-up. With new LOIs getting signed and older ones getting converted into long-term contracts, the visibility for top-line growth in the years to come becomes clearer. Further, our foray into Fluorination chemistries, which will drive our next phase of growth has been strengthened by our successful acquisition of Tanfac's 26% stake. By the means of this acquisition, we look forward to backward integrate our supply chains in this vertical and focus on production of value added products that have application in varied industries which will give us impetus to enhance our margin profile*

***Note: All numbers above have been rounded-off to zero decimal.***

# Annual Financial Highlights

Operating Revenue was **₹ 10,660 Mn**

EBITDA (Incl. Other Revenue) was **₹ 3,121 Mn**.; Y-o-Y growth of **42%**

PAT stood at **₹ 1,522 Mn.**, Y-o-Y growth of **116%**

PAT Margin grew by ~**600 bps** stood at **14%** for FY22

Acquired **~26% stake** in **Tanfac Industries Limited** post open offer

**Commercialized new R&D Lab** in existing R&D Centre

## TOTAL REVENUE

(In ₹ Mn)

10,811

As compared to revenue of ₹ 8,373 Mn in FY21

## TOTAL REVENUE GROWTH

(In %)

29%

(YoY)

## TOTAL NO. OF PRODUCTS

(In Nos)

48

***Note: All numbers above have been rounded-off to zero decimal.***

# Profit & Loss Summary

| (All amounts are in ₹ Mn) | FY21 | FY22 |
|---|---|---|
| **INCOME** | | |
| Revenue from Operations | 8,109 | 10,660 |
| Other Income | 266 | 151 |
| **Total Revenue** | **8,375** | **10,811** |
| *Total Revenue Growth (%)* | | *29%* |
| | | |
| **EXPENSES:** | | |
| Cost of Raw Materials Consumed | 3,390 | 3,699 |
| **Gross Profit** | **4,719** | **6,961** |
| *Gross Margins (%)* | *58%* | *65%* |
| *Gross Profit growth (%)* | | *48%* |
| | | |
| Employee Benefits Expenses | 324 | 485 |
| Other Expenses | 2,459 | 3,506 |
| **EBITDA (Incl. Other Revenue)** | **2,202** | **3,121** |
| *EBITDA Margins (%)* | *26%* | *29%* |
| *EBITDA Growth (%)* | | *42%* |
| | | |
| Finance Cost | 685 | 308 |
| Depreciation and Amortization | 517 | 601 |
| **Profit Before Tax** | **1,000** | **2,212** |
| Share of Profit of Associates | - | *7* |
| **Profit after Shares of Profit of Associates** | **1,000** | **2,219** |
| Tax (Including Deferred Tax) | 297 | 697 |
| **Profit for the Year** | **703** | **1,522** |
| *PAT Margins (%)* | *8%* | *14%* |
| *PAT Growth (%)* | | *116%* |

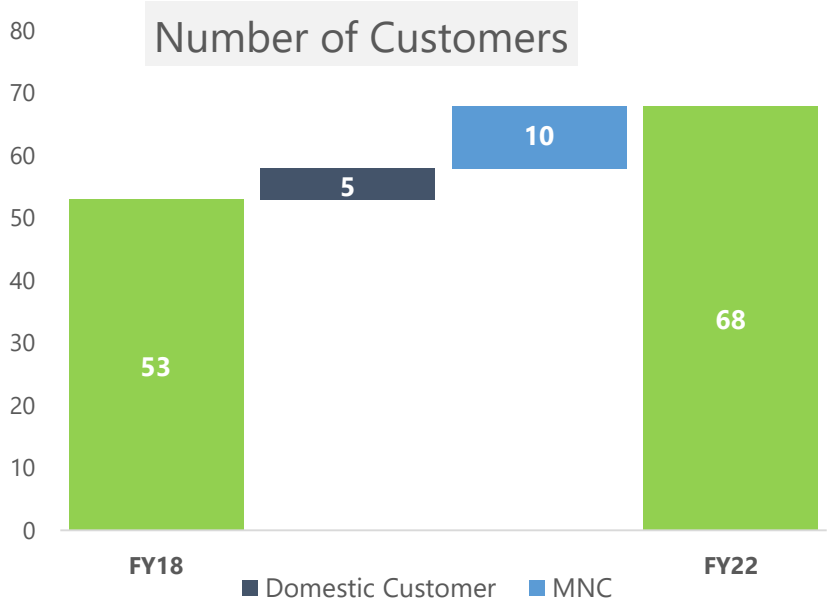
***Note: All numbers above have been rounded-off to zero decimal.***

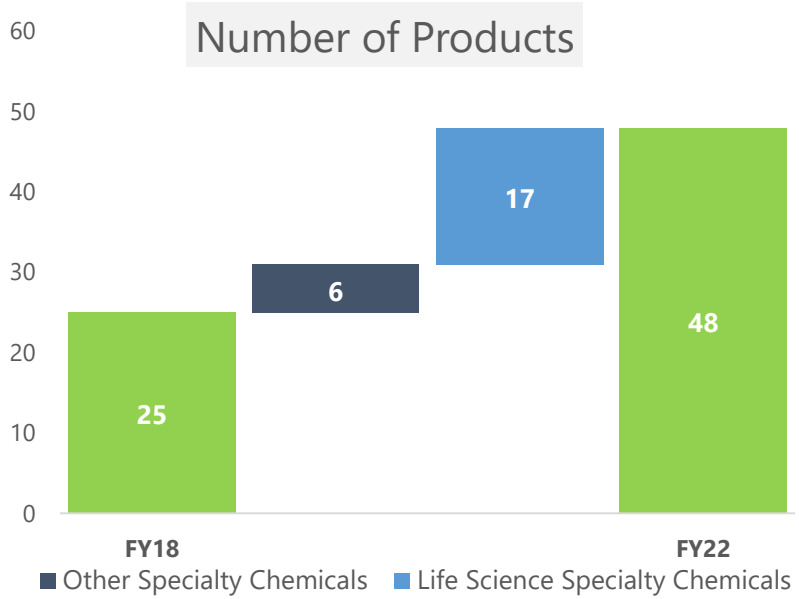
# Profit & Loss Summary

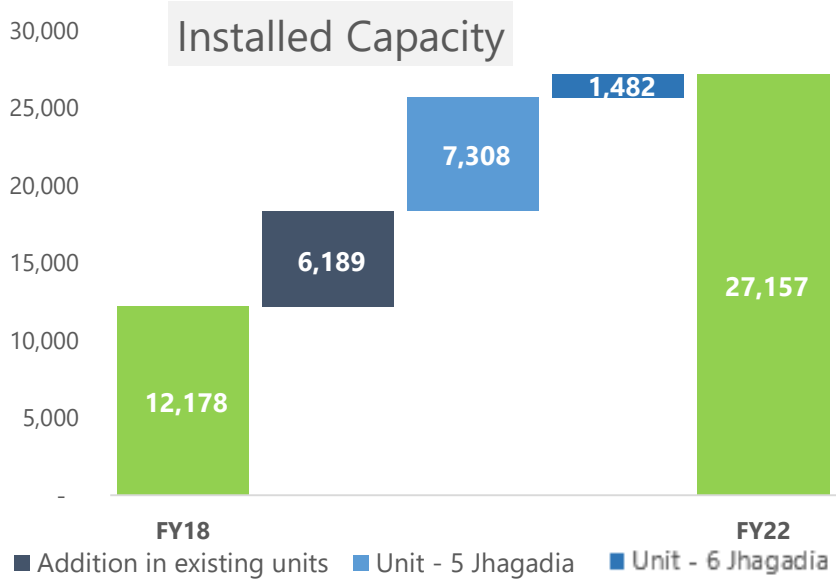
| (All amounts are in ₹ Mn) | Q4FY21 | Q4FY22 |
|---|---|---|
| INCOME | | |
| Revenue from Operations | 2,717 | 3,172 |
| Other Income | 25 | (4) |
| **Total Revenue** | **2,742** | **3,169** |
| *Total Revenue Growth (%)* | | *16%* |
| | | |
| **EXPENSES:** | | |
| Cost of Raw Materials Consumed | 1,213 | 1028 |
| **Gross Profit** | **1,504** | **2,145** |
| *Gross Margins (%)* | *55%* | *68%* |
| *Gross Profit growth (%)* | | *42%* |
| | | |
| Employee Benefits Expenses | 120 | 126 |
| Other Expenses | 753 | 1,046 |
| **EBITDA (Incl. Other Revenue)** | **655** | **969** |
| *EBITDA Margins (%)* | *24%* | *31%* |
| *EBITDA Growth (%)* | | *48%* |
| | | |
| Finance Cost | 189 | 138 |
| Depreciation and Amortization | 133 | 154 |
| **Profit Before Tax** | **332** | **677** |
| Share of Profit of Associates | - | *7* |
| **Profit after Shares of Profit of Associates** | **332** | **684** |
| Tax (Including Deferred Tax) | 110 | 223 |
| **Profit for the Year** | **221** | **461** |
| *PAT Margins (%)* | *8%* | *15%* |
| *PAT Growth (%)* | | *108%* |

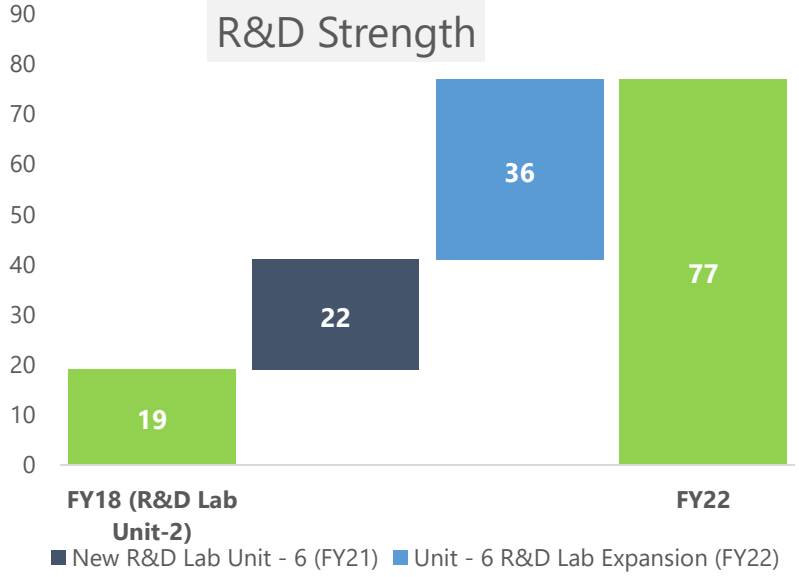
***Note: All numbers above have been rounded-off to zero decimal.***

# Last 5 Years – At a Glance

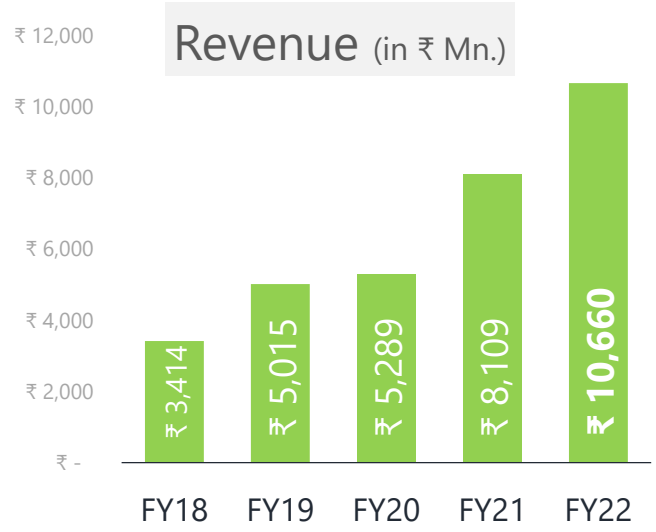


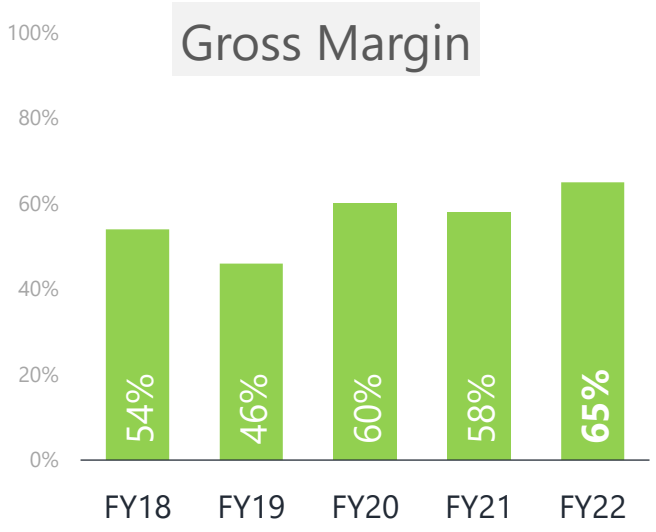



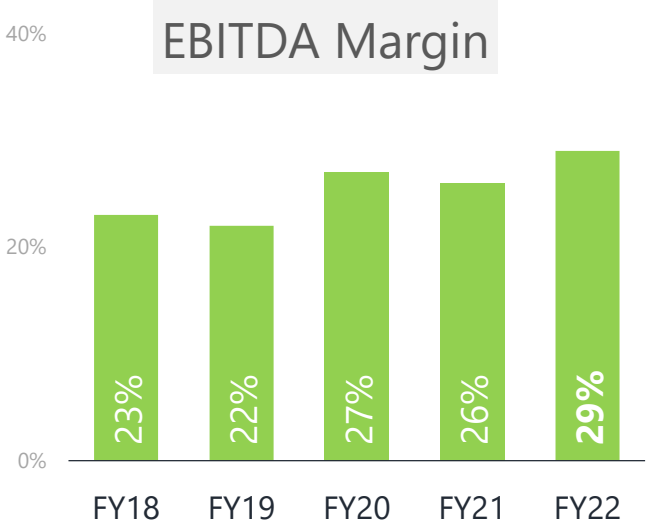



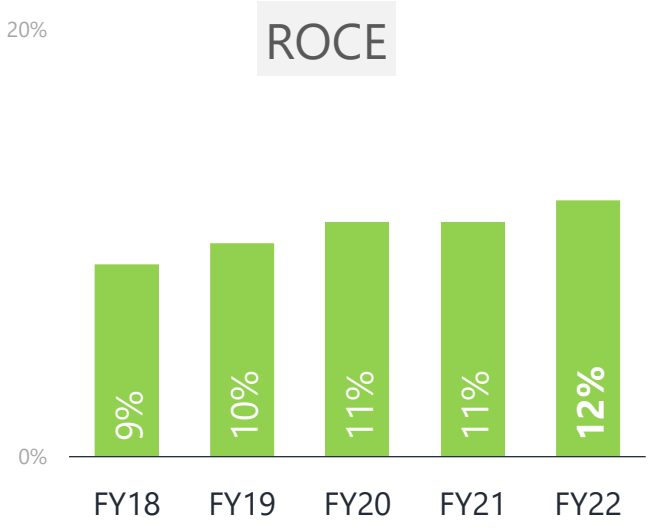



# Last 5 Years – At a Glance




- In last 5 years, Anupam has tripled its Revenue from operations from ₹ 341 cr. in FY18 to ₹1,066 cr. in FY22
- Anupam has delivered consistent high Gross margins and EBITDA margins despite volatility in input costs
- Anupam's front-ended capex of more than ₹ 800 cr. have resulted in significant growth while leading to 10-12% return on capital employed ratio during the expansion phase

# R&D Centre Expansion – March 2022

Added 2 new R&D Labs in existing R&D Centre in March 2022

Lab Equipped with new State-of-the-art Advance Equipment for Pharma and Agrochem

Pilot Plant with 1L to 100L Capacity

R&D Strength Increased to 77 in FY22

# 02

# STRATEGIC **PRIORITIES**

Fluorination: Next Phase of Growth
**Slide 13**

Capital Expenditure Plan
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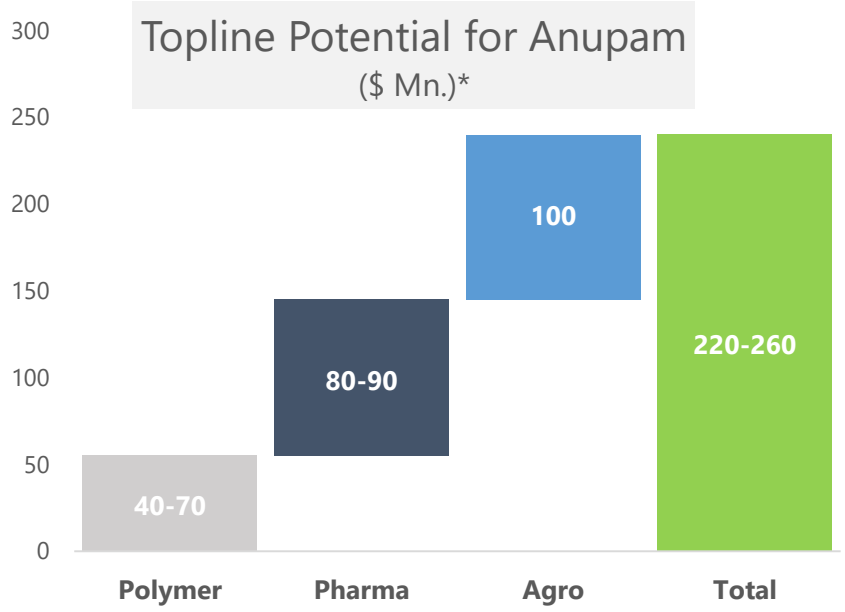
# Fluorination Chemistry – Next Phase of Growth

## Focused Segments

- Polymers
- Pharmaceuticals
- Agriculture




Anupam will acquire fluorinating agents (KF and HF) from Tanfac and manufacture **Value Added Products (VAPs) at Anupam.**

All molecules in these series are high value high margin product as **Anupam will be sole manufacturer in India.**

Targeted Series Addressable market for Anupam*

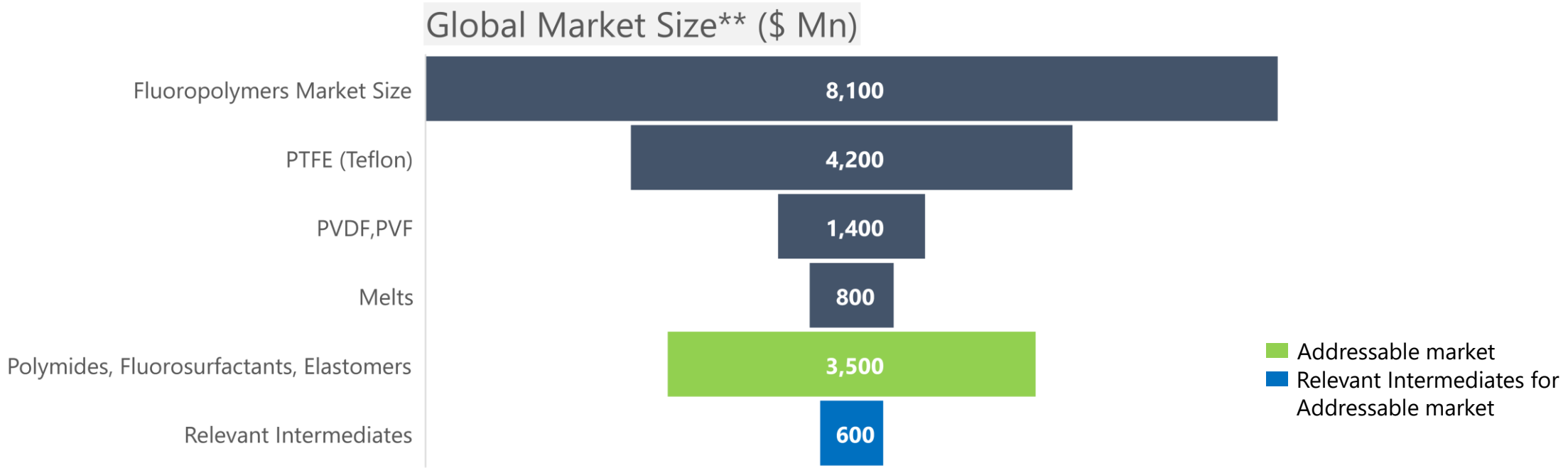
**$5+ Bn**

Topline Potential for Anupam*

**$220 - $260 Mn**

*Global Consulting Firm Research

# Fluorination Chemistry – Polymers Addressable Market

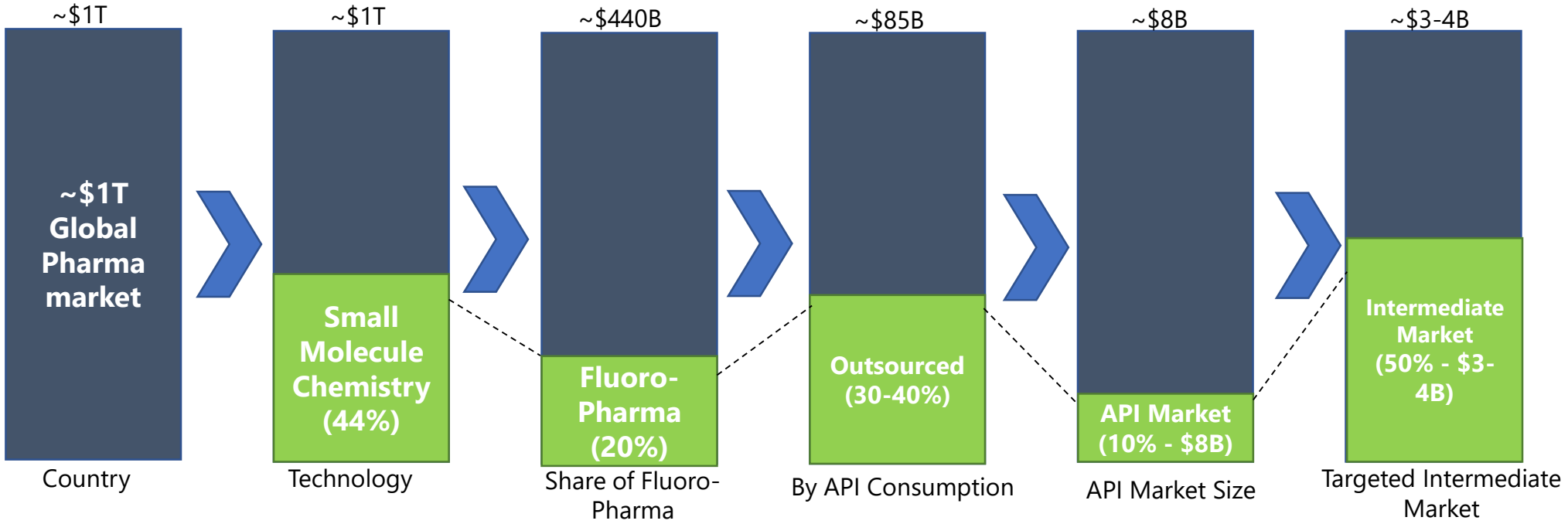



| | | | |
|---|---|---|---|
| Fluoropolymer is a large attractive market with a high growth rate and many attractive high growth segments | For all the respective relevant Fluoropolymers Intermediates, **Anupam will be sole manufacturer in India.** | Targeted Series Addressable market for Anupam* **$600 Mn** | Topline Potential for Anupam* **$40 – $70 Mn** |

*Global Consulting Firm Research

**Source: Secondary research (IHS Market report, CEH market report), Industry experts

# Fluorination Chemistry – Pharma Addressable Market




| | | | |
|---|---|---|---|
| An estimated 20% of marketed drugs (by count) are fluoro-pharmaceuticals; 40% of top selling drugs are fluorinated | Fluorination chemistry has high customer demand, but limited API players have in-house fluorination capability | Targeted Series Addressable market for Anupam* **$3.5 Bn** | Topline Potential for Anupam* **$80 – 90 Mn** |

*Global Consulting Firm Research  Source: Evaluate Pharma, IMS, CapIQ, ACS Omega 2020, 5, 19, 10633–10640, Industry experts

# Capital Expenditure for Contracts & LOI

EXPECTED CAPEX FOR CONTRACTS & LOI
(In ₹ Mn)

2,500

INCREMENTAL ROCE FOR THIS CAPEX
(In %)

20%

INCREMENTAL ASSET TURNOVER FOR THIS CAPEX
(In times)

1.75x

- Signed contracts and LOI worth **₹26,200 Mn** in FY22
- For this, company will incur capital expenditure of ₹2,500 Mn in FY23
- There is firm visibility for revenue growth in the coming years through the commercialization of these molecules.

# Strong Revenue Visibility

- Signed contracts and LOI worth **₹2,620 crores** in FY2022.
- **6** new molecules to be commercialized in FY2023.
- One LOI signed in Q4FY22, further **two contracts are under final stages** of signing with European multinational company.
- We will be adding a **new Japanese multinational company** as customer in Q1FY23.

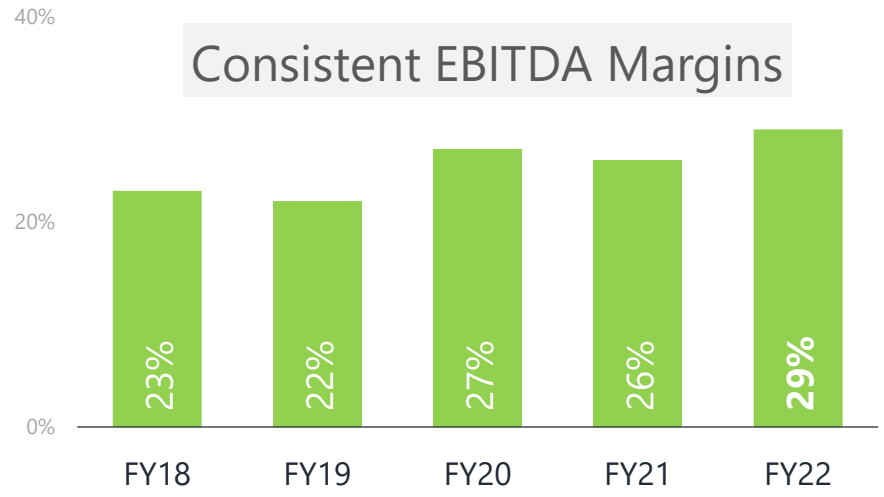
| Signing Quarter | Segment | Customer | LOI/Contract | Tenor (Years) | Value(₹ Crores) |
|---|---|---|---|---|---|
| Q1FY22 | Life Science | Multinational Life Science Company | LOI | 5 | ₹1,100 |
| Q1FY22 | Life Science | Two Multinational Companies | Contract | 5 | ₹540 |
| Q2FY22 | Life Science | European Multinational Company | Contract | 5 | ₹144 |
| Q3FY22 | Life Science | Japanese Multinational Company | Contract | 4 | ₹135 |
| Q4FY22 | Life Science | Multinational Crop Protection Company | LOI | 5 | ₹700 |
| **Total** | | | | | **₹2,620** |

# Resilient Business Model

## Revenue Visibility

Majority of Anupam's revenue comes from **long term contracts** from large MNC customers**.**

For majority of the products under contracts, we are either **sole or primary supplier** due to which we have stable revenue visibility as well as growth.




## Inventory Holding Strategy

Anupam's products are **strategic and an integral** part of customer's supply chain, customer expects consistent supplies in terms of volume, price and timeliness.

This inventory holding strategy have helped us in ensuring consistent supplies to our customers even during volatile environments.

## Robust Supply Chain

Company focus on backward integration and reducing dependence on China has resulted in greater control over the supply chain.

**In the past three years, we have witnessed various uncertain events globally, despite these situations, Anupam has delivered robust revenue growth and consistent margins.**

# 03

# OUR BUSINESS


Business Verticals and Geographies
**Slide 20**

Key Strength: Customer Stickiness
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EHS
**Slide 23**

Evolution of Anupam
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Strong Technical Capabilities
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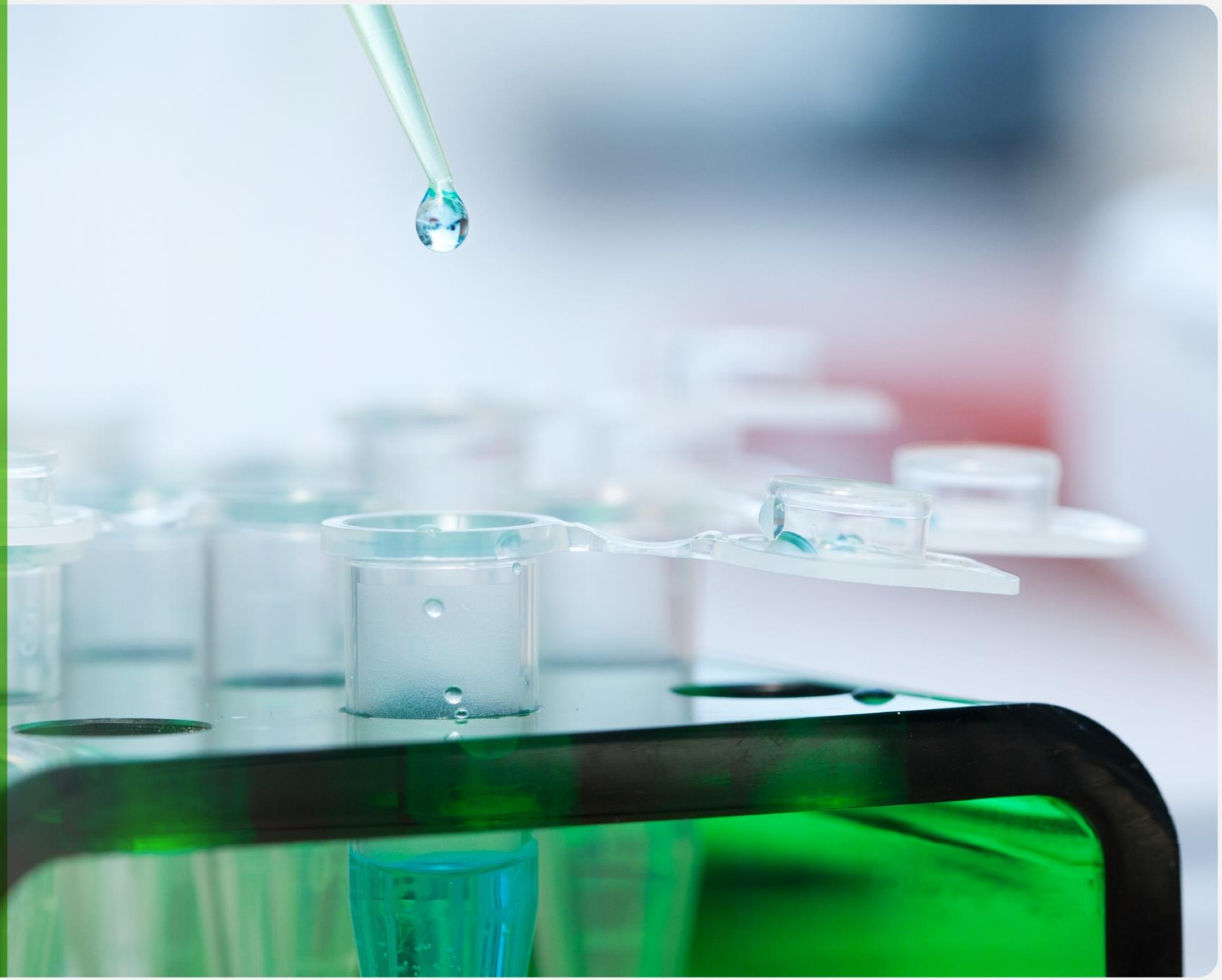
Infrastructure
**Slide 27**

# Business Verticals

## BUSINESS VERTICALS OVERVIEW

**Life Science Related Specialty Chemicals**

**Agrochemicals (including Crop Protection)**

Manufacturing agro intermediates and agro active ingredients (insecticides, fungicides and herbicides)

**Personal Care**

Manufacturing anti-bacterial and ultraviolet protection intermediates and ingredient

**Pharmaceuticals**

Developing intermediates and 'key starting materials' for APIs, material sciences and surface chemistry

Contributes more than
90%*
of revenues

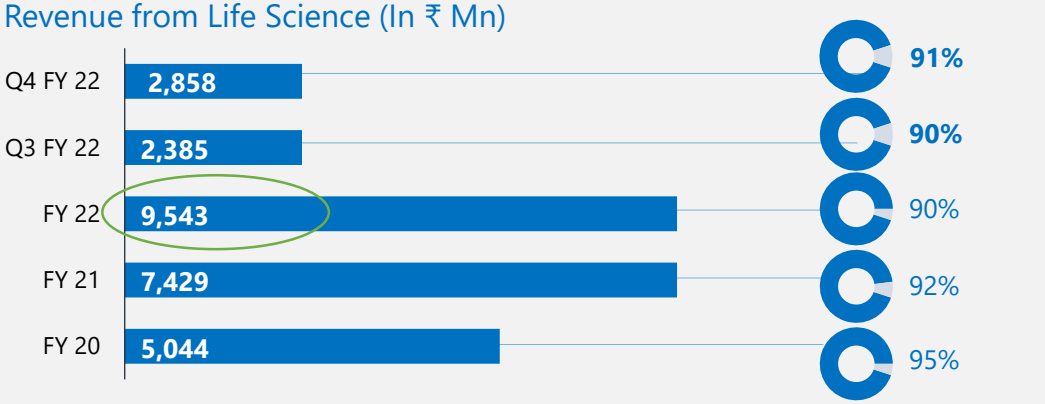
**Other Specialty Chemicals**

- Specialty Pigments
- Specialty Dyes
- Polymer Additives

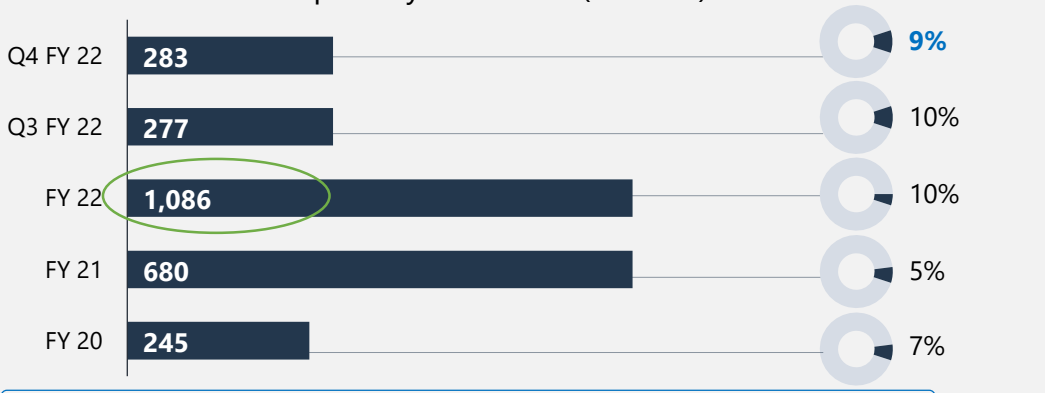
Contributes less than
10%*
of revenues

## HISTORICAL BUSINESS PERFORMANCE

### Revenue from Life Science (In ₹ Mn)




### Revenue from Other Specialty Chemicals (In ₹ Mn)




Life Science related specialty chemicals continues to remain our main stay and foresee a strong pipeline going ahead

***Note: Financials, revenue from operations proportion rounded-off to zero decimal also *as of Q4 FY22.***

# Making a Mark Globally

MANUFACTURING UNITS IN INDIA

(In Nos.)

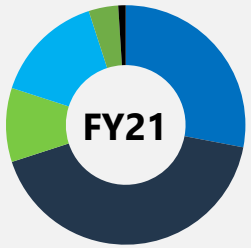
6*

CLIENTELE GLOBALLY

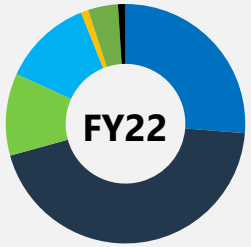
(In Nos.)

68*

## REVENUE BY GEOGRAPHY




| | |
|---|---|
| EUROPE | 28% |
| INDIA | 42% |
| SINGAPORE | 10% |
| JAPAN | 15% |
| CHINA | 4% |
| REST OF WORLD | 1% |




| | |
|---|---|
| EUROPE | 26% |
| INDIA | 44% |
| SINGAPORE | 11% |
| JAPAN | 12% |
| CHINA | 4% |
| NORTH AMERICA | 1% |
| REST OF WORLD | 1% |

***Note: All percentages above have been rounded-off to zero decimal. | *as of Q4 FY22***

# Key Strength: Customer Stickiness

- Long-standing relationships, clients onboarded after significant gestation period
- Stringent customer audits, approvals & requirements adhered too
- Dealing with top MNCs around the globe supplying them niche molecules
- Expertise in executing complex chemistries & products
- Focused on cornering higher wallet-share with clients
- Focused on becoming preferred partner for top clients, for all current as well as future product additions

## LONG TERM CONTRACTS

- Validity of the contract ranging between 2 to 5 years
- Long term contracts enhance visibility of operations and helps in planning Capex

## FEW OF OUR TOP GLOBAL CLIENTS

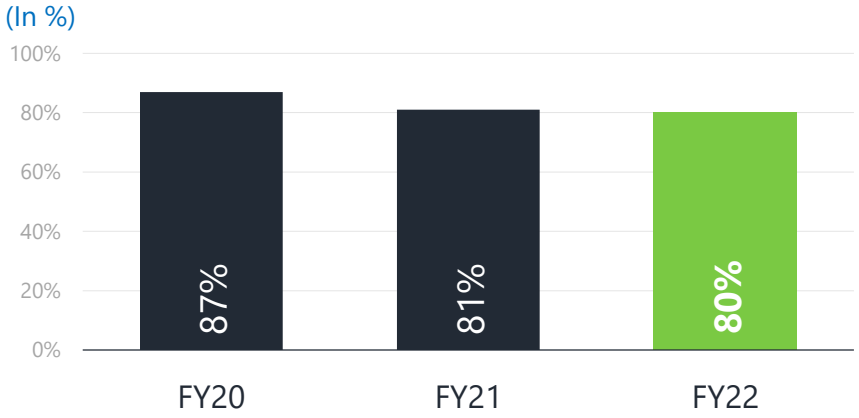
syngenta

SUMITOMO CHEMICAL

ADAMA

UPL OpenAg™

## REVENUE FROM TOP 10 CUSTOMER




- Top 10 customers contribution to reduce significantly over the next three years
- Top 10 customers contribute ~24 products
- For the key customers, company have long term contracts in the range of two to five years

# EHS at Anupam Rasayan

## WASTE MANAGEMENT

COMMITED TO MAKE POSITIVE IMPACT ON THE ENVIRONMENT

- Zero Liquid Discharge Sites
- Biological Treatment Systems, Evaporation, and Oxidation technologies

## ENVIRONMENT MANAGEMENT

WE BELIEVE PROTECTING THE WELL BEING OF OUR EMPLOYEE AND ENVIRONMENT IS OUR RESPONSIBILITY

- Installed liquid multiple effect evaporation system
- Installation of Solar Power plant to reduce dependency
- Advanced ozonation
- Installed scrubbers using different media

## SAFETY

COMMITTED TO CONDUCTING ALL OUR OPERATION IN SAFE AND RELIABLE MANNER

- Running reaction and differential scanning calorimetry tests
- Conducting hazards & operability studies
- Mitigate hazard with engineering controls and secure work practices

# Evolution of Anupam

**1984**

Company was formed as a partnership firm as "Anupam Rasayan"

**2006**

Started supply of Anti-Bacterial products to a European customer

**2010**

Started supplying specialty chemicals to Syngenta

**2014**

Commercialized Unit – 4 in Jhaghadia GIDC

**2016**

Awarded 'Green Innovation Award' by Corning Reactor Technology
(for the year 2015)

**2017**

Started supplying specialty chemicals to Sumitomo Chemical in Japan

**2019**

Commercialized Unit – 5 in Jhagadia GIDC and Unit – 6 in Sachin GIDC

**2020**

- Received DSIR registration for R&D centre in Sachin Unit – 6
- Started working with UPL Limited

**2021**

- Started working with Adama
- Listed on BSE & NSE in Mar. 2021
- Commissioned Solar Power Plant at Bharuch

**2022**

Acquired ~26% stake and management control in Tanfac Industries Ltd.

# Strong Technical Capabilities

**DSIR recognized R&D center**

R&D headed by **Dr. Nileshkumar Naik**, with team of **77** professionals

R&D team oversees transfer of technology from lab scale to plant scale

Received the 'Corning Green Innovation Award' for customer excellence in Advanced-FlowTM Reactor applications development for 2015

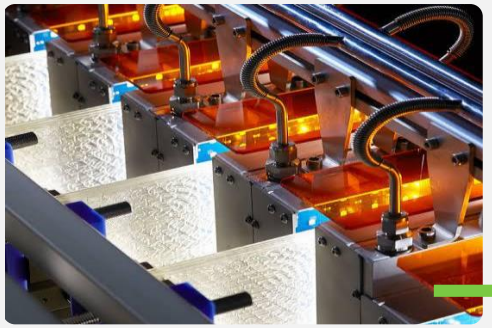
## R&D Focus areas:

- Enabling multi-step synthesis
- In-house process development
- Process innovation
- New chemical screening & engineering
- Identification of complex chemistries
- Achieving cost optimizations

## COMPETENCE IN KEY CHEMISTRIES

# Strong Technical Capabilities (Contd.)

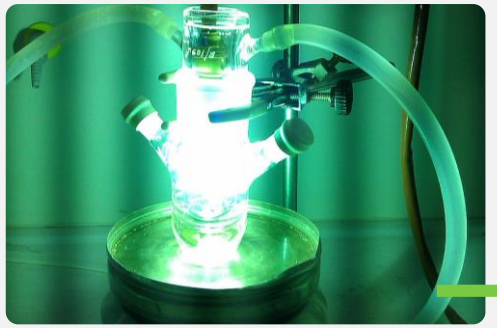
## PROCESS TECHNOLOGIES DEPLOYED



### Flow Chemistry

Significant advantages of flow chemistry technology over traditional batch process :

- Reduced lead-time
- Material-efficient & cost benefits
- Reduce environmental impacts in the laboratory
- One of the leading Indian companies in manufacturing products using continuous & flow chemistry technology on a commercial scale.



### Photo Chemistry

Increasingly becoming an important tool in the search of new active compounds for specialty chemicals & pharmaceuticals; relatively new technology for specialty chemicals, leading to benefits such as:

- Shorter & simplified multistep synthesis of complex molecules
- Larger potential for automation
- Increased accessibility of a portfolio of novel compound families
- Required micro reactors unlike conventional photo chemical systems which require larger reactors

# World-class Infrastructure

- Manufacturing operations were commenced in 1984
- Highly automated multi-purpose facilities
- Equipped with glass-lined, titanium cladded and stainless-steel reactors enabling manufacture of diverse range of products
- Strategically located close to the ports
- In the last 3 years, the Company has undertaken a massive Capex to double the manufacturing capacity

## HIGHLIGHTS

**6** Manufacturing Facilities

**~27,200 MT** Cumulative Capacity

Equipped with **Pilot plant facility**

Among the few companies to use **Flow process on commercial scale**

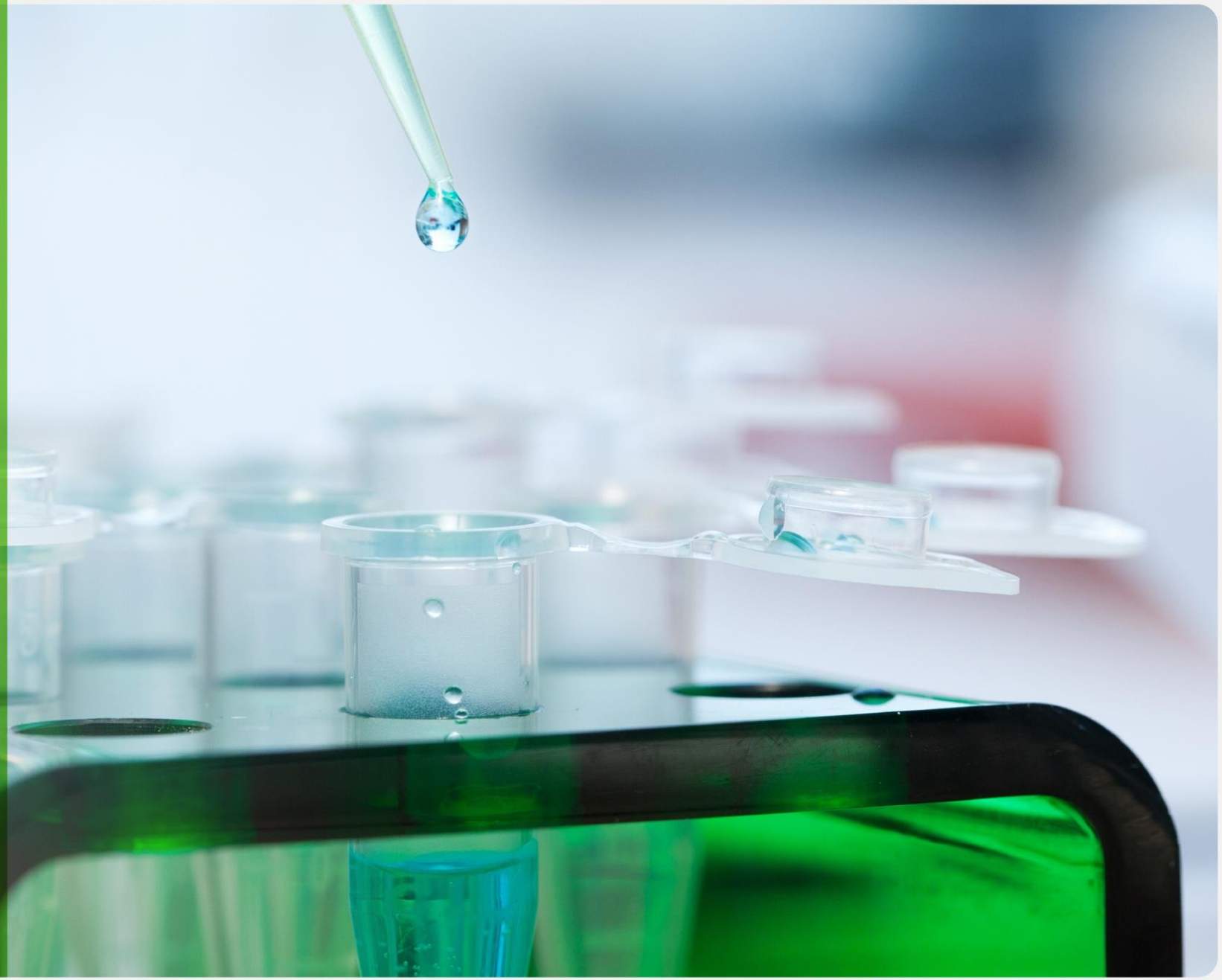
Personnel employed **1,491+**

***Note: All numbers & percentages above have been rounded-off to zero decimal.***

04

# TEAM

Team of Anupam
**Slide 29**



# Board of Directors

**DR. KIRAN C PATEL**
CHAIRMAN &
NON-EXECUTIVE DIRECTOR

- Associated with the company for past 6 years and intends to stay committed with company for long term

**MR. ANAND S DESAI**
MANAGING DIRECTOR

- Over 30 years of experience in chemicals industry associated with the Company since 1992 & was one of the first Directors of the Company

**MS. MONA A DESAI**
VICE-CHAIRMAN &
WHOLE-TIME DIRECTOR

- Over 20 years of experience in chemicals industry and associated with the Board since the incorporation of the Company

**MR. MILAN THAKKAR**
NON-EXECUTIVE DIRECTOR

- Associated with the company for past 9 years and intends to stay committed with company for long term

**MR. HETUL KRISHNAKANT MEHTA**
INDEPENDENT DIRECTOR

**DR. NAMRATA DHARMENDRA JARIWALA**
INDEPENDENT DIRECTOR

**MR. VIJAY KUMAR BATRA**
INDEPENDENT DIRECTOR

**MR. VINESH PRABHAKAR SADEKAR**
INDEPENDENT DIRECTOR

## OTHER KEY MANAGERIAL PERSONNEL

**MR. AMIT KHURANA**
CHIEF FINANCIAL OFFICER

**MR. VISHAL THAKKAR**
DEPUTY CFO

**DR. NILESHKUMAR NAIK**
TECHNICAL HEAD

**DR. ANUJ THAKAR**
R&D (PROCESS DEVELOPMENT)
HEAD AND UNIT II HEAD

**MR. RAVI DESAI**
SALES HEAD

**MS. SUCHI AGARWAL**
COMPANY SECRETARY AND
COMPLIANCE OFFICER

# Safe Harbor

Certain statements in this presentation concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The company's results may be affected by factors including, but not limited to, the risks and uncertainties in research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations. Anupam Rasayan India Limited will not be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances

ANUPAM RASAYAN INDIA LIMITED

# THANK YOU

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