



# MANGALAM ORGANICS LIMITED

## Investor Presentation

Fourth Quarter (Q4) & Yearly 2020 Results  
June 30, 2020

# Safe Harbour Statement

*This presentation and the following discussion may contain “forward looking statements” by Mangalam Organics Limited (“MOL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of MOL about the business, industry and markets in which MOL operates.*

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# Products of the Company



# Executive Summary



## Overview:

- The Terpene and Synthetic Resin business of Mangalam Organics Limited was founded by Late. Ramgopal Dujodwala in 1981 as Allied Colloids Private Limited and has been nurtured and handed down to two generations.
- Mangalam Organics Limited was originally incorporated as Allied Colloids Private Limited in 1981 and then the Company was converted into Public Limited Company in 1992. Further, the name of the Company was changed to Dujodwala Products Limited in 1993 and then to Mangalam Organics Limited in 2013.
- Mangalam Organics Limited is a pioneer in the field of pine chemistry. It is a leading manufacturer of terpene and rosin derivatives.
- Facility for manufacture of Rosin and Turpentine was built at Khopoli (Maharashtra) in 1988. Further facility for manufacture of Camphor was built in 1994.
- The Company manufactures the following products:
  - **#Terpene Chemistry:** Camphor, Dipentene, Sodium Acetate
  - **#Synthetic Resins:** Terpene Phenolic, Alkyl Phenolic and Rosin-based Resins
- Turpentine, as the raw material to manufacture Camphor, is imported from across the globe i.e. Brazil, Argentina, Chile, USA, Russia, Indonesia, Vietnam, China, Portugal, and Spain, among other countries.
- Mangalam's Clients for Terpene Operations – Asian Paints, Kansai Nerolac, Berger Paints, Amrutanjan, Dabur, Emami and Himalaya.
- Clients for Synthetic resin Operations – Pidilite, Henkel, Bostik and H.B. Fuller.
- Retail Clients – D Mart, Reliance Retail, Spencers and Amazon.
- MOL operates through network of 8 offices across India.

# Brief Profile of Directors & Key Managerial Personnel



## ➤ **Mr. Kamalkumar Dujodwala – Chairman**

A Graduate in Science along with training at National Chemical Laboratory, Mr. Kamalkumar Dujodwala brings with him a 40 years of experience in the Chemical Industry and has spearheaded commissioning and operations at various facilities across India. He has been the president of the All India Manufacturers Organization and is presently the Vice President of the Indo-China Chamber of Commerce. Mr. Kamalkumar took over as Chairman of the Company in year 2007.

## ➤ **Mr. Pannkaj Dujodwala – Managing Director**

Mr. Pannkaj Dujodwala holds an MBA degree from Landsdown College, New Hampshire University, UK and is a Graduate in Commerce. He has been involved in the Pine Chemicals Industry for over 30 years and brings with him wide experience to oversee day-to-day activities at Mangalam Organics Limited.

## ➤ **Mr. Sanjay Bhardwaj – Chief Executive Officer**

Sanjay Bhardwaj is a qualified Chartered Accountant. He has been working with the Company in various capacities and departments since last 24 years i.e. from 1st November, 1994 to present. He has successfully handled various portfolios such as production, marketing, finance, human resources planning, etc. during his tenure with the Company.

## ➤ **Mr. Shirang V Rajule – Chief Financial Officer**

Shirang V Rajule is a Commerce Graduate having 40 years of expertise in Accounts, Finance and Taxation. Mr. Rajule is associated with the Company since last 2 decades.

## ➤ **Mr. Akshay Dujodwala – Executive**

Mr. Akshay Dujodwala has received his Master's Degree in Business Analytics & Consulting from Warwick Business School, London and a Bachelors' Degree in Banking and Insurance from University of Mumbai. Mr. Dujodwala has also gained an experience by working as an Associate with Universal Consulting India Pvt Ltd. Further, he has also interned at Enam Securities and ICICI Prudential AMC Ltd. He has been appointed as an Executive of the Company since September 2018 with a responsibility to head Retail Sales and Marketing department.

# Our Product Portfolio and Its Application

Business Segments	Terpenes	Synthetic Resins
<b>Products</b>	Camphor, Dipentene, Sodium Acetate	Terpene Phenolic Resin, Alkyl Phenolic Resin, Rosin Esters
<b>Product Applications</b>	<p>Camphor: Religious use, healthcare products, hygiene products</p> <p>Dipentene: Paints, cleaning and decreasing agents</p> <p>Sodium Acetate: Textile and dyes industry, leather tanning</p>	Adhesives, tyres, rubber, chewing gum, printing ink
<b>Retail Brands</b>	<p>Mangalam: Camphor tablets for pious purposes</p> <p>CamPure: Camphor-based home care products</p>	
<b>Key Customers</b>	Asian paints, Kansai Nerolac Paints Limited, Berger Paints, Dabur, Himalaya	Pidilite, Henkel, Bostik, H.B. Fuller

# Yearly / Q4-FY 2019-20 Results Key Highlights

## Q4-FY 2019-20 Standalone Performance:

- Revenue from Operations: INR 8192.45 Lakhs
- EBITDA: INR 2549.11 Lakhs
- EBITDA Margins: 31.45 %
- Net Profit: INR 1246.90 Lakhs
- PAT Margins: 15.38 %
- Diluted EPS: INR 14.56 per share

## Yearly-FY 2019-20 Standalone Performance:

- Revenue from Operations: INR 37452.44 Lakhs
- EBITDA: INR 8736.41 Lakhs
- EBITDA Margins: 23.26 %
- Net Profit: INR 4756.02 Lakhs
- PAT Margins: 12.66 %
- Diluted EPS: INR 55.53 per share

# Q4 & Yearly -FY 2019-20 Operational Highlights



- During the quarter, the Company performed considerably well despite global and domestic slowdown due to Pandemic COVID-19. The Revenue from Operations for Quarter March 31, 2020 stood at Rs. 8192.45 Lakhs i.e. an increase of 1.71% as compared to Rs. 8054.36 Lakhs in quarter December 2019. Profit after Tax stood at Rs. 1246.90 Lakhs for the quarter ended March 31, 2020 as compared to Rs. 377.14 Lakhs in the previous quarter December 31, 2019 showing a growth by 230.62%.
- As Comparing the total revenue from operations of Rs. 37452.44 Lakhs as on March 31, 2020 to that of previous year March 31, 2019, there has been a decline by 11.80% on yearly basis due to global reduction in the price of the finished goods manufactured by your Company and weak demand of the finished products. The decline of 34.30% in Net Profit of March 31, 2020 which stood at Rs. 4756.02 Lakhs as compared to Rs. 7239.51 for year end March 31, 2019 was due to the inventories procured at high prevailing price earlier which is usually required by manufacturing industries to run the operations smoothly.
- The Company is further building its Retail business on quantum of sales by increasing its sales through modern trade, general trade and e-commerce platforms.
- Despite global slowdown, the Company remains confident of continuous good performance and about the long term business prospects of Camphor and its allied products industry. The Company is also in a good position to take advantage of the opportunities available in the market.



# Income Statement



(Rs. in Lakhs)

Particulars	Q4 March 2020	Q4 March 2019	Y-o-Y (%)	Q3 December 2019	Q-o-Q (%)
<b>1. Income from Operations</b>					
a. Revenue from Operations	8192.45	10,639.51	(23.00)	8,054.36	1.71
a. Other Income	(86.72)	-	-	4.15	-
<b>Total Income from Operations (Net)</b>	<b>8,105.73</b>	<b>10,639.51</b>	<b>(23.81)</b>	<b>8,058.51</b>	<b>0.59</b>
<b>1. Expenses</b>					
a. Cost of material consumed	3,017.59	6,610.74	(54.35)	4,235.10	(28.75)
a. Purchase of stock-in-trade	50.26	86.79	(42.09)	81.66	(38.45)
a. Change of inventories of finished goods, work in process and stock-in-trade	526.93	(326.90)	261.20	374.85	40.57
a. Employee benefit expenses	694.19	544.40	27.51	615.91	12.71
a. Finance cost	84.26	95.72	(11.97)	112.30	(24.97)
a. Depreciation and amortisation expenses	319.83	202.11	58.25	211.63	51.13
a. Other expenses	1,267.65	969.77	30.72	1,387.92	(8.67)
<b>Total Expenses</b>	<b>5,960.71</b>	<b>8,182.63</b>	<b>(27.15)</b>	<b>7,019.37</b>	<b>(15.08)</b>
<b>EBITDA</b>	<b>2,549.11</b>	<b>2,754.71</b>	<b>(7.46)</b>	<b>1363.07</b>	<b>87.01</b>
<b>EBITDA Margin %</b>	<b>31.45%</b>	<b>25.89%</b>	<b>-</b>	<b>16.91%</b>	<b>-</b>
<b>Profit Before Tax</b>	<b>2,145.02</b>	<b>2,456.88</b>	<b>(12.69)</b>	<b>1,039.14</b>	<b>106.42</b>
<b>Exceptional items</b>	<b>(513.95)</b>	<b>214.69</b>	<b>-</b>	<b>(512.00)</b>	<b>-</b>
<b>Tax expenses</b>	<b>(346.52)</b>	<b>(1,096.83)</b>	<b>-</b>	<b>(150.00)</b>	<b>-</b>
<b>Profit After Tax</b>	<b>1,284.55</b>	<b>1,574.74</b>	<b>(18.43)</b>	<b>377.14</b>	<b>240.60</b>
<b>Other comprehensive Income (net of tax)</b>	<b>(37.65)</b>	<b>(26.24)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the period ( Net of Tax)</b>	<b>1,246.90</b>	<b>1548.50</b>	<b>(19.48)</b>	<b>377.14</b>	<b>230.62</b>

# Income Statement



(Rs. in Lakhs)

Particulars	Year End March 2020	Year End March 2019	Y-o-Y
<b>1. Income from Operations</b>			
a. Revenue from Operations	37,452.44	42,462.48	(11.80)
a. Other Income	102.89	179.97	(42.83)
<b>Total Income from Operations (Net)</b>	<b>37,555.33</b>	<b>42,642.45</b>	<b>(11.93)</b>
<b>a. Expenses</b>			
a. Cost of material consumed	20,970.42	24,936.70	(15.91)
a. Purchase of stock-in-trade	400.44	404.00	(0.88)
a. Change of inventories of finished goods, work in process and stock-in-trade	(468.36)	(829.33)	(43.53)
a. Employee benefit expenses	2546.06	2,224.59	14.45
a. Finance cost	521.90	363.42	43.61
a. Depreciation and amortisation expenses	897.35	621.17	44.46
a. Other expenses	5,370.36	4,862.20	10.45
<b>Total Expenses</b>	<b>30,238.17</b>	<b>32,582.75</b>	<b>(7.20)</b>
<b>EBITDA</b>	<b>8,736.41</b>	<b>11,044.29</b>	<b>(20.90)</b>
<b>EBITDA Margin %</b>	<b>23.26%</b>	<b>25.90%</b>	<b>-</b>
<b>Profit Before Tax</b>	<b>7,317.16</b>	<b>10,059.70</b>	<b>(27.26)</b>
<b>Exceptional items</b>	<b>(1,025.95)</b>	<b>102.88</b>	<b>-</b>
<b>Tax expenses</b>	<b>(1,497.54)</b>	<b>(2,896.83)</b>	<b>-</b>
<b>Profit After Tax</b>	<b>4,793.67</b>	<b>7,265.75</b>	<b>(34.02)</b>
<b>Other Comprehensive Income (net of tax)</b>	<b>(37.65)</b>	<b>(26.24)</b>	<b>-</b>
<b>Total Comprehensive Income for the period ( Net of Tax)</b>	<b>4,756.02</b>	<b>7,239.51</b>	<b>(34.30)</b>

# Historical Balance Sheet



(Rs. in Lakhs)

PARTICULARS	FY 2017-18	FY 2018-19	FY 2019-20
<b>ASSETS</b>			
Non-current Assets	4,078.63	5,686.07	10,801.21
Current Assets	8,840.89	13,605.74	10,687.79
<b>Total</b>	<b>12,919.53</b>	<b>19,291.81</b>	<b>21,489.00</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	905.27	856.44	856.44
Other Equity	5,215.92	11,278.05	15,933.44
Non-current Liabilities	533.20	1,122.67	1,447.13
Current Liabilities	6,265.15	6,034.64	3,251.99
<b>Total</b>	<b>12,919.53</b>	<b>19,291.81</b>	<b>21,489.00</b>

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