



# Clean Science and Technology Limited

i n n o v a t i o n a t w o r k

**Date: 11.11.2021**

To,

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort,  
Mumbai – 400 001  
**Scrip Code: 543318**

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1,  
G Block, Bandra-Kurla Complex  
Bandra (E),  
Mumbai - 400 051  
**Trading Symbol: CLEAN**

Dear Sir/Madam,

**Subject: Investor Presentation.**

In accordance with Regulation 30 read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Financial Results presentation for quarter and half year ended 30<sup>th</sup> September 2021 is enclosed.

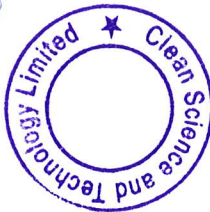
The aforesaid presentation is also available on the Company's website.

You are requested to take the same on record.

Thanking You.

**For Clean Science and Technology Limited**

**Mahesh Kulkarni**  
Company Secretary



**(Erstwhile known as Clean Science and Technology Private Limited)**

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CIN: L24114PN2003PLC018532



Clean Science and Technology Limited

innovation at work

Q2 FY 2022 RESULTS PRESENTATION  
November 2021

## **UPDATES FOR THE QUARTER 2, FY2022**

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# KEY UPDATES DURING THE QUARTER

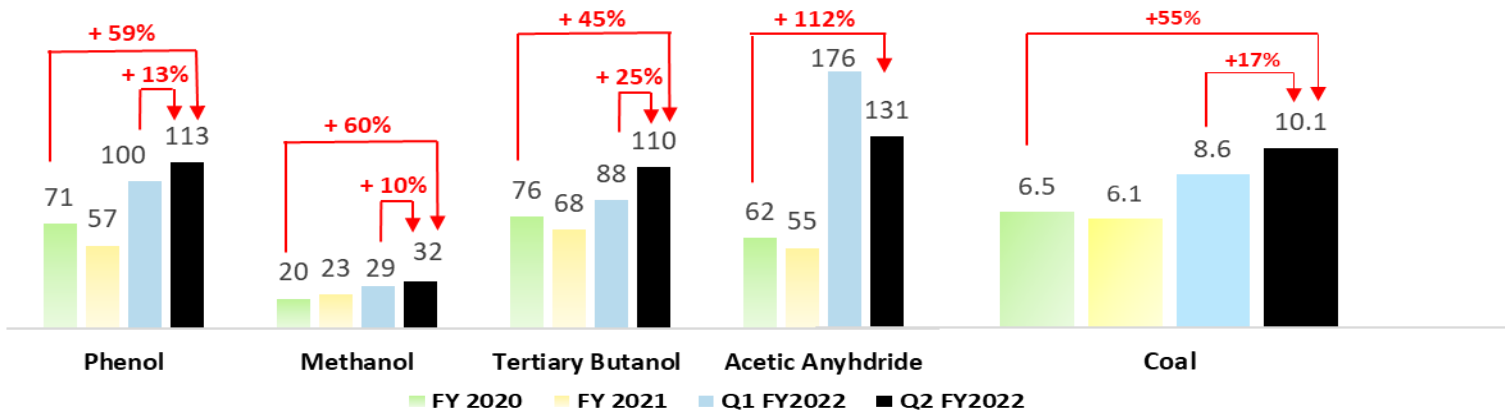


## Resilient quarterly performance and steadfast commitment towards capex

### Resilient performance

- Despite steep increase in raw material prices, gross margins for Q2 FY2022 remained healthy at ~ 68%

Price of key inputs (INR/kgs) much higher than pre-Covid levels and have increased sharply on Q-o-Q basis



	FY 2020	FY 2021	Q1 FY2022	Q2 FY2022
Sale of products	100.0%	100.0%	100.0%	100.0%
Raw material	31.6%	24.4%	29.2%	31.7%
Gross margin	68.4%	75.6%	70.8%	68.3%
Power & Fuel	8.5%	6.9%	8.2%	7.9%

### Capex commitment

- Land for UNIT-4 (largest amongst existing facilities) acquired for greenfield capex spanning over 34 acres
- Cash capex of ~INR 75 crore cumulatively during H1 FY2022, all funded from internal accruals

# P&L OVERVIEW – STEADY REVENUES AND RESILIENT MARGIN



Key short term concerns: steep increase in input prices, logistical challenges

Particulars (INR Crore)	Q2 FY 2022	Q1 FY 2022	Q-o-Q (%)	Q2 FY 2021	Y-o-Y (%)	H1 FY 2022	H1 FY 2021	Y-o-Y (%)
Revenue from product sales	151.7	144.7	5%	138.9	9%	296.3	250.2	18%
Other operating income	1.5	1.6		1.4		3.1	2.9	
<b>Total Revenue</b>	<b>153.2</b>	<b>146.3</b>	<b>5%</b>	<b>140.2</b>	<b>9%</b>	<b>299.5</b>	<b>253.1</b>	<b>18%</b>
Raw material cost	48.0	42.2	14%	34.8	38%	90.2	64.7	39%
Operating expenses	36.4	32.8	11%	35.2	3%	69.2	62.0	11%
<b>EBITDA</b>	<b>68.7</b>	<b>71.3</b>	<b>(4)%</b>	<b>70.2</b>	<b>(2)%</b>	<b>140.1</b>	<b>126.4</b>	<b>11%</b>
<i>EBITDA %</i>	<i>45.3%</i>	<i>49.3%</i>		<i>50.6%</i>		<i>47.3%</i>	<i>50.5%</i>	
Depreciation costs	6.1	5.8	5%	4.0	51%	11.9	8.2	45%
Other Income	8.6	6.5	32%	7.6	14%	15.1	12.8	18%
<b>PBT</b>	<b>71.2</b>	<b>72.1</b>	<b>(1)%</b>	<b>73.8</b>	<b>(3)%</b>	<b>143.3</b>	<b>131.0</b>	<b>9%</b>
<i>PBT %</i>	<i>47.0%</i>	<i>49.8%</i>		<i>53.1%</i>		<i>48.4%</i>	<i>52.4%</i>	
<b>PAT</b>	<b>53.5</b>	<b>54.6</b>	<b>(2)%</b>	<b>54.3</b>	<b>(1)%</b>	<b>108.1</b>	<b>96.2</b>	<b>12%</b>
<i>PAT %</i>	<i>35.3%</i>	<i>37.7%</i>		<i>39.1%</i>		<i>36.5%</i>	<i>38.4%</i>	

# BALANCE SHEET SUMMARY

Lean working capital cycle of 60 days and nil debt



In INR Crore	As at 30 Sept. 2021	As at 31 March 2021
<b>Assets</b>		
Fixed Assets	233.4	182.9
Capital work-in-progress	41.7	55.0
Right of use asset	14.0	3.0
Other non-current assets	20.4	25.0
<b>Total non-current assets</b>	<b>309.5</b>	<b>265.9</b>
Inventories	69.1	52.9
Investments	213.2	231.5
Trade receivables	86.9	74.2
Cash and bank balances	60.4	15.6
Other current assets	22.5	20.2
<b>Total current assets</b>	<b>452.0</b>	<b>394.4</b>
<b>Total assets</b>	<b>761.5</b>	<b>660.3</b>
<b>Equity and Liabilities</b>		
<b>Net-worth</b>	<b>648.3</b>	<b>540.0</b>
Borrowings	0.3	0.3
Provisions	0.5	0.4
Deferred tax liabilities (net)	17.9	17.6
<b>Total non-current liabilities</b>	<b>18.7</b>	<b>18.3</b>
Trade payables	69.5	61.0
Other current liabilities	25.0	41.0
<b>Total current liabilities</b>	<b>94.5</b>	<b>102.0</b>
<b>Total equity and liabilities</b>	<b>761.5</b>	<b>660.3</b>

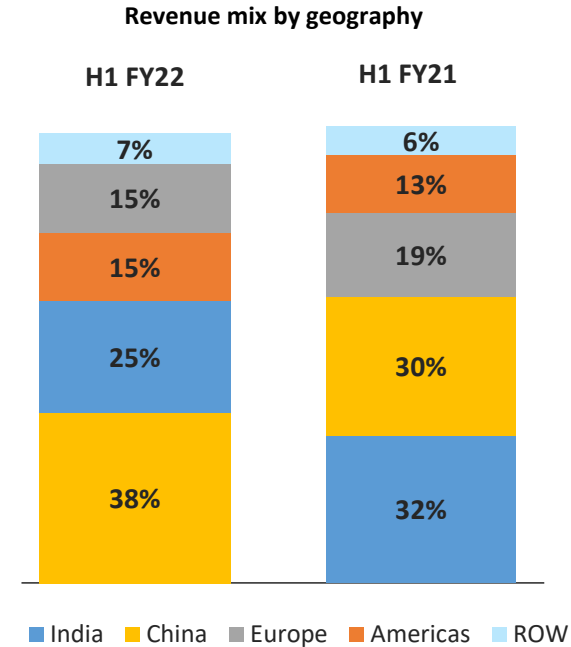
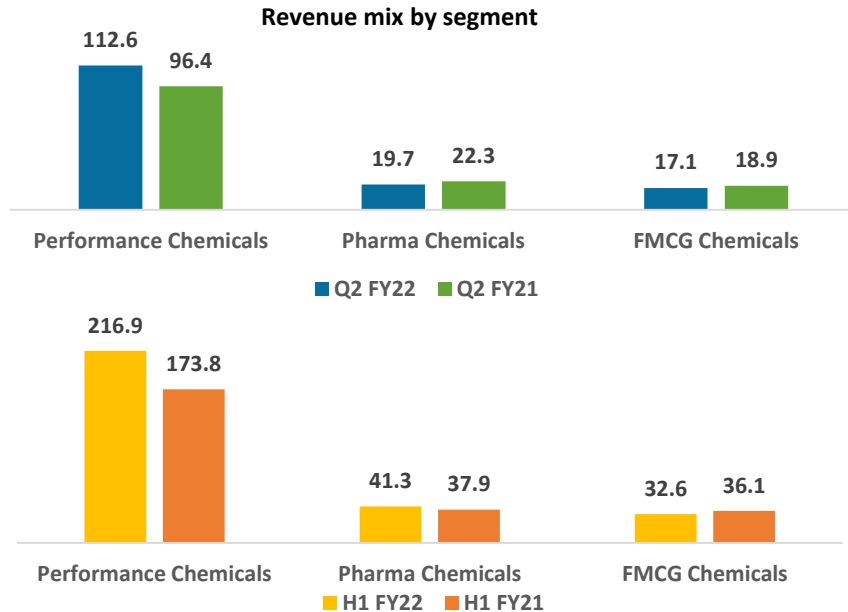
Key metrics	H1 FY22	FY 2021
Return on Equity	33.4%	36.7%
Return on Capital Employed	60.9%	73.9%
Inventory days	123	129
Receivable days	49	51
Payable days	113	124

Receivable days=(Average Debtors/Sales)\*365; Inventory days=(Average Inventory/COGS)\*365; Payable days=(Average Payables/Raw material purchase)\*365

# SALES PROFILE – H1 FY22



Key segments delivering encouraging performance; export markets continue to remain strong



- Performance chemicals - Increased volume offtake across all products and better realization for MEHQ during Q2 FY'22 compared to Q2 FY'21
- Pharma chemical – Lower volume and realization during Q2 FY'22 compared to Q2 FY'21, except for DCC where volume improved
- FMCG chemical - Lower volume offtake and better realization across all products during Q2 FY'22 compared to Q2 FY'21

- Exports to China continue to be robust
- Other key geographies are India followed by Europe and Americas

# **CORPORATE PRESENTATION**

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# COMPANY EVOLUTION

Focus on R&D and innovation has led to new product launches on a consistent basis

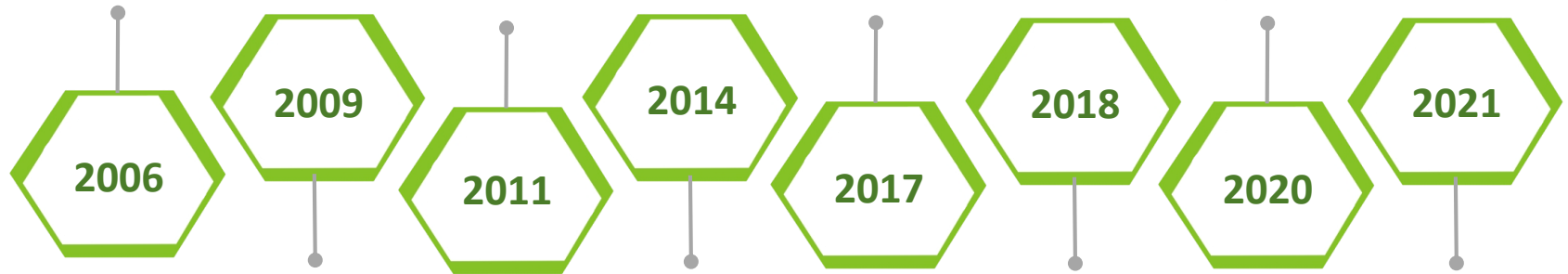


- In line with our vision, changed name to Clean Science and Technology

- Started manufacturing 4-MAP

- Started manufacturing Anisole using liquid phase technology

- Started manufacturing DCC



- Started manufacturing MEHQ and Guaiacol

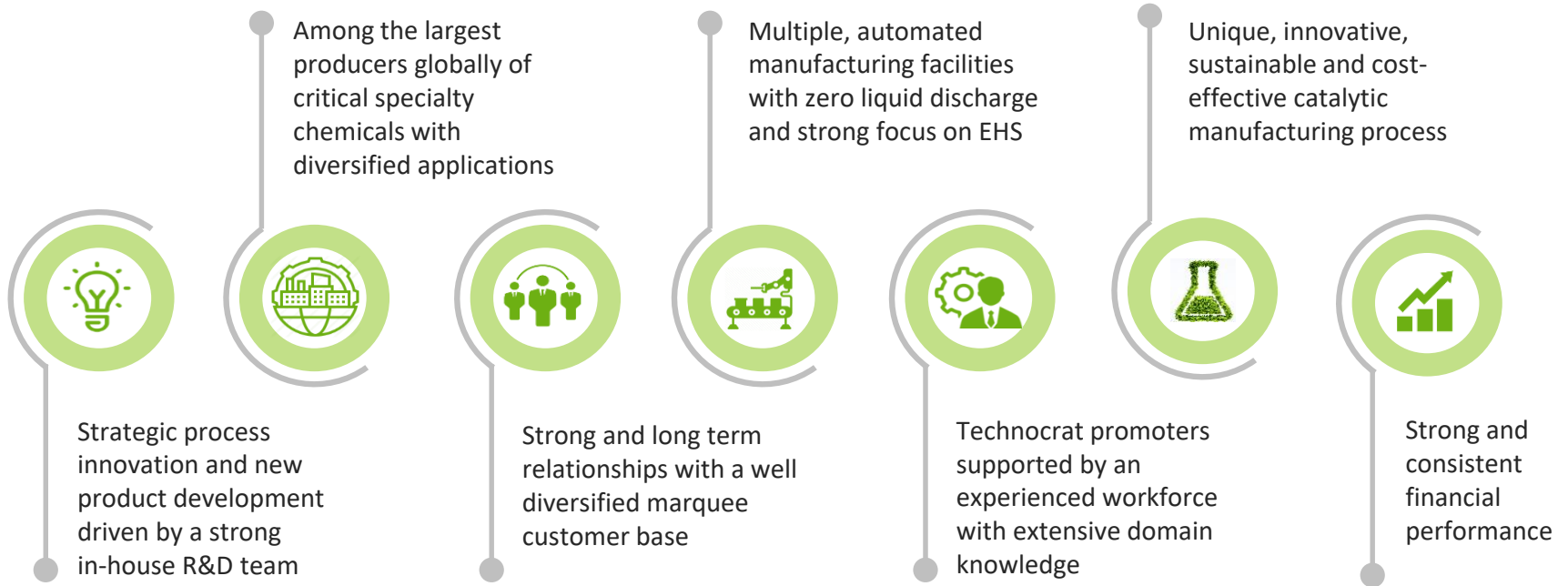
- Started manufacturing BHA

- Started manufacturing Anisole using vapor phase technology in UNIT-2
- Started manufacturing AP

- Started manufacturing Anisole using vapor phase technology in UNIT-3
- Purchased 34 acre land for UNIT-4

# KEY DIFFERENTIATORS

Helped company develop into a global supplier of critical specialty chemicals in just 15 years



# STRONG IN-HOUSE R&D

Pioneered commercialization of catalytic-reactions in production processes



## R&D Strategy

- Designing catalysts to create new manufacturing processes and new products
- Develop eco-friendly processes by eliminating use of toxic starting materials
- Focus on good Atom economy to avoid wastage

## R&D Focus

- Improve yields and selectivity in our existing processes
- Expanding product portfolio across existing segments and adding new segments
- Identifying products with high demand that only limited manufacturers produce globally

## R&D Capabilities

- State of the art technological equipment to develop, test and evaluate products
- Government of India's Department of Scientific and Industrial Research recognized R&D units
- 2 R&D units with 35 personnel (including 6 PhD's)

# TECHNOCRAT PROMOTERS

Promoters' sole business interest remains Clean Science and Technology with 78.51% stake



**Ashok Boob**  
Managing Director

Key functions: Projects,  
Manufacturing Capabilities

Over 25 years of work experience in the chemical industry.

Previously worked as an Executive Director at Mangalam Drugs and Organics Ltd.

B.Chem. Engg. - ICT,  
Mumbai, India



**Siddharth Sikchi**  
Executive Director

Key functions:  
Marketing, R&D

Over fourteen years of experience in the chemical industry.

M.Sc. –  
University of Manitoba,  
Canada.

B.Tech - ICT, Mumbai



**Krishna Boob**  
Executive Director

Key functions:  
Public relations, Purchase

Close to two decades of expertise in the chemical industry.

Previously, worked as Director at Mangalam Drugs and Organics Ltd.

B.Pharma - University of  
Mumbai, India



**Parth Maheshwari**  
Vice President

Key functions:  
Business operations

Over 5 years of work experience in the chemical industry.

MBA – Babson College  
B.Chem. Engg., Savitribai  
Phule University, India

# ROBUST CORPORATE GOVERNANCE

Distinguished Board of Directors and reputed financial market reviewers



## Pradeep Rathi

Chairman and  
Non-Executive Director

B.Sc, M.S. (MIT, USA),  
MBA (Columbia, USA)

Chairman – Sudarshan Chemicals



## Prof. G. D. Yadav

Non-Executive,  
Independent Director

B.Chem. Engineering,  
Ph.D Technology



## Sanjay Kothari

Non-Executive Director

B.Com (University of Calcutta)  
Member of ICAI and ICSI



## Keval Doshi

Non-Executive,  
Independent Director

B.Com. (University of Mumbai),  
Member of ICAI

Erstwhile Partner at Ernst & Young LLP



## Madhu Dubhashi

Non-Executive,  
Independent Director

PG in Business Administration (IIM  
Ahmedabad)

Mr. Pradeep Rathi, Prof. G. D. Yadav, and Mr. Sanjay Kothari have been Board members for over a decade, reflecting our commitment towards long-term value creation for our business

Statutory Auditor

**BSR & Co. LLP**



Long term A+ (Stable)

Short term A1+

**CRISIL**

An S&P Global Company

Commercial Banking Partners



ERP System



# DIVERSIFIED PRODUCT PROFILE

With applications across various critical end-user industries



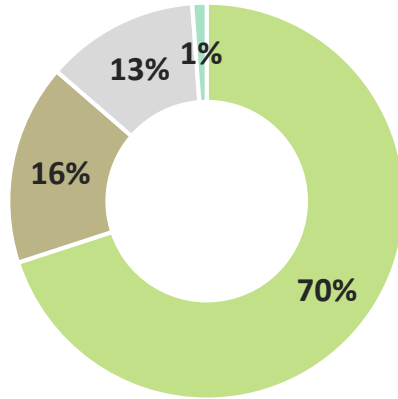
PRODUCT	APPLICATION	REVENUE (INR Crore)
<b>PERFORMANCE CHEMICALS</b>		
➤ MEHQ (Monomethyl ether of hydroquinone)	<ul style="list-style-type: none"> <li>Polymerization inhibitor in acrylic acids, acrylic esters, super absorbent polymers (diapers and sanitary pads)</li> <li>Pre-cursor for agrochemical industry</li> </ul>	FY 2021  355 FY 2020  272 FY 2019  249 FY 2018  147
➤ BHA (Butylated Hydroxy Anisole)	<ul style="list-style-type: none"> <li>Anti-oxidant in food and animal feed industry</li> </ul>	
➤ AP (L-Ascorbyl Palmitate)	<ul style="list-style-type: none"> <li>Infant food formulations, breakfast cereals and cosmetics</li> </ul>	
<b>PHARMACEUTICAL CHEMICALS</b>		
➤ Guaiacol	<ul style="list-style-type: none"> <li>Pre-cursor to manufacture APIs for cough syrup</li> </ul>	FY 2021  83 FY 2020  64 FY 2019  68 FY 2018  50
➤ DCC (Dicyclohexyl Carbodiimide)	<ul style="list-style-type: none"> <li>Reagent in anti-retroviral</li> </ul>	
<b>FMCG CHEMICALS</b>		
➤ 4-MAP (4-Methoxy Acetophenone)	<ul style="list-style-type: none"> <li>Used in UV blocker in sunscreens (cosmetics industry)</li> </ul>	FY 2021  63 FY 2020  67 FY 2019  61 FY 2018  33
➤ Anisole	<ul style="list-style-type: none"> <li>Precursor to perfumes, insect pheromones, pharmaceuticals</li> </ul>	

# FY 2021 REVENUE CONTRIBUTION

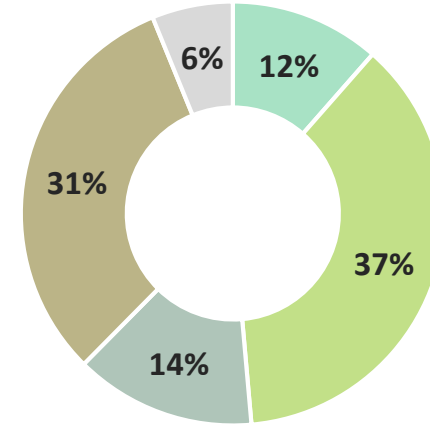
Diversified customer base and wide product applications across industries



BY SEGMENT



BY GEOGRAPHY



■ Performance Chemicals ■ Pharmaceutical ■ FMCG ■ Others

■ Americas ■ China ■ Europe ■ India ■ Row

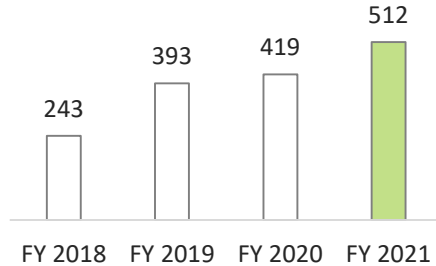
- Strong customer relationships and presence in export markets across multiple countries
- Strong contribution from high value critical performance chemicals segment.

# STRONG FINANCIALS

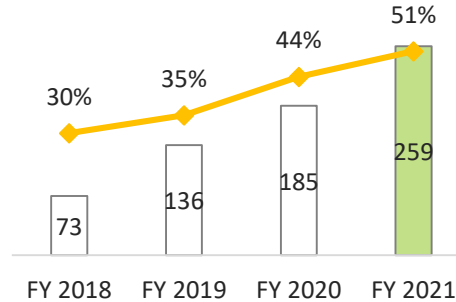


Among the fastest growing and profitable specialty chemical companies globally

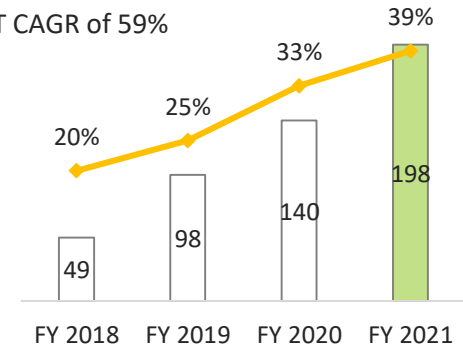
## REVENUE CAGR of 28%



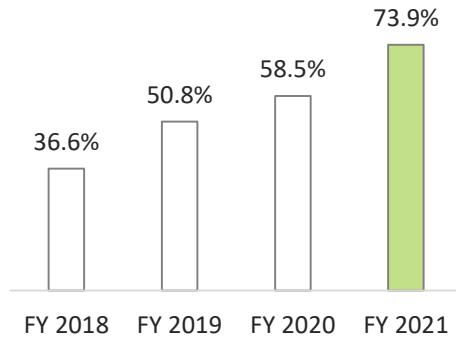
## EBITDA & EBITDA% EBITDA CAGR of 52%



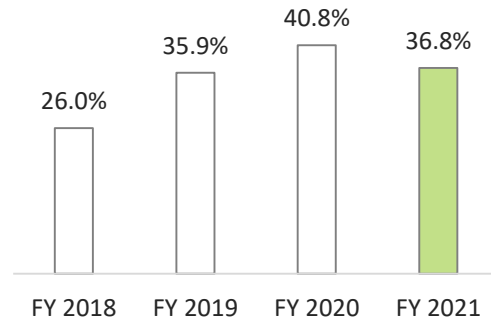
## PAT & PAT% PAT CAGR of 59%



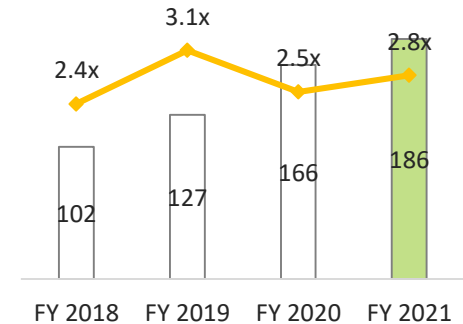
## RoCE



## RoNW



## Net FA & Net FA Turnover(x)



Note: RoCE = EBIT (ex. Other income) divided by capital employed (Gross FA + Working Capital); RoNW = PAT as % of net worth  
Net Fixed Asset Turnover = Revenue from Operations/Net Fixed Assets; Net Fixed Assets include Property, plant and equipment, Right-of-use asset & Intangible Assets  
(Nos. in INR crore)





## ENVIRONMENT (E)

- ✓ Among the few companies globally focused on developing “green”, eco-friendly & cost competitive technologies using in-house catalytic processes
- ✓ Eco-friendly production processes ensures zero liquid discharge sites or only water as effluent
- ✓ Not received any material observations from pollution control board in India
- ✓ Power consumption from captive solar plants and investments in renewable energy projects



## SOCIAL (S)

- ✓ Total contribution towards CSR activities during last 3 years is INR 8.1 crore
- ✓ Focus Areas -
  - Education
  - Healthcare
  - Medical Relief
  - Vocational Skills
  - Environment Sustainability



## CORPORATE GOVERNANCE (G)

- ✓ More than 1/3rd Board members are independent
- ✓ Statutory auditors BSR & Co.
- ✓ Long term & short term ratings by CRISIL are A+ (Stable) and A1+ respectively

# DISCLAIMER



Certain statements and opinions with respect to the anticipated future performance of the company in the presentation (“forward - looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward - looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward - looking statements only speak as at the date the presentation is provided to the recipient and the company is not under any obligation to update or revise such forward -looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and the company has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof