



**SUDARSHAN**

**Investor  
Presentation**

**October 2024**



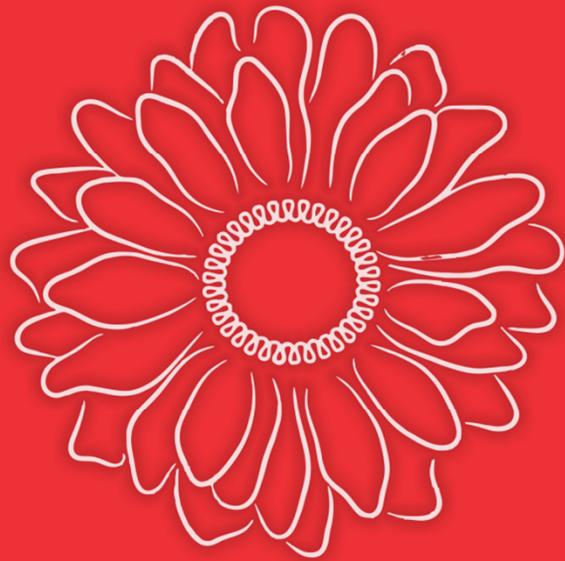
## SAFE HARBOR STATEMENT

This presentation may contain statements which reflect Management's current views and estimates and could be construed as forward-looking statements

These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements

These risks and uncertainties include, but are not limited to our exposure to changes in general economic conditions, market, Foreign currency and other risks, changes in government policies/regulations, tax regimes as also technological changes

The company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of subsequent development, information or events or otherwise



# Introduction

## Sudarshan : Vision, Mission & Values

Our growth is fueled by an immense drive to be a leading player in our field



### MISSION

World class Global  
Color Solution  
provider with an  
innovative and  
vibrant culture



### VISION

To be amongst the  
top three pigment  
players in the world



### VALUES

Seva (Service),  
Courage, Commitment  
and Passion, Respect,  
Trust

# Sudarshan at Glance

We are a leading world-class color solutions provider with a focus on exceptional and sustainable results



## CONSOLIDATED REVENUES

~\$307 Mn (FY24)



## GEOGRAPHIC POSITION

Third largest pigment player globally  
Largest pigment producer in India.



## INFRASTRUCTURE

2 Manufacturing plants in Mahad & Roha and 3 R&D centers



## PEOPLE

Great Place to Work (GPTW) certified  
1200+ Global Workforce



## Strong ESG FOCUS

Ecovadis Gold  
CDP 'B'  
Mahatma Award

## Heubach is the 2<sup>nd</sup> largest pigment player globally with 200 year's legacy

- Has a **global manufacturing footprint** with **differentiated and broad product portfolio**
- A **strong customer-base** of global blue-chip chemical giants
- **Merger of Heubach and Clariant's pigments business** created a new pigment powerhouse.
- **Experienced** management and functional teams



### Global Footprint

**880 Mn** CY23 Revenue

**108** Countries - global footprint

**17** Manufacturing sites

**33** Stock points



### Products

**200** Years of brand history

**2K+** Products sold

**2nd** Largest pigments player in the world



### People and Operations

**2.8K** Global headcount

**164** R&D FTE

**10** Technical centers

## Heubach's history and recent challenges



Until 2021, the company had **revenues of ~EUR 1Bn** and **consistent profitability** track record

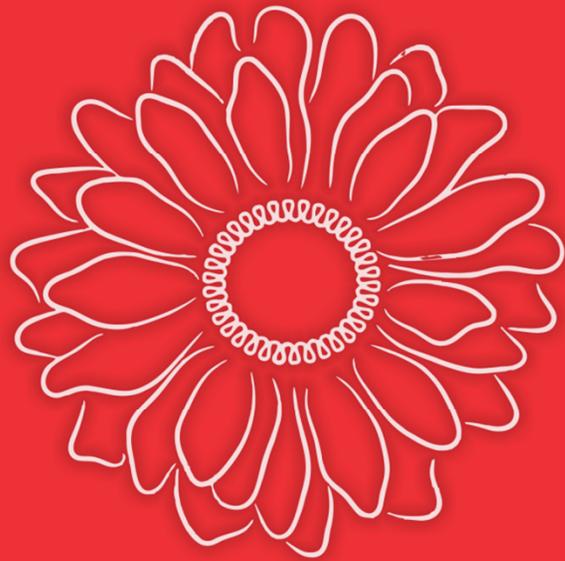


Jan 2022, **Heubach and S.K. Capital** acquired **Clariant's Pigment business** at valuation of CHF 805 mill (~ EUR 850 mill) | Estimated valuation of combined entity in range of EUR 1 Bn



**Post this acquisition, Heubach faced certain challenges due to:**

- Headwinds from the Ukraine-Russia conflict leading to rising energy prices and demand reduction
- Significant debt and rising interest rates weakening the balance sheet
- Integration synergies not captured at required pace



**Heubach deal came  
as golden opportunity  
for Sudarshan to meet  
it's global aspirations**



## Why we are excited about this deal

- **Sudarshan gets global asset footprint** - 17 manufacturing facilities in 11 countries
- This transaction is potentially **EBITDA and EPS accretive deal**
- **Access to state of art technology** in the pigment industry and related intermediates
- A truly global business spread across
  - All major geographies - **Europe, Americas, and Asia**
  - All major industry segments - **Coatings, Plastics, Inks** (incl. digital inks)
- All **manufacturing sites are well maintained** and respectable capacity utilization level

## Deal facts

### Deal Structure

- Asset Purchase Agreement with Insolvent entities in Germany
- Share Purchase Agreement to acquire Solvent entities of Heubach group

### Financials

- Purchase price : Rs 1,180 Cr / EUR 127.5 Mn on debt free basis
- Cash infusion for working capital, restructuring, meeting regulatory requirements etc. : ~ Rs 925 Cr / EUR 100 mill
- Acquisition would be through a cash consideration funded by a mix of debt & equity

### Timelines

- Deal expected to close in first quarter of CY2025, subject to regulatory clearances



## Confident and Excited to create value for all our stakeholders

We at Sudarshan are very confident of making this acquisition a great success

- **Integrate** all entities into one **unified Organisation**
- **Capture synergies** across SG&A, manufacturing and procurement
- Strong focus on **working capital** and **cash management**
- Create a culture of **Customer centricity (Sevā)** with agility and efficiency
- Build a **high performing management team** with quality execution skills and technical competency

# Post-acquisition focus on highest priority value creation across multiple areas

## Synergies to capture

- 
- A Restructuring operations**
    - Restructuring operations at non-performing sites incl. shifting select parts of production

---

  - B SG&A Optimisation**
    - Optimizing SG&A, including considering GBS to reduce cost for non-critical roles
    - Efficient integration planning for IT systems

---

  - C Manufacturing cost savings**
    - Potential savings opportunities by optimizing procurement / sourcing for the combined entity

---

  - D Volume recovery**
    - Volume regain as the industry recovers from the destocking issue
-



**Thank you**

**THANK YOU**

**Investor Relations at Sudarshan:**

**Mr. Mandar M. Velankar**

+91 20 6828 1200

investorrelations@sudarshan.com

**CIN: L24119PN1951PLC008409**

**www.sudarshan.com**

**Sudarshan Chemical Industries Limited**

7th Floor, Eleven West Panchshil, Survey No. 25,

Near PAN Card Club Road, Baner,

Pune - 411 069, Maharashtra, India



- Spiritually fulfilling
- Socially just
- Environmentally sustainable