

PONDY OXIDES AND CHEMICALS LIMITED **POCL**[®]

24th July 2024

National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

BSE Limited

Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

NSE Symbol : POCL

BSE Scrip Code : 532626

Dear Sir/Madam,

Sub: Investor Presentation for Q1 FY 2024-25 – Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Investor Presentation of the Company for Q1 FY 2024-25.

The aforesaid Investor Presentation is also being disseminated on the website of the Company: <https://pocl.com/investor-presentation/>

You are requested to kindly take the same on your records.

Thanking you,

Yours faithfully

For Pondy Oxides and Chemicals Limited

K. Kumaravel

Director Finance & Company Secretary



KRM Centre, 4th Floor, # 2, Harrington Road, Chetpet, Chennai - 600 031. Tamil Nadu, India

Phone : + 91-44-4296 5454 E-mail : info@pocl.com Web : www.pocl.com

CIN No. : L24294TN1995PLC030586 II GSTIN : 33AAACP5102D4Z4



PONDY OXIDES AND CHEMICALS LIMITED

Q1FY25 Investor Presentation
July'2024



Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Pondy Oxides and Chemicals Limited (the “Company”) solely for the information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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 risks and uncertainties relating to the statements include, but are not limited to, risks and uncertainties regarding fiscal policy, competition, inflationary pressures and general economic conditions affecting demand / supply and price conditions in domestic and international markets. The company does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. The Company does not make any promise to update/provide such presentation along with results to be declared in the coming years.



Table of Contents



Management Commentary 04 ●



Company Overview 05 - 11 ●



Q1FY25 Performance Highlights 12 - 15 ●



Investment Thesis 16 - 32 ●



Annexure 33 - 37 ●



Management Commentary & Business Outlook

“I am delighted to share that POCL has delivered strong results for Q1FY25 on both financial and operational front and has set the tone for the year with a positive momentum. Revenue, EBITDA and PAT showed a significant growth driven by robust operational performance and lower finance costs. The factors driving our growth include capacity expansion, a comprehensive capital expenditure strategy, improved operational efficiencies, a strong balance sheet, strict implementation of government norms like BWMR and EPR, adept management, and robust stakeholder support, all contributing to a positive outlook for POCL’s development.”

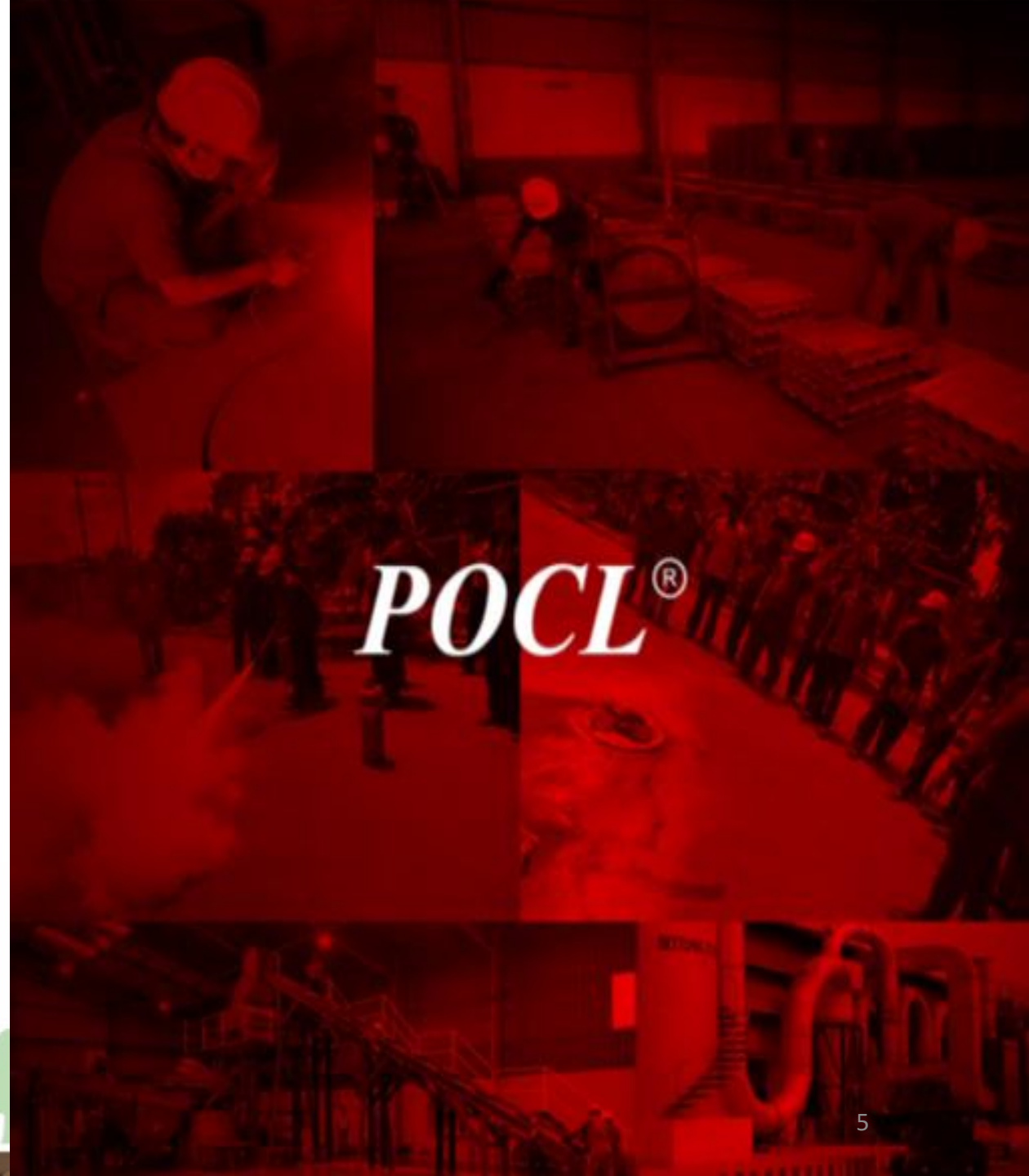
*Coming to Q1FY25 performance, Revenue, EBITDA and PAT increased by 37%, 76% and 216% on YoY basis respectively due to significant increase in production and sales of both Lead and Plastics and reduction in finance costs. I am confident that with sustained stakeholder support, POCL will reach its **TARGET 2030** which includes capacity expansion of existing verticals (Lead) and diversification into new verticals; having Volume Growth 15%+; Revenue CAGR and Profitability Growth of 20%+; EBITDA Margins 8%+; ROCE 20%+; Value-added Products 60%+; 20%+ Reduction in Energy Consumption to reduce Carbon Footprints.”*



Mr. Ashish Bansal

Managing Director

Company Overview



Responsible Growth, Sustainable Progress

Vision

To be the most valuable recycling company in the world adopting responsible and sustainable manufacturing practices

Mission

To be a leading global recycling company by 2028, propelled by:

- ♻️ Sustainable Growth & Value Creation
- ♻️ Well diversified portfolio
- ♻️ Technological Upgradation

Core Values

- ♻️ Excellence
- ♻️ Responsibility
- ♻️ Integrity
- ♻️ Learning & Innovation
- ♻️ Teaming & Collaboration
- ♻️ Sustainability

Business Drivers

- ♻️ Robust R&D
- ♻️ Dedicated Technical Workforce
- ♻️ Professional Management Team
- ♻️ Operational Excellence
- ♻️ Continuous Technological Progress and Adaption
- ♻️ Forward Integration

Current Business Verticals

- ♻️ Lead
- ♻️ Plastics
- ♻️ Copper
- ♻️ Aluminium

Diversification

- ♻️ Lithium Ion

Infinite Opportunities through Recycling



Business at a Glance

♻️ 4 Recycling Verticals

♻️ 28+ Years of Experience

♻️ India's **First 3N7** LME Registered Lead Brand

♻️ 140K + MT Scrap Recycled p.a.

♻️ 500+ Employees

♻️ 200+ Partners Worldwide

♻️ QMS, EMS & OHSAS Certified

♻️ A- External rating from CRISIL

♻️ Prestigious AEO T3 Certification



♻️ 20+ Export Destinations

♻️ 15% - 10 Years Revenue CAGR

♻️ 15% - 10 Years EBITDA CAGR

♻️ Increasing Capacities with technological upgradation and automation

♻️ 28+ Years of Consistent Dividend Payouts and Bonus Issue in addition

♻️ Strategically located units with proximity to ports

♻️ 3-Star Export House



POCL Forte and Industry Vantage Point



Licensing and time-bound compliances



Extensive Land Bank of 170+ Acres located strategically with proximity to major Indian ports



Operational Excellence & Expansion of Capacities



International business, global network for procurement & sales spread across various geographies



Risk Mitigation through strategic hedging and future & long-term contracts, spread across diversified market place



Direct empanelment with OEMs for Lead, Plastics and Aluminium



Strong management and effective workforce



India's First 3N7 London Metal Exchange Registered Lead Brand



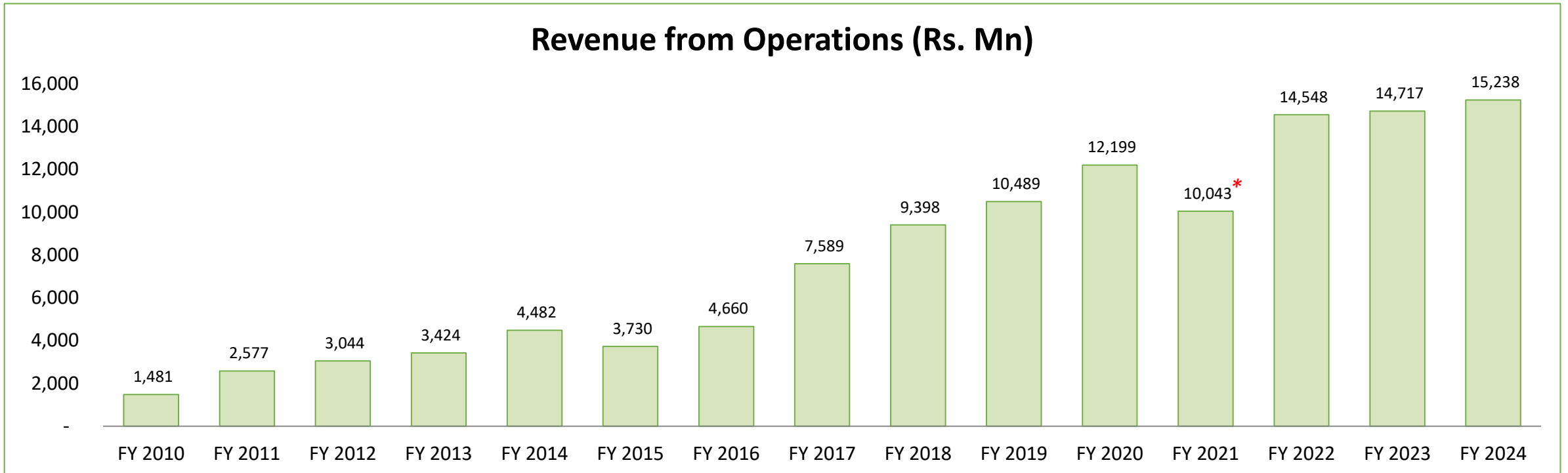
Understanding of customer applications and specialized technical knowledge of end product



Our Journey



Revenue from Operations (Rs. Mn)



*Covid Year

Leveraging Diverse Recycling Verticals

LEAD

- 🔄 Finished Goods Capacity 1,32,000 MTPA
- 🔄 Procurement Split: 85% Imports; 15% Domestic
- 🔄 Sales Split: 56% Exports; 44% Domestic
- 🔄 Target Industries: Lead Acid Battery and Other Battery OEMs

PLASTICS

- 🔄 Capacity 9,000 MTPA
- 🔄 Procurement Split: 50% Imports; 50% Domestic
- 🔄 Sales Split: 100% Domestic
- 🔄 Target Industries: Automobile, Appliances, Furniture, Paints, Battery OEMs, Electronics

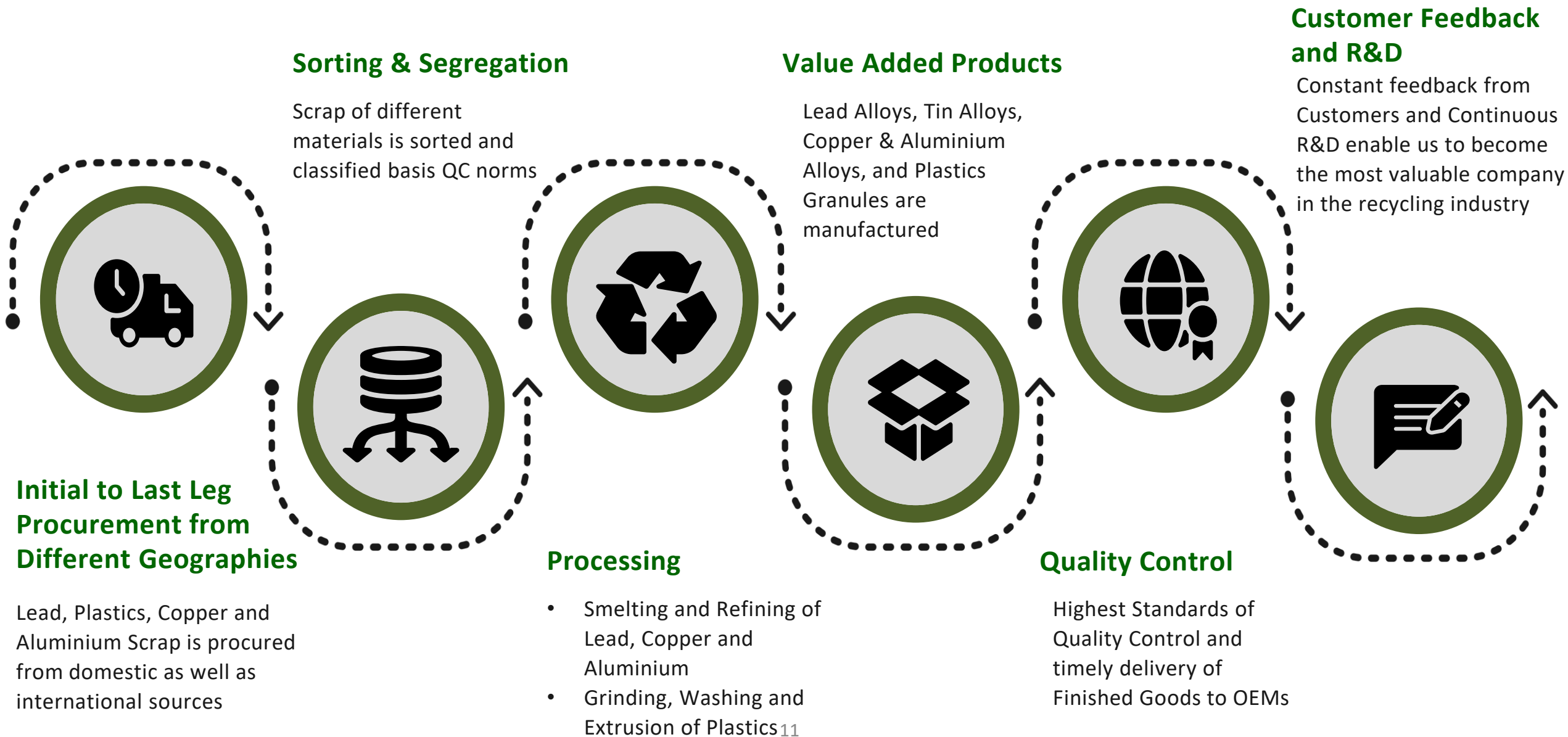
COPPER

- 🔄 Capacity 6,000 MTPA
- 🔄 Procurement Split: 95% Imports; 5% Domestic
- 🔄 Sales Split: 80% Exports; 20% Domestic
- 🔄 Target Industries: Copper Wire and other Copper applications

ALUMINIUM

- 🔄 Capacity 12,000 MTPA
- 🔄 Procurement Split: 100% Imports
- 🔄 Sales Split: 100% Domestic
- 🔄 Target Industries: Automobile

Business Model: Sustainable Circularity



Q1FY25 Performance Highlights



#ChangingTheFate

CHANGING
THE FATE

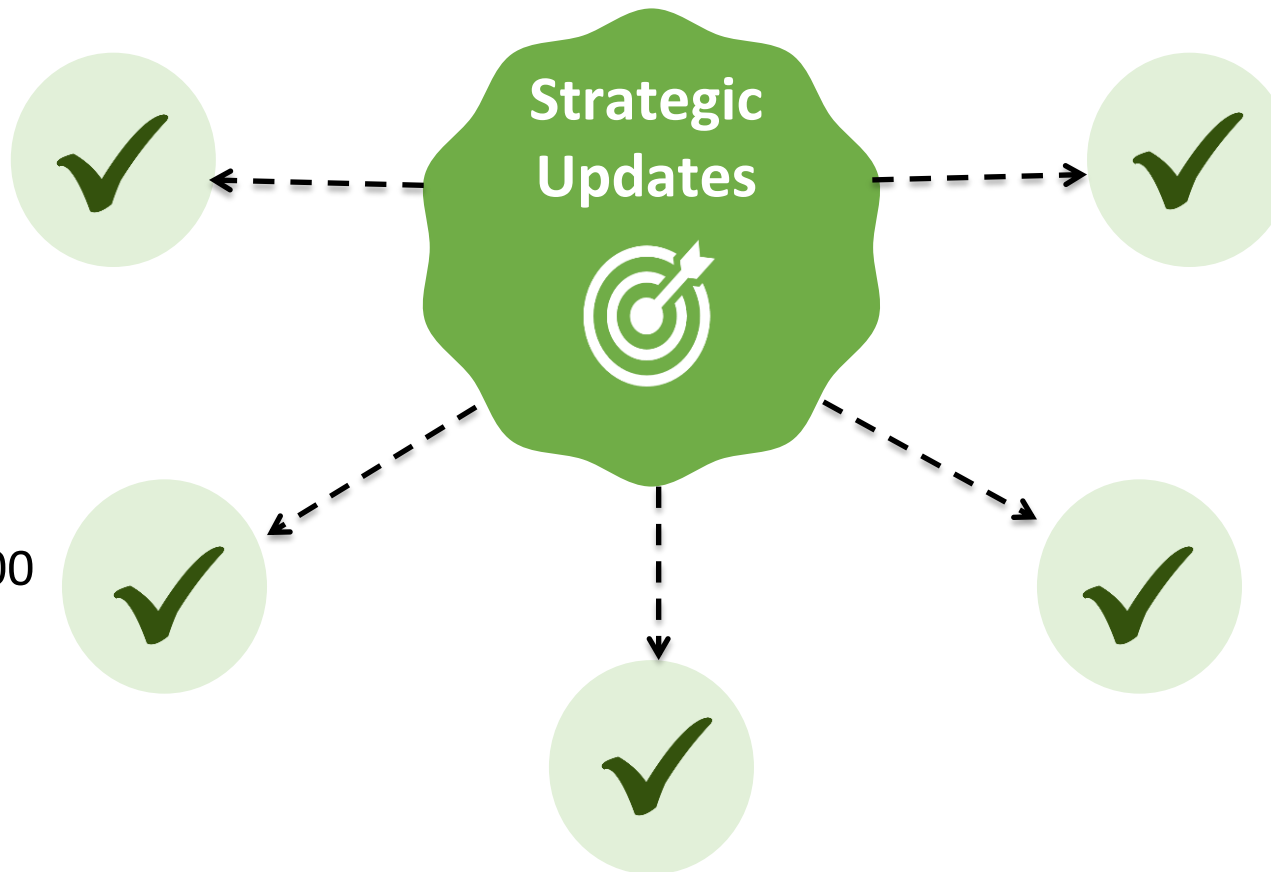
POCL[®]
Pondy Oxides and
Chemicals Limited

POCL takes measures to reduce greenhouse gas emissions that contribute to global climate change

Strategic Updates

Increase in Production and sales of Lead and Plastics

Capacity expansion of Phase 1 of Lead by 32,000 MTPA is under progress and production is expected to commence from Jan'2025



Capex of INR 30 Cr. done in Q1FY25; INR 50 Cr. (approx.) is expected to be done in remaining months of FY25

Plans to establish **R&D facilities** to develop value-added products for its current portfolio and new feasible products

Strong Financial Performance (YoY) –

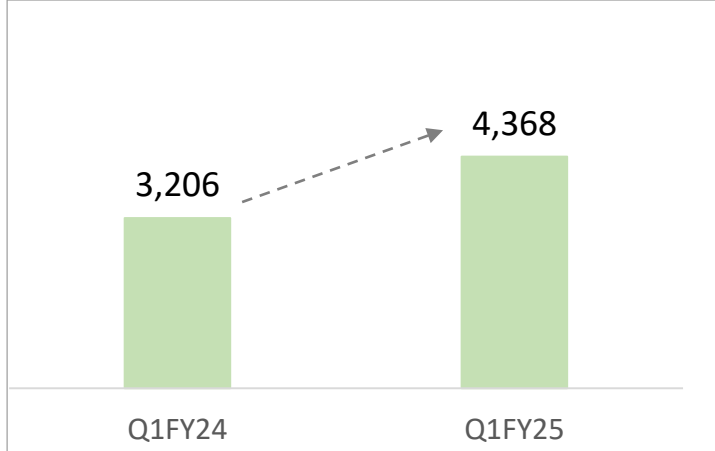
- Revenue increased to INR 445 Cr. up 37%
- EBITDA and PAT increased by 76% & 216%



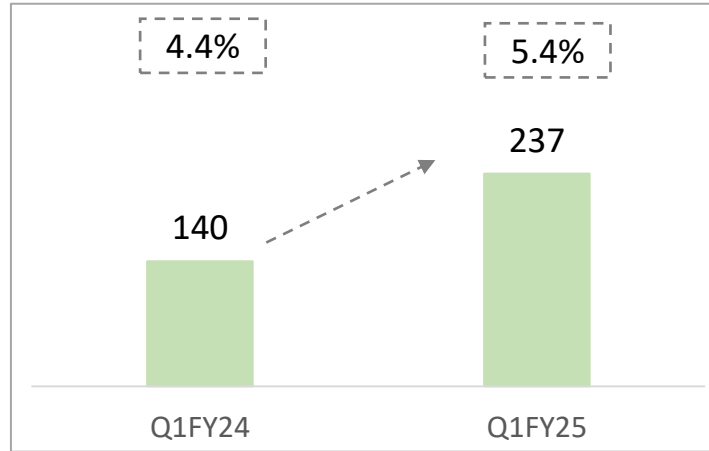
Strong Financial and Operational Performance

Standalone
Financial Highlights

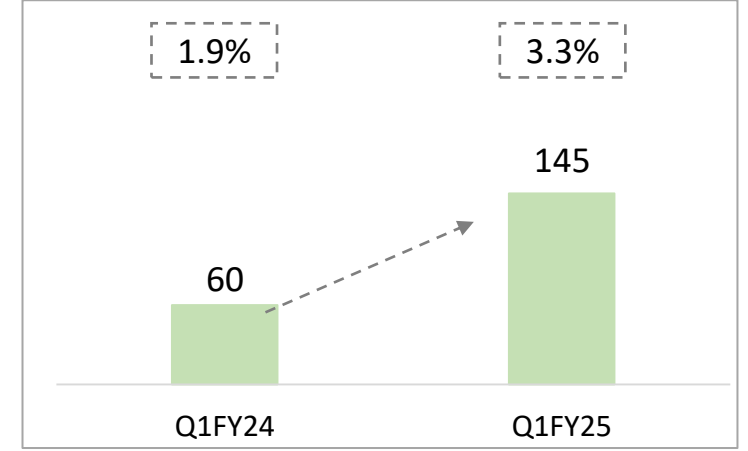
Revenue (Rs. Mn)



EBITDA (Rs. Mn) & Margin (%)

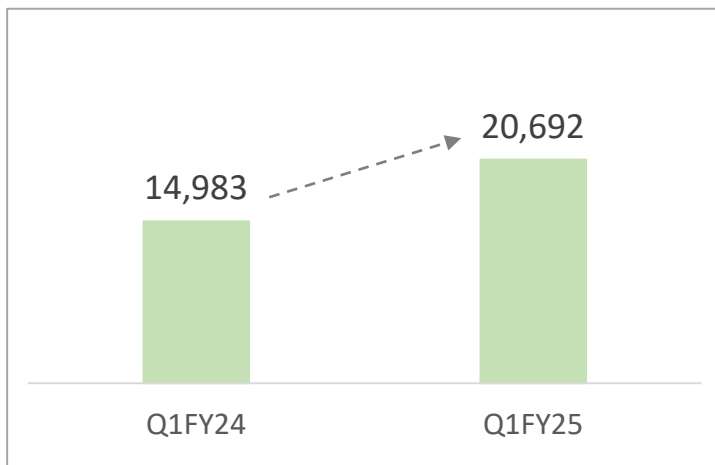


PAT (Rs. Mn) & PAT Margin (%)

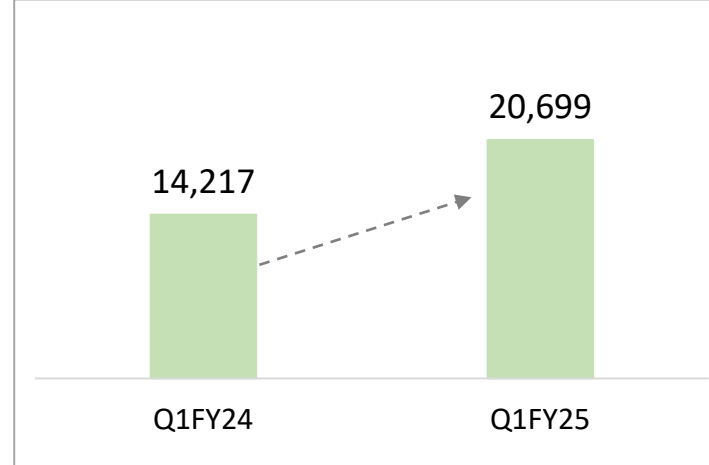


Operational Highlights

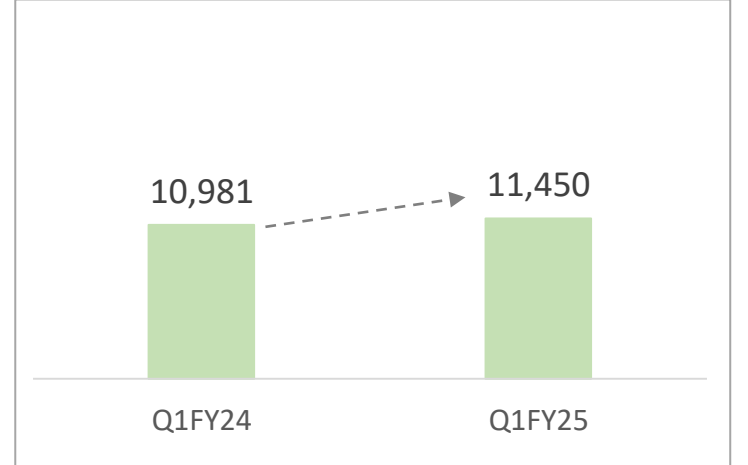
Lead Production (MT)



Lead Sales (MT)



Lead EBITDA Per Ton (Rs.)



Detailed Income Statement (Standalone)

Particulars (Rs. Million)	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ
Net Revenue	4,368	3,206	36%	3,568	22%
Other Income	11	9	25%	21	-48%
Total Income	4,379	3,215	36%	3,589	22%
COGS	3,908	2,873	36%	3,147	24%
Employee Benefit Expenses	61	59	4%	58	5%
Other Expenses	172	143	21%	177	-2%
Total Expenses	4,142	3,075	35%	3,382	22%
EBITDA	237	140	70%	208	14%
<i>EBITDA Margin %</i>	<i>5.4%</i>	<i>4.4%</i>		<i>5.8%</i>	
Depreciation	22	23	-2%	26	-16%
Finance Cost	22	35	-37%	32	-31%
PBT	193	82	136%	149	29%
Tax Expenses	48	21	122%	26	82%
PAT	145	60	141%	123	18%
<i>PAT Margin %</i>	<i>3.3%</i>	<i>1.9%</i>		<i>3.4%</i>	
EPS - Diluted (Rs.)	11	5	114%	10	6%

Investment Thesis



MANUFACTURING LOCALLY EXCELLING GLOBALLY

We export 60% of our production to the Middle-East,
South Korea, Japan, Thailand, Indonesia, USA & Europe

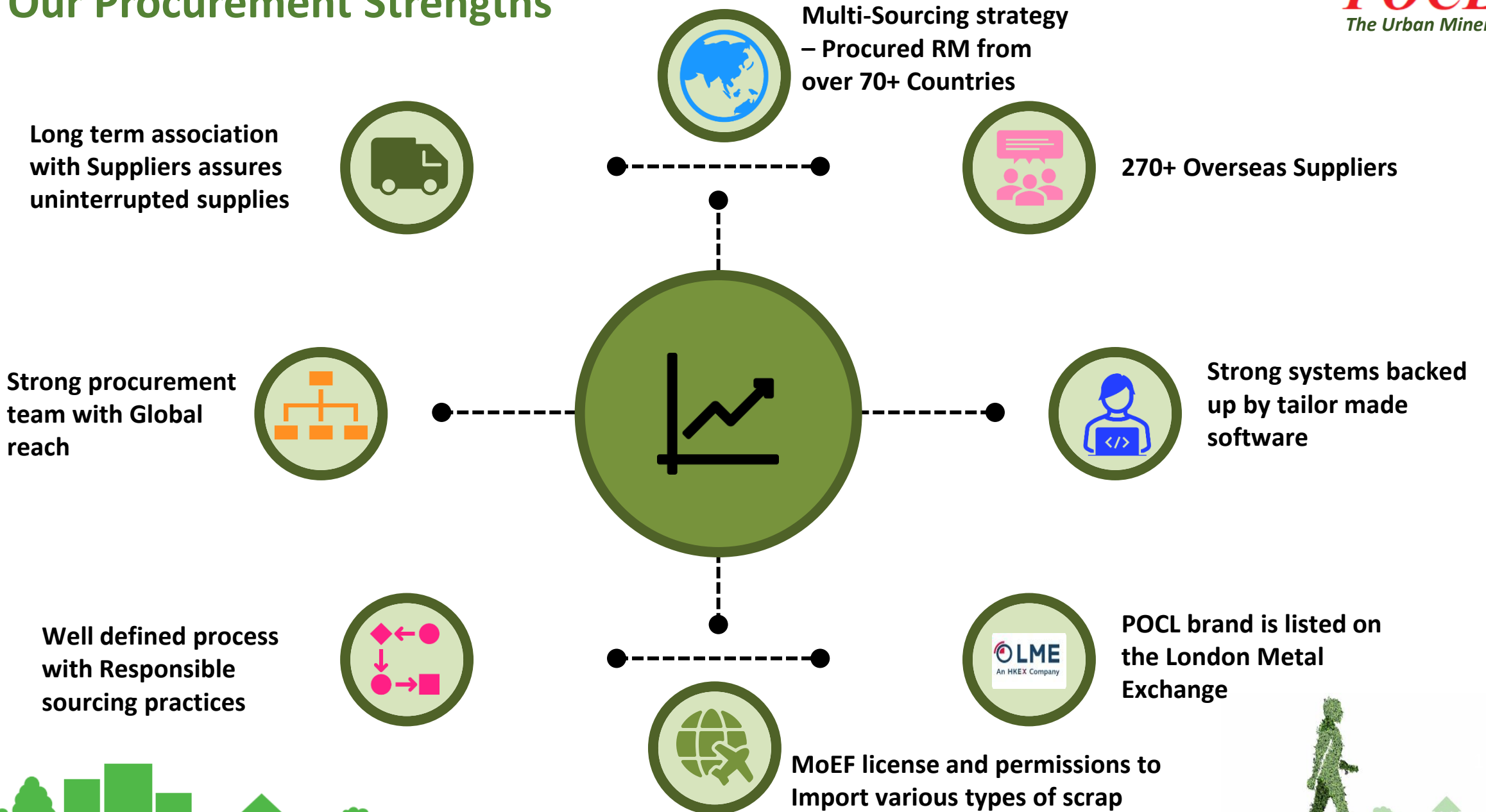
POCL[®]
Pondy Oxides and
Chemicals Limited



Investment Thesis

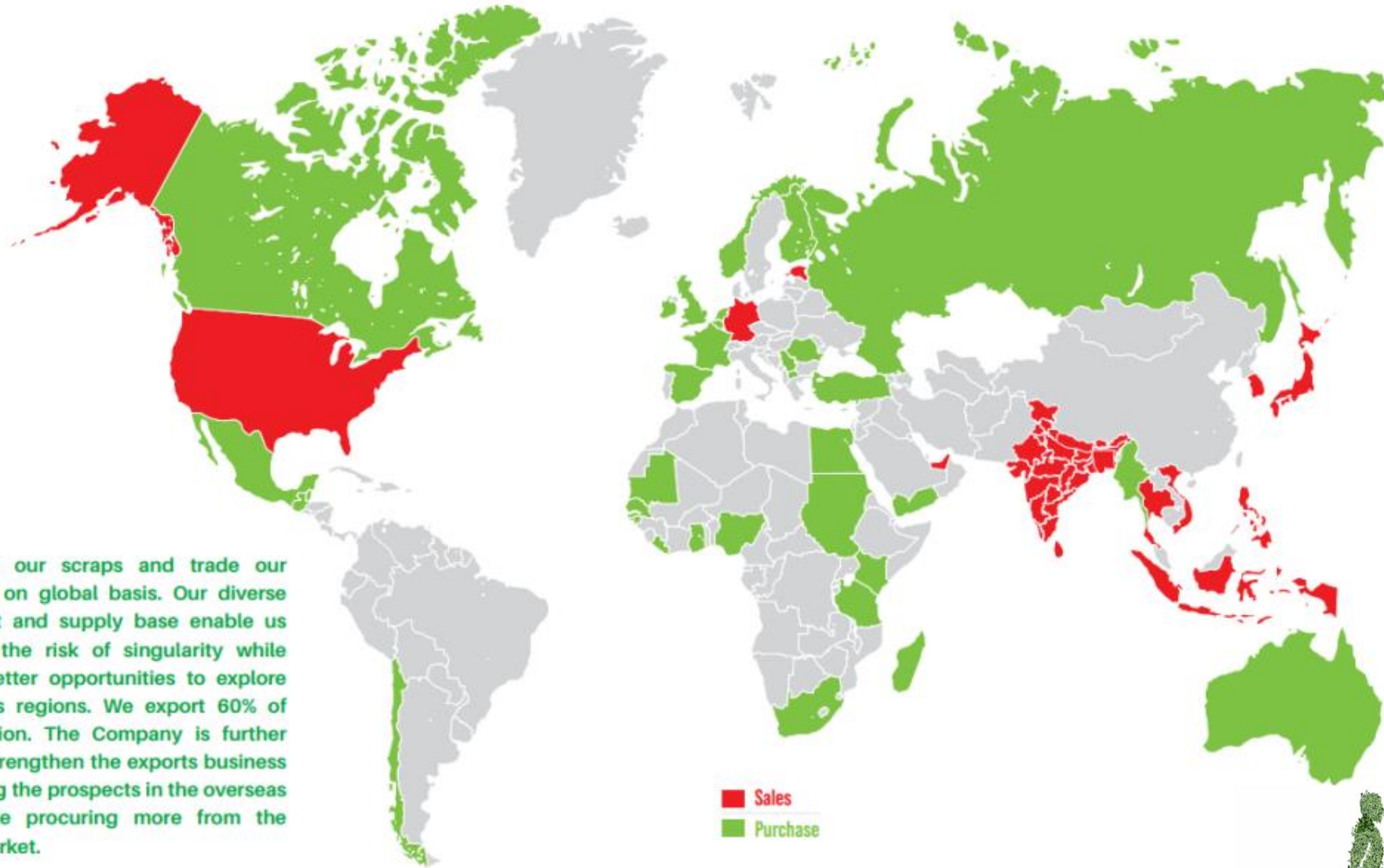


Our Procurement Strengths



Strong Procurement Network & Global Customer Base

We procure our scraps and trade our productions on global basis. Our diverse procurement and supply base enable us to mitigate the risk of singularity while providing better opportunities to explore the overseas regions. We export 60% of our production. The Company is further looking to strengthen the exports business by evaluating the prospects in the overseas market while procuring more from the domestic market.



Transforming Waste into Opportunity



Supply Chain Strength: Recognizing Valued Suppliers



GLENCORE



TRAXYS



TRAFIGURA



SANSING

OLYMPIC METALS LLC

onesteel



Nord-Schrott INTERNATIONAL



Key Client Connections: Driving Mutual Success



... And Others

PT Trimitra
Baterai Prakasa



Robust Manufacturing Facilities

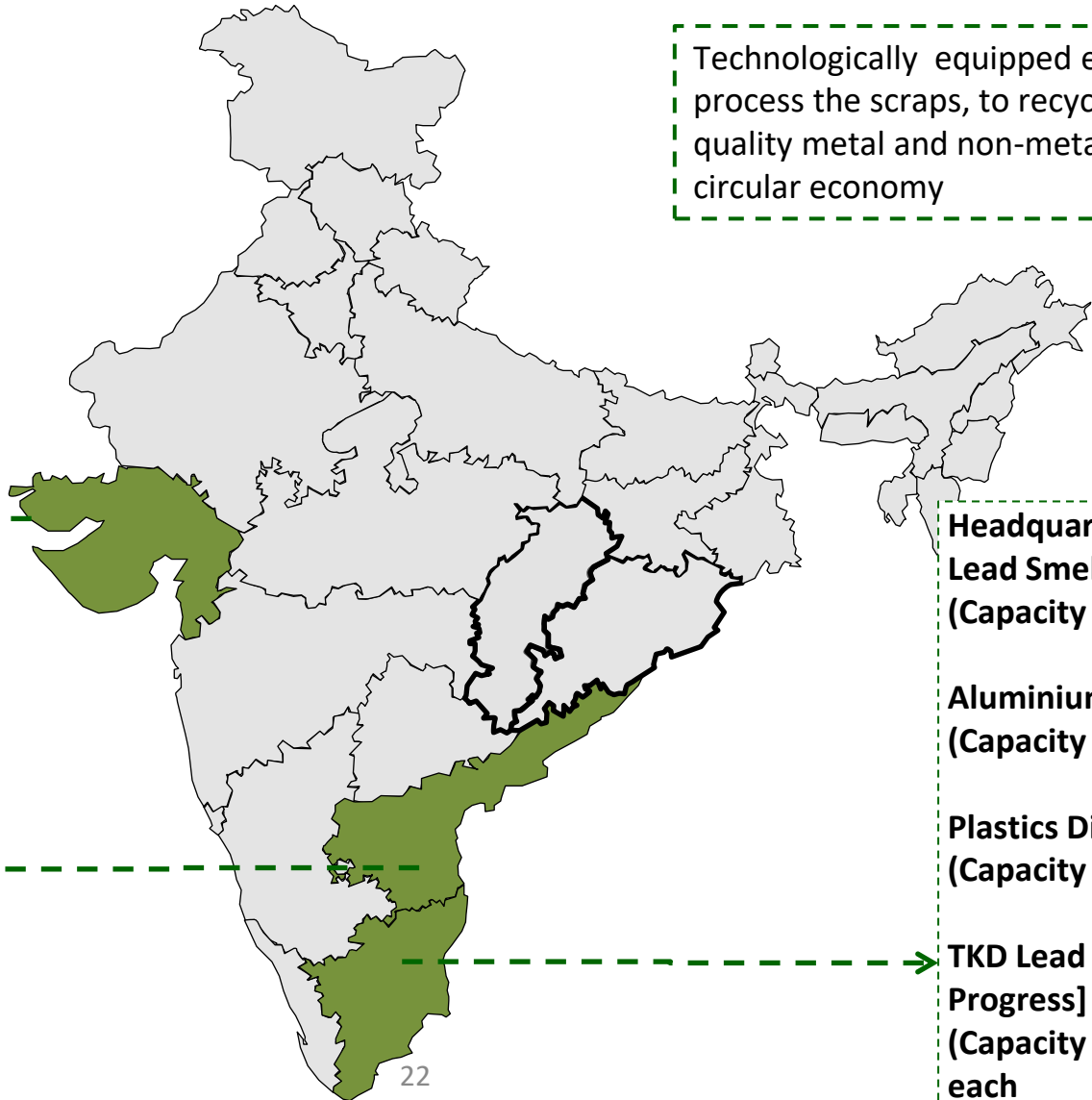
Strategically located units with proximity to ports

In line with our strategic expansion plans aimed at establishing and expanding facilities in existing and other related manufacturing verticals and cater to both domestic & international markets and to focus on Make in India initiative

Technologically equipped efficient manufacturing units to process the scraps, to recycle and manufacture high-quality metal and non-metal by-products to promote circular economy

- Total Capacities:**
- Lead: 132 KTPA
 - Plastics: 9 KTPA
 - Copper: 6 KTPA
 - Aluminium: 12 KTPA

Mundra, Gujarat



Smelter Division II – Andhra Pradesh

- Lead - Capacity - 84 KTPA
- Copper - Capacity - 6 KTPA

Headquarters – Chennai, Tamil Nadu
Lead Smelter Division I – Tamil Nadu
(Capacity - 48 KTPA)

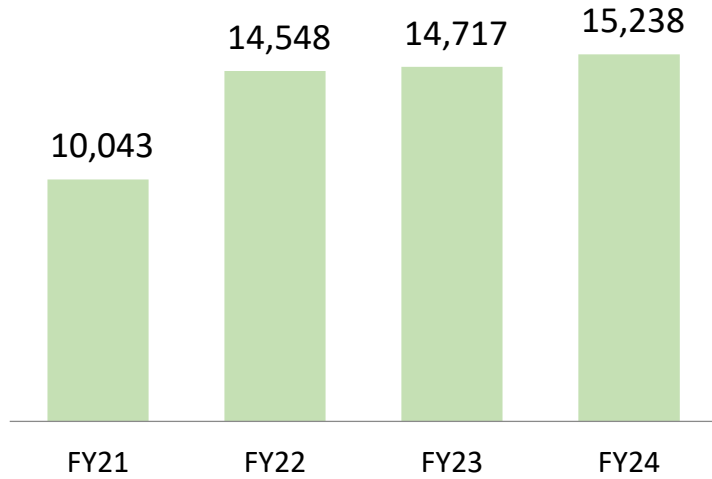
Aluminium Division: Tamil Nadu
(Capacity - 12 KTPA)

Plastics Division: Tamil Nadu
(Capacity - 9 KTPA)

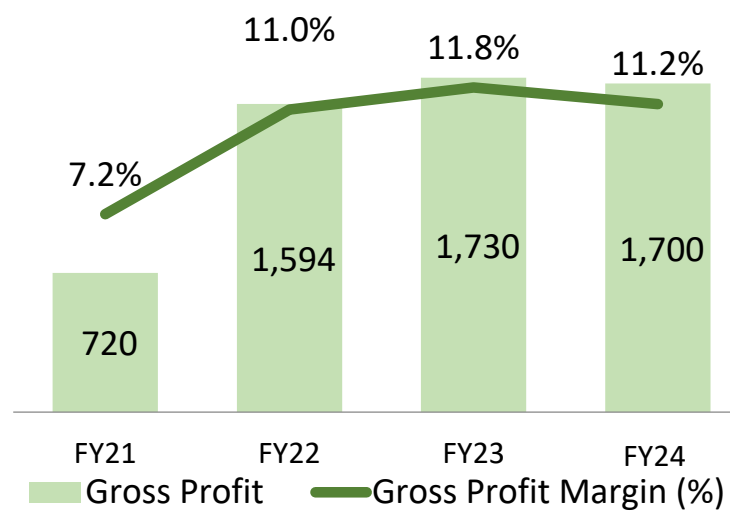
TKD Lead Division, Tamil Nadu – [Work in Progress]
(Capacity - 72 KTPA) Phase - 1 & 2 36 KTPA each

Charting Success: Financial Highlights (1/2)

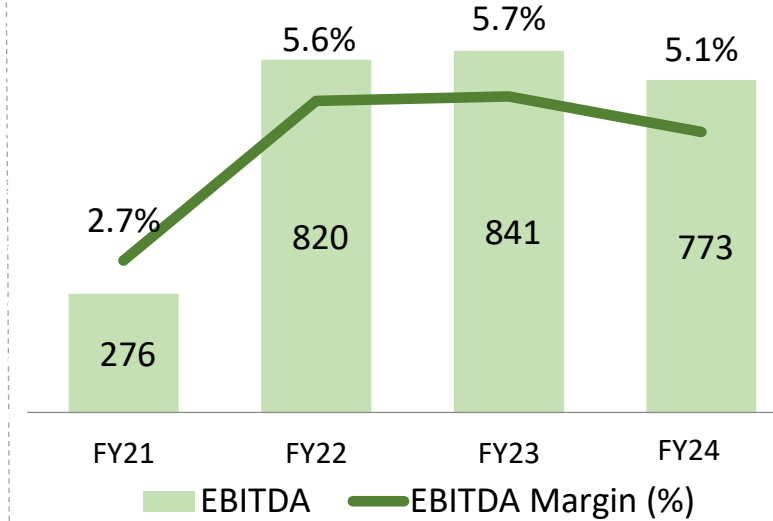
Revenue from Operations



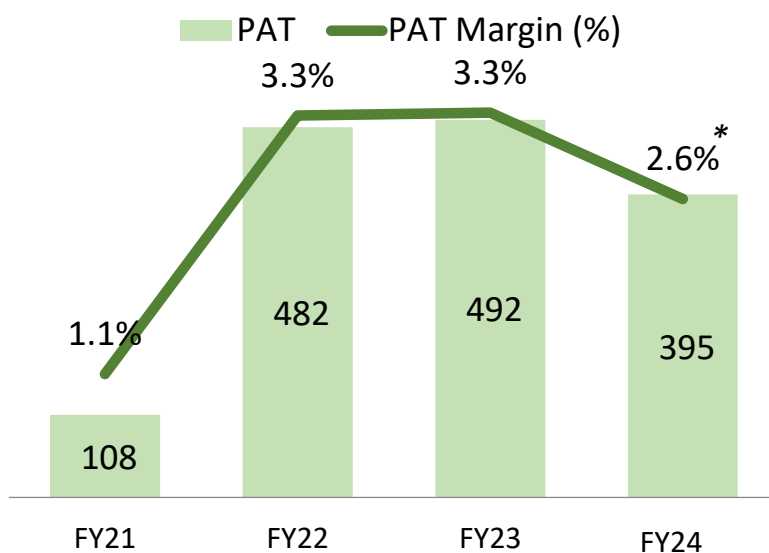
Gross Profit & Margin (%)



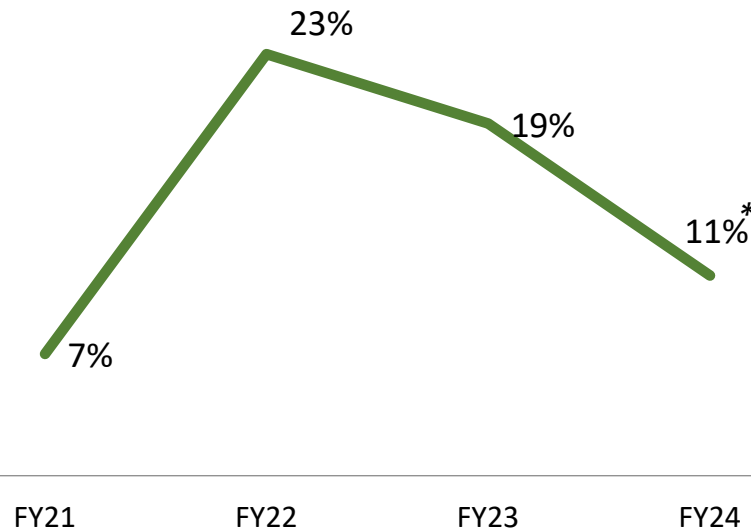
EBITDA & Margin (%)



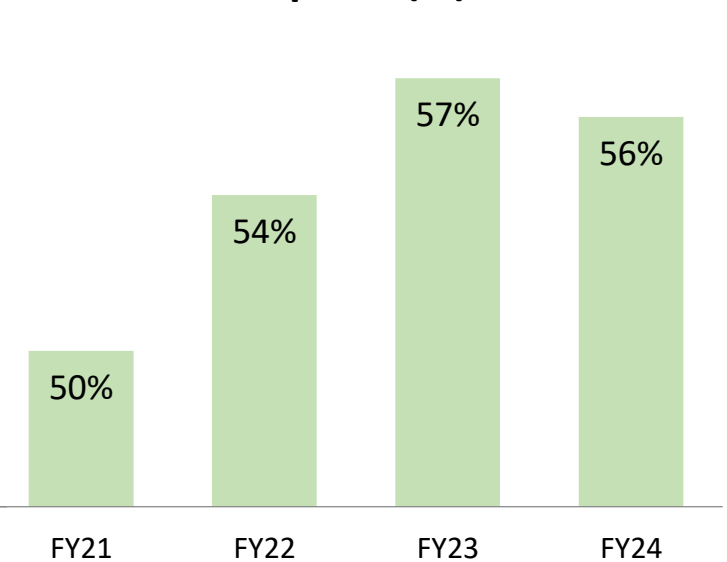
PAT & Margin (%)



Return on Equity (%)



Exports (%)



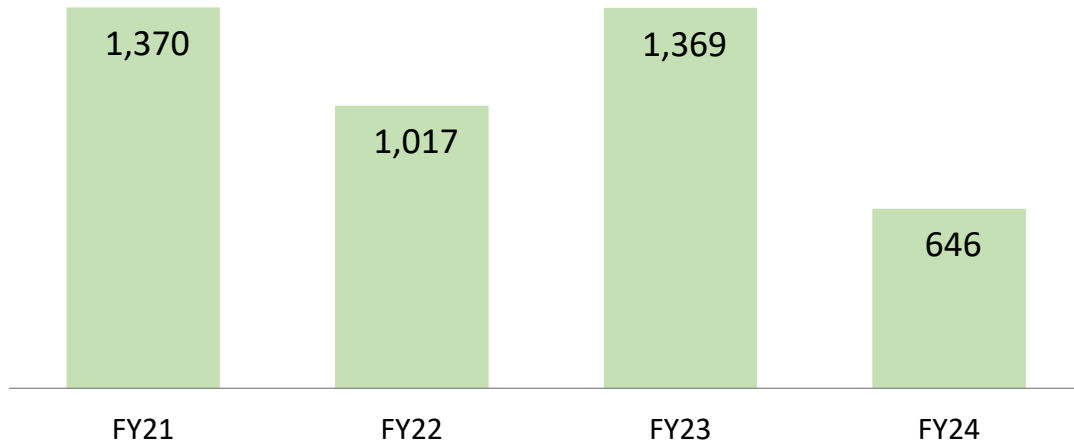
*FY 24: Slight drop is due to Increase in Finance Cost

*FY 24: Drop is due to Increase in Equity Share Capital

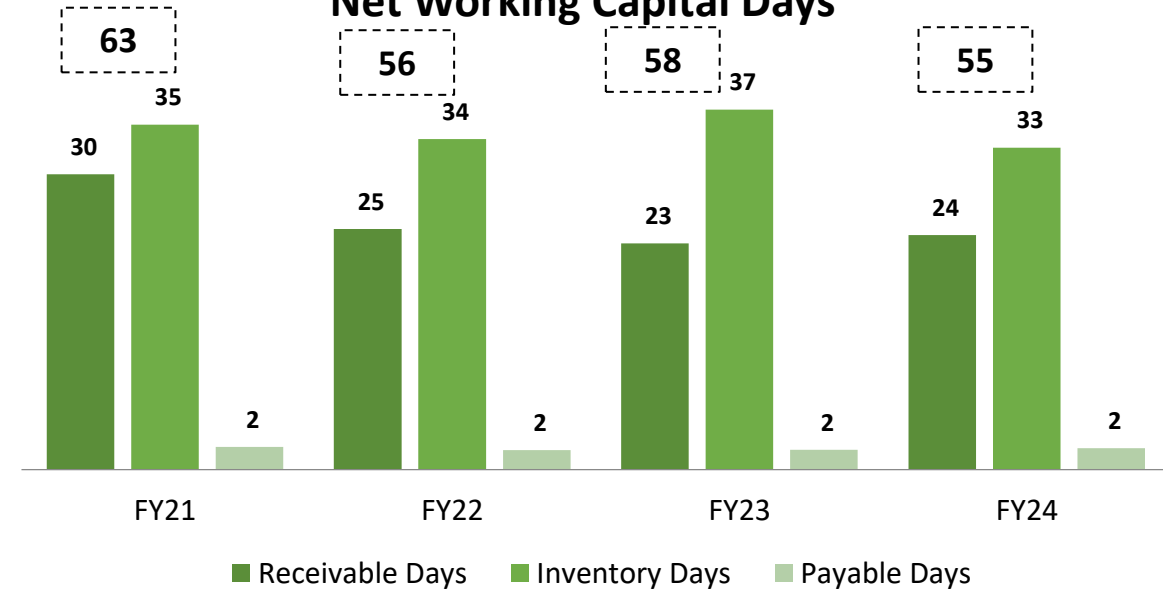
Note – Nos. are in Rs. Mn unless otherwise mentioned

Balance Sheet Strength – Financial Highlights (2/2)

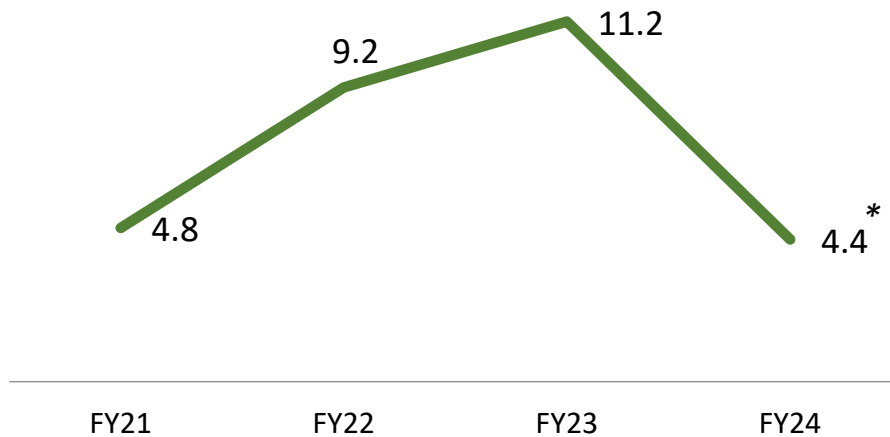
Net Debt (Rs. Mn)



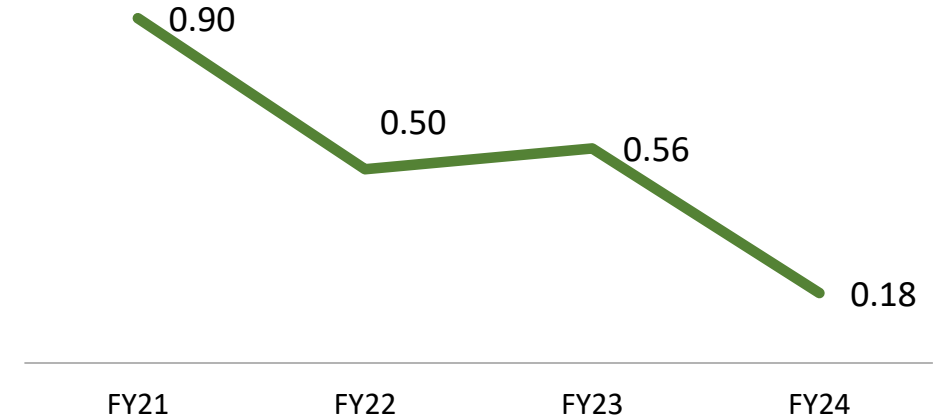
Net Working Capital Days



Interest Coverage Ratio (x)



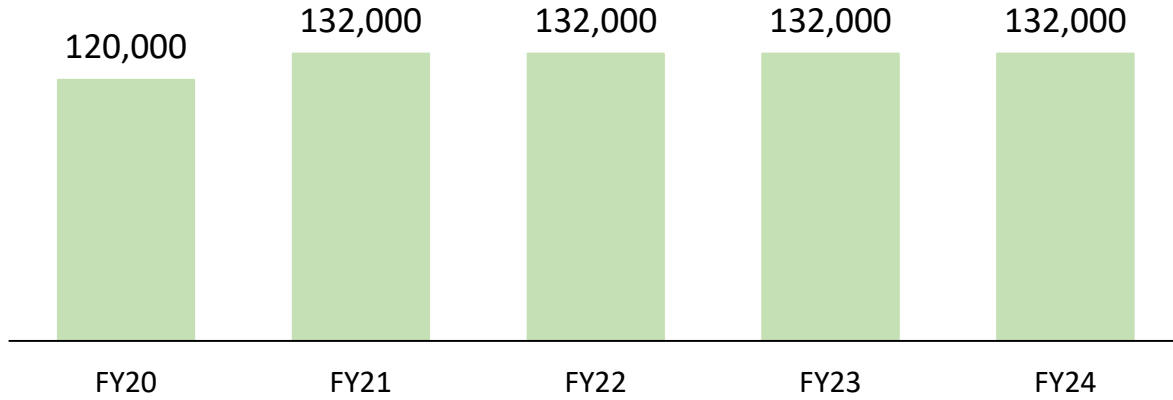
Net Debt to Equity (x)



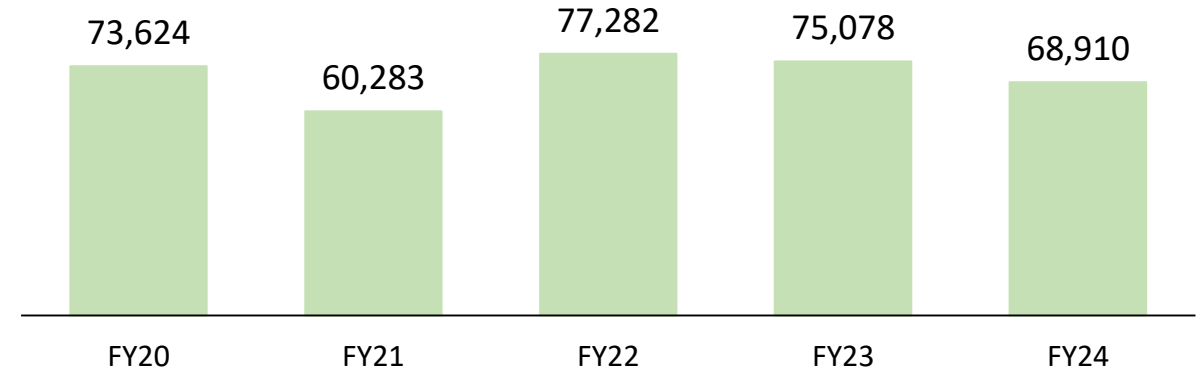
*FY 24: Drop is due to Increase in Finance Cost

Robust Operational Performance

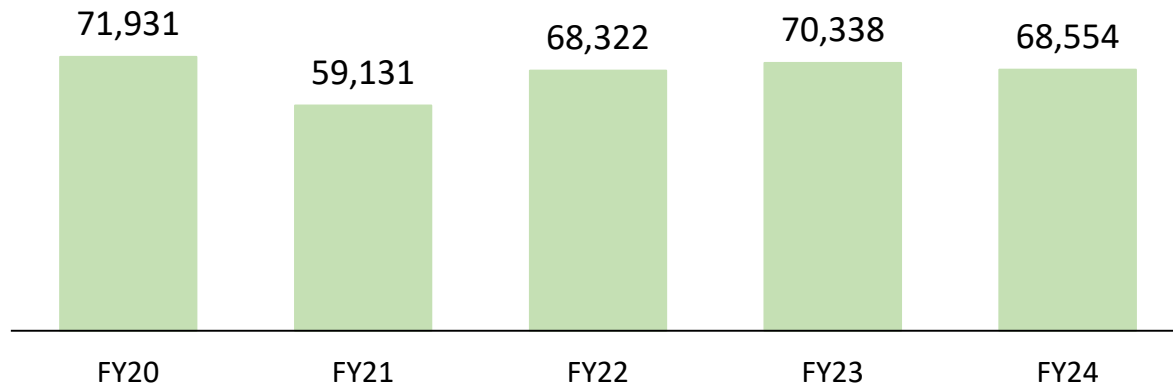
Lead Capacity (MTPA)



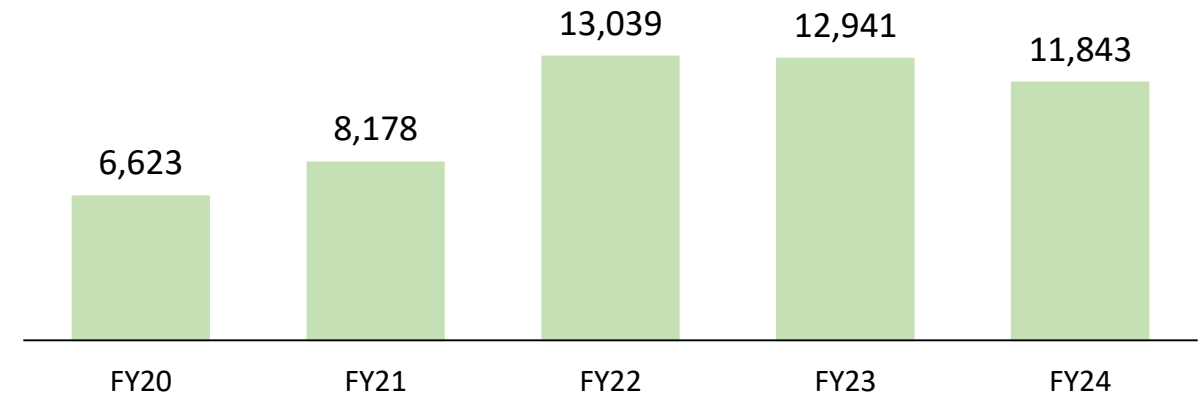
Lead Production (MT)



Lead Sales (MT)



EBITDA per Ton (Rs. per Ton)



Value Added & Customized Products Portfolio

Lead



- ♻️ Pure Lead
- ♻️ Lead Calcium Alloys
- ♻️ Lead Tin Alloys
- ♻️ Lead Antimony Alloys
- ♻️ Lead Master Alloys
- ♻️ Specialty Alloys

100+ Other Specialized Alloys manufactured

Plastics



Industrial & Engineering

Plastic Granules:

- ♻️ PPCP
- ♻️ ABS
- ♻️ HDPE
- ♻️ LDPE
- ♻️ PC
- ♻️ PPHP
- ♻️ Nylon 6, 66

Copper



♻️ Clove

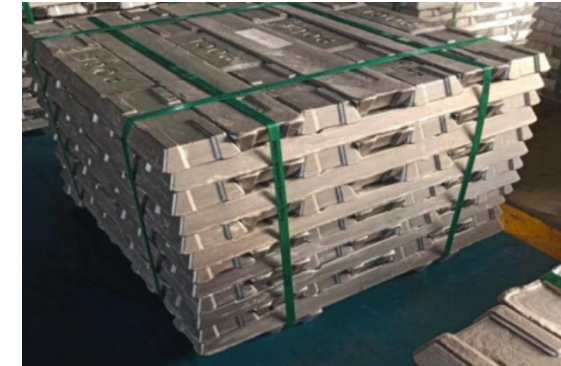
♻️ Cobra

♻️ Mill Berry

♻️ Grease
Mill Berry

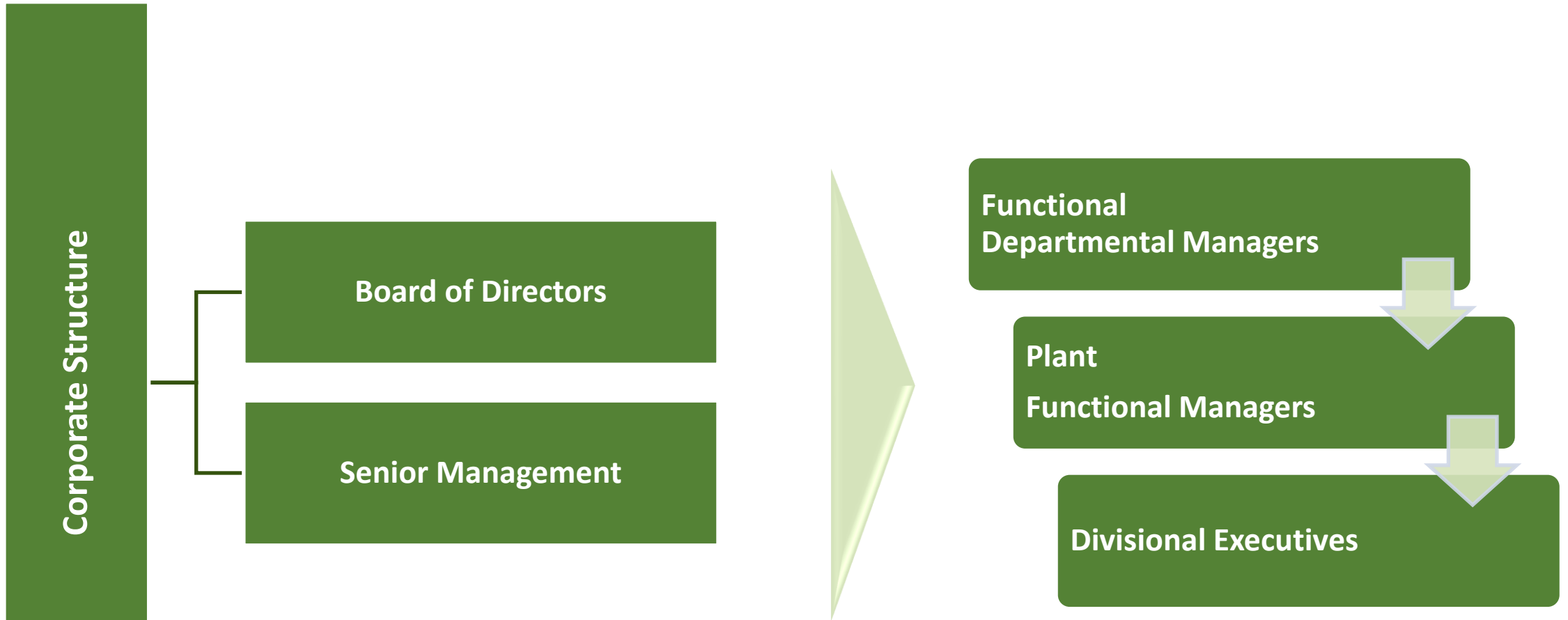
♻️ Tin Mill
Berry

Aluminium



- ♻️ ADC Series (JIS Standard)
- ♻️ LM Series (BS Standard)
- ♻️ Tailor-made alloys as per Customer Requirement

Strategic Organization Structure

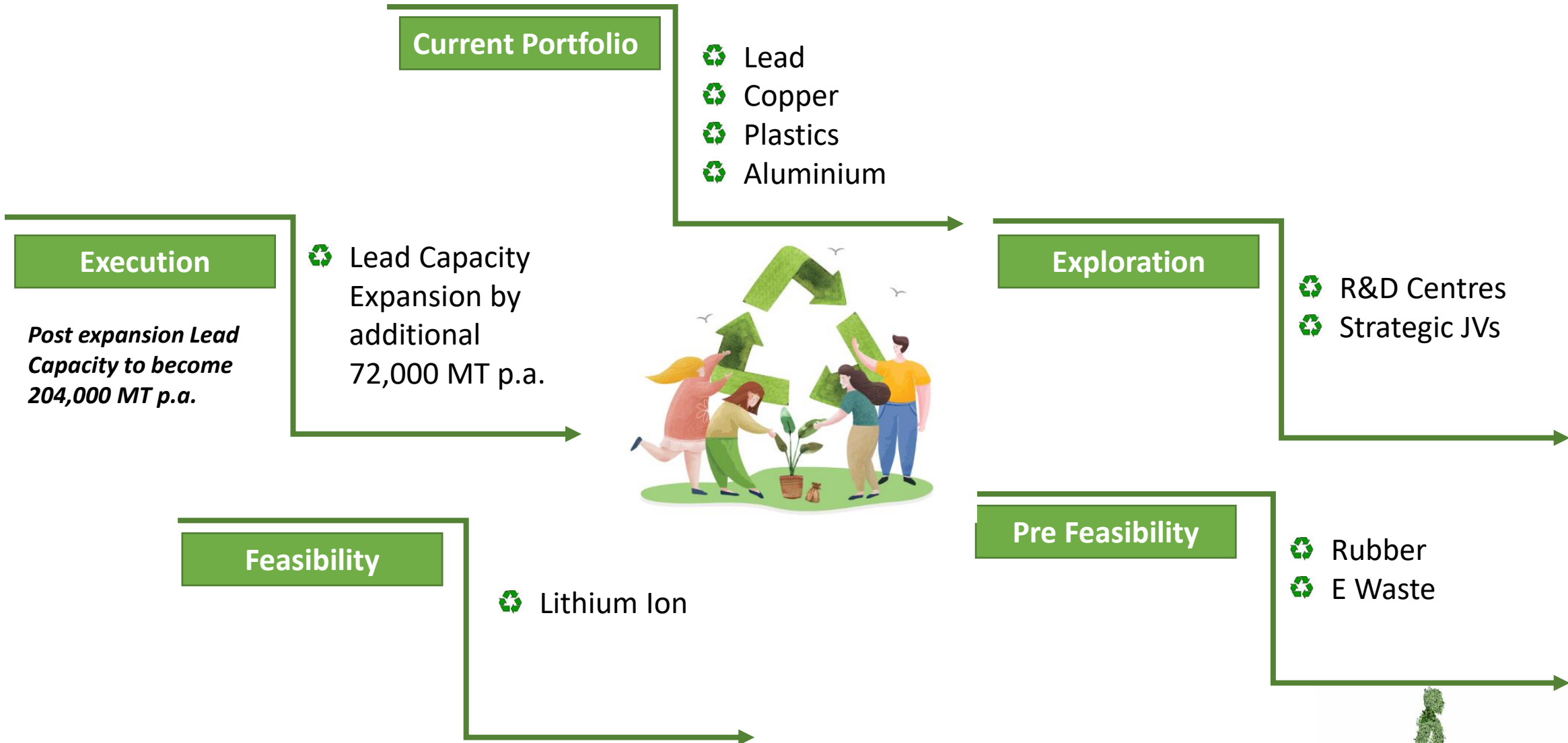


Well defined corporate structure with defined roles and responsibilities for Organization's Human Resources

Redefining Recycling, Reinventing Tomorrow



Portfolio and Futuristic Road Map



Target 2030



Forward Integration & Additional Verticals:

- ♻️ Capacity Expansions - Lead
- ♻️ Lithium Ion



20% +
Revenue CAGR



20% +
Profitability Growth



50% +
Renewable Power Usage



Value Creation for Shareholders



Diversified Portfolio with Value Added Products



20% +
Reduction in Energy Consumption to reduce Carbon Footprint



15% +
Volume Growth



20% +
ROCE



8%+
EBITDA Margins



60%+
Value Added Products

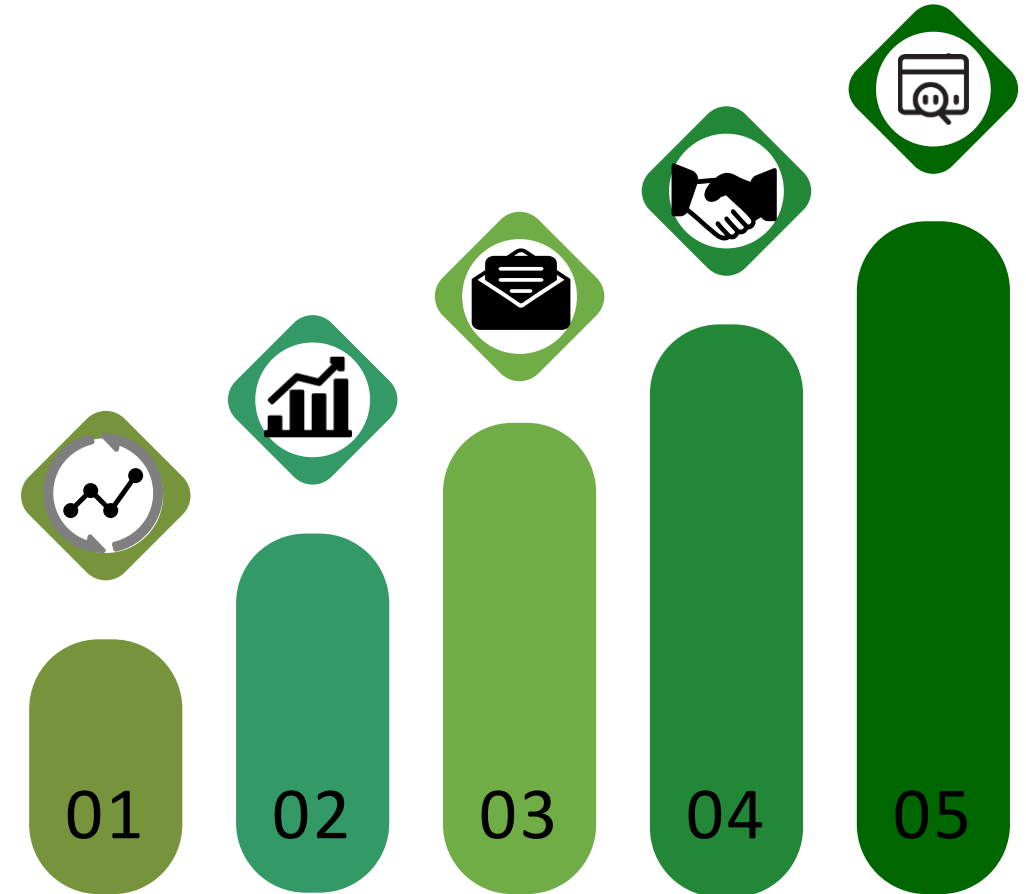


Optimum use of Capital Mix



Levers for Strong Growth Outlook

- 1 **Capacity Expansion** of existing verticals & diversifying further into new verticals- Lithium-ion and Forward Integration
- 2 **Strong Capex plan** in place funded by ideal mix of debt, equity and internal accruals
- 3 **Strict Government Norms** of BWMR & EPR to increase domestic scrap availability
- 4 **Open to explore** Mergers & Acquisitions, Joint Ventures & collaboration
- 5 **Improving operational efficiencies** through improved technology and automation for enhanced margins



Focus on ESG



Environment

- Substitution of Fuel from Furnace Oil to LNG to reduce carbon footprint
- Air & Water Pollution Mitigation is done through state-of-the-art Air Pollution Control Systems & Effluent Treatment Plants
- Increasing Green Coverage - Tree plantation programs in factory premises



Social

- Employee Well-Being – Employee safety & well-being programs implemented
- Diversity & Inclusion -Opportunities to develop cross-cultural, ethnic, & lifestyle collaboration skills
- Social Engagement - Includes promoting education, employment, vocational skills & preventive healthcare and sanitation



Corporate Governance

- Board Composition – 50% Independent Directors
- Board Diversity – 17%
- Executive compensation policy – Incentive Based
- Zero Complaints – of any breaches

SDGs Impacted



ESG Roadmap

Recycling Portfolio FG:
Lead: 132 KTPA
Plastics: 9 KPTA
Copper: 6 KTPA
Aluminium: 12 KTPA

4 Live Recycling Plants and 1 WIP
140 KTPA Scrap Collection,
75KTPA FG Manufactured and Sold

Alternate Energy Source: Solar at Feasibility Stages,
Efficient Water & Waste Management,

Societal Impact:
OHSAS, 100% Health Insurance Coverage, Employee Engagement and Grievance Redressal Mechanism

Air & Water Pollution Mitigation & Conserving Nature, EMS

Usage of Cleaner Fuels to Reduce Carbon Footprint – From Furnace Oil to LNG and Oxygen

Corporate Governance:
Code of Conduct and Ethics Manual, Compliances, Accountability & Transparency, Disclosures

Determining Targets for Energy Reduction, Carbon Footprints, GHG Emission (Scope 1,2 and 3)

Go Live with ESG Reporting with Base Year and Safety Base Year



Sustainable Business Practices



Air & Water Pollution Mitigation



Waste Management



Ensuring Efficient Energy Management



Increasing Green Coverage Around the Plants

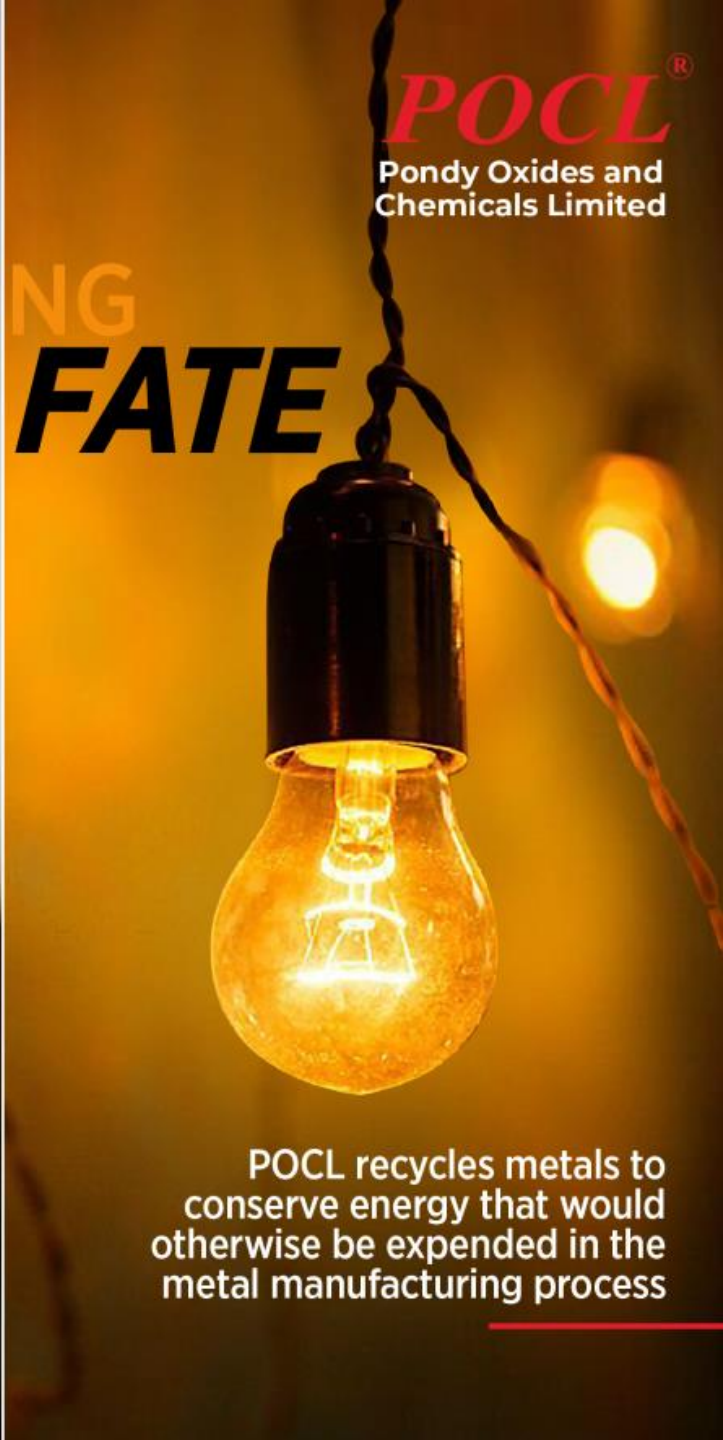


Annexures



CHANGING
THE FATE

#ChangingTheFate



POCL[®]
Pondy Oxides and
Chemicals Limited

POCL recycles metals to conserve energy that would otherwise be expended in the metal manufacturing process

Robust Management & focus on HR Assets



Anil Kumar Bansal
Chairman &
Whole Time Director



Ashish Bansal
Managing Director



K. Kumaravel
Director - Finance



Vijay Balakrishnan
Chief Financial Officer (CFO)



Mayank Sharma
President Operations



Piyush Dhawan
President Commercial & Strategy



24+ Years of average management experience in diverse industries



Employee well being programs



500+ Employees



Diversity & Inclusion



Average Employee Association 9+ Years



Lean Manpower for Functional Roles



Median Employee Age: 35 years



Continuous Talent Exploration

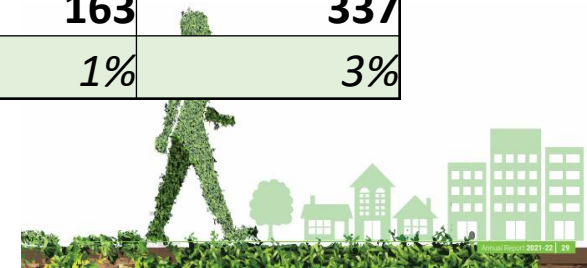


50% Independent Directors and 17% Board Diversity



Yearly Trends | Income Statement

Particulars (Rs. Million)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
Net Revenue	15,238	14,717	14,548	10,043	12,199	10,489
Other Income	46	43	46	33	35	40
Total Income	15,284	14,759	14,594	10,076	12,234	10,529
COGS	13,538	12,987	12,954	9,323	11,289	9,344
Power and Fuel Cost	335	311	239	99	114	135
Employee Benefit Expenses	242	223	200	165	191	150
Other Expenses	396	398	382	213	244	212
Total Expenses	973	932	820	477	549	498
EBITDA	773	841	820	276	397	687
<i>EBITDA Margin %</i>	<i>5%</i>	<i>6%</i>	<i>6%</i>	<i>3%</i>	<i>3%</i>	<i>7%</i>
Depreciation	92	101	90	84	79	52
Finance Cost	164	82	87	54	106	116
PBT	517	658	644	138	212	519
Tax Expenses	121	166	161	30	49	181
PAT	395	492	482	108	163	337
<i>PAT Margin %</i>	<i>3%</i>	<i>3%</i>	<i>3%</i>	<i>1%</i>	<i>1%</i>	<i>3%</i>



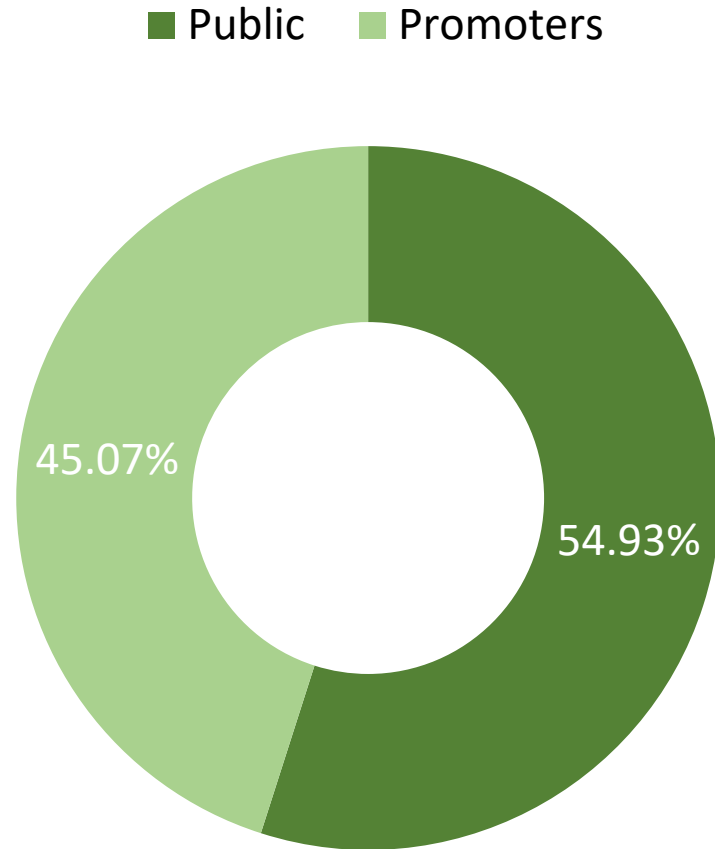
Yearly Trends | Balance Sheet

Particulars (Rs. Million)	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019
<u>EQUITY AND LIABILITIES</u>						
Share Capital	126	116	58	58	58	56
Reserve and Surplus	3,422	2,425	2,023	1,555	1,446	1,248
Net Worth	3,548	2,541	2,081	1,613	1,504	1,304
Borrowings	945	1,420	1,072	1,455	513	1,398
Other Liabilities	205	379	148	123	175	113
Total Equity and Liabilities	4,698	4,341	3,301	3,191	2,192	2,815
<u>ASSETS</u>						
Non-Current Assets						
Fixed Assets	1,136	959	605	536	606	326
Capital Work-In-Progress	83	70	35	57	19	4
Other Non-Current Assets	607	476	37	28	38	59
Current Assets						
Inventories	1,239	1,510	1,460	1,236	705	1,102
Trade Receivables	1,012	992	873	1,088	574	885
Cash and Bank Balances	298	2	22	9	94	40
Short Term Loans and Advances	242	327	265	179	131	176
Other Current Assets	81	5	3	59	26	217
Total Assets	4,698	4,341	3,301	3,191	2,192	2,815



Shareholding Pattern as on 30th June'2024

In Crores



SYMBOL	532626	POCL
LISTED	BSE (Main)	NSE (Main)
MKT CAP (As on 19-07-24)	INR 1,156.49 Cr.	INR 1,157.37 Cr.
52 WEEK HIGH/LOW	INR 1,048.7/ 378	INR 1,048.9 / 377.5
CURRENT MARKET PRICE (19-07-2024)	INR 917.05	INR 917.75

Shareholding Pattern

Particulars	No. of Shares	% of Holding
Public	69,26,962	54.93%
Promoters	56,84,015	45.07%
Total	1,26,10,977	100%

Thank You

Investor Relations Contact:

Sana Kapoor
Go India Advisors
sana@GoIndiaAdvisors.com
M:+91 81465 50469

Sheetal Khanduja
Go India Advisors
sheetal@GoIndiaAdvisors.com
M:+91 97693 64166

Company Contact:

K. Kumaravel
Director – Finance & Company Secretary
kk@pocl.com

Vijay Balakrishnan
Chief Financial Officer (CFO)
vijay.b@pocl.com
www.pocl.com

Contact: +91 – 44 – 4296 5454



**Embrace diversified
opportunities with
responsibility and
commitment**