

Earnings Presentation Q1 FY2019

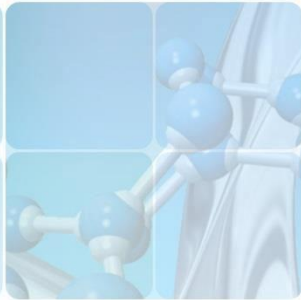
14 August 2018



Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

(NSE: BODALCHEM, BSE: 524370)



Important Notice

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Bodal Chemicals’ future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Bodal Chemicals Limited undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



Company Profile



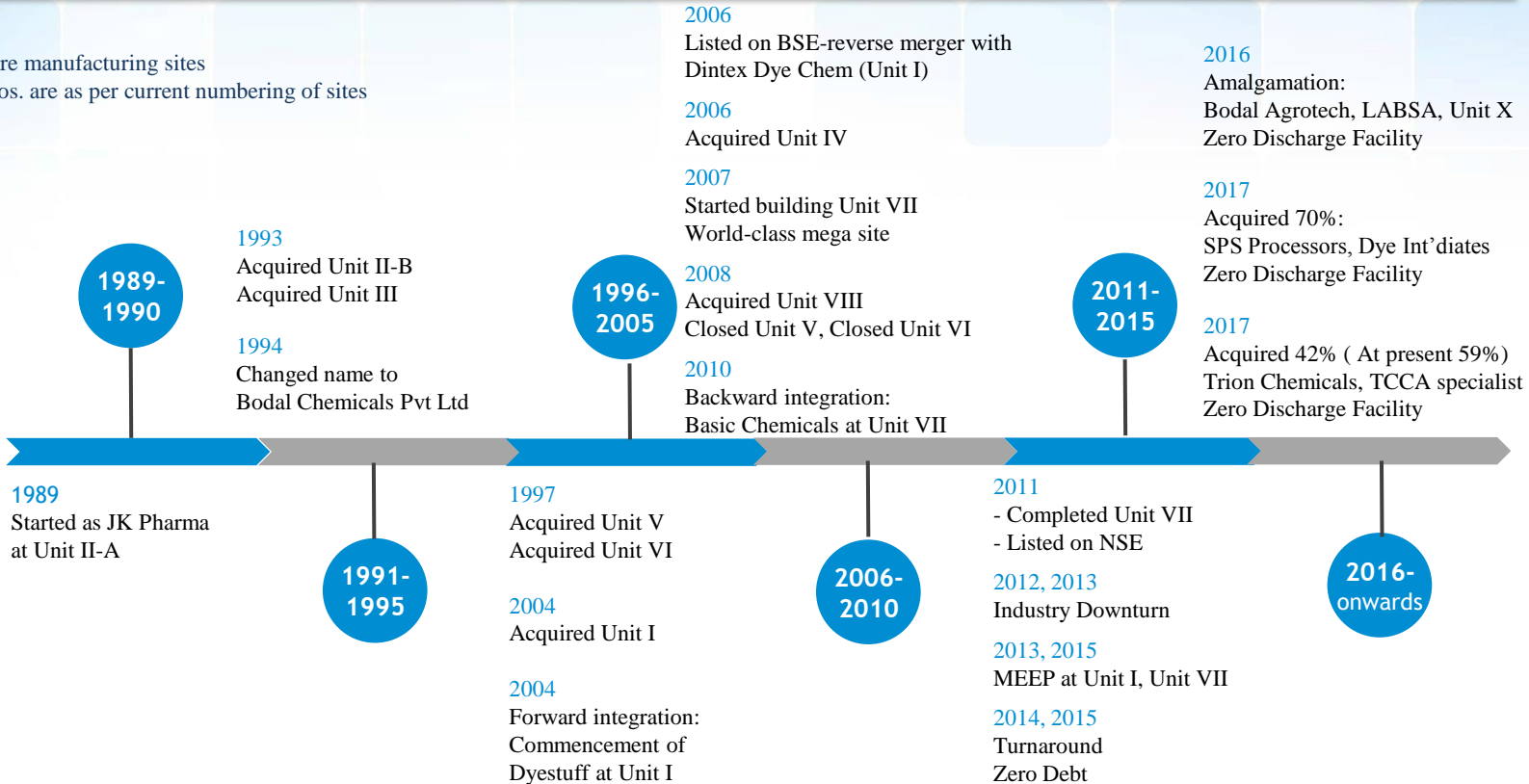
Bodal's History

- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first generation entrepreneur.
- Bodal is today one of the globally leading, integrated Dyestuff companies from India.
- Company commenced its operations by setting up a small Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat) with a small capacity which has now expanded to more than 16000 MTPA
- At present there are three segments of Products:
 - Dye Intermediates (about 25 products)
 - Dyestuffs (about 175 products)
 - Sulphur & Bulk Chemicals (about 12 products)
- At present, there are 9 manufacturing Units in Gujarat, 1 at Uttar pradesh and 4 depots across India.
- Market capitalization is Rs. 15.91 billion (13-08-18). Promoters own 55.68%



Journey

Notes:
Units are manufacturing sites
Unit Nos. are as per current numbering of sites



Market share

Bodal's Position in Global & Indian Dye Intermediates Industry

25%

Share in Indian Dye Intermediates Industry

6%

Share in Global Dye Intermediates Industry

Bodal's Position in Global & Indian Dyestuffs Industry

9%

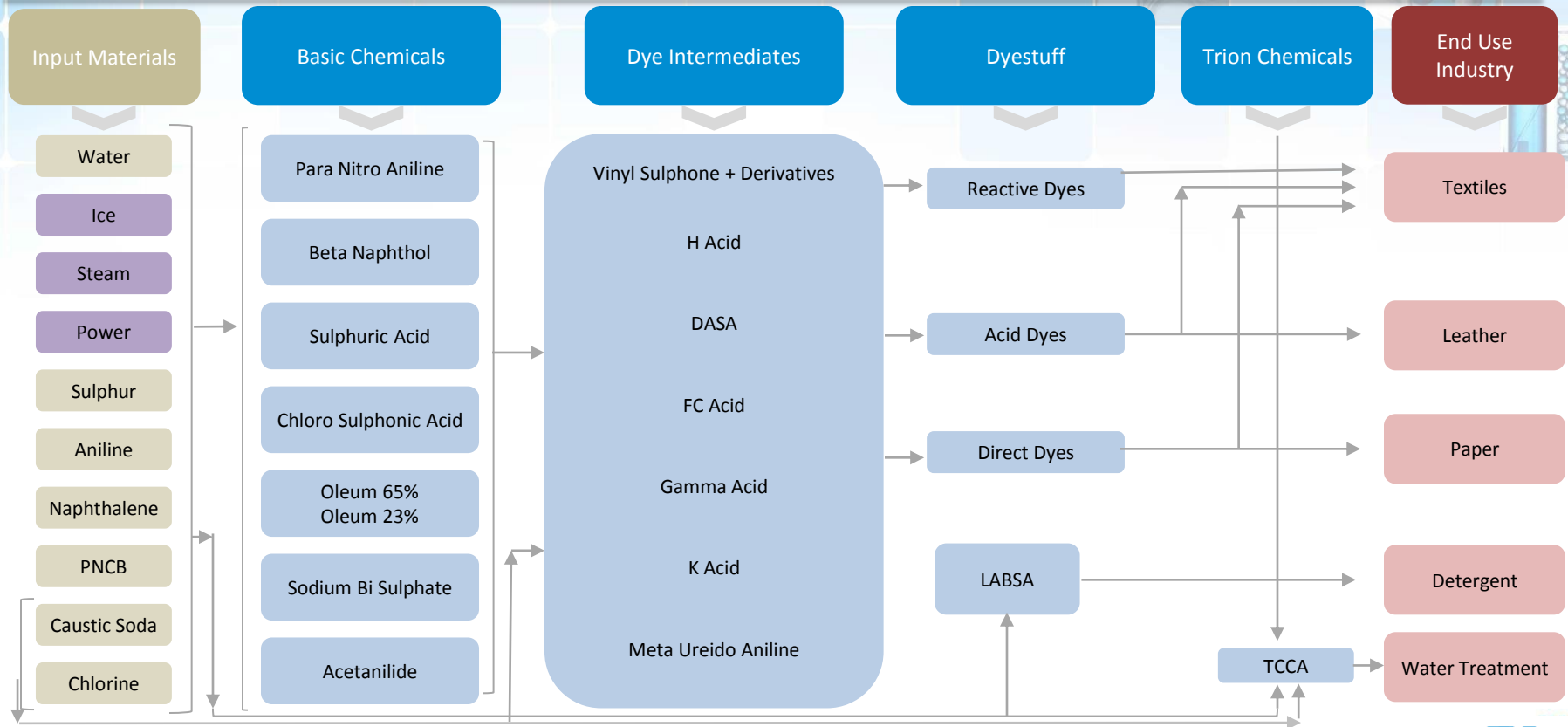
Share in Indian Dyestuffs Industry

3%

Share in Global Dyestuffs Industry

Manufacturing Value Chain

- Input Materials – part/full in-house
- Input Materials – external
- Bodal Chemicals Products
- End use industries





Operational Highlights

Operational Highlights - Q1 FY19 (YoY)

- Increase in production volume of
 - Dyes Intermediates by 21%, from 5,129 MT to 6,217 MT
 - Dyestuff by 11% , from 3,920 MT to 4,358 MT and
 - Basic chemicals by 7%, from 46,933 MT to 50,488 MT
- Exports up by 86%, from Rs. 811 Million to Rs. 1,513 Million
- Dyestuff new capacity expansion has started contributing.



Financial Highlights

Financial Highlights - Q1 FY19 (YoY)

- Total Income of Rs. 3,556 million vs Rs. 2,745 million, up by 30%
- EBITDA * of Rs. 695 million vs 509 million, up by 36%
- EBITDA * margin at 19.7% vs 18.7%, grew by 100bps
- PBT of Rs.595 million vs Rs. 479 million, up by 24%
- PAT of Rs. 392 million vs. Rs. 311 million , up by 26% and PAT stand at 11%

Note: * EBITDA after excluding Other Income & Foreign Exchange (Gain)/Loss (Net)



Financial – Standalone basis

Particulars (Rs. million)	Q1FY19	Q1FY18	YoY (%)
Revenue from operations	3,530	2,946	20%
<i>Less: Excise duty</i>	-	226	-
Revenue from operations (Net of Excise duty)	3,530	2,720	30%
Other income	27	25	7%
Total Income (Net of Excise duty)	3,556	2,745	30%
Materials expenses	2,184	1,682	30%
Employee benefits expense	153	106	45%
Foreign Exchange (Gain)/Loss (Net)	68	(23)	-
Other expenses	498	422	18%
Total expenses	2,903	2,188	33%
Earnings before Interest, Tax and Depreciation	654	557	17%
Finance costs			
Interest and Bank Charges	16	17	-5%
Depreciation and amortisation expense	42	61	-31%
Profit before tax	595	479	24%
Current Tax	184	168	10%
Deferred Tax	17	(1)	-
Tax expense	201	167	20%
Profit (Loss) for the period from continuing operations	394	311	26%
Items that will not be reclassified to profit or loss (net of tax)	(2)	-	
Total Comprehensive Income for the period	392	311	26%
Paid-up Equity share capital (Face value of Rs. 2 per share)	244	218	12%
EPS (Rs./ Share) (not annualised)	3.21	2.85	13%

Note-1: Revenue from operation is net of Excise duty in Q1FY18 for making comparable revenue with the Q1FY19

Note-2: We have, for better presentation, bifurcated net foreign exchange (Gain)/Loss from Other expenses in Q1FY19 and similarly from other income of Q1FY18.

Operating Margin :

(Rs. million)

EBITDA as published

Particulars	Q1FY19	Q1FY18
Revenue from operations (Net of Excise duty)	3,530	2,720
Other income	27	25
Total Income (Net of Excise duty)	3,556	2,745
Less: Total expenses	2,903	2,188
EBITDA as published	654	557
EBITDA Margin (%) to Total Income	18.4%	20.3%

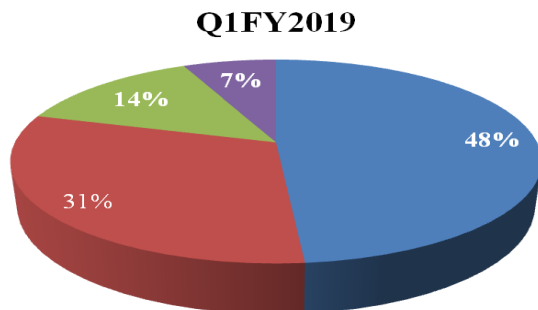
EBITDA- Operational

Particulars	Q1FY19	Q1FY18
Revenue from operations (Net of Excise duty)	3,530	2,720
EBITDA as published	654	557
Less: Other Income	(27)	(25)
Add/Less: Foreign Exchange (Gain)/Loss Net	68	(23)
EBITDA -Operational	695	509
EBDITA -operational Margin (%) to Revenue from operation	19.7%	18.7%

Segmental Revenue

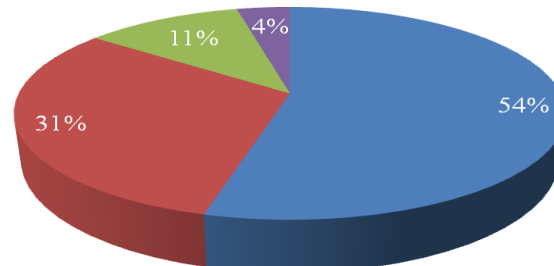
Revenue Breakup

By Segment

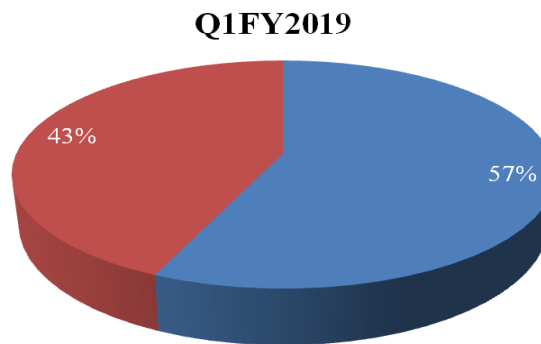


■ Dye Intermediates ■ Dyestuff ■ Basic Chemicals ■ Others

Q1FY2018



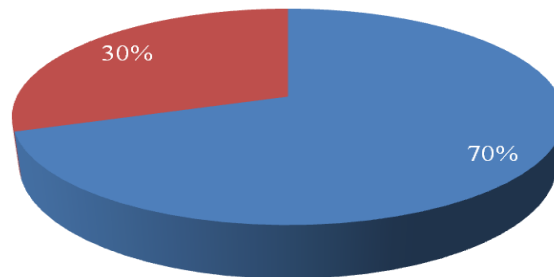
By Geography



■ Domestic

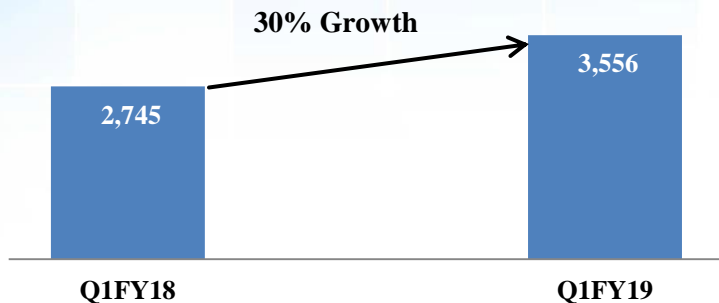
■ Export

Q1FY2018

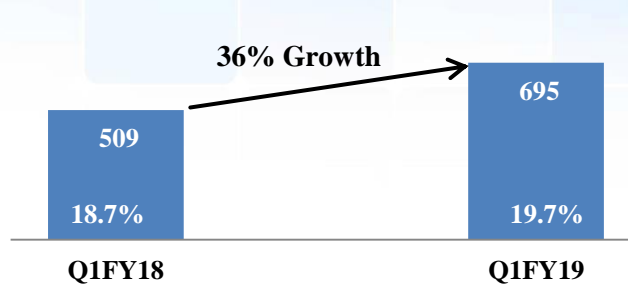


Financial comparison - Standalone

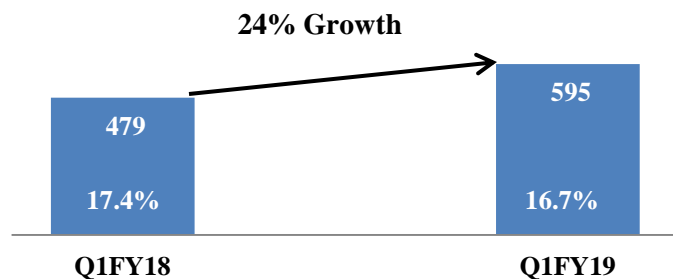
Total Income (Rs. Million)



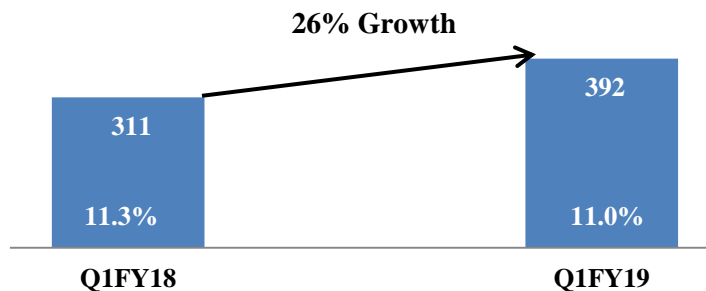
EBITDA* (Rs. Million) and Margin (%)



Profit Before Tax (Rs. Million) and Margin (%)



Profit After Tax (Rs. Million) and Margin (%)



Leverage Profile

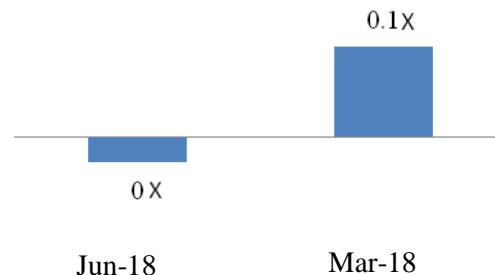
Particulars (Rs. million)	30-Jun-18	31-Mar-18
Short Term Borrowings	304	840
Long Term Borrowings	7	7
Total Debt	311	847
Less: Cash & Cash Equivalents	483	261
Net Debt / (Net Cash)	(171)	586
Reduction in Debt	757	

Net Worth	7,416	7,020
EBITDA	2,780	2,085

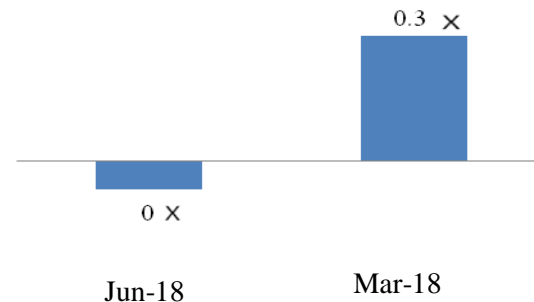
Credit Ratings

Bank Facilities	CARE	India Rating
Long Term Bank Facilities	A (Positive Outlook)	A+
Short Term Bank Facilities	A1	A1+

Net Debt / Equity (x)



Net Debt / EBITDA* (x)



Management Comments on Results

Management Comments on Results & Updates (1of 2)

- During this quarter company achieved 30% growth in revenue YoY basis and increased operating profit by 100bps.
- Raw material prices: The prices of almost all the raw materials are stable and normalised in comparison to previous year. There was spike in caustic price in previous year, which has significantly normalised.
- Expansion : During March -2018 , company has added dyestuff capacity and Co-generation power plant which has started positive impact on operations. Thionyl chloride plant is on schedule.
- Margins: In this quarter, the sales realisation and volumes have increased in some of the key Dyes Intermediates, which has contributed for better operating profit in comparison to previous year and we expect this extra margin to be maintained in the near future.



Management Comments on Results (1 of 2)

- Operating -EBITDA: To make appropriate comparison of operating performance of the company during the quarter, Other Income and net of foreign Exchange rate difference gain/loss are excluded from Earnings, which are not a part of operating activity.
- Subsidiary/ Associate: SPS posted profit for this quarter and expected to further strengthen for the year. Bodal has increased stake in Trion to 59%.



Conference call to discuss Q1FY2019 results & Outlook

Management will discuss results of Q1FY2019 and Outlook on a conference call on 14 August 2018 at 4:00 PM India time.

The conference call dial-in numbers are:

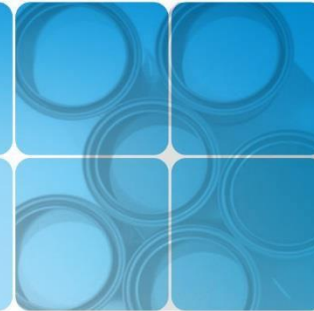
Primary number: +91 22 6280 1106
+91 22 7115 8007

The numbers listed above are universally accessible from all networks in all countries

Local access number: +9170456 71221
(Available all over India)

International toll free number:

- USA : 1 866 746 2133
- UK : 0 808 101 1573
- Singapore : 800 101 2045
- Hong Kong : 800 964 448



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Annexures



Sale of products – by sub-segment and geography (Standalone)

(Rs. million)

Geography- wise Revenues	Q1FY2019	% Share	Q1FY2018	% Share	YoYGrowth (%)
Domestic	1,968	57%	1,883	70%	4.5%
Export	1,513	43%	811	30%	86.5%
Total	3,481	100%	2,694	100%	29.2%

Sub-Segment-wise Revenues	Q1FY2019	% Share	Q1FY2018	% Share	YoYGrowth (%)
Dye Intermediates	1,690	48%	1,460	54%	15.8%
Dyestuff	1,078	31%	837	31%	28.8%
Basic Chemicals	476	14%	297	11%	60.3%
Others	237	7%	100	4%	136.0%
Total	3,481	100%	2,694	100%	29.2%

Note: Other operating income is not included in the above.



Production Quantity Metric Tons (MT)

Production MT	Q1FY19	Q1FY18	YoY (Growth)
Dyestuff	4,358	3920	11%
Dyes Intermediates	6,217	5129	21%
Basic Chemicals	50,448	46933	7%