Quarterly Performance

Q3FY2018-19 & 9MFY2018-19

6 February 2019

Bodal Chemicals Ltd.

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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.

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Company Profile

Bodal Chemicals Ltd.
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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 sub -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.

Bodal's History

- Bodal recently added Thionyl Chloride (TC) capacity of 36,000 tons per year which will be backward as well as forward integration for the business. The commercial operations should start by end of Q4FY19
- Company has four fully owned subsidiaries:
  1. S P S Processors Pvt. Ltd. (SPS)
  2. Trion Chemicals Pvt. Ltd. (TCPL)
  3. Bodal Chemicals Trading Private Limited (Recently added)
  4. Bodal Chemicals Trading (Shijiazhuang) Co. Ltd (Recently added)
- Market capitalization is Rs.12.63 billion (05-02-19). Promoters own 57.4%

Journey

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

1989-1990

1989
Started as JK Pharma at Unit II-A

1991-1995

1993
Acquired Unit II-B
Acquired Unit III

1994
Changed name to Bodal Chemicals Pvt Ltd

1996-2005

1997
Acquired Unit V
Acquired Unit VI

2004
Acquired Unit I

2004
Forward integration: Commencement of Dyestuff at Unit I

2006-2010

2006
Listed on BSE-reverse merger with Dintex Dye Chem (Unit I)

2006
Acquired Unit IV

2007
Started building Unit VII
World-class mega site

2008
Acquired Unit VIII
Closed Unit V, Closed Unit VI

2010
Backward integration:
Basic Chemicals at Unit VII

2011-2015

2011
- Completed Unit VII
- Listed on NSE

2012, 2013
Industry Downturn

2013, 2015
MEEP at Unit I, Unit VII

2014, 2015
Turnaround
Zero Debt

2016-onwards

2016
Amalgamation:
Bodal Agrotech, LABSA, Unit X
Zero Discharge Facility

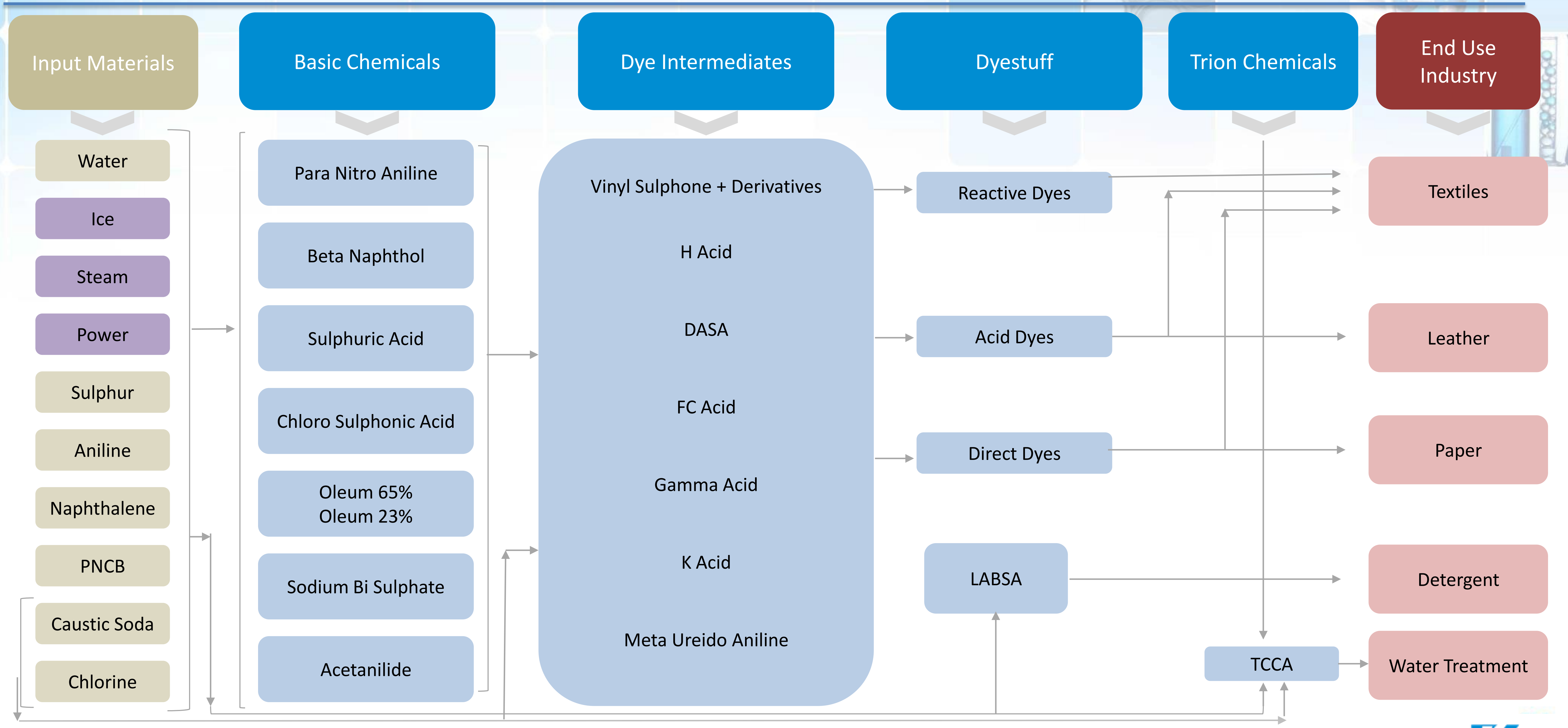
2017
Acquired 70%: SPS Processors, Dye Int'diates, Zero Discharge Facility

2017
Acquired Trion Chemicals, TCCA specialist (Present holding 59%)
Zero Discharge Facility

2018
Dyestuff expansion by 12000MTPA
5MW Co-generation Power plant

Manufacturing Value Chain

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



Note: Bodal recently added Thionyl Chloride (TC) capacity of 36,000 tons per year which should start production by Q4FY19

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Quarterly Performance

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Operational & Financial Highlights

Highlights - Q3 FY19 (YoY)

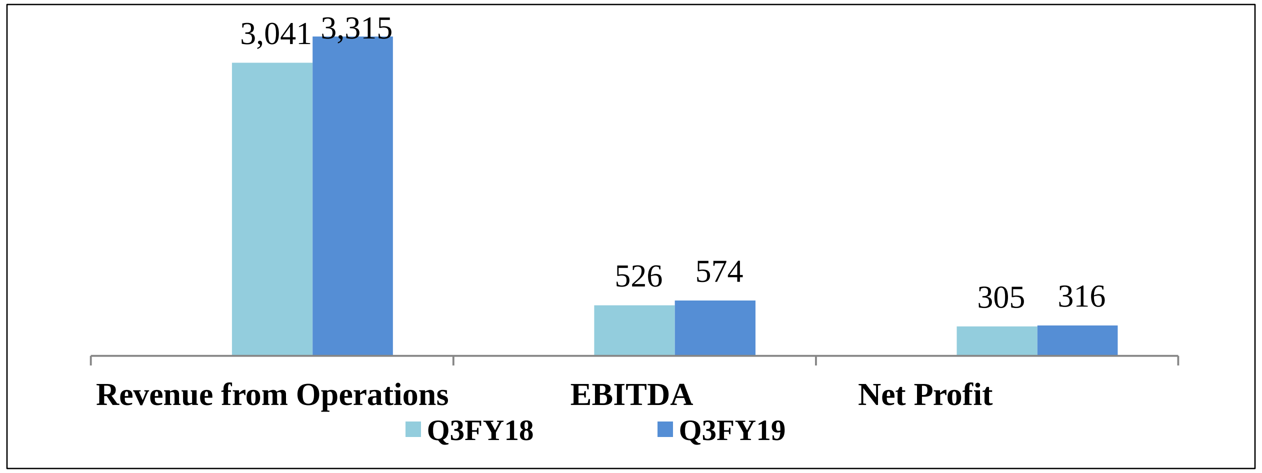
Operational Highlights

- Total production remained flat yoy in Q3FY19 mainly due to plant shutdown during the quarter
- Dyestuff production grew by 3% yoy in Q3FY19 while Dye intermediates and Basic Chemicals production declined by 14% and 1% yoy respectively.
- Exports up by 78% yoy, from Rs. 857 Million to Rs. 1,529 Million

Financial Highlights

(Rs. Millions)	Q3FY19	Q3FY18	% (YoY)
Revenue from Operations	3,315	3,041	▲ 9%
EBITDA*	574	526	▲ 9%
EBITDA Margin (%)	17.3%	17.3%	▲ 2 bps
Net Profit	316	305	▲ 4%

(Rs. Million)



Note: EBITDA calculation excludes other income

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Financial–Standalone basis

(Rs. million)

Particulars	Q3FY19	Q3FY18	YoY (%)
Revenue from operations	3,315	3,041	9%
Other Income	20	23	-11%
Total Income	**3,335**	**3,063**	**9%**
Raw Materials Consumed	2,159	1,951	11%
Employee Benefits	173	119	45%
Other expenses	409	445	-8%
Total expenses	2,741	2,515	9%
Earnings before Interest, Tax and Depreciation	**594**	**548**	**8%**
Finance costs	22	12	80%
Depreciation and amortisation expense	47	65	-28%
Profit before tax	**525**	**471**	**11%**
Current Tax	142	165	-
Deferred Tax	65	1	-
Tax expense	207	166	25%
Profit (Loss) for the period	**318**	**305**	**4%**
IND AS Adjustments	(2)	(1)	-
Total Comprehensive Income for the period	**316**	**305**	**4%**
EPS (Rs./ Share) (not annualised)	2.59	2.56	1%

Note: During Q3FY18, company successfully completed its QIP due to which weighted average no of shares have been considered for EPS calculation

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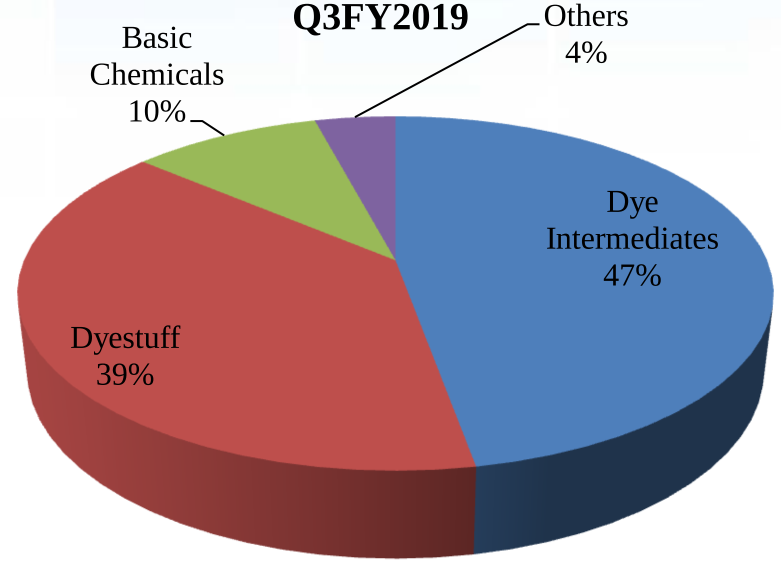
Revenue Breakup

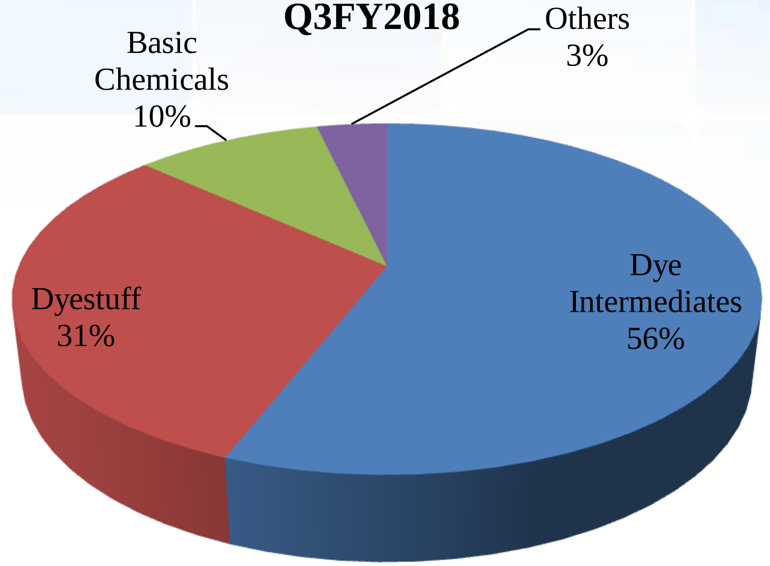
Breakup (Standalone)

By Sub-Segment

Q3FY2019

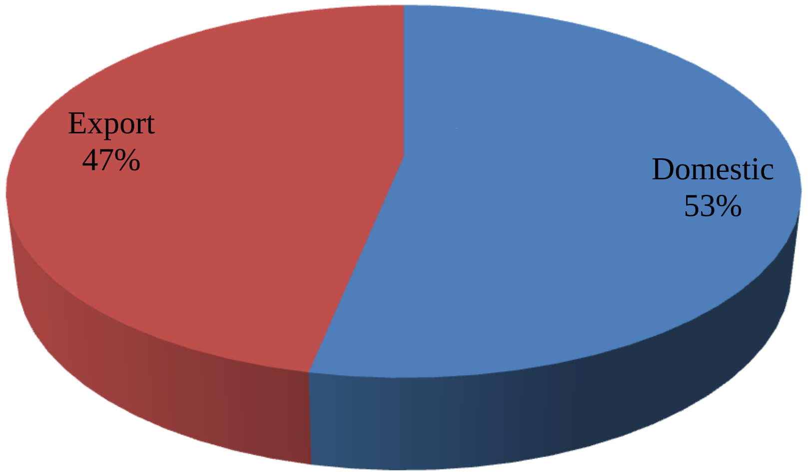


Q3FY2018

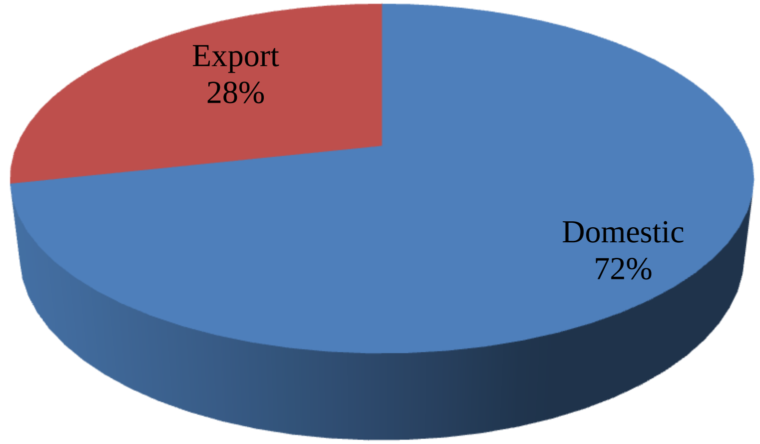


By Geography

Q3FY2019



Q3FY2018



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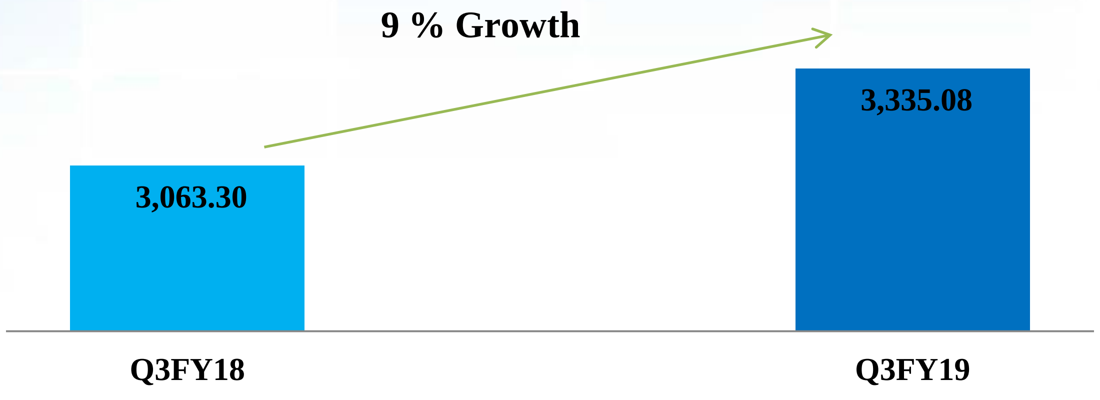
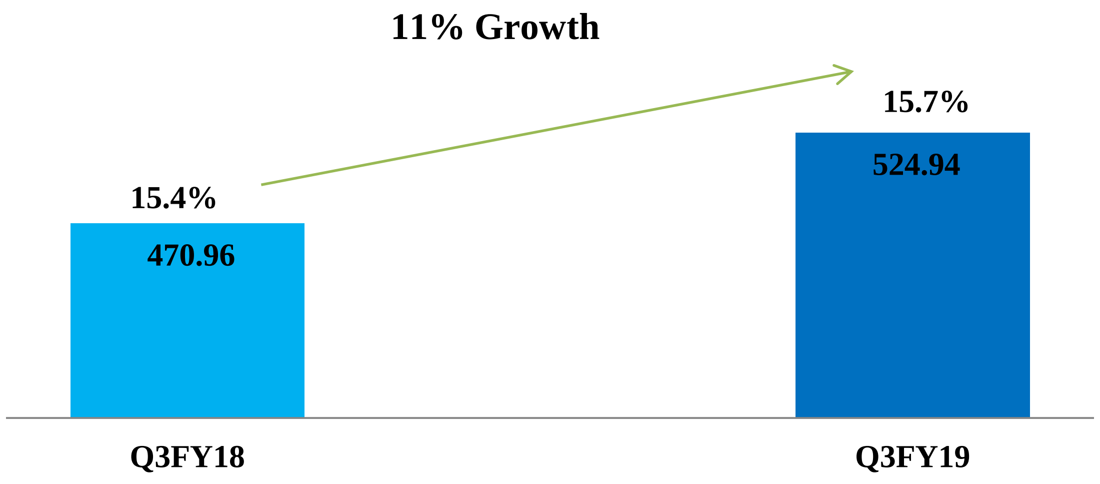
Financial Highlights- Standalone

Total Income (Rs. Million)

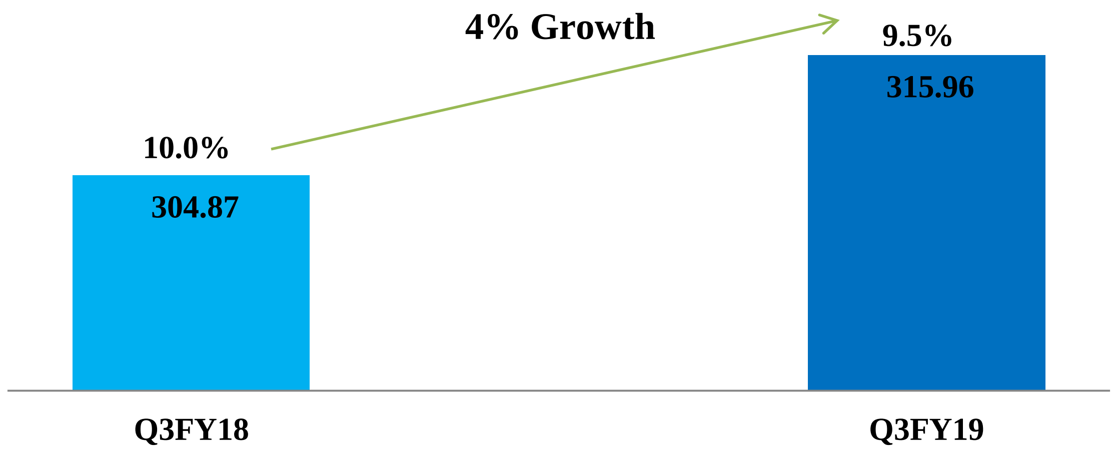


EBITDA* (Rs. Million) and Margin (%)

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



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



Note: EBITDA calculation excludes other income

Nine months Performance

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Financial –Standalone basis

(Rs. million)

Particulars	9MFY19	9MFY18	YoY (%)
Revenue from operations (Net of Excise Duty)	10,587	8,386	26%
Other Income	65	88	-26%
Total Income	**10,653**	**8,474**	**26%**
Raw Materials Consumed	6,610	5,265	26%
Employee benefits	486	326	49%
Other expenses	1,595	1,296	23%
Total expenses	8,691	6,887	26%
Earnings before Interest, Tax and Depreciation	**1,962**	**1,587**	**24%**
Finance costs	50	38	30%
Depreciation and amortisation expense	134	190	-29%
Profit before tax	**1,777**	**1,359**	**31%**
Current Tax	531	478	
Deferred Tax	102	2	
Tax expense	633	480	32%
Profit (Loss) for the period	**1,144**	**879**	**30%**
IND AS Adjustments	(6)	(2)	
Total Comprehensive Income for the period	**1,138**	**877**	**30%**
EPS (Rs./ Share) (not annualised)	9.35	7.80	20%

Note: During Q3FY18, company successfully completed its QIP due to which weighted average no of shares have been considered for EPS calculation

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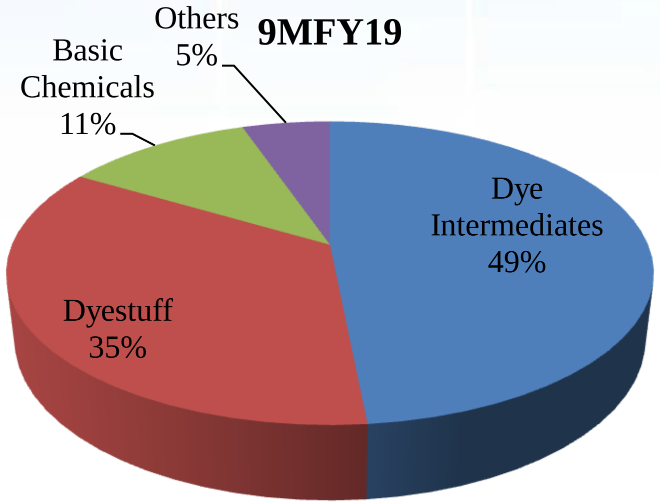
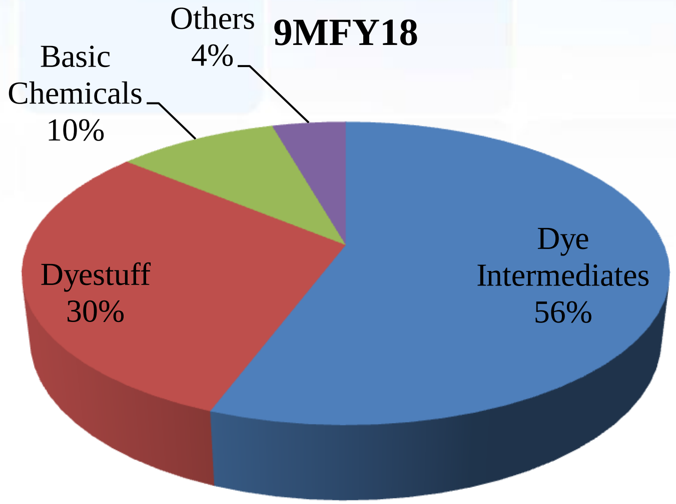
Revenue Breakup

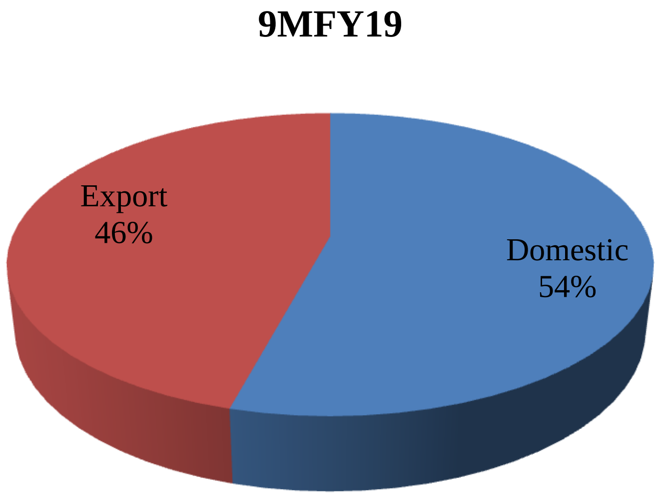
Break-up (Standalone)

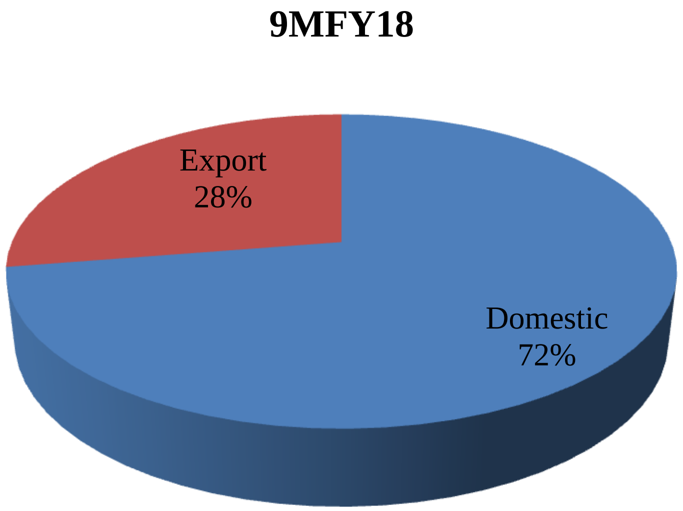
By Sub-Segment





By Geography

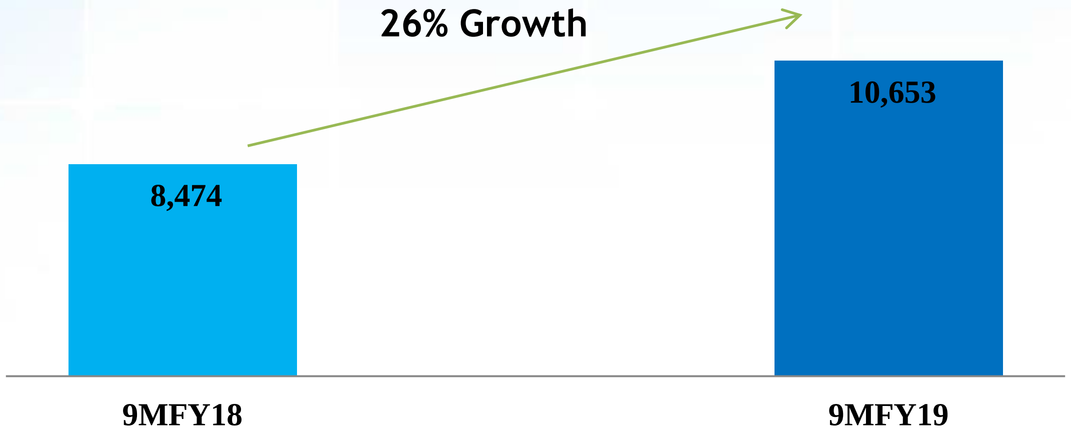




Note: Sale of products are net of excise duty & GST

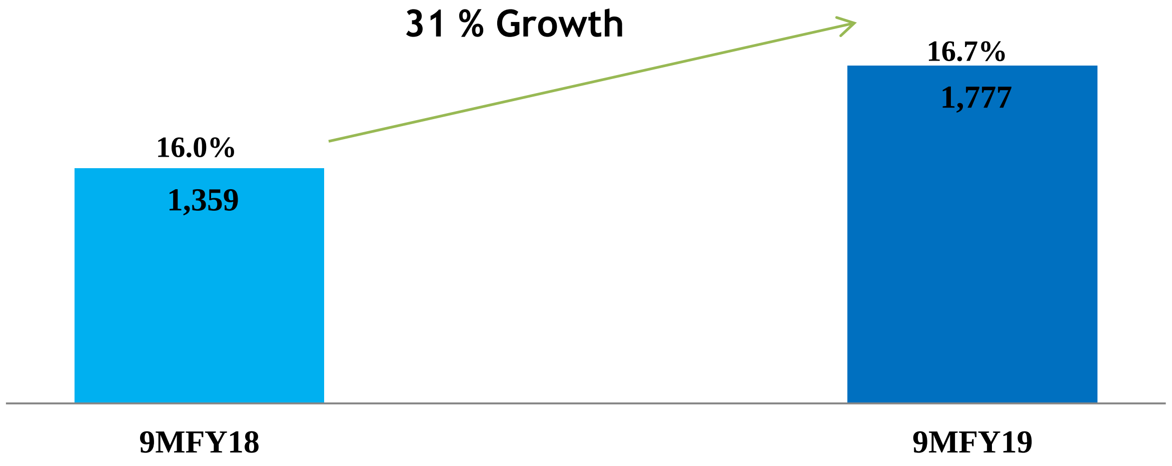
Financial Highlights- Standalone

Total Income (Rs. Million)

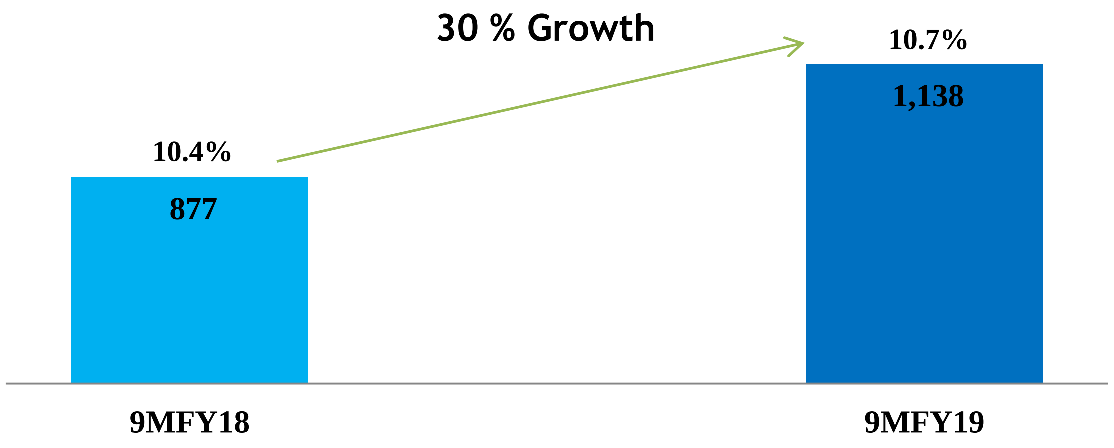


EBITDA * (Rs. Million) and Margin (%)

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



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



Note: EBITDA calculation excludes other income

Financials of Subsidiaries & Consolidated Numbers

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Financials of Subsidiaries & Consolidated Numbers

Subsidiaries

(Rs. million)

SPS & Trion	Q3FY19		9MFY19	
Particulars	SPS	Trion	SPS	Trion
Total Income	142	36	540	59
EBITDA	(16)	(0)	37	(19)
PAT	(18)	(15)	(1)	(61)

Consolidated

Particulars	Quarterly		Nine Monthly	
	Q3FY19	Q3FY18	9MFY19	9MFY18
Operational Revenue	3,343	3,072	10,792	8,729
Other Income	5	20	60	67
Total Income (Net)	3,348	3,093	10,852	8,796
EBITDA	562	555	1,983	1,561
Margin %	16.8%	18.1%	18.4%	17.9%
PAT	285	295	1,119	828

Management Comments on Results

Management Comments on Results & Updates (1of 2)

- Total production during the quarter remained flat yoy at 46,798 MT in Q3FY19 mainly due to plant shutdown because of planned maintenance schedule and environmental aspects

- However, the company achieved 9% growth in revenue YoY basis while EBITDA grew by 9% YoY in Q3FY19. EBITDA margins remained consistent at ~17.3% showing strength of our integrated business model.

- Total exports are up by 78% yoy at Rs 1.5bn and its share in total revenues increased to 47% in Q3FY19 from 28% in Q3FY18. This was the result of increased efforts by company to further enhance presence in different geographies.

- During the quarter, the company has commissioned Thionyl Chloride (TC) capacity of 36,000 tons per year and commercial production should start by end of Q4FY19

Management Comments on Results (2of 2)

- Dyestuff expansion : The company is on track to further expand dyestuff (powder) capacity by 6000 MTPA at Unit-7. We expect the same to become operational by Q1FY20. After this expansion total Dyestuff capacity (powder) of the company will be 35000MTPA .

- Subsidiaries: SPS posted loss for this quarter mainly due to decline in H Acid prices and we are working consistently to improve performance at SPS. Production at TRION has picked up and we expect to minimize losses going ahead.

- Recently, the company has incorporated two new subsidiaries to further increase the business activities in China and other geographies. One is Bodal Chemicals Trading Private Limited at India and the other is Bodal Chemicals Shijiazhuang Ltd at China.

Conference call to discuss Q3FY19 & 9MFY19 Results & Outlook

Management will discuss results of Q3 & 9MFY19 and Outlook on a conference call on 6th February 2019 at 4 PM India time.

The conference call dial-in numbers are:

Primary number: +91 22 6280 1271/+91 22 7115 8172

Local access number: +9170456 71221

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

International toll free number:

- USA : 13233868721
- UK : 44 2034785524
- Singapore : 44 2034785524
- Hong Kong : 85 230186877

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Thank you

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Annexures

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

Geography- wise Revenues	Q3FY19	% Share	Q3FY18	% Share	YoYGrowth (%)
Domestic	1,736	53%	2,155	72%	-19%
Export	1,529	47%	857	28%	78%
Total	**3,265**	**100%**	**3,012**	**100%**	**8.4%**

Sub-Segment-wise Revenues	Q3FY19	% Share	Q3FY18	% Share	YoYGrowth (%)
Dye Intermediates	1,540	47%	1,684	56%	-8.6%
Dyestuff	1,274	39%	928	31%	37.3%
Basic Chemicals	316	10%	291	10%	8.6%
Others	135	4%	109	4%	23.9%
Total	**3,265**	**100%**	**3,012**	**100%**	**8.4%**

Geography- wise Revenues	9MFY19	% Share	9MFY18	% Share	YoYGrowth (%)
Domestic	5,647	54%	6,017	72%	-6.1%
Export	4,777	46%	2,287	28%	108.9%
Total	**10,424**	**100%**	**8,304**	**100%**	**25.5%**

Sub-Segment-wise Revenues	9MFY19	% Share	9MFY18	% Share	YoYGrowth (%)
Dye Intermediates	5,052	48%	4,626	56%	9.2%
Dyestuff	3,653	35%	2,516	30%	45.2%
Basic Chemicals	1,171	11%	796	10%	47.1%
Others	548	5%	366	4%	49.7%
Total	**10,424**	**100%**	**8,304**	**100%**	**25.5%**

Note: Sale of products are net of excise duty & GST

Production Quantity Metric Tons (MT)

Production MT	Q3FY19	Q3FY18	YoY (Growth)
Dyestuff	4,067	3,956	3%
Dyes Intermediates	5,084	5,917	-14%
Basic Chemicals	37,647	37,858	-1%

Production MT	9MFY19	9MFY18	YoY (Growth)
Dyestuff	13,702	11,296	7%
Dyes Intermediates	17,332	16,449	2%
Basic Chemicals	139,617	129,463	4%

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