

Quarterly Performance

Q2FY2018-19 & H1FY2018-19

25 October 2018



Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

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



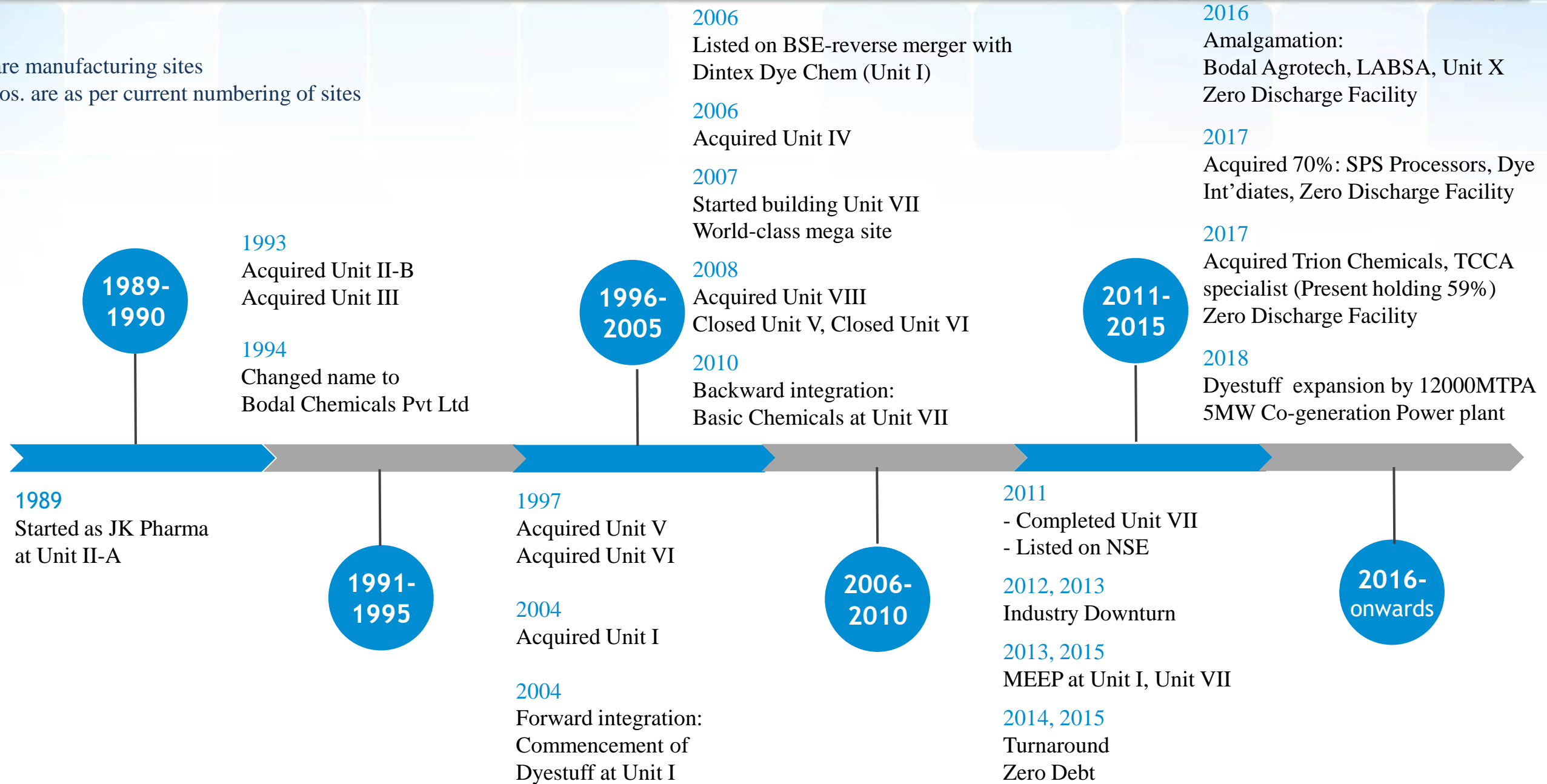
Bodal's History

- 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 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.
- Market capitalization is Rs.14.02 billion (24-10-18). Promoters own 57.4%



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 Dyestuff Industry

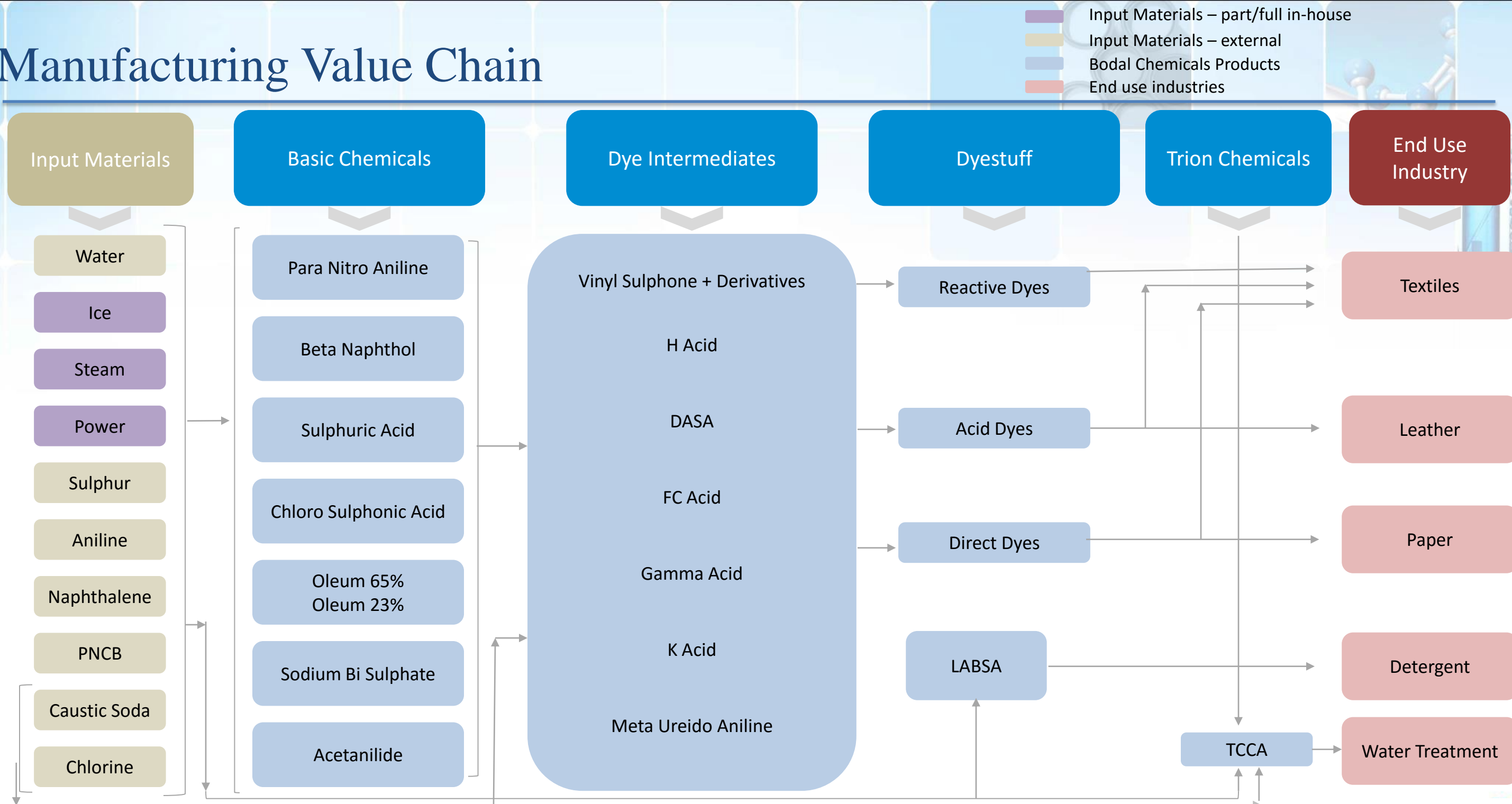
13%

Share in Indian Dyestuff Industry

3%

Share in Global Dyestuff Industry

Manufacturing Value Chain



Quarterly Performance



Operational & Financial Highlights



Highlights - Q2 FY19 (YoY)

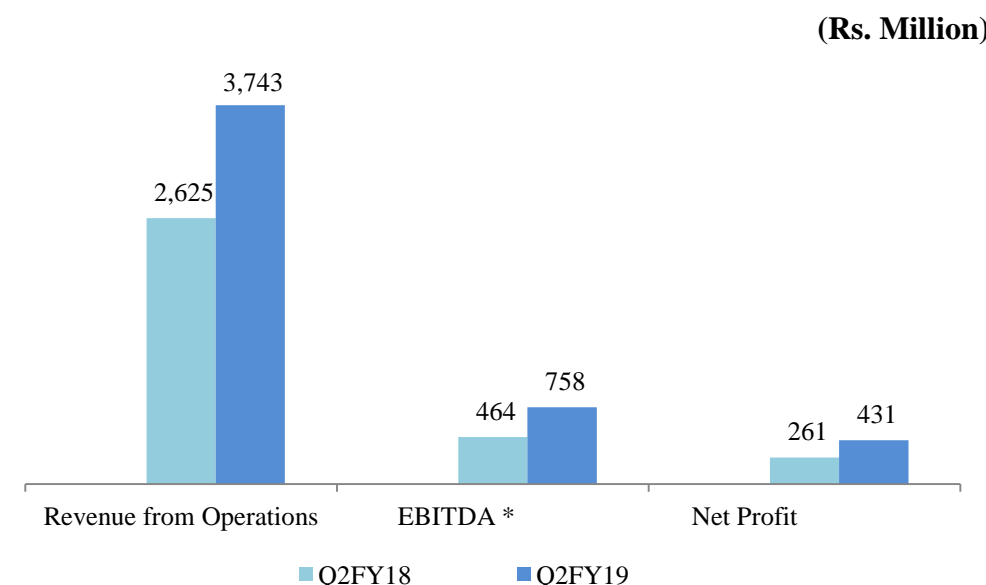
Operational Highlights

- Increased Volume, improved product mix & better realizations
- Exports up by 179%, from Rs. 619 Million to Rs. 1,730 Million
- Dyestuff new capacity expansion has started contributing better than expectation, Dyestuff volume grew by 54% YoY.
- Growth in Dye intermediates & Basic Chemicals volume by 12% and 15% respectively YoY.

Another sequential outperformed quarter
Growth in volume and value
Higher realisation in Dye Intermediates
Dyestuff expansion making integration further stronger

Financial Highlights

(Rs. Millions)	Q2FY19	Q2FY18	% (YoY)
Revenue from Operations	3,743	2,625	▲ 43%
EBITDA *	758	464	▲ 63%
EBITDA Margin (%)	20.2%	17.7%	▲ 250bps
Net Profit	431	261	▲ 65%



Note: * Operational EBITDA , numbers are rounded to nearest rupee or percentage

Financial–Standalone basis

	(Rs. million)		
Particulars	Q2FY19	Q2FY18	YoY (%)
Revenue from operations	3,743	2,625	43%
Other Income	19	16	12%
Total Income	3,761	2,642	42%
Raw Materials Consumed	2,267	1,631	39%
Employee Benefits	160	101	58%
Foreign Exchange (Gain)/Loss (Net)	62	(1)	
Other expenses	558	429	30%
Total expenses	3,047	2,160	41%
Earnings before Interest, Tax and Depreciation	714	482	48%
Finance costs	12	9	
Depreciation and amortisation expense	45	64	
Profit before tax	657	409	61%
Current Tax	205	145	
Deferred Tax	20	2	
Tax expense	225	147	53%
Profit (Loss) for the period	432	262	65%
IND AS Adjustments	(2)	(1)	
Total Comprehensive Income for the period	431	261	65%
EPS (Rs./ Share) (not annualised)	3.54	2.39	48%

Note-: We have, for better presentation, bifurcated net foreign exchange (Gain)/Loss from Other expenses in Q2FY19 and similarly from other income of Q2FY18.

EBITDA Reconciliation

(Rs. million)

EBITDA as published

Particulars	Q2FY19	Q2FY18
Revenue from operations	3,743	2,625
Other income	19	16
Total Income	3,761	2,642
Less: Total expenses	3,047	2,160
EBITDA as published	714	482
EBITDA Margin (%) to Total Income	19.0%	18.2%

Operational -EBITDA

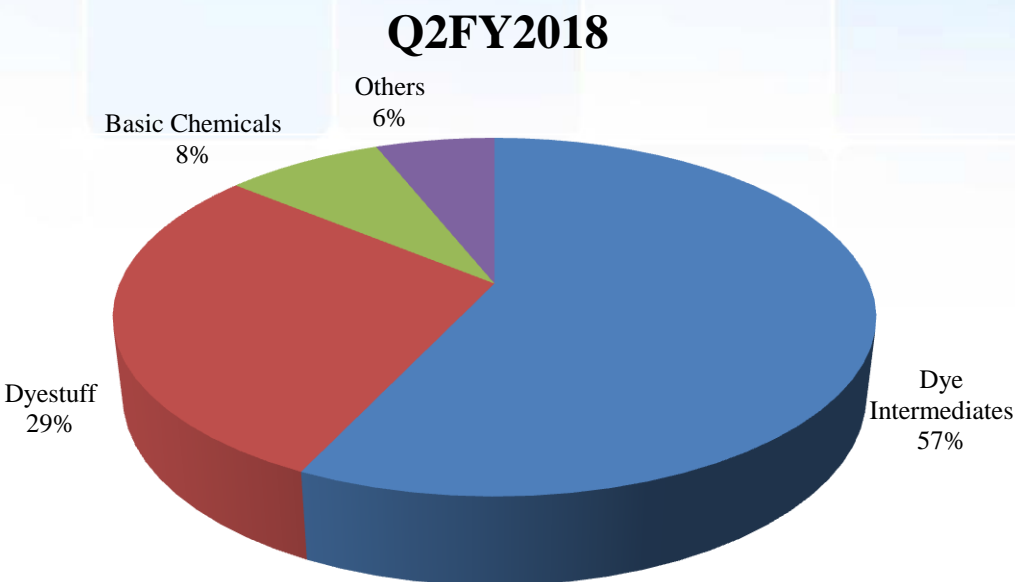
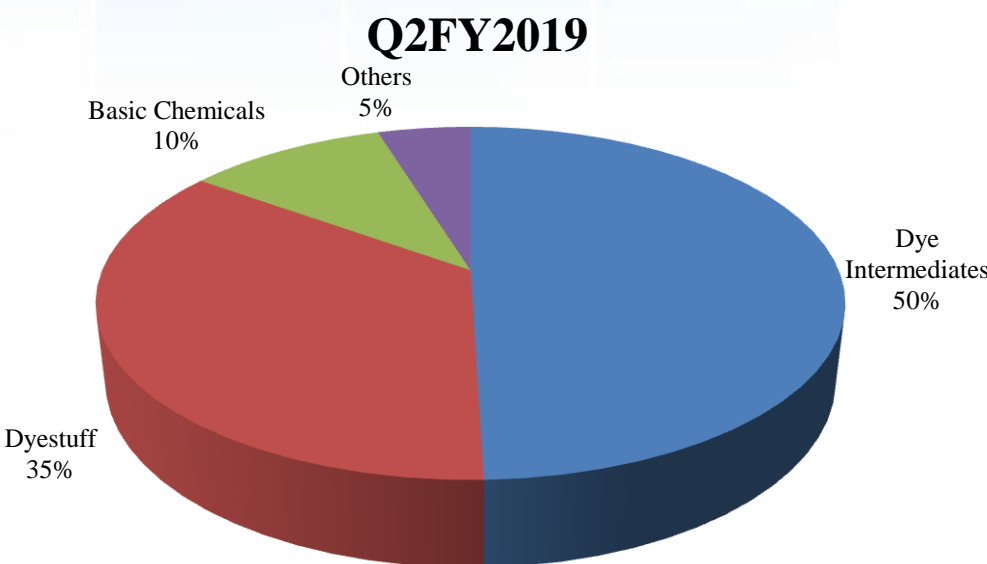
Particulars	Q2FY19	Q2FY18
Revenue from operations	3,743	2,625
EBITDA as published	714	482
Less: Other Income	19	16
Add: Foreign Exchange (Gain)/Loss (Net)	62	(1)
Operational EBITDA	758	464
Operational EBITDA Margin (%) to Revenue from operation	20.2%	17.7%



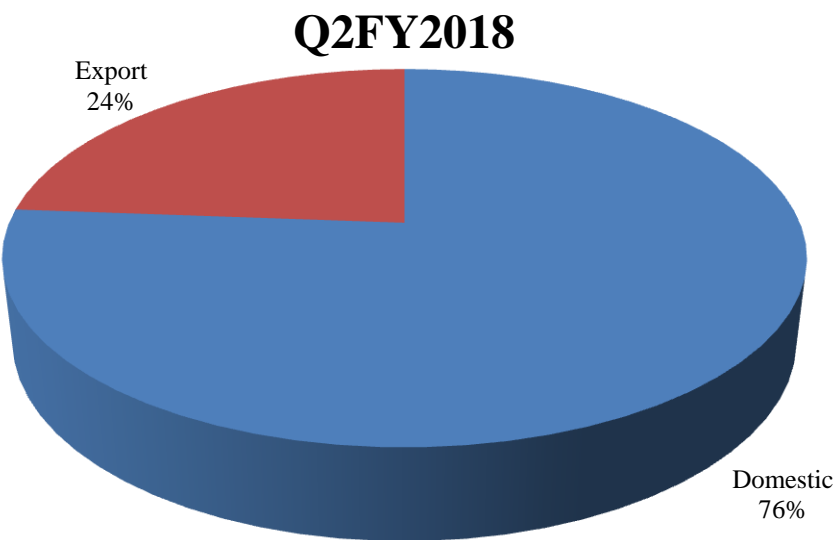
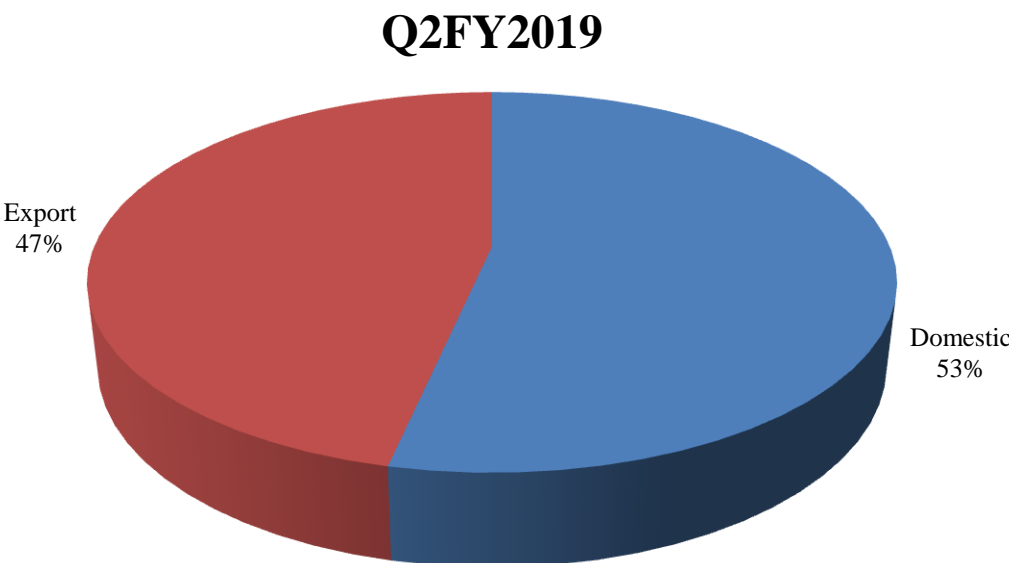
Revenue Breakup

Break-up (Standalone)

By Sub-Segment



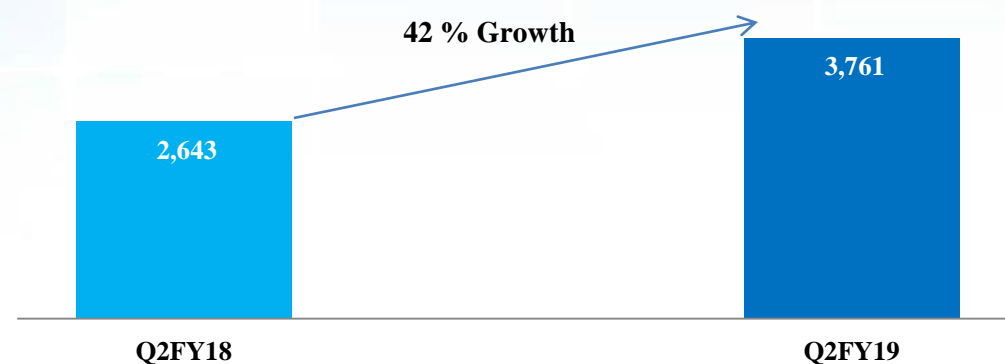
By Geography



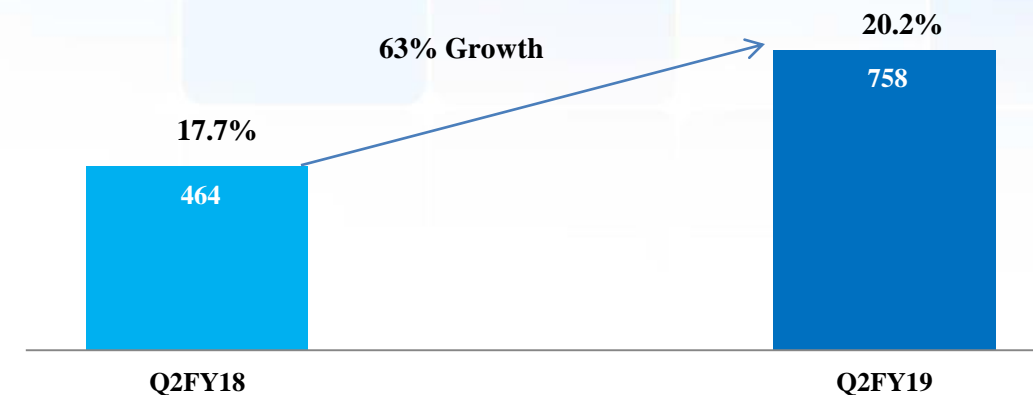
Note: Sale of products are net of excise duty & GST

Financial Highlights- Standalone

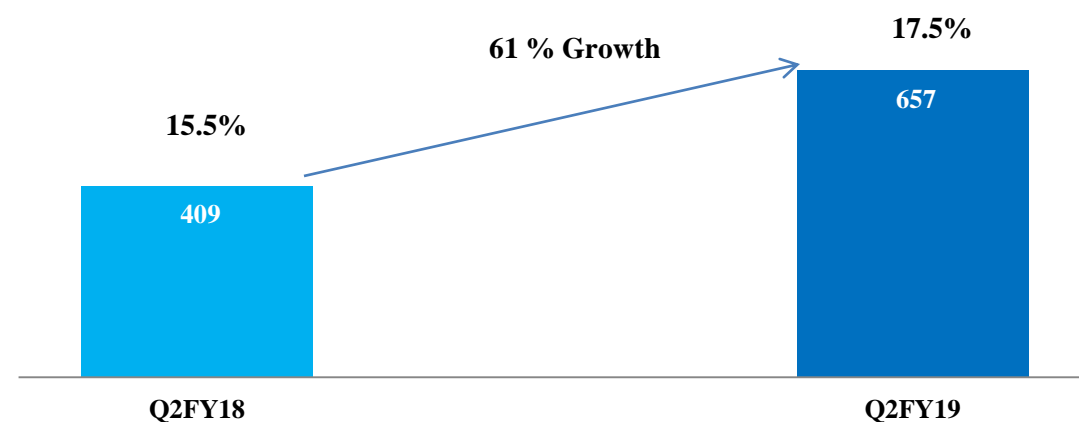
Total Income (Rs. Million)



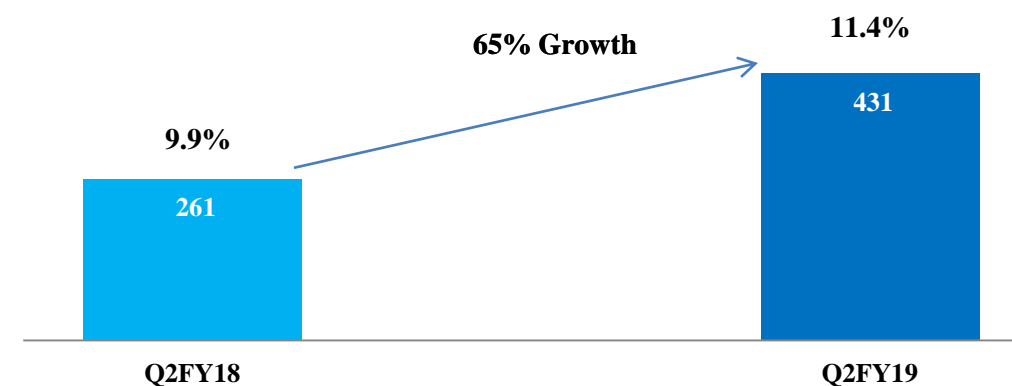
EBITDA* (Rs. Million) and Margin (%)



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



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



Half yearly Performance



Financial –Standalone basis

	(Rs. million)		
Particulars	H1FY19	H1FY18	YoY (%)
Revenue from operations (Net of Excise Duty)	7,272	5,345	36%
Other Income	45	42	9%
Total Income	7,318	5,386	36%
Raw Materials Consumed	4,451	3,314	34%
Employee benefits	313	207	51%
Foreign Exchange (Gain)/Loss (Net)	130	(24)	
Other expenses	1,055	851	24%
Total expenses	5,950	4,348	37%
Earnings before Interest, Tax and Depreciation	1,368	1,039	32%
Finance costs	28	26	
Depreciation and amortisation expense	87	125	
Profit before tax	1,252	888	41%
Current Tax	389	313	
Deferred Tax	37	1	
Tax expense	426	314	36%
Profit (Loss) for the period	826	573	44%
IND AS Adjustments	(4)	(1)	
Total Comprehensive Income for the period	822	572	44%
EPS (Rs./ Share) (not annualised)	6.76	5.24	29%

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 H1FY19 and similarly from other income of H1FY18.

EBITDA Reconciliation

(Rs. million)

EBITDA as published

Particulars	H1FY19	H1FY18
Revenue from operations	7,272	5,345
Other income	45	42
Total Income	7,318	5,386
Less: Total expenses	5,950	4,348
EBITDA as published	1,368	1,039
EBITDA Margin (%) to Total Income	18.7%	19.3%

EBITDA- Operational

Particulars	H1FY19	H1FY18
Revenue from operations	7,272	5,345
EBITDA as published	1,368	1,039
Less: Other Income	45	42
Add: Foreign Exchange (Gain)/Loss (Net)	130	(24)
Operational EBITDA	1,453	973
Operational EBITDA Margin (%) to Revenue from operation	20.0%	18.2%

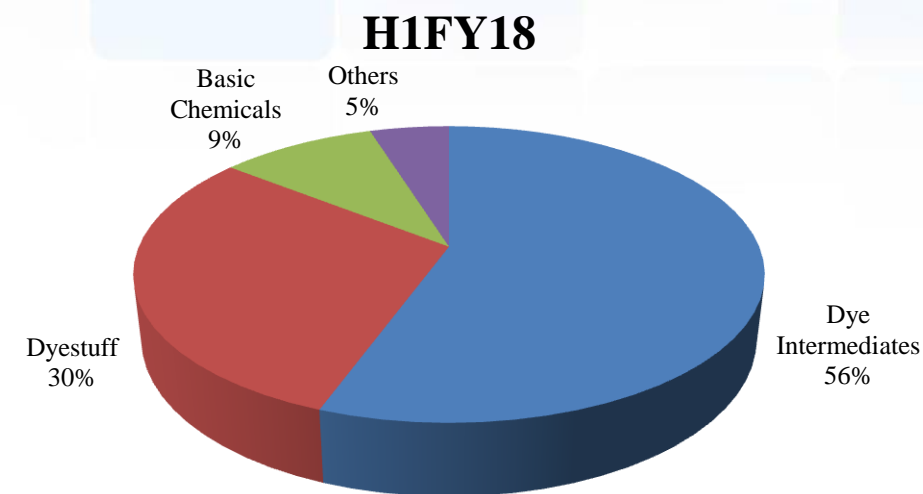
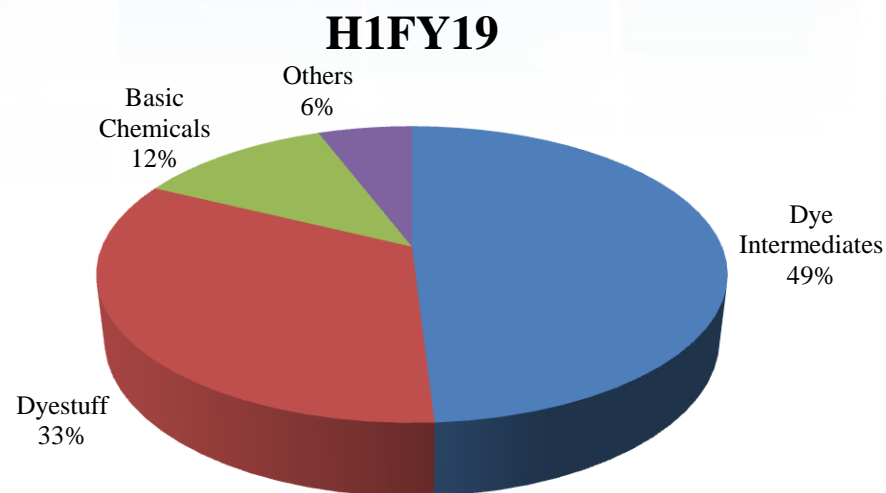


Revenue Breakup

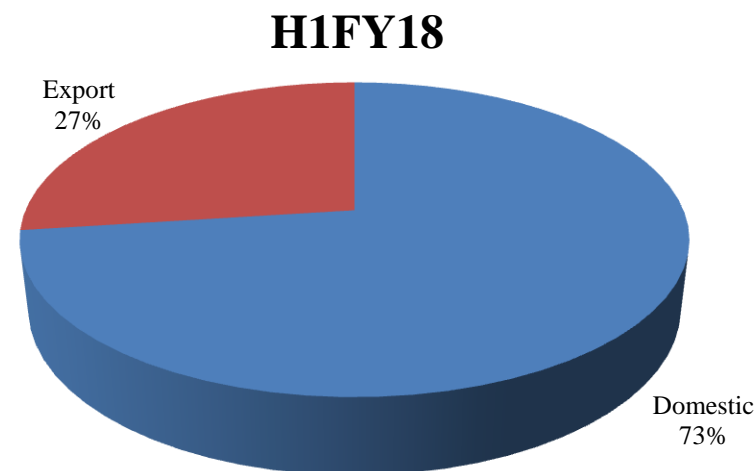
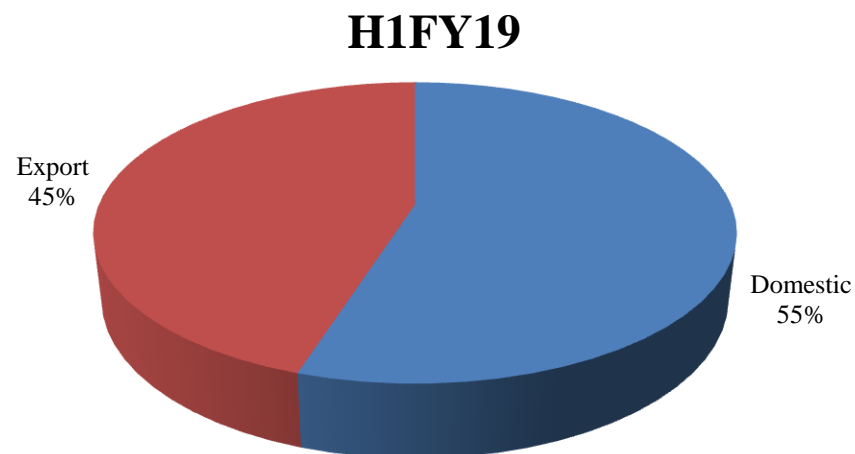
Break-up (Standalone)



By Sub-Segment



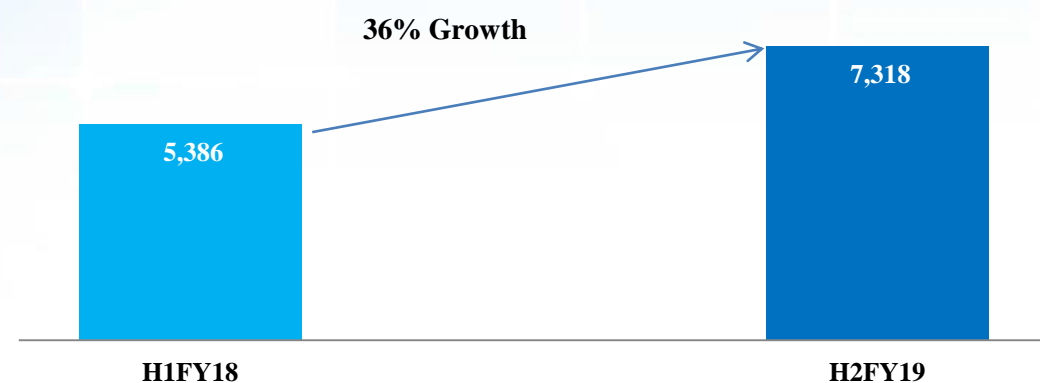
By Geography



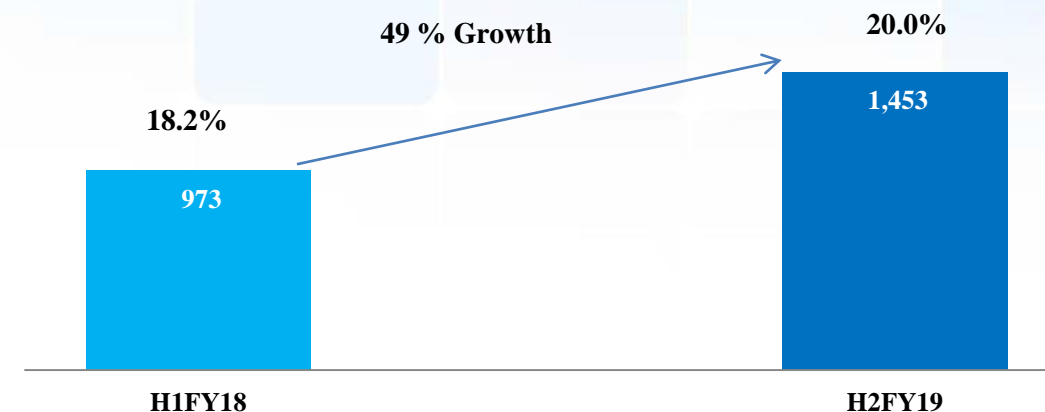
Note: Sale of products are net of excise duty & GST

Financial Highlights- Standalone

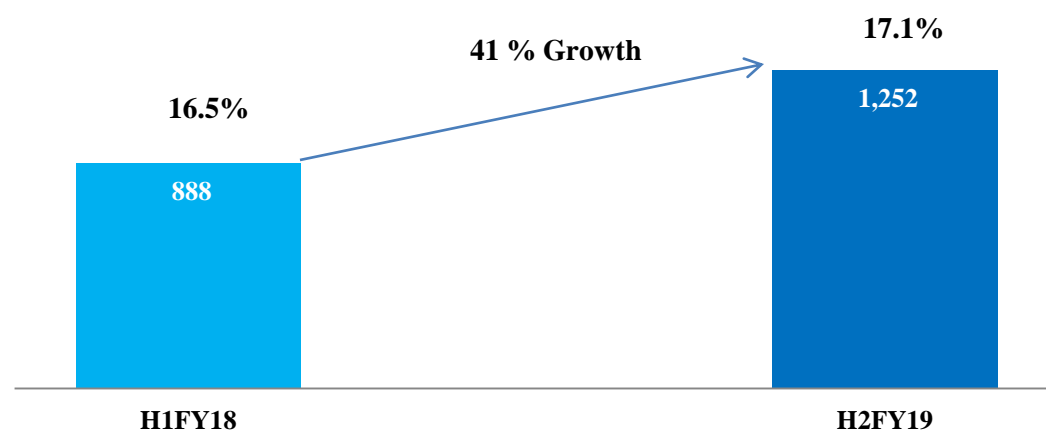
Total Income (Rs. Million)



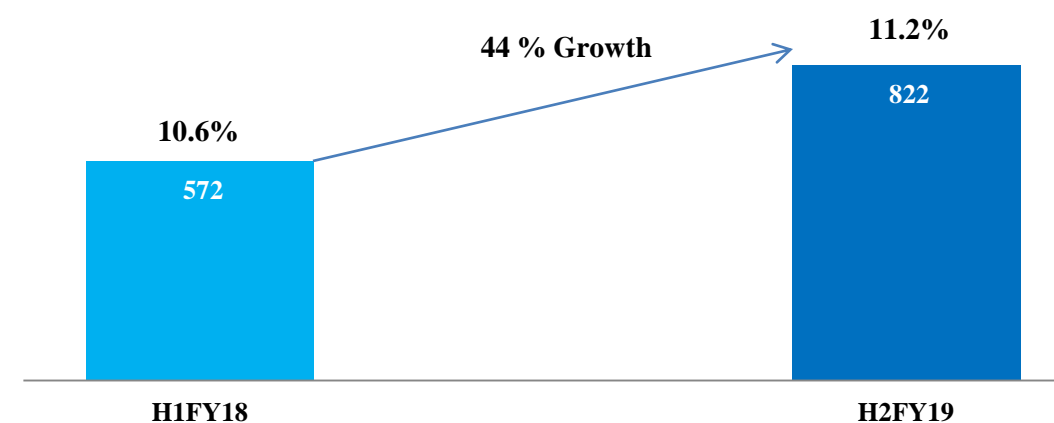
EBITDA* (Rs. Million) and Margin (%)



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



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



Financials of Subsidiaries & Consolidated Numbers



Financials of Subsidiaries & Consolidated Numbers

(Rs. million)

Subsidiaries

SPS & Trion	Q2FY19		H1FY19	
Particulars	SPS	Trion	SPS	Trion
Total Income	305	21	398	23
EBITDA	39	(11)	53	(19)
PAT	16	(25)	17	(46)

Consolidated

Particulars	Quarterly		Half Yearly	
	Q2FY19	Q2FY18	H1FY19	H1FY18
Operational Revenue	3,932	2,561	7,449	5,418
Other Income	30	12	54	22
Total Income (Net)	3,962	2,573	7,504	5,440
EBITDA *	791	461	1,496	960
Margin %	20.1%	18.0%	20.1%	17.7%
PAT	448	247	830	532

* Operational EBITDA

Balance Sheet Analysis

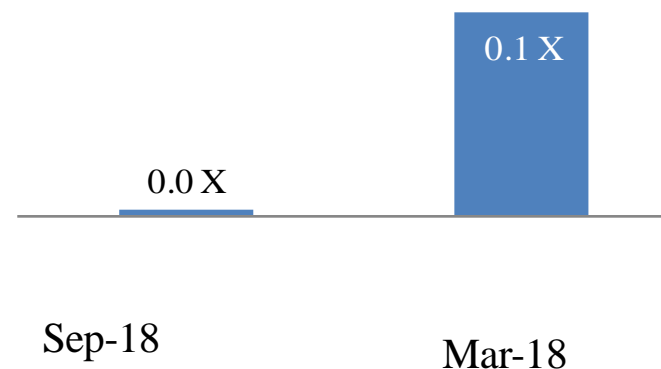


Leverage –Standalone

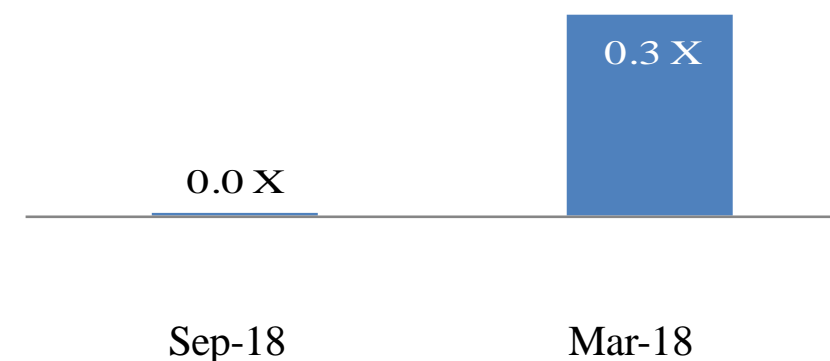
Particulars (Rs. Million)	30-Sep-18	31-Mar-18
Short Term Borrowings	207	840
Long Term Borrowings	7	8
Total Debt	214	848
Less: Cash & Cash Equivalents	197	186
Net Debt / (Net Cash)	17	662
Reduction in Debt	646	
Net Worth	7,733	7,020
EBITDA*	2,736	2,085

Bank Facility : Credit Ratings	CRISIL	India Rating
Long Term Bank Facilities	A+	A+
Short Term Bank Facilities	A1+	A1+

Total Debt / Equity (x)

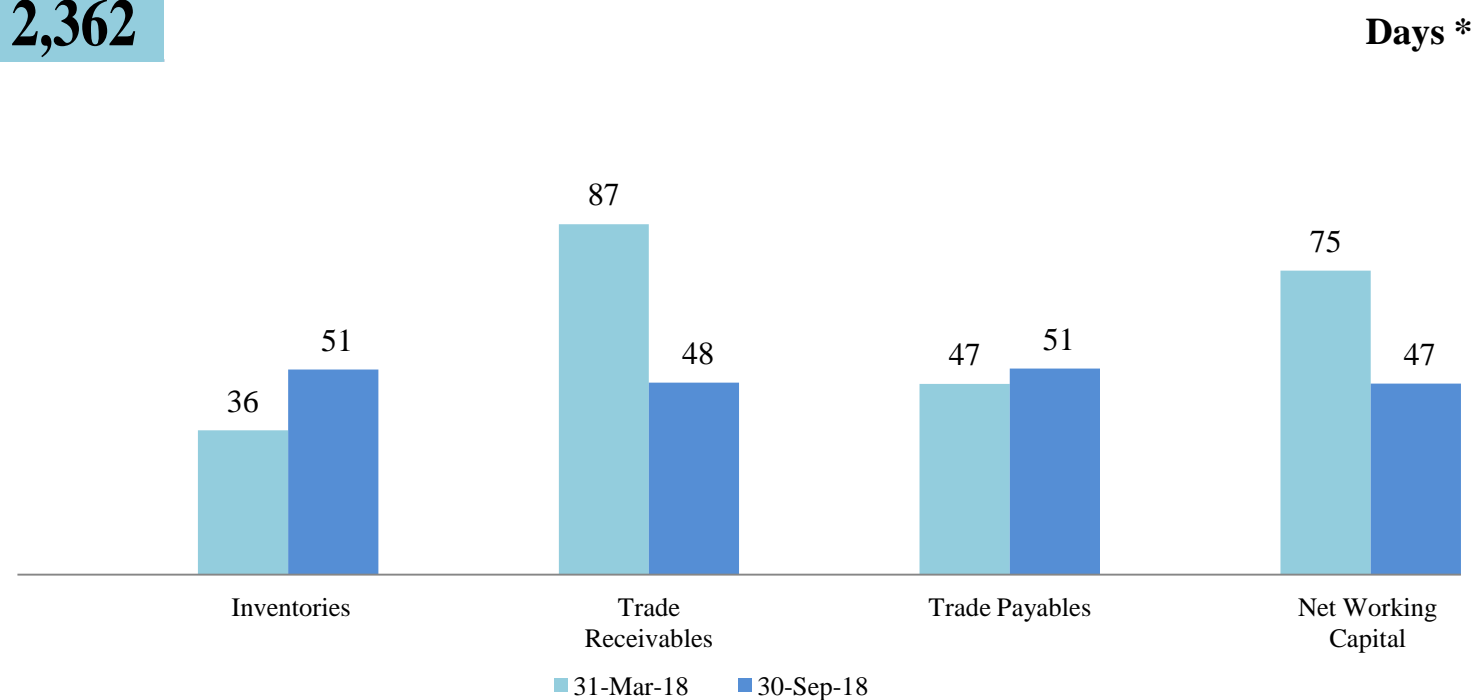


Net Debt / EBITDA* (x)



Working Capital Analysis :

	(Rs. Million)	
Working Capital	30-Sep-18	31-Mar-18
i) Inventories	2,033	1,121
ii) Trade Receivables	1,903	2,723
iii) Trade Payables	2,043	1,482
Net Working Capital (i+ii-iii)	1,893	2,362



Management Comments on Results



Management Comments on Results & Updates (1 of 2)

- During this quarter company achieved 43% growth in revenue YoY basis and increased operating profit by 250bps, operational EBITDA stand at 20.2% .
- Margins: In this quarter, the sales realisation for some of the key Dye intermediates and volume for Dyestuff have increased, which has contributed for better operating profit in comparison to previous year. We expect continuous growth in Dyestuff.
- 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.
- Capex : During H1FY19, company has made capex of Rs. 743 millions including Capital work in progress which includes Thionyl Chloride, New office building, Storage & infrastructure facility for Dyestuff, Land & maintenance capex.



Management Comments on Results (1of 2)

- Dyestuff expansion : Considering the sharp increase achieved in recently added Dyestuff capacity during the quarter, management has decided to further expand dyestuff (powder) capacity by 6000 MTPA , ahead of original schedule, at Unit-7. The estimated expansion cost is about Rs. 260 millions and we expect the same to become operational by Q1FY20. After this expansion total Dyestuff capacity (powder) of the company will be 35000MTPA .
- Thionyl chloride project : Due to death of principal technical consultant of Thionyl chloride project, we expect to commence production in Q4FY19.
- Subsidiaries: SPS posted profit for this quarter and expected to remain in profit during the year. In Trion we have started the production and expect to minimize losses.



Conference call to discuss Q2 FY 2019 results & outlook

Management will discuss results of Q2 & H1 FY2019 and Outlook on a conference call on 25 October 2018 at 4 PM India time.

The conference call dial-in numbers are:

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

Local access number: +9170456 71221

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

International toll free number:

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



Thank you



Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

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Annexures



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

(Rs. million)

Geography- wise Revenues	Q2FY2019	% Share	Q2FY2018	% Share	YoY Growth (%)
Domestic	1,950	53%	1,979	76%	-1%
Export	1,730	47%	619	24%	179%
Total	3,680	100%	2,598	100%	41.6%

Sub-Segment-wise Revenues	Q2FY2019	% Share	Q2FY2018	% Share	YoY Growth (%)
Dye Intermediates	1,822	50%	1,482	57%	23.0%
Dyestuff	1,301	35%	751	29%	73.3%
Basic Chemicals	379	10%	208	8%	82.4%
Others	176	5%	157	6%	12.4%
Total	3,680	100%	2,598	100%	41.6%

(Rs. million)

Geography- wise Revenues	H1FY19	% Share	H1FY18	% Share	YoY Growth (%)
Domestic	3,918	55%	3,861	73%	1.5%
Export	3,243	45%	1,431	27%	126.6%
Total	7,161	100%	5,292	100%	35.3%

Sub-Segment-wise Revenues	H1FY19	% Share	H1FY18	% Share	YoY Growth (%)
Dye Intermediates	3,512	49%	2,942	56%	19.4%
Dyestuff	2,379	33%	1,588	30%	49.8%
Basic Chemicals	855	12%	505	10%	69.4%
Others	413	6%	257	5%	60.9%
Total	7,161	100%	5,292	100%	35.3%

Production Quantity Metric Tons (MT)

Production MT	Q2FY19	Q2FY18	YoY (Growth)
Dyestuff	5,277	3,420	54%
Dyes Intermediates	6,031	5,403	12%
Basic Chemicals	51,522	44,672	15%
Production MT	H1FY19	Q2FY18	YoY (Growth)
Dyestuff	9,635	7,340	31%
Dyes Intermediates	12,248	10,532	16%
Basic Chemicals	101,970	91,605	11%

