



ARVIND MAFATLAL GROUP



NOCIL LIMITED

Investor Presentation

May 2018





Safe Harbor



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ARVIND MAFATLAL GROUP



NOCIL LIMITED

Financial Highlights





Strong Performance

FY18 v/s FY17

+30%

Revenue*

+66%

Operating
EBITDA

+73%

PBT

+74%

PAT

+588_{bps}

Operating
EBITDA Margins

+438_{bps}

PAT
Margins

Rs. **245**_{crs}

Net
Cash Surplus

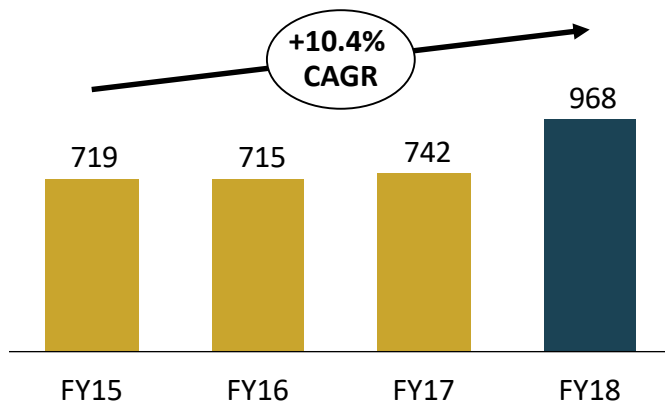




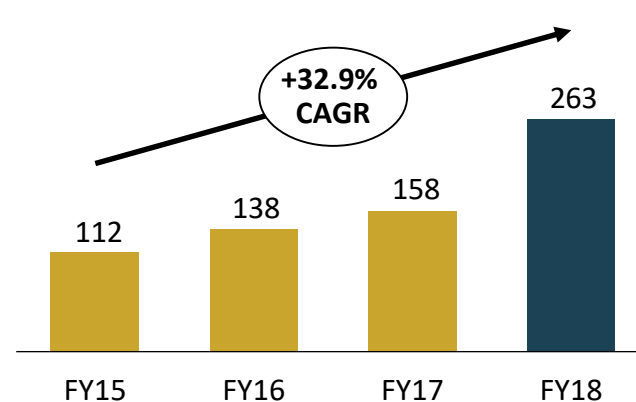
Consistent Annual Performance

Rs. In Crores

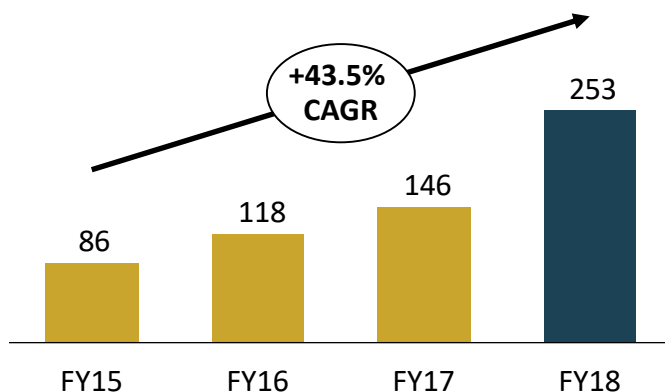
Revenue from Operations*



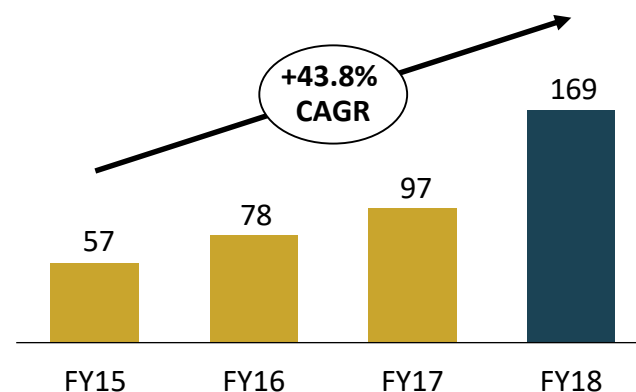
Operating EBITDA



PBT



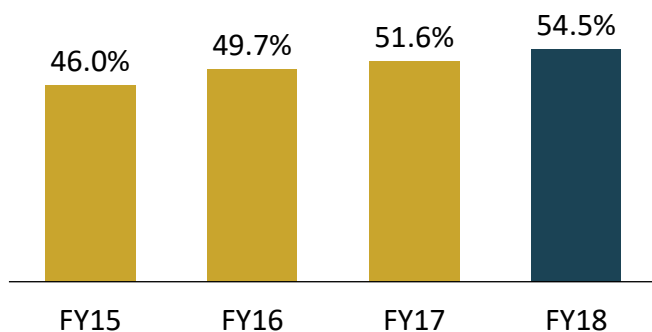
PAT**



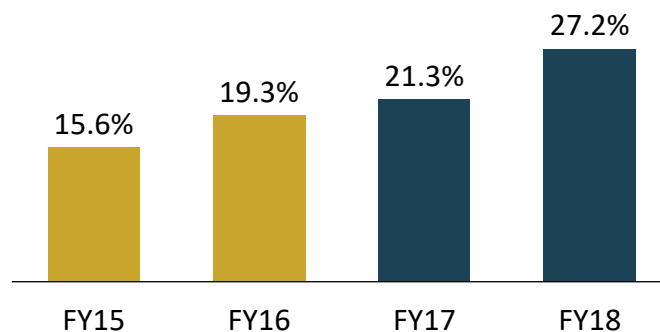


Improving Margin Trend

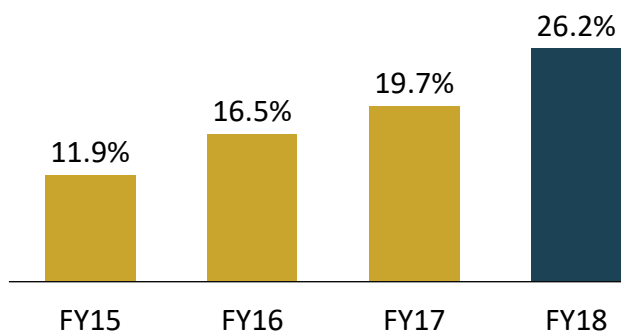
Value Addition*



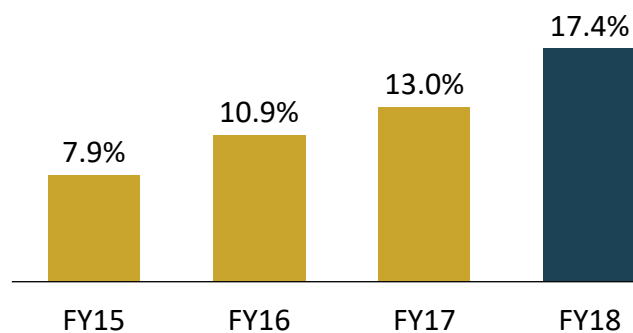
Operating EBITDA Margin



PBT Margin



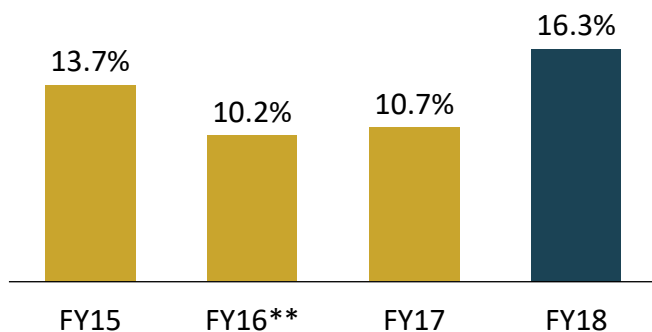
PAT Margin**



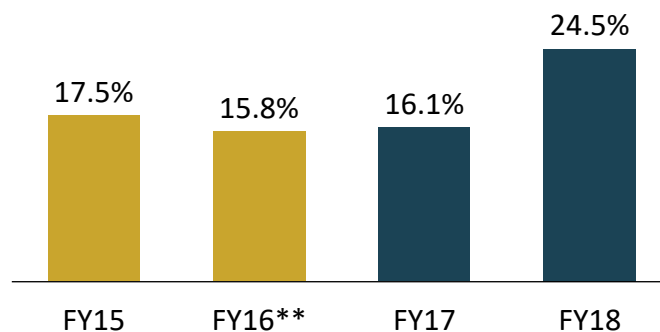


Key Performance Ratios

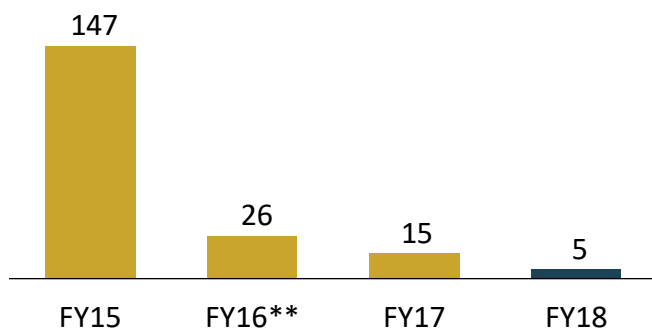
ROE



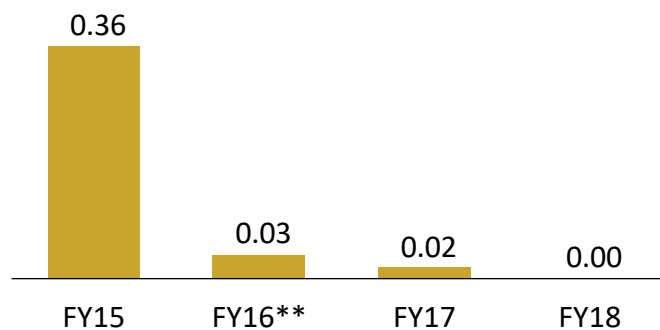
ROCE



Total Debt* (Rs. In Crores)



Total Debt / Equity (x)

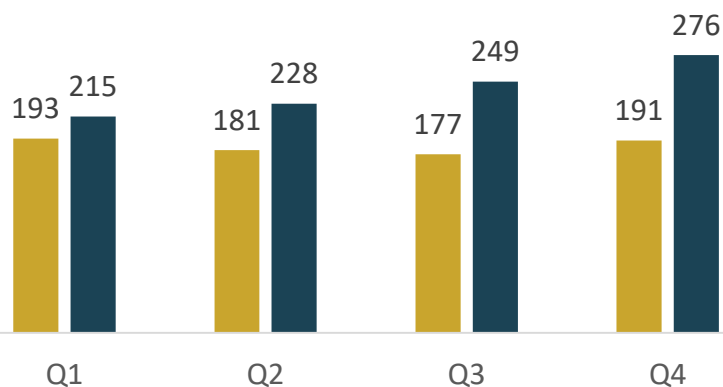




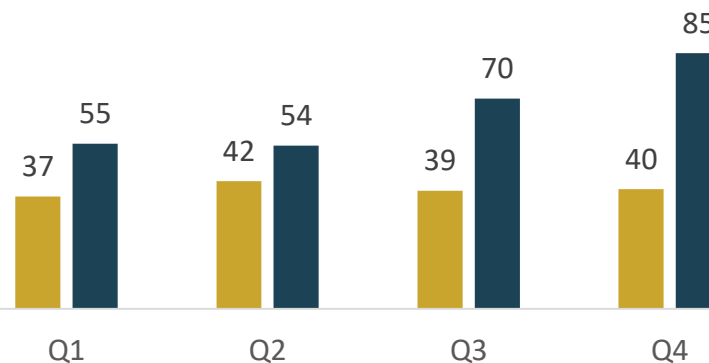
Consistent Quarterly Growth

Rs. In Crores

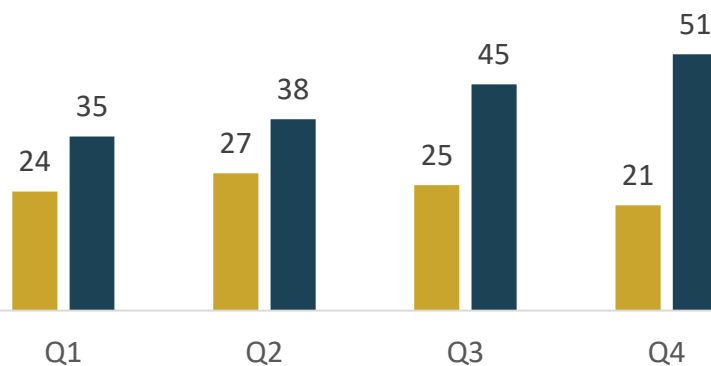
Revenue from Operations*



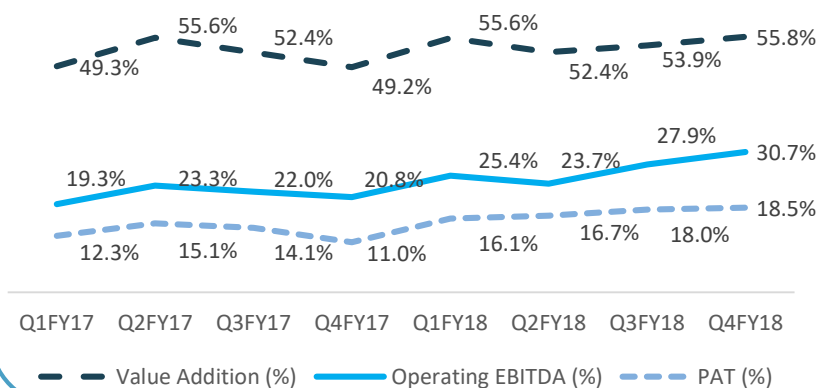
Operating EBITDA



PAT**



Margins Profile



FY17

FY18





CAPEX – Key Growth Driver

To capitalize on growth opportunities, Company has announced 3 Capex

Phase I – Rs. 170 crores

Announced in March'17

- **Phase I (a)** - Expansion at Navi Mumbai is expected to complete by Q1 FY2018-19
- **Phase I (b)** – Expansion at Dahej is expected to complete by Q3 FY2018-19

Phase II – Rs. 168 crores*

Announced in Dec'17

- For expansion of its production facilities for Rubber Chemicals (including intermediates captively consumed towards manufacture of rubber chemicals) at Dahej/Navi Mumbai
- The capex is expected to be completed during Q1 FY2019-20

Phase III – Rs. 87 crores*

Announced in Jan'18

- For expansion of its production facilities for Rubber Chemicals at Dahej/Navi Mumbai
- The capex is expected to be completed during H1 FY2019-20

Total Capex of Rs. 425 crores (incl. all 3 Phases) - Significant portion will be funded by Internal Accruals

Expansion is expected to give an Asset Turnover of 2X





ARVIND MAFATLAL GROUP



NOCIL LIMITED

Company Overview





ARVIND MAFATLAL GROUP

NOCIL in a Snapshot



NOCIL LIMITED

Part of Arvind Mafatlal Group

Largest Rubber Chemicals Manufacturer in India

Expertise in Rubber Chemical Business over 4 decades

State of the Art, Innovative, Sustainable & Competitive Technologies

Wide range of Rubber Chemicals to suit customer needs

Long Term Business Relationships with Tyre Majors

Strong Marketing & Distribution Service Network

Certified for Quality and Health/Safety/Environment.

Environment Friendly Processes

“Awarded Responsible Care Logo by Indian Chemical Council”





Management Team

Mr. Hrishikesh . A. Mafatlal – Promoter & Chairman

- Executive Chairman and Promoter Director of NOCIL Ltd
- B.Com. (Hons.) & has attended the Advanced Management Programme at the Harvard Business School, USA

Mr. S. R. Deo – Managing Director

- M. Tech. in Chemical Engineering from IIT Kanpur
- Associated with the company for nearly 39 years in various technical capacities

Mr. R. M. Gadgil – President - Marketing

- B Tech in Chemical Engineering from IIT Mumbai
- Associated with the Company in various marketing capacities for nearly 36 years

Mr. P. Srinivasan – Chief Financial Officer

- Chartered Accountant with over 29 years of experience
- Associated with the Company since 2005

Dr. Chinmoy Nandi – Vice President (Research & Development)

- Post Graduate & Ph.D. in Science
- Associated with the company for nearly 34 years in various R&D capacities

Dr. Narendra Gangal – Vice President (QA, Analytical & Outsourced Research)

- Ph.D. in Analytical Chemistry with 26 years of experience
- Associated with the company since 2007

Mr. Rajendra Desai – Vice President (Operations, Corporate HR & Personnel)

- Chemical Engineer with Diploma in Management Studies
- Associated with the company for nearly 33 years





Manufacturing facilities

Navi Mumbai Plant

Set up in 1976

Located in Trans-Thane Creek industrial area at Navi Mumbai, Thane - Belapur's industrial zone designated for the chemical industry, about 40 kms away from Mumbai

State-of-the-art technology for the manufacture of the entire range of Rubber Chemicals for Tyre & other Rubber Products



Dahej Plant

Commercialized operation in March 2013

Located about 45 kms from Bharuch, Gujarat

Location has synergistic Chemicals & Petrochemicals industry and excellent connectivity with Dahej & Hazira Port

Fully automated continuous process plant developed completely with in-house technology





Products & their Usage

1

ACCELERATORS

Increase the speed of vulcanization to improve productivity

2

ANTI-DEGRADANTS/ ANTI-OXIDANTS

An ingredient in rubber compounds which deters the ageing or inhibits degradation due to oxygen attack of rubber products thereby enhancing service life

3

PRE VULCANIZATION INHIBITOR

Prevents premature vulcanization of synthetic & natural rubbers during processing thus reducing scrap

4

POST VULCANIZATION STABILIZER

Improves Thermal Stability of cross links in rubber products

One Stop Shop with Wide Range to suit Market Requirements





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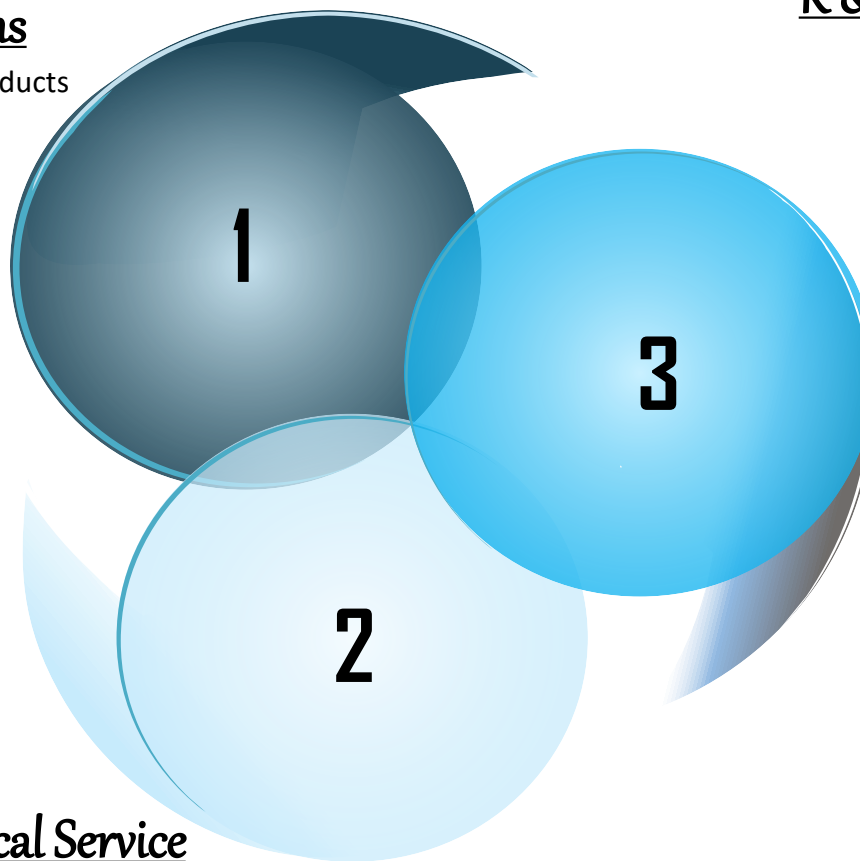


NOCIL LIMITED

Our Value Proposition

Products & Product Forms

- Wide Range of Rubber Chemical Products
- Varied Product Forms



R & D and Quality Assurance

- Experienced, capable & innovative team of R & D scientists.
- Ultra Modern Laboratories & Pilot Plant Facilities
- Latest Analytical Instruments



Sales, Marketing & Technical Service

- Market Responsive Approach
- Strong MTS Team to offer Technical Services

Long Term Relationships with Customers over 40 Countries



Responsible Care®



R&D and Total Quality Management

Research & Technology Development

- NOCIL's Research Centre is recognized by Ministry of Science and Technology, Government of India
- Key Areas Focussed upon
 - Process Development, scale up, commercial implementation
 - Environmental strategies for sustainable growth
 - Research initiatives as per customers' perceived needs



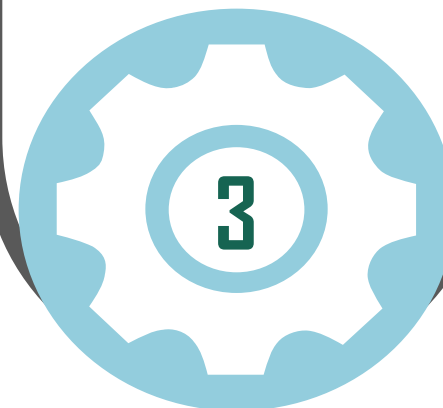
Quality Assurance

- Quality Management System with a focus on Quality of Raw materials, Finished Products as well as in Process Sample Analysis
- The Quality Control Laboratory operates round the clock and is equipped with the latest Analytical Instruments & Equipment's



Certifications

- ISO 9001:2008
- ISO 14001:2004
- BS OHSAS 18001:2007
- ISO/IEC 17025:2005
- ISO/TS16949:2009
- IATF
- NABL
- Responsible Care by Indian Chemical Council





ARVIND MAFATLAL GROUP



NOCIL LIMITED

Industry Potential

Our Positioning



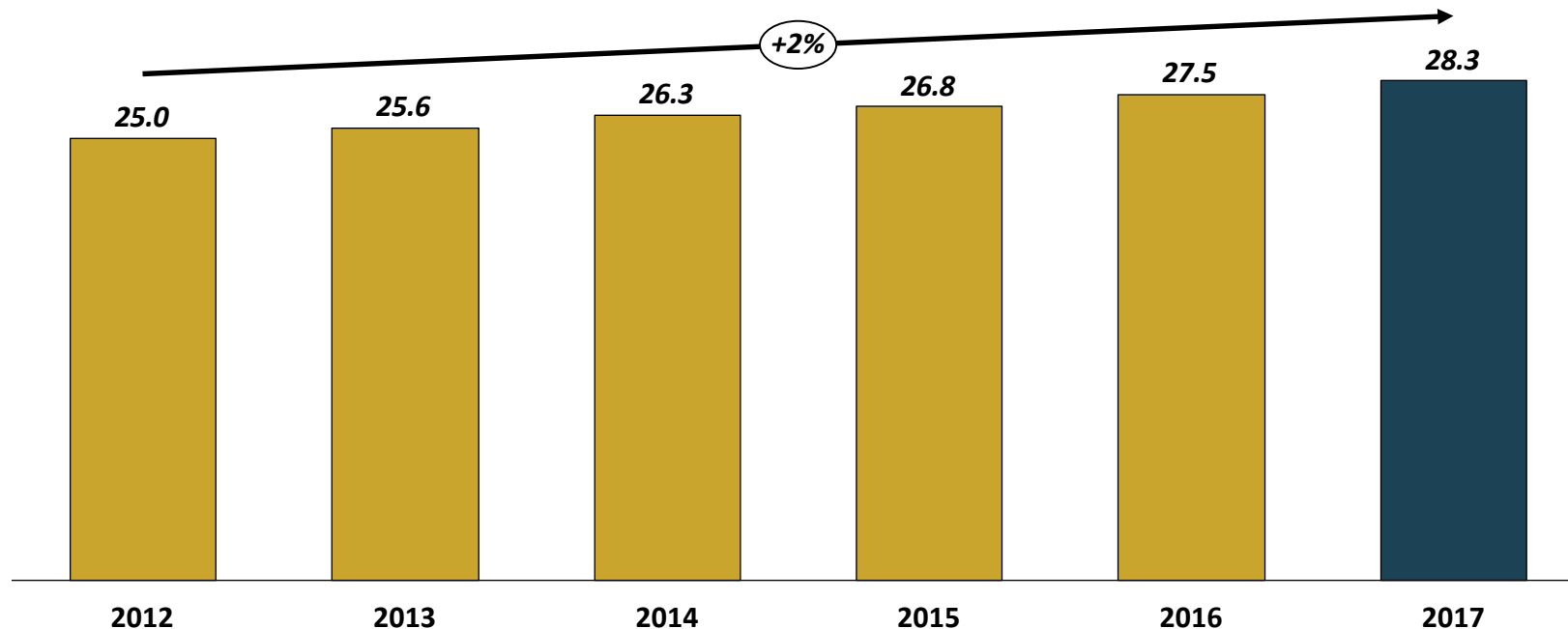


Positive Outlook



Global Rubber Consumption (Natural + Synthetic)

Million MT



Rubber Chemicals constitute ~3% - ~4% of the Rubber Consumption





Growth Drivers

01



High performance tyres & extended life, Automotive & Industrial products will increase rubber processing chemical loadings

02



Increased environmental compliance in China

03



Rising Income levels & increase in Motor vehicle ownership rates, especially in developing nations would need additional consumption of rubber processing chemicals

04



Global demand for rubber processing chemicals continue to forecasted to grow around 4% - 5% for next 10 years





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NOCIL LIMITED

FUTURE Ready



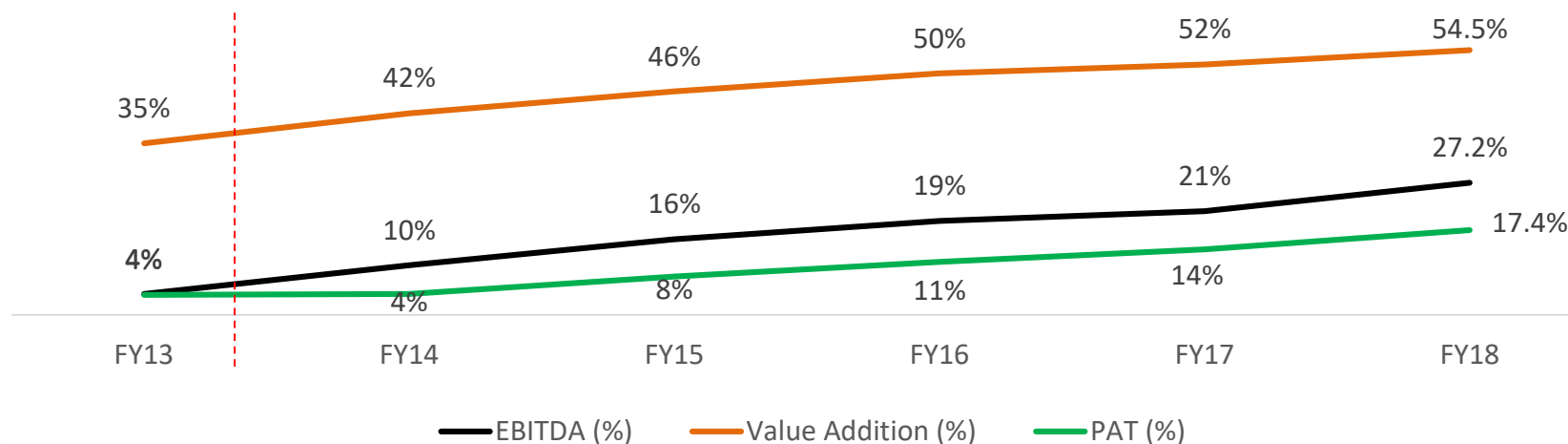


Dahej Plant – A Game Changer

- ✓ Strong R&D Capabilities
 - **Process R&D** : Significant reduction in cost of production
 - **Product R&D** : Strong pipeline of new products
- ✓ State of the art in-house technology with focused attention on environmental issue , resulting into significant cost reduction and highest long term sustainability
- ✓ Strong position in High-value added products
- ✓ Operating Leverage playing out
- ✓ Further scope of multiple expansion possible at Dahej

Overall Improvement in Margin Profile of the Company

Dahej plant established



Financials are on Standalone basis and FY17 and FY18 are as per Ind AS





Key Strengths





ARVIND MAFATLAL GROUP



NOCIL LIMITED

Financials





Statement of Profit & Loss - Quarterly



Particulars (Rs. In Crores)	Q4 FY18	Q4 FY17
Revenue from Operations*	276	191
Cost of Material Consumed	120	87
Purchase of Stock-in-trade	1	1
Changes in Inventories	1	10
Value Addition**	154	94
Value Addition (%)	55.8%	49.2%
Employee Expenses	17	14
Other Operating Expenses	52	40
EBITDA	85	40
EBITDA (%)	30.7%	20.8%
Other Income	3	2
Depreciation	11	8
EBIT	77	33
EBIT (%)	27.8%	17.5%
Interest	0	0
Profit Before Tax	76	33
Tax	25	12
Net Profit	51	21
Net Profit (%)	18.47%	10.96%
Other Comprehensive Income	-6	22
Total Comprehensive Income	45	43
EPS	3.10	1.28

Revenue from operations is net of GST/Excise duty **Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories
Financials are on Standalone basis and as per Ind AS





Statement of Profit & Loss - Annually



Particulars (Rs. In Crores)	FY18	FY17
Revenue from Operations*	968	742
Cost of Material Consumed	444	330
Purchase of Stock-in-trade	3	3
Changes in Inventories	-7	26
Value Addition**	527	383
Value Addition (%)	54.5%	51.6%
Employee Expenses	67	61
Other Operating Expenses	197	164
EBITDA	263	158
EBITDA (%)	27.2%	21.3%
Other Income	14	9
Depreciation	23	19
EBIT	254	148
EBIT (%)	26.3%	20.0%
Interest	1	2
Profit Before Tax	253	146
Tax	84	49
Net Profit	169	97
Net Profit (%)	17.4%	13.1%
Other Comprehensive Income	-7	63
Total Comprehensive Income	161	160
EPS	10.27	5.98

Revenue from operations is net of GST/Excise duty **Revenue (-) cost of raw materials consumed (-) cost of traded goods (-) change in inventories
Financials are on Standalone basis and as per Ind AS





Balance Sheet



Particulars (Rs. In Crores)	March'18	March'17
ASSETS		
Non-Current Assets	652	741
Property, Plant and Equipment	499	514
Capital work-in-progress	39	3
Investment Property	0	1
Intangible Assets	3	4
Investment in Subsidiary		
Financial Assets	25	25
(i) Investments in Wholly owned subsidiary	52	176
(ii) Other Investments	4	4
(ii) Other financial assets	4	6
Non-current tax assets	25	9
Current Assets	680	407
Inventories	155	114
Financial Assets		
(i) Investments	225	0
(ii) Trade receivables	243	167
(iii) Cash and cash equivalents	24	105
(iv) Other bank balances other than cash and cash equivalents	4	8
(v) Other Financial Assets	0	1
Other Current Assets	30	12
TOTAL	1,332	1,148

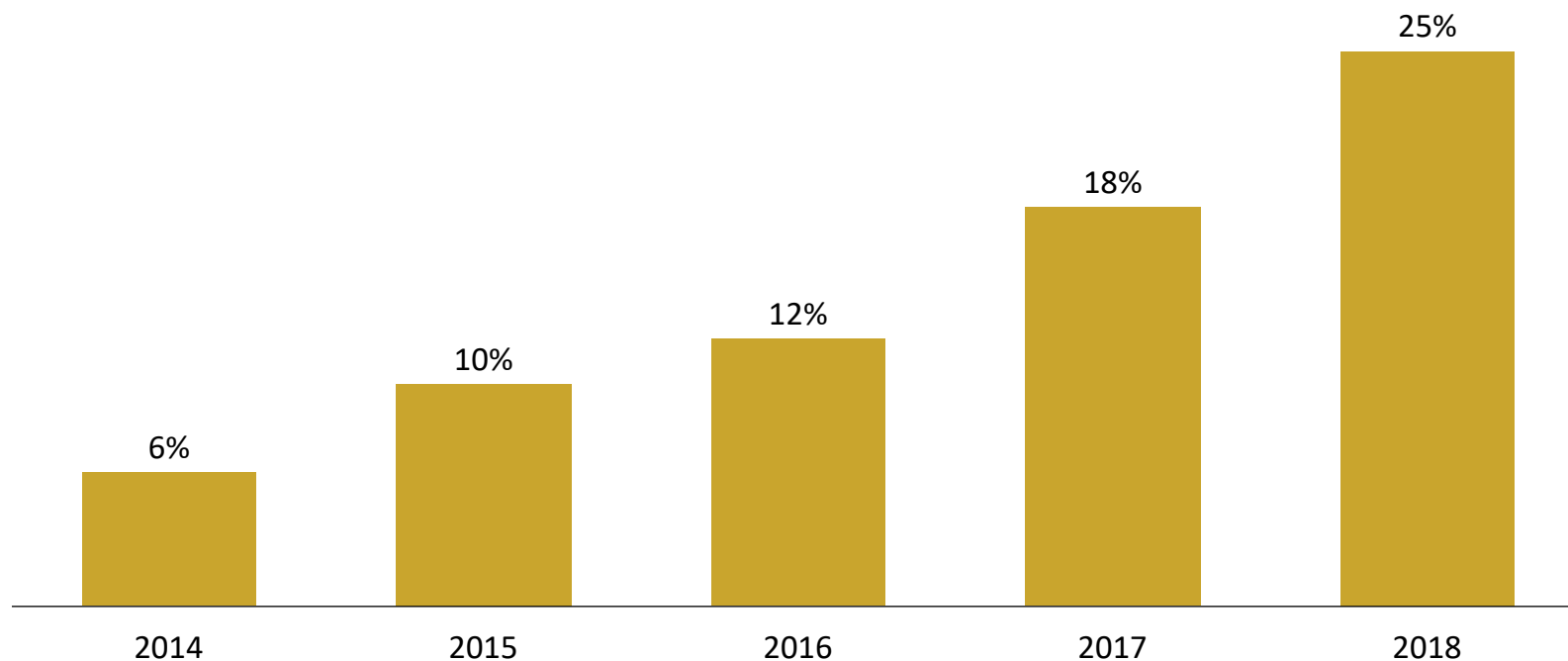
Particulars (Rs. In Crores)	March'18	March'17
EQUITY AND LIABILITIES		
EQUITY	1,037	905
Equity Share Capital	164	164
Other Equity	873	741
Non-Current Liabilities	116	124
Financial Liabilities		
(i) Borrowings	-	5
Provisions	15	16
Deferred Tax Liabilities (Net)	100	103
Other non-current liabilities	0	0
Current Liabilities	179	119
Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables	114	81
(iii) Other Financial Liabilities	37	26
Other Current Liabilities	21	8
Provisions	4	4
Current Tax Liabilities (Net)	3	0
TOTAL	1,332	1,148





Consistent Dividend Record

As % of Face Value (Rs. 10)



FY18 dividend of Rs. 2.50 per share is pending for the approval by the shareholders at the Annual General Meeting





For further information, please contact:

Company :

NOCIL Ltd.

CIN: L99999MH1961PLC012003

Mr. P. Srinivasan - CFO

finance@nocil.com

www.nocil.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Neha Shroff

payal.dave@sgapl.net / neha.shroff@sgapl.net

+91 9819916314 / +91 7738073466

www.sgapl.net

