



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

Corporate Presentation
May 2019

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

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Company Profile



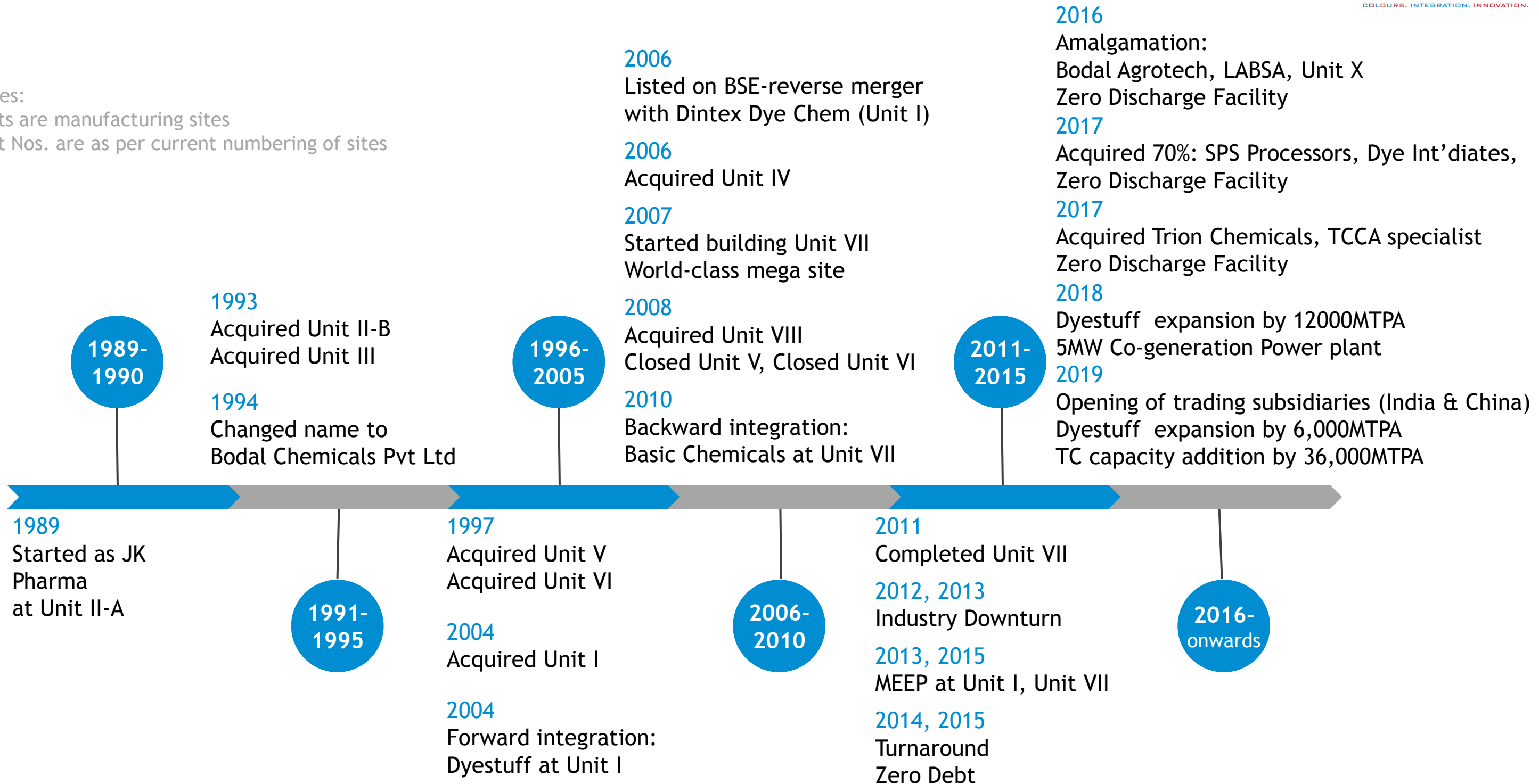
- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first generation entrepreneur.
- Bodal is today one of the globally leading, integrated Dyestuff companies from India.
- Company commenced its operations by setting up a small Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat).
- At present there 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.
- Company has four operating subsidiaries: (1.) S P S Processors Pvt. Ltd. (SPS), (2.) Trion Chemicals Pvt. Ltd. (TCPL), (3.) Bodal Chemicals Trading Private Limited and (4.) Bodal Chemicals Trading (Shijiazhuang) Co. Ltd
- Market capitalization is Rs.14.18 billion (24-05-19). Promoters own 58.3%

Bodal- Milestones

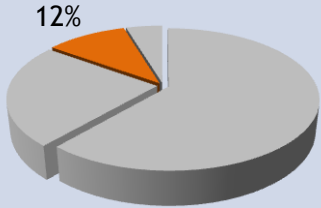
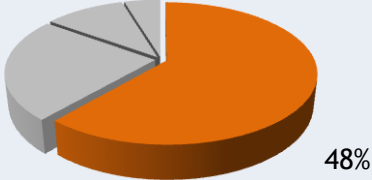
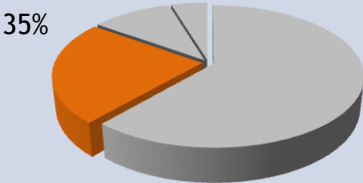
Notes:

Units are manufacturing sites

Unit Nos. are as per current numbering of sites



Manufacturing Capacities

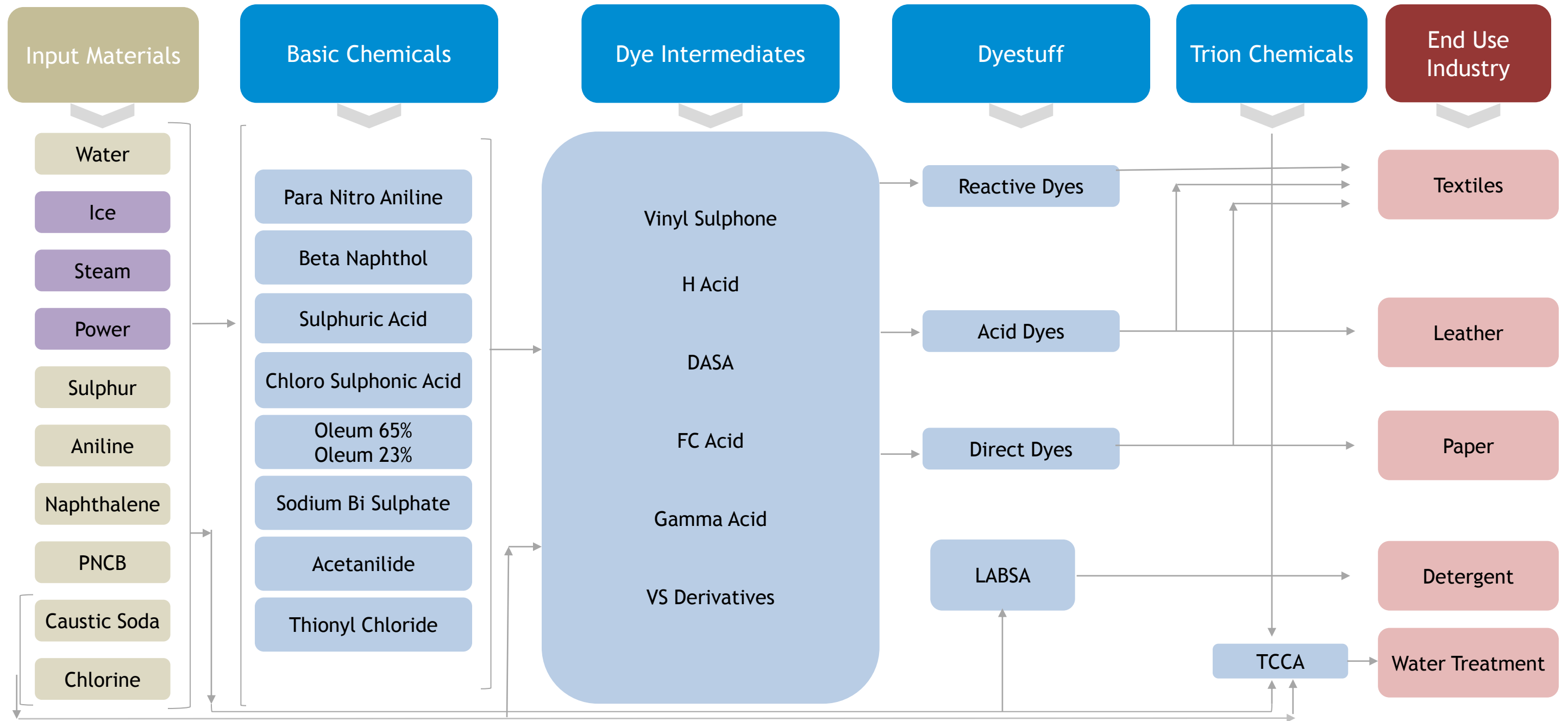
	Contribution (% Revenue, FY19)	Annual Capacity & % Utilization, FY19	Highlights
Basic Chemicals		226,000 MT* 99%	- Captive Power Plant and Steam generation - Centrally located, latest upgraded manufacturing facilities - Produces about 12 products
Dye Intermediates		33,000 MT** 72%	- Advance technology MEEP for effluent treatment with capacity, of 5 lakhs liters/day - Produces about 25 products
Dyestuff		35,000 MT*** 64%	- Range of Reactive, Acid & Direct dyes that are used in Textile, leather & paper industries respectively - Permission for treated effluent disposal of 1 million liters/day - Advanced technology Effluent Treatment Plant (Brine treatment) - Produces about 175 products

Notes: (1.) *Thionyl Chloride capacity of 36,000 MTPA added in March-2019. (2.) ** Includes SPS existing Capacity. (3.) ***Dyestuff capacity of 6,000 MTPA added in March-2019. Dyestuff capacity refers to Powder Form. (4.) Vinyl Sulphone capacity of 6,000 MTPA will be added in SPS

Bodal is keenly investing for sustained growth

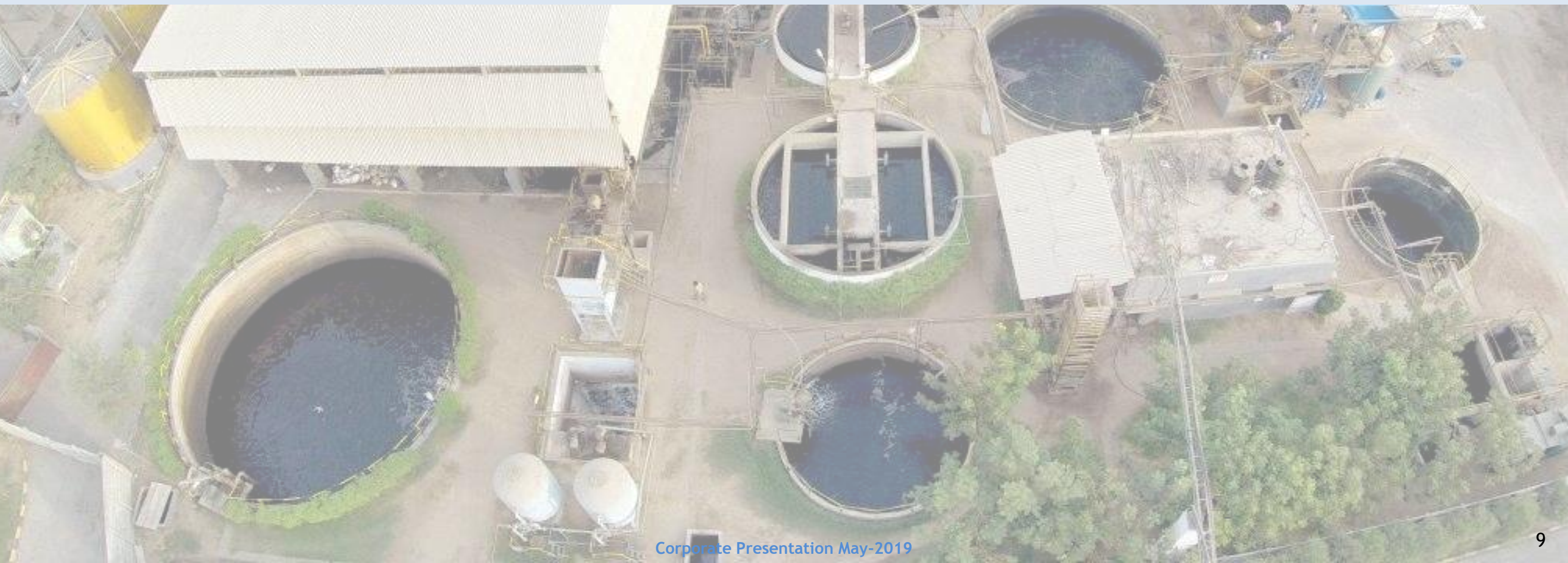
Integrated Business Model

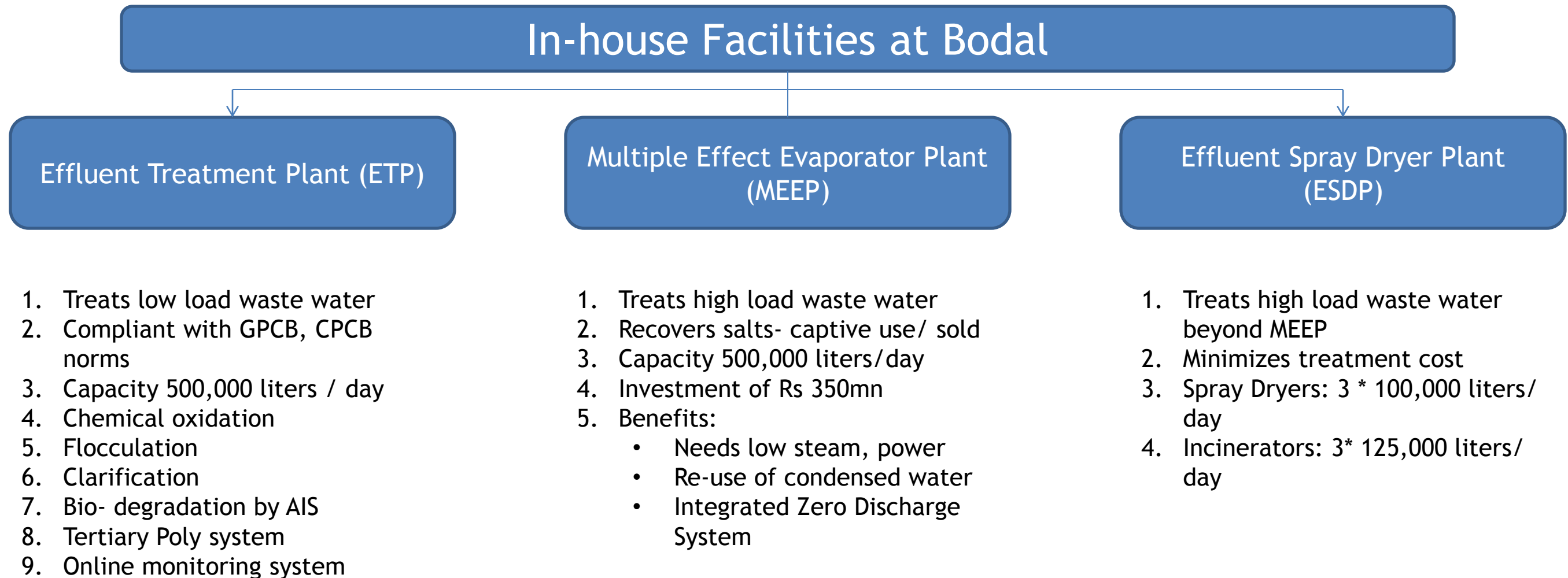
Input Materials - part/full in-house
 Input Materials - external
 Bodal Chemicals Products
 End use industries



About 45% of Basic Chemicals and Dye Intermediates are captively used

Environmental Facilities





Note: AIS is Advent Integrated System, Advent Corporation, USA

Environment and safety are high priority for Bodal and key to sustainable growth

Environmental Facilities at different plants



Bodal Chemicals Ltd.
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Plant	Location	Zero Waste Discharge Site (Solid + Liquid + Air)	Effluent Treatment Plant (ETP)	Common Effluent Treatment Plant, (CETP, at GIDC)	Multiple Effect Evaporator (MEEP)	Effluent Spray Dryer Plant (ESDP)	Solid Waste Incinerator Plant	Treated Effluent Discharge Access VECL Cala Lit./Day
Unit I	Ahmedabad	-	✓	✓	✓	✓	✓	-
Unit II	Ahmedabad	-	✓	✓	-	-	-	-
Unit III	Ahmedabad	-	✓	✓	-	-	-	-
Unit IV	Ahmedabad	-	✓	✓	-	-	-	-
Unit VII	Vadodara	-	✓	-	✓	✓	✓	949,000
Unit VIII	Vadodara	-	✓	-	✓	✓	✓	23,800
Unit IX	Vadodara	✓	✓	-	-	-	-	-
Unit X	Vadodara	✓	✓	-	-	-	-	-
SPS Processors	Kosi, UP	✓	✓	-	-	-	-	-
Trion Chemicals	Khambhat	✓	✓	-	-	-	-	-

Note: VECL- Vadodara Enviro Channel Limited

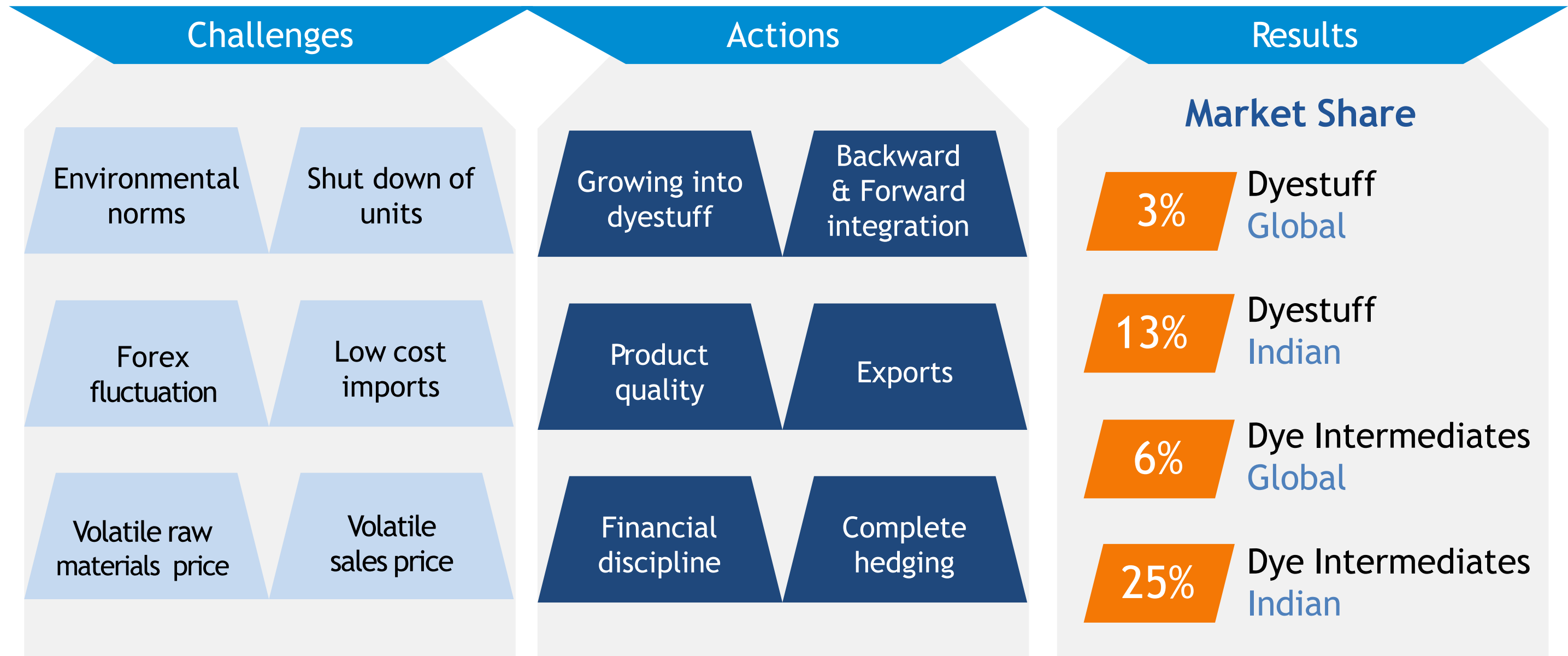
Environment First is one of the key policies of Bodal Chemicals

Advantage Bodal



- Strong and experienced management team with continuous focus on growth and increase in shareholder's value
- Strong customer relationship across the globe
- Integrated business model leading to cost competitiveness and protection against commodity cycle
- Successful and consistent track record of organic and inorganic growth
- Well- equipped production facilities and laboratories. Strict quality adherence and continuous investment into R&D
- Strict environmental compliance with in house ETP and MEEP plants
- Presence in multiple countries minimizing country specific risks. And significant share of revenues coming from exports

Sustainability of profit and growth ensured



Consistent growth that we are proud of

Customer Relationship

Domestic Customers



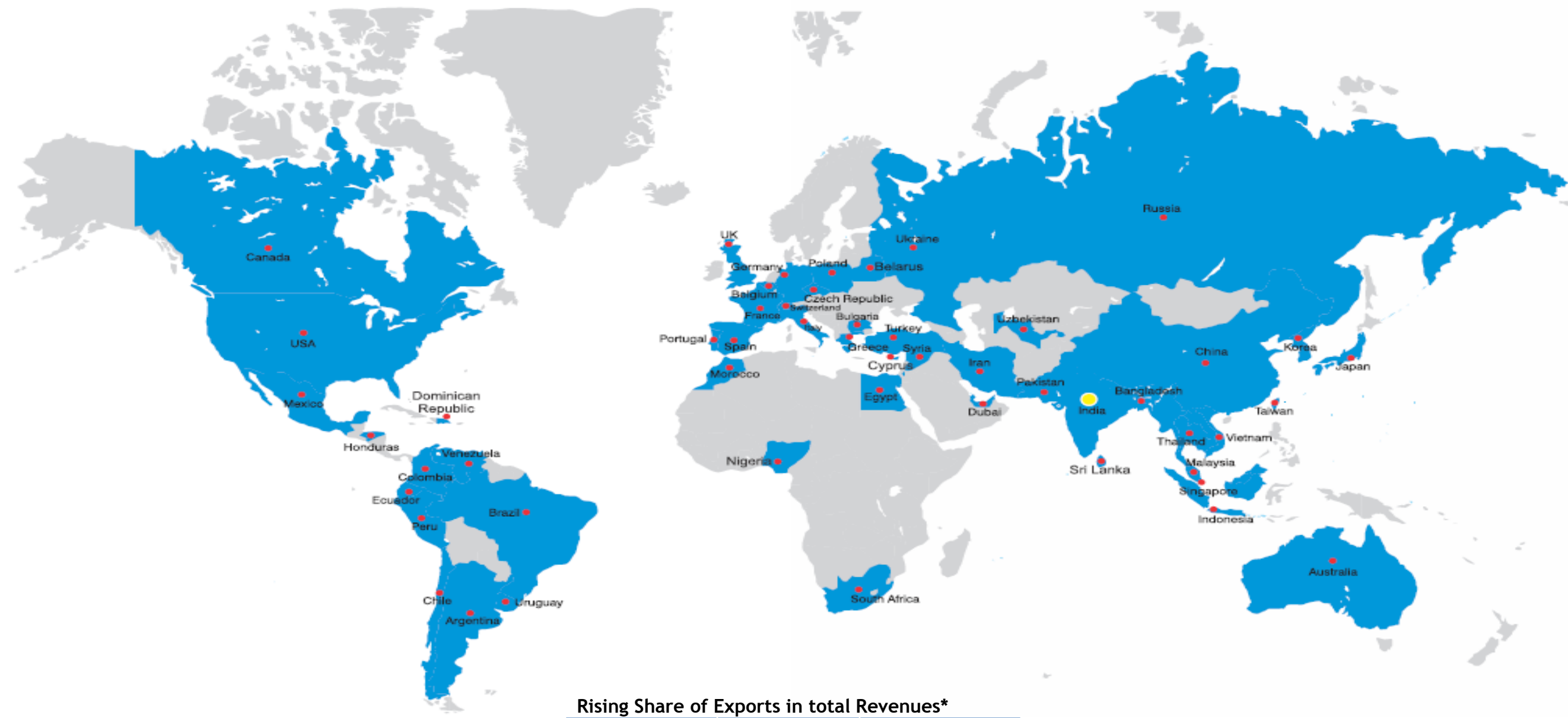
International Customers



Unidye S.A.



Strong long term Relationships with top Domestic and International Customers



Rising Share of Exports in total Revenues*		
FY17	FY18	FY19
29.5%	30.2%	43.9%

Bodal Exports ~45% of its sales to 150+ customers in 45+ countries

* Note: Revenues are Standalone

Expansions and Acquisition

Towards next phase of growth



Next phase of growth towards more integrated business model and higher profitability

Expansions and Acquisition

- Bodal Chemicals Ltd (Bodal) is proud to announce its next phase of growth towards more integration of business model, diversification into new products, and addition of marketing base.
- The board of directors of the company has approved diversification into Chlor Alkali plant (~300TPD) with captive power plant of ~38MW and expansion of Sulphuric Acid plant (~1,000TPD) at Saykha GIDC, near Dahej.
- The board also approved expansion of Dyestuff capacity (~19,200 MTPA) at Padra, Vadodara and setup of Turquoise Blue capacity (~4,800 MTPA) at Ahmedabad and acquisition of ~80% stake in Turkish LLP named Sener Boya which will be our marketing base for Turkey and surrounding markets.
- Chlor Alkali plant will produce Caustic Soda Flakes, Caustic Soda Lye, Chlorine and Hydrogen. It will further strengthen our integration model as around ~35% of Caustic Soda Flakes & Caustic Soda Lyes and ~55% of Chlorine will be used in house. As a part of our business strategy we will further integrate these products gradually.
- Sulphuric Acid is the biggest chemical globally which has application in dye intermediates, fertilizers, pharmaceuticals, alumina and textiles etc. industries. Further this plant will integrate our Chlor Alkali business.
- We will be expanding our present Dyestuff capacity (including various shades which are high value products) to meet higher demand globally. We are setting up plant of Turquoise Blue which is niche product and has good demand & higher margins.
- Marketing base at Turkey will lead to higher dyestuff revenues and exports, strengthen our global marketing capabilities and increase profitability due to increase in B2C & local sales at Turkey and surrounding countries.

Gearing up for big jump in revenues, profits, net worth and stakeholder's value

- Bodal has zero long term debt and strong balance-sheet with excellent track record both in financial performance & execution of projects. It has great potential to grow from the current levels so its seizing the excellent business opportunities available in the markets which will further strengthen its leadership position in the global Dyestuffs market.
- We are moving towards a fully integrated global dyestuffs company with consistency in margins and profitability. In next 5 years, we expect our consolidated revenues, EBITDA, PBT , PAT and Cash profit to grow as below:

	FY19		in next five years
Revenues	~Rs 14.3bn	~ about 2.0 times	~Rs 29bn
EBITDA	~Rs 2.5bn	~ about 2.6 times	~Rs 6.6bn
PBT	~Rs 2.2bn	~ about 2.1 times	~Rs 4.6bn
PAT	~Rs 1.4bn	~ about 2.1 times	~Rs 3.0bn
Cash profit	~Rs 1.8bn	~ about 2.3 times	~Rs 4.0bn

Expansions and Acquisition of these projects to lead Bodal to new heights in next five years

- Total financial outlay for Chlor Alkali, Suphuric Acid and Dyestuff projects will be about Rs 11.7bn (net of GST) over a period of ~36 months. Total acquisition cost of Sener Boya will be ~Rs 320mn. We have already purchased the land at Saykha GIDC, Bharuch, Gujarat.
- These projects will be funded by internal accruals of about Rs 3.3bn over 36 months, net debt of about Rs 7.0bn, and Rs 1.7bn equity funding by promoters and non promoters. The promoters are having full confidence in these projects due to which they are bringing their own equity by way of preferential allotment.
- Even after the implementation of these projects and growth in our PAT of about 2 times in next five years, our balance sheet will remain strong. Below are expected consolidated balance sheet parameters:

	FY19		at the end of five years
Net Worth	~Rs 8.3bn	—————→	~Rs 20bn
Net Debt/Equity	~0.2x	—————→	~0.3x
Net Debt/EBITDA	~0.5x	—————→	~0.8x

With strict financial discipline, balance sheet will remain strong

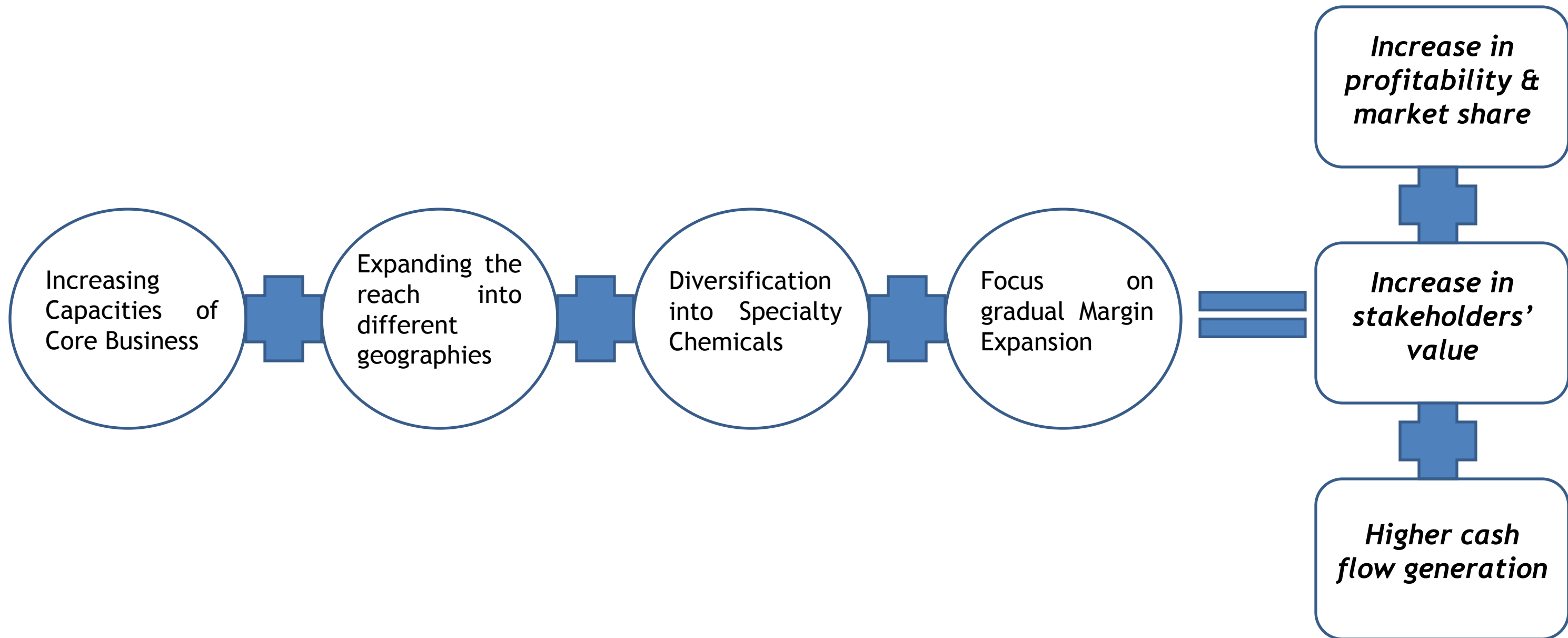
The Way Forward

Poised for strong growth in coming years



Thriving for increase in profitability and market share

Bodal on Strong Growth Trajectory



Continuous efforts to make higher integrated business model

1. Dyestuff: As part of the expansion plan, the company continues to expand the Dyestuff business. Last year added 12,000 MTPA and recently expanded by 6,000MTPA. It will be further adding Dyestuff capacity of 24,000MTPA over next ~36 months. Share of Dyestuff in total revenues will increase going ahead.
2. Dye Intermediate: Adding VS capacity at SPS. Addition of VS plant should turn SPS profitable and it is expected to contribute to the growth in the coming years.
3. Trion Chemicals (TCPL): Gradual improvement in business with expected break even by FY20E and should contribute to growth in coming years.
4. Promoter's continuous focus on integrated business model including plans to foray into Specialty Chemicals.

Key drivers in place to lead Bodal to new heights in coming years

5. Opening up of subsidiaries in key geographies for the company. Bodal Chemicals has already opened trading subsidiaries in India and China. The company recently announced acquiring ~80% stake in Turkish LLP named Sener Boya which will be marketing base for Turkey and surrounding countries.
6. Gradual margins expansion due to:
 - ❑ Further integration of business with more captive consumption of Dye Intermediates and Basic Chemicals
 - ❑ Utilization of Thryniol Chloride (TC) Plant of 36,000 MTPA at Unit VII, a forward integration for sulphuric acid and backward integration for Vinyl sulphone
 - ❑ Optimum utilization of co-generation power plant will lead to substantial saving in power & fuel costs going ahead
 - ❑ Gradually increasing share of B2C in Dyestuff across the world
7. Strict financial discipline to ensure consistent returns and leverage ratios

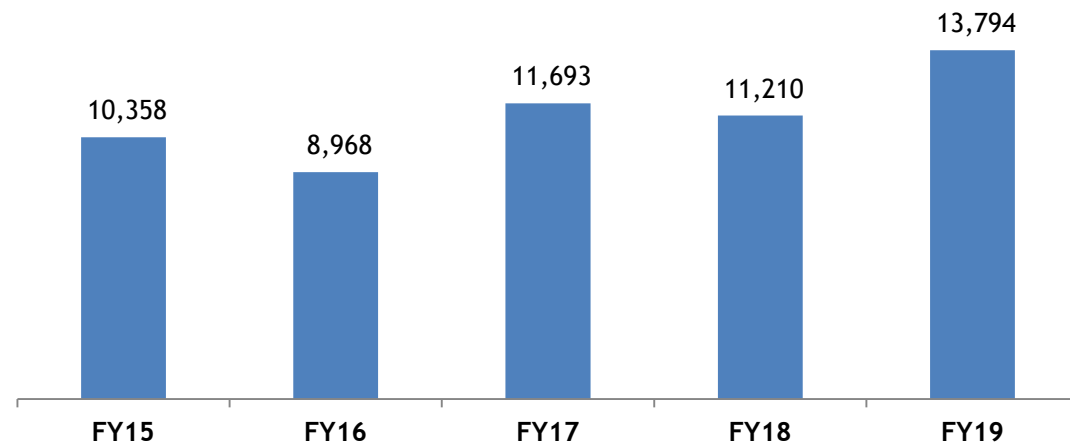
Gradual expansion in margins to increase profitability

Financial Performance



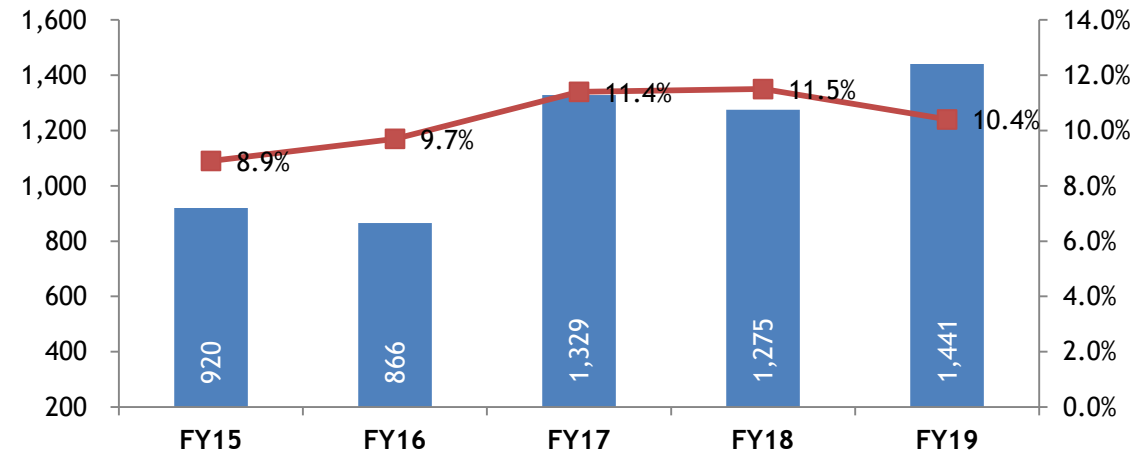
Net Sales

Net Sales (Rs mn)



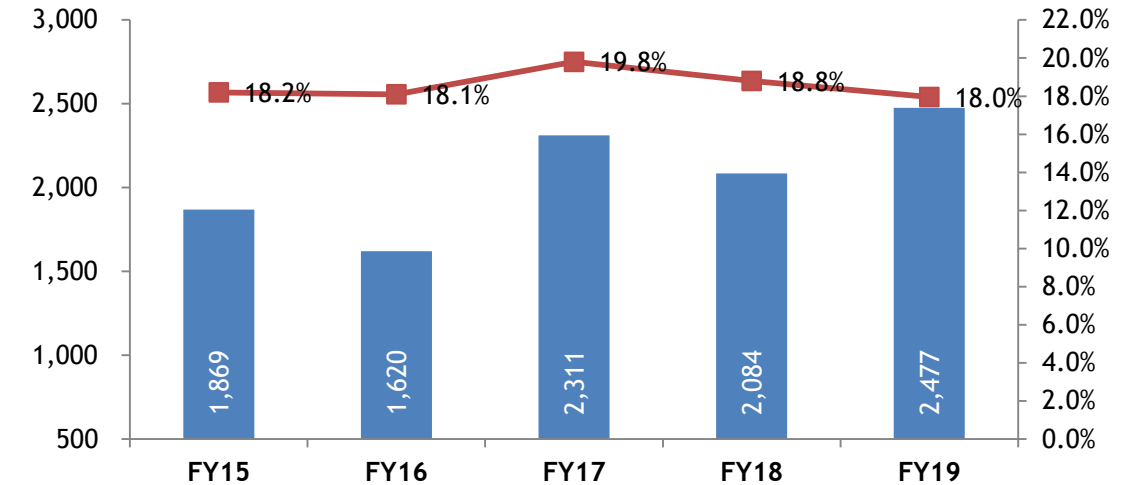
PAT and PAT Margins

PAT (Rs mn) PAT Margin (%)



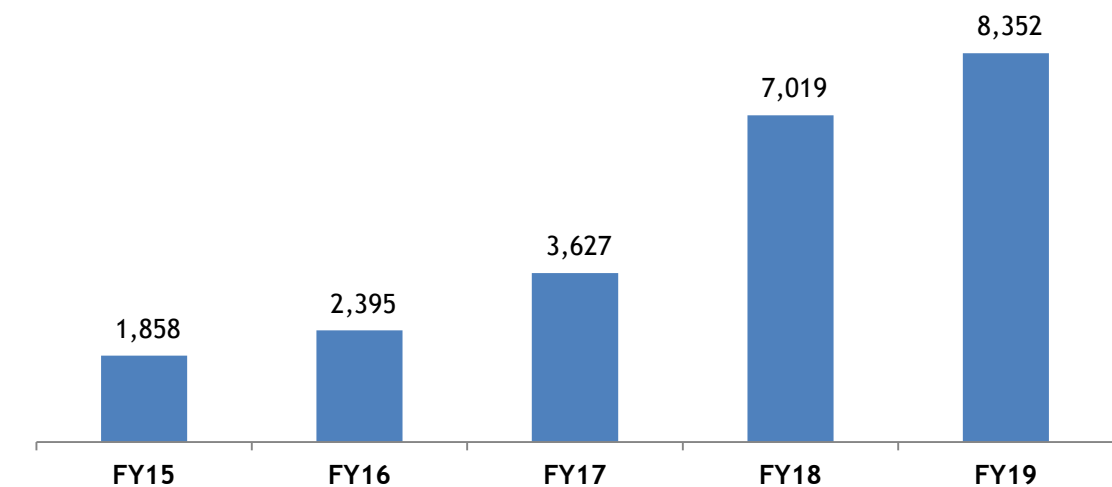
EBITDA and EBITDA Margins

EBITDA (Rs mn) EBITDA Margin (%)



Net worth

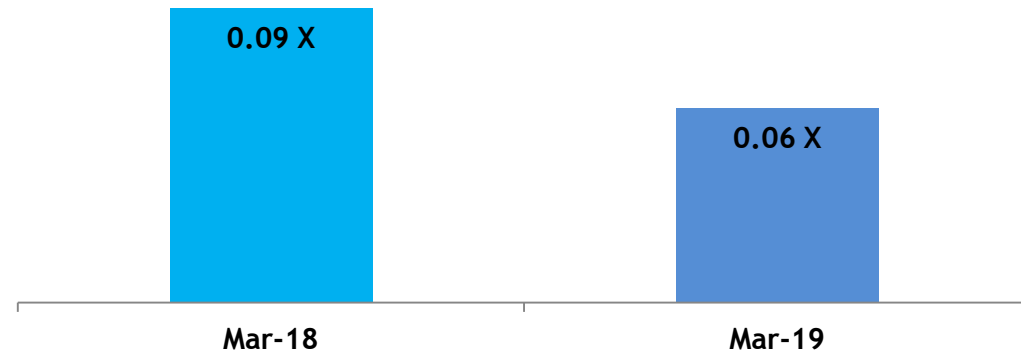
Networth (Rs mn)



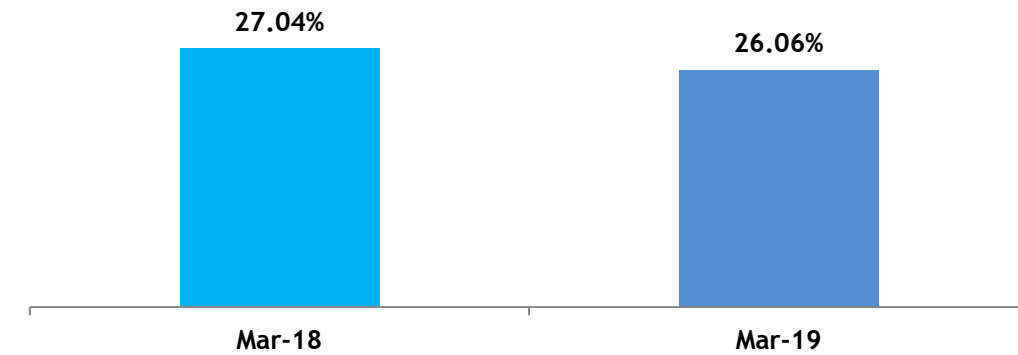
Strong performance over the years

Note: Standalone data

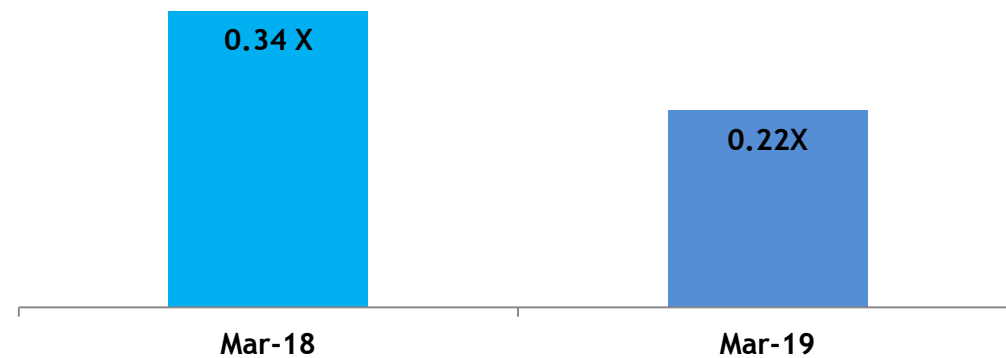
Net Debt/ Equity (X)



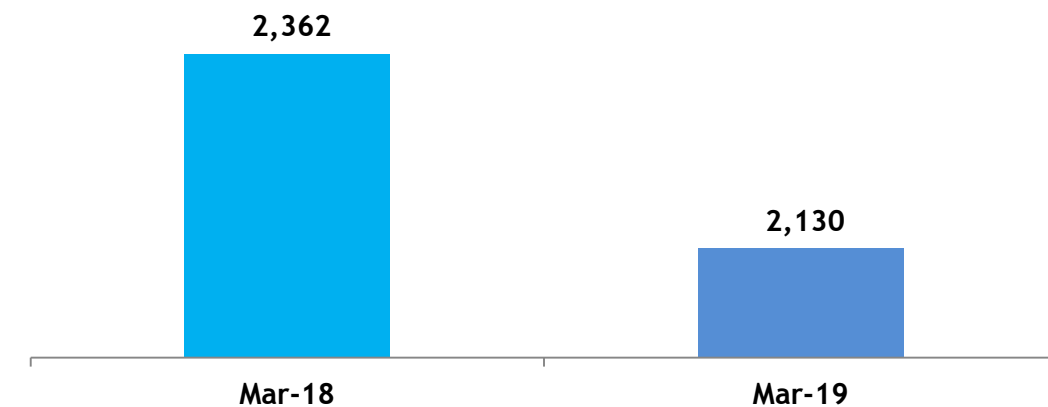
ROCE



Net Debt / EBITDA



Net Working Capital



Net Working Capital = Trade Receivables + Inventories - Trade Payables

Net Debt to Equity & Net Debt to EBITDA are near Zero

Note: Standalone data

- Award for Highest Self Manufacturing Turnover from Domestic and Export of Dyes and Dye Intermediates during FY2016-17
The Gujarat Dyestuffs Manufacturers Association (in June-18)
- First in Large scale unit category for outstanding performance on Domestic Market and one as a Second in Large scale unit category for Excellent performance in Export of Dyestuffs
The Dyestuff Manufacturers' Association of India(in July -2018)
- Recently, recognised by
 - ET Enterprise Icons 2018
 - Gujarat Best brand award 2018



- Bodal seeks to be a responsible corporate citizen. It works through Trusts and YUVA - a renowned NGO
- Bodal's focus area is enhancement of rural infrastructure and healthcare
 - Providing funds for construction for drinking water pipelines
 - Conducting regular health check-up camps
- Bodal also promotes sports, with contributions to
 - Sports Council of the Deaf Basketball Club
 - Promoting individual talent to represent the country in sporting events
- Bodal's CSR contribution was Rs. 34.8 million in FY2019
 - Bodal's areas of work are into rural infrastructure, healthcare, hospitals, schools and sports

Thank you



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