

Quarterly Performance

Q2FY2019-20 & H1FY2019-20

14th November, 2019



Bodal Chemicals Ltd.

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Disclaimer

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



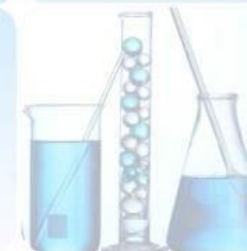
History of Bodal Chemicals Ltd (Bodal)

- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first generation entrepreneur.
- Bodal is today one of the globally leading, integrated Dyestuffs companies from India.
- Company commenced its operations by setting up Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat) with a small capacity.
- At present there are three sub - segments of Products:
 - Dye Intermediates (about 25 products)
 - Dyestuff (about 175 products)
 - Sulphur & Bulk Chemicals (about 12 products)
- At present, there are 9 manufacturing Units in Gujarat, 1 in Uttar pradesh and 7 depots across India.



History of Bodal Chemicals Ltd (Bodal)

- Bodal has strong presence across the globe. At present Bodal exports around 45% of its sales to 150+ customers in more than 45 countries.
- Bodal has six subsidiaries:
 1. S P S Processors Pvt. Ltd. (SPS) – 70% holding
 2. Trion Chemicals Pvt. Ltd. (TCPL) – 59% holding
 3. Bodal Chemicals Trading Private Ltd. (BCTPL) – 100% holding
 4. Bodal Chemicals Trading (Shijiazhuang) Co. Ltd. (BCL-China) – 100% holding
 5. Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd (SEN-ER BOYA) – 80% holding
 6. Bodal Bangla Ltd (Bodal Bangla) – 99% holding



Journey

Notes:

Units are manufacturing sites

Unit Nos. are as per current numbering of sites

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

2016

Amalgamation:
Bodal Agrotech, LABSA, Unit X (Zero Discharge)
Zero Debt

2017

Acquired 70%: SPS Processors (Zero Discharge)
Acquired Trion Chemicals, TCCA specialist (Zero Discharge)

2018

Dyestuff expansion by 12,000MTPA,
Addition of 5MW Co-generation Power plant

2019

Incorporation of trading subsidiaries (India & China)
Dyestuff capacity expansion by 6,000MTPA,
TC capacity addition by 36,000MTPA
Acquisition of 80% stake in SEN-ER BOYA (Turkish LLC)
Incorporation of Bodal Bangla Ltd (Subsidiary)

1989-
1990

1993

Acquired Unit II-B
Acquired Unit III

1994

Changed name to
Bodal Chemicals Pvt Ltd

1996-
2005

1989

Started as JK Pharma
at Unit II-A

1991-
1995

1997

Acquired Unit V
Acquired Unit VI

2004

Acquired Unit I

2004

Forward integration:
Dyestuff at Unit I

2006-
2010

2011

Completed Unit VII

2012, 2013

Industry Downturn

2013, 2015

MEEP at Unit I, Unit VII

2014

Turnaround

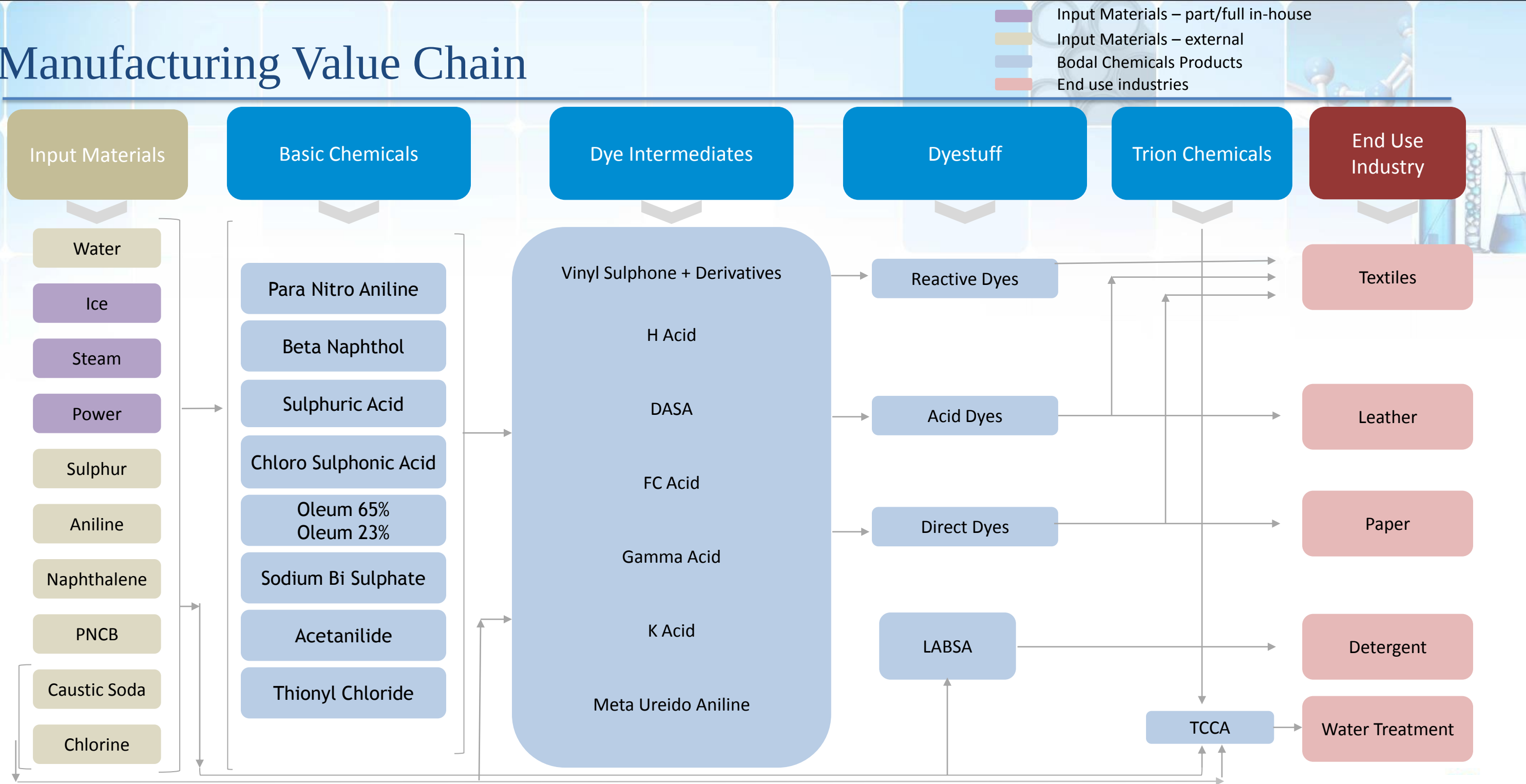
2016-
onwards



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Manufacturing Value Chain



Note: Bodal added Thionyl Chloride (TC) capacity of 36,000 tons per year in Q4FY19

Quarterly Performance



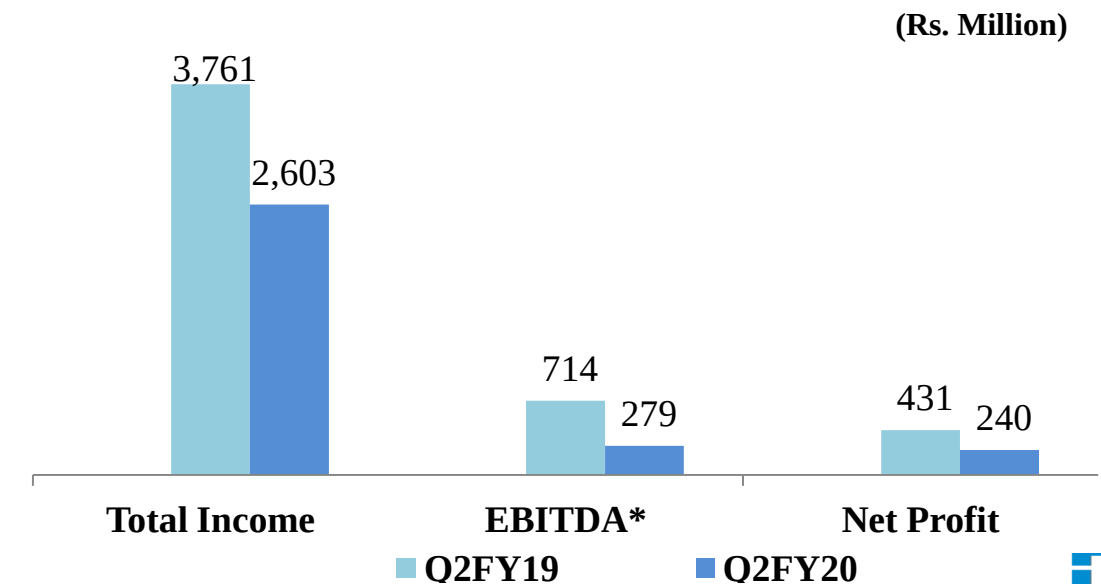
Q2FY20 Performance

Operational Highlights

- Share of Dyestuff in total revenues increased to 49% in Q2FY20 (from 35% in Q2FY19). This is inline with our strategy of higher business integration and moving towards a global Dyestuff player.
- For Q2FY20, Dye Intermediates production grew by 12% YoY and Basic Chemicals production grew by 4% YoY while Dyestuff production declined by 25% YoY mainly due to lower demand.
- Production at Thionyl Chloride plant has started picking up and utilization levels have reached around 50% in Q2FY20.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	Q2FY20	Q2FY19
Total Income	2,603	3,761
EBITDA	279	714
EBITDA Margin (%)	10.7%	19.0%
Net Profit	240	431



Note: EBITDA includes other income. And net profit includes other comprehensive income



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Financial–Standalone basis

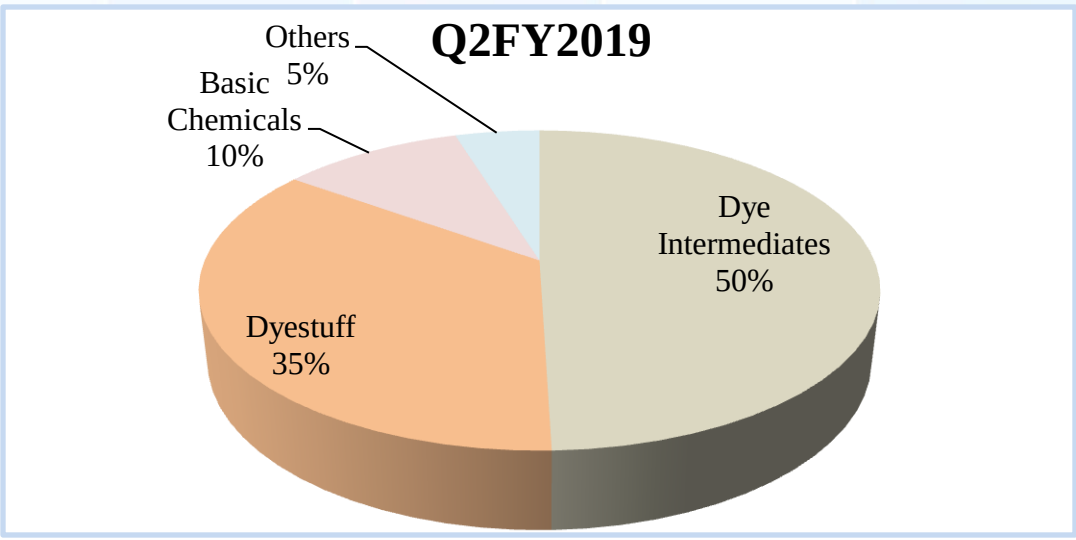
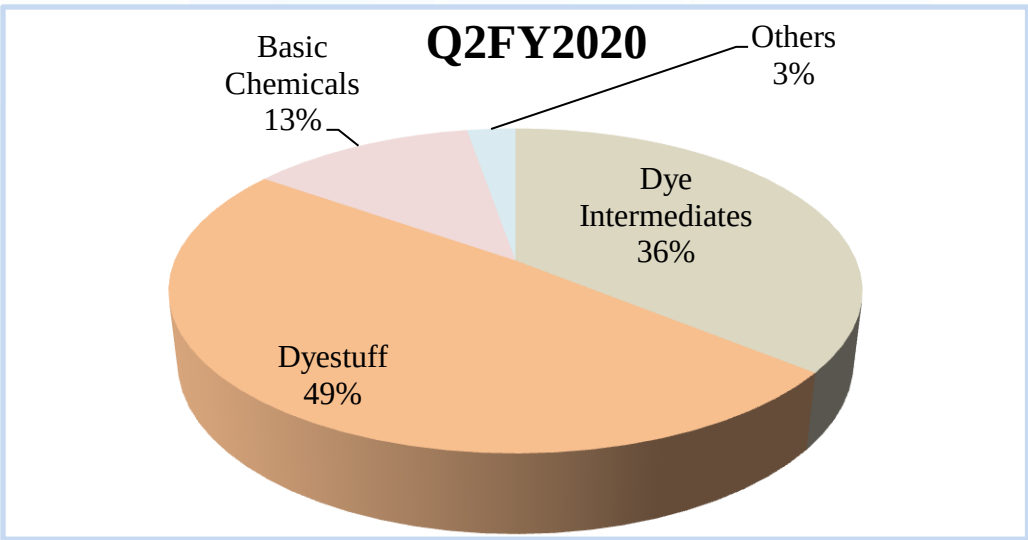
	(Rs. million)		
Particulars	Q2FY20	Q2FY19	YoY (%)
Revenue from operations	2,575	3,743	-31%
Other income	28	19	50%
Total Income	2,603	3,761	-31%
Raw materials consumed	1,541	2,267	-32%
Employee benefits	175	160	10%
Other expenses	608	620	-2%
Total expenses	2,324	3,047	-24%
Earnings before interest, tax and depreciation	279	714	-61%
Finance costs	34	12	182%
Depreciation and amortization expense	60	45	32%
Profit before tax	186	657	-72%
Tax expense	(56)	225	-125%
Profit (Loss) for the period	242	432	-44%
IND AS Adjustments	(2)	(2)	-18%
Total comprehensive income for the period	240	431	-44%
EPS (Rs./ Share) (not annualised)	1.98	3.55	-44%

Note: EBITDA includes other income

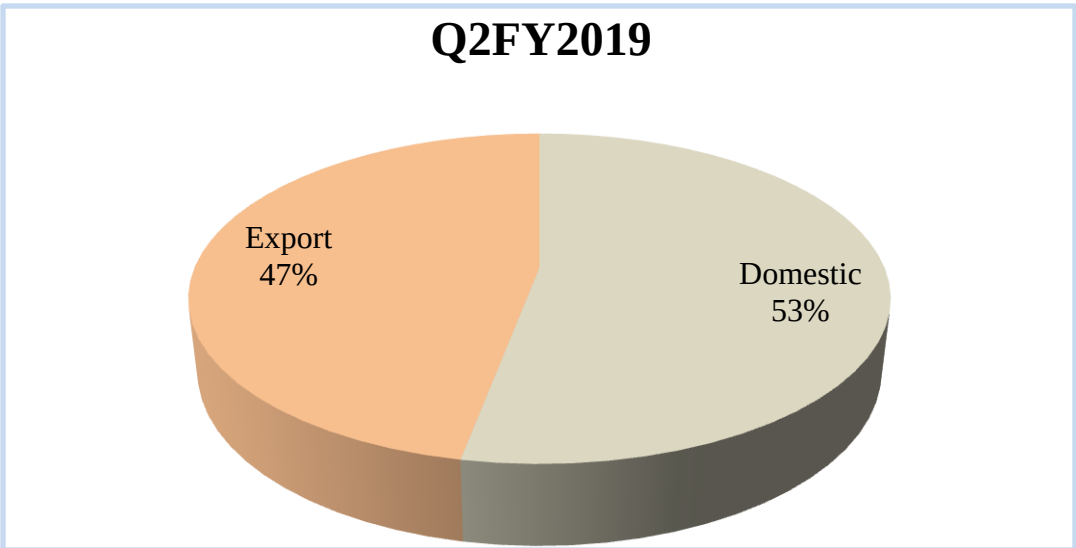
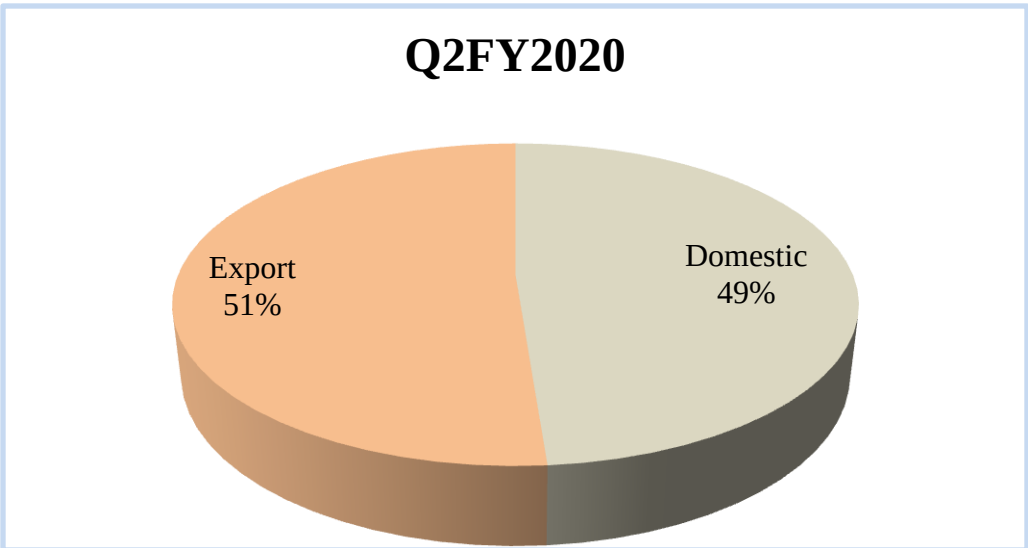
Revenue Breakup

Breakup (Standalone)

By Sub-Segment

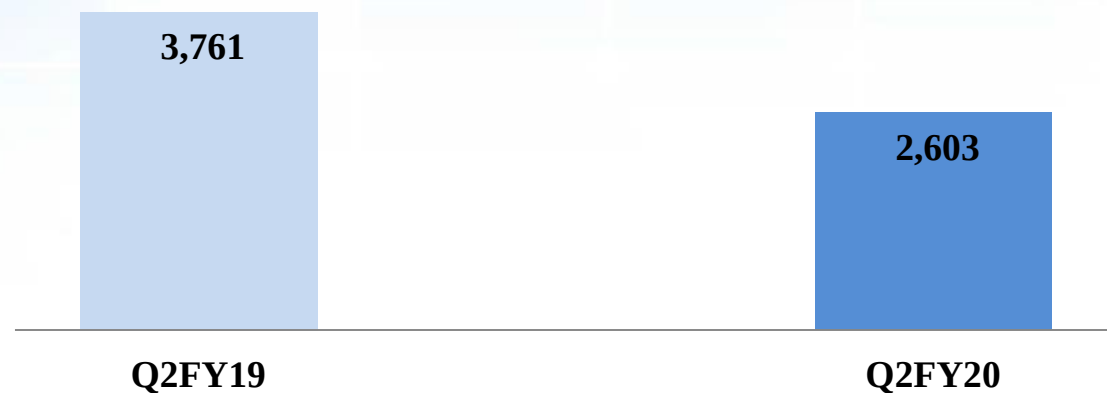


By Geography



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 includes other income. And PAT includes other comprehensive income

Half yearly Performance



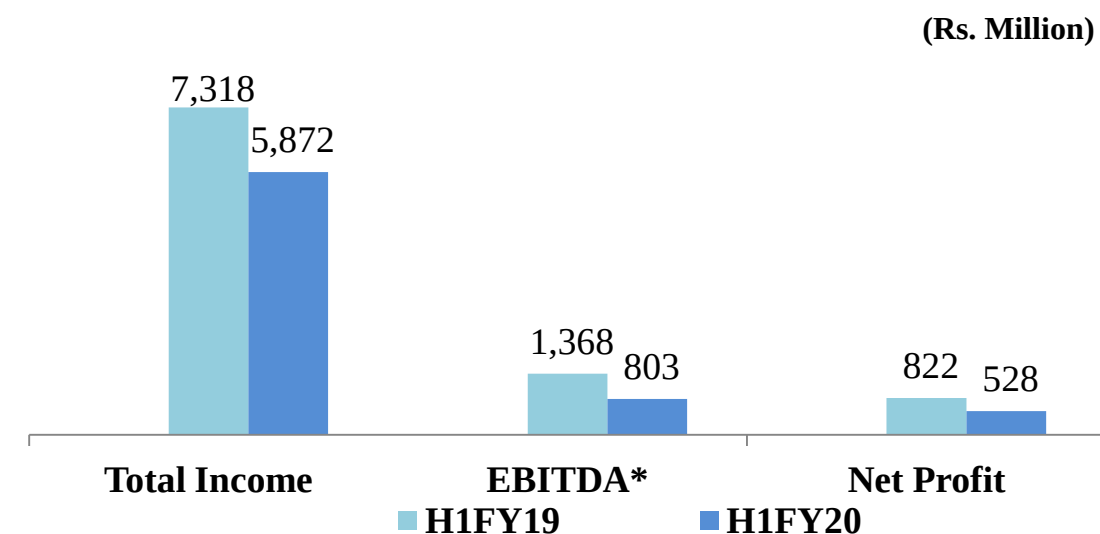
H1FY20 Performance

Operational Highlights

- Dyestuff revenues have grown by 16% YoY in H1FY20. While Dye Intermediates revenues have declined by 39% YoY and Basic Chemicals revenues declined by 23% YoY in H1FY20.
- Dyestuff production declined by 3% and Dye Intermediates production declined by 2% in H1FY20. While Basic Chemicals revenues production improved by 1% YoY in H1FY20.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	H1FY20	H1FY19
Total Income	5,872	7,318
EBITDA	803	1,368
EBITDA Margin (%)	13.7%	18.7%
Net Profit	528	822



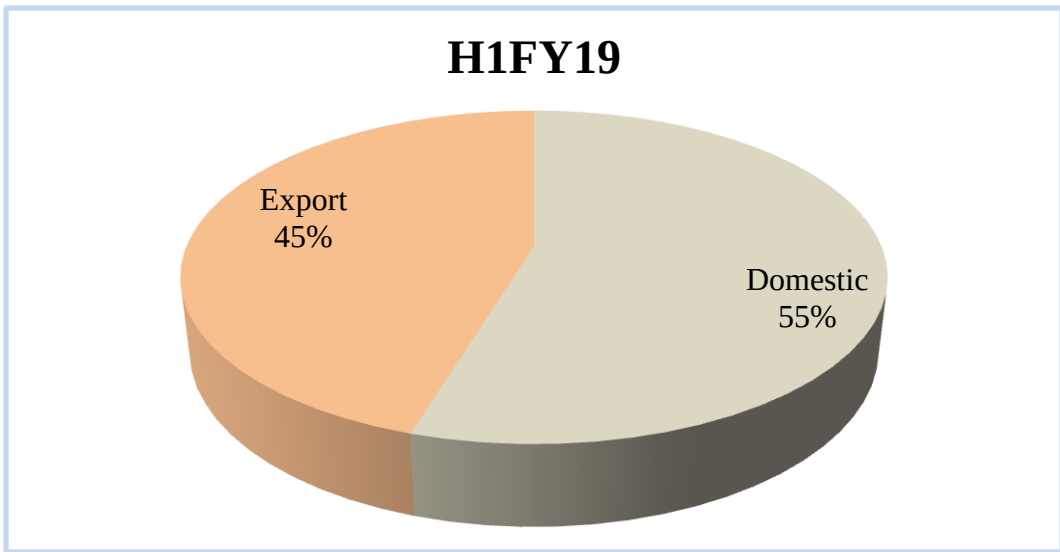
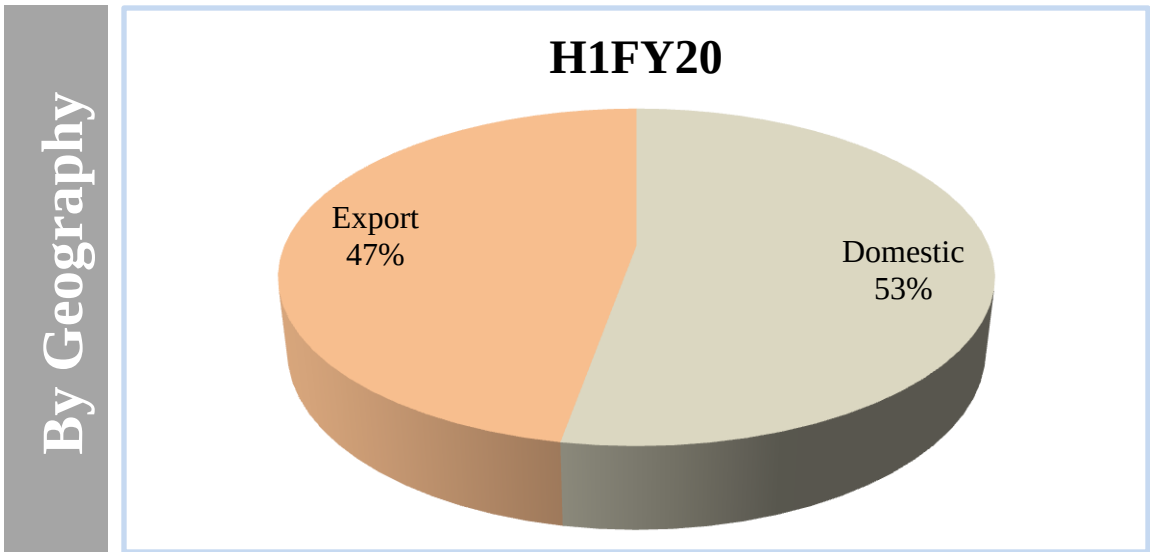
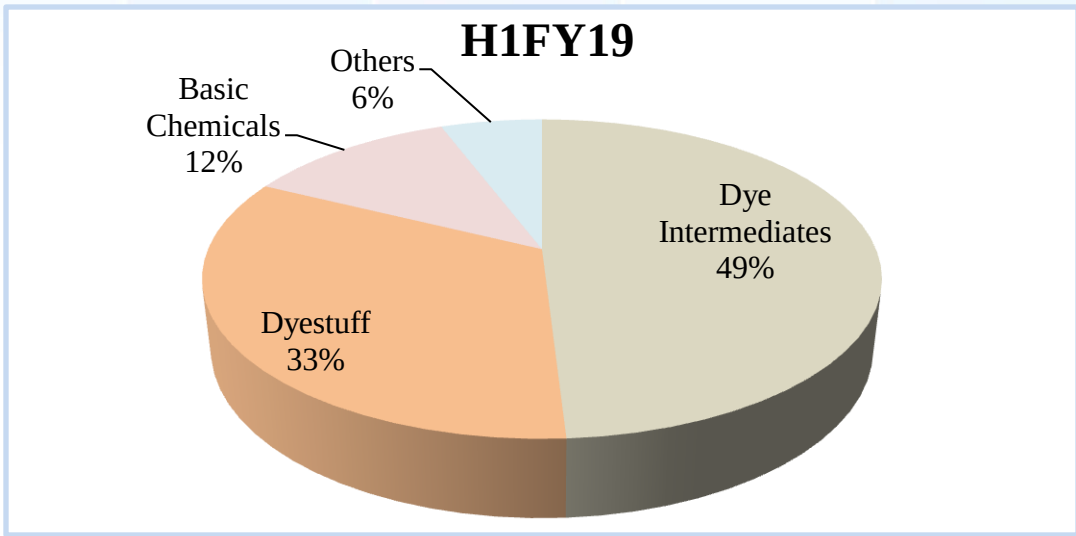
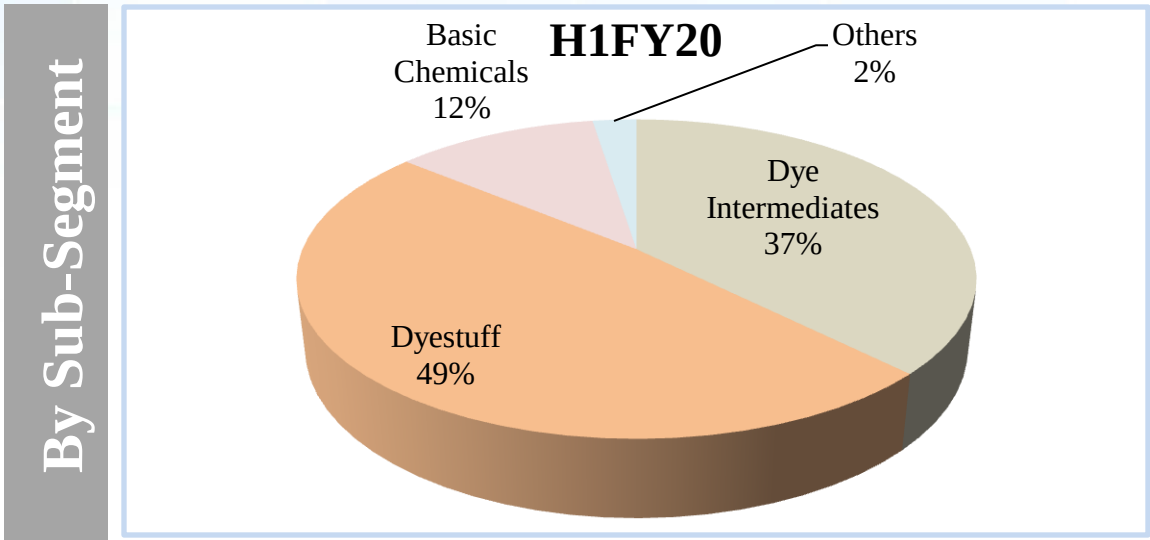
Note: EBITDA includes other income. And net profit includes other comprehensive income

Financial–Standalone basis

	(Rs. million)		
Particulars	H1FY20	H1FY19	YoY (%)
Revenue from operations	5,799	7,272	-20%
Other income	74	45	63%
Total Income	5,872	7,318	-20%
Raw materials consumed	3,572	4,451	-20%
Employee benefits	335	313	7%
Other expenses	1,163	1,185	-2%
Total expenses	5,069	5,950	-15%
Earnings before interest, tax and depreciation	803	1,368	-41%
Finance costs	57	28	102%
Depreciation and amortization expense	116	87	33%
Profit before tax	630	1,252	-50%
Tax expense	100	426	-77%
Profit (Loss) for the period	531	826	-36%
IND AS Adjustments	(3)	(4)	-
Total comprehensive income for the period	528	822	-36%
EPS (Rs./ Share) (not annualised)	4.34	6.76	-36%

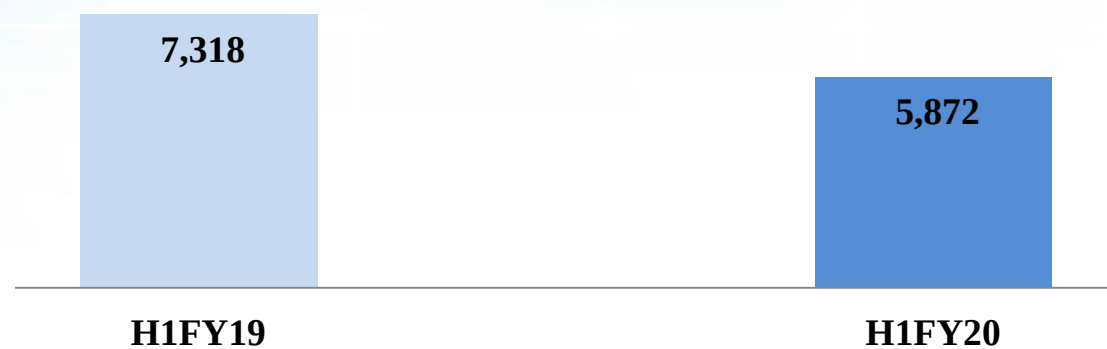
Revenue Breakup

Breakup (Standalone)

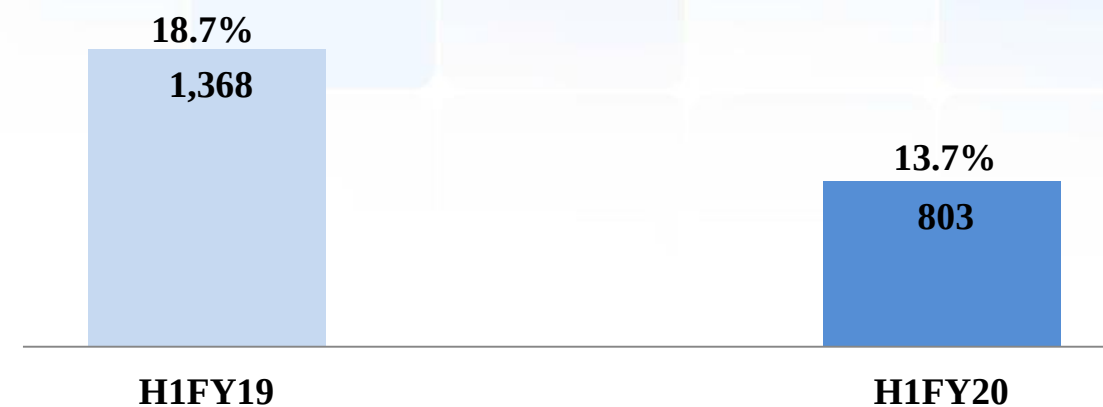


Financial Highlights- Standalone

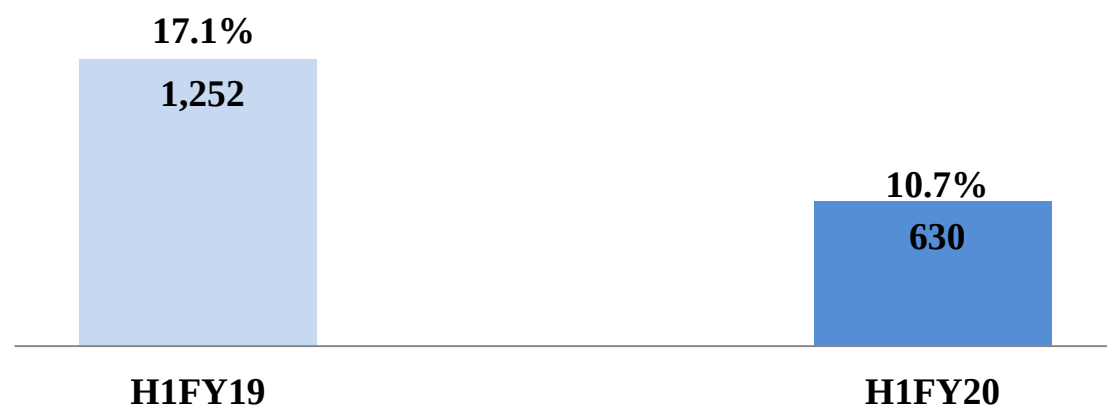
Total Income (Rs. Million)



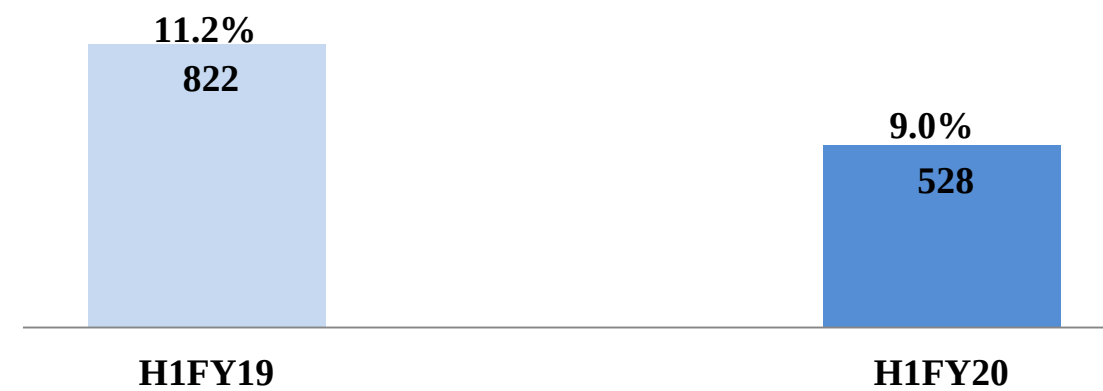
EBITDA (Rs. Million) and Margin (%)



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



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



Note: EBITDA includes other income. And PAT includes other comprehensive income

Financials of Subsidiaries & Consolidated Numbers



Financials of Subsidiaries & Consolidated Numbers

Subsidiaries

(Rs. million)

Particulars	Q2FY20				
	SPS	Trion	BCTPL	BCL-China	Sener
Total Income	267	29	243	20	78
EBITDA	21	(9)	14	2	(1)
PAT	1	(26)	7	1	(5)

Consolidated Financials

(Rs. million)

Particulars	Quarterly		Half Yearly	
	Q2FY20	Q2FY19	H1FY20	H1FY19
Operational Revenue	3,077	3,932	6,800	7,449
Other Income	0	30	19	54
Total Income (Net)	3,077	3,963	6,819	7,504
EBITDA	258	759	766	1,421
Margin %	8.4%	19.1%	11.2%	18.9%
PAT	211	448	474	831

Note: EBITDA includes other income. And PAT includes other comprehensive income
 BCPTL - Bodal Chemicals Trading Private Ltd and BCL-China - Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.



Balance Sheet Analysis

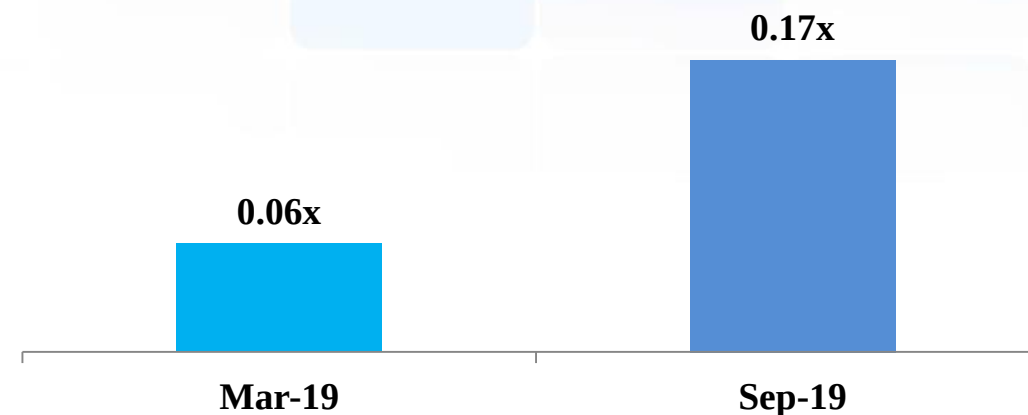


Leverage –Standalone

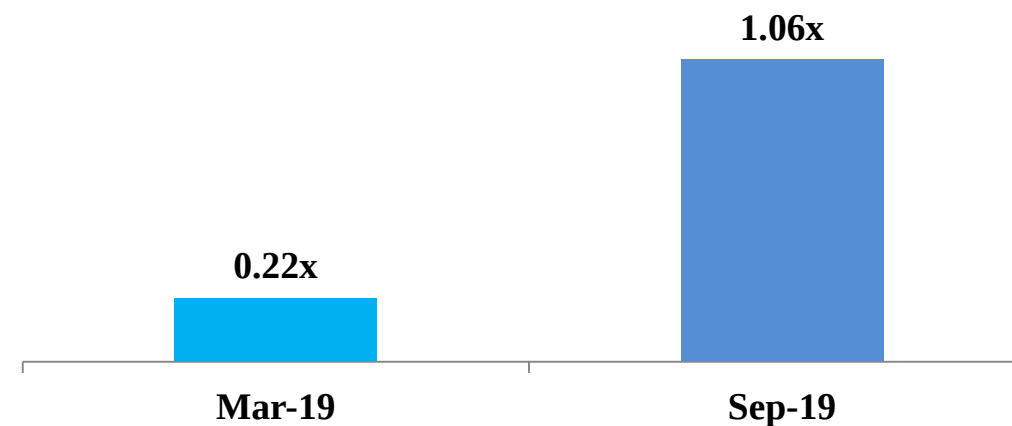
Particulars (Rs. Million)	30-Sep-19	31-Mar-19
Short Term Borrowings	1,627	655
Long Term Borrowings	0	8
Total Debt	1,627	663
Less: Cash & Cash Equivalents	85	142
Net Debt / (Net Cash)	1,542	521
Increase in Debt	1,021	
Net Worth	9,204	8,352
EBITDA*	1,459	2,330

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

Net Debt / Equity (x)



Net Debt / EBITDA (x)

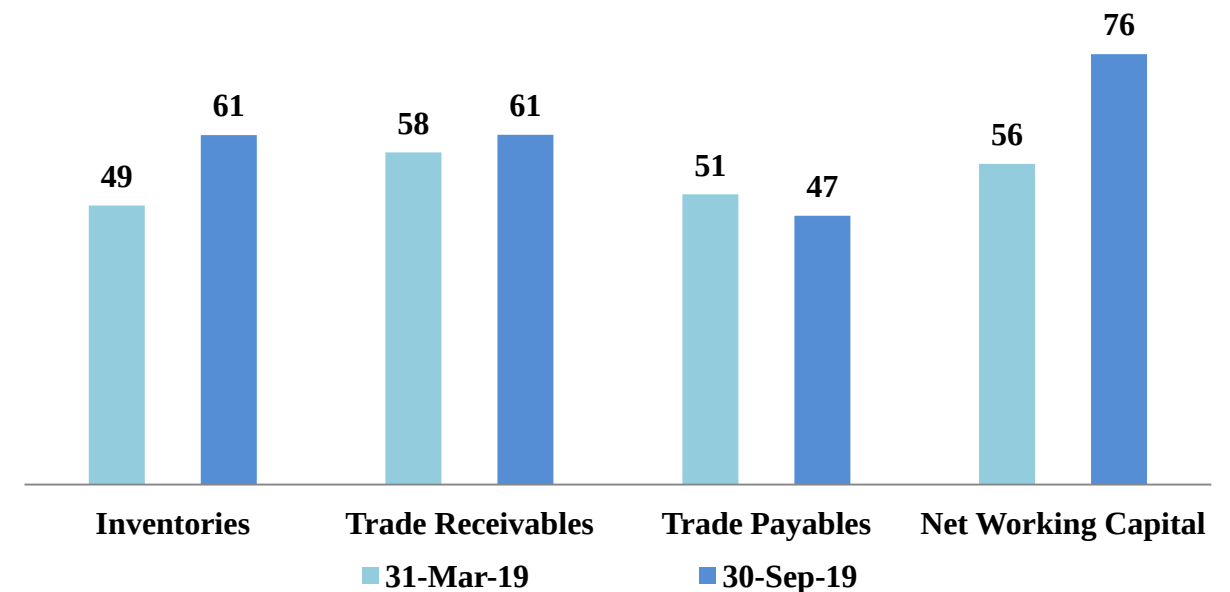


Note: EBITDA have been annualized to calculate ratios for better comparison.

Working Capital Analysis - Standalone

	(Rs. Million)	
Working Capital	30-Sep-19	31-Mar-19
i) Inventories	1,950	1,851
ii) Trade Receivables	1,952	2,204
iii) Trade Payables	1,500	1,926
Net Working Capital (i+ii-iii)	2,403	2,130

Net working capital days



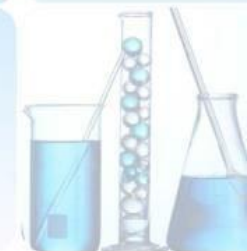
Note: Revenues have been annualized to calculate working capital days for better comparison.

Management Comments on Results



Management Comments on Results & Updates (1of 2)

- Total production for Q2FY20 improved by 2% to 64,109 YoY. Dyestuff production during the quarter was impacted by lower demand due to slowdown in overall economy. Total production during H1FY20 remained flat YoY at 124,094 MT.
- Total standalone income for Q2FY20 declined by 31% YoY due to overall slowdown in economy leading to lower demand and above normal Dye Intermediates prices during H1FY19. Standalone EBITDA margins during the quarter were impacted by higher operating expenditure and lower sales.
- Dyestuff revenues have increased by 16% YoY in H1FY20 mainly due to capacity addition and higher utilization. This is inline with our strategy of moving towards a global Dyestuff player.
- Our finance cost in Q2FY20 was high mainly due to increase in working capital limits utilization.
- Total exports for Q2FY20 stood at Rs 1,297mn and its share in total revenues stood at 51%. The company continues to further enhance presence in different geographies across the globe.



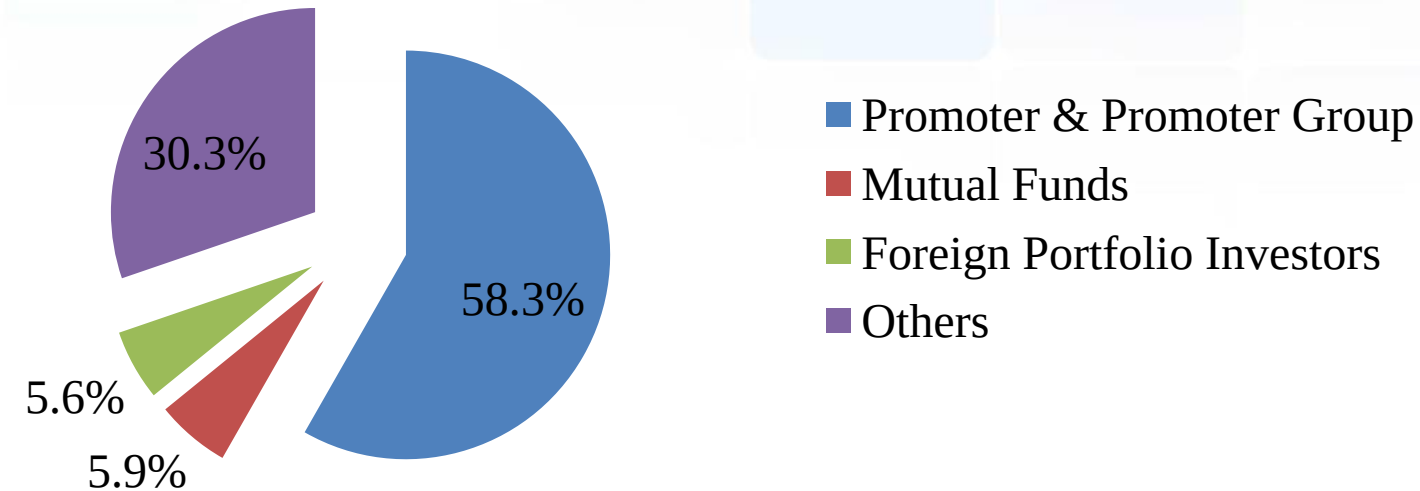
Management Comments on Results (2of 2)

- During the quarter we have incorporated one subsidiary in Bangladesh (Bodal Bangla Ltd). It will be our marketing base for Bangladesh.
- Our working capital requirement has moved up mainly due to increase in share of Dyestuff business in H1FY20. Apart from that, our inventory levels were also impacted by lower demand.
- Considering the current market and overall demand scenario, the company has decided to defer the capex plans announced in May-2019. We will again review each project, its capacity and timeline.
- Subsidiaries performance :
 - SPS posted revenues of Rs 267mn with EBITDA of Rs 21mn in Q1FY20. Considering the current demand and prices of Dye Intermediates, we are not starting the VS plant at SPS at present.
 - TRION posted loss of Rs 26mn in Q2FY20. We are making few safety related changes and modification in the plant. We are hopeful to start production at TRION in the next quarter.



Shareholding Data

Shareholding Pattern – September 2019

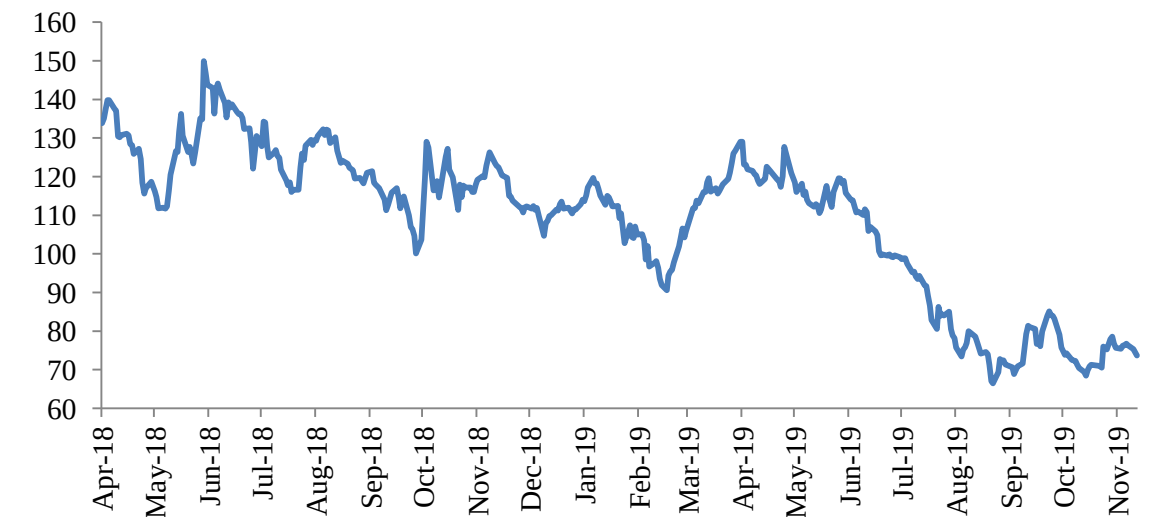


Share Data Points

Share Price (Rs)	74
Market Capitalization (Rs mn)	9,010
52 week - High – Low (Rs)	132.3 – 64.2
Outstanding Shares (Rs mn)	122

Source: Data as of 13th November, 2019 (NSE)

Share Price Performance



Conference call to discuss Q2FY20 Results & Outlook

Management will discuss results of Q2FY20 and Outlook on a conference call on **14th November, 2019 at 5.00 PM IST.**

The conference call dial-in numbers are:

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

Local access number: +91-70456-71221

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

International toll free number:

- USA : 18667462133
- UK : 08081011573
- Singapore : 8001012045
- Hong Kong : 800964448



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Thank you



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Annexures



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

(Rs. million)					
Geography- wise Revenues	Q2FY20	% Share	Q2FY19	% Share	YoY (%)
Domestic	1,235	49%	1,950	53%	-37%
Export	1,297	51%	1,730	47%	-25%
Total	2,532	100%	3,680	100%	-31%

Sub-Segment-wise Revenues	Q2FY20	% Share	Q2FY19	% Share	YoY (%)
Dye Intermediates	909	36%	1,822	50%	-50%
Dyestuff	1,238	49%	1,301	35%	-5%
Basic Chemicals	317	13%	379	10%	-17%
Others	68	3%	176	5%	-61%
Total	2,532	100%	3,680	100%	-31%



Production Quantity Metric Tons (MT)

Production MT	Q2FY20	Q2FY19	YoY (%)
Dyestuff	3,938	5,277	-25%
Dyes Intermediates	6,765	6,031	12%
Basic Chemicals	53,405	51,522	4%

Production MT	H1FY20	H1FY19	YoY (%)
Dyestuff	9,355	9,635	-3%
Dyes Intermediates	12,043	12,248	-2%
Basic Chemicals	102,696	101,970	1%

