
Quarterly Performance

Q4FY2019-20 & FY2019-20

6th July 2020

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

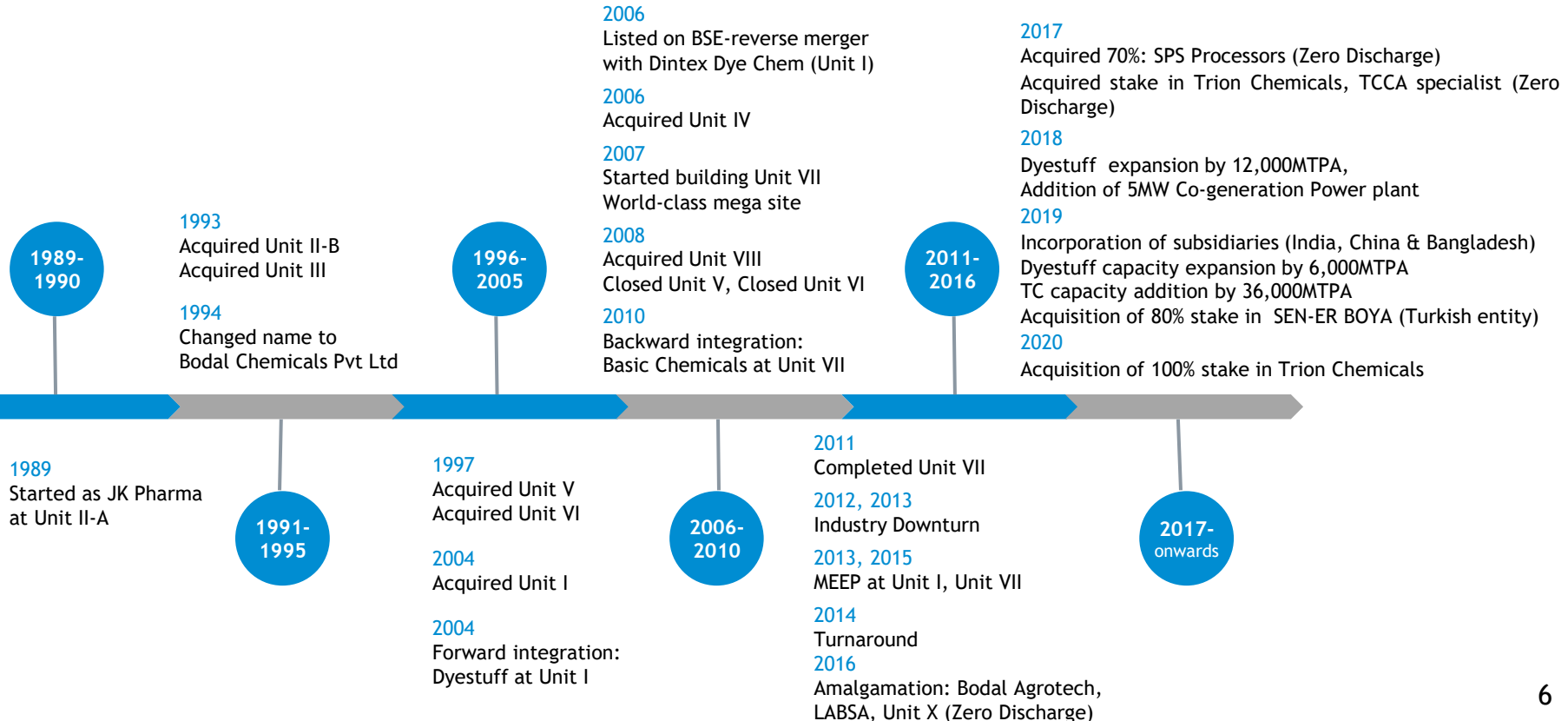
History of Bodal Chemicals Ltd (Bodal)

- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first-generation entrepreneur. Bodal commenced its operations by setting up small Vinyl Sulphone plant at Ahmedabad (Gujarat).
- At present there are three sub - segments of Products:
 - ✓ Dye Intermediates (about 25 products)
 - ✓ Dyestuff (about 175 products)
 - ✓ Sulphur & Bulk Chemicals (about 12 products)
- Today, Bodal is today one of the globally leading, integrated Dyestuff companies from India. The company have 9 manufacturing units in Gujarat, 1 in Uttarpradesh 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. Trion Chemicals Pvt. Ltd. (TCPL) - 100% holding
 2. S P S Processors Pvt. Ltd. (SPS) - 70% 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) - 100% holding

Timeline

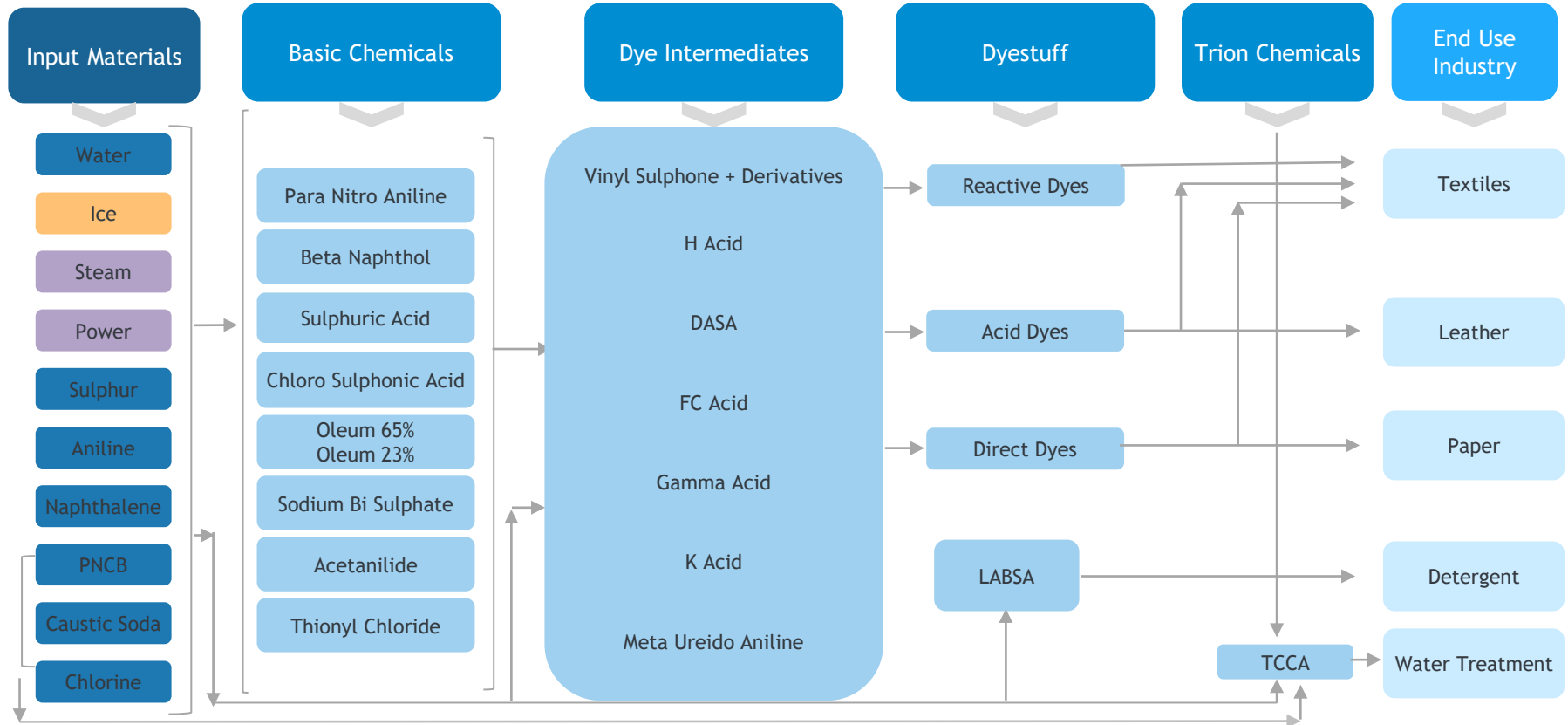




Integrated Business Model

Manufacturing Value Chain

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



Quarterly Performance

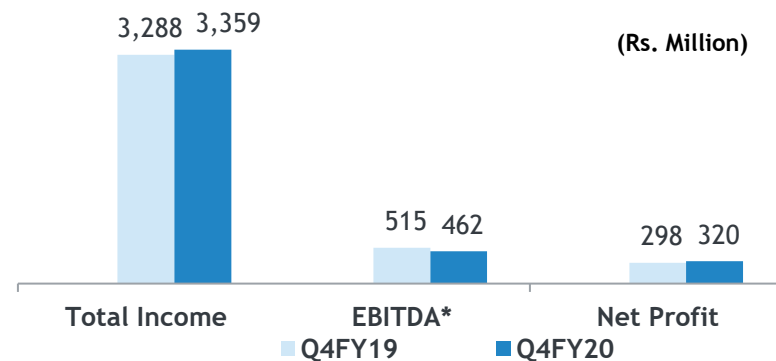
Q4FY20 Performance

Operational Highlights

- For Q4FY20, Dyestuff production grew by 2% YoY and Basic Chemicals production grew by 9% YoY mainly due to increase in capacities. Dye Intermediates production grew by 8% YoY in Q4FY20.
- Production at Thionyl Chloride plant has picked up and average utilization level was around 76% in Q4FY20.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	Q4FY20	Q4FY19
Total Income	3,359	3,288
EBITDA	462	515
EBITDA Margin (%)	13.8%	15.7%
Net Profit	320	298



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

Financial - Standalone Basis

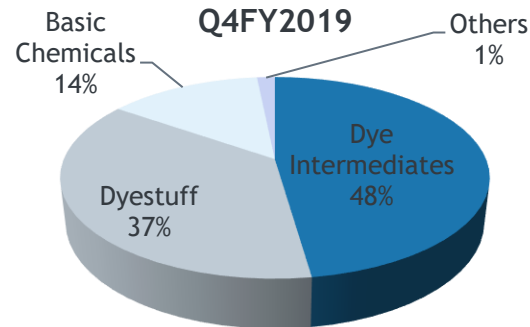
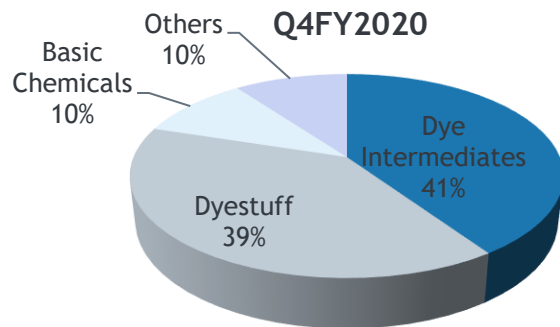
(Rs. million)			
Particulars	Q4FY20	Q4FY19	YoY (%)
Revenue from operations	3,314	3,206	3%
Other income	45	81	-44%
Total Income	3,359	3,288	2%
Raw materials consumed	2,054	2,147	-4%
Employee benefits	260	106	145%
Other expenses	582	520	12%
Total expenses	2,897	2,773	4%
Earnings before interest, tax and depreciation	462	515	-10%
Finance costs	30	19	54%
Depreciation and amortization expense	63	48	31%
Profit before tax	369	447	-17%
Tax expense	68	151	-55%
Profit (Loss) for the period	301	296	2%
IND AS Adjustments	19	2	NA
Total comprehensive income for the period	320	298	8%
EPS (Rs./ Share) (not annualised)	2.46	2.41	2%

Note: EBITDA includes other income

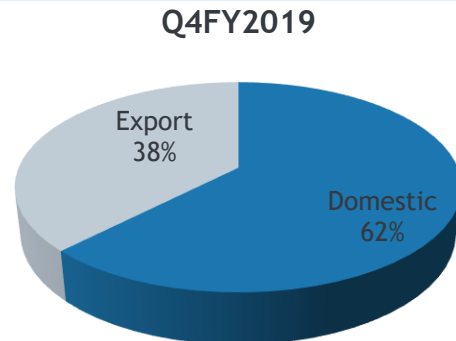
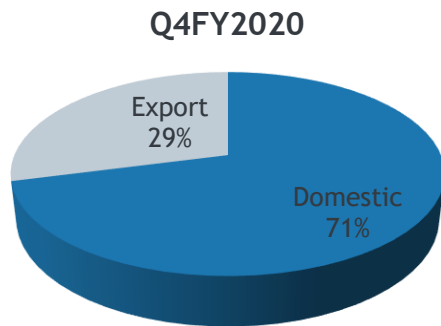
Revenue Breakup

Breakup (Standalone)

By Sub-Segment



By Geography

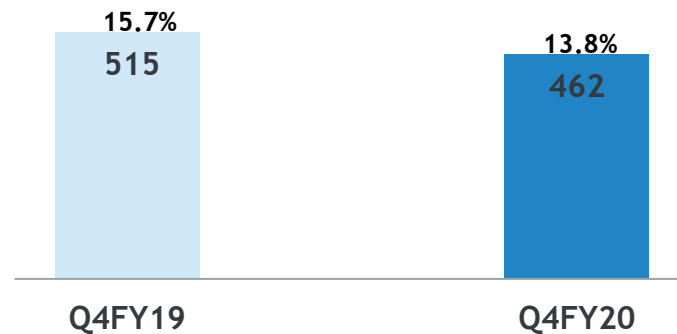


Financial Highlights - Standalone

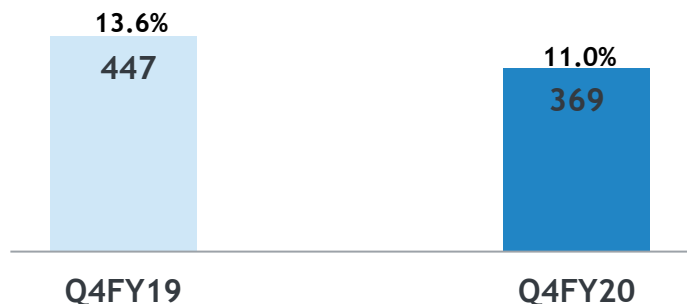
Total Income (Rs. Million)



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



Yearly Performance

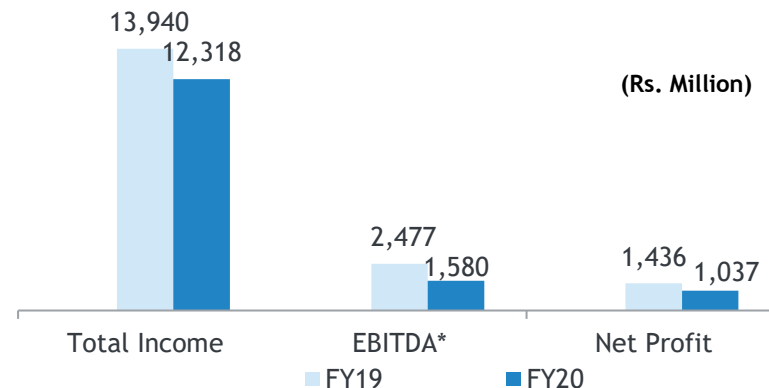
FY20 Performance

Operational Highlights

- For FY20, Dyestuff production grew by 2% YoY and Basic Chemicals production grew by 5% YoY mainly due to increase in capacities. Dye Intermediates production was flat YoY.
- Share of Dyestuff revenues have increased to 44% of sales in FY20 from 36% in FY19. This is in line with our strategy of higher integration.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	FY20	FY19
Total Income	12,318	13,940
EBITDA*	1,580	2,477
EBITDA Margin (%)	12.8%	17.8%
Net Profit	1,037	1,436



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

Financial - Standalone Basis

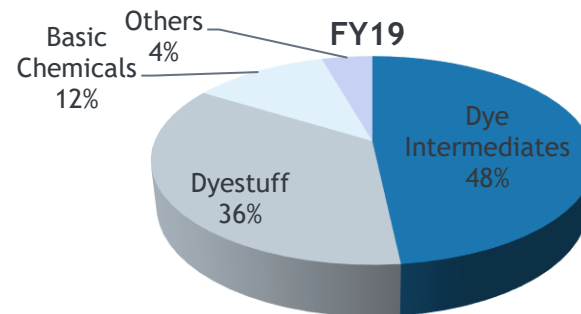
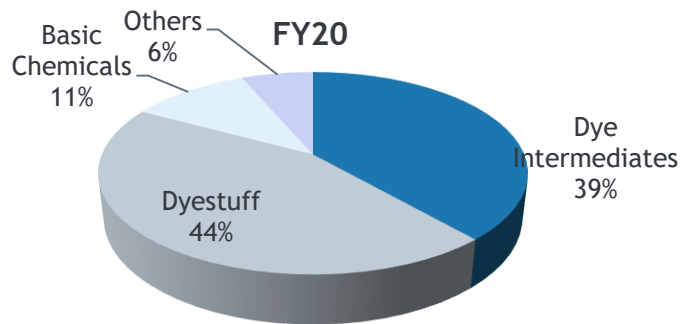
(Rs. million)			
Particulars	FY20	FY19	YoY (%)
Revenue from operations	12,124	13,794	-12%
Other income	194	147	32%
Total Income	12,318	13,940	-12%
Raw materials consumed	7,644	8,757	-13%
Employee benefits	777	592	31%
Other expenses	2,316	2,115	10%
Total expenses	10,738	11,464	-6%
Earnings before interest, tax and depreciation	1,580	2,477	-36%
Finance costs	116	69	67%
Depreciation and amortization expense	241	183	32%
Profit before tax	1,224	2,225	-45%
Tax expense	202	784	-74%
Profit (Loss) for the period	1,022	1,441	-29%
IND AS Adjustments	15	(4)	NA
Total comprehensive income for the period	1,037	1,436	-28%
EPS (Rs./ Share) (not annualised)	8.35	11.77	-29%

Note: EBITDA includes other income

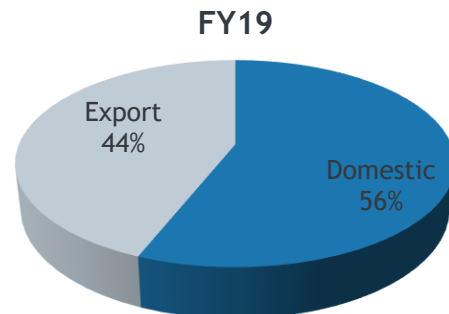
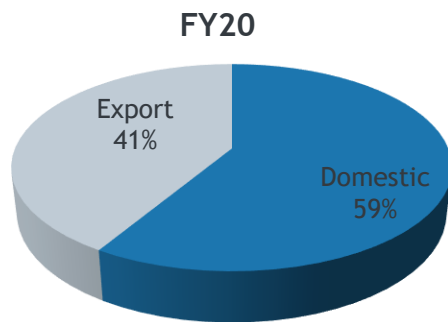
Revenue Breakup

Breakup (Standalone)

By Sub-Segment



By Geography

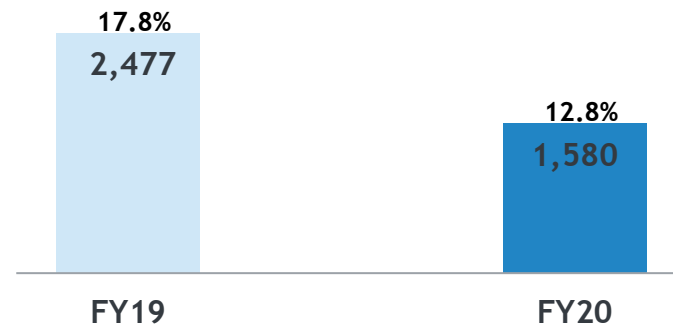


Financial Highlights - Standalone

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



Consolidated Performance

Consolidated Financials

Subsidiaries

(Rs. million)

Particulars	Q4FY20				
	SPS	Trion	BCTPL	BCL-China	Sener
Total Income	249	6	14	0	254
EBITDA	11	(15)	(0)	(1)	20
PAT	(12)	(28)	(2)	(1)	1

Consolidated Financials

(Rs. million)

Particulars	Quarterly		Yearly	
	Q4FY20	Q4FY19	FY20	FY19
Operational Revenue	3,685	3,443	13,748	14,235
Other Income	37	74	104	134
Total Income (Net)	3,722	3,516	13,852	14,369
EBITDA	436	512	1,481	2,495
Margin %	11.7%	14.6%	10.7%	17.4%
PAT	272	295	864	1,409

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

Balance sheet Analysis

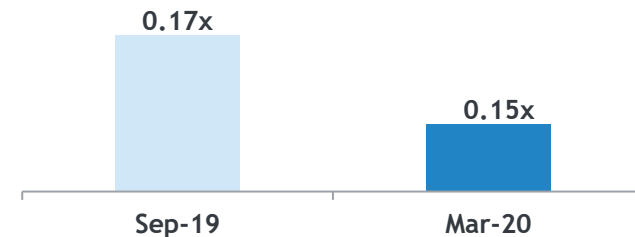
Leverage - Standalone

Particulars (Rs. Million)	31-Mar-20	30-Sep-19	31-Mar-19
Short Term Borrowings	1,612	1,627	655
Long Term Borrowings	0	0	8
Total Debt	1,612	1,627	663
Less: Cash & Cash Equivalents	166	85	142
Net Debt / (Net Cash)	1,446	1,542	521
Increase in Debt	(96)	1,021	
Net Worth	9,602	9,204	8,352
EBITDA*	1,580	1,606	2,477

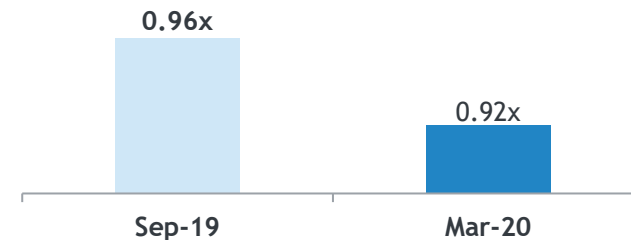
Note: EBITDA includes other income. Sep'19 EBITDA is annualized

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

Net Debt to Equity (x)

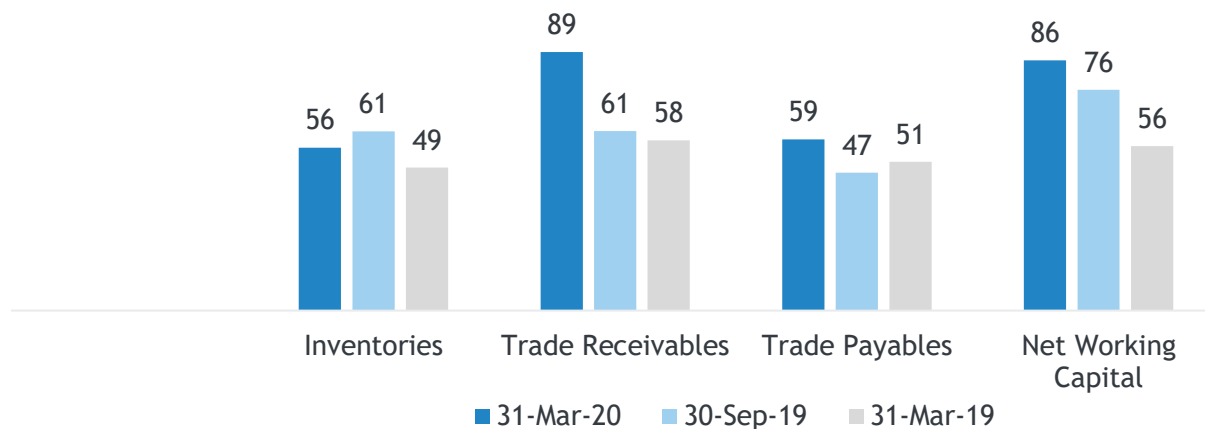


Net Debt to EBITDA (x)



Working Capital Analysis- Standalone

Working Capital	31-Mar-20	30-Sep-19	31-Mar-19
i) Inventories	1,855	1,950	1,851
ii) Trade Receivables	2,942	1,952	2,204
iii) Trade Payables	1,949	1,500	1,926
Net Working Capital (i+ii-iii)	2,848	2,403	2,130





Segment Wise Data

Sale of Products

(Rs. million)

Geography- wise Revenues	Q4FY20	% Share	Q4FY19	% Share	YoY (%)
Domestic	2,356	71%	1,950	62%	21%
Export	965	29%	1,177	38%	-18%
Total	3,321	100%	3,127	100%	6%

Sub-Segment-wise Revenues	Q4FY20	% Share	Q4FY19	% Share	YoY (%)
Dye Intermediates	1,344	40%	1,492	48%	-10%
Dyestuff	1,309	39%	1,155	37%	13%
Basic Chemicals	333	10%	430	14%	-23%
Others	335	10%	50	2%	569%
Total	3,321	100%	3,127	100%	6%

Production Data

Production MT	Q4FY20	Q4FY19	YoY (%)
Dyestuff	5,004	4,886	2%
Dyes Intermediates	6,834	6,342	8%
Basic Chemicals	53,503	48,917	9%

Production MT	FY20	FY19	YoY (%)
Dyestuff	18,890	18,588	2%
Dyes Intermediates	23,898	23,674	1%
Basic Chemicals	1,98,732	1,88,534	5%

Impact of Covid-19

Impact of COVID-19 lockdown on business

- The impact of Covid-19 on Q4FY20 performance was mainly during the last 10 days of March 2020 in terms of disruption in production and dispatches impacting the sales of the company. The demand sentiment was low since beginning of March 2020 due to rise of COVID-19 cases in India.
- The lockdown of around 40 days in the country due to COVID-19 significantly impacted the performance of the company in Q1FY21 because of temporary shutdown of the business.
- We started our partial operations from beginning of May-2020. However, there were near term issues with respect to lower demand, availability of labors and transportation etc. The prices of our raw materials as well as finished goods came down in Q1FY21 due to decline in demand.
- The situation has gradually started improving from mid of June-2020 in terms of better demand, higher utilization levels, more dispatches and higher collections. We believe business environment should further improve in coming months.
- Our strong integrated business model and presence across value chain will provide significant cushion to the company in such uncertain business environment. We are a long-term debt free company and liquidity position of the company remains strong.

Management Comments

Management Comments

- Total production for Q4FY20 improved by 9% to 65,341 MT YoY. During the quarter, Dye Intermediates production improved by 8% YoY mainly due to higher demand and Basic Chemicals production improved by 9% YoY due to addition of Thionyl Chloride plant. Total production during FY20 improved by 5% YoY to 241,519 MT
- Total standalone income for Q4FY20 improved by 2% YoY due to increase in prices of Dye Intermediates. Gross margins during the quarter improved to 38% due to lower raw material prices.
- Employee costs have increased in Q4FY20 mainly due to increments to employees, commission payment to directors, and capitalized expenses of our project at Saykha GIDC (Dahej) were written off.
- Dyestuff revenues have increased by 11% YoY in FY20 and its share in total revenues increased to 44%. This is inline with our strategy of higher integration and moving towards a global Dyestuff player.
- Finance cost in Q4FY20 was high YoY mainly due to increase in working capital limits utilization. It remained flat QoQ.
- Our net debt for FY20 stood at Rs 1,446mn and net debt to equity stood strong at 0.15x.

Management Comments

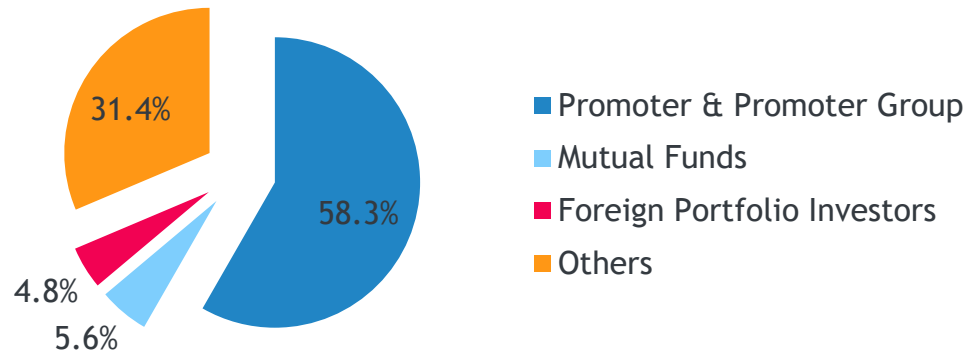
- Working capital of the company was higher in FY20 due to higher Dyestuff business and increase in receivables in March 2020 due to COVID-19. However, collections have been strong during June 2020 and we expect it to normalize gradually in coming quarters.
- We acquired 100% stake in Trion Chemicals during Q3FY20 and the board has approved its amalgamation with Bodal Chemicals Ltd in May-2020. We are in the process of doing certain modification in the plant and we are confident to start and run the operations smoothly from September-2020 at Trion.
- Subsidiaries performance :
 - ✓ SPS posted revenues of Rs 249mn with EBITDA of Rs 11mn in Q4FY20. We have received all the approvals to start VS plant at SPS. We will start the VS plant at SPS once the demand scenario improves.
 - ✓ Trion plant was not operational during Q4FY20 due to safety related changes in the plant. It posted loss of Rs 28mn in Q4FY20



Shareholding Data

Shareholding Data

Shareholding Pattern - March 2020



Share Data Points

Share Price (Rs)	62
Market Capitalization (Rs mn)	7,612
52 week - High - Low (Rs)	100.5 - 34.0
Outstanding Shares (Rs mn)	122

Source: Data as of 3rd July, 2020(NSE)

Share Price Performance



Source: NSE

Q4FY20 Conference Call

Management will discuss results of Q4FY20 and Outlook on a conference call on **6th July 2020 at 4.00 PM IST.**

The conference call dial-in numbers are:

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

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

Thank You

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