



**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.

**Corporate Presentation**  
March 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.*

| No | Particulars              | Slide number |
|----|--------------------------|--------------|
| 1  | Company Profile          | 4            |
| 2  | Environmental Facilities | 9            |
| 3  | Advantage Bodal          | 12           |
| 4  | The Way Forward          | 17           |
| 5  | Financial Performance    | 21           |
| 6  | Reward and Recognition   | 25           |
| 7  | CSR Initiatives          | 26           |

# Company Profile



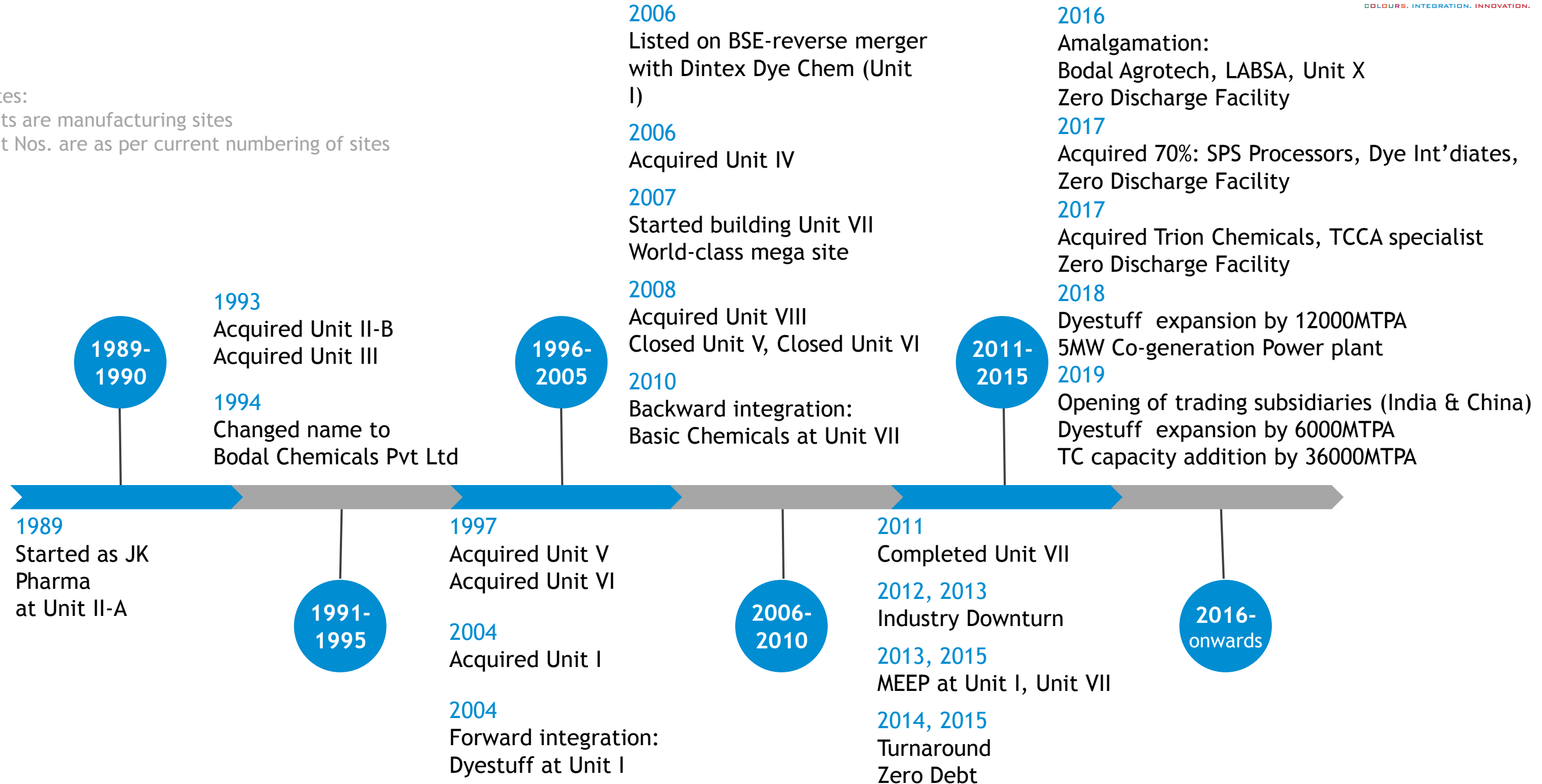
- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first generation entrepreneur.
- Bodal is today one of the globally leading, integrated Dyestuff companies from India.
- Company commenced its operations by setting up a small Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat) with a small capacity 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.
- 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 (Recently added) and (4.) Bodal Chemicals Trading (Shijiazhuang) Co. Ltd (Recently added)
- Market capitalization is Rs.14.42 billion (22-03-19). Promoters own 57.4%

# Bodal- Milestones

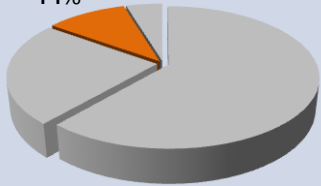
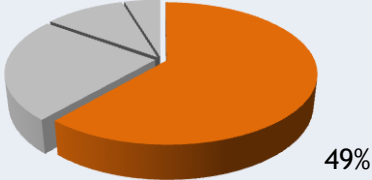
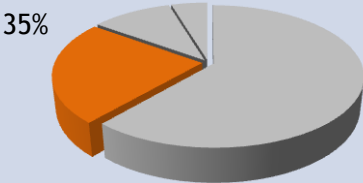
## Notes:

Units are manufacturing sites

Unit Nos. are as per current numbering of sites



# Manufacturing Capacities

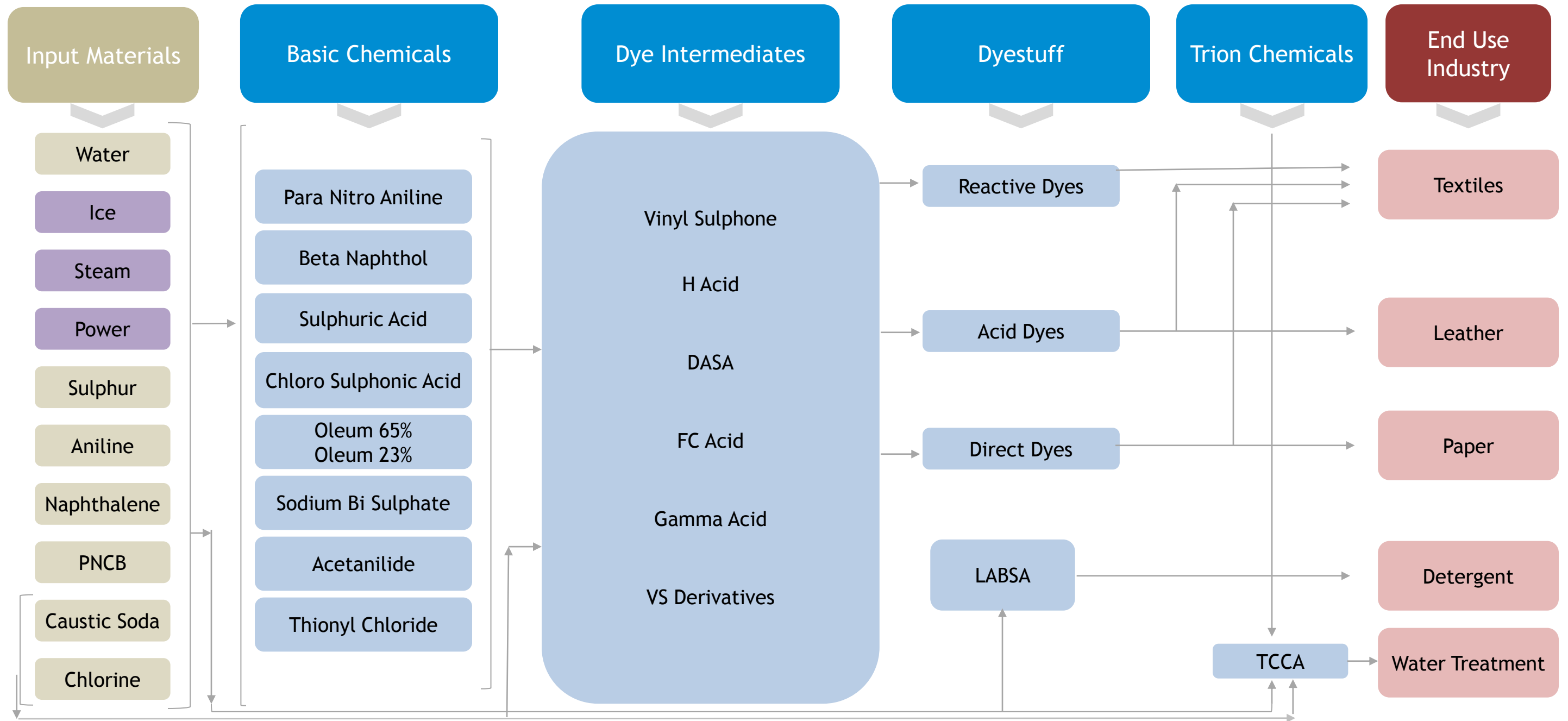
|                   | Contribution<br>(% Revenue, Q3FY19)                                                 | Annual Capacity &<br>% Utilisation, 9MFY19 | Highlights                                                                                                                                                                                                                                                                                                                                               |
|-------------------|-------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Basic Chemicals   |    | 226,000 MT*<br>98%                         | <ul style="list-style-type: none"> <li>Captive Power Plant and Steam generation</li> <li>Centrally located, latest upgraded manufacturing facilities</li> <li>Produces about 12 products</li> </ul>                                                                                                                                                      |
| Dye Intermediates |    | 33,000 MT**<br>75%                         | <ul style="list-style-type: none"> <li>Advance technology MEEP for effluent treatment with capacity, of 5 lakhs liters/day</li> <li>Produces about 25 products</li> </ul>                                                                                                                                                                                |
| Dyestuff          |  | 35,000 MT***<br>63%                        | <ul style="list-style-type: none"> <li>Range of Reactive, Acid &amp; Direct dyes that are used in Textile, leather &amp; paper industries respectively</li> <li>Permission for treated effluent disposal of 1 million liters/day</li> <li>Advanced technology Effluent Treatment Plant (Brine treatment)</li> <li>Produces about 175 products</li> </ul> |

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

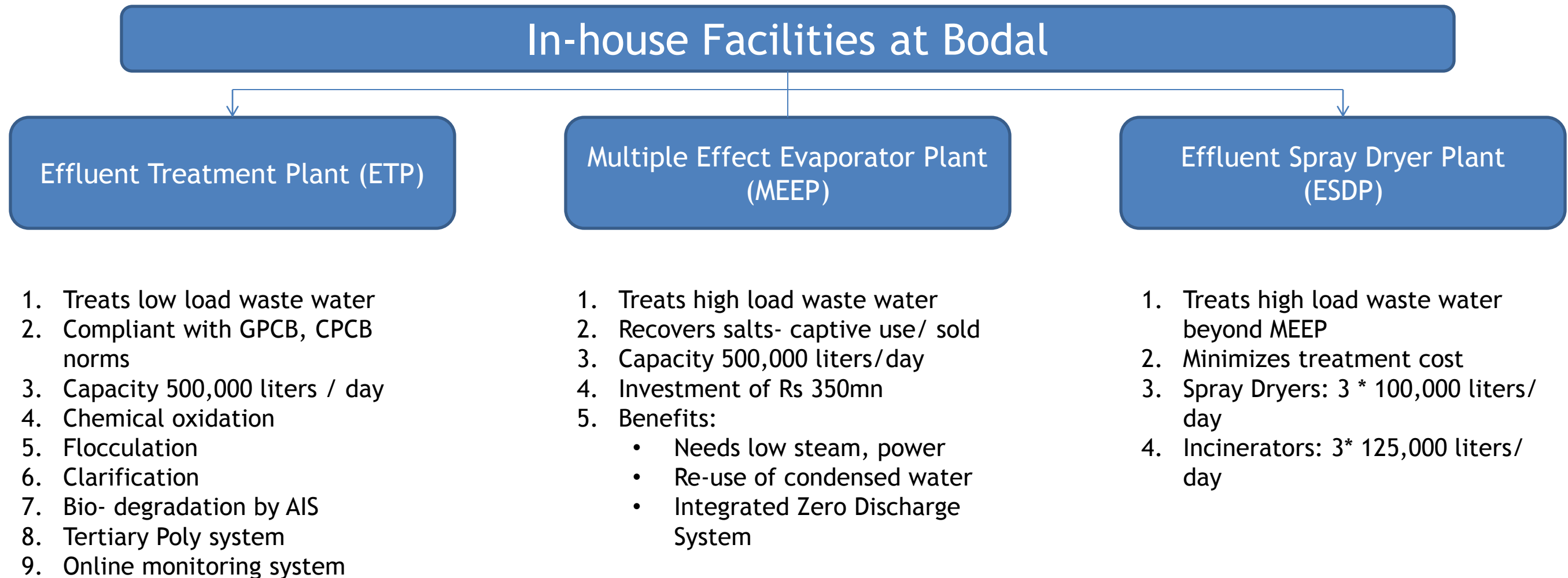
- Input Materials - part/full in-house
- Input Materials - external
- Bodal Chemicals Products
- End use industries



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



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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

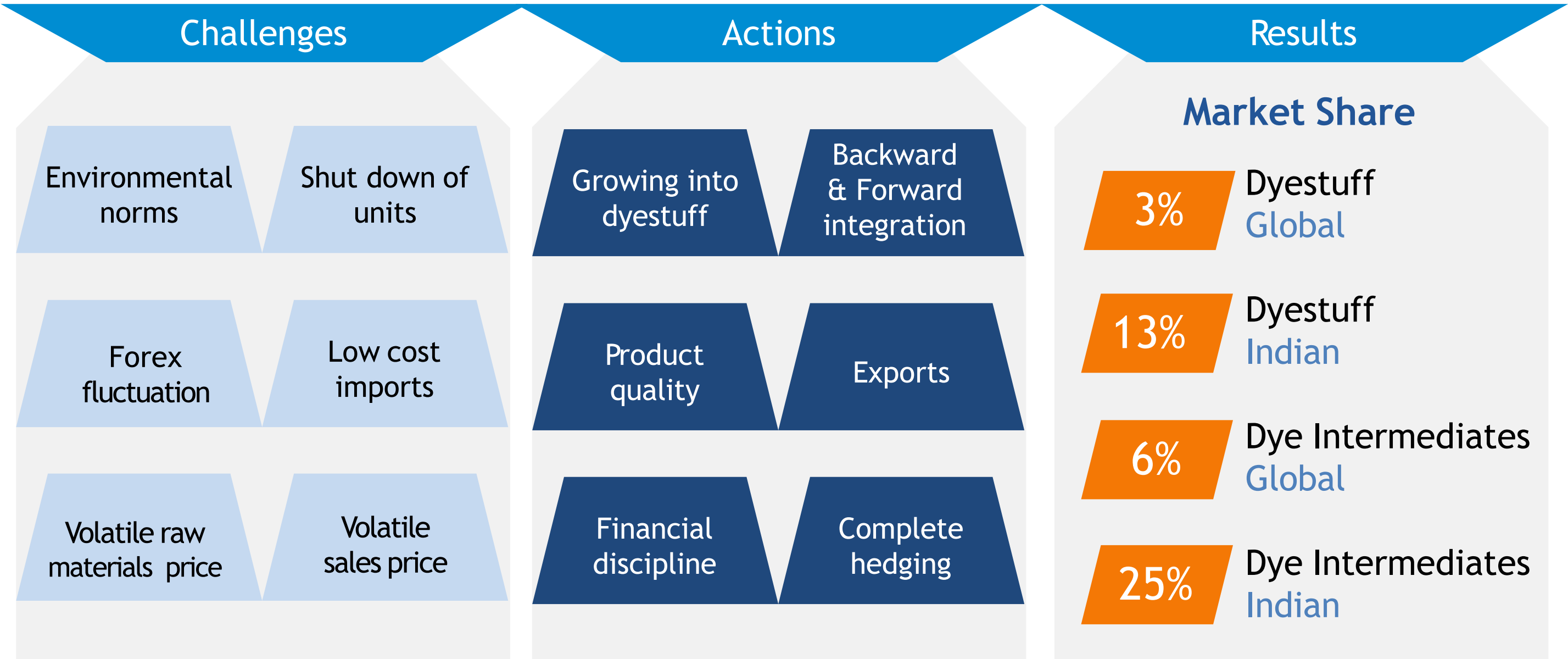
Environment and safety are high priority for Bodal and key to sustainable growth

# 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



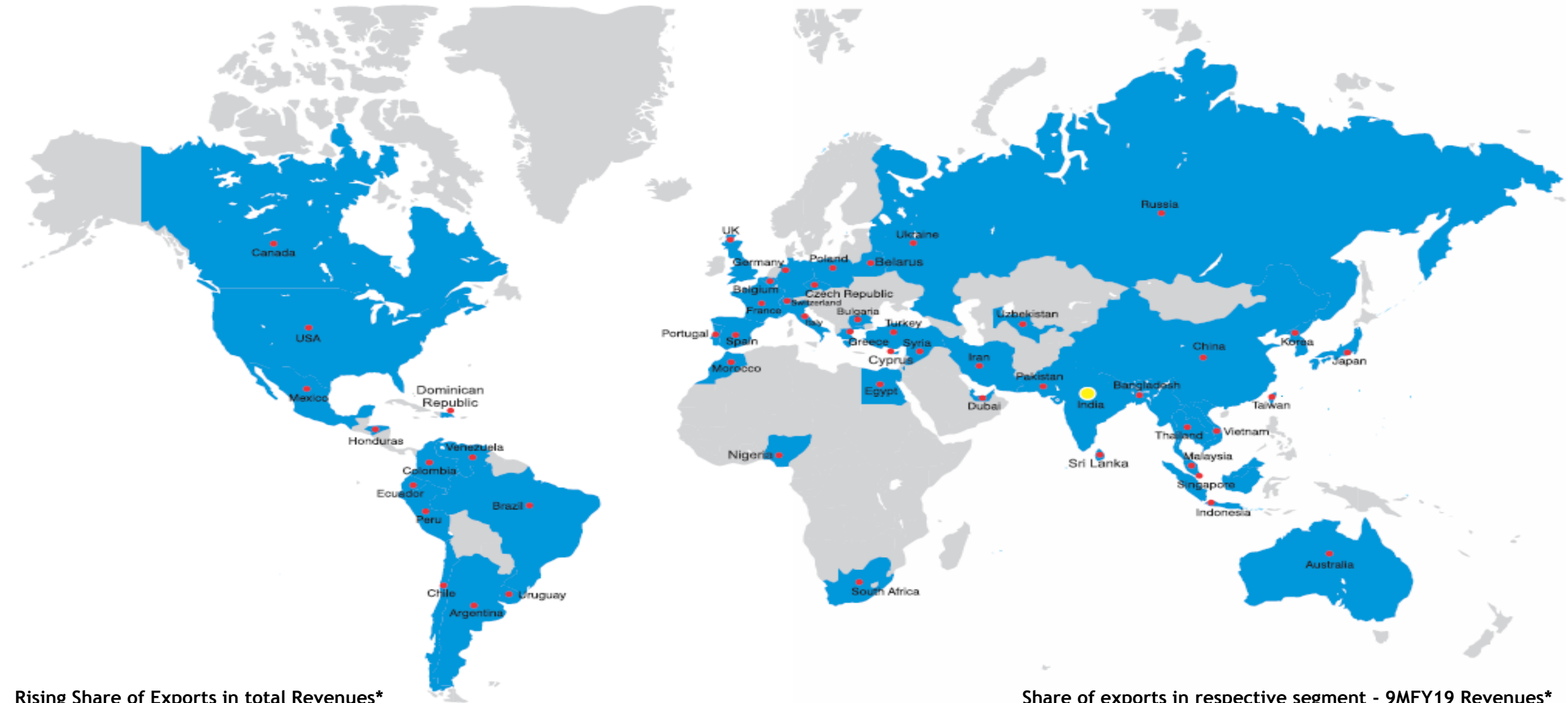
## International Customers



Unidye S.A.



Strong long term Relationships with top Domestic and International Customers



Rising Share of Exports in total Revenues\*

| FY17  | FY18  | 9MFY19 |
|-------|-------|--------|
| 29.5% | 30.2% | 45.1%  |

Share of exports in respective segment - 9MFY19 Revenues\*

| Dye Intermediates | Dye Stuffs | Total |
|-------------------|------------|-------|
| 45.8%             | 62.5%      | 45.1% |

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

\* Note: Revenues are Standalone

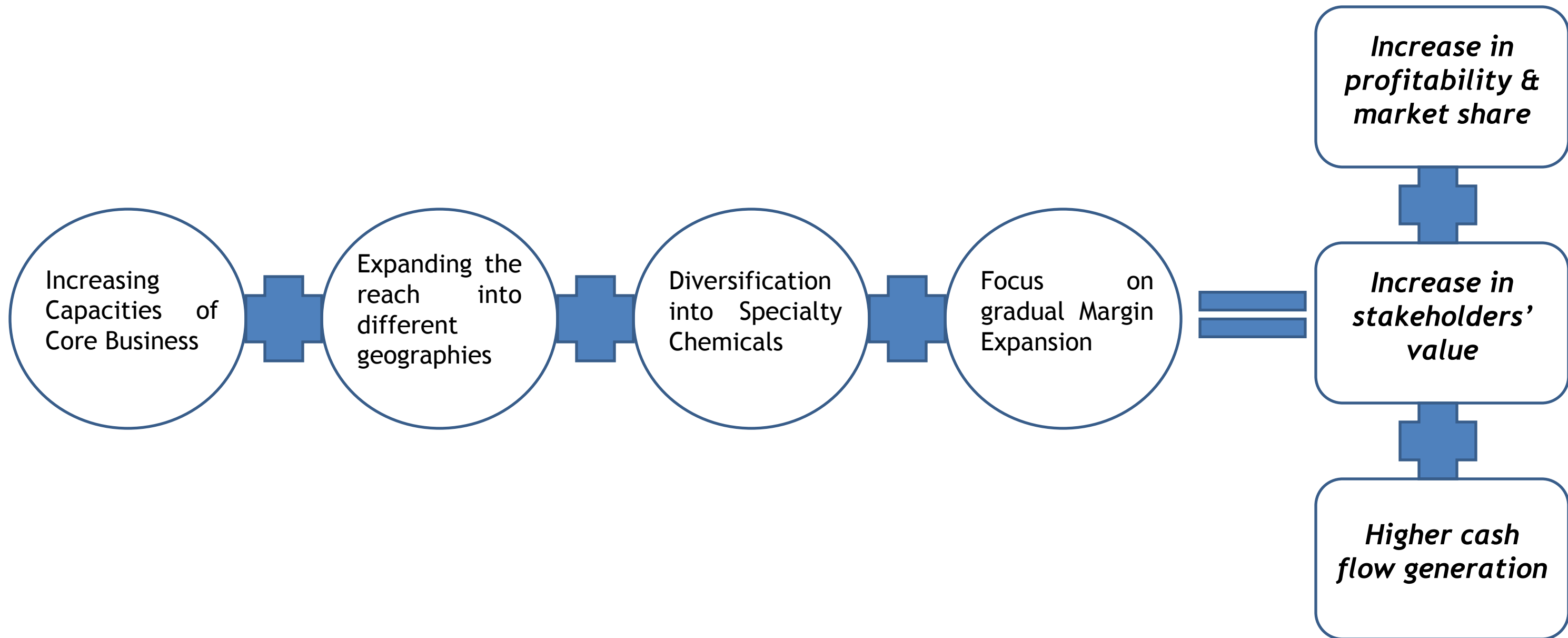
# The Way Forward

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. Share of Dyestuff in total sales will gradually increase.
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 1HFY20E and should contribute to growth in coming years
4. Promoter's continuous focus on integrated business model including plans to foray into Specialty Chemicals
5. Opening up of subsidiaries in key geographies for the company

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

## 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 Dye Stuff across the world

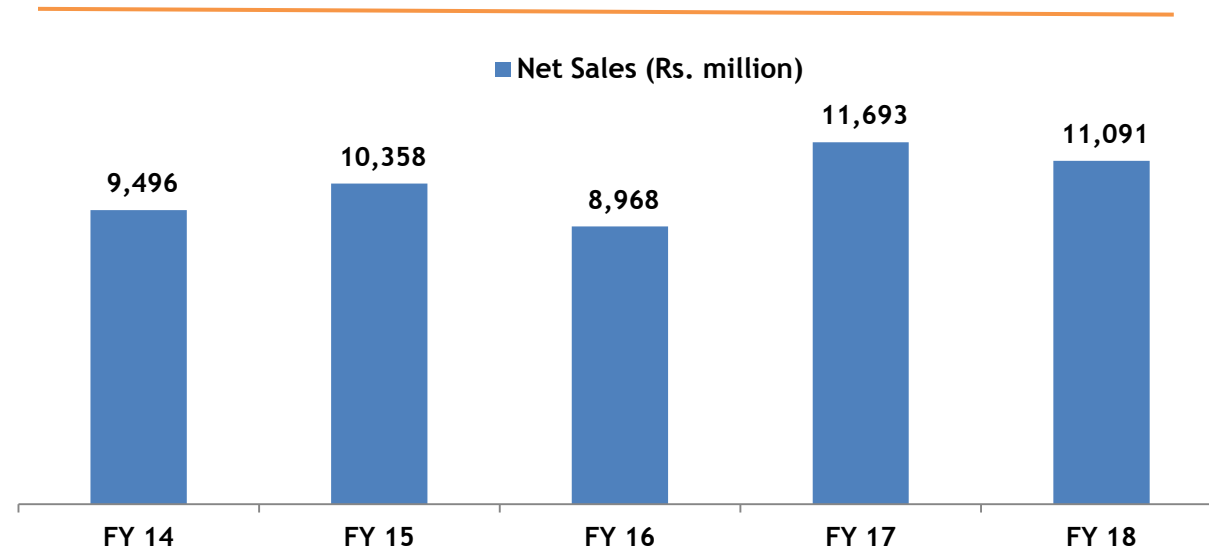
## 7. Strict financial discipline to ensure consistent returns and leverage ratios

Gradual expansion in margins to increase profitability

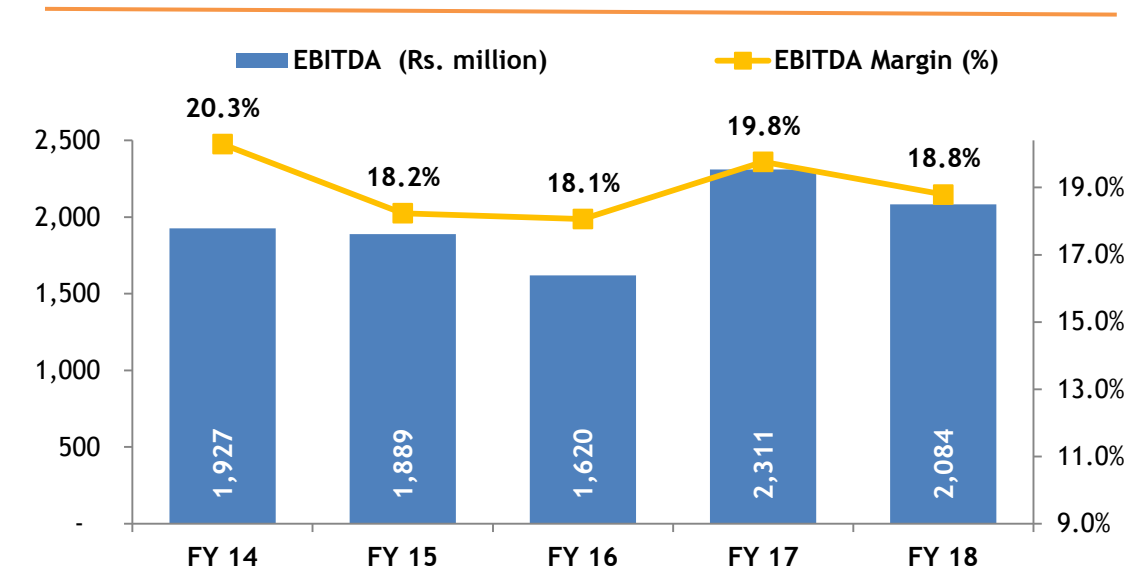
# Financial Performance



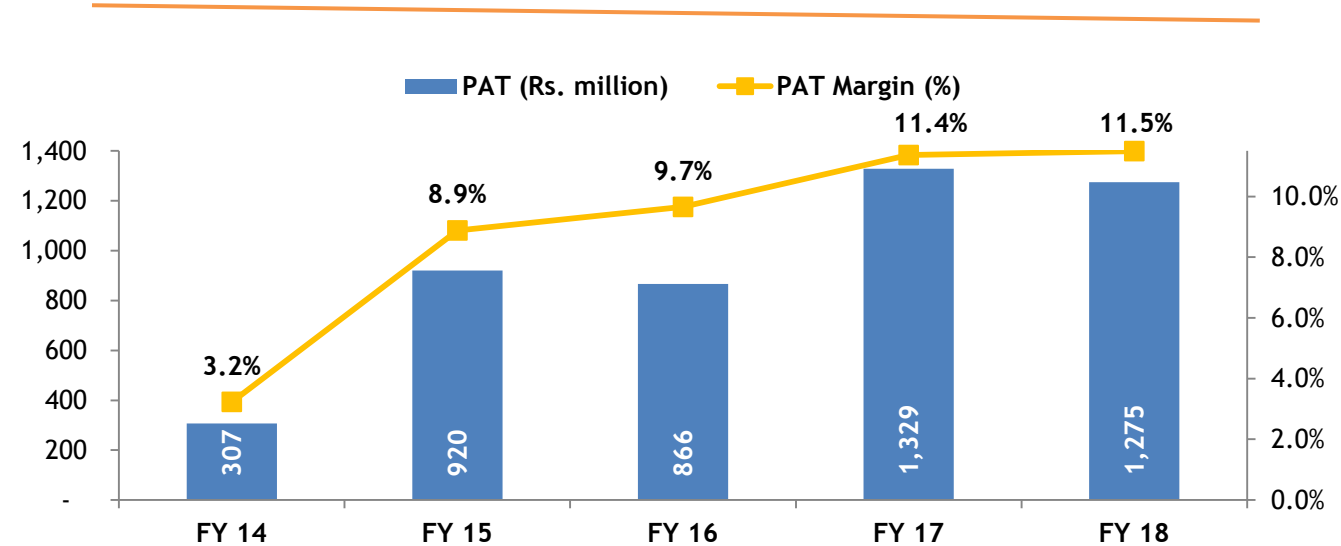
## Net Sales



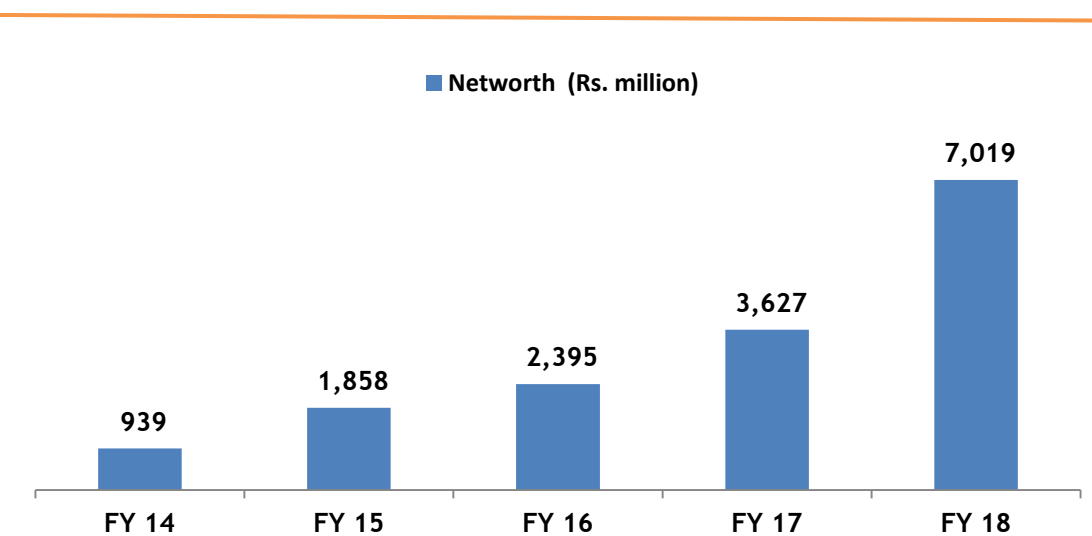
## EBITDA and EBITDA Margins



## PAT and PAT Margins



## Net worth

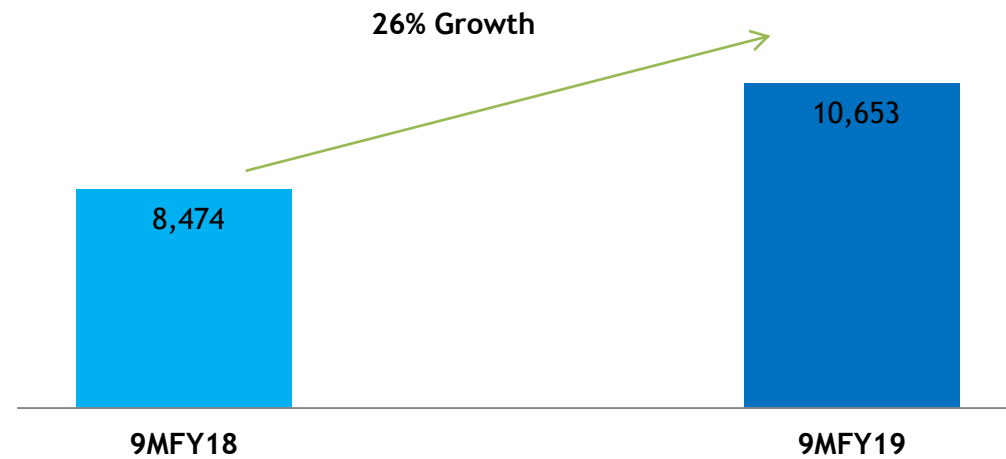


**Strong performance over the years**

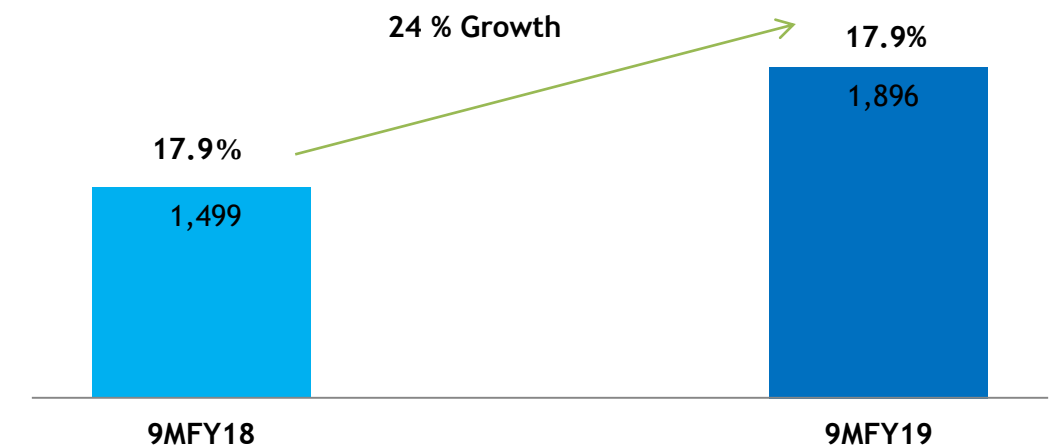
Note: Standalone data

# 9MFY19 Financials

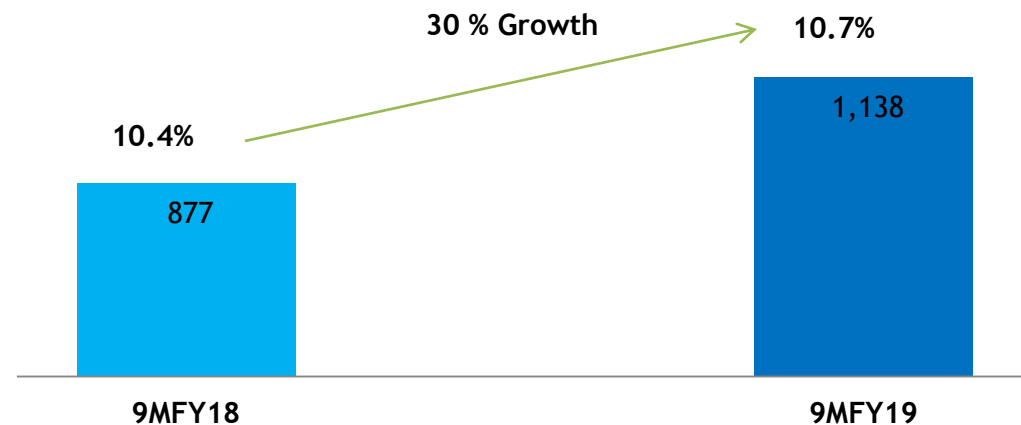
**Total Income (Rs. Million)**



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



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



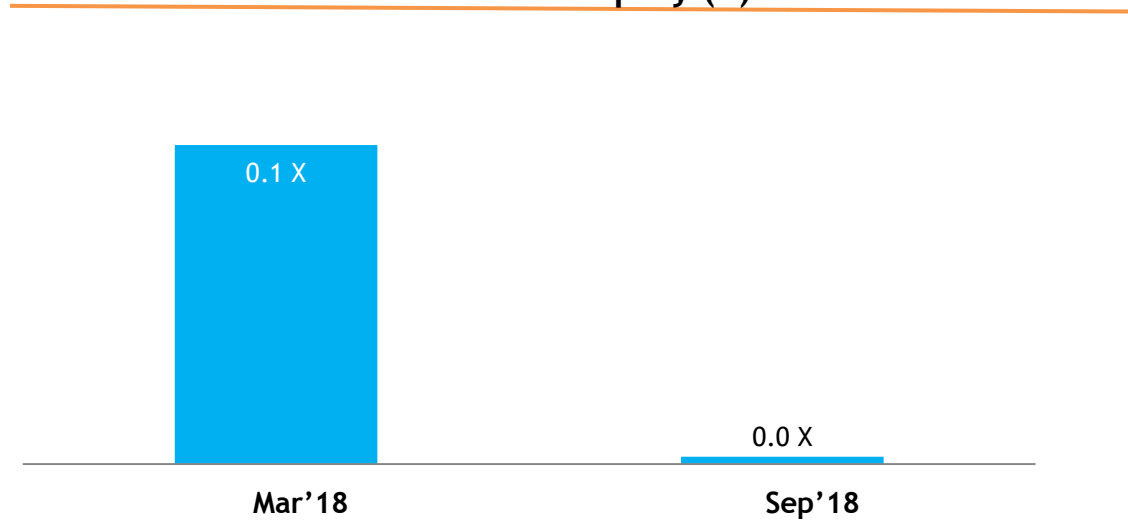
**Operational EBITDA**

| (Rs. Millions)          | 9MFY19 | 9MFY18 | (YoY %) |       |
|-------------------------|--------|--------|---------|-------|
| Revenue from Operations | 10,587 | 8,386  | ▲       | 26%   |
| EBITDA*                 | 1,896  | 1,499  | ▲       | 27%   |
| EBITDA Margin (%)       | 17.9%  | 17.9%  | ▲       | 4 bps |
| Net Profit              | 1,138  | 877    | ▲       | 30%   |

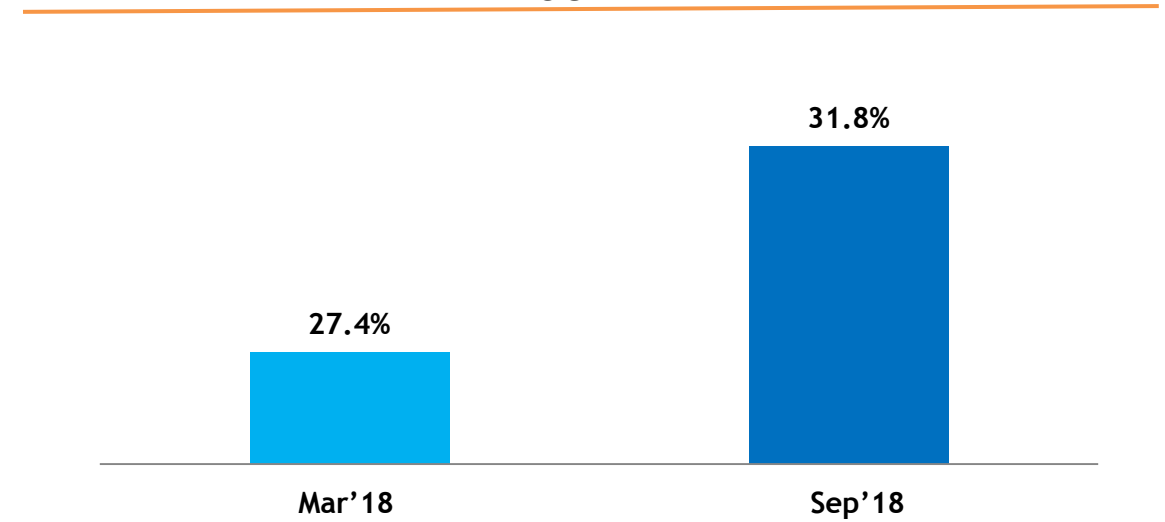
**Consistent margins showing strength of our integrated business model**

Note: Standalone data \* EBITDA excluding other income

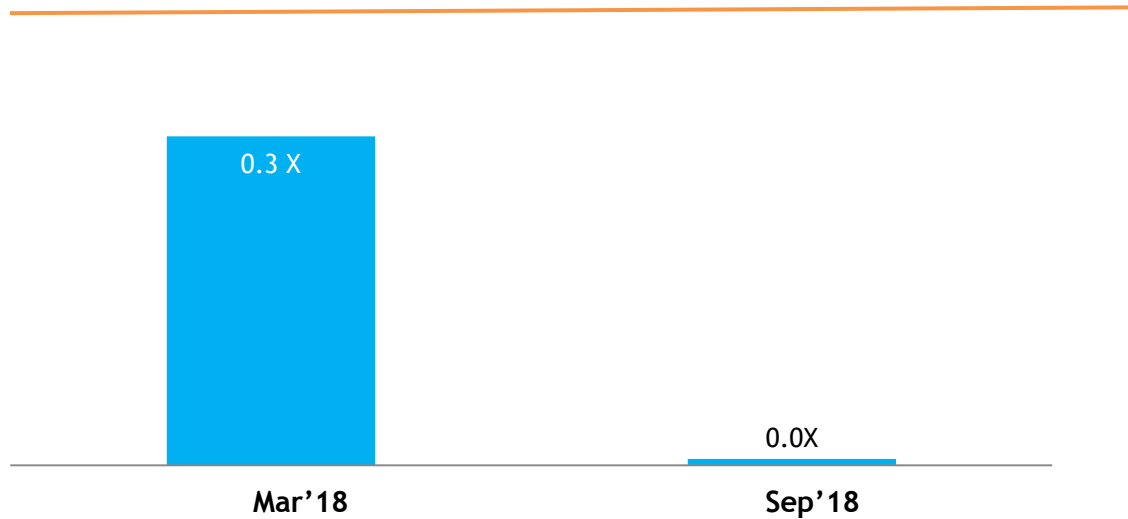
Total Debt/ Equity (X)



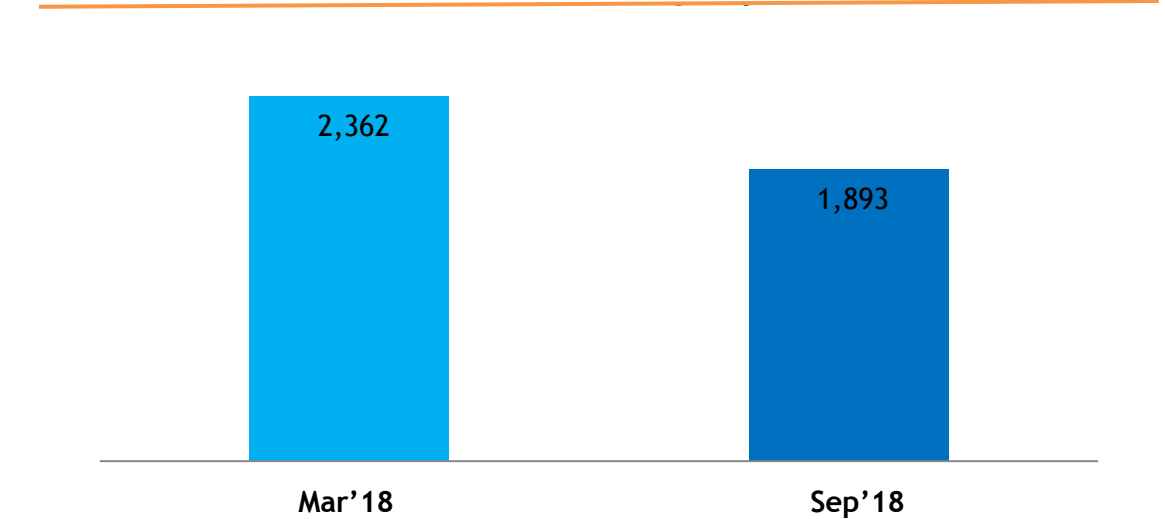
ROCE\*



Net Debt / EBITDA\*



Net Working Capital



\*Note: To calculate Net Debt/EBIDTA, the EBIDTA is annualized and similarly, to calculate ROCE ,EBIT is annualized

**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. 31.1 million in FY2018
  - Bodal's areas of work are into rural infrastructure, healthcare, hospitals, schools and sports

# Thank you



**Bodal Chemicals Ltd.**

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CIN : L24110GJ1986PLC009003

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# Quarterly Performance

Q4FY2018-19 & FY2018-19

21<sup>st</sup> May 2019



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# Company Profile



# Bodal's History

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- 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.
- 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 in Uttar pradesh and 4 depots across India.



# Bodal's History

- Bodal has strong presence across the globe. At present Bodal exports around 45% of its sales to 150+ customers in more than 45 countries.
- Company has four 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. – 100% holding
- Market capitalization is Rs.14.37 billion (20-05-19). Promoters own 58.3%

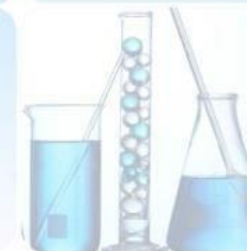


# Journey

Notes:

Units are manufacturing sites

Unit Nos. are as per current numbering of sites



1989-  
1990

1993  
Acquired Unit II-B  
Acquired Unit III

1994  
Changed name to  
Bodal Chemicals Pvt Ltd

1996-  
2005

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

2011-  
2015

2016  
Amalgamation:  
Bodal Agrotech, LABSA, Unit X  
Zero Discharge Facility

2017  
Acquired 70%: SPS Processors, Dye Int'diates, Zero  
Discharge Facility

2017  
Acquired Trion Chemicals, TCCA specialist  
Zero Discharge Facility

2018  
Dyestuff expansion by 12000MTPA  
5MW Co-generation Power plant

2019  
Opening of trading subsidiaries (India & China)  
Dyestuff expansion by 6000MTPA  
TC capacity addition by 36000MTPA

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

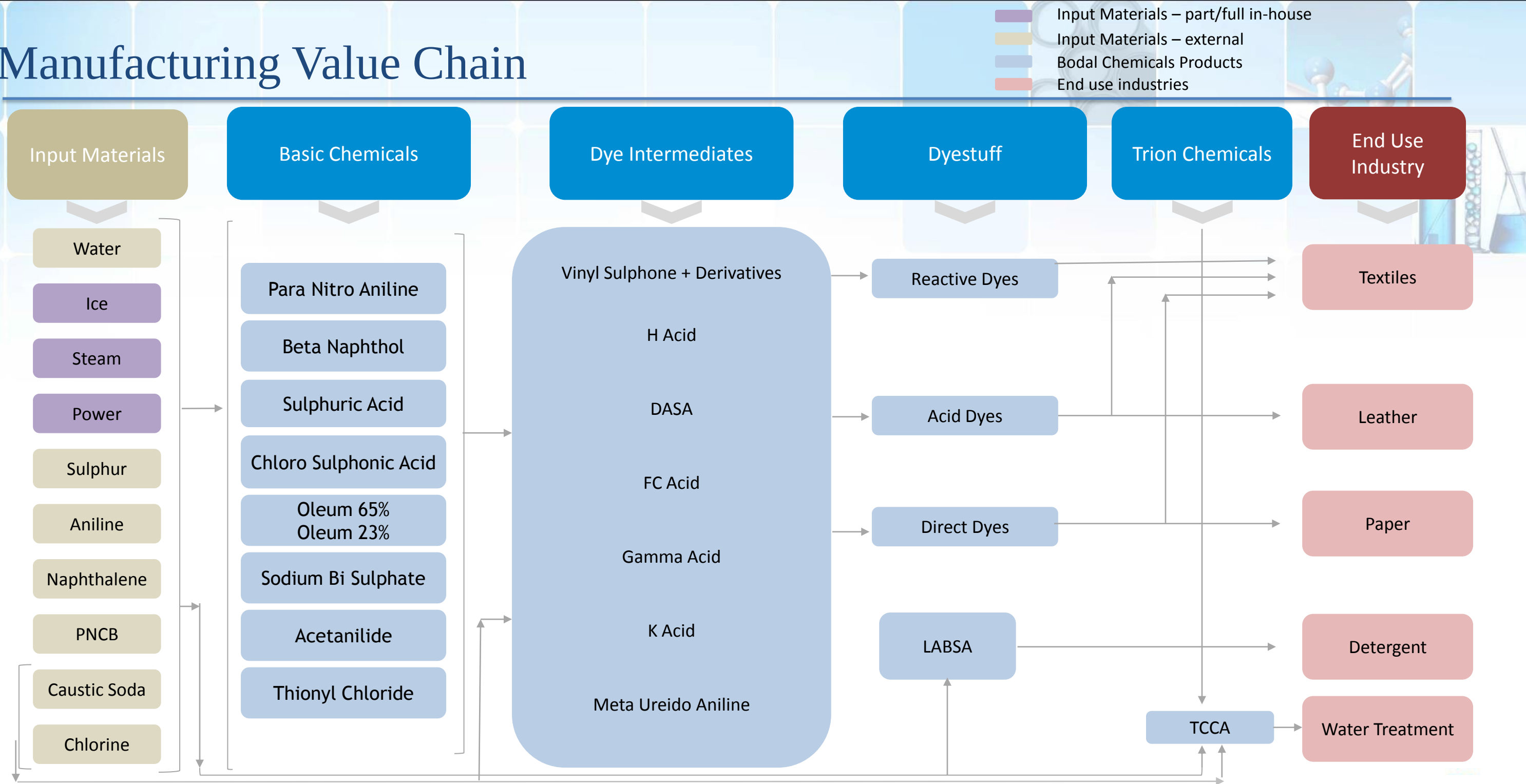
2014, 2015  
Turnaround  
Zero Debt

2016-  
onwards



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# Manufacturing Value Chain



Note: Bodal recently added Thionyl Chloride (TC) capacity of 36,000 tons per year and trial production has started in March-2019



# Full year Performance



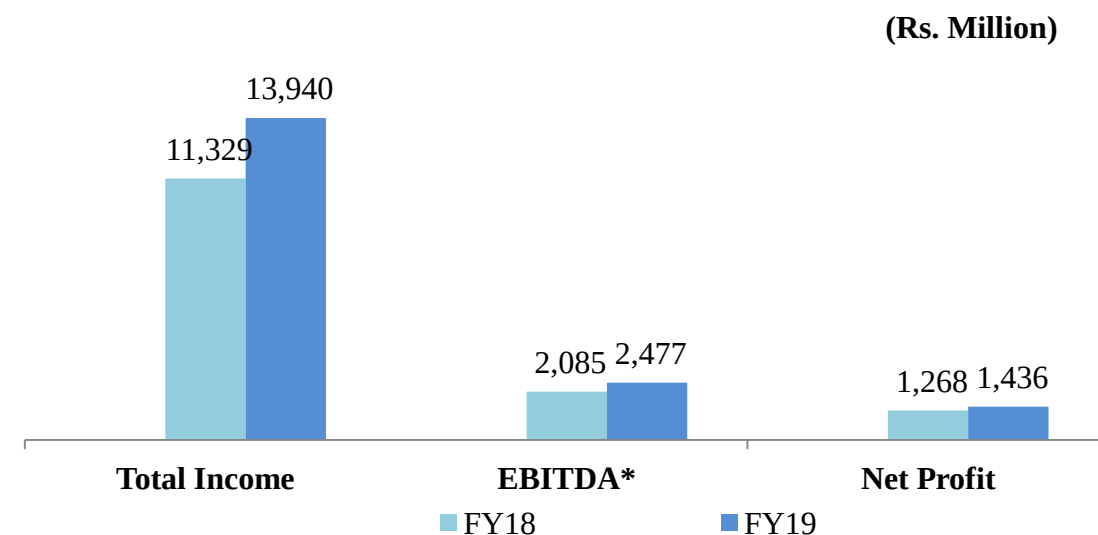
# Highlights - FY19 (YoY)

## Operational Highlights

- Our total production for FY19 grew by 6% yoy. Production for Dyestuff, Dye Intermediates and Basic Chemicals grew by 21%, 6% and 5% yoy respectively.
- Consistently maintained EBITDA margins of around 18%
- Exports for FY19 are up by 71% yoy to Rs 5,954 crores

## Financial Highlights (Standalone)

| Particulars       | (Rs. Million) |        |         |         |
|-------------------|---------------|--------|---------|---------|
|                   | FY19          | FY18   | (YoY %) |         |
| Total Income      | 13,940        | 11,329 | ▲       | 23%     |
| EBITDA*           | 2,477         | 2,085  | ▲       | 19%     |
| EBITDA Margin (%) | 17.8%         | 18.4%  | ▼       | -64 bps |
| Net Profit        | 1,436         | 1,268  | ▲       | 13%     |



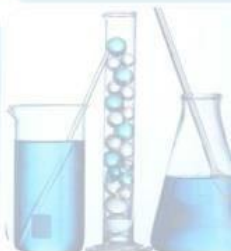
Note: \* EBITDA includes other income. Net profit includes other comprehensive income

# Financial –Standalone basis

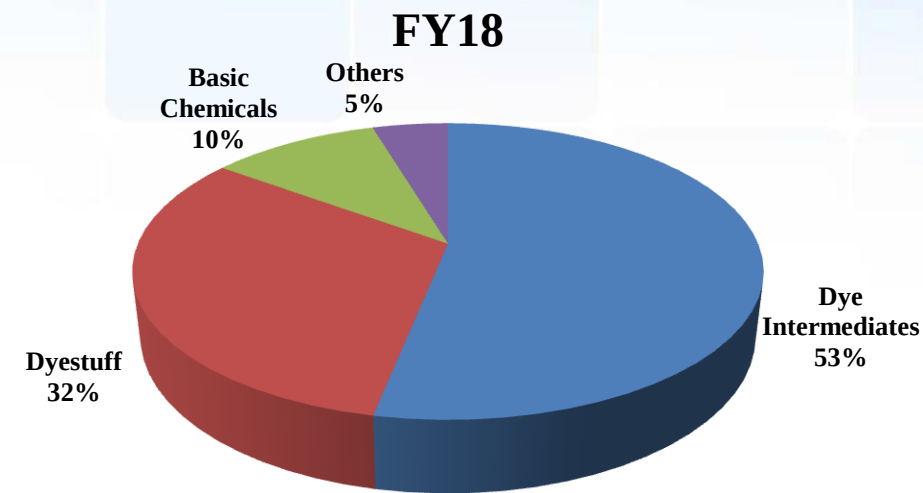
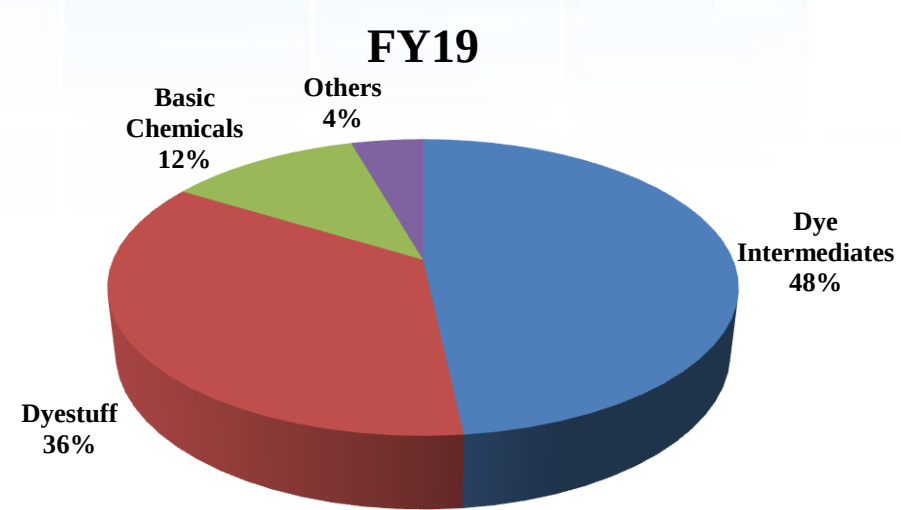
| Particulars                                           | (Rs. million) |               |            |
|-------------------------------------------------------|---------------|---------------|------------|
|                                                       | FY19          | FY18          | YoY (%)    |
| Revenue from operations (Net of Excise Duty)          | 13,794        | 11,210        | 23%        |
| Other Income                                          | 147           | 119           | 24%        |
| <b>Total Income</b>                                   | <b>13,940</b> | <b>11,329</b> | <b>23%</b> |
| Raw Materials Consumed                                | 8,757         | 7,017         | 25%        |
| Employee benefits                                     | 592           | 447           | 32%        |
| Other expenses                                        | 2,115         | 1,780         | 19%        |
| <b>Total expenses</b>                                 | <b>11,464</b> | <b>9,244</b>  | <b>24%</b> |
| <b>Earnings before Interest, Tax and Depreciation</b> | <b>2,477</b>  | <b>2,085</b>  | <b>19%</b> |
| Finance costs                                         | 69            | 49            | 41%        |
| Depreciation and amortisation expense                 | 183           | 109           | 67%        |
| <b>Profit before tax</b>                              | <b>2,225</b>  | <b>1,926</b>  | <b>15%</b> |
| <b>Tax expense</b>                                    | <b>784</b>    | <b>651</b>    | <b>20%</b> |
| <b>Profit (Loss) for the period</b>                   | <b>1,441</b>  | <b>1,275</b>  | <b>13%</b> |
| IND AS Adjustments                                    | (4)           | (7)           |            |
| <b>Total Comprehensive Income for the period</b>      | <b>1,436</b>  | <b>1,268</b>  | <b>13%</b> |
| <b>EPS (Rs./ Share)</b>                               | <b>11.77</b>  | <b>11.11</b>  | <b>6%</b>  |

Note: \* EBITDA includes other income

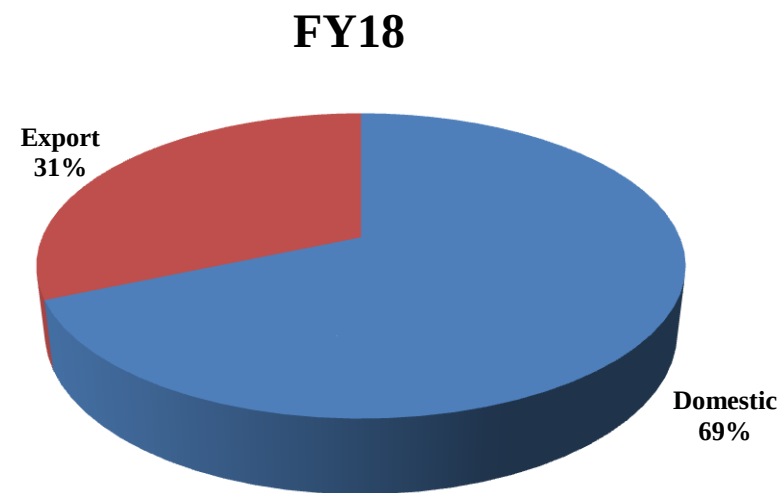
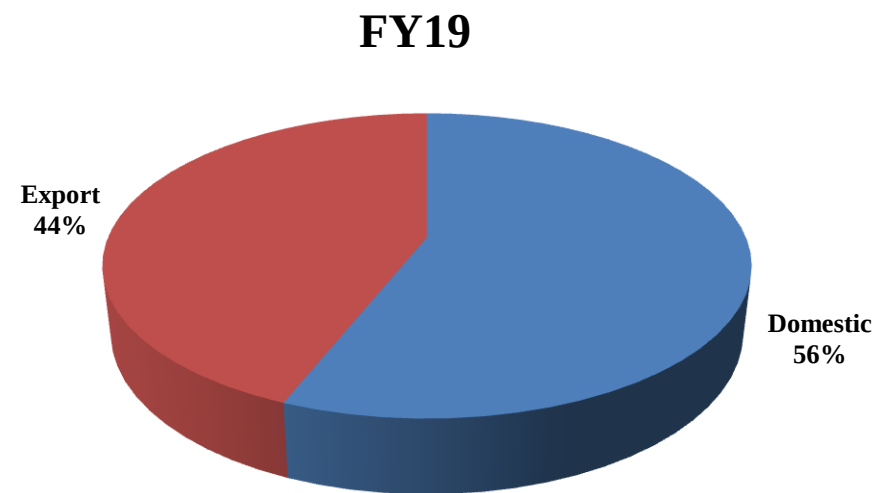
# Revenue Breakup (Standalone)



By Sub-Segment



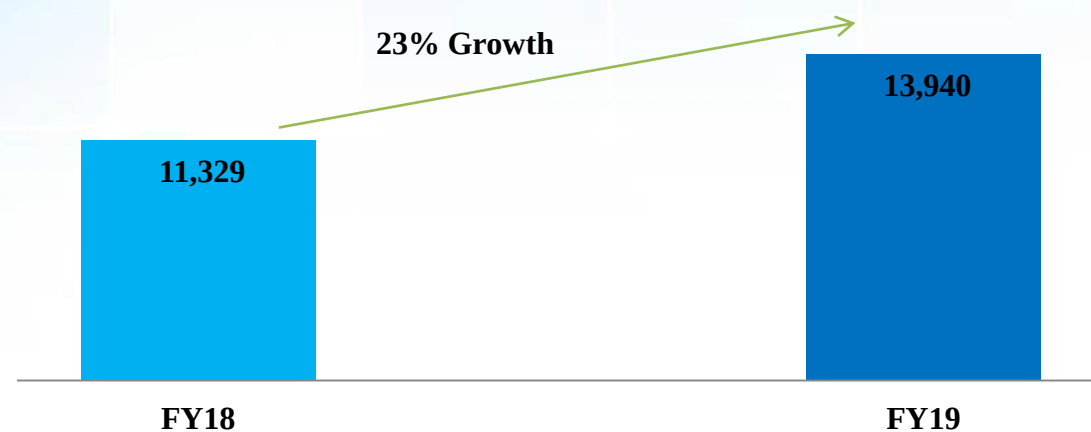
By Geography



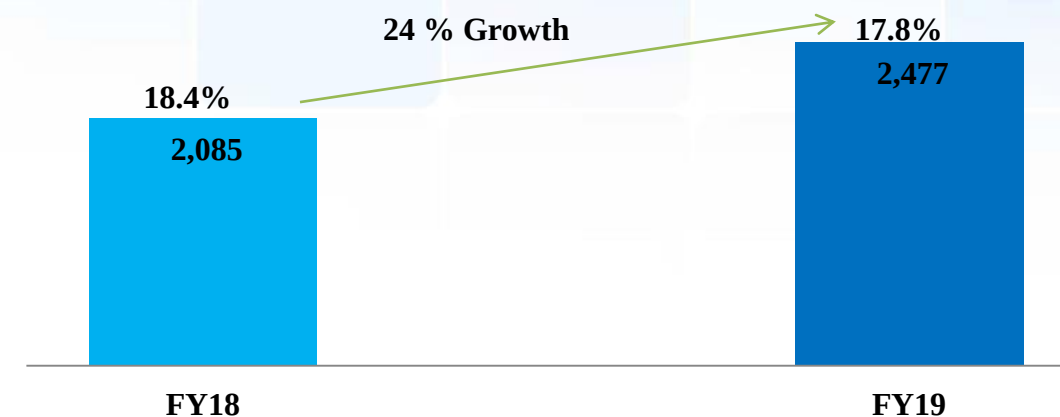
Note: Sale of products are net of excise duty & GST

# Financial Highlights- Standalone

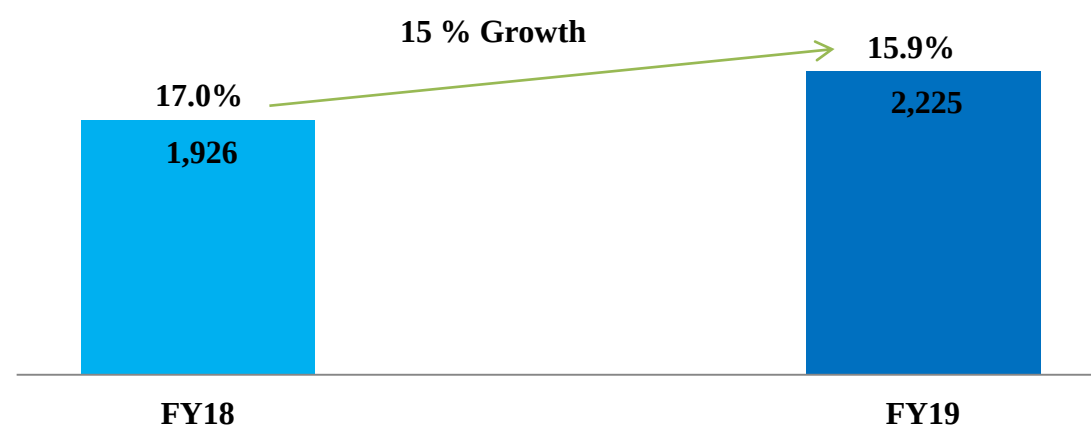
## Total Income (Rs. Million)



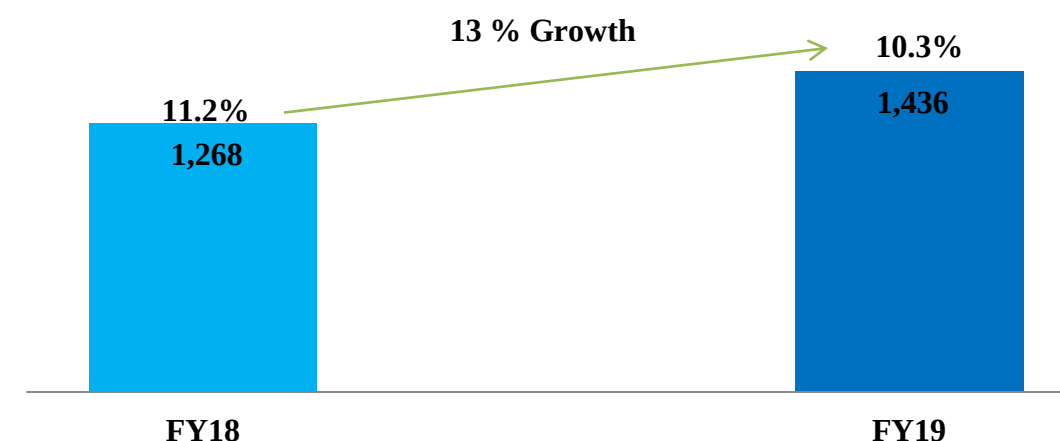
## EBITDA \* (Rs. Million) and Margin (%)



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



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



Note: \* EBITDA includes other income. Net profit include other comprehensive income

# Quarterly Performance



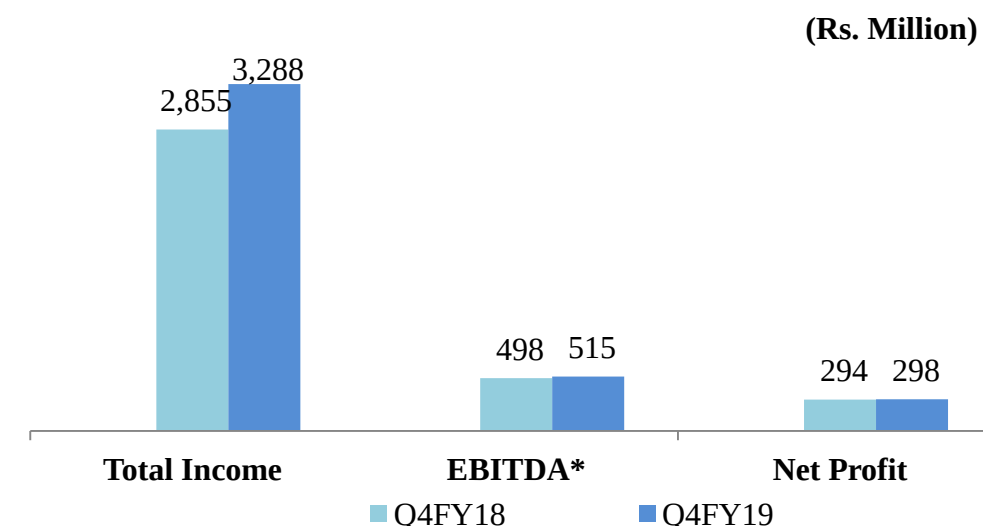
# Highlights - Q4 FY19 (YoY)

## Operational Highlights

- During Q4FY19, the trial production for Thionyl Chloride (TC) having capacity of 36,000 tons per year has started. Also, we have added dyestuff (powder) capacity of 6,000 MTPA during the quarter.
- Dyestuffs and Dye intermediates production grew by 19% and 8% yoy respectively while Basic Chemicals production declined by 2% yoy in Q4FY19.

## Financial Highlights (Standalone)

| Particulars       | (Rs. Million) |        |   |          |
|-------------------|---------------|--------|---|----------|
|                   | Q4FY19        | Q4FY18 | % | (YoY)    |
| Total Income      | 3,288         | 2,855  | ▲ | 15%      |
| EBITDA*           | 515           | 498    | ▲ | 3%       |
| EBITDA Margin (%) | 15.7%         | 17.4%  | ▼ | -177 bps |
| Net Profit        | 298           | 294    | ▲ | 1%       |

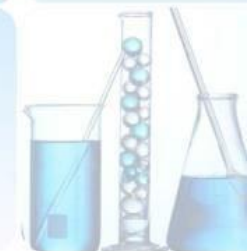


Note: \* EBITDA includes other income \*\* To make it comparable, net profit for Q4FY18 adjusted for effect of change in depreciation policy. Net profit includes other comprehensive income

# Financial–Standalone basis

|                                                         | (Rs. million) |              |             |
|---------------------------------------------------------|---------------|--------------|-------------|
| Particulars                                             | Q4FY19        | Q4FY18       | YoY (%)     |
| Revenue from operations                                 | 3,206         | 2,824        | 14%         |
| Other Income                                            | 81            | 30           | 167%        |
| <b>Total Income</b>                                     | <b>3,288</b>  | <b>2,855</b> | <b>15%</b>  |
| Raw Materials Consumed                                  | 2,147         | 1,752        | 23%         |
| Employee Benefits                                       | 106           | 121          | -12%        |
| Other expenses                                          | 520           | 484          | 7%          |
| <b>Total expenses</b>                                   | <b>2,773</b>  | <b>2,357</b> | <b>18%</b>  |
| <b>Earnings before Interest, Tax and Depreciation *</b> | <b>515</b>    | <b>498</b>   | <b>3%</b>   |
| Finance costs                                           | 19            | 11           | 78%         |
| Depreciation and amortisation expense                   | 48            | 69           | -30%        |
| <b>Profit before tax</b>                                | <b>447</b>    | <b>418</b>   | <b>7%</b>   |
| <b>Tax expense</b>                                      | <b>151</b>    | <b>171</b>   | <b>-12%</b> |
| <b>Profit (Loss) for the period **</b>                  | <b>296</b>    | <b>300</b>   | <b>-1%</b>  |
| IND AS Adjustments                                      | 2             | (5)          | -           |
| <b>Total Comprehensive Income for the period</b>        | <b>298</b>    | <b>294</b>   | <b>1%</b>   |
| EPS (Rs./ Share) (not annualised)                       | 2.41          | 2.45         | -2%         |

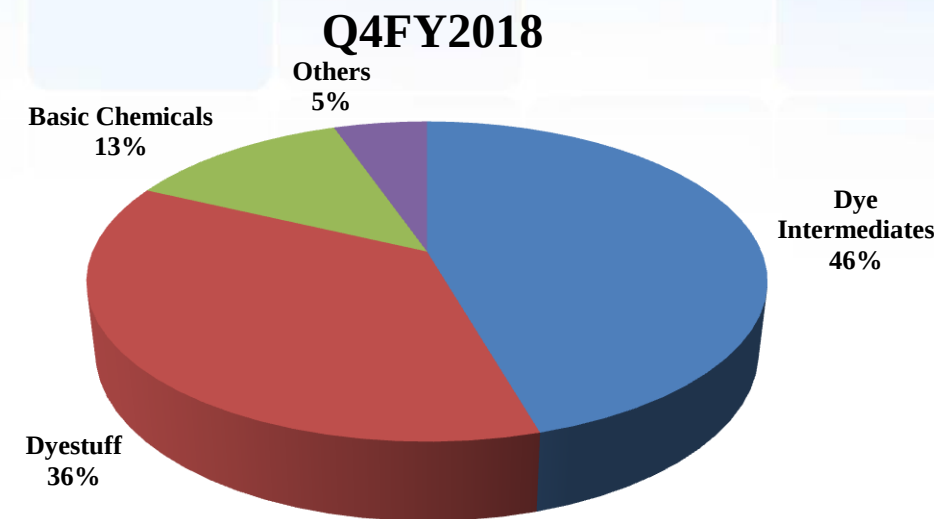
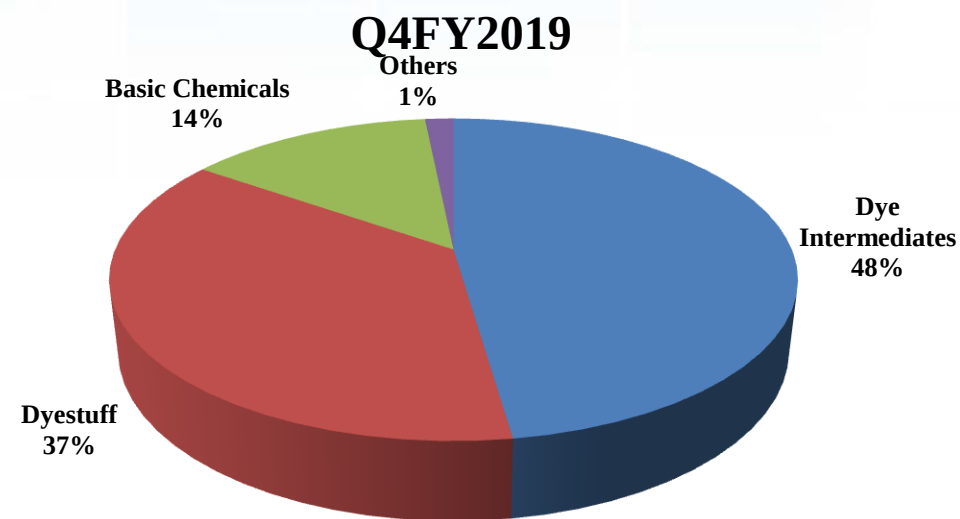
Note: \* EBITDA includes other income \*\* To make it comparable, net profit for Q4FY18 adjusted for effect of change in depreciation policy



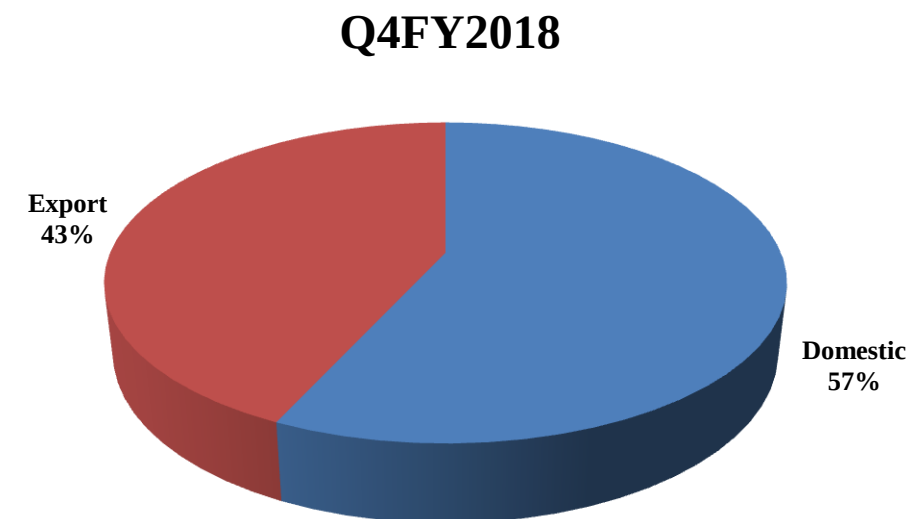
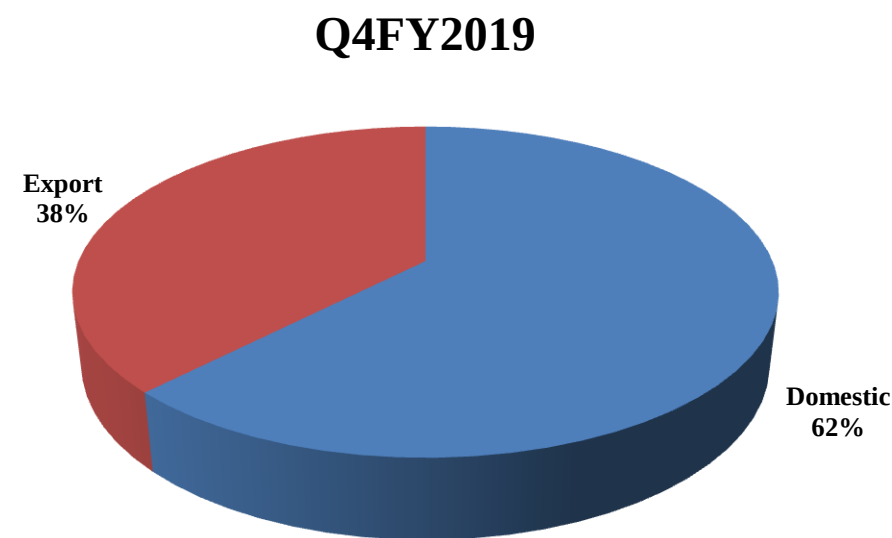
# Revenue Breakup

## Breakup (Standalone)

By Sub-Segment

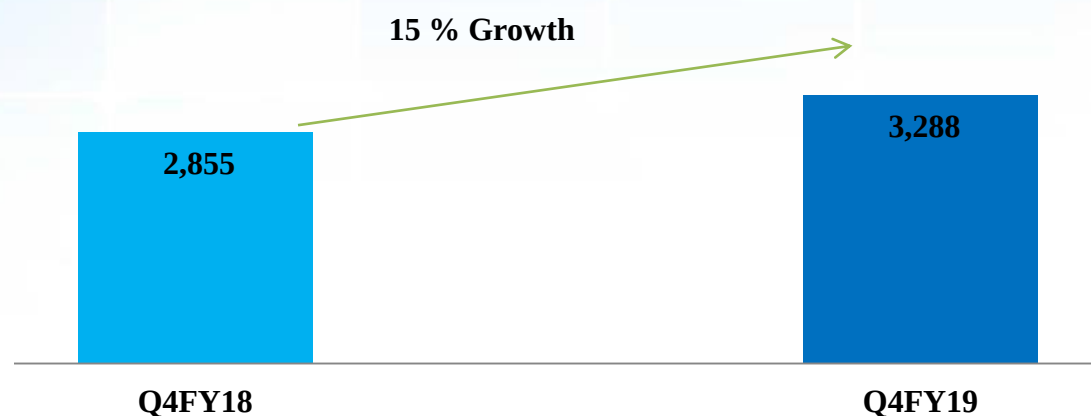


By Geography



# Financial Highlights- Standalone

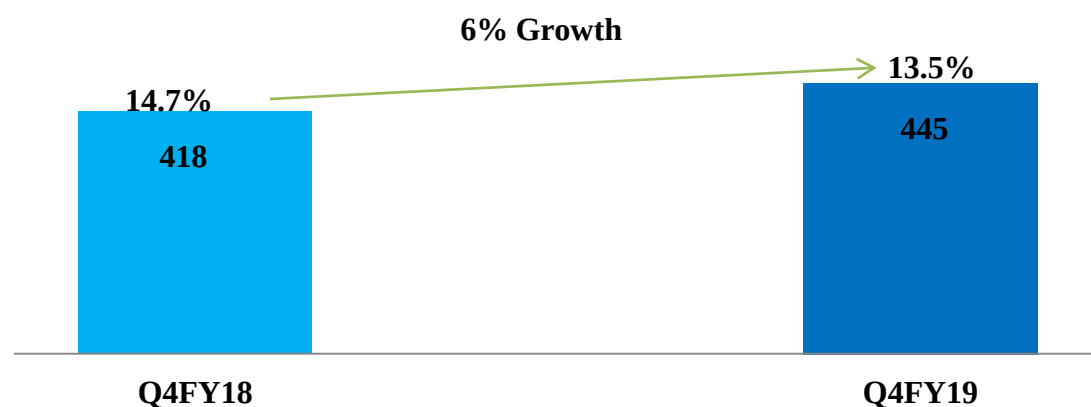
## Total Income (Rs. Million)



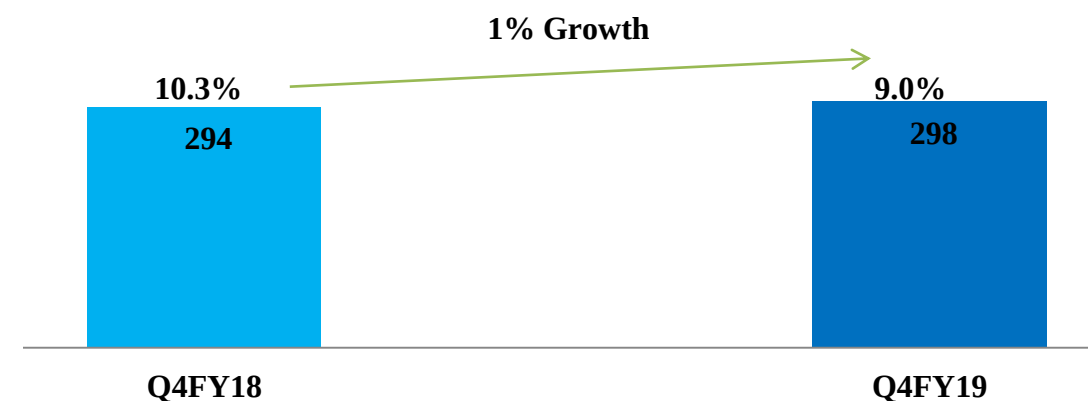
## EBITDA\* (Rs. Million) and Margin (%)



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



## Profit After Tax\*\* (Rs. Million) and Margin (%)



Note: \* EBITDA includes other income \*\* To make it comparable, net profit for Q4FY18 adjusted for effect of change in depreciation policy. Net profit include other comprehensive income

# Financials of Subsidiaries & Consolidated Numbers



# Financials of Subsidiaries & Consolidated Numbers

## Subsidiaries

(Rs. million)

| SPS & Trion  | Q4FY19 |       | FY19 |       |
|--------------|--------|-------|------|-------|
| Particulars  | SPS    | Trion | SPS  | Trion |
| Total Income | 269    | 109   | 810  | 168   |
| EBITDA       | 18     | 0     | 55   | (19)  |
| PAT          | 17     | (18)  | 16   | (80)  |

## Consolidated

| Particulars         | Quarterly |        | Yearly |        |
|---------------------|-----------|--------|--------|--------|
|                     | Q4FY19    | Q4FY18 | FY19   | FY18   |
| Operational Revenue | 3,443     | 2,932  | 14,235 | 11,661 |
| Other Income        | 74        | 28     | 134    | 95     |
| Total Income (Net)  | 3,516     | 2,961  | 14,369 | 11,756 |
| EBITDA*             | 512       | 495    | 2,495  | 2,039  |
| Margin %            | 14.6%     | 16.7%  | 17.4%  | 17.3%  |
| PAT**               | 295       | 289    | 1,409  | 1,212  |

Note: \* EBITDA includes other income \*\* To make it comparable, net profit for Q4FY18 adjusted for effect of change in depreciation policy. PAT includes other comprehensive income



# Balance Sheet Analysis



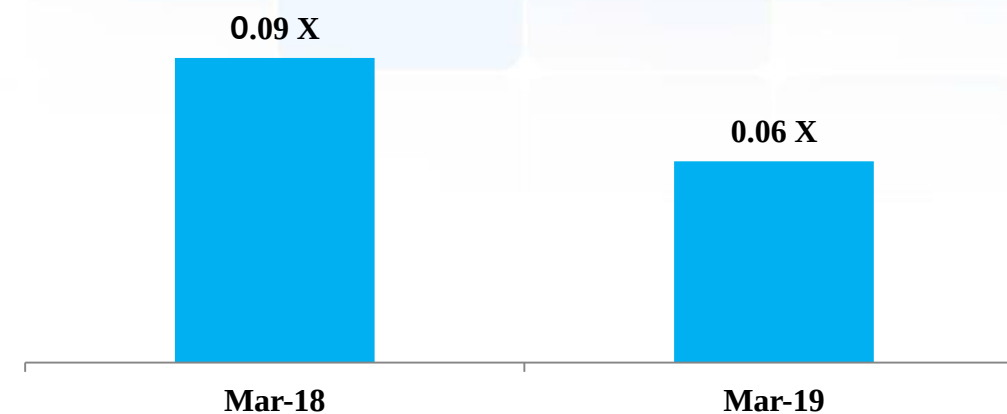
# Leverage –Standalone

| Particulars (Rs. Million)     | 31-Mar-19 | 31-Mar-18 |
|-------------------------------|-----------|-----------|
| Short Term Borrowings         | 655       | 840       |
| Long Term Borrowings          | 8         | 8         |
| Total Debt                    | 663       | 848       |
| Less: Cash & Cash Equivalents | 142       | 186       |
| Net Debt / (Net Cash)         | 521       | 662       |
| Reduction in Debt             | 141       |           |

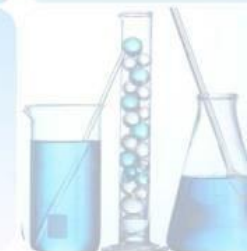
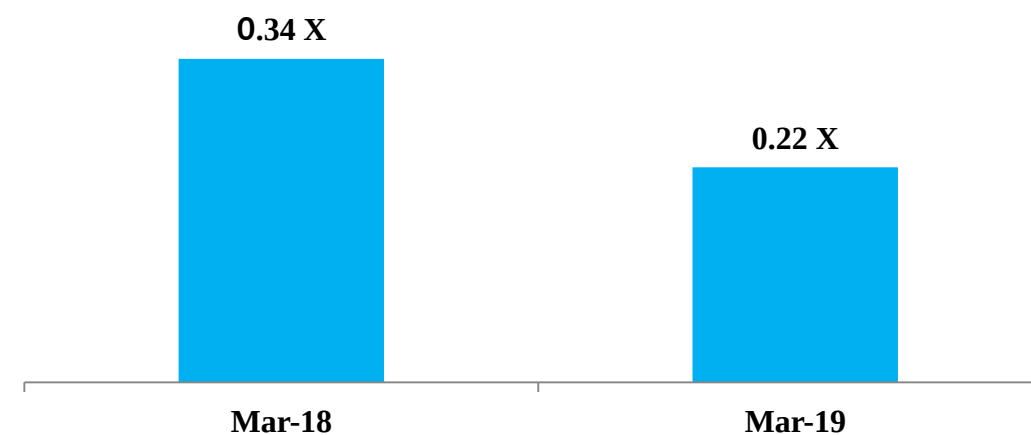
|           |       |       |
|-----------|-------|-------|
| Net Worth | 8,352 | 7,020 |
| EBITDA    | 2,330 | 1,966 |

| 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)

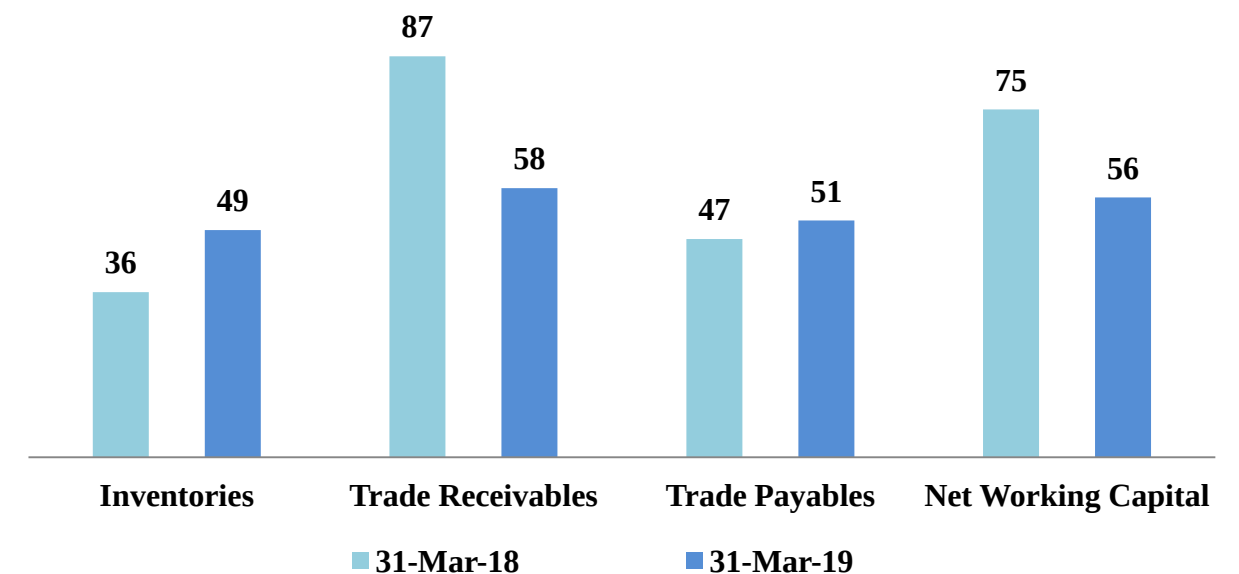


# Working Capital Analysis - Standalone

(Rs. Million)

| Working Capital                | 31-Mar-19 | 31-Mar-18 |
|--------------------------------|-----------|-----------|
| i) Inventories                 | 1,851     | 1,121     |
| ii) Trade Receivables          | 2,204     | 2,723     |
| iii) Trade Payables            | 1,926     | 1,482     |
| Net Working Capital (i+ii-iii) | 2,130     | 2,362     |

Net working capital days

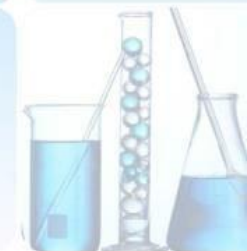


# Management Comments on Results



# Management Comments on Results & Updates (1of 2)

- Total production during the quarter remained flat yoy at 60,145 MT in Q4FY19. The company achieved 14% growth in revenue YoY basis while EBITDA including other income grew by 3% YoY in Q4FY19. EBITDA margins stood lower at 15.6% mainly due to inventory loss due to spillover effect of sharp volatility in crude oil prices during Q3FY19.
- Total production for FY19 increased by 6% yoy to 230,796 MT. The company achieved 23% growth in revenue YoY basis while EBITDA including other income grew by 19% YoY in FY19. EBITDA margins stood at 17.8% while PAT margins were at 10.3% for FY19.
- We believe this was one off quarter in terms of decline in EBITDA margins due to inventory loss and it should get normalized going ahead.
- Our finance cost in FY19 was at Rs 69mn mainly due to utilization of higher limits and increase in Indian currency loans. However, our interest income was Rs 110mn in FY19 leading to net interest income of Rs 41mn.
- Total exports are up by 71% yoy at Rs 5.9bn and its share in total revenues increased to 44% in FY19 from 31% in FY18. This was the result of increased efforts by company to further enhance presence in different geographies.



# Management Comments on Results (2of 2)

- During the quarter, the trial production for Thionyl Chloride (TC) capacity of 36,000 tons per year has started. Also, we have added dyestuff (powder) capacity of 6,000 MTPA during the quarter and our total dyestuff (powder) capacity now stands at 35,000MTPA.
- Subsidiaries performance was satisfactory:
  - SPS posted profit of Rs 17mn for Q4FY19 and Rs 16mn for FY19. We expect VS plant at SPS should come by end of 1HFY20E and after that SPS should contribute more to overall profitability.
  - TRION posted loss of Rs 18mn in Q4FY19 and Rs 80mn in FY19. Production at TRION has normalized and we expect to reach breakeven soon.
  - After the completion of our Chlor Alkali plant, profitability of TRION will be ensured because we will have in-house production of Caustic and Chlorine which are raw materials for TCCA.
- Our balance sheet remains strong. Below are parameters:
  - We remain long term debt free and our short term debt has come down by Rs 185mn in FY19. Our cash and cash equivalents stands at Rs 142mn.
  - Our non cash working capital as a percentage of sales declined to around 22% in FY19 from 31% in FY18 mainly due to decline in Trade Receivables.



# Expansions and Acquisition



# Expansions and Acquisition – Towards the next phase of growth

- 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 (~1000TPD) 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 (~4800 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.
- As guided earlier, we will be expanding our present Dyestuff capacity (including various shades which are high value products) to meet higher demand globally. And we are setting up plant of Turquoise Blue which is niche product and has good demand & higher margins. These capacities will lead to higher business integration with consistent margins.
- Marketing base at Turkey will lead to higher dyestuff revenues and exports, strengthen our global marketing capabilities and increase in profitability due to gradual increase in B2C & local sales at Turkey and surrounding countries.



# Expansions and Acquisition – Towards the next phase of growth

- 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 – Towards the next phase of growth

- 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                    |

# Conference call to discuss Q4FY19 & FY19 Results & Outlook

Management will discuss results of Q4 & FY19 and Outlook on a conference call on 21<sup>st</sup> May 2019 at 5 PM India time.

The conference call dial-in numbers are:

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

Local access number: +9170456 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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**Bodal Chemicals Ltd.**  
COLOURS. INTEGRATION. INNOVATION.



Thank you



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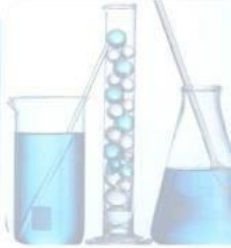
# Annexures



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

|                           |               |             |               |             | (Rs. million)  |
|---------------------------|---------------|-------------|---------------|-------------|----------------|
| Geography- wise Revenues  | Q4FY19        | % Share     | Q4FY18        | % Share     | YoY Growth (%) |
| Domestic                  | 1,950         | 62%         | 1,585         | 57%         | 23%            |
| Export                    | 1,177         | 38%         | 1,202         | 43%         | -2%            |
| <b>Total</b>              | <b>3,127</b>  | <b>100%</b> | <b>2,787</b>  | <b>100%</b> | <b>12.2%</b>   |
|                           |               |             |               |             |                |
| Sub-Segment-wise Revenues | Q4FY19        | % Share     | Q4FY18        | % Share     | YoY Growth (%) |
| Dye Intermediates         | 1,492         | 48%         | 1,269         | 46%         | 17.6%          |
| Dyestuff                  | 1,155         | 37%         | 1,017         | 36%         | 13.6%          |
| Basic Chemicals           | 430           | 14%         | 353           | 13%         | 21.8%          |
| Others                    | 50            | 2%          | 148           | 5%          | -66.2%         |
| <b>Total</b>              | <b>3,127</b>  | <b>100%</b> | <b>2,787</b>  | <b>100%</b> | <b>12.2%</b>   |
|                           |               |             |               |             |                |
| Geography- wise Revenues  | FY19          | % Share     | FY18          | % Share     | YoY Growth (%) |
| Domestic                  | 7,597         | 56%         | 7,602         | 69%         | -0.1%          |
| Export                    | 5,954         | 44%         | 3,489         | 31%         | 70.7%          |
| <b>Total</b>              | <b>13,551</b> | <b>100%</b> | <b>11,091</b> | <b>100%</b> | <b>22.2%</b>   |
|                           |               |             |               |             |                |
| Sub-Segment-wise Revenues | FY19          | % Share     | FY18          | % Share     | YoY Growth (%) |
| Dye Intermediates         | 6,544         | 48%         | 5,895         | 53%         | 11.0%          |
| Dyestuff                  | 4,808         | 35%         | 3,533         | 32%         | 36.1%          |
| Basic Chemicals           | 1,601         | 12%         | 1,149         | 10%         | 39.3%          |
| Others                    | 598           | 4%          | 514           | 5%          | 16.3%          |
| <b>Total</b>              | <b>13,551</b> | <b>100%</b> | <b>11,091</b> | <b>100%</b> | <b>22.2%</b>   |

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



# Production Quantity Metric Tons (MT)

| Production MT      | Q4FY 19 | Q4FY 18 | YoY<br>(Growth) |
|--------------------|---------|---------|-----------------|
| Dyestuff           | 4,886   | 4,116   | 19%             |
| Dyes Intermediates | 6,342   | 5,894   | 8%              |
| Basic Chemicals    | 48,917  | 50,081  | -2%             |

| Production MT      | FY 19   | FY 18   | YoY<br>(Growth) |
|--------------------|---------|---------|-----------------|
| Dyestuff           | 18,588  | 15,412  | 21%             |
| Dyes Intermediates | 23,674  | 22,343  | 6%              |
| Basic Chemicals    | 188,534 | 179,544 | 5%              |

