



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By Online Submission

Sec/17-18/118
Date: 24/08/2017

To,
The General Manager,
BSE Ltd.
1st Floor, New Trading Ring,
Rotunda Building, P.J. Tower,
Dalal Street, Fort
Mumbai- 400 001
BSE Code: 524370

To,
The General Manager,
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051.
NSE CODE: BODALCHEM

Dear Sir/Madam,


SUB: EARNINGS PRESENTATION FOR Q1 FY 2018 FOR INVESTOR.

Ref: Regulation 30, Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above captioned subject, we herewith enclosed Earnings Presentation for Q1 FY 2018.

This is for your information and record please.

Thanking You,
For, BODAL CHEMICALS LTD.


Ashutosh B. Bhatt.
Company Secretary



Encl: As Above.

HEAD OFFICE:

Plot No. 123-124, Phase-1,
G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

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Q1 FY2018 Earnings Presentation

24 August 2017



Bodal Chemicals Ltd.

COLOURS. INTEGRATION. INNOVATION.

(NSE: BODALCHEM, BSE: 524370)

Important Notice

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.



Total Revenue

Net Profit

Financial Performance

Summary

Q1 FY2018 vs. Q1 FY2017 (Standalone)

Total Income

Rs. 2,767.7 million
(0.2)%

EBITDA

Rs. 557.3 million
(4.3)%

Net Profit

Rs. 311.5 million
(6.1)%

Commenting on the results, Mr. Bhavin S Patel, Executive Director, said:

“Bodal Chemicals had reported another important Quarter in Q1 FY2017-18.

While Total Income is flat over the YoY Quarter, and EBITDA and PAT are YoY lower by 4.3% and 6.1% respectively, our performance during the Quarter has been on the back of very strong expansion of Revenue and Profitability in FY2016-17, moderation of product prices during the Quarter, and significant addition of upfront fixed costs from our ongoing expansion projects.

We have maintained our higher tier of profitability with an EBITDA margin of 20.1% for the Quarter. This has been possible because of continual focus on new technologies, efficiencies, site integration, cross-product use and waste minimization.

Bodal is making serious investments for its future growth. We see FY2017-18 as an inflection year in the growth of our Company.”

YoY and Sequential

Key Financial Statistics (Standalone)

(Rs. million)	Q1		YoY Growth (%)	Q4	Seq. QoQ Growth (%)
	FY2018	FY2017		FY2017	
Total Income	2,767.7	2,773.5	(0.2)%	2,905.0	(4.7)%
EBITDA	557.3	582.2	(4.3)%	569.0	(2.0)%
Net Profit	311.5	331.7	(6.1)%	321.8	(3.2)%
Earnings Per Share (EPS) (Rs.)	2.85	3.04	(6.1)%	2.95	(3.2)%
<i>EBITDA Margin (%)</i>	20.1%	21.0%	-	19.8%	
<i>Net Profit Margin (%)</i>	11.3%	12.0%	-	11.1%	

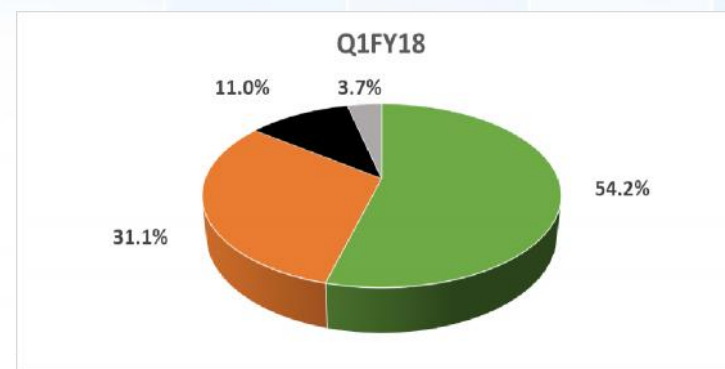
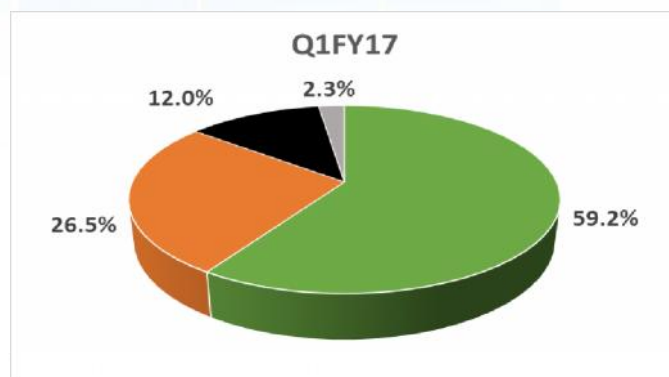
- Total Income was flat YoY and 4.7% lower seq. QoQ at Rs. 2,767.7 million
- EBITDA margin was 85 basis points lower YoY and flat seq. QoQ
- Net Profit was 6.1% lower YoY and 3.2% lower seq. QoQ
- EPS was 6.1% lower YoY and 3.2% lower seq. QoQ

5 Notes: 1. Financials are Standalone, 2. Total income and EBITDA includes non operating other income, 3. Seq. QoQ means Sequential Quarter on Quarter

Segmental Revenue

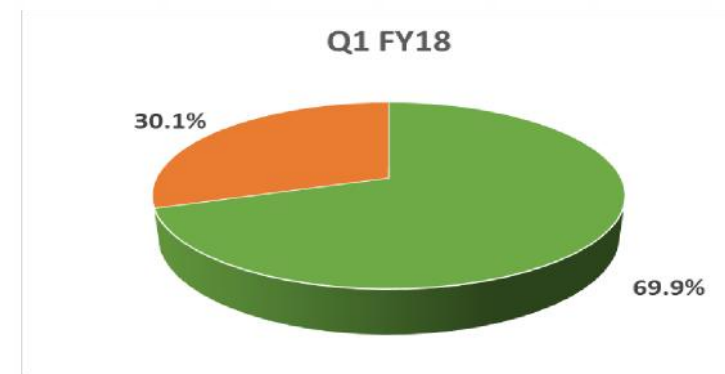
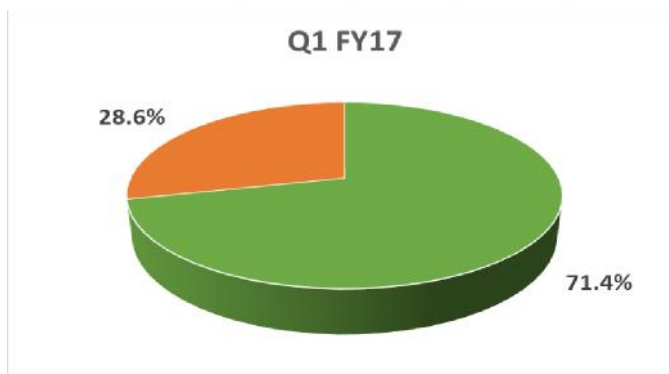
Revenue Breakup

By Segment



■ Dye Intermediates ■ Dyestuff ■ Basic Chemicals ■ Others

By Geography



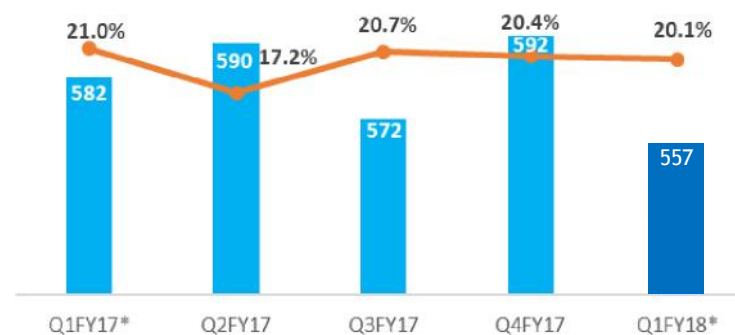
■ Domestic ■ Exports

Quarterly Trends

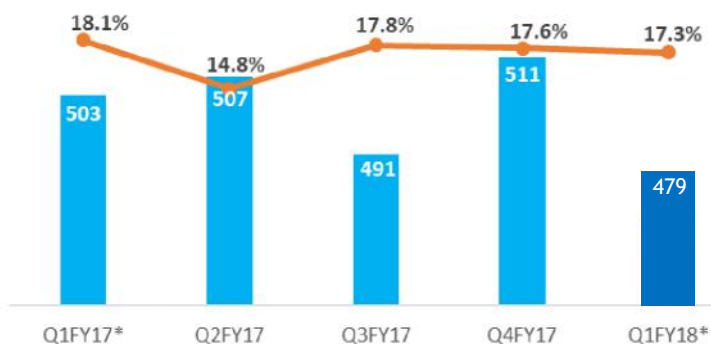
Revenue (Rs. Million)



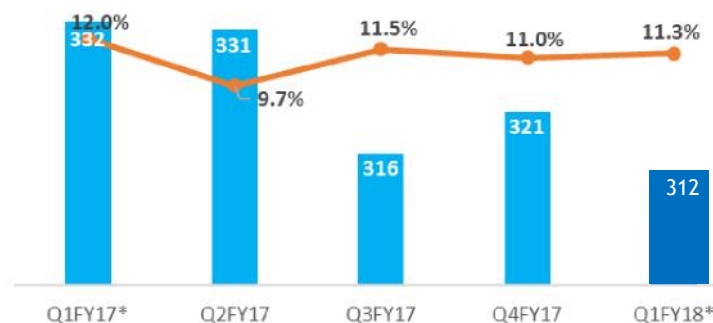
EBITDA (Rs. Million) and Margin (%)



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



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



Leverage Profile

Particulars (Rs. million)	30-Jun-17	31-Mar-17
Short Term Borrowings	1,427	1,411
Long Term Borrowings	7	7
Total Debt	1,434	1,418
Less: Cash & Cash Equivalents	192	38
Net Debt/(Cash)	1,242	1,380
Net Worth	3,902	3,593
EBIDTA	557	592

Bank Facility	Credit Rating
Long Term Bank Facilities	CARE A
Short Term Bank Facilities	CARE A1

Notes: *To calculate Net Debt/EBIDTA, the EBIDTA is annualized

Total Debt / Equity (x)



Net Debt / EBITDA* (x)



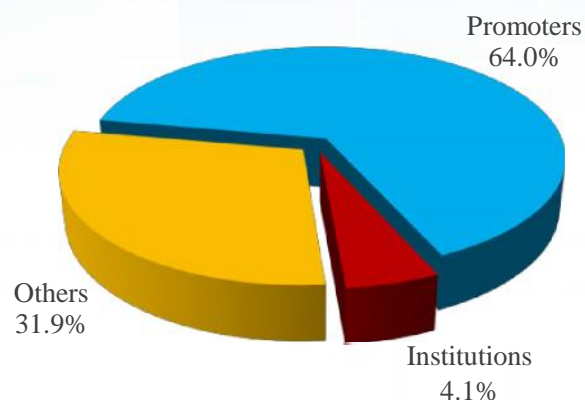
Total Revenue

Net Profit

Shareholding & Listing

Shareholding and Listing

Shareholding Pattern (30th Jun 2017)



Listing Data

Market Cap. (Rs. billion) (23-Aug-17)	17.7
Outstanding Shares (million)	109.1
Bloomberg Ticker	BODL:IN
Reuters Ticker BSE	BODA.NS
Ticker	524370
NSE Ticker	BODALCHEM

Shareholders	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	67.4%	65.6%	65.6%	64.2%	64.0%
Institutions	1.2%	5.3%	4.6%	4.5%	4.1%
Others	31.4%	29.2%	29.9%	31.3%	31.9%
Total	100%	100%	100%	100%	100%

Total Revenue

Net Profit

Outlook – shared earlier

Outlook – shared earlier

Slide from
Q1 FY2017
Earnings
Presentation

August 2016

Strategic Direction

Increasing capacity utilization and adding new products to the diversify into more value added product lines

2x Revenue growth over next 3-4 years

• Capacity expansion

• Introduction of new products

Capacity Expansion
of Dyestuff

Trion Chemicals

Production of
LABSA

Production of
Liquid Dyestuff

For reference:





FY2016 Consolidated
Revenues were
Rs.9,218.9 million

Outlook – shared earlier

Slide from
Q1 FY2017
Earnings
Presentation

August 2016

Strategic Direction

	Capacity Expansion of Dyestuff	Trion Chemicals	Production of LABSA	Production of Liquid Dyestuff
Details	<ul style="list-style-type: none"> Capacity to be expanded by 8,000 MTPA to an aggregate 25,000 MTPA in the first phase (10 months) Capex required of Rs. 28 Cr to be funded out of internal accruals Total capacity expansion of 24,000 MTPA over 3-4 yrs Expansion to be carried out at Plant VII in Vadodara 	<ul style="list-style-type: none"> 42% owned associate company To produce a compound which is a disinfectant, algicide and bactericide mainly for swimming pools. It is also used as a bleaching agent in the textile industry Production expected to start in H2 FY2017 	<ul style="list-style-type: none"> Started new plant near Plant VII for production of Linear Alkyl Benzene Sulphonic Acid (LABSA) It is an anionic surfactant widely used in formulation of all ranges of Domestic Detergents Powder, Cake & Dish wash cleaners Looking forward to increasing production in the near term 	<ul style="list-style-type: none"> Used in paper industry for coloring paper Looking forward to increasing production in the near term
Annual Capacity	<ul style="list-style-type: none"> 25,000 MT (including additional DS capacity from Phase I) 	<ul style="list-style-type: none"> 12,000 MT 	<ul style="list-style-type: none"> 18,000 MT 	<ul style="list-style-type: none"> 10,800 MT
End Market				

Outlook – shared earlier

Slide from Analyst & Investor Day Presentation

November 2016

The New Growth Engine



	Capacity Expansion of Dyestuff	Trion Chemicals	Production of LABSA	Production of Liquid Dyestuff
Details	<ul style="list-style-type: none"> Capacity to be expanded by 8,000 MTPA Capex required of Rs. 28 Cr to be funded out of internal accruals Total capacity expansion of 24,000 MTPA over 3-4 yrs Expansion to be carried out at Unit VII in Vadodara 	<ul style="list-style-type: none"> 42% owned associate company (in progress) To produce a compound which is a disinfectant, algicide and bactericide Machinery installed and capex incurred Production expected to start in H2 FY2017 	<ul style="list-style-type: none"> Started new plant near Plant VII for production of Linear Alkyl Benzene Sulphonic Acid (LABSA) Production started in Q1 FY2017 Plan to double capacity at the cost of ~Rs. 5 Cr 	<ul style="list-style-type: none"> Very few players currently producing Liquid Dyestuff All capex incurred Look forward to increasing production in the near term
Capacity	25,000 MT (including additional DS capacity from Phase I)	12,000 MT	18,000 MT	10,800 MT
End Market	Textile, Leather and Paper industry	Swimming pools and water treatment; also used as a bleaching agent in the textile industry	Detergents, cake and dish wash cleaners	Paper industry

The new opportunities are poised to take us onto a new growth trajectory

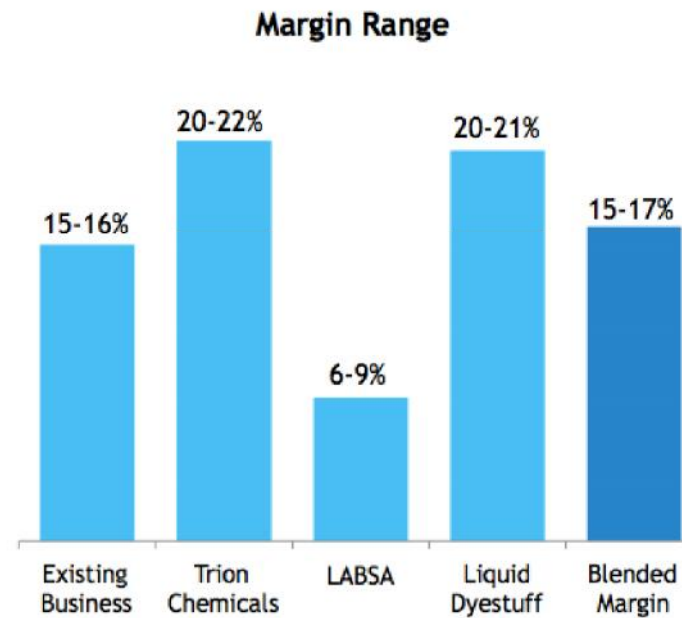
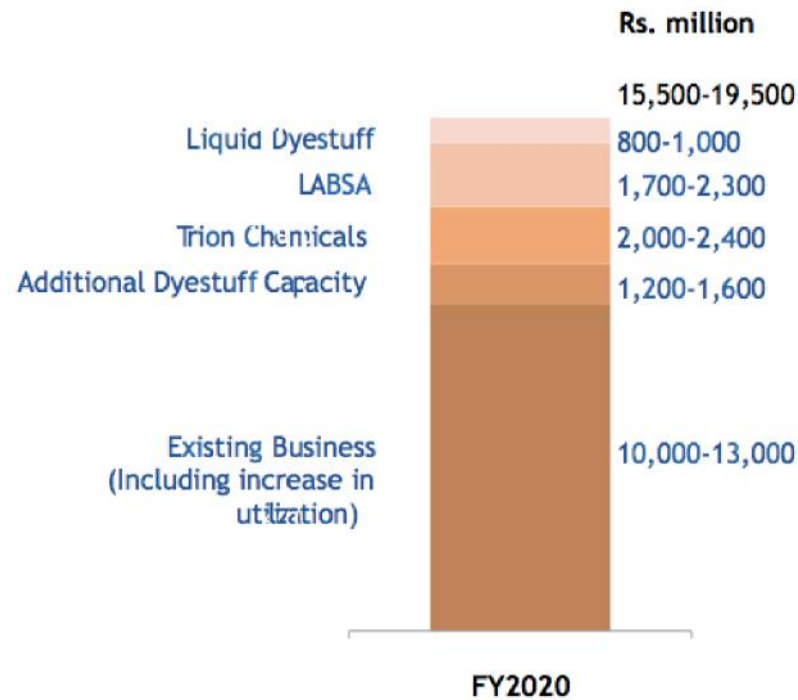


Outlook – shared earlier

Slide from Analyst & Investor Day Presentation

November 2016

Revenue Target & Margin Range



Sustainable growth is a key focus area

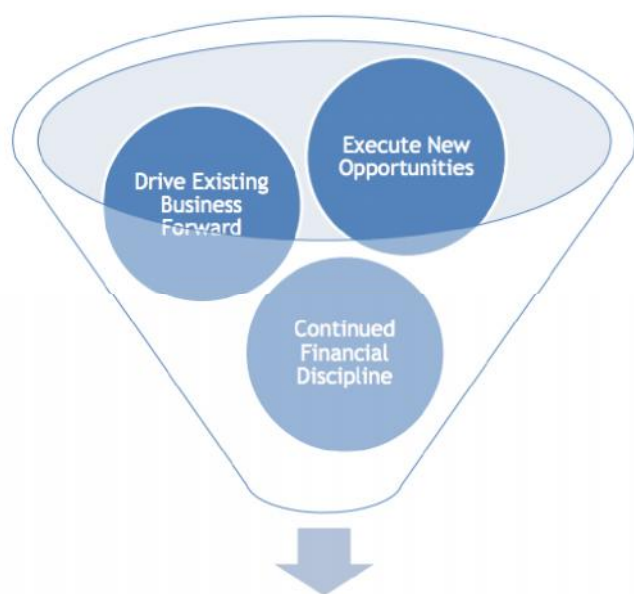


Outlook – shared earlier

Slide from
Analyst &
Investor Day
Presentation

November
2016

Strategic Way Forward



A Plan to Excel

	Commentary
Drive Existing Business Forward	<ul style="list-style-type: none">• Grow the share of Dyestuff in the total production• Continue to provide impeccable quality• Strengthen existing customer relationships• Enter new markets• Secure new customers
Execute New Opportunities	<ul style="list-style-type: none">• New growth opportunities provide additional revenue visibility• First mover advantage provides for a strong moat• Higher margin businesses to enhance profitability
Continued Financial Discipline	<ul style="list-style-type: none">• Continue to maintain financial health of the company• Maintain debt/equity ratio at or below current levels

A highly strategic plan approved by the board



Coming out with flying colours



Total Revenue

Net Profit

Outlook – Update

Outlook – Update

- Outlook shared in August & November 2016: **FY2016-FY2020**
 - Grow Consolidated Revenues/Profits:
 - FY2016 (A) : Rs. 9,218.9 million, to
 - FY2020 : Rs. 15,500-19,500 million
 - EBIDTA% : 15-17%
 - Major projects:
 - Dyestuff expansion : 8,000 MTPA
 - Trion plant setup : 12,000 MTPA
- Performance: **FY2017 (Actual)**
 - Consol. FY2017 Revenues : Rs. 12,431.3 million, up 35.9%
 - Consol. EBITDA% : 19.2%
 - Consol. PAT% : 10.4%
 - Major projects : Projects initiated, plus
Inorganic growth initiative – acquired SPS Processors, March 2017



Outlook – Update

- Outlook: **FY2018 (Estimated)**
 - We believe FY2018 will be an inflection year for our Company
 - Our focus is on consolidating our Revenue and Profit position post moderation of product prices
 - Expansion and efficiency projects amounting to Rs. 3,420 million are on hand:
 - Dyestuff expansion, 12,000 TPA + Ice Plant + new ETP Plant
 - Co-generation Plant
 - Thionil Chloride Plant
 - Trion Chemicals expansion
 - SPS – VS plant and Utilities block
 - Land for new specialty chemicals complex
 - Maintenance CAPEX and working capital for new initiatives
 - Based on the build-out, we anticipate to reach around the upper range of Outlook of FY2020 Revenue and EBIDTA% provided earlier on 28 November 2016 (refer to slide 15)
 - Historically, Bodal has grown long-term at a CAGR of 13-15%. The current build-out would take our growth to a significantly higher level



Outlook – Update

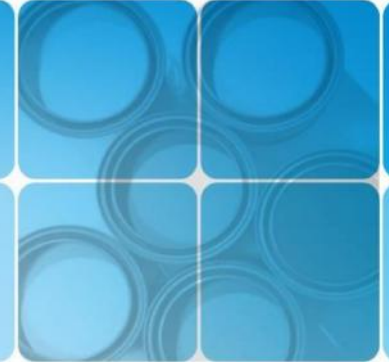
- Beyond FY2018:
 - To build our Company in a way that would then sustain the higher growth plane beyond FY2020, we have been in active evaluation of significant opportunities. The opportunities are in:
 - Organic growth in Specialty chemistry products
 - Inorganic growth
 - Organic growth opportunities
 - The products identified in Specialty chemistry will need a new integrated site
 - We have shortlisted 80-100 acre site options in Dahej, Gujarat for the new products
 - Inorganic growth
 - Bodal is a partner and acquirer of choice in the industry
 - We have built an excellent reputation of inorganic growth in the industry having successfully integrated and growth seven strategic investments (refer slide 26 ‘Key Milestones’)
 - We continue to see a number of opportunities in the Dyes & Intermediates and Specialty Chemicals sectors with the industry likely to consolidate towards the larger organized sector
 - We are not at a definitive stage regarding any opportunity at present, but we need to be continually ready



Outlook – Update

- Funding:
 - All of Bodal's long-term growth of CAGR 13-15% has hitherto come without raising major funds from external shareholders
 - At the same time, given the nature of the industry and our past experience, we must maintain low debt/equity
 - We are deeply committed to fiscal responsibility, value creation and risk management. Considering opportunities at hand, if we have to maintain conservative debt/equity below 0.5:1, we may have to raise new equity funding





Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

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Total Revenue

Net Profit

Annexure

Total Revenue

Net Profit

Business

Investment Rationale

One of the leading manufactures of Dye Intermediates (DI) and Dyestuff (DS) globally

Environmental and supply issues in the other major DI / DS producing country presents a huge opportunity for Bodal

Biggest manufacturer of DI in India; also produces the largest variety in the country

Most integrated DS player in India

Strong global reach: exports to over 50+ countries

Considerably protected from raw material price volatility: a majority of the Basic Chemicals (BC) and DI requirement sourced in-house

Strategically located with easy access to key raw materials

Captive power plant and steam generation reduces power cost

Increasing revenue share of high value add DS

A high level of integration at plants reduces logistic costs

High margin products such as Speciality Chemicals and Liquid Dyestuff expected to improve profitability

Conservative leverage profile

Key Milestones



Notes: Corporate action is highlighted in red font

Board of Directors

Mr. Suresh J. Patel

Chairman & Managing Director

Mr. Bhavin S. Patel

Executive Director

Mr. Ankit S. Patel

Executive Director

Mr. Surendra N. Shah

Independent Director

Mr. Nalin Kumar

Independent Director

Mr. Bipin R. Patel

Independent Director

Mrs. Neha Huddar

Independent Director



Manufacturing Footprint

Location	Plant	Basic Chemicals	Dye Intermediates	Dyestuff	LABSA	Speciality Chemicals
Ahmedabad, Gujarat	Unit-I	X	X	X		
Ahmedabad, Gujarat	Unit-II	X	X			
Ahmedabad, Gujarat	Unit-III		X			
Ahmedabad, Gujarat	Unit-IV			X		
Vadodara, Gujarat	Unit-VII	X	X	X		
Vadodara, Gujarat	Unit-VIII		X			
Bharuch, Gujarat	Unit-IX	X				
Vadodara, Gujarat	Unit-X				X	
Kosi, UP SPS Processors Pvt Ltd (70% Equity Stake)	SPS Processors Pvt Ltd (70% Equity Stake)		X			
Khambhat, Trion Chemicals Pvt Ltd (42% Equity Stake)	Trion Chemicals Pvt Ltd (42% Equity Stake)					X

Notes:

- Plant V has been sold and unit VI have been closed
- 70% of total company production is at Plant VII and is one of the most integrated BC-DI-DS plants in India; DS capacity at this plant to be expanded by 8,000 MTPA in the first phase

Business Snapshot

Company with the widest product portfolio in India across basic chemicals, dye intermediates and dyestuff

One of the leading producers of dye intermediates & dyestuff in the world



End Markets

No. of Products		30 Variants	150 Variants
Annual Capacity	190,000 MT	37,200 MT	17,000 MT
% Total Revenue	7.0%	66.6%	24.6%
Products	Sulphuric Acid, Oleum 23% & 65%, Sulphur Trioxide and Chlorosulphonic Acid	Vinyl Sulphone Ester, H Acid, F C Acid, DASA, Gama Acid, 6 Nitro	Reactive Dyes, Acid Dyes, Direct Dyes

Product Overview





Basic Chemicals & Dye Intermediaries

Basic Chemical - Highlights

- Centrally located manufacturing facilities
- 45% in house consumption
- Captive power plant & steam generation
- Latest upgraded production facilities

Dye Intermediaries - Highlights

- Largest manufacturer in India with 25 years of experience
- Consumes 40% of dye intermediates in-house
- High entry barriers
- Competitive to Chinese suppliers in terms of pricing
- Easy raw material availability in Gujarat
- Only player with effluent disposal permission of 10 lac litres per day
- After implementation of a new policy to deal with environmental issues in China, setting up a new facility in the country has become tougher
- In a position to sell outside or consume in house depending upon market dynamics

Product	Major Applications
Sulphuric Acid	
Oleum 23% & 65%	
Sulphur Trioxide	
Chlorosulphonic Acid	

Product Overview

Dyestuff

Highlights

- Large capacity for standardizing, storage and packaging & distribution
- In house ice plant with 300 MT/day capacity
- In house ETP plant with 1 million liters / day
- Sales across more than 50 countries
- Contract manufacturing for leading MNCs
- Scope for increasing production with existing infrastructure

Product

Major Applications

Reactive Dyes



Acid Dyes



Direct Dyes



Geographical Reach

Outreach across more than 50 countries*



● Production Facilities ■ Clients Presence

Key Clients*



* Arranged alphabetically