



Ref.: No.: HSCL/Stock-Ex/2019-20/33

Date: 31 May, 2019

E-mail: blsharma@himadri.com

<b>Ref.: Listing Code: 500184</b> BSE Limited Department of Corporate Services P. J Towers, 25 <sup>th</sup> Floor Dalal Street Mumbai – 400 001	<b>Ref.: Listing Code: HSCL</b> National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex Bandra (E) Mumbai – 400 051
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**Sub.: Investor Presentation – Revised**

Dear Sir,

We are enclosing the revised Investor's Presentation, kindly take it on record.

Thanking You.

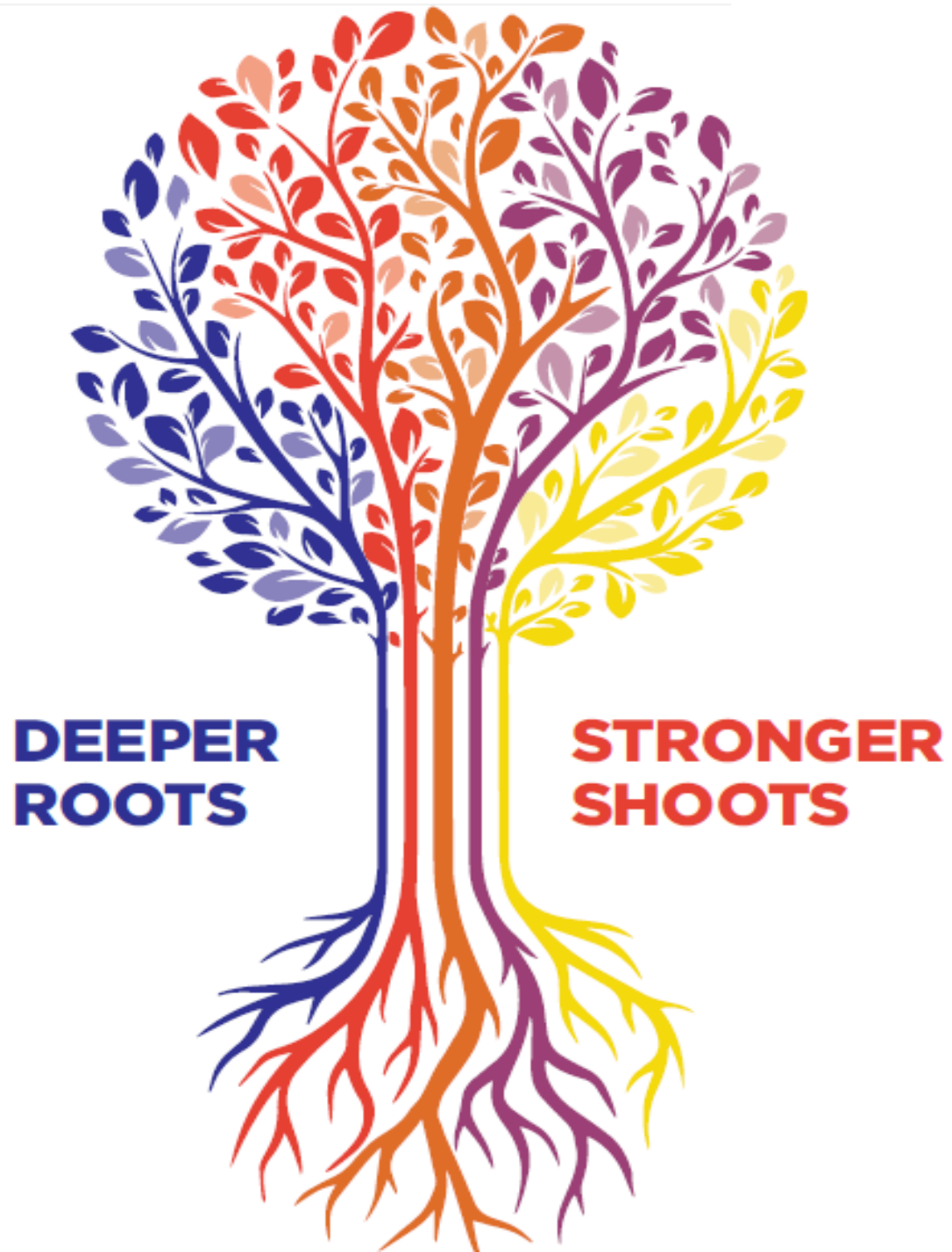
Yours faithfully,



For Himadri Speciality Chemical Ltd  
  
Company Secretary  
FCS: 8148

**Himadri Speciality Chemical Ltd**

(Formerly known as Himadri Chemicals & Industries Limited) CIN: L27106WB1987PLC042756  
Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Kolkata – 700 001, India  
Corp. Office: 8, India Exchange Place, 2nd Floor, Kolkata – 700 001, India  
Tel: 91-33-2230-9953, 2230-4363, Fax: 91-33-2230-9051, Website: www.himadri.com



Himadri Speciality Chemical Ltd

INVESTOR PRESENTATION

May - 2019

# Safe Harbor



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# Ready for the next phase...



**Next Phase of Innovation and R&D**



**Next Phase of High-Value Products**



**Next Phase of Earnings**



**Next Phase of Growth**



# Next Phase of Innovation and R&D



**12**

New grades introduced & commercialised in Speciality Carbon Black

**7%**

Reduction in energy consumption in certain processes

**11%**

Increased productivity of certain grades through debottlenecking



# Next Phase of High Value Products

Coal Tar



Advance Carbon  
Material

Carbon Black



Specialty Carbon  
Black

Naphthalene



Sulphonated  
Naphthalene  
Formaldehyde

*Global well-diversified Product portfolio with Strong  
Competitive*



*Most Integrated*

*Speciality Carbon Corporation Globally*

# Expansion in High-Value Products

## Specialty Carbon Black

Focus on Speciality Carbon with High Value-additions & Performance

Set-up of Specialty Carbon Black at West Bengal with an annual capacity of 60,000 MTPA

Increase in demand for specialised applications

**Commissioning is expected to be in H1FY20**

## Advance Carbon Material

Advance Carbon Materials project of 20,000 MTPA is progressing well

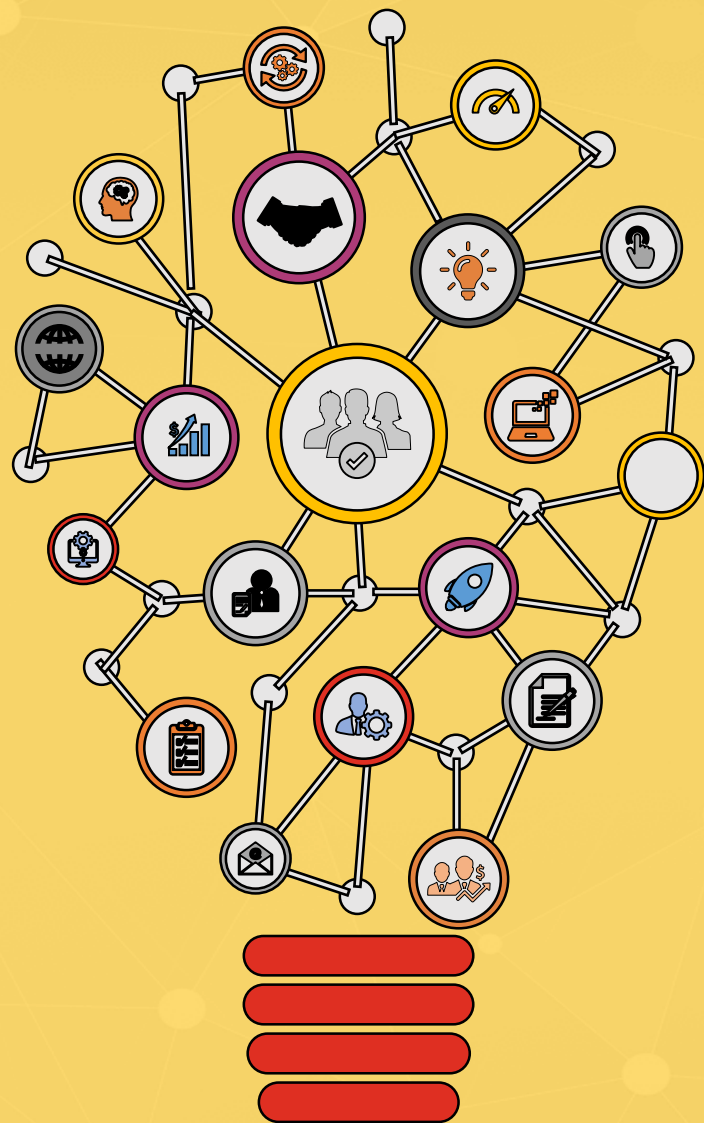
Commissioning is expected to be in phases starting from H1FY20 over the next 12 months thereon

**Commissioning is expected to be in Phases**

Increase application of lithium-ion batteries in the Sunrise Sectors like Electric Vehicles, Energy storage

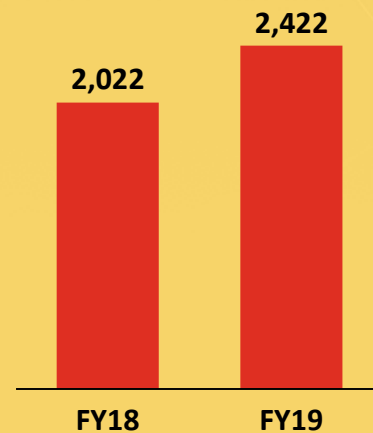
Expansion of Advance Carbon Material Production Capacity

# Next Phase of Earnings



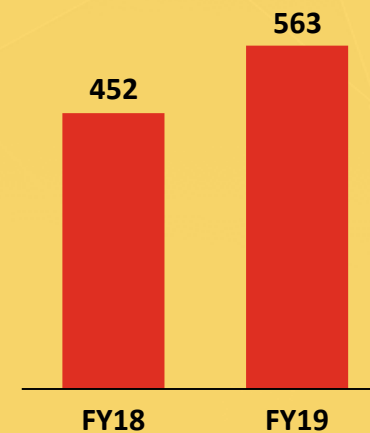
## Consolidated Performance Rs. In Crs

### Revenue



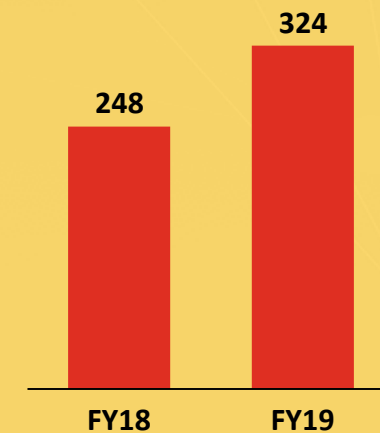
**+20%**  
y-o-y growth

### EBITDA#



**+24%**  
y-o-y growth

### PAT

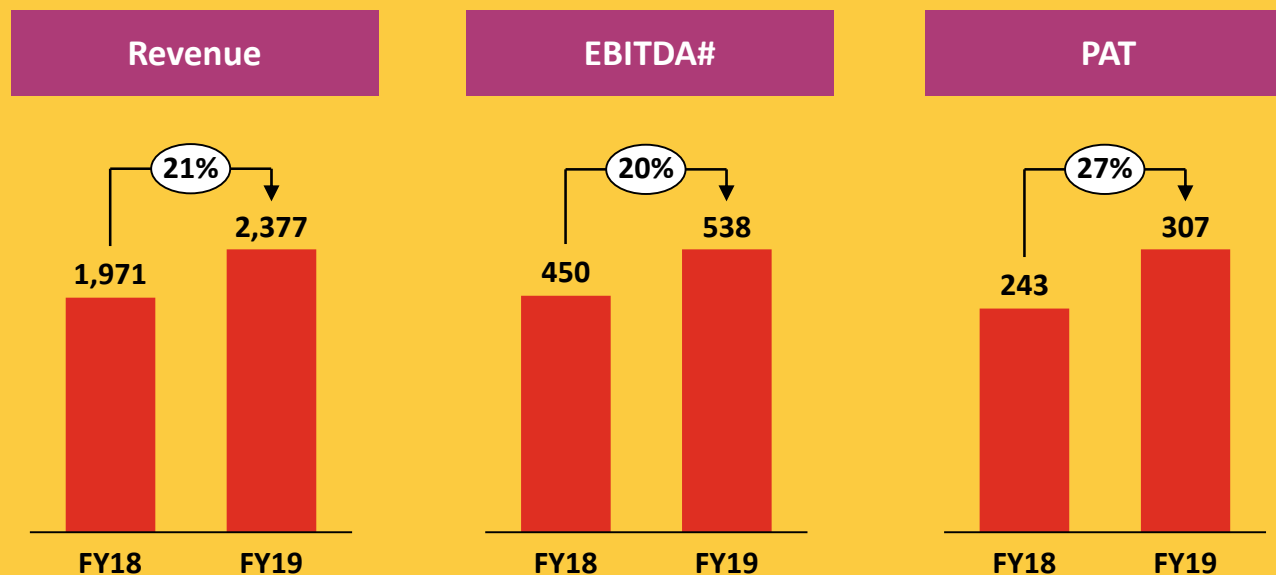


**+31%**  
y-o-y growth



# Next Phase of Earnings

## Standalone Performance Rs. In Crs



Key  
Milestones

Revenue  
Crossed  
Rs. 2,000  
Crores  
mark

EBITDA#  
Crossed  
Rs. 500  
Crores  
mark

PAT  
Crossed  
Rs. 300  
Crores  
mark

# Priorities for Cash

## NEW CAPACITIES ANNOUNCED



Focus on Speciality Carbon with High Value-additions & Performance

- » Set-up of Specialty Carbon Black at West Bengal with an annual capacity of 60,000 MTPA
- » Commissioning is expected to be in H1FY20

Expansion of Advance Carbon Material Production Capacity

- » Advance Carbon Materials project of 20,000 MTPA is progressing well
- » Commissioning is expected to be in phases starting from H1FY20 over the next 12 months thereon

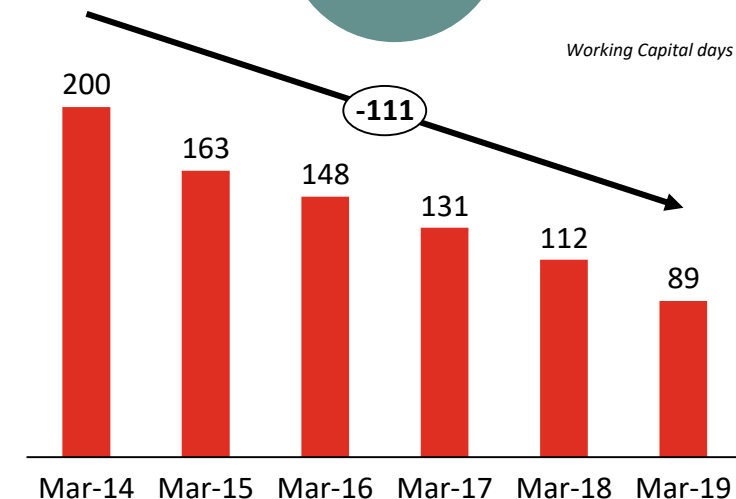
## DEBT REDUCTION



- » Net Debt decreased by INR 688 Crores from INR 1,118 Crs. in FY14 to INR 430 Crs. in FY19 thus leveraging the Balance sheet
- » Net Debt to EBITDA stands at 0.8x as compared to 6.25x in FY14
- » Net Debt to Equity is down to 0.26in FY19 from 1.34x in FY14

Provides an excellent platform to continue our Capital disciplined Growth journey

## IMPROVED OPERATING EFFICIENCIES

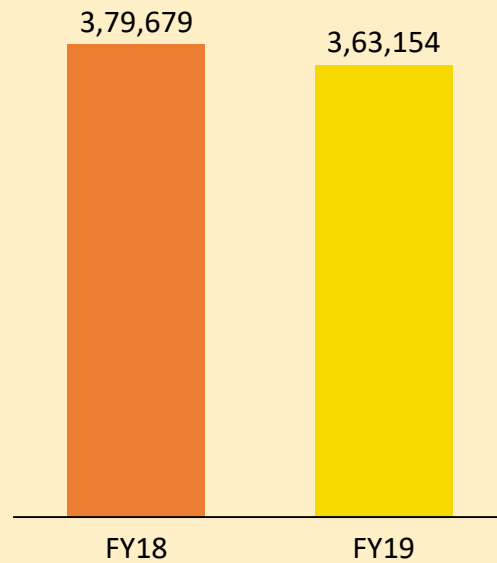


- » Cash generation through intense operational rigor and strict financial discipline led to an improved working capital management

# Transformation – High Value & High Margin Strategy

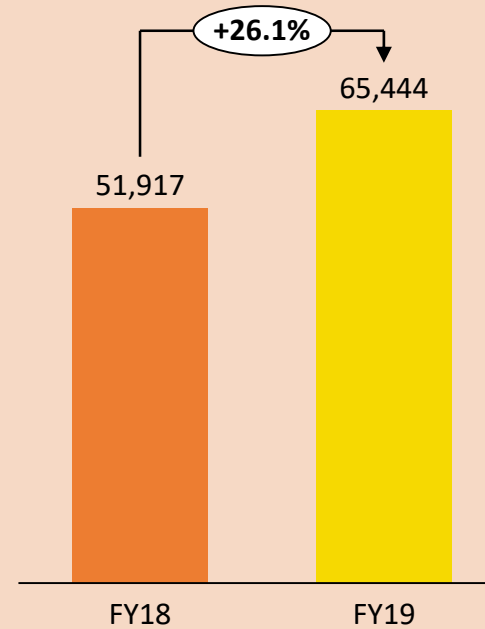
## Sales Volume

**Sales Rationalisation –**  
Focus on High-value  
business



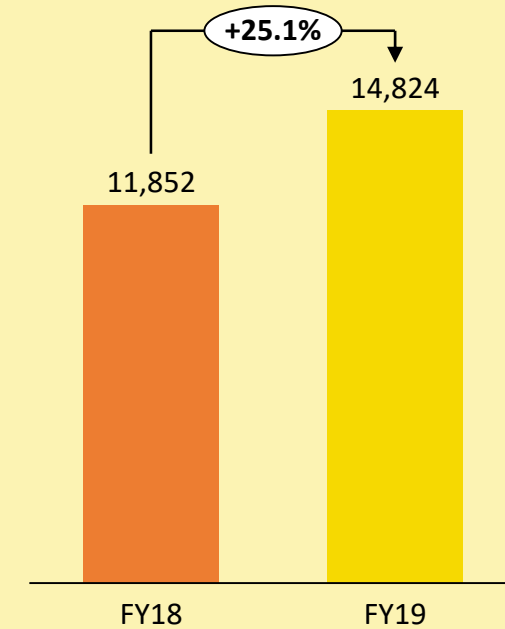
## Realisation/MT

**Better Product Mix – Sale**  
of High-value & High-  
margin products



## EBITDA/MT<sup>#</sup>

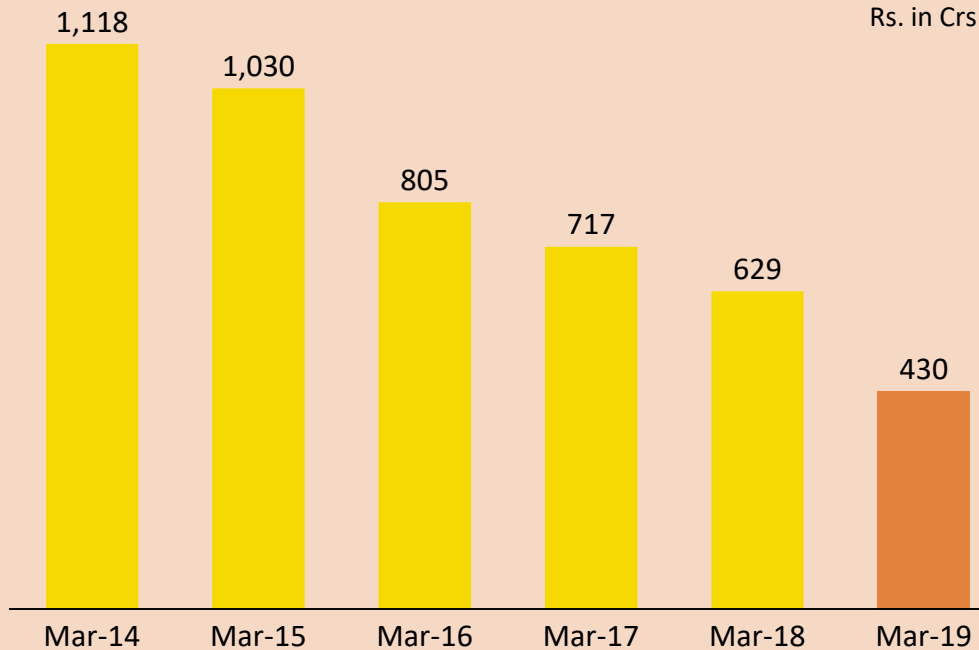
**Focus on Value-addition**  
Strong growth in  
profitability



# Balance Sheet Strength & Financial Flexibility

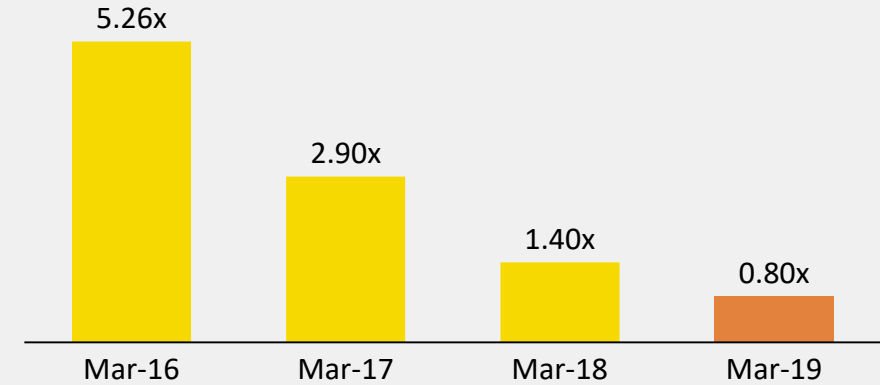
## Net Debt

**Strong Balance Sheet and Sufficient Financial flexibility...**

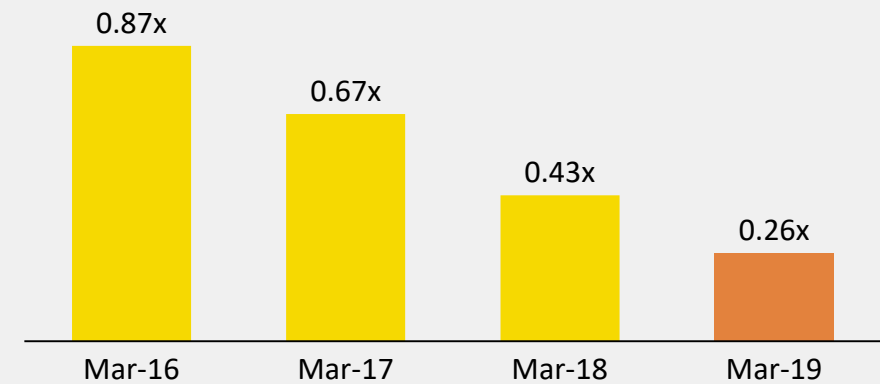


**...provides an excellent platform to continue our Capital disciplined Growth journey**

## Net Debt / EBITDA\*



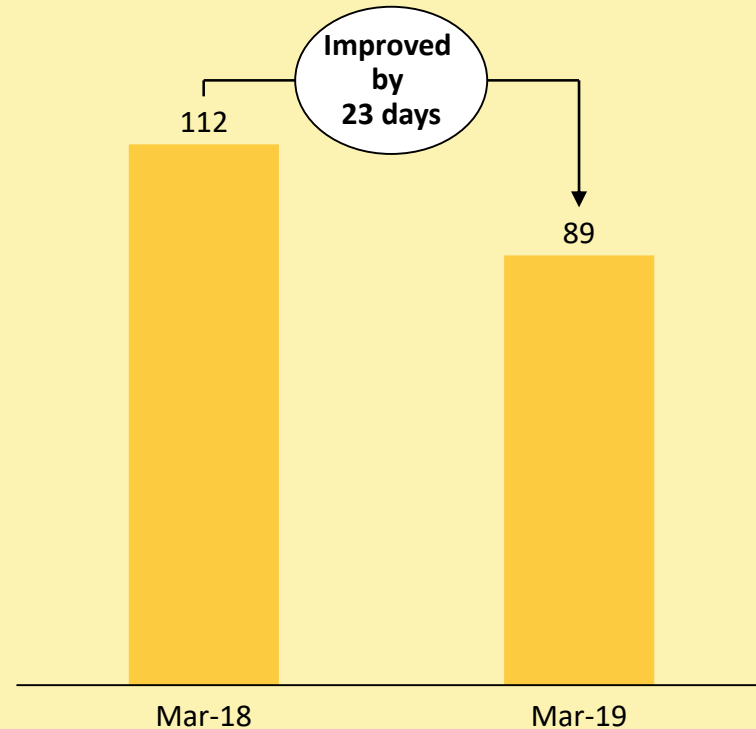
## Net Debt / Equity



\*EBITDA excluding FEF

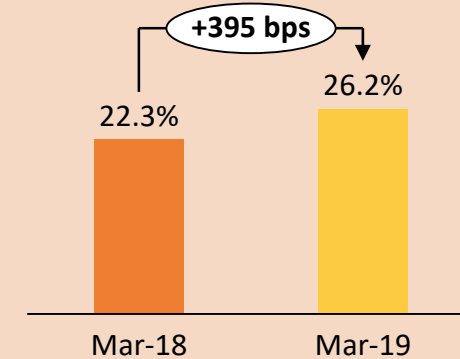
# Operating Efficiency leading to Higher Returns

## Working Capital (No. of days)



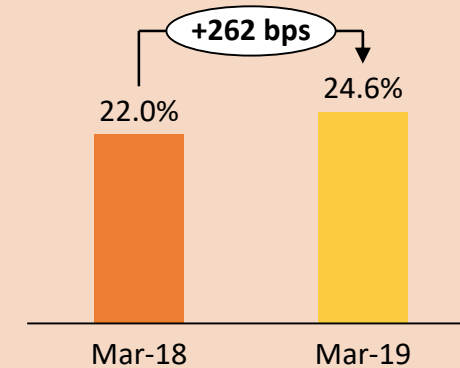
Cash generation through intense operational rigor and strict financial discipline led to an improved working capital management

## ROCE (excl. CWIP) (%)



$ROCE \text{ (excl. CWIP)} = EBIT / (\text{Equity} + \text{Total Debt} - \text{Cash \& Cash Equivalents} - \text{CWIP})$

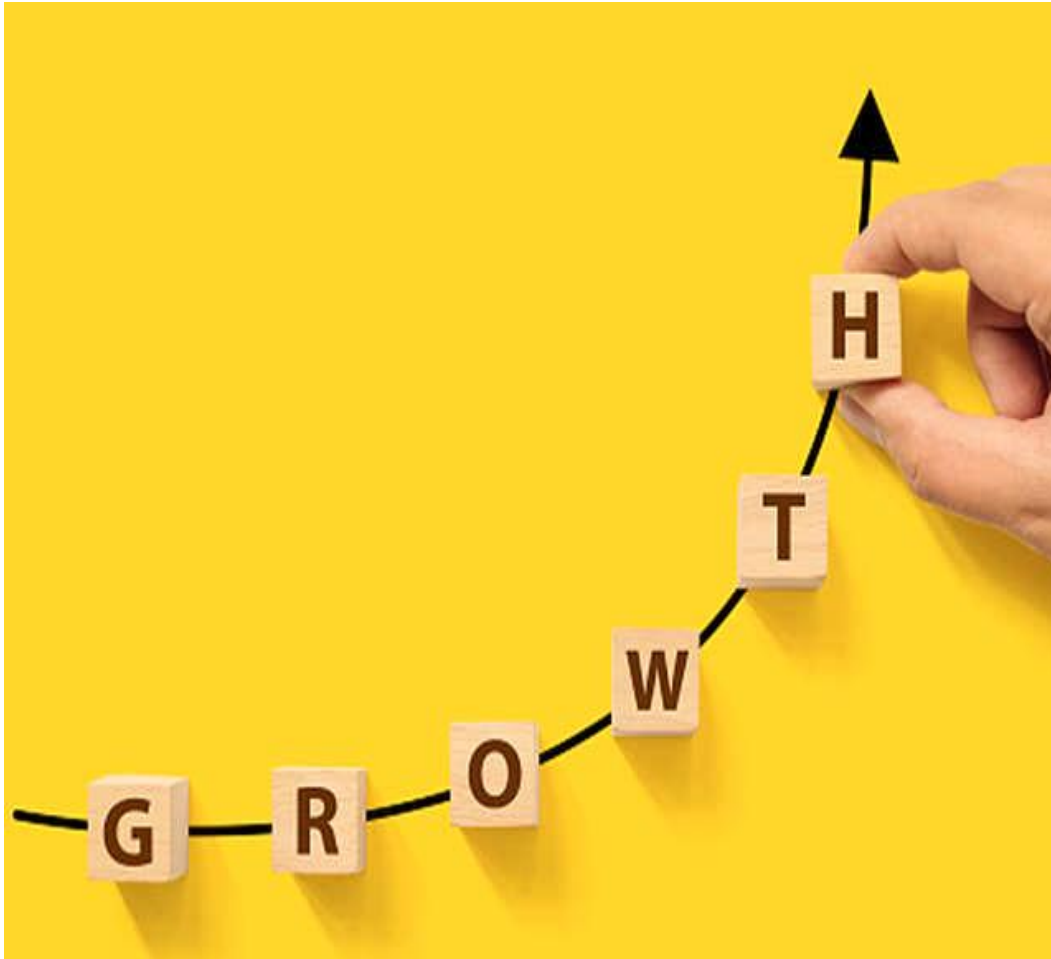
## ROCE (%)



$ROCE = EBIT / (\text{Equity} + \text{Total Debt} - \text{Cash \& Cash Equivalents})$



# Next Phase of Growth



High Value  
Product Pipeline

Right Capacity

Strong Clientele

Product  
Leadership

Strong R&D

Strategic  
Location

Diversified End  
Markets

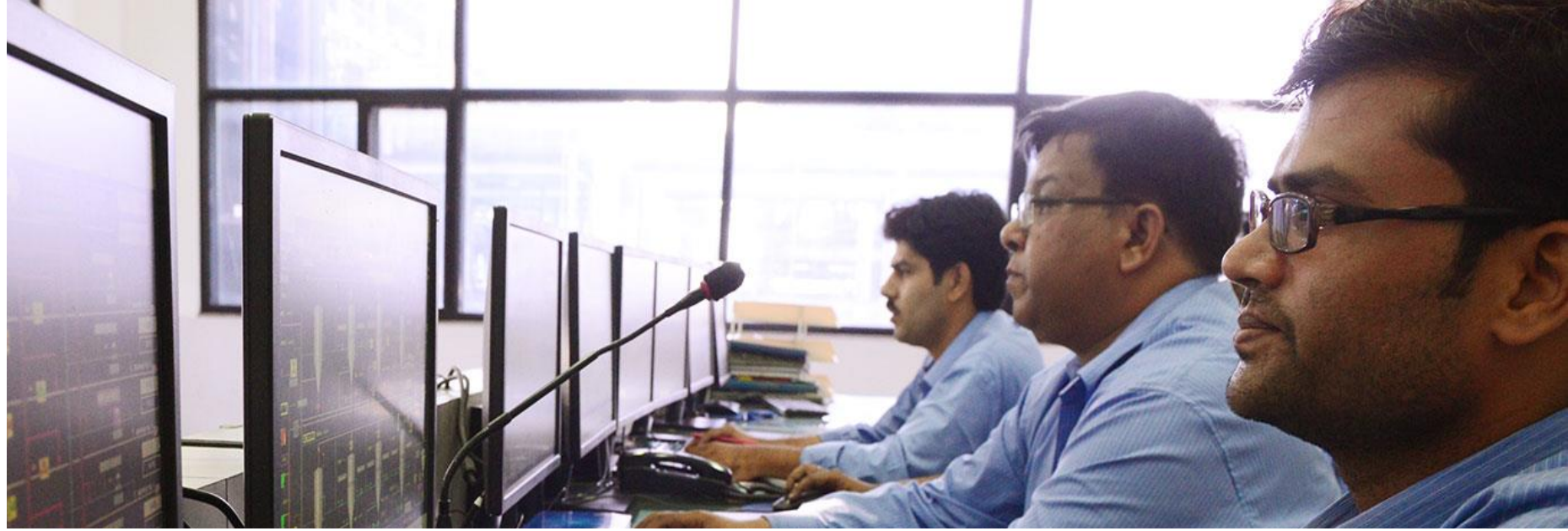
Global  
Management  
Team

Cutting Edge  
Technologies

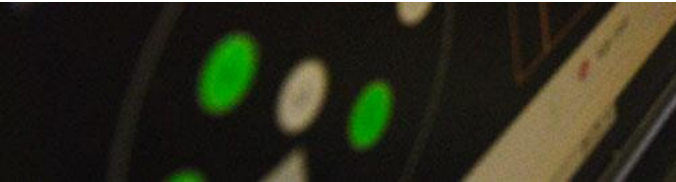
# Strategic Growth Priorities

Coal Tar Pitch	Carbon Black	Advance Carbon Material	SNF
Serving core sectors of economy through Aluminium & Graphite Electrode industries	Focus on Speciality Carbon with High Value-additions & Performance	Increase application of lithium-ion batteries in the Sunrise Sectors like Electric Vehicles, Energy storage	Widen the Product Portfolio by Introducing Newer Variants
Debottlenecking in Coal Tar Distillation Facilities	Increase in demand from Non- Tyre speciality applications	Expansion of Advance Carbon Material Production Capacity	Increase in Infrastructure Construction in India due to rapid urbanization





# Financial Performance



# Standalone Profit & Loss

Particulars (In Rs. Crs)	Q4 FY19	Q4 FY18	Y-o-Y (%)	FY19	FY18	Y-o-Y (%)
<b>Net Revenue From Operations</b>	<b>583</b>	<b>551</b>	<b>6%</b>	<b>2,377</b>	<b>1,971</b>	<b>21%</b>
Cost of Materials Consumed	388	362		1,588	1,325	
<b>Gross Profit</b>	<b>196</b>	<b>189</b>	<b>4%</b>	<b>789</b>	<b>646</b>	<b>22%</b>
Employee Benefits Expense	16	14		58	47	
Other Expenses	56	49		192	150	
<b>EBITDA</b>	<b>123</b>	<b>126</b>	<b>-3%</b>	<b>538</b>	<b>450</b>	<b>20%</b>
Other Income	3	3		11	7	
Foreign Exchange Fluctuation (Loss)/Gain	3	(2)		(1)	0	
Depreciation and Amortization Expense	8	8		33	31	
<b>EBIT</b>	<b>122</b>	<b>119</b>	<b>2%</b>	<b>516</b>	<b>426</b>	<b>21%</b>
Finance Costs	17	19		71	70	
<b>Profit / (Loss) Before Tax</b>	<b>105</b>	<b>100</b>		<b>445</b>	<b>356</b>	
Tax Expenses	33	29		138	113	
<b>Profit / (Loss) for the year</b>	<b>72</b>	<b>71</b>	<b>1%</b>	<b>307</b>	<b>243</b>	<b>27%</b>

# Standalone Balance Sheet

Particulars (in Rs. Crs.)	Mar'19	Mar'18
<b>ASSETS</b>		
<b>Non-Current Assets</b>	<b>1,664</b>	<b>1,583</b>
Property, Plant and Equipment	1,090	1,097
Capital work-in-progress	126	18
Intangible Assets	2	2
Financial Assets		
(i) Investments	259	353
(ii) Trade Receivables	8	8
(iii) Loans	52	47
(iv) Other Financial Assets	0	0
Deferred Tax Assets	-	-
Non-Current Tax Assets (net)	2	5
Other Non-Current Assets	124	53
<b>Current Assets</b>	<b>1,122</b>	<b>830</b>
Inventories	539	415
Financial Assets		
(i) Investments	-	-
(ii) Trade Receivables	366	270
(iii) Cash and Cash Equivalents	10	17
(iv) Bank Balances other than cash and cash equivalents	37	14
(v) Loans	2	3
(vi) Other Financial Assets	14	8
Other Current Assets	155	102
<b>TOTAL</b>	<b>2,786</b>	<b>2,413</b>

Particulars (in Rs. Crs.)	Mar'19	Mar'18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,677</b>	<b>1,456</b>
Equity Share Capital	42	42
Other Equity	1,635	1,414
<b>Non-current liabilities</b>	<b>323</b>	<b>337</b>
Financial Liabilities		
(i) Borrowings	188	231
(ii) Derivatives	4	6
(iii) Other Financial Liabilities	0	0
Provisions	3	3
Deferred Tax Liabilities (net)	128	97
<b>Current liabilities</b>	<b>786</b>	<b>620</b>
Financial liabilities		
(i) Borrowings	242	364
(ii) Trade Payables	411	118
(iii) Derivatives	2	2
(iv) Other Financial Liabilities	68	77
Other Current Liabilities	60	58
Provisions	1	0
Current Tax Liabilities (net)	2	1
<b>TOTAL</b>	<b>2,786</b>	<b>2,413</b>



# Consolidated Profit & Loss

Particulars (In Rs. Crs)	FY19	FY18	Y-o-Y (%)
<b>Net Revenue From Operations</b>	<b>2,422</b>	<b>2,022</b>	<b>20%</b>
Cost of Materials Consumed	1,600	1,365	
<b>Gross Profit</b>	<b>822</b>	<b>656</b>	<b>25%</b>
Employee Benefits Expense	60	48	
Other Expenses	200	155	
<b>EBITDA</b>	<b>563</b>	<b>452</b>	<b>24%</b>
Other Income	8	5	
Foreign Exchange Fluctuation (Loss)/Gain	(3)	7	
Depreciation and Amortization Expense	34	33	
<b>EBIT</b>	<b>533</b>	<b>431</b>	<b>24%</b>
Finance Costs	71	70	
<b>Profit / (Loss) Before Tax</b>	<b>462</b>	<b>361</b>	
Tax Expenses	138	113	
<b>Profit / (Loss) for the year</b>	<b>324</b>	<b>248</b>	<b>31%</b>

# Consolidated Balance Sheet

Particulars (in Rs. Crs.)	Mar'19	Mar'18
<b>ASSETS</b>		
<b>Non-Current Assets</b>	<b>1,637</b>	<b>1,556</b>
Property, Plant and Equipment	1,168	1,175
Capital work-in-progress	133	22
Intangible Assets	2	2
Financial Assets		
(i) Investments	180	273
(ii) Trade Receivables	8	8
(iii) Loans	20	17
(iv) Other Financial Assets	0	0
Deferred Tax Assets	-	-
Non-Current Tax Assets (net)	2	5
Other Non-Current Assets	125	53
<b>Current Assets</b>	<b>1,151</b>	<b>860</b>
Inventories	543	420
Financial Assets		
(i) Investments	0	0
(ii) Trade Receivables	366	272
(iii) Cash and Cash Equivalents	14	20
(iv) Bank Balances other than cash and cash equivalents	37	14
(v) Loans	2	3
(vi) Other Financial Assets	10	8
Other Current Assets	178	123
<b>TOTAL</b>	<b>2,788</b>	<b>2,416</b>

Particulars (in Rs. Crs.)	Mar'19	Mar'18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>1,631</b>	<b>1,414</b>
Equity Share Capital	42	42
Other Equity	1,590	1,373
Total Equity attributable to the equity holders of the Company	1,632	1,415
Non-Controlling Interest	0	0
<b>Non-current liabilities</b>	<b>322</b>	<b>337</b>
Financial Liabilities		
(i) Borrowings	188	231
(ii) Derivatives	4	6
(iii) Other Financial Liabilities	0	0
Provisions	3	3
Deferred Tax Liabilities (net)	127	97
<b>Current liabilities</b>	<b>834</b>	<b>665</b>
Financial liabilities		
(i) Borrowings	242	364
(ii) Trade Payables	441	146
(iii) Derivatives	2	2
(iv) Other Financial Liabilities	68	77
Other Current Liabilities	78	75
Provisions	1	0
Current Tax Liabilities (net)	3	1
<b>TOTAL</b>	<b>2,788</b>	<b>2,416</b>

# Validation through Awards & Recognition 2018

## CII Water Management Award

Winner in Within the Fence Category in CII's Water Management National Competition for Excellence



## Greentech Safety Award

Bestowed with Gold Award for best performance nationally in Chemical sector



## Fortune India The Next 500 Awards 2018

Recognised as 1 among 25 Companies for the Top Wealth Creators over the last three years



## World's 100 Greatest Brands

Received at the Fourth edition of India-UAE Business and Social Forum

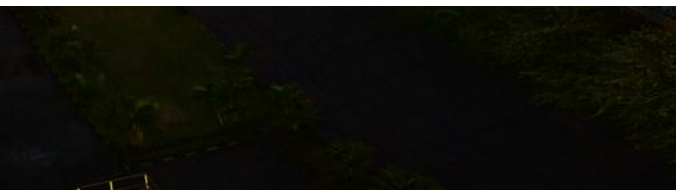
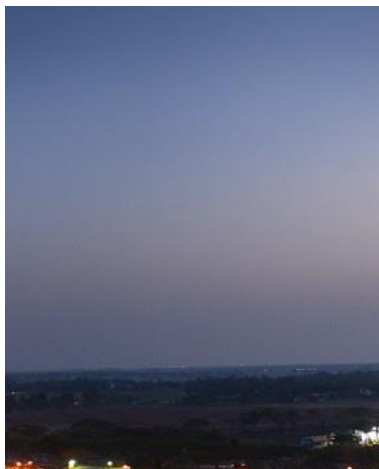
## Asia Pacific Entrepreneurship Award (APEA)

Received the prestigious (APEA) India under the category of Chemical & Plastics Industry by General Vijay Kumar Singh, MOS, External Affairs in New Delhi

## Annual Report Award

Received Gold Award & among Top 100 in International Annual Report Competition by League of American Communications Professionals LLC (LACP)

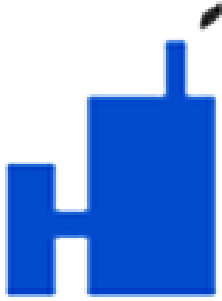




# Business Overview

# Product Development was a Clear Focus

2010



- » Coal tar pitch – Binder grade
- » Coal tar pitch – Impregnating
- » Carbon Black
- » Advanced Carbon Material
- » Naphthalene
- » SNF
- » C. B. Oil

2019



- » Aluminium Grade Pitch
- » Graphite Grade Binder Pitch
- » Graphite Grade Zero QI (Quinolene Insoluble) coal tar impregnated pitch
- » Anode Material for Lithium-ion Batteries
- » Special Pitch
- » Naphthalene
- » Refined Naphthalene
- » Light Creosote Oils

- » Heavy Creosote Oils
- » Anthracene Oil/Carbon Black Oil/ CT Oil
- » SNF
- » PCE
- » Carbon Black
- » Speciality Carbon Black
- » Himcoat enamel
- » Himcoat Primer-B
- » Himtape
- » Himwrap

**Evolving with Emerging Business Paradigms**



# Coal Tar Pitch : Critical Input in Downstream Industries

## Anode Material

Used for  
Li-ion batteries

## Coal Tar Pitch

Graphite Grade Zero  
QI Coal tar  
Impregnating Pitch

In graphite electrode, nipple  
impregnation and UHP grade electrode  
manufacturing

## Graphite Grade Binder Pitch

In Graphite Electrode  
Manufacturing

## Special Pitches

Used by DRDO in long range warhead  
missiles. In carbon composites,  
refractories, carbon paste, paints/ultra-  
marine blue and water proofing among  
others

## Aluminium Grade Pitch

In pre-baked anode and soderberg in aluminium manufacturing

# Specialty Carbon Black : Niche Applications



**Forward Integration** to convert Coal Tar  
Oil into Carbon Black

3<sup>rd</sup> Largest Carbon Black Producer in India with  
**120,000 MTPA**

With **Superior Inhouse Raw  
Material & R&D Capabilities**

launching  
**Speciality Carbon Black** range with  
niche application



Tyre Specialty



Moulded Rubber Goods



Plastic



Fibre



Wires & Cables



Inks & Coatings

# Naphthalene Value Proposition

## Special Grade Naphthalene

Special Grade Naphthalene is formulated to cater customer's niche requirements in dyestuff and dyes intermediates application



## Naphthalene Moth Ball

Moth Balls is made by using superior grade chemical composition and leading-edge techniques in compliance with predefined quality standards for use in natural fragrances

## Sulphonated Naphthalene Formaldehyde (SNF)

SNF is a water soluble Chemical admixtures, improves the concrete mix workability and compressive flexural strength. Mainly used in the construction/infrastructure industry



# SNF : Next Generation products



**SNF – Next Generation Product**  
for the Construction Chemical Industry (Admixture),  
Agro chemicals, Latex, Gypsum

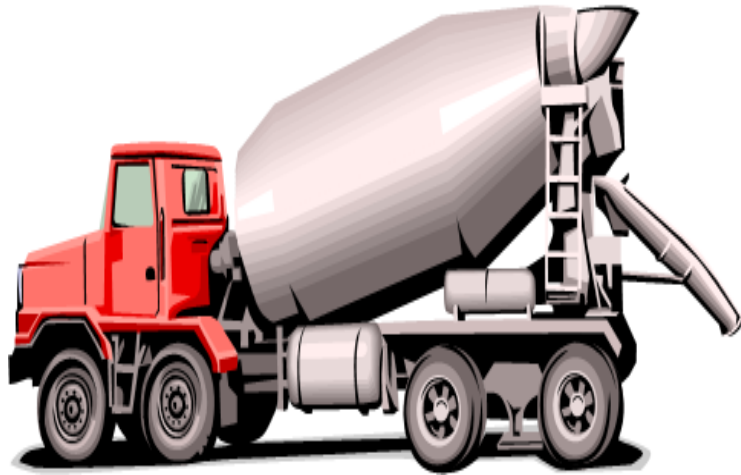
**Largest Indian manufacturer** of  
**SNF** with an installed capacity of  
**68,000 MTPA**

**Highest Purity SNF** manufactured from  
In-house produced Naphthalene



**Penetration of SNF** admixture in concrete  
in India is **less than 10% against a high  
global average**

# High Performance Construction Chemicals



- » **Sulphonated Naphthalene Formaldehyde (SNF)** is a speciality chemical condensate that helps improve concrete mixes by dispersing cement particles for extended workability and reinforcing compressive flexural strength
  - Naphthalene, one of the by product of Coal Tar Distillation is used in-house to manufacture SNF

- » Himadri has emerged as the largest Indian manufacturer of SNF with an installed capacity of **68,000 tonnes per annum**.
- » Although concrete finds mass usage across India, **the penetration of SNF** admixture in concrete is **less than 10%** against a high global average
- » Used in growing Industries like **Construction Chemical Industry (Admixture), Agro chemicals, Latex, Gypsum etc**





# Advance Carbon Material



## Forward Integration

from Coal Tar to  
Advance Carbon Material

**Anode Material** used in  
Lithium-ion Batteries

## Only Producer

of Advance Carbon Material in India

Best in class

**Proprietary Technology**  
With **Cost Leadership**

# Applications across Industries



Paints, Plastic & Fibre



Graphite Electrodes



Anti Corrosive Material



Missiles



Construction Chemical



Aluminium



Lithium – Ion Batteries



Infrastructure



Rubber Industries



Wood Preservative Oils



Power



Specialized Products

# If You Can Be One Thing, Be Dependable

## CTP Clientele



## CB Clientele



## Others Clientele



# For further information, please contact:



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Investor Relations Advisors :

Company :

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**SGA** Strategic Growth Advisors

**Himadri Speciality Chemical Ltd**

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CIN: L27106WB1987PLC042756

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Email: [ssatnalika@himadri.com](mailto:ssatnalika@himadri.com)

[www.sgapl.net](http://www.sgapl.net)

[www.himadri.com](http://www.himadri.com)

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