

Q1 FY2017 Earnings Presentation
June 2016



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.



Investment Rationale

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

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 35 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 Dyestaff expected to improve profitability

Conservative leverage profile: Total Debt to Equity of 0.6x & Net Debt/LTM EBITDA of 0.9x as of June 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



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 |  |  |  |  |

Highlights from the Quarter

Q1 FY2017 vs. Q1 FY2016

EBITDA

Rs. 569 million
+39.9%

EBITDA Margins

21.0%
+451bps

Net Profit

Rs. 322 million
+59.8%

Commenting on the results, **Mr. Bhavin S Patel**, Executive Director of **Bodal Chemicals** said:

“Bodal Chemicals is on a new growth trajectory. It has reported yet another strong quarter, marked by increase in volumes of key products, improved realizations and higher profit margins. Whilst the topline grew by 10% y-o-y, EBITDA expanded by a robust 40% y-o-y. EBITDA margins for the quarter stood at 21%, 451bps higher compared to Q1 FY2016.

I am also pleased to share with you that we have attained optimum quality levels with respect to the production of LABSA. The product has been accepted by the market and has received encouraging feedback. We look forward to increasing production of the same in the near future. Additionally, in July 2016, the Board of Directors approved expansion of our Dyestuff capacity. Dyestuff is a high value add product category and an increase in its contribution to the consolidated topline will have a favorable effect on our blended margins in the medium to long term.

We remain committed to implementing our long term growth strategy and in the process adding value for our shareholders.”

Financial Performance

Key Financial Statistics

| (Rs. million) | Q1 | | y-o-y Growth (%) | Q4 | |
|--------------------------|---------|---------|------------------------|---------|------------------------|
| | FY2017 | FY2016 | | FY2016 | q-o-q Growth (%) |
| Total Income | 2,705.5 | 2,461.3 | 9.9% | 2,055.7 | 31.6% |
| EBITDA | 569.4 | 407.0 | 39.9% | 443.1 | 28.5% |
| Margin (%) | 21.0% | 16.5% | | 21.6% | |
| Net Profit | 322.1 | 201.6 | 59.8% | 225.9 | 42.6% |
| Margin (%) | 11.9% | 8.2% | | 11.0% | |
| Earnings Per Share (EPS) | 2.95 | 1.85 | 59.5% | 2.07 | 42.5% |

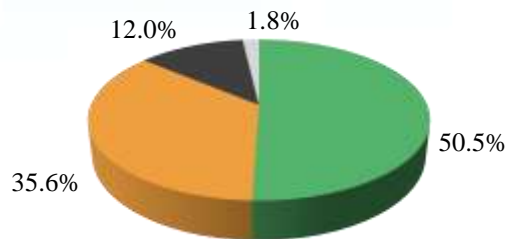
- Total Income increased 9.9% y-o-y to Rs. 2,705.5 mn supported by increased finished goods prices, better product mix and growing demand in the domestic market
- EBITDA margin improved by 451bps on y-o-y basis to 21.0% in Q1 FY2017

Segmental Financial Performance

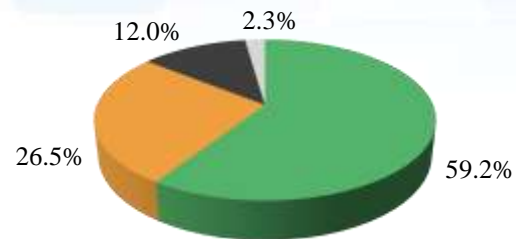
Revenue Breakup

By Segment

Q1 FY2016



Q1 FY2017



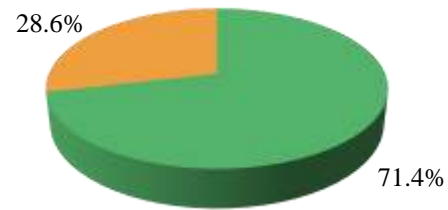
■ Dye Intermediates ■ Dyestuff ■ Basic Chemicals ■ Other

By Geography

Q1 FY2016



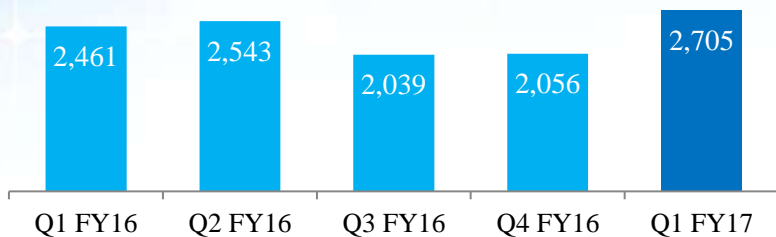
Q1 FY2017



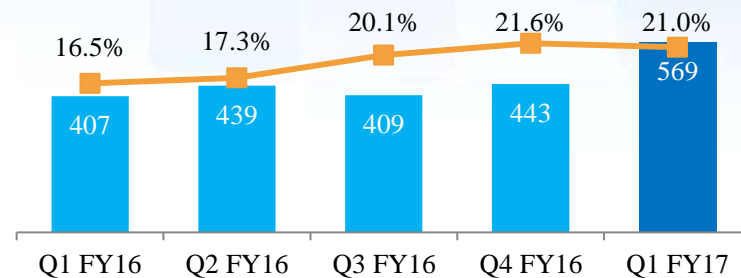
■ Domestic ■ Exports

Quarterly Financial Trends

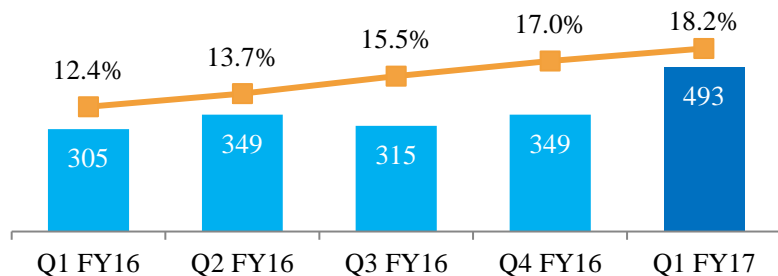
Revenue (Rs. Million)



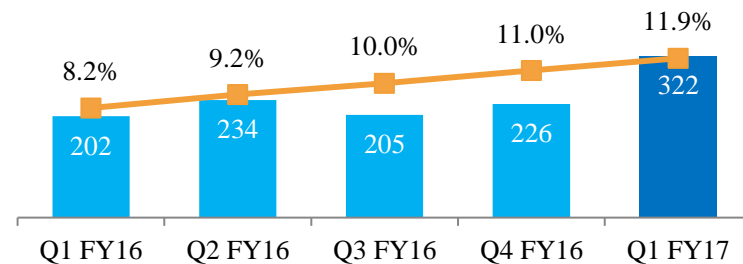
EBITDA (Rs. Million) and Margin (%)



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



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



Leverage Profile

| Particulars (Rs. million) | 30-Jun-16 | 31-Mar-16 |
|-------------------------------|--------------|--------------|
| Short Term Borrowings | 1,614 | 1,422 |
| Long Term Borrowings | 7 | 7 |
| Total Debt | 1,621 | 1,429 |
| Less: Cash & Cash Equivalents | 5 | 5 |
| Net Debt / (Net Cash) | 1,616 | 1,424 |
| Net Worth | 2,668 | 2,346 |

Repaid long term debt; Focus on optimizing working capital

Bank Facility

Credit Rating

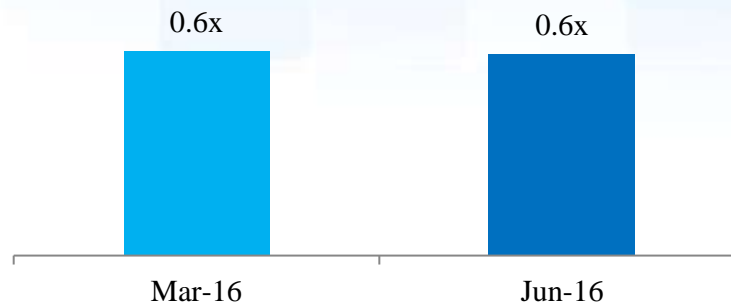
Long Term Bank Facilities

CARE A-

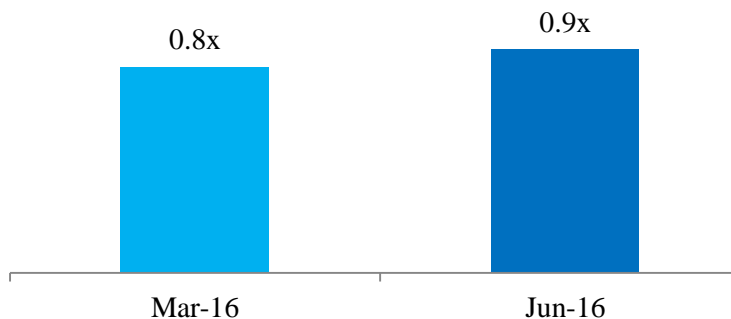
Short Term Bank Facilities

CARE A2+

Total Debt / Equity (x)



Net Debt / LTM* EBITDA (x)



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 | 30,000 MT | 17,000 MT |
| % Total Revenue ¹ | 12.0% | 59.2% | 26.5% |
| 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 |

Note:

1. For Q1 FY2017

Manufacturing Footprint

| Plant | Location | Basic Chemicals | Dye Intermediates | Dyestuff |
|------------|-----------|-----------------|-------------------|----------|
| Plant I | Ahmedabad | ✓ | ✓ | ✓ |
| Plant II | Ahmedabad | ✓ | ✓ | |
| Plant III | Ahmedabad | | ✓ | |
| Plant IV | Ahmedabad | | | ✓ |
| Plant VII | Vadodara | ✓ | ✓ | ✓ |
| Plant VIII | Vadodara | | ✓ | |

Notes:

- Plant V and 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



Geographical Reach

Outreach across more than 35 countries



● Production Facilities ■ Clients Presence

Key Clients*



* Arranged alphabetically



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

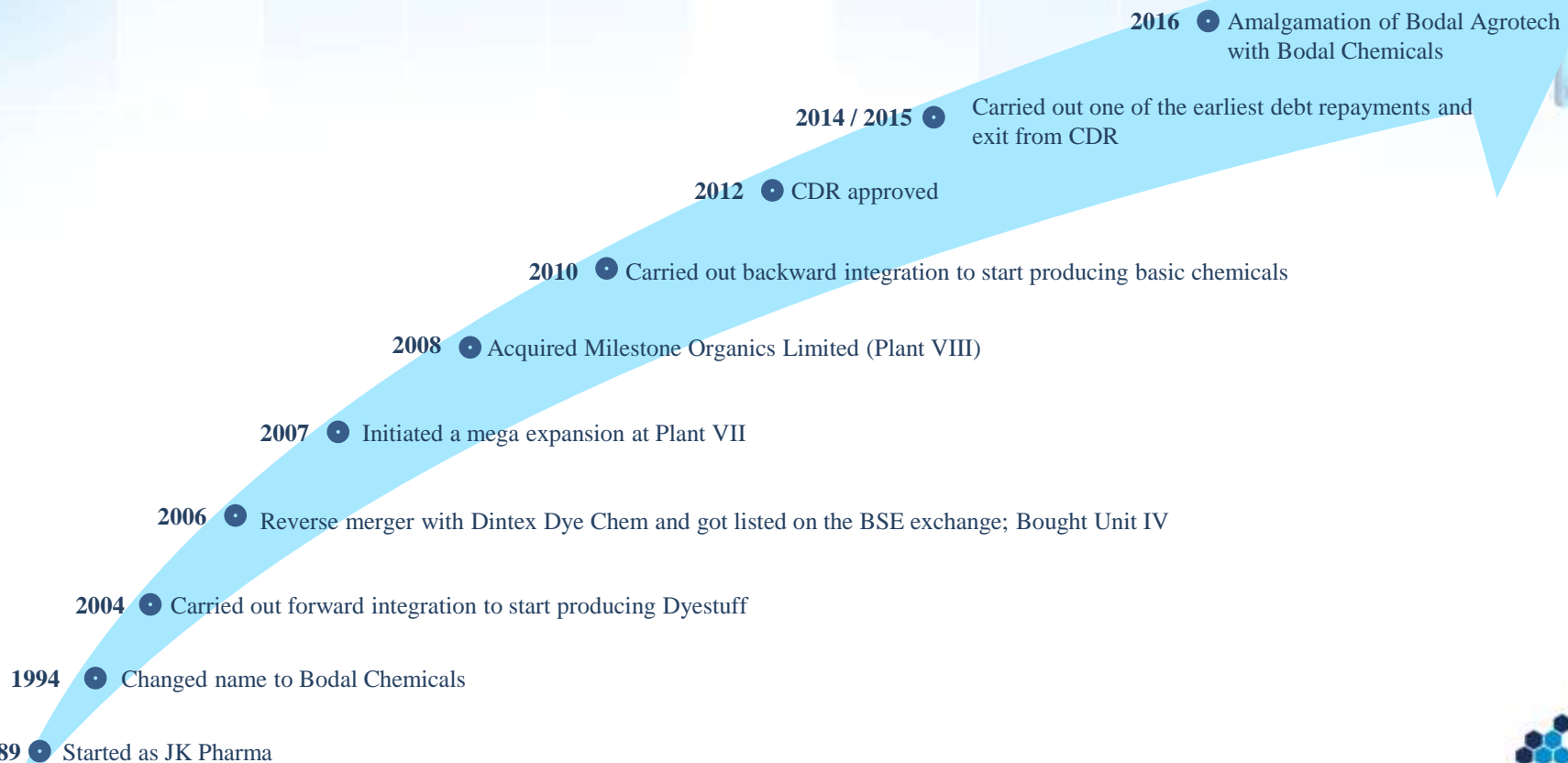
Dyestuff

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 35 countries
- Contract manufacturing for leading MNCs
- Scope for increasing production with existing infrastructure

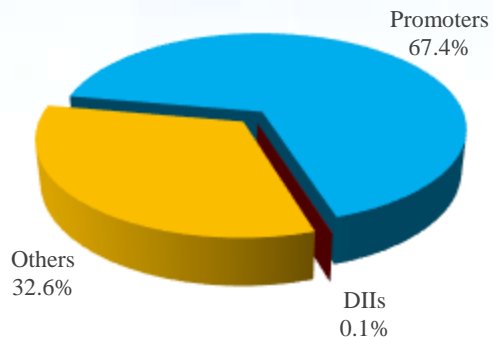
| Product | Major Applications |
|---------------|---|
| Reactive Dyes |  |
| Acid Dyes |  |
| Direct Dyes |  |

Key Milestones

- 
- 1989** • Started as JK Pharma
 - 1994** • Changed name to Bodal Chemicals
 - 2004** • Carried out forward integration to start producing Dyestuff
 - 2006** • Reverse merger with Dintex Dye Chem and got listed on the BSE exchange; Bought Unit IV
 - 2007** • Initiated a mega expansion at Plant VII
 - 2008** • Acquired Milestone Organics Limited (Plant VIII)
 - 2010** • Carried out backward integration to start producing basic chemicals
 - 2012** • CDR approved
 - 2014 / 2015** • Carried out one of the earliest debt repayments and exit from CDR
 - 2016** • Amalgamation of Bodal Agrotech with Bodal Chemicals

Market Data

Shareholding Pattern (30th Jun 2016)



Market Data

| | |
|---------------------------------|-----------|
| Market Cap. (Rs. mn) (3-Aug-16) | 12,132.7 |
| Outstanding Shares (mn) | 109.1 |
| Bloomberg Ticker | BODL:IN |
| Reuters Ticker | BODA.NS |
| BSE Ticker | 524370 |
| NSE Ticker | BODALCHEM |

| Shareholders | Sept-15 | Dec-15 | Mar-16 | Jun-16 |
|---------------------------------------|---------------|---------------|---------------|---------------|
| Promoter | 69.67% | 69.21% | 69.21% | 67.35% |
| Domestic Institutional Investor (DII) | 0.20% | 0.07% | 0.12% | 0.05% |
| Others | 30.13% | 30.72% | 30.67% | 32.60% |
| Total | 100.0% | 100.0% | 100.0% | 100.0% |

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. Sunil K. Mehta

Independent Director

Mr. Bipin R. Patel

Independent Director

Mrs. Kajal Ritesh Soni

Independent Director

Mr. Mayur Padhya

Chief Financial Officer



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