

DYE
SULPHUR & BULK
CHEMICAL DIVISION
INTERMEDIATES
DIVISION
DYE STUFF
DIVISION



Bodal Chemicals Ltd.

Q3 FY2016 Earnings Presentation

February 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 only few vertically integrated Basic Chemicals (BC), Dye Intermediates (DI) and Dyestuff (DS) manufacturers in India

Strategically located with easy access to key raw materials

Produces the largest variety of DI in India

Strong global reach: exports to over 35 countries

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

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

Conservative leverage profile: Total Debt to Equity of 0.8x (1.1x in Mar 2015) & Net Debt/LTM EBITDA of 1.2x



Highlights from the Quarter

Q3 FY2016 vs. Q3 FY2015

Net Sales	EBITDA	EBITDA Margins	Net Profit
Rs. 2,039 million +16.0%	Rs. 410 million +57.1%	20.1% +525 bps	Rs. 205 million +60.5%

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

“Bodal Chemicals is pleased to report a stellar quarter with strong top line growth and robust profitability. This performance is a reflection of our underlying business strength and recent strategic initiatives. In addition, focused deleveraging has translated into significant interest cost saving of 50% y-o-y.

Recently, we were conferred with the Trishul award by Basic Chemicals, Pharmaceuticals and Cosmetics Export Promotional Council (CHEMEXCIL), an apex body set up by Ministry of Commerce and Industry. The award is the highest export award from CHEMEXCIL to acknowledge outstanding performance in exports through development of new products and markets.

We are looking for opportunities to further diversify our product portfolio into other specialty chemicals which is expected to contribute in a meaningful way to our revenues and profits. Bodal Chemicals is strongly positioned to capitalize on the overall growth in its end markets.”

Financial Performance

Key Financial Statistics

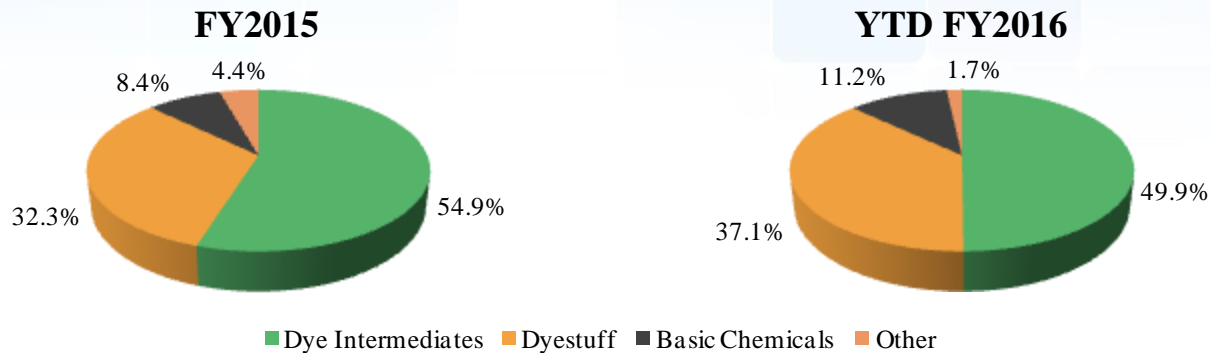
(Rs. million)	Q3		y-o-y Growth (%)	Q2 FY2016	q-o-q Growth (%)	Nine Months Ended		y-o-y Growth (%)
	FY2016	FY2015				FY2016	FY2015	
Total Income	2,038.7	1,757.0	16.0%	2,542.7	(30.9)%	7,042.6	8,104.8	(13.1)%
EBITDA	409.5	260.6	57.1%	438.8	(40.6)%	1,255.3	1,590.7	(21.1)%
Margin (%)	20.1%	14.8%		17.3%		17.8%	19.6%	
Net Profit	204.6	127.5	60.5%	233.9	(45.5)%	640.1	828.4	(22.7)%
Margin (%)	10.0%	7.3%		9.2%		9.1%	10.2%	
Earnings Per Share (EPS)	1.88	1.17	60.7%	2.14	(45.3)%	5.87	7.59	(22.7)%

Note: EBITDA including Other Income and excluding Exceptional Items

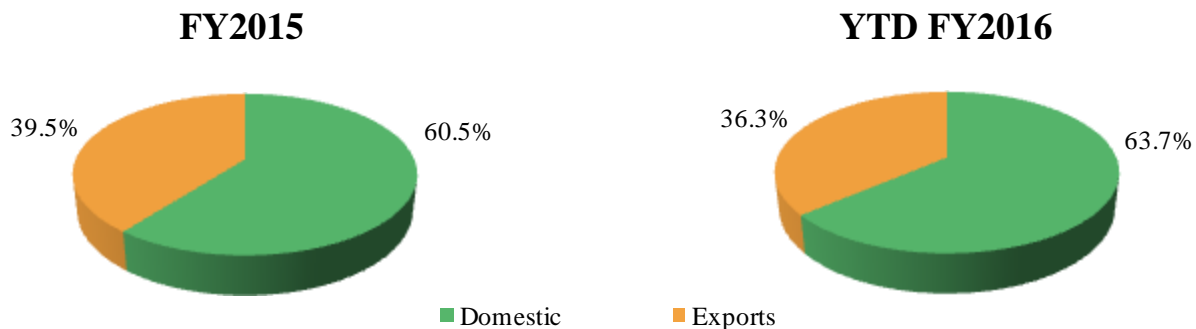
Segmental Financial Performance

Revenue Breakup

By Segment

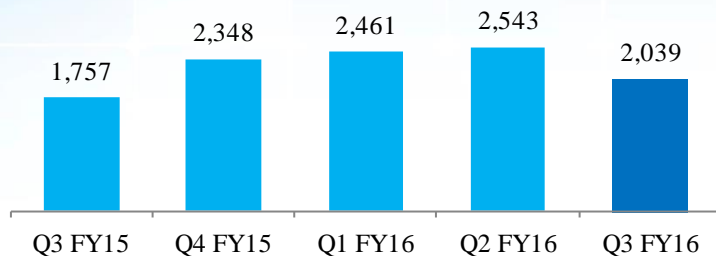


By Geography

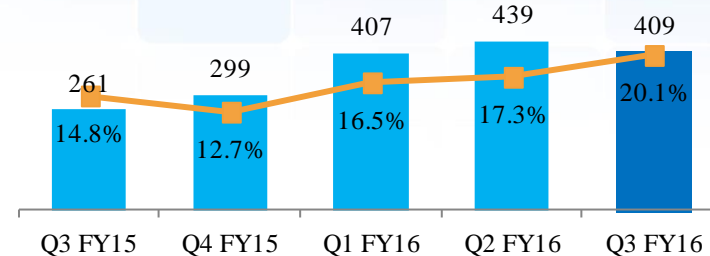


Quarterly Financial Trends

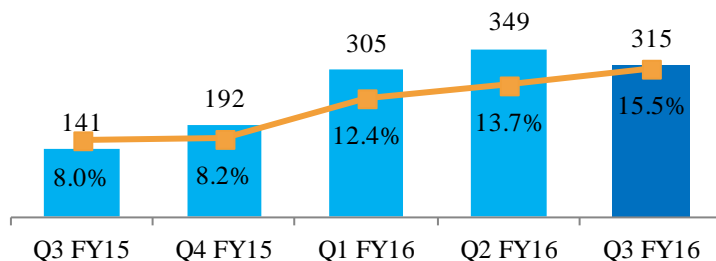
Revenue (Rs. Million)



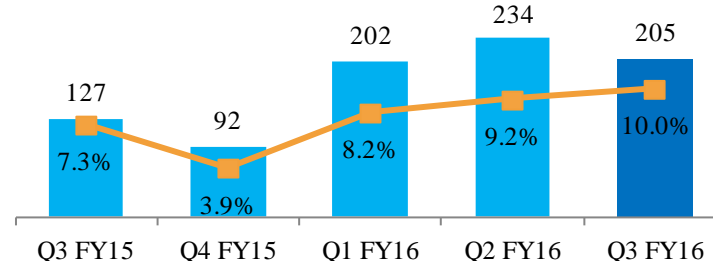
EBITDA (Rs. Million) and Margin (%)



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



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



Note: EBITDA including Other Income and excluding Exceptional Items

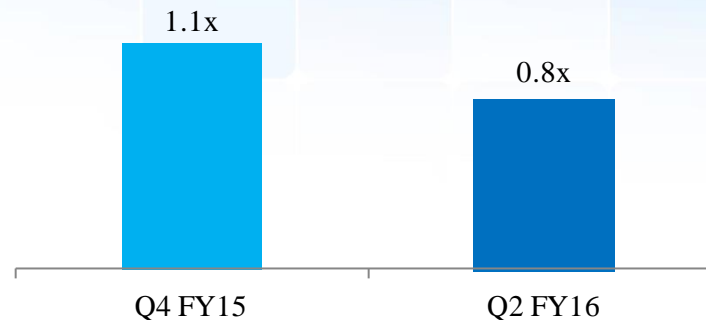
Leverage Profile

Particulars (Rs. million)	30-Sep-15	31-Mar-15
Short Term Borrowings	1,402	1,225
Long Term Borrowings	309	862
Current Portion of Long-Term Borrowings	--	1
Total Debt	1,711	2,088
Less: Cash & Cash Equivalents	37	30
Net Debt / (Net Cash)	1,674	2,058
Net Worth	2,018	1,858

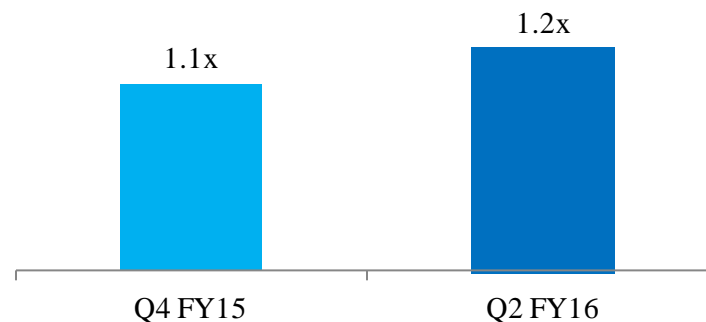
Ongoing reduction in Net Debt

Bank Facility	Credit Rating
Long Term Bank Facilities	CARE BBB+
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	11%	50%	37%
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 YTD FY2016

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

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



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



Strategic Direction

Trion Chemicals, a 42% owned associate company, to start production of specialty chemicals

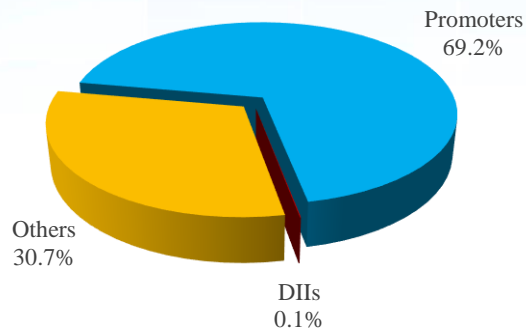
New plant under construction near Plant VII to produce Labsa, a raw material for the detergent industry

Ramp up capacity of Dye Intermediaries and Dyestuff



Market Data

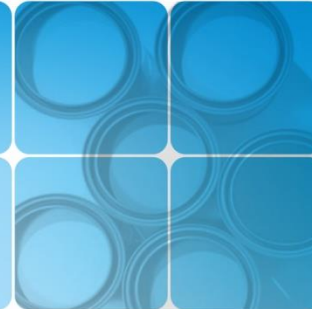
Shareholding Pattern (31st Dec 2015)



Market Data

Market Cap. (Rs. mn) (19-Feb-16)	5,830
Outstanding Shares (mn)	109.1
Bloomberg Ticker	BODL:IN
Reuters Ticker	BODA.NS
BSE Ticker	524370
NSE Ticker	BODALCHEM

Shareholders	Mar-15	Jun-15	Sept-15	Dec-15
Promoter	69.9%	69.7%	69.7%	69.2%
Domestic Institutional Investor (DII)	0.04%	0.14%	0.20%	0.07%
Others	30.1%	30.2%	30.1%	30.7%
Total	100.0%	100.0%	100.0%	100.0%



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