Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By Online submission

Sec/16-17/154
Date: 11-10-2016

To,
The General Manager,
Department of Corporate Services
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 Q2 FY 2017 FOR INVESTORS.

Ref: Regulation 30, Schedule III part A of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015

With reference to above captioned subject, we herewith enclose Earnings Presentation for Q2 FY 2017 for Investors, September, 2016.

This is for your information and record please.

Thanking You,
Yours faithfully,

For, BODAL CHEMICALS LTD.

BODAL CHEMICALS LTD. AHMEDABAD

Ashutosh B. Bhatt
Company Secretary
Encl : a/a

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G.I.D.C, Vatva, Ahmedabad- 382 445.,
Gujarat, India.

Tel: +91 79 2583 5437
2583 4223, 25831684
Fax: +91 2583 5245, 25836052
E-mail: bodal@bodal.com

PLANT OFFICE:
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Tel: 9909950855 / 856 / 857 / 858

www.bodal.com
CIN No. : L24110GJ1986PLC009003

Q2 & H1 FY2017 Earnings Presentation

September 2016

Bodal Chemicals Ltd.

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(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.

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 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 Dyestuff expected to improve profitability
- Conservative leverage profile: Total Debt to Equity of 0.50x & Net Debt/LTM EBITDA of 0.73x as of Sep 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

- Introduction of new products
- Capacity expansion

Capacity Expansion of Dyestuff	Trion Chemicals	Production of LABSA	Production of Liquid Dyestuff

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Strategic Direction

	Capacity Expansion of Dyestuff	Trion Chemicals	Production of LABSA	Production of Liquid Dyestuff
Details	• 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	• 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	• 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	• Used in paper industry for coloring paper • Looking forward to increasing production in the near term
Annual Capacity	• 25,000 MT (including additional DS capacity from Phase I)	• 12,000 MT	• 18,000 MT	• 10,800 MT
End Market				

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Highlights from the Quarter

Q2 FY2017 vs. Q2 FY2016		
Total Income	**EBITDA**	**Net Profit**
Rs. 3,310 million	Rs. 601 million	Rs. 340 million
+30.2%	+37.0%	+45.6%

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

"I am pleased to report another strong quarter for Bodal Chemicals with respect to both operational and financial performance. Whilst the topline grew by 30% y-o-y, EBITDA expanded by a robust 37% y-o-y. EBITDA margins for the quarter stood at 18.2%, 91 bps higher compared to Q2 FY2016.

Operating conditions for Bodal Chemicals continue to be favourable and we remained focused on executing our new initiatives. The market feedback for LABSA has been very encouraging and we look forward to doubling the capacity of the same. We are also on track to start production at Trion Chemicals in the current half of FY2017. Senior management team is highly passionate about these new growth opportunities and is fully committed to proper and timely execution.

We are poised to reach new heights and in doing so, we want to continue to create value for all our stakeholders. I wish to thank all of you for your interest in Bodal Chemicals."

Financial Performance

Key Financial Statistics

(Rs. million)	Q2 FY2017	Q2 FY2016	*y-o-y Growth (%)*	Q1 FY2017	*q-o-q Growth (%)*
Total Income	3,309.5	2,542.7	*30.2%*	2,705.5	*22.3%*
EBITDA	601.2	438.8	*37.0%*	569.4	*5.6%*
Margin (%)	*18.2%*	*17.3%*		*21.0%*	
Net Profit	340.5	233.9	*45.6%*	322.1	*5.7%*
Margin (%)	*10.3%*	*9.2%*		*11.9%*	
Earnings Per Share (EPS)	3.12	2.14	*45.8%*	2.95	*5.8%*

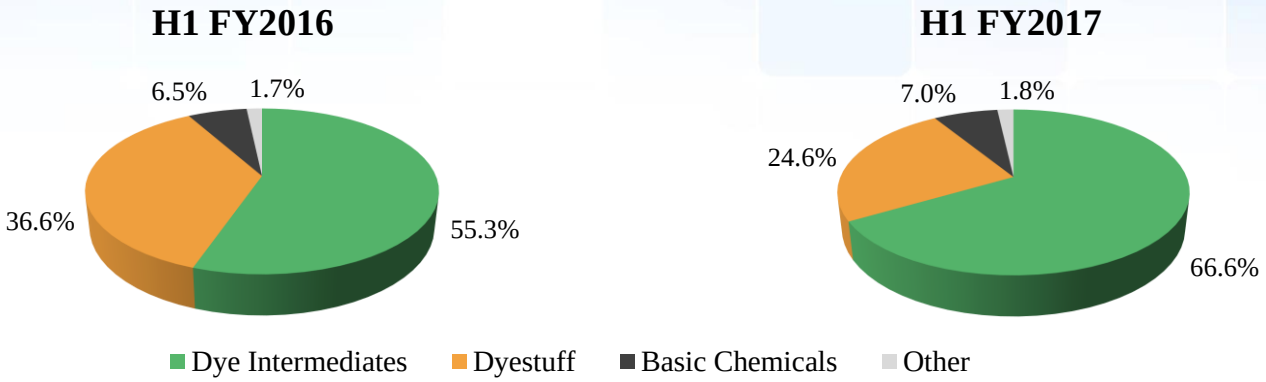
- Total Income increased 30.2% y-o-y to Rs. 3,309.5 mn supported by high finished goods prices, better product mix and growing demand in the domestic market
- EBITDA margin improved by 91 bps on y-o-y basis to 18.2% in Q2 FY2017

Note: EBITDA includes Other Income
* Financials are standalone

Segmental Financial Performance

Revenue Breakup

By Segment



By Geography

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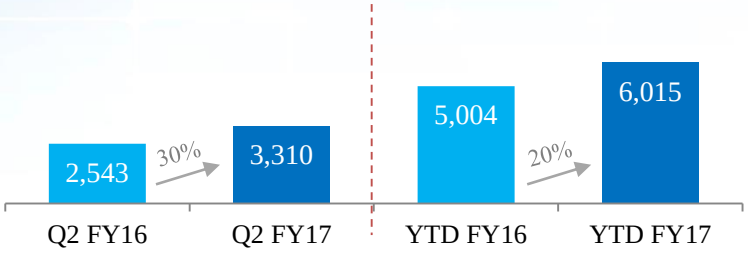
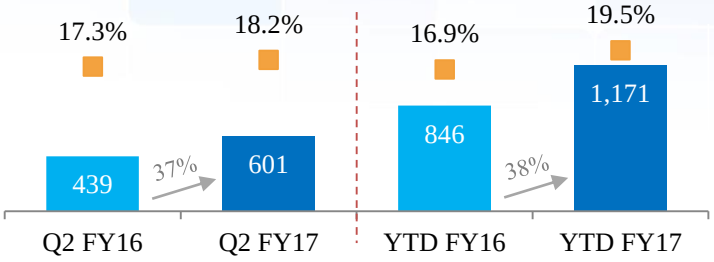
Quarterly and Half Yearly Financial Trends

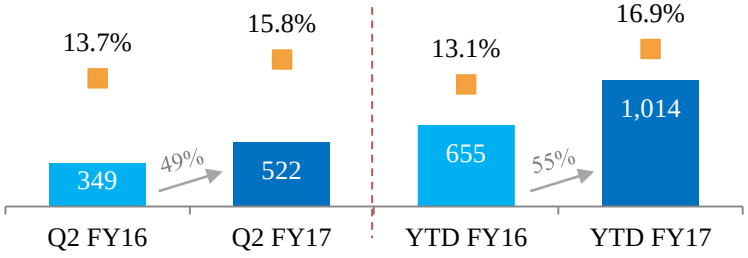
Revenue (Rs. Million)



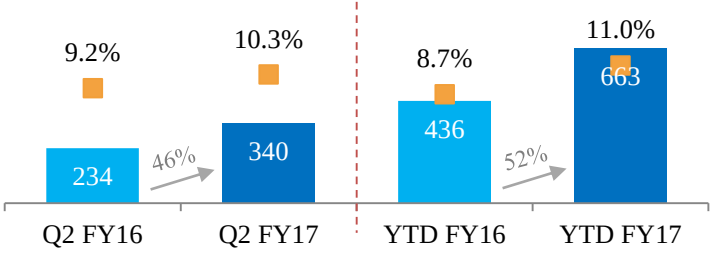
EBITDA (Rs. Million) and Margin (%)



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



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



Note: EBITDA includes Other Income

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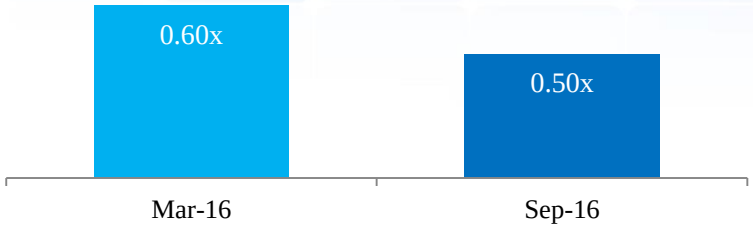
Leverage Profile

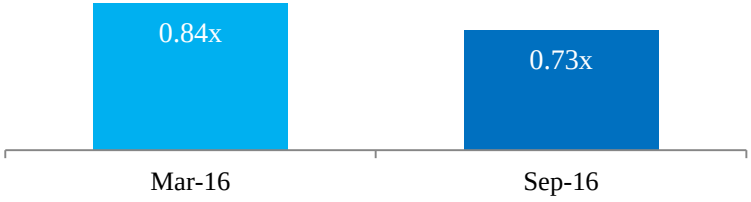
Particulars (Rs. million)	30-Sep-16	31-Mar-16
Short Term Borrowings	1,502	1,422
Long Term Borrowings	6	7
Total Debt	**1,508**	**1,429**
Less: Cash & Cash Equivalents	29	5
Net Debt / (Net Cash)	**1,479**	**1,424**
Net Worth	**3,019**	**2,395**

Repaid long term debt; Focus on optimizing working capital

Total Debt / Equity (x)



Net Debt / LTM* EBITDA (x)



Bank Facility	Credit Rating
Long Term Bank Facilities	CARE A-
Short Term Bank Facilities	CARE A2+

* LTM is last twelve months

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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

Sulphur & Bulk Chemical → Dye Intermediates → Dyestuff

End Markets

No. of Products		30 Variants	150 Variants
Annual Capacity	190,000 MT	30,000 MT	17,000 MT
% Total Revenue [1]	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

Note:
1. For H1 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:
1. Plant V and VI have been closed
2. 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*

asiatic colour-chem ind. ltd.

BASF The Chemical Company

Chemistar COLORS FOR RIGHT FIRST TIME DYEING

HUNTSMAN Enriching lives through innovation

JAY

McFills Enterprises Pvt. Ltd.

OHYOUNG

RIFA

stahl

* Arranged alphabetically

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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

Product	Major Applications
Sulphuric Acid	
Oleum 23% & 65%	
Sulphur Trioxide	
Chlorosulphonic Acid	H_2SO_4

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 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

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

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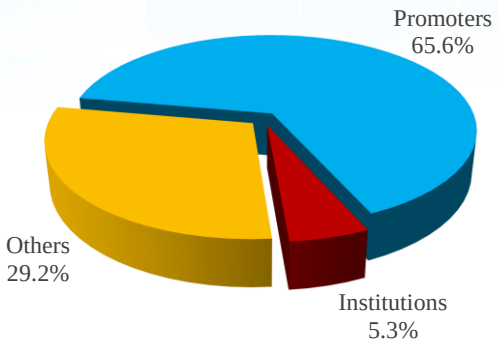
Market Data

Shareholding Pattern (30th Sep 2016)



Market Data

Market Cap. (Rs. mn) (9-Nov-16)	15,269.6
Outstanding Shares (mn)	109.1
Bloomberg Ticker	BODL:IN
Reuters Ticker	BODA.NS
BSE Ticker	524370
NSE Ticker	BODALCHEM

Shareholders	**Dec-15**	**Mar-16**	**Jun-16**	**Sep-16**
Promoter	69.21%	69.21%	67.35%	65.55%
Institutions	0.07%	0.29%	1.21%	5.30%
Others	30.72%	30.50%	31.44%	29.15%
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

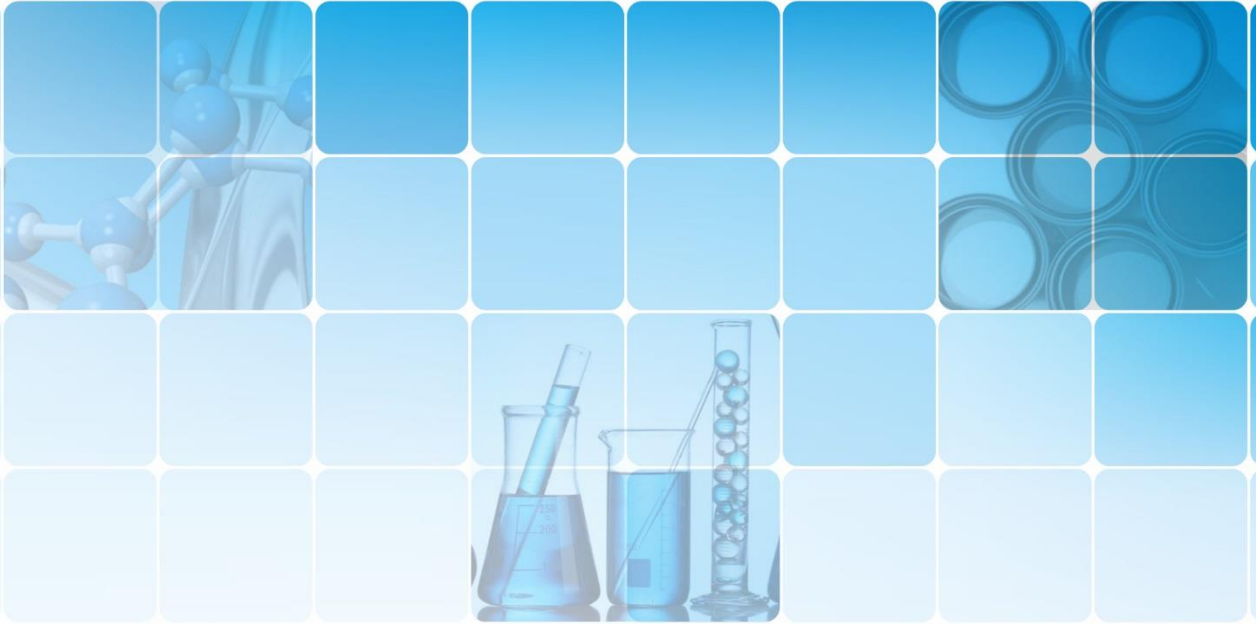
Mr. Surendra N. Shah
Independent Director

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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