



NEOGEN
CHEMICALS LTD.

May 15, 2022

BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort Mumbai 400 001 Scrip Code No: 542665	National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Company Symbol: NEOGEN
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Sub.: Press Release on the Audited Financial Results of the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

With reference to the captioned subject, please find enclosed herewith the Press Release on the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and year ended March 31, 2022.

The Audited Financial Results for the quarter and year ended March 31, 2022 and the Press Release are also being uploaded on the Company's website at www.neogenchem.com.

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For Neogen Chemicals Limited

Unnati Kanani
Company Secretary and Compliance Officer
Membership No. A35131



Encl.: As above



Neogen Chemicals reports highest-ever growth in revenues

- For FY22, revenues stood at Rs. 487 crore, up by 45% Y-o-Y
 - For Q4 FY22, revenues stood at Rs. 157 crore, up by 69% Y-o-Y
- Board approved final dividend of Rs. 2.75 per share (27.5%) for FY22**

Neogen Chemicals Limited (Neogen) reported robust financial performance during the quarter and full year ended 31st March, 2022. The Company delivered highest-ever quarterly and full-year revenues, at Rs. 156.8 crore in Q4 FY22 and Rs. 487.3 crore in FY22 respectively. This represents a revenue growth of 69% in Q4 FY22 and 45% in FY22. Strong topline performance was driven by capacity expansion initiatives, combined with realization gains for select products.

Profit after tax (PAT) stood at Rs. 15.6 crore during the quarter as compared to Rs. 9.3 crore in Q4 FY21. For FY22, profit after tax stood at Rs. 44.6 crore, higher by 42% over Rs. 31.3 crore in FY21. PAT performance was in-line with operational performance of the Company, further bolstered by lower Effective Tax Rate due to higher contribution from SEZ facility. Depreciation increased during the quarter commensurate to the newer capacities added. Earnings per share (EPS) for the quarter stood at Rs. 5.50 per share (Rs. 3.99 per share in Q4 FY21). For FY22, EPS came in at Rs. 18.70 per share (Rs. 13.45 per share in FY21).

During the period under review, the Company faced significant volatility in the prices of raw materials linked to Lithium. As a process, these cost pressures are passed on to the customers with some time lag. While the objective is to increase the absolute earnings, there could be some margin pressure due to this time lag.

Based on solid performance reported during the year, the Board of Directors has approved a final dividend of Rs. 2.75 per equity share (27.5%) for FY22. This has increased over previous year inspite of external headwinds linked to higher RM prices and utility costs.

Performance at a Glance

	Q4 FY22		FY22	
Revenues	Rs. 156.8 crore	⬆️ 69%	Rs. 487.3 crore	⬆️ 45%
EBITDA	Rs. 26.6 crore	⬆️ 44%	Rs. 86.6 crore	⬆️ 35%
Profit Before Tax	Rs. 18.7 crore	⬆️ 42%	Rs. 57.1 crore	⬆️ 29%
Profit After Tax	Rs. 15.6 crore	⬆️ 68%	Rs. 44.6 crore	⬆️ 42%

Notes:

1. Growth for Q4 FY22 is compared with Q4 FY21
2. Growth for FY22 is compared with FY21
3. All figures are consolidated

Commenting on the Q4 & FY22 performance, Mr. Haridas Kanani, Chairman & Managing Director, Neogen Chemicals said:

“We are glad to have concluded the year on a high note despite unprecedented challenges posed by inflation in raw material prices and utility costs, as well as supply-chain disruptions. We have navigated through all these shocks by staying nimble and sharpening our focus to create a high-quality enterprise with unmatched execution capabilities. During the year, we scaled new heights and achieved our revenue benchmark by growing 45% over FY21. Profitability metrics mirrored the momentum in revenues, further bolstered by manufacturing efficiencies and prudent cost management.

In a key development, we have announced an estimated CAPEX of upto Rs. 150 crore, to be deployed in FY23 at Dahej SEZ for multiple growth initiatives across both Organic and Inorganic Chemicals. This expansion is based on recent approvals and strong interest in our regular Lithium products, Electrolyte Salts and additives in International market and expansion of our chemistry capabilities to continue focus on advance intermediate and CSM business.

Our newly commissioned organic MPP plants (Phase I & II) are now stabilizing with sustained improvement in utilisation levels thereby giving us the confidence of achieving the revenue potential of Rs. 725-750 crore as targeted in FY24 on stable lithium price basis. As planned, we are executing orders that are more customised in nature and goes through multi-stage processes with complex chemistries involved. On the other hand, we are satisfactorily progressing with our pilot plant initiative of electrolyte manufacturing for lithium-Ion batteries. In the interim, we are closely studying the market for battery materials and evaluating promising opportunities in the sector.

Overall, we are very well poised to capture incremental demand and have the fundamental levers in place to boost our business proposition and realise the growth aspirations. Our objective is to profitably maintain our growth trajectory while creating value for all our stakeholders.”

Key developments

- The Board of Directors at its meeting held on 14th May, 2022 considered and **approved an estimated capital expenditure of upto Rs. 150 crore, to be deployed in FY23 at Dahej SEZ Plant** for:
 - **Expanding manufacturing capacity of specialty organic chemicals by 60,000 litres** – to support new molecules developed in-house and enhancing ability to do multiple chemistries

- **Increasing the capacity for manufacturing inorganic salts from 1200 MT to 2400 MT in existing Inorganic MPP** – this is to cater to demand from new approvals received from international customers for regular lithium-based products recently and expected growth in their demand in domestic market
- **Setting up new capacity in existing Inorganic MPP for 400 MTPA for manufacturing Specialty Lithium Salts and additives for Electrolyte** used in Lithium-Ion batteries advance chemistry cells – targeted for trial approvals in international markets and captive consumption for manufacturing of electrolyte
- **Dahej site development**

Expected outcome out of above CAPEX:

- Estimated timeline for completing this brown field capex by June 2023
- Once commissioned, the overall incremental revenues to be around Rs. 250 – 300 crore per annum. Out of this, revenues from Inorganic Chemicals is estimated based on stable lithium prices
- The Company expects full utilization by FY25/ FY26

-ENDS-

About Neogen Chemicals Limited

Incorporated in 1989, Neogen Chemicals Ltd. (NSE Code: NEOGEN; BSE Code: 542665) is India's one of the leading manufacturers of Bromine-based and Lithium-based specialty chemicals. Its specialty chemicals product offerings comprise Organic as well as Inorganic chemicals. Its products are used in pharmaceutical and agrochemical intermediates, engineering fluids, electronic chemicals, polymer additives, water treatment, construction and aroma chemicals, flavours and fragrances, specialty polymers, Chemicals and Vapour Absorption Chillers – original-equipment manufacturers with new upcoming usage in lithium-ion battery materials for energy storage and EV application. Over the years, Neogen has expanded its range of products and at present, manufactures an extensive range of specialty chemicals which find application across various industries in India and the world. It has a product portfolio of over 233 products.

In addition to manufacturing specialty chemicals, Neogen also undertakes custom synthesis and contract manufacturing where the product is developed and customised primarily for a specific customer, but process know-how and technical specifications are developed in-house.

Further, the Company has recently announced plans to utilise its three decades of experience in Lithium Chemistry to manufacture Lithium-Ion battery materials with an initial investment plan to manufacture electrolytes and lithium salts needed for electrolytes. This plant will come on-stream in FY23 with further capex planned in the coming years.

The Company operates out of its three manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra, Dahej SEZ, Bharuch and Karakhadi, Vadodara in Gujarat.

For more information, please visit www.neogenchem.com OR contact:

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***Disclaimer:** Certain statements in this press release may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Neogen Chemicals Limited will not be in any way responsible for any action taken based on such statements and discussions and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*