NEOGEN CHEMICALS LTD.

May 29, 2021

~~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**

Sub.: Earnings Presentation 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 Earnings Presentation on the Audited Financial Results (Standalone and Consolidated) of the Company for the quarter and financial year ended March 31, 2021.

The Audited Financial Results for the quarter and financial year ended March 31, 2021 and the Earnings Presentation is 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 RAJESH KANANI
Digitally signed by UNNATI RAJESH KANANI
Date: 2021.05.29 23:56:45 +05'30'

Unnati Kanani
Company Secretary and Compliance Officer
Membership No. A35131

Encl: As above

Neogen Chemicals Ltd.

Q4 & FY21 Earnings Presentation

May 2021

NEOGEN CHEMICALS LTD.

Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, 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 undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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Neogen Chemicals – At a Glance

- Leading manufacturer of Bromine and Lithium-based specialty chemicals, operating since 1991
- Strong portfolio of Organic and Inorganic products
- Customers across multiple industries including Pharma, Engineering and Agrochem
- Key export geographies include USA, Europe, Japan and Middle East
- Growing contribution from Custom Synthesis and Contract Manufacturing
- Executing Brownfield manufacturing capacity expansion
- Promoters are pioneering technocrats with substantial domain expertise; cumulative experience of more than six decades
- Developed strong R&D capabilities with dedicated in-house team

224

Products developed by in-house R&D

12%

Of workforce in R&D team

28

Exporting countries

ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007

Manufacturing units certified on Quality & SHE management systems

27%

5-year Revenue CAGR

44%

5-year PAT CAGR

Evolution of Neogen Chemicals

1970's to 1991 Pre-Neogen

- Mr. HT Kanani graduated as a Chemical Engineer and started his association with Bromine chemistry in the early 1970s
- Set up one of India's first Bromine plants using indigenous technology at Navlakhi near Morbi, Gujarat
  - Plant was later destroyed in 1970s due to flooding followed by Morbi Dam Collapse
  - Mr. Kanani worked as a consultant for setting up Bromine and other manufacturing units till 1984 to recover these losses
- In 1985, started manufacturing Bromine derivatives from a 600 sq. ft. plant under a proprietorship firm, in small 20 lit reactors to start making n-propyl bromide and lithium bromide.

1991 to 2016 Pre-expansion

- 'Neogen Chemicals' commenced business operations in 1991, at Mahape, Navi Mumbai manufacturing a few Bromine Compounds and Lithium Compounds
- From 1991 to 1999, two molecules namely Lithium bromide and N-Propyl Bromide contributed almost 80-90% to the topline; revenues moved from ~Rs. 1 crore to ~Rs. 10 crore during this period
- Set up dedicated R&D and hired first PhD scientist in 2001
- Capacity expansions at Mahape plant took place in 2000, 2007 and 2012; this left no scope for further brownfield expansion at Mahape
- Dr. Harin (now Joint MD) re-joined Neogen Chemicals in 2008 after pursuing his PhD in Chemical Engineering from University of Maryland, USA and briefly working as a Research Scientist with Pioneer – DuPont Company

2016 to 2020 Present

- Acquired 12 acres of land in Dahej for Greenfield expansion in 2015
- Achieved turnover of Rs. 100 crore in FY16 after reporting full utilisation at the Mahape plant
- Acquired Solaris ChemTech Industries' Bromine derivatives plant at Vadodara in 2016 via slump sale
  - Acquisation cost included 39 acres of land for the running business, plant and machinery at the site, ~50 trained manpower and several technologies developed by the acquired site
- Acquisition Increased total organic glass lined reactor capacity from 45,000 litres in FY16 to 130,000 litres in FY18
- Turnover more than doubled in two years, to Rs. 240 crore in FY19, from Rs. 110 crore in FY17
- Doubled Inorganic Chemicals capacity from 1200 MT to 2400 MT through Greenfield expansion at Dahej SEZ, Gujarat

Key Milestones

Leading manufacturer of Bromine and Lithium-based specialty chemicals since 1989

1989
Incorporation as a private limited company to scale up existing bromine derivatives business

1991
Started operations with Lithium salts and organic bromide at Mahape

1994
Increased in capacity from 1,600 litres to 6,000 litres at Mahape

1998
Conversion to public limited company

2000
Dedicated R&D Division set up

2001
Started manufacturing speciality bromine compounds for advanced intermediates

Increased reactor capacity of Mahape facility from 6,000 litres to 20,000 litres

2007
Increased reactor capacity at Mahape to 30,000 litres

2012
Increased reactor capacity at Mahape to 45,000 litres

2015
Acquired land in Dahej SEZ

2016
Achieved turnover of ₹100 crore

Acquired manufacturing operations along with 39.6 acres of land from Solaris Chemtech Limited at Karakhadi, Vadodara

2017
Commenced manufacturing operations at Vadodara Facility

2019
Raised Rs. 132 crore through initial public offering (IPO) and Offer for sake

2020
Increased the capacity for Inorganic Chemicals from 1,200 MT to 2,400 MT through Greenfield expansion at Dahej, Gujarat

Business Overview

Organic Chemicals

Bromine Compounds
Organic compounds containing chlorine, fluorine, iodine-based combinations thereof and others including grignard reagents

Advanced Intermediates
Combining bromination with other chemistries to create forward-integrated value-added products

Custom Synthesis & Contract Manufacturing
Products developed for specific customers. Process know-how and technical specifications are developed in-house

End User Industries

- Pharmaceuticals
- Agrochemicals
- Electronic Chemicals
- Aroma Chemicals
- Flavours

Inorganic Chemicals

The portfolio includes specialty, inorganic lithium-based chemical products which find applications across multiple industries

End User Industries

- Eco-friendly VAM for cooling air/water/process equipment
- Pharmaceuticals
- Specialty Polymers
- Construction Chemicals

Select Clientele

AUSTIN, SOLVAY, Divis Laboratories Ltd., CBC Co.,Ltd, THERMAX, VOLTAS A TATA Enterprise, Piramal, SUN PHARMA, HETERO, HIKAL, Mylan, Kirloskar Enriching Lives, AUROBINDO

Robust Manufacturing Expertise

Strong Manufacturing Infrastructure –

Factory	Land Area	Land Utilisation	Capacity
Mahape (Since 1991)	1.5 acres	100%	45,000 GLR Litres (Bromine) 1,200 MT (Lithium)
Vadodara (Since 2017)	40 acres	20%	85,400 GLR Litres (Bromine)
Dahej (Since 2020)	12 acres	20%	1,200 MT (Lithium) 1,26,000 GLR Litres (Bromine)

Quality Control and Quality Assurance

- Dedicated QC and QA team in place monitoring the entire manufacturing process at all stages right from initial testing stage to the final product

Certifications of Manufacturing Facilities

- **Mahape Facility** - ISO 9001:2015 from Bureau Veritas Certification Holding SAS
- **Vadodara Facility** – ISO 9001:2015, ISO 14001:2015 and OSHAS 18001:2007 certifications from Bureau Veritas Certification Holding SAS
- Implemented current good manufacturing practice (cGMP) prescribed by the US FDA as applicable for intermediates

Developed strong R&D capabilities

Established **two in-house R&D units, one each in Mahape and Vadodara**, with an endeavor to develop new processes and improve existing processes

Developed **37 member dedicated R&D team, including five senior personnel** with doctorates in chemistry (Ph. D.) from reputed institutions and with 15+ years of experience

Believes that **R&D is critical for sustained growth** and will continue to deploy resources to further strengthen R&D infrastructure to take advantage of upcoming opportunities

CMD and MD are actively involved and spend significant time overseeing the functioning of both R&D divisions

Post commissioning of dedicated R&D units in 2001, the **product portfolio has grown from 20 products in 2001 to 224 products in FY21** (excluding products developed under contract manufacturing)

Experienced Leadership Team

Mr. Haridas Kanani, B.TECH (CHEM) M.I.I.Ch.E.
Chairman & Managing Director

- Holds a bachelor's degree in chemical engineering from the Indian Institute of Technology (IIT), Bombay
- Set up one of India's first Bromine plants using indigenous technology at Gujarat which was later destroyed due to a flood
- Subsequently, set up the firm Chem Ocean Consultant which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies
- Then later established NCL in 1989 and has been on the Board since then
- Has previously worked with Excel Industries Ltd.
- Oversees the manufacturing, research and development and general operation and management of the Company's manufacturing units

Mr. Harin Kanani, PhD
Managing Director

- Holds a bachelor's degree in chemical engineering from IIT, Bombay and a Master's degree and a doctorate in chemical engineering from the University of Maryland
- Served as a research fellow at the University of Maryland, where he has published 4 first author manuscripts in the field of chemical engineering
- Presented various talks and presentations at national and international conferences
- Also participated in the Small and Medium Enterprises Programme from IIM Ahmedabad
- Joined NCL in 2008 and is on the Board since 2017
- Has previously worked with companies such as Asian Paints India Ltd. and as a senior research scientist at Pioneer Hi-Bred International Inc. in the United States
- Heads various business divisions of the Company including research and development, business development, quality control, purchase, marketing and finance

Mr. Anurag Surana
Non-Executive Director

- Holds a bachelor's degree in commerce with Honours from the University of Delhi
- Experience of more than 20 years in Contract Manufacturing business
- A well known personality in the Agrochemical and specialty chemical industry in India, Europe and Japan
- Founded a consulting company specialising in consulting with companies in the chemical, agrochemical and fertilizers sector in India and abroad
- Previously, he was an Executive Director on the Board of PI Industries Ltd. for 14 years

Shyamsunder Upadhyay
Executive Director

Holds a master's degree in science from Vikram University, Ujjain

- He has 41 years of work experience in the field of chemicals
- Oversees maintenance, projects, logistics, administration and engineering store in the company
- Has previously been associated with companies such as Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited

Ketan Vyas
Chief Financial Officer

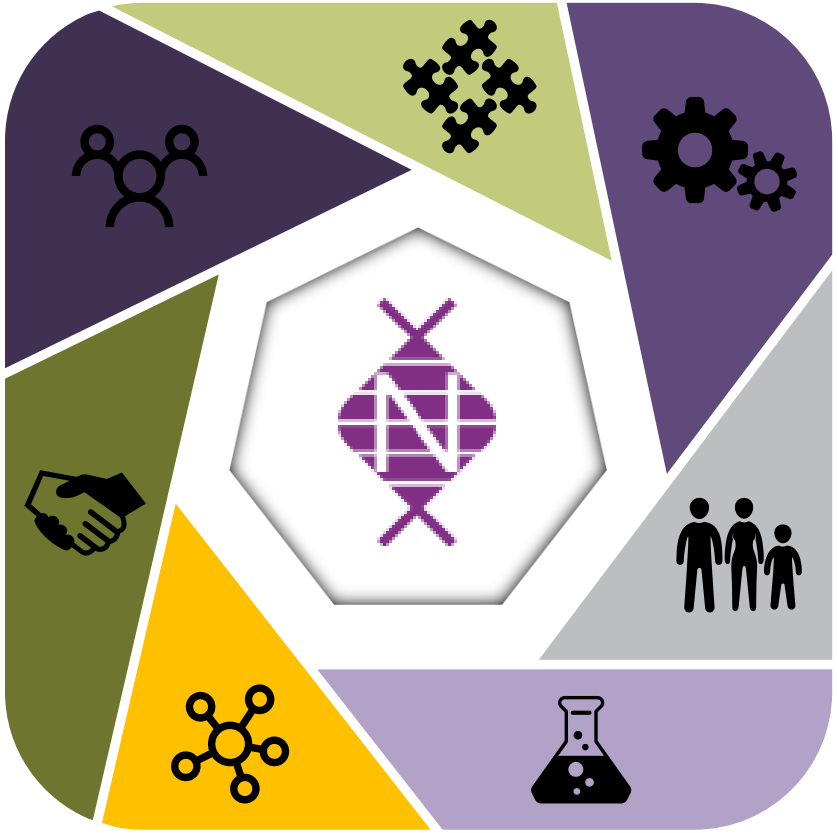
Is a fellow member of the Institute of Chartered Accountants of India, MBA and has completed his Project Management Professional Certificate from (PMI) USA in the year 2013

- He has 22 years of work experience in the field of Finance & Accounts, Taxation/ International Taxation across industries, Corporate Banking, Audits, Corporate & Commercial laws and other Regulatory and Statutory compliances
- Other expertise lies in Strategic Planning, Budgeting & Cost Control, Financial Reporting & Management, Process Re-engineering, System Integration and Solution Design
- Has previously been associated with companies like Batliboi,Arcelor Mittal Projects India Private Limited, SGS India Private Limited, Integreon Managed Solutions, Dow Corning India Private Limited, Rhodia Chemicals India Private Limited and Amplas Polymers Private Limited,

Competitive Advantages

Large and diverse array of products

Experienced promoters with domain knowledge



Strong Manufacturing Capabilities

Established and stable relationship with suppliers

Diversified and Stable Customer Base

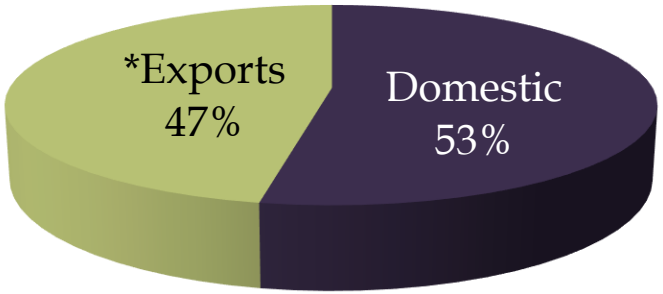
Specialised Business Model with high entry barriers

Continuous Investment in R & D

Key Performance Highlights – Q4 & FY21

	Q4 FY21		FY21	
Revenues	Rs. 93 crore	13%	Rs. 336 crore	10%
EBITDA	Rs. 19 crore	17%	Rs. 64 crore	11%
Profit Before Tax	Rs. 13 crore	18%	Rs. 44 crore	8%
Profit After Tax	Rs. 9 crore	27%	Rs. 31 crore	9%

Q4 FY21 Revenue break-up

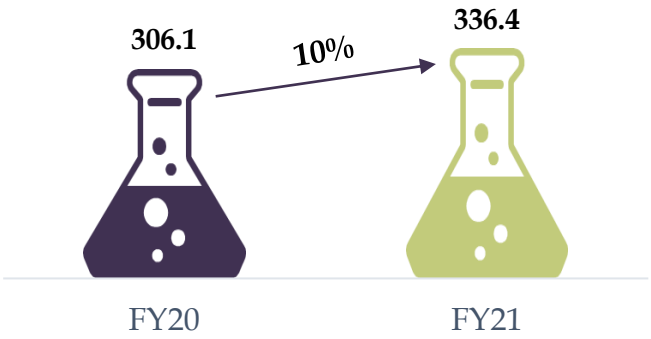


**Including deemed exports*

Note: 1. Growth for Q4 FY21 is compared to Q4 FY20
2. Growth for FY21 is compared to FY20
3. All figures are Standalone

Financial Summary –FY21

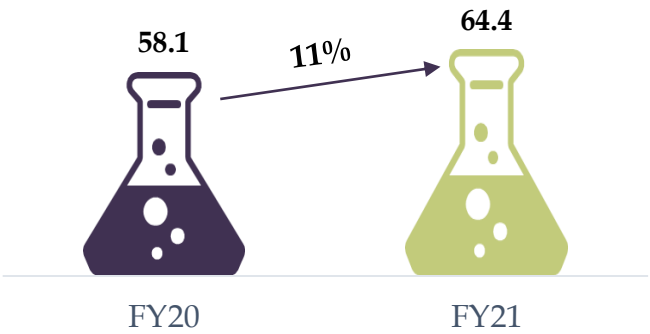
REVENUE



Rs. crore

- Robust demand trajectory for key products resulted in better topline performance
- This was achieved despite nationwide shutdown impact for first two months of the year and localized restrictions imposed due to second wave of CoVID-19

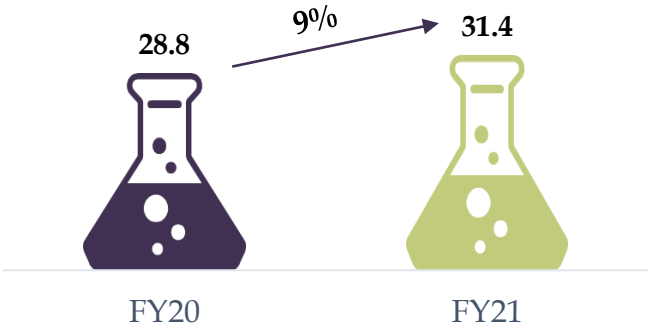
EBITDA



Rs. crore

- EBITDA performance was driven by realisation gains as well as higher operating leverage, as all plants were running at optimal utilisation levels
- Positive performance was delivered even though additional costs were incurred this year on account of CoVID-19 related safety protocols

PAT



Rs. crore

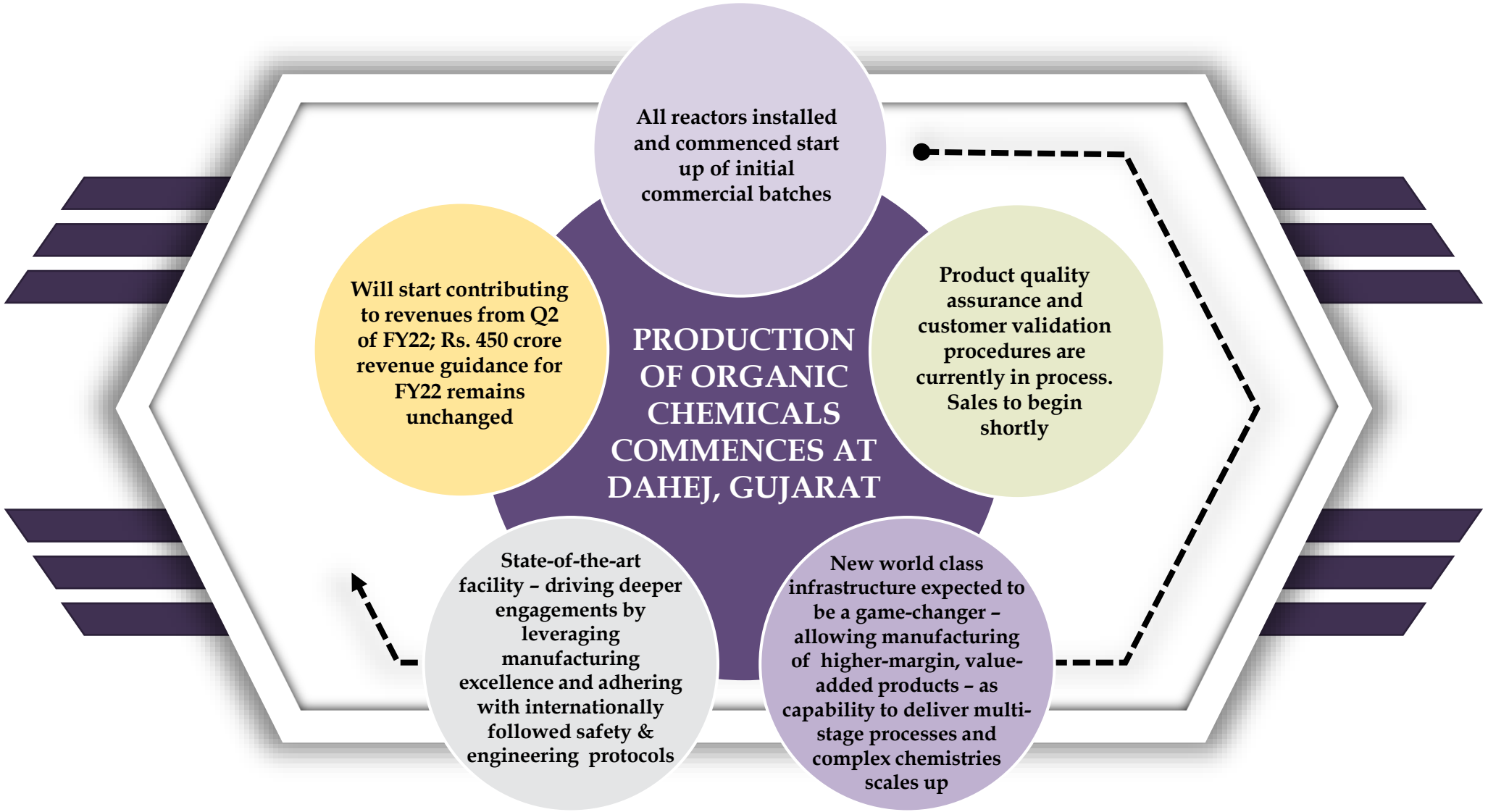
- Owing to better operating efficiency and higher revenue growth, PAT maintained momentum
- Higher depreciation and finance costs linked to CAPEX incurred, and increase in employee costs slowed down the trajectory

Revenue break-up – Q4 & FY21

	Q4 FY21	Q4 FY20	FY21	FY20		
7%	Rs. 72 crore	Rs. 67 crore	Rs. 274 crore	Rs. 249 crore	10%	Organic Chemicals
31%	Rs. 21 crore	Rs. 16 crore	Rs. 63 crore*	Rs. 57 crore	11%	Inorganic Chemicals

** Revenues in the Inorganic Chemicals segment have been impacted during the financial year due to weakness in raw material (lithium) prices. The management has estimated this impact at ~ Rs. 19 crore during FY21, excluding which Inorganic Chemicals revenues during this period would have been higher at ~Rs. 82 crore.*

Update on brownfield expansion (phase I)



Seasonal Variance Factors

- Neogen's business has some seasonal drivers, due to which the company tends to deliver stronger financial performance in the second half of the financial year (October to March). Seasonal variance is driven by strong demand from Europe as orders tend to scale up in October-November and further accelerate from January after the holiday season
- Demand for Lithium-based chemicals tends to be strong in Q4 as demand from the HVAC segment, a key usage area, is linked to capital expenditure that enjoys 100% depreciation benefits for air-conditioning/cooling machines
- Demand from the agrochemicals segment is linked to the crop cycle and is stronger during H2
- Consequently, investors are urged to compare financial performance of each quarter only with that of the corresponding quarter previous year to evaluate business progress on a like-to-like basis

Financial Table – Profit & Loss Statement (Standalone)

(Rs. In crore)

Particulars	Q4 FY21	Q4 FY20	Growth (%)	FY21	FY20	Growth (%)
Revenue	**92.7**	**82.3**	**12.6%**	**336.4**	**306.1**	**9.9%**
Expenditure	74.2	66.5	11.6%	272.06	248.1	9.7%
EBITDA	**18.5**	**15.8**	**17.1%**	**64.4**	**58.1**	**10.9%**
Margins	*20.0%*	*19.2%*		*19.1%*	*19.0%*	
Depreciation	1.9	1.7	8.2%	6.9	5.2	31.7%
EBIT	**16.7**	**14.1**	**18.2%**	**57.5**	**52.8**	**8.8%**
Interest	3.5	2.9	20.8%	13.8	11.9	15.4%
Other Income	0.1	0.1	44.6%	0.6	0.3	92.9%
Profit Before Tax	**13.3**	**11.3**	**17.7%**	**44.3**	**41.2**	**7.5%**
Margins	*14.3%*	*13.7%*		*13.2%*	*13.5%*	
Tax Expense	3.9	3.9	-0.2%	12.9	12.4	3.6%
Profit After Tax	**9.3**	**7.3**	**27.3%**	**31.4**	**28.8**	**9.3%**
Margins	10.1%	8.9%		9.3%	9.4%	
Earnings Per Share (Rs.)	**4.00**	**3.15**	**27.0%**	**13.50**	**12.33**	**9.5%**

Balance Sheet Snapshot (Standalone)

Particulars (Rs. crore)	As on March 31, 2021	As on March 31, 2020
Assets		
Non-Current Assets	251.5	123.6
Current Assets	240.6	231.7
Total Assets	**492.1**	**355.3**
Liabilities		
Shareholders' Funds	183.1	156.7
Non-Current Liabilities	135.0	48.7
Current Liabilities	173.9	149.9
Total Liabilities	**492.1**	**355.3**

- Total Debt (after including current maturities of long-term debt) increased from Rs. 137 crore in FY20 to Rs. 216 crore in FY21 to part-finance the expansion program being implemented by the company
- Net Working Capital reduced from Rs. 169.2 crore in FY20 to Rs. 126.5 crore in FY21. Working Capital Days improved to 137 days

Management Commentary

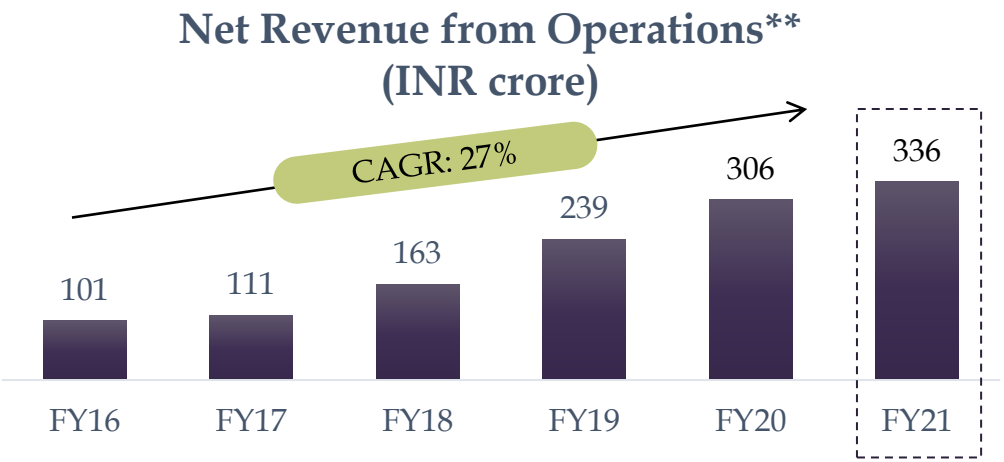
Commenting on the Q4 & FY21 performance, Mr. Haridas Kanani, Chairman & Managing Director, at Neogen Chemicals said:

"It gives me immense pleasure to report that we have maintained our growth momentum in line with the outlook previously highlighted, in a year that's been one of the most difficult in living memory for people and businesses worldwide. During FY21, we have delivered 10% growth in revenues inspite of capacity constraints, expanded margins to 19.1% and increased profits by 9% by driving demand across all key end-user industries while also maintaining supply chain efficiencies. This has been achieved in the backdrop of several widespread/ localized restrictions imposed across the country throughout the year.

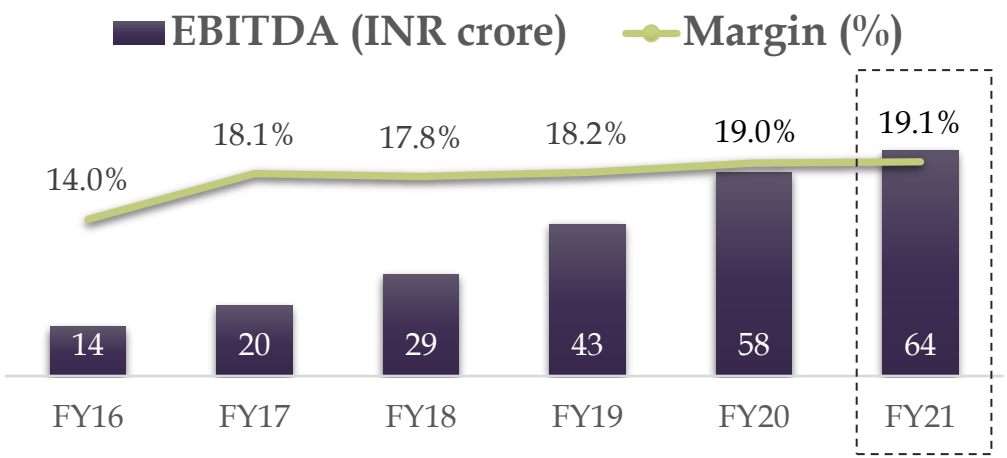
We are also pleased to inform you that despite these disruptions, our expansion plans have progressed well. We have commissioned equipment related to the production of Organic Products/ Advanced Intermediates at Dahej SEZ facility and production of commercial batches has commenced recently. Following customer validation, product quality assurance and final statutory permissions, we expect to commence commercial production shortly. I would like to thank our entire team at Dahej for their dedication and focused contribution to the implementation of this project in most challenging times. We believe this new, state-of-the-art manufacturing infrastructure of international standard will be a gamechanger for Neogen, allowing us to deliver greater value addition through multi-stage processes and complex chemistries. This is the first plant that Neogen has built from scratch and incorporated the most advanced safety features and engineering standards which are required for approvals by Innovators and Global MNC's.

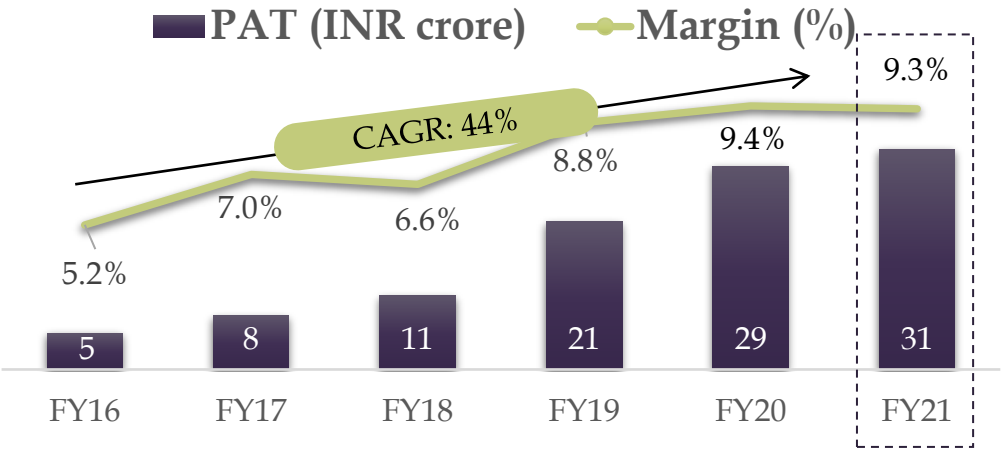
Overall, our business remains ideally positioned to benefit from the long-term value migration witnessed by the Indian specialty chemicals industry. Neogen's market leadership, cost efficient production capabilities and relentless focus on innovation, allows us to capitalize on this opportunity. Overall, we remain well-positioned to drive long-term value for all our stakeholders by executing on our planned initiatives."

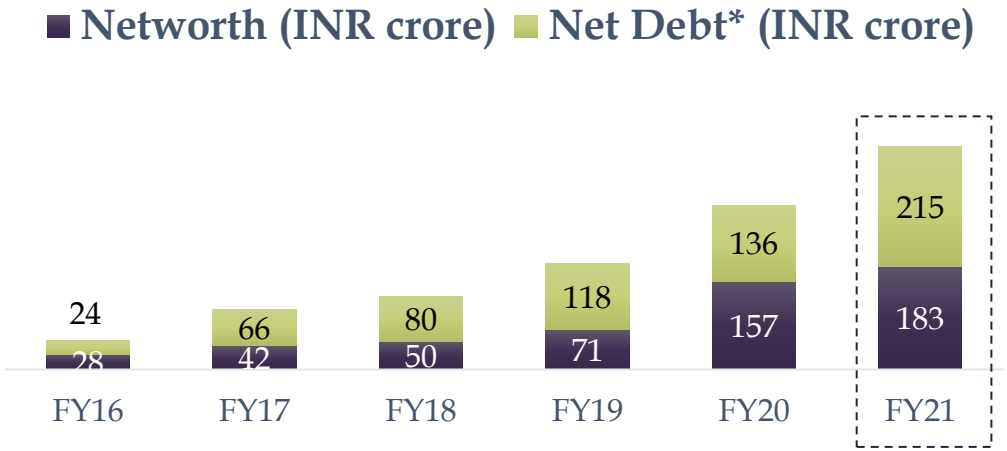
Historical Financial Trends



** *Revenue is Net of Excise*







* *Net Debt includes preference share capital and current maturities of long term debt*

Way Forward

Expanding production capacities

Increasing Custom Synthesis & Contract Manufacturing portfolio

Augmenting growth in domestic and global markets

Focus on advanced speciality intermediates

Focus on operational efficiency and functional excellence

Contact Us

About Neogen Chemicals Limited

Incorporated in 1989, **Neogen Chemicals Ltd.** (NSE Code: NEOGEN; BSE Code: 542665) is one of India's leading manufacturers of Bromine-based and Lithium-based specialty chemicals. Its specialty chemicals product offerings comprise of 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 VAM original-equipment manufacturers. Over the years, Neogen has expanded its range of products and, presently, manufactures an extensive range of specialty chemicals which find application across various industries in India and globally. It has a product portfolio of over 224 products.

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

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

For further information, please contact:

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Neogen Chemicals Ltd.
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CDR India
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nishid@cdr-india.com

Thank You

NEOGEN
CHEMICALS LTD.