



Bodal Chemicals Ltd.
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By Online Submission

Sec/19-20/200
Date: 12/02/2020

To,
The General Manager,
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 Quarter 3 and Nine months ended of FY 2020 for Investors.
Ref: Regulation 30, Schedule III part A of SEBI (Listing obligation and Disclosure Requirements) Regulation, 2015

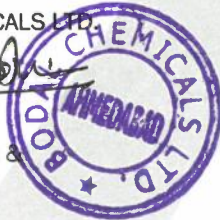
With referenced to above captioned subject, we herewith enclose Earnings Presentation for Quarter 3 and Nine Months of FY 2020 for Investors.

This is for your information and record please.

Thanking You,

Yours faithfully,
For, BODAL CHEMICALS LTD.


Ashutosh B. Bhatt
Company Secretary &
Compliance officer



Encl: as above

HEAD OFFICE:

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www.bodal.com

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E-mail: bodal@bodal.com

Quarterly Performance

Q3FY2019-20 & 9MFY2019-20

12th February 2020



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Disclaimer

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.



Company Profile



Bodal Chemicals Ltd.
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History of Bodal Chemicals Ltd (Bodal)

- Bodal was incorporated in 1989 by Mr. Suresh Patel, a first-generation entrepreneur.
- Bodal is today one of the globally leading, integrated Dyestuff companies from India.
- Company commenced its operations by setting up Vinyl Sulphone plant at Vatva - Ahmedabad (Gujarat) with a small capacity.
- At present there are three sub - segments of Products:
 - Dye Intermediates (about 25 products)
 - Dyestuff (about 175 products)
 - Sulphur & Bulk Chemicals (about 12 products)
- At present, there are 9 manufacturing Units in Gujarat, 1 in Uttar pradesh and 7 depots across India.



History of Bodal Chemicals Ltd (Bodal)

- Bodal has strong presence across the globe. At present Bodal exports around 45% of its sales to 150+ customers in more than 45 countries.
- Bodal has six subsidiaries:
 1. S P S Processors Pvt. Ltd. (SPS) – 70% holding
 2. Trion Chemicals Pvt. Ltd. (TCPL) – 59% holding
 3. Bodal Chemicals Trading Private Ltd. (BCTPL) – 100% holding
 4. Bodal Chemicals Trading (Shijiazhuang) Co. Ltd. (BCL-China) – 100% holding
 5. Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret Ltd (SEN-ER BOYA) – 80% holding
 6. Bodal Bangla Ltd (Bodal Bangla) – 100% holding



Journey

Notes:

Units are manufacturing sites

Unit Nos. are as per current numbering of sites



1989-1990

1993
Acquired Unit II-B
Acquired Unit III

1994
Changed name to
Bodal Chemicals Pvt Ltd

1996-2005

2006
Listed on BSE-reverse merger
with Dintex Dye Chem (Unit I)

2006
Acquired Unit IV

2007
Started building Unit VII
World-class mega site

2008
Acquired Unit VIII
Closed Unit V, Closed Unit VI

2010
Backward integration:
Basic Chemicals at Unit VII

2011-2016

2017
Acquired 70%: SPS Processors (Zero Discharge)
Acquired Trion Chemicals, TCCA specialist (Zero Discharge)

2018
Dyestuff expansion by 12,000MTPA,
Addition of 5MW Co-generation Power plant

2019
Incorporation of subsidiaries (India, China & Bangladesh)
Dyestuff capacity expansion by 6,000MTPA
TC capacity addition by 36,000MTPA
Acquisition of 80% stake in SEN-ER BOYA (Turkish entity)

1989
Started as JK Pharma
at Unit II-A

1991-1995

1997
Acquired Unit V
Acquired Unit VI

2004
Acquired Unit I

2004
Forward integration:
Dyestuff at Unit I

2006-2010

2011
Completed Unit VII

2012, 2013
Industry Downturn

2013, 2015
MEEP at Unit I, Unit VII

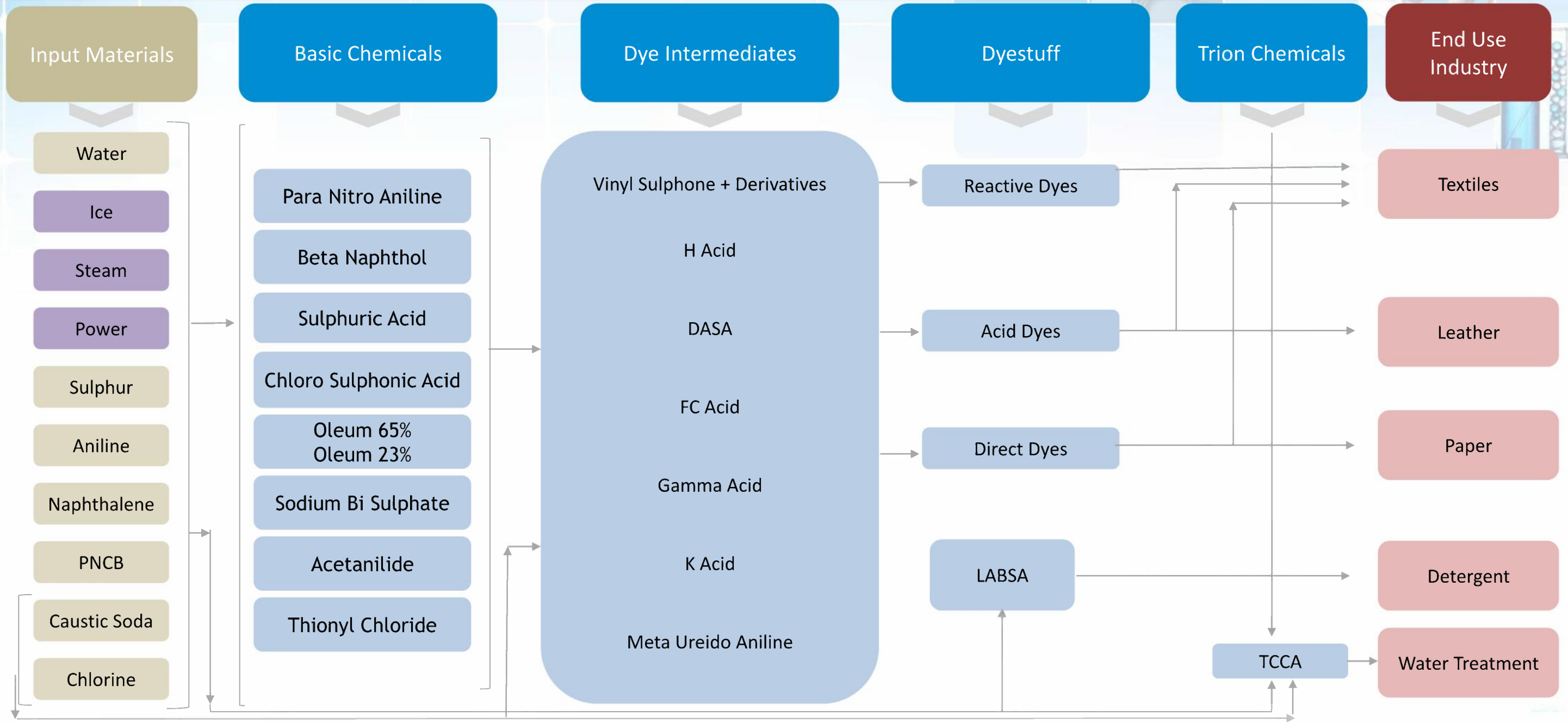
2014
Turnaround

2016
Amalgamation: Bodal Agrotech,
LABSA, Unit X (Zero Discharge)

2017-onwards

Manufacturing Value Chain

- Input Materials – part/full in-house
- Input Materials – external
- Bodal Chemicals Products
- End use industries





Quarterly Performance



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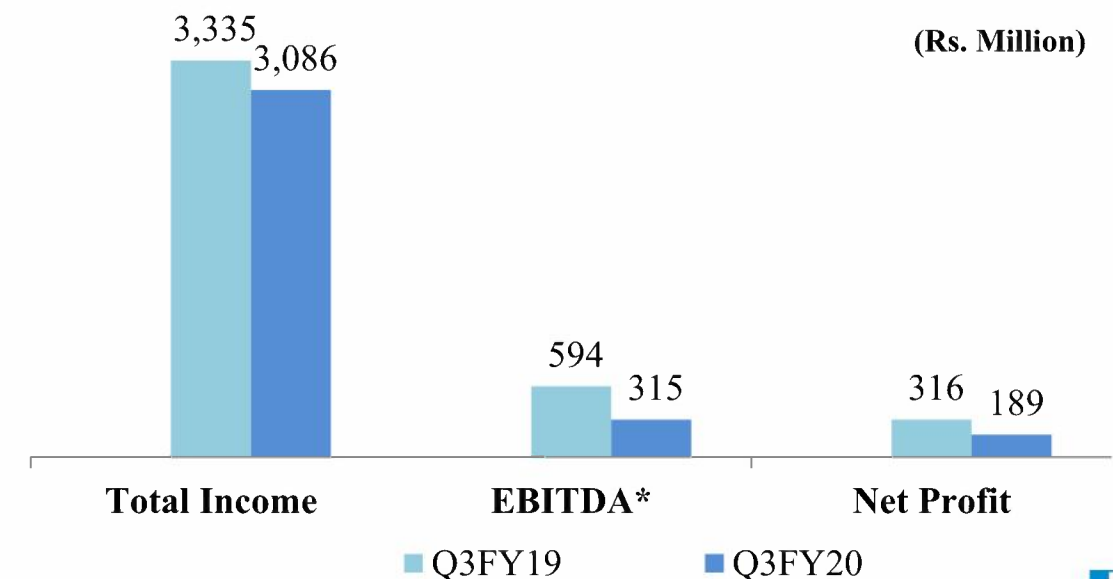
Q3FY20 Performance

Operational Highlights

- For Q3FY20, Dyestuff production grew by 11% YoY and Basic Chemicals production grew by 13% YoY mainly due to increase in capacities while Dye Intermediates production was flat YoY.
- Production at Thionyl Chloride plant has picked up and average utilization level was around 50% in Q3FY20 which has increased to around 90% in January-2020.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	Q3FY20	Q3FY19
Total Income	3,086	3,335
EBITDA	315	594
EBITDA Margin (%)	10.2%	17.8%
Net Profit	189	316



Note: EBITDA includes other income. And net profit includes other comprehensive income



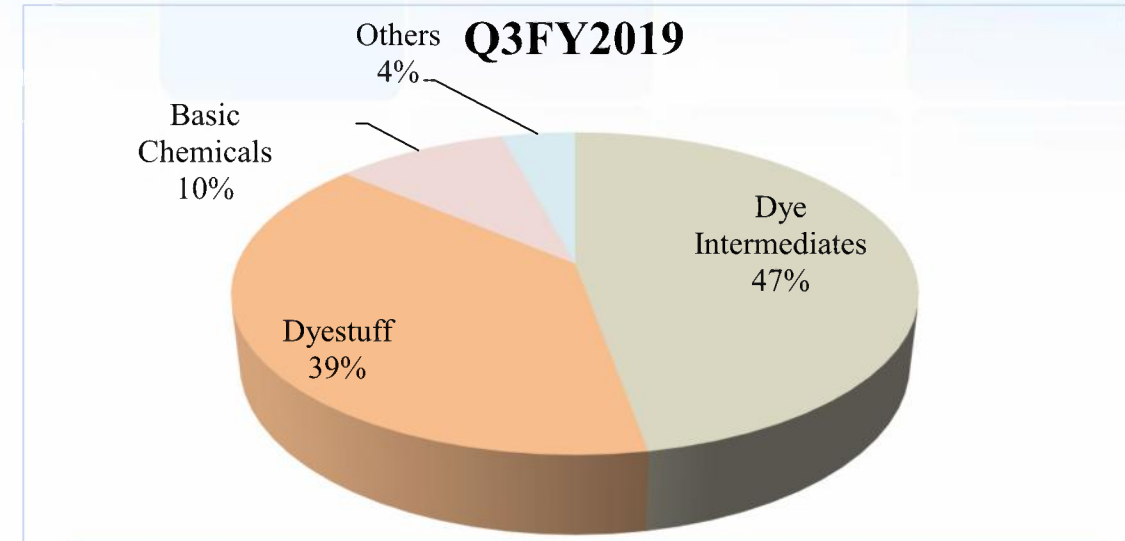
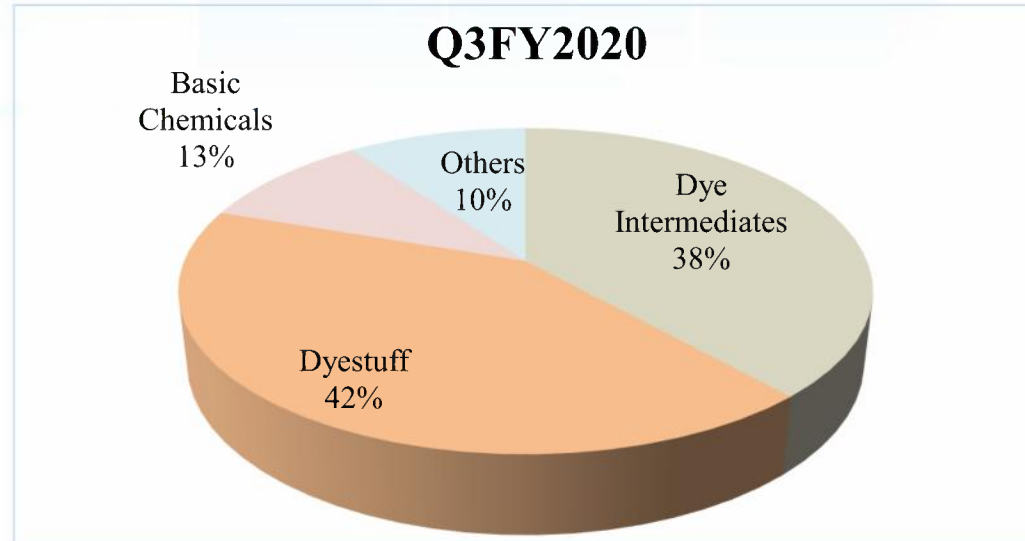
Financial–Standalone basis

	(Rs. million)		
Particulars	Q3FY20	Q3FY19	YoY (%)
Revenue from operations	3,012	3,315	-9%
Other income	75	20	270%
Total Income	3,086	3,335	-7%
Raw materials consumed	2,018	2,159	-7%
Employee benefits	183	173	6%
Other expenses	571	409	39%
Total expenses	2,772	2,741	1%
Earnings before interest, tax and depreciation	315	594	-47%
Finance costs	29	22	34%
Depreciation and amortization expense	61	47	31%
Profit before tax	224	525	-57%
Tax expense	34	207	-84%
Profit (Loss) for the period	190	318	-40%
IND AS Adjustments	(1)	(2)	-
Total comprehensive income for the period	189	316	-40%
EPS (Rs./ Share) (not annualised)	1.55	2.60	-40%

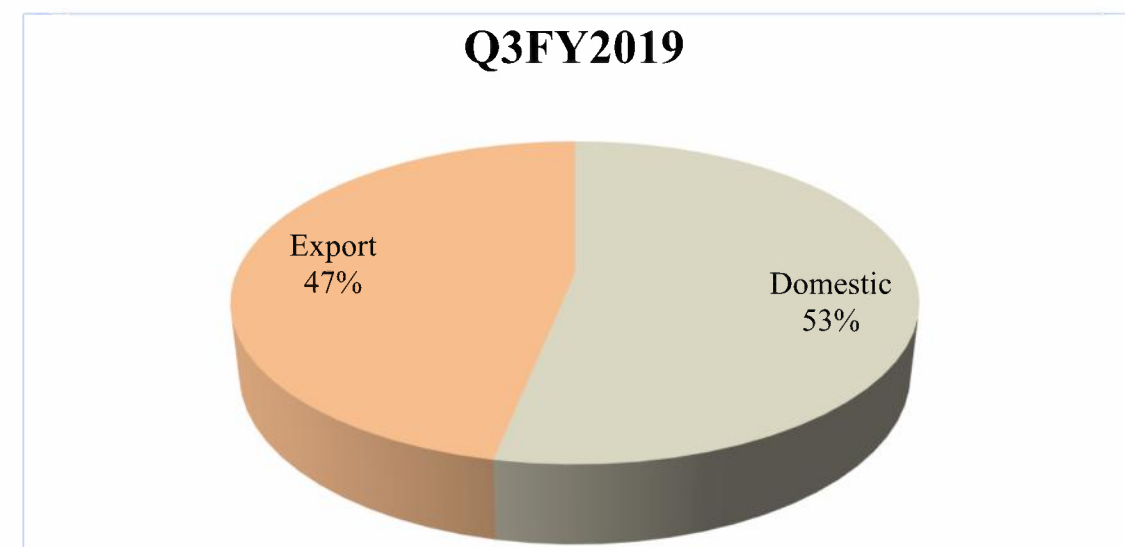
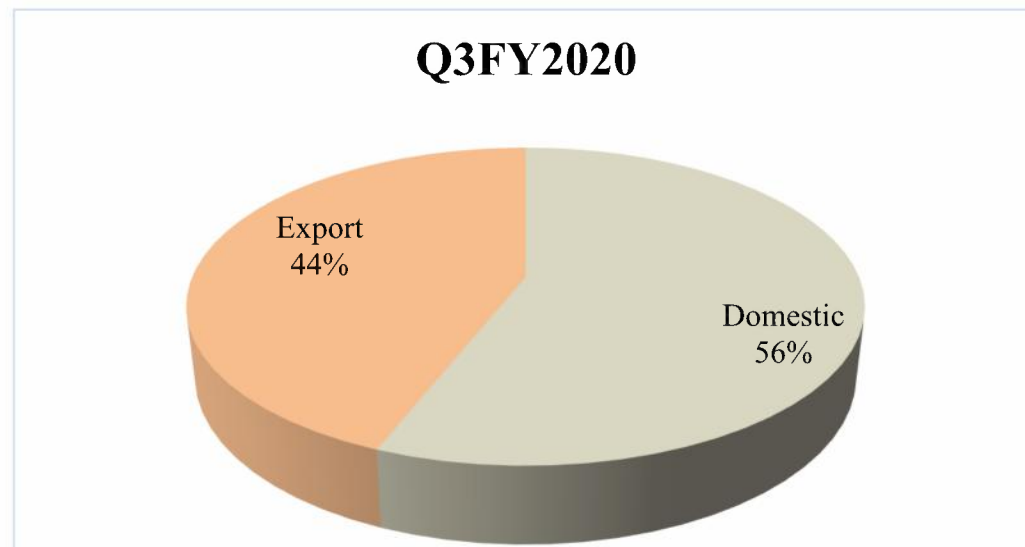
Revenue Breakup

Breakup (Standalone)

By Sub-Segment

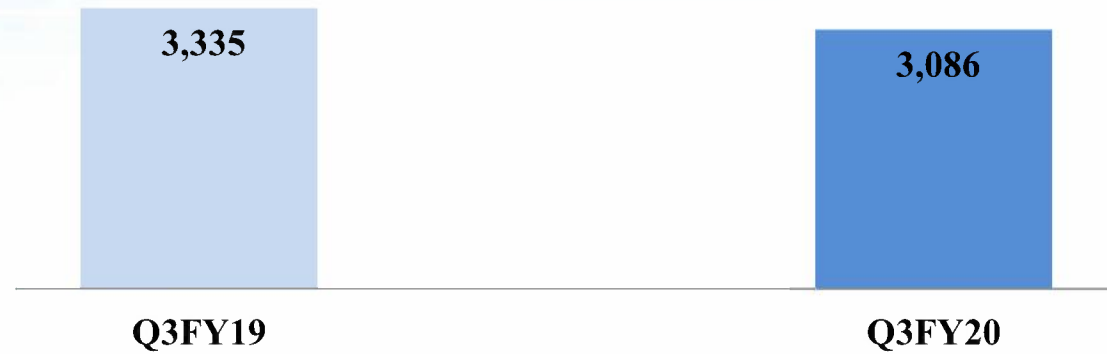


By Geography

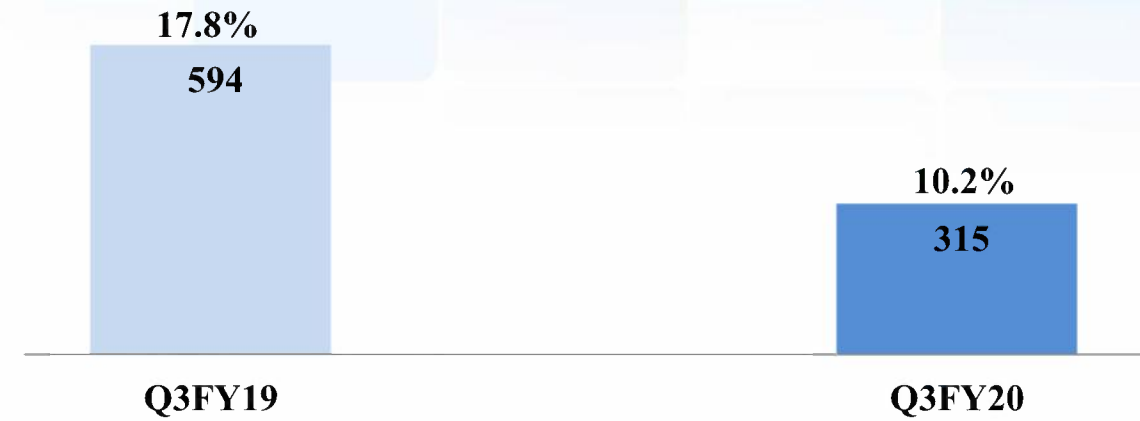


Financial Highlights- Standalone

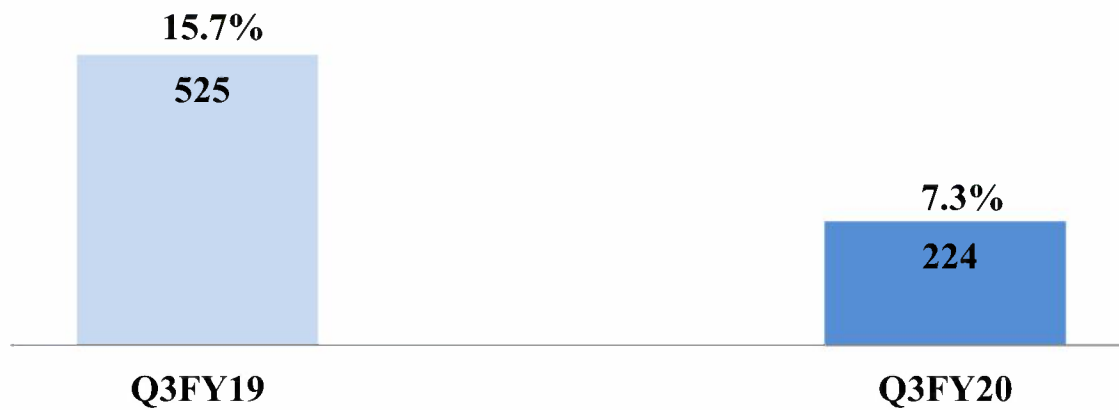
Total Income (Rs. Million)



EBITDA (Rs. Million) and Margin (%)



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



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



Note: EBITDA includes other income. And PAT includes other comprehensive income

Nine monthly Performance



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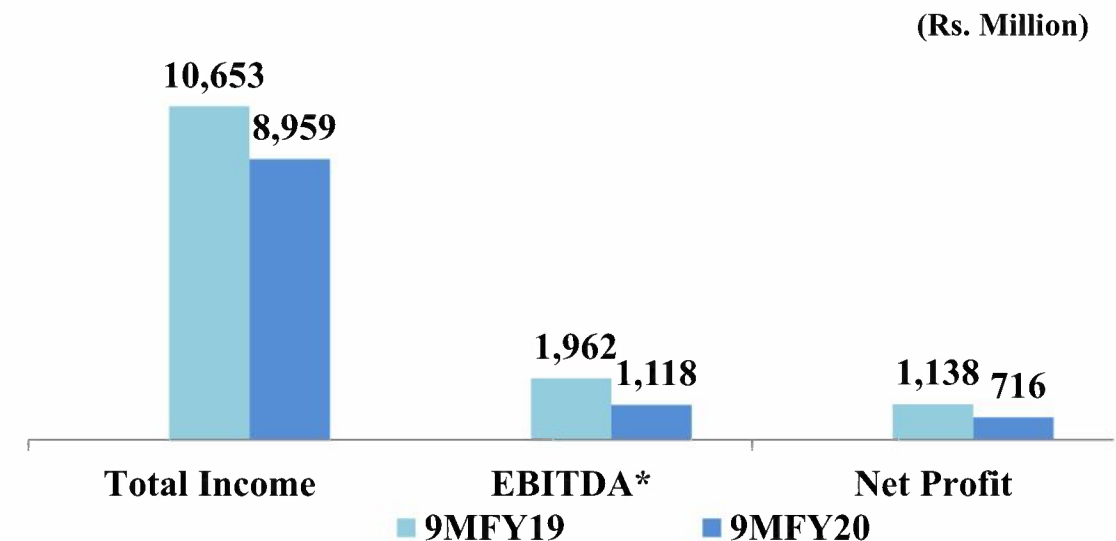
9MFY20 Performance

Operational Highlights

- Dyestuff revenues have grown by 10% YoY in 9MFY20. While Dye Intermediates revenues have declined by 35% YoY and Basic Chemicals revenues declined by 19% YoY in 9MFY20.
- Dyestuff production grew by 1% YoY and Basic Chemicals production grew by 4% YoY in 9MFY20. While Dye Intermediates production declined by 2% YoY in 9MFY20.

Financial Highlights (Standalone)

Particulars	(Rs. Million)	
	9MFY20	9MFY19
Total Income	8,959	10,653
EBITDA	1,118	1,962
EBITDA Margin (%)	12.5%	18.4%
Net Profit	716	1,138



Note: EBITDA includes other income. And net profit includes other comprehensive income

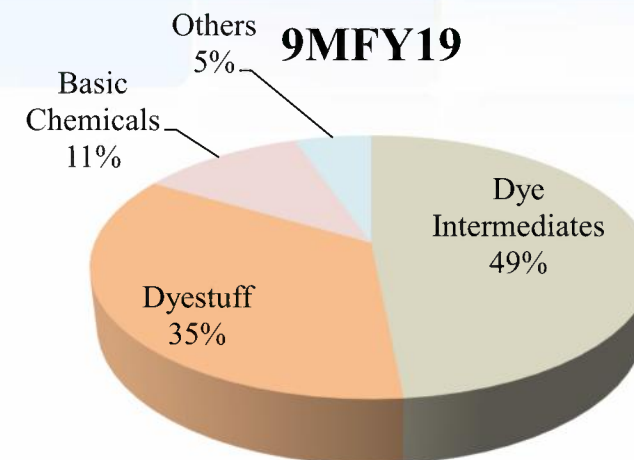
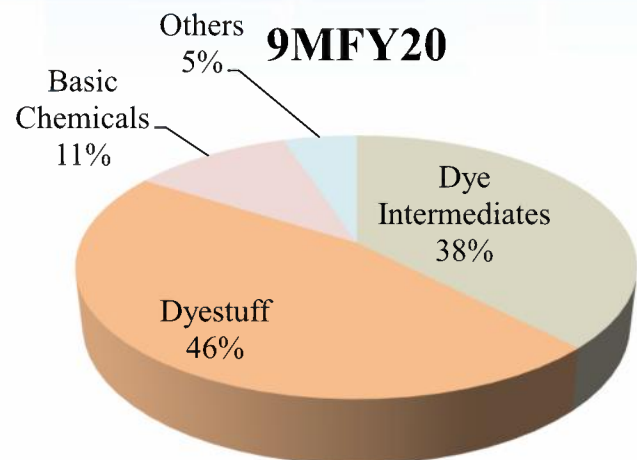
Financial–Standalone basis

Particulars	(Rs. million)		
	9MFY20	9MFY19	YoY (%)
Revenue from operations	8,811	10,587	-17%
Other income	148	65	127%
Total Income	8,959	10,653	-16%
Raw materials consumed	5,590	6,610	-15%
Employee benefits	517	486	6%
Other expenses	1,734	1,595	9%
Total expenses	7,841	8,691	-10%
Earnings before interest, tax and depreciation	1,118	1,962	-43%
Finance costs	86	50	72%
Depreciation and amortization expense	177	134	32%
Profit before tax	854	1,777	-52%
Tax expense	134	633	-79%
Profit (Loss) for the period	721	1,144	-37%
IND AS Adjustments	(4)	(6)	
Total comprehensive income for the period	716	1,138	-37%
EPS (Rs./ Share) (not annualised)	5.89	9.36	-37%

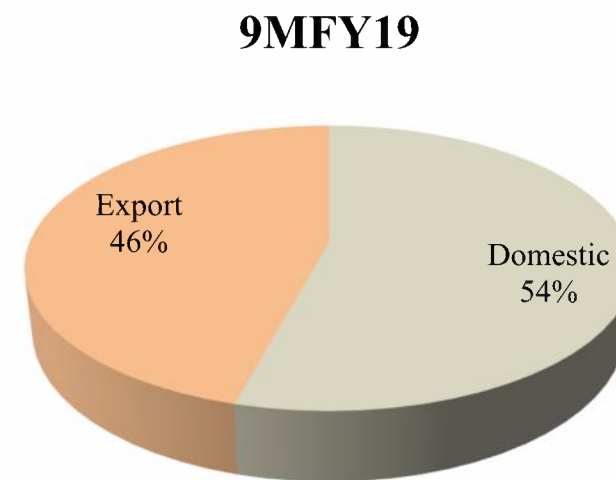
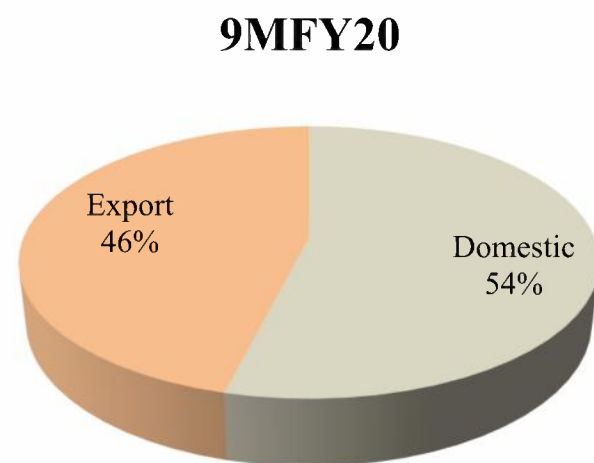
Revenue Breakup

Breakup (Standalone)

By Sub-Segment

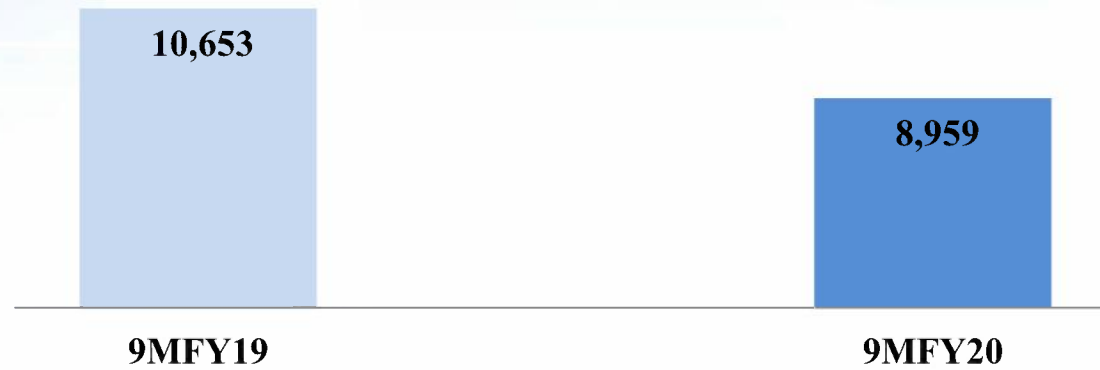


By Geography



Financial Highlights- Standalone

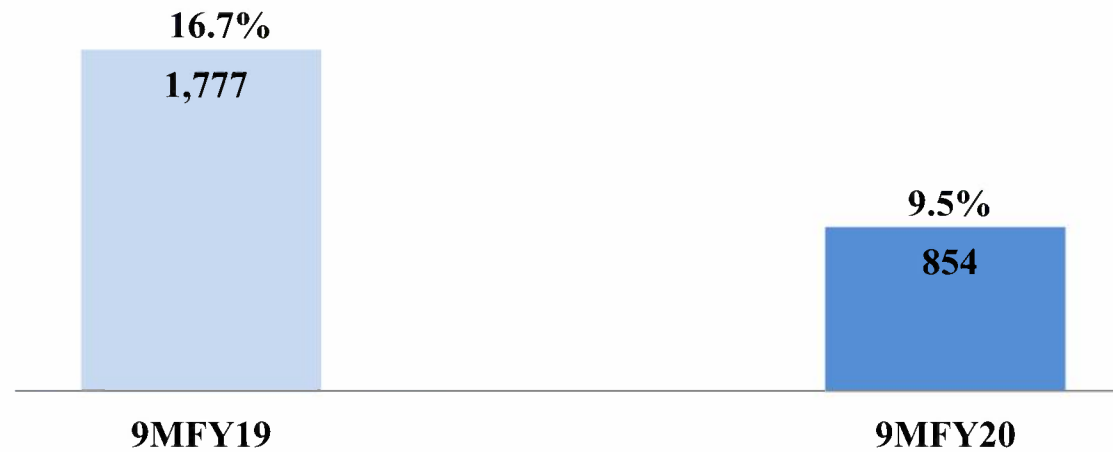
Total Income (Rs. Million)



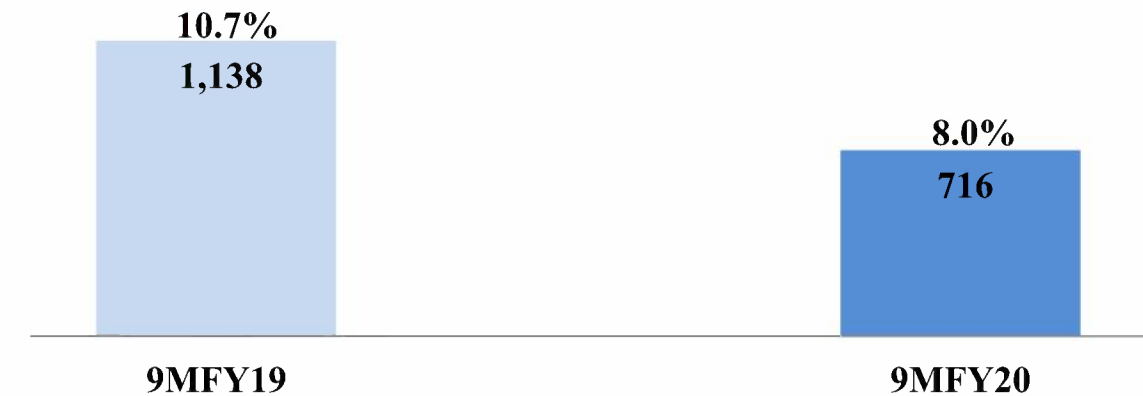
EBITDA (Rs. Million) and Margin (%)



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



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



Note: EBITDA includes other income. And PAT includes other comprehensive income

Financials of Subsidiaries & Consolidated Numbers



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Financials of Subsidiaries & Consolidated Numbers

Subsidiaries

(Rs. million)

Particulars	Q3FY20				
	SPS	Trion	BCTPL	BCL-China	Sener
Total Income	288	0	7	20	194
EBITDA	7	(18)	(1)	(2)	41
PAT	(14)	(39)	(2)	(2)	12

Consolidated Financials

(Rs. million)

Particulars	Quarterly		Nine Monthly	
	Q3FY20	Q3FY19	9MFY20	9MFY19
Operational Revenue	3,264	3,343	10,063	10,792
Other Income	48	5	67	60
Total Income (Net)	3,312	3,348	10,131	10,852
EBITDA	278	562	1,044	1,983
Margin %	8.4%	16.8%	10.3%	18.3%
PAT	129	285	606	1,119

Note: EBITDA includes other income.

BCPTL - Bodal Chemicals Trading Private Ltd and BCL-China - Bodal Chemicals Trading (Shijiazhuang) Co. Ltd.

Management Comments on Results



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Management Comments on Results & Updates (1 of 2)

- Total production for Q3FY20 improved by 11% to 52,084 MT YoY. During the quarter, Dyestuff production improved by 11% YoY mainly due to increase in capacities and Basic Chemicals production improved by 13% YoY due to addition of Thionyl Chloride plant. Total production during 9MFY20 improved by 3% YoY to 145,229 MT.
- Total standalone income for Q3FY20 declined by 7% YoY due to overall slowdown in economy leading to lower demand and higher Dye Intermediates prices during Q3FY19.
- Dyestuff revenues have increased by 10% YoY in 9MFY20 mainly due to capacity addition and higher utilization. This is inline with our strategy of higher integration and moving towards a global Dyestuff player.
- Finance cost in Q3FY20 was high YoY mainly due to increase in working capital limits utilization. While it has decreased by 12% QoQ.
- Total exports for Q3FY20 stood at Rs 1,306mn and its share in total revenues stood at 44%. The company continues to further enhance presence in different geographies across the globe.



Management Comments on Results (2of 2)

- The board has approved acquisition of remaining stake in Trion Chemicals (Trion) and it will be 100% subsidiary of Bodal Chemicals. We were facing several challenges to run the plant earlier due to partnership. Now, we are confident to start and run the operations smoothly from April-2020 at Trion. We are expanding the marketing presence of the Trion's products in the US markets which should yield positive results.

- Subsidiaries performance :
 - SPS posted revenues of Rs 288mn with EBITDA of Rs 7mn in Q3FY20.
 - Trion plant was not operational during Q3FY20 due to safety related changes in the plant. It posted loss of Rs 39mn in Q3FY20.



Current Situation in China



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Current Situation in China

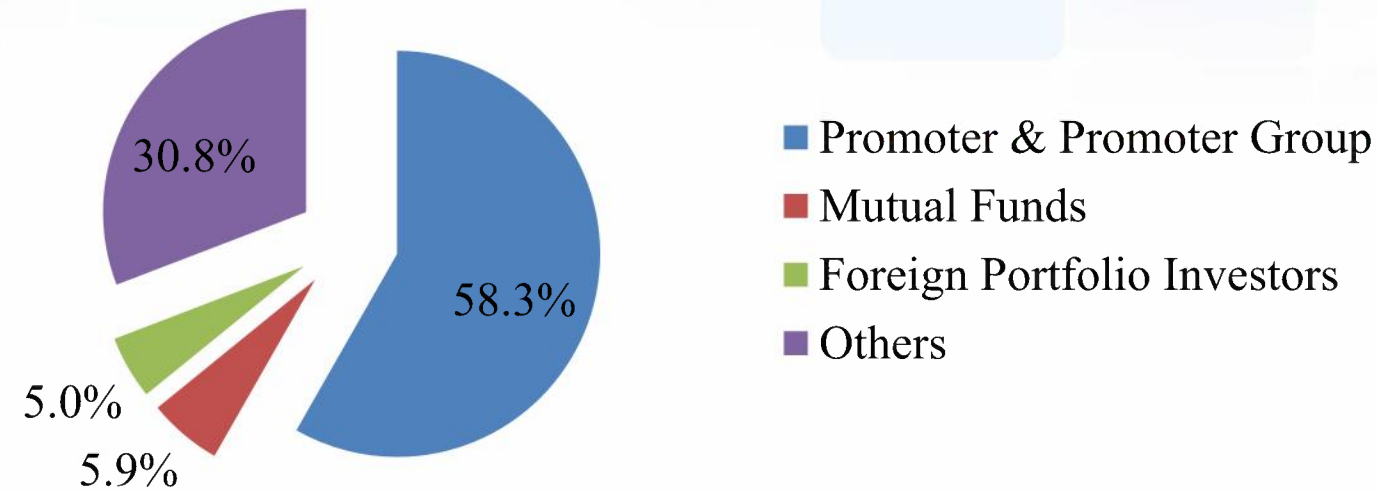
- There has been a lockdown in Wuhan city (capital of Hubei province) in China since around a month due to coronavirus epidemic.
- Hubei has a large chemical industry which have been impacted by this lockdown and there might be some labour issues in the near term until the situation settles down completely. Hubei Chuyuan (world's biggest producer of Dye Intermediates) is located in the same region only.
- Prices of our Dye Intermediates products have improved significantly after December mainly due to closure given to one domestic Dye Intermediates player, lockdown in China due to Coronavirus, and improvement in demand globally after ease of trade war between the US & China.
- We believe current prices of our products to sustain and should add to profitability in the near term. Further worsening of situation at China should increase Dye Intermediates prices from current levels.

Q3FY20 Average Prices (Approx.)			Current Prices (Approx.)	
<u>Dye Intermediates</u>	<u>Rs/Kg</u>		<u>Dye Intermediates</u>	<u>Rs/Kg</u>
VS	185	➔	VS	280- 300
H Acid	355		H Acid	480- 500



Shareholding Data

Shareholding Pattern – December 2019

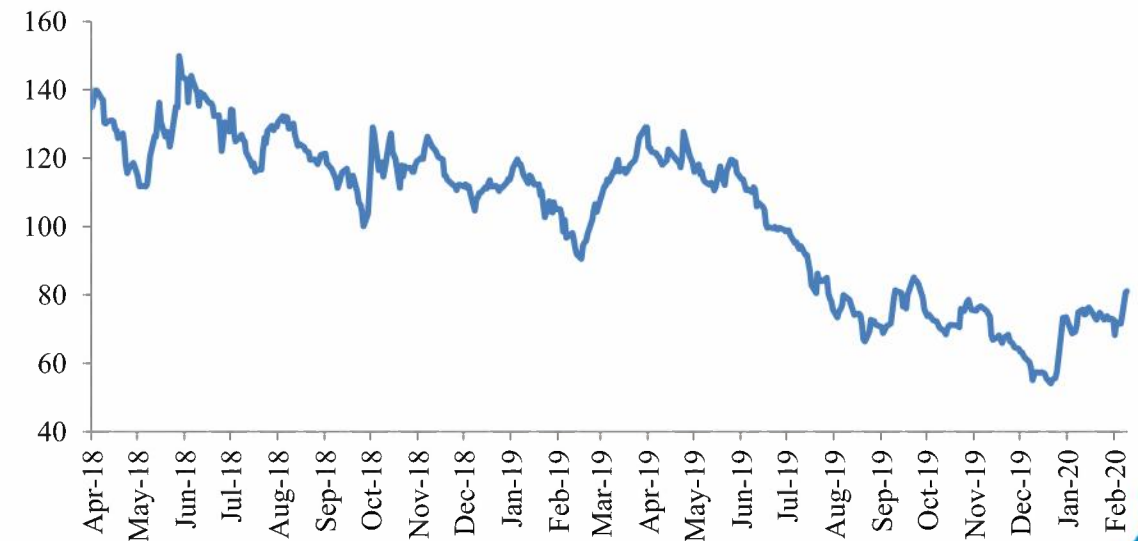


Share Data Points

Share Price (Rs)	81
Market Capitalization (Rs mn)	9,927
52 week - High – Low (Rs)	132.3 – 53.8
Outstanding Shares (Rs mn)	122

Source: Data as of 11th February, 2020(NSE)

Share Price Performance



Source: NSE



Conference call to discuss Q3FY20 Results & Outlook

Management will discuss results of Q3FY20 and Outlook on a conference call on **12th February 2019 at 5.00 PM IST.**

The conference call dial-in numbers are:

Primary number: +91-22-6280-1271 / +91-22-7115-8172

Local access number: +91-70456-71221

The numbers listed above are universally accessible from all networks in all countries

International toll-free number:

- USA : 18667462133
- UK : 08081011573
- Singapore : 8001012045
- Hong Kong : 800964448





Thank you



For any queries, please contact:

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Annexures



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Sale of products – by sub-segment and geography (Standalone)

(Rs. million)

Geography- wise Revenues	Q3FY20	% Share	Q3FY19	% Share	YoY (%)
Domestic	1,663	56%	1,736	53%	-4%
Export	1,306	44%	1,529	47%	-15%
Total	2,969	100%	3,265	100%	-9%

Sub-Segment-wise Revenues	Q3FY20	% Share	Q3FY19	% Share	YoY (%)
Dye Intermediates	1,138	38%	1,540	47%	-26%
Dyestuff	1,244	42%	1,274	39%	-2%
Basic Chemicals	290	10%	316	10%	-8%
Others	296	10%	135	4%	119%
Total	2,969	100%	3,265	100%	-9%

Production Quantity Metric Tons (MT)

Production MT	Q3FY20	Q3FY19	YoY (%)
Dyestuff	4,530	4,067	11%
Dyes Intermediates	5,022	5,084	-1%
Basic Chemicals	42,532	37,647	13%

Production MT	9MFY20	9MFY19	YoY (%)
Dyestuff	13,885	13,702	1%
Dyes Intermediates	17,064	17,332	-2%
Basic Chemicals	145,229	139,617	4%

