



NEOGEN
CHEMICALS LTD.

November 8, 2023

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 Unaudited Financial Results of the Company pursuant to 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 Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2023.

The Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2023 and the Press Release are also being uploaded on the Company's website at <https://neogenchem.com/financial-performance/> .

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 delivers sustained performance with Revenue growth of 9% YoY and EBITDA growth of 7% YoY

Neogen Chemicals Limited (Neogen) reported its financial performance during the quarter ended 30th September, 2023.

In Q2 FY24, revenue was Rs. 161.7 crore, with a growth of 9% YoY. This was achieved despite the challenging external environment aggravated by global inventory destocking, slowdown in key export markets and geopolitical uncertainties among others. Recent capacity expansions, stable demand and contributions from BuLi Chem supported the growth momentum.

EBITDA at Rs. 25.9 crore was higher by 7% YoY. Growth in profitability was reflected by improved product mix and reduction in key input and RM costs.

Profit after tax (PAT) stood at Rs. 7.9 crore, lower by 20% YoY compared to Rs. 9.9 crore in Q2 FY23. PAT was lower due to higher finance costs and depreciation related to ongoing CAPEX initiatives undertaken by the Company. Strategic debt repayment from recent preference share proceeds will help lower the finance expenses in the near term.

Earnings per share (EPS) for Q2 FY24 stood at Rs. 3.17 per share (Rs. 3.95 per share in Q2 FY23).

Performance at a Glance

	Q2 FY24		H1 FY24	
Revenues	Rs. 161.7 crore	⬆️ 09%	Rs. 326.6 crore	⬆️ 10%
EBITDA	Rs. 25.9 crore	⬆️ 07%	Rs. 54.0 crore	⬆️ 10%
Profit Before Tax	Rs. 11.0 crore	⬇️ -22%	Rs. 24.6 crore	⬇️ -17%
Profit After Tax	Rs. 7.9 crore	⬇️ -20%	Rs. 17.7 crore	⬇️ -16%

Notes:

1. **Growth for Q2 FY24 is compared with Q2 FY23**
2. **Growth for H1 FY24 is compared with H1 FY23**
3. **All figures are consolidated**

Commenting on the Q2 FY24 performance, Mr. Haridas Kanani, Chairman & Managing Director, Neogen Chemicals said:

"I am pleased to share that we have maintained a consistent performance despite persistent external headwinds that have adversely impacted the end-user demand. We achieved a 9% growth in revenues along with 7% improvement in EBITDA on a Y-o-Y basis. Positive contributions from recently acquired BuLi Chem, rationalisation of key RM & input costs, along with efficient inventory management were notable drivers of performance during the quarter.

In a significant development, we recently raised ~Rs. 253 crore through preferential allotment to leading institutional investors. I would like to express my appreciation for the trust placed in us and the support extended towards our future growth endeavors. We will carefully deploy these funds to establish a strong presence in the Battery Materials space while sustaining the growth momentum in the existing business.

We are rapidly progressing along the outlined growth path. BuLi Chem has started contributing and also achieved break-even. This will further ramp up as we move along. The contribution from value-added products is also increasing, and our endeavor is to add more complex products by leveraging our R&D expertise and manufacturing capabilities. Our efforts related to Battery Materials are advancing successfully. Our project using MUIS technology is evolving positively, and we are on schedule to finalize the design work by the end of this year. Our interactions with key customers for both Lithium Electrolyte Salts and Electrolyte are making good progress, and we are seeing strong interest from international customers, especially for Electrolyte Salts. We are confident of garnering a significant share as the transition to EVs gain momentum.

Overall, we are well poised to capitalize on the upcoming opportunities. Building upon the solid foundation, we remain steadfast in our pursuit to not only elevate our performance momentum but also consistently enhance value for our stakeholders."

KEY UPDATES in Q2 FY24

- Successfully completed the preferential allotment of 14,42,358 equity shares of face value of Rs. 10 each at a price of Rs. 1,754.07 per share including a premium of Rs. 1,744.07 per share. Through this allotment, the Company has secured ~Rs. 253 crore from esteemed high-quality institutional investors
- The investors include SBI Mutual Fund, Quant Mutual Fund, Tata India Mutual Fund, India Acorn Fund Ltd., Ashoka India Equity Investment Trust PLC, Invesco India Mutual Fund and Alchemy Ventures Fund
- The Company proposes to utilize the net proceeds to support its growth initiatives in the Battery Materials segment, while maintaining the growth trajectory in the existing business segments of specialty Bromine-based derivatives, Advanced Intermediates and Custom Synthesis Manufacturing. The funds will also be tactically deployed to retire some of the existing debt as required, such that the Company has enough leverage to quickly expand based on the evolving market scenario

UPDATE ON EXPANSION INITIATIVES

Details of expansion projects announced:	Current project updates:
Existing Business	
Expansion of specialty organic chemicals capacity by 60,000 litres (60m³)	<ul style="list-style-type: none"> • 29m³ will be commissioned by March 2024; 31m³ commissioned upto Q4 FY23
Expansion of inorganic chemicals capacity from 1,200 MT (15m³) to 2,400 (30m³) in existing Inorganic MPP	<ul style="list-style-type: none"> • Capacity increased to 30m³ till March 2023
Battery Chemicals Business	
New capacity of 400 MTPA for manufacturing Lithium Electrolyte Salts and Additives	<ul style="list-style-type: none"> • Section 1 – Trial production has commenced • Section 2 – Final checks and tests underway before commissioning • Customer approvals expected by Q4 FY24
Plant for manufacturing 2,000 MT Electrolyte at Dahej facility (earlier 1,000 MT)	<ul style="list-style-type: none"> • To be commissioned by Q4 FY24

Proposed expansion plans under consideration:

- Lithium Electrolyte Salts capacity to 1,000 MT to be operational by Q1/ Q2 FY25
- Greenfield expansion of Electrolyte and Lithium Electrolyte Salts at a new site for dedicated battery materials
- This includes additional 30,000 MT of Electrolyte capacity in phases, and additional 3,000 MT of Lithium Electrolyte Salts' – to be operational by Q2/ Q3 FY26
- CAPEX for these projects is being considered and subject to design finalisation

-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 comprises 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 chemicals, and aroma chemicals, flavours and fragrances, specialty polymers, Chemicals and Vapour Absorption Chillers – original-equipment manufacturers and with new upcoming usage in lithium-ion battery materials for energy storage and Electric Vehicles (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 248 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.

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 of manufacturing electrolytes and Lithium electrolyte salts.

The Company operates out of its three manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra and, Dahej SEZ, Bharuch as well as Karakhadi, Vadodara in Gujarat. In May 2023, the Company acquired 100% stake in BuLi Chem, which operates out of one manufacturing unit located in Hyderabad and has now become a wholly owned subsidiary of Neogen Chemicals Limited.

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.*