

August 6, 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 ended June 30, 2023.

The Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 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



Q1 FY24 PRESS RELEASE

AUGUST 05, 2023

Neogen Chemicals commences the year on an encouraging note

Reported Revenue growth of 11% YoY and EBITDA growth of 14% YoY

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

In Q1 FY24, revenue was Rs. 164.9 crore, with a growth of 11% YoY. The increase in revenue was in accordance with the addition of new capacities in Organic and Inorganic Chemicals through brownfield expansion. Growth was achieved despite the prevailing global headwinds, such as inventory destocking, the rapid re-opening of China and a slowdown in EU and other markets.

BuLi Chem started commercial production under Neogen Chemicals management in Q1 FY24 and commenced sales.

Neogen Ionics Limited made its first commercial sales for small trial quantity of Electrolyte for domestic and international customers.

EBITDA at Rs. 28.1 crore was higher by 14% YoY. Profitability was facilitated by softening raw material prices, especially lithium and other input costs, coupled with favorable product mix.

Profit after tax (PAT) stood at Rs. 9.8 crore, lower by 12% YoY compared to Rs. 11.1 crore in Q1 FY23. PAT was impacted by high finance costs and depreciation due to the ongoing expansion initiatives. This also covers the impact of initial costs associated with re-starting of the BuLi Chem facility and admin-related expenditure linked to Neogen Ionics Limited.

Earnings per share (EPS) for Q1 FY24 stood at Rs. 3.92 per share (Rs. 4.45 per share in Q1 FY23).

Performance at a Glance

	Q1 FY24	YoY Growth
Revenues	Rs. 164.9 crore	⬆️ 11%
EBITDA	Rs. 28.1 crore	⬆️ 14%
Profit Before Tax	Rs. 13.6 crore	⬇️ 13%
Profit After Tax	Rs. 9.8 crore	⬇️ 12%

Notes:

1. Growth for Q1 FY24 is comparable with Q1 FY23
2. All figures are consolidated

Commenting on the Q1 FY24 performance, Mr. Haridas Kanani, Chairman & Managing Director, Neogen Chemicals said:

“We have commenced the year on an optimistic note and delivered strong financial performance led by 11% increase in Revenues and 14% improvement in EBITDA. This came on the backdrop of challenging external environment weakened by prolonged global inventory destocking situation, swift re-opening of China, persistent impact of Russia : Ukraine conflict as well as moderation in some of the key developed markets. I am pleased with how our team maintained agility and navigated through these pressures.

FY24 will be an exciting year for all of us at Neogen group as we take a small step to pursue our ambitious vision of venturing into the Battery Chemicals segment with the commissioning of the small demo plant of Electrolytes and Lithium Electrolyte Salts facility.

Furthermore, the initiatives undertaken last year, including the agreement with MUIS is taking concrete shape and we expect the design work to be concluded this year. BuLi Chem has also started commercial manufacturing under Neogen, and this is expected to positively contribute from Q2 FY24. Within our existing segments of Organic and Inorganic Chemicals, we continue to see strong demand for our product offerings and expect the performance trajectory to continue based on incremental reactors added and more reactors coming up.

Overall, we are enthused for the year and the next phase of growth journey at Neogen. We see a strong addressable opportunity in Electrolytes & Lithium Electrolyte Salts in India and are well poised to garner a significant market share given our domain expertise. Several initiatives undertaken last year will start contributing from this year and further help us strengthen our offerings, market proposition and relationships with our valued customers. The long-term growth prospects continue to be favorable and Neogen will leverage its expertise in complex chemistries and R&D capabilities to drive accelerated performance and aim to deliver sustained value for all our stakeholders”

UPDATE ON EXPANSION INITIATIVES

Details of expansion projects announced:	Current project updates:
Existing Business	
Expansion of specialty organic chemicals capacity by 60,000 litres (60m ³)	<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 (15m ³) to 2,400 (30m ³) 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 (92m ³) for manufacturing Lithium Electrolyte Salts and Additives	<ul style="list-style-type: none"> To be commissioned by September 2023
Plant for manufacturing 1,000 MT Electrolyte at Dahej facility	<ul style="list-style-type: none"> To be commissioned by December 2023

KEY UPDATES in Q1 FY24

- Commercial terms including discussion around MOU for Electrolyte started with 3-4 Indian cell manufacturers
- Dialogue for Lithium Electrolyte Salt supplies is ongoing with more than 10 international potential customers
- Based on demand projection/ visibility shared by customers, the Company may consider options for setting up higher capacity for both Electrolyte as well as Lithium Electrolyte Salt
- Considering the above, enabling resolutions have been proposed for Equity Raise

-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.*