



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.: Earnings Presentation 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 Earnings Presentation on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter ended June 30, 2023.

The Unaudited Financial Results for the quarter ended June 30, 2023 and the Earnings Presentation 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 LTD.

Expanding Capabilities
Exploring
New Horizons

Q1 FY24
Earnings Presentation
August 2023

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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Introduction to Neogen Chemicals

Neogen Chemicals – At a Glance



248	4 Manufacturing Sites + 2 R&D Facilities	10%	29	ISO 9001:2015, ISO 14001:2015 & ISO 45001:2018	482.5	33%	35%
Products developed by in-house R&D	Infrastructure	Of workforce in R&D team	Exporting countries	Manufacturing units certified on Quality & SHE management systems	Net worth - FY23 (Rs. crore)	5-year Revenue CAGR	5-year PAT CAGR

Leading manufacturer of Bromine and Lithium-based specialty chemicals, operating since 1991 – 32 Years of Strong History

Strong portfolio of Organic and Inorganic products

Manufacturing Lithium Salts for Various Applications since 1991

Largest Importer of Lithium Carbonate & Lithium Hydroxide for last 3 decades – Strong Relationship with Global Leading Lithium Miners & Processors

Customers across multiple industries including Pharma, Engineering, Battery Chemicals and Agrochem

Key export geographies include USA, Europe, Japan and Middle East

Growing contribution from Custom Synthesis and Contract Manufacturing

Promoters are technocrats with substantial domain expertise; cumulative experience of more than six decades

Developed strong R&D capabilities with dedicated in-house team

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 MD) re-joined Neogen Chemicals in 2008 after pursuing his PhD in Chemical Engineering from University of Maryland, USA and working as a Research Scientist with Pioneer – DuPont Company

2016 to 2023 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
 - Acquisition 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 1,200 MT to 2,400 MT through Greenfield expansion at Dahej SEZ
- Phase I & II expansion completed: Increased Organic Chemicals reactor capacity from 154,000 litres to 407,000 litres through brownfield expansions across facilities. Current reactor capacity is 422,000 litres
- Signed agreement with MU Ionic Solutions Corporation, Japan in April 2023 to acquire manufacturing technology license for electrolytes in India
- Acquired 100% stake in BuLi Chem from Livent in May 2023 to offer organolithium products to Pharma and Agrochemical Industries

Key Milestones

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



Signed agreement with MU Ionic Solutions Corporation, Japan in April 2023 to acquire manufacturing technology license for electrolytes in India

Acquired 100% stake in BuLi Chem from Livent in May 2023 to offer organolithium products to Pharma and Agrochemical Industries

Formed a wholly owned subsidiary of Neogen Chemicals namely Neogen Ionics Limited to house Battery Chemicals Business

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

Commenced manufacturing operations at Vadodara Facility

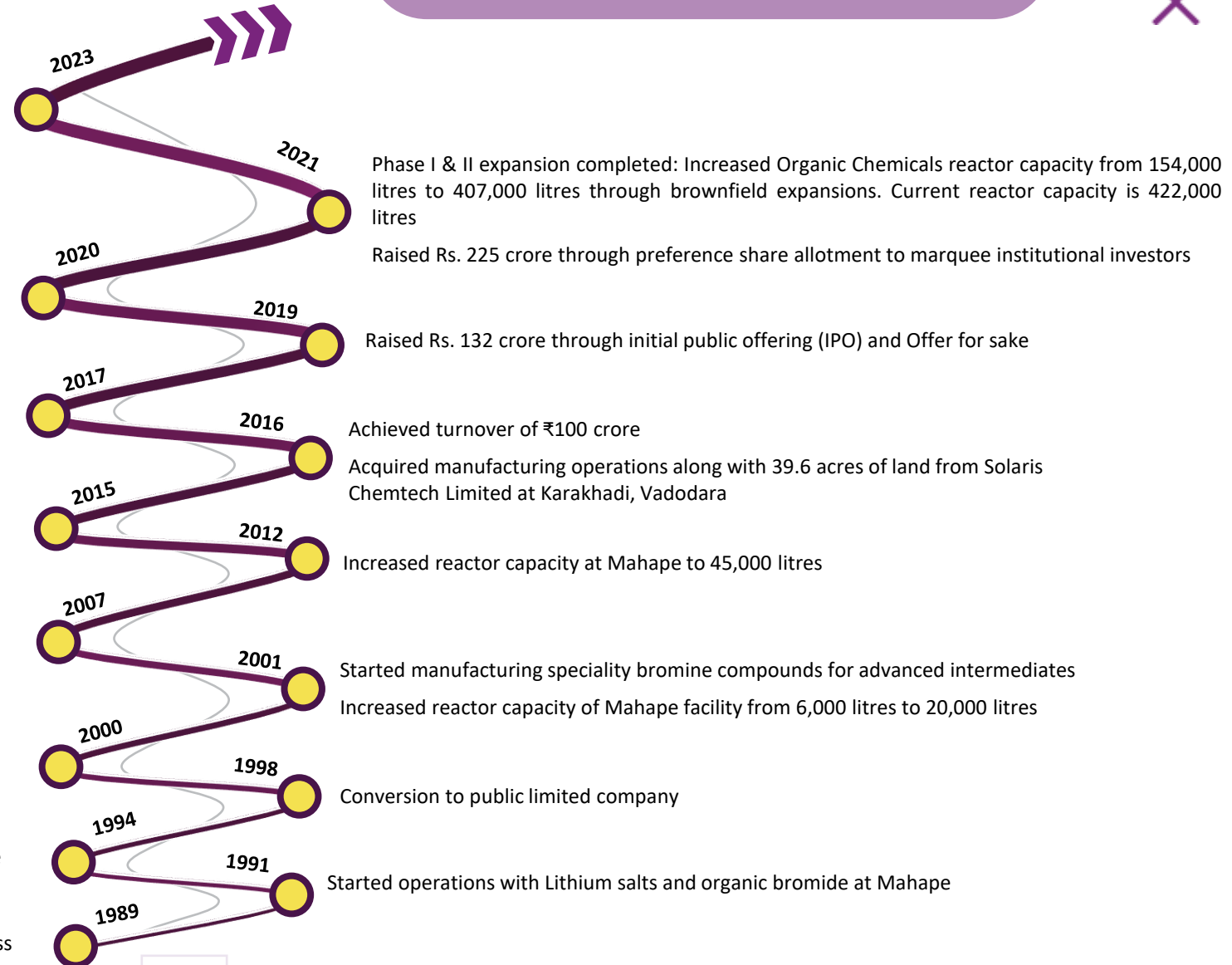
Acquired land in Dahej SEZ

Increased reactor capacity at Mahape to 30,000 litres

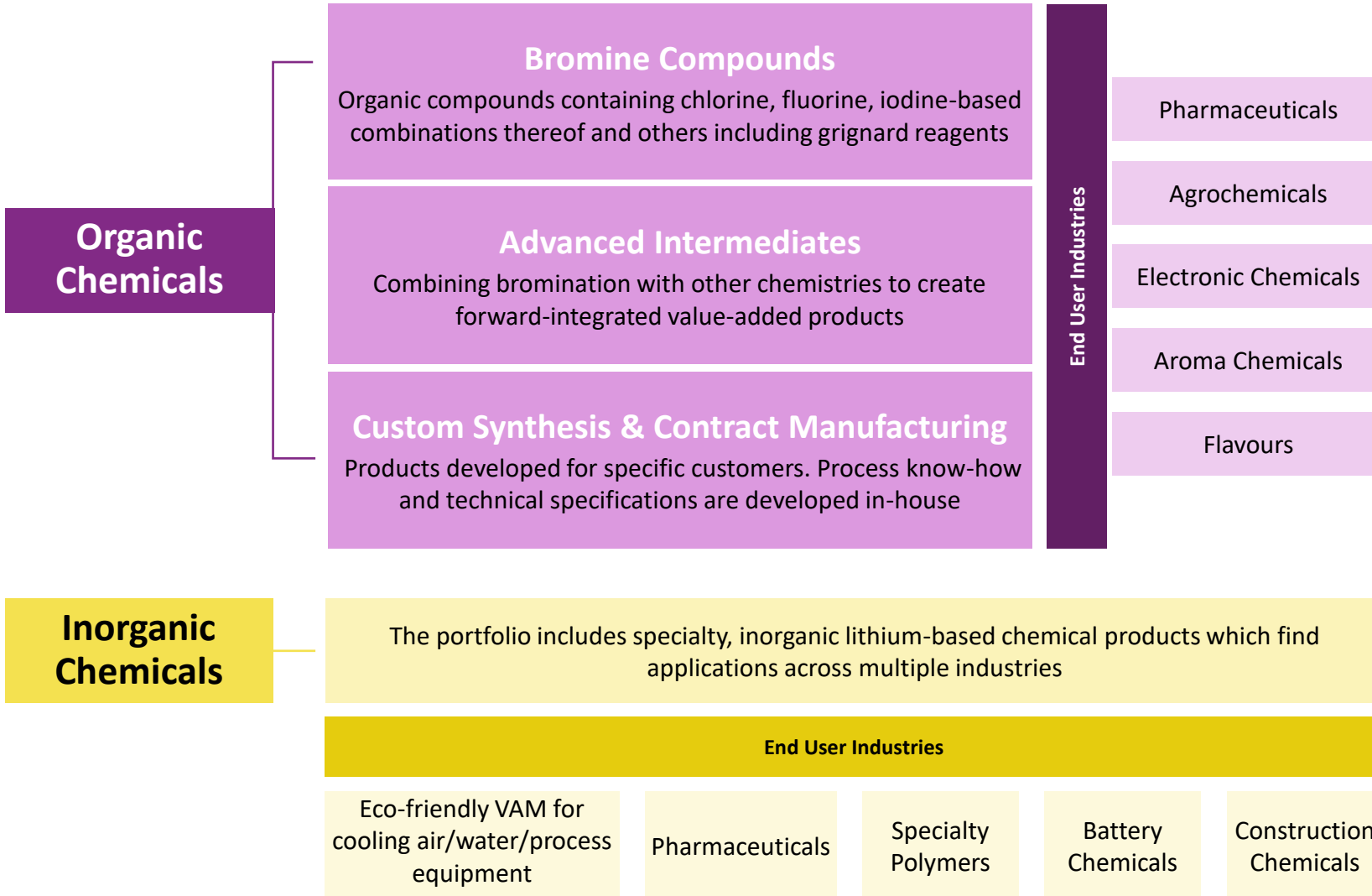
Dedicated R&D Division set up

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

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



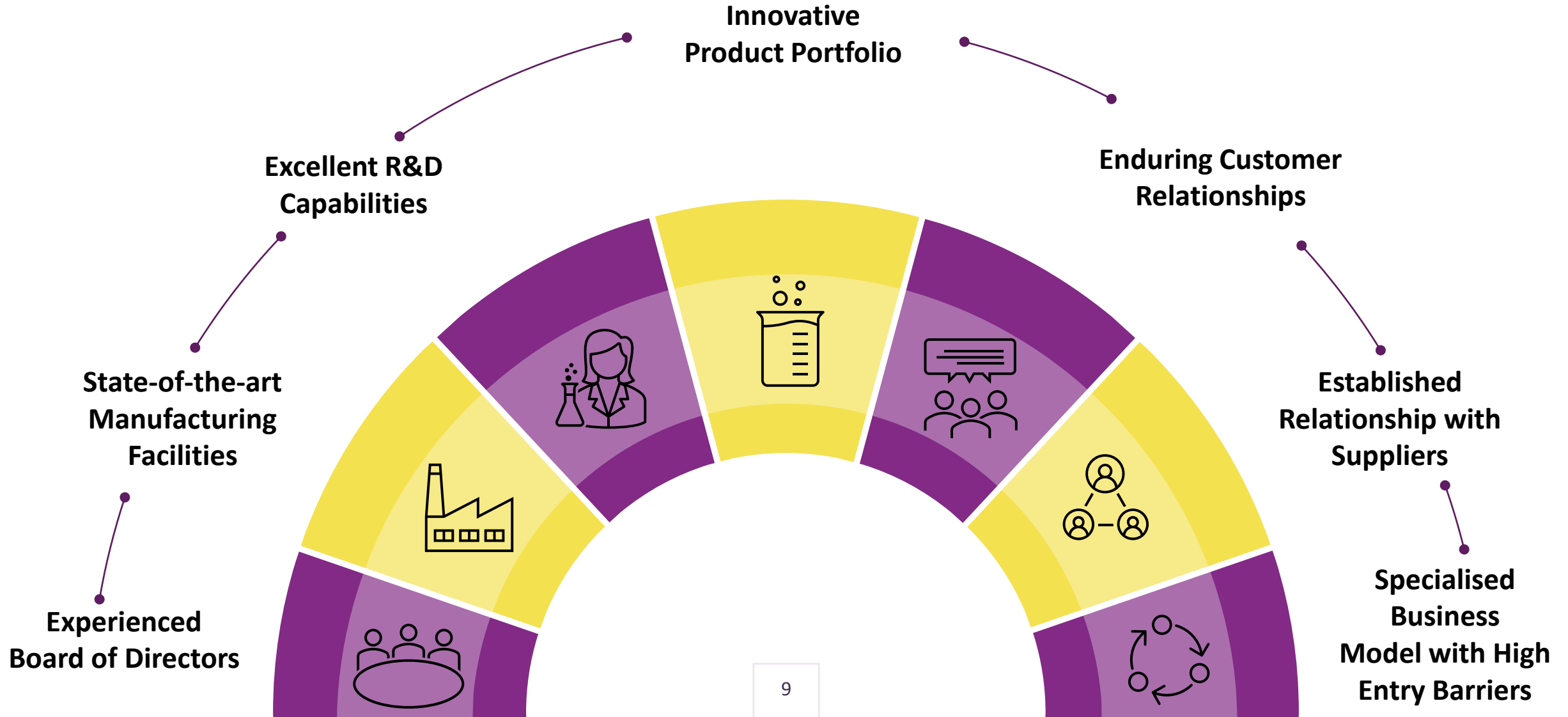
Business Overview



Select Clientele



Compelling value-proposition



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. In 1968-1970.22
- 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. (DuPont Subsidiary) 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, Whole time 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 Pharamalabs 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,

Robust Manufacturing Expertise



Strong Manufacturing Infrastructure



Factory	Land Area	Land Utilisation	Capacity		Certifications of Manufacturing Facilities
			Organic Chemicals (Reactor capacity)	Inorganic Chemicals (Tonnage)	
Mahape (Since 1991)	1 acre	100%	69 m ³	9 m ³	ISO 9001:2015 from Bureau Veritas Certification Holding SAS
Vadodara (Since 2017)	40 acres	20%	111 m ³	-	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS
Dahej (Since 2020)	12 acres	40%	258 m ³	30 m ³	ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certifications from Bureau Veritas Certification Holding SAS. Also, GMP (Good Manufacturing Practices) certified by SGS
Hyderabad (May 2023)	5 acres	50%	25 m ³	-	
Total	58 acres		463 m³	39 m³	

Quality Control and Quality Assurance



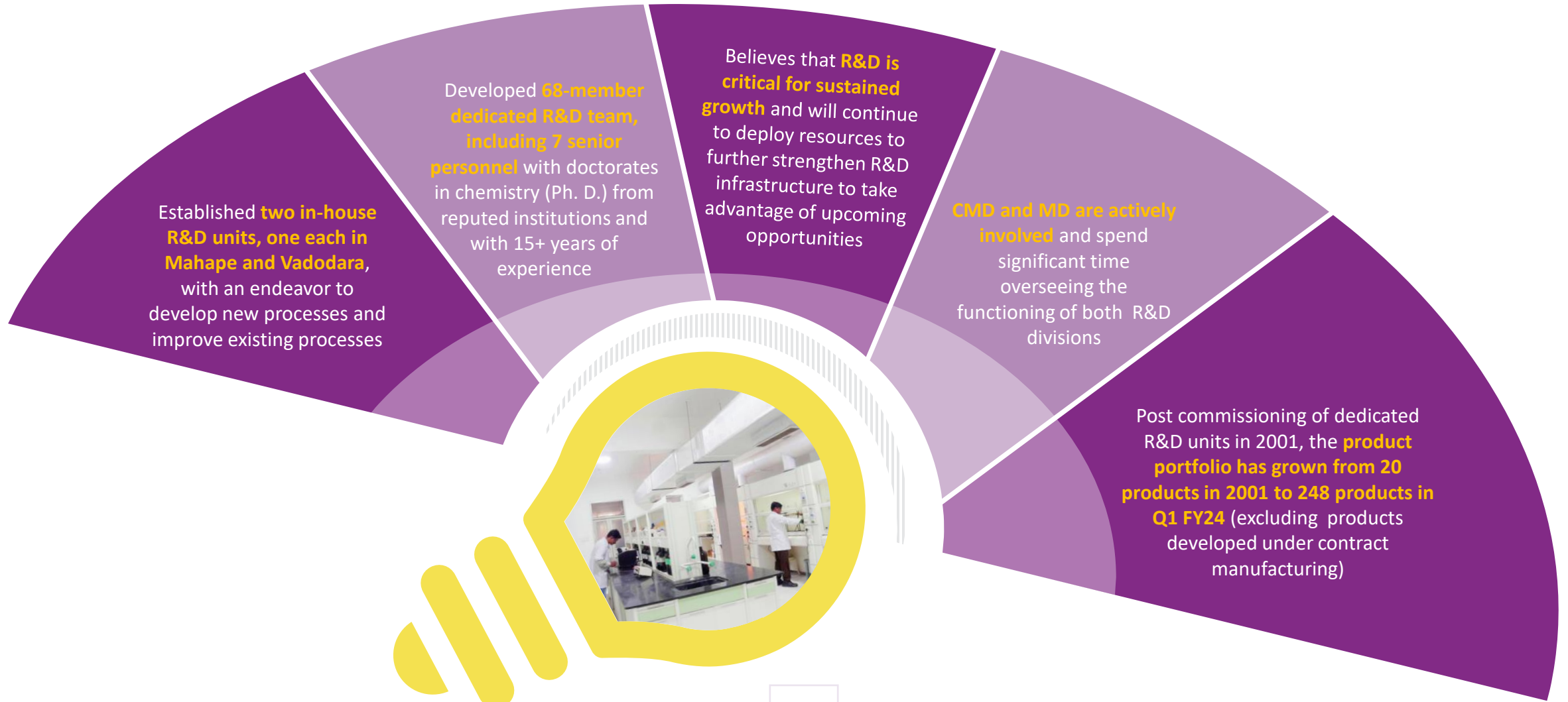
- Dedicated QC and QA team in place monitoring the entire manufacturing process at all stages right from initial testing stage to the final product
- Implemented current good manufacturing practice (cGMP) prescribed by the US FDA as applicable for intermediates

World-class operational practices

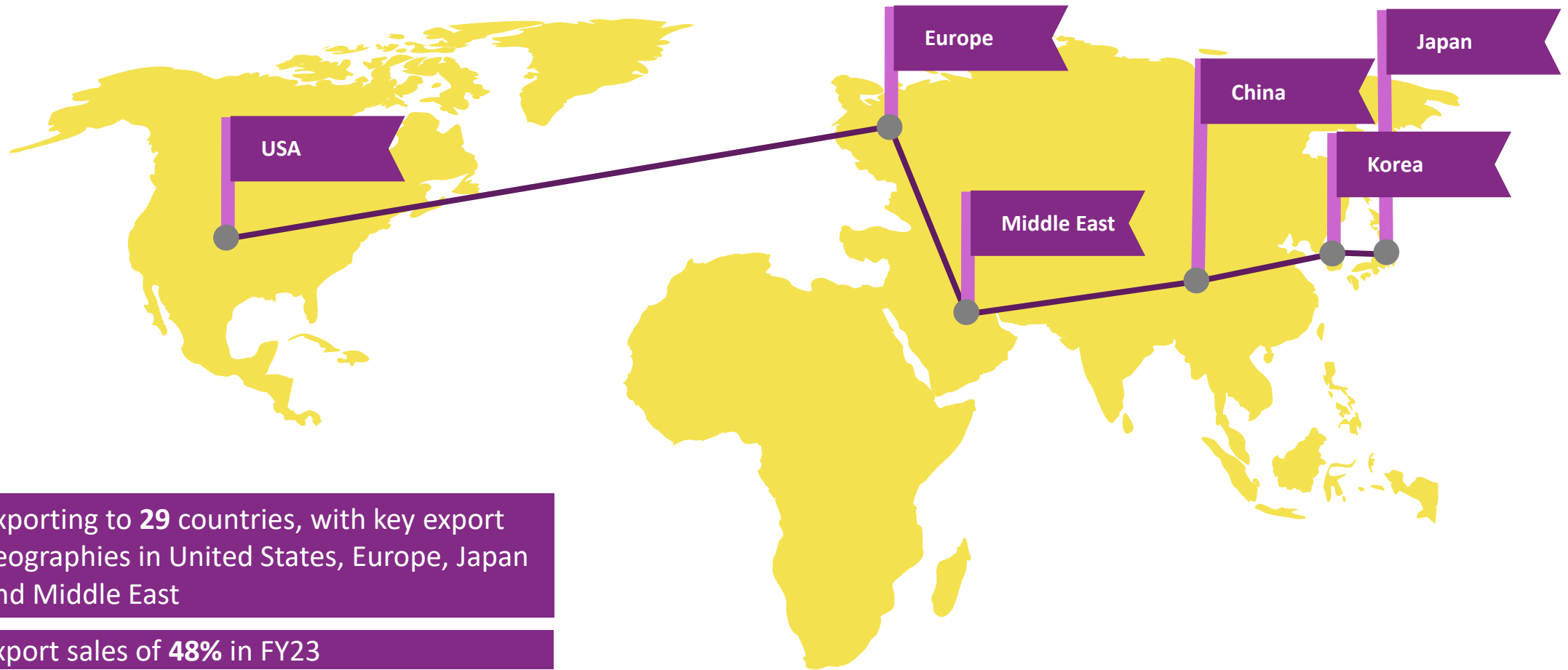


- Zero Liquid Discharge, significantly reducing water usage
- Focus on compliance with stringent quality and EHS norms

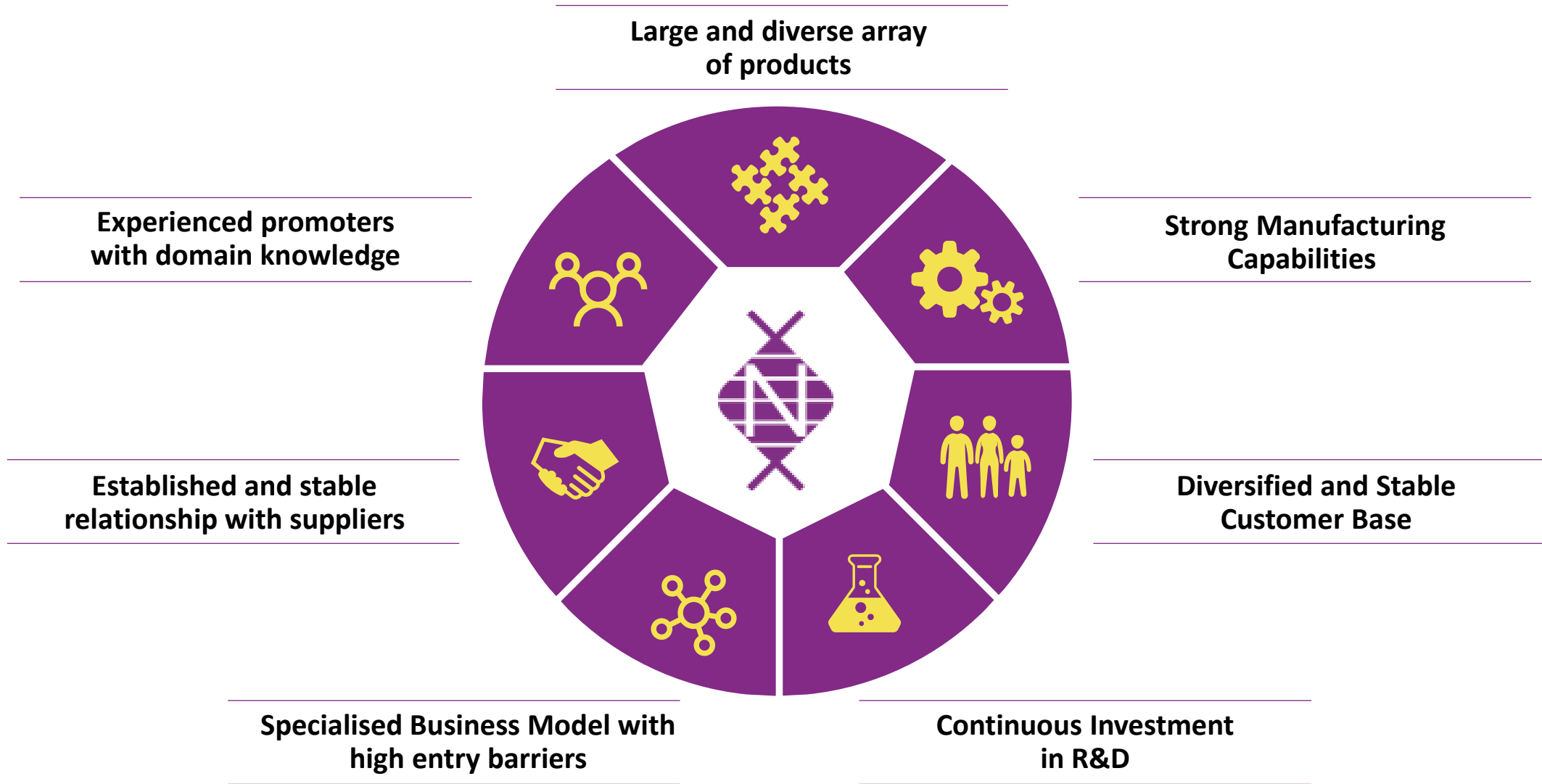
Developed strong R&D capabilities



Key Export Geographies



Competitive Advantages





Expansion Initiatives & Key Updates in Q1 FY24



Update on various expansion initiatives

Details of expansion projects announced:

Current project updates:

Expansion of specialty organic chemicals capacity by 60,000 litres (60 m³)

29 m³ will be commissioned by March 2024; 31 m³ commissioned upto Q4 FY23

Expansion of inorganic chemicals capacity from 1,200 MT (15 m³) to 2,400 (30 m³) in existing Inorganic MPP

Capacity increased to 30 m³ till March 23

New capacity of 400 MTPA (92 m³) for manufacturing Lithium Electrolyte Salts and additives

To be commissioned by Sept 2023

Plant for manufacturing 1,000 MT of Electrolyte at Dahej facility

To be commissioned by Dec 2023

Recent CAPEX announcements

Board approval for expansion of:

- Electrolyte capacity to 5,000 MT* to be operational by June 2024
- Lithium Electrolyte Salts capacity to 1,000 MT (232 m³) to be operational by June 2024
- Greenfield expansion of Electrolyte and Lithium Electrolyte Salts at a new site for dedicated battery materials
- This includes additional 5,000 MT* of Electrolyte capacity and additional 1,000 MT (232 m³) * of Lithium Electrolyte Salts' – to be operational by Sept 2025

- **Collective CAPEX for all the new projects is ~Rs. 450 crore**
- **Debt : Equity will continue to remain below 1.25x**

(*Now being considered for revision post MUIS agreement)

Existing Business

Battery Chemicals Business

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

Based on the above developments, the Company maintains its revenue guidance of Rs. 900-1,050 crore by FY25/ 26 in Existing Business, and Rs. 1,000-1,200 crore by FY27 in Battery Chemicals Business*

*Revenue projection for Battery Chemicals Business is being considered for revision post MUIS agreement



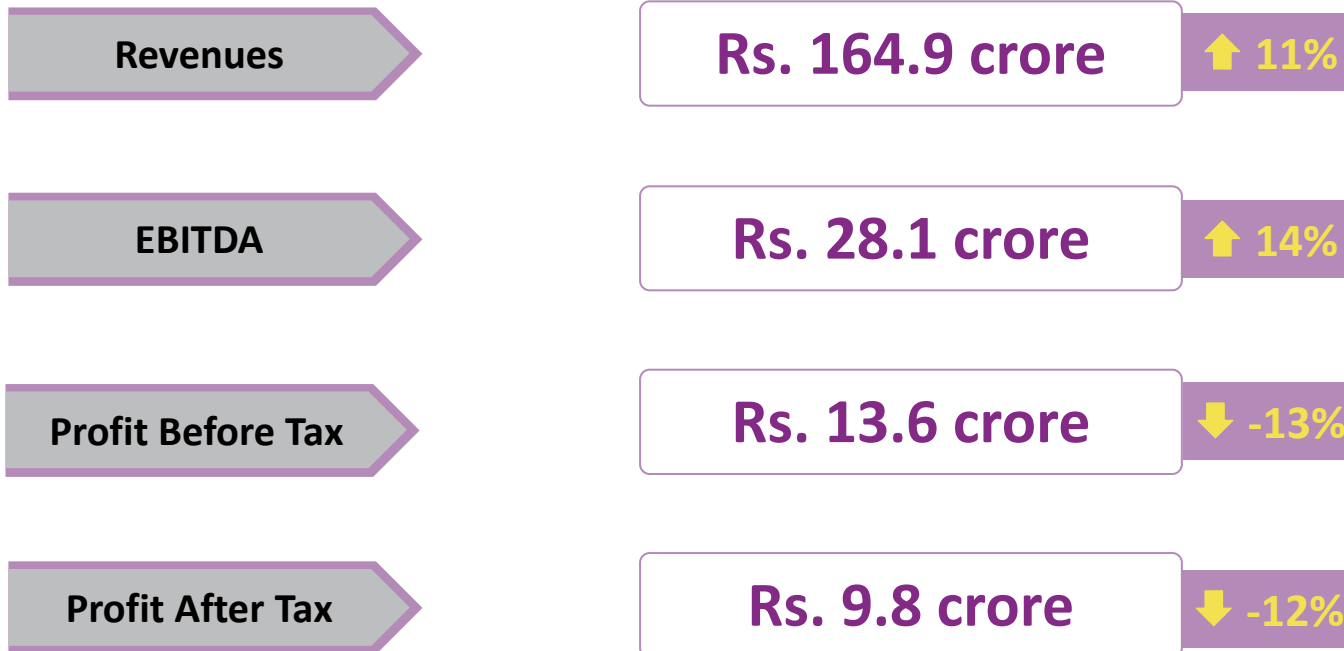
Financial Performance

Key Performance Highlights – Q1 FY24

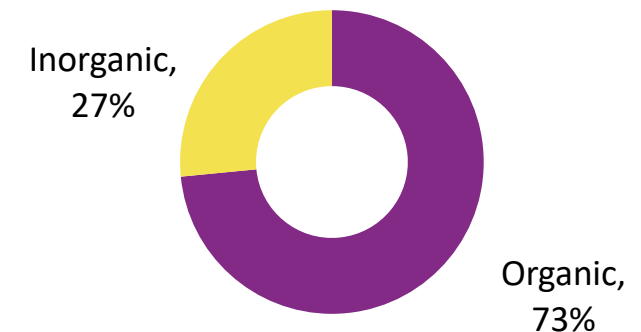
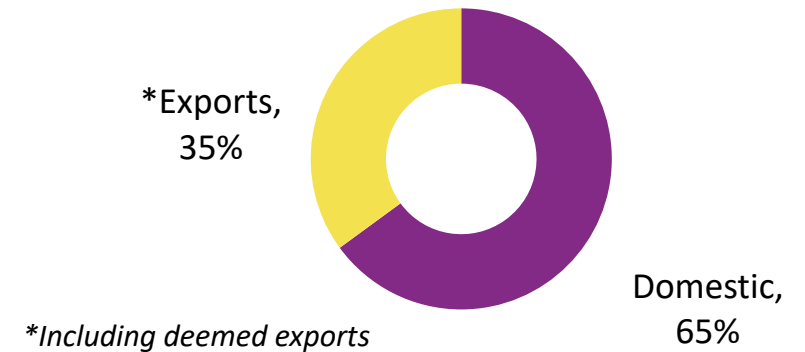


- BuLi Chem started commercial production under Neogen Chemicals mgt. in Q1 FY24 and already commenced sales. Significantly contributions are expected from BuLi Chem in Q2 FY24 and thereafter expected to meaningfully increase in the second half
- Neogen Ionics Limited made its first commercial sale of trial quantities of Electrolyte

Q1 FY24



Q1 FY24 Revenue break-up



Note: 1. Growth for Q1 FY24 is compared to Q1 FY23
2. All figures are Consolidated

Financial Summary – Q1 FY24



Rs. crore

REVENUE



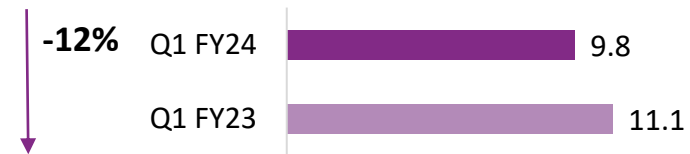
- **Strong topline performance was achieved despite global headwinds** that impacted the industry like inventory destocking, rapid re-opening of China and slowdown in EU and other markets
- **Revenue increase was in-line with new capacities added** in Organic and Inorganic Chemicals through brownfield expansions

EBITDA



- **Improvement in EBITDA is led by softening raw material prices especially lithium** and other input costs. This was further **bolstered by favorable business mix**
- EBITDA Margin improved by ~30 bps Y-o-Y **due to lower prices of lithium raw material**

PAT



- PAT performance was **moderated largely due to higher finance costs and depreciation arising from ongoing expansion initiatives**, the positive effect of which will be visible once the new capacities achieve full utilization levels
- This also covers the **impact of initial costs associated with re-starting of BuLi Chem facility and admin-related expenditure linked to Neogen Ionics Limited**

Revenue Break-up – Q1 FY24



Organic Chemicals

Q1 FY23

Rs. 90 crore

Q1 FY24

Rs. 121 crore

↑ 35%

Inorganic Chemicals

Q1 FY23

Rs. 58 crore

Q1 FY24

Rs. 44 crore

↓ -25%

Captures the impact of lower prices of Lithium raw material as compared to Q1 FY23

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 (Consolidated)



(Rs. crore)

Particulars	Q1 FY24	Q1 FY23	Growth (%)	FY23
Revenue	164.9	147.9	11%	686.2
Expenditure	136.8	123.3	11%	574.6
EBITDA	28.1	24.7	14%	111.6
Margins	17.0%	16.7%	35 bps	16.3%
Depreciation	5.5	3.9	41%	16.2
EBIT (inc. Other Income)	24.4	21.7	13%	99.9
Interest	10.8	6.1	77%	28.9
Other Income	1.8	0.9	99%	4.5
Profit Before Tax	13.6	15.6	-13%	71.0
Margins	8.3%	10.6%	-229 bps	10.4%
Tax Expense	3.9	4.5	-14%	21.1
Profit After Tax	9.8	11.1	-12%	50.0
Margins	5.9%	7.5%	-159 bps	7.3%
Earnings Per Share (Rs.)	3.92	4.45	-12%	20.03

Management Commentary



Commenting on the Q1 FY24 performance, Mr. Haridas Kanani, Chairman & Managing Director, at 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.

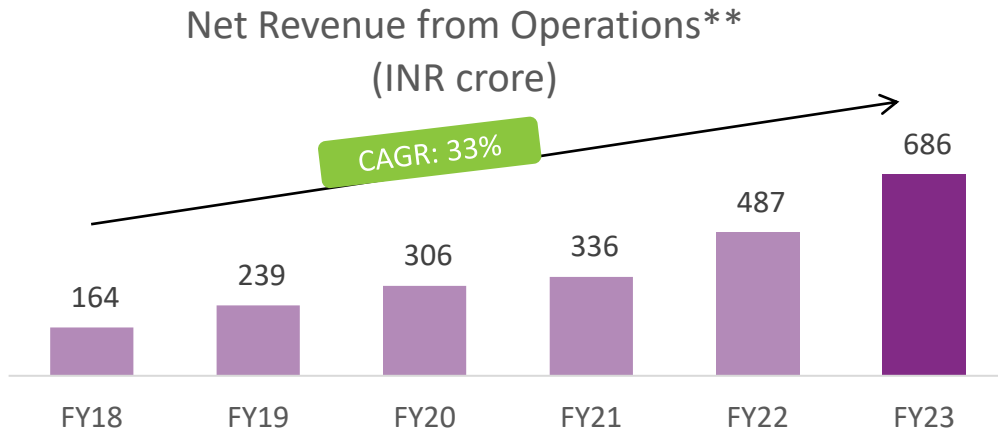
FY24 will be an exciting year for all of us at Neogen group as we take a small step to pursue our ambitious vision of venturing into the Battery Chemicals segment with the commissioning of the small demo plant of Electrolytes and Lithium Electrolyte Salts facility.

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.

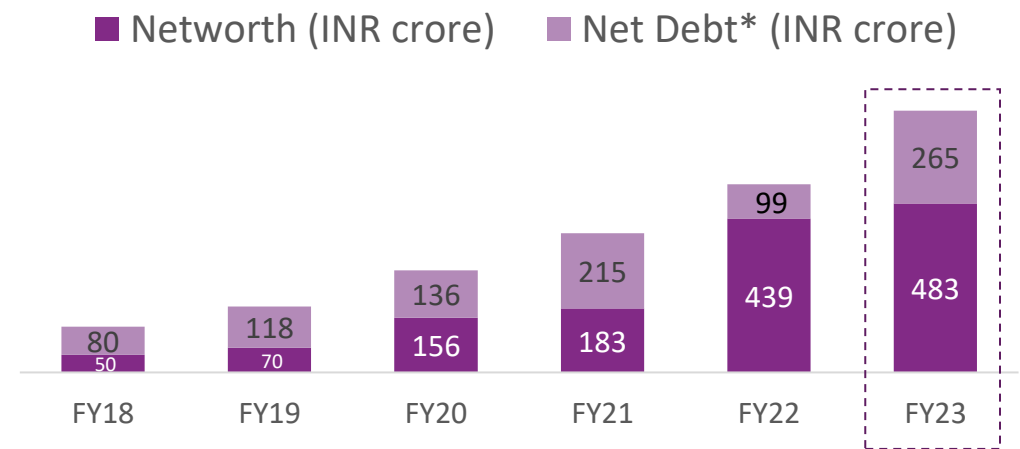
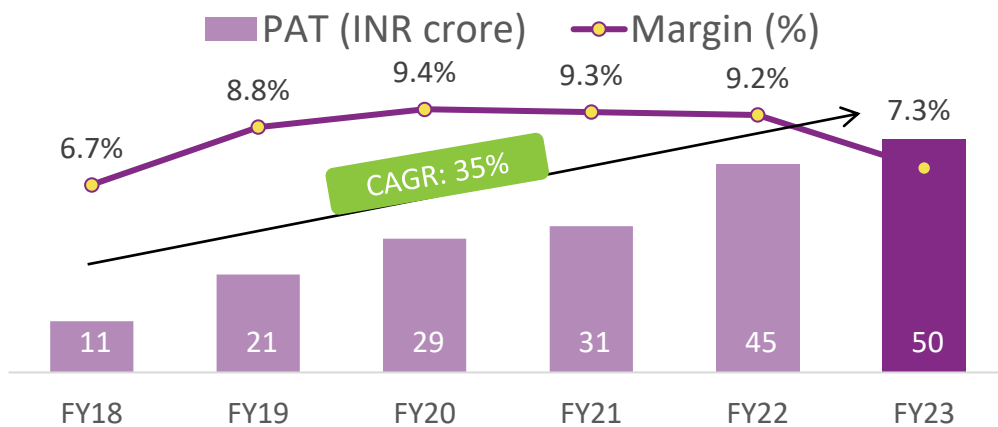
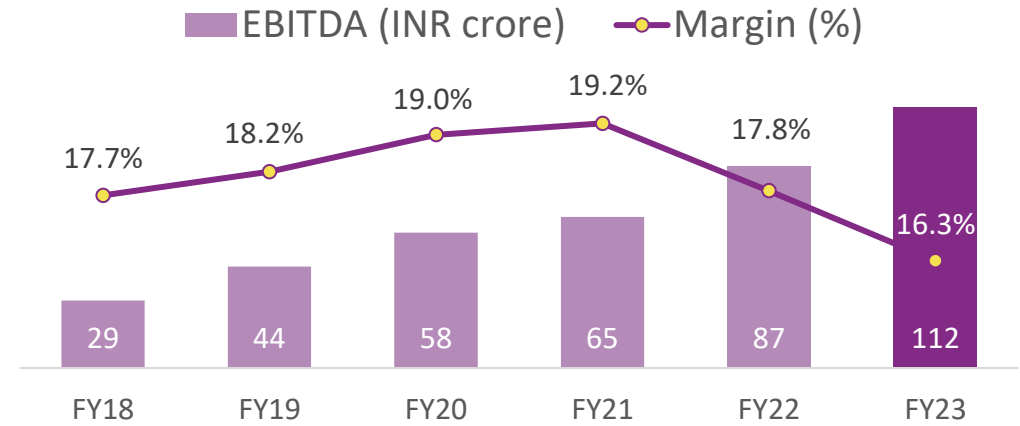
Overall, we are enthused for the year and the next phase of growth journey at Neogen. We see a strong addressable opportunity in Electrolytes & Lithium Electrolyte Salts in India and are well poised to garner a significant market share given our domain expertise. Several initiatives undertaken last year 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.”



Historical Financial Trends



** Revenue is Net of Excise





Industry Overview: Lithium Ion Batteries

Strong Opportunities in Lithium Battery sector

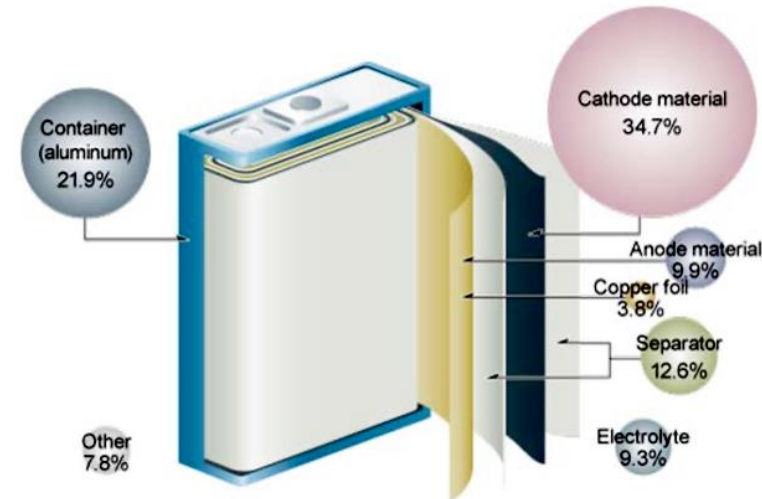


Government Focus on “ATMANIRBHAR”

- PLI scheme is expected to accelerate EV adoption
- PLI Battery Scheme – Target Incentive Outlay – Rs.18,100 Crores
- 60% of Battery Material to be Indigenous
- Direct investment of around Rs. 45,000 crore in ACC Battery storage manufacturing projects
- Target Net Savings on Import of Approx Rs. 2Lakhs crore on account of oil import bill

Lithium-ion battery (3.7v)

Approximate Cost Component Break up*

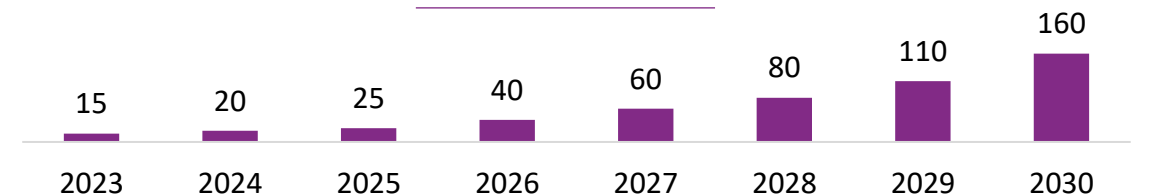


*Based on literature as an example, actual % will vary

Demand Estimates for the Indian Market

Lithium Cells (GWh)

ACC WINDOW (2024-28)



Source: India Energy Storage Alliance

This will translate into Electrolyte demand of >150,000 MT by 2030 as per Company estimates



Way Forward

Way Forward



Increasing Custom Synthesis & Contract Manufacturing portfolio



Foray into sunrise sector of Lithium-Ion Batteries



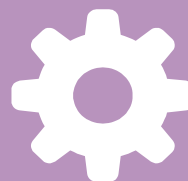
Focus on operational efficiency and functional excellence



Focus on advanced speciality intermediates



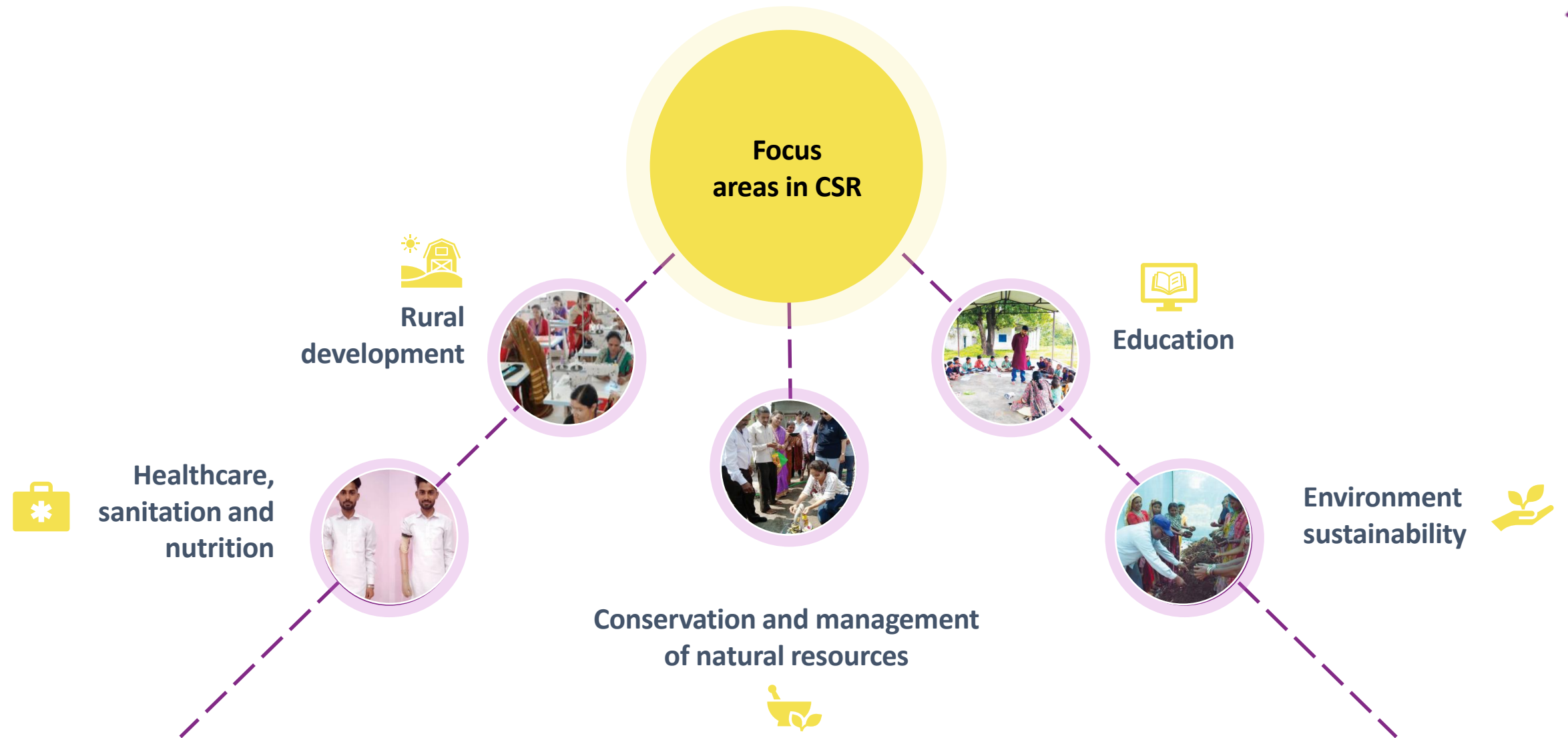
Expanding production capacities





CSR Initiatives

CSR Initiatives



Contact Us



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 further information, please contact:

Ketan Vyas

Neogen Chemicals Ltd.

Email: ketan.vyas@neogenchem.com

Nishid Solanki / Shruti Joshi

CDR India

Email: nishid@cdr-india.com / shruti@cdr-india.com



NEOGEN
CHEMICALS LTD.

Thank You