

November 9, 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 and half year ended September 30, 2023.

The Unaudited Financial Results for the quarter and half year ended September 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

Q2 & H1 FY24
Earnings Presentation
November 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	9%	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	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 and Japan

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 – Site I

- '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 2019 – Site I & II

- Acquired 12 acres of land in Dahej for Greenfield expansion
- 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

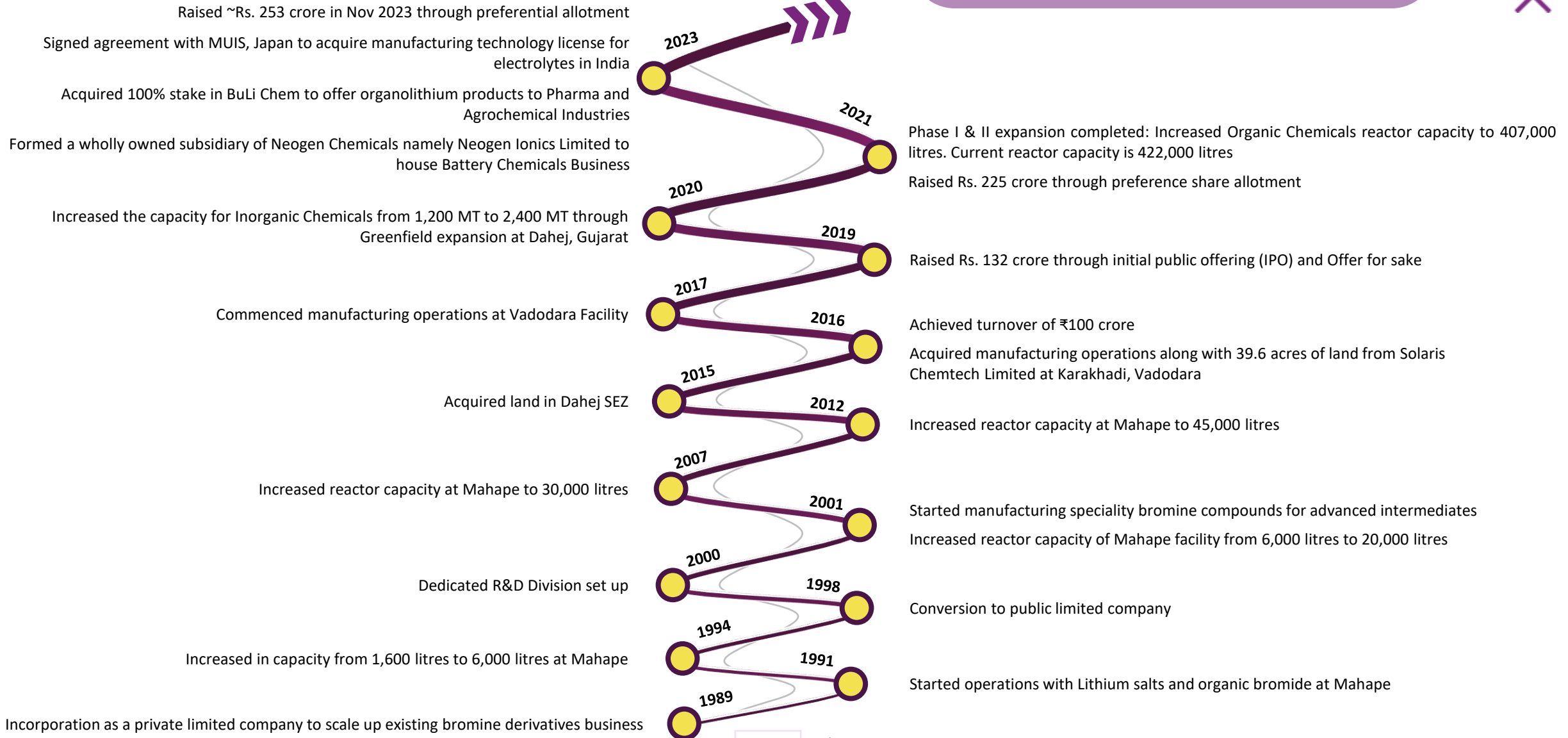
2020 to 2023 – Multiple Sites

- 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
- Raised ~Rs. 253 crore in Nov 2023 from esteemed high-quality institutional investors through preferential allotment of 14,42,358 Equity Shares

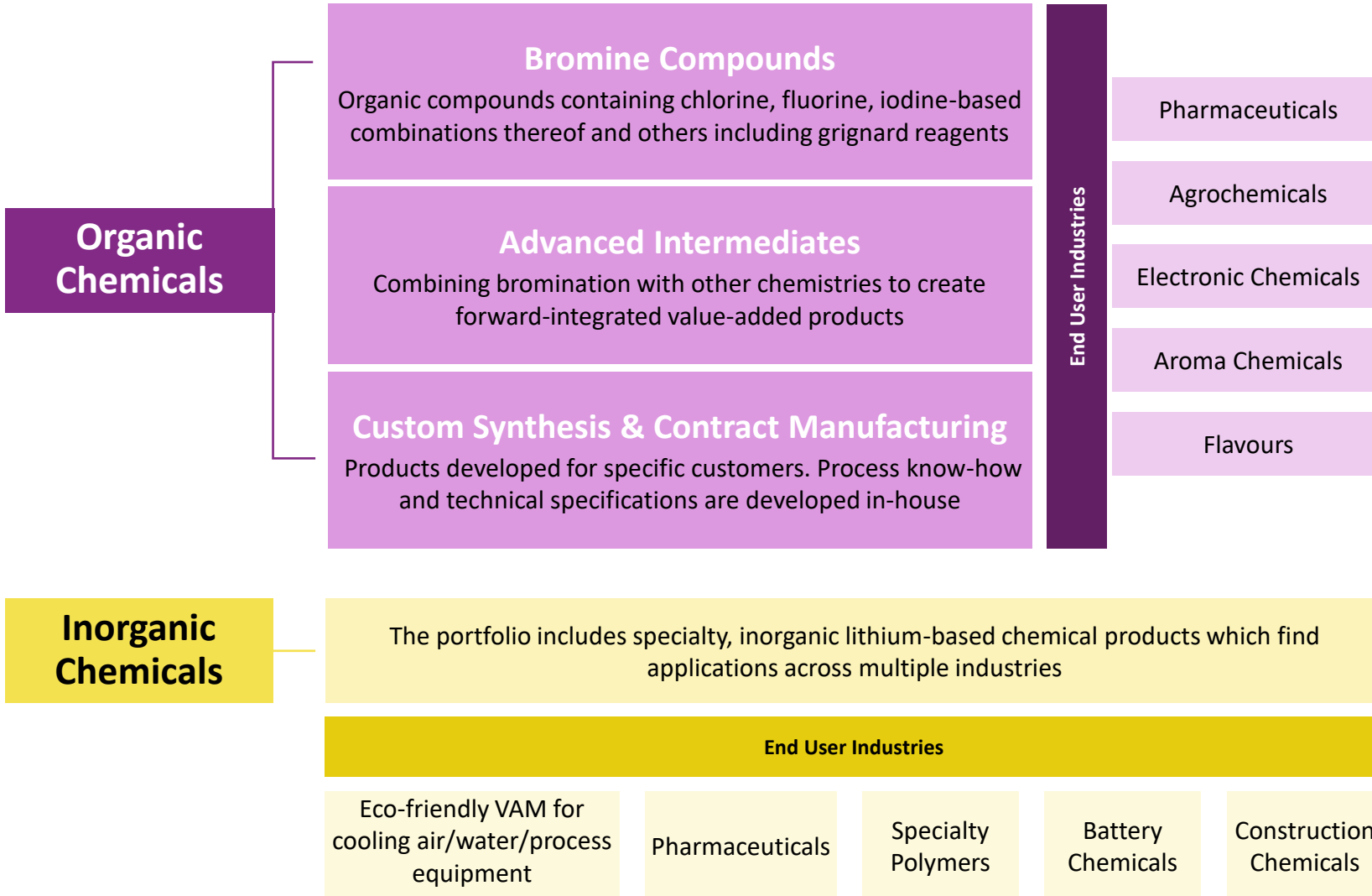


Key Milestones

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



Business Overview



Select Clientele

AUSTIN

SOLVAY

SUN PHARMA

Divis
Divis Laboratories Ltd.

HETERO

CBC GROUP CBC Co.,Ltd

HIKAL

THERMAX

Mylan

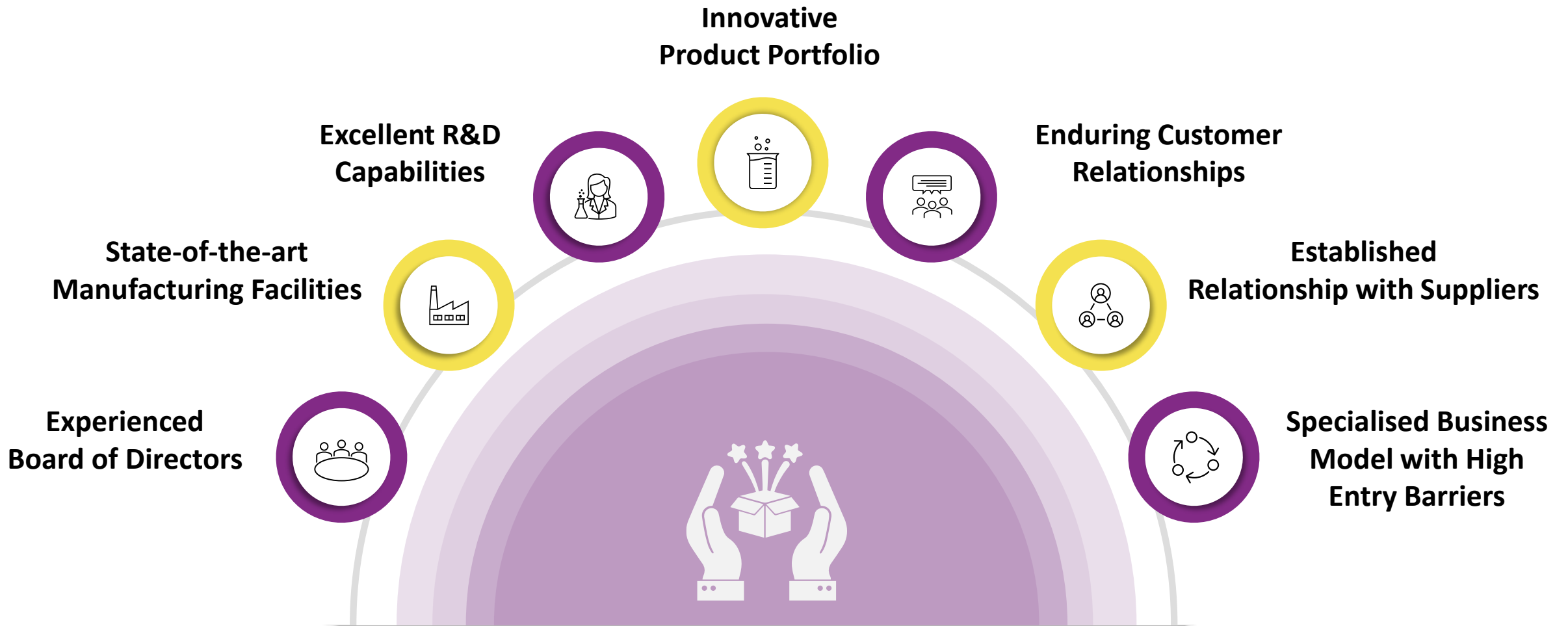
VOLTAS
A TATA Enterprise

Piramal

Kirloskar
Enriching Lives

AUROBINDO

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,



Large Manufacturing Infrastructure



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

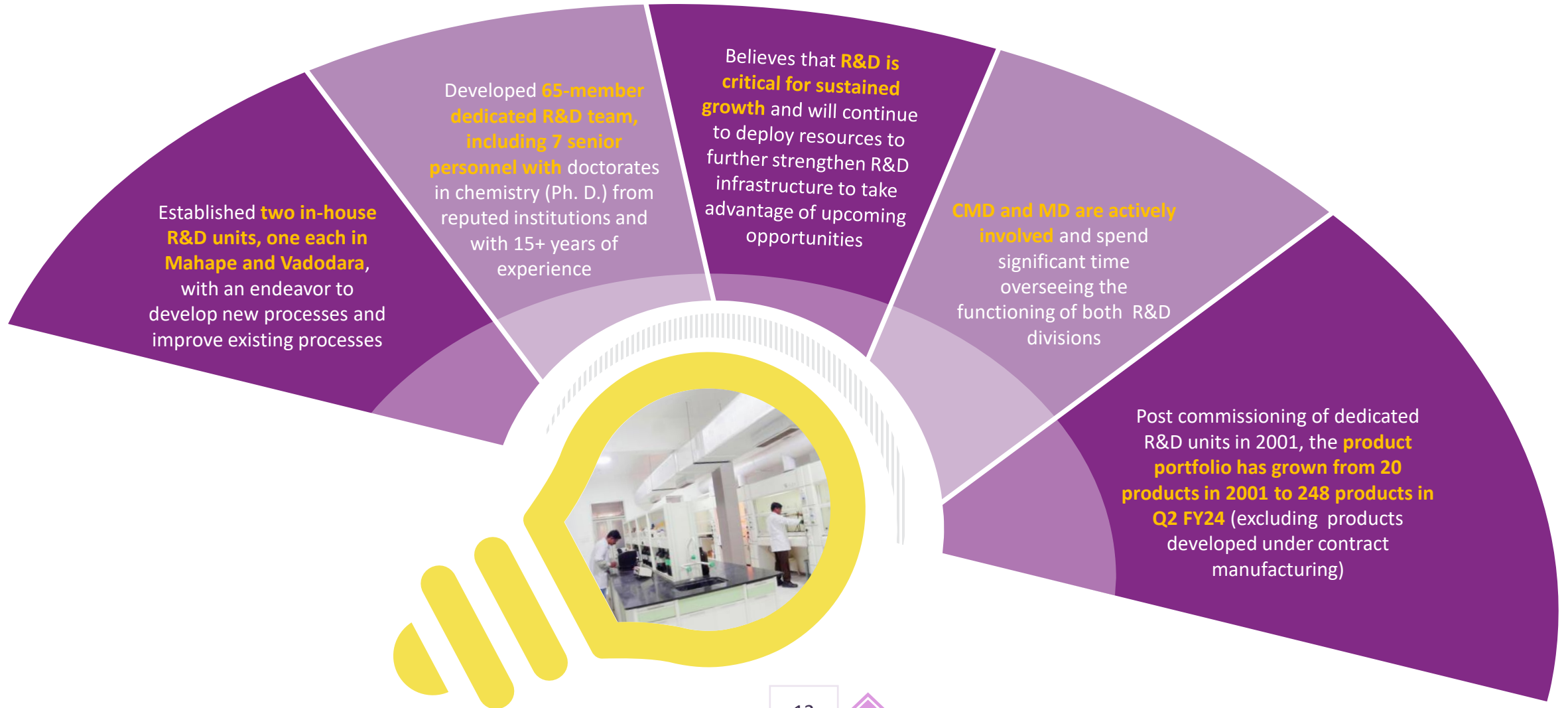
World-class operational practices



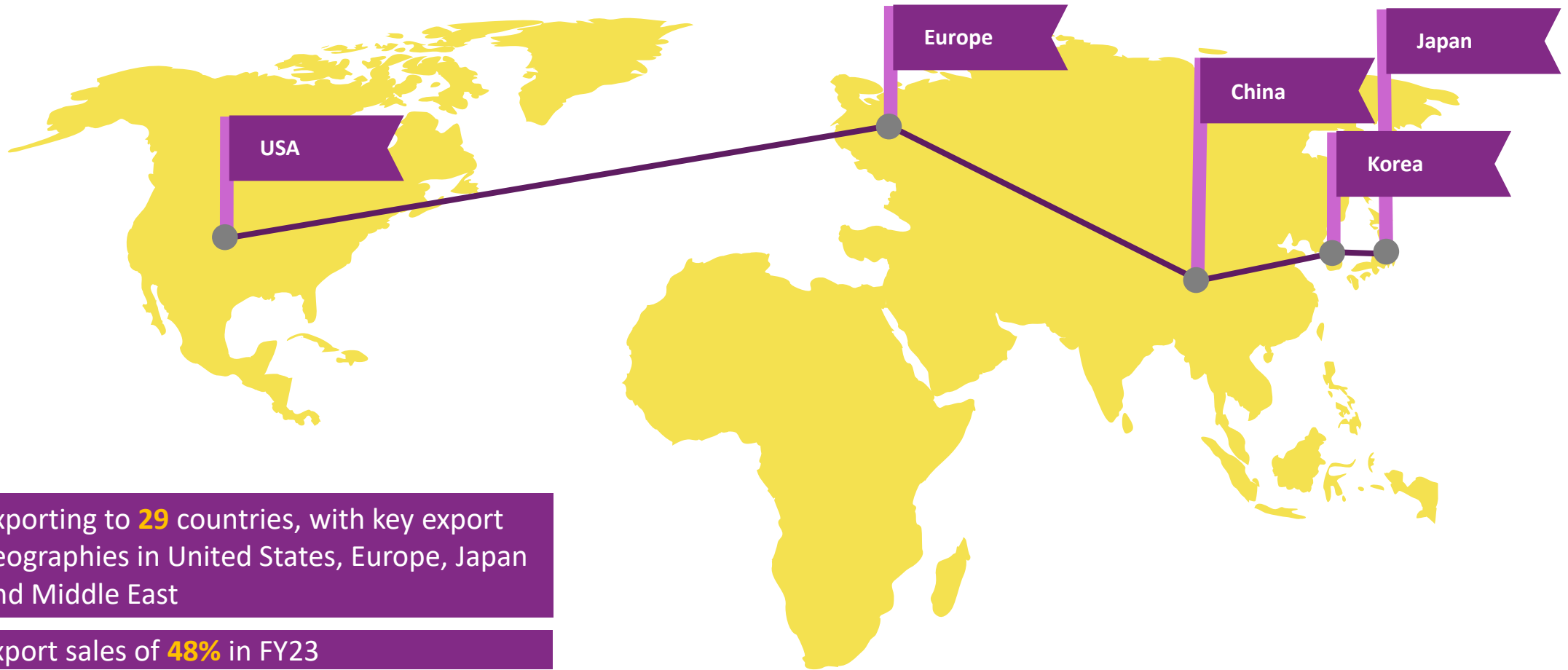
- Zero Liquid Discharge, significantly reducing water usage
- Focus on compliance with stringent quality and EHS norms



Developed strong R&D capabilities



Key Export Geographies



Exporting to **29** countries, with key export geographies in United States, Europe, Japan and Middle East

Export sales of **48%** in FY23





Q2 & H1 FY24 Expansion Initiatives & Key Developments



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 for manufacturing Lithium Electrolyte Salts and additives

- 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 of Electrolyte at Dahej facility (earlier 1,000 MT)

To be commissioned by Q4 FY24

Recent CAPEX announcements

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 being considered is subject to design finalisation

Existing Business

Battery Chemicals Business



Key Developments



Raised ~Rs. 253 crore through Preferential Allotment

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.





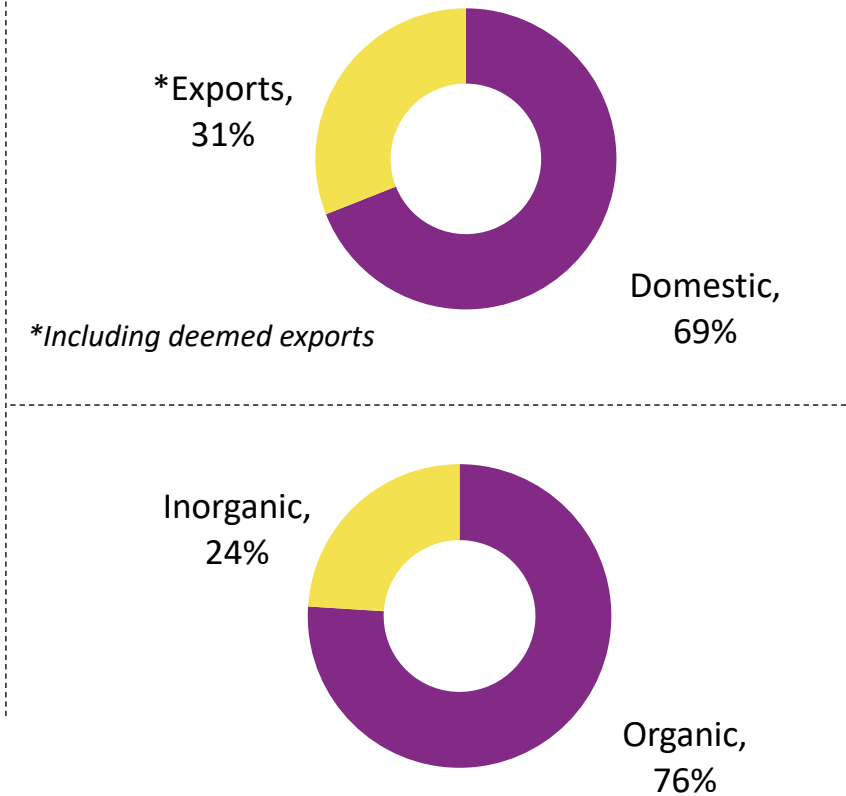
Q2 & H1 FY24 Financial Performance

Key Performance Highlights – Q2 & H1 FY24



	<u>Q2 FY24</u>	<u>H1 FY24</u>
Revenues	Rs. 161.7 crore ↑ 9%	Rs. 326.6 crore ↑ 10%
EBITDA	Rs. 25.9 crore ↑ 7%	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%

Q2 FY24 Revenue break-up



Note: 1. Growth for Q2 FY24 is compared to Q2 FY23, and H1 FY24 is compared to H1 FY23
2. All figures are Consolidated

Financial Summary – Q2 FY24



Rs. crore

REVENUE



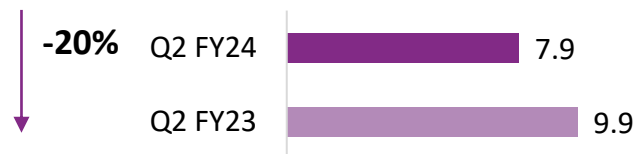
- In spite of **continued external pressures** like global inventory destocking, slowdown in key export markets and geopolitical uncertainties, the Company was **able to sustain its revenue momentum**
- Consistent topline performance can be **attributed to incremental gains from recent capacity expansion** in addition to stable demand for several products. This was further **augmented by better contribution from BuLi Chem**

EBITDA



- Increase in EBITDA was on account of **improved product mix as well as rationalisation of key input and RM costs**
- EBITDA Margin **stood at 16.0%** in Q2 FY24

PAT

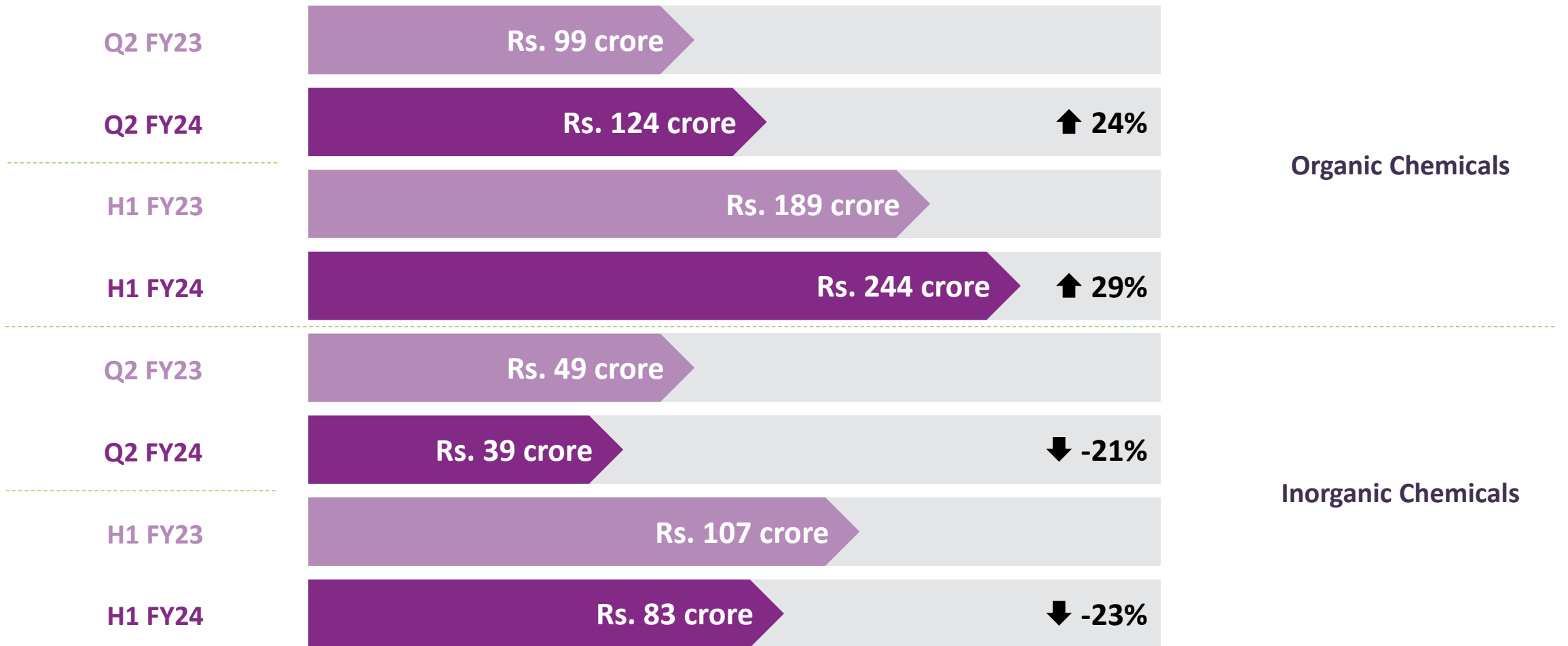


- Moderated PAT performance was on account of **increase in finance costs and depreciation associated with several CAPEX initiatives** in the existing as well as Battery Materials segment
- **Finance cost is expected to reduce in the near term** as a result of strategic repayment of debt following the recent fund raise





Revenue break-up – Q2 & H1 FY24



Decline in revenues in Inorganic Chemicals was mainly due to historically high lithium prices in the same period last year, which has now come closer to normal



Financial Table – Profit & Loss Statement (Consolidated)



Particulars (Rs. In crore)	Q2 FY24	Q2 FY23	Growth (%)	H1 FY24	H1 FY23	Growth (%)
Revenue	161.7	148.1	9%	326.6	296.0	10%
Expenditure	135.8	123.9	10%	272.6	247.1	10%
EBITDA	26	24.3	7%	54.0	48.9	10%
Margins	16.0%	16.4%	-34 bps	16.5%	16.5%	-
Depreciation	5.8	3.9	49%	11.3	7.8	45%
EBIT (inc. Other Income)	22.0	20.8	6%	46.4	42.5	9%
Interest	11.1	6.9	62%	21.9	13.0	69%
Other Income	1.9	0.4	350%	3.7	1.3	179%
Profit Before Tax	11.0	14.0	-22%	24.6	29.6	-17%
Margins	6.8%	9.4%	-266 bps	7.5%	10.0%	-246 bps
Tax Expense	3.1	4.1	-26%	6.9	8.6	-20%
Profit After Tax	7.9	9.9	-20%	17.7	21.0	-16%
Margins	4.9%	6.7%	-177 bps	5.4%	7.1%	-167 bps
Earnings Per Share (Rs.)	3.17	3.95	-20%	7.09	8.41	-16%



Balance Sheet Snapshot (Consolidated)



Particulars (Rs. In crore)	As on September 2023	As on March 2023
<u>Assets</u>		
Non-Current Assets	479.8	398.0
Current Assets	722.2	655.8
Total Assets	1,202.0	1,053.8
<u>Liabilities</u>		
Shareholders' Funds	497.4	482.5
Non-Current Liabilities	179.9	161.5
Current Liabilities	524.7	409.7
Total Liabilities	1,202.0	1,053.8



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



Management Commentary



Commenting on the Q2 FY24 performance, Mr. Haridas Kanani, Chairman & Managing Director, at 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.

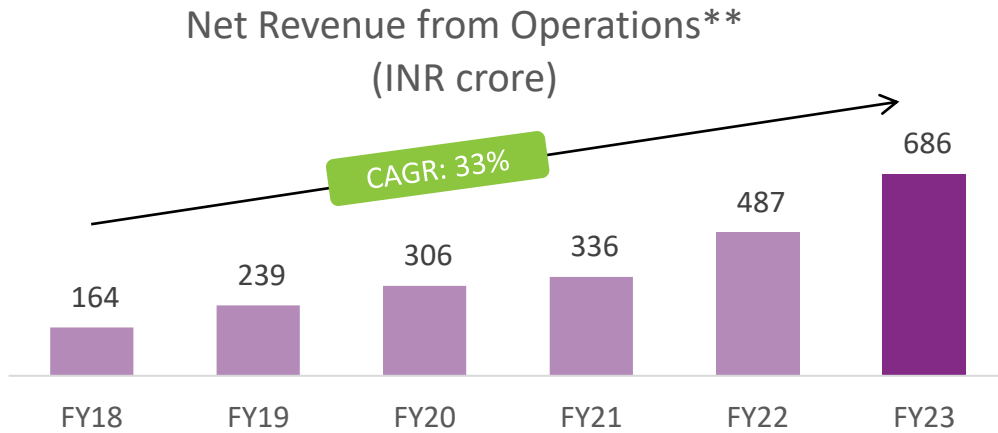
In a significant development, we recently raised ~Rs. 253 crore through preferential allotment to leading institutional investors. I would like to express my appreciation for the trust placed in us and the support extended towards our future growth endeavors. We will carefully deploy these funds to establish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

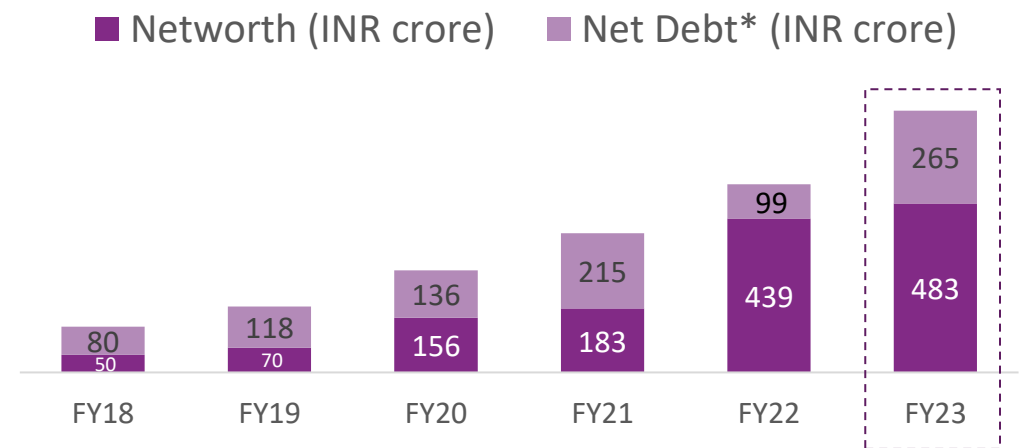
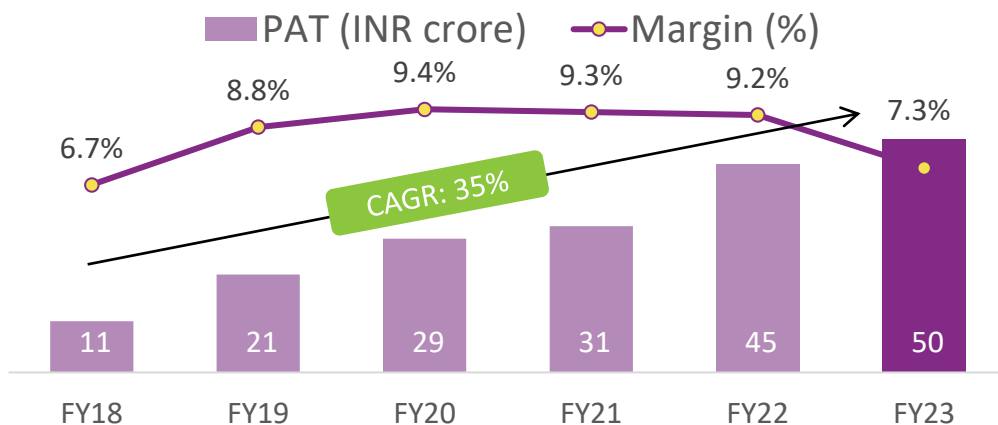
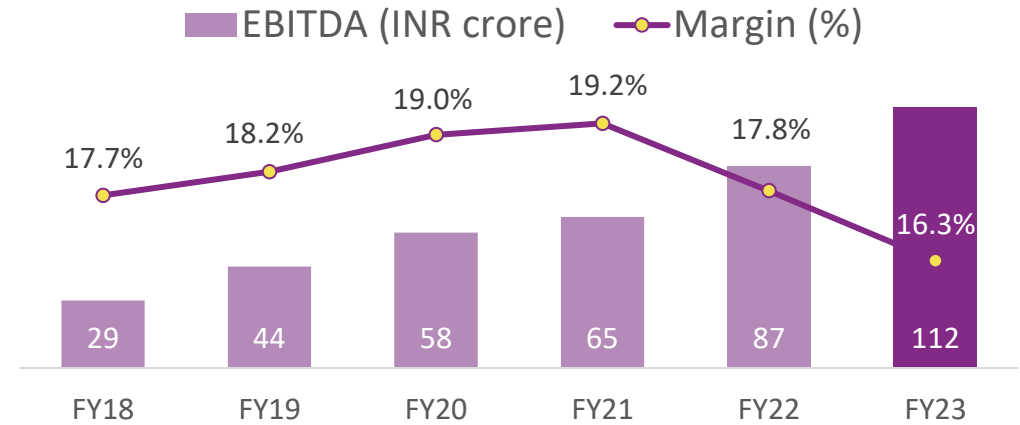
Overall, we are well poised to capitalize on the upcoming opportunities. Building upon the solid foundation, we remain steadfast in our pursuit to not only elevate our performance momentum but also consistently enhance value for our stakeholders."



Historical Financial Trends



** Revenue is Net of Excise





Industry Overview: Lithium Ion Batteries

Strong Opportunities in Lithium Battery sector

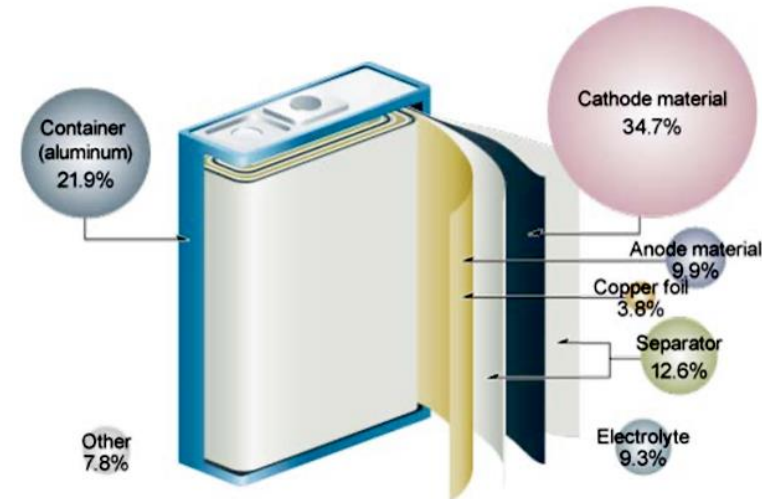


Government Focus on “ATMANIRBHAR”

- 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*

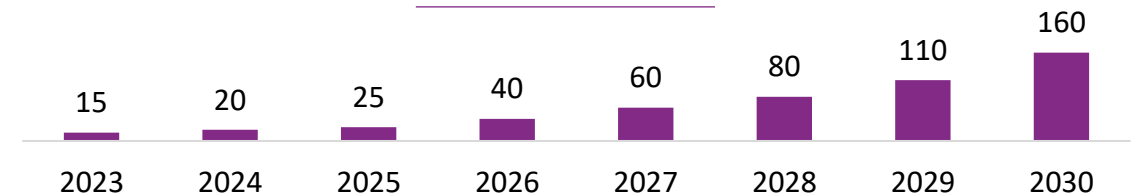


*Based on literature as an example, actual % will vary

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



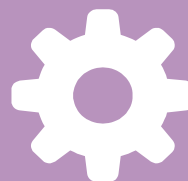
Focus on operational efficiency and functional excellence



Focus on advanced speciality intermediates



Expanding production capacities





CSR Initiatives

CSR Initiatives





Contact Us

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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:

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





NEOGEN
CHEMICALS LTD.

Thank You