



Bodal Chemicals Ltd.
COLOURS. INTEGRATION. INNOVATION.

By Online Submission

Sec/18-19/56
Date: 13/06/2018

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,

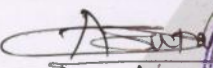
SUB: INVESTOR PRESENTATION FOR JUNE 2018

Ref: Regulation 30, Schedule III Part A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With reference to the above captioned subject, we herewith enclosed Investor Presentation for June 2018.

This is for your information and record please.

Thanking You,
For, BODAL CHEMICALS LTD.


Ashutosh B. Bhatt
Company Secretary



Encl: As Above.

HEAD OFFICE:

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G.I.D.C, Vatva, Ahmedabad- 382 445.,
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Investor Presentation
June 2018

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 undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

- 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
- The Company's FY2018 Consolidated Financials are:
 - Net Revenue : Rs. 11,517 million
 - EBITDA : Rs. 2,039 million
 - PAT : Rs. 1,219 million
 - ROCE : 26.4%
 - RONW : 17.4%
 - D/E : 0.2
- Over the past 10 years, Bodal's business has expanded rapidly:
 - Revenues : 2.8 x
 - EBITDA : 4.9 x
 - PAT : 7.0 x
- Market capitalization is Rs. 17.5 billion (01-06-18). Promoters own 54.9%

Bodal Chemicals: A globally competitive Dyestuff company.

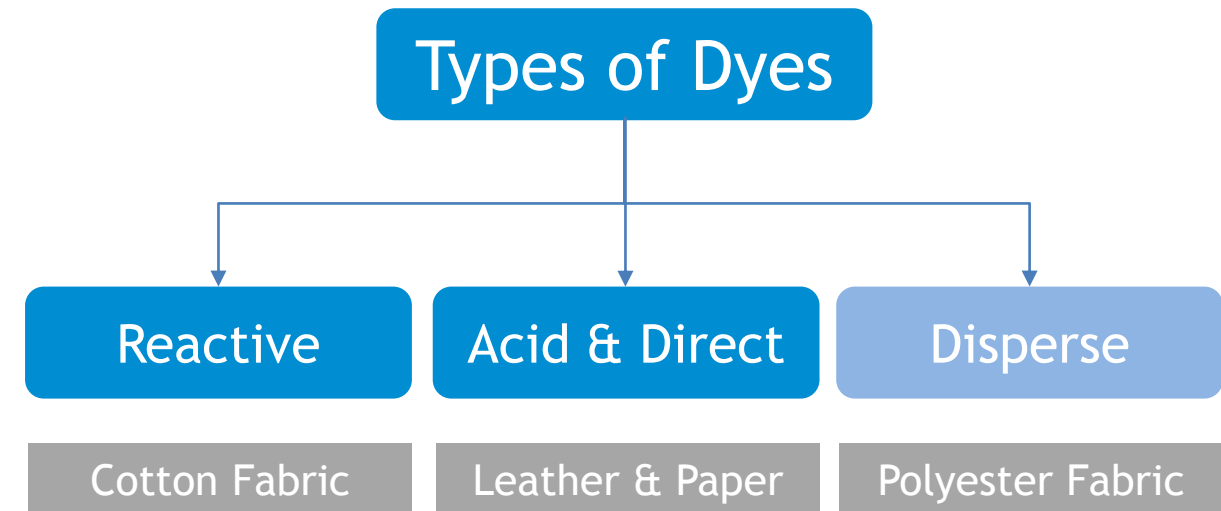
16% India's share in global Dyestuffs production

85% Gujarat and Maharashtra's share in Indian Dyestuff production

50% Organized sector's share in Indian Dyestuff production

Source: IBEF January 2016; Industry

Industries that use Dyes		
Textiles	Paper	Cosmetics
Leather	Plastics	Food Products



Company's presence

Bodal present in right geography. Most integrated Dyestuff company.

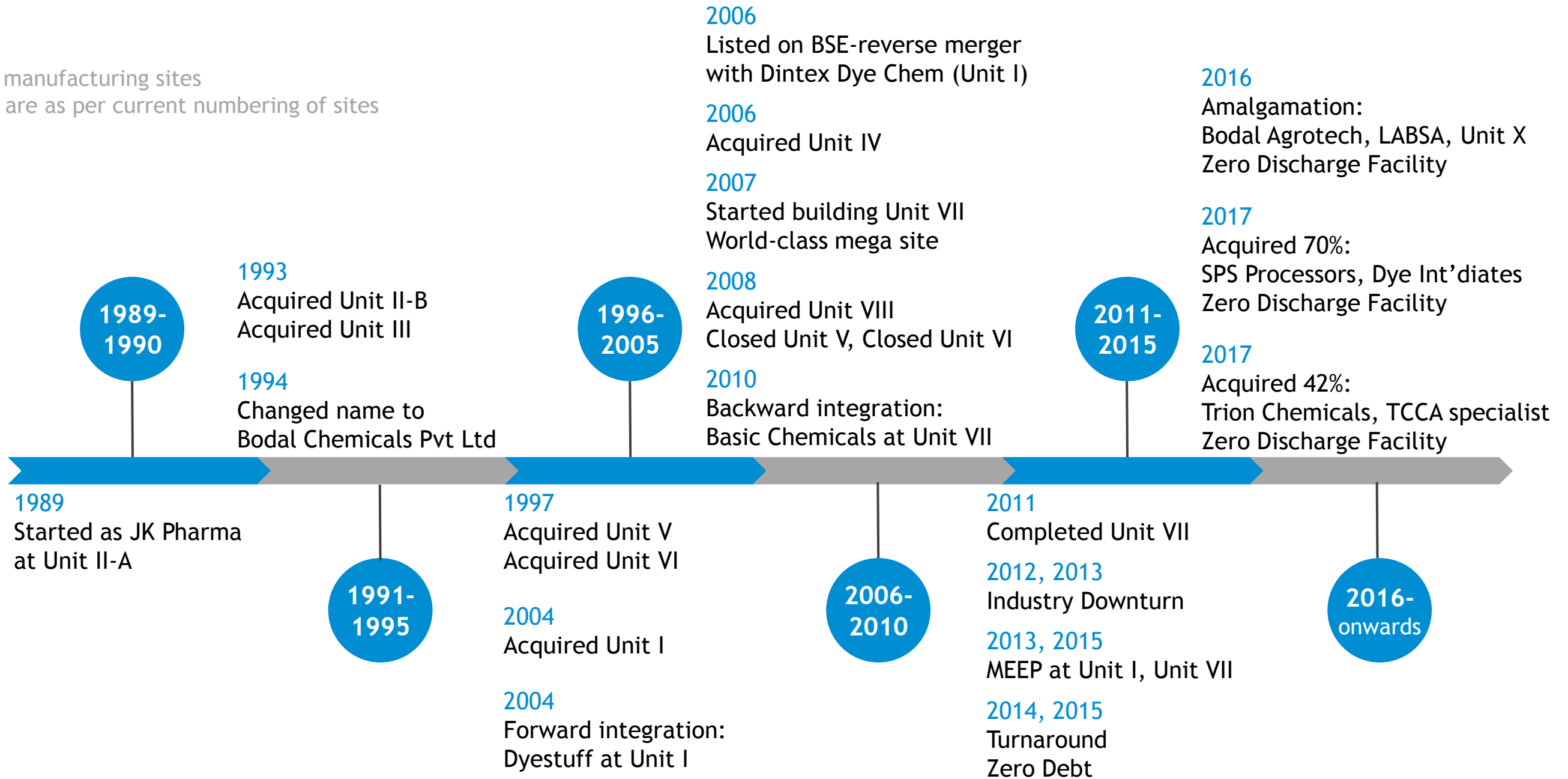
- China dominant position declining.
- Indian profitability independent of china crises - inequality of opportunity removed.
- Chinese's cost up- government not allow environmental dumping.
- India fares better on global environmental standard than china.

Bodal- Milestones

Notes:

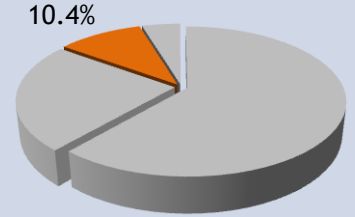
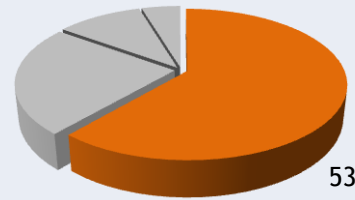
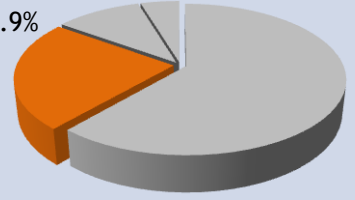
Units are manufacturing sites

Unit Nos. are as per current numbering of sites



Bodal has built over 28 years with a healthy mix of organic + inorganic growth

Manufacturing Capacities

	Contribution (% of Revenue)	Annual Capacity	Highlights
Basic Chemicals	 <p>10.4%</p>	190,000 MT	<ul style="list-style-type: none"> Captive Power Plant and Steam generation Centrally located, latest upgraded manufacturing facilities
Dye Intermediates	 <p>53.1%</p>	* 33,000 MT	<ul style="list-style-type: none"> Permission for treated effluent disposal of 1 million liters/day Produces about 25 variants
Dyestuff	 <p>31.9%</p>	39,000 MT	<ul style="list-style-type: none"> Captive Ice Plant of 300 MTs/day Produces about 150 variants Dyestuff capacity 29,000 MTPA in powder & 10,000 MTPA in liquid

Notes:

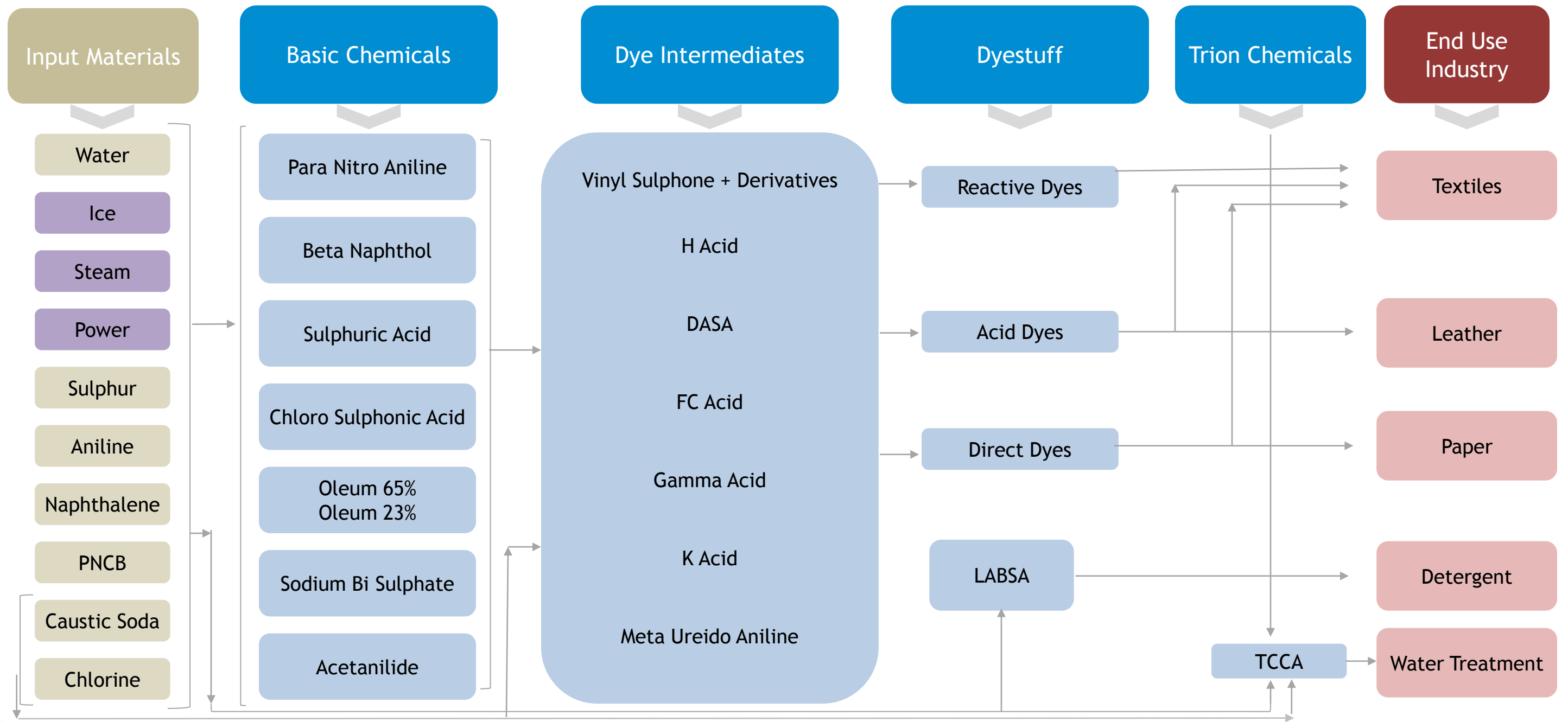
1. In addition to above , following capacities will be on stream

1. SPS Vinyl Sulphone Sep-18: 6,000 MTPA
2. Bodal Thionyl Chloride Sep-18: 36,000 MTPA

Bodal is keenly investing for sustained growth

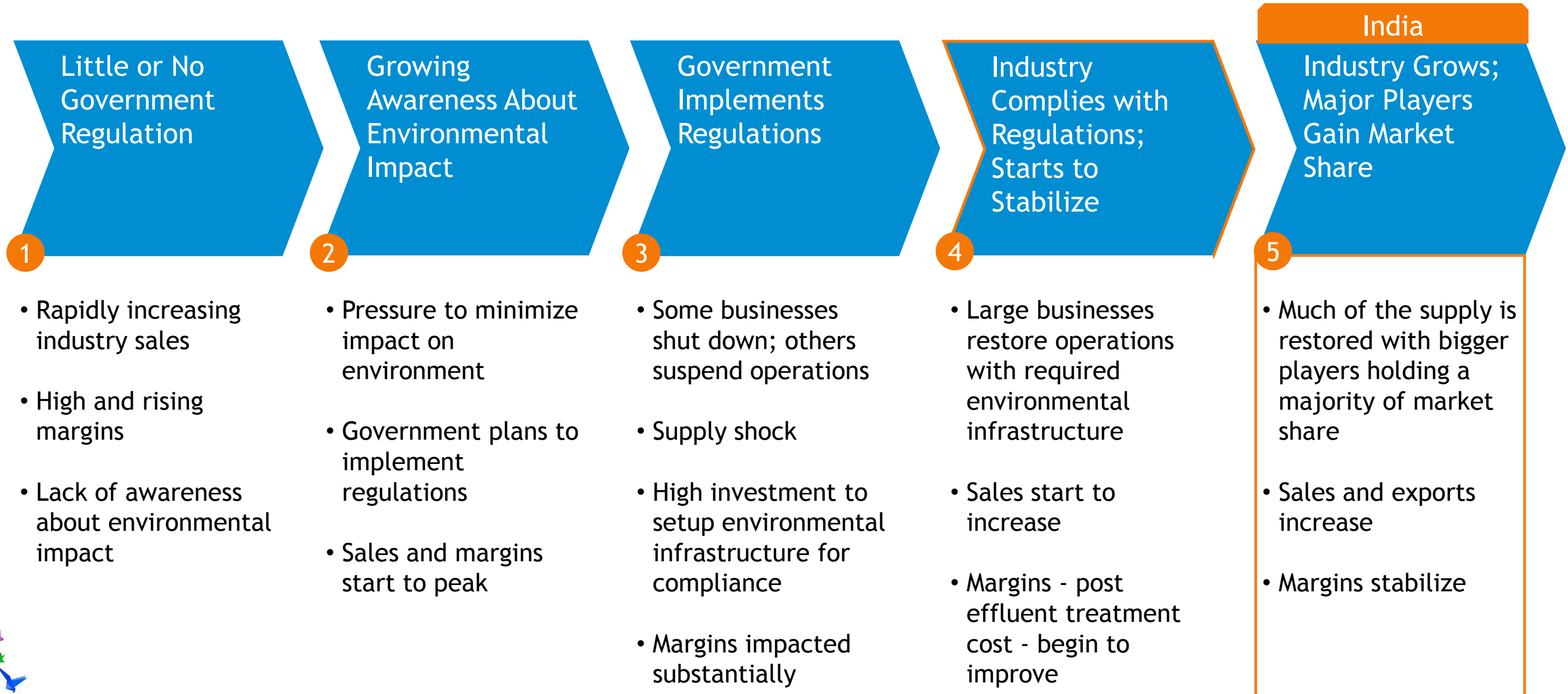
Unique Business Model

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



Basic Chemicals and Dye Intermediates in-house use is about 45% and 40% rspy

Regulated Environment - India's Evolution



Bodal meets highest compliance standards

Domestic Customers



International Customers



Relationships with top Domestic and International Customers

Consistent Growth

Capacity utilization - FY17-18 (Standalone) Metric Tons (MT)

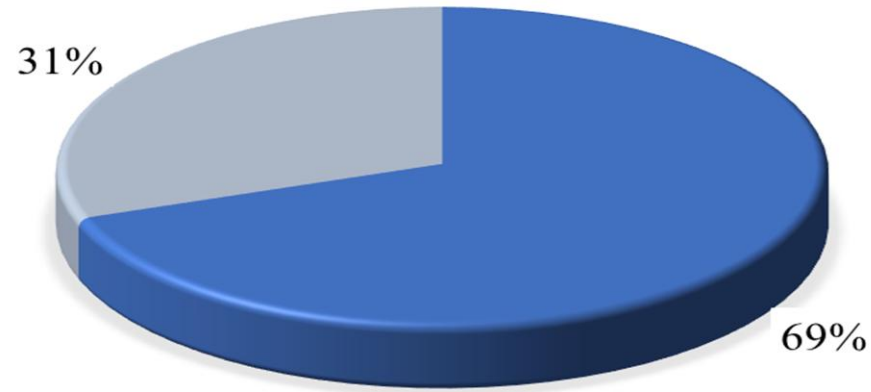
Particulars	Dyestuff	Dyes Intermediates	Basic Chemicals
	Metric Tons (MT)		
Installed Capacity	17,000*	30,000	1,90,000
Production	15,412	22,344	1,79,544
Utilization %	90.7%	74.5%	94.5%

*Note: Additional capacity of 12,000 was added in the month of March, production is not considered for that capacity

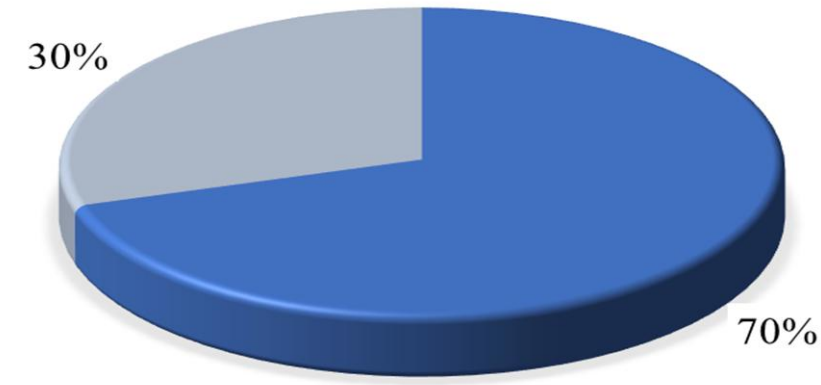
Production - Metric Tons (MT)

Production MT	FY18	FY17	YoY Growth (%)
Dye Intermediates	22,344	23,100	-3%
Dyestuff	15,412	12,503	23%
Basic Chemicals	179,544	188,767	-5%
Others	2,530	6,835	-63%
Total	219,830	231,204	-5%

FY 2018



FY 2017



Notes:
Sale of products are net of excise duty & GST
and exclude operating other income

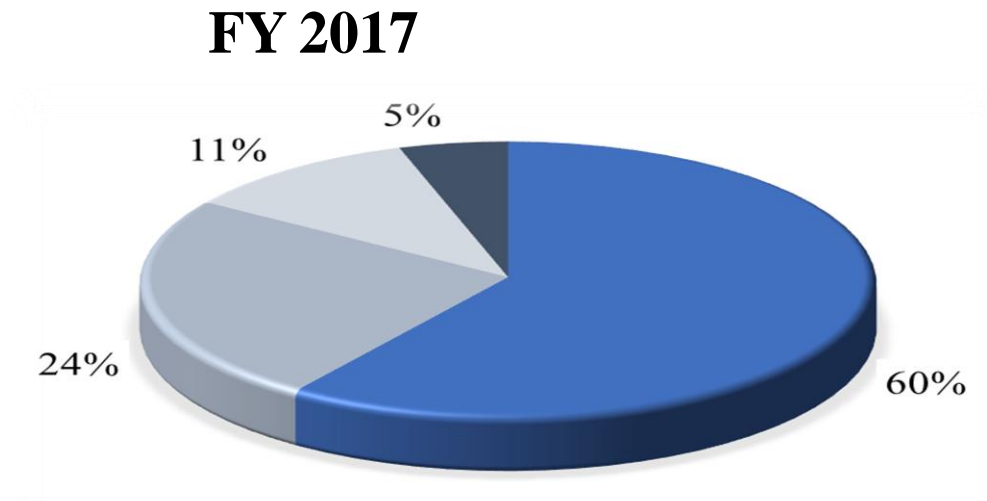
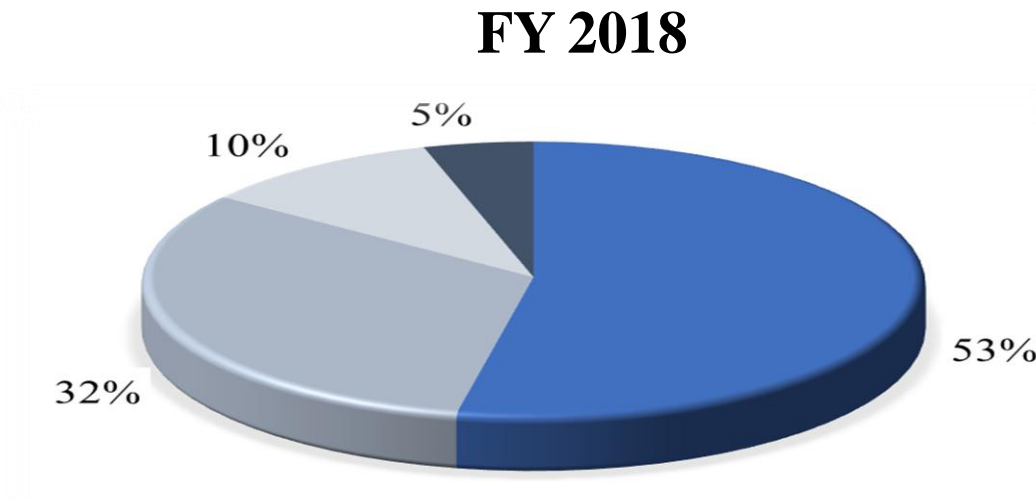
■ Domestic ■ Exports

FY2018 Revenues Rs.11.5 billion with Exports to around 151 customers & from around 41 countries

Sale of products – by sub-segment and geography

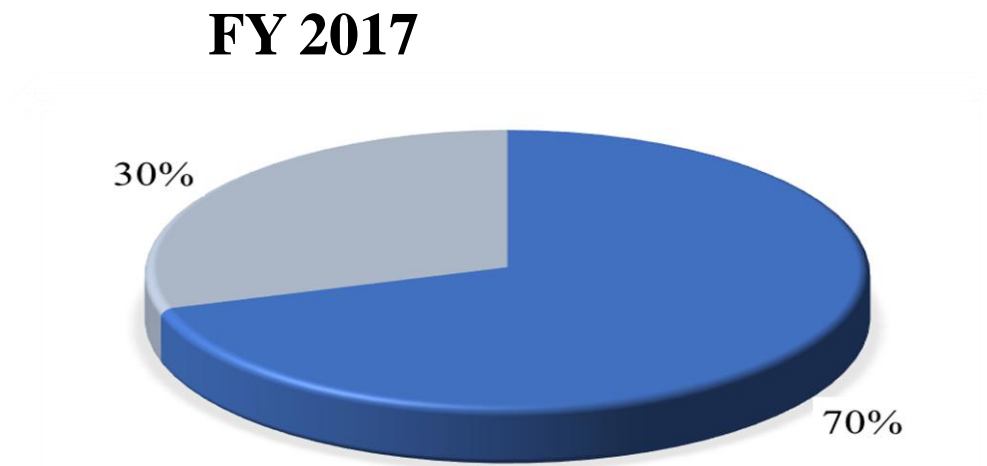
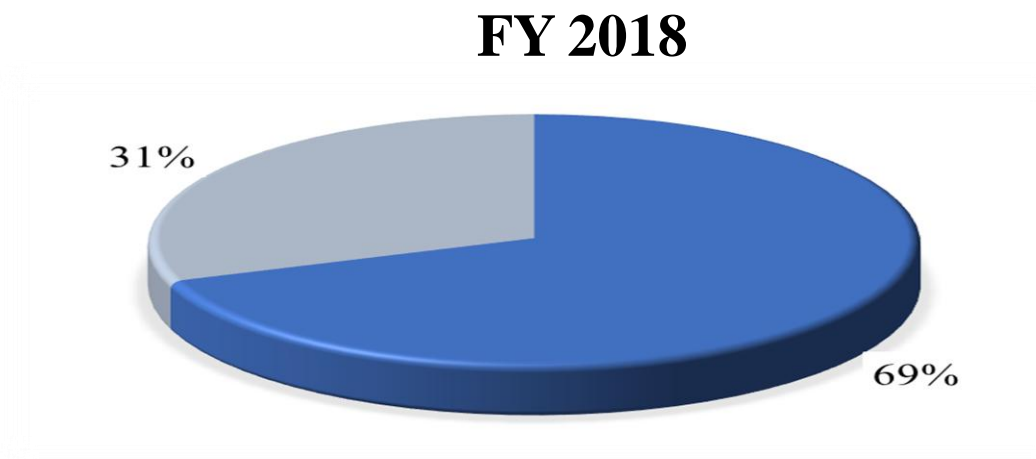
Break-up

By Sub-Segment



■ Dye Intermediates ■ Dyestuff ■ Basic Chemicals ■ Others

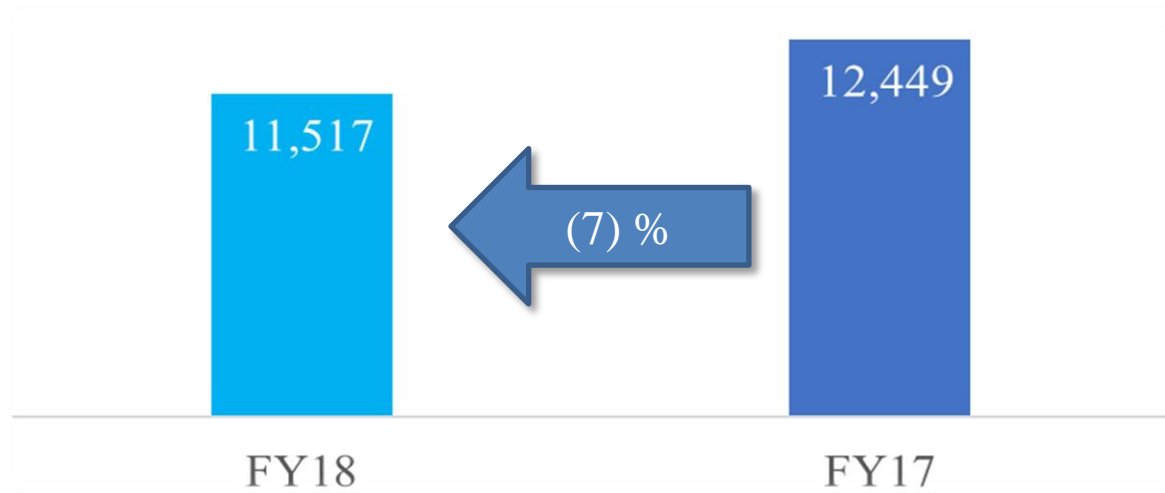
By Geography



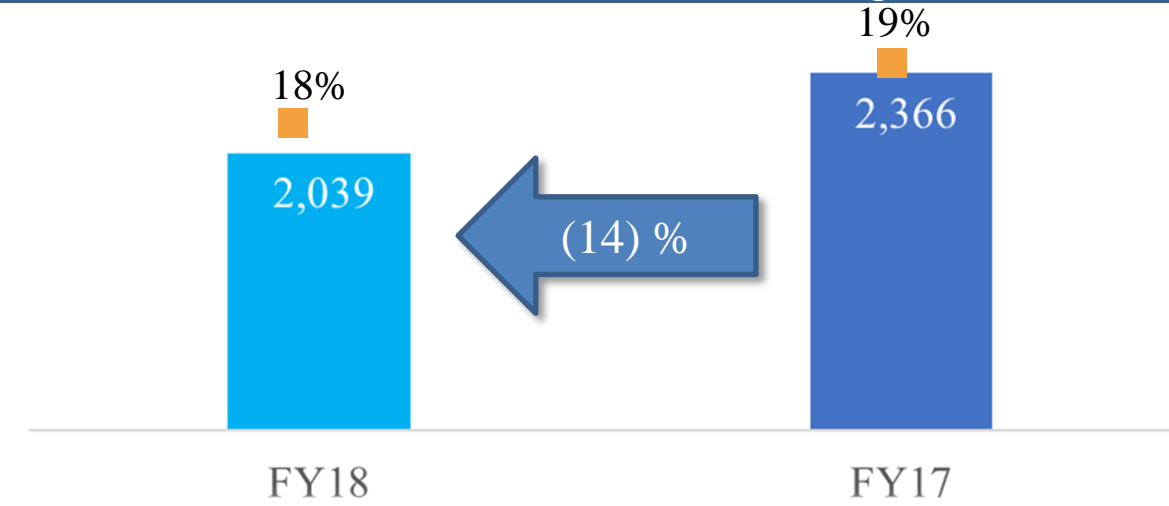
■ Domestic ■ Exports

Note: Sale of products are net of excise duty & GST and exclude operating other income

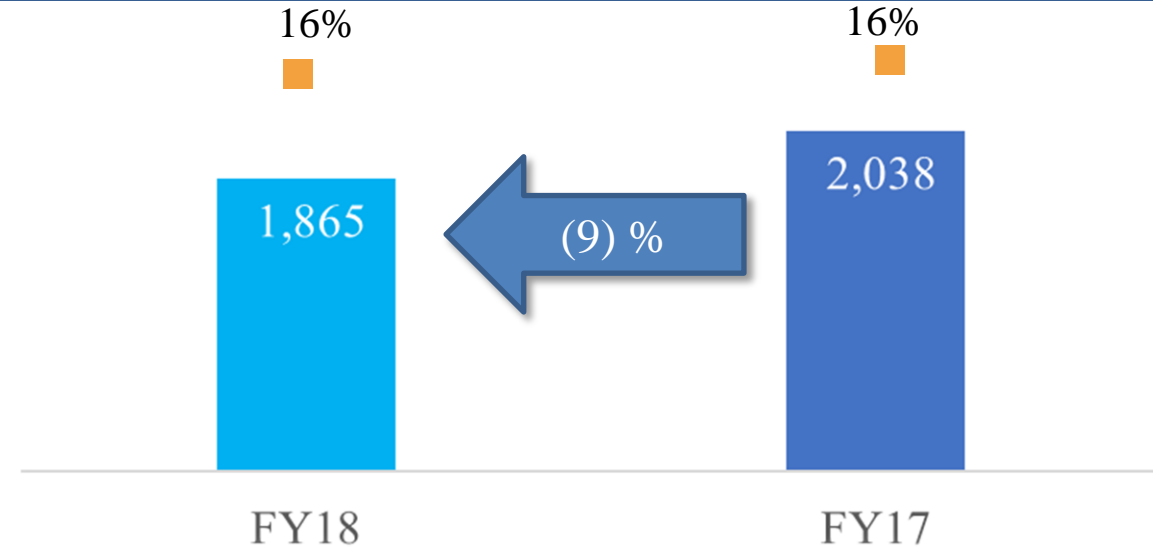
Net Revenue (Rs. Million)



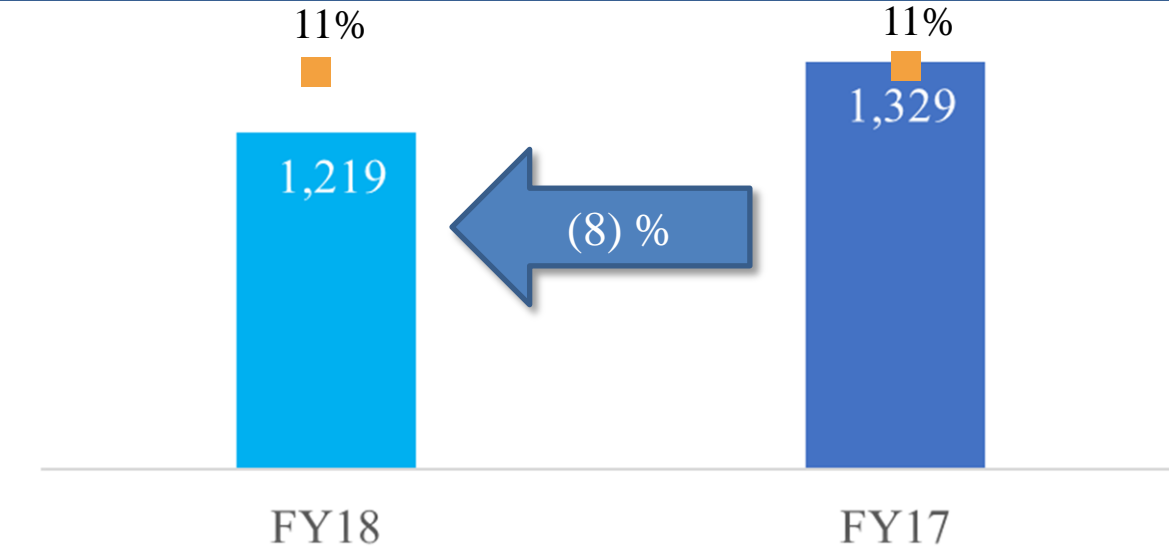
EBITDA (Rs. Million) and Margin (%)



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



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



Note: Margins are calculated on Net Revenue; EBITDA includes Other Income

Higher EBITDA margin maintained, revenue de-growth from crude prices & currency

Consolidated Profit & Loss Account

For the year ended 31 March

	FY2017-18	FY2016-17	FY2015-16
	Rs. Million	Rs. million	Rs. million
Revenues	11,517	12,449	9,218
Cost of Goods Sold	7,057	7,973	5,706
Gross Profit	4,460	4,476	3,512
Personnel Expenses	472	419	368
Other Expenses	1,949	1,691	1,528
Total	9,478	10,083	7,602
EBITDA	2,039	2,366	1,616
Finance Cost	53	87	122
Depreciation	121	289	258
Exceptional Expenses/ (Income)	-	(49)	(68)
Profit Before Tax	18,65	2,038	1,304
Tax	592	709	445
Profit After Tax	1,219	1,329	859
Gross Contribution (%)	38.7%	36.0%	38.1%
EBITDA Margin (%)	17.7%	19.0%	17.5%
PAT Margin (%)	10.6%	10.7%	9.3%
Tax Rate (%)	33.2%	34.8%	34.1%

Bodal has worked on expanding profitability along with Revenue growth

We expect positive revenue and profit growth in FY 2018-19. The key drivers for Revenue growth will be:

- Trion and SPS will start generating cash and add to profits during the year
- As part of the expansion plan, the company continues to expand the Dyestuff business. Capacity is already being expanded by 12,000 MTPA
- Thionyl chloride (TC) sits very interestingly between Sulphuric Acid and Vinyl Sulphone. Therefore, TC is a forward + backward integration project. Bodal is building a TC Plant of 36,000 MTPA at Unit VII. SO₃ from Sulphuric Acid Plant will be used to make TC. Then, TC will be used to make Vinyl Sulphone. About 30% TC will be used in-house. Bodal will benefit from scale, low inventory, quality supply and no logistics cost. Balance 70% TC will be sold to Chemical, Pharma and Agro industries in the vicinity. Presently, there are only three major TC producers. This project will start contributing from this year
- Upgrade existing major Utility facilities at Unit VII. With a Cogeneration Power Plant, Bodal will achieve substantial saving in energy cost. The project will generate Power of 5MW along with Steam. It will also enable uninterrupted production

Bodal is keenly investing for sustained high growth over next 3 years

- SPS Processors: New Vinyl Sulphone Plant of 6,000 MTPA will start production. New Vinyl Sulphone Plant of 6,000 MTPA. By producing both H Acid and Vinyl Sulphone, SPS will utilize effluents of the two Plants into each other's production respectively. This will generate additional revenue and reduce cost of managing effluent
- Existing businesses will yield higher margins due to better pricing in domestic and exports. Also, in the last two months of April and May 2018, the raw material prices have started stabilizing to some extent. The dollar is becoming stronger again which may lead to better profitability



Bodal is keenly investing for sustained high growth over next 3 years

- Bodal seeks to be a responsible corporate citizen. It works through Trusts and YUVA – a renowned NGO
- Bodal's focus area is enhancement of rural infrastructure and healthcare
 - Providing funds for construction for drinking water pipelines
 - Conducting regular health check-up camps
- Bodal also promotes sports, with contributions to
 - Sports Council of the Deaf Basketball Club
 - Promoting individual talent to represent the country in sporting events
- Bodal's CSR contribution was Rs. 31.1 million in FY2018

Bodal's areas of work are rural infra & healthcare and sports



Thank you

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