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**Date: 13 August 2018**

**E-mail: [blsharma@himadri.com](mailto:blsharma@himadri.com)**

<b>Ref : Listing Code: 500184</b> BSE Limited Department of Corporate Services P. J. Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai- 400 001	<b>Ref: Listing Code: HSCL</b> National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G BandraKurla Complex, Bandra (E) Mumbai- 400 051
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**Sub: Investor Presentation and Media Release**

Dear Sir(s),

We are enclosing herewith:-

1. Investors presentation
2. Media/Press Release

We request you to kindly take on record the same.

Thanking You,

Yours faithfully,

For Himadri Speciality Chemical Ltd

Company Secretary  
FCS: 8148

**Himadri Speciality Chemical Ltd**

(Formerly known as Himadri Chemicals & Industries Limited) CIN: L27106WB1987PLC042756  
Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Kolkata – 700 001, India  
Corp. Office: 8, India Exchange Place, 2nd Floor, Kolkata – 700 001, India  
Tel: 91-33-2230-9953, 2230-4363, Fax: 91-33-2230-9051, Website: [www.himadri.com](http://www.himadri.com)



**Himadri Speciality Chemical Ltd**

(Formerly known as Himadri Chemicals & Industries Ltd.)

**INVESTOR  
PRESENTATION**  
August - 2018

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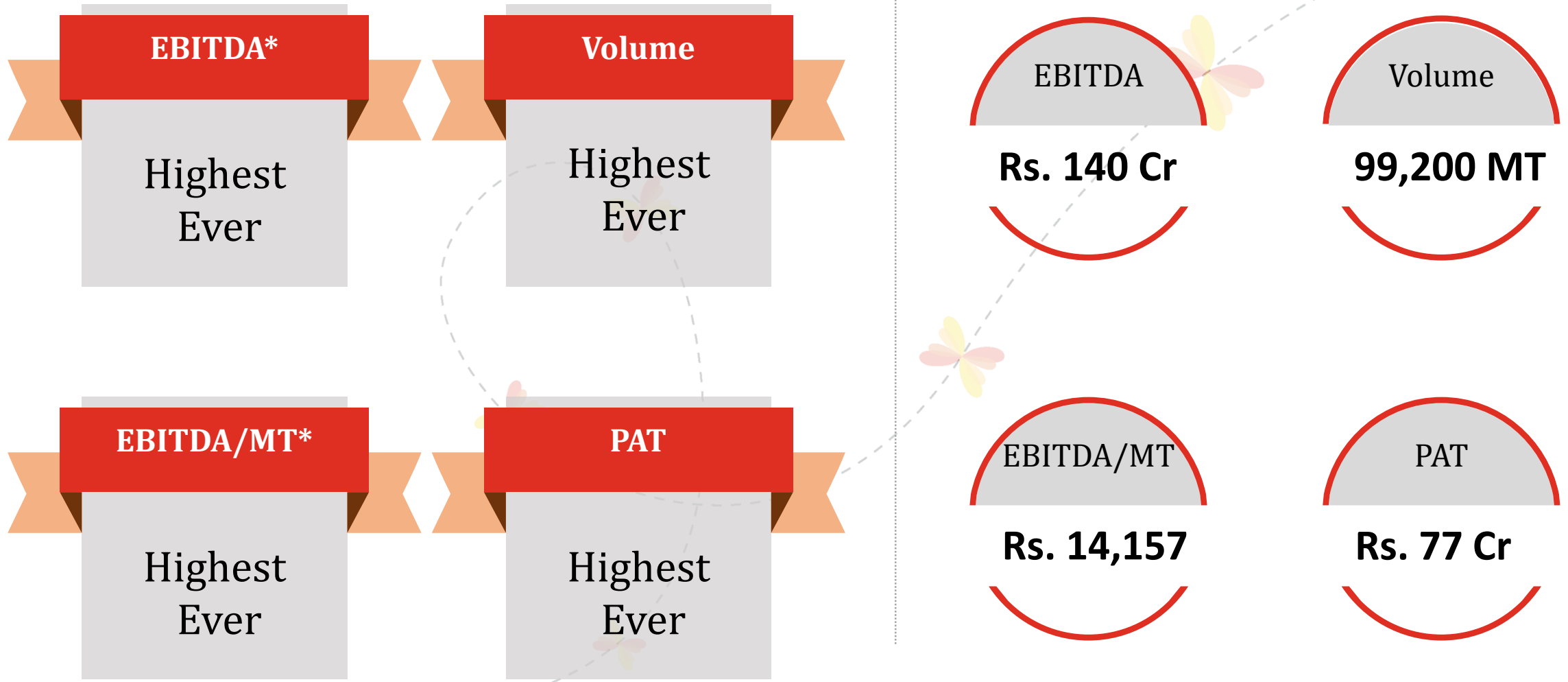
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# Himadri Speciality Chemical Ltd

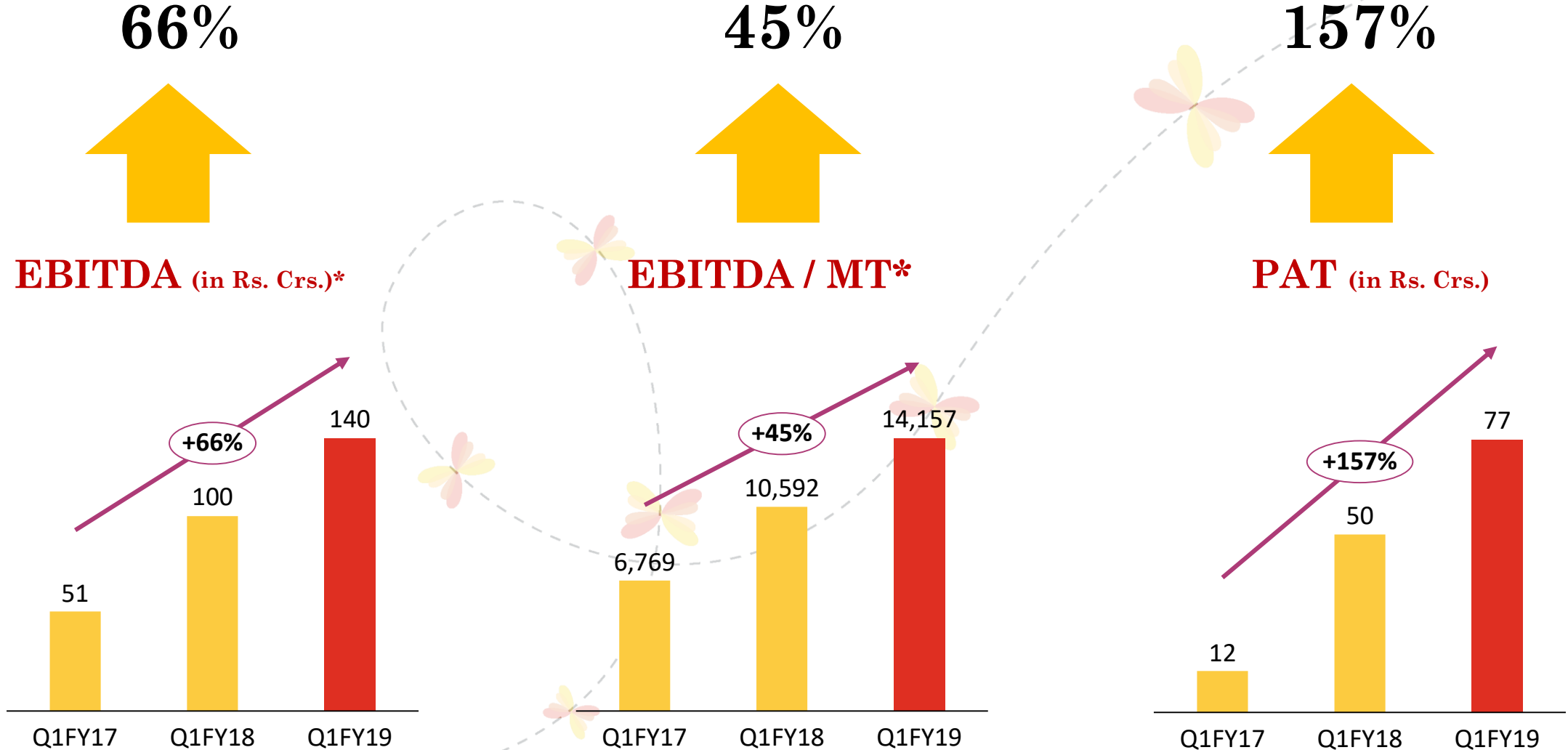
Business Updates  
&  
Performance Highlights for Q1FY19

# Another New Record Quarterly Performance



\* Excludes FX Fluctuation loss (net) of Rs 4.68 crores for the quarter ended 30 June 2018

# Fruits of our Strong Shoots

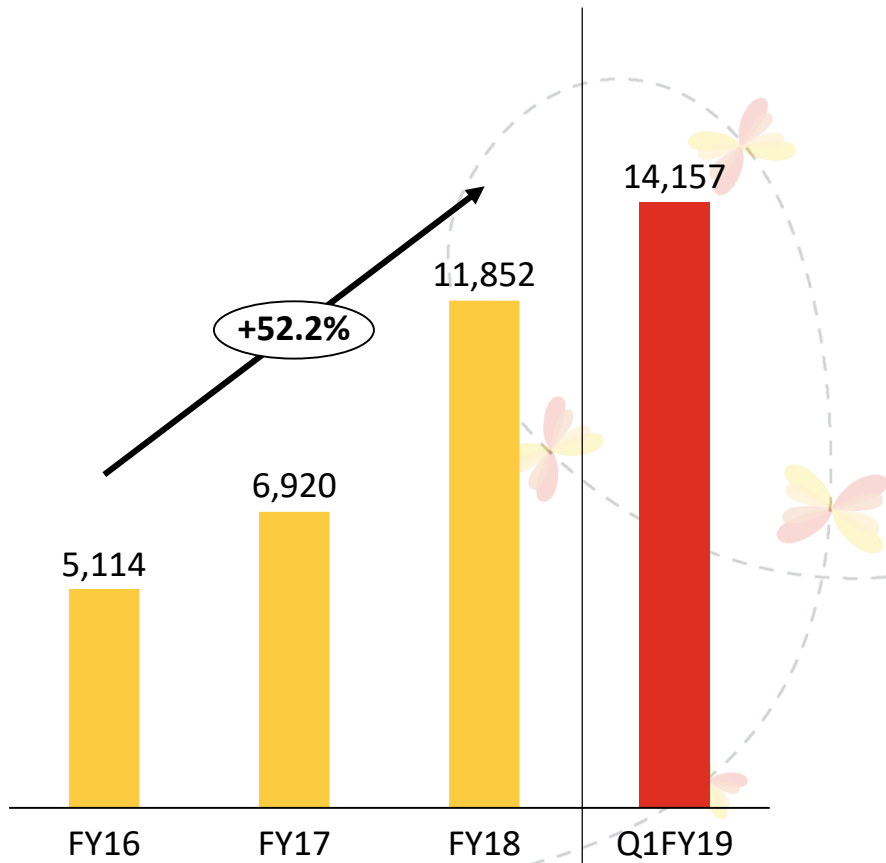


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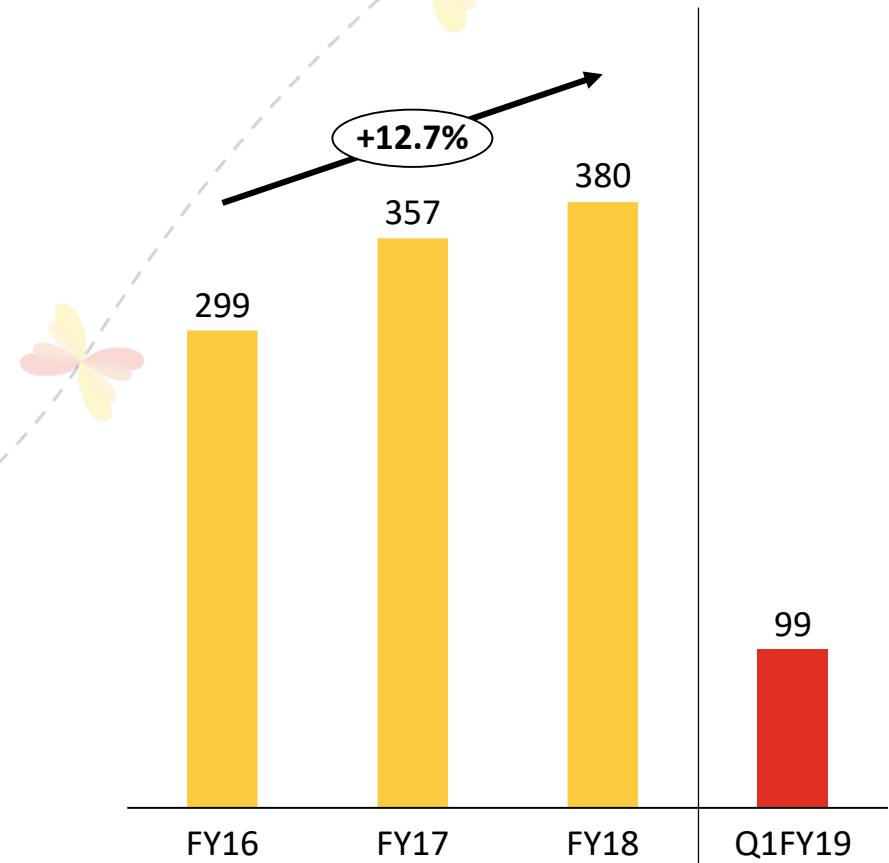
# Improving Quarterly Run Rate



### EBITDA/MT (In Rs.)\*



### Volumes (MT in '000)

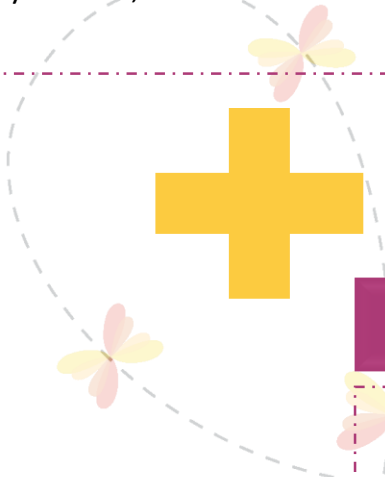


\* Excludes FX Fluctuation Gain / Loss

# Capacity Expansion in High Margin Products

## Advance Carbon Material

» Set-up of manufacturing facility of Advance Carbon material (HSCP) at West Bengal with annual capacity of 20,000 MT



## Specialty Carbon Black

» Set-up of Specialty Carbon Black at West Bengal with an annual capacity of 60,000 MT

**The Expansion will take Himadri to next level of Growth**



# Credit Rating Upgrade

## Credit Rating Assigned

- » In June 2018, ICRA has assigned the Credit rating to company's credit facilities and instruments as mentioned:

## Credit Rating Upgrade

- » In January 2018, Credit Analysis and Research Limited (CARE) revised the ratings assigned to Company's various credit facilities and instruments as mentioned:

Facilities	Rating	Remarks
Commercial Paper	ICRA A1+	Assigned

Facilities	Rating	Remarks
Long Term / Short Term Bank Facilities	CARE A+; Stable/ CARE A1+	Revised from CARE A; Positive/ CARE A1+
Non-Convertible Debenture	CARE A+; Stable	Revised from CARE A; Positive
Commercial Paper	CARE A1+	Re-affirmed

# Fortune India The Next 500 Awards 2018



Himadri Conferred with the Prestigious Fortune India  
The Next 500 Awards 2018

Recognised as 1 among 25 Companies for the Top  
Wealth Creators over the last three years

The award was received by Mr. Anurag Choudhary, CEO,  
Himadri Speciality Chemical from Mr. Jayant Sinha,  
Minister of Civil Aviation and Mr. Birender Singh,  
Minister of Steel in Gurgaon



# Standalone Profit & Loss



Particulars (In Rs. Crs)	Q1 FY19	Q1 FY18	Y-o-Y (%)	FY18
<b>Net Revenue From Operations</b>	<b>605</b>	<b>452</b>	<b>34%</b>	<b>1,971</b>
Cost of Materials Consumed	407	321		1,325
<b>Gross Profit</b>	<b>198</b>	<b>132</b>	<b>50%</b>	<b>646</b>
Employee Benefits Expense	14	10		47
Other Expenses	43	21		150
<b>EBITDA</b>	<b>140</b>	<b>100</b>	<b>40%</b>	<b>450</b>
Other Income	3	1		7
Foreign Exchange Fluctuation Loss/(Gain)	5	1		(0)
Depreciation and Amortization Expense	8	8		31
<b>EBIT</b>	<b>131</b>	<b>93</b>	<b>40%</b>	<b>426</b>
Finance Costs	19	19		70
<b>Profit / (Loss) Before Tax</b>	<b>112</b>	<b>75</b>		<b>356</b>
Tax Expenses	35	25		113
<b>Profit / (Loss) for the year</b>	<b>77</b>	<b>50</b>	<b>53%</b>	<b>243</b>

# Himadri Speciality Chemical Ltd

Business Overview

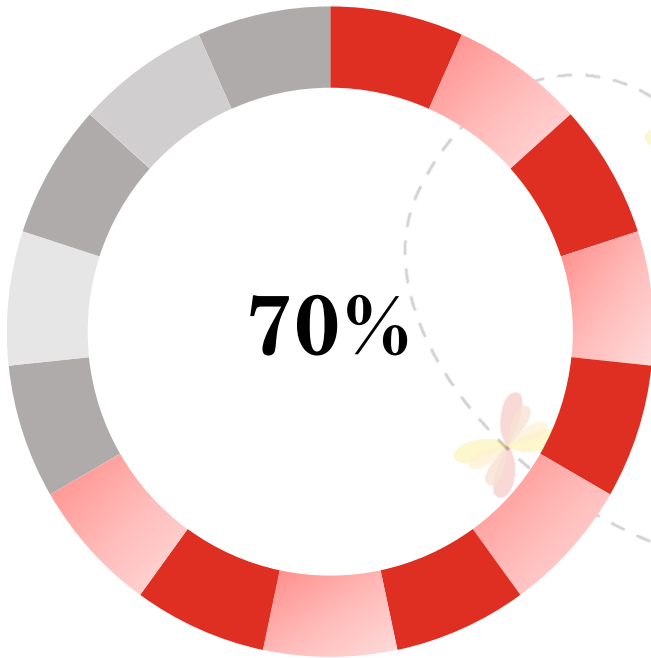
# Value Creation Journey by way of Vertical Integration



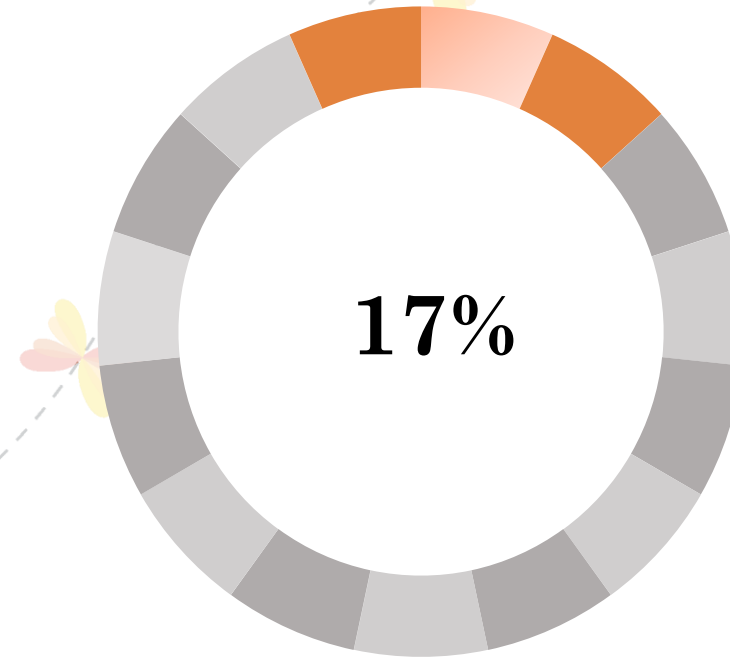
# Leadership Position in our Products



## Coal Tar Pitch



## Carbon Black

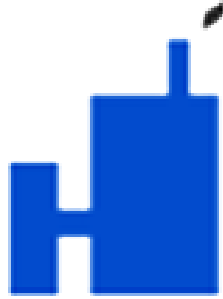


**Market Leadership as % of Total Domestic Demand including Imports**

# Product Development was a Clear Focus



2010



- Coal tar pitch – Binder grade
- Coal tar pitch – Impregnating
- Carbon Black
- Advanced Carbon Material
- Naphthalene
- SNF
- C. B. Oil

2018



- Aluminium Grade Pitch
- Graphite Grade Binder Pitch
- Graphite Grade Zero QI (Quinoline Insoluble) coal tar impregnated pitch
- Anode Material for Lithium-ion Batteries
- Special Pitch
- Naphthalene
- Refined Naphthalene
- Light Creosote Oils
- Heavy Creosote Oils

- Anthracene Oil/Carbon Black Oil/ CT Oil
- SNF
- PCE
- Carbon Black
- Speciality Carbon Black
- Himcoat enamel
- Himcoat Primer-B
- Himtape
- Himwrap

**Evolving with Emerging Business Paradigms**

# To make an Impact on the End Markets



Aluminium



Graphite  
Electrodes



Missiles



Lithium – Ion  
Batteries



Anti Corrosive  
Material



Rubber Industries



Paints, Plastic &  
Fibre



Power



Infrastructure



Construction  
Chemical



Wood Preservative  
Oils



Specialized  
Products



# If You Can Be One Thing, Be Dependable



## CTP Clientele



## CB Clientele



## Others Clientele



# Fit for Future: Products & its Potential

Accelerating Core Business & Finding next Core Business



## » Product Leadership – Accelerating Core Business

- **Coal Tar Pitch**
- **Carbon Black**
- **Naphthalene**
- **Sulphonated Naphthalene Formaldehyde (SNF)**

# Coal Tar Pitch



Used in Aluminium & Graphite Industry

Caters to more than **Two-Third** of demand for **Indian Graphite and Aluminium Industries**

Supplier of upto **95% of Coal Tar Pitch** requirements of certain Smelters

One amongst the **Few Global Manufacturers to Produce Zero QI (Quinolene Insoluble)** – coal tar impregnated pitch and Advanced Carbon Material

# Critical Input in Downstream Industries



## Anode Material

Used for  
Li-ion batteries

## Coal Tar Pitch

Graphite Grade Zero  
QI Coal tar  
Impregnating Pitch

In graphite electrode, nipple  
impregnation and UHP grade electrode  
manufacturing

## Graphite Grade Binder Pitch

In Graphite Electrode  
Manufacturing

## Special Pitches

Used by DRDO in long range warhead  
missiles. In carbon composites,  
refractories, carbon paste, paints/ultra-  
marine blue and water proofing among  
others

## Aluminium Grade Pitch

In pre-baked anode and soderberg in aluminium manufacturing

# Inelastic & Growing Demand

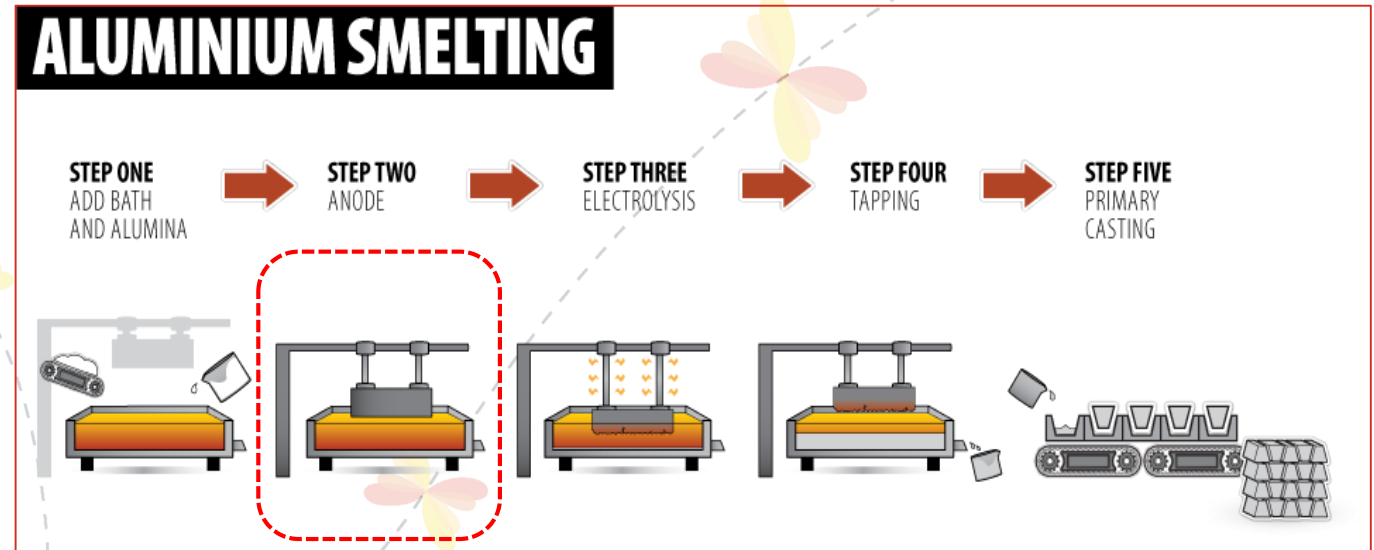
» **Inelastic Demand** : Coal Tar Pitch is used in pre-baked anode in aluminium smelter to produce aluminium. Aluminium Smelting is a Continuous Process - Smelter cannot be stopped and restarted easily

» **Complex Chemical** : Coal Tar Pitch is a Complex chemical with 22 Chemical and Physical Properties obtained through Coal Tar Distillation (CTD)

» **High Barriers for Import** : Liquid Coal Tar Pitch needs to be handled and shipped at 250°C and requires special fleets

» **Growing Demand** : 1MT of Aluminium requires 100 kgs of Coal Tar Pitch and 1MT of Graphite requires 440kgs of Coal Tar Pitch

» **Aluminium Capacity Outlook**: India's aluminium production capacity expected to increase from 2.75 MTPA to 4 MTPA by end-FY20





Anything that is  
manufactured Black  
has  
Carbon Black

**Forward Integration** to convert  
Coal Tar Oil into Carbon Black

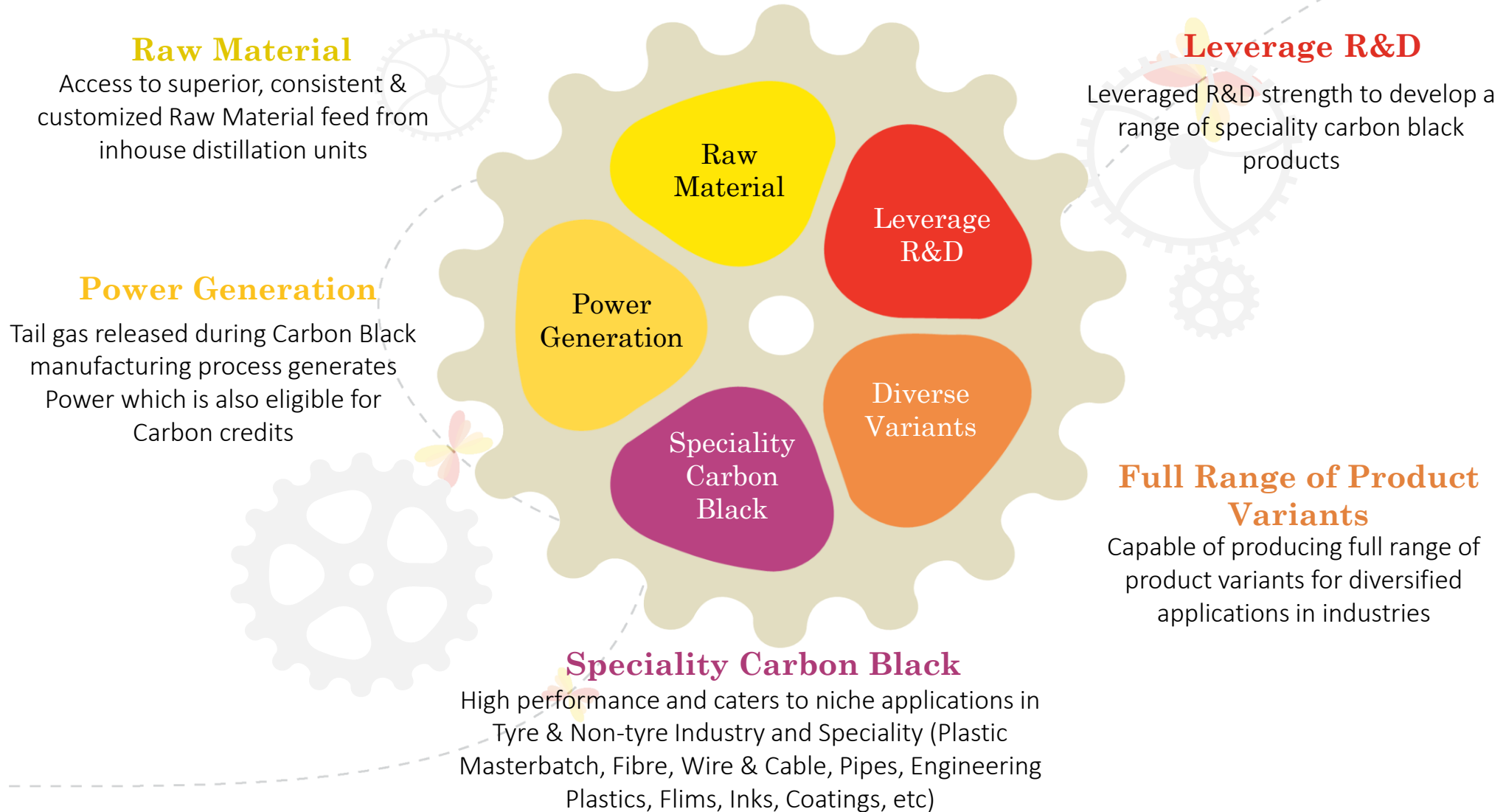
3<sup>rd</sup> Largest Carbon Black Producer in India  
with

**120,000 MTPA**

With **Superior Inhouse Raw  
Material & R&D**

**Capabilities** launching  
**Speciality Carbon Black**  
range with niche application

# Benefits of Forward Integration



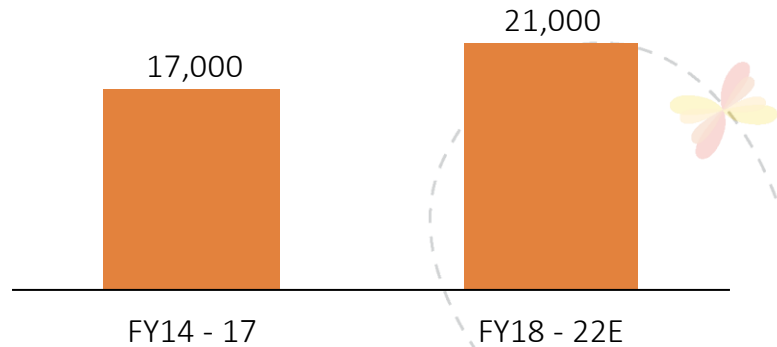


# Large Market Potential



## Indian Tyre - Commissioned Projects

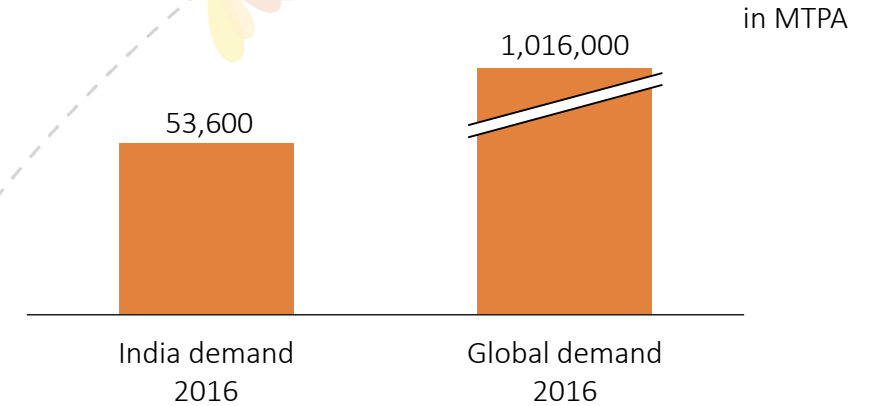
Rs. Crore



Indian Tyre Market is ~ **Rs. 500 Bn** in FY16

**14 Distributors** across India to focus on Sales to **Non-Tyre** Rubber Application

## Speciality Carbon Black



Speciality black market in India is currently small at less than **5% of Total Volume** but growing rapidly

Globally, the Speciality CB market is **10-12% of Total Volume**

# Naphthalene



Value-additions through  
**Refined  
Naphthalene and  
SNF**

**Capacity  
Doubled** for  
refined Naphthalene

Also formulate  
**Special Grade Naphthalene**



# Naphthalene Value Proposition



## Special Grade Naphthalene

Special Grade Naphthalene is formulated to cater customer's niche requirements in dyestuff and dyes intermediates application



## Naphthalene Moth Ball

Moth Balls is made by using superior grade chemical composition and leading-edge techniques in compliance with predefined quality standards for use in natural fragrances

## Sulphonated Naphthalene Formaldehyde (SNF)

SNF is a water soluble Chemical admixtures, improves the concrete mix workability and compressive flexural strength. Mainly used in the construction/infrastructure industry



# Sulphonated Naphthalene Formaldehyde (SNF)



**SNF – Next Generation Product**  
for the Construction Chemical Industry (Admixture),  
Agro chemicals, Latex, Gypsum

**Largest Indian manufacturer** of  
**SNF** with an installed capacity of  
**68,000 MTPA**

**Highest Purity SNF** manufactured from  
In-house produced Naphthalene

**Penetration of SNF** admixture in concrete  
in India is **less than 10% against a high  
global average**

# High Performance Construction Chemicals



- » **Sulphonated Naphthalene Formaldehyde (SNF)** is a speciality chemical condensate that helps improve concrete mixes by dispersing cement particles for extended workability and reinforcing compressive flexural strength
  - Naphthalene, one of the by product of Coal Tar Distillation is used in-house to manufacture SNF

- » Himadri has emerged as the largest Indian manufacturer of SNF with an installed capacity of **68,000 tonnes per annum**.
- » Although concrete finds mass usage across India, **the penetration of SNF** admixture in concrete is **less than 10%** against a high global average
- » Used in growing Industries like **Construction Chemical Industry (Admixture), Agro chemicals, Latex, Gypsum etc**



## » Future Products – Finding Next Core Business

- Advance Carbon Material

# Advance Carbon Material



## Forward Integration

from Coal Tar to  
Advance Carbon Material

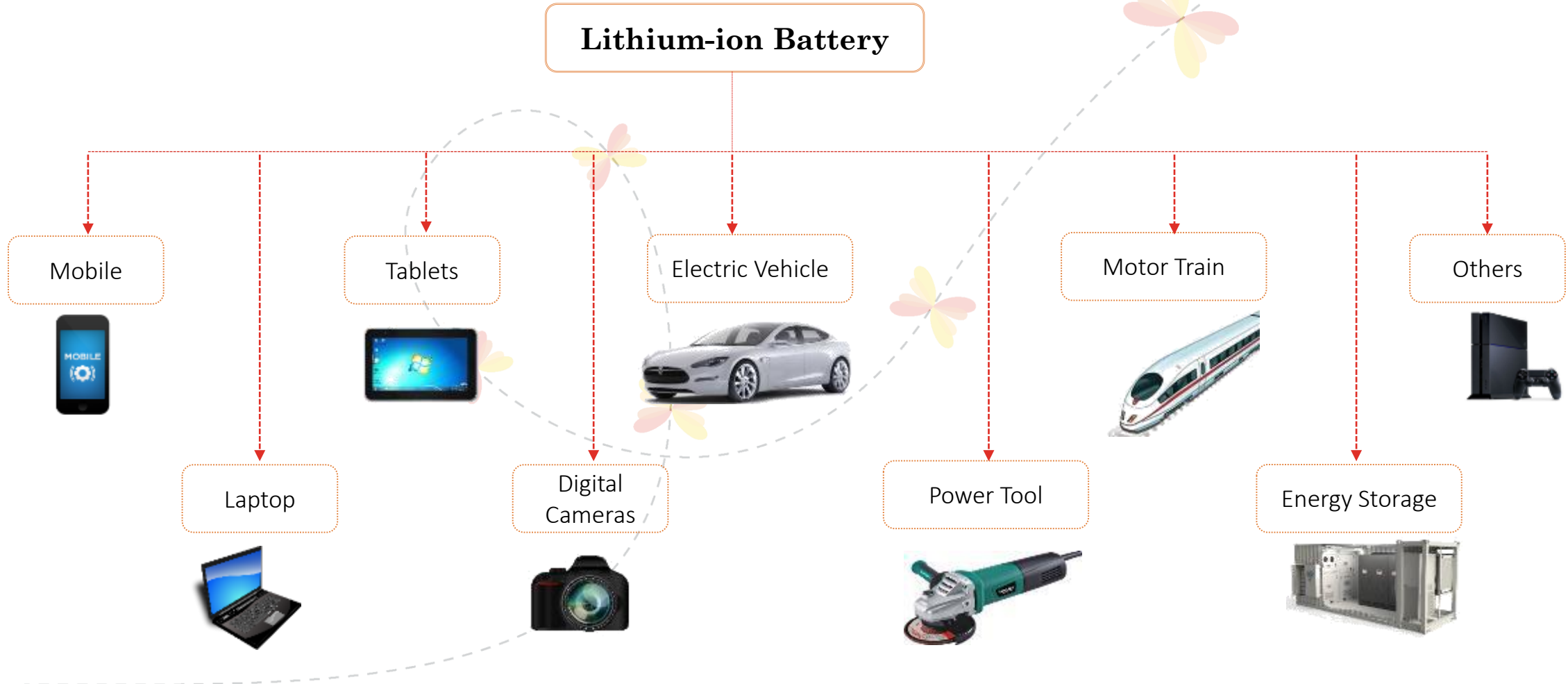
**Anode Material** used in  
Lithium-ion Batteries

**Only Producer**  
of Advance Carbon Material in India

Best in class

**Proprietary Technology**  
With **Cost Leadership**

# Application in Sunrise Sector





# At early stage of Growth



» First Indian Company to develop **anode material** of both Synthetic and Natural varieties for **lithium-ion batteries**

▪ **Best-in-class Proprietary technology to process Coal Tar to Advance Carbon Material**

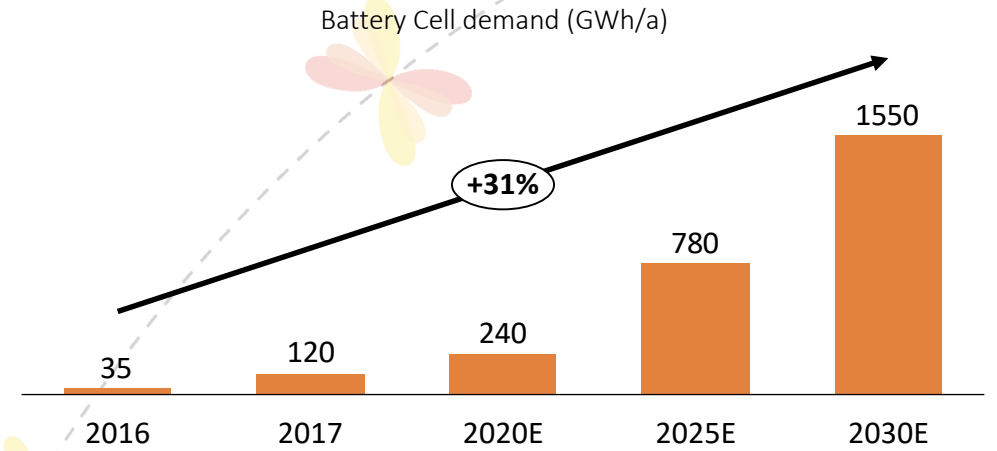
▪ **Cost Leadership :**

- **In-house access to raw material**
  - ✓ High Quality Material
  - ✓ Captive Power

## Capacity Expansion to Capitalize Growth

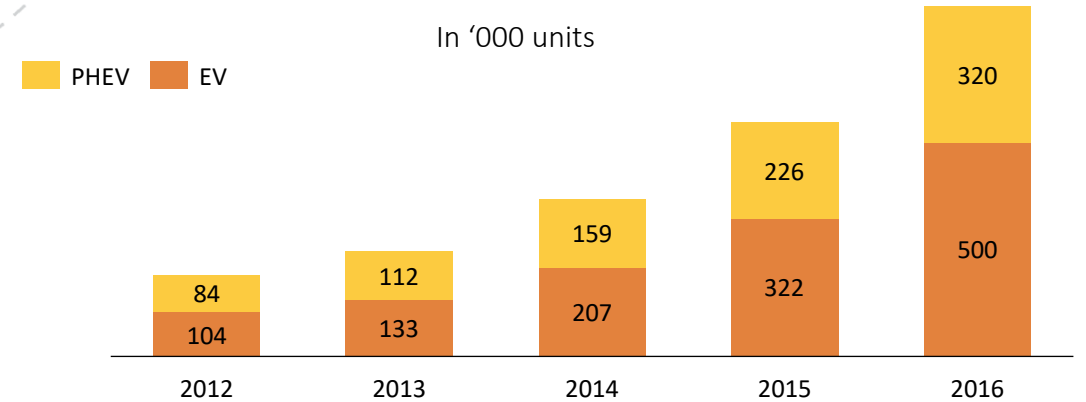
- » Advantage of its integrated manufacturing facility to reduce logistics and energy costs
- » To leverage cutting-edge product to develop next-generation materials

## Global Lithium-ion Battery Demand Projection



Source- Avicenne, Roland berger 2018 Presentations

## Global Electric Vehicles Sales



Source- ResearchInChina

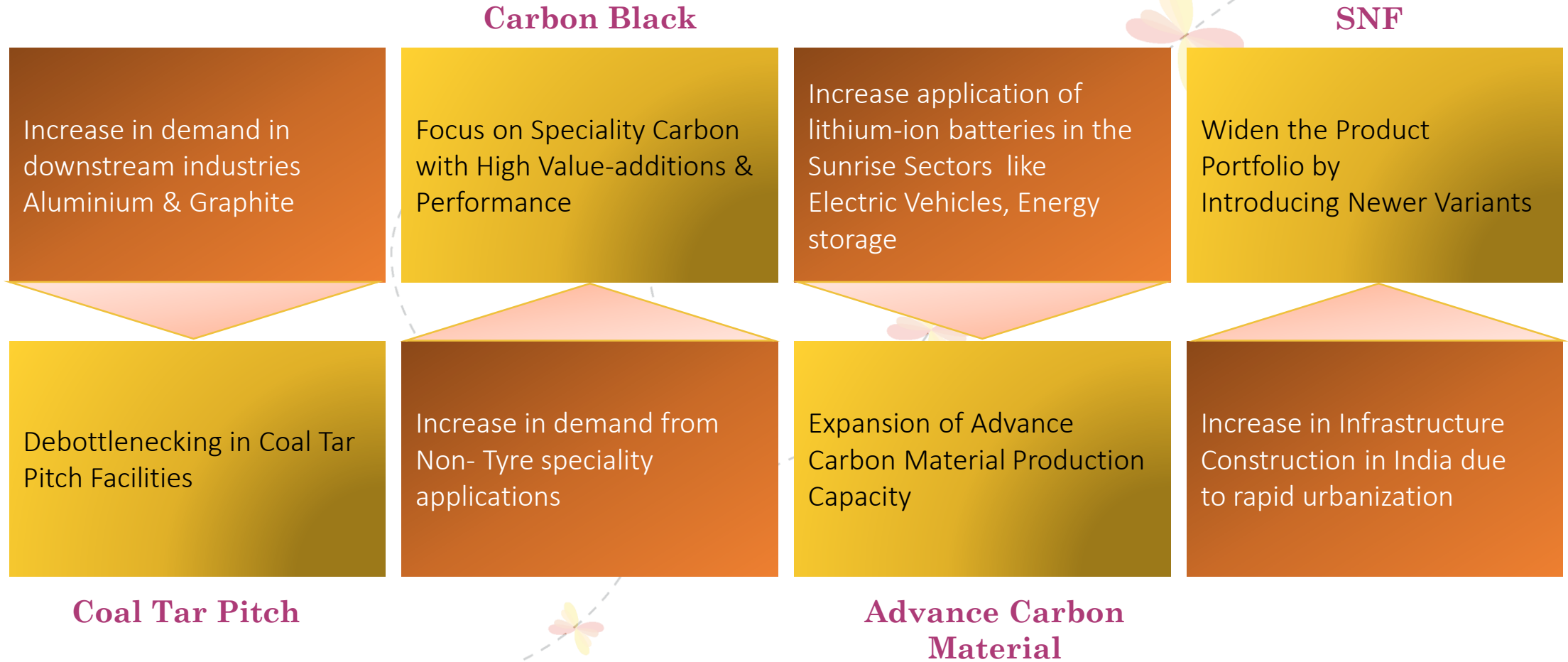
Looking Forward with Confidence



# Strongly positioned to capture Growing Markets



# Strategic Growth Priorities



**For further information, please contact:**



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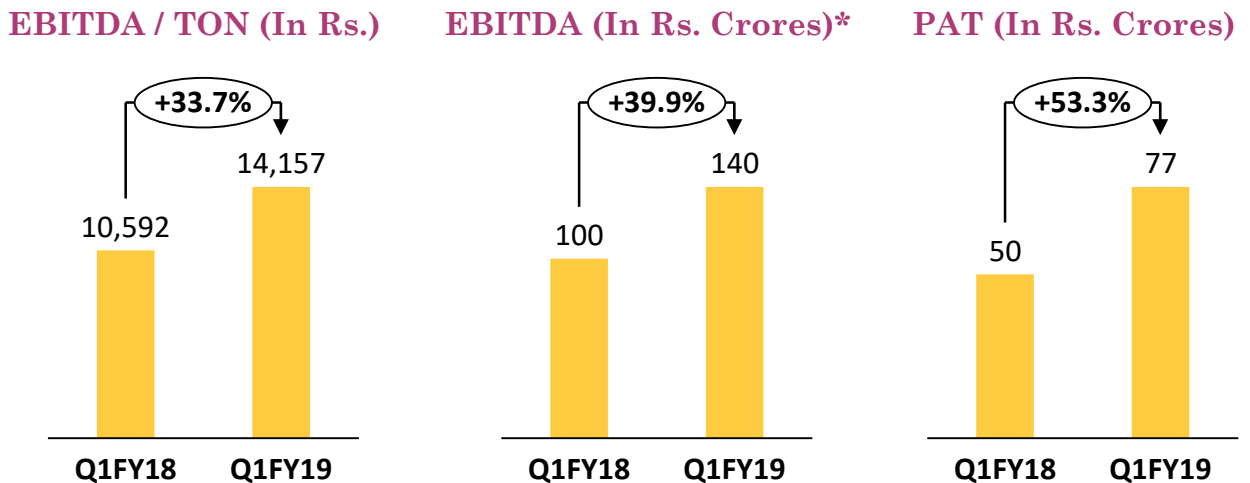
## Himadri Speciality Chemical Ltd

### Another New Record Quarterly Performance

- ✓ Highest Ever Sales Volume of 99,200 MT
- ✓ Record EBITDA/MT of Rs.14,157 ; Growth of 34% Y-o-Y
- ✓ Record EBITDA of Rs. 140 Crores; Growth of 40% Y-o-Y
- ✓ Record PAT of Rs. 77 Crores ; Growth of 53% Y-o-Y

Release: 13<sup>th</sup> August 2018, Kolkata

Himadri Speciality Chemical Ltd. Is a leading Carbon corporation with one-of-its-kind vertical integration in the world. The Company is market leader in most of its key product segments which include coal tar pitch, carbon black, naphthalene and its derivatives, SNF, speciality oils, etc.



\* Excludes FX Fluctuation Gain / Loss

### ❖ Another New Record Quarterly Performance

- Revenue of Rs. 605 crs., Y-o-Y growth of 34% due to increased Volume, improved product mix & better Realizations
- EBITDA of Rs. 140 crs., Y-o-Y growth of 40%
- EBITDA / Ton at Rs. 14,157, Y-o-Y growth of 34%
- Net profit at Rs. 77 crs., Y-o-Y growth of 53%
- Volume Increased to 99,200 MT



***Commenting on the results and performance, Mr. Anurag Choudhary, CEO of Himadri Speciality Chemical Ltd said:***

*“It gives me immense pleasure to inform you all that Financial Year 2019 has started with record performance. We have reported highest ever Revenue, Volume, EBITDA and Profitability. We have maintained our Leadership in Core Products with improved operating efficiencies.*

*We have been registering growth in our existing businesses on a sustainable basis. We have taken Strategic Initiatives to grow our business in High Value Products in Sunrise Sectors like Advance Carbon Materials (ACM) and Speciality Carbon Black. The direction we have taken encompassing sustainable current core products and establishing new core of high value strategic products will take Himadri to another orbit.*

*We are confident that we will continue the growth momentum in the years to come and deliver better shareholder value.”*

**About Himadri Speciality Chemical Ltd**

Himadri Speciality Chemical Ltd (“Himadri Speciality”) was established in 1987, is a leading Carbon corporation with one-of-its-kind vertical integration in the world with headquarters in Kolkata, West Bengal.

The Company is a leader in products like Coal Tar Pitch with market share of around 70% catering to more than two-thirds of the Indian Graphite and Aluminium industry, Carbon Black with market share of 17% catering to niche application in Tyre and non-Tyre industry. In the last few years, Himadri Speciality has diversified its product portfolio by way of forward integration which includes advance carbon material and other value added speciality products. The Company has 9 ‘Zero Discharge’ World Class Manufacturing Facilities across India & China. The Company has developed a strong and experienced R&D team with international experts, its R&D unit is situated at Mahistikry, West Bengal which is recognized by Government of India.



## Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information, please contact

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