



Himadri Speciality Chemical Ltd

INVESTOR PRESENTATION

FY20

OPTIMISM

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FY20 : Strategy Delivered

» Consistent Sales Volumes

Consistent Volumes in FY20 except Q4FY20

» SCB Capacity Delivered

Commenced Commercialisation of 60,000 MTPA

» Agile Decision Making

Reviewed Capex outflow timelines for ACM

» Strengthening Balance Sheet

Strong Debt to Equity Ratio & Capex funded In-house

» Credit Ratings Reaffirmed

Acknowledge the continued strength of our business

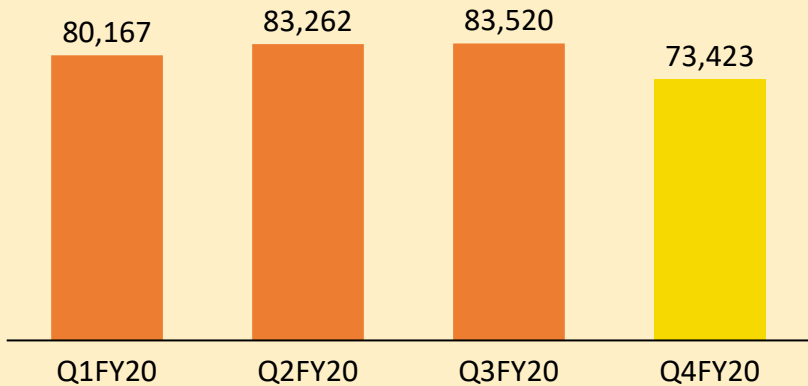
» Awards & Accolades

Honoured with some of the prestigious awards

Consistent Sales Volume

Sales Volume (MT)

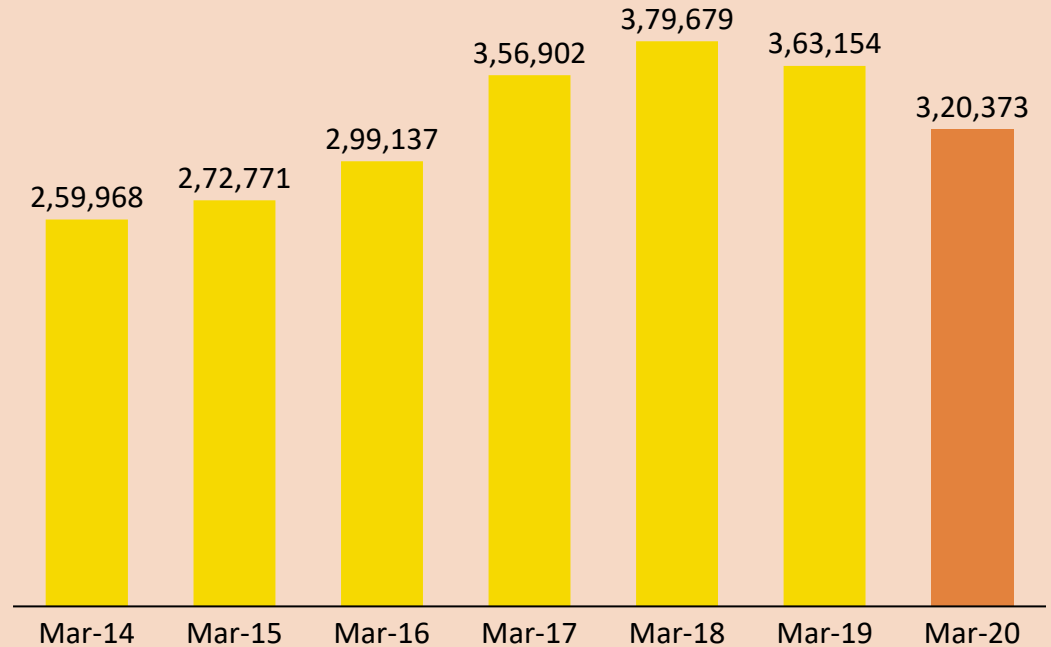
Sales Volume maintained inspite of the challenging conditions throughout the year & outbreak of the COVID-19 pandemic in Q4FY20



On Standalone basis

Sales Volume in MT

Long Term Sustainable Business



On Standalone basis

Speciality Carbon Black Capacity Delivered

Focus on Speciality Carbon with High Value-additions & Performance

Set-up of Speciality Carbon Black at West Bengal with an annual capacity of 60,000 MTPA

Operational since Q4FY20

SCB Capacity
60,000 MTPA
Commissioned

Speciality Carbon Black

Specialty Carbon Black has high-end application in non-rubber industries like plastics, fibre, wire & cable, etc.

This is the product for Future Growth

Agile Decision Making

Advance Carbon Material is a high-technology material used for Lithium-ion (Li-ion) battery

This is the product for Future Growth

The Company is determined to **Protect Long Term Value**

.....however, to conserve cash in the current situations, we have put this project on hold

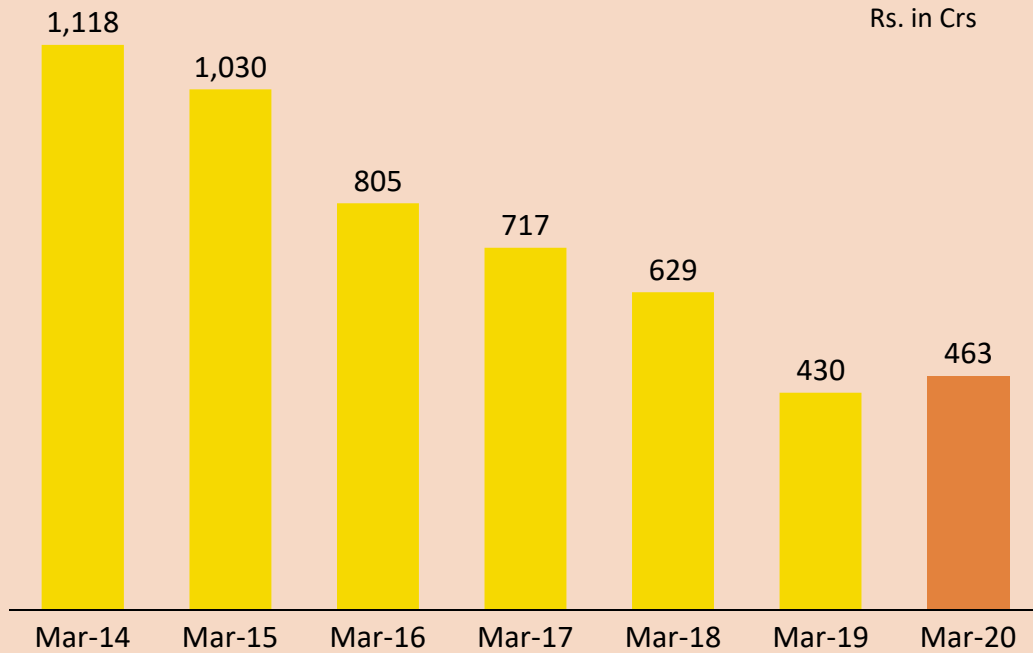


Expansion of Advance Carbon Material Production	Capacity : 20,000 MTPA	Increasing application of lithium-ion batteries in the Sunrise Sectors	Commissioning is expected to be in phases

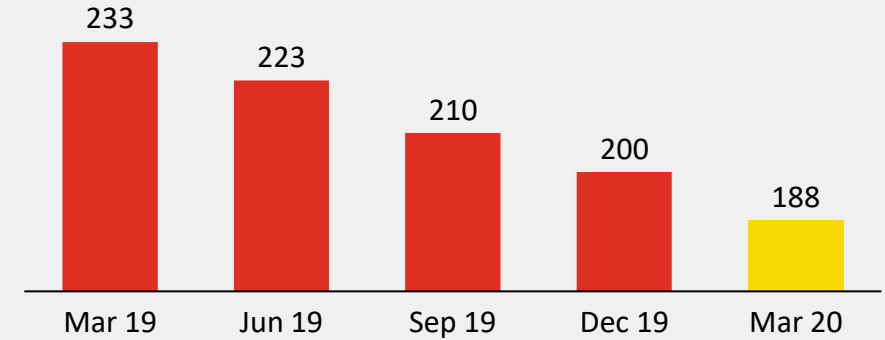
Strengthening Balance Sheet

Net Debt

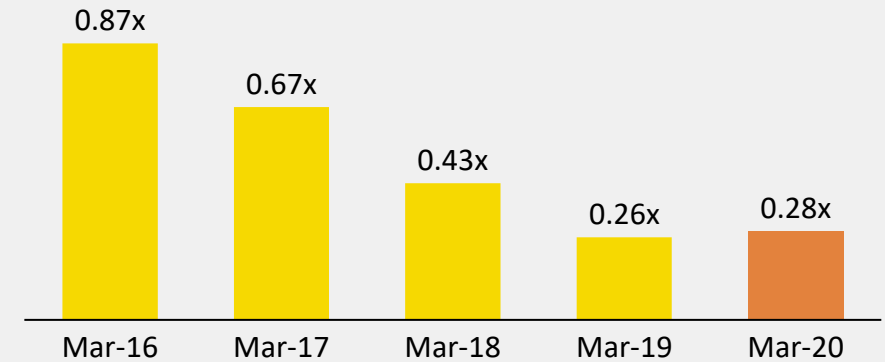
Strong Balance Sheet and Sufficient Financial flexibility even in these tough times...



Long Term Borrowings



Net Debt / Equity



On Standalone basis

Credit Rating Reaffirmed



Non-Convertible
Debenture Issue

₹ 150 Crores

CARE AA- ; Stable
(Double A minus; Outlook:
Stable)

Reaffirmed

Long Term Bank
Facilities

₹ 48.68 Crores

CARE AA- ; Stable
(Double A minus; Outlook:
Stable)

Reaffirmed

Long Term Bank /Short
Term Bank Facilities

₹ 1,625 Crores

**CARE AA- ; Stable / CARE
A1+**
(Double A minus; Outlook:
Stable/ A One Plus)

Reaffirmed

Commercial Paper

₹ 300 Crores

CARE A1+
(A one plus)

Reaffirmed

Awards & Accolades

- » Recognized as the Fastest Growing Company in ET Bengal Corporate Awards 2020
- » Identified as Growth Champions (Ranked #76) in Economic Times-Statista inaugural edition of India's Growth Champions 2020 by Economic Times (2020)
- » Gold Award for the Year in Safety Practices by Greentech Foundation
- » Gold Award & Top 100 in International Annual Report Competition 2019 by League of American Communications Professionals LLC (LACP)
- » Ranked #1 by Fortune India in their fifth edition of midsize marvels-The Next 500
- » 19th Annual Greentech Environment Award 2019" by Greentech Foundation



01 Vertically integrated leading Carbon Corporation

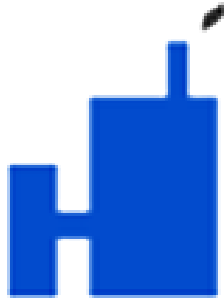
02 Portfolio Transformation

03 Strong Research & Development

04 Future Strategy

Most Integrated Speciality Carbon Corporation Globally

2010



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



2020



- » Aluminium Grade Pitch
- » Graphite Grade Binder Pitch
- » Graphite Grade Zero QI (Quinolene Insoluble) coal tar impregnated pitch
- » Advance Carbon 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

Portfolio Transformation

Most Integrated

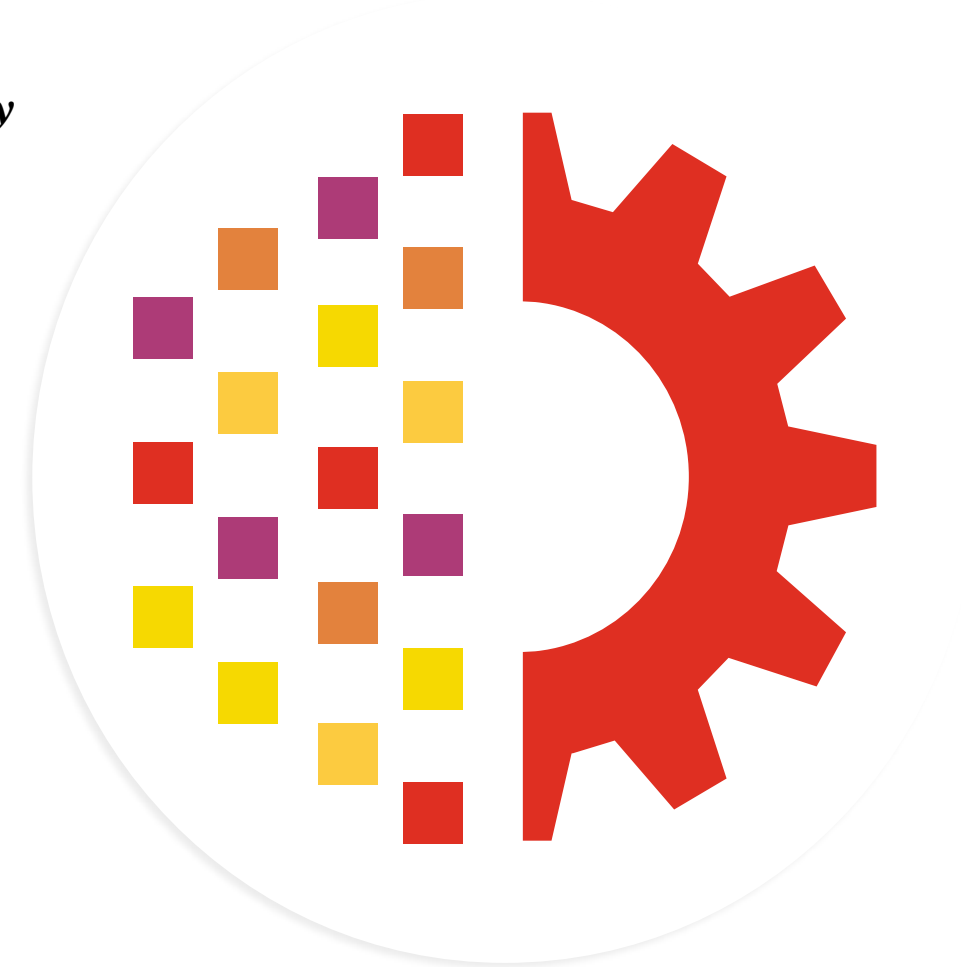
Speciality Carbon Corporation Globally

From
Carbon Black
to
Speciality Carbon
Black

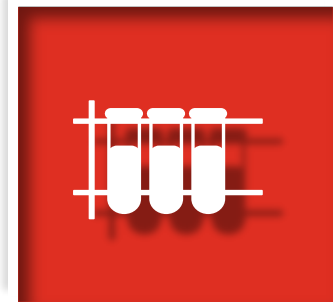
From
Coal Tar
to
Advance Carbon
Material

From
Naphthalene
To
Sulphonated
Naphthalene
Formaldehyde

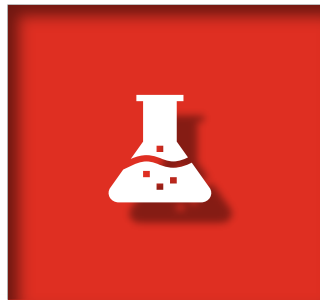
*Transformation towards
High Value Products*



Strong Research & Development



**World Class
Laboratory**



**Techno-
Commercial
Team**

**An
Innovation
Mindset**



**Large
Knowledge
Bank**



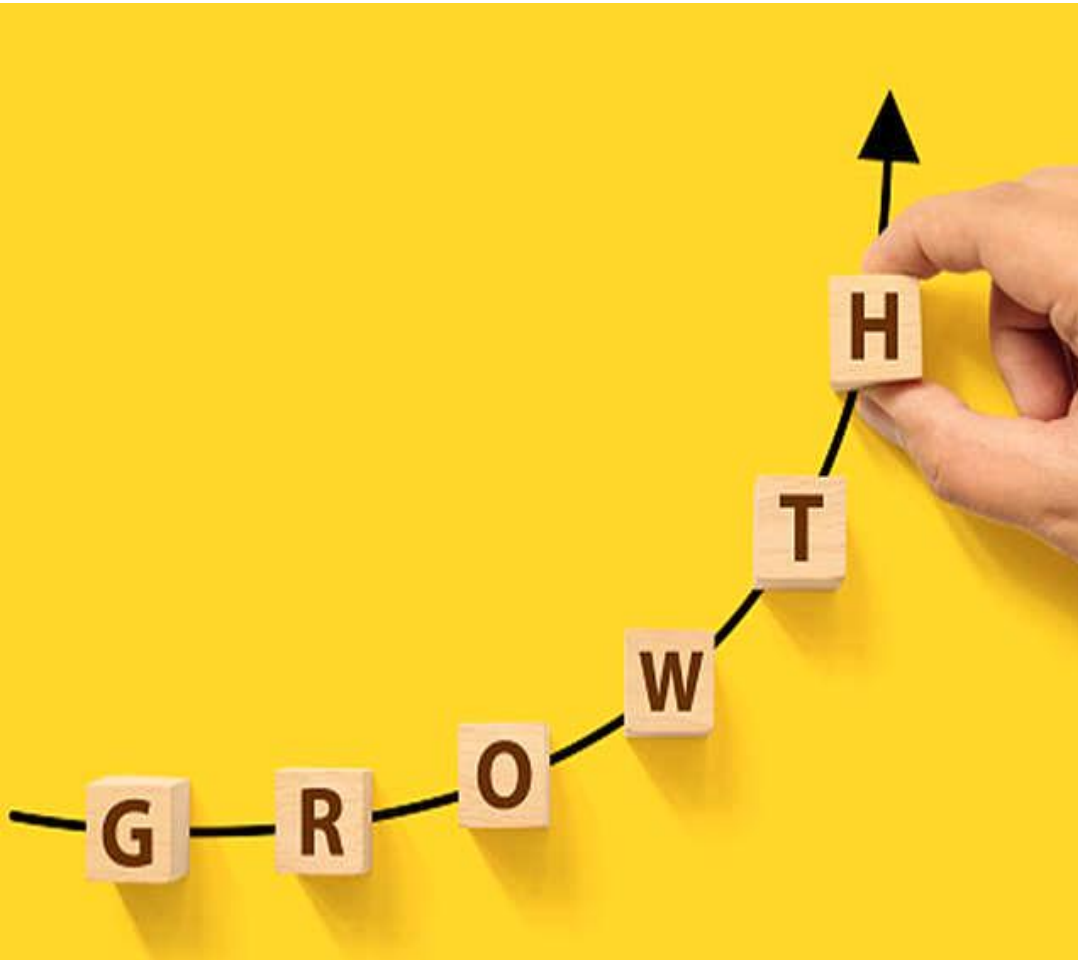
**Continuous
R&D**

4
New brands introduced with multiple grades catering to different application segments of Speciality Carbon Black

7%
Reduction in energy consumption in certain processes

11%
Increased productivity of certain grades through debottlenecking

Manufactured speciality chemicals at 9 **'Zero Discharge'** world-class facilities across India and China (Remove China and take latest Count)



High Value
Product Pipeline

Right Capacity

Strong Clientele

Product
Leadership

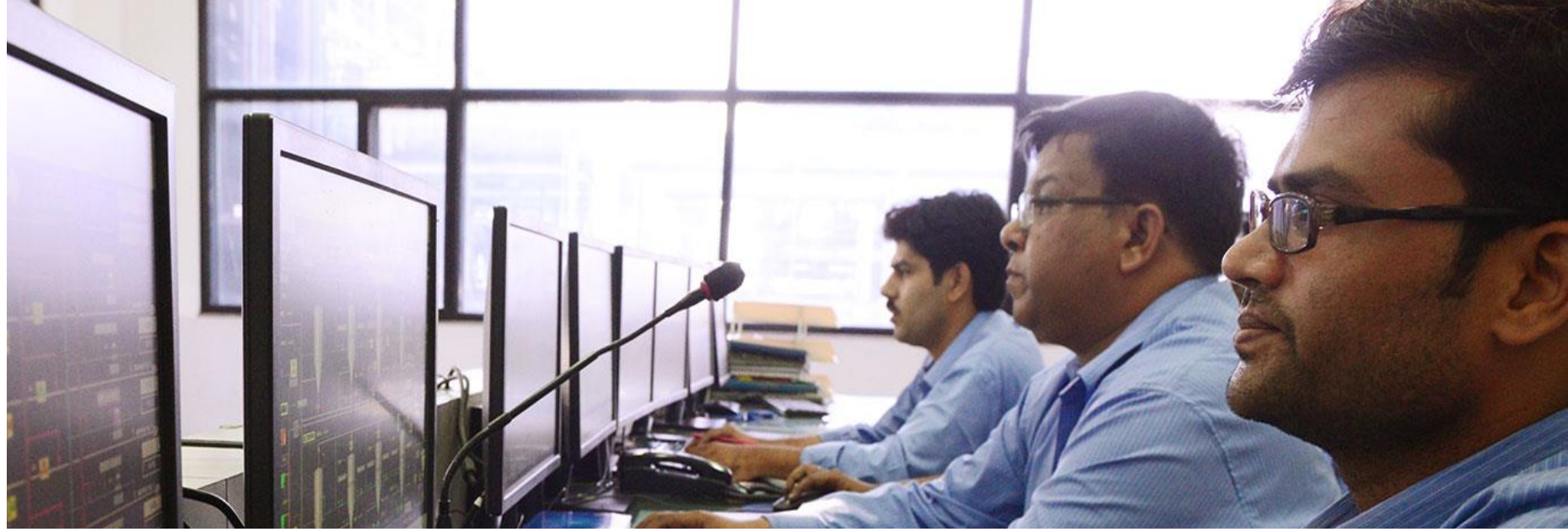
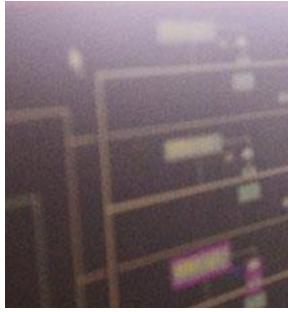
Strong R&D

Strategic
Location

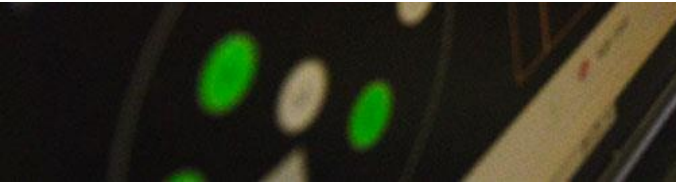
Diversified End
Markets

Global
Management
Team

Cutting Edge
Technologies

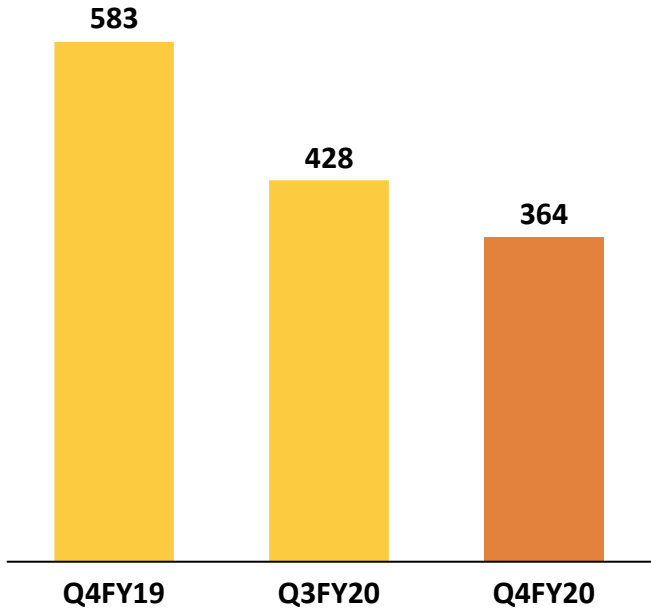


Financial Performance

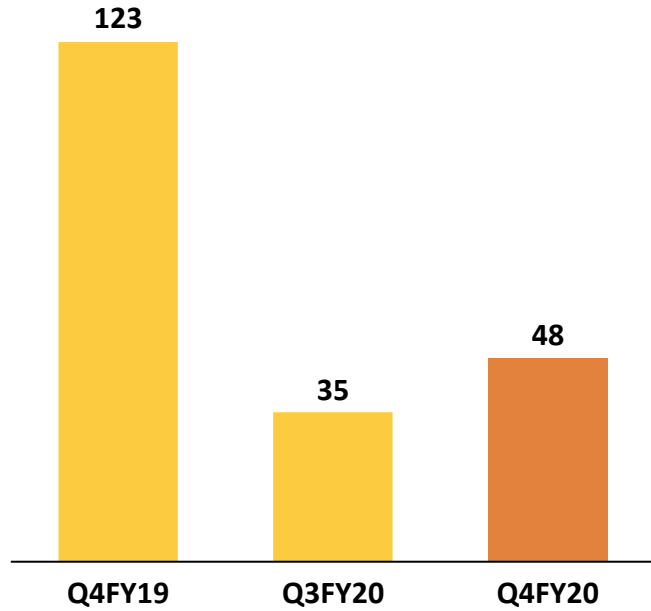


Standalone Performance Highlights

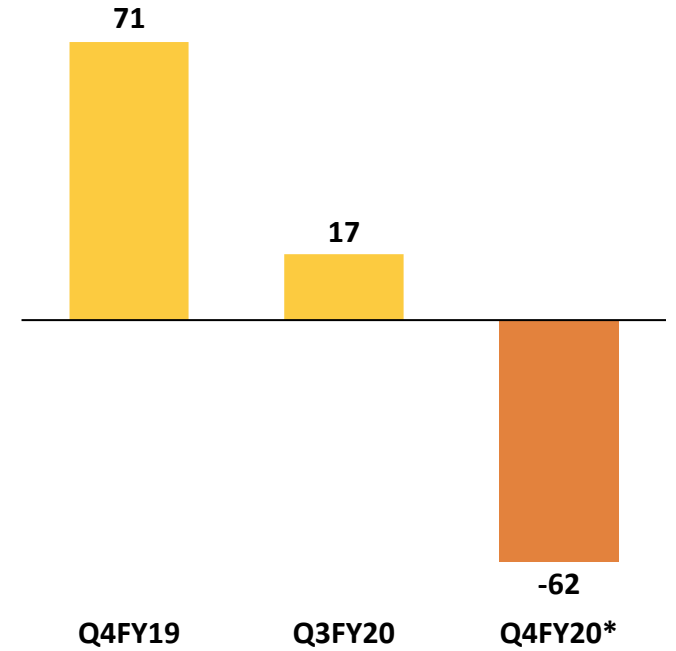
Revenue



EBITDA



PAT

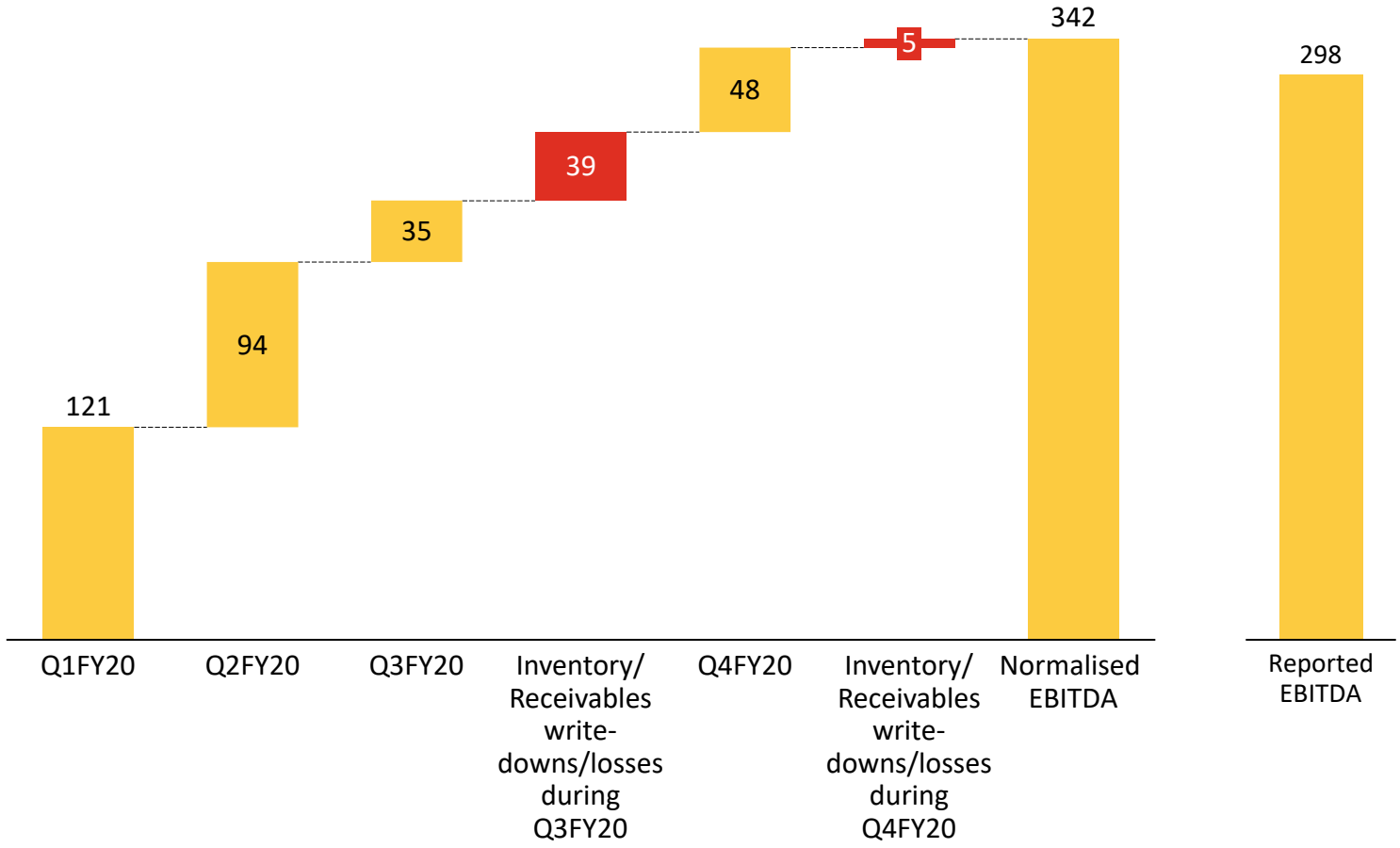


* Exceptional loss of Rs. 128 crores - The Company had made investments in equity shares and given loans and advances to its wholly owned subsidiary, AAT Global Limited ('AAT'), Hongkong. AAT, in turn, invested in equity shares and had given loans and advances to its subsidiary, Shandong Dawn Himadri Chemical Industry Limited ('SDHCIL'), China. Shortfall in the business performance of both AAT and SDHCIL compared with budgets and further changes in the technology, market, economic environment have adverse impact on the value of the investments and recoverability of loans and advances given. The Company's investments in equity shares and loans and advances given to AAT, amounting to Rs 128 crores, have been fully provided for.

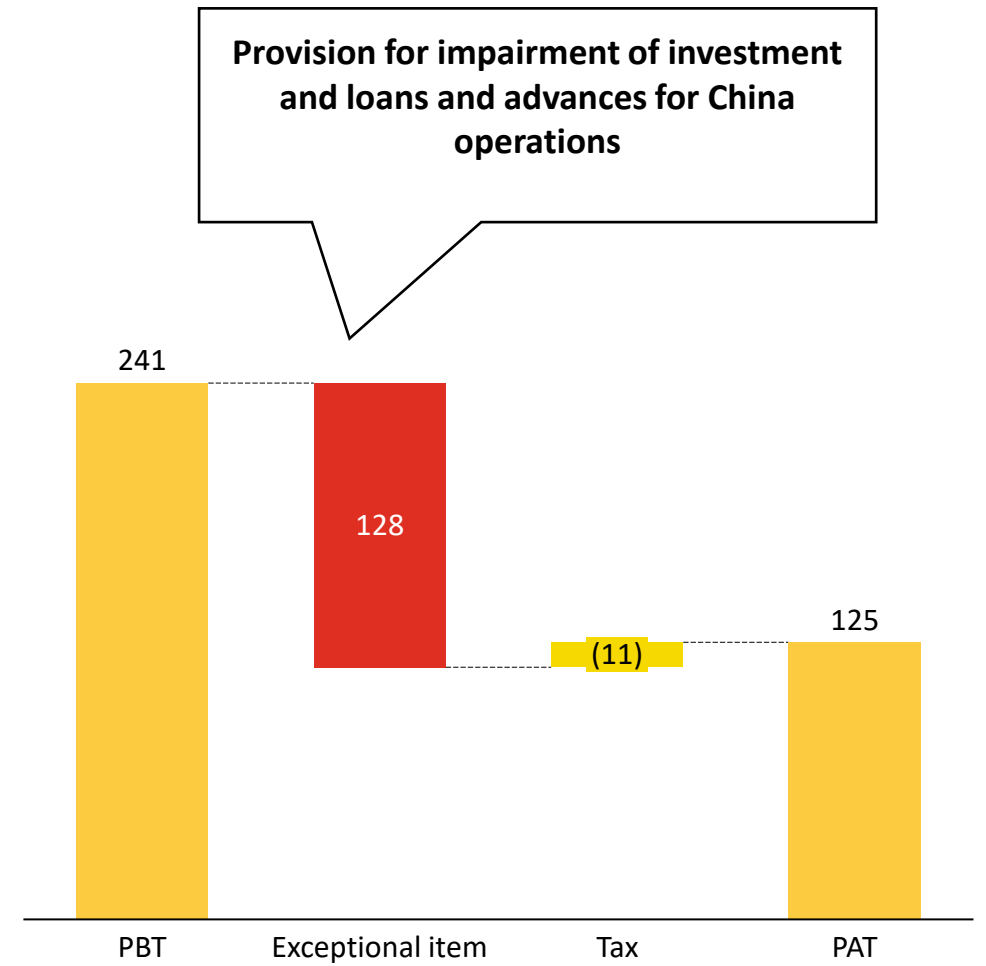
One-off impact on FY20 Profitability

Rs. In Crs

EBITDA for FY20 *



PAT for FY20



* Excluding Foreign Exchange Fluctuation

Standalone Profit & Loss



Profit and Loss (in Rs. Crs)	Q4 FY20	Q4 FY19	Y-o-Y (%)	Q3 FY20	Q-o-Q	FY20	FY19	Y-o-Y (%)
Revenue from Operations	364	583	-38%	428	-15%	1,804	2,377	-24%
Raw Material	247	387		318		1,222	1,588	
Gross Profit	117	196	-40%	110	6%	582	789	-26%
Employee Cost	19	16		18		73	58	
Other Expenses	50	57		57		211	193	
Reported EBITDA	48	123	-61%	35	38%	298	538	-45%
Inventory write-offs/advanced receivables charged to P&L	5	-		39		44	-	
Normalised EBITDA	53	123	-57%	74	-28%	342	538	-36%
Depreciation	12	8		9		37	33	
Other Income	(1)	4		3		5	11	
Foreign Exchange Fluctuation (Gain) / Loss	17	(2)		0		14	(3)	
EBIT	18	121	-85%	29	-39%	252	519	-51%
Finance Cost	14	17		11		54	70	
Exceptional Item Gain / (Loss)*	(128)	0		0		(128)	0	
Profit before Tax	(124)	104		18		70	449	
Tax	(62)	33		1		(11)	138	
PAT	(62)	72		17		81	311	

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Standalone Balance Sheet



Particulars (in Rs. Crs.)	Mar'20	Mar'19
ASSETS		
Non-Current Assets	1,639	1,671
Property, Plant and Equipment	1,362	1,094
Capital work-in-progress	158	126
Right use of assets	24	0
Intangible Assets	2	2
Financial Assets		
(i) Investments	47	232
(ii) Trade Receivables	8	8
(iii) Loans	21	83
(iv) Other Financial Assets	0	0
Non-Current Tax Assets (net)	2	2
Other Non-Current Assets	15	124
Current Assets	818	1,119
Inventories	331	539
Financial Assets		
(i) Investments	-	0
(ii) Trade Receivables	300	366
(iii) Cash and Cash Equivalents	37	10
(iv) Bank Balances other than cash and cash equivalents	5	37
(v) Loans	3	2
(vi) Other Financial Assets	6	10
Other Current Assets	136	155
TOTAL	2,457	2,790

Particulars (in Rs. Crs.)	Mar'20	Mar'19
EQUITY AND LIABILITIES		
EQUITY	1,652	1,681
Equity Share Capital	42	42
Other Equity	1,610	1,639
Non-current liabilities	81	322
Financial Liabilities		
(i) Borrowings	22	188
(ii) Derivatives	0	4
(iii) Other Financial Liabilities	2	0
Provisions	5	3
Deferred Tax Liabilities (net)	52	127
Current liabilities	724	787
Financial liabilities		
(i) Borrowings	314	242
(ii) Trade Payables	212	411
(iii) Derivatives	2	2
(iv) Other Financial Liabilities	185	68
Other Current Liabilities	10	60
Provisions	1	1
Current Tax Liabilities (net)	0	3
TOTAL	2,457	2,790

Consolidated Profit & Loss

Particulars (In Rs. Crs)	Q4 FY20	Q4 FY19	Y-o-Y (%)	Q3 FY20	Q-o-Q	FY20	FY19	Y-o-Y (%)
Net Revenue From Operations	364.41	584.73	-38%	429.73	-15%	1,806	2,422	-25%
Cost of Materials Consumed	247.98	384.44		318.85		1,224	1,600	
Gross Profit	116.43	200.29	-42%	110.88	5%	582	822	-29%
Employee Benefits Expense	19.09	16.04		18.48		74	60	
Other Expenses	51.36	58.1		57.27		213	200	
EBITDA	45.98	126.15	-64%	35.13	31%	294	563	-48%
Other Income	4.35	2.64		1.44		8	8	
Foreign Exchange Fluctuation (Loss)/Gain	15.37	-4.47		-1.46		14	3	
Depreciation and Amortization Expense	12.26	8.31		9.37		39	34	
EBIT	22.7	124.95	-82%	28.66	-21%	249	533	-53%
Finance Costs	13.74	17.44		11.64		55	71	
Profit / (Loss) Before Tax	8.96	107.51		17.02		194	462	
Tax Expenses	-62.03	32.79		1.22		-11	138	
Profit / (Loss) for the year	70.99	74.72	-5%	15.8	349%	205	324	-37%
Other Comprehensive Income	-29.06	-97.62		-24.67		-97	-104	
Total Comprehensive Income for the year	41.93	-22.9		-8.87		108.03	220.09	

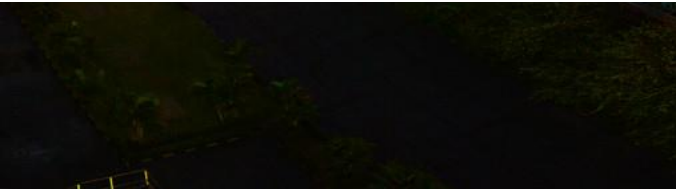
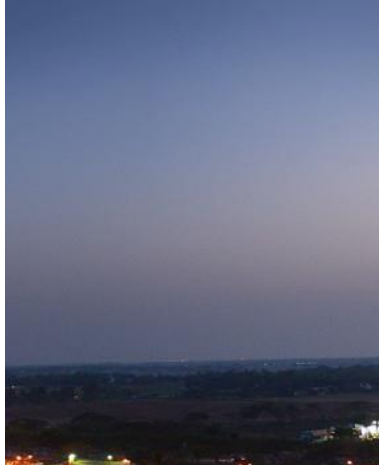
Consolidated Balance Sheet

Particulars (in Rs. Crs.)	Mar'20	Mar'19
ASSETS		
Non-Current Assets	1,725	1,637
Property, Plant and Equipment	1,439	1,168
Capital work-in-progress	158	133
Right use of assets	34	0
Intangible Assets	2	2
Financial Assets		
(i) Investments	47	179
(ii) Trade Receivables	8	8
(iii) Loans	20	20
(iv) Other Financial Assets	0	0
Non-Current Tax Assets (net)	2	2
Other Non-Current Assets	15	125
Current Assets	837	1,151
Inventories	405	543
Financial Assets		
(i) Investments	0	0
(ii) Trade Receivables	300	366
(iii) Cash and Cash Equivalents	42	14
(iv) Bank Balances other than cash and cash equivalents	5	37
(v) Loans	3	3
(vi) Other Financial Assets	6	10
Other Current Assets	76	178
TOTAL	2,562	2,788

Particulars (in Rs. Crs.)	Mar'20	Mar'19
EQUITY AND LIABILITIES		
EQUITY	1,734	1,631
Equity Share Capital	42	42
Other Equity	1,692	1,590
Total Equity attributable to the equity holders of the Company	1,734	1,632
Non-Controlling Interest	0	(1)
Non-current liabilities	86	322
Financial Liabilities		
(i) Borrowings	22	188
(ii) Derivatives	0	4
(iii) Other Financial Liabilities	7	0
Provisions	5	3
Deferred Tax Liabilities (net)	52	127
Current liabilities	742	835
Financial liabilities		
(i) Borrowings	314	242
(ii) Trade Payables	229	441
(iii) Derivatives	2	2
(iv) Other Financial Liabilities	186	68
Other Current Liabilities	10	78
Provisions	1	1
Current Tax Liabilities (net)	0	3
TOTAL	2,562	2,788

Cash Flow Statement

Particulars (Rs. Crs.)	Standalone		Consolidated	
	Mar-20	Mar-19	Mar-20	Mar-19
Profit Before Tax	70	449	194	462
Adjustments for: Non -Cash Items / Other Investment or Financial Items	230	86	110	75
Operating profit before working capital changes	300	535	304	537
Changes in working capital	16	31	13	34
Cash generated from Operations	316	566	317	571
Direct taxes paid (net of refund)	34	95	34	95
Net Cash from Operating Activities (A)	282	471	283	476
Capex Investments	(247)	(203)	(247)	(204)
Cashflow from other investing activities	32	(20)	33	(20)
Net Cash from Investing Activities (B)	(215)	(223)	(214)	(224)
Dividend Paid	(8)	(5)	(8)	(5)
Interest & Other Payments	(31)	(251)	(33)	(253)
Net Cash from Financing Activities(C)	(39)	(256)	(41)	(258)
Net Increase/(Decrease) in Cash and Cash equivalents	28	(8)	28	(6)



Business Overview

Product Portfolio

Coal Tar Pitch

#1 Producer



Carbon Black

3rd Largest player in India



Naphthalene

Largest Indian Player



Refined Naphthalene

Largest Indian Player



Advance Carbon Material

Only Company in India



SNF

Largest player in India



Specialty Oils

Niche segments in India and internationally



Power

Green Power from In-house process gas



Applications across Industries



Paints, Plastic & Fibre



Graphite Electrodes



Anti Corrosive Material



Defence



Construction Chemical



Aluminium



Lithium – Ion Batteries



Infrastructure



Rubber Industries



Wood Preservative Oils



Power



Specialized Products

If You Can Be One Thing, Be Dependable

CTP Clientele



CB Clientele



Others Clientele

