



Chembond Chemicals Limited

About us and our activities

Q1 2019-20

Welcome

- Chembond Chemicals Limited is in its 45th year of operations
- Consistent performer; dividend paying since inception
- Pan-India manufacturing, sales and service footprint
- Head Office in Navi Mumbai, MH
- DSIR certified R&D facilities at Navi Mumbai, MH and Dudhwada, GJ
- Family driven, professionally managed, agile organization
- New business lines are evaluated and incubated continuously

Core Business Units



- Businesses aligned by solutions offered and segments catered
- Each business has a team of specialists working in the field with customers

Business Unit Walkthroughs

Q1 2019-20



Water Technologies

Chembond Water Technologies Limited
Chembond Clean Water Technologies Limited
Chembond Chemicals Malaysia Sdn Bhd
Q1 2019-20

Water

- Water is extensively used by industries
- Different areas / applications of water in industry:
 - Raw Water, Boiler Water, Cooling Water, Wastewater, RO membrane
- Raw water quality and availability varies across the country / world
- Treatment of raw water for any further use thus becomes critical
- Inadequate / improper treatment becomes detrimental to plant performance and longevity

WITH YOU FOR YOUR WATER TREATMENT NEEDS



	1 Raw Water Tank	2 Clarifier	3 Treated Water Tank	4 Cooling Tower	5 Boiler	6 Process Water	7 Effluent Tank	8 Secondary Clarifier	9 Treated Water Tank
We Offer	<ul style="list-style-type: none"> Coagulants 	<ul style="list-style-type: none"> Flocculants Scraper Media Filters 	<ul style="list-style-type: none"> Disinfectants 	<ul style="list-style-type: none"> Corrosion Inhibitors Scale Inhibitors Dispersants Biocides Chemical Dosing Skid Blow down water filters 	<ul style="list-style-type: none"> Sludge Conditioners Oxygen Scavengers Condensate Corrosion control DM Plant Condensate Polisher 	<ul style="list-style-type: none"> DM Plant UF Plant RO Plant RO Membrane treatment 	<ul style="list-style-type: none"> Coagulants Microbial cultures Aeration system 	<ul style="list-style-type: none"> Flocculants Odor control Enzymes Filtration equipment 	<ul style="list-style-type: none"> Disinfectants
Purpose	Once coagulants are added and mixed, heavy particles in the water begin to stick together and form large and heavy flocs.	Flocculants are added to accelerate settling of the flocs. These large particles are removed by scrapers. The water passes through media based filters for further turbidity reduction.	Chlorine Dioxide and/or Chlorine are added to treated water to control microbiological growth. Untreated water with microbial load can cause various problems.	Chemicals are added to control corrosion, scale, deposition and biological fouling in heat transfer equipment. Chemical dosing is automated by dosing skids. Blow down water is passed through filters for re-use in cooling towers.	Improved efficiency is achieved through use of corrosion and scale control chemicals in boilers. Feed water quality of high purity is obtained through DM plants. Condensate polishers enable water re-use.	Process side water generally needs to be of a particular quality. This quality is obtained by treating the water through equipment. RO membranes need to be clean and scale free to maintain throughput.	Microbial cultures help break down complex chemical pollutants and reduce pollution load. Aeration is very important to provide oxygen for break down activity. Coagulants help form large flocs.	Foul odor is an often neglected problem in ETP's. Enzymes are safe to use odor control products. Flocculants accelerate settlement of flocs and their transfer to sludge tank. Filters further reduce turbidity.	Chlorine Dioxide and/or Chlorine are added to treated water to control microbiological growth. Untreated water with microbial load can cause various problems.

What We Do

- **Specialty Water Treatment chemicals**
 - Raw water treatment coagulants
 - Boiler water treatment formulations
 - Cooling water treatment products
 - Wastewater treatment flocculants
 - Reverse Osmosis (RO) membrane treatment chemicals
- **Water treatment equipment**
 - Filtration systems for suspended solids removal
 - RO and Resin based solutions for dissolved solids removal
 - Wastewater treatment systems for treating and recycling water
 - Special solutions for process water treatment and recovery
- Bio-remediation of industrial wastewater using microorganisms

Application Areas

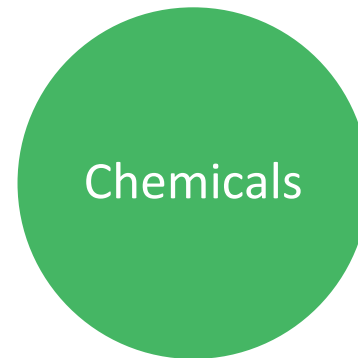


Complete Water Treatment solutions

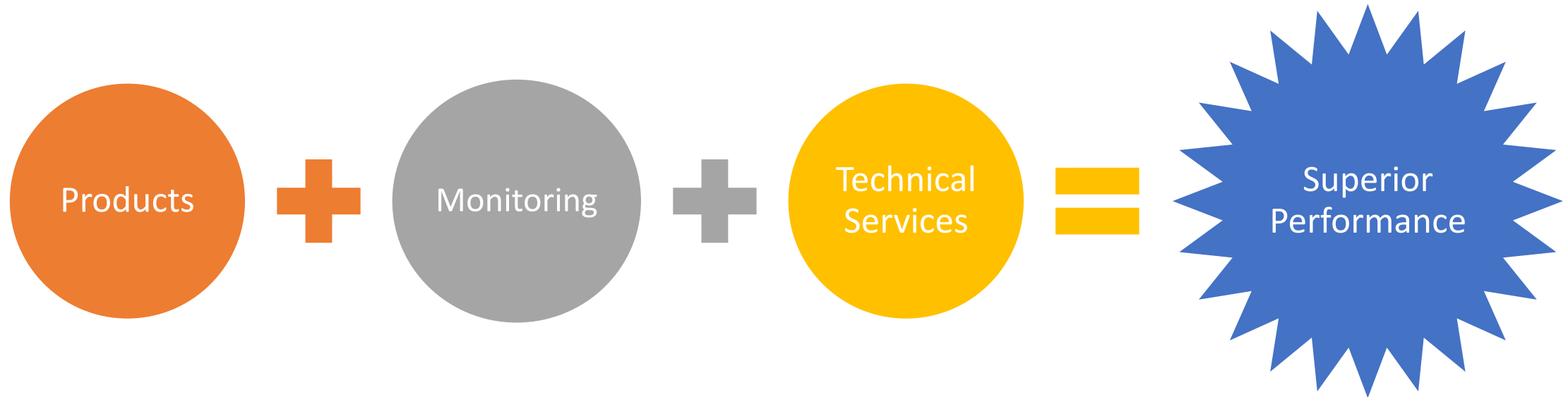
Chembond Clean Water Technologies Ltd



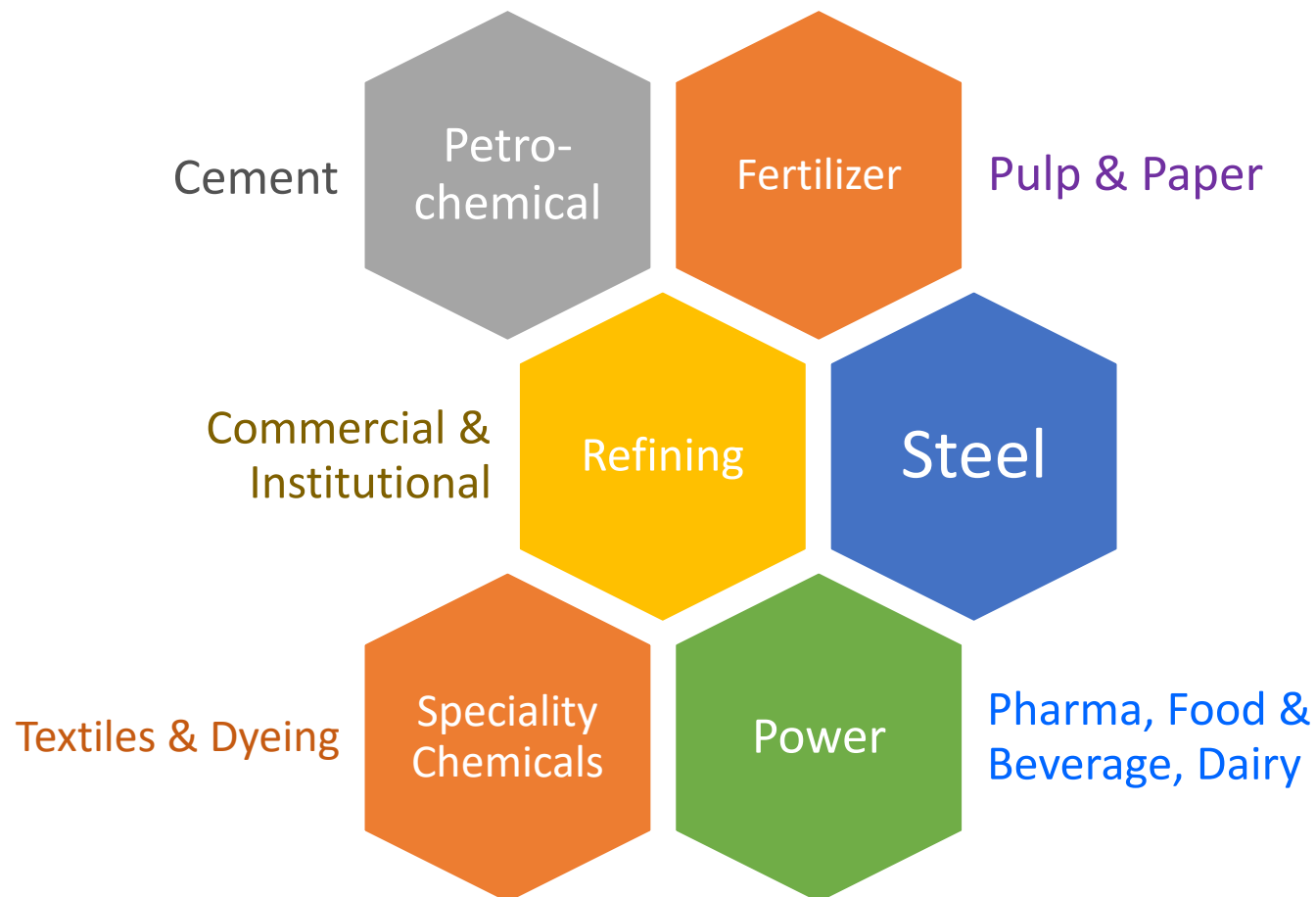
Chembond Water Technologies Ltd



Superior Performance = Customer Satisfaction[®]



Customer Segments





Material Technologies

Chembond Material Technologies Private Limited

Phiroze Sethna Private Limited

Gramos Chemicals India Private Limited

Q1 2019-20

Material Technologies



The Material Technologies division & its subsidiaries manufacture a wide range of synergistic products:

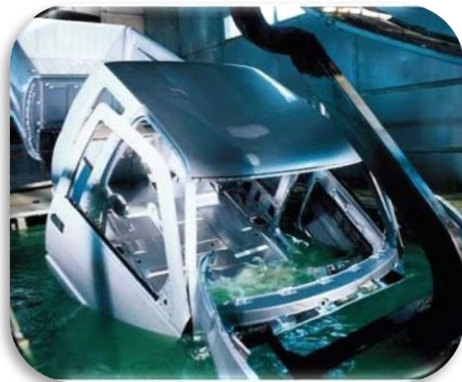
- Metal Treatment Chemicals
- Automotive Sealants
- Industrial Coatings
- Engineering Adhesives
- Paint Booth Wipes & Chemicals
- MRO Products

These find use in industries like automotive (OEM's & components), steel, appliance, engineering, and general industry

Metal Treatment Chemicals



Pretreatment of steel for automotive & appliance industry



Pretreatment for wire & tube drawing

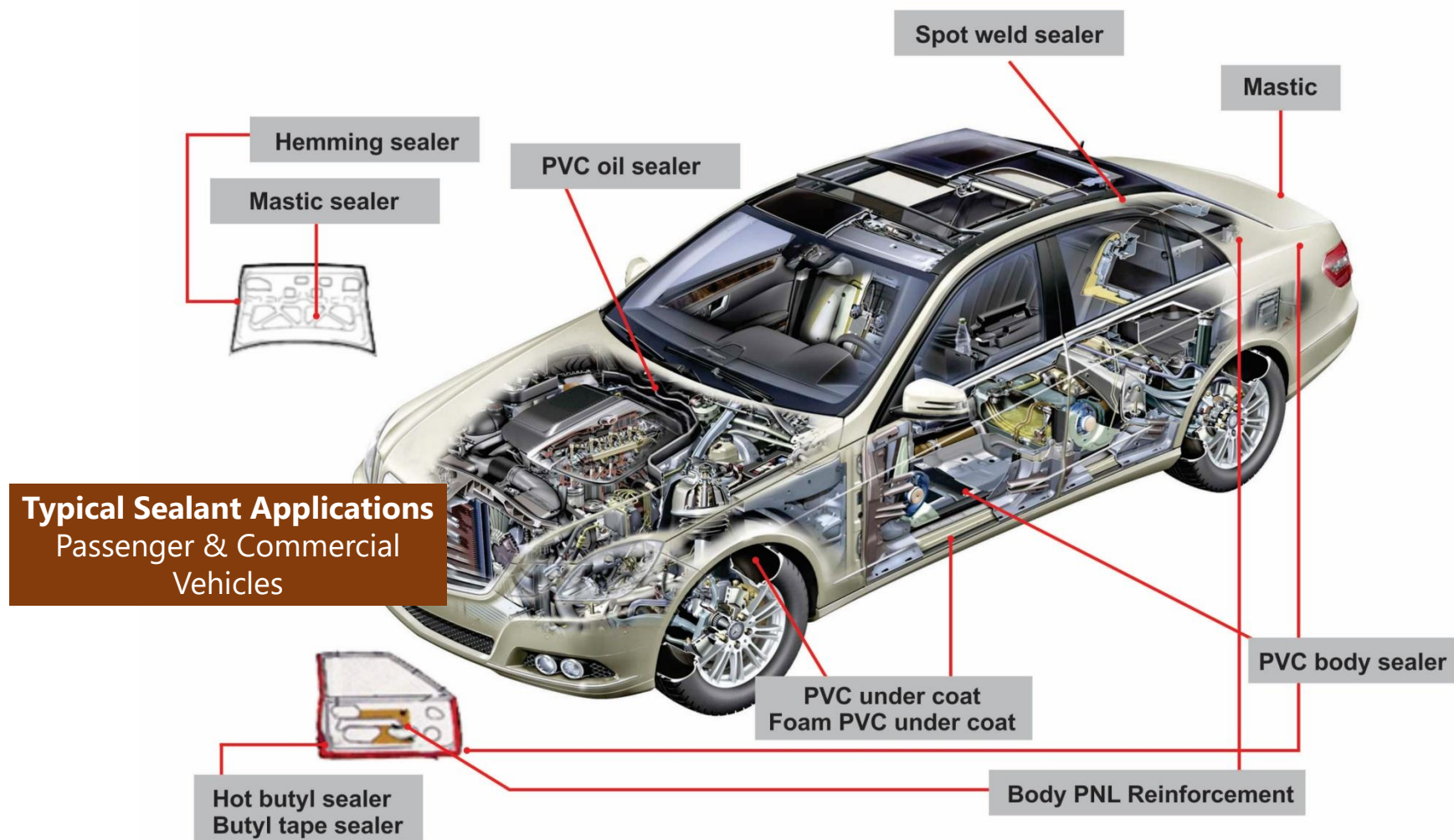


Metal working,
lubrication & cleaning



Coil coating

Automotive Sealants



Industrial Coatings

- Waterborne and solvent based coatings for industrial parts like engines, chassis, structures, transformers, automobile parts, agricultural equipment, construction equipment, amongst other applications
- Leader in India for water-based paints that eliminate solvent emissions, reduce pollution and improve plant and employee safety, without requiring plant refit
- A wide range of technologies – acrylics, water-based epoxies, polyurethane dispersions, as well as conventional solvent based paints



Engineering Adhesives



Retaining Compound



Thread Locker



Thread Sealant



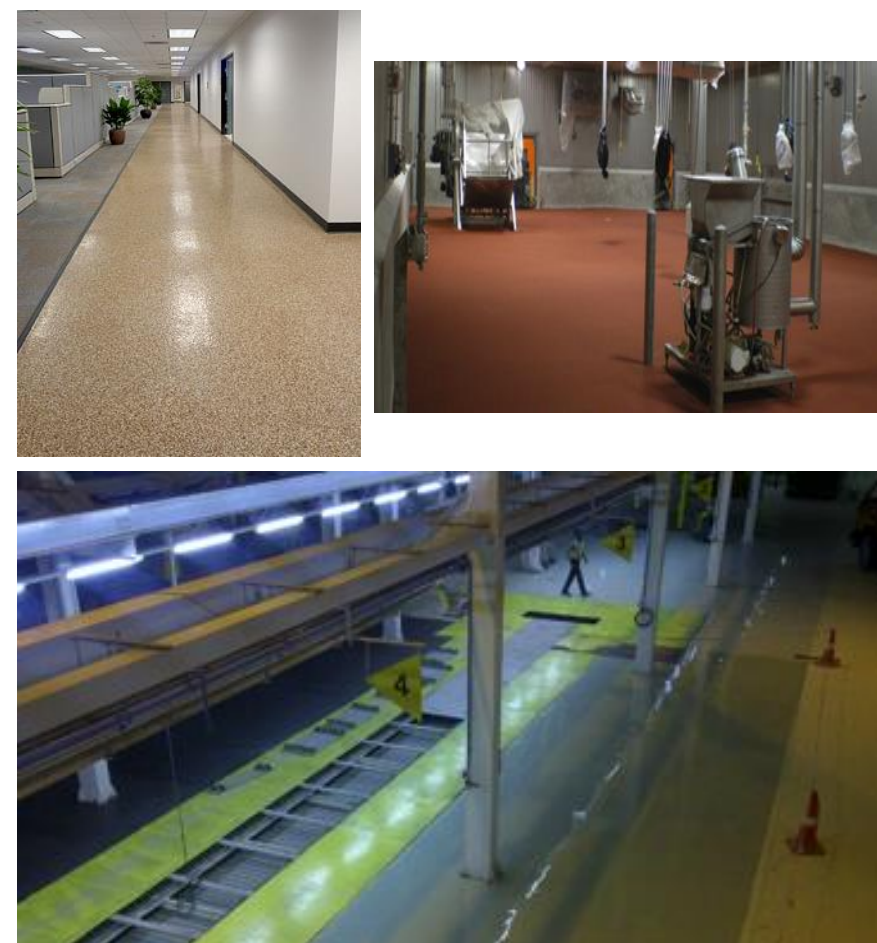
Gasketing Compound

High Performance Coatings

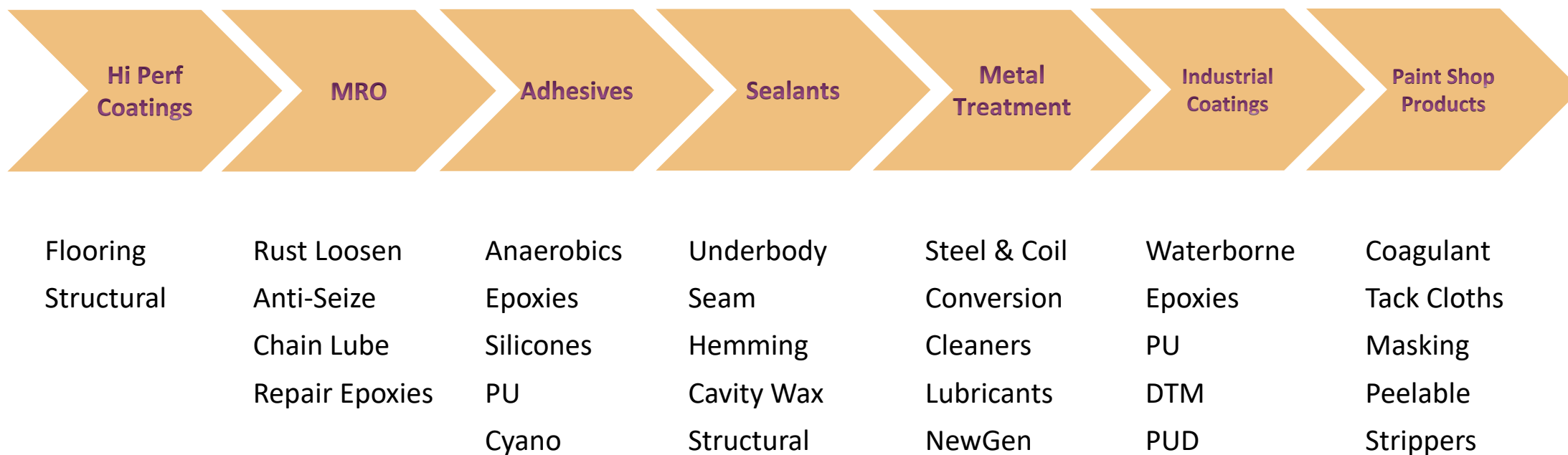
for Corrosion Protection of Structures



for Industrial & Commercial Floors



Material Technologies Value Chain



End to End Solutions for the Customer with the service, reliability, and value Chembond is renowned for!



Animal Health and Nutrition

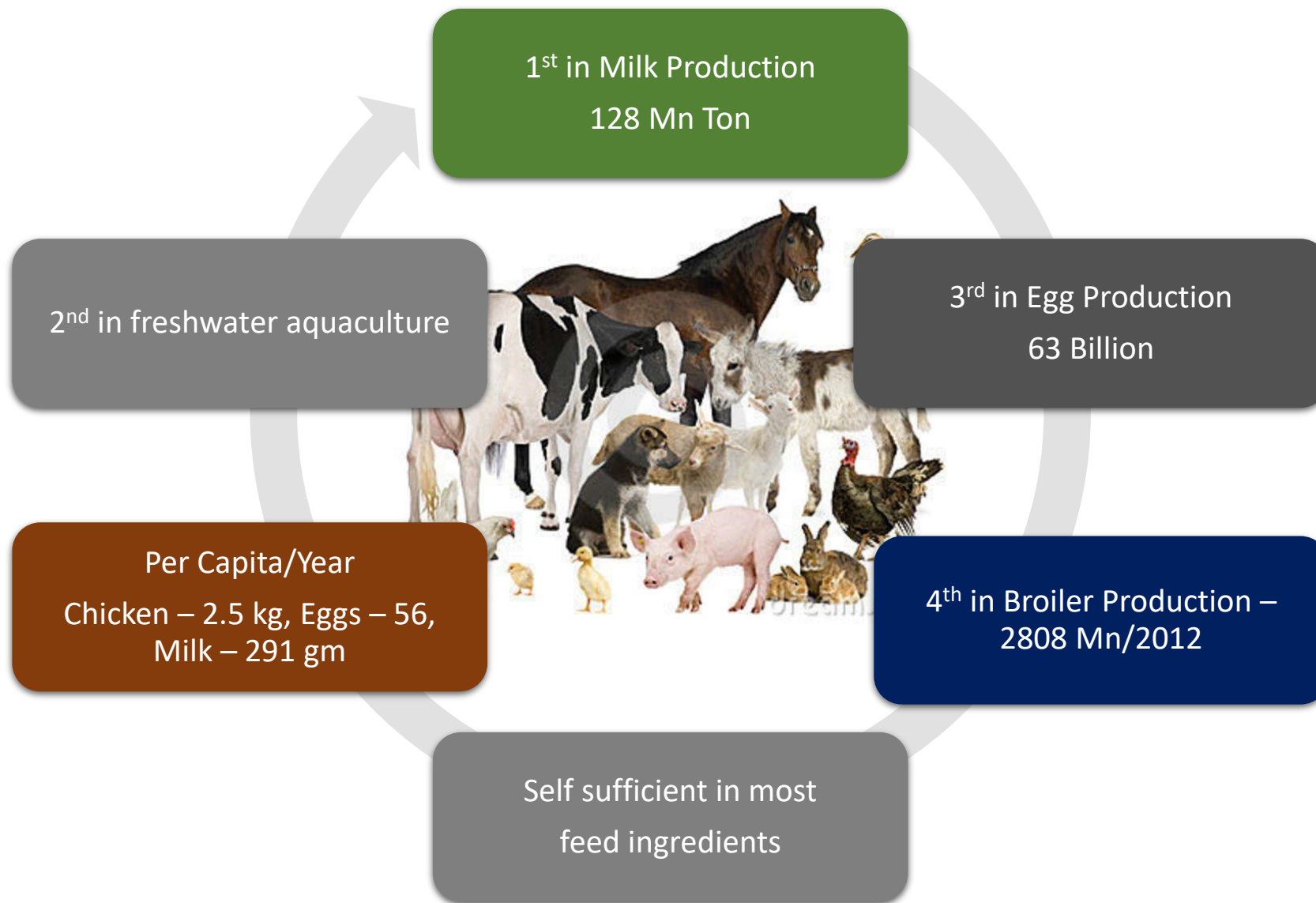
Chembond Biosciences Limited

Q1 2019-20

About

- Chembond entered this segment in 2010
- Produce nutritional supplements for animal health industry
- Catering mainly to the poultry and dairy industry
- Presence across India with manufacturing and storage locations at Tarapur, Baddi, Ranipet, Jamshedpur
- We offer quality products at excellent value
- Experienced yet young team

Livestock in India



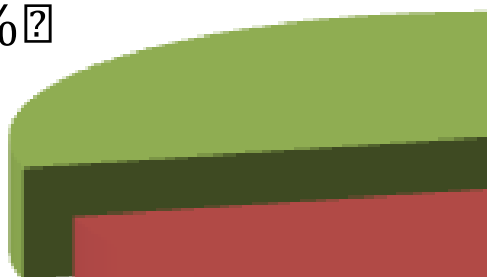
Indian Market by Segment

Market Size (2014) - Rs. 4,200 cr
Est. in 2018 – Rs. 6,000 cr

BioSecurity

Products

29%



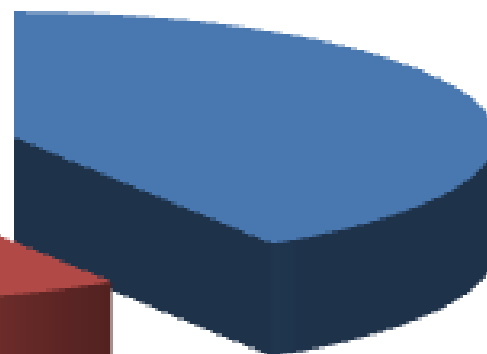
Feed
Additives

30%

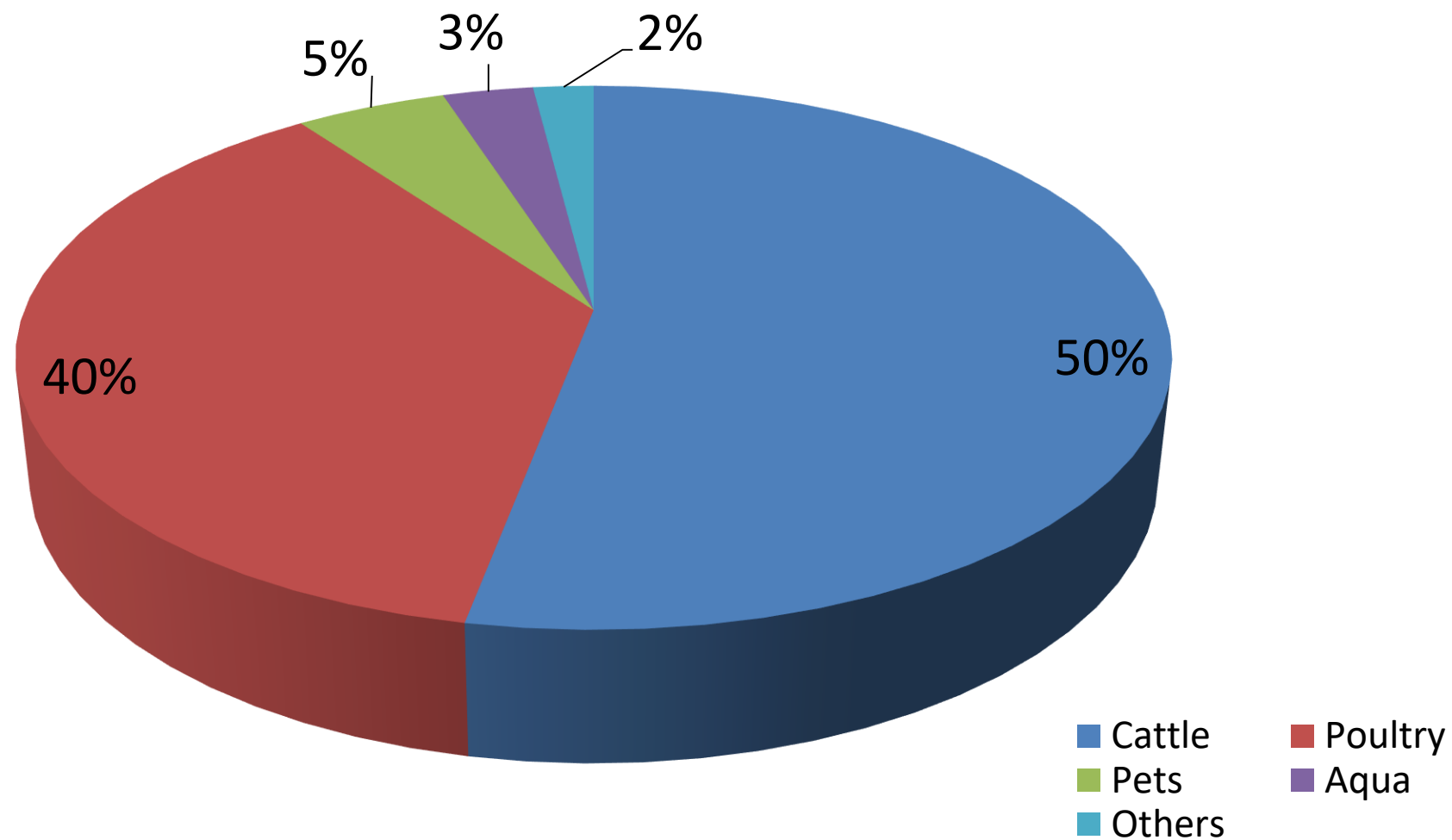


Therapeutic

41%



Indian Market by Species



Product Range

Products that enhance nutrition, reduce waste, improve mortality rates

**Enzymes,
Probiotics,
Prebiotics**

**α D₃, other
Vitamin
concentrates
and
Premixes**

**Minerals,
incl.
Chelated
Minerals**

**Disinfectants,
Water
Purification,
Sanitizers**



Construction Chemicals

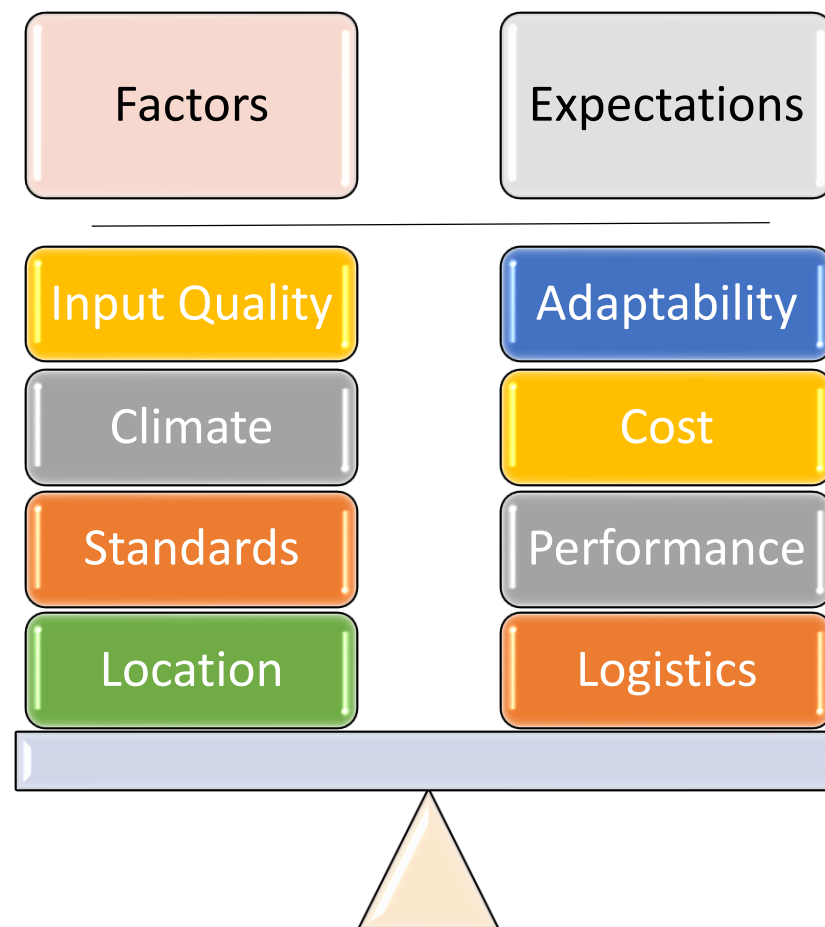
Chembond Chemicals Limited

2019-20

Products

- Products for a wide range of applications
 - Admixtures for concrete modification
 - Waterproofing solutions for under-construction and built-up structures
 - Polysulphide, PU and Acrylic based sealants
 - Floor treatment and repair
 - Cementitious and epoxy based concrete repair mortars
 - Concrete curing compounds
 - High-strength industrial grouts
 - Tile adhesives and joint fillers

Balancing Expectations with Factors



Localize and Adapt!

Customer Segments






Construction Chemicals



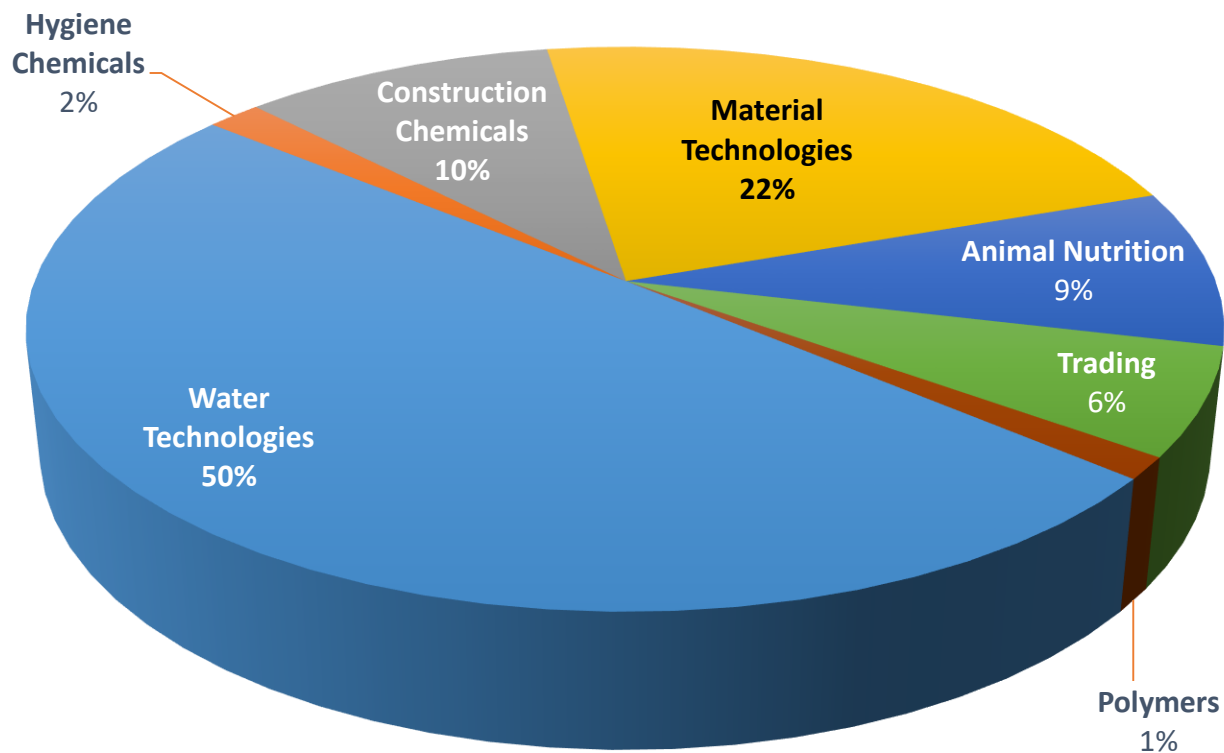


Financial Information

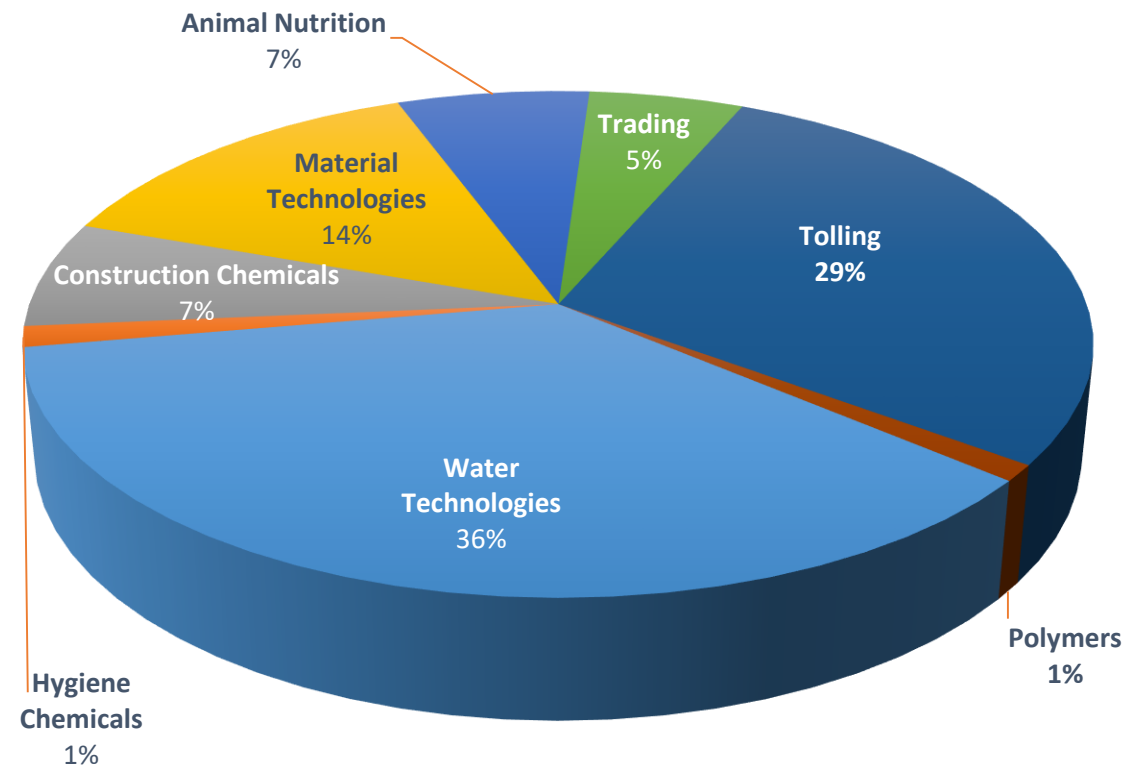
Chembond Chemicals Limited

Q1 2019-20

Share of Revenue by Segment - Consolidated

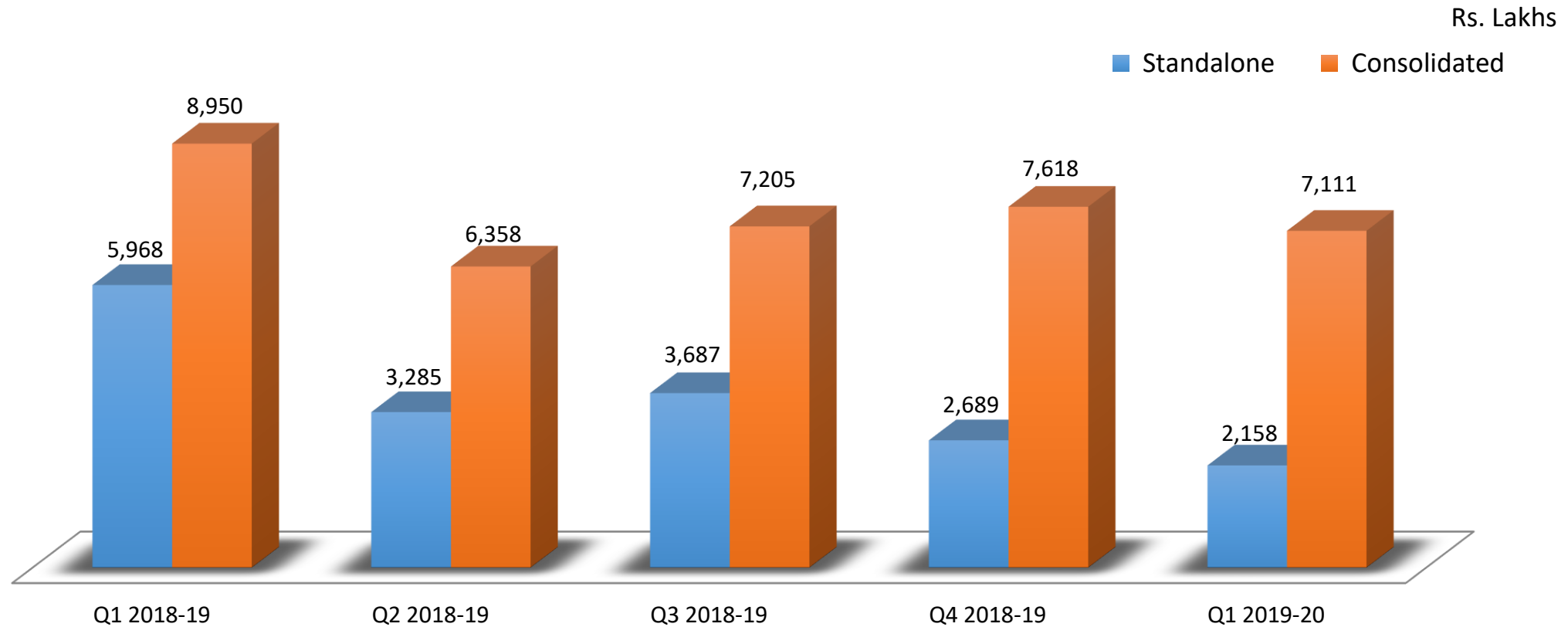


Q1 2019-20



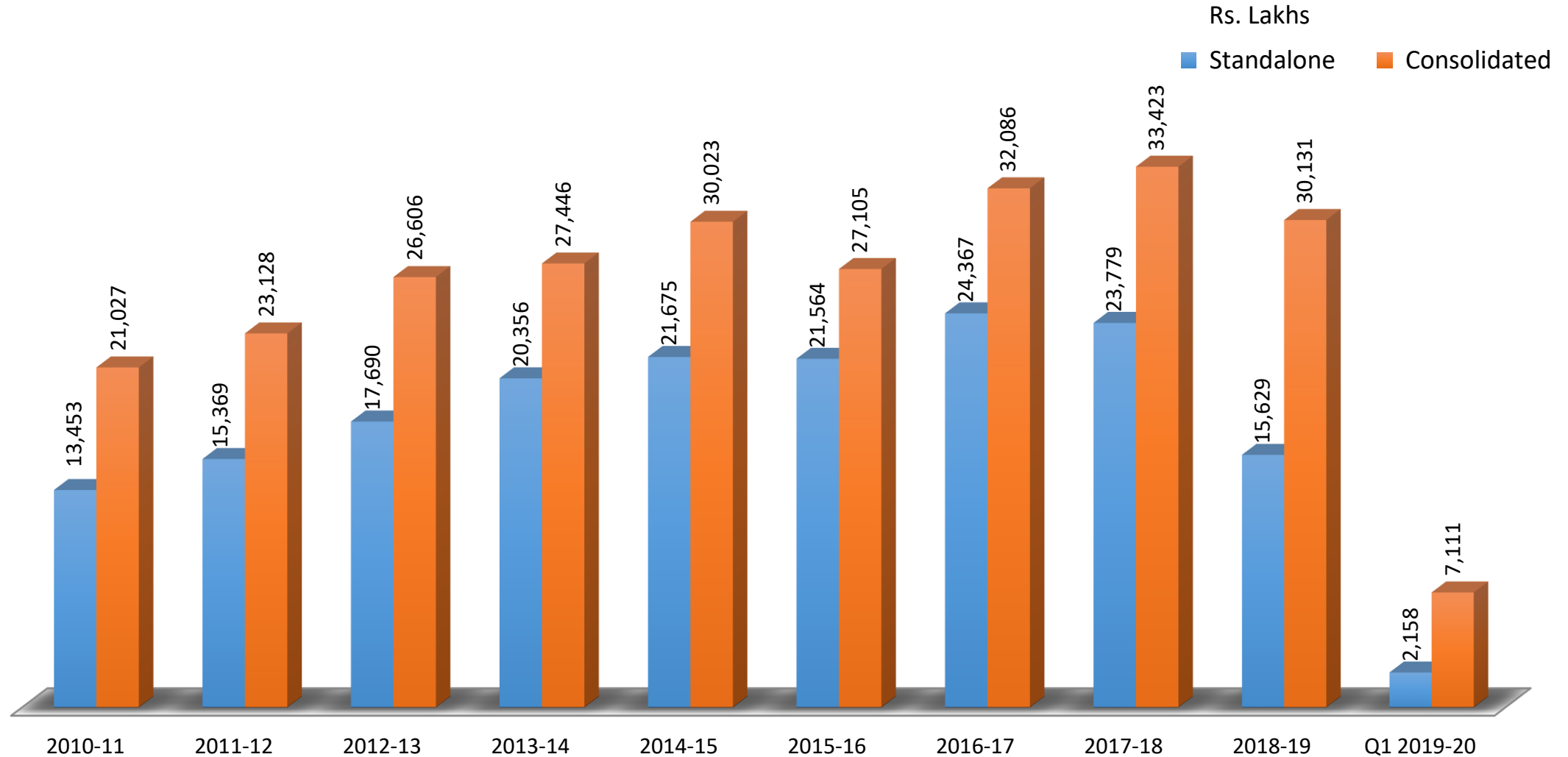
Q1 2018-19

Revenue from Operations – Q on Q

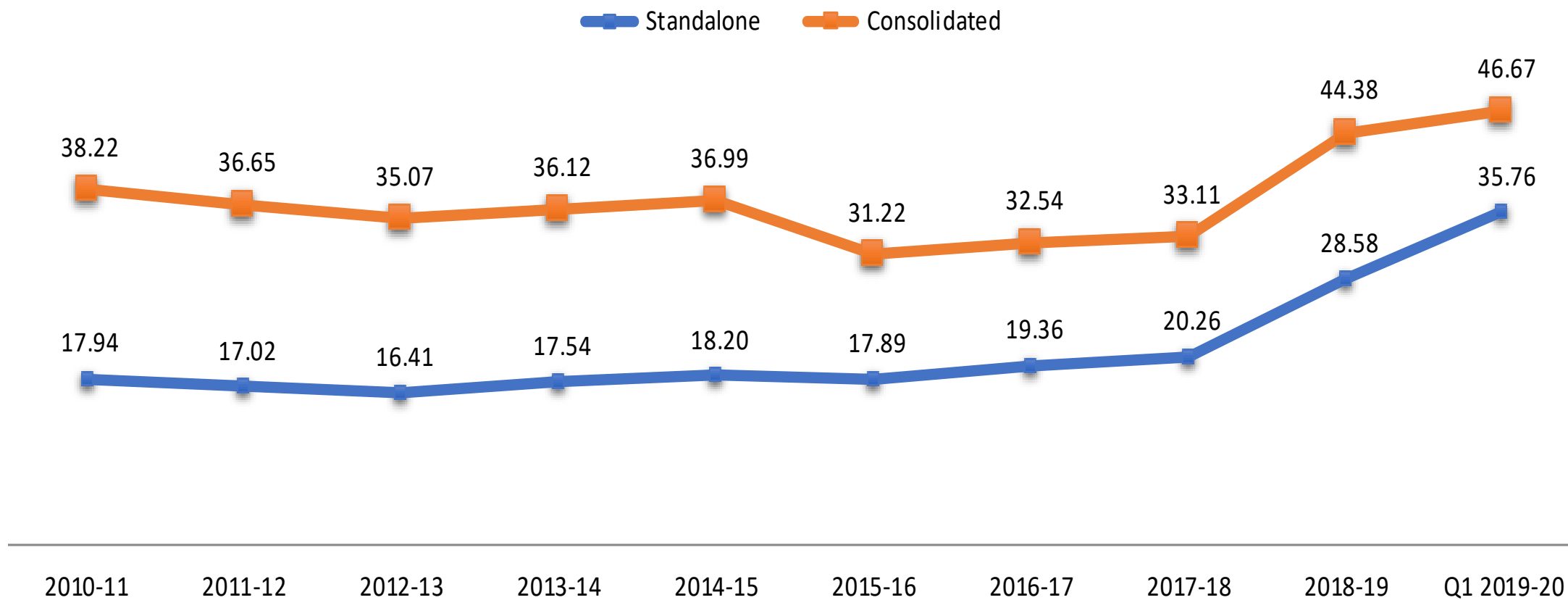


Subsequent to the divestment in JVC in 2015, the toll manufacturing agreement ended in June 2018. The revenues have therefore dropped expectedly, for Q2 2018-19, Q3 2018-19, Q4 2018-19 and Q1 2019-20. To that extent, these results are not comparable with prior periods.

Revenue from Operations – Y o Y



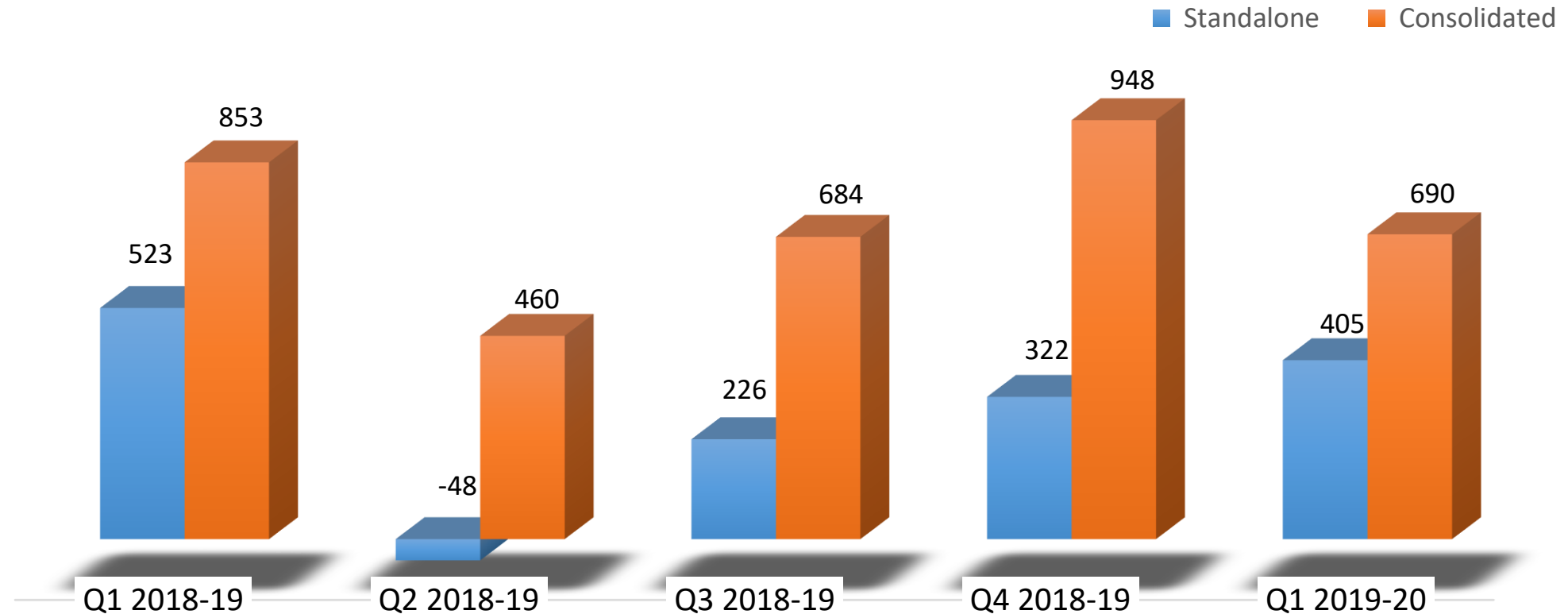
Product Margin %



EBITDA – Q on Q

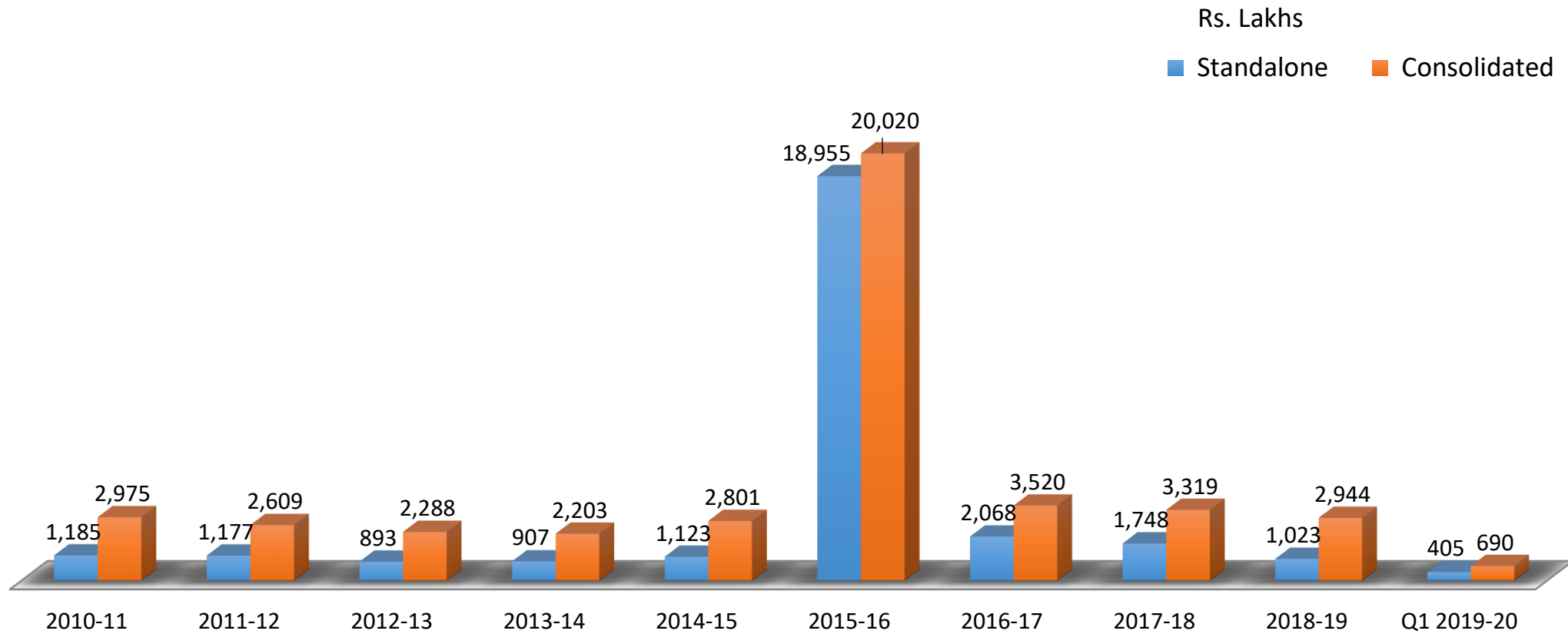


Rs. Lakhs



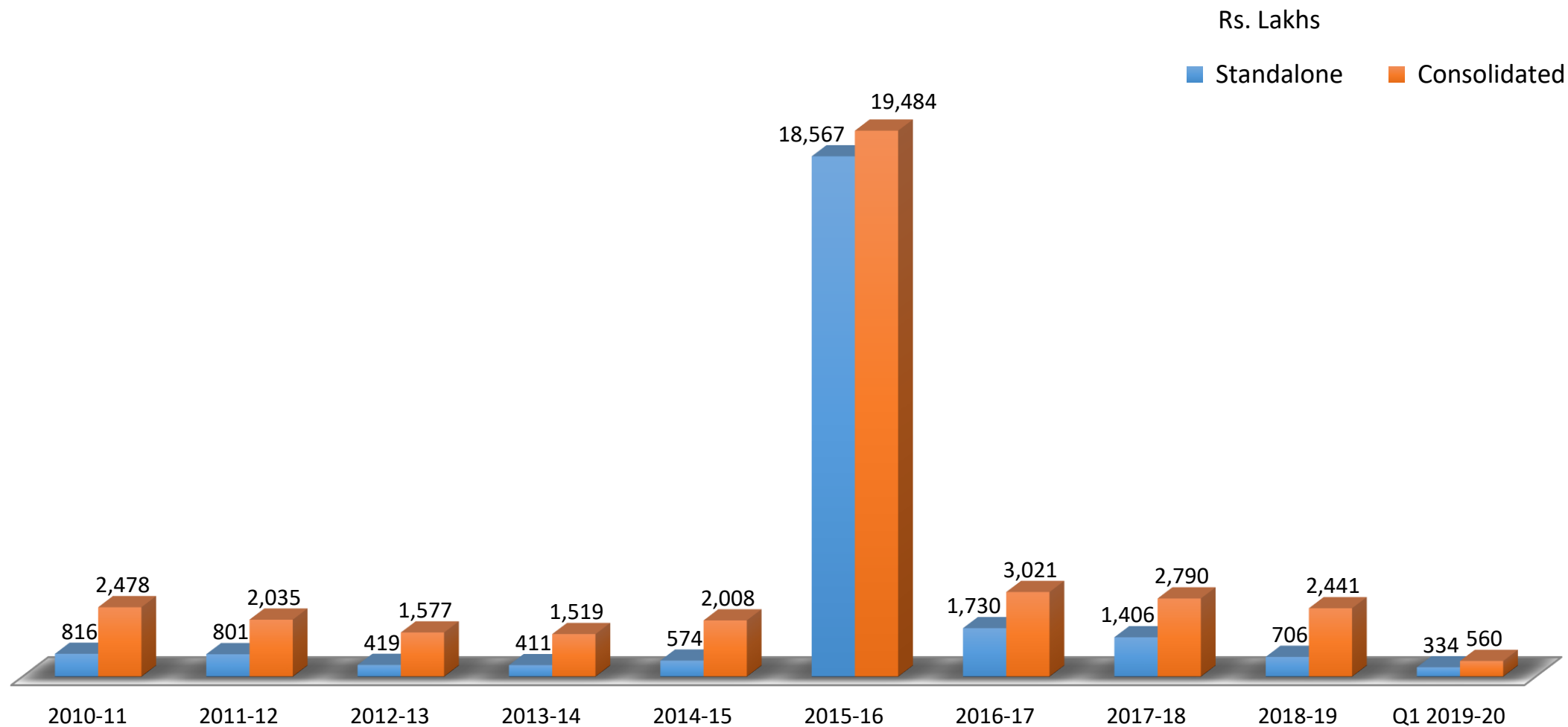
The company discontinued toll manufacturing activities at its Tarapur plant in June 2018 and has re-entered the Metal Treatment Chemicals business. It has decided to retain the facilities at Tarapur even though there would be under utilization of the plant and resources for a few quarters.

EBITDA – Y on Y



* The results for 2015-16 include proceeds from sale of the Company's stake in a joint venture.

Profit Before Tax



5 Year Financial Performance – Consolidated



Rs. Lakhs

Highlights	2018-19	2017-18	2016-17	2015-16	2014-15
Operating Result					
Revenue From Operations	30,130.94	33,422.81	32,086.11	27,104.71	30,022.85
Other Income	393.14	1,064.02	1,829.86	3,321.25	138.04
Finance Cost	78.20	118.21	116.67	181.36	361.08
Depreciation	423.98	410.67	381.56	354.51	432.32
PBT	2,440.59	2,790.28	3,021.42	19,484.02	2,007.90
PAT	1,983.64	2,356.77	2,285.73	15,650.25	1,440.27
Dividend on Equity Shares	248.79	221.90	-	601.97	199.81
Financial Position					
Equity Share Capital	672.41	672.41	672.41	669.69	666.04
Reserves (Less Revaluation Reserve & Misc exp)	25,471.56	24,162.33	22,335.46	20,183.93	8,858.60
Net Worth	26,143.97	24,834.75	23,007.87	20,853.62	9,524.64
Borrowings	670.22	908.96	888.25	1,089.79	2,495.24
Net Block (Asset)	10,921.78	10,813.77	4,912.55	4,714.11	5,147.03
Ratios					
Return on Average Networth %(RONW) (PAT divided by Average Networth)	7.78%	9.85%	10.42%	103.04%	15.92%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	9.58%	11.72%	13.69%	115.72%	17.88%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	2.50%	3.53%	3.72%	4.97%	20.76%
Current Ratio (Current Assets divided by Current Liabilities**)	3.47	2.42	3.37	2.83	2.16
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.94	1.03	1.00	0.91	1.48
Earning Per Share (Basic)*	12.88	16.34	14.40	115.04	9.29
Dividend Per Share	1.85	1.65	0	9	3.00
Book Value Per Share*	194.40	184.67	171.08	155.70	71.50

The Company has adopted Ind-AS accounting standards with effect from 1 St April 2016, hence F.Y 2017 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous Years. For FY 2016, Balance sheet items are as per Ind-AS.

* Adjusted for issue of Bonus Shares in March 2010 in the ratio of 1 : 1 & Subdivision of Shares in September 2016 from face value of Rs.10/- each to Rs.5/- each

** Current Liabilities excludes Short Term Borrowing and Current maturities of Long term Debt

5 Year Financial Performance – Standalone



Rs. Lakhs

Highlights	2018-19	2017-18	2016-17	2015-16	2014-15
<u>Operating Result</u>					
Revenue From Operations	15,628.96	23,779.03	24,367.32	21,563.77	21,674.90
Other Income	564.58	1,048.47	1,682.00	3,480.99	329.92
Finance Cost	29.12	54.60	63.88	118.75	273.51
Depreciation	287.77	287.18	274.10	268.57	276.21
PBT	706.27	1,406.12	1,729.97	18,567.35	573.72
PAT	633.15	1,359.31	1,451.50	15,122.59	558.33
Dividend on Equity Shares	248.79	221.90	-	601.97	199.81
<u>Financial Position</u>					
Equity Share Capital	672.41	672.41	672.41	669.69	666.04
Reserves (Less Revaluation Reserve & Misc exp)	22,282.45	21,907.35	20,765.91	19,291.49	4,529.93
Net Worth	22,954.86	22,579.77	21,438.32	19,961.18	5,195.97
Borrowings	-	467.12	732.18	819.54	2,176.85
Net Block (Asset)	3,763.63	3,805.35	3,936.97	3,680.86	3,617.61
<u>Ratios</u>					
Return on Average Networth %(RONW) (PAT divided by Average Networth)	2.78%	6.18%	7.01%	120.23%	11.12%
Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab)	2.90%	6.46%	8.35%	132.63%	11.47%
Gross Gearing % (Debt as a percentage of Debt plus Equity)	0.00%	2.03%	3.30%	3.94%	29.53%
Current Ratio (Current Assets divided by Current Liabilities**)	4.33	1.78	3.13	2.93	1.37
Asset Turnover Ratio (Net Sales divided by Total Assets)	0.62	0.85	0.89	0.85	1.76
Earning Per Share (Basic)*	4.71	10.11	10.81	113.23	4.19
Dividend Per Share	1.85	1.65	0	9.00	3.00
Book Value per Share*	170.69	167.90	159.41	149.03	39.01

The Company has adopted Ind-AS accounting standards with effect from 1 St April 2016, hence F.Y 2017 onwards, the financials are reported as per Ind-AS and are not strictly comparable with previous Years. For FY 2016, Balance sheet items are as per Ind-AS.

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5 Year Returns



Contact Us



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