



Ref. No: HSCL / Stock-Ex/2018-19/91  
Date: 13 November 2018

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<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**

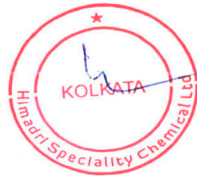
Dear Sir(s),

We are enclosing herewith:-

1. Investors presentation
2. Media/Press Release

We request you to kindly take on record the same.

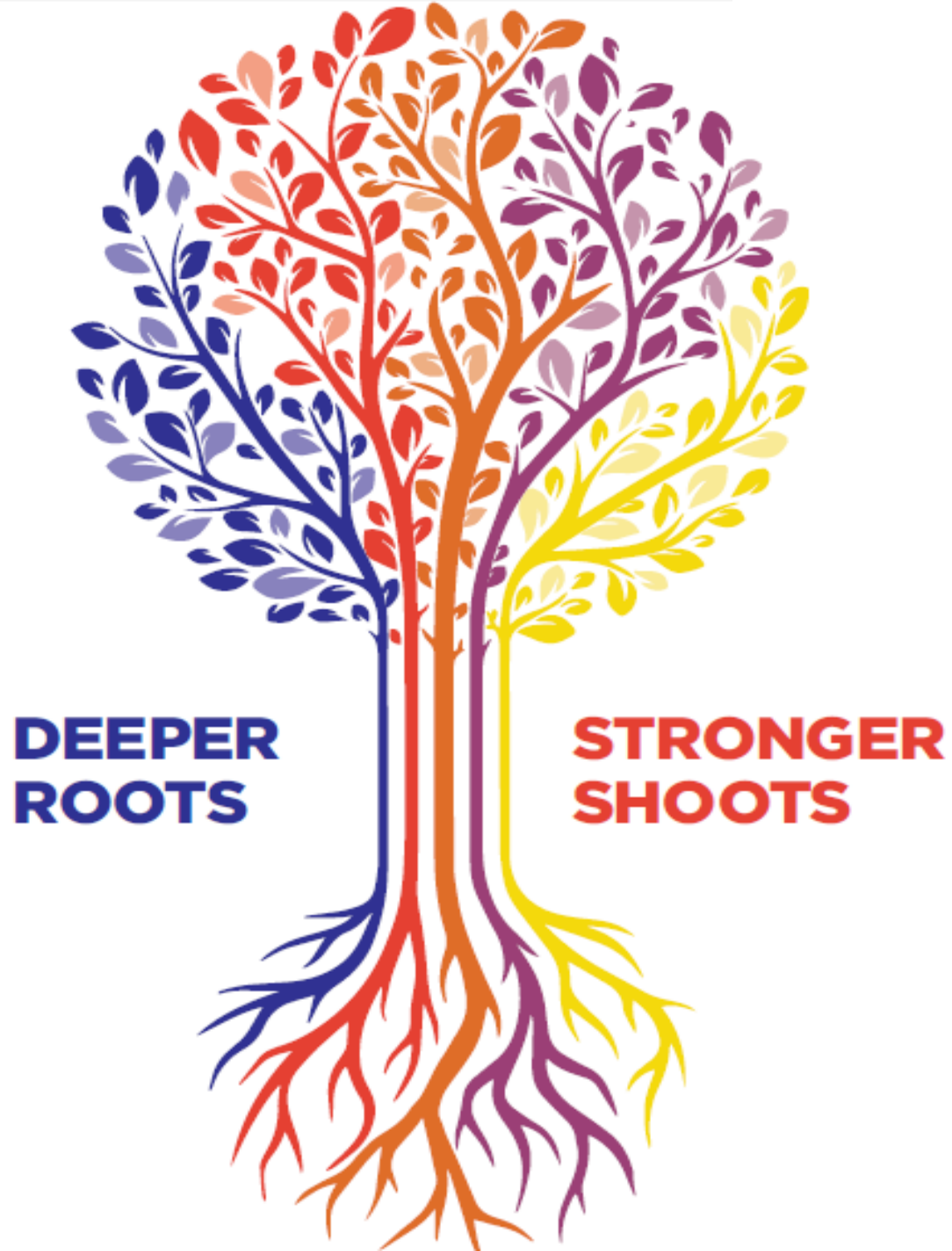
Thanking You,



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

**INVESTOR PRESENTATION**

November - 2018



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## **Business Updates**

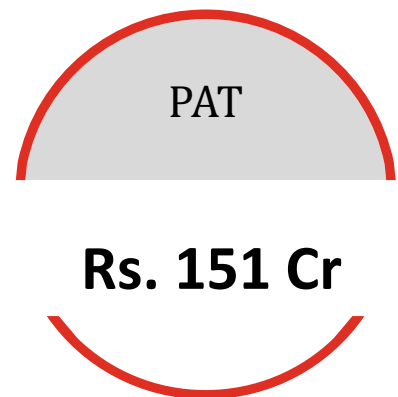
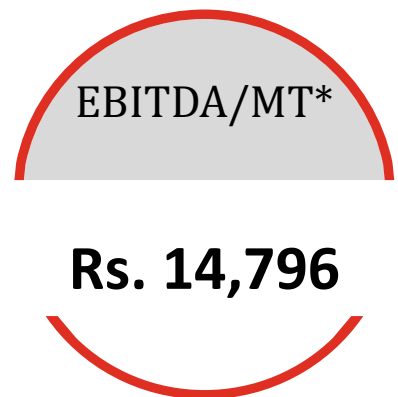
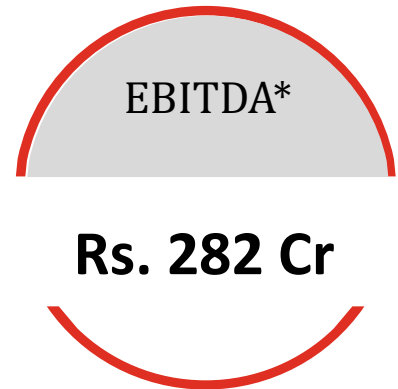
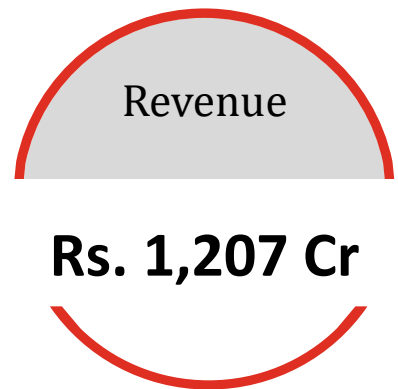
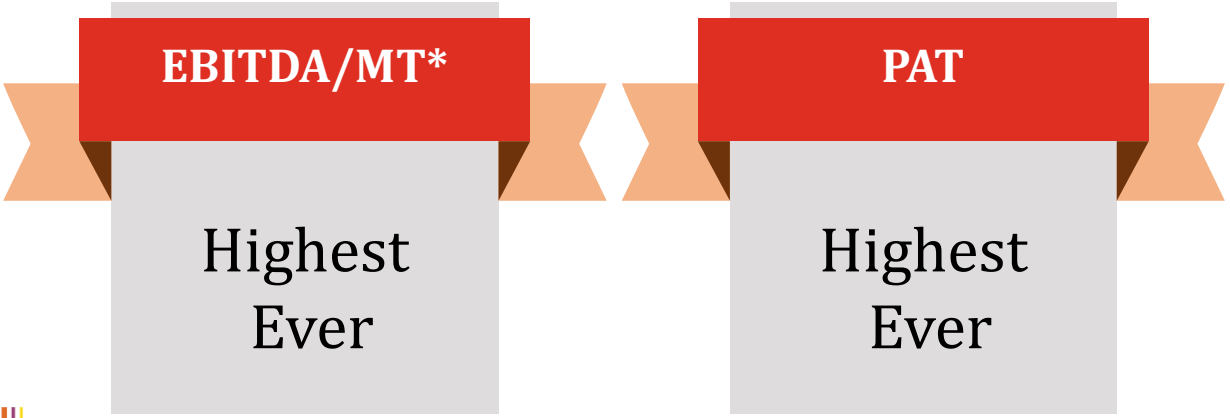
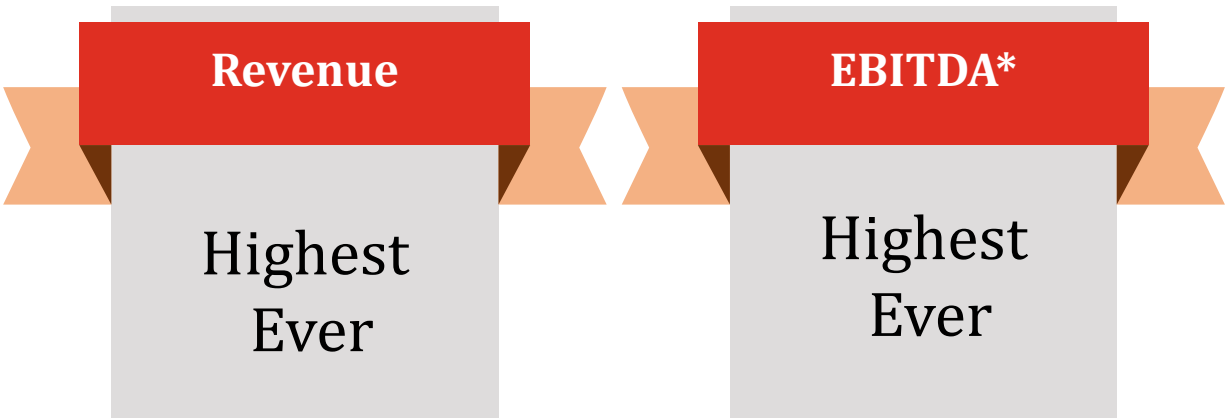
**&**

## **Performance Highlights for Q2 and H1FY19**





# Another New Record Half Yearly Performance

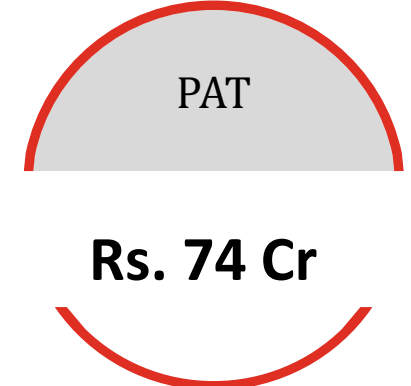
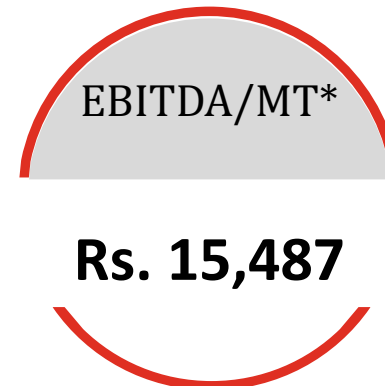
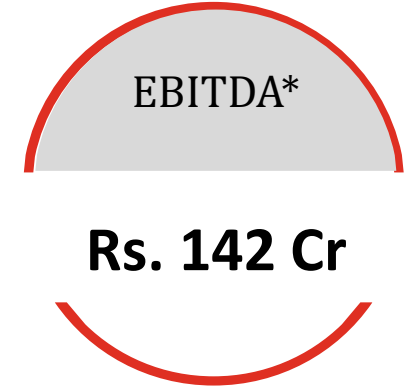
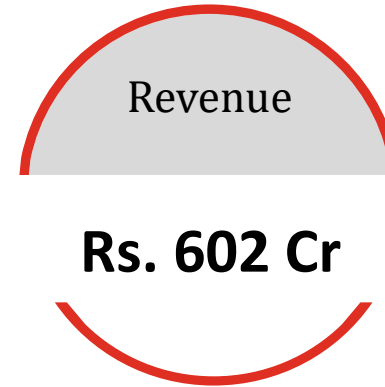
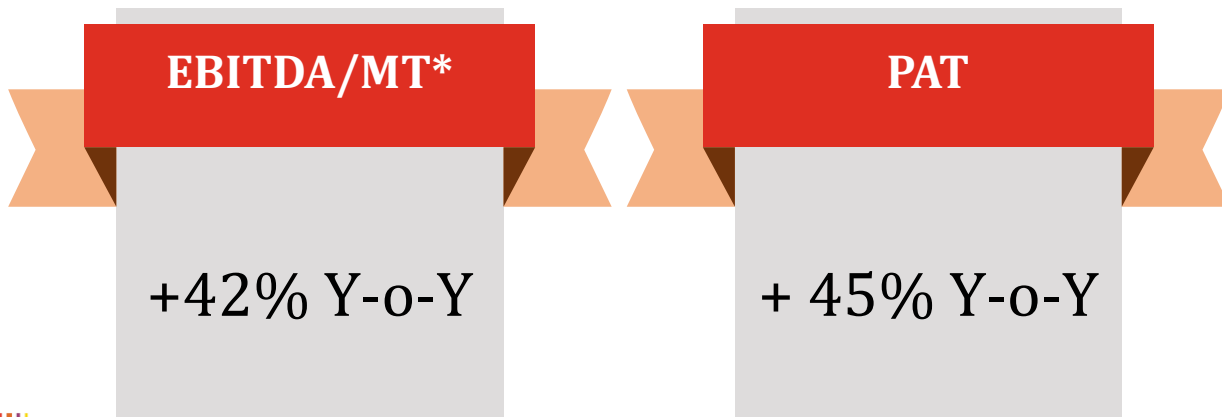
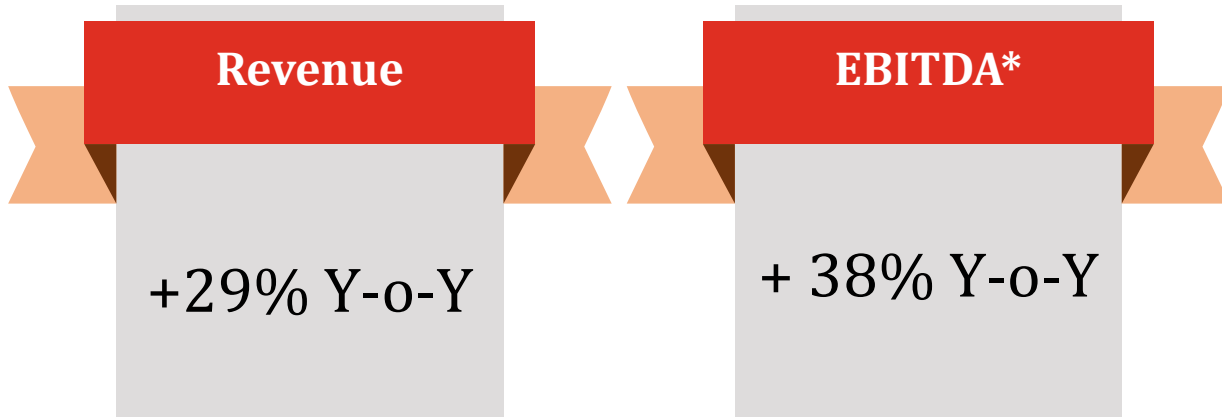


\* Excludes FX Fluctuation Loss / Gains





# Q2 FY19 Performance



\* Excludes FX Fluctuation Loss / Gains

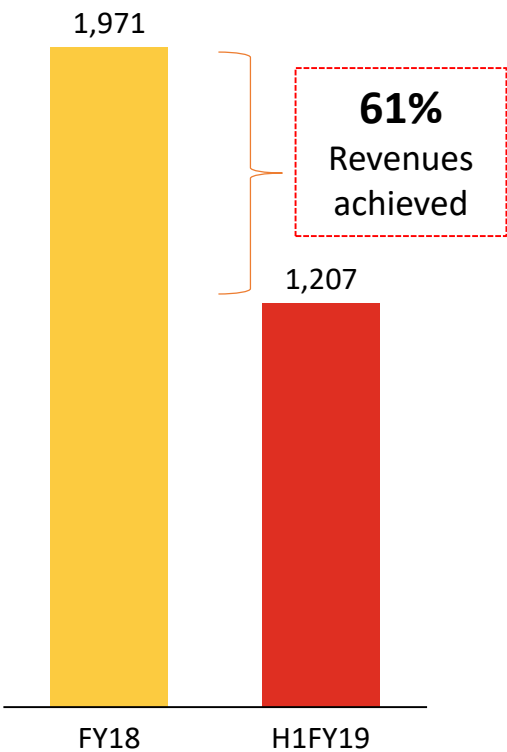




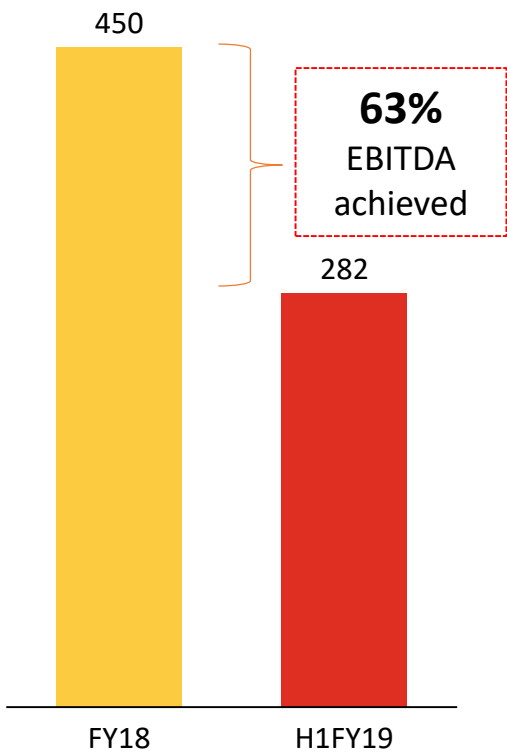
# Strong Performance Continues

Rs. in Crores

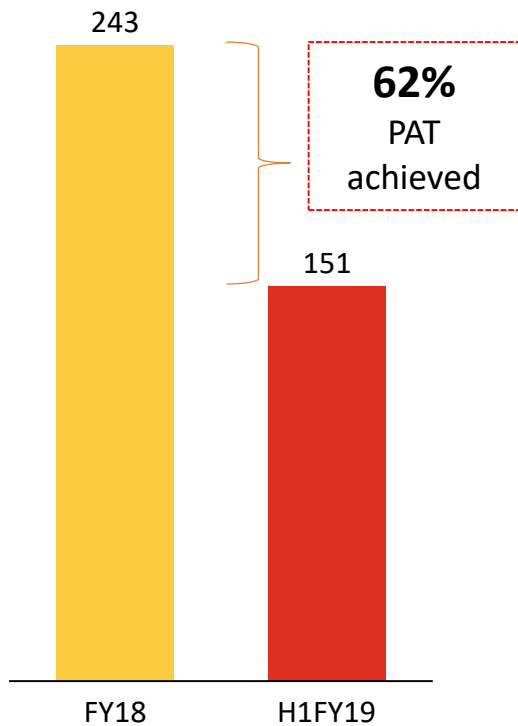
### Revenue from Operations\*



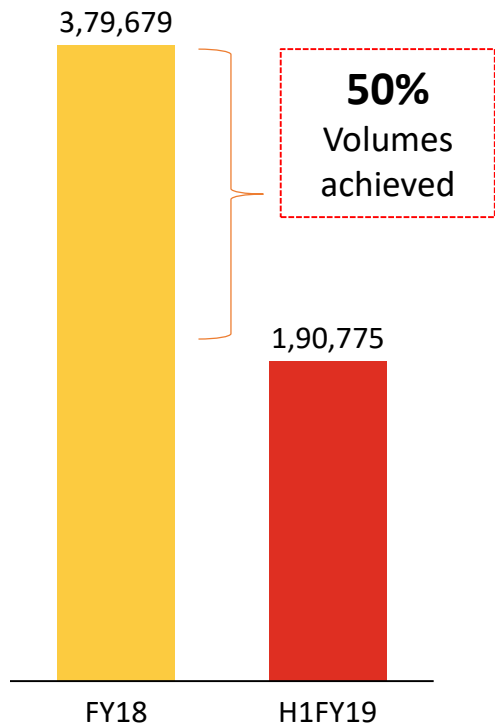
### EBITDA#



### PAT



### Volumes (MT)\*

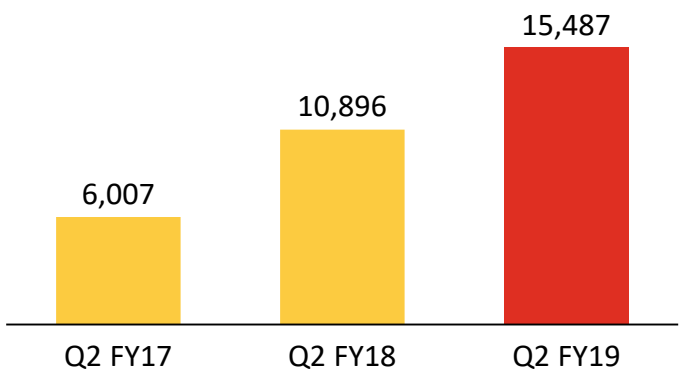


\*Revenue from operations is net of GST/Excise duty  
#EBITDA excludes FX Fluctuation loss / Gains

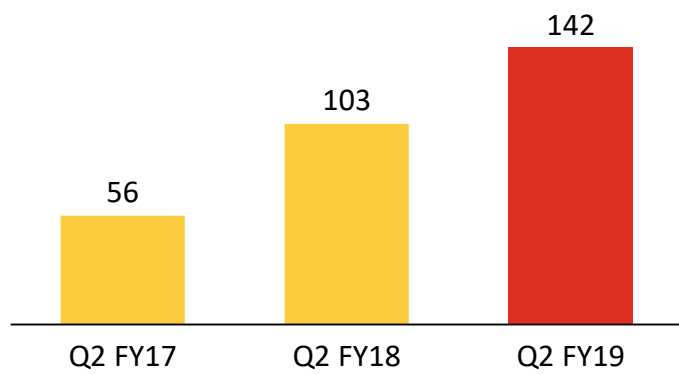


# Increasing Profitability trend

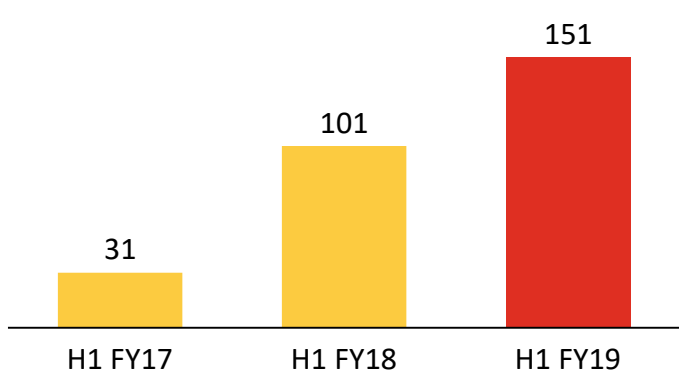
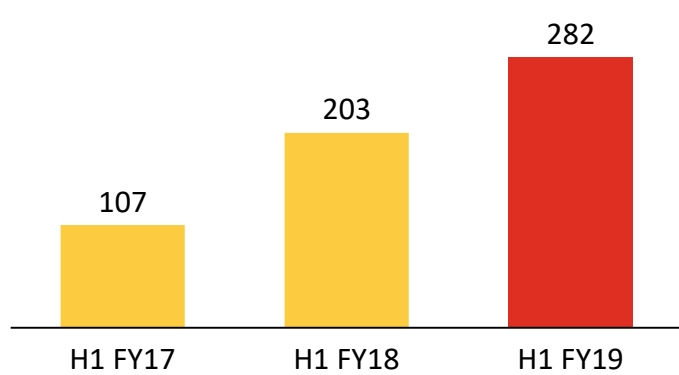
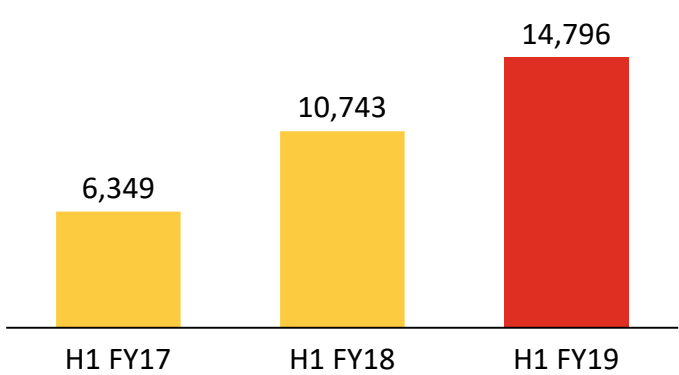
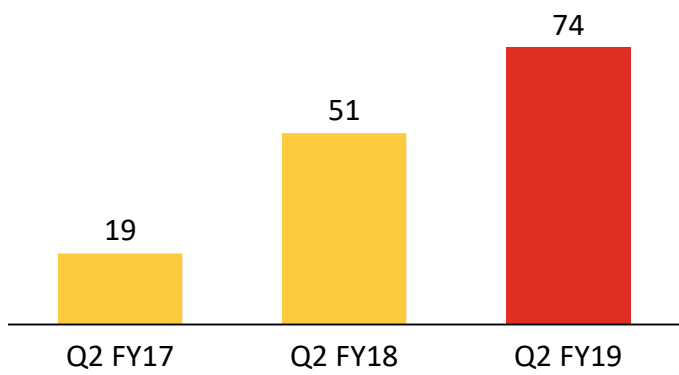
EBITDA / MT (in Rs.)



EBITDA (in Rs. Crores)



PAT (in Rs. Crores)







## 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**

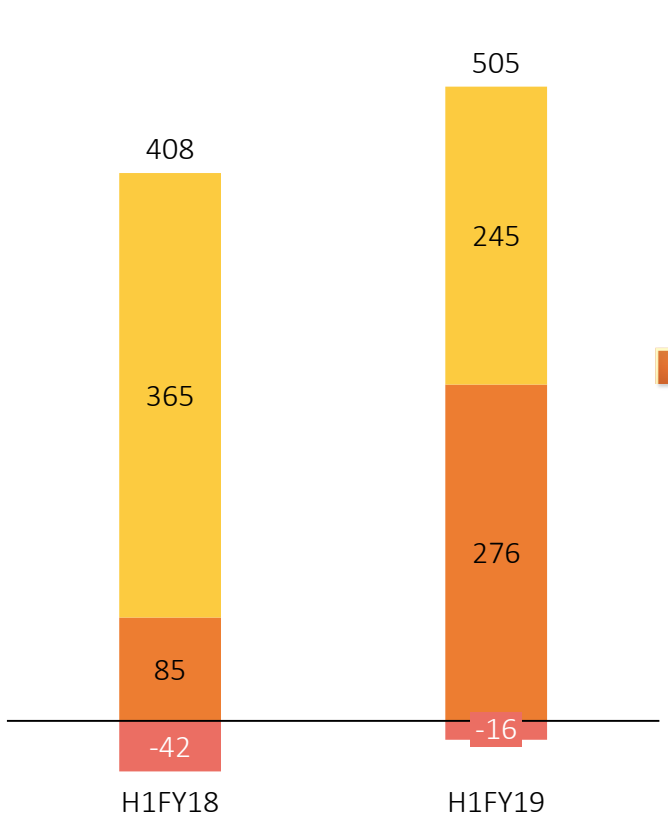




# Debt Repayment of ~ Rs. 218 Crores

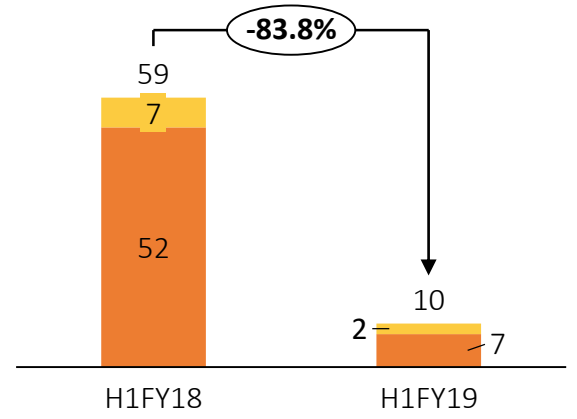
Rs. Crores

## Rupee Debt

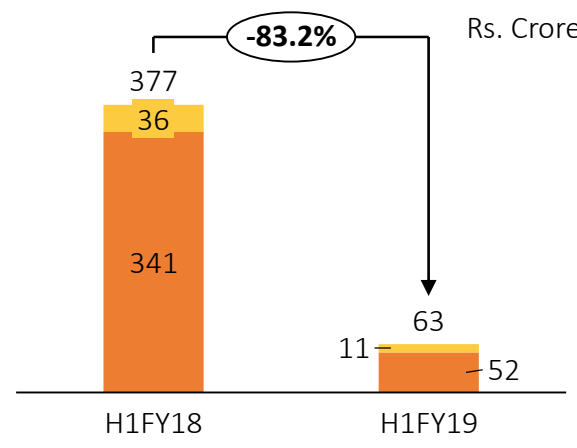


## Dollar Debt

\$ million

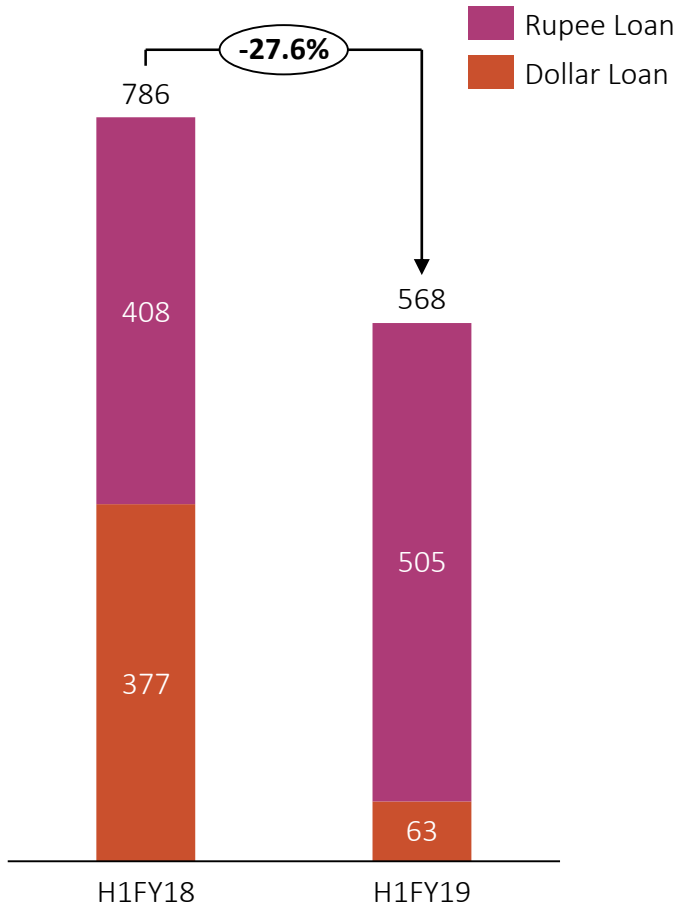


Rs. Crores



## Net Debt

Rs. Crores



■ Long Term Debt 
 ■ Working Capital Loans 
 ■ Cash/Bank Balance





# Credit Rating Assigned

## Credit Rating Assigned

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



Facilities	Amount (In Crores)	Rating Assigned
Non-Convertible Debenture	150	[ICRA] AA- (Stable)
Term Loan	100.51	
External Commercial Borrowing	JPY 172 Mn	
Fund Based Limits	621	
Non-Fund Based Limits	744	[ICRA] AA- (Stable)/A1+
Commercial Paper	300	[ICRA] A1+





# Standalone Profit & Loss

Particulars (In Rs. Crores)	Q2 FY19	Q2 FY18	Y-o-Y (%)	Q1 FY19	Q-o-Q (%)	H1FY19	H1FY18	Y-o-Y (%)
<b>Net Revenue From Operations</b>	<b>602</b>	<b>468</b>	<b>29%</b>	<b>605</b>	<b>0%</b>	<b>1,207</b>	<b>920</b>	<b>31%</b>
Cost of Materials Consumed	404	315		407		811	636	
<b>Gross Profit</b>	<b>198</b>	<b>153</b>	<b>29%</b>	<b>198</b>	<b>0%</b>	<b>396</b>	<b>285</b>	<b>39%</b>
Employee Benefits Expense	13	12		14		27	21	
Other Expenses	43	39		43		87	60	
<b>EBITDA</b>	<b>142</b>	<b>103</b>	<b>38%</b>	<b>140</b>	<b>1%</b>	<b>282</b>	<b>203</b>	<b>39%</b>
Other Income	2	2		3		5	3	
Foreign Exchange Fluctuation Loss/(Gain)	12	0		5		17	1	
Depreciation and Amortization Expense	8	8		8		16	16	
<b>EBIT</b>	<b>124</b>	<b>97</b>	<b>28%</b>	<b>131</b>	<b>-5%</b>	<b>254</b>	<b>190</b>	<b>34%</b>
Finance Costs	18	21		19		36	39	
<b>Profit / (Loss) Before Tax</b>	<b>106</b>	<b>76</b>		<b>112</b>		<b>218</b>	<b>150</b>	
Tax Expenses	32	25		35		67	49	
<b>Profit / (Loss) for the year</b>	<b>74</b>	<b>51</b>	<b>45%</b>	<b>77</b>	<b>-3%</b>	<b>151</b>	<b>101</b>	<b>49%</b>

Foreign Exchange Fluctuation Loss / (Gain) has been separated from Other Expenses and Other Income  
Forex Losses primarily on account of Trade Payables





# Standalone Balance Sheet

ASSETS (in Rs. Crores)	Sept'18	Mar'18
<b>Non-Current Assets</b>	<b>1,578</b>	<b>1,583</b>
Property, Plant and Equipment	1,089	1,097
Capital work-in-progress	30	18
Intangible Assets	2	2
Financial Assets		
(i) Investments	295	353
(ii) Trade Receivables	8	8
(iii) Loans	50	47
(iv) Other Financial Assets	0	0
Non-Current Tax Assets (net)	5	5
Other Non-Current Assets	99	53
<b>Current Assets</b>	<b>1,007</b>	<b>830</b>
Inventories	524	415
Financial Assets		
(i) Trade Receivables	320	270
(ii) Cash and Cash Equivalents	11	17
(iii) Bank Balances other than cash and cash equivalents	5	14
(iv) Loans	3	3
(v) Other Financial Assets	8	8
Other Current Assets	136	102
<b>TOTAL</b>	<b>2,584</b>	<b>2,413</b>

EQUITY AND LIABILITIES (in Rs. Crores)	Sept'18	Mar'18
<b>EQUITY</b>	<b>1,555</b>	<b>1,456</b>
Equity Share Capital	42	42
Other Equity	1,513	1,414
<b>Non-current liabilities</b>	<b>329</b>	<b>337</b>
Financial Liabilities		
(i) Borrowings	211	231
(ii) Derivatives	8	6
(iii) Other Financial Liabilities	0	0
Provisions	3	3
Deferred Tax Liabilities (net)	107	97
<b>Current liabilities</b>	<b>699</b>	<b>620</b>
Financial liabilities		
(i) Borrowings	327	364
(ii) Trade Payables	244	118
(iii) Derivatives	2	2
(iv) Other Financial Liabilities	61	77
Other Current Liabilities	56	58
Provisions	1	0
Current Tax Liabilities (net)	9	1
<b>TOTAL</b>	<b>2,584</b>	<b>2,413</b>





**Business Overview**



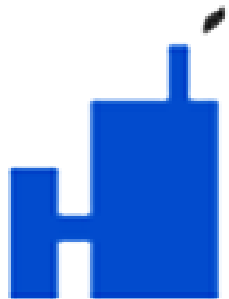
# Value Creation Journey by way of Vertical Integration





# 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   | Heavy Creosote Oils     |
| Graphite Grade Binder Pitch   | Anthracene Oil/Carbon   |
| Graphite Grade Zero QI<br>(Quinolene Insoluble) coal tar<br>impregnated pitch | Black Oil/ CT Oil       |
| Anode Material for Lithium-<br>ion Batteries                                  | SNF                     |
| Special Pitch   | PCE                     |
| Naphthalene   | Carbon Black            |
| Refined Naphthalene   | Speciality Carbon Black |
| Light Creosote Oils   | 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





# Awards



## Kolkata Best Brand Awards 2018

The awards seek to identify and celebrate outstanding brand building & marketing by organizations, individuals and teams

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## Fortune India The Next 500 Awards 2018

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

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# 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 around **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

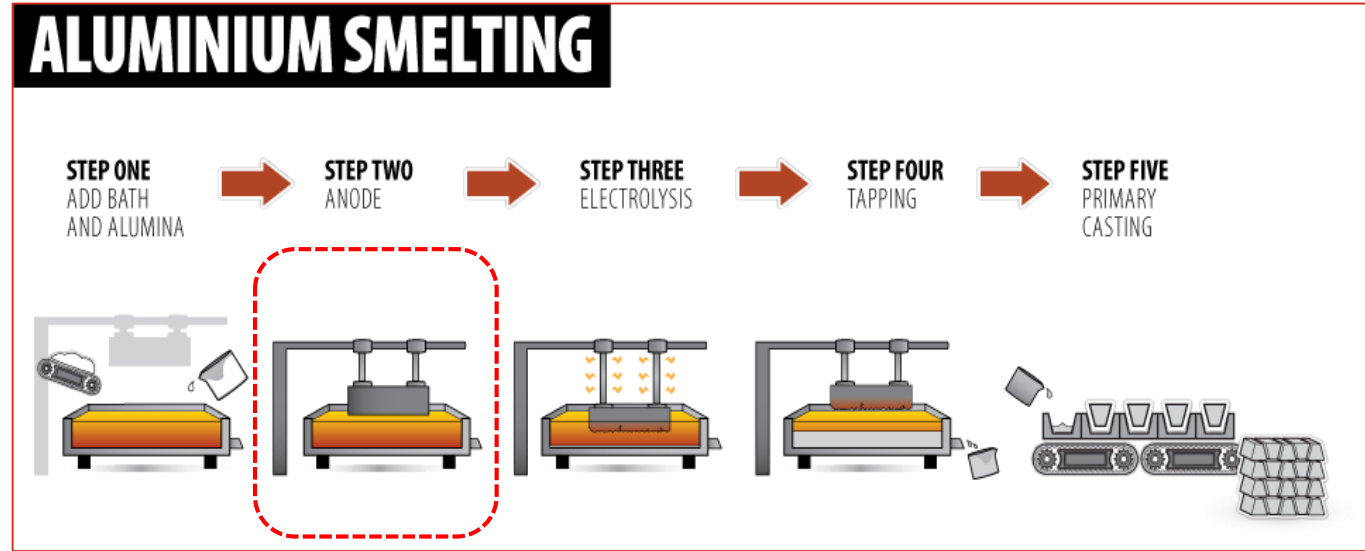
In pre-baked anode and soderberg in aluminium manufacturing





# 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







# Carbon Black



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

## Raw Material

Access to superior, consistent & customized Raw Material feed from inhouse distillation units



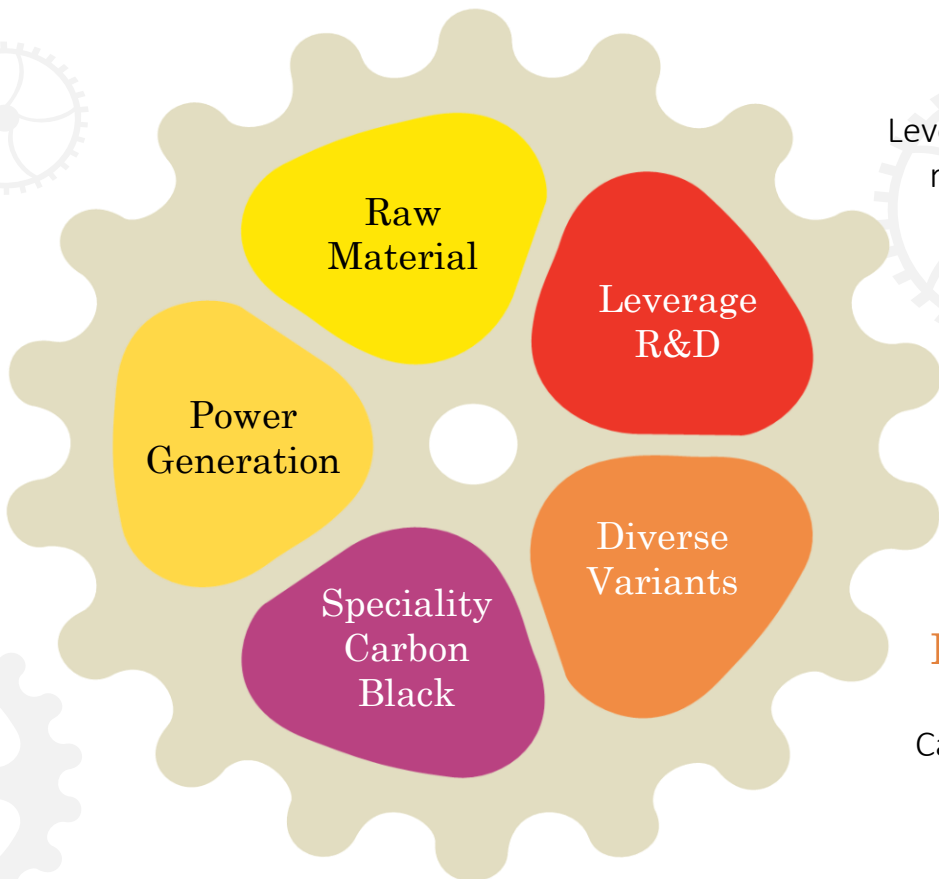
## Leverage R&D

Leveraged R&D strength to develop a range of speciality carbon black products



## Power Generation

Tail gas released during Carbon Black manufacturing process generates Power which is also eligible for Carbon credits



## Full Range of Product Variants

Capable of producing full range of product variants for diversified applications in industries

## Speciality Carbon Black

High performance and caters to niche applications in Tyre & Non-tyre Industry and Speciality (Plastic Masterbatch, Fibre, Wire & Cable, Pipes, Engineering Plastics, Flims, Inks, Coatings, etc)

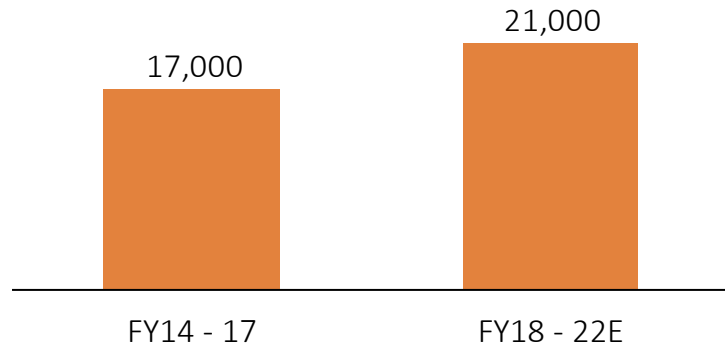




# Large Market Potential

## Indian Tyre - Commissioned Projects

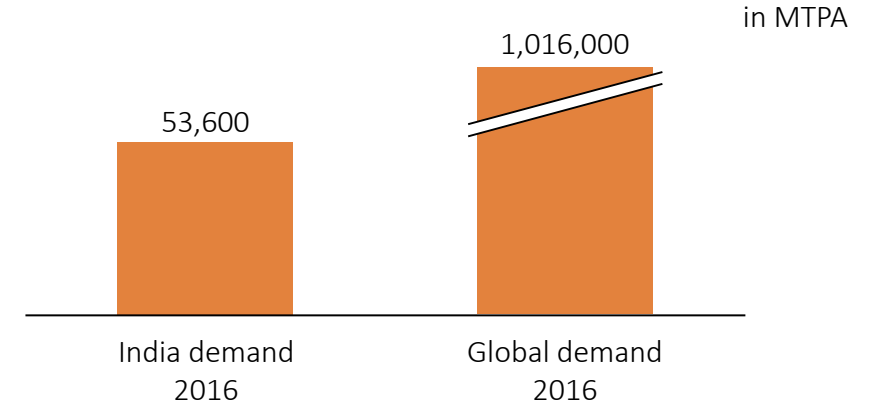
Rs. Crore



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

**18 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**

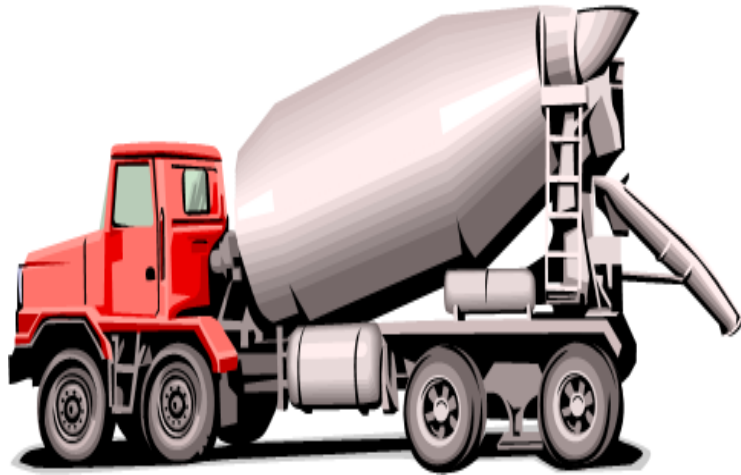
**Highest Purity SNF** manufactured from  
In-house produced Naphthalene

**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

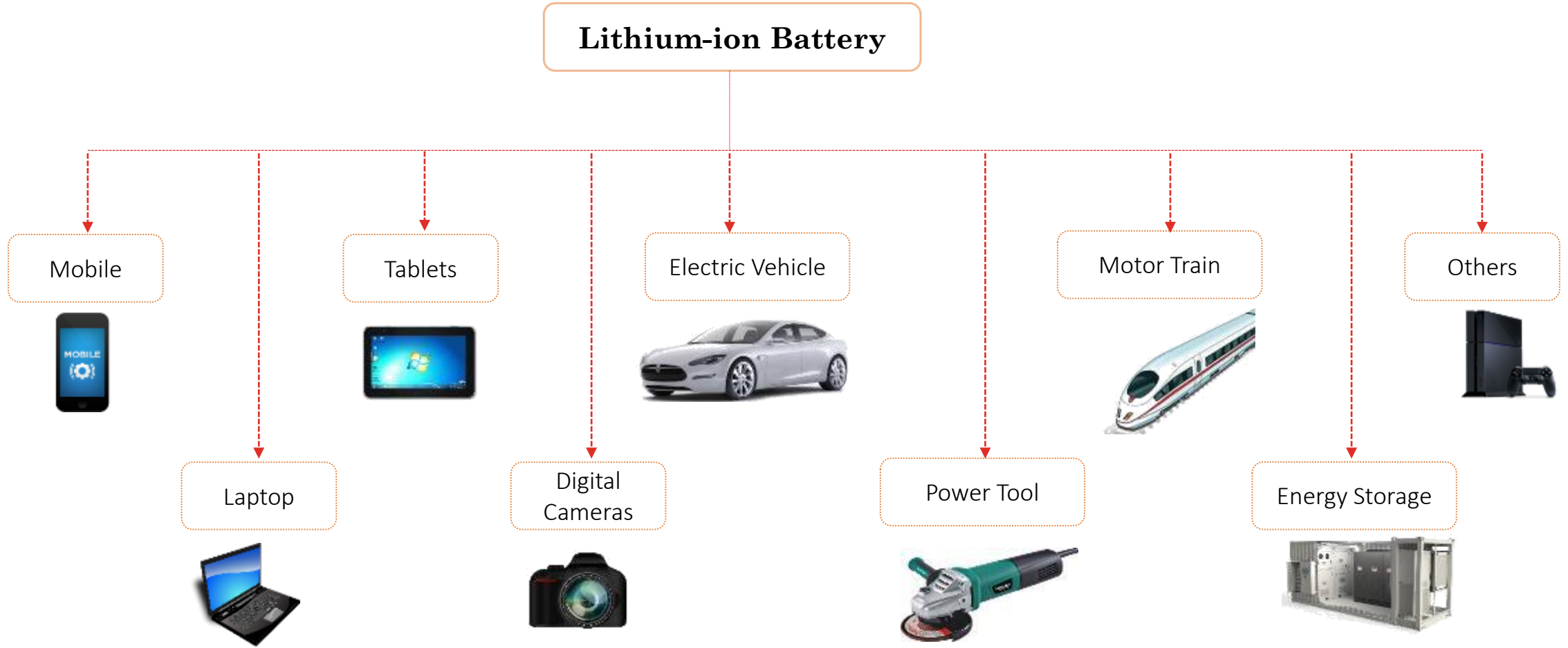
Best in class

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





# Application in Sunrise Sector

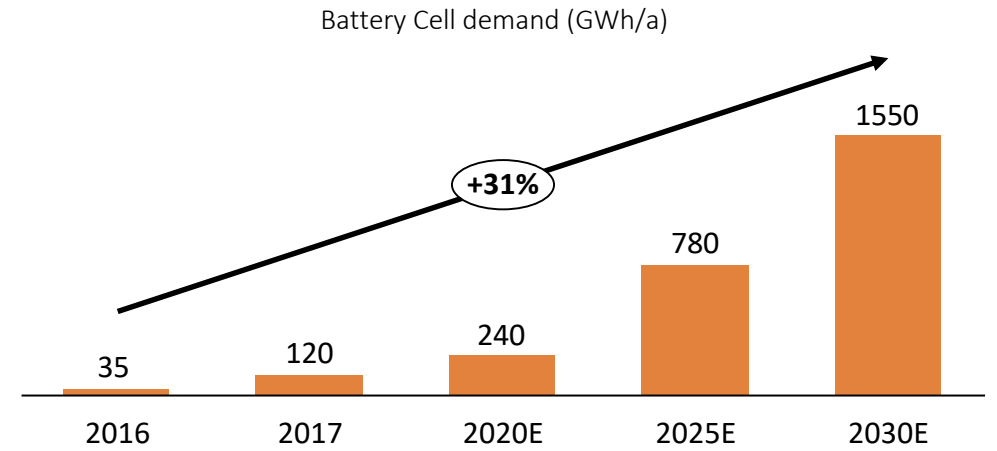




# At early stage of Growth

- » 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

## Global Lithium-ion Battery Demand Projection

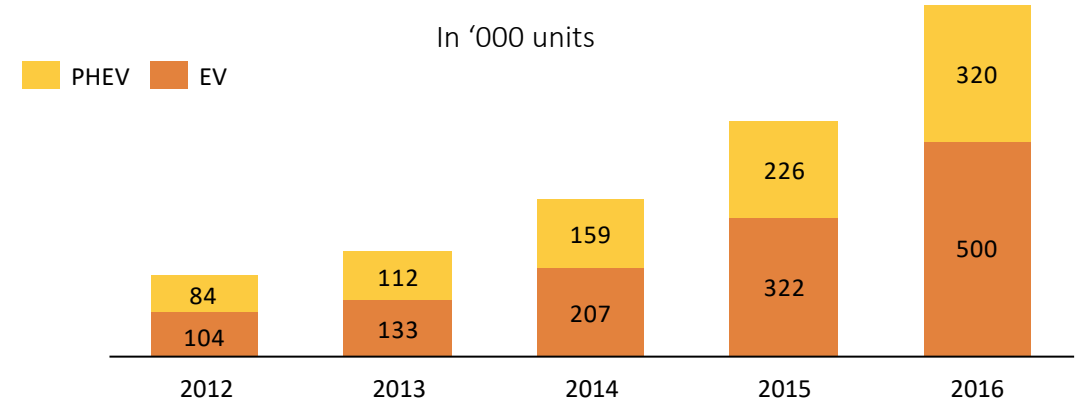


Source- Avicenne, Roland berger 2018 Presentations

## 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 Electric Vehicles Sales



Source- ResearchInChina

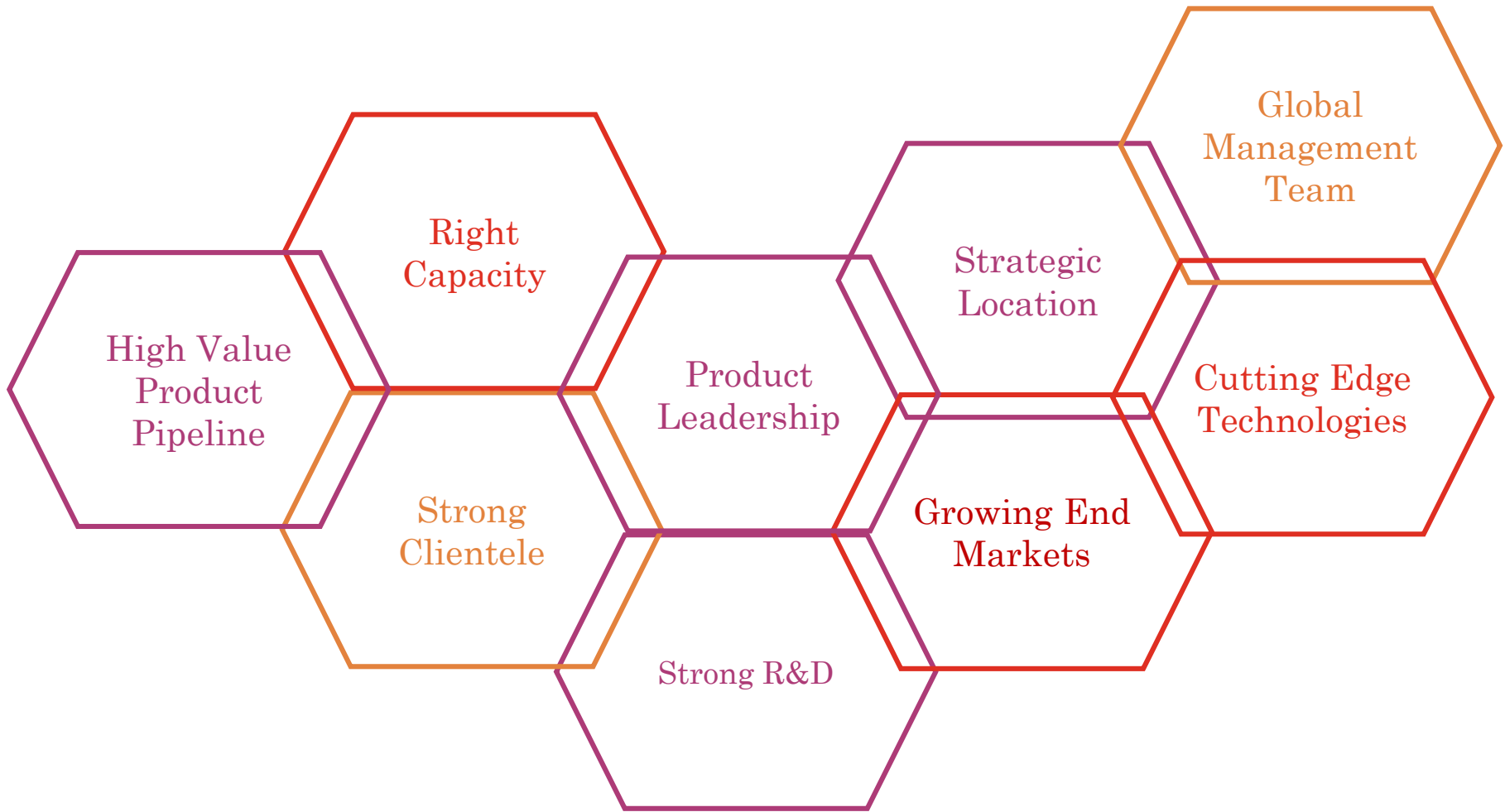


# Looking Forward with Confidence



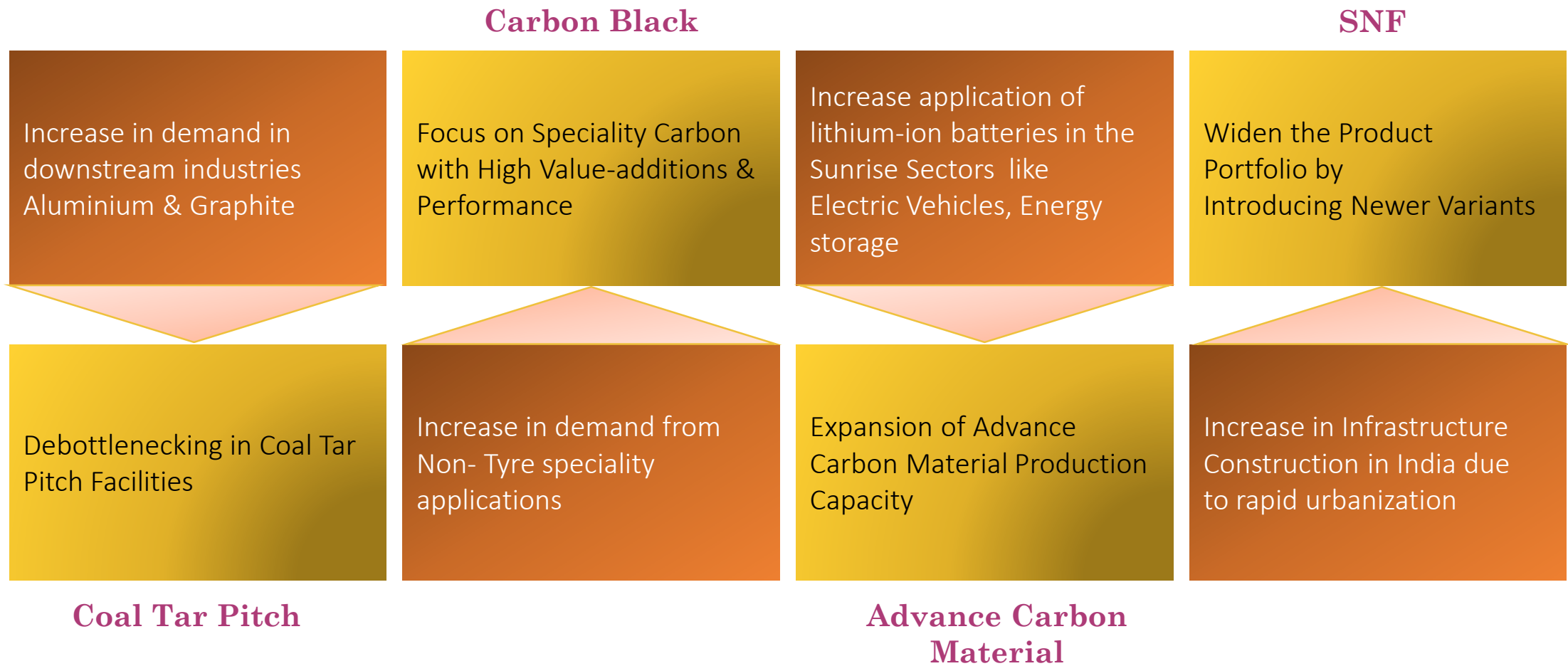


# Strongly positioned to capture Growing Markets





# Strategic Growth Priorities





**For further information, please contact:**

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Company :	Investor Relations Advisors :
<b>Himadri Speciality Chemical Ltd</b>	<b>SGA</b> <u>Strategic Growth Advisors</u>
CIN: L27106WB1987PLC042756	CIN: U74140MH2010PTC204285
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<a href="http://www.himadri.com">www.himadri.com</a>	Email: <a href="mailto:payal.Dave@sgapl.net">payal.Dave@sgapl.net</a> / <a href="mailto:neha.shroff@sgapl.net">neha.shroff@sgapl.net</a>
	<a href="http://www.sgapl.net">www.sgapl.net</a>

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## Himadri Speciality Chemical Ltd

### Record Performance Continues – H1FY19

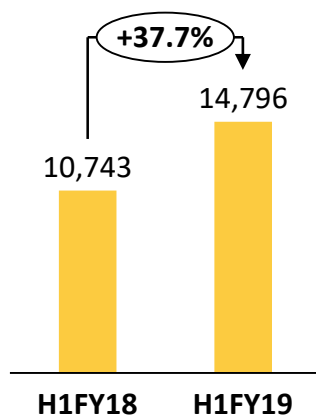
- ✓ Sales Volume at 1,90,775 MT
- ✓ EBITDA per MT at Rs. 14,796
- ✓ EBITDA at Rs. 282 Crores
- ✓ PAT at Rs. 151 Crores

**Release: 12<sup>th</sup> November 2018, Kolkata**

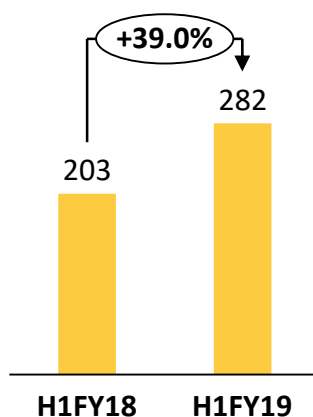
Himadri Speciality Chemical Ltd. is a leading Carbon corporation with one-of-its-kind vertical integration in the world. The Company is market leader in most of its key product segments which include coal tar pitch, carbon black, naphthalene and its derivatives, SNF, speciality oils, etc.

Himadri continues to deliver record breaking performance on all the parameters during the first half of the current financial year due to increased volumes, product mix, cost efficiencies and better realizations. The net Debt stands at Rs. 568 Crores on 30<sup>th</sup> September, 2018, with a **Net Debt:Equity at 0.37x**.

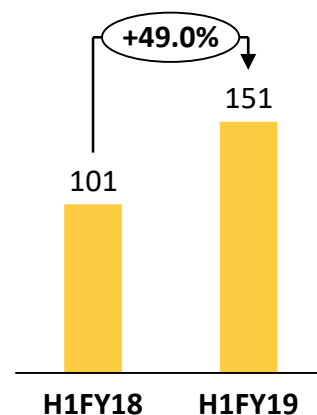
#### EBITDA / TON (In Rs.)



#### EBITDA (In Rs. Crores)\*



#### PAT (In Rs. Crores)



\* Excludes FX Fluctuation Gain / Loss

#### ❖ Record Half Yearly Performance

- EBITDA of Rs. 282 crores., Y-o-Y growth of 39%
- EBITDA / Ton at Rs. 14,796, Y-o-Y growth of 38%
- Net profit at Rs. 151 crores, Y-o-Y growth of 49%
- Volume Increased to 1,90,775 MT





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

*“I am very pleased to report another record breaking half yearly performance during the current financial year.*

*The efforts on various initiatives are now yielding results leading to better realizations, optimization of product mix and cost efficiencies. Our focus on accelerating our core business along with addition of newer generation product portfolio will ensure Himadri continues the growth momentum.*

*With strong focus on Environment and Quality, we are creating a sustainable business. Innovative Products like Advance Carbon Materials which finds applications in next generation Electric Vehicles and Speciality Carbon Black will take Himadri to next level of growth. We are very excited about the journey we are undertaking.”*

### **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 catering to more than two-thirds of the Indian Graphite and Aluminium industry, third largest producers of Carbon Black 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

### Company :

**Himadri Speciality Chemical Ltd**

CIN: L27106WB1987PLC042756

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### Investor Relations Advisors :

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