



Ref. No: HSCL / Stock-Ex/2018-19/117  
Date: 29 January 2019

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 Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
-------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------

**Sub: Investor Presentation and Media Release**

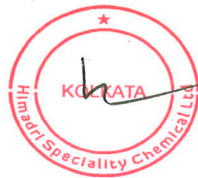
Dear Sir,

We are enclosing herewith:-

1. Investors presentation
2. Media/Press Release

We request you to kindly take on record the same.

Thanking You,



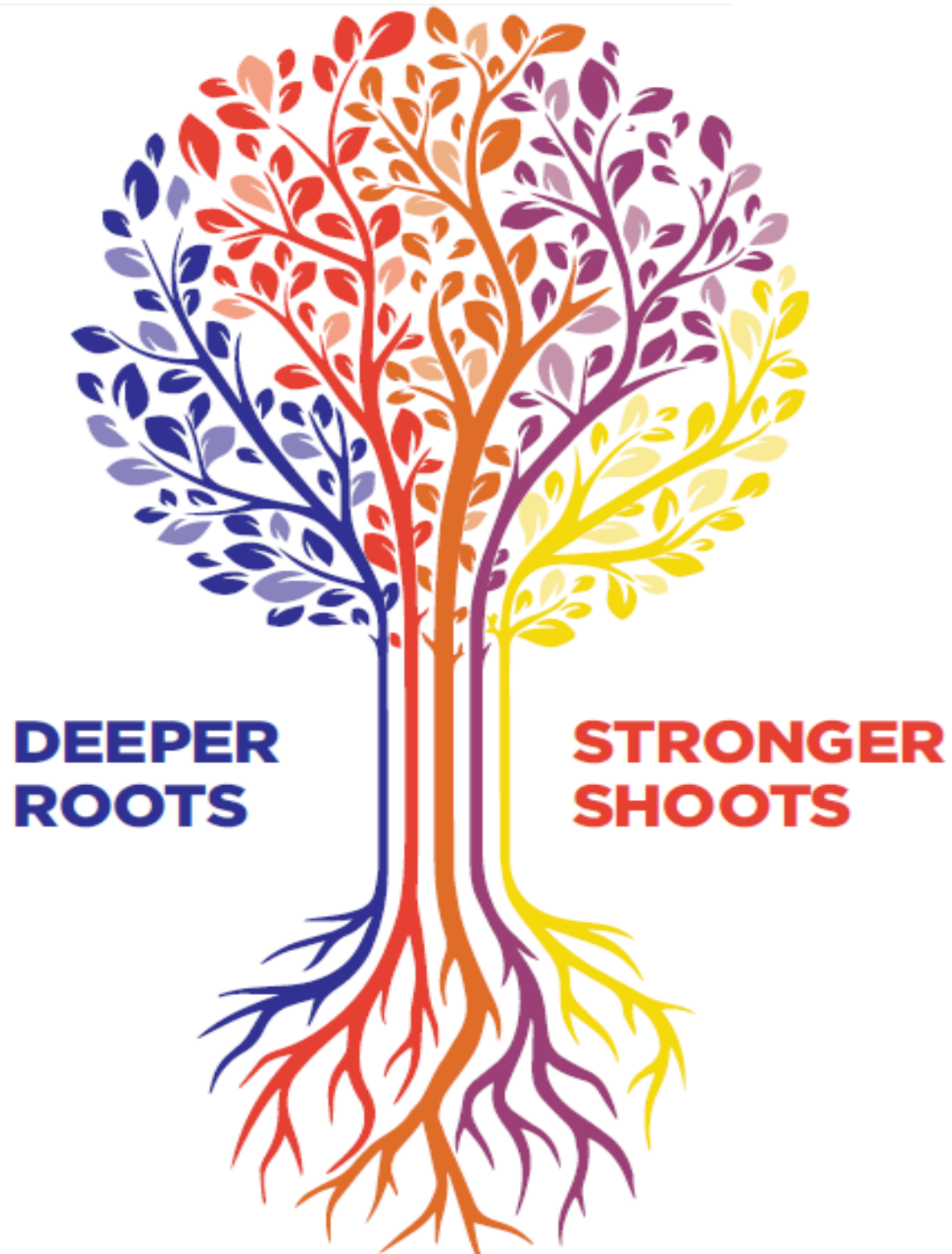
Yours faithfully,

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**

January - 2019



# Safe Harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by Himadri Speciality Chemical Ltd (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.





**Business Updates**

**&**

**Performance Highlights for Q3 and 9MFY19**





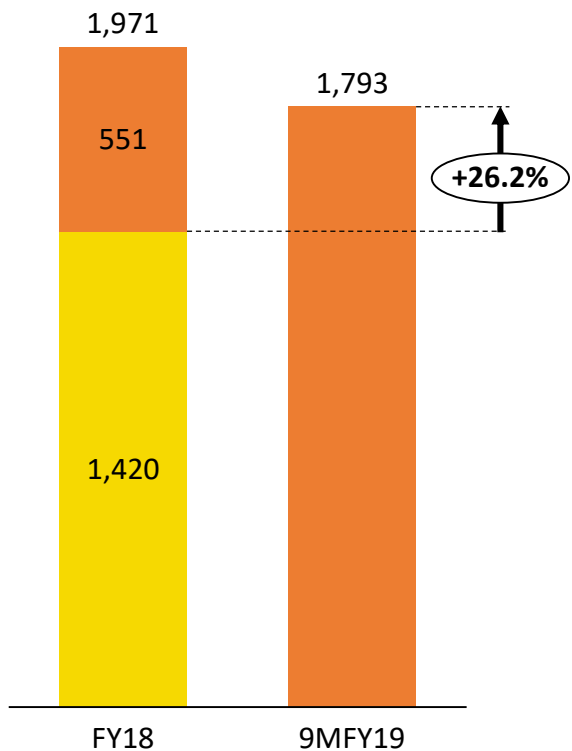
# Performance for 9MFY19



Rs. in Crs

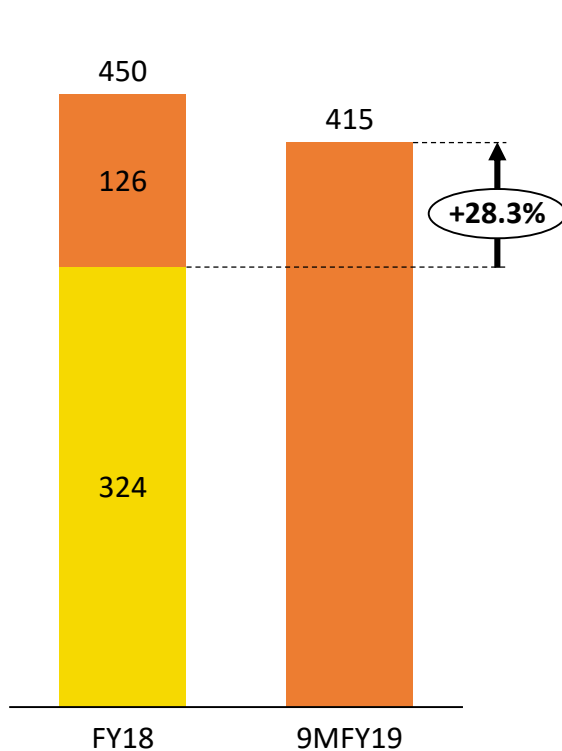
## Revenue from Operations\*

**91%**  
Revenues achieved



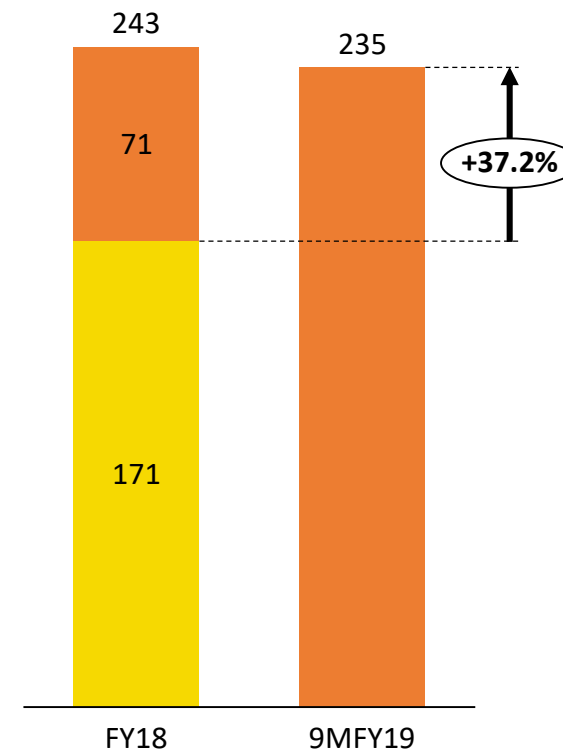
## EBITDA#

**92%**  
EBITDA achieved



## PAT

**97%**  
PAT achieved

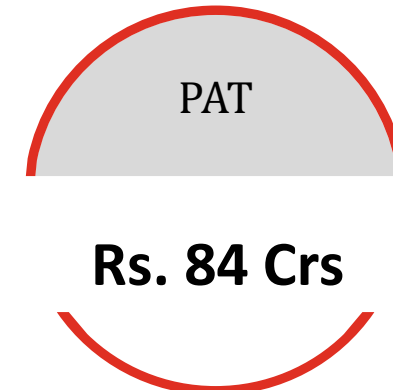
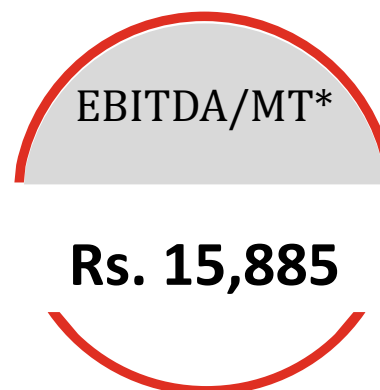
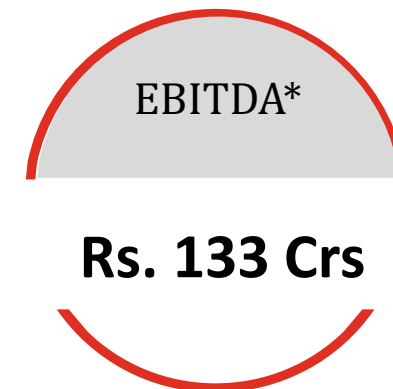
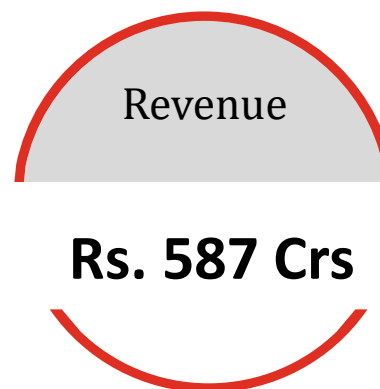
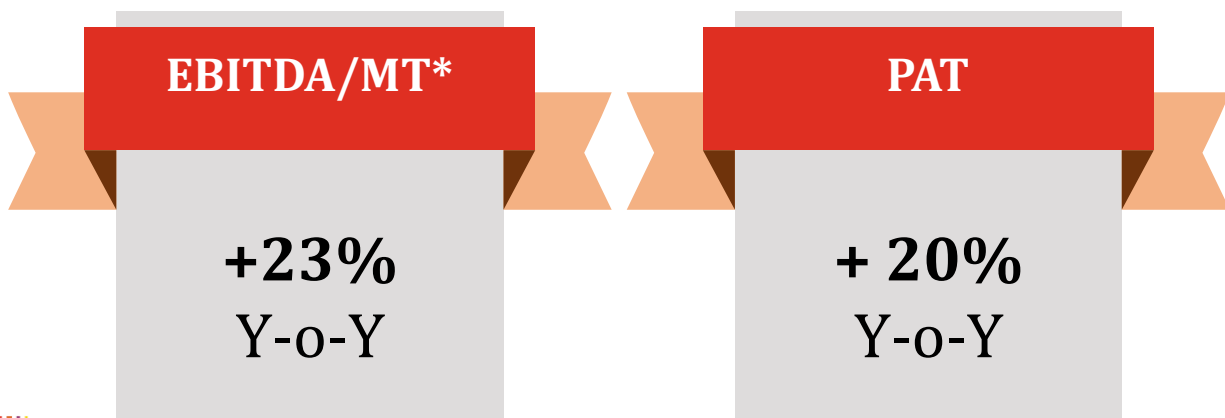
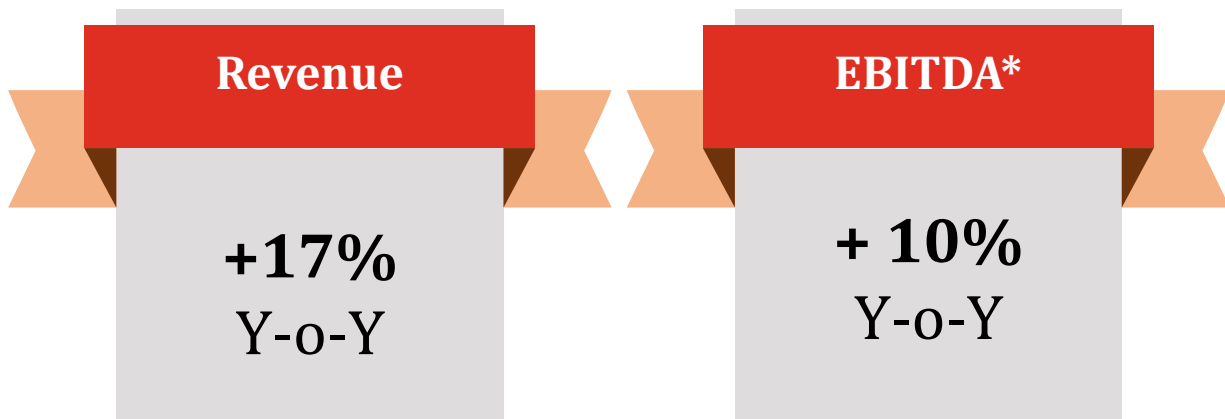


Q4 9M

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



# Q3 FY19 – Another Quarter of Strong Performance



\* Excludes FX Fluctuation Loss / Gains

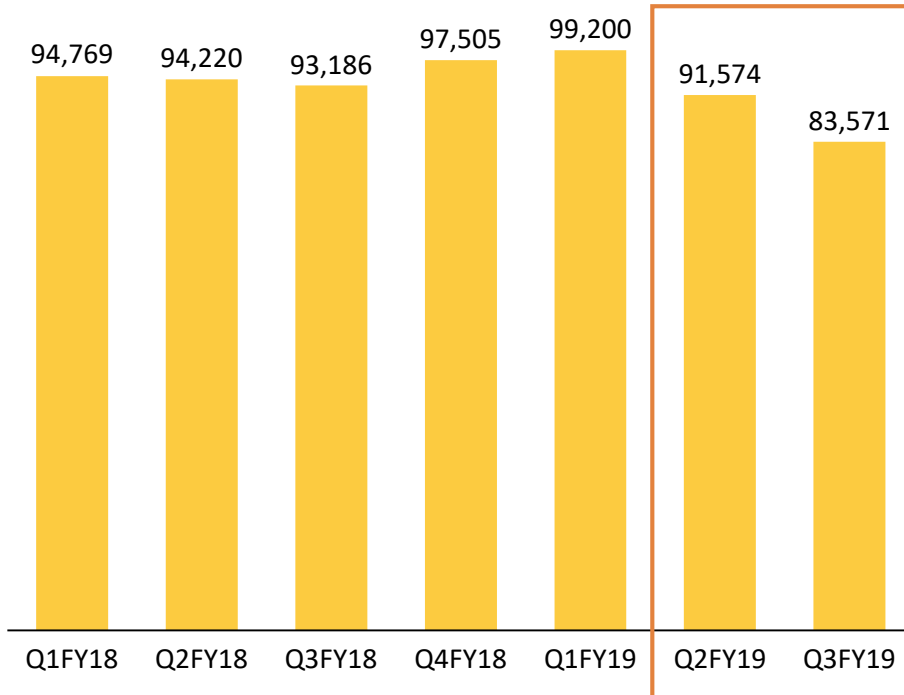




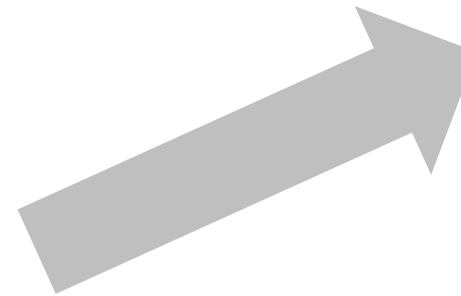
# Strong and Sustainable Margin Growth



### Volume MT

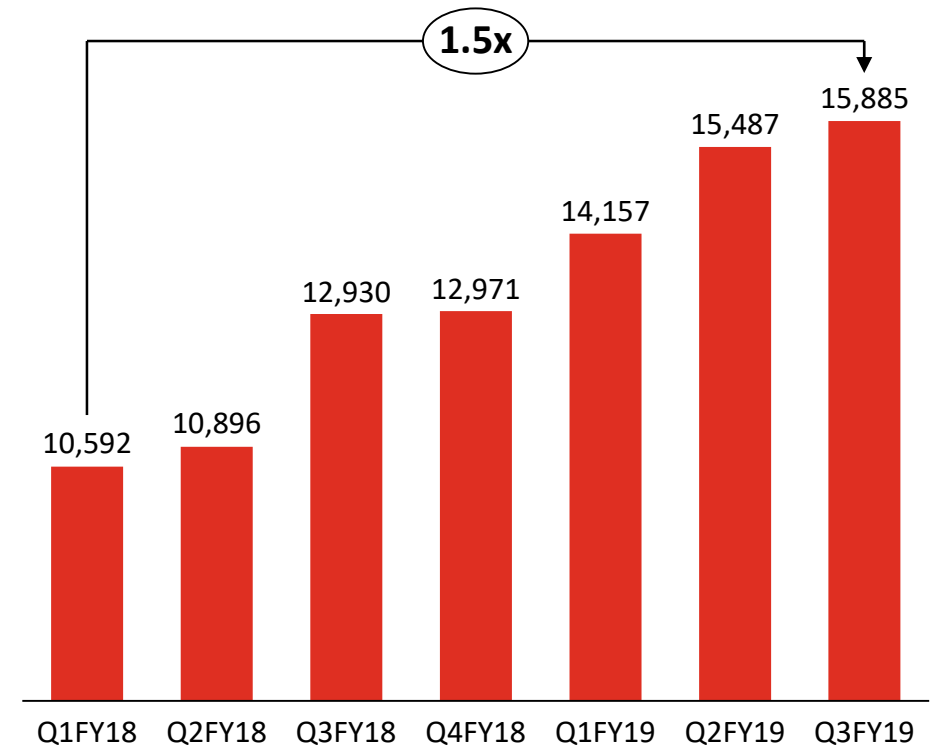


Increasing focus on Value-addition...



...Resulting in Uptrend in EBITDA/tonne

### EBITDA (Rs.) Per MT



- Coal Tar Distillation capacity debottlenecking completed
- Incremental capacity of 1,00,000 MTPA
- Lower volume due to planned shutdown for capacity expansion

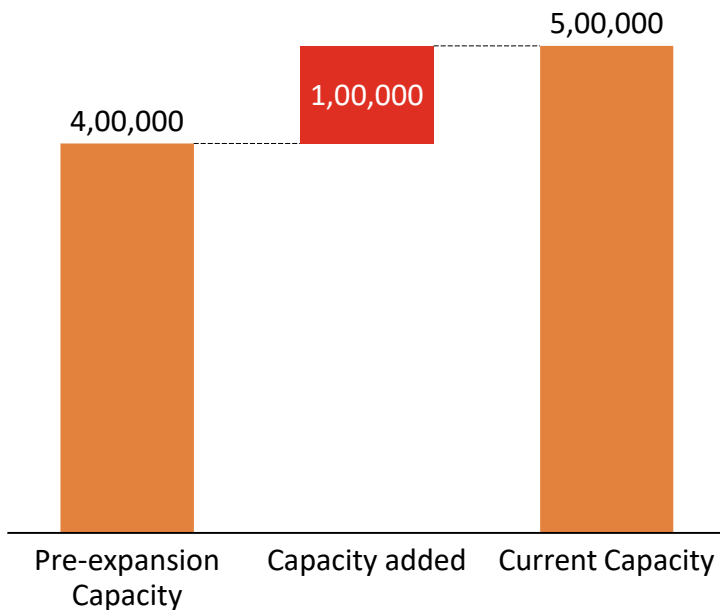




# Ready for Future Growth



## Coal Tar Distillation Capacity Debottlenecking



**Capacity Expansion by 1,00,000 MTPA**

## Specialty Carbon Black

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

**Commissioning is expected to be in H1FY20**

## Advance Carbon Material

- » Advance Carbon Materials project of 20,000 MTPA is progressing well
- » Commissioning is expected to be in phases starting from H1FY20 over the next 12 months thereon

**Commissioning is expected to be in Phases**

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





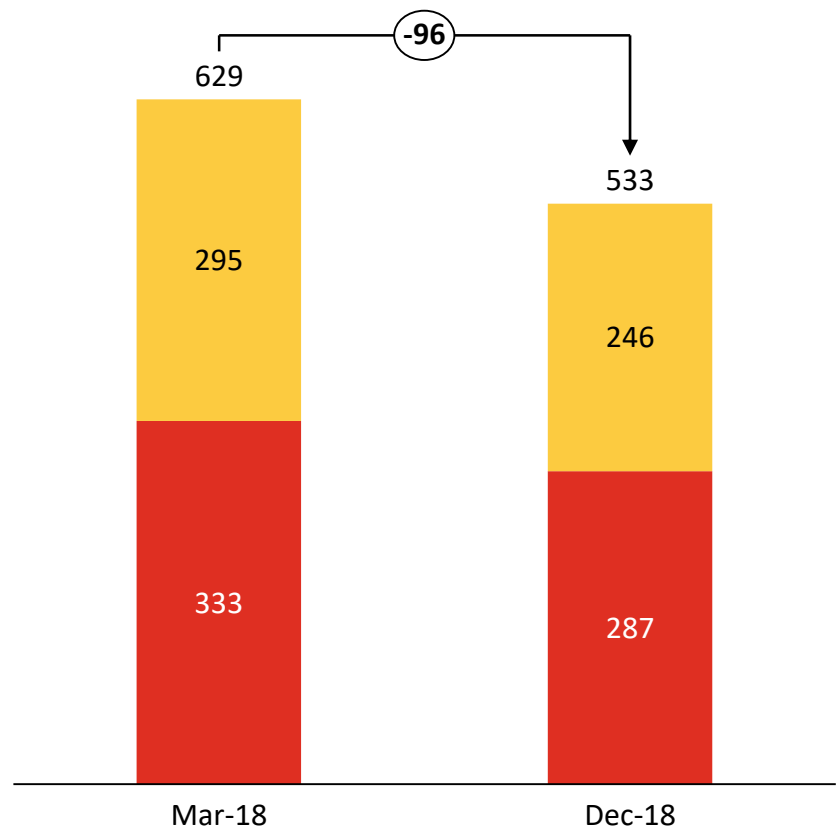


# Debt Repayment of ~ Rs. 96 Crores in 9 months



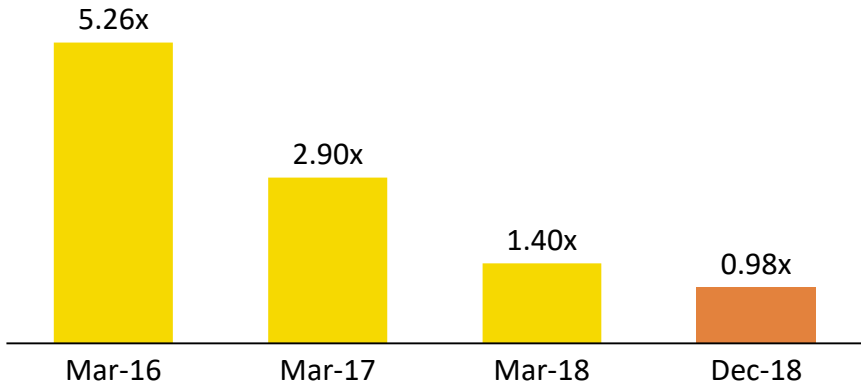
Rs. in Crs

## Net Debt

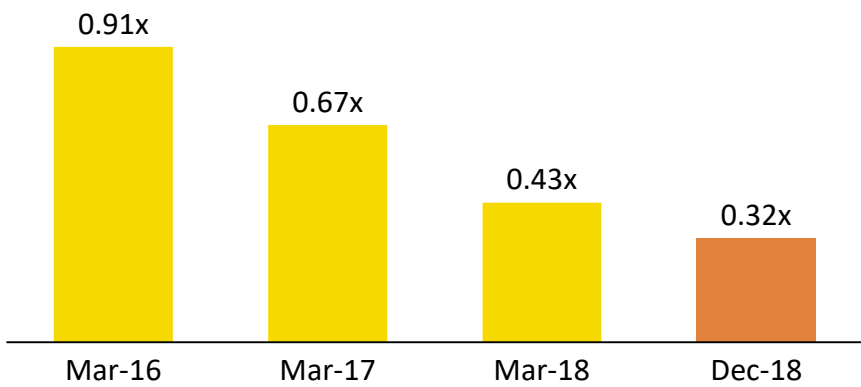


Long Term Debt Working Capital Loans

## Net Debt / EBITDA\*



## Net Debt / Equity



\*Net Debt as on 31st Dec-18  
EBITDA based on last 4 Quarters excluding FEF





# Credit Rating Upgrade by CARE



## Credit Rating Revision

» In December 2018, CARE has revised the Credit rating to company's credit facilities and instruments as mentioned:



Facilities	Amount (In Crores)	Rating	Remarks
Long Term Bank Facilities	528	CARE AA-; Stable	Revised from CARE A+; Stable
Short Term Bank Facilities	445	CARE AA-; Stable / CARE A1+	Revised from CARE A+; Stable/ A1+
Long Term/Short Term Bank Facilities	106	CARE A1+	Reaffirmed
Non-Convertible Debentures	150	CARE AA-; Stable	Revised from CARE A+; Stable
Commercial Paper	150	CARE A1+	Reaffirmed





# Standalone Profit & Loss



Particulars (Rs. In Crs)	Q3 FY19	Q3 FY18	Y-o-Y (%)	Q2 FY19	Q-o-Q (%)	9MFY19	9MFY18	Y-o-Y (%)
<b>Net Revenue From Operations</b>	<b>587</b>	<b>500</b>	<b>17%</b>	<b>602</b>	<b>-3%</b>	<b>1,793</b>	<b>1,420</b>	<b>26%</b>
Cost of Materials Consumed	389	327		404		1,200	963	
<b>Gross Profit</b>	<b>198</b>	<b>173</b>	<b>14%</b>	<b>198</b>	<b>0%</b>	<b>593</b>	<b>458</b>	<b>30%</b>
Employee Benefits Expense	15	12		13		42	33	
Other Expenses	49	41		43		136	101	
<b>EBITDA</b>	<b>133</b>	<b>120</b>	<b>10%</b>	<b>142</b>	<b>-6%</b>	<b>415</b>	<b>324</b>	<b>28%</b>
Other Income	2	2		2		7	5	
Foreign Exchange Fluctuation Loss/(Gain)	(13)	(3)		12		4	(2)	
Depreciation and Amortization Expense	8	8		8		25	24	
<b>EBIT</b>	<b>139</b>	<b>117</b>	<b>19%</b>	<b>124</b>	<b>13%</b>	<b>394</b>	<b>307</b>	<b>28%</b>
Finance Costs	17	12		18		54	52	
<b>Profit / (Loss) Before Tax</b>	<b>122</b>	<b>105</b>		<b>106</b>		<b>340</b>	<b>255</b>	
Tax Expenses	38	35		32		105	84	
<b>Profit / (Loss) for the year</b>	<b>84</b>	<b>70</b>	<b>20%</b>	<b>74</b>	<b>14%</b>	<b>235</b>	<b>171</b>	<b>37%</b>

Foreign Exchange Fluctuation Loss / (Gain) has been separated from Other Expenses and Other Income





**Business Overview**



# Value Creation Journey by way of Vertical Integration

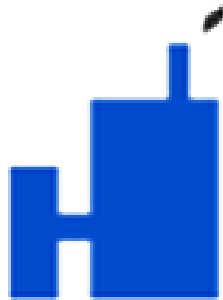




# Product Development was a Clear Focus



2010



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

2019



- |                                                                               |                         |
|-------------------------------------------------------------------------------|-------------------------|
| 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





# Fit for Future: Products & its Potential

Accelerating Core Business & Finding next Core Business

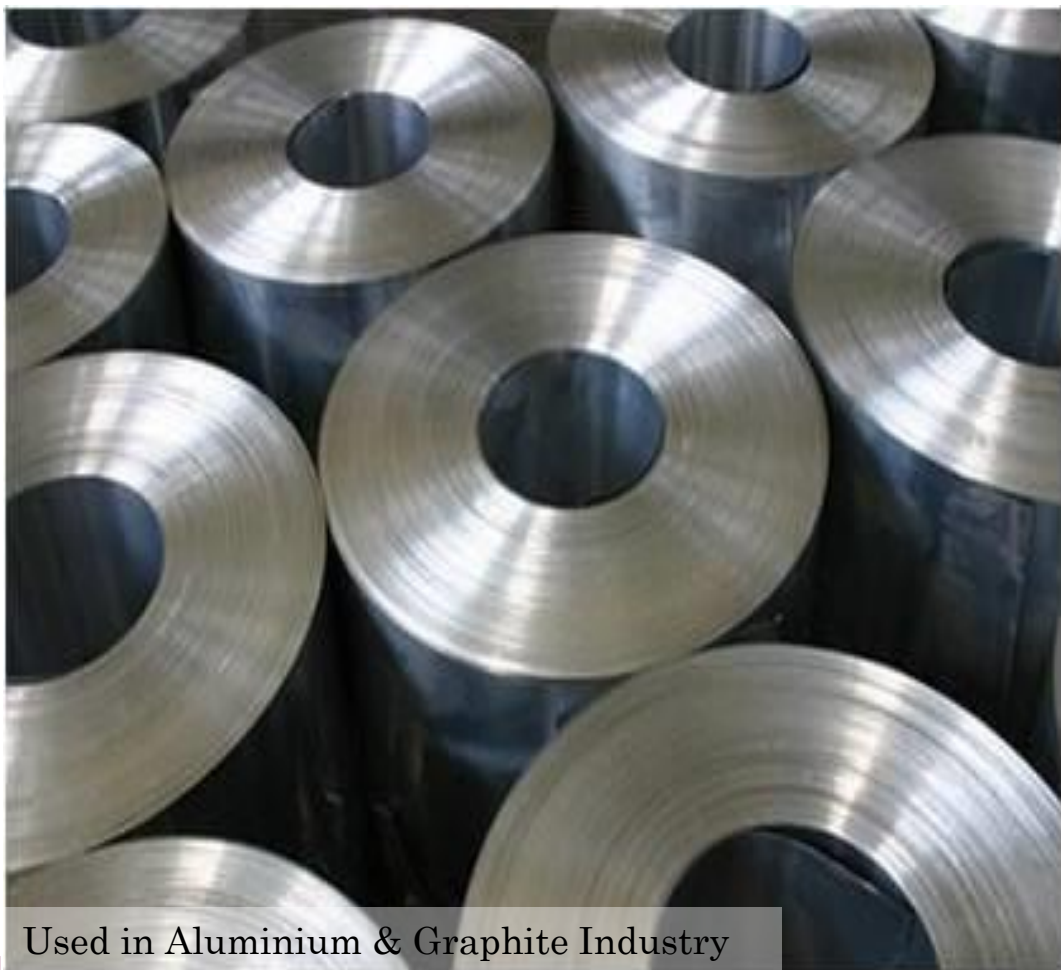




## **Product Leadership – Accelerating Core Business**

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





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





## 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

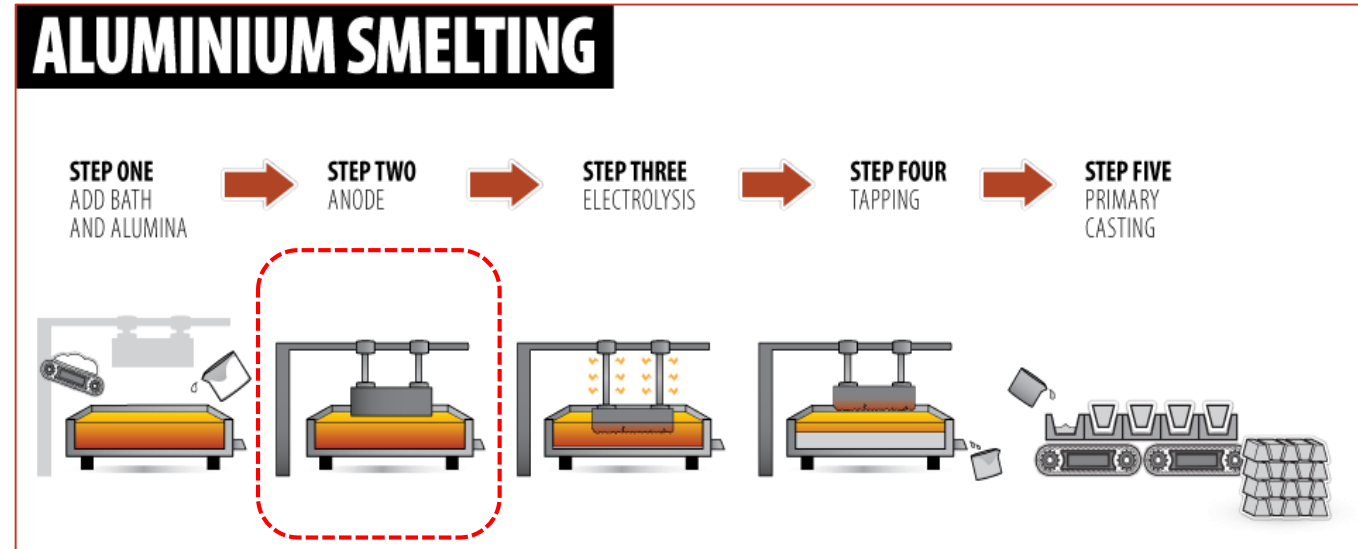




# Inelastic & Growing Demand



- » **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





**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

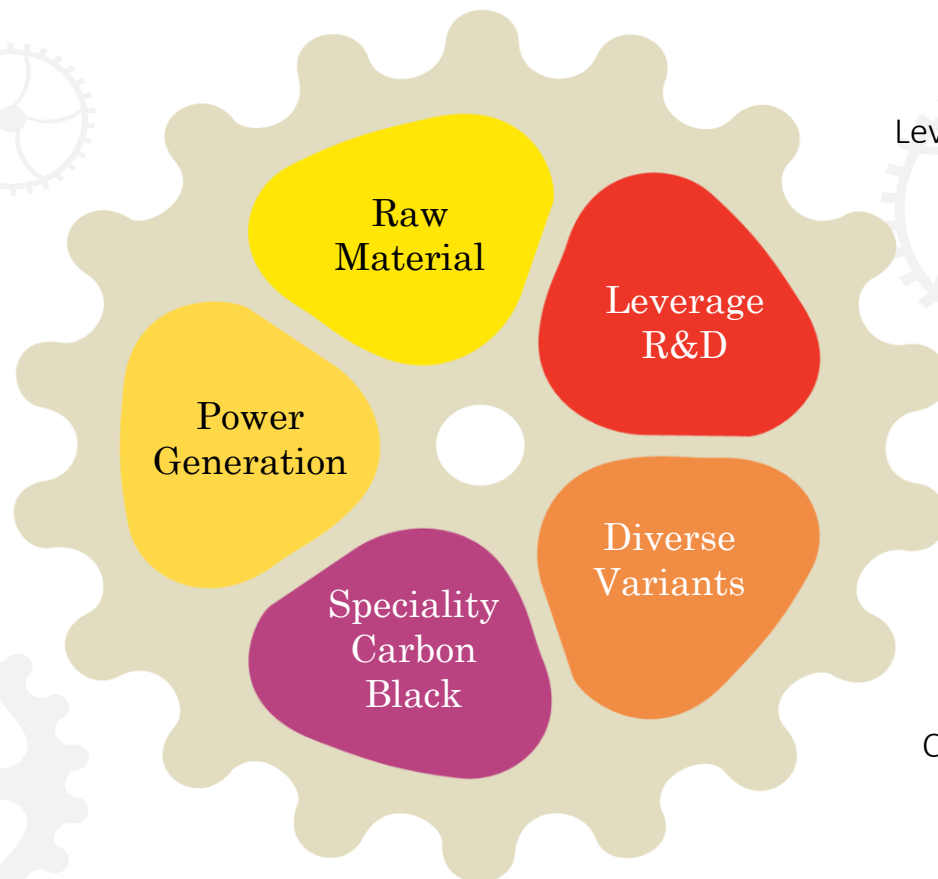


## Raw Material

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

## Power Generation

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



## Leverage R&D

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

## 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)



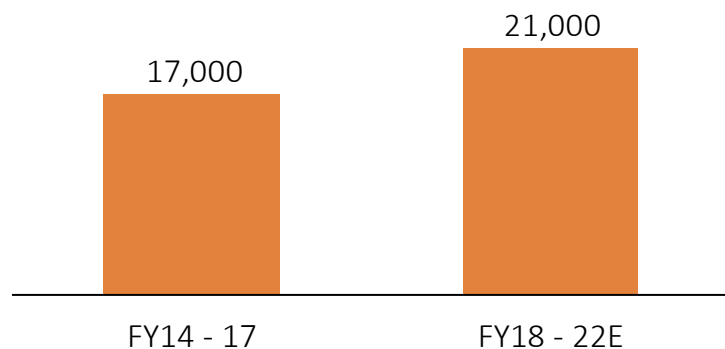


# Large Market Potential



## Indian Tyre - Commissioned Projects

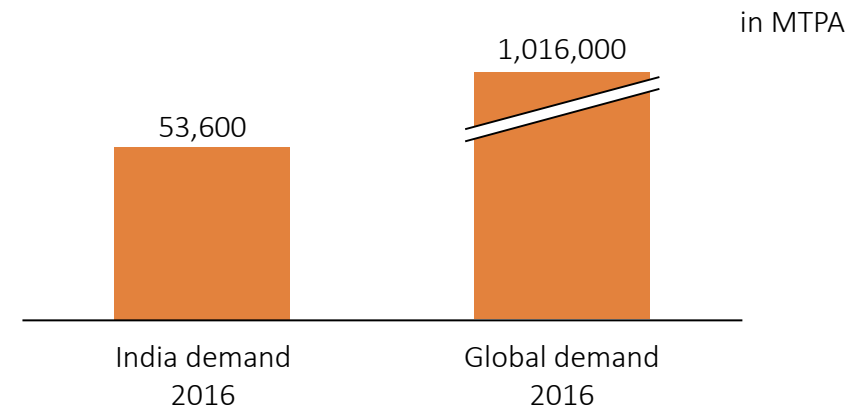
Rs. Crore



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

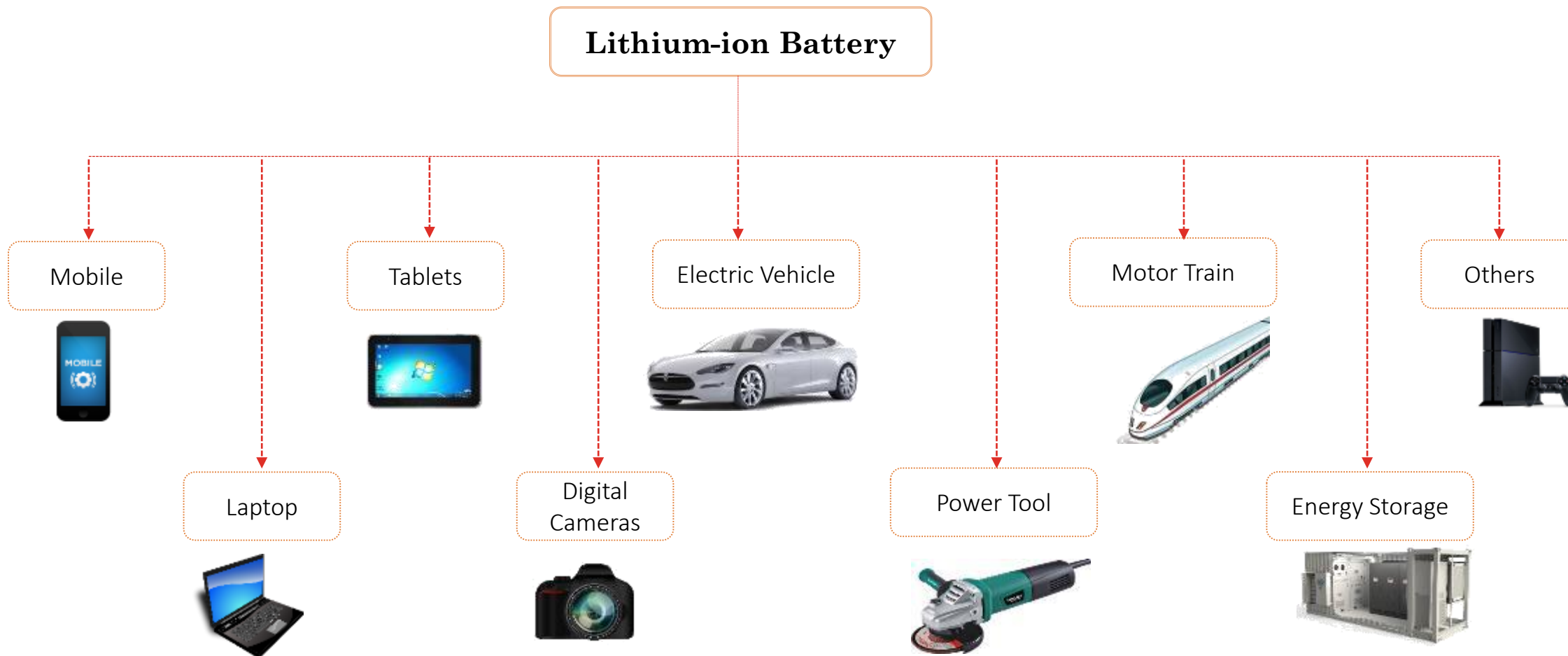
Best in class

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





# Application in Sunrise Sector



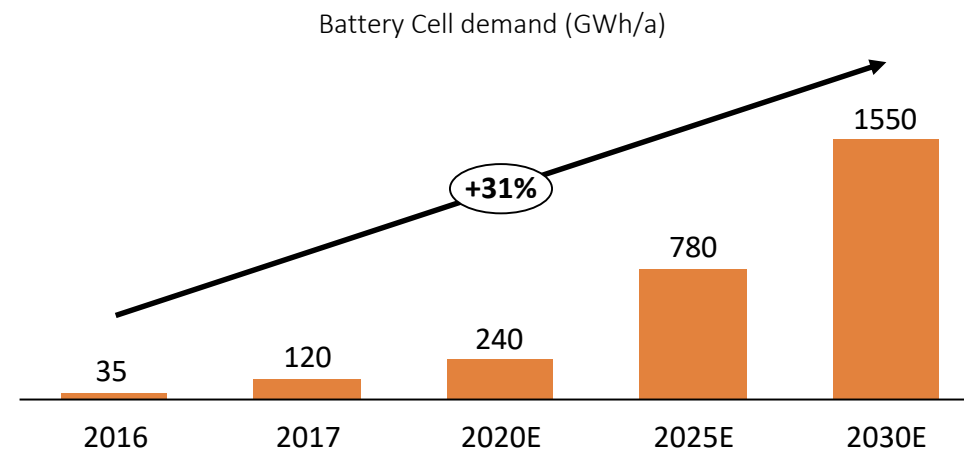


# At early stage of Growth



- » 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

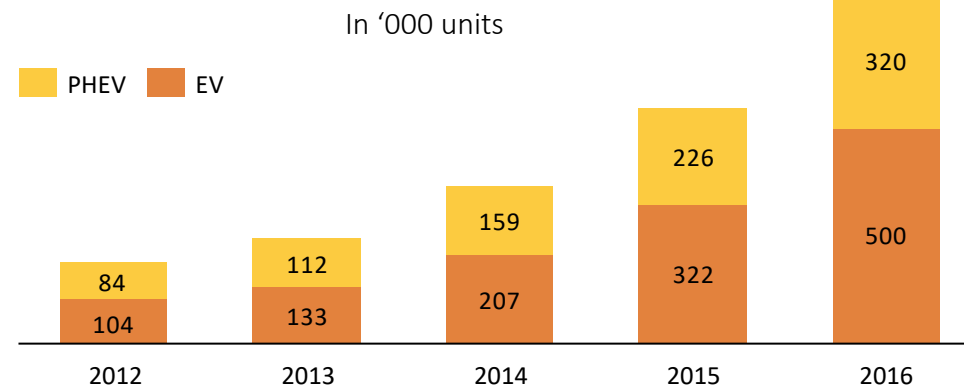


Source- Avicenne, Roland berger 2018 Presentations

### 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



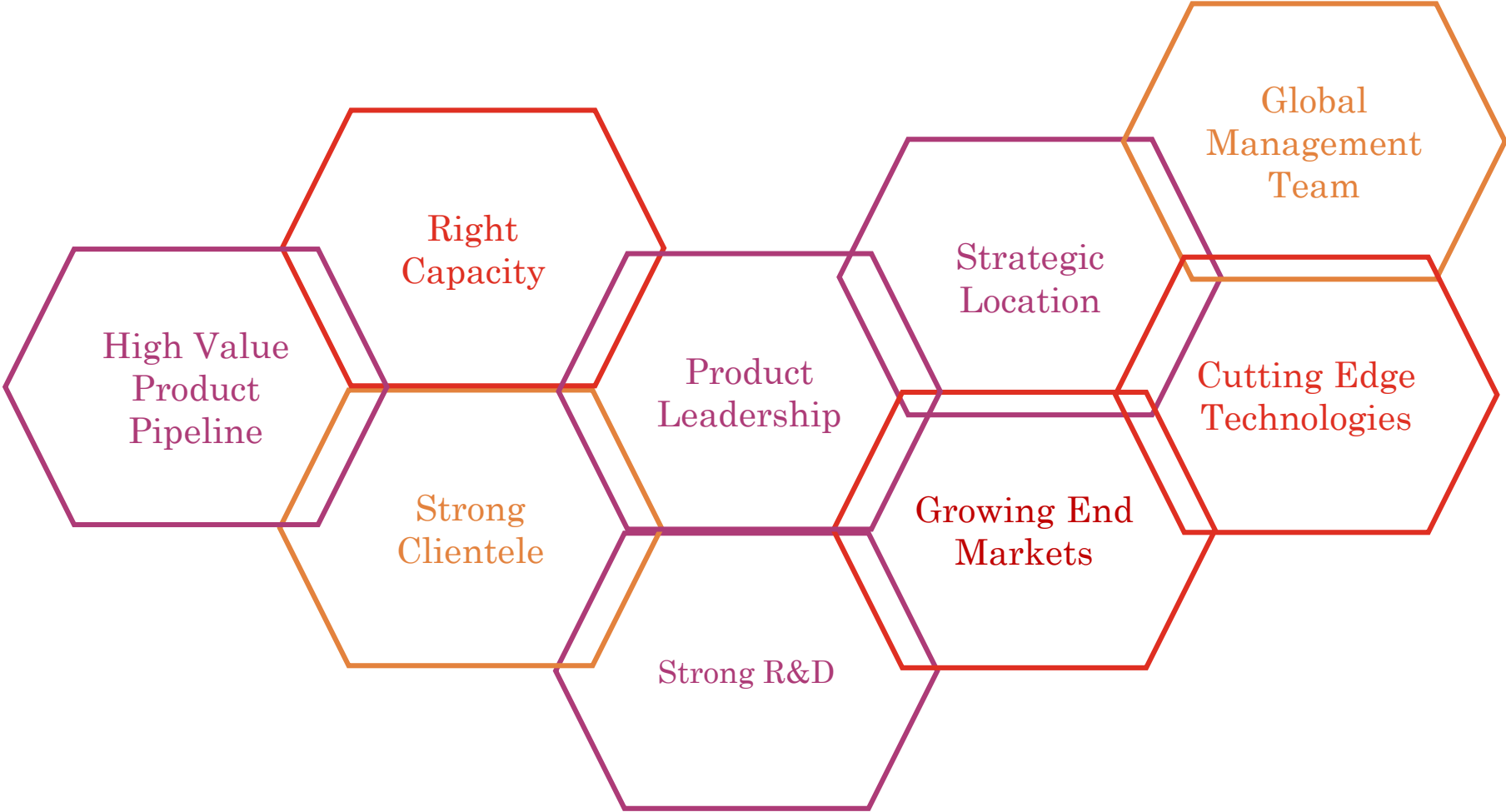


# Looking Forward with Confidence





# Strongly positioned to capture Growing Markets





# Strategic Growth Priorities



## Carbon Black

## SNF

Increase in demand in downstream industries Aluminium & Graphite

Focus on Speciality Carbon with High Value-additions & Performance

Increase application of lithium-ion batteries in the Sunrise Sectors like Electric Vehicles, Energy storage

Widen the Product Portfolio by Introducing Newer Variants

Debottlenecking in Coal Tar Distillation Facilities

Increase in demand from Non- Tyre speciality applications

Expansion of Advance Carbon Material Production Capacity

Increase in Infrastructure Construction in India due to rapid urbanization

## Coal Tar Pitch

## Advance Carbon Material





**For further information, please contact:**



---

Company :

**Himadri Speciality Chemical Ltd**

CIN: L27106WB1987PLC042756

Mr. Somesh Satnalika  
VP Strategy & Business Development

Email: [ssatnalika@himadri.com](mailto:ssatnalika@himadri.com)

[www.himadri.com](http://www.himadri.com)

---

Investor Relations Advisors :

**SGA** Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Neha Shroff

+91 9819916314/ +91 7738073466

Email: [payal.Dave@sgapl.net](mailto:payal.Dave@sgapl.net) / [neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)





## Himadri Speciality Chemical Ltd

### Solid Performance Continues – 9MFY19

#### Highest Ever Revenue, EBITDA/MT & PAT

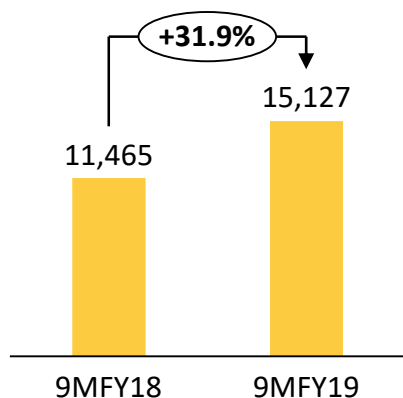
- ✓ Revenues at Rs. 1,793 Crores
- ✓ EBITDA per MT at Rs. 15,127
- ✓ PAT at Rs. 235 Crores
- ✓ Sales Volume stood at 2,74,346 MT

#### Investor Release: 29<sup>th</sup> January 2019, Kolkata

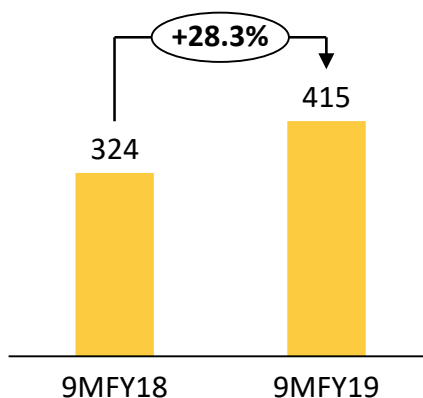
Himadri Speciality Chemical Ltd. is a leading Carbon corporation with one-of-its-kind vertical integration in the world. The Company is market leader in most of its key product segments which include coal tar pitch, carbon black, naphthalene and its derivatives, SNF, speciality oils, etc.

Himadri continues to deliver solid performance across Revenues, EBITDA/MT & PAT on the back of better Product mix with more focus on value-added products & cost efficiencies.

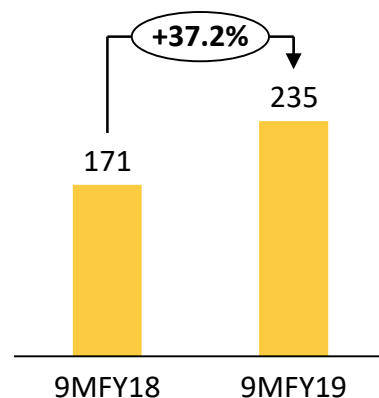
#### EBITDA / TON (In Rs.)\*



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



#### PAT (In Rs. Crores)



\* Excludes FX Fluctuation Gain / Loss

#### Updates on Business:

- During Q3FY19, we completed our debottlenecking at Coal Tar Distillation plant resulting in capacity enhancement from 4,00,000 MTPA to 5,00,000 MTPA. The new capacity is available for production from Q4FY19
- Capex for Speciality Carbon Black of 60,000 MTPA is progressing well and the commissioning is expected to be in H1FY20
- Capex for Advance Carbon Materials of 20,000 MTPA is progressing well and the commissioning is expected to be in phases starting from H1FY20 over the next 12 months thereon



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

*We are pleased to report a robust performance for nine month period ended 31<sup>st</sup> December 2018. We have reported highest ever Revenues, EBITDA, EBITDA/Ton and PAT for the said period. This solid performance is a result of a well thought out strategy of focusing on higher value-addition across businesses and better cost efficiencies.*

*Our volumes for the nine month period FY19 has been 2,74,346 MT. We had taken a planned shut down during Q3FY19 for the debottlenecking of our Coal Tar Distillation Facility. The capacity is now enhanced to 5,00,000 MTPA which readies us for future growth.*

*The debottlenecking will begin our journey towards the next level of growth with focus on Speciality Carbon Black and Advance Carbon Materials.*

*We are very excited about the promising journey ahead that will unleash the power of speciality carbon integration.”*

**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

Mr. Somesh Satnalika  
VP Strategy & Business Development  
Email: [ssatnalika@himadri.com](mailto:ssatnalika@himadri.com)

[www.himadri.com](http://www.himadri.com)

### Investor Relations Advisors :

**SGA** Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Payal Dave  
[Payal.Dave@sgapl.net](mailto:Payal.Dave@sgapl.net)

Ms. Neha Shroff  
[Neha.shroff@sgapl.net](mailto:Neha.shroff@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)