NEOGEN CHEMICALS LTD.

October 30, 2021

BSE Limited Department of Corporate Services Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Kala Ghoda, Fort Mumbai 400 001 **Scrip Code No: 542665**	National Stock Exchange of India Limited Listing Department, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Company Symbol: NEOGEN**

Sub.: Earnings Presentation on the Unaudited Financial Results of the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/ Madam,

With reference to the captioned subject, please find enclosed herewith the Earnings Presentation on the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2021.

The Unaudited Financial Results for the quarter and half year ended September 30, 2021 and the Earnings Presentation are also being uploaded on the Company's website at www.neogenchem.com .

Kindly take the same on your record.

Thanking you,
Yours faithfully,
For Neogen Chemicals Limited

NEOGEN CHEMICALS LTD. THANE

Unnati Kanani
Company Secretary and Compliance Officer
Membership No. A35131

Encl.: As above

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Neogen Chemicals Ltd.

Q2 & H1 FY22 Earnings Presentation

October 2021

NEOGEN CHEMICALS LTD.

Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Neogen Chemicals Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

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Neogen Chemicals – At a Glance

- Leading manufacturer of Bromine and Lithium-based specialty chemicals, operating since 1991
- Strong portfolio of Organic and Inorganic products
- Customers across multiple industries including Pharma, Engineering and Agrochem
- Key export geographies include USA, Europe, Japan and Middle East
- Growing contribution from Custom Synthesis and Contract Manufacturing
- Promoters are pioneering technocrats with substantial domain expertise; cumulative experience of more than six decades
- Developed strong R&D capabilities with dedicated in-house team

227

Products developed by in-house R&D

10%

Of workforce in R&D team

28

Exporting countries

ISO 9001:2015, ISO 14001:2015 & BS OHSAS 18001:2007

Manufacturing units certified on Quality & SHE management systems

27%

5-year Revenue CAGR

44%

5-year PAT CAGR

Evolution of Neogen Chemicals

1970's to 1991 Pre-Neogen

- Mr. HT Kanani graduated as a Chemical Engineer and started his association with Bromine chemistry in the early 1970s
- Set up one of India's first Bromine plants using indigenous technology at Navlakhi near Morbi, Gujarat
    - Plant was later destroyed in 1970s due to flooding followed by Morbi Dam Collapse
    - Mr. Kanani worked as a consultant for setting up Bromine and other manufacturing units till 1984 to recover these losses
- In 1985, started manufacturing Bromine derivatives from a 600 sq. ft. plant under a proprietorship firm, in small 20 lit reactors to start making n-propyl bromide and lithium bromide.

1991 to 2016 Pre-expansion

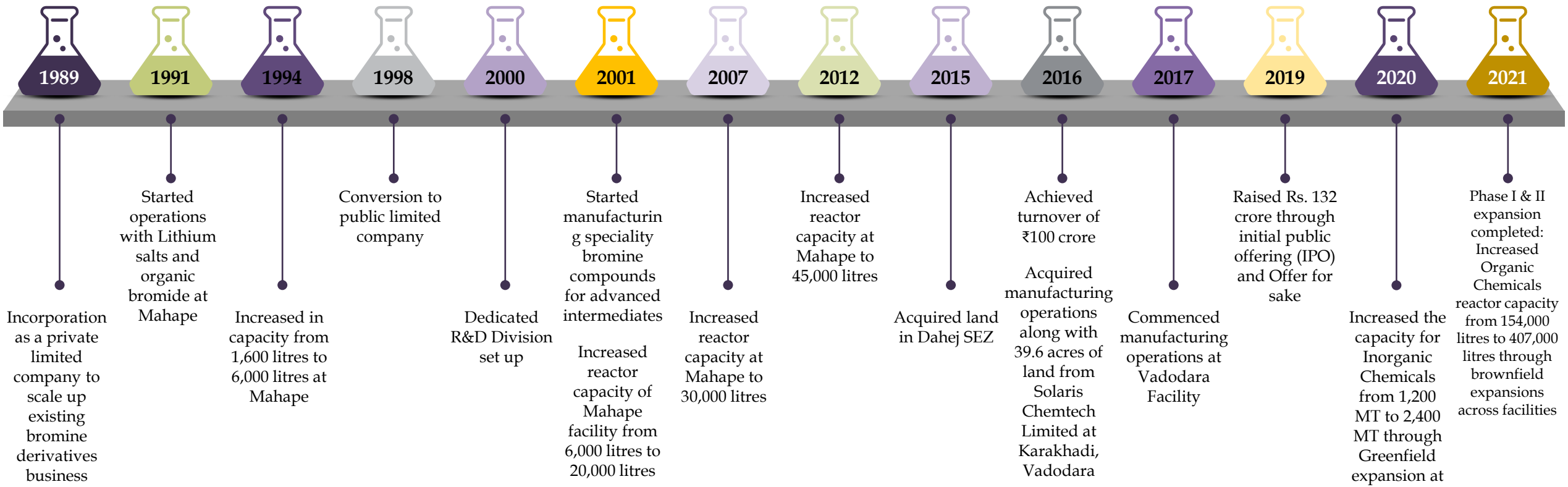
- 'Neogen Chemicals' commenced business operations in 1991, at Mahape, Navi Mumbai manufacturing a few Bromine Compounds and Lithium Compounds
- From 1991 to 1999, two molecules namely Lithium bromide and N-Propyl Bromide contributed almost 80-90% to the topline; revenues moved from ~Rs. 1 crore to ~Rs. 10 crore during this period
- Set up dedicated R&D and hired first PhD scientist in 2001
- Capacity expansions at Mahape plant took place in 2000, 2007 and 2012; this left no scope for further brownfield expansion at Mahape
- Dr. Harin (now MD) re-joined Neogen Chemicals in 2008 after pursuing his PhD in Chemical Engineering from University of Maryland, USA and working as a Research Scientist with Pioneer – DuPont Company

2016 to 2021 Present

- Acquired 12 acres of land in Dahej for Greenfield expansion in 2015
- Achieved turnover of Rs. 100 crore in FY16 after reporting full utilisation at the Mahape plant
- Acquired Solaris ChemTech Industries' Bromine derivatives plant at Vadodara in 2016 via slump sale
    - Acquisation cost included 39 acres of land for the running business, plant and machinery at the site, ~50 trained manpower and several technologies developed by the acquired site
- Acquisition Increased total organic glass lined reactor capacity from 45,000 litres in FY16 to 130,000 litres in FY18
- Turnover more than doubled in two years, to Rs. 240 crore in FY19, from Rs. 110 crore in FY17
- Doubled Inorganic Chemicals capacity from 1200 MT to 2400 MT through Greenfield expansion at Dahej SEZ
- Phase I & II expansion completed: Increased Organic Chemicals reactor capacity from 154,000 litres to 407,000 litres through brownfield expansions across facilities

Key Milestones

Leading manufacturer of Bromine and Lithium-based specialty chemicals since 1989



Business Overview

Organic Chemicals

Bromine Compounds
Organic compounds containing chlorine, fluorine, iodine-based combinations thereof and others including grignard reagents

Advanced Intermediates
Combining bromination with other chemistries to create forward-integrated value-added products

Custom Synthesis & Contract Manufacturing
Products developed for specific customers. Process know-how and technical specifications are developed in-house

End User Industries

- Pharmaceuticals
- Agrochemicals
- Electronic Chemicals
- Aroma Chemicals
- Flavours

Inorganic Chemicals

The portfolio includes specialty, inorganic lithium-based chemical products which find applications across multiple industries

End User Industries

- Eco-friendly VAM for cooling air/water/process equipment
- Pharmaceuticals
- Specialty Polymers
- Battery Chemicals
- Construction Chemicals

Select Clientele

AUSTIN · SOLVAY · Divis Laboratories Ltd. · CBC Co.,Ltd · THERMAX · VOLTAS A TATA Enterprise · Piramal · SUN PHARMA · HETERO · HIKAL · Mylan · Kirloskar Enriching Lives · AUROBINDO

Robust Manufacturing Expertise

Strong Manufacturing Infrastructure –

Factory	Land Area	Land Utilisation	Capacity	
			Organic Chemicals (Reactor capacity)	Inorganic Chemicals (Tonnage)
Mahape (Since 1991)	1 acre	100%	69,000 Liters	1,200 MT
Vadodara (Since 2017)	40 acres	20%	1,11,000 Liters	-
Dahej (Since 2020)	12 acres	20%	2,27,000 Liters	1,200 MT
Total			**4,07,000 Litres**	**2,400 MT**

Quality Control and Quality Assurance

- Dedicated QC and QA team in place monitoring the entire manufacturing process at all stages right from initial testing stage to the final product

Certifications of Manufacturing Facilities

- **Mahape Facility** - ISO 9001:2015 from Bureau Veritas Certification Holding SAS
- **Vadodara Facility** – ISO 9001:2015, ISO 14001:2015 and OSHAS 18001:2007 certifications from Bureau Veritas Certification Holding SAS
- Implemented current good manufacturing practice (cGMP) prescribed by the US FDA as applicable for intermediates

Developed strong R&D capabilities

Established **two in-house R&D units, one each in Mahape and Vadodara**, with an endeavor to develop new processes and improve existing processes

Developed **39-member dedicated R&D team, including 6 senior personnel** with doctorates in chemistry (Ph. D.) from reputed institutions and with 15+ years of experience

Believes that **R&D is critical for sustained growth** and will continue to deploy resources to further strengthen R&D infrastructure to take advantage of upcoming opportunities

CMD and MD are actively involved and spend significant time overseeing the functioning of both R&D divisions

Post commissioning of dedicated R&D units in 2001, the **product portfolio has grown from 20 products in 2001 to 227 products in Q2 FY22** (excluding products developed under contract manufacturing)

Experienced Leadership Team

Mr. Haridas Kanani, B.TECH (CHEM) M.I.I.Ch.E.
Chairman & Managing Director

- Holds a bachelor's degree in chemical engineering from the Indian Institute of Technology (IIT), Bombay
- Set up one of India's first Bromine plants using indigenous technology at Gujarat which was later destroyed due to a flood
- Subsequently, set up the firm Chem Ocean Consultant which provided consultancy, technology and engineering technologies to set up Bromine plants for other companies
- Then later established NCL in 1989 and has been on the Board since then
- Has previously worked with Excel Industries Ltd. In 1968-1970.
- Oversees the manufacturing, research and development and general operation and management of the Company's manufacturing units

Mr. Harin Kanani, PhD
Managing Director

- Holds a bachelor's degree in chemical engineering from IIT, Bombay and a Master's degree and a doctorate in chemical engineering from the University of Maryland
- Served as a research fellow at the University of Maryland, where he has published 4 first author manuscripts in the field of chemical engineering
- Presented various talks and presentations at national and international conferences
- Also participated in the Small and Medium Enterprises Programme from IIM Ahmedabad
- Joined NCL in 2008 and is on the Board since 2017
- Has previously worked with companies such as Asian Paints India Ltd. and as a senior research scientist at Pioneer Hi-Bred International Inc. in the United States
- Heads various business divisions of the Company including research and development, business development, quality control, purchase, marketing and finance

Mr. Anurag Surana
Non-Executive Director

- Holds a bachelor's degree in commerce with Honours from the University of Delhi
- Experience of more than 20 years in Contract Manufacturing business
- A well known personality in the Agrochemical and specialty chemical industry in India, Europe and Japan
- Founded a consulting company specialising in consulting with companies in the chemical, agrochemical and fertilizers sector in India and abroad
- Previously, he was an Executive Director on the Board of PI Industries Ltd. for 14 years

Shyamsunder Upadhyay
Executive Director

Holds a master's degree in science from Vikram University, Ujjain

- He has 41 years of work experience in the field of chemicals
- Oversees maintenance, projects, logistics, administration and engineering store in the company
- Has previously been associated with companies such as Savita Chemicals, Wimco, Gharda Chemicals, Clariant India, Tytan Organics Limited, Arch Pharmalabs Limited and Laxmi Organic Industries Limited

Ketan Vyas
Chief Financial Officer

Is a fellow member of the Institute of Chartered Accountants of India, MBA and has completed his Project Management Professional Certificate from (PMI) USA in the year 2013

- He has 22 years of work experience in the field of Finance & Accounts, Taxation/ International Taxation across industries, Corporate Banking, Audits, Corporate & Commercial laws and other Regulatory and Statutory compliances
- Other expertise lies in Strategic Planning, Budgeting & Cost Control, Financial Reporting & Management, Process Re-engineering, System Integration and Solution Design
- Has previously been associated with companies like Batliboi,Arcelor Mittal Projects India Private Limited, SGS India Private Limited, Integreon Managed Solutions, Dow Corning India Private Limited, Rhodia Chemicals India Private Limited and Amplas Polymers Private Limited,

Competitive Advantages

Large and diverse array of products

Strong Manufacturing Capabilities

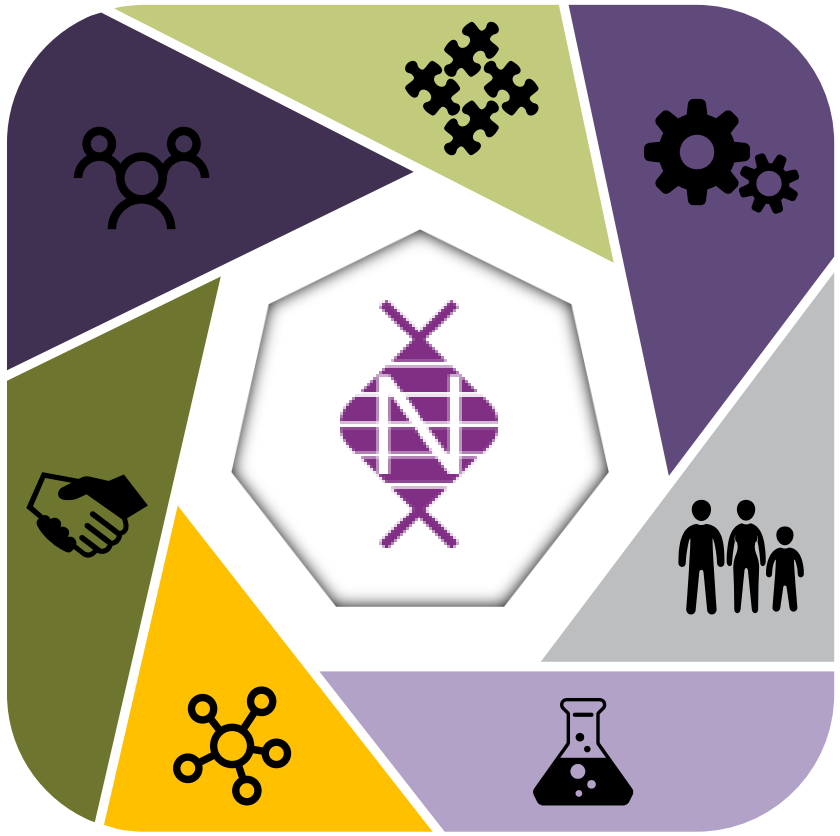
Diversified and Stable Customer Base

Continuous Investment in R & D

Specialised Business Model with high entry barriers

Established and stable relationship with suppliers

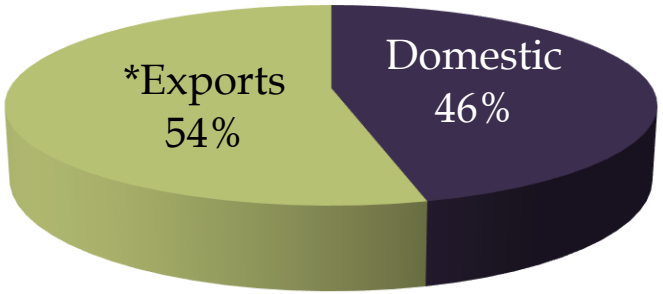
Experienced promoters with domain knowledge



Key Performance Highlights – Q2 & H1 FY22

	Q2 FY22		H1 FY22	
Revenues*	Rs. 113.2 crore	38%	Rs. 197.8 crore	25%
EBITDA	Rs. 20.5 crore	33%	Rs. 36.1 crore	25%
Profit Before Tax	Rs. 14.4 crore	40%	Rs. 24.6 crore	29%
Profit After Tax	Rs. 11.2 crore	51%	Rs. 18.6 crore	37%

Q2 FY22 Revenue break-up



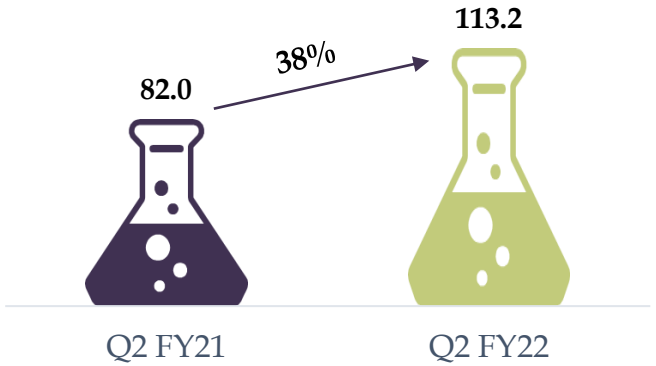
**Including deemed exports*

Note: 1. Growth for Q2 FY22 is compared to Q2 FY21
2. Growth for H1 FY22 is compared to H1 FY21
3. All figures are Standalone

*Export incentives were discontinued last year; accordingly, revenues for Q2 FY22 includes an impact of Rs. 1.2 crore

Financial Summary – Q2 FY22

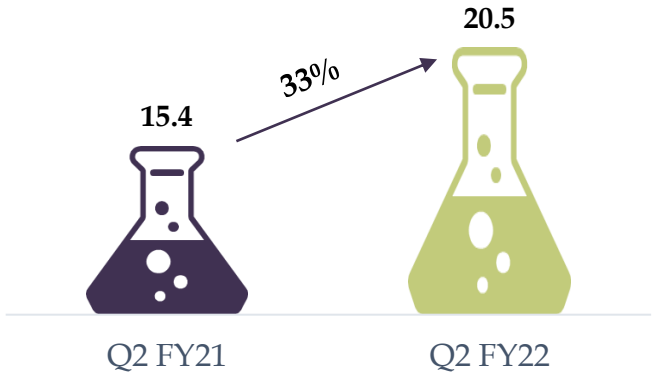
REVENUE*



Rs. crore

- Reported accelerated revenue momentum steered by higher capacity utilization led by positive contribution from Phase I expansion
- Demand from key end user industries has normalized and returned to pre-COVID levels

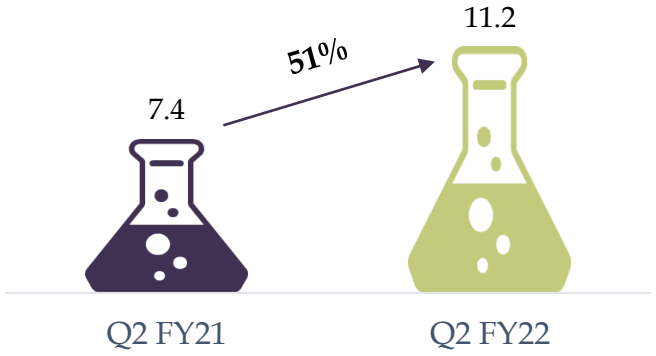
EBITDA



Rs. crore

- Better utilization of plants post Phase I expansion resulted in robust EBITDA performance, which was attained inspite of several operational challenges witnessed during the quarter
- Operating leverage gains as well as better product mix helped maintain the margins

PAT



Rs. crore

- PAT performance was bolstered by strong contribution from key product categories and expanded capacities
- Reduction in effective tax rate due to higher revenues from the SEZ facility positively contributed to PAT growth

*Export incentives were discontinued last year; accordingly, revenues for Q2 FY22 includes an impact of Rs. 1.2 crore

Revenue break-up – Q2 & H1 FY22

	Q2 FY22	Q2 FY21	H1 FY22	H1 FY21		
35%	Rs. 91 crore	Rs. 67.1 crore	Rs. 159 crore	Rs. 132.9 crore	20%	Organic Chemicals
63%	Rs. 22 crore	Rs. 13.5 crore	Rs. 38.8 crore	Rs. 25.7 crore	51%	Inorganic Chemicals

*Raw material prices (Lithium) which corrected in Q2 of last year, was at normal levels in Q2 FY22. Accordingly, the management has estimated positive impact on revenues for Q2 FY22 to the tune of Rs. 4.79 crore

Seasonal Variance Factors

- Neogen's business has some seasonal drivers, due to which the company tends to deliver stronger financial performance in the second half of the financial year (October to March). Seasonal variance is driven by strong demand from Europe as orders tend to scale up in October-November and further accelerate from January after the holiday season
- Demand for Lithium-based chemicals tends to be strong in Q4 as demand from the HVAC segment, a key usage area, is linked to capital expenditure that enjoys 100% depreciation benefits for air-conditioning/cooling machines
- Demand from the agrochemicals segment is linked to the crop cycle and is stronger during H2
- Consequently, investors are urged to compare financial performance of each quarter only with that of the corresponding quarter previous year to evaluate business progress on a like-to-like basis

Key developments

- Total Organic Chemicals reactor capacity increased from 154,000 litres to 407,000 litres through brownfield expansions across facilities
  - Phase I expansion completed in Sept 2021
  - Phase II expansion completed in Oct 2021
- Approved CAPEX of Rs. 35 crore at Vadodara facility for:
  - 250 MT of Electrolyte capacity for lithium Ion batteries advanced chemistry cells
  - Pilot facility to speed up process development and commercialization of specialty chemicals
  - Overall site development

Key attributes

- State-of-the-art facility adhering to internationally followed safety & engineering protocols
- Will allow manufacturing of higher-margin, value-added products based on multi-stage processes and complex chemistries

Expected outcome:

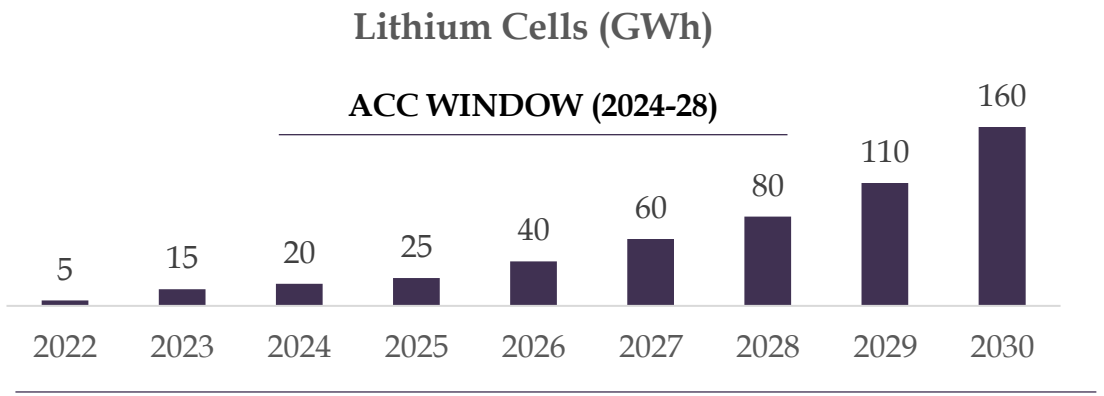
- Revenue trajectory to be significantly elevated from FY21 levels of Rs. 336 crore
- Capacity expansion initiatives to create revenue potential of Rs. 700-725 crore including new CAPEX plans

Strong Opportunities in Lithium Battery sector

Government focus on self-reliance in battery manufacturing has opened up new prospects

- India has invited global bids for giga-scale Advanced Chemistry Cell (ACC) production units
- Bidders to commit a minimum of:
  - 5 GWh manufacturing capacity
  - Investment of Rs. 250 crore per GWh
  - 60% localization through value-addition in five years to create strong opportunity for Indian component manufacturing companies
- Clearly-defined timelines for battery manufacturers to set-up ACC capacities under PLI scheme
  - Scheme outlay of Rs. 18,000 crore over five years
- Import substitution potential of ~Rs. 20,000 crore annually
  - India imported Lithium cells/batteries worth Rs 8,818 crore in 2019-20

Demand Estimates for the Indian Market



Source: *India Energy Storage Alliance*

This will translate into Electrolyte demand of 70,000 MT by 2030, as per Company estimates.

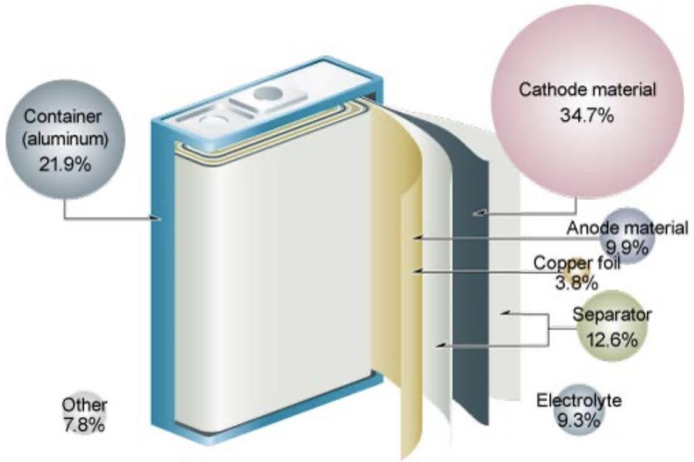
Sector manufacturing opportunity: estimated investment of ~Rs. 45,000 crore

Neogen's planned initiatives in the Lithium Battery sector

- Development initiatives under process for:
  - Electrolyte Formulations
  - Electrolyte Lithium Salts
  - Specialized Cathode Materials
  - CSM opportunities
- Portfolio of battery application products at quality/efficiency optimization stage, prior to commercial scale up
- Positive demand evaluation discussions with 9 potential cell manufacturers, including overseas players for electrolyte and 6 international customers/ distributors based out of Europe, Japan and Korea interested in electrolyte salt
- Electrolyte production plan at Vadodara unit developed following board approval:
  - **250 MT** to be operational by **H1 FY23**
  - Commercial scale plant to be set up based on customer commitments and approvals
  - Lithium Salt manufacturing capacity at Vadodara to support internal demand for commercial scale electrolyte production
- Expansion of Lithium Salt production capacity at Dahej unit to meet international demand subject to customer commitments and approvals

Lithium ion battery (3.7V)

Approximate Cost Component Break Up*



Based on literature as an example, actual % will vary

Financial Table – Profit & Loss Statement (Standalone)

(Rs. In crore)

Particulars	Q2 FY22	Q2 FY21	Growth (%)	H1 FY22	H1 FY21	Growth (%)
Revenue	**113.2**	**82.0**	**38%**	**197.8**	**158.5**	**25%**
Expenditure	92.6	66.5	39%	161.7	129.5	25%
EBITDA	**20.5**	**15.4**	**33%**	**36.1**	**29.0**	**25%**
Margins	*18.1%*	*18.8%*	*-70 Bps*	*18.3%*	*18.3%*	*-2 Bps*
Depreciation	2.3	1.7	38%	4.2	3.3	27%
EBIT	**18.2**	**13.8**	**32%**	32.0	25.7	24%
Interest	4.1	3.7	10%	7.7	7.0	10%
Other Income	0.2	0.2	9%	0.3	0.4	-12%
Profit Before Tax	**14.4**	**10.3**	**40%**	**24.6**	**19.1**	**29%**
Margins	*12.7%*	*12.6%*	*+14 Bps*	*12.4%*	*12.0%*	*+40 Bps*
Tax Expense	3.2	2.9	10%	6.1	5.5	9%
Profit After Tax	**11.2**	**7.4**	**51%**	**18.6**	**13.6**	**37%**
Margins	*9.9%*	*9.0%*	*+85 Bps*	*9.4%*	*8.5%*	*+84 Bps*
Earnings Per Share (Rs.)	4.8	3.2	51%	8.0	5.8	37%

Balance Sheet Snapshot(Standalone)

Particulars (Rs. crore)	As on Sept 30, 2021	As on March 31, 2021
Assets		
Non-Current Assets	290.9	251.5
Current Assets	313.7	240.6
Total Assets	***604.6***	***492.1***
Liabilities		
Shareholders' Funds	196.5	183.1
Non-Current Liabilities	164.1	135.0
Current Liabilities	244.1	173.9
Total Liabilities	***604.6***	***492.1***

Management Commentary

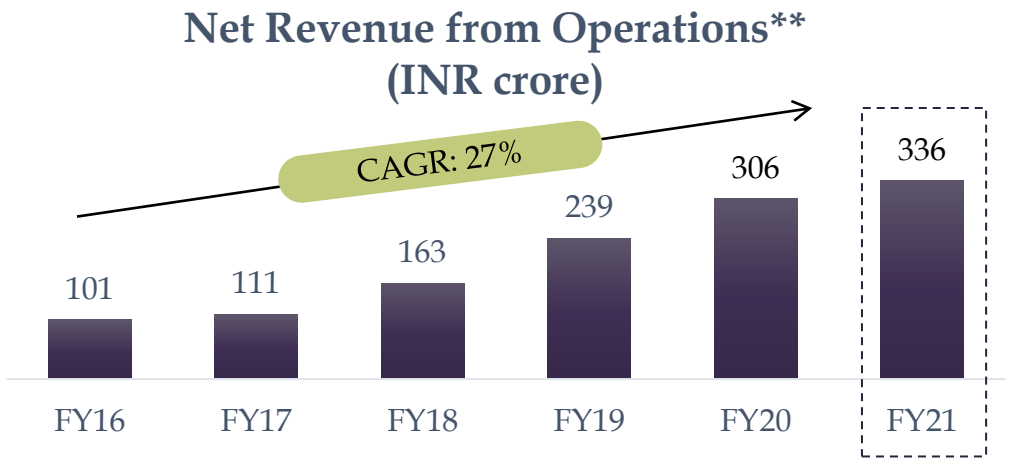
Commenting on the Q2 & H1 FY22 performance, Mr. Haridas Kanani, Chairman & Managing Director, at Neogen Chemicals said:

"I am pleased to share that we have navigated through numerous headwinds during the quarter under review to deliver a solid performance. While revenues increased by 38% during this period, PAT registered gains of 51%. This was possible due to our efforts of running the facilities at higher utilization levels supported by incremental contribution from Phase I expansion. This was further bolstered by our relentless emphasis on product & process innovation as well as our adherence to volumes committed to our customers.

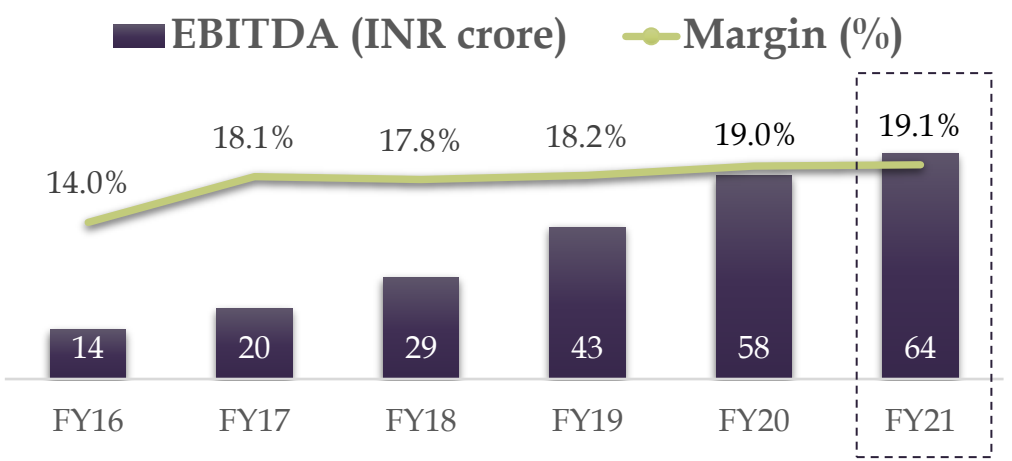
In a significant development, we commenced Phase I commercial operations of Organic Chemicals at full scale at Dahej SEZ in September 2021. With this, we will be able to focus on niche complex chemicals that require multiple steps which will enhance our earnings profile. Given the robust demand visibility, we expedited construction at our Phase II expansion project and commissioned it in October 2021. Phase II expansion was earlier planned to come on stream towards the end of the current year. I thank the entire project management team that executed this in a short span of time. Moreover, we are undertaking some exciting initiatives in the lithium-ion battery materials segment to capitalize on the strong demand trajectory and expand our addressable market size.

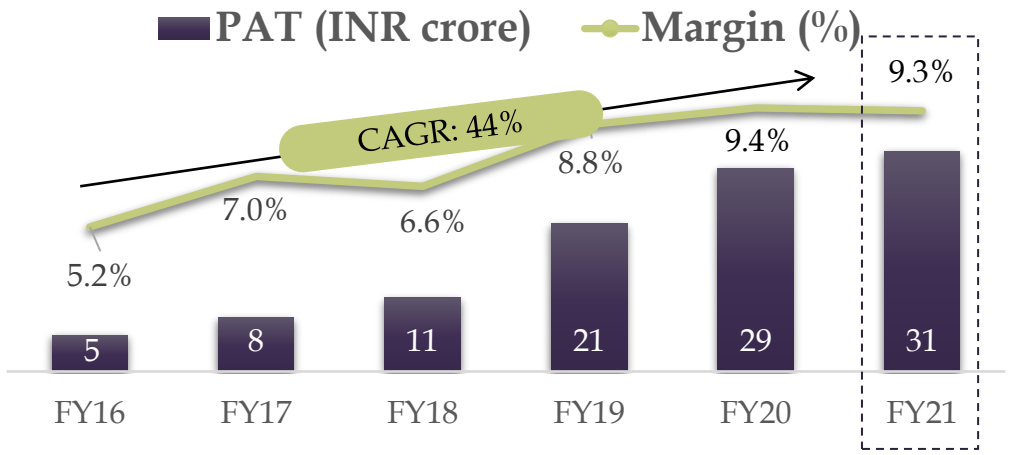
Overall, I am elated with the growth prospects in the Indian chemical industry. Our focus will be to deliver profitable performance given our strengths in the chosen chemistries. All in all, we are well poised to leverage the present opportunities and further strengthen our position in the market."

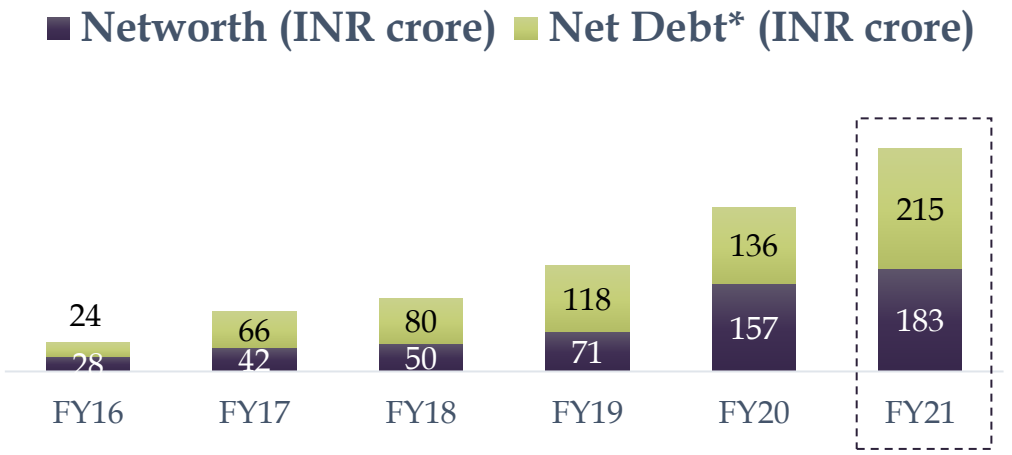
Historical Financial Trends



** *Revenue is Net of Excise*







* *Net Debt includes preference share capital and current maturities of long term debt*

Way Forward

Expanding production capacities

Increasing Custom Synthesis & Contract Manufacturing portfolio

Foray into sunrise sector of Lithium Ion Batteries

Focus on advanced speciality intermediates

Focus on operational efficiency and functional excellence

Contact Us

About Neogen Chemicals Limited

Incorporated in 1989, **Neogen Chemicals Ltd.** (NSE Code: NEOGEN; BSE Code: 542665) is one of India's leading manufacturers of Bromine-based and Lithium-based specialty chemicals. Its specialty chemicals product offerings comprise of Organic as well as Inorganic chemicals. Its products are used in pharmaceutical and agrochemical intermediates, engineering fluids, electronic chemicals, polymer additives, water treatment, construction and aroma chemicals, flavours and fragrances, specialty polymers, chemicals and VAM original-equipment manufacturers. Over the years, Neogen has expanded its range of products and, presently, manufactures an extensive range of specialty chemicals which find application across various industries in India and globally. It has a product portfolio of over 227 products.

In addition to manufacturing speciality chemicals, Neogen also undertakes custom synthesis and contract manufacturing where the product is developed and customized primarily for a specific customer, but process know-how and technical specifications are developed in- house.

The Company operates out of its three manufacturing facilities located in Mahape, Navi Mumbai in Maharashtra, Karakhadi, in Vadodara and Dahej SEZ in Gujarat.

For further information, please contact:

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Neogen Chemicals Ltd.
Email: ketan.vyas@neogenchem.com

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nishid@cdr-india.com

Thank You

NEOGEN
CHEMICALS LTD.