



Chembond Chemicals Limited

About us and our activities

2018-19



Welcome

- Chembond Chemicals Limited is in its 44th year of operations
- Consistent performer; dividend paying since inception
- Pan-India manufacturing, sales and service footprint
- Head Office in Navi Mumbai, Maharashtra
- DSIR certified R&D facilities at Navi Mumbai, Maharashtra and Dudhwada, Gujarat.
- Diversified specialty performance chemicals portfolio



- Core segments we operate in:

- Water Treatment
- Construction Chemicals
- Animal Nutrition
- Material Technologies
- Polymers

- Family driven, professionally managed agile organization
- Senior leadership and field team work along with customers
- Fair risk appetite as new business lines are evaluated and incubated continuously



- Slides following this would walk you through our businesses of,
 - Water Treatment Chemicals
 - Animal Health and Nutrition
 - Construction Chemicals
 - Material Technologies
 - Polymers, and our,
 - Financial Performance



Water Treatment

Chembond Chemicals Limited

2018-19

Water

- Water is extensively used by industries
- Different areas / applications of water:
 - Raw Water, Boiler Water, Cooling Water, Waste Water, 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

What We Do

- Specialty Water Treatment chemicals
 - Raw water treatment coagulants
 - Boiler water treatment formulations
 - Cooling water treatment products
 - Waste water 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
 - Waste water treatment systems for treating and recycling water
 - Special solutions for process water treatment and recovery
- Bio-remediation of industrial waste water using microorganisms

WITH YOU FOR YOUR WATER TREATMENT NEEDS



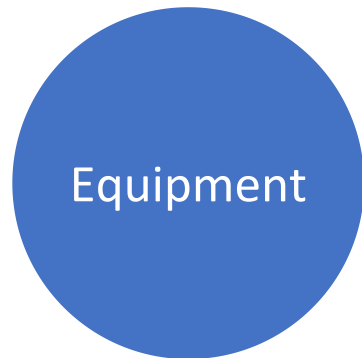
| | 1 Raw Water Tank | 2 Clarifier | 3 Treated Water Tank | 4 Cooling Tower | 5 Boiler | 6 Process Water | 7 Effluent Tank | 8 Secondary Clarifier | 9 Treated Water Tank |
|-----------------|---|---|--|--|---|--|---|--|--|
| We Offer | <ul style="list-style-type: none"> • Coagulants | <ul style="list-style-type: 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. |

Application Areas

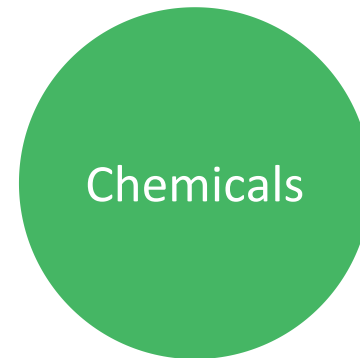


Complete Water Treatment solutions

Chembond Clean Water Technologies Ltd



Chembond Water Technologies Ltd

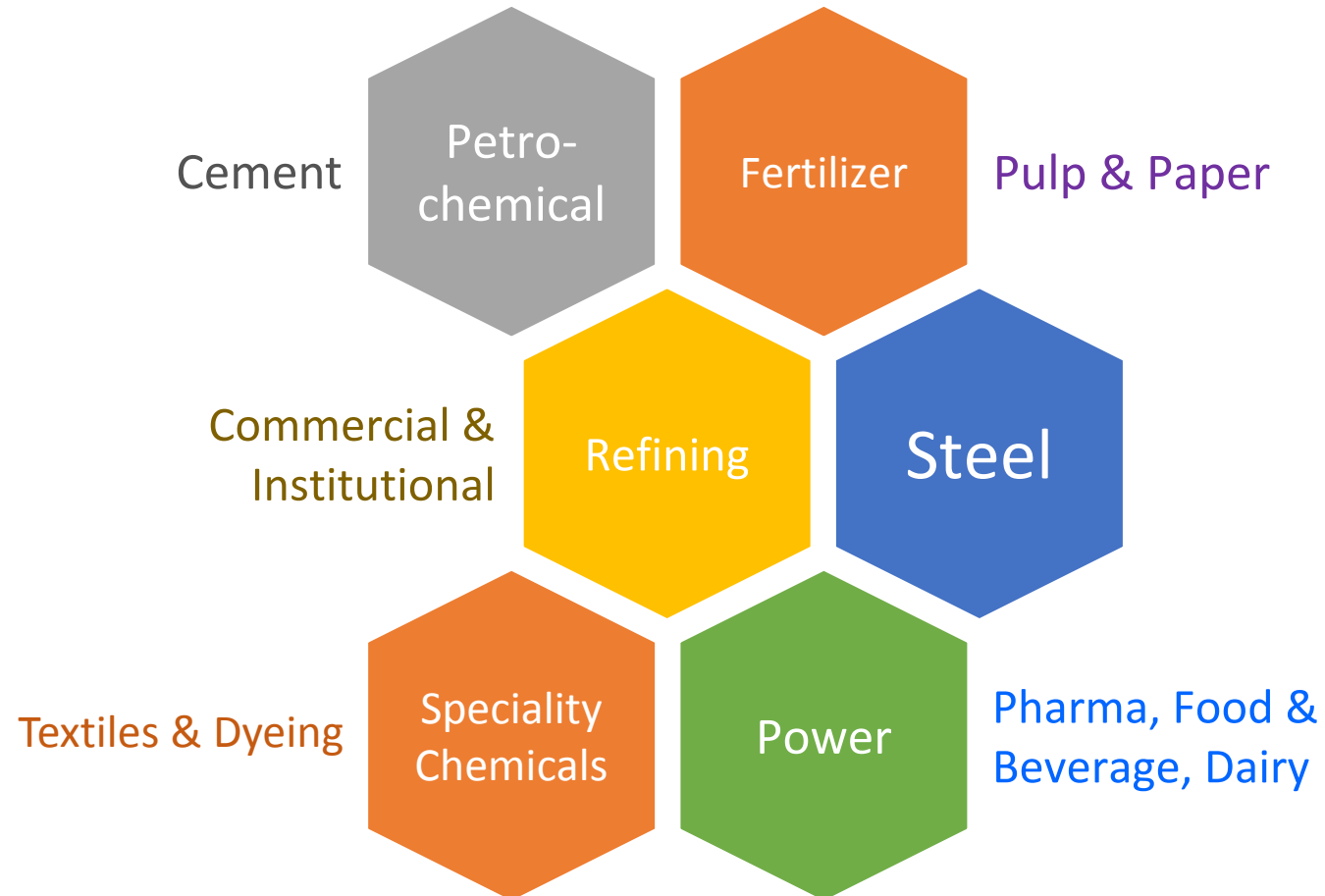




Superior Performance = Customer Satisfaction®



Customer Segments





Our Silver Bullets

- Integrated solutions – equipment, bio-remediation and chemicals
- Trained, Empowered and Dedicated services team
- Pioneer in India for leading edge technology introductions:
 - Glassy Zinc Polyphosphate corrosion inhibitor
 - Chlorine Dioxide based oxidizing biocide
 - Multicomponent, concentrated product tablets for mid-sized water systems
 - Performance Based, self learning monitoring and control automation
- Excellent track record since 1982



Animal Health & Nutrition

Chembond Chemicals Limited

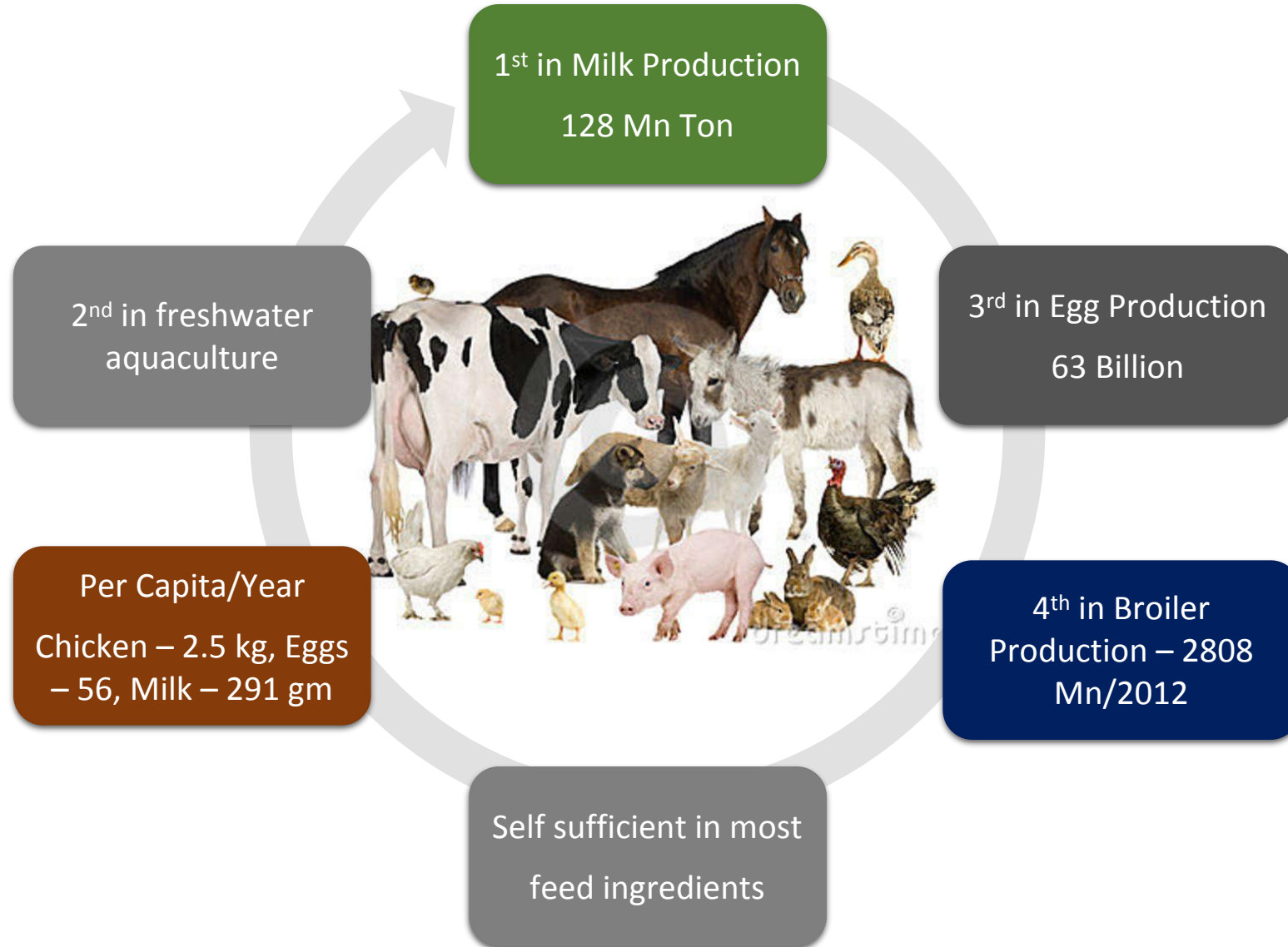
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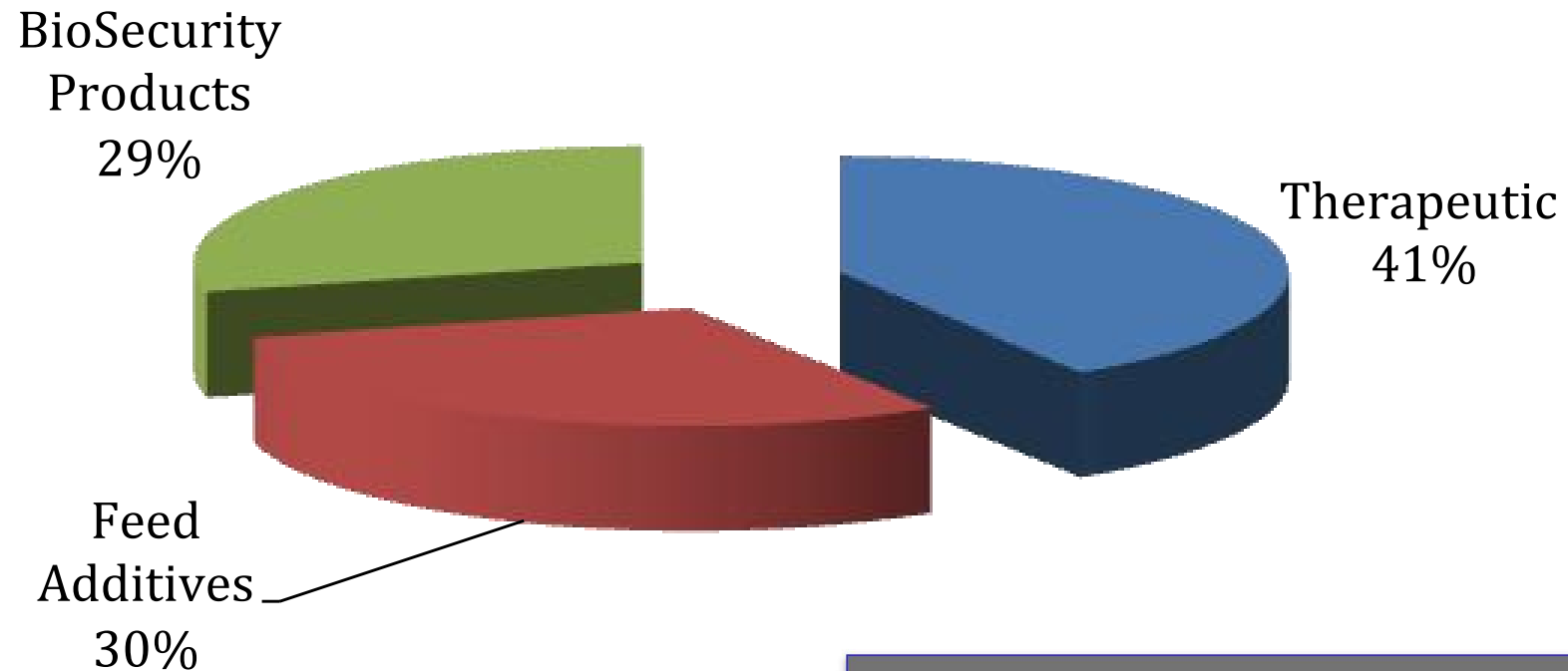
About

- 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

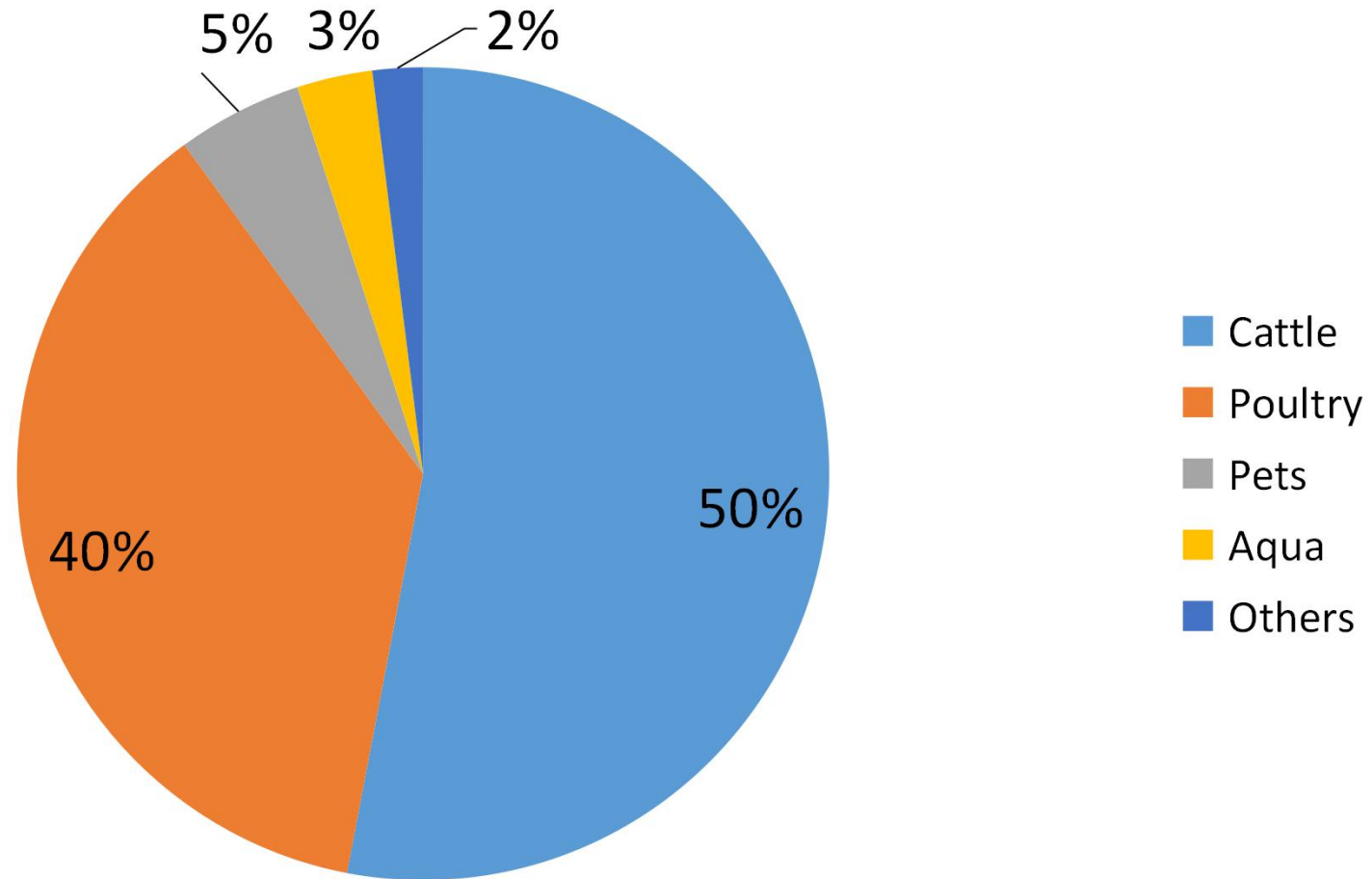


Indian Market by Segment



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

Indian Market by Species



Product Range

| | |
|--|---|
| Enzymes, Probiotics, Prebiotics | α D₃ and other Vitamin Concentrates, Premixes |
| Minerals, incl. Chelated Minerals | Disinfectants, Water Purification, Sanitizers |

products that enhance nutrition, reduce waste, improve mortality rates



Construction Chemicals

Chembond Chemicals Limited

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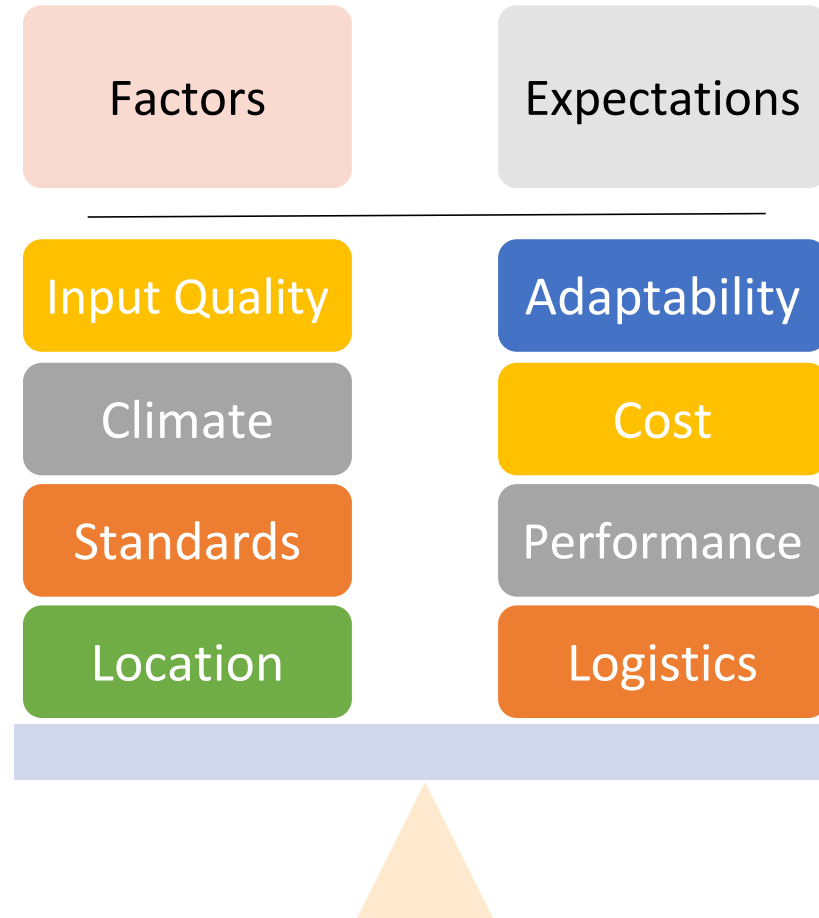
Construction Chemicals

- Largest organized industry in the economy
- Different segments:
 - Infrastructure, Industrial, Residential, Repairs and Renovation
- Cement and aggregate quality, seasonal changes, geography and project requirements are dominant factors
- Quality control at usage point is crucial but least paid attention to
- Products designed with above factors in perspective needed

What We Do

- Chemicals 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



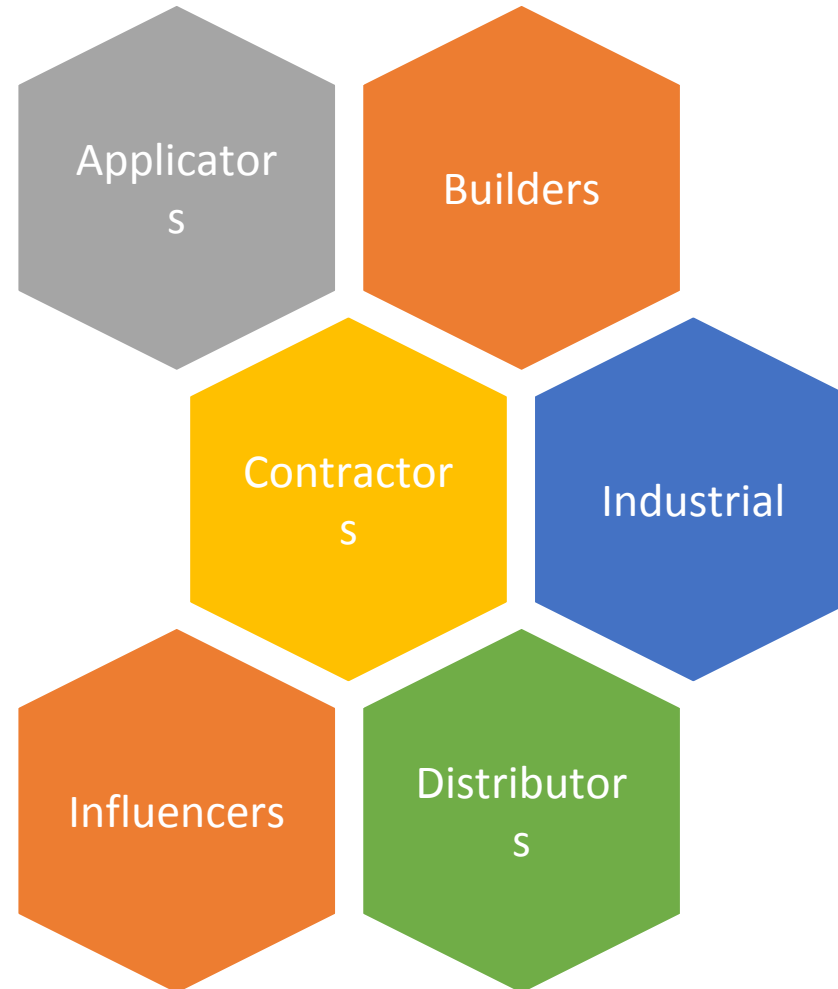
Localize and Adapt!

Customer Segments - Infrastructure





Customer Segments - Other







Advantage Chembond

- + Multi location manufacturing and logistics
- + Localization and refinement ability
- + Better than industry product margins
- + Regular new product introductions
- + Maintaining differentiation in a competitive and fragmented market



Material Technologies

Chembond Chemicals Limited

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Material Technologies

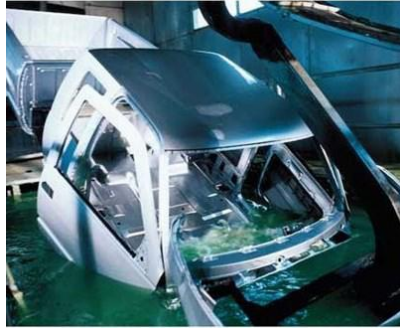


The Material Technologies division & its subsidiaries manufacture a wide range of synergistic products:

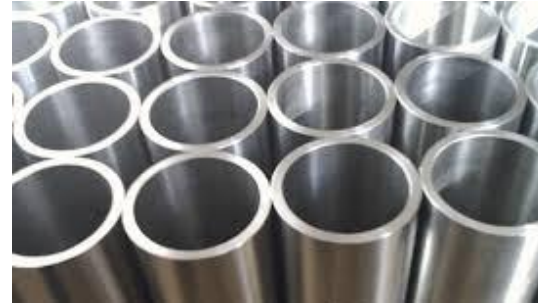
- Metal Treatment Chemicals
- Automotive Sealants
- Industrial Coatings
- Engineering Adhesives
- Paint Booth Wipes & Chemicals
- MRO Products

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



Wire & tube drawing

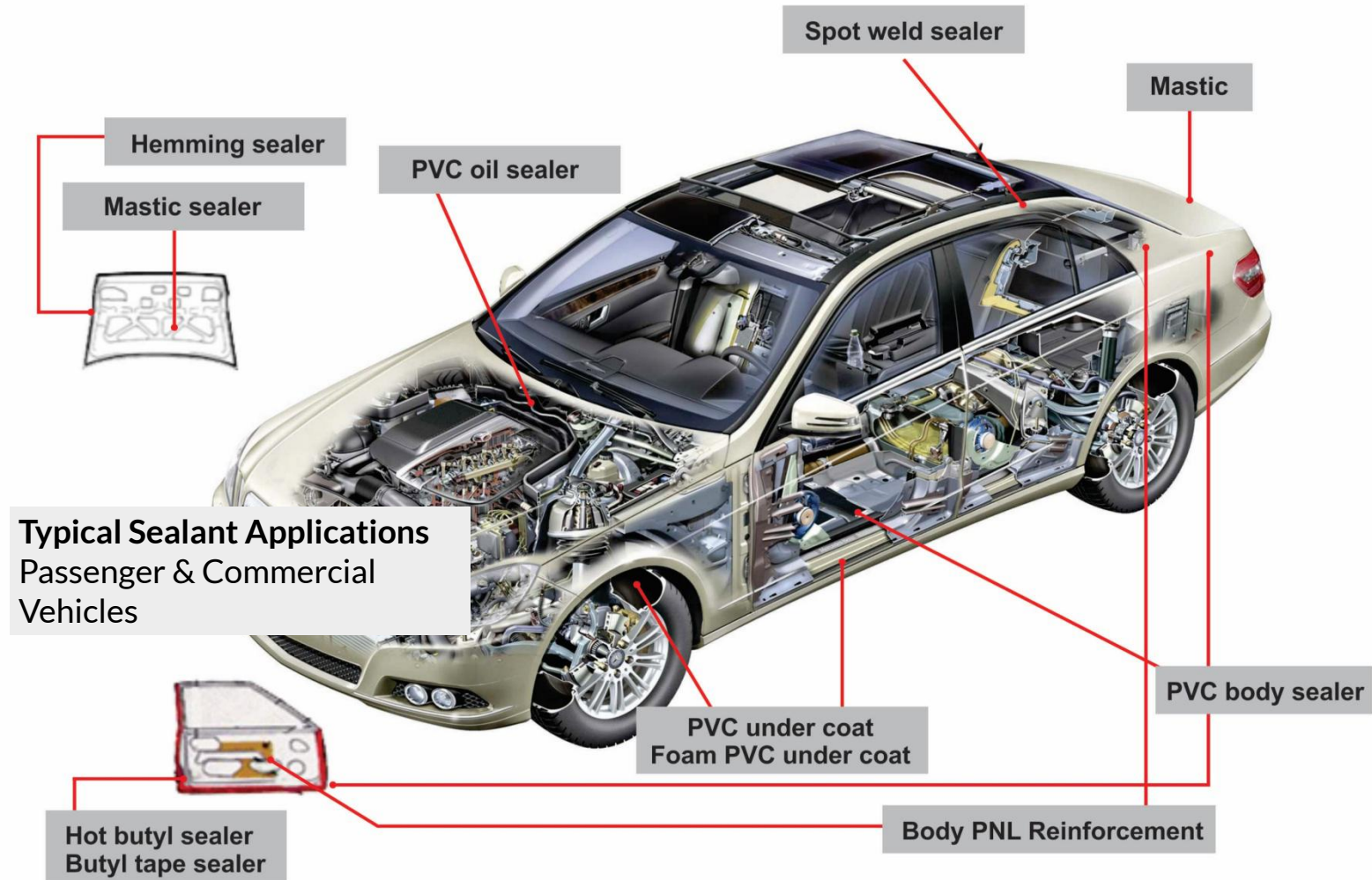


Metal working,
lubrication & cleaning



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, and many more applications
- Leaders in water based paints in India, which eliminate solvent emissions thereby reducing pollution and improving 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



Kem[™] Vibra-TITE[®]



Thread Sealant



Thread Locker



Gasketing Compound

High Performance Coatings



for Corrosion Protection



for Industrial & Commercial Floors

Material Technologies Value Chain



| | | | | | | |
|------------|----------------|------------|------------|--------------|------------|-------------|
| Flooring | Rust Loosen | Anaerobics | Underbody | Steel & Coil | Waterborne | Coagulant |
| Structural | Anti-Seize | Epoxies | Seam | Conversion | Epoxies | Tack Cloths |
| | Chain Lube | Silicones | Hemming | Cleaners | PU | Masking |
| | Repair Epoxies | PU | Cavity Wax | Lubricants | DTM | Peelable |
| | | Cyano | Structural | NewGen | PUD | Strippers |

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

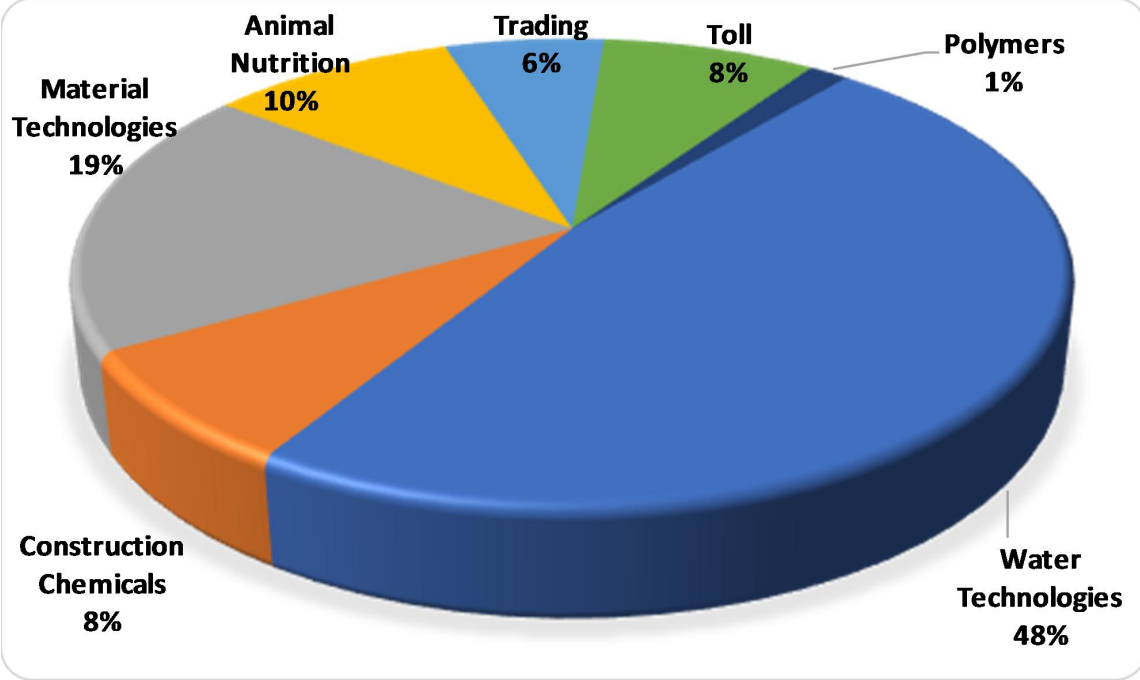


Financial Information

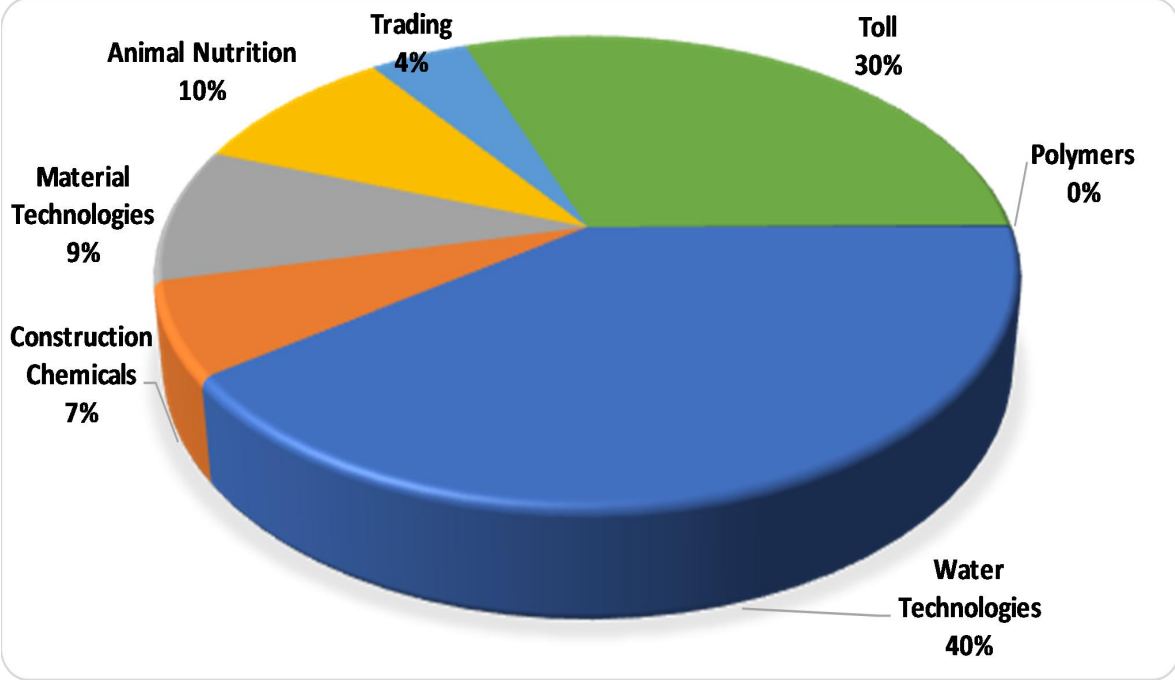
Chembond Chemicals Limited

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Share of Revenue by Segment- Consolidated



2018-19

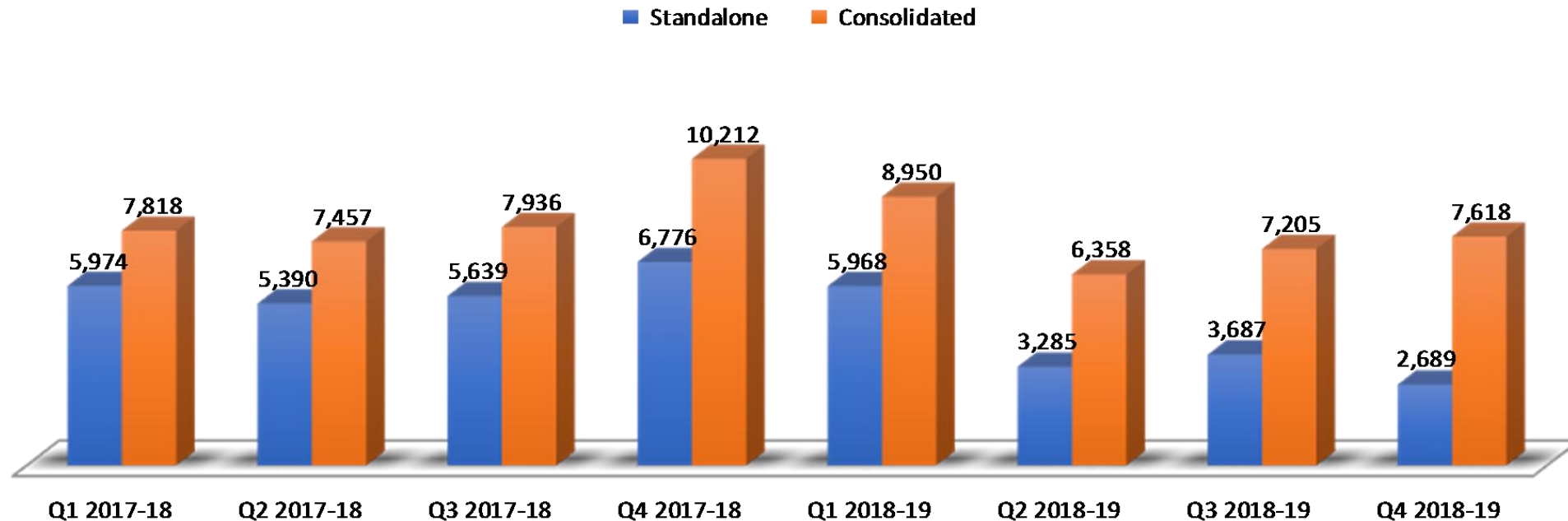


2017-18

Revenue from Operations- Qtr on Qtr



Rs. In Lakh

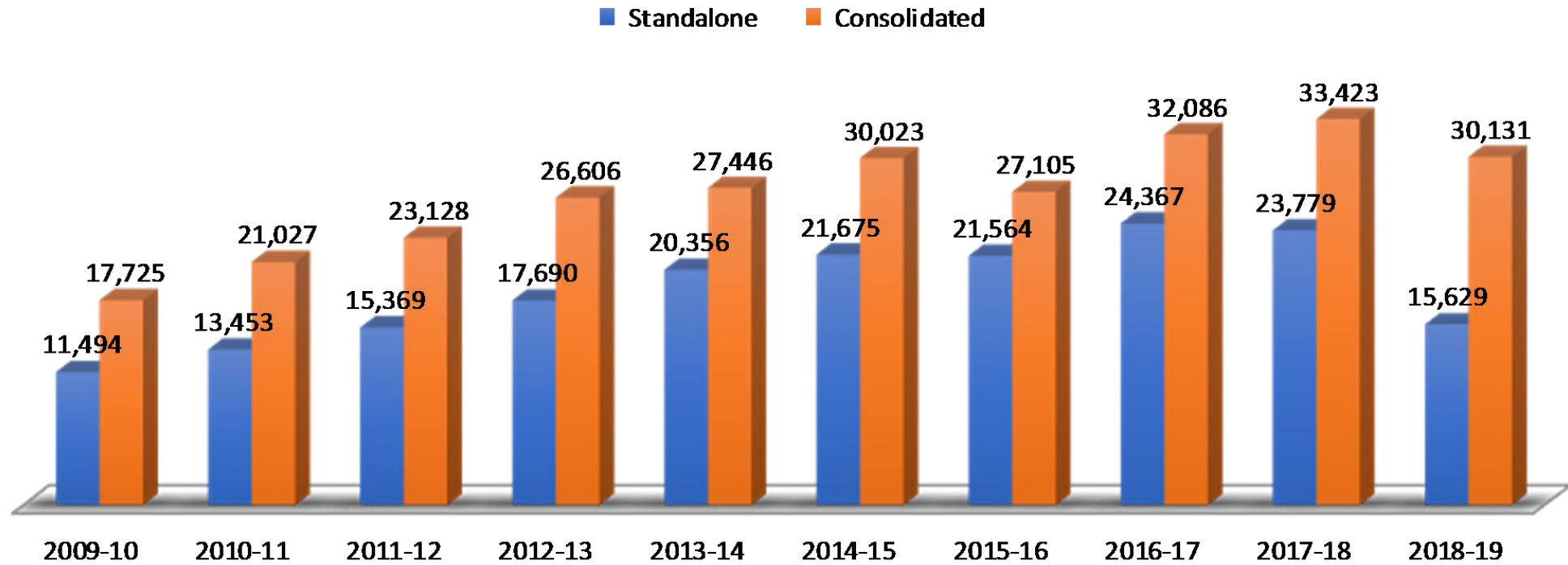


* Subsequent to the conclusion of toll manufacturing in June 2018, as expected as per the joint venture termination in 2015, the revenues have dropped for the Quarter ended 30th September 2018, 31st December 2018 and 31st March 2019. To that extent, these results are not comparable with prior periods.

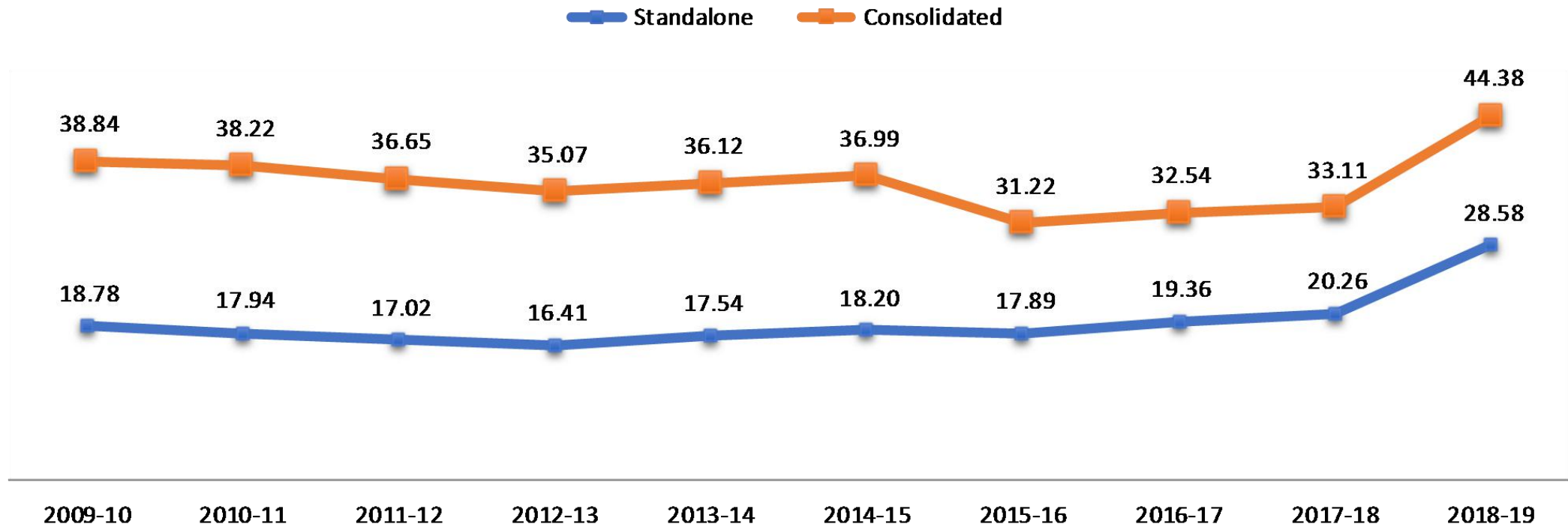
Revenue from Operations- YoY



Rs. In Lakh



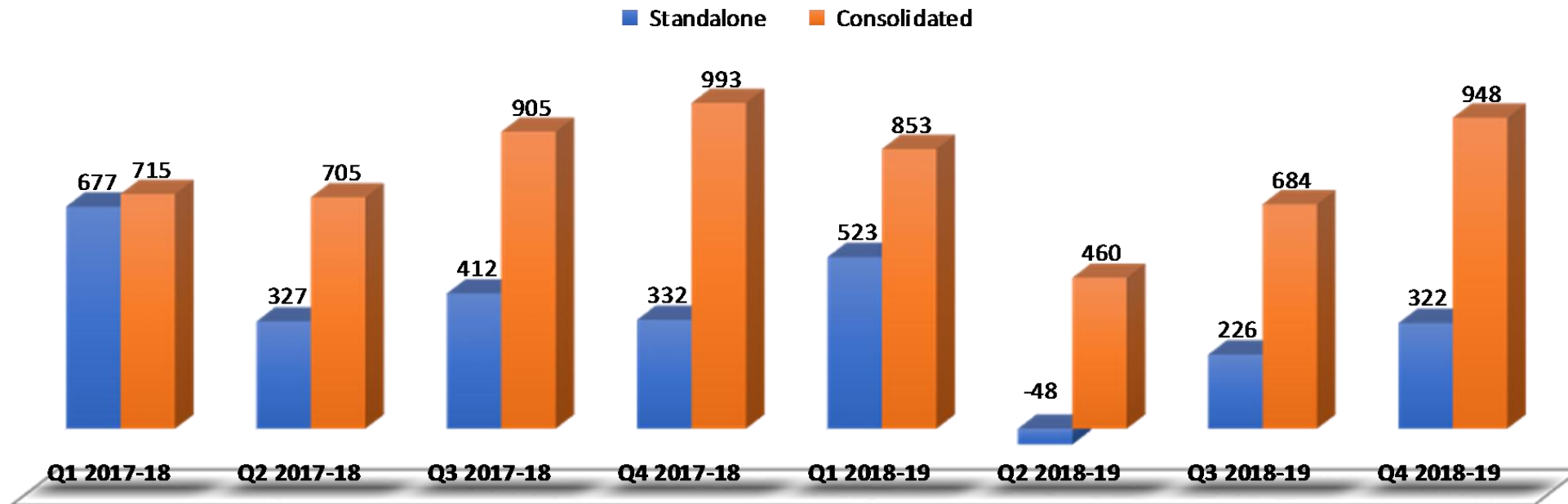
Product Margin %



EBITDA- Qtr on Qtr



Rs. In Lakh

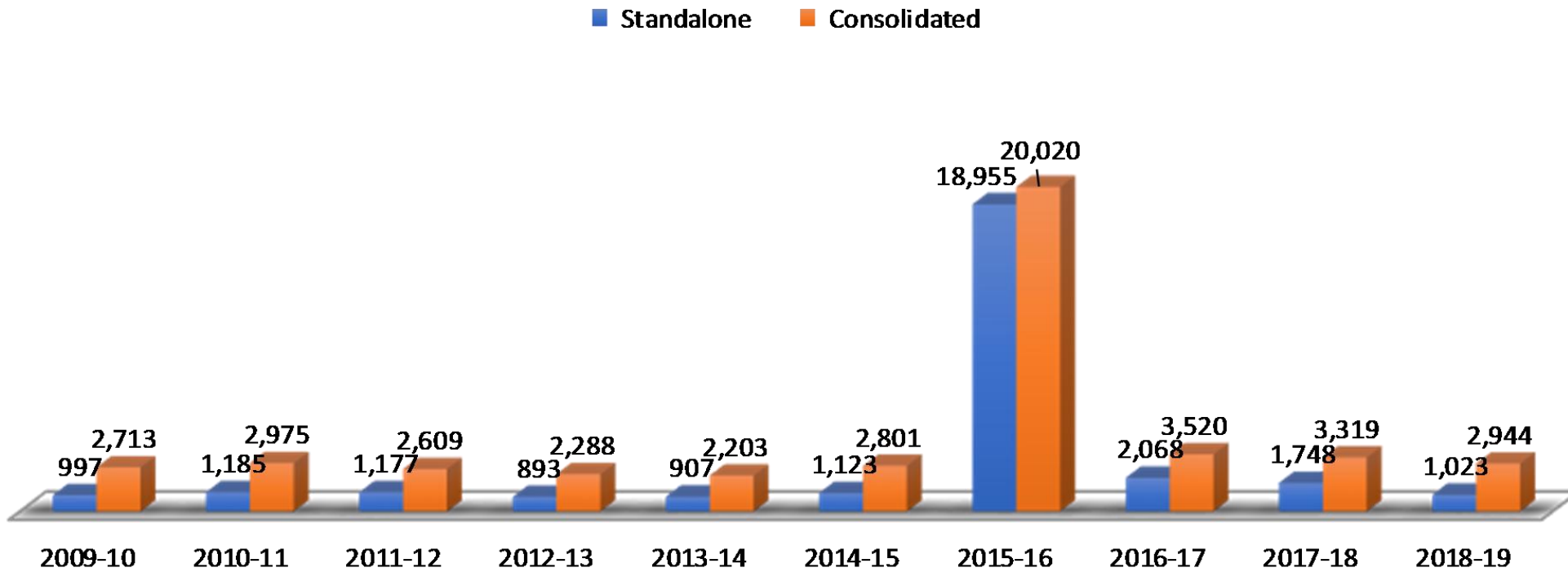


* Subsequent to the conclusion of toll manufacturing in June 2018, the Company has decided to retain use of its existing facilities at Tarapur to re-enter the Metal Treatment Chemicals business even though there would be under utilization of plant resources for a few quarters.

EBITDA- YoY



Rs. In Lakh

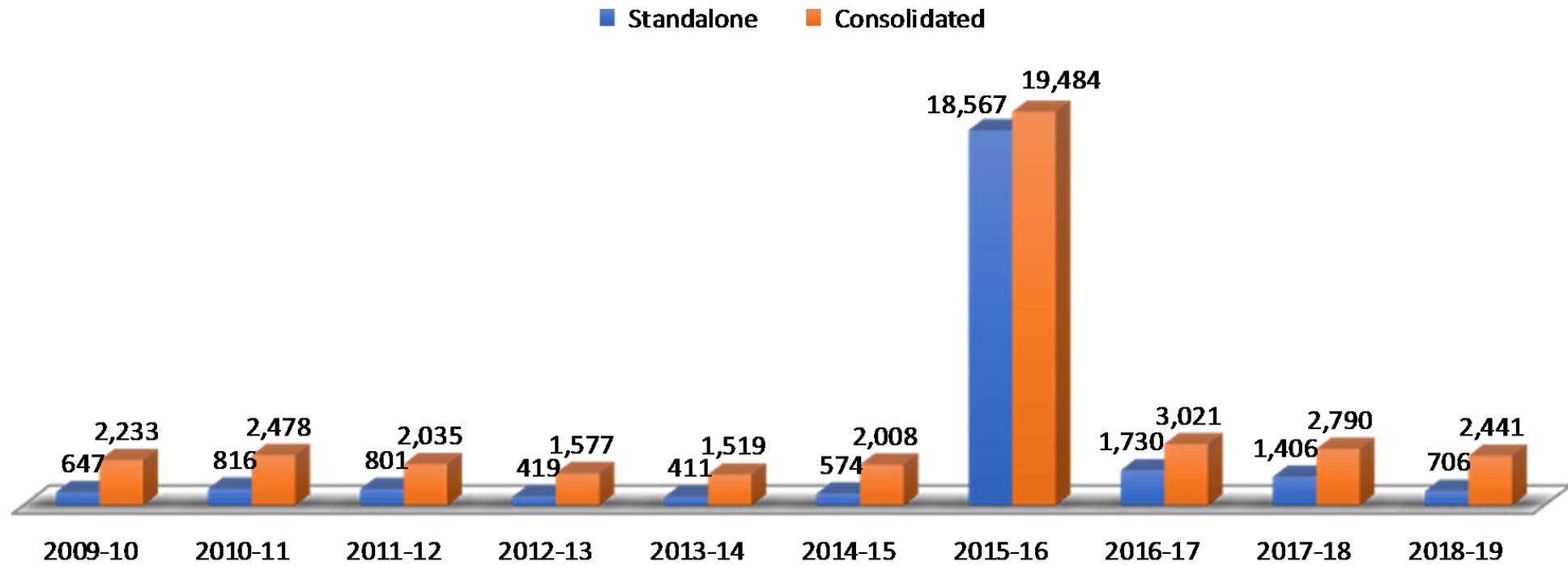


* The results for 2015-16 include proceeds from sale of the Company's stake in a joint venture.

PBT



Rs. In Lakh



5 Year Financial Performance - Consolidated



| Highlights | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|--|---------|---------|---------|---------|---------|
| Operating Result | | | | | |
| Revenue From Operations | 33,423 | 32,086 | 27,105 | 30,023 | 27,446 |
| Other Income | 1,064 | 1,830 | 3,321 | 138 | 121 |
| Finance Cost | 118 | 117 | 181 | 361 | 403 |
| Depreciation | 411 | 382 | 355 | 432 | 281 |
| PBT | 2,790 | 3,021 | 19,484 | 2,008 | 1,519 |
| PAT | 2,357 | 2,286 | 15,650 | 1,440 | 912 |
| Dividend on Equity Shares | 222 | - | 602 | 200 | 200 |
| Financial Position | | | | | |
| Equity Share Capital | 672 | 672 | 670 | 666 | 666 |
| Reserves (Less Revaluation Reserve & Misc exp) | 24,162 | 22,335 | 20,184 | 8,859 | 7,907 |
| Net Worth | 24,835 | 23,008 | 20,854 | 9,525 | 8,573 |
| Borrowings | 909 | 888 | 1,090 | 2,495 | 3,307 |
| Net Block (Asset) | 10,814 | 4,913 | 4,714 | 5,147 | 5,362 |
| Ratios | | | | | |
| Return on Average Networth %(RONW) (PAT divided by Average Networth) | 9.85% | 10.42% | 103.04% | 15.92% | 10.95% |
| Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab) | 11.72% | 13.69% | 115.72% | 17.88% | 16.01% |
| Gross Gearing % (Debt as a percentage of Debt plus Equity) | 3.53% | 3.72% | 4.97% | 20.76% | 27.71% |
| Current Ratio (Current Assets divided by Current Liabilities**) | 2.42 | 3.37 | 2.83 | 2.16 | 2.09 |
| Asset Turnover Ratio (Net Sales divided by Total Assets) | 1.03 | 1.00 | 0.91 | 1.48 | 1.34 |
| Earning Per Share (Basic)* | 16.34 | 14.40 | 115.04 | 9.29 | 5.83 |
| Dividend Per Share | 1.65 | - | 9.00 | 3.00 | 3.00 |
| Book Value Per Share* | 184.67 | 171.08 | 155.70 | 71.50 | 64.36 |

Rs. In Lakh

The Company has adopted Ind-AS accounting standards with effect from 1st 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



| Highlights | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|--|---------|---------|---------|---------|---------|
| Operating Result | | | | | |
| Revenue From Operations | 23,779 | 24,367 | 21,564 | 21,675 | 20,356 |
| Other Income | 1,048 | 1,682 | 3,481 | 330 | 288 |
| Finance Cost | 55 | 64 | 119 | 274 | 304 |
| Depreciation | 287 | 274 | 269 | 276 | 192 |
| PBT | 1,406 | 1,730 | 18,567 | 574 | 411 |
| PAT | 1,359 | 1,451 | 15,123 | 558 | 392 |
| Dividend on Equity Shares | 222 | - | 602 | 200 | 200 |
| Financial Position | | | | | |
| Equity Share Capital | 672 | 672 | 670 | 666 | 666 |
| Reserves (Less Revaluation Reserve & Misc exp) | 21,907 | 20,766 | 19,291 | 4,530 | 4,176 |
| Net Worth | 22,580 | 21,438 | 19,961 | 5,196 | 4,842 |
| Borrowings | 467 | 732 | 820 | 2,177 | 2,481 |
| Net Block (Asset) | 3,805 | 3,937 | 3,681 | 3,618 | 3,821 |
| Ratios | | | | | |
| Return on Average Networth %(RONW) (PAT divided by Average Networth) | 6.18% | 7.01% | 120.23% | 11.12% | 8.28% |
| Return on Average Capital Employed % (ROCE) (PBIT divided by Average Fund Employed Excluding Def tax liab) | 6.46% | 8.35% | 132.63% | 11.47% | 9.96% |
| Gross Gearing % (Debt as a percentage of Debt plus Equity) | 2.03% | 3.30% | 3.94% | 29.53% | 33.64% |
| Current Ratio (Current Assets divided by Current Liabilities**) | 1.78 | 3.13 | 2.93 | 1.37 | 1.31 |
| Asset Turnover Ratio (Net Sales divided by Total Assets) | 0.85 | 0.89 | 0.85 | 1.76 | 1.58 |
| Earning Per Share (Basic)* | 10.11 | 10.81 | 113.23 | 4.19 | 2.95 |
| Dividend Per Share | 1.65 | - | 9.00 | 3.00 | 3.00 |
| Book Value per Share* | 167.90 | 159.41 | 149.03 | 39.01 | 36.35 |

Rs. In Lakh

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5 Year Returns



Contact Us



Chembond Chemicals Limited
Chembond Centre
EL-71 Mahape MIDC
Navi Mumbai 400710. INDIA

www.chembondindia.com

T: +91 22 62643000 - 03

F: +91 22 27681294

E: cs@chembondindia.com