



Sustainable
Business

High Growth
Opportunity

Capital Disciplined
Balance Sheet

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.

**POWER
THE
FUTURE**

Transformation Unfolds :
From Growing Carbon Value
Chain to Promising Mobility and
Energy Storage Opportunity

We will address substantial part of the critical raw material
requirements of Lithium-Ion Batteries



Sustainable business model powered by in-house R&D

Addressing the need for a green, long-term EV and renewable energy solution by providing critical raw material



More than 90% of the power requirement being met by inhouse generated clean and green power



Zero Liquid Discharge from Plants



Energy Conservation through Waste Heat Recovery System, Energy savings through Water Conservation & Process Re-engineering



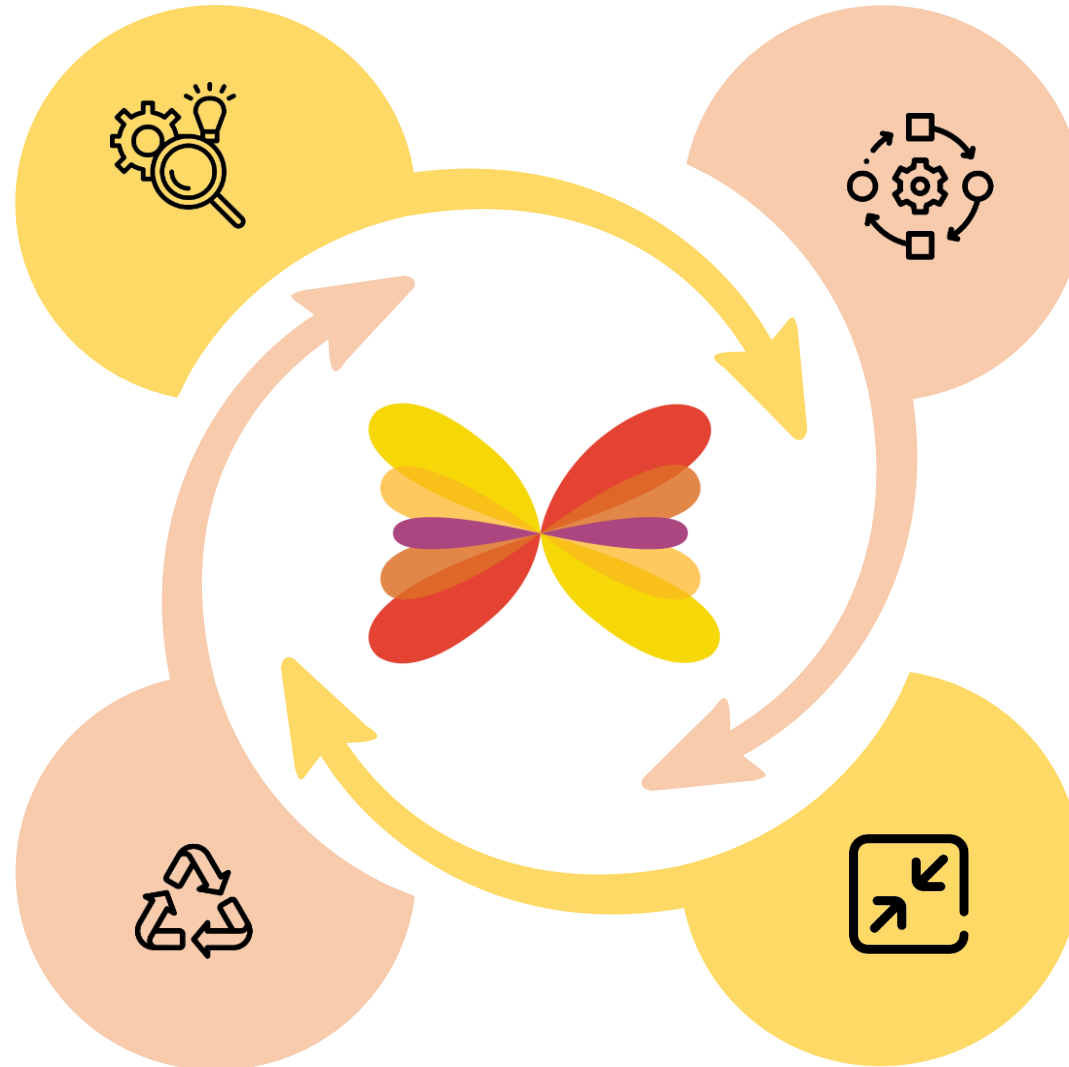
Net Zero Roadmap

Research

- Explore innovative methods for capturing and transforming carbon emissions.
- Utilize upcoming technologies to capture and convert carbon dioxide into value-added innovative products.
- Achieve a substantial portion of our net-zero emissions target through these innovative technologies.

Recycle

- Design and create circular products.
- Encourage innovation and sustainability in customer solutions.
- Develop circular materials with reduced carbon footprint.
- Minimize material disposal in landfills.



Adapt

- Implement new energy sources and technology advancements.
- Integrate renewable energy solutions for reduced carbon footprint.
- Shift production to carbon positive inputs for a Low-carbon future.

Reduce

- Decrease reliance on conventional manufacturing methods.
- Emphasize maximum possible process optimization.
- Prioritize energy efficiency in all operational aspects.

Net Zero Roadmap (Scope 1 & 2)



Scope 3 – Assessment is going on. At exit of 2023 we shall strategize the same as well

Reduce 10% by 2025



Reduce emissions by improving and using greener technologies



Research and adapt new ways to capture and convert carbon emissions



Investing in recycling technologies

Reduce 10% 2030



Adapt and implement circular material-focused products



Focus on adding renewable energy sources

Reduce 80% 2050

ACHIEVE NET-ZERO EMISSION

- Carbon offset projects and Carbon dioxide Capture, Utilization and Storage.
- Embarking on future generation science based projects opportunities

- Mixed and pure combustion of hydrogen (Scope 1)
- Implementation of Carbon Dioxide Capture and Storage and Direct Air Capture (Scope 2)
- Achieve 20% reduction as soon as possible

- Diversification of fuel types and investment in fuel switching (Scope 1)
- Investing in electrification and the use of renewable energy (Scope 1 & Scope 2)
- Reducing CO2 emission factors for purchased electricity, electricity intensity, energy conservation (Scope 2)

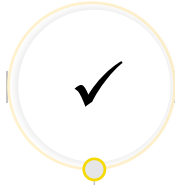
Status of Sustainability Objectives



Objectives	Measures	Target (Baseline 2021)	FY2023 Progress vs Plan	FY2023 Progress (1st Apr'22 - 31st Mar'23)	Main Domain	UNGC -SDGs
Vision Zero Accident / Incident	By 2025, Loss Time Injury Frequency Rate below 1	< 1		2.27	People	
Energy Consumption	By 2025, Reduce Energy Intensity per metric tonne of product sold (Vs 2021)	-10%		-3.23%	Planet	
CO2e emission Intensity	By 2025, Reduce Scope 1 and Scope 2 CO2e emission intensity per metric tonne of product sold (Vs 2021)	-10%		-14%	Planet	
Zero Liquid Discharge	All plant must operate with ZLD status	0		100%	Planet	
Solid Waste	Reduce solid waste (Hazardous and sent to landfill) per metric tonne of product sold	<1%		0.01%	Planet	
Recycle Materials	Increase the proportion of Non-virgin raw material from external sources used in production to avoid depletion of natural resources	> 95%		98.5%	Planet	
Gender Diversity	Increase female representation in management team	4%		4%	People	
Compliance Training	Increase percentage of Targeted staff, who completed anti bribery and corruption training	> 90%		99.86%	Governance/Communities	
Supply Chain Management	By 2023, conduct sustainability assessment of our value chain partners covering at least 50% of group spend	70%		82%	Communities	

Behind Plan : On Schedule : Ahead of Schedule: New Benchmark:

Quarterly PAT crossed Rs. 100 Cr - A new milestone achieved



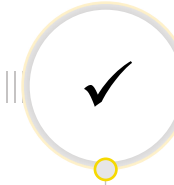
Record Sales Volumes in Q2FY24

Sales Volumes of 1,10,211 MT in Q2FY24 Highest Ever Achieved



Increase in EBITDA

EBITDA increased by 64% to Rs. 156 Crores in Q2FY24



Increase in PAT

PAT increased by 246% to Rs. 101 Crores in Q2FY24

Sales Volume consistent above 95,000 MT in last seven quarters

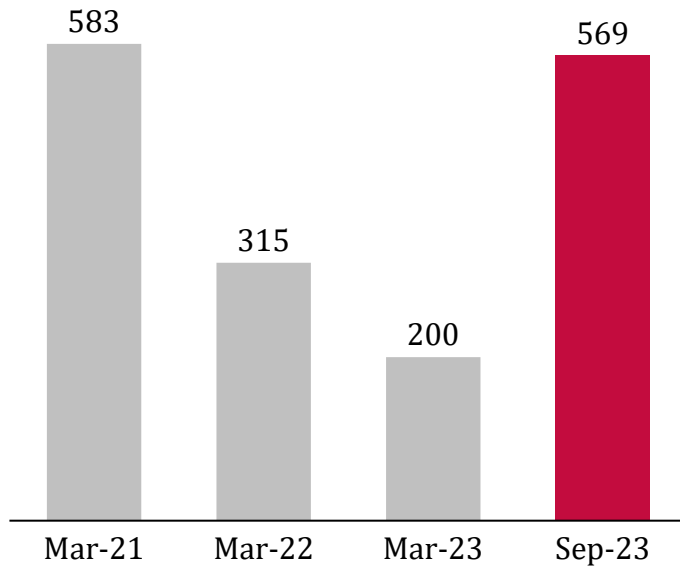
ROCE of 18% (excl. investment)

Net Debt to Equity at 0.23X

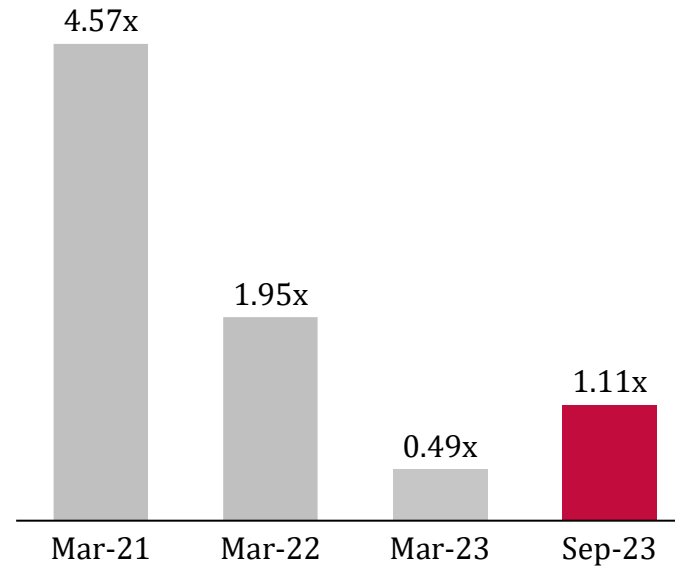
Strong Balance Sheet with Growing Returns



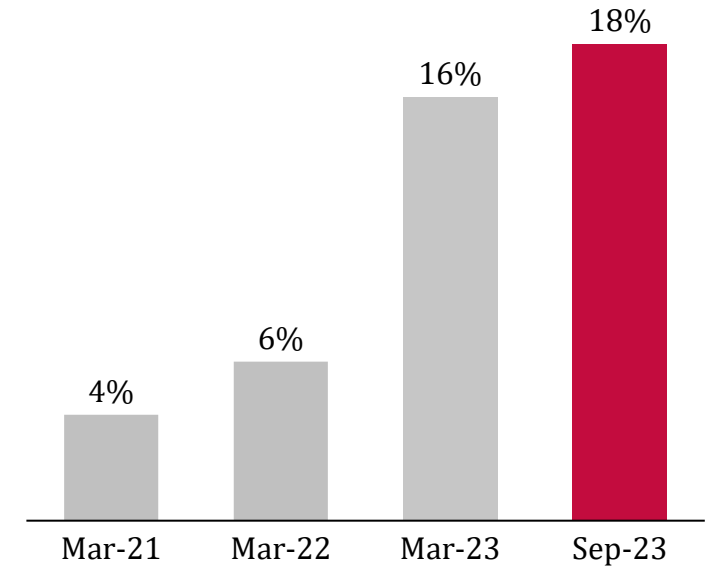
Net Debt (Rs. In Crs)



Net Debt to EBITDA



ROCE

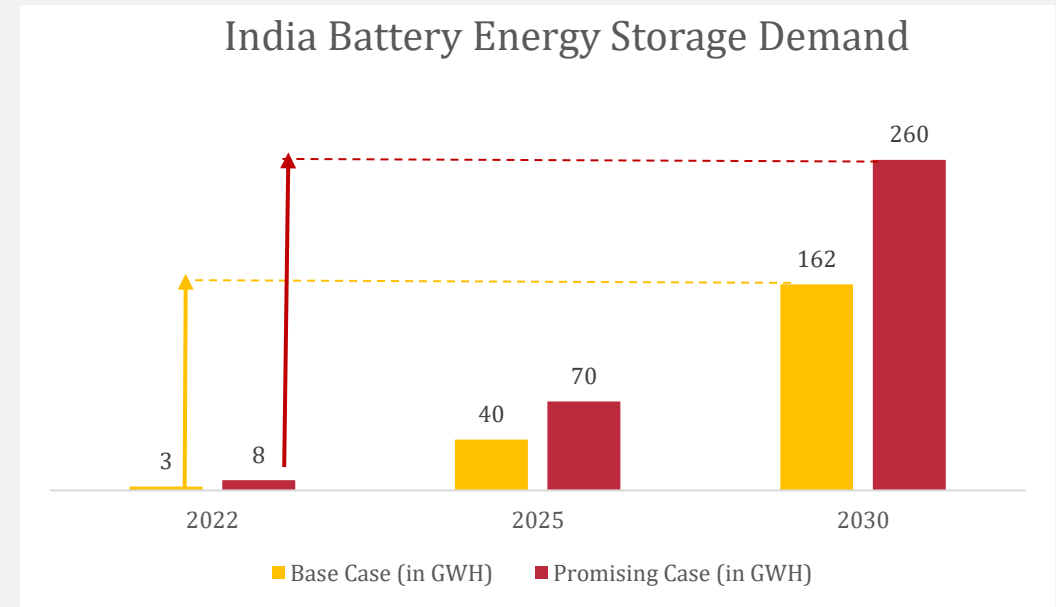
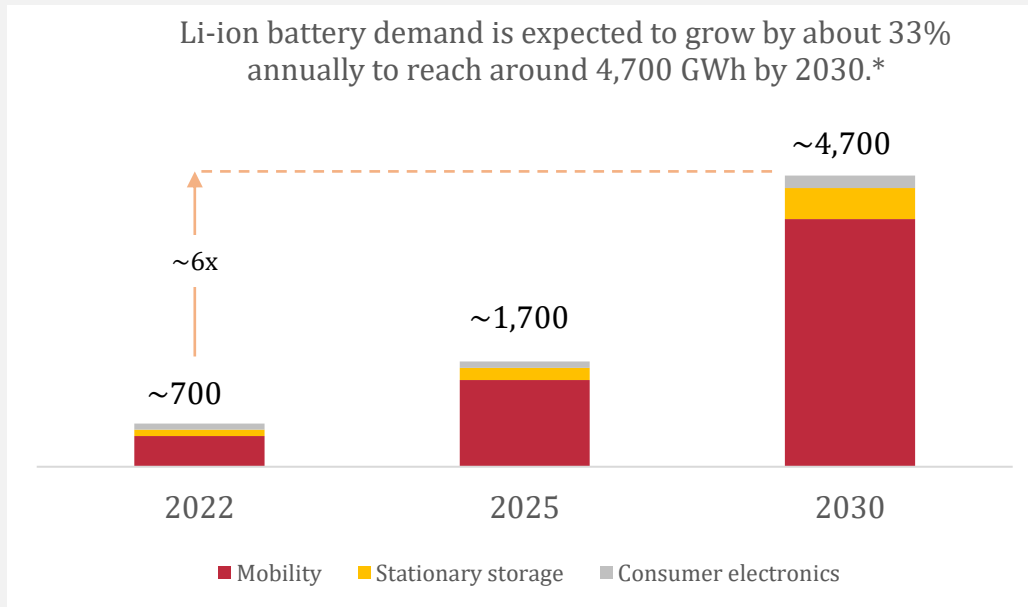


- Long term debt reduced by Rs 20 crs
- Higher working capital due to booking and arrival of large shipments at quarter end

Positioned strong to cater the global demand for LiB raw materials



LiB Growth Potential



Himadri is actively positioning itself to cater to a significant portion of the global demand for LiB raw materials

Anode Material

- Strong R&D team and execution roadmap for Anode materials
- Developments in Natural, Synthetic, Hybrid and Silicon Anode Materials for multiple applications
- Ongoing interactions with potential customers for approval process

(* Source: McKinsey Battery Insights Demand Model)

Positioned strong to cater the global demand for LiB raw materials



LiB Recycling

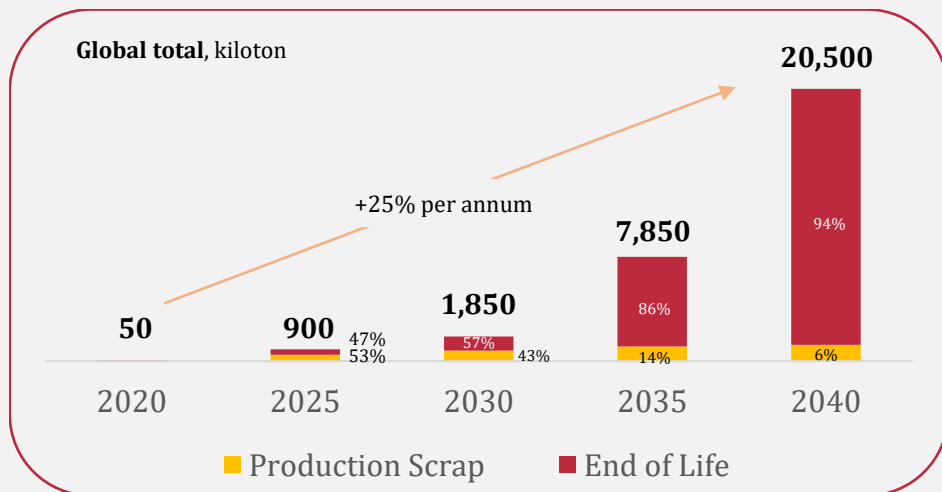
Recycling of Lithium-ion Batteries(LiB) will play a significant role:

1. Lowering the dependency on mined minerals and providing a circular economy structure
2. Reducing the total CO2 emission

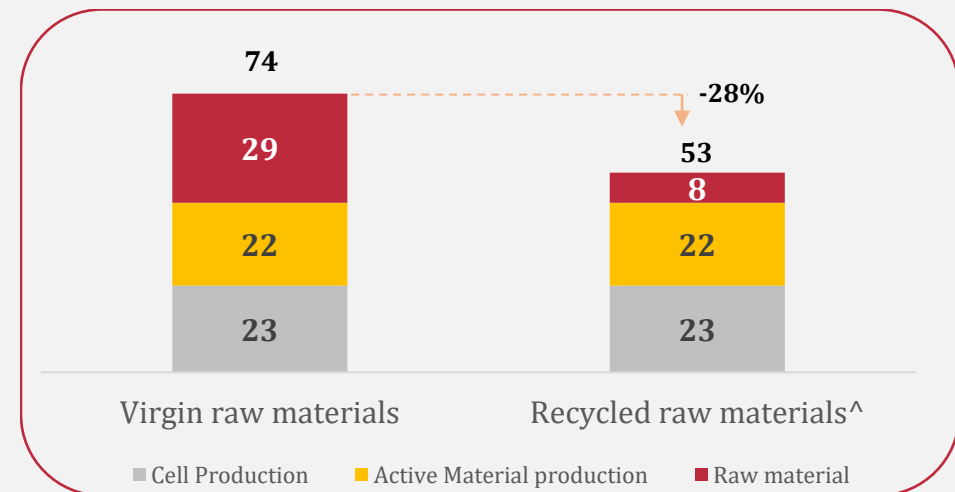
The Global Availability of EV batteries for recycling is expected to increase 25% YoY till 2040 resulting in a huge volume influx.

Himadri is keen to play a significant role in the LiB recycling in India.

The global supply of EV batteries for recycling is steadily increasing, driven primarily by production scrap before 2030 & end-of-life batteries after 2030*



Total CO₂e battery cell production emissions from a nickel-based lithium-ion battery with virgin versus recycled materials, kgCO₂e per kWh*

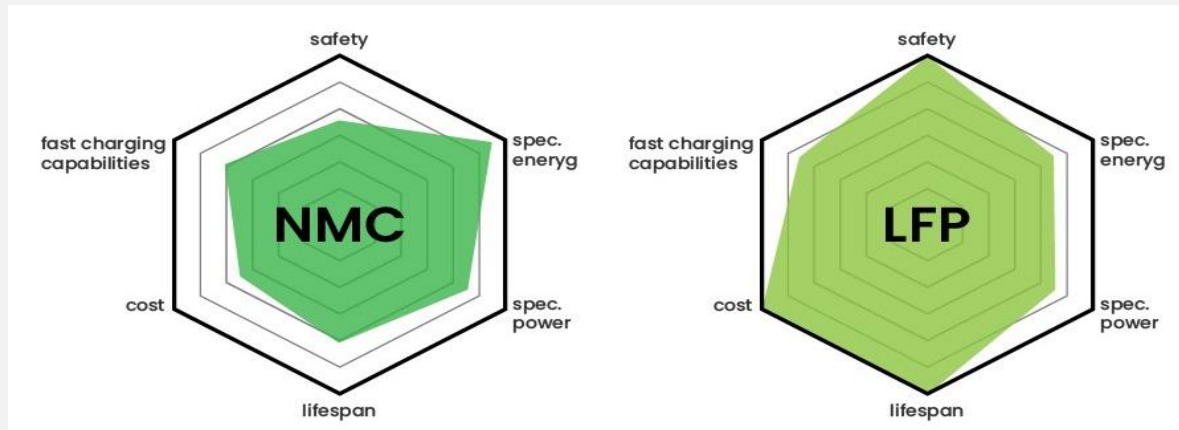


(* Source: McKinsey Battery Insights, ^ - Assuming mechanical pre-treatment and hydrometallurgical recycling)

Positioned strong to cater the global demand for LiB raw materials

Cathode

- **Significance** – 50-55% of Cell cost
- **Cathode Chemistry** – LFP (lithium iron phosphate) & NMC (nickel manganese cobalt)
- **Integration** – Product that significantly impacts performance of battery cell



Our preference for LFP :

- Safety and thermal stability
- Cost efficient & higher stability in material cost
- Raw material availability
- Most suitable for Indian market

Himadri has a strong R&D focus on LFP cathode chemistry

01

Portfolio of products being developed to serve multiple automotive and energy storage segments

02

Developmental work on next generation product grades with higher energy density while retaining the strong safety of LFP

03

Work happening across LFP value chain from material sourcing security to product development

Currently all global production capacity of Cathode is based in China

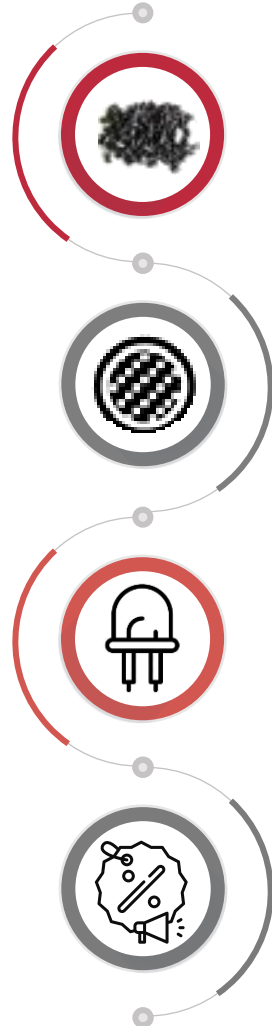
Sustainable Growth in Core Business through Value-added products



Our Core Business will continue to deliver strong growth

Coal Tar Pitch

Developed specialized pitch – one of the very few global manufacturers and Improved life of anodes through continuous process improvements



Battery Material

Developed technology to manufacture critical material for Lithium-ion Batteries and we are one of the few companies globally to have backward integration for this material. R&D towards next generation products is continuously on.

Carbon Black

Launched a series of application-specific speciality blacks with superior performance parameters which finds application in fibres, semicon cables, engineering plastics, inks and several other specialised applications.

SNF & PCE

Developed application-specific SNF for non-construction segment (agrochemicals, gypsum and latex) and next-generation products in PCE.



In-house R&D team enabled Himadri to forward integrate and regularly launch new specialised products



Transformation Unfolds



Portfolio of Few Products

2010

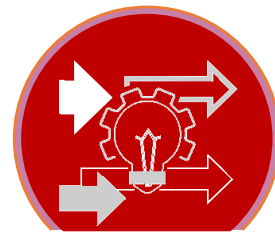
- » Coal tar pitch – Binder grade
- » Coal tar pitch – Impregnating
- » Carbon Black
- » Advanced Carbon Material
- » Naphthalene
- » SNF
- » C. B. Oil



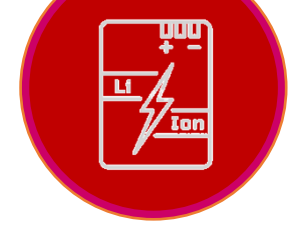
From Growing Carbon Value Chain to Promising Mobility and Energy Storage Opportunity

2011 to 2021

- » Aluminium Grade Pitch
- » Graphite Grade Binder Pitch
- » Graphite Grade Zero QI (Quinolene Insoluble) coal tar impregnated pitch
- » Advance Carbon Material for Lithium- ion Batteries
- » Special Pitch
- » Naphthalene
- » Refined Naphthalene
- » Light Creosote Oils
- » Heavy Creosote Oils
- » Anthracene Oil/Carbon Black Oil/ CT Oil
- » SNF
- » PCE
- » Carbon Black
- » Speciality Carbon Black
- » Himcoat enamel
- » Himcoat Primer-B
- » Himtape
- » Himwrap



Introduction of Value-Added Products



Promising Growth Opportunity

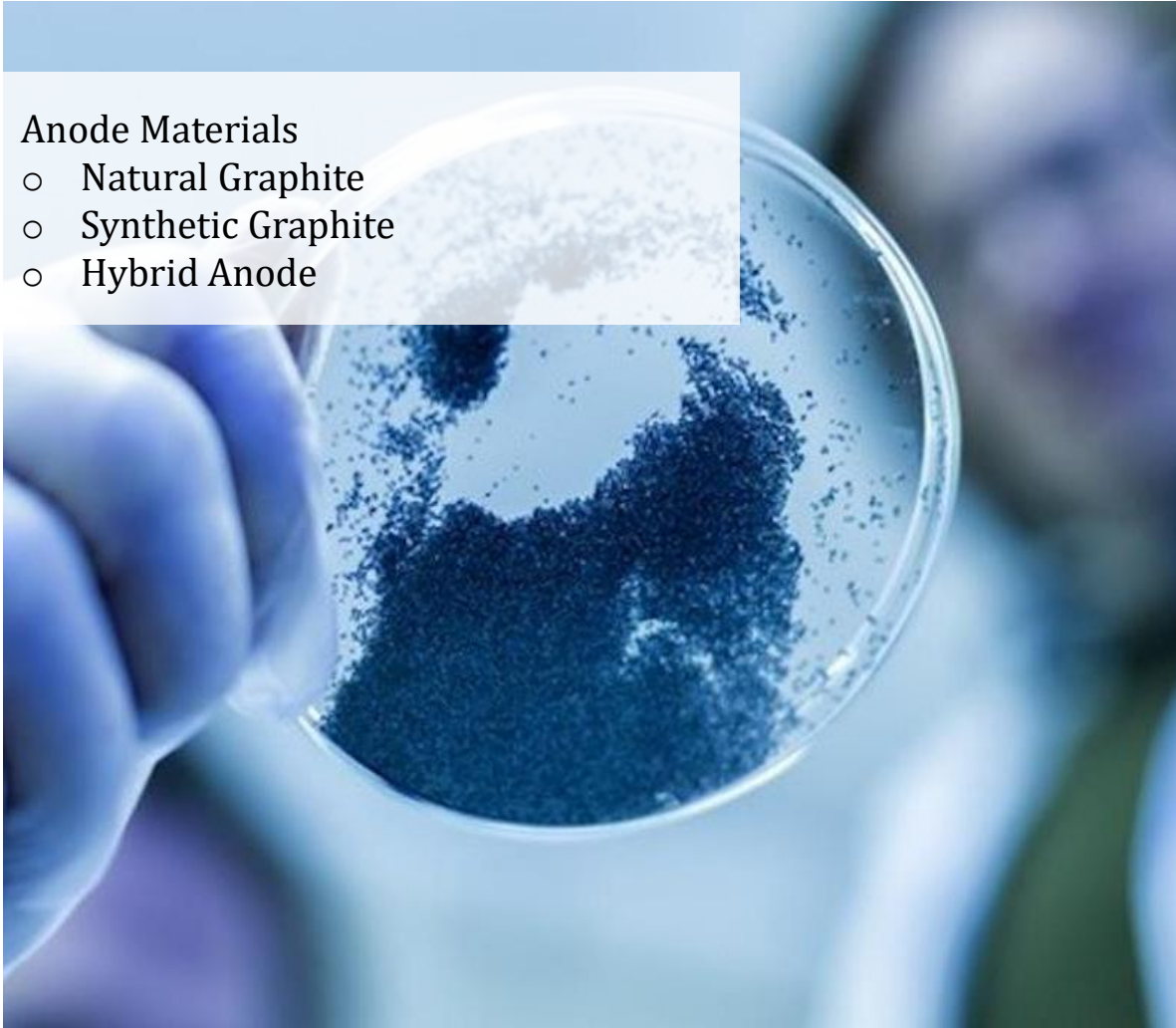
- » Products forming the critical raw materials for Lithium-Ion Batteries to be included in the portfolio



2022 onwards

Anode Materials

- Natural Graphite
- Synthetic Graphite
- Hybrid Anode

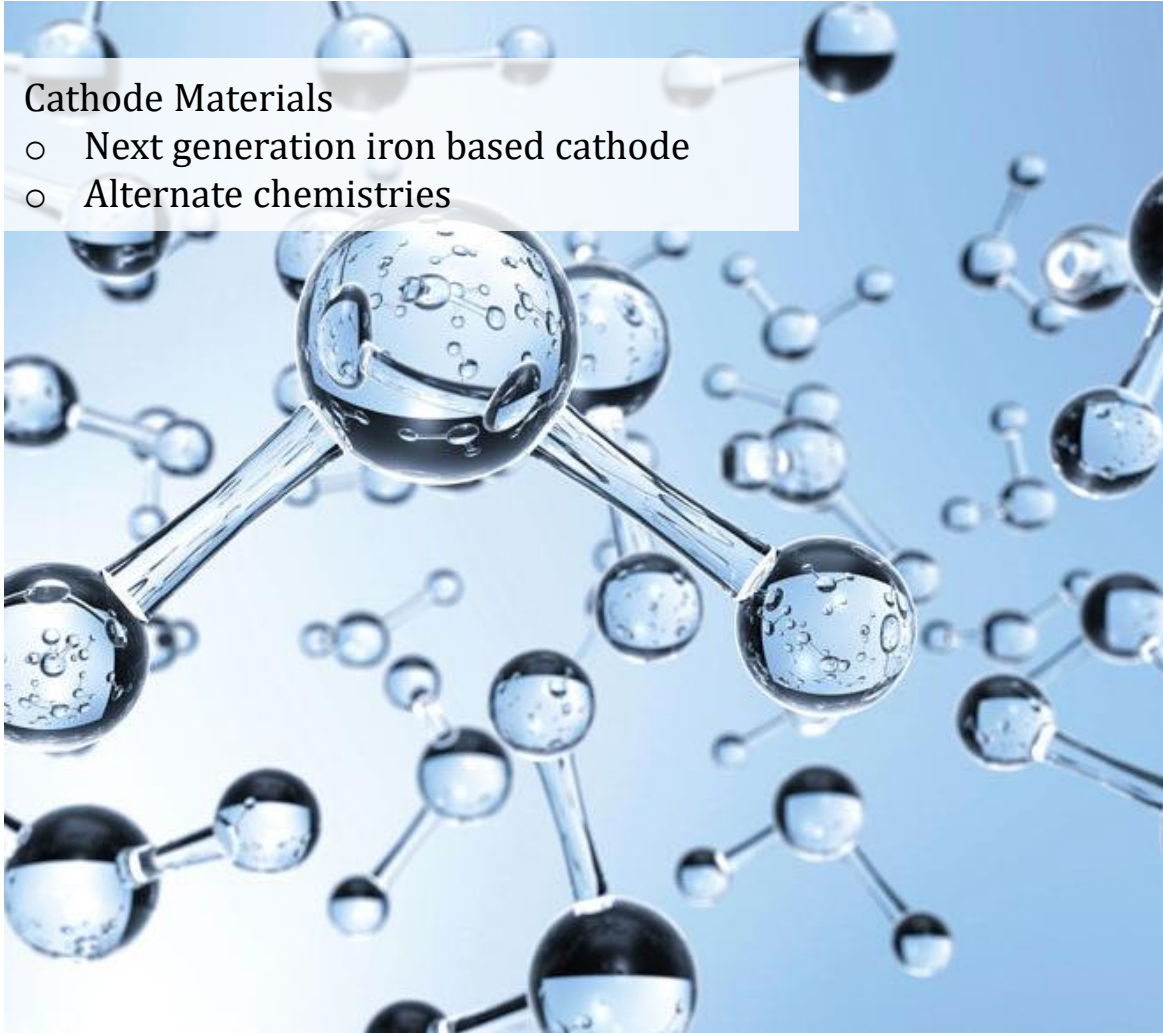


Silicon-based Anode Materials



Cathode Materials

- Next generation iron based cathode
- Alternate chemistries

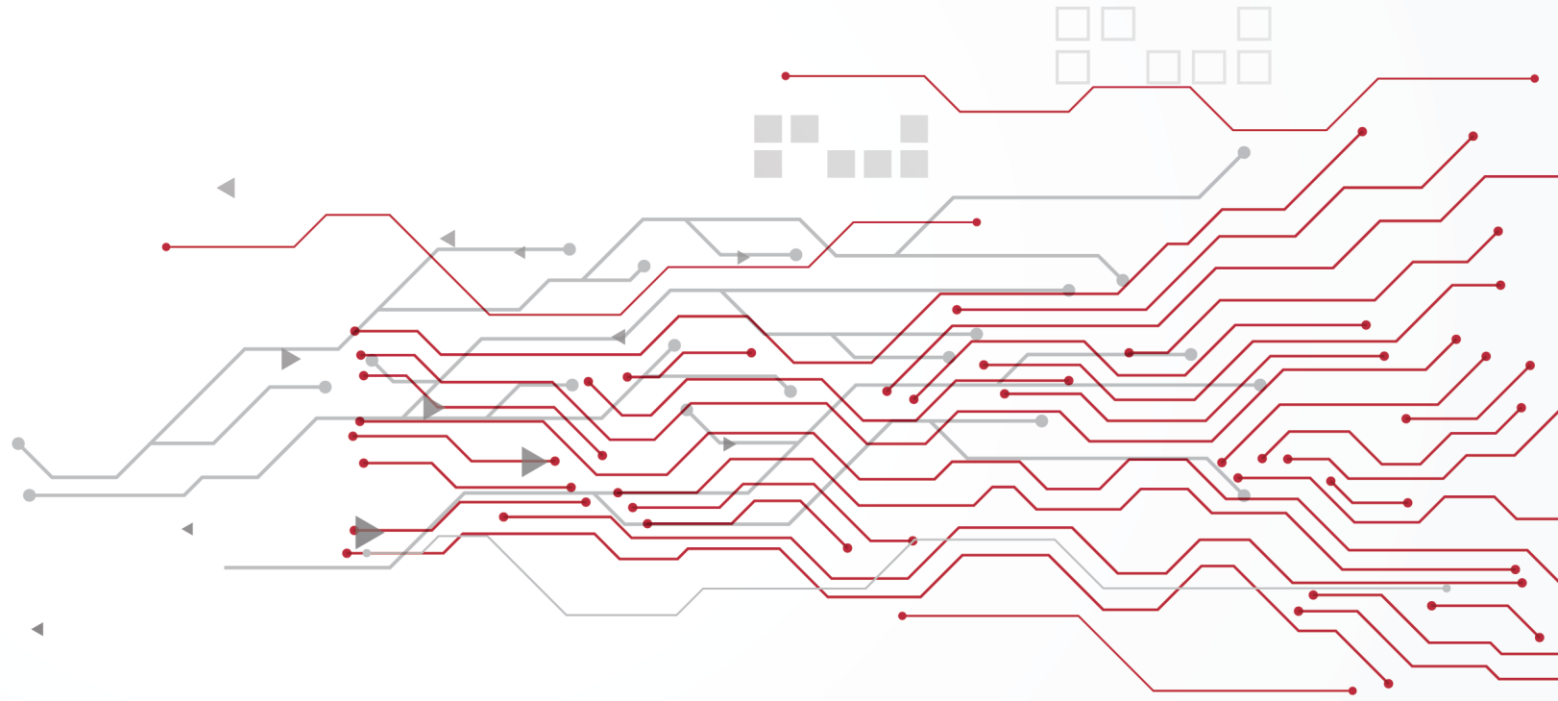


Graphene - Next generation product



Financial Performance

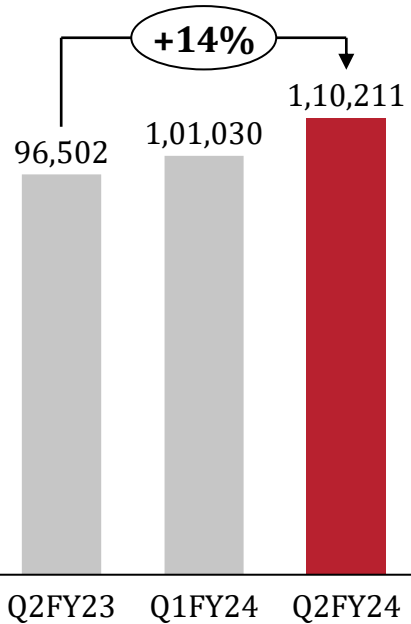
Q2 & H1FY24



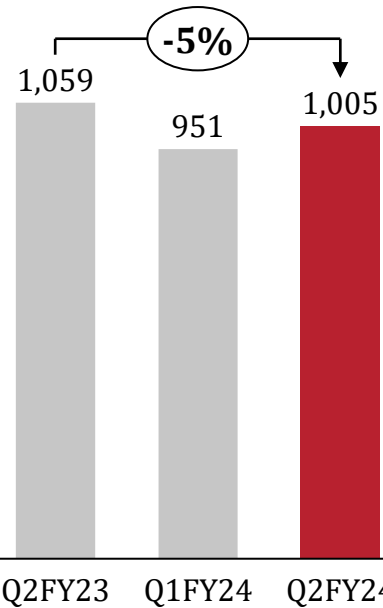
Performance Trajectory Continues



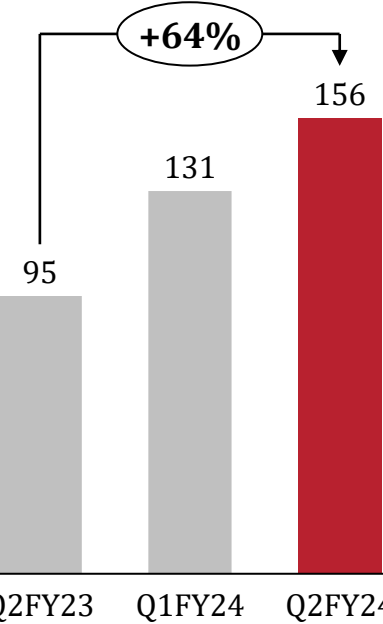
Sales Volume (MT)



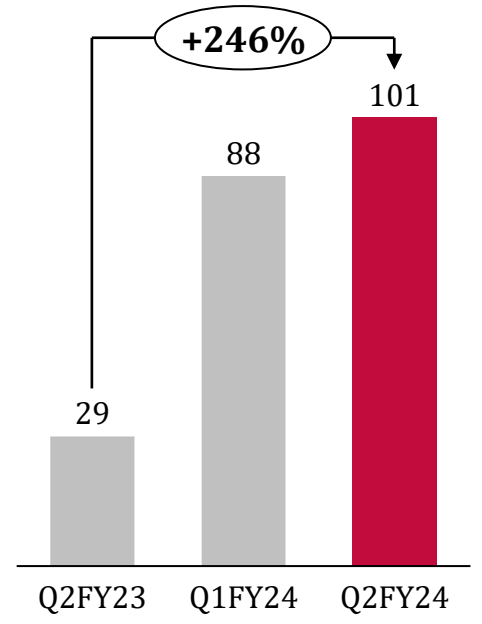
Revenue (Rs. In Crs)



EBITDA (Rs. In Crs)



PAT (Rs. In Crs)



Increase in profitability due to consistent move towards value added products

Standalone Profit & Loss Statement – Q2 & H1 FY24



Particulars (In Rs. Crs)	Q2FY24	Q2FY23	Y-o-Y	Q1FY24	Q-o-Q	H1FY24	H1FY23	Y-o-Y
Net Revenue From Operations	1,004.52	1,058.91	-5.14%	950.91	5.64%	1,955.43	2,105.55	-7.13%
Cost of Materials Consumed	725.71	830.03		700.42		1,426.13	1,661.69	
Gross Profit	278.81	228.88	21.81%	250.49	11.31%	529.30	443.86	19.25%
Employee Benefits Expense	28.02	25.78		25.65		53.67	48.59	
Other Expenses	94.79	107.74		93.95		188.74	214.91	
EBITDA	156.00	95.36	63.59%	130.89	19.19%	286.89	180.36	59.07%
Other Income	9.83	8.19		10.12		19.95	9.75	
Foreign Exchange Fluctuation (Loss)/Gain	1.22	-5.54		4.11		5.33	-19.17	
Depreciation and Amortization Expense	11.91	12.54		11.57		23.48	24.60	
EBIT	155.14	85.47	81.51%	133.55	16.17%	288.69	146.34	97.27%
Finance Costs	15.92	19.93		13.11		29.03	32.53	
Exceptional Items	0.00	-30.00		0.00		0.00	-30.00	
Profit / (Loss) Before Tax	139.22	35.54	291.73%	120.44	15.59%	259.66	83.81	209.82%
Tax Expenses	38.38	6.41		32.78		71.16	15.75	
Profit / (Loss) for the year	100.84	29.13	246.17%	87.66	15.04%	188.50	68.06	176.96%
Other Comprehensive Income	-4.34	44.06		50.45		46.11	27.99	
Total Comprehensive Income for the year	96.50	73.19	31.85%	138.11	-30.13%	234.61	96.05	144.26%

(Note : Foreign Exchange Fluctuation (Loss)/Gain is excluded from other expenses)

Consolidated Profit & Loss Statement – Q2 & H1 FY24



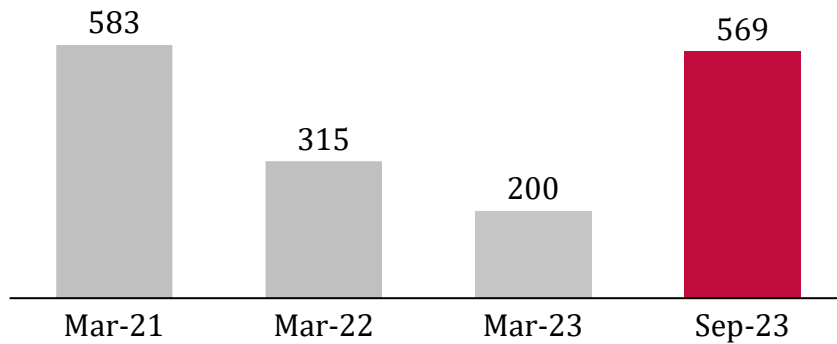
Particulars (In Rs. Crs)	Q2FY24	Q2FY23	Y-o-Y	Q1FY24	Q-o-Q	H1FY24	H1FY23	Y-o-Y
Net Revenue From Operations	1,004.52	1,058.91	-5.14%	950.91	5.64%	1,955.43	2,105.55	-7.13%
Cost of Materials Consumed	724.59	822.20		700.86		1,425.45	1,653.22	
Gross Profit	279.93	236.71	18.26%	250.05	11.95%	529.98	452.33	17.17%
Employee Benefits Expense	28.22	25.92		25.78		54.00	48.87	
Other Expenses	95.26	108.11		94.37		189.63	215.55	
EBITDA	156.45	102.68	52.37%	129.90	20.44%	286.35	187.91	52.39%
Other Income	9.82	8.19		10.12		19.94	9.75	
Foreign Exchange Fluctuation (Loss)/Gain	1.21	-5.54		4.11		5.32	-19.17	
Depreciation and Amortization Expense	12.43	13.07		12.10		24.53	25.68	
EBIT	155.05	92.26	68.06%	132.03	17.44%	287.08	152.81	87.87%
Finance Costs	15.95	19.97		13.15		29.10	32.62	
Exceptional Items	0.00	-30.00		0.00		0.00	-30.00	
Profit / (Loss) Before Tax	139.10	42.29	228.92%	118.88	17.01%	257.98	90.19	186.04%
Tax Expenses	38.48	6.41		32.78		71.26	15.75	
Profit / (Loss) for the year	100.62	35.88	180.43%	86.10	16.86%	186.72	74.44	150.83%
Other Comprehensive Income	-3.88	34.34		48.59		44.71	18.45	
Total Comprehensive Income for the year	96.74	70.22	37.77%	134.69	-28.18%	231.43	92.89	149.14%

(Note : Foreign Exchange Fluctuation (Loss)/Gain is excluded from other expenses)

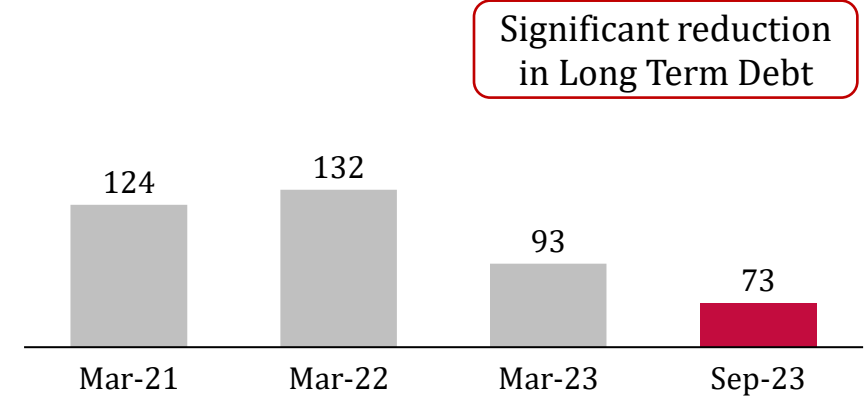
Capital Disciplined Balance Sheet



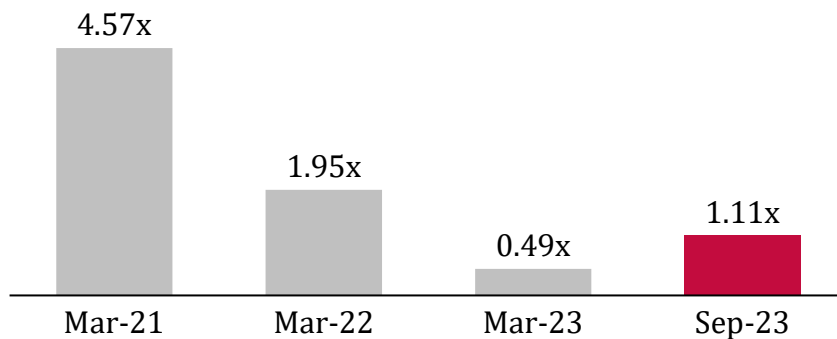
Net Debt (Rs. In Crs)



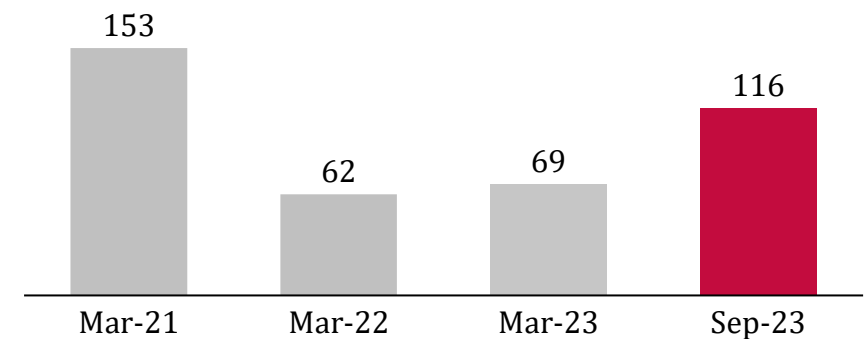
Long Term Borrowings (Rs. In Crs)



Net Debt to EBITDA



Net Working Capital Days



Standalone Balance Sheet



Particulars (in Rs. Crs.)	Sept' 23	Mar' 23
ASSETS		
Non-Current Assets	2116.49	1729.97
Property, Plant and Equipment	1460.37	1431.78
Capital work-in-progress	66.11	93.53
Right of use Assets	18.46	19.64
Intangible Assets	0.54	0.66
Financial Assets		
(i) Investments	272.48	131.91
(ii) Trade Receivables	10.13	10.08
(iii) Loans	2.01	1.00
(iv) Other Financial Assets	259.24	21.77
Non-Current Tax Assets (net)	7.33	7.37
Other Non-Current Assets	19.82	12.23
Current Assets	2032.76	1876.94
Inventories	844.72	545.24
Financial Assets		
(i) Trade Receivables	573.81	504.89
(ii) Cash and Cash Equivalents	35.41	206.05
(iii) Bank Balances other than (ii) above	211.62	417.00
(iv) Loans	1.83	1.53
(v) Other Financial Assets	16.55	24.76
Other Current Assets	348.82	177.47
TOTAL	4149.25	3606.91

Particulars (in Rs. Crs.)	Sept' 23	Mar' 23
EQUITY AND LIABILITIES		
EQUITY	2482.12	2215.60
Equity Share Capital	44.00	43.27
Other Equity	2438.12	2172.33
Non-current liabilities	168.09	149.64
Financial Liabilities		
(i) Borrowings	28.02	48.31
(ii) Lease Liabilities	0.98	1.22
(iii) Other Financial Liabilities	0.26	0.26
Provisions	5.84	5.89
Deferred Tax Liabilities (net)	132.99	93.96
Current liabilities	1499.04	1241.67
Financial liabilities		
(i) Borrowings	1001.42	787.89
(ii) Trade Payables	408.61	341.04
(iii) Lease Liabilities	0.59	0.57
(iv) Derivatives	0.00	0.11
(v) Other Financial Liabilities	20.37	29.32
Other Current Liabilities	56.67	82.57
Provisions	2.05	0.13
Current tax liabilities (net)	9.33	0.04
TOTAL	4149.25	3606.91

Consolidated Balance Sheet



Particulars (in Rs. Crs.)	Sept'23	Mar 23
ASSETS		
Non-Current Assets	2174.55	1793.04
Property, Plant and Equipment	1513.45	1488.13
Capital work-in-progress	66.11	93.53
Right of use Assets	24.47	26.36
Intangible Assets	0.54	0.66
Financial Assets		
(i) Investments	272.46	131.91
(ii) Trade Receivables	10.13	10.08
(iii) Loans	1.00	1.00
(iv) Other Financial Assets	259.24	21.77
Non-Current Tax Assets (net)	7.33	7.37
Other Non-Current Assets	19.82	12.23
Current Assets	2061.49	1885.09
Inventories	841.92	544.22
Financial Assets		
(i) Trade Receivables	573.81	504.89
(ii) Cash and Cash Equivalents	44.19	207.80
(iii) Bank Balances other than (ii) above	211.62	417.00
(iv) Loans	1.96	1.66
(v) Other Financial Assets	16.55	24.76
Other Current Assets	371.44	184.76
TOTAL	4236.04	3678.13

Particulars (in Rs. Crs.)	Sept'23	Mar'23
EQUITY AND LIABILITIES		
EQUITY	2541.04	2277.69
Equity Share Capital	44.00	43.27
Other Equity	2499.79	2237.23
Total Equity attributable to the equity holders of the Co.	2543.79	2280.50
Non-Controlling Interest	-2.75	-2.81
Non-current liabilities	170.89	152.84
Financial Liabilities		
(i) Borrowings	28.02	48.31
(ii) Lease Liabilities	3.78	4.42
(iii) Other Financial Liabilities	0.26	0.26
Provisions	5.84	5.89
Deferred Tax Liabilities (net)	132.99	93.96
Current liabilities	1524.11	1247.60
Financial liabilities		
(i) Borrowings	1001.42	787.89
(ii) Trade Payables	432.36	345.58
(iii) Lease Liabilities	1.48	1.51
(iv) Derivatives	0.00	0.11
(v) Other Financial Liabilities	20.41	29.37
Other Current Liabilities	56.67	82.57
Provisions	2.05	0.13
Current Tax Liabilities (net)	9.72	0.44
TOTAL	4236.04	3678.13

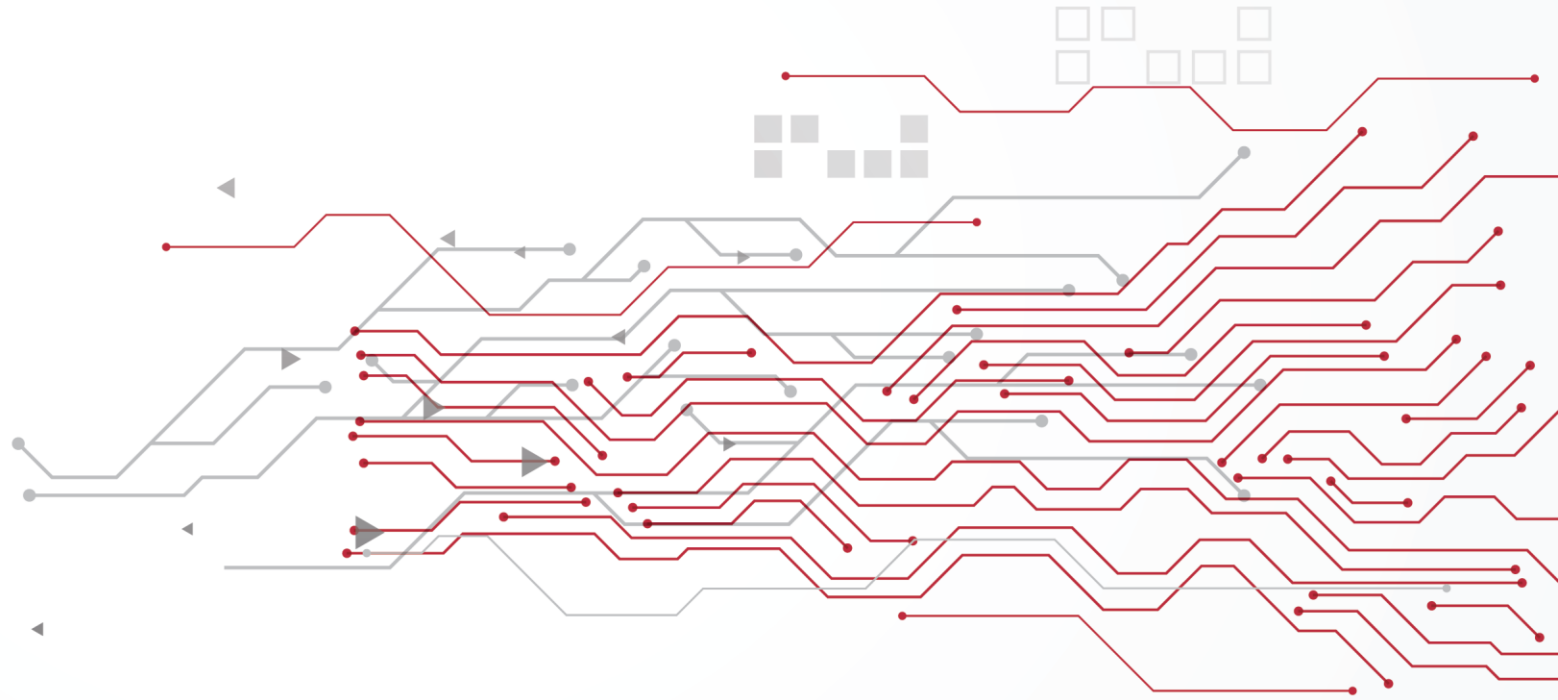
Cash Flow Statement



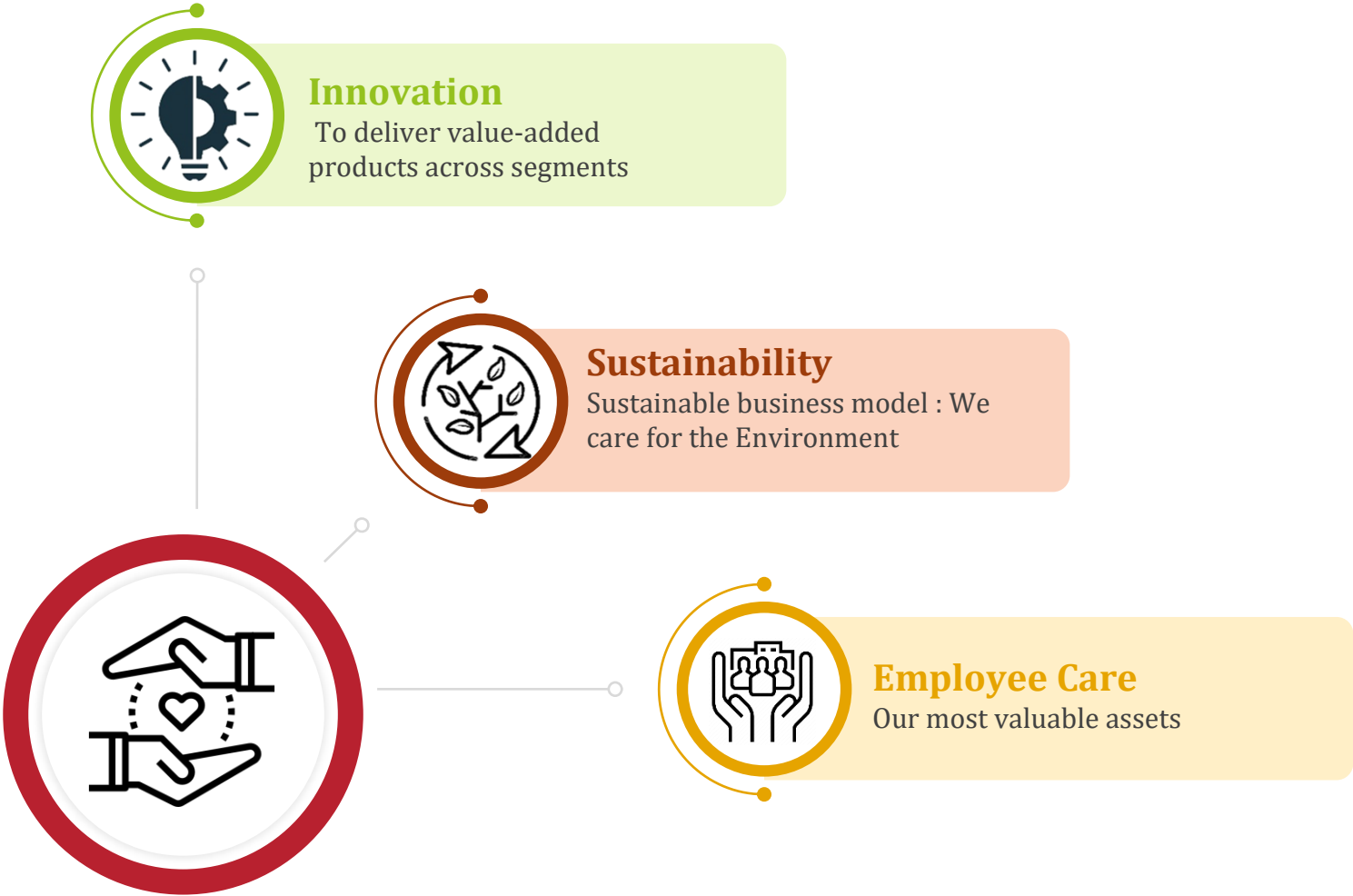
Particulars (Rs. Crs.)	Standalone		Consolidated	
	Sep-23	Sep-22	Sep-23	Sep-22
Profit Before Tax	259.66	83.81	257.98	90.19
Adjustments for: Non-Cash Items / Other Investment or Financial Items	31.15	74.22	33.81	68.55
Operating profit before working capital changes	290.81	158.03	291.79	158.74
Changes in working capital	-527.27	-583.75	-521.80	-572.27
Cash generated from/ (used in) Operations	-236.46	-425.72	-230.01	-413.53
Direct taxes paid (net of refund)	-36.03	-16.40	-36.14	-16.40
Net Cash generated from/ (used in) operating activities (A)	-272.49	-442.12	-266.15	-429.93
Net Cash generated from/ (used in) investing activities (B)	-94.23	-268.00	-93.21	-268.00
Net Cash generated from/ (used in) financing activities (C)	196.08	800.86	195.75	800.52
Net Increase/Decrease in Cash and Cash equivalents	-170.64	90.74	-163.61	102.59

Business Overview

Integrated Business Model



Our Ethos - “ We Care, We Innovate”



Strong Research & Development



01 World Class Laboratory

02 An Innovation Mindset

03 Continuous R&D

04 Techno-Commercial Team

05 Global Knowledge Bank

New brands introduced with multiple grades catering to different application segments of Speciality Carbon Black

Continuous working on reducing energy consumption in certain processes

Focusing on new product development and innovation especially in lithium-ion battery material space

Current Product Portfolio



Coal Tar Pitch

Largest Indian player



Carbon Black

3rd Largest player in India



Speciality Carbon Black

Largest Indian Player



Refined Naphthalene

Largest Indian Player



Battery Material

Largest Indian player



SNF / PCE

Dominant player in India



Speciality Oils

Niche segments in India and internationally



Power

Green Power from In-house process gas



Applications across Industries



Paints, Plastic & Fibre



Graphite Electrodes



Anti Corrosive Material



Defence



Construction Chemical



Aluminium



Lithium - Ion Batteries



Infrastructure



Rubber Industries



Wood Preservative Oils



Power



Specialized Products

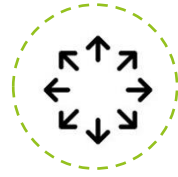
Marquee Clients across Industries



Unparalleled access to growth opportunities



High Value
Product
Pipeline



Right Capacity



Strong
Clientele



Product
Leadership



Strong R&D



Strategic
Location



Diversified
End Markets



Global
Management
Team



Cutting Edge
Technologies

Transformation Unfolds

Addressing the needs of critical raw material requirements of Lithium-Ion Batteries



Thank You

Company :

Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

Mr. Somesh Satnalika
EVP - CTD & Strategy

Email: ssatnalika@himadri.com

www.himadri.com

Investor Relations Advisors :



Ms. Payal Dave : +91 9819916314
payal.dave@linkintime.co.in

Mr. Bhavya Shah: +91 8082748577
bhavya.shah@linkintime.co.in

www.orientcap.com
