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TATA CHEMICALS Investors Communication

Quarter & Half Year ended Sept 2021 : Q2 FY22



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Journey So far





Footprint across 4 Continents



Employing ~5,000 people



With 13 Manufacturing units



Supported by 3 R&D centers with 200 + Scientists

	Basic Chemistry Products	Specialty Products	Rallis India Limited*
Major Products	Soda ash, Bicarb, Salt, Marine chemicals and Cement	Prebiotics Specialty silica	Crop Care, Crop Protection and Seeds (herbicides, fungicides and insecticides, etc)
Installed Capacity	Soda Ash: 9,17,000 MTPA Bicarb: 105,500 MTPA Salt: 1,170,000 MTPA	Prebiotic - 5,000 MTPA Specialty silica-10,000 MTPA	
Location	Gujarat	Andhra Pradesh Tamil Nadu	Maharashtra Gujarat



Our Facilities | International Operations

	US	UK	Kenya
Major Products	Soda Ash	Soda Ash, Bicarb Salt	Soda Ash
Installed Capacity	2,540,000 MTPA	Soda Ash: 400,000 MTPA Bicarb: 130,000 MTPA Salt: 430,000 MTPA	350,000 MTPA
Location	Wyoming, US	Lostock & Winnington, UK Middlewich, UK	Magadi, Kenya







Our Facilities | R&D Facilities





- 225 Technically skilled Scientists in R&D
- 3 State-of-the-art innovation Centers
- Strong intellectual property |157 patents held
 - (cumulative); 97 Active Applications



Financial Highlights

Quarter & Half Year ended Sept 2021 : Q2 FY22

Performance Highlights - Consolidated

Revenue	EBITDA & margin	PAT & margin			
₹ 3,023 Cr	₹ 501 Cr (17%)	₹ 248 Cr (8%)			
↑ 16% vs. Sept20	↑ 30% vs Sept20	↑ 87% vs Sept20	Soda Ash	Volumes	
			Q2 FY 22	946 Kts	
Robust volumes growth	n vs PY across products (Soda ash	(27%), Salt (5%) & Bicarb (6%))	Q2 FY 21	744 Kts	
Soda Ash pricing impro	oving across all geographies		Salt Vo	lumes	
			Q2 FY 22	402 Kts	
Challenging environme	nt of increasing input costs & sup	ply chain bottlenecks	Q2 FY 21	382 Kts	
Standalone Revenue gr	ew by 18% vs PY and EBITDA grev	v by 65%	Net D	Debt	
		N.4. 0.4)	Q2 FY 22	4,158 Cr	
Gross Debt as on 30th	Sept 21 is ₹ 7,108 Cr (vs ₹ 6,933 Cr	as on Mar21)	Q4 FY 21	3,828 Cr	



PAT margins

16%

135

Q2 Sep21

Financial Snapshot for the quarter ended Sept21



189

120

Q2 Sep20

428

54

374

Q1 Jun21



Profit After Tax

19%

135

Q2 Sep20

28%

228

Q1 Jun21

PAT remained flat



Note: Change is vs PY quarter

PBT & PAT includes Continuing operations, after Share in JV & associates & before NCI



Financial Snapshot for the Year Till Date Sept21

YTD Sept20

EBITDA up by ₹ 356 Crore (↑48%)



PBT up by ₹ 448 Crore (↑150%)

Note: Change is vs PY guarter

Revenue up by ₹ 1,042 Crore (↑21%)

PBT & PAT includes Continuing operations, after Share in JV & associates & before NCI % in respective charts represents margins

PAT up by ₹ 384 Crore (↑186%)

Segment Revenues and Results

			Con	solidated			Sta	indalone	
	₹ Crore	Q2 Sept20	Q1 Jun21	Q2 Sept21	Var vs. PY (Sep20 Vs Sep21)	Q2 Sept20	Q1 Jun21	Q2 Sept21	Var vs. PY (Sep20 Vs Sep21)
	Basic Chemistry Products	1,839	2,173	2,235	396	677	770	791	114
	Specialty Products	766	797	786	20	41	57	58	18
אפעפ	Less: Inter Segment Revenue	(3)	(1)	(3)	0	-	-	-	-
segment kevenues		2,602	2,970	3,018	417	717	826	849	132
egn	Unallocated Revenue	8	8	4	(3)	0	2	(2)	(2)
"	Total Segment Revenue	2,609	2,977	3,023	413	717	828	847	130
Ņ	Basic Chemistry Products	152	346	279	128	121	234	195	74
Results	Specialty Products	90	93	58	(32)	(9)	(12)	(12)	(3)
Ř	Segment Results	242	439	337	95	113	222	183	70
	Unallocated Expenses / (Income)	(20)	(19)	(9)	11	(58)	(64)	2	59
	Finance Costs	84	81	84	0	4	4	5	0
	Profit after exceptional items, before share of profit of joint ventures and tax	179	377	262	84	166	282	177	11

Basic Chemistry Products includes Soda Ash, Bicarb , Salt , Marine Chemicals and Other products Speciality Includes Nutritional Solutions, Silica and Rallis India

	Material		India	US	UK	K	enya		
Se	Coal		\checkmark	\checkmark					
Utilities	Gas			1	1				
	Heavy Fuel Oil (HF	0)					√		
		S	tandaloı	ne	Со	Consolidated			
₹ Cr	ore	Sep-20	Jun-21	Sep-21	Sep-20	Jun-21	Sep-21		
Reve	enue from operations	717	828	847	2,609	2,977	3,023		
Cost	of Production ¹	414	416	477	1,403	1,472	1,620		
Con	tribution	303	412	370	1,207	1,505	1,403		

Headwind on Input Costs

- Gas price has gone up substantially
- Coal price (including higher freight) has

gone up 4x

- Carbon UK ETS prices up from GBP 25-30
 per MT in March 21 to GBP 75 per MT in
 Sept 21
- Increase in cost of bought out raw salt due to excessive rainfall

¹Cost of production includes the following heads under the SEBI financial statements (a) cost of raw materials (b) change in inventory (c) purchase of stock in trade (d) power & fuel (e) freight and forwarding charges

Balance Sheet as on Sept21

T C u u u	Consol	idated	Standal	one
₹ Crore	31-Mar-21	30-Sept-21	31-Mar-21	30-Sept-21
Non - Current Assets	21,691	23,518	11,789	12,938
Inventories	1,687	1,873	522	675
Investments	1,563	1,506	1,282	1,279
Trade Receivables	1,397	1,668	145	157
Cash and Bank Balance	1,411	1,315	685	441
Others Current Assets	588	1,280	242	293
Total Assets	28,337	31,161	14,665	15,783
Equity & Reserves	14,290	16,365	13,257	14,325
Non - Controlling Interests	853	891	-	-
Non-Current Liabilities	3,343	3,780	364	468
Borrowings (Non Current) / Lease Liabilities	5,388	5,616	5	3
Borrowings (Current) / Lease Liabilities	1,544	1,492	4	4
Trade Payables	1,683	1,803	482	408
Others Current Liabilities	1,236	1,213	553	575
Total Equities and Liabilities	28,337	31,161	14,665	15,783

Historical Financial Trends



Quarterly Volumes | Key Products





Soda Ash Volume Trends

Overall Soda Ash sales volumes back to pre COVID levels



Q2 FY22 Basic Chemistry Products Segment

	Key Highlights	Segment
India	 → Revenue at ₹ 791 Cr (up 17%), EBIT was ₹ 195 Cr up (vs ₹ 121 Cr PY). → Margins improved on account of higher volumes and increase in prices largely offset by higher raw materials and energy cost, though fixed cost remain in control. 	Segment
US	 → Revenue at ₹ 867 Cr (up by 22%) and EBIT was ₹ 114 Cr (vs. ₹ 16 Cr PY) → US domestic volumes remained stable while export volumes grew well. Margin improvement led by higher volumes. 	
UK	 → Revenue at ₹ 416 Cr (up by 23%) and EBIT was ₹ (57) Cr (vs. ₹ 11 Cr PY). → UK soda ash sales volumes remained stable. Higher gas and carbon prices led to increase in electricity income. → Margins were impacted mainly due to sharp raise in the energy costs and carbon price. 	1,8 1!
Kenya	 → Revenue at ₹ 140 Cr (up by 54%) and EBIT was ₹ 26 Cr (vs. ₹ (2) Cr PY). → Kenya had strong export volumes and continued its focus on cost optimization and plant efficiencies. One time cost of Rs 11 Cr on account of manpower restructuring. 	Q2 So

Segment Revenue at ₹ 2,235 Cr (up by 22%) Segment results at ₹ 279 Cr (up by 84%)

















Basic Chemistry Products includes Soda Ash, Bicarb , Salt , Marine Chemicals and Other products

Q2 FY22 Specialty Products Segment

	Key Highlights	Segment Revenue at
		Segment results at ₹
Specialty	→ Revenue increased for the quarter to ₹ 58 Cr (up by 43%), on the back of higher sales volumes across products portfolio.	
Products	\rightarrow Export market gaining traction for FOS products	
	ightarrow Food grade silica demand remained stable; Tyre & Rubber segment demand remained low.	
		766
	→ Revenue at ₹ 727 Cr and EBIT stood at ₹ 69 Cr vs ₹ 97 Cr PY	
Agri	ightarrow Revenue remained steady with growth in Crop Care, domestic and International business.	90
Science (Rallis India	Seeds revenue remained lower.	
Ltd)	ightarrow Margins were impacted due to sharp raise in the input cost & fixed costs along with higher	Q2 Sep20
	sales returns, erratic rainfall impacting seeds business	Segment Rev



Speciality Products Includes Nutritional Solutions, Silica and Rallis India









gment Revenue at **₹ 786 Cr** (up by 3%) gment results at **₹ 58 Cr** vs ₹ 90 Cr PY



Unit wise Profit & Loss

Statement of Profit and Loss for the quarter ended Sept21

Units	TCL India			US		UK		Kenya		Rallis			Consolidated					
₹ Cr	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var
Revenues	717	847	130	711	867	156	337	416	79	91	140	49	724	727	3	2,609	3,023	414
EBITDA	116	192	76	96	196	100	46	(18)	(64)	6	33	27	118	87	(31)	386	501	115
EBIT	68	137	69	16	114	98	11	(57)	(68)	(2)	26	28	97	69	(28)	194	301	107
PBT	166	177	11	(26)	76	102	2	(67)	(69)	(5)	11	16	110	76	(34)	189	320	131
PAT (before NCI)	135	155	20	(24)	66	90	2	(67)	(69)	(5)	11	16	83	56	(26)	132	268	136
PAT (after NCI)	135	155	20	(44)	47	91	2	(67)	(69)	(5)	11	16	83	56	(26)	70	221	151

Statement of Profit and Loss for the Year till date Sept21

Units	1	TCL India			US		UK		Kenya		Rallis			Consolidated ¹				
₹ Cr	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var	ΡΥ	СҮ	Var
Revenues	1,345	1,675	330	1,329	1,705	376	652	822	170	191	274	83	1,383	1,468	85	4,958	6,000	1,042
EBITDA	272	430	158	131	369	238	74	11	(63)	16	58	42	242	209	(33)	746	1,102	356
EBIT ²	176	322	146	(31)	208	238	5	(65)	(70)	(1)	43	44	204	173	(31)	364	705	341
PBT ³	308	459	151	(146)	131	277	(13)	(85)	(72)	(8)	27	35	230	186	(44)	299	747	448
PAT (before NCI)	244	383	139	(115)	117	232	(13)	(86)	(72)	(8)	27	35	175	139	(36)	206	610	404
PAT (after NCI) ⁴	244	383	139	(150)	85	236	(13)	(86)	(72)	(8)	27	35	175	139	(36)	84	509	425

1. Consolidated financials is after adjusting SPV & other adjustments, 2. EBIT excludes Other Income 3. PBT is after exceptional items & Share in JV and PAT (before NCI) 4. Rallis financials represent 100 % share. Consolidated numbers is after adjustment of Rallis India's NCI.

Strategic Priorities

		Current Year	Near Term
India	Standalone	• Grow volumes & maximize realizations in soda ash (price	 First tranche of Soda Ash, Bicarb & Salt expansion on stream by FY23, delivering incremental revenues
	Rallis	 New product introduction, strengthen and leverage brand power and distribution reach. Maximize revenue from current Active Ingredients portfolio by scale up/debottlenecking capacities 	 Research led new Active Ingredients and combination formulations to build a strong and innovative product portfolio Leveraging emerging technologies for value added portfolio including GM traits
lai	US	 Volume recovery to pre covid levels Export price maximization & target higher domestic realizations during contract renewals in Q4 FY 22 	 Manage ANSAC exit through own supply chain & sales teams
International	UK	 Hold volumes & pricing ; Target higher realizations during contract renewals in Q4 FY 22 Operational efficiencies through cost structure rationalization 	 Manage energy & carbon cost pressures and continuous cost focus
	Kenya	Sustain volume growth momentum	Steady volumes & continuous cost focus

- Invest and grow in India
- Focus on cash generation across geographies
- Deleverage international debt

Sustainability and Employee Engagement

		Priorities		Focus Areas		
622	Climate ChangeSigned SBTi and taken absolute carbon emission reduction targetCircular EconomyFresh Water Neutrality, zero solid waste and recycle		•	Fuel Change, Energy efficiency, & CCU & usage.	, renewable energy	
			d .	Water harvesting and conserva Solid waste recycle & cement p waste material at Mithapur		Carbon Capture
	Biodiversity	Preserve Natural Capital, conservation & restoration of biodiversity	•	Mangroves plantation in and a Whale shark conservation Water harvesting for farm land		Utilisation Unit in UK commissioned in Sept 21
		Employee Sa	fety a	nd Health		
Employees Back to Office w safety and precautions	vith MD	Safety Award Distribution at Mithapur	A tribut	e to JRD Tata at Akola-Rallis unit	Vaccination	Camp at Cuddalore

ESG initiatives











Awards and Recognitions



Tata Chemicals wins Dun & Bradstreet award for ESG Performance in the Manufacturing category



Tata Chemicals bags 4th spot in Responsible Business Ranking 2021 (Study carried out by Futurescape & announced during the Economic Times SDG Summit 2021)



Tata Chemicals bags 3 Platinum prizes at CII's 15th Six Sigma National Competition



Tata Chemicals receives DSIR recognition for Mithapur R&D and IC Pune until Mar'24



Supplementary Information





Shareholding Pattern as on Sept 21 | In %



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Thank You

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