



We create chemistry

BASF India Limited, Mumbai - 400 051, India

August 24, 2020

The Market Operations Department  
BSE Limited,  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

**Name of the Company** : **BASF INDIA LIMITED**  
**Security Code No.** : **500042**

Dear Sir/Madam,

**Re: Analyst Meeting of BASF India Limited.**

Further to our letter dated August 21, 2020 on the above-mentioned subject, we enclose herewith the presentation made by the Company at the Analysts' meeting held today.

Please treat the above information as intimation under Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Thanking You.

Yours faithfully,  
For BASF India Limited

Pradeep Chandan  
Director – Legal, General Counsel (South Asia)  
& Company Secretary

Pankaj Bahl  
Manager- Company Secretarial

Cc: Listing Compliance,  
National Stock Exchange of India Limited,  
Exchange Plaza, C-1, Block-G,  
Bandra Kurla Complex, Bandra –(East).  
Mumbai-400051.

**Registered Office**  
**BASF India Limited**  
The Capital, 'A' Wing, 1204-C, 12th Floor,  
Plot No. C-70, 'G' Block,  
Bandra-Kurla Complex, Bandra (East),  
Mumbai - 400 051, India

Tel +91 22 6278 5600

CIN - L33112MH1943FLC003972

[www.basf.com/in](http://www.basf.com/in)



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## Analyst Meet

Narayan Krishnamohan  
Managing Director, BASF India Limited

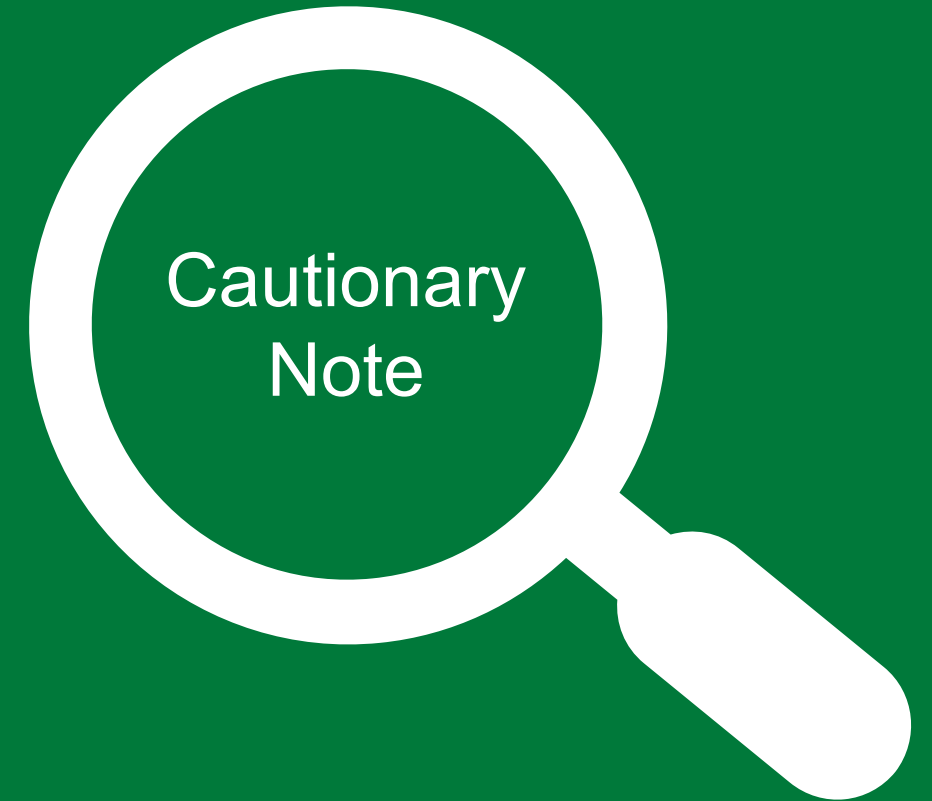
Narendranath J. Baliga  
Chief Financial Officer, BASF India Limited

Mumbai, 24.08.2020



- Only matters in the public domain can be subject matter of discussion in this meeting
- As a matter of policy, we do not provide any forecast about the future business situation
- We do not comment or give guidance on future results or business outlook

## Forward looking statements





**We remain committed to EHS and Sustainability**





# Driving high standards in EHS & Sustainability on all fronts

Internal Focus

## Emphasis on EHS Standards



### Global Safety Days

161 activities in India across sites & offices

Agricultural Solutions team - 1<sup>st</sup> Runner up of Safety Champions awards in BASF APAC

## Reinforcing Sustainability Quotient



### Reduce, Reuse, Recycle

Enhanced water storage & saving capacities at Dahej & Mangalore sites

Invested in solar power at Mangalore site

External Focus



### Sharing best practices & winning accolades

Sessions on Responsible Care & Sustainability, Fire fighting trainings for colleges



ICC awards for Responsible Care, Nicer Globe, CII awards for EHS standard in manufacturing



### Engaging with customers & industry on sustainability

Collaboration with customers like Colgate-Palmolive, Organized Battery Tech Day, etc.



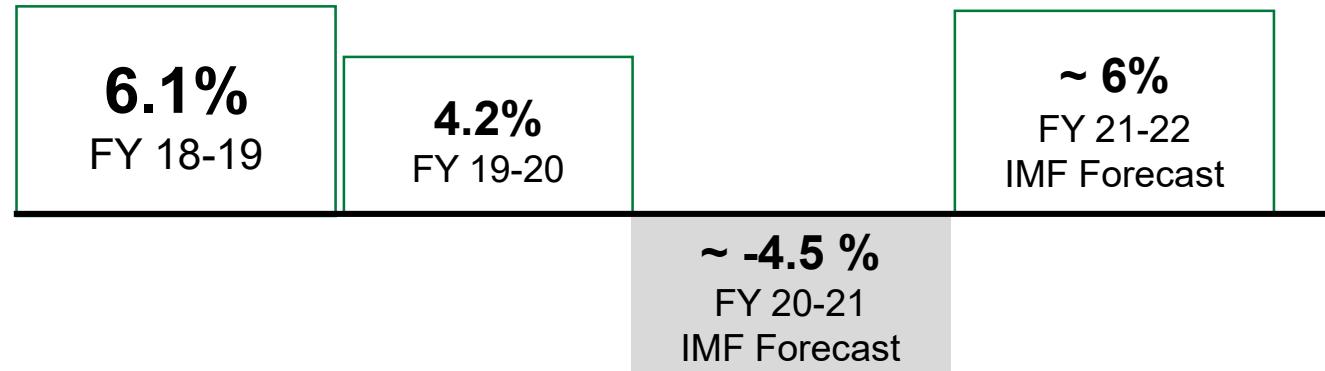
Sustainability Partner for India Economic Conclave 2019 highlighting role of chemistry



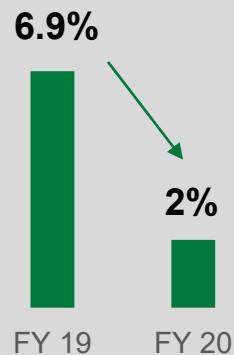
# FY19-20: a challenging year with economic slowdown, declining GDP

COVID-19 further dents growth. June, July 2020 show revival signs amid easing of lockdown

## India GDP



## Manufacturing growth



- PMI at 37.2 points in July 2020

## Auto



- Sales dropped 18% in FY19-20
- Impacted by **Bharat VI transition, NBFC crisis**
- Auto sales in July 2020 see resurgence

## Agriculture



Grew at 4% in FY19-20

Sowing area of **Kharif crops** 21.2% more than last year

Despite challenges,  
our **diverse portfolio** and  
**customer focused projects**  
enabled profitable growth during  
FY 2019-20



# Expanding production capacity at our sites

Focus on safety and driving efficiencies continued



Expansion of Cellasto® manufacturing capacity at Dahej



Doubling production capacity of Polymer Dispersions at Dahej



Inauguration of Defoamer plant for paints at Mangalore



P-Mac 3.3 Automatic Spray machine installed in Technical Support Lab at M'lore



**Digitalization for cost savings, increasing production & efficiency**

- Dahej- Cellasto plant
- Mangalore- Coatings plant



**Quality certification & audits for various sites**

- International Automotive Task Force certification
- Dahej automotive coolants plant audited & approved for commercial production



# We continue to optimize our business portfolio to strengthen competitiveness



## Acquisition of BASF Performance Polyamides

- Complementary **product portfolio**, well known **Technyl®** brand enhances growth opportunities
- Wider **distribution network**, more **co-creation opportunities**
- **ONE strong team** in engineering plastics
- Consideration amount Rs. 3,029 million; Enterprise value Rs. 2,189 million after netting of cash balance of Rs. 840 million
- FY19-20 reported Revenue Rs.2,756 million; EBIT Rs.431 million

## Divestiture of OBA & Construction Chemicals business

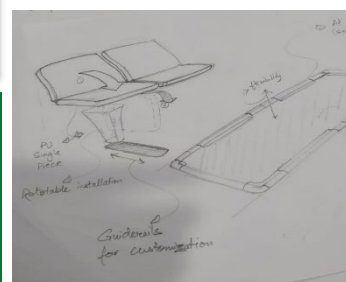
- Divestiture of stilbene based Optical Brightening Agents to Archroma
  - Consideration of Rs. 335.1 million
  - Business transfer completed on December 6, 2019
- Divestiture of Construction Chemicals to Master Builders Solutions
  - Consideration of Rs. 5,951.6 million
  - Business transfer completed on July 1, 2020



**My experience with Creation Center**

It's really inspiring as a designer to get exposed to such an amazing collection of materials & their applications. Just being present in the creation center pushes the mind & opens it for creative ideation & problem solving.

- Sanket Patil, IDC, IITB



**My experience with Creation Center**

BASF creates Chemistry where as this Innovation Center create history with collaboration.

- [Signature]

**Driving customer collaboration @Creation Center inaugurated in May 2019**

>40 customers visited  
Engaged in >50 topics



# Technology driving efforts to enhance processes & customer outreach



## Successful roll out of Net Promoter Score (NPS)

- NPS enables feedback, suggestions from customers to address pain points. See positive improvement in performance scores
- Internal focus on promoting tools like Digital Invoicing, Business Process Automation etc. to enhance productivity

## Implementing digital channels across businesses

- ~3.4 lac followers on BASF Agricultural Solutions Facebook page. Launched xarvio mobile scouting app, active use of Whatsapp, Youtube. Stewardship animation video garnered 25 lacs + views.
- Virtual workshops with customers & key stakeholders of Performance Materials, Care Chemicals business




# Segment Revenue breakup

FY 2019-20



**Agricultural Solutions**



**Materials**  
Performance Materials  
Monomers




**Industrial Solutions**  
Dispersions  
Performance Chemicals



**Surface Technologies**  
Construction Chemicals  
Catalysts  
Coatings

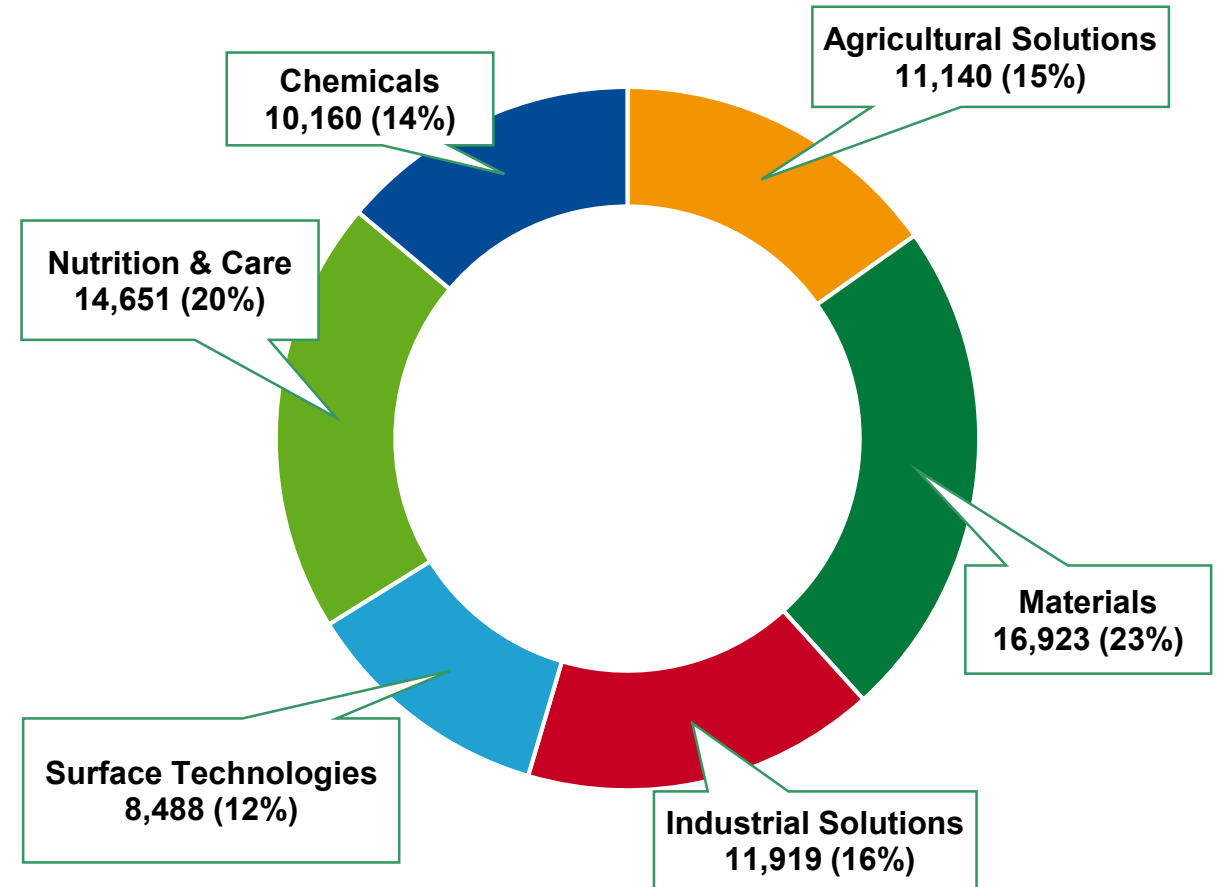


**Nutrition & Care**  
Care Chemicals  
Nutrition & Health



**Chemicals**  
Petrochemicals  
Intermediates

(Rs. in million)

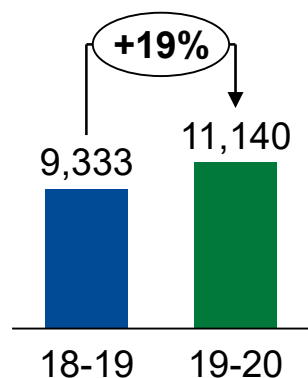


# Segmental performance

FY 2019-20

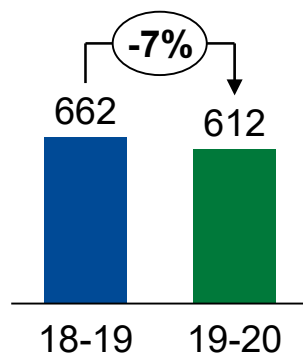
## Revenue

Rs. in million



## Results

Rs. in million

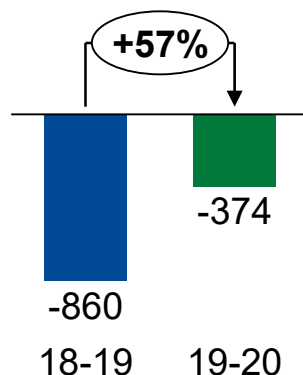
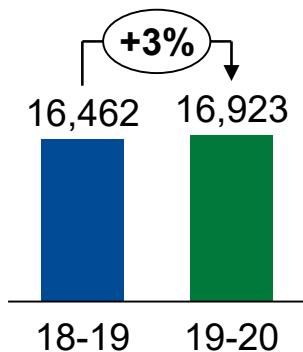


- Good growth with diversified portfolio, above normal monsoon
- Profitability marginally impacted by higher input costs

Agricultural Solutions



Materials



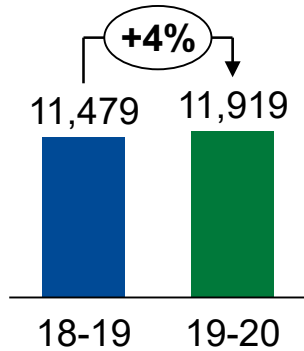
- Modest growth owing to shrinking commodity prices, lower demand in transportation segment
- EBIT improved significantly due to declining cost of raw materials and better realisation as compared to the input costs

# Segmental performance

## FY 2019-20

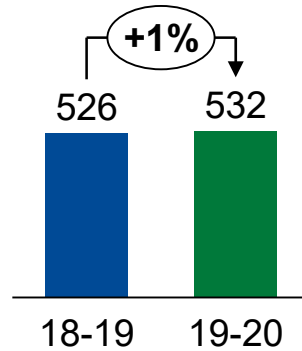
### Revenue

Rs. in million



### Results

Rs. in million

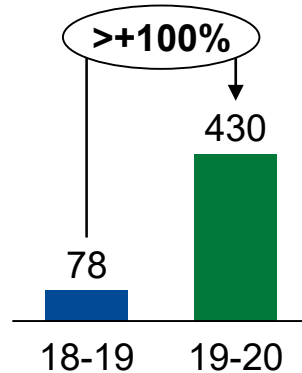
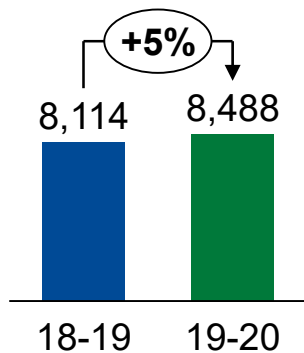


- Increase in revenue driven by capacity expansion at Dahej, right product mix & merchandize volumes
- Profitability maintained despite high volatility in the raw material prices

Industrial Solutions



Surface Technologies



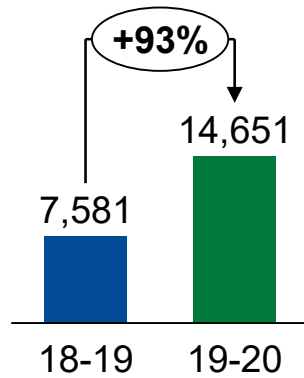
- Growth in revenue mainly from increased merchandise volumes
- Improved profitability due to better product mix & high focus on margins

# Segmental performance

## FY 2019-20

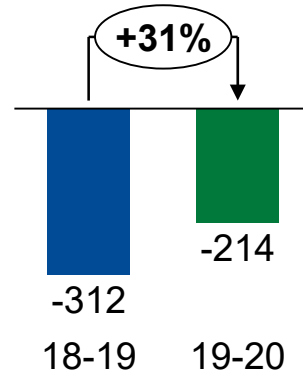
### Revenue

Rs. in million



### Results

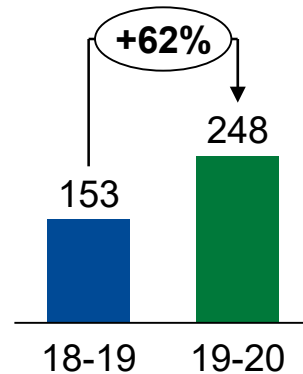
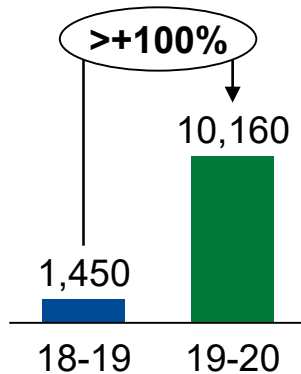
Rs. in million



Nutrition & Care



Chemicals

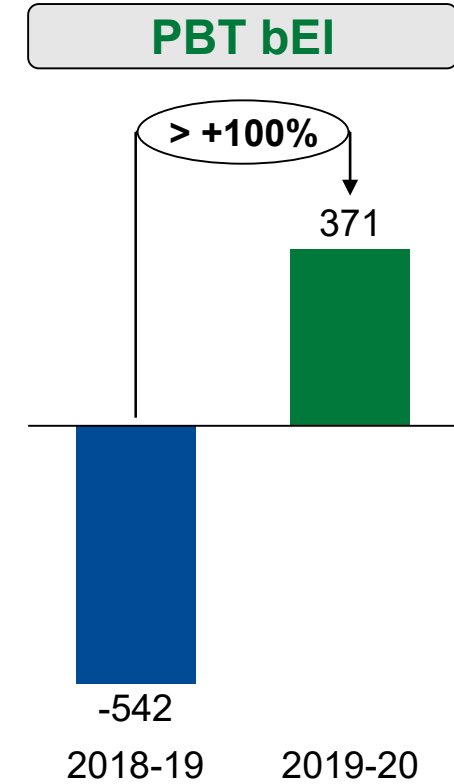
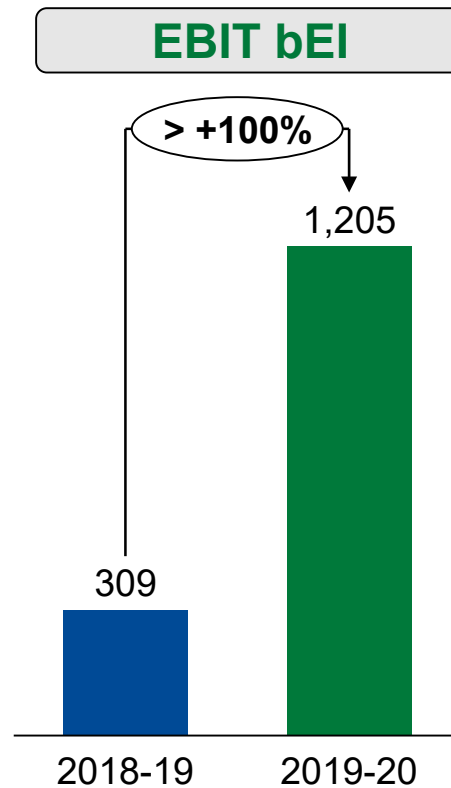
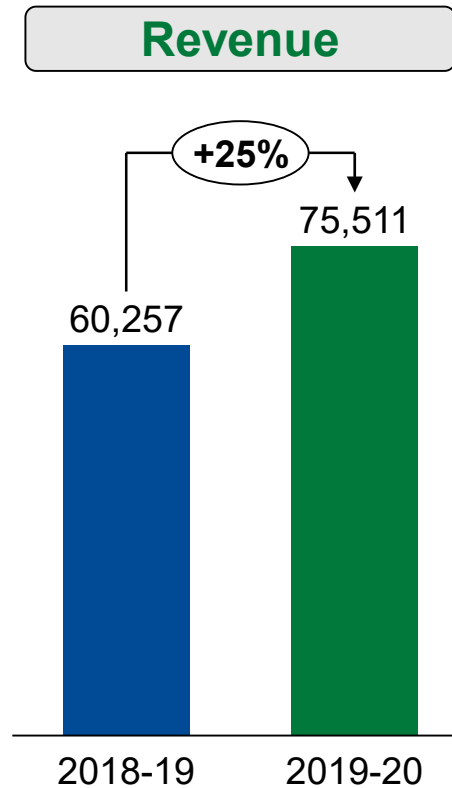


- Higher volumes from merchandize business driving sales growth
- Improvement in EBIT due to better pricing strategy

- Petrochemicals witnessed demand in downstream business. Pharma, agrochemicals drove growth in Intermediates
- Higher absolute margins from increased volumes

# We achieved strong profitable growth in FY 2019-20

In Rs. million



➡ Shift from agency to merchandise business also added to topline growth

₹ Profitable growth driven by strong focus on margins & operational costs

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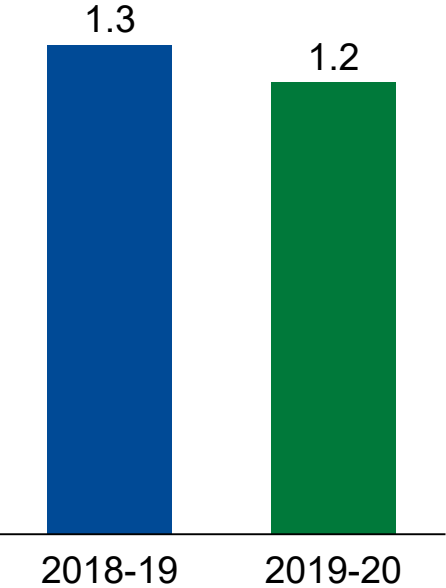
EBIT bEI: Earnings before interest & tax before exceptional items  
PBT bEI: Profit before tax before exceptional items

The charts are for comparison purpose & not to scale

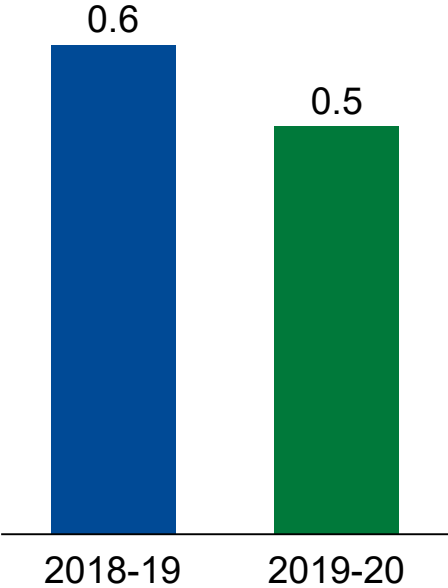


# Improvement in key ratios: FY 2019-20

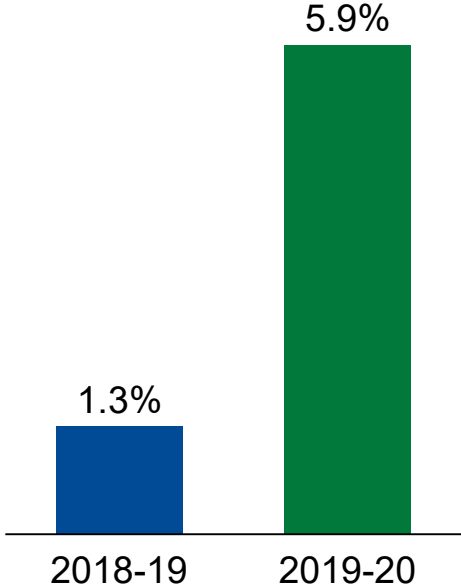
Current Ratio



Debt/ Equity



RoCE



- ✓ Control on **working capital** with stringent monitoring
- ✓ **Operational cash flow** increased by Rs.6,310 million
- ✓ **Borrowings** reduced to Rs.6,630 million (PY: Rs.9,122 million)
- ✓ Improved **RoCE** from better margins & optimum capital utilization

Current Ratio= Current assets / Current liabilities  
 Debt Equity Ratio = Total Borrowings/ Total Equity  
 RoCE (Return on Capital Employed) = EBIT bEI / (Equity + Borrowings)

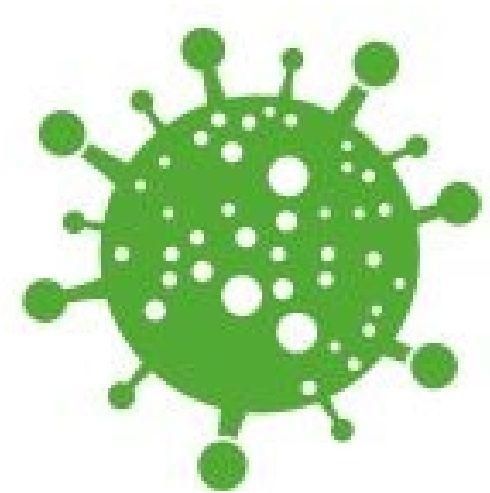


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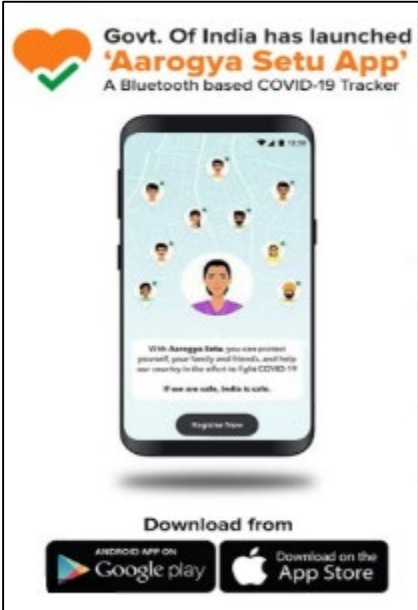
Q1 FY 20-21

COVID-19 pandemic

We remain focused on **employee safety** and **active customer collaboration** in a challenging business environment



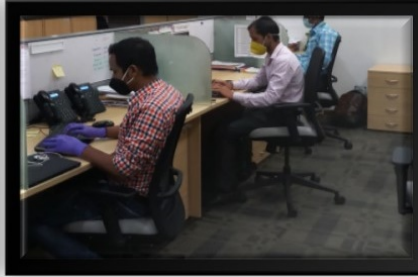
# Ensuring safe start up and enhanced safety measures for our employees



Govt. Of India has launched 'Aarogya Setu App' A Bluetooth based COVID-19 Tracker

With Aarogya Setu, you can protect yourself, your family and friends, and help our country to the extent to fight COVID-19. If we are safe, India is safe.

Download from Google play and App Store



### BASF India: COVID-2019 - Employee Health Declaration

Declaration Form

Hi [redacted] when you submit this form, the owner will be able to see your name and email address.

\* Required

1. Is there a change in Your status since last time you submitted this Declaration ? \*

Select 'Yes' if this is your first declaration or there is change in status. Select 'No' if you submitted form last week and NO status change

Yes

No

Submit



Phased wise approach to resuming office



Download Aarogya Setu mobile app

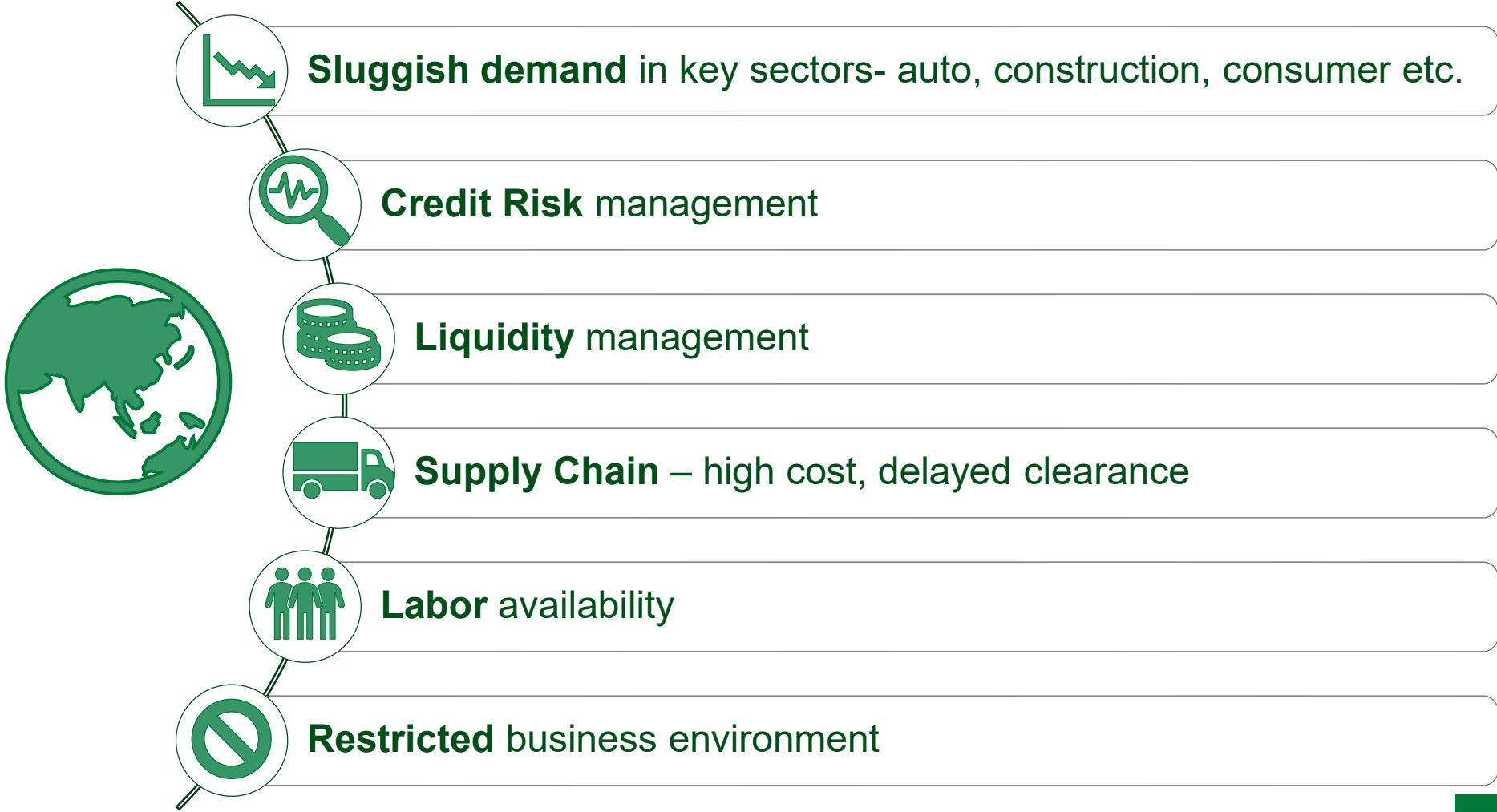


Employee Health & Safety survey



Temperature screening, masks, sanitization, social distancing, etc.

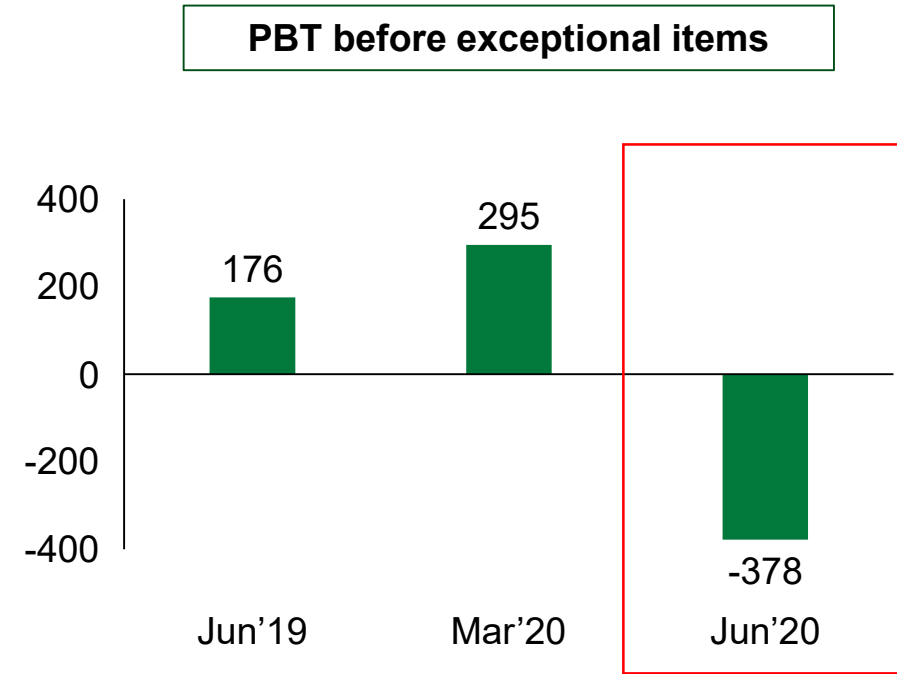
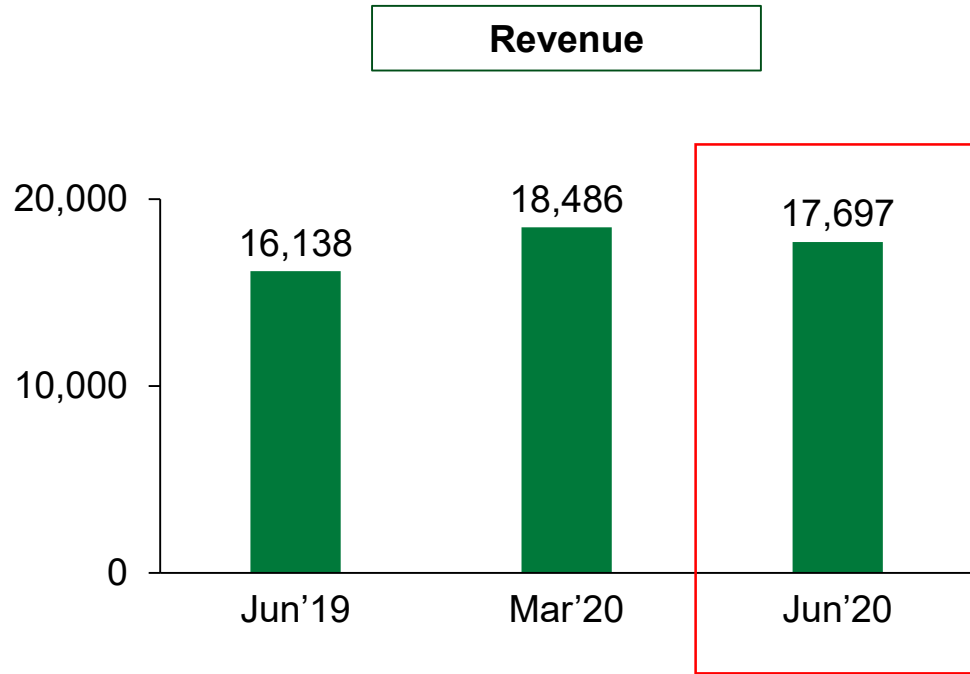
# COVID-19: A challenging Q1/FY21



# BASF India Limited

In Rs. million

## Business performance: Q1 results (Apr–Jun'20)



### Trend

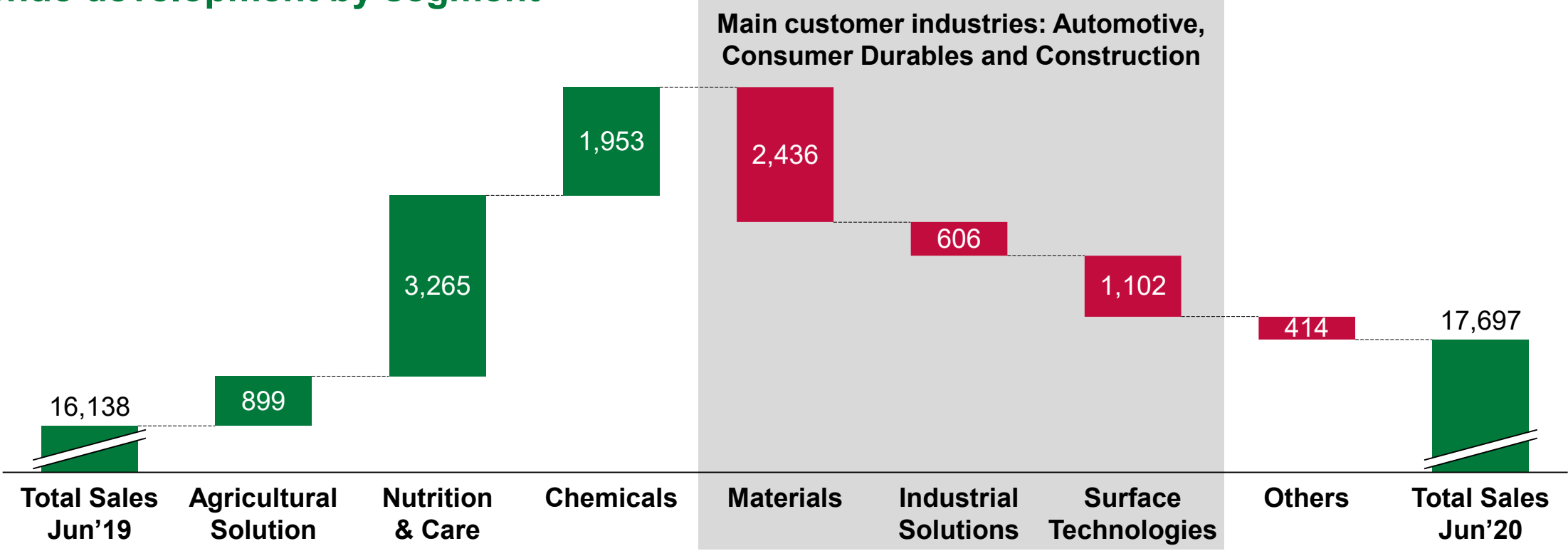
- ☐ Positive growth for Agro, Nutrition & Care segments
- ☐ Slowdown impact on businesses from Automotive, Construction and Consumer Durable Goods industry
- ☐ Margins recovering with increasing plant utilisation, post relaxation of lockdown

# BASF India Limited

In Rs. million

## Business performance: Q1 results (Apr–Jun'20)

### Revenue development by segment



Segment	Revenue Jun'20 (abs.)	% increase/decrease
Agricultural Solution	4,389	↑ 26%
Nutrition & Care	5,357	↑ >100%
Chemicals	2,976	↑ >100%
Materials	1,646	↓ 60%
Industrial Solutions	2,150	↓ 22%
Surface Technologies	915	↓ 55%
Others	264	↓ 61%
Total Sales Jun'20	17,697	↑ 10%



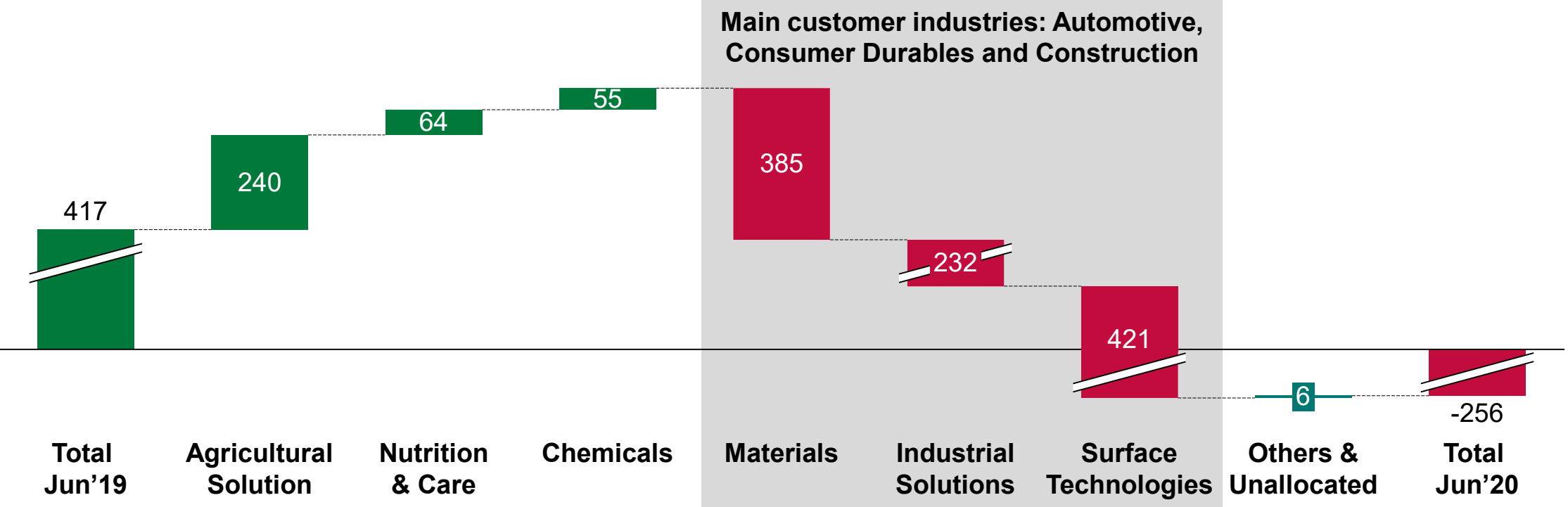
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# BASF India Limited

In Rs. million

## Business performance: Q1 results (Apr–Jun'20)

### Results development by segment



Margins improved for Agro, Nutrition & Care and Chemicals segments, even though lower demand from key customer industries impacted margins for other segments



The charts are for comparison purpose & not to scale



# FY 20-21 – Overcoming challenges in an uncertain environment

### Uncertain external environment

- COVID-19 Scenario
- Geopolitical tension
- Currency depreciation

### Growth hurdles

- Sluggish demand in key sectors – auto, construction, consumer
- Restrictive business environment

### Business Challenges

- Credit risk management
- Supply Chain: higher costs, delayed clearances
- Labor availability

## Business emphasis going forward



**Focus on cost control** – optimize working capital & credit management, supply chain



**Margin management & resource optimization** – improve efficiency, maintain margins

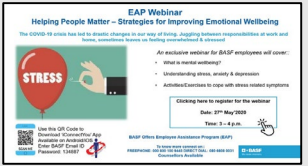


**Topline growth** – winning customers & continue to drive profitable growth



## Enhanced engagement across stakeholders

**Customer Engagement:** Active co-creation & customer collaboration with digital solutions; joint optimization projects



**Employee Connect:** Ensuring a motivated and healthy workforce with Employee Assistant Programs, webinars, trainings, workshops by experts



**Representation @Stakeholders:** Drive industry voice & advocacy at industry forums, Govt. ministries



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