Neogen Chemicals

Venturing into a new-age vertical

Leveraging on its competencies in manufacturing advanced lithium-based salts, Neogen Chemicals Ltd (NCL) has announced the establishment of a 250-MT electrolyte formulation capacity. The company will initially invest INR 350mn to set up an electrolyte formulation capacity and produce advanced lithium-based salts required in electrolyte manufacturing. The Indian government has announced a USD 2bn production linked incentive (PLI) scheme to support manufacturing and localisation of Advanced Chemistry Cell (ACC) production units, with the aim of localising the supply chain. The company has taken a quantum leap in order to capitalise on the opportunities that lie in lithium-ion batteries and ACC manufacturing. Currently, the company is making these lithium salts for non-electrolyte applications. Thus, electrolyte formulation is just a step forward in the value chain. Being a highly integrated player, NCL will sell both lithium salts and electrolyte formulation. We believe that, over the next 5-6 years, the company will prudently invest in augmentation of electrolyte formulation manufacturing and organic chemical business capacities.

Ramp-up in the capacity utilisation of the recently-tripled organic chemicals facility at Dahej will fuel near-term growth. EPS will more than triple to INR 38.8/share in FY24E, from INR 12.6/share in FY21. Beyond that, the electrolyte formulation business will play a pivotal role in continuation of the growth momentum. Revenue from this business will reach INR 3bn by FY28E for NCL, from a mere INR 0.5bn in FY24E. The company has raised INR 2.25bn by issuing equity shares on a preferential basis. The equity infusion has helped the company improve its balance sheet. Net debt to EBITDA shall fall from 3.3x in FY21 to 1.0x in FY24E. RoCE shall improve to 14.9% in FY24E from 11.3% in FY21, but RoE shall fall by 39bps to 18.1%. We maintain a BUY on NCL, with a revised target price of INR 2,150/share.

INR 350mn of Capex announced by NCL

The Indian government has announced a USD 2bn PLI scheme to support manufacturing and localisation of ACC production units, with an aim to localise the supply chain. This scheme is in line with global emphasis, initiatives on climate change control, and positive response to electric vehicles (EVs) in India as well as across the world. ACC production heavily depends on lithium salts. With more than three decades of experience and competencies in manufacturing lithium salts, NCL is in a sweet spot to take advantage of the scheme. It has announced a Capex of INR 350mn to venture into this new space. We analyse here the opportunities and challenges the company would face in this new business vertical.

The Capex announced by NCL will be dedicated to three projects: (i) a pilot plant to facilitate scale-up at Dahej; (ii) electrolyte manufacturing facility for lithiumion batteries; and (iii) general improvement like warehouse and administration block improvement at the Vadodara facility. Battery manufacturers will be the end users of these electrolytes.

Can the company make electrolytes in its existing plant?

No, it cannot. The salts used to manufacture electrolytes require specific physical properties. In an electrolyte, salts are dissolved in an organic solvent. Therefore, the moisture content in these salts must be less than 20ppm. Currently, NCL manufactures these salts in a water solution.



BUY

CMP (as on 20	INR 1,692	
Target Price		INR 2,150
NIFTY		17,617
KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,470	INR 2,150
EDC 0/	FY22E	FY23E
EPS %	+24.4%	+25.2%

KEY STOCK DATA

Bloomberg code	NEOGEN IN
No. of Shares (mn)	23
MCap (INR bn) / (\$ mn)	39/525
6m avg traded value (IN	R mn) 216
52 Week high / low	INR 1,934/681

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	34.2	90.4	132.7
Relative (%)	37.3	77.3	113.7

SHAREHOLDING PATTERN (%)

	Dec-21	Jan-22
Promoters	64.33	60.19
FIs & Local MFs	14.09	18.48
FPIs	4.73	4.42
Public & Others	16.85	16.91
Pledged Shares	0.00	0.00
a bar		

Source: BSE

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Therefore, it requires a separate facility with equipment and packaging facility, which will help it maintain the desired moisture content in the final product.

Electrolytes to act as a growth lever for the company

Electrolyte manufacturing has two parts: (i) salts manufacturing and (ii) electrolyte formulation.

(i) **Salts manufacturing:** These salts are more advanced as compared to lithium derivatives that the company currently manufactures. Starting from lithium carbonate, these salts require 3-4 processing steps compared to 1-2 steps for lithium derivatives. NCL has an extensive understanding of chemistry and technological competency in manufacturing these salts. The technology is developed by the inhouse R&D team. The equipment required is expected to be delivered by Q4FY22.

The company has manufactured these salts at its current facility. However, they were used for non-electrolyte applications. With minor modifications at its Dahej plant, NCL can manufacture salts of desired quality for electrolyte applications. Initially, it will manufacture these salts at Dahej, and put up a dedicated line eventually, if demand for them increases.

(ii) **Electrolyte formulation:** The company is setting up a 250-MT capacity plant for electrolyte formulation, which is a mixture of lithium-based salts and additives in an organic solvent.

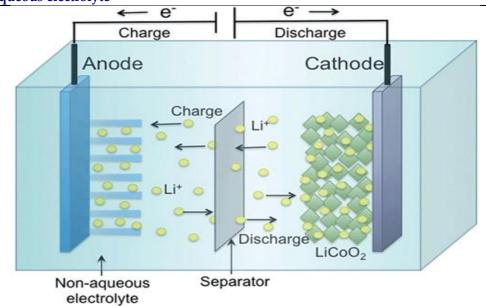


Exhibit 1: Dissection of a lithium ion battery: NCL to manufacture the non-aqueous electrolyte

Source: Company, HSIE Research

Challenges in electrolyte manufacturing

There are two parts to electrolyte manufacturing: (i) salt manufacturing and (ii) electrolyte formulation. Each part has different challenges.

In salt manufacturing, proper understanding of chemistry and producing salt with minimum impurity is a challenge. In the making of an electrolyte formulation, moisture control and obtaining the appropriate combination of salts in the final product pose the main challenges.

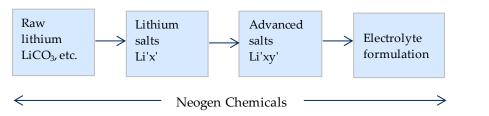


Business opportunity for NCL

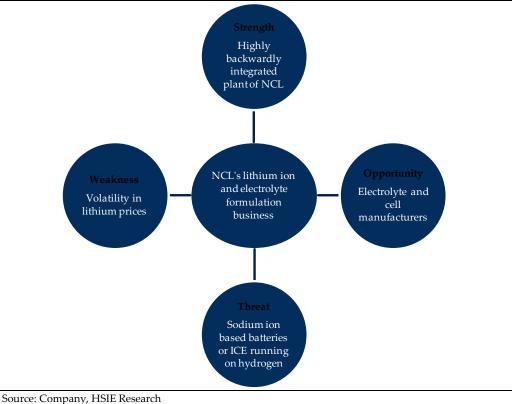
In electrolyte manufacturing, NCL has a presence across the value chain. The company is highly integrated and can produce an entire range starting from lithium carbonate, a naturally occurring salt of lithium, to advanced intermediates of salts required for electrolytes, the final lithium salts, and electrolyte formulation. It can sell advanced intermediates and final lithium salts to electrolyte manufacturers. Further, the company can sell electrolyte formulations to battery manufacturers. Selling electrolyte formulations to battery manufacturers will be the company's primary source of revenue in this business, while selling salts to electrolyte manufacturers will be a secondary source. With this initial investment of INR 350mn in the electrolyte manufacturing business, NCL expects an incremental revenue of INR 500mn per annum by FY24. Thus, it expects to reach a topline of INR 7.25bn by FY24.

Lithium-ion batteries can be used in electric vehicles (EVs) and as energy storage systems (ESS) for solar, wind and other alternative energy conversions. As per the company's estimates, production of lithium batteries in India is expected to touch 160 GWh by 2030, from negligible levels at present. This is expected to translate into electrolytes demand of 50,000 to 70,000 MT by 2030, as per its estimates. Electrolyte has a lithium salt concentration of about 10-20% in organic solvent. It implies that the domestic demand for lithium-based salts will be ~5000-14,000MT per annum by 2030. Thus, NCL has a significant opportunity in the electrolyte formulation business, given that it is highly integrated and leads manufacturing of lithium salts in India.

Exhibit 2: Taking over the entire electrolyte manufacturing value chain









Comparison with sodium ion batteries

Sodium and lithium ions have lower electrode cation than hydrogen ions. In batteries, cathode can be made up of either sodium or lithium, while graphite can act as an anode. Therefore, sodium-based batteries can also be used in electric vehicles or as energy storage systems.

A sodium atom is more than three times heavier (atomic weight 22.9 atomic mass units (amu) than a lithium atom (atomic weight 6.9amu). The energy density (the amount of energy delivered per unit of mass, expressed in watt hours per kilogram) of lithium ion batteries is high as compared to sodium ion batteries. Therefore, a lithium-ion battery can produce a larger amount of energy in a smaller footprint. As a result, lithium-ion batteries are preferred in transportation, while sodium-ion ones are used in non-transportation applications like ESS.

Capacity addition to drive growth

Post commissioning of Phases I and II, the organic chemicals capacity of NCL increased from 1,30,400 litres to 4,07,000 litres. Now, sufficient capacity is available with NCL to allow it to fulfil commitment given in the two long-term contracts and those that are expected to be signed in the near future. The company has >40 acre of freehold land available for future expansion at Dahej and Vadodara. At this juncture, it has invested in capacity building, and from here onwards, it should tap new customers and enter new industries and markets.

NCL raised INR 2.25bn through preferential shares

The company has raised INR 2.25bn by issuing 1.6mn equity shares on a preferential basis. This equity infusion should help improve its balance sheet. Net debt to EBITDA shall fall from 3.3x in FY21 to 1.0x in FY24E. RoCE will improve to 14.9% in FY24E from 11.3% in FY21, but RoE shall fall by 39bps to 18.1%. The money raised will be utilised to set up additional capacities, if required.

Bromine chemistry versus fluorine chemistry

Fluorinated organic compounds are of particular interest in the field of pharmaceuticals and agrochemicals. Of the total approved molecules, nearly 20% of pharmaceutical compounds and 34% of agrochemicals contain fluorine atom. Application of fluoro-organic compounds can be attributed to the unique metabolic stability, lipophilicity, and binding affinity offered by them. However, brominated hydrocarbon has limited application in pharmaceutical and agrochemical industries. Bromide ions have the ability to decrease the sensitivity of the central nervous system. The use of bromine in APIs is very low as compared to the use of fluorine in API formulations.

Brominated compounds are largely used in the process of manufacturing pharmaceutical products. These compounds act as a catalyst and reduce the reaction conditions. Advanced intermediates are used as catalysts, which facilitate the reaction at a lower temperature or pressure reaction conditions. Therefore, although bromine is absent in the final API of pharma and agrochemical molecules, bromine molecules have wide application in the production of an API. Thus, fluorine and bromine chemistries do not compete for the market share of APIs since they complement each other.

Exhibit 4: Change in estimates (Consolidated)

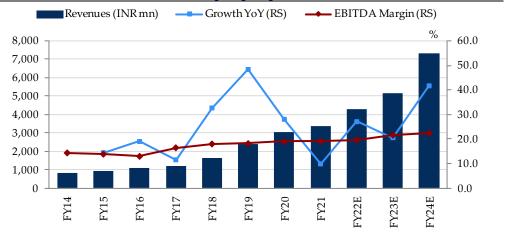
Y/E Mar	FY22E Old	FY22E New	% Ch	FY23E Old	FY23E New	% Ch	FY24E Old	FY24E New	% Ch
EBITDA (INR mn)	840	840	0.0%	1,082	1,112	2.8%	1,486	1,638	10.2%
Adj. EPS (INR/sh)	15.8	19.7	24.4%	20.6	25.8	25.2%	32.0	38.8	21.4%

Source: Company, HSIE Research | Note: The change in estimates is mainly on account of change in the finance cost and other income assumptions



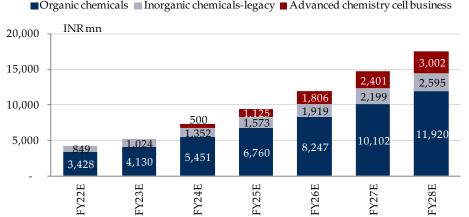
Story in charts

Exhibit 5: Revenue and EBITDA margin, going forward



Source: Company, HSIE Research

Exhibit 6: Advanced chemistry cell business to hit an INR 3bn revenue in FY28E



■Organic chemicals ■ Inorganic chemicals-legacy ■ Advanced chemistry cell business

Source: Company, HSIE Research

Exhibit 7: Gross margin movement and opex trend (%)

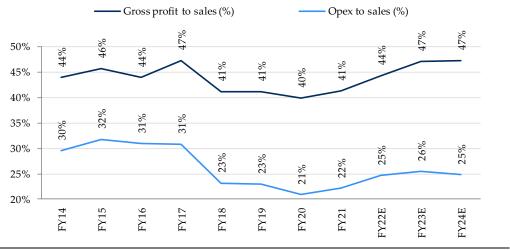
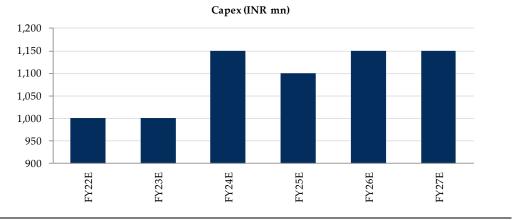


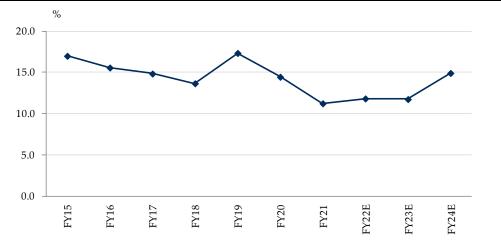


Exhibit 8: Capex going forward



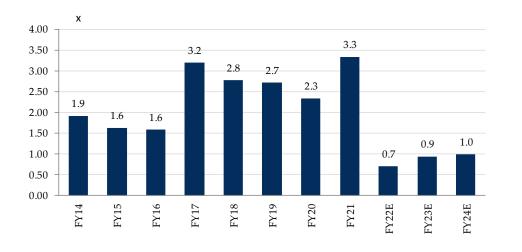
Source: Company, HSIE Research





Source: Company, HSIE Research

Exhibit 10: Net debt to EBITDA (x)



Financials (Consolidated)

INK nmFY16FY16FY16FY26	INCOME STATEMENT								
Gronolik % 91.6 92.7 93.6 94.7 1.84 1.94 1.94 1.95 2.32 2.33 3.83 Eam Material 54 87 1.02	INR mn	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Bandmain640948140713114015023223.8342Dim Express32028643845145	Revenues	1,215	1,612	2,391	3,061	3,364	4,275	5,155	7,303
Englows Constr Sym Tay Tay <thtay< th=""> Tay Tay <thta< td=""><td>Growth %</td><td>11.6</td><td>32.7</td><td>48.3</td><td>28.1</td><td>9.9</td><td>27.1</td><td>20.6</td><td>41.7</td></thta<></thtay<>	Growth %	11.6	32.7	48.3	28.1	9.9	27.1	20.6	41.7
Cher Expenses320226438467544540131138EHTDA200200434551454551454551553553EHTDA4264514381331201311313132132133EDTCA former1313132142143133132130132132131134134ENTCA13131321371313131313131311	Raw Material	640	948	1,407	1,841	1,976	2,382	2,728	3,853
ENTDA ENDTA Angel20020044545.145.047.147.627.627.4EBITDA Converto ''s16.516.516.514.93.3.710.930.532.447.3Depreciation1319285249.83.710.930.532.447.3Depreciation131928.857.872.020.827.827.820.827.820.	Employee Cost	54	87	112	172	201	272	353	424
ERUTAA Anegin (%)16.518.914.219.019.119.421.424.2EBITDA Growth %1131392833.710913.013.414.9Deprediation13192832.71011811822.810.111813.010.1EBIT10411911911813.77.5111.88.61.010.0Interest7.510411911911811410.1111.1 <td< td=""><td>Other Expenses</td><td>320</td><td>286</td><td>438</td><td>467</td><td>544</td><td>781</td><td>961</td><td>1,388</td></td<>	Other Expenses	320	286	438	467	544	781	961	1,388
ERTO Account % 41.6 45.1 49.8 33.7 109 9.5 32.4 47.3 Deprociation 13 19 28 52 60 118 120 240 Deprociation 13 19 28 52 575 72 922 128 Other Income (Including EO Items) 75 10 119 178 806 28 575 72 922 128 100 18 10 69 100 PET 115 174 124 129 108 227 322 51a 64 83 64 83 14 1 <	EBITDA	200	290	434	581	644	840	1,112	1,638
Dependent139972855572929929BHT137771011<	EBIDTA Margin (%)	16.5	18.0	18.2	19.0	19.1	19.6	21.6	22.4
Ehr1b72714005287524221.389Other Income (Including EO Items)<	EBITDA Growth %	41.6	45.1	49.8	33.7	10.9	30.5	32.4	47.3
Other Income (Including EO Items) 3 7 5 1 1 38 7 Interest 75 104 119 119 119 119 114 140 488 66 120 128 Tax 38 64 83 124 14 1 1 14 RAT 70 100 209 287 313 492 643 968 Shar of Porfit(Net OI Tax) 7 100 209 287 313 492 643 968 Shar from associates 7 100 209 287 313 492 643 968 Consolidated APAT 77 110 209 287 333 492 643 968 Consolidated APAT 77 110 240 907 7.6 89.3 56.9 30.8 564 Consolidated APAT 777 110 240 947 14.8 14.9 12.9 12.8	Depreciation	13	19	28	52	69	118	190	249
Interest 75 104 119 119 118 101 69 102 PT 115 74 292 410 438 669 899 1289 Tax 38 64 88 124 12 12 232 Share of Profit (Net Of Tax) -	EBIT	187	271	406	528	575	722	922	1,389
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Share of Profit/(Loss) of investments accounted for using equity method 0 0 1 1 1 1 1 RPAT 77 100 209 287 313 492 643 968 EO (Loss) / Profit (Net Of Tax) -	PBT	115	174	292	410	438	659	859	1,289
RPAT TO TO 209 287 313 492 643 968 EO (Loss) / Forti (Net Of Tax) -	Tax	38	64	83	124	129	168	217	322
EO (Loss)/ Profit (Net Of Tax) - - - - - - - APAT 77 110 209 287 313 492 643 968 Share from associates -	Share of Profit/(Loss) of investments accounted for using equity method	0	0	1	1	4	1	1	1
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Share from associates -	EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-	-	-	-
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Consolidated APAT Growth (%) 48.2 43.0 90.7 36.8 9.3 56.9 30.8 50.4 AEPS 3.1 4.4 8.4 11.5 12.6 19.7 25.8 38.8 AEPS Growth % 48.2 43.0 90.7 36.8 9.3 56.9 30.8 50.4 Source: Company, HSIE Research BALANCE SHEET FY17 FY18 FY19 FY20 FY21 FY22 FY22E FY24E FY24E SOURCTS OF FUNDS 200 200 201 233 232 249 249 Reserves And Surplus 200 304 501 1.329 1.577 4.222 4.74 5.719 Minority Interest -	Minority Interest	-	-	-	-	-	-	-	-
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Total Equity 420 504 702 1,562 1,830 4,472 4,984 5,719 Minority Interest -	SOURCES OF FUNDS								
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Deferred Tax Liability3740495682838587Long-term Provision and others343940128108110112114TOTAL SOURCES OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555APPLICATION OF FUNDS5636708281,1051,2672,8213,7374,627Capital WIP131444271,147475369360LT Loans And Advances45482910099101103Total Non-current Investments5456888Total Non-current assets6267368671,282,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents3118820151213918812Other Current Assets1363674283,512,4022,9153,2044,912Other Current Liabilities & Provns5532457279818384Total Current Liabilities & Provns5532457279818384Total Current Liabilities & Provns5532457279818384<	Share Capital Reserves And Surplus Total Equity Minority Interest	220 420	304 504	501 702	1,329 1,562	1,597 1,830 -	4,222 4,472	4,734 4,984 -	5,470 5,719
Long-term Provision and others343940128108110112114TOTAL SOURCES OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555APPLICATION OF FUNDS555 <t< td=""><td>Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt</td><td>220 420 - 368 301</td><td>304 504 - 385 437</td><td>501 702 - 506 694</td><td>1,329 1,562 - 304 1,068</td><td>1,597 1,830 - 1,161 999</td><td>4,222 4,472 - 735 -</td><td>4,734 4,984 - 1,235 -</td><td>5,470 5,719 - 1,235 400</td></t<>	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt	220 420 - 368 301	304 504 - 385 437	501 702 - 506 694	1,329 1,562 - 304 1,068	1,597 1,830 - 1,161 999	4,222 4,472 - 735 -	4,734 4,984 - 1,235 -	5,470 5,719 - 1,235 400
TOTAL SOURCES OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555APPLICATION OF FUNDSNet Block5636708281,1051,2672,8213,7374,627Capital WIP13144271,117475369380LT Loans And Advances4548291009799101103Total Non-current Investments54568888Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Liabilities & Provns5532457279818384Total Current Liabilities & Provns5532457279818384Total Current Assets5336691,1241,8801,6611,9972,2022,438Total Current Liabilities5336691,1241,8801,6611,9972,2022,438Total APPLICATION OF FUNDS1,1591,4061,9913,117 <td>Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt</td> <td>220 420 - 368 301</td> <td>304 504 385 437 822</td> <td>501 702 - 506 694 1,200</td> <td>1,329 1,562 - 304 1,068 1,371</td> <td>1,597 1,830 - 1,161 999 2,160</td> <td>4,222 4,472 - 735 - 735</td> <td>4,734 4,984 - 1,235 - 1,235</td> <td>5,470 5,719 - 1,235 400 1,635</td>	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt	220 420 - 368 301	304 504 385 437 822	501 702 - 506 694 1,200	1,329 1,562 - 304 1,068 1,371	1,597 1,830 - 1,161 999 2,160	4,222 4,472 - 735 - 735	4,734 4,984 - 1,235 - 1,235	5,470 5,719 - 1,235 400 1,635
APPLICATION OF FUNDSNet Block5636708281,1051,2672,8213,7374,627Capital WIP13144271,147475369380LT Loans And Advances4548291009799101103Total Non-current Investments54568888Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Liabilities & Provns5532457279818384Total Current Liabilities7643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability	220 420 - 368 301 669 37	304 504 - 385 437 822 40	501 702 506 694 1,200 49	1,329 1,562 - 304 1,068 1,371 56	1,597 1,830 - 1,161 999 2,160 82	4,222 4,472 - 735 - 735 83	4,734 4,984 - 1,235 - 1,235 85	5,470 5,719 - 1,235 400 1,635 87
Net Block 563 670 828 $1,105$ $1,267$ $2,821$ $3,737$ $4,627$ Capital WIP1314427 $1,147$ 475 369 380 LT Loans And Advances4548291009799101103Total Non-current Investments545 6 8 8 8 8 Total Non-current assets 626 736 867 $1,238$ $2,518$ $3,402$ $4,214$ $5,117$ Inventories400 500 724 $1,299$ $1,140$ $1,304$ $1,415$ $1,805$ Debtors322 414 607 752 786 998 $1,204$ $1,705$ Cash and Cash Equivalents31 18 20 15 12 139 188 126 Other Current Assets 145 136 247 245 464 473 482 492 Total Current Liabilities & Provns 55 32 45 72 79 81 836 Net Current Liabilities 159 364 399 473 431 740 917 $1,088$ $1,576$ Net Current Assets 533 669 $1,426$ $1,817$ $1,997$ $2,202$ $2,438$ TOTAL APPLICATION OF FUNDS $1,159$ $1,406$ $1,991$ $3,117$ $4,179$ $5,400$ $6,416$ $7,555$	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others	220 420 - 368 301 669 37	304 504 - 385 437 822 40	501 702 506 694 1,200 49 40	1,329 1,562 - 304 1,068 1,371 56	1,597 1,830 - 1,161 999 2,160 82	4,222 4,472 - 735 - 735 83 110	4,734 4,984 - 1,235 - 1,235 85	5,470 5,719 - 1,235 400 1,635 87
Capital WIP13144271,147475369380LT Loans And Advances4548291009799101103Total Non-current Investments54568888Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Liabilities & Provns5532457279818384Total Current Assets5336691,1241,8801,6611,9972,2022,438Total Current Assets5336691,1241,8801,6611,9972,2022,438Total Current Assets5336691,1241,8801,6611,9972,2022,438Total APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others TOTAL SOURCES OF FUNDS	220 420 - 368 301 669 37 34	304 504 - 385 437 822 40 39	501 702 506 694 1,200 49 40	1,329 1,562 - 304 1,068 1,371 56 128	1,597 1,830 1,161 999 2,160 82 108	4,222 4,472 - 735 - 735 83 110	4,734 4,984 - 1,235 - 1,235 85 112	5,470 5,719 - 1,235 400 1,635 87 114
LT Loans And Advances4548291009799101103Total Non-current Investments54568888Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Assets3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others TOTAL SOURCES OF FUNDS	220 420 - 368 301 669 37 34 1,159	304 504 - 385 437 822 40 39 1,406	501 702 506 694 1,200 49 40	1,329 1,562 - 304 1,068 1,371 56 128	1,597 1,830 1,161 999 2,160 82 108	4,222 4,472 - 735 - 735 83 110	4,734 4,984 - 1,235 - 1,235 85 85 112	5,470 5,719 - 1,235 400 1,635 87 114
Total Non-current Investments54568888Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets9901,0081,5982,3112,4022,9153,2004,013Other Current Liabilities & Provns5532457279818884Total Current Assets3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others TOTAL SOURCES OF FUNDS APPLICATION OF FUNDS Net Block	220 420 - 368 301 669 37 34 1,159 563	304 504 - 385 437 822 40 39 1,406	501 702 506 694 1,200 49 40 1,991	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105	1,597 1,830 - 1,161 999 2,160 82 108 4,179	4,222 4,472 - 735 - 735 83 110 5,400 2,821	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627
Total Non-current assets6267368671,2382,5183,4024,2145,117Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Other Current Liabilities & Provns5532457279818384Total Current Assets3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And Surplus Total Equity Minority InterestLong-term DebtShort-term Debt Total Debt Deferred Tax LiabilityLong-term Provision and others TOTAL SOURCES OF FUNDSAPPLICATION OF FUNDS Net BlockCapital WIP	220 420 - 368 301 669 37 34 1,159 563 13	304 504 - 385 437 822 40 39 1,406 670 14	501 702 506 694 1,200 49 40 1,991 828 4	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27	1,597 1,830 - 1,161 999 2,160 82 108 4,179	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 369	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380
Inventories4005007241,2991,1401,3041,4151,805Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Assets3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And Advances	220 420 - 368 301 669 37 34 1,159 563 13 45	304 504 - 385 437 822 40 39 1,406 670 14	501 702 506 694 1,200 49 40 1,991 828 4	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 369	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103
Debtors3224146077527869981,2041,705Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others TOTAL SOURCES OF FUNDS APPLICATION OF FUNDS Net Block Capital WIP LT Loans And Advances	220 420 - 368 301 669 37 34 1,159 563 13 45	304 504 - 385 437 822 40 39 1,406 670 14 48	501 702 506 694 1,200 49 40 1,991 828 4 4 29	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 100	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 369 101	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103
Cash and Cash Equivalents311820151213918812Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share Capital Reserves And Surplus Total Equity Minority Interest Long-term Debt Short-term Debt Total Debt Deferred Tax Liability Long-term Provision and others TOTAL SOURCES OF FUNDS APPLICATION OF FUNDS Net Block Capital WIP LT Loans And Advances Total Non-current Investments Total Non-current assets	220 420 - 368 301 669 37 34 1,159 563 13 45 563 13 45 5626	304 504 385 437 822 40 39 1,406 670 14 48 48 4 33	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 867	1,329 1,562 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 369 101 8 4,214	5,470 5,719 1,235 400 1,635 87 114 7,555 4,627 380 103 80 103 8 5,117
Other Current Assets145136247245464473482492Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And Surplus Total Equity Minority InterestLong-term DebtShort-term Debt Total Debt Deferred Tax LiabilityLong-term Provision and others TOTAL SOURCES OF FUNDSAPPLICATION OF FUNDS Net BlockCapital WIPLT Loans And AdvancesTotal Non-current Investments Total Non-current assets Inventories	220 420 - 368 301 669 37 34 1,159 563 13 45 55 626 400	304 504 385 437 822 40 39 1,406 670 14 48 48 4 4 736 500	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 5 867 5 867	1,329 1,562 304 1,068 1,371 56 128 3,117 1,105 27 1,00 6 1,238 1,299	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805
Total Current Assets8971,0681,5982,3112,4022,9153,2904,013Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtors	220 420 - 368 301 669 37 34 1,159 563 13 45 55 626 400 322	304 504 - 385 437 822 40 39 1,406 670 14 48 4 4 736 500 414	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 828 4 29 5 867 724	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 3,69 101 8 4,214 1,415 1,204	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705
Creditors3103674283596618361,0061,492Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtorsCash and Cash Equivalents	220 420 - 368 301 669 37 34 1,159 563 13 45 5 5 626 400 322 31	304 504 385 437 822 40 39 1,406 670 14 48 48 4 736 500 4114 18	501 702 506 694 1,200 49 40 1,991 828 4 29 5 828 4 29 5 867 724 607 20	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 1,00 6 1,238 1,299 752 15	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 139	4,734 4,984 - 1,235 - 1,235 85 112 6,416 3,737 3,69 101 8 4,214 1,415 1,204 1,88	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 12
Other Current Liabilities & Provns5532457279818384Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtorsCash and Cash EquivalentsOther Current Assets	220 420 - 368 301 669 37 34 1,159 563 13 45 5 5 626 400 322 31 145	304 504 385 437 822 40 39 1,406 670 14 48 48 4 736 500 414 18 136	501 702 506 694 1,200 49 40 1,991 828 4 29 5 828 4 29 5 867 724 607 724 607 20 247	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 139 473	4,734 4,984 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415 1,204 188 482	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 1,705 12 492
Total Current Liabilities3643994734317409171,0881,576Net Current Assets5336691,1241,8801,6611,9972,2022,438TOTAL APPLICATION OF FUNDS1,1591,4061,9913,1174,1795,4006,4167,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtorsCash and Cash EquivalentsOther Current AssetsTotal Current AssetsTotal Current AssetsCash and Cash EquivalentsCash and Cash EquivalentsCother Current AssetsCother Current Assets <td>220 420 - 368 301 669 37 34 1,159 563 13 45 5626 400 322 31 145 897</td> <td>304 504 385 437 822 40 39 1,406 670 14 48 48 4 736 500 414 18 136 1,068</td> <td>501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 826 724 5 867 724 607 20 247 20 247</td> <td>1,329 1,562 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245 2,311</td> <td>1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464 2,402</td> <td>4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 139 473 2,915</td> <td>4,734 4,984 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415 1,204 188 482 3,290</td> <td>5,470 5,719 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 1,705 12 492 4,013</td>	220 420 - 368 301 669 37 34 1,159 563 13 45 5626 400 322 31 145 897	304 504 385 437 822 40 39 1,406 670 14 48 48 4 736 500 414 18 136 1,068	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 826 724 5 867 724 607 20 247 20 247	1,329 1,562 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245 2,311	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464 2,402	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 139 473 2,915	4,734 4,984 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415 1,204 188 482 3,290	5,470 5,719 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 1,705 12 492 4,013
Net Current Assets 533 669 1,124 1,880 1,661 1,997 2,202 2,438 TOTAL APPLICATION OF FUNDS 1,159 1,406 1,991 3,117 4,179 5,400 6,416 7,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtorsCash and Cash EquivalentsOther Current AssetsTotal Current AssetsCreditors	220 420 - 368 301 669 37 34 1,159 563 563 13 45 5626 400 322 31 145 897 310	304 504 385 437 822 40 39 1,406 670 14 48 48 4 670 670 14 48 48 500 414 18 136 1,068 367	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 826 7 24 5 867 724 607 200 247 1,598 428	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245 2,311 359	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 1,140 786 12 464 2,402 661	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 3,402 1,304 998 1,304 998 3,402 1,304	4,734 4,984 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415 1,204 188 482 3,290 1,006	5,470 5,719 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 12 492 492 4,013 1,492
TOTAL APPLICATION OF FUNDS 1,159 1,406 1,991 3,117 4,179 5,400 6,416 7,555	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current assetsInventoriesDebtorsCash and Cash EquivalentsOther Current AssetsCreditorsOther Current Liabilities & Provns	220 420 - 368 301 669 37 34 1,159 563 13 45 55 626 400 322 31 45 897 310 55	304 504 385 437 822 40 39 1,406 670 14 48 4 736 500 414 18 136 1,068 367	501 702 506 694 1,200 49 40 1,991 828 828 4 29 5 827 724 607 724 607 20 247 20 247 1,598	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245 2,311 359 72	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464 2,402 661 79	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 1,304 998 139 473 2,915 836 81	4,734 4,984 - 1,235 85 112 6,416 3,737 3,69 101 8 4,214 1,415 1,204 1,88 4,82 3,290 1,006 83	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 12 4,92 4,013 1,492 84
	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current InvestmentsDebtorsCash and Cash EquivalentsOther Current AssetsCreditorsOther Current Liabilities & ProvnsTotal Current LiabilitiesTotal Current Liabilities	220 420 - 368 301 669 37 34 1,159 563 13 45 562 626 400 322 31 145 897 310 55 364	304 504 385 437 822 40 39 1,406 670 14 48 48 4 367 500 414 18 136 1,068 367 32 399	501 702 506 694 1,200 49 40 1,991 828 40 29 5 867 724 607 724 607 20 247 1,598 428 428 428	1,329 1,562 - 304 1,068 1,371 56 128 3,117 1,105 27 1,00 6 1,238 1,299 752 15 245 2,311 359 72 431	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464 2,402 661 79 740	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 1,305	4,734 4,984 - 1,235 85 112 6,416 3,737 3,69 101 8 4,214 1,415 1,204 1,415 1,204 1,88 4,82 3,290 1,006 83 1,088	5,470 5,719 - 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 12 4,92 4,013 1,492 84 1,576
	Share CapitalReserves And SurplusTotal EquityMinority InterestLong-term DebtShort-term DebtTotal DebtDeferred Tax LiabilityLong-term Provision and othersTOTAL SOURCES OF FUNDSAPPLICATION OF FUNDSNet BlockCapital WIPLT Loans And AdvancesTotal Non-current InvestmentsTotal Non-current SDebtorsCash and Cash EquivalentsOther Current AssetsCreditorsOther Current Liabilities & ProvnsTotal Current LiabilitiesNet Current LiabilitiesNet Current AssetsNet Current Liabilities	220 420 368 301 669 37 34 1,159 563 13 45 5 626 400 322 31 45 897 310 55 364 533	304 504 385 437 822 40 39 1,406 670 14 48 48 4 736 500 414 18 136 1,068 367 32 399 669	501 702 506 694 1,200 49 40 1,991 828 42 828 4 29 5 867 724 607 20 247 20 247 1,598 428 428 428 425 473	1,329 1,562 304 1,068 1,371 56 128 3,117 1,105 27 100 6 1,238 1,299 752 15 245 2,311 359 72 431 359	1,597 1,830 - 1,161 999 2,160 82 108 4,179 1,267 1,147 97 8 2,518 1,140 786 12 464 2,402 661 79 740	4,222 4,472 - 735 - 735 83 110 5,400 2,821 475 99 8 3,402 1,304 998 139 473 2,915 836 81 917 1,997	4,734 4,984 - 1,235 85 112 6,416 3,737 369 101 8 4,214 1,415 1,204 1,415 1,204 1,88 4,82 3,290 1,006 83 1,088 2,202	5,470 5,719 1,235 400 1,635 87 114 7,555 4,627 380 103 8 5,117 1,805 1,705 1,705 1,705 1,705 1,705 4,92 4,013 1,492 84 1,576 2,438

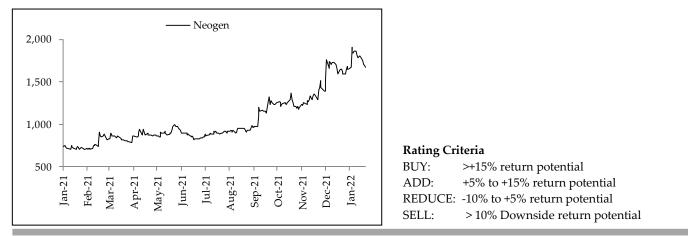
Neogen Chemicals: Company Update

CASH FLOW STATEMENT

CASH FLOW STATEMENT								
(INR mn)	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Reported PBT	115	174	293	411	442	660	860	1,290
Non-operating & EO Items	(3)	(7)	(5)	(1)	(1)	(38)	(6)	-
Interest Expenses	75	104	119	119	138	101	69	100
Depreciation	13	19	28	52	69	118	190	249
Working Capital Change Tax Paid	(173)	(149)	(453)	(761)	215	(209)	(155)	(413)
OPERATING CASH FLOW (a)	(23) 4	(61) 81	(75) (92)	(117) (296)	(103) 759	(166) 466	(215) 743	(321) 906
Capex	4 (408)	(127)	(176)	(353)	(1,350)	(1,000)	(1,000)	(1,150)
Free Cash Flow (FCF)	(403)	(46)	(268)	(649)	(1,550)	(1,000)	(1,000)	(1,130) (244)
Investments	(104)	(40)	(200)	(04)	(2)	(0)	(207)	(211)
Non-operating Income	3	7	5	(1)	(_)	38	6	-
Others	(31)	(3)	18	(70)	3	(2)	(2)	(2)
INVESTING CASH FLOW (b)	(440)	(122)	(154)	(423)	(1,348)	(964)	(996)	(1,152)
Debt Issuance/(Repaid)	421	153	378	171	789	(1,425)	500	400
Interest Expenses	(75)	(104)	(119)	(119)	(138)	(101)	(69)	(100)
FCFE	(58)	3	(10)	(597)	60	(2,061)	174	55
Share Capital Issuance	-	-	1	33	-	16	-	-
Dividend	(5)	(39)	(38)	(43)	(47)	(84)	(109)	(194)
Others	101	19	26	672	(19)	2,219	(20)	(36)
FINANCING CASH FLOW (c)	442	29	248	713	586	626	302	70
NET CASH FLOW (a+b+c)	6	(13)	2	(5)	(3)	127	49	(177)
Closing Cash & Equivalents	31	18	20	15	12	139	188	12
KEY RATIOS								
	FY17	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
PROFITABILITY %	47.2	41.0	41.1	20.0	41.0	44.2	477 1	47.0
Gross profit margin	47.3	41.2 18.0	41.1 18.2	39.9	41.3	44.3 19.6	47.1	47.2
EBITDA Margin	16.5			19.0	19.1		21.6	22.4
EBIT Margin	15.4	16.8	17.0	17.3	17.1	16.9	17.9	19.0
APAT Margin	6.3	6.8	8.8	9.4	9.3	11.5	12.5	13.3
RoE	22.1	23.8	34.7	25.3	18.5	15.6	13.6	18.1
RoIC	15.3	13.8	17.5	14.7	13.4	13.8	13.0	16.0
RoCE	14.9	13.7	17.4	14.5	11.3	11.8	11.8	14.9
EFFICIENCY	00.0	27.0	20 5	20.4	20.4	25.5	25.2	25.0
Tax Rate %	33.3	37.0	28.5	30.4	29.4	25.5	25.2	25.0
Fixed Asset Turnover (x)	3.3	4.7	3.1	2.9	2.5	1.9	1.4	1.5
Inventory (days)	120	113	111	155	124	111	100	90
Debtors (days)	97	94	93	90	85	85	85	85
Other Current Assets (days)	43	31	38	29	50	40	34	25
Payables (days)	177	141	111	71	122	128	135	141
Other Current Liab & Provns (days)	16	7	7	9	9	7	6	4
Cash Conversion Cycle (days)	67	89	123	194	129	102	79	55
Net Debt/EBITDA (x)	3.2	2.8	2.7	2.3	3.3	0.7	0.9	1.0
Net D/E	1.5	1.6	1.7	0.9	1.2	0.1	0.2	0.3
Interest Coverage	2.5	2.6	3.4	4.4	4.2	7.1	13.4	13.8
PER SHARE DATA (Rs)								
EPS	3.1	4.4	8.4	11.5	12.6	19.7	25.8	38.8
CEPS	3.6	5.1	9.5	13.6	15.3	24.4	33.4	48.8
Dividend	1.0	1.0	1.5	2.0	2.3	3.4	4.4	7.8
Book Value	16.8	20.2	28.1	62.7	73.4	179.3	199.8	229.3
VALUATION								
P/E (x)	549.2	384.2	201.4	147.3	134.7	85.8	65.6	43.6
P/Cash EPS (x)	469.2	328.7	177.4	124.5	110.4	69.2	50.6	34.7
P/BV (x)	100.6	83.7	60.1	27.0	23.1	9.4	8.5	7.4
EV/EBITDA (x)	214.3	148.3	99.9	75.0	68.9	51.0	38.9	26.8
EV/Revenue (x)	35.3	26.7	18.1	14.2	13.2	10.0	8.4	6.0
Dividend Yield (%)	0.1	0.1	0.1	0.1	0.1	0.2	0.3	0.5
OCF/EV (%)	0.0	0.2	(0.2)	(0.7)	1.7	1.1	1.7	2.1
FCFF/EV (%)	(0.9)	(0.1)	(0.6)	(1.5)	(1.3)	(1.2)	(0.6)	(0.6)
FCFE/M Cap (%)	(0.1)	0.0	(0.0)	(1.4)	0.1	(4.9)	0.4	0.1
Source: Company, HSIE Research	()		()	()		()		



1Yr Price Movement



Neogen Chemicals: Company Update



Disclosure:

We, Nilesh Ghuge, MMS, Harshad Katkar, MBA, Rutvi Chokshi, CA, Akshay Mane, PGDM authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. HSL has no material adverse disciplinary history as on the date of publication of this report. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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