

14th August, 2023

VCL/SE/73/2023-24

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 516072
Through: BSE Listing Centre

To
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex
Bandra (East), Mumbai 400 051
Symbol: VISHNU
Through: NEAPS

Sub: Q1FY24 Earnings Release - Regulation 30 of SEBI (LODR) Regulations, 2015

Dear Sir,

Further to outcome of Board Meeting held on 14th August, 2023, please find the enclosed Earnings Release with regard to Un-Audited Standalone & Consolidated Financial Results for the quarter ended June 30, 2023.

A copy of this disclosure is uploaded on the website of the Company www.vishnuchemicals.com

Kindly take the same on record and disseminate on your website.

Thanking You.

Yours faithfully,

For Vishnu Chemicals Limited

Vibha Shinde
Company Secretary & Compliance Officer

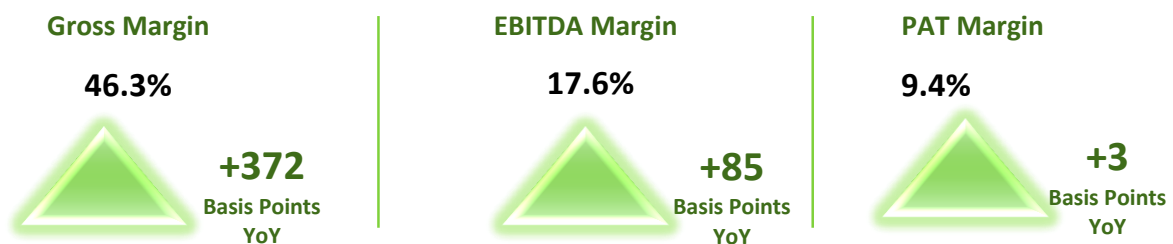
Q1FY24 Earnings Release

Monday, August 14, 2023

Significant improvement in Gross and EBITDA Margins
Consistent performance relative to maintenance in Q1
Capex and inorganic expansion completed in Barium subsidiary

Vishnu Chemicals Limited (BSE: 516072, NSE: VISHNU), leading manufacturer of high-performance specialty chemicals, has reported its unaudited financial results for the quarter ended 30th June 2023.

CONSOLIDATED FINANCIAL HIGHLIGHTS



Consolidated In ₹ Cr	Q1FY24	Q1FY23	YoY change	Q4FY23	FY23
Total Income	303	361	(16)%	339	1406
Gross Profit	139	153	(9)%	165	638
<i>Gross Margin</i>	<i>46.3%</i>	<i>42.5%</i>	<i>+372 bps</i>	<i>48.9%</i>	<i>45.8%</i>
EBITDA	53	61	(12)%	64	245
<i>EBITDA Margin</i>	<i>17.6%</i>	<i>16.8%</i>	<i>+85 bps</i>	<i>18.9%</i>	<i>17.4%</i>
PAT	29	34	(16)%	36	137
<i>PAT Margin</i>	<i>9.4%</i>	<i>9.4%</i>	<i>+3 bps</i>	<i>10.5%</i>	<i>9.7%</i>

Highlights:

- Despite global volatility and inflationary pressures across markets, the company was able to cater to healthy demand.
- Balanced geography mix of domestic:exports sales in the ratio of 53:47. Encouraging demand from domestic market led to improved blended realisations.
- Consolidated Gross margin and EBITDA margin improved by **3.7% and 0.8%** respectively on yoy basis due to sustained healthy demand and ability of the company to pass the costs to its customers.
- Barium chemicals delivers a strong quarter with **highest ever quarterly production** (in tonnage) achieved. EBITDA Margin in Barium at 17.1%, highest in last six quarters.

- The company announced its asset optimisation and maintenance schedule shutdown in June 2023 which led to lower production in Chromium Chemicals. However, the standalone business witnessed positives such as:

- Stable gross margin trend continues

Gross Margin	FY19	FY20	FY21	FY22	FY23	Q1FY24
CONSOLIDATED	43%	43%	45%	45%	46%	46%
STANDALONE	42%	41%	44%	43%	45%	47%

- No major variation in absolute spreads at unit level as the company delivered resilient EBITDA Margin 17.7% on standalone basis and 17.6% on consolidated basis.
- **Higher blended realisation per tonne** on a qoq basis.
- Emphasis on cost control and process improvements led to decline in consolidated conversion costs by 14.7% qoq from ₹ 103.3 crores in Q4FY23 to ₹ 88.0 crore in Q1FY24.
- Shipping costs have softened and is expected to remain at current levels in medium term.
- Interest costs are expected to reduce in the quarters to follow.
- Release of 32.2% promoter pledge by our lenders validates our fundamental improvement and a very strong manufacturing asset.
- Commissioned Precipitated Barium Sulphate plant in Q2FY24 and production has commenced successfully. This will pave the path for entering into new applications across paint and battery industries. Sales from this product is expected to boost the business going forward.
- Inorganic Expansion update: Acquired baryte beneficiation company Ramadas Minerals Private Limited in Q2FY24 which aligns with our vision to produce high-quality materials for our esteemed customers globally while reducing cost of raw material for us. The integration of this plant with our existing operations is underway and expects to reach optimum asset utilisation levels over the next few quarters.
- Successful completion of fund raise of ₹200 crore through QIP in Q2FY24 with encouraging response from blue chip investors globally.
- **The company is in a phase to make the next investments in capital expenditure and the plans will be shared with the investor community in the quarters to follow.**
- Global headwinds persist & expect to continue through this calendar year. The company has a strong foundation in place to serve its customers and we are enhancing our ability to capitalise on latest trends. Our market share continues to expand due to our multi-site capabilities, reach, procurement strategies and customer centric approach.

Management Comments

Mr. Ch. Krishna Murthy, CMD, Vishnu Chemicals Limited said, “The Company delivered good sales in both Indian and international markets, which validates the robust demand for our products even in challenging environment. Most of our products constitute import substitution thus finds a good demand from domestic markets. In the relative scheme of things, Q1 has been a very good quarter if we factor-in the maintenance in Chromium Chemicals and integration of new plant in Barium Chemicals.”

Mr. Ch. Siddartha, JMD, Vishnu Chemicals Limited said, “We are consistent on our commentary on the way we run our company. ROCE and healthy balance sheet are key tenets of our business. The company is focused on building a strong portfolio of products with newer grades so that we are not affected by a single product or market.”

Q1FY24 Earnings call:

Please join us on the conference call to discuss the earnings.

- **Date & Time:** Wednesday, August 16, 2023 at 10:00 am IST
- Participants can pre-register to avoid wait time by clicking below:
<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=7339832&linkSecurityString=288707a0a8>
- Dial in details as follows:

Universal Access Numbers	+91 22 6280 1325 / +91 22 7115 8226
International Numbers:	
USA	+1 8667 462 133
UK	+44 808 101 1573
Singapore	+65 800 101 2045
Hong Kong	+852 800964448

About Vishnu Chemicals Limited

Vishnu Chemicals Limited epitomises manufacturing of high-performance speciality chemicals, with an intelligent symphony of forward and backward integration to produce products that are focused on diverse needs and aspirations of its customers across domestic and international markets.

For further information, please connect with us on investors@vishnuchemicals.com

Safe harbour

Certain statements in this release concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause our actual results to differ materially from those in such forward-looking statements. The conditions caused by the multiple local and global factors including and not limited to COVID-19 pandemic could decrease customer's spending, affecting demand for our services, delaying prospective customer's purchasing decisions, and impact of pandemic on health of people; all of which could adversely affect our future revenue, margin and overall financial performance. Our operations may also be negatively affected by a range of external factors that are not within our control. We do not undertake to update any forward-looking statement that may be made from time to time by us or on our behalf.

Vishnu Chemicals Limited, Plot No. C-23, Road No. 8, Film Nagar, Jubilee Hills, Hyderabad – 500 096, India.
Website: www.vishnuchemicals.com