

October 31, 2022

VCL/SE/68/2022-23

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: NSE Digital Exchange*

Dear Sir,

**Q2FY23 Earnings Release - Regulation 30 of SEBI (LODR) Regulations, 2015**

Further to outcome of Board Meeting held on October 31, 2022, please find the enclosed Earnings Release with regard to Un-Audited Standalone & Consolidated Financial Results for the second quarter & half year ended September 30, 2022. An Investors' Conference Call has been scheduled on Thursday, November 3, 2022 at 11:00 Hours IST to have a discussion on the said financial results.

A copy of this disclosure is uploaded on the website of the Company [www.vishnuchemicals.com](http://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 Office**  
**M.No. F8466**

Encl: As above

**Q2FY23 Earnings Release**

October 31, 2022

**VISHNU CHEMICALS REPORTS ROBUST TOP-LINE AND BOTTOM-LINE GROWTH  
 HIGHEST EVER PROFITABILITY BACKED BY STRONG OPERATING EFFICIENCY**

Vishnu Chemicals Limited (BSE: 516072, NSE: VISHNU), epitomises manufacturing of high-performance specialty chemicals, has reported its unaudited financial results for the quarter and half year ended 30<sup>th</sup> September 2022.

**CONSOLIDATED FINANCIAL HIGHLIGHTS**
**Q2FY23 Total Income**
**Rs 375 cr**

**+55%**  
 YoY

**Q2FY23 EBITDA**
**Rs 63 cr**

**+82%**  
 YoY

**Q2FY23 PAT**
**Rs 35 cr**

**+111%**  
 YoY

In Rs Cr	Q2FY23	Q2FY22	Y-o-Y change	Q1FY22	Q-o-Q change	H1FY23	H1FY22	Y-o-Y change	FY22
Total Income	375	242	55%	361	4%	736	440	67%	1,075
EBITDA	63	35	82%	61	3%	123	62	98%	161
<b>EBITDA Margin</b>	<b>16.7%</b>	<b>14.2%</b>	<b>245 bps</b>	<b>16.7%</b>	<b>(4) bps</b>	<b>16.7%</b>	<b>14.1%</b>	<b>258 bps</b>	<b>15.0%</b>
PAT	35	17	111%	34	3%	69	28	145%	81
<b>PAT Margin</b>	<b>9.3%</b>	<b>6.8%</b>	<b>250 bps</b>	<b>9.4%</b>	<b>(5) bps</b>	<b>9.4%</b>	<b>6.4%</b>	<b>298 bps</b>	<b>7.5%</b>
EPS in Rs.	29	14	111%	29	3%	58	24	145%	68

**Consolidated Highlights**

- Vishnu Chemicals continues to report record quarterly Sales, EBITDA & PAT.
- Consolidated domestic and exports sales continued its growth trend, growing by 57% and 53% YoY.
- Expansion of +245 bps in EBITDA margin YoY and +250 bps in PAT margin YoY in Q2FY23.
- Unwavering focus on manufacturing had led the company to be a global leader in terms of gross asset turnover and ROCE amidst peers. Gross asset turnover & ROCE reached highest levels of 2x & 35%+ respectively.
- Debt to Equity reduced to 1.0 from 1.3 in FY22.
- The company continues to improve its working capital efficiency resulting in reduction in Inventory & Debtor days.
- Board approves 1:5 stock split.

- **Highlights of Chromium Chemistry:**

- Standalone domestic and exports sales continue its growth trend, growing by 64% and 62% YoY.
- Debottlenecking has led to capacity increase by 10,000 TPA, an increase of ~14% on our existing plate capacity. Production started from Q2FY23.
- EBITDA generated has increased by 126% YoY and 10% QoQ.
- Reduced D/E to 0.99 while Interest Coverage Ratio expands to 7x.
- Standalone ROCE is at 40%+.

- **Highlights of Barium Chemistry:**

- Realistically, there are some signs of softer demand especially in Europe, partly due to the on-going geopolitical issues and the impact of higher input costs on our customer's operations. However on the positive side, as per recent data, the energy issues seem to be subsiding in Europe with falling prices of natural gas. The company is watchful of the situation.
- The company is focused on balancing its sales mix geographically by increasing its market share in India which would mitigate geography risk in the long term.
- **Capex:** Brownfield expansion to introduce a new speciality chemical to aid Barium portfolio diversification is on track and is expected to be commissioned by H1FY24.
- **In commissioning stage:** Solar power capacity under the OPEX model is on track and is expected to be completed in H2FY23.

## Management Comments

“The second quarter was another record performance for Vishnu Chemicals, as the Company demonstrated resilience amidst macro environment due to its diversified product and application mix. Stepping back, in the second quarter, we continued to demonstrate our ability to make progress on our clear operational priorities. With our targeted investments, we will continue to drive long-term growth above market growth rates by providing value to our customers around the world.,” **said Mr. Ch. Krishna Murthy, CMD, Vishnu Chemicals Limited.**

**Mr. Ch. Siddartha, JMD, Vishnu Chemicals Limited, added,** “I am pleased with our execution in the second quarter, as we focused on productivity for our customers in their tough time, which has never been more important than it is today. But there is still significant amount of work to be done. The momentum we have is clearly evident with our ROCE levels and working capital efficiencies making us the most efficient producer in our chemistries globally, which we will continue to monitor and improve. We have industry-leading expertise, a global footprint, and clear priorities with plenty of runway for growth.”

## About Vishnu Chemicals Limited

Vishnu Chemicals Limited epitomises manufacturing of high-performance speciality chemicals, with strong market leadership and an intelligent symphony of forward and backward integration to produce world-class products that are focused on diverse needs and aspirations of its customers across 60+ countries.

For further information, please connect with us:

Investor Relations: Orient Capital	Company: Vishnu Chemicals Limited
	
Mr. Nikunj Jain/ Mr. Bhavya Shah	Investor's Desk
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### 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.*