

8th November, 2023

VCL/SE/107/2023-24

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: Q2FY24 and H1FY24 Earnings Release - Regulation 30 of SEBI (LODR) Regulations, 2015

Dear Sir,

Further to outcome of Board Meeting held on 8th November, 2023, please find the enclosed Earnings Release with regard to Un-Audited Standalone & Consolidated Financial Results for the second quarter and half year ended 30th September, 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



Q2FY24 and H1FY24 Earnings Release

Wednesday, November 08, 2023

Debt to equity at 0.5 times
Deleveraged and stronger balance sheet
Stable Gross Margin with marginal increase in top line

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

CONSOLIDATED FINANCIAL HIGHLIGHTS

| In Rs Cr | Q2FY24 | Q1FY24 | Q-o-Q change | H1FY24 | H1FY23 | Y-o-Y change | FY23 |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Income | 311 | 303 | 3% | 613 | 736 | (17)% | 1406 |
| Gross Profit | 139 | 139 | 0% | 283 | 333 | (15)% | 638 |
| Gross Margin | 45.1% | 46.3% | | 46.2% | 45.3% | | 45.8% |
| EBITDA | 49 | 53 | (8)% | 102 | 123 | (17)% | 245 |
| EBITDA Margin | 15.7% | 17.6% | | 16.7% | 16.7% | | 17.4% |
| PAT | 24 | 29 | (16)% | 52 | 69 | (24)% | 137 |
| PAT Margin | 7.7% | 9.4% | | 8.6% | 9.4% | | 9.7% |

Management Comments

Mr. Ch. Krishna Murthy, CMD, Vishnu Chemicals Limited said, “We have built new capacities in our business and we are well positioned heading into 2024. As we continue to manage the immediate realities of the world, the leadership team at Vishnu Chemicals remains fully committed to our enterprise growth strategy and driving long-term value for shareholders.”

Mr. Ch. Siddartha, JMD, Vishnu Chemicals Limited said, “Q2FY24 results were a combination of our product mix and recently completed projects, as well as a slight moderation in raw material costs that still remain at historically elevated levels. Our balance sheet and liquidity remains strong, making us well positioned to grow and capitalize thoughtfully.”

Consolidated Highlights:

- Consolidated total income increased by 3% sequentially, from Rs 303.0 cr in Q1FY24 to Rs 310.9 cr in Q2FY24.
- Consolidated gross profit remained same sequentially at Rs 139.1 cr. Impact on consolidated PAT was mainly due to increase in depreciation by Rs 1.8 cr and increase in fixed & conversion costs by Rs 5.0 cr during the quarter.
- Stable gross margin trend continues with absolute consolidated gross profit in line with Q1FY24.

| Gross Margin | FY19 | FY20 | FY21 | FY22 | FY23 | Q1FY24 | Q2FY24 |
|--------------|------|------|------|------|------|--------|--------|
| CONSOLIDATED | 43% | 43% | 45% | 45% | 46% | 46% | 45% |

- Encouraging demand from domestic market led to increase in domestic sales by 5.8% QoQ.
- Deleveraged and stronger consolidated balance sheet:
 - Reduced D/E consistently since last 5 years.
 - Debt to equity at 0.5x
 - Current ratio at 1.6x
 - Receivable days at 49.
- Promoter pledge as a % of total share capital stands at 2.6% as on 30 Sep 2023 compared to 27.1% as on 31 March 2023.

• Highlights of Chromium Chemistry:

- Demand side remains robust with encouraging volume off take of finished goods during the quarter from both domestic and export markets.
- Standalone domestic and exports sales (value) continue their growth trend, growing by 6% and 7% QoQ.
- Fundamentally stronger standalone balance sheet with D/E at 0.4 times, current ratio at 1.7 and interest coverage ratio of 6.2 times.
- Receivable days of 55, in an overall tough environment, is a reflection of robust demand.
- **Chrome Ore:** Chrome ore prices reached their highest levels in Q2FY24 leading to moderate increase in raw material expenses.
- **Secure Supply Chain:** The board has approved to acquire a chrome ore reserve and a processing plant as a long-term strategy. This vertical integration will ensure a stable and consistent supply of raw materials which is critical for our manufacturing operations that rely on chrome ore as a key input, as it minimizes the risk of supply disruptions or price fluctuations in the open market.

• Highlights of Barium Chemistry:

- Achieved break even in newly acquired baryte beneficiation plant in the very first quarter of operations.
- Q2FY24 had higher fixed costs due to integration of newly commissioned plant and stabilisation of baryte beneficiation facility acquired in Q2FY24.
- The newly commissioned plant of precipitated barium sulphate has an installed capacity of 30,000 TPA and is expected to reach over 50% utilisation in H2FY24.
- The output has received incredible reception from the organised customers in Indian and overseas markets, largely in the powder coating, automotive paints and battery applications. The plant and process is built to meet the stringent quality requirements of multinational paint companies globally.

- We are encouraged by the demand for newly launched precipitated barium sulphate but we are being impacted by softer construction activity, as well as customer order patterns for barium carbonate, primarily in the Europe and USA.
- 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 focused on improving our profitability.

Q2FY24 Earnings call:

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

- **Date & Time:** Friday, 10 November, 2023 at 10:00 am IST
- Participants can pre-register to avoid wait time by clicking below:
<https://services.choruscall.in/DiamondPassRegistration/register?confirmationNumber=2253535&linkSecurityString=cff228cfe>
- 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.