

Date: October 27, 2023

To
BSE Limited
1st Floor, P.J. Towers,
Dalal Street, Mumbai – 400001
Scrip Code: **506642**

To
National Stock Exchange of India Limited
Exchange plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai-400051, India
Symbol: **SADHNANIQ**

Subject: Press Release under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Press Release titled “Sadhana Nitro Chem Ltd. Report Stellar Earnings for H1FY24, PAT Jumps 304% YoY.”

You are requested to kindly take the afore-mentioned on record and oblige.

Thanking you,

For SADHANA NITRO CHEM LIMITED

Nitin Rameshchandra Jani
Company Secretary & Compliance Officer
Membership No.: A4757

Corporate Office

10, Bruce Street, 1st Floor,
8/12, Homi Mody Street, Fort,
Mumbai - 400001

Factory Address

47, MIDC, Roha - 402116.
Dist. Raigad (M.S.)
Dhatav, Maharashtra

Registered Office

Hira Baug, 1st Floor,
Kasturba Chowk (C.P. Tank),
Mumbai - 400 004. INDIA



GOLDEN JUBILEE YEAR
1973 - 2023

SADHANA NITRO CHEM LIMITED



Sadhana Nitro Chem Ltd. Reports Stellar Earnings for H1FY24, PAT Jumps 304% YoY

Revenue from Operations reported at Rs. 42.01 Cr in Q2FY24 & Rs. 81.42 Cr in H1FY24

EBITDA came in at Rs. 12.52 Cr in Q2FY24 & Rs. 21.10 Cr in H1FY24

PAT stood at Rs. 2.57 Cr in Q2FY24 & Rs. 2.63 Cr in H1FY24

Q2FY24 & H1FY24 – Earnings Update

Mumbai, 26 October 2023: Sadhana Nitro Chem Ltd., a prominent manufacturer specializing in intermediate specialty chemicals, in its board meeting held on October 26, 2023 has approved the unaudited Financial Results of the Company for the quarter and half year ended on 30 September 2023. The company recently announced that Sadhana Nitro Chem Ltd.'s Facility became 2nd Plant in the world to manufacture PAP from Nitrobenzene.

Consolidated Financial Statement Highlights for Q2FY24 vs Q2FY23 vs Q1FY24

Particulars (Rs. Crores except EPS)	Q2FY24	Q2FY23	YoY%	Q1FY24
Revenue from Operations	42.01	36.53	15.00%	39.41
Other Income	-0.01	0.36		0.73
Total Revenue	42	36.89	13.85%	40.14
Total Expenses excluding Depreciation, Amortization & Finance Cost	29.48	32.31		31.56
EBITDA	12.52	4.58	173.36%	8.58
EBITDA Margin (%)	29.81%	12.42%	1739 bps	21.38%
Depreciation & Amortization	3.82	1.67		3.79
Finance Cost	4.49	2.29		4.32
PBT before Exceptional Item	4.21	0.62		0.47
Exceptional Items	0	0		0
PBT	4.21	0.62	579.03%	0.47
Tax	1.64	0.99		0.41
PAT	2.57	-0.37	-	0.06
PAT Margin %	6.12%	-1.00%	-	0.15%
Other comprehensive profit / loss	0.13	0.41		0.02
Net PAT	2.70	0.04	6650.00%	0.08
Basic & Diluted EPS	0.10	-0.01		0.002

Corporate Office

10, Bruce Street, 1st Floor,
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Q2FY24 & H1FY24 Earnings

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Sadhana Nitro Chem Limited

Consolidated Financial Performance Comparison – Q2FY24 v/s Q2FY23

- Revenue from Operations grew by 15% from Rs. 36.53 Cr in Q2FY23 to Rs. 42.01 Cr in Q2FY24 primarily driven by steady increase in global markets for our products particularly ODB2.
- EBITDA increased by 173.36% from Rs. 4.58 Cr in Q2FY23 to Rs. 12.52 Cr in Q2FY24
- EBITDA margins increased from 12.42% in Q2FY23 to 29.81% in Q2FY24 by 1739 bps.
- PAT turned positive, from a loss of Rs. 0.37 Cr in Q2FY23 to profit of Rs. 2.57 Cr in Q2FY24.

Consolidated Financial Statement Highlights for H1FY24 vs H1FY23

Particulars (Rs. Crores except EPS)	H1FY24	H1FY23	YoY%
Revenue from Operations	81.42	63.97	27.28%
Other Income	0.72	1.63	
Total Revenue	82.14	65.60	25.21%
Total Expenses excluding Depreciation, Amortization & Finance Cost	61.04	57.18	
EBITDA	21.10	8.42	150.59%
EBITDA Margin (%)	25.69%	12.84%	1285 bps
Depreciation & Amortization	7.61	3.25	
Finance Cost	8.81	3.56	
PBT before Exceptional Item	4.68	1.61	
Exceptional Items	0	0	
PBT	4.68	1.61	190.68%
Tax	2.05	0.96	
PAT	2.63	0.65	304.62%
PAT Margin %	3.20%	0.99%	221 bps
Other comprehensive profit / loss	0.15	0.14	
Net PAT	2.78	0.79	251.90%
Basic & Diluted EPS	0.11	0.03	

Consolidated Financial Performance Comparison – H1FY24 v/s H1FY23

- Revenue from Operations grew by 27.28% from Rs. 63.97 Cr in H1FY23 to Rs. 81.42 Cr in H1FY24.
- EBITDA increased by 150.59% from Rs. 8.42 Cr in H1FY23 to Rs. 21.10 Cr in H1FY24
- EBITDA margins increased from 12.84% in H1FY23 to 25.69% in H1FY24 by 1285 bps.
- PAT increased by 304.62 % from Rs. 0.65 Cr in H1FY23 to Rs. 2.63 Cr in H1FY24.
- PAT margins increased from 0.99% in H1FY23 to 3.20% in H1FY24 by 221 bps.

Management Comments

Commenting on the Q2FY24 & H1FY24 Performance, Management added,

"We are thrilled to announce outstanding financial performance for Q2FY24 & H1FY24. Our Revenue from Operations experienced considerable growth, increasing by 15% from Rs. 36.53 Cr in Q2FY23 to Rs. 42.01 Cr in Q2FY24. This growth can be primarily attributed to the steady increase in global demand for our products, with a particular focus on ODB2, showcasing the strength and appeal of our offerings in international markets.

In addition to our revenue growth, our EBITDA witnessed an impressive surge, rising by a remarkable 173.36% from Rs. 4.58 Cr in Q2FY23 to Rs. 12.52 Cr in Q2FY24. This increase can be attributed to softening of certain raw material prices. These cost reductions have positively impacted our EBITDA, reinforcing our operational efficiency. Our efforts in improving our operational efficiency are further highlighted by the significant improvement in EBITDA margins, which expanded from 12.42% in Q2FY23 to 29.81% in Q2FY24, an impressive gain of 1739 basis points.

For Q2FY24, export sales contributed to 25.92% of our total revenues. Dumping of goods due to high Chinese inventories have kept the sales growth minimal in H1, as we see Chinese inventories reduce, we expect that with the steady increase in global demand and with our new capacities coming online, H2FY24 will have larger revenues than H1FY24. This is particularly true for exports, but we see local markets demand growing as well.

As a background, we see that the war in Europe caused higher speculative prices for the last year and a half for commodities, additionally, lower exports from the Chinese caused them to dump inventories for the last six months. In the last two months we have seen raw material/commodity prices reduce and move towards steady prices. Chinese stocks are also expected to reduce to minimal levels in the coming months, with them having to manufacture fresh product leading to end prices going up. These factors align well with our increased capacities coming online such that we can enjoy the benefits of steadily increasing prices over H2 as sales increase.

We express our gratitude to our dedicated employees, loyal customers, and supportive stakeholders for their unwavering trust and contribution to our success. Looking ahead, we remain committed to delivering on our promises, driving innovation, and creating long-term value for our shareholders and the community we serve."

About Sadhana Nitro Chem Ltd.

Established in 1973, Sadhana Nitro Chem Ltd., stands as a prominent manufacturer specializing in intermediate specialty chemicals. Sadhana Nitro Chem Ltd. operates from its state-of-the-art manufacturing facility situated in the Roha spread over 22 acres including 17 acres of MIDC land. **Sadhana Nitro Chem Ltd.'s Facility is the 2nd Plant in the world to manufacture pAP from Nitrobenzene**, with the company receiving Approval from the Maharashtra Pollution Control Board (MPCB) for consent to establish. **The company has been awarded from the PLI scheme for manufacturing 36000 TPA of PAP in 2021**, with the current production run rate of 3000 TPA being scaled rapidly. **pAP is used in the manufacturing of Paracetamol, amongst other prescription drugs.** The company is a government-recognized 2-Star Golden Export House, with 80% of the company's sales being dedicated to exports to highly developed markets, such as Japan, China, Switzerland, the United States, Germany, other parts of Europe, South Korea and more. Sadhana Nitro Chem Ltd takes pride in its extensive client portfolio, which predominantly comprises multinational conglomerates such as L'Oreal, Bayer Crop Science, Huntsman Advanced Materials, Teijin, Mitsui Chemicals, IPCA, Ricoh Paper, Koehler Paper, and Mitsubishi Paper, among others. The company's versatile product line finds applications spanning various industries, including Agro Chemicals, Aramide Fibre, Pharmaceuticals, Developers, Hair Colors, Dyes, Specialized Resins, Performance Chemicals, Optical Brightening Agents, Rubber Chemicals, Aerospace, Electronic Chemicals, Military Applications, Thermal Paper Intermediates, and more. The company is committed to quality and social responsibility, holding ISO certifications for ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, and SA (8000). Sadhana Nitro Chem Ltd is listed on both **BSE: 506642** and **NSE: SADHNANIQ**, and is currently celebrating its 50th year as a publicly listed company.

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Disclaimer:

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 actual results to differ materially from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding the success of our investments, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, our ability to successfully implement our strategy, our research and development efforts, changes in the value of the Rupee and other currency changes, intense competition in the industry including those factors which may affect our cost advantage, wage increases in India, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, withdrawal of governmental fiscal incentives, political instability and regional conflicts, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. Sadhana Nitro Chem Limited may, from time to time, make additional written and oral forward-looking statements, including statements contained in the company's filings with the Securities and Exchange Board of India, Stock Exchange and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company

