



Date: February 01, 2024

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,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed the Press Release titled **“Sadhana Nitro Chem Ltd. Report Robust Earning for 9MFY24, PAT Jumps 154% YoY”**

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

For SADHANA NITRO CHEM LIMITED

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

Enclosure: as above

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

Sadhana Nitro Chem Ltd. Reports Robust Earnings for 9MFY24, PAT Jumps 154% YoY

Revenue from Operations reported at Rs. 44.08 Cr in Q3FY24 & Rs. 125.50 Cr in 9MFY24

EBITDA came in at Rs. 12.17 Cr in Q3FY24 & Rs. 33.27 Cr in 9MFY24

PAT stood at Rs. 0.93 Cr in Q3FY24 & Rs. 3.56 Cr in 9MFY24

Q3FY24 & 9MFY24 – Earnings Update

Mumbai, 31 January 2024: Sadhana Nitro Chem Ltd., a prominent manufacturer specializing in intermediate specialty chemicals, in its board meeting held on January 30, 2024 has approved the unaudited Financial Results of the Company for the quarter and nine months ended on 31 December 2023.

Consolidated Financial Statement Highlights for Q3FY24 vs Q3FY23 vs Q2FY24

Particulars (Rs. Crores except EPS)	Q3FY24	Q3FY23	YoY%	Q2FY24
Revenue from Operations	44.08	31.20	41%	42.01
Other Income	0.77	-0.16		-0.01
Total Revenue	44.85	31.04	44%	42
Total Expenses excluding Depreciation, Amortization & Finance Cost	32.58	26.48		29.48
EBITDA	12.17	4.56	167%	12.52
EBITDA Margin (%)	27.13%	14.69%	1244 bps	29.81%
Depreciation & Amortization	3.83	1.68		3.82
Finance Cost	4.36	1.93		4.49
PBT before Exceptional Item	3.98	0.95		4.21
Exceptional Items	0	0		0
PBT	3.98	0.95	319%	4.21
Tax	3.05	0.2		1.64
PAT	0.93	0.75	24%	2.57
PAT Margin %	2.07%	2.42%	(34 bps)	6.12%
Other comprehensive profit / loss	0.10	0.06		0.13
Net PAT	1.03	0.81	27%	2.70
Basic & Diluted EPS	0.04	0.03		0.10



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Mumbai - 400001

Q3FY24 & 9MFY24 Earnings

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Sadhana Nitro Chem Limited

Consolidated Financial Performance Comparison – Q3FY24 v/s Q3FY23

- Revenue from Operations grew by 41% from Rs. 31.20 Cr in Q3FY23 to Rs. 44.08 Cr in Q3FY24 primarily driven by PAP sales (which were negligible in Q3 FY23) and Increase in MAP and ODB2 sales driven by higher volumes and capacity in FY24.
- EBITDA increased by 167% from Rs. 4.56 Cr in Q3FY23 to Rs. 12.17 Cr in Q3FY24
- EBITDA margins increased from 14.69% in Q3FY23 to 27.13% in Q3FY24 by 1244 bps.
- PAT increased by 24% from Rs. 0.75 Cr in Q3FY23 to Rs. 0.93 Cr in Q3FY24.

Consolidated Financial Statement Highlights for 9MFY24 vs 9MFY23

Particulars (Rs. Crores except EPS)	9MFY24	9MFY23	YoY%
Revenue from Operations	125.50	95.17	32%
Other Income	1.49	1.47	
Total Revenue	126.99	96.64	31%
Total Expenses excluding Depreciation, Amortization & Finance Cost	93.72	83.66	
EBITDA	33.27	12.98	156%
EBITDA Margin (%)	26.20%	13.43%	1277 bps
Depreciation & Amortization	11.44	4.93	
Finance Cost	13.17	5.49	
PBT before Exceptional Item	8.66	2.56	
Exceptional Items	0	0	
PBT	8.66	2.56	238%
Tax	5.10	1.16	
PAT	3.56	1.40	154%
PAT Margin %	2.80%	1.45%	135 bps
Other comprehensive profit / loss	0.25	0.20	
Net PAT	3.80	1.60	138%
Basic & Diluted EPS	0.14	0.06	

Consolidated Financial Performance Comparison – 9MFY24 v/s 9MFY23

- Revenue from Operations grew by 32% from Rs. 95.17 Cr in 9MFY23 to Rs. 125.50 Cr in 9MFY24.
- EBITDA increased by 156% from Rs. 12.98 Cr in 9MFY23 to Rs. 33.27 Cr in 9MFY24
- EBITDA margins increased from 13.43% in 9MFY23 to 26.20% in 9MFY24 by 1277 bps.
- PAT increased by 154% from Rs. 1.40 Cr in 9MFY23 to Rs. 3.56 Cr in 9MFY24.
- PAT margins increased from 1.45% in 9MFY23 to 2.80% in 9MFY24 by 135 bps.



Management Comments

Commenting on the Q3FY24 & 9MFY24 Performance, Management added,

"We are pleased to report a robust financial performance for Q3FY24 & 9MFY24, marked by significant growth across key indicators. Our Revenue from Operations surged by an impressive 41%, reaching Rs. 44.08 Crores as compared to Rs. 31.20 Crores in Q3FY23, mainly on account of PAP sales (which were negligible in Q3 FY23) and Increase in MAP and ODB2 sales driven by higher volumes and capacity in FY24.

In addition, EBITDA increased 167% from Rs. 4.56 Crores in Q3FY23 to Rs. 12.17 Crores in Q3FY24, a remarkable increase. Our EBITDA margins witnessed a substantial improvement, increasing from 14.69% in Q3FY23 to an impressive 27.13% in Q3FY24, marking a significant gain of 1244 basis points. This enhancement in margins demonstrates our strategic focus on optimizing cost structures and driving operational efficiency. Furthermore, our Profit After Tax (PAT) showed a commendable increase of 24%, reaching Rs. 0.93 Crores in Q3FY24 compared to Rs. 0.75 Crores in the same period last year.

We are pleased to share key strategic initiatives undertaken during the quarter that will further strengthen our long-term growth trajectory - The company is set to venture into green energy, with plans to establish a green hydrogen facility based on a 15MW-20MW solar plant and wind farm for captive usage. This move aligns with our commitment to sustainability and responsible business practices. Further, a rights issue was announced to fund the green hydrogen initiative. Details for the Rights issue are being worked out and will be published shortly. We shall continue to increase our volumes, which is done with our enhanced capacity in addition to backward integration, helping us to counter competition and protect our margins.

The outlook is positive for our company's performance in the upcoming fourth quarter (Q4). The anticipated increase in sales is attributed to the successful expansion of our production capacity, aligning with a more favorable demand scenario. Furthermore, historical trends indicate a consistent uptick in sales during Q4, a pattern attributed partly to the maintenance mode adopted by some clients during the subsequent Apr-Jun quarter. This historical trend positions Q4 as a historically strong period for our sales performance. As we continue to enhance our capacity and navigate a robust demand environment, investors can find confidence in the combined impact of strategic capacity expansions and historical sales patterns, contributing to a positive trajectory in the upcoming quarter.

The global market landscape is witnessing a challenge as China appears to engage in the practice of dumping goods, posing significant hurdles for domestic players striving to compete. This strategy involves flooding international markets with low-cost products, creating an uneven playing field and placing local industries at a distinct disadvantage. The situation is particularly pronounced in the chemical industry for exports, where the emergence of new players and the existence of surplus capacities intensify the competition. The influx of Chinese chemical exports, often at prices below production costs, has prompted concerns about fair trade practices and the sustainability of domestic industries. As this trend persists, local players must navigate an increasingly competitive environment, emphasizing the need for backward integration, higher economies of scale, quality differentiation and environmentally sustainable products to ensure continued success."

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.

