

16th May, 2022

VCL/SE/12/2022-23

To
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

Scrip Code: 516072

NSE Symbol: VISHNU

Sub: Investor Presentation on Q4 & F22 Financial Results – Regulation 30 of SEBI LODR Regulations, 2015

Dear Sir,

Please find the attached Investor Presentation on the financial results of the Company for the fourth quarter & year ended March 31, 2022.

A copy of this disclosure is being 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



Kishore Kathri
Company Secretary & AGM - Legal



Q4FY22 & FY22 Update
Investor Presentation
May 2022



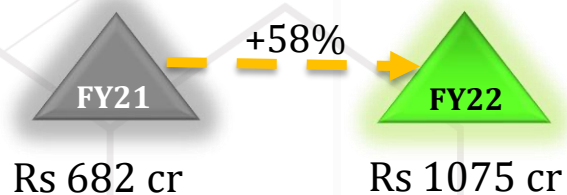
Performance Enhancing Speciality Chemicals



Q4FY22 & FY22 Performance Highlights

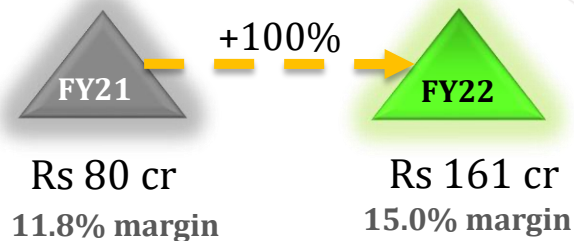
ANNUAL PERFORMANCE HIGHLIGHTS - CONSOLIDATED

Total Revenues



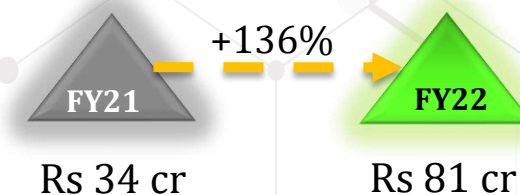
For the first time
Rs.1000 cr sales milestone

EBITDA



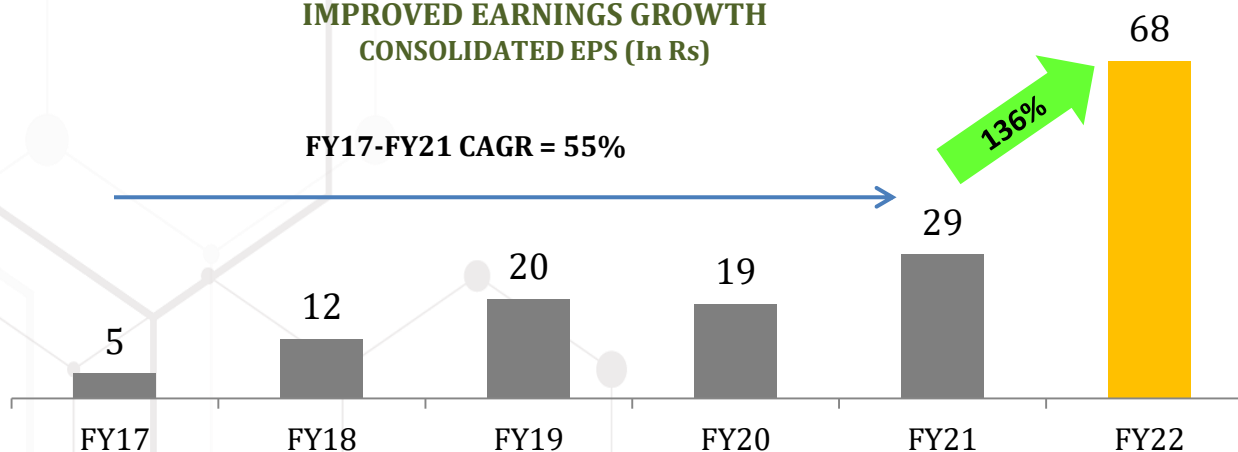
Highest ever
EBITDA & EBITDA Margin

PAT



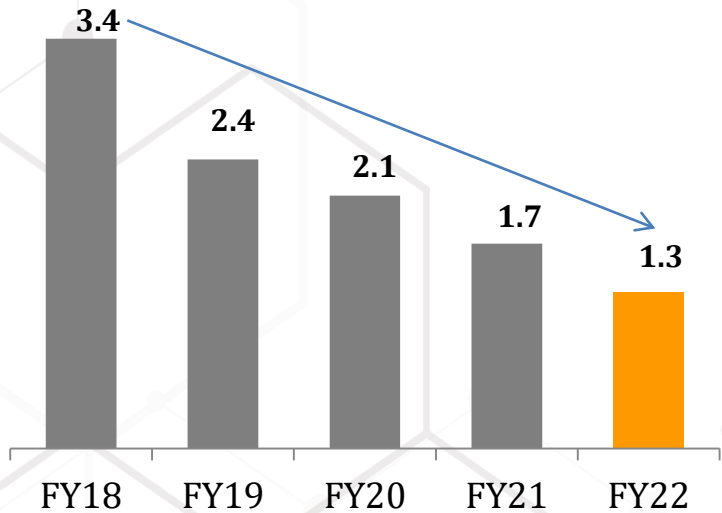
Record
PBT more than tripled
PAT more than doubled

IMPROVED EARNINGS GROWTH CONSOLIDATED EPS (In Rs)

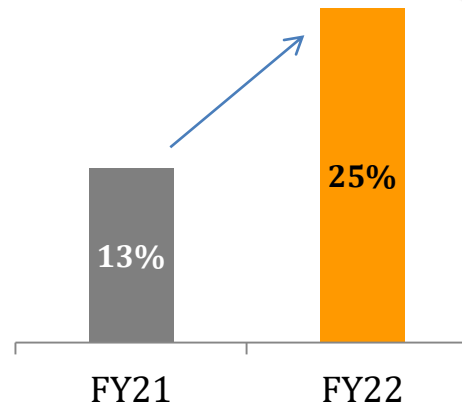


ROBUST PERFORMANCE DRIVES SOUND FINANCIAL HEALTH

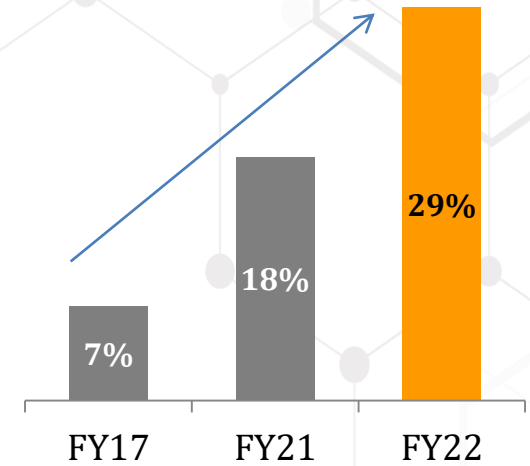
Consolidated Debt to equity ratio



Consolidated Return on Capital



Consolidated Return on Equity



- ✓ Interest coverage at 5x
- ✓ Reduced interest costs consistently



- ✓ Strong return metrics
- ✓ Improved internal accruals



**SOUND
FINANCIAL
HEALTH**

Focused on consistently delivering sustainable performance

CONSOLIDATED FINANCIAL HIGHLIGHTS

FY22 Revenues
+58%
y-o-y

FY22 EBITDA
+100%
y-o-y

FY22 PAT
+136%
y-o-y

In Rs Cr	Q4FY22	Q4FY21	Y-o-Y change	Q3FY22	Q-o-Q change	FY22	FY21	Y-o-Y change
Total Revenues	336	215	56%	299	12%	1075	682	58%
EBITDA	53	26	106%	46	16%	161	80	100%
EBITDA Margin	15.8%	12.0%	+381 bps	15.4%	+48 bps	15.0%	11.8%	+317 bps
PAT	29	11	163%	25	16%	81	34	136%
PAT Margin	8.5%	5.1%	+345 bps	8.2%	+29 bps	7.6%	5.1%	+251 bps
EPS in Rs.	24	9	163%	21	16%	68	29	136%

STANDALONE FINANCIAL HIGHLIGHTS

FY22 Revenues
+58%
y-o-y

FY22 EBITDA
+107%
y-o-y

FY22 PAT
+187%
y-o-y

In Rs Cr	Q4FY22	Q4FY21	Y-o-Y change	Q3FY22	Q-o-Q change	FY22	FY21	Y-o-Y change
Total Revenues	293	182	61%	259	13%	913	577	58%
EBITDA	48	20	147%	39	25%	133	64	107%
EBITDA Margin	16.5%	10.8%	+ 577 bps	15.0%	+153 bps	14.5%	11.1%	+343 bps
PAT	27	6	364%	20	34%	65	23	187%
PAT Margin	9.3%	3.2%	+608 bps	7.9%	+143 bps	7.1%	3.9%	+320 bps
EPS in Rs.	23	5	364%	17	34%	55	19	187%

THE YEAR GONE BY

1

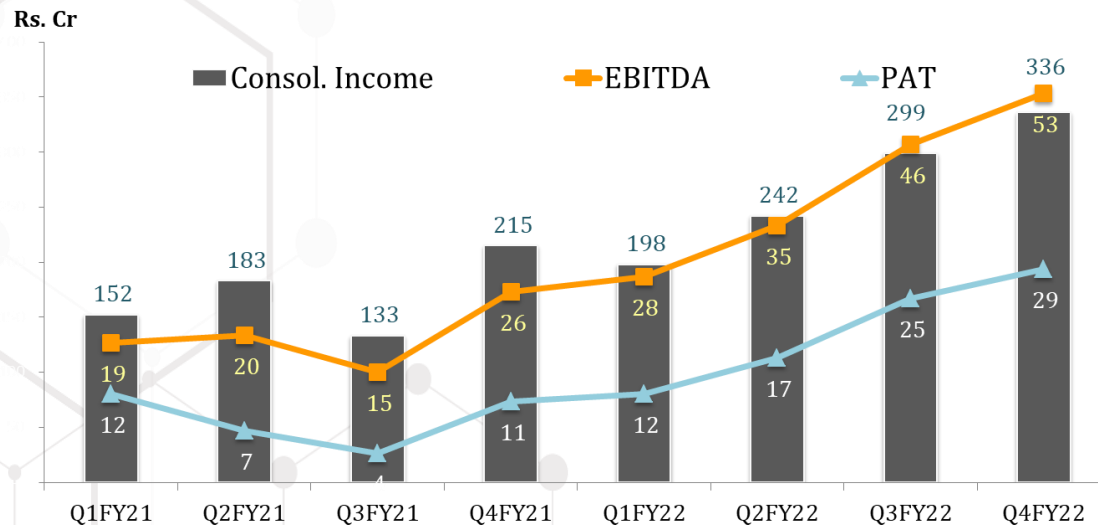
CROSSES Rs 1000 Cr SALES MILESTONE

FY22 PAT MORE THAN DOUBLED

RECORDS BEST EVER QUARTERLY AND ANNUAL PERFORMANCE

- Domestic and exports sales grew by 56% and 58% respectively in the last 12 months, despite pandemic induced disruptions globally.
- Expansion of +317 bps in EBITDA margin y-o-y was aided by scale, paramount quality, operational flexibility, emphasis on supply chain and strengthened procurement planning.

DEMONSTRATED CONSISTENT SEQUENTIAL GROWTH





VISHNU
CHEMICALS LTD

33 YEARS CORPORATE LEGACY.

INTEGRATED MANUFACTURER.

MANUFACTURING UNITS

4

PEOPLE

1000+

CUSTOMERS ACROSS

12+ SECTORS

EXPORTS

60+ COUNTRIES

Accountability
in every action

Transparency
in every
transaction

Dedication
in every decision

Collective
in every concern

INTRODUCTION

Our Identity	<p>Vishnu Chemicals 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 our customers.</p>	
Business & Capacity	<p>Chromium Chemistry</p> <ul style="list-style-type: none"> ➤ ~85% of consol. revenues ➤ Market Leadership in India as well as South Asia. ➤ Diversified product mix. ➤ Domestic : Export 52:48 ➤ 3 manufacturing units. 	<p>Barium Chemistry</p> <ul style="list-style-type: none"> ➤ ~15% of consol. revenues ➤ Leading manufacturer globally. ➤ Domestic: Export 35:65 ➤ 1 manufacturing unit.
Global Reach	<ul style="list-style-type: none"> ➤ Long standing relationships with domestic and overseas marquee customers. ➤ Consolidated export turnover grew by 3x in last 6 years as a result of operational flexibility and improved quality, meeting export requirements. 	
Management and Culture	<p>Management Team</p> <ul style="list-style-type: none"> ▪ Management team led by Mr. Ch. Krishna Murthy (CMD) and Mr. Ch. Siddartha (JMD). ▪ Dedicated and experienced professional team headquartered at Hyderabad. 	<p>Board & Culture</p> <ul style="list-style-type: none"> ▪ Well-diversified board. ▪ The Board and leadership at Vishnu conduct itself with integrity and honesty, setting the tone for an ethical organisational culture.

CHROMIUM CHEMISTRY

Key product	Sodium Dichromate (SDC): Na₂Cr₂O₇
Derivative products	Basic Chrome Sulphate, Chrome Oxide Green, Chromic Acid, Potassium Dichromate, White Sodium Sulphate.
Industry Overview	<ul style="list-style-type: none"> ➤ 700,000 MTPA is the global demand for Chromium chemicals growing at 6% p.a. ➤ India demand would be around 60,000 MTPA. This includes SDC and its derivatives. ➤ Leading market position in India. ➤ Peers: Turkey, USA, South Africa.
Industry demand drivers	<ul style="list-style-type: none"> ➤ The usage of chromium chemicals in several industries is boosting the market growth due to the benefits of untarnished, uniform and corrosion-resistant properties.
Applications	Pharmaceuticals, Automobiles, Pigments and Dyes, Leather, Plastic masterbatches, Ceramic glazes, Tiles, Electroplating, Refractories, Wood Preservative, Paper pulping and others.
Manufacturing Units	3 units across Andhra Pradesh, Telangana and Chhattisgarh.
Installed Capacity	70,000 MTPA
Geography wise Turnover	Domestic – 52%, Export – 48%
Export Markets	<ul style="list-style-type: none"> ▪ Asia 19% ▪ South America 46% ▪ North America 8% ▪ Europe 19% ▪ Africa 3% ▪ Oceania 5%

CHROMIUM CHEMISTRY: POSITIVE CHANGES OVER THE YEARS

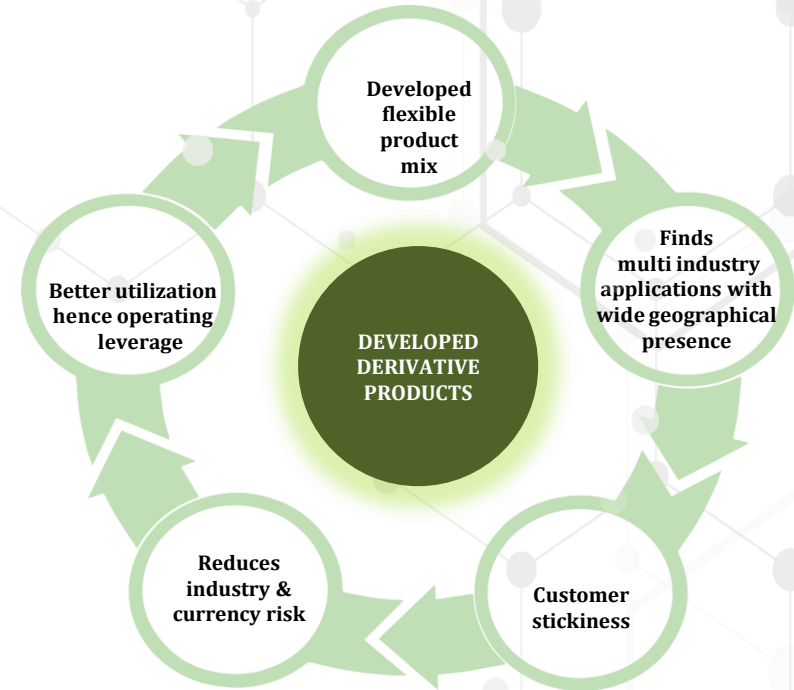
EARLIER

Concentrated portfolio led to low operating levels and exposed the business to multiple risks:

- Industry risk
- Currency risk
- Geography risk

BALANCED GEOGRAPHY MIX

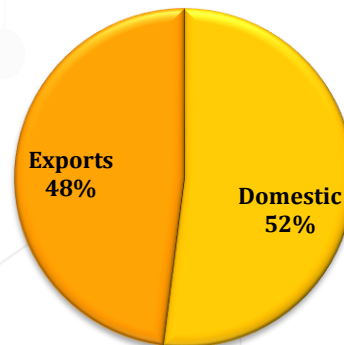
Over the last few years, the company has diversified its revenue profile with presence in both domestic and export markets.



FY16



FY22



CHROMIUM CHEMISTRY: HIGHLIGHTS

Leading manufacturer in India & South Asia.

Better product mix to drive volumes:

Till FY16, the company was pretty much focused on two products. In the last few years, we have pivoted our strategy and invested and focused on derivatives to mitigate product and end use industry risk.

Strengthened export market to help us increase market share

Doubled export turnover since FY17.

60+ countries.

CHROMIUM CHEMISTRY: GROWTH DRIVERS

BACKWARD INTEGRATION

- Commissioned in Q4FY22.
- One of its kind and complex integrated infrastructure.
- Majority of our sodium carbonate's current requirement will be met through the process.

Environmental benefit:

- The process collects flu gases from the equipments and recovers useful raw material from the process.

Benefits:

- Sustainability.
- Significant cost reduction.
- Protection from inflation.
- Lower Inventory holding.
- Self-sufficiency.
- Consistent supply.

IN PROGRESS

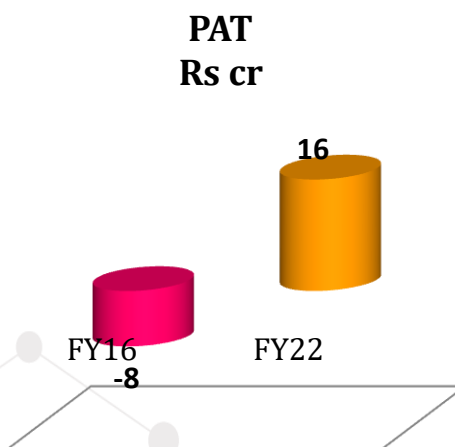
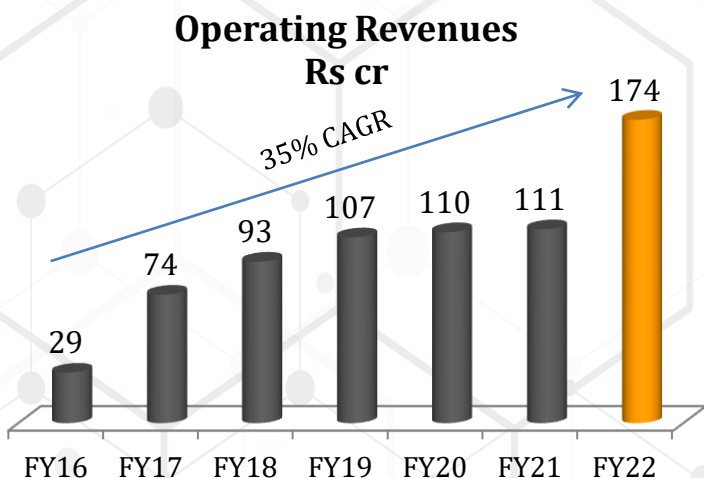
- Debottlenecking operations at existing plant, which will lead to increase in capacity by nearly 10,000 TPA amid an expected **surge in demand.**
- Funded by internal accruals.
- On track to be completed by H1FY23.

BARIUM CHEMISTRY: NURTURED OVER THE YEARS

From being a loss making facility during the acquisition in 2015, today the Barium subsidiary contributes to over 20% of consolidated profits.

Led the growth from the front to emerge as one of the leading manufacturers globally.

And now the focus is to grow our market share with higher volumes which would lead to operating leverage and better profitability.



In Rs Cr	FY16	FY22
EBITDA Margin	-12%	17%
PAT Margin	-28%	9%
Debt to Equity ratio	3.2	0.8
Interest coverage	-3x	9x
ROCE	-38%	23%
Gross Fixed asset turnover ratio	0.5	1.2

BARIUM CHEMISTRY

Key product	Barium Carbonate: BaCO ₃
Industry Overview	<ul style="list-style-type: none"> ➤ Global Barium Carbonate market size is USD 575 M growing at 3.4% CAGR. ➤ India demand is about 35,000 MTPA. ➤ ~40% of market share in India. ➤ Peers: Belgium, China.
Industry demand drivers	<p>The construction and real estate industries have witnessed significant growth in emerging economies. The rising preference for luxury living has increased the demand for ceramic tiles, which has fueled the demand for barium carbonate.</p>
Applications	<p>Ceramics, tiles, glazes, bricks, refractories, caustic soda industry, speciality glass, luminescent compounds, etc.</p>
Manufacturing Unit	<p>Srikalahasti, Andhra Pradesh.</p>
Installed Capacity	<p>60,000 MTPA.</p>
Geography wise Turnover	<p>Domestic – 35%, Export – 65%</p>
Export Markets	<ul style="list-style-type: none"> ▪ Europe: 68% ▪ Asia: 26% ▪ Africa: 3% ▪ North America: 1% ▪ South America: 2%

BARIUM CHEMISTRY: HIGHLIGHTS

Leading manufacturer in India: Other players have less than 1/10th of Vishnu's current capacity.

Turned around ailing business segment post acquisition in 2015: Contributes to more than 20% of consolidated profits.

Highest quality of product: The company produces the best quality and specification due to the technology it has acquired.

Strategic plant location: Close proximity to raw material source and major ports.

Strong presence in domestic and export markets: Exports contributed 65% of sales compared to 15% in FY16.

Sustainability of higher realisations and margins: The realisations per tonne have increased and are likely to sustain due to following reasons:

- ✓ China plus 1 strategy has made us a preferred vendor instead of being a second option for our customers.
- ✓ China's internal consumption of baryte has increased in drilling in their Oil & Gas industry. For example, China used to export USD 350 M of baryte in 2014 compared to USD 88 M in 2020.
- ✓ Location far from ports makes their margins unsustainable.
- ✓ Chinese currency has largely appreciated over the last 10 years.

BARIUM CHEMISTRY: THE YEAR GONE BY

FY22 Highlights

- Highest Operating Levels Ever.
- Highest ever Sales, EBITDA and PAT.
- Contribution to Consol. Revenues & PAT is 16% & 20% respectively.
- Domestic and exports sales grew by 22% and 84% respectively in the last 12 months, despite pandemic induced disruptions globally.

SUBSIDIARY FINANCIAL HIGHLIGHTS

In Rs cr	FY21	FY22
Income	113	175
<i>% change y-o-y</i>		56%
EBITDA	18	30
EBITDA Margin	16%	17%
PBT	12	23
Less: Tax	-	7
PAT	12	16

BARIUM CHEMISTRY: GROWTH DRIVERS

Growth Drivers:

- Commenced operations at brownfield expansion of increase in 50% capacity in Barium Chemicals in Q4FY22.
- Expect full effect of increased capacity to reflect from FY23 onwards.

IN PROGRESS

- **Diversification:** Brownfield expansion to introduce a new speciality chemical to aid Barium portfolio diversification and better margins driven by import substitution theme.
- Expect commissioning by H1FY24.
- **In intermediate stage:** to set up solar power capacity at subsidiary unit under the long term power contract (OPEX) model. Expect savings of ~15% on energy costs per month.

SELECT COMPETITIVE ADVANTAGES



30+ years

Track record



Deep Process

Knowledge



Efficient & Evolved

Reliable Product Quality



Global

Reach & Opportunity



Greater

Portfolio Coherence



Flexible

Product Mix



Diversified

Applications



Value accretive

Growth

SELECT COMPETITIVE ADVANTAGES: EASE OF LOGISTICS

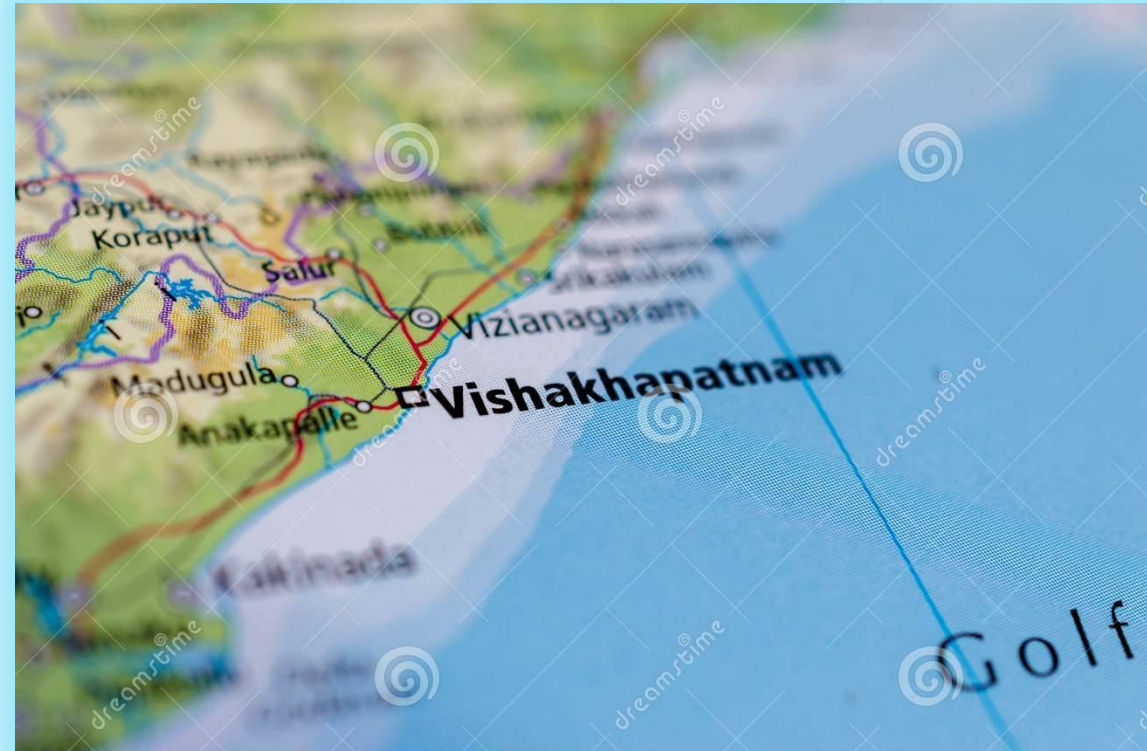
India ranks 18th in terms of global shipping tonnage.

Most cargo ships sailing between East Asia and America, Europe, and Africa pass through Indian waters.

That's not all. India has 12 'major' and more than 200 'non-major' ports.

VISHNU'S MANUFACTURING FACILITIES ARE STRATEGICALLY LOCATED CLOSE TO PORTS.

PROXIMITY TO PORTS ENABLE US TO SUPPORT OUR CUSTOMERS AND MEET DELIVERY COMMITMENTS DESPITE SUPPLY CHAIN DISRUPTIONS GLOBALLY.



PROXIMITY TO PORTS IMPROVES MATERIAL HANDLING AND FACILITATES DELIVERY CONVENIENCE.

SELECT COMPETITIVE ADVANTAGES: ACCESS TO GLOBAL MARKETS

We're at home everywhere in the world – accessible physically and digitally. We are headquartered in INDIA, world's second most sought after destination for manufacturing.

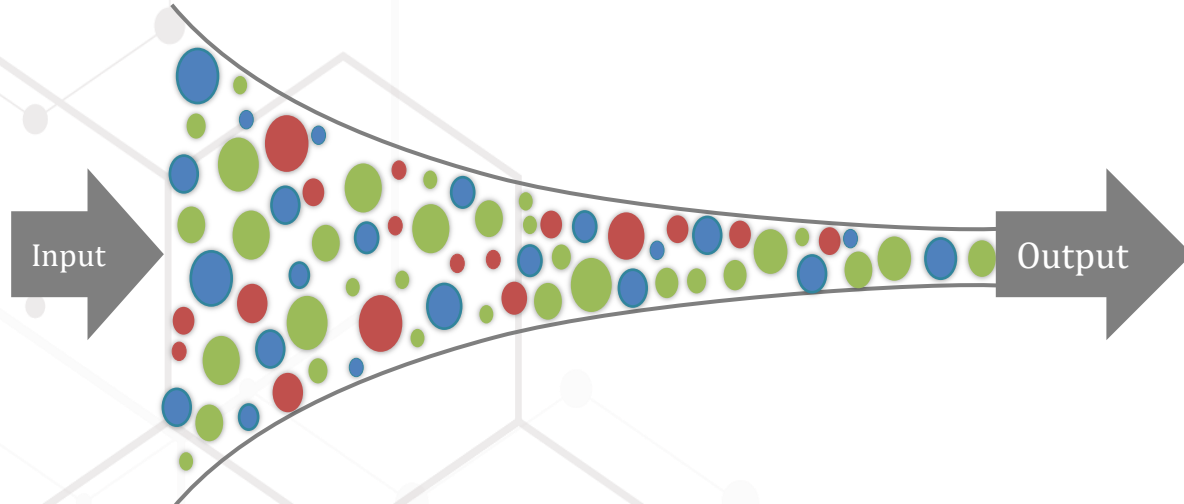
Vishnu Chemical exports its products worldwide by combining locations, trusted partners and loyal personnel enabling our customers to approach us anytime.

Our representatives, contact persons are on almost every continent.

These are important cornerstones of our cultural and business interactions.



SELECT COMPETITIVE ADVANTAGES: COMMITMENT TO QUALITY



- ❑ Continuous improvement in the quality of products by improving the process performance.
- ❑ High customer satisfaction with periodic checks.
- ❑ Best procurement processes to ensure consistent quality of raw materials.
- ❑ Installation of high quality control equipments ensures enhanced performance and productivity.
- ❑ Inspection at every stage to ensure stringent quality conformance.

ACCREDITATIONS AND PRESTIGIOUS MEMBERSHIPS



SUMMARY

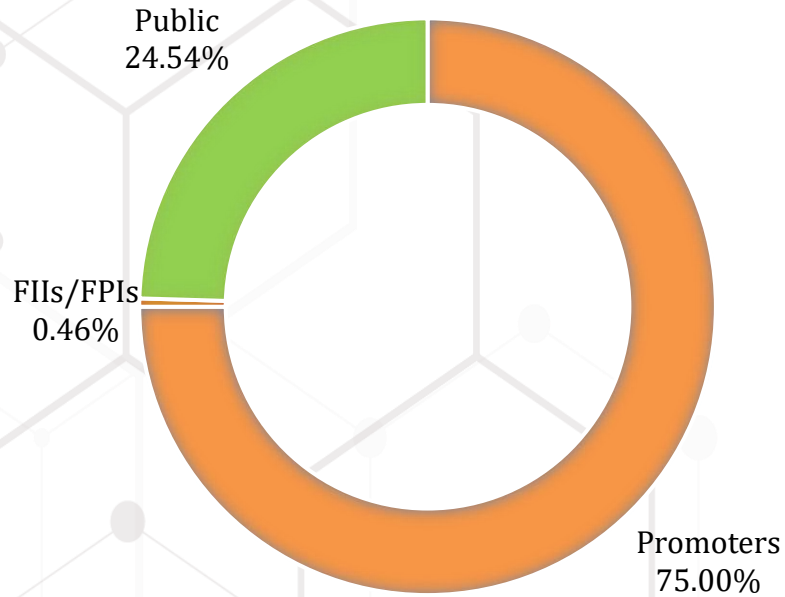
- Journey from modest origins. Manufacturing is our focus.
- Leading position in India, operating in a market with substantial barriers to entry.
- Across the world, our customers are looking at pricing from the point of view of end user demand, consistent supply and to mitigate shipping delays.
- Company demonstrated ability to pass the rise in input prices and freight costs.
- Demand across most sectors showing positive trend.
- All of our plants are operating and we are continuing to meet our customer needs.

Going forward:

Positive and confident of continuing the growth momentum in FY23 and deliver industry leading value accretive growth.

INVESTOR INFORMATION

Shareholding Pattern as on 31 Mar 2022



Consistent Dividend Track Record

2018	✓
2019	✓
2020	✓
2021	✓
2022	✓

*Broker Coverages & Updates

HDFC Retail

Arihant Capital

Edelweiss
Wealth

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