



# Valiant Organics Limited

November 09, 2022

To,  
Listing/Compliance Department  
**BSE LTD.**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001.

**Scrip Code-540145**

To,  
Listing/Compliance Department  
**National Stock Exchange of  
India Limited**  
“Exchange Plaza “Plot No .C/1,  
G Block Bandra –Kurla Complex,  
Bandra (E), Mumbai -400051.  
**Symbol- VALIANTORG**

**Sub: Investor Presentation.**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Q 2 FY23 Results presentation of Valiant Organics Limited

A copy of aforesaid Investor Presentation is also hosted on the website of company [www.valiantorganics.com](http://www.valiantorganics.com)

Kindly take the same on your record and acknowledge.

Thanking You,

Yours Faithfully,

**For Valiant Organics Limited**

Avani D. Lakhani  
**Company Secretary**  
ICSI M.NO.: A47118



# **Valiant Organics** Limited

Earnings Presentation | Q2/H1-FY23

# SNAPSHOT



One of the largest chlorophenol derivatives manufacturer globally



One of the largest domestic PNA manufacturer



Amongst 1st few domestic PAP Manufacturers



6 Manufacturing units across 5 Locations



Total Production Capacity of 70,000 TPA



One of the leading manufacturer of Benzene derivatives products



One of the few commercial players in Ortho Anisidine and Para Anisidine



Diversified client base across Pharmaceuticals, Dyes & Pigments, Agrochemicals and specialty chemicals.



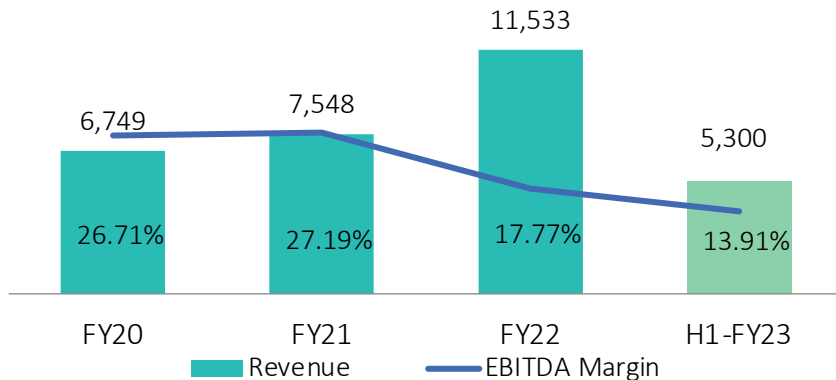
5 Zero Liquid Discharge plants



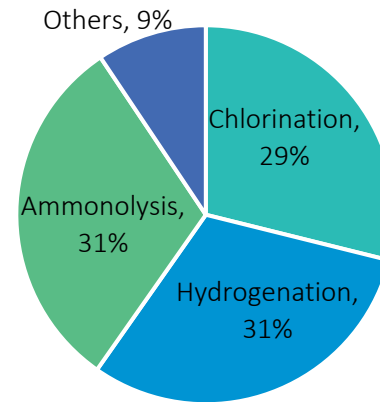
850+ Employees

- Valiant Organics Limited was incorporated in 1984 by first generation technocrats and is headquartered out of Mumbai, India.
- The company is focused on the manufacturing and marketing of specialty chemicals which find usage in a variety of industries, including agrochemicals, pharmaceuticals, dyes, pigments, and veterinary medications.
- Key chemistries include Chlorination, Hydrogenation, Ammonolysis, Acetylation, Sulphonation, Methoxylation amongst others.
- Over the years the company has primarily focused on manufacturing specialty chemicals that have a high demand but low supply and are primarily dependent on imports.
- The company is listed on both the BSE and NSE with a market capitalization of INR 20,085.43 Mn as on 30th September, 2022.

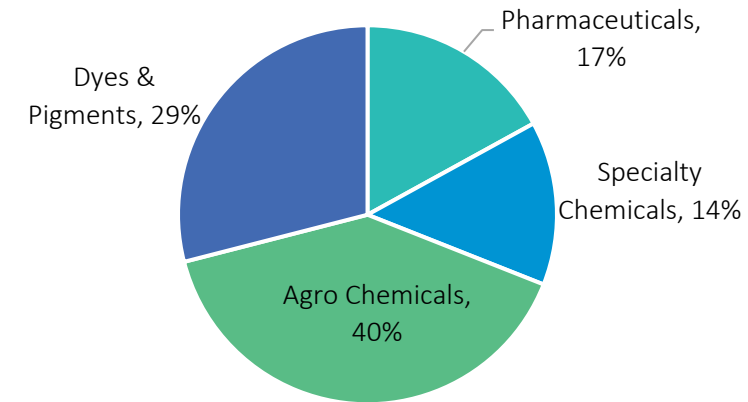
Operating Revenue (INR Mn) and EBITDA Margin (%)



FY22 Revenue Break-up – Chemistries



FY22 Revenue Break-up – End user Industry



## H1-FY23 Revenue Share

### Ammonolysis

#### Key Products:

- Para Nitro Aniline
- Ortho Chloro Para Nitro Aniline

#### Industries Served:

- Dyes
- Pigments

### Hydrogenation

#### Key Products:

- Ortho Anisidine
- Para Anisidine
- IPPCA
- Meta Chloro Aniline
- Para Amino Phenol
- Ortho Amino Phenol

#### Industries Served:

- Dyes
- Pigments
- Pharmaceutical
- Agro Chemicals

### Others

#### Acetylation

##### Key Products:

- 6 Acetyl OAPSA
- OA Acetanilide
- PA Acetanilide

##### Industries Served:

- Dyes

#### Sulphonation

##### Key Products:

- OT5SA
- 4B Acid
- 2B Acid

##### Industries Served:

- Dyes
- Pigments

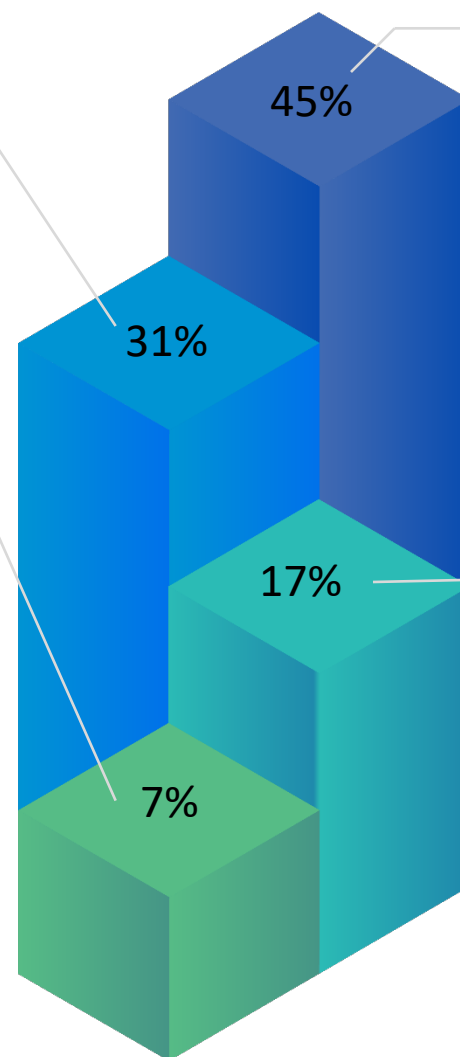
#### Methoxylation

##### Key Products:

- Ortho Nitro Anisole
- Para Nitro Anisole

##### Industries Served:

- Dyes
- Pigments



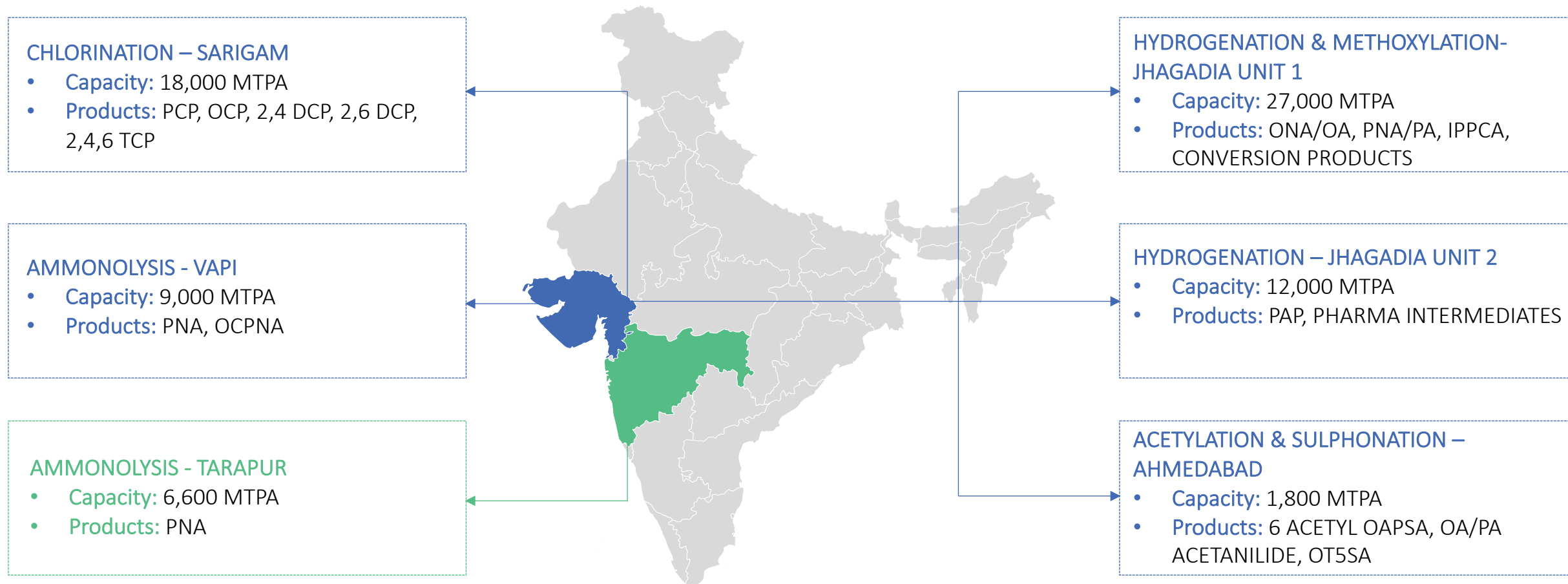
### Chlorination

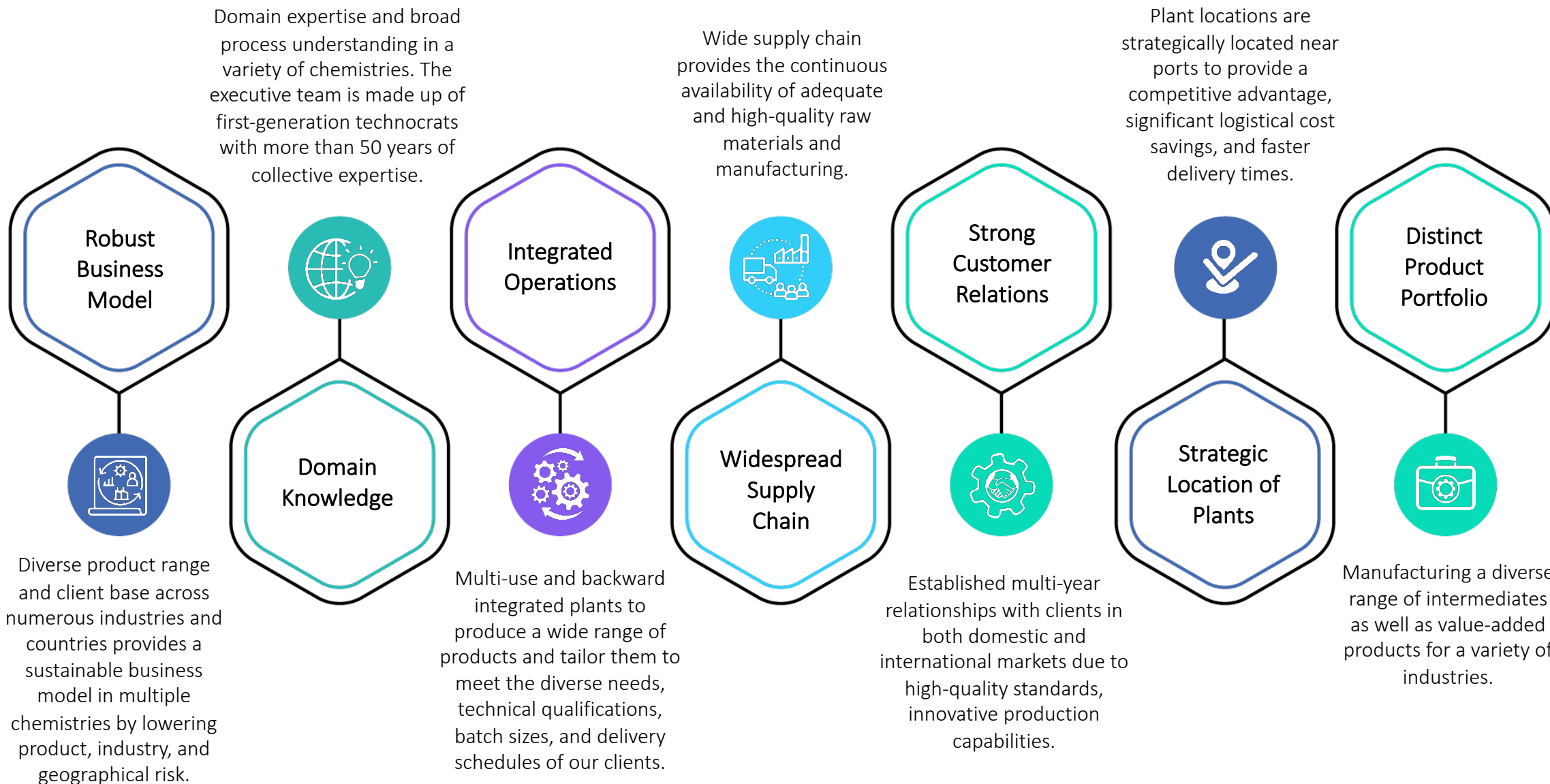
#### Key Products:

- Para ChloroPhenol (PCP)
- Ortho ChloroPhenol (OCP)
- 2,4 Di Chlorophenol (2,4 DCP)
- 2,6 Di ChloroPhenol (2,6 DCP)
- 2,4,6 Tri ChloroPhenol (2,4,6 TCP)

#### Industries Served:

- Agro Chemicals
- Cosmetics
- Veterinary
- Pharmaceuticals





Product	Installed Capacity (MT per month)	Approx. Capex (INR Mn)	Project Status	Remarks
<b>Commissioned</b>				
Para Nitro Aniline (PNA) & Ortho Chloro Para Nitro Aniline (OCPNA)	550	~ 70	Completing phase-wise	<ul style="list-style-type: none"> <li>Expansion from 550 TPM to 750 TPM at Vapi plant</li> <li>Full capacity addition in progress</li> </ul>
Ortho Nitro Anisole (ONA)	600	~ 350-400	Completed in Q4 FY'20	<ul style="list-style-type: none"> <li>Backward integrated for existing product Ortho Anisidine</li> </ul>
Para Nitro Anisole (PNA)	200		Completed in Q4 FY'20	<ul style="list-style-type: none"> <li>Captive use towards manufacture of Para Anisidine</li> </ul>
Para Anisidine (PA)	150		Completed in Q4 FY'20	<ul style="list-style-type: none"> <li>Currently mostly being imported in India</li> <li>Valiant will be one of the major producers in India</li> </ul>
<b>Ongoing Projects</b>				
Para Amino Phenol (PAP)	1,000	~ 2,200	Completed in Q4 FY'21	<ul style="list-style-type: none"> <li>Currently, limited availability domestically and mostly imported</li> <li>Due to technical difficulties in achieving the desired specification, the actual production delayed</li> <li>Ramp up in process for batch operations on-going.</li> <li>Simultaneous work on-going towards continuous process</li> </ul>
Ortho Amino Phenol (OAP)	100	~ 150	Phase 1 production to commence from Q3 FY'23	<ul style="list-style-type: none"> <li>Currently, entirely imported in India</li> <li>Part of the production will be utilized as forward integration for one of company's existing products</li> <li>Trial run successful</li> </ul>
Pharma Intermediates	20	~ 600	Expected production from Q3 FY'23	<ul style="list-style-type: none"> <li>Multi-purpose plant for forward integration within Group Company</li> <li>Will manufacture N-1, N-2 raw materials for API products</li> <li>Delay due to approvals</li> </ul>

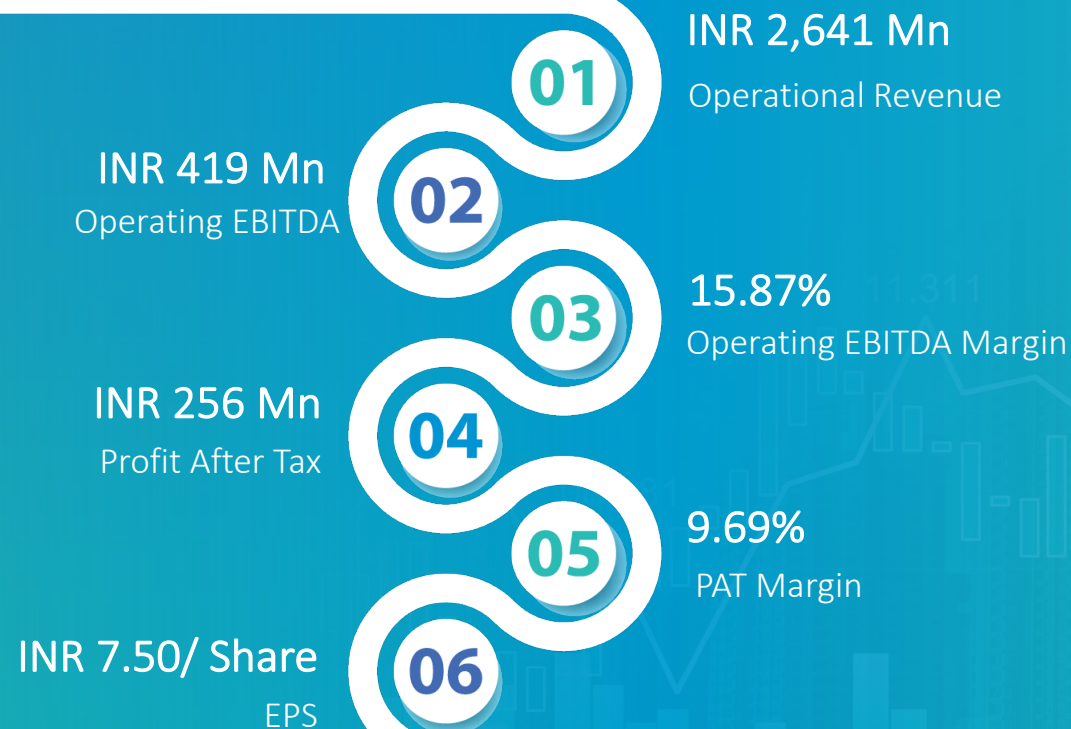




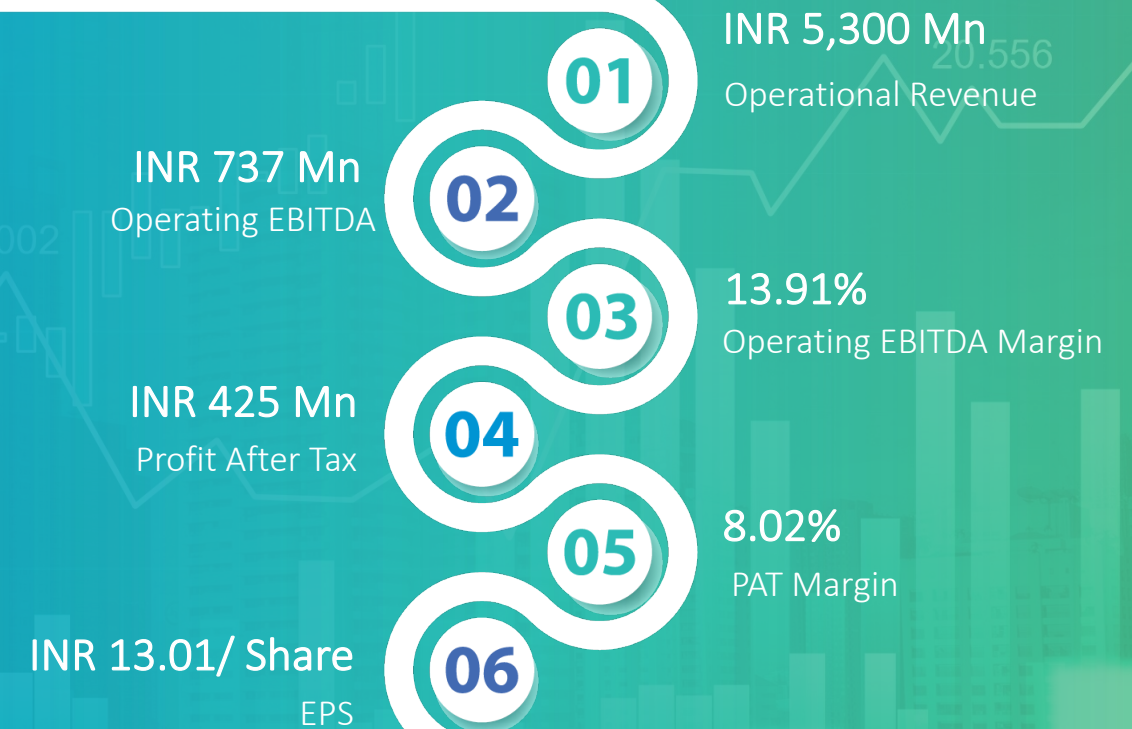
# Q2/H1-FY23 HIGHLIGHTS

# CONSOLIDATED FINANCIAL HIGHLIGHTS

## Q2-FY23 Consolidated Financial Highlights

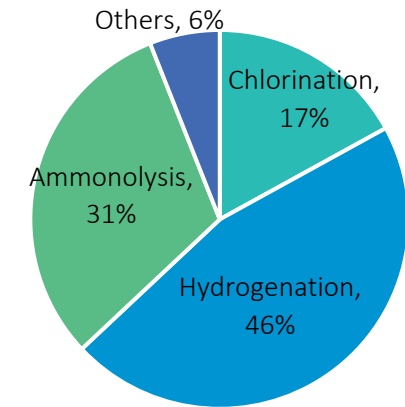


## H1-FY23 Consolidated Financial Highlights

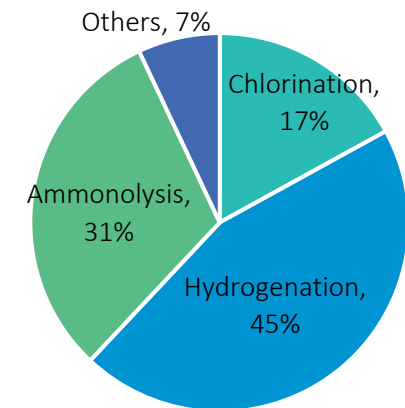


- Q2-FY23 closed on a positive note. Although the revenue de-grew marginally, profitability improved over the previous quarter. Revenue degrowth was primarily due to decline in Chlorination revenues because of the fire incident at Sarigam in Q1-FY23.
- On a consolidated basis, EBITDA margin improved on a QOQ basis due to Raw Material prices stabilising.
- With regards to the PAP plant, Production output on an average was about 365MT/mo in Q2-FY23 and currently have crossed the 400MT/mo mark and we are on track to achieve the targeted 500MT/mo in the batch process by year end.
- Pharma Intermediates project is completed with trial runs also done. The project is awaiting the approvals from the government authorities and we expect it to close by the end of Q3-FY23.

### Q2-FY23 Revenue Break-up – Chemistries

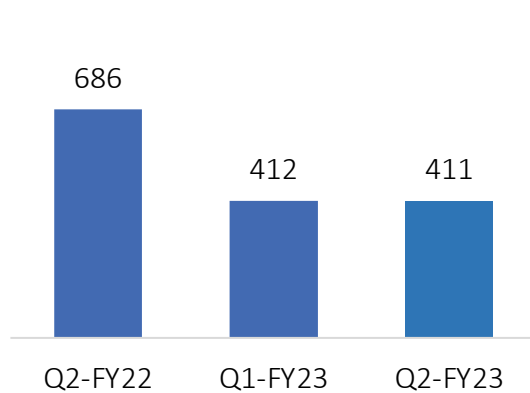


### H1-FY23 Revenue Break-up – Chemistries

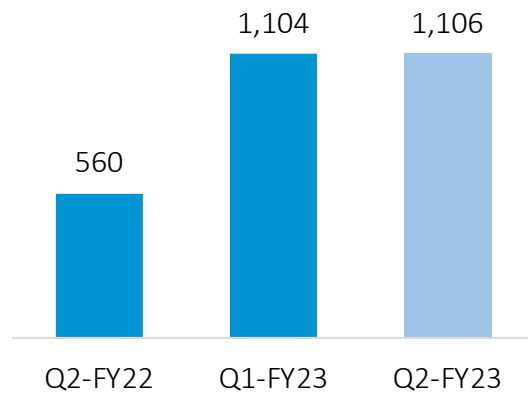


## Chlorination

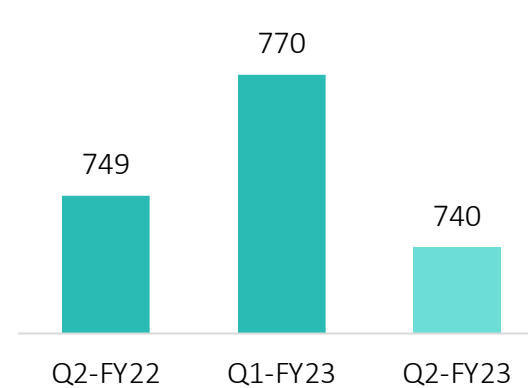
REVENUES (INR Mn)



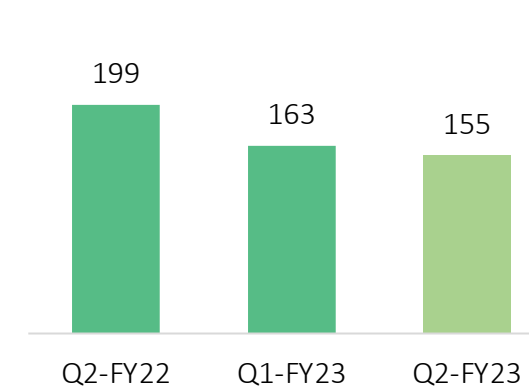
## Hydrogenation



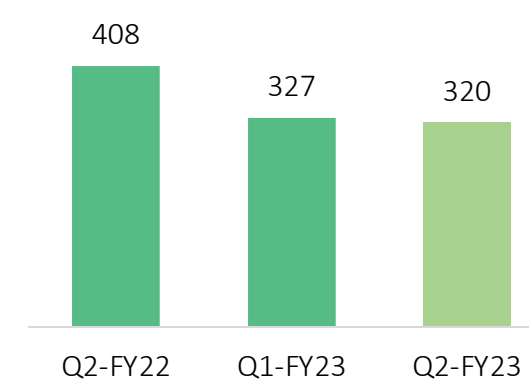
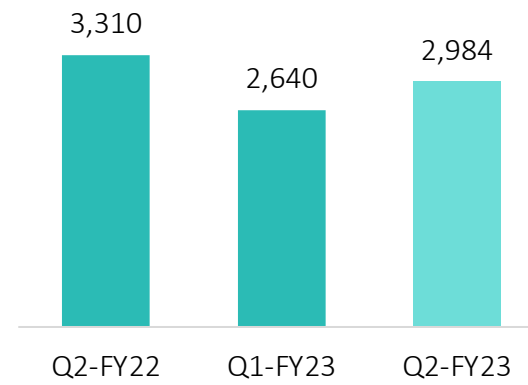
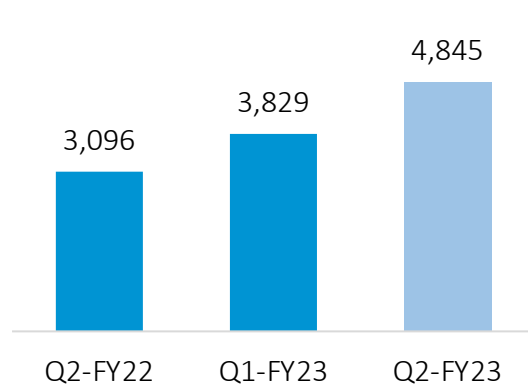
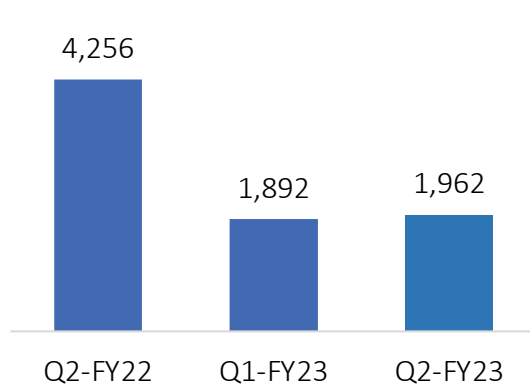
## Ammonolysis



## Others



SALES VOLUMES (MT)



# Quarterly Consolidated Financial Performance

Particulars (INR Mn)	Q2-FY23	Q2-FY22	Y-o-Y	Q1-FY23	Q-o-Q
Revenue from Operations	2,641	2,732	(3.3)%	2,660	(0.7)%
Total Expenses	2,222	2,259	(1.6)%	2,341	(5.1)%
EBITDA	419	473	(11.4)%	319	31.3%
<i>EBITDA Margins (%)</i>	<i>15.87%</i>	<i>17.31%</i>	<i>(144) Bps</i>	<i>11.99%</i>	<i>388 Bps</i>
Other Income	19	17	11.8%	19	NA
Depreciation	72	68	5.9%	68	5.9%
Finance Cost	25	16	56.3%	27	(7.4)%
<b>PBT</b>	<b>341</b>	<b>406</b>	<b>(16.0)%</b>	<b>243</b>	<b>40.3%</b>
Tax	85	106	(19.8)%	74	14.9%
<b>PAT</b>	<b>256</b>	<b>300</b>	<b>(14.7)%</b>	<b>169</b>	<b>51.5%</b>
<i>PAT Margins (%)</i>	<i>9.69%</i>	<i>10.98%</i>	<i>(129) Bps</i>	<i>6.35%</i>	<i>334 Bps</i>
Other Comprehensive Income	0	(1)	NA	(5)	NA
<b>Total Comprehensive Income</b>	<b>256</b>	<b>299</b>	<b>(14.4)%</b>	<b>164</b>	<b>56.1%</b>
Basic/ Diluted EPS (INR)	7.50	9.15	(18.0)%	5.52	35.9%

# YTD Consolidated Financial Performance

Particulars (INR Mn)	H1-FY23	H1-FY22	Y-o-Y
Revenue from Operations	5,300	5,172	2.5%
Total Expenses	4,563	4,196	8.7%
<b>EBITDA</b>	<b>737</b>	<b>976</b>	<b>(24.5)%</b>
<i>EBITDA Margins (%)</i>	<i>13.91%</i>	<i>18.87%</i>	<i>(496) Bps</i>
Other Income	38	26	46.2%
Depreciation	139	135	3.0%
Finance Cost	52	34	52.9%
<b>PBT</b>	<b>584</b>	<b>833</b>	<b>(29.9)%</b>
Tax	159	247	(35.6)%
<b>PAT</b>	<b>425</b>	<b>586</b>	<b>(27.5)%</b>
<i>PAT Margins (%)</i>	<i>8.02%</i>	<i>11.33%</i>	<i>(331) Bps</i>
Other Comprehensive Income	(5)	4	NA
<b>Total Comprehensive Income</b>	<b>420</b>	<b>590</b>	<b>(28.8)%</b>
Basic/ Diluted EPS (INR)	13.01	18.68	(30.4)%

# Quarterly Standalone Financial Performance

Particulars (INR Mn)	Q2-FY23	Q2-FY22	Y-o-Y	Q1-FY23	Q-o-Q
Revenue from Operations	2,323	2,127	9.2%	2,346	(1.0)%
Total Expenses	2,009	1,760	14.1%	2,084	(3.6)%
EBITDA	314	367	(14.4)%	262	19.8%
<i>EBITDA Margins (%)</i>	<i>13.52%</i>	<i>17.25%</i>	<i>(373) Bps</i>	<i>11.17%</i>	<i>235 Bps</i>
Other Income	4	4	NA	12	(66.7)%
Depreciation	68	62	9.7%	65	4.6%
Finance Cost	23	16	43.8%	27	(14.8)%
<b>PBT</b>	<b>227</b>	<b>293</b>	(22.5)%	<b>182</b>	24.7%
Tax	56	78	(28.2)%	44	27.3%
<b>PAT</b>	<b>171</b>	<b>215</b>	(20.5)%	<b>138</b>	<b>23.9%</b>
<i>PAT Margins (%)</i>	<i>7.36%</i>	<i>10.11%</i>	<i>(275) Bps</i>	<i>5.88%</i>	<i>148 Bps</i>
Other Comprehensive Income	0	(1)	NA	(7)	NA
<b>Total Comprehensive Income</b>	<b>171</b>	<b>214</b>	(20.1)%	<b>131</b>	<b>30.5%</b>
Basic/Diluted EPS (INR)	6.11	7.69	(20.5)%	4.93	23.9%

# YTD Standalone Financial Performance

Particulars (INR Mn)	H1-FY23	H1-FY22	Y-o-Y
Revenue from Operations	4,669	3,970	17.6%
Total Expenses	4,094	3,210	27.5%
EBITDA	575	760	(24.3)%
<i>EBITDA Margins (%)</i>	<i>12.32%</i>	<i>19.14%</i>	<i>(682) Bps</i>
Other Income	16	30	(46.7)%
Depreciation	132	124	6.5%
Finance Cost	50	33	51.5%
<b>PBT</b>	<b>409</b>	<b>633</b>	<b>(35.4)%</b>
Tax	100	152	(34.2)%
<b>PAT</b>	<b>309</b>	<b>481</b>	<b>(35.8)%</b>
<i>PAT Margins (%)</i>	<i>6.62%</i>	<i>12.12%</i>	<i>(551) Bps</i>
Other Comprehensive Income	(7)	5	NA
<b>Total Comprehensive Income</b>	<b>302</b>	<b>486</b>	<b>(37.9)%</b>
Basic/ Diluted EPS (INR)	11.04	17.22	(35.9)%





# HISTORICAL FINANCIAL OVERVIEW

# Historical Consolidated Income Statement

Particulars (INR Mn)	FY20	FY21*	FY22*	H1-FY23*
Operational Income	6,749	7,548	11,533	5,300
Total Expenses	4,946	5,496	9,484	4,563
EBITDA	1,803	2,052	2,049	737
<i>EBITDA Margins (%)</i>	<i>26.71%</i>	<i>27.19%</i>	<i>17.77%</i>	<i>13.91%</i>
Other Income	63	59	74	38
Depreciation	158	212	296	139
Finance Cost	23	50	65	52
<b>PBT</b>	<b>1,685</b>	<b>1,849</b>	<b>1,762</b>	<b>584</b>
Tax	423	540	483	159
<b>Profit After Tax</b>	<b>1,262</b>	<b>1,309</b>	<b>1,279</b>	<b>425</b>
<i>PAT Margins (%)</i>	<i>18.70%</i>	<i>17.34%</i>	<i>11.09%</i>	<i>8.02%</i>
Other Comprehensive Income	2	69	6	(5)
<b>Total Comprehensive Income</b>	<b>1,264</b>	<b>1,378</b>	<b>1,285</b>	<b>420</b>
Diluted EPS (INR per share)	44.32	40.97	40.51	13.01

\*FY21 onward figures as per Ind AS

# Consolidated Balance Sheet

Particulars (INR Mn)	FY21*	FY22*	H1-FY23*
<b>EQUITY</b>	<b>5,086</b>	<b>6,489</b>	<b>6,816</b>
a) Equity Share Capital	272	272	272
b) Other Equity	4,747	5,856	6,121
c) Optionally Convertible Preference Shares	4	4	4
d) Non Controlling Interest	63	357	419
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>	<b>971</b>	<b>1,340</b>	<b>1,317</b>
Financial Liabilities			
a) Borrowings	751	1,058	1,011
b) Lease Liabilities	2	5	5
c) Provisions	15	11	12
d) Deferred Tax Liabilities (Net)	203	266	289
<b>Current Liabilities</b>	<b>2,706</b>	<b>4,018</b>	<b>3,409</b>
a) Financial Liabilities			
(i) Borrowings	1,330	2,568	1,974
(ii) Trade Payables	1,072	1,238	1,171
(iii) Other Financial Liabilities	253	161	181
(iv) Lease Liabilities	4	3	4
b) Other Current Liabilities	21	24	47
c) Provisions	26	24	32
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>8,763</b>	<b>11,847</b>	<b>11,542</b>

\*FY21 onward figures as per Ind AS

Particulars (INR Mn)	FY21*	FY22*	H1-FY23*
<b>Non-Current Assets</b>	<b>5,731</b>	<b>6,652</b>	<b>7,000</b>
a) Property, Plant and Equipment	4,967	5,303	5,375
b) Capital Work In Progress	459	1,116	1,358
c) Right-Of-Use Assets	6	8	9
d) Goodwill	-	-	-
e) Goodwill on Consolidation	123	123	123
f) Financial Assets			
(i) Investments	23	33	26
(ii) Loans	59	58	60
(iii) Other Financial Assets	-	-	-
g) Other Non-Current assets	94	11	49
<b>Current Assets</b>	<b>3,032</b>	<b>5,195</b>	<b>4,542</b>
a) Inventories	722	1,136	974
b) Financial Assets			
(i) Investments	40	46	570
(ii) Trade Receivables	1,568	3,209	2,444
(iii) Cash and Cash Equivalents	128	251	116
(iv) Other Bank balances	182	203	3
(v) Loans	5	5	5
(vi) Other financial assets	2	3	3
c) Other Current Assets	363	233	324
d) Current Tax Assets (Net)	22	109	103
<b>GRAND TOTAL – ASSETS</b>	<b>8,763</b>	<b>11,847</b>	<b>11,542</b>

# Historical Standalone Income Statement

Particulars (INR Mn)	FY20	FY21*	FY22*	H1-FY23*
Revenue from Operations	5,836	5,742	9,484	4,669
Total Expenses	4,103	4,170	7,834	4,094
<b>EBITDA</b>	<b>1,733</b>	<b>1,572</b>	<b>1,650</b>	<b>575</b>
<i>EBITDA Margins (%)</i>	<i>29.69%</i>	<i>27.38%</i>	<i>17.40%</i>	<i>12.32%</i>
Other Income	52	169	56	16
Depreciation	130	186	273	132
Finance Cost	10	35	64	50
<b>PBT</b>	<b>1,645</b>	<b>1,520</b>	<b>1,369</b>	<b>409</b>
Tax	406	374	340	100
<b>Profit After Tax (After Merger)</b>	<b>1,239</b>	<b>1,146</b>	<b>1,029</b>	<b>309</b>
<i>PAT Margins (%)</i>	<i>21.23%</i>	<i>19.96%</i>	<i>10.85%</i>	<i>6.62%</i>
Other Comprehensive Income	2	69	8	(7)
<b>Total Comprehensive Income</b>	<b>1,241</b>	<b>1,215</b>	<b>1,037</b>	<b>302</b>
Diluted EPS (INR per share)	44.32	40.98	36.81	11.04

\*FY21 onward figures as per Ind AS

# Standalone Balance Sheet

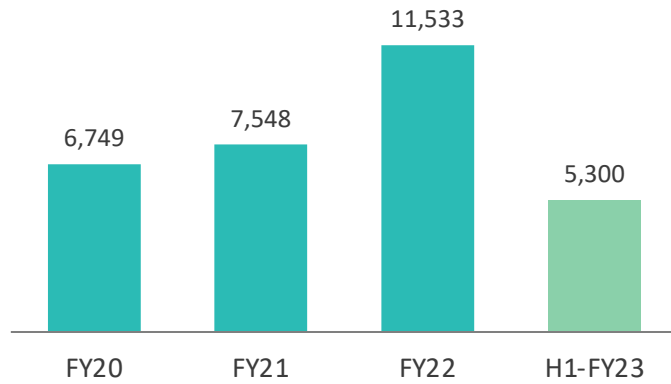
Particulars (INR Mn)	FY21*	FY22*	H1-FY23*
<b>EQUITY</b>	<b>5,023</b>	<b>6,031</b>	<b>6,240</b>
a) Equity Share Capital	272	272	272
b) Other Equity	4,747	5,755	5,964
c) Optionally Convertible Preference Shares	4	4	4
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>	<b>962</b>	<b>1,215</b>	<b>1,190</b>
Financial Liabilities			
a) Borrowings	748	940	893
b) Lease Liabilities	2	2	3
c) Provisions	15	10	11
d) Deferred Tax Liabilities (Net)	197	263	283
e) Other Non-Current Liabilities	-	-	-
<b>Current Liabilities</b>	<b>2,071</b>	<b>3,583</b>	<b>2,957</b>
a) Financial Liabilities			
(i) Borrowings	736	2,110	1,569
(ii) Trade Payables	1,042	1,271	1,149
(iii) Other Financial Liabilities	244	154	168
(iv) Lease Liabilities	3	2	2
b) Other Current Liabilities	20	22	35
c) Provisions	26	24	34
d) Current Tax Liabilities (Net)	-	-	-
<b>GRAND TOTAL - EQUITIES &amp; LIABILITES</b>	<b>8,056</b>	<b>10,829</b>	<b>10,387</b>

\*FY21 onward figures as per Ind AS

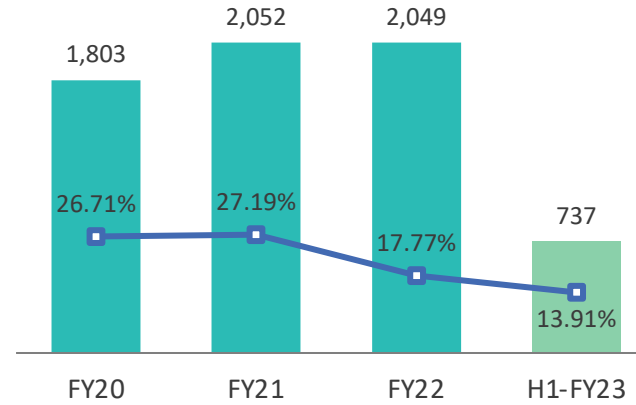
Particulars (INR Mn)	FY21*	FY22*	H1-FY23*
<b>Non-Current Assets</b>	<b>5,798</b>	<b>6,787</b>	<b>7,094</b>
a) Property, Plant and Equipment	4,771	5,085	5,143
b) Capital Work In Progress	459	1,102	1,328
c) Right-Of-Use Assets	4	4	5
d) Financial Assets	-	-	-
(i) Investments in Subsidiaries	395	501	489
(ii) Other Investments	24	32	26
(iii) Other Financial Assets	52	52	53
e) Other Non-Current assets	93	11	50
<b>Current Assets</b>	<b>2,258</b>	<b>4,042</b>	<b>3,293</b>
a) Inventories	660	973	891
b) Financial Assets			
(i) Investments	1	1	2
(ii) Trade Receivables	1,166	2,532	1,899
(iii) Cash and Cash Equivalents	86	230	113
(iv) Other Bank balances	32	3	3
(v) Loans	5	5	5
(vi) Other financial assets	2	3	3
c) Other Current Assets	257	217	274
d) Current Tax Assets (Net)	49	78	102
<b>GRAND TOTAL – ASSETS</b>	<b>8,056</b>	<b>10,829</b>	<b>10,387</b>

# Consolidated Financial Highlights

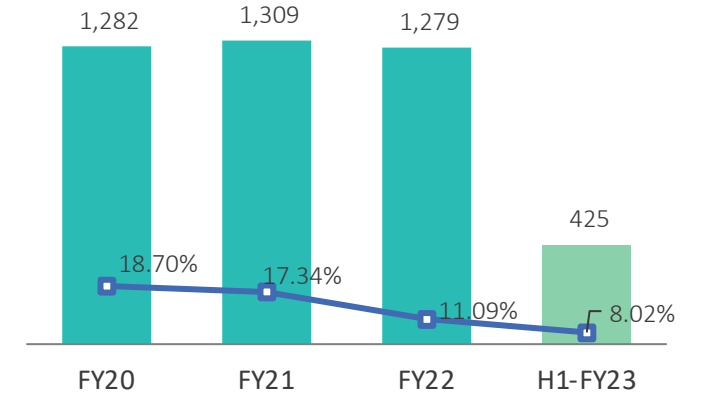
### Operational Revenue (INR Mn)



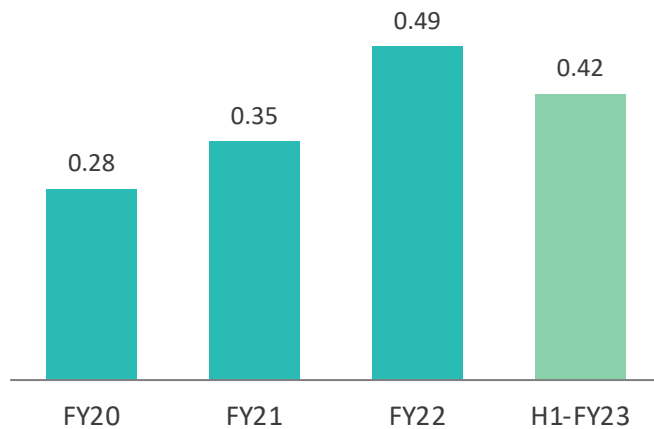
### EBITDA (INR Mn) & EBITDA Margins (%)



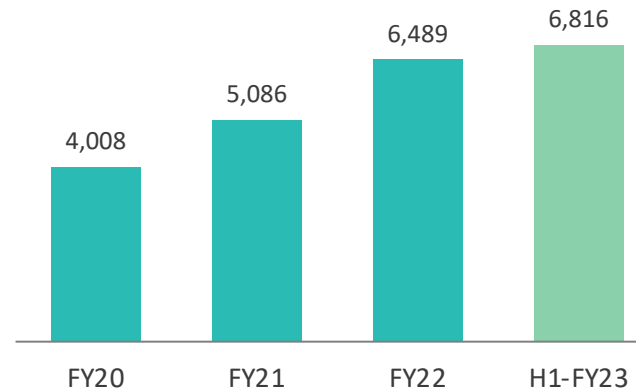
### PAT (INR Mn) & PAT Margins (%)



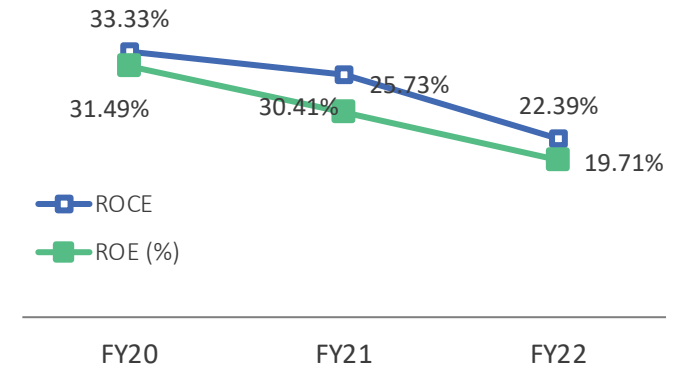
### Net Debt to Equity (x)

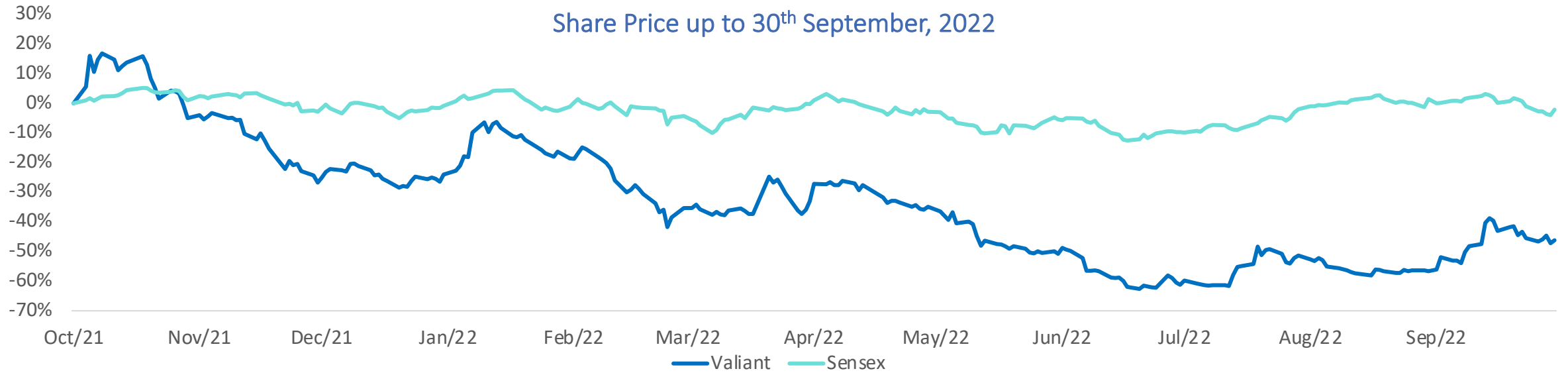


### Net Worth (INR Mn)



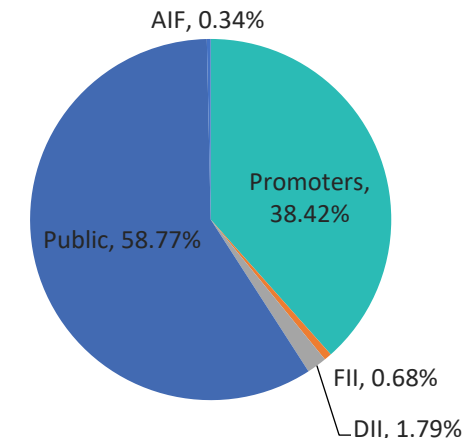
### Return on Capital Employed & Return on Equity (%)





Price Data (As on 30 <sup>th</sup> September, 2022)	INR
Face Value	10.00
Market Price	739.70
52 Week H/L	1,674.50/504.50
Market Cap (Mn)	20,085.43
Equity Shares Outstanding (Mn)	27.15
1 Year Avg Trading Volume ('000)	118.85

Shareholding pattern (As on 30<sup>th</sup> September, 2022)



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**THANK YOU**