



Valiant Organics
Limited

Valiant Organics Limited

COMPANY BACKGROUND.....

- Valiant Organics Limited is a chemicals manufacturing company focused on the manufacture and marketing of specialty chemicals.
- The company began as a partnership concern in 1984 under the name Valiant Chemical Corporation, it was later constituted as a private limited company in 2005 with the intention of acquiring this partnership firm. The corporation was transformed to a public limited company in 2015.
- The chemicals produced are used in a variety of industries, including agrochemicals, pharmaceuticals, rubber, dyes, pigments, and the manufacture of veterinary medications.
- The company's integrated manufacturing facilities are located in Sarigam, Tarapur, Vapi, Jhagadia, & Ahmedabad.
- Domestic revenue accounts for 88% of total revenue, while balance 12% accounts for exports.

BUSINESS MIX (As on Q2-FY25)

- Chlorination (17%):** Any reaction in which chlorine is introduced into a molecule to achieve a desired effect is known as chlorination.
- Ammonolysis (30%):** It is a type of chemical reaction in which ammonia is used as a reactant.
- Hydrogenation (46%):** Its a chemical reaction between molecular hydrogen and another compound or element, usually in the presence of a catalyst.
- Sulphonation and Nitration (7%):** The replacement of the hydrogen atom of an organic compound with sulfonic acid functional group, often by the reaction with sulfuric acid at higher temperatures.
- Nitration** is the process of adding a nitration group to an organic compound.

KEY STRENGTHS.....

- A diverse product range and client base scattered across numerous industries and countries.
- Multi-use plants enable to produce a wide range of products and tailor them to meet the diverse needs.
- Innovative production capabilities, and inventive value-added products.
- Domain expertise and broad process understanding in a variety of chemistries enable us to consistently satisfy the ever-changing business demands.
- Diverse supply chain, along with backward integrated activities, provides the continuous availability of adequate and high-quality raw materials and manufacturing.
- Plants are strategically located near ports to provide a competitive advantage, significant logistical cost savings, and faster delivery times.

FINANCIAL PERFORMANCE (CONSOLIDATED).....

(INR Mn)	Op.Income	EBITDA	EBITDA%	PAT	PAT%	EPS
FY22	11,533	2,049	17.77%	1,279	11.09%	40.51
FY23	10,518	1,643	15.62%	1,026	9.75%	31.50
FY24	7,231	382	5.28%	(84)	(1.16)%	(3.00)
H1-FY25	3,281	182	5.55%	(131)	(3.99)%	(4.68)

Key Data

BSE Code	540145
NSE Code	VALIANTORG
Reuters	VALN.BO
Bloomberg	VORG:IN

Market Data (INR) As on 30th September, 2024

Face Value	10.0
CMP	403.2
52 Week H/L	519.0/368.4
MCAP (Mn)	11,119.6
Shares O/S (Mn)	27.6
1 Year Avg Volume	84.2

Performance As on 30th September, 2024

	3M	6M	12M
VALIANT	0.06%	3.37%	(13.3)%
SENSEX	6.65%	13.97%	28.09%
BSE SMALLCAP	9.02%	31.18%	51.58%

Shareholding Pattern As on 30th September, 2024

Promoters	37.77%
Public	60.82%
FII	1.33%
DII	0.08%

BUSINESS SEGMENTS.....

Chlorination:

- It is the largest chlorophenol products manufacturer in India and has a global market share of ~20%.
- Valiant is the only domestic player and also a global leader in Chlorophenol products with ~25% global market share.

Applications: Agrochemicals, Dyes, Cosmetics, Veterinary, Pharmaceuticals, etc

Ammonolysis:

- Ammonolysis is a type of chemical reaction in which ammonia is used as a reactant. Ammonolysis reactions can be conducted with organic compounds to produce amines or with inorganic compounds to produce nitrides.
- Valiant developed Ammonolysis capabilities as a result of its two acquisitions. i.e. Abhilasha Tex Chem Pvt. Ltd. in 2017 & Amarjyot Chemicals Ltd. in 2019.

Applications: Dyes, Pigments

Hydrogenation:

- Hydrogenation is a chemical reaction between molecular hydrogen and another compound or element, usually in the presence of a catalyst such as nickel, palladium or platinum.
- It's newer products Ortho Anisidine and Para Amino Phenol are import substitution products.

Applications: Dyes, Pigments, Pharmaceuticals, Agrochemicals

Acetylation:

- Acetylation is a reaction that introduces an acetyl functional group into an organic chemical compound.
- The key product under this segment is '6 Acetyl Ortho Amino phenol Para Sulfonic Acid', which finds its usage in dye intermediates.

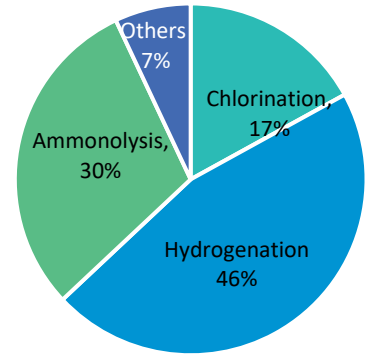
Applications: Dyes

Sulphonation:

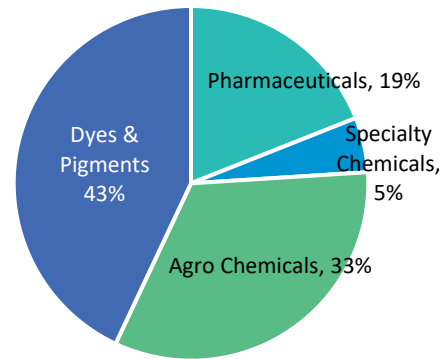
- Important sulphonation procedures include the reaction of aromatic hydrocarbons with sulfuric acid, sulfur trioxide, or chloro sulfuric acid

Application: Dyes, Pigments

Q2-FY25 Revenue Breakup – Chemistries (%)



FY24 End User Industry Revenue Breakup (%)



KEY GROWTH DRIVERS.....

- Integrated company concept that is unique in nature
- With products across the value chain, this is an exclusive company model.
- Ability to customize its products as per the requirements of the customer.
- Dominant player in the domestic market
- Limited global competition

PEER COMPARISON (TRAILING 12 MONTHS) INR Mn.....

Company	Op. Income	EBITDA	EBITDA%	Net Profit	PAT%	Mkt. Cap.
Valiant Organics	5,923	201	3.4%	(412)	-7.0%	11,119
Meghmani Organics	17,196	307	1.8%	(823)	-4.8%	25,622
Deepak Nitrite	83,342	12,124	14.5%	8,527	10.23%	3,96,208
Sadhana Nitro	1,877	386	20.6%	23	1.23%	18,545
Aarti Industries	69,880	10,450	15.0%	4,450	6.37%	2,11,340

INCOME STATEMENT (CONSOLIDATED)

Particulars (INR Mn)	FY22	FY23	FY24	H1-FY25
Operational Revenue	11,533	10,518	7,231	3,281
Total Expenses	9,484	8,875	6,849	3,099
EBITDA	2,049	1,643	382	182
EBITDA Margins (%)	17.77%	15.62%	5.28%	5.55%
Other Income	74	80	93	29
Depreciation	296	292	349	176
Interest	65	108	163	132
Profit Before Exceptional Items & Share of Profit/(Loss) of Associates	1,762	1,323	(37)	(97)
Exceptional Item	-	49	(34)	-
Share of Profit/(Loss) of Associates	-	-	(16)	(18)
PBT	1,762	1,372	(87)	(115)
Tax	483	346	(3)	16
Profit After Tax	1,279	1,026	(84)	(131)
PAT Margins (%)	11.09%	9.75%	(1.16)%	(3.99)%
Other Comprehensive Income	6	1	7	(1)
Total Comprehensive Income	1,285	1,027	(77)	(132)
Diluted EPS (INR)	40.51	31.50	(3.00)	(4.68)

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY23	FY24	H1 FY25	PARTICULARS (INR Mn)	FY23	FY24	H1 FY25
EQUITIES & LIABILITIES				ASSETS			
EQUITY	7,401	7,293	7,166	Non-Current Assets	7,682	8,352	8,305
a) Equity Share Capital	272	276	276	a) Property, Plant & Equipment	6,565	6,297	6,239
b) Other Equity	6,616	7,017	6,887	b) Capital Work In Progress	709	861	903
c) Optionally Convertible Preference Shares	4	-	-	c) Right-Of-Use Assets	12	5	4
d) Non Controlling Interest	509	-	3	d) Other Intangible Asset	2	2	6
LIABILITIES				e) Goodwill on Consolidation	123	123	123
Non-Current Liabilities	1,064	1,055	969	f) Financial Assets			
a) Borrowings	706	742	640	(i) Investments	37	953	942
b) Lease Liabilities	11	2	2	(ii) Loans	-	-	-
c) Provisions	15	19	22	(iii) Other Financial Assets	68	54	56
d) Deferred Tax Liabilities	332	292	305	g) Other Non-Current assets	166	57	32
Current Liabilities	3,927	4,132	3,599	Current Assets	4,710	4,128	3,429
a) Financial Liabilities				a) Inventories	1,262	1,142	1,022
(i) Borrowings	2,018	1,823	1,380	b) Financial Assets			
(ii) Trade Payables	1,656	2,074	1,953	(i) Investments	375	33	-
(iii) Other Financial Liabilities	200	173	195	(ii) Trade Receivables	2,543	2,094	1,481
(iv) Lease Liabilities	2	2	2	(iii) Cash and Cash Equivalentents	78	35	87
b) Other Current Liabilities	21	23	14	(iv) Other Bank balances	4	3	5
c) Provisions	30	37	55	(v) Loans	8	492	492
				(vi) Other financial assets	36	29	41
				c) Other Current Assets	308	173	164
				d) Current Tax Assets (Net)	96	127	137
GRAND TOTAL - EQUITIES & LIABILITIES	12,392	12,480	11,734	GRAND TOTAL – ASSETS	12,392	12,480	11,374

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

Name	Designation	Email	Phone
Anuj Sonpal	CEO	anuj@valoremadvisors.com	+91-22-4903-9500
Sumeet Singhania	VP	sumeet@valoremadvisors.com	+91-22-4903-9505
Purvangi Jain	AVP	purvangi@valoremadvisors.com	+91-22-4903-9536
Nupur Jainkunia	AVP	nupurj@valoremadvisors.com	+91-22-4903-9536

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