



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 9M-FY24)

- Chlorination (24%):** Any reaction in which chlorine is introduced into a molecule to achieve a desired effect is known as chlorination.
- Ammonolysis (26%):** It is a type of chemical reaction in which ammonia is used as a reactant.
- Hydrogenation (42%):** Its a chemical reaction between molecular hydrogen and another compound or element, usually in the presence of a catalyst.
- Sulphonation and Nitration (8%):** 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
FY21	7,548	2,052	27.19%	1,309	17.34%	40.97
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
9M-FY24	5,463	432	7.91%	118	2.16%	3.19

Key Data

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

Market Data (INR) As on 31st December, 2023

Face Value	10.00
CMP	503.5
52 Week H/L	635.2/ 366.2
MCAP (Mn)	13,881.50
Shares O/S (Mn)	27.57
1 Year Avg Volume	139.51

Performance As on 31st December, 2023

	3M	6M	12M
VALIANT	8.3%	(10.1)%	(13.9)%
SENSEX	9.8%	11.4%	18.7%
BSE MIDCAP	12.4%	25.9%	40.4%

Shareholding Pattern As on 31st December, 2023

Promoters	37.90%
Public	62.10%

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

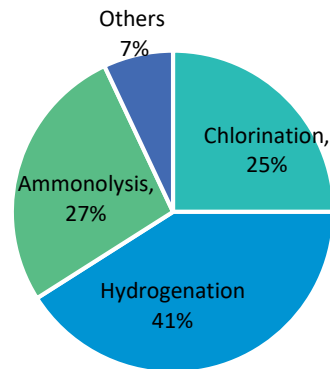
KEY GROWTH DRIVERS.....

- 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

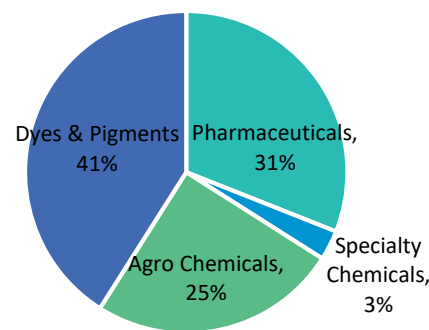
PEER COMPARISION (TRAILING 12 MONTHS) INR Mn.....

Company	Op. Income	EBITDA	EBITDA%	Net Profit	PAT%	Mkt. Cap.
Valiant Organics	8,177	955	11.7%	457	5.6%	13,882
Meghmani Organics	17,304	557	3.2%	-339	-2.0%	19,770
Deepak Nitrite	75,170	11,647	15.5%	7,910	10.5%	3,38,562
Sadhana Nitro	1,737	415	23.9%	54	3.1%	21,440
Aarti Industries	62,560	9,460	15.1%	4,340	6.9%	2,35,537

Q3-FY24 Revenue Breakup – Chemistries (%)



FY23 End User Industry Revenue Breakup (%)



INCOME STATEMENT (CONSOLIDATED)

Particulars (INR Mn)	FY21	FY22	FY23	9M-FY24
Operational Revenue	7,548	11,533	10,518	5,463
Total Expenses	5,496	9,484	8,875	5,031
EBITDA	2,052	2,049	1,643	432
EBITDA Margins (%)	27.19%	17.77%	15.62%	7.91%
Other Income	59	74	80	72
Depreciation	212	296	292	262
Interest	50	65	108	123
Profit Before Exceptional Items & Share of Profit/(Loss) of Associates				119
Exceptional Item	-	-	49	57
Share of Profit/(Loss) of Associates				(12)
PBT	1,849	1,762	1,372	164
Tax	540	483	346	46
Profit After Tax	1,309	1,279	1,026	118
PAT Margins (%)	17.34%	11.09%	9.75%	2.16%
Other Comprehensive Income	69	6	1	-
Total Comprehensive Income	1,378	1,285	1,027	118
Diluted EPS (INR)	40.97	40.51	31.50	3.19

BALANCE SHEET (CONSOLIDATED)

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24	PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
EQUITIES & LIABILITIES				ASSETS			
EQUITY	6,489	7,401	7,599	Non-Current Assets	6,652	7,682	8,132
a) Equity Share Capital	272	272	272	a) Property, Plant & Equipment	5,303	6,565	6,745
b) Other Equity	5,856	6,616	6,784	b) Capital Work In Progress	1,116	709	872
c) Optionally Convertible Preference Shares	4	4	4	c) Right-Of-Use Assets	8	12	10
d) Non Controlling Interest	357	509	539	d) Goodwill	-	2	-
LIABILITIES				e) Goodwill on Consolidation	123	123	123
Non-Current Liabilities	1,340	1,064	919	f) Financial Assets			
a) Borrowings	1,058	706	516	(i) Investments	33	37	-
b) Lease Liabilities	5	11	8	(ii) Loans	58	68	47
c) Provisions	11	15	29	(iii) Other Financial Assets	-	-	90
d) Deferred Tax Liabilities	266	332	366	g) Other Non-Current assets	11	166	243
Current Liabilities	4,092	3,927	4,008	Current Assets	5,269	4,710	4,394
a) Financial Liabilities				a) Inventories	1,136	1,262	1,399
(i) Borrowings	2,568	2,018	1,933	b) Financial Assets			
(ii) Trade Payables	1,312	1,656	1,748	(i) Investments	46	375	213
(iii) Other Financial Liabilities	161	200	251	(ii) Trade Receivables	3,209	2,543	2,223
(iv) Lease Liabilities	3	2	2	(iii) Cash and Cash Equivalents	250	78	26
b) Other Current Liabilities	24	21	38	(iv) Other Bank balances	203	4	26
c) Provisions	24	30	36	(v) Loans	5	8	8
				(vi) Other financial assets	11	36	29
				c) Other Current Assets	300	308	325
				d) Current Tax Assets (Net)	109	96	145
GRAND TOTAL - EQUITIES & LIABILITIES	11,921	12,392	12,526	GRAND TOTAL – ASSETS	11,921	12,392	12,526

INVESTOR RELATIONS TEAM AT VALOREM ADVISORS

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