Chemicals

Aarti Industries	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,655	1,437	1,668	15%	-1%	6,619	6,086	9%
Gross Profit	693	660	891	5%	-22%	2,777	3,231	-14%
Gross Margin(%)	42%	46%	53%			42%	53%	
EBITDA	252	261	289	-3%	-13%	1,089	1,720	-37%
EBITDA Margin (%)	15%	18%	17%			16%	28%	
PBT	135	173	160	-22%	-16%	611	1,372	-55%
PBT Margin (%)	8%	12%	10%			9%	23%	
PAT	149	146	137	2%	9%	545	1,186	-54%
PAT Margin(%)	9%	10%	8%			8%	19%	

Growth driven by higher volumes from expanded capacities, higher contributions from value added products. Sales from discretionary products to non-regular markets resulted in lower-than-normal gross margin
3rd long-term contract being ramped up in a phased manner, higher volumes will be visible in FY24 and FY25
Commercialized Units for two Speciality Chemical process blocks at Jhagadia which are mainly intermediaries and will be used in agrochemicals, pigments and additives. 50% of this is towards captive consumption of key materials
Expects volume growth of 25% in FY24 and EBITDA growth of 15% due to major supply in non-regulated markets where pricing is a challenge.
Developed markets have demand challenges due to huge inventory & muted outlook for FY24 in key industries. Gross margin lower by 10-15% for these geographical markets compared to the usual level
Adding new 40 products which will have an EBITDA margin of 25-30%, at capex of 2,500-3,000 Cr
Guided combined EBITDA of FY24 and FY25 of 3000 Cr
EBITDA guidance for FY23 was missed due to plant maintenance shutdown, low demand from the textiles & few other industries
NCB volume of 18,840 MT from 18,199 MT QoQ. Hydrogenation volumes at 3,315 MT per month (TPM) from 2,995 TPM in Q3. Nitro-toluene and PDA volumes dipped QoQ to 6,130 tons (versus 7,528 tons) and 348 TPM (versus 430 tpm)
Operating cash flow for FY23 at 1,310 Cr from 519 Cr YoY, capex for FY23 at 1,326 Cr. Gross debt at ~3,000 Cr
Revenue across industries - Agro chem 30%, Pharma 20%, Home & Personal care 3%, Dyes & Pigments 12%. Polymer & Additives 26%, Other Discretionary 10%

Atul Limited	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,195	1,370	1,268	-13%	-6%	5,428	5,081	7%
Gross Profit	405	518	434	-22%	-7%	1,916	1,982	-3%
Gross Margin(%)	34%	38%	34%			35%	39%	
EBITDA	175	229	195	-24%	-10%	894	995	-10%
EBITDA Margin (%)	15%	17%	15%			16%	20%	
PBT	122	182	142	-33%	-14%	688	810	-15%
PBT Margin (%)	10%	13%	11%			13%	16%	
PAT	92	137	103	-33%	-11%	507	605	-16%
PAT Margin(%)	8%	10%	8%			9%	12%	

FY23 capex at 874 Cr, 18 projects are still under implementation
Weaker revenue due to subdued demand in the key industries (fragrance, personal care, pharma and textile) and overhanging inventory in the global supply chain
Company saw pressure in margins due to finished goods prices falling more than raw material prices and fuel prices remaining high
Life science revenue for FY23 at 1,959 Cr from 1,465 Cr, realised higher EBITDA margin of 22% due to the high demand for products of sub-segment; crop protection in the export market
Performance and other chemicals reported revenue of 3,706 Cr for FY23 from 3,759 Cr for FY22, EBITDA margin at 7% due to low demand; expected to improve in FY24. EBIT margin fell to 2% in Q4 from 3% in Q3 and 7% in Q2

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Navin Fluroine	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	697	409	564	70%	24%	2,077	1,453	43%
Gross Profit	413	212	317	95%	30%	1,181	788	50%
Gross Margin(%)	59%	52%	56%			57%	54%	
EBITDA	206	106	166	94%	24%	586	394	49%
EBITDA Margin (%)	30%	26%	29%			28%	27%	
PBT	184	94	131	96%	40%	496	344	44%
PBT Margin (%)	26%	23%	23%			24%	24%	
PAT	136	75	107	81%	28%	375	263	43%
PAT Margin(%)	20%	18%	19%			18%	18%	

Gross margin improvement was due to better product mix in Q4. NFASL entity expenses fully hit the P&L only in FY23, as business scales here the operating margin should expand due to operating leverage
Three plants, i.e. HPP, MPP and the dedicated plant for agrochemical intermediate started commercial production
Revenue spilt for Q4FY23: speciality:HPP:CDMO at 204:289:203 Cr from 159:151:99 Cr for Q4FY22
Revenue spilt for FY23: speciality:HPP:CDMO at 743:886:448 Cr from 566:540:347 Cr for FY22
Growth rate YoY for FY23 - Speciality 31%, HPP 64%, CDMO 29%
Speciality chem - new product introduction contributed significantly in Q4, agro intermediate achieved optimal capacity utilisation
HPP sales were high due to increased volumes from new products and better price realisation, R32 sales will start from Q2 FY24
CDMO - CGMP-3 manufacturing commissioned post debottlenecking, company plans to set up CGMP-4 in the coming qtrs. Management guided 20%+ growth in FY24 in the CDMO space
Planned capex of 450 Cr in expanding the capacity of Anhydrous hydrogen fluoride (AHF) by 40,000 TPA, mainly captive use
Muted demand and high inventory in global agrochem supply chain not affecting company outlook since exposure to generic molecules is low, most of the specialty chemical business is contracted with innovators on new molecules

Oriental Aromatics	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	195	203	199	-4%	-2%	849	869	-2%
Gross Profit	63	75	67	-16%	-6%	272	296	-8%
Gross Margin(%)	32%	37%	34%			32%	34%	
EBITDA	10	24	15	-59%	-32%	60	98	-39%
EBITDA Margin (%)	5%	12%	7%			7%	11%	
PBT	2	17	6	-89%	-67%	28	77	-64%
PBT Margin (%)	1%	8%	3%			3%	9%	
PAT	1	10	4	-89%	-69%	21	54	-61%
PAT Margin(%)	1%	5%	2%			2%	6%	

Production volume increased by 8% and sales volume increased by 6% on a QoQ basis
Raw material prices have shown signs of stability since Q3, FY24 expected to be more stable than FY23 on this front
Witnessed good demand across Flavors & Fragrances but Aroma Chemicals and Camphor remained under pressure. Camphor is facing a critical situation at the global level where the price realisation is not sustainable due to oversupply
Capital investments program in Baroda, Bareilly and Mahad are on track, completion of all projects expected in FY24
Speciaity aroma demand in India is stable, while at the global level, demand is subdued due to overstocking
RFQs are been getting delayed due to subdued demand, expecting 2-3 quarters to get back on track
Visibility for FY24 appears to be muted on multiple fronts - camphor pricing, muted demand in developed markets and excessive supply from China hitting the market. Full brunt of debt and capex to hit the P&L in FY24

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Privi Specialty	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	399	377	420	6%	-5%	1,608	1,404	15%
Gross Profit	155	158	165	-2%	-6%	647	573	13%
Gross Margin(%)	39%	42%	39%			40%	41%	
EBITDA	35	69	58	-49%	-40%	178	233	-24%
EBITDA Margin (%)	9%	18%	14%			11%	17%	
PBT	-19	41	8	-146%	-338%	31	133	-77%
PBT Margin (%)	-5%	11%	2%			2%	9%	
PAT	-15	30	6	-150%	-350%	21	97	-78%
PAT Margin(%)	-4%	8%	1%			1%	7%	

Gross Margin lower by 300 bps YoY due to raw material volatility
Higher power & fuel expenses have dented profotability in Q3 and Q4, depressed EBITDA margin due to higher base of expenses in FY23 due to aggressive capex over the past 2 years
Depreciation higher for FY23 by 50% while finance cost is almost 3x of FY22 level
Capex for FY23 was 142 Cr from 316 Cr in FY22
Gross debt at 1,030 Cr from 880 Cr YoY, Capital WIP at 89 Cr
With muted demand environment and high base of expenses, FY24 may stay challenging unless revenue can scale up aggressively. Gross margin has been steady due to captive supply of raw materials

Galaxy Surfactants	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	974	1,053	1,080	-8%	-10%	4,445	3,684	21%
Gross Profit	315	347	341	-9%	-8%	1,345	1,095	23%
Gross Margin(%)	32%	33%	32%			30%	30%	
EBITDA	142	146	158	-3%	-10%	578	414	40%
EBITDA Margin (%)	15%	14%	15%			13%	11%	
PBT	113	124	131	-9%	-14%	473	329	44%
PBT Margin (%)	12%	12%	12%			11%	9%	
PAT	91	98	106	-7%	-14%	381	263	45%
PAT Margin(%)	9%	9%	10%			9%	7%	

Performance and speciality care volume for Q4FY23 at 39,625 MT and 18,241 MT Vs 35,410 MT and 22,101 MT for Q4FY22. India market grew 14.6%, AMET market fell 2.5% while rest of the world market fell 16% YoY in Q4 in volume terms
Revenue spilt for FY23 - Performance: Speciality is 2,896:1,559 Cr from 2,256:1,442 Cr for FY22. Specialty revenue fell to 245 Cr in Q4 from 400 Cr in Q3, partly due to a steep fall in freight rates
Management expects 8-10% volume growth in India due to an uptick in consumption, revival in rural demand and entry of new players
Africa, the Middle East and Egypt still face demand concerns, there is a sign of stability but premature to decide on the growth aspects. Management witnessed 7% volume growth (Ex-Egypt. Overall 6-8% volume growth for FY24 is the expectation
USA and Europe are still in the inventory correction phase, expect demand to get better from H1FY24 in Europe & H2FY24 from the USA
Capex for FY24 will be 150-170 Cr, capacity utilisation at 65%
FY23 revenue Mix is Performance: Speciality is 65%:35% and Geography mix is India:AMET: ROW 43%:28%:29%
Fatty alcohol prices in Q4 average was USD 1,403 per MT from USD 2,862 per MT YoY and 1,393 per MT in Q3
EBITDA per MT for FY23 was 25,051 from 17,641 in FY22 and 19,465 in FY21. FY23 level is unlikely to sustain in FY24, no guidance on EBITDA per MT for FY24. Management expects absolute EBITDA growth
Annual volume has been stagnant since FY21 at ~235,000 MT
Capex guidance of 150-170 Cr per year for FY24 and FY25

Fine Organics	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	597	617	760	-3%	-21%	3,023	1,876	61%
Gross Profit	296	272	257	9%	15%	1,239	688	80%
Gross Margin(%)	50%	44%	34%			41%	37%	
EBITDA	215	173	174	24%	24%	893	396	126%
EBITDA Margin (%)	36%	28%	23%			30%	21%	
PBT	201	162	161	24%	25%	841	352	139%
PBT Margin (%)	34%	26%	21%			28%	19%	
PAT	149	122	106	22%	41%	618	260	138%
PAT Margin(%)	25%	20%	14%			20%	14%	

Largest manufacturer of oleochemical-based niche additives in India. It is among the six largest global players in polymer additives and among the leading global players in speciality food emulsifiers.
Mostly short-term (3-6 months) contracts with customers at spot rates, mitigates the raw material price fluctuation risk significantly. RM prices have been very volatile through FY23 with a sharp dip in Q4 for most seed oils
Spike in gross margin for Q4 due to abnormal price action on input costs, this level is unlikely to sustain for long. Consolidated revenue fell YoY since lower prices had to be passed onto customers
FY23 Exports: Domestic at 68%:32% from 58%:42% YoY, expanding into new geos resulted in steep revenue increase in FY22 & FY23
FY24 to see peak utilization of existing facilities and hygienic volume growth, operating leverage played out massively in FY23. Growth in FY24 and FY25 to be constrained due to lack of capacity till new capex is commissioned, yet to make progress on Gujarat expansion
Business has one of the best unit economics and return ratios across the chemicals pack

Alkyl Amines	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	412	425	388	-3%	6%	1,682	1,543	9%
Gross Profit	191	187	190	2%	1%	846	707	20%
Gross Margin(%)	46%	44%	49%			50%	46%	
EBITDA	80	77	74	4%	8%	357	340	5%
EBITDA Margin (%)	19%	18%	19%			21%	22%	
PBT	67	65	63	3%	6%	309	302	2%
PBT Margin (%)	16%	15%	16%			18%	20%	
PAT	49	46	46	7%	7%	229	225	2%
PAT Margin(%)	12%	11%	12%			14%	15%	

Expects a 10-15% volume growth, pharma industry witnessing a bottom-out on inventory destocking and price correction on some APIs
Raw materials prices have softened and management expects price stabilisation in FY24
Revenue Spilt for FY23: Amines: Derivatives: specialities is 50%:25%:25%. Exports for FY23 at 22-23%
Ethylamines plant of 400 Cr capex ready to be commissioned in Q2 FY24, new product Diethylketone production stabilized. 5-6 new products outside of the legacy aliphatic amines range to be launched over the next 2 years
Capex for FY24 at 300 Cr to develop new high margins and niche products
EBITDA margin has settled back in the normal long term range of 18-20% after an abnormal FY21 & FY22
Power & fuel costs trended higher in FY22 and FY23, starting to normalize now after stability in power, coal & gas prices
Chinese producers have come back in products like Acetonitrile in a big way post the lockdowns, price has corrected there due to oversupply in the global market. Current utilization on acetonitrile capacity at 65%, Balaji Amines new capacity coming on board soon
Business will need to deliver 20-25% volume growth from here to match FY21 PAT of ~300 Cr, likely to happen only in FY25

Balaji Amines	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	471	780	586	-40%	-20%	2,355	2,319	2%
Gross Profit	209	343	247	-39%	-16%	1,109	1,096	1%
Gross Margin(%)	44%	44%	42%			47%	47%	
EBITDA	99	201	131	-51%	-24%	624	637	-2%
EBITDA Margin (%)	21%	26%	22%			26%	27%	
PBT	85	183	115	-54%	-26%	567	578	-2%
PBT Margin (%)	18%	23%	20%			24%	25%	
PAT	55	131	84	-58%	-35%	406	418	-3%
PAT Margin(%)	12%	17%	14%			17%	18%	

Volume for Q4 at 26,505 MT from 33,780 MT YoY. Degrowth was due to muted demand from pharma & API sectors

N-butylamines plant with a capacity of 15,000 MTPA will be commissioned in H2FY24. Methylamine plant with 40,000 MT will be commissioned towards FY24 end. Other plants will be Acetonitrile- 15,000 MT, DMAHCL- 12,000 MT and DMF-30,000 MT

Capacity utilisation of the plant at 70% for FY23 from 53% YoY

FY23 volume growth was 10%, expects 10% volume growth in FY24. EBITDA margin to be in the range of 25% on consolidated basis

New board members were inducted to enhance corporate governance

Sector dependence - Pharma 51%, Agrochem 26% with a long tail of other sectors each at 3-4% (paints, rubber, oil & gas, dyes etc)

Export proportion for FY23 was 15%

Fairchem Organics	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	152	178	102	-15%	49%	648	643	1%
Gross Profit	42	40	20	3%	103%	157	184	-15%
Gross Profit	27%	23%	20%			24%	29%	
EBITDA	19	19	4	0%	375%	73	105	-30%
EBITDA Margin (%)	13%	11%	4%			11%	16%	
PBT	16	15	1	7%	1500%	59	91	-35%
PBT Margin (%)	11%	8%	1%			9%	14%	
PAT	12	11	1	9%	1100%	44	68	-35%
PAT Margin(%)	8%	6%	1%			7%	11%	

Demand from the Paint industry led to higher volumes of linoleic acid resulting sales growth and margin improvement, witnessed a revival in demand for Dimer acid as well.

Raw materials prices become stable post the sharp volatility seen in Q2 and Q3, foresees the same situation for FY24

Total volumes for Q4FY23 and FY23 are 17,000 MT and 57,000 MT, guidance of 750 Cr revenue in FY24 at EBITDA of 14-15%. Gross margin before FY22 was in the range of 33-34%

Project on Isostearic acid will be commissioned in Q3FY24, used in personal care and lubricants. Demand from exports (USA, Europe and Japan), few competitors in this. Capacity is hardly 6% of the industry capacity, industry growing at 6% p.a. Total market size ~3,200 Cr

Capacity utilisation is 70-75% which is expected to be 90% in FY25-26 due to higher demand from end customers

Increase raw material throughput capacity to 120,000 MT in Q1 FY23, employee base at 206

Revenue split for FY23 - Linoleic acid 296 Cr, Dimer acid 176 Cr

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Gujarat Fluorochem	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,471	1,074	1,418	37%	4%	5,685	3,954	44%
Gross Profit	824	570	790	44%	4%	3,159	2,065	53%
Gross Profit	56%	53%	56%			56%	52%	
EBITDA	548	358	544	53%	1%	2,137	1,329	61%
EBITDA Margin (%)	37%	33%	38%			38%	34%	
PBT	449	293	446	53%	1%	1,785	1,045	71%
PBT Margin (%)	31%	27%	31%			31%	26%	
PAT	332	218	331	52%	0%	1,323	776	70%
PAT Margin(%)	23%	20%	23%			23%	20%	

Bulk chem revenue for Q4 at 237 Cr from 285 Cr QoQ. Bulk chem prices have been corrected and expect to remain subdued
Fluorochem revenue for Q4 at 476 Cr from 349 Cr QoQ, refrigerant demand appears to be subdued during Q1FY24, new fluoro capacity of 1,300 - 1,500 MT expected to contribute revenue from Q2
Fluoropolymers revenue for Q4 at 723 Cr from 763 Cr, volumes stable but prices corrected marginally impacting revenue. demand for fluoropolymers continues to remain robust due to growing demand from the sunrise industries
Company FY23 Exports: Domestic revenue split is 40:60. Planned capex of 1500 Cr in FY24 towards fluoropolymers, refrigerant gases & EV battery chemicals, solar panels, hydrogen fuel cells. 1000 Cr is towards fluoropolymers and battery chemicals space
Working capital at 128 days, expected to be in the range of 120 days for FY24 and beyond
Emerging product line towards EV battery & fuel cells will take a few quarters to result in substantial revenue since qualification process timeline is long. 3M PTFE capacity expected to be in production till end of FY24 atleast, full tailwind of this to be visible only in FY25
600 Cr of corporate guarantees pending to be rolled down from the balance sheet, should see substantial reduction in FY24
Guidance for FY24 is 20% YoY revenue growth at EBITDA margin of ~30%