

Top 5 Speciality Chemical Companies

Quantitative Analysis

Based on Dec-21 Performance

Speciality Chemical Sector - Quantitative Analysis

Top 5 Companies

Market Capitalization (Rs. Cr)

1	Pidilite Industries	1,26,320
2	Gujarat Fluorochemicals	33,132
3	Aarti Industries	33,048
4	Deepak Nitrite	30,963
5	Atul Ltd	29,122

Valuation as on 22th March, 2022

Quantitative Analysis of FMCG Sector – 17 Parameters

Valuation Ratios

1. PE Ratio
2. EV/ EBITDA

Return Ratios

1. ROCE %
2. ROE %

Leverage Ratios

1. Debt to Equity
2. Interest Coverage

1. Pledged %

2. Institutional Holding as a % of Free Float

Operating Profit Margin %

Sales & Net Profit Growth

5 year CAGR

Sales & Net Profit Growth

3 year CAGR

Sales & Net Profit Growth

TTM Growth

Inventory Turnover Ratio

Cash Conversion Cycle

Price to Earnings Ratio

Company	PE Ratio	Ranks	Points
Pidilite Industries	100.2	5	1
Gujarat Fluorochemicals	48.9	4	2
Aarti Industries	26.5	1	5
Deepak Nitrite	28.4	2	4
Atul Ltd	45.3	3	3

EV/EBITDA

Company	EV/EBITDA	Ranks	Points
Pidilite Industries	65	5	1
Gujarat Fluorochemicals	29	4	2
Aarti Industries	19	1	5
Deepak Nitrite	19	1	5
Atul Ltd	28	3	3

Return on Capital Employed

Company	ROCE %	Ranks	Points
Pidilite Industries	29.8%	2	4
Gujarat Fluorochemicals	11.3%	5	1
Aarti Industries	13.2%	4	2
Deepak Nitrite	40.1%	1	5
Atul Ltd	24.5%	3	3

$$\text{ROCE} = \left(\frac{\text{EBIT}}{\text{Equity Capital} + \text{Debt Capital}} \right)$$

Return on Equity

Company	ROE %	Ranks	Points
Pidilite Industries	22.0%	3	3
Gujarat Fluorochemicals	18.2%	4	2
Aarti Industries	29.5%	2	4
Deepak Nitrite	42.1%	1	5
Atul Ltd	15.8%	5	1

$$\text{ROE} = \left(\frac{\text{Net Profit}}{\text{Shareholder's Equity}} \right)$$

(Share Capital + Reserves)

Debt to Equity Ratio

Company	D/E	Ranks	Points
Pidilite Industries	0.04	2	4
Gujarat Fluorochemicals	0.45	4	2
Aarti Industries	0.81	5	1
Deepak Nitrite	0.25	3	3
Atul Ltd	0.03	1	5

Interest Coverage Ratio

Company	Interest Coverage	Ranks	Points	D/E
Pidilite Industries	41.8	2	4	0.04
Gujarat Fluorochemicals	5.3	5	1	0.45
Aarti Industries	8.7	4	2	0.81
Deepak Nitrite	14.5	3	3	0.25
Atul Ltd	94.5	1	5	0.03

Pledged %

Company	Pledged %	Ranks	Points
Pidilite Industries	0.00%	1	5
Gujarat Fluorochemicals	1.89%	5	1
Aarti Industries	0.00%	1	5
Deepak Nitrite	0.00%	1	5
Atul Ltd	1.50%	4	2

Institutional Holding as a % of Free Float

Company	(FII + DII) as a % of Free Float	Ranks	Points
Pidilite Industries	63.8%	1	5
Gujarat Fluorochemicals	23.3%	5	1
Aarti Industries	48.1%	3	3
Deepak Nitrite	36.1%	4	2
Atul Ltd	58.5%	2	4

Operating Profit Margin %

Company	OPM %	Ranks	Points	Sept-21	Dec-21
Pidilite Industries	19.3%	4	2	20.9%	19.3%
Gujarat Fluorochemicals	31.5%	2	4	30.1%	31.5%
Aarti Industries	36.7%	1	5	17.6%	36.7%
Aarti Industries' OPM excluding the impact of Accrual of Termination Fees					17.8%
Deepak Nitrite	20.4%	3	3	23.0%	20.4%
Atul Ltd	18.2%	5	1	17.5%	18.2%

Aarti Industries' OPM Margins reported steep rise of almost 20% QoQ due to :

- Accrual of Termination Fees of Rs.631 Cr arising on account of Termination of a long-term supply contract by the customers resulted in Higher Revenues in Q3 FY22
- Excluding the Impact of Accrual of Termination Fees, OPM was at 17.8% for Q3 FY22
- Also, Company has passed on the Input Cost escalations (due to rise in Raw Material Cost, Fuel Cost, Logistics Cost) to the Customers

Sales & Net Profit - 5 years CAGR Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
Pidilite Industries	5.1%	4	2	7.1%	4	2
Gujarat Fluorochemicals	-	5	1	-	5	1
Aarti Industries	10.8%	2	4	15.3%	3	3
Deepak Nitrite	24.5%	1	5	65.3%	1	5
Atul Ltd	6.3%	3	3	19.1%	2	4

Sales & Net Profit - 3 years CAGR Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
Pidilite Industries	5.5%	3	3	5.5%	4	2
Gujarat Fluorochemicals	-	5	1	-	5	1
Aarti Industries	9.7%	2	4	16.3%	3	3
Deepak Nitrite	37.5%	1	5	113.4%	1	5
Atul Ltd	3.8%	4	2	33.4%	2	4

Sales & Net Profit – TTM Growth

Company	Sales	Ranks	Points	PAT	Ranks	Points
Pidilite Industries	46.2%	4	2	28.2%	4	2
Gujarat Fluorochemicals	52.4%	2	4	323.9%	1	5
Aarti Industries	49.0%	3	3	151.1%	2	4
Deepak Nitrite	61.8%	1	5	65.6%	3	3
Atul Ltd	34.8%	5	1	3.4%	5	1

Inventory Turnover Ratio

Company	Inventory Turnover	Ranks	Points
Pidilite Industries	6.74	3	3
Gujarat Fluorochemicals	3.17	5	1
Aarti Industries	5.67	4	2
Deepak Nitrite	11.22	1	5
Atul Ltd	6.8	2	4

Cash Conversion Cycle

Company	CCC (days)	Ranks	Points
Pidilite Industries	26.5	3	3
Gujarat Fluorochemicals	34.3	5	1
Aarti Industries	27.2	4	2
Deepak Nitrite	24.3	2	4
Atul Ltd	12.7	1	5

Top 5 Speciality Chemical Companies Quantitative Analysis

Rank	Top 5 Companies	Final Score
1	Deepak Nitrite	72 
2	Aarti Industries	57
3	Atul Ltd	51
4	Pidilite Industries	48
5	Gujarat Fluorochemicals	31