



Chemplast Sanmar Limited

Regd Office:
9 Cathedral Road
Chennai 600 086 India
Tel + 91 44 2812 8500
E-mail: csl@sanmargroup.com
www.chemplastsanmar.com
CIN L24230TN1985PLC011637

2nd November, 2023

BSE Limited Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Mumbai- 400 051 Scrip Symbol: CHEMPLASTS
---	--

Dear Sirs,

Sub: Earnings Release

Please find enclosed the earnings release titled "**Q2 & FY'24**".

The above information will also be available on the website of the company at www.chemplastsanmar.com

This is for your information and records.

Thanking you,

Yours faithfully,

For CHEMPLAST SANMAR LIMITED

M Raman
Company Secretary & Compliance Officer
Memb. No. ACS 6248



Q2 FY '24 Results

Chennai, Nov 2, 2023: Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), which is a speciality chemicals company with a significant presence in the Custom Manufacturing business, and is the market leader in Speciality Paste PVC in India, and the 2nd largest producer of Suspension PVC in India (through its wholly-owned subsidiary), announced its unaudited Financial Results for the quarter/ half year ended September 30, 2023.

Financial highlights

Rs. Cr

Particulars	Q2 FY'24	Q2 FY'23	Y-o-Y	Q1 FY'24	Q-o-Q	H1 FY'24	H1 FY'23	Y-o-Y
Revenue from Operations	988	1,194	(17%)	996	(1%)	1,984	2,606	(24%)
EBITDA	46	98	(53%)	(35)	nm	11	293	(96%)
EBITDA Margin %	5%	8%		(3%)		1%	11%	
PAT	26	39	(32%)	(64)	nm	(38)	79	nm
PAT Margin %	3%	3%		(6)%		(2%)	3%	

Key highlights

- Prices of both Suspension and Paste PVC were marginally higher in Q2 FY'24 on a q-o-q basis - prices were 2.5% to 5% higher sequentially
- Caustic Soda and Chloromethanes prices witnessed further correction in Q2 FY'24 as compared to Q1 FY24
- Energy costs during the quarter were lower by ~10% compared to Q1 FY'24
- Our Karaikal plant and two of our plants at Mettur received the prestigious Sword of Honour award from the British Safety Council

Projects Update

- CMC Phase 1 – Commissioned by end of Sep '23; Being ramped up
- CMC Phase 2 – On track for completion by end of FY '24
- Paste PVC – On track for commissioning in Q3 FY '24

All computations are on Consolidated basis

Commenting on the results, Mr. Ramkumar Shankar, Managing Director, said, *“Following a tepid Q1 FY’24, Q2 FY’24 witnessed a relatively better performance mainly due to improvement in prices of both Suspension and Paste PVC coupled with lower feedstock prices. The top line was flat while EBITDA was back in the black during the quarter. However, the imports of both Suspension and Paste PVC witnessed an increasing trend towards the end of Q2 with heavy arrivals from China. This trend has spilled over to Q3 as well, resulting in some correction in prices in October. We expect the PVC margins to be under pressure in Q3.*

The demand outlook for our PVC products, however, remains strong with a boom in the infrastructure and real estate sectors. We expect the recovery in prices and margins to be gradual over the next 2-3 quarters.

The Other Chemicals (Caustic Soda, Chloromethanes, Hydrogen Peroxide, Refrigerant gases) business continued to witness pricing pressures during the quarter due to weak demand, excess supply situation in India due to recent capacity additions and the global slowdown. There are some initial signs of recovery in prices towards the end of October.

The inquiries for our Custom Manufactured Chemicals Division’s business continue to remain robust. To effectively address the growing demand, we continue to enhance our capabilities. With the recent signing of the third LOI with a global agrochemical innovator for an Active Ingredient, we have strong visibility with respect to steady state capacity utilization of the new production block and are on track to achieve Rs. 1000 crores revenues in the next 3-4 years.

While we face headwinds in the near-term, the business prospects for our products continue to be strong in the medium to long term. With the projects on track for commissioning as per the slated timelines, we are confident of delivering a healthy performance in the future.”

About Chemplast Sanmar Limited

Chemplast Sanmar Limited is part of the SHL Chemicals Group, which in turn is a constituent of The Sanmar Group, one among the oldest and most prominent corporate groups in South India. It is a major manufacturer of Speciality Chemicals such as Speciality Paste PVC resin and Custom Manufactured Chemicals for agro-chemical, pharmaceutical and fine chemicals sectors. The Company also produces other chemicals such as Caustic Soda, Chloromethanes, Hydrogen Peroxide and Refrigerant Gas. Chemplast is one of the most integrated chemical producers in the country with a closed manufacturing loop.

Chemplast also manufactures Suspension PVC through its wholly-owned subsidiary Chemplast Cuddalore Vinyls Limited. Chemplast Sanmar is the largest manufacturer of Speciality Paste PVC resin in the country and is the second largest producer of Suspension PVC in India.

Chemplast has played a pioneering role through its ingenious choice of feedstock and manufacturing processes, and efficient, eco-friendly practices. Chemplast is one of the industry leaders in sustainability practices and is a recipient of numerous awards and recognitions on this front.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The Company assumes no obligation to update forward-looking statements to reflect actual results, changed assumptions or other factors.

For further information, please contact

Company:



Chemplast Sanmar Ltd.

CIN- L24230TN1985PLC011637

Hitesh Jain, Investor Relations

grd@sanmargroup.com

www.chemplastsanmar.com

Investor relations advisor:

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

CIN - U74140MH2010PTC204285

Shikha Puri / Shrikant Sangani

Email - shikha.puri@sgapl.net / shrikant.sangani@sgapl.net

+91 9819282743 / +91 9619595686

www.sgapl.net