



Chemplast Sanmar Limited

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CIN L24230TN1985PLC011637

10th August, 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
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Dear Sirs,

Sub: Earnings Release

Please find enclosed the earnings release titled "**Q1 & 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



Q1 FY '24 Results

Chennai, Aug 10, 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 ended June 30, 2023.

Financial highlights

Particulars	Q1 FY '24	Q1 FY '23	Y-o-Y	Q4 FY '23	Q-o-Q
Revenue from Operations	996	1,411	-29%	1,147	-13%
EBITDA	(35)	194	<i>nm</i>	97	<i>nm</i>
EBITDA Margin %	-3%	14%		8%	
PAT	(64)	41	<i>nm</i>	46	<i>Nm</i>
PAT Margin %	-6%	3%		4%	

Key highlights

- Prices of both Suspension PVC and Speciality Paste PVC in Q1 FY '24 have been the lowest over the last 8-10 quarters – prices witnessed around 10% fall sequentially
- Suspension and Speciality Paste PVC prices bottomed out at the end of Q1 FY '24 and have started recovering from July onwards – this is mainly due to the strong domestic demand combined with a fall in import arrivals in the latter part of Q1 FY '24 consequent on the reduction in operating rates of PVC plants In North-East Asia
- Feedstock (VCM and EDC) prices have also corrected in the latter part of the quarter and this benefit is likely to accrue in Q2
- Paste PVC project is on track for commissioning in H2 FY '24
- Phase 1 of the new multi-purpose block in the Custom Manufacturing business has been completed; Phase 2 is on track
- The Company has been selected by a global agrochemical innovator to manufacture a new Active Ingredient (AI) – this is the third new product (announced in the last 9 months) that will be manufactured in the new multi-purpose block
- A drop in Coal and Superior Kerosene prices was witnessed at the end of Q1 FY '24 – the benefits are expected to accrue in the ensuing quarters

Commenting on the results, Mr. Ramkumar Shankar, Managing Director, said, *“With prices of both Suspension and Speciality Paste PVC being at the lowest level over the last 8-10 quarters, Q1 FY ' 24 has been one of the toughest quarters in recent times for Chemplast and the PVC industry as a whole. This is mainly due to the sluggishness in demand globally and the excessive dumping from China. However, the domestic demand for Suspension PVC and Speciality Paste PVC was strong through the quarter with increase in volumes both on y-o-y and sequential basis.*

The outlook for the PVC business is improving again, driven by the strong domestic demand, recovery in prices on account of fall in import arrivals into the country and reduction in feedstock prices. These factors, coupled with the softening energy costs, augur well for us and we expect better margins from Q2 onwards.

The Other Chemicals (Caustic Soda, Chloromethanes, Hydrogen Peroxide, Ref. gases) business also witnessed significant pricing pressures due to a combination of factors including weak demand, excess supply situation in India due to recent capacity additions and the global slowdown. These headwinds are likely to continue for a couple of quarters.

In this tough environment, our Custom Manufactured Chemicals Division continued to perform well and is on track to achieve over 25% revenue growth during the year as against the 10%-15% guidance given earlier. I am very pleased to inform that we have completed Phase 1 of the new multi-purpose block in a timely manner with an investment of around Rs. 300 Cr. With 2 LOIs in place and a strong pipeline of other products, we expect this capacity to reach peak utilization in the next 2-3 years.

The 41 ktpa Speciality Paste PVC and Phase 2 of the Custom Manufacturing expansion projects are on track and slated to meet expected timelines. While there are immediate-term challenges, we are very confident of all our businesses' prospects in the medium to long term.”

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

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