



**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

11<sup>th</sup> February 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 "**Q3 & 9M FY'23 – Performance Update**".

The above information will also be available on the website of the company at [www.chemplastsanmar.com](http://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



### Q3 & 9M FY'23 - Performance Update

**Chennai, February 11, 2023:** Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), a specialty chemicals company, which is India's dominant producer of Specialty Paste PVC, having significant presence in the Custom Manufacturing business and through its wholly-owned subsidiary, is the 2<sup>nd</sup> largest producer of Suspension PVC in India, announced its unaudited Financial Results for the nine months and quarter ended December 31, 2022.

(Rs. Cr)	Q3 FY'23	Q3 FY'22	YoY%	9M FY'23	9M FY'22	YoY%
Revenue from Operations	1,189	1,452	-18%	3,794	4,085	-7%
EBITDA	78	353	-78%	371	850	-56%
EBITDA Margin %	6.6%	24.3%		9.8%	20.8%	
PAT	27	237	-89%	106	417	-75%
PAT Margin %	2.3%	16.3%		2.8%	10.2%	

### Key highlights

- Prices for both Paste PVC and Suspension PVC bottomed out during the quarter, after continuous fall from April '22. Trend reversed from December '22 onwards with multiple price increases for both Suspension PVC and Paste PVC
- Feedstock (EDC and VCM) prices continued to move in line with PVC prices, albeit with a lag. We expect margins to improve in Q4-FY'23
- Volumes across the portfolio saw an uptrend in Q3-FY'23 as compared to the corresponding period last year
- The Custom Manufacturing business continues to achieve strong growth
- Power & fuel cost increased by Rs. 170 Cr and by Rs. 37 Cr as compared to 9M and Q3 of FY'22, respectively - mainly due to increase in coal, natural gas & superior kerosene prices
- Both the Paste PVC and Custom Manufacturing expansion projects are on track
- Plan to kick-start the next phase of expansion of Custom Manufacturing multi-purpose facility. The total capex outlay (including the next phase) will be ~ Rs. 680 Cr to be spent over the next 15 months
- With a healthy cash balance of Rs. 1,167 Cr, the company continues to be net cash positive on a consolidated basis

**Commenting on the results, Mr. Ramkumar Shankar, Managing Director,** said, *“In an evolving macro environment, as expected, the quarter gone by has turned out to be another subdued one for us as well as the industry. Our business continued to face headwinds for most part of Q3 FY’23 with a revival in PVC prices only from December onwards. For the 9M-FY’23 period, revenues were lower by 7% as compared to the corresponding period last year – however, sales volumes of all products were higher on a YoY basis. Falling prices of finished goods coupled with increase in energy costs have resulted in reduction of EBITDA margin which stood at ~10% for the 9M-FY’23 period.*

*The situation for the PVC segment is turning favorable again, driven by robust domestic demand and China re-opening. PVC prices have started moving upwards after nine months of falling prices, channel inventory has dried up and volume off-take is back to normal. We expect the demand in FY’23 for Suspension PVC in India to touch the pre-pandemic levels of 3.3 million tonnes, a 16%-17% growth over FY’22. Overall, with recovery in PVC prices and healthy demand trends, we expect our Q4-FY’23 performance to return to a growth trajectory.*

*High energy costs continue to remain a concern, though here too, there are some encouraging signs with a reduction seen in coal prices.*

*In the Custom Manufacturing segment, we will continue to achieve strong growth going forward. We recently received confirmation from one of our customers that we have been selected to supply an advanced intermediate for an already established generic AI. Based on this development, along with the announcement in the previous quarter on the signing of an LOI for another intermediate, and a healthy pipeline of products, we plan to kick-start the next phase of expansion of the multi-purpose facility immediately. While Phase 1 is expected to come on-stream by Q2-FY’24 as originally scheduled, we are targeting to commission the next phase by end of FY’24.*

*The Other Chemicals<sup>^</sup> businesses complete our integration story and outlook for this segment remains stable over the medium-term, though there are some short-term challenges.*

*Both our capex projects are on track and slated to meet expected timelines. We expect a better performance in FY’24 driven by a combination of a rebound in PVC demand & prices along with new capacities (Paste PVC and Custom Manufacturing) coming on-stream during the year.”*

# Chemplast Sanmar Limited

## Earnings Release



CHEMPLAST SANMAR LIMITED

### 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 Specialty Chemicals such as Specialty Paste PVC resin and Custom Manufactured chemicals for agro-chemical, pharmaceutical and fine chemicals sector. The company also produces other chemicals such as Caustic Soda, Chloromethane products, Hydrogen Peroxide and Refrigerant gas. Chemplast is one of the most integrated chemical plants 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 Specialty Paste PVC Resin in the country and is the second largest producer of Suspension PVC in India.

Chemplast has played a pioneering role in the field 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 has been 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



**Chemplast Sanmar Ltd.**  
CIN- L24230TN1985PLC011637  
**N Muralidharan**  
Chief Financial Officer  
nm3@sanmargroup.com  
[www.chemplastsanmar.com](http://www.chemplastsanmar.com)

**SGA** Strategic Growth Advisors

**Strategic Growth Advisors Pvt. Ltd.**  
CIN - U74140MH2010PTC204285  
Shikha Puri / Shrikant Sangani  
Email - [shikha.puri@sgapl.net](mailto:shikha.puri@sgapl.net) / [shrikant.sangani@sgapl.net](mailto:shrikant.sangani@sgapl.net)  
+91 9819282743 / +91 9619595686  
[www.sgapl.net](http://www.sgapl.net)

