



August 14, 2023

To,

<b>National Stock Exchange of India Ltd.</b> Exchange Plaza Bldg. 5 <sup>th</sup> Floor, Plot No.C-1 'G' Block, Near Wockhardt, Bandra Kurla Complex Mumbai 400 051 Fax: 26598237/38 Symbol: DCW	<b>BSE Limited</b> Department of Corporate Services, 1 <sup>st</sup> floor, New Trading Ring Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Fax : 22723121/3719/2037/2039 Scrip Code : 500117
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Dear Sir(s)/Madam,

**Sub: Investors' Presentation**

Pursuant to Regulation 30 and Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the presentation of DCW Limited ("the Company") for the first quarter ended June 30, 2023, to be made to investors and analysts.

The same is also being uploaded on the Company's website at <https://www.dcwlimited.com> in compliance with regulations 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to take the aforesaid information on your record.

Thanking You,

Yours faithfully,

For **DCW Limited**



**Dilip Darji**

**Sr. General Manager (Legal) & Company Secretary**

Membership No. ACS-22527

Encl: A/a

**DCW LIMITED**

HEAD OFFICE :

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TEL.: 2287 1914, 2287 1916, 2202 0743 TELEFAX: 22 2202 8838

REGISTERED OFFICE : DHRANGADHRA - 363 315 (GUJRAT STATE)

Email: ho@dcwlimited.com, Website: www.dcwlimited.com, CIN-L24110GJ1939PLC000748



# DCW Limited

## Earning Presentation

Q1-FY24

# Snapshot



## BUSINESS

**8+**

Decades of Experience

**2**

State-of-the-Art Integrated Manufacturing Units

**Pioneer**

In India Soda Ash, C-PVC, Synthetic Rutile & SIOP

**Leading**

Manufacturer of C-PVC and SIOP in India

**Largest and Unique**

Commercial scale manufacturer of SIOP in the Asia

## OPERATIONS

**12+**

Chemicals with

**3**

Specialty Chemicals

**2,000+**

Employees

**Zero**

Effluent and waste Process

**58 MW**

Captive Power Capacity

**~2,900**

Acres of land available

## FINANCIALS\*

**27%**

3 year Revenue CAGR

**43%**

3 year EBITDA CAGR

**14%**

Specialty Chemicals Revenue contribution from 0.5% in FY16

**0.33x**

Net Debt to Equity Ratio

**0.79x**

Net Debt to EBITDA Ratio

**21.6%**

FY23 ROCE

\* As on FY23 end

# | Business Overview

Financial Highlights

Historical Financial Overview

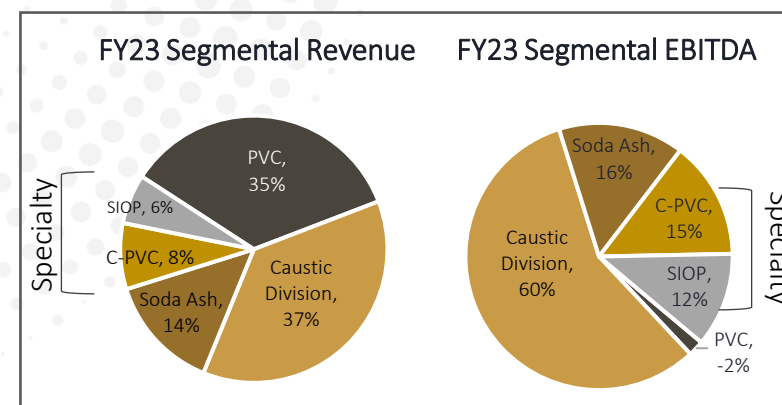
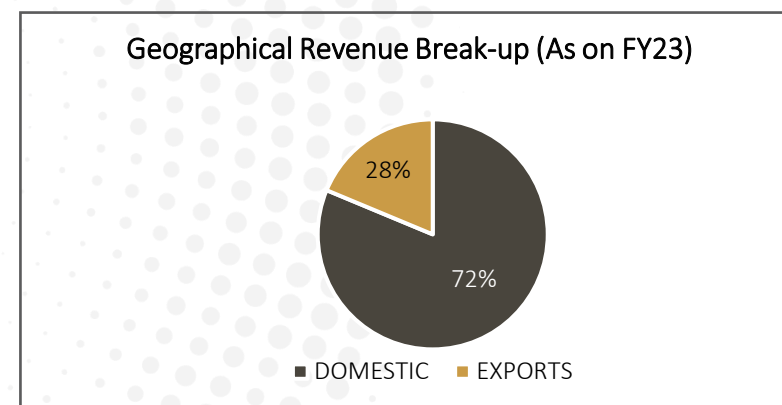
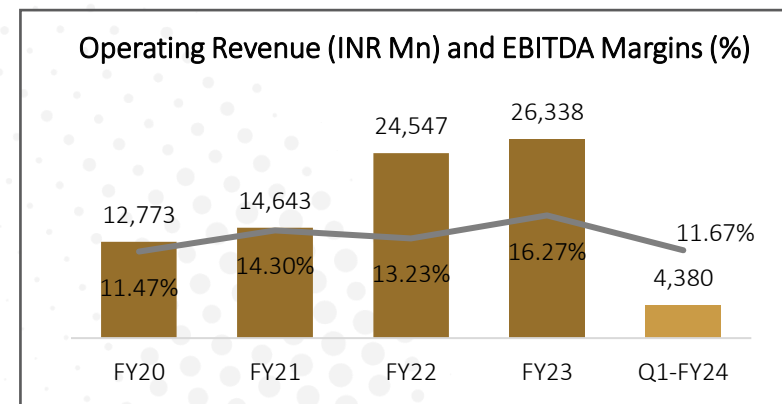
# Company Overview



- Incorporated in 1939, DCW Ltd. was established as Dhrangadhra Chemical Works at Dhrangadhra, Gujarat as India's first Soda Ash plant.
- Since then DCW has pioneered and created a strong presence in the Chlor-Alkali, Synthetic Rutile and PVC business segments, with a successful record of innovation in new products and processes.
- Over the years the company has expanded, diversified and modernized its operations with a diversified range of products for supply to customers in both, domestic and international markets with a conscious strategic shift towards specialty chemicals.
- DCW has an extensive distribution network spanning over 12 countries across USA, Europe, Japan, Malaysia and Netherlands catering to over 100+ customers.
- Today it has two state of the art manufacturing facilities located in Dhrangadhra, Gujarat and Sahupuram, Tamil Nadu.

## Product Basket

- **Specialty Chemicals:** Synthetic Rutile (SR), Synthetic Iron Oxide Pigments (SIOP) and Chlorinated Poly Vinyl Chloride (C-PVC)
- **Commodity Chemicals:** Soda Ash, Caustic Soda, Poly Vinyl Chloride (PVC)
- **Intermediate Chemicals:** Liquid Chlorine, Hydrochloric Acid, Trichloroethylene, Utox, Ferric Chloride, and Sodium Hypochlorite, Sodium Bicarbonate and Ammonium Bicarbonate.

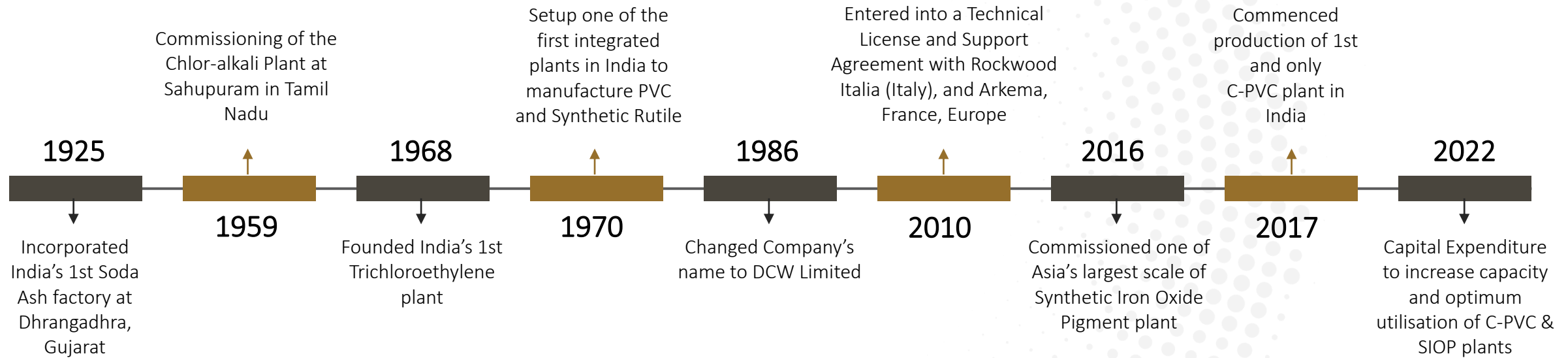


# Key Milestones



Growth in Commodity Chemicals

Expansion towards Specialty Chemicals



Moving up the value chain by pioneering various chemical products and processes in India

# Marquee Customers



## Commodity Chemicals



## Specialty Chemicals



## Significant Scale-up Opportunities

Over 2,500- acre land bank available at Sahupuram facility provides easy scale-up opportunity without incurring additional capex for land.

## Technology Tie-ups

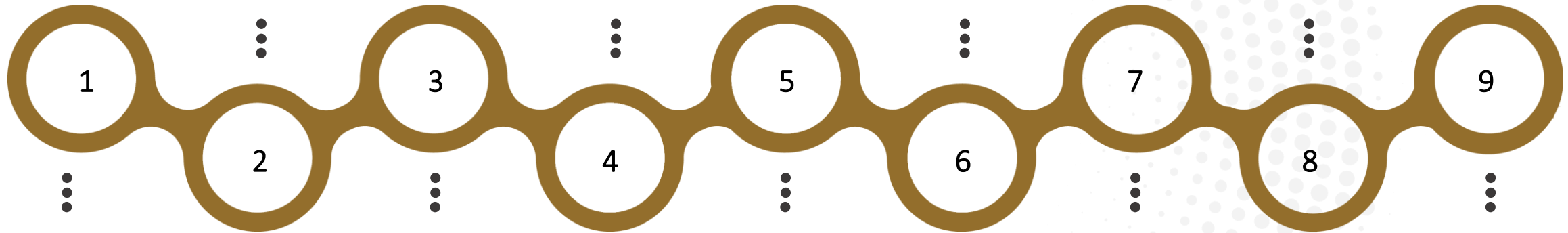
Licensed technology from Arkema & technical assistance from Rockwood Pigments for SIOF

## Diversified Application Base

Catering to over 15 industries with high end-user growing markets

## Niche & Diversified Product Mix

Diversified product mix of Commodity, Intermediate and Specialty Chemicals



## Strategic Location

Sahupuram Facility situated in the vicinity of the port providing logistical advantage for the export markets and tactical raw material procurement

## Moving up the Value Chain

Increasing the contribution from high value, high margin Specialty Chemicals Segments.

## Self Sufficiency

58 MW Co-Generation power plant ensures cost-effective, uninterrupted power supply. And major raw materials like Salt, Liquid Chlorine, Hydrogen, Hydrochloric Acid, etc. are captively produced to make value added products.

## Well Established Relationships

With over 8 decades of existence DCW has built strong client and supplier relationships across domestic and international markets

## Planned Capital Expenditure

Next growth phase led by Specialty Chemicals to boost revenue & margins with planned Capex to double C-PVC capacity and increase SIOF throughput



- To further strengthen its position, DCW has planned a capital expenditure of INR 125 Crs to make further inroads into Specialty Chemicals and expand its CPVC capacity and with line-balancing capex to increase the utilization of SIOP capacity to near 100% from current levels.
- The strategy team in the Company is engaged in identifying/shortlisting future growth avenues.
- The Company is working on a future Capex calendar to continuously drive growth by adequately balancing the leverage.

## Upcoming CAPEX at Sahapuram Facility

Product	Expected Year of Commissioning	Total Capacity after Capex
C-PVC	H2-FY24	20,000 MTPA
SIOP	H2-FY24	30,000 MTPA

Business Overview

| Financial Highlights

Historical Financial Overview

## Q1-FY24 Financial Performance

Revenue from Operations <b>INR 4,380 Mn</b> <i>(43)% Y-o-Y</i>	EBITDA <b>INR 511 Mn</b> <i>(58)% Y-o-Y</i>	EBITDA Margins <b>11.67 %</b> <i>(416)Bps Y-o-Y</i>
PAT <b>INR 100 Mn</b> <i>(83)% Y-o-Y</i>	PAT Margins <b>2.28 %</b> <i>(537)Bps Y-o-Y</i>	Diluted EPS <b>INR 0.34</b> <i>(83.5)% Y-o-Y</i>

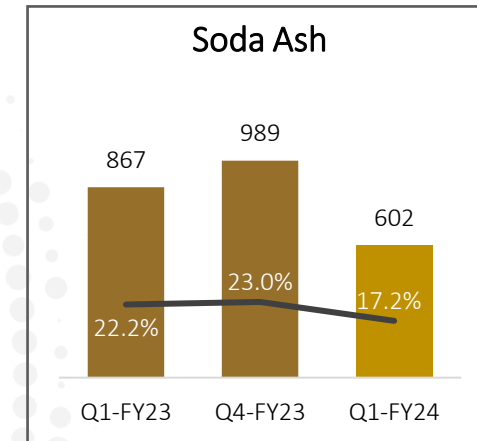
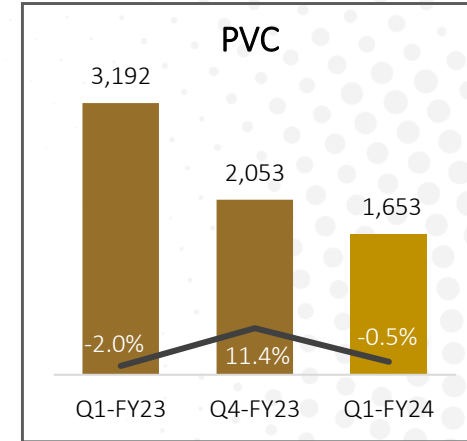
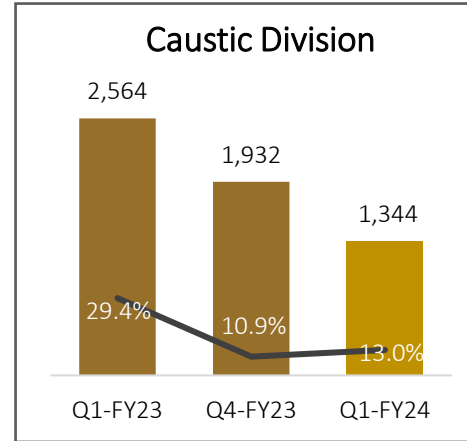
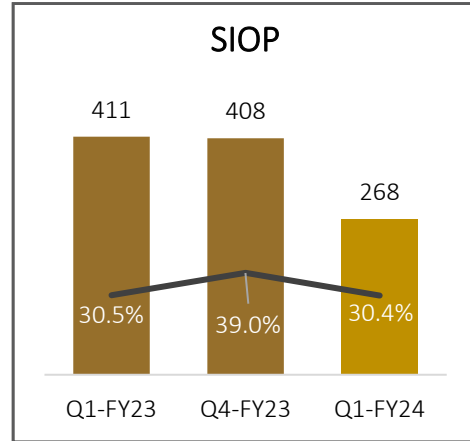
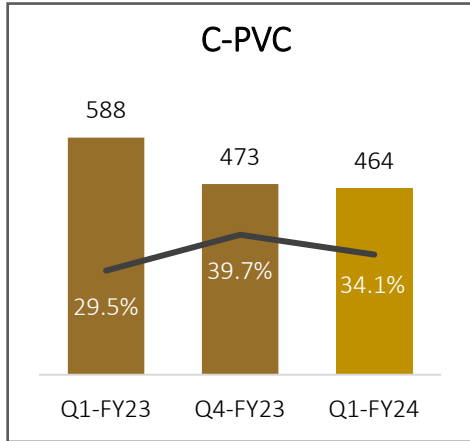
## Q1-FY24 Operational Highlights:

- Revenue declined primarily due to price erosion across all Commodity Product Segments, with a drop of 35% YoY in net realisations in PVC & Caustic Soda, and 9% and 5% respectively on QoQ basis, additionally, Soda Ash prices declined by 5% QoQ as well as YoY basis.
- Sales Volumes witnessed a reduction across all product segments except in CPVC. While Soda Ash production was down on account of Machinery breakdown, Caustic Soda plant operated at 85% of capacity utilisations on account of sharp fall in net realisations, and sluggish export demand resulted in lower sales of Synthetic Rutile & SIOP, while the production has been maintained resulting in inventory build-up of finished goods.
- Interest costs for Q1-FY24 reduced significantly both on QoQ and YoY basis to INR 171 Mn.

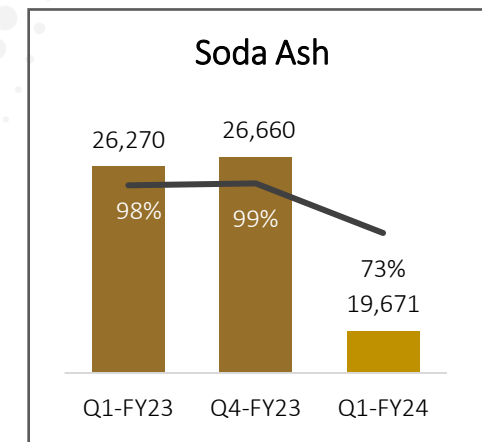
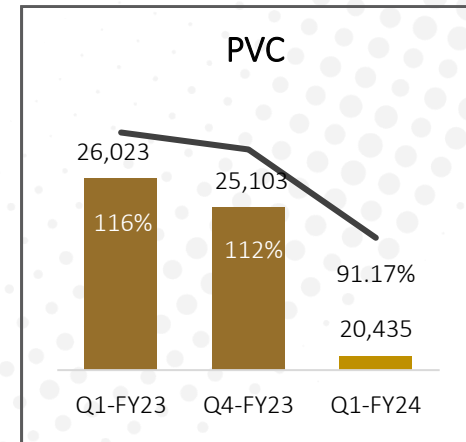
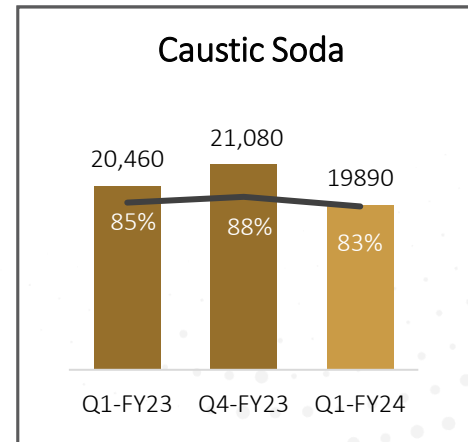
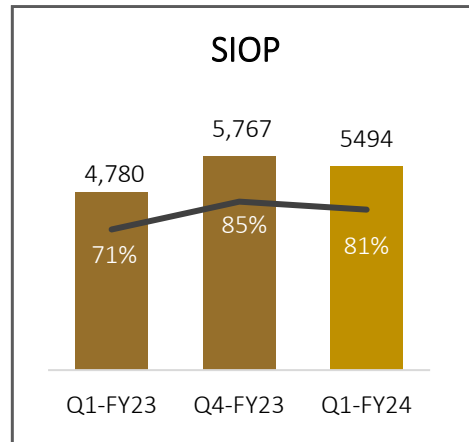
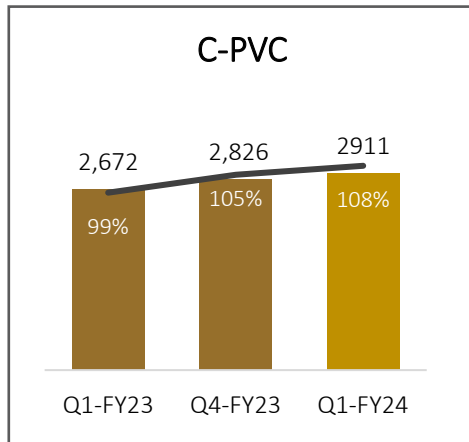
# Quarterly Key Segmental Performance



## Revenue (INR Mn) & EBITDA Margin (%)



## Production (in MT) & Capacity Utilisation (%)



# Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q1-FY24	Q1-FY23	Y-o-Y	Q4-FY23	Q-o-Q
Operational Income	4,380	7,687	(43.0)%	5,881	(25.5)%
Total Expenses	3,869	6,470	(40.2)%	4,886	(20.8)%
<b>EBITDA</b>	<b>511</b>	<b>1,217</b>	<b>(58.0)%</b>	<b>995</b>	<b>(48.6)%</b>
<i>EBITDA Margins (%)</i>	<i>11.67%</i>	<i>15.83%</i>	<i>(416) Bps</i>	<i>16.92%</i>	<i>(525) Bps</i>
Other Income	40	23	73.9%	44	(9.1)%
Depreciation	227	222	2.3%	228	(0.4)%
Interest	171	256	(33.2)%	191	(10.5)%
<b>Profit before Exceptional Items</b>	<b>153</b>	<b>762</b>	<b>(79.9)%</b>	<b>620</b>	<b>(75.3)%</b>
Exceptional Items	-	147	NA	-	NA
<b>PBT</b>	<b>153</b>	<b>909</b>	<b>(83.2)%</b>	<b>620</b>	<b>(75.3)%</b>
Tax	53	321	(83.5)%	267	(80.1)%
<b>Profit After tax</b>	<b>100</b>	<b>588</b>	<b>(83.0)%</b>	<b>353</b>	<b>(71.7)%</b>
<i>PAT Margins (%)</i>	<i>2.28%</i>	<i>7.65%</i>	<i>(537) Bps</i>	<i>6.00%</i>	<i>(372) Bps</i>
Other Comprehensive Income	-	(1)	NA	(38)	NA
<b>Total Comprehensive Income</b>	<b>100</b>	<b>587</b>	<b>(83.0)%</b>	<b>315</b>	<b>(68.3)%</b>
Diluted EPS (INR)	0.34	2.06	(83.5)%	1.20	(71.7)%

Business Overview

Financial Highlights

| Historical Financial Overview

# Historical Income Statement



Particulars (INR Mn)	FY21	FY22	FY23	Q1-FY24
Operational Income	14,643	24,547	26,338	4,380
Total Expenses	12,549	21,299	22,053	3,869
<b>EBITDA</b>	<b>2,094</b>	<b>3,248</b>	<b>4,285</b>	<b>511</b>
<i>EBITDA Margins (%)</i>	<i>14.30%</i>	<i>13.23%</i>	<i>16.27%</i>	<i>11.67%</i>
Other Income	113	61	153	40
Depreciation	874	885	902	227
Interest	1,197	1,131	1,261	171
<b>Profit before exceptional items</b>	<b>137</b>	<b>1,293</b>	<b>2,275</b>	<b>153</b>
Exceptional Item	-	139	469	-
<b>PBT</b>	<b>137</b>	<b>1,432</b>	<b>2,744</b>	<b>153</b>
Tax	99	357	824	53
<b>Profit After tax</b>	<b>38</b>	<b>1,075</b>	<b>1,920</b>	<b>100</b>
<i>PAT Margins (%)</i>	<i>0.26%</i>	<i>4.38%</i>	<i>7.29%</i>	<i>2.28%</i>
Other Comprehensive Income	3	(4)	(41)	-
<b>Total Comprehensive Income</b>	<b>41</b>	<b>1,071</b>	<b>1,879</b>	<b>100</b>
Diluted EPS (INR)	0.15	3.78	6.50	0.34

# Historical Balance Sheet

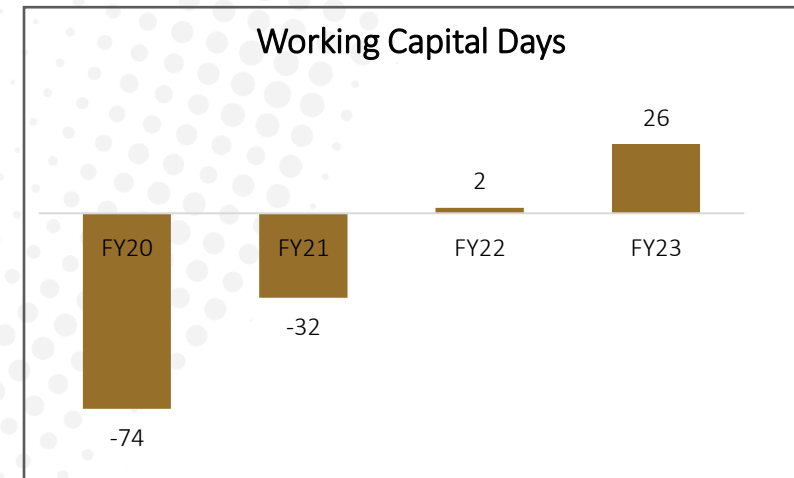
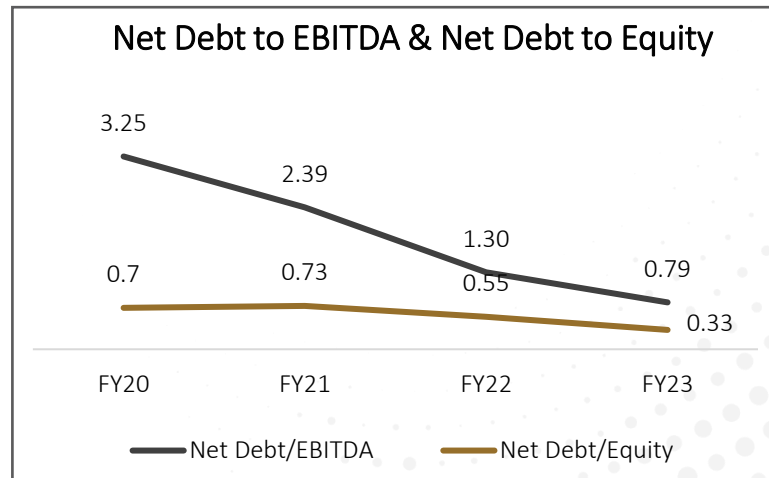
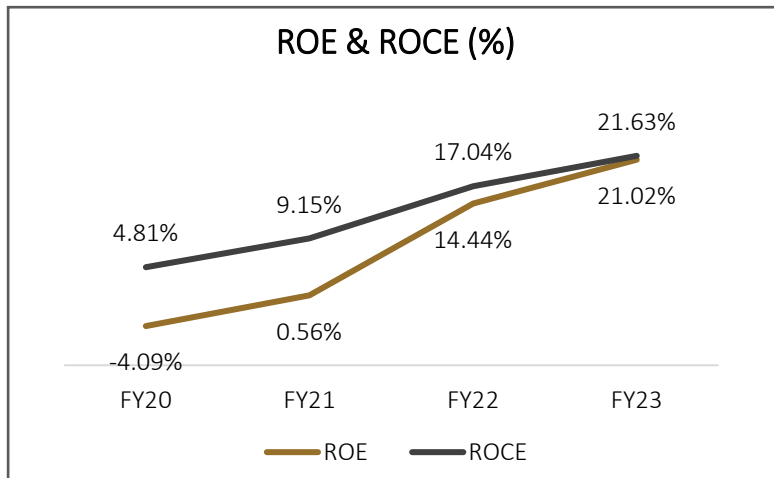
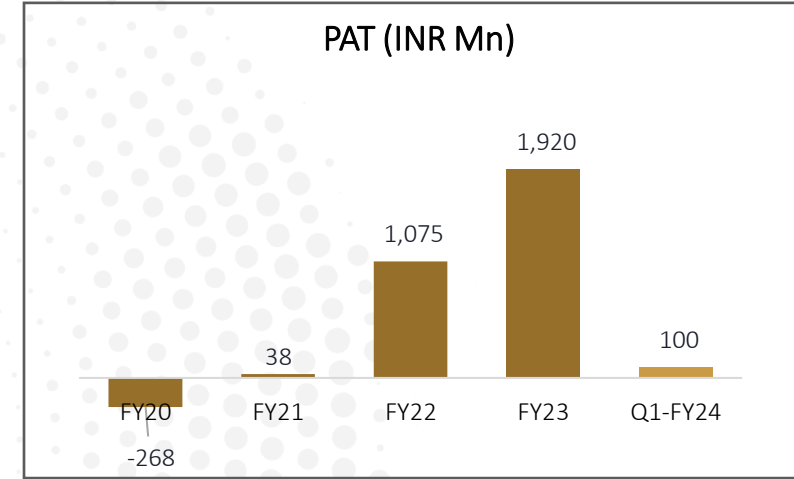
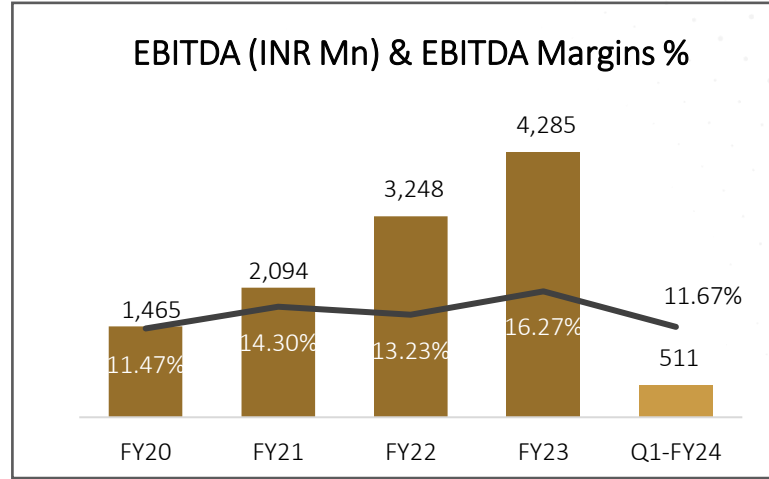
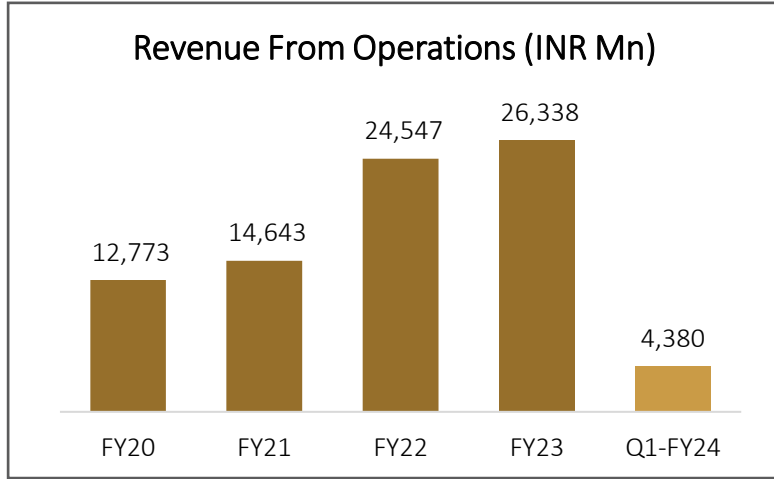


Particulars (INR Mn)	FY21	FY22	FY23
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment	13,962	13,386	12,839
Capital Work in progress	38	81	597
Right – of – use Assets	107	134	121
<b>Financial Assets</b>			
(i)Investments	0	0	0
(ii)Other Financial assets	479	96	112
Income tax assets (net)	14	-	10
Other Non- Current Assets	40	58	78
<b>Total Non- Current Assets</b>	<b>14,640</b>	<b>13,755</b>	<b>13,757</b>
<b>Current Assets</b>			
Inventories	1,691	2,471	3,446
<b>Financial Assets</b>			
(i)Investments	-	-	-
(ii)Trade Receivables	952	1,165	1,329
(iii)Cash and Cash Equivalents	500	877	99
(iv)Other Bank Balances	725	248	1,585
(v) Loans	12	11	12
Other Current Assets	232	506	405
<b>Total Current Assets</b>	<b>4,112</b>	<b>5,278</b>	<b>6,876</b>
<b>TOTAL ASSETS</b>	<b>18,752</b>	<b>19,033</b>	<b>20,633</b>

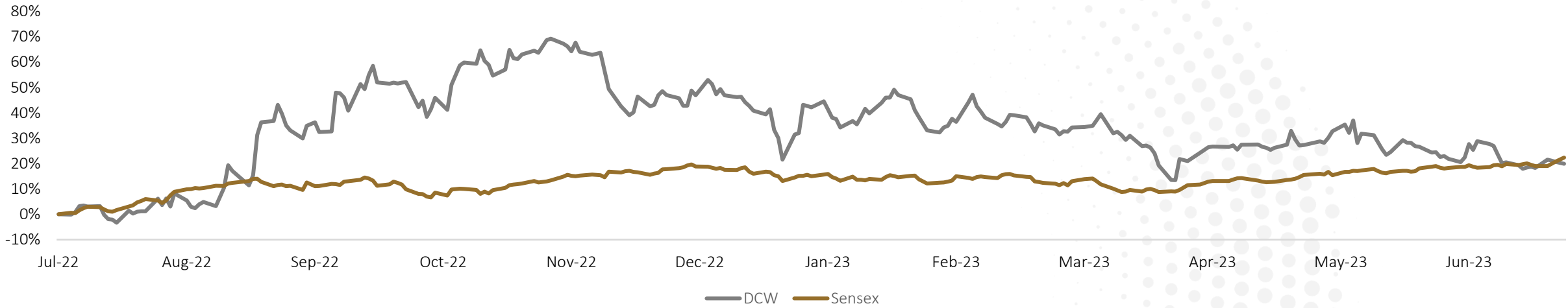
Particulars (INR Mn)	FY21	FY22	FY23
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share Capital	522	522	590
Other Equity	6,350	7,496	9,661
<b>Total Equity</b>	<b>6,872</b>	<b>8,018</b>	<b>10,251</b>
<b>Non-Current Liabilities</b>			
(i)Borrowings	5,227	4,409	3,807
(ii)Lease Liability	10	29	17
(iii)Other Financial Liabilities	364	408	200
Provisions	153	184	235
Deferred Tax Liabilities (Net)	616	727	1,044
Other Non-Current Liabilities	98	91	84
<b>Total Non-Current Liabilities</b>	<b>6,468</b>	<b>5,848</b>	<b>5,387</b>
<b>Current Liabilities</b>			
(i)Borrowings	1,003	1,106	1,242
(i)Trade Payables	2,980	2,958	2,750
(ii)Other Financial Liabilities	536	458	749
(iii)Lease Liabilities	1	14	17
Other current Liabilities	836	560	166
Provisions	56	68	71
Income Tax Liabilities (Net)	-	2	-
<b>Total Current Liabilities</b>	<b>5,412</b>	<b>5,166</b>	<b>4,995</b>
<b>Total Liabilities</b>	<b>11,880</b>	<b>11,015</b>	<b>10,382</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,752</b>	<b>19,033</b>	<b>20,633</b>



# Financial Performance

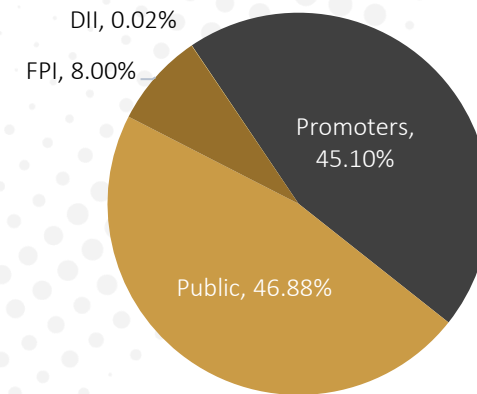


Stock Performance Data (As on 30th June, 2023)



Price Data (As on 30 <sup>th</sup> June, 2023)	INR
Face Value	2.00
CMP	43.09
52 Week H/L	62.55 / 34.40
Market Cap. (Mn)	12,718.44
No. of Share outstanding (Mn)	295.16
Avg. Trading Volume ('000)	2,325.91
Avg. Net Turnover (Mn)	117.67

Shareholding Pattern (As on 30<sup>th</sup> June, 2023)



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THANK YOU