



February 10, 2023

To,

National Stock Exchange of India Ltd.

Exchange Plaza Bldg.
5th Floor, Plot No.C-1
'G' Block, Near Wockhardt,
Bandra Kurla Complex
Mumbai 400 051
Fax: 26598237/38
Symbol: DCW

BSE Limited

Department of Corporate Services,
1st floor, New Trading Ring
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
Fax : 22723121/3719/2037/2039
Scrip Code : 500117

Dear Sir(s)/Madam,

Sub: Press Release

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, enclosed herewith is a copy of the Press Release to be distributed to the media, contents of which are self-explanatory.

This intimation is also being uploaded on the Company's website at www.dcwlimited.com.

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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REGISTERED OFFICE : DHRANGADHRA - 363 315 (GUJRAT STATE)

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



DCW LIMITED

CIN: L24110GJ1939PLC000748

Regd. Office: Dhrangadhra - 363 315, Gujarat State.

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NEWS RELEASE

DCW continues its solid growth momentum; a balanced portfolio yields operational and profitability resilience for Q3 & 9MFY23

- Reports growth of 17.1% in Revenue YoY and 47.3% EBITDA YoY for 9MFY23.
- A diversified product portfolio aids in countering volatility, imparting growth and stability.
- Specialty chemicals EBITDA increases by 35% YoY for 9MFY23; Commodity chemicals led by Caustic soda and Soda ash report remarkable growth.
- Declares an interim dividend of ₹0.20 per share.

Mumbai, Friday, 10th February 2023: DCW Limited (“the Company” or “DCW”), a specialty chemicals Company headquartered in Mumbai, declared its financial results for the quarter and nine months that ended on 31st December 2022.

The Company reported strong growth in profitability for Q3 & 9MFY23. EBITDA margins for Q3FY23 grew by 440 bps YoY to 18.2%. Specialty chemicals continue to deliver stability in earnings, with EBITDA growing by 35% YoY for 9MFY23. Commodity chemicals also aided the Company’s growth momentum in 9MFY23, with EBITDA growing by 57.5% YoY. Both the Caustic Soda & Soda Ash segments reported impressive revenue growth of 59% and 95% YoY for 9MFY23.

The Company’s strategy of substituting high-cost debt with low-cost has started yielding desired benefits; as a result, interest costs have seen a significant reduction of 29% YoY in Q3FY23. This has given an additional fillip to the Company’s growth momentum. The Company envisages a further significant reduction in interest costs going ahead from its FY22 level. Such savings will lead to additional cash flows, which can be utilised as its growth capital.

- **SIOP:** Consistent efforts have led to a positive turnaround of this division. The SIOP’s plant capacity utilisation has been improving consistently. Plant capacity utilisation improved to 74% in Q3FY23 (FY20-24%, FY21-38%, FY22-54%). For 9MFY23’ it reported revenue growth of 62.4% YoY and EBITDA growth of 300% YoY.

- **C-PVC:** This segment has been consistently performing over the last three years. The revenue from this segment increased by 12.5% YoY to INR 1,716.8 Mn in 9MFY23. With an apparent shortfall in the domestic supply of C-PVC, the plans to double its CPVC capacity by adding another 10KT capacity. As per the Company's estimates, the CPVC project is expected to be commissioned in 2nd half of FY24.
- **Soda Ash:** A favourable market scenario helped the Company report better realisation for this segment. As a result, EBITDA for this segment in Q3FY23 stood at INR 176.8 Mn, compared to an EBITDA loss of INR 56.5 Mn in Q3FY22. With the global supply chain facing various issues, prices of soda ash remain favourable
- **Caustic Soda:** A favourable demand scenario, coupled with the Company's strategic decisions of tying up with clients at appropriate times, has improved performance in Q3FY23. Revenue from this division in Q3FY23 stood at INR 2,274.5 Mn, compared to INR 1,892.8 Mn in Q3FY22, delivering a growth of 20.2% YoY.

Financial Highlights Q3FY23:

(in INR Mn)

Particulars (INR Million)	Q3FY23	Q3FY22	YoY%	9MFY23	9MFY22	YoY%
Revenue	5,792.3	6,551.2	-11.6%	20,456.6	17,475.0	17.1%
EBITDA	1,053.2	905.1	16.4%	3,400.1	2,308.1	47.3%
EBITDA Margin (%)	18.2%	13.8%	440bps	16.6%	13.2%	340bps
Profit After Tax (PAT)	482.2	266.9	80.7%	1,566.3	597.3	162.2%
PAT Margin (%)	8.3%	4.1%	420bps	7.7%	3.4%	430bps

- **Revenue** from operations for 9MFY23 stood at INR 20,456 Mn, delivering growth of 17.1%YoY. Various factors have led to such growth in likes of i) Better operating efficiency in the SIOP segment, ii) Consistent performance of CPVC, and iii) favourable market dynamics of its commodity products led by Caustic soda and Soda Ash
- **EBITDA** for Q3FY23 & 9MFY23 grew by 16.4% & 47% YoY, respectively. Both Specialty segment (led by SIOP) & commodity business witnessed decent momentum on offtake and pricing terms. PVC prices, too, saw some positive momentum on a QoQ basis. However, raw material inflation remains a predominant challenge to the Company and the overall industry. However, the Company's diversified portfolio, with the critical components of Specialty chemicals, mitigated the volatility and delivered stable margins for Q3FY23.
- **PAT** for Q3 & 9MFY23 grew by 80% & 162% YoY, respectively. Better market dynamics, operating leverage, and significant interest cost savings led to such growth.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.**, said, "DCW results for 9MFY23 has shown a significant strength on the back of a well-diversified & balanced product portfolio. Over the past couple of years, the specialty chemicals business has given the Company a solid foundation and base to grow significantly. As our specialty segment gives us stability & consistency, the commodity segment gives the additional bandwidth to play on favourable market dynamics. Over the past couple of years, the Company has garnered the benefits of this strategic combination. When FY22 was a promising year for PVC, 9MFY23 was favourable for Caustic soda & Soda Ash.

The Specialty chemicals segment remains a steady revenue generator and shows tremendous potential going ahead. Thus the Company plans to double its CPVC capacity by adding another 10KT capacity. The Company also plan to augment the capacity utilisation of its SIOP plant to 100% with

some line balancing Capex to generate an additional 10KT of production per annum. This CAPEX aligns with our overall strategy of making further inroads into and expanding our speciality chemicals business. These CAPEXs- in expanding our CPVC capacity and taking our existing SIOP capacity to near 100%, will further strengthen our position in the marketplace, considering the demand curve for both these products. We are also committed to growing our speciality portfolio going forward, and our strategy and R&D teams are already focused on the next growth drivers and on identifying products relating to chlorine & other related chemistry to add/expand to our portfolio. We continue to focus on excellence by leveraging our well-balanced portfolio, improving operating performance, and maintaining quality standards.”

About DCW

DCW is a speciality chemicals Company manufacturing PVC, C-PVC (chlorinated polyvinyl chloride), Caustic Soda, Soda Ash, and Synthetic Iron Oxide Pigment (SIOP). The Company is the only domestic manufacturer of C-PVC, a versatile thermoplastic used mainly for manufacturing hot and cold-water pipes, industrial liquid handling, and a wide range of products serving a variety of applications. DCW’s Caustic Soda, SIOP and PVC Units are in close proximity to the Tuticorin Port in Tamil Nadu, giving the Company a competitive edge over its peers to export its products to global markets.

For more information, please contact:

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