



November 02, 2021

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>The 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: 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](http://www.dcwlimited.com).

You are requested to kindly take the same on record & oblige.

Thanking You,

Yours faithfully,

For DCW Limited



Dilip Darji  
Sr. General Manager (Legal) & Company Secretary  
Membership No. ACS-22527

**DCW LIMITED**

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## DCW LIMITED

CIN: L24110GJ1939PLC000748

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### PRESS RELEASE

**DCW reports an all round improvement in Q2FY22 performance; sales up 69% YoY and EBITDA up 58 % YoY.**

**Mumbai, Tuesday, 2nd November 2021:** DCW Limited (“the Company” or “DCW”), a specialty chemicals company headquartered in Mumbai, declared the financial results for the quarter and half year ended on 30<sup>th</sup> September 2021.

**The company reported an all-around improvement in operations, leading to higher Revenue. Company’s performance was predominantly led by SIOP, PVC and CPVC. Speciality chemicals remains consistent contributor in the company’s earnings.**

- **C-PVC:** This segment remains a consistent growth driver for the company. The revenue from this segment increased by 59 % YoY to INR 531 Mn in Q2FY22 as against INR 334 Mn in Q2FY21. The growth was primarily driven by higher volumes and better realisations. Net Sales Realisation for CPVC witnessed an increase of 16% YoY.
- **SIOP:** Consistent efforts have led to a positive turnaround of this division. Capacity utilization increased 853 bps YoY to 51% in Q2FY22, resulting in revenue growth of 124 % YoY . Realisation for SIOP (red) remains firm YoY.
- **PVC:** This segment volume increased by 15% YoY. It reported a revenue of INR 3149 Mn in Q2FY22; 101 % growth YoY. Higher realisations coupled with higher volumes has led to robust performance for this division .

#### Financial Highlights Q2FY22:

- **Revenue** from operations for Q2FY22 stood at INR 5719 Mn, a growth of 69 % on a YoY basis. Better operational efficiency coupled with favourable market conditions across all its products led to overall improvement in revenue.
- **EBITDA** for Q2FY22 stood at INR 807 Mn compared to INR 511 Mn in Q2FY21 a growth of 58% YoY. EBITDA margins in Q2FY22 witnessed marginal pressure on account of higher raw material prices. The Company was not able to fully pass on the higher raw material prices which spiralled up in quarter. Raw materials like VCM, coal etc has been on increasing trend in H1FY22.
- **PAT** stood at INR 197 Mn in Q2FY22, compared to a profit of INR 10 Mn in Q2FY21.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.** said, “With the gradual easing of lockdown post second wave of covid, the overall demand environment has remained positive in Q2FY22. While this positive momentum led to overall increase in offtake as well as realisations, however the supply side environment especially on energy costs and supply chain on various raw material front poses a challenge. The team has responded well to ensure customers are served with agility.

The Specialty chemicals segment remains a steady revenue generator and shows tremendous potential going ahead. C-PVC & SIOP maintained its strong foothold by contributing 20% to the total EBITDA. The SIOP division has been showing a promising turnaround and is likely to contribute meaningfully backed by higher capacity utilization and favourable market conditions in coming quarters. Order pipeline for our sepciality chemicals remains buoyant. On commodity chemicals front as well, PVC has been witnessing a good demand scenario which has helped company to report better performance. We continue our long term focus on excellence by leveraging our speciality chemical portfolio, better operating performance and quality standards.”

### **Q2FY22 Financial Highlights –**

(in INR Mn)

Particulars	Q2FY22	Q2FY21	YoY%	H1FY22	H1FY21	YoY%
Revenue	5,718.7	3,379.1	69.2%	10,923.8	6,225.0	75.5%
EBITDA	807.1	510.8	58.0%	1,403.0	844.5	66.1%
EBITDA Margin (%)	14.1%	15.1%	-100 bps	12.8%	13.6%	-80 bps
Profit After Tax (PAT)	196.7	9.6	1939.0%	330.4	-88.7	472.4%
PAT Margin (%)	3.4%	0.3%	310 bps	3.0%	-1.4%	440 bps

### **Specialty Chemicals Business– Q1FY22**

Over the last 4 years, DCW has added niche, value-added, high margin specialty chemicals to its portfolio. The Company has various products in its specialty chemicals portfolio like C-PVC, SIOP and Synthetic Rutile. The Company is one of the few large-scale synthetic iron oxide manufacturers for red and yellow pigments and the only C-PVC manufacturer in India.

The revenue mix between Commodity Chemicals: Specialty Chemicals for Q2FY22 stood at 87:13. However, Specialty chemicals contribute more than 20% to the company's overall EBITDA. The Company is focusing on increasing the revenue mix from specialty chemicals. Increasing the revenue share from specialty chemicals will help the Company to boost its margin profile and return ratios.

#### **SIOP:**

- Revenue for Q2FY22 stood at INR 222 Mn, as against INR 99 Mn in Q2FY21; growth of 124 % YoY. Revenue growth was attributable to higher volume sales and better operating leverage.
- EBITDA for Q2FY22 stood at INR 37Mn, as against INR 31 Mn in Q2FY21 with an EBITDA margin of 17%.

**C-PVC:**

- Revenue for Q2FY22 stood at INR 531 Mn, a robust growth of 59% on a YoY basis.
- EBITDA for Q2FY22 stood at INR 128 Mn, compared to INR 104 Mn in Q2FY21; a growth of 23% YoY. The revenue growth is attributed to robust domestic demand.

**Specialty Chemicals Performance Highlights –**

(in INR Mn)

Particulars	Q2FY22	Q2FY21	YoY%	H1FY22	H1FY21	YoY%
<b>SIOP</b>						
Revenue	222.3	99.2	124.2%	410.7	202.2	103.1%
EBITDA	36.7	30.8	19.1%	67.1	26.7	151.4%
EBITDA Margin (%)	16.5%	31.1%	-1460 bps	16.3%	13.2%	310 bps
<b>C-PVC</b>						
Revenue	531.2	334.2	58.9%	965.2	600.2	60.8%
EBITDA	127.7	103.9	22.8%	292.0	198.7	47.0%
EBITDA Margin (%)	24.0%	31.1%	-710 bps	30.2%	33.1%	-290 bps

**Commodity Chemicals Business– Q2FY22**

The Company's commodity chemical business consists of Caustic Soda, Soda Ash and PVC. Soda Ash facility is based out of Dhragandhra, Gujarat, while Caustic Soda and PVC facilities are based out of Sahapuram, Tamil Nadu. For Q1FY22 commodity chemical

**Caustic Soda:**

- Revenue for Q2FY22 stood at INR 1248 Mn, compared to INR 878 Mn in Q2FY21. Revenue growth of 42% on a YoY basis.
- EBITDA for Q2FY22 stood at INR 18 Mn, a de-growth of 75% on a YoY basis due to higher energy costs.

**Soda Ash:**

- Revenue for Q2FY22 stood at INR 510 Mn, compared to INR 465 Mn in Q2FY22; a growth of 10 % YoY. Global Soda Ash market is witnessing tight demand and supply, supporting price improvements. Q2 demand remained positive due to continued revival across all segments with lower flat glass imports, although the detergent demand was subdued due to the monsoons.
- EBITDA for Q2FY22 stood at INR 29 Mn, compared to INR 44 Mn in Q2FY22. EBITDA margins remained under pressure due to higher raw material costs. Higher energy costs have kept margins subdued for Q2FY22.
- However intermediate products like Synthetic Rutile are witnessing strong momentum over the near to medium term.

**PVC:**

- Revenue for Q2FY22 stood at INR 3149 Mn, compared to INR 1563 Mn in Q2FY21; a growth of 101 % YoY. Such growth was due to an increase in volumes.
- EBITDA for Q2FY22 stood at INR 545 Mn, compared to INR 228 Mn in Q2 FY21 a growth of 139%.

**Commodity Chemicals Performance Highlights –**

(in INR Mn)

Particulars	Q2FY22	Q2FY21	YoY%	H1FY22	H1FY21	YoY%
<b>Caustic Soda</b>						
Revenue	1,247.6	877.5	42.2%	2,901.7	2,090.9	38.8%
EBITDA	17.8	71.5	-75.1%	266.9	197.1	35.4%
EBITDA Margin (%)	1.4%	8.1%	-670 bps	9.2%	9.4%	-20 bps
<b>Soda Ash</b>						
Revenue	510.1	465.1	9.7%	917.2	832.0	10.2%
EBITDA	29.0	43.9	-33.9%	40.1	74.2	-46.0%
EBITDA Margin (%)	5.7%	9.4%	-370 bps	4.4%	8.9%	-450 bps
<b>PVC</b>						
Revenue	3,148.7	1,563.1	101.4%	5,614.7	2,411.0	132.9%
EBITDA	544.8	227.9	139.1%	636.1	272.2	133.7%
EBITDA Margin (%)	17.3%	14.6%	270 bps	11.3%	11.3%	-

**About DCW**

DCW is a specialty 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 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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