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CIN L24230TN1985PLC011637

May 10, 2022

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Scrip Code - 543336	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Mumbai – 400 050 Scrip Symbol - CHEMPLASTS
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Dear Sirs,

Subject: Press Release

Please find enclosed the press release titled **“FY22 - Strong performance”**.

This is for your information and records.

The above information will also be available on the website of the company at www.chemplastsanmar.com.

Thanking You,
Yours faithfully,

For CHEMPLAST SANMAR LIMITED



M RAMAN

Company Secretary and Compliance Officer

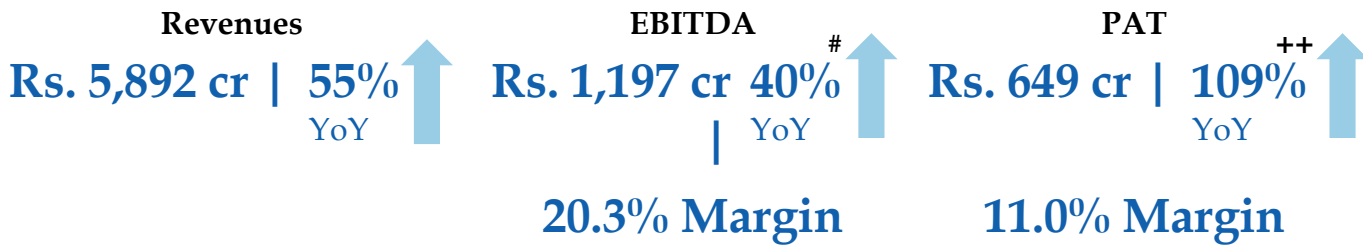
Mem No. ACS 6248



FY22 - Strong performance

Chennai, May 10, 2022: 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 2nd largest producer of Suspension PVC in India, announced its audited financial results for the quarter and year ended on 31st March 2022.

FY22 Performance Highlights : Consolidated



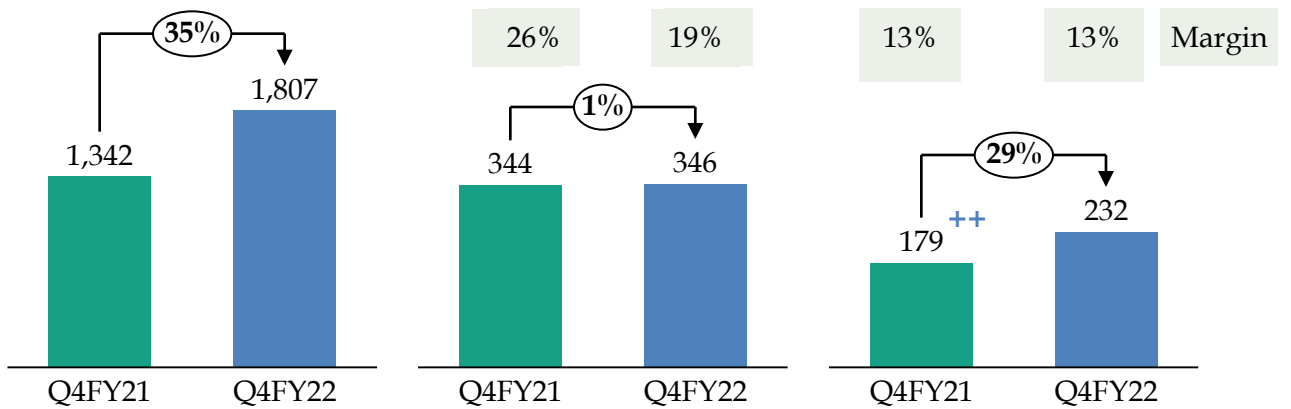
Total Revenues

EBITDA

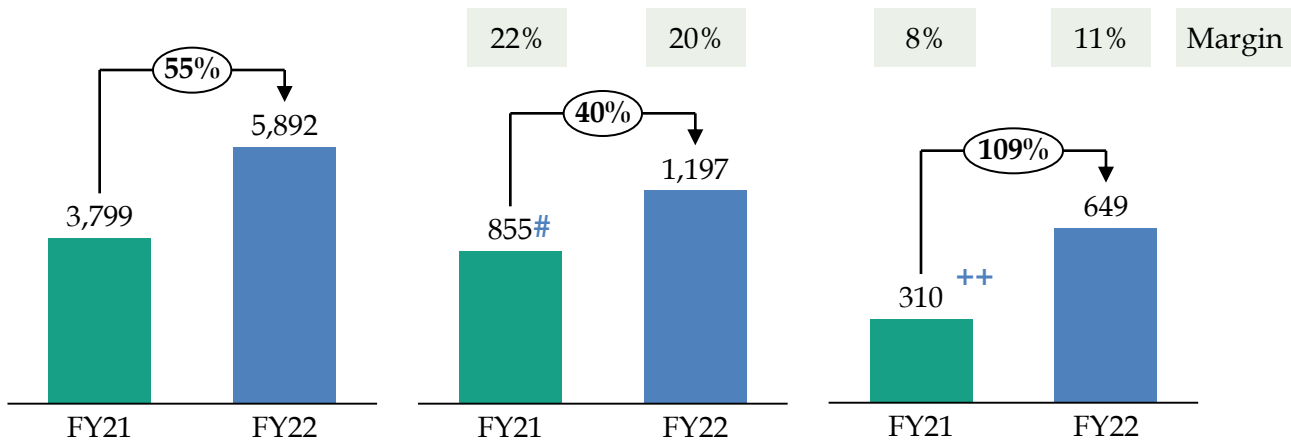
PAT

In Rs. Cr

Quarterly



Financial Year



- All computations are on Consolidated basis
- Historical Numbers are restated post CCVL Acquisition in FY '21
- # Excludes positive impact on account of inventory write down of Rs.107 crore made in FY20
- ++ Excludes post tax impact of gains/ (loss) from JV & Associates: Rs. 185 Cr in gain Q4FY21 and Rs. 100 Cr gain in FY21. These investments have been delinked in FY21.

Key highlights

- In FY22, revenues grew at a healthy rate owing to strong volume off-take and higher realisation across all key products - Specialty Paste PVC resin, Suspension PVC, Chloromethanes and Caustic Soda.
- In Q4FY22, revenue grew by 35% on YoY basis due to pick-up in demand coupled with better realisation for most of the products. We also liquidated excess inventory of Specialty Paste PVC resin and Suspension PVC built up in Q3FY22.
- The Suspension PVC prices rebounded in Q4FY22 with a pick-up in demand and supply tightness around the world. Caustic prices continue to remain strong on structural tightness globally.
- Due to strong demand and commercialization of new products, custom manufactured chemicals saw a significant increase in sales in FY22. Chemplast has recently been upgraded as Development Supplier by one of the innovator companies and they now consider us to be a key supplier for their requirements. With the entry into this elite group, we have started to receive additional enquiries for new products.
- Debt reduction since the IPO continues to drive a pronounced improvement in the credit profile. The Company is debt free on a standalone basis.
- 10% increase in Suspension PVC capacity through debottlenecking is expected to come fully online by Q1'FY23. This is a phased debottlenecking, part of which is already completed.
- In Apr'22, CRISIL Ratings have upgraded the ratings for both the Company and its wholly-owned subsidiary to AA-/Stable for long term bank facilities and A1+ for short term bank facilities.

Commenting on the results, Mr. Ramkumar Shankar, Managing Director said, *“We delivered a very strong fiscal year 2022 marked by an important milestone in our history, our IPO. Our focus on consistently delivering outstanding operational results, combined with our dedication to strengthening our balance sheet, has helped us advance our performance by every passing quarter in this year. We delivered our highest ever revenue of Rs. 5,892 cr (55% growth on YoY basis) with a healthy EBITDA margin of 20.3%. We also achieved the highest ever net-profit of Rs. 649 Cr, (a YoY increase of 109%) and a record EPS of Rs.43.66.*

While there are some short-term challenges, particularly arising out of the lockdowns in China, the outlook across our product portfolio remains very positive.

- *The domestic market for Suspension PVC has been steadily growing, largely led by growth in the pipes and fittings market. Indian demand for Suspension PVC is expected to be strong in the next decade, given the much lower level of penetration in India as compared to the rest of the world (as evidenced by the very low per-capita consumption). We are working on debottlenecking of our Suspension PVC capacity by 10% – this is expected to come fully online in Q1-FY23.*
- *Over the next five years, the operating rates of Specialty paste PVC resin producers are expected to remain high on account of healthy demand growth with capacity additions not keeping pace. Our project to add additional capacity of 41 kt at Cuddalore, which is scheduled to come on-stream in FY24, is progressing well.*
- *The outlook for custom manufactured chemicals continues to remain robust with sound customer enquiries. The first phase of our capex involving setting up of a new multi-purpose plant is slated to be completed by Q1 of FY24.*
- *The Indian chloromethanes market is expected to grow in the future led by the transition to more sustainable refrigerant gases by air-conditioner and refrigerator manufacturers.*
- *We have started work on restoring our caustic capacity to the full installed level of 119 kt which should also be completed in FY24.*

Looking ahead, we will build on our achievements in FY23 as we advance our ambitions. We expect our performance to continue to benefit from supply tightness on both Paste PVC and Suspension PVC, as also the strong position of Caustic Soda and the growth in custom manufacturing.”

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 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



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