



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

4th November 2022

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
---	--

Dear Sirs,

Sub: Press Release

Please find enclosed the press release titled "**H1 FY'23 – Performance Update**".

The above information will also be available on the website of the company at 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



Chemplast Sanmar Limited

Earnings Release



CHEMPLAST SANMAR LIMITED

H1 FY'23 - Performance Update

Chennai, November 4, 2022: Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), a speciality 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 unaudited Financial Results for the half year and quarter ended September 30, 2022.

(Rs. In Crs)	Q2 FY'23	Q2 FY'22	Y-o-Y	H1 FY'23	H1 FY'22	Y-o-Y
Revenue from Operations	1,194	1,673	-29%	2,606	2,633	-1%
EBITDA	98	346	-72%	293	498	-41%
EBITDA Margin %	8.2%	20.7%		11.2%	18.9%	
PAT	39	151	-75%	79	180	-56%
PAT Margin %	3.2%	9.0%		3.0%	6.8%	

Key highlights

- Uncertainty in the pricing environment continues for Paste PVC and Suspension PVC
- Feedstock (EDC and VCM) prices have also dropped, albeit with a lag. The benefit will however be realized only once the PVC prices stabilize; expect these to stabilise by end of Q3
- Volumes are back to normal - Volumes of all products witnessed an increase in H1-FY'23 compared to the volumes in the corresponding period last year
- Custom Manufacturing business continued to see healthy demand in Q2-FY'23
- In Q2-FY'23, Other Chemicals# delivered a 37% increase in revenues on y-o-y basis, primarily led by growth in terms of both volumes and prices of Caustic
- Cost of Power and Fuel increased by Rs. 132 Cr and by Rs. 61 Cr as compared to H1 and Q2 of FY'22, respectively. This is mainly attributed to increase in coal and natural gas prices
- In H1-FY'23, the company spent Rs. 115 Cr for capex. Both the Paste PVC and Custom Manufacturing expansion projects are on track
- With a healthy cash balance of Rs. 1,400 Cr, the company continues to be net cash positive on a consolidated basis

All computations are on Consolidated basis



- Includes Caustic Soda, Chloromethanes, Refrigerant gases and Hydrogen Peroxide

Commenting on the results, Mr. Ramkumar Shankar, Managing Director, said, *“The unique situation that the PVC industry is experiencing continued through this quarter. Our business continued to face headwinds in Q2 FY’23 as well due to the zero-COVID policies in China, rising energy costs due to the Russia-Ukraine war and overall inflationary pressures. Chinese shutdowns related to zero-COVID policies led to inventory build up in China and continuous dumping into India, though some reduction has been witnessed in the last couple of months. With our strong balance sheet and portfolio of products, we have been able to fare reasonably well in this extremely tough situation. We closed the first half of the fiscal with a flat top-line and a double digit EBITDA margin of 11%. Falling prices of finished goods coupled with increase in energy costs have resulted in reduction of margins.*

We believe that both Paste PVC and Suspension PVC prices are nearing the bottom and with lower feedstock price, we expect to see an upturn from Q4-FY’23 onwards.

Based on current trends, Custom Manufacturing business is expected to grow at ~30% in FY’23. Recently, we have signed a Letter of Intent with a global innovator to supply an advanced intermediate for a recently launched active ingredient. To cater to the additional volumes of Custom Manufacturing business, we plan to increase the capacity in Phase 1 itself and fast track the expansion. We expect to achieve significant growth in this segment in the coming years.

Caustic Soda prices continue to remain healthy.

Demand for Chloromethanes is also steady. There have been a few capacity additions recently which could have a temporary impact on prices. However, we expect the prices to recover once the market absorbs the additional quantities.

Hydrogen peroxide demand increased on the back of improved demand from paper industry; the outlook remains positive with rising prices due to the tightness in the natural gas availability impacting supply in the region.

Energy costs continue to remain high, with coal and natural gas prices on an upward trend.

Both our capex projects are on track and slated to meet expected timelines.”

Chemplast Sanmar Limited



CHEMPLAST SANMAR LIMITED

Earnings Release

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 Speciality Chemicals such as Speciality 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 Speciality 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

SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.
CIN - U74140MH2010PTC204285
Ms. Shikha Puri / Mr. Shrikant Sangani
Email - shikha.puri@sgapl.net / shrikant.sangani@sgapl.net
+91 9819282743 / +91 9619595686
www.sgapl.net