



February 09, 2021

To,

National Stock Exchange of India Ltd. 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 Scrip Code : DCW	BSE Limited, 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/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**

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



**DCW LIMITED**

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## DCW LIMITED

CIN: L24110GJ1939PLC000748

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### DCW Limited announces Q3 & 9M FY21 results

**PVC & Specialty Chemicals segments continue the robust growth trajectory**

#### PRESS RELEASE

**Mumbai, Tuesday, 9 February 2021:** DCW Limited (“the Company” or “DCW”), a specialty chemicals company headquartered in Mumbai, declared the financial results for the quarter and nine months ended on 31<sup>st</sup> December 2020 today.

#### **Significant operational recovery in Q3FY21**

- **PVC:** This segment reported a revenue of INR 2,079 mn in Q3FY21; a 70% growth YoY. Such growth is attributable to both higher volumes and favourable resin prices. Volumes for Q3FY21 reported an increase of 70% YoY.
- **C-PVC:** CPV’s performance remained buoyant in 9MFY21, with Q3FY21 reported sales volume growth of 24% YoY. The revenue increased by 46% YoY and stood at INR 426.5 Mn as against INR 291.6 Mn in Q3FY20.
- **SIOP:** This segment is witnessing early signs of revival with capacity utilisation increasing to 37% as against 26% in Q3FY20. Healthy order flow and demand pick up lead such resurgence. The revenue increased by 69% YoY to INR 171 Mn.

#### **Financial Performance – Q3FY21:**

- Q3FY21 revenue grew by 23% YoY. Total revenue from operations for Q3FY21 stood at INR 3,860.7 Mn. The growth is majorly attributable to the dominant performance of specialty chemicals and PVC segment.
- EBITDA grew by 46% YoY to INR 592.0 Mn, compared to INR 404.0 Mn in Q3FY20. This growth is led by a better operating mix, favourable pricing scenario and strategic raw material procurement strategy PVC and CPVC dominated the higher share in overall EBITDA, further aided by SIOP division performance in Q3FY21. EBITDA margin for Q3FY21 stood at 15.3%, an improvement of 240bps on a YoY basis.
- C-PVC continued the upward trajectory in the net realisations. The average realisation for C-PVC witnessed an improvement of ~ 15% on a YoY basis.

- PVC and specialty chemicals contributed ~69% of the total revenue ~97% of EBITDA in Q3FY21.
- Q3FY21 profit after tax stood at INR 62.0 Mn, compared to INR (40.3) Mn in Q3FY20. Cash PAT for Q3FY21 stood at INR 280.8 Mn.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.**, said, *“The Company’s performance in Q3FY21 was yet again underpinned by robust PVC and specialty chemicals segment performance. This has helped the company to reach the pre-covid level of revenue, margins and profitability. The revenue growth in specialty chemicals was driven by healthy 69% and 46% YoY growth in SIOP and C-PVC business, respectively. Revenue of PVC business also witnessed a healthy growth of 70% YoY. Efficient handling of raw material and rationalisation of operational overheads has also led to considerable improvement in margins. Company will continue its efforts improving the supply chain, increasing capacity utilization going ahead. Company’s primary focus remains on judicious use of capital by keeping a conservative approach towards capex and efficient working capital management. The strong rebound in the overall business, particularly in PVC and specialty chemicals segment is encouraging, and we expect the growth trajectory to continue for the short and medium-term.*

*Looking beyond the short term challenges, we remain sanguine about the opportunities in the PVC, C-PVC and SIOP segment. Going forward, the Company aims to increase the revenue contribution from PVC and specialty chemicals while keeping the production and utilisation of Caustic Soda and Soda Ash to its optimum level. The Company is well on track to achieve its growth and value creation strategy.”*

#### **Q3&9MFY21 Financial Highlights –**

(in INR Mn)

Particulars	Q3FY21	Q3FY20	YoY%	Q2FY21	QoQ%	9MFY21	9MFY20	YoY%
Revenue	3,860.8	3,136.9	23%	3,379.1	14%	10,085.8	9,836.9	3%
EBITDA	591.6	404.0	46%	510.8	16%	1,436.1	1,416.7	1%
EBITDA Margin (%)	15.3%	12.9%	240 bps	15.1%	20bps	14.2%	14.4%	-20 bps
Profit After Tax (PAT)	62.0	-40.3	254%	9.6	545%	26.8	-6.7	502%
PAT Margin (%)	1.6%	-1.3%	290 bps	0.3%	130 bps	0.3%	-0.1%	40 bps

#### **Specialty Chemicals Business– Q3FY21**

Over the last 4 years, the Company 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. The Company is the only C-PVC manufacturer in India.

The revenue mix between Commodity Chemicals: Specialty Chemicals for Q3FY21 stood at 84%:16% compared to 87%:13% in Q3FY20. 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 Q3FY21 stood at INR 171 Mn, as against INR 101.1 Mn in Q3FY20 and INR 99.2 Mn in Q2FY21.
- Revenue growth was attributable to higher volume sales.
- EBITDA for Q3FY21 stood at INR 24.5 Mn, as against INR 3.9 Mn in Q3FY20 and INR 30.8 Mn in Q2FY21 respectively. Improvement in EBITDA was primarily led by higher operational efficiency.

**C-PVC:**

- Revenue for Q3FY21 stood at 426.5 INR Mn, a robust growth of 46% on a YoY basis.
- Robust growth in the C-PVC revenue is attributed mainly to favourable market dynamics and recent duties levied by the central government.
- EBITDA for Q3FY21 stood at INR 168.9 Mn, a growth of 64% on a YoY basis.

**Specialty Chemicals Performance Highlights –**

(in INR Mn)

	Q3FY21	Q3FY20	YoY%	Q2FY21	QoQ%	9MFY21	9MFY20	YoY%
<b>SIOP</b>								
Revenue	171	101.1	69%	99.2	72%	373.2	251.7	48%
EBITDA	24.5	3.9	532%	30.8	21%	51.1	-14.4	454%
EBITDA Margin (%)	14.3%	3.8%	-	31.1%	-	13.7%	-5.7%	-
<b>C-PVC</b>								
Revenue	426.5	291.6	46%	334.2	28%	1,026.6	814.3	26%
EBITDA	168.9	103.1	64%	103.9	62%	367.5	233.9	57%
EBITDA Margin (%)	39.6%	35.3%	-	31.1%	-	35.8%	28.7%	-

**Commodity Chemicals Business– Q3FY21**

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.

**Caustic Soda:**

- Revenue for Q3FY21 stood at INR 657.1 Mn, a de-growth of 33% on a YoY basis.
- EBITDA for Q3FY21 stood at INR (46.0) Mn, as against INR 171.3 in Q3FY20.
- Caustic soda market remains intensively competitive and as a result, is reflected in suppressed margins during Q3FY21.

**Soda Ash:**

- Revenue for Q3FY21 stood at INR 506.0 Mn compared to INR 465.1 Mn in Q2FY21 and INR 513.4 Mn in Q3FY20 respectively.

- EBITDA for Q3FY21 stood at INR 51.4 Mn, as against INR 43.9 Mn in Q2FY21 and INR 122.5 Mn in Q3FY20 respectively. Growth in EBITDA on a sequential basis was led by operating leverage.
- The market for Soda ash remains stagnant with no significant demand push in the near to medium term.

#### PVC:

- Revenue for Q3FY21 stood at INR 2,079.0 Mn, a growth of 70% YoY.
- EBITDA for Q3FY21 stood at INR 378.4 Mn, as against INR (21.4) Mn in Q3FY20 and INR 227.9 Mn in Q2FY21 respectively.
- EBITDA & EBITDA margins improved on a YoY and sequentially basis due to significant improvement in the average realisation. PVC resin prices improved due to higher domestic demand and constrained PVC imports.

#### Commodity Chemicals Performance Highlights –

(in INR Mn)

	Q3FY21	Q3FY20	YoY%	Q2FY21	QoQ%	9MFY21	9MFY20	YoY%
<b>Caustic Soda</b>								
Revenue	657.1	983.6	-33%	877.5	-25%	2,748.0	3,631.7	-24%
EBITDA	(46.0)	171.3	-127%	71.5	-164%	151.1	772.4	-80%
EBITDA Margin (%)	-7.0%	17.4%	-	8.1%	-	5.5%	21.3%	-
<b>Soda Ash</b>								
Revenue	506.0	513.4	-1%	465.1	9%	1,338.0	1,563.4	-14%
EBITDA	51.4	122.5	-58%	43.9	17%	125.6	348.3	-64%
EBITDA Margin (%)	10.2%	23.9%	-	9.4%	-	9.4%	22.3%	-
<b>PVC</b>								
Revenue	2,079.0	1,221.8	70%	1,563.1	33%	4,490.0	3,455.0	30%
EBITDA	378.4	(21.4)	1871%	227.9	66%	650.6	-32.0	2132%
EBITDA Margin (%)	18.2%	-1.7%	-	14.6%	-	14.5%	-0.9%	-

#### Outlook:

- PVC segment is expected to continue its outperformance for short and medium-term led by favourable market dynamics. However, we believe margins will peak for PVC in Q4FY21, but high volume off-take could lead to outperformance amongst its Commodity Chemical portfolio for FY21.
- C-PVC's trend is expected to remain encouraging as imports are likely to remain costlier on account of anti-dumping duty.
- The recent turnaround in SIOP business is expected to continue its momentum due to improved demand and operating leverage.

#### 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, SIOF 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.

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