



July 31, 2021

To,

National Stock Exchange of India Ltd. Exchange Plaza Bldg. 5 th Floor, Plot No.C-1 'G' Block, Near Wockhardt, Bandra Kurla Complex Mumbai 400 051. Fax:26598237/38 Scrip Code : DCW	BSE Limited, 1 st 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.

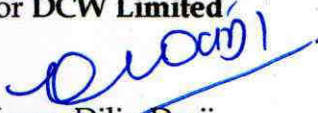
This intimation is also being uploaded on the Company's website at www.dcwlimited.com.

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

Thanking You,

Yours faithfully,

For DCW Limited,


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



DCW LIMITED

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PRESS RELEASE

DCW reports the highest ever quarterly sales in Q1FY22; sales up 83% YoY and EBITDA up 79% YoY.

Mumbai, Friday, 30th July 2021: DCW Limited (“the Company” or “DCW”), a specialty chemicals company headquartered in Mumbai, declared the financial results for the quarter ended on 30th June 2021.

The company reported an all-around improvement in Revenue on YoY basis despite covid related lockdowns/restrictions. It reported an overall improvement in its operational performance with higher capacity utilisation across segments.

- **C-PVC:** This segment remains to be a consistent driver for the company. The revenue increased by 63% YoY and stood at INR 434 Mn in Q1FY22 as against INR 266 mn in Q1FY21. The growth was primarily driven by higher capacity utilization YoY. C-PVC contributed 27.6% to the company’s EBITDA for Q1FY22.
- **SIOP:** Consistent efforts have led to a positive turnaround of this division. Capacity utilization increased 2x YoY which has resulted in revenue growth of 83 % YoY for Q1FY22. On the profitability front as well, it reported an EBITDA of INR 30.4mn versus of INR (4) mn in Q1FY21.
- **PVC:** This segment volume increased by 70% YoY. It reported a revenue of INR 2,466 mn in Q1FY22; ~2x growth YoY. Higher PVC prices coupled with higher capacity utilization has led to robust performance for this division YoY. This segment constituted 47% of total revenue for Q1FY22

Financial Highlights Q1FY22:

- **Revenue** from operations for Q1FY22 stood at INR 5,205Mn, a growth of 83% on a YoY basis. Covid related restrictions impacted the demand for its various products especially rural demand which resulted in marginally softer realisations over Q4FY21. However, the company negated such challenges by ramping up capacity utilisation of its various products like Caustic Soda and C-PVC.
- **EBITDA** for Q1FY22 stood at INR 596 Mn compared to INR 334 Mn in Q1FY21. Higher EBITDA was on account of higher volumes across all segments. However raw material costs like vcm, coal etc saw a significant increase which capped the expansion of EBITDA margins in Q1FY22. EBITDA margins remained flat at 11.4% in Q1FY22 versus 11.7% in Q1FY21 and

17% in Q4FY21. However, raw material prices have a lag effect on the margins. Margins are expected to realign and normalize going ahead.

- **PAT** stood at INR 134 Mn in Q1FY22, compared to a loss of INR 98 Mn in Q1FY21. The company had an exceptional gain in Q1FY22 on account of maturity proceeds of insurance policy to the tune of INR 139 mn. Adjusting for that gains, PAT for Q1FY22 is INR 134 mn versus loss of INR 98 mn in Q1FY21. Cash PAT for Q1FY22 stood at INR 353 mn as compared to INR 118 mn in Q1FY21.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.** said, “DCW has commenced the new fiscal year on an encouraging note, despite severe disruptions witnessed in Q1 due to localized restrictions and lockdowns on account of the second wave of the pandemic. The second wave of Covid brought new challenges, especially on the demand front from rural areas. The company worked on these challenges and mitigated them to large extent by increasing capacity utilisation across all its products. DCW reported its best-ever quarterly sales during the Q1, with revenue growth of 83% YOY for Q1FY22. This growth was predominantly led by higher volumes for PVC, C-PVC, Caustic soda and SIOP. The Specialty chemicals segment remains a stable revenue generator and shows tremendous potential going ahead. C-PVC maintained its strong foothold by contributing 27.6% 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.

During FY21 DCW was able to manage the fundraise of INR 4,100mn via NCD’s of INR 3,500mn and OCD’s of INR 600 mn. Through these transactions, the company extended its debt stack maturities and added additional liquidity to the balance sheet. Benefits of these arrangements would start pouring in from the current fiscal FY22.

Overall, DCW endeavours to grow the speciality chemicals segment contribution, and further strengthen the balance sheet which shall enhance value for the stakeholders.”

Q1FY22 Financial Highlights –

	Q1FY22	Q1FY21	YoY%	12MFY21	12MFY20	YoY%
Revenue	5,205.1	2,845.9	82.9%	14,643	12,773	14.6%
EBITDA	595.9	333.8	79%	2,207	1,550	42.4%
EBITDA Margin (%)	11.4%	11.7%	-30 bps	15.1%	12.1%	300 bps
Profit After Tax (PAT)	134	-98	N.A.	38	-268	N.A.
PAT Margin (%)	2.6%	-3.5%	N.A.	0.3%	-2.1%	N.A.

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 Q1FY22 stood at 87:13. However, Specialty chemicals contribute more than 30% 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 Q1FY22 stood at INR 188.3 Mn, as against INR 103 Mn in Q1FY21; growth of 83% YoY. Revenue growth was attributable to higher volume sales and better operating leverage
- EBITDA for Q1FY22 stood at INR 30.4 Mn, as against INR (4) Mn in Q1FY21 with an EBITDA margin of 16.1% . Improvement in EBITDA was primarily led by higher operational efficiency.

C-PVC:

- Revenue for Q1FY22 stood at INR 434 Mn, a robust growth of 63% on a YoY basis.
- EBITDA for Q1FY22 stood at INR 164 Mn, compared to INR 95 Mn in Q1FY21; a growth of 73% YoY. The revenue growth is attributed to robust domestic demand.

Specialty Chemicals Performance Highlights –

	(in INR Mn)					
	Q1FY22	Q1FY21	YoY%	12MFY21	12MFY20	YoY%
SIOP						
Revenue	188.3	103.0	82.9%	598	396	50.8%
EBITDA	30.4	-4.1	-	99	-26	482.7%
EBITDA Margin (%)	16.1%	-4.0%	-	16.5%	-6.5%	-
C-PVC						
Revenue	433.9	265.9	63%	1,486	1,029	44.3%
EBITDA	164.3	94.7	73%	552	291	89.2%
EBITDA Margin (%)	37.9%	35.6%	230 bps	37.1%	28.3%	880 bps

Commodity Chemicals Business– Q1FY22

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 Q1FY22 stood at INR 1654 Mn, compared to INR 1,213 Mn in Q1FY21. Revenue growth of 36% on a YoY basis. The company exported a large shipment in caustic soda division (Synthetic Rutile) in Q1FY22. Production Volumes for Q1FY22 were higher by 10% YoY and 22% QoQ
- EBITDA for Q1FY22 stood at INR 249 Mn, a growth of 98% on a YoY basis. EBITDA margins were higher by 470 bps at 15.1% for Q1FY22 as compared to 10.4% in Q1FY21, due to better economies of scale.

Soda Ash:

- Revenue for Q1FY22 stood at INR 407 Mn, compared to INR 367 Mn in Q1FY22; a growth of 11% YoY.

- EBITDA for Q1FY22 stood at INR 11 Mn, compared to INR 30 Mn in Q1FY21. EBITDA margins remained under pressure due to higher raw material costs. Higher energy costs have kept margins subdued for Q1FY22.
- The market for Soda ash remains stagnant with no significant demand uptick in the medium term. However intermediate products like Synthetic Rutile are witnessing strong momentum over the near to medium term.

PVC:

- Revenue for Q1FY22 stood at INR 2,466 Mn, compared to INR 848 Mn in Q1FY21; a growth of 190.8% YoY. Such growth was due to an increase in volumes.
- EBITDA for Q1FY22 stood at INR 91.3 Mn, compared to INR 44.3 Mn in Q1FY21 a growth of 106%. However both YoY and QoQ some softening in margins was witnessed due to softening in realisations and higher Raw material prices. Raw material prices generally have a large effect on the company's margins which shall normalize going ahead.

Commodity Chemicals Performance Highlights –

(in INR Mn)

	Q1FY22	Q1FY21	YoY%	12MFY21	12MFY20	YoY%
Caustic Soda						
Revenue	1,654.1	1,213.4	36.3%	3,557	4,675	-23.9%
EBITDA	249.1	125.7	98.2%	157	799	-80.3%
EBITDA Margin (%)	15.1%	10.4%	470 bps	4.4%	17.1%	- 1260 bps
Soda Ash						
Revenue	407.1	366.9	11.0%	1,787	1,983	-9.9%
EBITDA	11.0	30.3	-63.6%	150	408	-63.3%
EBITDA Margin (%)	2.7%	8.3%	-560 bps	8.4%	20.6%	-1220 bps
PVC						
Revenue	2,466.0	847.9	190.8%	7,082	4,541	55.9%
EBITDA	91.3	44.3	105.9%	1,142	-133	-
EBITDA Margin (%)	3.7%	5.2%	- 150 bps	16.1%	-2.9%	-

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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