



May 24, 2022

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 Symbol: DCW	The BSE Limited Department of Corporate Services, 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



Dilip Darji

Sr. General Manager (Legal) & Company Secretary

Membership No. ACS-22527

DCW LIMITED

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DCW LIMITED

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PRESS RELEASE

DCW reports Q4&FY22 results; PAT surpasses INR 1bn

- Specialty Chemical Revenue for FY22 increases 55% YoY, EBITDA by 36% YoY
- Specialty chemicals EBITA contribution stands at INR 883mn, 26.7% of overall EBITDA
- Capacity utilisation improves across all the segment

Mumbai, Tuesday, 24th May 2022: DCW Limited (“the Company” or “DCW”), a specialty chemicals company headquartered in Mumbai, declared the financial results for the quarter and year ended on 31st March 2022.

In FY22, the Company further optimised its operating performance, with all assets operating near optimum capacity. The Company’s continued efforts in improving its specialty chemicals segment operations have been delivering the desired results. Revenue from specialty chemicals increased by 55% YoY. Commodity chemicals too performed exceptionally well, with PVC and Caustic soda leading the pack; Soda ash too started witnessing the positive momentum in Q4FY22 and registered a revenue growth of 54% QoQ. FY22 has been a year of a remarkable journey for the Company wherein it’s demonstrating not only the growth in profitability but also strengthening its Balance sheet and cash flows.

- **C-PVC:** This segment remains a consistent growth driver for the Company. The revenue from this segment increased by 45% YoY to INR 2153 Mn in FY22. For Q4FY22, revenue growth from this segment is up by 36% YoY to INR 626mn. Average NSR for C-PVC witnessed an increase of 35% YoY in Q4FY22. The Company remains the most prominent indigenous manufacturer of C-PVC in India. With an apparent shortfall in the domestic supply of C-PVC, the Company has been able to garner the optimum benefits of this market imbalance tactfully.
- **SIOP:** Consistent efforts have led to a positive turnaround of this division. The SIOP’s plant capacity utilisation has been improving consistently. Plant capacity utilisation in FY22 stood at 54% from 38% in FY21 and 24% in FY20.
- **PVC:** With concerted efforts over the years, the capacity utilisation in this segment has reached its ‘near to optimum’ volume. The PVC segment has been building continued

strength since FY21; favourable market scenario coupled with customer aligned product offerings has given exceptional performance from this segment.

- **Caustic Soda:** Revenue from this division has increased by 88% YoY in FY22 and by 136% YoY in Q4FY22. As Company exhausted its old order book for caustic soda, new orders at higher realisation led to a significant catch up in Revenue and EBITDA. Amongst all the segments Caustic Soda segment reported the highest delta of ~4x growth in YoY EBITDA
- **Soda Ash:** Post Q3FY22, a favourable market scenario helped the company report better realisation for this segment. Cost pressures kept this segment under check in Q3FY22, and higher costs were gradually passed on in Q4FY22. As a result, EBITDA for this segment stood at INR 3mn versus a loss of INR 56 mn in Q3FY22

Financial Highlights Q4FY22:

Q4FY22 Financial Highlights –

(in INR Mn)

Particulars (INR Million)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY%
Revenue	7,072.3	4,556.8	55.2%	24547.4	14,642.6	67.6%
EBITDA	1,001.3	771.1	29.9%	3,309.4	2,207.2	49.9%
EBITDA Margin (%)	14.1%	16.9%	(280 bps)	13.5%	15.1%	(160 bps)
Profit After Tax (PAT)	477.8	64.7	638.5%	1,075.1	37.9	2736%
PAT Margin (%)	6.8%	1.4%	540bps	4.4%	0.3%	410bps

- **Revenue** from operations for FY22 stood at INR 24.5 bn, delivering a growth of 68 % on a YoY basis. Better operational efficiency coupled with favourable market conditions across all its products led to an overall improvement in revenue.
- **EBITDA** for FY22 stood at INR 3309 Mn compared to INR 2,207 Mn in FY21, delivering a growth of 50% YoY; higher capacity utilisation favourable demand scenario led to better absorption of higher raw material costs. The Company has been able to pass on these costs to end consumers from Q4 onwards, which shall gradually reflect in coming quarters. However, raw material inflation remains a predominant challenge to the Company and the overall industry.
- The Company has achieved all time high **PAT** of INR 1,075 mn in FY22, and it nearly grew 27x over FY21.

Commenting on the results, **Mr. Vivek Jain, Managing Director, DCW Ltd.** said, “FY22 has been a remarkable year for the Company, not only on profitability front but also on operations, balance sheet and cash flows front. Company surpassing INR 1bn in PAT is a testimony of company continuous and focused approach towards scaling up the processes and its product offerings. Transiting from Commodity chemicals dominated earnings to Speciality chemicals led growth was an encouraging and satisfying journey so far. We have been able to ignite all our growth silos at the right time, continuing to move with an inspiring momentum. We began our Fiscal year with strong C-PVC performance, and later on gradually every segment picked up its growth momentum. Caustic soda performed exceptionally well in Q4FY22, which makes this segment a vital contributor to company's overall profitability.

The Specialty chemicals segment remains a steady revenue generator and shows tremendous potential. Revenue and EBITDA from Specialty chemicals have been continuously improving every year and have been moving from strength to strength as we further focus on scaling up the operating efficiency of this business. It remains a growth engine driver from here on for the next 1-3 years

Besides PVC on commodity chemicals front, our Caustic Soda division is also witnessing strong momentum. From Q4FY22 soda ash too joined the growth band wagon and saw a satisfying recovery. The strong rally in these commodities, coupled with strategic initiatives on the operations front, were the key drivers of the Company's underlying performance.

We continue to focus on excellence by leveraging our well-balanced portfolio, focusing on better operating performance and maintaining quality standards."

Specialty Chemicals Business– Q4FY22

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 such as 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.

SIOP:

- Revenue for FY22 stood at INR 1,075.0 Mn, as against INR 597 Mn in FY21; growth of 80% YoY. Revenue growth was attributable to higher volume sales and improving capacity utilisations.
- EBITDA for FY22 stood at INR 184 Mn, as against INR 98.5 Mn in FY21 with an EBITDA margin of 17.1 %.

C-PVC:

- Revenue for FY22 stood at INR 2,152 Mn compared to INR 1,485 Mn, a robust growth of 45% on a YoY basis.
- EBITDA for FY22 stood at INR 698.4 Mn, compared to INR 552 Mn in FY21; a growth of 26.6 % YoY. The revenue growth is attributed to better realisations owing to a shortfall in domestic supply of C-PVC and efficient product mix by the Company.

Specialty Chemicals Performance Highlights

(in INR Mn)

	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY%
SIOP						
Revenue	379.0	224.5	68.8%	1,075.3	597.7	79.9%
EBITDA	92.1	47.4	94.0%	184.3	98.5	87.1%
EBITDA Margin (%)	24.3%	21.1%	320 bps	17.1%	16.5%	60 bps
C-PVC						
Revenue	626.1	459.1	36.4%	2,152.7	1,485.7	44.9%
EBITDA	195.0	184.1	6.0%	698.4	551.6	26.6%
EBITDA Margin (%)	31.1%	40.1%	(900 bps)	32.4%	37.1%	(470 bps)

Commodity Chemicals Business– Q4FY22

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 Q4FY22 stood at INR 1907 Mn, compared to INR 809.1 Mn in Q4FY21. Stellar Revenue growth of 136% on a YoY basis. For FY22 growth was 88% YoY.
- EBITDA for Q4FY22 stood at INR 264.7 Mn, compared to INR 6.3 Mn in Q4FY21 a growth of ~41x.
- **Soda Ash:**
 - Revenue for FY22 stood at INR 2024 Mn, compared to INR 1787 Mn in FY21; growth of 13.3% YoY. Revenue growth was supported by favourable demand-supply dynamics backed by a positive pricing scenario.
 - EBITDA margins remained under pressure due to higher raw material costs. Higher energy costs have kept margins subdued for Q4FY22.

PVC:

- Revenue for FY22 stood at INR 12,434 Mn, compared to INR 7,082 Mn in FY21; a growth of 76% YoY. Such growth was due to better capacity utilisations and an encouraging demand scenario.
- EBITDA for FY22 stood at INR 1,631 Mn, compared to INR 1,142 Mn in FY21 a growth of 43%.YoY

Commodity Chemicals Performance Highlights:

(in INR Mn)

	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY%
Caustic Soda						
Revenue	1906.9	809.1	135.7%	6,701.5	3,557.10	88.4%
EBITDA	264.7	6.3	N.A	680.1	157.4	332.2%
EBITDA Margin (%)	13.8%	0.8%	1300 bps	10.1%	4.4%	570 bps
Soda Ash						
Revenue	671.4	448.9	49.6%	2024.3	1787.0	13.3%
EBITDA	3.1	24.2	-87.0%	(13.4)	149.8	-108.9%
EBITDA Margin (%)	0.5%	5.4%	(490 bps)	-0.7%	8.4%	(910 bps)
PVC						
Revenue	3,464.6	2,591.6	33.7%	12,433.6	7,081.6	75.6%
EBITDA	432.3	491.2	-12.0%	1,631.4	1,141.8	42.9%
EBITDA Margin (%)	12.5%	19.0%	(650 bps)	13.1%	16.1%	(300 bps)

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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