



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

20th May, 2024

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: Earnings Release

Please find enclosed the earnings release titled "**Q4 & FY '24 Consolidated Financial Highlights**".

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

Date & Time of occurrence of the event/information: 20th May, 2024, 6.48 PM (IST)

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



Q4 & FY '24 Consolidated Financial Highlights

Chennai, May 20, 2024: Chemplast Sanmar Limited (NSE: CHEMPLASTS | BSE : 543336), a speciality chemicals company with a significant presence in the Custom Manufacturing business, the market leader in Speciality Paste PVC in India, and the 2nd largest producer of Suspension PVC in India (through its wholly-owned subsidiary), announced its audited Financial Results for the quarter and year ended March 31, 2024.

(Rs. Crs)	Q4 FY '24	Q4 FY '23	YoY%	FY '24	FY '23	YoY%
Revenue from Operations	1,051	1,147	-8%	3,923	4,941	-21%
EBITDA	21	97	-78%	26	468	-94%
EBITDA Margin %	2.0%	8.5%		0.7%	9.5%	
PAT	-31	46	n.a	-158	152	n.a
PAT Margin %	-3.0%	4.0%		-4.0%	3.1%	

Key highlights

- Prices of both Suspension PVC and Paste PVC were lower by 19% and 12% respectively in FY '24 as compared to FY '23. Some signs of revival were however witnessed on a q-o-q basis with a marginal increase in prices
- Chloromethanes and Caustic Soda prices in FY '24 have been the lowest over the last three years; these witnessed further correction on a q-o-q basis
- Feedstock (VCM and EDC) prices have tracked PVC prices directionally in FY '24
- Custom Manufactured Chemicals ("CMC") business was adversely impacted during the year by the overall slowdown in the global agrochemicals industry. The impact was partly offset by commencement of supplies of new products under the first two LoIs signed in the last 12-15 months. As a result, CMC division's revenues were lower by ~13% compared to the last fiscal. The positive impact of the new products will be seen in the upcoming quarters
- CMC division signed the 4th LoI with an agrochemical innovator for an advanced intermediate for a new Active Ingredient ('AI')

Projects Update

- 41 kt Paste PVC expansion project was commissioned in Q4-FY '24
- CMC Phase 2 expansion project is on track for completion in Q1-FY '25

All computations are on consolidated basis

Commenting on the results, Mr. Ramkumar Shankar, Managing Director, said, *“From a financial performance perspective, FY ‘24 has been one of the toughest years for the Company in recent times. The year was marked with challenges on all fronts including pricing and margin pressures due to excessive dumping of PVC resins by China and other countries, sharp correction in prices of Caustic Soda and Chloromethanes due to the over-supply situation in the country and slow-down in the agrochemicals sector resulting in deferment of supplies by the CMC division. Amidst these headwinds, we closed FY ‘24 with a topline of Rs. 3,923 crores and an EBITDA of Rs. 26 crores.*

There are, however, a number of positive factors which bode well for the future – these include the continuing strong demand outlook for PVC resins resulting from a boom in real estate and infrastructure sectors, issue of a Quality Control Order on PVC resin and the significant progress in the investigation for imposition of ADD on PVC imports. Collectively, these are likely to lead to a correction in PVC prices over the next 2-3 quarters. The Other Chemicals# business is likely to stabilise over the next 3-4 quarters. CMC division is also expected to see the positive impact of the new products in the upcoming quarters.

During this difficult period, the Company has been resilient and focused on setting up capacities and capabilities which are likely to bear fruit once the overall scenario improves. We added 41kt of Paste PVC capacity during the quarter. This capacity is aimed at fulfilling domestic demand via import substitution and is expected to be ramped up by Q2-FY ‘25. This additional capacity further strengthens our leadership position in Paste PVC in India. Further, construction of Phase 2 of the CMC expansion project is underway, and we expect to complete this by the end of Q1-FY ‘25. With the recent signing of the 4th LoI, the CMC division continues to make significant strides in growing the business. The pipeline of the CMC division continues to be robust.

While the short-term challenges persist, we have laid the foundation to capitalise on the long-term prospects of each of our businesses and are confident of delivering a stronger performance in the future.”

Chemplast Sanmar Limited

Earnings Release



CHEMPLAST SANMAR LIMITED

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 is a pioneer in adopting eco-friendly manufacturing processes and one of the industry leaders in sustainability practices. The Company is 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
grd@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