



*For Immediate Release*

## **DCM Shriram Ltd. announces Q2 & H1 FY23 Financial Results**

**PAT for Q2 FY23 at Rs. 128 crs, down 19% YoY**

**PAT for H1 FY23 at Rs. 382 crs, up 21% YoY**

**Board Declared Interim dividend of 230% amounting Rs 71.73 cr**

- **Net Revenue Q2 FY23 up 28% YoY at Rs 2,740 crs.**
  - **Chemicals** revenues up 62% at Rs. 781 crs led by prices
  - **Shriram Farm Solutions** revenues up 33% at Rs. 238 crs led by volumes & better prices
  - **Fenesta** revenues up 37% at Rs. 178 crs led by volumes growth & prices
  - **Vinyl** revenues down 53% at Rs. 155 crs primarily due to lower volumes & prices
  
- **PBDIT Q2 FY23 down 3% YoY at Rs 302 crs.**
  - **Chemicals** PBDIT up at Rs 250 crs vs Rs 108 crs
  - **Vinyl** PBDIT at Rs (-ve 10) crs vs Rs 156 crs, led volumes and margin pressures.
  - **Sugar Business** PBDIT lower at Rs (-ve 15) crs vs Rs 33 crs LY, being an offseason and lower margins
  
- **Projects under implementation** in Chemicals and Sugar, aggregating ~ Rs/cr 3,500 are progressing well. Most of the sugar projects will get commissioned in Q3' FY2023 and chemical projects are likely to be commissioned over next 9 months.

*New Delhi, 19<sup>th</sup> October, 2022:* DCM Shriram Ltd. announced its Q2 & H1 FY22 financial results today.

## Q2 FY23 Highlights

Rs/Cr

Particulars	Q2 FY23	Q2 FY22	Change (%)
Net Revenue from Operations	2,740	2,145	28
PBDIT	302	311	-3
PBIT	239	252	-5
Finance Cost	11	23	51
PAT	128	158	-19

\*Net of excise duty on country liquor sales amounting to Rs 136 crs (LY 33).

### Key Developments – Q2 FY23

#### 1. Net Revenues (net of excise duty) up 28% YoY at Rs.2,740 crs for Q2 FY23.

- Revenue for Chloro-vinyl segment up 15% at Rs 936 crs:
  - **Chemicals** business revenues up 62% YoY at Rs 781 crs driven by prices. ECU realization for Q2 FY23 up 74% YoY. Utilization levels remained healthy at 87% for Q2 FY22. Exports were 25,500MT i.e. 17% of total sales
  - **Vinyl** business revenues down 53% YoY at Rs 155 crs driven by lower volumes and prices. PVC prices were down 32% in line with international prices on account of recession fears; Carbide prices were also down 9% YoY. Volumes of PVC were lower by 45% YoY.
- **Sugar** business revenues (net of excise duty) up 5% YoY at Rs 617 crs on account of better sugar realizations
- **Fenesta** revenues up 37% YoY at Rs 178 crs due to volumes. Order booking up 6% YoY for Q2 FY23
- **SFS** revenues up 33% at Rs 238 crs driven by growth across product categories
- **Fertilizer** revenues up 99% at Rs 585 crs resulting from higher gas prices which is a pass through

#### 2. PBDIT for Q2 FY23 down 3% YoY at Rs 302 crs.

- **Chloro Vinyl segment PBDIT at Rs 241 cr down 9% YOY**
  - **Chemicals** PBDIT Rs 250 crs vs Rs 108 crs during Q2 FY22 led by higher product prices.

- **Vinyl PBDIT** at Rs –ve 10crs vs Rs 156 crs during same period last year led by lower volumes and prices.
- **Sugar business PBDIT** at –ve Rs 15 crs, primarily being an offseason and higher cost of LY sugar inventory. Non availability of C molasses also dragged the earnings. There was additional charge related to previous periods amounting to Rs 15 cr on account revision in wages w.e.f. Oct.' 2018 as well as increase in molasses quota from 18% to 20% for SS 21-22
- **Fenesta & SFS businesses PBDIT** at Rs 36 crs each, registered growth of 97% & 70% respectively, led by volumes.

**3. Tax cash outflow** is limited MAT (17.47%).

**4. PAT** for Q2 FY23 at Rs 128 crs vs Rs 158 crs during Q2 FY22.

**5. Surplus net of debt** at 30<sup>th</sup> September, 2022 is Rs. 35 crs vs a surplus of Rs 755 crs at 30<sup>th</sup> September, 2021 and Net debt of Rs. 4 crs on 31<sup>st</sup> March 2022.

- The ongoing capex programs in Chemicals and Sugar are expected to be commissioned as per plan and are being funded by mix of Debt and internal accruals.

**6. Interim Dividend** declared by the Board at 230% amounting to Rs 71.73 crs.

## H1 FY 22 Highlights

Rs/Cr

Particulars	H1 FY23	H1 FY22	Change (%)
Net Revenue from Operations	5,591	4,102	36
PBDIT	766	611	25
PBIT	643	495	30
Finance Cost	28	51	44
PAT	382	316	21

\*Net of excise duty on country liquor sales amounting to Rs 256 crs (LY 84).

### Key Developments – H1 FY23

#### 1. Net Revenues (net of excise duty) up 36% YoY at Rs.5,591 crs:

- **Chloro-vinyl** segment revenues up 47% at Rs 2,076 crs:
  - **Chemical** business revenues up 88% YoY at Rs 1678 crs driven by prices. Exports were 36,660MT i.e. 12% of total sales
  - **Vinyl** business revenues down 23% YoY at Rs 398 crs led by lower prices & volumes of PVC.
- **Fenesta** revenues for H1 FY23 higher by 44% YoY at Rs 344 crs led by volumes. Order booking up 39% YoY at Rs 390 crs.
- **Chloro-Vinyl** and **Fenesta** businesses in Q1 FY21 were impacted by pandemic and lockdown due to Covid-19, resulting in loss of production leading to lower sales.
- **Sugar** business revenues (net of excise duty) up 15% YoY at Rs 1,327 crs. led by higher prices of sugar
- **Fertilizer** revenues up 77% at Rs 907 crs resulting from higher gas prices which is a pass through. H1 FY22 revenues includes amount of Rs 33 crs received in Q1 FY22 for price revisions relating to previous years.
- **Agri Input businesses – Shriram Farm Solutions & Bioseed** revenues were higher 17% and 10% YoY at Rs 456 crs and Rs 293 crs respectively driven by higher sales.

#### 2. PBDIT for H1 FY23 up 25% YoY at Rs 766 crs vs Rs 611 crs for H1 FY22.

- **Chloro Vinyl segment PBDIT at Rs 680 cr up 46% YOY:**

- **Chemicals** PBDIT up 181% at Rs 619 crs led by higher product prices.
- **Vinyl (Plastics)** PBDIT for H1 FY23 at Rs 61 crs vs Rs 246 crs during same period last year led primarily by lower prices. Volumes were down 22%
- **Fenesta** PBDIT at Rs 69 crs vs Rs 31 crs during H1 FY22 due to higher execution in projects as well as retail verticals
- **Fertilizer** PBDIT down 59% at Rs 20 crs. Earnings higher on account of additional income of Rs 33 crs received during Q1 FY23 on account of price revisions relating to previous years. Volumes lower by 2%.
- **Sugar** business PBDIT lower at Rs 7 crs vs Rs 76 crs LY, primarily due to:
  - Lower sugar margins due to higher cost of production in last sugar season.
  - Limited availability of purchased molasses and that too on higher rates.
  - There was additional charge related to previous periods amounting to Rs 15 cr on account revision in wages w.e.f. Oct.' 2018 as well as increase in molasses quota from 18% to 20% for SS 21-22
- **Agri Input businesses – Shriram Farm Solutions & Bioseed** PBDIT at Rs 54 crs & Rs 19 crs vs Rs 37 crs & Rs 12 crs led by better volumes.

**3. PAT** for H1 FY23 at Rs 382 crs vs Rs 316 crs during H1 FY22.

**Commenting on the performance for the quarter and period ending September 2022, in a joint statement, Mr. Ajay Shriram, Chairman & Senior Managing Director, and Mr. Vikram Shriram, Vice Chairman & Managing Director, said:**

*We are glad to report a good overall performance during the quarter. The businesses continue to operate in a very volatile economic environment given the geo political uncertainties, climate change, monetary tightening and fears of recession around the corner. India is better placed with strong GDP growth but is not immune to above factors. Our Company also gets impacted by these factors but has inherent strength in its business model and financials to manage the tough operating environment.*

*Our Chemical business has performed well with reasonably firm product prices, a result of global supply chain imbalance. Vinyl business is facing headwinds of lower product prices with global decline in demand and higher sourcing from China. The major concern today for Chloro-Vinyl business is high energy prices which continue to be firm given the geo political instability. We are taking steps to reduce our energy costs by setting up additional 120 MW energy efficient captive coal based power plant and tying up for 50MW renewable power. We plan to take more such steps to reduce our costs as well as increase our green footprint.*

*Sugar industry is poised for growth with favorable dynamics with respect to Ethanol as well as Sugar. For the state of UP there is a need for better policy support to push exports as well as cane juice based Ethanol. The Company is exploring opportunities to build multiple revenue streams beyond Sugar and Ethanol through Circular economy.*

*Agri Input business of Shriram Farm Solutions witnessed growth despite unfavorable monsoons*

*Fenesta business continues its growth trajectory with strong operating performance. It is now entering into business of Facades.*

*Our Investment projects of around Rs. 3,500 crs across businesses are under progress as per schedule. Given the health of our balance sheet and operating cash-flow, we will look forward to more growth avenues and enhance our scale, integration and cost efficiencies.*

## Q2 FY23 – Segment Performance

Segments	Revenues			PBIT			PBIT Margins %	
	Q2'23	Q2'22	YoY % Change	Q2'23	Q2'22	YoY % Change	Q2'23	Q2'22
Chloro-Vinyl	936	814	15	214	238	-10	23	29
Sugar	617	590	5	-35	14	-	-	2
SFS	238	178	33	36	21	69	15	12
Bioseed	88	77	13	-3	-16	-	-	-
Fertilizer	585	293	99	35	14	152	6	5
<b>Others</b>	<b>300</b>	<b>209</b>	<b>43</b>	<b>19</b>	<b>10</b>	<b>85</b>	<b>6</b>	<b>5</b>
-Fenesta	178	130	37	31	15	109	17	11
-Cement	39	45	-14	-14	-4	-	-	-
-Polytech & Hariyali	84	34	145	2	-1	-	2	-
<b>Total</b>	<b>2,764</b>	<b>2,163</b>	<b>28</b>	<b>265</b>	<b>281</b>	<b>-6</b>	<b>10</b>	<b>13</b>
Less: Intersegment Revenue	24	18	35					
Less: Unallocable Exp. (Net)				26	29	-12		
<b>Total</b>	<b>2,740</b>	<b>2,145</b>	<b>28</b>	<b>239</b>	<b>252</b>	<b>-5</b>	<b>9</b>	<b>12</b>

Net of excise duty on country liquor sales amounting to Rs 136 crs (LY 33).

Note: Net revenue includes operating income

## H1 FY23 – Segment Performance

Segments	Revenues			PBIT			PBIT Margins %	
	H1 FY23	H1 FY22	YoY % Change	H1 FY23	H1 FY22	YoY % Change	H1 FY23	H1 FY22
Chloro-Vinyl	2,076	1,413	47	627	416	51	30	29
Sugar	1,327	1,153	15	-33	38	-	-	3
SFS	456	391	17	53	37	45	12	9
Bioseed	293	266	10	15	9	68	5	3
Fertilizer	907	513	77	15	44	-67	2	9
<b>Others</b>	<b>599</b>	<b>413</b>	<b>45</b>	<b>31</b>	<b>17</b>	<b>81</b>	<b>5</b>	<b>4</b>
-Fenesta	344	239	44	59	23	150	17	10
-Cement	82	91	-11	-33	-5	-	-	-
-Polytech & Hariyali	173	83	108	5	-2	-	3	-
<b>Total</b>	<b>5,657</b>	<b>4,149</b>	<b>36</b>	<b>708</b>	<b>560</b>	<b>26</b>	<b>13</b>	<b>14</b>
Less: Intersegment Revenue	66	47	40					
Less: Unallocable Exp. (Net)				65	65	-1		
<b>Total</b>	<b>5,591</b>	<b>4,102</b>	<b>36</b>	<b>643</b>	<b>495</b>	<b>30</b>	<b>11</b>	<b>12</b>

Net of excise duty on country liquor sales amounting to Rs 256 crs (LY 84).

Note: Net revenue includes operating income

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