

Phillips Carbon Black Ltd.

Investor Update Q1 FY20



Overview of Q1FY`20

- Despite the continuing slowdown in Auto sector, the company achieved a QoQ sales volume growth of over 5% during Q1 FY`20
- The company has been able to achieve a higher capacity utilization of 88% in Q1 FY`20 as compared to 86% in Q4 FY`19
- Due to reduction in overall demand in the industry, there is a pressure on margins especially in the non-tyre segment
- However, EBIDTA margins have been maintained at 13% during the quarter
- Power realisations stood at Rs 3.13/unit in Q1FY20 as compared to Rs 3.33/unit in Q1FY19
- The company has unveiled the “Sushila Goenka R&D Centre” located at Palej, Gujarat. Spread over a land area of 27,000 sq.ft, the R&D Centre is planned to facilitate development of new products required by the tyre and other industries across the world and pave the way for new uses of carbon black in a growing number of areas including engineering plastics, fibres, food contact plastics, wire & cables, ink, paints, batteries and other applications

Quantitative Summary : Q1 FY20

Particulars	Q1FY20	Q1FY19	%Change (YoY)	Q4FY19	%Change (QoQ)
Production (MT)	1,03,678	1,03,492	-	1,02,787	-
<i>Capacity Utilization(%)</i>	88%	95%	(7%)	86%	2%
Total Sales Volume (MT)	1,07,077	99,746	7%	1,01,906	5%
Domestic (MT)	78,696	78,957	-	72,136	9%
Export (MT)	28,381	20,789	36%	29,770	(5%)

Financial Summary : Q1 FY20

In Rs Crs

Particulars	Q1FY20	Q1FY19	%Change (YoY)	Q4FY19	%Change (QoQ)
Total Income	912	781	17%	921	-
EBITDA (before forex)	119	165	(28%)	121	(2%)
EBITDA%	13%	21%	(8%)	13%	-
PBT	85	137	(38%)	92	(7%)
PAT	65	98	(34%)	74	(12%)
EPS	3.75	5.66		4.32	

Outlook for FY`20

- The company remains positive of an uptick in both replacement demand as well as revival of OEM demand from second half of FY`20
- Continues to expand its product portfolio of high-performance high-margin grades for both rubber and specialty black applications
- Aligned with strategic customers (domestic and International) for joint development programmes
- Brownfield projects of 30,000 MT at Palej by Q3 FY20



Cautionary Statement

Statement in this “ Management Discussion and Analysis” describing the Company’s objectives, projections, estimates, expectations or predictions may be “ forward looking statements” within the meaning of applicable securities law and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include demand supply conditions, finished goods prices, availability and prices of raw materials, changes in the government regulations, tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigations and labour negotiations.



Thank You

