

Phillips Carbon Black Ltd.

Investor Update Q2 FY20

Overview of Q2FY`20

- Witnessed fall in demand in the domestic market led by Tyre companies. However, the company was able to push volumes in the International markets with export volumes registering a growth of 35% YoY
- Better product mix and customer segmentation led to rise in margins
- EBIDTA margins improved to 16% in Q2 FY`20 as compared to 13% in Q1 FY`20
- The company was able to achieve a higher capacity utilization of 90% in Q2FY`20
- Power realisations remained flat at Rs 3.14/unit in Q2FY20 with sale volumes of 75 MU
- Continued focus on R&D led to increased sales volume from the Speciality Carbon Black portfolio which stood at 5300 MT during the quarter

Quantitative Summary : Q2 FY`20

Particulars	Q2FY20	Q2FY19	%Change (YoY)	Q1FY20	%Change (QoQ)
Production (MT)	1,06,706	1,01,871	5%	1,03,678	3%
<i>Capacity Utilization(%)</i>	90%	93%	(3%)	88%	2%
Total Sales Volume (MT)	1,02,321	99,854	2%	1,07,077	(4%)
Domestic (MT)	69,747	78,760	(11%)	78,696	(11%)
Export (MT)	32,574	21,094	54%	28381	13%

Financial Summary : Q2 FY`20

In Rs Crs

Particulars	Q2FY20	Q2FY19	%Change (YoY)	Q1FY20	%Change (QoQ)
Total Income	863	880	(2%)	912	(5%)
EBITDA (before forex)	137	178	(23%)	119	13%
EBITDA%	16%	20%	(4%)	13%	3%
PBT	103	154	(33%)	85	17%
PAT	77	108	(29%)	65	16%
EPS	4.47	6.27		3.75	

Outlook for FY`20

- The company is witnessing a fall in demand from the domestic Tyre market. It is expected that the same is short lived and demand should revive going forward
- Focusing on export market to maintain volumes
- 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

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