For Immediate Release

DCM Shriram Ltd. announces Q1 FY23 Financial Results

Net Revenue up 46% at Rs/Cr 2851*

PBDIT up 55% at Rs/Cr 464 & PAT up 61% at Rs/Cr 254

- **Net Revenues for Q1 FY23 up 46% YoY at Rs/cr 2,851*.**
  - **Chloro-Vinyl** up 90% at Rs/cr 1,140 driven by prices & volumes.
  - **Sugar** up 26%, at Rs/cr 710* driven by higher volumes and prices.
  - **Fenesta** up 54% at Rs/cr 167 led by volumes and prices in both project & retail segment

- **PBDIT for Q1 FY23 up 55% YoY at Rs/cr 464.**
  - **Chemical** up 227% at Rs/cr 368 due to better margins & volumes
  - **Fenesta** up 168% at Rs/cr 32 led by higher volumes & better margins in retail segment
  - **Sugar** down 49% at Rs/cr 22 led by lower margins in sugar due to increased cost of production consequents to increase in SAP & lower recoveries in last season.

- **Projects under implementation** in Chemicals and Sugar, aggregating Rs/cr 3,500 approximately, are progressing well and scheduled to be commissioned in next 12 months

- **ROCE** is higher at 37% vs 23% in June'21.

New Delhi, 19th July, 2022: DCM Shriram Ltd. announced its Q1 FY23 financial results today.

* Net of Excise duty of Rs/Cr 120 on country liquor sales in Q1'23 & Rs/Cr 51 in Q1'22.

Q1 FY23 Highlights

Rs/Cr

	Q1 FY23	Q1 FY22	Change (%)
Net revenue from operations*	2,851	1,957	46%
PBDIT	464	300	55%
PBIT	403	243	66%
Finance Cost**	17	27	-39%
PAT	254	158	61%

*Net of excise duty of Rs/Cr 120 and 51 for Q1 FY23 and Q1 FY22 respectively, on country liquor sales.
**Net Finance cost for Q1 FY23 at Rs/Cr –ve 1.4 vs 10.7 for Q1 FY22.

Key Developments – Q1 FY23

1. **Net Revenues** (net of excise duty on sale of country liquor) up 46% YoY at Rs/Cr 2,851
   - **Chemicals** revenues up 117% at Rs/Cr 896 driven by prices & volumes.
     - ECU prices up 103%. Prices were up across the product categories.
     - Caustic sales volumes up 13% as Q1 FY22 was impacted by lower demand due to Covid 19 impact.
   - **Vinyl** business revenues up 31% at Rs/Cr 243 driven by volumes and prices.
     - Carbide prices up 18% and PVC prices up 3%.
     - Carbide volumes up 135%. PVC volumes down 13% YoY. Volumes in Q1 FY22 were affected due to second wave of Covid 19. Volumes had an impact of Rs/Cr 24 on the revenues.
   - **Fertilizer** revenues up 46% at Rs/Cr 321 resulting from higher gas prices which is a pass through. Volumes lower 15%.
   - **Fenesta** revenues up 54% at Rs/Cr 167 led by volumes and prices in both project & retail segment. Order booking up 113%.
   - **Shriram Farm Solutions (SFS)** revenues stable at Rs/Cr 218 vs 212 for Q1 FY22.
   - **Overall Sugar** business revenues (net of excise duty on country liquor sales) up 26% at Rs/Cr 710 led by:
     - Sugar volumes up 20% YoY, due to better releases and domestic sugar prices up 7%
     - Distillery volumes up 12% YoY and ethanol prices also higher for current ethanol season
   - Bioseed revenues up 9% YoY at Rs/Cr 205
     - Revenue from India operations up 31% YoY led by Cotton in trade channel and Corn in institutional channel

- Revenue from international operations down 48% YoY

2. **PBDIT** for Q1 FY23 up 55% YoY at Rs/Cr 464
   - **Chemicals** PBDIT at Rs/Cr 368, up 227% led by higher product prices and volumes. Both power & salt prices continue to be high, which were more than offset by better product prices.
   - **Fertilizer** PBDIT at Rs/Cr –ve 17 vs 33 during Q1 FY22 driven by lower volumes and planned shutdown impacting energy consumption & fixed expenses.
   - **Fenesta** PBDIT at Rs/Cr 32 up 168% led by higher volumes & better margins in retail segment.
   - **Shriram Farm Solutions** PBDIT at Rs/Cr 18 up 13% YoY.
   - **Overall Sugar** PBDIT at Rs/Cr 22 down 49% on account of:
     - Lower margins due to increased costs of sugar as a result of increase in SAP & lower recoveries in last sugar season
     - Higher sugar and ethanol prices partly offset cost pressures.
   - **Bioseed** PBDIT at Rs/Cr 20 vs 27 for Q1 FY22 impacted by lower volumes in International operations.
   - **Vinyl** PBDIT came in lower at Rs/Cr 70 down 22% YoY due to higher power & fuel costs.

3. **PAT** for Q1 FY23 at Rs/Cr 254 up 61% YoY.

4. **Net Debt** as on 30th June, 2022 is Rs/Cr 8 vs 32 as on 30th June, 2021. **ROCE** came in at 37% vs 23% for Q1 FY22 (based on TTM).

5. **Sugar Season update**

   - Last mill stopped crushing on 23rd April, 2022.
   - Cane crushed for SY22 is 549 lac qtls vs 553 lac qtls for SY21.
   - Recoveries on final molasses for the season stood at 11.26% (SY22) vs 11.73% (SY21).
   - Sugar diverted for cane juice and B-Heavy ethanol production at 11.4 lac qtls.

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

We are witnessing very high inflation levels across the globe after many decades. There are supply chain disruptions, prices of key commodities are still elevated, Interest rates are rising, currencies across the globe are at historic lows against the US dollar and there is Russia-Ukraine conflict which is continuing. These have led to uncertain economic environment. With our strong businesses and balance sheet we are well placed to manage these uncertainties. Our operating and financial performance during the quarter continues to remain strong.

***Chemicals** business has performed well, with cost pressures being more than compensated with increase in volumes and product prices. Some softening is likely with the reduction in global demand however overall returns are expected to remain reasonable and the cost improvement measures being taken will cushion our margins. **Vinyl** business is facing cost pressures however the margins are good.*

***Sugar** business is facing margin pressures in Sugar, however Ethanol earnings are stable. This season costs have gone up with increased in SAP as well as adverse climate factors. Sugar policy especially in UP requires better support from government. Ethanol continues to get fillip from the Government considering their target of 20% mandate by 2025, here again cane juice based ethanol requires a differentiated policy for UP given unfavorable cost dynamics. **Fenesta & Shriram Farm Solutions** businesses continue to witness good growth with new product portfolios & geographical expansion. **Bioseed** India has shown improvement despite delay in monsoons.*

We are investing close to Rs 3,500 crs in various projects primarily in Chemicals and Sugar business which are to be commissioned over the next 12 months and will be funded from internal accruals and debt. These projects will increase our scale, forward integration, new product lines along with bringing efficiencies and cost reduction. Some of these projects are directed towards creating wealth out of waste, building future capabilities and reducing carbon footprint.

With comfortable balance sheet and cash flow we will continue to deliver growth on a sustained basis.

Q1 FY23 – Segment Performance

Rs crs	Revenues			PBIT			PBIT Margins %	
Segments	**Q1 FY23**	**Q1 FY22**	***YoY % Change***	**Q1 FY23**	**Q1 FY22**	***YoY % Change***	**Q1 FY23**	**Q1 FY22**
Chloro-Vinyl	**1140**	***598***	***90***	**413**	***178***	***132***	***36***	***30***
Sugar*	**710**	***563***	***26***	**2**	***23***	***(91)***	***0***	***4***
SFS	**218**	***212***	***3***	***18***	***16***	***13***	***8***	***7***
Bioseed	**205**	***188***	***9***	***18***	***25***	***(27)***	***9***	***13***
Fertilizer	**321**	***220***	***46***	**(20)**	***30***	***-***	***(6)***	***14***
Others	**299**	***204***	***47***	**12**	***7***	***75***	***4***	***3***
-Fenesta	167	*108*	*54*	28	*9*	*218*	***17***	***8***
-Cement	43	*47*	*(7)*	(19)	*(1)*	-	***(45)***	***(2)***
-Others	89	*49*	*83*	*3*	*(1)*	-	*4*	*(2)*
Total	**2893**	***1986***	***46***	**442**	***279***	***59***	***15***	***14***
Less: Intersegment Revenue	42	*29*	*44*					
Less: Unallocable expenditure (Net)				39	*36*	*9*		
Total	**2851**	***1957***	***46***	**403**	***243***	***66***	***14***	***12***

* Net of excise duty of Rs/Cr 120 and 51 for Q1 FY23 and Q1 FY22 respectively, on country liquor sales.
Note: Net revenue includes operating income

For further information, please contact:

Aman Pannu

Head- Corporate Communications

DCM Shriram Ltd.

+91 9899078610