

Earnings Presentation

Q3FY21 EARNINGS PRESENTATION
(February 2021)

BSE – DHARAMSI / 506405

Bloomberg – DMCC:IN

The Dharamsi Morarji Chemical Co. Limited

100 + years of expertise in Sulphur Chemistry



THE DHARAMSI MORARJI CHEMICAL CO. LTD.



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QUARTERLY UPDATES

MANAGEMENT REMARKS

UPDATES ON CAPEX

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Visit: <https://bit.ly/3ePHS7S>
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Financial Statement Summary

CONSOLIDATED P&L STATEMENT

Figures in INR Crores

PARTICULARS	Q3 FY21	Q2 FY21	Q3 FY20
Revenue from Operations	47.33	49.77	40.47
Total Income	48.22	55.88	40.63
Total Operating Expense	39.29	40.45	34.58
EBITDA	8.94	15.43	6.06
EBITDA Margins %	18.88%	31.01%	14.97%
Interest Cost	0.87	0.73	0.47
Depreciation and Amortisation	1.71	1.73	1.54
Profit Before Taxes	6.36	12.97	4.04
Profit After Taxes	4.72	11.68	12.96 *

16.95% ▲

Q3FY21 Revenue from Operations at INR 47.33 crores as compared to INR 40.47 crores in Q3FY20

47.52% ▲

Q3FY21 EBITDA at INR 8.94 crores as compared to INR 6.06 crores in Q3FY20.

57.42% ▲

Q3FY21 PBT at INR 6.36 crores as compared to INR 4.04 crores in Q3FY20.

63.58% ▼

Q3FY21 Profit After Tax at INR 4.72 crores as compared to INR 12.96 crores in Q3FY20.

* Q3FY20 PAT is inclusive of MAT credit entitlement of INR 10.11 crores

CLICK HERE to view the financial results- <https://www.bseindia.com/xml-data/corpfiling/AttachLive/cd462a55-3ffa-4d9f-a47b-0aef5f0ce04a.pdf>

Management Remarks

FINANCIAL PERFORMANCE:

The revenues of the company in Q3FY21 increased by 16.95% to 47.33 cr. as compared to 40.47 cr. in Q3FY20. The company recorded a strong overall performance despite a planned maintenance shutdown of 35 days during the quarter. The company also witnessed strong demand from the exports market during the quarter.

The company recorded strong EBITDA margins of 18.88% in this quarter. The strong margins were aided by a combination of soft input prices and higher finished product prices during the quarter.

The increase in other expenses on Y-o-Y basis is attributable to the increase in freight costs and other operating expenses. In Q3FY20, the company had witnessed a slowdown in the export markets resulting in lower freight costs.

The increase in repairs expense is attributable to the maintenance shutdown during the quarter.

PBT of the company in Q3FY21 increased by 57.42% to 6.36 cr. as compared to 4.04 cr. in Q3FY20.

SEGMENT PERFORMANCE:

- The company witnessed strong performance in specialty chemicals segment with reopening of domestic industries. The demand from export markets continued to remain strong during the quarter despite the 2nd wave of COVID in European countries.
- The commodity segment of the boron business continued to face a challenging environment with availability of raw materials being a roadblock. However the company continues to witness traction on the specialty part of the boron business.
- The volumes in the bulk chemicals business were subdued owing to the maintenance shutdown. The company expects the volumes in bulk chemicals to recover from the current quarter.

FUTURE OUTLOOK:

- The company is witnessing a recovery in volumes in both bulk as well as specialty chemicals in the domestic markets as all industries are now fully operational. The company has a strong order book visibility and expects the momentum to continue going forward.
- The export market has done relatively well since the outbreak of the pandemic. Exports contributed ~ 31% of the total sales in Q3FY21 as compared to ~34% in Q2FY21. The industries in the export market have been fully operational and the company remains cautiously optimistic in the exports business.

PARTICULARS	Q3 FY21	Q2 FY21
Sale of specialty chemicals including exports	66%	67%
Sale of bulk chemicals	33%	29%
Other Operating Income	1%	4%

Update on Capex

Bulk chemicals at Dahej	Specialty chemicals at Dahej	Debottlenecking at Roha	Multipurpose plants at Dahej	Intermediates Plant at Dahej
<p>The company will be investing 50 cr. in adding incremental capacity in bulk chemicals segment.</p>	<p>The company will invest 20. Cr in a dedicated plant at Dahej facility.</p>	<p>The company is progressing well on its plans of debottlenecking at the Roha facility. The company will invest ~ 10 cr. on this project.</p>	<p>The company will further invest Rs. 10 cr. in 2 multipurpose plants at the Dahej facility.</p>	<p>The company had plans to invest Rs. 20 cr. for expansion to manufacture intermediates for pharmaceutical and agrochemical industry.</p>
<p>The company has been facing certain challenges in terms of delays from vendors, however the company is on track to complete the project by June 2021</p>	<p>The company will use this facility for contract manufacturing. The products to be manufactured and other details remain confidential as the company has signed an NDA.</p>	<p>The company is on track to complete this project by April 2021.</p>	<p>The company plans to begin commercial production in these multipurpose plants by the end of the current financial year.</p>	<p>This project is expected to complete by December 2021</p>
	<p>The plant is expected to begin commercial production in the 2nd half of 2021</p>			<p>The company had earlier decided to invest this amount in Sulfones. However with a downturn in the international markets for the product category, the plan has been put on hold</p>

Get in Touch

MR. DILIP T GOKHALE

*Sr. Executive Vice President & Company
Secretary*

**The Dharamsi Morarji Chemical Co.
Limited**

dgokhle@dmcc.com



MR. ABHISHEK MEHRA

Investor Relations Advisor

The Investment Lab

abhishek@theinvestmentlab.in

