



Q3 & 9M FY2021 – Press Release for immediate release

- **Company overcomes lockdown impact to report growth; Consol. PAT, at Rs. 217 crore, rises 38% on a Y-o-Y basis**

On a Consolidated Basis:

- **Revenues at Rs. 1,240 crore in Q3 FY21, up by 9% Y-o-Y**
- **EBITDA at Rs. 340 crore, higher by 25% Y-o-Y**
- **PAT, at Rs. 217 crore, rises 38% on a Y-o-Y basis**

Mumbai | Vadodara, February 15, 2021: Deepak Nitrite Limited, one of India's leading chemical intermediates company, has announced its financial results for the third quarter ended, 31st December, 2020. The Company, in its 50th year of operations has delivered a strong operational performance and several brownfield projects taken up during the quarter have led to further improvement in profitability.

Amidst the ongoing pandemic, Deepak Nitrite rapidly adapted to the new normal work environment and stringently implemented all recommended health and safety protocols. The Company has demonstrated agility to deliver a standout performance, returning to a y-o-y growth trajectory in consolidated PAT on YTD basis, despite lingering impact of pandemic on some end use segments and production loss of one month during lockdown.

Financial Highlights

Q3 FY2021 Vs. Q2 FY2021 (q-o-q)

- Standalone Revenues improved by 10% to Rs. 491 crore in Q3 FY21 as compared to Rs. 448 crore in Q2 FY21. Performance was attributable to a positive contribution from all the three strategic business units (SBUs).

On a Consolidated basis, Revenues were higher by 25% at Rs. 1,240 crore in Q3 FY21 compared to Rs. 991 crore in Q2 FY21. Leveraging the sharp economic recovery in Q3, DPL further elevated its performance compared to the trailing quarter contributing to higher revenues.

- Standalone EBITDA was Rs. 149 crore in Q3 FY21 as against Rs. 139 crore reported in the immediately preceding quarter, registering growth of 7%. The EBITDA margin remained steady at 30.4% in Q3 FY21 from 31.1% in Q2 FY21, although it faced constrained availability of some raw materials despite long term contracts in place which led to disruption of operation of plants and spot purchases at higher cost.

On a Consolidated basis, EBITDA was Rs. 340 crore in Q3 FY21 compared to Rs. 280 crore in Q2 FY21, higher by 22%. The Consolidated EBITDA margin was stable at 27.4%.

- Standalone PAT for Q3 was Rs. 98 crore as against Rs. 92 crore in Q2 FY21, growing by 6% on a Q-o-Q basis. On a Consolidated basis, PAT was Rs. 217 crore in Q3 FY21 compared to Rs. 170 crore in Q2 FY21, higher by 27%.
- Standalone EPS for Q3 FY21 was Rs. 7.18 per share (of face value of Rs. 2 each) as compared to Rs. 6.75 per share in Q2 FY21. Consolidated EPS for Q3 FY21 was Rs. 15.88 per share (of face value of Rs. 2 each) as compared to Rs. 12.48 per share in Q2 FY21

CMD's Message

Commenting on the performance, **Mr. Deepak C. Mehta, Chairman & Managing Director**, said,

“Our financial performance in Q3 is indicative of the underlying resilience of our business. Excellent team work, improved operations including more active marketing and logistics have enabled us to grab the opportunities arising from the sharp rebound in India’s overall economic activity following several months of lockdown.

In the backdrop of volatile input prices and persistent sluggishness in some end-use industries like oil, paper, textile we have achieved a strong sequential recovery in both revenues and profitability. This is attributable to our diversified product portfolio supported by deep expertise and decades of manufacturing experience enabling us to relentlessly enhance our offerings to meet the stringent requirements of our global clientele.

The Union Budget seeks to strengthen domestic industry and with our demonstrated track record in import substitution, we are well placed to contribute to Atmanirbhar Bharat.”

Performance Highlights

Segmental Performance - Q3 FY21 Vs. Q2 FY21 (q-o-q)

- **Basic Chemicals:** The BC segment reported revenues of Rs. 196 crore in Q3 FY21 compared to Rs. 172 crore in Q2 FY21, higher by 14% q-o-q. Though the oil and dye industry are still recovering from the impact of the pandemic, other segments performed well, so, we were able to grow segment revenues.
- **Fine & Specialty Chemicals:** The FSC segment delivered a stable performance with revenues Rs. 211 crore in Q3 FY21 compared to Rs. 210 crore in Q2 FY21. The entire basket of products including new products catering to pharma and personal care industries continues to perform well with favourable price trends.
- **Performance Products:** The PP segment reported an increase of 34% on a q-o-q basis in revenues to Rs. 90 crore in Q3 FY21 compared to Rs. 67 crore in Q2 FY21. Due to lingering effects of lockdown on end user industries of paper, textiles and detergents, realizations in the performance products segment are yet to recover. However, the plant capacity utilization and customer demand are steadily nearing the pre-Covid level. Given the entrenchment in the product with a fully integrated model, DNL is well placed to capitalize on further increases in demand and applications in end-user industries.
- **Phenolics:** Deepak Phenolics witnessed revenues increase by 37% q-o-q to Rs. 747 crore in Q3 FY21 compared to Rs. 545 crore in Q2 FY21. Initiatives to elevate plant efficiency have resulted in utilisation above 115% of stated capacity. Growth in EBITDA at 36% was in line with revenue growth and the EBITDA margin was stable.

Domestic & Exports - Q3 FY21 Vs. Q2 FY21 (q-o-q)

- Domestic Revenues were Rs. 864 crore in Q3 FY21 higher by 31% compared to Rs. 659 crore in the immediately preceding quarter.
- Export Revenues were Rs. 368 crore in Q3 FY21 compared to Rs. 326 crore in Q2 FY21, higher by 12.9% q-o-q

Other Key Developments

- Land development activity has commenced at the newly acquired site measuring 127 acres at Dahej (named Dahej 2).

About Deepak Nitrite

Ranked among Fortune 500 and Forbes Asia (under Bn) top 200, Deepak is one of the fastest growing chemical intermediates with diversified portfolio that caters to the dyes and pigments, agrochemical, pharmaceutical, plastics, textiles, paper and home and personal care segments and petro derivatives intermediates -phenolics, acetone and IPA in India and overseas. Its products are manufactured across 6 locations, which are all accredited by Responsible Care.

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