

Q4FY23 result preview

- SRF (HOLD)
- Navin Fluorine (REDUCE)
- Gujarat Fluorochem (BUY)
- Archeon Chemical (BUY)
- Tatva Chintan (BUY)
- Clean Science (HOLD)
- Galaxy Surfactants (ADD)
- Rossari Biotech (ADD)
- EPL (BUY)
- Chemplast Sanmar (BUY)
- Sudarshan Chemical (ADD)
- PCBL (BUY)

Specialty Chemicals

Excl Chemplast, EBITDA growth is 15% for chemical cos

We estimate our specialty chemical coverage universe's revenue to grow 3.3% YoY in Q4FY23. EBITDA is expected to grow 5.3% YoY; however, excluding Chemplast, we estimate growth to be 15% YoY: 1) SRF's EBITDA to dip (-1.4%) YoY on lower margin in non-chemicals, while chemicals business to continue its good show; 2) Navin Fluorine (+98%) to benefit from rise in utilisation of HPP plant and higher specialty / CRAMS revenue; 3) Gujarat Fluorochemicals' (52% YoY) growth to be led by a strong show in new fluoropolymers and ref-gas, and 4) Clean Science (40% YoY) and EPL (+16% YoY) to benefit from lower input prices. 5) Tatva Chintan's performance continues to be hurt by higher input cost, while SDA sales to recover. 6) Galaxy Surfactants' volumes to grow but on low base, but EBITDA/kg may dip. 7) Chemplast's volumes to be stable; however, PVC spread is likely to recover, but still below mid cycle levels. 8) PCBL's volumes to grow on re-inventorisation and gross profit/kg to be stable. 9) Sudarshan to continue facing volume pressure in pigment business on lower demand from plastics, but margins to recover partly. 10) Rossari EBITDA to grow moderately even on a low base. 11) Archeon to see subdued demand in bromine volume; realisation to hold.

- **SRF's chemical business EBIT to grow 27% YoY / 13.6% QoQ to Rs6.4bn.** SRF's chemical business EBIT may gain from steady growth (YoY) in fluoro-specialty, and sustained high price in ref-gas (HFC). Technical textiles and packaging films' EBIT is likely to be lower YoY on dip in spreads; however, we anticipate some recovery QoQ. SRF's revenue to grow 4.8% YoY / 7.2% QoQ to Rs37bn, EBITDA to decline 1.4% YoY / up 12.1% QoQ to Rs9.3bn. Net profit to decline 9.7% YoY / up 7.1% QoQ to Rs5.5bn.
- **Navin Fluorine's EBITDA to rise 98% YoY to Rs1.9bn.** Revenue to grow 56% YoY to Rs6.4bn. This would be aided by 84% YoY growth in HPP (which also includes ref-gas and inorganic fluoride) to Rs2.8bn on commissioning of intermediate product for Honeywell. Specialty chemicals revenue to grow 50% to Rs2.4bn on full quarter benefit of MPP-2 and dedicated agro-chemical intermediate plant; and CRAMS revenue to grow 40%. EBITDA margin may rise 160bps QoQ on operating leverage. EBITDA / PAT may grow 98% / 52% YoY to Rs1.9bn / Rs1.1bn, respectively.

Quarterly summary

(Rs mn)	Revenue			EBITDA			PAT		
	JFM'23E	% chg		JFM'23E	% chg		JFM'23E	% chg	
		(QoQ)	(YoY)		(QoQ)	(YoY)		(QoQ)	(YoY)
SRF	37,202	6.6	0.4	9,346	12.1	(1.4)	5,471	7.1	(9.7)
Navin Fluorine	6,393	13.4	56.3	1,869	20.1	98.3	1,144	7.4	52.3
Gujarat Fluorochemicals	14,374	1.4	33.9	5,028	(3.9)	51.7	3,331	1.1	50.3
Clean Science	2,601	9.6	27.1	1,173	8.4	40.1	832	(0.7)	33.4
Tatva Chintan	1,322	9.6	34.2	202	12.9	(7.8)	119	2.8	(31.8)
Galaxy Surfactants	9,901	(8.3)	(6.0)	1,292	(16.1)	(10.9)	804	(24.3)	(18.2)
Rossari Biotech	3,980	2.2	(9.3)	558	3.1	6.8	272	5.8	12.8
EPL	9,500	0.5	7.9	1,544	3.6	16.0	529	(15.8)	8.6
Sudarshan Chemical	6,111	15.7	(2.6)	695	66.8	(19.3)	214	3,557.4	(52.2)
Chemplast Sanmar	12,178	2.5	(32.6)	1,516	94.0	(56.2)	703	159.1	(69.6)
PCBL	13,797	1.2	13.2	1,818	11.3	35.3	1,006	3.6	14.0
Archeon Chemical	3,810	4.4	2.3	1,743	9.0	5.1	1,189	21.3	45.9

JFM'23E*: Jan-Mar23; Source: Company data, I-Sec research

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- ▶ **Gujarat Fluorochemicals' EBITDA may rise 52% YoY to Rs5bn.** Bulk commodity revenues are likely to dip 18% YoY due to fall in caustic soda and chloromethane prices. Fluorochemicals revenue to benefit from ramp-up in R-125. Fluoropolymers revenue to benefit from higher realisation in PTFE; and volume ramp-up in new fluoropolymers. Revenue to grow 34% YoY to Rs14bn. Gross profit margin may dip 230bps QoQ to 70.2% on lower bulk commodity revenue. EBITDA margin to be at 35% (down 190bps QoQ). Net profit may rise 50% YoY / up 1.1% QoQ to Rs3.3bn.
- ▶ **Clean Science's net profit to grow 33% YoY / flattish QoQ to Rs832mn.** We expect Clean Science's revenue to grow across segments YoY on new capacity addition. Gross profit margin is expected to rise 20bps QoQ to 67.4% aided by drop in key raw material prices. Company's EBITDA is likely to jump 40% YoY / 8.4% QoQ to Rs1.2bn, and EBITDA margin to be 45.1% (down 50bps QoQ).
- ▶ **Tatva Chintan's EBITDA to dip 7.8% YoY / +13% QoQ to Rs202mn.** Revenue from SDA to recover as customer inventory level normalise; up 60% YoY to Rs617mn. PTC, electronic chemicals and PASC to grow at a healthy pace. Gross profit to grow 3% (up 14.6% YoY) to Rs605mn, which continues to hurt by high priced solvent. EBITDA margin is likely to remain subdued at 15.3% (up 40bps QoQ). Net profit to dip 31.8% to Rs119mn.
- ▶ **Galaxy Surfactants' volumes to grow 6.2% YoY to 61kte on low base.** India should see a steady volume performance; AMET and RoW to see improvement in demand, though on low base. Performance surfactants volumes to rise 10% YoY; specialty care volumes to be flattish. Realisation may dip on a drop in raw-material prices. Thus, revenue to dip 8.3% QoQ and 6% YoY to Rs10bn. Gross profit margin to improve 50bps QoQ (optically on lower raw material cost), while EBITDA margin may rise 120bps QoQ. EBITDA /kg to remain healthy at Rs21.2 (down 20% QoQ); and EBITDA to decline 10.9% YoY / 16.1% QoQ to Rs1.3bn. Net profit to decline 18% YoY / 24% QoQ to Rs804mn. GSL benefited from export incentive of Rs200mn in Egypt in Q3FY23 which we assume nil in Q4FY23.
- ▶ **Rossari's net profit to grow 12.8% YoY / 5.8% QoQ to Rs272mn.** Rossari's consolidated revenue is expected to dip 9.3% YoY / up 2.2% QoQ to Rs4bn. HPPC segment revenue to dip 7.1% YoY (up 4% QoQ) to Rs2.8bn. Textile business is likely to have muted revenue due to headwinds for the industry. EBITDA to grow 6.8% YoY to Rs558mn which should benefit from decline in raw material prices and EBITDA margin may improve by 10bps QoQ to 14%.
- ▶ **EPL's EBITDA to rise 16% YoY to Rs1.5bn.** Revenue is likely to grow 8% YoY to Rs9.5bn. Revenue growth to come across geographies, except Europe (flattish) - AMESA (+10% YoY), Americas (+12%) and EAP (+15%). Gross profit may be up 9.7% YoY to Rs5.2bn and EBITDA to grow 16% YoY to Rs1.5bn. Net profit to grow 8.6% YoY to Rs529mn. We expect EBIT margin improvement sequentially across segments from lower raw-material prices and cost inflation.
- ▶ **Sudarshan Chemical's EBITDA to dip 19% YoY.** Revenue is expected to dip 2.6% YoY / +15.7% QoQ to Rs6.1bn. Gross profit margin may improve 60bps QoQ to 41.4% on easing raw material inflation and EBITDA margin may improve by 350bps to 11.4%. We expect net profit to dip 52% YoY to Rs214mn.
- ▶ **Chemplast Sanmar's EBITDA to dip 56% YoY to Rs1.5mn.** Volumes are likely to be flattish YoY at 151kte. Revenue is estimated to dip 33% YoY to Rs12bn on

lower realisation. PVC spread is expected to improve from lows of previous two quarters, but we believe it is still below mid cycle spreads which should take a few more quarters. Drop in caustic soda and chloromethane prices will likely hurt standalone profits which may off-set benefit of price increase in paste-PVC. Gross profit may be lower by 23% YoY to Rs4.6bn. Net profit to contract 70% YoY to Rs703mn.

- **PCBL's EBITDA to rise 35% YoY / 11.3% QoQ to Rs1.8bn.** Volumes to rise 6% YoY to 119kte on re-inventorisation. Realisation to be lower QoQ on a drop in input cost while spreads are stable. Gross profit/kg to improve 12.5% YoY (flattish QoQ) to Rs31.5. Net profit to increase 14% YoY to Rs1bn.
- **Archean Chemical EBITDA to rise 5.1% YoY to Rs1.7bn.** Archean Chemical revenue to grow 2.3% YoY to Rs3.8bn driven by better realisation in salt and bromine; while volumes remain subdued, particularly in bromine, as demand from China is below expectation. Salt realisation is expected to remain strong which is helping company to sustain EBITDA growth. Net profit to grow 46% YoY to Rs1.2bn on interest cost saving from repayment of high cost NDCs from IPO proceeds.

Table 1: Our chemical coverage universe revenue is likely to grow 3.3% YoY / 3.8% QoQ on drop in raw-material dragging down realisation

Rs mn	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
SRF	35,494	38,947	37,278	34,697	37,202	7.2	4.8
Navin Fluorine	4,089	3,975	4,192	5,636	6,393	13.4	56.3
Gujarat Fluorochemicals	10,738	13,340	14,613	14,179	14,374	1.4	33.9
Clean Science	2,046	2,341	2,475	2,374	2,601	9.6	27.1
Tatva Chintan	985	884	901	1,206	1,322	9.6	34.2
Galaxy Surfactants	10,529	11,589	12,316	10,803	9,901	(8.3)	(6.0)
Rossari Biotech	4,389	4,347	4,254	3,893	3,980	2.2	(9.3)
EPL	8,802	8,318	9,481	9,449	9,500	0.5	7.9
Sudarshan Chemical	6,272	5,542	5,284	5,280	6,111	15.7	(2.6)
Chemplast Sanmar	18,069	14,113	11,944	11,886	12,178	2.5	(32.6)
PCBL	12,188	14,091	16,279	13,633	13,797	1.2	13.2
Archean Chemical	3,726	4,003	2,935	3,649	3,810	4.4	2.3
Total	1,17,329	1,21,489	1,21,952	1,16,684	1,21,171	3.8	3.3

Source: Company data, I-Sec research

Table 2: Underlying gross profit trend shows moderating growth at 7.2% YoY (up 5.2% QoQ)

Rs mn	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
SRF	18,857	20,370	17,749	17,753	18,925	6.6	0.4
Navin Fluorine	2,122	2,152	2,356	3,172	3,565	12.4	68.0
Gujarat Fluorochemicals	7,624	9,624	10,632	10,280	10,093	(1.8)	32.4
Clean Science	1,334	1,427	1,548	1,596	1,754	9.9	31.4
Tatva Chintan	588	486	466	528	605	14.6	3.0
Galaxy Surfactants	3,472	3,571	3,312	3,412	3,177	(6.9)	(8.5)
Rossari Biotech	1,145	1,241	1,237	1,169	1,223	4.6	6.8
EPL	4,751	4,663	5,123	5,182	5,210	0.5	9.7
Sudarshan Chemical	2,561	2,237	2,045	2,152	2,531	17.6	(1.2)
Chemplast Sanmar	6,015	5,072	4,124	4,115	4,620	12.3	(23.2)
PCBL	3,146	3,834	3,692	3,196	3,753	17.4	19.3
Archean Chemical	3,597	3,954	2,642	3,714	3,734	0.5	3.8
Total	55,212	58,631	54,924	56,267	59,190	5.2	7.2

Source: Company data, I-Sec research

Table 3: EBITDA to grow 5.3% YoY, but exChemplast, it is still good 15% YoY

Rs mn	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
SRF	9,480	9,950	7,691	8,335	9,346	12.1	(1.4)
Navin Fluorine	943	991	938	1,556	1,869	20.1	98.3
Gujarat Fluorochemicals	3,315	4,589	5,358	5,232	5,028	(3.9)	51.7
Clean Science	837	913	975	1,082	1,173	8.4	40.1
Tatva Chintan	220	152	112	179	202	12.9	(7.8)
Galaxy Surfactants	1,450	1,480	1,317	1,541	1,292	(16.1)	(10.9)
Rossari Biotech	523	577	565	542	558	3.1	6.8
EPL	1,331	1,256	1,486	1,490	1,544	3.6	16.0
Sudarshan Chemical	861	414	429	416	695	66.8	(19.3)
Chemplast Sanmar	3,464	1,941	984	781	1,516	94.0	(56.2)
PCBL	1,343	1,955	1,886	1,634	1,818	11.3	35.3
Archean Chemical	1,658	1,611	1,186	1,599	1,743	9.0	5.1
Total	25,424	25,830	22,927	24,388	26,784	9.8	5.3

Source: Company data, I-Sec research

Table 4: Net profit to dip 2.4% YoY, but up 7% QoQ

Rs mn	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
SRF	6,057	6,080	4,810	5,109	5,471	7.1	(9.7)
Navin Fluorine	752	745	578	1,066	1,144	7.4	52.3
Gujarat Fluorochemicals	2,216	3,063	3,612	3,295	3,331	1.1	50.3
Clean Science	624	629	679	838	832	(0.7)	33.4
Tatva Chintan	175	98	71	116	119	2.8	(31.8)
Galaxy Surfactants	984	1,004	839	1,062	804	(24.3)	(18.2)
Rossari Biotech	241	287	239	257	272	5.8	12.8
EPL	487	334	462	628	529	(15.8)	8.6
Sudarshan Chemical	447	71	45	6	214	3,557.4	(52.2)
Chemplast Sanmar	2,316	406	385	271	703	159.1	(69.6)
PCBL	883	1,263	1,165	971	1,006	3.6	14.0
Archean Chemical	815	844	636	981	1,189	21.3	45.9
Total	15,995	14,822	13,522	14,600	15,615	7.0	(2.4)

Source: Company data, I-Sec research

Table 5: Chemical coverage valuation snapshot

(Rs mn)	CMP (Rs)	Mcap	Revenue			CAGR (%) FY22-24E	EPS (Rs)			CAGR (%) FY22-24E
			FY22	FY23E	FY24E		FY22	FY23E	FY24E	
SRF	2,399	7,11,112	1,24,337	1,49,478	1,60,544	14%	73.1	80.2	93.0	13%
Navin Fluorine	4,478	2,21,885	14,534	20,305	27,483	38%	69.3	98.8	133.2	39%
Gujarat Fluoro	3,100	3,40,535	39,536	58,617	65,726	29%	129.0	143.4	170.0	15%
Chemplast	407	64,351	58,920	51,068	53,851	-4%	17.0	34.8	47.8	68%
Galaxy	2,444	86,640	36,857	44,392	38,645	2%	102.2	105.6	116.1	7%
Rossari	680	37,437	14,830	17,055	19,259	14%	21.5	28.2	35.9	29%
EPL	160	50,560	34,328	37,401	40,696	9%	6.4	9.4	11.9	37%
Sudarshan	412	28,521	22,008	22,392	25,328	7%	6.2	17.2	26.9	109%
Tatva Chintan	1,650	36,572	4,336	4,367	7,489	31%	21.2	65.0	88.1	104%
Clean Science	1,408	1,49,558	6,849	10,092	11,866	32%	29.5	34.1	38.2	14%
Archean Chem	612	75,310	11,304	14,558	18,873	29%	34.3	56.1	63.0	36%
PCBL	114	43,035	44,464	58,048	52,118	8%	11.6	13.5	15.7	16%
Median						14%				32%

	P/E (x)		EV/EBITDA (x)		ROCE (pre-tax)		GB turnover (x)		Capex	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
SRF	32.8	29.9	20.5	18.3	17.0	15.5	1.1	1.0	27,810	32,834
Navin Fluorine	64.6	45.3	41.4	30.0	14.9	16.3	1.0	1.2	5,189	5,409
Gujarat Fluoro	24.0	21.6	16.6	14.8	22.0	20.5	1.2	1.1	8,601	10,000
Chemplast	24.0	11.7	11.1	6.5	14.1	22.0	1.4	1.3	2,786	7,300
Galaxy	23.9	23.1	15.5	14.9	18.3	17.1	2.9	2.3	1,721	1,300
Rossari	31.7	24.1	15.5	12.8	15.5	17.4	2.8	3.0	362	368
EPL	25.0	17.0	9.3	7.5	9.8	13.0	1.2	1.2	2,750	3,500
Sudarshan	66.5	23.9	18.7	11.1	3.9	8.5	1.2	1.3	2,029	1,000
Tatva Chintan	77.7	25.4	54.0	18.9	7.4	21.3	1.4	1.9	1,085	1,010
Clean Science	47.7	41.2	34.7	29.5	32.9	30.9	1.8	1.6	1,559	1,785
Archean Chem	17.8	10.9	10.3	7.3	35.9	38.3	1.0	1.1	809	2,904
PCBL	9.8	8.5	7.1	5.8	12.9	13.9	1.9	1.5	7,500	3,500
Median	32.2	24.0	17.7	14.8	15.2	17.2	1.3	1.3		

Source: Company data, I-Sec research

SRF (HOLD, TP: Rs2,220)

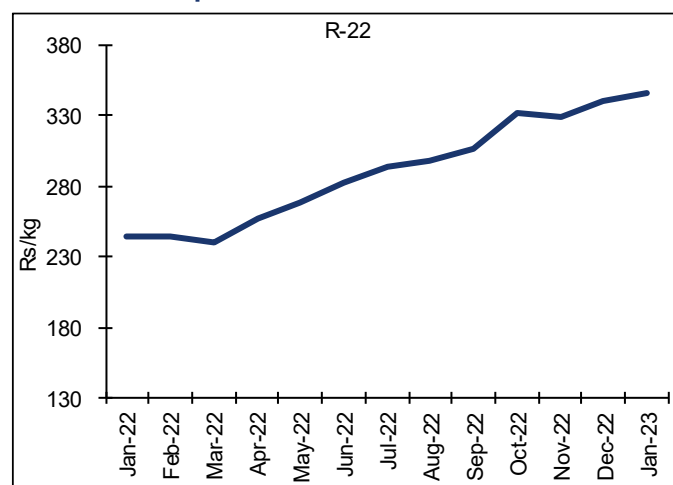
(QoQ chg: 9.2%; YoY chg: -11.3%)

Q4FY23 estimates

(Rs mn, year ending March 31)

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
Technical textiles	4,967	5,710	4,662	4,259	4,470	4.9	(10.0)
Chemical business	15,725	17,224	18,302	17,566	20,245	15.2	28.7
Packaging films	13,902	14,960	13,310	12,027	11,652	(3.1)	(16.2)
EBIT							
Technical textiles	914	1,162	629	342	402	17.6	(56.0)
Chemical business	5,043	5,202	5,173	5,639	6,404	13.6	27.0
Packaging films	2,758	2,952	1,014	1,186	1,322	11.5	(52.1)
EBIT (%)							
Technical textiles	18.4	20.4	13.5	8.0	9.0		
Chemical business	32.1	30.2	28.3	32.1	31.6		
Packaging films	19.8	19.7	7.6	9.9	11.3		
Revenue	35,494	38,947	37,278	34,697	37,202	7.2	4.8
Gross profit	18,857	20,370	17,749	17,753	18,925	6.6	0.4
GPM (%)	53.1	52.3	47.6	51.2	50.9		
EBITDA	9,480	9,950	7,691	8,335	9,346	12.1	(1.4)
EBITDA margin (%)	26.7	25.5	20.6	24.0	25.1		
EBIT	8,164	8,642	6,298	6,829	7,778	13.9	(4.7)
PBT	7,879	8,416	6,181	6,309	7,233	14.6	(8.2)
PAT	6,057	6,080	4,810	5,109	5,471	7.1	(9.7)
EPS (Rs)	20.4	20.5	16.2	17.2	18.5	7.1	(9.7)

Source: Company data, I-Sec research

SRF Ltd**Chart 1: R-22 price rose 3.4% QoQ**

Source: I-Sec research, Commerce ministry

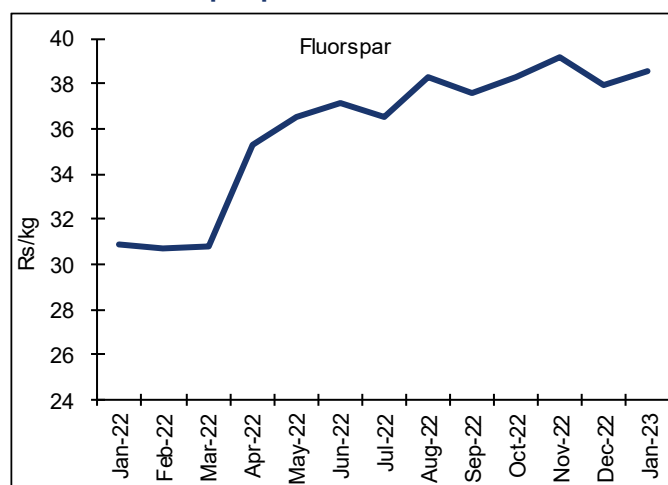
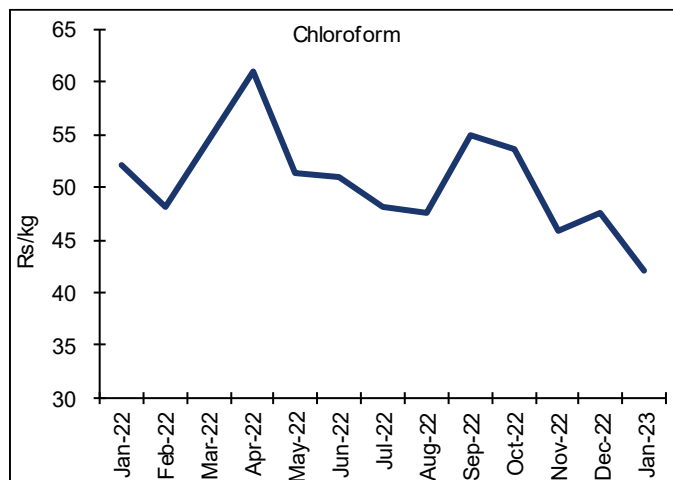
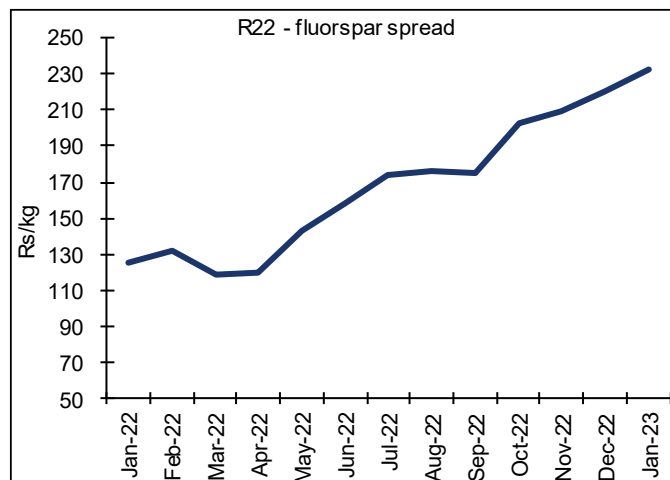
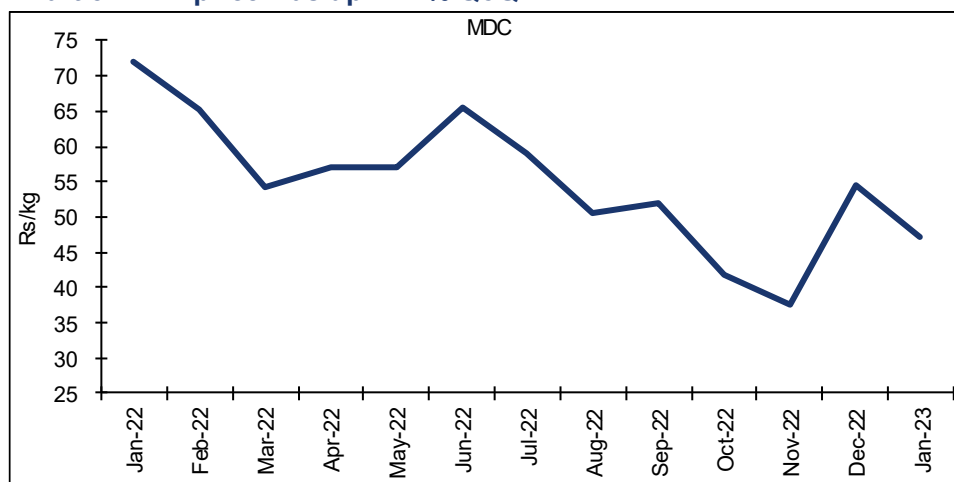
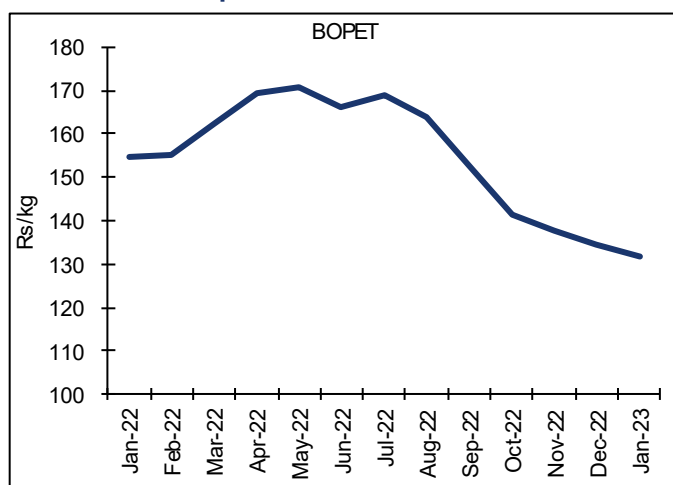
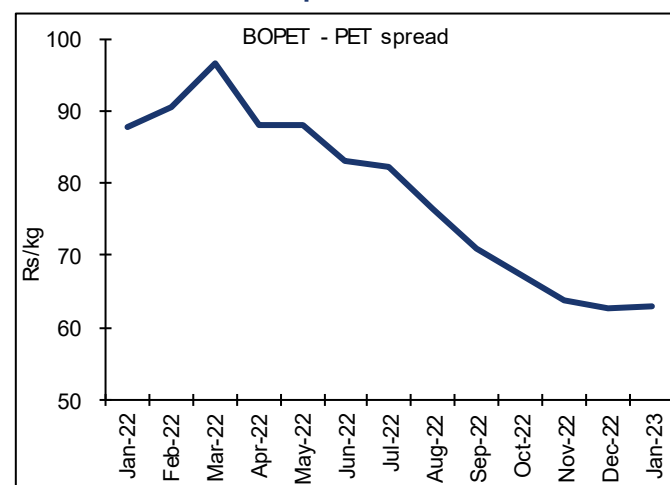
Chart 2: Fluorspar price rose 0.3% QoQ

Chart 3: Chloroform price was down 11.7% QoQ**Chart 4: R-22 spread expanded**

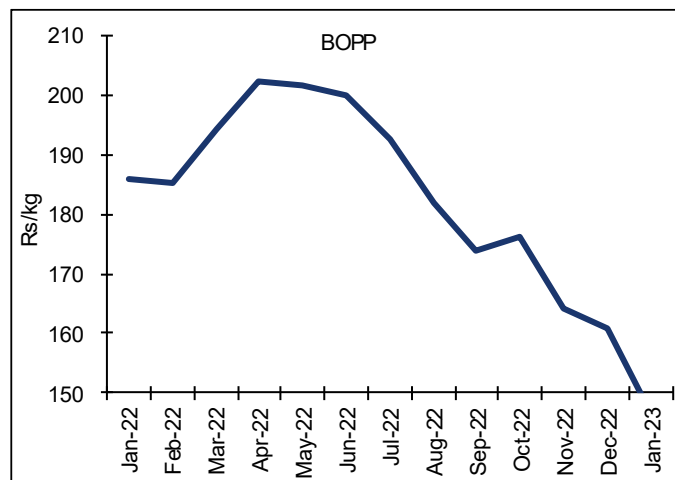
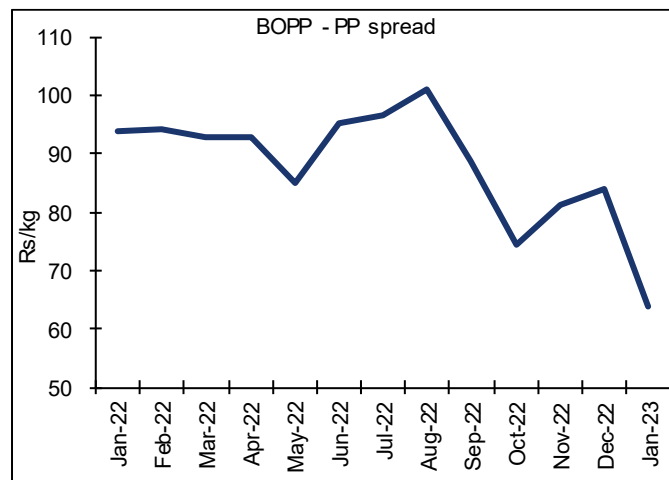
Source: I-Sec research, Commerce ministry; Note: For calculating spread, we have assumed 1.3kg of fluorspar; and 1.5kg chloroform prices for 1kg of R-22

Chart 5: MDC price was up 14.4% QoQ

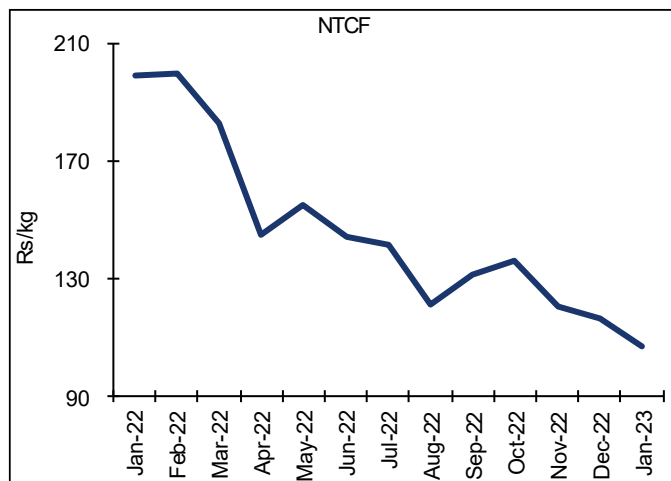
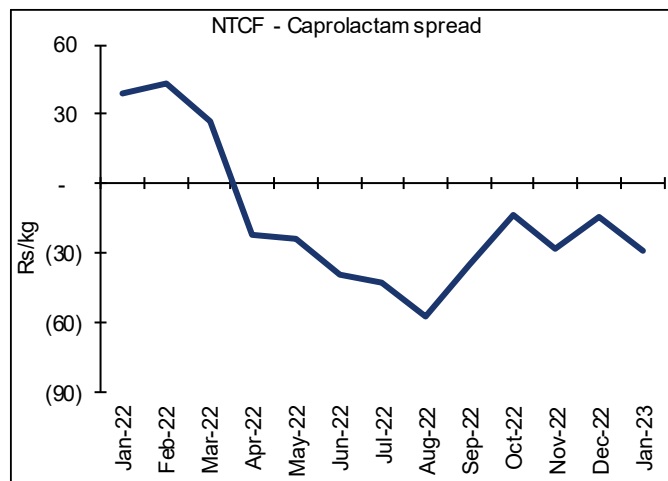
Source: I-Sec research, Commerce ministry

Chart 6: BOPET price declined 4.3% QoQ**Chart 7: BOPET/PET spread contracted 2.6% QoQ**

Source: I-Sec research, Commerce ministry; Note: For calculating spread, we have assumed 1kg of PET for 1kg of BOPET

Chart 8: BOPP price fell 11.9% QoQ**Chart 9: BOPP/PP spread dipped 25.1% QoQ**

Source: I-Sec research, Commerce ministry; Note: For calculating spread, we have assumed 1kg of PP for 1kg of BOPP

Chart 10: NTCF price was down 13.5% QoQ**Chart 11: Dip in NTCF/caprolactam spread**

Source: I-Sec research, Commerce ministry; Note: For calculating spread, we have assumed 1kg of caprolactam for 1kg of NTCF

Navin Fluorine (REDUCE, TP: Rs4,000)

(QoQ chg: 14.6%; YoY chg: 10.0%)

Q4FY23 estimates

(Rs mn, year ending March 31)

Rs mn (Consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
Ref-gas/inorganic/HPP	1,510	1,520	2,110	2,530	2,776	9.7	83.8
Specialty Chemicals	1,590	1,760	1,770	1,860	2,385	28.2	50.0
CRAMS	880	590	390	1,250	1,232	(1.4)	40.0
Revenue	4,089	3,975	4,192	5,636	6,393	13.4	56.3
Gross profit	2,122	2,152	2,356	3,172	3,565	12.4	68.0
GPM (%)	51.9	54.1	56.2	56.3	55.8		
EBITDA	943	991	938	1,556	1,869	20.1	98.3
EBITDA margin (%)	23.0	24.9	22.4	27.6	29.2		
EBIT	824	868	762	1,306	1,519	16.3	84.4
PBT	941	974	831	1,313	1,526	16.2	62.1
PAT	752	745	578	1,066	1,144	7.4	52.3
EPS (Rs)	15.2	15.0	11.7	21.5	23.1	7.4	52.3

Source: Company data, I-Sec research.

Price chart

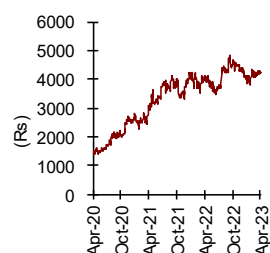
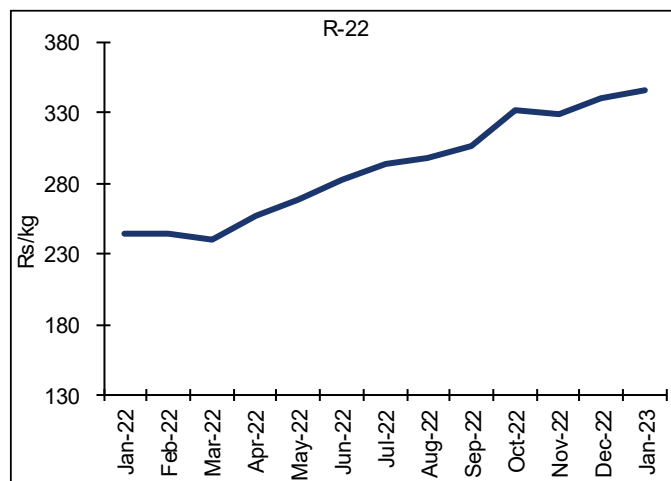


Chart 12: R-22 price rose 3.4% QoQ



Source: I-Sec research, Commerce ministry

Chart 13: Fluorspar price rose 0.3% QoQ

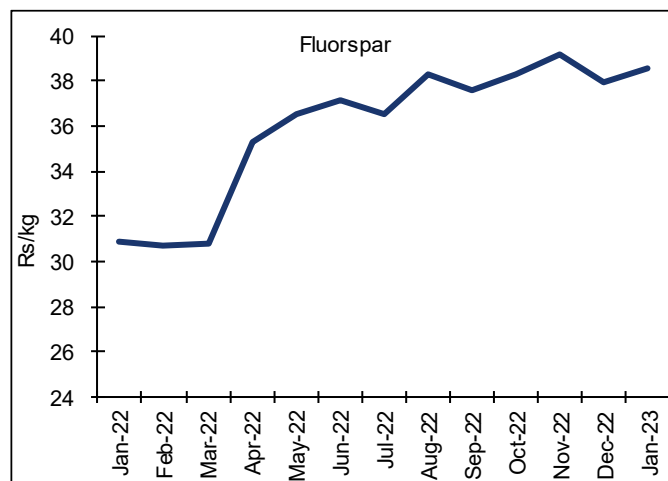


Chart 14: Chloroform price was down 11.7% QoQ

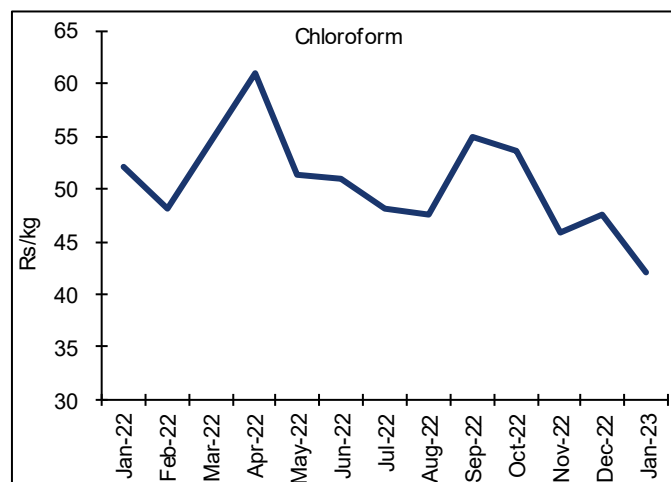
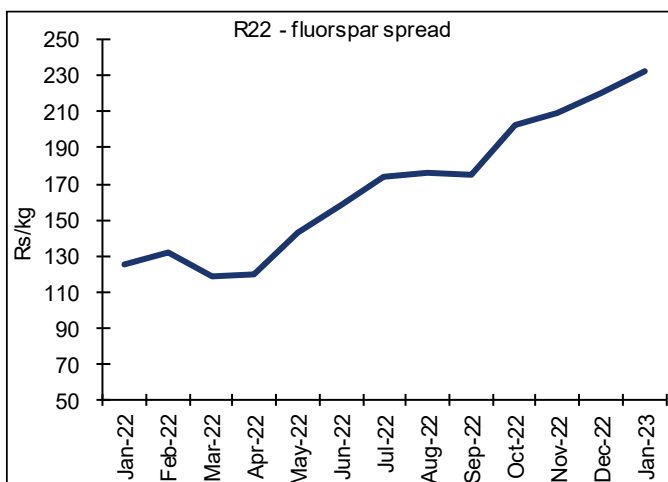


Chart 15: R-22 spread expanded

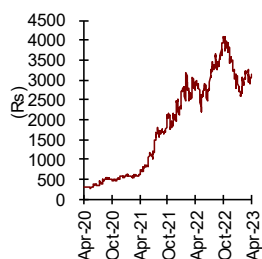


Source: I-Sec research, Commerce ministry; Note: For calculating spread, we have assumed 1.3kg of fluorspar; and 1.5kg chloroform prices for 1kg of R-22

Gujarat Fluorochemicals (BUY, TP: Rs4,250)

(QoQ chg: 8.9%; YoY chg: 4.0%)

Price chart

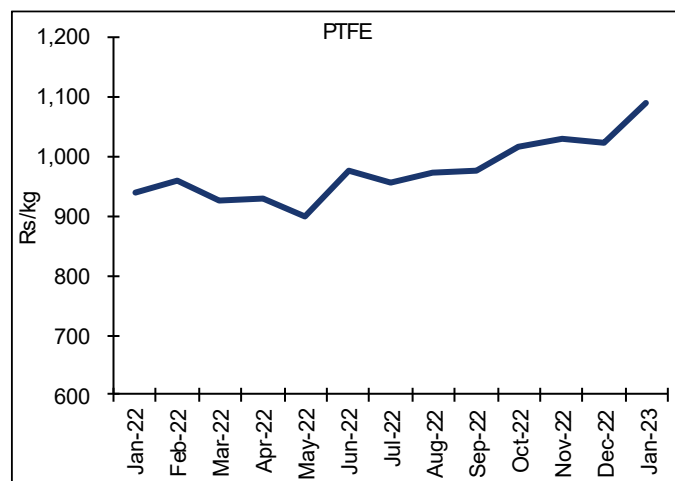


Q4FY23 estimates

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
Bulk commodity	2,600	2,910	2,690	2,850	2,138	(25.0)	(17.8)
Fluorochemicals	1,350	3,150	3,820	3,490	3,717	6.5	175.3
Fluoropolymers	6,340	7,100	7,840	7,630	8,102	6.2	27.8
Other Product	448	180	263	209	209	-	(53.3)
Revenue	10,738	13,340	14,613	14,179	14,374	1.4	33.9
Gross profit	7,624	9,624	10,632	10,280	10,093	(1.8)	32.4
GPM (%)	71.0	72.1	72.8	72.5	70.2		
EBITDA	3,315	4,589	5,358	5,232	5,028	(3.9)	51.7
EBITDA margin (%)	30.9	34.4	36.7	36.9	35.0		
EBIT	2,791	4,039	4,786	4,631	4,411	(4.8)	58.0
PBT	2,927	4,092	4,799	4,464	4,403	(1.4)	50.4
PAT	2,216	3,063	3,612	3,295	3,331	1.1	50.3
EPS (Rs)	20.2	27.9	32.9	30.0	30.3	1.1	50.3

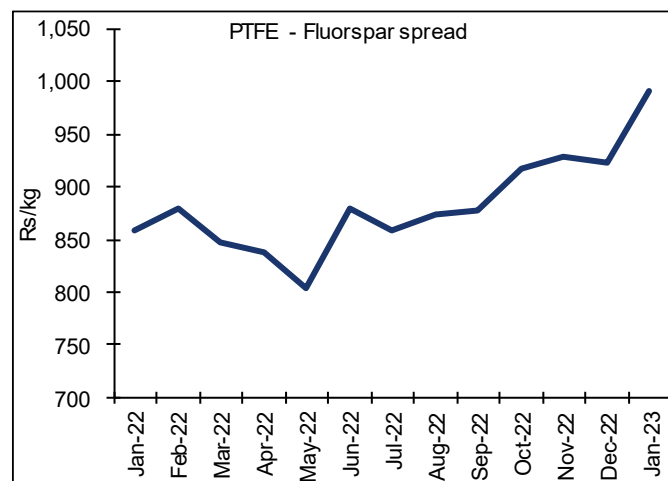
Source: Company data, I-Sec research

Chart 16: PTFE price rose 6.5% QoQ



Source: I-Sec research, Commerce ministry

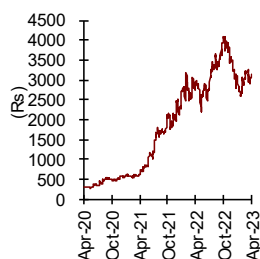
Chart 17: PTFE/fluorspar spread expanded



Clean Science & Technology (HOLD, TP: Rs1,525)

(QoQ chg: -3.5%; YoY chg: -28.7%)

Price chart



Q4FY23 estimates

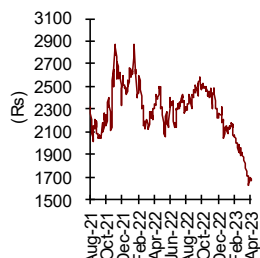
Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
Performance chemicals	1,390	1,530	1,660	1,699	1,820	7.1	30.9
Pharma intermediates	357	530	440	396	482	21.7	35.0
FMCG chemicals	245	230	300	261	282	8.0	15.0
Others	54	51	75	18	18	-	(66.8)
Revenue	2,046	2,341	2,475	2,374	2,601	9.6	27.1
Gross profit	1,334	1,427	1,548	1,596	1,754	9.9	31.4
GPM (%)	65.2	61.0	62.5	67.2	67.4		
EBITDA	837	913	975	1,082	1,173	8.4	40.1
EBITDA margin (%)	40.9	39.0	39.4	45.6	45.1		
EBIT	767	829	888	993	1,084	9.1	41.4
PBT	839	847	916	1,118	1,112	(0.5)	32.5
PAT	624	629	679	838	832	(0.7)	33.4
EPS (Rs)	5.9	5.9	6.4	7.9	7.8	(0.7)	33.4

Source: Company data, I-Sec research

Tatva Chintan Pharma Chem (BUY, TP: Rs2,650)

(QoQ chg: -28.6%; YoY chg: -32.1%)

Price chart



Q4FY23 estimates

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
PTC	300	407	324	323	338	4.8	13.0
SDA	385	62	99	567	617	8.7	60.0
Electronic Chemical	22	71	45	40	49	21.2	120.0
PASC	277	345	423	268	318	18.8	15.0
Revenue	985	884	901	1,206	1,322	9.6	34.2
Gross profit	588	486	466	528	605	14.6	3.0
GPM (%)	59.7	54.9	51.8	43.8	45.8		
EBITDA	220	152	112	179	202	12.9	(7.8)
EBITDA margin (%)	22.3	17.2	12.4	14.9	15.3		
EBIT	198	129	88	155	158	2.0	(20.0)
PBT	190	137	90	142	146	2.4	(23.2)
PAT	175	98	71	116	119	2.8	(31.8)
EPS (Rs)	7.9	4.4	3.2	5.2	5.4	2.8	(31.8)

Source: Company data, I-Sec research

Galaxy Surfactants (ADD, TP: Rs2,555)

(QoQ chg: 3.6%; YoY chg: -22.0%)

Q4FY23 estimates

(Rs mn, year ending March 31)

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Volumes (te)							
Performance surfactants	35,410	35,443	38,902	39,156	38,951	(0.5)	10.0
Specialty care products	22,101	19,829	20,381	19,208	22,101	15.1	-
Total	57,511	55,272	59,283	58,364	61,052	4.6	6.2

Realisation/kg (Rs)

Performance surfactants	173	198	200	174	152	(12.9)	(12.0)
Specialty care products	200	230	224	209	180	(13.6)	(10.0)
Total	183	209	208	186	162	(12.7)	(11.5)

Revenue

Performance surfactants	6,110	7,000	7,770	6,830	5,914	(13.4)	(3.2)
Specialty care products	4,430	4,570	4,560	4,010	3,987	(0.6)	(10.0)
Total	10,540	11,570	12,330	10,840	9,901	(8.7)	(6.1)

Revenue	10,529	11,589	12,316	10,803	9,901	(8.3)	(6.0)
Gross profit	3,472	3,571	3,312	3,412	3,177	(6.9)	(8.5)
GPM (%)	33.0	30.8	26.9	31.6	32.1		
EBITDA	1,450	1,480	1,317	1,541	1,292	(16.1)	(10.9)
EBITDA margin (%)	13.8	12.8	10.7	14.3	13.1		
EBITDA/kg (Rs)	25.2	26.8	22.2	26.4	21.2	(19.8)	(16.0)
EBIT	1,266	1,291	1,112	1,325	1,076	(18.8)	(15.0)
PBT	1,244	1,227	1,067	1,307	1,031	(21.1)	(17.1)
PAT	984	1,004	839	1,062	804	(24.3)	(18.2)

Source: Company data, I-Sec research

Price chart

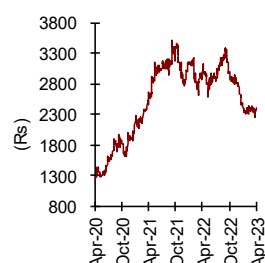
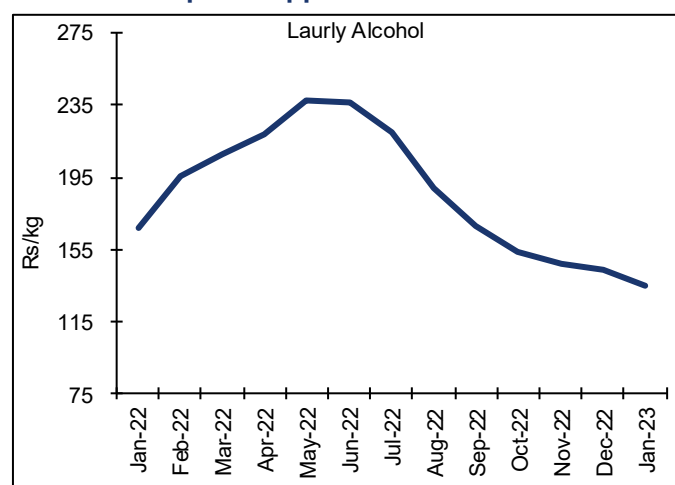
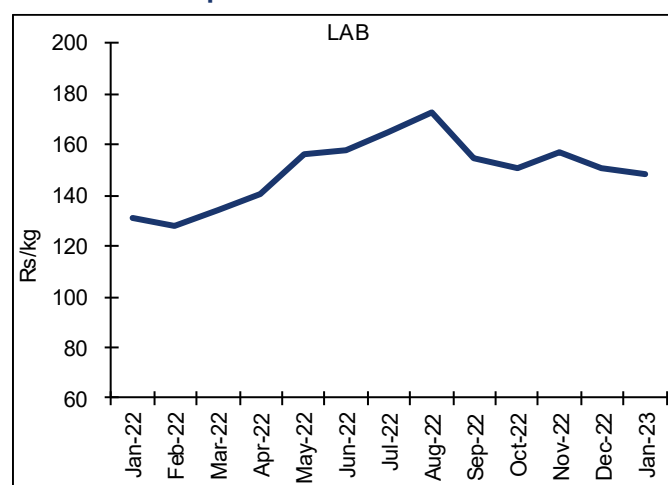


Chart 18: LA price dipped 11.1% QoQ



Source: I-Sec research, Commerce Ministry

Chart 19: LAB price rose 10.6% QoQ



Rossari Biotech (ADD, TP: Rs720)

(QoQ chg: -5.6%; YoY chg: -32.1%)

Q4FY23 estimates

(Rs mn, year ending March 31)

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
HPPC	3,036	3,165	3,038	2,712	2,821	4.0	(7.1)
Textile chemicals	1,098	939	919	895	878	(1.8)	(20.0)
Animal health & nutrition	255	243	302	286	281	(2.1)	10.0
Revenue	4,389	4,347	4,254	3,893	3,980	2.2	(9.3)
Gross profit	1,145	1,241	1,237	1,169	1,223	4.6	6.8
GPM (%)	26.1	28.5	29.1	30.0	30.7		
EBITDA	523	577	565	542	558	3.1	6.8
EBITDA margin (%)	11.9	13.3	13.3	13.9	14.0		
EBIT	358	424	409	382	399	4.4	11.5
PBT	329	381	335	347	363	4.9	10.3
PAT	241	287	239	257	272	5.8	12.8
EPS (Rs)	4.4	5.2	4.3	4.7	4.9	5.8	12.8

Source: Company data, I-Sec research

Price chart

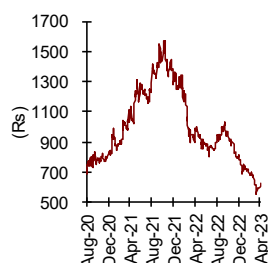


Chart 20: Acetic acid price declined 2.9% QoQ

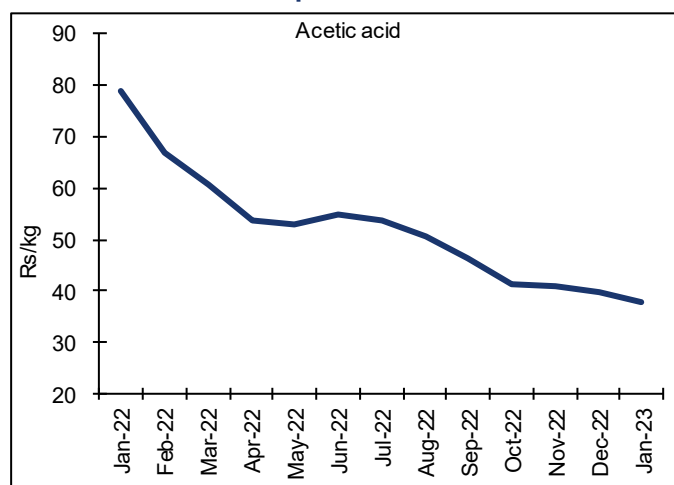


Chart 21: Acrylic acid price fell 1.6% QoQ

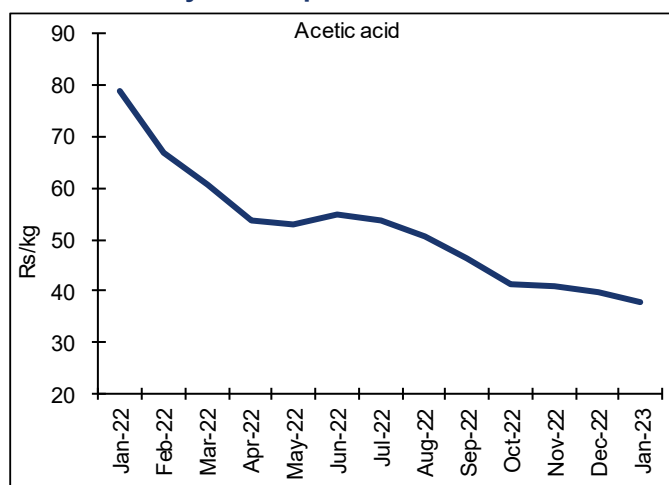


Chart 22: Silicone oil price was down 7.5% QoQ

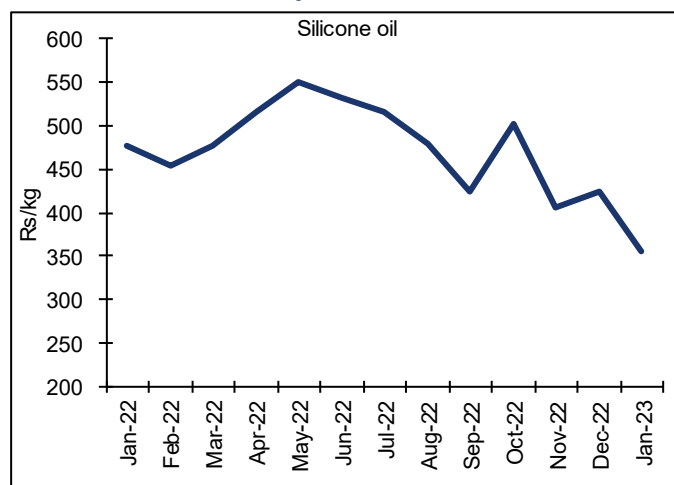
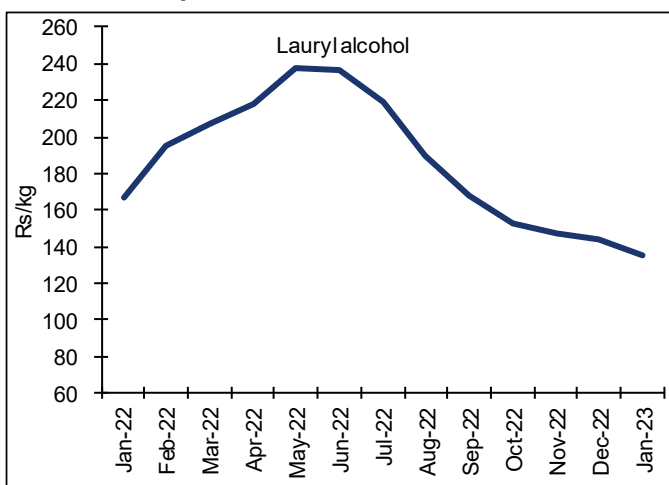


Chart 23: LA price contracted 11.1% QoQ

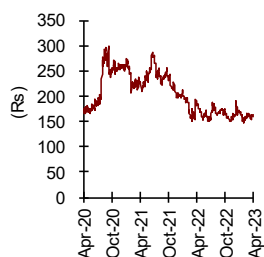


Source: I-Sec research, Commerce Ministry

EPL (BUY, TP: Rs220)

(QoQ chg: -5.0%; YoY chg: -13.5%)

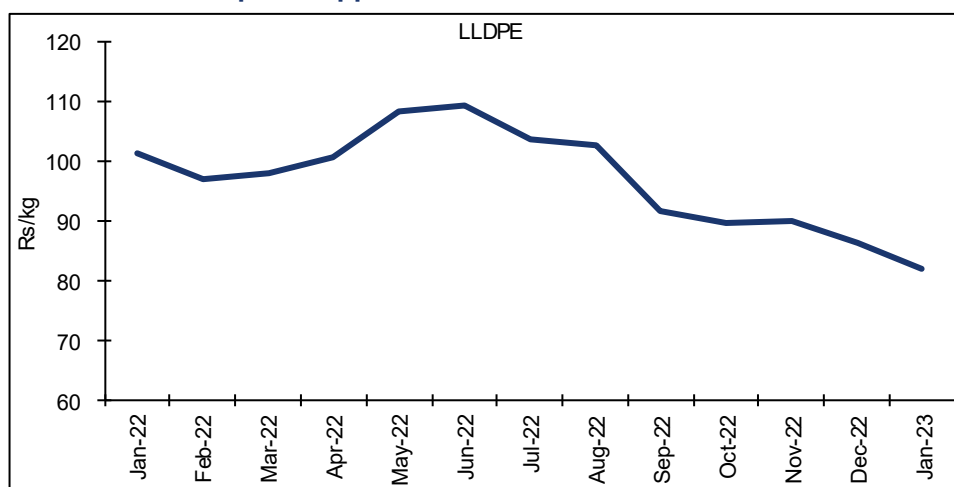
Price chart

**Q4FY23 estimates**

(Rs mn, year ending March 31)

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue							
AMESA	3,140	3,197	3,595	3,521	3,454	(1.9)	10.0
EAP	1,971	1,928	2,166	2,263	2,267	0.2	15.0
Americas	1,964	1,973	2,226	2,260	2,200	(2.7)	12.0
Europe	2,086	1,972	2,050	1,911	2,086	9.2	-
EBITDA							
AMESA	571	634	659	731	724	(1.0)	26.8
EAP	291	374	499	490	498	1.5	71.0
Americas	311	242	267	274	275	0.5	(11.4)
Europe	252	173	208	109	161	47.4	(36.2)
EBITDA (%)							
AMESA	18.2	19.8	18.3	20.8	21.0		
EAP	14.8	19.4	23.0	21.7	22.0		
Americas	15.8	12.3	12.0	12.1	12.5		
Europe	12.1	8.8	10.1	5.7	7.7		
Revenue	8,802	8,318	9,481	9,449	9,500	0.5	7.9
Gross profit	4,751	4,663	5,123	5,182	5,210	0.5	9.7
GPM (%)	54.0	56.1	54.0	54.8	54.8		
EBITDA	1,331	1,256	1,486	1,490	1,544	3.6	16.0
EBITDA margin (%)	15.1	15.1	15.7	15.8	16.2		
EBIT	700	604	822	791	845	6.8	20.7
PBT	608	524	733	645	699	8.3	14.9
PAT	487	334	462	628	529	(15.8)	8.6
EPS (Rs)	1.5	1.1	1.5	2.0	1.7	(15.8)	8.6

Source: Company data, I-Sec research

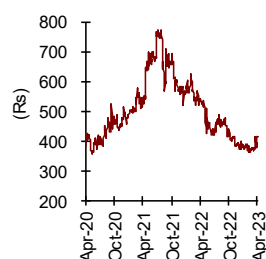
Chart 24: LLDPE price dipped 2.9% QoQ

Source: I-Sec research, Commerce Ministry

Sudarshan Chemical (ADD, TP: Rs405)

(QoQ chg: 8.9%; YoY chg: -22.5%)

Price chart



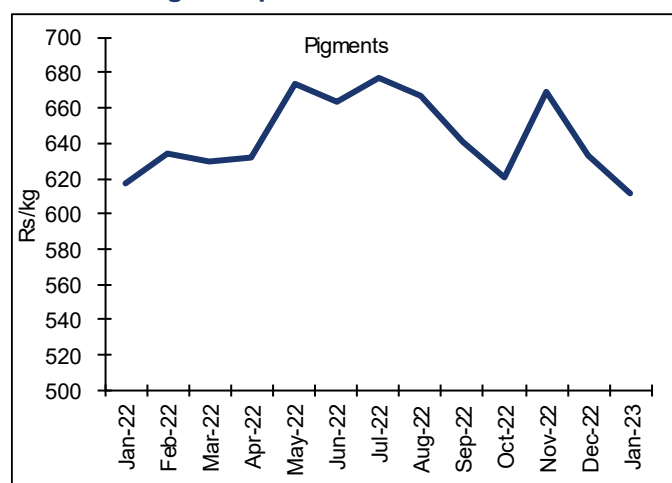
Q4FY23 estimates

(Rs mn, year ending March 31)

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Revenue	6,272	5,542	5,284	5,280	6,111	15.7	(2.6)
Gross profit	2,561	2,237	2,045	2,152	2,531	17.6	(1.2)
GPM (%)	40.8	40.4	38.7	40.8	41.4		
EBITDA	861	414	429	416	695	66.8	(19.3)
EBITDA margin (%)	13.7	7.5	8.1	7.9	11.4		
EBIT	613	156	159	107	385	259.2	(37.1)
PBT	575	104	80	7	285	3,978.8	(50.4)
PAT	447	71	45	6	214	3,557.4	(52.2)
EPS (Rs)	6.5	1.0	0.7	0.1	3.1	3,557.4	(52.2)

Source: Company data, I-Sec research

Chart 25: Pigment price inflation was 2.5% QoQ



Source: I-Sec research, Commerce Ministry

Chart 26: Azo pigment mixture price down 0.7%

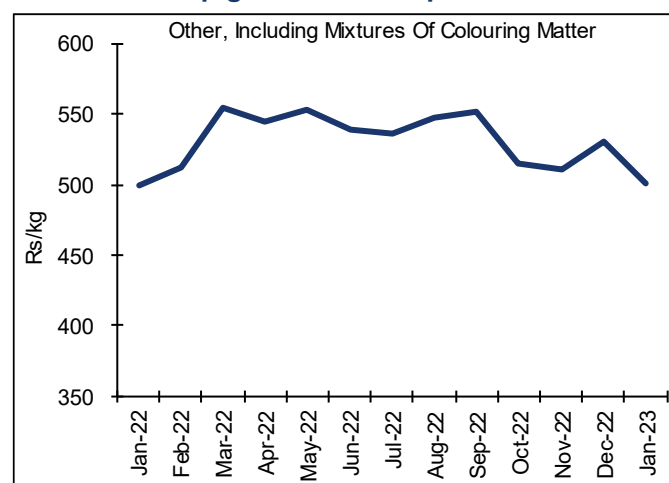
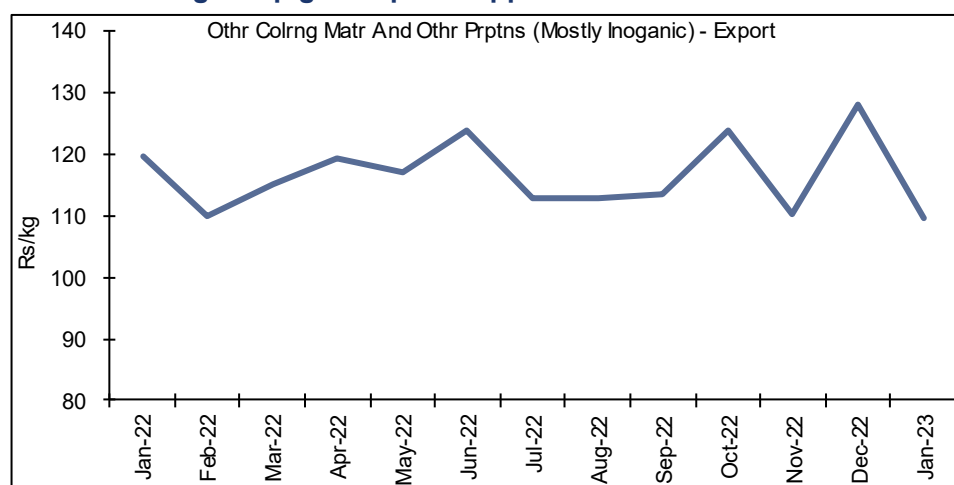


Chart 27: Inorganic pigment price dipped 6.1% QoQ

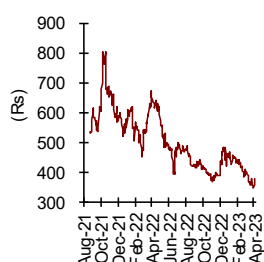


Source: I-Sec research, Commerce Ministry

Chemplast Sanmar (BUY, TP: Rs650)

(QoQ chg: -5.4%; YoY chg: -35.5%)

Price chart

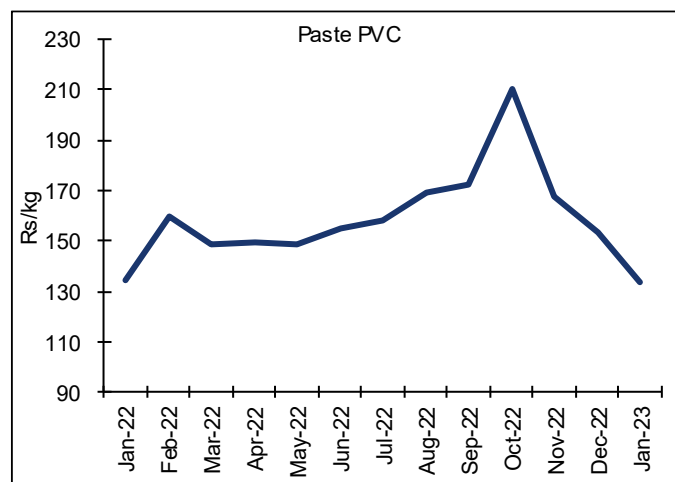


Q4FY23 estimates

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Volumes (te)							
Specialty	22,109	13,639	20,064	19,437	18,465	(5.0)	(16.5)
Non-Specialty	40,521	37,989	41,690	43,137	43,000	(0.3)	6.1
Suspension PVC	87,523	74,483	77,933	88,177	89,177	1.1	1.9
Total	1,50,153	1,26,111	1,39,687	1,50,751	1,50,642	(0.1)	0.3
Revenue							
Specialty	4,200	2,570	2,870	2,790	2,783	(0.3)	(33.7)
Non-Specialty	2,290	2,310	2,260	2,370	1,772	(25.2)	(22.6)
Suspension PVC	11,580	9,230	6,820	6,730	7,623	13.3	(34.2)
Total	18,070	14,110	11,950	11,890	12,178	2.4	(32.6)
Realisation/kg							
Specialty	190	188	143	144	151	5.0	(20.7)
Non-Specialty	57	61	54	55	41	(25.0)	(27.1)
Suspension PVC	132	124	88	76	85	12.0	(35.4)
Gross profit/kg							
Specialty	168	251	152	166	163	(1.8)	(2.7)
Suspension PVC	26	22	14	10	18	79.7	(31.6)
Revenue	18,069	14,113	11,944	11,886	12,178	2.5	(32.6)
Gross profit	6,015	5,072	4,124	4,115	4,620	12.3	(23.2)
GPM (%)	33.3	35.9	34.5	34.6	37.9		
EBITDA	3,464	1,941	984	781	1,516	94.0	(56.2)
EBITDA margin (%)	19.2	13.8	8.2	6.6	12.4		
EBIT	3,062	1,536	651	435	1,170	168.8	(61.8)
PBT	2,801	1,332	418	206	940	357.1	(66.4)
PAT	2,316	406	385	271	703	159.1	(69.6)
EPS (Rs)	14.7	2.6	2.4	1.7	4.4	159.1	(69.6)

Source: Company data, I-Sec research

Chart 28: Paste PVC price rose 7.5% QoQ



Source: I-Sec research, Commerce Ministry

Chart 29: P-PVC / EDC spread expanded QoQ

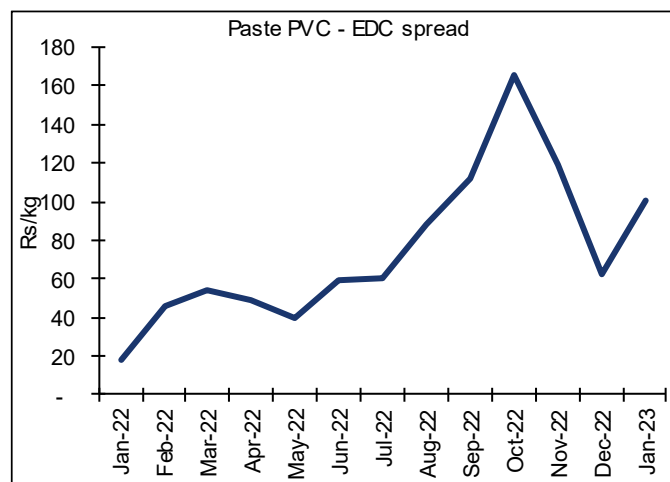
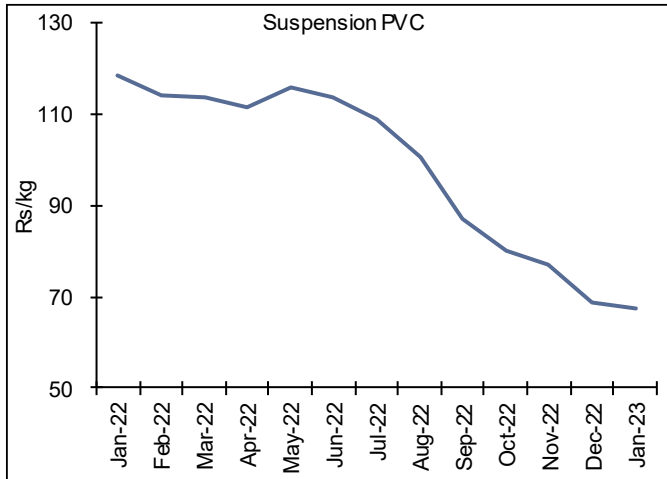
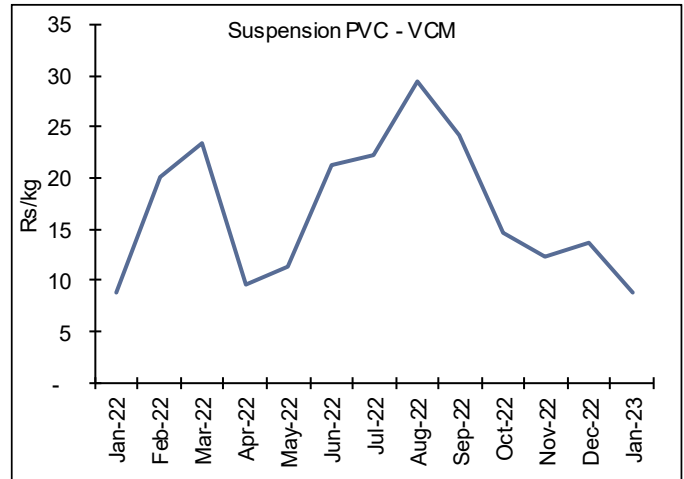
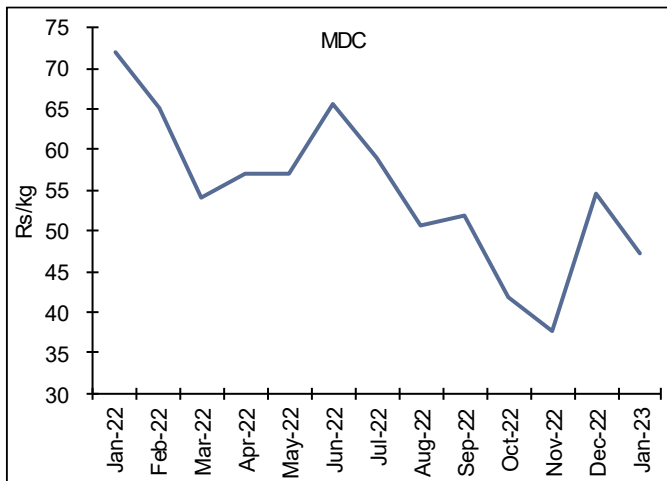
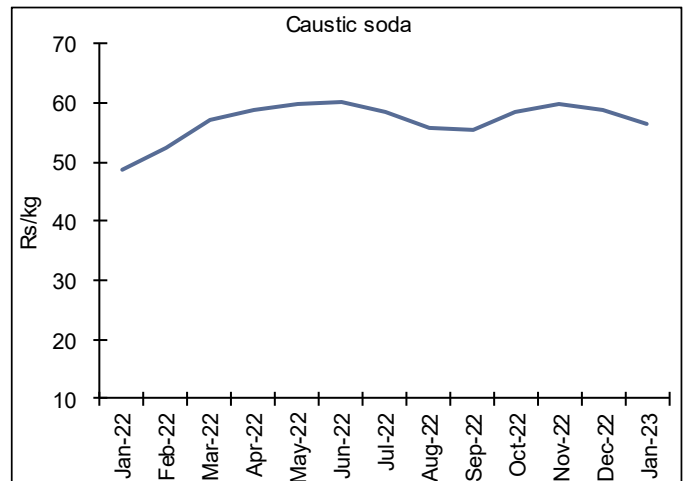


Chart 30: S-PVC price was down 7.3% QoQ

Source: I-Sec research, Commerce Ministry

Chart 31: S-PVC / VCM spread improved**Chart 32: MDC price dipped 5.2% QoQ**

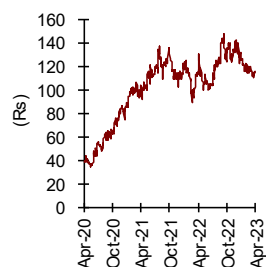
Source: I-Sec research, Commerce Ministry

Chart 33: Caustic soda price dipped 4% QoQ

PCBL (BUY, TP: Rs155)

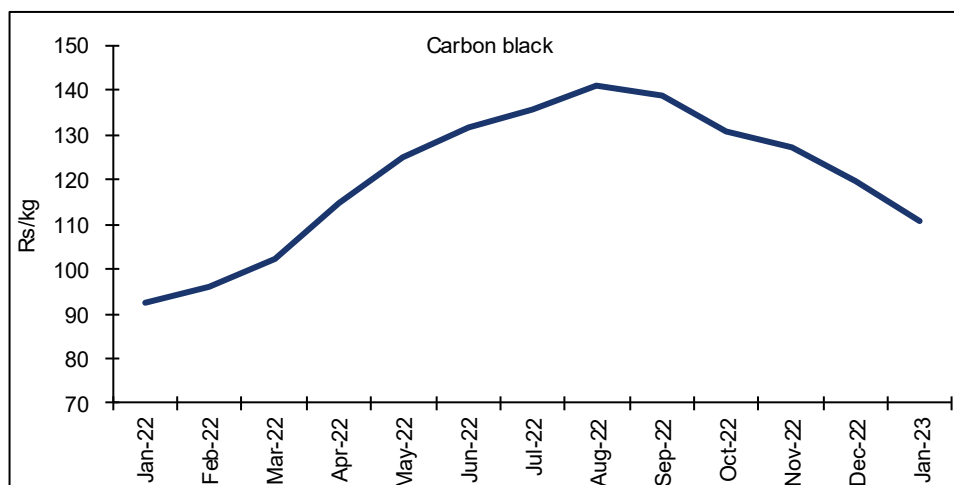
(QoQ chg: -8.5%; YoY chg: -12.1%)

Price chart

**Q4FY23 estimates**

Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Volume (te)	1,12,452	1,09,377	1,13,859	1,01,492	1,19,199	17.4	6.0
Realisation/kg (Rs)	106.0	125.6	139.8	131.2	111.5	(15.0)	5.2
GP/kg (Rs)	28.0	35.1	32.4	31.5	31.5	-	12.5
Revenue							
Carbon black	11,921	13,739	15,913	13,314	13,292	(0.2)	11.5
Power	447	531	561	496	506	2.0	13.1
Total	12,368	14,270	16,474	13,810	13,797	(0.1)	11.6
EBIT							
Carbon black	1,386	1,835	1,789	1,623	1,660	2.3	19.7
Power	260	313	364	299	305	2.0	17.2
Total	1,647	2,148	2,153	1,922	1,965	2.2	19.3
EBIT (%)							
Carbon black	11.6	13.4	11.2	12.2	12.5		
Power	58.2	58.9	64.9	60.3	60.3		
Total	13.3	15.0	13.1	13.9	14.2		
Revenue	12,188	14,091	16,279	13,633	13,797	1.2	13.2
Gross profit	3,146	3,834	3,692	3,196	3,753	17.4	19.3
GPM (%)	25.8	27.2	22.7	23.4	27.2		
EBITDA	1,343	1,955	1,886	1,634	1,818	11.3	35.3
EBITDA margin (%)	11.0	13.9	11.6	12.0	13.2		
EBIT	1,039	1,580	1,558	1,304	1,346	3.3	29.7
PBT	1,091	1,608	1,487	1,239	1,283	3.6	17.6
PAT	883	1,263	1,165	971	1,006	3.6	14.0
EPS (Rs)	2.3	3.3	3.1	2.6	2.7	3.6	14.0

Source: Company data, I-Sec research

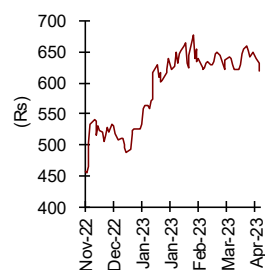
Chart 34: Carbon black price inflation was 12% QoQ

Source: I-Sec research, Commerce Ministry

Archean Chemical (BUY, TP: Rs820)

(QoQ chg: 7.7%; YoY chg: NA)

Price chart

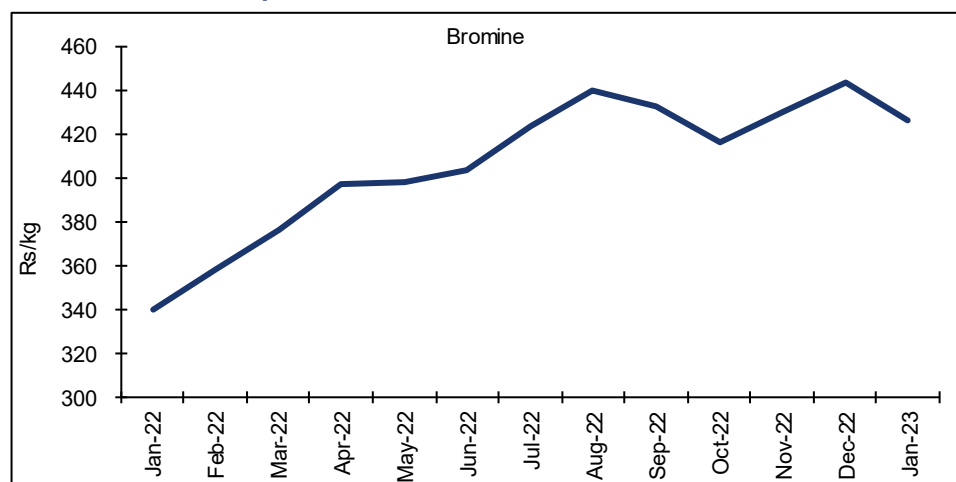


Q4FY23 estimates

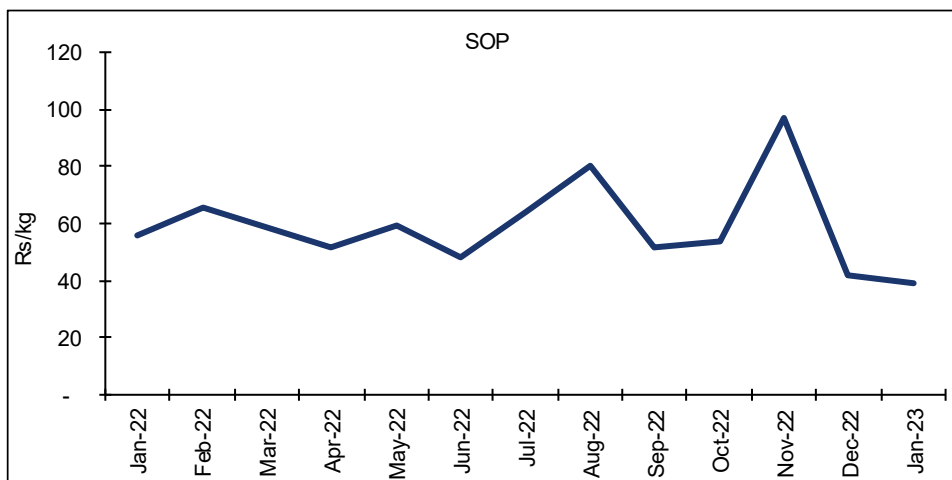
Rs mn (consolidated)	Q4FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23E	QoQ (%)	YoY (%)
Volume (mn)							
Salt				11,00,000	11,00,000	-	
Bromine				4,000	4,500	12.5	
SOP				582	582	-	
Realisation (Rs/kg)							
Salt				1.86	1.86	-	
Bromine				392	384	(2.0)	
SOP				63	63	-	
Revenue							
Salt				2,044	2,044	-	
Bromine				1,569	1,730	10.3	
SOP				36	36	-	
Revenue	3,726	4,003	2,935	3,649	3,810	4.4	2.3
Gross profit	3,597	3,954	2,642	3,714	3,734	0.5	3.8
GPM (%)	96.5	98.8	90.0	101.8	98.0		
EBITDA	1,658	1,611	1,186	1,599	1,743	9.0	5.1
EBITDA margin (%)	44.5	40.2	40.4	43.8	45.7		
EBIT	1,485	1,434	1,017	1,431	1,575	10.0	6.0
PBT	1,069	1,128	856	1,312	1,591	21.3	48.9
PAT	815	844	636	981	1,189	21.3	45.9
EPS (Rs)	6.6	6.9	5.2	8.0	9.7	21.3	45.9

Source: Company data, I-Sec research

Chart 35: Bromine price was down 1.1% QoQ



Source: I-Sec research, Commerce Ministry

Chart 36: SOP price dipped 17.4% QoQ

Source: I-Sec research, Commerce Ministry

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