

July 29, 2023

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400001 Fax No.2272 3121/2037/2039  Stock Code: 543213	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, 'G' Block, Bandra- Kurla Complex Bandra East, Mumbai 400 051 Fax No.2659 8237/8238  Stock Code: ROSSARI
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Dear Sir/Madam,

**Subject.: Q1 FY24 Earnings Presentation**

Please find enclosed a copy of the Earnings Presentation for the quarter ended June 30, 2023.

The same may please be taken on record and suitably disseminated to all concerned.

Thanking you,

Yours Sincerely,

**For Rossari Biotech Limited**

**PARUL  
GUPTA**

Digitally signed by  
PARUL GUPTA  
Date: 2023.07.29  
16:02:32 +05'30'



Parul Gupta  
**Company Secretary & Compliance Officer**  
Membership No.: A38895

Encl.: as above

**ROSSARI BIOTECH LIMITED**

(An ISO 9001:2015 & 14001:2015 Certified Company), CIN: L24100MH2009PLC194818

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: Plot No. D3/24/3, Opposite Yokohama Tyre, Phase III, G.I.D.C Dahej, Village Galenda, Taluka Vagra, Bharuch-Gujarat - 392130, India. T : +91 2641-661621

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HOME, PERSONAL CARE AND PERFORMANCE CHEMICALS



TEXTILE SPECIALITY CHEMICALS



ANIMAL HEALTH AND NUTRITION



# Rossari Biotech Limited

Q1 FY24

Results Presentation

July 29, 2023



# Disclaimer

*Certain statements and opinions with respect to the anticipated future performance of Rossari Biotech Ltd (Rossari) in the presentation (“forward-looking statements”), which reflect various assumptions concerning the strategies, objectives and anticipated results may or may not prove to be correct. Such forward-looking statements involve a number of risks, uncertainties and assumptions which could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These include, among other factors, changes in economic, political, regulatory, business or other market conditions. Such forward-looking statements only speak as at the date the presentation is provided to the recipient and Rossari is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient’s purposes. The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and Rossari has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.*

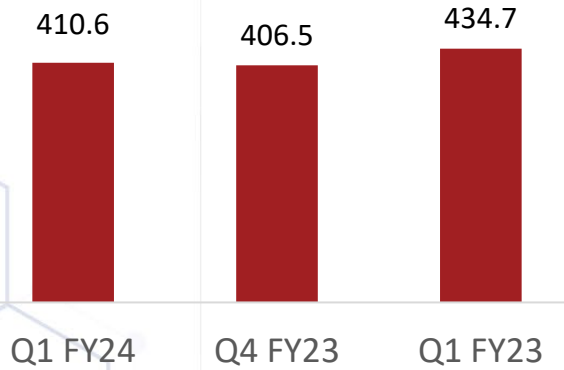




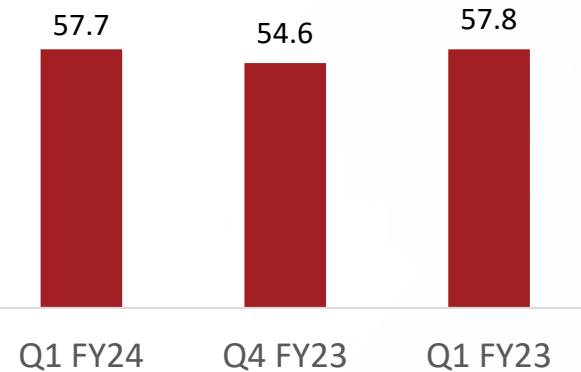
## **Q1 FY24 Results Overview**

# Q1 FY24 – Key Financial Highlights

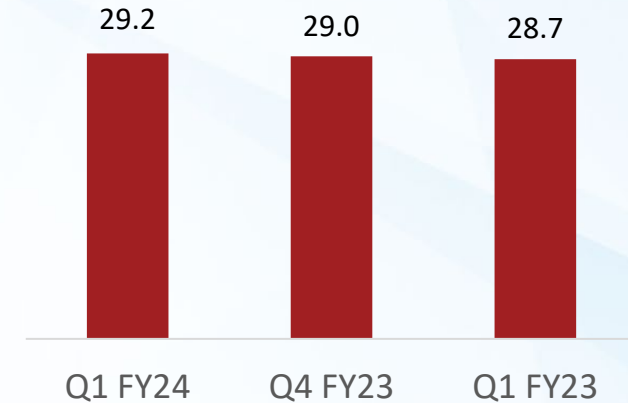
**Revenue from Operations  
(Rs. crore)**



**EBITDA  
(Rs. crore)**



**PAT  
(Rs. crore)**



<b>Shift % (Y-o-Y)</b>	-6%	0%	2%			
<b>Shift % (Q-o-Q)</b>	1%	6%	1%			
<b>Margins (%)</b>	14.1%	13.4%	13.3%	7.1%	7.1%	6.6%

**Note:** 1) All figures, unless mentioned otherwise, are on a consolidated basis.

# Management Message

**Commenting on the performance, in a joint statement, Mr. Edward Menezes, Promoter & Executive Chairman, and Mr. Sunil Chari, Promoter & Managing Director, said**

*“We have recorded a steady performance during the quarter, demonstrating the resilience and adaptability of our business model amidst a challenging global economic landscape. Our commitment to sustainable and innovative solutions has kept us in a stable position despite the current subdued demand scenario witnessed in the chemical markets.*

*As a part of its digitisation initiatives, the Company during the quarter went live on SAP S/4 HANA across the Group. For the purpose of this transformation to a new ERP, the Company had taken about a week’s planned shutdown in April and then about another week for system stabilisation. We are happy to inform that the entire process happened seamlessly and the system is running smoothly. This planned migration resulted in lower sales in April 2023.*

*We are delighted to share that during the quarter, we acquired remaining 16% stake in our subsidiary Tristar Intermediates Private Limited and we are nearing the completion of the acquisition of the remaining stake in Unitop, leading to 100% ownership. Following these strategic moves, our intent to seamlessly integrate both Unitop and Tristar into our operations will drive growth, and enhance overall competitiveness.*

*R&D continues to be a cornerstone of our growth strategy and will play a pivotal role in the Company’s future roadmap. Our confidence in customised products as a differentiator is backed by our track record in developing unique and innovative solutions for our customers. As the market landscape continues to evolve, we see our emphasis on R&D and customised solutions as an important pillar in maintaining consistent growth in a volatile environment.*

*Despite the macroeconomic challenges, we remain optimistic about the remainder of the year. We firmly believe that our strategic initiatives focused on broadening our customer base, prioritizing higher margin segments, along with our commitment to R&D, particularly in developing new and innovative products, position us favourably for delivering healthy operational and financial performance in the coming years.”*

# Key Developments

## Continuous focus on innovation and developing sustainable solutions across all business verticals

### ➤ Home, Personal care and Performance Chemicals (HPPC)

- ✓ Development of morpholine based derivatives by R&D team which is one of the key ingredients for Pharma API and other industries.

### ➤ Institutional Chemicals

- ✓ Development of novel products for Indian Railways

### ➤ Animal Health and Nutrition (AHN)

- ✓ As a part of focused diversification, R&D team is working on smart and sustainable aquaculture solutions for farmers in the areas related to - 1) Probiotics 2) Feed Additives 3) Disinfectants and 4) Pond Management

## Other Key Developments

### ➤ Acquisition

- ✓ Acquisition of balance 16% stake in Tristar Intermediates Private Limited for an aggregate consideration of Rs.16.93 Crs.

### ➤ Technology

- ✓ Implementation of SAP S/4 Hana on Private Cloud across all 6 Group Companies.

# Abridged P&L Statement - Consolidated

Particulars (Rs. crore)	Q1 FY24	Q1 FY23	Y-o-Y Change (%)	FY23
<b>Revenues from Operations</b>	<b>410.6</b>	<b>434.7</b>	<b>(6%)</b>	<b>1655.9</b>
<b>Total Expenditure</b>				
• COGS	289.5	310.6	(7%)	1171.4
• Employee benefits expense	24.5	23.5	4%	98.6
• Other expenses	38.8	42.8	(9%)	162.9
<b>EBITDA</b>	<b>57.7</b>	<b>57.8</b>	<b>0%</b>	<b>223.0</b>
<b>EBITDA Margin (%)</b>	<b>14.1%</b>	<b>13.3%</b>	<b>80 bps</b>	<b>13.5%</b>
Other Income	2.1	0.7	214%	5.5
Finance Costs (excluding finance cost on deferred consideration)	2.3	0.9	156%	5.6
Depreciation and Amortization	14.1	15.3	-8%	62.9
<b>PBT</b>	<b>43.4</b>	<b>42.3</b>	<b>3%</b>	<b>160.0</b>
Share of profit /(loss) of associate	(0.0)	0.6	-108%	1.0
Tax expense (adjusted)	11.2	11.0	2%	40.3
<b>Adjusted PAT</b>	<b>32.2</b>	<b>31.9</b>	<b>1%</b>	<b>120.7</b>
<b>Adjusted PAT Margin (%)</b>	<b>7.9%</b>	<b>7.3%</b>	<b>50 bps</b>	<b>7.3 %</b>
Finance cost on deferred consideration (net of tax)	3.0	3.2		13.4
<b>PAT</b>	<b>29.2</b>	<b>28.7</b>	<b>2%</b>	<b>107.3</b>
<b>PAT Margin (%)</b>	<b>7.1%</b>	<b>6.7%</b>	<b>40 bps</b>	<b>6.5 %</b>
<b>EPS Diluted (Rs.)</b>	<b>5.3</b>	<b>5.2</b>	<b>2%</b>	<b>19.4</b>

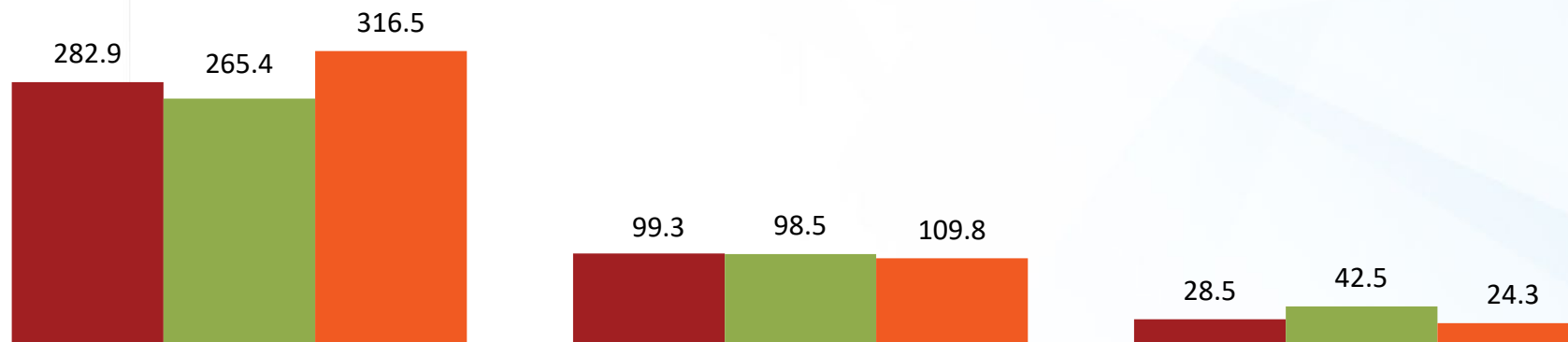
Note: 1) All figures, unless mentioned otherwise, are on a consolidated basis.



# Q1 FY24 - Segment-wise Details

Segment-wise Revenue Break-up (Rs. crore)

■ Q1 FY24 ■ Q4 FY232 ■ Q1 FY23



	HPPC	TSC	AHN
Shift (Y-o-Y) %	-11%	6%	17%
Shift (Q-o-Q) %	7%	1%	-33%

**Note:** 1) All figures, unless mentioned otherwise, are on a consolidated basis  
 2) Home, Personal Care and Performance Chemicals (HPPC); Textile Specialty Chemicals (TSC); Animal Health and Nutrition (AHN)

# Q1 FY24 - Financial and Operational Discussions

## Net Revenues

**Q1 FY24 Revenues from operations stood at Rs. 410.6 crore**

- Steady performance during the quarter, amidst a challenging global environment
  - HPPC segment maintained a stable performance during the quarter, despite softer demand in key domestic industries. The introduction and contribution from new product lines assisted overall performance
  - TSC segment's performance remained steady. Growth here was largely impacted by significant inventory destocking witnessed in the global markets
  - AHN segment was lower Q-on-Q while it showed a growth Y-o-Y. The first quarter is generally a soft quarter and we are confident that revenues will pick-up through the year
- At a consolidated level, subsidiaries delivered a steady performance
- Revenue contribution from the HPPC segment stood at 68.9%, followed by TSC and AHN at 24.2% and 6.9%

## EBITDA

**Q1 FY24 EBITDA at Rs. 57.7 crore, with EBITDA Margins at 14.1%**

- Strategically managing raw material volatility and focusing on high-margin products have helped improving margin performance in a challenging quarter

## PAT

**Q1 FY24 PAT stood at Rs. 29.3 crore**



## Company Overview

# Rossari – At a Glance

Technocrat  
promoters with

45+

cumulative years of  
experience in the  
specialty chemicals  
industry



8\*

Manufacturing  
facilities



354,100\*

MTPA  
Capacity Installed



4\*

R&D Facilities



34%

Revenue CAGR %  
(FY19-23)



24%

PAT CAGR %  
(FY19-23)



*Rossari – A Specialty-Chemical manufacturer providing intelligent and sustainable chemical solutions for customers across industries*

*One of the leading specialty chemicals manufacturer delivering differentiated & tailor-made solutions across Home, Personal Care and Performance Chemicals (HPPC), Textile Specialty Chemicals (TSC) and Animal Health and Nutrition (AHN) businesses*

## HPPC

- One of the fastest-growing specialty chemicals manufacturer in the HPPC sector in India
- Tailor-made range of solutions across industries - FMCG, Home & Personal Care, Cosmetics, Pulp & Paper, Ceramics, Agro, Oil and Gas
- Key product-groups: Soaps & Detergents, Ink, Paints & Coatings, Ceramic & Tiles, Pulp & Paper, Cements, Water treatment chemicals, Aroma Chemicals, Agro Chemicals

## TSC

- Largest textile specialty chemical manufacturer in India
- Provides specialty chemical solutions across entire value-chain of the textile industry
- Solution applications: Thread, Yarn and Man-made Fibre production, digital printing, fabric processing, dyeing auxiliaries and garment finishing range

## AHN

- Manufactures a range of over 100 products from poultry feed supplements and additives, pet grooming and pet treats
- Wide range of feed additives : Vitamin Premix, Acidifiers, Disinfectants, Enzymes, Trace Minerals and liquid Essential oils
- Pet-grooming and pet-care products

# Strengthening Market Presence



***Strong and long-standing relationships with several clients and distributors spanning 15+ years***

# Robust Manufacturing Capabilities



## Manufacturing Facility at Silvassa

- Located on 8.6 acres of land
- Fungible manufacturing capabilities for powders, granules and liquids
- Facility has a comprehensive range of testing & packaging capabilities
- Effluent treatment facility, with 2,500 MT bulk storage capacity for acid, alkali, base oils and surfactants

## Manufacturing Facility at Dahej

- Enjoys proximity to multi-cargo port of Dahej – providing cost & logistical advantage
- State-of-the-art facility, well-equipped with advanced technologies
- Designed on lean manufacturing principles
- Driving cost efficiencies and economies of scale

## Unitop's Manufacturing Facility at Dahej

- Located on 10 acres of land
- Superior facility for the Agrochemicals and Oil & Gas segment
- Fully equipped R&D centre dedicated to product development, quality and process standardisation
- Adequate scope for further capacity expansion

## Tristar's Manufacturing Facility at Sarigam

- 3 manufacturing units located in chemical zone at GIDC, Sarigam
- Leading manufacturer of preservatives, aroma chemicals, and home and personal care additives
- Access to High-tech distillation facilities

***Asset-light approach enables healthy return ratios***

# Strategic Growth Levers

## Augmenting product portfolio with enhanced emphasis on green solutions

- Identifying and developing new niches in product offerings by leveraging R&D capabilities
- Strong upcoming pipeline of new product launches centered on customer requirements, higher product excellence and process sustainability

## Innovation-backed solutions to enrich customer experience

- Strengthen innovation platform to deliver differentiated offerings and provide unique product value
- Combining consumer insights and strong market research to provide solutions with shorter lead times

## Seeding new business lines

- Evaluating opportunities to introduce new business lines based on existing business capabilities and technical know-how
- New businesses to drive the next leg of growth



## Increase wallet share across existing customer base while also tapping new customer segments

- Capitalize on cross-selling opportunities & address sourcing requirements of MNC customers
- Consolidate position as a preferred supplier for customers

## Inorganic growth through strategic value-accretive acquisitions

- Expanding presence into newer categories of specialty chemical segments and personal care, strengthen market reach and broaden product portfolio
- Driving economies of scale and market consolidation

## Maintain financial discipline

- Performance-focused and high growth-driven while maintaining strong financial discipline
- Prudent management of cash and financial resources at all times



# Recent Inorganic Initiatives

*Executed two synergistic acquisitions and one strategic investment in FY 2022 complementing the ethos of Rossari's business model*

## Unitop Chemicals

Unitop solutions sold across 25+ countries

Presence in high-potential Specialty chemical segments, such as Agrochemicals and Oil & Gas segments

Operates three manufacturing sites in India with a total capacity of 86,000 MTPA

Professionally-managed, well-experienced and competent talent pool to build progressive future

Key Financials: FY23 revenues stood at Rs. 554 crore, with EBITDA at Rs. 81 crore and PAT at 55 crore; Zero Net debt

## Tristar Intermediates

Prominent player in the field of Preservatives, Aroma Chemicals, and Home & Personal Care Additives

Expanded product portfolio in Personal Care segment to facilitate cross-selling opportunities

Preferred supplier to various reputed companies and MNCs across India, Europe, USA and Far East countries

High-tech distillation manufacturing facilities at Sarigam, Gujarat with a total capacity of 15,000 MTPA

In FY2023, revenues stood at Rs. 209 crore, with EBITDA at Rs. 18 crore and PAT at Rs. 10 crore

## Romakk Chemicals

Primarily engaged in the business of manufacturing silicone oils

Strategic investment to strengthen Rossari's presence in Home and Personal Care segment

Exciting portfolio of products focused on the Home and Personal care industry

# Key Synergies from Recent Acquisitions

*Strategic & value-accretive acquisitions accelerate growth and drive economies of scale*



Augmented presence in Specialty Chemical, Personal Care and Agrochemical segments



Expansion of addressable domestic and export markets and end-user applications



Extension of manufacturing capabilities



Pooling together of related technologies provides R&D edge



Inorganic investments within operational and financial discipline criteria outlined by Board

# Focus on Green & Sustainable Chemical Solutions



Specialists in producing environmentally-benign substitutes that replace legacy and harmful products

Focus on green, sustainable and cost neutral products

Minimizing carbon footprint of manufacturing processes while maximizing customer benefits

***Aggressively embracing sustainability in business operations to accelerate growth***



## Annexure

## Q1 FY24 Earnings Conference Call

**Time** • XX:00 p.m. IST on XX, July XX, 2023

**Pre-registration**

To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:



**Primary dial-in number**

• + 91 22 6280 1141 / 7115 8042

**International Toll-Free Number**

- Hong Kong: 800 964 448
- Singapore: 800 101 2045
- UK: 0 808 101 1573
- USA: 1 866 746 2133

# About Us

Rossari Biotech Limited (Rossari) (BSE: 543213, NSE: ROSSARI), is a Specialty-Chemicals manufacturer providing intelligent and sustainable solutions for customers across industries. Headquartered at Mumbai, India, the Company operates strategically located manufacturing facilities at Silvassa and Dahej. The Company offers tailor-made solutions for Home, Personal Care and Performance chemicals (HPPC), Textile specialty chemicals and Animal Health and Nutrition (AHN). With differentiated product offerings, Rossari caters to an array of applications across FMCG, Home care, Industrial Cleaning, Personal Care, Textile Specialty Chemicals, Performance Chemicals, the Animal Health and Nutrition and Pet Care businesses. The Company has an extensive and a dedicated network of distributors spread all over India.

## For further information, please contact:



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***Thank you***