



# Galaxy Surfactants Ltd.

February 01, 2019

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|---|---|
| National Stock Exchange of India Ltd.,<br>Listing Compliance Department<br>Exchange Plaza, C-1, Block G,<br>Bandra Kurla Complex,<br>Bandra (East)<br>Mumbai – 400 051<br><b>Scrip Symbol: GALAXYSURF</b> | BSE Limited,<br>Listing Department,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai- 400001<br><b>Scrip Code: 540935</b> |
|---|---|

**Sub: Investor presentation & earnings release on Un-Audited Financial Results for the quarter & nine months ended December 31, 2018.**

**Ref: Regulation 30 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/ Madam,

We are enclosing Investor Presentation & earnings release on Un-audited Financial Results for the quarter & nine ended December 31, 2018.

The information is also hosted in announcement section on the website of the Company at [www.galaxysurfactants.com](http://www.galaxysurfactants.com).

We request you to take the same on record.

Yours faithfully,  
For **Galaxy Surfactants Limited**

**Niranjan Ketkar**  
Company Secretary  
M. No. A20002

encl: as above

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# Galaxy Surfactants Ltd.

*Investor Presentation - February 2019*



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*Q3 & 9M FY19  
Performance Highlights*

# 9MFY19: Key Developments

Domestic (India) Business growth exceeds Market Growth rate

Growth driven by all three customer segments: MNC's, Regional & Local

AMET performance remains subdued, owing to a slowdown in Egypt

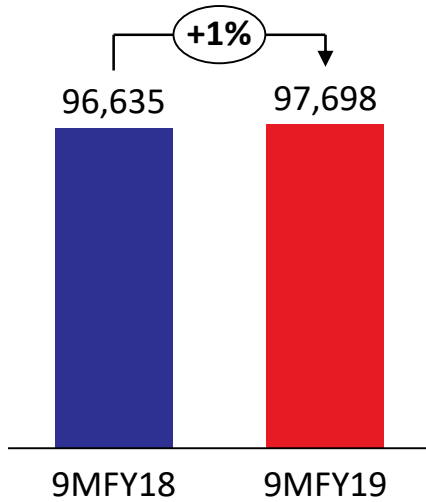
The ROW market outperformed on the back of a strong performance registered by the specialty care products segment

***Witnessing Traction in Business***

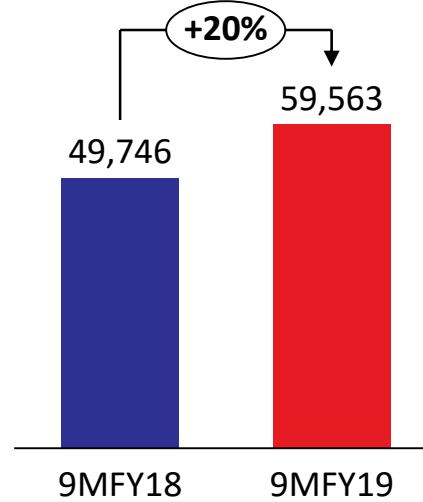
# Volume: 9MFY19 Highlights (YoY)

Volume Highlights

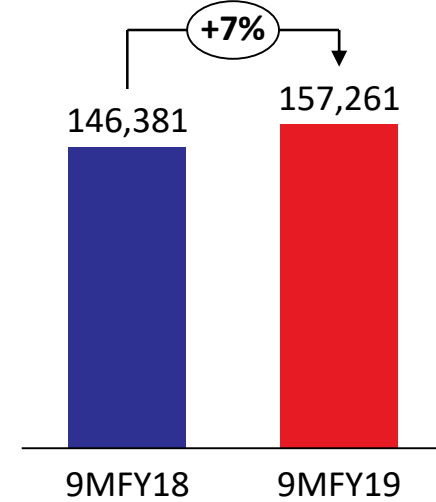
## Performance Surfactants



## Specialty Care Products



## Total Volume



India Growth **13%**



Africa Middle East Turkey de-grew by **8%**



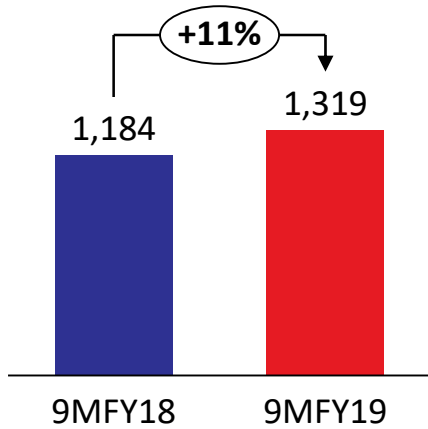
Rest of the World grew by **29%**



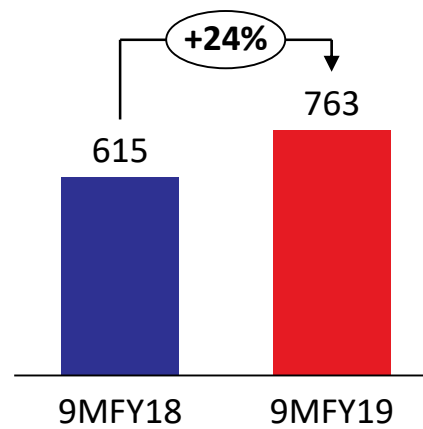
*AMET Markets decline recouped by high growth in Specialty care products*

# 9MFY19 Highlights (YoY)

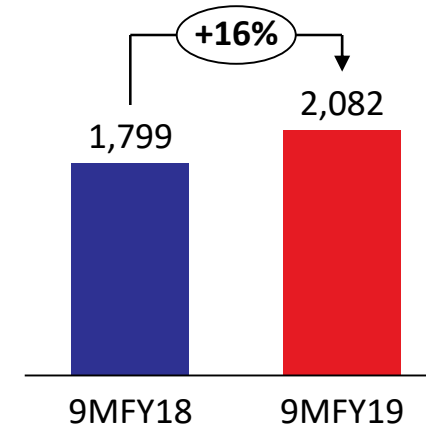
## Performance Surfactants



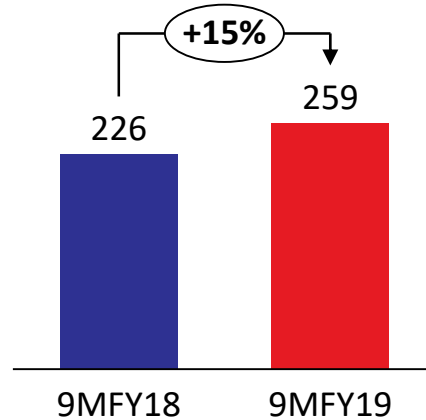
## Specialty Care Products



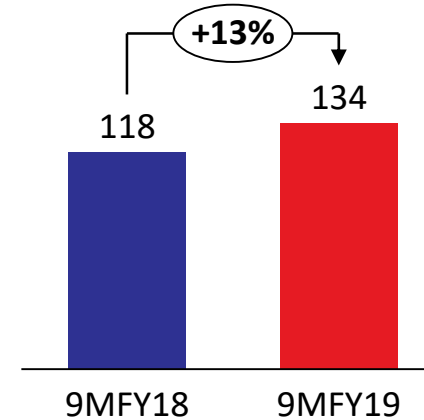
## Total Revenue<sup>^</sup>



## EBITDA<sup>^</sup>



## PAT



Revenue Highlights

Rs. In Crores

As per Ind AS

<sup>^</sup>Includes other Income

# Consolidated Profit & Loss Statement

| Particulars (Rs in Cr)            | Q3 FY19      | Q3 FY18      | Y-o-Y        | 9M FY19        | 9M FY18        | Y-o-Y        | FY18           |
|-----------------------------------|--------------|--------------|--------------|----------------|----------------|--------------|----------------|
| Net Revenue from Operations       | 679.5        | 597.9        |              | 2,081.0        | 1,790.4        |              | 2,433.9        |
| Other Income                      | 1.0          | 2.6          |              | 1.2            | 8.4            |              | 10.1           |
| <b>Total Revenue</b>              | <b>680.5</b> | <b>600.4</b> | <b>13.3%</b> | <b>2,082.2</b> | <b>1,798.7</b> | <b>15.8%</b> | <b>2,444.0</b> |
| Cost of Material Consumed         | 477.1        | 426.6        |              | 1,481.9        | 1,288.6        |              | 1,751.1        |
| Employee's Benefits Expense       | 40.8         | 35.2         |              | 120.8          | 108.5          |              | 146.0          |
| Other Expenses                    | 79.1         | 60.7         |              | 220.2          | 175.1          |              | 249.1          |
| <b>EBITDA</b>                     | <b>83.5</b>  | <b>78.0</b>  | <b>7.0%</b>  | <b>259.3</b>   | <b>226.5</b>   | <b>14.5%</b> | <b>297.8</b>   |
| <b>EBITDA Margin</b>              | <b>12.3%</b> | <b>13.0%</b> |              | <b>12.5%</b>   | <b>12.6%</b>   |              | <b>12.2%</b>   |
| Depreciation                      | 12.9         | 12.2         |              | 38.3           | 36.3           |              | 48.5           |
| <b>EBIT</b>                       | <b>70.6</b>  | <b>65.8</b>  | <b>7.2%</b>  | <b>221.0</b>   | <b>190.2</b>   | <b>16.2%</b> | <b>249.3</b>   |
| Finance cost                      | 7.1          | 7.6          |              | 22.2           | 23.9           |              | 30.6           |
| <b>PBT</b>                        | <b>63.4</b>  | <b>58.2</b>  | <b>9.1%</b>  | <b>198.9</b>   | <b>166.3</b>   | <b>19.6%</b> | <b>218.8</b>   |
| Tax expense                       | 21.6         | 16.9         |              | 65.0           | 48.3           |              | 60.7           |
| <b>PAT</b>                        | <b>41.8</b>  | <b>41.3</b>  | <b>1.3%</b>  | <b>133.9</b>   | <b>118.0</b>   | <b>13.5%</b> | <b>158.0</b>   |
| <b>PAT Margin</b>                 | <b>6.1%</b>  | <b>6.9%</b>  |              | <b>6.4%</b>    | <b>6.6%</b>    |              | <b>6.5%</b>    |
| Other Comprehensive Income        | (12.4)       | 0.0          |              | 21.5           | (1.6)          |              | (1.4)          |
| <b>Total Comprehensive Income</b> | <b>29.5</b>  | <b>41.3</b>  |              | <b>155.4</b>   | <b>116.5</b>   |              | <b>156.7</b>   |
| EPS                               | 11.80*       | 11.66*       |              | 37.76*         | 33.29*         |              | 44.6           |

- Average Forex rate in 9MFY19 was Rs. 69.57 per USD versus Rs 64.43 per USD in 9MFY18
- The forex movement had an estimated positive impact of Rs. 6 Cr on the EBITDA in 9MFY19
- Other expenses are higher on account of increase in Freight cost and Power & Fuel costs
- The Other comprehensive income includes a gain of Rs. 21.5 crores in 9MFY19 arising from translation of the subsidiary balance sheet items in USD on account of depreciating rupee



# Standalone Profit & Loss Statement

| Particulars (Rs in Cr)      | Q3 FY19      | Q3 FY18      | Y-o-Y        | 9M FY19        | 9M FY18        | Y-o-Y        | FY18           |
|-----------------------------|--------------|--------------|--------------|----------------|----------------|--------------|----------------|
| Net Revenue from Operations | 494.2        | 405.4        |              | 1,504.1        | 1,232.4        |              | 1,684.2        |
| Other Income                | (0.8)        | 0.3          |              | 32.1           | 11.8           |              | 13.0           |
| <b>Total Revenue</b>        | <b>493.4</b> | <b>405.8</b> | <b>21.6%</b> | <b>1,536.2</b> | <b>1,244.2</b> | <b>23.5%</b> | <b>1,697.1</b> |
| Cost of Material Consumed   | 352.2        | 295.1        |              | 1,091.2        | 902.8          |              | 1,237.1        |
| Employee's Benefits Expense | 20.9         | 17.8         |              | 63.6           | 56.3           |              | 75.4           |
| Other Expenses              | 55.8         | 40.8         |              | 152.3          | 120.5          |              | 172.2          |
| <b>EBITDA</b>               | <b>64.5</b>  | <b>52.1</b>  | <b>23.9%</b> | <b>229.1</b>   | <b>164.7</b>   | <b>39.1%</b> | <b>212.5</b>   |
| <b>EBITDA Margin</b>        | <b>13.1%</b> | <b>12.8%</b> |              | <b>14.9%</b>   | <b>13.2%</b>   |              | <b>12.5%</b>   |
| Depreciation                | 7.1          | 6.9          |              | 21.2           | 20.5           |              | 27.5           |
| <b>EBIT</b>                 | <b>57.4</b>  | <b>45.2</b>  | <b>27.1%</b> | <b>207.9</b>   | <b>144.2</b>   | <b>44.2%</b> | <b>185.0</b>   |
| Finance cost                | 4.7          | 5.1          |              | 14.7           | 16.6           |              | 20.6           |
| <b>PBT</b>                  | <b>52.7</b>  | <b>40.0</b>  | <b>31.7%</b> | <b>193.2</b>   | <b>127.6</b>   | <b>51.4%</b> | <b>164.4</b>   |
| Tax expense                 | 18.9         | 13.9         |              | 64.9           | 42.4           |              | 52.0           |
| <b>PAT</b>                  | <b>33.9</b>  | <b>26.1</b>  | <b>29.6%</b> | <b>128.3</b>   | <b>85.2</b>    | <b>50.7%</b> | <b>112.4</b>   |
| <b>PAT Margin</b>           | <b>6.9%</b>  | <b>6.4%</b>  |              | <b>8.4%</b>    | <b>6.8%</b>    |              | <b>6.6%</b>    |
| EPS                         | 9.55*        | 7.37*        |              | 36.20*         | 24.03*         |              | 31.71          |

- The Other income includes a gain of Rs. 32.1 crores in 9MFY19 arising from revaluation of financial instruments used for investment in operating subsidiaries

# Consolidated Balance Sheet

| Particulars (Rs. In Crores)                              | Sept'18        | March'18       |
|--|----------------|----------------|
| <b>ASSETS</b>  |                |                |
| Property, Plant and Equipment                            | 451.6          | 439.9          |
| Capital work-in-progress                                 | 77.2           | 24.9           |
| Goodwill   | 2.6            | 2.4            |
| Intangible Assets  | 4.2            | 4.5            |
| Financial Assets   |                |                |
| (i) Investments  | 0.1            | 0.1            |
| (ii) Loans   | 0.3            | 0.2            |
| (ii) Other financial assets                              | 9.6            | 6.5            |
| Deferred Tax Assets (Net)                                | 3.5            | 3.4            |
| Income Tax Assets (Net)                                  | 8.7            | 10.5           |
| Non-current tax assets                                   | 53.3           | 44.0           |
| <b>Total Non-Current Assets</b>                          | <b>611.0</b>   | <b>536.5</b>   |
| <b>Current Assets</b>                                    |                |                |
| Inventories  | 375.1          | 345.6          |
| Financial Assets   |                |                |
| (i) Trade receivables                                    | 459.4          | 418.2          |
| (ii) Cash and cash equivalents                           | 33.2           | 27.1           |
| (iii) Bank Balances other than cash and cash equivalents | 0.7            | 0.5            |
| (iv) Loans   | 0.2            | 0.3            |
| (v) Other Financial Assets                               | 8.9            | 9.0            |
| Other Current Assets                                     | 112.0          | 118.1          |
| <b>Total Current Assets</b>                              | <b>989.4</b>   | <b>918.9</b>   |
| <b>TOTAL ASSETS</b>                                      | <b>1,600.5</b> | <b>1,455.4</b> |

| Particulars (Rs. In Crores)           | Sept'18        | March'18       |
|---------------------------------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>         |                |                |
| <b>EQUITY</b>                         |                |                |
| Equity Share Capital                  | 35.5           | 35.5           |
| Other Equity                          | 779.4          | 683.3          |
| <b>Total Shareholders Fund</b>        | <b>814.8</b>   | <b>718.8</b>   |
| <b>Non-Current Liabilities</b>        |                |                |
| Financial Liabilities                 |                |                |
| (i) Borrowings                        | 89.5           | 72.2           |
| (ii) Other Financial Liabilities      | 0.3            | 0.3            |
| Provisions                            | 6.7            | 6.1            |
| Deferred Tax Liabilities (Net)        | 32.3           | 27.7           |
| Other non-current liabilities         | 0.9            | 0.9            |
| <b>Total Non Current Liabilities</b>  | <b>129.6</b>   | <b>107.2</b>   |
| <b>Current Liabilities</b>            |                |                |
| Financial Liabilities                 |                |                |
| (i) Borrowings                        | 269.6          | 219.7          |
| (ii) Trade Payables                   | 296.4          | 327.8          |
| (iii) Other Financial Liabilities     | 56.2           | 60.0           |
| Other Current Liabilities             | 20.0           | 17.8           |
| Provisions                            | 2.7            | 4.1            |
| Current Tax Liabilities (Net)         | 11.2           | 0.1            |
| <b>Total Current Liabilities</b>      | <b>656.0</b>   | <b>629.4</b>   |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>1,600.5</b> | <b>1,455.4</b> |

# Standalone Balance Sheet

| Particulars (Rs. In Crores)                              | Sept'18       | March'18      |
|--|---------------|---------------|
| <b>ASSETS</b>  |               |               |
| <b>Non-current assets</b>                                |               |               |
| Property, Plant and Equipment                            | 276.2         | 277.9         |
| Capital work-in-progress                                 | 49.9          | 18.5          |
| Intangible Assets  | 3.7           | 3.2           |
| Financial Assets   |               |               |
| (i) Investments  | 254.4         | 223.1         |
| (ii) Loans   | 0.3           | 0.2           |
| (ii) Other financial assets                              | 7.2           | 4.6           |
| Deferred Tax Assets (Net)                                |               |               |
| Income Tax Assets (Net)                                  | 7.2           | 7.2           |
| Other Non-current assets                                 | 53.3          | 43.8          |
| <b>Total Non Current Assets</b>                          | <b>652.1</b>  | <b>578.5</b>  |
| <b>Current Assets</b>                                    |               |               |
| Inventories  | 233.9         | 222.5         |
| Financial Assets   |               |               |
| (i) Trade receivables                                    | 345.5         | 330.1         |
| (ii) Cash and cash equivalents                           | 2.7           | 1.9           |
| (iii) Bank Balances other than cash and cash equivalents | 0.7           | 0.5           |
| (iv) Loans   | 0.2           | 0.3           |
| (v) Other Financial Assets                               | 9.3           | 8.6           |
| Other Current Assets                                     | 69.0          | 95.4          |
| <b>Total Current Assets</b>                              | <b>661.3</b>  | <b>659.4</b>  |
| <b>TOTAL</b>   | <b>1313.5</b> | <b>1237.9</b> |

| Particulars (Rs. In Crores)           | Sept'18        | March'18       |
|---------------------------------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>         |                |                |
| <b>EQUITY</b>                         |                |                |
| Equity Share Capital                  | 35.5           | 35.5           |
| Other Equity                          | 695.0          | 630.4          |
| <b>Total Shareholders Fund</b>        | <b>730.5</b>   | <b>665.9</b>   |
| <b>Non-Current Liabilities</b>        |                |                |
| Financial Liabilities                 |                |                |
| (i) Borrowings                        | 89.5           | 67.9           |
| (ii) Other Financial Liabilities      | 0.3            | 0.3            |
| Provisions                            | 6.7            | 6.1            |
| Deferred Tax Liabilities (Net)        | 41.1           | 29.2           |
| Other non-current liabilities         | 0.5            | 0.5            |
| <b>Total Non Current Liabilities</b>  | <b>138.0</b>   | <b>103.9</b>   |
| <b>Current Liabilities</b>            |                |                |
| Financial Liabilities                 |                |                |
| (i) Borrowings                        | 109.0          | 102.7          |
| (ii) Trade Payables                   | 265.8          | 299.4          |
| (iii) Other Financial Liabilities     | 46.1           | 50.9           |
| Other Current Liabilities             | 10.2           | 11.0           |
| Provisions                            | 2.7            | 4.0            |
| Current Tax Liabilities (Net)         | 11.1           | 0.0            |
| <b>Total Current Liabilities</b>      | <b>444.9</b>   | <b>468.1</b>   |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>1,313.5</b> | <b>1,237.9</b> |

# *Business Overview*



# Truly Indian MNC...



**Leading manufacturer of  
Ingredient for Home &  
Personal care Industry (HPC)**



**Product applications across  
Mass, Mass-tige & Prestige  
range of Customers**



**GLOBAL + LOCAL = GLOCAL**

**Preferred supplier to leading  
Multinational, Regional &  
Local FMCG Brands**



**Brand Custodian**



**Globally Recognized**



**Integrated Across Full  
Value Chain of HPC  
Industry**



**Advanced portfolio of  
Innovative Products &  
Solutions**



**Proven Credentials in R&D**

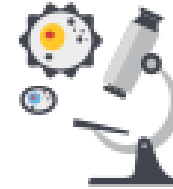
# ...Vertically Integrated in HPC Industry



**200+ Product Grades**



**7 Strategically Located  
Facilities with Inhouse Project  
Execution Capabilities**  
5 in India, 1 in Egypt, 1 in US



**Extensive R&D Capabilities**  
63 Members, R&D Centre, Pilot  
Plant, Product Application  
Centre;



**Indigenous  
Intellectual property**  
58 Approved; 28 Applied



**Serving  
1750+ Clients**



**Presence across  
75+ countries**



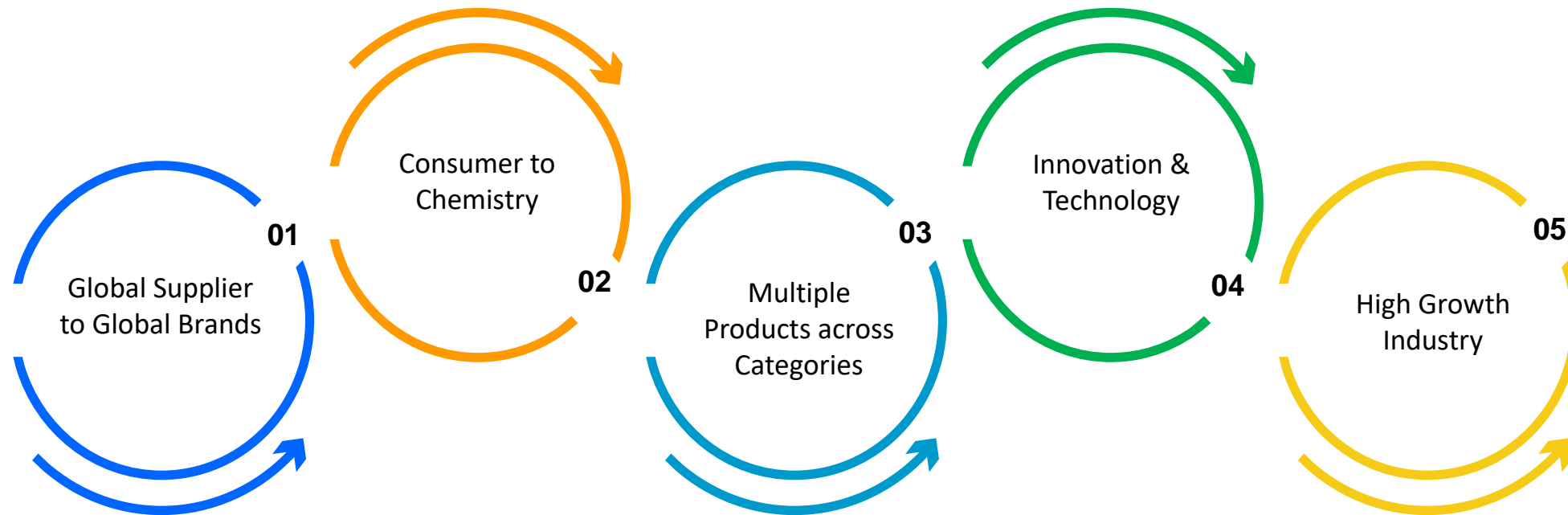
**Sustainability - A way of  
Life**



**1200+ Employees across  
all our Facilities**

# We grow faster than HPC FMCGs

India's Largest Manufacturer of Oleochemical based Surfactants and Speciality Care Products for Home Care and Personal Care Industries (HPC)



# Our growth trajectory over Three Decades

**1986:** Incorporation of Company  
**1984:** New Plant at Tarapur for Ethoxylates, Phenoxyethanol, Sunscreens

**1994:** New plant set up at Tarapur  
**1995:** Acquisition of Galaxy Chemicals  
**1997:** Sulfonation plant Setup at Taloja and Research Centre at Navi Mumbai  
**1998:** Commissioning of new plant in Taloja

**2004:** setting up of EOU at Taloja  
**2009:**

- Acquisition of Tri-K Industries
- Galaxy Chemicals Egypt S.A.E. & Rainbow Holdings GmbH became step down subsidiary

**2011:** Commissioning of Egypt and Jhagadia Plants  
**2014:** Purchase of business of Surfactants International LLC  
**2016:** Expansion of Jhagadia Plant for mild surfactants



| 1980-1990                  | 1990-2000                 | 2000-2010                  | 2010 - 2018                 |
|----------------------------|---------------------------|----------------------------|-----------------------------|
| <b>IMPORT SUBSTITUTION</b> | <b>INDIA GROWTH PHASE</b> | <b>EXPORT GROWTH PHASE</b> | <b>GLOBAL ESTABLISHMENT</b> |

- Established credentials in surfactants/ specialty ingredients space
- Due to high import duties, personal care products were considered luxury goods Galaxy was a strong supplier for import substitution
- Developed a solid R&D base

- Post Economic Liberalisation, market for personal care products grew substantially
- Galaxy emerged as a strong player
- Grew exponentially led by strong innovation capabilities
- Focused on capturing the domestic market and large customer accounts
- Set up capacities to cater to the emerging requirements

- Strategic shift with focus on Global markets expansion
- Made investments to acquire manufacturing facilities at USA, Egypt and established international offices
- Increased share of revenue from international business

- Dominant Share in India
  - Increased Global Participations
  - Supplier Recognitions (Global)
  - Strong R&D Capability
  - Customer Partnership
  - IPO – listing of the company on BSE and NSE
- Accepted as Global Vendor benchmarked with best International peers**



# Our focus is Personal & Home Care Segment

## Hair Care

Shampoos  
Conditioners  
Colorants  
Styling Gels



## Oral Care

Toothpaste  
Tooth powder  
Mouth wash



## Home Care

Carpet Cleaner  
Toilet Cleaner  
Detergents  
Fabric Cleaner  
Glass / Floor Cleaner



Mass

Mass -tige

Prestige

Serving needs across Consumer Segments

Mass

Mass -tige

Prestige

## Skin Care

Sun care  
Fairness Creams  
Moisturizing Creams  
Anti-ageing Creams



## Cosmetics

Nail Polish  
Lip Colors  
Foundations



## Toiletries

Toilet Soaps / Body wash  
Shaving Cream / Lotions



# ... with over 200 Product Offerings

## Performance Surfactants

Anionic Surfactants

FAES, FAS, LABSA

Non-Ionics Surfactants

Ethoxylates

Amphoteric Surfactants

Betaines

Cationic Surfactants

Quats

UV Filters

Sunscreen Agents (OMC, OCN & Others)

Preservatives, Preservative Blends

Phenoxyethanol, Preservative Blends, Surfactant Blends

Speciality Ingredients

Mild Surfactants (MS), Proteins and Syndet & Transparent Bathing Bar Flakes

Fatty Alkanolamides (FA) and Fatty Acid Esters (FAE)

Other Care Products

Conditioning Agents, Polyquats & Amine Oxides

### Consumer Benefits

- ✓ Foam and Dirt removal properties
- ✓ Cosmetics and Personal care products as emulsifiers and solubilisers
- ✓ Dermatological properties to reduces skin irritation
- ✓ Effective conditioning aids: substantively to hair and antimicrobial properties
- ✓ Absorb or block the harmful radiation, Mild for the skin with Moisturizing
- ✓ Reduced toxicity & prevent spoilage
- ✓ MS: Cleanse adequately without compromising basic function of skin
- ✓ Protein: cosmetic industry for conditioning, protection and strengthening of hair/skin, anti-irritancy, moisturization etc
- ✓ FA & FAE: Foam, viscosity boosters and pearlier in a formulation
- ✓ Improves the quality of another material also called as moisturizers, conditioning benefits to the hair etc

## Speciality Care Products

Bifurcation is only for Investor community as every product has different functionality

## Performance Surfactants

## Speciality Care Products

### About Product



“Substantive Raw Material in Customer’s End-products”

“Unique Functionality to Customer’s End-products”

- Products are functional in nature where End-consumer require foaming & cleansing
- Large volume consumption in all rinse-off formulations
- Products are Pulled by FMCG as it is required due to impulse buying from end consumer

- Niche & Premium products
- Low volume consumption
- Oligopolistic for most products
- Low penetration due to its unique application

### No. of Products



45 products

155+ products

### Revenue Mix








63%

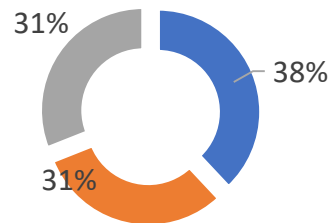
37%

# Our Global Footprints

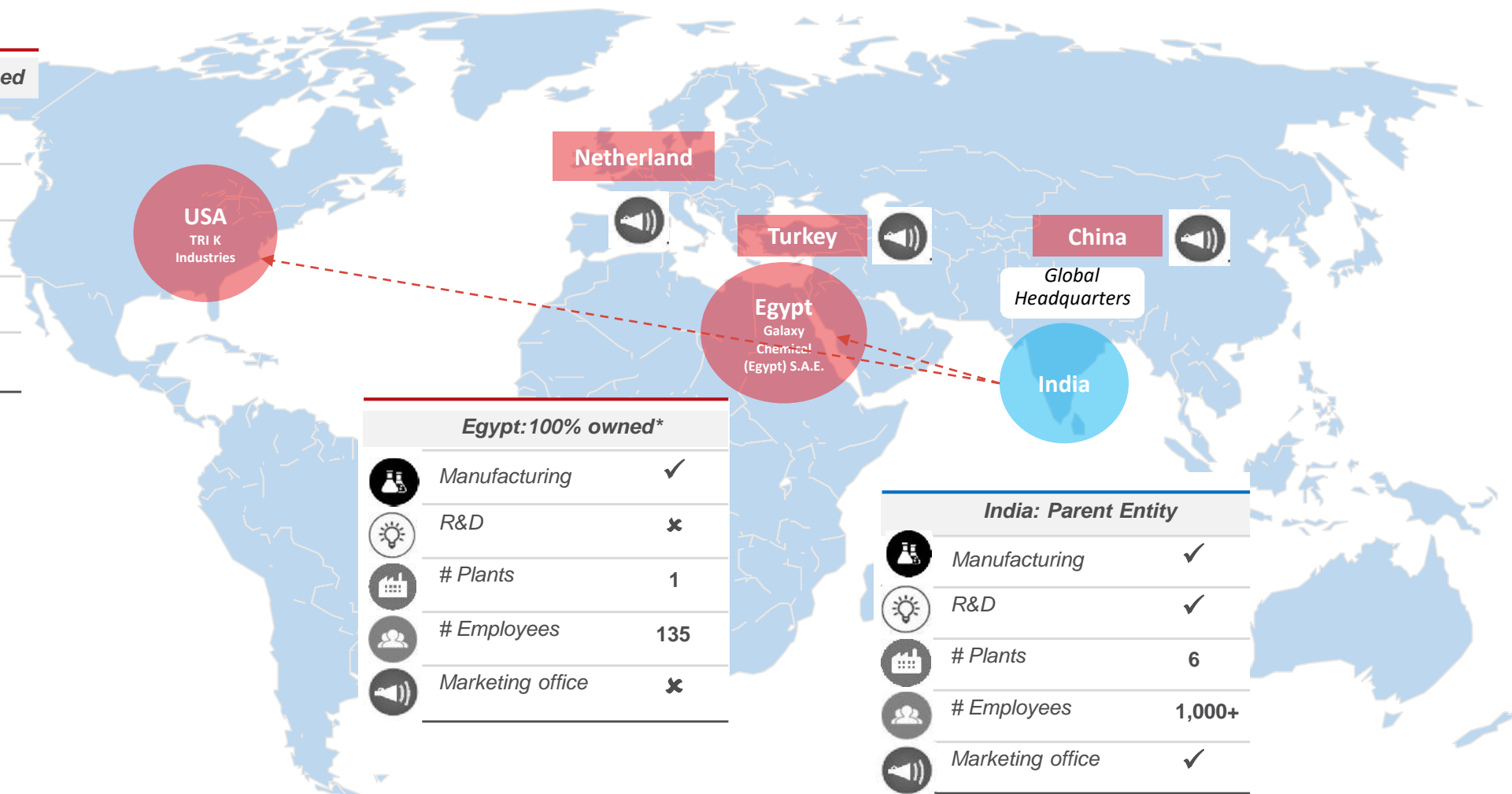
## USA: TRI-K Industries-100% owned

|   |                  |    |
|---|------------------|----|
|  | Manufacturing    | ✓  |
|  | R&D              | ✓  |
|  | # Plants         | 1  |
|  | # Employees      | 69 |
|  | Marketing office | ✓  |





## 9MFY19: Revenue Breakup








■ India ■ AMET ■ RoW



## Egypt: 100% owned\*

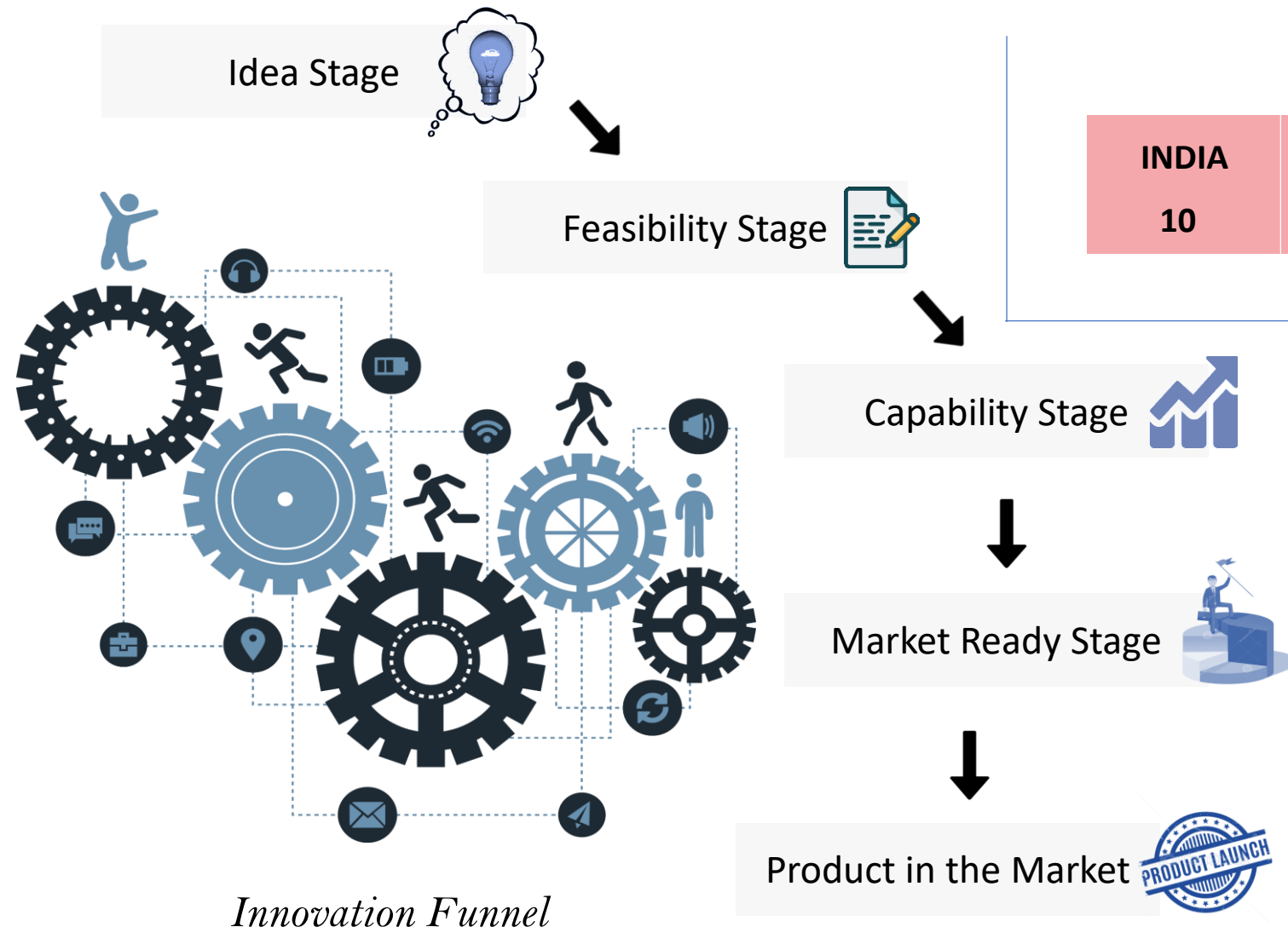
|   |                  |     |
|---|------------------|-----|
|    | Manufacturing    | ✓   |
|    | R&D              | ✗   |
|    | # Plants         | 1   |
|   | # Employees      | 135 |
|  | Marketing office | ✗   |

## India: Parent Entity

|   |                  |        |
|---|------------------|--------|
|    | Manufacturing    | ✓      |
|    | R&D              | ✓      |
|  | # Plants         | 6      |
|  | # Employees      | 1,000+ |
|  | Marketing office | ✓      |

Presence in High Growth & Matured Markets

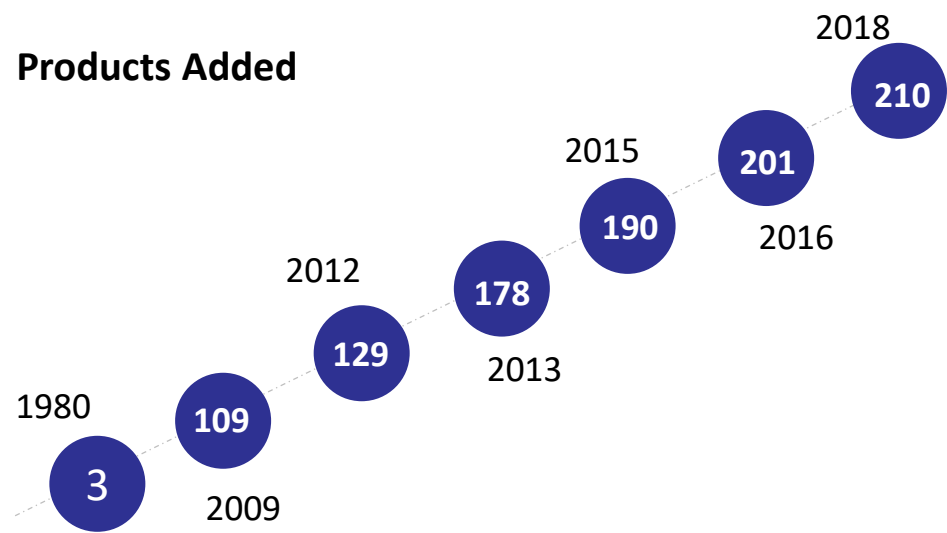
# “Consumer to Chemistry”: Creation of Products



58 approved Patents and 28 applied

| INDIA | USA | EUROPE | ROW | GLOBALLY |
|-------|-----|--------|-----|----------|
| 10    | 12  | 2      | 7   | 27       |

|                       |                               |                                  |   |
|-----------------------|-------------------------------|----------------------------------|---|
| 58 Patents since 2002 | 28 Patent application pending | R&D spend of INR 45+ Cr in 16-18 | New product grades, process, efficiencies |
|-----------------------|-------------------------------|----------------------------------|---|



# ...with World-class R&D facilities

Collaborative product development with Customers which helps Customers in choosing **“Right Technology with Right Application”**





Inhouse R&D Team of 63 professionals comprising of doctorates, chemists and engineers

Well-Equipped R&D Centre, Pilot Plant at Tarapur, Maharashtra; Product applications centre for proteins at Denville, USA

Innovation Funnel (adopted in 2007) to consistently diversify product offerings, meet customer needs and consumer trends



# State-of-the-art Manufacturing Facilities

| Location   | No. of Units | Installed Capacity | Details  |
|--|--------------|--------------------|--|
|  <p>Tarapur, Maharashtra</p> | 3            | 32,880 MTPA        | <ul style="list-style-type: none"> <li>✓ 1 pilot plant for scale up and commercialisation of new products rolling out from R&amp;D activities</li> <li>✓ Easy access to the Jawaharlal Nehru Port Trust, Navi Mumbai</li> </ul>            |
|  <p>Taloja, Maharashtra</p>  | 1            | 159,000 MTPA       | <ul style="list-style-type: none"> <li>✓ One of the largest sulfation facilities in India</li> <li>✓ Easy access to the Jawaharlal Nehru Port Trust, Navi Mumbai</li> </ul>  |
|  <p>Jhagadia, Gujarat*</p>  | 1            | 79,500 MTPA        | <ul style="list-style-type: none"> <li>✓ Located close to raw material source ethylene oxide</li> </ul>  |
|  <p>Suez, Egypt*</p>       | 1            | 91,500 MTPA        | <ul style="list-style-type: none"> <li>✓ Located in the Attaqa Public Free Zone, exempt from all direct and indirect taxes</li> <li>✓ Access to the Suez Canal, can address AMET, Europe and Americas (North and South) markets</li> </ul> |
| <p>New Hampshire, USA</p>  | 1            | 600 MTPA           | <ul style="list-style-type: none"> <li>✓ Step-down Subsidiary - Tri-K Industries owns and operates for different grades of proteins for cosmetic applications</li> </ul>   |

*\*Environmental clearances for expansion and additional land available at Jhagadia and Suez plants*

# 1750+ Clients across 75+ Countries



**& Many more...**

**Long term strategic relationship with all of the top 10 customers**  
**Strict qualifications and extensive collaboration with customers for end-product development**

FY18: Revenue Contribution  
**MNC Customers: 55%**  
**Regional Players: 8%**  
**Local & Niche Player: 37%**

Through Innovation funnel,  
Demonstrated Engineering &  
Technical excellence

All FMCG Protocols  
accomplished by us which  
helped to create Decade old  
partners

Of basket of 200+ products,  
clients has various  
requirement with different  
quantity with different pricing  
mechanism

Galaxy has created Integrated  
Value chain for long lasting  
relationship



# Awards & Certifications: True recognition of Capabilities

Recognition from Clients




*"Certificate of Excellence in Samyut", 2017*



*"Best Supply Partner", 2015  
"Winning through Innovation" at the Partner to Win, 2012 Awards*


*"Innovation Award" for Green Catalyst and Sustainability at the Partner to Win, 2014 Awards*



*Award of Global Performance" for L'Oréal Asia Pacific 2012  
"Certificate of Appreciation", 2008*



2018  
Long Standing Partner Award  
Best Reliable Partner Award  
Best Value Addition Award



*"Certificate of Recognition", 2014*



Certificate of Appreciation  
For valuable association as a Business Partner

Innovation Zone



Received Gold Medal for "Galsoft GLI21", **Organized by HPCI, ISCC and SOFW**



**Iconic Company**  
Indian HPC Industry Association



**CHEMEXCIL**

*"Gold Award", Castor Oil and Specialty Chemicals Panel for export performance in large scale sector for the years 2011-2012, 2012-2013 and 2015-2016. Trishul Award in 2017 for the outstanding export performance*



**Various ISO Certification**



**EcoVadis**  
Galaxy Group



**Responsible Care**  
OUR COMMITMENT TO SUSTAINABILITY

**Responsible Care, India**

Certifications



*"Great Place to Work" for the Fiscal 2017-2018*



*"Silver Medal" in India Green Manufacturing Challenge 2016 for Jhagadia unit*



*"Certificate of Appreciation" in occupational safety & health by National Safety Council of India for Taloja Plant, 2011*



**TPM**  
Japan Institute of Plant Maintenance

*"Special Award for TPM Achievement", 2008*



**IMC**  
Chamber of Commerce and Industry

*"Certificate of Merit 2008 – Manufacturing Category" in the IMC Ramkrishna Bajaj National Quality Award 2008"*

# Management Team on Board



**Mr. Unnathan Shekhar**  
**Promoter, Managing Director**

- Associated with Company since 1986
- Chemical Engineer, PGDM from IIM, Calcutta



**Mr. Natarajan K. Krishnan**  
**Executive Director, Chief Operating Officer**

- Associated with Company since 1993
- CWA, Advanced Management Program from Harvard Business School



**Mr. Kasargod Ganesh Kamath**  
**Executive Director (Finance), Chief Financial Officer**

- Associated with Company since 2004
- Qualified CS, CWA and LL.B, over 20 years of experience



**Dr. Nirmal Koshti**  
**Non-Executive Director**

- Associated with Company since 1986
- Ph. D. in Organic Chemistry (University of Bombay); Extensive post-doctoral research experience



**Mr. Vaijanath Kulkarni**  
**Non-Executive Director**

- Associated with Company since 1995
- Chemical Engineer
- Currently, MD of Galaxy Chemicals (Egypt) S.A.E

# Along with Guidance of Senior Board Members



**Mr. Shekhar Ravindranath Warriar**  
Chairman, Non-Executive Independent Director

- Associated with Company since 2007
- More than 30 years with Unilever, India in various capacities



**Mr. Gopalkrishnan Ramakrishnan**  
Promoter, Non-Executive Director

- Associated with Company since 1986
- Qualified CA and CS



**Mr. Shashikant R. Shanbhag**  
Promoter, Non-Executive Director

- Associated with Company since 1986
- Qualified CA



**Mr. Subodh S. Nadkarni**  
Non-Executive Independent Director

- Associated with Company since 2002, 30 years+ experience
- Qualified CA and CS, prior associations with Godrej and Sulzer



**Mr. Uday Kamat**  
Non-Executive Additional Director

- Associated with Company for 15+ years
- Qualified CA and Cost Accountant, (ICWA)



**Mr. Melarkode G. Parameswaran**  
Non-Executive Independent Director

- Associated with Company since 2005
- Chemical Engineer from IIT Madras; PGDM from IIM Calcutta; PhD from Mumbai University



**Ms. Nandita Gurjar**  
Non-Executive Independent Director

- Associated with Company since 2015
- Over 20 years of experience in the field of IT and Human Resource

# The 4 Cs: Our Core Strength



## CHARACTER

Transparent & Open, Respect & Value People, Dreaming & Envisioning, Conducting Business with Integrity



## COMPETITIVENESS

Adhering to Global Quality Standards, Supplying Customers Globally, Agile & Nimble Footedness



## COMPETENCE

Talented Team which proactively meets Complex & Changing Business Needs



## COMFORT

Respecting our Commitments, Consistent Performance over the years of Timely Delivery & Quality Consistency



# *High Growth Industry*



# Personal & Home Care: Stable & Non-Cyclical Industry



**Personal Care and Cosmetics Market**



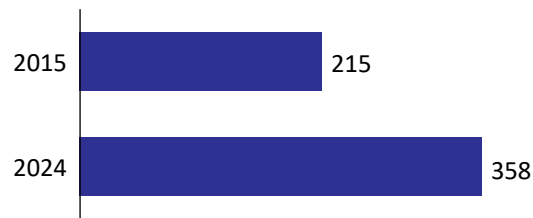
**Household Cleaning Market**



**Personal Care and Cosmetics Market**



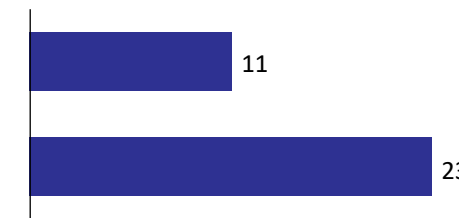
**Household Cleaning Market**



**5.8%  
CAGR**



**3.3%  
CAGR**



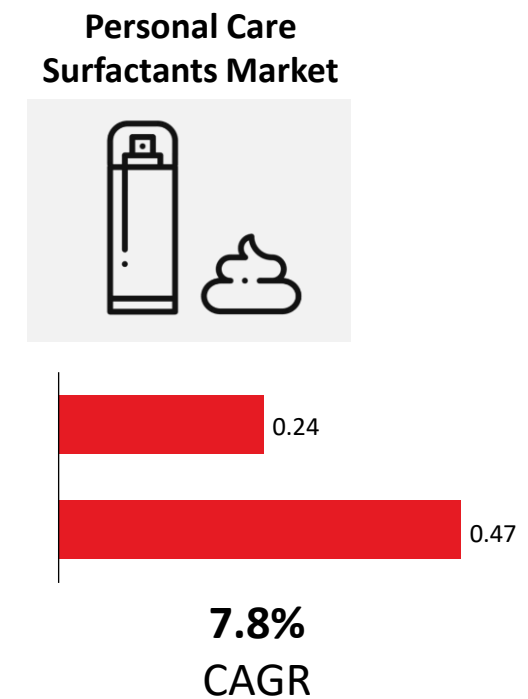
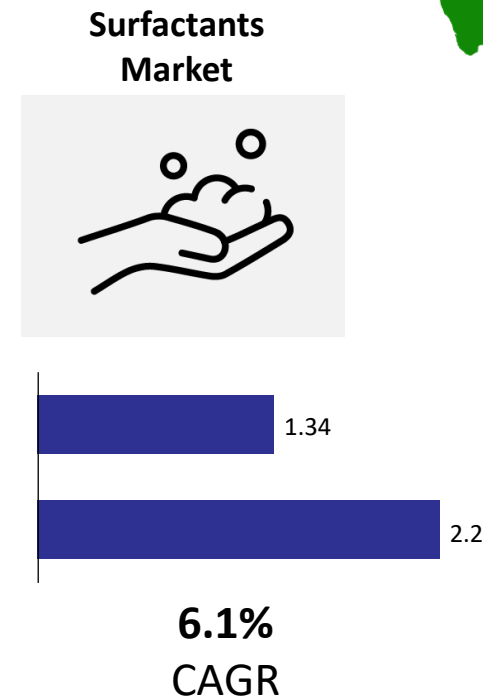
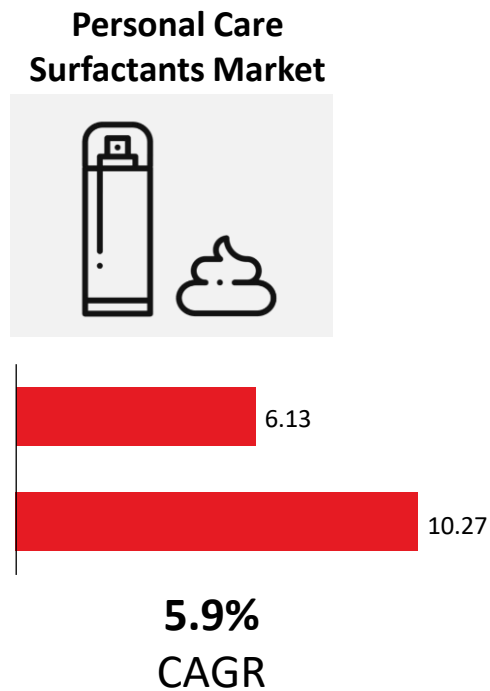
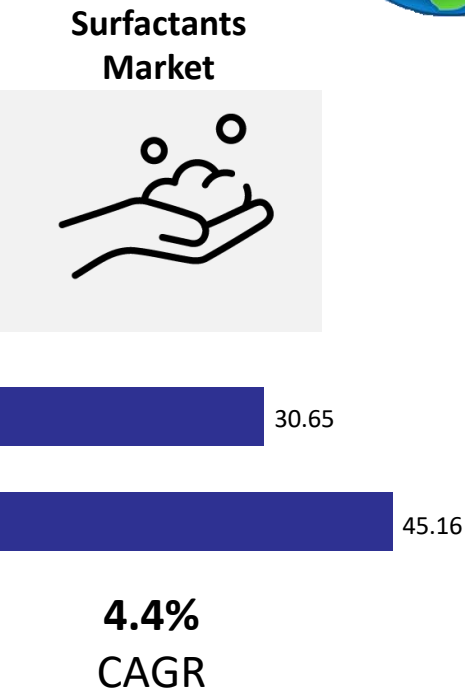
**7.9%  
CAGR**



**7.2%  
CAGR**

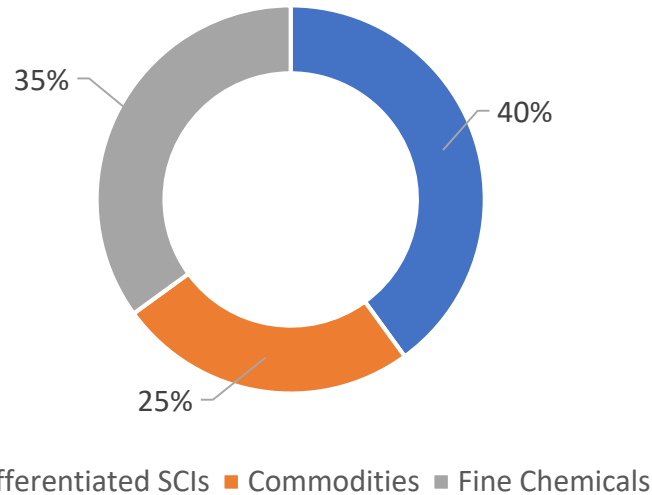
*Galaxy has a strong presence in High Growth Markets of India and AMET Regions*

# Within Surfactants – Personal Care is fastest Growing Segment



# Within Specialty – Personal Care Ingredients has largest Growth Potential

**Global Personal Care Ingredients:  
USD 14-18 billion**



UV Absorbers  
Sunscreen

- Global sun care (of which 80% is sun protection) is a USD 11 bn market and is estimated to touch USD 12.3 bn by 2021

Preservatives &  
Preservative Blends

- Preservatives blends are special customized formulations of preservatives. The preservative blends market was valued at USD 133.5mn in 2017 and is expected to grow at a CAGR of 6% to USD 210 mn by 2024

Mild Surfactants

- Surfactants milder than Traditional Agents are known as Mild Surfactants. These have been shown to cleanse adequately without compromising the skin's basic function

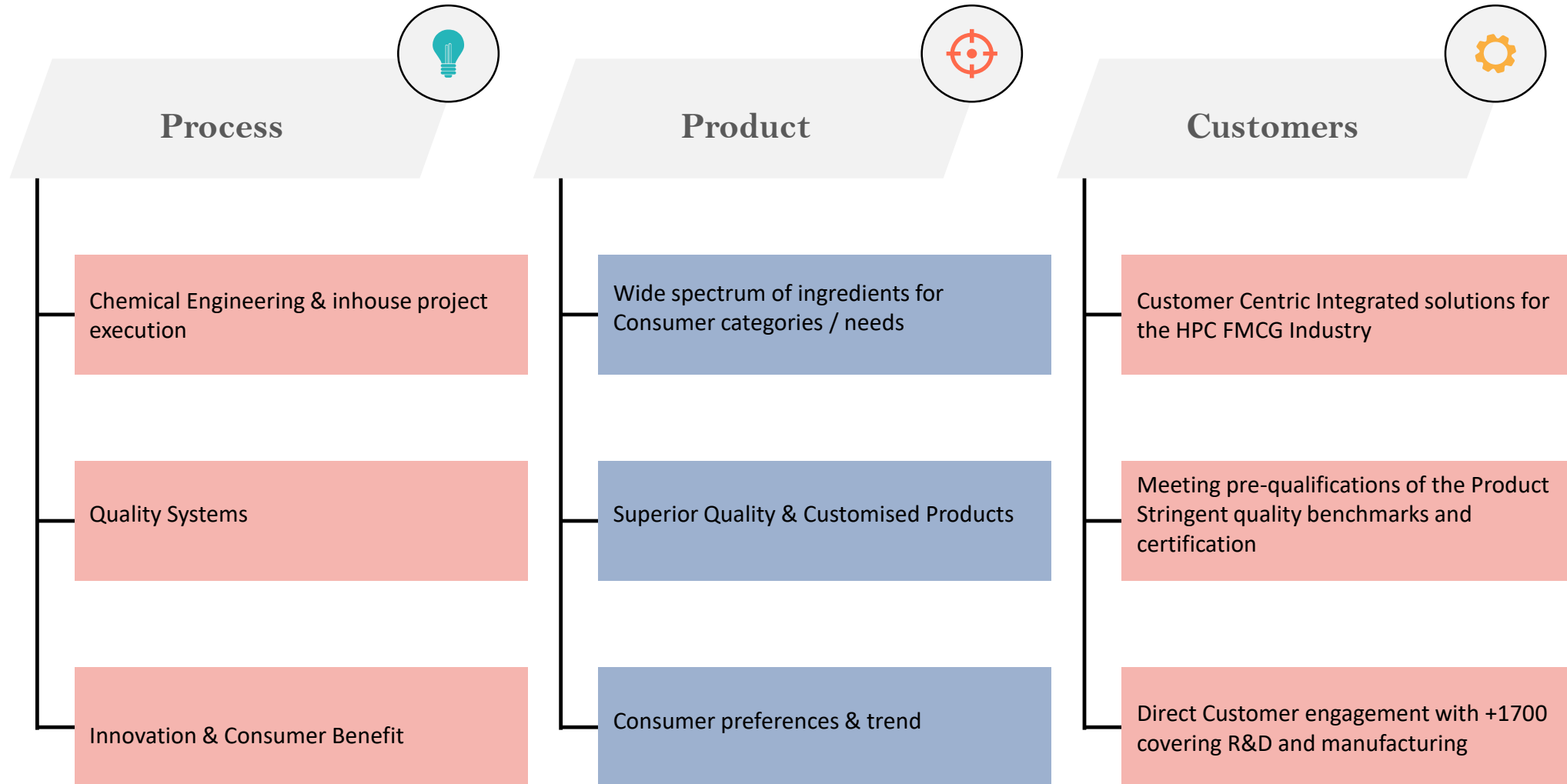
**~15-20%** Market Share  
in  
Global HPC Phenoxyethanol  
Market



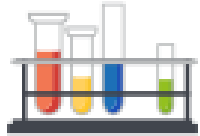


## *Growth Strategy*

# Personal & Home Care: High Entry Barrier Businesses



## Sales Optimization



Increased focus on high margin products in both the categories

## R&D and Innovation



Continue to focus on R&D and Product Innovation as a part of **“Consumer to Chemistry Approach”**

## Customer Wallet share



Increase Wallet Share with Existing Customers and Continued Focus to Expand Customer Base

## Market Strategy



Mutually Complimentary Two-pronged Strategy to drive growth in both Emerging and Matured Market

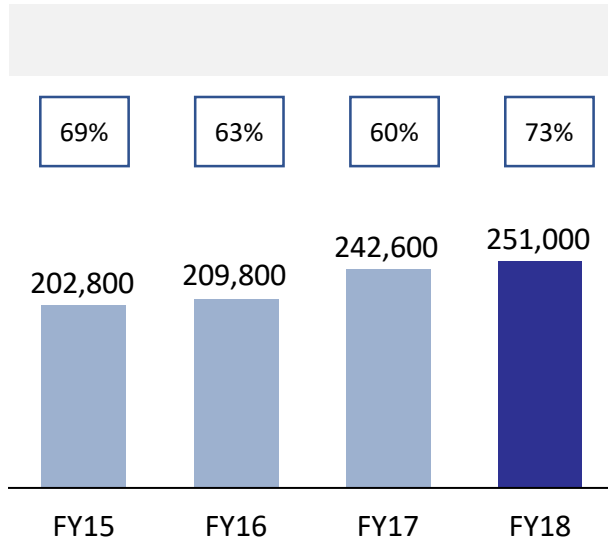
## Profitability



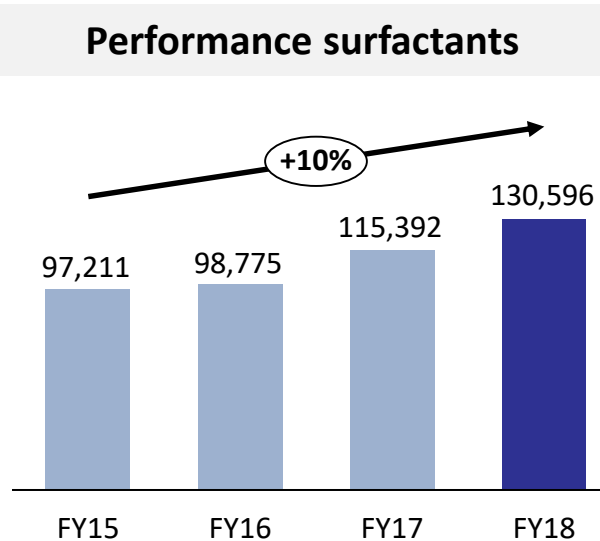
Improve Financial Performance through Sales Optimization, Operational Efficiencies & Functional Excellence

# Capacities offers Headroom for Growth

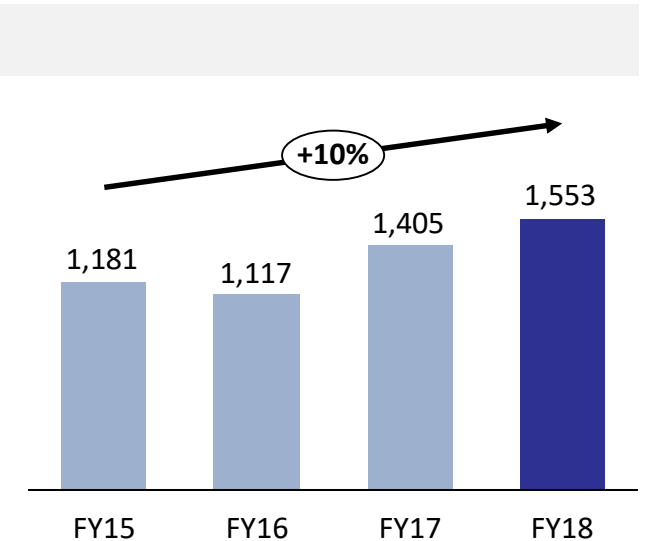
Capacity & Utilisation\* (%)



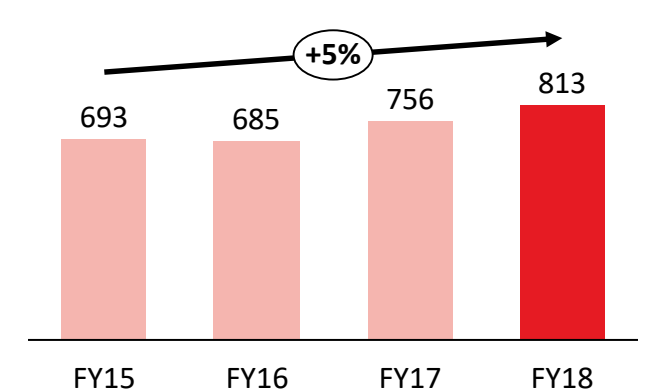
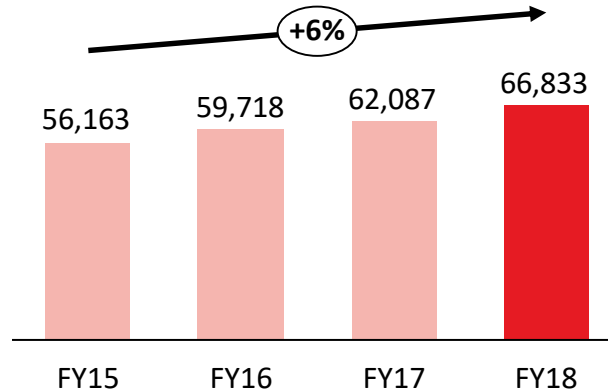
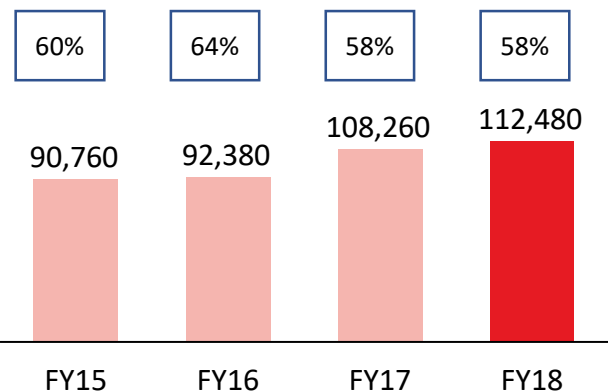
Sales Volumes (MTPA)



Revenue (Rs. In Crs)



Specialty care Products



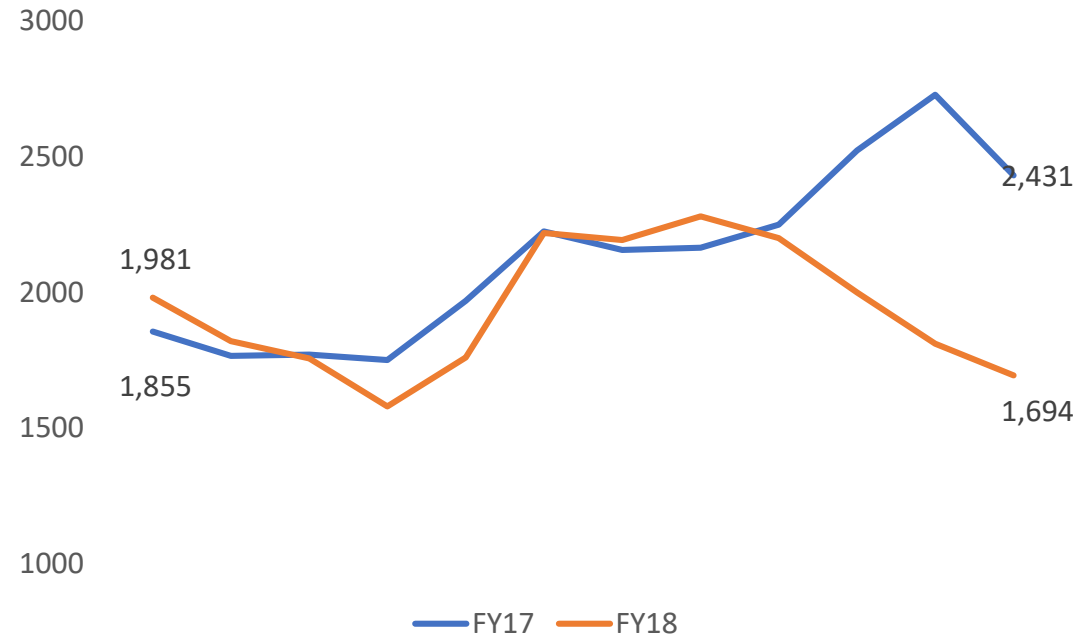
\*Utilization include manufacturing for Captive consumption



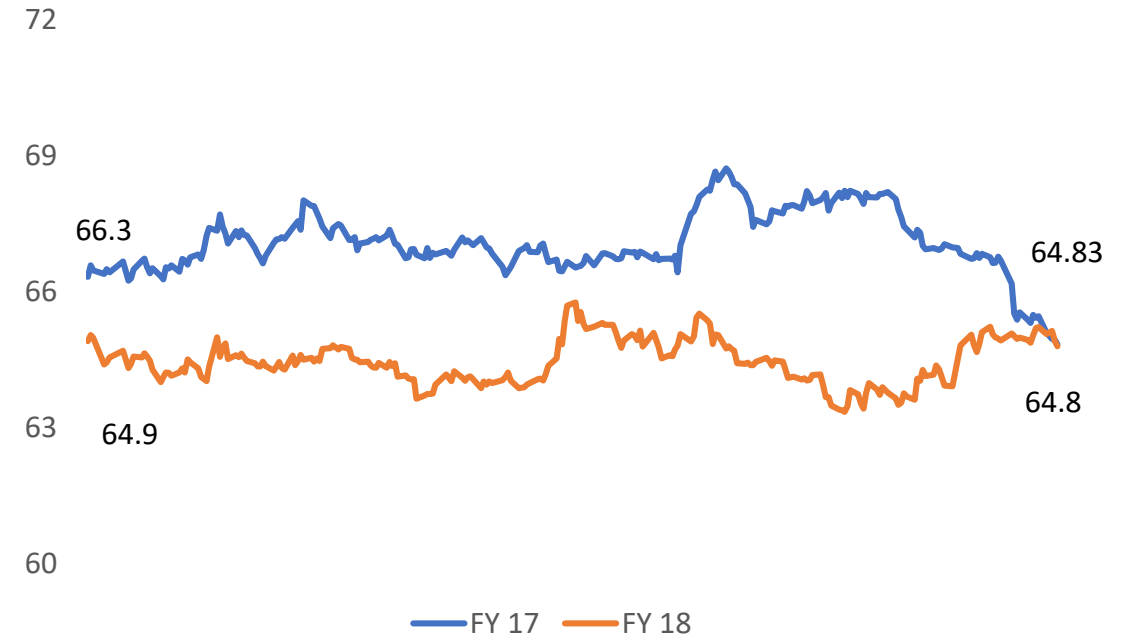
## *Financial Performance*

# Managing Volatility in Raw Material Prices and Currency...

Fatty Alcohol Prices (USD / MT)



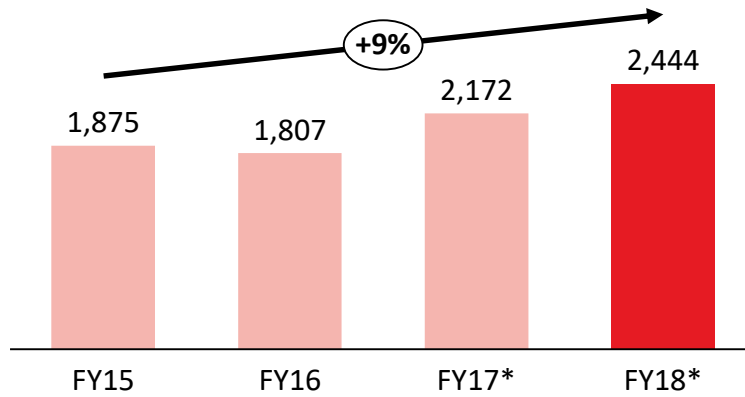
INR / USD Prices



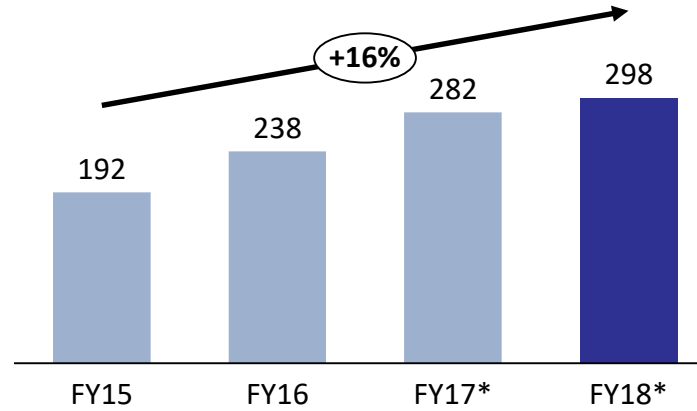
... through Robust Risk Management Practices

# Our Performance Highlights

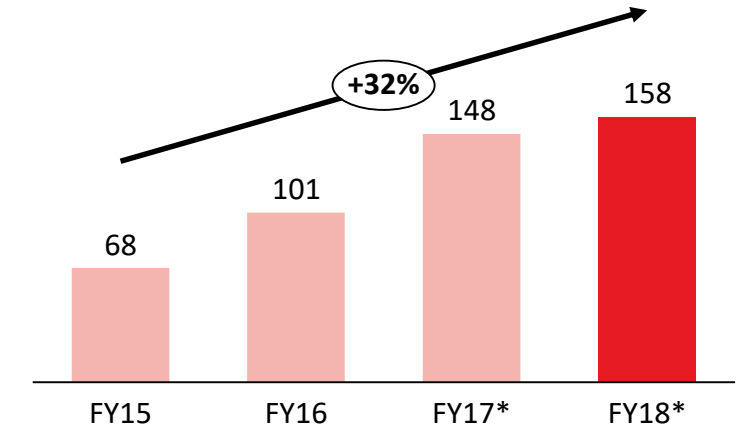
Revenue^ (Rs. In Crs)



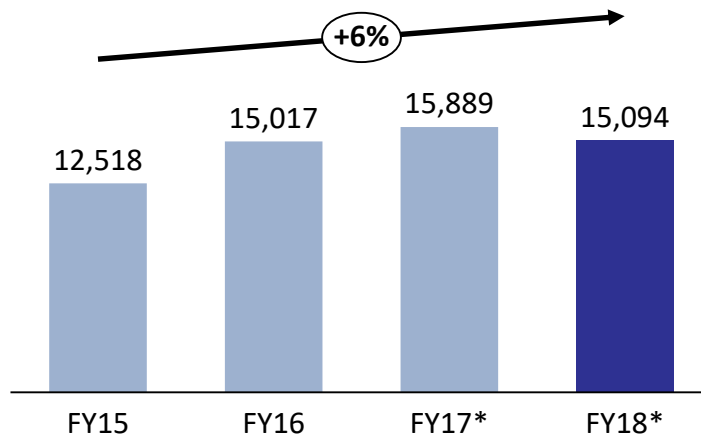
EBITDA^ (Rs. In Crs)



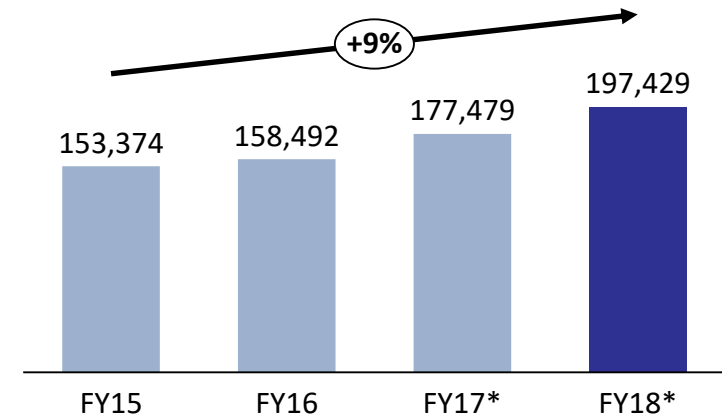
PAT (Rs. In Crs)



EBITDA per tonne



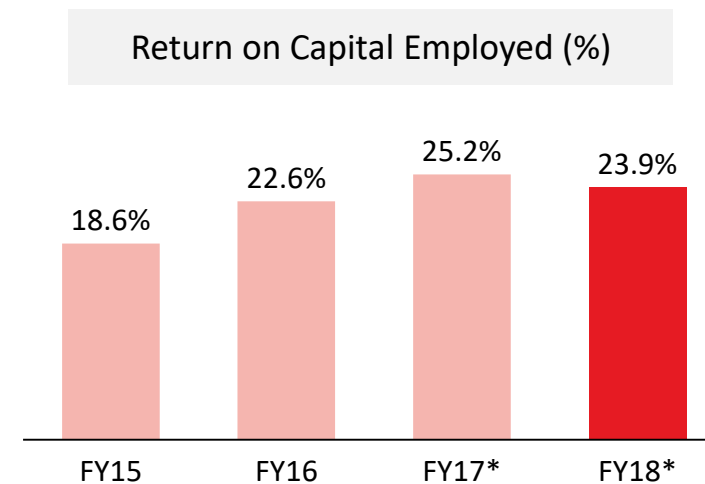
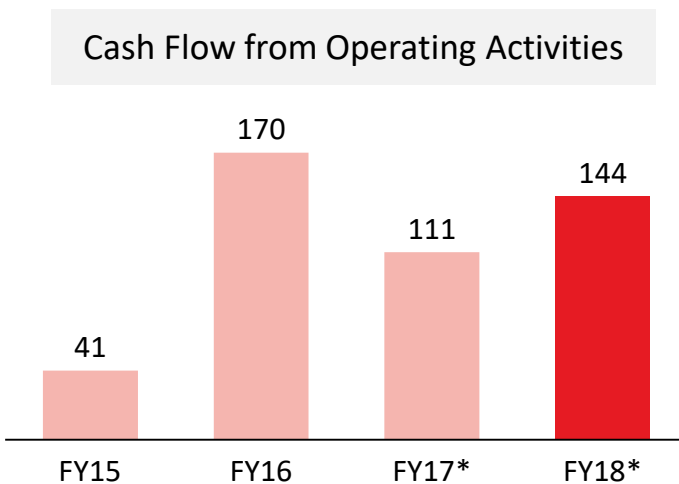
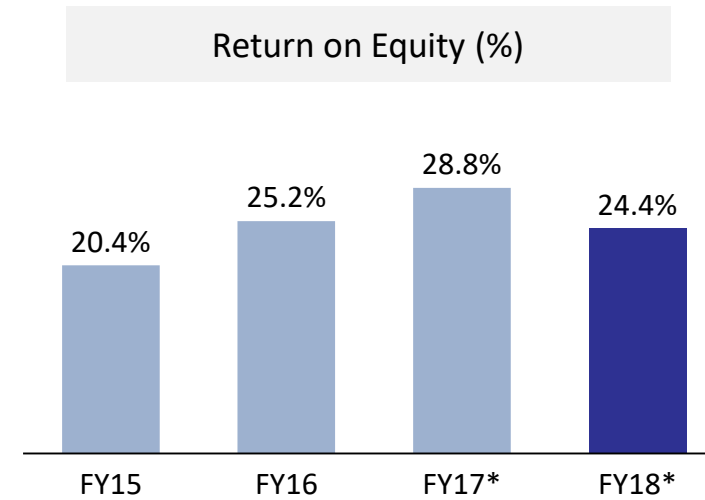
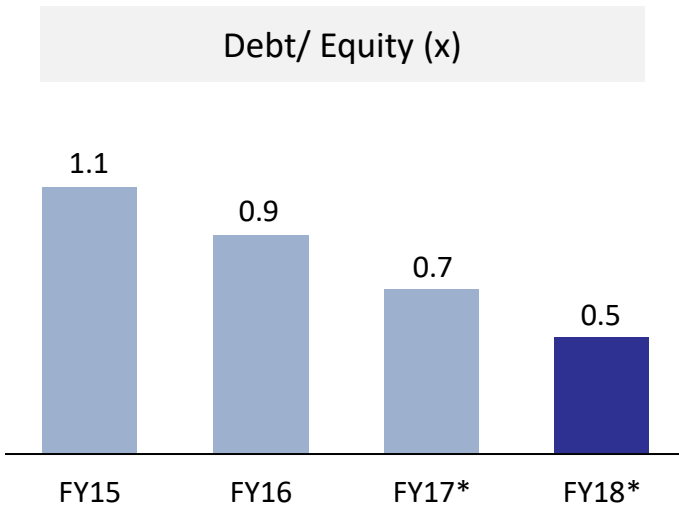
Total Volume Growth



\*As per Ind AS rest as per Indian GAAP

^Includes other Income

# Our Balance Sheet Strength



\*As per Ind AS rest as per Indian GAAP



# Successful Listing on the Stock Exchanges



## February 2018

- Listing of Galaxy Surfactants Limited
- IPO subscribed: 19.76X
- FY18 Revenue: Rs 2,444.0 Cr
- FY18 EBITDA Margin: 12.2%
- FY18 PAT Margin: 6.5%

Galaxy Surfactants Listing done at Valuation of ~**Rs. 5,200 Cr** on 8<sup>th</sup> February 2018

Thank  
You

**Company :**



CIN No: L39877MH1986PLC039877

Mr. Paritosh Srivastava

Email: [Paritosh.Srivastava@galaxysurfactants.com](mailto:Paritosh.Srivastava@galaxysurfactants.com)

[www.galaxysurfactants.com](http://www.galaxysurfactants.com)

**Investor Relations Advisors :**

**SGA** Strategic Growth Advisors

CIN - U74140MH2010PTC204285

Mr. Rahul Agarwal / Ms. Shrikant Sangani

[rahul.agarwal@sgapl.net](mailto:rahul.agarwal@sgapl.net) /  
[shrikant.sangani@sgapl.net](mailto:shrikant.sangani@sgapl.net)

+91 7977090416 / +91 9619595686

[www.sgapl.net](http://www.sgapl.net)

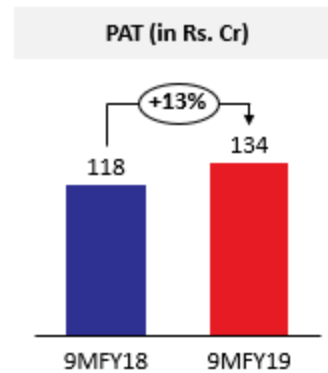
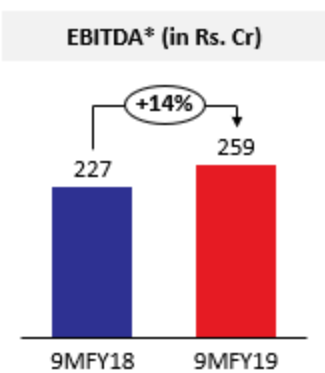
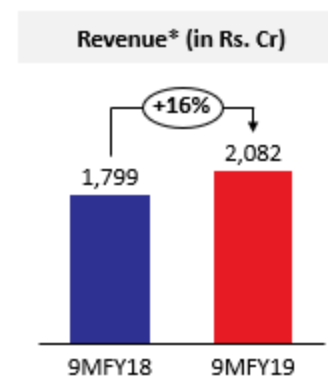
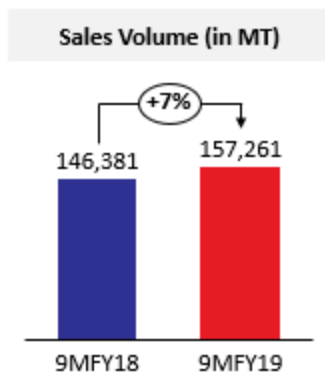
## Galaxy Surfactants Limited

### 9MFY19 Consolidated Performance:

- Total Revenue (including other income) at Rs. 2,082 Cr YoY growth of 16% with an underlying volume growth of 7%
- EBITDA at Rs. 259 Cr, YoY growth of 14%
- PAT at Rs. 134 Cr, YoY growth of 13%

### Mumbai, 1<sup>st</sup> February 2019:

Galaxy Surfactants Limited, a leading manufacturer of performance surfactants and specialty care products with over 200 product grades used in Home and Personal Care industry, has announced its unaudited financial results for the Quarter and Nine month ended December 31, 2018.



\*Includes other Income

## Investors Release

### Commenting on the performance Mr. U. Shekhar, Managing Director, Galaxy Surfactants Limited said

*“We have witnessed a total volume growth of 7.4% in 9MFY19. Both Indian and ROW markets have displayed strong performance, however, owing to a slowdown in Egypt, AMET performance remains subdued.*

*We are witnessing strong traction in the specialty care segment especially in the developed markets and expect this strong momentum to continue going ahead. The underlying market in India is exhibiting buoyancy and we expect the momentum to continue in the coming quarters. ROW and India market will be the key drivers for growth for us in FY19. As far as AMET is concerned, we continue to enhance our geographical reach through customer acquisition and expect the demand scenario to improve for the AMET markets going ahead.*

*We were recently awarded the Best Process Innovation Award at ICIS Innovation Awards 2018, which is a testimony of our R&D strength.*

*On the back of our strong customer relationship, enhanced product offerings, in house manufacturing capabilities and strong R&D, the long term picture of sustainable growth remains intact.”*

### Performance Highlights:

| Galaxy Surfactants Limited (Consolidated Results) |         |         |       |
|---|---------|---------|-------|
| Particulars (Rs. Cr)                              | 9M FY19 | 9M FY18 | YoY%  |
| Total Revenue*                                    | 2,082.2 | 1,798.7 | 15.8% |
| EBITDA*   | 259.3   | 226.5   | 14.5% |
| PAT   | 133.9   | 118.0   | 13.5% |

\*Includes other income

| Galaxy Surfactants Limited (Volume Break up): YTD December FY 19 |                                   |
|--|-----------------------------------|
| Particulars  | YoY Growth % (9M FY19 vs 9M FY18) |
| <b>Sales Volume (in MT)</b>                                      | <b>7.4%</b>                       |
| ROW  | 29.5%                             |
| India  | 13.3%                             |
| AMET   | -8.3%                             |

## Investors Release

- We have maintained our volume growth on back of a buoyant domestic market, pick up in consumption witnessed by the home and personal care industry and traction seen in the specialty care segment
- Total volumes stood at 157,261 MT for 9MFY19 as against 146,381 MT in 9MFY18, up by 7.4% YoY
  - Volume growth has been driven by all three customer segments MNCs, Regional and Local
  - India and ROW markets grew at 13.3% and 29.5% respectively
  - AMET market de-grew by 8.3% due to continued slowdown seen in the Egypt market.
  - Performance Surfactants volume stood at 97,698 MT for 9MFY19 up by 1.1%
  - Specialty Care Products volume stood at 59,563 MT for 9MFY19 up by 19.7%
- EBITDA for 9MFY19 stood at Rs. 259.3 Cr as against Rs. 226.5 Cr in 9MFY18 up by 14.5% YoY
- EBITDA per tonne stood at Rs. 16,489 for 9MFY19 as against Rs. 15,473 in 9MFY18, leading to sustainable growth in EBITDA
- PAT stood at Rs. 133.9 Cr for 9MFY19 as against Rs. 118.0 Cr in 9MFY18 up by 13.5% YoY

### **Awards:**

Received the “**Best Process Innovation**” Award at ICIS Innovation Awards 2018 held in London. The award was presented to Galaxy for its novel, environmentally friendly process to produce N-acyl amino acids surfactants. These mild anionic surfactants are used in various personal care products such as skin care and hair care

### **About Galaxy Surfactants Limited:**

Incorporated in 1986, Galaxy Surfactants Ltd is leading manufacturers of Performance Surfactants and Specialty Care products with over 200 product grades. These products are used in consumer-centric Home and Personal care products like hair care, oral care, skin care, cosmetics, soap, shampoo, lotion, detergent, cleaning products etc.

Preferred suppliers to leading MNC’s, Regional and Local FMCG brands. Our key customers include Unilever, Reckitt Benckiser, P&G, L’OREAL, Himalaya, Colgate Palmolive, CavinKare etc.

Company has its manufacturing facilities located in India (5), Egypt (1) and USA (1).

For more information about the company, please visit our website [www.galaxysurfactants.com](http://www.galaxysurfactants.com)

## Investors Release

### **Safe Harbor:**

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

### **For further details please contact:**

| Company  | Investor Relations Advisors   |
|--|---|
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