

August 21, 2020

DCS-CRD BSE Limited First Floor, New Trade Wing Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai 400 023 Fax No.2272 3121/2037/2039 Stock Code: 543213	Listing Compliance National Stock Exchange of India Ltd. Exchange Plaza, 5th 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 FY21 Earnings Presentation

Please find enclosed a copy of the Earnings Presentation for the quarter ended June 30, 2020.

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

Thanking you,

Yours Sincerely,
For Rossari Biotech Limited



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

Encl.: as above

ROSSARI BIOTECH LIMITED

(An ISO 9001:2015 & 14001:2015 Certified Company)

Regd. Office : 201 A & B, Ackruti Corporate Park, Next to GE Gardens, LBS Marg, Kanjurmarg (W). Mumbai - 400078. India. T +91-22-6123 3800 F +91-22-2579 6982

Factory : Plot No. 10 & 11, Survey No. 90/1/10 & 90/1/111/1, Kumbharwadi, Village Naroli, Dadra & Nagar Haveli (U.T.), Silvassa - 396 235. India. T 0260 - 669 3000

E info@rossarimail.com W www.rossari.com CIN: U24100MH2009PLC194818



Rossari Biotech Limited

Q1 FY21 Results Presentation
August 21, 2020



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Q1 FY21 Results Overview

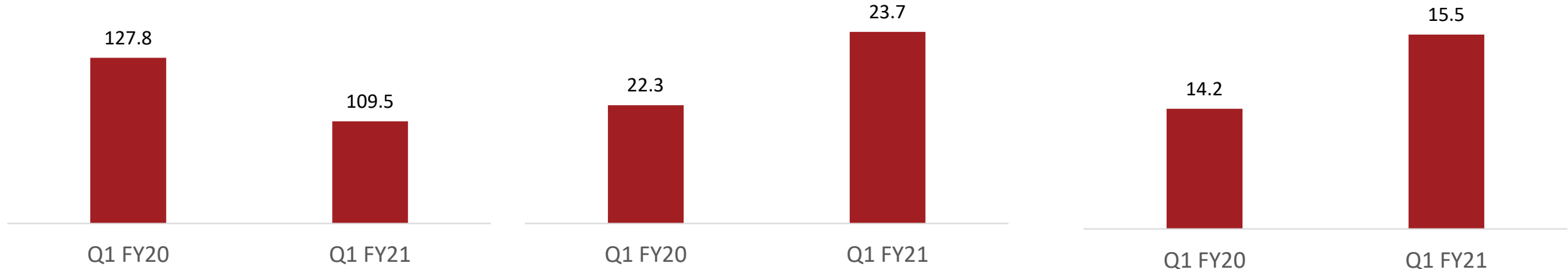


Q1 FY21 – Key Financial Highlights

**Revenue from Operations
(Rs. In cr)**

**EBITDA
(Rs. In cr)**

**PAT
(Rs. In cr)**



Shift % (Y-o-Y)

-14.4%

Shift % (Y-o-Y)

6.4%

Shift % (Y-o-Y)

9.4%

Margins (%)

17.5%

21.7%

Margins (%)

11.1%

14.2%

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

“We are pleased to present our first financial results following our successful public listing in July 2020. Despite challenging macro-economic conditions, our offering witnessed strong reception from the investor community. We welcome all our public shareholders and look forward to their participation & support in our journey forward.

The quarter gone by, started amidst a tough operating environment with the spread of the COVID-19 pandemic leading to multiple lockdowns across domestic markets. While we delivered strong performance in our HPPC business led by accelerated momentum in hygiene products and anti-viral portfolio sales, broader operating constraints and slowdown in demand in the months of April and May, impacted performance of our TSC and AHN businesses during the quarter. However, as the country moved to the unlock phase, we started seeing a healthy uptick in consumption and demand, which further continued in June. On the whole, we have reported a resilient performance in Q1 FY2021, with revenues coming in at Rs. 109.5 crore and EBITDA at Rs. 23.7 crore. Notable margin improvement during the quarter was primarily on account of higher realisations witnessed in certain product categories and is transitory in nature. So, going forward, we expect to report normalized margins on an annual basis.

Over the years, we have undertaken focused efforts towards developing a strong platform based on application development and formulations that have enabled us to provide customized and sustainable chemical solutions for customers across industries. Going forward, our endeavour is to constantly drive financial and operational excellence across our business model. With a healthy balance sheet and adequate manufacturing capacity, we are confident in our ability to deliver a sustainable and healthy growth trajectory, going forward.”

Note:

Home, Personal Care and Performance Chemicals (HPPC); Textile Speciality Chemicals (TSC); Animal Health and Nutrition (AHN)

Commissioned 1st phase of Greenfield manufacturing facility at Dahej

- In July 2020, the Company successfully commissioned the first phase of its Greenfield manufacturing facility at Dahej, Gujarat
 - Rossari will be undertaking a phase-wise commissioning of the plant – expected to be fully operationalised by March 2021
 - Despite facing challenges owing to Covid-19, the Company was able to make healthy progress in commissioning the facility
- The facility, with a proposed installed capacity of 132,500 MTPA, is a state-of-the-art automated unit, bringing higher cost-efficiencies and economies of scale. The plant also enjoys proximity to multi-cargo port of Dahej, which provides a cost and logistical advantage for Rossari

Successful completion of Initial Public offering in July 2020

- The IPO comprised a fresh issue of 11,76,470 equity shares and an Offer for Sale of 1,05,00,000 equity shares, including anchor portion of 35,02,940 equity shares
- Rossari raised Rs. 100 crore through pre-placement of shares with institutional investors in February 2020. Further, the Company raised Rs. 50 crore through the issue of fresh equity in July 2020
- IPO proceeds were used towards funding working capital requirements, prepayment of loans and for general corporate purposes
- Rossari is now a debt-free Company

Covid-19 Impact on Business operations and response:

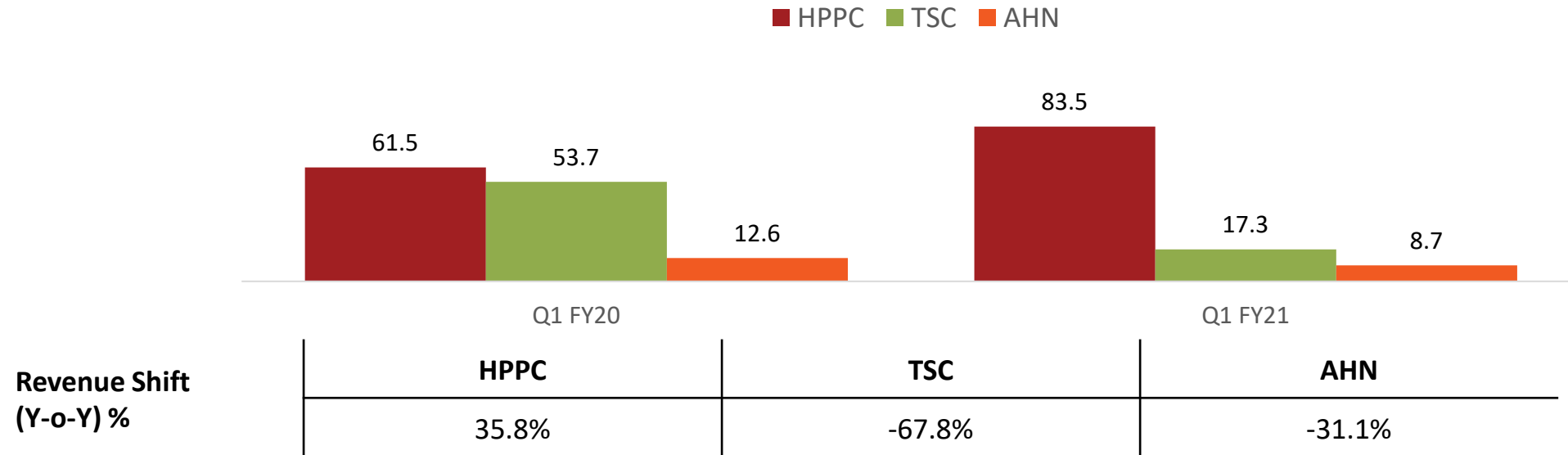
- The Company's business operations in Q1 FY21 were impacted due to the unprecedented operating environment and prevailing macro-conditions due to the proliferation of the COVID-19 pandemic
- As per the relaxations provided by the Govt. of India for essential services and particularly for disinfectants & sanitizers, the Company received requisite permissions to operate its production facility at Silvassa during the quarter
 - The Company is undertaking all the mandatory protocols and safety measures for all its employees across offices and plants as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India
- Supply-chain across the domestic market is also now steadily normalizing. The Company's inventory and in-stock levels continue to remain stable
- CSR Initiatives:
 - As a responsible corporate citizen, the Company undertook decisive action to provide orphanages and others by distributing hygiene product kits, which includes hand sanitizers, disinfectants and other anti-viral products

Consolidated P&L Statement

Particulars (Rs. crore)	Q1 FY21	Q1 FY20	Y-o-Y Change (%)
Revenues from Operations	109.5	127.8	-14.4%
Total Expenditure	85.7	105.5	-18.7%
• Raw Material expenses	63.8	80.6	-20.9%
• Employee benefits expense	7.4	8.0	-8.1%
• Other expenses	14.6	16.9	-13.3%
EBITDA	23.7	22.3	6.4%
EBITDA Margin (%)	21.7%	17.5%	+423 bps
Other Income	1.6	0.8	104.7%
Finance Costs	1.1	0.5	147.2%
Depreciation and Amortization	3.8	3.6	6.8%
PBT	20.4	19.1	7.0%
Share of profit /(loss) of joint venture	0.4	-	-
Tax expense	5.3	4.9	7.9%
PAT	15.5	14.2	9.4%
PAT Margin (%)	14.2%	11.1%	+307 bps
EPS Diluted (Rs.)	3.14	2.93	7.2%

Q1 FY21 – Business-wise Details

Business-wise Revenue Break-up (Rs. Crore)



Key Highlights:

- The Company witnessed strong momentum in the HPPC business, driven by improved demand and sales for hygiene products, disinfectants and antiviral portfolio during the quarter
- Demand in TSC and AHN businesses were impacted in the month of April and May. However, as the country moved to the un-lockdown phase, the Company started witnessing initial recovery in demand across product portfolio

Note:

Home, Personal Care and Performance Chemicals (HPPC); Textile Speciality Chemicals (TSC); Animal Health and Nutrition (AHN)

Q1 FY21 - Financial and Operational Discussions (Y-o-Y)

Net Revenues

Revenues from operations stood at Rs. 109.5 crore from Rs. 127.8 crore

- The Company remained agile and addressed available market opportunities in the HPPC business given its fungible manufacturing establishment
- As the country moved to the un-lockdown phase, the Company witnessed encouraging pick-up in demand and consumption across businesses from the last week of May continuing into the month of June

EBITDA

EBITDA at Rs. 23.7 crore as against Rs. 22.3 crore

- Gross margins in Q1 FY21 improved to 41.8% from 36.9%
- Improvement in EBITDA margins was primarily on account of higher realisations witnessed in certain product categories and is transitory in nature. Going forward, the Company expects to report normalized EBITDA margins on an annual basis

PAT

PAT stood at Rs. 15.5 crore as against Rs. 14.2 crore

- Depreciation stood at Rs. 3.8 crore. As the Company capitalizes the Dahej facility, the depreciation charge should increase in the coming quarters. Additional charge will be absorbed efficiently as the new facility starts contributing to performance, going forward
- Interest costs during the quarter stood at Rs. 1.1 crore

Q1 FY21 Earnings Conference Call

Time • 05:00 p.m. IST on Monday, August 24, 2020

Primary dial-in number • + 91 22 6280 1145 / 7115 8046

India Local access Number • +91 70456 71221 (Available all over India)

International Toll Free Number

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



Company Overview



Company Overview

Technocrat promoters with

45+

cumulative years of experience in the speciality chemicals industry



2

Manufacturing locations:
Silvassa and Dahej, Gujarat



120,000

MTPA
Production capacity



2

R&D Facilities:
Silvassa, Gujarat & IIT
Mumbai, Maharashtra



42%

Revenue CAGR %
(FY18-20)



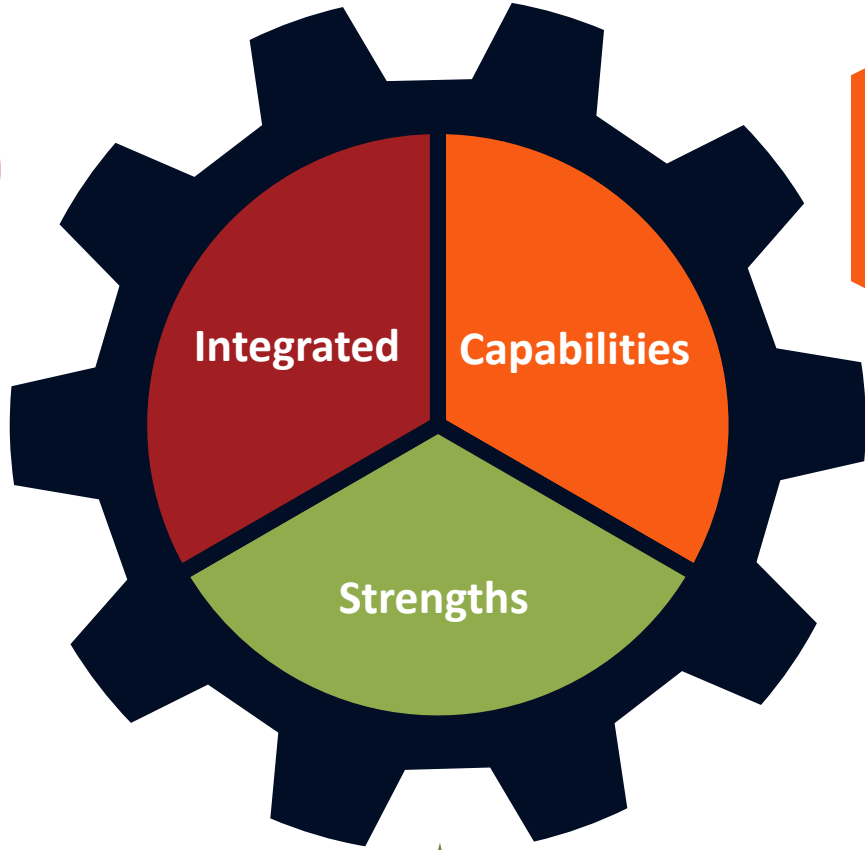
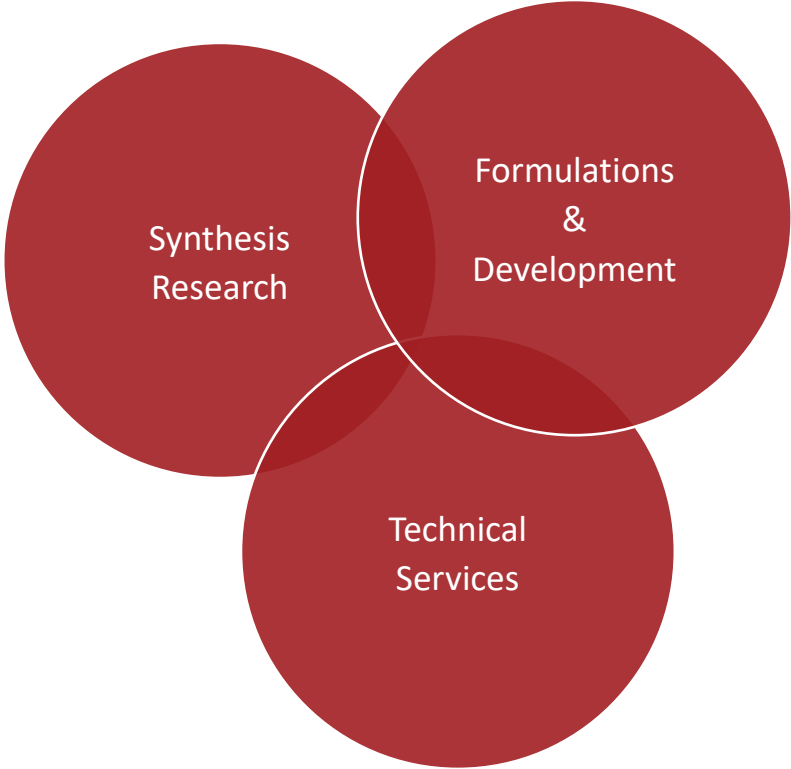
60%

PAT CAGR %
(FY18-20)



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

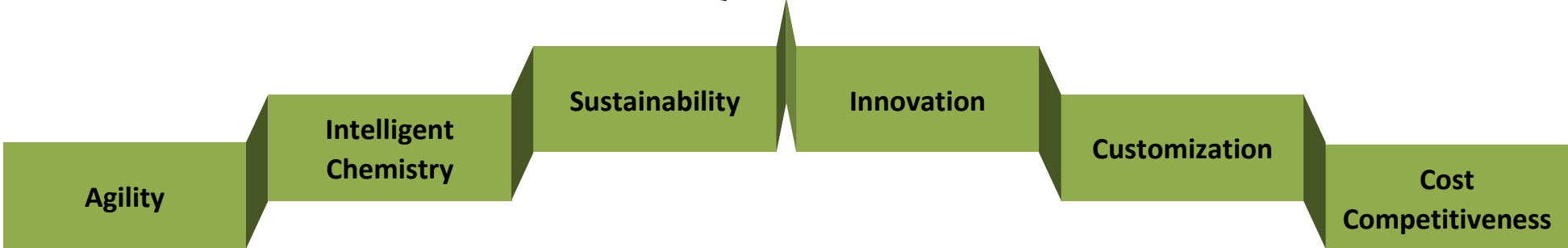
Customer Centric and Sustainability Focused R&D Capabilities



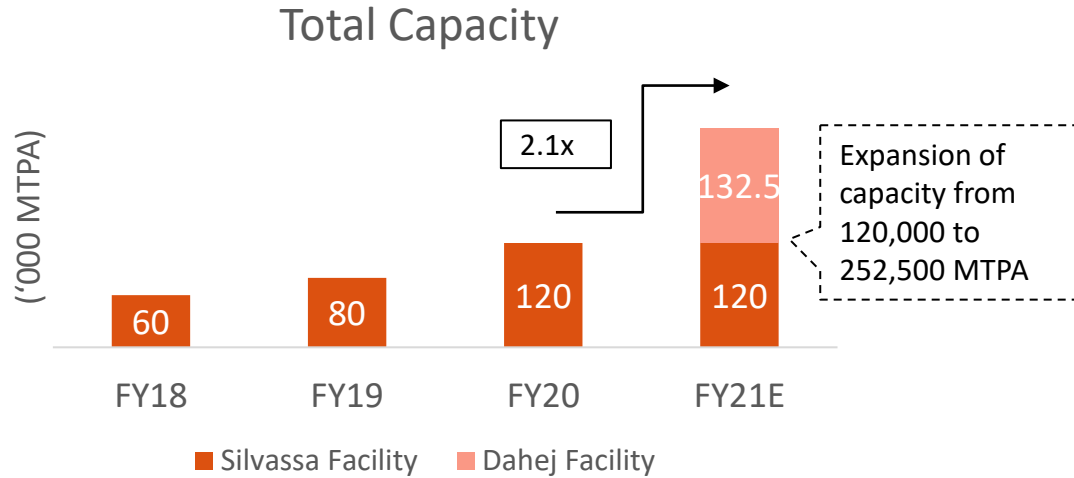
Two R&D facilities: **Silvassa** and **Rossari** Centre for Excellence - **IIT Mumbai**

Rich experience across the business leading to expertise in formulation and development

Dedicated and experienced R&D team

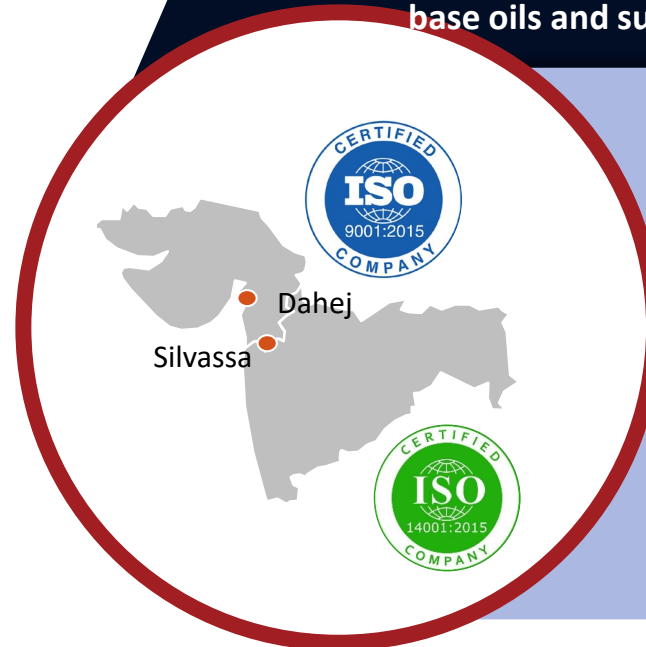
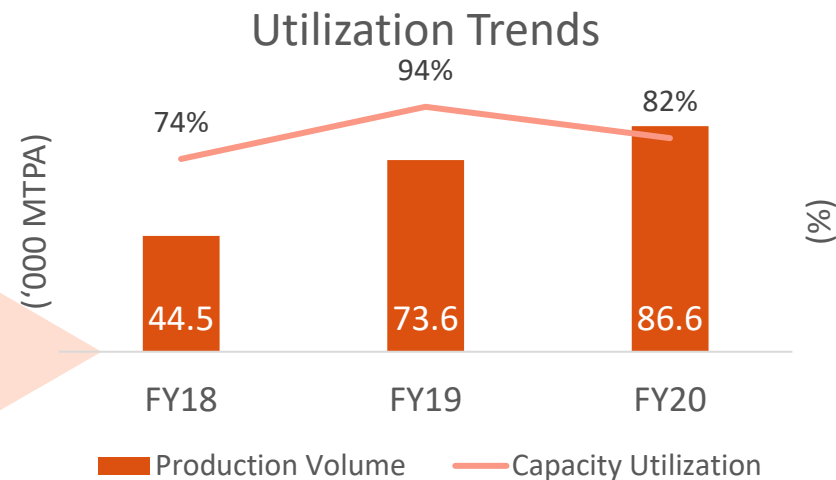


Expansion of Manufacturing Capacity



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
- 2,500 MT bulk storage capacity for acid, alkali, base oils and surfactants



New Facility at Dahej

- The facility will enjoy proximity to the deep-water, multi-cargo port of Dahej
- Location will provide a cost & logistical advantage
- The state-of-the-art facility will be well-equipped with advanced technologies and will be commissioned in Fiscal 2021

Experienced Promoters and Board of Directors

Founders & Promoters



Edward Menezes
Promoter &
Executive Chairman
25+ years

- B. Sc. (chemistry major) from K. J. Somaiya College of Science, University of Bombay & B. Sc. (technology) in textile chemistry from UDCT, University of Bombay
- Master's degree in marketing management from Prin. L. N. Welingkar Institute of Management Development & Research, Mumbai
- Awarded 'UAA Distinguished Alumnus technology day award, 2013' by ICT (Formerly UDCT)
- Previously associated with Clariant India



Sunil Chari
Promoter &
Managing Director
20+ years

- B. A. from the Kakatiya University and a diploma in technical and applied chemistry from VJTI, Mumbai
- Over 20 years of experience in the speciality chemical industry and 10+ years of experience in different roles within the Company
- He has been actively involved in the day-to-day running of the Company

Independent Directors



Meher Castelino

- Completed her basic education from Lawrence School Lovedale, University of Cambridge
- Currently, she is the director of VIP Clothing Limited



Goutam Bhattacharya

- Masters' degree in management from IIM, Ahmedabad
- Previously associated with **Pulcra Chemicals** India as a Managing Director



Aseem Dhru

- B. Com. from H. L. Commerce College, Gujarat University & associate member of ICAI & ICWAI
- Previously associated with **HDFC Bank & HDFC Securities**
- Currently the CEO & MD on the board of Small Business FinCredit India



Robin Banerjee

- M. Com. from University of Calcutta, degree from the ICWAI, qualified CS & a fellow member of ICAI
- Previously associated with **Caprihans India, Essar Steel, Thomas Cook (India) & Hindustan Cargo**

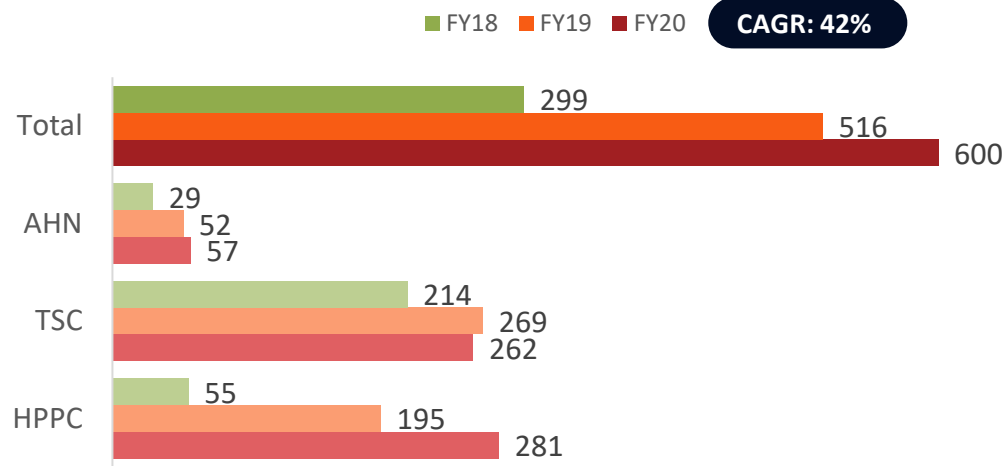


(Retd.) Maj. Gen. Sharabh Pachory

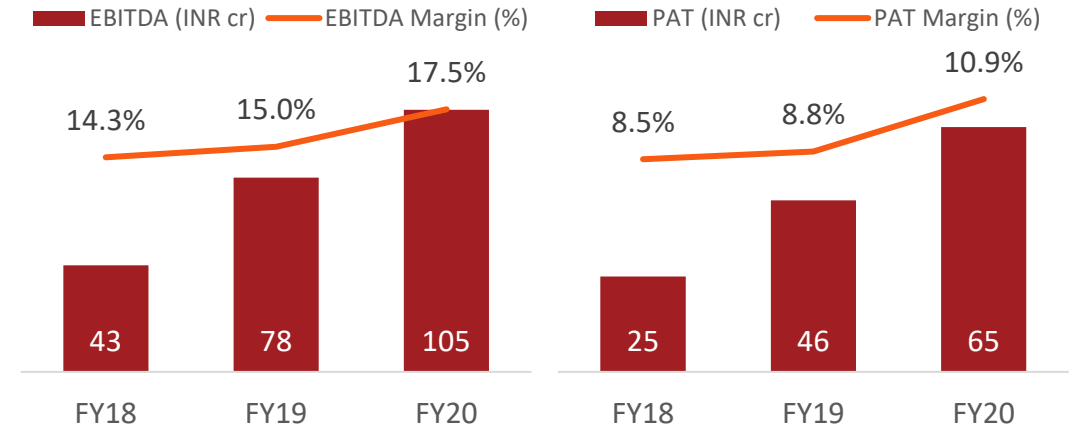
- B. Sc. from University of Jabalpur & M. Sc. in defence and strategic studies from University of Madras
- As a senior retired defence officer who served from 1982 to 2018, he has over 35 years of experience in the fields of defence administration and planning

Proven Track Record of Robust Financial Performance

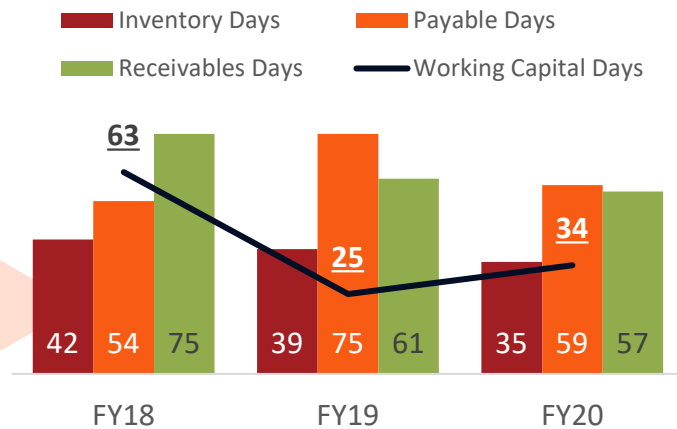
Revenue from Operations (INR cr)



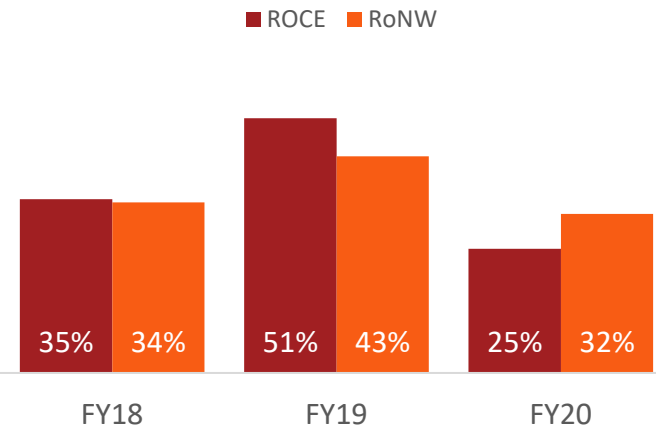
Operational leverage driving higher margins



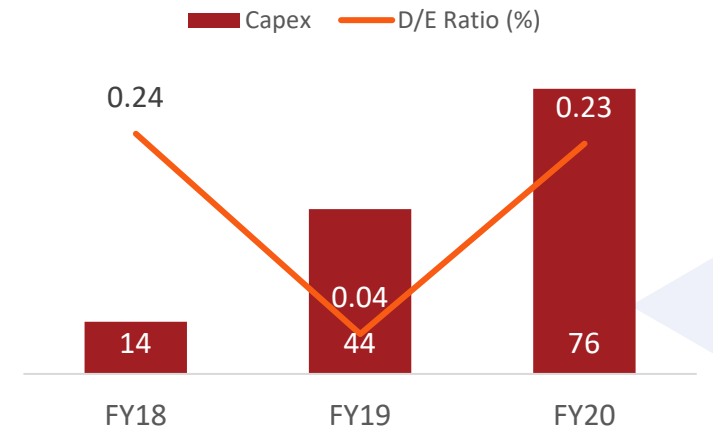
Working capital cycle (Days)



Return Ratios



Expanded manufacturing capacity with low leverage (INR Mn)



Figures are on restated consolidated basis

Key Strengths

Diversified product portfolio

- Providing intelligent and sustainable chemical solutions for customers across FMCG, Home care, Industrial Cleaning, Personal Care, Textile Speciality Chemicals, Performance Chemicals, the Animal Health and Nutrition and Pet Care businesses

Largest textile speciality chemical manufacturer in India⁽¹⁾

- Provides speciality chemicals solutions for the entire value-chain of the textile industry
- Focus on ecofriendly sustainable and innovative products

Extensive manufacturing and technical capabilities

- Expanding capacity from 120,000 MTPA in Mar-20 to 252,500 MTPA by FY21
- Diversification across 2 facilities in Silvassa & Dahej

Strong R&D capabilities with focus on intelligent and sustainable solutions

- Providing customized, innovative and intelligent solutions to customers in a shorter time frame
- Providing eco-friendly and cost-efficient sustainable solutions

Wide sales and distribution network

- Dedicated distribution network for individual businesses

Experienced promoters with strong management team having domain knowledge

- Experienced promoters cumulatively with 45+ years of experience in the speciality chemicals industry
- KMPs with the guidance from advisory board, is well qualified with 80+ years experience in the speciality chemicals industry cumulatively

Proven track record of robust financial performance

- Total revenue and PAT CAGR of 42% and 60% from FY18 to FY20, respectively
- RoNW at 31.8% and ROCE at 24.8% for FY20

(1) According to the Frost & Sullivan Report

Strategic Growth Levers

Augmenting product portfolio with enhanced emphasis on green solutions

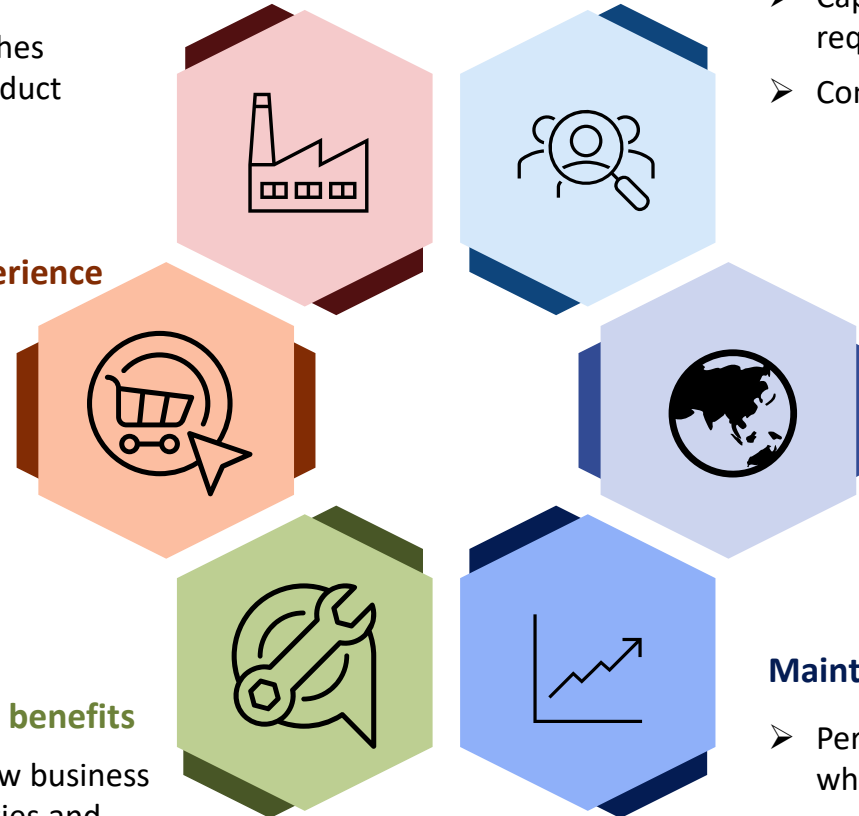
- Identifying and developing new niches in product offerings by leveraging R&D capabilities
- Strong upcoming pipeline of new product launches centered on customer requirements, higher product excellence and process sustainability

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 to reap long-term benefits

- 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

- To help expand presence into newer categories of speciality chemical segments, 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

About Us

Rossari Biotech Limited (Rossari) (BSE: 543213, NSE: ROSSARI), is a Speciality-Chemicals manufacturer providing intelligent and sustainable solutions for customers across industries. Headquartered at Mumbai, India, the Company operates 2 manufacturing facilities with a current total capacity of 120,000 MTPA. The units are strategically located at Silvassa and Dahej. The Company offers tailor-made solutions for Home, Personal Care and Performance chemicals (HPPC), Textile speciality 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 Speciality 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:



Manasi Nisal



Rossari Biotech



Tel: +91 22 6123 3800



Email: manasi.nisal@rossarimail.com



Anoop Poojari / Shikha Kshirsagar



CDR India



Tel: +91 98330 90434



Email: anoop@cdr-india.com / shikha@cdr-india.com