



August 07, 2023

To
The Manager
The Department of Corporate Services
BSE Limited
Floor 25, P. J. Towers,
Dalal Street, Mumbai – 400 001

To
The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 051

Scrip Code: 539450

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub : Submission of Earnings Presentation and Press Release in respect of unaudited financial results for the quarter ended June 30, 2023

Further to the approval of unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2023 by the Board of Directors of the Company at its meeting held on August 7, 2023 and submission of the same with the stock exchanges, we submit herewith Press Release and Earnings Presentation in respect of financial results.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **S H Kelkar and Company Limited**

Rohit Saraogi
Company Secretary & Compliance Officer

Encl: As above



S H Kelkar And Company Limited

Lal Bahadur Shashtri Marg, Mulund (West), Mumbai - 400 080. Tel : +91 22 2167 7777

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Phone : (022) 2206 96 09 & 2201 91 30 / Fax : (022) 2208 12 04

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CIN No. L74999MH1955PLC009593



S H Kelkar and Company Limited

Corporate Office: L.B.S Marg, Near Balrajeshwar Temple, Mulund (W), Mumbai – 400080

Registered Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai 400 002.

S H Kelkar announces Q1 FY2024 results

Q1 FY2024

Revenue from operations grow 7.3% to Rs. 445.5 cr
EBITDA* stood at Rs. 73.5 cr, higher by 33%
EBITDA* margins improve to 16.5%

Mumbai, August 07, 2023: S H Kelkar and Company (SHK), the largest Indian origin Fragrance and Flavour Company in India, has announced its financial results for the quarter ended June 30, 2023.

Q1 FY24 performance overview compared with Q1 FY2

- Revenues from operations at Rs. 445.5 crore as against Rs. 415.0 crore, up by 7.3%
 - Constant currency sales improve by 6%
 - Fragrance and Flavours revenues (excluding global ingredients) grew 8.6% to Rs. 429 crore
- EBITDA* at Rs. 73.5 crore as against Rs. 55.1 crore, higher by 33.4%
 - EBITDA* margin at 16.5% as against 13.2%, expanding by 322 bps
- PAT** stood at Rs. 27.8 crore as against Rs. 23.2 crore, up by 19.8%
- Cash profit at Rs. 49.2 crore as against Rs. 42.1 crore, growing by 16.9%

Note:

- *EBITDA excluding tender fee cost of Rs. 2.63 Cr
- **Q1 FY 23 PAT includes exceptional gain of Rs 1.22 cr on account of reprocessing of Inventory damaged in Mahad floods in Q2 FY 22 and converted into finished goods



Commenting on the performance, Mr. Kedar Vaze, Whole Time Director and Group CEO at SH Kelkar and Company said,

“We have started FY2024 on a positive note, with a steady growth of 7.7% from operations during Q1 FY24. Growth rates in the Indian markets stood out, registering at 12.1%, a result of healthy traction from our major customers and a comparatively lower base in the previous year. Moreover, our core Fragrance division has demonstrated strong growth in profitability, attributable to effective pricing strategies. Our European segment also contributed to our profitability during the quarter.

Overall, at a consolidated level, our operating EBITDA grew by 33.4% YoY to Rs. 73.5 crore and margins stood higher at 16.5%. Owing to the dynamic nature of the global raw material situation, we might experience some margin volatility. However, it remains our endeavour to sustainably normalize our full-year margins to over 16%.

While our growth has been tempered in recent years due to various external factors, we remain committed to growth and scaling up our global operations. Our growth-oriented focus is fueled by our global presence, solid client base, and robust cash flows. As we move into the latter half of the fiscal year, we anticipate a positive shift in the domestic FMCG environment, which should further support our performance.”

- Ends -



About S H Kelkar and Company Limited:

S H Kelkar and Company Limited (SHK) is the largest Indian-origin Fragrance & Flavour Company in India. It has a long-standing reputation in the fragrance industry, developed over 100 years of experience. Its fragrance products and ingredients are used as a raw material in personal wash, fabric care, skin and hair care, fine fragrances and household products. Its flavour products are used as a raw material by producers of baked goods, dairy products, beverages and pharmaceutical products.

The Company offers products under SHK, Cobra and Keva brands. The Company has a strong and dedicated team of scientists, perfumers, flavourists, evaluators and application executives at its facilities and five creation and development centres in India, Singapore, Amsterdam, Indonesia and Italy for the development of fragrance and flavour products. The research team has developed 8 new molecules over the last three years. The Company has filed 18 patent applications in respect of molecules, systems and processes developed by it, of which 2 have been commercially exploited in deodorant and fine fragrance categories.

Over the years, SHK has developed a vast product portfolio of fragrances and flavour products for the FMCG, personal care, pharmaceutical and food & beverages industry. The Company has a diverse and large client base including leading national and multinational FMCG companies, blenders of fragrances & flavours and fragrance & flavour producers.

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DISCLAIMER:

Certain statements and opinions with respect to the anticipated future performance of SHK in the press release ("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 press release is provided to the recipient and SHK 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 press release or that this press release is suitable for the recipient's purposes. The delivery of this press release does not imply that the information herein is correct as at any time subsequent to the date hereof and SHK 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.



**S H KELKAR
AND COMPANY LIMITED**

Q1 FY24 Earnings Presentation

August 07, 2023

Disclaimer

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Management Comment

Commenting on the performance, Mr. Kedar Vaze, Whole Time Director & CEO at SH Kelkar and Company Ltd. said:

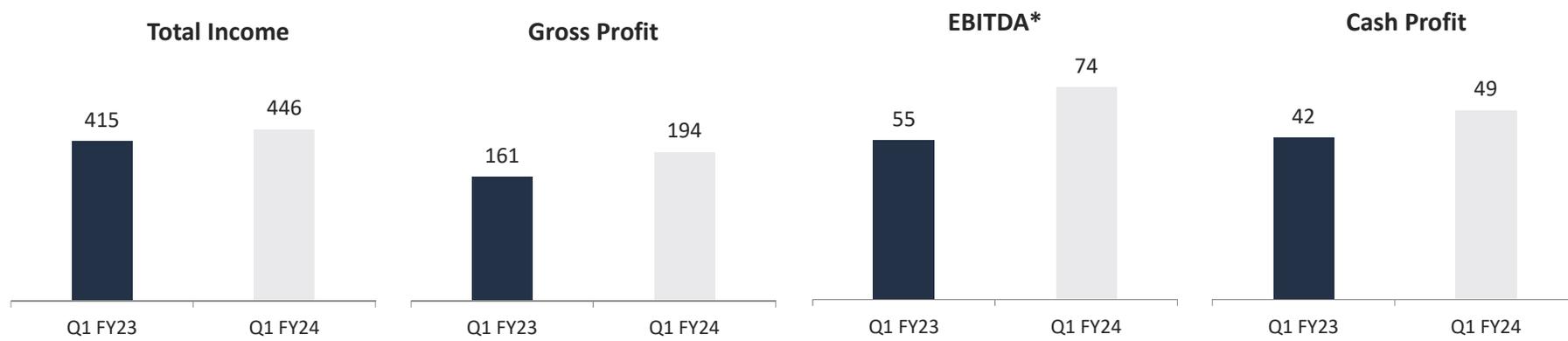


“We have started FY2024 on a positive note, with a steady growth of 7.7% from operations during Q1 FY24. Growth rates in the Indian markets stood out, registering at 12.1%, a result of healthy traction from our major customers and a comparatively lower base in the previous year. Moreover, our core Fragrance division has demonstrated strong growth in profitability, attributable to effective pricing strategies. Our European segment also contributed to our profitability during the quarter.

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While our growth has been tempered in recent years due to various external factors, we remain committed to growth and scaling up our global operations. Our growth-oriented focus is fueled by our global presence, solid client base, and robust cash flows. As we move into the latter half of the fiscal year, we anticipate a positive shift in the domestic FMCG environment, which should further support our performance.”

Q1 FY24 – Key Financial Highlights



Shift % (Y-o-Y)	7.3%	20.2%	33.4%	16.9%		
Margins %	39.2%	43.7%	13.3%	16.5%	10.1%	11.0%

- Reported steady organic growth of 7.4% during Q1 FY24
- Achieved strong growth in profitability primarily aided by better pricing in some categories

Note:

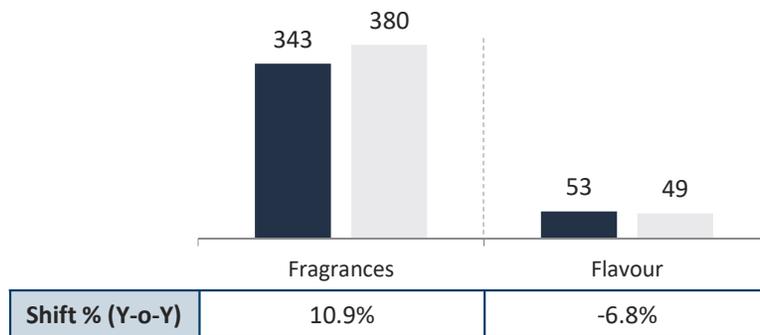
- 1) Figures in Rs. crore unless specified otherwise
- 2) *Excluding tender fee cost of Rs. 2.63 Cr
- 3) Q1 FY 23 PAT includes exceptional gain of Rs 1.22 cr on account of reprocessing of Inventory damaged in Mahad floods in Q2 FY 22 and converted into finished goods



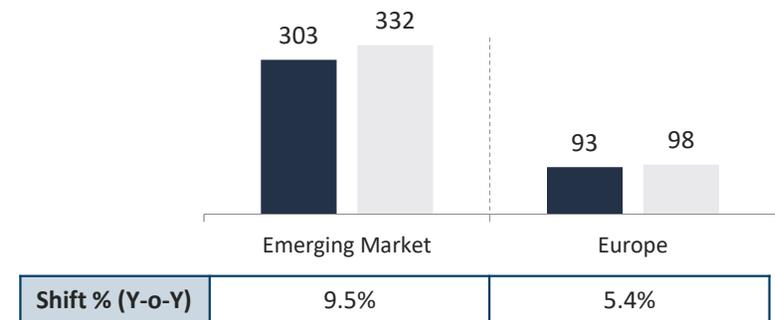
Revenue Performance (excl Global Ingredients) – Q1 FY24

■ Q1 FY23 ■ Q1 FY24

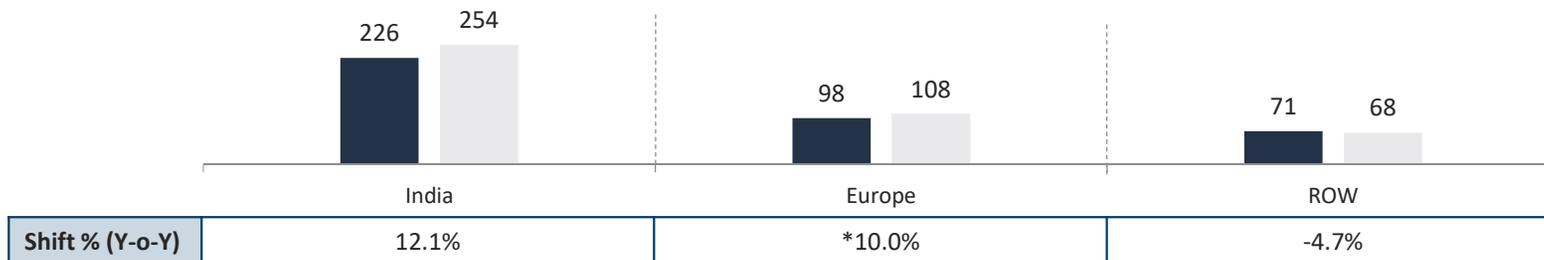
Business Segment



Market Segment



Geography Wise

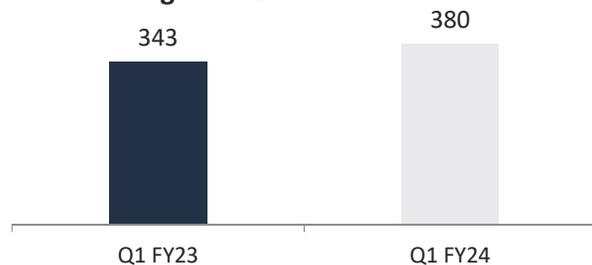


Note:

- 1) Figures in Rs. crore unless specified otherwise
- 2) *Constant currency growth at ~3%

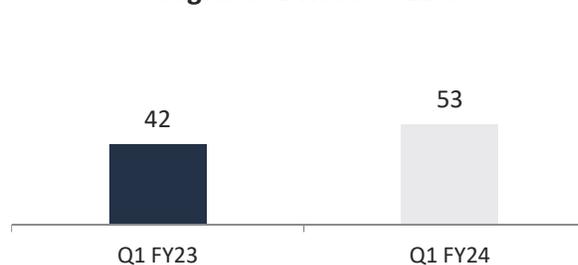
Segmental Performance (excl Global Ingredients) – Q1 FY24

Fragrance Division - Revenue



Shift % (Y-o-Y)	10.9%
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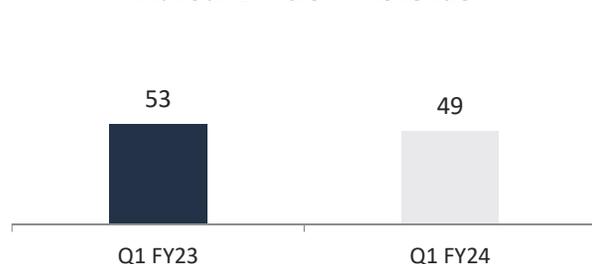
Fragrance Division - EBIT



24.5%	
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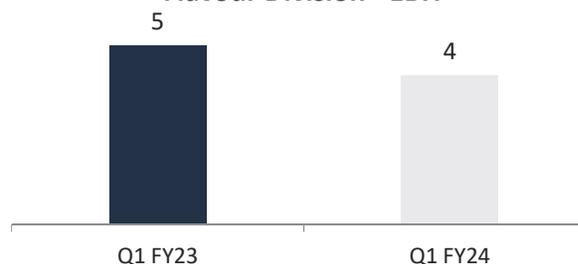
12.4%	13.9%
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Flavour Division - Revenue



Shift % (Y-o-Y)	-6.8%
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Flavour Division - EBIT



-16.9%	
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8.9%	8.0%
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Note:

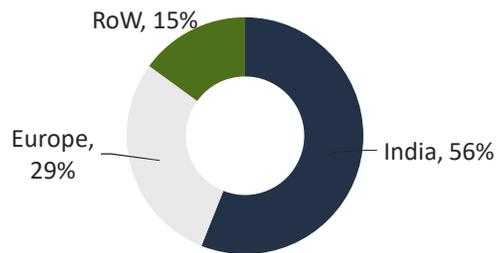
1) Figures in Rs. crore unless specified otherwise

- Core Fragrance division showcased healthy performance during the quarter
 - Fragrance revenues in India grew by 12.6% YoY led by traction in certain underlying FMCG categories and lower base in the corresponding quarter last year
 - Contribution from Europe was stable owing to an improved operating environment
- Flavour division experienced a mild downturn due to a softening of demand in international markets.

Segmental Performance Region-wise

Fragrance (excl Global Ingredients)

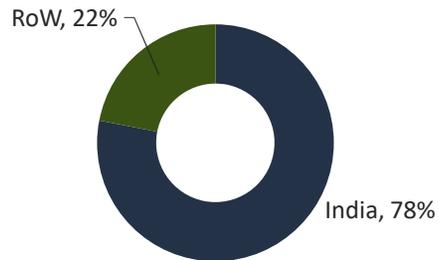
Revenue Break-up – Q1 FY24



Revenue Y-o-Y Growth (%)	Q1 FY24
India	12.6%
Europe**	9.2%
Rest of the World (RoW)	2.2%
Total Growth	9.9%

Flavours

Revenue Break-up – Q1 FY24



Revenue Y-o-Y Growth (%)	Q1 FY24
India	14.7%
Rest of the World (RoW)	-44.4%
Total Growth	-6.8%

Note: Figures in Rs. crore unless specified otherwise

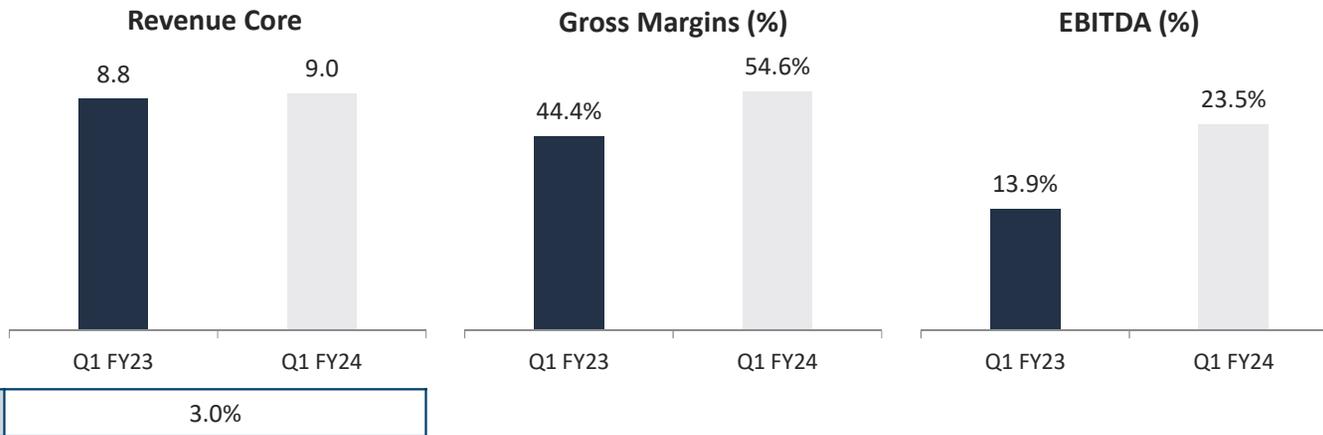
*Previous year figures are reclassified

**Constant currency growth at ~3%



Europe Core Business Performance

(Euro Mn)

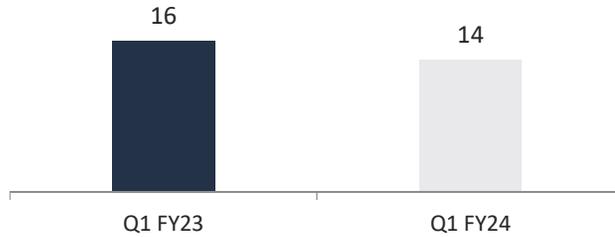


- SHK has delivered a steady performance in Europe
- Given the lower margins in the base quarter, the Company witnessed a significant improvement in gross margins. This enhancement, aided by pricing action, assisted the Company record a notable expansion in EBITDA margins



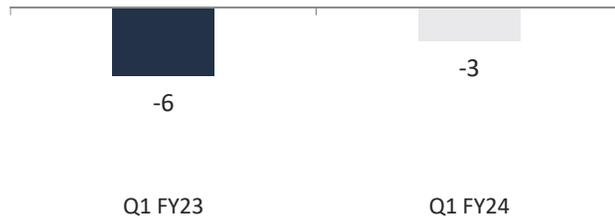
Global Ingredients – Q1 FY24

Revenue



Shift % (Y-o-Y)	-12.7%
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EBIT



Shift % (Y-o-Y)	NA
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Margins %	NA	NA
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- Over recent years, the Global Ingredients segment has witnessed considerable cost pressures owing to raw material shortages and dependence on China
- Along with an emphasis on improving productivity and loss reduction, the Company has implemented various initiatives for backward integration. The benefits of these measures are expected to materialize in the upcoming fiscal



Note:

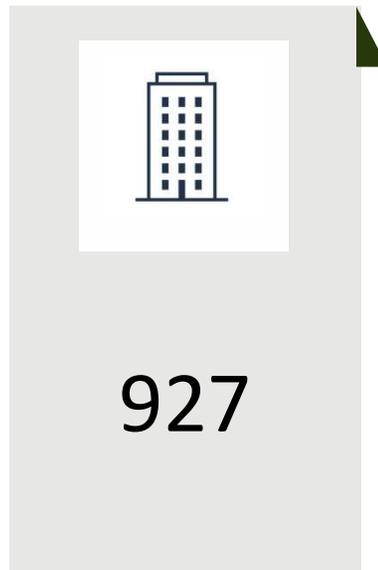
1) Figures in Rs. crore unless specified otherwise



Balance Sheet Snapshot – As on June 30, 2023



Networth



Fixed Assets



Cash &
Investments



Net Debt
&
Net Debt to Equity
(x)



Note:

1) Figures in Rs. crore unless specified otherwise

Annexure



Consolidated Summarized P&L Statement

Particulars (Rs. crore)	Q1 FY24	Q4 FY23	Q1 FY23	YoY Gr %
Revenues from Operations				
Sales	426.4	447.1	390.7	9.1%
Sales - Contract Manufacturing	17.0	22.6	20.7	-18.1%
Other Operating Income	2.2	2.7	3.6	-40.6%
Revenue from operations	445.5	472.4	415.0	7.3%
Other Income	0.5	1.3	0.2	112.5%
Total Income	446.0	473.8	415.3	7.4%
Total Expenditure				
Raw Material expenses	249.6	278.4	250.1	-0.2%
Employee benefits expense	60.3	56.9	48.6	24.0%
Other expenses	65.2	69.9	61.4	6.2%
EBITDA	70.9	68.6	55.1	28.7%
EBITDA Margin (%) incl Other Income	15.9%	14.5%	13.3%	+263 Bps
Finance Costs	10.2	7.5	5.0	104.2%
Depreciation and Amortization	21.6	20.5	19.8	9.3%
Profit before exceptional items and tax	39.1	40.6	30.3	28.9%
Share of Profit/(Loss) in equity accounted investee	-	-	-0.1	-
Exceptional Items Gain / (loss)	-	-21.8	1.2	-
PBT	39.1	18.8	31.5	24.2%
Tax expense	11.3	17.7	8.3	36.4%
PAT	27.8	1.1	23.2	19.8%
Profit / (Loss) for the period/year attributable to Non-controlling interests	2.0	-1.2	1.6	25.2%
Profit for the period/year attributable to Owner's of the Company	25.8	2.3	21.6	19.4%
PAT Margins	5.8%	0.5%	5.3%	+57 Bps
Cash Profit (excl Exceptional items)	49.2	52.7	42.1	16.9%
Earnings per share (Face Value of Rs 10 each) (not annualised)	1.9	0.2	1.6	19.4%



Conference Call Details

S H Kelkar and Company – Q1 FY24 Earnings Conference Call

Time	<ul style="list-style-type: none">• 12.00 noon IST on August 08, 2023
Primary dial-in number	<ul style="list-style-type: none">• +91 22 6280 1141• +91 22 7115 8042
International Toll-Free Number	<ul style="list-style-type: none">• Hong Kong: 800 964 448• Singapore: 800 101 2045• UK: 0 808 101 1573• USA: 1 866 746 2133
Pre-registration	<p><i>To enable participants to connect to the conference call without having to wait for an operator, please register at the below mentioned link:</i></p> <p><u>Diamond Pass</u></p>



About Us

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