



February 07, 2024

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 Press Release and Earnings Presentation in respect of unaudited financial results for the quarter and nine months ended December 31, 2023

Further to the approval of unaudited Financial Results (Standalone and Consolidated) for the quarter and nine months ended December 31, 2023 by the Board of Directors of the Company at its meeting held on February 07, 2024 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

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Regd. Office : Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400 002. (INDIA)

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

www.keva.co.in

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 Q3 & 9M FY2024 results

Q3 FY2024

Revenue from operations grew 29% to Rs. 496 cr

EBITDA* stood at Rs. 82 cr, higher by 81%

EBITDA* margins improve to 16.5%

Cash Profit up 66% to Rs. 55 cr

Mumbai, February 07, 2024: S H Kelkar and Company (SHK), the largest Indian origin Fragrance and Flavour Company in India, has announced its financial results for the quarter and nine months ended December 31, 2023.

Q3 FY24 performance overview compared with Q3 FY23

- Revenues from operations at Rs. 496.0 crore as against Rs. 384.9 crore, up by 29%
 - Fragrance and Flavours revenues (excluding global ingredients) grew 27% to Rs. 482.1 crore
- EBITDA at Rs. 81.6 crore as against Rs. 45.0 crore, higher by 81%
 - EBITDA* margin at 16.5% as against 11.7%, expanding by 476 bps
- PAT stood at Rs. 32.1 crore as against Rs. 13.4 crore, up by 140%
- Cash profit at Rs. 55 crore as against Rs. 33 crore, growing by 66%

9M FY24 performance overview compared with 9M FY23

- Revenues from operations at Rs. 1,396.9 crore as against Rs. 1,214.1 crore, up by 15%
 - Constant currency sales improve by 13.7%
 - Fragrance and Flavours revenues (excluding global ingredients) grew 15% to Rs. 1,350.9 crore
- EBITDA* at Rs. 231.2 crore as against Rs. 160.6 crore, higher by 44%
 - EBITDA* margin at 16.6% as against 13.2%, expanding by 333 bps
- PAT** stood at Rs. 90.1 crore as against Rs. 61.8 crore, up by 46%
- Cash profit at Rs. 157 crore as against Rs. 122 crore, growing by 29%

Note:

- *EBITDA excluding tender fee amortization of Rs. 2.63 cr in Q3 FY24 and Rs. 7.86 cr in 9M FY24
- ** FY23 PAT includes exceptional gain of Rs 1.49 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 shown remarkable growth in our revenues on both a Y-o-Y and Q-o-Q basis in Q3 FY24. Amidst a period characterized by weak demand within the FMCG sector, our healthy performance has been driven by contributions from new accounts, the recovery of business from mid-sized SME's including e-commerce & start-up companies, and healthy traction in exports. Additionally, our Core Europe segment has delivered healthy growth during the quarter.

Our consolidated operating EBITDA in 9M FY24 improved by 44% to Rs. 231 crore, with us successfully maintaining healthy margins at 16.1%. This performance has been supported by higher volumes, strategic pricing actions, effective raw material and inventory management. These efforts have collectively contributed to our strong financial standing, positioning us well to meet our full-year margin target of over 16% in FY24.

A key highlight of this quarter has been the sales traction gained from the global MNC account, the result of two years of concerted efforts by our R&D, perfumers, marketing, and other team members. Though this partnership is in its nascent stages, we anticipate it will grow significantly over the next 3 to 5 years. This relationship marks a significant milestone in our strategic global expansion and reinforces our vision & journey towards becoming one of the top Fragrance and Flavour Companies globally.

The past 12-15 months have been a period of transformative turnaround initiatives, laying the foundation for the strong performance we have reported this year. Our 100-year legacy of growth and excellence, combined with these recent efforts, ensures that we are well-positioned to sustain these results moving forward. Our focus remains on leveraging our global reach, a strong client base, and robust cash flows to drive further growth and success in the unique Fragrance and Flavour Industry."



Key Developments

Strategic Partnership Success with Global MNC – Order Wins from Multiple Products

- Successfully gained sales traction from a prestigious global MNC account, a testament to the dedicated efforts of the R&D, perfumers, marketing, and other teams over the past two years
- While the business contribution from the initial orders is modest, the Company remains optimistic about its growth potential over the next few years
- This achievement reinforces the Company's long-term strategy of engaging with large global MNCs, setting a precedent for future opportunities and collaborations

-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 Keval 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.

For further information please contact:

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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**

Q3 & 9M FY24 Earnings Presentation

February 07, 2024

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 shown remarkable growth in our revenues on both a Y-o-Y and Q-o-Q basis in Q3 FY24. Amidst a period characterized by weak demand within the FMCG sector, our healthy performance has been driven by contributions from new accounts, the recovery of business from mid-sized SME's including e-commerce & start-up companies, and healthy traction in exports. Additionally, our Core Europe segment has delivered healthy growth during the quarter.

Our consolidated operating EBITDA in 9M FY24 improved by 44% to Rs. 231 crore, with us successfully maintaining healthy margins at 16.1%. This performance has been supported by higher volumes, strategic pricing actions, effective raw material and inventory management. These efforts have collectively contributed to our strong financial standing, positioning us well to meet our full-year margin target of over 16% in FY24.

A key highlight of this quarter has been the sales traction gained from the global MNC account, the result of two years of concerted efforts by our R&D, perfumers, marketing, and other team members. Though this partnership is in its nascent stages, we anticipate it will grow significantly over the next 3 to 5 years. This relationship marks a significant milestone in our strategic global expansion and reinforces our vision & journey towards becoming one of the top Fragrance and Flavour Companies globally.

The past 12-15 months have been a period of transformative turnaround initiatives, laying the foundation for the strong performance we have reported this year. Our 100-year legacy of growth and excellence, combined with these recent efforts, ensures that we are well-positioned to sustain these results moving forward. Our focus remains on leveraging our global reach, a strong client base, and robust cash flows to drive further growth and success in the unique Fragrance and Flavour Industry."

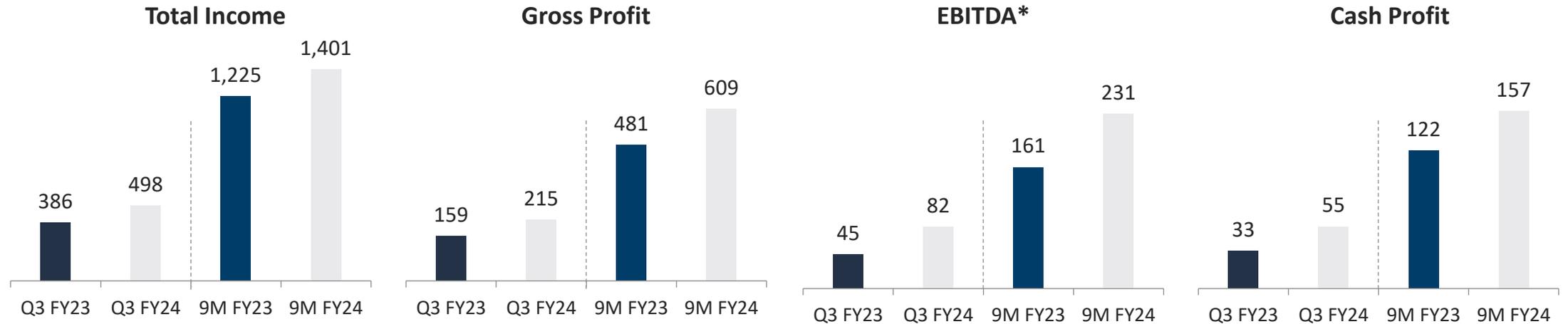
Key Development

Strategic Partnership Success with Global MNC – Order Wins from Multiple Products

- Successfully gained sales traction from a prestigious global MNC account, a testament to the dedicated efforts of the R&D, perfumers, marketing, and other teams over the past two years
- While the business contribution from the initial orders is modest, the Company remains optimistic about its growth potential over the next few years
- This achievement reinforces the Company's long-term strategy of engaging with large global MNCs, setting a precedent for future opportunities and collaborations



Q3 & 9M FY24 – Key Financial Highlights



Shift % (Y-o-Y)	28.9%	14.4%	35.3%	26.6%	81.3%	44.0%	65.7%	28.7%				
Margins %	41.5%	43.6%	39.8%	43.8%	11.7%	16.5%	13.2%	16.6%	8.6%	11.1%	10.0%	11.2%

- In the quarter, the company delivered a healthy YoY and QoQ revenue growth, sustaining the positive momentum registered in the previous quarters.
 - Contributions from recently accounts, revitalization of businesses among medium-sized companies, and momentum in exports helped performance
- Despite the challenging operating environment, gross and EBITDA margins remained strong throughout 9M, supported by increased volumes, pricing initiatives, efficient management of raw material inventories, and favorable operating leverage

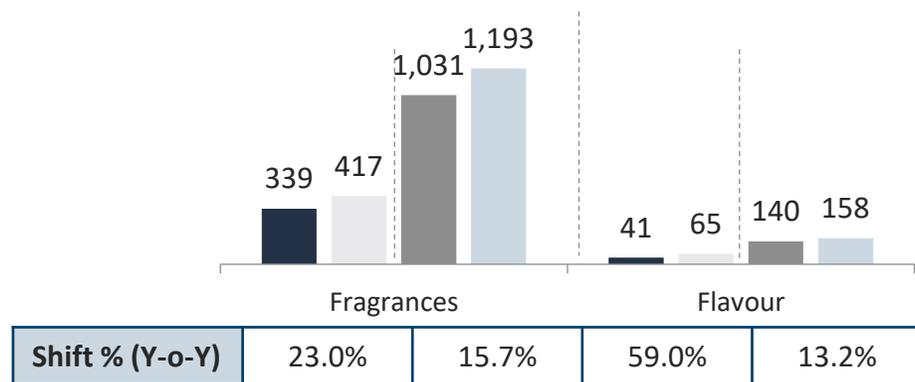
Note:

- Figures in Rs. crore unless specified otherwise
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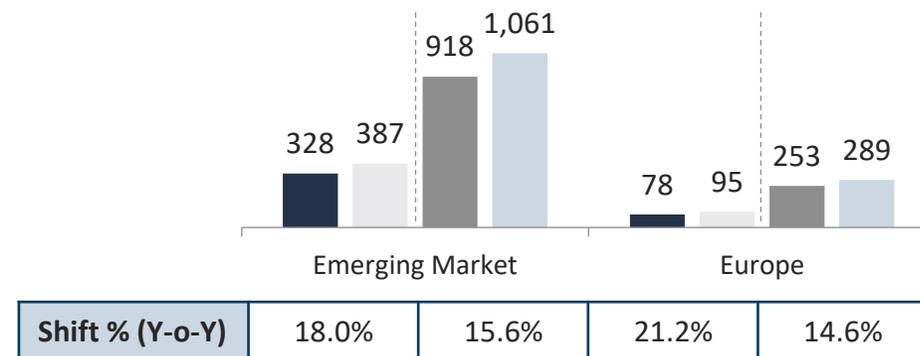


Revenue Performance (excl Global Ingredients) – Q3 & 9M FY24

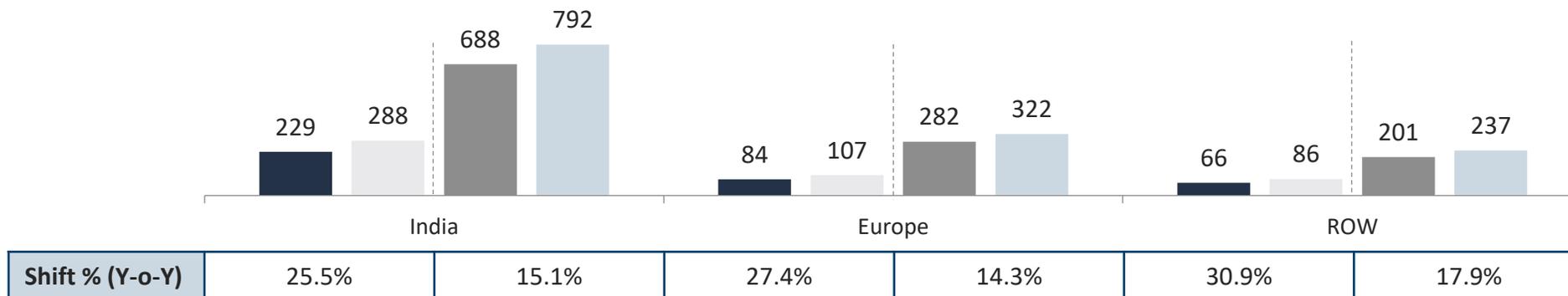
Business Segment



Market Segment



Geography Wise

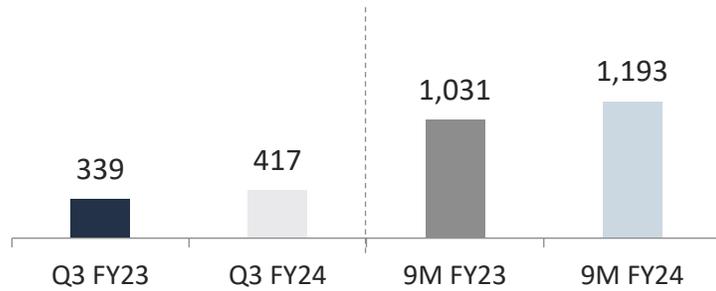


Note:

- 1) Figures in Rs. crore unless specified otherwise
- 2) Results includes consolidation of recently acquired entities

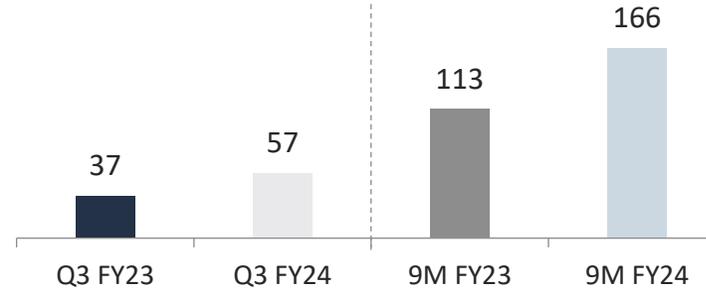
Segmental Performance (excl Global Ingredients) – Q3 & 9M FY24

Fragrance Division - Revenue



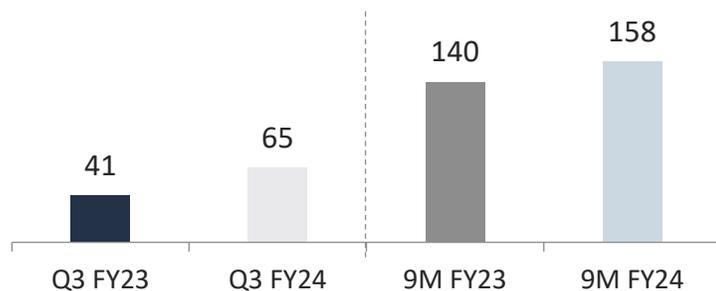
Shift % (Y-o-Y)	Q3 FY24	9M FY24
	23.0%	15.6%

Fragrance Division - EBIT



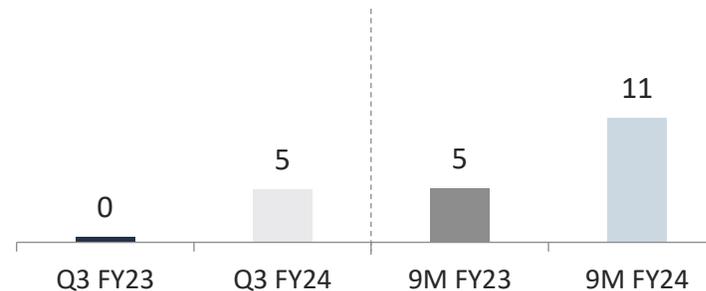
Q3 FY24		9M FY24	
51.7%	11.0%	47.1%	13.9%
13.6%	10.9%		

Flavour Division - Revenue



Shift % (Y-o-Y)	Q3 FY24	9M FY24
	59.0%	13.2%

Flavour Division - EBIT



Q3 FY24		9M FY24	
924.4%	1.1%	133.5%	6.9%
7.1%	3.3%		

- Core Fragrance division maintained a consistent performance during the period under review
 - In Q3FY24, revenues in India experienced strong growth of 25.5%
- Flavour segment saw a robust revival in the international markets, driven by engagement with existing customers
 - Additionally, domestic Flavour revenues grew by 28.6%



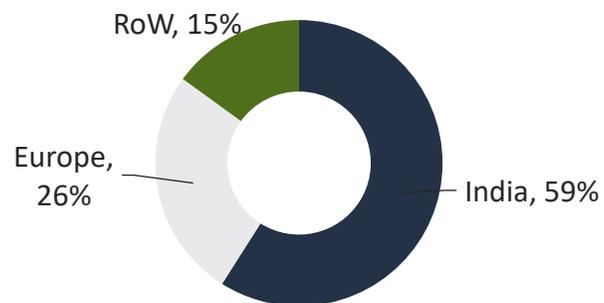
Note:

- Figures in Rs. crore unless specified otherwise
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Segmental Performance Region-wise

Fragrance (excl Global Ingredients)

Revenue Break-up – Q3 FY24

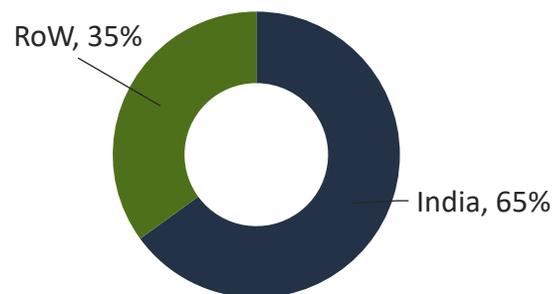


Revenue Y-o-Y Growth (%)	Q3 FY24	9M FY24
India	25.0%	14.5%
Europe	26.5%	14.5%
Rest of the World (RoW)	11.0%	21.6%
Total Growth	23.0%	15.7%



Flavours

Revenue Break-up – Q3 FY24



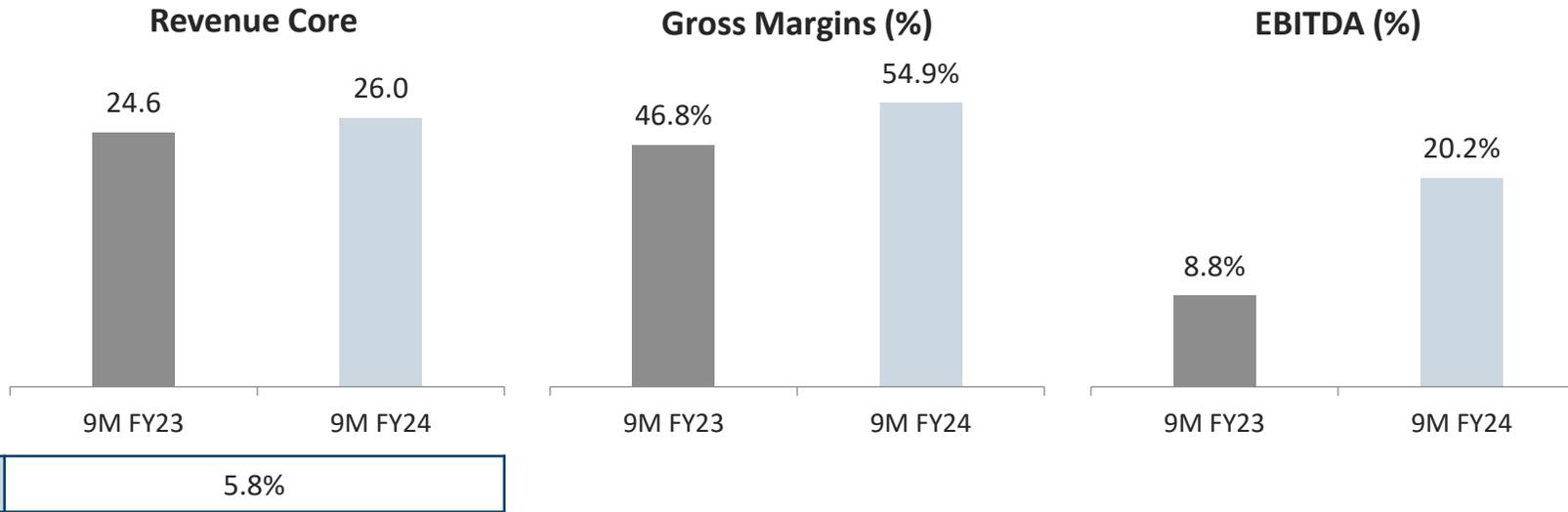
Revenue Y-o-Y Growth (%)	Q3 FY24	9M FY24
India	28.6%	18.0%
Rest of the World (RoW)	179.5%	1.2%
Total Growth	59.0%	13.2%



Note: Figures in Rs. crore unless specified otherwise

Europe Core Business Performance

(Euro Mn)

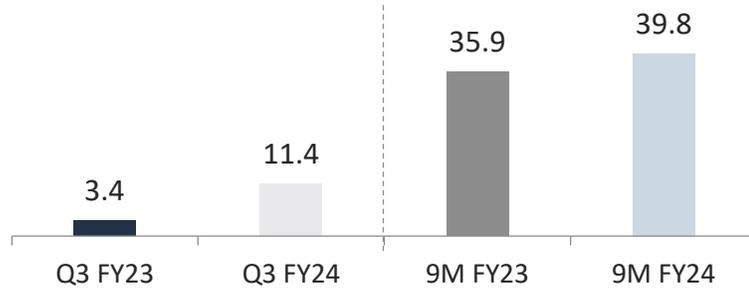


- Core business in Europe demonstrated a 5.8% growth in revenues on a like-to-like basis
 - Business environment is showing signs of recovery helping both Creative Flavours and Fragrances (CFF) and Holland Aromatics grow
- The Company delivered strong profitability in its core European operations, recording gross margins of 54.9% and EBITDA margins of 20.2%



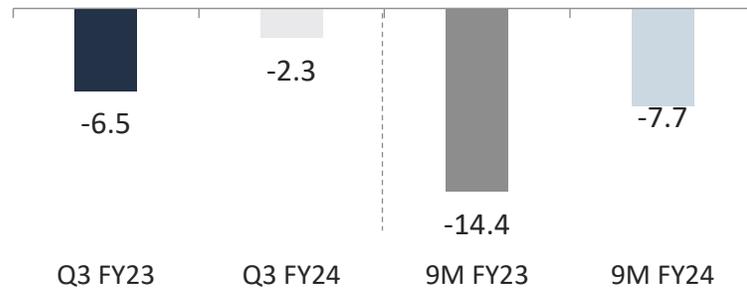
Global Ingredients – Q3 & 9M FY24

Revenue



Shift % (Y-o-Y)	Q3 FY23	Q3 FY24	9M FY23	9M FY24
		240%		11%

EBIT



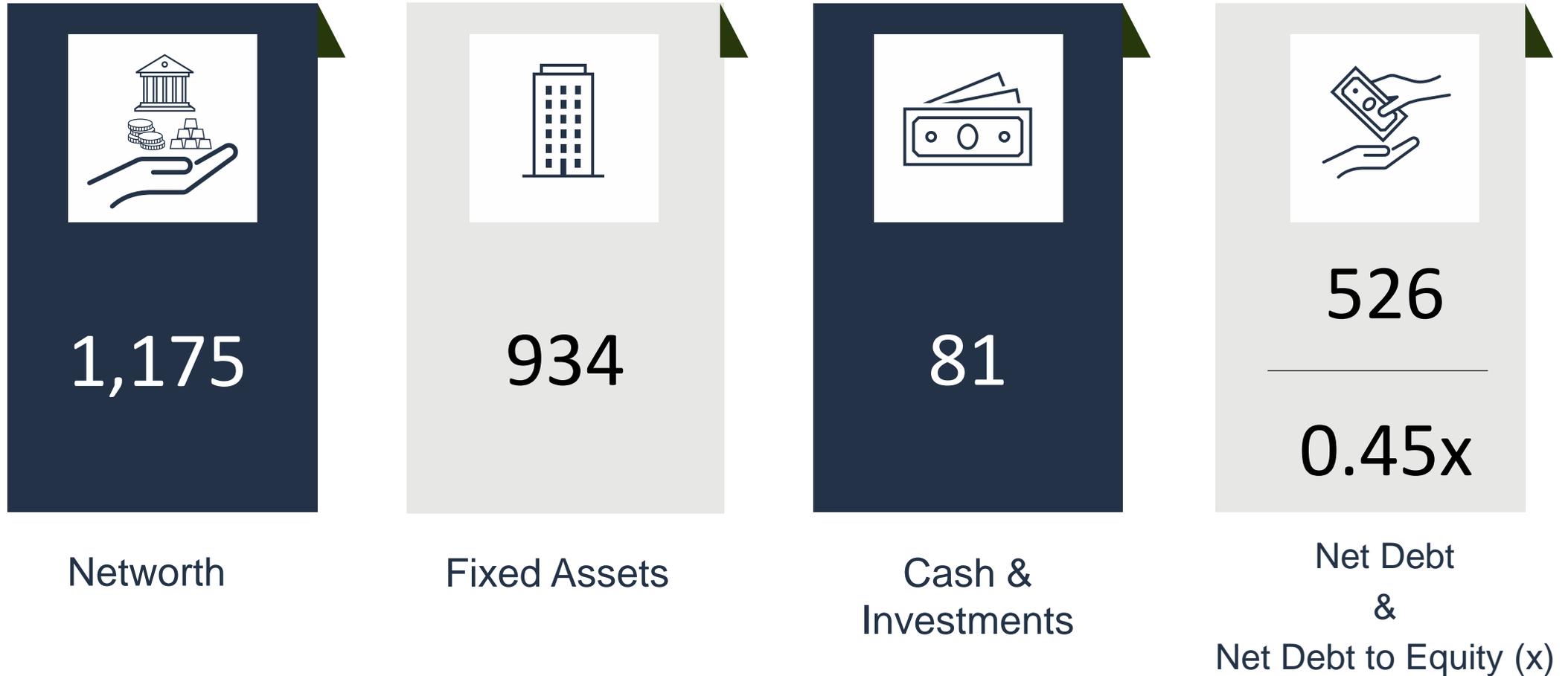
Shift % (Y-o-Y)	Q3 FY23	Q3 FY24	9M FY23	9M FY24
		NA		NA

Margins %	Q3 FY23	Q3 FY24	9M FY23	9M FY24
	NA	NA	NA	NA

- Global Ingredients saw a rebound in the quarter, starting from a lower base in the same quarter of the prior year
- The Company remains focused on enhancing productivity and reducing losses through effective cost management.
 - Successfully completed the backward integration for key raw material sourcing, the benefit of which will be visible in the coming quarters.



Balance Sheet Snapshot – As on December 31, 2023



- Net Debt of Rs 526 Cr includes Holland Aromatic (final tranche) payment of Rs 38 Cr and capex towards Indonesia factory & flavor facility upgradation ~ Rs 40 Cr

Annexure



Consolidated Summarized P&L Statement

Particulars (Rs. crore)	Q3 FY24	Q2 FY24	Q3 FY23	YoY Gr %	9M FY24	9M FY24	YoY Gr %
Revenues from Operations							
Sales	474.1	434.0	371.3	27.7%	1,334.5	1,156.8	15.4%
Sales - Contract Manufacturing	19.4	19.8	12.0	61.2%	56.1	50.3	11.5%
Other Operating Income	2.5	1.7	1.6	57.3%	6.3	7.0	-9.9%
Revenue from operations	496.0	455.4	384.9	28.9%	1,396.9	1,214.1	15.1%
Other Income	2.2	1.8	1.5	44.4%	4.5	10.5	-56.9%
Total Income	498.2	457.2	386.4	28.9%	1,401.4	1,224.6	14.4%
Total Expenditure							
Raw Material expenses	278.4	254.1	224.3	24.1%	782.0	726.3	7.7%
Employee benefits expense	65.2	60.2	53.6	21.7%	185.6	154.9	19.8%
Other expenses	75.7	69.6	63.6	19.0%	210.5	182.8	15.1%
EBITDA	79.0	73.4	45.0	75.5%	223.3	160.6	39.1%
EBITDA Margin (%) incl Other Income	16.0%	16.2%	11.7%	426 Bps	16.1%	13.3%	276 Bps
Finance Costs	10.8	10.0	6.4	70.1%	30.9	16.4	88.4%
Depreciation and Amortization	22.7	22.3	19.7	15.1%	66.6	59.9	11.2%
Profit before exceptional items and tax	45.5	41.2	18.9	140.1%	125.8	84.2	49.3%
Share of Profit/(Loss) in equity accounted investee	0.0	0.0	-0.0	-100.0%	0.0	-0.2	-100%
Exceptional Items Gain / (loss)	0.0	0.0	0.0	0.0%	0.0	1.5	-100%
PBT	45.5	41.2	18.9	140.6%	125.8	85.5	47.0%
Tax expense	13.4	11.0	5.5	141.3%	35.7	23.7	50.3%
PAT	32.1	30.2	13.4	140.3%	90.1	61.8	45.8%
Profit / (Loss) for the period/year attributable to Non-controlling interests	-0.0	0.8	0.4	-110.3%	1.4	3.0	-52.4%
Profit for the period/year attributable to Owner's of the Company	32.2	29.3	13.0	147.9%	88.7	58.9	50.7%
PAT Margins	6.5%	6.4%	3.4%	310 Bps	6.3%	4.8%	152 Bps
Cash Profit	54.8	52.5	33.1	65.7%	156.8	121.8	28.7%
Earnings per share (Face Value of Rs 10 each) (not annualised)	2.4	2.2	1.0	146.9%	6.5	4.4	49.9%

Conference Call Details

S H Kelkar and Company – Q3 & 9M FY24 Earnings Conference Call

Time • 02.00 PM IST on Thursday, February 08, 2024

Primary dial-in number • +91 22 6280 1141
• +91 22 7115 8042

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:*
[Diamond Pass](#)

About Us

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Thank you