

January 21, 2024

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

**Subject.: Q3 FY24 Earnings Presentation**

Please find enclosed a copy of the Earnings Presentation for the quarter ended December 31, 2023.

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

Thanking you,

Yours Sincerely,

**For Rossari Biotech Limited**

**PARUL** Digitally signed  
by PARUL  
**GUPTA** GUPTA  
Date: 2024.01.21  
12:10:47 +05'30'



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

Encl.: as above

**ROSSARI BIOTECH LIMITED**


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

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**Factory** : Plot No. 10 & 11, Survey No. 90/1/10/ & 90/1/11/1, Khumbharwadi, Village Naroli, Silvassa - 396235, Dadra & Nagar Haveli (U.T.), India. **T** : 0260-669 3000

: Plot No. D3/24/3, Opposite ATC Tyre Phase III, G.I.D.C Dahej, Village Galanda, Taluka Vagra, Bharuch-Gujarat - 392130, India. **T** : +91 2641-3505 03

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# Rossari Biotech Limited

**Q3 & 9M FY24  
Results Presentation**

January 20, 2024





# Disclaimer

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

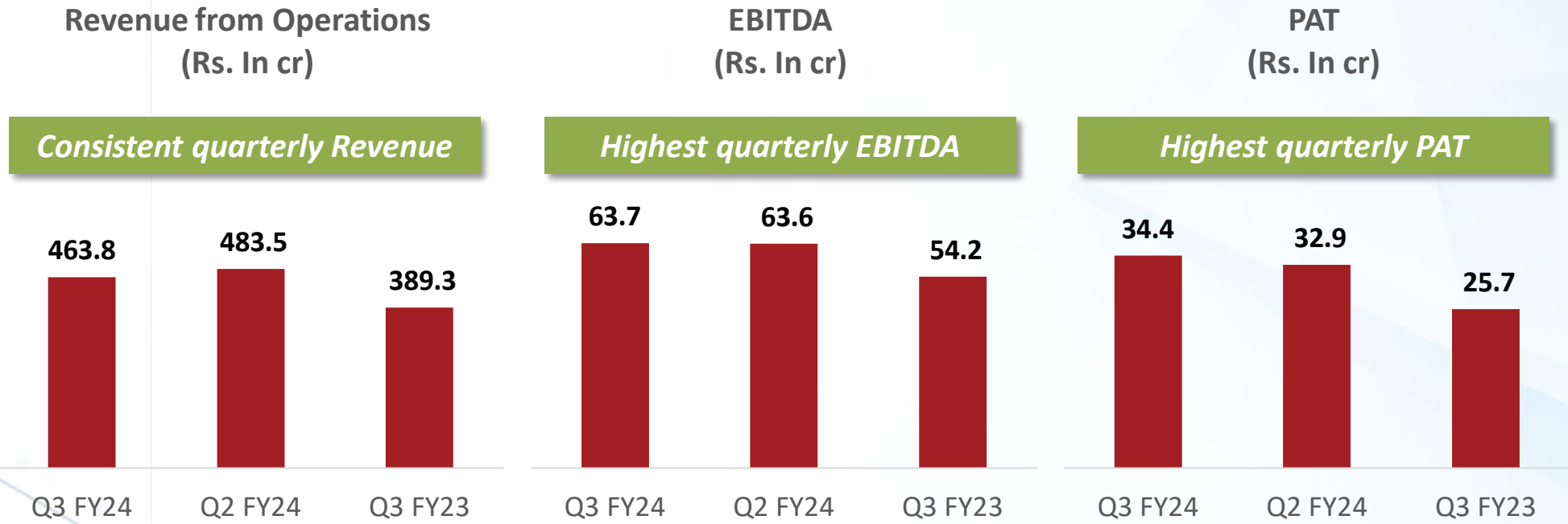




## **Q3 FY24 Results Overview**

# Q3 FY24 – Key Financial Highlights

**Strong Quarterly Performance**



<b>Shift % (Y-o-Y)</b>	<b>19.1%</b>	<b>17.5%</b>	<b>33.9%</b>
<b>Shift % (Q-o-Q)</b>	<b>-4.1%</b>	<b>0.2%</b>	<b>4.6%</b>

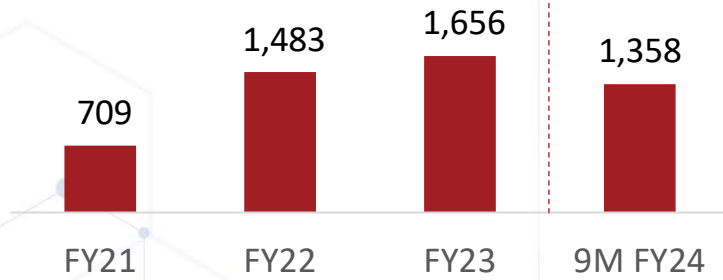
<b>Margins (%)</b>	<b>13.7%</b>	<b>13.2%</b>	<b>13.9%</b>	<b>7.4%</b>	<b>6.8%</b>	<b>6.6%</b>
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Note: 1) All figures, unless mentioned otherwise, are on a consolidated basis.

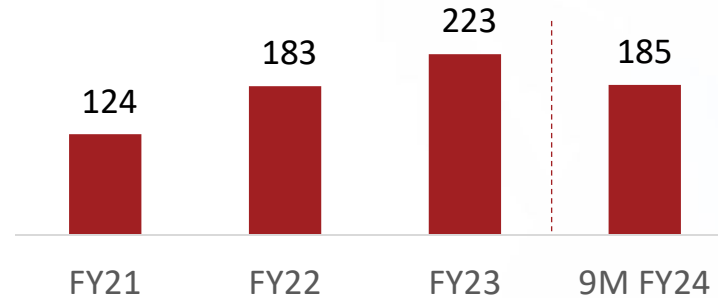


# Financial Performance Snapshot

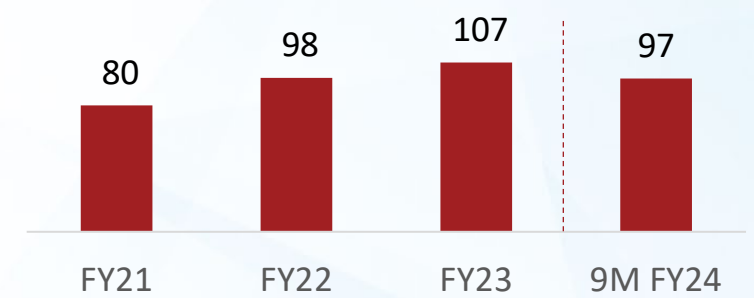
### Revenue (Rs. crore)



### EBITDA (Rs. crore)

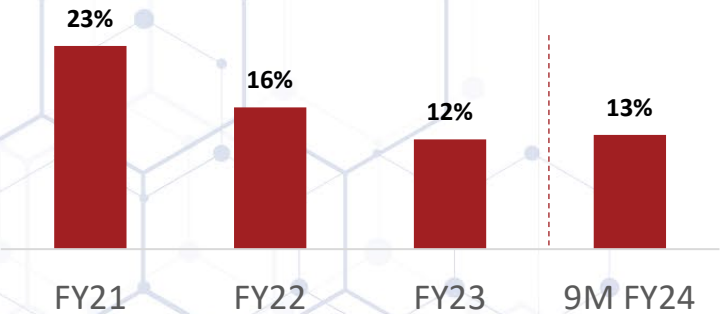


### PAT (Rs. crore)

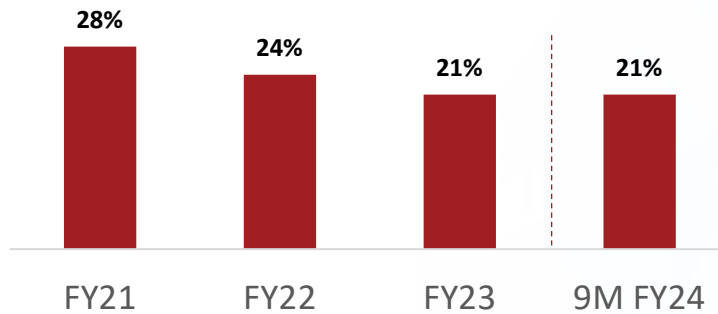


- Consistent growth trajectory over the past three years, driven by both organic and inorganic growth strategies

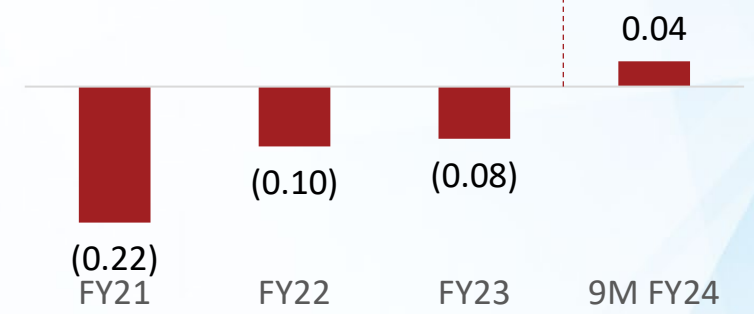
### ROE



### ROCE



### Net Debt to Equity



- While near-term investments and strategic initiatives have led to a moderation in ROCE and ROE, the balance sheet position remains strong. The Company is confident of reporting improved return metrics in the future as these investments start yielding results

# Management Message

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

*“We are pleased to report yet another strong quarter, with revenues and profits showing a significant Y-o-Y increase of 19% and 34%, respectively. This performance is primarily attributed to the healthy growth witnessed in our Home, Personal Care & Performance Chemicals (HPPC) division. The division achieved a robust improvement of 31%, underpinning the efforts put in by our team to drive growth in a challenging operating environment. Despite a subdued performance from the Textile Specialty Chemicals (TSC) due to the industry headwinds and Animal Health and Nutrition (AHN) due to seasonal softness, we are optimistic about recovery in these divisions in the coming quarters.*

*This quarter, while revenues were marginally lower Q-o-Q, we were able to surpass our last quarter’s PAT, setting a new record. On a nine month basis also, our revenues have grown by 9% while PAT growth has been at a high of 23% Vs previous year.*

*Our growth strategy remains focused on expanding across all business divisions. Having historically seeded new verticals within our core chemistries, our aim in the coming years is to significantly scale up these ventures. We are particularly focused on areas like specialty surfactants, phenoxy series, institutional cleaning, performance chemicals etc. Our plan remains to tap into global markets with our existing and new products, spread into newer geographies and increase our wallet share with existing partners.*

*The emphasis on R&D remains a pivotal aspect of the Company’s growth and innovation strategy. Rossari's position as a premier solutions provider is fortified by its R&D capabilities, which enable us to meet evolving market needs and solidify our role as a sought-after partner for bespoke solutions in the specialty chemicals sector. We are dedicated to leveraging our R&D expertise to drive future growth, create value, and strengthen our reputation as a leading provider of intelligent and sustainable solutions across various industries.*

*In the face of global challenges in the chemical industry, India is set to emerge as a major hub for chemical manufacturing. With our robust R&D framework, strong financial foundation, expanding manufacturing capacities, and diverse product portfolio, we see significant growth opportunities in both domestic and international markets for all our business verticals. Over the next few years, we are confident that this strategic positioning will lead to strong YoY growth, enabling us to create substantial value for all our stakeholders.”*

## Update on Capital Expansion Plan

- In a strategic move towards future readiness, in the last quarter we had announced an expansion of our facility at Dahej, to foray into products related to HPPC in the specialty chemical space, as well as for producing ingredients for our subsidiary companies. Also, to cater to the growing demand in agro chemicals, home and personal care, oil & gas and the pharma sector, we had further announced expansion of the Ethoxylation capacity at the Dahej facility of Unitop Chemicals Private Limited.
- Work on both these projects has started and is going as per schedule. Commissioning is expected to happen, in a phased manner, by Q3 FY25.



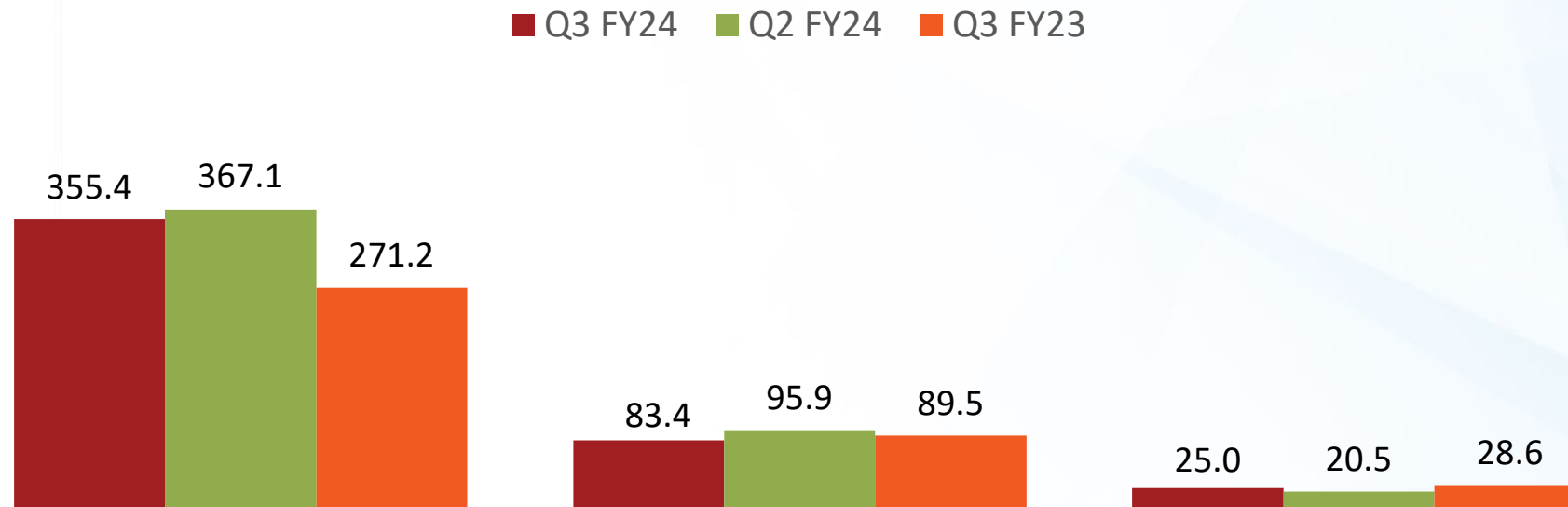
# Abridged P&L Statement - Consolidated

Particulars (Rs. crore)	Q3 FY24	Q3 FY23	Y-o-Y Shift (%)	9M FY24	9M FY23	Y-o-Y Shift (%)
<b>Revenues from Operations</b>	<b>463.8</b>	<b>389.3</b>	<b>19.1%</b>	<b>1,357.8</b>	<b>1,249.4</b>	<b>8.7%</b>
<b>Total Expenditure</b>						
• COGS	323.0	272.4	18.6%	955.2	885.0	7.9%
• Employee benefits expense	26.0	24.2	7.4%	78.1	71.8	8.8%
• Other expenses	51.1	38.5	32.7%	139.5	124.2	12.3%
<b>EBITDA</b>	<b>63.7</b>	<b>54.2</b>	<b>17.5%</b>	<b>185.0</b>	<b>168.4</b>	<b>9.8%</b>
<b>EBITDA Margin (%)</b>	<b>13.7%</b>	<b>13.9%</b>	<b>-20 bps</b>	<b>13.6%</b>	<b>13.5%</b>	<b>10 bps</b>
Other Income	3.5	1.1	218.2%	7.1	2.7	163.0%
Finance Costs	4.3	4.6	-6.5%	15.7	18.0	-12.8%
Depreciation and Amortization	15.1	16.0	-5.6%	44.3	46.9	-5.5%
<b>PBT</b>	<b>47.8</b>	<b>34.7</b>	<b>37.8%</b>	<b>132.1</b>	<b>107.0</b>	<b>23.5%</b>
Share of profit /(loss) of associate	0.0	0.0	0.0%	(0.0)	0.8	-100.0%
Tax expense	13.4	9.0	48.9%	35.5	28.7	23.7%
<b>PAT</b>	<b>34.4</b>	<b>25.7</b>	<b>33.9%</b>	<b>96.6</b>	<b>78.3</b>	<b>23.4%</b>
<b>PAT Margin (%)</b>	<b>7.4%</b>	<b>6.6%</b>	<b>80 bps</b>	<b>7.1%</b>	<b>6.3%</b>	<b>80 bps</b>
<b>EPS Diluted (Rs.)</b>	<b>6.2</b>	<b>4.6</b>		<b>17.5</b>	<b>14.1</b>	

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

# Q3 FY24 - Segment-wise Details

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



	HPPC	TSC	AHN
Shift (Y-o-Y) %	31.0%	-6.8%	-12.6%
Shift (Q-o-Q) %	-3.2%	-13.0%	22.0%

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

# Q3 FY24 - Financial and Operational Discussions

## Net Revenue

**Q3 FY24 Revenues from operations increased by 19% YoY to Rs. 463.8 crore from Rs. 389.3 crore**

- The Company successfully registered significant YoY topline growth during the quarter amidst challenging external conditions
  - Overall growth was primarily assisted by robust performance of the HPPC division, underpinned by significant contributions from specialty surfactants, phenoxy series, institutional cleaning, performance chemicals. Additionally, the AHN segment made a strong recovery of 22% from Q2 FY24
  - TSC division faced a slowdown this quarter, largely due to soft demand in the underlying Textile industry. However, we are optimistic on demand coming back in both domestic and export markets in the next fiscal, leading to a positive turnaround for this vertical
- Revenue contribution from the HPPC division stood at 77%, followed by TSC and AHN at 18% and 5% respectively

## EBITDA

**Q3 FY24 EBITDA at a high of Rs. 63.7 crore, up 18% Y-o-Y; with EBITDA Margins at 14%**

- Stable raw material situation combined with growth in revenues supported operating profits
- The Company anticipates reporting sustained profitability in the upcoming quarters, backed by improving capacity utilization levels

## PAT

**Q3 FY24 PAT improved by 34% to a high of Rs. 34.4 crore on Y-o-Y basis**





## Company Overview

# Rossari – At a Glance

Technocrat promoters with

45+

cumulative years of experience in the specialty chemicals industry



8\*

Manufacturing facilities



354,100\*

MTPA Capacity Installed



4\*

R&D Facilities



34%

Revenue CAGR % (FY19-23)



24%

PAT CAGR % (FY19-23)



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

\* Including production capacities and R&D facilities of Unitop Chemicals & Tristar Intermediates

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

## HPPC

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

## TSC

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

## AHN

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



# Strengthening Market Presence



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

# Robust Manufacturing Capabilities



## Manufacturing Facility at Silvassa

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

## Manufacturing Facility at Dahej

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

## Unitop's Manufacturing Facility at Dahej

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

## Tristar's Manufacturing Facility at Sarigam

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

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

# Strategic Growth Levers

## Augmenting product portfolio with enhanced emphasis on green solutions

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

## Innovation-backed solutions to enrich customer experience

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

## Seeding new business lines

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



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

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

## Inorganic growth through strategic value-accretive acquisitions

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

## Maintain financial discipline

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



# Inorganic Initiatives

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

## Unitop Chemicals

Unitop solutions sold across 25+ countries

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

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

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

Key Financials: FY2023 revenues stood at Rs. 554 crore, with EBITDA at Rs. 81 crore and PAT at 55 crore; Zero Net debt

## Tristar Intermediates

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

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

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

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

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

## Romakk Chemicals

Primarily engaged in the business of manufacturing silicone oils

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

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

# Key Synergies from Acquisitions

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



Augmented presence in Specialty Chemical, Personal Care and Agrochemical segments



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



Extension of manufacturing capabilities



Pooling together of related technologies provides R&D edge



Inorganic investments within operational and financial discipline criteria outlined by Board

# Focus on Green & Sustainable Chemical Solutions



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

Focus on green, sustainable and cost neutral products

Minimizing carbon footprint of manufacturing processes while maximizing customer benefits

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





## Annexure

## Q3 FY2024 Earnings Conference Call

**Time** 04:00 p.m. IST on Tuesday, January 23, 2024

**Pre-registration**

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



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

# About Us

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

## For further information, please contact:



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***Thank you***