November 14, 2024

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

Scrip Code: 539450

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

Scrip Symbol: SHK

Dear Sir/ Madam,

Sub: Submission of Earnings Presentation and Press Release in respect of Unaudited (Standalone & Consolidated) Financial Results for the quarter and half year ended September 30, 2024

Further to the approval of Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended September 30, 2024 by the Board of Directors of the Company at its meeting held on November 14, 2024 and submission of the same to the Stock Exchanges, we submit herewith Earnings Presentation and Press Release 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
Digitally signed by ROHIT SARAOGI
Date: 2024.11.14 19:16:05 +05'30'

Rohit Saraogi
Company Secretary & Compliance Officer
Encl: As above

S H KELKAR
AND COMPANY LIMITED

Q2 & H1 FY25 Earnings Presentation

November 14, 2024

Disclaimer

Certain statements and opinions with respect to the anticipated future performance of SH Kelkar (SHK) 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 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 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 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 here of.

Management Comment

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

"We are pleased to report a healthy financial performance for the period under review, driven by positive business sentiment and steady demand across various segments. This quarter also saw the recovery of our order backlog following the fire incident, contributing to our half-year revenues reaching ₹1,013 crore, marking an 18.3% YoY increase. Notably, our core European segment delivered impressive double-digit revenue growth, despite challenging demand conditions in the region.

A shift in product mix during the quarter led to a sequential moderation in gross margins. Additionally, incremental costs during this period were driven by our growth-led investments in cultivating new business opportunities in Europe and the US, markets with considerable growth potential. Consequently, EBITDA margins stood at 16.8% in H1, compared to 16.2% previously.

In the previous quarter, we launched a Creative Development Centre (CDC) in Germany and have since expanded this capability with an additional centre in Manchester, UK. These centres will act as a hub for innovation and will serve as pillars of our growth for the coming decades. This enhanced talent base strengthens our ability to serve key markets and positions us to capitalize on sustainable growth opportunities.

Looking ahead, while domestic demand remains soft, we are encouraged by the strong momentum across our small and mid-sized existing and new accounts, including our key Global MNC client. With a solid start to the fiscal year, strategic initiatives in place, and a favourable market outlook for our products, we are confident of achieving strong growth in FY25, along with healthy profitability.”

Key Development

Incorporation of a new Creative Development Centre (CDC) in Manchester, UK

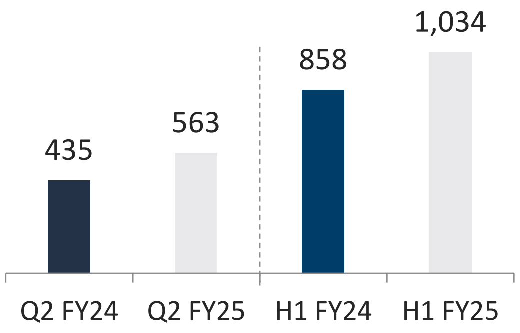
- This initiative aligns with the Company's vision to reinforce its presence in the Global market
- Centre is expected to attract a talent pool of perfumers, supporting innovation and excellence in product development
- The Company anticipates sustainable growth opportunities in the region, driven by these strategic investments

Update on Debt Position

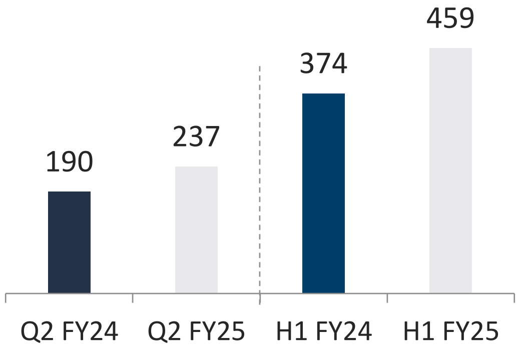
- Net debt increased to ₹592 crore as of September 30, 2024, due to ongoing inventory replenishment
- Strong cash flow generation is expected to support balance sheet improvement going forward
- The Company has submitted its insurance claim and anticipates claim settlement within this fiscal year

Q2 & H1 FY25* – Key Financial Highlights

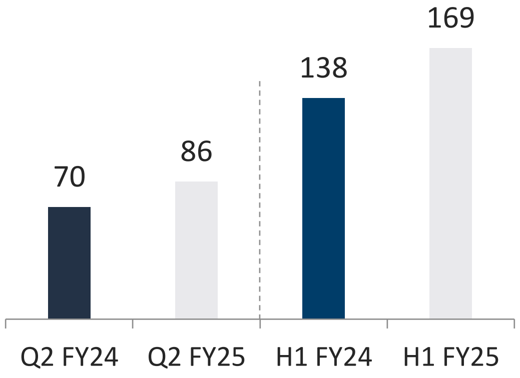
Total Income



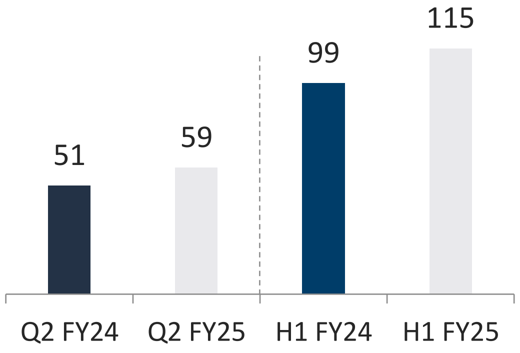
Gross Profit



EBITDA**



Cash Profit



Shift % (Y-o-Y)	29.5%	20.5%	24.8%	22.6%	22.8%	22.6%	16.7%	16.9%

Margins %	44.0%	43.9%	43.9%	45.5%	16.2%	15.9%	16.2%	16.8%	11.8%	11.0%	11.6%	11.5%

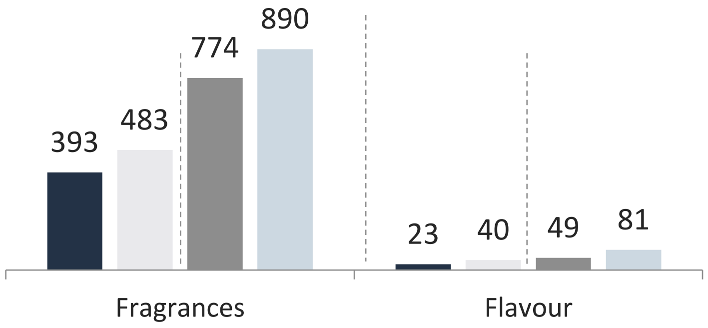
- The Company reported strong revenue performance, with half-year total income exceeding the ₹1,000 crore mark, driven by healthy demand across segments and favourable market conditions
  - Revenue growth was further supported by the recovery of the order backlog following the fire incident and by double-digit growth in the European segment
- Gross and EBITDA margins remained stable on a YoY basis. Growth driven investment in new geographies led to moderation in margins

Note:
1) Figures in Rs. crore unless specified otherwise
2) *Figures exclude NuTaste Food and Drink Labs, in which the Company has divested part of its stake and now holds 40% only.
3) **EBITDA excludes incremental spent of Rs. 10 crore on account of fire – expected to be recovered under loss of profit from insurance

Q2 FY24 Q2 FY25 H1 FY24 H1 FY25

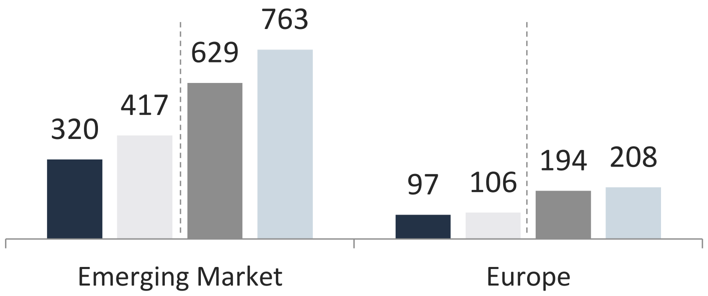
Revenue Performance (excl Global Ingredients) – Q2 & H1 FY25

Business Segment



Shift % (Y-o-Y)	22.7%	15.0%	72.6%	64.2%

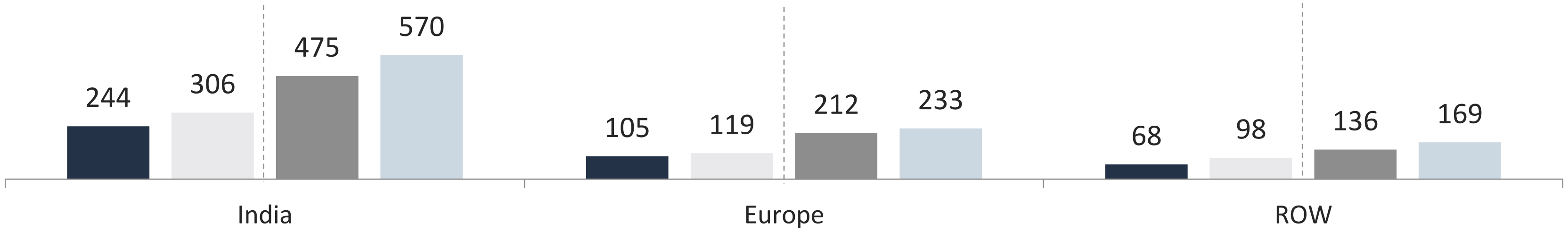
Market Segment



Shift % (Y-o-Y)	30.3%	21.4%	9.3%	6.9%*

*Europe core business grew by 11.5%, drop in toll mfg

Geography Wise

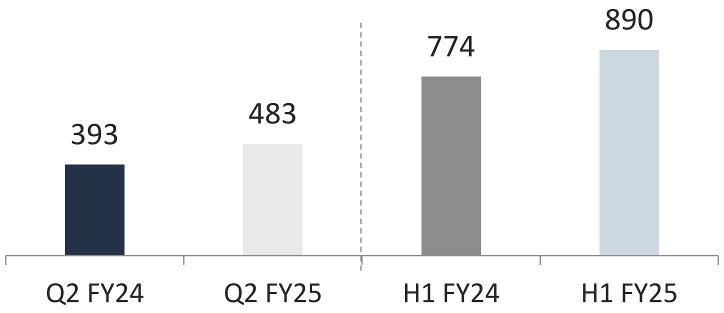


Shift % (Y-o-Y)	25.3%	20.0%	13.5%	9.7%	44.5%	23.8%

Note:
1) Figures in Rs. crore unless specified otherwise
2) Figures exclude NuTaste Food and Drink Labs, in which the Company has divested part of its stake and now holds 40% only.

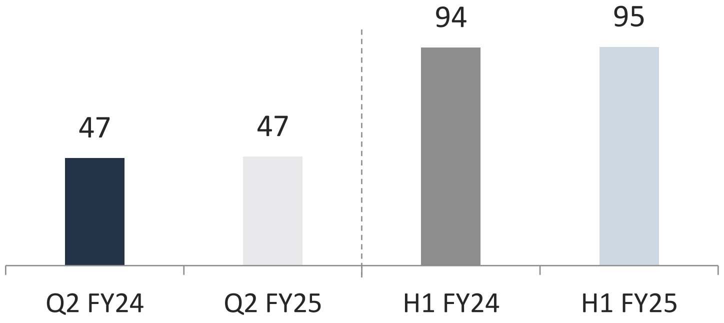
Segmental Performance (excl Global Ingredients) – Q2 & H1 FY25

Fragrance Division - Revenue



Shift % (Y-o-Y)	22.7%	15.0%

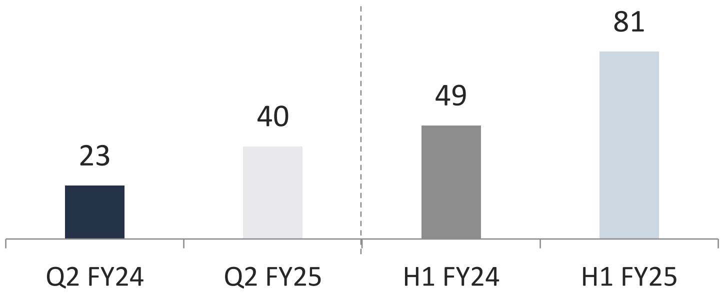
Fragrance Division - EBIT



1.3%		0.3%	
11.9%	9.8%	12.2%	10.6%*

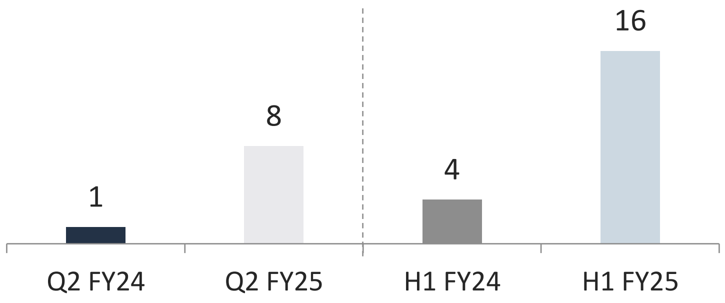
*EBIT 11.8% (excl. Rs. 10 crore on account of fire - expected to be recovered from insurance company)

Flavour Division - Revenue



Shift % (Y-o-Y)	72.6%	64.2%

Flavour Division - EBIT



486.3%		344.1%	
6.1%	20.6%	7.4%	20.0%

- Core Fragrance division reported healthy revenue performance during the review period, driven by higher volumes
  - The recovery of the Vashivali facility backlog further boosted revenues, supported by optimal utilization of multiple facilities in India and Indonesia
- Flavour segment maintained the positive momentum from Q1 FY25, achieving revenue growth supported by market revival and increased engagement with both existing and new customers
  - The division also demonstrated strong profitability performance

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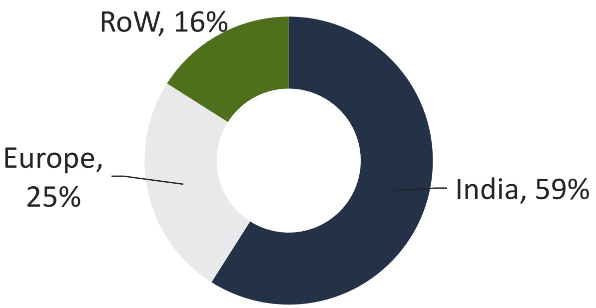
Note:
1) Figures in Rs. crore unless specified otherwise
2) Results includes consolidation of recently acquired entities

Segmental Performance Region-wise

Fragrance (excl Global Ingredients)

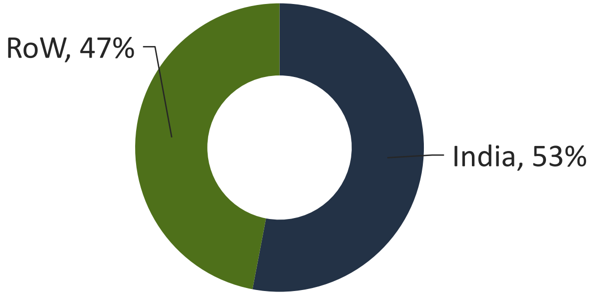
Revenue Break-up – Q2 FY25



Revenue Y-o-Y Growth (%)	Q2 FY25	H1 FY25
India	24.7%	17.7%
Europe	13.8%	9.8%
Rest of the World (RoW)	30.2%	14.0%
Total Growth	**22.7%**	**15.0%**

Flavours

Revenue Break-up – Q2 FY25



Revenue Y-o-Y Growth (%)	Q2 FY25	H1 FY25
India	32.9%	51.8%
Rest of the World (RoW)	161.2%	85.0%
Total Growth	**72.6%**	**64.2%**

Note: Figures in Rs. crore unless specified otherwise

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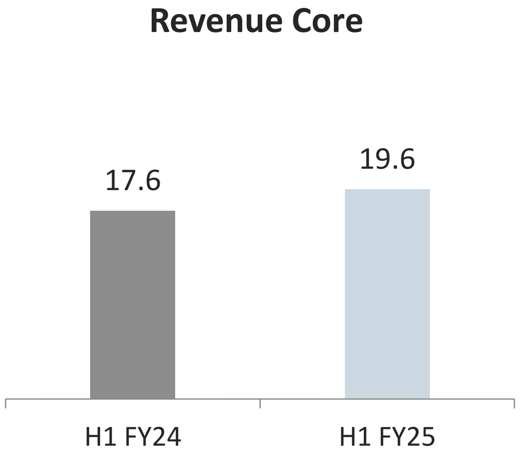
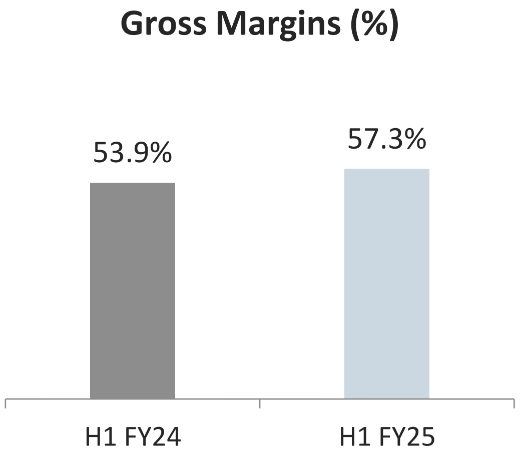
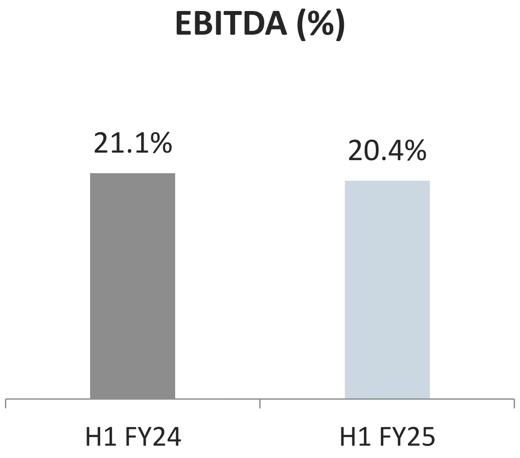
Europe Core Business Performance (Euro Mn)



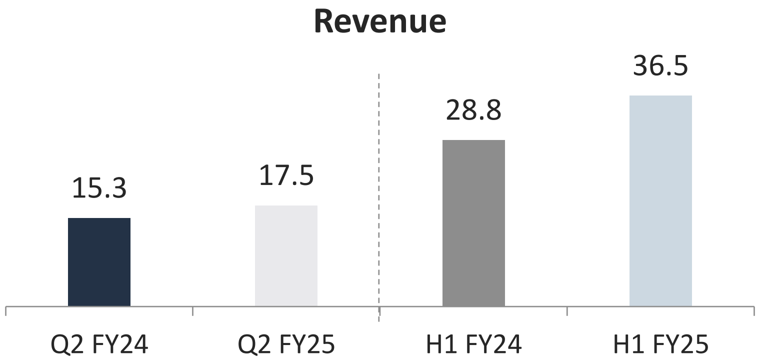




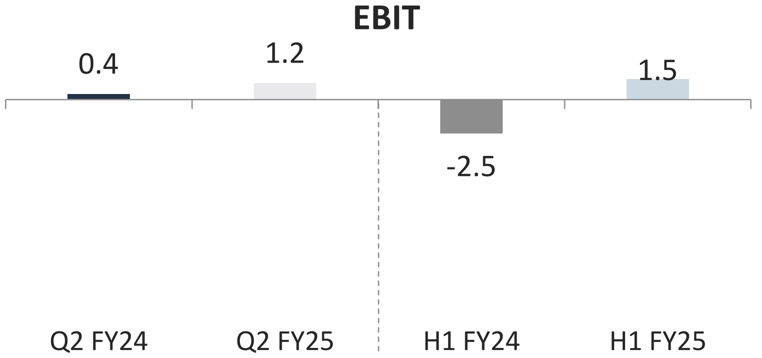
Shift % (Y-o-Y)	11.5%

- European core business posted healthy double-digit growth, achieving 11.5% revenue growth on a like-for-like basis
- Superior product mix supported solid profitability in the Company's core European operations, with gross margins at 57.3% and EBITDA margins at 20.4%

Global Ingredients – Q2 & H1 FY25



Shift % (Y-o-Y)	14.1%	26.9%



Shift % (Y-o-Y)	219.3%		NA	
Margins %	2.5%	7.0%	NA	4.1%

- Turnaround of the Global Ingredients segment continues, aided by structural initiatives undertaken in the past and a focus on optimizing operations and enhancing efficiency
  - Segment reported improvements in both topline and EBIT, reflecting the positive impact of these efforts

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Note:
1) Figures in Rs. crore unless specified otherwise

Balance Sheet Snapshot – As on September 30, 2024

1,164

Networth

945

Fixed Assets

134

Cash & Investments

592

0.53x

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)	Q2 FY25	Q1 FY25	Q2 FY24	YoY Gr %	H1 FY25	H1 FY24	YoY Gr %
Revenues from Operations							
Sales	522.6	454.7	411.8	26.9%	977.3	815.3	19.9%
Sales - Contract Manufacturing	17.0	13.2	19.8	-13.9%	30.2	36.7	-17.7%
Other Operating Income	2.8	2.4	1.7	71.1%	5.3	3.8	39.3%
Revenue from operations	**542.5**	**470.3**	**433.3**	**25.2%**	**1,012.8**	**855.8**	**18.3%**
Other Income	20.7	0.7	1.8	1066.7%	21.3	2.3	838.3%
Total Income	**563.2**	**471.0**	**435.0**	**29.5%**	**1,034.1**	**858.1**	20.5%
Total Expenditure							
Raw Material expenses	302.6	246.3	241.6	25.3%	549.0	478.1	14.8%
Employee benefits expense	70.3	67.2	57.1	23.1%	137.5	114.4	20.2%
Other expenses	88.8	78.5	64.7	37.3%	167.4	125.5	33.3%
EBITDA	**80.8**	**78.3**	**69.9**	**15.6%**	**159.0**	**137.9**	**15.4%**
EBITDA Margin (%)	**15.0%**	**16.7%**	**16.2%**	**-122 Bps**	**15.8%**	**16.2%**	**-39 Bps**
Finance Costs	12.8	9.9	9.6	34.1%	22.7	19.4	17.2%
Depreciation and Amortization	24.2	22.5	21.5	12.5%	46.7	42.4	10.2%
Profit before exceptional items and tax	**64.4**	**46.5**	**40.6**	**58.7%**	**111.0**	**78.4**	**41.5%**
Share of (Loss) in Associates (net of tax)	-0.7	0.0	0.0	NA	-0.7	0.0	NA
Profit before tax and exceptional items from continuing operation	**63.8**	**46.5**	**40.6**	57.1%	**110.3**	**78.4**	40.7%
Exceptional Items Gain / (loss)	0.0	-119.9	0.0	0.0%	-119.9	0.0	NA
PBT	63.8	-73.3	40.6	57.1%	-9.6	78.4	-112.2%
Tax expense	24.0	12.4	11.0	118.6%	36.4	22.0	65.1%
Profit/(Loss) for the period from continuing operations	**39.8**	**-85.8**	**29.6**	**34.3%**	**-45.9**	**56.4**	**-181.5%**
Profit/(Loss) for the period from discontinuing operations	0.0	-1.1	0.6	**NA**	-1.1	1.9	NA
Tax Expenses of discontinued operations	0.0	0.0	0.1	**NA**	0.0	0.3	NA
Profit / (Loss)for the period/year attributable to Non-controlling interests	0.0	-0.2	0.9	-96.7%	-0.2	1.7	NA
Profit for the period	**39.8**	**-86.6**	**29.3**	**36.0%**	**-46.8**	**56.3**	**NA**
Adjusted PAT	31.4	33.3	29.3	7.4%	64.7	56.3	14.9%
Cash profit	**59.6**	**55.8**	**50.8**	**17.5%**	**115.4**	**98.7**	**16.9%**
Earnings per share (Face Value of Rs 10 each) (not annualised)	2.9	-6.2	2.1	36.0%	-3.4	4.0	-184.3%

Note:

1) Adjusted PAT is excluding exceptional item and revaluation gain on remaining (40%) interest in Nutaste entity which is unrealised.

Consolidated Balance Sheet

	Consolidated Statement of Assets and Liabilities	As at March 31, 2024	As at March 31, 2023
	Particulars	**Audited**	**Audited**
A	**ASSETS**		
	Non-current assets		
1	Property, plant and equipment	353.2	369.7
	Capital work-in-progress	25.8	7.0
	Right of use asset	51.9	49.0
	Investment property	0.6	0.6
	Goodwill	314.5	304.7
	Other intangible assets	191.6	209.3
	Intangible assets under development	7.0	5.8
	Investment in a joint venture	0.0	0.0
	Financial assets	0.0	0.0
	Investments	11.9	0.0
	Other financial assets	15.5	13.8
	Deferred tax assets (net)	50.1	21.8
	Current tax assets (net)	48.5	53.3
	Other non-current assets	9.7	4.4
	Total non- current assets	**1,080.1**	**1,039.4**
2	**Current assets**		
	Inventories	766.5	656.9
	Financial assets	0.0	0.0
	Investments	0.0	9.6
	Trade receivables	500.8	489.6
	Cash and cash equivalents	133.5	100.1
	Other bank balances	0.2	3.0
	Loans	8.7	3.5
	Other financial assets	2.8	2.7
	Other current assets	181.7	97.9
	Total current assets	**1,594.1**	**1,363.1**
	TOTAL ASSETS	**2,674.2**	**2,402.5**

	Consolidated Statement of Assets and Liabilities	As at March 31, 2024	As at March 31, 2023
	Particulars	**Audited**	**Audited**
B	**EQUITY AND LIABILITIES**		
1	**Equity**		
	Equity share capital	138.4	138.4
	Other equity	1,025.7	1,074.4
	Equity attributable to owners of the Company	**1,164.1**	**1,212.8**
	Non-controlling interest	0.5	1.4
	Total equity	**1,164.6**	**1,214.2**
2	**Liabilities**		
	Non-current liabilities		
	Financial liabilities		
	Borrowings	192.3	173.1
	Lease liabilities	35.4	31.8
	Other financial liabilities	2.0	0.6
	Provisions	0.5	1.4
	Deferred tax liabilities (net)	40.7	47.4
	Total non-current liabilities	**270.9**	**254.2**
	Current liabilities		
	Financial liabilities		
	Borrowings	533.7	443.9
	Lease liabilities	12.6	17.1
	Trade payables	0.0	0.0
	-total outstanding dues of micro enterprises and small enterprises	70.4	28.2
	-total outstanding dues of creditors other than micro enterprises and small enterprises	442.3	326.9
	Other financial liabilities	65.2	42.7
	Other current liabilities	21.6	19.1
	Provisions	19.8	19.3
	Current tax liabilities (net)	73.2	36.8
	Total current liabilities	**1,238.7**	**934.1**
	Total Liabilities	**1,509.6**	**1,188.3**
	TOTAL EQUITY AND LIABILITIES	**2,674.2**	**2,402.5**

Conference Call Details

S H Kelkar and Company – Q2 & H1 FY25 Earnings Conference Call

Time	• 11:00 am IST on Monday, November 18, 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

Keva

About Us

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 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:

Mr. Rohit Saraogi

S H Kelkar and Company Limited

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Fax: +91 22 2164 9766

Email: rohit.saraogi@keva.co.in

Anoop Poojari / Mit Shah

CDR India

Tel: +91 9833090434 / 99201 68314

Fax: +91 22 6645 1213

Email: anoop@cdr-india.com

mit@cdr-india.com


Thank you

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 Q2 & H1 FY2025 results

H1 FY2025*

Revenue from operations grew 18.3% to Rs. 1,012.8 cr
EBITDA stood at Rs. 169.0 cr, higher by 22.6%**
EBITDA margins stood at 16.8%**
Cash Profit up 16.5% to Rs. 115.0 cr

Mumbai, November 14, 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 half year ended September 30, 2024.

Q2 FY25 performance overview compared with Q2 FY24

- Revenues from operations at Rs. 542.5 crore as against Rs. 433.3 crore, up by 25.2%
- EBITDA at Rs. 85.8 crore as against Rs. 69.9 crore, higher by 22.8%
  - EBITDA margin at 15.9% as against 16.2%, declining by 30 bps
- Adjusted PBT stood at Rs. 63.8 crore as against Rs. 40.6 crore, up 57.1%
- Cash profit at Rs. 59.2 crore as against Rs. 50.8 crore, growing by 16.7%

H1 FY25 performance overview compared with H1 FY24

- Revenues from operations at Rs. 1,012.8 crore as against Rs. 855.8 crore, up by 18.3%
- EBITDA** at Rs. 169.0 crore as against Rs. 137.9 crore, higher by 22.6%
  - EBITDA** margin at 16.8% as against 16.2%, higher by 60 bps
- Adjusted PBT stood at Rs. 110.3 crore as against Rs. 78.4 crore, higher by 40.7%
- Cash profit at Rs. 115.0 crore as against Rs. 98.7 crore, growing by 16.5%

Note:

- **EBITDA excludes incremental spent of Rs. 10 crore on account of fire – expected to be recovered under loss of profit from insurance company
- PBT adjusted for exceptional loss of Rs. 120 crore (net of tax) – expected to be fully recovered from insurance
- * Figures exclude NuTaste Food and Drink Labs, in which the Company has divested part of its stake and now holds 40% only.

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

"We are pleased to report a healthy financial performance for the period under review, driven by positive business sentiment and steady demand across various segments. This quarter also saw the recovery of our order backlog following the fire incident, contributing to our half-year revenues reaching ₹1,013 crore, marking an 18.3% YoY increase. Notably, our core European segment delivered impressive double-digit revenue growth, despite challenging demand conditions in the region.

A shift in product mix during the quarter led to a sequential moderation in gross margins. Additionally, incremental costs during this period were driven by our growth-led investments in cultivating new business opportunities in Europe and the US, markets with considerable growth potential. Consequently, EBITDA margins stood at 16.8% in H1, compared to 16.2% previously.

In the previous quarter, we launched a Creative Development Centre (CDC) in Germany and have since expanded this capability with an additional centre in Manchester, UK. These centres will act as a hub for innovation and will serve as pillars of our growth for the coming decades. This enhanced talent base strengthens our ability to serve key markets and positions us to capitalize on sustainable growth opportunities.

Looking ahead, while domestic demand remains soft, we are encouraged by the strong momentum across our small and mid-sized existing and new accounts, including our key Global MNC client. With a solid start to the fiscal year, strategic initiatives in place, and a favourable market outlook for our products, we are confident of achieving strong growth in FY25, along with healthy profitability."

Key Developments

Incorporation of a new Creative Development Centre (CDC) in Manchester, UK

- This initiative aligns with the Company's vision to reinforce its presence in the Global market
- Centre is expected to attract a talent pool of perfumers, supporting innovation and excellence in product development
- The Company anticipates sustainable growth opportunities in the region, driven by these strategic investments

Update on Debt Position:

- Net debt increased to ₹592 crore as of September 30, 2024, due to ongoing inventory replenishment
- Strong cash flow generation is expected to support balance sheet improvement going forward
- The Company has submitted its insurance claim and anticipates claim settlement within this fiscal year

- 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 10 molecules over the last four years. The Company has filed 20 patent applications in respect of molecules, systems and processes developed by it, of which 6 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 & beverage industries. 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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