

October 30, 2021

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: Q2 FY22 Earnings Presentation

Please find enclosed a copy of the Earnings Presentation for the quarter and half year ended September 30, 2021.

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)

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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

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CIN: L24100MH2009PLC194818



Rossari Biotech Limited

Q2 & H1 FY22
Results Presentation

October 30, 2021



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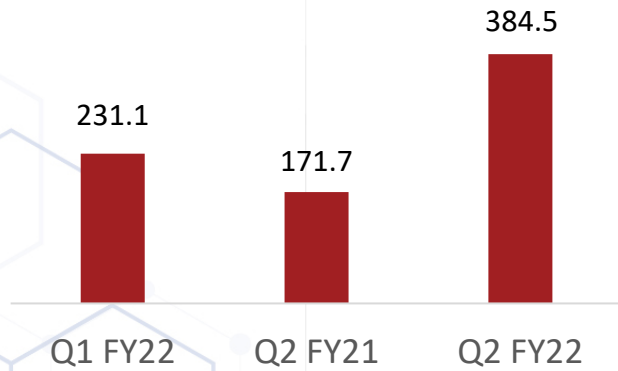




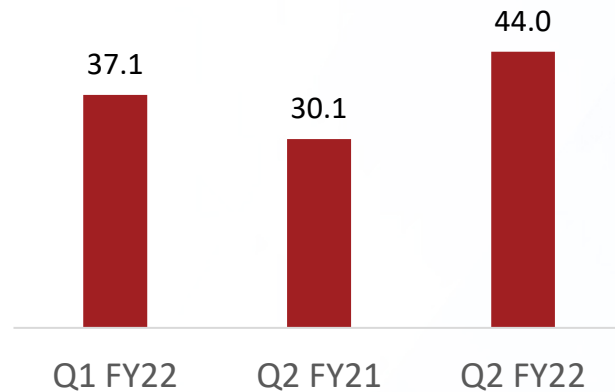
Q2 & H1 FY22 Results Overview

Q2 FY22 – Key Financial Highlights

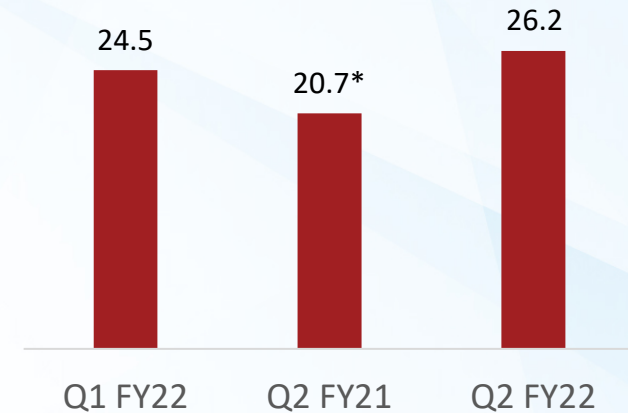
**Revenue from Operations
(Rs. crore)**



**EBITDA
(Rs. crore)**



**PAT
(Rs. crore)**



Shift % (Y-o-Y)	123.93%	46.17%	26.57%
Shift % (Q-o-Q)	66.38%	18.60%	6.93%

Margins (%)	16.1%	17.5%	11.4%	10.6%	12.1%	6.8%
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Note: 1) All figures, unless mentioned otherwise, are on consolidated basis 2) *Q2 FY21 PAT figure includes a gain of Rs. 2.3 crore on account of fair valuation of previously held equity interest in a joint venture in accordance with applicable accounting standards. Excluding this figure, the normalised PAT stood at Rs 18.4 crore in Q2 FY21

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 have reported a healthy topline performance led by increased client engagements across our businesses. Our HPPC business has delivered robust growth in volumes on the back of higher FMCG, antiviral & hygiene portfolio sales. In our TSC and AHN businesses, we saw enhanced volume-offtake. Further, steady growth in the export markets aided sales in the TSC division. On a standalone level, we registered an exceptional organic topline growth of 95% YoY owing to strong client wins witnessed during the quarter. We anticipate the growth rates to normalise in the upcoming quarters.

We are also happy to share that our recent acquisitions of Unitop and Tristar have now been consolidated with effect from their respective acquisition dates. It is encouraging to note how our teams executed the integration in an efficient manner and well within our internal targeted schedule.

In our industry, we continue to witness pricing and availability issues across raw materials. While this impacted our margins performance during the quarter, our earnings per volume ratio remained at healthy levels as we are undertaking price hikes to cover absolute raw material price inflation. This, going forward, should enable us to deliver healthy growth in total operating profits on the back of strong volumes.

On the organisational front, we continue to add talent to the senior management team and key roles to strengthen the foundation of our Company. We are happy to share that the Board has appointed Mr. Debashish Vanikar as the CEO – New Businesses and Mr. Ketan Sablok as the Group CFO of the Company. We are confident that they will add tremendous value to our Company, and we welcome them to our Rossari family.

Overall, we have registered a steady performance despite a challenging external environment. From a demand perspective, we are witnessing a strong recovery in consumption patterns, which should support volumes, going forward. While inflationary concerns may continue to persist for a few more months, we remain excited about the longer-term structural trends playing out in the Specialty Chemicals space in India. We believe Rossari, with its strong business model and a platform based on application development and formulations, is well-positioned to tap the upcoming growth opportunities”

Successfully integrated recently acquired companies - Unitop and Tristar

- In June & July 2021, the Board of Directors of Rossari approved the acquisition of Unitop Chemicals and Tristar Intermediates, respectively
- Rossari has successfully integrated the operations of these two companies and accordingly its Q2 FY2022 results include consolidation of Unitop (w.e.f August 26, 2021) and Tristar (w.e.f September 1, 2021)
- During the period under review, Unitop and Tristar delivered encouraging performance on the back of increasing demand and volume off-take in the markets, which positively impacted performance for Rossari

Integration of Romakk Chemicals progressing as per internal schedule

- The strategic acquisition of Romakk will significantly strengthen Rossari's presence in Home and Personal Care segment in the future
- The focus is on integrating Romakk Chemicals in the upcoming quarters

The Board of Directors appoint Mr. Debashish Vanikar as Chief Executive Officer (CEO) - New Businesses

- Mr. Debashish Vanikar has been appointed as CEO - New Businesses with effect from November 19, 2021
- Mr. Vanikar has over 21 years of rich experience in Strategy, Integration & Brand Transition, Sales, Product Management, P&L Management across companies of repute. He holds a Master's degree of Business Administration in Marketing & Strategy from the University of California
- He has been previously associated, amongst others, with Pidilite Industries Ltd, Ultra Tech Cement Ltd, CLAAS, Aditya Birla Retail Ltd, Aditya Birla Management Corporation Pvt Ltd, Asian Paints Ltd and Procter & Gamble
- In this newly appointed role, Mr. Vanikar, with his vast expertise, will steer growth, especially in the new lines of businesses of Rossari

The Board of Directors appoint Mr. Ketan Sablok as Group - Chief Financial Officer (CFO) of the Company

- Mr. Ketan Sablok has been appointed as Group CFO with effect from November 8, 2021. He has a rich experience in Strategic Finance functions, Taxation, Treasury, Investor Relations and Accounts. Mr. Sablok has contributed enormously in the process of acquisitions, capital expansion projects, disinvestments, forging partnership and implementing a robust budgeting system. He is a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost & Management Accountants of India
- Mr. Sablok has been previously associated, amongst others, with Navin Fluorine International Ltd as CFO and at Shaw Wallace & Co. Ltd.
- In his new role, Mr. Sablok, will drive finance and strategic initiatives of the Rossari Group

Abridged P&L Statement - Consolidated

Particulars (Rs. crore)	Q2 FY22	Q2 FY21	Y-o-Y Change (%)	H1 FY22	H1 FY21	Y-o-Y Change (%)
Revenues from Operations	384.5	171.7	123.9%	615.6	281.1	119.0%
Total Expenditure						
• COGS	299.2	108.1	176.8%	459.1	171.8	167.2%
• Employee benefits expense	14.0	12.2	14.8%	25.5	19.5	30.8%
• Other expenses	27.3	21.4	27.6%	50.0	36.0	38.9%
EBITDA	44.0	30.1	46.2%	81.1	54.2	50.7%
EBITDA Margin (%)	11.4%	17.5%	-607 bps	13.2%	19.1%	-590 bps
Other Income	3.9	3.9	0%	7.0	5.6	25.0%
Finance Costs	1.9	0.7	171.4%	2.6	1.8	44.4%
Depreciation and Amortization	10.2	5.6	82.1%	16.5	9.4	75.5%
PBT	35.8	27.8	28.8%	69.0	48.1	43.5%
Share of profit /(loss) of joint venture	0.06	0.02	200.0%	0.06	0.4	-85.0%
Tax expense	9.6	7.1	35.2%	18.3	12.3	48.8%
PAT	26.2	20.7	26.6%	50.8	36.2	40.3%
PAT Margin (%)	6.8%	12.1%	-528 bps	8.25%	12.9%	-465 bps
EPS Diluted (Rs.)	4.74*	4.02*	17.9%	9.23*	7.02*	31.5%

* Not annualized

Consolidated Balance Sheet

EQUITY AND LIABILITIES	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. crore)	As on 30 th Sept 2021 (Un-Audited)	As on 31 st March 2021 (Audited)
EQUITY		
Equity Share Capital	11.0	10.4
Other Equity	746.4	398.4
Equity Attributable to Owners	757.4	408.8
Non Controlling Interest	-	-
TOTAL EQUITY	757.4	408.8
LIABILITIES		
NON-CURRENT LIABILITIES		
Financial Liabilities		
(i) Borrowings	-	-
(ii) Other Financial Liabilities	86.6	-
Provisions	3.4	1.1
Deferred Tax Liability (Net)	69.9	1.3
Other Non Current Liabilities		
TOTAL NON CURRENT LIABILITIES	159.9	2.4
CURRENT LIABILITIES		
Financial Liabilities		
(i) Borrowings	-	-
(ii) Trade Payables		
a) total outstanding dues of Micro Enterprises and Small Enterprises	12.7	15.1
b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	229.6	116.0
(iii) Other Financial Liabilities	91.2	10.5
Other Current Liabilities	10.8	6.9
Provisions	1.3	0.8
Current Tax Liabilities (Net)	8.6	0.8
TOTAL CURRENT LIABILITIES	357.7	150.1
TOTAL EQUITY AND LIABILITIES	1,275	561.3

ASSETS	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. crore)	As on 30 th Sept 2021 (Un-Audited)	As on 31 st March 2021 (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, Plant and Equipment	260.7	160.9
Right of Use Assets	66.2	6.9
Capital Work-in-Progress	26.7	0.3
Goodwill	79.3	2.6
Other Intangible Assets	206.6	10.8
Financial Assets		
(i) Investments	2.3	-
(ii) Other Financial Assets	3.8	20.5
Income Tax Assets (Net)	5.2	2.4
Deferred Tax Assets (Net)	0.2	0.3
Other Non-current Assets	6.6	1.8
TOTAL NON- CURRENT ASSETS	657.6	206.5
CURRENT ASSETS		
Inventories	162.9	95.4
Financial Assets		
(i) Investments	3.4	-
(ii) Trade Receivables	357.3	144.1
(iii) Cash and Cash Equivalents	20.4	15.2
(iv) Bank Balances other than cash and cash equivalent	18.1	73.1
(v) Loans	1.3	1.1
(v) Other Financial Assets	2.2	1.7
Current Tax Assets (Net)	-	-
Other Current Assets	51.8	24.2
TOTAL CURRENT ASSETS	617.4	354.8
TOTAL ASSETS	1,275	561.3

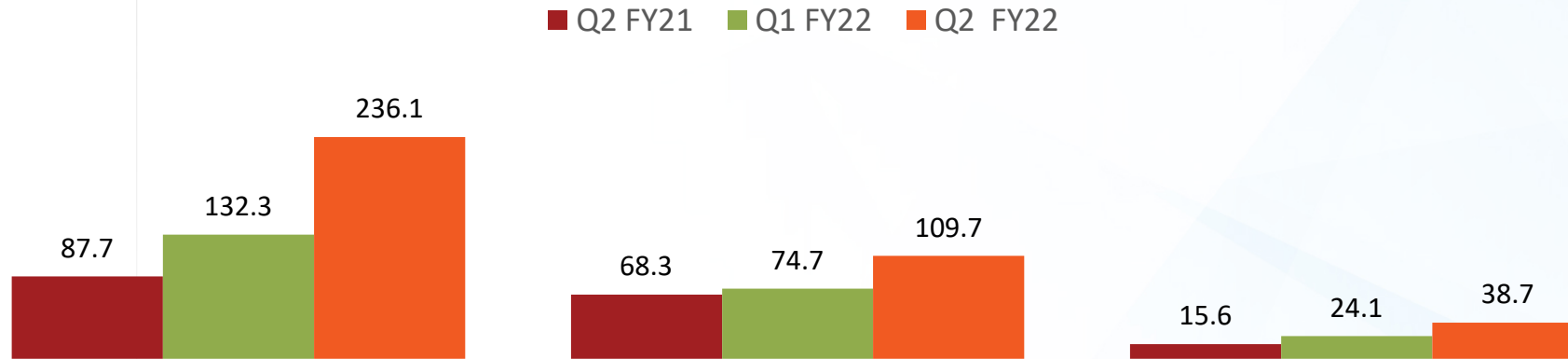
Consolidated Cash Flows

CASH FLOW	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. crore)	As on 30th Sept 2021 (Un-Audited)	As on 31st March 2021 (Audited)
A) Cash flows from operating activities		
Profit before tax	69.0	106.4
Adjustments for:		
Depreciation and amortization expenses	16.5	22.8
(Profit)/Loss on disposal of property, plant and equipment	(0.2)	(0.4)
Provision for expected credit loss	0.6	0.1
Provision/Write off of doubtful advances	-	-
Share-based payments expenses	0.8	1.6
Written down of Inventory to net realisable value	-	0.5
Finance Costs	2.6	3.0
Dividend Income	(0.007)	-
Interest Income	(3.1)	(4.3)
Fair value gain on acquisition of subsidiary	-	(2.3)
Net loss arising on financial assets measured at fair value through profit / loss	(0.04)	0
Net foreign exchange loss/(gain)	0	0
Operating profit before working capital changes	84.8	127.4
Changes in:		
Trade Receivables and other assets	(99.6)	(40.5)
Inventories	(20.7)	(32.0)
Trade Payables and other liabilities	42.2	24.2
Cash (used in) / generated from Operations	6.7	79.1
Income taxes paid (net of refunds)	(20.6)	(31.3)
Net Cashflow (used in) / generated from operating activities	13.9	47.8

CASH FLOW	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. crore)	As on 30th Sept 2021 (Un-Audited)	As on 31st March 2021 (Audited)
B) Cash flows from investing activities		
Net (Investment)/Proceeds on sale / redemption of Mutual Funds	9.6	13.7
Payments to acquire non current investment /-JV	-	-
Payments to acquire non current investment - subsidiary (net of cash acquired)	(347.5)	(4.3)
Dividend Received	0.007	-
Interest Received	4.0	3.5
Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets	(22.8)	(58.1)
Proceeds from sale of property, plant and equipment and intangible assets	2.8	2.2
(Increase)/Decrease in earmarked, bank balances and margin account (net)	80.1	5.8
Net cash generated from/(used in) investing activities	(273.8)	(37.2)
C) Cash flows from financing activities		
Proceeds from / repayment of short term borrowings (net)	(5.3)	(27.1)
Proceeds from long-term borrowings	-	-
Repayment of long-term borrowings	-	(34.0)
Repayment of loans from related parties	-	-
Interest paid	(0.8)	(3.9)
Proceeds from Issue of equity shares (net of share issue expenses)	301.4	42.7
Dividend paid on equity shares (including Dividend distribution tax)	(2.5)	(2.5)
Issue of Equity shares to minority shareholders	-	0.2
Net cash flow generated from / (used in) financing activities	292.9	(24.6)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	5.2	(14.0)
Opening Cash and cash equivalents	15.2	29.2
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.04	0
Closing Cash and cash equivalents	20.4	15.2

Q2 FY22 - Segment-wise Details

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



	HPPC	TSC	AHN
Shift (Y-o-Y) %	169.2%	60.6%	148.1%
Shift (Q-o-Q) %	78.4%	46.9%	60.6%

Key Highlights:

- HPPC, TSC and AHN business segments recorded robust growth, both on a Y-o-Y and on a Q-o-Q basis
- In the TSC business, the Company registered robust performance in the export markets
- On a standalone level, Rossari registered an exceptional organic growth of 95% YoY owing to strong client wins witnessed during the quarter. The Company anticipates these growth rates to normalise in the upcoming quarters

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

Q2 FY22 - Financial and Operational Discussions (Y-o-Y)

Net Revenues

Q2 FY22 Revenues from operations stood at Rs. 384.5 crore, higher by 124.1% YoY

- Robust growth witnessed across businesses
 - HPPC delivered strong sales supported by healthy traction in FMCG and antiviral & hygiene portfolio sales
 - TSC business reported a healthy recovery in sales and steady performance in the export markets
 - AHN business saw improved consumption during the quarter
- On a standalone level, Rossari registered an exceptional organic growth of 95% YoY owing to strong client wins. The Company anticipates these growth rates to normalise in the upcoming quarters
- Revenue contribution from the HPPC segment stood at 61.4%, followed by TSC and AHN at 28.5% and 10.1%, respectively in Q2 FY22

EBITDA

Q2 FY22 EBITDA at Rs. 44.0 crore, with EBITDA Margins at 11.43%

- The industry continues to witness availability issues in key raw materials, resulting in pricing pressures. While this impacted the Company's margins performance during the quarter, its earnings per volume ratio remained at healthy levels as Rossari is undertaking price hikes to cover absolute raw material price inflation

PAT

Q2 FY22 PAT stood at Rs. 26.2 crore, up 26.6% YoY

- Depreciation was slightly higher owing to capitalization of Dahej facility during the quarter. As the new facility starts contributing to performance, going forward, the Company expects additional charge to be absorbed efficiently

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



Annexure

Q2 & H1 FY22 Earnings Conference Call

Time

- 5:30 p.m. IST on Monday, November 1, 2021

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

International Toll-Free Number

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

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 strategically located manufacturing facilities 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:



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Thank you