



August 09, 2022

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 Press Release in respect of unaudited financial results for the quarter ended June 30, 2022

Further to the approval of unaudited financial results for the quarter ended June 30, 2020 by the Board of Directors of the Company at its meeting held today and submission of the same with the stock exchanges, we submit herewith press release in respect of financial results.

You are requested to take the above on record.

Thanking you,

Yours faithfully,

For S H Kelkar And Company Limited

Rohit Saraogi
Company Secretary & Compliance Officer



Encl: As above



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S H Kelkar and Company Limited

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

S H Kelkar announces Q1 FY2023 results

Q1 FY2023

Revenues from operations at Rs. 415.0 cr, higher by 17% YoY
Gross margins at 39%, despite inflationary pressures
Cash profit at Rs. 42.1 cr, higher by 23% YoY

Mumbai, August 9, 2022: 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, 2022.

Q1 FY2023 performance overview compared with Q1 FY2022

- Revenues from operations stood at Rs. 415.0 crore as against Rs. 355.5 crore, higher by 16.7%
- EBITDA stood at Rs. 55.1 crore as against Rs. 44.9 crore
 - EBITDA Margins at 13.4% as against 12.6%
- Reported PAT stood at Rs. 23.2 crore as against Rs. 81.4 crore
 - *Adjusted for one-offs, PAT stood at Rs. 22.3 crore as against Rs. 16.9 crore, higher by 32.1%
- Cash profit at Rs. 42.1 crore as against Rs. 34.1 crore, higher by 23.4% YoY

Note:

- SHK Q1 FY 23 results include consolidation of recently acquired entities in Q4 FY 22 - Holland Aromatics and NuTaste in SHK's performance
- *Q1 FY 22 PAT included a reversal of additional tax provision aggregating Rs 64.5 crore for A.Y 2016-17 to A.Y. 2020-21 consequent to Income Tax Appellate Tribunal (ITAT) order dated August 02, 2021
- *Q1 FY 23 PAT includes exceptional gain of Rs 1.22 crs 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 the fiscal year on a steady note, despite macro-challenges and an inflationary raw material environment. The demand environment and offtake across the emerging and European markets remained stable during the quarter. On a like-to-like basis, our revenues at constant currency grew by 7.5% YoY. In the quarter, we have successfully and efficiently integrated our recent acquisitions, namely Holland Aromatics and NuTaste Food and Drink Labs into our business model. Overall, on a consolidated basis, our sales stood at Rs. 411 crores.

On the profitability front, we have maintained our margins within a steady range despite the volatile RM environment. Calibrated price hikes in collaboration with our customers, proficient inventory management and initial easing of inflationary pressures supported margins during the quarter.

On the business front, I am pleased to share that our participation in the RFP by a large global FMCG MNC is progressing well. During the quarter, we signed an agreement making us one of the few Global Fragrance and Flavour companies to be among the MNC’s core supplier list. Currently, our team is already working on several briefs, and we remain optimistic on the significant multi-year business potential from this account. We expect business to build on from this calendar year itself.

From a demand standpoint, while we continue to witness steady offtake, the inflationary environment across our key markets continues to be dynamic. Accordingly, we remain cautious of this nonlinearity and the transitory impact it may have on our operations in the near term. Overall, from a longer-term perspective, increasing consumption trends of FMCG, fine fragrance, beauty & cosmetics, and packaged & QSR foods along with healthy demand environment augur well for SHK. As we look ahead, our growth plans, together with our strong client base and our participation in international RFPs, will drive solid and sustainable growth”

Key Developments:

Participation in Global RFP:

- SHK’s participation in a global RFP (Request for Proposal) is a major milestone in its long-term growth journey. The process is progressing as per internal targets
- In the quarter, SHK signed an agreement making it one of the few Global Fragrance and Flavour companies to be among the MNC’s core supplier list
- SHK is working on several briefs across various product categories and anticipates business from this account to build on from CY2022 onwards
- The Company is undertaking initiatives to strengthen its market position in the global F&F space and its recent participation will further broaden its global market presence, going forward



Reduction in debt in-sync with internal targets:

- The Company's net debt position stood at Rs. 469 crore as on June 30, 2022 as against Rs. 509 crore as on March 31, 2022
- The decrease in debt was primarily on account of healthy cash flow generation during the quarter. As indicated earlier, SHK anticipates a gradual reduction of net debt, going forward

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 in 96 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 17 molecules over the last five 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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