



July 13, 2021

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 Investor Presentation under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith updated Investor Presentation.

The same is being uploaded on the website of the Company.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

For **S H Kelkar and Company Limited**

Deepti Chandratre
Company Secretary and Compliance Officer

Encl: As above



S H Kelkar And Company Limited
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CIN No. L74999MH1955PLC009593



**S H KELKAR
AND COMPANY LIMITED**

INVESTOR PRESENTATION

July 2021

Disclaimer

Certain statements and opinions with respect to the anticipated future performance of 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 hereof.



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Scientific
Edge

We are Keval

A century of expertise in Fragrances,
Flavours & Aromatic Ingredients



Artistic
Imagination



We have a rich history, we blend heritage with modernity

We stand upon a storied past
with our eyes set firmly
towards the future



LEGACY

- Established 96 years back by SH Kelkar and VG Vaze
- Leading Fragrance & Flavour company in India exporting to 85 countries



MARKET LEADERSHIP

- One of the largest Indian F&F companies in revenues
- Largest domestic fragrance producer in India



STRONG MANAGEMENT

- Broad-based Infrastructure – Board consists of more than 50% of Independent Directors
- Professional management & leadership team



EXCELLENT INFRASTRUCTURE

- Global scale, state-of-the-art infrastructure
- Leading domestic provider of Fragrance & Flavour to FMCGs

At a Glance

96

Years of Market Conviction

9,700+

Products

4,100+

Customers

~850

Employees

9

Manufacturing Locations

5

Creation & Development Centers

49

R&D Team consisting of 20 Perfumers, 22 scientists and 7 Flavourists

CRISIL
AA-/Stable

Credit Rating on long-term bank facilities

`1,345 cr

Total Income – FY21

~8%

5-year Total Income CAGR (FY2017-21)

`193 cr

Cash profit FY21

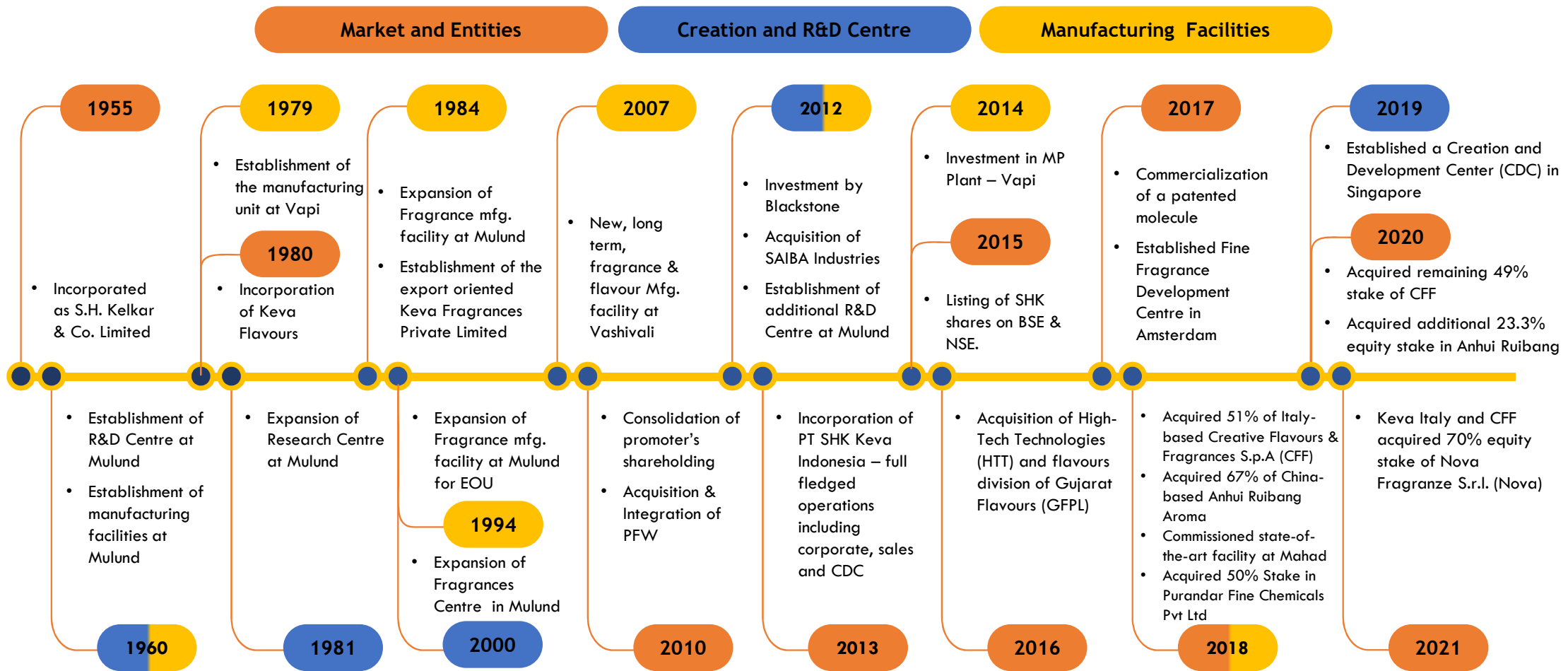
`195 cr

Cash from operations March 31, 2021



SHK - the largest Indian-origin Fragrance & Flavour Company in India

Key Milestones



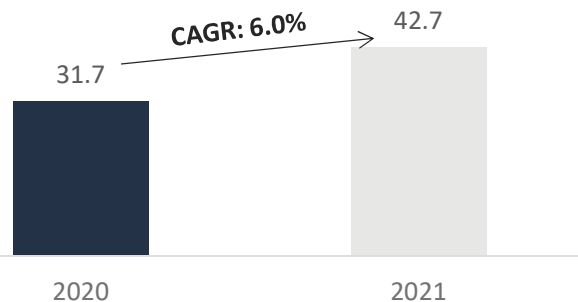


NICHE
INDUSTRY

Global F&F Market & Key Characteristics



Market Size (US\$ BN)



Concentrated market

- Consolidated Industry globally
- 10 players control 79% of market share
- Top 4 control 58% of the market in CY17

Increasing consolidation

- Large players continue to consolidate, for scale and differentiated product portfolio
- Top 10 companies in the industry together accounted for nearly 79% of the industry sales in 2017, as compared to 64% in 2000

FMCG & Innovation play

- FMCG companies greatly depend on the reliability, quality of service and the F&F company's technical know-how
- Typically, long term supply relationships with F&F partner

Emerging market focus

- Emerging markets continuing to grow with premiumization & broadening of product offerings
- Increasing disposable income in world's emerging markets



India's Favourable Dynamics Offer Huge Opportunities



GLOBALIZATION

Globalization to further enhance and influence customer preferences
To bring in new product concepts and ideas into Indian markets



URBANIZATION

Urbanization in India drives growth especially in the processed food industry
Urbanization has increased from 30.6% in 2009 to 34.5% in 2019



RISE OF MODERN RETAIL

Increasing number of shopping malls and complexes
Mall culture pick up in Tier 1 and Tier 2 cities across India



RISING YOUNG POPULATION

Population of 1.21 bn, growing 1.41% annually
Young population ~65% below 30 years age
Growing working population to be large consumer of FMCG products



LITERACY & LIFESTYLE

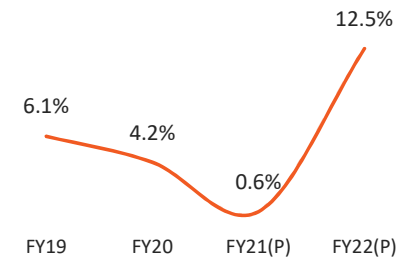
Increasing literacy levels impacting consumer awareness and knowledge
Demand shift for better quality, innovative F&F products
Greater demand for packaged and processed foods



RISING DISPOSABLE INCOMES

Rising disposable income, pivotal for F&F growth
India is witnessing continuous increase in disposable income

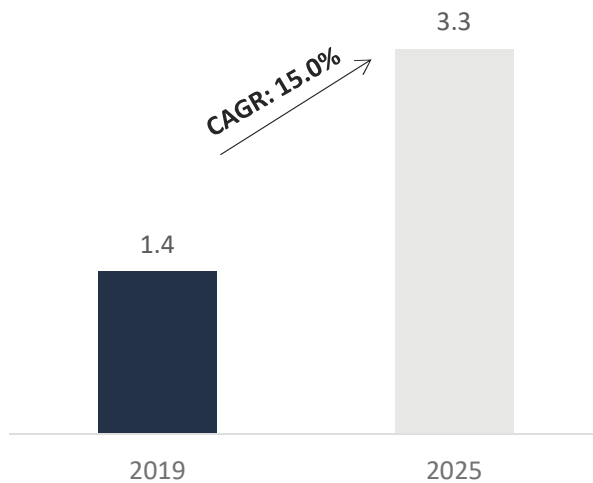
India – GDP Growth



Source: IMF World Economic Outlook – April 2021

Indian F&F Market To Outpace Global F&F Growth

Market Size (USD bn)



High growth in FMCG

- Directly correlated to FMCG growth

Premiumization in personal care

- Consumers are increasingly buying sophisticated premium personal care products

Growth in 'naturals' segment

- Major shift in consumer preferences from synthetic to natural fragrances

Increasing consumption

- All sub-segments within Fragrance and Flavours are witnessing healthy growth

Increase in private labels:

- Increasing acceptance of private labels in India, with most big brands expanding presence in developing economies
- Consumers are looking to experiment with newer fragrances and flavours

- The Indian market is dominated by large global fragrance and flavour houses which contribute more than 60% of the Indian production of blends
- SHK is the largest Indian player and closely competes with Global MNCs
- Numerous small firms mostly cater to the unorganized market



F&F INDUSTRY- STRONG ENTRY BARRIERS

High customer
acquisition
time

Established
relationships
with customers

Sustained
R&D efforts

Availability of
key Ingredients

Stringent
regulatory
compliance





**OUR
BUSINESS**



Diverse Customer Base Backed with Leading Brands

3,600+

+

500+ ↗

Fragrance customers

Flavours customers

Brands



- Over 4,100 customers including,
 - FMCG leaders, domestic companies, trade customers & global corporates
- Diversified and comprehensive portfolio resulting in low concentration on any particular product or customer
- Long term relationships with several customers spanning 15+ years

- Category Leader Brands in the portfolio - SHK, Keva and Cobra
- Branded small pack products “Cobra” sold to hundreds of traders and re-sellers across India



Long term relationships with diversified customers driven by a portfolio of customised products and strong brands

Our Business

Fragrance & Flavours product applications across domestic, local, multinational FMCG players, pharmaceutical manufacturers, dairy industry, beverages manufacturers, bakeries amongst others

Fragrance – Product Basket



Personal Wash
(Toilet Soap,
Shower Gel,
Hand Wash..)



Hair Care
(Shampoo, Hair Oil..)



Skin Care
(Creams, Lotions..)



Fabric Care
(Detergents,
Fabric Softeners)



Industrial /
Hygiene Products
(Air Care, Sanitizers,
Floor Cleaner,
Toilet Cleaner..)



Fine Fragrances
(Deodorants,
Eau De Perfumes..)

Flavour – Product Basket



Tea



Dairy Product



Pharma



Bakery
& Confectionary



Diversified and Comprehensive product portfolio

Keva's Winning Edge



Branded
small pack customer



Domestic
FMCG players



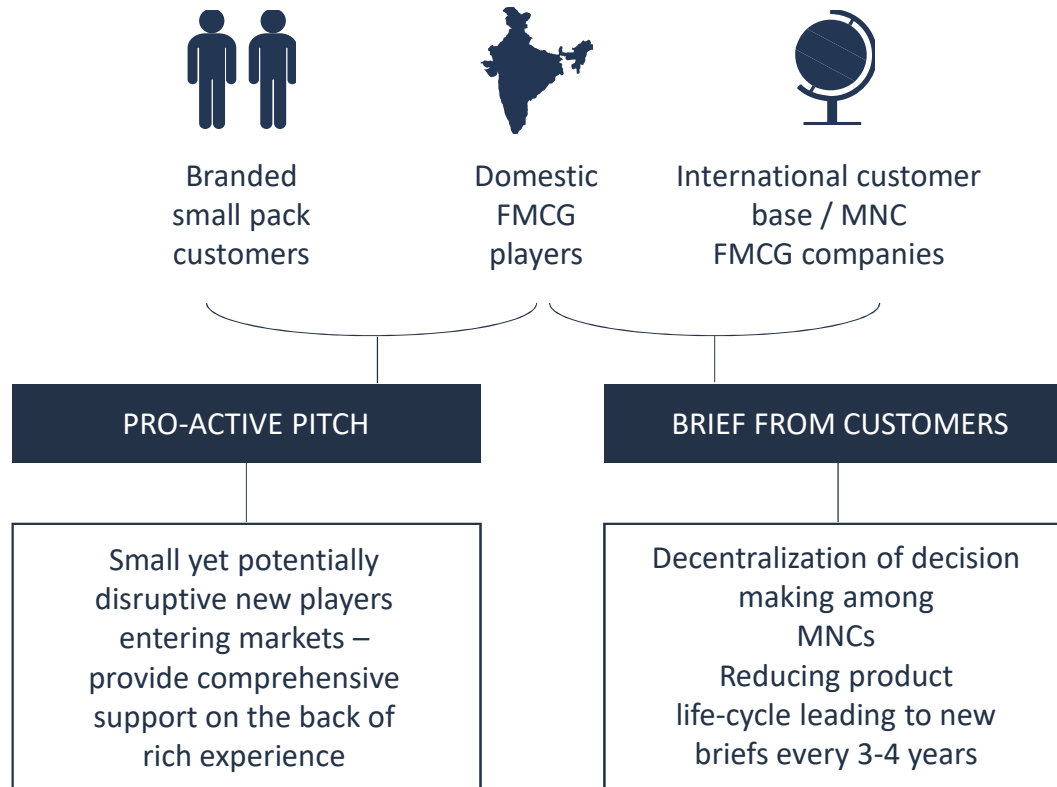
International customer
base / MNC
FMCG companies

Factors influencing Customer mindset

- Perceived as a consultant by upcoming entrepreneurs and SMEs
- Reliable partner to small-size entrepreneurs to service customized product needs
- Ability to address higher off-take requirements at a short notice
- Receptiveness and agility in servicing SMEs
- Strategic investments in inventory – hedge against significant volatility in supply & price of key raw materials
- Capability to design & develop products to tap local preferences through close-to-demand development centers



Client-brief / Pitch Process



Key to winning: consumer insight combined with local market understanding



Technical and Commercial requirement:

- Understanding of customer insight for sensory and technical perspective

New Product / Product Library / Market Research:

- Development based on the received brief
- Product innovation supported by strong market research
- Over 35,000 formulations form part of library

Regulatory compliance and counsel:

- In-line with global governing standards for F&F industry

Strong R&D Capabilities

- Focus on creative and consumer-centric research activities
- R&D centre in Mulund recognised by the Government of India's Department of Science and Industrial Research
- Only company of Indian origin to file patents in field of Fragrance and Novel Aroma Molecules



Creation & Development Centers

- Creation & Development centers (CDCs) – works in collaboration with customers, as an extended R&D arm
- Strong and dedicated team of perfumers, flavourists, evaluators and application executives

22
Scientists

5
Creation and Development
Centers in India, Singapore,
Amsterdam, Indonesia and Italy

20
Perfumers

7
Flavourists



Established
Fine Fragrance
Development Center
in Amsterdam

Established
Fine Fragrance
Development Center
in Singapore

- Strong base in Europe, along with CFF lab in Milan
- To track early development in trends and target new business opportunities coming up in the region
- To sharpen focus on certain categories and strengthen foothold in South East Asian markets

Strong Raw Material Sourcing Capabilities (1)

Strategic investments in inventory - hedge against significant volatility in supply & price of key raw materials

46%

International Suppliers

Raw material sourcing nations include Indonesia, Germany, Brazil, China and US

54%

Domestic Suppliers

262 Indian Suppliers
250 ingredients sourced from owned facilities

Library of Raw Materials:
1,500+

Established Long-term partnerships with key suppliers, some for over 20 years

Sourced ~ 35% of RM requirement from top 10 suppliers

~15-20% of total raw material requirements sourced from in-house facilities

Implemented SAP ERP for collaborative planning, forecasting and monitoring of replenishment system

4 broad categories
of key raw materials, where
in each category contributes
25-30% to RM mix



Crude oil-based



Turpentine-based



Citrus oil



Naturals

Strong Raw Material Sourcing Capabilities (2)

Counterbalancing Raw materials - ability to alternate between a set of raw materials

Overview of RM crisis (FY2018-FY2020)

Unprecedented RM crisis impacted the global F&F industry –
severe supply-side disruptions in the domestic and global market owing to:

- Fire in BASF's chemical plant (September 2017), resulted in force majeure in Citral & Isoprenol-based aroma ingredients
- Hurricane Irma in Florida (September 2017) adversely affected the availability of citrus oils and other raw materials
- Environmental clean-up drive in China (2018) led to the closure of several chemical plants
 - Fire in aroma chemicals facilities in India (April 2018) impacted local supplies

Keva effectively countered the 'Black Swan' eve

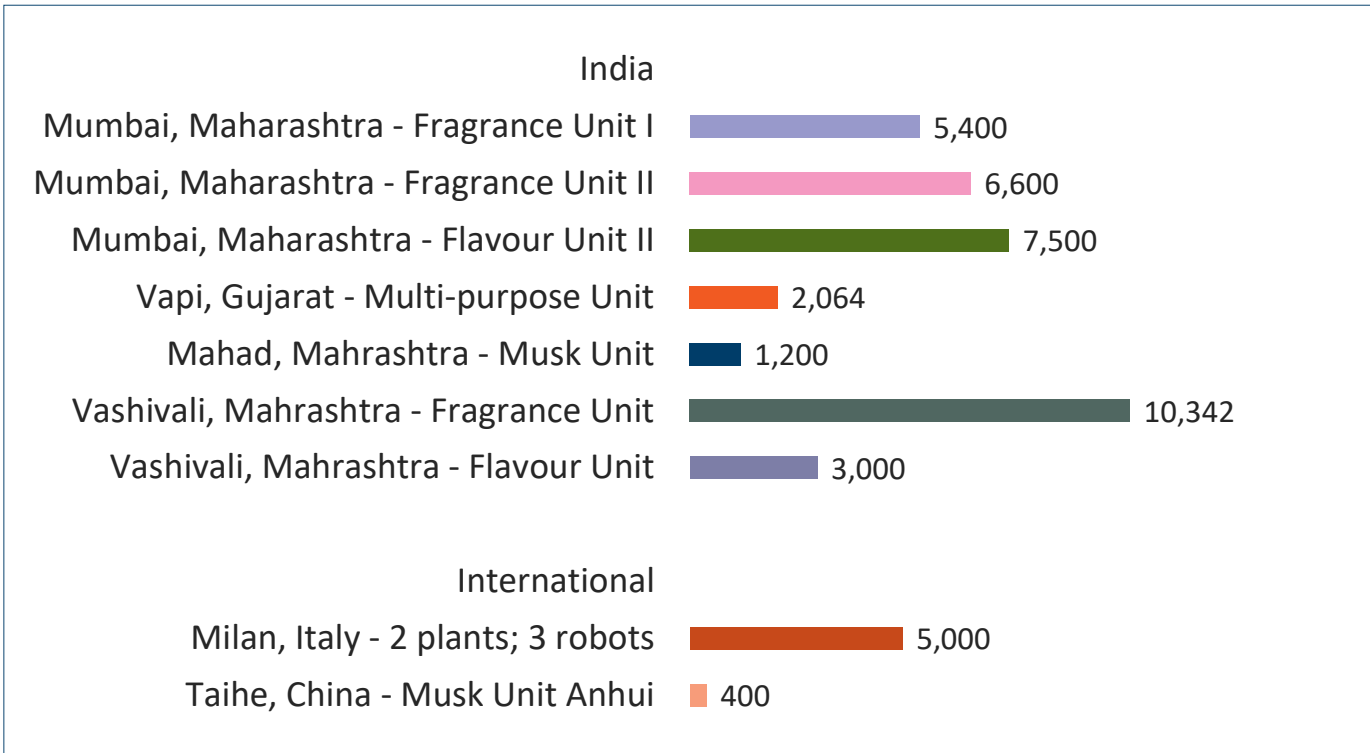
- Healthy inventory management strategy helped sustain supplies
 - Actively addressed demands of long-term customers
- Proactive price hikes and cost-optimisation measures minimized impact on gross margins
 - After a temporary dip in gross margins, the Company has stabilized its gross margins in the recent quarters

Maintained deliveries despite COVID-uncertainties

- Despite COVID-impact, Keva's prudent inventory management enabled it to cater to demand across customers without any impact on margin performance



Growth Ready Manufacturing Operations



- Operates 9 state-of-the-art manufacturing facilities in India and abroad
- Adequate production capacity in place to support sustainable growth, going ahead



Note: Production Capacity in TPA

Business Strategy



CONTINUE GROWTH IN MARKET SHARE

- Focus on retaining current domestic market leadership and enhancing market share across domestic and international markets
- Expand market presence by deepening distribution network and introducing new products



ENHANCE PRODUCT PORTFOLIO

- Launch of new product categories based on traditional knowledge and cutting-edge research
- Increasing traction in Naturals, Ayurvedic and Industrial segments
- CFF opened access in premium product markets of Europe and Asia



3I-3C STRATEGY

- Strong focus on the three key regions of South Asia (through India), South East Asia (through Indonesia) and Western Europe (through Italy)
- Significant opportunities across these markets for various product lines, particularly Air Care, Fabric Care and Fine Fragrances



SUPPLY CHAIN OPTIMIZATION

- Strengthening sales and operations planning by implementing new processes and tools
- Raw material management and efficient inventory management



LEVERAGING R&D CAPABILITIES

- Strategy to leverage R&D capabilities to develop and enhance product offerings and increase revenue and improve profit margins

Creating Value Through Inorganic Growth

Focus on accelerating growth through acquisitions – constantly evaluating value accretive opportunities across key geographies

Key attributes for acquisitions:

Rich intellectual capital, complementary strengths, to fortify customer relationships, and access to newer markets

Strategic approach to pursue tuck-in acquisitions to grow market share

Showcased significant operating leverage through recently executed acquisitions



Recent Acquisitions

- In April 2021, the Company acquired 70% equity stake of Nova Fragranze S.r.l. (Nova) through wholly-owned subsidiaries - Keva Italy and CFF
 - Enables SHK to improve addressable market in Italy and Europe, expand its product offerings and diversify into newer high-margin product segments
 - Focus on premium customers in hair care/ beauty segments
- In July 2020, SHK concluded 100% acquisition of Italy-based Creative Flavours & Fragrances S.p.A (CFF)
 - Enables Keva to expand presence into newer markets in Europe within the categories of fine fragrances, air care, and fabric care segments
 - Cross-selling solutions and sharing R&D & knowledge-base to create and launch innovative products in both countries

Strong Management Team

Management Team – Best-in-class experience

Mr. Kedar Ramesh Vaze
Whole time Director &
Group CEO

Mr. Anurag Yadava
CEO – Flavours

Mr. Shrikant Mate
EVP & Group CFO

Ms. Medha Tawde
Bhagat
VP – Fragrances
(India, Middle East
& Africa)

Dr. Avani Mainkar
Chief Scientific Officer

Ms. Anuradha Sansar
EVP –
Business Development

Mr. Amit Gulati
Chief Operating Officer

Mr. Burkhard Jurgens
Senior VP –
Flavours (SEA)

Kevala has placed significant importance on developing human resources through workshops and individual development plans



Board of Directors

Board of Directors			
Promoter Directors	Non-Executive Directors	Independent Directors	
Mr. Ramesh Vaze Non-Executive Chairman	Mr. Amit Dalmia Non-Executive Director	Mr. Jairaj Purandare Independent Director	Mr. Dalip Sehgal Independent Director
Mr. Kedar Vaze Whole time Director & Group CEO		Ms. Sangeeta Singh Independent Director	Mr. Mark Elliott Independent Director
Ms. Prabha Vaze Non-Executive Director		Mr. Shrikant Oka Independent Director	

Kedar Vaze, (educated from IIT and Stanford University) leading the organization as Group CEO and Master Perfumer, actively involved in Fragrance Creation, Molecular Chemistry, Research & Development together with highly experienced team of PhD Scientists, Researchers and Senior Perfumers.



FINANCIAL HIGHLIGHTS



Consolidated Summarized P&L Statement

Particulars (Rs. crore)	Q4 FY21	Q4 FY20	Y-o-Y Change (%)	FY21	FY20	Y-o-Y Change (%)
Revenue from Operations	396.5	269.8	47.0%	1,315.1	1,105.1	19.0%
Sales	376.0	269.8	39.4%	1,260.0	1,105.1	14.0%
Sales - Contract Manufacturing	20.5	-	-	55.1	-	-
Other Operating Income	0.5	1.4	-65.5%	6.8	9.2	-25.4%
Total Operating Income	397.0	271.2	46.4%	1,322.0	1,114.2	18.6%
Other Income	8.2	2.4	244.1%	23.5	7.8	199.7%
Foreign Exchange Gain on Export contracts	4.5	-0.8	-688.0%	10.0	1.8	446.0%
Other	3.7	3.2	16.0%	13.4	6.0	124.0%
Total Income	405.2	273.5	48.1%	1,345.4	1,122.1	19.9%
Total Expenditure	329.9	239.4	37.8%	1,086.1	956.1	13.6%
Raw Material expenses	229.5	150.9	52.1%	750.4	631.0	18.9%
Employee benefits expense	43.9	30.6	43.7%	150.0	137.7	9.0%
Other expenses	56.5	58.0	-2.6%	185.7	187.4	-0.9%
EBITDA	75.3	34.1	120.5%	259.4	166.0	56.2%
EBITDA margin (%)	18.6%	12.5%	+ 610 Bps	19.3%	14.8%	+ 448 Bps
Finance Costs	4.0	3.5	12.3%	17.1	24.7	-30.9%
Depreciation and Amortization	18.2	12.5	45.0%	61.5	51.5	19.4%
Profit before exceptional items and tax	53.2	18.1	194.0%	180.8	89.8	101.3%
Exceptional Items^	-	-	-	12.5	-36.5	-
PBT	53.2	18.1	194.0%	193.3	53.3	262.4%
Tax expense	13.0	6.1	115.3%	49.5	18.6	166.0%
PAT	40.1	12.0	233.5%	143.7	34.7	314.2%
PAT margin (%)	9.9%	4.4%	+ 551 Bps	10.7%	3.1%	+ 759 Bps
Cash Profit	58.3	24.6	137.3%	192.8	122.7	57.1%



Note: ^ FY21 PAT includes exceptional income of Rs. 12.5 crore on account of re-measurement of stake in CFF after it was recognised as a wholly owned subsidiary of SHK. The impairment of plants and machineries in Netherlands resulted in a one-time exceptional expense of Rs. 36.5 crore in FY20

Consolidated Balance Sheet

EQUITY AND LIABILITIES	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. Crore)	As at 31 st March 2021 (Audited)	As at 31 st March 2020 (Audited)
Equity		
Equity share capital	141.3	141.3
Other equity		
Retained earnings	557.3	441.9
Other Reserves	253.0	240.7
Equity attributable to owners of the Company	951.6	824.0
Non-Controlling Interest	3.0	10.6
Total equity	954.6	834.5
Non-current liabilities		
Financial liabilities		
Borrowings	331.6	54.4
Others	1.6	1.1
Provisions	0.6	0.8
Deferred Tax Liabilities (net)	36.2	23.6
Total non-current liabilities	370.0	79.9
Current liabilities		
Financial liabilities		
Borrowings	161.3	288.1
Trade payables		
-total outstanding dues of micro enterprises and small enterprises	10.0	7.8
-total outstanding dues of creditors other than micro enterprises and small enterprises	237.3	165.3
Other financial liabilities	52.9	53.0
Other current liabilities	31.4	14.3
Provisions	13.4	10.8
Current tax liabilities (net)	67.3	36.1
Total current liabilities	573.5	575.5
Total Liabilities	943.5	655.4
TOTAL - EQUITY AND LIABILITIES	1,898.1	1,489.9

ASSETS	CONSOLIDATED	CONSOLIDATED
Particulars (Rs. Crore)	As at 31 st March 2021 (Audited)	As at 31 st March 2020 (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	333.2	327.1
Capital work-in-progress	7.9	2.8
Right of use asset	50.1	46.1
Investment Property	12.9	13.4
Goodwill on Consolidation	204.4	40.2
Other Intangible assets	140.8	45.6
Intangible Assets under Development	20.0	15.0
Equity Accounted Investee	1.3	97.0
Financial Assets		
Investment	0.0	0.0
Loans	6.2	3.0
Others	1.4	2.3
Deferred tax assets (net)	24.1	32.6
Other tax assets (net)	36.6	40.0
Other non-current assets	15.8	16.5
Total non current assets	854.5	681.7
Current Assets		
Inventories	429.4	337.0
Financial Assets		
Trade receivables	374.5	317.4
Cash and cash equivalents	136.5	62.6
Other bank balances	2.6	3.0
Loans	8.3	6.6
Others	3.0	2.3
Other current assets	61.2	51.9
Total current assets	1,015.6	780.7
Assets Held for Sale	28.0	27.5
TOTAL – ASSETS	1,898.1	1,489.9

Key Developments

Acquisition of Nova Fragranze S.r.l. (Nova)

- SH Kelkar's wholly-owned subsidiaries - Keva Italy and CFF - entered into an agreement for acquisition of 70% equity stake of Nova
 - The acquisition has been completed and is effective from April 01, 2021
- Incorporated in the year 1992, Nova is an Italy-based company specializing in fragrance development and marketing with focus on premium customers in the high-end product segments of hair care and beauty care
 - In the year 2020, Nova's revenues stood at EUR 2.4 million, with a solid gross margin profile of 60%+. In addition, the Company operates an asset-light business model with a healthy balance sheet profile.
- The consideration to be paid for the acquisition of 70% stake is EUR 1.52 million (~Rs. 13.4 crore)
 - The Company proposes to fund the investment through internal accruals and no additional debt is envisaged to be taken on
- This value-accretive and synergistic acquisition is in-sync with SHK's growth strategy to expand its addressable market in Italy and Europe, expand its product offerings and diversify into newer high-margin product segments



Key Developments

Exclusive distributor for Isobionics Santalol in India

- SH Kelkar has become the exclusive distributor for Isobionics Santalol in India
- The new fragrance ingredient is the first joint product from BASF and Isobionics and is now available for the Indian market through SHK
- The new fragrance ingredient is an alternative to sandalwood oil and is produced on a biotechnological basis from renewable raw materials

Announces dividend of Re. 0.75 /- per share

- At its meeting held today, the Board of Directors recommended a dividend of Re. 0.75 /- per share. This is in addition to an interim dividend of Re. 1 per share announced in November 2020
- For the full year FY2021, the overall dividend is at Rs. 1.75 per share. This keeps in view the Board's philosophy of conservative cash management and its focus on preserving liquidity in the Company, given the unprecedented operating environment



Financial and Operational Discussions (Y-o-Y)

Q4 FY21 Revenues from operations stood at Rs. 396.5 crore, higher by 47.0% Y-o-Y; FY21 Revenues from operations up 19.0% Y-o-Y to Rs. 1,315.1 crore

- During the quarter, the Company witnessed normalization in demand and enquiries in domestic and international markets. In addition, CFF delivered strong performance driven by robust volume off-take in the European markets
 - In Q4 FY21 and FY21, core domestic Fragrance business grew by 26.1% and 5.0%, respectively
- On a like-to-like basis, revenues were higher by 22% and 3% in Q4 FY21 and FY21, respectively.

Q4 FY21 EBITDA stood at Rs. 75.3 crore, EBITDA margins at 18.6%; FY21 EBITDA stood at Rs. 259.4 crore, higher by 56.2%. EBITDA margins at 19.3%

- Prudent inventory management along with better product mix enabled the Company to maintain profitability margins within healthy levels despite global supply chain and raw material inflation issues
- EBITDA margins improved on account of higher operating leverage and sustainable cost-optimisation measures

Q4 FY21 PAT stood at Rs. 40.1 crore, higher by 233.5%; PAT during FY21 at Rs. 143.7 crore

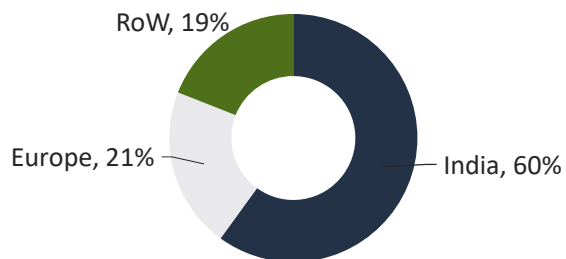
- Excluding exceptional gain and loss in FY21 and FY20, respectively, PAT in FY21 stood at Rs. 131.2 crore as against Rs. 71.2 crore, higher by 84.4% Y-o-Y



Fragrance Division

Particulars (Rs. crore)	Q4 FY21	Q4 FY20	Y-o-Y (%)	FY21	FY20	Y-o-Y (%)
Revenues from Operations	363.5	240.1	51.4%	1,203.3	998.1	20.6%
EBIT	65.6	24.7	165.6%	196.4	119.1	64.8%
EBIT Margins (%)	18.0%	10.3%	+775 Bps	16.3%	11.9%	+438 Bps

Region-wise Revenue Break-up –FY21



Revenue Y-o-Y Growth (%)	Q4FY21	FY21
India	26.1%	5.0%
Europe	338.1%	198.7%
Rest of the World (RoW)	24.9%	-0.4%
Total Growth	51.4%	20.6%



Note: Figures in Rs. crore unless specified otherwise

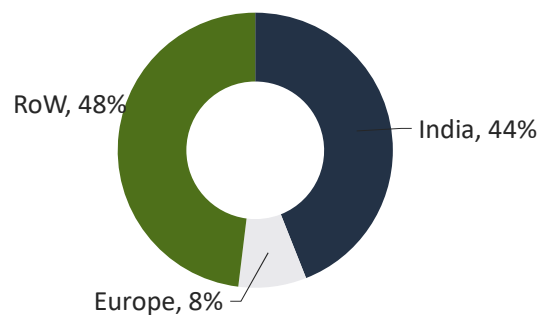
- The Company saw improved wins from existing and new large and mid-sized FMCG customers in the domestic markets
- In addition, normalisation in demand across domestic and international markets assisted growth
- Higher operating leverage resulted in improved profitability performance during the quarter on a Y-o-Y basis



Flavour Division

Particulars (Rs. crore)	Q4 FY21	Q4 FY20	Y-o-Y (%)	FY21	FY20	Y-o-Y (%)
Revenues from Operations	33.0	29.7	11.2%	111.8	107.0	4.5%
EBIT	3.5	4.3	-18.8%	22.5	15.0	49.6%
<i>EBIT Margins (%)</i>	10.6%	14.5%	-391 Bps	20.1%	14.0%	+606 Bps

Region-wise Revenue Break-up – FY21



Revenue Y-o-Y Growth (%)	Q4FY21	FY21
India	46.7%	7.0%
Europe	83.3%	319.0%
Rest of the World (RoW)	-16.4%	-8.6%
Total Growth	11.2%	4.5%



Note: Figures in Rs. crore unless specified otherwise

- The segment witnessed steady offtake in domestic and European markets during the quarter
- Margins during the year remained at healthy levels
 - While margins during the quarter were impacted, the Company anticipates Q-o-Q improvement, going forward



CFF Performance

CFF – Abridged P&L Statement		
Particulars	Quarter ending March 31, 2021	as a % of Sales
Sales – Core Fragrance	47.0	
Sales – Contract Manufacturing	20.5	
Gross Profit – Core Fragrance	24.5	52.1%
Gross Profit – Contract Manufacturing	2.1	10.3%
EBITDA	12.3	18.1%
PBT	4.9	7.3%
PAT	3.6	5.3%
Cash Profit	10.9	16.2%

CFF B/S			
Particulars	Mar-21	Particulars	Mar-21
Networth	33	Net Fixed Assets	65
Gross Debt	71	Net Working Capital	8
Cash and Bank	(31)	Capital Employed	73
Net Debt	40		
Total Liabilities	73	Total Assets	73



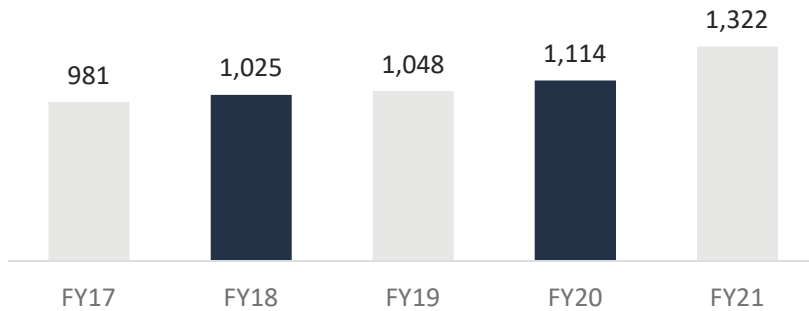
Note: Figures in Rs. crore unless specified otherwise

- CFF delivered a robust performance on the back of increasing demand and volume off-take in the Italian and other European markets
- The Company continues to witness steady improvement in demand and consumption in the European markets

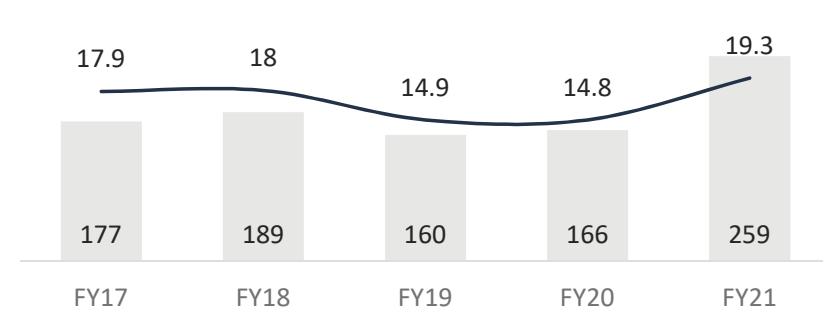


Robust Historical Financial Trend

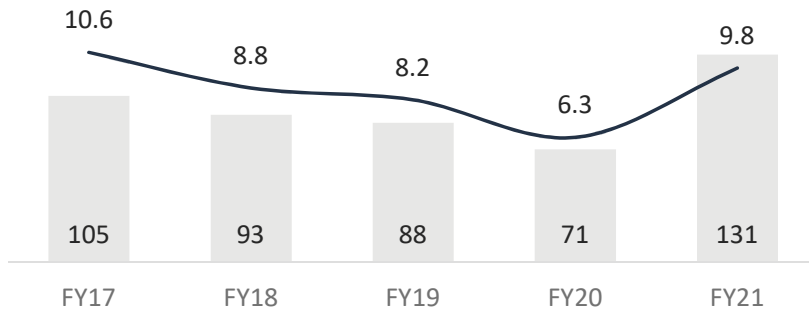
Total Operating Income



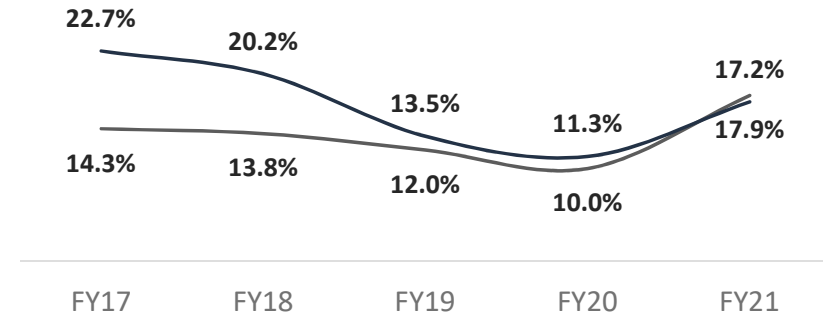
EBITDA — Margin (%)



PAT — Margin (%)



—RONW —ROCE



Note: Rs. Crore; All figures till FY15 as per IGAAP
 EBITDA adjusted for one-time expense in FY18
 EBITDA Includes Other Income
 PAT adjusted for one-time exceptional loss and gain in FY20 and FY21, respectively

Note: Return on Capital Employed is calculated as [EBIT/(Net Debt + Net Worth)]



Balance Sheet Snapshot – As on March 31, 2021



Note:

- 1) *The Company's net debt position includes consolidation of CFF debt and payment of the second and final tranche of the CFF acquisition of ~Rs. 141 crore
- 2) All Figures in Rs. crore

Cash Flow Snapshot

Particulars (Rs. crore)	FY17	FY18	FY19	FY20	FY21
Net Cash flows from operating activities	102	103	77	205	195
Net Cash flow from investing activities	-96	-221	-137	-40	-149
Net	6	-117	-60	165	46

Note: Cash and cash equivalent includes investments in mutual fund

- Low capital intensive business – cash flow generation remains a key strength of SHK’s business model
- Investments are primarily towards in-organic and other cost saving opportunities – benefits to reflect in cash flows

Key Financial Ratios

Particulars (Rs. crore)	FY17	FY18	FY19	FY20	FY21
EBITDA margin (%)	17.9	18.0	14.9	14.8	19.3
PAT Margin (%)	10.6	8.8	8.2	6.3	9.8
Debt to Equity	0.1	0.2	0.4	0.4	0.4
Return on Networth (%)	14.3	13.8	12.0	10.0	17.9
Return on Capital Employed (%)	22.7	20.2	13.5	11.3	17.2

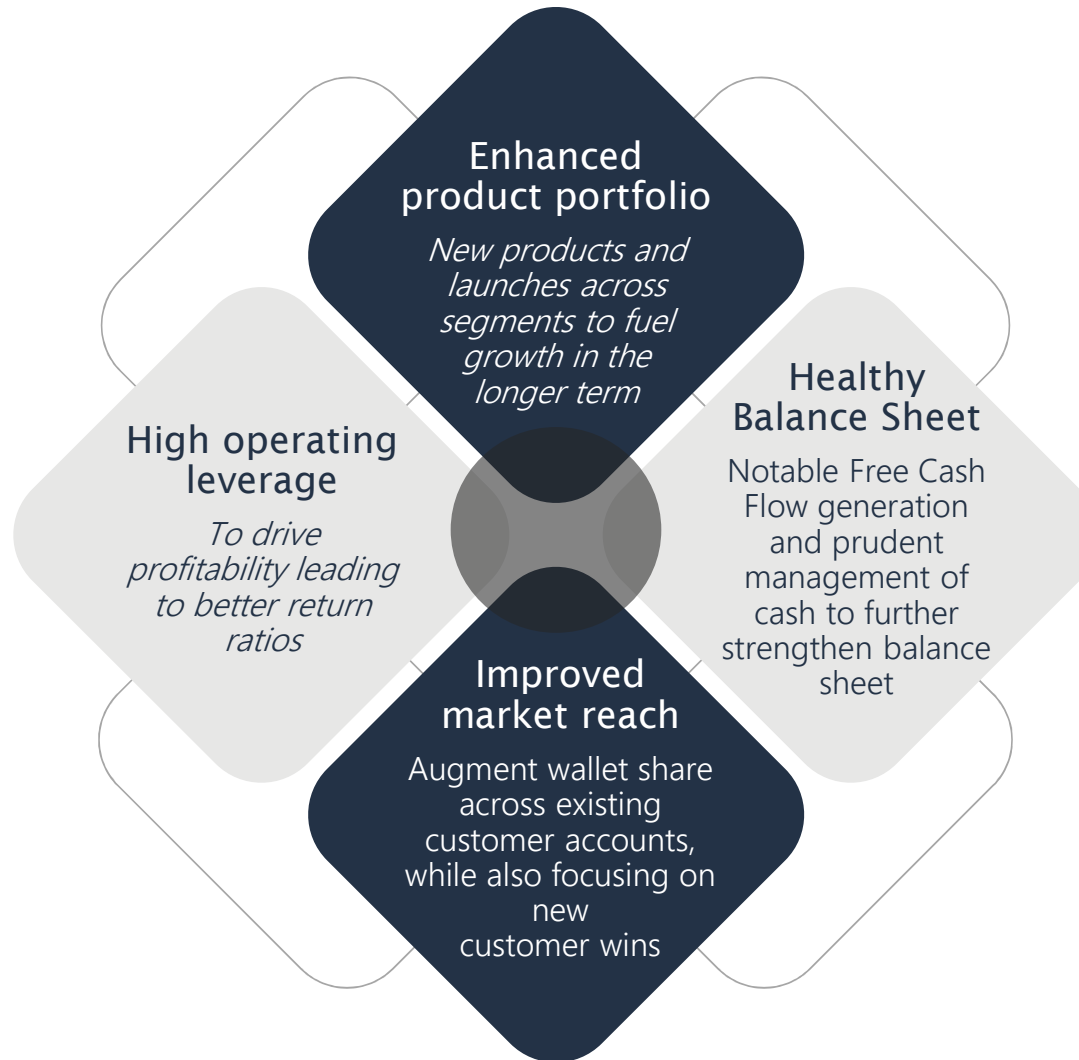
Note:

1. Return on Networth is calculated as: PAT/ Average Networth
2. Return on Capital Employed is calculated as: EBIT/ Average Capital Employed
3. EBITDA adjusted for one-time expense in FY19
4. Impairment of plants and machineries in Netherlands resulted in a one-time exceptional expense of Rs. 36.5 crore in FY20, most of which is a non-cash impairment charge. This, impacted PAT and RoNW in FY20
5. PAT adjusted for one-time exceptional loss and gain in FY20 and FY21, respectively

KEY HIGHLIGHTS



Growth Levers



Summary

ESTABLISHED
MARKET
LEADERSHIP



FAVORABLE
INDUSTRY
DYNAMICS



STRONG ENTRY
BARRIERS



GROWTH READY



EXPERIENCED
PROMOTERS
AND
MANAGEMENT



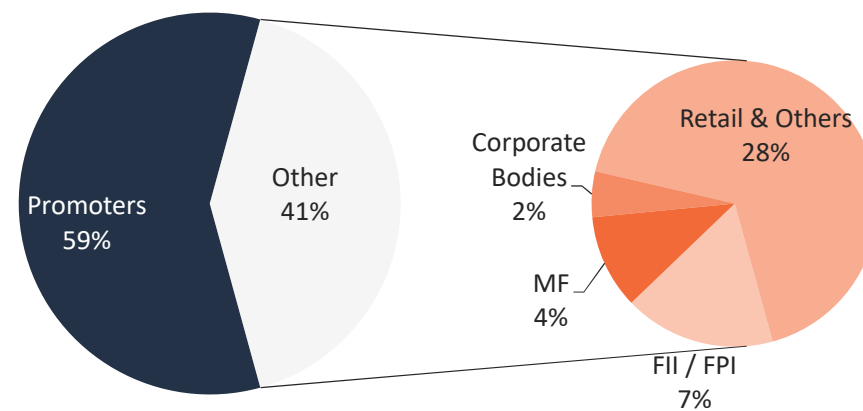


ANNEXURE

Key Market Statistics

Key Market Statistics	As on June 10, 2021
BSE/NSE Ticker	539450 / SHK
CMP (Rs.)	156.9
Market Cap (Rs. Crore)	2,217.3
Number of outstanding shares (Crore)	14.13
Face Value	10.00
52-week High / Low (Rs.)	162.0 / 63.3

Break-up of Floating Stock (%)

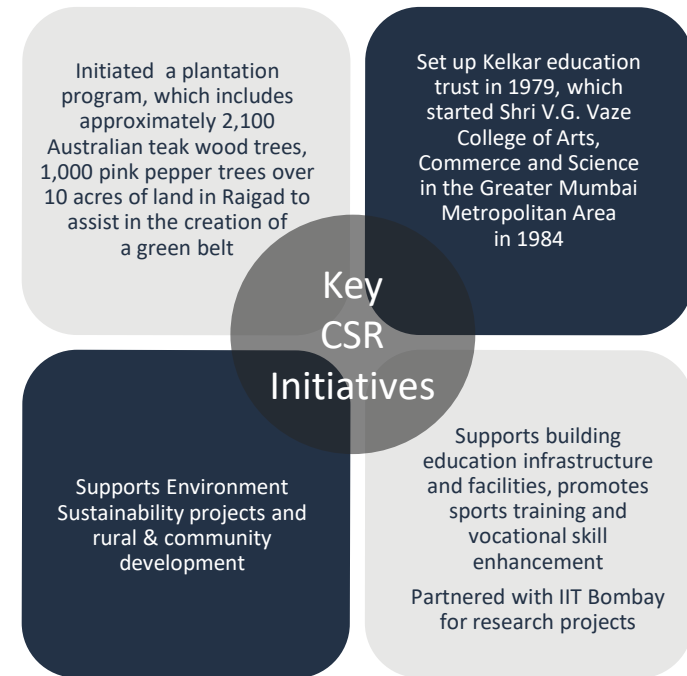


As on Mar 31, 2021



Corporate Social Responsibility

- Recognizes its role and responsibility to deliver superior and sustainable value to customers, business partners, employees and communities
- Keva has been contributing for the cause of economically, socially and physically challenged groups to support their sustainable livelihood



Key CSR initiatives during COVID-19 Pandemic:

- Partnered with Magic Bus Foundation in its livelihood enhancement Urban Rapid Recovery Program
- Supported B.K.L. Walawalkar Hospital & Rural Medical College by providing equipments & consumables required for COVID-19 testing
- Contributed to formation of Dedicated Covid Health Centre to take care of industrial employees as well as society in Mahad, Maharashtra
- Provided PPE Kits & 3 ply masks to Municipal Corporate of Greater Mumbai
- Partnered with Roti Bank Foundation to provide meals to underprivileged people & daily wage workers

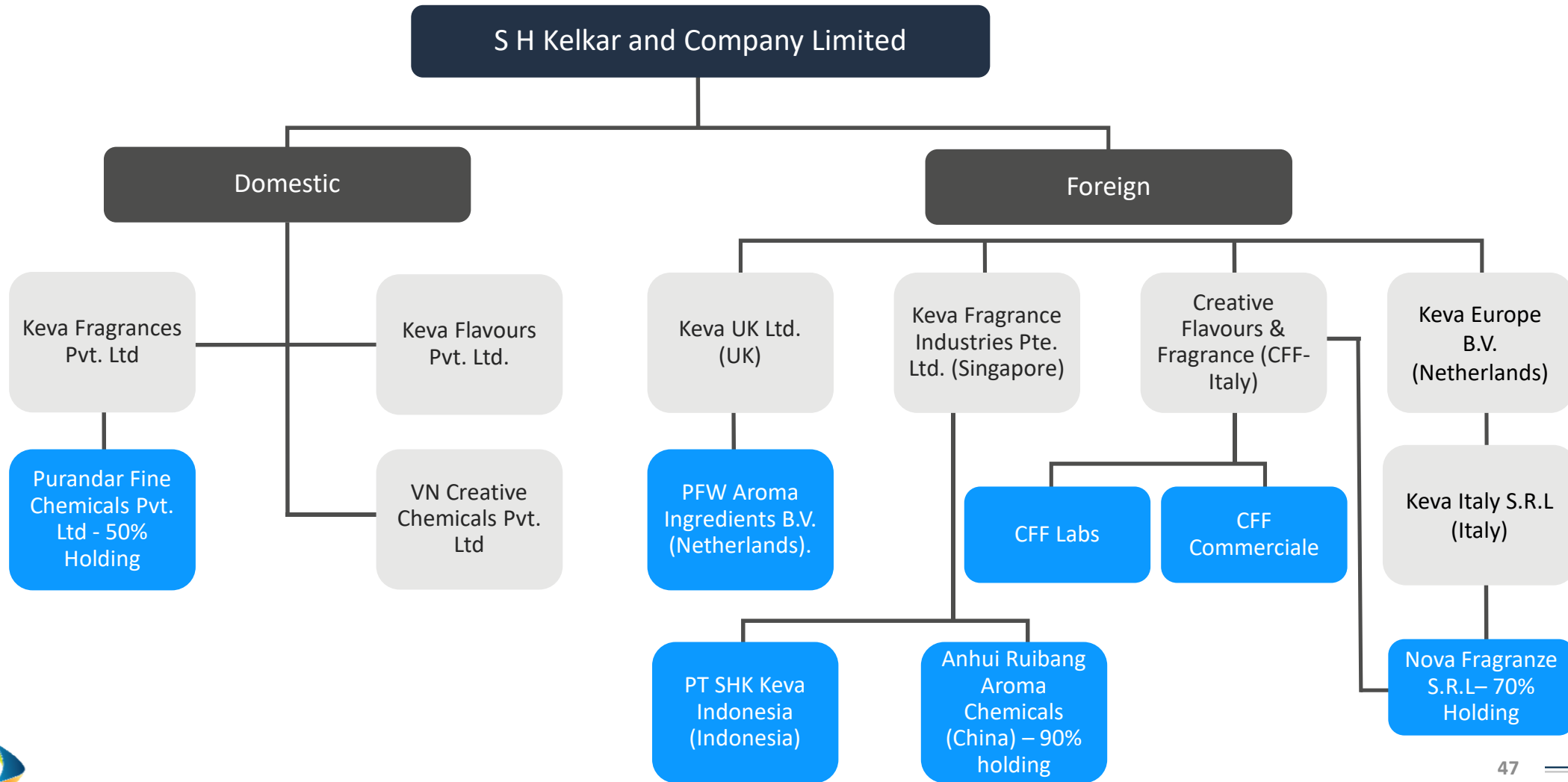
Environment & Sustainability



Various Environmental initiatives undertaken by SHK:

- Rainwater Harvesting system at Vashivali Unit led to 50% reduction in raw water consumption
- Improvement in boiler oil pre-heating system saved 5.5 ton FO per annum
- Installation of foodie machines at Mulund and Vashivali Units convert waste food into manure
- Installation of Reverse Osmosis Plant and Multi Effect Evaporator
- Production of recycled paper at Vashivali Unit from plant wastes and use of the same within the organization
- Participation of employees in Environment, Health & Safety trainings organised by National Safety Council

Keva Group



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 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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Thank you

