

May 15, 2021

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| 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 |
|---|--|

Dear Sir/Madam,

Subject: Q4 & FY21 Earnings Presentation

Please find enclosed a copy of the Earnings Presentation for the quarter and financial year ended March 31, 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
E info@rossarimail.com W www.rossari.com CIN: L24100MH2009PLC194818



Rossari Biotech Limited

Q4 & FY21
Results Presentation

May 14, 2021



Disclaimer

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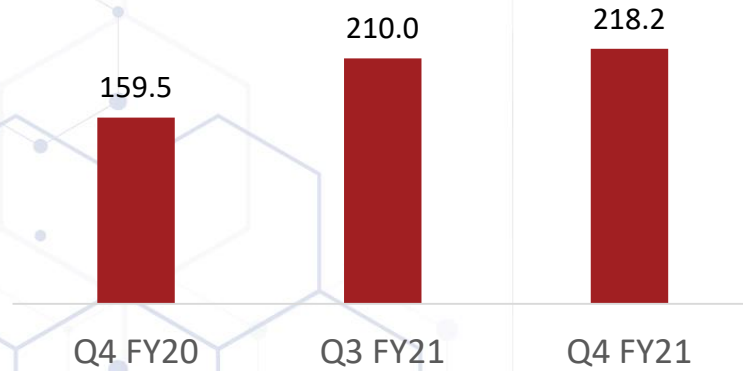




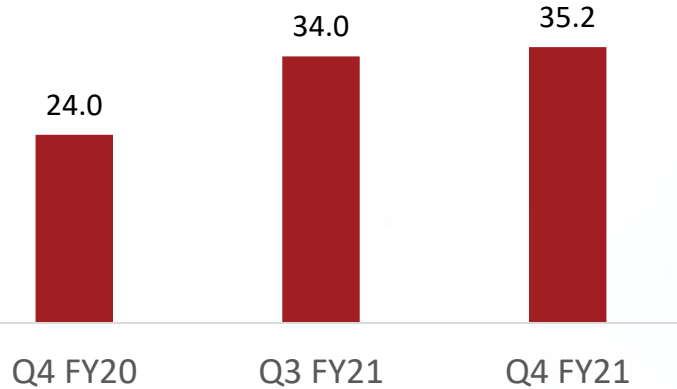
Q4 & FY21 Results Overview

Q4 FY21 – Key Financial Highlights

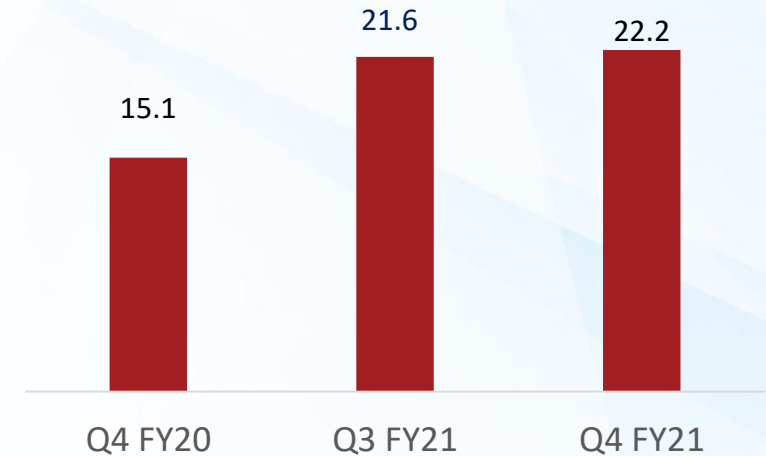
**Revenue from Operations
(Rs. crore)**



**EBITDA
(Rs. crore)**



**PAT
(Rs. crore)**



Shift % (Y-o-Y) | 36.8%

Shift % (Y-o-Y) | 46.7%

Shift % (Y-o-Y) | 47.1%

Shift % (Q-o-Q) | 3.9%

Shift % (Q-o-Q) | 3.5%

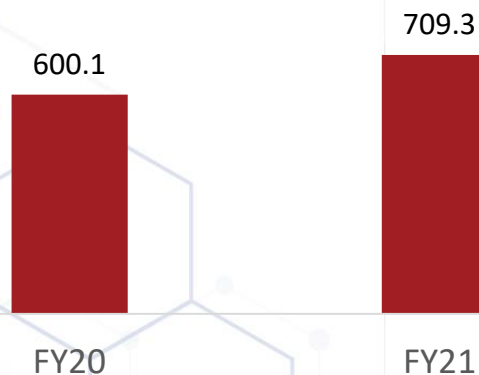
Shift % (Q-o-Q) | 2.8%

| EBITDA Margins (%) | Q4 FY20 | Q3 FY21 | Q4 FY21 |
|--------------------|---------|---------|---------|
| | 15.1% | 16.2% | 16.1% |

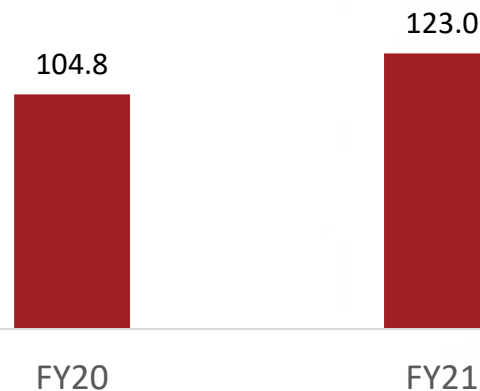
| PAT Margins (%) | Q4 FY20 | Q3 FY21 | Q4 FY21 |
|-----------------|---------|---------|---------|
| | 9.4% | 10.3% | 10.2% |

FY21 – Key Financial Highlights

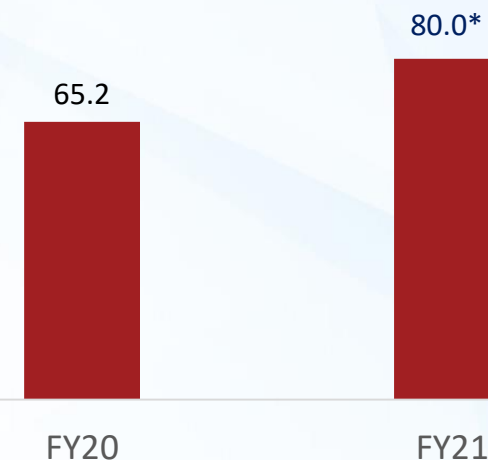
Revenue from Operations
(Rs. crore)



EBITDA
(Rs. crore)



PAT
(Rs. crore)



Shift % (Y-o-Y)

18.2%

Shift % (Y-o-Y)

17.4%

Shift % (Y-o-Y)

22.7%

EBITDA
Margins (%)

17.5%

17.4%

PAT
Margins (%)

10.9%

11.3%

Note: *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

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 share that we have reported a strong operational and financial performance during the quarter, with revenues higher by 36.8% YoY and PAT up by 49.0% YoY. Growth was primarily driven by a robust and continued uptick in sales in the HPPC segment led by higher offtake in hygiene products and anti-viral portfolio sales. In addition, normalization in demand and improved consumption across the TSC and AHN business lines assisted overall results. Even on a full year basis, our performance, despite the unprecedented environment, has been resilient and we have ended FY2021 on a strong note, with revenues higher by 18.2% YoY and PAT higher by 22.7% YoY.

In one of the key developments during the quarter, we have fully operationalized our state-of-the-art Greenfield manufacturing facility at Dahej. We have seen a strong ramp-up in utilization levels from this facility in recent months, leading to healthy volumes particularly in the HPPC segment. Going forward, a strong upcoming pipeline of new product launches should enable us to sustainably ramp-up utilization levels at this unit over the next 3-4 years.

In the quarter gone by, we had seen normalization in demand and consumption sentiments across all the three business segments. While the environment has evolved with the second wave of COVID-19 infections, we believe, wider vaccination coverage and limited lockdowns should restore normalcy sooner than later. Overall, we are confident that the stabilization of the demand environment and improved consumption will lead to stronger and sustainable growth in the quarters ahead.

We believe, healthy corporate governance practices are one of the pillars for long-term value creation. In-sync with this approach, in March 2021, the Board approved the Company’s dividend distribution policy. During FY21, we have announced a dividend of Rs. 0.50 per share.”

All phases of Rossari's Greenfield manufacturing facility at Dahej, Gujarat fully operationalized

- During the quarter, the Company successfully commissioned all phases of its Greenfield manufacturing facility at Dahej, Gujarat
- The facility is a state-of-the-art automated unit and enjoys proximity to various ports bringing solid cost and logistical advantages to the Company
- The unit has a total installed capacity 132,500 MTPA, enhancing the total capacity of Rossari by 2.1x to 252,500 MTPA. The Company expects to sustainably ramp-up utilization levels at the Dahej unit over the next 3-4 years
- The facility will be further augmented by R&D, automation, administration, and other corporate facilities in the coming quarters

Issued Equity Shares aggregating to ₹ 300 crore on Preferential Basis

- Rossari's Board of Directors approved the allotment of 30,12,046 equity shares of face value of ₹ 2/- each, on a preferential basis with a floor price of ₹ 996 per Equity Share, aggregating to ₹ 300 crore. The issue has brought on board high-quality and marquee shareholders of scale and repute
- The funds from this issue has further strengthened the Company's balance sheet profile and augmented the financial flexibility to address medium-to-long term growth prospects
- Rossari proposes to utilize the net proceeds to evaluate & invest in inorganic growth opportunities, within its core chemistries

Key Developments

Announces annual dividend of Rs. 0.50 per share

- For FY 2020-21, the Board of Directors recommended a dividend of Rs. 0.50 /- per share
- For details on dividend distribution policy, please refer to the Company's website at [Rossari - Dividend Distribution Policy](#)

Abridged P&L Statement - Consolidated

| Particulars (Rs. crore) | Q4 FY21 | Q4 FY20 | Y-o-Y Change (%) | FY21 | FY20 | Y-o-Y Change (%) |
|--|--------------|--------------|------------------|--------------|--------------|------------------|
| Revenues from Operations | 218.2 | 159.5 | 36.8% | 709.3 | 600.1 | 18.2% |
| Total Expenditure | | | | | | |
| • Raw Material expenses | 150.6 | 98.8 | 52.4% | 462.2 | 371.7 | 24.3% |
| • Employee benefits expense | 11.6 | 9.5 | 22.1% | 42.0 | 37.2 | 12.9% |
| • Other expenses | 20.8 | 27.2 | (23.5)% | 82.1 | 86.4 | (5.0)% |
| EBITDA | 35.2 | 24.0 | 46.7% | 123.0 | 104.8 | 17.4% |
| EBITDA Margin (%) | 16.1% | 15.1% | +100 bps | 17.4% | 17.5% | (20) Bps |
| Other Income | 2.9 | 2.0 | 45.0% | 9.2 | 3.7 | 148.6% |
| Finance Costs | 0.8 | 1.0 | (20.0)% | 3.0 | 3.6 | (16.7)% |
| Depreciation and Amortization | 7.4 | 4.6 | 60.9% | 22.8 | 16.9 | 34.9% |
| PBT | 29.9 | 20.4 | 46.6% | 106.4 | 88.0 | 20.9% |
| Share of profit /(loss) of joint venture | - | - | | 0.4 | (0.2) | |
| Tax expense | 7.7 | 5.3 | 45.3% | 26.8 | 22.6 | 18.6% |
| PAT | 22.2 | 15.1 | 47.1% | 80.0 | 65.2 | 22.7% |
| PAT Margin (%) | 10.2% | 9.4% | +90 bps | 11.3% | 10.8% | +50 bps |
| EPS Diluted (Rs.) | 4.29 | 3.06 | 40.3% | 15.47 | 13.23 | 16.9% |

Consolidated Balance Sheet

| EQUITY AND LIABILITIES | CONSOLIDATED | CONSOLIDATED |
|---|--|--|
| Particulars (Rs. crore) | As on 31 st March 2021 (Audited) | As at 31 st March 2020 (Audited) |
| EQUITY | | |
| Equity Share Capital | 10.4 | 10.2 |
| Other Equity | 398.4 | 276.5 |
| Equity Attributable to Owners | 408.8 | 286.7 |
| Non Controlling Interest | - | - |
| TOTAL EQUITY | 408.8 | 286.7 |
| LIABILITIES | | |
| NON-CURRENT LIABILITIES | | |
| Financial Liabilities | | |
| (i) Borrowings | - | 34.0 |
| (ii) Other Financial Liabilities | - | - |
| Provisions | 1.1 | 1.6 |
| Deferred Tax Liability (Net) | 1.3 | 0.5 |
| Other Non Current Liabilities | - | - |
| TOTAL NON CURRENT LIABILITIES | 2.4 | 36.1 |
| CURRENT LIABILITIES | | |
| Financial Liabilities | | |
| (i) Borrowings | - | 27.1 |
| (ii) Trade Payables | | |
| a) total outstanding dues of Micro Enterprises and Small Enterprises | 15.1 | 5.1 |
| b) total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises | 116.0 | 91.9 |
| (iii) Other Financial Liabilities | 10.5 | 16.2 |
| Other Current Liabilities | 6.9 | 4.1 |
| Provisions | 0.8 | 0.7 |
| Current Tax Liabilities (Net) | 0.8 | 3.7 |
| TOTAL CURRENT LIABILITIES | 150.1 | 148.8 |
| TOTAL EQUITY AND LIABILITIES | 561.3 | 471.6 |

| ASSETS | CONSOLIDATED | CONSOLIDATED |
|--|--|--|
| Particulars (Rs. crore) | As on 31 st March 2021 (Audited) | As at 31 st March 2020 (Audited) |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Property, Plant and Equipment | 160.9 | 81.8 |
| Right of Use Assets | 6.9 | 7.0 |
| Capital Work-in-Progress | 0.3 | 21.7 |
| Goodwill | 2.6 | - |
| Other Intangible Assets | 10.8 | 4.8 |
| Financial Assets | | |
| (i) Investments | - | 4.2 |
| (ii) Other Financial Assets | 20.5 | 0.4 |
| Income Tax Assets (Net) | 2.4 | 1.6 |
| Deferred Tax Assets (Net) | 0.3 | 0.1 |
| Other Non-current Assets | 1.8 | 23.7 |
| TOTAL NON- CURRENT ASSETS | 206.5 | 145.3 |
| CURRENT ASSETS | | |
| Inventories | 95.4 | 58.2 |
| Financial Assets | | |
| (i) Investments | - | 13.7 |
| (ii) Trade Receivables | 144.1 | 94.1 |
| (iii) Cash and Cash Equivalents | 15.2 | 29.2 |
| (iv) Bank Balances other than cash and cash equivalent | 73.1 | 98.0 |
| (v) Loans | 1.1 | 1.1 |
| (v) Other Financial Assets | 1.7 | 4.3 |
| Current Tax Assets (Net) | - | - |
| Other Current Assets | 24.2 | 27.7 |
| TOTAL CURRENT ASSETS | 354.8 | 326.3 |
| TOTAL ASSETS | 561.3 | 471.6 |

Consolidated Cash Flows

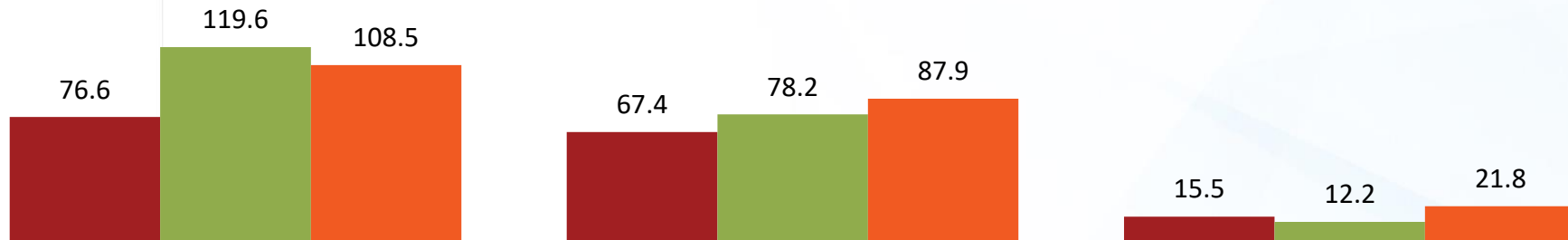
| CASH FLOW | CONSOLIDATED | CONSOLIDATED |
|---|--|--|
| Particulars (Rs. crore) | As on 31 st March 2021 (Audited) | As at 31 st March 2020 (Audited) |
| A) Cash flows from operating activities | | |
| Profit before tax | 106.4 | 88.1 |
| Adjustments for: | | |
| Depreciation and amortization expenses | 22.8 | 16.9 |
| (Profit)/Loss on disposal of property, plant and equipment | (0.4) | - |
| Provision for expected credit loss | 0.1 | 0.1 |
| Provision/Write off of doubtful advances | - | 0.1 |
| Share-based payments expenses | 1.6 | 0.5 |
| Written down of Inventory to net realisable value | 0.5 | 0.4 |
| Finance Costs | 3.0 | 3.6 |
| Dividend Income | - | (0.1) |
| Interest Income | (4.3) | (1.6) |
| Fair value gain on acquisition of subsidiary | (2.3) | - |
| Net loss arising on financial assets measured at fair value through profit / loss | 0 | 0 |
| Net foreign exchange loss/(gain) | 0 | 0 |
| Operating profit before working capital changes | 127.4 | 108.0 |
| Changes in: | | |
| Trade Receivables and other assets | (40.5) | (20.4) |
| Inventories | (32.0) | (3.8) |
| Trade Payables and other liabilities | 24.2 | (6.9) |
| Cash (used in) / generated from Operations | 79.1 | 76.9 |
| Income taxes paid (net of refunds) | (31.3) | (20.1) |
| Net Cashflow (used in) / generated from operating activities | 47.8 | 56.8 |

| CASH FLOW | CONSOLIDATED | CONSOLIDATED |
|--|--|--|
| Particulars (Rs. crore) | As on 31 st March 2021 (Audited) | As at 31 st March 2020 (Audited) |
| B) Cash flows from investing activities | | |
| Net (Investment)/Proceeds on sale / redemption of Mutual Funds | 13.7 | (13.7) |
| Payments to acquire non current investment /-JV | - | (4.4) |
| Payments to acquire non current investment - subsidiary (net of cash acquired) | (4.3) | - |
| Dividend Received | - | 0.1 |
| Interest Received | 3.5 | 1.4 |
| Payments to acquire property, plant and equipment (including Capital work in progress) and intangible assets | (58.1) | (76.0) |
| Proceeds from sale of property, plant and equipment and intangible assets | 2.2 | 0.1 |
| (Increase)/Decrease in earmarked, bank balances and margin account (net) | 5.8 | (97.8) |
| Net cash generated from/(used in) investing activities | (37.2) | (190.3) |
| C) Cash flows from financing activities | | |
| Proceeds from / repayment of short term borrowings (net) | (27.1) | 24.9 |
| Proceeds from long-term borrowings | - | 40.4 |
| Repayment of long-term borrowings | (34.0) | (1.3) |
| Repayment of loans from related parties | - | (1.2) |
| Interest paid | (3.9) | (3.3) |
| Proceeds from Issue of equity shares (net of share issue expenses) | 42.7 | 100.0 |
| Dividend paid on equity shares (including Dividend distribution tax) | (2.5) | (2.6) |
| Issue of Equity shares to minority shareholders | 0.2 | - |
| Net cash flow generated from / (used in) financing activities | (24.6) | 156.9 |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (14.0) | 23.4 |
| Opening Cash and cash equivalents | 29.2 | 5.8 |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | 0 | 0 |
| Closing Cash and cash equivalents | 15.2 | 29.2 |

Q4 FY21 - Segment-wise Details

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

■ Q4 FY20 ■ Q3 FY21 ■ Q4 FY21



| | HPPC | TSC | AHN |
|-----------------|-------|-------|-------|
| Shift (Y-o-Y) % | 41.6% | 30.4% | 40.6% |
| Shift (Q-o-Q) % | -9.3% | 12.4% | 78.7% |

Key Highlights:

- Growth driven by a robust and continued uptick in sales in the HPPC segment led by higher offtake in hygiene products and anti-viral portfolio sales
- Normalisation in demand and improved consumption across the TSC and AHN business lines assisted growth

Note: Home, Personal Care and Performance Chemicals (HPPC); Textile Specialty Chemicals (TSC); Animal Health and Nutrition (AHN)

Q4 & FY21 - Financial and Operational Discussions (Y-o-Y)

Net Revenues

Q4 FY21 Revenues from operations stood at Rs. 218.2 crore, higher by 36.8% YoY; FY21 Revenues from operations up 18.2% YoY to Rs. 709.3 crore

- HPPC business continued to report strong volume offtake led by sustained momentum in anti-viral and hygiene portfolio sales during the quarter
 - Client engagements, especially across the FMCG segment remained healthy
- In the quarter, the Company saw normalization of demand and inquiries across the TSC and AHN business lines
- Revenue contribution from the HPPC segment stood at 49.7%, followed by TSC and AHN at 40.3% and 10.0%, respectively in Q4 FY21

EBITDA

Q4 FY21 EBITDA at Rs. 35.2 crore, with EBITDA Margins at 16.1%; EBITDA during FY21 at Rs. 123.0 crore, higher by 17.4%

- Globally, the industry witnessed pricing pressures in key raw materials during the second half of the fiscal
- Given Rossari's prudent raw material sourcing framework and cost-efficiencies, the Company was able to manage this situation efficiently, delivering EBITDA margins at healthy levels of 16.1% in Q4 FY21
- EBITDA Margins in FY21 stood at 17.3%, in-line with internal expectations

PAT

Q4 FY21 PAT stood at Rs. 22.2 crore, up 49.0% YoY; PAT during FY21 up 22.7% at Rs. 80.0 crore

- Depreciation was higher owing to capitalization of Dahej facility during Q4 & FY21. As the new facility starts contributing to performance, going forward, the Company expects additional charge to be absorbed efficiently



Annexure

Q4 & FY21 Earnings Conference Call

Time • 04:00 p.m. IST on Monday, May 17, 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:



Click here to
ExpressJoin the Call

Primary dial-in number

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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