

Ref: ASCL/SEC/2023-24/59

February 01, 2024

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai – 400 001
BSE Scrip Code: 532853
2. To,
The General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (East)
Mumbai – 400 051
NSE Trading Symbol: ASAHISONG

SUB: PRESS RELEASE

REF: REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Press Release on the Company's Financial Performance of Q3FY24.

This is for your information and records.

Thanking you,

Yours faithfully,
For, **ASAHI SONGWON COLORS LIMITED**

JOSEPH SAJI
VARGHESE

Digitally signed by JOSEPH SAJI VARGHESE
DN: c=IN, o=Personal, postalCode=382421,
st=Gujarat,
serialNumber=F662E94FE05F3094D34A3BA45
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361, cn=JOSEPH SAJI VARGHESE
Date: 2024.02.01 17:06:26 +05'30'

SAJI JOSEPH
Company Secretary and Compliance Officer

Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 20, Times Corporate Park, Thaltej – Shilaj Road,
Thaltej, Ahmedabad – 380 059, Gujarat, India.

Tele : 91-79 6832 5000 • Fax : 91-79 6832 5099 • Web Site: www.asahisongwon.com



Asahi Songwon Colors Limited Reports Q3FY24 Results

**Total Consolidated Revenue - ₹102.15 Cr;
Consolidated EBITDA at - ₹4.96 Cr**

Ahmedabad, February 1st, 2024: Asahi Songwon Colors Limited, India's leading manufacturer of pigments for ink, plastics, paint, textile and the paper industry has announced its financial results for the third quarter ended December 31st, 2023.

Standalone Financial Highlights for Quarter Ended December 31st, 2023:

- Total Revenue was ₹66.97 Cr during the quarter under review, Q-o-Q growth of 15.64% and Y-o-Y increase of 16.86%
- EBITDA ₹4.04 Cr during the quarter, a Q-o-Q degrowth of 16.70% and Y-o-Y increase of 314.89%
- EBITDA Margin stood at 6.03% for Q3FY24 as compared to 8.38% in Q2FY24 and (3.28)% in Q3FY23
- Net Profit stood at ₹0.36 Cr, a Q-o-Q decline of 98.54% and Y-o-Y increase of 106.32%

Consolidated Financial Highlights for Quarter Ended December 31st, 2023:

- Total Revenue was ₹102.15 Cr, a Q-o-Q growth of 7.17% and Y-o-Y increase of 8.82%
- EBITDA ₹4.96 Cr during the quarter, a Q-o-Q degrowth of 7.98% and Y-o-Y increase of 315.65%
- EBITDA Margin stood at 4.86% for Q3FY24 as compared to 5.65% in Q2FY23 and (2.45)% in Q3FY23
- Net Profit stood at (₹2.13) Cr, a Q-o-Q decrease of 109.38% and Y-o-Y increase of 76.28%

Revenue from three segments for this quarter end are as follows:

₹23.50 Cr API	₹11.68 Cr AZO	₹66.97 Cr Phthalocyanine
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Commenting on the Q3FY24 performance, Gokul Jaykrishna, Joint Managing Director and CEO, said,

"In Q3FY24, the market demand remained subdued, reflecting the broader industry trends. During the quarter, the Company faced an uptick in the cost of raw materials, mainly phthalic anhydride. Despite these cost pressures, the prevailing market conditions and weak demand constrained our ability to adjust our pricing accordingly. This situation led to a marginal contraction in our EBITDA margins when compared to the previous quarter. However the trend is one of cycle bottoming out and compared to Y-o-Y we see good improvement.

In the latter half of the quarter, we observed an improvement in sales volumes. This upward trajectory has persisted into the current quarter, bolstering our confidence in the anticipated recovery and stronger performance of our phthalocyanine business segment in Q4FY24.

A particularly encouraging development has been the initial signs of recovery in export markets. These emerging 'green shoots' signal a potential rebound in international demand. While this trend is promising, we adopt a cautious optimism, recognising the need for sustained improvement over subsequent quarters to affirm the sustainability of this recovery."

Arjun G. Jaykrishna, Executive Director, commented,

"In Q3FY24, we encountered challenges within our Azo and Active Pharmaceutical Ingredients (API) segments.

In our Azo business, the period was characterised by sustained subdued demand. Despite the market headwinds, our team has been diligently focusing on enhancing product quality, laying a solid foundation for rapid capacity utilisation escalation once the market conditions normalise.

The API segment, particularly concerning our key product pregabalin, also experienced declining realisations. In response to these challenges, we have strategically reduced our inventory levels and enhanced our working capital cycle. Notably, we have achieved significant milestones in setting product quality standards for N-2 and N-1, the essential raw materials in pregabalin production.

Looking ahead, we are optimistic about reaching EBITDA breakeven at our Chattral site in the first quarter of FY25 itself. Furthermore, we have set an internal target to transition the entire API manufacturing process to the new Chattral site within the next 12 months. This move is expected to further improve our EBITDA margins by leveraging operational efficiencies."



About Asahi Songwon Colors Ltd. (ASCL):

Asahi Songwon Colors Ltd. is a leading player in the Indian Pigment industry and is one of the leading manufacturers of pigments. The company manufactures CPC Beta Blue and Blue Crude. The company has also ventured into manufacturing of AZO pigments as well as APIs through its subsidiaries. The company caters to a diverse base of global and Indian customers with more than 50% of business from exports to global MNC's. It is currently manufacturing products for over 80 international and domestic customers. The company operates via its three manufacturing facilities in Gujarat, India, located at (Padra), Vadodara, (Dahej), Bharuch and (Odhav), Ahmedabad (manufacturing APIs).

FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH:

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