



August 13, 2024

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 Earnings Presentation and Press Release in respect of Unaudited (Standalone & Consolidated) Financial Results for the quarter ended June 30, 2024**

Further to the approval of Unaudited Financial Results (Standalone and Consolidated) for the quarter ended June 30, 2024 by the Board of Directors of the Company at its meeting held on August 13, 2024 and submission of the same to the Stock Exchanges, we submit herewith Earnings Presentation and Press Release in respect of financial results.

You are requested to take the same on record.

Thanking you,

Yours faithfully,

**For S H Kelkar and Company Limited**

**Rohit Saraogi**  
**Company Secretary & Compliance Officer**

*Encl: As above*



**S H Kelkar and Company Limited**

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Regd. Office: Devkaran Mansion, 36, Mangaldas Road, Mumbai - 400 002. (INDIA)

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CIN No. L74999MH1955PLC009593



**S H KELKAR  
AND COMPANY LIMITED**

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**Q1 FY25 Earnings Presentation**

**August 13, 2024**

## Disclaimer

Certain statements and opinions with respect to the anticipated future performance of SH Kelkar (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.



## Management Comment

### Commenting on the performance, Mr. Kedar Vaze, Whole Time Director & CEO at SH Kelkar and Company Ltd. said:



*"We have delivered a strong financial performance this quarter, driven by positive demand sentiments across segments. We achieved 11.3% (excl. NuTaste) revenue growth in Q1, with our Fragrance division posting a 7.0% YoY growth despite the challenges posed by the fire at our Vashivali Fragrance facility in April. A stable raw material environment and an improved product mix supported our margins, with Gross and EBITDA margins increasing by 359 bps and 100 bps to 47.4% and 17.7%, respectively. EBITDA improved by 18.0%, reaching Rs. 83.3 crore in Q1 FY25.*

*Following a thorough review, we have initiated plans to re-establish the Vashivali fragrance facility. This project is expected to be completed within 9 to 12 months. In the interim, our existing facilities are operating at 2-3 shifts to service current and new orders, as well as to recover the order backlog. Additionally, our Indonesia facility is ramping up well to cater to ASEAN market and export orders, ensuring continuity and fulfilling commitments to customers. While we recorded an exceptional loss of Rs. 120 crore (net of tax) during the quarter due to the fire incident, we expect this to be fully offset by the insurance reimbursement.*

*The demand scenario continues to look strong in Q2, with healthy momentum across both existing and new accounts including the Global MNC account. This momentum should enable us to deliver stronger double-digit growth in H1. Building on this strong start, combined with our strategic growth initiatives and a robust demand environment, we believe, we are well-positioned to achieve over 12% growth in FY25, with profitability expected to grow even faster."*

# Key Development

## Incorporation of step-down subsidiary – Keva Germany GmbH

- Incorporated Keva Germany GmbH to serve as a Creative Development Centre (CDC) for European operations, while also providing support to customers in Dubai and Middle East

## Update on Debt Position

- The Company's net debt increased to ~Rs. 542 crore as on 30th June 2024 as compared to Rs. 504 crore as on 31st March 2024
- The debt increase was due to the need to replenish inventory following the fire incident occurred at its Vashivali facility in April 2024

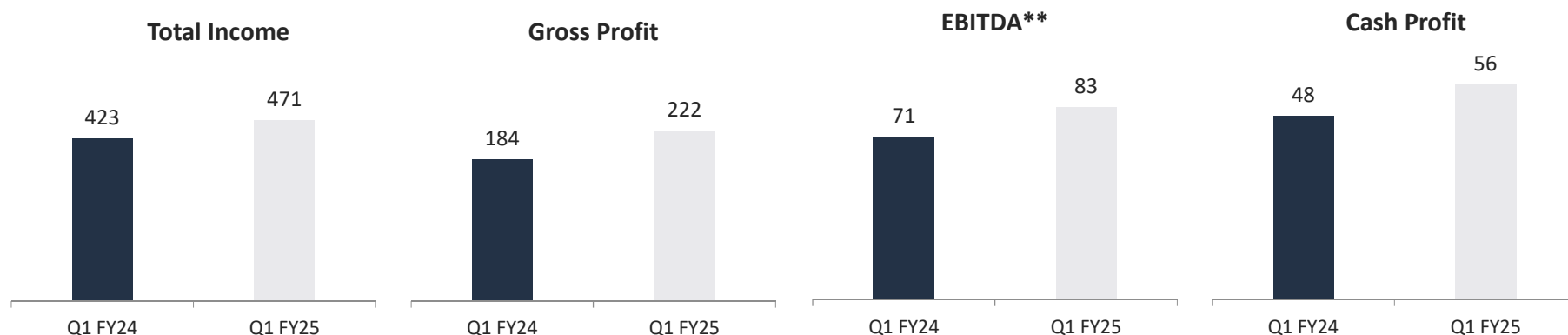


## Update on the Fire Incident at the Company's Fragrance facility located at Vashivali

- A fire incident occurred at the Company's Vashivali facility in April 2024
  - There was no loss of human life, and the safety of all personnel was ensured
  - The Company has comprehensive insurance coverage including cover for loss of profit
- The Company operates five manufacturing locations in India and, in response to the incident, swiftly implemented a Business Continuity Plan (BCP) by shifting production to alternate sites
- The new facility is projected to be re-established within 9 to 12 months
- All facilities are now operating in double/triple shifts, ensuring adequate capacity to meet current and future customer requirements
- Recently commissioned Indonesia facility is ramping up production to cater to both local and export orders, ensuring continuity and fulfilling commitments to overseas customers
- An exceptional loss of ₹120 crore (net of tax) was recorded during the quarter due to the fire, covering plant and machinery, building, and inventory. This loss is expected to be fully offset by insurance reimbursement in FY2025
- The Company has filed a request for interim payment of Rs. 50 crores with the Insurance Company. The Insurance company is carrying out the necessary procedure to process the claim



## Q1 FY25\* – Key Financial Highlights



<b>Shift % (Y-o-Y)</b>	11%		20%		18%		17%	
<b>Margins %</b>	43.8%	47.4%	16.7%	17.7%	11.3%	11.9%		

- Company reported a strong financial performance during the period under review, supported by positive business sentiments and solid demand across segments
- This performance was further fortified by a stable raw material environment and an improved product mix
- Witnessed success with both existing and new accounts including the global MNC account, along with a revival in mid-sized company engagements, all of which contributed positively to the financial performance



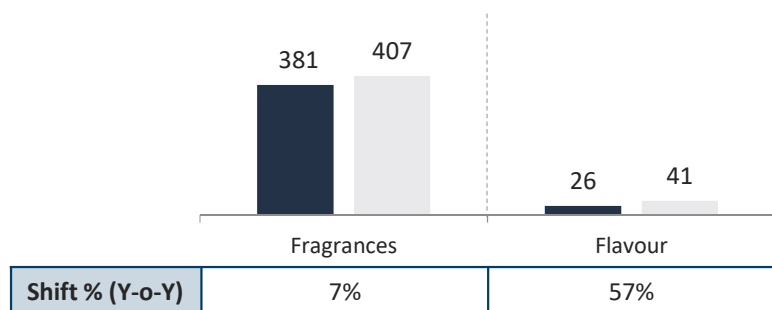
**Note:**

- 1) Figures in Rs. crore unless specified otherwise
- 2) \*Figures exclude NuTaste Food and Drink Labs, which the Company has entered into a Share Purchase Agreement to divest 40% stake
- 3) \*\*EBITDA excludes incremental spent of Rs. 5 crore on account of fire – expected to be recovered under loss of profit from insurance

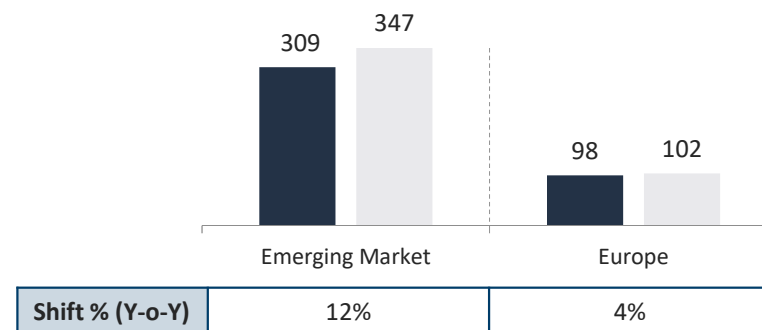
■ Q1 FY24 ■ Q1 FY25

# Revenue Performance (excl Global Ingredients) – Q1 FY25

### Business Segment

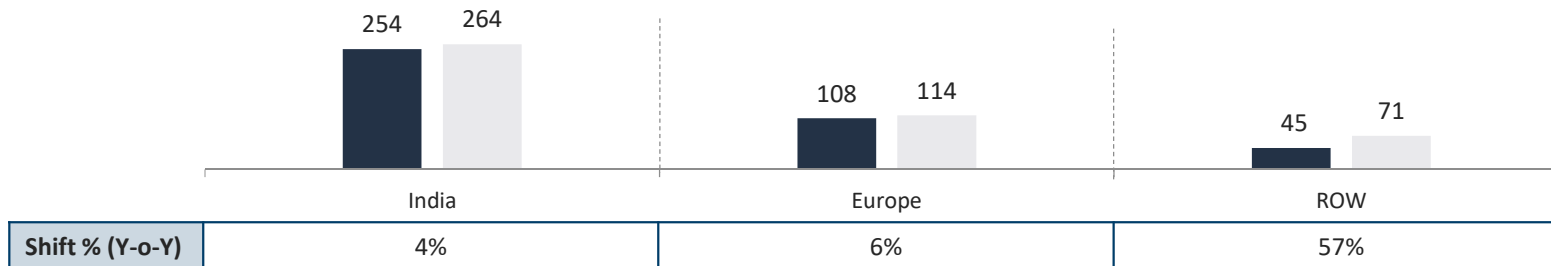


### Market Segment



\*Europe core business grew by 10% with a drop in contract manufacturing business

### Geography Wise



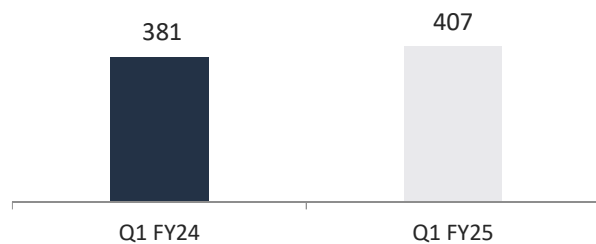
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# Segmental Performance (excl Global Ingredients) – Q1 FY25

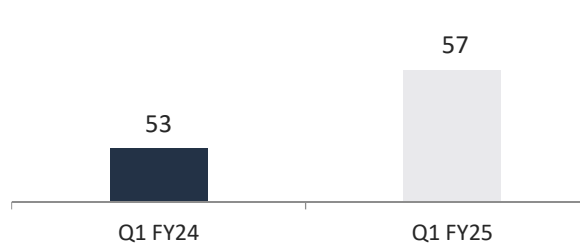
Fragrance Division - Revenue



Shift % (Y-o-Y)

7%

Fragrance Division - EBIT

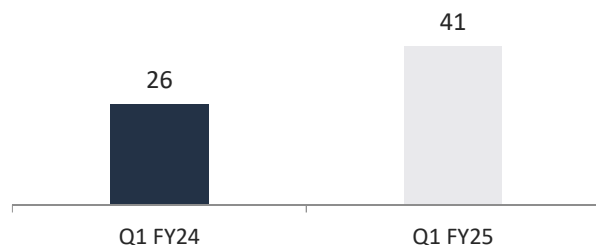


7.1%

13.9%

13.9%

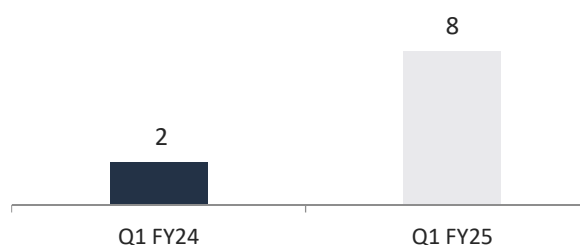
Flavour Division - Revenue



Shift % (Y-o-Y)

57%

Flavour Division - EBIT



257%

8.6%

19.4%



Note:

1) Figures in Rs. crore unless specified otherwise

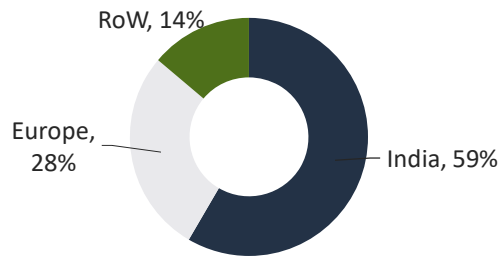
2) Figures exclude NuTaste Food and Drink Labs, which the Company has entered into a Share Purchase Agreement to divest 40% stake

- Fragrance division remained resilient, with Fragrance revenues in India growing by around 7% YoY despite the challenges from the April fire at our Vashivali facility
  - Contribution from Europe remained stable, supported by an improved operating environment
- Flavour segment grew by 57% during the quarter aided by a revival in markets, driven by increased engagement with existing customers

# Segmental Performance Region-wise

## Fragrance (excl Global Ingredients)

Revenue Break-up – Q1 FY25

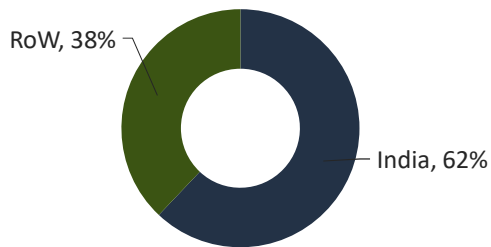


Revenue Y-o-Y Growth (%)	Q1 FY25
India	-0.3%*
Europe	6%
Rest of the World (RoW)	63%
<b>Total Growth</b>	<b>7%</b>

\*Considering the Rs. 30 crore revenue impact due to disruption of supplies, India growth would have been 12.3%, with overall growth reaching 15%

## Flavours

Revenue Break-up – Q1 FY25



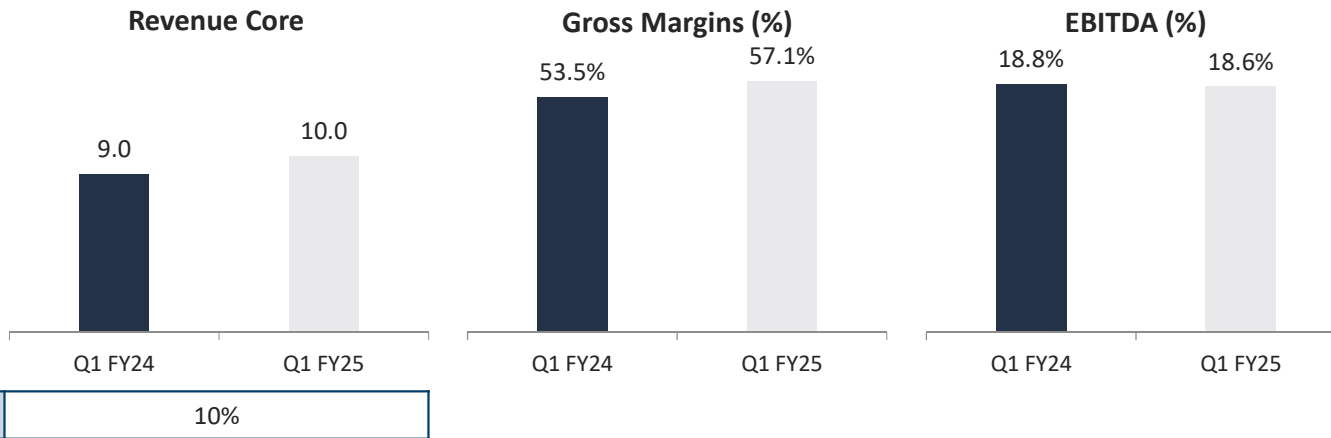
Revenue Y-o-Y Growth (%)	Q1 FY25
India	72%
Rest of the World (RoW)	38%
<b>Total Growth</b>	<b>57%</b>



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 Figures exclude NuTaste Food and Drink Labs, which the Company has entered into a Share Purchase Agreement to divest 40% stake

# Europe Core Business Performance

(Euro Mn)

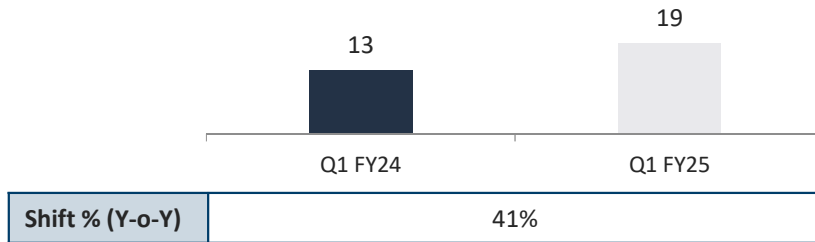


- Core business in Europe delivered 10% revenue growth on a like-for-like basis
  - Growth of both Creative Flavours and Fragrances (CFF) and Holland Aromatics was aided by the recovering business environment
- Company registered steady profitability in its core European operations, with gross margins of 57.1% and EBITDA margins of 18.6%

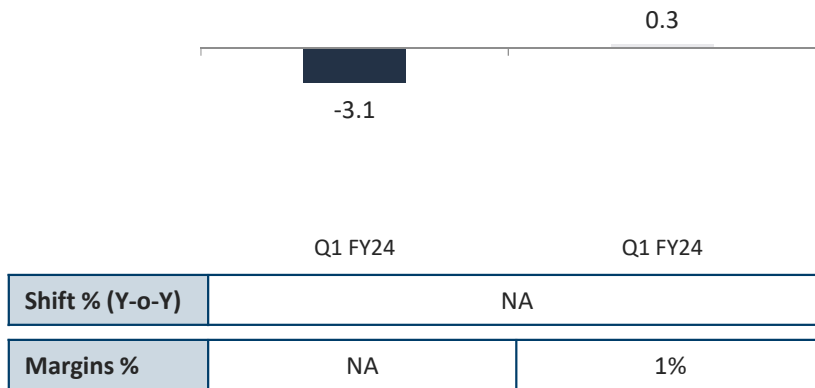


# Global Ingredients – Q1 FY25

## Revenue



## EBIT



- Global Ingredients achieved strong revenue performance for the period under review
- Over the past fiscal year, the Company has concentrated on enhancing productivity, minimizing losses, and executing backward integration initiatives
  - These efforts have proven effective, leading to an improvement in profitability



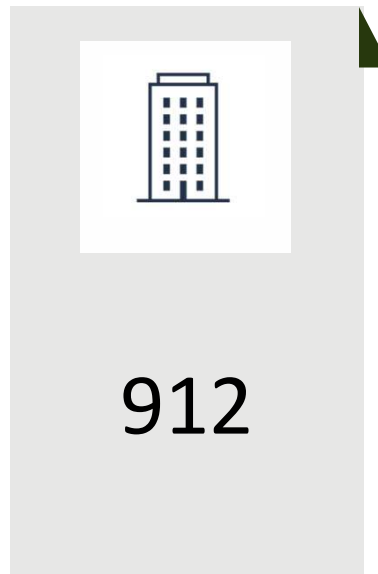
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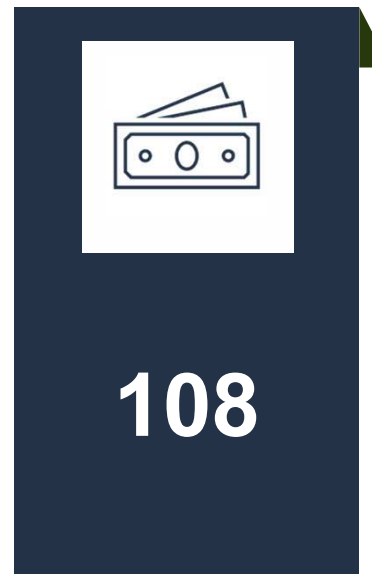
## Balance Sheet Snapshot – As on June 30, 2024



Networth



Fixed Assets



Cash &  
Investments



Net Debt  
&  
Net Debt to Equity (x)



**Note:**

1) Figures in Rs. crore unless specified otherwise

# Annexure



## Consolidated Summarized P&L Statement

Particulars (Rs. crore)	Q1 FY25	Q4 FY24	Q1 FY24	YoY Gr %
<b>Revenues from Operations</b>				
Sales	454.7	493.7	403.5	12.7%
Sales - Contract Manufacturing	13.2	17.7	17	-22.2%
Other Operating Income	2.4	1.9	2.1	14.6%
<b>Revenue from operations</b>	<b>470.3</b>	<b>513.3</b>	<b>422.6</b>	<b>11.3%</b>
Other Income	0.7	1.4	0.5	27.5%
<b>Total Income</b>	<b>471</b>	<b>514.7</b>	<b>423.1</b>	<b>11.3%</b>
Total Expenditure				
Raw Material expenses	246.3	286	236.5	4.2%
Employee benefits expense	67.2	61.8	57.3	17.2%
Other expenses	78.5	76.0	60.8	29.1%
<b>EBITDA excl Other Income</b>	<b>78.3</b>	<b>89.5</b>	<b>68</b>	<b>15.2%</b>
<b>EBITDA Margin (%) excl Other Income</b>	<b>16.70%</b>	<b>17.50%</b>	<b>16.20%</b>	<b>+56 Bps</b>
Finance Costs	9.9	10.0	9.8	0.7%
Depreciation and Amortization	22.5	22.0	20.9	7.9%
<b>Profit before exceptional items and tax</b>	<b>46.5</b>	<b>58.8</b>	<b>37.8</b>	<b>23.1%</b>
Exceptional Items Gain / (loss)	-119.9	0	0	0.0%
<b>PBT</b>	<b>-73.3</b>	<b>58.8</b>	<b>37.8</b>	<b>-294.1%</b>
Tax expense	12.4	23.8	11.1	12.1%
<b>Profit/(Loss) for the period from continuing operations</b>	<b>-85.8</b>	<b>35.0</b>	<b>26.7</b>	<b>-420.9%</b>
Profit/(Loss) for the period from discontinuing operations	-1.1	-1.6	1.1	-196.4%
Profit / (Loss) for the period/year attributable to Non-controlling interests	-0.2	-0.5	0.8	-131.0%
<b>Profit for the period attributable to Equity Holders</b>	<b>-86.6</b>	<b>33.9</b>	<b>27.1</b>	<b>-419.8%</b>
<b>Adjusted PAT</b>	<b>33.3</b>	<b>40.7</b>	<b>26.8</b>	<b>24.0%</b>
<b>Cash Profit (excl Exceptional Items)</b>	<b>55.8</b>	<b>62.7</b>	<b>47.7</b>	<b>17.0%</b>
Earnings per share (Face Value of Rs 10 each) (not annualised)	-6.3	2.5	2	-411.4%



## Conference Call Details

### S H Kelkar and Company – Q1 FY25 Earnings Conference Call

**Time** • 11:30 am IST on Wednesday, August 14, 2024

**Primary dial-in number** • +91 22 6280 1141  
• +91 22 7115 8042

**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:*  
[Diamond Pass](#)





## 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 over 100 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 8 molecules over the last three 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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Email: [rohit.saraogi@keva.co.in](mailto:rohit.saraogi@keva.co.in)

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Anoop Poojari / Mit Shah

**CDR India**

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Fax: +91 22 6645 1213

Email: [anoop@cdr-india.com](mailto:anoop@cdr-india.com)

[mit@cdr-india.com](mailto:mit@cdr-india.com)

Thank you





## S H Kelkar and Company Limited

Corporate Office: L.B.S Marg, Near Balrajeshwar Temple, Mulund (W), Mumbai – 400080

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

### S H Kelkar announces Q1 FY2025 results

#### Q1 FY2025\*

**Revenue from operations grew 11.3% to Rs. 470 cr**

**EBITDA\*\* stood at Rs. 83 cr, higher by 18.0%**

**EBITDA\*\* margins improve to 17.7%**

**Cash Profit up 17.0% to Rs. 56 cr**

**Mumbai, August 13, 2024:** 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, 2024.

#### Q1 FY25 performance overview compared with Q1 FY24

- Revenue from operations at Rs. 470.3 crore as against Rs. 422.6 crore, up by 11.3%
- EBITDA\*\* at Rs. 83.3 crore as against Rs. 70.6 crore, higher by 18%
  - EBITDA\*\* margin at 17.7% as against 16.7%, expanding by 100 bps
- Adjusted PBT stood at Rs. 46.5 crore as against Rs. 37.8 crore, up 23.1%
- Cash profit at Rs. 55.8 crore as against Rs. 47.7 crore, growing by 17.0%

#### Note:

- \*\*EBITDA excludes incremental spent of Rs. 5 crore on account of fire – expected to be recovered under loss of profit from insurance company
- PBT adjusted for exceptional loss of Rs. 120 crore (net of tax) – expected to be fully recovered from insurance
- \*Figures exclude NuTaste Food and Drink Labs, which the Company has entered into a Share Purchase Agreement to divest 40% stake



## **Commenting on the performance, Mr. Kedar Vaze, Whole Time Director and Group CEO at SH Kelkar and Company said,**

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*"We have delivered a strong financial performance this quarter, driven by positive demand sentiments across segments. We achieved 11.3% (excl. NuTaste) revenue growth in Q1, with our Fragrance division posting a 7.0% YoY growth despite the challenges posed by the fire at our Vashivali Fragrance facility in April. A stable raw material environment and an improved product mix supported our margins, with Gross and EBITDA margins increasing by 359 bps and 100 bps to 47.4% and 17.7%, respectively. EBITDA improved by 18.0%, reaching Rs. 83.3 crore in Q1 FY25.*

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## **Key Developments**

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### **Incorporation of step-down subsidiary – Keva Germany GmbH**

- Incorporated Keva Germany GmbH to serve as a Creative Development Centre (CDC) for European operations, while also providing support to customers in Dubai and Middle East

### **Update on Debt Position:**

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- The Company has filed a request for interim payment of Rs. 50 crore with the Insurance Company. The Insurance company is carrying out the necessary procedure to process the claim

- ENDS -



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[mit@cdr-india.com](mailto:mit@cdr-india.com)

### DISCLAIMER:

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