



## 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 FY19 results

**Total Income stood at ~Rs. 240 Cr**  
**Domestic Fragrance revenue grew 13%**  
**PAT stood at ~Rs. 19 Cr**

**Mumbai, August 9, 2018:** S H Kelkar and Company, the largest Indian origin Fragrance and Flavours Company in India, has announced its financial results for the quarter ended June 30, 2018.

#### Q1 FY19 performance overview compared with Q1 FY18

- Revenues from operations higher by 1% to Rs. 236.0 crore from Rs. 233.9 crore
- Domestic Fragrance business witnessed healthy revival of demand and grew at 13%
- On a sequential basis Gross Margin improved from ~39% to ~44% but was lower than 48% in the corresponding qtr
- EBITDA at Rs. 36.2 crore as against Rs. 46.5 crore in Q1 FY18; EBITDA margin stood at 15.1% vs 19.4% in Q1 FY18
- PBT stood at Rs. 28.0 crore as against Rs. 40.1 crore in Q1 FY18
- PAT stood at Rs. 18.7 crore as against Rs. 26.8 crore in Q1 FY18
- The Company firmly believes the core business is performing in line with market and the medium to long-term outlook remains positive

*Note : ~ = approximately*



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

*“We have had a steady start to the new fiscal witnessing strong revival of demand in our base business and improved consumption pattern in the FMCG industry. Our domestic Fragrance business reported healthy growth of 13% led by steady demand in the domestic FMCG space. Our performance in the overseas Fragrance and Flavours division was impacted by unprecedented supply side constraints and surge in key raw material prices. Under the circumstances, we have focussed more on quality of earnings than on growth in our International Fragrance business. This, along with a weaker Rupee, helped our gross margin improve to 44% from 39% Q-o-Q. While the Company has taken measures to mitigate cost pressure through increase in selling price and plans to take further such steps in future as well as undertake cost-saving measures, the pass through of the same to margins is expected to start reflecting in performance over the coming quarters, albeit with a lag.”*

**Key Developments:**

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**Creative Flavours & Fragrances (CFF) reports healthy topline performance in Q1 FY19**

- SHK’s recent acquisition, CFF, reported a healthy volume growth during the quarter. This, combined with price increase taken, resulted in strong revenue growth of 19% in CFF’s core Fragrance division and stood at ~Euro 4 Mn. Profitability was under pressure given the on-going raw material supply disruptions. CFF is planning to take further price increases to normalize margins. SHK is actively pursuing prospects to cross-sell technology from CFF to launch innovative products in the Indian market.

**Acquisition of China-based Anhui Ruibang Aroma Co Ltd**

- SHK, through its subsidiary Keva Fragrance Industries Pte Ltd, Singapore, has acquired 66.67% of Anhui Ruibang Aroma Co Ltd., a company based in China. At a time when there is strong global demand for Tonalid, a key aroma ingredient, this acquisition has provided SHK access to additional manufacturing capacity. Coupled with the new facility at Mahad, which is expected to go on stream later this year, this will help the group service the demand better.

- ENDS -



### **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 94 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 flavor 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 four creation and development centres in India, The Netherlands, Indonesia and Italy for the development of fragrance and flavour products. The research team has developed 12 molecules over the last three years. The Company has filed 13 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 multi-national FMCG companies, blenders of fragrances & flavours and fragrance & flavour producers.

### **For further information please contact:**

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### **DISCLAIMER:**

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