



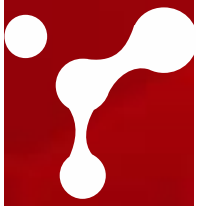
BLACK ROSE INDUSTRIES LTD.

FY2021-22 EARNINGS WEBINAR

May 5, 2022

Mr. Anup Jatia – Executive Director

Mr. Ambarish Daga – Joint CFO and Investor Relations Officer



Disclaimer

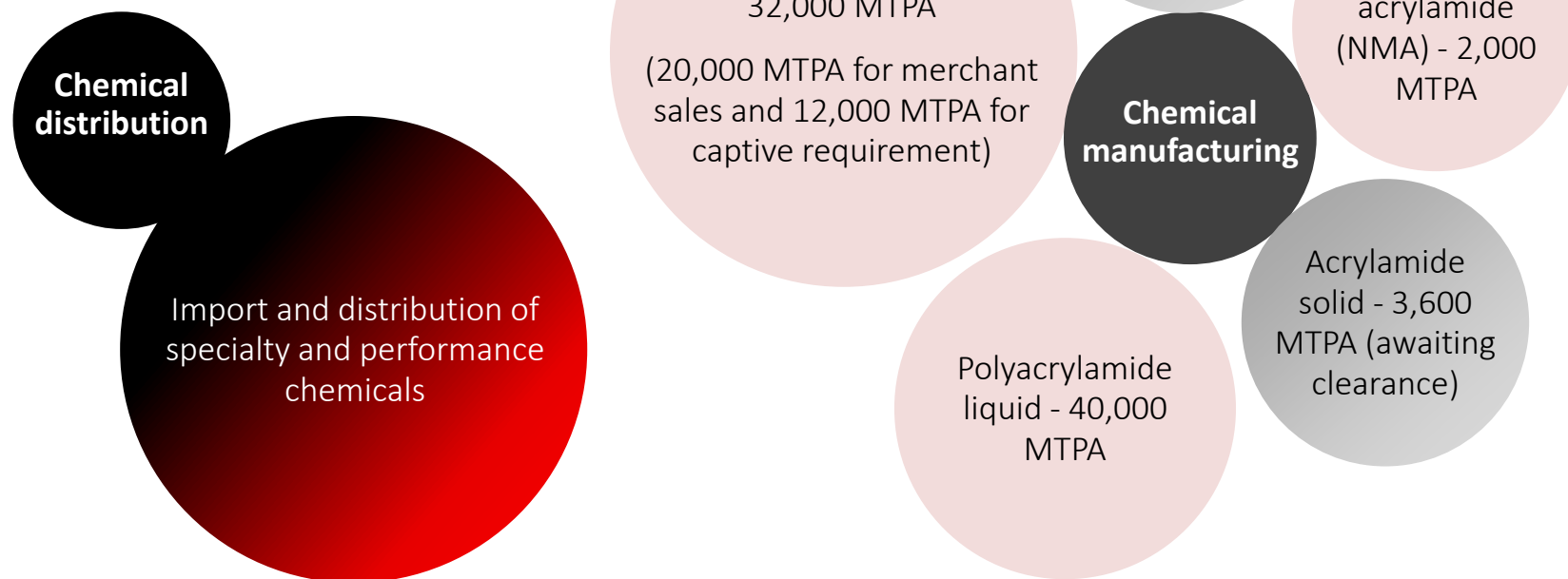
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Business presence of Black Rose



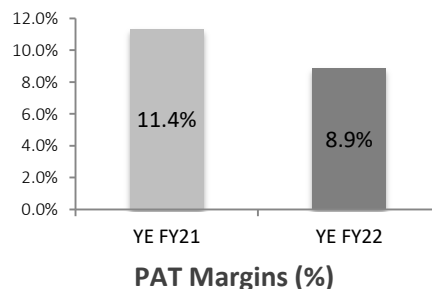
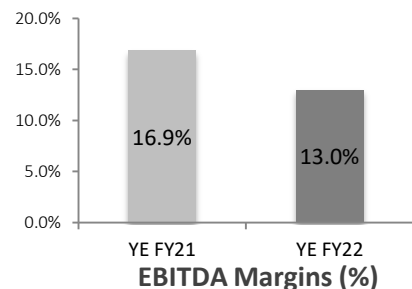
Legacy/other businesses: The Company is also engaged in the manufacture of fabrics and made-ups for industrial applications at Kolhapur (Maharashtra), and renewable energy (a windmill each in Gujarat and Rajasthan). **These businesses contribute less than 1% to the company's revenues.**

B.R. Chemicals Co., Ltd.: A 100% subsidiary in Japan engaged in local distribution and export of chemicals

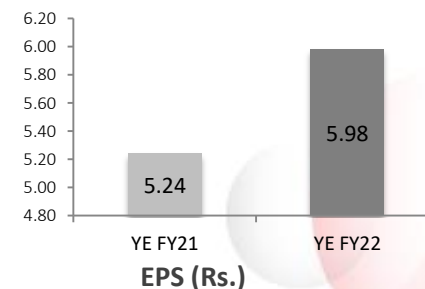
Financials – Profit & Loss (Standalone & Consolidated)

INR. in millions

Particulars	STANDALONE			CONSOLIDATED		
	YE FY22	YE FY21	Change %	YE FY22	YE FY21	Change %
Revenue from operations	3,418.82	2,350.99	45%	4,878.84	3,797.82	28%
EBITDA	444.28	396.04	12%	465.00	405.75	15%
Depreciation	26.19	25.78	2%	26.19	25.78	2%
PBIT	418.09	370.26	13%	438.81	379.97	15%
Interest	8.90	12.04	-26%	8.90	12.04	-26%
PBT	409.19	358.22	14%	429.91	367.93	17%
Taxation	104.20	90.73	15%	110.94	93.48	19%
PAT	304.99	267.48	14%	318.97	274.45	16%
Change % from YE FY21 to YE FY22						



All ratios based on Standalone figures



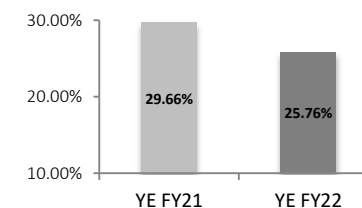
Financials – Balance Sheet (Standalone & Consolidated)

INR in millions

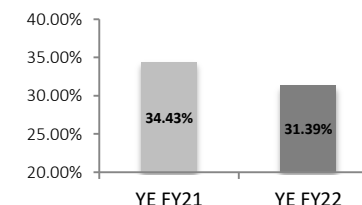
Particulars	STANDALONE		CONSOLIDATED	
	YE FY22	YE FY21	YE FY22	YE FY21
Sources of Funds				
Equity Share Capital	51.0	51.0	51.0	51.0
Reserves & Surplus	1133.0	850.8	1172.5	878.9
Net Worth	1184.0	901.8	1223.5	929.9
Deferred Tax	36.2	36.0	36.2	36.0
Loans	111.5	137.6	136.4	164.1
Total Sources	1331.7	1075.4	1396.1	1130.0
Application of Funds				
Gross Block	597.1	556.1	597.1	556.1
Less: Depreciation	262.4	242.8	262.4	242.8
Net Block	334.7	313.3	334.7	313.3
Capital WIP, intangible asset u/development & Right of Lease (net)	118.3	104.8	118.3	104.8
Investments	1.6	1.6	0.0	0.0
Other Non Current Assets	6.0	5.0	6.0	5.0
Current Assets, Loans and Advances				
Inventories	462.7	452.9	462.7	452.9
S. Debtors	663.1	438.0	663.1	438.0
Cash & Bank Balances	51.3	52.2	133.1	78.4
Loans & Advances	0.6	0.5	0.6	0.5
Other Current assets	42.7	43.4	37.5	74.8
Total Current Assets	1220.4	987.0	1297.0	1044.6
Current Liabilities and Provisions				
S. Creditors	302.9	293.1	313.5	293.1
Other Current Liabilities	33.0	28.8	33.0	30.2
Provisions	13.4	14.4	13.4	14.4
Total Current Liabilities and Provisions	349.3	336.3	359.9	337.7
Total Applications	1331.7	1075.4	1396.1	1130.0

All ratios on basis of Standalone figures

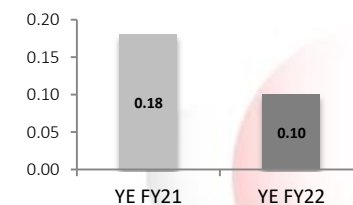
Return on Equity (%)



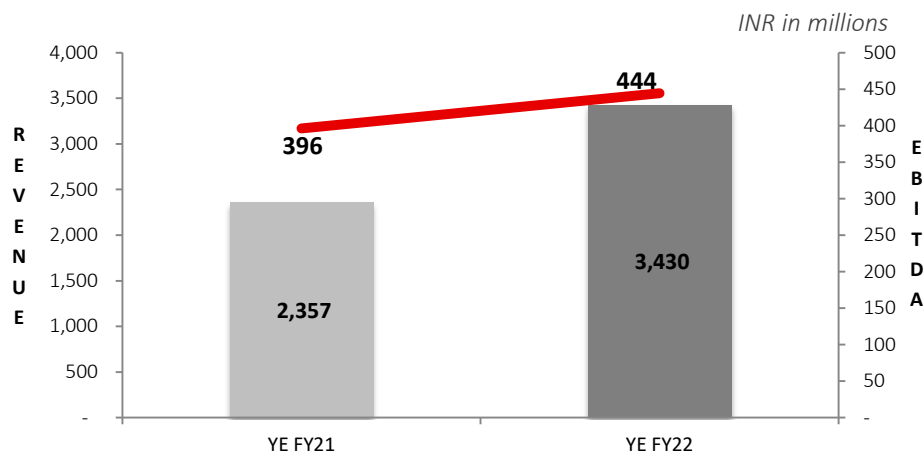
Return on Capital Employed (%)



Total Debt/Equity (X)



Financials – (Standalone)

Total revenue and EBITDA

INR in crores

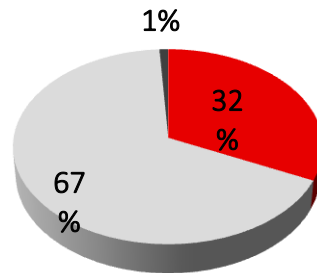
YE FY22	Chem Dist.	Chem Mfg.	Unallocated*	Total
Revenue	232.98	106.68	3.31	342.97
EBITDA	24.14	24.10	(3.81)	44.43

* Includes administrative expenses

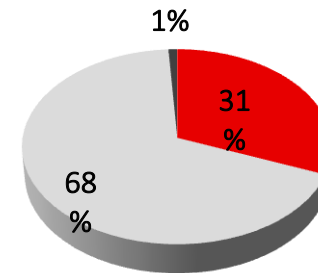
Highlights

- Highest annual revenue and EBITDA in the company's history with a increase of 45% in the topline over the previous year
- Additional revenue driven by acrylonitrile, meta cresol, ethalonamine, isophthalic acid and PAM Liquid
- Growth expected from exports subdued due to high freight costs
- The sales and profitability for the fourth quarter impacted by the war in Europe and the pandemic related lockdowns in China

Financials – Revenue and geographic mix



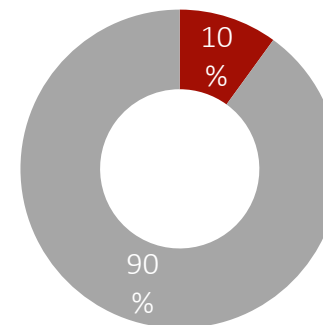
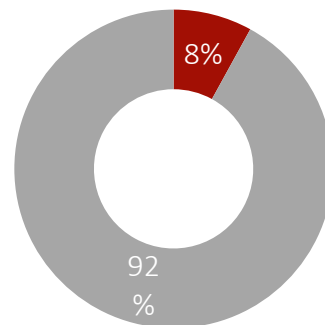
YE FY21



YE FY22

MANUFACTURING

DISTRIBUTION

OTHERS**EXPORTS**

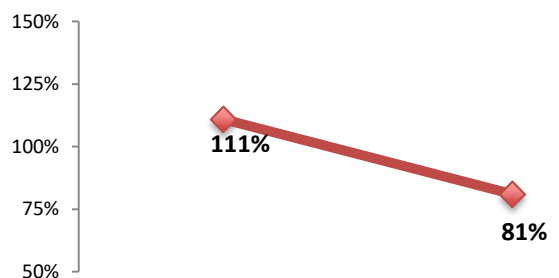
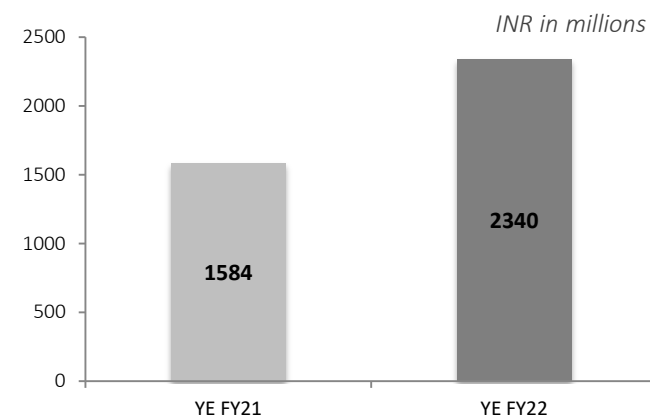
LOCAL

Figures rounded off to closest unit percentage

Financials - Distribution



Total distribution revenue and EBITDA index



EBITDA index with base FY20 as 100%

Highlights

- The overall revenue from the distribution segment was up by 48% from the previous year.
- Products like acrylonitrile, isophthalic acid and ethnolamine added significantly to the topline and profits during the year.
- Reduced demand coupled with oversupply in China led to reduced sales volumes for resorcinol
- New products hexamine and neo pentyl glycol added to the distribution portfolio during the year.
- Top 5 products is 80% of top line and 67% of profit

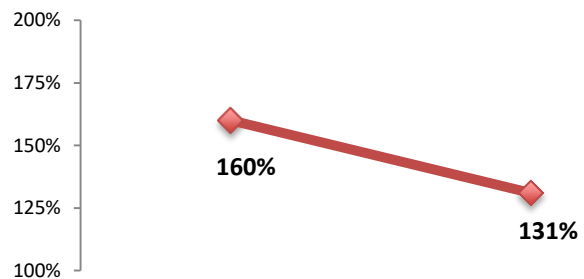
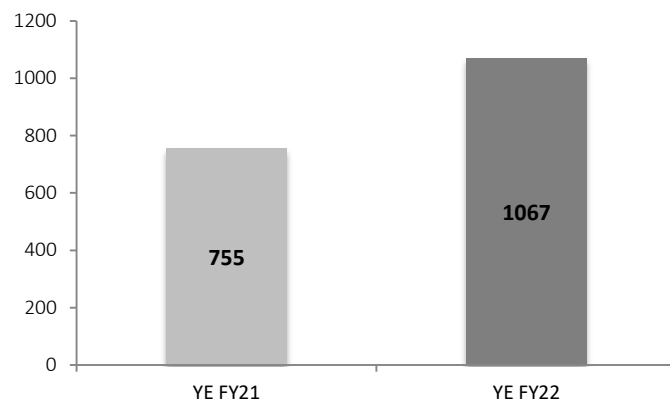


Financials - Manufacturing



Total manufacturing revenue and EBITDA index

INR in millions

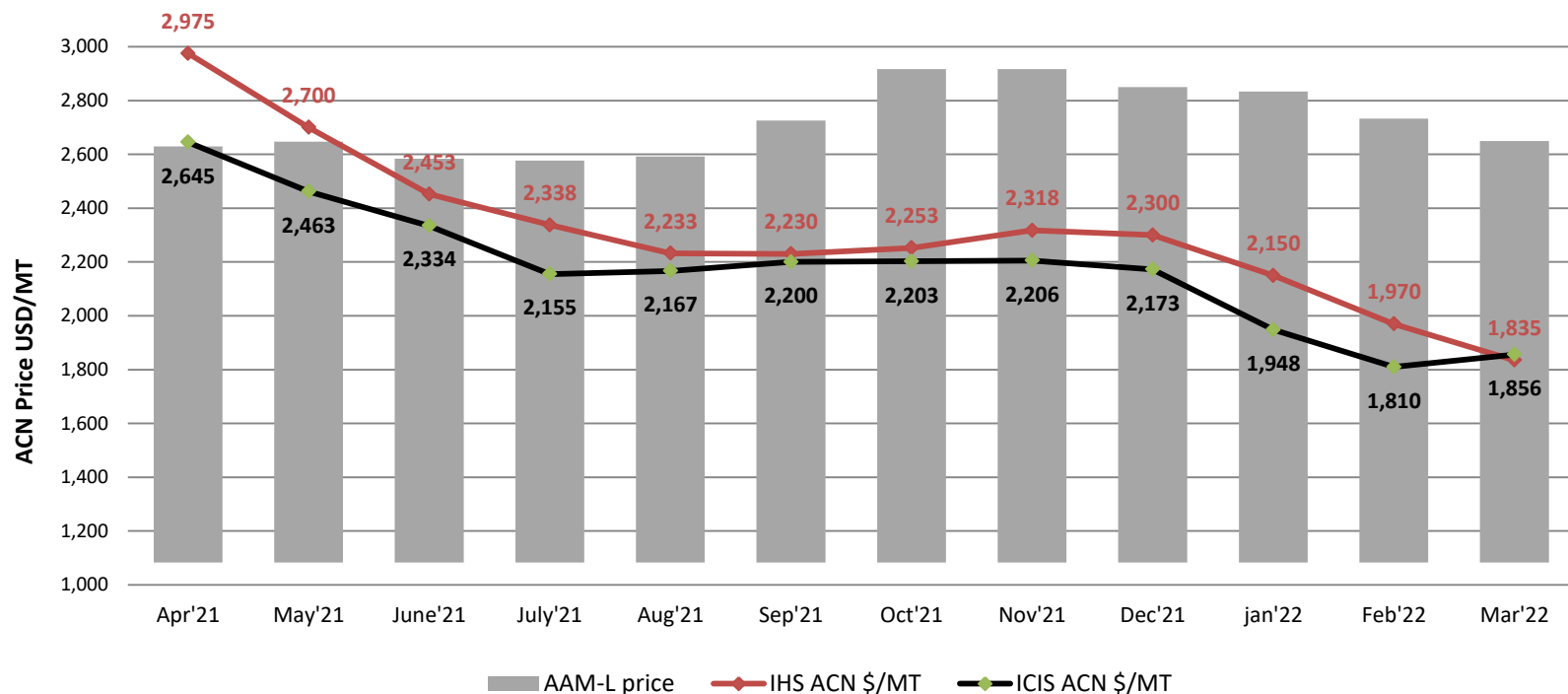


EBITDA index with base FY20 as 100%

Highlights

- Overall revenues increased by 41% while that of PAM-L increased by over 300% compared to the previous year
- The company gained market share by adding new customers and penetrating new markets as the company emerged as a strong alternative to established competitors
- The high freight costs made export of AAM-L unfeasible to certain markets
- Higher cost of carry forward raw material stock led to reduced margin in Q4

Acrylonitrile – Acrylamide Price Trend



Outlook for the current quarter:

Chemical distribution, and manufacturing


Chemical distribution

- Business expected to remain strong. Supply chain is a critical aspect for all companies and availability of reliable supplies becomes more important
- Expect growth in products like acrylonitrile, meta cresol, isophthalic acid, resorcinol, ethanolamines, and polyacrylamide
- New dedicated team formed for development of polyacrylamide business
- Product addition will continue with strong principal support. Expect overall EBITDA margins in the range of 8-10%



Outlook for the current quarter: Chemical distribution, and manufacturing


Acrylamide liquid

- Domestic market to be subdued during Q1 FY23. Expect recovery by end May/early June with end of COVID lockdown in China.
 - Demand to grow in FY23 with increase in real estate sector spurring demand for ceramic tiles, construction chemicals, and paint emulsions
 - Fluctuation in raw material prices is a part and parcel of this business and company remains well prepared to deal with such fluctuations
 - To keep pushing for growth in export market and hopeful of freight rates to be normalized at 30-40% reductions in the year ahead
-  Applied for REACH registration for sales to Europe

Outlook for the current quarter:

Chemical distribution, and manufacturing

PAM Liquid

- Looking to increase market share starting June 2022 as ceramic tile production normalizes with stable gas supplies
 - Expect to grow current volumes by 2x by the end of FY23
 - Continue improvement of process and product to further strengthen competitiveness and acceptance
- 

N-methylol acrylamide (NMA)

- Expecting product approvals from key clients during Q1 FY23
- Plan to achieve 600 MT sales by end of FY23

Outlook for the current quarter:

Chemical distribution, and manufacturing

Acrylamide Powder

- Expecting approvals very shortly
- Orders already in hand from France, Turkey, and Japan
- Will be a key product for the company in the coming years and planning for fresh EC for additional 20KT capacity

Polycarboxylate Acid

- Currently in R&D phase, expecting finalization by end of Q1 FY23
- Important product to help expand market reach in ceramic tiles business



Outlook for the current quarter: Chemical distribution, and manufacturing

Polyacrylamide Solid

- Head of Technology hired in March'22
- Induction of R&D/technical advisor from Japan at the end of May will boost development effort and fast track process
- New PAM sales team being put in place to reduce gestation period between start of commercial and full capacity sales



Outlook for the current quarter:

Chemical distribution, and manufacturing

Focus on R&D

- Setting up new world class R&D centre in the outskirts of Mumbai for product and application development
- Focus on green chemistries for production of traditional petrochemical based chemicals from bio-renewable sources
- Entry into discussion with overseas technology owners as well as universities for process development research
- Working with principals from distribution and manufacturing business to study the feasibility of introducing both existing and new technologies for setting up production facilities in India



Manufacturing business Capacities and CAPEX

Product	Capacity MTPA	CAPEX in Rs. Crores*	Incurred in Rs. Crores*	Technology	Further possibility MTPA	Available capacity for growth
Acrylamide (L)	20,000 + 12,000	102	54	MCI	60,000	30%
Polyacrylamide (L)	40,000			In-house	40,000	60%
NMA	2,000			In-house	-	70%
Acrylamide Solid	3,600			In-house	20,000	-
Polycarboxylate Acid	5,000			In-house	5,000	-
PAM Solid	10,000			In-house	10,000	-

*Excluding land, figures are approximate

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