



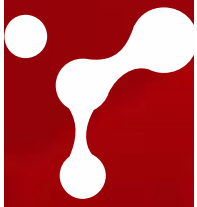
BLACK ROSE INDUSTRIES LIMITED

FY2022-23 EARNINGS WEBINAR

May 30, 2023

Mr. Anup Jatia – Executive Director

Mr. Ambarish Daga – Joint CFO and Investor Relations Officer



Disclaimer

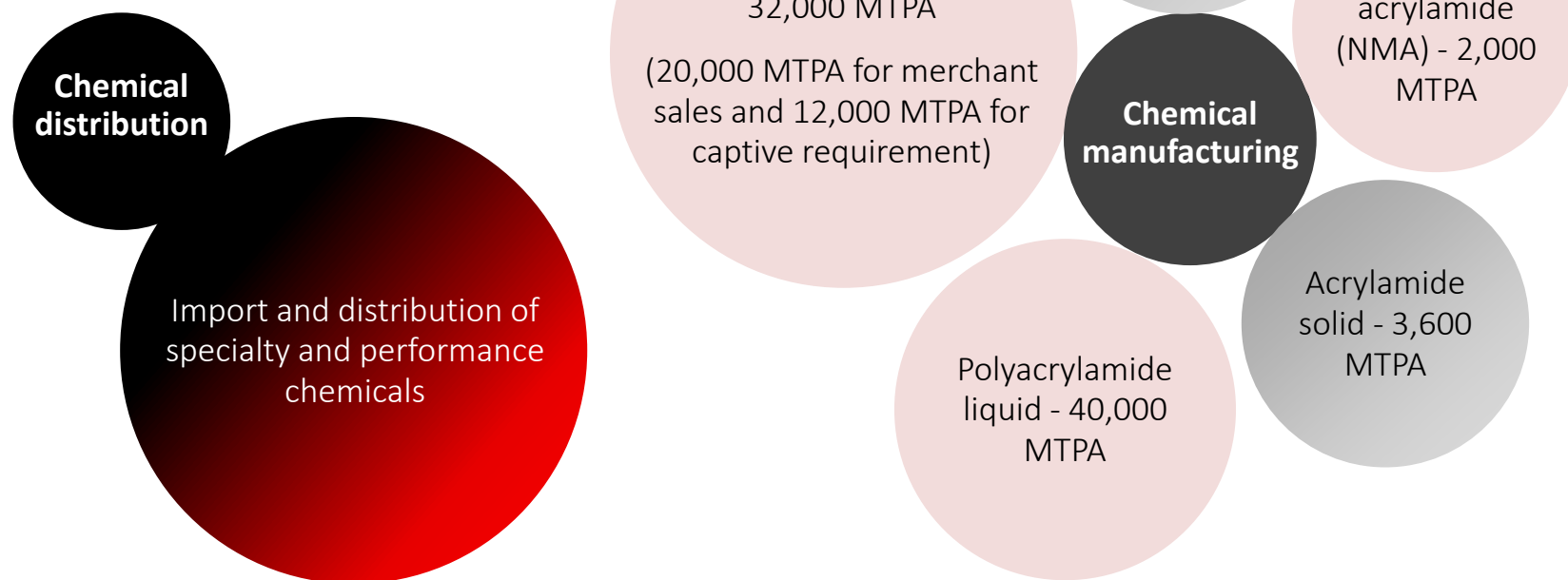
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Business presence of Black Rose



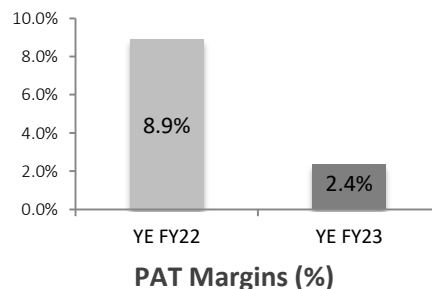
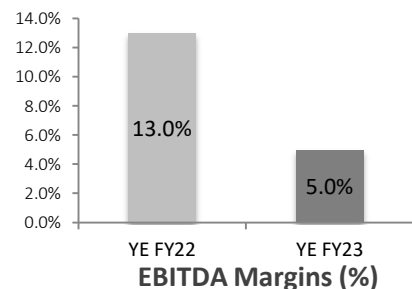
Legacy/other businesses: The Company is also engaged in the manufacture of fabrics and made-ups for industrial applications at Kolhapur (Maharashtra), and renewable energy (a windmill each in Gujarat and Rajasthan). **These businesses contribute less than 1% to the company's revenues.**

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

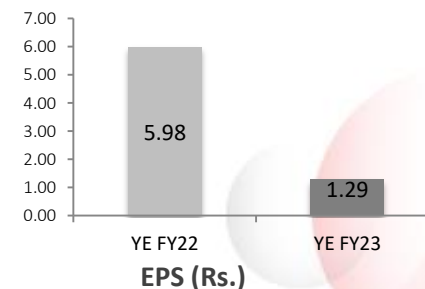
Financials – Profit & Loss (Standalone & Consolidated)

INR. in millions

Particulars	STANDALONE			CONSOLIDATED		
	YE FY23	YE FY22	Change %	YE FY23	YE FY22	Change %
Revenue from operations	2,780.92	3,408.00	-18%	4,304.40	4,868.02	-12%
EBITDA	139.14	444.28	-69%	158.25	465.00	-66%
Depreciation	30.35	26.19	16%	30.35	26.19	16%
PBIT	108.79	418.09	-74%	127.90	438.82	-71%
Interest	18.39	8.91	106%	18.39	8.91	106%
PBT	90.41	409.19	-78%	109.52	429.91	-75%
Taxation	24.64	104.20	-76%	30.33	110.94	-73%
PAT	65.77	304.99	-78%	79.19	318.97	-75%
Change % from YE FY22 to YE FY23						



All ratios based on Standalone figures



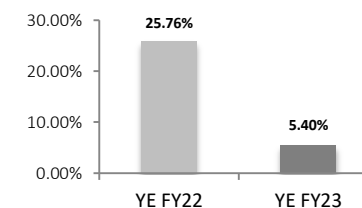
Financials – Balance Sheet (Standalone & Consolidated)

INR in millions

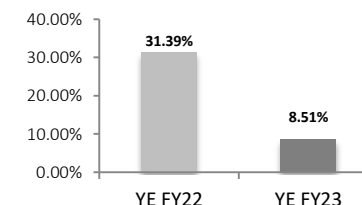
Particulars	STANDALONE		CONSOLIDATED	
	YE FY23	YE FY22	YE FY23	YE FY22
Sources of Funds				
Equity Share Capital	51.0	51.0	51.0	51.0
Reserves & Surplus	1166.8	1133.0	1219.8	1172.5
Net Worth	1217.8	1184.0	1270.8	1223.5
Deferred Tax	34.6	36.2	34.7	36.2
Loans	25.3	111.5	50.0	136.4
Total Sources	1277.7	1331.7	1355.5	1396.1
Application of Funds				
Gross Block	656.0	597.1	656.0	597.1
Less: Depreciation	290.1	262.4	290.1	262.4
Net Block	365.8	334.7	365.8	334.7
Capital WIP, intangible asset u/development & Right of Lease (net)	114.1	118.3	114.1	118.3
Investments	1.6	1.6	0.0	0.0
Other Non Current Assets	20.1	21.8	20.1	21.8
Current Assets, Loans and Advances				
Inventories	295.3	462.7	295.3	462.7
S. Debtors	589.2	663.1	589.2	663.1
Cash & Bank Balances	120.2	51.3	201.2	133.1
Loans & Advances	0.2	0.6	0.2	0.6
Other Current assets	33.2	27.7	34.3	27.5
Total Current Assets	1038.1	1205.3	1120.3	1287.1
Current Liabilities and Provisions				
S. Creditors	212.8	302.9	212.8	313.5
Other Current Liabilities	40.0	39.6	42.8	33.0
Provisions	9.2	7.7	9.2	7.7
Total Current Liabilities and Provisions	262.0	350.1	264.8	367.9
Total Applications	1277.7	1331.7	1355.5	1396.1

All ratios on basis of Standalone figures

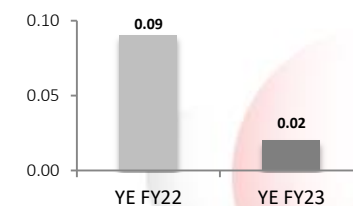
Return on Equity (%)



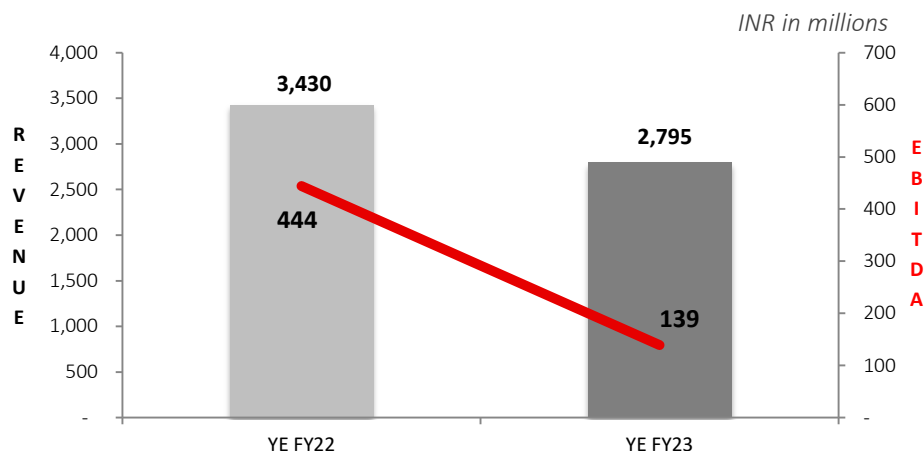
Return on Capital Employed (%)



Total Debt/Equity (X)



Financials – (Standalone)

Total revenue and EBITDA

INR in crores

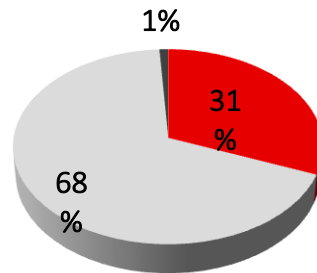
YE FY23	Chem Dist.	Chem Mfg.	Unallocated*	Total
Revenue	196.54	81.16	1.84	279.54
EBITDA	9.28	11.01	(6.38)	13.91

* Includes administrative expenses

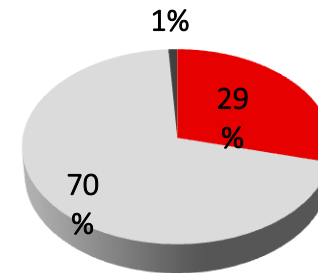
Highlights

- Decline in annual revenue and EBITDA over the previous year due to global headwinds
- New product addition in distribution portfolio provided impetus to topline
- Sharp drop in international shipping costs lend support to significant growth in export volumes
- Latter part of the year saw improved revenues and earnings as high cost inventories were consumed in previous quarters

Financials – Revenue and geographic mix



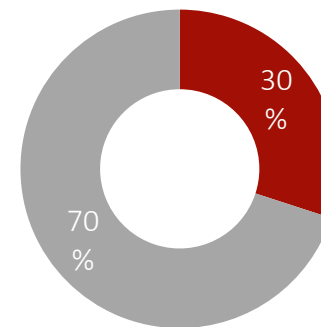
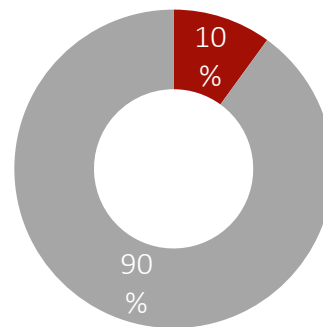
YE FY22



YE FY23

MANUFACTURING

DISTRIBUTION

OTHERS**EXPORTS**

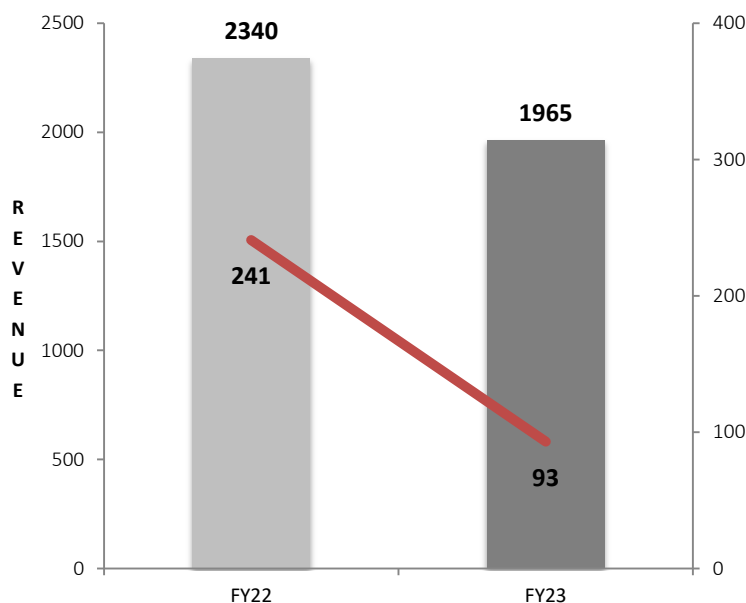
LOCAL

Figures rounded off to closest unit percentage

Financials - Distribution

Total distribution revenue and **EBITDA**

INR in millions



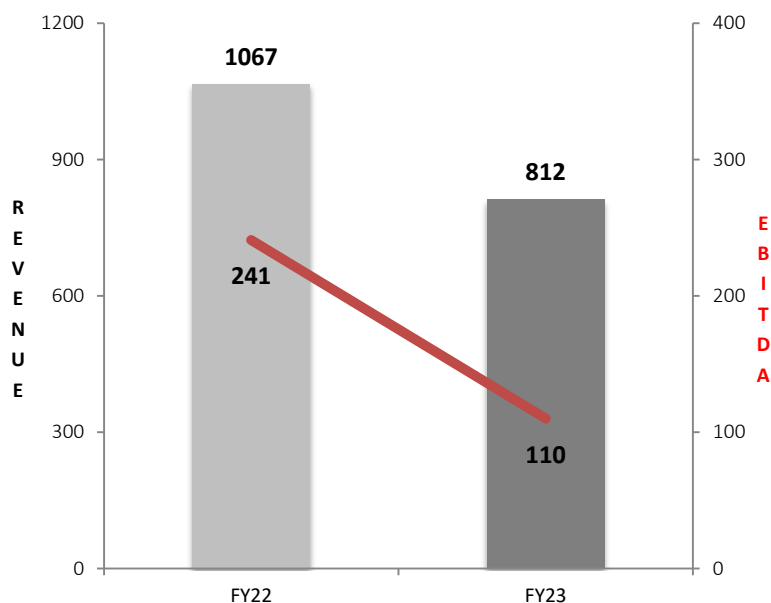
Highlights

- The overall revenue from the distribution segment was down by 16% from the previous year.
- Falling price realisations and subdued demand in the domestic markets was somewhat offset by strong demand in the US oil and gas sector
- Limited availability of key products such as ethanolamines and meta cresol also impacted sales
- Top 5 products is 79% of top line and 82% of profit

Financials - Manufacturing

Total manufacturing revenue and EBITDA

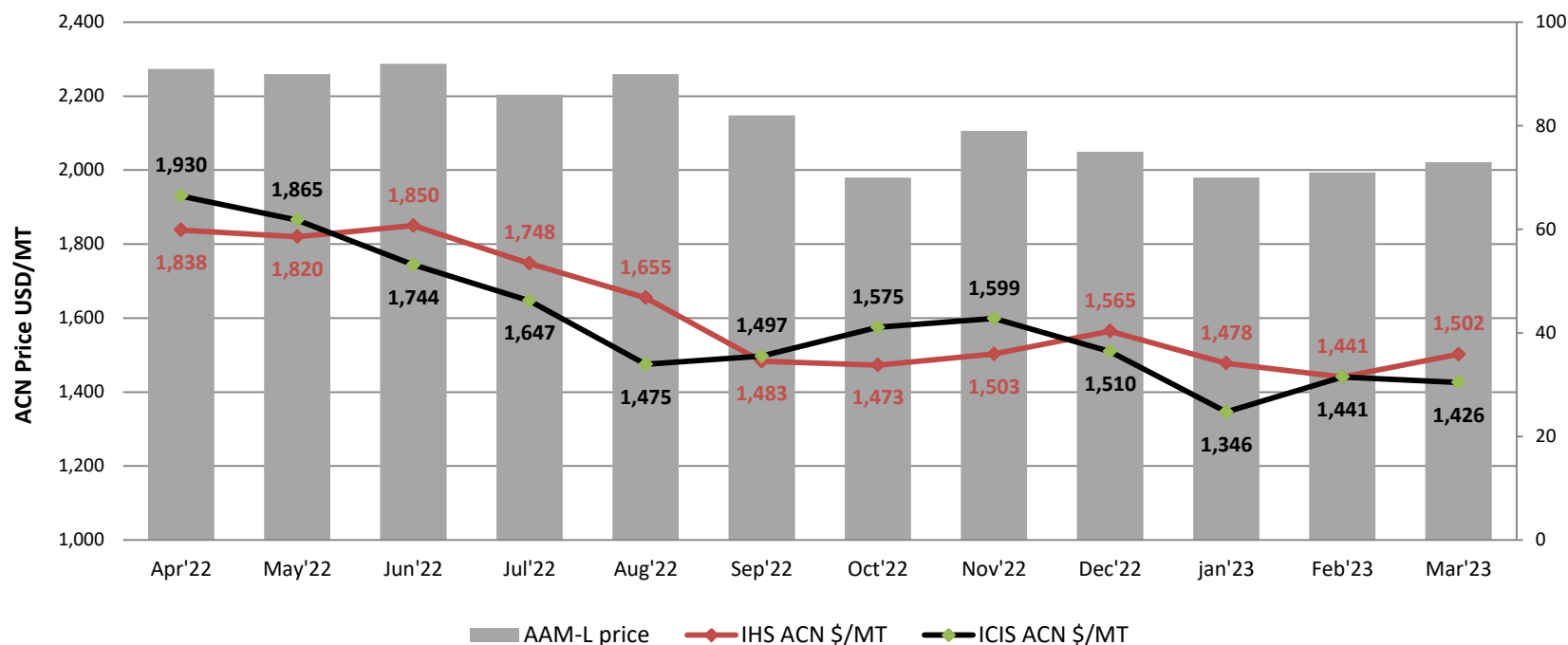
INR in millions



Highlights

- Overall revenue decreased by 24% compared to the previous year as price realisation and domestic demand fell during the year
- The company obtained EU REACH registration allowing it access to the European market
- Dumping by Chinese suppliers impacted sales of acrylamide powder during the year
- Higher cost of carry forward raw material stock led to reduced margins in the first three quarters
- Slowdown and high gas prices impacted sales of PAM-L in the Morbi ceramic tile market

Acrylonitrile – Acrylamide Price Trend



Outlook for the current quarter:

Chemical distribution, and manufacturing

Chemical distribution

- Company is well-positioned to support principal suppliers with higher offtakes and end-user customers with competitive and timely supplies
- Supplies of meta cresol and ethanolamines expected to improve in the upcoming quarters adding to revenues and profit
- Exports to US oil and gas industry seen to be slowing due to recessionary sentiment and dip in oil prices



Outlook for the current quarter:

Chemical distribution, and manufacturing

Acrylamide liquid and solid

- Prices of acrylamide liquid in the domestic market continued to fall during Q1 FY24
- Prices in the export market are more remunerative and company exports more acrylamide compared to domestic sales
- Chinese dumping of acrylamide powder continues to hamper sales of acrylamide powder in domestic market
- EU REACH registration and product approvals at several overseas clients along with lower freight costs helping exports of acrylamide
- Company plans to ramp up production in Q2 as new machinery and equipment is installed during Q1



Outlook for the current quarter:

Chemical distribution, and manufacturing

PAM Liquid

- Sales of polyacrylamide liquid ceramic binder remains stable during Q1 FY24
- Company prioritises quality, service, and realisation over volume growth
- New product introduction to boost market share in upcoming quarters

N-methylol acrylamide (NMA)

- Repeat orders received from regular customers
- Approval process ongoing at both domestic and international clients
- Plan to achieve four-fold increase in volumes in Q2 FY24



Outlook for the current quarter:

Chemical distribution, and manufacturing

Ongoing and Upcoming Projects

- Research and development work going on for ceramic binders, acrylic dispersants, and polyacrylamide solids
- Company is conducting feasibility studies for a specialty chemical project in collaboration with a Japanese company
- Discussions are underway on two toll-manufacturing projects with US and European companies



Manufacturing business Capacities and CAPEX

Product	Capacity MTPA	CAPEX in Rs. Crores*	Incurred in Rs. Crores*	Technology	Further possibility MTPA
Acrylamide (L)	20,000 + 12,000	41	58	MCI	60,000
Polyacrylamide (L)	40,000	4		In-house	40,000
NMA	2,000	<1		In-house	-
Acrylamide Solid	3,600	6		In-house	20,000
Polycarboxylic Acid	5,000	<1		In-house	5,000
PAM Solid	10,000	60		In-house	10,000

*Excluding land, figures are approximate

Contact

Mr. Ambarish Daga

Joint CFO & Investor Relations Officer

Head office

145/A, Mittal Towers

Nariman Point, Mumbai 400 021, India

Call / Fax

+91-22-4333-7200

+91-22-2287-3022 (Fax)

Mail to

jointcfo@blackrosechemicals.com

