



# Galaxy Surfactants Limited

*Investor Presentation - November 2019*



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*H1FY20  
Performance Highlights*

# H1FY20: Key Developments

The AMET market outperformed on the back of a strong performance registered by the Performance Surfactants segment

ROW market maintained its growth momentum

Domestic (India) business registered QoQ growth – showing signs of improvement. We expect a better second half.

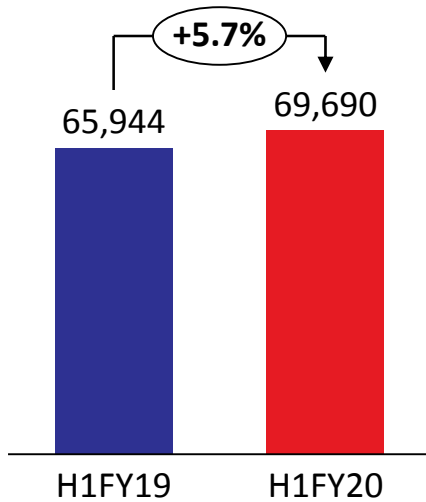
Growth driven by all three customer segments: MNC's, Regional & Local

Emerging trends and diverse product portfolio ensured growth across product segments

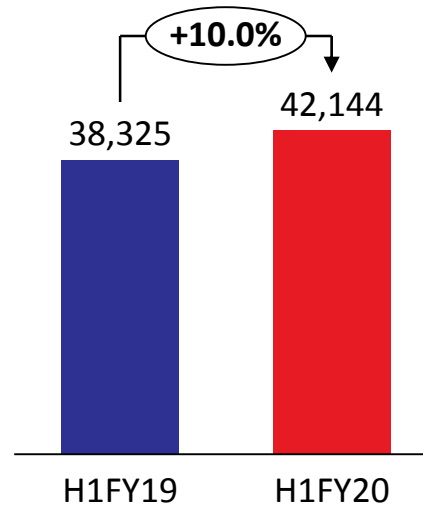
# Volume: H1FY20 Highlights (YoY)

Volume Highlights

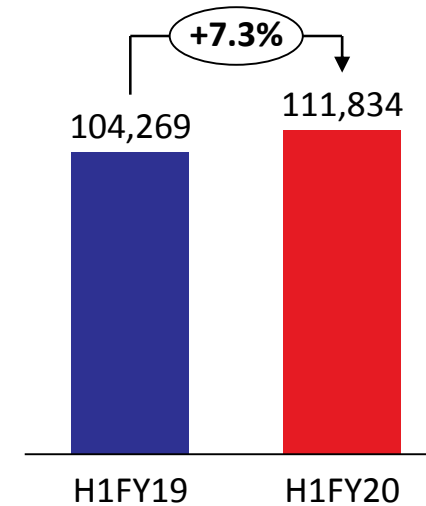
## Performance Surfactants



## Specialty Care Products



## Total Volume



India Market de-grew **-1.2%**



Africa Middle East Turkey de-grew by **7.3%**



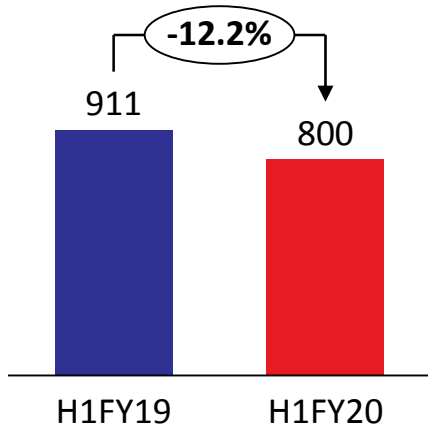
Rest of the World grew by **19.4%**



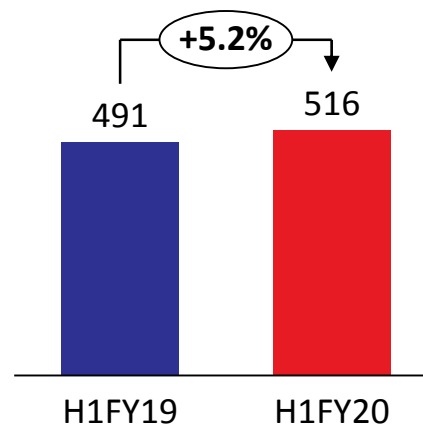
*Both Performance & Specialty Care segments logged in growth which was ahead of the Industry growth rate*

# H1FY20 Highlights (YoY)

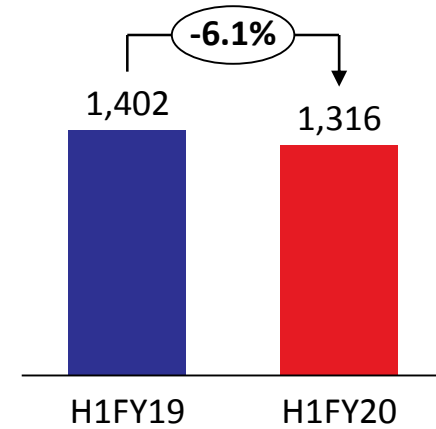
## Performance Surfactants



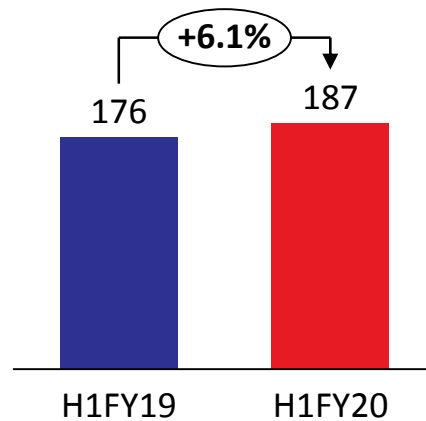
## Specialty Care Products



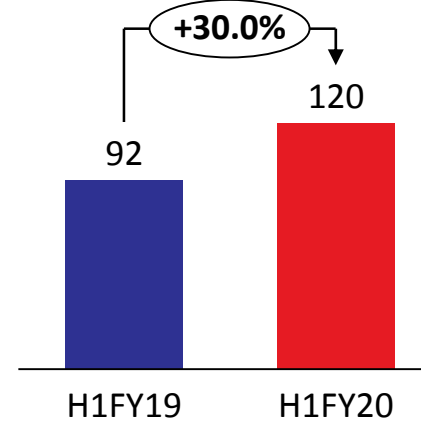
## Total Revenue<sup>^</sup>



## EBITDA<sup>^</sup>



## PAT



Revenue Highlights

Rs. In Crores

As per Ind AS

<sup>^</sup>Includes other Income



# Consolidated Profit & Loss Statement

Particulars (Rs. In Crores)	Q2 FY20	Q2 FY19	Y-o-Y	H1 FY20	H1 FY19	Y-o-Y
Net Revenue from Operations	648.8	685.3	-5.3%	1,313.8	1,401.4	-6.2%
Other Income	1.3	1.9		2.6	0.2	
<b>Total Revenue</b>	<b>650.1</b>	<b>687.2</b>	<b>-5.4%</b>	<b>1,316.4</b>	<b>1,401.6</b>	<b>-6.1%</b>
Cost of Material Consumed	433.0	483.3		875.9	1,004.8	
Employee's Benefits Expense	42.8	41.8		88.4	80.0	
Other Expenses	85.0	73.3		165.5	140.9	
<b>EBITDA</b>	<b>89.3</b>	<b>88.8</b>	<b>0.6%</b>	<b>186.7</b>	<b>175.8</b>	<b>6.2%</b>
<b>EBITDA Margin</b>	<b>13.74%</b>	<b>12.92%</b>		<b>14.18%</b>	<b>12.55%</b>	
Depreciation	15.4	12.8		30.3	25.4	
<b>EBIT</b>	<b>74.0</b>	<b>76.0</b>	<b>-2.6%</b>	<b>156.4</b>	<b>150.4</b>	<b>4.0%</b>
Finance cost	6.4	7.3		12.4	15.0	
<b>PBT</b>	<b>67.5</b>	<b>68.7</b>	<b>-1.6%</b>	<b>144.0</b>	<b>135.4</b>	<b>6.4%</b>
Tax expense	0.5	22.4		24.4	43.4	
<b>PAT</b>	<b>67.1</b>	<b>46.3</b>	<b>44.8%</b>	<b>119.6</b>	<b>92.0</b>	<b>30.0%</b>
<b>PAT Margin</b>	<b>10.32%</b>	<b>6.74%</b>		<b>9.09%</b>	<b>6.57%</b>	
Other Comprehensive Income	9.9	18.2		8.7	33.9	
<b>Total Comprehensive Income</b>	<b>77.0</b>	<b>64.5</b>	<b>19.3%</b>	<b>128.3</b>	<b>126.0</b>	<b>1.9%</b>
EPS	18.92	13.07		33.74	25.96	

- Decline in revenue is primarily due to declining fatty alcohol prices. The same fell from an avg. rate of \$1,405/MT to \$1,113/MT YoY basis
- Average Forex rate in H1FY20 was Rs. 69.95 per USD versus Rs 68.48 per USD in H1FY19
- PAT includes one time deferred tax gain of Rs 9.43 crores
- Savings on account of reduction in Tax rate yielded savings of Rs 5.85 Crores in Q1 which has been captured in Q2 FY20

# Consolidated Balance Sheet

Particulars (Rs. In Crores)	Sept '19	Mar'19
<b>ASSETS</b>		
Property, Plant and Equipment	528.5	511.2
Right-of-use assets	38.9	0.0
Capital work-in-progress	111.8	82.6
Goodwill	2.6	2.5
Intangible Assets	5.6	5.0
<b>Financial Assets</b>		
(i) Investments	0.0	0.0
(ii) Loans	7.2	6.9
(iii) Other financial assets	0.9	1.9
Deferred Tax Assets (Net)	4.2	4.9
Income Tax Assets (Net)	17.0	8.0
Non-current tax assets	39.8	47.6
<b>Total Non-Current Assets</b>	<b>756.5</b>	<b>670.6</b>
<b>Current Assets</b>		
Inventories	352.0	351.3
<b>Financial Assets</b>		
(i) Trade receivables	417.4	426.8
(ii) Cash and cash equivalents	33.4	25.0
(iii) Bank Balances other than cash and cash equivalents	0.8	0.7
(iv) Loans	0.5	3.7
(v) Other Financial Assets	5.9	3.0
Other Current Assets	119.0	86.9
<b>Total Current Assets</b>	<b>929.0</b>	<b>897.4</b>
<b>TOTAL ASSETS</b>	<b>1,685.5</b>	<b>1568.0</b>

Particulars (Rs. In Crores)	Sept'19	Mar'19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	35.5	35.5
Other Equity	956.8	841.3
<b>Total Shareholders Fund</b>	<b>992.3</b>	<b>876.7</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	63.4	89.2
(ii) Lease Liabilities	20.7	0.0
(iii) Other Financial Liabilities	0.3	0.3
Provisions	12.9	10.0
Deferred Tax Liabilities (Net)	24.6	32.0
Other non-current liabilities	0.4	0.8
<b>Total Non-Current Liabilities</b>	<b>122.3</b>	<b>132.3</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	225.7	164.0
(ii) Trade Payables	258.2	305.9
(iii) Lease Liabilities	3.5	0.0
(iv) Other Financial Liabilities	62.0	71.5
Other Current Liabilities	13.8	8.5
Provisions	3.3	4.1
Current Tax Liabilities (Net)	4.4	5.1
<b>Total Current Liabilities</b>	<b>570.9</b>	<b>559.0</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,685.5</b>	<b>1568.0</b>



# Consolidated Cash Flow Statement

Particulars (Rs. In Crores)	Half Year ended	
	Sept '19	Sept '18
Cash Flow From Operating Activities :		
Profit After Tax	119.6	92.0
Operating Profit before working Capital changes	183.7	172.9
Net cash flows generated from/(used) in Operating Activities (A)	101.1	85.7
Net cash flows generated from/(used) in Investing Activities (B)	-79.2	-75.6
Net cash flows generated from/(used) in Financing Activities (C)	-14.1	-7.0
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	7.8	3.1
Opening cash and cash equivalents	25.0	27.1
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.6	3.0
Closing cash and cash equivalents	33.4	33.2

# Standalone Profit & Loss Statement

Particulars (Rs. In Crores)	Q2 FY20	Q2 FY19	Y-o-Y	H1 FY20	H1 FY19	Y-o-Y
Net Revenue from Operations	446.3	493.0	-9.5%	916.9	1,009.8	-9.2%
Other Income	9.7	24.5		8.7	32.9	
<b>Total Revenue</b>	<b>456.0</b>	<b>517.6</b>	<b>-11.9%</b>	<b>925.6</b>	<b>1,042.7</b>	<b>-11.2%</b>
Cost of Material Consumed	299.6	353.4		616.9	739.0	
Employee's Benefits Expense	23.9	22.7		48.5	42.7	
Other Expenses	54.8	50.5		110.9	96.4	
<b>EBITDA</b>	<b>77.8</b>	<b>91.1</b>	<b>-14.6%</b>	<b>149.3</b>	<b>164.6</b>	<b>-9.3%</b>
<b>EBITDA Margin</b>	<b>17.06%</b>	<b>17.59%</b>		<b>16.13%</b>	<b>15.79%</b>	
Depreciation	9.7	7.1		19.2	14.1	
<b>EBIT</b>	<b>68.1</b>	<b>84.0</b>	<b>-19.0%</b>	<b>130.1</b>	<b>150.5</b>	<b>-13.6%</b>
Finance cost	4.5	4.8		8.9	10.0	
<b>PBT</b>	<b>63.6</b>	<b>79.2</b>	<b>-19.7%</b>	<b>121.2</b>	<b>140.5</b>	<b>-13.8%</b>
Tax expense	0.7	25.3		21.2	46.0	
<b>PAT</b>	<b>62.9</b>	<b>53.9</b>	<b>16.7%</b>	<b>99.9</b>	<b>94.5</b>	<b>5.7%</b>
<b>PAT Margin</b>	<b>13.79%</b>	<b>10.41%</b>		<b>10.80%</b>	<b>9.06%</b>	
Other Comprehensive Income	-0.8	0.0		-1.0	0.1	
<b>Total Comprehensive Income</b>	<b>62.1</b>	<b>53.9</b>	<b>15.3%</b>	<b>98.9</b>	<b>94.6</b>	<b>4.6%</b>
EPS	17.73	15.19		28.18	26.65	

# Standalone Balance Sheet

Particulars (Rs. In Crores)	Sept '19	Mar'19
<b>ASSETS</b>		
Property, Plant and Equipment	376.2	354.2
Capital work-in-progress	38.1	40.2
Right of use Asset	25.6	0.0
Intangible Assets	5.5	5.0
<b>Financial Assets</b>		
(i) Investments	261.8	256.5
(ii) Loans	5.4	5.3
(iii) Other financial assets	0.5	1.3
Deferred Tax Assets (Net)	0.0	0.0
Income Tax Assets (Net)	14.4	8.0
Non-current tax assets	36.3	45.5
<b>Total Non-Current Assets</b>	<b>763.8</b>	<b>715.8</b>
<b>Current Assets</b>		
Inventories	223.1	209.7
<b>Financial Assets</b>		
(i) Trade receivables	287.5	306.5
(ii) Cash and cash equivalents	4.4	3.9
(iii) Bank Balances other than cash and cash equivalents	0.8	0.7
(iv) Loans	0.4	3.5
(v) Other Financial Assets	7.0	3.8
Other Current Assets	83.4	62.9
<b>Total Current Assets</b>	<b>606.5</b>	<b>590.9</b>
<b>TOTAL ASSETS</b>	<b>1,370.3</b>	<b>1,306.7</b>

Particulars (Rs. In Crores)	Sept '19	Mar'19
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	35.5	35.5
Other Equity	833.1	747.1
<b>Total Shareholders Fund</b>	<b>868.6</b>	<b>782.5</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	63.4	89.2
(ii) Lease Liability	8.1	-
(iii) Other Financial Liabilities	0.3	0.3
Provisions	12.9	10.0
Deferred Tax Liabilities (Net)	35.1	41.3
Other non-current liabilities	0.4	0.5
<b>Total Non Current Liabilities</b>	<b>120.2</b>	<b>141.2</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	84.4	28.5
(ii) Trade Payables	223.8	274.3
(iii) Lease Liability	2.1	0.0
(iv) Other Financial Liabilities	55.6	66.2
Other Current Liabilities	8.3	6.0
Provisions	2.9	3.7
Current Tax Liabilities (Net)	4.4	4.4
<b>Total Current Liabilities</b>	<b>381.5</b>	<b>382.9</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,370.3</b>	<b>1,306.7</b>

# Standalone Cash Flow Statement

Particulars (Rs. In Crores)	Half Year ended	
	Sept '19	Sept '18
Cash Flow From Operating Activities :		
Profit After Tax	99.9	94.5
Operating Profit before working Capital changes	142.5	130.1
Net cash flows generated from/(used) in Operating Activities (A)	46.6	73.3
Net cash flows generated from/(used) in Investing Activities (B)	-40.4	-50.6
Net cash flows generated from/(used) in Financing Activities (C)	-5.8	-21.9
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	0.4	0.7
Opening cash and cash equivalents	3.9	1.9
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.0	0.0
Closing cash and cash equivalents	4.3	2.7

# *Business Overview*



# Truly Indian MNC...



**Leading manufacturer of  
Ingredient for Home &  
Personal care Industry (HPC)**



**Product applications across  
Mass, Mass-tige & Prestige  
range of Customers**



**GLOBAL + LOCAL = GLOCAL**

**Preferred supplier to leading  
Multinational, Regional &  
Local FMCG Brands**



**Brand Custodian**



**Globally Recognized**



**Integrated Across Full  
Value Chain of HPC  
Industry**



**Advanced portfolio of  
Innovative Products &  
Solutions**



**Proven Credentials in R&D**



# ...Vertically Integrated in HPC Industry



**200+ Product Grades**



**7 Strategically Located  
Facilities with Inhouse Project  
Execution Capabilities**  
5 in India, 1 in Egypt, 1 in US



**Extensive R&D Capabilities**  
74 Members, R&D Centre, Pilot  
Plant, Product Application  
Centre;



**Indigenous  
Intellectual property**  
65 Approved; 20 Applied



**Serving  
1750+ Clients**



**Presence across  
75+ countries**



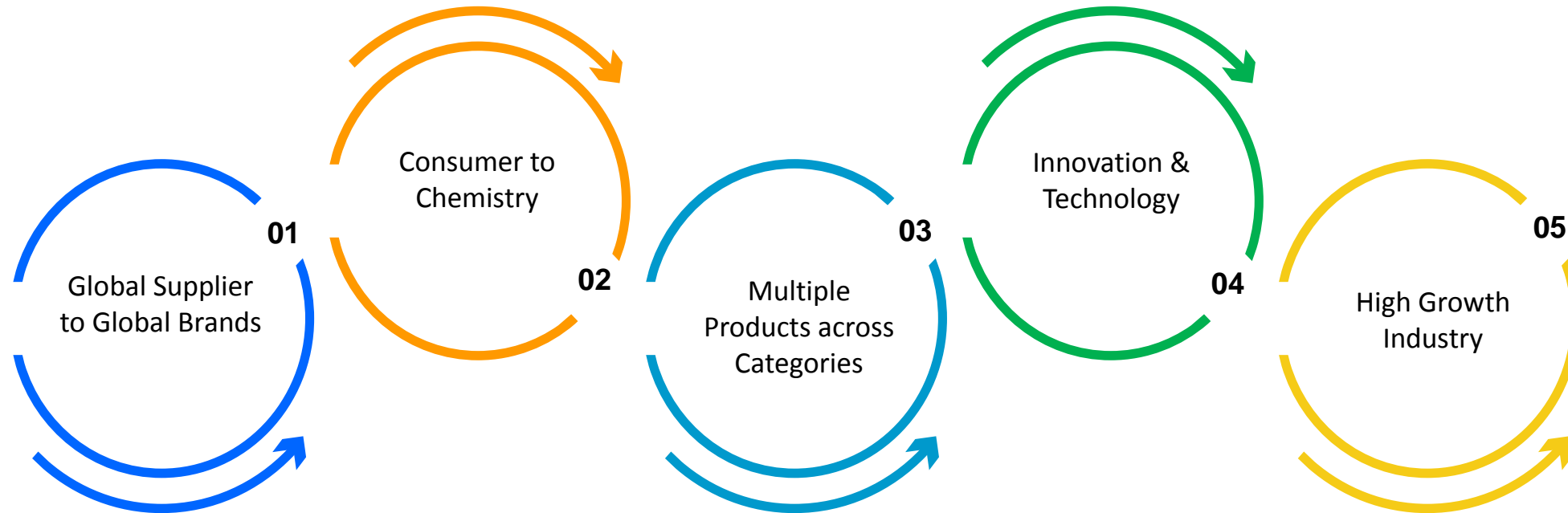
**Sustainability - A way of  
Life**



**1400+ Employees across  
all our Facilities**

# We grow faster than HPC FMCGs

India's Largest Manufacturer of Oleochemical based Surfactants and Speciality Care Products for Home Care and Personal Care Industries (HPC)



# Our growth trajectory over Three Decades

**1986:** Incorporation of Company  
**1984:** New Plant at Tarapur for Ethoxylates, Phenoxyethanol, Sunscreens

**1994:** New plant set up at Tarapur  
**1995:** Acquisition of Galaxy Chemicals  
**1997:** Sulfonation plant Setup at Taloja and Research Centre at Navi Mumbai  
**1998:** Commissioning of new plant in Taloja

**2004:** setting up of EOU at Taloja  
**2009:**

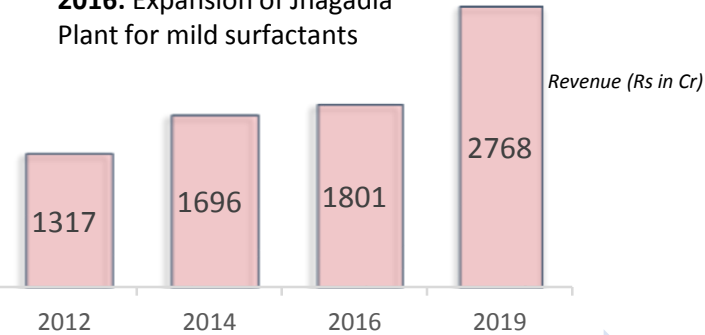
- Acquisition of Tri-K Industries
- Galaxy Chemicals Egypt S.A.E. & Rainbow Holdings GmbH became step down subsidiary

**2011:** Commissioning of Egypt and Jhagadia Plants  
**2014:** Purchase of business of Surfactants International LLC  
**2016:** Expansion of Jhagadia Plant for mild surfactants

1980 1984 1988 1990

1992 1994 1998 2000

162 322 382 589  
 2004 2007 2008 2010



## 1980-1990

## 1990-2000

## 2000-2010

## 2010 - 2019

### IMPORT SUBSTITUTION

### INDIA GROWTH PHASE

### EXPORT GROWTH PHASE

### GLOBAL ESTABLISHMENT

- Established credentials in surfactants/ specialty ingredients space
- Due to high import duties, personal care products were considered luxury goods Galaxy was a strong supplier for import substitution
- Developed a solid R&D base

- Post Economic Liberalisation, market for personal care products grew substantially
- Galaxy emerged as a strong player
- Grew exponentially led by strong innovation capabilities
- Focused on capturing the domestic market and large customer accounts
- Set up capacities to cater to the emerging requirements

- Strategic shift with focus on Global markets expansion
- Made investments to acquire manufacturing facilities at USA, Egypt and established international offices
- Increased share of revenue from international business

- Dominant Share in India
  - Increased Global Participations
  - Supplier Recognitions (Global)
  - Strong R&D Capability
  - Customer Partnership
  - IPO – listing of the company on BSE and NSE
- Accepted as Global Vendor benchmarked with best International peers**

# Our focus is Personal & Home Care Segment

## Hair Care

Shampoos  
Conditioners  
Colorants  
Styling Gels



## Oral Care

Toothpaste  
Tooth powder  
Mouth wash



## Home Care

Carpet Cleaner  
Toilet Cleaner  
Detergents  
Fabric Cleaner  
Glass / Floor Cleaner



Mass

Mass -tige

Prestige

Serving needs across Consumer Segments

Mass

Mass -tige

Prestige

## Skin Care

Sun care  
Fairness Creams  
Moisturizing Creams  
Anti-ageing Creams



## Cosmetics

Nail Polish  
Lip Colors  
Foundations



## Toiletries

Toilet Soaps / Body wash  
Shaving Cream / Lotions



# ... with over 200 Product Offerings

## Performance Surfactants

Anionic Surfactants

FAES, FAS, LABSA

Non-Ionics Surfactants

Ethoxylates

Amphoteric Surfactants

Betaines

Cationic Surfactants

Quats

UV Filters

Sunscreen Agents (OMC, OCN & Others)

Preservatives, Preservative Blends

Phenoxyethanol, Preservative Blends, Surfactant Blends

Speciality Ingredients

Mild Surfactants (MS), Proteins and Syndet & Transparent Bathing Bar Flakes

Fatty Alkanolamides (FA) and Fatty Acid Esters (FAE)

Other Care Products

Conditioning Agents, Polyquats & Amine Oxides

### Consumer Benefits

- ✓ Foam and Dirt removal properties
- ✓ Cosmetics and Personal care products as emulsifiers and solubilisers
- ✓ Dermatological properties to reduces skin irritation
- ✓ Effective conditioning aids: substantively to hair and antimicrobial properties
- ✓ Absorb or block the harmful radiation, Mild for the skin with Moisturizing
- ✓ Reduced toxicity & prevent spoilage
- ✓ MS: Cleanse adequately without compromising basic function of skin
- ✓ Protein: cosmetic industry for conditioning, protection and strengthening of hair/skin, anti-irritancy, moisturization etc
- ✓ FA & FAE: Foam, viscosity boosters and pearlizer in a formulation
- ✓ Improves the quality of another material also called as moisturizers, conditioning benefits to the hair etc

## Speciality Care Products

Bifurcation is only for Investor community as every product has different functionality

## Performance Surfactants

## Speciality Care Products

### About Product



“Substantive Raw Material in Customer’s End-products”

“Unique Functionality to Customer’s End-products”

- Products are functional in nature where End-consumer require foaming & cleansing
- Large volume consumption in all rinse-off formulations
- Products are Pulled by FMCG as it is required due to impulse buying from end consumer

- Niche & Premium products
- Low volume consumption
- Oligopolistic for most products
- Low penetration due to its unique application

### No. of Products



45 products

155+ products

### Revenue Mix



61%

39%



# Our Global Footprints

**USA: TRI-K Industries-100% owned**

	Manufacturing	✓
	R&D	✓
	# Plants	1
	# Employees	69
	Marketing office	✓

**USA**  
TRI K Industries

**Netherlands**

**Turkey**

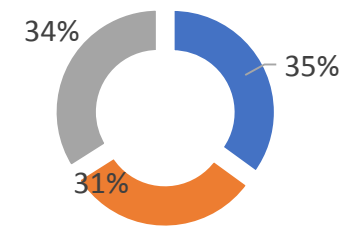
**China**

**Egypt**  
Galaxy Chemicals (Egypt) S.A.E.

**Global Headquarters**

**India**

**H1FY20: Revenue Breakup**



■ India ■ AMET ■ RoW

**Egypt: 100% owned\***

	Manufacturing	✓
	R&D	✗
	# Plants	1
	# Employees	150
	Marketing office	✗

**India: Parent Entity**

	Manufacturing	✓
	R&D	✓
	# Plants	6
	# Employees	1,187
	Marketing office	✓

*Presence in High Growth & Matured Markets*

# “Consumer to Chemistry”: Creation of Products

Idea Stage



Feasibility Stage



Capability Stage



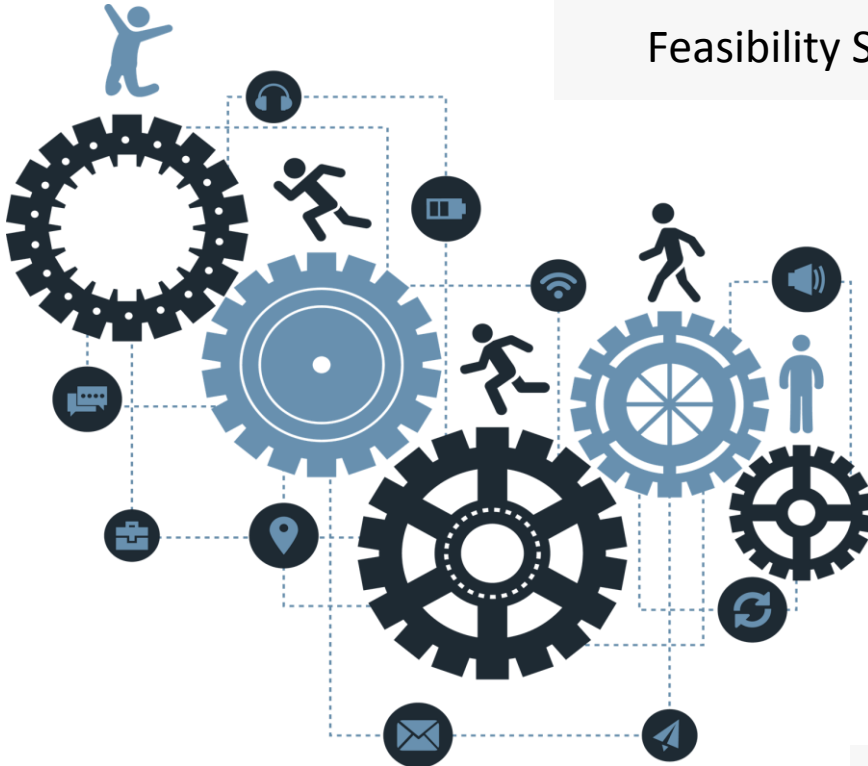
Market Ready Stage



Product in the Market



*Innovation Funnel*



65 approved Patents and 20 applied

INDIA	USA	EUROPE	ROW	GLOBALY Applied
14	14	4	6	20

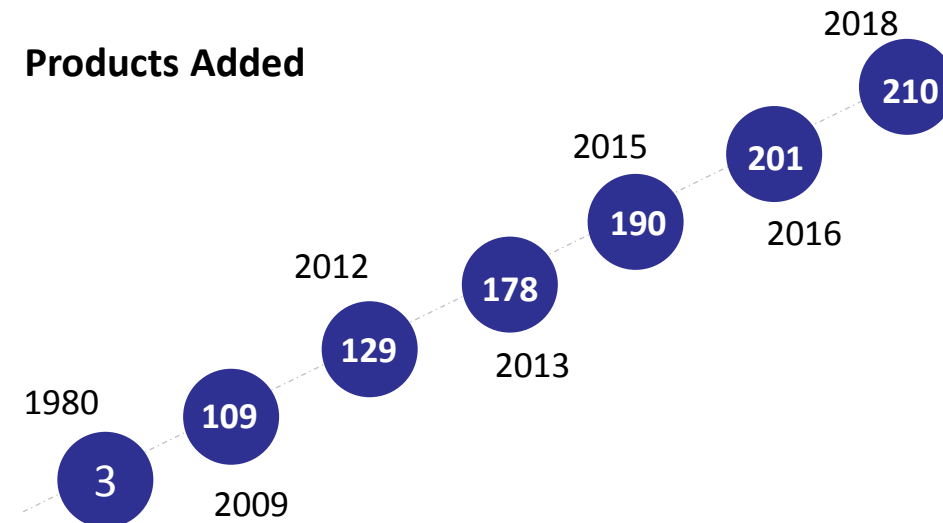
65 Patents since 2002

20 Patent application pending

R&D spend of INR 60+ Cr in 17-19

New product grades, process, efficiencies

Products Added



# ...with World-class R&D facilities

Collaborative product development with Customers which helps Customers in choosing **“Right Technology with Right Application”**

Inhouse R&D Team of 74 professionals comprising of doctorates, chemists and engineers

Well-Equipped R&D Centre, Pilot Plant at Tarapur, Maharashtra; Product applications centre for proteins at Denville, USA

Innovation Funnel (adopted in 2007) to consistently diversify product offerings, meet customer needs and consumer trends



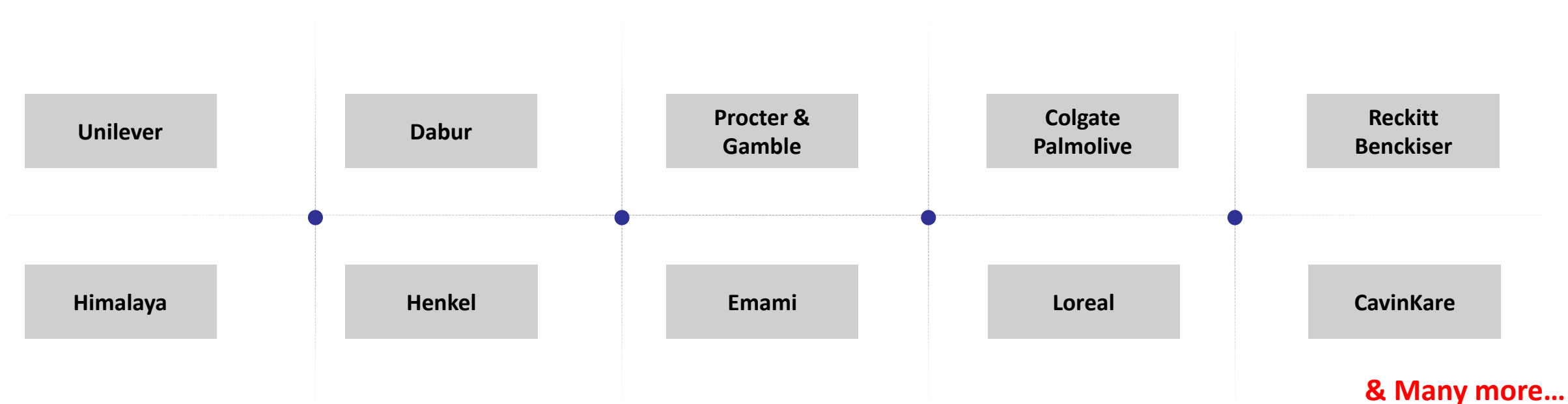
# State-of-the-art Manufacturing Facilities



Location	No. of Units	Installed Capacity	Details
Tarapur, Maharashtra	3	33,647 MTPA	<ul style="list-style-type: none"> <li>✓ 1 pilot plant for scale up and commercialisation of new products rolling out from R&amp;D activities</li> <li>✓ Easy access to the Jawaharlal Nehru Port Trust, Navi Mumbai</li> </ul>
Taloja, Maharashtra	1	153,741 MTPA	<ul style="list-style-type: none"> <li>✓ One of the largest sulfation facilities in India</li> <li>✓ Easy access to the Jawaharlal Nehru Port Trust, Navi Mumbai</li> </ul>
Jhagadia, Gujarat*	1	131,000 MTPA	<ul style="list-style-type: none"> <li>✓ Located close to raw material source ethylene oxide</li> </ul>
Suez, Egypt*	1	117,500 MTPA	<ul style="list-style-type: none"> <li>✓ Located in the Attaqa Public Free Zone, exempt from all direct and indirect taxes</li> <li>✓ Access to the Suez Canal, can address AMET, Europe and Americas (North and South) markets</li> </ul>
New Hampshire, USA	1	600 MTPA	<ul style="list-style-type: none"> <li>✓ Step-down Subsidiary - Tri-K Industries owns and operates for different grades of proteins for cosmetic applications</li> </ul>

*\*Environmental clearances for expansion and additional land available at Jhagadia and Suez plants*

# 1750+ Clients across 75+ Countries



**Long term strategic relationship with all of the top 10 customers**  
**Strict qualifications and extensive collaboration with customers for end-product development**

- FY19: Revenue Contribution  
**MNC Customers: 56%**  
**Regional Players: 10%**  
**Local & Niche Player: 34%**
- Through Innovation funnel, Demonstrated Engineering & Technical excellence
- All FMCG Protocols accomplished by us which helped to create Decade old partners
- Of basket of 200+ products, clients has various requirement with different quantity with different pricing mechanism
- Galaxy has created Integrated Value chain for long lasting relationship



# Awards & Certifications: True recognition of Capabilities

<p>Recognition from Clients</p>	 <p>“Certificate of Excellence in Samyut”, 2017</p>	 <p>“Best Supply Partner”, 2015 “Winning through Innovation” at the Partner to Win, 2012 Awards  “Innovation Award” for Green Catalyst and Sustainability at the Partner to Win, 2014 Awards</p>	 <p>Award of Global Performance” for L’Oréal Asia Pacific 2012 “Certificate of Appreciation”, 2008   <p>“Certificate of Recognition”, 2014</p> </p>	 <p>2018 Long Standing Partner Award Best Reliable Partner Award Best Value Addition Award   <p>Certificate of Appreciation For valuable association as a Business Partner</p> </p>
<p>Innovation Zone</p>	 <p>Received Gold Medal for “Galsoft GLI21”, Organized by HPCI, ISCC and SOFW</p>	 <p><b>Iconic Company</b> Indian HPC Industry Association   <p><b>CHEMEXCIL</b></p> </p>	<p>“Gold Award”, Castor Oil and Specialty Chemicals Panel for export performance in large scale sector for the years 2011-2012, 2012-2013 and 2015-2016. Trishul Award in 2017 for the outstanding export performance</p>	 <p>Various ISO Certification   <p>EcoVadis Galaxy Group   <p>Responsible Care® OUR COMMITMENT TO SUSTAINABILITY  Responsible Care, India</p> </p></p>
<p>Certifications</p>	 <p>“Great Place to Work” for the Fiscal 2017-2018</p>	 <p>“Silver Medal” in India Green Manufacturing Challenge 2016 for Jhagadia unit</p>	 <p>“Certificate of Appreciation” in occupational safety &amp; health by National Safety Council of India for Taloja Plant, 2011</p>	 <p>Japan Institute of Plant Maintenance  “Special Award for TPM Achievement”, 2008   <p>Chamber of Commerce and Industry  “Certificate of Merit 2008 – Manufacturing Category” in the IMC Ramkrishna Bajaj National Quality Award 2008“</p> </p>



# Accolades Received during FY19

Recognition from Clients



““Outstanding Contribution to PARTNER TO WIN” by Unilever during ACI-2019 conference



“Emerging Business Partner - 2018” awarded by Abbott at Samanvay 2018 event



Awards received

**ICIS Innovation Award 2018**

**Best Process Innovation**

for our “Green Process for the manufacture of Amino Acid Surfactants”

**Innovation Award**

**Best Ingredient Award- SILVER**

at HPCI 2019, Mumbai, for our product ‘Galguard NT’

**CHEMEXCIL**

**Trishul Award –**

for the year 2016, awarded in Apr 2018

Certifications

ISO 14001:2015

for GCE and Jhagadia

OHSAS 18001:2007

for GCE and Jhagadia

RSPO MB and SG models for GSL

ISO 9001:2015

for GSL all sites and for GCE

Cosmetic GMP

(ISO 22716:2007) for Jhagadia

4-pillar SMETA for Tarapur (M3 and G59), Taloja and GCE



# Management Team on Board



**Mr. Unnathan Shekhar**  
**Promoter, Managing Director**

- Associated with Company since 1986
- Chemical Engineer, PGDM from IIM, Calcutta



**Mr. Natarajan K. Krishnan**  
**Executive Director, Chief Operating Officer**

- Associated with Company since 1993
- CWA, Advanced Management Program from Harvard Business School



**Mr. Kasargod Ganesh Kamath**  
**Executive Director (Finance), Chief Financial Officer**

- Associated with Company since 2004
- Qualified CS, CWA and LL.B, over 20 years of experience



**Dr. Nirmal Koshti**  
**Non-Executive Director**

- Associated with Company since 1986
- Ph. D. in Organic Chemistry (University of Bombay); Extensive post-doctoral research experience



**Mr. Vaijanath Kulkarni**  
**Non-Executive Director**

- Associated with Company since 1995
- Chemical Engineer
- Currently, MD of Galaxy Chemicals (Egypt) S.A.E

# Along with Guidance of Senior Board Members



**Mr. Shekhar Ravindranath Warriar**  
Chairman, Non-Executive Independent Director

- Associated with Company since 2007
- More than 30 years with Unilever, India in various capacities



**Mr. Gopalkrishnan Ramakrishnan**  
Promoter, Non-Executive Director

- Associated with Company since 1986
- Qualified CA and CS



**Mr. Shashikant R. Shanbhag**  
Promoter, Non-Executive Director

- Associated with Company since 1986
- Qualified CA



**Mr. Subodh S. Nadkarni**  
Non-Executive Independent Director

- Associated with Company since 2002, 30 years+ experience
- Qualified CA and CS, prior associations with Godrej and Sulzer



**Mr. Uday Kamat**  
Non-Executive Additional Director

- Associated with Company for 15+ years
- Qualified CA and Cost Accountant, (ICWA)



**Mr. Melarkode G. Parameswaran**  
Non-Executive Independent Director

- Associated with Company since 2005
- Chemical Engineer from IIT Madras; PGDM from IIM Calcutta; PhD from Mumbai University



**Ms. Nandita Gurjar**  
Non-Executive Independent Director

- Associated with Company since 2015
- Over 20 years of experience in the field of IT and Human Resource

# The 4 Cs: Our Core Strength



## CHARACTER

Transparent & Open, Respect & Value People, Dreaming & Envisioning , Conducting Business with Integrity



## COMPETITIVENESS

Adhering to Global Quality Standards, Supplying Customers Globally, Agile & Nimble Footedness



## COMPETENCE

Talented Team which proactively meets Complex & Changing Business Needs



## COMFORT

Respecting our Commitments, Consistent Performance over the years of Timely Delivery & Quality Consistency



# *High Growth Industry*



# Personal & Home Care: Stable & Non-Cyclical Industry



**Personal Care and Cosmetics Market**



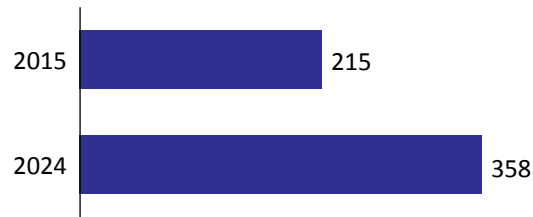
**Household Cleaning Market**



**Personal Care and Cosmetics Market**



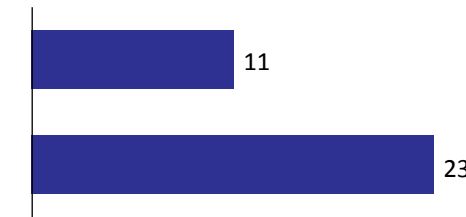
**Household Cleaning Market**



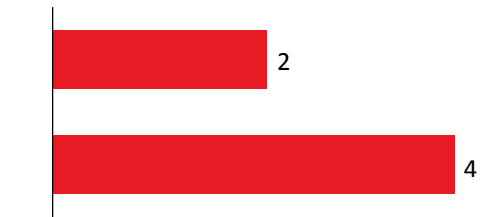
**5.8%  
CAGR**



**3.3%  
CAGR**



**7.9%  
CAGR**



**7.2%  
CAGR**

*Galaxy has a strong presence in High Growth Markets of India and AMET Regions*



# Within Surfactants – Personal Care is fastest Growing Segment

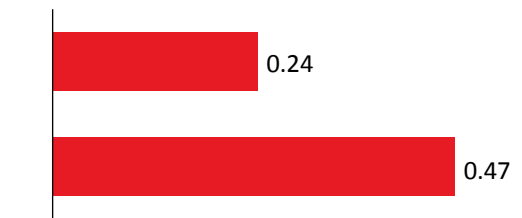
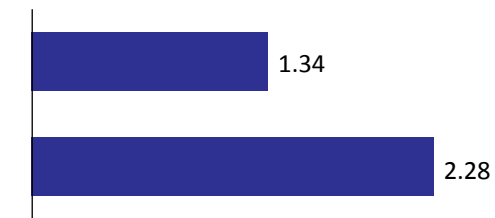
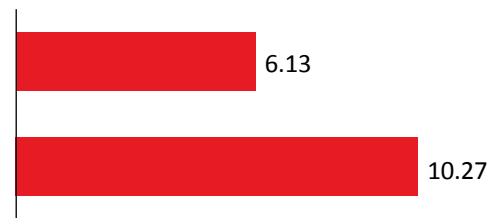
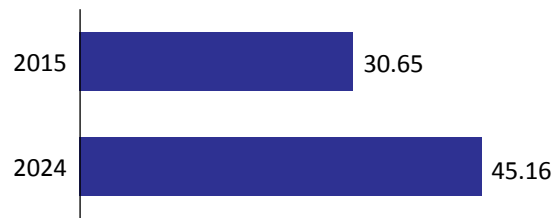
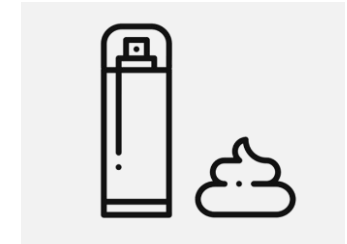
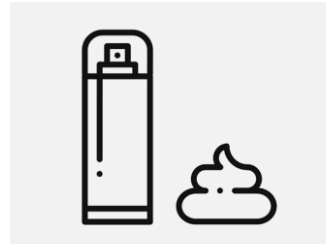


Surfactants Market

Personal Care Surfactants Market

Surfactants Market

Personal Care Surfactants Market



**4.4%**  
CAGR

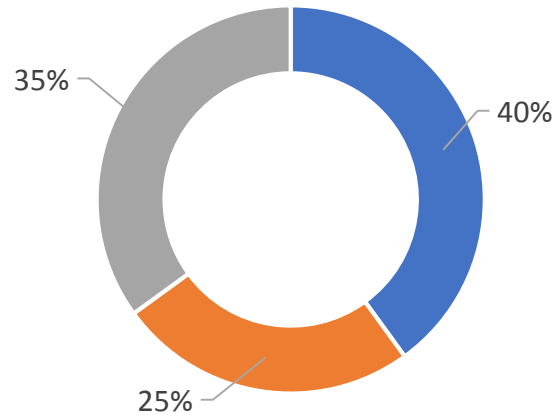
**5.9%**  
CAGR

**6.1%**  
CAGR

**7.8%**  
CAGR

# Within Specialty – Personal Care Ingredients has largest Growth Potential

**Global Personal Care Ingredients:  
USD 14-18 billion**



■ Differentiated SCIs ■ Commodities ■ Fine Chemicals

**~15-20%** Market Share  
in  
Global HPC Phenoxyethanol  
Market

UV Absorbers  
Sunscreen

- Global sun care (of which 80% is sun protection) is a USD 11 bn market and is estimated to touch USD 12.3 bn by 2021

Preservatives &  
Preservative Blends

- Preservatives blends are special customized formulations of preservatives. The preservative blends market was valued at USD 133.5mn in 2017 and is expected to grow at a CAGR of 6% to USD 210 mn by 2024

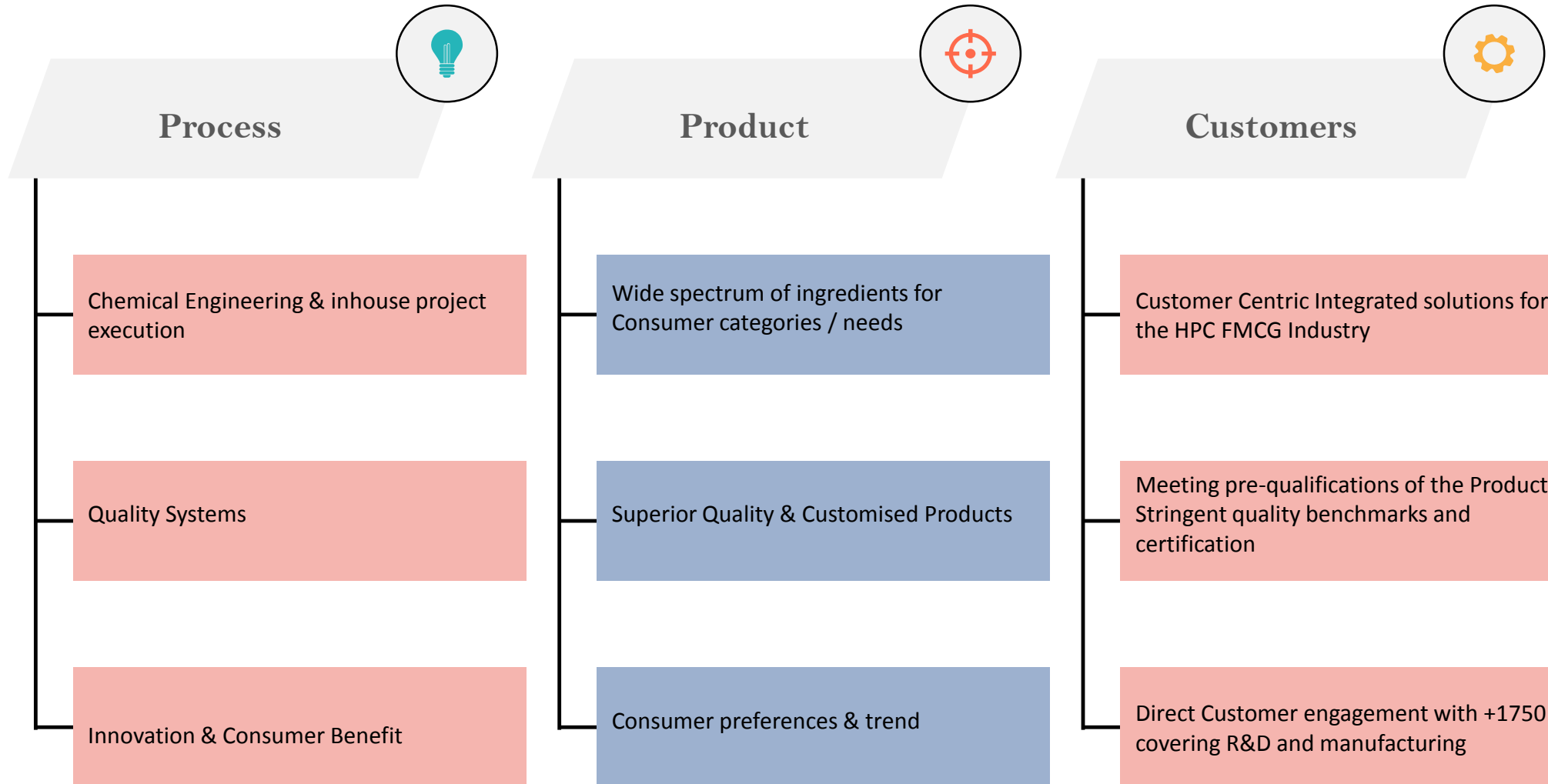
Mild Surfactants

- Surfactants milder than Traditional Agents are known as Mild Surfactants. These have been shown to cleanse adequately without compromising the skin's basic function



## *Growth Strategy*

# Personal & Home Care: High Entry Barrier Businesses



## Sales Optimization



Increased focus on high margin products in both the categories

## R&D and Innovation



Continue to focus on R&D and Product Innovation as a part of **“Consumer to Chemistry Approach”**

## Customer Wallet share



Increase Wallet Share with Existing Customers and Continued Focus to Expand Customer Base

## Market Strategy



Mutually Complimentary Two-pronged Strategy to drive growth in both Emerging and Matured Market

## Profitability



Improve Financial Performance through Sales Optimization, Operational Efficiencies & Functional Excellence



## *Financial Performance*

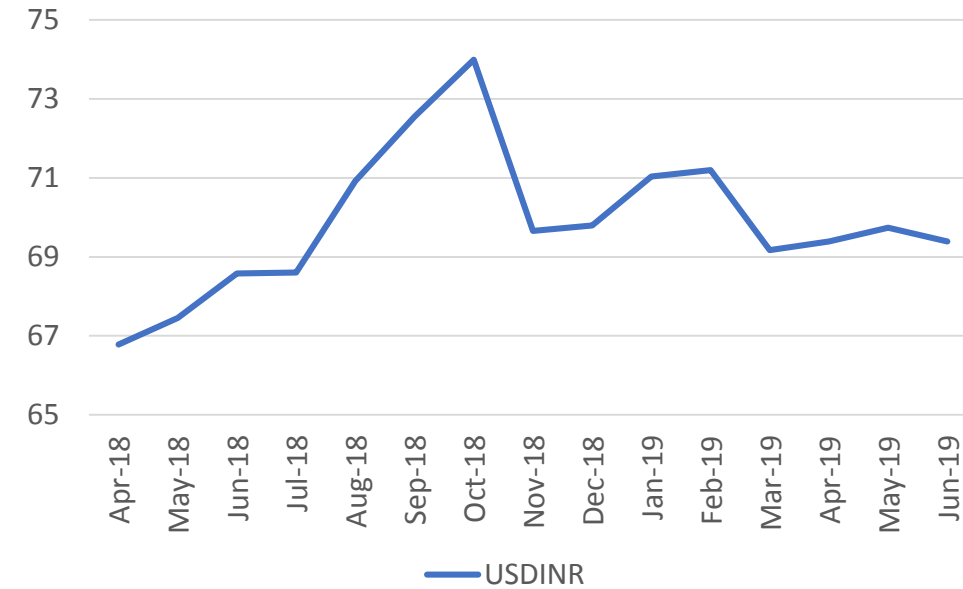
# Managing Volatility in Raw Material Prices and Currency...

Fatty Alcohol Prices (USD / MT)

INR / USD Prices

LA Price

USDINR

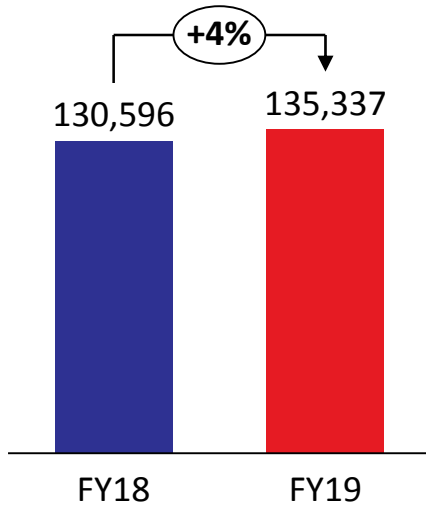


... through Robust Risk Management Practices

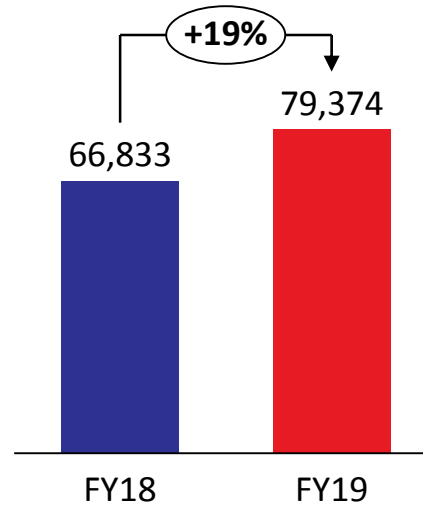


# Volume: FY19 Highlights (YoY)

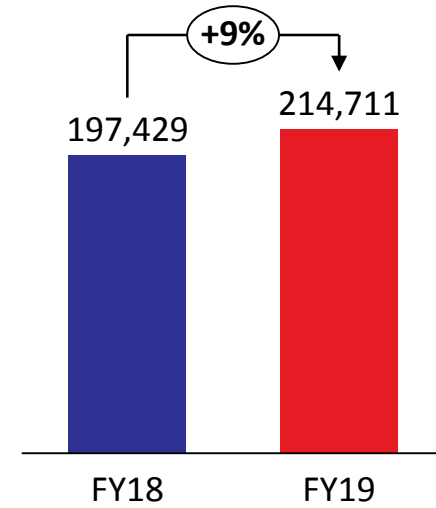
## Performance Surfactants



## Specialty Care Products



## Total Volume



India Growth **12%**



Africa Middle East Turkey de-grew by **-5%**



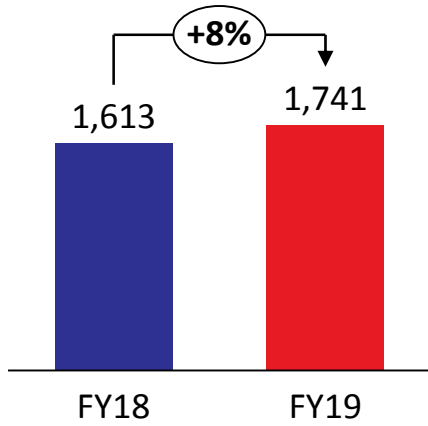
Rest of the World grew by **29%**



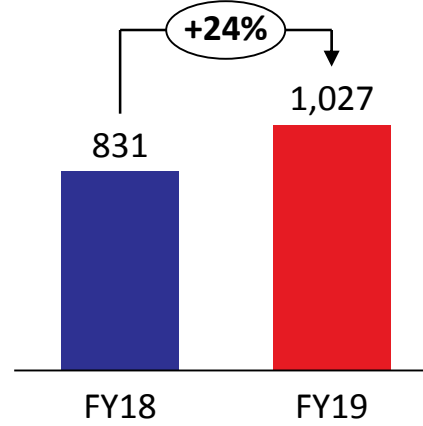
*AMET Markets decline recouped by high growth in Specialty care products*

# FY19 Highlights (YoY)

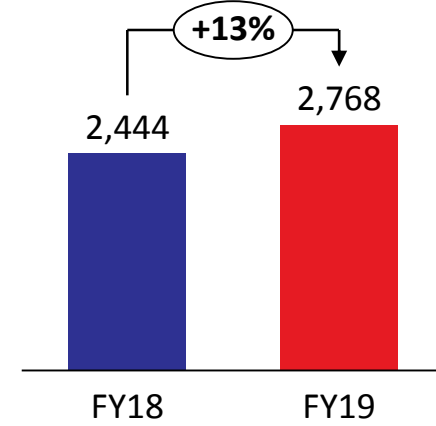
## Performance Surfactants



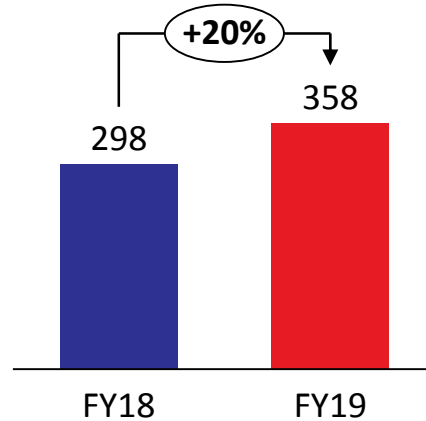
## Specialty Care Products



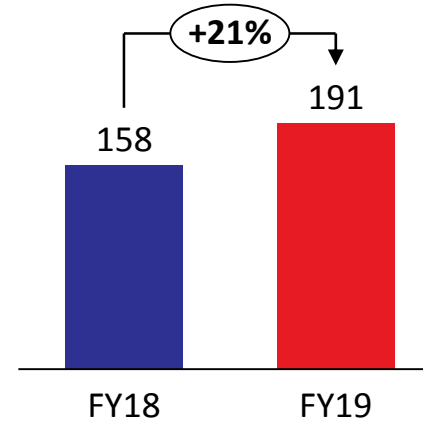
## Total Revenue<sup>^</sup>



## EBITDA<sup>^</sup>



## PAT



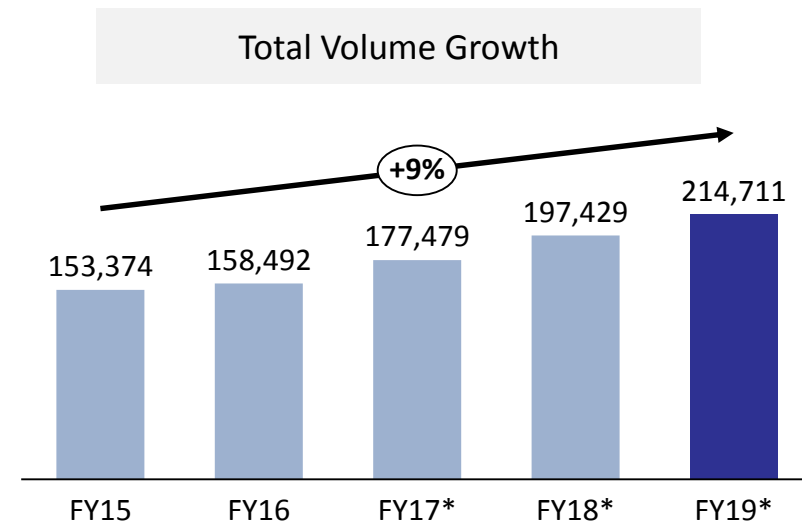
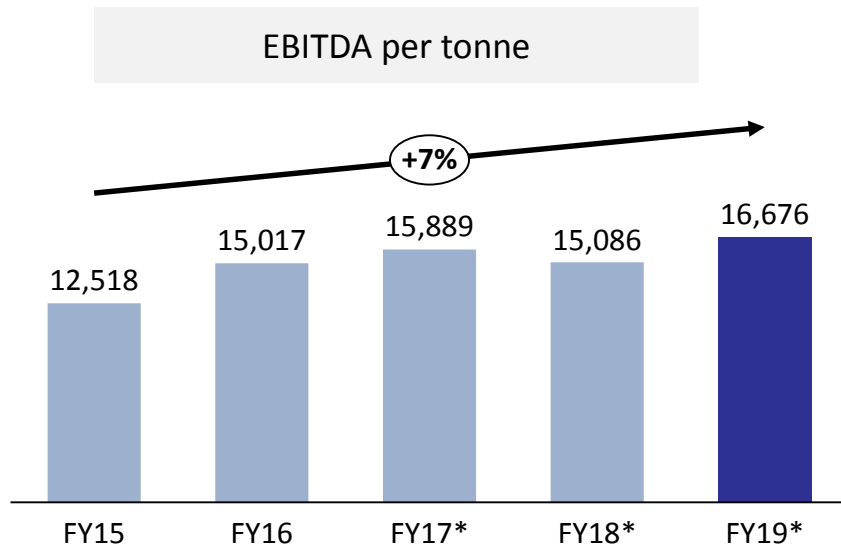
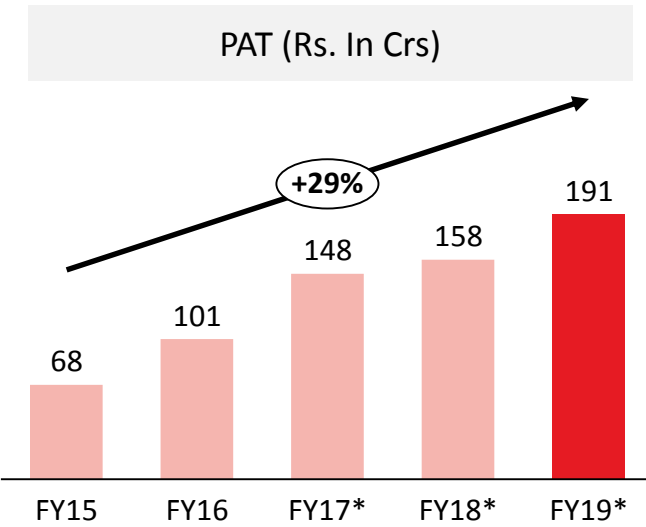
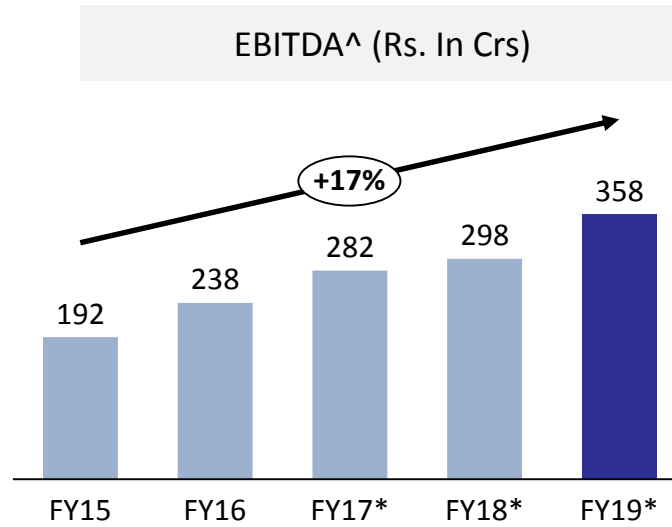
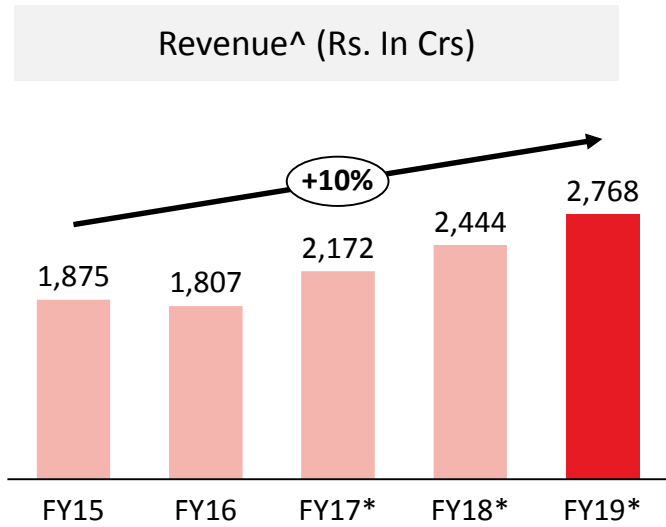
Revenue Highlights

Rs. In Crores

As per Ind AS

<sup>^</sup>Includes other Income

# Our Performance Highlights

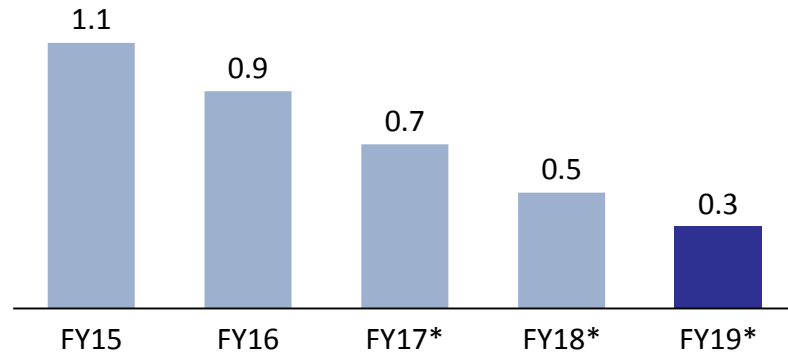


\*As per Ind AS rest as per Indian GAAP

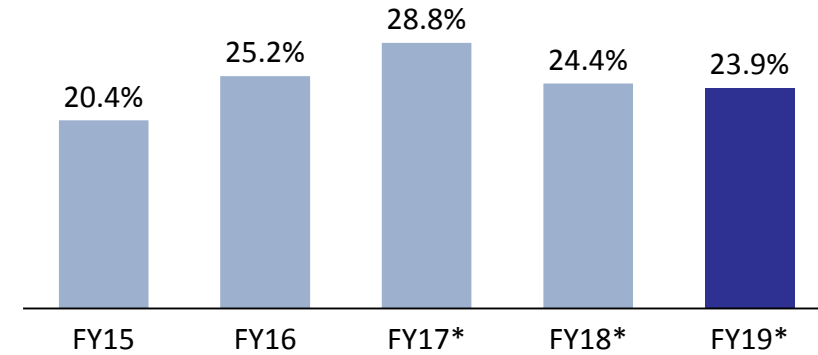
^Includes other Income

# Our Balance Sheet Strength

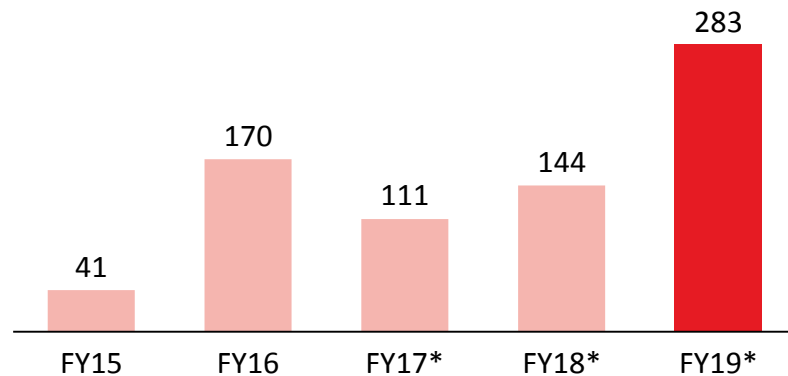
### Debt/ Equity (x)



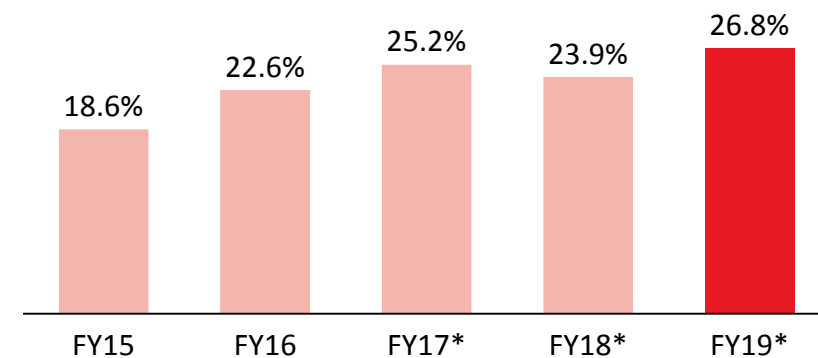
### Return on Equity (%)



### Cash Flow from Operating Activities (Rs in cr)



### Return on Capital Employed (%)



\*As per Ind AS rest as per Indian GAAP

# Consolidated Balance Sheet

Particulars (Rs. In Crores)	Mar'19	Mar'18
<b>ASSETS</b>		
Property, Plant and Equipment	511.2	439.9
Capital work-in-progress	82.6	24.9
Goodwill	2.5	2.4
Intangible Assets	5.0	4.5
<b>Financial Assets</b>		
(i) Investments	0.0	0.1
(ii) Loans	6.9	5.7
(ii) Other financial assets	1.9	1.1
Deferred Tax Assets (Net)	4.9	3.4
Income Tax Assets (Net)	8.0	10.5
Non-current tax assets	47.6	44.0
<b>Total Non-Current Assets</b>	<b>670.6</b>	<b>536.5</b>
<b>Current Assets</b>		
Inventories	351.3	345.6
<b>Financial Assets</b>		
(i) Trade receivables	426.8	418.2
(ii) Cash and cash equivalents	25.0	27.1
(iii) Bank Balances other than cash and cash equivalents	0.7	0.5
(iv) Loans	3.7	4.3
(v) Other Financial Assets	3.0	5.0
Other Current Assets	86.9	118.1
<b>Total Current Assets</b>	<b>897.4</b>	<b>918.9</b>
<b>TOTAL ASSETS</b>	<b>1,568.0</b>	<b>1,455.4</b>

Particulars (Rs. In Crores)	Mar'19	Mar'18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	35.5	35.5
Other Equity	841.3	683.3
<b>Total Shareholders Fund</b>	<b>876.7</b>	<b>718.8</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	89.2	72.2
(ii) Other Financial Liabilities	0.3	0.3
Provisions	10.0	6.1
Deferred Tax Liabilities (Net)	32.0	27.7
Other non-current liabilities	0.8	0.9
<b>Total Non Current Liabilities</b>	<b>132.3</b>	<b>107.2</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	164.0	219.7
(ii) Trade Payables	305.9	327.8
(iii) Other Financial Liabilities	71.5	60.0
Other Current Liabilities	8.5	17.8
Provisions	4.1	4.1
Current Tax Liabilities (Net)	5.1	0.1
<b>Total Current Liabilities</b>	<b>559.0</b>	<b>629.4</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,568.0</b>	<b>1,455.4</b>

# Standalone Balance Sheet

Particulars (Rs. In Crores)	Mar'19	Mar'18
<b>ASSETS</b>		
Property, Plant and Equipment	354.2	277.9
Capital work-in-progress	40.2	18.5
Goodwill	0	0
Intangible Assets	5.0	3.2
<b>Financial Assets</b>		
(i) Investments	256.5	223.1
(ii) Loans	5.3	4.1
(ii) Other financial assets	1.3	0.7
Deferred Tax Assets (Net)	0.0	0.0
Income Tax Assets (Net)	8.0	7.2
Non-current tax assets	45.5	43.8
<b>Total Non-Current Assets</b>	<b>715.8</b>	<b>578.5</b>
<b>Current Assets</b>		
Inventories	209.7	222.5
<b>Financial Assets</b>		
(i) Trade receivables	306.5	330.1
(ii) Cash and cash equivalents	3.9	1.9
(iii) Bank Balances other than cash and cash equivalents	0.7	0.5
(iv) Loans	3.5	3.4
(v) Other Financial Assets	3.8	5.5
Other Current Assets	62.9	95.4
<b>Total Current Assets</b>	<b>590.9</b>	<b>659.4</b>
<b>TOTAL ASSETS</b>	<b>1,306.7</b>	<b>1,237.9</b>

Particulars (Rs. In Crores)	Mar'19	Mar'18
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Equity Share Capital	35.5	35.5
Other Equity	747.1	630.4
<b>Total Shareholders Fund</b>	<b>782.5</b>	<b>665.9</b>
<b>Non-Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	89.2	67.9
(ii) Other Financial Liabilities	0.3	0.3
Provisions	10.0	6.1
Deferred Tax Liabilities (Net)	41.3	29.2
Other non-current liabilities	0.5	0.5
<b>Total Non Current Liabilities</b>	<b>141.2</b>	<b>103.9</b>
<b>Current Liabilities</b>		
<b>Financial Liabilities</b>		
(i) Borrowings	28.5	102.7
(ii) Trade Payables	274.3	299.4
(iii) Other Financial Liabilities	66.2	50.9
Other Current Liabilities	6.0	11.0
Provisions	3.7	4.0
Current Tax Liabilities (Net)	4.4	0.0
<b>Total Current Liabilities</b>	<b>382.9</b>	<b>468.1</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,306.7</b>	<b>1,237.9</b>



Thank  
You

**Company :**



CIN No: L39877MH1986PLC039877

Mr. Paritosh Srivastava

Email: [Paritosh.Srivastava@galaxysurfactants.com](mailto:Paritosh.Srivastava@galaxysurfactants.com)

[www.galaxysurfactants.com](http://www.galaxysurfactants.com)

**Investor Relations Advisors :**

**SGA** Strategic Growth Advisors

CIN - U74140MH2010PTC204285

Ms. Neha Shroff / Mr. Shrikant Sangani

[neha.shroff@sgapl.net](mailto:neha.shroff@sgapl.net) /

[shrikant.sangani@sgapl.net](mailto:shrikant.sangani@sgapl.net)

+91 7738073466 / +91 9619595686

[www.sgapl.net](http://www.sgapl.net)