

Ref: ASCL/SEC/2022-23/18

May 21, 2022

1. To,
The General Manager
Department of Corporate Services
BSE Limited
1st Floor, New Trading Ring
Rotunda Building, P. J. Tower
Dalal Street, Fort
Mumbai - 400 001
BSE Scrip Code: 532853
2. To,
The General Manager (Listing)
National Stock Exchange of India Ltd
5th Floor, Exchange Plaza
Plot No. C/1, G Block
Bandra - Kurla Complex
Bandra (East)
Mumbai - 400 051
NSE Trading Symbol: ASAHISONG

SUB: PRESS RELEASE

REF: REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a Press Release of the Company.

This is for your information and records.

Thanking you,

Yours faithfully,
For, **ASAHI SONGWON COLORS LIMITED**



SAJI JOSEPH
Company Secretary and Compliance Officer



Encl: As above

Asahi Songwon Colors Ltd.

CIN: L24222GJ1990PLC014789

Regd. Office: "Asahi House", 13, Aaryans Corporate Park, Nr. Shilaj Railway Crossing, Thaltej-Shilaj Road, Thaltej, Ahmedabad-380 059, Gujarat. India
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Asahi Songwon Colors Limited Reports Q4FY22 Results

Revenue from Operations of ₹123.48 Cr; growth of 38.03% YoY

EBITDA at ₹8.12 Cr

Ahmedabad, May 21st, 2022: Asahi Songwon Colors Limited, India's leading manufacturer of pigments for ink, plastics, paint, textile and the paper industry has announced its financial results for the quarter ended March 31st, 2022.

Standalone Financial Highlights for Quarter Ended March 31st, 2022:

- Total revenue was ₹118.76 Cr during the quarter under review, Q-o-Q growth of 23.63% and Y-o-Y growth of 31.46%
- EBITDA ₹9.84 Cr during the quarter, a Q-o-Q growth of 8.73% and Y-o-Y decline of 19.08%
- EBITDA Margin stood at 8% for Q4FY22 as compared to 9% in Q3FY22 and 13% in Q4FY21
- Net Profit stood at ₹6.10 Cr a Q-o-Q increase of 38.64% and 14.57% decline on Y-o-Y basis

Consolidated Financial Highlights for Quarter Ended March 31st, 2022:

- Total revenue was ₹123.48 Cr, a Q-o-Q growth of 23.39% and Y-o-Y growth of 36.47%
- EBITDA ₹8.12 Cr during the quarter, a Q-o-Q increase of 2.53% and Y-o-Y decline of 39.99%
- EBITDA Margin stood at 7% for Q4FY22 as compared to 8% in Q3FY22 and 15% in Q4FY21
- Net Profit stood at ₹3.28 Cr a Q-o-Q increase of 44.49% and 46.67% decline on Y-o-Y basis

Commenting on the Q4FY22 performance, Gokul Jaykrishna, Joint Managing Director and CEO, said

"I am happy to report you on our performance in FY22. While our top line experienced robust growth, our profitability was negatively impacted by an unprecedented increase in the prices of coal, urea, copper, and phthalic anhydride. Although we have effectively passed on price increases to our customers on a quarterly basis, input price inflation has been relentless throughout the year, with each quarter witnessing higher raw material prices than the previous quarter. I am pleased to say, however, that we have efficiently handled our supply chain during these challenging times. As a result, not only did we never experience an inventory shortage, but we also never failed to deliver on time to our customers. This assisted us in gaining greater market credibility and expanding our market share.

These difficult circumstances have unquestionably affected our profitability, but I'd like to draw your attention to the underlying shift of our business model. In the past two years, we are transitioning from a single-site company with a single product category to a four-site producer with a complete spectrum of pigments and a range of APIs by FY24. Despite the fact that our financial performance for the year appears to be muted, I can assure you that the underlying business is significantly stronger than it was a year ago."

Arjun G. Jaykrishna, Executive Director, commented,

"FY22 has indeed been an eventful year at Asahi. While our core business of phthalocyanine pigments suffered on account of profitability, it continued to support the other growth initiatives of the Company by generating significant free cash flows. All the investments we have made during the year will surely put us on a strong earnings growth trajectory for the year to come. While it is a fact that product approvals at the end of our customers have taken time, we are now witnessing good customer traction and a very healthy response to our initial market feeding.

We are confident of significantly ramping up our AZO operations in FY23 to cater to the growing market demand. What excites me even further is our latest development on the acquisition of Atlas Life Sciences Private Limited. As against our initial plans to break ground in July 2022, we have started working on the new site at Chhatral from the first week of May. Our team is working towards ensuring that the site is up and running by Q3FY24. This Greenfield investment will help us unleash the full potential of the API business and significantly add to our profitability on a consolidated basis."

About Asahi Songwon Colors Ltd. (ASCL):

Asahi Songwon Colors Ltd. is a leading player in the Indian Pigment industry and is one of the leading manufacturers of pigments. The company manufactures CPC Beta Blue and Blue Crude. Recently, the company has also ventured into manufacturing yellow and red (AZO) pigments also. The company caters to a diverse base of global and Indian customers with more than 60% of business from exports to global MNC's. It is currently manufacturing products for over 40 international and domestic customers. The company operates via its two manufacturing facilities in Gujarat, India, located at Padra, Vadodara and at Dahej, Bharuch with an aggregate installed capacity of 16,800 MT, as of March 31st, 2022.

FOR FURTHER DETAILS PLEASE GET IN TOUCH WITH:

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