

Fine Organic Industries Limited

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Web: www.fineorganics.com



Date: August 10, 2022

To BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To National Stock Exchange of India Limited Plot No. C/1, "6" Block, Exchange Plaza Bandra Kurla Complex, Bandra (East) Mumbai - 400 051
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Security Code: 541557

Symbol: FINEORG

Subject: Disclosure of information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

Pursuant to the regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Investor Presentation – August 2022 of the Company.

The aforesaid presentation is also available on the Company's website www.fineorganics.com.

We request you to take the above information on your record.

Thanking you,

Sincerely,

For Fine Organic Industries Limited



Pooja Lohor

Company Secretary and Compliance Officer

Encl.: As above



FINE ORGANICS

Investor PRESENTATION

August - 2022



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Fine Organic Industries Limited** (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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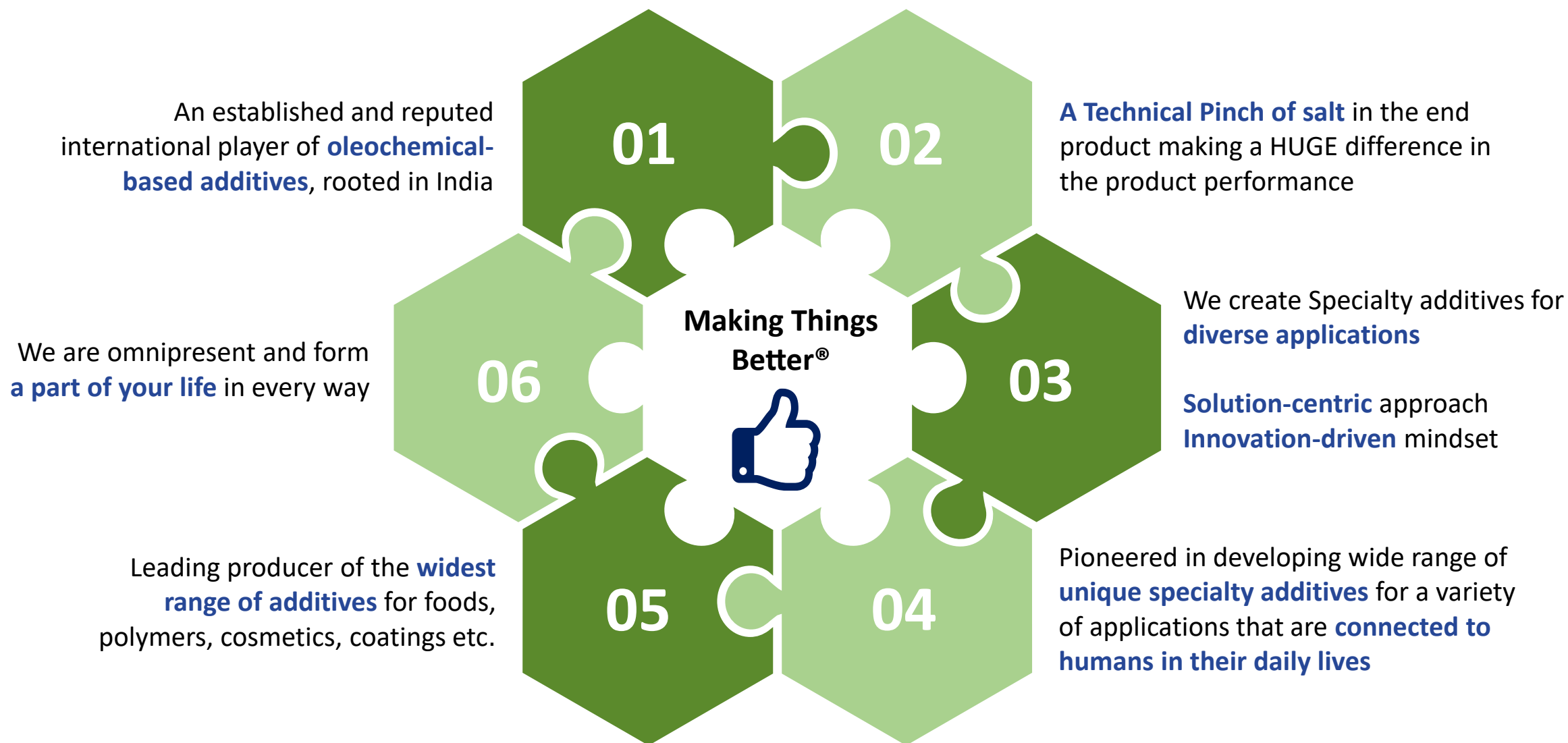
This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



FINE ORGANICS

The Fine Story Of Success





Demand for oleochemical derived additives is increasing

Increasing consumer awareness for environment has resulted in remarkable preference for 'Green' and 'Sustainable' products

FINE additives are majorly bio-based, safe to use and bio-degradable; therefore, can offer the most effective benefits through 'Sustainability' combined with excellence in functionality and safety

FINE green additives have been effectively replacing potentially hazardous chemicals in wide range of industries such as plastics, packaging, foods, cosmetics, rubbers, coatings etc. without compromising on the performance



Minimized waste generation, effluent management through effective production process and stringent compliance to regulations

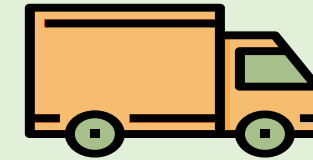
470+
Products



850+
Direct Customers



180+
Distributors Globally



1 Lakh+

TPA of In-house Capability

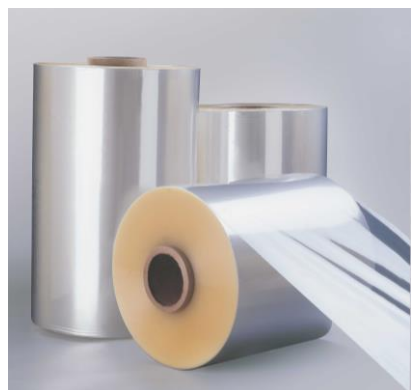
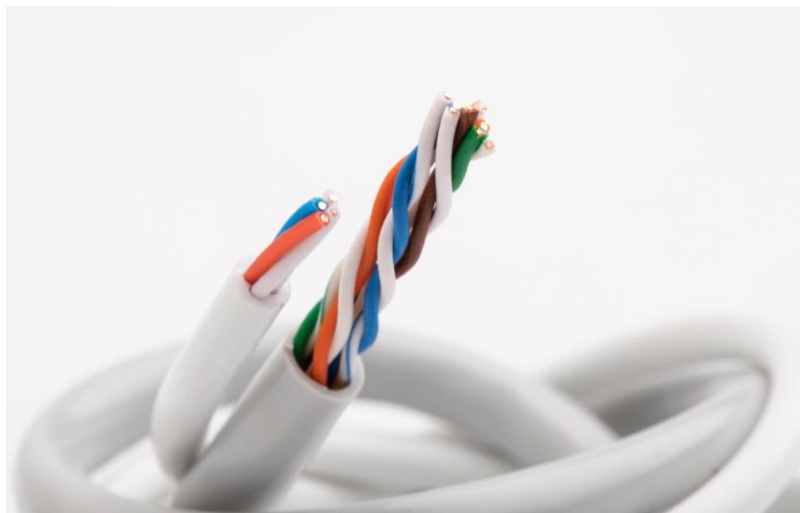
In-house capability for Product development,
Process technology and Engineering R&D



75+

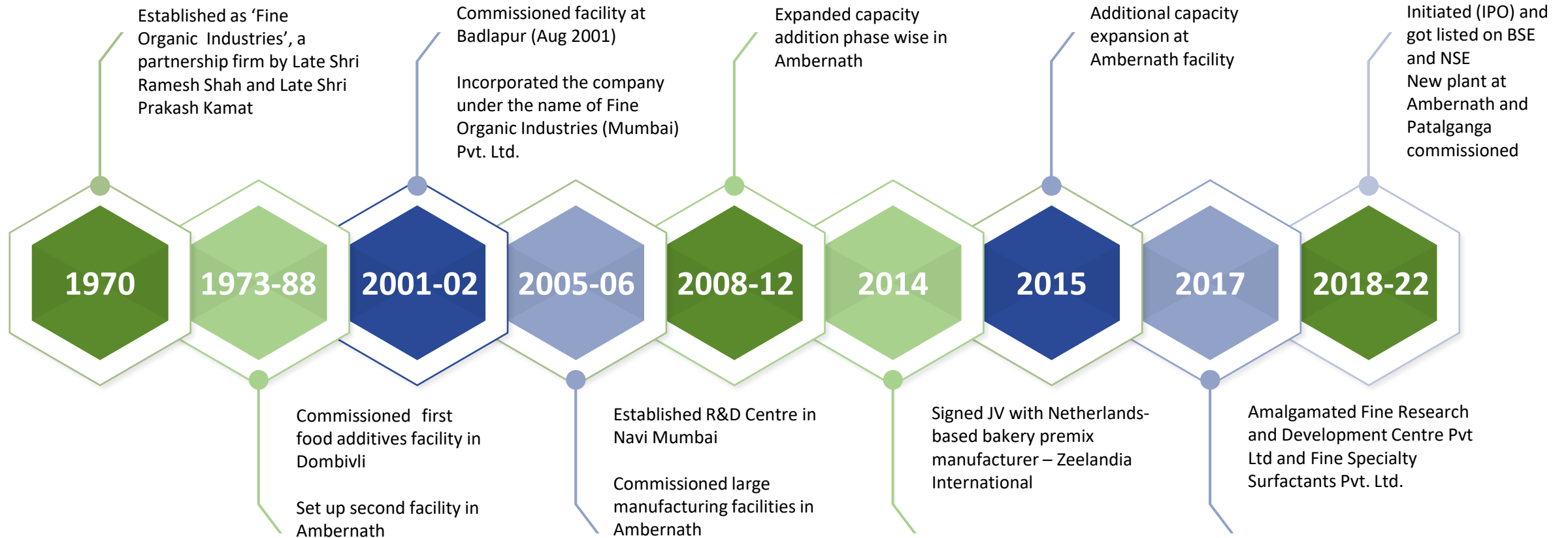
Countries of Export

Largest producer of oleochemical based additives in India
Strong player globally in this industry



High-Performance Environment
Friendly Additives

50 years of Journey



750+

**Employee
Strength**

>15%

**Women
Employees**

>12%

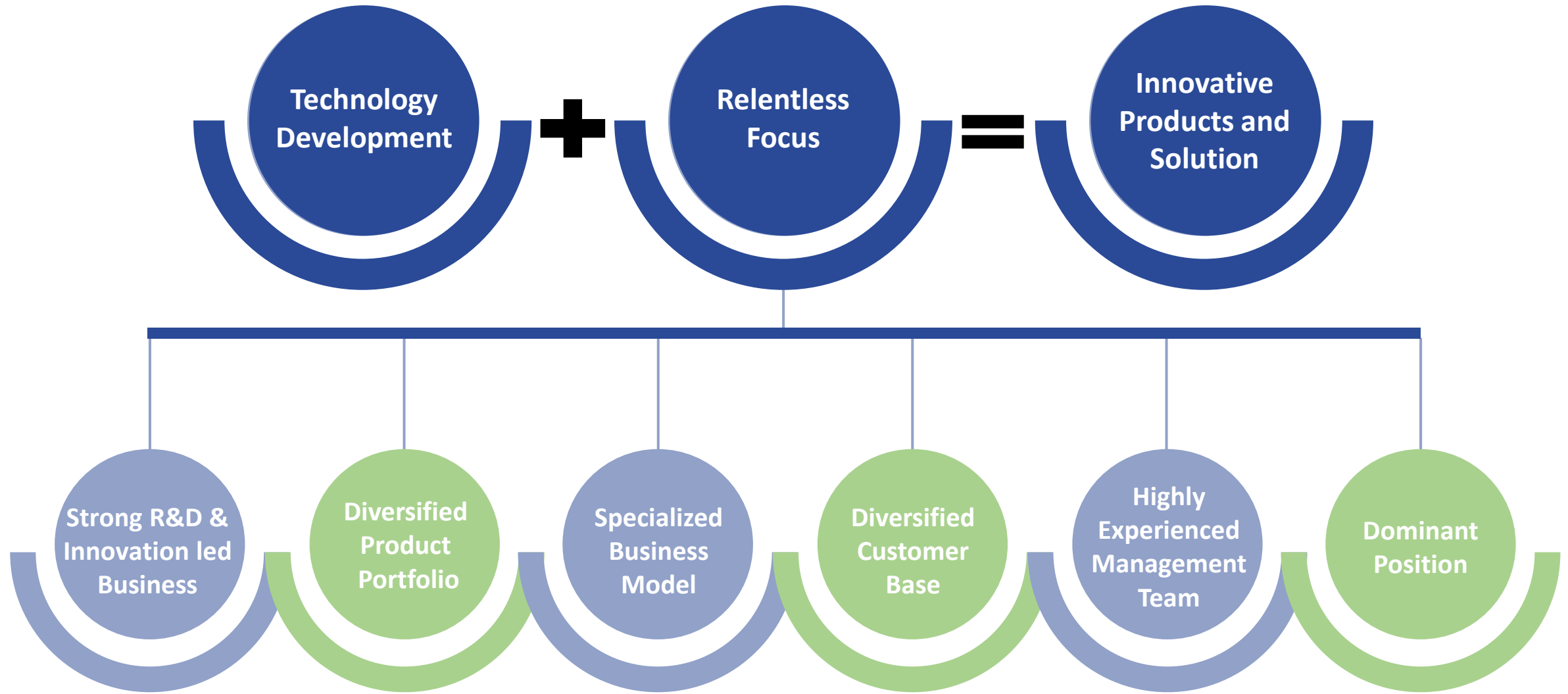
**Employees
completed 25
years of journey
with us**

>13%

**Comprise 1st &
2nd generation
of employees**

Integrity is both a value as well as a character that is embedded in every Fine Organics employee, manifesting itself in every thought and action, every day with everyone

Creating and encouraging home-grown leadership with the signature Fine Organics character comprising integrity, trust, fairness and strong values



1. Strong R&D : Innovative Approach



Strong R&D Capabilities

- Value Creation; Effective and Efficient technical support to customers
- Dedicated team of **20+ Scientists and Technicians**



In-House Design and Engineering

- In-house capabilities for plant designing and engineering
- **Minimize capital expenditures** & quicker commissioning



New Product Developments

Specialty Additives for:

- | | |
|-------------------------|-------------------|
| ▪ Feed nutrition | ▪ Coatings |
| ▪ Foods | ▪ Polymers |
| ▪ CosPha | ▪ Others |

Focus on

Developing
New Products

Improving
Process
Technology

Exploring
New Markets

Expanding
Capacities

With Industry Standards and Regulatory Credentials



- ✓ Setting new benchmarks in quality and consistency
- ✓ High safety and productivity standards
- ✓ Products are appreciated by customers worldwide for their consistent quality and packaging standards

Fine's facilities are fully geared towards meeting growing **Global Demands**

2. Diversified Product Portfolio : Multiple End-users



2. Diversified Product Portfolio : Multiple End-users

Food Additives

Additives for maintaining the quality and freshness of the food products, impart better product structure integrity and helps in increasing the shelf life of food products

01



Additives for Coatings

Used as anti-settling agents, emulsifiers, thickening/anti-sagging agents, wetting and dispersing agents, defoamers, biocides and anti-mar waxes for use in coating applications. Capable of improving the appearance and durability of a coating

03



Feed Nutrition Additives

Replaces harmful antibiotics and improves feed efficiency and imparts several technical advantages to the end products

05



Polymer Additives

Used for various functionalities in wide range of plastic products made from various polymers

02



Emollients for Cosmetics

Enables manufacturing of products with different structures like creams, gels, pastes, lotions etc. Aids in achieving long term physical stability for transport and storage. Increases sensory perception and the chemical stability of the sensitive active agents

04



Specialty Additives

A wide range of specialty performance additives for various industries

06



3. Specialised Business Model : Entry Barriers

Customer Loyalty

Lengthy & expensive product approval processes lead to high switching costs for customers. Due to this, customers rely on established suppliers, as performance ingredients are very critical to their end products

Fine Organics: Eco-friendly oleo-derived green additives follow stringent quality parameters & regulations, governing the industry

Highly Regulated

The additives have a direct impact on human life as well as the environment, thus necessitating stringent regulatory parameters

Fine Organics: Eco-friendly oleo-derived green additives follow stringent quality parameters & regulations, governing the industry



Limited Players

Limited & small players in Indian specialty additives market. Globally Few players which are very large

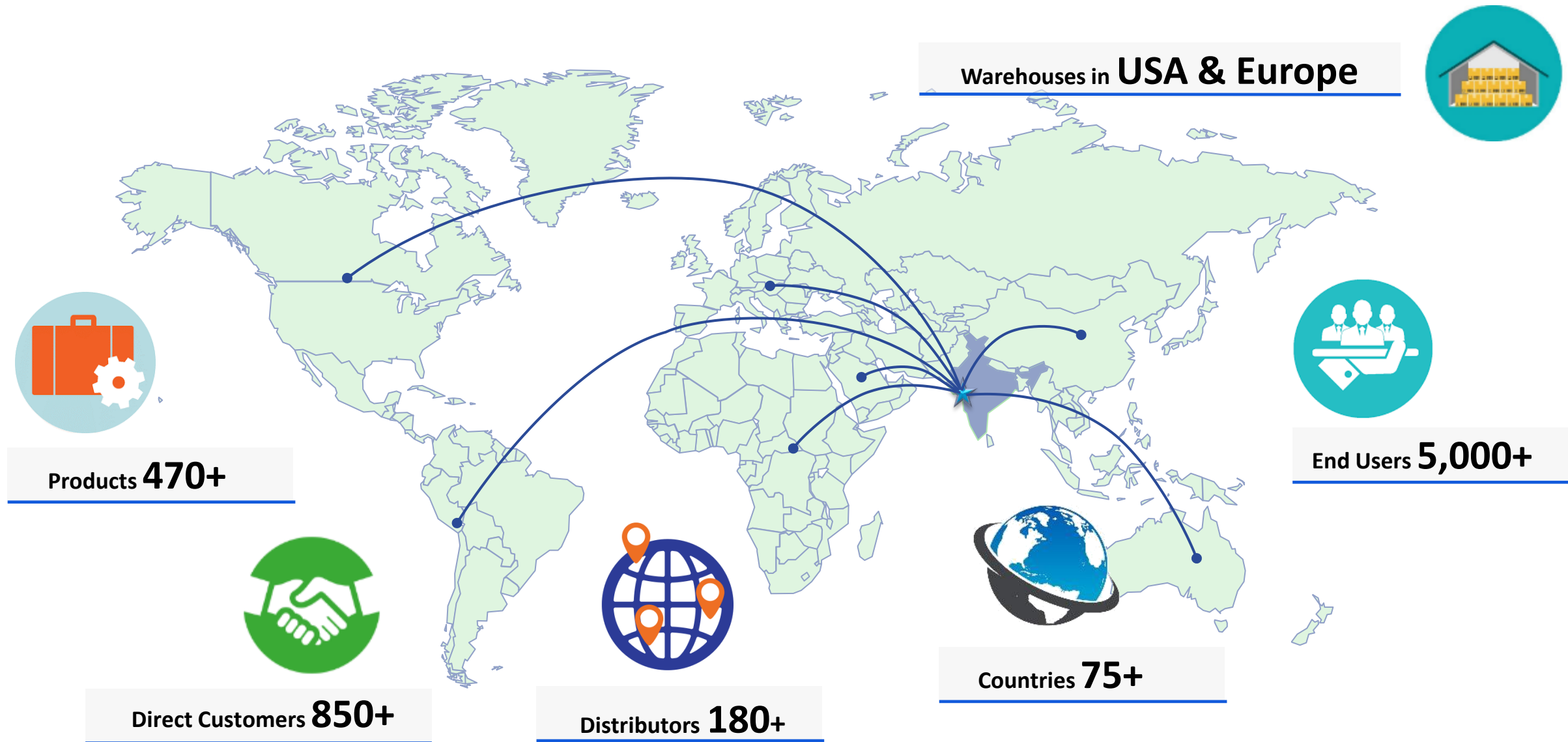
Fine Organics : Largest organised player in the Indian market & is making its presence across the globe

Complex Technology

Complex technology & manufacturing processes create multiple entry barriers into the oleochemical derived green additives industry. Product formulations, innovation & process technology are time & capital intensive

Fine Organics: Has an early-mover advantage in this industry and has successfully established its in-house manufacturing set up and has been consistently delivering quality products

4. Diversified Customer Base



5. Highly Experienced Management Team



Mukesh Shah

Chairman and Managing Director

- Joined in 1973. Holds a Bachelor's degree in Science
- Played a key role in establishing quality control and marketing



Jayen Shah

Executive Director and CEO

- Joined in 1986. Holds a Master's degree in Science
- Instrumental in creating a strong vendor-partner network



Tushar Shah

Executive Director and CFO

- Joined in 1989 and led several initiatives like ERP, CRM, etc.
- Key role in the development of the first slip additive facility



Bimal Shah

Executive Director

- Joined in 2009. Holds a Bachelor's degree in Science from Purdue University and a Master's degree from Boston College
- Led initiatives for new projects and processes



Nikhil Kamat

Executive Director

- Joined in 1987, holds a Master's of Science Degree in Biochemistry from ICT, Mumbai
- Played a key role in operations, productions, planning, handling technical, environmental and regulatory tasks



Prakash Apte

Independent Director

- On the Board since Nov 2017. Holds a Bachelor's degree in Mechanical Engineering
- Previously served as MD of Syngenta India



Mahesh Sarda

Independent Director

- On the Board since Nov 2017. Qualified Chartered Accountant
- Previously served as a Partner at Deloitte Haskins & Sells



Parthasarathi Thiruvengadam

Independent Director

- On the Board since Nov 2017. Holds a BTech degree from IIT, Madras and Post Graduate in Industrial Engineering
- Previously served as a Senior Director with Deloitte India



Kaushik Shah

Independent Director

- On the Board since Jan 2018. Holds a Bachelor's degree in Commerce and a Qualified Chartered Accountant
- Previously served as MD of Fulford (India)

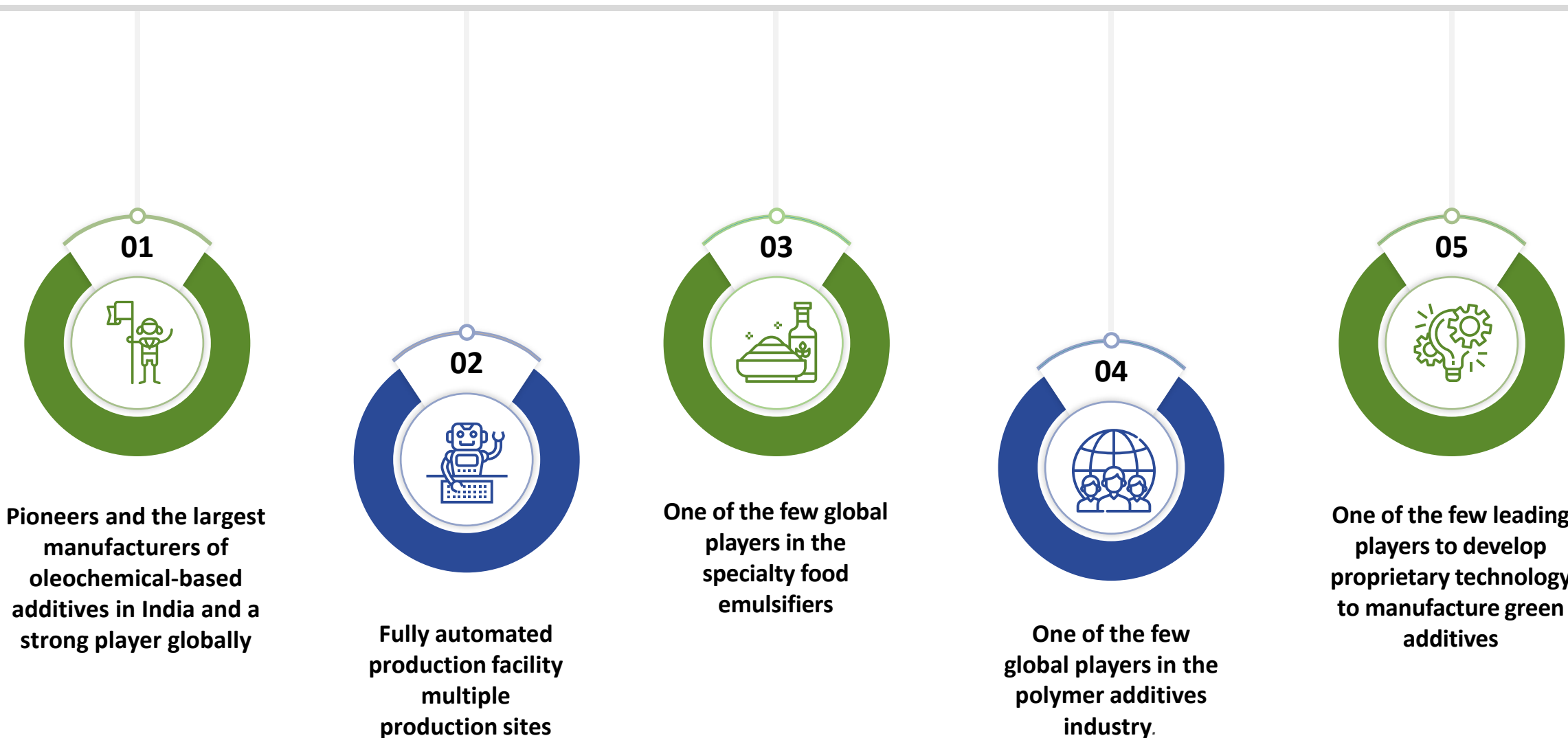


Pratima Umarji

Independent Director

- On the Board since Nov 2017. Holds a Law degree
- Current panel member of the "Lok Adalat", Bombay High Court

6. Dominant Position



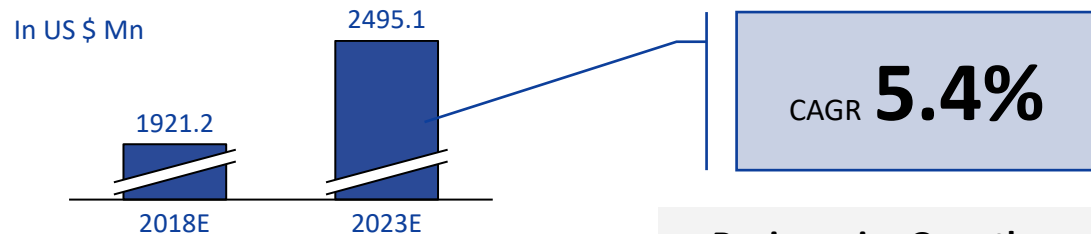
Industry Potential: Multiple Growth Levers

1. Food Additives
2. Polymer Additives
3. Other Specialty Additives

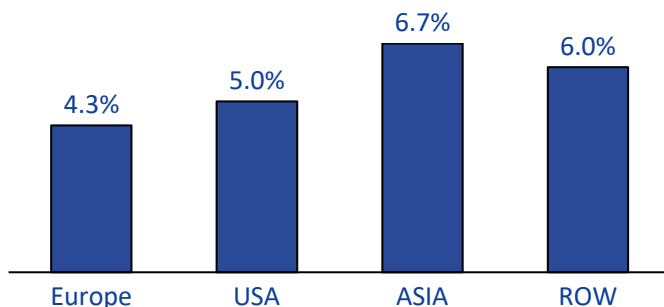


1. Food Additives

Global Food Emulsifiers Market Size*



Region-wise Growth (From 2018 – 2023E) In US \$ Mn



Asia Pacific

6.7%

High growth Rate

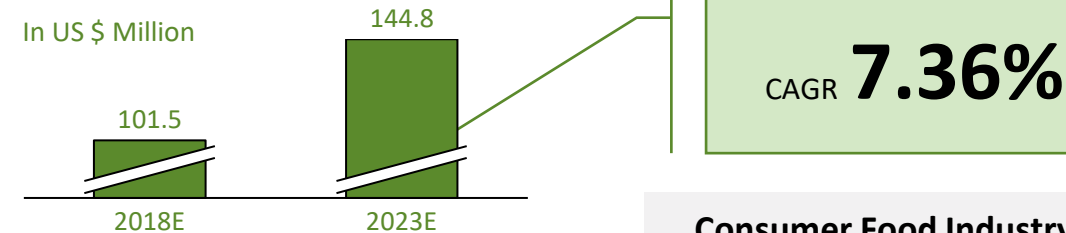
Growth Drivers

Increase in consumption of convenience foods and premium products

Growing number of end-use applications due to multifunctional attributes of emulsifiers

Rise in health awareness & quality consciousness of consumers in developed nations demanding healthy packed foods

Indian Food Emulsifiers Market Size*



Consumer Food Industry (From 2018 – 2023E) In US \$ Million



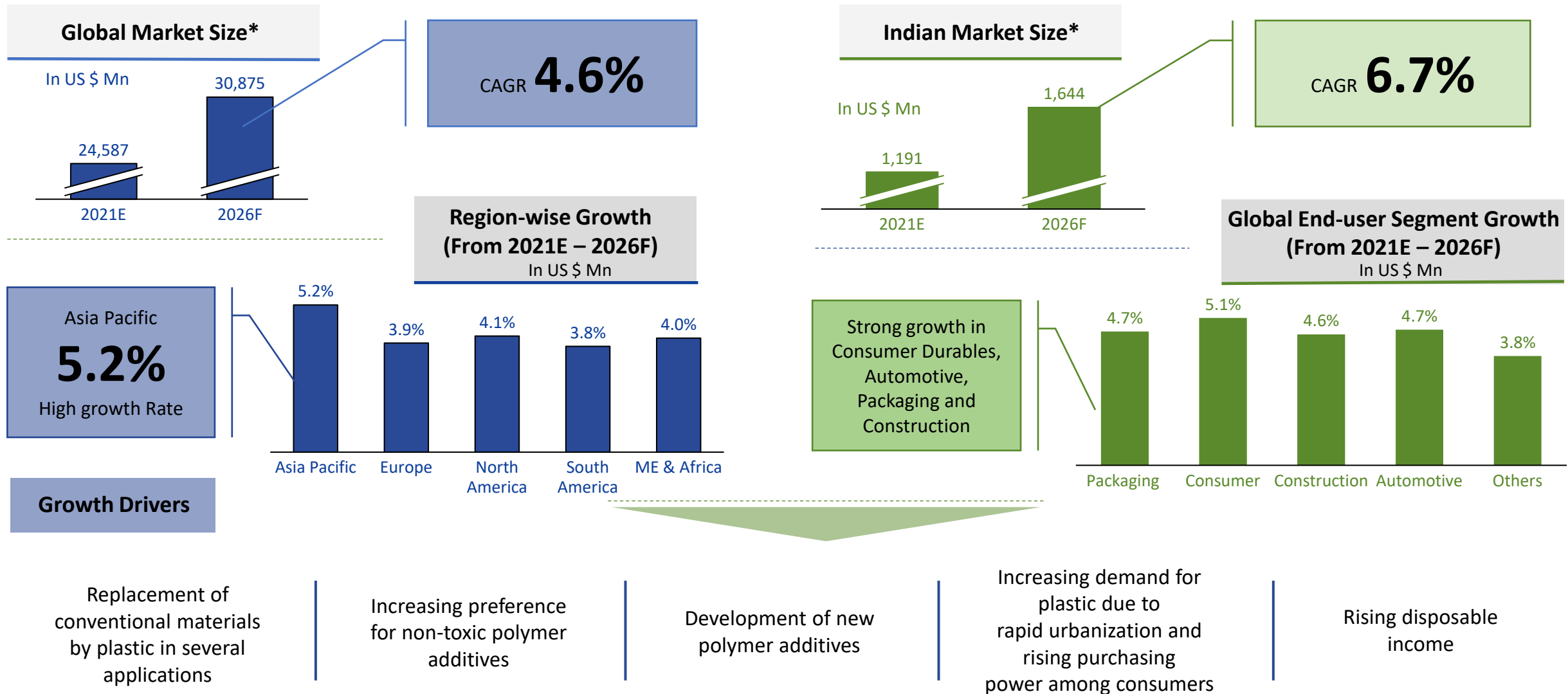
Growth Drivers

Increasing numbers of Food manufacturing Entities

Rising demand for healthier and better-for-you products

Changing consumer preferences for processed and packed convenience foods

2. Polymer Additives



3. Other Specialty Additives : Key Drivers

Industry	Specialties	Feed Nutrition	Cosmetics & Pharmaceuticals	Additives for Coatings	Rubber
Key Additives & Ingredients	- Lube additives - Property modifiers	- Natural Antibiotics - Nutritional Additives - Anti-fungal Additives	- Emulsifiers & Emollients - Pharmaceuticals – Coating Ingredients	- Dispersing agents - Emulsifiers - Wetting Agents - Defoamers - Slip Additives	- Processing Aids - Specialty Plasticizers - Slip Additives - Anti-stats - Anti-sticking Agents
End Uses	- Automotive Lubricants - Roads & Highway Infrastructure - Other Specialty applications	- Poultry Products - Milk & Milk Derivatives	- Creams, lotions & ointments - Skin care Cosmetics	- Specialty Paper - Printing inks - Coating Materials	- Conveyor Belts - Automotive Parts and Industrial Component
India CAGR (FY17 – 22E)	--	11-13%	10% – 12%	8% – 10%	6% – 7%
Growth Drivers	- Increase in: ✓ Govt. expenditure on infra projects ✓ Use of cars/trucks	- Growing health awareness & food processing industry - Safer milk and milk products	- Organized retail moving to Tier II cities - New sub-segments to grow: Men's Cosmetics - Growing demand for skin-care cosmetics	- Low per capita coatings consumption - Increased penetration of coatings in rural & non-metro cities - Growth in niche products : nano & green coating packaging products - Cashless transactions & air travel	- Growth in auto sales - Steady Improvement in industrial & infrastructure activity - Steady agricultural output

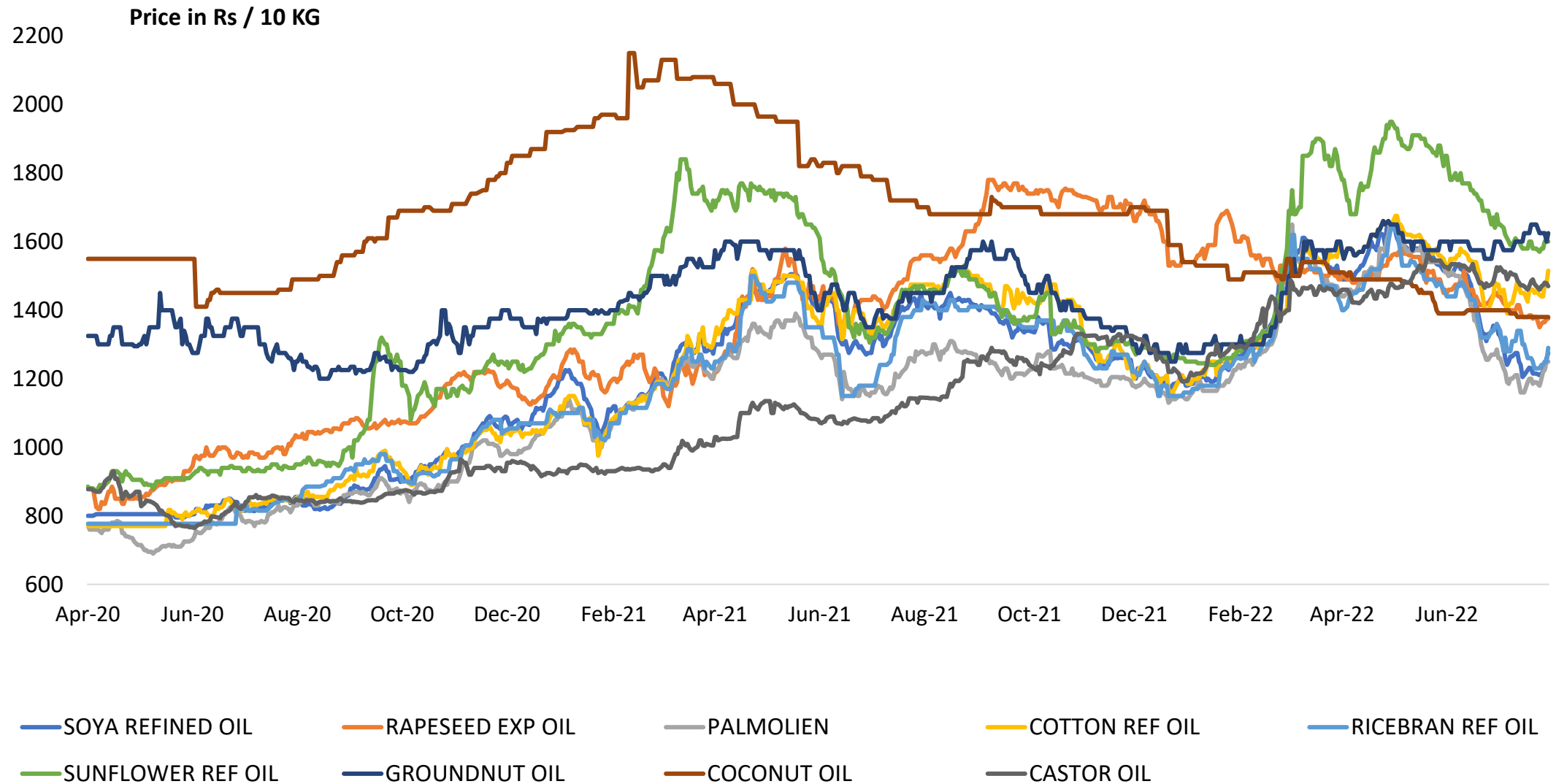


FINE ORGANICS

Financial Highlights

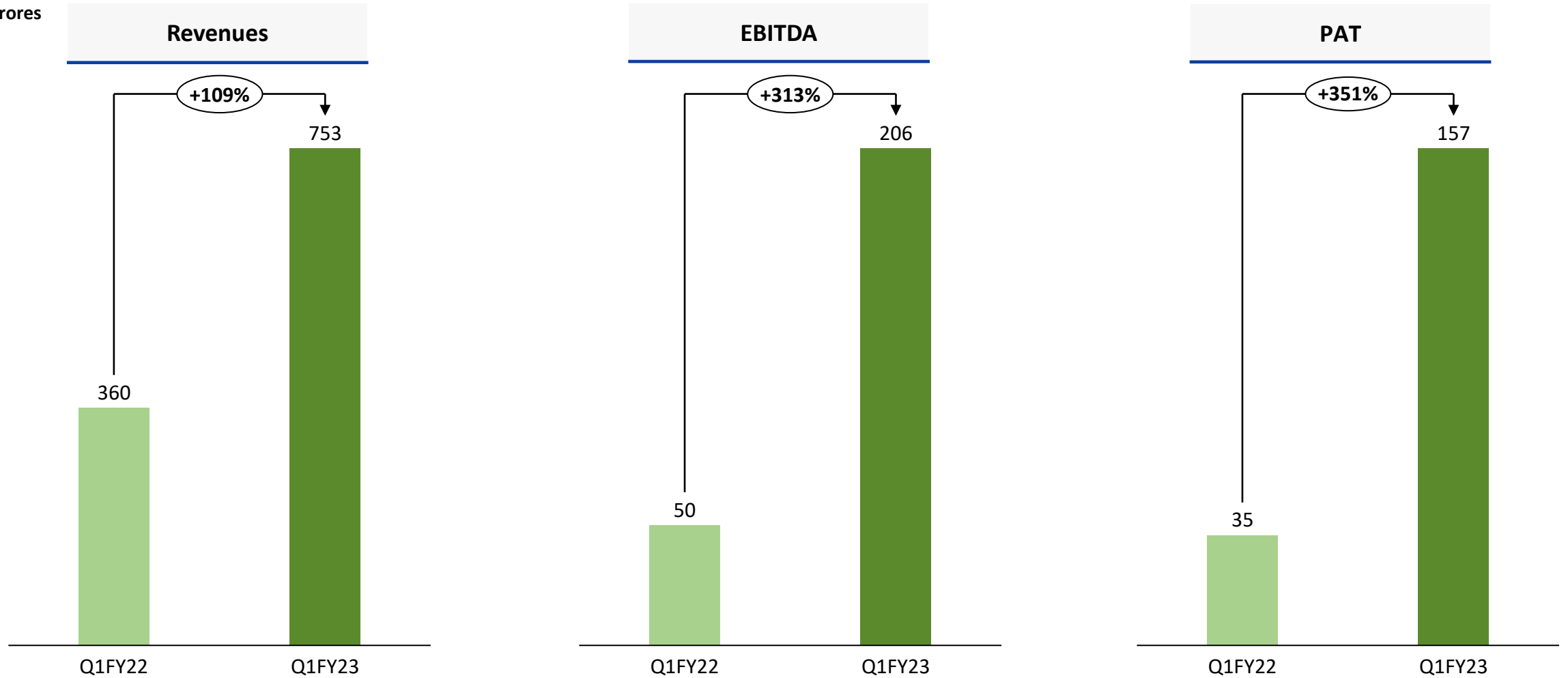


Volatility in RM Prices Since April'20



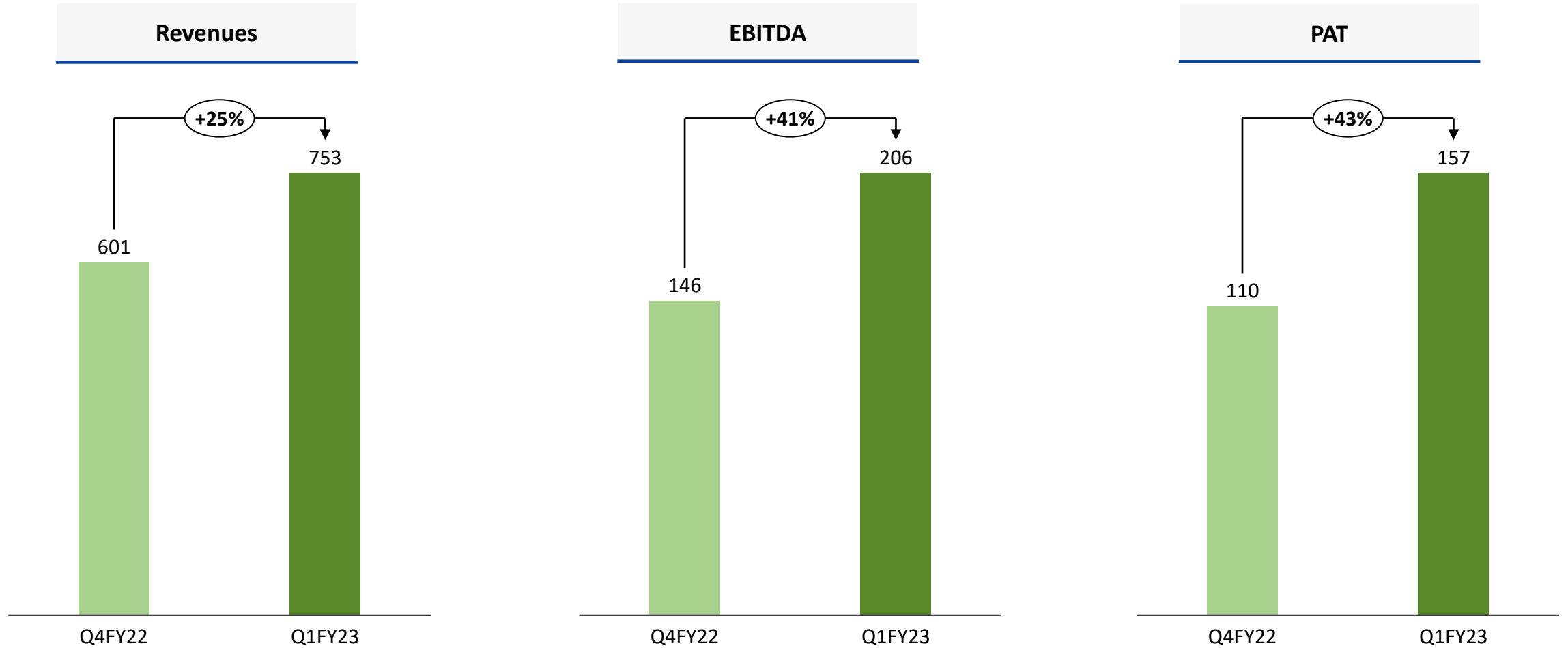
Standalone Performance Highlights (YoY)

Rs in Crores



Standalone Performance Highlights (QoQ)

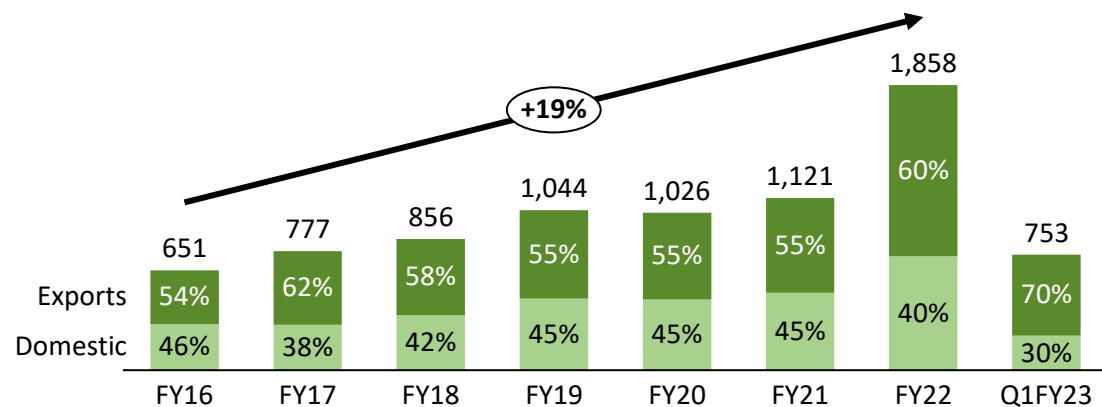
Rs in Crores



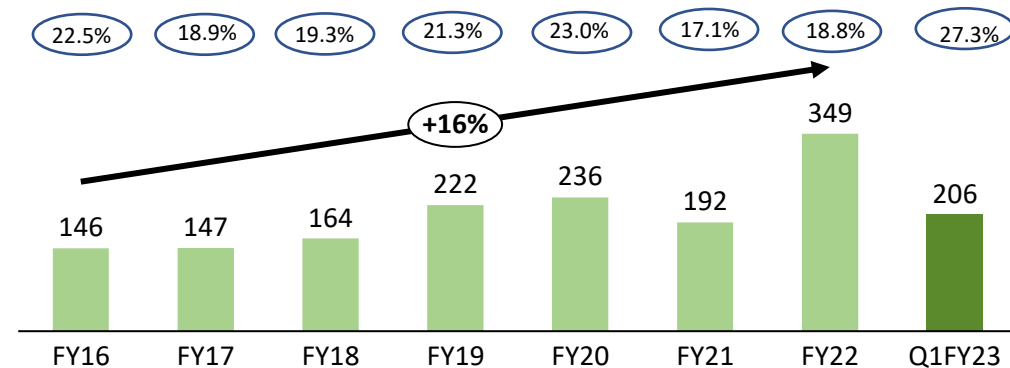
Q1FY23 Standalone Operating Performance

Rs in Crores

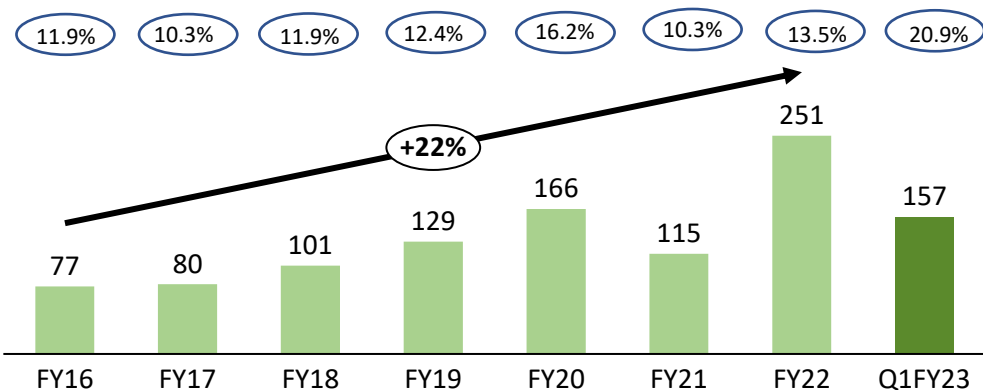
Revenues



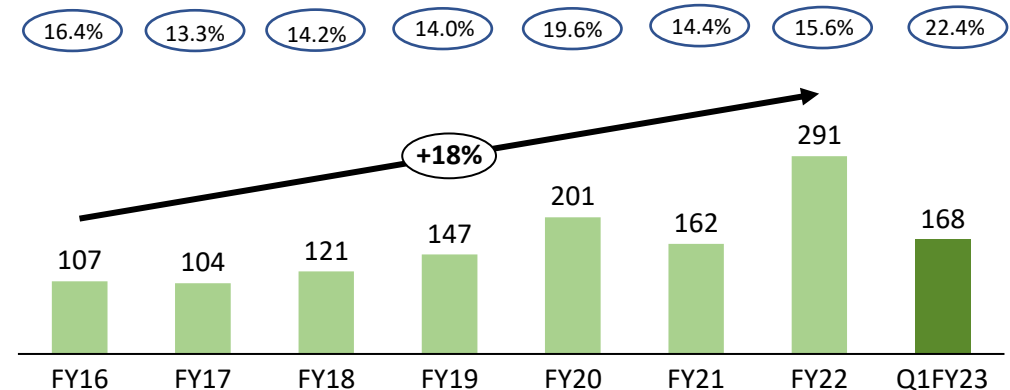
Operating EBITDA & Margins



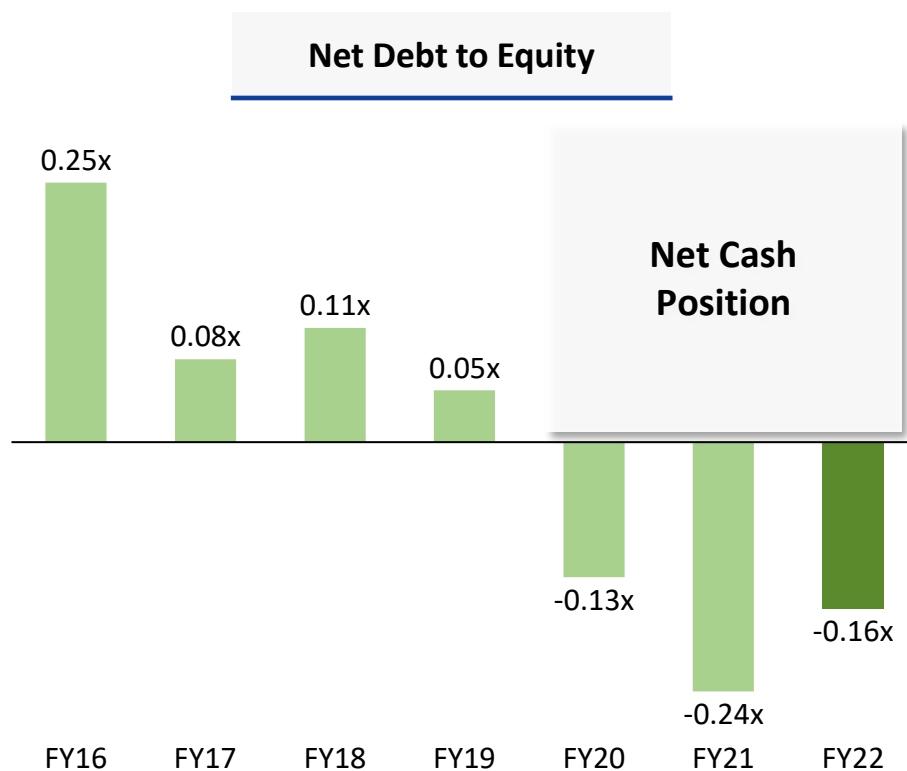
PAT & Margins



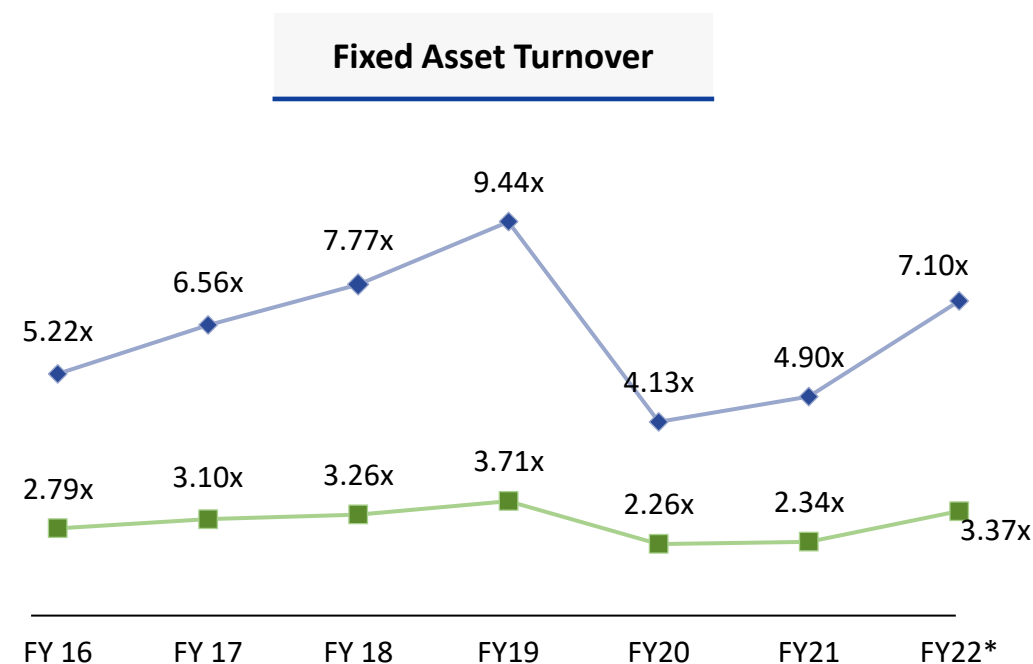
Cash PAT & Margins



Use of Capital (Standalone)

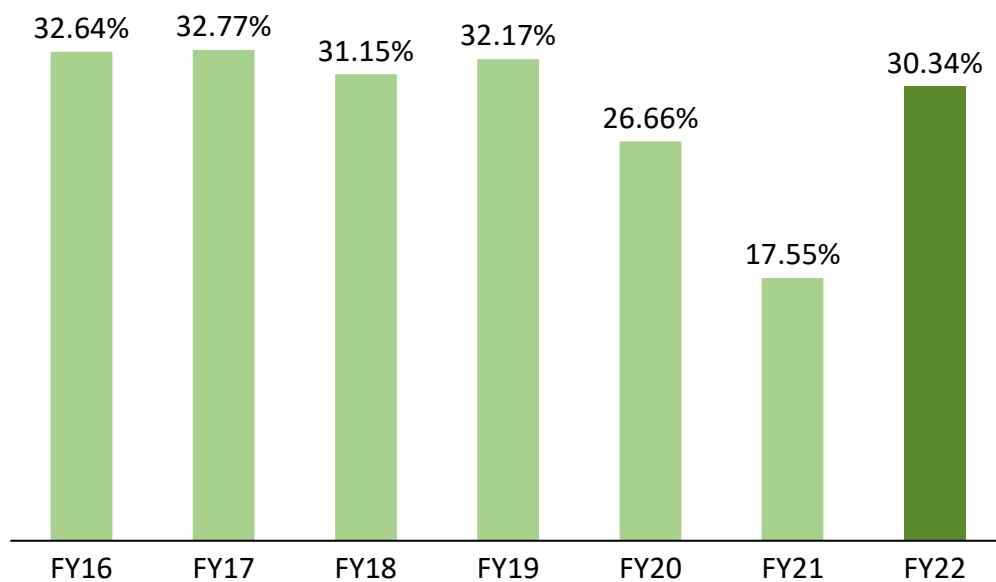


Net Debt = Total Long term debt + short term debt + current maturities of long term debt – cash and bank balances



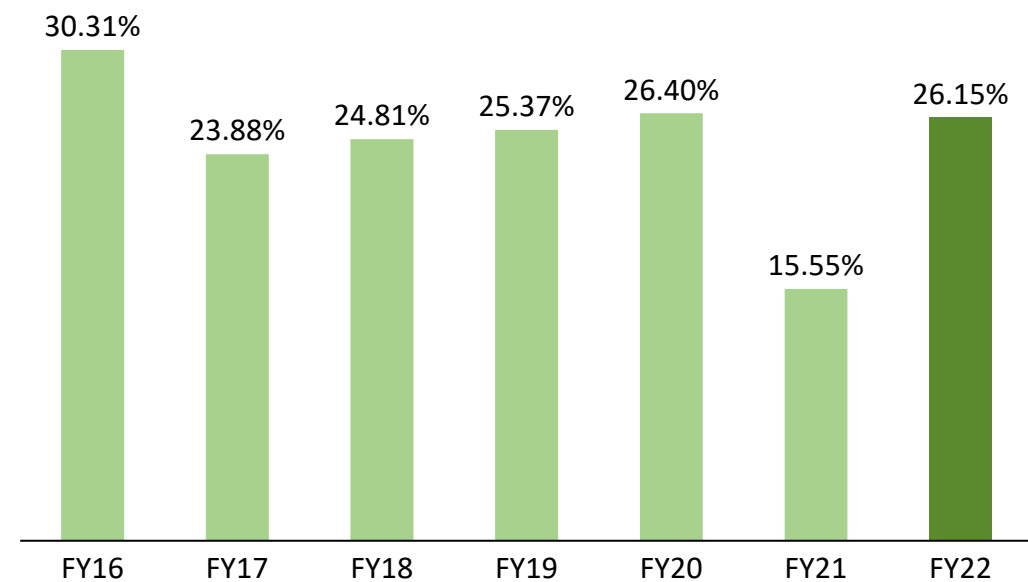
- Fixed Asset Turnover (**Gross**) = Net Revenue from Operations / Total Gross Block of Fixed Assets including Land
- ◆ Fixed Asset Turnover (**Net**) = Net Revenue from Operations / Total Net Block of Fixed Assets including Land

Return on Capital Employed



Return on Capital Employed = $\text{EBIT (excluding Other Income)} / (\text{Total Debt} + \text{Total Net worth})$

Return on Net Worth



Return on Net Worth = $\text{Net Profit After Tax} / \text{Total Net Worth}$

Q1FY23 Standalone Profit & Loss Statement

Particulars (Rs in Crs)	Q1FY23	Q1FY22	YoY	Q4FY22	QoQ	FY22
Revenue from Operations	752.6	359.9	109%	600.7	25%	1,858.4
Cost of Raw Material Consumed	442.1	248.0		346.5		1,194.2
Gross Profit	310.5	111.9	177%	254.2	22%	664.2
Gross Profit Margin	41.3%	31.1%		42.3%		35.7%
Employee Cost	24.9	20.3		23.9		85.4
Other Expenses	80.1	41.8		84.3		230.3
EBITDA	205.5	49.8	313%	146.0	41%	348.5
EBITDA Margin	27.3%	13.8%		24.3%		18.8%
Other Income	16.6	6.0		14.4		33.2
Depreciation	11.1	9.5		10.6		39.9
EBIT	211	46.3	356%	149.8	41%	341.8
EBIT Margin	28.0%	12.9%		24.9%		18.4%
Finance Cost	1.1	1.3		1.3		5.1
PBT	209.9	45.0	366%	148.5	41%	336.7
PBT Margin	27.9%	12.5%		24.7%		18.1%
Tax	52.6	10.1		38.5		86.1
PAT	157.3	34.9	351%	110.0	43%	250.6
PAT Margin %	20.9%	9.7%		18.3%		13.5%
Other Comprehensive Income	0.0	0.6		1.2		2.7
Total Comprehensive Income for the year / period	157.3	35.5	343%	111.2	41%	253.3
EPS*	51.3	11.4		35.9		81.8

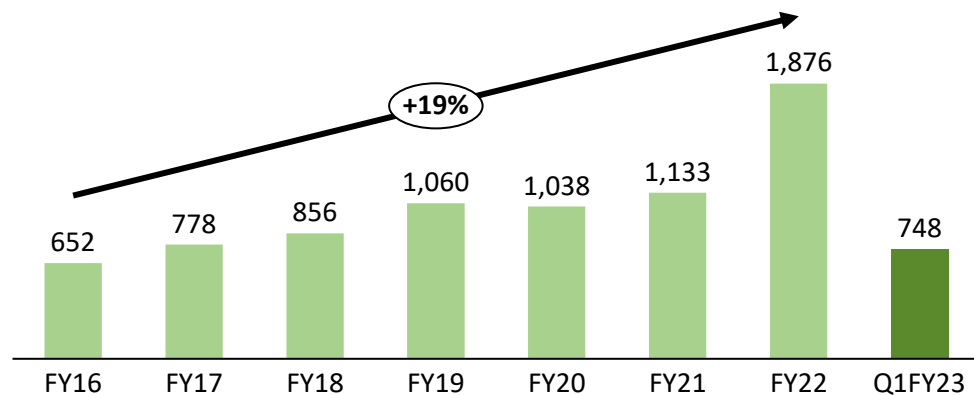
Standalone Balance Sheet

Assets (Rs in Crs)	Mar-22	Mar-21
Non-current assets		
Property, plant and equipment	228.7	195.3
Capital work-in-progress	14.1	26.3
Intangible assets	0.6	0.5
Financial assets		
Investments	43.1	43.7
Loans	1.3	4.0
Others	3.7	2.6
Deferred tax assets (net)	7.8	7.3
Other non-current assets	61.0	62.1
Total non-current assets	360.3	341.8
Current assets		
Inventories	201.7	108.9
Financial assets		
Trade receivables	331.6	175.2
Cash and cash equivalents	209.3	256.4
Other Bank balances	6.5	4.8
Others	0.2	0.2
Current tax asset (Net)	6.5	5.3
Other current assets	111.6	63.4
Total current assets	867.4	614.2
TOTAL ASSETS	1,227.7	956.0

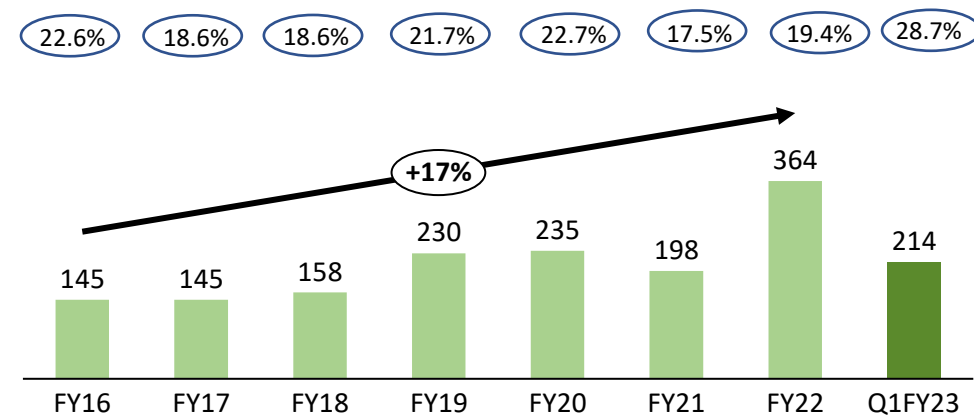
Equity & Liabilities (Rs in Crs)	Mar-22	Mar-21
Equity		
Equity share capital	15.3	15.3
Other equity	943.2	723.5
Total Equity	958.5	738.8
Non-current liabilities		
Financial liabilities		
Borrowings	25.1	56.7
Others	0.9	4.4
Total non current liabilities (A)	26.0	61.1
Current liabilities		
Financial liabilities		
Borrowings	33.4	32.4
Trade payables	151.4	99.0
Others	1.5	2.5
Other current liabilities	10.2	4.1
Provisions	30.3	13.4
Current tax liabilities (Net)	16.4	4.6
Total current liabilities (B)	243.2	156.0
Total liabilities (A) + (B)	269.2	217.1
TOTAL EQUITY AND LIABILITIES	1,227.7	956.0

Q1FY23 Consolidated Operating Performance

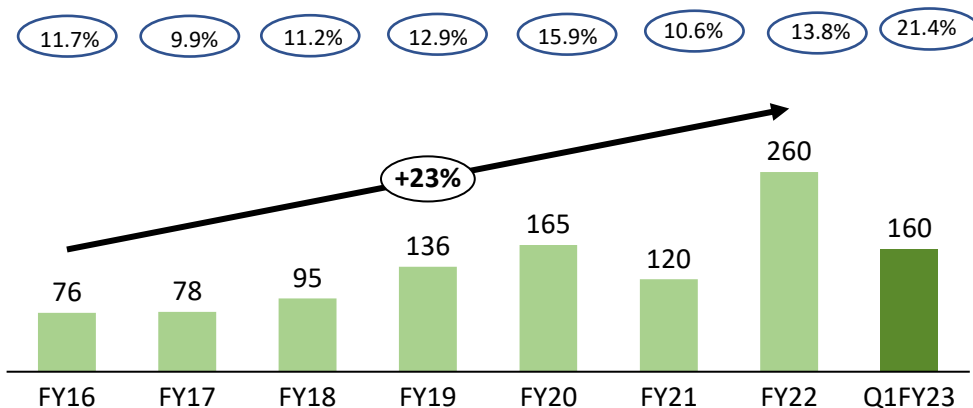
Revenues



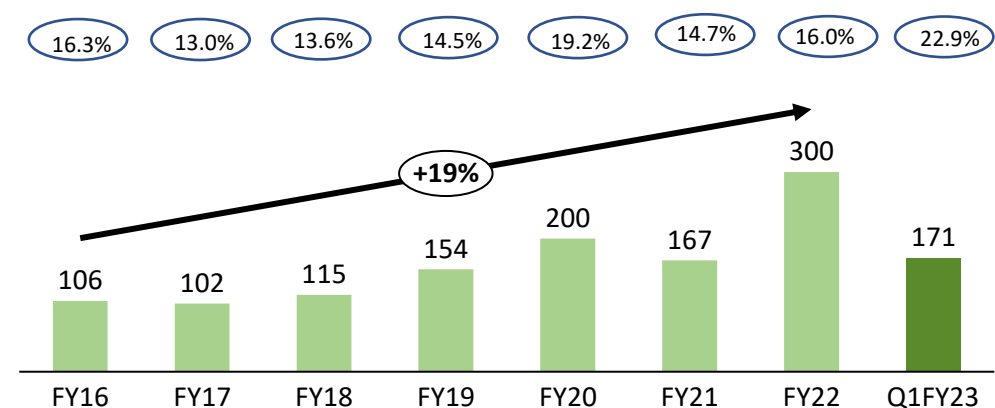
Operating EBITDA & Margins*



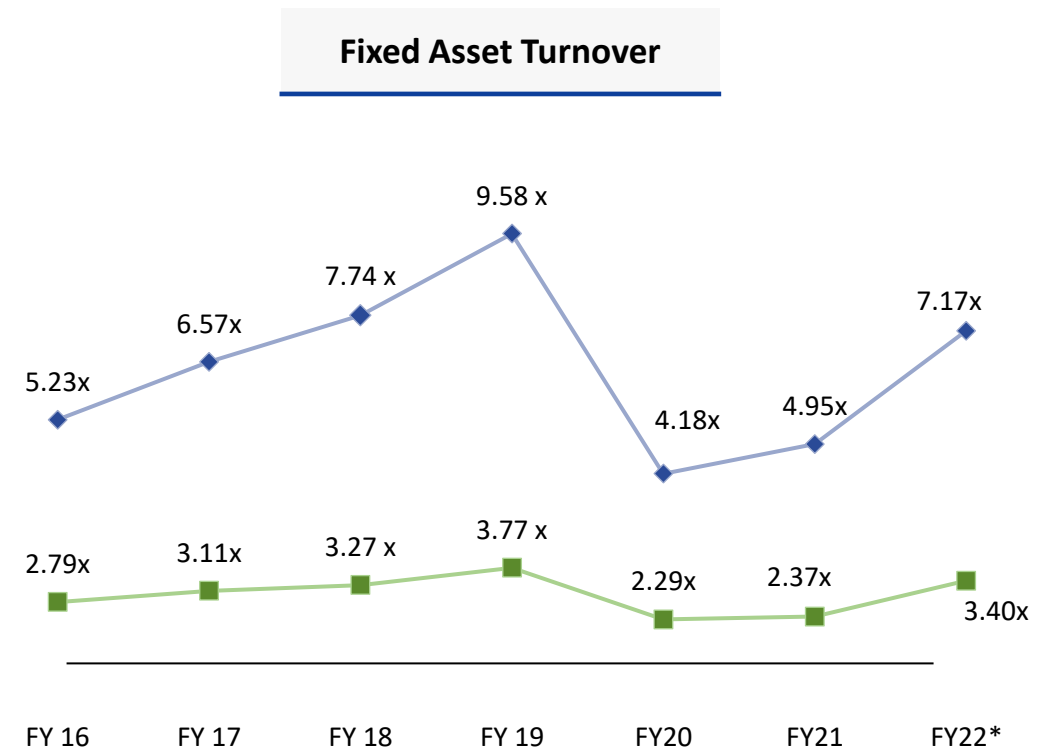
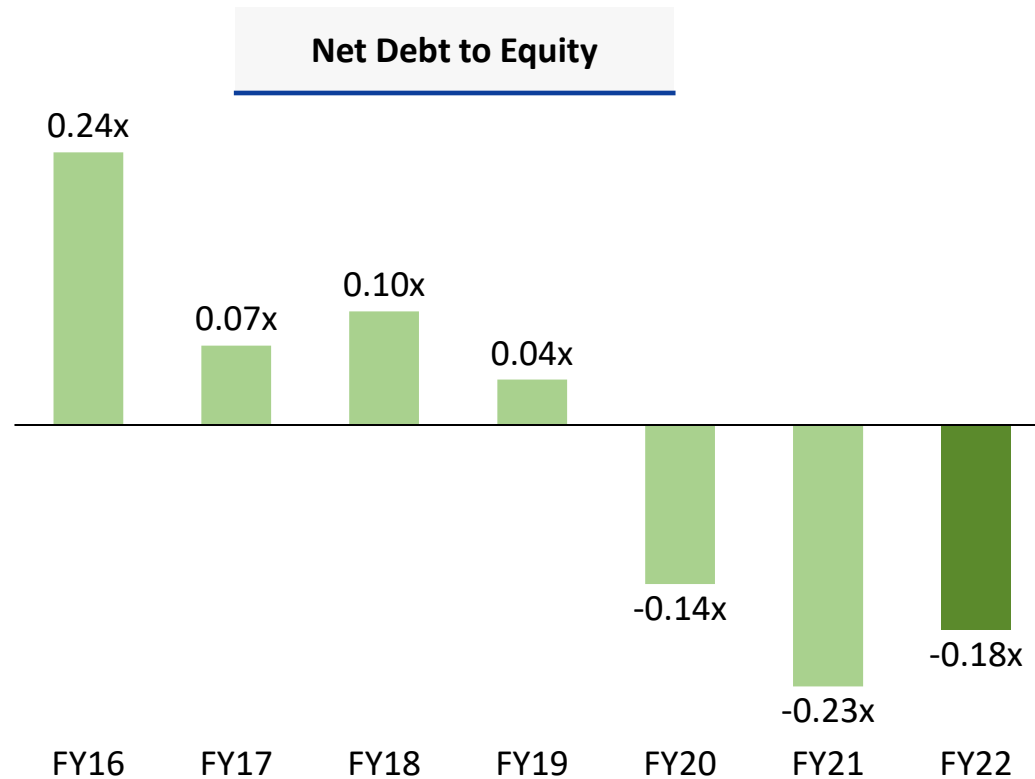
PAT & Margins



Cash PAT & Margins



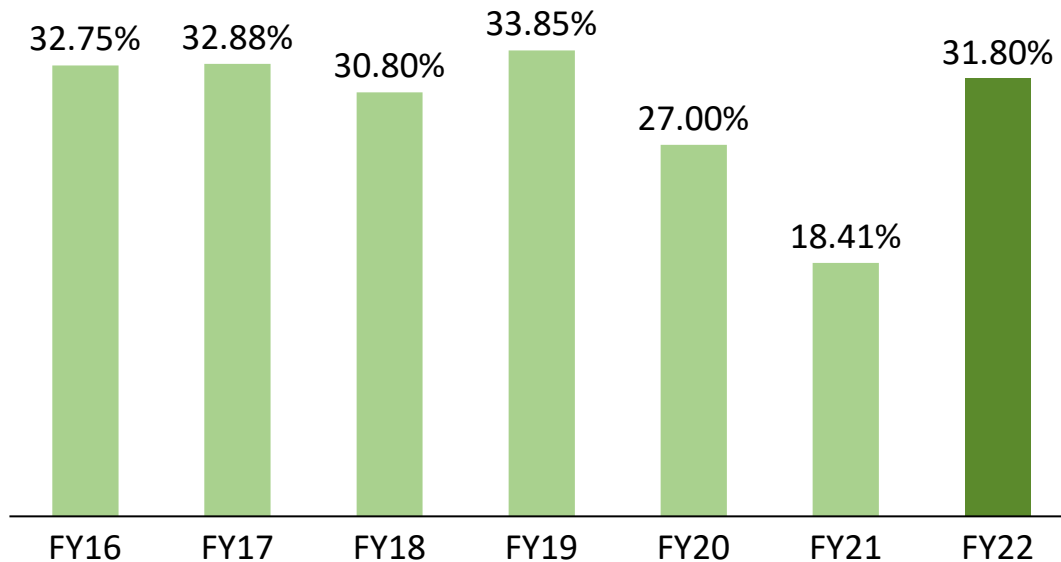
Use of Capital (Consolidated)



Net Debt = Total Long term debt + short term debt + current of maturities of long term debt – cash and bank balances

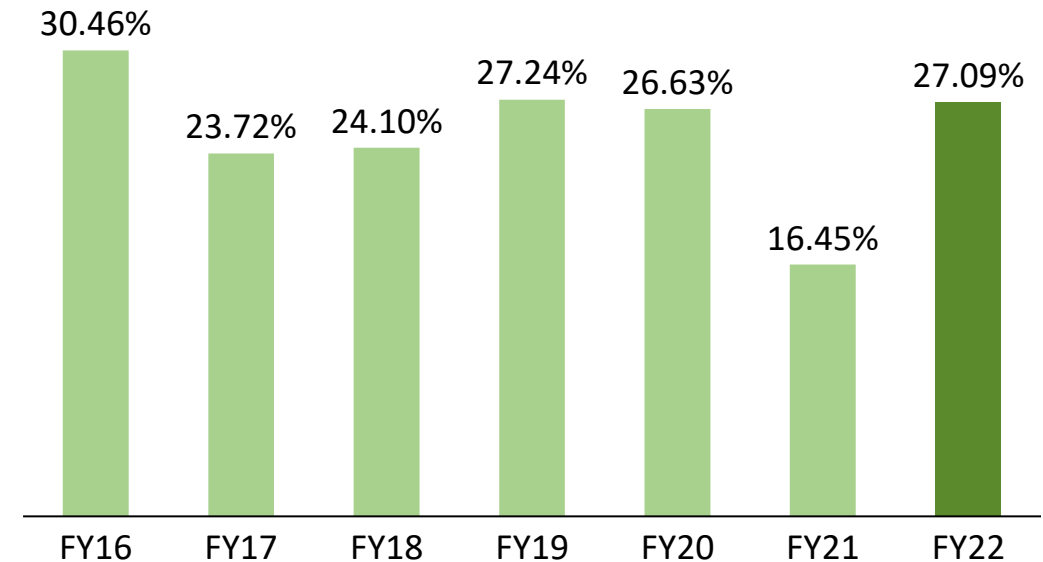
-  Fixed Asset Turnover (Gross) = Net Revenue from Operations / Total Gross Block of Fixed Assets including Land
-  Fixed Asset Turnover (Net) = Net Revenue from Operations / Total Net Block of Fixed Assets including Land

Return on Capital Employed



Return on Capital Employed = EBIT (excluding Other Income and including share of profit / (loss) of JV (net of tax)) / (Total Debt + Total Net worth)

Return on Net Worth



Return on Net Worth = Net Profit After Tax / Total Net Worth

Q1FY23 Consolidated Profit & Loss Statement

Particulars (Rs in Crs)	Q1FY23	Q1FY22	YoY	Q4FY22	QoQ	FY22
Revenue from Operations	747.7	357.6	109%	616.9	21%	1,876.3
Cost of Raw Material Consumed	422.1	242.2		345.2		1,187.9
Gross Profit	325.6	115.4	182%	271.7	20%	688.4
Gross Profit Margin	43.5%	32.3%		44.0%		36.7%
Employee Cost	25.8	21.1		25.2		89.3
Other Expenses	85.2	42.2		86.9		234.6
Share of profit /(loss) of Joint ventures	-0.2	-0.5		-0.3		-1.0
EBITDA	214.4	51.6	316%	159.3	35%	363.5
EBITDA Margin	28.7%	14.4%		25.8%		19.4%
Other Income	16.6	5.9		14.4		33.1
Depreciation	11.1	9.5		10.6		39.9
EBIT	219.9	48	358%	163.1	35%	356.7
EBIT Margin	29.4%	13.4%		26.4%		19.0%
Finance Cost	1.2	1.3		1.4		5.1
PBT	218.7	46.7	368%	161.7	35%	351.6
PBT Margin	29.2%	13.1%		26.2%		18.7%
Tax	58.9	10.6		40.0		91.8
PAT	159.8	36.1	343%	121.7	31%	259.8
PAT Margin %	21.4%	10.1%		19.7%		13.8%
Other Comprehensive Income	0.0	0.6		1.2		2.7
Total Comprehensive Income for the year / period	159.8	36.7	335%	122.9	30%	262.5
EPS*	52.1	11.7		39.8		84.7

Consolidated Balance Sheet

Assets (Rs in Crs)	Mar-22	Mar-21
Non-current assets		
Property, plant and equipment	228.7	195.3
Capital work-in-progress	14.1	26.3
Intangible assets	0.6	0.5
Financial assets		
Investments	30.6	31.1
Loans	1.3	1.2
Others	3.7	2.6
Deferred tax assets (net)	8.4	7.9
Other non-current assets	61.0	62.1
Total non-current assets	348.4	327.0
Current assets		
Inventories	235.6	126.2
Financial assets		
Trade receivables	301.4	161.6
Cash and cash equivalents	226.1	259.0
Other Bank balances	6.5	4.8
Others	0.2	0.2
Current tax asset (Net)	6.5	5.3
Other current assets	111.6	63.4
Total current assets	887.9	620.5
TOTAL ASSETS	1,236.3	947.5

Equity & Liabilities (Rs in Crs)	Mar-22	Mar-21
Equity		
Equity share capital	15.3	15.3
Other equity	943.9	716.1
Non-Controlling Interest	-	0.1
Total Equity	959.2	731.4
Non-current liabilities		
Financial liabilities		
Borrowings	25.1	56.7
Others	0.9	4.4
Total non current liabilities (A)	26.0	61.1
Current liabilities		
Financial liabilities		
Borrowings	33.4	32.4
Trade payables	153.5	97.8
Others	1.5	2.5
Other current liabilities	15.9	4.3
Provisions	30.3	13.4
Current tax liabilities (Net)	16.5	4.6
Total current liabilities (B)	251.1	155.0
Total liabilities (A) + (B)	277.1	216.1
TOTAL EQUITY AND LIABILITIES	1,236.3	947.5

Thank You!

Company:

CIN: L24119MH2002PLC136003

Ms. Sonali Bhadani

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