

FCL



FINEOTEX CHEMICAL LIMITED
Where Dependability Counts...

**Q1 FY18
EARNINGS PRESENTATION**



EXECUTIVE SUMMARY

**OVERVIEW**

- Fineotex Group founded in 1979 is engaged in manufacturing of Specialty Chemicals and Enzymes.
- Mr. Surendra Kumar Tibrewala is Chairman & MD and Mr Sanjay Tibrewala Executive Director & CFO.
- The company has manufacturing facilities in Navi Mumbai and Malaysia with a combined production capacity of 22,000 MT/p.a.
- Current Market Capitalization is INR 3,436 MN as of 30th June, 2017 .

**BUSINESS MIX**

- Fineotex is one of India's largest and most progressive speciality textile chemical manufacturers.
- The Company manufactures chemicals for the entire value chain for the textile industry including pretreatment, dyeing , printing and finishing process
- The company also manufactures other chemicals for various industries like agro , adhesives , construction, water treatment etc.
- It has more than 400 products catering to various industries.

**KEY STRENGTHS**

- Strong Balance Sheet with Zero Debt; High ROE and ROCE, Consistently Dividend paying
- Professionally run company with high Promoter holding. Promoter stake increased from 62% to 72% over the last 3-4 years.
- Strong Industry knowledge – over three decades of operations
- Low cost high margin products with high entry barriers
- Extremely strong brand loyalty
- Strong R&D capabilities help them increase customization levels of their products

**FY17 FINANCIALS**

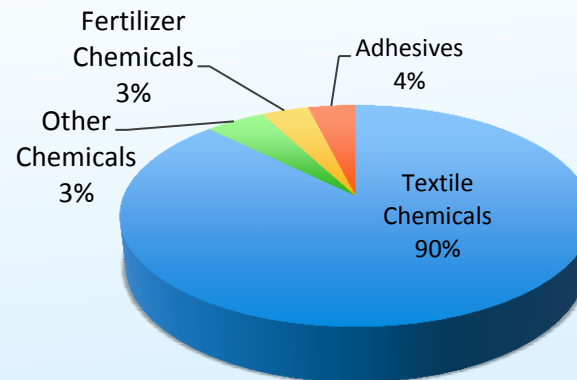
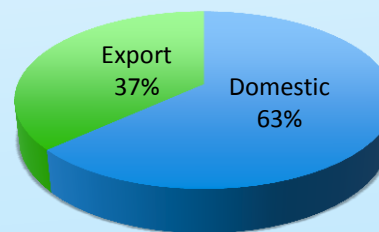
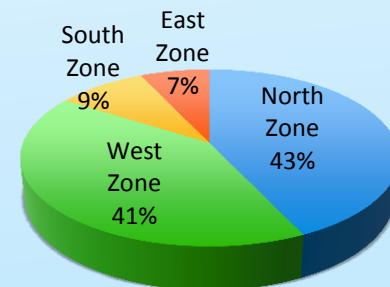
- **Total Income** – INR 1,281 MN , 5 year CAGR of 9.93%
- **EBITDA** – INR 299 MN , 5 year CAGR of 31.86%
- **PAT** – INR 206 MN , 5 year CAGR of 27.98%



The background of the slide features a dark blue overlay with faint, white chemical structures and formulas, including $C=C$, $H-C-H$, and HCl . In the foreground, there are two Erlenmeyer flasks and a rack of test tubes, all containing a dark liquid. The flasks have volume markings at 25, 50, 75, and 100. The test tubes are in a rack and also contain the same dark liquid.

COMPANY OVERVIEW

- Fineotex Group was established in 1979 by Mr.Surendra Tibrewala
- FCL was incorporated as a public limited company in 2007. The company was listed on Bombay Stock Exchange in March 2011, and listed on the National Stock Exchange in January 2015.
- Fineotex is one of India's largest and most progressive specialty textile chemical manufacturers.
- The company manufactures over 400 specialty chemicals and enzymes to Textile, Garment, Construction, Leather, Water treatment , Agrochemicals, Adhesives and others industries.
- Headquartered in Mumbai, it has manufacturing facilities in India and Malaysia with a combined production capacity of 22,000MT/p.a.
- It has a global presence across 33 countries and caters to well known companies in India and overseas.
- FCL along with its subsidiary Biotex Malaysia, has a global presence as a reputed producer of specialty chemicals.

Industry wise Revenue Break-up**Geographical Revenue Break-up****Domestic Revenue Break-up**

❑ **Q1-FY18 performance (Standalone):**

- **Total Income** : INR 225 Mn; Growth of 13.6% YoY
- **EBITDA** : INR 53 Mn; Growth of 23.3% YoY
- **EBITDA Margin** : 23.56%; Grown by 184 bps YoY
- **Net Profit** : INR 44 Mn; Growth of 7.3% YoY
- **PAT Margin** : 19.56%; Declined by 115 bps YoY
- **Diluted EPS** : 0.39 INR; Growth of 5.4% YoY

❑ **Q1-FY18 performance (Consolidated):**

- **Total Income** : INR 322 Mn; Growth of 3.5% YoY
- **EBITDA** : INR 68 Mn; Growth of 6.3% YoY
- **EBITDA Margin** : 21.12%; Grown by 54 bps YoY
- **Net Profit** : INR 56 Mn; Declined by 3.4% YoY
- **PAT Margin** : 17.39%; Declined by 126 bps YoY
- **Diluted EPS** : 0.41 INR; Growth of 5.1% YoY

A person in a dark suit and blue striped tie is shown from the chest down, placing green puzzle pieces onto a larger grid of white puzzle pieces. The puzzle pieces are resting on a green grassy surface. The scene is dimly lit, with a blueish-grey tint. A red horizontal bar with arrowheads at both ends is positioned behind the text.

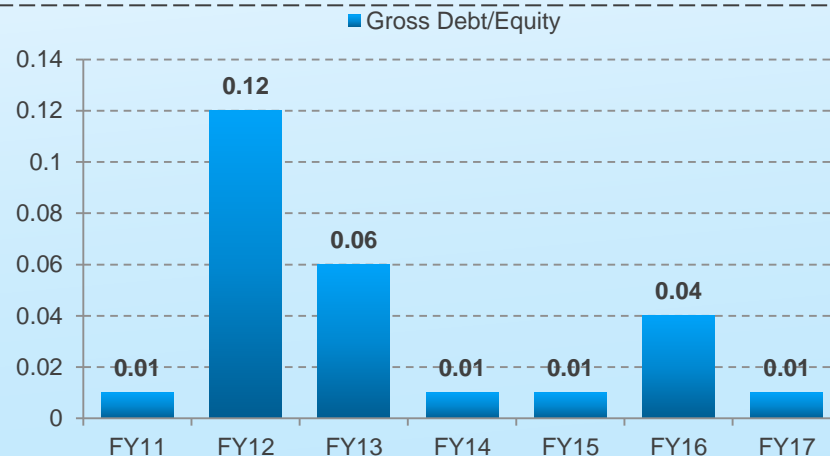
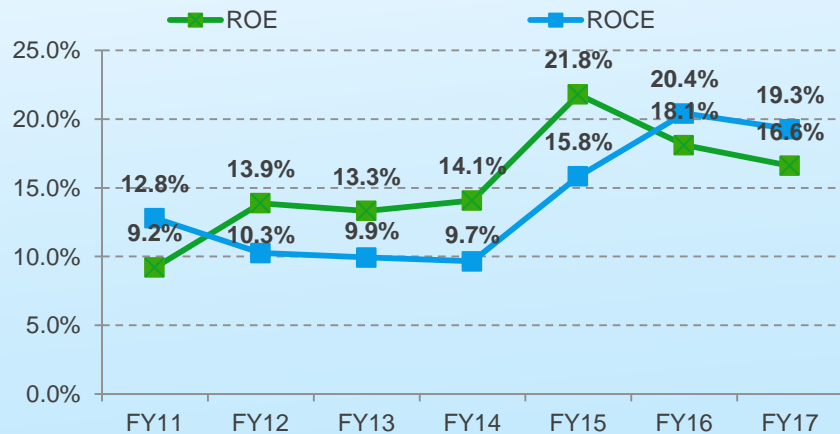
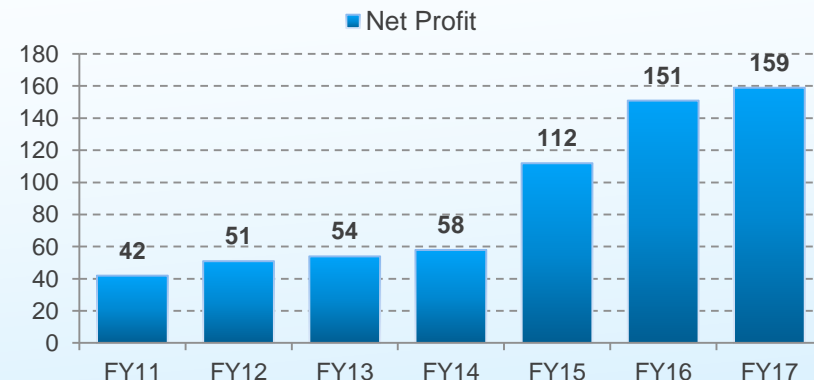
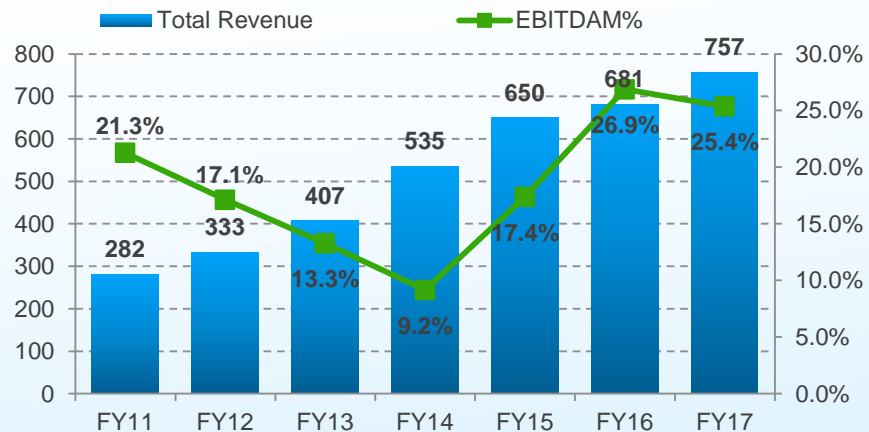
FINANCIAL OVERVIEW

INCOME STATEMENT (INR Mn)	Q1 - FY18	Q1-FY17	Y-O-Y
Total Revenue	225	198	13.6%
Expenses	172	155	11.0%
EBITDA	53	43	23.3%
<i>EBITDA Margin %</i>	<i>23.56%</i>	<i>21.72%</i>	<i>184 Bps</i>
Other Income	9	16	-43.8%
Depreciation	1	1	-
Finance Cost	1	1	-
PBT	60	57	5.3%
Tax	16	16	0.0%
PAT	44	41	7.3%
<i>PAT Margin %</i>	<i>19.56%</i>	<i>20.71%</i>	<i>(115) Bps</i>
EPS	0.39	0.37	5.4%

INCOME STATEMENT (INR Mn)	Q1 FY18	Q1 FY17	Y-O-Y
Total Revenue	322	311	3.5%
Expenses	254	247	2.8%
EBITDA	68	64	6.3%
<i>EBITDA Margin %</i>	<i>21.12%</i>	<i>20.58%</i>	<i>54 Bps</i>
Other Income	10	17	(41.2)%
Depreciation	2	1	100.0%
Finance Cost	1	1	-
PBT	75	79	(5.1)%
Tax	19	21	(9.5)%
PAT	56	58	(3.4)%
Minority Interest	0	0	NM
PAT after Minority Interest	56	58	(3.4)%
<i>PAT %</i>	<i>17.39%</i>	<i>18.65%</i>	<i>(126) Bps</i>
EPS	0.41	0.39	5.1%

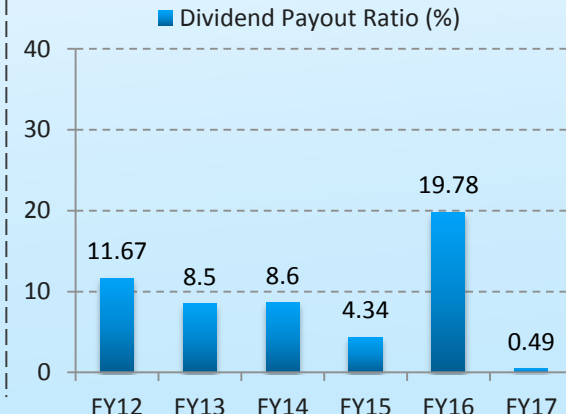
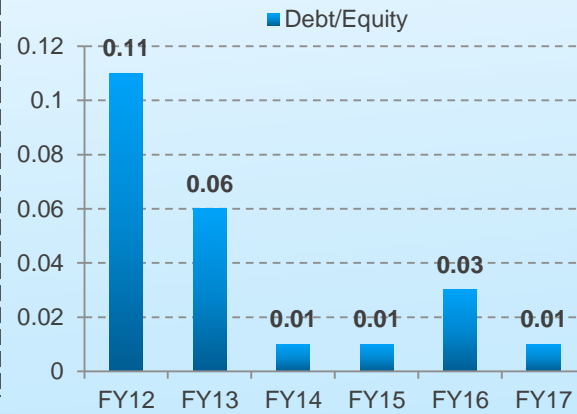
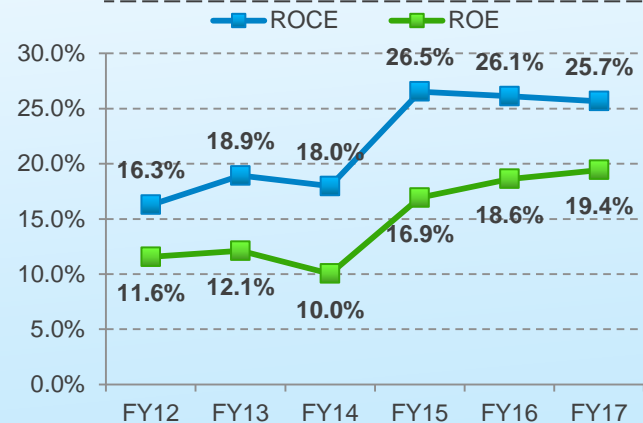
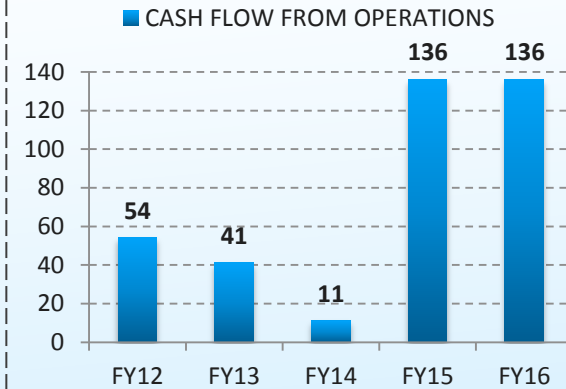
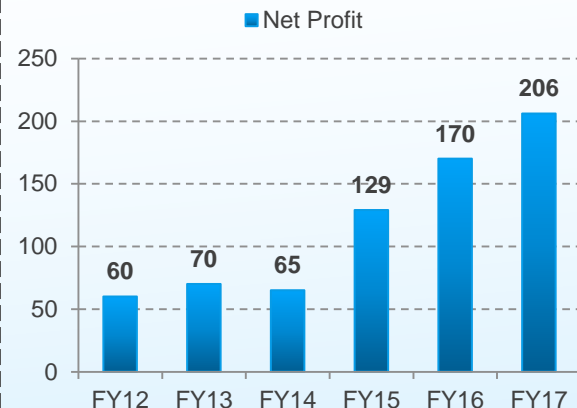
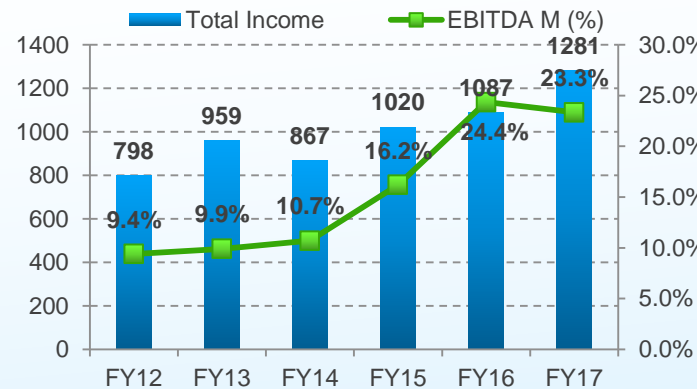
INCOME STATEMENT (INR Mn)	FY11	FY12	FY13	FY14	FY15	FY16	FY17
Total Revenue	282	333	407	535	650	681	757
Expenses	222	276	353	486	537	498	565
EBITDA	60	57	54	49	113	183	192
EBITDA Margin %	21.27%	17.12%	13.27%	9.16%	17.38%	26.87%	25.36%
Other Income	4	22	25	37	48	45	44
Depreciation	1	2	2	2	4	5	6
Finance Cost	0	3	4	3	3	3	3
Extra-Ordinary Items	0	0	0	1	0	0	0
PBT	63	74	73	80	154	220	227
Tax	21	23	19	22	42	69	68
PAT	42	51	54	58	112	151	159
PAT %	14.89%	15.32%	13.27%	10.84%	17.23%	22.17%	21.00%
EPS	5.82	4.57	4.34	2.59	1.00	1.35	1.43

PARTICULARS	FY11	FY12	FY 13	FY14	FY 15	FY16	FY17	PARTICULARS	FY11	FY12	FY 13	FY14	FY15	FY16	FY17
EQUITIES & LIABILITIES								ASSETS							
Shareholder Funds	463	500	546	601	707	837	956	Non Current Assets	79	197	225	244	576	678	772
(A) Share Capital	112	112	112	112	224	225	223	(A) Net Fixed Assets	42	46	63	68	106	120	163
(B) Reserves& Surplus	351	388	434	489	483	612	733	(B) Non-current Investments	-	84	84	93	385	484	532
(C) Share Application Money	-	-	-	-	-	-	0	(C) Long term Loans & Advances	30	62	73	79	80	69	73
Non Current Liabilities	-	56	33	7	-	-	0	(D) Other Non Current Assets	7	5	5	4	5	5	4
(A) Long Term Borrowings	-	56	33	7	-	-	0	Current Assets	434	440	464	516	272	292	311
Current Liabilities	50	81	110	152	141	133	127	(A)Inventories	23	25	42	59	47	57	65
(A) Short term Borrowings	1	2	2	-	10	30	10	(B) Trade Receivables	75	86	114	171	169	192	208
(B) Trade Payables	37	50	72	111	96	99	112	(C) Cash & Bank Balances	261	110	91	82	27	28	17
(C) Other Current Liabilities	3	21	29	34	12	3	4	(D) Short-term loans & advances	16	23	3	35	20	14	17
(D) Short-term provisions	9	8	7	7	23	1	1	(E) Other current assets	59	196	214	169	9	1	4
GRAND TOTAL - EQUITIES & LIABILITIES	513	637	689	760	848	970	1,083	GRAND TOTAL – ASSETS	513	637	689	760	848	970	1,083



INCOME STATEMENT (INR Mn)	FY12	FY13	FY14	FY15	FY16	FY17
Total Revenue	798	958	867	1,020	1,087	1,281
Expenses	723	864	774	855	822	982
EBITDA	75	94	93	165	265	299
EBITDA Margin %	9.40%	9.81%	10.73%	16.18%	24.38%	23.34%
Other Income	23	25	28	45	33	43
Depreciation	3	3	3	5	6	6
Finance Cost	5	5	4	3	4	4
Extra-Ordinary Items	0	0	2	0	0	0
PBT	90	111	112	202	288	332
Tax	25	30	34	56	91	93
PAT	65	81	78	146	197	239
Minority Interest	5	11	13	17	27	33
PAT after Minority Interest	60	70	65	129	170	206
PAT %	7.52%	7.31%	7.50%	12.65%	15.64%	16.11%
EPS	5.35	6.27	2.89	1.15	1.52	1.85

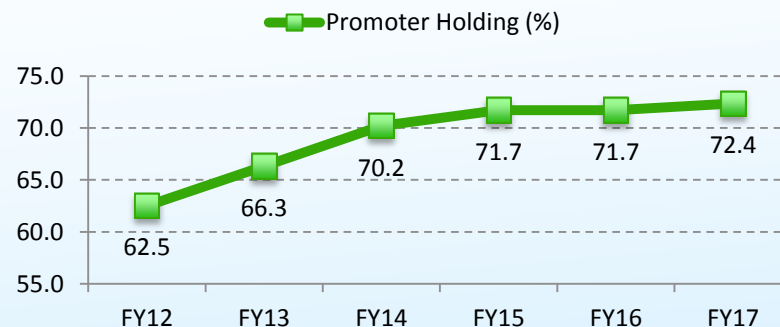
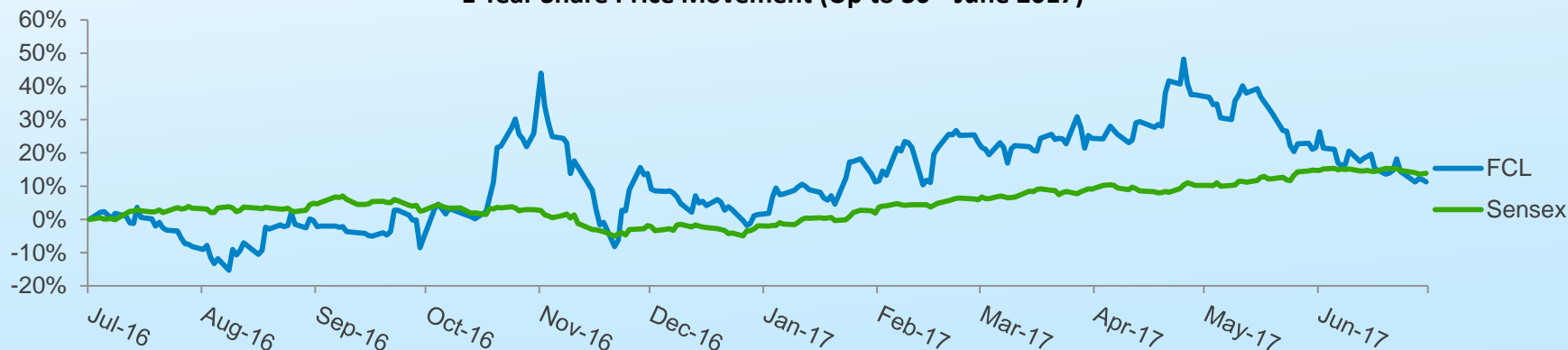
PARTICULARS	FY12	FY 13	FY14	FY 15	FY 16	FY17	PARTICULARS	FY12	FY 13	FY14	FY15	FY 16	FY17
EQUITIES & LIABILITIES							ASSETS						
Shareholder Funds	520	581	647	763	913	1,060	Non Current Assets	171	200	224	556	647	743
(A) Share Capital	112	112	112	224	225	223	(A) Net Fixed Assets	48	66	76	117	131	173
(B) Reserves & Surplus	408	469	535	539	688	837	(B)Goodwill on consolidation	54	54	61	61	61	61
(C) Share Application Money	-	-	-	-	-	0	(C) Non-current investments	-	-	2	293	390	438
Minority Interest	25	35	43	54	48	72	(D)Long term Loans & Advances	64	75	81	80	60	67
Non Current Liabilities	56	33	7	-	-	0	(E)Other Non Current Assets	5	5	4	5	5	4
(A) Long Term Borrowings	56	33	7	-	-	0	(F)Foreign Currency translation	-	-	-	-	-	0
Current Liabilities	183	166	181	191	181	201	Current Assets	613	615	654	452	495	590
(A) Short term Borrowings	2	2	-	10	30	10	(A)Inventories	100	112	115	104	115	130
(B) Trade Payables	153	128	137	141	131	184	(B) Trade Receivables	166	167	219	223	254	300
(C) Other Current Liabilities	21	29	35	12	5	6	(D) Cash & Bank Balances	120	117	127	100	94	129
(D) Short-term provisions	7	7	9	28	15	1	(E) Short-term loans & advances	31	5	30	21	27	19
							(F) Other current assets	196	214	163	4	5	12
GRAND TOTAL - EQUITIES & LIABILITIES	784	815	878	1,008	1,142	1,333	GRAND TOTAL – ASSETS	784	815	878	1,008	1,142	1,333



PRICE DATA (AS ON 30th June, 2017)

Face value (INR)	2
Market Price (INR)	30.6
52 Week H/L (INR)	41.7/22.8
Market Cap (INR Mn)	3,436
Equity Shares Outstanding (Mn)	111.3
Free Float Market Cap (Mn)	941.3
1 Year Avg. trading volume ('000)	395.7

INCREASE IN PROMOTER HOLDING

1 Year Share Price Movement (Up to 30th June 2017)

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Thank You!