



Fineotex Chemical Limited

(BSE: 533333; NSE: FCL)

Q4 and FY2022

Earnings Presentation



FY2022 Consolidated Financial Highlights

Rs 3,682 mn

Consolidated
Revenue

Rs 712 mn

EBITDA

Rs 569 mn

Net Profit

36.1%

Gross Margin

19.3%

EBITDA Margin

15.4%

PAT Margin

68.5%

Revenue Change
(Y-o-Y)

75.5%

EBITDA Change
(Y-o-Y)

27.7%

PAT Change
(Y-o-Y)



Surendrakumar Tibrewala
Chairman and Managing Director

“Fineotex Chemical delivered its best-ever performance during the year. We have outperformed our internal targets by registering a topline growth of 69% and EBITDA growth of 76%, compared to same period last year. This is the result of our constant endeavor and focus towards strengthening our leadership position in the market.

Our strategic alliances with global players like Eurodye-CTC, Belgium and HealthGuard, Australia has enabled us to offer bespoke products and solutions to our customers. With our new Ambernath facility, additional segments, and increased utilisation, we anticipate to continue our growth momentum going forward.

We continue to focus on developing best-in-class products, to stay ahead of our peers and to create a long-lasting value for all our stakeholders whilst focusing on operational efficiency and sustainability.”

Specialty chemicals producer with a focus on textiles chemicals

Team of 34 professionals for providing technical solutions to customers

Successful entry into cleaning & hygiene products and progressing towards drilling specialty chemicals

Biotex Malaysia spearheads the R&D solutions, application research and product development

Attractive industry dynamics with technical barriers to entry and high levels of development and product customisation

Promoters having experience of 4+ decades in the Chemicals Sector



470+
Product Categories



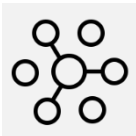
~70
Countries Present



Bluesign, ZDHC,
Star Export House
Accreditations



83,000 MT p.a.
Installed capacities



100+
Dealers in Indian and
International Market



Fineotex Specialities
Pvt Ltd (FSPL)
Incorporated as a wholly
owned subsidiary



Cleaning and
Hygiene Division
Recently launched
products across
housekeeping, kitchen
care and disinfection



CRISIL Rating
Long Term Rating: A-/ Stable
Short Term Rating: A2+

New Facility at Ambernath, Maharashtra

About the Facility

- Located on ~4 acres of land
- Production began on 9th November 2021
- State of the art technological updates have been implemented
- Capacity enhanced to 40,000 MT through efficient process management vis-à-vis planned 36,000 MT

Strategic Advantages

- Caters to customer demands in the existing Textile Specialities and fast growing Cleaning and Hygiene and Drilling Specialities business
- State of the art automated unit which will be fully compliant with the highest standards of sustainability
- Located in close proximity to key port areas near Mumbai providing logistical and cost advantages



The facility provides additional manufacturing capacity for existing product lines and new growth areas



Leadership

- Appointed Mr. Arindam Choudhuri as the CEO.
- A professional with over two decades of deep insight, thought leadership and vast experience from the global textile chemical industry



Alliances

- Strategic collaboration with HealthGuard®, Australia and Eurodye-CTC, Belgium
- Collaborated with Sasmira Institute to set up an R&D centre to develop sustainable speciality chemicals & solutions



Recognition

- CRISIL LT rating as A- which denotes Stable. ST rating is CRISIL A2+
- Received ECO PASSPORT certification



Expansions

- Diversified into Cleaning and Hygiene and Drilling Specialties while continuing to focus on the core Speciality Chemicals & Solutions business
- Commenced operations in its facility, Ambernath, Maharashtra



Employee Recognition

- The NRC of the Board has approved a grant of 70,673 options to eligible employees of the Company at an exercise price of Rs125 per option. The vesting period shall be 2.5 years from the date of grant. ESOPs fosters an ownership mentality, a teamwork perspective and employee retention



Strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market



Addition to its portfolio, specialized pre-treatment and dyeing products for the cotton-synthetic and woollen fibre/ fabric/ yarn



Facilitates an efficient production system and distribution network across the Indian textile market



Globally certified products of Eurodye-CTC will find a huge demand from Indian companies



Eurodye-CTC has REACH registration, Bluesign certification & GOTS 6 certification for a large selection of its product range



Fineotex is committed to sustainable practices and Eurodye-CTC is also an environmentally conscious company

Recent collaborations to expand product profile, geographical reach and develop sustainable practices



Strategic collaboration with HealthGuard, Australia to become the exclusive global marketing and sales channel partner with joint operations from Malaysia



HealthGuard® will concentrate on developing cutting-edge solutions, that will be marketed and channelized across the world by Fineotex-Biotex



Synergy will provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral



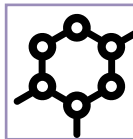
Range of products over several industries - textile, detergent, leather and allied industries



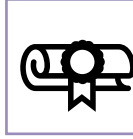
Setting up a state of art Research & Development centre in collaboration with Sasmira Institute, one of India's premier textile institutes



Develop a first-of-its-kind Support and Solution Centre for technical service in Sasmira to catalyze innovation and focus on sustainable chemistry



Focus on new sustainable solutions and chemicals to reduce water, time and energy consumption for the textile wet processing industry



Provide the much-needed exposure for students and help provide practical experience, which will benefit the industry in the long term

Recent collaborations to expand product profile, geographical reach and develop sustainable practices

Financial Performance

- Consolidated revenue in Q4 FY22 of Rs. 1,214 mn, up 61.8% YoY; FY22 of Rs. 3,682 mn, up 68.5% YoY
- Consolidated EBITDA in Q4 FY22 of Rs. 215 mn, up 67.5% YoY; FY22 of Rs. 712 mn, up 75.5% YoY
- EBITDA Margins Q4 FY22 17.7% and has expanded 60 bps YoY; and FY22 of 19.3% and has expanded 77 bps YoY
- Consolidated PAT in Q4 FY22 of Rs. 170 mn, up 42.2% YoY; FY22 of Rs. 569 mn, up 27.7% YoY
- Consolidated EPS in Q4 FY22 of Rs. 1.49, up 47.5% YoY; FY22 of Rs. 4.97, up 29.8% YoY
- Consolidated ROCE for FY22 is 28.0%
- Consolidated ROE for FY22 is 23.4%

Business Model

- Chemical Product offerings across the entire textile value chain: pre-treatment to finishing
- Biotex Malaysia spearheads the R&D solutions, application research and product development and is approved as a Bluesign partner, the highest sustainability certificate in textile chemistry globally

Growth Drivers

- Fineotex Chemical has grown significantly over the past few quarters and our geographical expansion is on fast paced mode having entered new regions in the market
- Our subsidiaries have contributed significantly to our horizontal expansion programs
- Our market expansion has resulted in new geographies which transitioned into acquiring new customers
- Our strong and iron-willed focus has led to the improved visibility of the company in both domestic and global markets

Business Updates

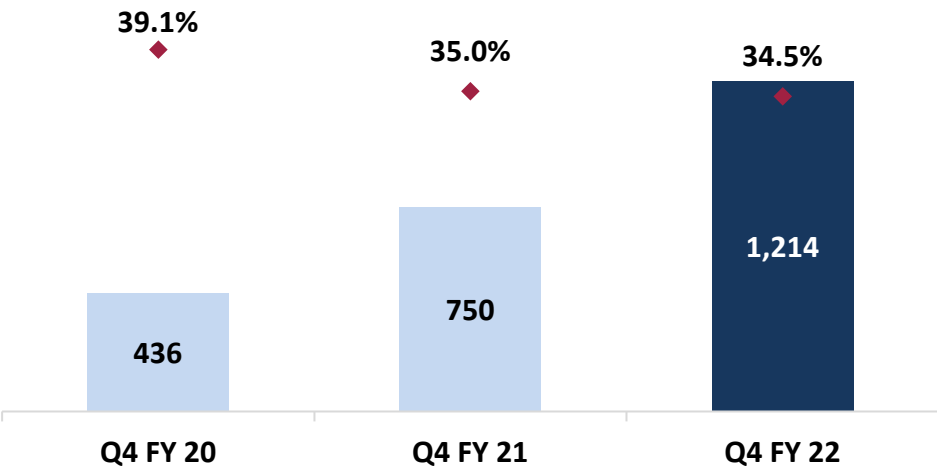
- Fineotex Chemical Limited has entered into a strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market
- Strategic collaboration with HealthGuard, Australia to become the exclusive global marketing and sales channel partner. To provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral
- CRISIL has assigned a long-term rating of A- (Stable) and short-term rating of A2+ to the bank facilities
- The new manufacturing plant at Ambernath will gradually provide an additional 40,000mt of production capacity

Consolidated Quarterly Performance Trend

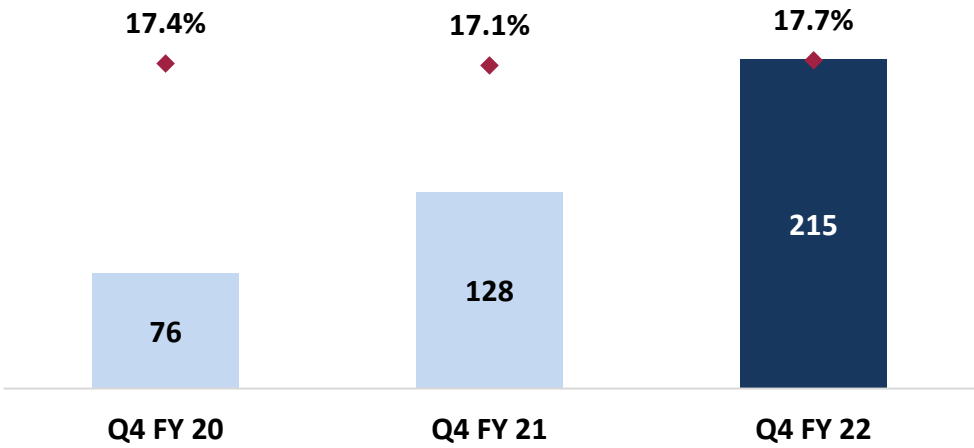


Rs. Mn.

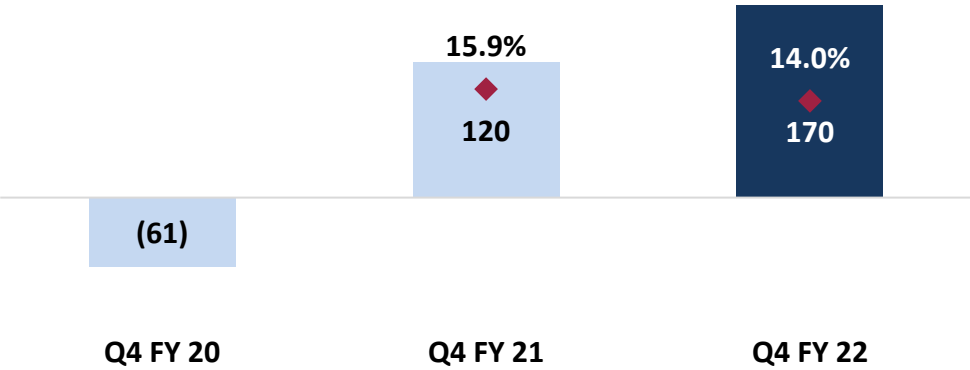
Revenue from Operations and Gross Margin



EBITDA and EBITDA Margin



PAT and PAT Margin



Consolidated P&L Summary: Q4 and FY2022

Particulars (Rs. Million)	Q4 FY22	Q4 FY21	YoY%	FY 22	FY 21	YoY%
Revenue from Operations	1,213.9	750.2	61.8%	3,682.3	2,185.1	68.5%
COGS	794.6	487.4	63.0%	2,351.3	1,405.7	67.3%
Gross Profit	419.3	262.8	59.6%	1,331.0	779.3	70.8%
Gross Profit Margin	34.5%	35.0%		36.1%	35.7%	
Employee Benefit Expenses	42.4	27.1	56.3%	135.8	88.6	53.3%
Other expenses	161.7	107.2	50.9%	483.2	285.4	69.5%
EBITDA	215.2	128.5	67.5%	712.1	405.4	75.5%
EBITDA Margin(as a % of sales)	17.7%	17.1%		19.3%	18.6%	
Depreciation and amortisation expenses	8.8	4.0	118.8%	25.1	14.7	70.4%
EBIT	206.4	124.4	65.8%	687.0	390.6	75.7%
EBIT Margin	17.0%	16.6%		18.7%	17.9%	
Finance Cost	2.1	2.5	(14.1%)	9.2	6.9	27.5%
Other Income	2.3	29.1	(92.0%)	55.2	174.9	(68.5%)
PBT	206.6	151.1	36.7%	732.9	558.6	31.2%
Total tax	36.6	31.6	15.9%	164.0	113.1	45.0%
PAT	170.0	119.5	42.2%	568.9	445.6	27.7%
PAT Margin	14.0%	15.9%		15.4%	20.4%	
Basic and Diluted EPS	1.49	1.01	47.5%	4.97	3.85	29.8%



Fineotex+ Biotex Synergies

Leverage Fineotex's industry insights and long standing customer relationships with Biotex's high end product expertise and regional positioning to serve global customers



Greenfield Developments

The facility at Ambernath, Maharashtra is future ready for next phase of growth. Partnerships with International companies to establish manufacturing facilities in India



New Product Categories

Enter fast growing synergistic segments such as Cleaning and Hygiene and Drilling Specialties while continuing to focus on the core Textile Chemicals business



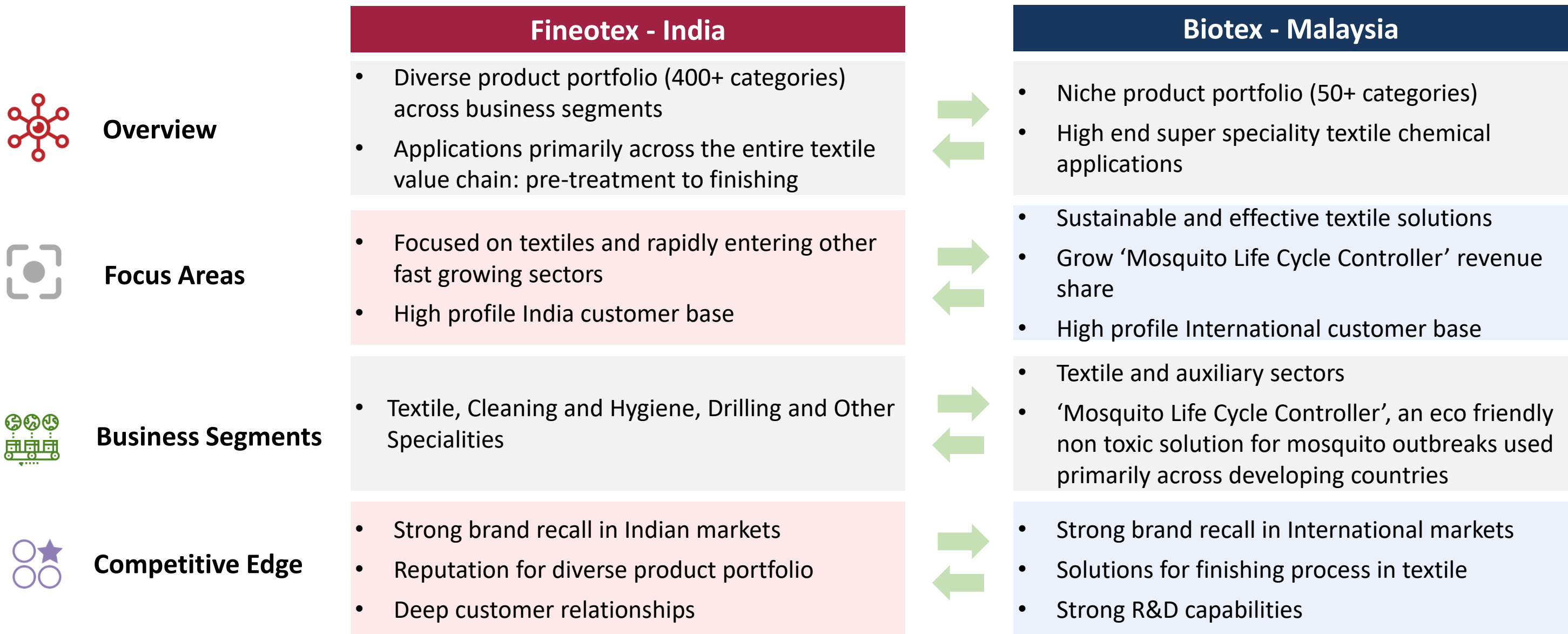
Grow Market Share

Strong in-house development capabilities to grow market share across existing and new customers in both Indian and International markets. Continue to develop direct customer relationships and expand distribution network
















Disciplined Capital Allocation




Fineotex has a conservative approach to funding acquisitions and capacity expansions through internal accruals. Capital structure targeted to be net debt neutral



Fineotex and Biotex complement each others strengths and offer distinguished speciality chemical solutions globally

Location	Operating Facts	Strategic Advantages	Manufacturing Excellence
<div><p>Mahape and Ambernath, Mumbai, India</p></div>	<ul style="list-style-type: none">Total Production Capacity : 36,500 MTAmbernath plant to gradually provide an additional 40,000 MT capacityCurrent Utilisation: 56%Additional expansion of 21,000 MT through FSPL is expected to commence production soon	<ul style="list-style-type: none">Strategically located plant near key port close to Mumbai with logistical advantage to textile hubs across North, West, South and Central India	<div></div>
<div><p>Selangor, Malaysia</p></div>	<ul style="list-style-type: none">Total Production Capacity: 6,500 MTCurrent Utilisation: 57%	<ul style="list-style-type: none">Easy access to high quality raw materials in the regionMalaysian plant provides raw materials to the Indian facilitiesCost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China and India	<div></div>

* GMP: Good Manufacturing Practice Certification

 Cleaning and Hygiene Chemicals	 Drilling Speciality Chemicals	 Other Speciality Chemicals
<ul style="list-style-type: none">Customised solutions for:<ul style="list-style-type: none">Housekeeping, Kitchen Care and DisinfectantsPublic Health and HygieneThe plant has been approved and certified by the Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant/antimicrobial hygiene and cleaning products ensuring safety and effectiveness.Post the outbreak of COVID-19, large addressable market for solutions used in disinfectants and sanitizers	<ul style="list-style-type: none">Customised solutions for Oil and GasSignificant potential for offering effective products used for drilling in oil exploratory processesSizable orders from a leading oil and gas company in India	<ul style="list-style-type: none">Non toxic eco-friendly solution designed with European technology in Malaysia by BiotexApproved by Ministry of Health Malaysia, Singapore PUB, European Union, NSF and relevant authorities in Vietnam and CambodiaA unique 'Mosquito Life Cycle Controller' product under development by Biotex

Key Products



Cleaning and Hygiene Chemicals

Non-textile segments will drive volume and value growth going forward



Available across
East and West India



64
Distributors



14+
Marketing Technical
Associates



Diversified Product Offering



Housekeeping

- Air freshener
- Carpet cleaner
- Carpet shampoo
- Deodorizers
- Floor cleaner
- Furniture maintainer
- Glass cleaner
- Hygienic bathroom cleaner
- Hygienic hard surface cleaner
- Multi surface cleaner
- Surface cleaner cum disinfectant
- Toilet bowl cleaner
- Toilet seat disinfectant
- Washroom cleaner

Kitchen Care

- Automatic dish wash detergent
- Automatic dish wash neutralizer
- Drain cleaner
- Heavy duty floor cleaner
- Kitchen multipurpose cleaner
- Manual dish wash liquid
- Oven and grill cleaner
- Stainless steel polish

Disinfection

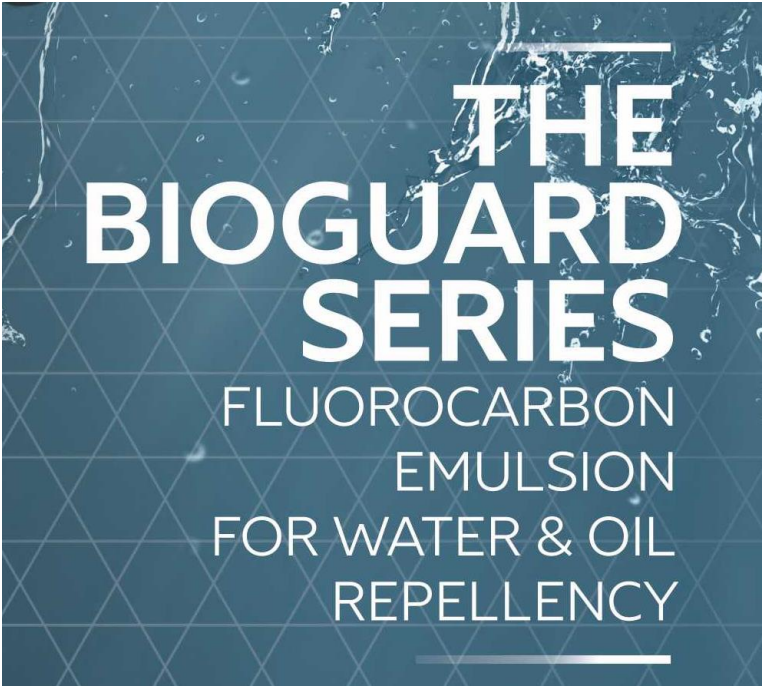
- Hand disinfectant
- Gentle wash
- Multi surface disinfectant
- Surface disinfectant – fogging and fumigation
- Hand sanitizer
- Veg & non-veg disinfectant cleaner
- Sanitizing tablet

Key Products in the Specialty Textile Chemicals Segment

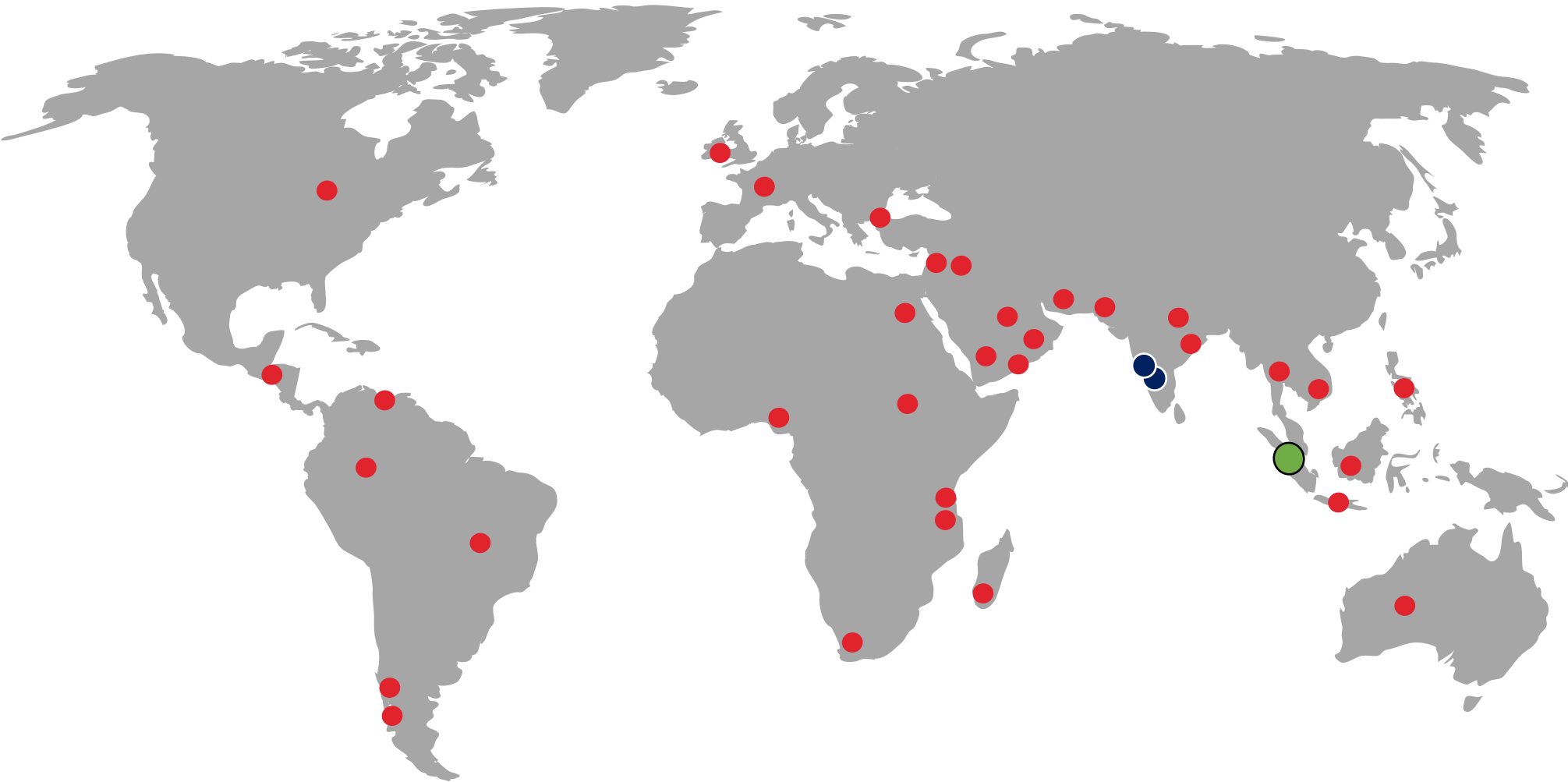


Fineotex + Biotex together offer tailored solutions across the textile value chain with a focus on higher realisations





‘The Bioguard Series’ of products from Biotex with water and oil repellent features in great demand post outbreak of COVID-19



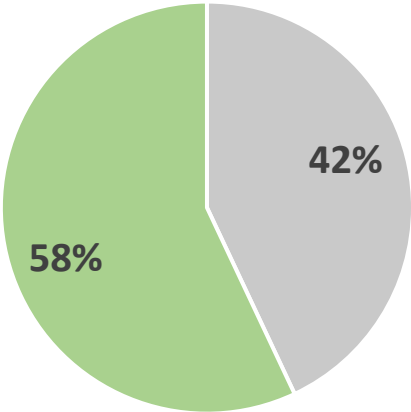
● Facilities at Mahape and Ambernath, Mumbai, India

● Facility at Bangi, Malaysia

● Sales

- Sales in **~70** countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Syria, Thailand, USA, Venezuela and Vietnam
- **34+** technical marketing experts
- **110+** dealers in Indian and International markets

FY22 Revenue Mix



■ Domestic ■ International

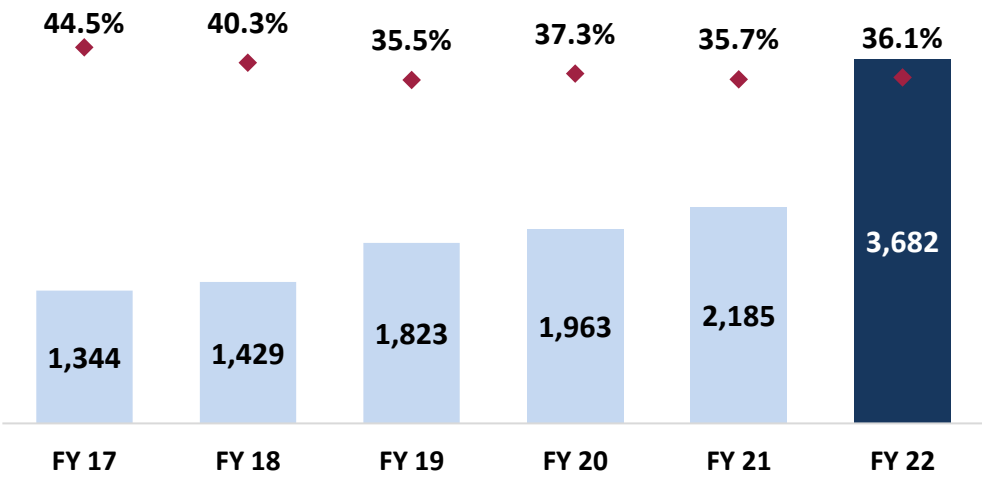
Diversified revenue mix across clients, products and geographies coupled with technical expertise



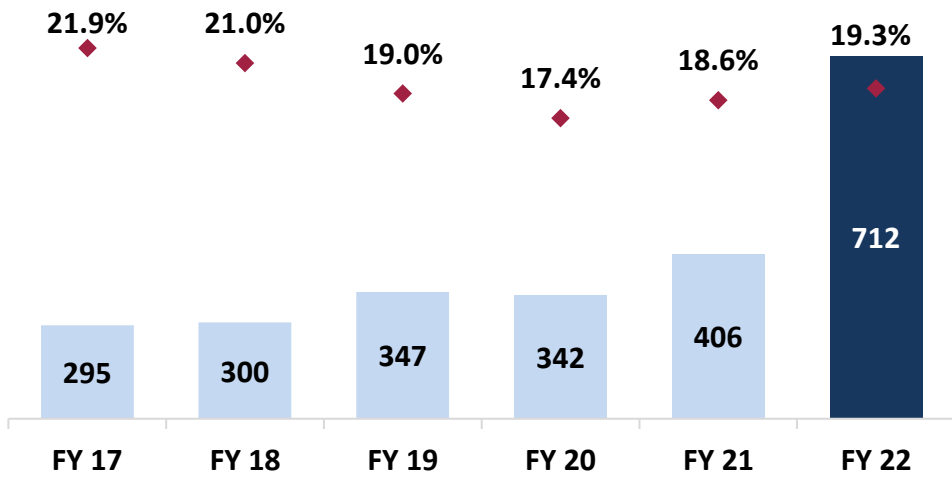
Consolidated Annual Performance Trend

Rs. Mn.

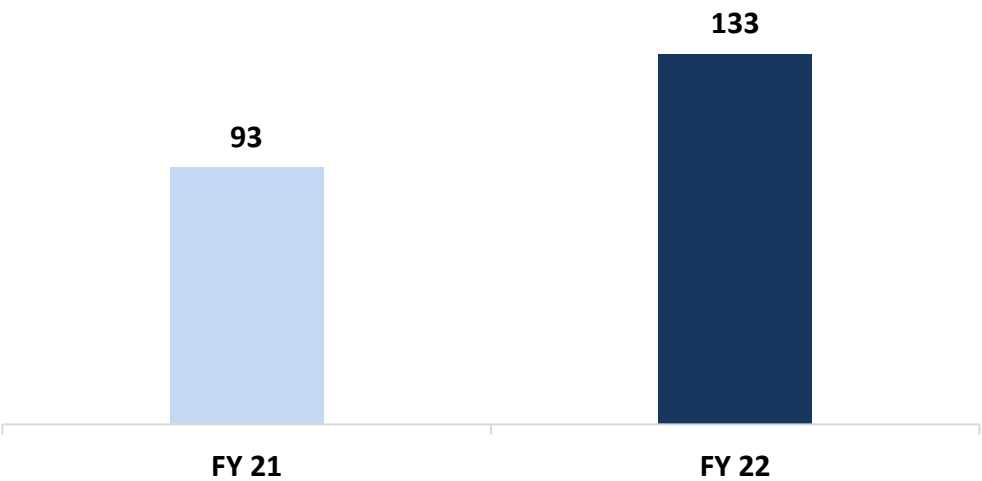
Revenue from Operations and Gross Margin



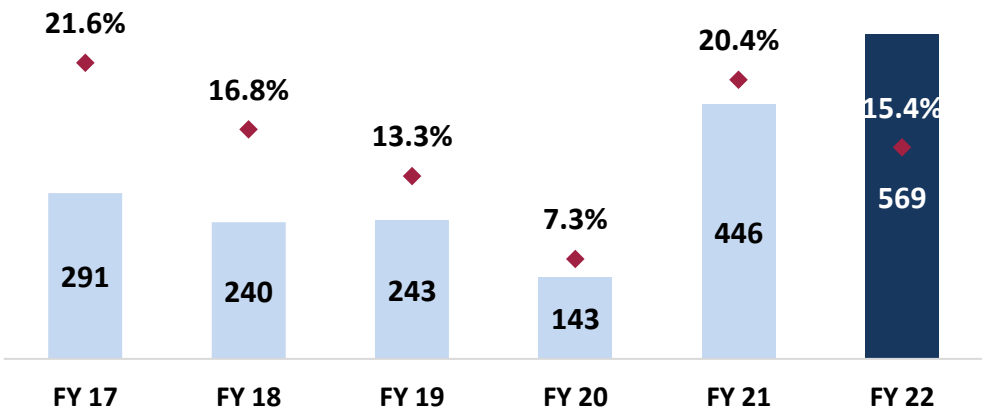
EBITDA and EBITDA Margin



CFO



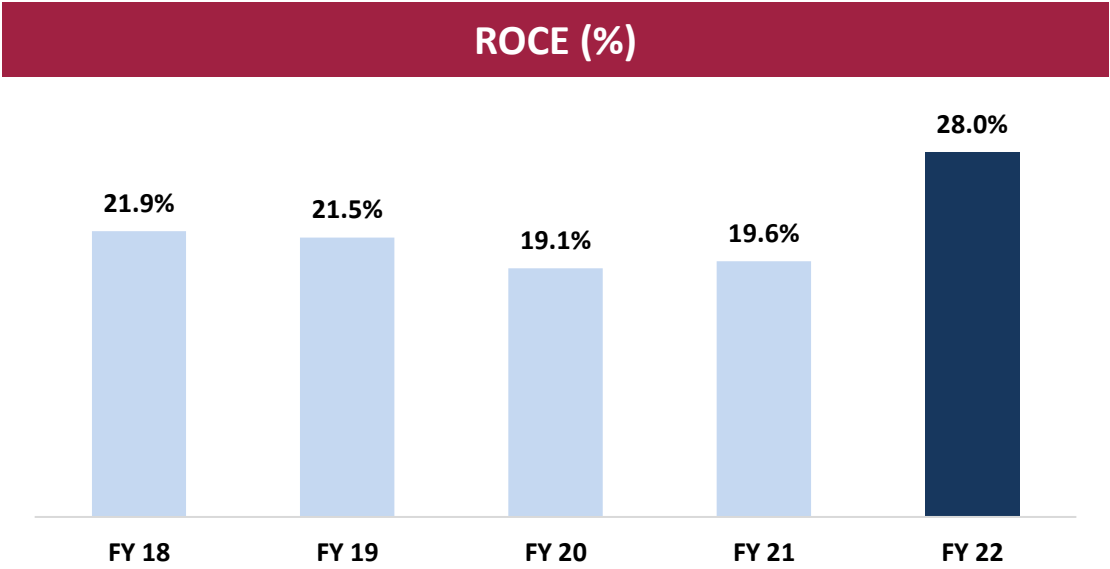
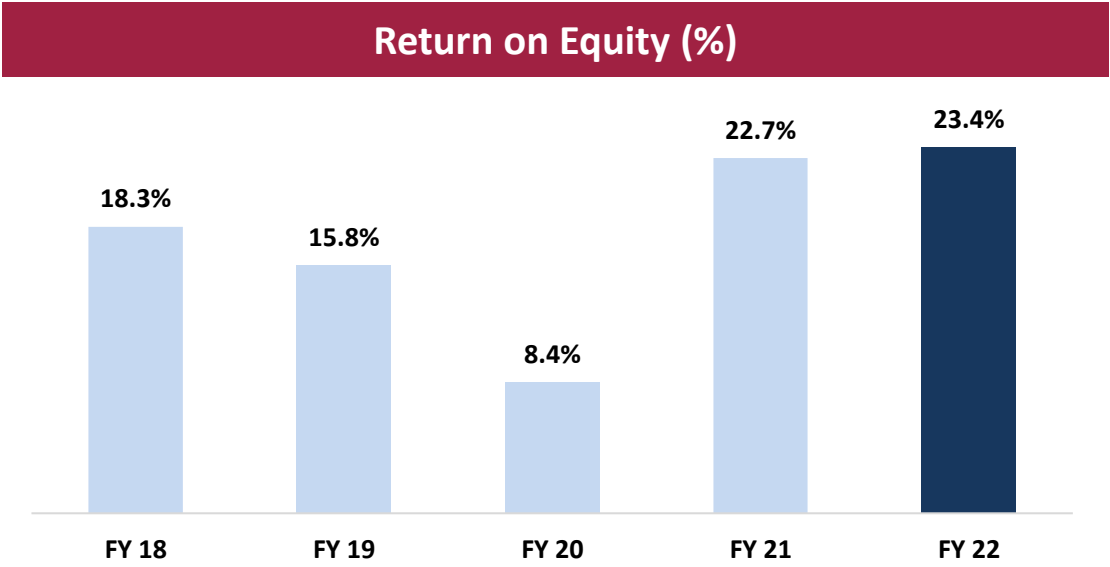
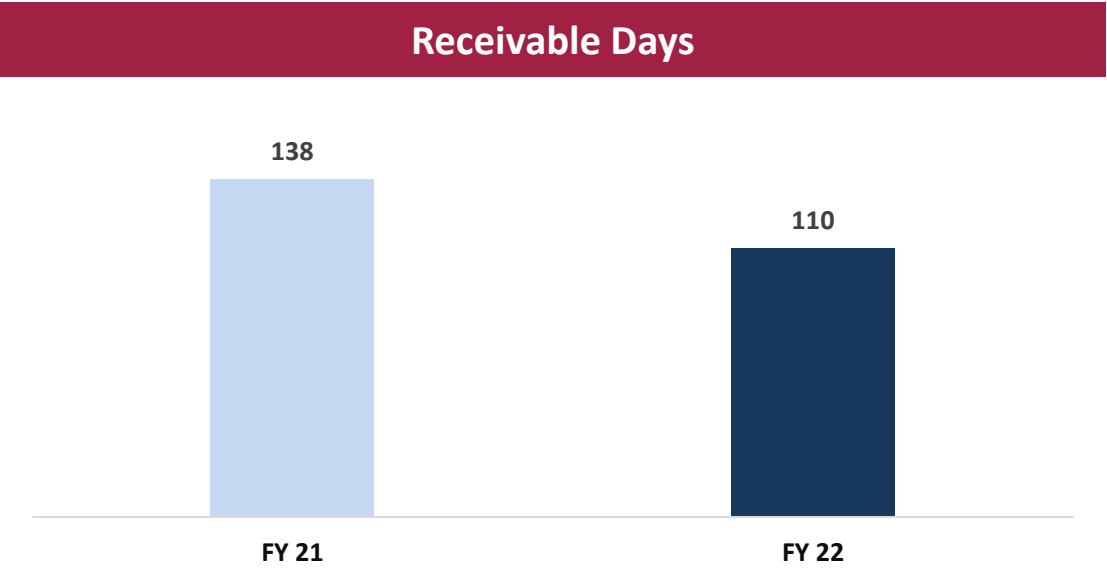
PAT and PAT Margin



Consoildated Balance Sheet and Return Ratios Trend

(Rs Mn)	Mar-21	Sep-21	Mar-22
ST Debt	34	77	19
LT Debt	0	0	0
Total Debt	34	77	19
Cash & Cash Equivalent	339	309	381
Net Cash	305	231	362
Equity	2161	2337	2694
Total debt/Equity	0.02x	0.03x	0.01x

CRISIL Rating	
Long Term Rating	A- / Stable
Short Term Rating	A2+



ROE= PAT/Average Equity
ROCE = EBIT/Average Capital Employed (Capital Employed = Total Equity + Short Term Borrowings + Long Term Borrowings)
Receivable Days = (Trade Receivables/Revenue from Operations)*365





Surendra Kumar Tibrewala
Education: B.Com and LLB

Managing Director



Sanjay Tibrewala
Education: B.Com and P.G. in Textile Chemicals and Processing

Chief Financial Officer



Aarti Jhunjunwala
Education: B.Com and M.Com

Head - International Marketing



Arindam Choudhuri
Education: B.Tech and Marketing Management

Chief Executive Officer



Noa N. Ouakass
Education: M. Sc., MBA

Chief Executive Officer - Biotex



Kedar Sankar Sonai
Education: M.Tech, MBA

Executive Director - Biotex



Raman Perumal
Education: Diploma in Boiler Engineering

Production Director - Biotex



Wong Lai Yoon
Education: BBA

Operations Manager - Biotex



Tang Chai Yean
Education: Diploma in Chemistry

Senior R&D Manager - Biotex



Purva Rane
Education: MSc in Analytical Chemistry
Responsible for: Technical Service Lab and Product Compliances

Assistant Manager - Fineotex



Ramesh Gupta
Education: MSc, MBA B. Ed.

Production Manager - Fineotex



Manoj Sharma
Education: B.Tech
Responsible for: Plant and Projects

Senior Manager - Fineotex

Experienced management team with multi decade expertise in speciality chemicals industry



Fineotex+ Biotex Synergies

Leverage Fineotex's industry insights and long standing customer relationships with Biotex's high end product expertise and regional positioning to serve global customers



Greenfield Developments

The facility at Ambernath, Maharashtra is future ready for next phase of growth. Partnerships with International companies to establish manufacturing facilities in India



New Product Categories

Enter fast growing synergistic segments such as Cleaning and Hygiene and Drilling Specialties while continuing to focus on the core Textile Chemicals business



Grow Market Share

Strong in-house development capabilities to grow market share across existing and new customers in both Indian and International markets. Continue to develop direct customer relationships and expand distribution network



Disciplined Capital Allocation

Fineotex has a conservative approach to funding acquisitions, capacity expansions and greenfield/brownfield developments through internal accruals. Capital structure targeted to be net debt neutral

Focusing on Environmental factors and make efforts to restore the environment

- **Environment Strategy in Place:** FCL is committed to ensuring clean environment beyond satisfying all stipulated requirement laid down by the statutory authorities and in the process constantly working towards making a workplace safer for its employees and the community in general
- **Product Free From Harmful Substances:** Our products are not hazardous. We believe in developing our processes & products in a manner such that no harm is caused to life and nature
- **Waste Water Safe Discharge:** We are members of the central efficient treatment plant and wastewater duty treatment with own ETP is being discharged safely through CETP
- **Water Savings Initiatives:** Our aim to develop super specialty products which are sustainable, improve processes, increase efficiency and reduce costs by reducing overall consumption of water and energy is our main strength. This will aid the Company in its growth trajectory and also help the customers perform better
- **Energy Consumption:** In FY21, the electricity purchased was 3,21,230 units. We monitor the consumption, reduce energy costs and take appropriate measures for energy conservation.

Committed to improve economic, environmental and social performance

100% employees

Were given safety and skill
up-gradation training

- **Social Strategy in Place:** The Company has specified programs in support of inclusive growth and equitable development. It is the endeavor of the Company to ensure that there is continuous improvement in its economic, environmental and social performance as the tagline of the Company reads as “let us grow together”.

- **Product/Service Safety and Quality Metrics:** Quality is an integral part of Fineotex’s Corporate Business Principles. We never compromise on quality; Throughout the process, we have stringent tests and quality controls which has enabled us to differentiate our products through customization and high quality control level resulting in superior performance

Rs 50 Lakhs

Spent on CSR activities in
FY22

- **Local Employment and Sourcing:** Company purchase goods from local suppliers around Thane Bhiwandi and Mumbai Metropolitan Region. These suppliers are depots or distributor of Indian Chemical manufacturers of Importers. Labour, transportation and other services are taken from recognized / government approved suppliers
- **Community Support Initiatives:** We have taken various community initiatives such as: Education of underprivileged and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India, To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons, Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash, To look after family planning centres and nursing homes/ run eye bank, blood bank, organ banks etc

Committed to improve economic, environmental and social performance

No accidents
Reported in FY21

5%
Attrition Rates

- **Product Development:** We've always been dedicated to enhancing our technologies and research and development so that we can meet a wide range of consumer needs and offer even more high-quality items. We built a culture of excellence in R&D and delivered sustainable products to our customers while preserving an ideal price-performance ratio in our pursuit of innovation-driven growth. We have worked hard to increase the value of our brand and are known for having a zero-tolerance policy when it comes to sacrificing quality and service
- **Training and Development:** We consider our employees as our most valuable asset and have been working towards keeping them engaged and inspired. The current workforce structure has a good mix of employees at all levels. The Company is aware that the success of its business depends upon its technical experts coordinating with research and development staff on one hand and marketing on the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results















Focus on maximizing the wealth of shareholders, establish productive and lasting relationships with all shareholders

5 out of 8 board members
Are Independent and Non-Executive Members

Zero
Penalties, punishment or compounding of offences in FY21

- **Corporate Governance Policies:** The Company’s philosophy on Corporate Governance relates to creating an organization intended to maximize the wealth of shareholders, establish productive and lasting relationships with all shareholders with the emphasis laid on fulfilling the responsibility towards the entire community and society
- **Board Composition:** The Board consists of 8 members – 2 Non retiring Directors as per the Articles of Association of the Company, 1 Promoter Whole time Director liable to retire by rotation and 5 Independent Directors. The Board has two Woman Directors including one Independent Woman Director
- **Board skill Matrix:** The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees
- **Shareholder Rights and Relations Policy:** The Company has a Stakeholders Grievances Committee of the Board of Directors to look into the redressal of investors’ grievances


Key ESG Facts

-  Bhive certified
-  Blue Sign certified
-  ECO Passport by OEKO-TEX
-  Global Organic Textile Standard (GOTS) certified
-  Hazard Analysis Critical Control Point (HACCP) Certification
-  Indian Green Building Council
-  REACH certified
-  SA 8000 - Social Accountability Certification
-  Scivera
-  Star Export House
-  WHO Good Manufacturing Practice certified
-  ZDHC Zero Discharge Hazardous Chemical (ZDHC) Gateway certified

Certificates

- ISO 9001
- ISO 14001
- ISO 14045
- ISO 45001
- ISO 20000
- SA 8001
- OHSAS18001
- ISO 22000

New Accreditations

 Fineotex Chemical Limited has earned the prestigious **ECO PASSPORT by OEKO-TEX®** certification, the highest rating in the globally renowned audit that measures standards of sustainability. The green rating has been awarded by Hohenstein, an independent and neutral renowned testing system that is globally recognized.

This rigorous certification program shows our company's commitment to sustainable chemistry.

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Fineotex Chemical Limited (“Fineotex Chemical” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Fineotex Chemical undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For further information, please contact:

Bharat Mody

Strategic Advisor – Investor Relations
Fineotex Chemical Limited

+91 98980 46584

bharatmody@fineotex.com

Anvita Raghuram / Bijay Sharma

Churchgate Partners

+91 22 6169 5988

fcl@churchgatepartners.com



Fineotex Chemical Limited

FINEOTEX CHEMICAL LIMITED

(CIN Number: L24100MH2004PLC144295)

42-43, Manorama Chambers,

S. V. Road Bandra (West),

Mumbai - 400 050, India

Phone: (+91 - 22) 26559174 / 75, (+91 - 22) 26559176 / 77

Email: info@fineotex.com

www.fineotex.com