

FCL



FINEOTEX CHEMICAL LIMITED
Where Dependability Counts...

H1 / Q2- FY20
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 43,000 MT/p.a.
- Current Market Capitalization is INR 2,960.6 MN as of 30th September, 2019.

**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 is the same as last year.
- 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.

**FY19 FINANCIALS (I-GAAP-Consolidated)**

- Income – INR 1,823 MN; CAGR 5 Years 16%
- EBITDA – INR 346 MN; CAGR 5 Years 30%
- PAT – INR 243MN; ; CAGR 5 Years 25%



The background of the slide features a dark blue overlay with a grid of laboratory glassware, including two Erlenmeyer flasks and a rack of test tubes. Faint, white chemical structures and formulas, such as $C=C$, $H-C-H$, and $H-C-H$, are visible in the background.

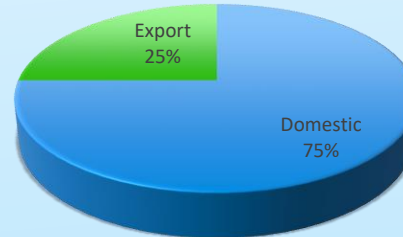
COMPANY OVERVIEW

- 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 43,000MT/p.a.
- It has a global presence across 60 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.

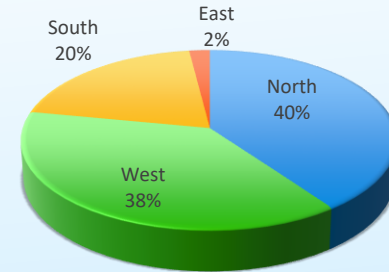
Industry wise Revenue Break-up



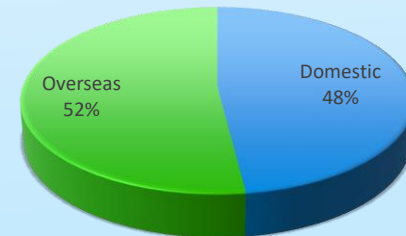
Geographical Revenue Break-up (Standalone)



Domestic Revenue Break-up



Geographical Revenue Break-up (Consolidated)



			
ISO 9001:20015	ISO 14001:2015	OHSAS 18001:2007	SA 8000 (Social Accountability Management System)
		 STAR EXPORT HOUSE Certificate Holder	
ZDHC (Zero Discharge Hazardous Chemical)	Fastest growing company in chemical manufacturing by IPF at Bombay Stock Exchange	Recognized as a Star Export House	

Fineotex awarded as IPF Fastest Growing Chemical Manufacturing Company at BSE Ltd., December 20, 2017



Fineotex recognized amongst 25 Fastest growing Chemical Companies of India by The CEO Magazine June 2018

The CEO Magazine



Surendrakumar Tibrewala

Chairman & Managing Director
Fineotex

Fineotex being covered by the Dalal Street Investment Journal, July 2018



Sanjay Tibrewala
Executive Director & CFO



Aarti Jhunjhunwala
Executive Director

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 grey puzzle pieces. The puzzle pieces are arranged on a grassy surface. A red horizontal bar with arrowheads at both ends is positioned behind the text.

FINANCIAL OVERVIEW

❑ **Q2-FY20 performance (Standalone):**

- **Revenue** : INR 332 Mn; Growth of 23.4% YoY
- **EBITDA** : INR 80 Mn
- **Net Profit** : INR 60 Mn ; Growth of 106.9 % YoY
- **Diluted EPS** : INR 0.54 per share

❑ **Q2-FY20 performance (Consolidated):**

- **Revenue** : INR 510 Mn; Growth of 18.1% YoY
- **EBITDA** : INR 102 Mn.
- **Net Profit** : INR 66 Mn.
- **Diluted EPS** : INR 0.59 per share

❑ **H1-FY20 performance (Standalone):**

- **Revenue** : INR 659 Mn; Growth of 26.5% YoY
- **EBITDA** : INR 151 Mn.
- **Net Profit** : INR 107 Mn ; Growth of 46.6% YoY
- **Diluted EPS** : INR 0.96 per share

❑ **H1-FY20 performance (Consolidated):**

- **Revenue** : INR 1007 Mn; Growth of 17.0% YoY
- **EBITDA** : INR 186 Mn.
- **Net Profit** : INR 123 Mn.
- **Diluted EPS** : INR 1.11 per share

STANDALONE

INCOME STATEMENT (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Revenue	332	269	23.4%	326	1.8%
Expenses	252	219	15.1%	253	-0.4%
EBITDA	80	50	60.0%	73	9.6%
Other Income	3	(2)	NA	(2)	NA
Depreciation	3	2	50.0%	3	NA
Finance Cost	1	2	NA	1	NA
Exceptional Items	-	-	NA	-	NA
PBT	79	44	79.5%	67	17.9%
Tax	19	15	26.7%	20	(5.0)%
PAT	60	29	106.9%	47	27.7%
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	60	29	106.9%	47	27.7%
Diluted EPS (INR)	0.54	0.26	107.7%	0.42	28.6%

STANDALONE

INCOME STATEMENT (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
Revenue	659	521	26.5%
Expenses	508	394	28.9%
EBITDA	151	127	18.9%
<i>EBITDA Margins (%)</i>	<i>22.91%</i>	<i>24.38%</i>	<i>(147)Bps</i>
Other Income	1	(6)	NA
Depreciation	5	5	NA
Finance Cost	1	4	(75.0)%
Exceptional Items	-	(4)	NA
PBT	146	108	35.2%
Tax	39	35	11.4%
PAT	107	73	46.6%
<i>PAT Margins (%)</i>	<i>16.24%</i>	<i>14.01%</i>	<i>223 Bps</i>
Other Comprehensive Income	-	-	NA
Total Comprehensive Income	107	73	46.6%
Diluted EPS (INR)	0.96	0.66	45.5%

QUARTERLY- INCOME STATEMENT

CONSOLIDATED

INCOME STATEMENT (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y	Q1-FY20	Q-o-Q
Revenue	510	432	18.1%	497	2.6%
Expenses	408	352	15.9%	412	(1.0)%
EBITDA	102	80	27.5%	85	20.0%
Other Income	(7)	(3)	NA	(1)	NA
Depreciation	3	3	NA	3	NA
Finance Cost	2	3	(33.3)%	1	100%
Exceptional Items	-	-	NA	-	NA
PBT	90	71	26.8%	80	12.5%
Tax	24	21	14.3%	23	4.3%
PAT after Minority Interest	66	50	32.0%	58	13.8%
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	66	50	32.0%	58	13.8%
Diluted EPS (INR)	0.59	0.45	31.1%	0.50	18.0%

CONSOLIDATED

INCOME STATEMENT (INR Mn)	H1-FY20	H1-FY19	Y-o-Y
Revenue	1,007	861	17.0%
Expenses	821	684	20.0%
EBITDA	186	177	5.08%
<i>EBITDA Margins (%)</i>	<i>18.47%</i>	<i>20.56%</i>	<i>210Bps</i>
Other Income	(8)	(5)	NA
Depreciation	5	5	NA
Finance Cost	3	5	(40.0)%
Exceptional Items	-	(4)	NA
PBT	170	158	7.6%
Tax	47	43	9.3%
PAT	123	115	7.0%
<i>PAT Margins (%)</i>	<i>12.21%</i>	<i>13.36%</i>	<i>(115)Bps</i>
Other Comprehensive Income	-	-	NA
Total Comprehensive Income	123	115	7.0%
Diluted EPS (INR)	1.11	1.03	7.8%

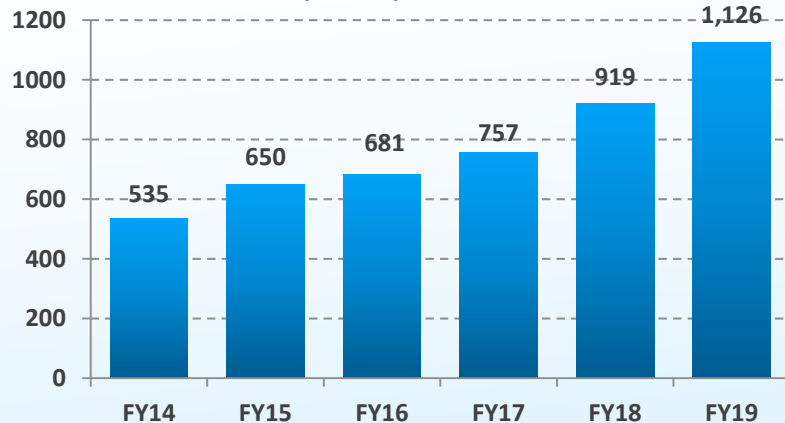
INCOME STATEMENT (INR Mn)	FY14	FY15	FY16	FY17	FY18	FY19	H1-FY20
Revenue	535	650	681	757	919	1,126	659
Expenses	486	537	498	565	683	869	508
EBITDA	49	113	183	192	236	257	151
Other Income	37	48	45	44	75	12	1
Depreciation	2	4	5	6	6	9	5
Finance Cost	3	3	3	3	4	6	1
Extra-Ordinary Items	(1)	-	-	-	-	(5)	-
PBT	80	154	220	227	301	249	146
Tax	22	42	69	68	89	76	39
Operational PAT*	20	64	106	115	138	156	106
PAT	58	112	151	159	213	173	107
Diluted EPS (INR)	2.59	1.00	1.35	1.43	1.91	1.56	0.96

*Operational PAT= PAT- Other Income + Extraordinary items

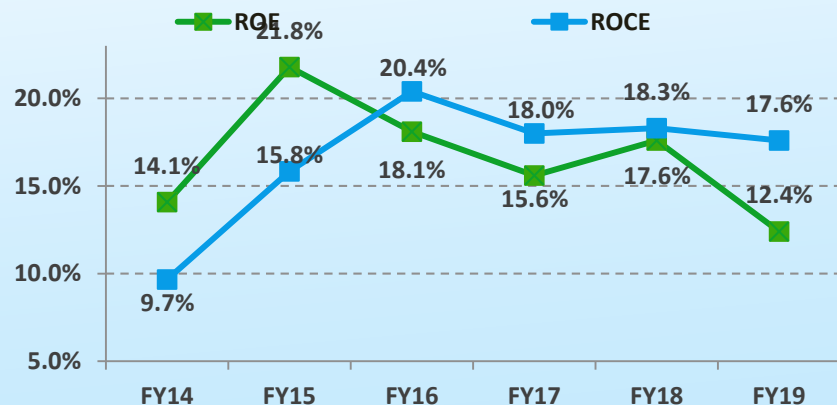
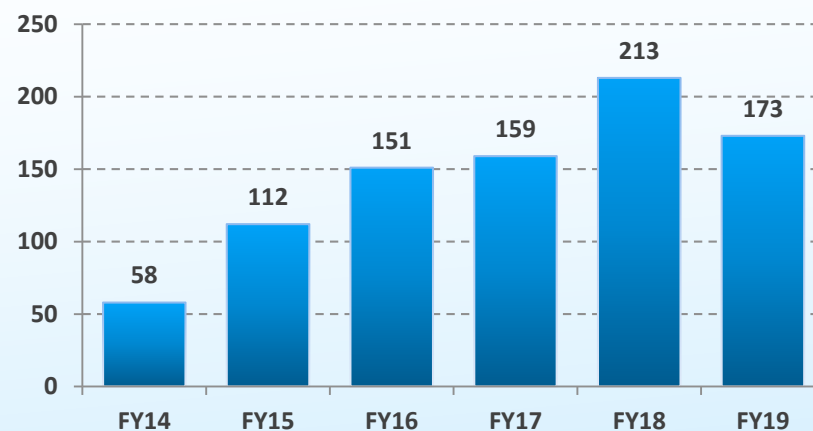
PARTICULARS (INR Mn)	FY 13	FY14	FY 15	FY16	FY17	PARTICULARS (INR Mn)	FY 13	FY14	FY15	FY16	FY17
EQUITIES & LIABILITIES						ASSETS					
Shareholder Funds	546	601	707	837	956	Non Current Assets	225	244	576	678	772
(A) Share Capital	112	112	224	225	223	(A) Fixed Assets	63	68	106	120	163
(B) Reserves& Surplus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

PARTICULARS (INR Mn)	FY18	FY19	H1-FY20	PARTICULARS (INR Mn)	FY18	FY19	H1-FY20
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
Equity Share Capital	223	223	223	Property, Plant & Equipment	180	247	286
Other Equity	988	1,161	1,257	Capital work-in-progress	-	-	3
				Investment in Property	38	38	38
				Investment in subsidiaries	-	-	-
Non Current Liabilities				Financial Assets			
Financial Liabilities				(i) Investments	626	526	558
(i) Borrowings	2	1	-	(ii) Loans & Advances	-	-	-
(ii) Other Financial Liabilities	4	5	4	(iii) Others	30	33	30
Provisions	-	-	-	Deferred tax assets (net)	2	-	-
Deferred Tax Liability	-	-	5	Non-Current Tax Assets	4	8	9
Other Non Current Liabilities	-	-	-	Other Non-Current Assets	39	39	44
				Current Assets			
				Inventories	119	138	139
Current Liabilities				Financial Assets			
Financial Liabilities				(i) Investments	15	49	42
(i) Borrowings	44	20	10	(ii) Trade Receivables	222	345	396
(ii) Trade Payables	114	149	140	(iii) Cash & cash equivalents	14	20	17
(i) Other Financial Liabilities	5	6	6	(iv) Bank Balance other than (iii) above	7	4	4
Other current liabilities	12	26	34	(v) Loans & Advances	-	-	-
Provisions	1	2	3	(vi) Other Financial Assets	-	-	-
Current Tax Liabilities (Net)	1			Other Current Assets	26	74	44
				Asset Classified as Held for Sale	72	72	72
Total	1,394	1,593	1,682	Total	1,394	1,593	1,682

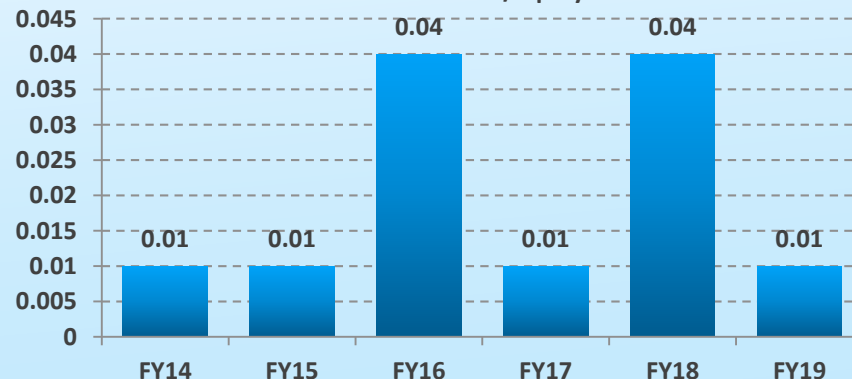
■ Revenue(INR Mn)



■ Net Profit (INR Mn)



■ Gross Debt/Equity



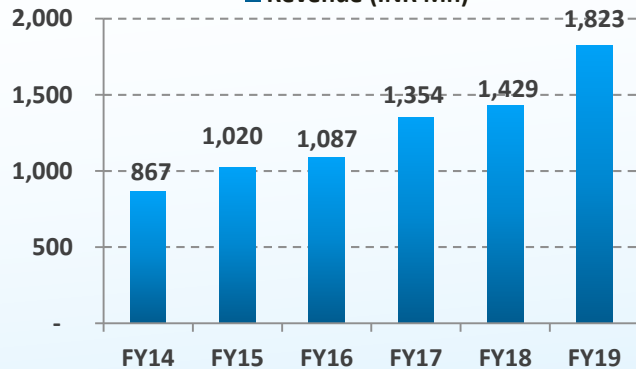
INCOME STATEMENT (INR Mn)	FY14	FY15	FY16	FY17	FY18	FY19	H1-FY20
Revenue	867	1,020	1,087	1,354	1,429	1,823	1,007
Expenses	774	855	822	1,055	1,200	1,477	821
EBITDA	93	165	265	299	229	346	186
Other Income	28	45	33	43	52	15	(8)
Depreciation	3	5	6	6	6	10	5
Finance Cost	4	3	4	4	6	10	3
Extra-Ordinary Items	(2)	-	-	-	-	(5)	-
PBT	112	202	288	332	339	336	170
Tax	35	56	91	93	99	93	47
Operational PAT*	39	84	137	196	188	233	76
PAT after Minority Interest	65	129	170	239	240	243	123
Diluted EPS (INR)	2.89	1.15	1.52	2.15	2.04	2.02	1.11

*Operational PAT= PAT- Other Income + Extraordinary items

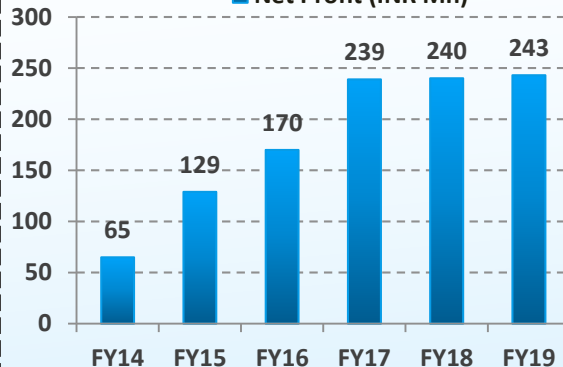
PARTICULARS (INR Mn)	FY 13	FY14	FY15	FY16	FY17	PARTICULARS (INR Mn)	FY 13	FY14	FY15	FY16	FY17
EQUITIES & LIABILITIES						ASSETS					
Shareholder Funds	581	647	763	913	1,060	Non Current Assets	200	224	556	647	743
(A) Share Capital	112	112	224	225	223	(A) Net Fixed Assets	66	76	117	131	173
(B) Reserves & Surplus	469	535	539	688	837	(B) Goodwill on consolidation	54	61	61	61	61
(C) Share Application Money	-	-	-	-	-	(C) Non-current investments	-	2	293	390	438
Minority Interest	35	43	54	48	72	(D) Long term Loans & Advances	75	81	80	60	67
Non Current Liabilities	33	7	-	-	-	(E) Other Non Current Assets	5	4	5	5	4
(A) Long Term Borrowings	33	7	-	-	-	(F) Foreign Currency translation	-	-	-	-	-
Current Liabilities	166	181	191	181	201	Current Assets	615	654	452	495	590
(A) Short term Borrowings	2	-	10	30	10	(A) Inventories	112	115	104	115	130
(B) Trade Payables	128	137	141	131	184	(B) Trade Receivables	167	219	223	254	300
(C) Other Current Liabilities	29	35	12	5	6	(C) Cash & Bank Balances	117	127	100	94	129
(D) Short-term provisions	7	9	28	15	1	(D) Short-term loans & advances	5	30	21	27	19
						(E) Other current assets	214	163	4	5	12
GRAND TOTAL - EQUITIES & LIABILITIES	815	878	1,008	1,142	1,333	GRAND TOTAL – ASSETS	815	878	1,008	1,142	1,333

PARTICULARS (INR Mn)	FY18	FY19	H1-FY20	PARTICULARS (INR Mn)	FY18	FY19	H1-FY20
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
Equity Share Capital	223	223	223	Property, Plant & Equipment	192	261	298
Other Equity	1,135	1,372	1,475	Capital work-in-progress	1	1	5
Minority Interest	62	57	55	Investment in Property	38	38	38
				Goodwill on Consolidation	61	61	61
Non Current Liabilities				Financial Assets			
Financial Liabilities				(i) Investments	532	432	464
(i) Borrowings	2	1	-	(ii) Loans & Advances	-	-	-
(ii) Other Financial Liabilities	4	4	4	(iii) Others	20	21	30
Provisions	-	-	-	Deferred tax assets (net)	2	3	-
Deferred Tax Liability	-	-	5	Non-Current Tax Assets	4	13	(1)
Other Non Current Liabilities	-	-	-	Other Non-Current Assets	39	39	44
				Current Assets			
Current Liabilities				Inventories	211	251	241
(a) Financial Liabilities				Financial Assets			
(i) Borrowings	44	20	10	(i) Investments	16	50	42
(ii) Trade Payables	109	209	147	(ii) Trade Receivables	279	491	531
(i) Other Financial Liabilities	5	25	7	(iii) Cash & cash equivalents	65	142	68
(b) Other current liabilities	25	38	104	(iv) Bank Balance other than (iii) above	15	6	94
(c) Short Term Provisions	1	2	3	(v) Loans & Advances	-	-	-
(d) Current Tax liabilities (Net)	1	2	(1)	(vi) Other Financial Assets	1	-	-
				Other Current Assets	63	72	45
				Asset Classified as Held for Sale	72	72	72
Total	1,611	1,953	2,032	Total	1,611	1,953	2,032

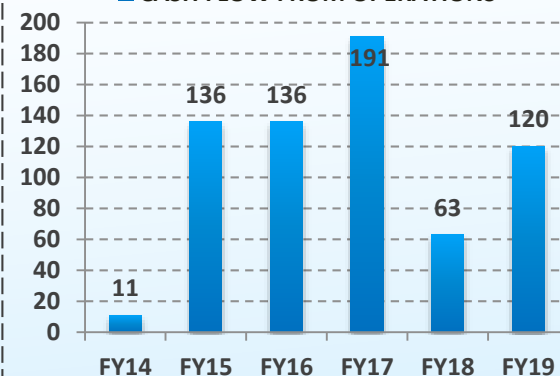
■ Revenue (INR Mn)



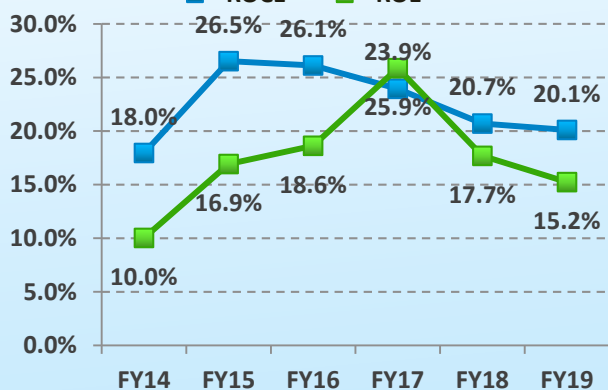
■ Net Profit (INR Mn)



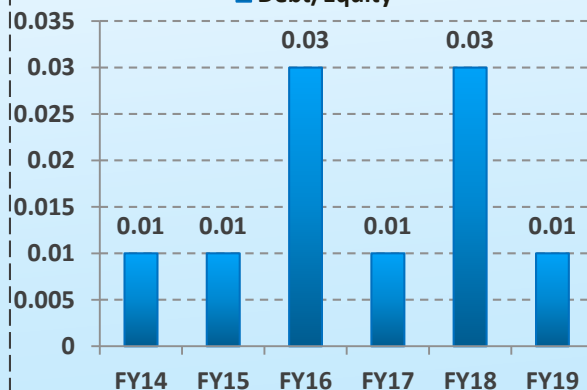
■ CASH FLOW FROM OPERATIONS



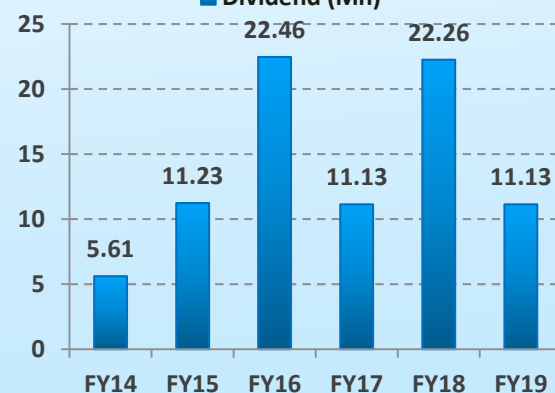
■ ROCE ■ ROE



■ Debt/Equity



■ Dividend (Mn)

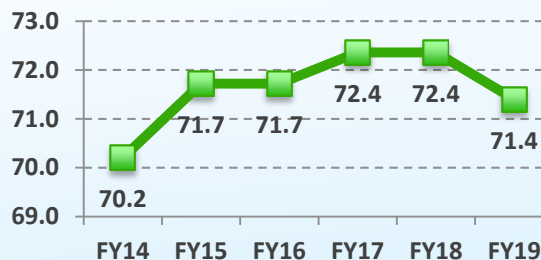


PRICE DATA (AS ON 30th September, 2019)

Face value (INR)	2.0
Market Price (INR)	26.6
52 Week H/L (INR)	47.5/21.7
Market Cap (INR Mn)	2,960.6
Equity Shares Outstanding (Mn)	111.3
Free Float Market Cap (Mn)	846.1
1 Year Avg. trading volume ('000)	275.6

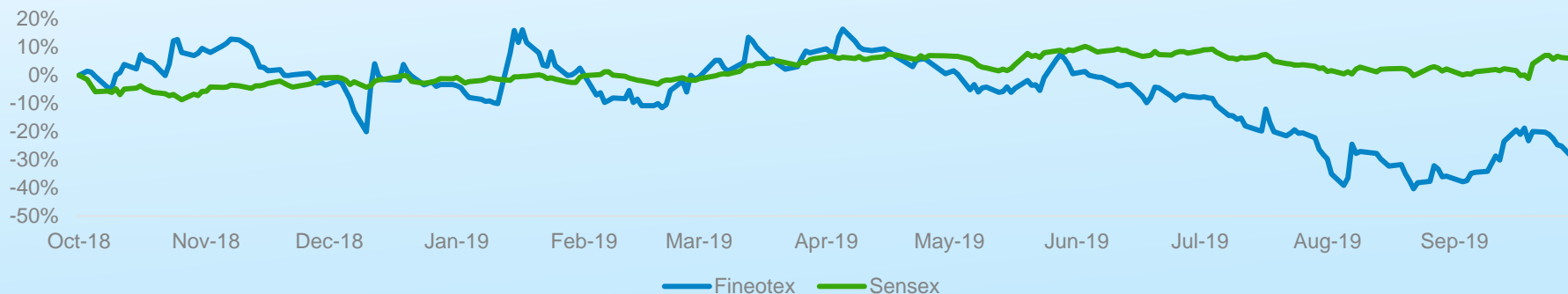
INCREASE IN PROMOTER HOLDING

Promoter Holding (%)



INCREASE IN RETAIL SHAREHOLDERS

Retail Shareholders

1 Year Share Price Movement (Up to 30th September, 2019)

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Thank You!

