

Fine Organic Industries Limited

Regd. Office

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Email: info@fineorganics.com

www.fineorganics.com



Date: February 16, 2021

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 – February 2021 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

Investor Presentation

February - 2021



CELEBRATING

50 YEARS



1971



FINE ORGANICS

2008



FINE ORGANICS

2021

THE LEAFMARK

The leafmark symbolises **nature** as a **source** of **innovation**



THE TYPEFACE

The readable and geometric typeface represents our focus on **technology** and the **customer**

FINE ORGANICS
FINE ORGANICS
FINE ORGANICS

THE LOGO

The Logo serves as a beacon for **sustainable** and **customer-centric innovation**



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.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

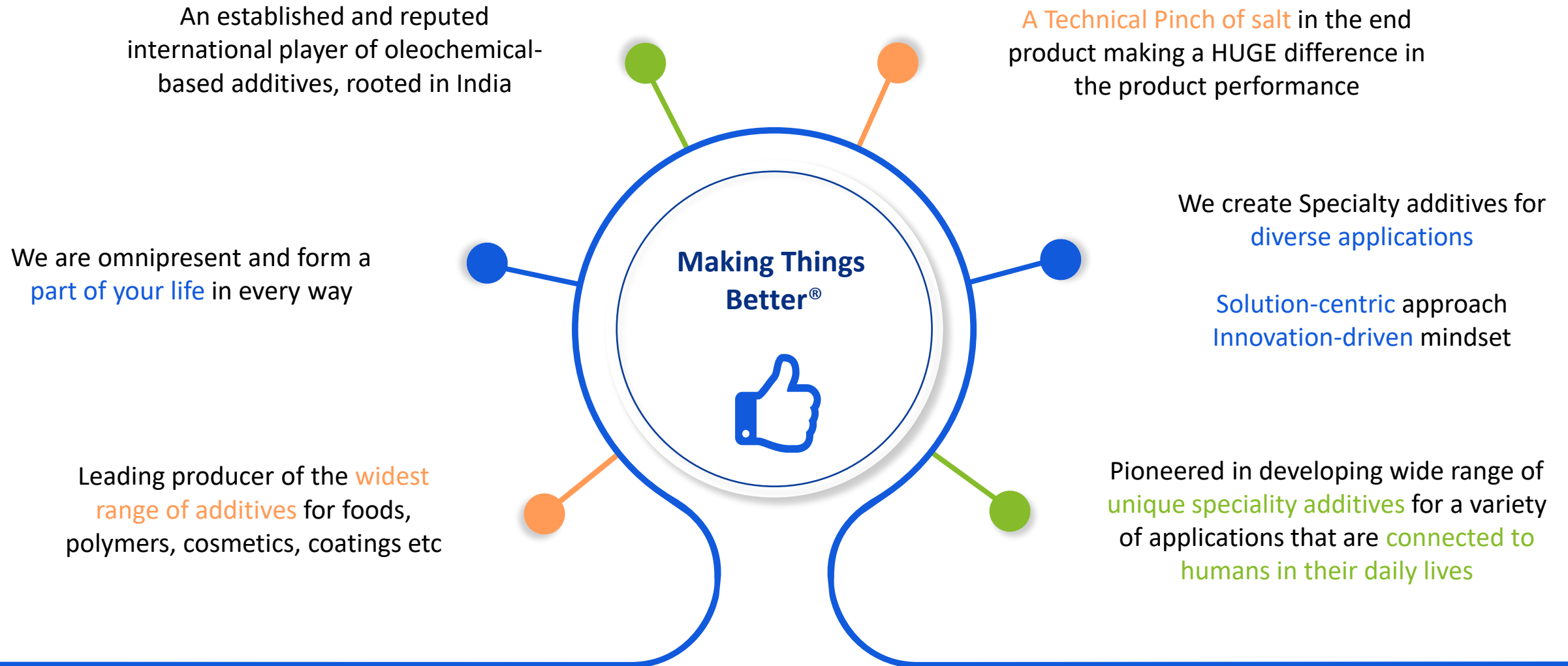
This presentation contains certain forward looking statements concerning the Company’s future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks 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.

THE FINE STORY OF SUCCESS



FINE ORGANICS



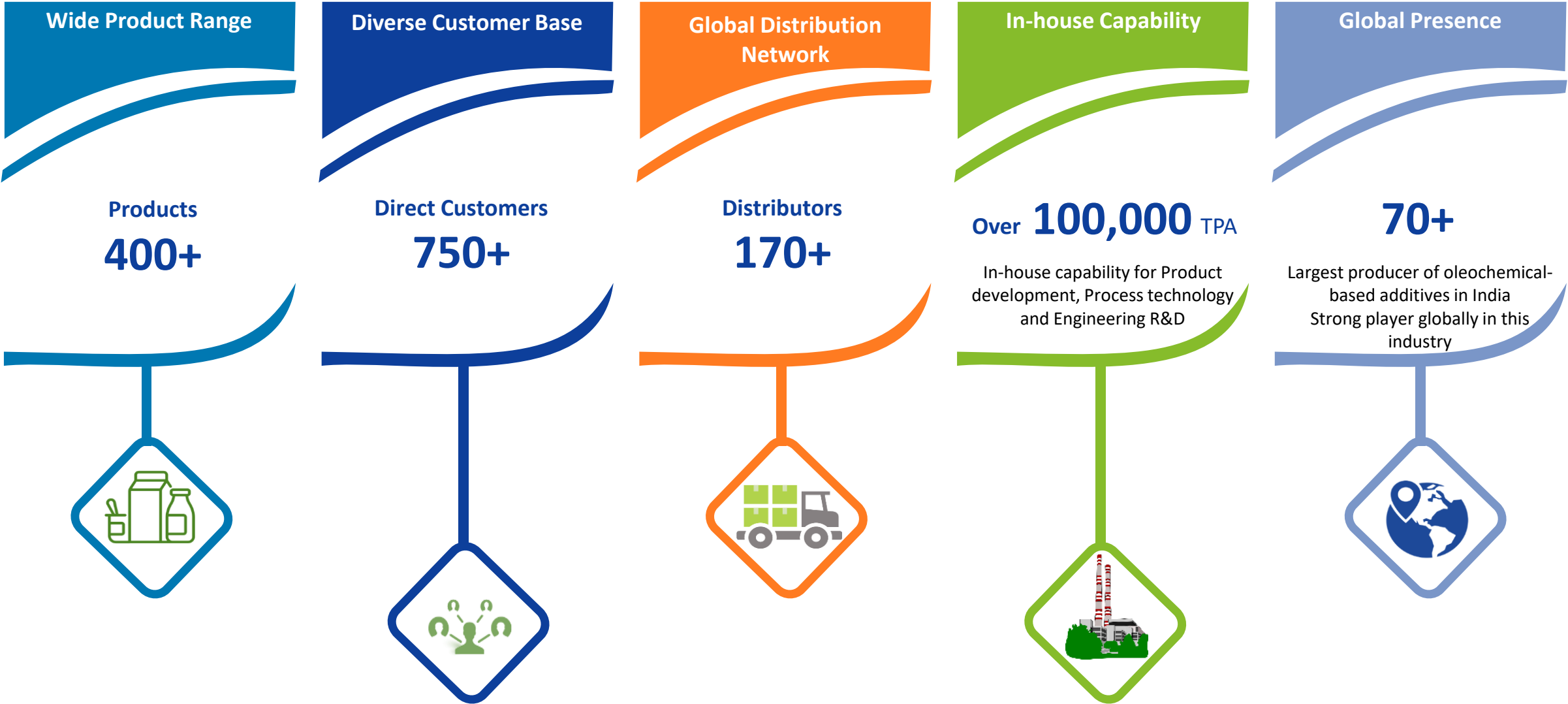


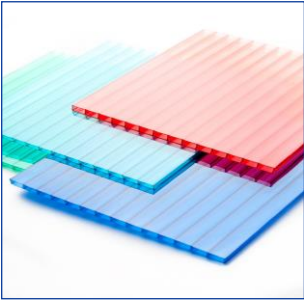
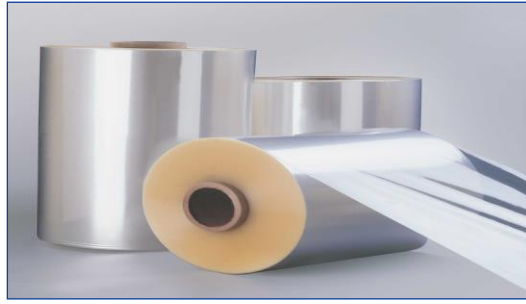
Why FINE additives are preferred?

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

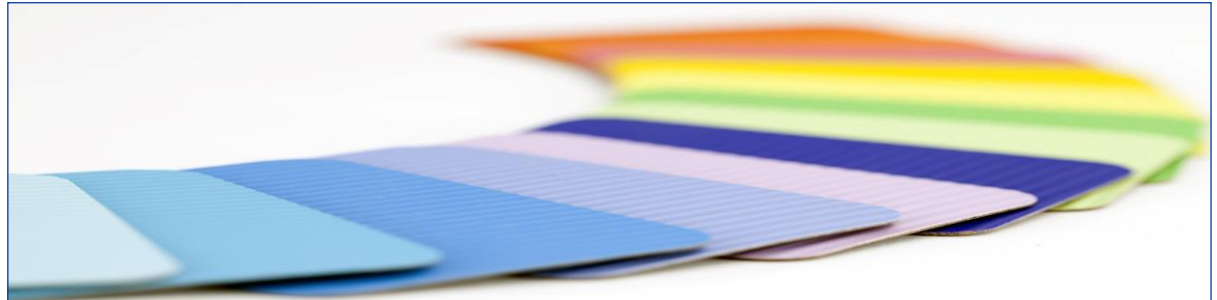
Demand for oleochemical derived additives is increasing



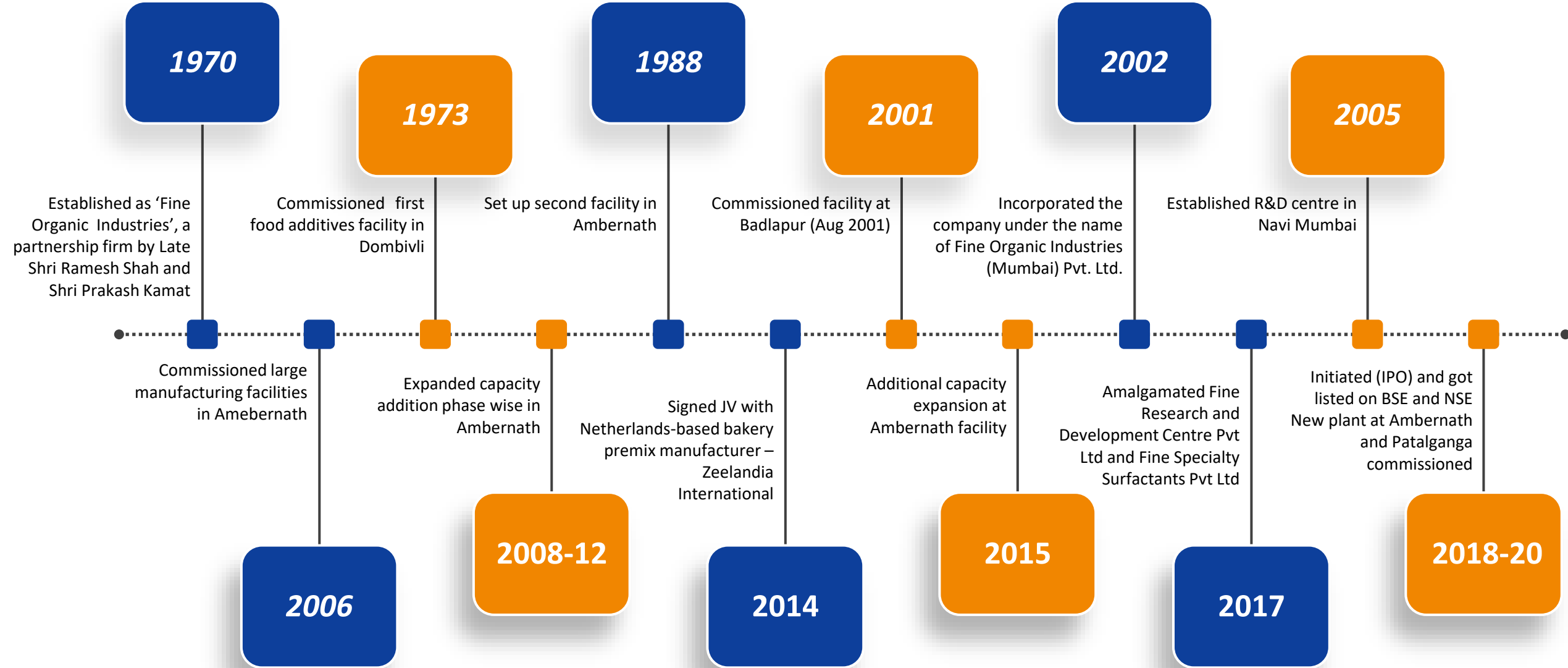




High-Performance Environment Friendly Additives



50 years of Journey



700+

**Employee
strength**

>15%

**Women
employees**

>11%

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

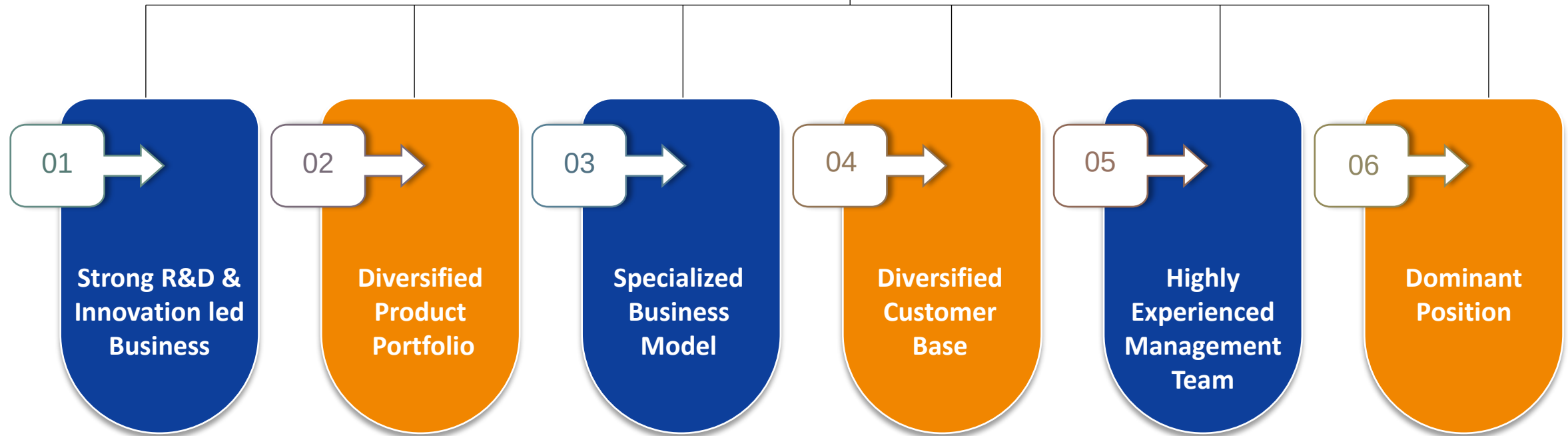
>12%

**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

Strength formulae for Success of FINE ORGANICS



1. Strong R&D : Innovative Approach



Strong R&D Capabilities

- Value Creation; Effective and Efficient technical support to customers
- Dedicated team of **17 Scientists, Engineers and Technologists**



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**
- **Foods**
- **CosPha**
- **Coatings**
- **Polymers**

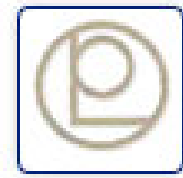
Focus on



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



The diversity of oleochemistry has enabled us to develop a wide range of additives for PVC, Polyolefins, Styrenics, Polyamides & other engineering polymers, Rubbers and Elastomers



Pioneer in manufacturing & marketing of emulsifiers in India.

Expanded its range to anti-fungal agents, bread improvers, beverage clouding agents etc.

Our product range for CosPha (Cosmetic and Pharmaceutical) applications serve as base ingredients.

They enhance appearance and use for end-uses in skin care products like Creams, Lotions & Ointments etc

Using our oleochemistry expertise, we have developed a line of functional additives and special formulations for several other industries

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

Polymer Additives

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

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

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

Feed Nutrition Additives

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

Specialty Additives

A wide range of specialty performance additives for various industries

3. Specialised Business Model : Entry Barriers

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

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

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

Customer Loyalty

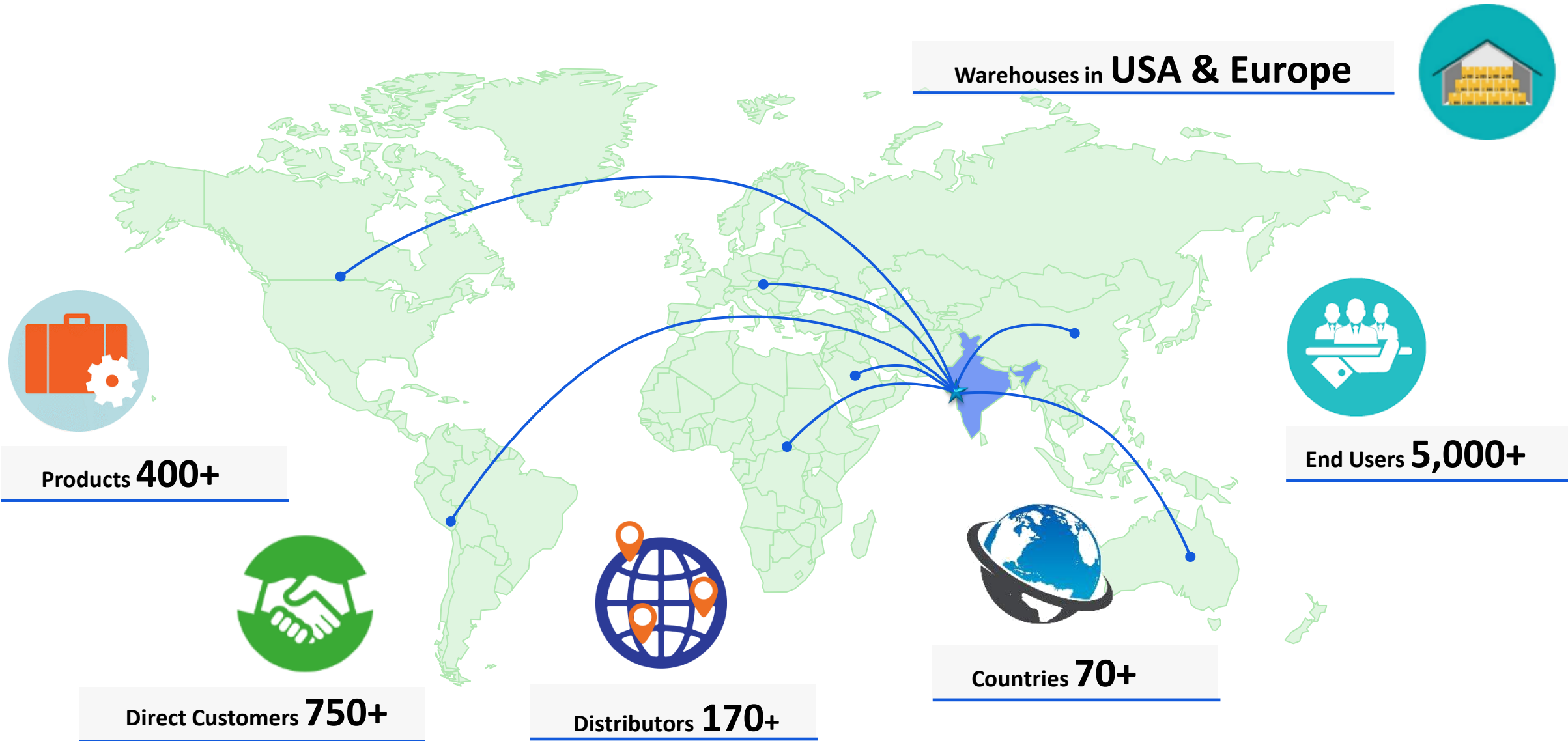
Highly Regulated

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

Complex Technology

4. Diversified Customer Base



Map not to scale. All data, information and maps are provided “as is” without warranty or any representation of accuracy, timeliness or completeness

All the data points are as on 31st December 2020

5. Highly Experienced Management Team



Prakash Kamat – Executive Director and Chairman

- Holds a M.Sc. Tech- Master of Science & Tech (Oils) from Institute of Chemical Technology (formerly UDCT)
- Associated with the group since inception having experience in product development, process technology and R&D



Mukesh Shah – 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



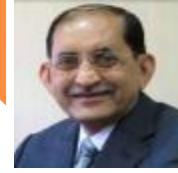
Prakash Apte – Independent Director

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



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)



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

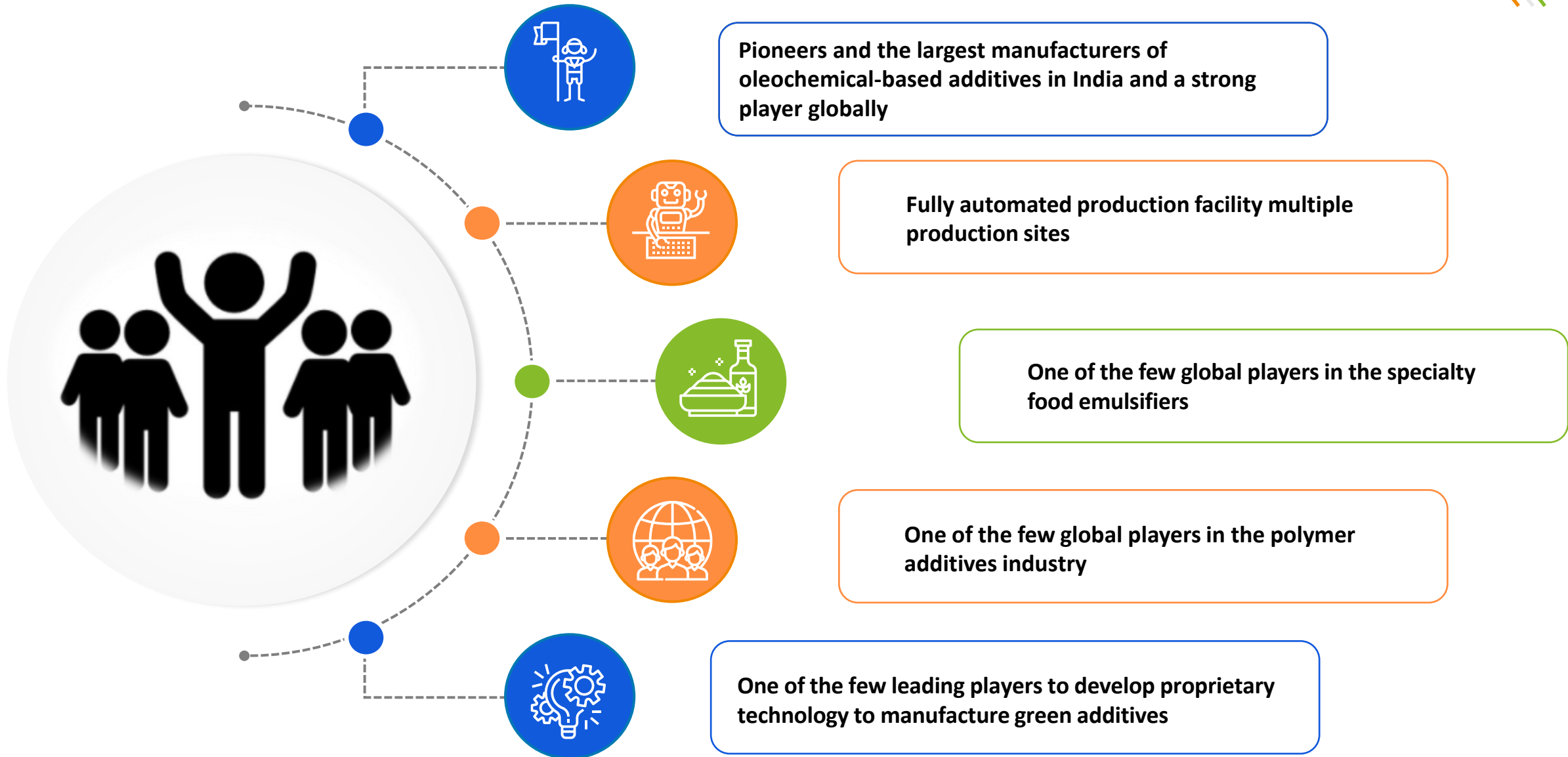
- On the Board since Nov 2017. Holds a BTech degree from IIT, Madras and Post Graduate in Industrial Engineering
- Previously served as a Senior Director with Deloitte India



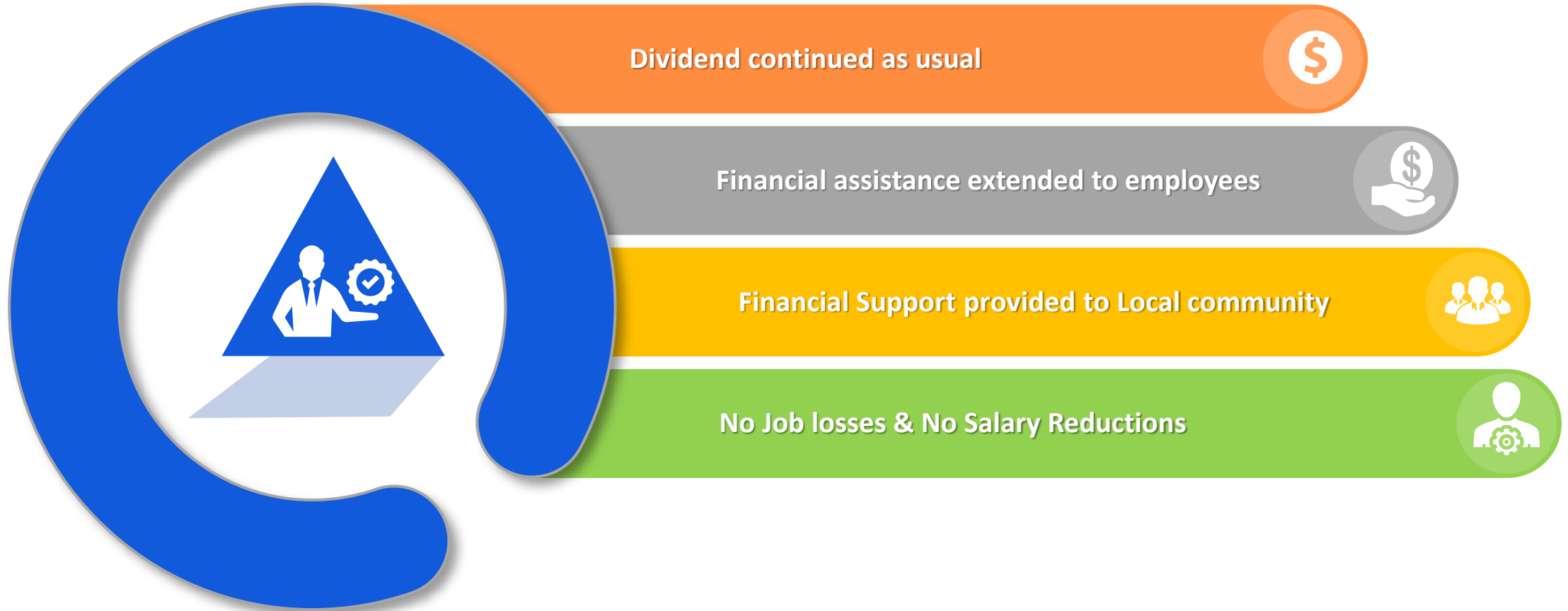
Pratima Umarji – Independent Director

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

6. Dominant Position



- Fine's Safe Chemistry & Philosophy supporting fight against COVID-19

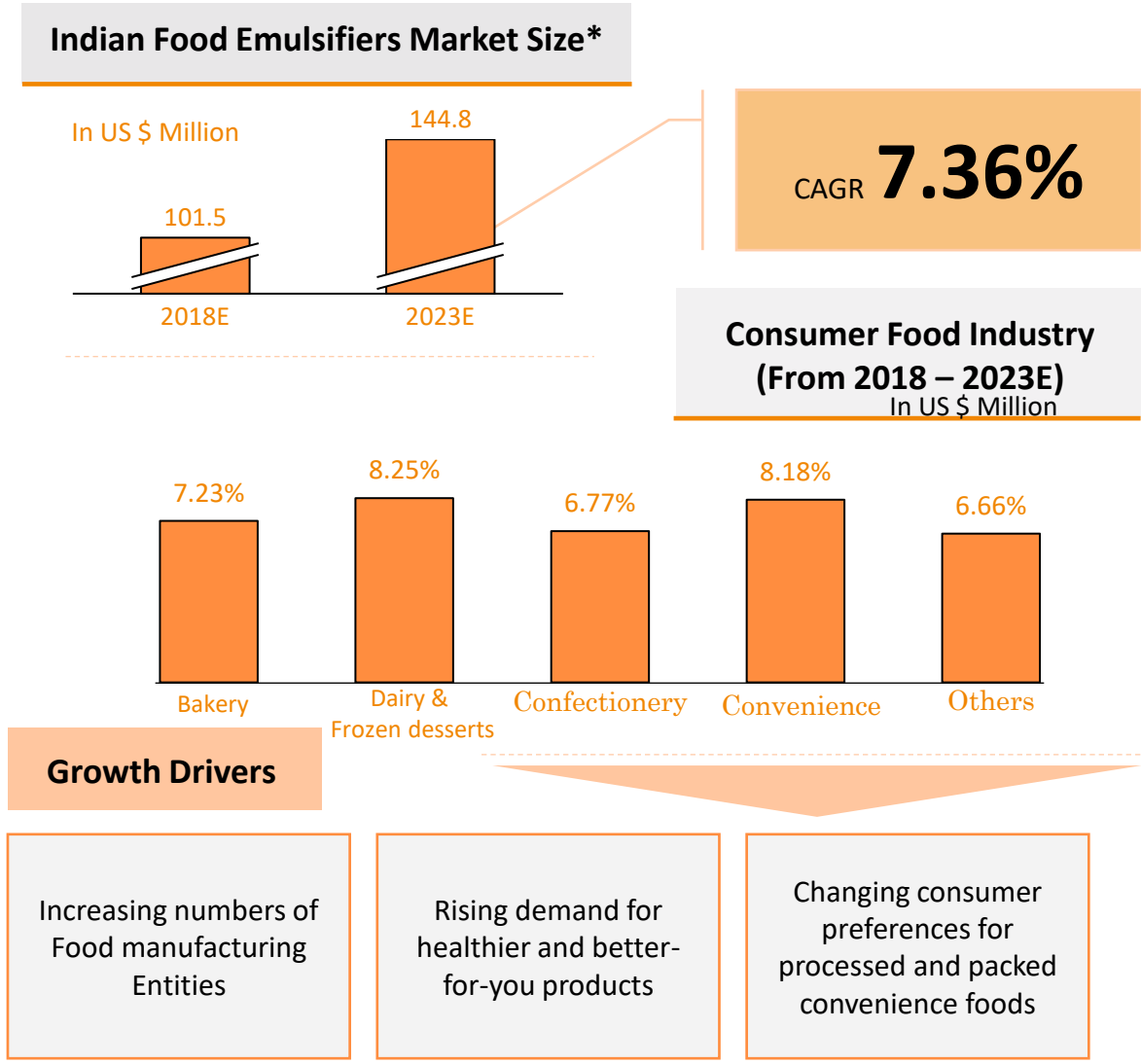
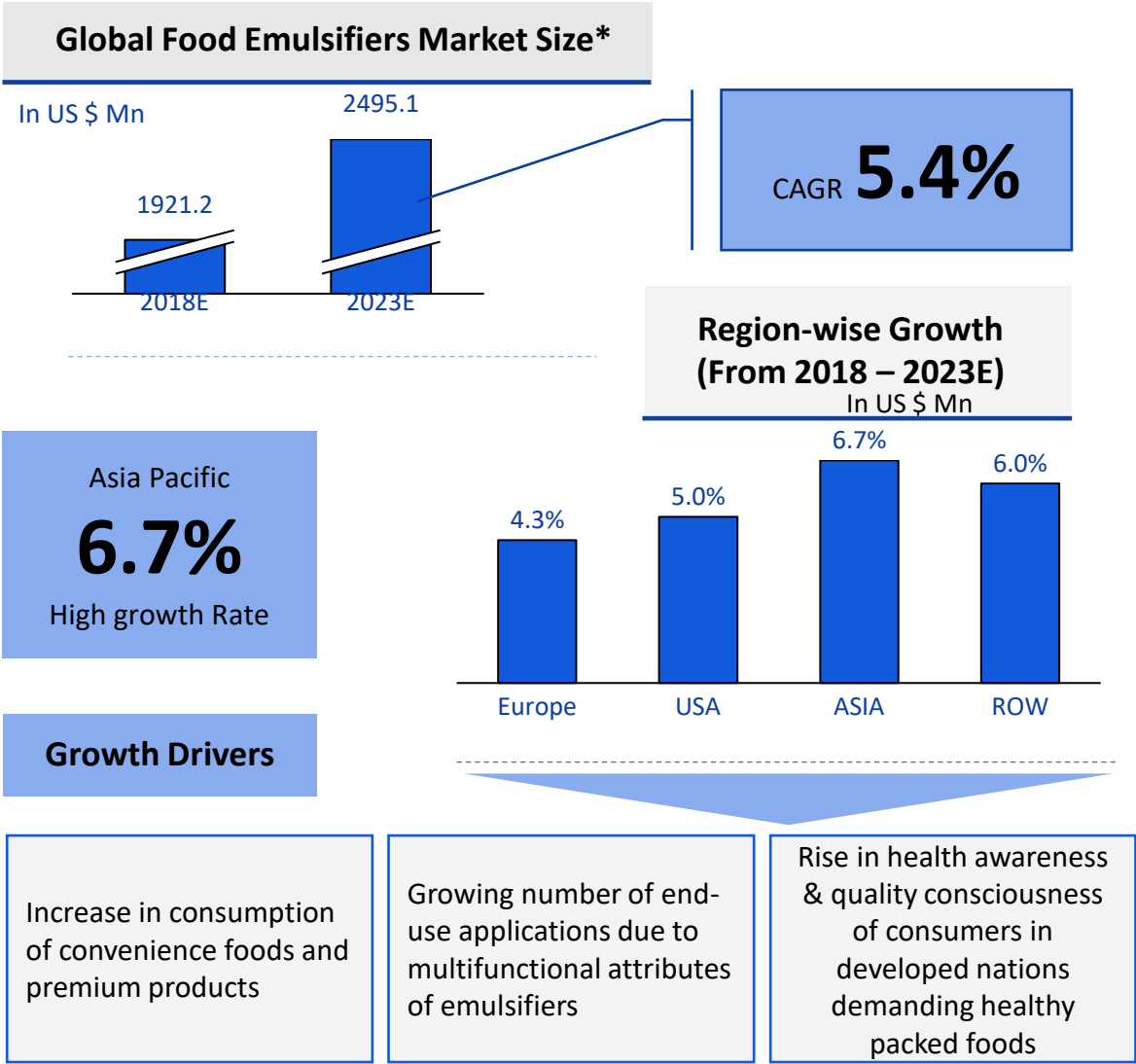




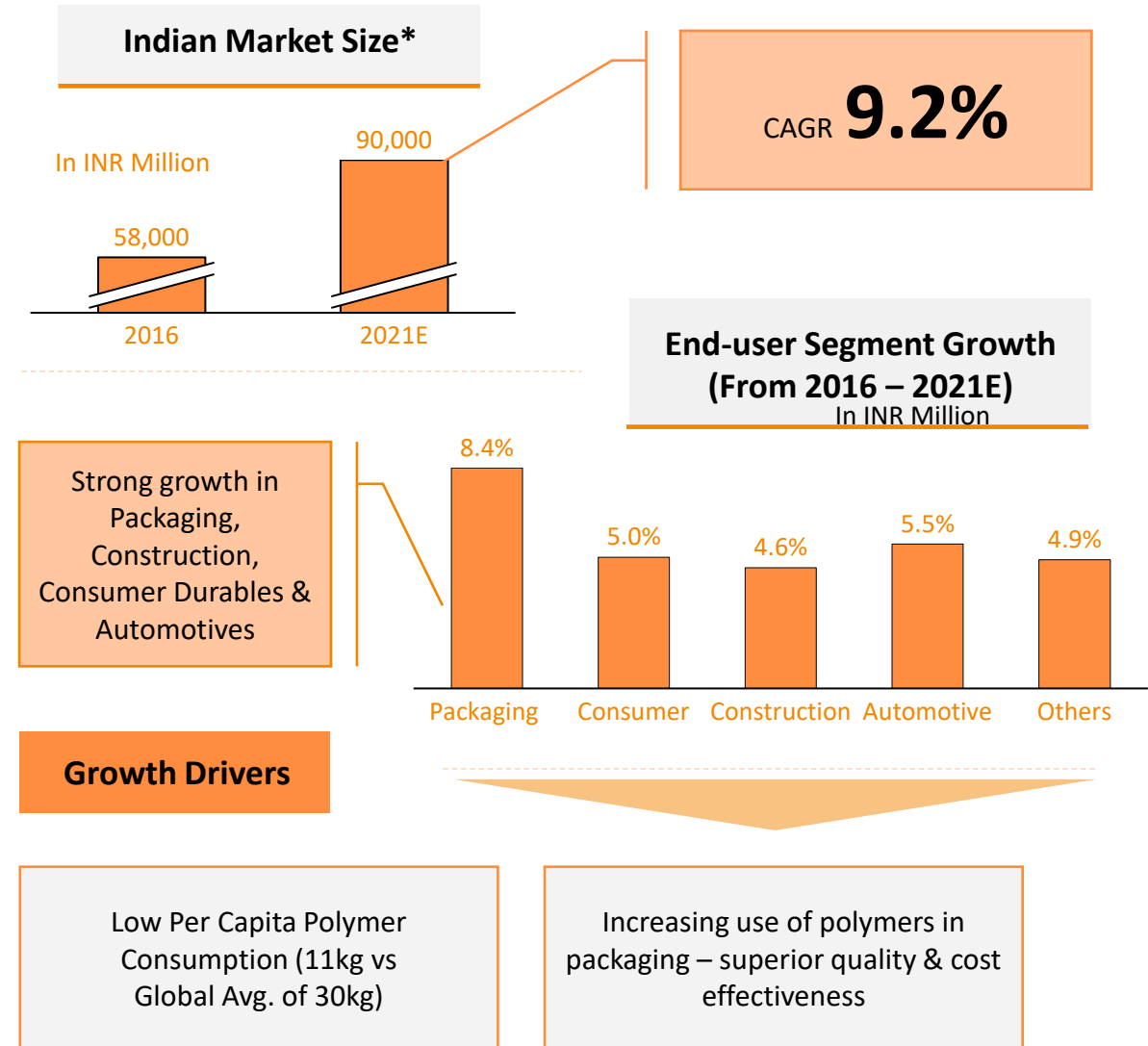
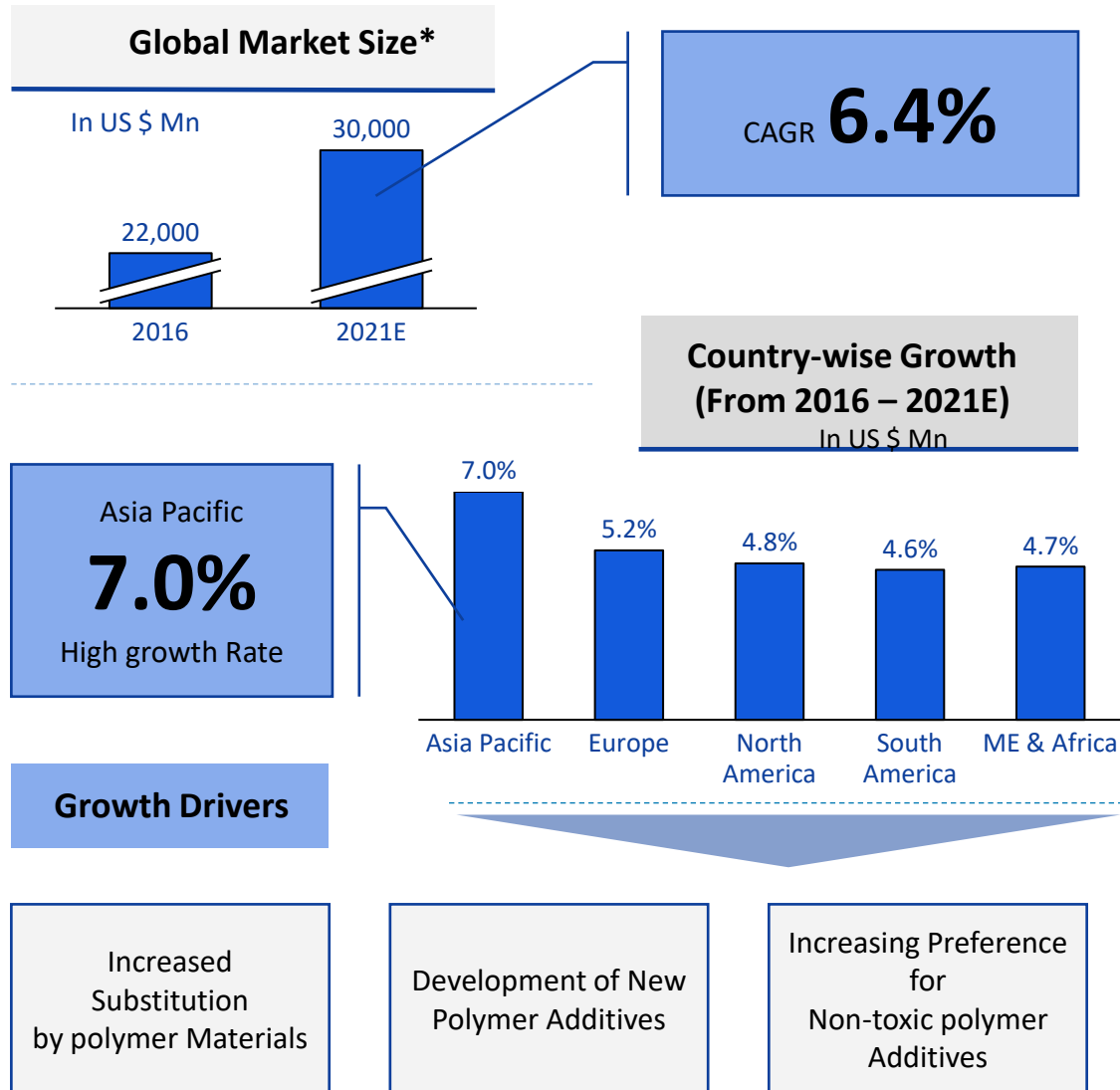
INDUSTRY POTENTIAL: MULTIPLE GROWTH LEVERS

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

1. Food Additives



2. Polymer Additives



3. Other Specialty Additives : Key Drivers

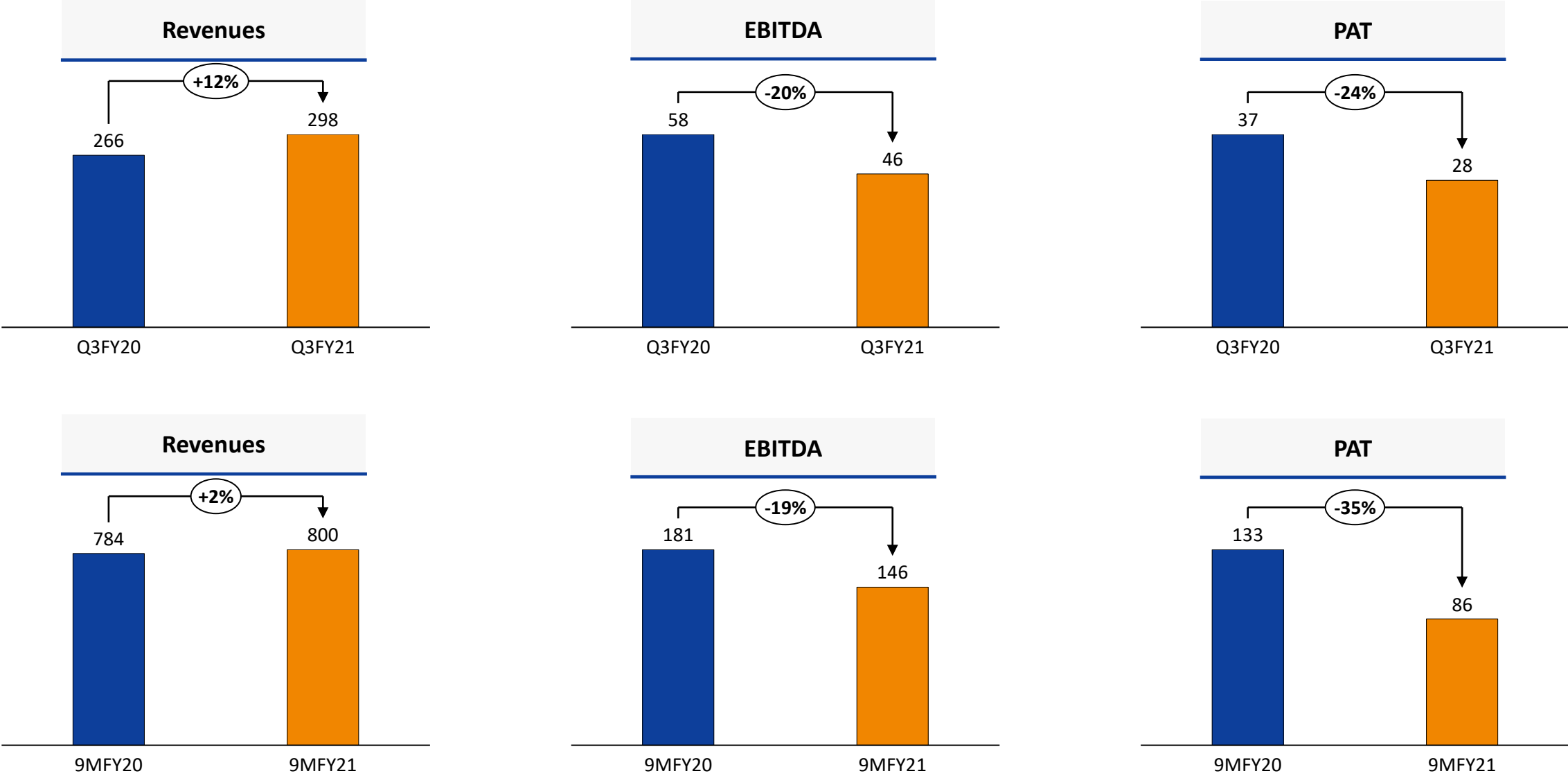
Industry	Specialties	Feed Nutrition	Cosmetics & Pharmaceuticals	Additives for Coatings	Rubber
Key Additives & Ingredients	- Lube additives - Property modifiers	- Natural Antibiotics - Nutritional Additives - Anti-fungal Additives	- Emulsifiers & Emollients - Pharmaceuticals – Coating Ingredients	- Dispersing 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



Financial Highlights

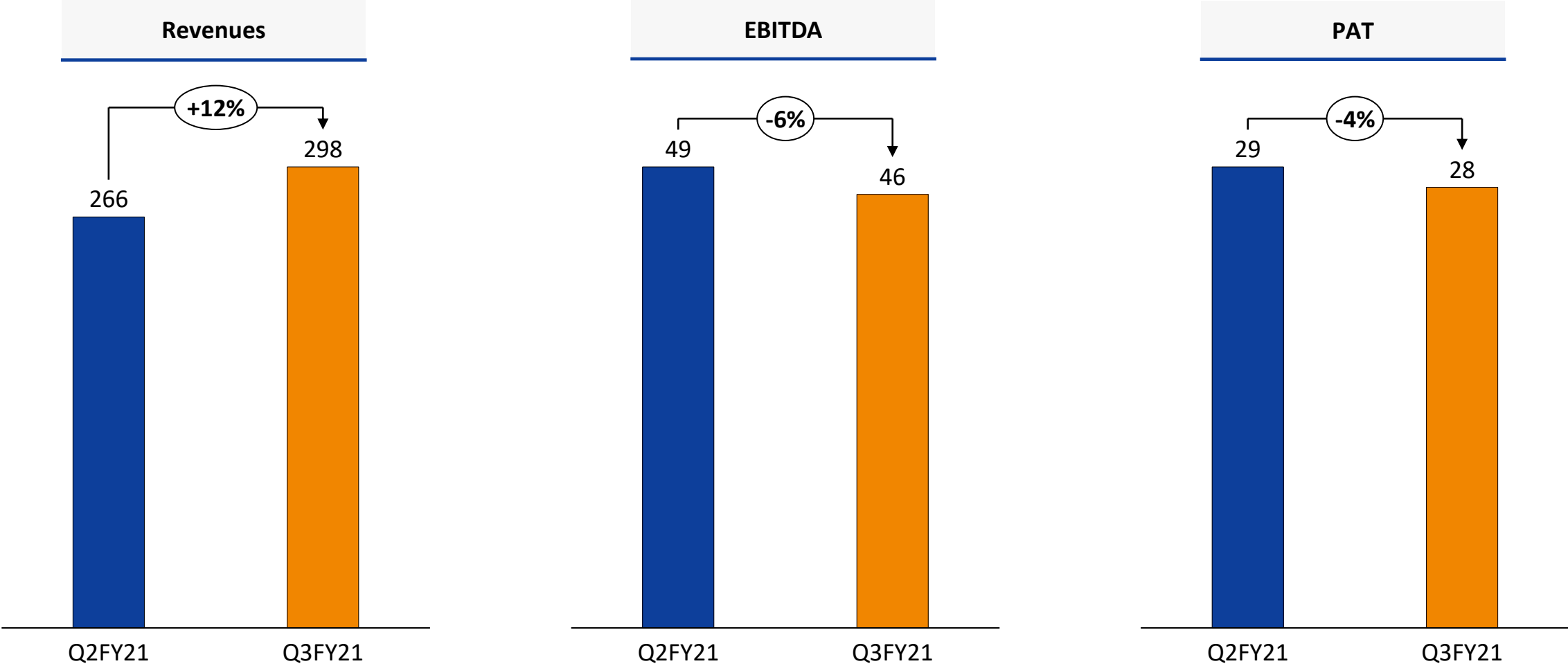
Standalone Performance Highlights (YoY)

Rs in Crores



Standalone Performance Highlights (QoQ)

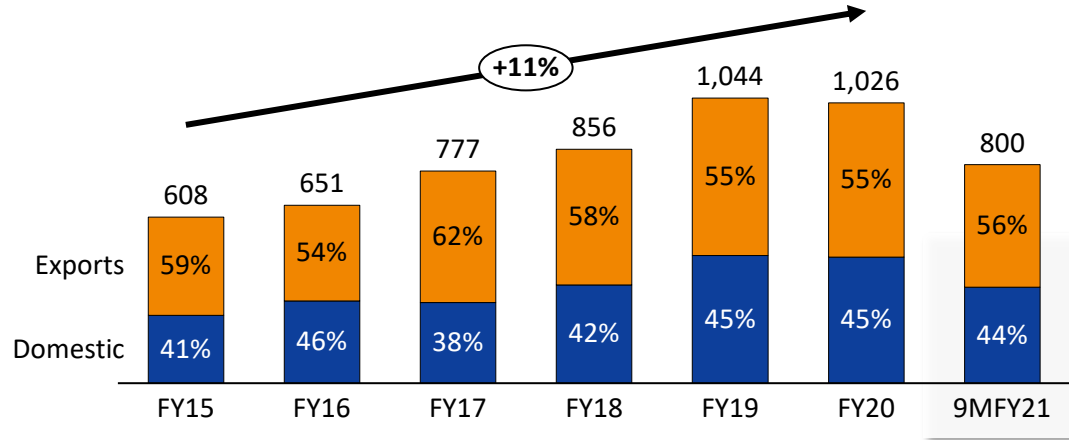
Rs in Crores



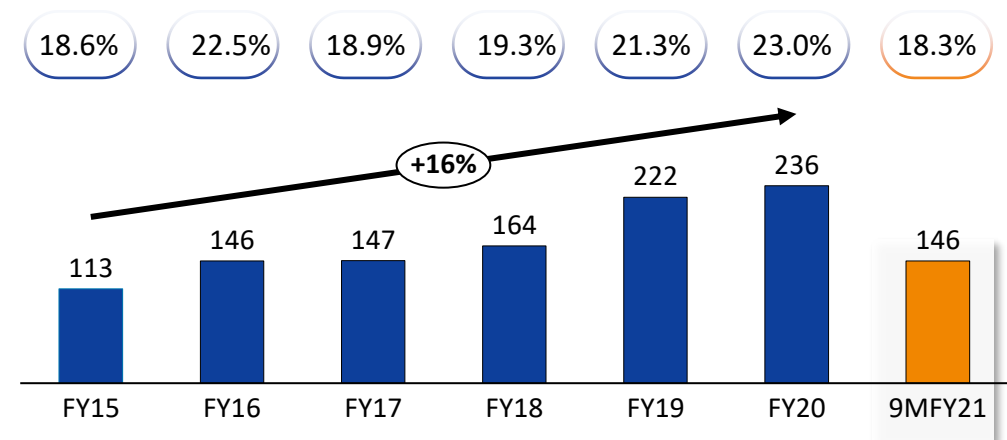
9MFY21 Standalone Operating Performance

Rs in Crores

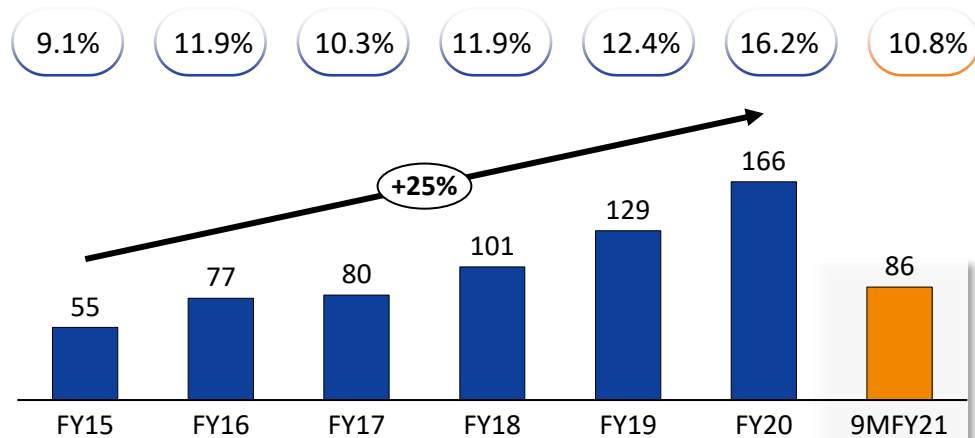
Revenues



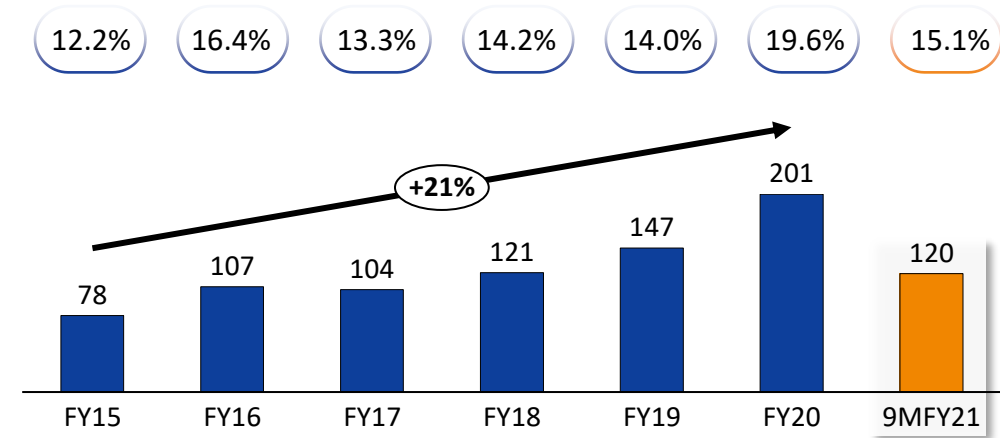
EBITDA & Margins



PAT & Margins

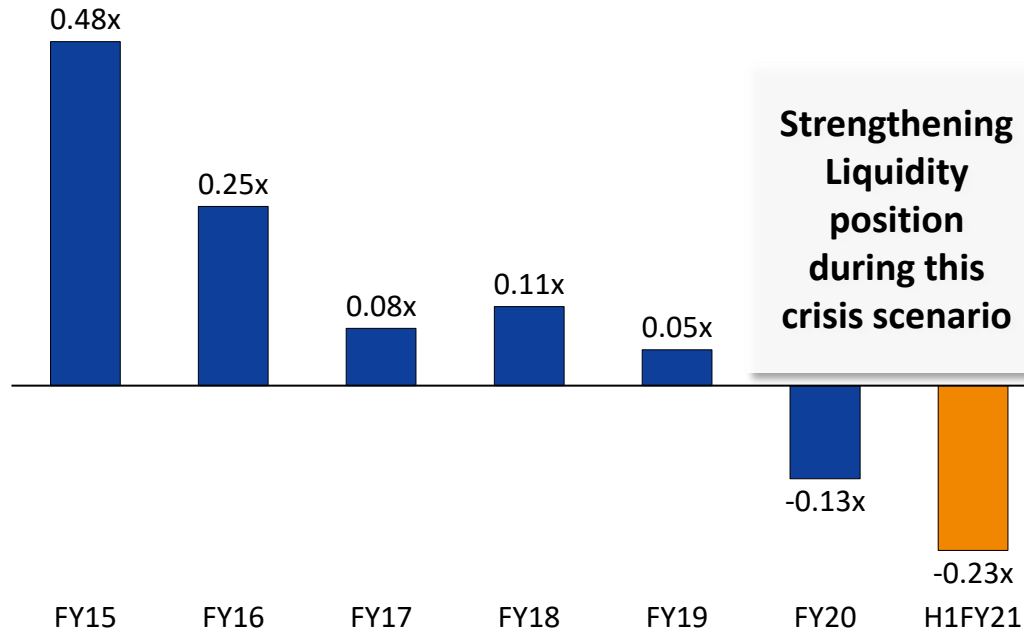


Cash PAT & Margins

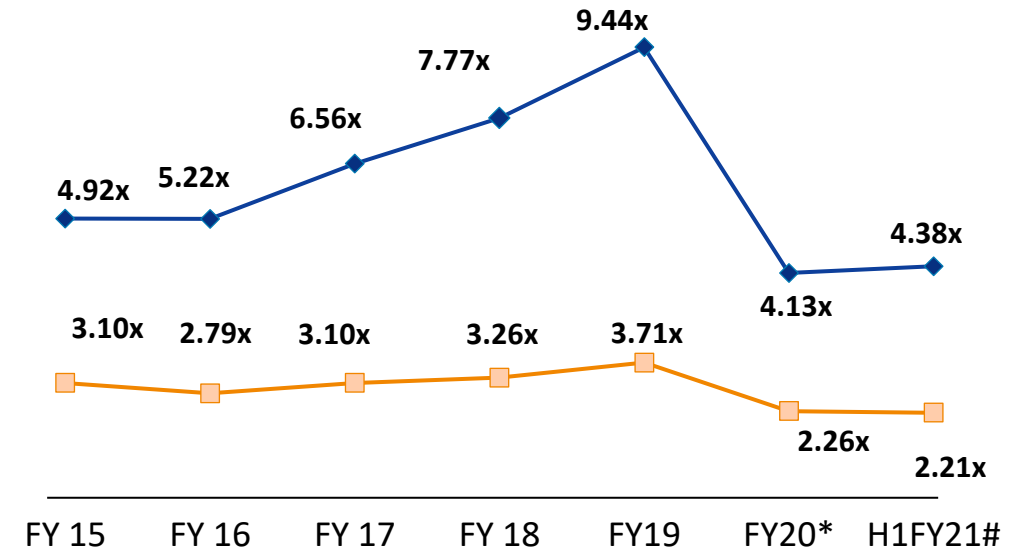


Use of Capital (Standalone)

Net Debt to Equity



Fixed Asset Turnover

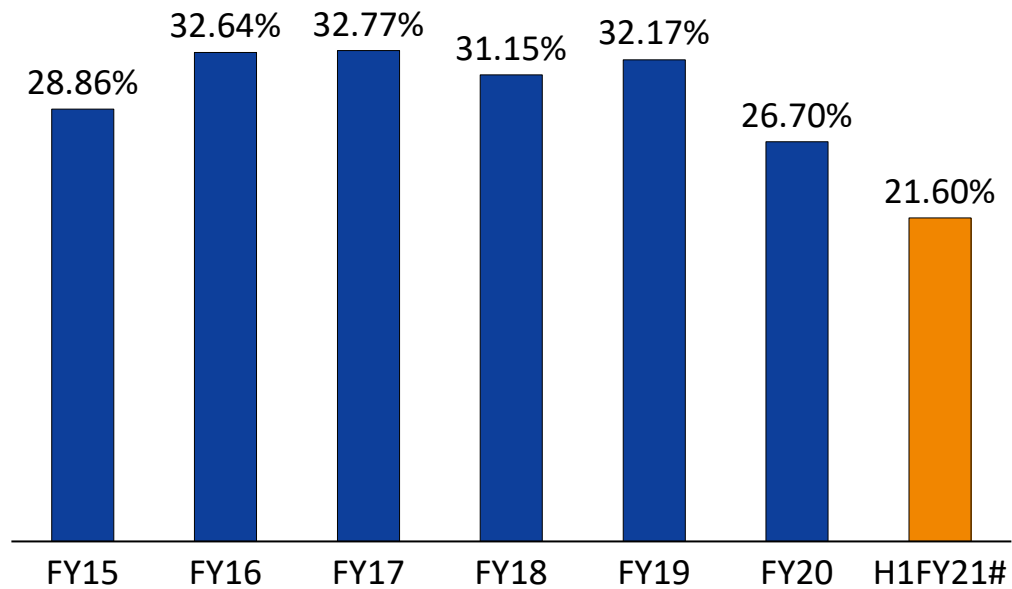


Net Debt = Total Long term debt + short term debt + current maturities of long term debt – cash and bank balances

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

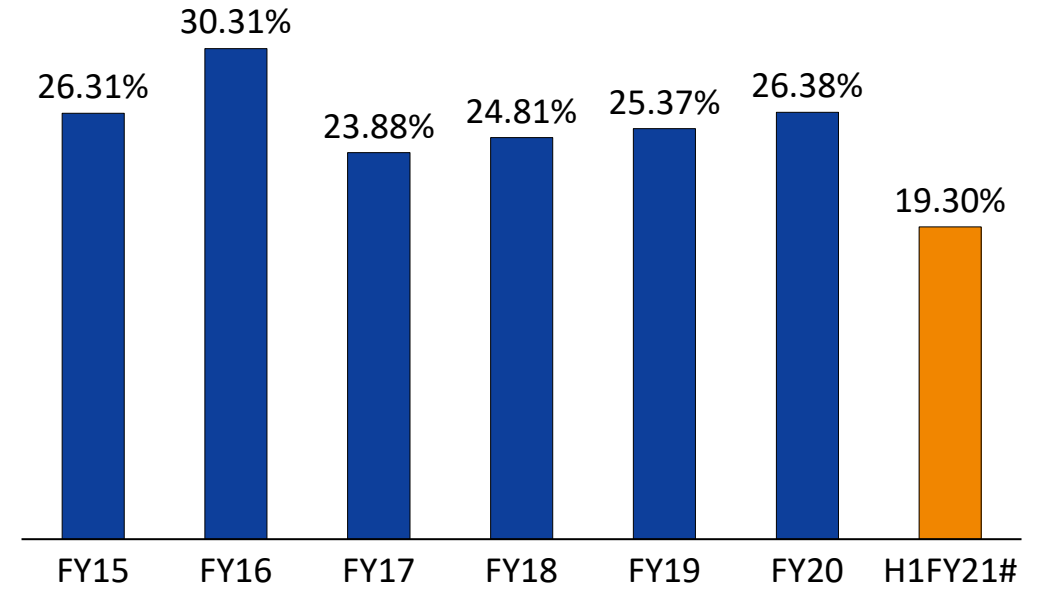
Standalone Return Profile

Return on Capital Employed



Return on Capital Employed = EBIT (excluding Other Income) / (Total Debt + Total Net worth)

Return on Net Worth



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

Q3&9MFY21 Standalone Profit & Loss Statement

Particulars (Rs in Crs)	Q3FY21	Q3FY20	Q2FY21	9MFY21	9MFY20
Revenue from Operations	298.2	265.9	265.8	799.6	783.8
Cost of Raw Material Consumed	197.0	153.7	167.6	508.6	463.3
Gross Profit	101.2	112.2	98.2	291.0	320.5
Gross Profit Margin	33.9%	42.2%	36.9%	36.4%	40.9%
Employee Cost	21.3	21.4	17.4	57.0	53.3
Other Expenses	34.1	33.2	32.1	87.9	86.5
EBITDA	45.8	57.6	48.7	146.1	180.7
EBITDA Margin	15.4%	21.7%	18.3%	18.3%	23.1%
Other Income	5.4	5.5	4.0	11.0	15.9
Depreciation	11.9	12.1	11.4	34.4	21.9
EBIT	39.3	51.0	41.3	122.7	174.7
EBIT Margin	13.2%	19.2%	15.5%	15.3%	22.3%
Finance Cost	1.5	2.1	1.6	4.9	3.2
Profit before Tax	37.8	48.9	39.7	117.8	171.5
PBT Margin	12.7%	18.4%	14.9%	14.7%	21.9%
Tax	9.7	12.0	10.3	31.8	38.4
PAT	28.1	36.9	29.4	86.0	133.1
PAT Margin %	9.4%	13.9%	11.1%	10.8%	17.0%
Other Comprehensive Income	0.5	-0.3	0.8	1.5	-2.0
Total Comprehensive Income for the year / period	28.6	36.6	30.2	87.5	131.1
EPS*	9.1	12.0	9.6	28.1	43.4

* Not Annualized for the quarter

Standalone Balance Sheet



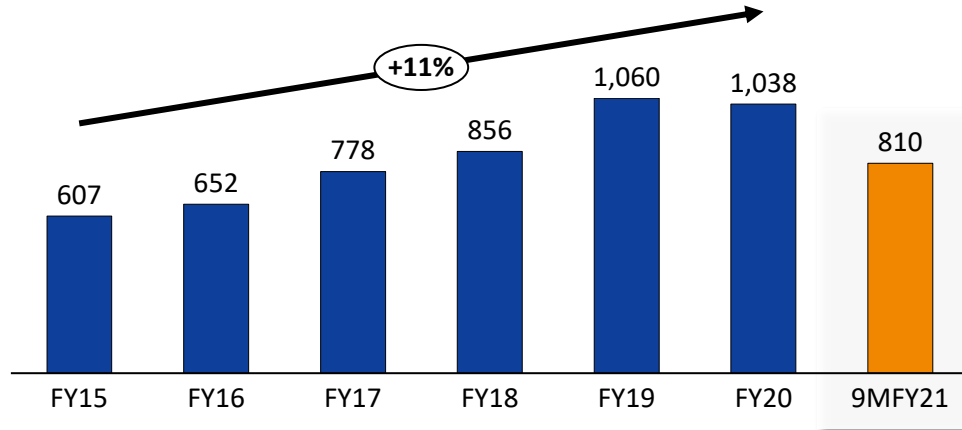
Assets (Rs in Crs)	Sep-20	Mar-20
Non-current assets		
Property, plant and equipment	196.7	215.9
Capital work-in-progress	22.0	5.8
Intangible assets	0.7	0.9
Financial assets		
Investments	44.2	44.2
Loans	4.8	4.7
Others	3.6	3.0
Deferred tax assets (net)	5.9	6.2
Other non-current assets	65.5	61.6
Total non-current assets	343.4	342.3
Current assets		
Inventories	113.3	19.5
Financial assets		
Trade receivables	155.2	145.1
Cash and cash equivalents	208.7	200.9
Other Bank balances	50.4	4.8
Others	0.3	0.3
Current tax asset (Net)	3.8	7.0
Other current assets	42.0	42.5
Total current assets	573.7	520.1
TOTAL ASSETS	917.1	862.4

Equity & Liabilities (Rs in Crs)	Sep-20	Mar-20
Equity		
Equity share capital	15.3	15.3
Other equity	665.4	615.4
Total Equity	680.7	630.7
Non-current liabilities		
Financial liabilities		
Borrowings	73.3	91.5
Others	6.1	7.6
Deferred tax liabilities	-	-
Total non current liabilities (A)	79.4	99.1
Current liabilities		
Financial liabilities		
Borrowings	-	-
Trade payables	99.8	84.3
Others	42.7	34.9
Other current liabilities	5.7	5.6
Provisions	4.2	3.3
Current tax liabilities (Net)	4.6	4.6
Total current liabilities (B)	157	132.7
Total liabilities (A) + (B)	236.4	231.8
TOTAL EQUITY AND LIABILITIES	917.1	862.4

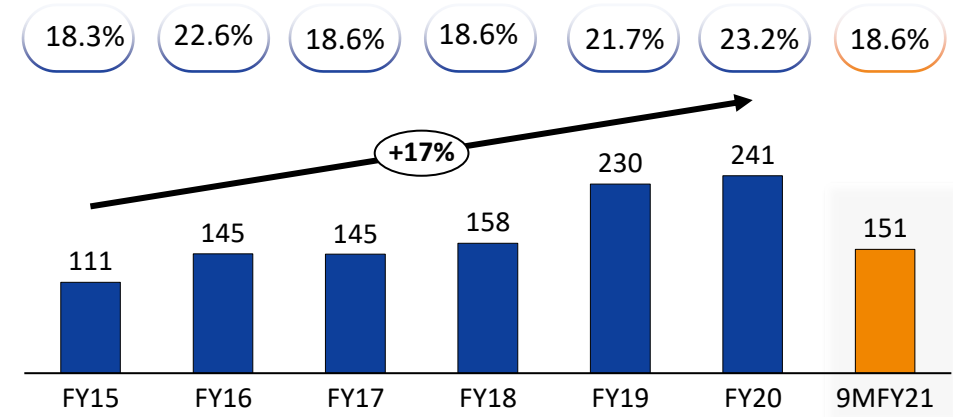
9MFY21 Consolidated Operating Performance

Rs in Crores

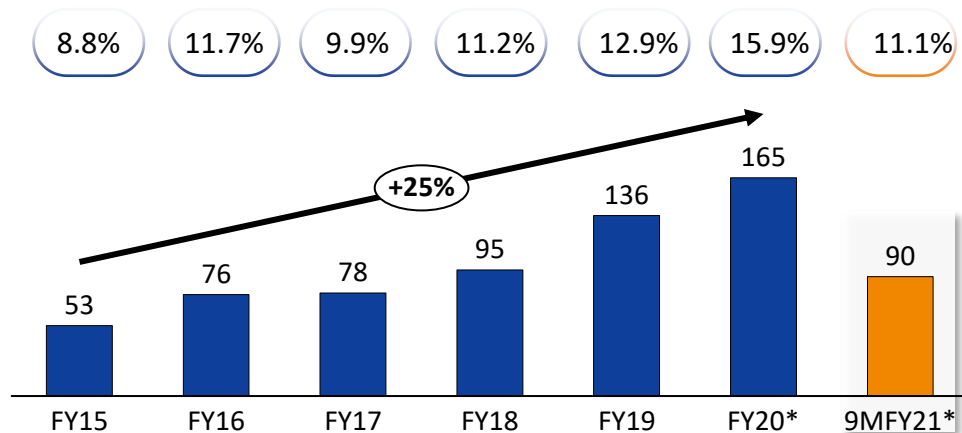
Revenues



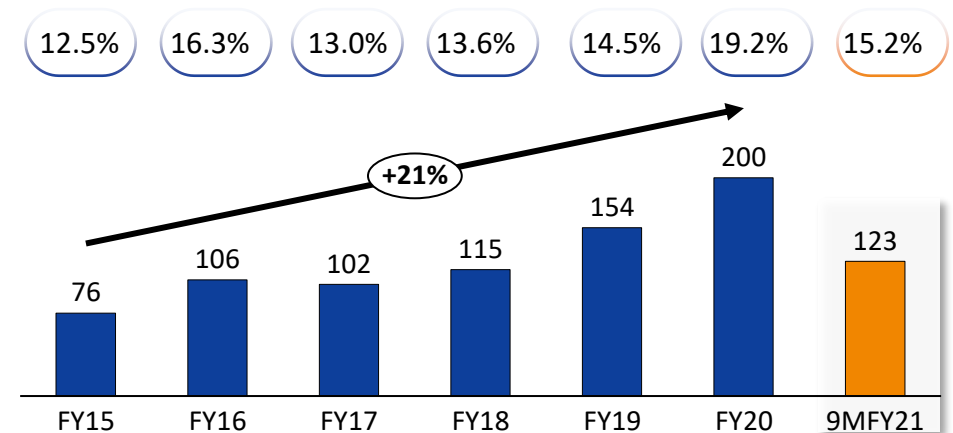
EBITDA & Margins



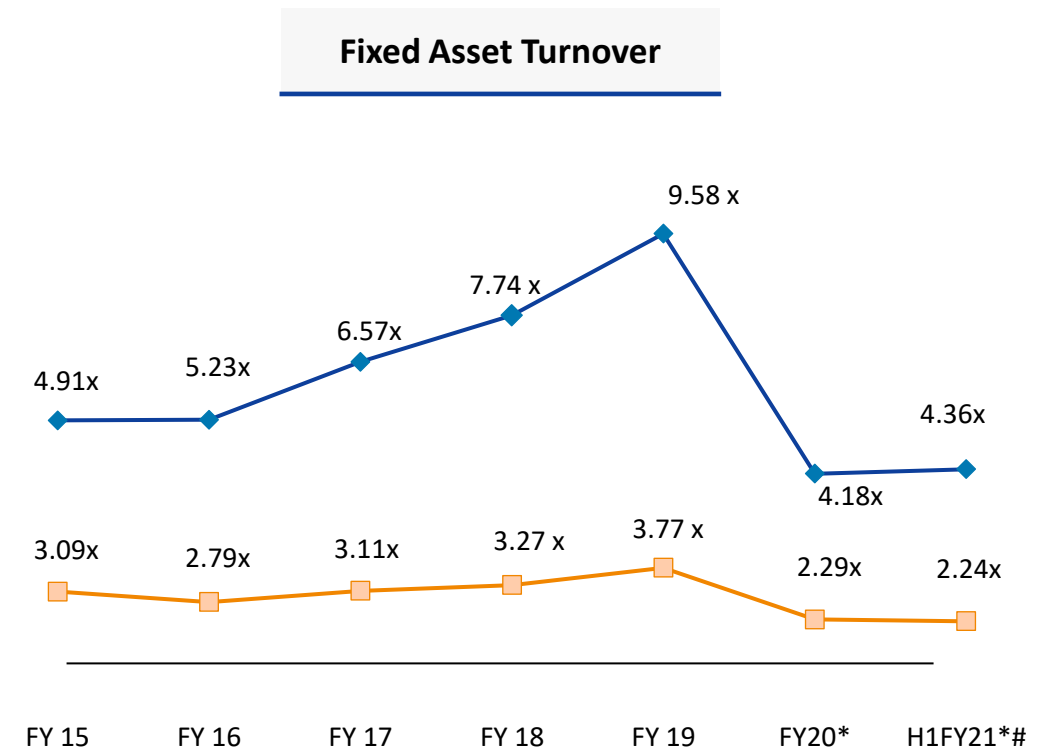
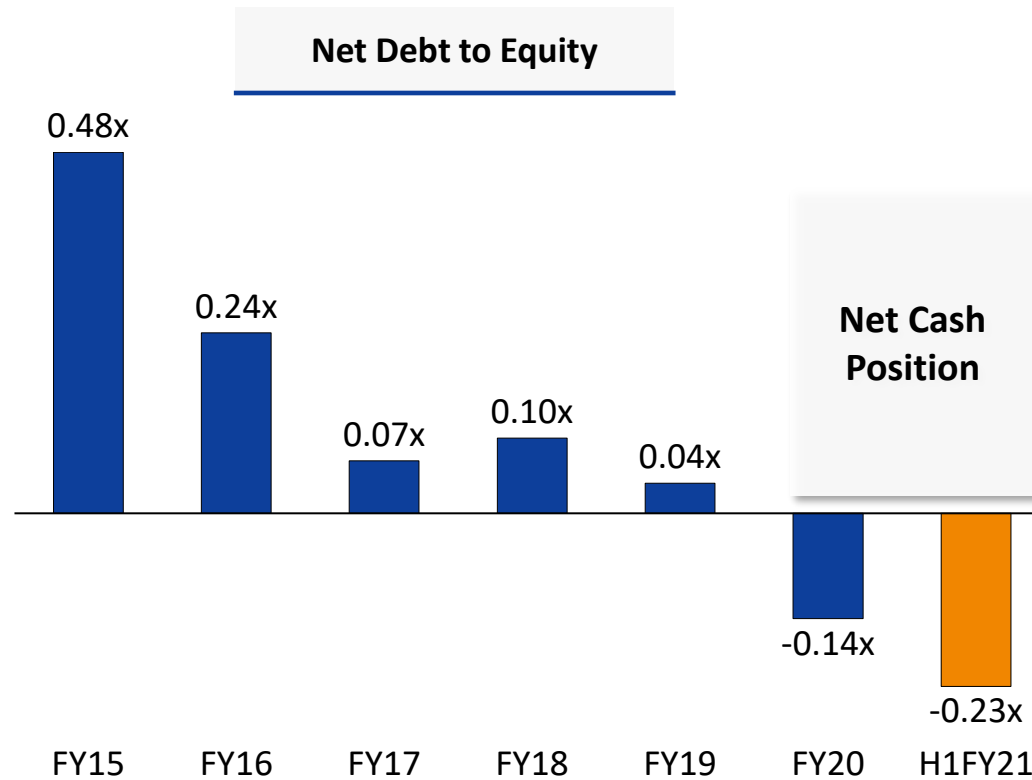
PAT & Margins



Cash PAT & Margins



Use of Capital (Consolidated)

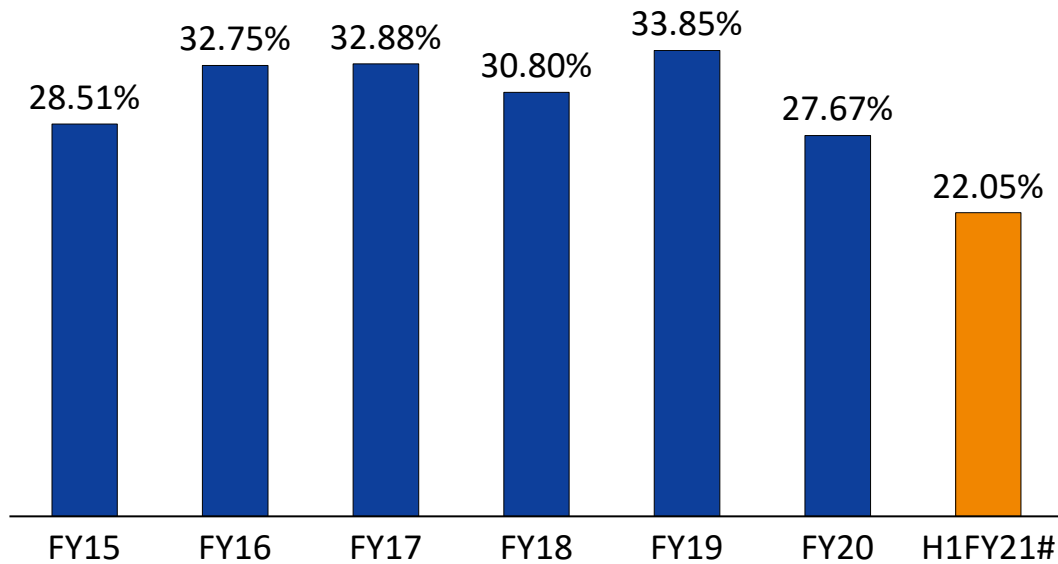


Net Debt = Total Long term debt + short term debt + current of maturities of long term debt – cash and bank balances

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

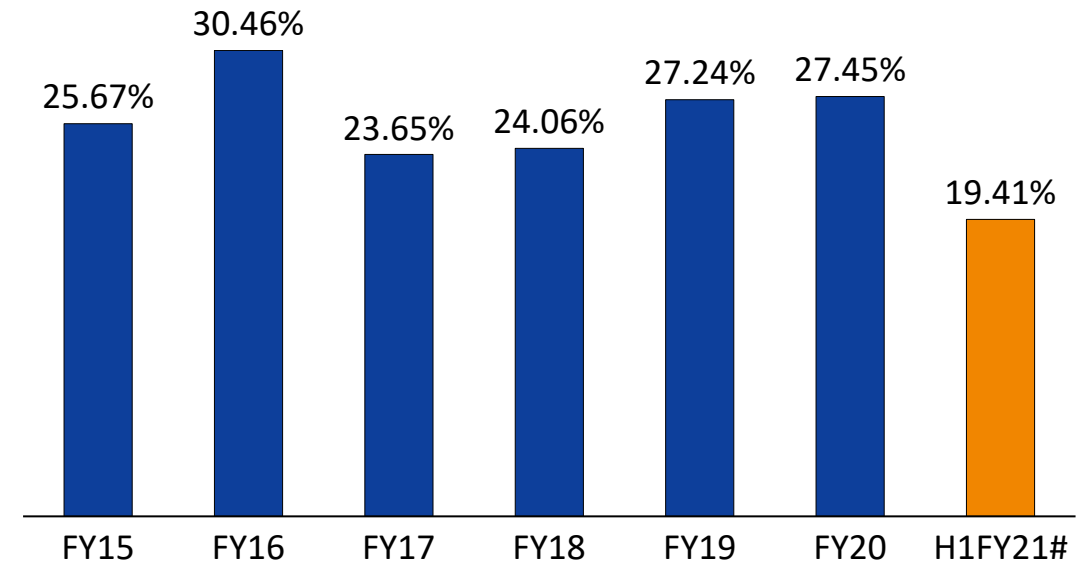
Consolidated Return Profile

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

Q3&9MFY21 Consolidated Profit & Loss Statement

Particulars (Rs in Crs)	Q3FY21	Q3FY20	Q2FY21	9MFY21	9MFY20
Revenue from Operations	299.3	266.2	271.0	810.3	790.8
Cost of Raw Material Consumed	195.5	153.0	169.0	510.9	464.5
Gross Profit	103.8	113.2	102.0	299.4	326.3
Gross Profit Margin	34.7%	42.5%	37.6%	36.9%	41.3%
Employee Cost	22.2	22.1	18.2	59.5	55.6
Other Expenses	34.4	33.6	32.5	89.0	87.5
EBITDA	47.2	57.5	51.3	150.9	183.2
EBITDA Margin	15.8%	21.6%	18.9%	18.6%	23.2%
Other Income	5.3	5.4	3.9	10.8	15.6
Depreciation	11.9	12.1	11.4	34.4	21.9
EBIT	40.6	50.8	43.8	127.3	176.9
EBIT Margin	13.6%	19.1%	16.2%	15.7%	22.4%
Finance Cost	1.6	2.2	1.6	4.9	3.3
Profit before Tax	39.0	48.6	42.2	122.4	173.6
PBT Margin	13.0%	18.3%	15.6%	15.1%	22.0%
Tax	9.9	12.5	10.4	32.3	39.0
PAT	29.1	36.1	31.8	90.1	134.6
PAT Margin %	9.7%	13.6%	11.7%	11.1%	17.0%
Share of profit /(loss) of Joint ventures	-0.5	-0.3	-0.5	-1.5	-4.2
Net Profit/(Loss) after Share of profit /(loss) of Joint ventures	28.6	35.8	31.3	88.6	130.4
Net Profit/(Loss) after Share of profit /(loss) of Joint ventures %	9.6%	13.4%	11.5%	10.9%	16.5%
Other Comprehensive Income	0.5	-0.3	0.8	1.5	-2.0
Total Comprehensive Income for the year / period	29.1	35.5	32.1	90.1	128.4
EPS*	9.4	11.7	10.2	28.9	42.5

* Not Annualized for the quarter

Consolidated Balance Sheet

Assets (Rs in Crs)	Sep-20	Mar-20
Non-current assets		
Property, plant and equipment	196.7	215.9
Capital work-in-progress	22.0	5.8
Intangible assets	0.7	0.9
Financial assets		
Investments	31.8	32.8
Loans	1.0	1.0
Others	3.6	3.0
Deferred tax assets (net)	6.5	6.7
Other non-current assets	65.5	61.7
Total non-current assets	327.8	327.8
Current assets		
Inventories	124.2	131.7
Financial assets		
Trade receivables	147.7	132.3
Cash and cash equivalents	211.4	205.7
Other Bank balances	50.4	4.8
Others	0.3	0.3
Current tax asset (Net)	3.8	7.0
Other current assets	42.0	42.5
Total current assets	579.8	524.3
TOTAL ASSETS	907.6	852.1

Equity & Liabilities (Rs in Crs)	Sep-20	Mar-20
Equity		
Equity share capital	15.3	15.3
Other equity	654.6	603.6
Non-Controlling Interest	0.1	0.1
Total equity	670	619
Non-current liabilities		
Financial liabilities		
Borrowings	73.3	91.5
Others	6.1	7.6
Other non-current liabilities	-	-
Total non current liabilities (A)	79.4	99.1
Current liabilities		
Financial liabilities		
Borrowings	-	-
Trade payables	100.8	85.8
Others	42.7	34.9
Other current liabilities	5.9	5.6
Provisions	4.2	3.3
Current tax liabilities (Net)	4.6	4.6
Total current liabilities (B)	158.2	134.1
Total liabilities (A) + (B)	237.6	233.2
TOTAL EQUITY AND LIABILITIES	907.6	852.1

For further information, please contact:



Thank you

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