



# FAIRCHEM ORGANICS LIMITED

Regd. Office & Works: 253/P and 312, Village – Chekhala, Sanand – Kadi Highway,  
Taluka: Sanand, District: Ahmedabad – 382 115, GUJARAT, INDIA  
Phone (Board Nos.): (02717) 687900, 687901, +91 90163 24095  
E-mail : cs@fairchem.in  
CIN: L24200GJ2019PLC129759 website: www.fairchem.in

November 13, 2024

To,  
**National Stock Exchange of India  
Limited**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400051

To,  
**Department of Corporate Services  
BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

**Ourselves: BSE Scrip Code: 543252/NSE symbol: 'FAIRCHEMOR'**  
**Ref.: Regulation 30 read with Schedule III Part A of SEBI (LODR) Regulations,  
2015**

Dear Sirs,

**Sub: - Q2 Earnings Presentation for F.Y. 2024-25**

Pursuant to Regulation 30 read with Schedule III Part A of SEBI (LODR) Regulations, 2015, we are uploading herewith a PDF file containing Earnings Presentation for quarter ended on September 30, 2024.

Please find the above in order and take the same on your record.

Thanking you,

Yours faithfully,  
For Fairchem Organics Limited

RAJEN  
NIRANJANBHAI  
JHAVERI  
Rajen Jhaveri  
Chief Financial Officer & Company Secretary  
ACS - 6615

Digitally signed by RAJEN NIRANJANBHAI JHAVERI  
DN: c=IN, postalCode=380015, st=GUJARAT,  
streetName=SHAMDESHAI, serialNumber=11547964696ac78783a0a0f16b24492af8  
9c455847786a20202c7c9  
serialNumber=160ca79492349203a0c054a77b4399  
2.5.4.20=6424132350575a911521010403304a43a7384697a  
d1811502fba032884, email=RAJEN.JHAVERI@FAIRCHEM.IN,  
cn=RAJEN NIRANJANBHAI JHAVERI  
Date: 2024.11.13 16:31:15 +05'30'

Encl: As above

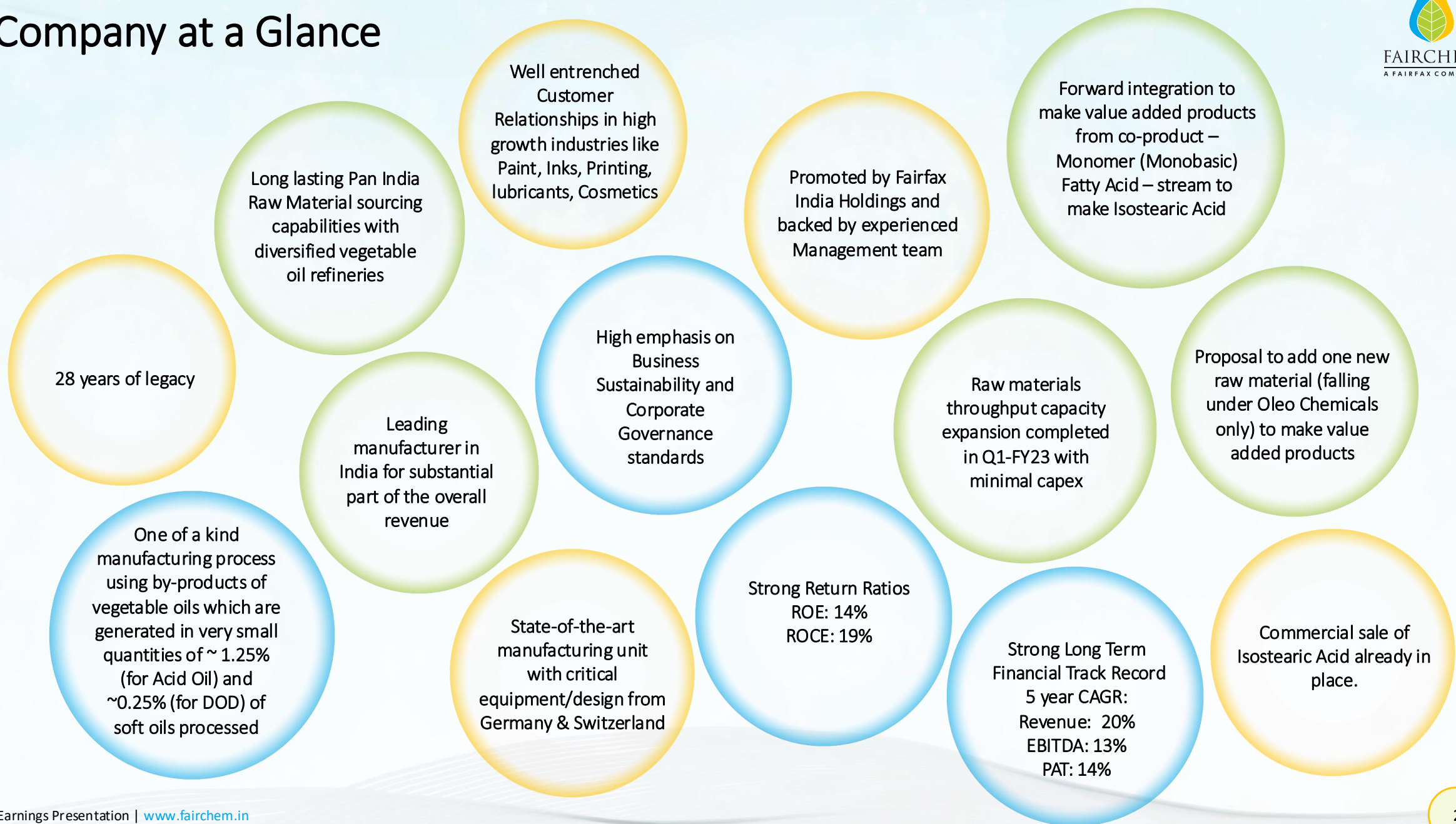
# Fairchem Organics Limited



## Earnings Presentation

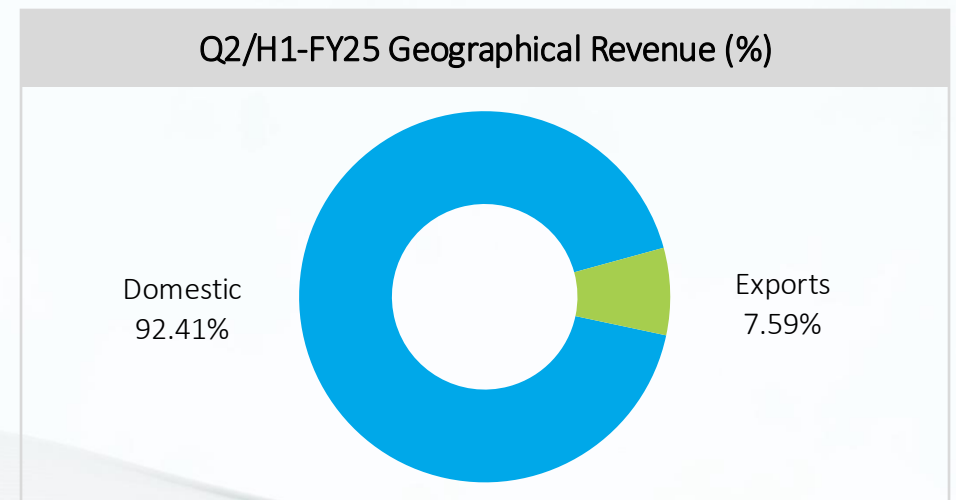
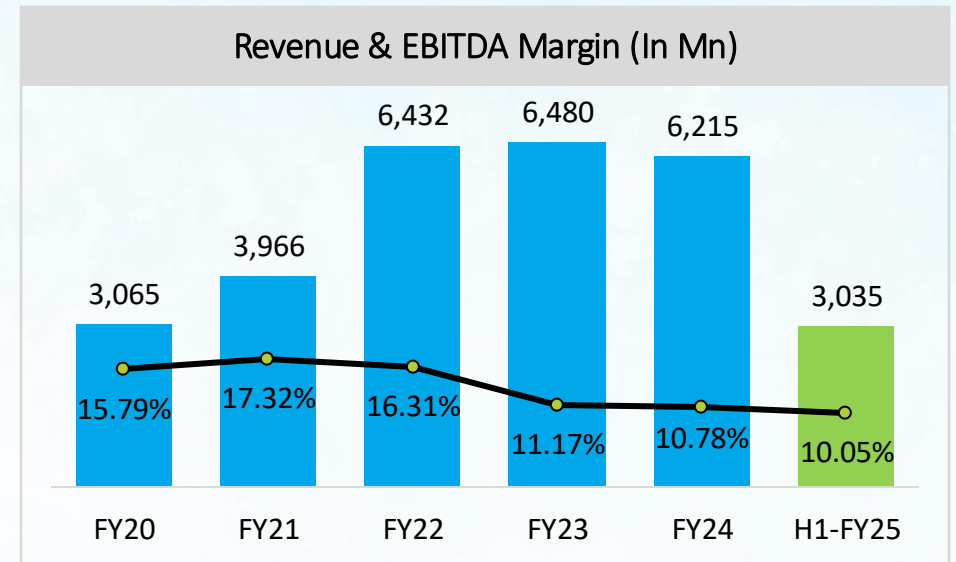
Q2/H1-FY25

# Company at a Glance



# Company Overview

- Fairchem Organics Ltd. (Fairchem) is engaged in the business of manufacturing of Oleo Chemicals and Nutraceuticals, since the last 28 years.
- It has a state -of-the-art Manufacturing unit which was set up in 1995 and has over the years gone through various stages of expansion, forward integration, debottlenecking and technological advancements to create a one of its kind world class facility.
- Fairchem has a permanent employee base of 230 along with few additional contract workers. Company enjoys a very low employee attrition across various levels.
- The Company’s key oleo chemical products include Dimer Acid, Linoleic Acid, Palmitic Acid, Monomer Acid, Isostearic Acid and nutraceutical products include Mixed Tocopherols and Sterol concentrate.
- Fairchem is one of the only / leading manufacturers of Linoleic Acid and Dimer Acid in India, which are major part of the overall revenues and having a large addressable market size in India.
- Mixed Tocopherol concentrate and Sterols concentrate are nutraceutical products having usage in FMCG and food additives.
- Its customers include marquee names like Asian Paints, Huber, Arkema, ADM, Quaker etc.
- The Company increased the raw material throughput capacity of its plant to 120,000 MTPA in Q1-FY23.
- The Company is the only Isostearic Acid manufacturer in India which exports the said product to different countries in U.S.A., Europe, South America and Southeast Asia. The Company is set to export this product to couple of more countries shortly.



# Fairchem's Competitive Advantage

## Major Player in the Indian Oleo Chemical Market Using Renewable Resources

- Processing waste from edible oil refining process to produce high value oleo chemicals giving it price advantage
- Enjoy Leadership Position in the industry due to barriers to entry
- Focus on green manufacturing processes which reduces effluents to ensure sustainability

## Strong Customer and Supplier Relationships

- Well entrenched Customer Relationships in high growth industries like Paint, Inks, FMCG, lubricants.
- Long lasting customer relationships of more than 15 years with various customers
- More than 20 years relationship with key raw material suppliers

## Competitive Position

- Low cost of raw material and efficient manufacturing process enables it to be highly cost competitive vis a vis global peers
- Leading manufacturer in India for substantial part of the overall revenue
- Position to market entire quantity of Prime Products it produces

## Experienced senior management

- Fairchem is well supported by an esteemed Promoter Institution – Fairfax India Holdings
- Strong and experienced management team that have positioned business well for continued growth and development
- Strong R&D team focusing on integration and green chemistry

## Capital Efficiency

- Majority of the capacity expansion has been undertaken primarily through internal accruals.
- Judicious strategy on capacity expansion by evaluating market demand-supply scenario and working very closely with its customer base

# ESG Initiatives

## ENVIRONMENT

## SOCIAL


## GOVERNANCE

Effluent	Method of Disposal
Water Discharge	Zero Liquid Discharge by Multi Effect Evaporator and Agitated Thin Film Dryer
Air Emission	Currently, bag filters are there. We will have Scrubber System in place in near future.
Non-hazardous waste	We are sending the same to GPCB approved Solid Waste Disposable site for doing the needful there.
Hazardous waste	We are sending the same to GPCB approved registered Recycler / Co-processor.

- ### CSR Activities
- Contribution towards ‘Project Dialysis’ of around INR 9.2 Mn
  - Promoting Healthcare for treatment of cancer patients, including preventive healthcare, encompassed by the purchase of Ophthalmic Screening Devices.
  - Products are manufactured using natural source raw materials
  - Cleanliness campaign in 3 villages i.e. Chekhla, Amnagar and Nana Viramgam
  - Measures benefiting the Armed Forces, Police Forces, and Para Military Forces, as well as their veterans, war widows, and dependents

- Always be adequately capitalized
- Not overleverage the balance sheet
- Secure sources of sustainable raw material supply
- Invest in backward and forward integration
- Transparent communications with all the stakeholders
- Low volatility in the cash flow generation
- Employees are given training on fire safety, first aid, housekeeping and cleanliness practices
- Production equipment tested every three years by external firm
- Near-zero factory accidents since inception<sup>(1)</sup>

(1) Fire in November 2012 (with no casualties or injuries) was the only major incident since inception



# Q2/H1-FY25 Performance

# Q2/H1-FY25 Financial & Operational Highlights

## Q2-FY25 Financial Performance

**INR 1,386 Mn**

Revenue from  
Operations

**INR 87 Mn**

EBITDA

**6.28%**

EBITDA Margins

**INR 40 Mn**

PAT

**2.89%**

PAT Margins

**INR 3.08/Share**

Diluted EPS

## H1-FY25 Financial Performance

**INR 3,035 Mn**

Revenue from  
Operations

**INR 305 Mn**

EBITDA

**10.05%**

EBITDA Margins

**INR 179 Mn**

PAT

**5.90%**

PAT Margins

**INR 13.72/Share**

Diluted EPS

- Sales of finished goods declined by 15.60% and 15.90% respectively in terms of volume and value, on a QoQ basis.
- Demand for our Linoleic Acid/Soya Fatty Acid from the paints sector remained low, especially in the second half of the quarter, impacting our financials.
- EBITDA declined to 6.28%, mainly due to relatively higher raw materials cost as percent of sales and due to decline in the revenues.
- In September, 2024, the Indian Government increased custom duty by 22% on certain types of crude vegetable oils, resulting in higher raw material cost for Dimer Acid Production. The custom duty on Dimer Acid import remained same and so the company had to absorb higher RM cost to stay competitive as well as retain market share. We hope the Govt. will reverse the decision once the farmers sell their produce.
- The silver lining, is that the Company continues to be upbeat on its value-added product viz. Isostearic Acid.



# Quarterly Financial Performance

PARTICULARS (INR Mn)	Q2-FY25	Q2-FY24	Y-O-Y	Q1-FY25	Q-O-Q
Revenue from Operations	1,386	1,522	(8.9)%	1,649	(15.9)%
Total Expenses	1,299	1,354	(4.1)%	1,431	(9.2)%
EBITDA	87	168	(48.2)%	218	(60.1)%
<i>EBITDA Margins (%)</i>	<i>6.28%</i>	<i>11.04%</i>	<i>(476) Bps</i>	<i>13.22%</i>	<i>(694) Bps</i>
Other Income	4	5	(20.0)%	2	100.0%
Depreciation	26	22	18.2%	26	-
Finance Cost	10	13	(23.1)%	8	25.0%
PBT	55	138	(60.1)%	186	(70.4)%
Tax	15	35	(57.1)%	47	(68.1)%
Profit After Tax	40	103	(61.2)%	139	(71.2)%
<i>PAT Margins (%)</i>	<i>2.89%</i>	<i>6.77%</i>	<i>(388) Bps</i>	<i>8.43%</i>	<i>(554) Bps</i>
Other Comprehensive Income	(1)	1	(200.0)%	-	(100.0)%
Total Comprehensive Income	39	104	(62.5)%	139	(71.9)%
Basic/Diluted EPS(INR per share)	3.08	7.90	(61.0)%	10.64	(71.1)%

# YTD Financial Performance

PARTICULARS (INR Mn)	H1-FY25	H1-FY24	Y-O-Y
Revenue from Operations	3,035	3,128	(3.0)%
Total Expenses	2,730	2,843	(4.0)%
EBITDA	305	285	7.0%
<i>EBITDA Margins (%)</i>	<i>10.05%</i>	<i>9.11%</i>	<i>94 Bps</i>
Other Income	6	6	-
Depreciation	52	43	20.9%
Finance Cost	18	27	(33.3)%
<b>PBT</b>	<b>241</b>	<b>221</b>	<b>9.0%</b>
Tax	62	57	8.8%
Profit After Tax	179	164	9.1%
<i>PAT Margins (%)</i>	<i>5.90%</i>	<i>5.24%</i>	<i>66 Bps</i>
Other Comprehensive Income	(2)	-	(200.0)%
<b>Total Comprehensive Income</b>	<b>177</b>	<b>164</b>	<b>7.9%</b>
Basic/Diluted EPS	13.72	12.60	8.9%

# Historical Income Statement

PARTICULARS (INR Mn)	FY22	FY23	FY24	H1-FY25
Revenue from Operations	6,432	6,480	6,215	3,035
Total Expenses	5,383	5,756	5,545	2,730
EBITDA	1,049	724	670	305
<i>EBITDA Margins (%)</i>	<i>16.31%</i>	<i>11.17%</i>	<i>10.78%</i>	<i>10.05%</i>
Other Income	3	7	11	6
Depreciation	71	82	93	52
Finance Cost	69	63	42	18
<b>PBT</b>	<b>912</b>	<b>586</b>	<b>546</b>	<b>241</b>
Tax	233	151	141	62
<b>Profit After Tax</b>	<b>679</b>	<b>435</b>	<b>405</b>	<b>179</b>
<i>PAT Margins (%)</i>	<i>10.56%</i>	<i>6.71%</i>	<i>6.52%</i>	<i>5.90%</i>
Other Comprehensive Income	1	5	(1)	(2)
<b>Total Comprehensive Income</b>	<b>680</b>	<b>440</b>	<b>404</b>	<b>177</b>
Basic/Diluted EPS (INR per share)	52.15	33.41	31.10	13.72

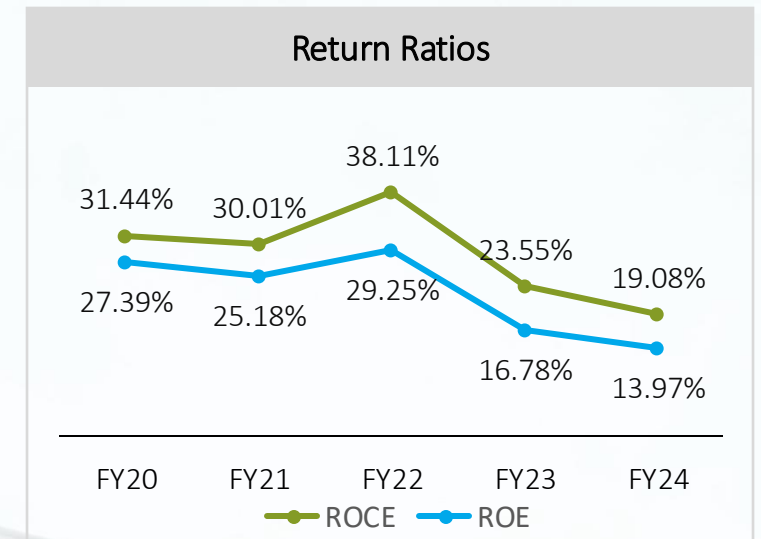
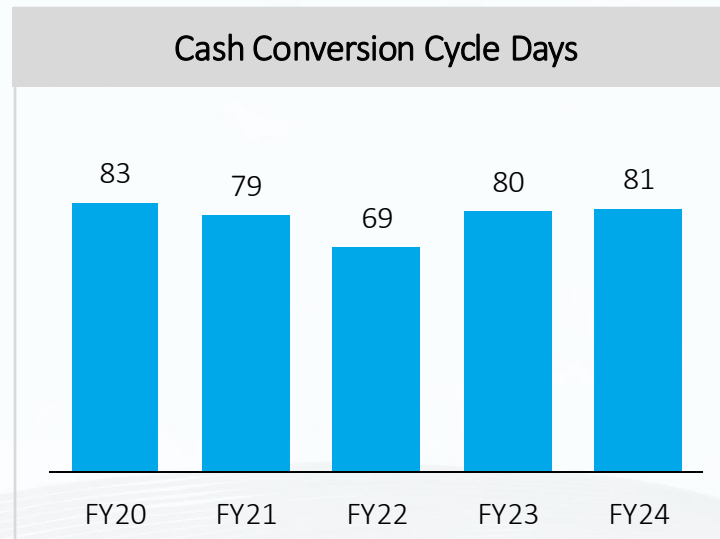
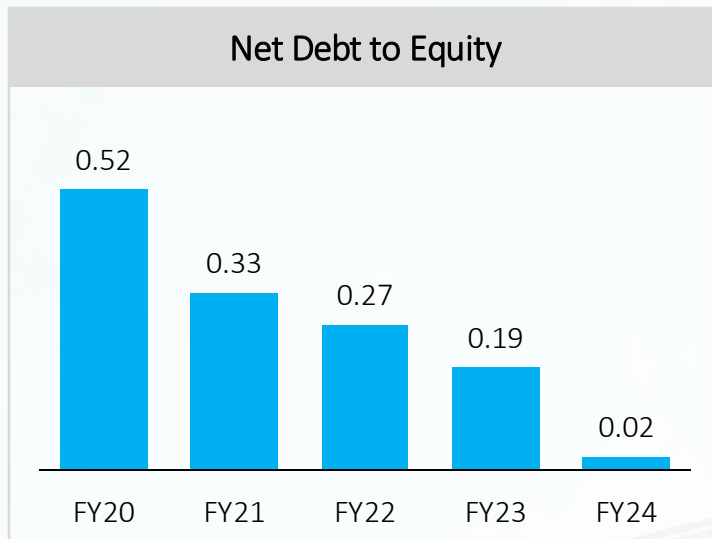
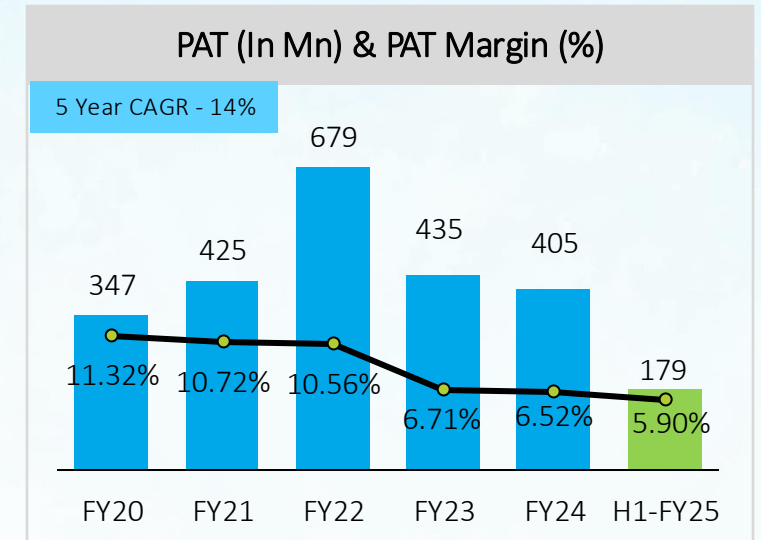
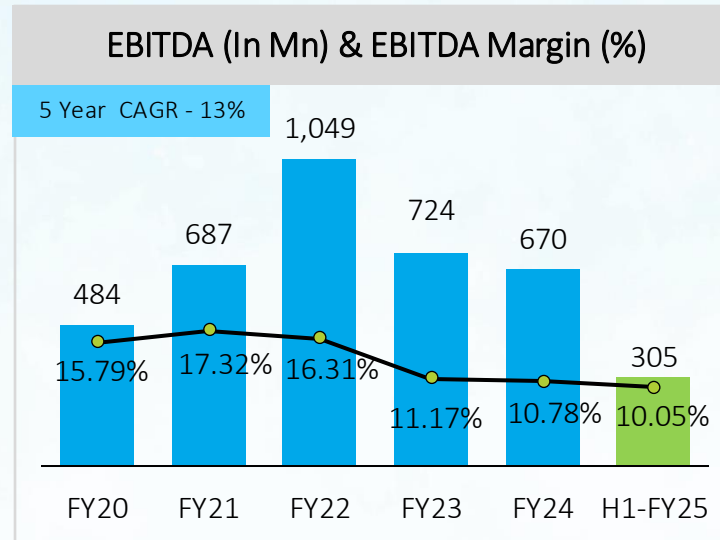
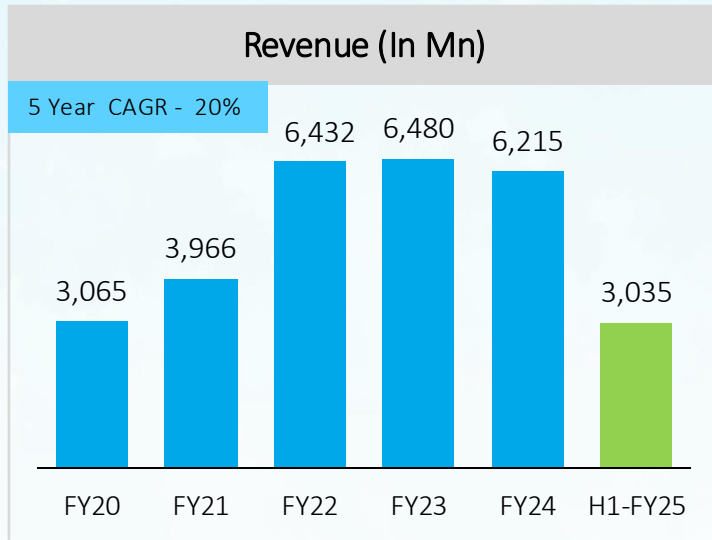
# Historical Balance Sheet

ASSETS	FY23	FY24	H1-FY25	EQUITY AND LIABILITIES	FY23	FY24	H1-FY25
<b>Non-Current Assets</b>				<b>EQUITY</b>			
Property, Plant and Equipment	1,514	1,868	1,866	Equity Share Capital	130	130	130
Capital work-in-progress	349	60	148	Instruments entirely equity in nature			
Right of use assets	42	41	41	Other Equity	2,462	2,769	2,849
Intangible Assets	5	3	3		<b>2,592</b>	<b>2,899</b>	<b>2,979</b>
Intangible Assets Under Development	-	-	-	<b>LIABILITIES</b>			
Financial Assets				<b>Non-Current Liabilities</b>			
(i) Other Financial Assets	2	2	2	Financial Liabilities			
Non-current Tax Assets (Net)	18	19	69	Borrowings	-	-	
Other Non-current Assets	8	22	40	Provisions	18	22	28
	<b>1,938</b>	<b>2,015</b>	<b>2,169</b>	Deferred Tax Liabilities (Net)	146	161	170
<b>Current Assets</b>					<b>164</b>	<b>183</b>	<b>198</b>
Inventories	800	697	774	<b>Current Liabilities</b>			
Financial Assets				Financial Liabilities			
(i) Trade receivables	626	568	806	(i) Borrowings	502	73	443
(ii) Cash and Bank Balance	1	1	1	(ii) Trade Payables	105	130	136
Other current assets	59	62	76	(iii) Other financial liabilities	11	3	10
	<b>1,486</b>	<b>1,328</b>	<b>1,657</b>	Other current liabilities	36	43	47
<b>TOTAL ASSETS</b>	<b>3,424</b>	<b>3,343</b>	<b>3,826</b>	Provisions	9	11	13
				Current Tax Liabilities (Net)	5	1	
					<b>668</b>	<b>261</b>	<b>649</b>
				<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,424</b>	<b>3,343</b>	<b>3,826</b>

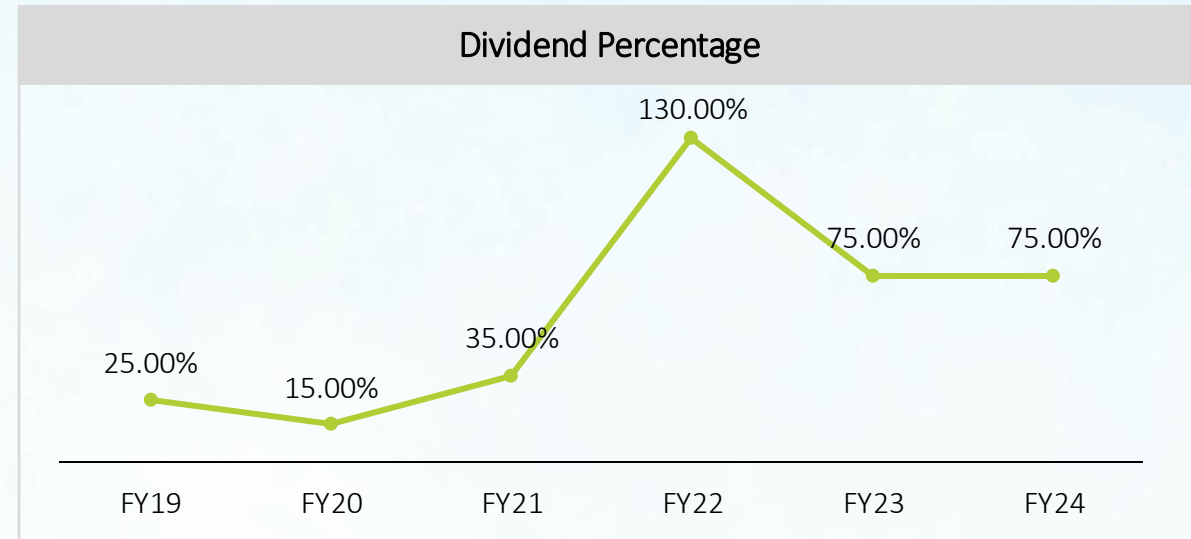
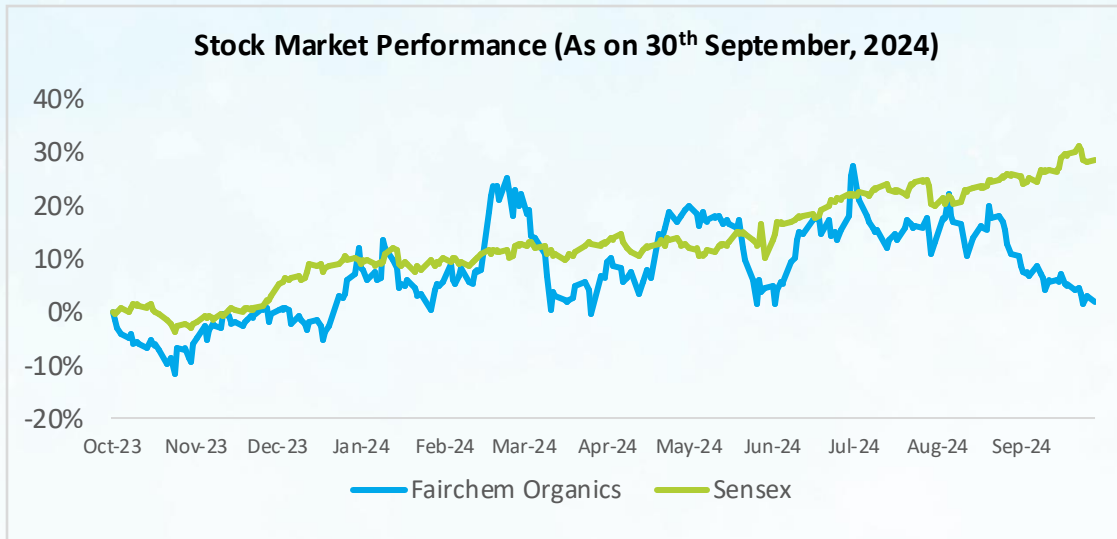
# Historical Cash Flow Statement

PARTICULARS (INR Mn)	FY23	FY24	H1-FY25
Cash and Cash Equivalents at Beginning of the year	0.1	0.1	0.1
Cash Flow From Operating Activities	496	745	(107)
Cash Flow from Investing Activities	(145)	(176)	(147)
Cash Flow From Financing Activities	(351)	(569)	254
Net Inc./ (Dec.) in Cash and Cash Equivalent	-	-	-
Cash and Cash Equivalents at End of the year	0.1	0.1	0.1
Operating Cash Inflow	496	745	(107)
Capital Expenditure	(145)	(176)	(148)
FCF	351	569	(255)

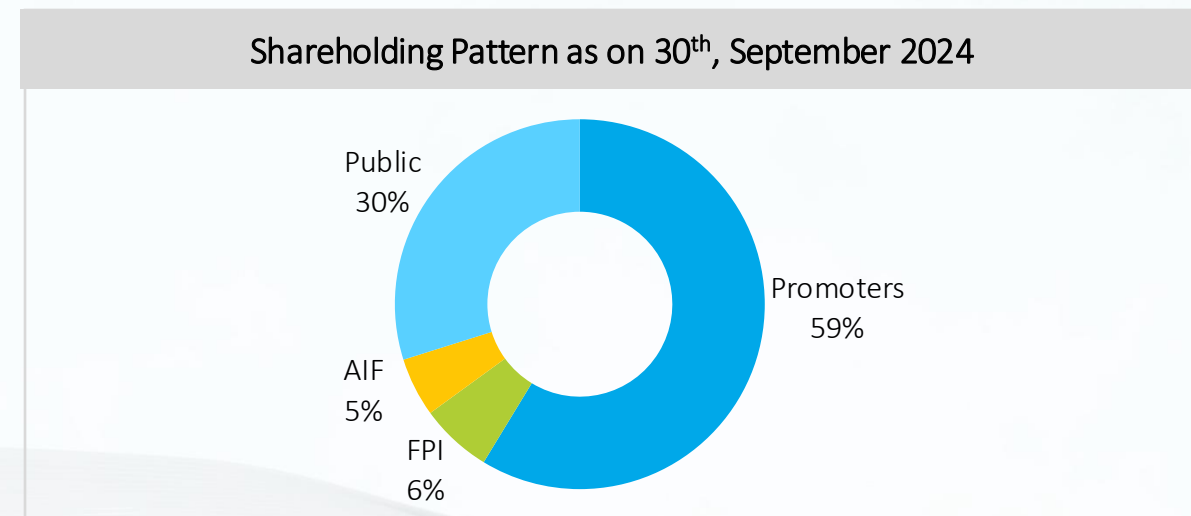
# Key Financial Highlights



# Capital Market Data



Price Data as at 30 <sup>th</sup> September, 2024	INR
Face Value	10.0
Market Price (BSE)	1,213.8
52 Week H/L	1,552.0/ 1020.7
Market Cap (Mn)	15,804.1
Equity Shares Outstanding (Mn)	13.0
1 Year Avg Trading Volume ('000)	27.9



# Disclaimer

## **Fairchem Organics Limited Disclaimer:**

*The information contained in this presentation is only current as of its date. All actions and statements made herein or otherwise shall be subject to the applicable laws and regulations as amended from time to time. There is no representation that all information relating to the context has been taken care off in the presentation and neither we undertake any obligation as to the regular updating of the information as a result of new information, future events or otherwise. We will accept no liability whatsoever for any loss arising directly or indirectly from the use of, reliance of any information contained in this presentation or for any omission of the information. The information shall not be distributed or used by any person or entity in any jurisdiction or countries were such distribution or use would be contrary to the applicable laws or Regulations. It is advised that prior to acting upon this presentation independent consultation / advise may be obtained and necessary due diligence, investigation etc. may be done at your end. You may also contact us directly for any questions or clarifications at our end. This presentation contain certain statements of future expectations and other forward-looking statements, including those relating to our general business plans and strategy, our future financial condition and growth prospects, and future developments in our industry and our competitive and regulatory environment. In addition to statements which are forward looking by reason of context, the words 'may, will, should, expects, plans, intends, anticipates, believes, estimates, predicts, potential or continue and similar expressions identify forward looking statements. Actual results, performances or events may differ materially from these forward-looking statements including the plans, objectives, expectations, estimates and intentions expressed in forward looking statements due to a number of factors, including without limitation future changes or developments in our business, our competitive environment, telecommunications technology and application, and political, economic, legal and social conditions in India. It is cautioned that the foregoing list is not exhaustive This presentation is not being used in connection with any invitation of an offer or an offer of securities and should not be used as a basis for any investment decision*

## **Valorem Advisors Disclaimer:**

*Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and 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. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.*

**For further details, please feel free to contact our Investor Relations Representatives:**



Mr. Anuj Sonpal  
Valorem Advisors  
Tel: +91-22-4903-9500  
Email: [farichem@valoremadvisors.com](mailto:farichem@valoremadvisors.com)