

**Fine Organic Industries Limited**

Regd. Office

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Web: www.fineorganics.com



Date: July 31, 2024

To <b>BSE Limited</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	To <b>National Stock Exchange of India Limited</b> 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 Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Investor Presentation – July 2024 of the Company.

The aforesaid presentation is also available on the Company's website [www.fineorganics.com](http://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**

Encl.: As above



**FINE ORGANICS**

# Investor Presentation

July'24



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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.

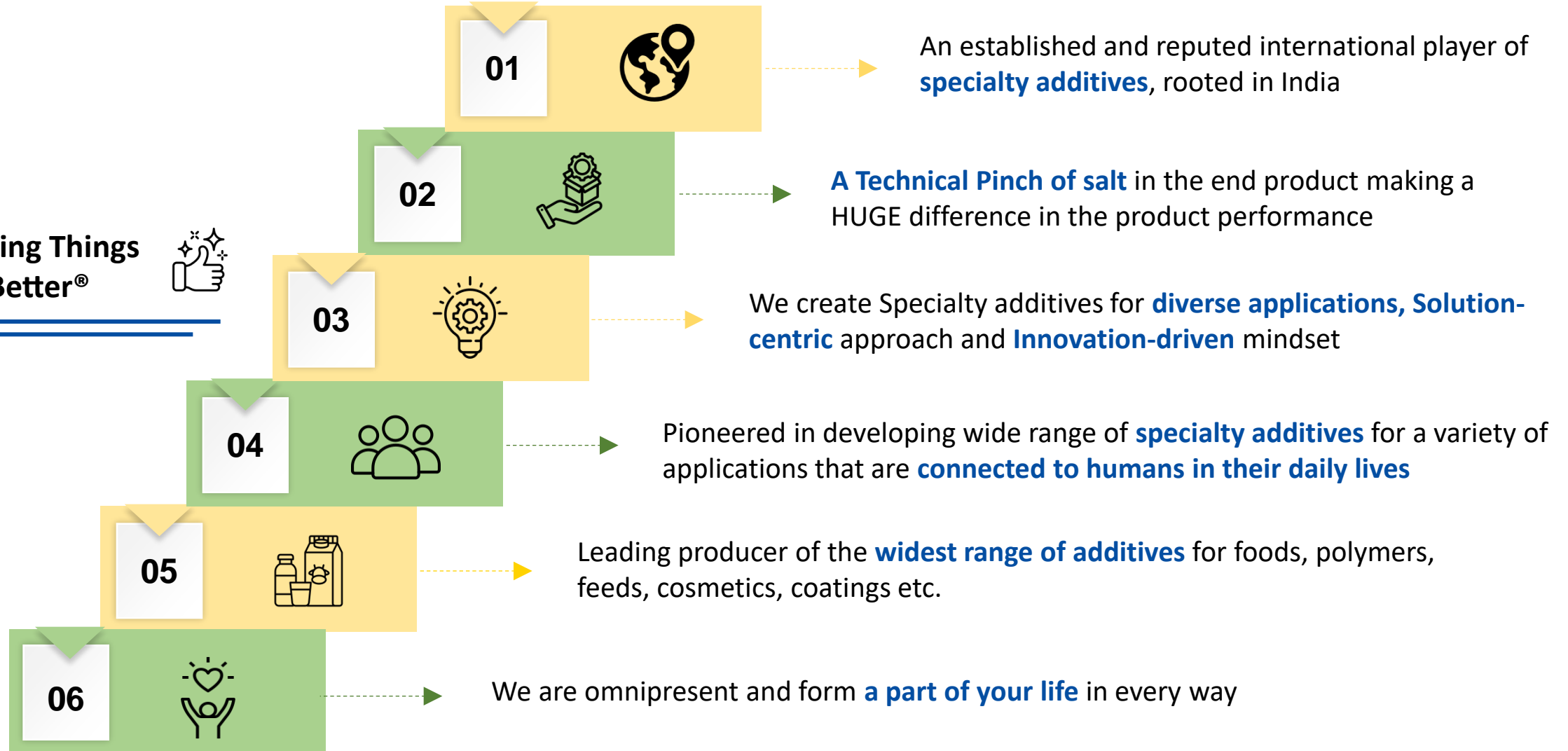




## **THE FINE STORY OF SUCCESS**

# Expertise in Oleochemistry

Making Things Better®



# Why FINE additives are preferred?

## Demand for specialty green additives is increasing

**Green additives from FINE have successfully substituted potentially, harmful chemicals across various industries like plastics, packaging, food, cosmetics, rubbers, and coatings, while maintaining performance standards**

1

Increasing consumer awareness for environment has resulted in remarkable preference for **'Green' and 'Sustainable' products**

2

FINE additives are majorly bio-based, safe to use and biodegradable; therefore, can offer the most effective benefits through **'Sustainability' combined with excellence in functionality and safety**

3

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

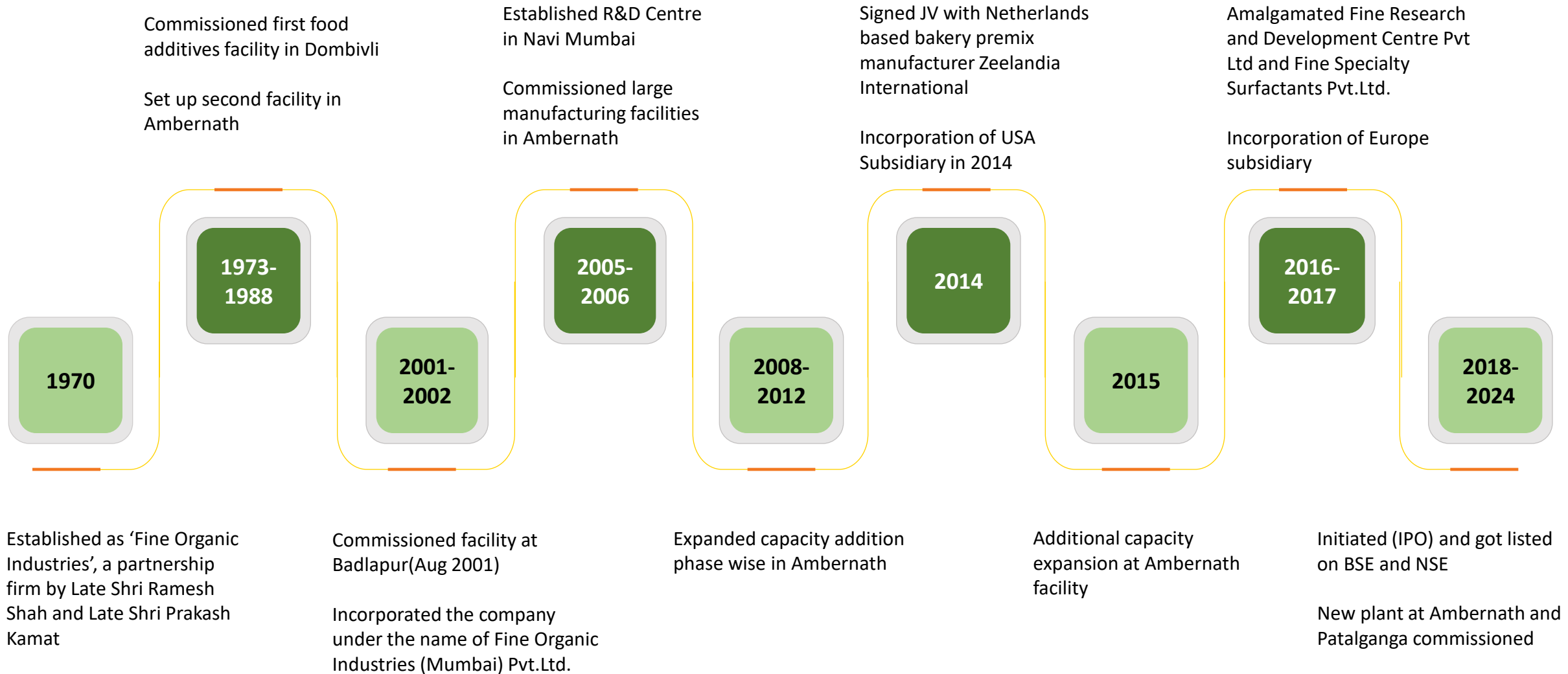
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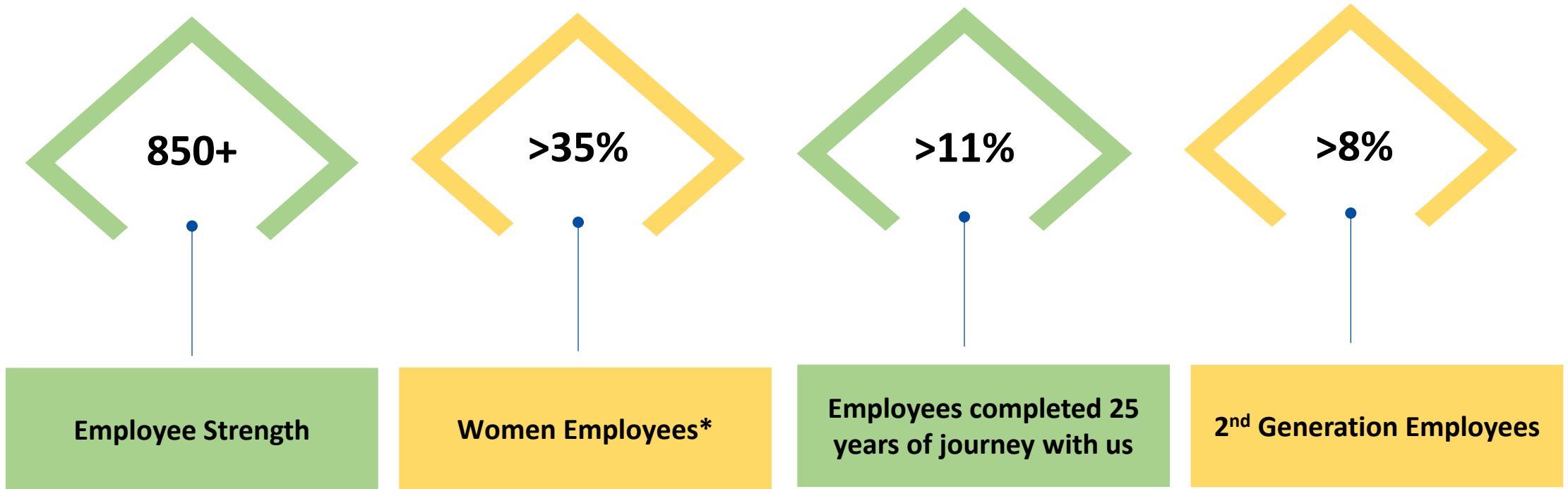
## High-Performance Environment-Friendly Additives

# Over 50 years of Journey





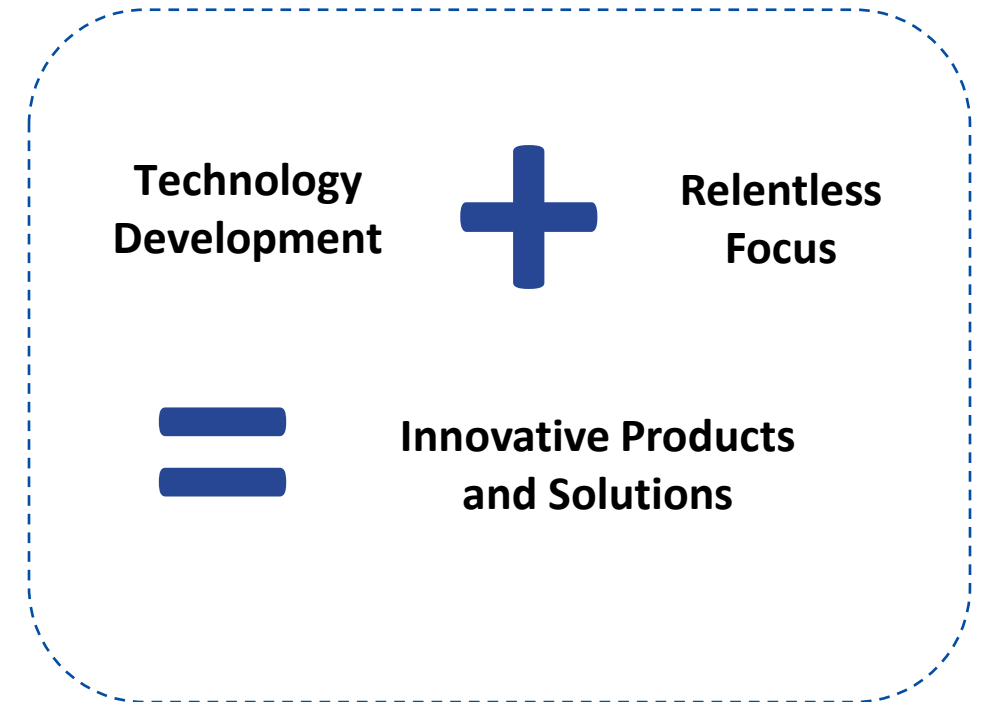
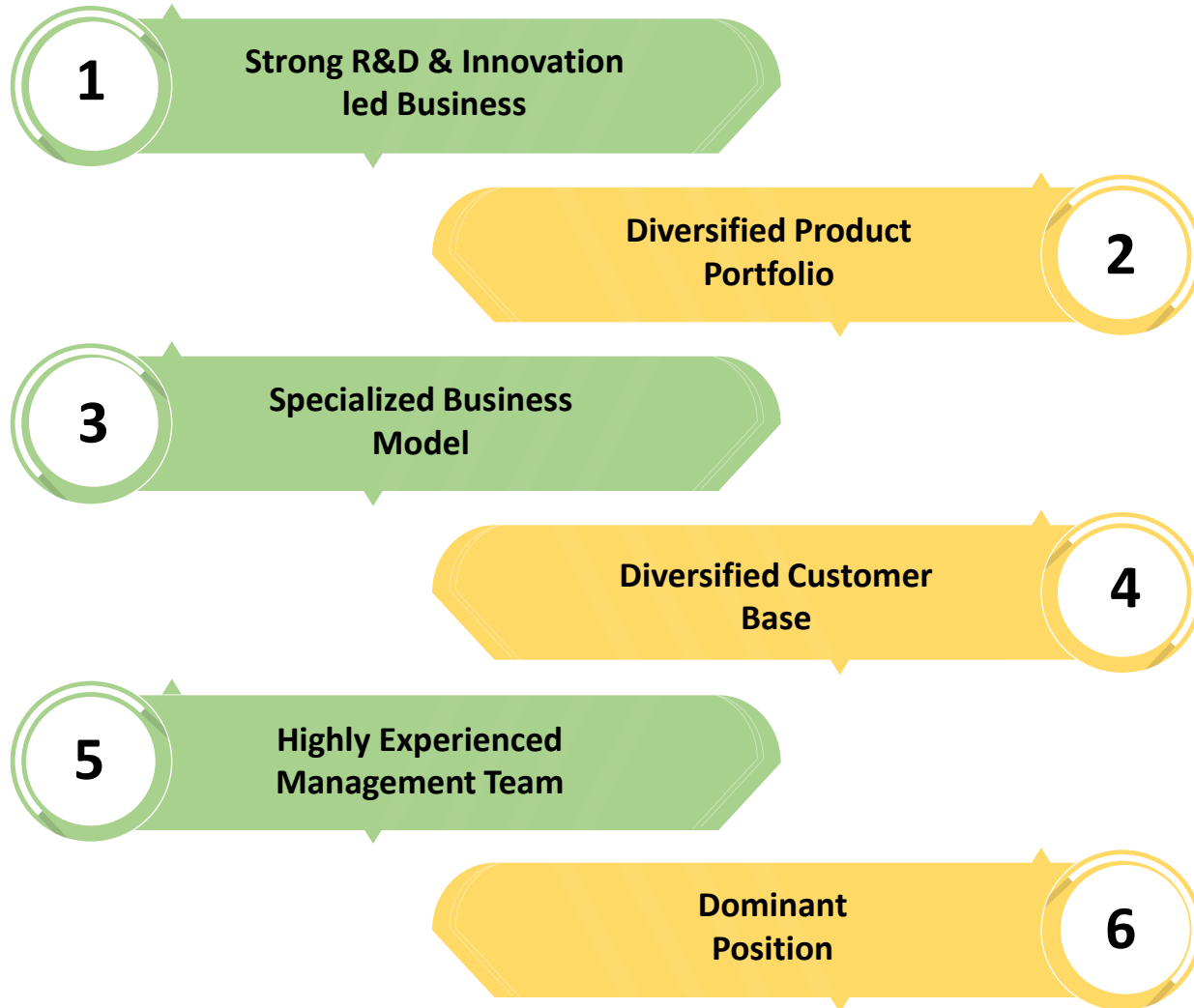
# A Fine Family



Creating and encouraging home grown leadership with the signature Fine Organics character comprising integrity, trust, fairness and strong values

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

# 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 **33 Scientists and Technicians**



## In-House Design and Engineering

- In-house capabilities for plant designing and engineering
- **Minimize capital expenditures** & quicker commissioning

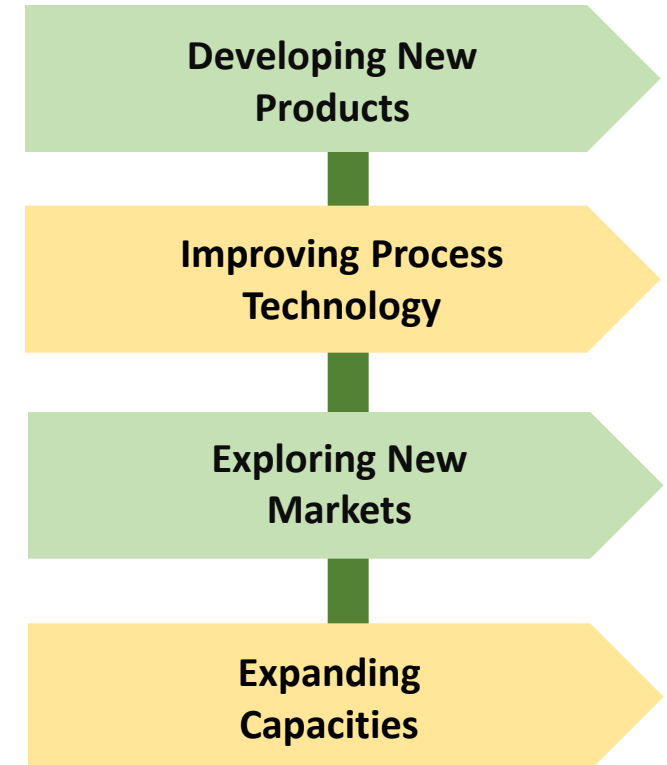


## New Product Developments

Specialty Additives for:

- |                         |                   |
|-------------------------|-------------------|
| ▪ <b>Feed nutrition</b> | ▪ <b>Coatings</b> |
| ▪ <b>Foods</b>          | ▪ <b>Polymers</b> |
| ▪ <b>CosPha</b>         | ▪ <b>Others</b>   |

## Focus on





# With Industry Standards and Regulatory Credentials



Fine's facilities are fully geared towards meeting growing **Global Regulations**

- 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

## 2. Diversified Product Portfolio : Multiple End-users

01

- Pioneer in manufacturing of food emulsifiers in India
- Expanded its range to anti-fungal agents, bread improvers, beverage clouding agents etc.



02

- The diversity of oleochemistry has enabled us to develop a wide range of additives for polymers



03

- Our product range for CosPha (Cosmetics and Pharmaceuticals) applications serve as base ingredients
- They enhance appearance and use for endusers in skin care products like Creams, Lotions & Ointments etc



04

- Using our oleochemistry expertise, we have developed a line of functional additives and special formulations for several other industries, such as feed nutrition and coatings, etc.



## 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



## 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

- 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: Our customers exhibit strong loyalty due to the high switching costs associated with our products which are critical for their end products**



## Complex Technology

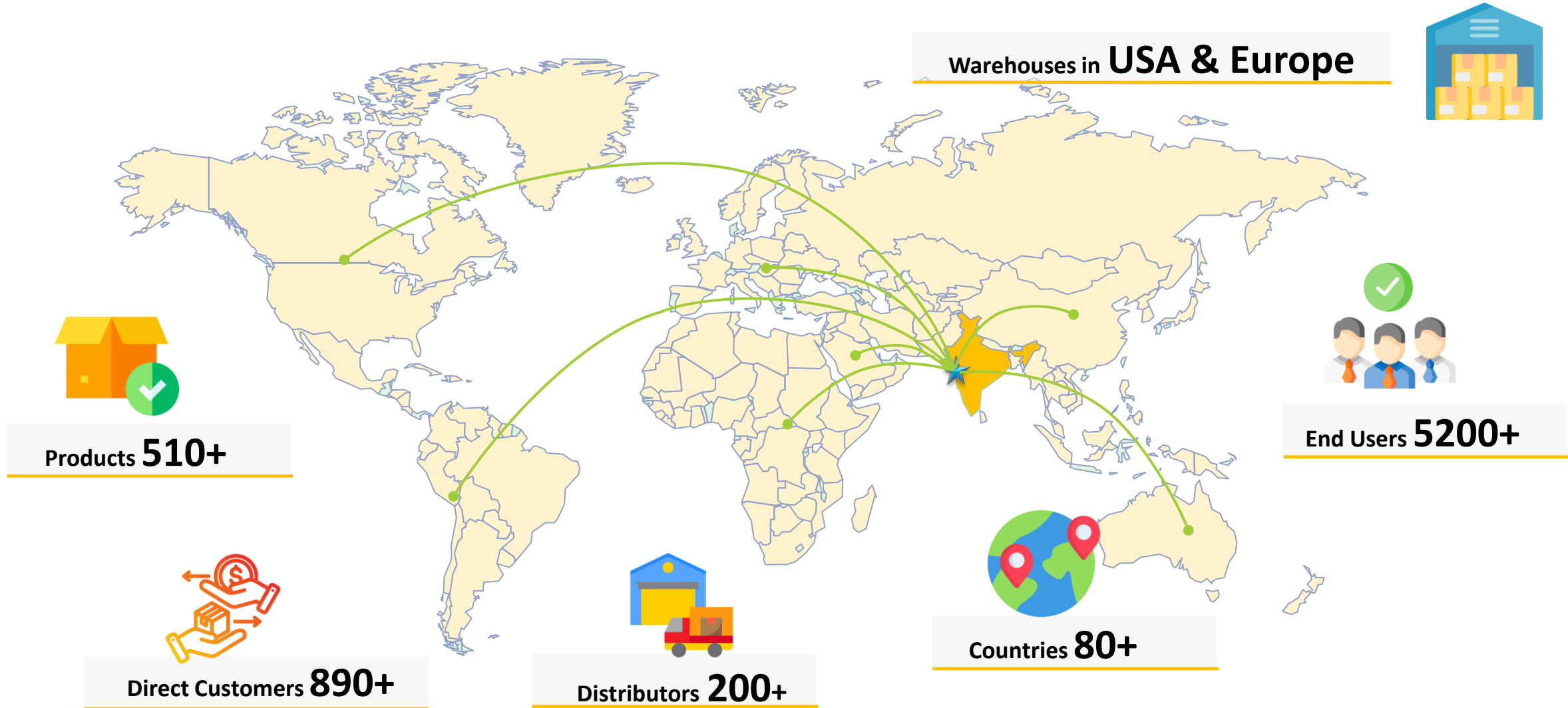
- Complex technology & manufacturing processes create multiple entry barriers into the oleochemical derived green additives industry. Product formulations, innovation & process technology are time & capital intensive
- **Fine Organics: Has an early-mover advantage in this industry and has successfully established its in-house manufacturing set up and has been consistently delivering quality product**



## 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 green additives follow stringent quality parameters & regulations, governing the industry**

# 4. Diversified Customer Base



# 5. Highly Experienced Board of Directors



**Mukesh Shah - Chairman and Director**

- Joined in 1973. Holds a Bachelor's degree in Science
- Played a key role in establishing quality control and marketing



**Jayen Shah - Managing Director**

- Joined in 1986. Holds a Master's degree in Science
- Instrumental in creating a strong vendor-partner network



**Tushar Shah - Executive Director and CEO**

- Joined in 1989 and led several initiatives like ERP, CRM, etc.
- Key role in the development of the first slip additive facility



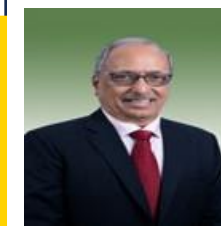
**Bimal Shah - Executive Director**

- 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



**Nikhil Kamat - Executive Director**

- Joined in 1987, holds a Master's of Science Degree in Biochemistry from ICT, Mumbai
- Played a key role in operations, productions, planning, handling technical, environmental and regulatory tasks



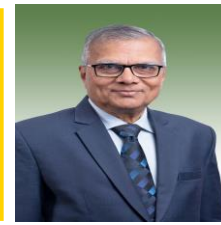
**Prakash Apte - Independent Director**

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



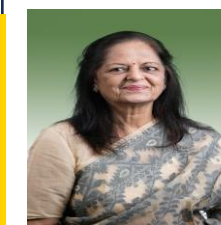
**Mahesh Sarda - Independent Director**

- On the Board since Nov 2017. Qualified Chartered Accountant
- Previously served as a Partner at Deloitte Haskins & Sells



**Thiruvengadam Parthasarathi - 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



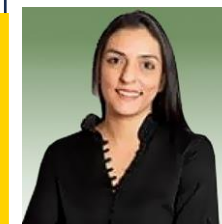
**Pratima Umarji - Independent Director**

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



**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)

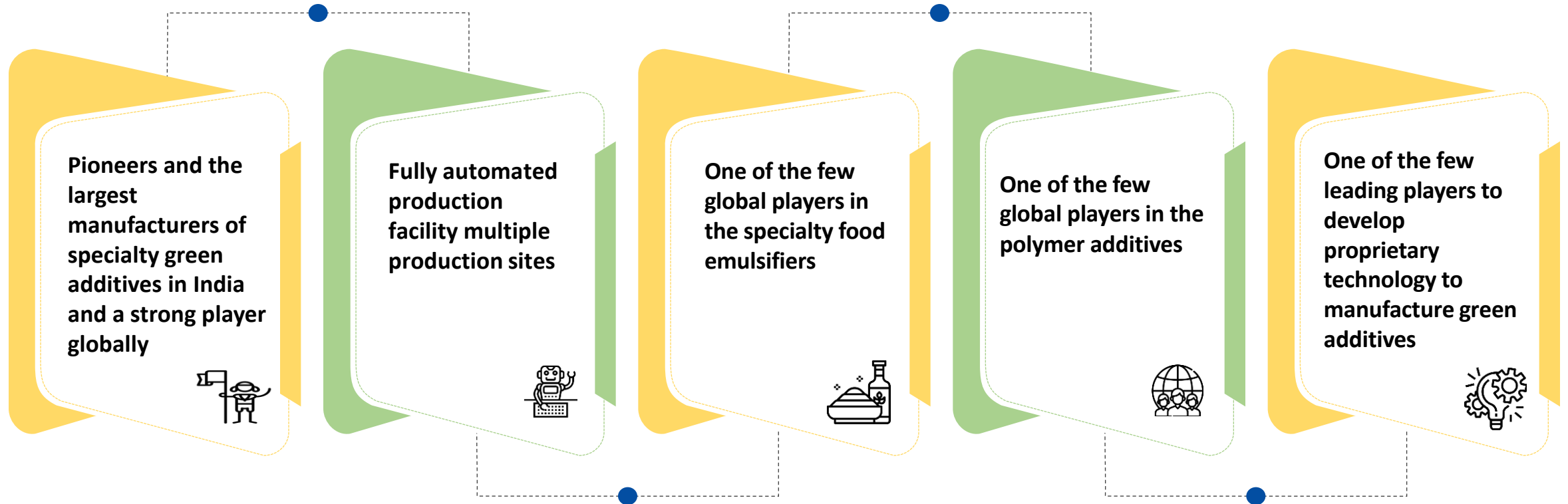


**Rashi Mehta - Independent Director**

- Joined in 2024
- Holds degree in law and arts, Practicing legal professional having wide experience over 20 years in pivotal areas of law



# 6. Dominant Position



# Our Sustainable Value Creation Framework

## Financial Capital

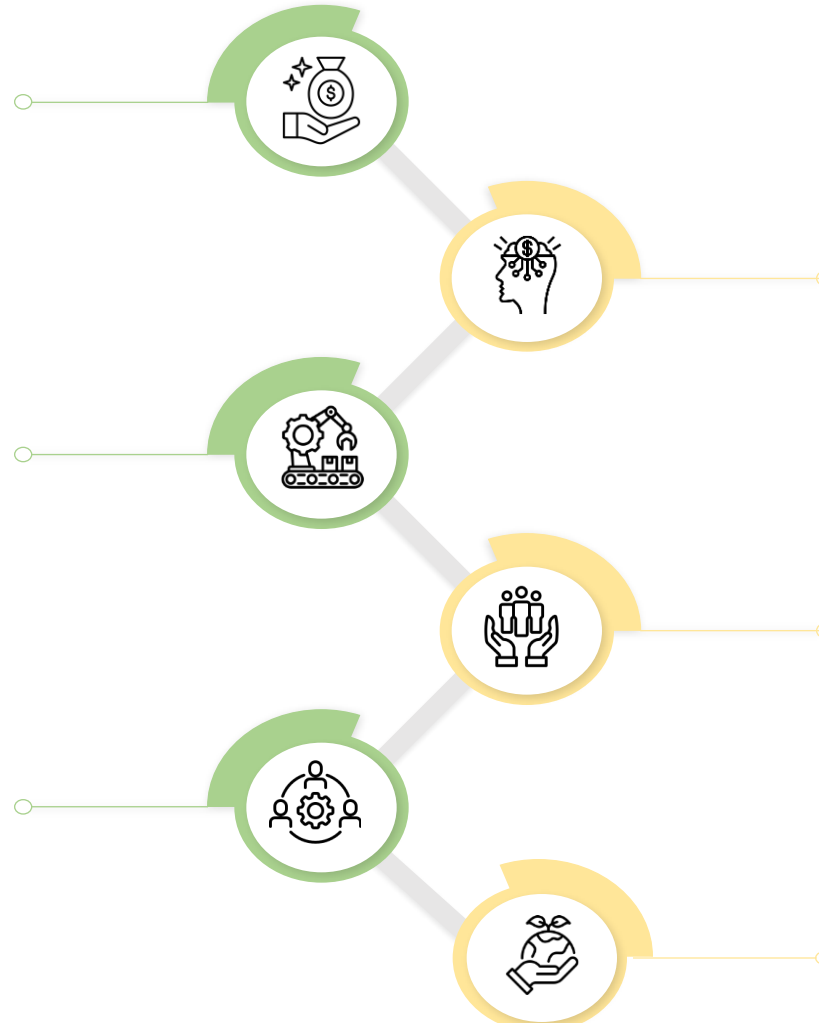
We are committed to delivering value to all our stakeholders (i.e., employees, shareholders, governments, and communities) by injecting capital employment across our value chain

## Manufacturing Capital

Our manufacturing facilities are strategically located near ports to enable efficient global distribution and better serve the needs of our customers.

## Social Capital

Ensuring sustainability and managing our reputation as the key elements of our business model. Under an integrated approach to sustainability, we are committed to adding value to our community, business, labour, and government stakeholders in our operating territories



## Intellectual Capital

Investing in research and consumer marketing for deep insight into changing needs of consumers is critical for us. We leverage our R&D capabilities and proprietary technologies to deliver innovative products that reinforce and enhance our brand equity.

## Human Capital

We invest in the well-being, skills, and capabilities of our employees. We strive for a customer-focused and high-performance culture, underpinned by our core values.

## Natural Capital

We use natural renewable resources and commodities in manufacturing products. Our procurement strategies focus on the long-term sustainability and environmental impact of our processes.

# Industry growth potential factors

## Industry

### FOOD ADDITIVES



## Key Additives & Ingredients

- Emulsifiers
- Anti-fungal agents
- Beverage cloudifier
- Anti-crystallisers

## End-Use Applications

- Bakery products
- Confectionery
- Biscuits
- Oil and fats
- Dairy products
- Beverages

## Growth Drivers

- Increased consumption
- Increased number of end-user applications
- People moving towards busy lifestyle
- Changing food habits

### POLYMER ADDITIVES



- Lubricants
- Anti-fogging additives
- Anti-static additives
- Anti-scratch
- Processing aids
- Flow improvers
- Slip additives
- Dispersants

- Packaging films
- Bottle caps
- Wires & Cable
- Packaging
- Furniture
- Automobiles
- Pipes & Fittings
- Biodegradable plastic

- Replacing the use of conventional plastics
- Recycling of plastics
- Increased use of bioplastics
- Increased use of plastic as a substitute of other materials
- Demand for green polymer additives
- Development of performance polymer additives
- Increasing urbanisation and replacement of metal and wood
- Increased use of package materials

### FEED NUTRITION ADDITIVES



- Natural antibiotics
- Nutritional additives
- Anti-fungal additives

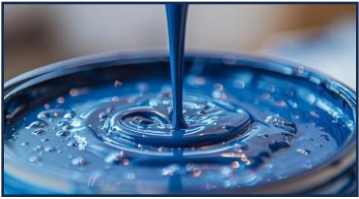
- Poultry feeds
- Cattle feeds
- Aquaculture

- Growing health and safety awareness in the food processing industry
- Increased demand for quality end products
- Growing awareness about the healthy products

# Industry growth potential factors

## Industry

### COATING AND SPECIALITIES



## Key Additives & Ingredients

- Lube additives
- Property modifiers
- Anti-corrosive additives
- Emulsifiers
- Wetting and dispersing agents
- Anti-mat additives

## End-Use Applications

- Automotive lubricants
- Roads and highway
- Printing inks and Coatings for metal, papers etc
- Other specialty applications

## Growth Drivers

- Increase in infra-projects
- Growth in automobile sales
- Increasing usage in industrial protective coating
- Growing e-commerce
- Increased demand for paint protecting coating
- Growth in niche products
- Increased use of specialty papers

### COSPHA ADDITIVES



- Emulsifiers
- Emollients
- Green surfactants

- Creams, lotions
- Skin care
- Hair care
- Cleanser
- Home care

- Growth in Tier II and Tier III cities
- Increased demand for men's cosmetics
- Growing demand for personal & home care products



# Financial Highlights



# Q1FY25 Business Highlights

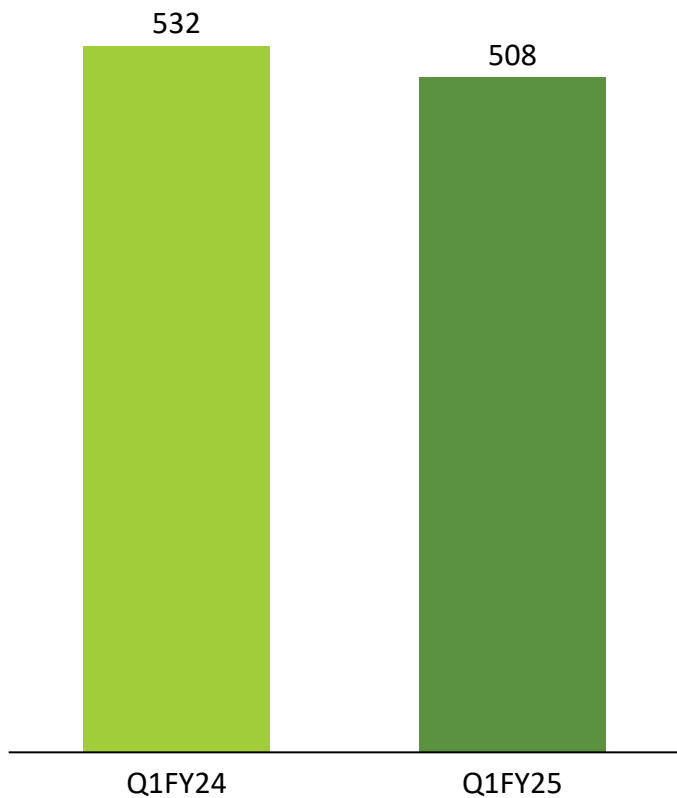
- ▶ Out of the total revenue, domestic revenue stood at 45% and export revenue at 55%.
- ▶ Demand in the domestic market remains quite strong.
- ▶ The US market has started picking up, whereas Europe is still experiencing slowdown.
- ▶ The Red Sea crisis and container availability issues have increased overall lead time and freight costs.
- ▶ Prices of some vegetable oils have risen and volatility may remain due to the weather's impact on crops.
- ▶ All our plants are currently running at optimum capacity, except for the Patalganga plant, where there is still some room for capacity ramp-up.
- ▶ We have established a wholly owned subsidiary, Fine Organic Industries (SEZ) Private Limited, in the Maharashtra SEZ area. We have paid the full amount for the land and are awaiting approval from JNPA to execute the lease deed.
- ▶ Our Thailand joint venture has commenced production trials and is in the process of product standardisation.



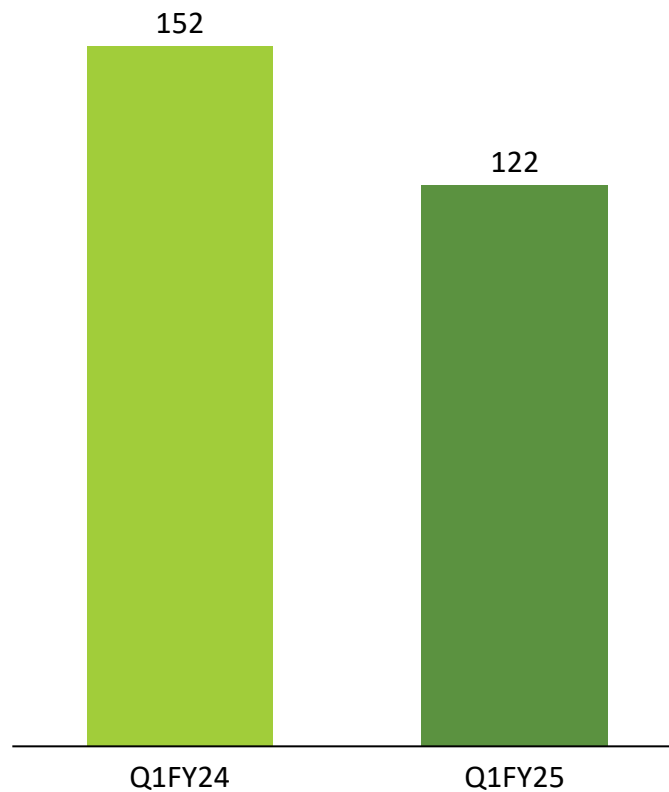
# Standalone Performance Highlights

## Revenues

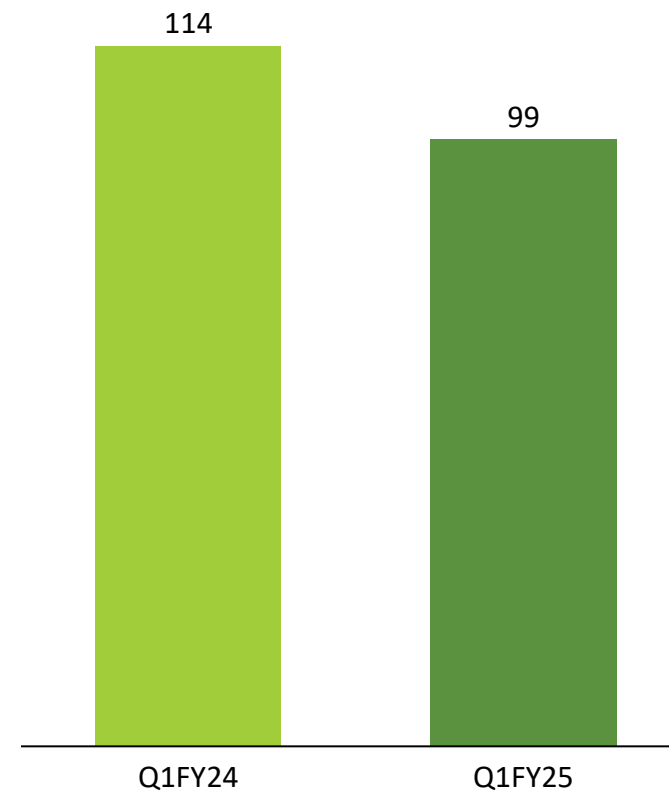
Rs in Crores



## EBITDA



## PAT

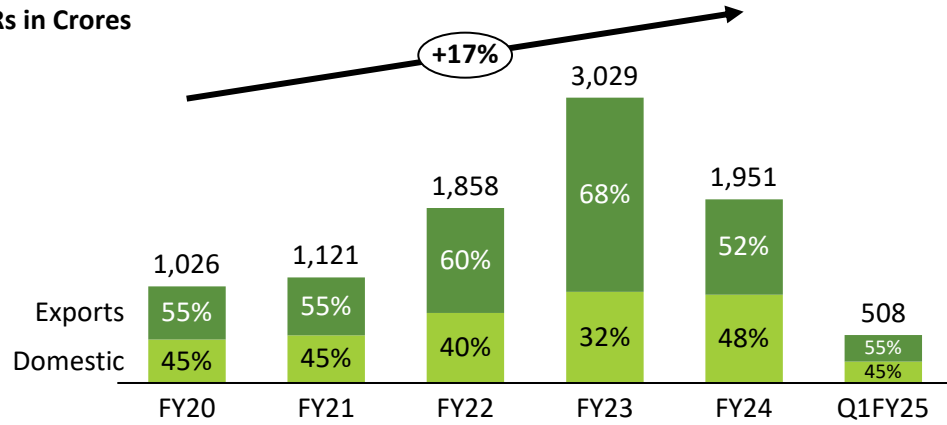




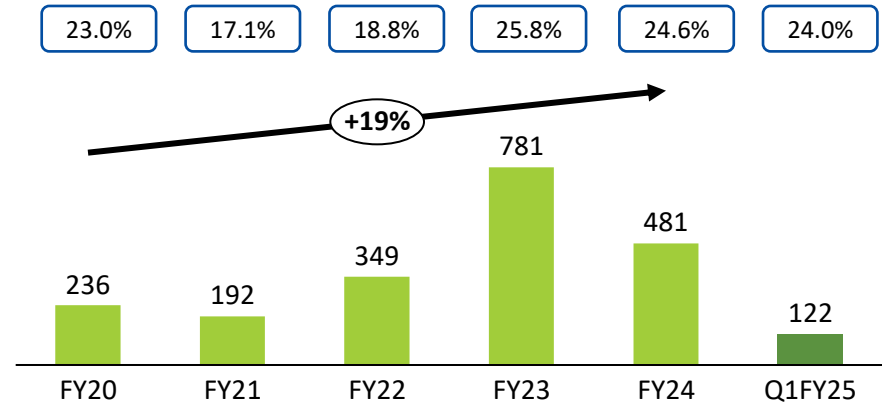
# Q1FY25 Standalone Operating Performance

## Revenues

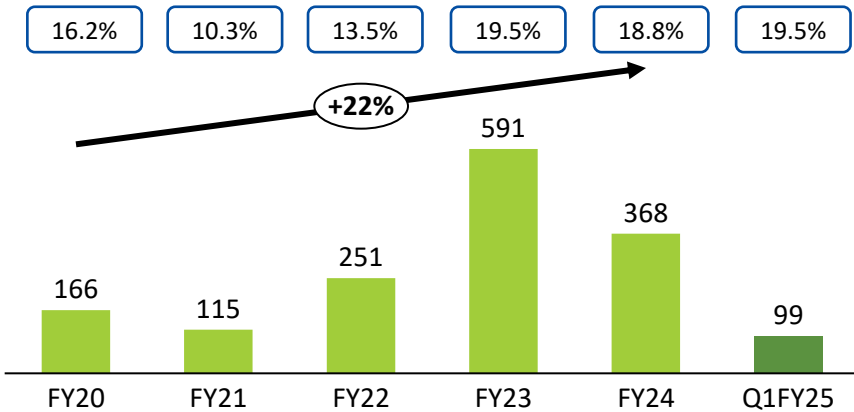
Rs in Crores



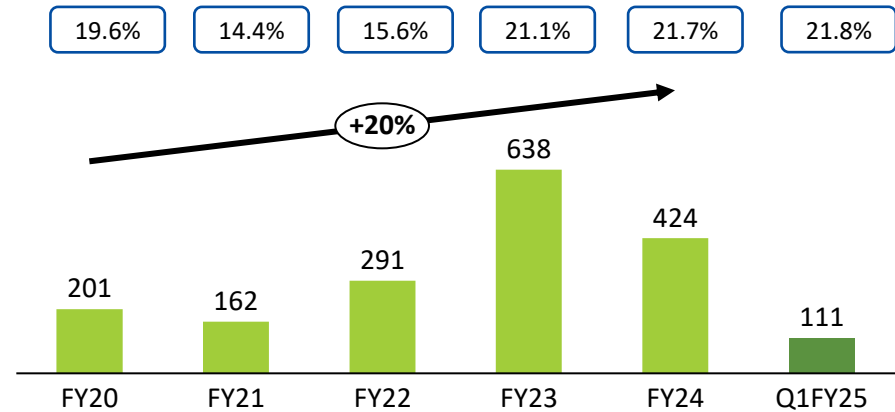
## Operating EBITDA & Margins



## PAT & Margins



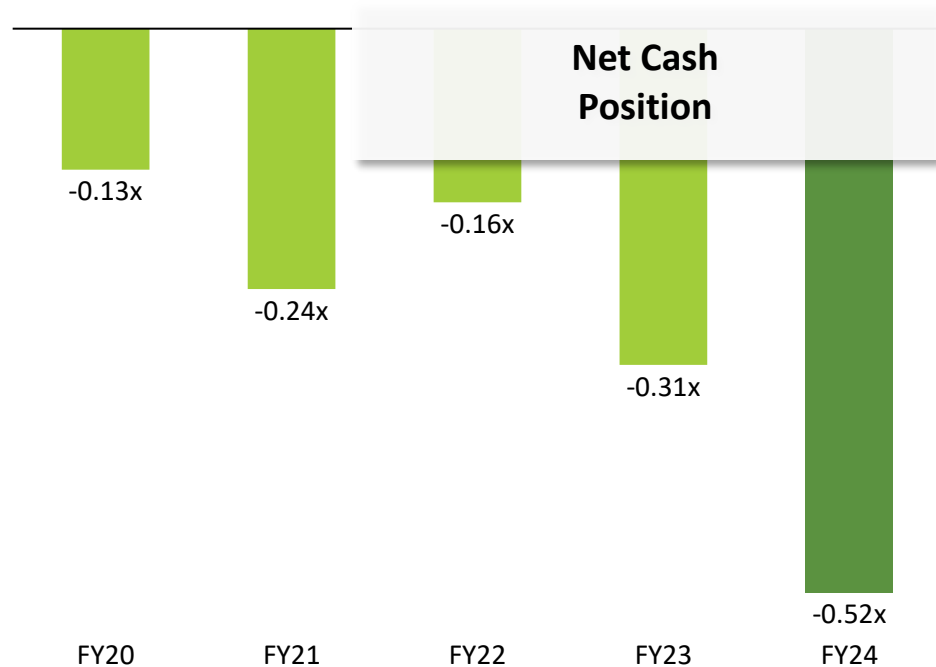
## Cash PAT & Margins



Cash PAT = NPAT + Depreciation

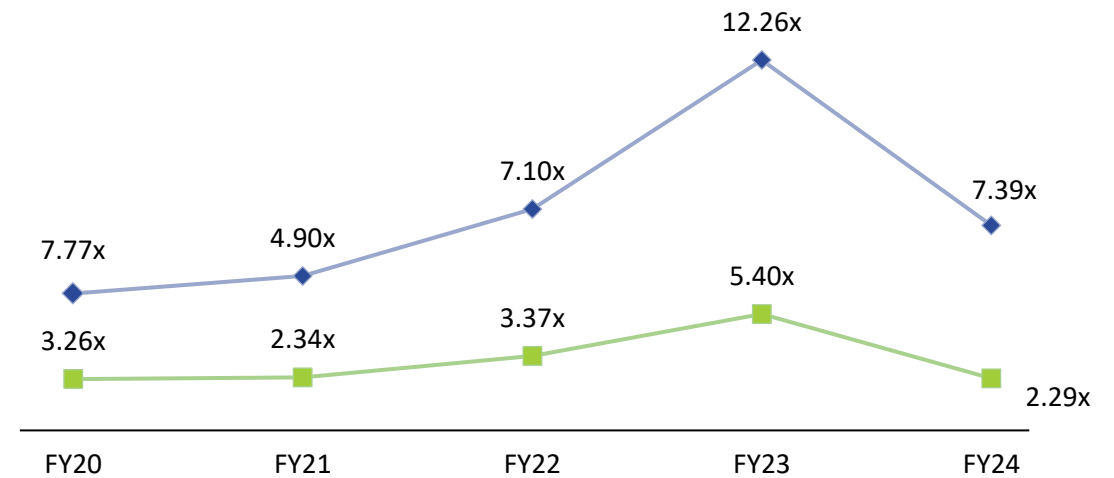
# Use of Capital (Standalone)



## Net Debt to Equity



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

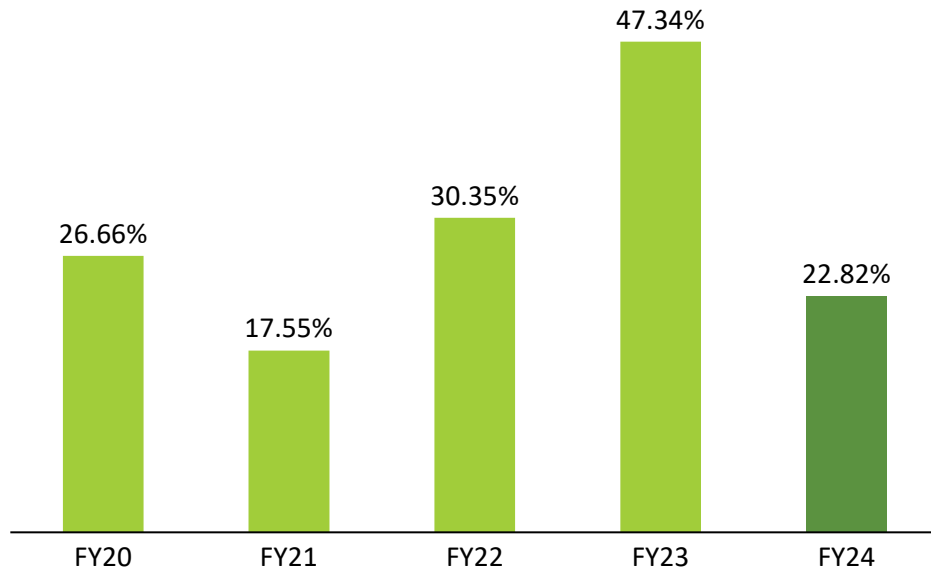
## Fixed Asset Turnover



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

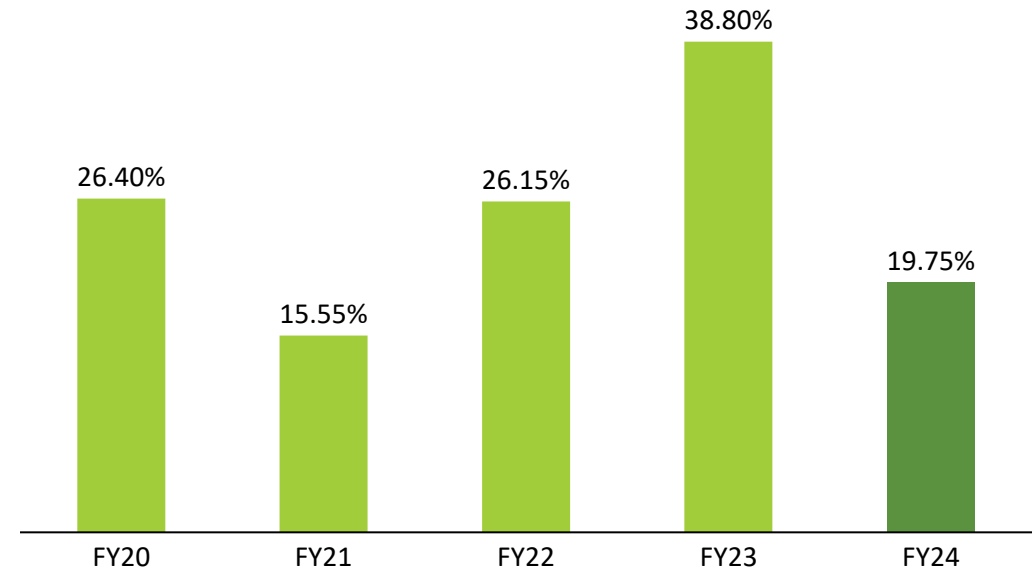
# Standalone Return Profile

## 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

# Standalone Profit & Loss Statement

Particulars (Rs in Crs)	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ	FY24
<b>Revenue from Operations</b>	<b>508.3</b>	<b>532.1</b>	<b>-4.5%</b>	<b>521.5</b>	<b>-2.5%</b>	<b>1,951.1</b>
Cost of Raw Material Consumed	293.6	304.0		294.2		1,119.9
<b>Gross Profit</b>	<b>214.7</b>	<b>228.1</b>	<b>-5.9%</b>	<b>227.4</b>	<b>-5.6%</b>	<b>831.2</b>
<b>Gross Profit Margin</b>	<b>42.2%</b>	<b>42.9%</b>		<b>43.6%</b>		<b>42.6%</b>
Employee Cost	32.6	28.6		31.2		113.7
Other Expenses	60.3	47.7		63.9		236.7
<b>EBITDA</b>	<b>121.8</b>	<b>151.9</b>	<b>-19.8%</b>	<b>132.2</b>	<b>-7.9%</b>	<b>480.8</b>
<b>EBITDA Margin</b>	<b>24.0%</b>	<b>28.5%</b>		<b>25.4%</b>		<b>24.6%</b>
Other Income	24.1	14.5		22.6		71.7
Depreciation	11.7	11.7		15.3		56.1
<b>EBIT</b>	<b>134.2</b>	<b>154.6</b>	<b>-13.2%</b>	<b>139.6</b>	<b>-3.8%</b>	<b>496.4</b>
<b>EBIT Margin</b>	<b>26.4%</b>	<b>29.1%</b>		<b>26.8%</b>		<b>25.4%</b>
Finance Cost	0.4	0.6		0.5		2.3
Exceptional Items	0.0	0.0		0.6		0.6
<b>PBT</b>	<b>133.8</b>	<b>154.0</b>	<b>-13.1%</b>	<b>138.5</b>	<b>-3.4%</b>	<b>493.5</b>
<b>PBT Margin</b>	<b>26.3%</b>	<b>28.9%</b>		<b>26.6%</b>		<b>25.3%</b>
Tax	34.8	39.7		34.2		125.9
<b>PAT</b>	<b>99.0</b>	<b>114.2</b>	<b>-13.3%</b>	<b>104.3</b>	<b>-5.1%</b>	<b>367.6</b>
<b>PAT Margin %</b>	<b>19.5%</b>	<b>21.5%</b>		<b>20.0%</b>		<b>18.8%</b>
Other Comprehensive Income	-0.4	-0.5		-0.1		-0.8
<b>Total Comprehensive Income for the year / period</b>	<b>98.6</b>	<b>113.8</b>	<b>-13.3%</b>	<b>104.2</b>	<b>-5.4%</b>	<b>366.8</b>
EPS*	32.29	37.25		34.02		119.88

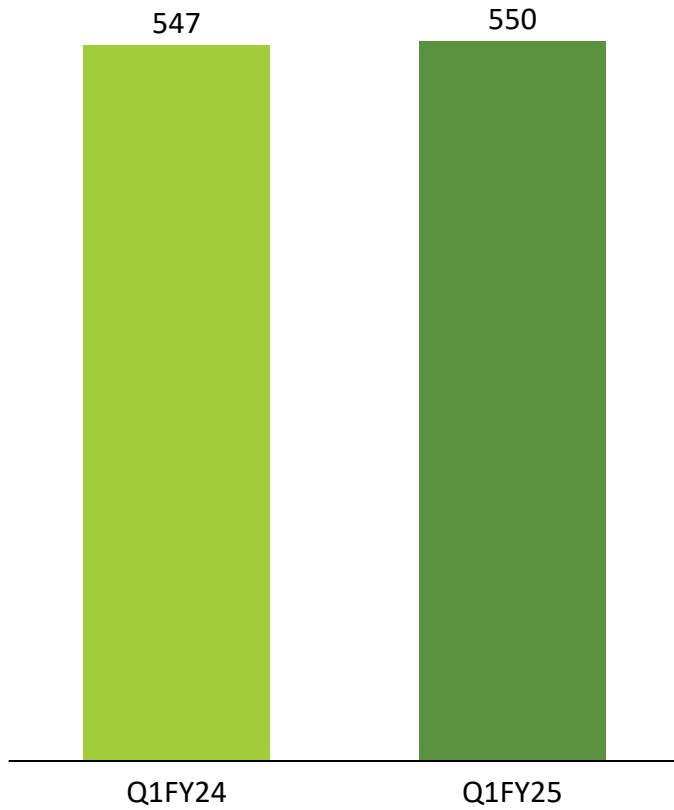
\* Not Annualized for the quarter



# Consolidated Performance Highlights

## Revenues

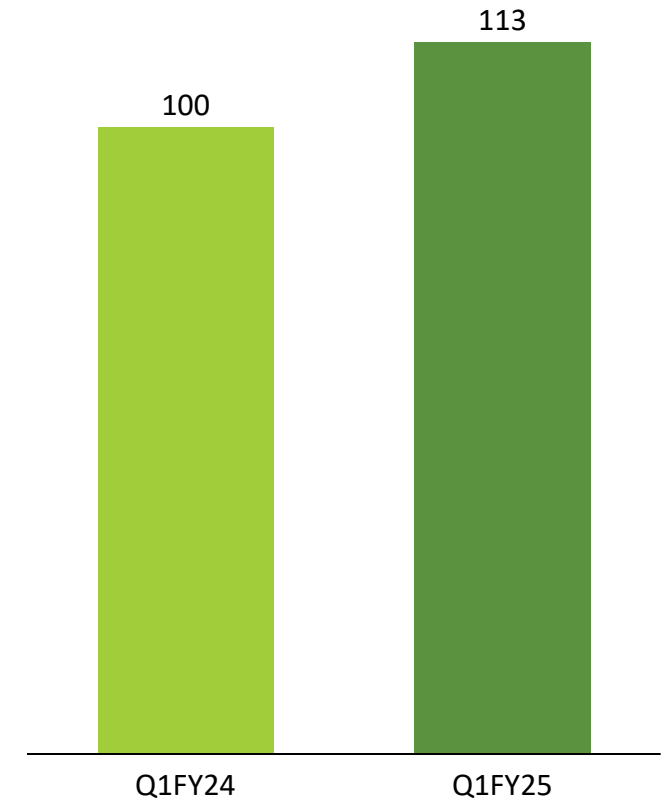
Rs in Crores



## EBITDA



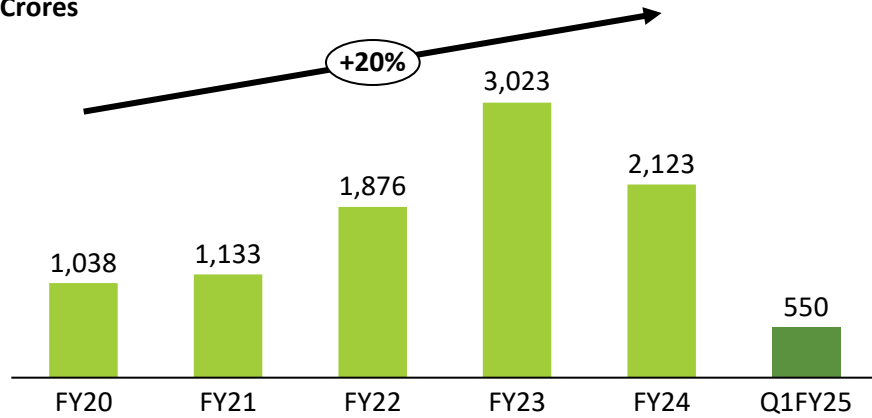
## PAT



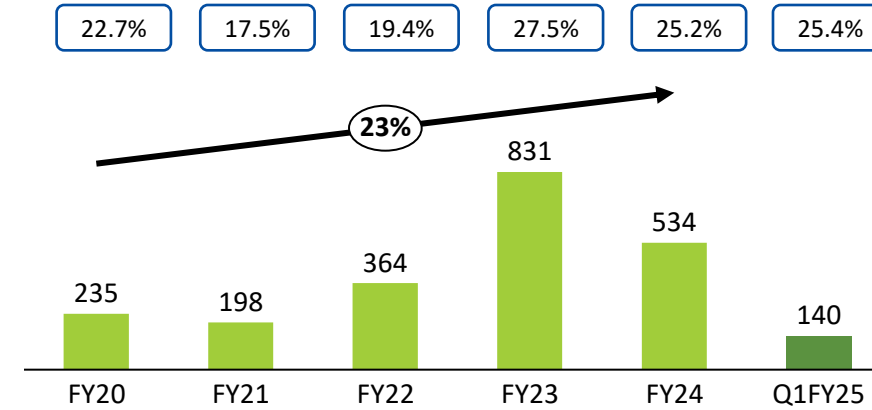
# Q1FY25 Consolidated Operating Performance

## Revenues

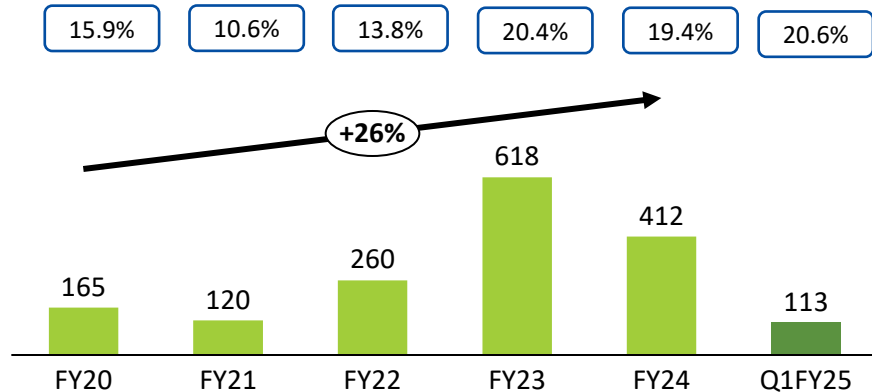
Rs in Crores



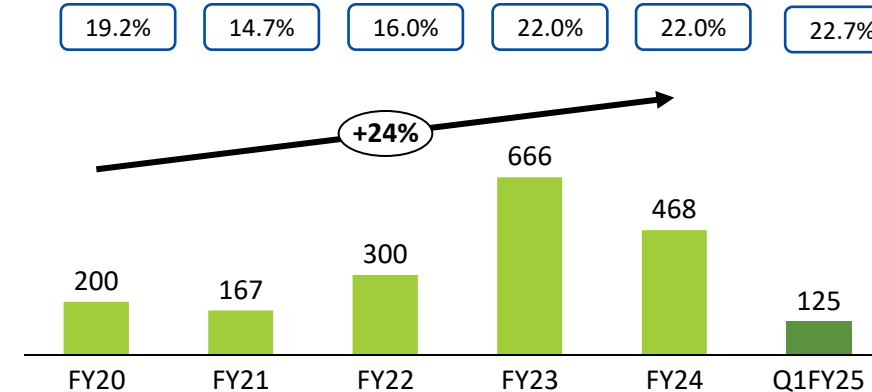
## Operating EBITDA & Margins



## PAT & Margins



## Cash PAT & Margins

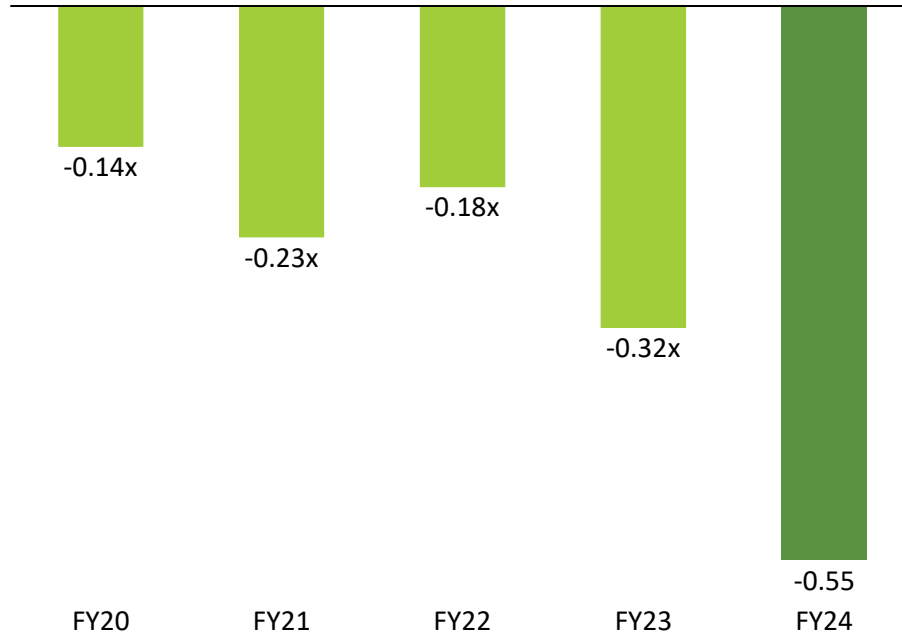


\*After Share Profit / (Loss) of Joint Venture

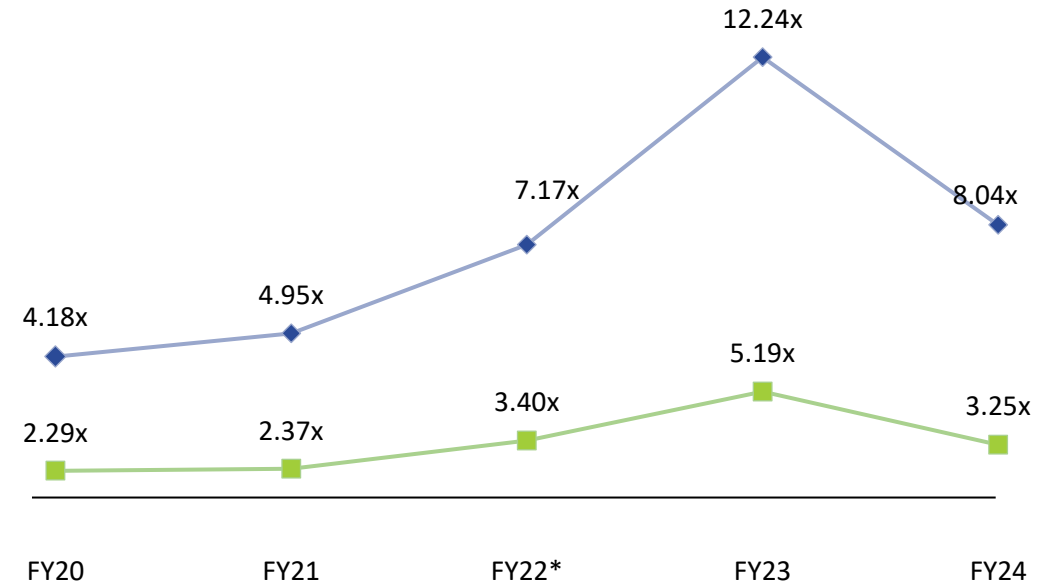
Cash PAT = NPAT + Depreciation

# Use of Capital (Consolidated)

### Net Debt to Equity



### Fixed Asset Turnover

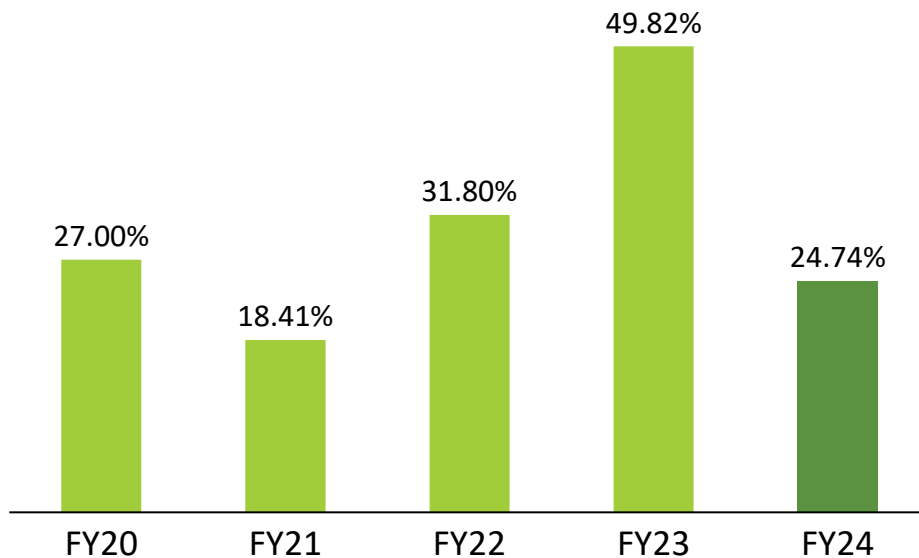


Net Debt = Total Long term debt + short term debt + current of maturities of long term debt – cash and bank balances

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

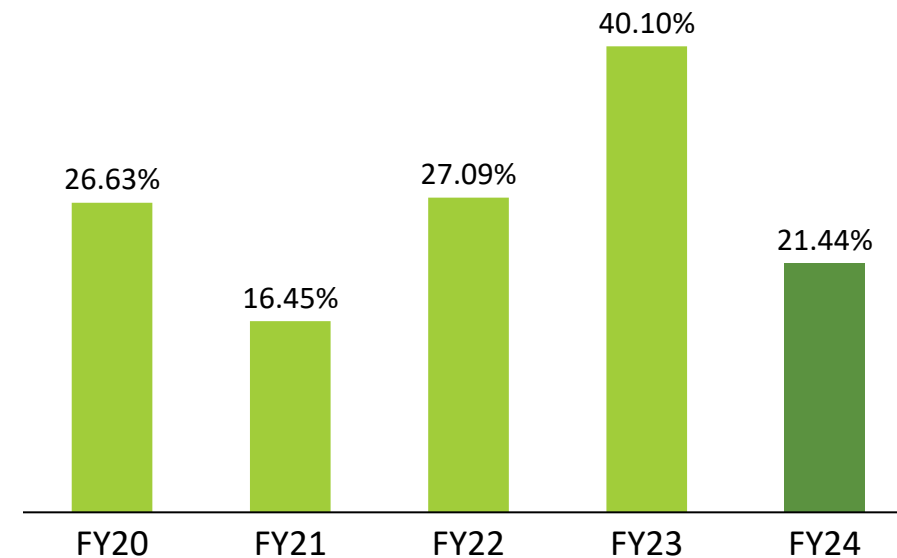
# Consolidated Return Profile

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



# Consolidated Profit & Loss Statement

Particulars (Rs in Crs)	Q1FY25	Q1FY24	YoY	Q4FY24	QoQ	FY24
<b>Revenue from Operations</b>	<b>549.7</b>	<b>547.2</b>	<b>0.5%</b>	<b>546.9</b>	<b>0.5%</b>	<b>2,123.0</b>
Cost of Raw Material Consumed	310.2	324.7		305.7		1,217.0
<b>Gross Profit</b>	<b>239.5</b>	<b>222.5</b>	<b>7.7%</b>	<b>241.2</b>	<b>-0.7%</b>	<b>905.9</b>
<b>Gross Profit Margin</b>	<b>43.6%</b>	<b>40.7%</b>		<b>44.1%</b>		<b>42.7%</b>
Employee Cost	33.7	30.0		32.5		119.5
Other Expenses	66.1	51.3		65.1		252.3
<b>EBITDA</b>	<b>139.7</b>	<b>141.2</b>	<b>-1.1%</b>	<b>143.5</b>	<b>-2.6%</b>	<b>534.0</b>
<b>EBITDA Margin</b>	<b>25.4%</b>	<b>25.8%</b>		<b>26.2%</b>		<b>25.2%</b>
Other Income	24.5	14.5		22.8		71.9
Depreciation	11.7	11.7		15.3		56.1
<b>EBIT</b>	<b>152.5</b>	<b>144.0</b>	<b>5.9%</b>	<b>151.0</b>	<b>1.0%</b>	<b>549.8</b>
<b>EBIT Margin</b>	<b>27.7%</b>	<b>26.3%</b>		<b>27.6%</b>		<b>25.9%</b>
Finance Cost	0.6	0.7		0.5		2.4
Share of profit/(loss) of joint ventures (net of tax)	-0.5	-0.7		-0.1		-2.6
Exceptional Items	0.0	0.0		0.6		0.6
<b>PBT</b>	<b>151.4</b>	<b>142.6</b>	<b>6.2%</b>	<b>149.8</b>	<b>1.1%</b>	<b>544.1</b>
<b>PBT Margin</b>	<b>27.5%</b>	<b>26.1%</b>		<b>27.4%</b>		<b>25.6%</b>
Tax	38.2	42.8		35.3		132.2
<b>PAT</b>	<b>113.3</b>	<b>99.8</b>	<b>13.5%</b>	<b>114.6</b>	<b>-1.1%</b>	<b>411.9</b>
<b>PAT Margin %</b>	<b>20.6%</b>	<b>18.2%</b>		<b>20.9%</b>		<b>19.4%</b>
Other Comprehensive Income	-0.4	-0.5		-0.1		-0.8
<b>Total Comprehensive Income for the year / period</b>	<b>112.9</b>	<b>99.3</b>	<b>13.6%</b>	<b>114.5</b>	<b>-1.4%</b>	<b>411.1</b>
EPS*	36.94	32.54		37.36		134.34

\* Not Annualized for the quarter

# THANK YOU

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