

10th November, 2020

To,

General Manager, Listing Department, BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001 Company code: 533333	The Manager, Listing & Compliance Department The National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400051 Company code: FCL
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Dear Sirs/Madam,

Subject :- Regulation 30, Schedule III Part A (15) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

With reference to the above caption subject, we enclose Investor Presentation for the quarter and half year ended 30th September 2020, requesting you to kindly take this in your record.

Kindly acknowledge receipt of the same.

Thanking You,

Yours faithfully,

For **FINEOTEX CHEMICAL LIMITED**

Sanjay
Surendra
Tibrewala
Digitally signed by
Sanjay Surendra
Tibrewala
Date: 2020.11.10
16:58:39 +05'30'

Sanjay Tibrewala
Director
DIN-00218525

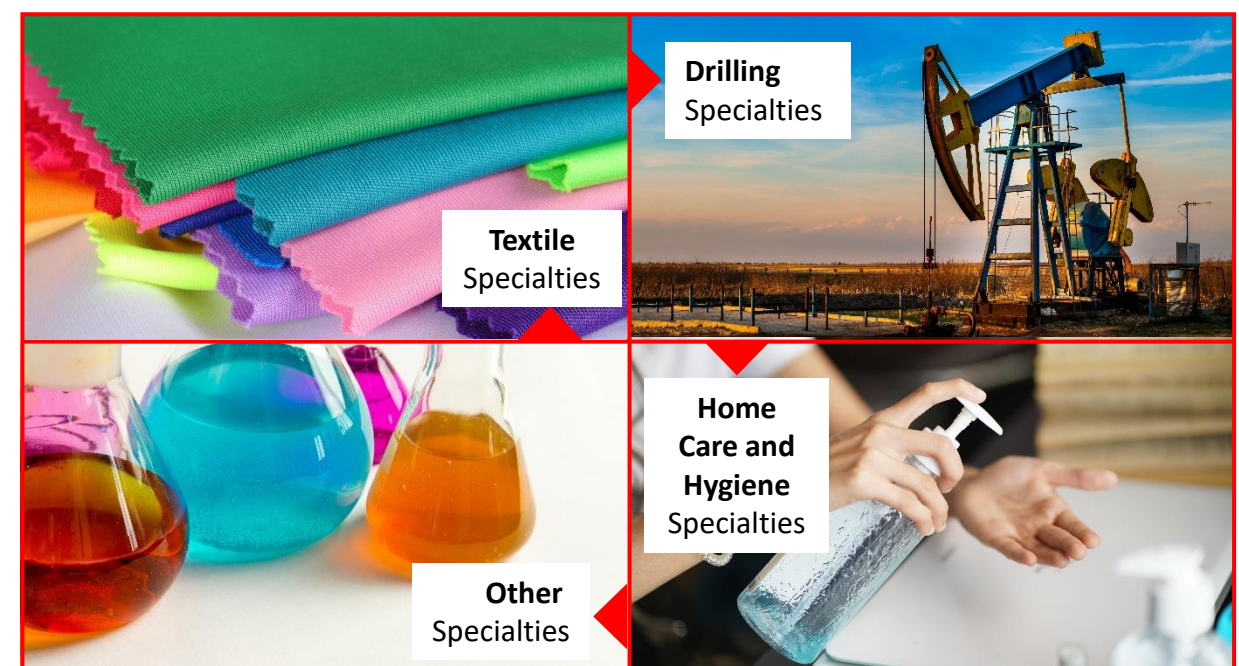


Fineotex Chemical Limited

(BSE: 533333; NSE: FCL)

Investor Presentation

November 2020



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Company Overview



Speciality chemicals producer for 4+ decades with a market leading position in the international textiles industry



450+
Product Categories



60+
Countries Present

Successful entry into **home care and hygiene** and **drilling speciality chemicals**

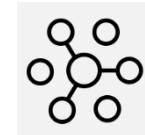


Bluesign, ZDHC, Star Export House
Accreditations



43,000+ MT p.a.
Installed Capacities

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



100+
Dealers in Indian and International Market



Rs. 270 mn
Deployed for brownfield facility at Ambernath, Maharashtra

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



Rs. 600 mn
Liquid Investments as on 30th September 2020



Rs. 3,520 mn
Market Capitalization as on 30th September 2020

Business Dynamics

- Fineotex and Biotex associated with quality and innovation across industries globally
- Top 10 customers: 33% of sales
- Top 10 products: 18% of sales

Acquisition Track Record

- Biotex (73% owned) net profit has grown by a factor of 4x since acquisition in 2011
- De-leveraged into a debt free Company

Global Customer Reach

- International acceptance by high profile customers
- 50% of sales come from 60+ countries

Promoter Commitment

- Promoter stake up from 62.5% to 71% over time
- Incremental shares purchased at market prices higher than IPO issue price

10 Year Financial CAGR

- Revenues 24.4%, EBITDA 21.7% , PAT 22.2%
- Cash Flow from Operations 22.0%
- Cash Flow from Operations to EBITDA at 83% in FY2020

Robust Balance Sheet

- Net cash positive, well poised for growth
- Rs 600 mn of liquid investments: Rs. 270 mn allocated to upcoming brownfield facility
- Disciplined approach to acquisitions

1995



- ❖ Incorporation of Fineotex Chemical Industries (FCI)

2004



- ❖ Accredited with ISO 9001:2008
- ❖ Incorporation of Fineotex Chemical Private Limited (FCPL)

2007



- ❖ Acquisition of FCPL by Fineotex Chemical Limited

2011



- ❖ Listed on BSE
- ❖ Incorporated wholly owned subsidiary in Malaysia
- ❖ Acquired majority stake in Biotex Group

2014



- ❖ Bonus declared on 1:1 basis
- ❖ Accredited with ISO 4001:2004 & OHSAS 8001:2007 certifications

2015



- ❖ Listed on NSE
- ❖ Received Star Export House recognition

2017



- ❖ Fineotex Chemical Limited announced first buyback

2018



- ❖ Awarded as IPF fastest growing chemical manufacturing Company at BSE Limited on December 20, 2017

2019



- ❖ Biotex partnered with Bluesign
- ❖ Manufacturing capacity increased to 43,000 MTS annually and both facilities GMP certified

2020



- ❖ NSE top 1,000 companies
- ❖ Buyback of 11 lacs shares up to a maximum price of Rs. 40
- ❖ Deployed Rs. 270 million for new brownfield facility at Ambarnath, Maharashtra



Textile Specialities



Home Care Specialities






Hygiene Specialities



Drilling Specialities



Leverage core manufacturing and development expertise into new high growth areas

 Home Care and Hygiene Chemicals	 Drilling Speciality Chemicals	 Other Speciality Chemicals
<ul style="list-style-type: none"> Customised solutions for: <ul style="list-style-type: none"> FMCG - branded detergents Public Health and Hygiene Significant opportunity to work with leading branded detergent manufacturers for their polymer requirements 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 Gas Significant potential for offering effective products used for drilling in oil exploratory processes Sizable orders from a leading oil and gas company in India 	<ul style="list-style-type: none"> A unique ‘Mosquito Life Cycle Controller’ product under development by Biotex Non toxic eco-friendly solution designed with European technology in Malaysia by Biotex Approved by Ministry of Health Malaysia, Singapore PUB, European Union, NSF and relevant authorities in Vietnam and Cambodia

Key Products



Home care and Hygiene Chemicals

‘Mosquito Life Cycle Controller’ under development

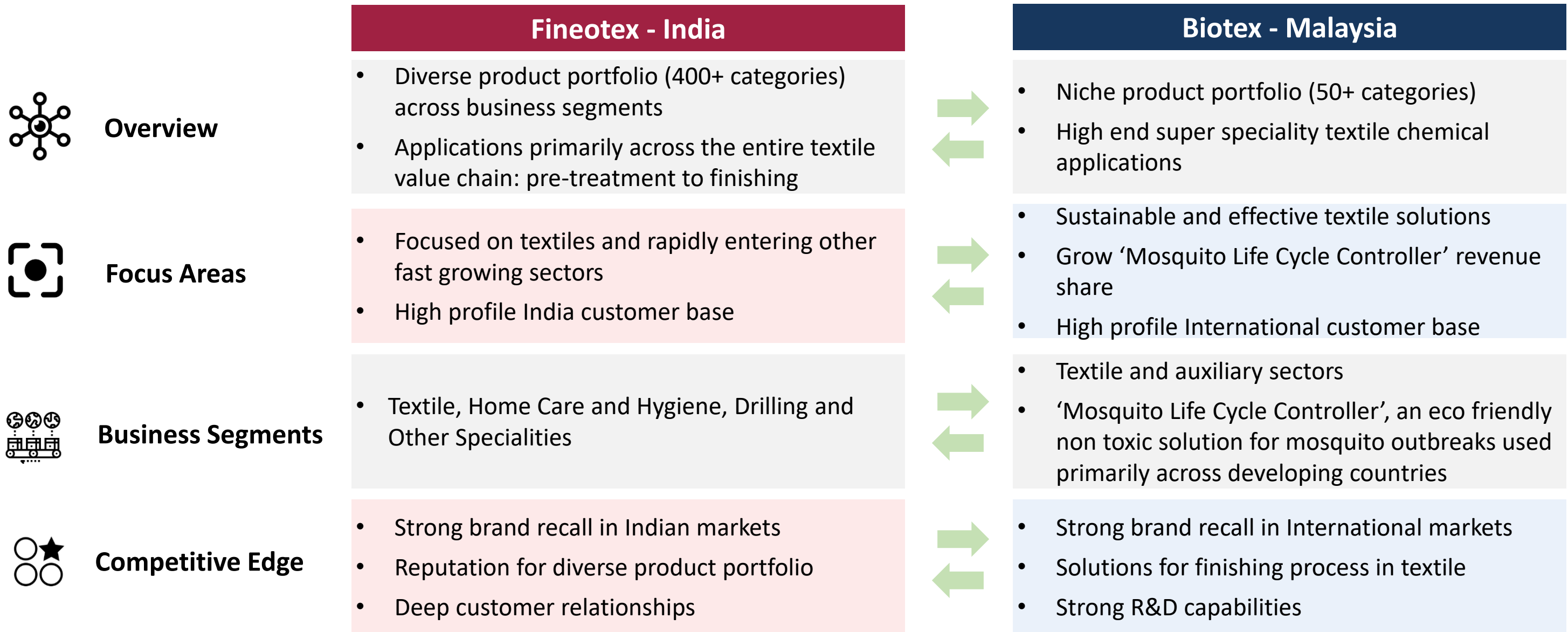
Non-textile segments will drive volume and value growth going forward

- Located on ~4 acres of land
- Expect to commission first phase of the brownfield manufacturing facility in Q1 FY2022
- Proposed deployment of Rs. 270 million
- Cater to customer demands in the existing Textile Specialities and fast growing Home Care 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



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

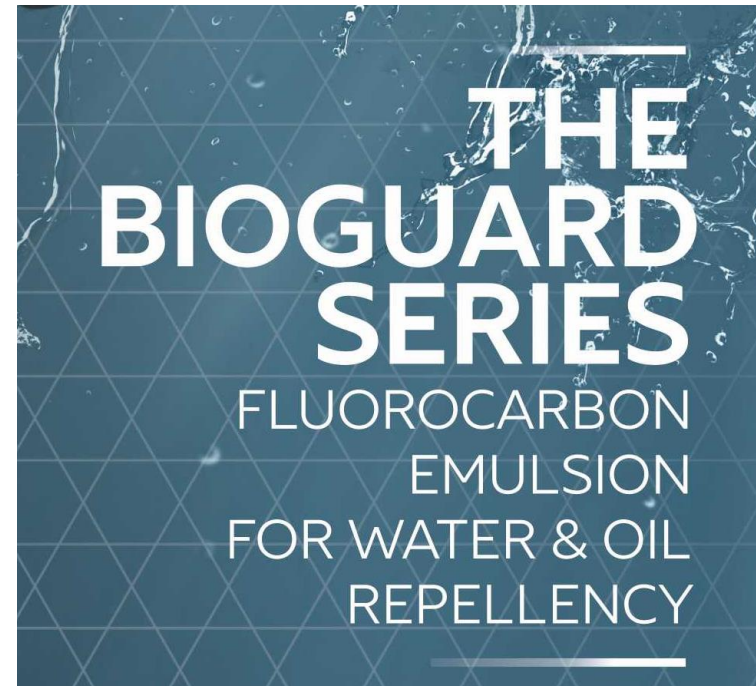
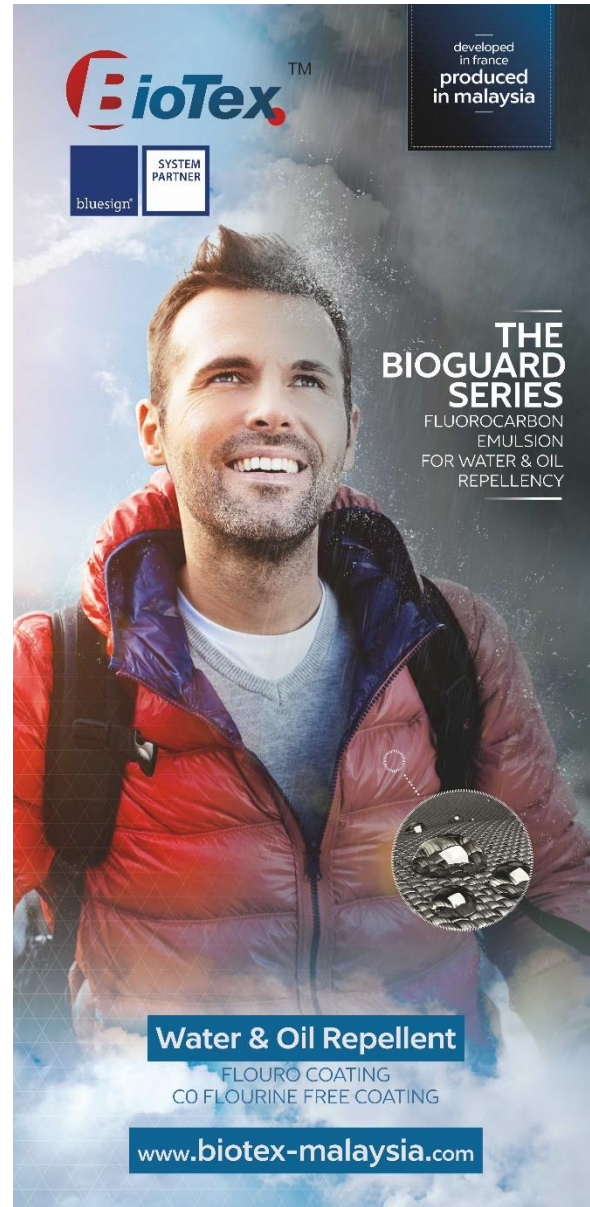


Fineotex and Biotex complement each others strengths and offer distinguished speciality chemical solutions globally

Specialty Textile Chemicals Overview



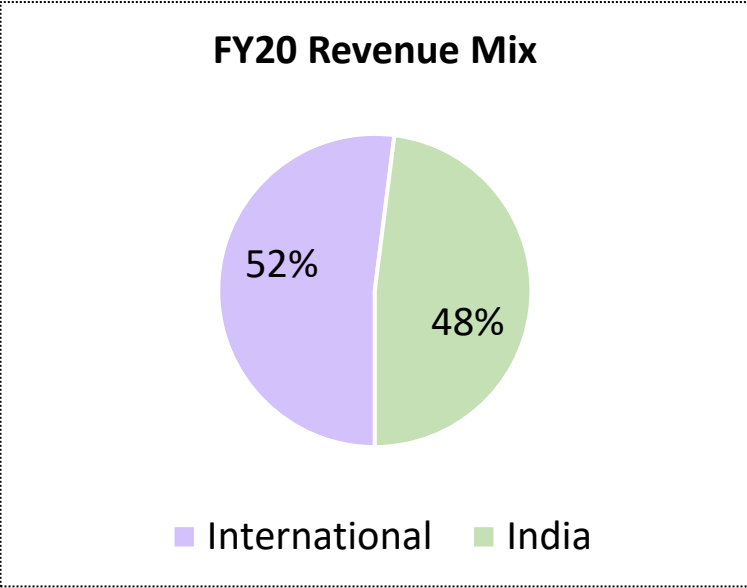
Fineotex + Biotex together offer tailored solutions across the textile value chain with a focus on higher realisations



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



- Sales in **60+** countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Thailand, USA and Vietnam
- **30+** technical marketing experts
- **100+** dealers in Indian and International markets



● Facilities at Mahape and Ambernath (upcoming), Mumbai, India ● Facility at Bangi, Malaysia ● Sales

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



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



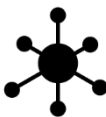
Greenfield Developments

Upcoming brownfield facility at Ambarnath, Maharashtra to be 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 Home Care 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



Sustainability Approach





Surendrakumar Tibrewala
Chairman and Managing Director



Sanjay Tibrewala
Executive Director



Aarti Jhunjunwala
Executive Director



Navin Mittal
Independent Director



Alok Dhanuka
Independent Director



CS Bindu Shah
Independent Director





Dr. Anand Patwardhan
Independent Director



Dr. Sunil Waghmare
Independent Director

- Audit Committee
- Nomination and Remuneration Committee
- Anti sexual Harassment Committee
- CSR Committee
- Stakeholder Relationship Committee
- Administrative Committee
- Whistle-blower Committee



Name	Brief Profile
 <p data-bbox="226 713 677 753">Dr. Anand Patwardhan</p>	<ul data-bbox="798 365 2754 672" style="list-style-type: none">• Dr. Anand Patwardhan aged 57, is a Ph.D. (technology) in chemical engineering, from ICT Mumbai University. He has 33 years of experience in industry as well as in academics• Presently he is working as a professor in the chemical engineering department, ICT Mumbai since December, 2007• He has been a member of various expert panels and guide to several students at doctoral level
 <p data-bbox="257 1226 653 1265">Dr. Sunil Waghmare</p>	<ul data-bbox="798 855 2815 1106" style="list-style-type: none">• Dr. Sunil Waghmare aged 61, is a Ph.D. from University of Pune & post-doctoral researcher at various institutions and universities of repute• He possesses knowledge of QA/QC, analytical development, safety, legal, and quality compliances• He is a member of various societies connected with chemistry

Industry veterans would add significant value to product development, system upgradation and overall business



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 Tibrewala

Education: B.Com and M.Com

Head - International Marketing



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



Jeetendra Adhav

Education: BE Industrial Engineering & Diploma in Chemical Engineering

Plant 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





Purva Rane

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

Assistant Manager - Fineotex







Experienced management team with multi decade expertise in speciality chemicals industry









Location	Operating Facts	Strategic Advantages
 <p data-bbox="435 731 743 770">Navi Mumbai, India</p>	<ul data-bbox="1031 394 1808 582" style="list-style-type: none"> • FY20 Production Volume: 20,440 MT • Current Utilisation: 56% • Peak Utilisation: 75% 	<ul data-bbox="1920 394 2851 611" 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
 <p data-bbox="441 1231 737 1270">Selangor, Malaysia</p>	<ul data-bbox="1031 867 1784 1055" style="list-style-type: none"> • FY20 Production Volume: 4,550 MT • Current Utilisation: 70% • Peak Utilisation: 75% 	<ul data-bbox="1920 867 2836 1231" style="list-style-type: none"> • Easy access to high quality raw materials in the region • Backward integration into key raw materials • Cost benefits due to Free Trade Agreements (FTAs) with important regional markets like Vietnam, China and India

Strong focus on R&D for high level of product customization

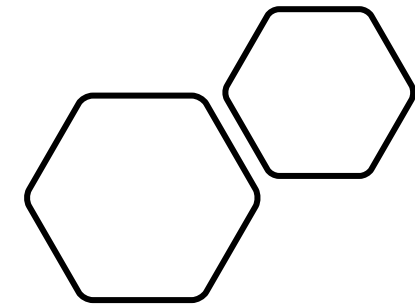
* GMP stands for Good Manufacturing Practice Certification

Certificate	Value Proposition
	<ul style="list-style-type: none"> Bluesign is recognized as a leading certification for sustainability in the global textile industry. As a partner, Biotex is committed to applying the bluesign system to meet the highest level of safety for both people and environment, to use resources responsibly, and to continuously improve environmental performance
	<ul style="list-style-type: none"> The Global Organic Textile Standard (GOTS) is recognised as the world's leading processing standard for textiles made from organic fibres. It defines high-level environmental criteria along the entire organic textiles supply chain and requires compliance with social criteria as well
	<ul style="list-style-type: none"> European certification which validates raw materials used for Bioguard C6 repellent (manufactured by Biotex) from a sustainability stand point
	<ul style="list-style-type: none"> BHive is a platform that promotes transparency and the use of more sustainable chemistry for textile and apparel manufacturers, brands, and retail organizations BHive membership demonstrates commitment to chemical sustainability and transparency
	<ul style="list-style-type: none"> ISO 9001:2015 defines the guiding principles to create efficiencies by aligning and streamlining processes throughout the organization, create new opportunities, meet regulatory requirements, and help organizations expand into new markets in which clients demand ISO 9001 certification
	<ul style="list-style-type: none"> Part of a global multi stakeholder initiative within the fashion and footwear industry working towards reducing chemical footprint Aim is to accelerate progress towards ultimate goals of cleaner water, cleaner air, and safer production

Leading the transition from synthetic to lower carbon footprint products

Certificate	Value Proposition
	<ul style="list-style-type: none"> ISO 9001:2015 defines the guiding principles to create efficiencies by aligning and streamlining processes throughout the organization, create new opportunities, meet regulatory requirements, and help organizations expand into new markets in which clients demand ISO 9001 certification
	<ul style="list-style-type: none"> ISO 14001: 2015 has standardized and proven framework that help organizations to develop an effective environmental management strategy; Global recognition for organizations' efforts to improve their environmental strategies
	<ul style="list-style-type: none"> OHSAS 1800:2007 is an international standard which provides a framework to identify, control and decrease the risks associated with health and safety within the workplace. Implementing the standard signals stakeholders that employee's health and safety as a priority within the organisation
	<ul style="list-style-type: none"> The SA 8000 Standard is the world's leading social certification program. It provides a holistic framework allowing organizations of all types, in any industry, and in any country to demonstrate their dedication to the fair treatment of workers
	<ul style="list-style-type: none"> Star export house is an Indian exporter who has excelled in international trade and successfully achieved certain minimum amount of export performance in two out of three financial years This certification provides significant competitive advantages in international trade
	<ul style="list-style-type: none"> ZDHC is a part of a global multi stakeholder initiative within the fashion and footwear industry working towards reducing chemical footprint Aim is to accelerate progress towards ultimate goals of cleaner water, cleaner air, and safer production

Fineotex and Biotex play a critical role in sustainable chemistry and drive efforts towards social responsibility

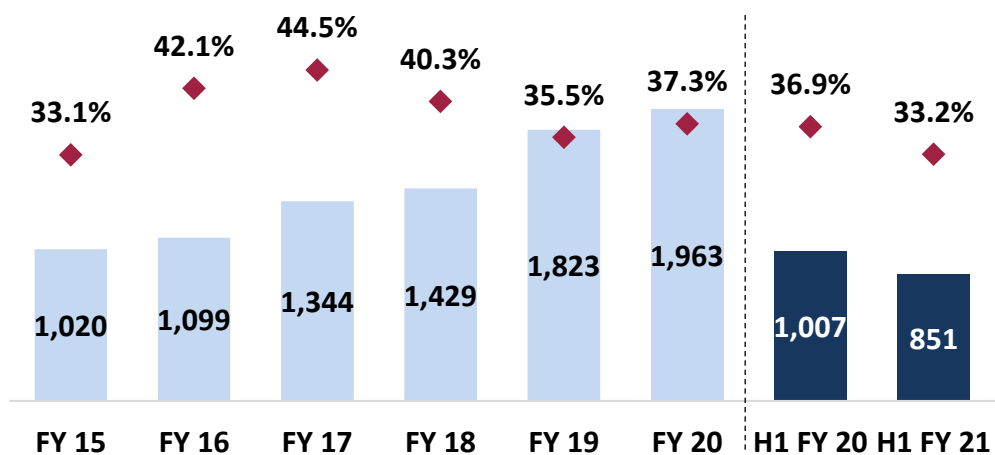


Financial
Performance

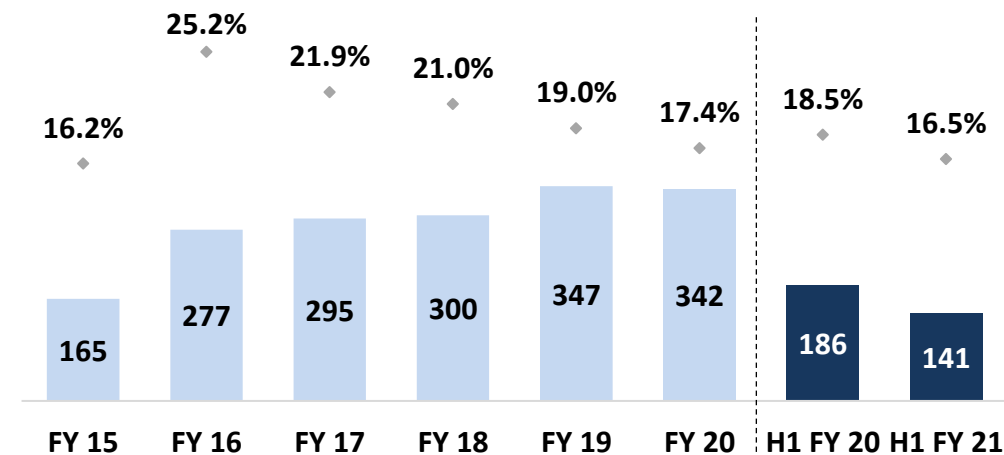
Consolidated Annual Performance Trend

Figures in Rs. Mn.

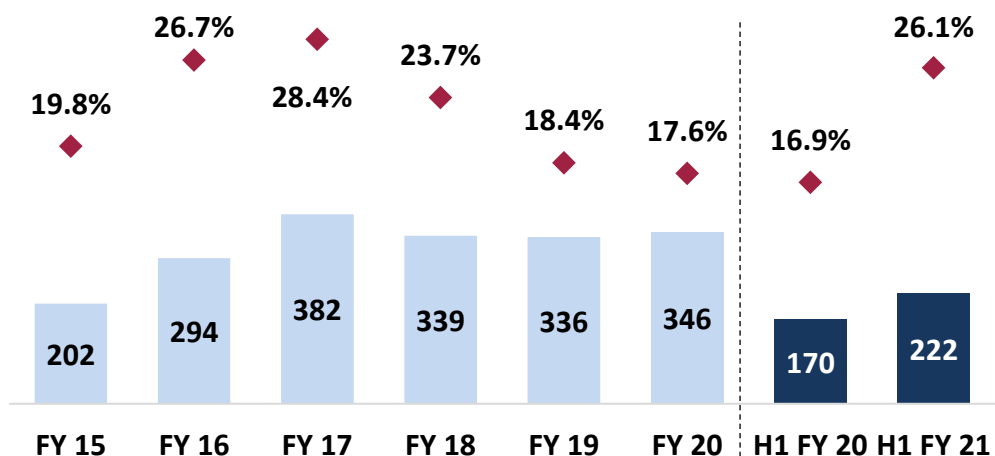
Revenue from Operations and Gross Margin



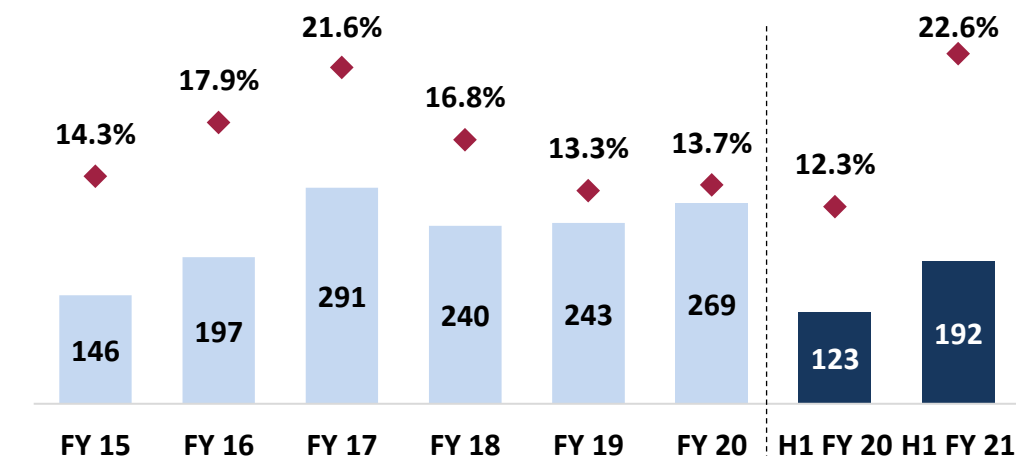
EBITDA and EBITDA Margin



PBT and PBT Margin*



PAT and PAT Margin*

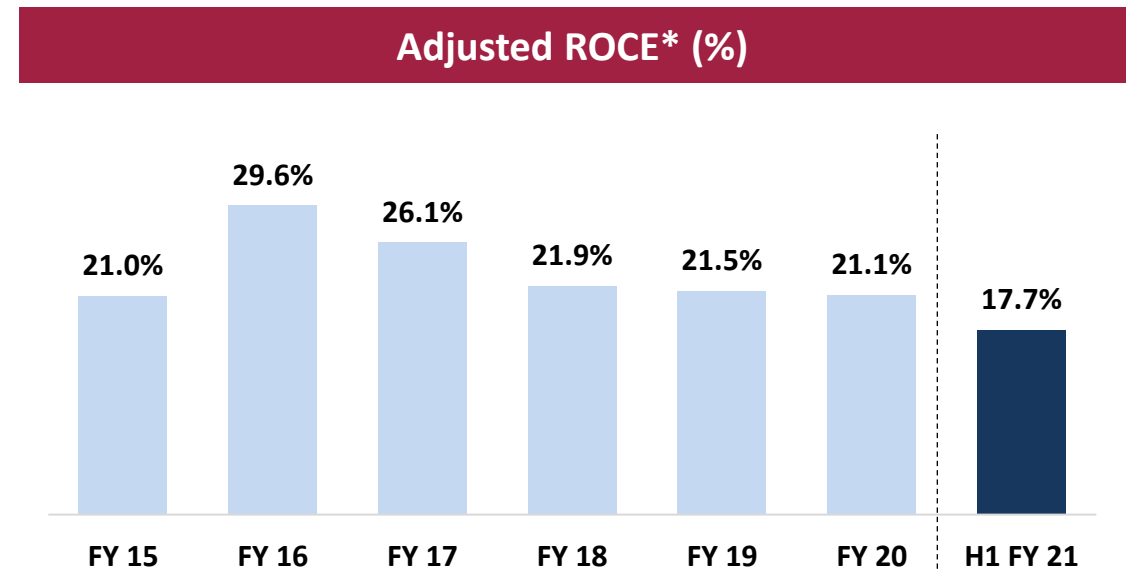
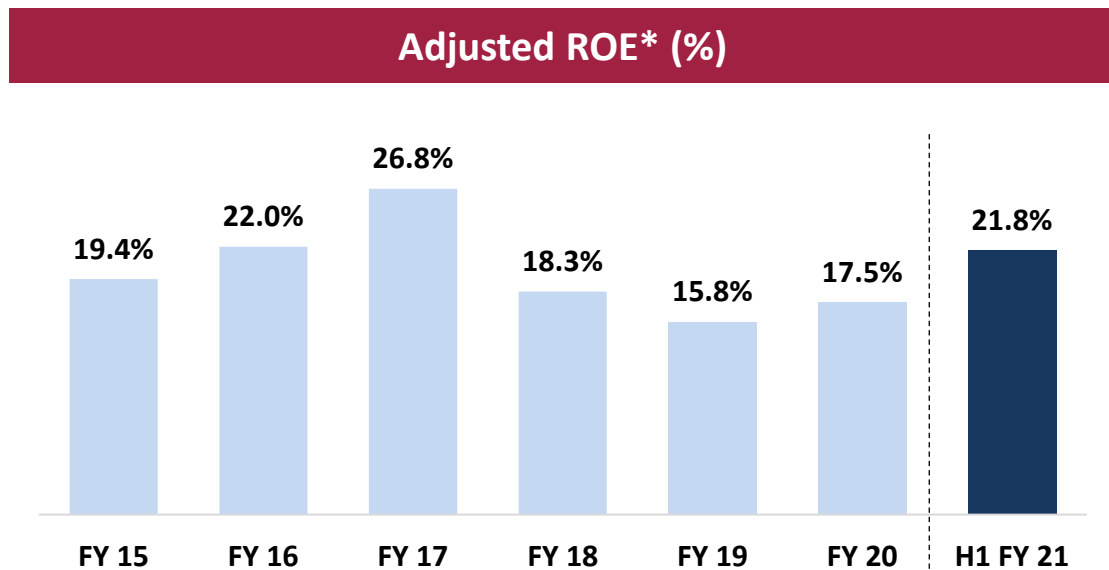
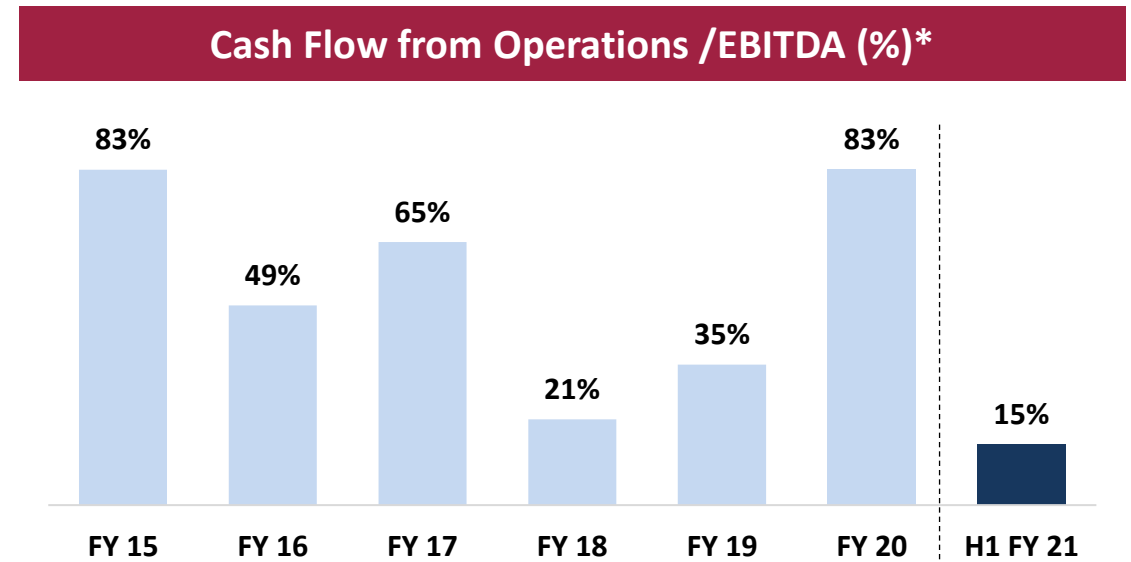


* Excluded non cash impact recognized on financial assets in FY20



Consolidated Balance Sheet and Return Ratios Trend

Figures (in Rs Mn)	Mar-20	Sep-20
ST Debt	28	30
LT Debt	-	-
Total Debt	28	30
Cash & Cash Equivalent	179	314
Net Cash	151	284
Equity	1,760	1,939
Total debt/Equity	0.02x	0.02x



* Cash Flow from Operations/ EBITDA (%) lowers in H1 FY21 on account of expediting payments to creditors to support them in challenging business environment

*FY20 ROE and ROCE adjusted for non cash impact recognized on financial assets in PAT, FY20 and H1 FY21 ROE and ROCE excludes cash and bank balance of Rs. 179 mn and Rs 314 mn respectively

ROE= PAT/Average Equity, ROCE = EBIT/Average Capital Employed (Capital Employed = Total Equity + Short Term Borrowings + Long Term Borrowings)



Q2 FY2021 Consolidated Financial Highlights

Rs 547.5 mn

Total Revenue

Rs 99.6 mn

EBITDA

Rs 110.1 mn

Net Profit

34.4%

Gross Margin

18.2%

EBITDA Margin

20.1%

PAT Margin

80.2%

Revenue Change
(Q-o-Q)

142.2%

EBITDA Change
(Q-o-Q)

34.3%

PAT Growth
(Q-o-Q)

7.3%

Revenue Change
(Y-o-Y)

(1.4)%

EBITDA Change
(Y-o-Y)

66.9%

PAT Growth
(Y-o-Y)

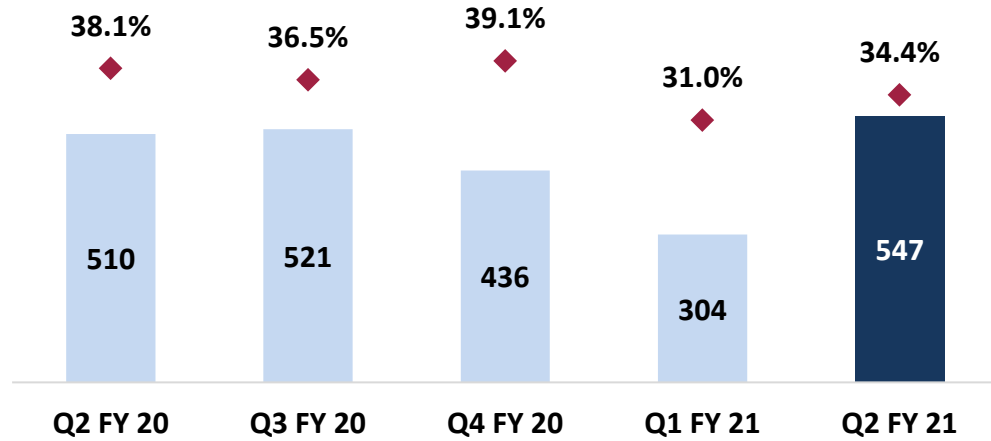
Performance Discussion:

- Q2 FY21 revenue growth was driven by gradual increase in order book from our leading customers. Expect sales trajectory to keep improving going forward
- Continue to maintain a strong EBITDA margin profile as per the industry benchmark led by our cost rationalisation efforts in a difficult business environment
- Q2 FY21 PAT was higher on account of gains in investments (including mark-to-market gain of Rs. 34.0 mn)

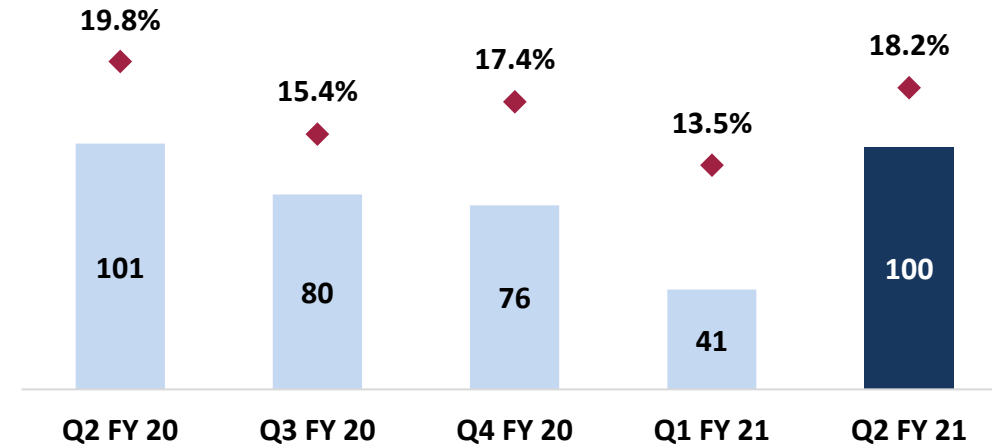
Consolidated Quarterly Performance Trend

Figures in Rs. Mn.

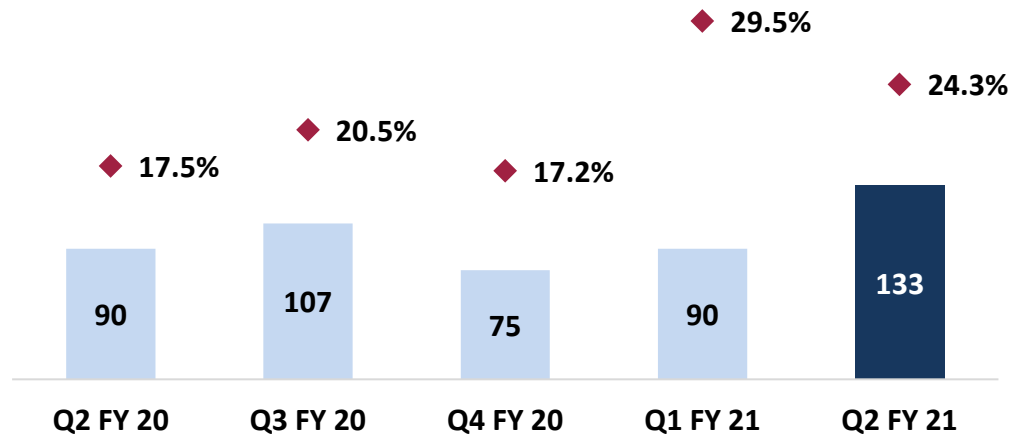
Revenue from Operations and Gross Margin



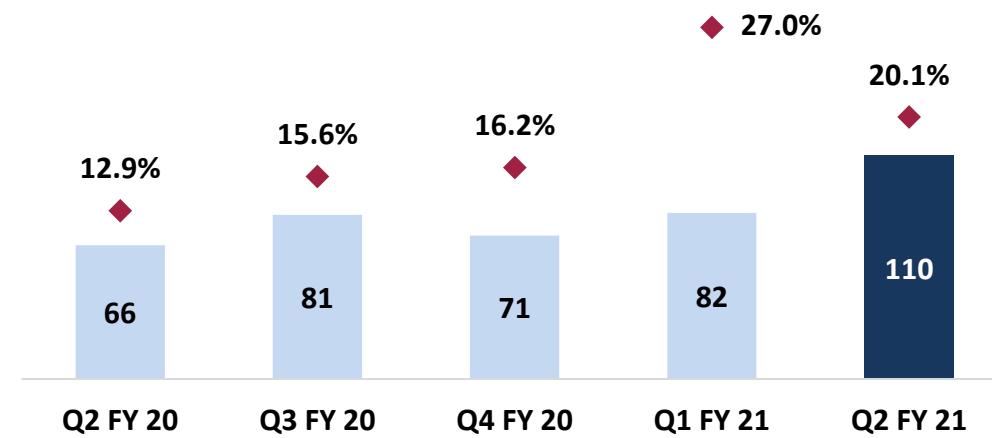
EBITDA and EBITDA Margin



PBT and PBT Margin



PAT and PAT Margin



Consolidated P&L Summary: Q2 and H1 FY2021

(Rs. Million)	Q2 FY21	Q2 FY20	YoY%	Q1 FY 21	QoQ%	H1 FY 21	H1 FY 20	YoY%
Revenue from Operations	547.5	510.4	7.3%	303.9	80.2%	851.3	1,007.0	(15.5%)
COGS	359.0	316.1	13.6%	209.7	71.2%	568.7	635.3	(10.5%)
Gross Profit	188.5	194.3	(3.0%)	94.2	100.1%	282.6	371.7	(24.0%)
Gross Profit Margin	34.4%	38.1%		31.0%		33.2%	36.9%	
Employee Benefit Expenses	19.7	21.0	(6.6%)	15.6	26.0%	35.3	40.9	(13.8%)
Other Expenses	69.2	72.3	(4.2%)	37.4	84.8%	106.7	144.7	(26.3%)
EBITDA	99.6	101.0	(1.4%)	41.1		140.7	186.2	(24.4%)
EBITDA Margin	18.2%	19.8%		13.5%		16.5%	18.5%	
Depreciation Expense	3.4	2.7	25.5%	3.3	1.9%	67.6	53.9	25.5%
EBIT	96.2	98.3	(2.2%)	37.8	154.7%	133.9	180.8	(25.9%)
EBIT Margin	17.6%	19.3%		12.4%		15.7%	18.0%	
Finance Cost	1.4	1.6	(12.1%)	1.3	15.6%	2.7	3.1	(12.8%)
Other Income	38.1	(7.1)	-	53.1	(28.2%)	91.1	(7.7)	-
PBT	132.8	89.6	48.3%	89.6		222.4	170.0	30.8%
Total Tax	22.8	23.6	(3.7%)	7.6	199.8%	30.3	46.5	(34.8%)
PAT	110.1	65.9	66.9%	82.0	34.3%	192.1	123.5	55.5%
PAT Margin	20.1%	12.9%		27.0%		22.6%	12.3%	
Basic EPS (Rs.)	0.95	0.56	69.6%	0.70	35.7%	1.65	1.05	57.1%

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:

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Fineotex Chemical Limited

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