



November 1, 2021

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
---	---

Dear Sir/Madam,

Subject:- H1 and Q2 FY2021-22 Earnings Update

We enclose herewith the H1 and Q2 FY2021-22 Earnings Update.

Thanking You,

Yours faithfully,

FOR FINEOTEX CHEMICAL LIMITED
Sanjay Tibrewala
Executive Director
DIN: 00218525

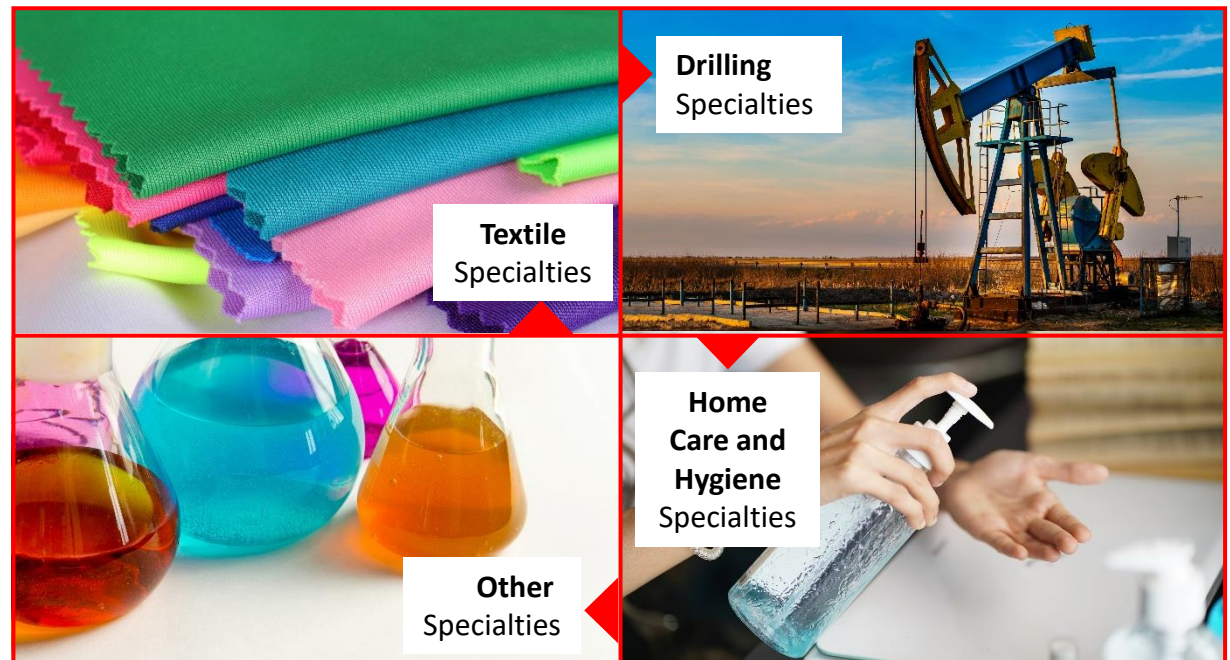


Fineotex Chemical Limited

(BSE: 533333; NSE: FCL)

Q2 and H1 FY2022

Earnings Presentation



Q2 FY2022 Consolidated Financial Highlights

Rs 784.9 mn

Total Revenue

Rs 147.9 mn

EBITDA

Rs 111.2 mn

Net Profit

37.1%

Gross Margin

18.8%

EBITDA Margin

14.2%

PAT Margin

43.4%

Revenue Change
(Y-o-Y)

48.5%

EBITDA Change
(Y-o-Y)



Surendrakumar Tibrewala
Chairman and Managing Director

“Fineotex Chemical continued to deliver a robust financial performance during the year with topline growth of over 43% compared to second quarter of the previous year. Our brownfield plant in Ambernath is close to completion with the final evaluations being conducted. The plant is expected to begin commercial production from 9th November 2021.

Our strategic alliance with Eurodye-CTC, Belgium, has added to our portfolio specialised pre-treatment and dyeing products for cotton-synthetic and woolen fibre, fabric and yarn. This collaboration will enhance our offerings and increase our customer base. Fineotex Chemical Limited has earned the prestigious ECO PASSPORT by OEKO-TEX® certification. It is an indication that FCL’s products demonstrate the sustainable approach, thus instilling confidence in procurement and encouraging trust in our products and practices.

The Group remains focused on strengthening stakeholder value driven by robust growth trajectory, strong distribution network, various strategic initiatives and sustainable procurement.”

About the Facility

- Located on ~4 acres of land
- Production will begin on 9th November 2021
- State of the art technological updates have been implemented

Strategic Advantages

- Caters 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



Strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market



Addition to its portfolio, specialized pre-treatment and dyeing products for the cotton-synthetic and woollen fibre/ fabric/ yarn



Facilitates an efficient production system and distribution network across the Indian textile market



Globally certified products of Eurodye-CTC will find a huge demand from Indian companies



Eurodye-CTC has REACH registration, Bluesign certification & GOTS 6 certification for a large selection of its product range



Fineotex is committed to the cause of the planet and people and Eurodye-CTC is known to be mindful of the environment and ensures maximum conservation of earthly resources

Recent collaborations to expand product profile, geographical reach and develop sustainable practices



Joint venture with HealthGuard, Australia to become the exclusive global marketing and sales channel partner with joint operations from Malaysia



Setting up a state of art Research & Development centre in collaboration with Sasmira Institute, one of India's premier textile institutes



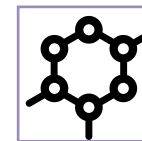
HealthGuard® will concentrate on developing cutting-edge solutions, that will be marketed and channelized across the world by Fineotex-Biotex



Develop a first-of-its-kind Support and Solution Centre for technical service in Sasmira to catalyze innovation and focus on sustainable chemistry



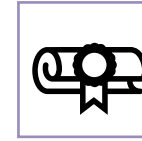
Synergy will provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral



Focus on new sustainable solutions and chemicals to reduce water, time and energy consumption for the textile wet processing industry



Range of products over several industries - textile, detergent, leather and allied industries



Provide the much-needed exposure for students and help provide practical experience, which will benefit the industry in the long term

Recent collaborations to expand product profile, geographical reach and develop sustainable practices



Financial Performance

- Consolidated revenues in Q2 FY22 of Rs. 785 mn, up 43.4% YoY; H1 FY22 of Rs. 1,418 mn, up 66.5% YoY
- Consolidated EBITDA in Q2 FY22 of Rs. 148 mn, up 48.5% YoY; H1 FY22 of Rs. 246 mn, up 74.9% YoY
- EBITDA Margins in Q2 FY22 18.8% and has expanded 66 bps YoY; H1 FY22 of 17.4% and has expanded 83 bps YoY



Business Model

- Chemical Product offerings across the entire textile value chain: pre-treatment to finishing
- Diversified business with top 10 customers contributing to 33% of sales and top 10 products contributing to 18% of sales
- Biotex Malaysia spearheads the R&D solutions, application research and product development and is approved as a Bluesign partner, the highest sustainability certificate in textile chemistry globally



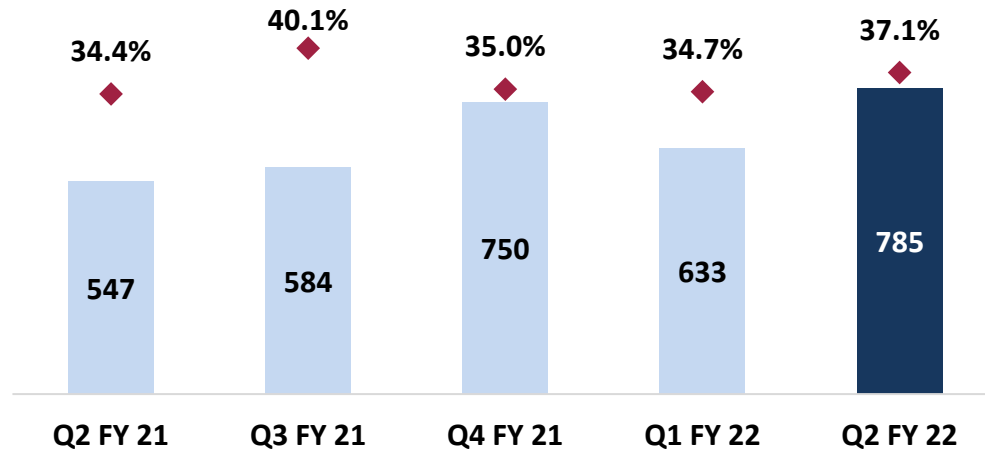
Business Updates

- Fineotex Chemical Limited has entered into a strategic collaboration with Eurodye-CTC, Belgium, to commercialize specialty chemicals for the Indian market
- Joint venture with HealthGuard, Australia to become the exclusive global marketing and sales channel partner. To provide durable metal-free sustainable chemistry solutions that are anti-microbial and anti-viral
- CRISIL has assigned a long-term rating of A- (Stable) and short-term rating of A2+ to the bank facilities
- First phase of the new manufacturing plant at Ambarnath to be commissioned by November 9th 2021, will gradually provide an additional 36,000mt of production capacity

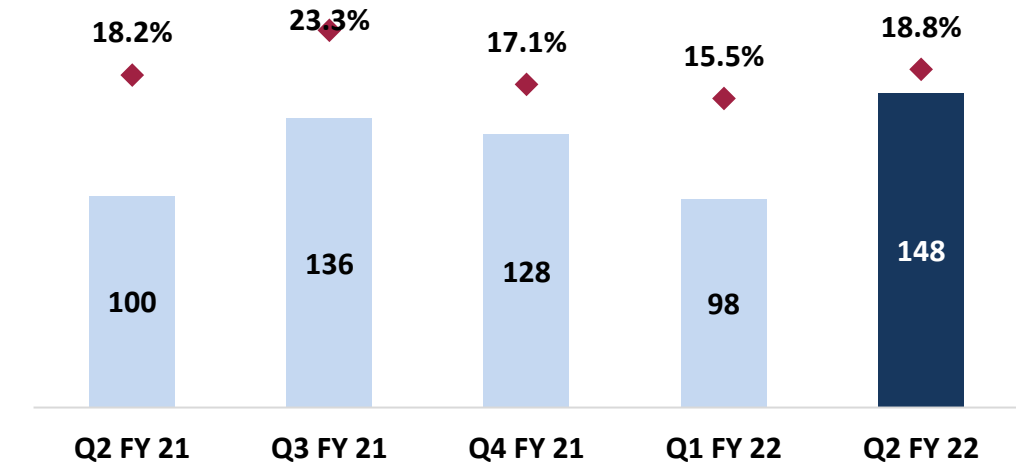
Consolidated Quarterly Performance Trend

Rs. Mn.

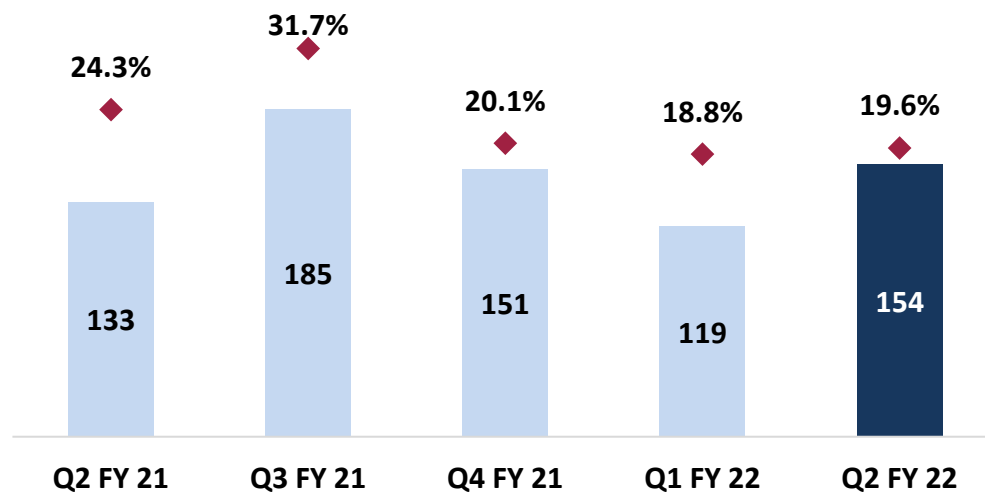
Revenue from Operations and Gross Margin



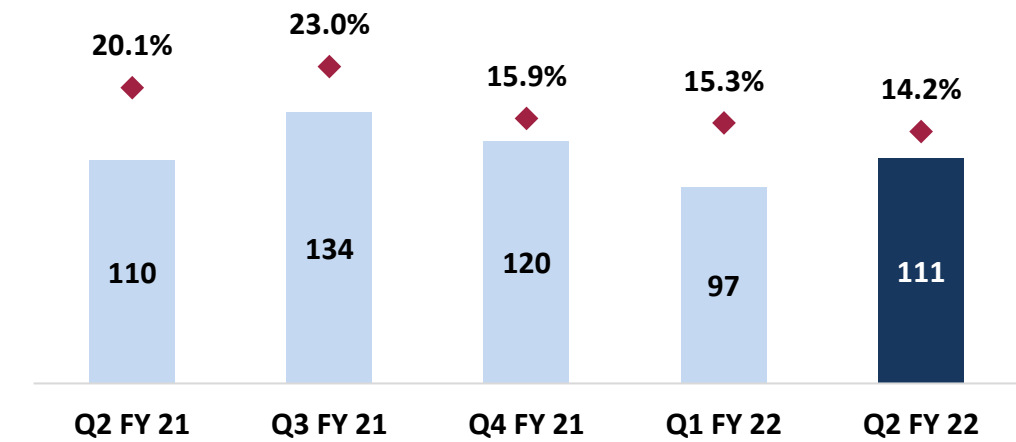
EBITDA and EBITDA Margin



PBT and PBT Margin



PAT and PAT Margin



Consolidated P&L Summary: Q2 and H1 FY2022

Particulars (Rs. Million)	Q2 FY 22	Q2 FY 21	YoY%	Q1 FY 22	QoQ%	H1 FY 22	H1 FY 21	YoY%
Revenue from Operations	784.9	547.5	43.4%	632.8	24.0%	1,417.7	851.3	66.5%
COGS	494.0	359.0	37.6%	413.1	19.6%	907.1	568.7	59.5%
Gross Profit	290.9	188.5	54.4%	219.7	32.4%	510.6	282.6	80.6%
Gross Profit Margin	37.1%	34.4%		34.7%		36.0%	33.2%	
Employee Benefit Expenses	31.0	19.7	57.8%	26.4	17.6%	57.4	35.3	62.7%
Other expenses	112.0	69.2	61.8%	95.1	17.7%	207.0	106.7	94.1%
EBITDA	147.9	99.6	48.5%	98.2	50.7%	246.1	140.7	74.9%
EBITDA Margin(as a % of sales)	18.8%	18.2%		15.5%		17.4%	16.5%	
Depreciation and amortisation expenses	5.1	3.4	49.3%	5.0	2.6%	10.1	6.8	48.8%
EBIT	142.8	96.2	48.5%	93.2	53.2%	236.1	133.9	76.2%
EBIT Margin	18.2%	17.6%		14.7%		16.7%	15.7%	
Finance Cost	2.1	1.4	44.1%	2.2	(5.2%)	4.3	2.7	58.7%
Other Income	12.9	38.1	(66.1%)	28.1	(54.0%)	41.0	91.1	(55.0%)
PBT	153.7	132.8	15.7%	119.1	29.1%	272.8	222.4	22.6%
Total tax	42.5	22.8	86.6%	22.2	91.5%	64.6	30.3	113.0%
PAT	111.2	110.1	1.0%	96.9	14.8%	208.1	192.1	8.4%
PAT Margin	14.2%	20.1%		15.3%		14.7%	22.6%	
Basic and Diluted EPS	0.97	0.95	2.1%	0.86	12.8%	1.82	1.65	10.3%



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



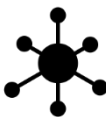
Greenfield Developments

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



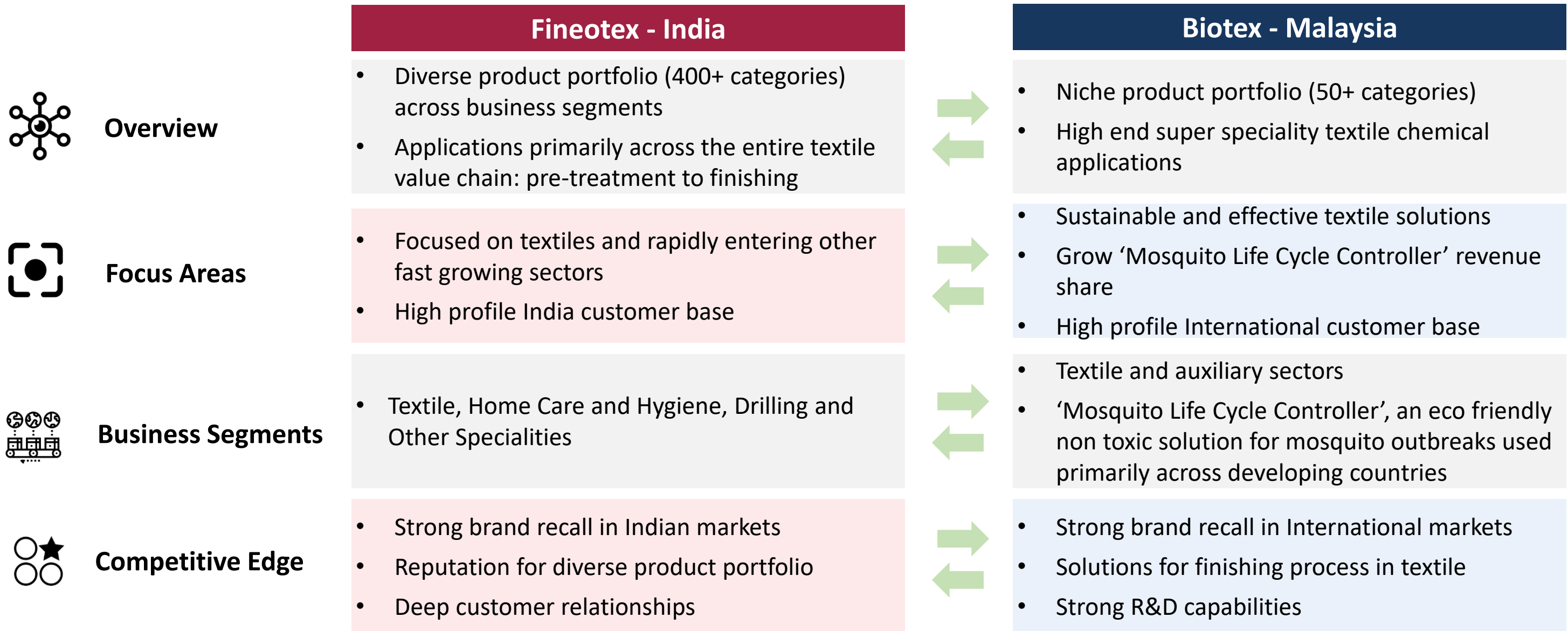
Grow Market Share

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






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

Manufacturing Platforms (GMP* Certified)

Location	Operating Facts	Strategic Advantages	Manufacturing Excellence
 <p data-bbox="275 696 668 775">Mahape and Ambernath, Mumbai, India</p>	<ul data-bbox="840 416 1372 906" style="list-style-type: none"> Total Production Capacity: 36,500 MT Ambernath plant to gradually provide an additional 36,500 MT capacity Current Utilisation: 56% Peak Utilisation: 75% 	<ul data-bbox="1409 416 2159 684" 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="326 1316 613 1351">Selangor, Malaysia</p>	<ul data-bbox="840 1099 1372 1345" style="list-style-type: none"> Total Production Capacity: 6,500 MT Current Utilisation: 70% Peak Utilisation: 75% 	<ul data-bbox="1409 946 2159 1419" 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 	

* GMP: Good Manufacturing Practice Certification

 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"> Housekeeping, Kitchen Care and Disinfectants Public Health and Hygiene The plant has been approved and certified by the Food & Drugs Administration (Maharashtra State) department. The license has been granted for production of disinfectant/antimicrobial hygiene and cleaning products ensuring safety and effectiveness. 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



Available across
East and West India

40+
Distributors

14+
Marketing Technical
Associates

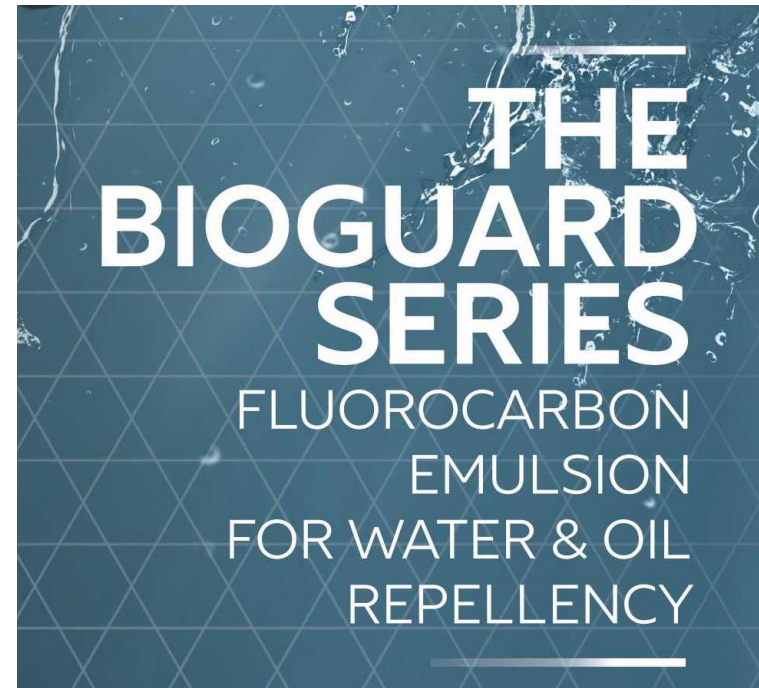
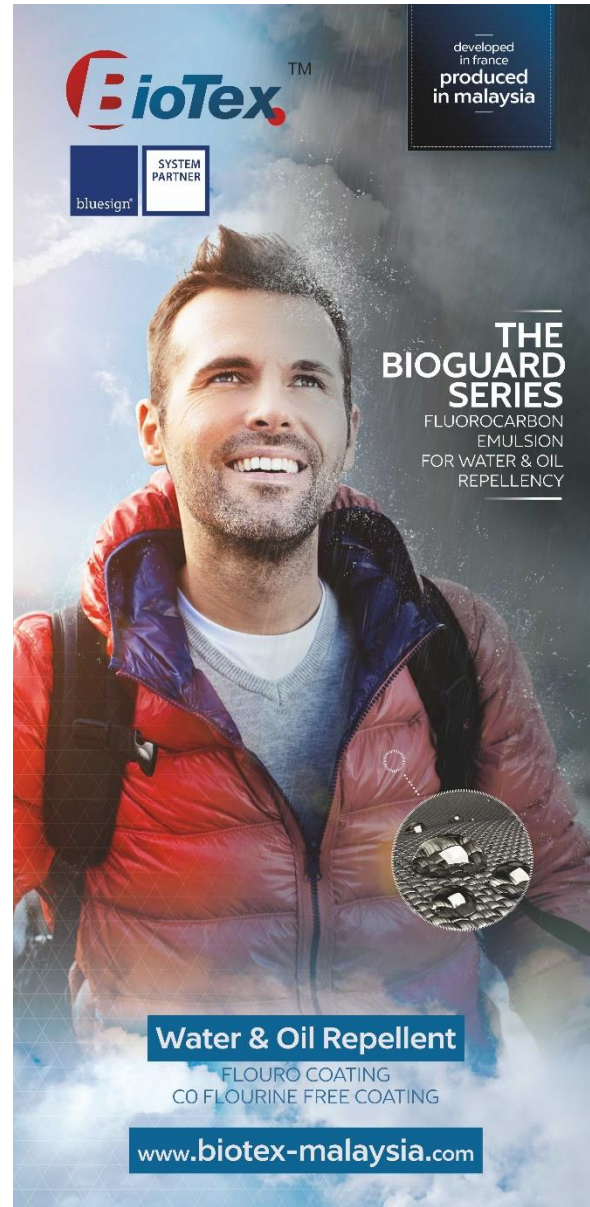
Diversified Product Offering

Housekeeping	<ul style="list-style-type: none"> Air freshener Carpet cleaner Carpet shampoo Deodorizers Floor cleaner Furniture maintainer Glass cleaner Hygienic bathroom cleaner Hygienic hard surface cleaner Multi surface cleaner Surface cleaner cum disinfectant Toilet bowl cleaner Toilet seat disinfectant Washroom cleaner
Kitchen Care	<ul style="list-style-type: none"> Automatic dish wash detergent Automatic dish wash neutralizer Drain cleaner Heavy duty floor cleaner Kitchen multipurpose cleaner Manual dish wash liquid Oven and grill cleaner Stainless steel polish
Disinfection	<ul style="list-style-type: none"> Hand disinfectant Gentle wash Multi surface disinfectant Surface disinfectant – fogging and fumigation Hand sanitizer Veg & non-veg disinfectant cleaner Sanitizing tablet

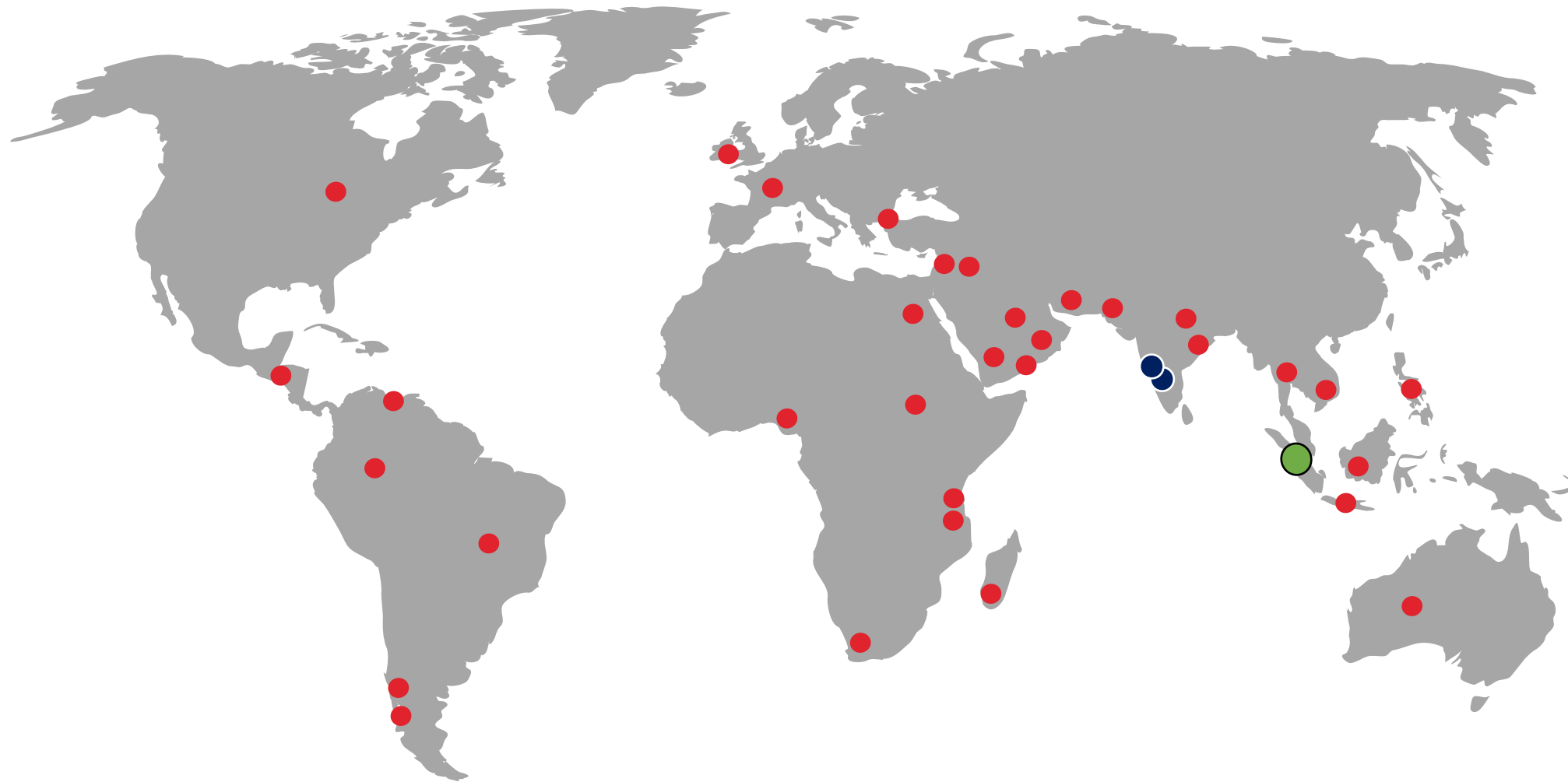
Specialty Textile Chemicals Overview



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

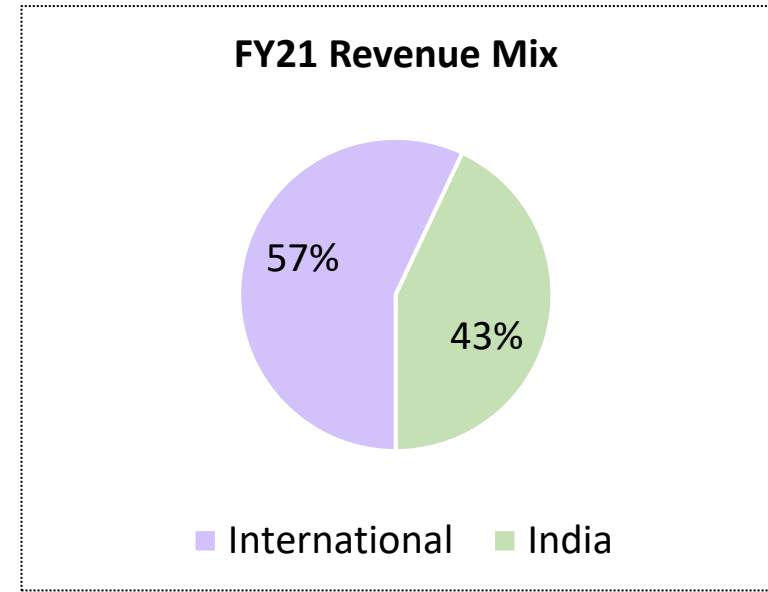


‘The Bioguard Series’ of products from Biotex with water and oil repellent features in great demand post outbreak of COVID-19



- Sales in **~70** countries including Brazil, Bangladesh, Germany, Indonesia, Malaysia, Singapore, Syria, Thailand, USA, Venezuela and Vietnam
- **30+** technical marketing experts
- **100+** dealers in Indian and International markets

● Facilities at Mahape and Ambarnath (November), Mumbai, India ● Facility at Bangi, Malaysia ● Sales

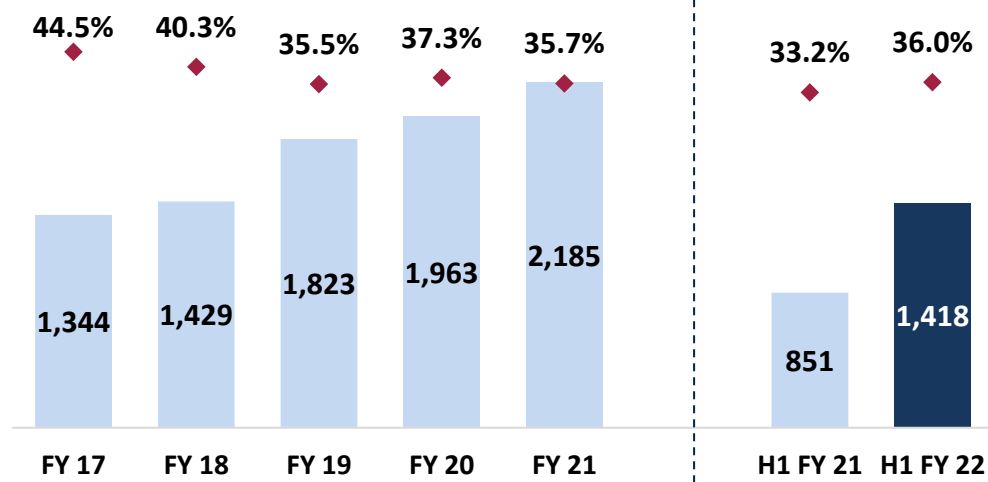


Diversified revenue mix across clients, products and geographies coupled with technical expertise

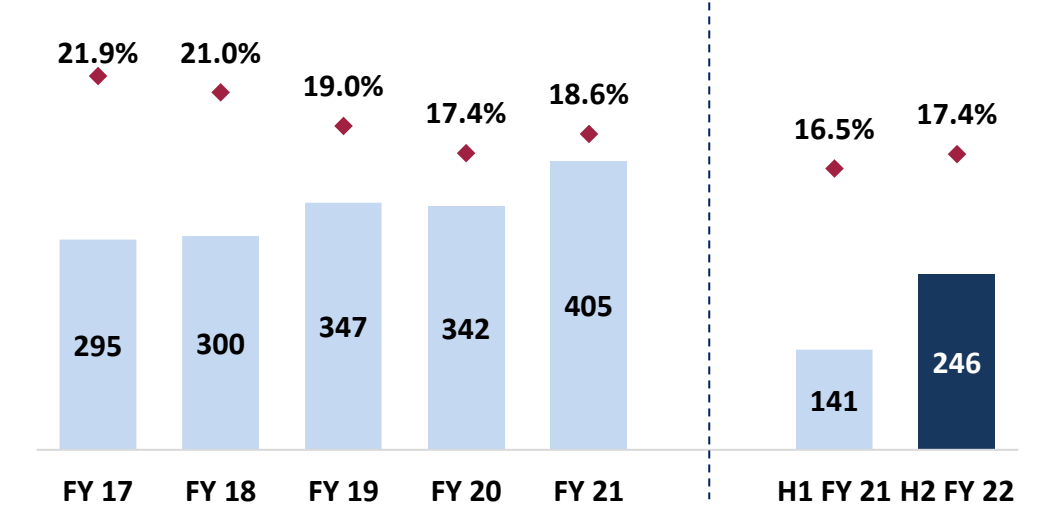
Consolidated Annual Performance Trend

Rs. Mn.

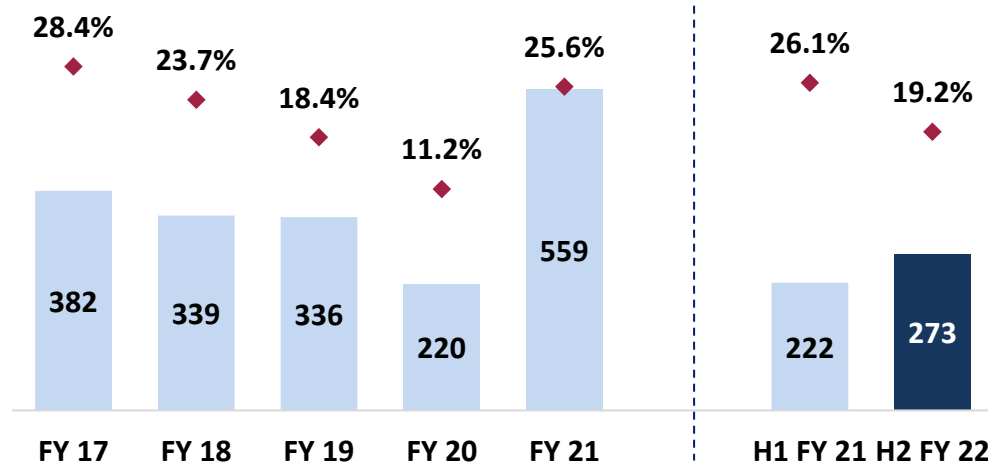
Revenue from Operations and Gross Margin



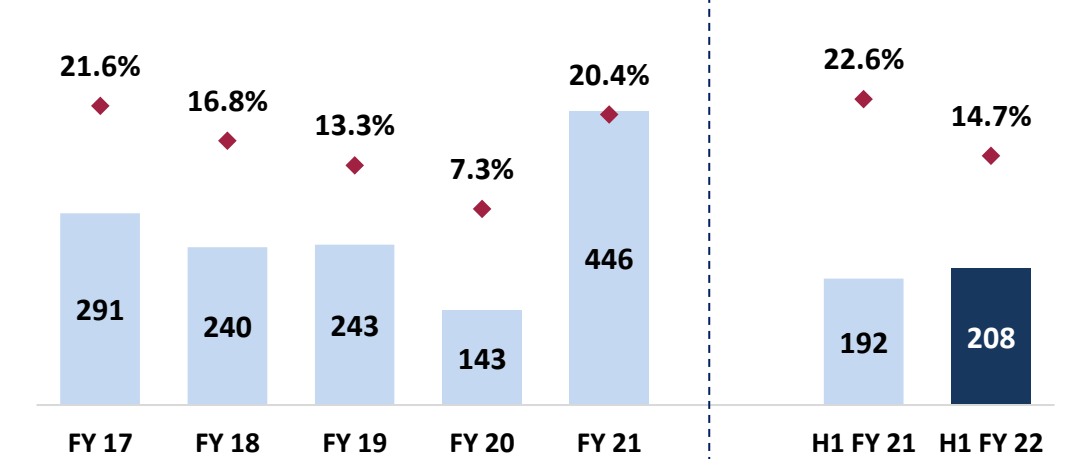
EBITDA and EBITDA Margin



PBT and PBT Margin



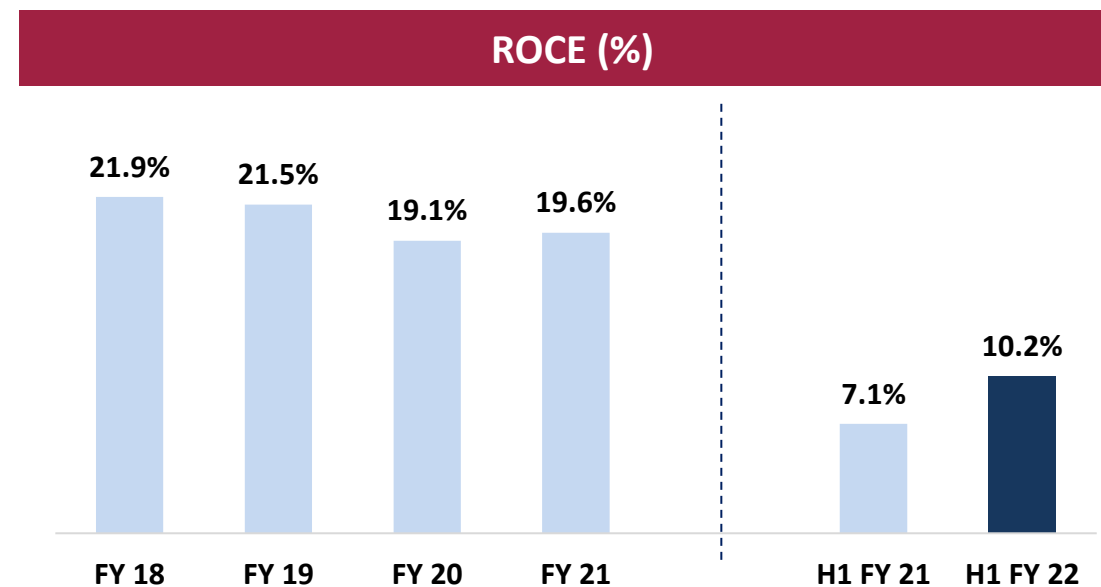
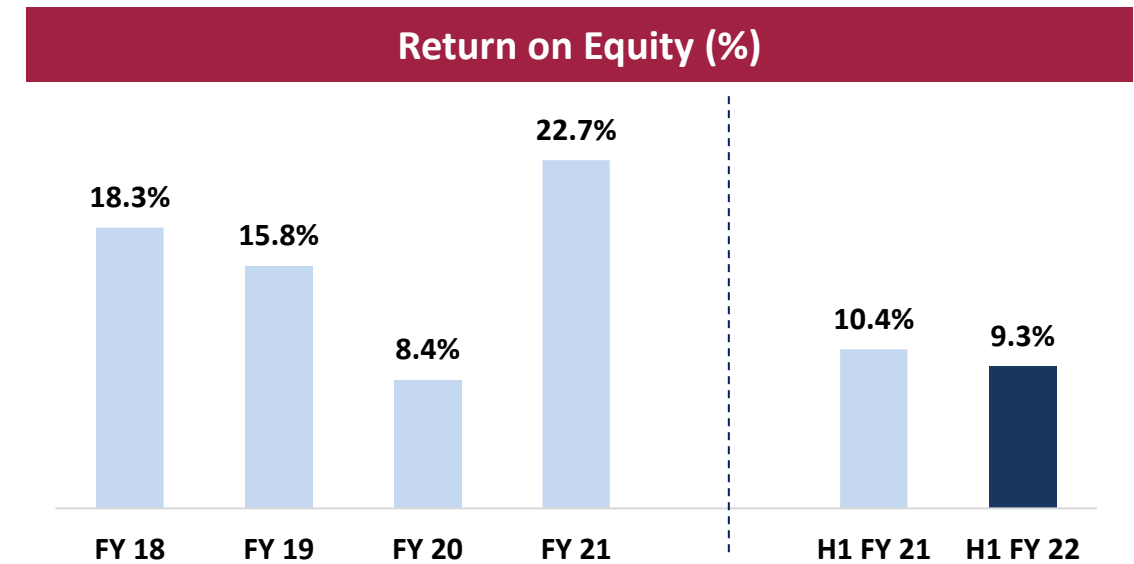
PAT and PAT Margin



Consolidated Balance Sheet and Return Ratios Trend

(Rs Mn)	Sep-20	Mar-21	Sep-21
ST Debt	30	34	77
LT Debt	0	0	0
Total Debt	30	34	77
Cash & Cash Equivalent	314	339	309
Net Cash	284	305	231
Equity	1939	2161	2337
Total debt/Equity	0.02x	0.02x	0.03x

CRISIL Rating	
Long Term Rating	A- / Stable
Short Term Rating	A2+



ROE= PAT/Average Equity

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



Focusing on Environmental factors and make efforts to restore the environment

- **Product Free From Harmful Substances:** Our products are not hazardous. We believe in developing our processes & products in a manner such that no harm is caused to life and nature.
- **Energy Consumption:** In FY21, the electricity purchased was 3,21,230 units. We monitor the consumption, reduce energy costs and take appropriate measures for energy conservation.
- **Waste Water Safe Discharge:** We are members of the central efficient treatment plant and wastewater duty treatment with own ETP is being discharged safely through CETP.
- **Low-Carbon Products:** Our products and processes are not hazardous or cause great pollution. The discharges are within the limits prescribed by the local authorities.
- **Material Usage Initiatives:** The Company has procedures and policies to prefer the ecological, sustainable low BOD/COD raw materials and making sure that there is no effluent caused due to such inputs



Committed to improve economic, environmental and social performance

5%
Attrition Rates

- **Customer Satisfaction Survey:** Consumer survey was conducted, We assess the level of consumers' satisfaction towards the Organization's Products & Services at various extension platforms such as trade fairs.

100% employees
Were given safety and skill
up-gradation training

- **Workforce Training:** We are aware that the success of its business depends upon its technical experts coordinating with research and development staff on one hand and marketing on the other. Necessary training and orientation are provided to our employees to equip them in providing productive and committed results.

No accidents
Reported in FY21

- **Local Employment and Sourcing:** Company purchase goods from local suppliers around Thane Bhiwandi and Mumbai Metropolitan Region. These suppliers are depots, distributor of Indian Chemical manufacturers of Importers. Labour, transportation and other services are taken from recognized / government approved suppliers.

Rs 45.21 Lakhs
Spent on CSR activities in
FY21

- **Community Support Initiatives:** We have taken various community initiatives such as: Education of any persons and enable them to earn an independent livelihood and thereby become useful and efficient citizen of India, To provide financial assistance and supply items of necessity like food, clothing, medicine etc. for running and maintenance of houses for destitute, aged persons/retired needed persons, Organize re-habilitation of destitute, old age persons wherever possible and provide assistance in cash, To look after family planning centres and nursing homes/ run eye bank, blood bank, organ banks etc



Focus on maximizing the wealth of shareholders, establish productive and lasting relationships with all shareholders

5 out of 8 board members
Are Independent and Non-Executive Members

Zero
Penalties, punishment or compounding of offences in FY21

- **Corporate Governance Policies:** The Company's philosophy on Corporate Governance relates to creating an organization intended to maximize the wealth of shareholders, establish productive and lasting relationships with all shareholders with the emphasis laid on fulfilling the responsibility towards the entire community and society.
- **Board Composition:** The Board consists of 8 members – 2 Non retiring Directors as per the Articles of Association of the Company, 1 Promoter Whole time Director liable to retire by rotation and 5 Independent Directors. The Board has two Woman Directors including one Independent Woman Director.
- **Board skill Matrix:** The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its Committees.



Key ESG Facts



Bhive certified



Blue Sign certified



ECO Passport by OEKO-TEX



Global Organic Textile Standard (GOTS) certified



Hazard Analysis Critical Control Point (HACCP) Certification



Indian Green Building Council



REACH certified



SA 8000 - Social Accountability Certification



Scivera



Star Export House



WHO Good Manufacturing Practice certified

Ø ZDHC Zero Discharge Hazardous Chemical (ZDHC) Gateway certified

Certificates

ISO 9001	ISO 14001	ISO 14045	ISO 45001
ISO 20000	SA 8001	OHSAS18001	ISO 22000

New Accreditations



Fineotex Chemical Limited has earned the prestigious **ECO PASSPORT by OEKO-TEX®** certification, the highest rating in the globally renowned audit that measures standards of sustainability. The green rating has been awarded by Hohenstein, an independent and neutral renowned testing system that is globally recognized.

This rigorous certification program shows our company's commitment to sustainable chemistry.

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:

Hemant Auti
Company Secretary
Fineotex Chemical Limited

+91-22-26559174-75-76-77

investor.relations@fineotex.com

Bopiah Ganapathy / Bijay Sharma
Churchgate Partners

+91 22 6169 5988

fcl@churchgatepartners.com





Fineotex Chemical Limited

FINEOTEX CHEMICAL LIMITED

(CIN Number: L24100MH2004PLC144295)

42-43, Manorama Chambers,

S. V. Road Bandra (West),

Mumbai - 400 050, India

Phone: (+91 - 22) 26559174 / 75, (+91 - 22) 26559176 / 77

Email: info@fineotex.com

www.fineotex.com