

Fine Organic Industries Limited

(Formerly known as Fine Organic Industries Private Limited)

Regd. Office : Fine House, Anandji Street, Off M G Road,
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Email : info@fineorganics.com
Web : www.fineorganics.com



Date: 12/02/2020

To BSE Limited Phiroze Jeejeebhoy Towers, Dalal St, Kala Ghoda, Fort, 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

Sub: Disclosure of information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find attached herewith investor presentation - February 2020 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

A handwritten signature in blue ink, appearing to read 'Pooja Lohor'.



Pooja Lohor
Company Secretary and Compliance Officer

Encl. As Above



Investor Presentation February-2020

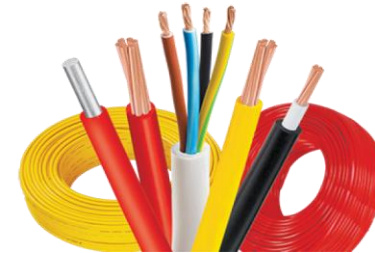
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**THE FINE STORY OF
SUCCESS**



“It takes Fine Additude to be a Leader ”

An established and reputed international player of oleochemical-based additives, rooted in India

A **Technical Pinch of salt** in the end product making a **HUGE** difference in the product performance

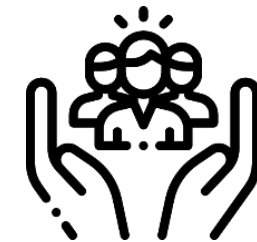
We are omnipresent and form a **part of your life** in every way

We create Oleochemical derivatives for **diverse applications**

Solution-centric approach
Innovation-driven mindset

Leading producer of the **widest range of additives** for foods, polymers, cosmetics, coatings etc.

Pioneered in developing wide range of **unique speciality additives** for a variety of applications that are **connected to humans in their daily lives**



A Fine *Additude*

Demand for oleochemical derived additives is increasing:

- ✓ **As Green additives** have been replacing potentially harmful synthetic chemicals in several industries like plastics, foods, cosmetics, rubber, paint etc.
- ✓ In recent times, preference for consumer/environment friendliness products vs. petroleum-derived chemicals (huge carbon emission) is increasing
- ✓ Because of its bio-degradability, especially given implementation of stricter environmental norms
- ✓ Being compounds derived from natural raw material, waste disposal/ effluent treatment costs are lower



Wide Product Range



Products **400+**

Diverse Customer Base



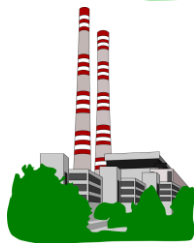
Direct Customers
650+

Global Distribution Network



Distributors
150+

Installed Capacity



Over 100,000 TPA

In-house capability for Product development,
Process technology and Engineering R&D

Global Presence



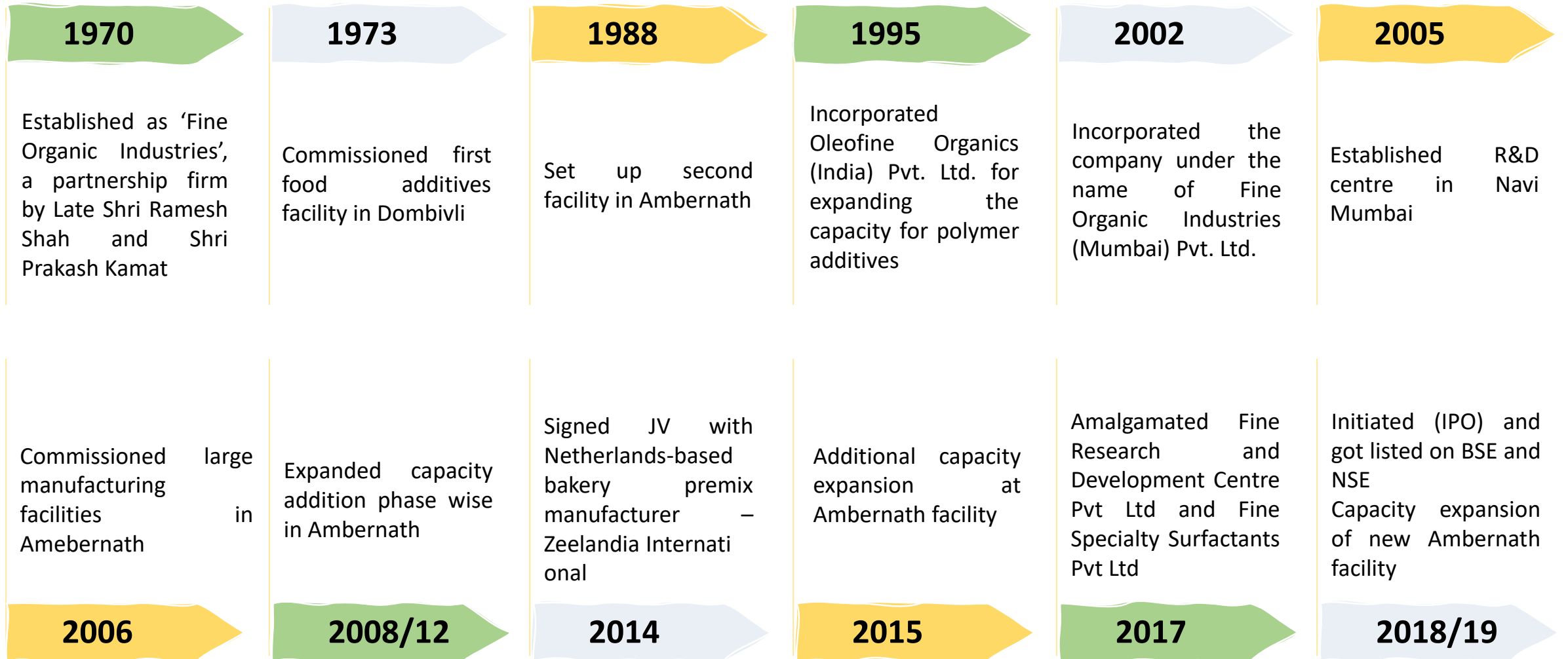
70+

Largest manufacturer of
oleochemical-based additives
in India
Strong player globally in this
industry

“High-Performance Environment Friendly Additives”



49 years of Journey



658

Employee strength as on March 31, 2019

>15%

Women employees

>10%

Employees completed 25 years of journey with us

>13%

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



1
Strong R&D & Innovation led Business

2
Diversified Product Portfolio

3
Specialized Business Model

4
Diversified Customer Base

5
Highly Experienced Management Team

6
Dominant Position

7
Strategically Located

TECHNOLOGY DEVELOPMENT



RELENTLESS FOCUS



INNOVATIVE PRODUCTS AND SOLUTIONS

1. Strong R&D : Innovative Approach



Strong R&D Capabilities

- Product Development Lab & Product Application Lab
- Dedicated team of **19 Scientists and Technicians**



In-House Design and Engineering

- Company has in-house capabilities for plant designing and engineering
- **Lowers capital expenditures** & quicker commissioning



New Product Development

- **Feed nutrition additives** – derived from natural vegetable oils
- **Additive for designed** milk from cows (commercialization in progress)
- On-going R&D efforts for new product developments & applications

Focus on

Creating New Additives

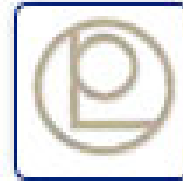
Developing Process Technology

Creating New Markets

Creating Downstream Products



Inspiring Trust, Assuring Safe & Nutritious Food



- ✓ 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



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



Pioneer in manufacturing & marketing of emulsifiers in India.

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



Using our oleochemical 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

Product act as additives in 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

Reduces friction between polymer products & other surfaces they come in contact. Converts water droplets formed on polymer films into continuous transparent layer. Dissipates the build electrical charges on polymer materials. Used as flow improvers & mould release agents

Rubbers & Elastomers

Added to improve compounding & processing of rubber. Used in various types of rubbers for applications such as tyres, conveyor belts, dock fenders, automotive parts, hoses, shoe soles etc

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

Specialty Additives

A wide range of specialty performance additives for various industries

Feed Nutrition Additives

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

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

3. Specialised Business Model : Entry Barriers

Limited Players

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

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

Complex Technology

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

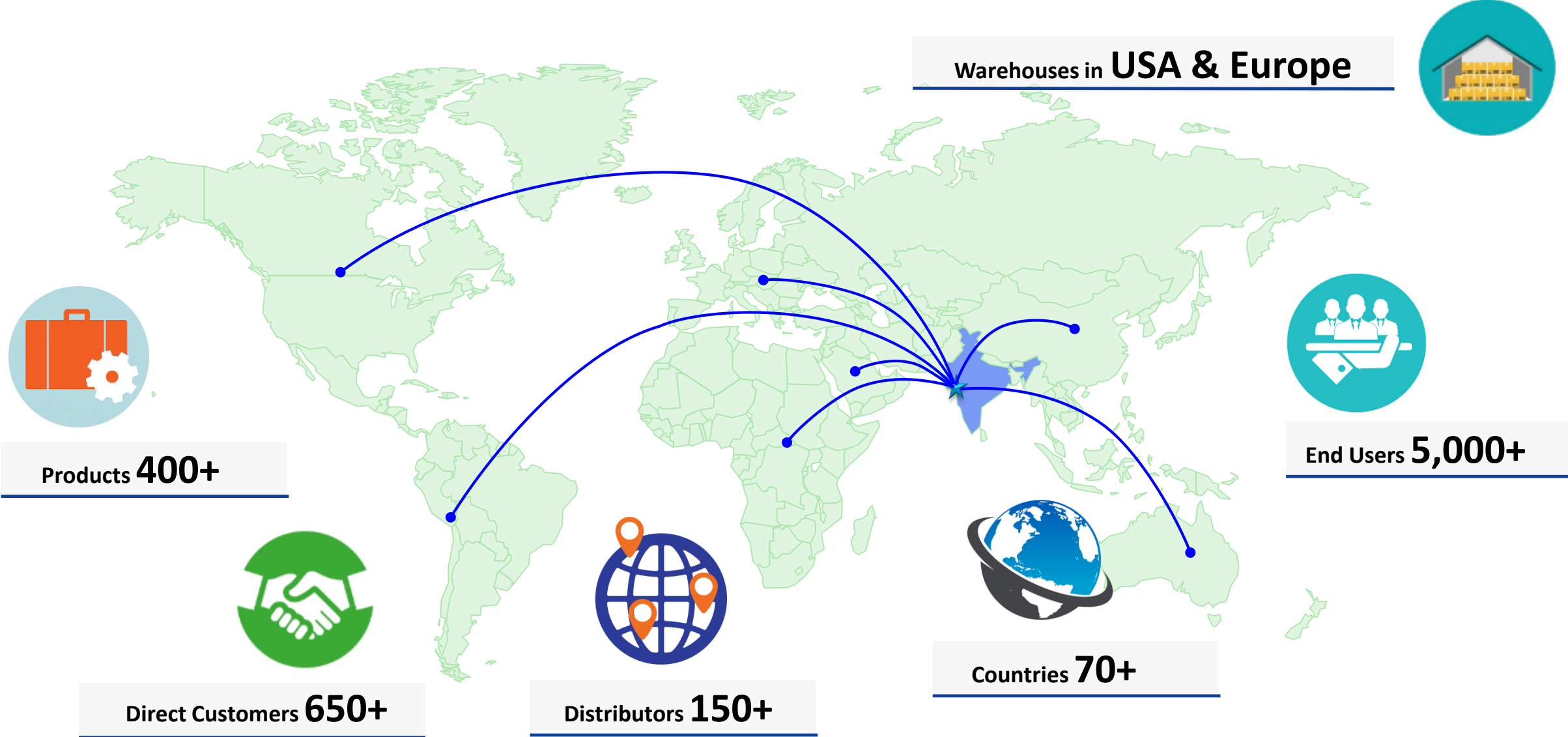
Complex technology & manufacturing processes create multiple entry barriers into the oleochemical derived green additives industry. Product formulations, innovation & process technology are time & capital intensive

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

Customer Loyalty

Highly Regulated

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 2019

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

Pioneers and the largest manufacturers of oleochemical-based additives in India and a strong player globally

**Fully automated production facility
multiple production sites**

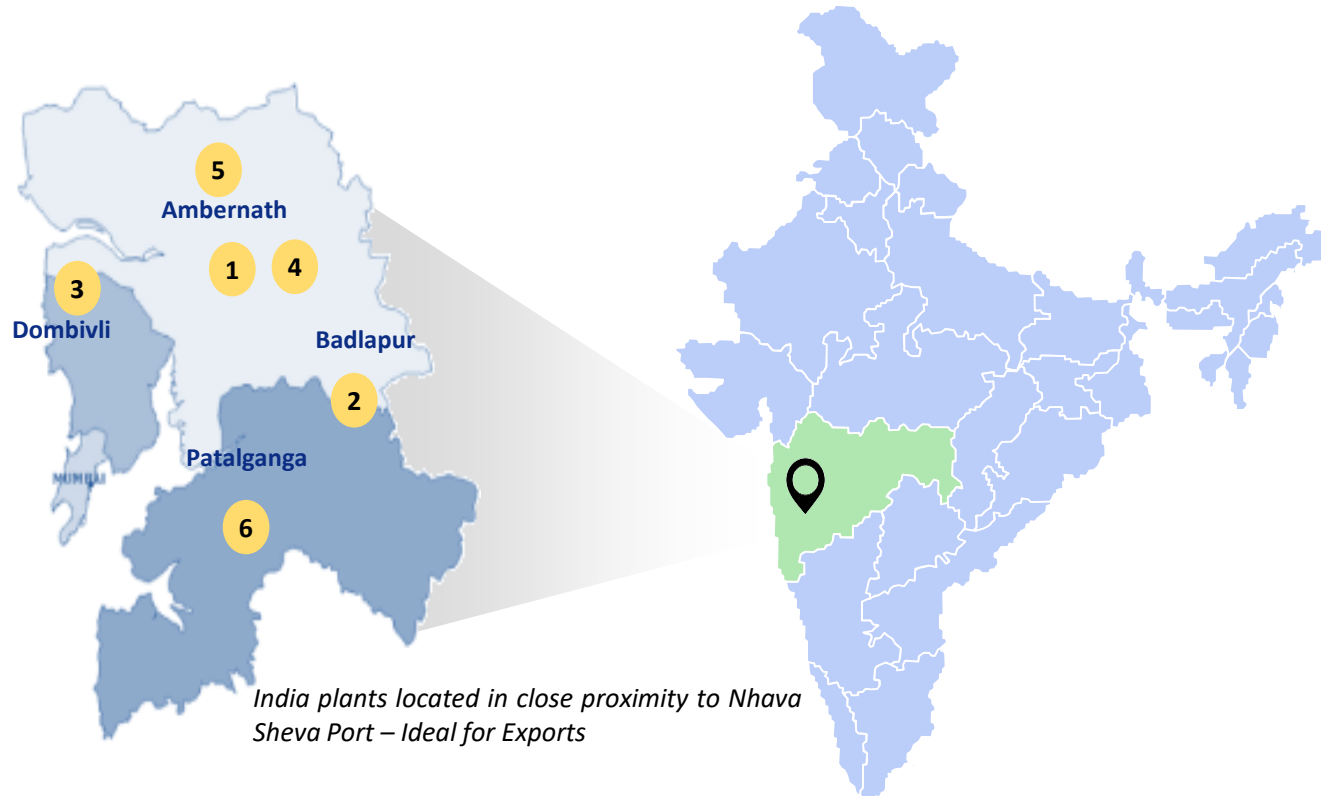
One of the six global players in the specialty food emulsifiers

One of the five global players in the polymer additives industry

One of the leading players to develop proprietary technology to manufacture green additives



7.Strategically Located Facilities



Current Operational Facility

	Plant	Capacity (TPA)	Remarks
1	1 st Ambernath Facility	49,500	--
2	Badlapur Facility	6,400	--
3	Dombivli Facility	8,400	Acquired on Sub-lease basis
4	2 nd Ambernath Facility	5,000	Acquired on Sub-lease basis
5	3 rd Ambernath Facility	32,000	Commenced Operation
Total Capacity		101,300 TPA	



Proposed Expansion Plants

	Plant	Capacity (TPA)	Remarks
6	Patalganga Facility	10,000	FY21e*
7	German Facility	10,000	FY22e*
Total Capacity		20,000 TPA	

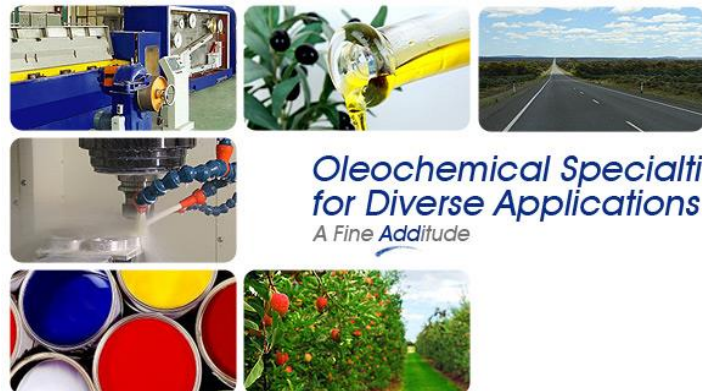
*Subject to regulatory approvals



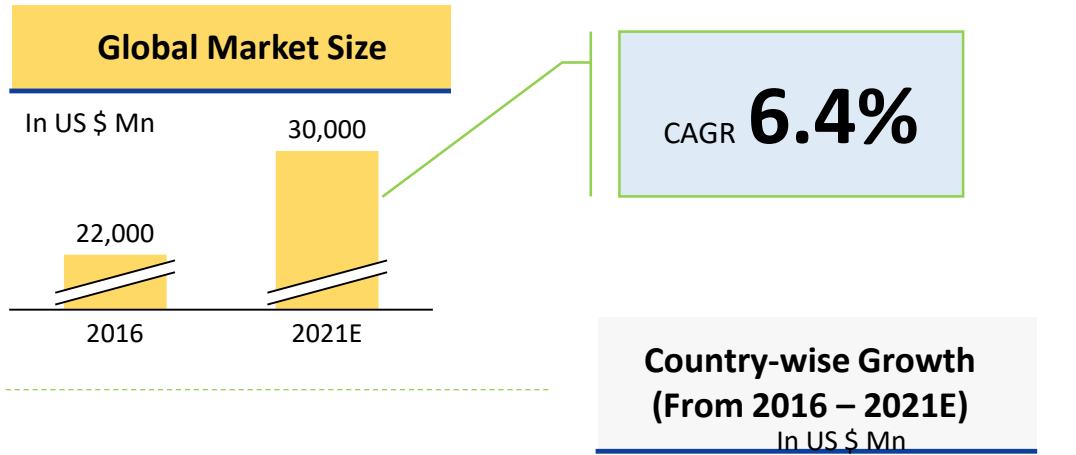
INDUSTRY POTENTIAL:

MULTIPLE GROWTH LEVERS

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



1. Polymer Additives



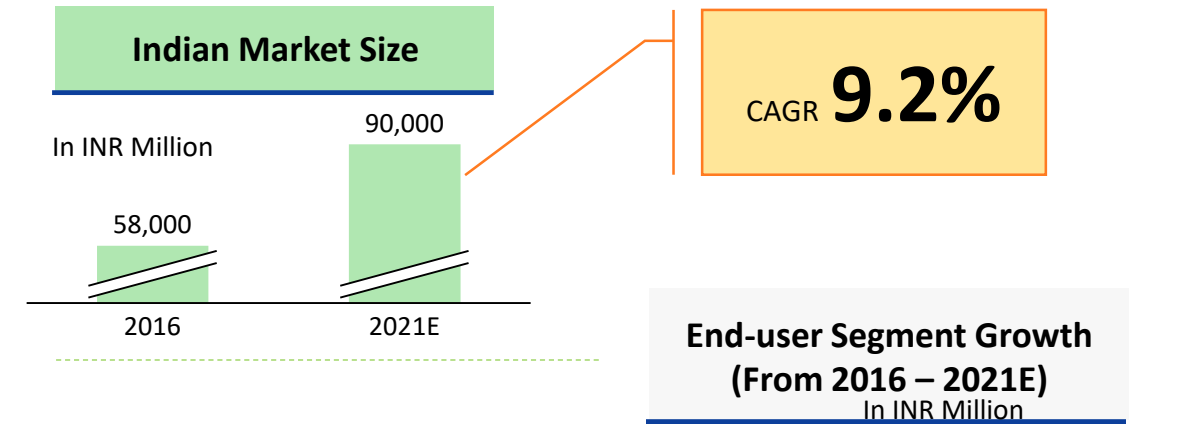
Asia Pacific
7.0%
High growth Rate

Growth Drivers

Increased Substitution by polymer Materials

Development of New Polymer Additives

Increasing Preference for Non-toxic polymer Additives



Strong growth in Auto, Construction, Consumer Durables

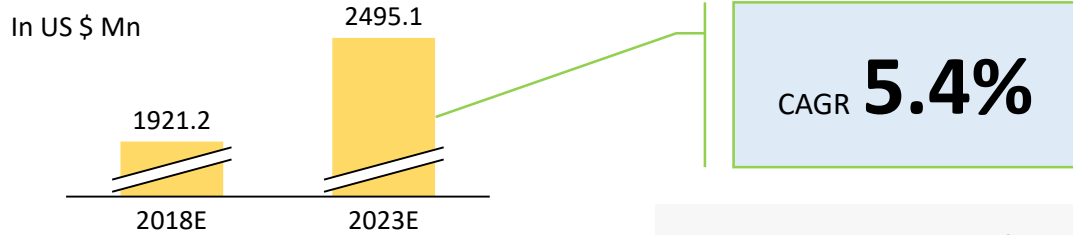
Growth Drivers

Low Per Capita Polymer Consumption (11kg vs Global Avg. of 30kg)

Increasing use of polymers in packaging – superior quality & cost effectiveness

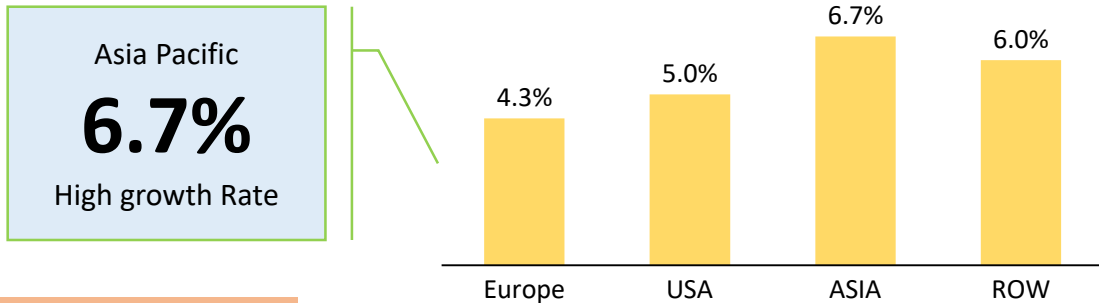
2. Food Additives

Global Food Emulsifiers Market Size



Region-wise Growth (From 2018 – 2023E)

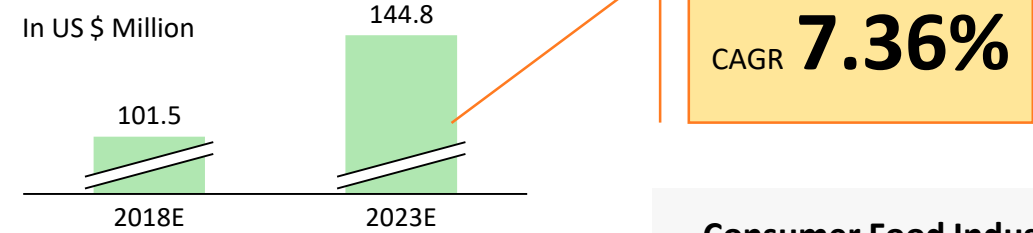
In US \$ Mn



Growth Drivers

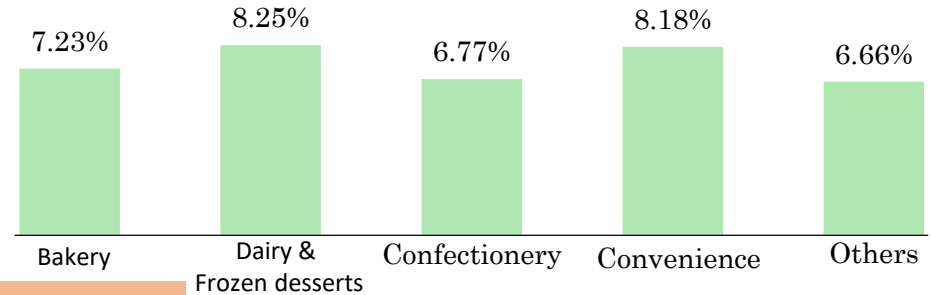
- Increase in consumption of convenience foods and premium products
- Growing number of end-use applications due to multifunctional attributes of emulsifiers
- Rise in health awareness & quality consciousness of consumers in developed nations demanding healthy packed foods

Indian Market Size



Consumer Food Industry (From 2018 – 2023E)

In US \$ Million



Growth Drivers

- Increasing numbers of Food manufacturing Entities
- Rising demand for healthier and better-for-you products
- Changing consumer preferences for processed and packed convenience foods

3. Other Specialty Additives : Key Drivers

Industry	Specialties	Feed Nutrition	Cosmetics & Pharmaceuticals	Additives for Coatings	Rubber
Key Additives & Ingredients	<ul style="list-style-type: none"> Lube additives Property modifiers Coated papers 	<ul style="list-style-type: none"> Natural Antibiotics Nutritional Additives Anti-fungal Additives 	<ul style="list-style-type: none"> Emulsifiers & Emollients Pharmaceuticals – Coating Ingredients 	<ul style="list-style-type: none"> Dispersing agents Emulsifiers Wetting Agents Defoamers Slip Additives 	<ul style="list-style-type: none"> Processing Aids Specialty Plasticizers Slip Additives Anti-stats Anti-sticking Agents
End Uses	<ul style="list-style-type: none"> Automotive Lubricants Roads & Highway Infrastructure Specialty applications 	<ul style="list-style-type: none"> Poultry Products Milk & Milk Derivatives 	<ul style="list-style-type: none"> Creams, lotions & ointments Skin care Cosmetics 	<ul style="list-style-type: none"> Paints Inks Coating Materials 	<ul style="list-style-type: none"> Conveyor Belts Automotive Parts and Industrial Component
India CAGR (FY17 – 22E)	--	11-13%	10% – 12%	8% – 10%	6% – 7%
Growth Drivers	<ul style="list-style-type: none"> Increase in: <ul style="list-style-type: none"> ✓ Govt. expenditure on infra projects ✓ Use of cars/trucks ✓ Cashless transactions & air travel 	<ul style="list-style-type: none"> Growing health awareness & food processing industry Safer milk and milk products 	<ul style="list-style-type: none"> Organized retail moving to Tier II cities New sub-segments to grow: Men’s Cosmetics Growing demand for skin-care cosmetics 	<ul style="list-style-type: none"> Low per capita paint consumption Increased penetration of paints in rural & non-metro cities Growth in niche products : nano & green coatings 	<ul style="list-style-type: none"> Growth in auto sales Steady Improvement in industrial & infrastructure activity Steady agricultural output

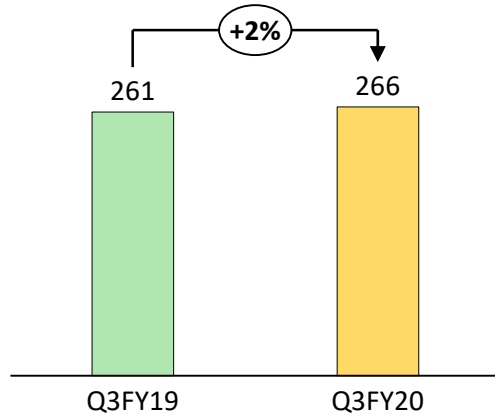
Financial Highlights



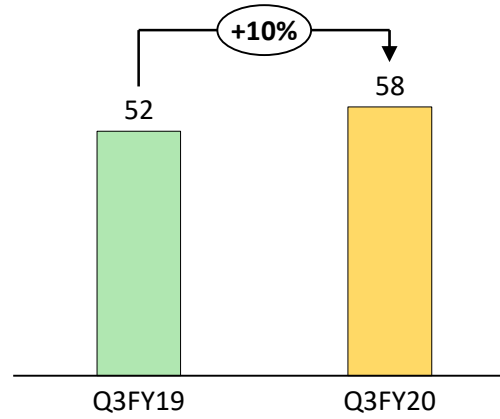
Standalone Performance Highlights

Rs in Crores

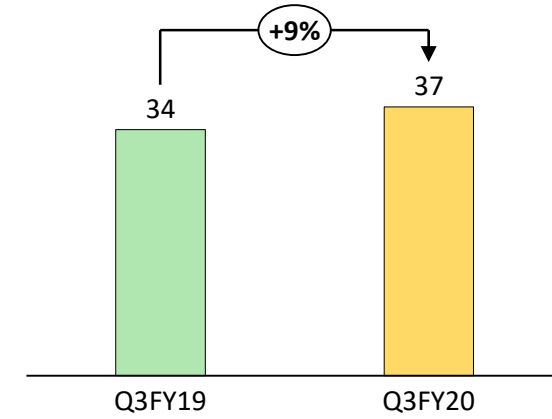
Revenues



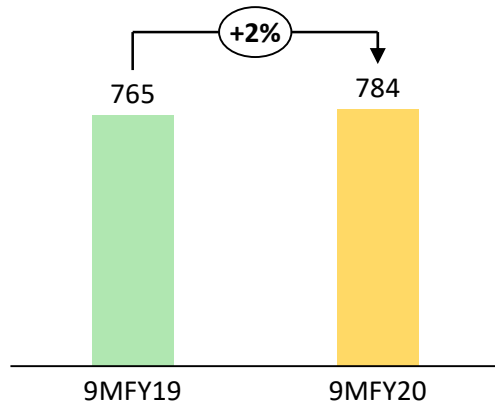
EBITDA



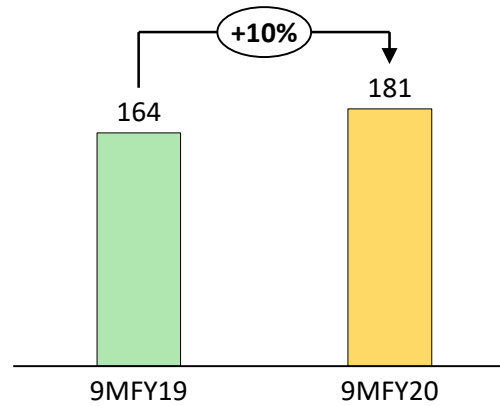
PAT



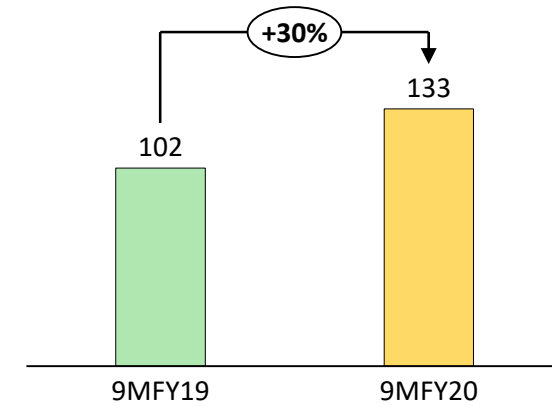
Revenues



EBITDA



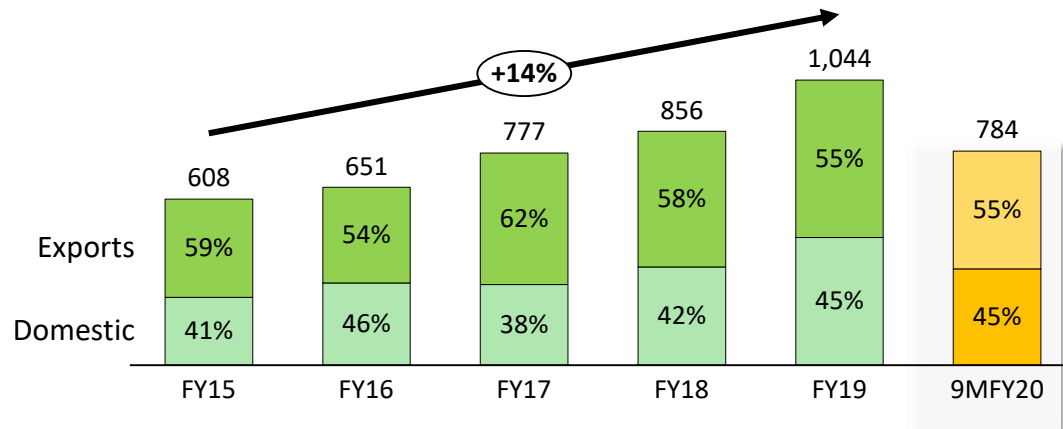
PAT



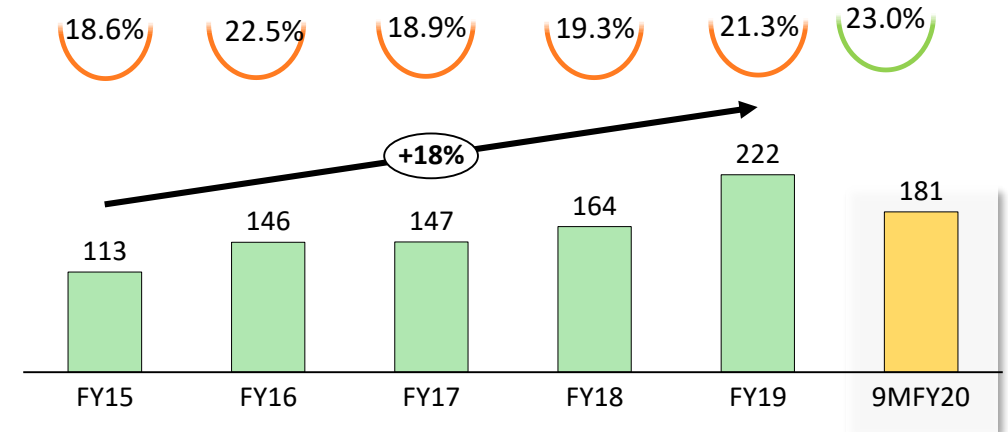
9M FY20 Standalone Operating Performance

Rs in Crores

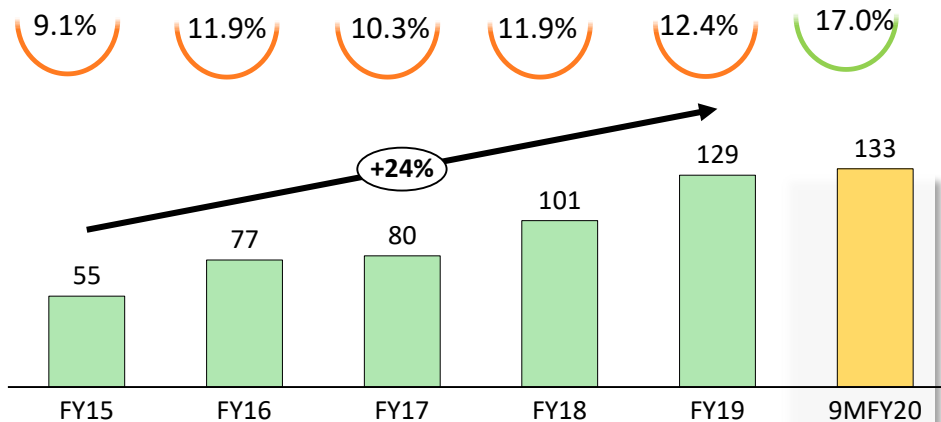
Revenues



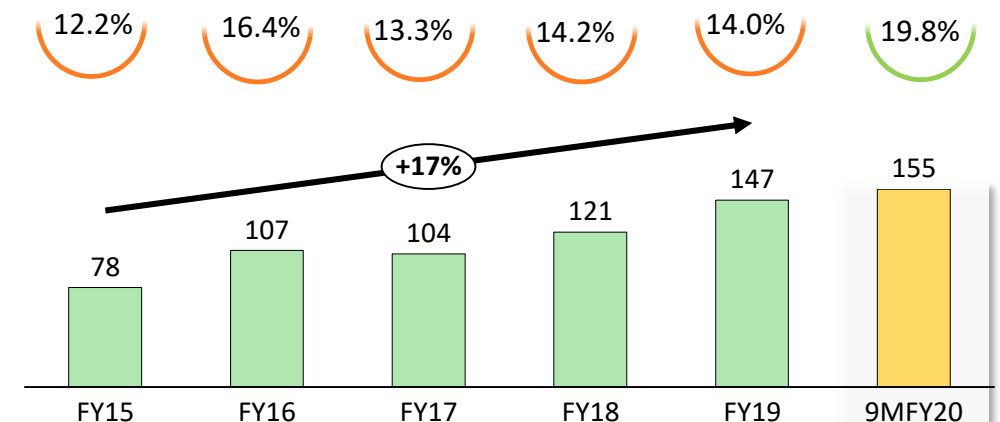
EBITDA & Margins



PAT & Margins

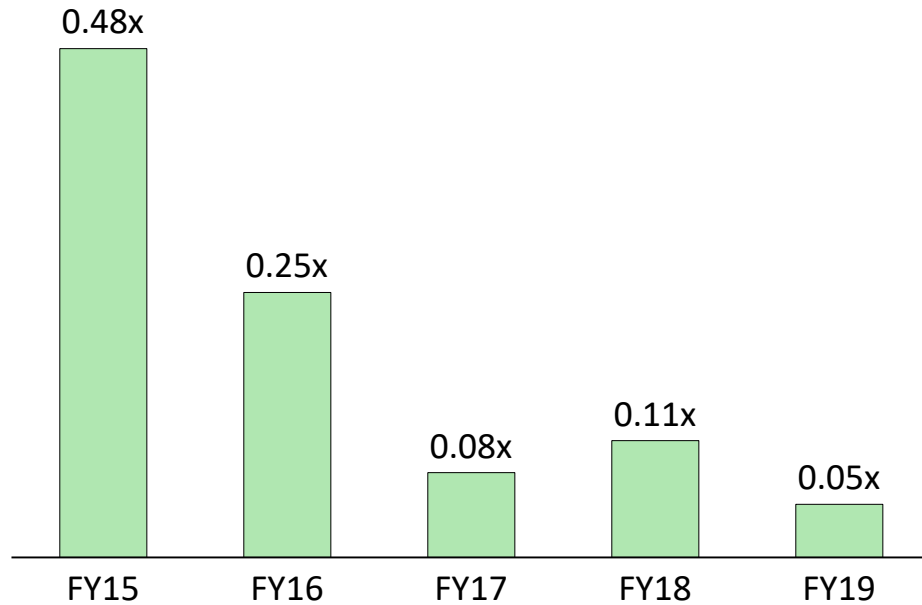


Cash PAT & Margins

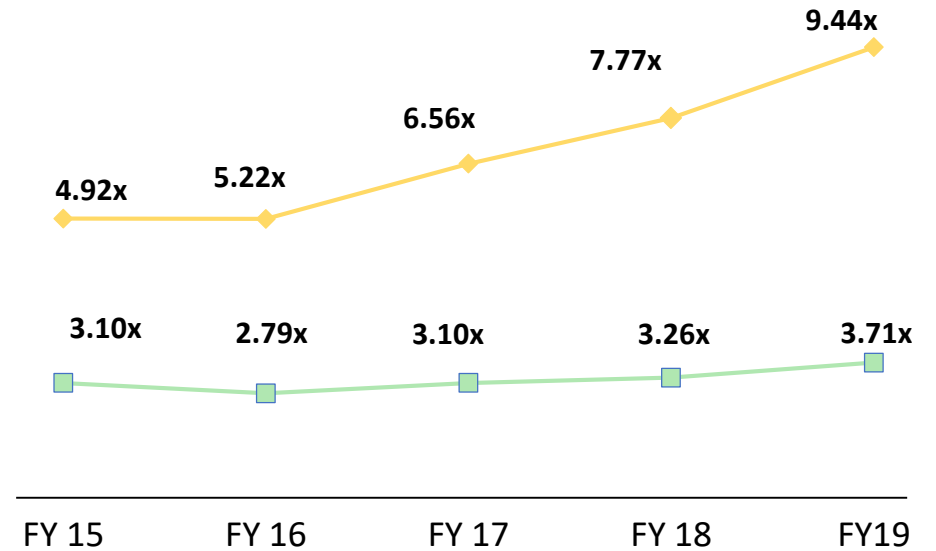


Disciplined Use of Capital (Standalone)

Net Debt to Equity



Fixed Asset Turnover

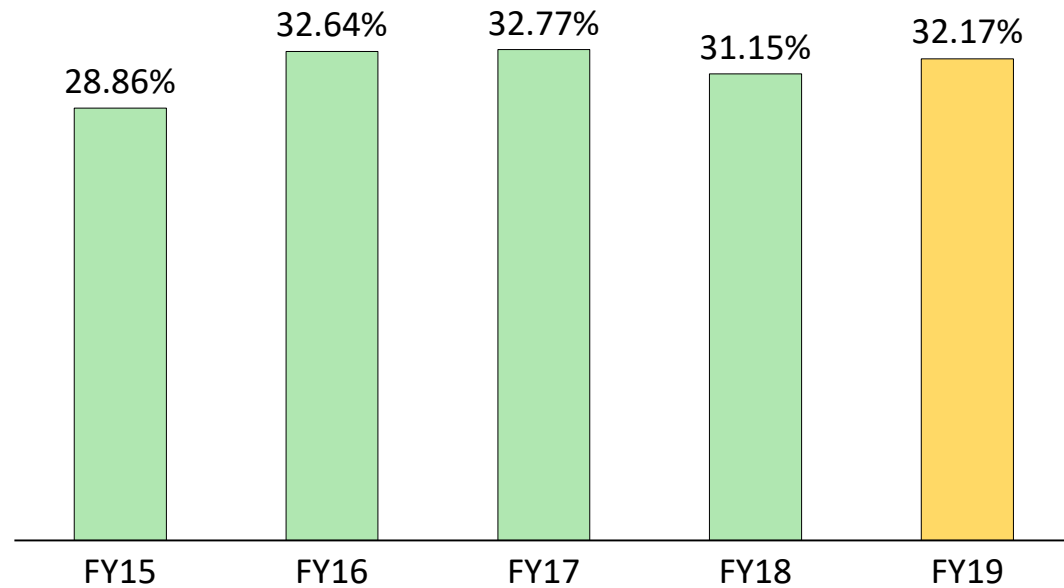


Net Debt = Total Long term debt + short term debt + current of maturities of long term debt – cash and bank balances

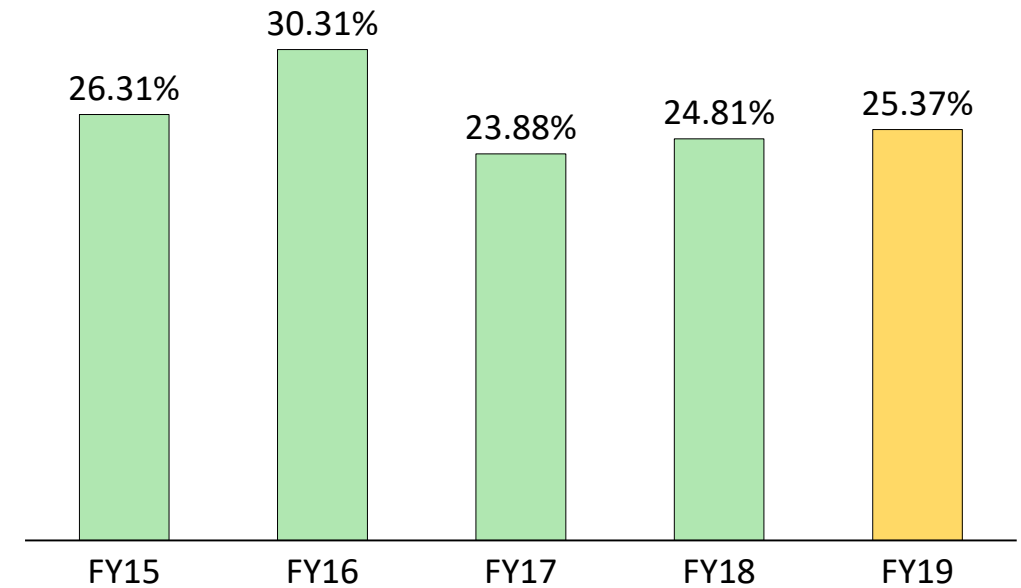
- Fixed Asset Turnover (**Gross**) = Net Revenue from Operations / Total Gross Block of Fixed Assets
- ◆ Fixed Asset Turnover (**Net**) = Net Revenue from Operations / Total Net Block of Fixed Assets

Capital delivering Consistent Performance (Standalone)

Return on Capital Employed



Return on Net Worth



Return on Capital Employed = $\text{EBIT (excluding Other Income)} / (\text{Total Debt} + \text{Total Net worth})$

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

Q3 & 9M FY20 Standalone Profit & Loss Statement

Particulars (Rs in Crs)	Q3FY20	Q3FY19	Y-o-Y	Q2FY20	Q-o-Q	9MFY20	9MFY19	Y-o-Y
Revenue from Operations	265.9	261.0	1.9%	274.4	-3.1%	783.8	765.3	2.4%
Cost of Raw Material Consumed	153.8	160.9		162.9		463.4	477.1	
Gross Profit	112.1	100.2	11.9%	111.5	0.5%	320.4	288.2	11.2%
Gross Profit Margin	42.2%	38.4%		40.6%		40.9%	37.7%	
Employee Cost	21.4	18.6		16.0		53.3	46.4	
Other Expenses	33.2	29.2		30.4		86.5	77.9	
EBITDA	57.6	52.4	9.9%	65.1	-11.5%	180.6	163.9	10.2%
EBITDA Margin	21.7%	20.1%		23.7%		23.0%	21.4%	
Other Income	5.5	7.7		5.9		15.9	19.5	
Depreciation	12.1	4.5		6.5		21.9	12.9	
EBIT	51.0	55.6	-8.3%	64.5	-20.9%	174.6	170.5	2.4%
EBIT Margin	19.2%	21.3%		23.5%		22.3%	22.3%	
Finance Cost	2.1	0.2		0.6		3.2	1.7	
Profit before Tax	48.9	55.4	-11.7%	63.9	-23.5%	171.4	168.8	1.5%
PBT Margin	18.4%	21.2%		23.3%		21.9%	22.1%	
Tax	12.0	21.8		5.2		38.4	66.4	
PAT	36.8	33.7	9.2%	58.7	-37.3%	133.0	102.4	29.9%
PAT Margin %	13.8%	12.9%		21.4%		17.0%	13.4%	
EPS*	12.0	11.0		19.2		43.4	33.4	

* Not Annualized

Q3 & 9MFY20 Consolidated Profit & Loss Statement

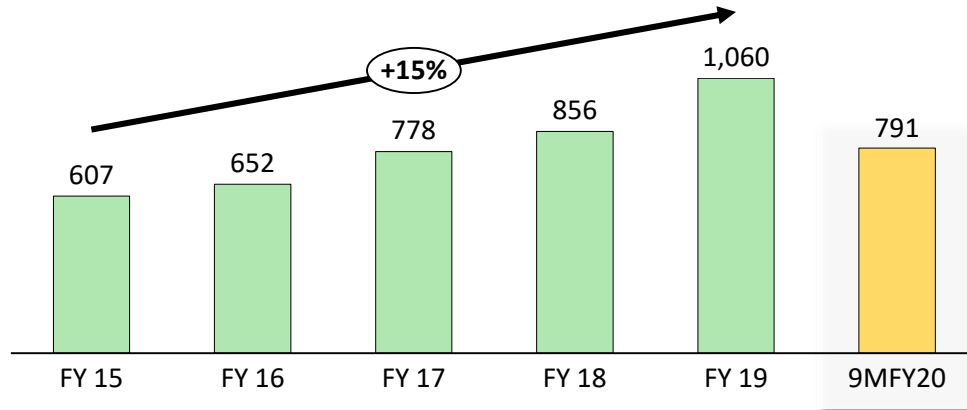
Particulars (Rs in Crs)	Q3FY20	Q3FY19	Y-o-Y	Q2FY20	Q-o-Q	9MFY20	9MFY19	Y-o-Y
Revenue from Operations	266.2	262.8	1.3%	274.0	-2.8%	790.8	776.1	1.9%
Cost of Raw Material Consumed	153.1	159.1		161.5		464.5	474.4	
Gross Profit	113.1	103.7	9.1%	112.6	0.4%	326.3	301.7	8.2%
Gross Profit Margin	42.5%	39.5%		41.1%		41.3%	38.9%	
Employee Cost	22.1	19.3		16.7		55.6	48.6	
Other Expenses	33.6	29.6		30.7		87.5	79.0	
EBITDA	57.4	54.8	4.7%	65.1	-11.8%	183.1	174.1	5.2%
EBITDA Margin	21.6%	20.9%		23.8%		23.2%	22.4%	
Other Income	5.4	7.4		5.8		15.6	19.2	
Depreciation	12.1	4.5		6.5		21.9	12.9	
EBIT	50.7	57.7	-12.1%	64.4	-21.3%	176.8	180.4	-2.0%
EBIT Margin	19.0%	22.0%		23.5%		22.4%	23.2%	
Finance Cost	2.2	0.2		0.7		3.3	1.7	
Profit before Tax	48.6	57.5	-15.5%	63.8	-23.8%	173.6	178.7	-2.9%
PBT Margin	18.3%	21.9%		23.3%		22.0%	23.0%	
Tax	12.4	22.0		5.2		39.0	66.6	
PAT Before Share of Profit / (Loss) of Joint Ventures	36.2	35.5	2.0%	58.6	-38.2%	134.6	112.1	20.1%
PAT Margin % Before Share of Profit / (Loss) of Joint Ventures	13.6%	13.5%		21.4%		17.0%	14.4%	
Share of Profit / (Loss) of Joint Ventures	(0.3)	(1.8)		(1.5)		(4.2)	(2.5)	
PAT After Share of Profit / (Loss) of Joint Ventures	35.8	33.6	6.5%	57.0	-37.2%	130.4	109.6	19.0%
PAT After Share of Profit / (Loss) of Joint Ventures %	13.4%	12.8%		20.8%		16.5%	14.1%	
EPS*	11.7	11.0		18.6		42.5	35.7	

* Not Annualized

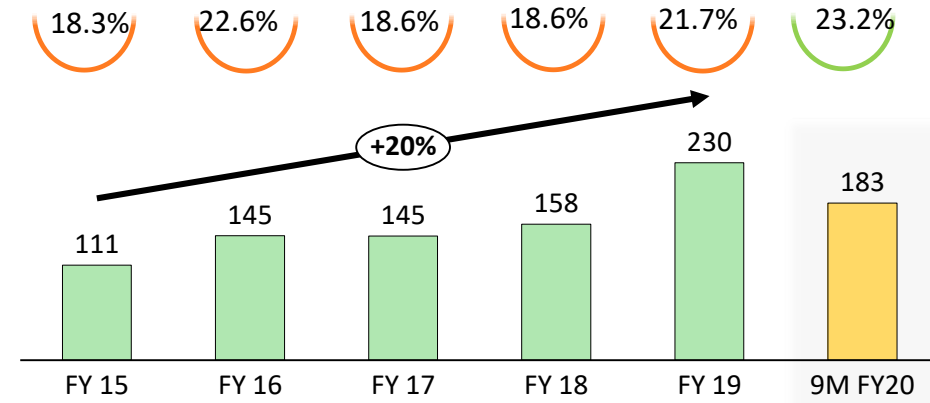
9M FY20 Consolidated Operating Performance

Rs in Crores

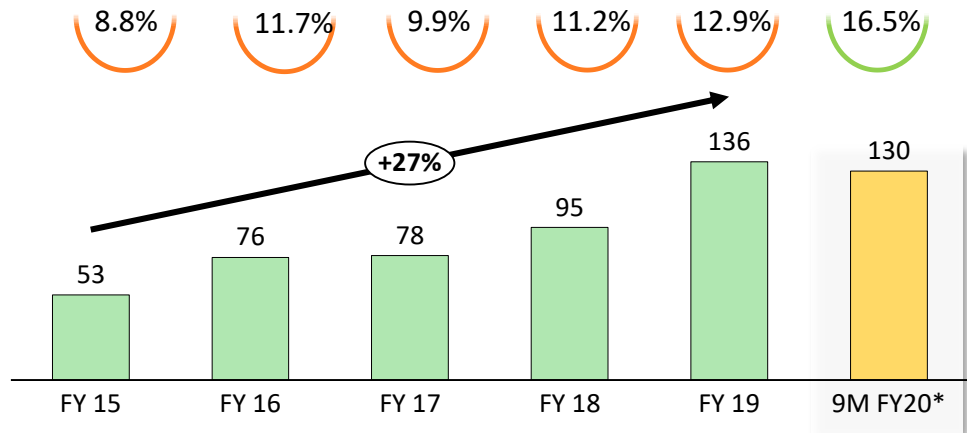
Revenues



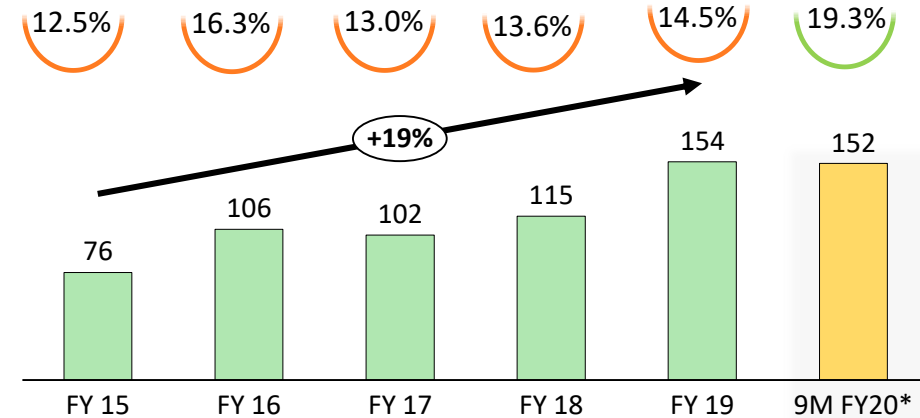
EBITDA & Margins



PAT & Margins

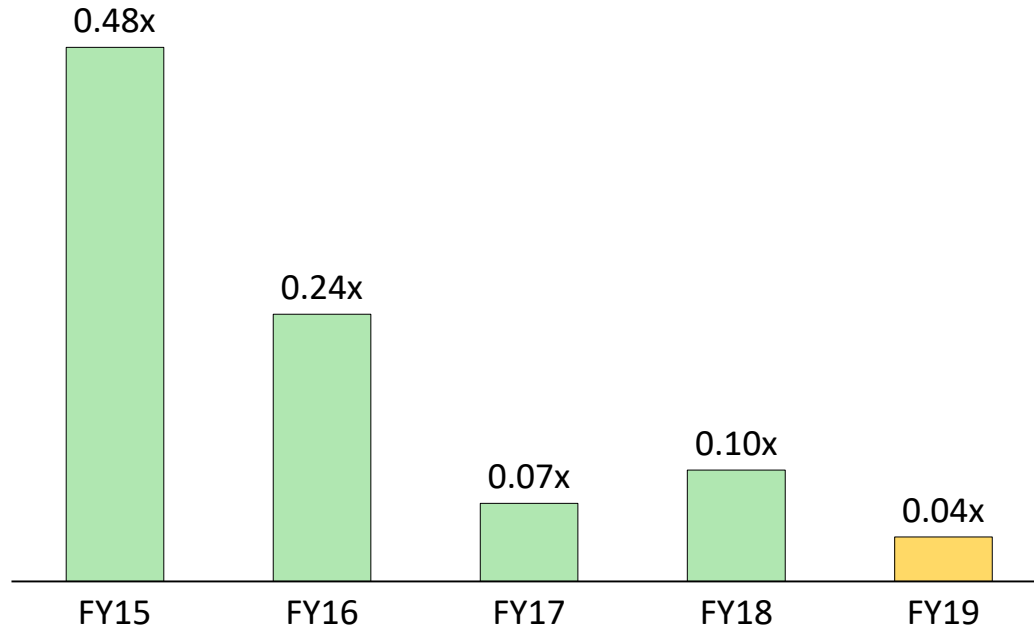


Cash PAT & Margins

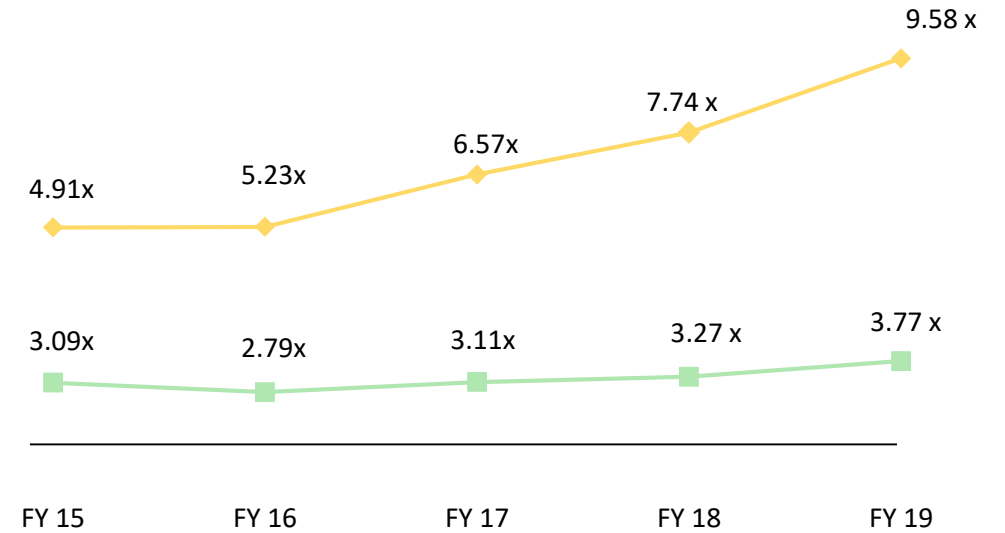


Disciplined Use of Capital (Consolidated)

Net Debt to Equity



Fixed Asset Turnover

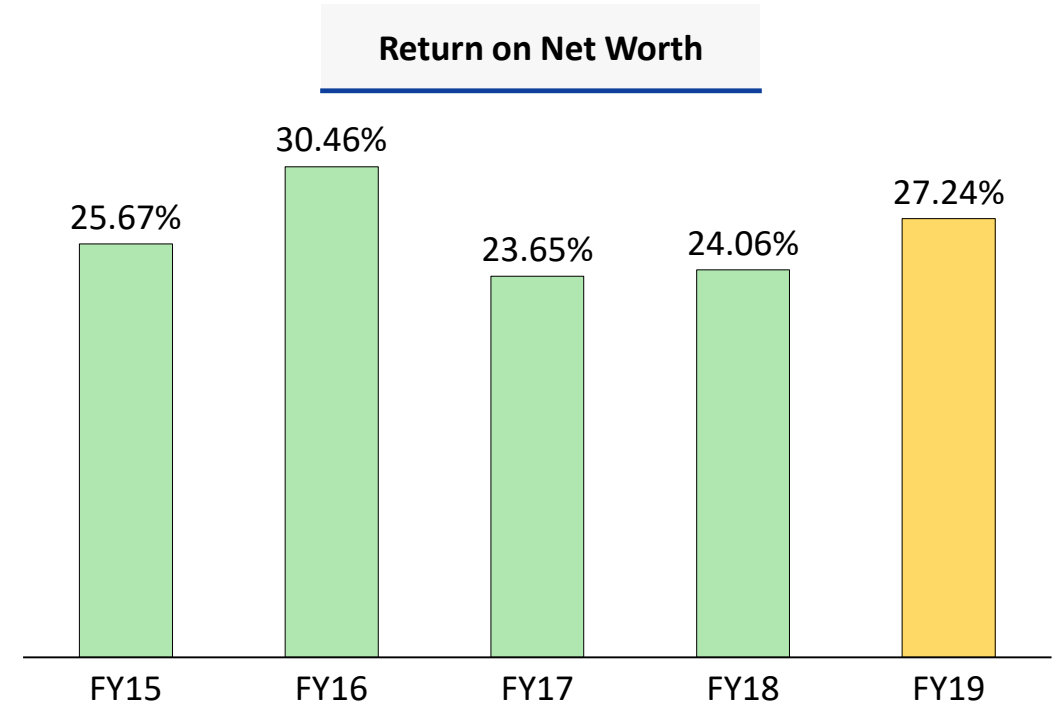
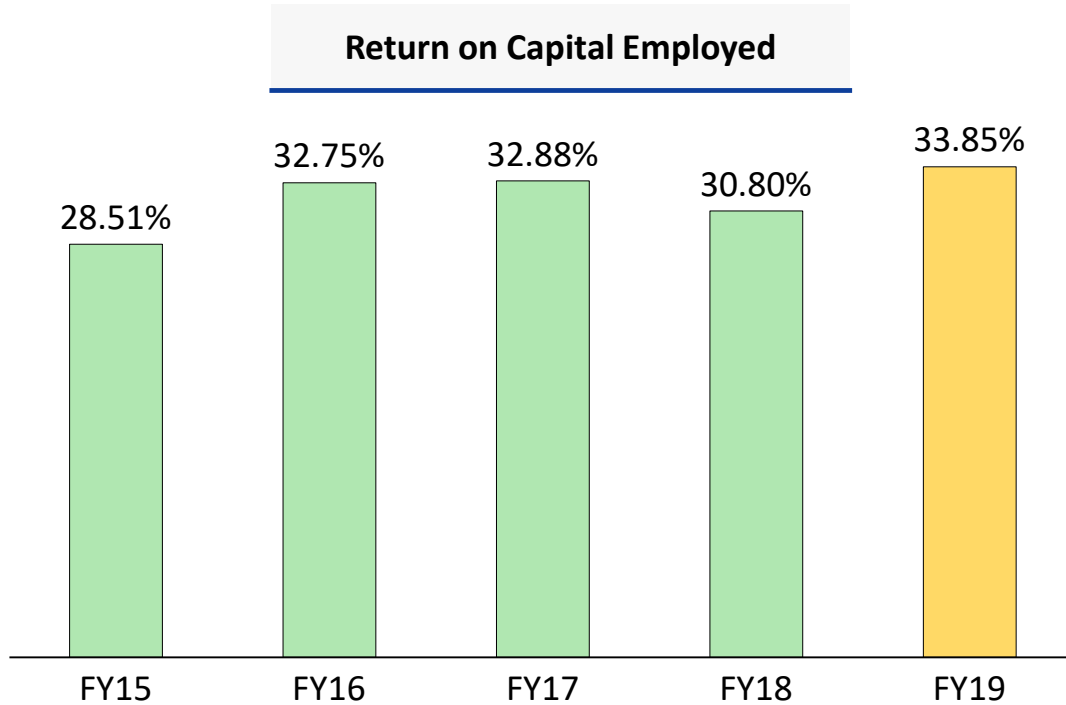


Net Debt = Total Long term debt + short term debt + current maturities of long term debt – cash and bank balances

■ 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

Capital delivering Consistent Performance (Consolidated)



Return on Capital Employed = $\text{EBIT (excluding Other Income)} / (\text{Total Debt} + \text{Total Net worth})$

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

For further information, please contact:

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