



A Fine Additude



Investor Presentation

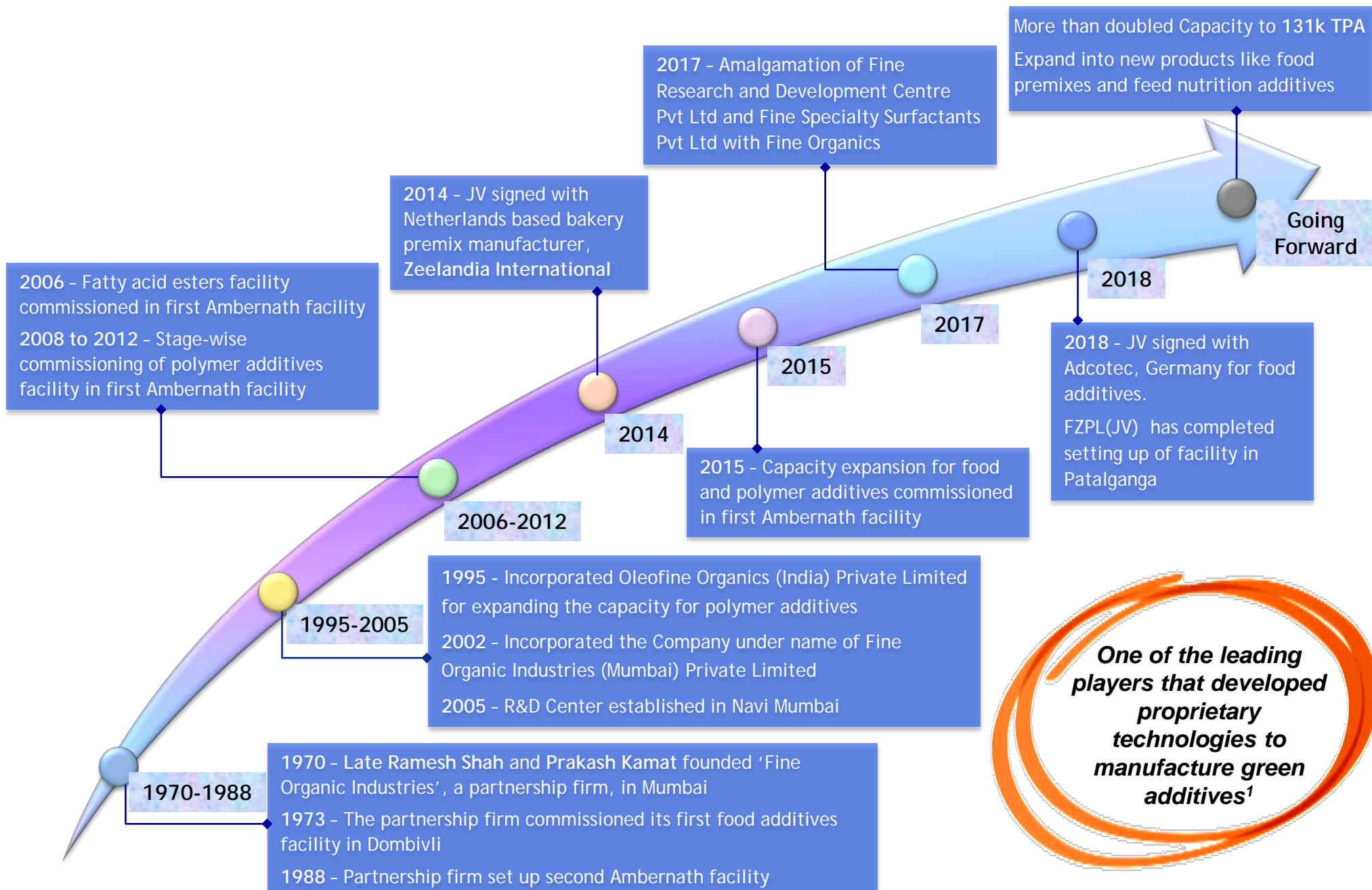
August 2018

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History & Evolution



One of the leading players that developed proprietary technologies to manufacture green additives¹

Note

1. As per CRISIL Research



Company & Business Highlights

Diversified Product Portfolio for High Growth Industries

Plastics Additives

Slip Agents

Friction reducing additives

Anti-Stats

Mitigates build-up of electrical charges

Lubricants

Flow improvers and mould release agents

Processing Aids

Helps in melting high molecular weight polymers

Anti-Fogging

Converts water droplets formed on plastic films into a continuous transparent water layer

Food & Other Additives

Emulsifiers

Extracts desired aesthetic structure and texture

Preservatives

Preventing food from spoilage or toxic

Food & Beverage

Used in biscuits, voluminous sponge, chewing gums, etc.

Cosmetic & Pharmaceutical

Added to creams, gels, lotions, varnishes, etc.

Rubber

Additives for elastomers to reduce dampening / abrasion

Paint & Coating

Anti-settling agents, emulsifiers, anti-sagging agents

Feed Nutrition

Replace harmful antibiotics & improve feed nutrition

Portfolio of 387 Products

Key Speciality Additives

Slip Additives



Anti-Stats



PE¹ Applications



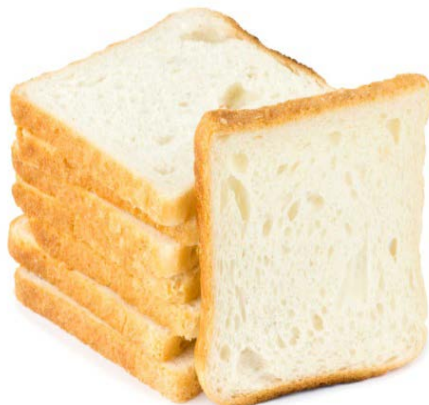
Anti-Fogging Additives



Anti-Block Additives



Emulsifiers and Anti-Fungal Additives



Cloudifiers



Emollients



Fine Organics Well Positioned to Benefit from Favourable Industry Dynamics

Limited Players

- Few large players competing globally
- Highly fragmented market in India

Highly Regulated

- Eco-friendly Green Oleo-derived additives a key focus area
- Stringent quality parameters & regulations governing the industry
- Human health and environmental concerns are key factors

Key Regulatory Agencies²

- Food
 - India: BIS FISSAI
 - Global: FDA (US), FSA (EU)
- Plastic
 - India: BIS
 - Global : Toxic Substance control and FDA (US), REACH (EU)

Very High Entry Barriers

- Complex technology & manufacturing processes create multiple entry barriers - mostly proprietary
- Product formulations, innovation and process technology - time & capital intensive process to generate business
- Established players enjoy premium positioning with customers due to consistent quality and product delivery

Significant Customer Stickiness

- Customers value long term trust built over the years with existing suppliers
- Lengthy and expensive product approval processes lead to high switching costs for customers
- Customers rely on established suppliers as performance ingredients are very critical to their end products

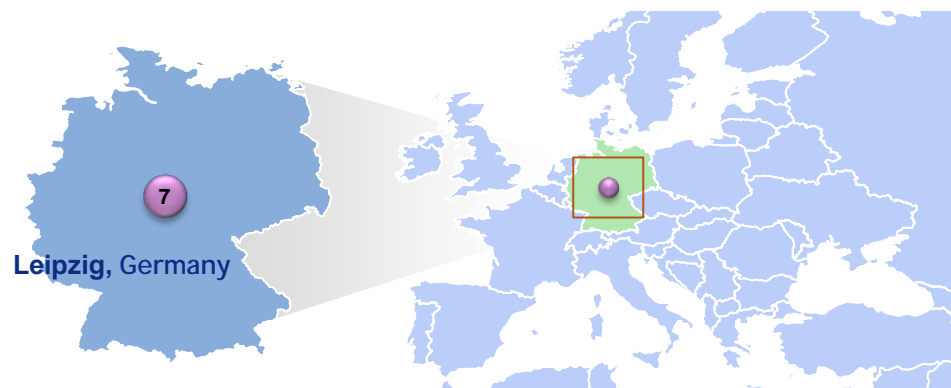
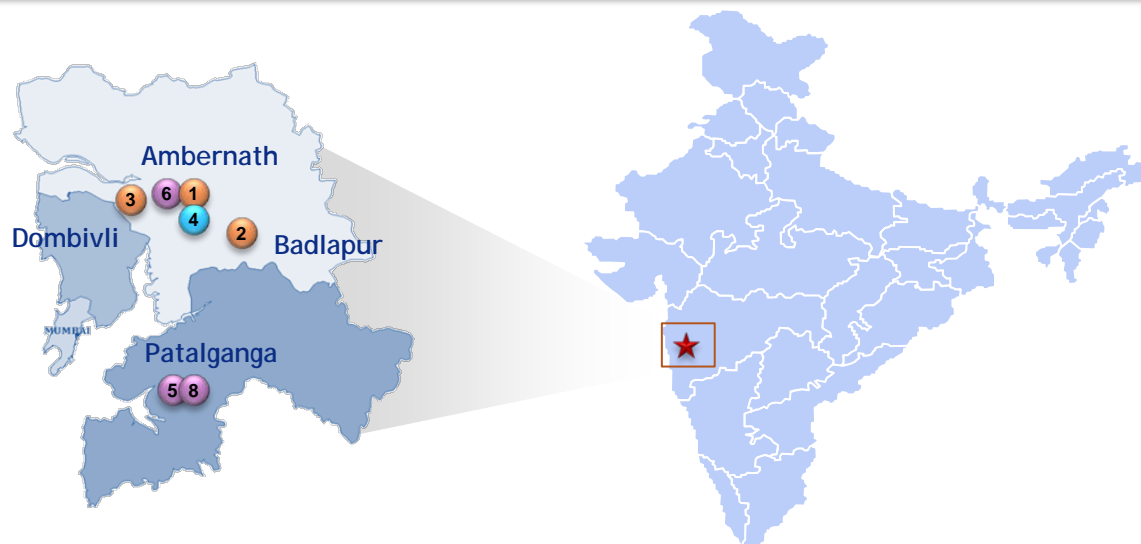
1. As per CRISIL Research.

2. BIS FSSAI: Bureau of Indian Standards, Food Safety and Standards Authority of India (India), FDA: US Food and Drug Administration; FSA: Food Safety Authority; REACH: Registration, Evaluation, Authorization and Restriction of Chemicals.

Strategically Located Manufacturing Facilities

Plant	Capacity (TPA)	Remarks
Current Operational Facilities		
1 1st Ambernath Facility	49,500	NA
2 Badlapur Facility	6,400	NA
3 Dombivli Facility	8,400	Acquired on Nov 30, 2017
Total Capacity	64,300 TPA	
Proposed Expansion Plans		
4 2nd Ambernath Facility ¹	5,000	Contract Manufacturing
5 Fine Zeelandia (Patalganga)	10,000	Trial runs started
6 3rd Ambernath Facility	32,000	Q1 FY 20
7 German Facility	10,000	Q1 FY 21 subject to all necessary approvals
8 Patalganga Facility	10,000	Q3 FY20
Total Capacity	67,000 TPA	

India plants located in close proximity to Nhava Sheva Port - Ideal for Exports



● Operating Plants ● Under Construction Plants ● Contract Manufacturing Facility

Fine Organics' Reputed Industry Certifications



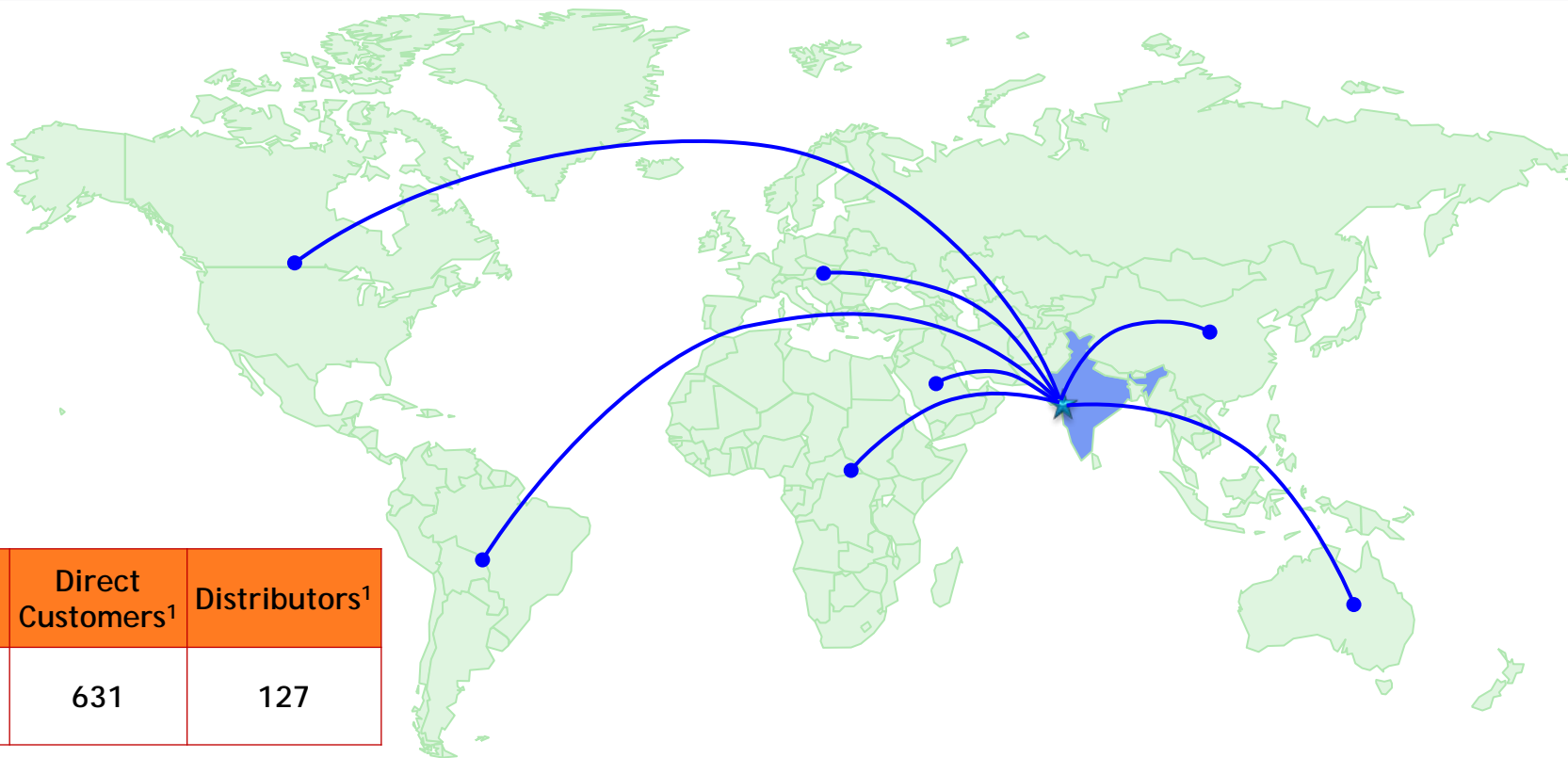
ポリオレフィン等衛生協議会
Japan Hygienic Olefin And Styrene Plastics Association

Note:

1. Contract manufacturing conducted at the Second Ambarnath Facility by Olefine Organics on a job-work basis since 2014.

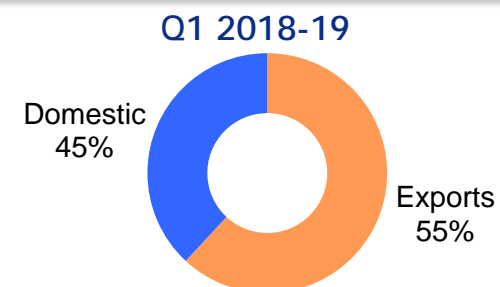
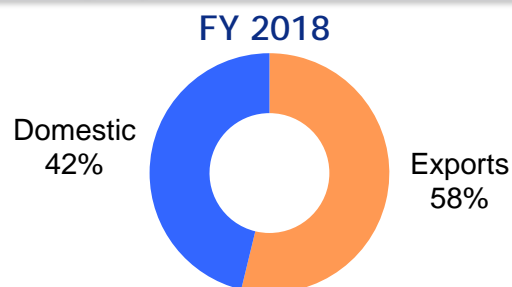
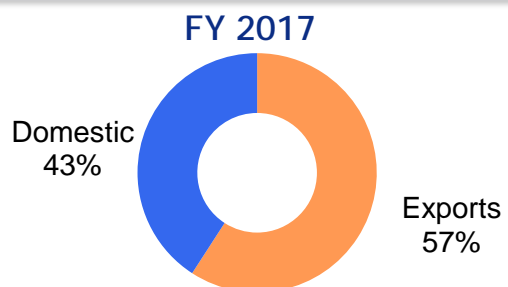
Sales & Marketing Network Across the Globe

Extensive Distribution Network Catering to Over 5,000 end users in 69 Countries



Products ¹	Direct Customers ¹	Distributors ¹
387	631	127

Geographic Revenue Mix*



Note
1.

In the 12 months ended March 31, 2018.

Note

* On standalone basis

Strong R&D Capabilities



- Infrastructure spread over area of 5,000 sq. mts.
- Dedicated team of 9 scientists and 6 technicians
- Developed and launched 46 new products since April 1, 2014

New Product Development



- Feed nutrition additives - derived from natural vegetable oils
- Additive to increase milk yield from cows and buffaloes (commercialization in progress)
- On-going R&D efforts for new product development

In-House Design and Engineering Capabilities



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

High Pedigreed & Professional Management Team

Board of Directors



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



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



Mukesh Shah - Managing Director

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



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)



Jayen Shah - Executive Director and CEO

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



Mahesh Sarda - Independent Director

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



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



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



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



Pratima Umarji - Independent Director

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

Key Management/Senior Personnel



Nikhil Kamat - Senior Vice President, Operations

- Holds a Master's degree in Science from the University of Bombay
- Experience in production planning, technical and regulatory work



Dr. Vijay Prabhu - Senior Vice President, Quality Assurance

- Holds a PhD from the University of Bombay
- Experience in R&D and QA in food and polymer additives



Dr. Mayukh Warawdekar - Senior Vice President, R&D

- Holds a PhD from the University of Bombay
- Extensive experience in R&D and specialty chemicals



Pooja Gaonkar - Company Secretary

- Holds a Bachelor's Degree in Law from the University of Bombay
- Previously worked with Calyx Chemicals and Pharmaceuticals





Organic Growth at the Forefront

- 5 new proposed facilities to add a combined 67,000 TPA in capacity¹

Product Expansion & Diversification into Newer High Margin Downstream Products

- Premixes for bakery & confectionary products (through Fine Zeelandia)
- Developing Feed Nutrition Additives

Expand Global Footprint

- New Manufacturing Facility in Leipzig, Germany (through FineAdd)
- Sales office in Shanghai, China

Continued Focus on Innovation and R&D

- Application labs for foods, plastics and cosmetics

Note

1. Including Second Ambarnath Facility where some of our products are manufactured on a job-work basis.

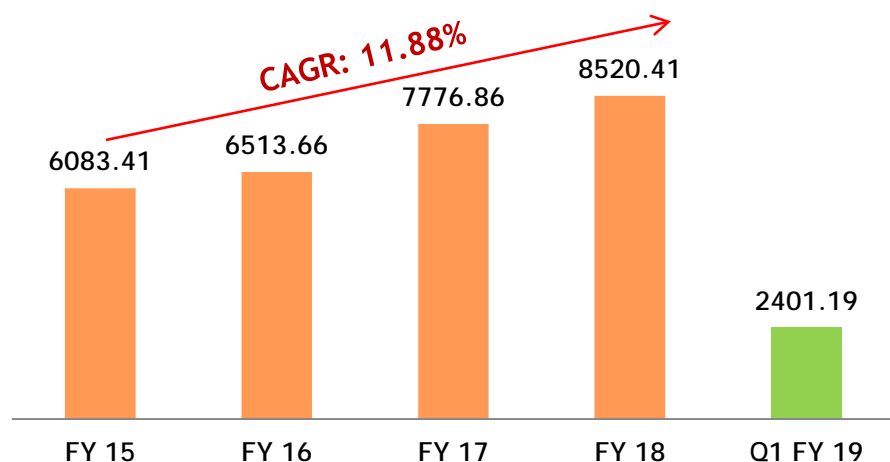


Financial Overview

Standalone Financials - Overview (1/3)

Net Revenue¹ and CAGR

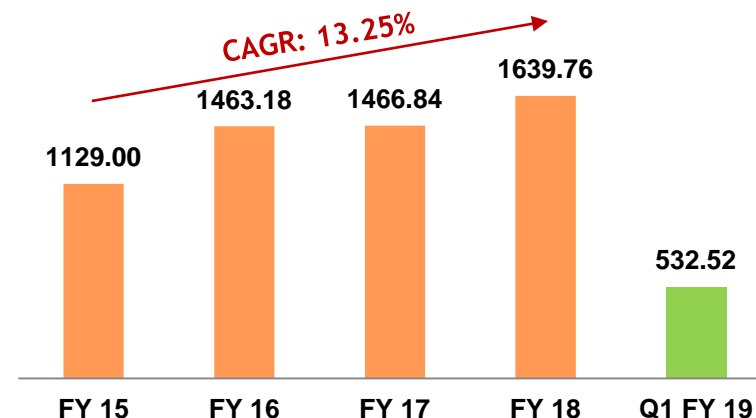
(INR Mn & %)



EBITDA² and EBITDA Margin

(INR Mn & %)

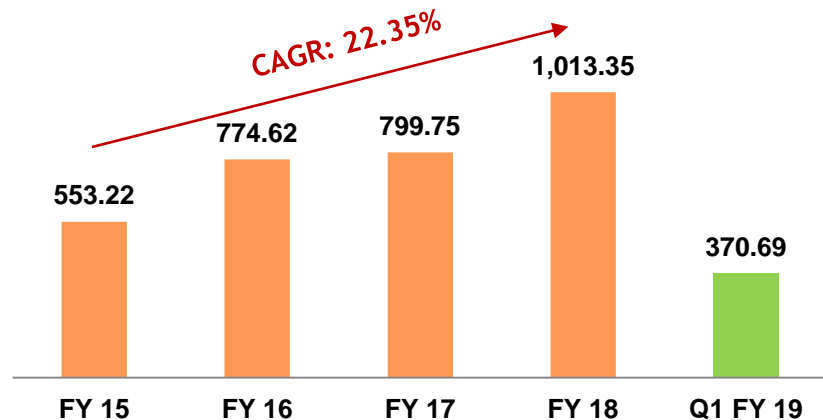
Margin (%) 18.56% 22.46% 18.86% 19.25% 22.18%



PAT and PAT Margin

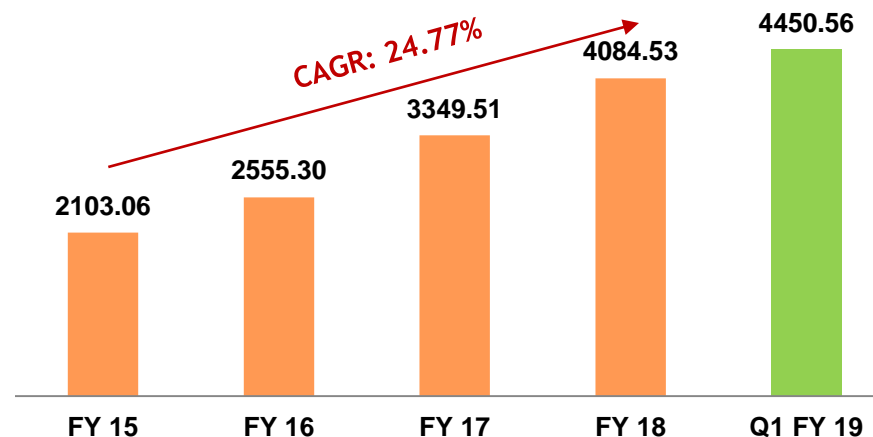
(INR Mn & %)

Margin (%) 9.09% 11.89% 10.28% 11.89% 15.44%



Net Worth

(INR Mn)



Note: CAGR: Compounded Annual Growth Rate. Formula: $(\text{Last Year Value}/\text{First Year Value})^{(1/N)-1}$

1. Net Revenue = Revenue from Operations - Excise Duty and GST

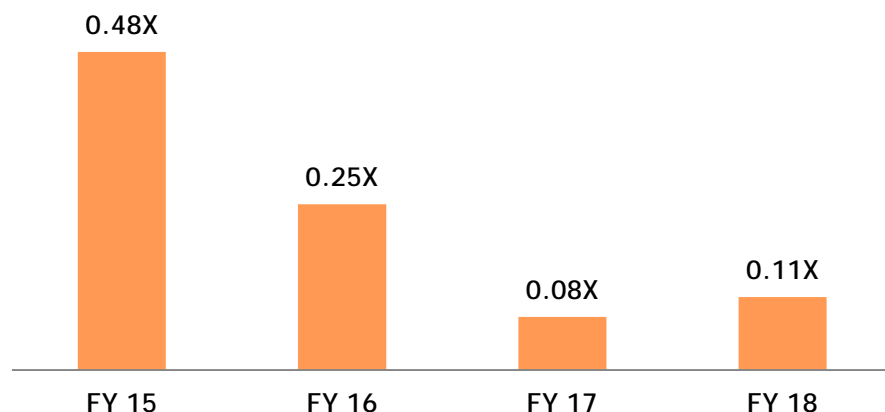
2. EBITDA = Profit before tax + Finance Costs + Depreciation - Other Income

3. FY 15 and FY 16 numbers are as per restated standalone Financials, Q1 FY 19 numbers are unaudited

Standalone Financials - Overview (2/3)

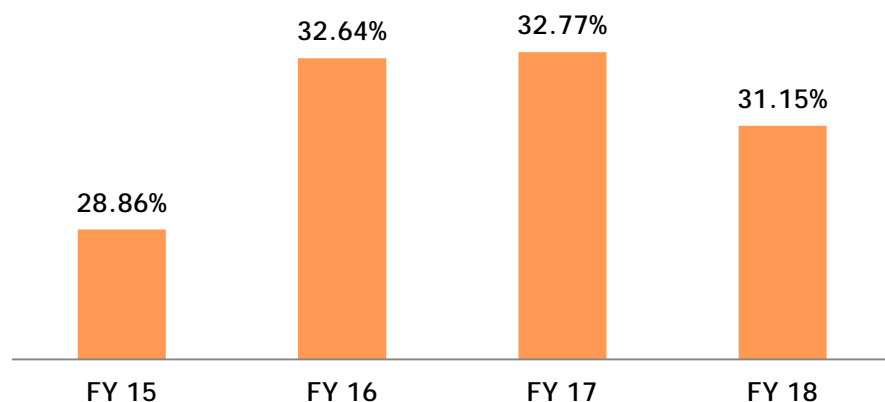
Net Debt to Net Worth¹

(x)



Return on Capital Employed⁴

(%)

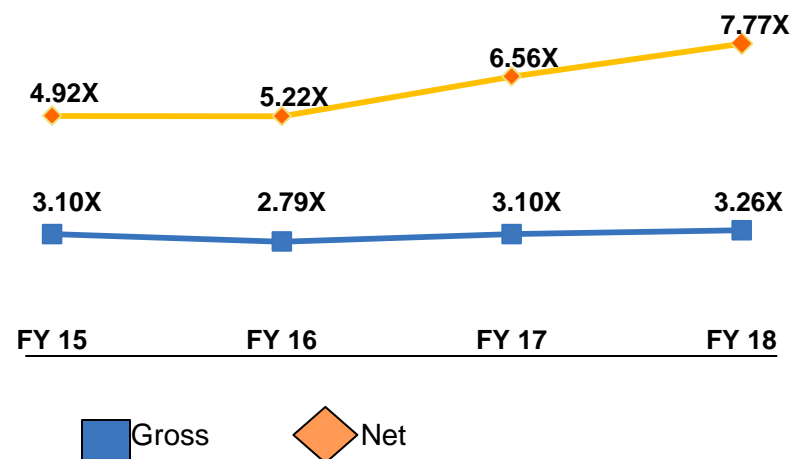


Notes:

1. Net Debt = Total Long term debt + short term debt + current maturities of long term debt - cash and bank balances
2. Fixed Asset Turnover (Gross) = Net Revenue from Operations / Total Gross Block of Fixed Assets
3. Fixed Asset Turnover (Net) = Net Revenue from Operations / Total Net Block of Fixed

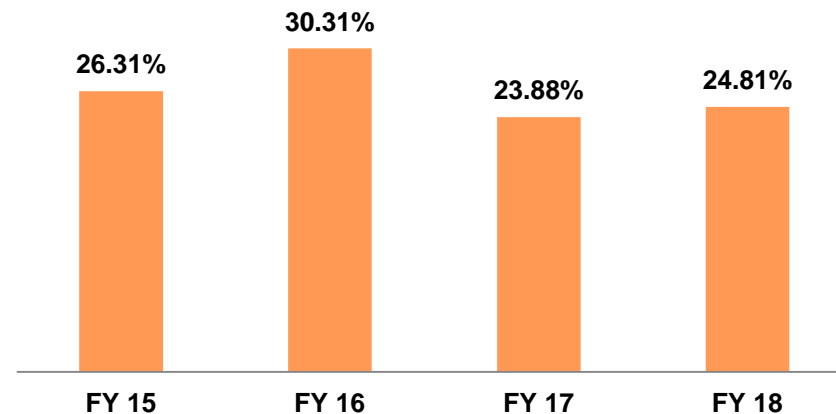
Fixed Asset Turnover (Gross² and Net³)

(x)



Return on Net Worth⁵

(%)



Assets excluding capital advances.

4. Return on Capital Employed = EBIT / (Total Net Debt + Total Net Worth). Excludes Other Income.
5. Return on Net Worth = Net Profit After Tax / Net Worth at the end of the year
6. FY 15 and FY 16 numbers are as per restated standalone Financials

Standalone Financials - Overview (3/3)

Summary of Key Standalone Financials

Rs. Millions	FY 16-17	FY 17-18
Share Capital	48.30	153.30
Equity Share Suspense account	2.80	
Reserves	3,298.41	3,931.23
Total Equity / Book Value	3,349.51	4,084.53
Total dividend on Equity Shares	-	229.95 ⁽¹⁾
Dividend Tax	-	46.81 ⁽¹⁾
Basic Earnings Per Share (Rs. Per Share)	26.08	33.05
Diluted Earnings Per Share (Rs. Per Share)	26.08	33.05

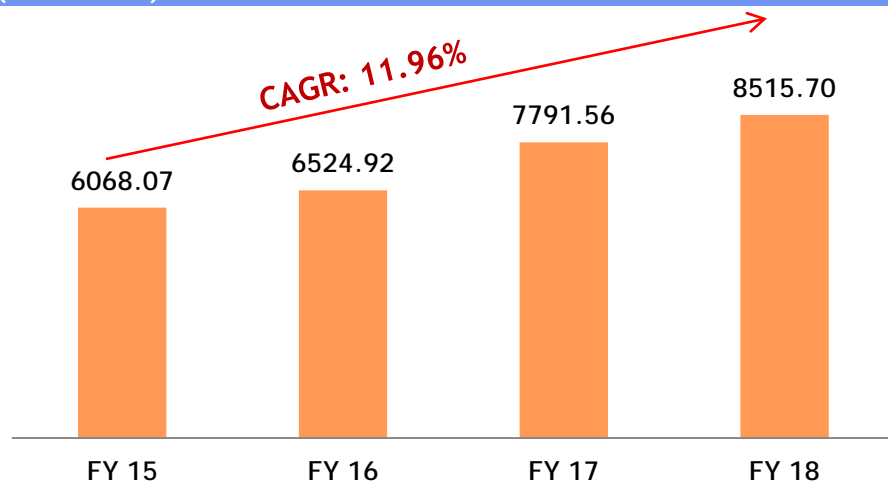
Notes:

1. Dividend for FY16-17 paid in FY 17-18
2. Final Dividend for FY17-18 is proposed @ Rs 7 Per equity share (FV Rs 5 per share)

Consolidated Financials - Overview (1/3)

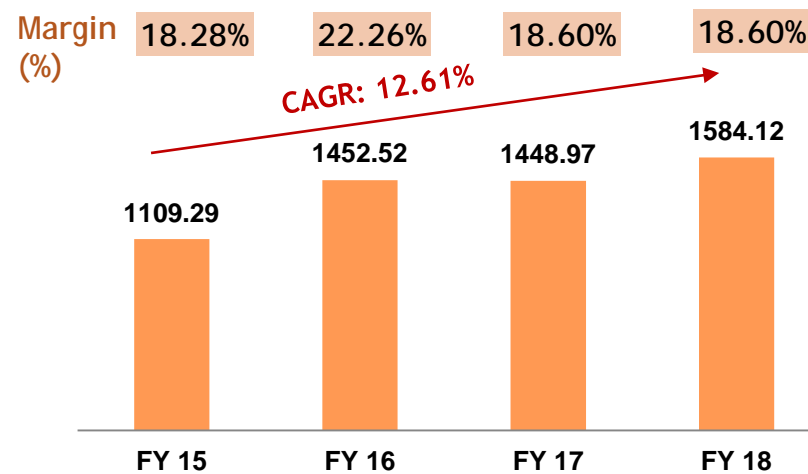
Net Revenue¹ and CAGR

(INR Mn & %)



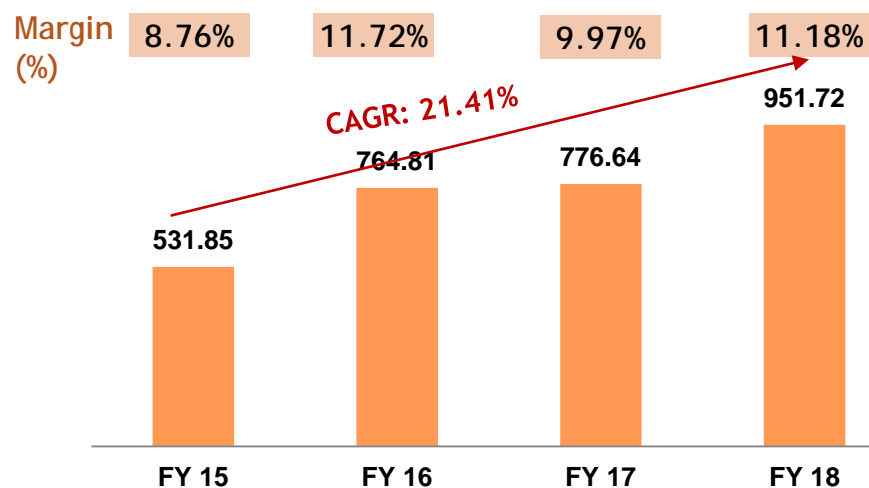
EBITDA² and EBITDA Margin

(INR Mn & %)



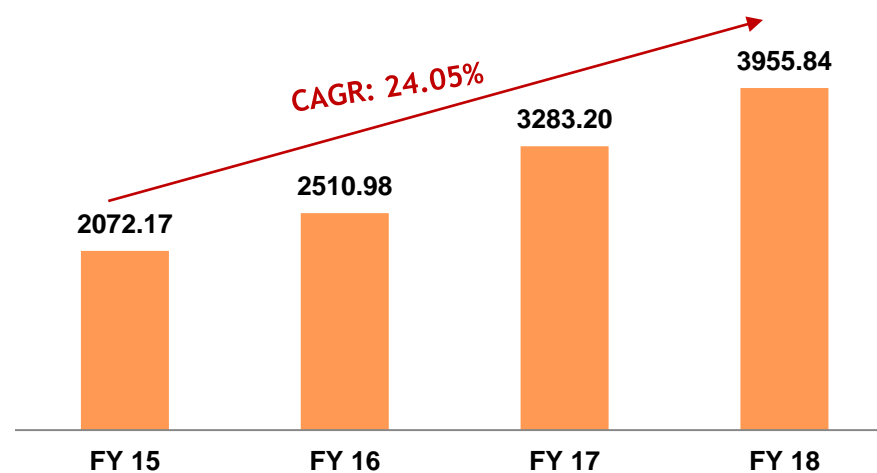
PAT and PAT Margin

(INR Mn & %)



Net Worth

(INR Mn)



Note: CAGR: Compounded Annual Growth Rate. Formula: $(\text{Last Year Value}/\text{First Year Value})^{(1/N)} - 1$

1. Net Revenue = Revenue from Operations - Excise Duty and GST

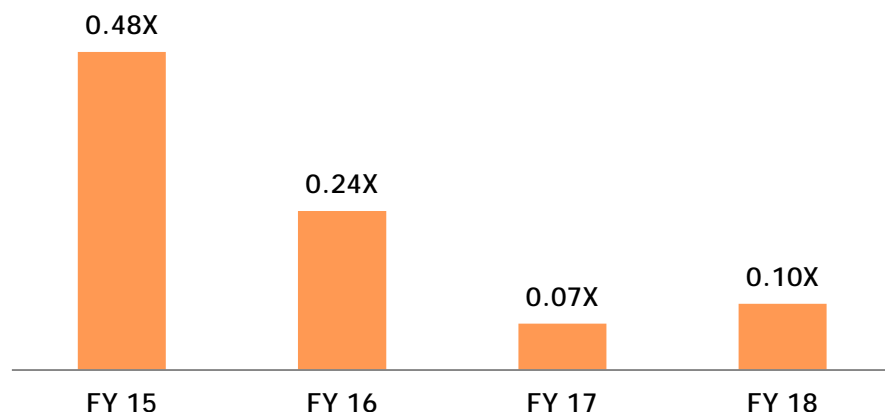
2. EBITDA = Profit before tax + Finance Costs + Depreciation - Other Income

3. FY 15 and FY 16 numbers are as per restated Consolidated Financials,

Consolidated Financials - Overview (2/3)

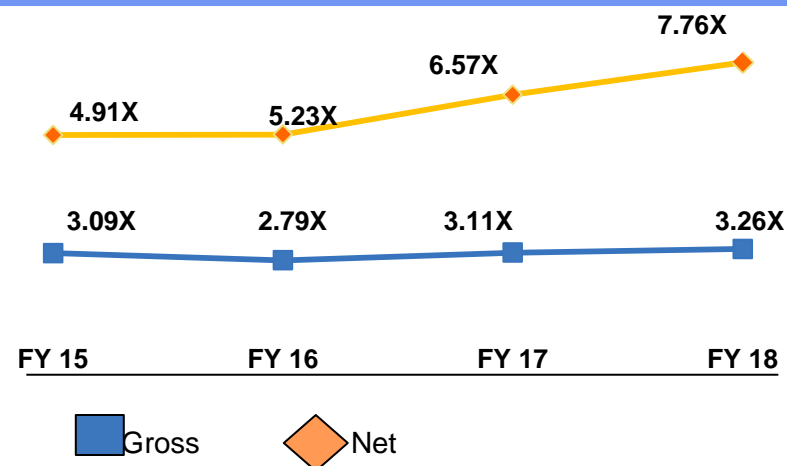
Net Debt to Net Worth¹

(x)



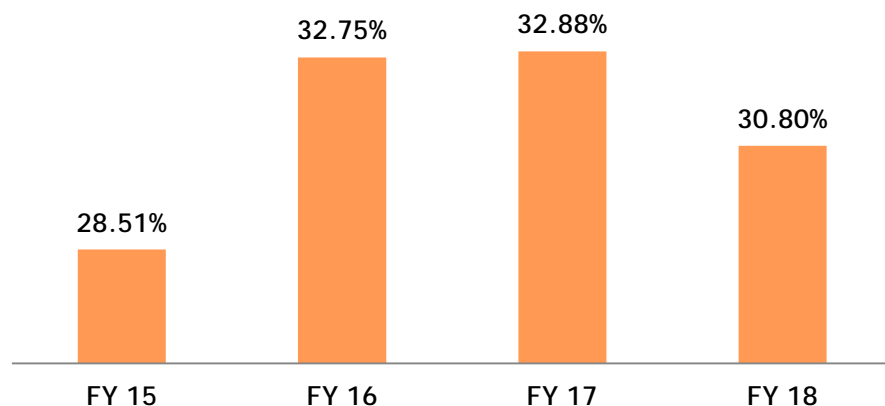
Fixed Asset Turnover (Gross² and Net³)

(x)



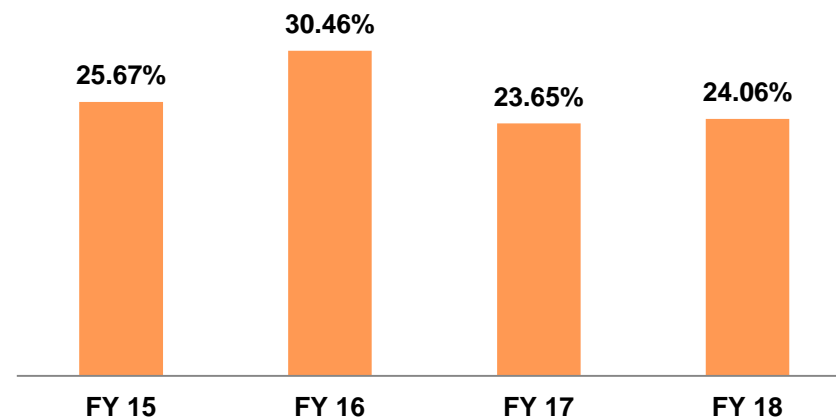
Return on Capital Employed⁴

(%)



Return on Net Worth⁵

(%)



Notes:

1. Net Debt = Total Long term debt + short term debt + current maturities of long term debt - cash and bank balances
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6. FY 15 and FY 16 numbers are as per restated consolidated Financials

Consolidated Financials - Overview (3/3)

Summary of Key Consolidated Financials

Rs. Millions	FY 16-17	FY 17-18
Share Capital	48.30	153.30
Equity Share Suspense account	2.80	
Reserves	3232.10	3,802.54
Total Equity / Book Value	3283.20	3,955.84
Total dividend on Equity Shares	-	229.95 ⁽¹⁾
Dividend Tax	-	46.81 ⁽¹⁾
Basic Earnings Per Share (Rs. Per Share)	25.40	31.09
Diluted Earnings Per Share (Rs. Per Share)	25.40	31.09

Notes:

1. Dividend for FY16-17 paid in FY 17-18
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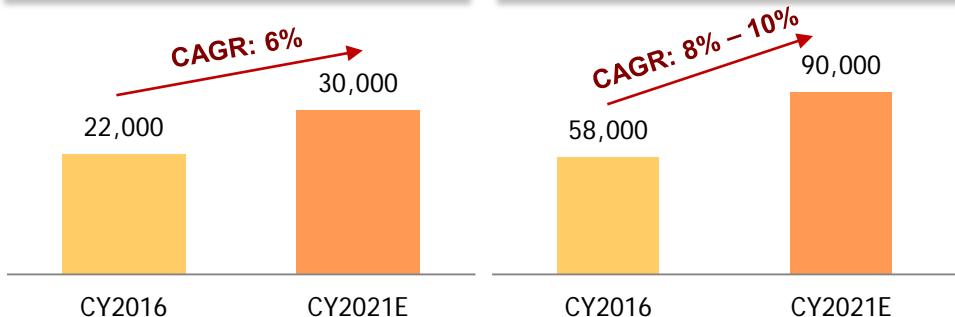
Annexure - Industry Overview

Plastic Additives Industry - Strong Growth Prospects

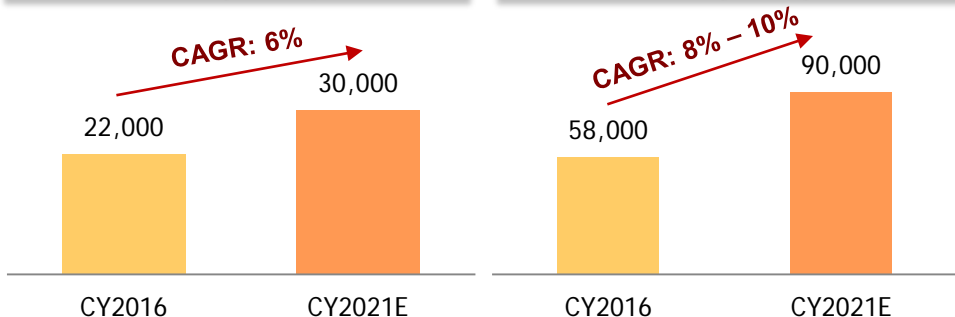
Plastic Additives Industry

- Key Additives - Stabilisers, FRs, Slip Additives, Lubricants, Dispersants, Anti-fogs, Anti-stats and Processing Aids

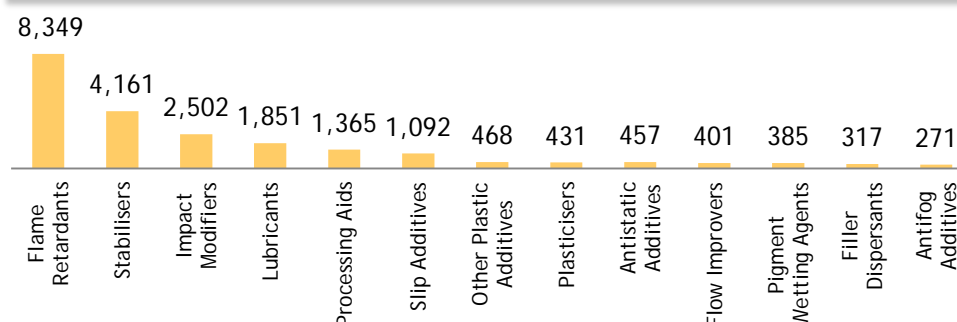
Global Plastic Additives Market Size (US\$ Mn)



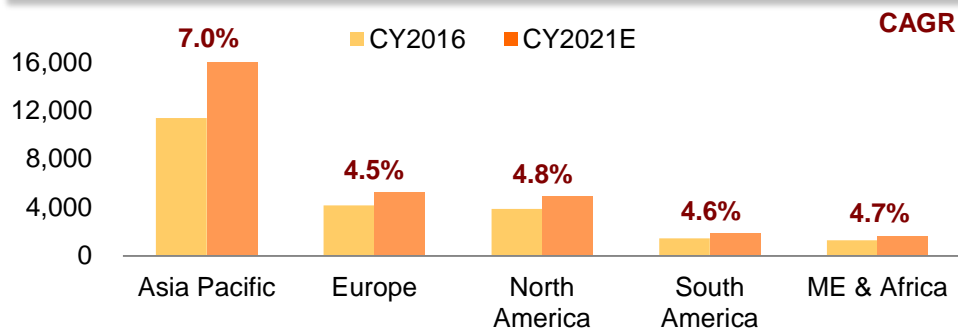
India Plastic Additives Market Size (INR Mn)



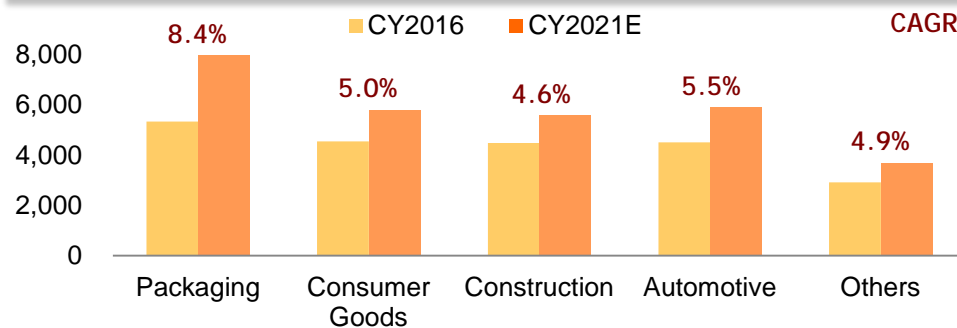
Plastic Additives - Type-wise Global Share (US\$ Mn)



Global Plastic Additives Growth (US\$ Mn)



End-user wise Plastic Additives Growth (US\$ Mn)



Global Growth Drivers

High growth in Asia Pacific region

Increased Substitution by Plastic Materials

Development of New Plastic Additives

Increasing Preference for Non-toxic Plastic Additives

Growth Drivers in India

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

Strong growth in major consumer segments - Auto, Construction, Consumer Durables

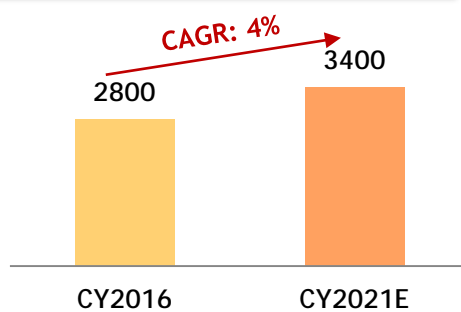
Increasing use of plastics in packaging - superior quality & cost effectiveness

Food Additives Industry - Multiple Tailwinds Ahead

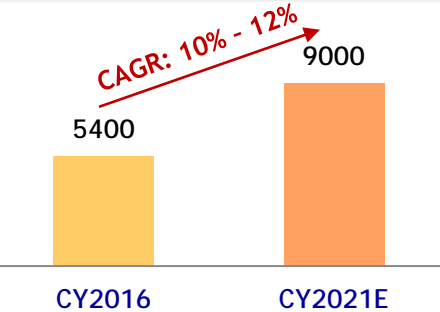
Food Additives Industry

- Key Additives - Emulsifiers, Esters, Preservatives, Additive Blends, etc.

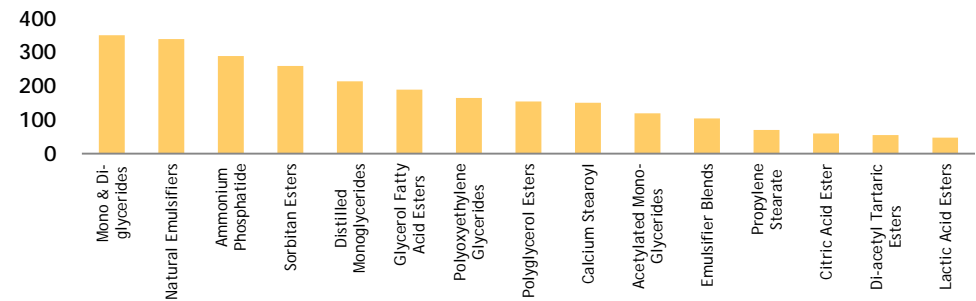
Global Food Emulsifiers Market Size (US\$ Mn)



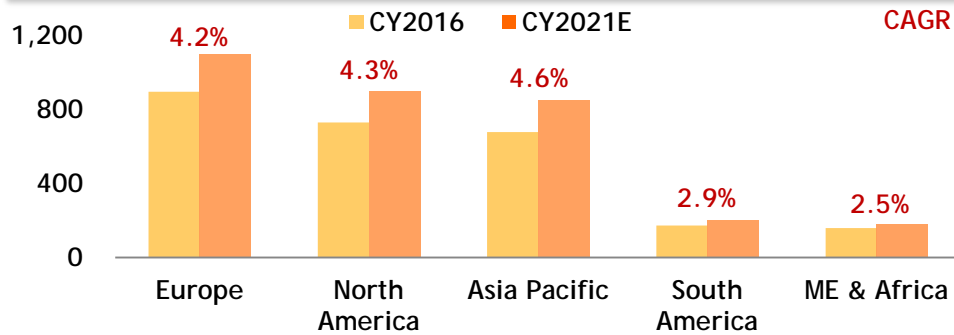
India Food Emulsifiers Market Size (INR Mn)



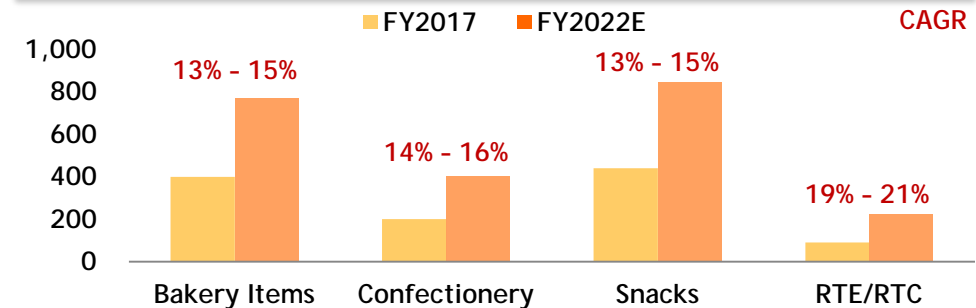
Food Emulsifiers - Product-wise Global Share (Kilotons)¹



Global Food Emulsifiers Growth (US\$ Mn)



Indian Consumer Foods Industry Growth (INR Mn)



Global Growth Drivers

Increasing awareness among food processors about advantages & applications

Growing population, higher economic growth & disposable income changing lifestyles of emerging nations

Rise in health awareness & quality consciousness of consumers in developed nations demanding healthy packed foods

Growth Drivers in India

Low per capita consumption of food emulsifiers

Changing consumer preferences for processed and packed convenience foods

Booming organized retail sector





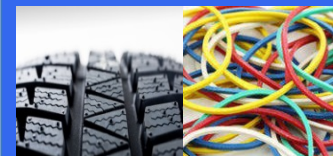
Changes in eating habits and introduction of new products

Source: CRISIL Research

Note: CAGR: Compounded Annual Growth Rate. Formula: $(\text{Last Year Value} / \text{First Year Value})^{(1/N)} - 1$

1. Approximate figure as per CRISIL Research.

Other Additives – Key Drivers

Industry	Specialties	Feed Nutrition	Cosmetics & Pharmaceuticals	Paints, Inks & Coatings	Rubber
					
Key Additives & Ingredients	<ul style="list-style-type: none"> • Lube additives • Property modifiers • Coated papers • Wood composites 	<ul style="list-style-type: none"> • Natural Antibiotics • Nutritional Additives • Anti-fungal Additives 	<ul style="list-style-type: none"> • Emulsifiers • 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"> • Construction industry • Specialty applications 	<ul style="list-style-type: none"> • Poultry Products • Milk & Milk Derivatives 	<ul style="list-style-type: none"> • Creams and Gels • Pastes • Lotions • Ointments 	<ul style="list-style-type: none"> • Paints • Inks • Coating Materials 	<ul style="list-style-type: none"> • Conveyor Belts • Automotive Parts and Engine Components • Tyres • Dock Fenders
India CAGR (FY17 - 22E)	NA	11% - 13% ¹	10% - 12% ²	8% - 10% ³	6% - 7% ⁴
Growth Drivers	<ul style="list-style-type: none"> • Increase in Govt. expenditure on infra projects • Increase in use of cars/trucks • Increase in cashless transactions and air travel 	<ul style="list-style-type: none"> • Rising health awareness • Growing 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 • Growth in demand for skin-care cosmetics • Growing personal care segment 	<ul style="list-style-type: none"> • Low per capita paint consumption • Increased penetration of paints in rural and non-metro cities • Growth in niche products - nano-coatings & green coatings 	<ul style="list-style-type: none"> • Growth in auto sales • Steady Improvement in industrial activity • Steady agricultural output • Increased focus by government in infrastructure

Source: CRISIL Research

Notes: CAGR: Compounded Annual Growth Rate. Formula: $(\text{Last Year Value} / \text{First Year Value})^{(1/N)} - 1$

1. Poultry Industry

2. Cosmetics Industry

3. Paints and Coatings Industry

4. Styrene-butadiene Rubber ("SBR") and Poly-butadiene Rubber ("PBR") Industry

For further information, please contact

Company	Investor Relations Advisors
Fine Organic Industries Limited CIN No: U24119MH2002PLC136003 Name: Tushar Shah	Strategic Growth Advisors Pvt Ltd. CIN No: U74140MH2010PTC204285 Rahul Agarwal / Shrikant Sangani Email id: rahul.agarwal@sgapl.net shrikant.sangani@sgapl.net Tel No: +91 79770 90416 / +91 96195 95686