




Investor Presentation
May - 2019





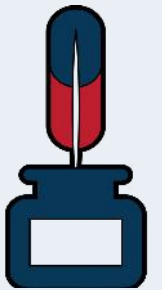
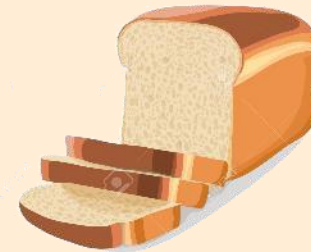
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THE FINE STORY OF SUCCESS



Our Story of Success



Wide Product Range



Products
400+

Diversified Customer Base



Direct
Customers
650+

Global Distribution Network



Distribution
130+

Installed Capacity
69,300 TPA



Inhouse 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

Strength formulae for Success of FINE ORGANICS

01



*Dominant
Position*

04



*Specialized
Business Model*

07



*Highly Experienced
Management Team*

02



*Diversified
Product
Portfolio*

05



*Strategically
Located*

03



*Diversified
Customer Base*

06



*Strong R&D
– Innovation
led business*

EFFECTIVE TECHNOLOGY



RELENTLESS FOCUS



**INNOVATIVE PRODUCTS
AND SOLUTIONS**

1. 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 five global players in the polymer additives industry

One of the six global players in the Specialty Food Emulsifiers

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

2. Diversified Product Portfolio : Multiple End-users



*Process Additives for
Rubbers and Elastomers*
A Fine Additude



*Specialty Additives
for Foods*
A Fine Additude



*Specialty Additives
for Cosmetics*
A Fine Additude



*Oleochemical Specialties
for Diverse Applications*
A Fine Additude

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

Pioneer in manufacturing & marketing of emulsifiers in India.

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

Our product range for CosPha (Cosmetic and Pharmaceutical) applications serve both as base ingredients and functional additives.

They enhance appearance and use for end-uses in skin care products like Creams, Lotions & Ointments etc

Using our oleochemical expertise, we have developed a line of functional additives and special formulations for the paints, inks, coatings, Asphalt/Bitumin & several other industries



2. Diversified Product Portfolio : 400+ Products

Food Additives

Helps food to get the desired aesthetic structure and texture along with maintaining quality and freshness. Enhances shelf life of bakery products and keeps it safer from spoiling or from becoming toxic due to unwanted growth of bacteria, yeast and moulds

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 agent in PVC pipes

Specialty Additives

Used in niche applications like reducing fat in high-quality biscuits or to make high-quality sponge with good volume, structure, sliceability and shelf life

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

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

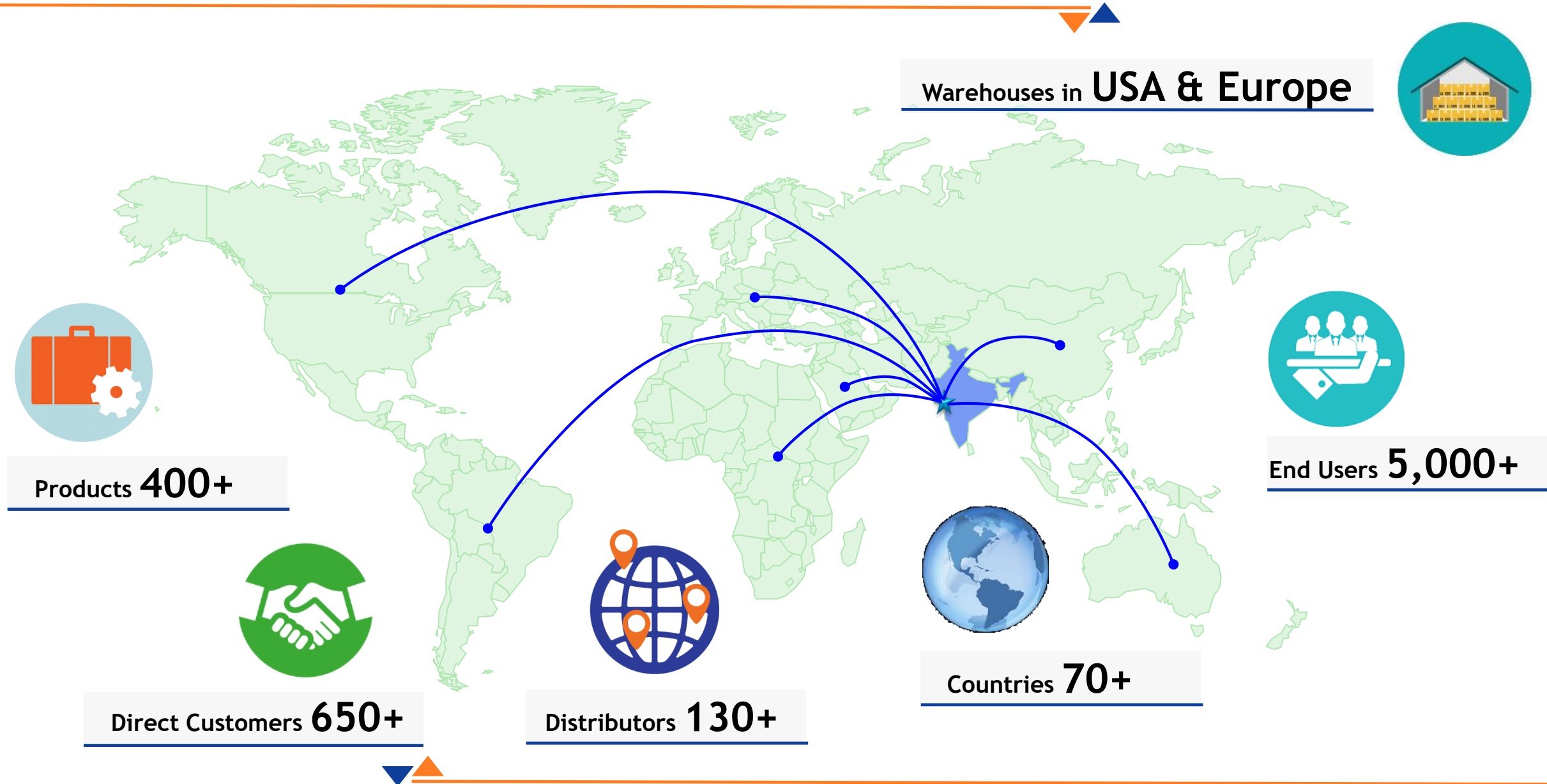
Used as anti-settling agents, emulsifiers, thickening/anti-sagging agents, wetting and dispersing agents, defoamers, biocides and anti-mar waxes for use in paint and coating applications. Capable of improving the appearance and durability of a coating

Feed Nutrition Additives

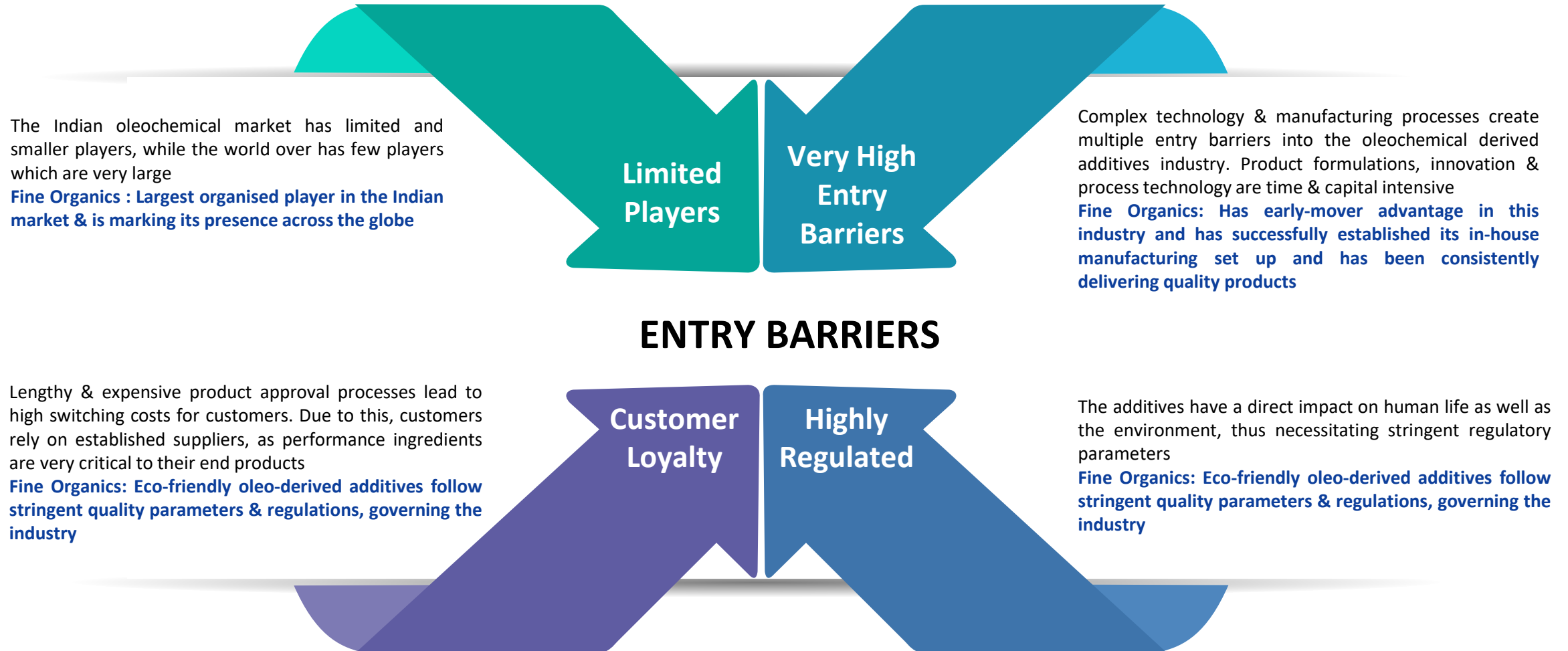
Replaces harmful antibiotics and improves feed efficiency and imparts several technical advantages to the end products



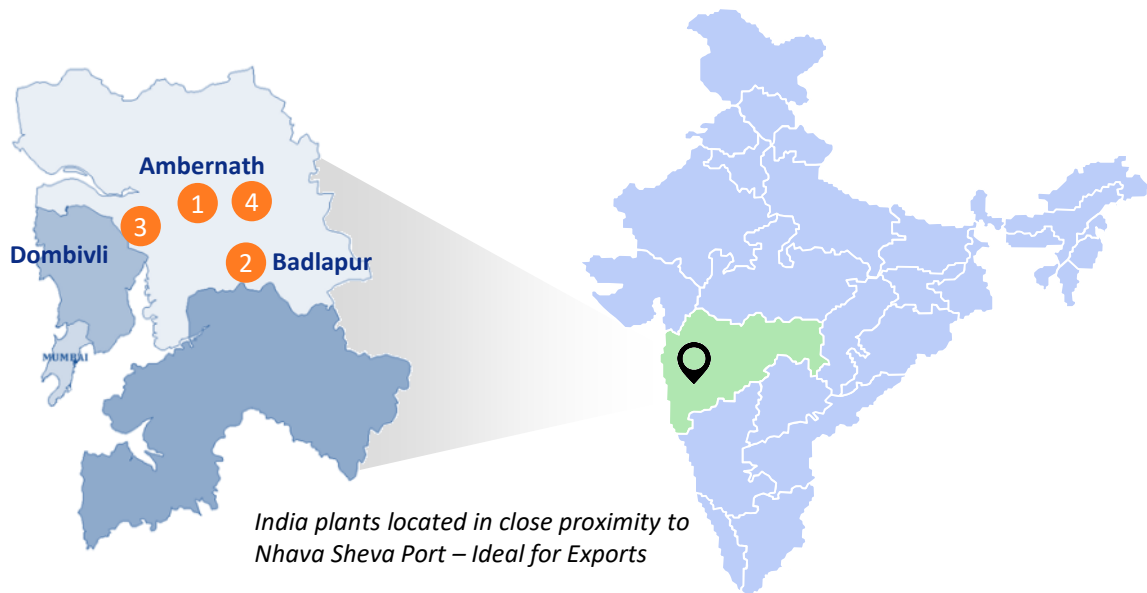
3. Diversified Customer Base



4. Specialised Business Model : Entry Barriers



5.Strategically Located : Current Facilities



Ambernath



Badlapur



Current Operational Facility

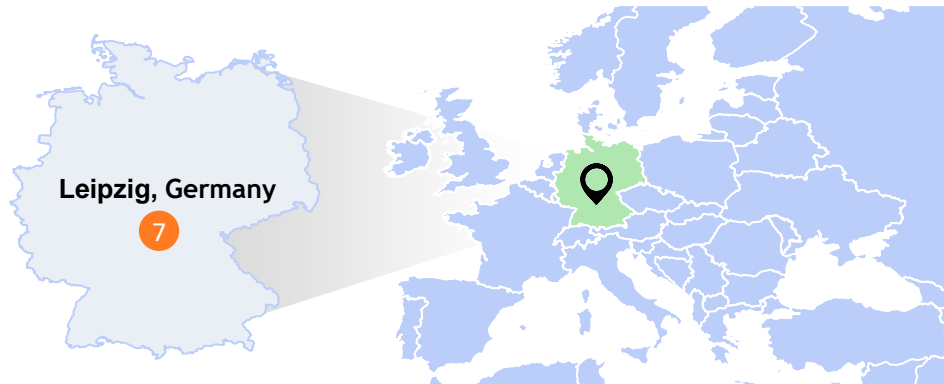
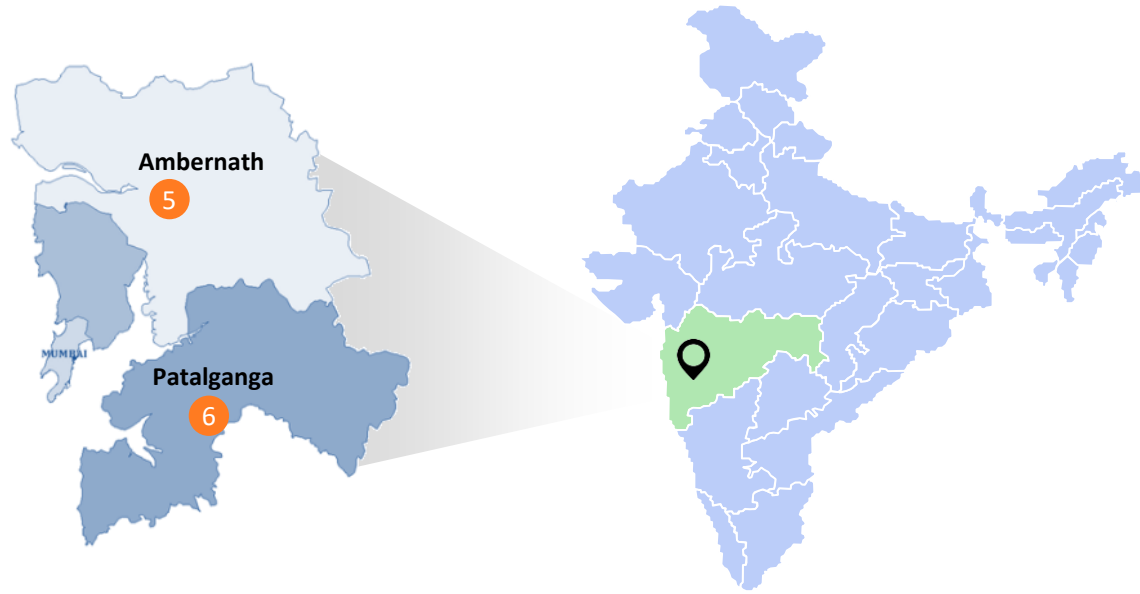
Plant	Capacity (TPA)	Remarks
1 1 st Ambernath Facility	49,500	--
2 Badlapur Facility	6,400	--
3 Dombivli Facility	8,400	Acquired on Sub-lease basis
4 2 nd Ambernath Facility	5,000	Acquired on Sub-lease basis
Total Capacity	69,300 TPA	



Certifications



5.Strategically Located : Expansion Plans



Proposed Expansion Plants

Plant	Capacity (TPA)	Remarks
5 3 rd Ambernath Facility	32,000	Q1 FY20
6 Patalganga Facility	10,000	Q2 FY21*
7 German Facility	10,000	FY22*

6. Strong R&D : Innovative Approach



Strong R&D Capabilities

- Infrastructure spread over area of **5,000** sq. mts.
- Dedicated team of 18 people consisting of **scientists** and **technicians**
- Developed and launched **30** new products since April 1, 2018

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 development & application

In-House Design and Engineering

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



Focus on



Production Processes



Improving the quality of our present products



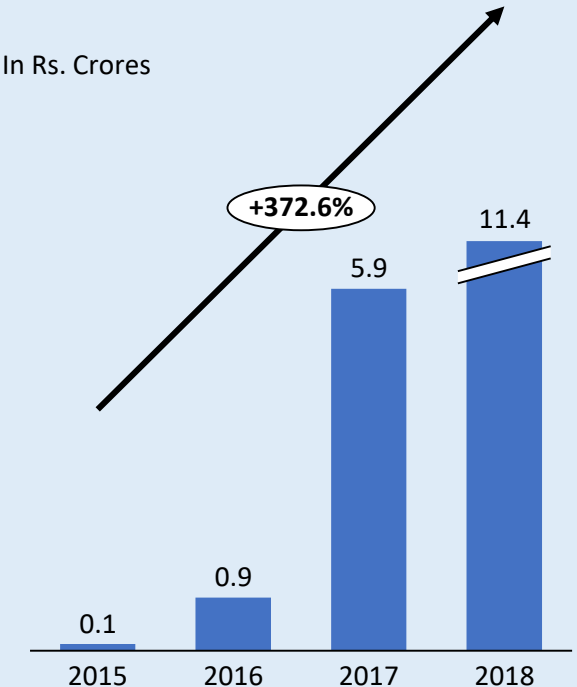
Creating new additives



Creating downstream products

Increasing Contribution from new products developed and launched

In Rs. Crores



7. 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

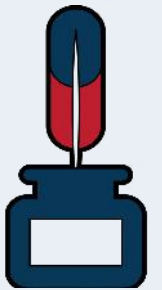
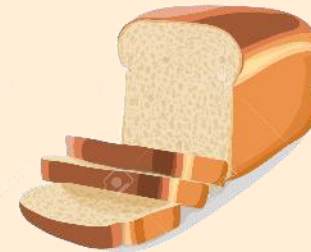
- On the Board since Nov 2017. Holds a Law degree
- Current panel member of the "Lok Adalat", Bombay High Court



INDUSTRY POTENTIAL:

MULTIPLE GROWTH LEVERS

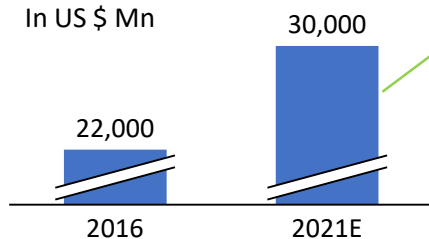
1. Polymer Additives Industry
2. Food Additives Industry
3. Other Specialty Additives



1. Polymer Additives Industry

Global Market Size

In US \$ Mn

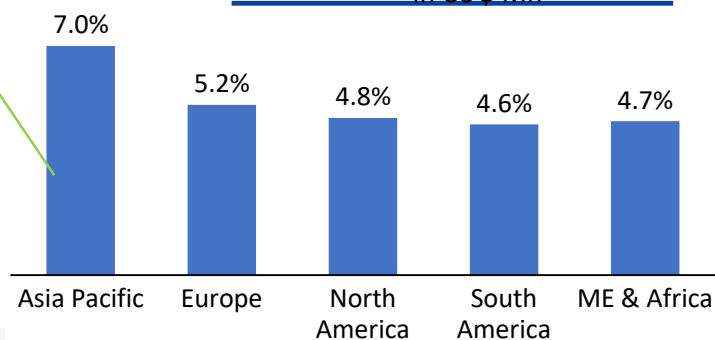


CAGR **6.4%**

Country-wise Growth (From 2016 - 2021E)

In US \$ Mn

Asia Pacific
7.0%
High growth Rate



Growth Drivers

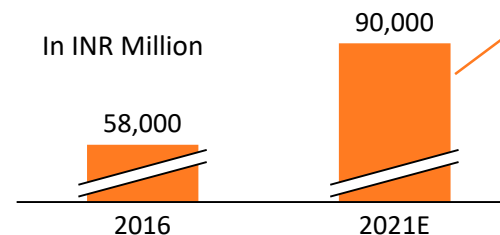
Increased Substitution by polymer Materials

Development of New Polymer Additives

Increasing Preference for Non-toxic polymer Additives

Indian Market Size

In INR Million

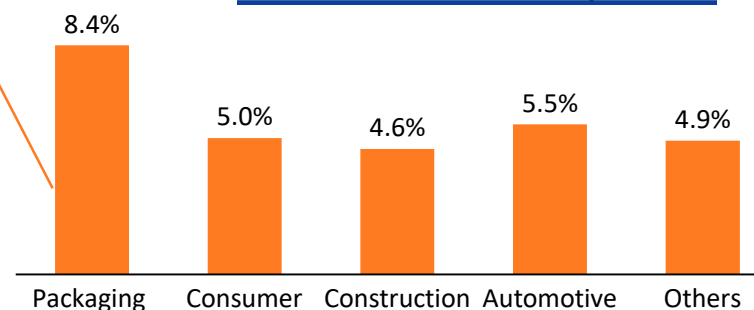


CAGR **9.2%**

End-user Segment Growth (From 2016 - 2021E)

In INR Million

Strong growth in Auto, Construction, Consumer Durables



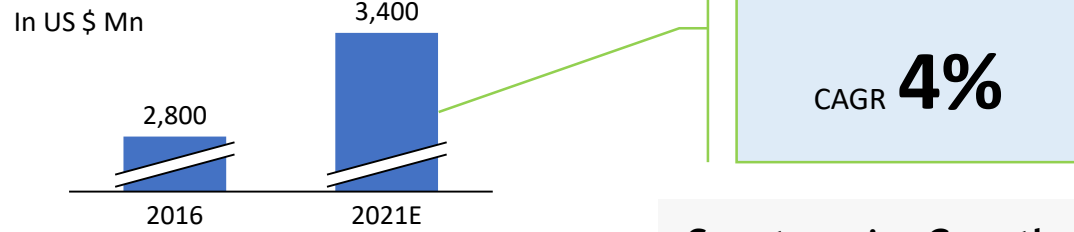
Growth Drivers

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

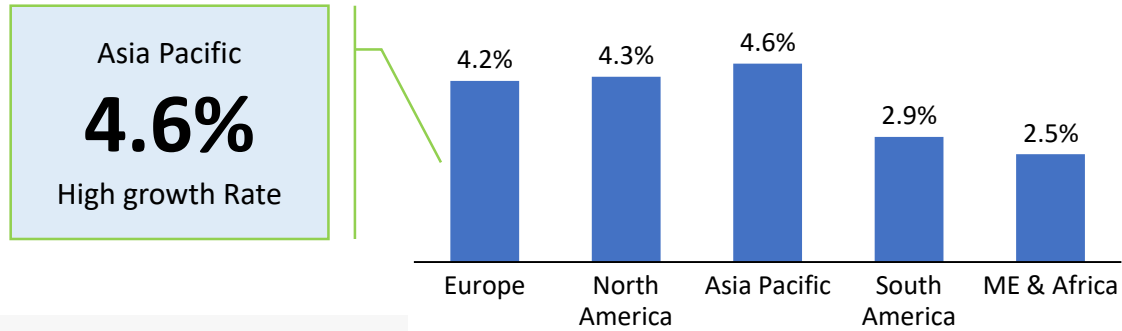
Increasing use of polymers in packaging – superior quality & cost effectiveness

2. Food Additives Industry

Global Food Emulsifiers Market Size



Country-wise Growth (From 2016 - 2021E) In US \$ Mn



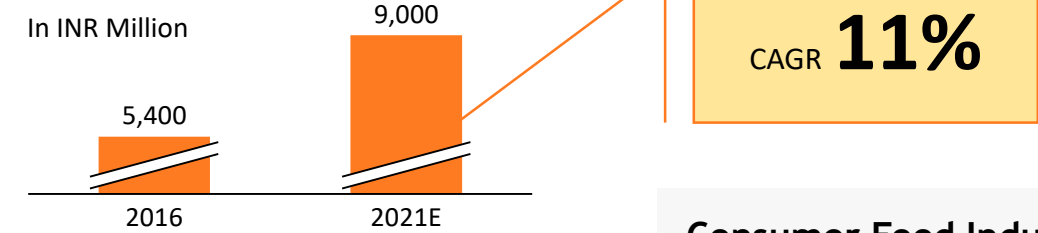
Growth Drivers

Increasing awareness among food processors about advantages & applications

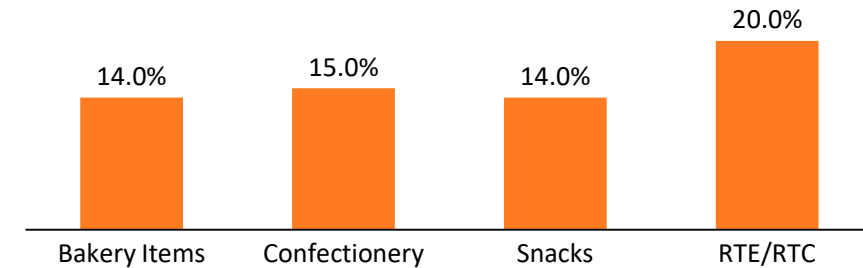
Growing population, higher economic growth & disposable income changing lifestyles of emerging nations

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

Indian Market Size



Consumer Food Industry (From 2017 - 2022E) In INR Million



Growth Drivers

Low per capita consumption of food emulsifiers

Booming organized retail sector and changes in eating habits

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

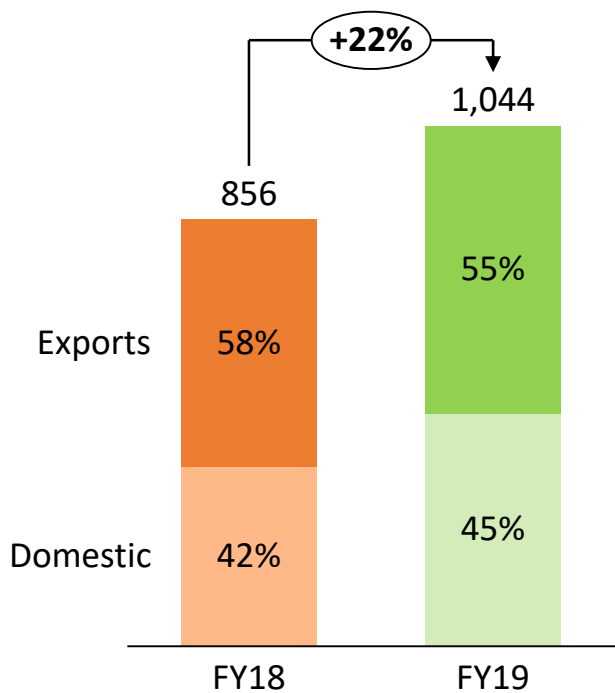
FINANCIAL HIGHLIGHTS



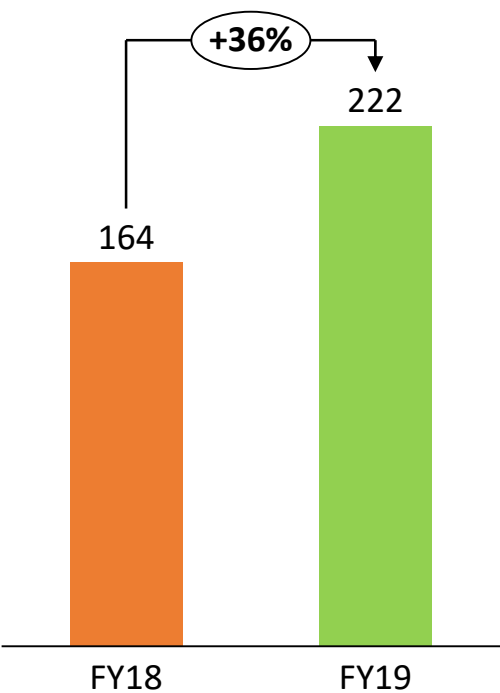
FY19 Standalone Performance Highlights

Rs in Crores

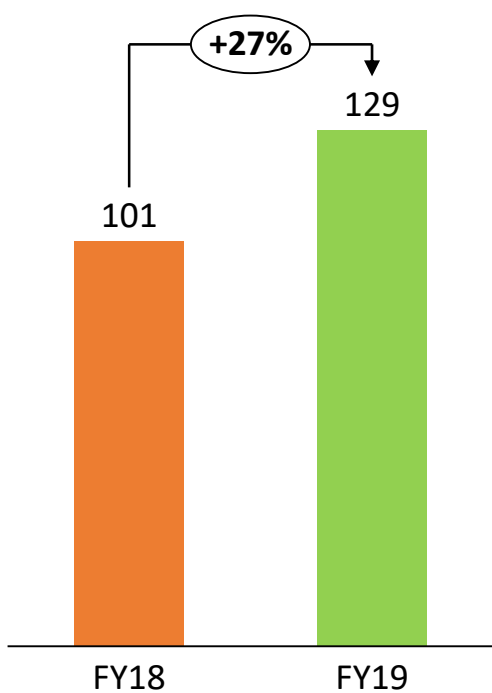
Revenues



EBITDA



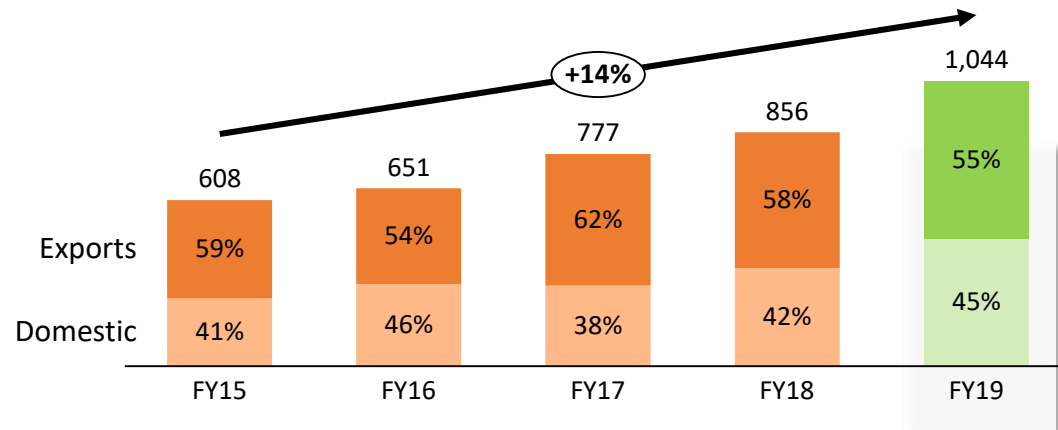
PAT



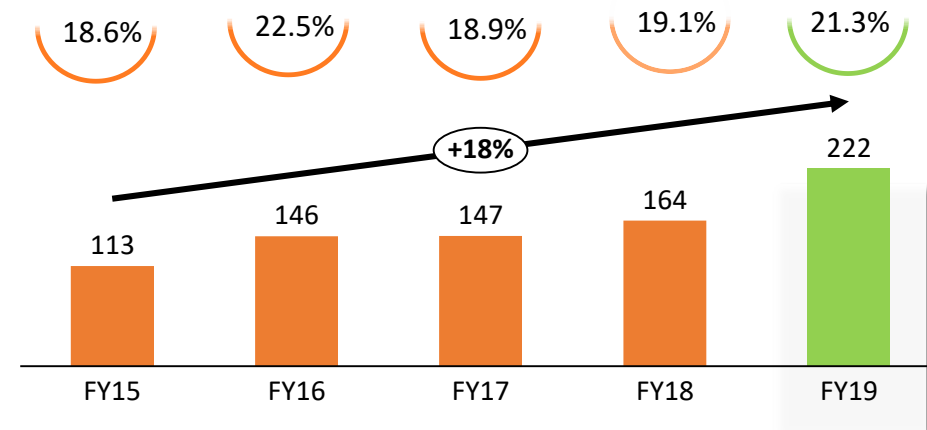
Standalone Operating Performance

Rs in Crores

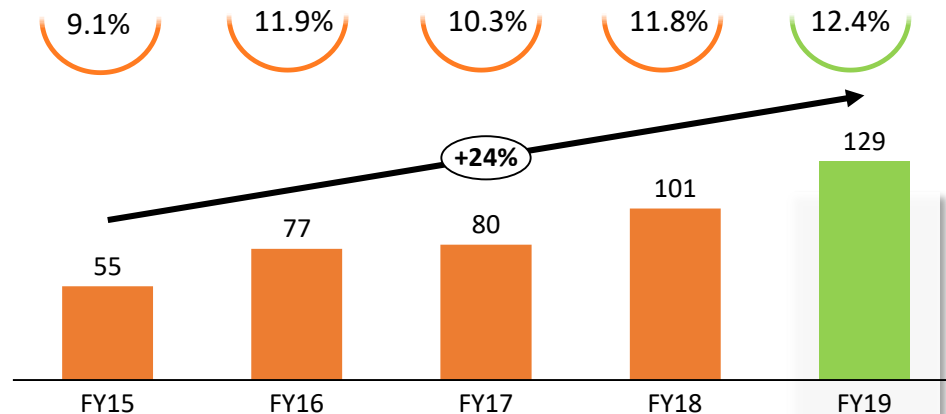
Revenues



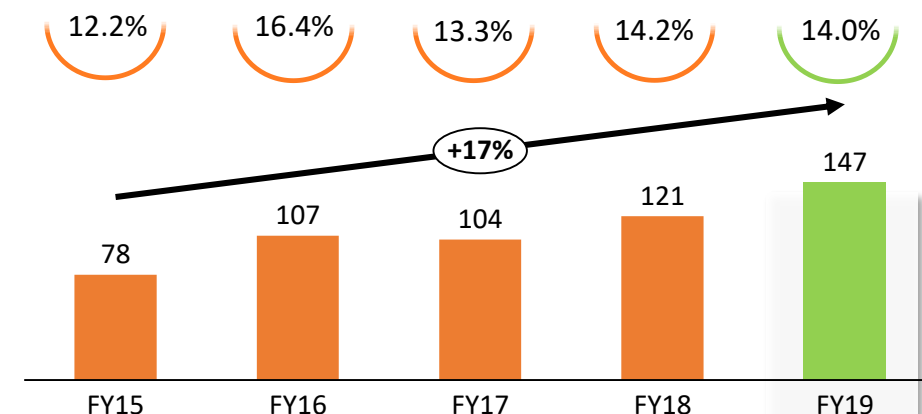
EBITDA & Margins



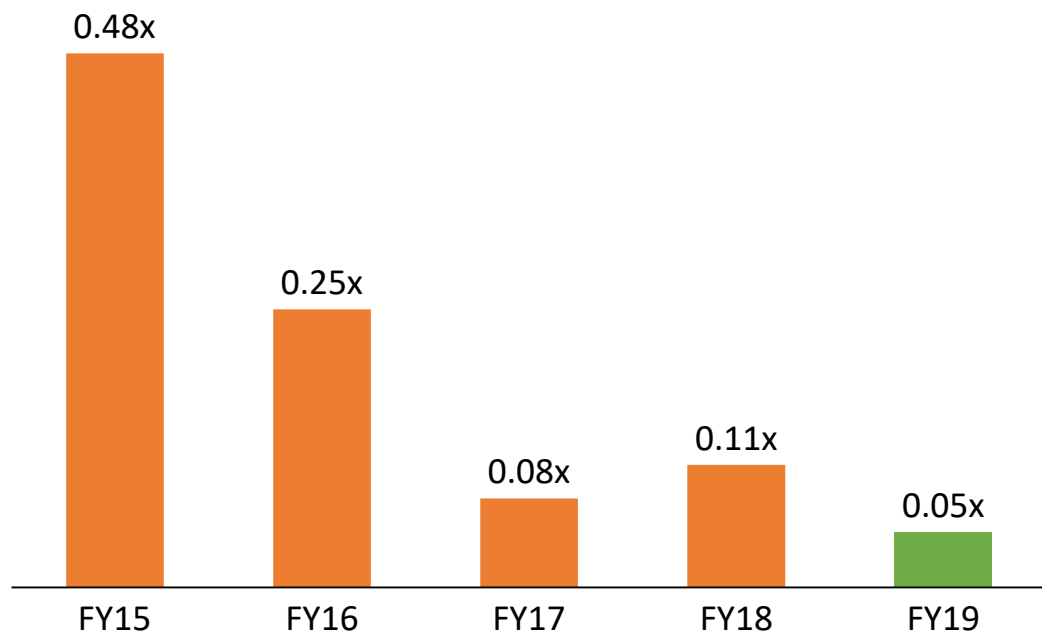
PAT & Margins



Cash PAT & Margins

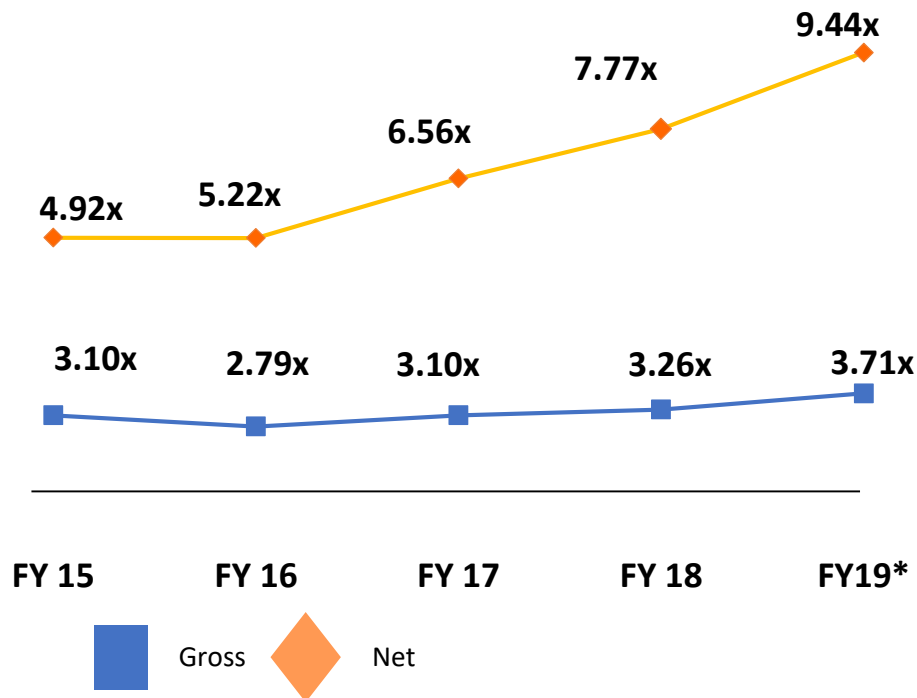


Net Debt to Equity



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

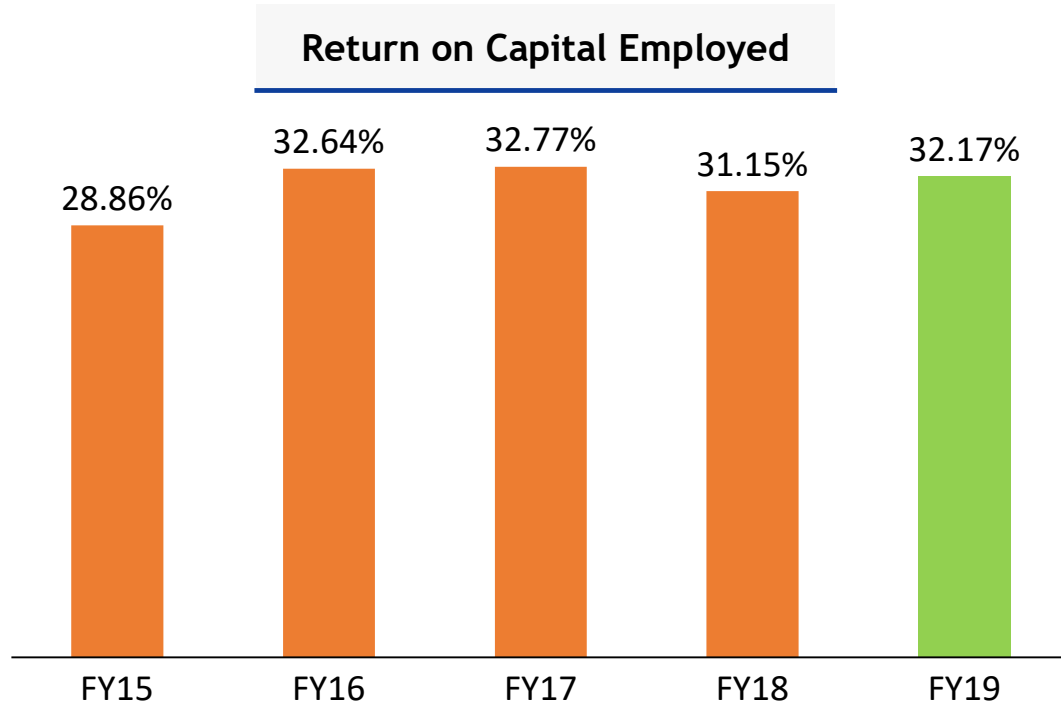
Fixed Asset Turnover



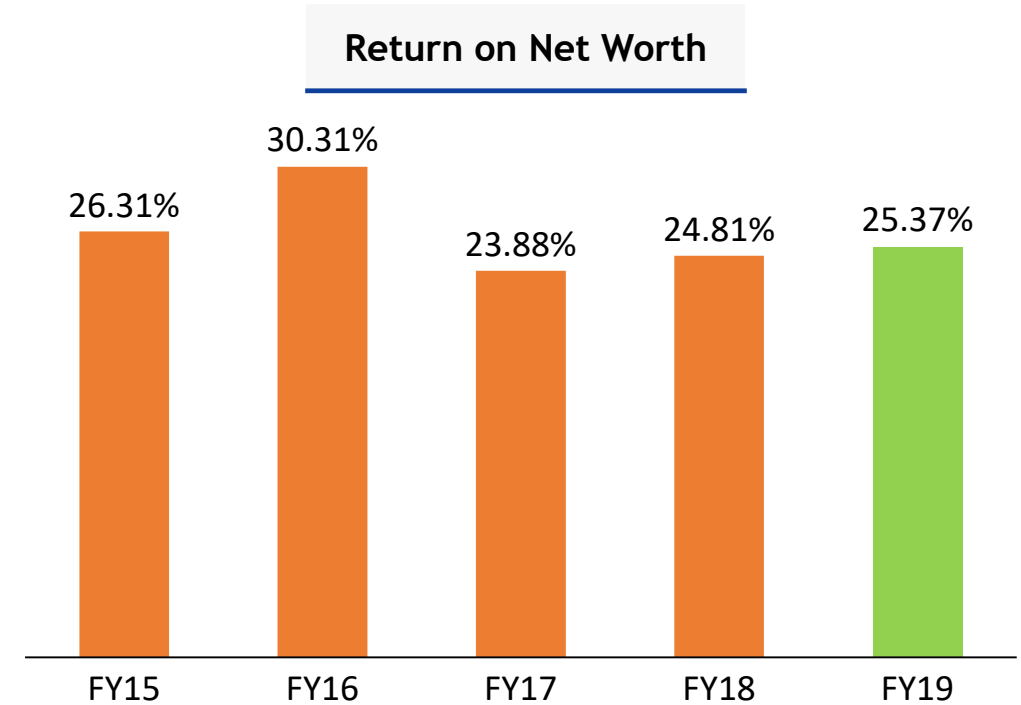
Fixed Asset Turnover (Gross) = Net Revenue from Operations / Total Gross Block of Fixed Assets

Fixed Asset Turnover (Net) = Net Revenue from Operations / Total Net Block of Fixed Assets

Capital delivering Consistent Performance (Standalone)



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



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

Standalone Profit & Loss Statement

Particulars (Rs in Crs)	Q4FY19	Q4FY18	Y-o-Y	FY19	FY18	Y-o-Y
Revenue from Operations (Net of Taxes)	278.7	275.0	1.3%	1,044.0	856.3	21.9%
Cost of Raw Material Consumed	177.4	173.4		654.4	556.9	
Gross Profit	101.3	101.6	-0.3%	389.5	299.4	30.1%
Gross Profit Margin	36.4%	37.0%		37.3%	35.0%	
Employee Cost	13.5	12.9		59.9	49.0	
Other Expenses	29.4	32.8		107.4	86.4	
EBITDA	58.4	55.9	4.5%	222.3	164.0	35.5%
EBITDA Margin	21.0%	20.3%		21.3%	19.1%	
Other Income	0.7	7.2		20.2	16.4	
Depreciation	4.6	5.4		17.4	20.0	
EBIT	54.5	57.6	-5.4%	225.0	160.3	40.4%
EBIT Margin	19.6%	21.0%		21.6%	18.7%	
Finance Cost	0.1	0.7		1.8	3.1	
Profit before Tax	54.4	57.0	-4.5%	223.2	157.2	42.0%
PBT Margin	19.5%	20.7%		21.4%	18.4%	
Tax	27.8	21.1		94.2	55.9	
PAT	26.6	35.8	-25.8%	129.0	101.3	27.3%
PAT Margin %	9.5%	13.0%		12.4%	11.8%	
EPS	8.66*	11.68*		42.08	33.05	

Standalone Balance Sheet



Assets (Rs in Crs)	Mar-19	Mar-18
Non-current assets		
Property, plant and equipment	77.8	88.1
Capital work-in-progress	106.3	31.7
Intangible assets	0.3	0.3
Financial assets		
Investments	16.7	14.3
Loans	6.4	5.9
Others	2.1	0.4
Deferred tax assets (net)	0.0	4.8
Other non-current assets	70.5	59.7
Total non-current assets	280.1	205.2
Current assets		
Inventories	79.0	83.3
Financial assets		
Trade receivables	167.0	161.1
Cash and cash equivalents	102.0	5.4
Other Bank balances	1.1	1.7
Current tax assets (Net)	4.4	3.8
Others	0.3	0.4
Other current assets	75.4	81.0
Total current assets	429.1	336.7
TOTAL ASSETS	709.3	541.9

Equity & Liabilities (Rs in Crs)	Mar-19	Mar-18
Equity		
Equity share capital	15.3	15.3
Other equity	493.1	393.1
Total equity	508.4	408.5
Liabilities		
Non current liabilities		
Financial liabilities		
Borrowings	92.8	-
Others	3.9	-
Deferred tax liabilities (Net)	0.4	-
Total non current liabilities (A)	97.1	-
Current liabilities		
Financial liabilities		
Borrowings	20.2	53.6
Trade payables	52.3	69.3
Others	16.5	1.1
Provisions	4.5	2.2
Other current liabilities	3.2	2.3
Current tax liabilities (Net)	7.0	5.0
Total current liabilities (B)	103.7	133.5
Total liabilities (A) + (B)	200.8	133.5
TOTAL EQUITY AND LIABILITIES	709.3	541.9



Consolidated Profit & Loss Statement

Particulars (Rs in Crs)	Q4FY19	Q4FY18	Y-o-Y	FY19	FY18	Y-o-Y
Revenue from Operations (Net of Taxes)	284.3	270.4	5.1%	1,060.3	855.8	23.9%
Cost of Raw Material Consumed	180.8	173.4		655.2	557.8	
Gross Profit	103.5	97.0	6.7%	405.2	298.0	36.0%
Gross Profit Margin	36.4%	35.9%		38.2%	34.8%	
Employee Cost	14.2	13.7		62.8	51.6	
Other Expenses	30.7	29.1		112.1	88.0	
EBITDA	58.6	54.1	8.2%	230.2	158.4	45.3%
EBITDA Margin	20.6%	20.0%		21.7%	18.5%	
Other Income	0.6	7.2		19.8	16.0	
Depreciation	4.6	5.4		17.5	20.0	
EBIT	54.7	55.9	-2.3%	232.6	154.3	50.7%
EBIT Margin	19.2%	20.7%		21.9%	18.0%	
Finance Cost	0.1	0.1		1.8	3.2	
Profit before Tax	54.5	55.8	-2.3%	230.8	151.2	52.6%
PBT Margin	19.2%	20.6%		21.8%	17.7%	
Tax	27.9	21.4		94.5	55.9	
PAT	26.6	34.4	-22.5%	136.3	95.3	42.9%
PAT Margin %	9.4%	12.7%		12.9%	11.1%	
EPS	8.69*	11.21*		44.44	31.09	

* Not on Annualized Basis

Consolidated Balance Sheet

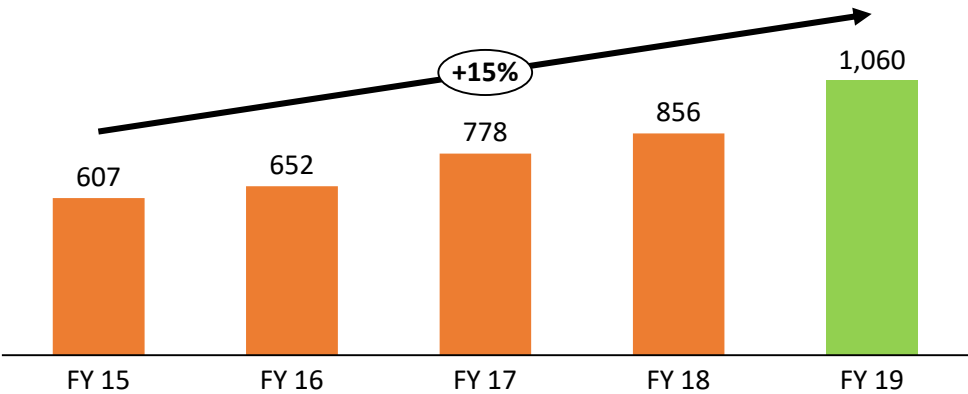
Assets (Rs in Crs)	Mar-19	Mar-18
Non-current assets		
Property, plant and equipment	77.8	88.1
Capital work-in-progress	106.3	31.7
Intangible assets	0.3	0.3
Financial assets		
Investments	10.0	10.6
Loans	1.0	1.0
Others	2.1	0.4
Deferred tax assets (net)	0.2	4.8
Other non-current assets	70.5	59.7
Total non-current assets	268.2	196.6
Current assets		
Inventories	89.3	89.1
Financial assets		
Trade receivables	155.6	146.5
Cash and cash equivalents	108.1	10.7
Other Bank balances	1.1	1.7
Current tax assest (Net)	4.4	3.8
Others	0.3	0.4
Other current assets	75.4	81.0
Total current assets	434.2	333.2
TOTAL ASSETS	702.4	529.8

Equity & Liabilities (Rs in Crs)	Mar-19	Mar-18
Equity		
Equity share capital	15.3	15.3
Other equity	484.9	380.3
Non Controlling Interest	0.0	0.0
Total equity	500.3	395.6
Non current liabilities		
Financial liabilities		
Borrowings	92.8	-
Provisions	3.9	-
Other non-current liabilities	0.0	-
Total non current liabilities (A)	96.7	-
Current liabilities		
Financial liabilities		
Borrowings	20.2	53.6
Trade payables	53.4	69.9
Others	16.5	1.1
Provisions	4.5	2.2
Other current liabilities	3.6	2.4
Current tax liabilities (Net)	7.3	5.0
Total current liabilities (B)	105.4	134.2
Total liabilities (A) + (B)	202.1	134.2
TOTAL EQUITY AND LIABILITIES	702.4	529.8

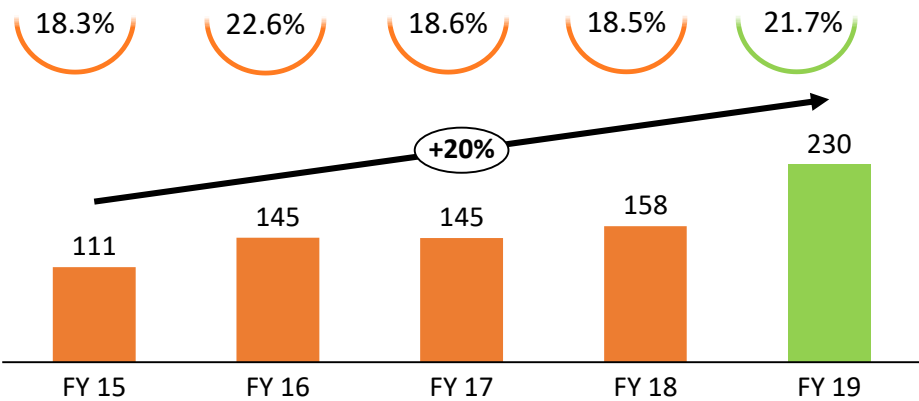
Consolidated Operating Performance

Rs in Crores

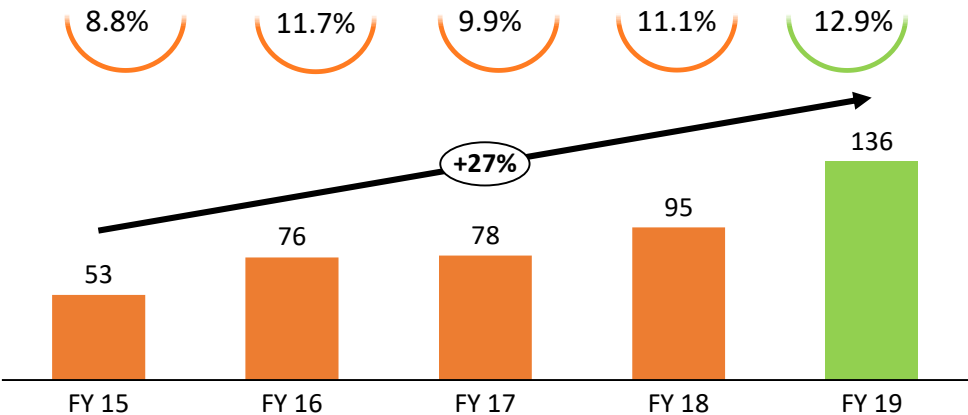
Revenues



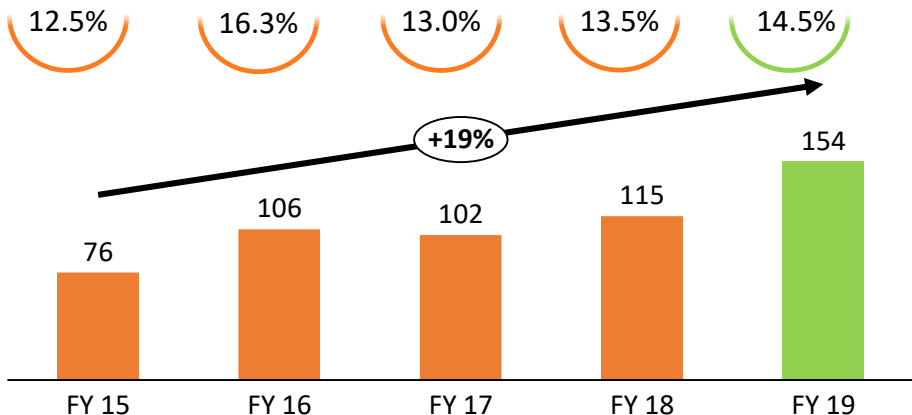
EBITDA & Margins



PAT & Margins

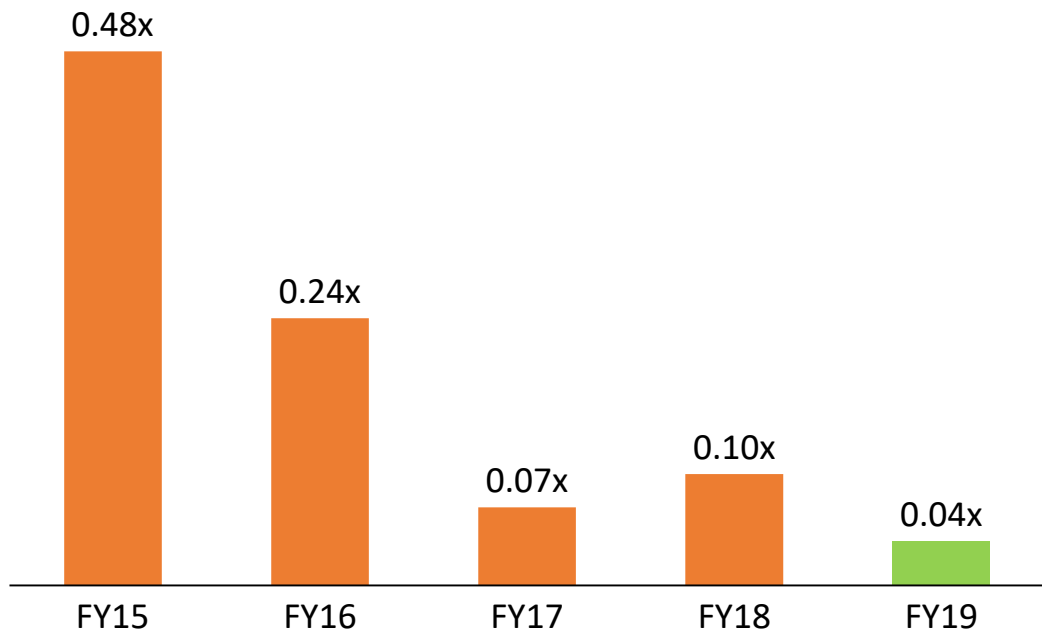


Cash PAT & Margins



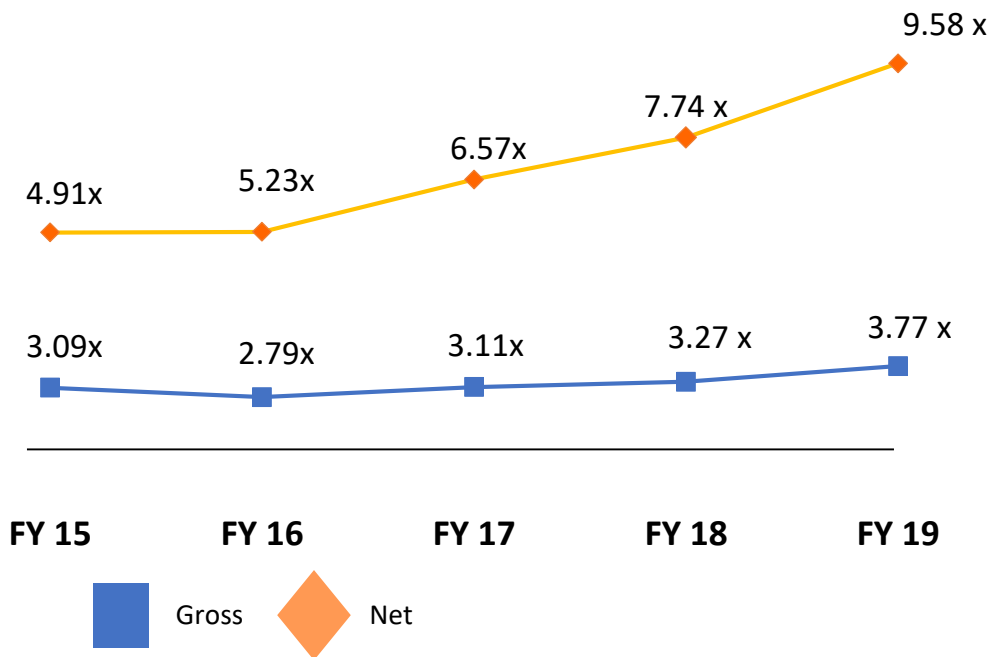
Disciplined Use of Capital (Consolidated)

Net Debt to Equity



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

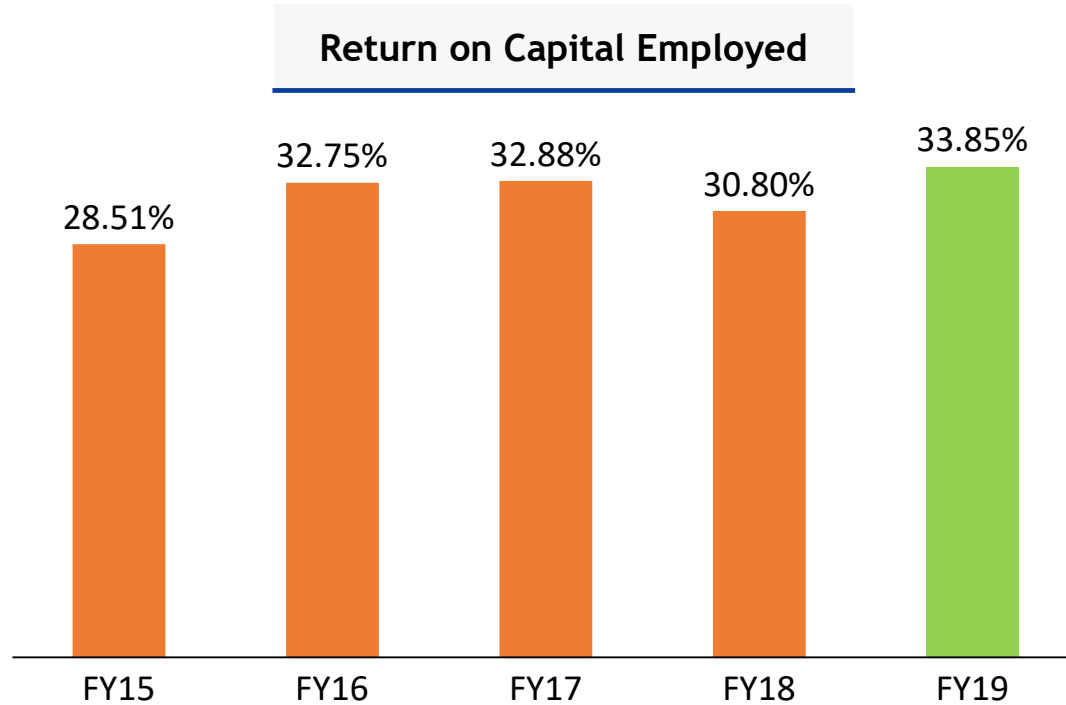
Fixed Asset Turnover



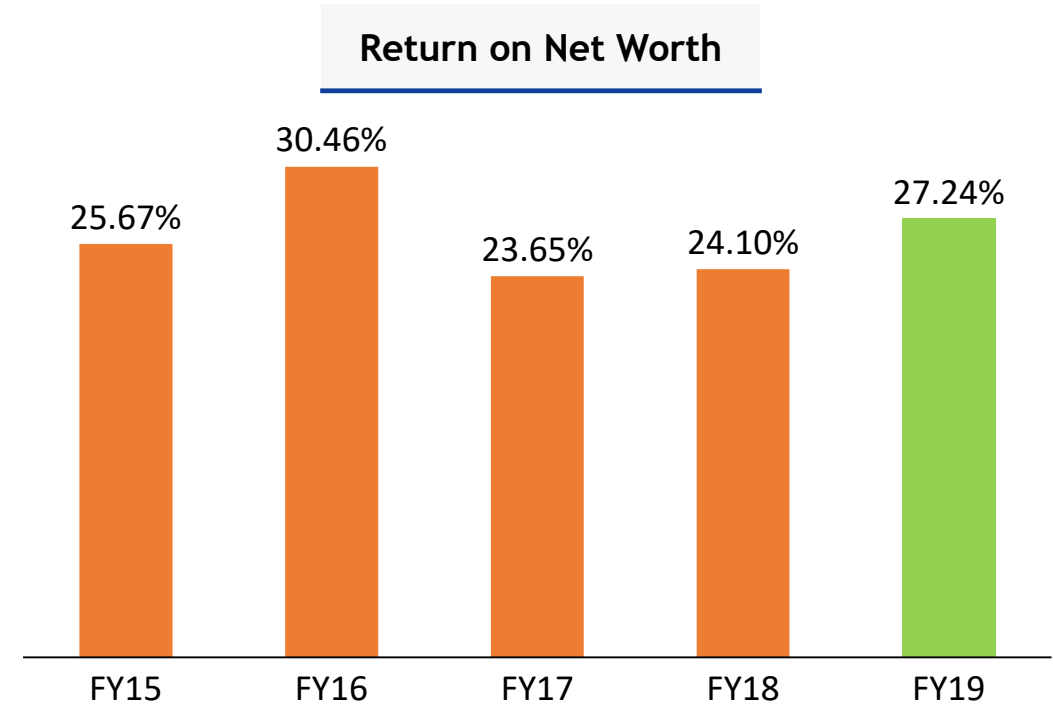
Fixed Asset Turnover (Gross) = Net Revenue from Operations / Total Gross Block of Fixed Assets

Fixed Asset Turnover (Net) = Net Revenue from Operations / Total Net Block of Fixed Assets

Capital delivering Consistent Performance (Consolidated)

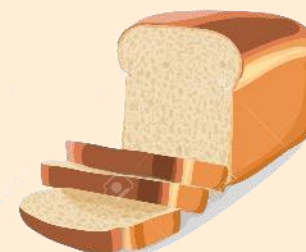


Return on Capital Employed = $\text{EBIT (excluding Other Income)} / (\text{Total Debt} + \text{Total Net worth})$



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

LOOKING AHEAD



Key Takeaways



Organic Growth at the Forefront

- 2 new proposed facility in pipeline



New Business Opportunities

- Developing Feed Nutrition Additives and other specialty additives
- Focus is into newer high margin products



Expand Global Footprint

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



Continued Focus on Innovation and R&D

- Application labs for food, polymers and dedicated pilot plant facility

For further information, please contact:

Company :



CIN: U24119MH2002PLC136003

Ms. Sonali Bhadani

Senior Manager - Banking & Finance

www.fineorganics.com

Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Neha Shroff / Mr. Shrikant Sangani

+91 773807 3466 / +91 96195 95686

Email: neha.shroff@sgapl.net/
shrikant.sangani@sgapl.net

www.sgapl.net