



FAIRCHEM ORGANICS LIMITED

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Taluka: Sanand, District: Ahmedabad – 382 115, GUJARAT, INDIA

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E-mail : cs@fairchem.in

CIN: L24200GJ2019PLC129759

website: www.fairchem.in

February 7, 2024

To,
**National Stock Exchange of India
Limited**
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051

To,
**Department of Corporate Services
BSE Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Ourselfes: BSE Scrip Code: 543252/NSE symbol: 'FAIRCHEMOR'
**Ref.: Regulation 30 read with Schedule III Part A of SEBI (LODR) Regulations,
2015**

Dear Sirs,

Sub: - Q3 Earnings Presentation for F.Y. 2023-24

Pursuant to Regulation 30 read with Schedule III Part A of SEBI (LODR) Regulations, 2015, we are uploading herewith a PDF file containing Earnings Presentation for quarter/nine months ended on December 31, 2023.

Please find the above in order and take the same on your records.

Thanking you,

Yours faithfully,
For Fairchem Organics Limited

Rajen Jhaveri
Chief Financial Officer & Company Secretary
ACS - 6615

Encl: As above

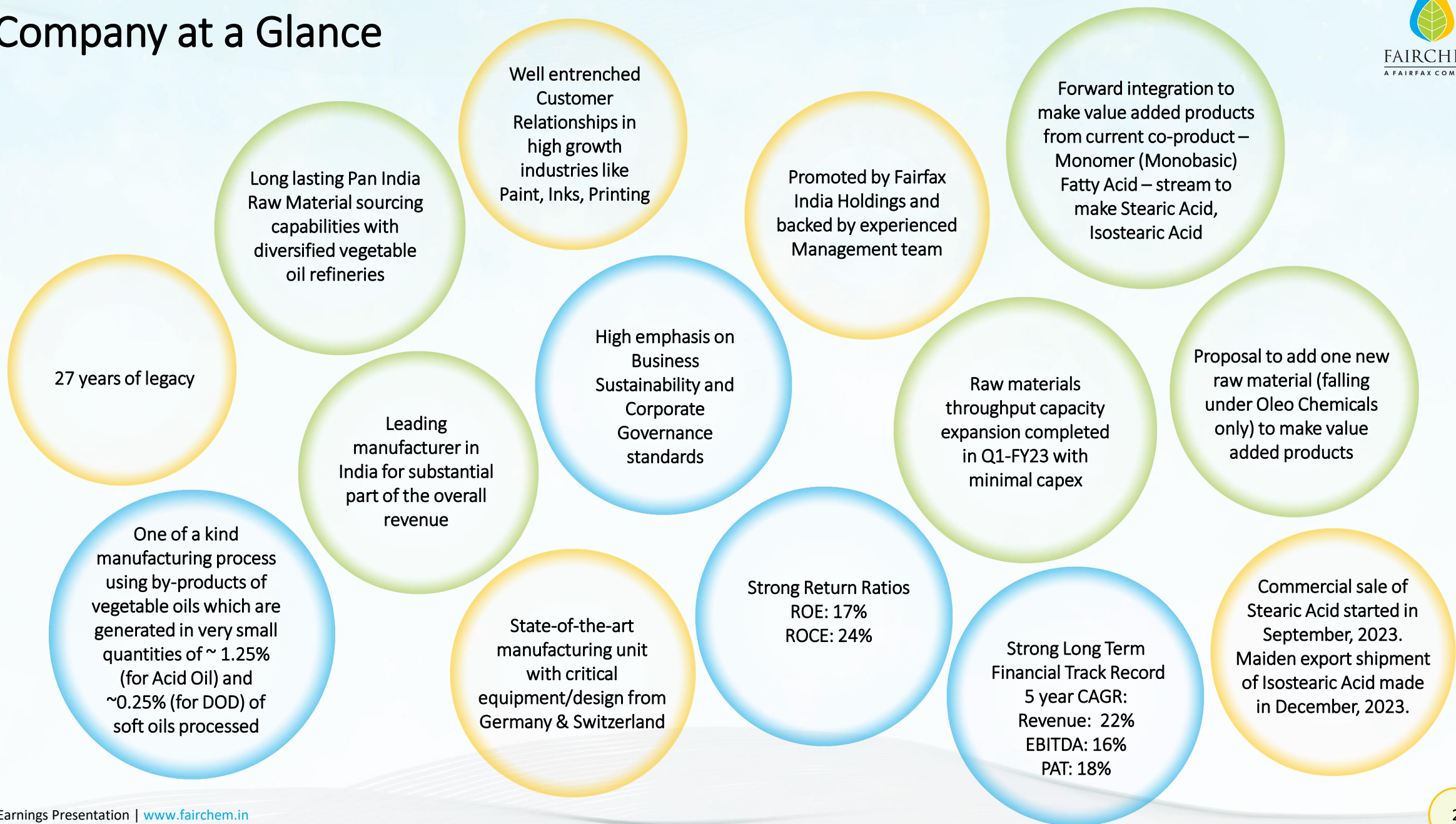
Fairchem Organics Limited



Earnings Presentation

Q3/9M-FY24

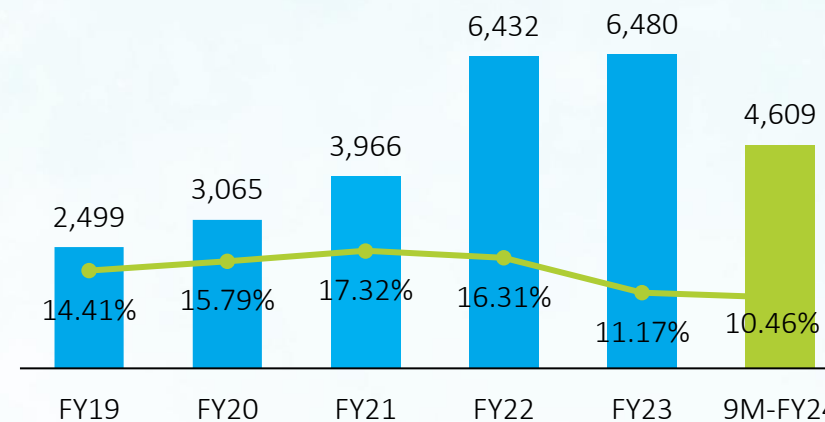
Company at a Glance



Company Overview

- Fairchem Organics Ltd. (Fairchem) is engaged in the business of manufacturing of Oleo Chemicals and Nutraceuticals, since the last 27 years.
- It has a state -of-the-art Manufacturing unit which was set up in 1995 and has over the years gone through various stages of expansion, backward integration, debottlenecking and technological advancements to create a one of its kind world class facility.
- Fairchem has a permanent employee base of 215 along with few contract workers, company enjoys a very low employee attrition across various levels.
- The company’s key oleo chemical products include Dimer Acid, Linoleic Acid, Palmitic Acid, Monomer Acid, Isostearic Acid and nutraceutical products include Mixed Tocopherols and Sterol concentrate.
- Fairchem is the one of the only / leading manufacturers of Linoleic Acid and Dimer Acid in India, which are the major part of the overall revenues and having a large addressable market size in India.
- Mixed Tocopherol concentrate and Sterols concentrate are nutraceutical products having usage in FMCG and food additives.
- Its customers include marquee names like Asian Paints, Huber, Arkema, Kensing, ADM, Cargill etc.
- The company increased the raw material throughput capacity of its plant to 120,000 MTPA in Q1-FY23.

Revenue & EBITDA Margin (In Mn)



Q3-FY24 Segmental Revenue (%)



Fairchem's Competitive Advantage

Major Player in the Indian Oleo Chemical Market Using Renewable Resources

- Processing waste from edible oil refining process to produce high value oleo chemicals giving it price advantage
- Enjoy Leadership Position in the industry due to barriers to entry
- Focus on green manufacturing processes which reduces effluents to ensure sustainability

Strong Customer and Supplier Relationships

- Well entrenched Customer Relationships in high growth industries like Paint, Inks, FMCG
- Long lasting customer relationships of more than 15 years with various customers
- More than 20 years relationship with key raw material suppliers.

Competitive Position

- Low cost of raw material and efficient manufacturing process enables it to be highly cost competitive vis a vis global peers
- Leading manufacturer in India for substantial part of the overall revenue
- Position to sell most that it produces

Experienced senior management

- Fairchem is well supported by an esteemed Promoter Institution – Fairfax India Holdings
- Strong and experienced management team that have positioned business well for continued growth and development
- Strong R&D team focusing on integration and green chemistry

Capital Efficiency

- Majority of the capacity expansion has been undertaken primarily through internal accruals.
- Judicious strategy on capacity expansion by evaluating market demand-supply scenario and working very closely with its customer base

ESG Initiatives

ENVIRONMENT

SOCIAL

GOVERNANCE

Effluent	Method of Disposal
Water Discharge	Zero Liquid Discharge by Multi Effect Evaporator and Agitated Thin Film Dryer
Air Emission	Currently, bag filters are there. We will have Scrubber System in place in near future.
Non-hazardous waste	We are sending the same to GPCB approved Solid Waste Disposable site for doing the needful there.
Hazardous waste	We are sending the same to GPCB approved registered Recycler / Co-processor.

CSR Activites

- Contribution aggregating to INR 1.25 Cr to Gujrat Cancer Society, Ahmedabad
- Contribution towards ‘Project Dialysis’
- Infrastructure Facility at Primary Health Centre at Village Chekhala
- Plastic Waste Management as per G.P.C.B. Circular
- Products are manufactured using natural source raw materials

- Always be adequately capitalized
- Not overleverage the balance sheet
- Secure sources of sustainable raw material supply
- Invest in backward and forward integration
- Transparent communications with all the stakeholders
- Low volatility in the cash flow generation
- Employees are given training on fire safety, first aid, housekeeping and cleanliness practices
- Production equipment tested every three years by external firm
- Near-zero factory accidents since inception⁽¹⁾

(1) Fire in November 2012 (with no casualties or injuries) was the only major incident since inception



Key Financial
Highlights

Q3/9M-FY24 Financial & Operational Highlights

Q3-FY24 Financial Performance

INR 1,481 Mn

Revenue from
Operations

INR 198 Mn

EBITDA

13.37%

EBITDA Margins

INR 123 Mn

PAT

8.31%

PAT Margins

INR 9.47/Share

Diluted EPS

9M-FY24 Financial Performance

INR 4,609 Mn

Revenue from
Operations

INR 482 Mn

EBITDA

10.46%

EBITDA Margins

INR 287 Mn

PAT

6.23%

PAT Margins

INR 22.07/Share

Diluted EPS

- (1) On Q-o-Q basis, sales of finished goods in terms of volume for all products put together was higher by about 2.64 % and in value terms, it was lower by about 2.8 %.
- (2) EBITDA increased from 11.04 % to 13.37 %, mainly driven by relatively lower materials consumption as a per cent to sales.
- (3) It is important to note that the Company has not lost any of its customers.
- (4) The Company continues to be upbeat on its value-added high value product viz. Isostearic Acid.
- (5) The Company has made maiden export shipment of Isostearic Acid to Europe during the last week of December, 2023. Due to red sea situation, the transit time of the vessel has increased.
- (6) The Company has taken further steps to get the required approvals from new set of consumers and is hoping to get favourable response.

Quarterly Financial Performance

PARTICULARS (INR Mn)	Q3-FY24	Q3-FY23	Y-O-Y	Q2-FY24	Q-O-Q
Revenue from Operations	1,481	1,025	44.5%	1,522	(2.7)%
Total Expenses	1,283	989	29.7%	1,354	(5.2)%
EBITDA	198	36	NA	168	17.9%
<i>EBITDA Margins (%)</i>	<i>13.37%</i>	<i>3.51%</i>	<i>986 bps</i>	<i>11.04%</i>	<i>233 bps</i>
Other Income	2	3	(33.3)%	5	(60)%
Depreciation	24	21	14.3%	22	9.1%
Finance Cost	10	9	11.1%	13	(23.1)%
PBT	166	9	NA	138	20.3%
Tax	43	3	NA	35	22.9%
Profit After Tax	123	6	NA	103	19.4%
<i>PAT Margins (%)</i>	<i>8.31%</i>	<i>0.59%</i>	<i>722 bps</i>	<i>6.77%</i>	<i>154 bps</i>
Other Comprehensive Income	0	0	NA	1	NA
Total Comprehensive Income	123	6	NA	104	18.3%
Basic/Diluted EPS (INR per share)	9.47	0.47	NA	7.90	19.9%

YTD Financial Performance

PARTICULARS (INR Mn)	9M-FY24	9M-FY23	Y-O-Y
Revenue from Operations	4,609	4,961	(7.1)%
Total Expenses	4,127	4,431	(6.9)%
EBITDA	482	530	(9.1)%
<i>EBITDA Margins (%)</i>	<i>10.46%</i>	<i>10.68%</i>	<i>(22) bps</i>
Other Income	8	5	60.0%
Depreciation	67	60	11.7%
Finance Cost	36	49	(26.5)%
PBT	387	426	(9.2)%
Tax	100	110	(9.1)%
Profit After Tax	287	316	(9.2)%
<i>PAT Margins (%)</i>	<i>6.23%</i>	<i>6.37%</i>	<i>(14) Bps</i>
Other Comprehensive Income	1	0	NA
Total Comprehensive Income	288	316	(8.9)%
Basic/Diluted EPS (INR per share)	22.07	24.30	(9.2)%

Historical Income Statement

PARTICULARS (INR Mn)	FY21	FY22	FY23	9M-FY24
Revenue from Operations	3,966	6,432	6,480	4,609
Total Expenses	3,279	5,383	5,756	4,127
EBITDA	687	1,049	724	482
<i>EBITDA Margins (%)</i>	<i>17.32%</i>	<i>16.31%</i>	<i>11.17%</i>	<i>10.46%</i>
Other Income	3	3	7	8
Depreciation	66	71	82	67
Finance Cost	68	69	63	36
PBT	556	912	586	387
Tax	131	233	151	100
Profit After Tax	425	679	435	287
<i>PAT Margins (%)</i>	<i>10.72%</i>	<i>10.56%</i>	<i>6.71%</i>	<i>6.23%</i>
Other Comprehensive Income	(5)	1	5	1
Total Comprehensive Income	420	680	440	288
Basic/Diluted EPS (INR per share)	32.63	52.15	33.41	22.07

Historical Balance Sheet

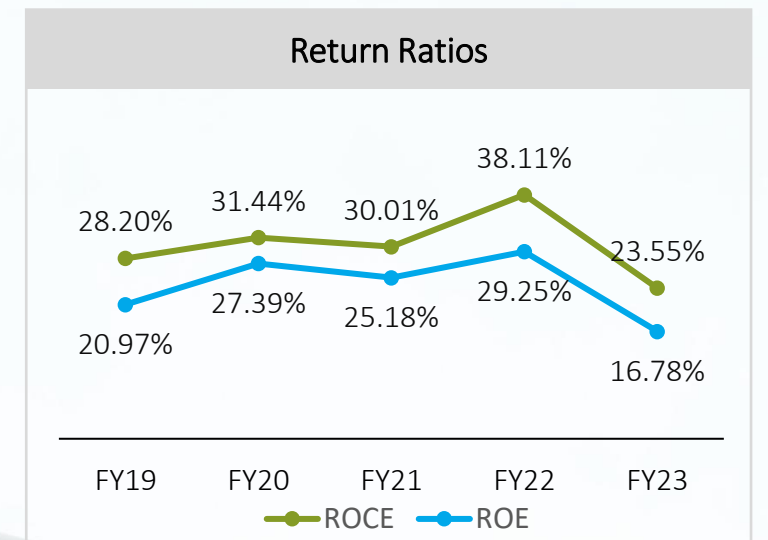
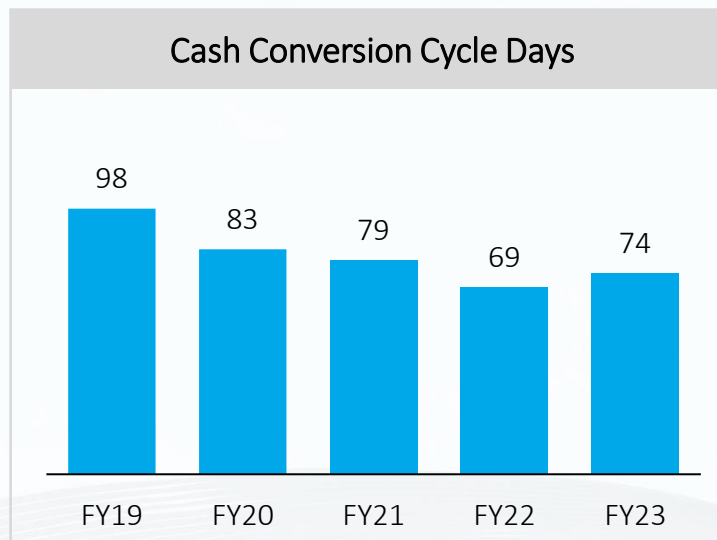
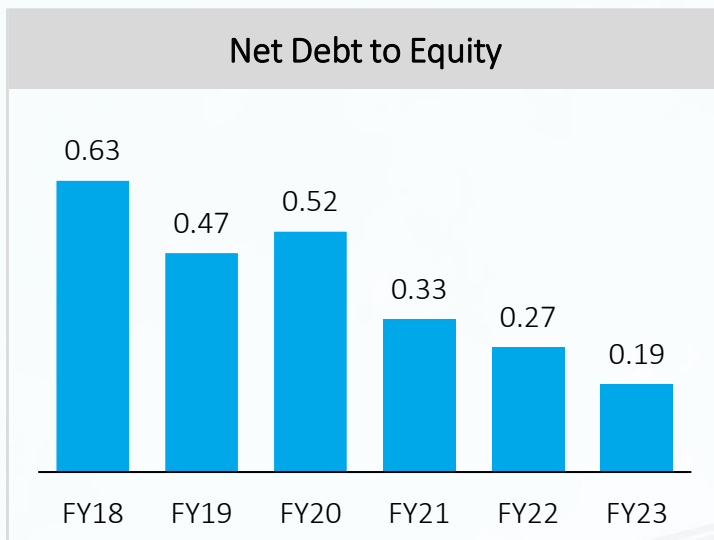
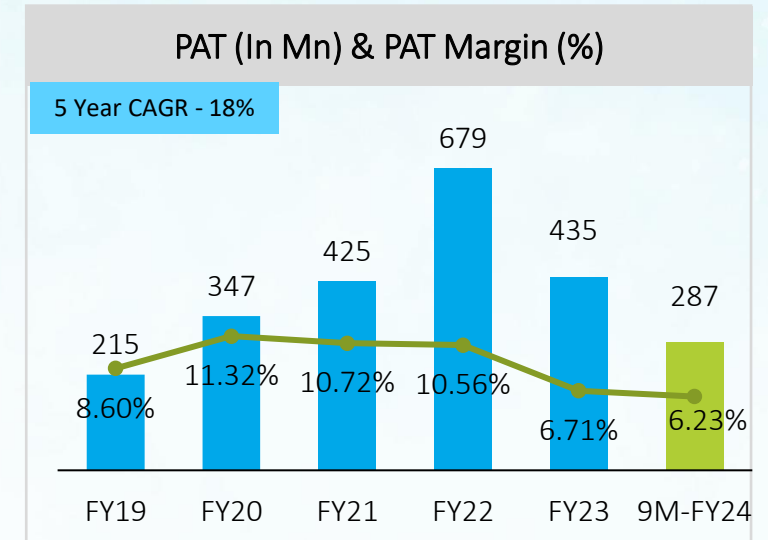
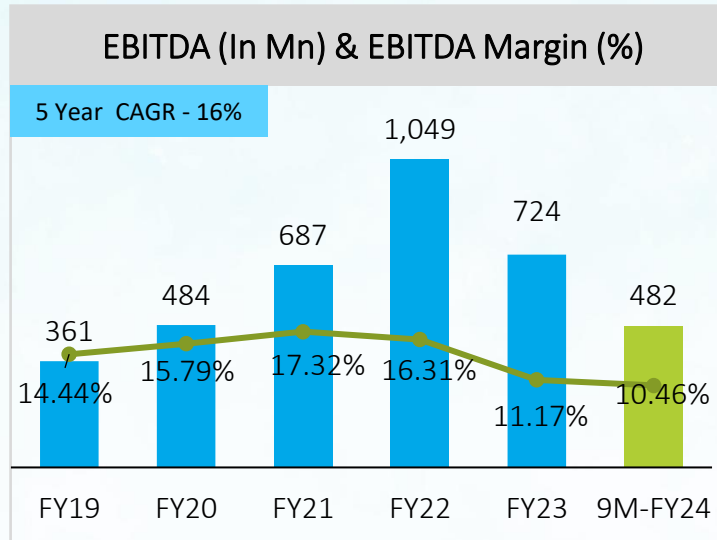
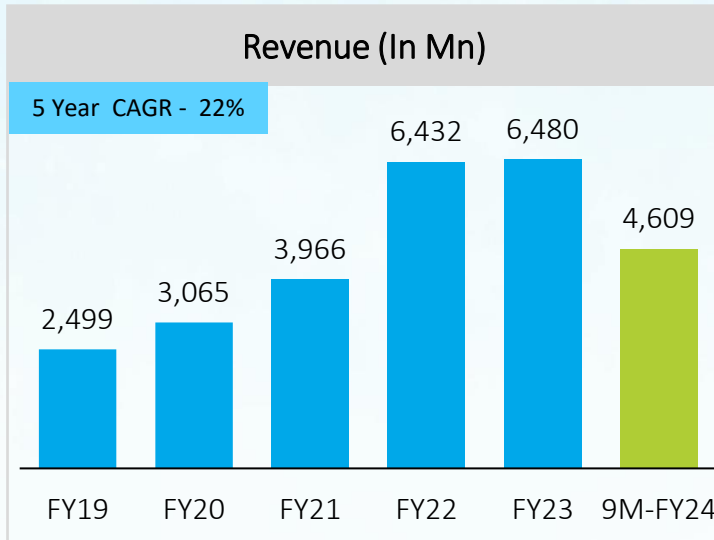
ASSETS	FY22	FY23	H1-FY24
Non-Current Assets			
Property, Plant and Equipment	1,363	1,514	1,486
Capital work-in-progress	420	349	391
Right of use assets	42	42	41
Intangible Assets	-	5	4
Intangible Assets Under Development	2	-	-
Financial Assets			
(i) Other Financial Assets	2	2	2
Non-current Tax Assets (Net)	19	18	35
Other Non-current Assets	20	8	50
	1,868	1,938	2,009
Current Assets			
Inventories	700	800	677
Financial Assets			
(i) Trade receivables	622	626	554
(ii) Cash and Bank Balance	2	1	1
Other current assets	49	59	68
	1,373	1,486	1,300
TOTAL ASSETS	3,241	3,424	3,309

EQUITY AND LIABILITIES	FY22	FY23	H1-FY24
EQUITY			
Equity Share Capital	130	130	130
Instruments entirely equity in nature			
Other Equity	2,191	2,462	2,529
	2,321	2,592	2,659
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	100	-	-
Provisions	17	18	19
Deferred Tax Liabilities (Net)	128	146	152
	245	164	171
Current Liabilities			
Financial Liabilities			
(i) Borrowings	520	502	342
(ii) Trade Payables	91	105	81
(iii) Other financial liabilities	8	11	7
Other current liabilities	36	36	38
Provisions	10	9	10
Current Tax Liabilities (Net)	10	5	1
	675	668	479
TOTAL EQUITY AND LIABILITIES	3,241	3,424	3,309

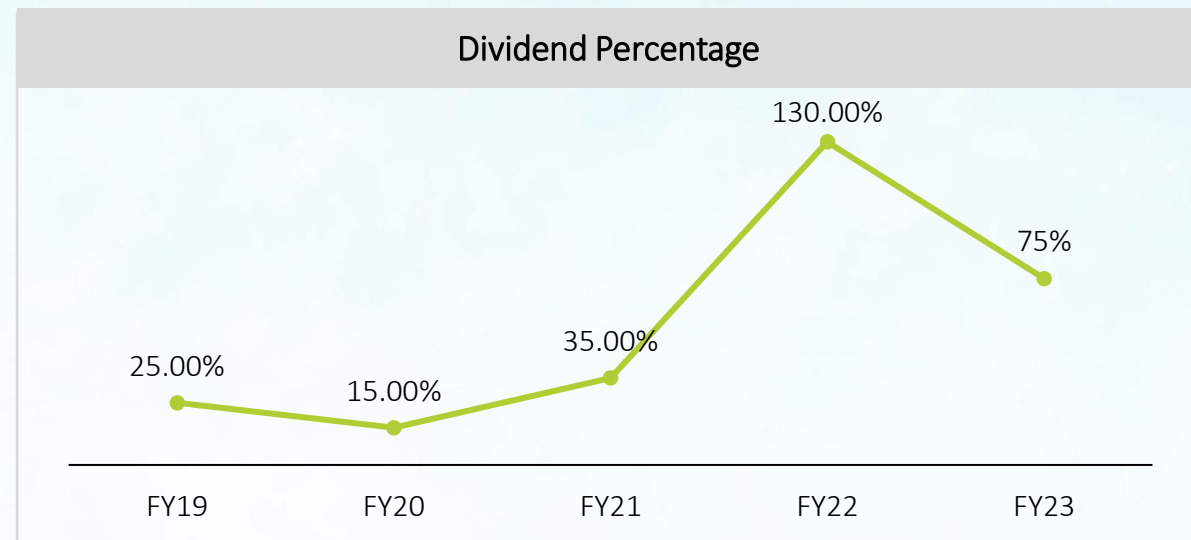
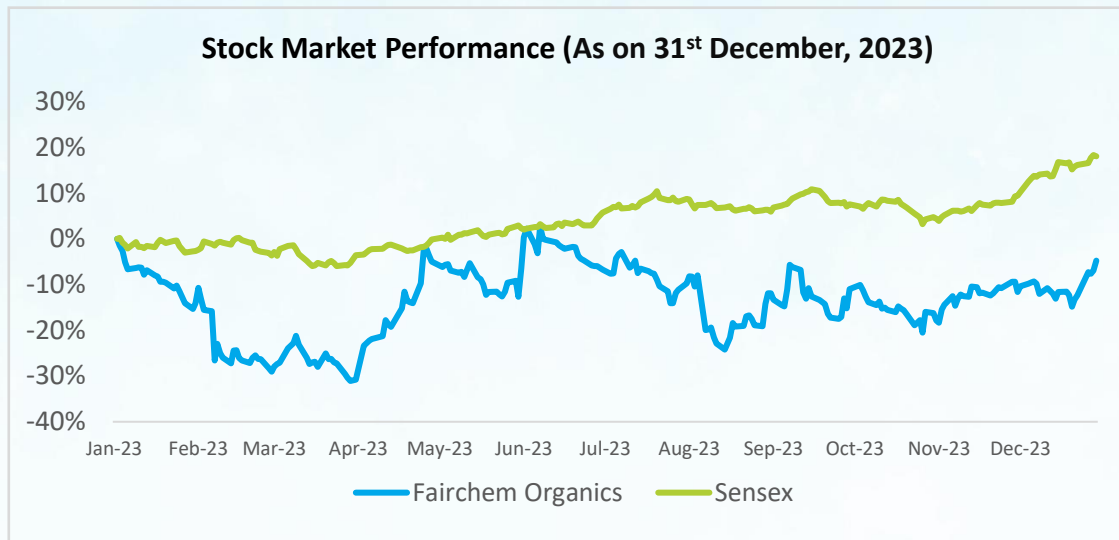
Historical Cash Flow Statement

PARTICULARS (INR Mn)	FY22	FY23	H1-FY24
Cash and Cash Equivalents at Beginning of the year	0.3	0.1	0.1
Cash Flow From Operating Activities	405	496	386
Cash Flow from Investing Activities	(342)	(145)	(102)
Cash Flow From Financing Activities	(63)	(351)	(284)
Net Inc./ (Dec.) in Cash and Cash Equivalent	(0.2)	-	-
Cash and Cash Equivalents at End of the year	0.1	0.1	0.1
Operating Cash Inflow	405	496	386
Capital Expenditure	(342)	(145)	(102)
FCF	63	351	284

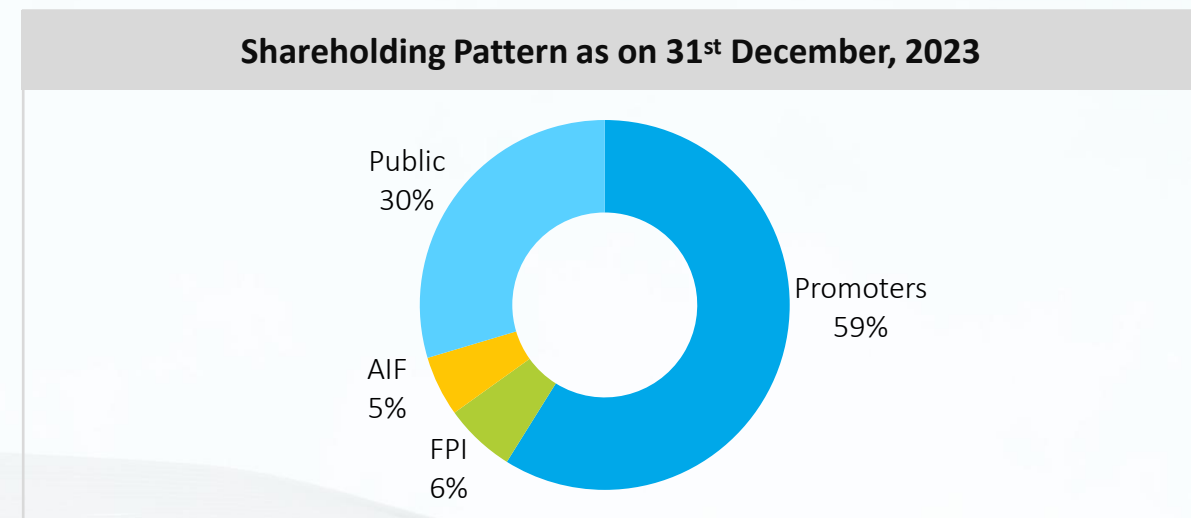
Key Financial Highlights



Capital Market Data



Price Data as at 31 st December, 2023	INR
Face Value	10.0
Market Price (BSE)	1,258.9
52 Week H/L	1,400.0/ 905.0
Market Cap (Mn)	16,392.7
Equity Shares Outstanding (Mn)	13.0
1 Year Avg Trading Volume ('000)	26.1



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