



FAIRCHEM ORGANICS LIMITED

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CIN: L24200GJ2019PLC129759

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February 18, 2025

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

Ourselfs: 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. 2024-25

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, 2024.

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

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-FY25

Company at a Glance

28 years of legacy

Long lasting Pan India Raw Material sourcing capabilities with diversified vegetable oil refineries

Well entrenched Customer Relationships in high growth industries like Paint, Printing Inks, lubricants, Cosmetics

Promoted by Fairfax India Holdings and backed by experienced Management team

Forward integration to make value added products from co-product – Monomer (Monobasic) Fatty Acid – stream to make Isostearic Acid

Proposal to add one new raw material (falling under Oleo Chemicals only) to make value added products

High emphasis on Business Sustainability and Corporate Governance standards

Raw materials throughput capacity expansion completed with minimal capex

Leading manufacturer in India for substantial part of the overall revenue

Strong Return Ratios
ROE: 14%
ROCE: 19%

One of a kind manufacturing process using by-products of vegetable oils which are generated in very small quantities of ~ 1.25% (for Acid Oil) and ~0.25% (for DOD) of soft oils processed

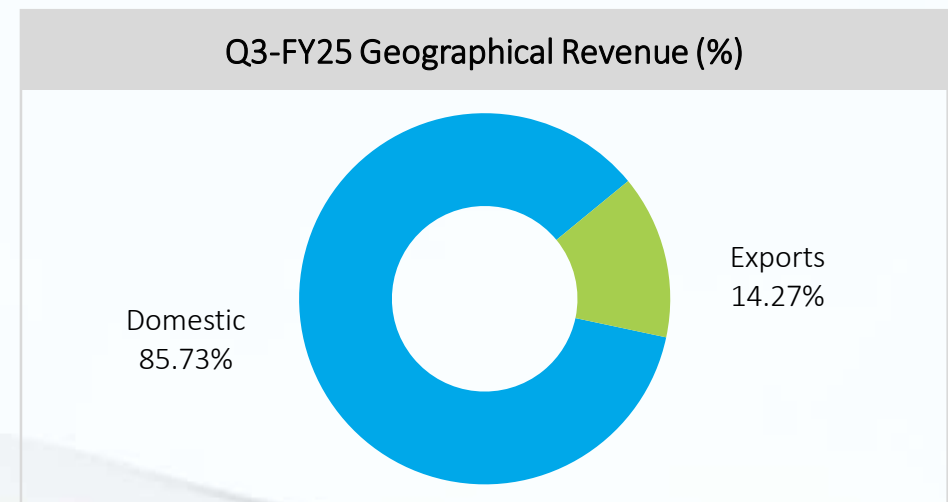
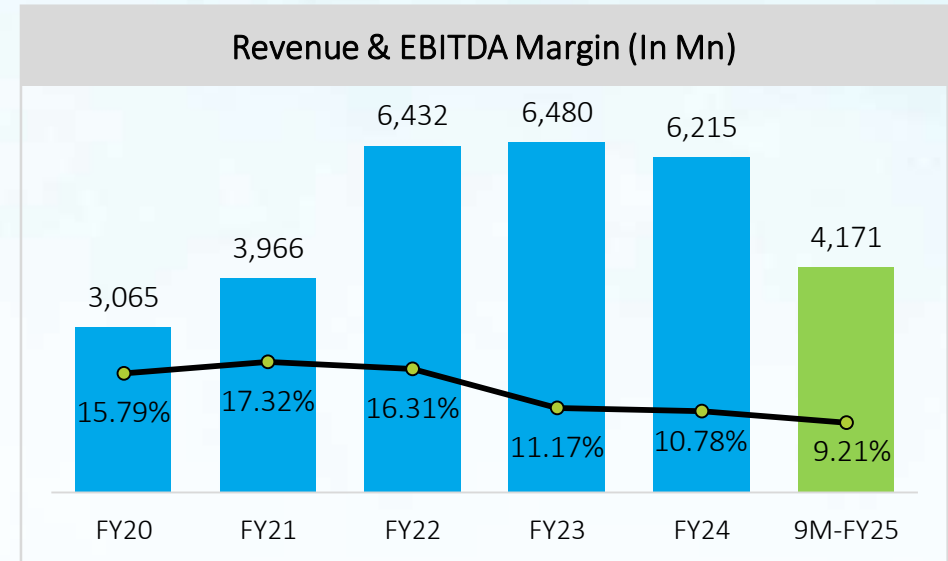
State-of-the-art manufacturing unit with critical equipment/design from Germany & Switzerland

Strong Long Term Financial Track Record
6-year CAGR:
Revenue: 16%
EBITDA: 11%
PAT: 11%

Export of Isostearic Acid to several countries already in place

Company Overview

- Fairchem Organics Ltd. (Fairchem) is engaged in the business of manufacturing of Oleo Chemicals and Nutraceuticals, since last 28 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, forward integration, debottlenecking and technological advancements to create a one of its kind world class facility.
- Fairchem has a permanent employee base of 230 along with few additional contract workers. Company enjoys a very low employee attrition particularly at upper level.
- 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 one of the only / leading manufacturers of Linoleic Acid and Dimer Acid in India, which are 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, ADM, Quaker etc.
- The Company increased the raw material throughput capacity of its plant to 120,000 MTPA in Q1-FY23.
- The Company is the only Isostearic Acid manufacturer in India which exports the said product to different countries in U.S.A., Europe, South America and Southeast Asia. The Company is set to export this product to couple of more countries shortly.



Fairchem's Competitive Advantage

Major Player in the Indian Oleo Chemical Market Using Renewable Resources

- Processing waste generated during 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 reduce effluents to ensure sustainability

Strong Customer and Supplier Relationships

- Well entrenched Customer Relationships in high growth industries like Paint, Inks, FMCG, lubricants, cosmetics.
- 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 market entire quantity of Prime Products 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	Bag filters and Water Scrubbers are there
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 Activities
- Contribution towards ‘Project Dialysis’ of around INR 9.2 Mn
 - Promoting Healthcare for treatment of cancer patients, including preventive healthcare, encompassed by the purchase of Ophthalmic Screening Devices.
 - Products are manufactured using natural source raw materials
 - Cleanliness campaign in 3 villages i.e. Chekhla, Amnagar and Nana Viramgam
 - Measures benefiting the Armed Forces, Police Forces, and Para Military Forces, as well as their veterans, war widows, and dependents
 - Contribution of around INR 10.1 Mn for medical treatment of cancer patients under promoting healthcare

- 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



**Q3/9M-FY25
Performance**

Q3/9M-FY25 Financial & Operational Highlights

Q3-FY25 Financial Performance

INR 1,136 Mn

Revenue from
Operations

INR 78 Mn

EBITDA

6.87%

EBITDA Margins

INR 35 Mn

PAT

3.08%

PAT Margins

INR 2.70/Share

Diluted EPS

9M-FY25 Financial Performance

INR 4,171 Mn

Revenue from
Operations

INR 384 Mn

EBITDA

9.21%

EBITDA Margins

INR 214 Mn

PAT

5.13%

PAT Margins

INR 16.42/Share

Diluted EPS

- On Q-o-Q basis, sales of finished goods were lower by about 22.69% and 18.09% respectively in terms of volume and value.
- EBITDA rose from 6.28% to 6.87% but remains below normal due to higher raw material costs and fall in sales as per (1) above.
- Low demand from the paints sector for Linoleic Acid/Soya Fatty Acid impacted both our top and bottom lines.
- In September 2024, the Indian government raised custom duty on crude vegetable oils from 5.5% to 27.5%, sharply increasing our Dimer Acid production costs. Competing with Chinese suppliers, we had to absorb most of the hike to retain our 65% domestic market share, impacting our bottom line. With no import duty change for fatty acids, we had to cut purchases of one of the raw material and can only wait for a policy reversal.
- The company remains optimistic about its high-value Isostearic Acid, expecting higher export volumes from April 2025.

Quarterly Financial Performance

PARTICULARS (INR Mn)	Q3-FY25	Q3-FY24	Y-O-Y	Q2-FY25	Q-O-Q
Revenue from Operations	1,136	1,481	(23.3)%	1,386	(18.0)%
Total Expenses	1,058	1,283	(17.5)%	1,299	(8.2)%
EBITDA	78	198	(60.6)%	87	(10.3)%
<i>EBITDA Margins (%)</i>	<i>6.87%</i>	<i>13.37%</i>	<i>(650) Bps</i>	<i>6.28%</i>	<i>59 Bps</i>
Other Income	5	2	(650 bps)	4	25.0%
Depreciation	27	24	12.5%	26	3.8%
Finance Cost	9	10	(10.0)%	10	(10.0)%
PBT	47	166	(71.7)%	55	(14.5)%
Tax	12	43	(72.1)%	15	(20.0)%
Profit After Tax	35	123	(71.5)%	40	(12.5)%
<i>PAT Margins (%)</i>	<i>3.08%</i>	<i>8.31%</i>	<i>(523) Bps</i>	<i>2.89%</i>	<i>19 Bps</i>
Other Comprehensive Income	1	-	NA	(1)	NA
Total Comprehensive Income	36	123	(70.7)%	39	(7.7)%
Basic/Diluted EPS(INR per share)	2.70	9.47	(71.5)%	3.08	(12.3)%

YTD Financial Performance

PARTICULARS (INR Mn)	9M-FY25	9M-FY24	Y-O-Y
Revenue from Operations	4,171	4,609	(9.5)%
Total Expenses	3,787	4,127	(8.2)%
EBITDA	384	482	(20.33)%
<i>EBITDA Margins (%)</i>	<i>9.21%</i>	<i>10.46%</i>	<i>(125) Bps</i>
Other Income	11	8	37.5%
Depreciation	79	67	17.9%
Finance Cost	28	36	(22.2)%
PBT	288	387	(25.6)%
Tax	74	100	(26.0)%
Profit After Tax	214	287	(25.4)%
<i>PAT Margins (%)</i>	<i>5.13%</i>	<i>6.23%</i>	<i>(110) Bps</i>
Other Comprehensive Income	(1)	1	NA
Total Comprehensive Income	213	288	(26.0)%
Basic/Diluted EPS	16.42	22.07	(25.6)%

Historical Income Statement

PARTICULARS (INR Mn)	FY22	FY23	FY24	9M-FY25
Revenue from Operations	6,432	6,480	6,215	4,171
Total Expenses	5,383	5,756	5,545	3,787
EBITDA	1,049	724	670	384
<i>EBITDA Margins (%)</i>	<i>16.31%</i>	<i>11.17%</i>	<i>10.78%</i>	<i>9.21%</i>
Other Income	3	7	11	11
Depreciation	71	82	93	79
Finance Cost	69	63	42	28
PBT	912	586	546	288
Tax	233	151	141	74
Profit After Tax	679	435	405	214
<i>PAT Margins (%)</i>	<i>10.56%</i>	<i>6.71%</i>	<i>6.52%</i>	<i>5.13%</i>
Other Comprehensive Income	1	5	(1)	(1)
Total Comprehensive Income	680	440	404	213
Basic/Diluted EPS (INR per share)	52.15	33.41	31.10	16.42

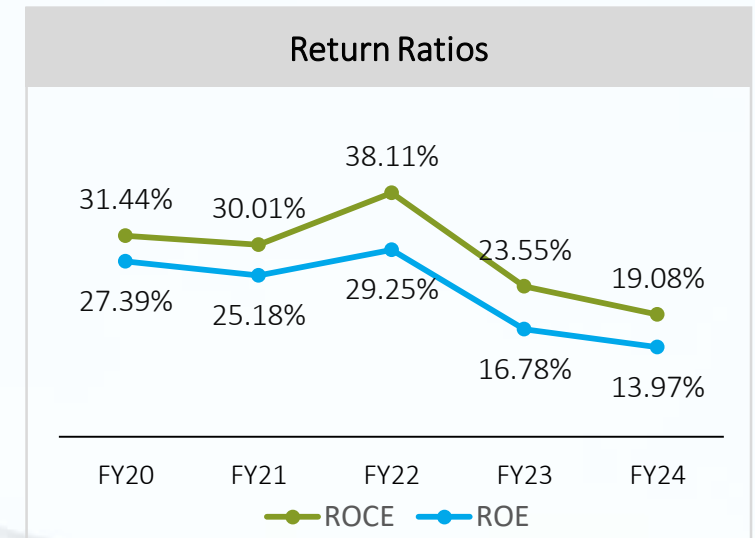
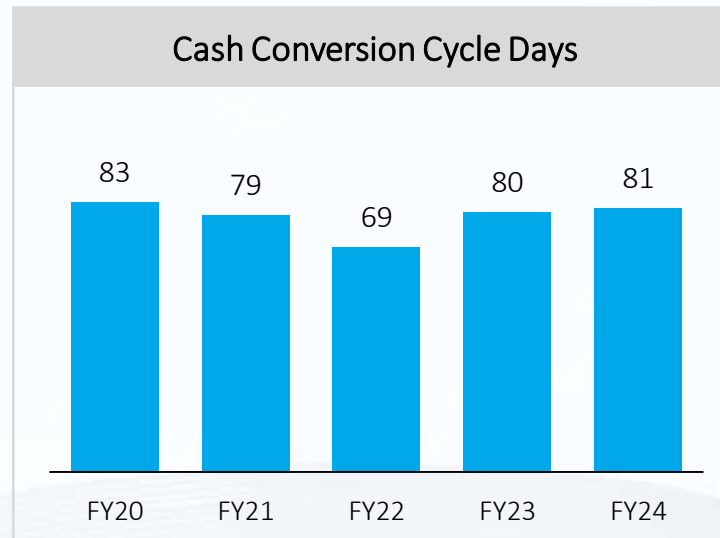
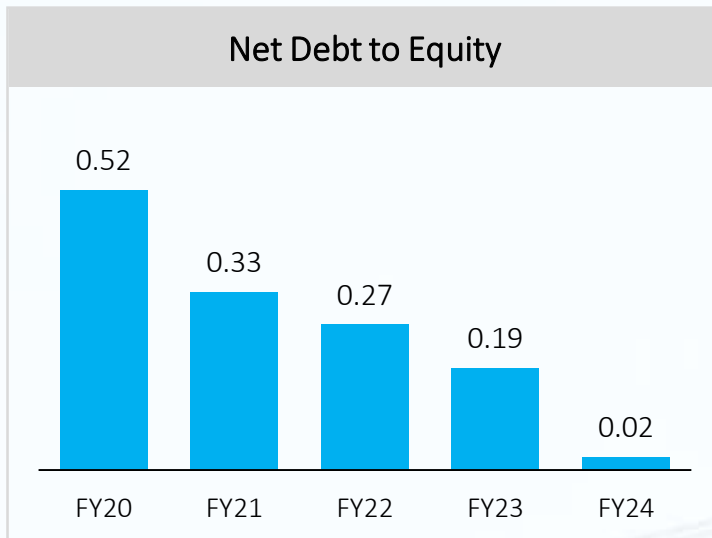
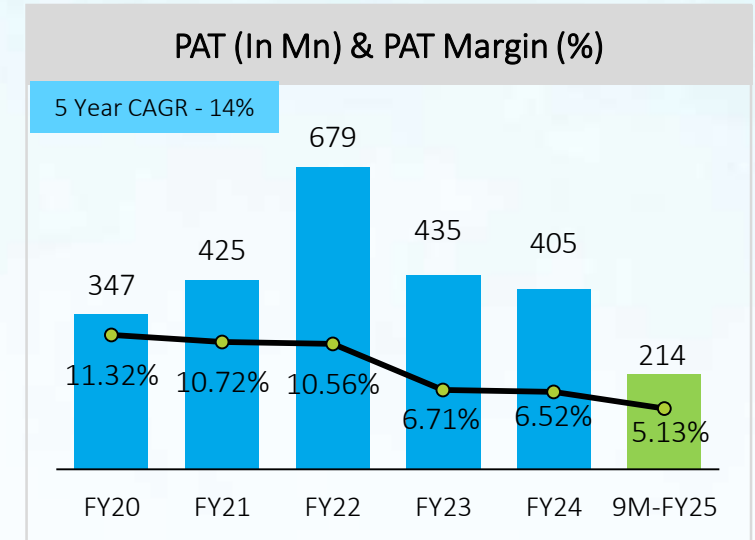
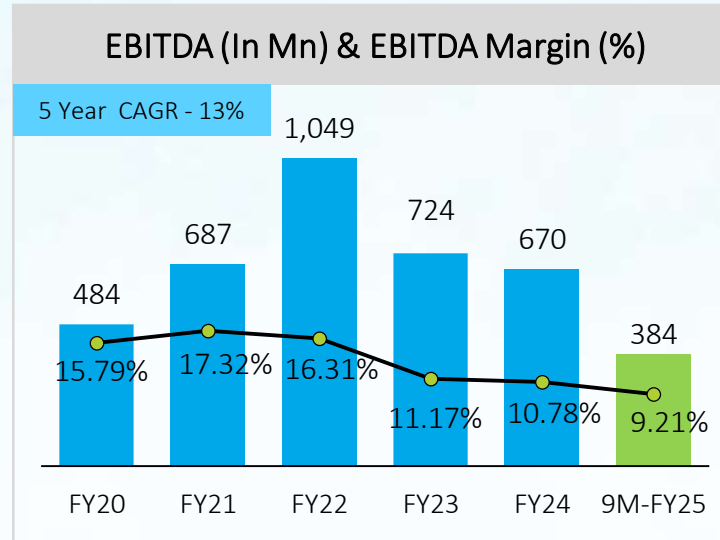
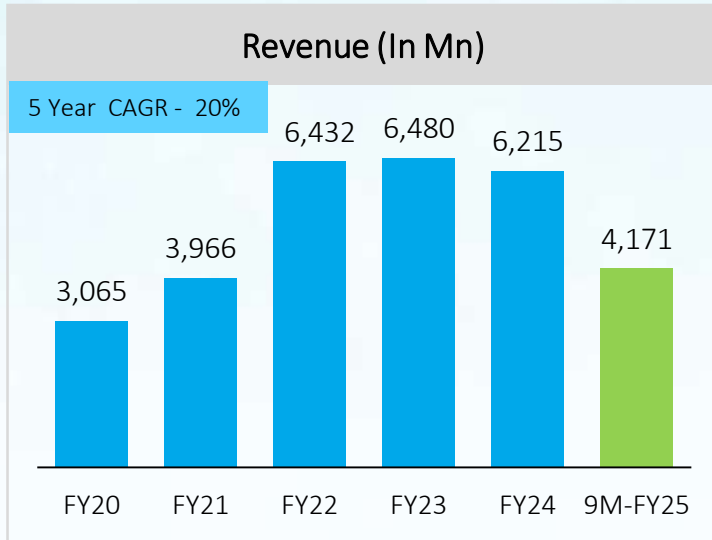
Historical Balance Sheet

ASSETS	FY23	FY24	H1-FY25	EQUITY AND LIABILITIES	FY23	FY24	H1-FY25
Non-Current Assets				EQUITY			
Property, Plant and Equipment	1,514	1,868	1,866	Equity Share Capital	130	130	130
Capital work-in-progress	349	60	148	Instruments entirely equity in nature			
Right of use assets	42	41	41	Other Equity	2,462	2,769	2,849
Intangible Assets	5	3	3		2,592	2,899	2,979
Intangible Assets Under Development	-	-	-	LIABILITIES			
Financial Assets				Non-Current Liabilities			
(i) Other Financial Assets	2	2	2	Financial Liabilities			
Non-current Tax Assets (Net)	18	19	69	Borrowings	-	-	-
Other Non-current Assets	8	22	40	Provisions	18	22	28
	1,938	2,015	2,169	Deferred Tax Liabilities (Net)	146	161	170
Current Assets					164	183	198
Inventories	800	697	774	Current Liabilities			
Financial Assets				Financial Liabilities			
(i) Trade receivables	626	568	806	(i) Borrowings	502	73	443
(ii) Cash and Bank Balance	1	1	1	(ii) Trade Payables	105	130	136
Other current assets	59	62	76	(iii) Other financial liabilities	11	3	10
	1,486	1,328	1,657	Other current liabilities	36	43	47
TOTAL ASSETS	3,424	3,343	3,826	Provisions	9	11	13
				Current Tax Liabilities (Net)	5	1	
					668	261	649
				TOTAL EQUITY AND LIABILITIES	3,424	3,343	3,826

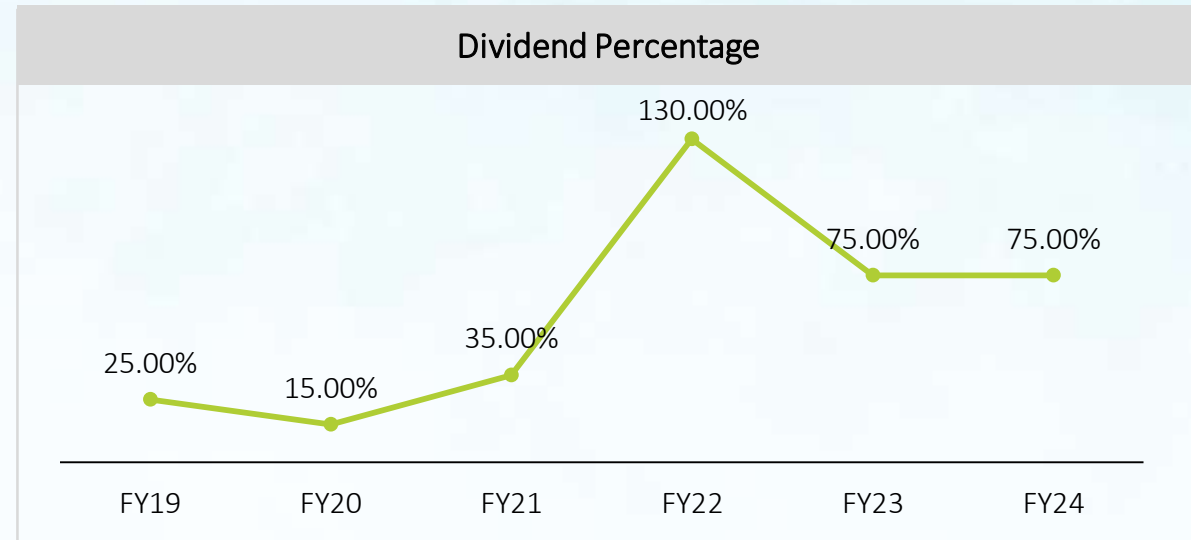
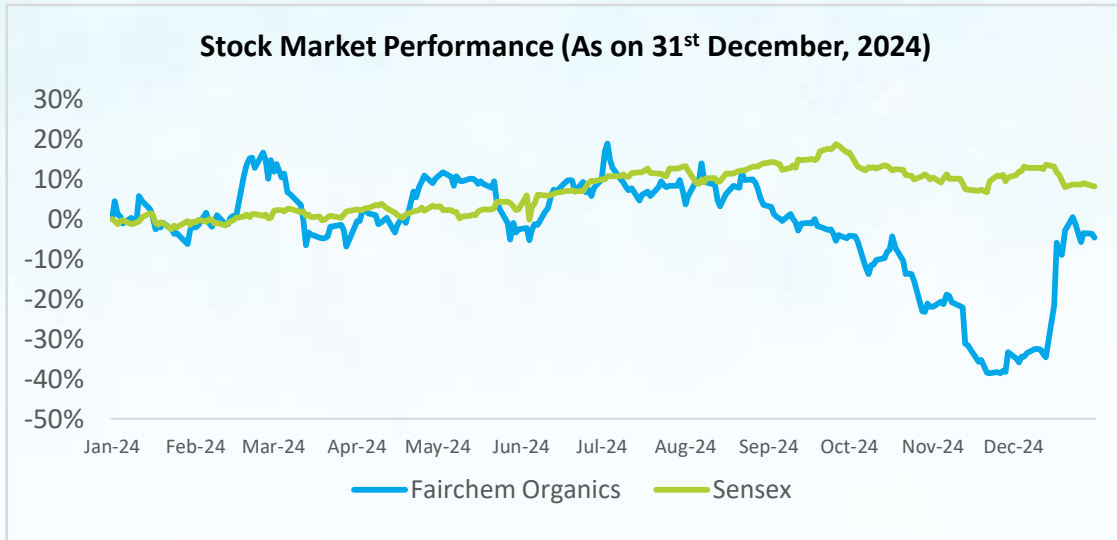
Historical Cash Flow Statement

PARTICULARS (INR Mn)	FY23	FY24	H1-FY25
Cash and Cash Equivalents at Beginning of the year	0.1	0.1	0.1
Cash Flow From Operating Activities	496	745	(107)
Cash Flow from Investing Activities	(145)	(176)	(147)
Cash Flow From Financing Activities	(351)	(569)	254
Net Inc./ (Dec.) in Cash and Cash Equivalent	-	-	-
Cash and Cash Equivalents at End of the year	0.1	0.1	0.1
Operating Cash Inflow	496	745	(107)
Capital Expenditure	(145)	(176)	(148)
FCF	351	569	(255)

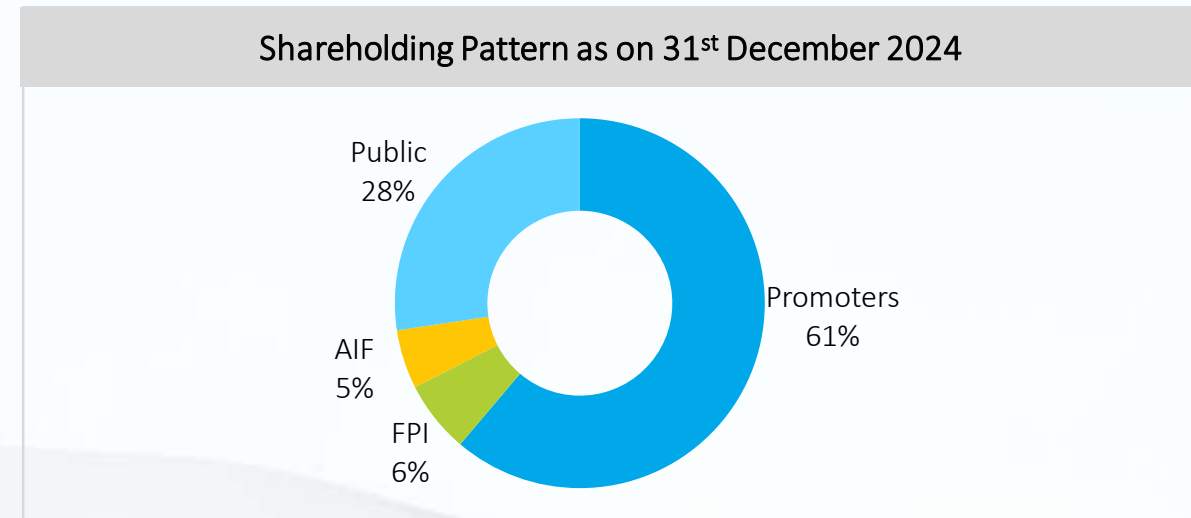
Key Financial Highlights



Capital Market Data



Price Data as at 31 st December, 2024	INR
Face Value	10.0
Market Price (BSE)	1,215.0
52 Week H/L	1,552.0/ 775.6
Market Cap (Mn)	15,820.4
Equity Shares Outstanding (Mn)	13.0
1 Year Avg Trading Volume ('000)	41.5



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