



## Q1 FY24 - Investor Presentation





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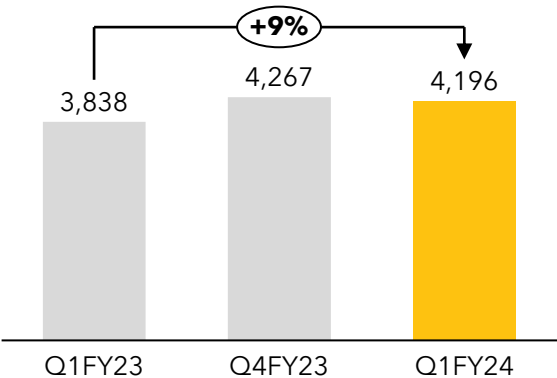
# Q1 FY24 Performance Highlights



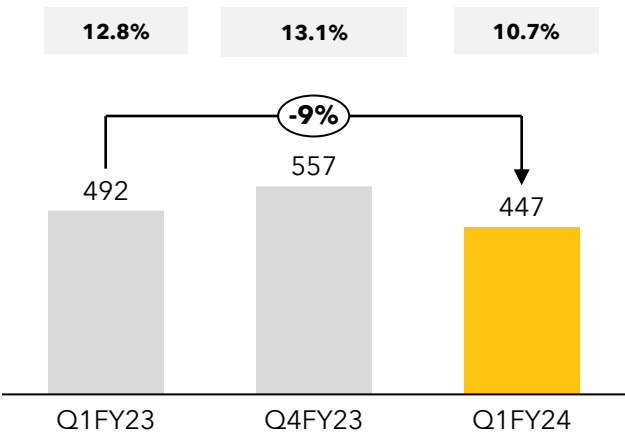


# Q1FY24 Performance Highlights

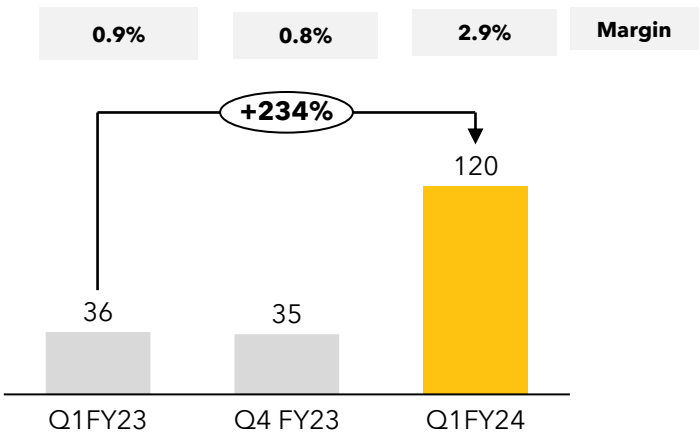
Revenue (Rs. In Mn)



EBITDA\* (Rs. In Mn)



PAT (Rs. In Mn)



## Key Highlights

### Revenue

- › YoY - Growth of 9.3% fuelled by volume growth despite lower pricing

### EBITDA Margins:

- › YoY - Margins reduced by 210 bps led by steep reduction in sale prices
- › Cost of materials are gradually softening
- › Other Operating Costs are prudently managed



# Q1FY24 Performance Highlights

## **Shelf Life Solutions:**

- › Straights observed decreased realisations with increase in volumes
- › Robust growth in Blends

## **Performance Chemicals:**

- › Increased volumes and decreased price realisations
- › Optimisation of margins with portfolio mix and transformation

## **Aroma:**

- › Plant stabilised, product quality achieved as per customer qualifications
- › Approval received from major global Flavour & Fragrance manufacturers
- › Other customers' qualification is in progress
- › Distributors being appointed across the globe to service other local F & F manufacturers, food & beverage manufacturers and other aroma market

## **Geographical Analysis:**

- › CFS India - Gross margins improve with lower costs and higher volumes, consequent improvement in operational results
- › CFS Europe - Diphenol Facility impacted due to pricing headwinds, exceptionally weak demand and high power costs
- › CFS Mexico - Consolidates its dominant position in Blends business in Central and Latin America
- › CFS North America & CFS Brazil - Both gaining traction in the market, turned EBITDA positive

## **Debt :**

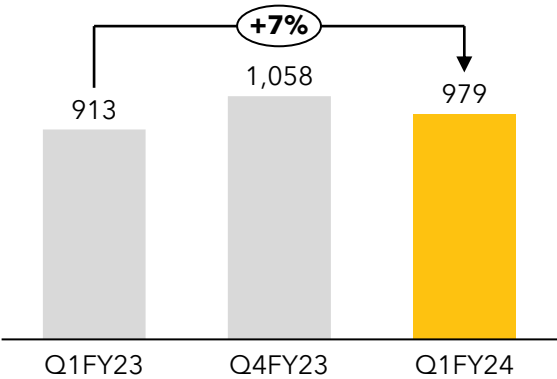
- › Debt reduced by Rs. 1,345 mn on conversion of FCCB from IFC into equity with a positive impact on Debt EBITDA ratio.
- › Working Capital being managed aggressively to tide over the macroeconomic disruptions



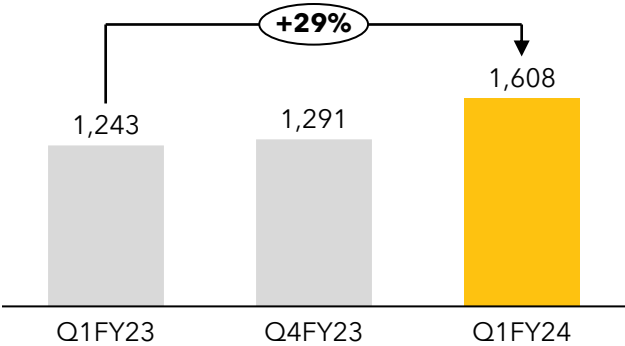
# Operational Revenue Breakup



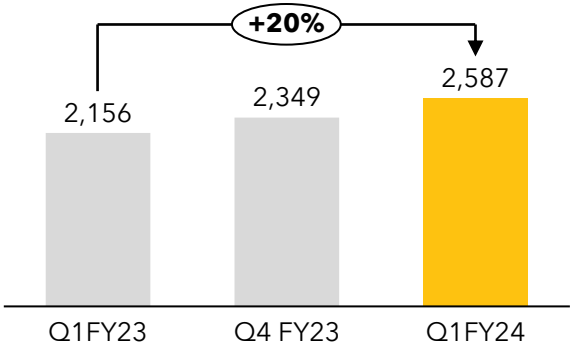
Shelf-Life Solutions (Rs. In Mn)



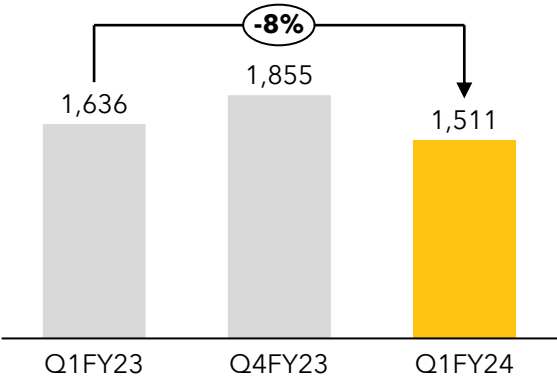
Blends (Rs. In Mn)



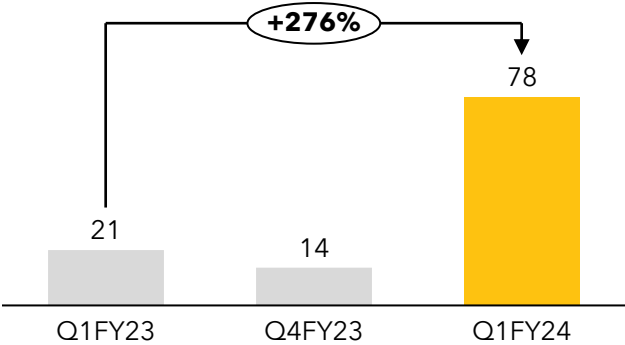
Total Shelf-Life Solutions (Rs. In Mn)



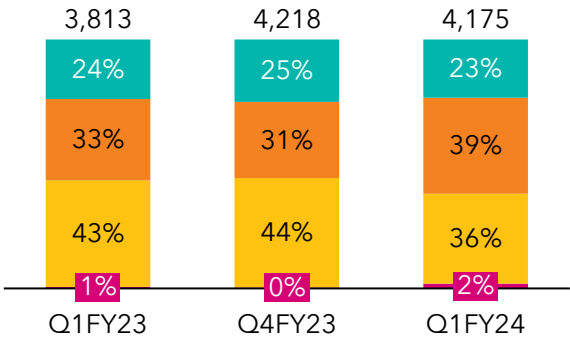
Performance Chemicals (Rs. In Mn)



Aroma Chemicals (Rs. In Mn)



Total Revenue Breakup (%)\*



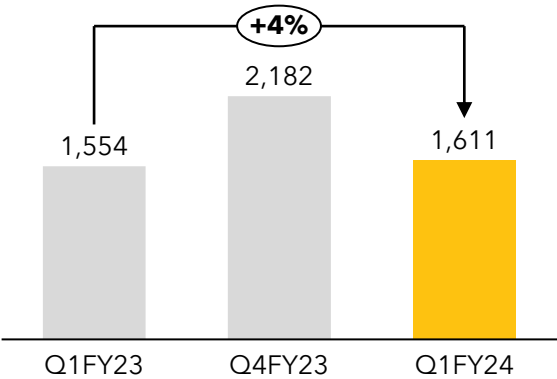
On Consolidated Basis



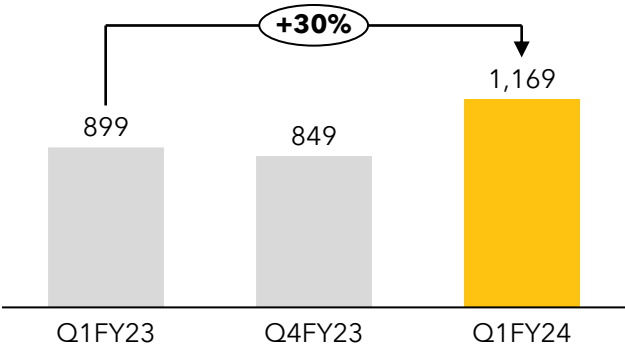
# Regional Highlights



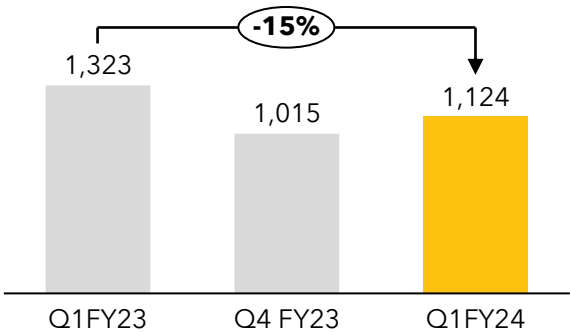
CFS India (Rs. In Mn)



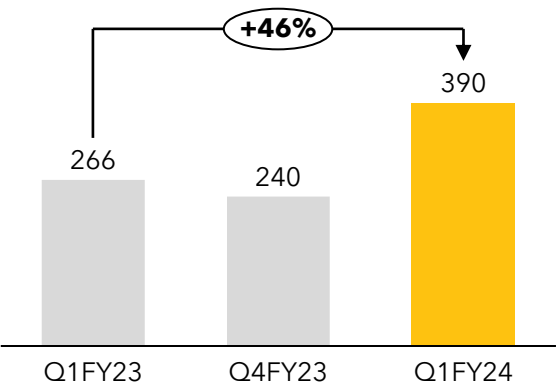
CFS Mexico (Rs. In Mn)



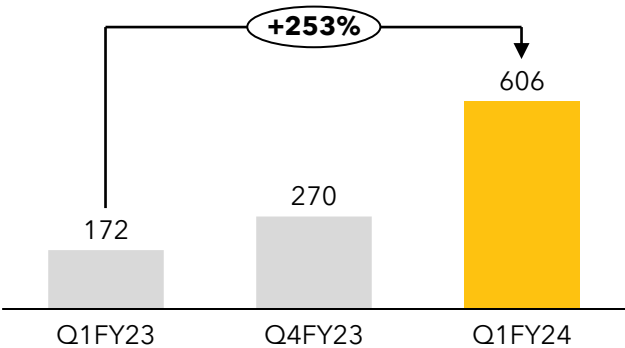
CFS Europe (Rs. In Mn)



CFS Brazil (Rs. In Mn)



CFS North America (Rs. In Mn)





# Consolidated Profit & Loss Statement



Particulars (Rs. In Mn)	Q1 FY24	Q1 FY23	YoY	Q4 FY23	Q-O-Q	FY23
<b>Revenue from Operation</b>	<b>4,196.0</b>	<b>3,837.7</b>	<b>9.3%</b>	<b>4,267.1</b>	<b>-1.7%</b>	<b>16,815.6</b>
Raw material consumption	2,157.8	1,781.4		2,109.9		8,132.3
Employee Cost	438.5	411.2		408.3		1,626.2
Other expenses	1,212.6	1,178.9		1,310.7		5,004.4
<b>EBITDA</b>	<b>387.1</b>	<b>466.2</b>	<b>-17.0%</b>	<b>438.2</b>	<b>-11.7%</b>	<b>2,052.7</b>
<b>EBITDA Margins (%)</b>	<b>9.2%</b>	<b>12.1%</b>		<b>10.3%</b>		<b>12.2%</b>
<b>Adjusted EBITDA*</b>	<b>446.9</b>	<b>491.9</b>	<b>-9.1%</b>	<b>557.0</b>	<b>-19.8%</b>	<b>2,131.1</b>
<b>Adjusted EBITDA Margins (%)</b>	<b>10.7%</b>	<b>12.8%</b>		<b>13.1%</b>		<b>12.7%</b>
Other Income	63.7	10.3		20.0		58.0
Depreciation	187.8	143.7		179.3		625.1
Finance cost	102.2	187.3		97.8		585.0
Exceptional Item	0.0	0.0		96.8		96.8
<b>PBT</b>	<b>160.8</b>	<b>145.5</b>	<b>10.5%</b>	<b>84.3</b>	<b>90.8%</b>	<b>803.8</b>
Tax	40.6	109.5		49.5		405.7
<b>PAT</b>	<b>120.2</b>	<b>36.0</b>	<b>233.9%</b>	<b>34.8</b>	<b>245.4%</b>	<b>398.1</b>
<b>PAT Margins (%)</b>	<b>2.9%</b>	<b>0.9%</b>		<b>0.8%</b>		<b>2.4%</b>
Diluted EPS (in Rs.)	0.94	0.46		0.58		3.41

\*EBITDA is adjusted for FX gain / loss



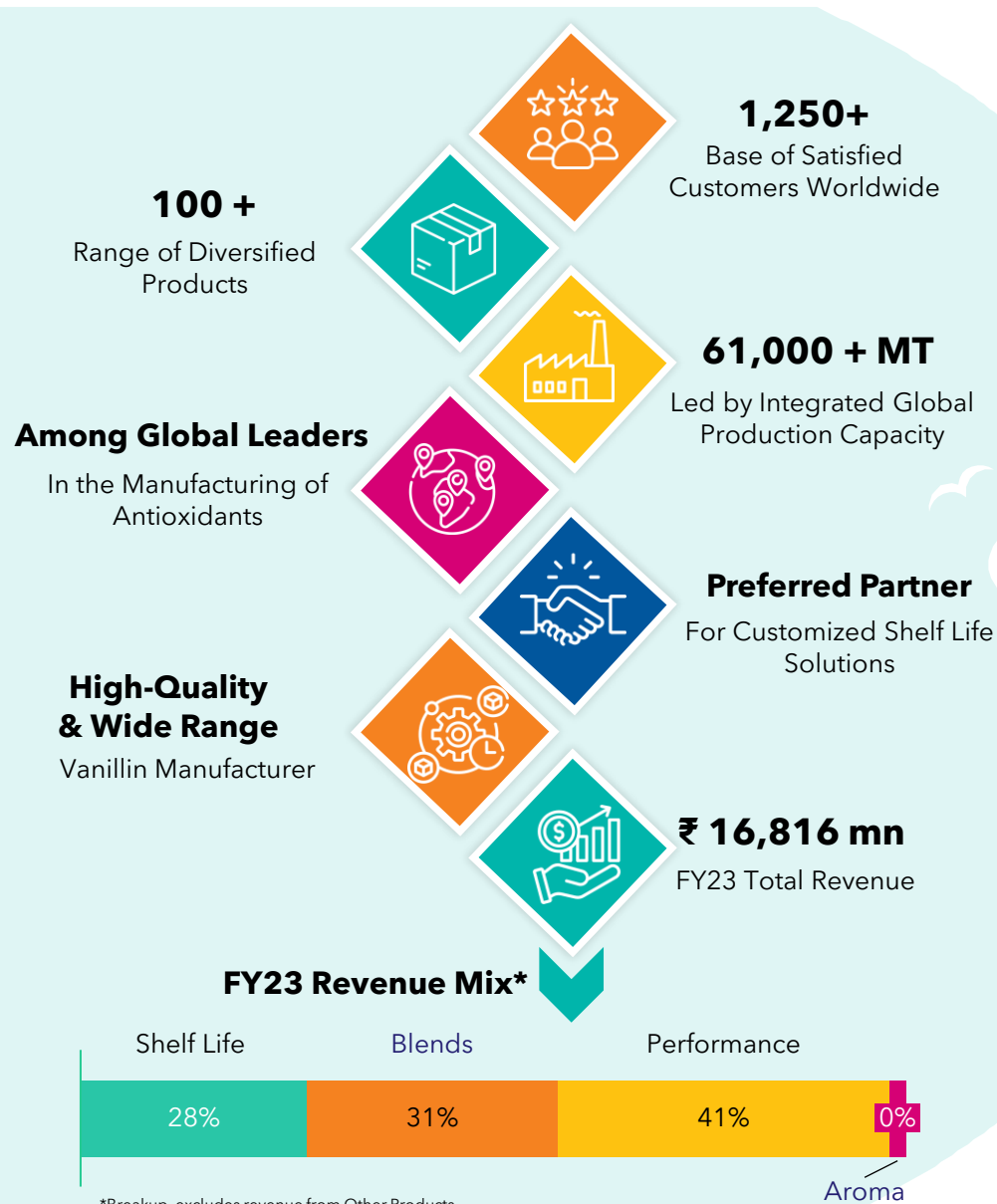
# Standalone Profit & Loss Statement

Particulars (Rs. In Mn)	Q1 FY24	Q1 FY23	YoY	Q4 FY23	Q-O-Q	FY23
<b>Revenue from Operation</b>	<b>1,611.1</b>	<b>1,554.4</b>	<b>3.6%</b>	<b>2,181.6</b>	<b>-26.1%</b>	<b>7,894.4</b>
Raw material consumption	632.2	783.0		974.6		3,656.9
Employee Cost	154.8	140.1		165.1		597.1
Other expenses	573.2	478.5		698.9		2,364.7
<b>EBITDA</b>	<b>250.9</b>	<b>152.8</b>	<b>64.2%</b>	<b>342.9</b>	<b>-26.8%</b>	<b>1,275.6</b>
<b>EBITDA Margins (%)</b>	<b>15.6%</b>	<b>9.8%</b>		<b>15.7%</b>		<b>16.2%</b>
<b>Adjusted EBITDA*</b>	<b>255.4</b>	<b>152.8</b>	<b>67.1%</b>	<b>393.0</b>	<b>-35.0%</b>	<b>1,275.6</b>
<b>Adjusted EBITDA Margins (%)</b>	<b>15.8%</b>	<b>9.8%</b>		<b>18.0%</b>		<b>16.2%</b>
Other Income	60.1	127.4		12.4		288.3
Depreciation	118.0	72.8		107.2		328.2
Finance cost	120.5	155.8		133.8		569.4
<b>PBT</b>	<b>72.6</b>	<b>51.6</b>	<b>40.8%</b>	<b>114.4</b>	<b>-36.5%</b>	<b>666.3</b>
Tax	14.8	-1.2		36.3		190.7
<b>PAT</b>	<b>57.8</b>	<b>52.7</b>	<b>9.6%</b>	<b>78.0</b>	<b>-25.9%</b>	<b>475.5</b>
<b>PAT Margins (%)</b>	<b>3.6%</b>	<b>3.4%</b>		<b>3.6%</b>		<b>6.0%</b>
Diluted EPS (in Rs.)	0.35	0.42		0.50		3.14

\*EBITDA is adjusted for FX gain / loss



# Company Overview



## Catering Diverse Industries



Food and Beverage



Animal Nutrition



Pet Food



Flavours & Fragrances



Dietary Supplements



Pharmaceuticals & Pharma Intermediates



Petrochemicals



Dyes & Pigments



Polymers



Agrochemicals



Rendering



Bio-fuels



Aquaculture



Personal Care & Home Care



Incense Sticks

# Global Footprint



10

Global Manufacturing Facilities



5

Application Laboratories



3

R&D Centres



80+

Countries Global Sales Network



160+

Presence in 160 Countries

CFS has multiple operational facilities, R&D centers and application laboratories located across multiple continents to cater to the needs of customers. We have established a presence over 160 countries including Asia, Europe and the Americas

## Manufacturing Strength

- Leveraging the power of vertical integration, CFS possesses state-of-the-art facilities that enable large-scale production while upholding rigorous quality benchmarks
- Existing facilities across four continents have a total capacity of 61,000+ MT
- The backbone of vertically integrated production coupled with R&D and Application Laboratory efforts has been the key driver to reach out to diverse industries and numerous markets

## Capacity (in MT)



31,000

Camlin Fine Sciences, India



12,000

CFS Europe SpA, Italy



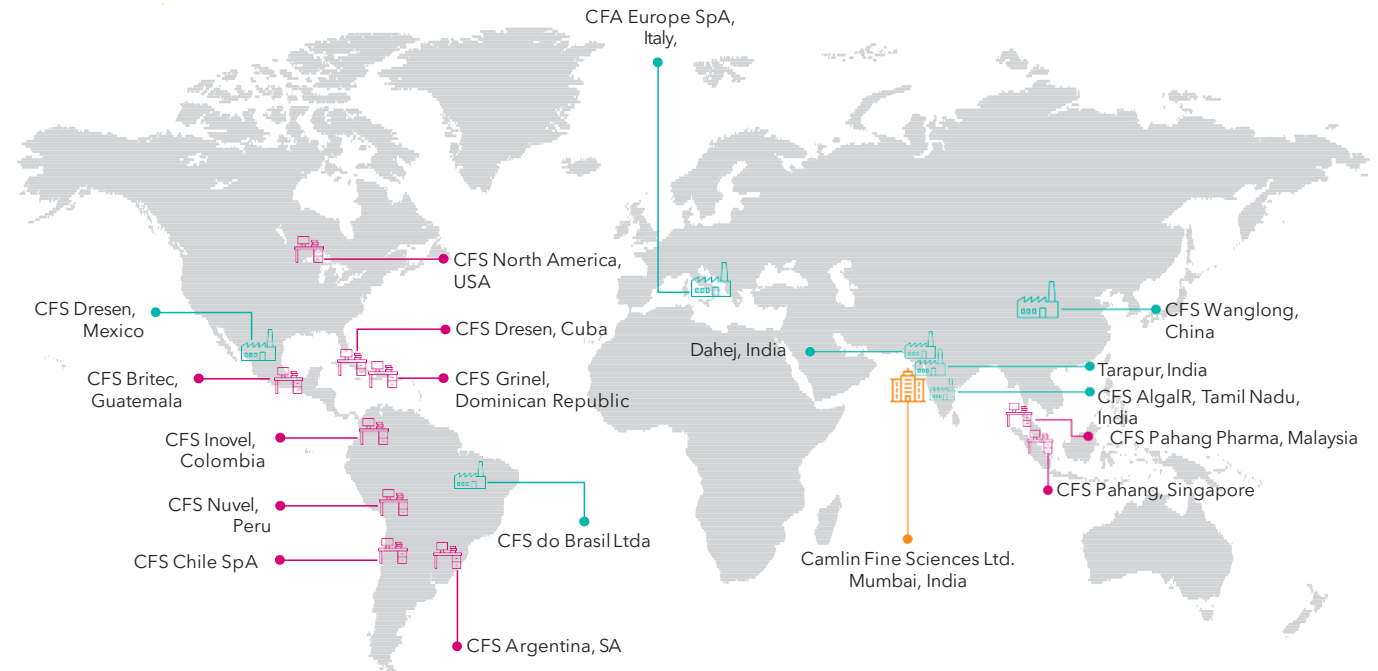
6,000

CFS do Brasil



12,000

CFS Dresden, Mexico



Headquarter



Manufacturing site & Sales office



Sales office

# Product Highlights



## FY23 Sales Mix%

## Key Products

## End User Industries

## Key Brands

### Straights

28%

### Shelf-Life Solutions

### Blends

31%

- › TBHQ
- › BHA
- › Ascorbyl palmitate (ASP)

- › 200+ custom formulations, encompassing both traditional and natural solutions (forward-integrated antioxidant blends)

- › Pet Food
- › Livestock Nutrition
- › Food & Beverages
- › Fish Meal
- › Animal Feed Mills
- › Biodiesel
- › Aquaculture
- › Rendering

- › These formulations are specifically tailored to meet the diverse needs of the industry
- › Aim to increase focus on high-value blends and additives

**NaSure**  
Extending Shelf Life Naturally

**Xtendra**  
shelf life solutions

### Performance Chemicals

41%

- › HQ derivatives products like Chloranil, MEHQ, HQEE, TBHQ, PDMB, CME,
- › CT derivative products like 4 TBC, Guethol, Veratrole, Guaiacol, 1, 2MDB

- › Petrochemicals
- › Dyes & Pigments
- › Agrochemicals
- › Polymers
- › Pharmaceuticals
- › Acrylates
- › Electroplating
- › Printing Inks

**Dinamic**  
Performance Chemicals

### Aroma Ingredients

0%

- › Vanillin, Ethyl Vanillin and Vanillin ex-clove (adorr™)

- › Food & Beverages
- › Chocolate & Confectionary
- › Pharmaceutical
- › Perfume & Incense
- › Flavors & Fragrance
- › Bakery
- › Personal Care
- › Animal Feed

**adorr**  
sensory sciences

**INTENSE GREEN**  
DIMETHYL HYDROQUINONE (DMHQ)

### Health & Wellness

0%

- › Omega-3 fatty acids from micro-algae

- › Pharmaceutical & Nutraceuticals
- › Dietary Supplement
- › Functional Foods
- › Pet Food
- › Food and Beverages
- › Animal Feed

**BIOSUS™**  
**OMEGA 20**  
20% DHA from algal biomass

**BIOSUS**  
**DHA**  
Clean DHA from algal source

# Vertical Integration | Green Chemistry | R&D | Innovative Solutions

## Vertical Integration



**Backward Integrated through Italy & Dahej Facilities for captive consumption and for Downstream Progression**

### From Source, to Quality Solutions

- Efforts in both organic and inorganic expansions, showcases company's commitment to fortifying position in the market
- Strategic focus on captive consumption ensures utilization of raw materials for downstream products
- Strategic forward integration into Blends and Vanillin swings company's business model to high-value additives / solutions

## Green Chemistry



### Green chemistry goals at CFS

- Promoting use of energy-efficient processes
- Minimizing the generation of waste during chemical
- Synthesis Supporting end consumers clean-label demands

### The integration of green chemistry encompasses the following

- Finding ways to adopt new ecosystems to include new materials, processes, and alternatives to nature's finite resources like briquette instead of coal as an energy source
- Solvent, one of the largest waste components in the manufacturing process is recovered, purified and repurposed for manufacturing process
- Through fermentation technology, company work on developing products like nutritional lipids in a sustainable form for the food and beverage, pet food, and animal nutrition industries

## R&D



**3 R&D centres**

India | Italy | Mexico



**5 Application laboratories**

India | Italy | Brazil | USA | Mexico



### Exploring new horizons

- Add value to existing products
- Integrate customized, enhanced applications
- Develop derivatives for Hydroquinone and Catechol
- Improve current process for efficient manufacturing and better products
- Develop new products for a more comprehensive and robust portfolio

## Innovative Solution



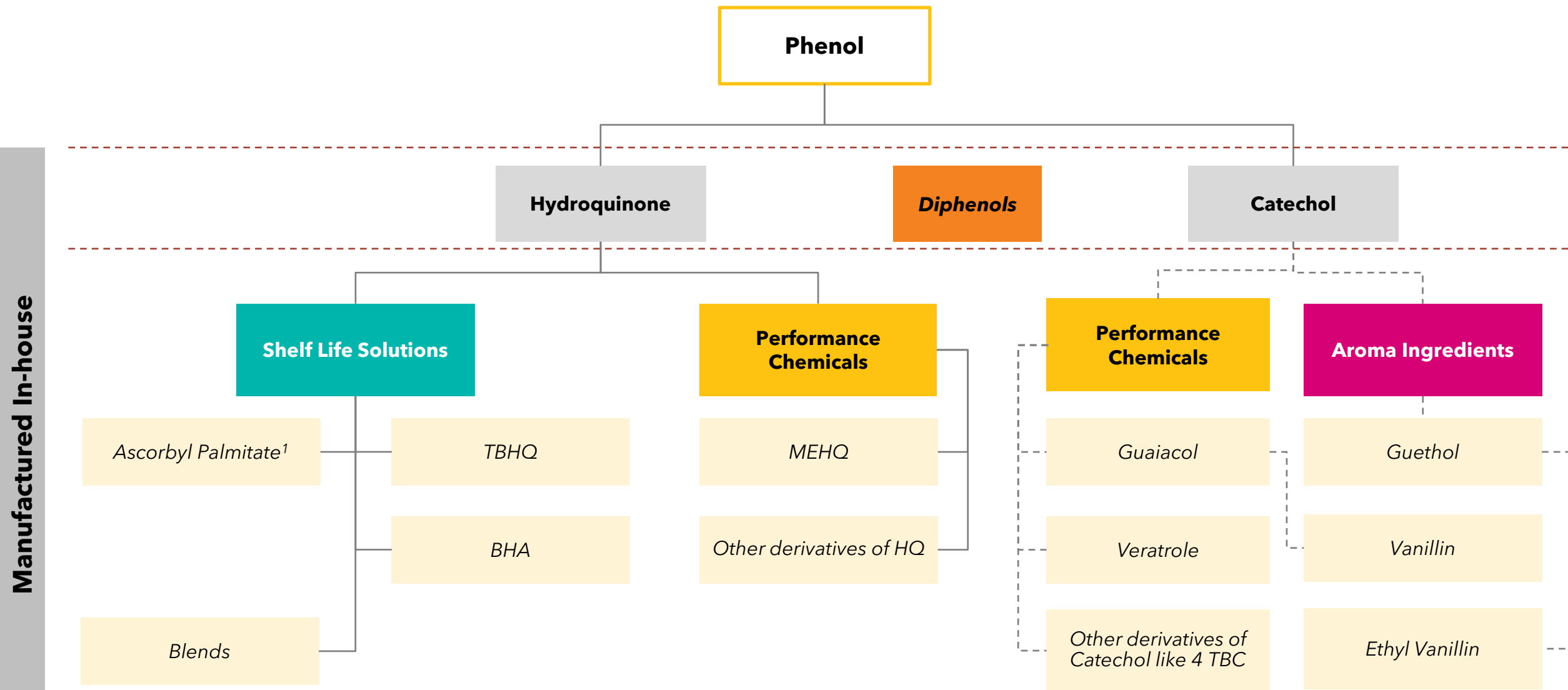
**Expanding Innovative Solutions**

### Building a purposeful portfolio

- Establishing CFS as a strong player across food and feed protection, safety solutions, sensory sciences, functional excellence, performance chemicals, health and nutrition
- Vertically integrated across the value chain, giving customers complete control
- An extensive global footprint enabling us to make a localized impact through enhanced accessibility, customer convenience, and a wide array of sustainable solutions



# Integration Chain



<sup>1</sup> Ascorbyl Palmitate is not a part of HQ / Catechol value-chain and is manufactured from ascorbic acid



As a responsible corporate, CFS understand the importance of Environmental, Social and Governance (ESG) practices in conducting business ethically. Company's commitment to ESG extends beyond compliance with regulations and laws. Company aims to minimize environmental impact, promote social responsibility and ensure good governance.

Environment



- Dedicated to sustainability and done few initiatives from reducing food waste to sourcing clean energy
- Constantly seeking new ways to promote eco-friendliness
- **Main goal by 2030 is to switch to renewable electricity for all manufacturing facilities.** Currently, company is exploring different options to achieve this goal
- Specifically target food segments that require improved shelf life
- Offer solutions for improving nutrition, health, and hygiene in livestock, resulting in enhanced Food Conversion Ratio (FCR) and overall animal performance



Social



- Supported Akhil Bharatiya Vanavasi Kalyan Ashram, Vanvasi Kalyan Ashram, Vivekananda Rock Memorial & Kendra, Aai Day Care Sanstha, and Sangopita to improve quality of life and sustain humanity
- Employee Wellness Initiatives to provides nutritionist consulting, diet planning, gym access, and frequent health monitoring to boost employee wellness



Governance



- Have a Governance Board that comprises highly skilled and visionary leaders from diverse backgrounds, bringing a wealth of technical and business expertise to the table
- Actively participate in brainstorming sessions with the aim of formulating comprehensive strategies and policies





# Board of Directors



## Ashish Dandekar

### **Chairman & Managing Director**

- BA in Economics and Management studies from Temple University, USA.
- Wide experience over 30 years in Pharmaceuticals and Fine Chemical Products including Business Planning, Information Systems, Research & Development, Product Development and Marketing.

## Nirmal Momaya

### **Managing Director**

- CA with over 30 years of experience in Finance, Taxation, Audit and Management consultancy.
- Founder at Pagoda Advisors Pvt. Ltd. with a focus on consulting for various businesses as well as advising CFS on important business and strategic matters since 2009.

## Arjun Dukane

### **Executive Director - Technical**

- Chemical Engineer with 32 years of experience in the Chemical Industry and has been associated with CFS for about 14 years.

## Harsha Raghavan

### **Non Executive Non-Independent Director**

- The Managing Partner of Convergent Finance LLP
- Founding MD & CEO of Fairbridge Capital Pvt. Ltd. (a Fairfax Company).
- MBA & MSc in industrial engineering from Stanford University and a B.A. from the University of California at Berkeley.

## Anagha Dandekar

### **Non-Executive Non-Independent Director**

- MBA in Finance from University of South Carolina, USA.
- President, co-founder of Hardware Renaissance, a manufacturer of high-end, hand crafted door hardware and accessories

## Sutapa Banerjee

### **Independent Director**

- Gold medalist in Economics from the XLRI school of Management in India, and an Economics honours graduate from Presidency College Kolkata.
- Over 24 years of experience in the financial services industry and currently serves as an Independent Director on the boards of several companies

## Amol Shah

### **Independent Director**

- B. Sc (Electronics Engineering) from University of Kent, Canterbury and MBA from University of Southern California.
- Managing Director of the MJ Group with more than 25 years of experience in the industry covering Human Healthcare, Flavors/Fragrances compounds, Plant protection and water treatment chemicals.

## Joseph Conrad D'souza

### **Independent Director**

- Member of Executive Management and Chief Investor Relations Officer with HDFC Ltd.. Is on the boards of various HDFC group companies and also on Chalet Hotels Ltd., Nations Trust Bank plc, Sri Lanka and Asianet Satellite Communications Ltd.
- Holds an M.com and a Diploma in Financial Management from Mumbai University and an MBA from South Gujarat University. Also a graduate of the Sr. Executive Programme of the London Business School.

## Mahabaleshwar Palekar

### **Independent Director**

- 25+ years of experience with Corporates in India (Polychem & Atul) and multinationals (Unilever India and Rhodia India).
- Chemical Engineer with a doctorate degree from University Department of Chemical Technology (UDCT, now ICT), Mumbai, India.

## Pradip Kanakia

### **Independent Director**

- CA (both England, Wales & India) with around 35 years of experience
- Held leadership position in PWC & KPMG
- Currently on board of Torrent Gas Pvt Ltd. & Fable Fintech Pvt Ltd.



## Shelf-Life Solutions

- Maintaining market leadership for Antioxidants
- Increasing focus on high margin blends and additives. These formulations are specifically tailored to meet the diverse needs of the industry
- Widen portfolio to provide a comprehensive solution for the food, pet food, biodiesel, livestock and aquaculture industries



## Performance Chemicals

- Aim to expand Diphenol chain, specifically focusing on expanding downstream products
- Introduction of new products like CME, Chloranil, Napthol etc.
- Increasing manufacturing capacity of existing products through debottlenecking (MEHQ)
- Aim to give a major impetus to the 'Make in India' initiative by launching exciting products



## Aroma Ingredients

- Introduce specialized and customized products within the vanillin range, catering to diverse application needs
- Actively pursuing an expansion in the aroma industry
- The upcoming production of Ethyl Vanillin and vanillin ex-clove (natural vanillin) completes comprehensive range of Vanillin offerings for the market
- Poised to achieve optimum capacity utilization in coming years



## Health and Wellness

- Improving process stability, laying the framework for expanding into new markets, and investigating potential applications in existing ones are currently top priorities for TM Biosus DHA
- Aim is to establish a formidable presence in prominent markets such as Europe and the United States.





## Financial Highlights

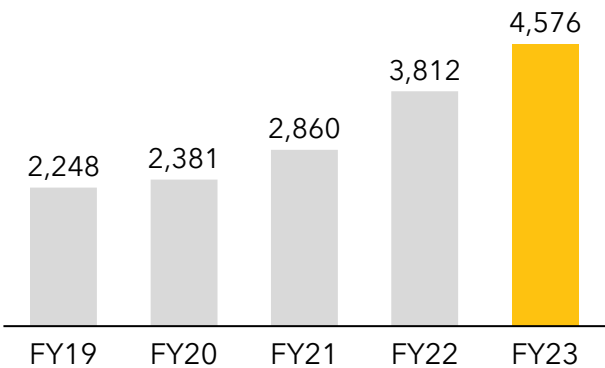




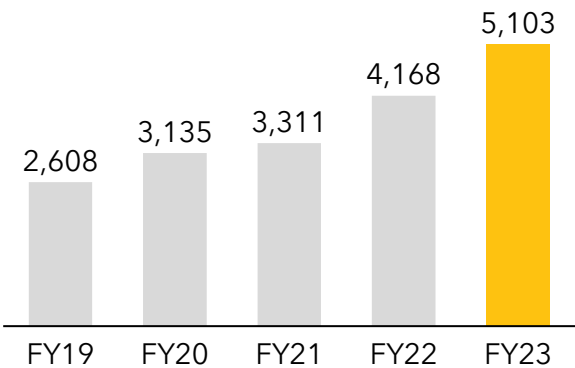
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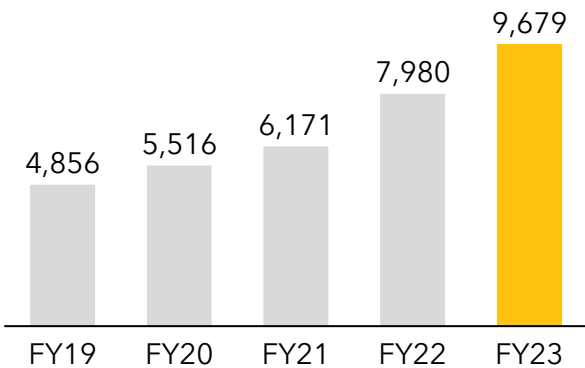
Shelf-Life Extension (Rs. In Mn)



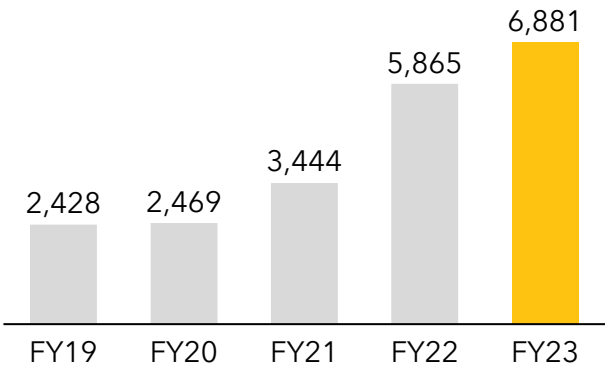
Blends (Rs. In Mn)



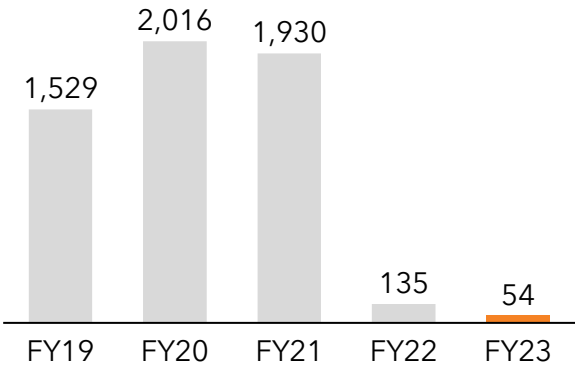
Total Shelf-Life Solution (Rs. In Mn)



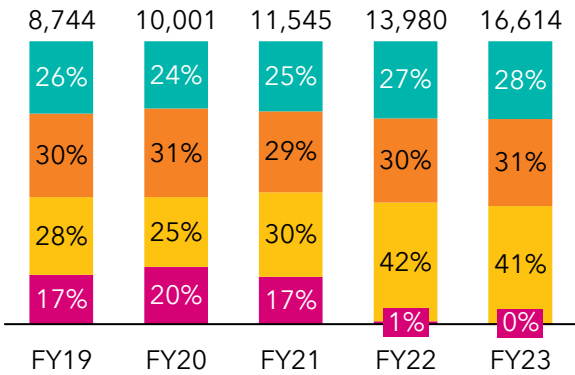
Performance Chemicals (Rs. In Mn)



Aroma Chemicals (Rs. In Mn)



Total Revenue Breakup (%)\*



On Consolidated Basis

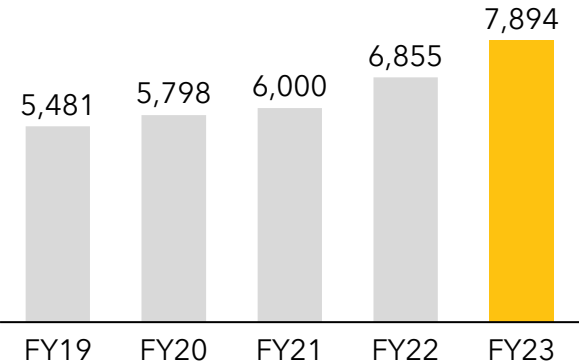
\*Excluding Other Products



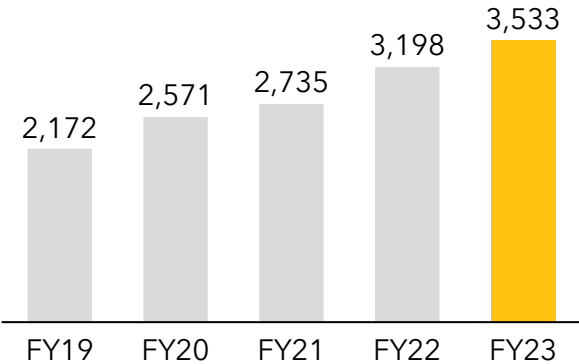
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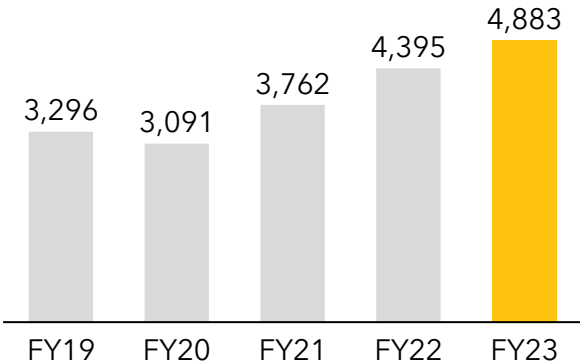
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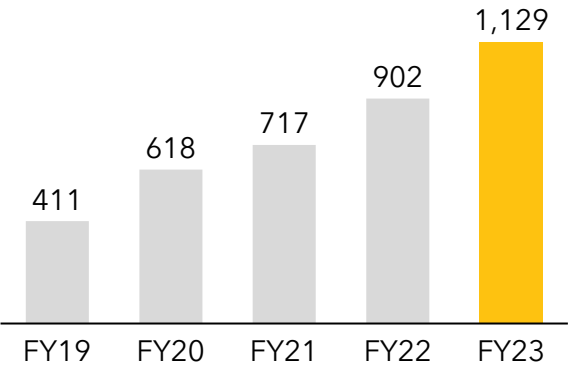
CFS Mexico (Rs. In Mn)



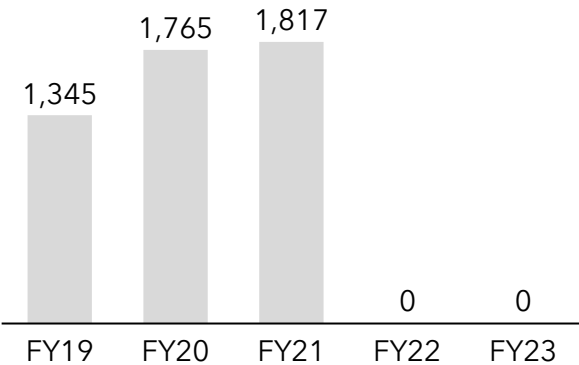
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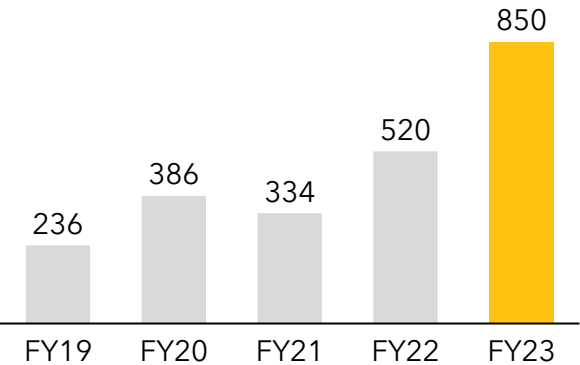
CFS Brazil (Rs. In Mn)



CFS Wanglong (Rs. In Mn)



CFS North America (Rs. In Mn)

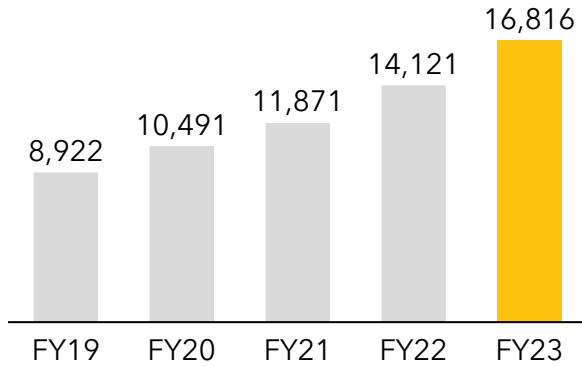




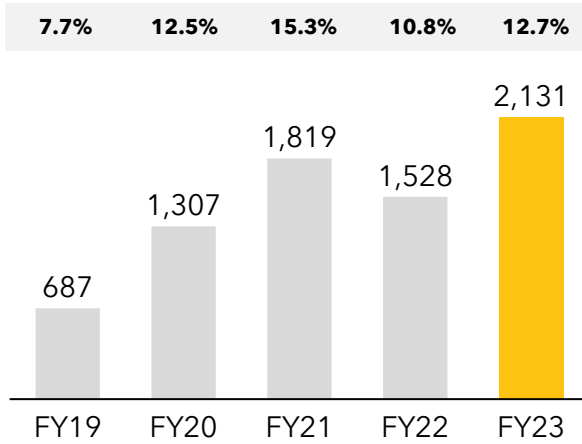
# Historical Financial Highlights



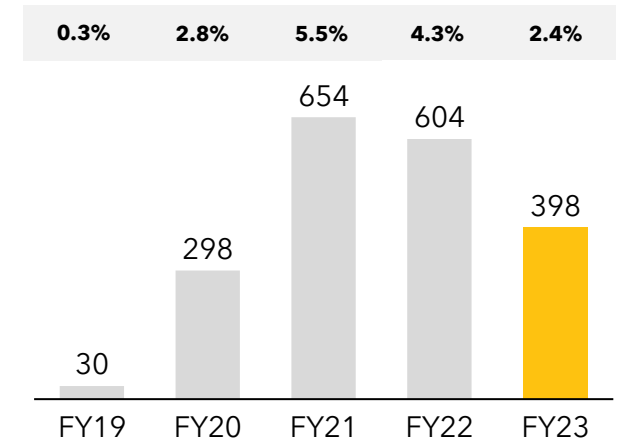
Revenue (Rs. In Mn)



EBITDA (Rs. In Mn)



PAT (Rs. In Mn)

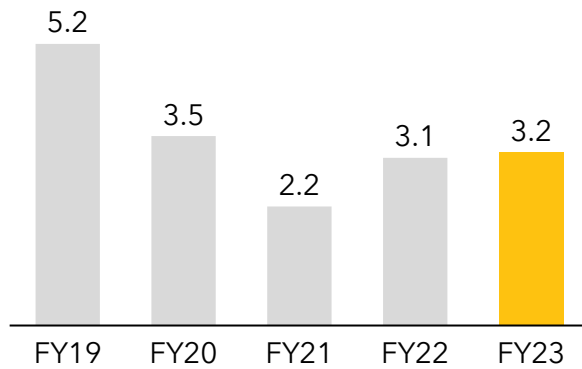


Margin

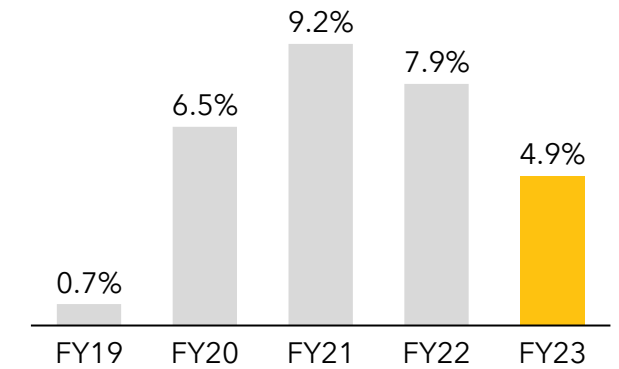
Net Debt to Equity (x)



Net Debt to EBITDA (x)



ROE\* (%)





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**Strategic Growth Advisors Pvt. Ltd.**

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