



Camlin Fine Sciences Limited
Investor Presentation – August 2024

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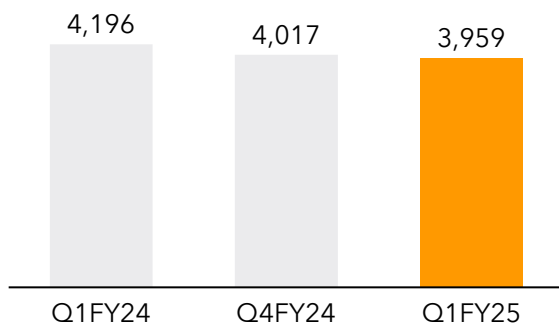


Performance Highlights - Q1 FY 25

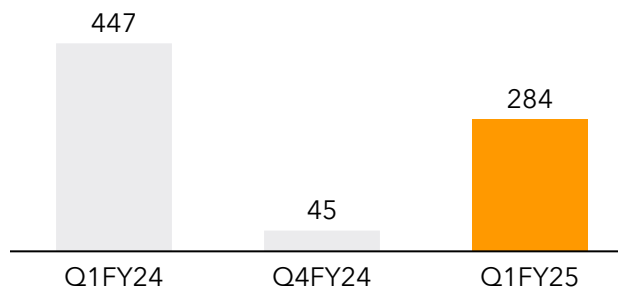
Q1FY25 Performance Highlights



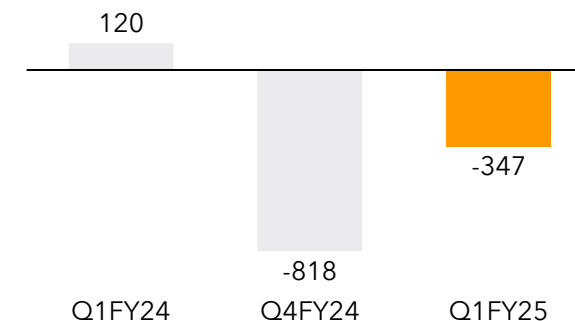
Revenue (Rs. In Mn)



EBITDA* (Rs. In Mn)



PAT (Rs. In Mn)



Key Highlights

- › Revenue stood at INR 395.85 crore which is slightly lower by 1.5% as compared to last quarter
- › The gross margins are at 44.9% as compared to 34.9% in last quarter
- › Margins are facing pricing headwinds, sluggish global demand and increasing raw material prices
- › Sustained dominance in Blends business with a growth of 13.4% quarter on quarter which is expected to continue
- › EBITDA margins improved by 606 bps but will remain under pressure
- › Profitability was further impacted by foreign exchange volatility in South American subsidiaries
- › Vanillin Plant commenced campaign for Vanillin at the end of May 2024 and we expect ramp of sales from the later part of Q2 FY 25
- › Inorganic growth in Blends expected in future with successful acquisition of Vitafor Invest NV Belgium with its product portfolio and presence in North African & East European markets

Consolidated Profit & Loss Statement



Particulars (Rs. In Mn)	Q1 FY25	Q1 FY24	YoY	Q4 FY24	Q-O-Q	FY24
Revenue from Operation	3,958.5	4,196.0	-5.7%	4,016.9	-1.5%	16,130.6
Raw material consumption	2,180.4	2,157.8		2,616.3		9,136.2
Employee Cost	511.8	438.5		461.7		1,787.5
Other expenses	1,085.0	1,212.6		1,071.5		4,467.8
EBITDA	181.4	387.1	-53.1%	-132.5	-236.9%	739.2
EBITDA Margins (%)	4.6%	9.2%		-3.3%		4.6%
Adjusted EBITDA*	284.1	446.9	-36.4%	44.7	535.0%	1,133.8
Adjusted EBITDA Margins (%)	7.2%	10.7%		1.1%		7.0%
Other Income	18.7	63.7		57.6		155.6
Depreciation	201.1	187.8		200.5		786.1
Finance cost	233.7	102.2		161.7		603.0
Exceptional Item	0.0	0.0		498.0		498.0
PBT	-234.8	160.8		-935.1		-992.4
Tax	111.7	40.6		-117.2		56.3
PAT	-346.5	120.2	-388.4%	-817.9	-57.6%	-1,048.8
PAT Margins (%)	-8.8%	2.9%		-20.4%		-6.5%
Diluted EPS (in Rs.)	-2.01	0.94		-4.58		-5.50

Standalone Profit & Loss Statement



Particulars (Rs. In Mn)	Q1 FY25	Q1 FY24	YoY	Q4 FY24	Q-O-Q	FY24
Revenue from Operation	1,819.1	1,611.1	12.9%	2,203.3	-17.4%	7,732.6
Raw material consumption	1,019.9	632.2		1,650.1		4,436.7
Employee Cost	168.1	154.8		165.4		659.5
Other expenses	561.7	573.2		644.2		2,365.2
EBITDA	69.3	250.9	-72.4%	-256.5	-127.0%	271.3
EBITDA Margins (%)	3.8%	15.6%		-11.6%		3.5%
Adjusted EBITDA*	69.3	255.4	-72.8%	-256.5	-127.0%	271.3
Adjusted EBITDA Margins (%)	3.8%	15.8%		-11.6%		3.5%
Other Income	17.8	60.1		55.5		188.8
Depreciation	126.9	118.0		127.8		493.9
Finance cost	136.2	120.5		138.8		543.3
PBT	-176.0	72.6		-486.8		-596.3
Tax	-39.2	14.8		-46.1		-82.4
PAT	-136.8	57.8	-336.7%	-440.7	-69.0%	-513.9
PAT Margins (%)	-7.5%	3.6%		-20.0%		-6.6%
Diluted EPS (in Rs.)	-0.81	0.35		-2.61		-3.05

Acquisition of Vitafor Invest NV



Acquisition Details

- Dresen Quimica SAPI De CV, Mexico has acquired 100% stake in Vitafor Invest NV, Belgium and its underlying subsidiaries/associate on June 11, 2024
- 100% stake in Target Entity for Cash Consideration of € 1 (Euro One)



Key Rationale

- Leveraging Vitafor's network to augment and grow in the European & African feed and pet food market
- Synergy to grow the product lines of Vitafor with the existing customers



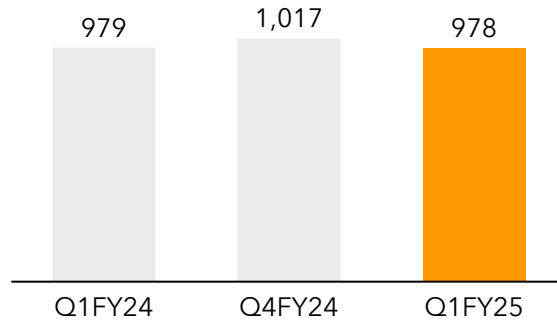
Brief Background

- Vitafor Invest NV was founded in February 21, 2018 is a Belgian company located 20km south of the port of Antwerp.
- Manufactures and trades in products catering to the animal feed industry.

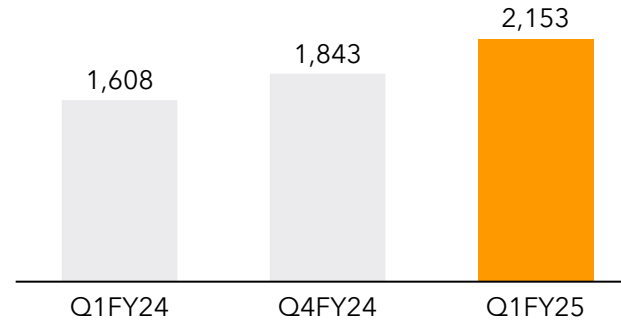
Operational Revenue Breakup



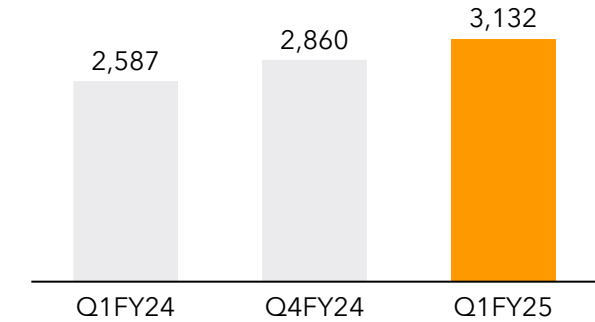
**Specialty Ingredients (Rs. In Mn)
(Straights)**



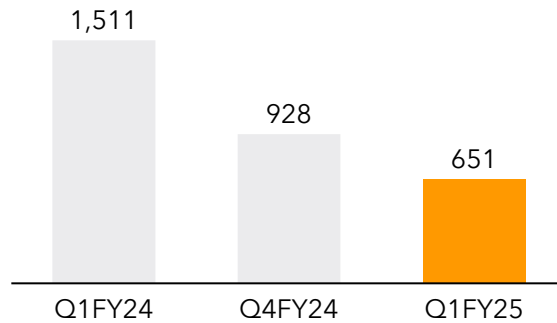
**Specialty Ingredients (Rs. In Mn)
(Value added blends)**



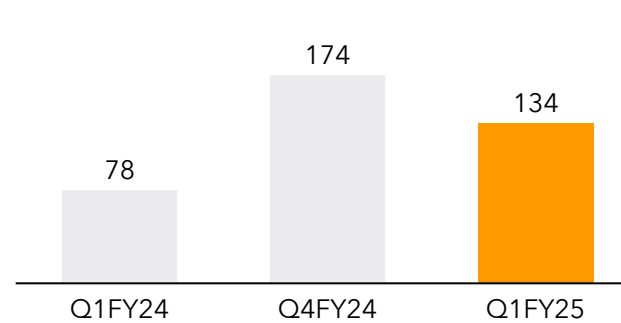
Total Specialty Ingredients (Rs. In Mn)



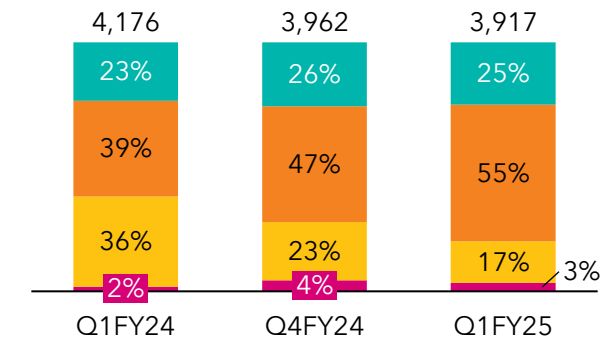
Performance Chemicals (Rs. In Mn)



Aroma Ingredients (Rs. In Mn)



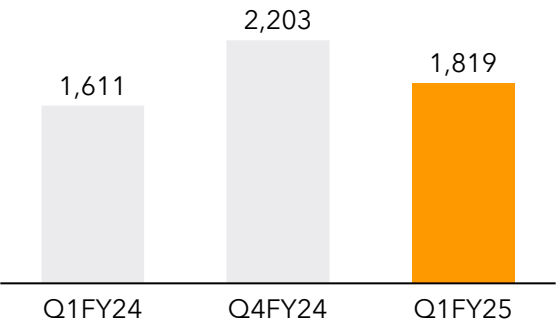
Total Revenue Breakup (%)*



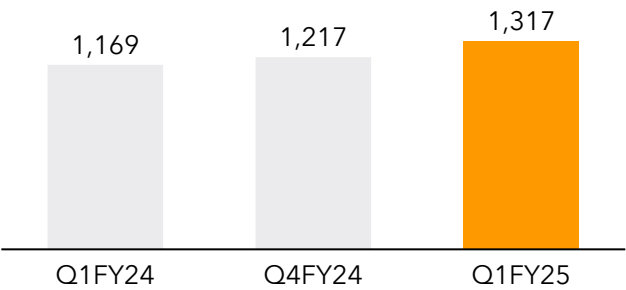
Regional Highlights



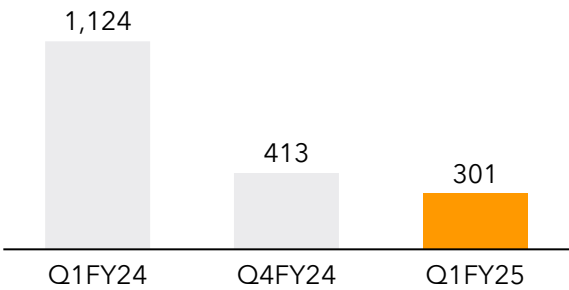
CFS India (Rs. In Mn)



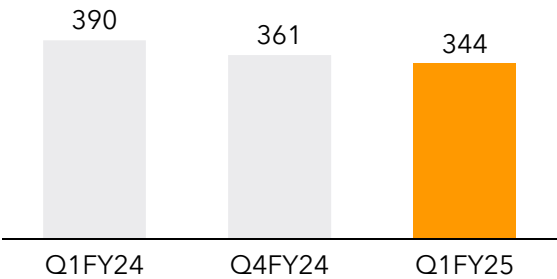
CFS Mexico (Rs. In Mn)



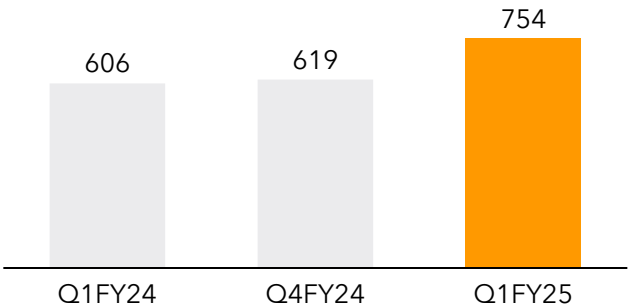
CFS Europe (Rs. In Mn)



CFS Brazil (Rs. In Mn)



CFS North America (Rs. In Mn)





Company Overview - Q1 FY25

Company Overview





100+
Range of Diversified Products



1,250+
Base of Satisfied Customers Worldwide



Preferred Partner
For Customized Shelf-Life Solutions



High Quality & Wide Range
Vanillin Manufacturer

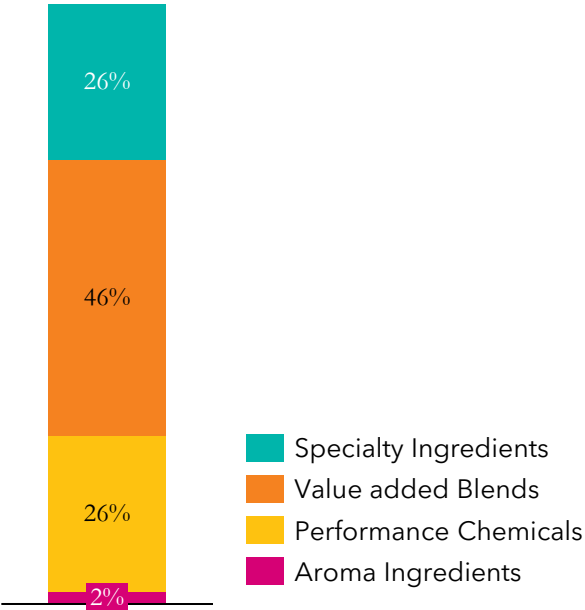


Among Global Leaders
in the Manufacturing of Antioxidants



61,000+
Led by Integrated Global Production Capacity

FY24 Revenue Mix*
₹ 16,131 mn



Catering Diverse Industries

Food & Beverage	Animal Nutrition	Pet Food	Flavours & Fragrances	Dietary Supplements
Pharmaceuticals & Pharma Intermediates	Petrochemicals	Dyes & Pigments	Polymers	Agrochemicals
Rendering	Bio-Fuels	Aquaculture & Fishmeal	Personal Care & Home Care	Incense Sticks

*Breakup excludes revenue from Other Products

Global Footprint



9

Global
Manufacturing
Facilities

5

Application
Laboratories

80+

Presence in
Countries

2

R&D Centres

Capacity (MTPA)

31,000

Camlin Fine
Sciences, India

6,000

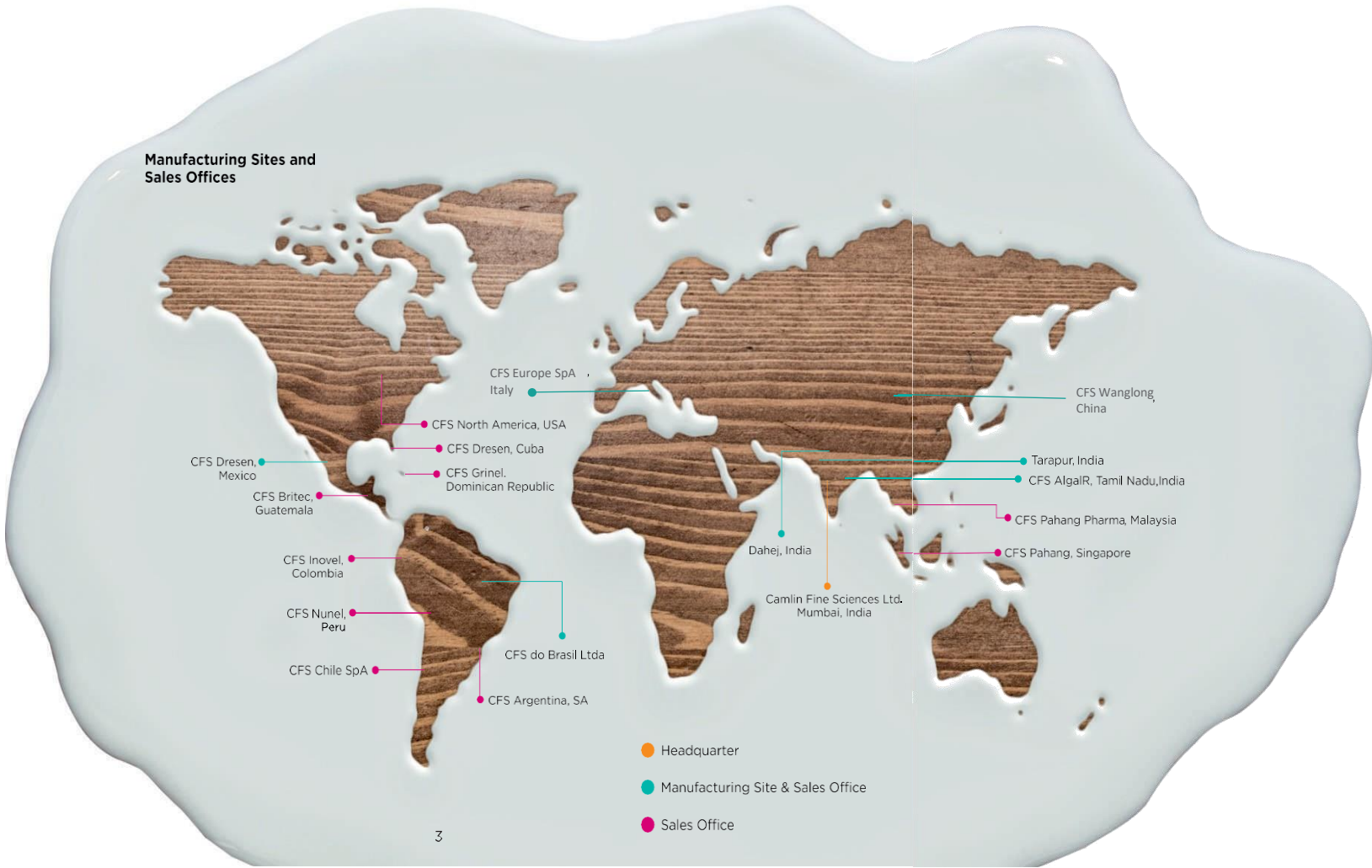
CFS do Brasil

12,000

CFS Dresen, Mexico

12,000

CFS Europe SpA,
Italy



Product Highlights



FY24 Sales Mix%

Key Products

End User Industries

Key Brands

Straights

Specialty Ingredients

Value added Blends

26%

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

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

NaSure
Extending Shelf Life Naturally



46%

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

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

Xtendra
shelf life solutions



26%

- › 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

2%

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

- › Food & Beverages
- › Pharmaceutical
- › Incense sticks
- › Animal Feed
- › Flavors & Fragrance
- › Agrochemicals
- › Personal Care

adorr
sensory sciences



Powered by Vertical Integration

- 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

Process Optimization Initiatives

- **Vanillin Production Optimization:** Continuous improvement at our new Dahej plant, refining processes and setting a future - oriented strategic direction
- **HQ Derivatives Process:** Developed a novel, process with improved selectivity for producing HQ derivatives from alternate routes. This initiative is presently being evaluated and is a promising step to enhance our capabilities
- **Dyes & Pigments:** R&D efforts have paved way for new processes tailored for dyes and pigment industry, including a pioneering zero liquid discharge process that effectively addresses critical impurity challenges
- **Animal Nutrition:** Dedicated to the continuous improvement and development of products using technical expertise of CS Dresen and customizing products to suit the market needs, anticipated for the upcoming year
- **Quality Enhancements:** Focused on Analytical and Quality Enhancements through Instrumental Analysis and Method Development, which play critical roles in ensuring the integrity and efficacy of our products

Product Development:

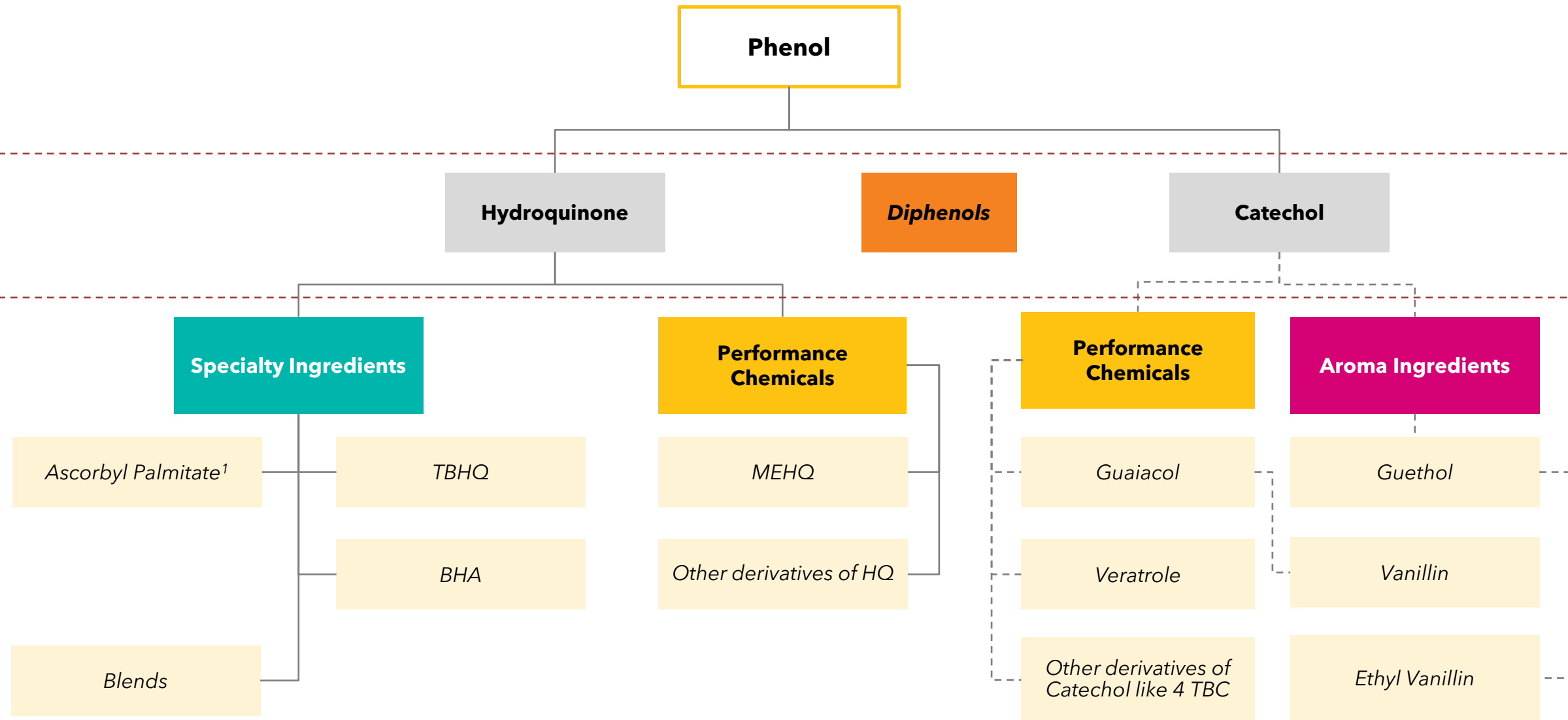
- **High-Quality Hydroquinone:** Developing a high-quality specialized grade for Hydroquinone, leading to the crucial phase of conducting plant trials
- **Antioxidant Innovations:** Successfully developed and implemented enhanced quality of antioxidants, tailored specifically for discerning customers. These products have smoothly transitioned from R&D to full scale production and have already made market debut
- **Naturals & Emulsifiers:** Newest offerings include emulsifier-based ingredients designed to enhance texture, consistency, mouthfeel, appearance, process efficiency and yield for diverse range of food industry applications
- **Upcoming Products:** FY2024-25 will see the commercialization of many new products, which includes products in Dyes & Pigments and Agrochemicals.



Integration Chain



Manufactured In-house



Environment



- Main goal by 2030 is to switch to renewable electricity for all manufacturing facilities. Currently, company is exploring different options to achieve this goal
- Dedicated to sustainability and done few initiatives from reducing food waste to sourcing clean energy
- Constantly seeking new ways to promote eco-friendliness
- 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 organizations such as Akhil Bharatiya Vanavasi Kalyan Ashram, Vanvasi Kalyan Ashram, Vivekananda Rock Memorial & Vivekanada Kendra, Institute of Chemical Technology & Kalyan Ashram 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



Name		Profile
Ashish Dandekar Chairman & Managing Director		<ul style="list-style-type: none"> Over three decades of experience in pharmaceuticals and specialty chemical products including business planning, information systems, research & development, product development, and marketing Holds a BA in Economics and Management studies from Temple University, USA
Nirmal Momaya Managing Director		<ul style="list-style-type: none"> Qualified Chartered Accountant with over three decades of experience in finance, taxation, audit, and management consultancy He has been instrumental in providing strategic guidance & direction to the company on all significant business matters
Arjun Dukane Executive Director - Technical		<ul style="list-style-type: none"> Chemical Engineer with over three decades of experience in the chemical industry Has been associated with CFS for more than 15 years
Harsha Raghavan Non-Executive Non-Independent Director		<ul style="list-style-type: none"> Managing Partner of Convergent Finance LLP and ex-founding MD & CEO of Fairbridge Capital (a Fairfax Company) Holds an MBA & MSc in industrial engineering from Stanford University and a B.A from University of California, Berkeley
Anagha Dandekar Non-Executive Non-Independent Director		<ul style="list-style-type: none"> President & co-founder of Hardware Renaissance, a manufacturer of handcrafted door hardware and accessories Holds an MBA in Finance from the University of South Carolina, USA
Amol Shah Independent Director		<ul style="list-style-type: none"> Managing Director of the MJ Group with over three decades of experience covering human healthcare, F&F compounds, plant protection, and water treatment chemicals Holds an MBA from the University of Southern California and a Bachelor's in Engineering from the University of Kent
Joseph Conrad D'souza Independent Director		<ul style="list-style-type: none"> Erstwhile Member of Executive Management and Ex-Chief Investor Relations Officer of HDFC Ltd Holds an M.com from Mumbai University and an MBA from South Gujarat University
Pradip Kanakia Independent Director		<ul style="list-style-type: none"> Qualified Chartered Accountant (both England, Wales and India) with over three decades of experience Held leadership position in PWC & KPMG, leveraging his expertise in strategy, transformation, performance management, accounting, auditing, reporting, controls, compliance & governance
Sutapa Banerjee Independent Director		<ul style="list-style-type: none"> Gold medalist in economics from XLRI India, and an Economics honors graduate from Presidency College Kolkata Over two decades of experience in the financial services industry and currently serves as an Independent Director on the boards of several companies
Mahabaleshwar Palekar Independent Director		<ul style="list-style-type: none"> Over three decades of experience with corporates in India and MNCs Chemical engineer with a degree from the Institute of Chemical Technology (ICT) in Mumbai, India



Promoter directors



Independent directors

Senior Management Team



Name	Profile
Ashish Dandekar Chairman & Managing Director	<ul style="list-style-type: none"> Over three decades of experience in pharmaceuticals and specialty chemical products including business planning, information systems, research & development, product development, and marketing Holds a BA in Economics and Management studies from Temple University, USA
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Arjun Dukane Executive Director- Technical	<ul style="list-style-type: none"> Chemical Engineer with over three decades of experience in the chemical industry Has been associated with CFS for more than 15 years
Santosh Parab Chief Financial Officer	<ul style="list-style-type: none"> Over two decades of experience working auditing profession Previously worked at B.K. Khare & Co, an Indian accounting firm Qualified Chartered Accountant with a Bachelor's degree in commerce Associated with CFS for 8 years
Nilesh Jadhav Chief Operating Officer	<ul style="list-style-type: none"> Chemical Engineer with around three decades of experience in the chemical industry including heading multilocal manufacturing sites Previously worked at Balaji Amines, Deepak Fertilizers & Petrochemicals, Essar Refinery & Schenectady Executive Management from IIM Bangalore and Piping Engineering from IIT Powai
Eric Santos Vice President - Aroma Ingredients	<ul style="list-style-type: none"> Over two decades of industry experience, previously worked as a commercial director at Solvay S.A. Holds a Bachelor's degree in chemistry
Massimo Cupello Head - Italy operations	<ul style="list-style-type: none"> Over three decades of experience in varied industries including food chocolate and private equity Previously worked at Ferrero Chocolate, Unopiu (Sinergo & CCP) in Europe Holds an MBA in International Business and a Bachelor's degree in Science
Jose Arturo Paulin Head - Mexico operations	<ul style="list-style-type: none"> Over two decades of experience in the feed market (premix, feed additives, pet food, and rendering) Previously worked at Trouw Nutrition and Kemin Inc in Mexico Qualified agriculture engineer
Jennifer Igou Head - USA operations	<ul style="list-style-type: none"> Over two decades of experience in food and pet-food space particularly in anti-oxidants & Hydrocolloids Previously worked at Kemin Inc. USA & FMC Holds a Bachelor's degree in Chemistry and Biology with an emphasis in Biomedicine



Way Forward



Specialty Ingredients

- 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 production of Ethyl Vanillin and vanillin ex-clove (natural vanillin) completes comprehensive range of Vanillin offerings for the market
- Aim to achieve optimum capacity utilization in coming years





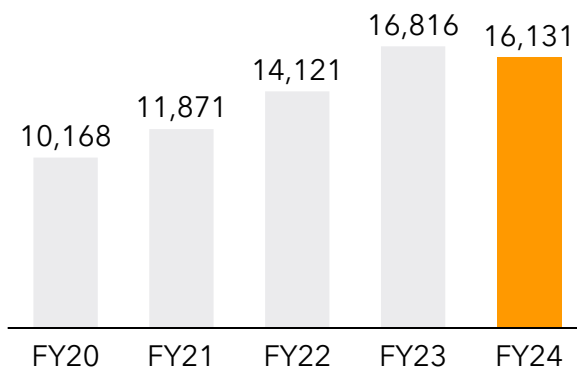
Historical Financial Highlights

Historical Financial Highlights

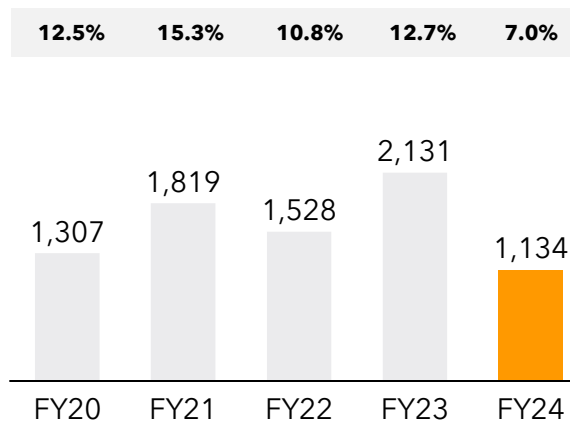


Margin

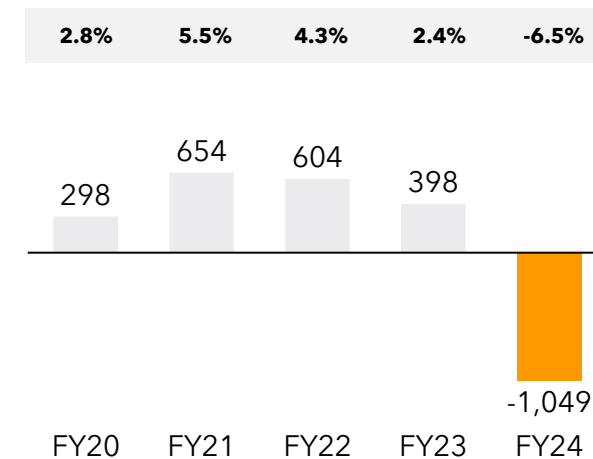
Revenue (Rs. In Mn)



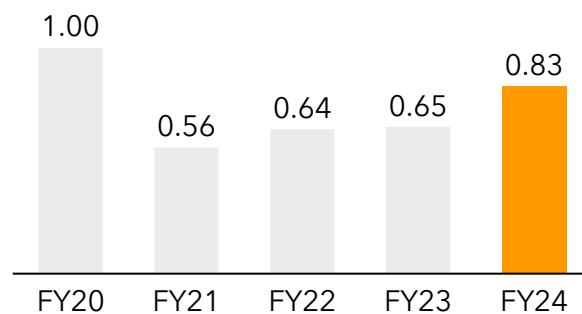
EBITDA (Rs. In Mn)



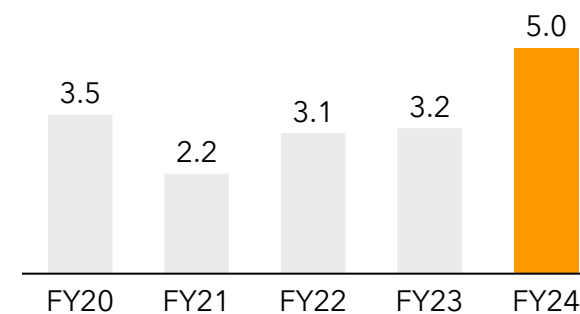
PAT (Rs. In Mn)



Net Debt to Equity (x)



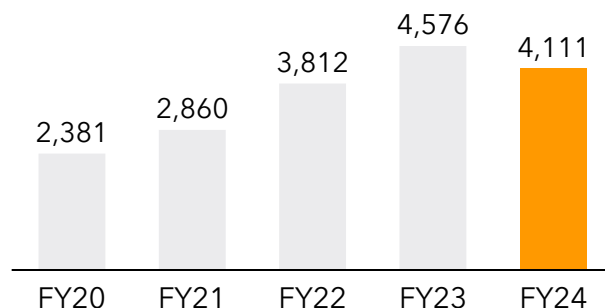
Net Debt to EBITDA (x)



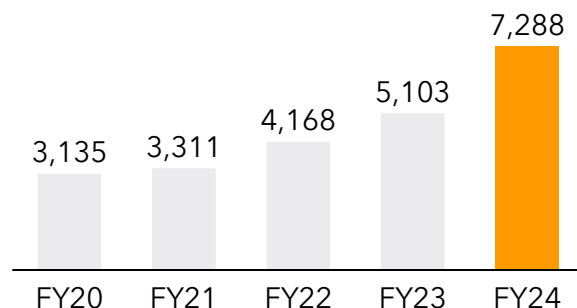
Operational Revenue Break-Up



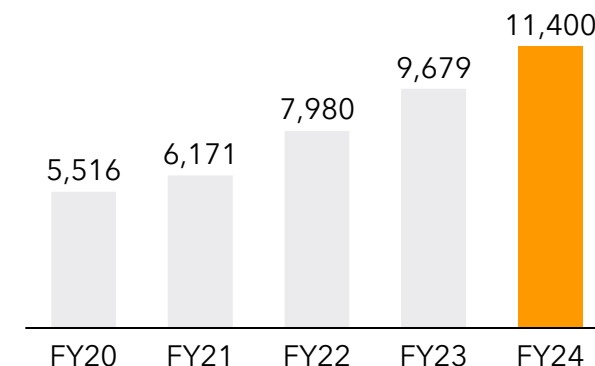
**Specialty Ingredients (Rs. In Mn)
(Straights)**



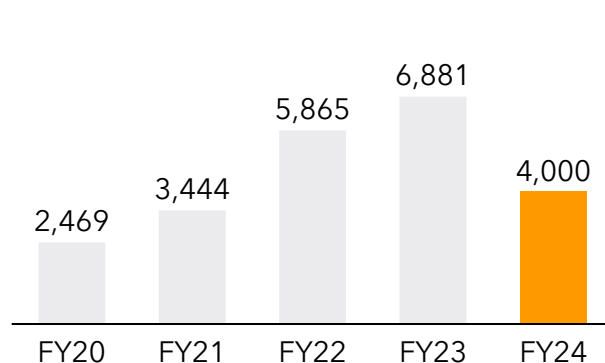
**Specialty Ingredients (Rs. In Mn)
(Value added blends)**



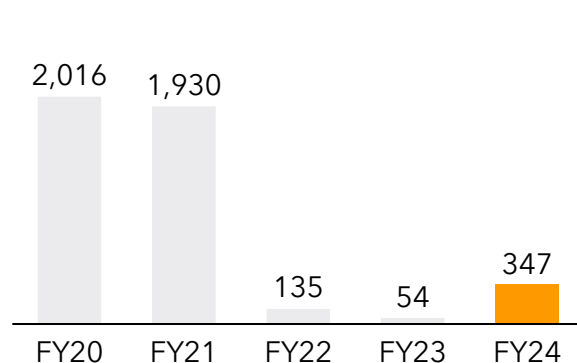
Total Specialty Ingredients (Rs. In Mn)



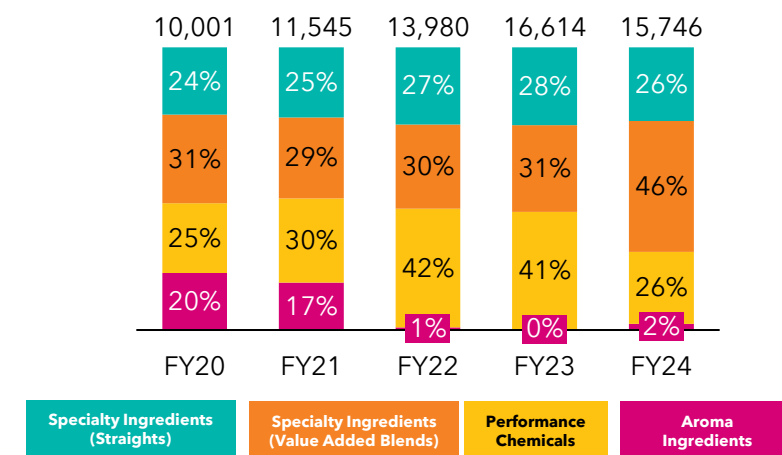
Performance Chemicals (Rs. In Mn)



Aroma Ingredients (Rs. In Mn)

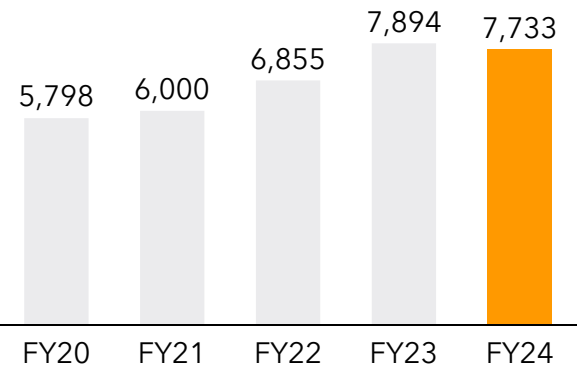


Total Revenue Breakup (%)*

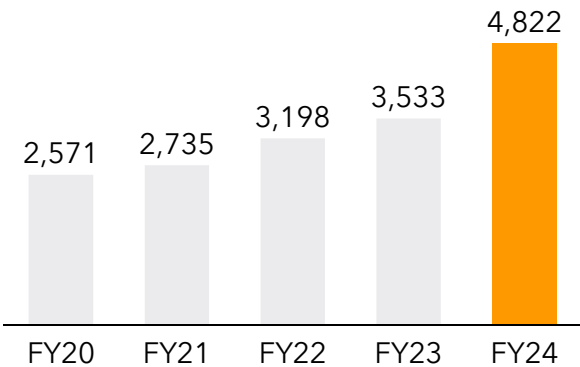




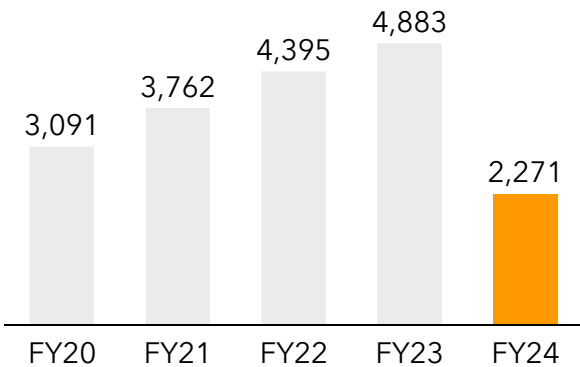
CFS India (Rs. In Mn)



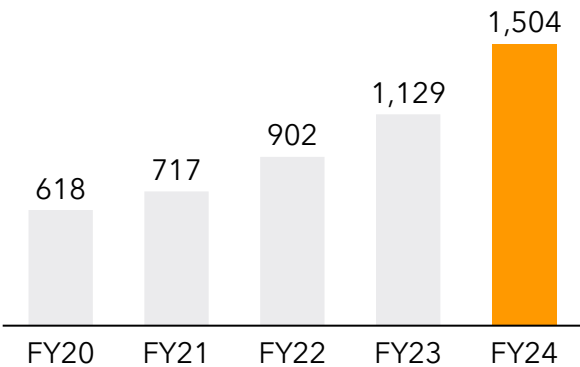
CFS Mexico (Rs. In Mn)



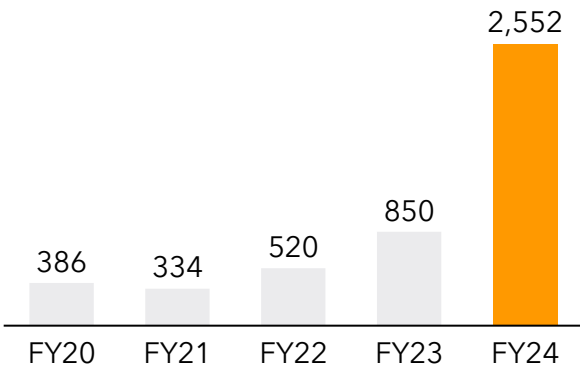
CFS Europe (Rs. In Mn)



CFS Brazil (Rs. In Mn)



CFS North America (Rs. In Mn)



Thank You !

**Camlin Fine Sciences Ltd.**

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SGA Strategic Growth Advisors

Strategic Growth Advisors Pvt. Ltd.

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