

May 13, 2025

Q4FY25 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	BUY		BUY	
Target Price	4,930		4,798	
Sales (Rs. m)	24,847	27,208	23,944	26,218
% Chng.	3.8	3.8		
EBITDA (Rs. m)	5,939	6,562	5,674	6,268
% Chng.	4.7	4.7		
EPS (Rs.)	154.7	170.0	147.3	157.3
% Chng.	5.0	8.0		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	21,230	22,691	24,847	27,208
EBITDA (Rs. m)	5,340	5,129	5,939	6,562
Margin (%)	25.2	22.6	23.9	24.1
PAT (Rs. m)	4,145	4,105	4,743	5,212
EPS (Rs.)	135.2	133.9	154.7	170.0
Gr. (%)	(33.1)	(1.0)	15.5	9.9
DPS (Rs.)	9.0	10.0	12.4	13.6
Yield (%)	0.2	0.2	0.3	0.3
RoE (%)	23.9	19.5	18.9	17.5
RoCE (%)	27.4	21.8	21.3	19.8
EV/Sales (x)	5.5	5.2	4.7	4.3
EV/EBITDA (x)	22.0	23.1	19.9	17.8
PE (x)	30.9	31.2	27.0	24.6
P/BV (x)	6.7	5.6	4.7	4.0

Key Data FINO.BO | FINEORG IN

52-W High / Low	Rs.5,959 / Rs.3,355
Sensex / Nifty	82,430 / 24,925
Market Cap	Rs.128bn/ \$ 1,500m
Shares Outstanding	31m
3M Avg. Daily Value	Rs.141.12m

Shareholding Pattern (%)

Promoter's	75.00
Foreign	4.66
Domestic Institution	12.04
Public & Others	8.31
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	3.4	(14.2)	(5.2)
Relative	(5.8)	(18.1)	(16.4)

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Steady performance, expansion plans progressing

Quick Pointers:

- EC obtained for the new SEZ plant, construction to complete in 18 months post inception
- New subsidiaries in USA to set up a manufacturing facility in the USA and UAE to enhance supply chain efficiency respectively

Fine Organic (FINEORG IN) reported a consolidated revenue of Rs6bn, reflecting a growth of 11% YoY and 18% QoQ. This was driven by an 18% sequential increase in both domestic and export revenues. However, the sharp rise in vegetable oil prices, key raw materials for the company led to a significant YoY decline in gross margin to 19.7%, RM prices are expected to stabilize going forward. All the company's manufacturing plants are operating at full capacity, except for the Patalganga facility (food grade), which is currently in the ramp-up phase. Fine Organic is establishing new subsidiaries in the USA and UAE to set up a manufacturing plant and improve supply chain efficiencies, respectively. The company has also received environmental clearance for its Rs7.5bn greenfield capex project on SEZ land. Construction is expected to commence soon and will take 18 months to complete from the start date. We believe this new facility will be a key driver for future growth, with a projected peak revenue potential of Rs26bn, based on an asset turnover of 3.5x. It is expected to meaningfully contribute to the topline starting FY28. At the current valuation, FINEORG is trading at ~24x FY27E EPS. We maintain our 'BUY' rating with a revised target price of Rs4,930, based on 29x FY27E EPS.

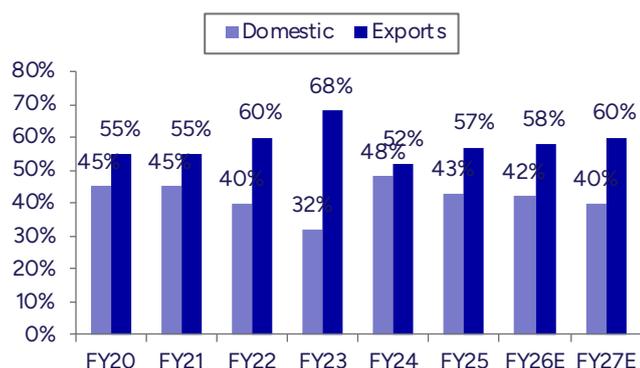
- Consolidated revenue increased 18% QoQ:** Consolidated revenue stood at Rs6bn (11% YoY/ 18% QoQ) (PLe: Rs5.2bn, Consensus: Rs5.2bn). FY25 revenue for the company improved by 7% to Rs22.7bn. Domestic and export sales accounted for 44% and 56% of revenue, respectively in Q4FY25. Export revenue increased 18% QoQ. Standalone revenue at Rs5.7bn increased 10% YoY and QoQ.
- Rise in input cost led to decline in gross margin by 450bps YoY:** Gross margin was at 39.6% (vs 44.1% in Q4FY24 and 39.4% in Q3FY25). Absolute Gross profit was Rs2.4bn, increased QoQ by 19% due to modest decrease in raw material cost. EBITDA came in at Rs1,196mn (-17% YoY/ 21% QoQ), (PLe: Rs950mn, Consensus: Rs1,222mn) and EBITDA margin came at 19.7% (vs 26.2% in Q4FY24 and 19.3% in Q3FY25).
- Key concall highlights:** (1) RM prices expected to stabilize going forward. (2) EC obtained for the new SEZ plant, few other regulatory requirements to be obtained soon. (3) Construction of the new plant to begin soon and will be completed in 18 months post inception, total capex for this plant will be Rs7-7.5bn. (4) Subsidiary in USA to set up a manufacturing facility, it will cater to local clients in South America and North America. (5) Open for inorganic opportunities, additional cash will be utilized for M&A opportunities in pipeline. (6) Trial production in Thailand JV started, Thai FDA approval received. (7) For large customers contracts are generally 12 months long. (8) Patalganga plant, which is exclusively for food additives is currently in ramp up phase, it is expected to utilized fully by Q1FY27.

Exhibit 1: Q4FY25 Result Overview

Consolidated	Q4FY25	Q4FY24	YoY gr. (%)	Q4FY25E	% Var.	Q3FY25	QoQ gr. (%)	FY25	FY24	YoY gr. (%)
Net Sales	6,068	5,469	11%	5,279	14.9	5,132	18%	22,691	21,230	7%
Gross Profit	2,402	2,412	0%	2,041	17.7	2,024	19%	5,129	5,340	-4%
Margin (%)	39.6%	44.1%		38.7%		39.4%		22.6%	25.2%	
EBITDA	1,196	1,435	-17%	950	25.8	990	21%	5,129	5,340	-4%
Margin (%)	19.7%	26.2%		18.0%		19.3%		22.6%	25.2%	
Other Income	258	228		229		291		976	719	
Depreciation	148	153	-3%	141	5.1	130	14%	523	561	-7%
EBIT	1,305	1,510	-14%	1,038	25.7	1,150	13%	5,582	5,498	2%
Interest	7	5	37%	5	37.0	4	72%	22	24	-10%
PBT before exceptional items	1,298	1,505	-14%	1,033	25.6	1,146	13%	5,560	5,473	2%
Total Tax	328	354	-7%	248	32.3	319	3%	1447	1322	9%
ETR (%)	25.3%	23.5%		24.0%		27.9%		26.0%	24.2%	
Adj. PAT	970	1,151	-16%	785	23.5	829	17%	4,113	4,151	-1%
Exceptional Items	1	7		0		2		-8	-32	
PAT	971	1,145	-15%	785	23.7	827	17%	4,105	4,119	0%

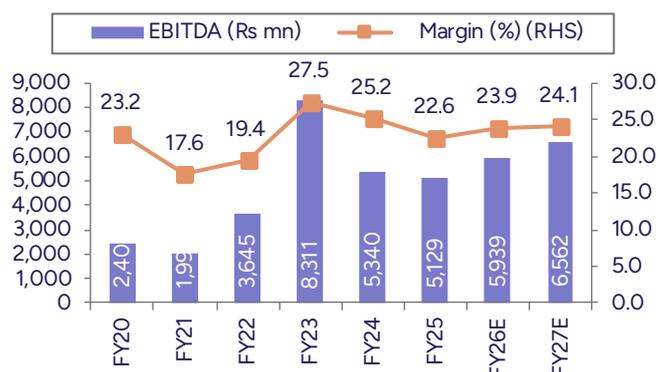
Source: Company, PL

Exhibit 2: Exports to reach 60% in FY27



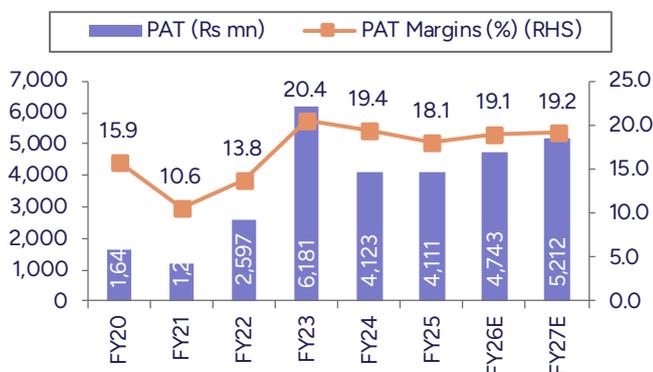
Source: Company, PL

Exhibit 3: EBITDA margin to reach 24% by FY27



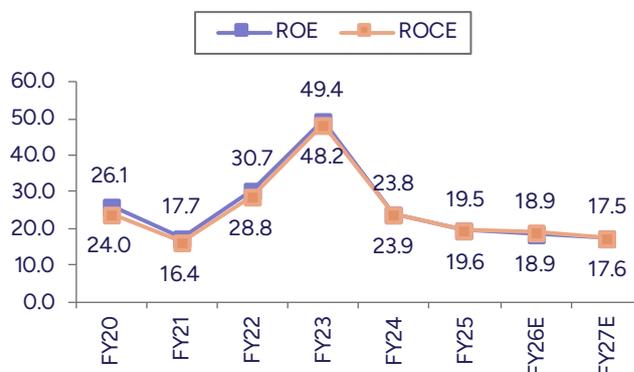
Source: Company, PL

Exhibit 4: PAT CAGR of 13% over FY25-27E



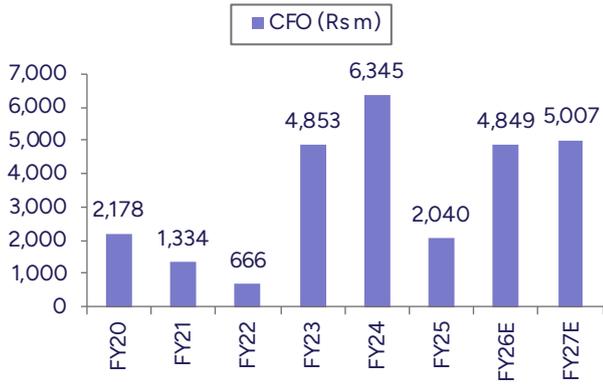
Source: Company, PL

Exhibit 5: Return ratios to hover at 17%-18%



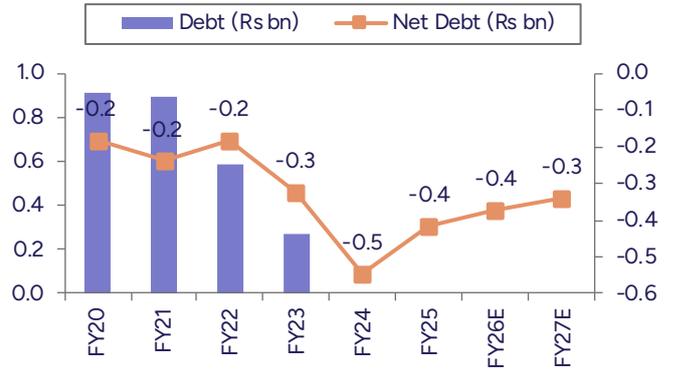
Source: Company, PL

Exhibit 6: Strong CFO going ahead



Source: Company, PL

Exhibit 7: Cash accumulation, net debt negative



Source: Company, PL



Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	21,230	22,691	24,847	27,208
YoY gr. (%)	(29.8)	6.9	9.5	9.5
Cost of Goods Sold	12,170	13,286	14,163	15,372
Gross Profit	9,059	9,406	10,684	11,835
Margin (%)	42.7	41.5	43.0	43.5
Employee Cost	1,195	1,352	1,527	1,734
Other Expenses	2,523	2,926	3,218	3,540
EBITDA	5,340	5,129	5,939	6,562
YoY gr. (%)	(35.7)	(4.0)	15.8	10.5
Margin (%)	25.2	22.6	23.9	24.1
Depreciation and Amortization	561	523	589	681
EBIT	4,779	4,606	5,350	5,881
Margin (%)	22.5	20.3	21.5	21.6
Net Interest	24	22	20	20
Other Income	719	976	994	1,088
Profit Before Tax	5,468	5,552	6,323	6,949
Margin (%)	25.8	24.5	25.4	25.5
Total Tax	1,322	1,447	1,581	1,737
Effective tax rate (%)	24.2	26.1	25.0	25.0
Profit after tax	4,145	4,105	4,743	5,212
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,145	4,105	4,743	5,212
YoY gr. (%)	(33.1)	(1.0)	15.5	9.9
Margin (%)	19.5	18.1	19.1	19.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,145	4,105	4,743	5,212
YoY gr. (%)	(33.1)	(1.0)	15.5	9.9
Margin (%)	19.5	18.1	19.1	19.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,145	4,105	4,743	5,212
Equity Shares O/s (m)	31	31	31	31
EPS (Rs)	135.2	133.9	154.7	170.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	6,085	7,921	11,721	15,521
Tangibles	6,085	7,921	11,721	15,521
Intangibles	-	-	-	-
Acc: Dep / Amortization	3,815	4,338	4,927	5,608
Tangibles	3,815	4,338	4,927	5,608
Intangibles	-	-	-	-
Net fixed assets	2,270	3,583	6,794	9,913
Tangibles	2,270	3,583	6,794	9,913
Intangibles	-	-	-	-
Capital Work In Progress	297	272	272	272
Goodwill	-	-	-	-
Non-Current Investments	362	353	353	353
Net Deferred tax assets	133	153	153	153
Other Non-Current Assets	1,809	4,302	4,711	5,158
Current Assets				
Investments	-	-	-	-
Inventories	2,609	3,629	3,585	3,914
Trade receivables	3,113	3,315	3,630	3,975
Cash & Bank Balance	10,485	9,499	10,149	10,919
Other Current Assets	-	-	-	-
Total Assets	21,078	25,107	29,646	34,657
Equity				
Equity Share Capital	153	153	153	153
Other Equity	19,057	22,799	27,162	31,957
Total Networkth	19,210	22,952	27,316	32,110
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	200	297	325	356
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,354	1,555	1,674	1,827
Other current liabilities	313	303	332	363
Total Equity & Liabilities	21,078	25,107	29,646	34,657

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	5,441	5,552	6,323	6,949
Add. Depreciation	561	522	589	681
Add. Interest	(460)	(694)	20	20
Less Financial Other Income	719	976	994	1,088
Add. Other	(181)	(197)	-	-
Op. profit before WC changes	5,361	5,182	6,933	7,650
Net Changes-WC	2,484	(1,687)	(503)	(906)
Direct tax	(1,500)	(1,455)	(1,581)	(1,737)
Net cash from Op. activities	6,345	2,040	4,849	5,007
Capital expenditures	(864)	(1,276)	(3,800)	(3,800)
Interest / Dividend Income	466	680	-	-
Others	(3,508)	(6,090)	-	-
Net Cash from Inv. activities	(3,906)	(6,686)	(3,800)	(3,800)
Issue of share cap. / premium	-	-	-	-
Debt changes	(274)	-	-	-
Dividend paid	(276)	(307)	(379)	(417)
Interest paid	(22)	(19)	(20)	(20)
Others	(14)	(18)	-	-
Net cash from Fin. activities	(585)	(343)	(399)	(437)
Net change in cash	1,853	(4,989)	649	770
Free Cash Flow	5,481	764	1,049	1,207

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	5,497	5,958	5,132	6,068
YoY gr. (%)	0.5	10.2	5.1	11.0
Raw Material Expenses	3,102	3,409	3,109	3,666
Gross Profit	2,395	2,549	2,024	2,402
Margin (%)	43.6	42.8	39.4	39.6
EBITDA	1,397	1,506	990	1,196
YoY gr. (%)	(1.1)	14.9	(16.3)	(16.7)
Margin (%)	25.4	25.3	19.3	19.7
Depreciation / Depletion	117	124	130	148
EBIT	1,280	1,382	860	1,047
Margin (%)	23.3	23.2	16.8	17.3
Net Interest	6	4	4	7
Other Income	245	219	291	258
Profit before Tax	1,519	1,597	1,146	1,298
Margin (%)	27.6	26.8	22.3	21.4
Total Tax	382	418	319	328
Effective tax rate (%)	25.1	26.2	27.9	25.3
Profit after Tax	1,137	1,179	827	970
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,137	1,179	827	970
YoY gr. (%)	13.2	13.2	(13.1)	(15.8)
Margin (%)	20.7	19.8	16.1	16.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,137	1,179	827	970
YoY gr. (%)	13.2	13.2	(13.1)	(15.8)
Margin (%)	20.7	19.8	16.1	16.0
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	1,137	1,179	827	970
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	36.9	38.3	27.0	31.7

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	135.2	133.9	154.7	170.0
CEPS	153.5	150.9	173.9	192.2
BVPS	626.6	748.6	890.9	1,047.3
FCF	178.8	24.9	34.2	39.4
DPS	9.0	10.0	12.4	13.6
Return Ratio(%)				
RoCE	27.4	21.8	21.3	19.8
ROIC	37.8	30.7	26.2	23.0
RoE	23.9	19.5	18.9	17.5
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.4)	(0.4)	(0.3)
Net Working Capital (Days)	75	87	81	81
Valuation(x)				
PER	30.9	31.2	27.0	24.6
P/B	6.7	5.6	4.7	4.0
P/CEPS	27.2	27.7	24.0	21.7
EV/EBITDA	22.0	23.1	19.9	17.8
EV/Sales	5.5	5.2	4.7	4.3
Dividend Yield (%)	0.2	0.2	0.3	0.3

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales Volume Growth (%)	12.0	13.0	7.0	
Avg Realisations Growth (%)	(8.0)	(1.0)	(2.0)	
EBITDA (Rs/kg)	35.5	20.3	27.5	
Capex (Rs bn)	0.4	0.8	0.8	0.8

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	BUY	4,798	3,960
2	06-Feb-25	BUY	5,199	4,350
3	08-Jan-25	BUY	5,765	4,474
4	10-Nov-24	BUY	5,852	5,000
5	05-Oct-24	Accumulate	5,568	5,142
6	31-Jul-24	Accumulate	6,172	5,535
7	04-Jul-24	Accumulate	5,685	5,337

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	394	449
2	Bharat Petroleum Corporation	Reduce	267	311
3	Bharti Airtel	Accumulate	1,916	1,720
4	Clean Science and Technology	Hold	1,224	1,167
5	Deepak Nitrite	Reduce	1,645	1,835
6	Fine Organic Industries	BUY	4,798	3,960
7	GAIL (India)	Accumulate	185	169
8	Gujarat Fluorochemicals	Reduce	3,328	3,671
9	Gujarat Gas	Hold	395	393
10	Gujarat State Petronet	Hold	288	288
11	Hindustan Petroleum Corporation	Sell	319	397
12	Indian Oil Corporation	Reduce	122	143
13	Indraprastha Gas	Sell	150	185
14	Jubilant Ingrevia	Hold	616	604
15	Laxmi Organic Industries	Reduce	160	169
16	Mahanagar Gas	Hold	1,410	1,410
17	Mangalore Refinery & Petrochemicals	Sell	109	129
18	Navin Fluorine International	Accumulate	5,161	4,595
19	NOCIL	Reduce	156	166
20	Oil & Natural Gas Corporation	BUY	264	220
21	Oil India	BUY	659	343
22	Petronet LNG	Reduce	248	278
23	Reliance Industries	Accumulate	1,482	1,300
24	SRF	Hold	2,780	2,721
25	Vinati Organics	Accumulate	1,620	1,459

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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