

August 11, 2025

## Q1FY26 Result Update

■ Change in Estimates | ☒ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
<b>Rating</b>	BUY		BUY	
<b>Target Price</b>	5,610		6,120	
Sales (Rs. m)	24,847	27,208	24,847	27,208
% Chng.	-	-	-	-
EBITDA (Rs. m)	5,939	6,562	5,939	6,562
% Chng.	-	-	-	-
EPS (Rs.)	155.9	170.0	155.9	170.0
% Chng.	-	-	-	-

### 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	4,780	5,212
EPS (Rs.)	135.2	133.9	155.9	170.0
Gr. (%)	(33.1)	(1.0)	16.4	9.0
DPS (Rs.)	9.0	10.0	12.5	13.6
Yield (%)	0.2	0.2	0.3	0.3
RoE (%)	23.9	19.5	19.0	17.5
RoCE (%)	27.4	21.8	21.3	19.8
EV/Sales (x)	6.4	6.1	5.5	5.0
EV/EBITDA (x)	25.6	26.9	23.1	20.8
PE (x)	35.6	35.9	30.8	28.3
P/BV (x)	7.7	6.4	5.4	4.6

### Key Data FINO.BO | FINEORG IN

52-W High / Low	Rs.5,698 / Rs.3,355
Sensex / Nifty	79,858 / 24,363
Market Cap	Rs.147bn / \$ 1,681m
Shares Outstanding	31m
3M Avg. Daily Value	Rs.107.71m

### Shareholding Pattern (%)

Promoter's	75.00
Foreign	4.81
Domestic Institution	11.94
Public & Others	8.26
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	(6.6)	12.7	(8.4)
Relative	(2.1)	9.9	(9.5)

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## Steady performance, expansion plans underway

### Quick Pointers:

- ~159.9acres of land acquired in USA for setting up new manufacturing plant
- Environmental clearance obtained for the new SEZ plant; construction to start soon, to be completed in 18 months post inception

**Fine Organic (FINEORG IN) reported consolidated revenue of Rs5.88bn, up 7% YoY but down 3% QoQ. Export markets witnessed healthy demand growth during the quarter, while domestic demand remained stable. Raw material and freight prices also remained steady. All manufacturing facilities operated at full capacity, except for the Patalganga (food-grade) plant, which is expected to be fully utilized by the end of FY26. In Q4FY25, FINEORG incorporated a wholly owned subsidiary in the USA to set up a manufacturing facility and enhance supply chain efficiency, alongside acquiring ~159.9acres of land in Jul'25. The company also secured environmental clearance (a few other approvals expected shortly) for its Rs7.5bn greenfield project on SEZ land. Construction is scheduled to begin soon and is expected to take 18 months from commencement. We believe the new SEZ facility, and the planned US manufacturing plant will be key growth drivers. The SEZ plant is projected to deliver peak revenue potential of Rs26bn, based on an asset turnover of 3.5x, and is expected to contribute meaningfully to topline growth from FY28. At the current valuation, FINEORG trades at ~28x FY27E EPS. We maintain our 'BUY' rating with a revised target price of Rs5,610, valuing the stock at 33x FY27E EPS.**

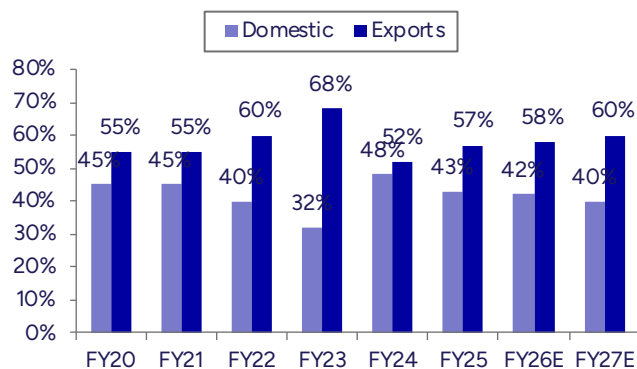
- **Consolidated revenue increases 7% YoY:** Consolidated revenue stood at Rs5.88bn (7% YoY/ -3% QoQ; PLe: Rs5.7bn, Consensus: Rs5.8bn). Domestic and export sales accounted for 44% and 56% of revenue, respectively. Export revenue increased by 9% YoY. Standalone revenue at Rs5.6bn increased 10% YoY.
- **Rise in input cost leads to decline in gross margin by 320bps YoY:** Gross margin was at 40.4% (vs 43.6% in Q1FY25 and 39.6% in Q4FY25). Absolute gross profit was at Rs2.4bn, 1% lower QoQ and YoY. Raw material costs remained stable sequentially through the quarter. EBITDA came in at Rs1.2bn (-12% YoY/ 3% QoQ; PLe: Rs1.2bn, Consensus: Rs1.2bn) and EBITDA margin came at 21% (vs 25.4% in Q1FY25 and 19.7% in Q4FY25). PAT margin improved sequentially by 400bps, driven by a one-time insurance payout of Rs698mn.
- **Business interruption settlement received for the Badlapur fire incident:** The company received Rs698mn as final compensation for business interruption losses and interim payment of Rs18mn for asset damage as a settlement for disruption at its Badlapur plant due to fire at a neighboring plant in Jan'24.
- **Strategic expansion in USA:** The company incorporated a wholly owned subsidiary in the USA in Q4FY25. In Jul'25, the company acquired ~159.9acres of land in Jonesville, South Carolina, to support future expansion plans and enhance manufacturing capabilities.

Exhibit 1: Q1FY26 Result Overview

Consolidated	Q1FY26	Q1FY25	YoY gr. (%)	Q1FY26E	% Var.	Q4FY25	QoQ gr. (%)	FY26E	FY25	YoY gr. (%)
<b>Net Sales</b>	<b>5,884</b>	<b>5,497</b>	<b>7%</b>	<b>5,715</b>	<b>3.0</b>	<b>6,068</b>	<b>-3%</b>	<b>24,847</b>	<b>22,691</b>	<b>10%</b>
Gross Profit	2,378	2,395	-1%	2,316	2.7	2,402	-1%	5,939	5,129	16%
Margin (%)	40.4%	43.6%		40.5%		39.6%		23.9%	22.6%	
<b>EBITDA</b>	<b>1,236</b>	<b>1,397</b>	<b>-12%</b>	<b>1,186</b>	<b>4.2</b>	<b>1,196</b>	<b>3%</b>	<b>5,939</b>	<b>5,129</b>	<b>16%</b>
Margin (%)	21.0%	25.4%		20.7%		19.7%		23.9%	22.6%	
Other Income	398	245		261		258		1,044	976	
Depreciation	118	117	1%	147	(20.0)	148	-21%	589	523	13%
<b>EBIT</b>	<b>1,516</b>	<b>1,525</b>	<b>-1%</b>	<b>1,299</b>	<b>16.7</b>	<b>1,305</b>	<b>16%</b>	<b>6,393</b>	<b>5,582</b>	<b>15%</b>
Interest	5	6	-16%	5	5.5	7	-27%	20	22	-9%
<b>PBT before exceptional items</b>	<b>1,511</b>	<b>1,519</b>	<b>-1%</b>	<b>1,294</b>	<b>16.7</b>	<b>1,298</b>	<b>16%</b>	<b>6,373</b>	<b>5,560</b>	<b>15%</b>
Total Tax	403	382	5%	331	21.8	328	23%	1593	1447	10%
ETR (%)	26.6%	25.1%		25.5%		25.3%		25.0%	26.0%	
<b>Adj. PAT</b>	<b>1,108</b>	<b>1,137</b>	<b>-3%</b>	<b>964</b>	<b>15.0</b>	<b>970</b>	<b>14%</b>	<b>4,780</b>	<b>4,113</b>	<b>16%</b>
Exceptional Items	63	5		0		1		0	-8	
<b>PAT</b>	<b>1,171</b>	<b>1,133</b>	<b>3%</b>	<b>964</b>	<b>21.5</b>	<b>971</b>	<b>21%</b>	<b>4,780</b>	<b>4,105</b>	<b>16%</b>

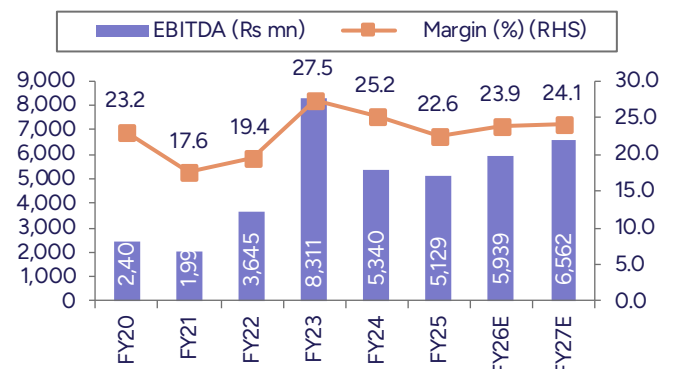
Source: Company, PL

Exhibit 2: Exports to reach 60% in FY27



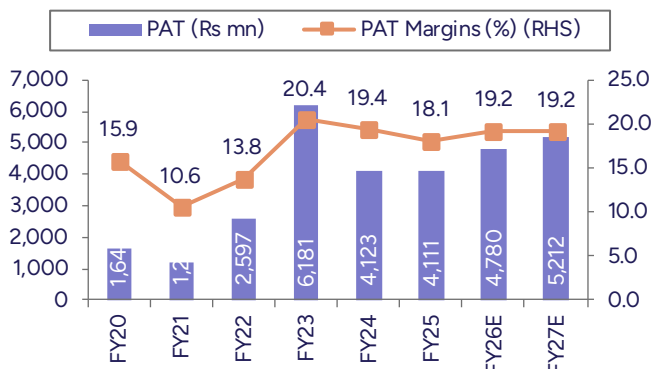
Source: Company, PL

Exhibit 3: EBITDA margin to reach 24% by FY27



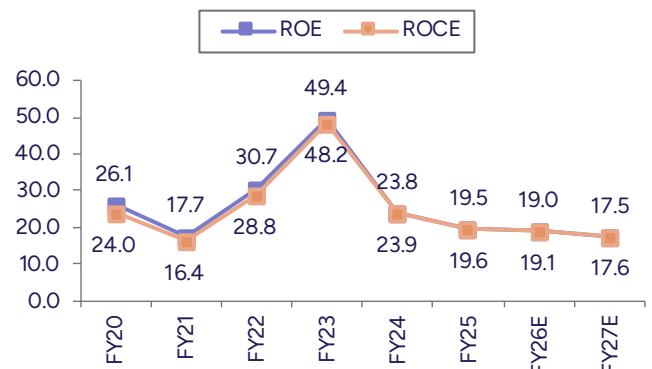
Source: Company, PL

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



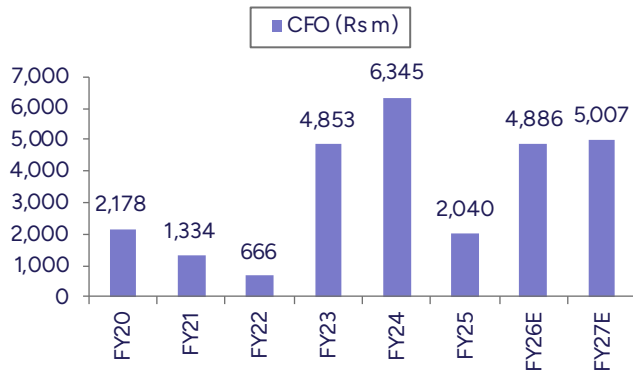
Source: Company, PL

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



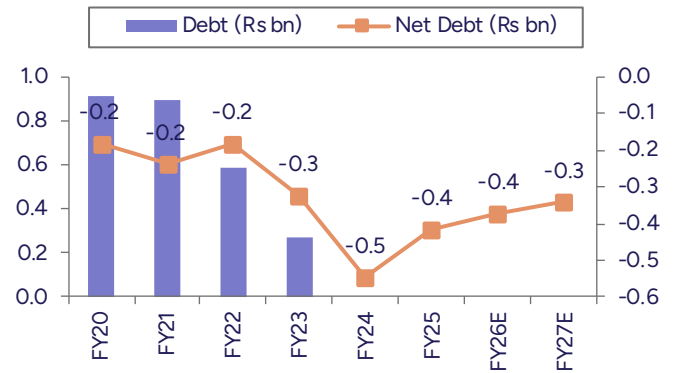
Source: Company, PL

**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
<b>Net Revenues</b>	<b>21,230</b>	<b>22,691</b>	<b>24,847</b>	<b>27,208</b>
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
<b>EBITDA</b>	<b>5,340</b>	<b>5,129</b>	<b>5,939</b>	<b>6,562</b>
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
<b>EBIT</b>	<b>4,779</b>	<b>4,606</b>	<b>5,350</b>	<b>5,881</b>
Margin (%)	22.5	20.3	21.5	21.6
Net Interest	24	22	20	20
Other Income	719	976	1,044	1,088
<b>Profit Before Tax</b>	<b>5,468</b>	<b>5,552</b>	<b>6,373</b>	<b>6,949</b>
Margin (%)	25.8	24.5	25.6	25.5
Total Tax	1,322	1,447	1,593	1,737
Effective tax rate (%)	24.2	26.1	25.0	25.0
<b>Profit after tax</b>	<b>4,145</b>	<b>4,105</b>	<b>4,780</b>	<b>5,212</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>4,145</b>	<b>4,105</b>	<b>4,780</b>	<b>5,212</b>
YoY gr. (%)	(33.1)	(1.0)	16.4	9.0
Margin (%)	19.5	18.1	19.2	19.2
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>4,145</b>	<b>4,105</b>	<b>4,780</b>	<b>5,212</b>
YoY gr. (%)	(33.1)	(1.0)	16.4	9.0
Margin (%)	19.5	18.1	19.2	19.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,145	4,105	4,780	5,212
<b>Equity Shares O/s (m)</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>
<b>EPS (Rs)</b>	<b>135.2</b>	<b>133.9</b>	<b>155.9</b>	<b>170.0</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>6,085</b>	<b>7,921</b>	<b>11,721</b>	<b>15,521</b>
Tangibles	6,085	7,921	11,721	15,521
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>3,815</b>	<b>4,338</b>	<b>4,927</b>	<b>5,608</b>
Tangibles	3,815	4,338	4,927	5,608
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>2,270</b>	<b>3,583</b>	<b>6,794</b>	<b>9,913</b>
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
<b>Current Assets</b>				
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	10,183	10,953
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>21,078</b>	<b>25,107</b>	<b>29,680</b>	<b>34,691</b>
<b>Equity</b>				
Equity Share Capital	153	153	153	153
Other Equity	19,057	22,799	27,197	31,991
<b>Total Network</b>	<b>19,210</b>	<b>22,952</b>	<b>27,350</b>	<b>32,145</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	200	297	325	356
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,354	1,555	1,674	1,827
Other current liabilities	313	303	332	363
<b>Total Equity &amp; Liabilities</b>	<b>21,078</b>	<b>25,107</b>	<b>29,680</b>	<b>34,691</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	5,441	5,552	6,373	6,949
Add. Depreciation	561	522	589	681
Add. Interest	(460)	(694)	20	20
Less Financial Other Income	719	976	1,044	1,088
Add. Other	(181)	(197)	-	-
Op. profit before WC changes	5,361	5,182	6,982	7,650
Net Changes-WC	2,484	(1,687)	(503)	(906)
Direct tax	(1,500)	(1,455)	(1,593)	(1,737)
<b>Net cash from Op. activities</b>	<b>6,345</b>	<b>2,040</b>	<b>4,886</b>	<b>5,007</b>
Capital expenditures	(864)	(1,276)	(3,800)	(3,800)
Interest / Dividend Income	466	680	-	-
Others	(3,508)	(6,090)	-	-
<b>Net Cash from Inv. activities</b>	<b>(3,906)</b>	<b>(6,686)</b>	<b>(3,800)</b>	<b>(3,800)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	(274)	-	-	-
Dividend paid	(276)	(307)	(382)	(417)
Interest paid	(22)	(19)	(20)	(20)
Others	(14)	(18)	-	-
<b>Net cash from Fin. activities</b>	<b>(585)</b>	<b>(343)</b>	<b>(402)</b>	<b>(437)</b>
<b>Net change in cash</b>	<b>1,853</b>	<b>(4,989)</b>	<b>683</b>	<b>770</b>
Free Cash Flow	5,481	764	1,086	1,207

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	135.2	133.9	155.9	170.0
CEPS	153.5	150.9	175.1	192.2
BVPS	626.6	748.6	892.0	1,048.4
FCF	178.8	24.9	35.4	39.4
DPS	9.0	10.0	12.5	13.6
<b>Return Ratio(%)</b>				
RoCE	27.4	21.8	21.3	19.8
ROIC	37.8	30.7	26.2	23.0
RoE	23.9	19.5	19.0	17.5
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.5)	(0.4)	(0.4)	(0.3)
Net Working Capital (Days)	75	87	81	81
<b>Valuation(x)</b>				
PER	35.6	35.9	30.8	28.3
P/B	7.7	6.4	5.4	4.6
P/CEPS	31.3	31.8	27.4	25.0
EV/EBITDA	25.6	26.9	23.1	20.8
EV/Sales	6.4	6.1	5.5	5.0
Dividend Yield (%)	0.2	0.2	0.3	0.3

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q2FY25	Q3FY25	Q4FY25	Q1FY26
<b>Net Revenue</b>	<b>5,958</b>	<b>5,132</b>	<b>6,068</b>	<b>5,884</b>
YoY gr. (%)	10.2	5.1	11.0	7.0
Raw Material Expenses	3,409	3,109	3,666	3,506
Gross Profit	2,549	2,024	2,402	2,378
Margin (%)	42.8	39.4	39.6	40.4
<b>EBITDA</b>	<b>1,506</b>	<b>990</b>	<b>1,196</b>	<b>1,236</b>
YoY gr. (%)	14.9	(16.3)	(16.7)	(11.5)
Margin (%)	25.3	19.3	19.7	21.0
Depreciation / Depletion	124	130	148	118
<b>EBIT</b>	<b>1,382</b>	<b>860</b>	<b>1,047</b>	<b>1,118</b>
Margin (%)	23.2	16.8	17.3	19.0
Net Interest	4	4	7	5
Other Income	219	291	258	398
<b>Profit before Tax</b>	<b>1,597</b>	<b>1,146</b>	<b>1,298</b>	<b>1,511</b>
Margin (%)	26.8	22.3	21.4	25.7
Total Tax	418	319	328	403
Effective tax rate (%)	26.2	27.9	25.3	26.6
<b>Profit after Tax</b>	<b>1,179</b>	<b>827</b>	<b>970</b>	<b>1,108</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,179</b>	<b>827</b>	<b>970</b>	<b>1,108</b>
YoY gr. (%)	13.2	(13.1)	(15.8)	(2.5)
Margin (%)	19.8	16.1	16.0	18.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,179</b>	<b>827</b>	<b>970</b>	<b>1,108</b>
YoY gr. (%)	13.2	(13.1)	(15.8)	(2.5)
Margin (%)	19.8	16.1	16.0	18.8
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,179</b>	<b>827</b>	<b>970</b>	<b>1,108</b>
Avg. Shares O/s (m)	-	-	-	-
<b>EPS (Rs)</b>	<b>38.3</b>	<b>27.0</b>	<b>31.7</b>	<b>-</b>

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Jul-25	BUY	5,440	5,269
2	30-May-25	BUY	5,440	4,690
3	13-May-25	BUY	4,930	4,176
4	08-Apr-25	BUY	4,798	3,960
5	06-Feb-25	BUY	5,199	4,350
6	08-Jan-25	BUY	5,765	4,474
7	10-Nov-24	BUY	5,852	5,000
8	05-Oct-24	Accumulate	5,568	5,142

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	420	407
2	Bharat Petroleum Corporation	Reduce	311	332
3	Bharti Airtel	Accumulate	2,090	1,930
4	Clean Science and Technology	Hold	1,425	1,445
5	Deepak Nitrite	Reduce	1,799	1,963
6	Fine Organic Industries	BUY	5,440	5,269
7	GAIL (India)	Hold	180	181
8	Gujarat Fluorochemicals	Hold	3,580	3,486
9	Gujarat Gas	Hold	432	431
10	Gujarat State Petronet	Hold	348	335
11	Hindustan Petroleum Corporation	Accumulate	422	402
12	Indian Oil Corporation	Reduce	138	148
13	Indraprastha Gas	Reduce	186	205
14	Jubilant Ingrevia	Hold	743	777
15	Laxmi Organic Industries	Reduce	179	196
16	Mahanagar Gas	Accumulate	1,559	1,483
17	Mangalore Refinery & Petrochemicals	Accumulate	152	139
18	Navin Fluorine International	Accumulate	5,559	5,198
19	NOCIL	Hold	182	174
20	Oil & Natural Gas Corporation	Accumulate	284	241
21	Oil India	BUY	566	436
22	Petronet LNG	Hold	311	302
23	Reliance Industries	Accumulate	1,555	1,476
24	SRF	Hold	3,071	3,150
25	Vinati Organics	Accumulate	1,882	1,944

PL's Recommendation Nomenclature (Absolute Performance)

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

## **ANALYST CERTIFICATION**

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We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance, Mr. Saurabh Ahire- MBA, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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