

November 10, 2025

Q2FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	5,386		5,571	
Sales (Rs. m)	26,465	33,081	26,465	33,081
% Chng.	-	-	-	-
EBITDA (Rs. m)	6,231	8,686	6,231	8,686
% Chng.	-	-	-	-
EPS (Rs.)	161.7	223.0	161.2	223.0
% Chng.	0.3	-	-	-

Key Financials - Consolidated

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. m)	22,691	24,280	26,465	33,081
EBITDA (Rs. m)	5,129	5,445	6,231	8,686
Margin (%)	22.6	22.4	23.5	26.3
PAT (Rs. m)	4,105	4,626	4,957	6,838
EPS (Rs.)	133.9	150.9	161.7	223.0
Gr. (%)	(1.0)	12.7	7.1	38.0
DPS (Rs.)	10.0	12.1	12.9	17.8
Yield (%)	0.2	0.3	0.3	0.4
RoE (%)	19.5	18.4	16.8	19.6
RoCE (%)	21.8	19.8	18.9	22.4
EV/Sales (x)	5.5	5.0	4.6	3.7
EV/EBITDA (x)	24.1	22.5	19.7	14.0
PE (x)	32.5	28.8	26.9	19.5
P/BV (x)	5.8	4.9	4.2	3.5

Key Data FINO.BO | FINEORG IN

52-W High / Low	Rs.5,494 / Rs.3,355
Sensex / Nifty	83,216 / 25,492
Market Cap	Rs.133bn/ \$ 1,503m
Shares Outstanding	31m
3M Avg. Daily Value	Rs.64.78m

Shareholding Pattern (%)

Promoter's	75.00
Foreign	4.57
Domestic Institution	12.02
Public & Others	8.41
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(5.9)	5.6	(15.4)
Relative	(7.3)	2.4	(19.2)

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Steady performance, expansion plans underway

Quick Pointers:

- ~159.9 acres of land acquired in USA for setting up new manufacturing plant in June'25
- Rs650mn equity infused in subsidiary Fine Organic Industries (SEZ) Pvt during the quarter

Fine Organic Industries (FINEORG IN) reported consolidated revenue of Rs6bn in Q2FY26, flat YoY and up 3% QoQ. Domestic demand improved during the quarter, while export demand remained stable. However, higher raw material prices versus last year majorly led to a 270bps YoY decline in EBITDA margin, with a slight sequential increase as well. All manufacturing facilities are operating at full capacity for the company, except for the Patalganga (food-grade) plant, which the management has previously guided to be expected to achieve full utilization by the end of FY26. During Q4FY25, the company incorporated a wholly owned U.S. subsidiary to establish a manufacturing facility aimed at strengthening supply chain efficiency. Additionally, FINEORG acquired ~159.9 acres of land in June'25. The company has also received environmental clearance (with a few remaining approvals pending) for its Rs7.5bn greenfield project on SEZ land. Construction is expected to commence shortly and will take approximately 18 months to complete. We believe the upcoming SEZ facility and the planned U.S. manufacturing plant will be key growth catalysts. The SEZ project is expected to deliver peak revenue potential of Rs26bn, assuming an asset turnover of 3.5x, and should start contributing meaningfully to topline growth from FY28. At current valuations, FINEORG trades at ~27x FY27E EPS. We maintain our 'BUY' rating with a target price of Rs5,386, valuing the stock at 28x Sep'27 EPS.

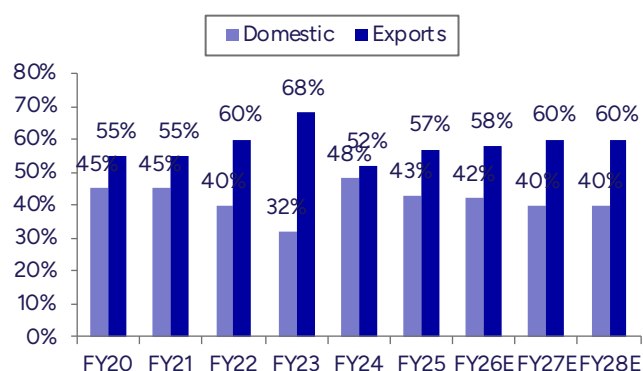
- Consolidated revenue remained flat YoY, increased 2% sequentially:** Consolidated revenue stood at Rs6bn (0% YoY/ 2% QoQ) (PLe: Rs5.7bn, Consensus: Rs5.9bn). Domestic and export sales accounted for 45% and 55% of revenue, respectively. H1FY26 revenue stood at Rs11.8bn increased by 4% YoY.
- Rise in input costs leads to 120bps YoY decline in gross margin:** Gross margin stood at 41.6% (vs 42.8% in Q2FY25 and 40.4% in Q1FY26). Absolute gross profit was at Rs2.4bn, up 4% QoQ. RM cost in H1FY26 was higher compared to H1FY25 and increased slightly on a sequential basis as well. EBITDA came in at Rs1.4bn (-10% YoY / +9% QoQ) vs PLe: Rs1.2bn and Consensus: Rs1.3bn, with EBITDA margin at 22.6% (vs 25.3% in Q2FY25 and 21.0% in Q1FY26). H1FY26 EBITDA stood at Rs2.6bn, declining 11% YoY compared to H1FY25.
- Strategic expansion in USA:** The company incorporated a wholly owned subsidiary in the USA in Q4FY25. In June'25, the company acquired ~159.9 acres of land in Jonesville, South Carolina, to support future expansion plans and enhance manufacturing capabilities.

Exhibit 1: Q2FY26 Result Overview

Consolidated	Q2FY26	Q2FY25	YoY gr. (%)	Q2FY26E	% Var.	Q1FY26	QoQ gr. (%)	H1FY26	H1FY25	YoY gr. (%)
Net Sales	5,973	5,958	0%	5,766	3.6	5,884	2%	11,857	11,455	4%
Gross Profit	2,483	2,549	-3%	2,352	5.6	2,378	4%	4,861	4,944	-2%
Margin (%)	41.6%	42.8%		40.8%		40.4%		41.0%	43.2%	
EBITDA	1,352	1,506	-10%	1,212	11.5	1,236	9%	2,587	2,903	-11%
Margin (%)	22.6%	25.3%		21.0%		21.0%		21.8%	25.3%	
Other Income	211	219		303		398		609	464	
Depreciation	128	124	3%	133	(3.4)	118	9%	246	241	2%
EBIT	1,435	1,601	-10%	1,383	3.8	1,516	-5%	2,951	3,126	-6%
Interest	4	4	1%	5	(14.7)	5	-19%	10	11	-9%
PBT before exceptional items	1,431	1,597	-10%	1,378	3.8	1,511	-5%	2,941	3,116	-6%
Total Tax	335	418	-20%	355	(5.9)	403	-17%	737	799	-8%
ETR (%)	23.4%	26.2%		25.8%		26.6%		25.1%	25.7%	
Adj. PAT	1,096	1,179	-7%	1,022	7.2	1,108	-1%	2,204	2,317	-5%
Exceptional Items	-10	5		0		63		52	-10	
PAT	1,085	1,174	-8%	1,022	6.2	1,171	-7%	2,257	2,307	-2%

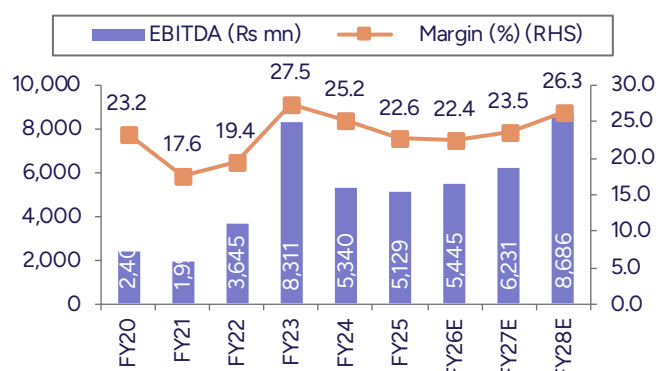
Source: Company, PL

Exhibit 2: Exports to reach 60% in FY27



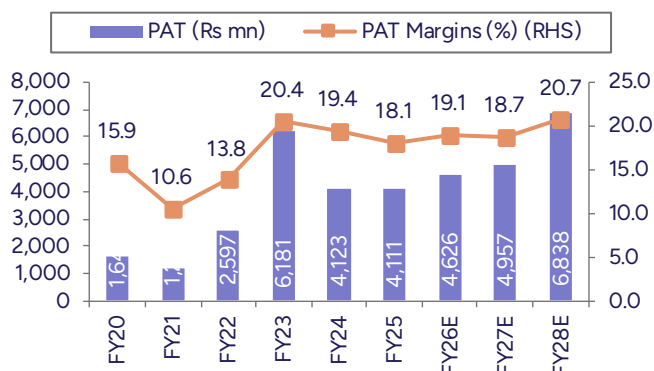
Source: Company, PL

Exhibit 3: EBITDA margin to reach 26% by FY28



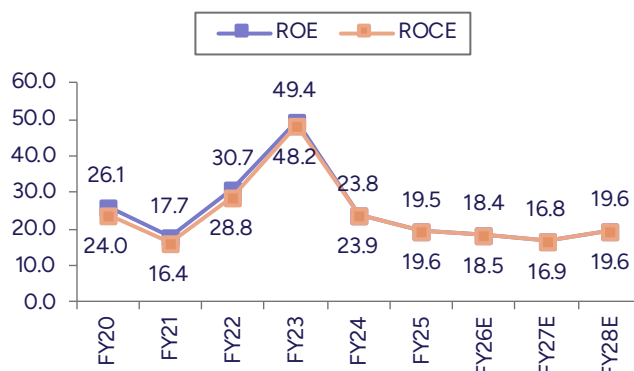
Source: Company, PL

Exhibit 4: PAT CAGR of 18% over FY25-27E



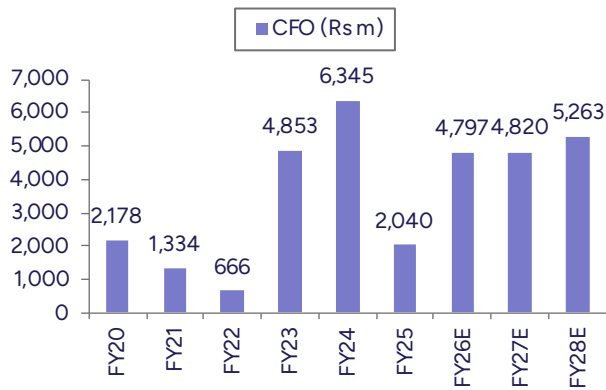
Source: Company, PL

Exhibit 5: Return ratios to hover at 17%-20%



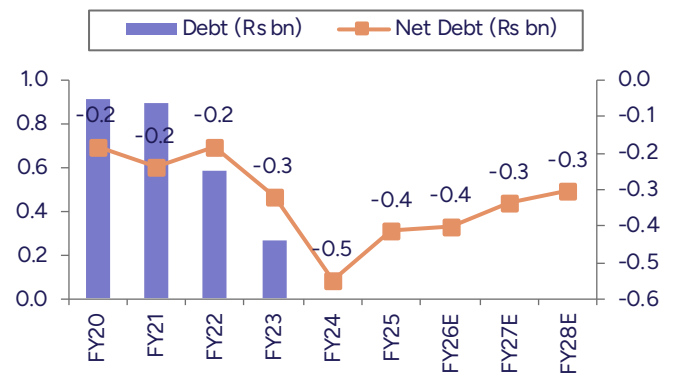
Source: Company, PL

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	FY25	FY26E	FY27E	FY28E
Net Revenues	22,691	24,280	26,465	33,081
YoY gr. (%)	6.9	7.0	9.0	25.0
Cost of Goods Sold	13,286	14,082	14,953	18,526
Gross Profit	9,406	10,198	11,512	14,556
Margin (%)	41.5	42.0	43.5	44.0
Employee Cost	1,352	1,534	1,741	1,976
Other Expenses	2,926	3,218	3,540	3,894
EBITDA	5,129	5,445	6,231	8,686
YoY gr. (%)	(4.0)	6.2	14.4	39.4
Margin (%)	22.6	22.4	23.5	26.3
Depreciation and Amortization	523	471	661	871
EBIT	4,606	4,974	5,570	7,815
Margin (%)	20.3	20.5	21.0	23.6
Net Interest	22	20	20	20
Other Income	976	1,214	1,059	1,323
Profit Before Tax	5,552	6,168	6,609	9,118
Margin (%)	24.5	25.4	25.0	27.6
Total Tax	1,447	1,542	1,652	2,279
Effective tax rate (%)	26.1	25.0	25.0	25.0
Profit after tax	4,105	4,626	4,957	6,838
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	4,105	4,626	4,957	6,838
YoY gr. (%)	(1.0)	12.7	7.1	38.0
Margin (%)	18.1	19.1	18.7	20.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	4,105	4,626	4,957	6,838
YoY gr. (%)	(1.0)	12.7	7.1	38.0
Margin (%)	18.1	19.1	18.7	20.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	4,105	4,626	4,957	6,838
Equity Shares O/s (m)	31	31	31	31
EPS (Rs)	133.9	150.9	161.7	223.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	7,921	10,921	15,521	19,321
Tangibles	7,921	10,921	15,521	19,321
Intangibles	-	-	-	-
Acc: Dep / Amortization	4,338	4,809	5,470	6,341
Tangibles	4,338	4,809	5,470	6,341
Intangibles	-	-	-	-
Net fixed assets	3,583	6,112	10,051	12,980
Tangibles	3,583	6,112	10,051	12,980
Intangibles	-	-	-	-
Capital Work In Progress	272	272	272	272
Goodwill	-	-	-	-
Non-Current Investments	353	353	353	353
Net Deferred tax assets	153	153	153	153
Other Non-Current Assets	4,302	4,603	5,018	6,272
Current Assets				
Investments	-	-	-	-
Inventories	3,629	3,571	3,836	4,625
Trade receivables	3,315	3,547	3,867	4,833
Cash & Bank Balance	9,499	10,906	10,710	11,606
Other Current Assets	-	-	-	-
Total Assets	25,107	29,517	34,259	41,094
Equity				
Equity Share Capital	153	153	153	153
Other Equity	22,799	27,055	31,615	37,907
Total Network	22,952	27,208	31,768	38,060
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	297	318	346	433
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,555	1,667	1,791	2,159
Other current liabilities	303	324	353	442
Total Equity & Liabilities	25,107	29,517	34,259	41,094

Source: Company Data, PL Research



Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	5,552	6,168	6,609	9,118
Add. Depreciation	522	471	661	871
Add. Interest	(694)	20	20	20
Less Financial Other Income	976	1,214	1,059	1,323
Add. Other	(197)	-	-	-
Op. profit before WC changes	5,182	6,659	7,290	10,009
Net Changes-WC	(1,687)	(320)	(817)	(2,467)
Direct tax	(1,455)	(1,542)	(1,652)	(2,279)
Net cash from Op. activities	2,040	4,797	4,820	5,263
Capital expenditures	(1,276)	(3,000)	(4,600)	(3,800)
Interest / Dividend Income	680	-	-	-
Others	(6,090)	-	-	-
Net Cash from Invst. activities	(6,686)	(3,000)	(4,600)	(3,800)
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(307)	(370)	(397)	(547)
Interest paid	(19)	(20)	(20)	(20)
Others	(18)	-	-	-
Net cash from Fin. activities	(343)	(390)	(417)	(567)
Net change in cash	(4,989)	1,407	(196)	896
Free Cash Flow	764	1,797	220	1,463

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	133.9	150.9	161.7	223.0
CEPS	150.9	166.3	183.2	251.4
BVPS	748.6	887.4	1,036.2	1,241.4
FCF	24.9	58.6	7.2	47.7
DPS	10.0	12.1	12.9	17.8
Return Ratio(%)				
RoCE	21.8	19.8	18.9	22.4
ROIC	30.7	25.1	22.4	24.7
RoE	19.5	18.4	16.8	19.6
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.3)	(0.3)
Net Working Capital (Days)	87	82	82	81
Valuation(x)				
PER	32.5	28.8	26.9	19.5
P/B	5.8	4.9	4.2	3.5
P/CEPS	28.8	26.1	23.7	17.3
EV/EBITDA	24.1	22.5	19.7	14.0
EV/Sales	5.5	5.0	4.6	3.7
Dividend Yield (%)	0.2	0.3	0.3	0.4

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Net Revenue	5,132	6,068	5,884	5,973
YoY gr. (%)	5.1	11.0	7.0	0.2
Raw Material Expenses	3,109	3,666	3,506	3,490
Gross Profit	2,024	2,402	2,378	2,483
Margin (%)	39.4	39.6	40.4	41.6
EBITDA	990	1,196	1,236	1,352
YoY gr. (%)	(16.3)	(16.7)	(11.5)	(10.3)
Margin (%)	19.3	19.7	21.0	22.6
Depreciation / Depletion	130	148	118	128
EBIT	860	1,047	1,118	1,223
Margin (%)	16.8	17.3	19.0	20.5
Net Interest	4	7	5	4
Other Income	291	258	398	211
Profit before Tax	1,146	1,298	1,511	1,431
Margin (%)	22.3	21.4	25.7	24.0
Total Tax	319	328	403	335
Effective tax rate (%)	27.9	25.3	26.6	23.4
Profit after Tax	827	970	1,108	1,096
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	827	970	1,108	1,096
YoY gr. (%)	(13.1)	(15.8)	(2.5)	(7.1)
Margin (%)	16.1	16.0	18.8	18.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	827	970	1,108	1,096
YoY gr. (%)	(13.1)	(15.8)	(2.5)	(7.1)
Margin (%)	16.1	16.0	18.8	18.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	827	970	1,108	1,096
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	27.0	31.7	38.2	35.4

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	07-Oct-25	BUY	5,571	4,651
2	11-Aug-25	BUY	5,610	4,807
3	07-Jul-25	BUY	5,440	5,269
4	30-May-25	BUY	5,440	4,690
5	13-May-25	BUY	4,930	4,176
6	08-Apr-25	BUY	4,798	3,960
7	06-Feb-25	BUY	5,199	4,350
8	08-Jan-25	BUY	5,765	4,474

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Hold	403	392
2	Bharat Petroleum Corporation	Hold	361	357
3	Bharti Airtel	Accumulate	2,259	2,113
4	Clean Science and Technology	Hold	1,002	981
5	Deepak Nitrite	Hold	1,924	1,844
6	Fine Organic Industries	BUY	5,571	4,651
7	GAIL (India)	BUY	218	183
8	Gujarat Fluorochemicals	Hold	3,742	3,643
9	Gujarat Gas	Hold	442	436
10	Gujarat State Petronet	Accumulate	339	325
11	Hindustan Petroleum Corporation	Hold	476	476
12	Indian Oil Corporation	Accumulate	166	155
13	Indraprastha Gas	Reduce	192	209
14	Jubilant Ingrevia	Hold	695	677
15	Laxmi Organic Industries	Reduce	192	198
16	Mahanagar Gas	BUY	1,531	1,271
17	Mangalore Refinery & Petrochemicals	Accumulate	159	142
18	Navin Fluorine International	Accumulate	5,601	5,009
19	NOCIL	Hold	185	181
20	Oil & Natural Gas Corporation	BUY	278	244
21	Oil India	BUY	525	415
22	Petronet LNG	Hold	290	279
23	Reliance Industries	BUY	1,668	1,417
24	SRF	Hold	3,123	3,028
25	Vinati Organics	BUY	1,915	1,662

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

ANALYST CERTIFICATION

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