India

ADD *(no change)*

Consensus ratings*:	Buy 2	Hold 1	Sell 0

Current price:	Rs143
Target price: ▲	Rs480
Previous target:	Rs425
Up/downside:	235.7%
InCred Research / Consensus:	100.0%
Reuters:	CAMF.BO
Bloomberg:	CFIN IN
Market cap:	US$305m
	Rs27,466m
Average daily turnover:	US$1.1m
	Rs96.5m
Current shares o/s:	188.0m
Free float:	83.3%

Source: Bloomberg

Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	(4.8)	(27.7)	11.9
Relative (%)	(4.0)	(30.4)	2.9

Major shareholders	% held
Promoter & Promoter Group	16.7
ICICI Prudential Midcap Fund	6.8
SBI Magnum Multicap Fund	6.1

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Camlin Fine Sciences

Tight vanillin markets and high-value blend portfolio

- CFSL to benefit from structurally tight vanillin markets in the US & Europe, with prices likely to top US$32/kg by 2HFY27F in the US & US$19/kg in the EU.
- Blend portfolio and Vinpai high-value, application-specific & clean-label solutions drive strong margin, entry barriers, and significant revenue potential.
- We value CFSL at 17x FY28F EV/ EBITDA to arrive at our new TP of Rs480.

Vanillin: Trump tariff or not, US prices to top US$32/kg in 2HFY27F

Camlin Fine Sciences or CFSL's vanillin plant, commissioned in Jan 2023, witnessed a prolonged start-up phase due to technical issues such as colour inconsistency and chlorine contamination, delaying commercial sales until 2HCY24. With these problems resolved, the focus shifts to structurally tight global markets. Europe and the US, CFSL's key target markets for high-quality (Solvay-grade) vanillin, consume ~14,000tpa. Limited local capacity, the gradual restart of Solvay's mothballed plants, and elimination of Chinese imports following punitive anti-dumping duties have created meaningful supply gaps. US spot prices are already ~US$20–22/kg and are expected to rise to >US$32/kg by 2HCY26F, while European prices are forecasted to increase from €13–15/kg to €15–16/kg, structurally benefiting non-Chinese suppliers like CFSL.

Blend portfolio: High entry barriers and real value drivers

CFSL's blend portfolio spans Xtendra (synthetic antioxidants), Nasure (natural, plant-based antioxidants), and Ezential (high-value functional blends), with rising formulation complexity, application specificity, and entry barriers. Xtendra blends rely on commodity molecules but achieve differentiation through formulation expertise and lengthy customer approval cycles. Nasure blends, based on plant extracts such as rosemary, tocopherols, and acerola, command premium pricing due to variability in raw materials, regulatory complexity, and clean-label positioning. Ezential represents the highest-value tier, delivering functional benefits across bakery, confectionery, oils, and dairy applications. Products like Ezential 4001 (paneer coagulant) enhance yield, texture, and processing performance, creating high switching costs and sticky revenue, with 4001 alone capable of generating ~Rs0.65bn annually in India.

Vinpai: Multiple high-quality products

The Vinpai acquisition strategically transforms CFSL into a global clean-label and natural solutions platform, providing access to ~3,000 products across dairy additives, flavours, texturisers, emulsifiers, nutraceuticals, cosmetics, and medical alginates. Vinpai's Vin'Curd illustrates the commercial potential: in India's ~120kt organised cheese market, a 30% yield improvement at a 3.6% dosage allows value-based pricing of ~Rs1,750/kg, translating to an addressable market of ~Rs4.3bn. While trials and FSSAI approvals are pending, successful commercialisation would materially expand CFSL's addressable market, deepen entry barriers, and reinforce its positioning as a solutions-led, high-value ingredient partner rather than a commodity supplier.

Financial Summary	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue (Rsm)	16,131	16,665	19,159	24,857	28,273
Operating EBITDA (Rsm)	739	1,790	1,693	3,993	5,631
Net Profit (Rsm)	(1,049)	203	779	2,733	4,088
Core EPS (Rs)	(2.9)	1.6	4.1	14.2	21.3
Core EPS Growth	(223.5%)	(154.7%)	155.9%	247.4%	49.6%
FD Core P/E (x)	(25.63)	132.14	34.89	10.04	6.71
DPS (Rs)	0.0	0.0	0.0	0.0	0.0
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
EV/EBITDA (x)	43.90	17.68	18.65	7.69	4.90
P/FCFE (x)	27.52	(25.50)	40.16	23.52	8.35
Net Gearing	65.8%	57.6%	49.1%	28.7%	2.6%
P/BV (x)	3.11	2.98	2.80	2.19	1.65
ROE	(6.5%)	3.4%	8.3%	24.5%	28.0%
% Change In Core EPS Estimates			(52.57%)	(10.67%)	(3.93%)
InCred Research/Consensus EPS (x)					

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Tight vanillin markets and high-value blend portfolio

CFSL vanillin: From start-up pains to structural winner in a post-China market

CFSL's vanillin plant, commissioned in Jan 2023 after construction began in 2020, faced prolonged start-up issues related to colour consistency and chlorine contamination, delaying commercial sales until 2HCY24. With these issues now resolved, the focus shifts to structurally tight global markets. Europe and the US—CFSL's key target markets for high-quality (Solvay-grade) vanillin—together consume ~14,000tpa, with demand growing in low single digits. Europe consumes ~8,000–8,500t annually against effective local capacity of ~4,000t, while the US consumes ~5,500t against ~4,000t of capacity. Historically, both regions relied heavily on Chinese supply, but aggressive dumping during the ongoing Anti-Dumping Duty (ADD) investigations in 2HCY24 has now reversed sharply following the imposition of duties (131% in Europe and punitive ADD in the US), effectively eliminating Chinese imports.

Solvay's mothballed plants in France and Baton Rouge, Louisiana are expected to restart only gradually. The Baton Rouge facility, commissioned pre-1970, is particularly constrained; channel check suggests first-year output of ~2,000t versus a historical peak of ~3,500t. Our LLM-based stochastic ramp-up modelling, incorporating a 5% random failure rate to reflect plant age, corroborates this conservative estimate. With supply-chain inventories already drying up, US prices have begun moving higher, with channel checks indicating spot prices of ~US$20–22/kg. As Chinese material is priced out (landed cost ~US$33/kg post duties), we estimate US vanillin prices could rise to >US$32/kg by 2HCY26F as China becomes the marginal supplier again. In Europe, Chinese imports have trended toward zero post-ADD, while prices are already ~€13–15/kg and expected to move to €15–16/kg from 1QCY26F as inventories normalise and Solvay's ramp-up remains slow.

CFSL is increasingly well positioned as a credible "1B" supplier to Solvay's "1A" status, offering broadly comparable quality across most applications, particularly in bakery, which dominates European demand. Earlier chlorine residue issues have been resolved through a change in water sourcing, and customer acceptance is improving despite long approval cycles in large food companies. Importantly, CFSL's cost structure provides significant operating leverage: Indian raw material costs remain ~US$7.7/kg, supported by weak crude oil and phenol prices, while fixed costs are ~US$5.5m for a 6,000t capacity base. With ADD regimes expected by distributors to persist for several years and meaningful supply gaps remaining in both the US and Europe, the industry is entering a pricing upcycle that structurally benefits non-Chinese producers like CFSL.

Vanillin plant was commissioned in Jan-2023; however, it faced multiple start-up issues which were resolved by 2H2024 »

The vanillin plant was built, starting in 2020 and officially commissioned in Jan 2023. However, it did not run smoothly at the start. Technical problems—such as colour inconsistency and chlorine contamination—meant that the plant could not sell material commercially for a long period. These issues were only fully resolved by 2HCY24.

The key markets for CFSL's high-quality vanillin (~Solvay grade, which is the industry standard) are Europe and the US ➤

The key markets of CFSL's vanillin are the US and Europe. These markets value quality and the overall demand in these two markets for vanillin (ethyl + methyl vanillin) is ~14,000tpa. Demand increase is in very low single digits. Indian markets don't care for quality, although this market consumes around 2,500t of vanillin per annum.

Europe consumes ~8,500t of vanillin annually versus ~4,000t of capacity, including Solvay's mothballed French plant slated to restart in Jan 2026 ➤

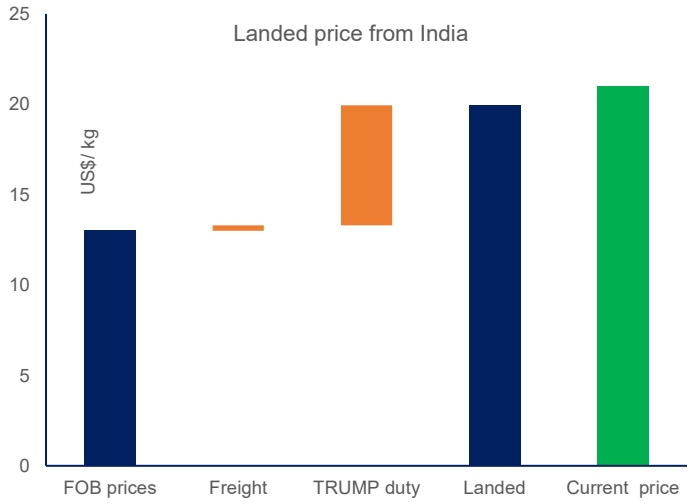
Europe consumes ~8,000t of vanillin annually. The only local plant (Solvay, France, 4,000t) became unviable due to Chinese dumping. In 2024, China exported >6,000t to Europe at €8–9/kg, forcing a shutdown of French production mid-year (hence, it would have produced around 2,000t in 2024). Solvay instead supplied from its Chinese unit (~5,000t capacity). With a 131% duty now imposed on Chinese exports, market dynamics have shifted in Europe.

The US consumes ~5,500t of vanillin annually versus ~4,000t of capacity, including Solvay's mothballed plant slated to restart in Jan 2026 ➤

The Solvay plant in **Baton Rouge, Louisiana** is a very old facility, and even if everything proceeds as per schedule, the plant is unlikely to manufacture more than 2,000t of vanillin in the first year. Historically, peak production has been in the range of ~3,500t (Source: channel check). As a result, the US has consistently remained dependent on China to meet its vanillin demand.

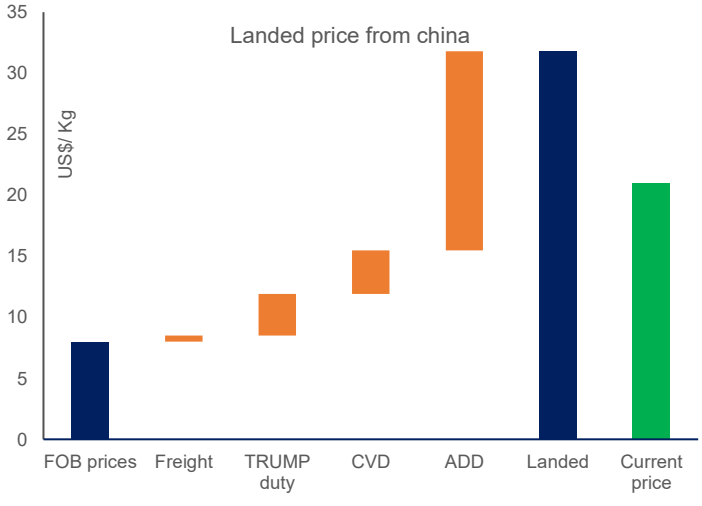
However, ADD imposition on Chinese vanillin in the US has led to Chinese vanillin being priced out of the market ➤

Figure 1: The current price in the US leaves around US$12.5-13/ kg net sales realisation to CFSL



SOURCES: INCRED RESEARCH, COMPANY REPORTS

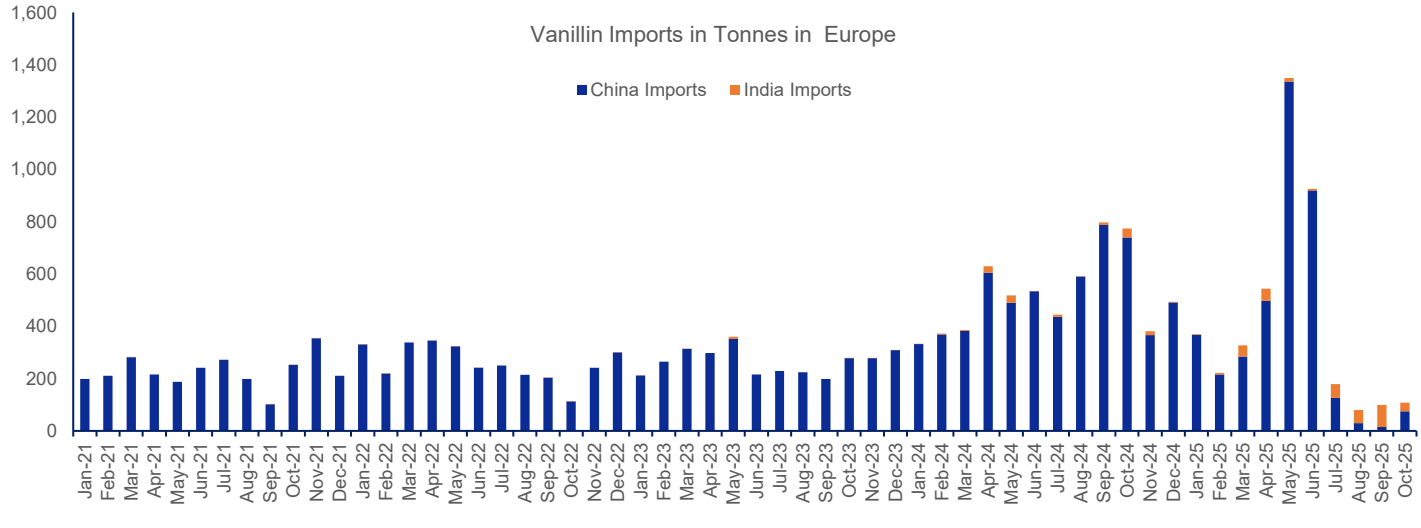
Figure 2: As the supply chain Inventory exhausts and China becomes the marginal supplier, prices will rise to US$32+/kg



SOURCE: INCRED RESEARCH, COMPANY REPORTS

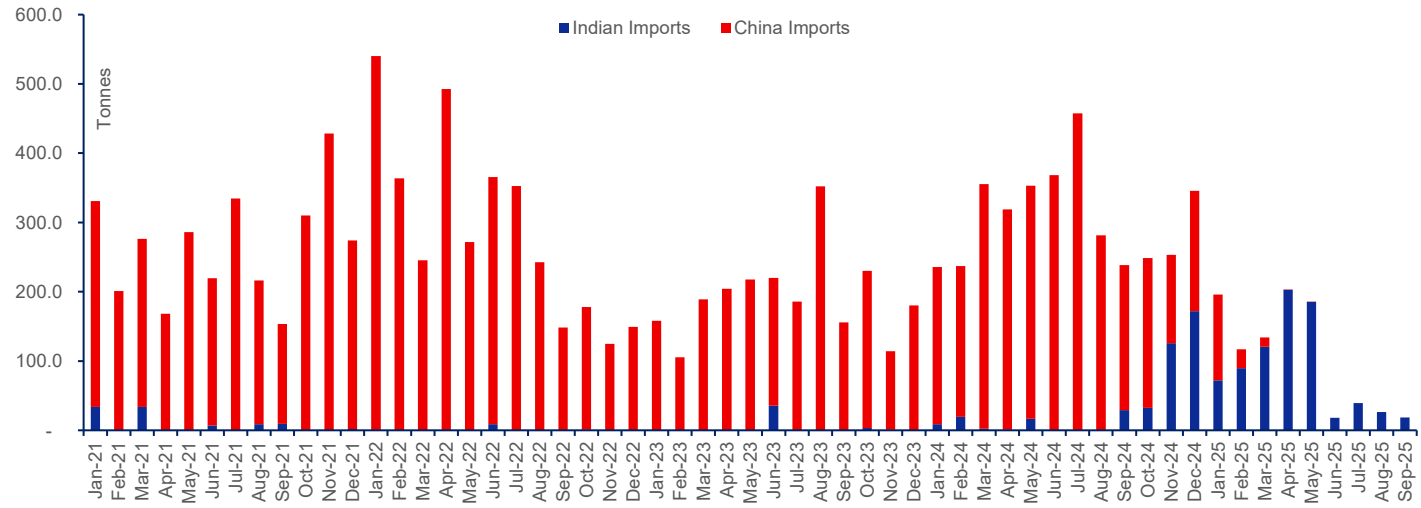
During 2HCY24, ongoing ADD inquiries in the US and Europe led to aggressive dumping of Chinese material into these markets ➤

Figure 3: After 131% ADD imposition in Jun 2025, imports of Chinese vanillin in Europe are tending to zero



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Figure 4: Before ADD imposition China was flooding the US market but after ADD imposition, vanillin imports from China have fallen to zero

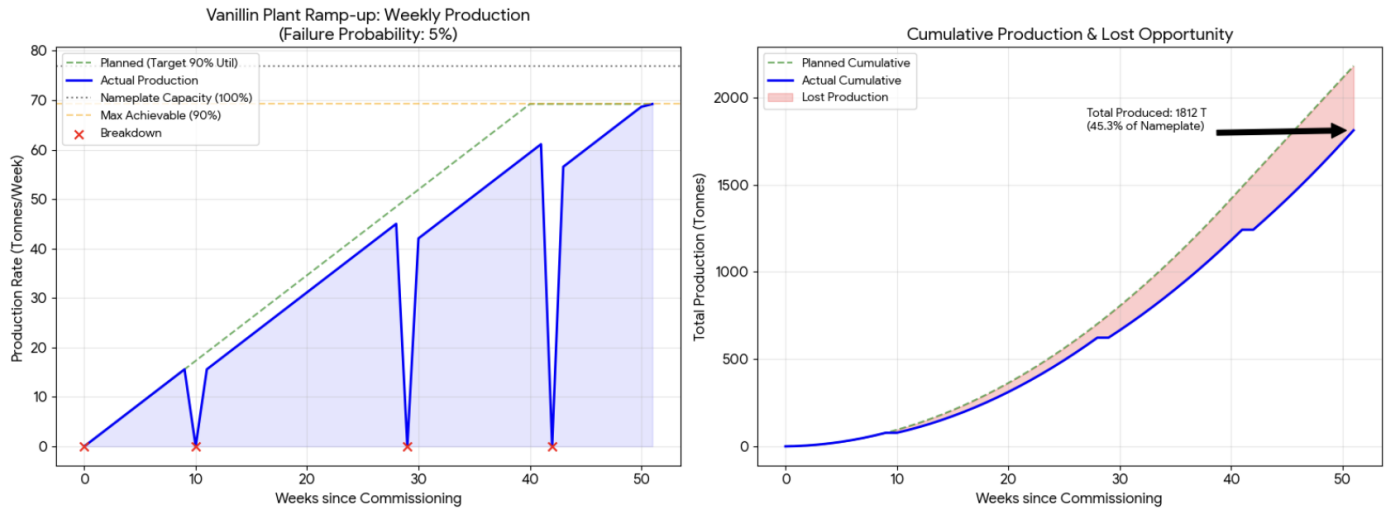


SOURCE: INCRED RESEARCH, COMPANY REPORTS

Given that Baton Rouge, Louisiana plant in the US is very old (commissioned earlier than 1970), the start-up will not be easy and, at best, first-year production will be ~2,000t ➤

Our modelling for the Baton Rouge, Louisiana plant was conducted using an LLM framework, where we initially applied a standard plant ramp-up curve. To account for the age of the facility, we introduced a random failure rate of 5%. Using a stochastic probability process, this results in an estimated first-year production of ~2,000t.

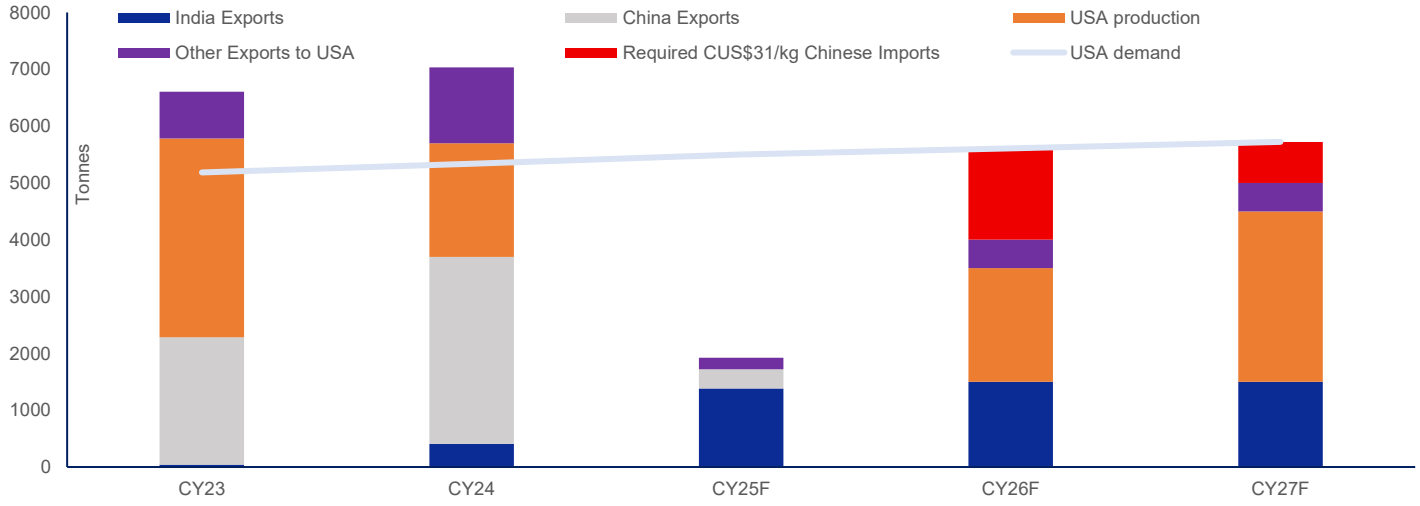
Figure 5: During first year restart of Baton Rouge, Louisiana plant it could not produce more than 2,000tpa



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Given that excess inventory in the supply chain is already drying, we estimate by 2HCY26F prices in the US can rise to >US$32/kg ➤

Figure 6: The demand-supply as well as inventory analysis indicates Chinese vanillin will be needed by 2HCY26F and hence, we expect prices to rise to US$32+/kg by 2HCY26F



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Channel check with a major US distributor suggests that US vanillin prices have already reached ~US$20-22/kg and are likely to move higher in the coming months ➤

- **Market overview & pricing**

  US vs. European markets: The markets are bifurcated. The European market relies heavily on Chinese supply, resulting in much lower prices. Conversely, the US market has shifted away from Chinese material due to anti-dumping duties, with Chinese volume diverting to Europe.

  Pricing dynamics:

  Synthetic vanillin: Prices vary by sector. Flavour and Fragrance (F&F) players seek prices in low teens at US$20s/kg. Smaller buyers or retail pay over US$20/kg.

  Natural vanillin: Significantly more expensive, trading in the mid-to-upper US$20s per pound (approx. US$50/kg).

  Landed cost: Distributor's landed cost for CFSL (Indian) material is around US$20/kg. Chinese material would be significantly higher (approx. US$33/kg landed) due to 260% ADD, causing demand for it to evaporate in the US.

  Distributor margins: Margins are in single digit for large accounts (e.g., IFF, Givaudan) due to their negotiating power but range from 15%-20% for small to mid-sized accounts.

- **Supplier Landscape**

  CFSL (India):

  Relationship: Distribution is CFSL's major US distributor, particularly for food ingredients, moving approximately 1,000t annually.

  Quality: CFSL has invested heavily in upgrades and is now producing a consistent, high-quality product, shedding its past reputation for lower quality.

  Strategy: CFSL aims to be the "1B player" to Solvay's "1A," positioning itself as a high-quality alternative rather than a cheap one. If tariffs drop, they are unlikely to pass full savings to distributors, preferring to pocket the difference to maintain market positioning.

  Production: Currently, CFSL is running vanillin full-time to maximise profits and has not yet brought ethyl vanillin online concurrently, likely because vanillin is currently very profitable.

  Solvay:

  Market position: Viewed as the industry leader and of high-quality standard.

  Recent behaviour: Contrary to expectations of raising prices, Solvay has become aggressive in pricing to garner market share, likely to "preload volume" for its new plant capacity.

  New capacity: Solvay's new facility will take time, as chemical plant start-ups rarely go without hitches.

  Chinese suppliers: Historically, this distributor moved large volumes of the 'Eternal Pearl' brand, but this ceased due to anti-dumping duties.

- **Customer behaviour & trends**

  Approval timelines: Product approvals are slow. Large food companies (e.g., Hershey's, Mars) are very conservative to protect their brand and may take over a year to approve a new supplier.

  Sector differences: F&F houses (Givaudan, IFF) are faster to approve new sources if margins improve because they are "middlemen" and face less consumer brand risk than food manufacturers.

  Shifting loyalty: High inflation and financial pressure are forcing even conservative companies (e.g., McCormick) to consider alternatives to Solvay to save costs, breaking decades of single-supplier loyalty.

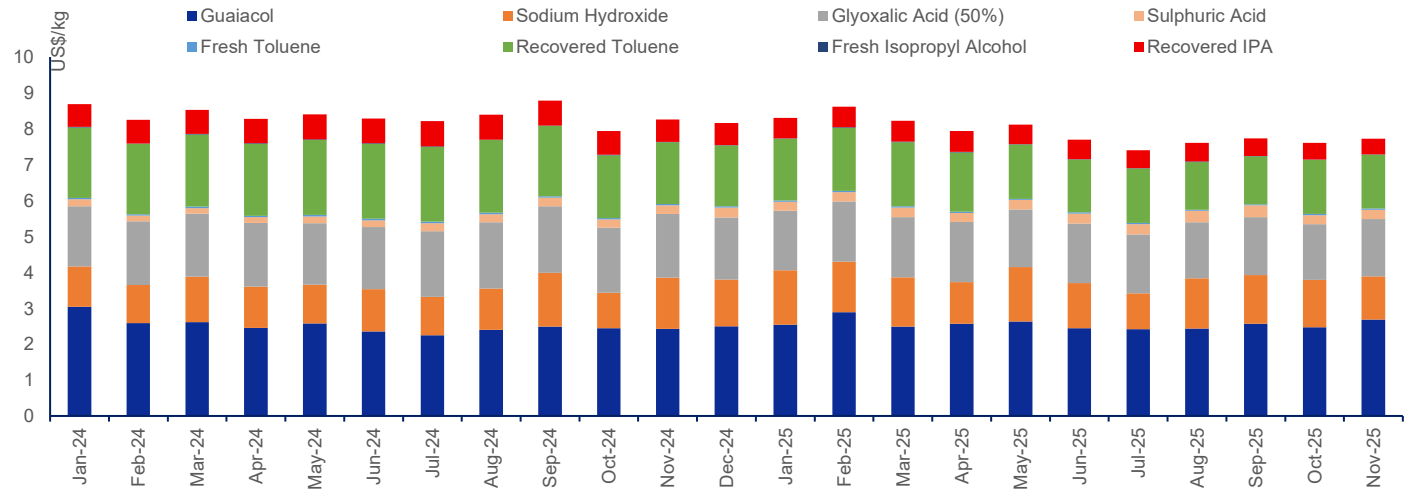
Channel check indicates European vanillin prices at ~€15/kg, with further upside likely in the coming months; Solvay plant will be slow to ramp up ➤

- CFSL's synthetic vanillin quality is broadly comparable to Solvay's across most applications.
- **In dairy and ice-cream formulations, Solvay's vanillin imparts a slightly creamier texture which CFSL's product does not fully replicate.** However, this difference is subtle and typically perceptible only to experts. Importantly, the bulk of vanillin consumption in Europe is in **bakery applications**, where CFSL performs at par with Solvay
- **In early 2024, CFSL's vanillin showed trace chlorine residues**, largely due to the use of municipal water. After switching to a new water source, **this issue has been fully resolved.**
- **Chinese producers are attempting to enter Europe via the Indonesian route**, but buyers remain extremely cautious. **European circumvention laws are strict** — importers face consequences including potential jail time — which deters distributors from taking risks.
- Chinese origin vanillin is quoted at US$7.5–8/kg FOB, but post-duty landing into Europe translates to ~US$19/kg. Solvay's production economics (≥€12–13/kg) imply that such Chinese pricing is below EU raw material cost parity. Distributors believe the ADD regime is durable and may persist for up to 10 years.
- Current B2B prices are approximately €13/kg, but are expected to rise to €15–16/kg from 1QCY26F as supply tightens and European buyers normalise purchases once existing inventories are exhausted

Solvay's French plant can produce a maximum of ~4,500t of vanillin annually, of which ~500t is natural vanillin. Total European demand for synthetic vanillin is ~8,500t, leaving a meaningful supply gap for non-Chinese producers.

The raw material cost of vanillin in India is ~US$7.7/kg and given the pressure on crude oil and phenol prices, It will remain depressed ➤

Figure 7: Raw material costs for vanillin manufacturing in India remain at approximately US$7.7/kg; fixed costs for CFSL's vanillin business are estimated at ~US$5.5m, based on a total installed capacity of 6,000t



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Value drivers – Blend business, high RoCE, and very high entry barriers

CFSL operates across a tiered blend portfolio—Xtendra (synthetic antioxidants), Nasure (natural, plant-based antioxidants), and Ezential (high-value functional blends)—each characterised by rising formulation complexity, application specificity, and entry barriers. While Xtendra blends use commodity antioxidant molecules, differentiation lies in formulation know-how and long customer approval cycles, creating sticky volume despite lower realisation. Nasure blends move further up the value curve, relying on plant extracts such as rosemary, tocopherols, and acerola; here, raw-material variability, standardisation challenges, and clean-label regulatory expertise materially raise entry barriers and support premium pricing. Across both segments, the low Bill of Material (BOM) share but high functional criticality of these blends underpins durable margins and customer lock-in.

Ezential represents CFSL's highest-value portfolio, extending beyond shelf-life protection into texture, yield, mouthfeel, and processing performance across bakery, confectionery, oils, and dairy. Products such as Ezential 400, Chocolution 2011, and Ezential 4001 (paneer coagulant) address application-specific performance outcomes and require deep co-development with customers, resulting in long approval cycles and high switching costs. Ezential 4001 exemplifies the economics of this model: despite a small BOM footprint, its ability to improve paneer yield and consistency enables pricing power and attractive ROI for dairies. Based on current assumptions, Ezential 4001 alone can generate ~Rs).65bn of annual revenue in India, highlighting the scale potential embedded within individual stock-keeping units (SKUs).

The acquisition of Vinpai is strategically transformative, accelerating CFSL's evolution into a global clean-label and natural solutions platform with access to ~3,000 products spanning dairy additives, flavours, texturisers, emulsifiers, nutraceuticals, cosmetics, and medical alginates. Vinpai's Vin'Curd solution illustrates the magnitude of the opportunity: in India's ~120kt, fully organised cheese market, a 30% yield improvement at a dosage of ~3.6% enables value-based pricing of ~Rs1,750/kg, translating into an addressable market of ~Rs4.3bn While Vin'Curd trials in India are yet to commence and FSSAI approvals remain pending, successful validation would materially expand CFSL's addressable market, deepen entry barriers, and reinforce its positioning as a solutions-led ingredient partner rather than a commodity supplier

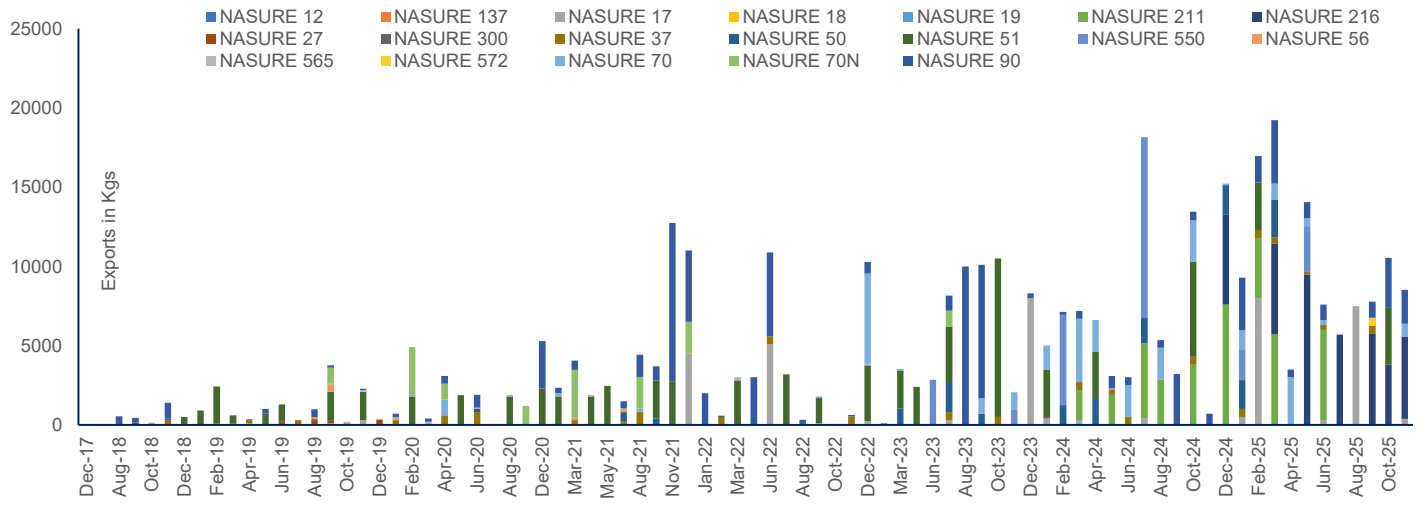
Nasure is the natural grade of blends sold by CFSL »

Nasure grade blends by CFSL refer specifically to plant-based, natural antioxidant and blend products that are formulated for clean-label applications like food, feed, and pet food—distinct from synthetic chemical blends. These products are marketed under the Nasure brand, which emphasises natural origin and high antioxidant activity to help extend shelf life and ensure product stability.

Unlike synthetic flavour ingredients such as vanillin and ethyl vanillin, Nasure blends incorporate natural plant extracts (e.g., rosemary, acerola, and mixed tocopherols) to meet rising demand for "natural" or "clean label" ingredients in the food and nutrition space.

In industry practice, Nasure products are positioned as natural alternatives to synthetic antioxidant blends, aligning with consumer, regulatory, or marketing requirements for natural ingredients in final products and helping brands achieve natural or plant-based claims.

Figure 8: Nasure comprises natural, plant-based blends



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Naturally making these blends is a specialised skill; materials are available all over the place but mixing them in the right proportion is the key skill ➤

Nasure-type natural blends are capability-driven, not commodity products. The requirement for specialised formulation, application, and regulatory skills creates high entry barriers, supports pricing power, and explains why players like CFSL can defend margins versus generic antioxidant suppliers

Nasure (natural-grade) blends do require specialised skills, materially more than synthetic or nature-identical blends.

Natural raw-material variability: Plant extracts (rosemary, tocopherols, acerola, etc.) vary batch-to-batch due to crop, origin, and seasonality. Formulators must know how to rebalance blends without changing performance, which requires deep experience.

Extraction & standardisation know-how: Achieving consistent antioxidant activity (ORAC, peroxide value control, oxidative stability) from natural inputs requires:

- Advanced extraction chemistry.
- Standardisation techniques.
- Stability optimisation across food matrices (oil, bakery, meat, dairy).

Application-specific formulation skills: Natural blends behave very differently across applications:

- Heat stability in bakery.
- Carry-through in frying oils.
- Interaction with metals, moisture, and packaging This demands application labs and customer co-development, not just commodity blending.

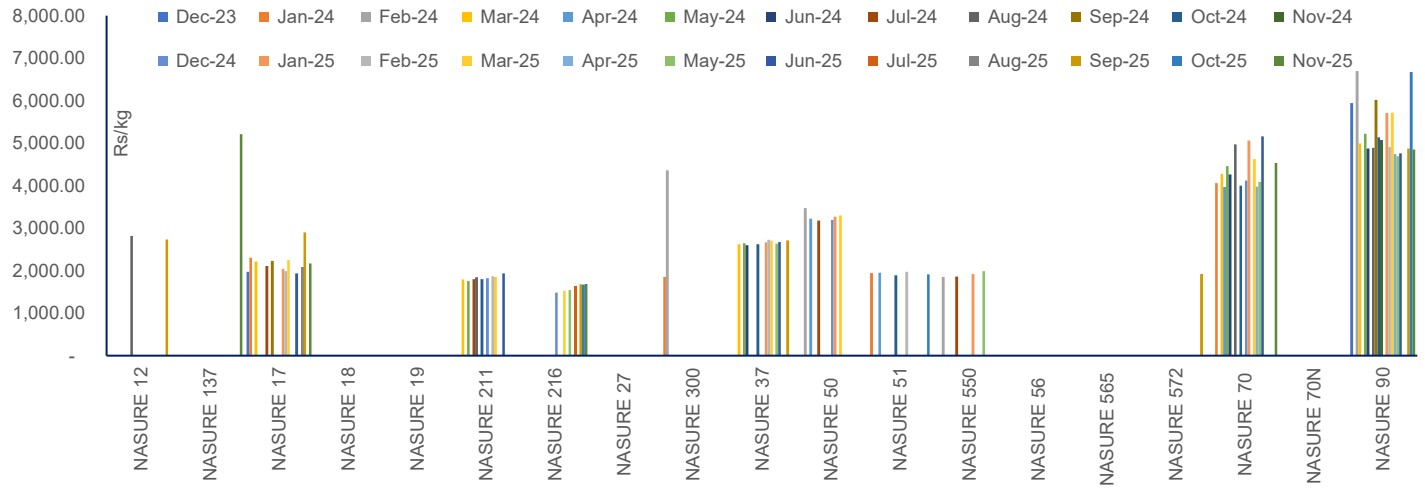
Regulatory & clean-label expertise: Compliance with the EU, US FDA, and customer-specific “natural” definitions is non-trivial. Minor formulation changes can break label claims, so regulatory chemistry skills are critical.

Supply-chain and cost optimisation: Natural ingredients are costlier and less predictable. Skilled teams are needed to:

- Optimise BOM without degrading performance.
- Maintain margins despite raw-material volatility.

This is a high-priced product»

Figure 9: This is a high priced product- capital intensity is limited to working capital; entry barriers are high and know-how + client empanelment is key



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Xtendra grade blends sold by CFSL are traditional antioxidant blends »

Xtendra grade blends sold by CFSL are traditional antioxidant blend solutions designed to enhance oxidative stability and shelf life across a wide range of applications in food, feed, pet food, and even industrial segments. These blends combine proven antioxidant molecules like TBHQ, BHA, BHT, ascorbyl palmitate and related synergistic combinations to protect fats, oils, and finished products from oxidation without imparting unwanted colour, odour or flavour. Key features of the Xtendra range include:

- Shelf-life extension in foods such as fried snacks, bakery, oils & fats, sauces, and processed products by retarding free fatty acid and peroxide formation.
- Customised antioxidant solutions for animal nutrition and pet food, preserving nutrients and flavour while enhancing feed stability and palatability.
- Applications even in biodiesel stability where antioxidants help improve fuel performance by controlling oxidative degradation.

Products under the Xtendra brand span specific formulations like Xtendra 06 for frying oil stabilisation, Xtendra TBHQ, Xtendra BHA, and additional blends tailored for discrete application needs, reflecting CFSL's focus on science-led, application-specific antioxidant solutions rather than single commodity additives.

While getting base chemicals for these blends is not difficult, the skill lies in mixing and client approval, given low value in BOM entry barrier is very high »

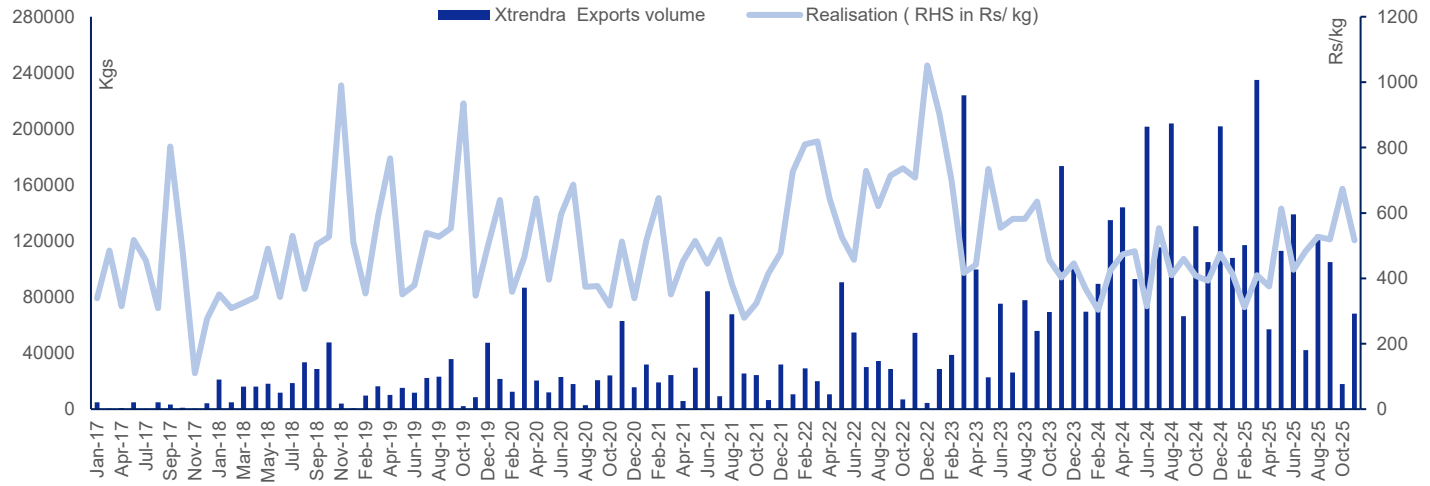
Xtendra blends: Entry barriers driven by formulation and approvals: While the base antioxidant chemicals used in Xtendra blends (such as TBHQ, BHA, BHT and synergists) are widely available, Xtendra is not a commodity product. The core differentiation lies in formulation know-how—precise mixing ratios, solubility management, thermal stability, and interaction with specific food matrices (frying oils, bakery fats, pet food, etc.). Small deviations in blend chemistry can materially alter oxidative performance, flavour carry-through, or colour, making application expertise critical. As a result, successful Xtendra formulations are developed through iterative trials rather than simple replication.

Customer approvals and switching costs: Xtendra products typically represent a very low share of the customer's Bill of Materials (BOM but play a disproportionate role in shelf life and product consistency. This creates a paradoxical barrier to entry: customers are highly reluctant to switch suppliers because failure risks (shortened shelf life, recalls, sensory drift) far outweigh the

marginal cost savings. Consequently, customer approvals are lengthy and rigorous, often involving plant trials, shelf-life testing, and regulatory sign-offs. Once approved, Xtendra blends tend to remain entrenched for long periods, creating sticky volumes.

Implications for competitive intensity and margins: Given the combination of formulation complexity, application-specific customisation, and long approval cycles, entry barriers in Xtendra are structurally high despite the apparent ease of sourcing raw materials. New entrants face extended gestation periods with uncertain conversion, while incumbents benefit from repeat orders and pricing stability. This dynamic explains CFSL's ability to defend margins in Xtendra blends and position the portfolio as a solutions business rather than a simple additive supplier.

Figure 10: As the base is commodity, hence realisation is lower than in Nasure blends; however, margins are much better than selling pure commodity - don't be surprised if 3-4 years down the line, CFSL stops selling TBHQ, BHA, etc. on a standalone basis



SOURCE: INCRED RESEARCH, COMPANY REPORTS

Ezential represents the newest and highest-value blend portfolio in CFSL's product offerings ➤

Ezential blends by CFSL represent the company's functional excellence ingredient range designed to deliver more than basic antioxidant or shelf-life solutions — they provide texture, mouthfeel, processing ease, and structural improvement across a broad suite of food applications, beyond the traditional antioxidant portfolio (Xtendra) and natural solutions (Nasure). The Ezential line includes emulsifiers, texturisers, anti-crystallisers, spread enhancers, and other functional additives tailored especially for bakery, confectionery, oils & fats, fillings, dairy, and spreads.

Unlike straightforward antioxidant blends, Ezential products address functional performance needs such as improving batter volume, enhancing texture and stability, delaying clouding and crystallisation in oils (e.g., Ezential 400), and boosting finished product appeal in baked goods and chocolates. These blends often integrate multiple ingredient types (emulsifiers, stabilisers, and specialty carriers) to help manufacturers achieve consistent sensory and processing outcomes.

Because Ezential blends are application-specific and performance-driven, they typically require strong formulation expertise and application support to match the right variant to customer product goals — from crumb softness in bread to creamy texture in dairy or confectionery. This complexity elevates their value beyond commodity ingredients and supports higher entry barriers and stronger customer lock-in, similar to other CFSL branded solutions.

Under Ezential brand, CFSL offers varieties of blends which are listed below ➤

Figure 11: Ezential is CFSL's highest-value blend portfolio focused on functional performance rather than shelf-life alone; low BOM share, deep application specificity, and long customer approval cycles create high switching costs and strong customer lock-in, supporting superior margins versus Xtendra and Nasure

Ezential Product / Segment	Primary Application	Key Functional Benefits
Ezential Bread Improvers (e.g., H-102, BT-201)	Bread & bakery	Improves dough handling, loaf volume, crumb structure, softness, and consistency.
Ezential Cake Enhancers (e.g., 1011)	Cakes & premixes	Enhances batter stability, volume, crumb softness, and uniform texture.
Ezential Cookie Enhancers	Cookies & biscuits	Controls spread, improves bite and texture, enhances product consistency.
Ezential Fat Enhancers / Fat Spread Blends	Margarine & spreads	Improves emulsification, stability, mouthfeel, and processing robustness.
Ezential 400	Edible oils	Delays clouding and crystallisation, improves oil clarity and stability without sensory impact.
Ezential Bake-Stable Fills & Spreads	Confectionery & bakery fillings	Improves heat stability, texture retention, and processing performance.
Ezential Chocolution 2011	Chocolate & confectionery	Enhances emulsification, flow properties, mouthfeel, and processing efficiency.
Ezential Paneer Coagulant	Dairy (paneer / fresh cheese)	Ensures consistent coagulation, higher yield, improved texture and firmness.
Ezential SMP Replacer 4011	Dairy formulations	Replaces skim milk powder while improving cost efficiency and functional performance.
Ezential Super Whip 4031	Dairy creams & toppings	Improves whipping volume, stability, and foam retention.

SOURCE: INCRED RESEARCH, COMPANY REPORTS

The potential of each of these products is huge - for example Ezential 4001 alone can have India revenue of more than Rs0.65bn ➤

Ezential 4001 is **positioned as a high-value functional ingredient** in paneer production. Even though the product cost is a small fraction of total BOM, its impact on yield and quality allows **significant ROI for dairy processors**, making it a sticky, high-margin product for CFSL.

Ezential 4001 is primarily a **functional blend** designed to **improve coagulation, yield, and texture** in paneer and similar fresh cheeses. It ensures consistent curd formation, reduces whey losses, and enhances the firmness and sliceability of the final product.

Key benefits in paneer-making:

- **Consistent coagulation:** Ensures uniform curd set across batches, even with variability in milk quality or temperature.
- **Higher yield:** Minimises whey separation and curd shrinkage, boosting paneer yield per litre of milk.
- **Improved texture:** Results in a soft, smooth, yet firm curd ideal for block paneer, cubes, or culinary applications.
- **Processing ease:** Reduces time for coagulation and simplifies handling during pressing and packaging.
- **Shelf stability:** Helps maintain moisture and prevents premature hardening during storage.

Typical usage:

- **Dosage:** Usually **0.1–0.2% of milk volume** depending on milk quality and desired firmness.
- **Method:** Added to milk prior to coagulation or mixed with coagulant to ensure uniform distribution.

Revenue potential of Ezential™ 4001 in paneer production (India)

Based on its functional benefits, Ezential 4001 pricing could rise to Rs500/kg, assuming a 50:50 split of value capture between dairy manufacturers and CFSL. Current usage and market assumptions are as follows:

- Milk-to-paneer conversion: ~10 litres of milk → 1kg of paneer.
- Ezential 4001 dosage: 0.15% of milk volume (mid-point of 0.1–0.2%).
- Milk density: ~1kg/L → 10kg milk → 1kg paneer.
- Price of Ezential 4001: ~Rs500/kg based on value split; current market price in India is Rs325/kg.
- Addressable market: ~4% of India's paneer market is organised and can adopt Ezential; total Indian paneer market ~3.2mt.

Using these assumptions, potential annual revenue for Ezential 4001 in India is ~Rs0.65bn. This highlights the high-value nature of the product and the upside potential if pricing aligns with its functional benefits.

Vinpai is a game changer for CFSL as it offers a portfolio of over 3,000 clean-label and natural products for the company ➤

Vinpai materially accelerates CFSL's transition from a primarily antioxidant-led portfolio to a **broad-based clean-label and natural solutions platform**. With a catalogue of ~3,000 plant-based, natural, and label-friendly ingredients—spanning texturisers, functional blends, natural flavours, colour solutions, and nutritional actives—Vinpai gives CFSL instant depth in categories that are structurally growing faster than synthetic additives. Building this organically would have taken years of R&D and customer approvals.

Strategically, Vinpai complements CFSL's existing brands—Xtendra (synthetic antioxidants), Nasure (natural antioxidants), and Ezential (high-value functional blends)—by **filling the clean-label gap** demanded by global food manufacturers. This allows CFSL to cross-sell higher-value solutions to its existing customer base, move up the value chain, and participate in customer-led reformulation cycles driven by regulatory pressure and consumer preference for natural ingredients.

From a business-quality perspective, Vinpai strengthens **entry barriers and margin durability**. Clean-label and natural products typically have lower BOM share but high formulation and application dependency, leading to long approval cycles and strong customer stickiness. As a result, Vinpai not only expands CFSL's addressable market but also improves the company's strategic positioning as a **solutions partner rather than a commodity ingredient supplier**, supporting sustainable growth and higher return profiles over time.

The total portfolio details of Vinpai are given below ➤

Figure 12: Vinpai offers unprecedented flexibility to CFSL to develop as a natural, clean-label dairy additive and flavour producer

Segment	Product Family / Platform	Example Products	Key Use Cases / Functional Benefit
Food Functional Ingredients	VIN'AROMA	Natural savoury, dairy, umami, vegetable flavours (liquid & powder)	Clean-label flavouring for sauces, soups, ready meals, cheese, dairy analogues
	VIN'FIBRA®	Plant & algal fibres	Texture, water binding, yield improvement, fat reduction, gluten-free structuring
	VIN'EMULSIO®	Natural emulsifier systems	Emulsification & stability in sauces, mayonnaise, ice cream, dairy
	CIMAGEL	Algal gelling & texturising agents	Gel formation, mouthfeel, structure in dairy, desserts, plant-based foods
	V-SALT	Salt reduction solutions	Sodium reduction without taste loss; clean-label reformulation
	VIN'MISCEO – Plant-based platforms	Mozz'Alpa (plant-based mozzarella), cheese & dairy analog bases	Turnkey solutions for plant-based cheese and dairy alternatives
	VIN'MISCEO – Dressings & sauces	Ready-to-use sauce and dressing bases	Simplifies formulation; clean-label texture and flavour
	VIN'MISCEO – Sweet & bakery	Cake mixes, fillings	Natural texture, moisture retention, flavour enhancement
	VIN'MISCEO – Meat & savoury bases	Functional bases for meat analogs	Structure, juiciness, flavour carry
Dairy-Focused Applications	Vin'Curd+ / Cheese enhancers	Natural cheese-making and curd optimisation solutions	Yield improvement, texture control, process consistency in cheese & paneer
	Algal texturisers & fibres	CIMAGEL, VIN'FIBRA®	Body, firmness, moisture control in yoghurt, cheese, paneer
Favours	Flavour systems	VIN'AROMA dairy notes	Masking off-notes; flavour standardisation
Nutraceuticals / Supplements	VIN'NUTRA OSPS®	Ocean sulfated polysaccharides	Immune, gut, and metabolic health
	VIN'NUTRA OETE®	Ocean essential trace elements	Mineral nutrition
	VIN'NUTRA OFBI®	Ocean fibre biomic ingredients	Prebiotic and gut health
	VIN'NUTRA OEAA®	Ocean essential amino acids	Protein & nutrition support
	VIN'NUTRA OUFA®	Ocean unsaturated fatty acids	Omega & lipid nutrition
	AROMALOGIE / Algatherapy	Essential oils & algae extracts	Functional wellness and aromatherapy
Cosmetics & Personal Care	Peel-off mask platforms	Detox, Radiance, Energy, Anti-age masks	Natural algin-based skincare treatments
	Cosmetic bases & actives	Algin powders, gels, botanical actives	Texture, film-forming, skin benefits
	Plant-based collagen & gels	Anti-age & hydration solutions	Clean-label skincare formulations
Medical / Technical Alginates	CIMALGIN®	Dental & moulding powders	Dental impressions, moulding
	Alginate patches	Cutaneous & hygiene patches	Medical and hygiene applications
	Oral & dental care alginates	Hygiene-grade alginates	Dental and oral care uses
Innovation & Pipeline	ULTRATEX CARE	Cold-process cosmetic texturiser	Energy-efficient cosmetic processing
	Vin'UV Protect	Mineral UV active	Non-nano, natural sun protection

SOURCE: INCRED RESEARCH, COMPANY REPORTS

Out of Vinpai's portfolio, a single product—Vin'Curd—has the potential to become a Rs4.3bn revenue opportunity in India alone if adopted at scale by a large customer such as Amul

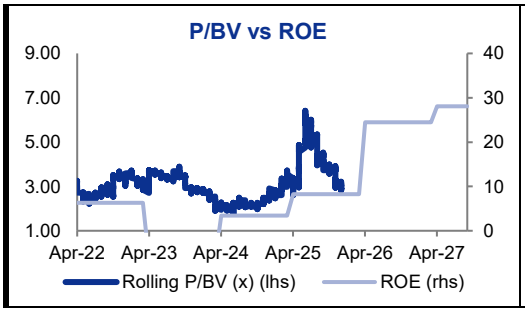
India's cheese market is estimated at ~120kt and is **100% organised**, making it highly addressable for value-added functional solutions. Vinpai's Vin'Curd can increase cheese yields by up to **30%**, with a dosage requirement of **~3.6% at the milk level** (i.e., ~36kg of Vin'Curd per tonne of milk processed).

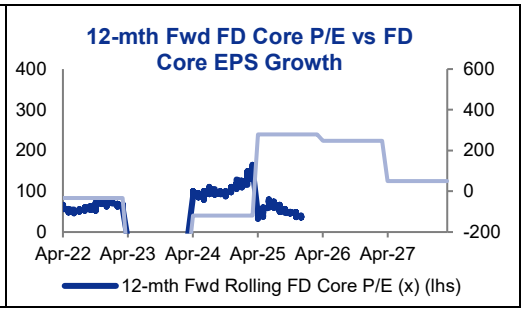
Assuming an average cheese realisation of **Rs700/kg**, and that CFSL captures **30% of the incremental value** created through higher yields, Vin'Curd can be **priced at ~Rs1,750/kg**. While pricing power could increase over time as adoption deepens and customer dependence rises, **Rs1,750/kg represents an attractive and pragmatic entry price** to drive initial scale-up.

On this basis, the **addressable organised market for Vin'Curd in India alone is estimated at ~Rs4.3bn**, highlighting the significant monetisation potential of a single high-impact functional dairy solution within CFSL–Vinpai's portfolio.

As of now, trials for Vin'Curd have not yet commenced in India. These trials are expected to begin over the next month or so, following which the product will also be taken through the FSSAI approval process. Successful completion of trials and regulatory clearance will be key milestones for commercialisation in the Indian market.

BY THE NUMBERS





Profit & Loss

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Net Revenues	**16,131**	**16,665**	**19,159**	**24,857**	**28,273**
Gross Profit	**6,994**	**8,173**	**8,974**	**12,143**	**14,139**
Operating EBITDA	**739**	**1,790**	**1,693**	**3,993**	**5,631**
Depreciation And Amortisation	(786)	(638)	(604)	(580)	(720)
Operating EBIT	**(47)**	**1,152**	**1,090**	**3,413**	**4,911**
Financial Income/(Expense)	(603)	(999)	(634)	(488)	(488)
Pretax Income/(Loss) from Assoc.		4			
Non-Operating Income/(Expense)	156	145	323	500	700
Profit Before Tax (pre-EI)	**(494)**	**302**	**779**	**3,425**	**5,123**
Exceptional Items	(498)	(98)			
Pre-tax Profit	**(992)**	**204**	**779**	**3,425**	**5,123**
Taxation	(56)	(1)		(692)	(1,035)
Exceptional Income - post-tax					
Profit After Tax	**(1,049)**	**203**	**779**	**2,733**	**4,088**
Minority Interests					
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	**(1,049)**	**203**	**779**	**2,733**	**4,088**
Recurring Net Profit	(551)	301	779	2,733	4,088
Fully Diluted Recurring Net Profit	**(551)**	**301**	**779**	**2,733**	**4,088**

Cash Flow

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
EBITDA	739	1,790	1,693	3,993	5,631
Cash Flow from Invt. & Assoc.					
Change In Working Capital	317	(1,288)	(432)	(1,549)	(929)
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	1,171	(21)			
Other Operating Cashflow	241	1,167	647	1,000	1,400
Net Interest (Paid)/Received	(603)	(999)	(634)	(488)	(488)
Tax Paid	(475)	(382)		(692)	(1,035)
Cashflow From Operations	**1,390**	**267**	**1,273**	**2,264**	**4,579**
Capex	(606)	(424)	(597)	(597)	(794)
Disposals Of FAs/subsidiaries	6				
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	(65)	(337)			
Cash Flow From Investing	**(665)**	**(761)**	**(597)**	**(597)**	**(794)**
Debt Raised/(repaid)	252	(560)		(500)	(500)
Proceeds From Issue Of Shares	6	2			
Shares Repurchased					
Dividends Paid	(281)				
Preferred Dividends					
Other Financing Cashflow	(836)	(166)	(323)	(500)	(700)
Cash Flow From Financing	**(860)**	**(724)**	**(323)**	**(1,000)**	**(1,200)**
Total Cash Generated	(135)	(1,218)	353	667	2,585
Free Cashflow To Equity	**977**	**(1,054)**	**676**	**1,167**	**3,285**
Free Cashflow To Firm	**1,328**	**505**	**1,311**	**2,155**	**4,273**

SOURCE: INCRED RESEARCH, COMPANY REPORTS

BY THE NUMBERS…cont'd

Balance Sheet

(Rs mn)	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Total Cash And Equivalents	935	1,421	1,774	2,441	5,026
Total Debtors	2,852	3,282	3,773	4,895	5,568
Inventories	5,127	5,269	5,774	7,491	8,521
Total Other Current Assets	1,093	1,862	1,862	1,862	1,862
Total Current Assets	**10,007**	**11,834**	**13,184**	**16,690**	**20,978**
Fixed Assets	8,023	6,536	6,529	6,546	6,620
Total Investments	79	230	230	230	230
Intangible Assets	596	577	577	577	577
Total Other Non-Current Assets	813	1,061	1,061	1,061	1,061
Total Non-current Assets	**9,511**	**8,403**	**8,397**	**8,414**	**8,488**
Short-term Debt	3,249	3,773	3,773	3,773	3,773
Current Portion of Long-Term Debt					
Total Creditors	3,246	3,772	4,337	5,626	6,400
Other Current Liabilities	827	917	917	917	917
Total Current Liabilities	**7,323**	**8,462**	**9,027**	**10,316**	**11,090**
Total Long-term Debt	3,327	2,683	2,683	2,183	1,683
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	178	257	257	257	257
Total Non-current Liabilities	**3,506**	**2,940**	**2,940**	**2,440**	**1,940**
Total Provisions	119	88	88	88	88
Total Liabilities	**10,948**	**11,490**	**12,055**	**12,844**	**13,118**
Shareholders Equity	8,648	9,017	9,799	12,533	16,621
Minority Interests	(78)	(269)	(269)	(269)	(269)
Total Equity	**8,570**	**8,748**	**9,531**	**12,264**	**16,352**

Key Ratios

	Mar-24A	Mar-25A	Mar-26F	Mar-27F	Mar-28F
Revenue Growth	(4.1%)	3.3%	15.0%	29.7%	13.7%
Operating EBITDA Growth	(64.0%)	142.2%	(5.4%)	135.8%	41.0%
Operating EBITDA Margin	4.6%	10.7%	8.8%	16.1%	19.9%
Net Cash Per Share (Rs)	(30.01)	(26.79)	(24.39)	(18.32)	(2.24)
BVPS (Rs)	46.00	47.96	51.05	65.29	86.59
Gross Interest Cover	(0.08)	1.15	1.72	7.00	10.07
Effective Tax Rate		0.3%		20.2%	20.2%
Net Dividend Payout Ratio					
Accounts Receivables Days	66.72	67.17	67.21	63.65	67.54
Inventory Days	215.90	223.40	197.85	190.41	206.74
Accounts Payables Days	122.45	150.82	145.29	143.01	155.27
ROIC (%)	(0.3%)	8.0%	7.8%	19.0%	24.7%
ROCE (%)	(0.3%)	7.6%	7.0%	19.9%	24.5%
Return On Average Assets	0.4%	6.5%	6.8%	13.4%	16.4%

SOURCE: INCRED RESEARCH, COMPANY REPORTS

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Stock Ratings	Definition:
Add	The stock's total return is expected to exceed 10% over the next 12 months.
Hold	The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce	The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings	Definition:
Overweight	An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral	A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight	An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings	Definition:
Overweight	An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral	A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight	An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.