

PI Industries Ltd.

Investor Presentation

July, 2021

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Performance Highlights Q1'FY22

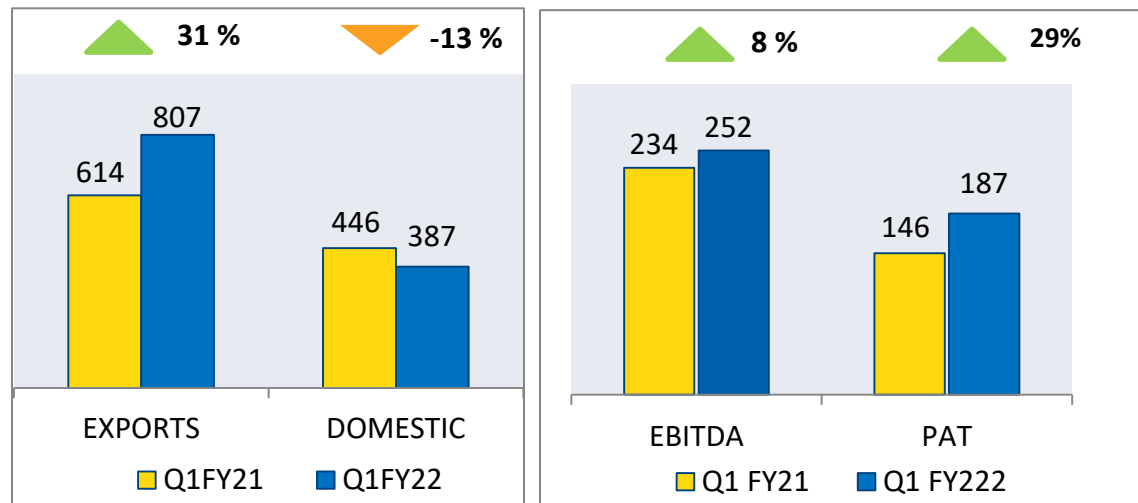
Growth continues in Q1'FY22

YoY Revenue up by 13%, EBITDA by 8%, PAT by 29%



CONSOLIDATED

Fig in Crores	Q1FY21	Q1FY22	% YOY
Revenue	1060	1194	13%
Gross Margin	42%	44%	174bps
Overheads	216	274	26%
EBITDA	234	252	8%
EBITDA as % Revenue	22%	21%	(100)bps
Net Profit	146	187	29%



- ✓ **13%** Y-o-Y revenue growth primarily driven by:
 - ~**31%** growth in Exports contributed by strong volume growth in key products
 - Domestic business impacted due to higher base and delayed monsoon
- ✓ Gross Margin improved by 1.7% with change in product mix in domestic business
- ✓ Overheads increase of 26% is mainly attributable to one-time expenses pertaining to Covid Management and consulting fee and other costs pertaining to several strategic projects
- ✓ EBITDA improved by 8% YoY, however, the quarterly margin %age softened mainly on account of increase in overheads
- ✓ Net profit improved by 29% YoY with lower ETR

Strong liquidity position

showing resilience & growth appetite



(Rs in Cr.)	Jun-21	Mar-21	Jun-20
Shareholders' Funds	5,526	5,342	2,790
Non Current Liabilities	381	403	598
Long-term borrowings	238	257	469
Other long-term liabilities	143	146	129
Current Liabilities	1607	1257	1,390
Short – term Borrowings	95	70	43
Trade payables	1029	796	921
Other current liabilities	483	391	426
TOTAL	7,514	7,002	4,778
Non Current Asset	2,534	2,509	2,226
Net Fixed Asset	2,365	2,343	2,076
Good Will	83	83	83
Non-current investments	24	21	7
Other Assets	62	62	60
Current Asset	4,980	4,493	2,552
Inventories	1,274	1,053	948
Trade receivables	930	852	831
Cash, Bank & Investments	2,526	2,327	609
Other assets	250	261	164
Total	7,514	7,002	4,778
Key Ratios (%) (Annualised)	Jun-21	Mar-21	Jun-20
Net Sales to Fixed Assets	1.95	1.89	1.96
Net Sales to Working capital	4.06	4.13	4.94
Debt/Equity Ratio	0.06	0.06	0.18

- ✓ *Net sales to Fixed Assets ratio improved to 1.95 (Jun'21) Vs 1.89 (Mar'21)*
- ✓ *Positive operating Cash flow of Rs. ~250 crore*
- ✓ *Increased inventory levels to avert supply chain disruptions*
- ✓ *Surplus cash net of debt of Rs. ~2,193 crore (including QIP proceeds)*
- ✓ *QIP funds remains invested into deposits and debt mutual funds with SLR philosophy while final deployment aligned with PI's longer term growth strategy is underway*

Key Operational Highlights Q1'FY22

Progress on strategic initiatives continues for sustained growth



Capacity Build-up

- Capacity enhancement up to ~5%
- Agreements on non-conventional energy sources



Farm Application Services

- Additional machines procured
- Strategic partnership with a manufacturer of international repute exclusively for service



New Enquiry/ Scale-up

- 3 new products commercialized for exports
- >30 active enquiries at different stages



Digitalization, Process Improvements

- Deployed Track and Trace System for QR coding
- Implemented Golden Batch project



Customer Acquisition & Order book

- Initiated relationships with new customers in agrochemicals, electronic chemicals & other specialty chemical domains
- Order book position > \$1.5 billion



Product Penetration

- Aggressive placement of rice herbicide (Nominee Gold) maintaining the premium over generics
- Expansion of herbicide business in Corn
- Molluscicides expansion in horticulture segment



Technology Scaleup

- Flow chemistry pilot facility operational
- Enzyme mediated synthesis of one product in pilot phase
- Implemented technology to improve solvent recovery



Human Capital and Culture

- Vaccination drive for all employees completed
- Induction of new leaders for pharma integration
- Udbhav – talent identification and development program completed



New Product Launch

- 1 new product launched (fungicide for Sheath Blight control)

Business outlook remains robust

Targeted expansion backed by solid growth visibility to support momentum
Continuous focus on new strategic initiatives to elevate performance



Domestic :

Focus on portfolio diversification with launch of novel offerings

- Business outlook remains positive backed by normal monsoon for 3rd year in a row
- 3 new products expected to be launched in Q2 which would strengthen the position in rice, cotton and horticulture portfolio
- Products transition to new packaging in ~Q2, to improve efficiency & branding

CSM Export:

R&D focused approach to drive incremental business

- ~6 new molecules planned to be commercialized in FY22. Commissioning of 3 new molecules is under progress
- Another MPP planned to be made ready by Q2 FY22
- Order book continues to remain robust @ \$1.5bn with high visibility of sustainable growth for the next 3 years

Efforts to drive strategic initiatives continues

- Value-driven strategic acquisition of API & Intermediate business undertaking of Ind-Swift Laboratories Limited and creating a differentiated scale play in pharma
- Evaluating & negotiating complementary technology partnerships
- Investing in a new R&D facility for deepening our technological capabilities, de-risking current operations and opening up newer opportunities

PI's product research efforts yielding promising results!!

- Two promising leads; one novel fungicide and a novel broad spectrum insecticide, having sizable potential market opportunity progressing to development phase
- Both have shown promising results in the initial evaluations
- Discussions are underway with global innovators for development partnership

Maintain original guidance of >15% revenue growth in FY22 and resolutely progressing on that path

ESG principles deeply rooted in PI's culture and way of doing business



- CII-National Award for 'Excellence in Water Management 2020'
- 99 out of 100 score on TfS assessment - won customer award
- Accredited environmental management systems & infrastructure
- Established processes for crisis management



- Gold Star Rating: Ecovardis Survey
- Effective recycling & recovery of by-products and solvents to minimise waste
- Continued program for water and energy conservation and climate change management
- Controlled fugitive emissions with VOC system

- Effective and diversified Board with majority of Independent directors
- Separate role for independent Chairman & MD
- Robust information & cyber security infrastructure / ISO 27001 certification
- Effective risk assessment based on ERM systems
- Stringent guidelines around code of conduct and coverage
- Disclosure of material issues
- Solid innovation management



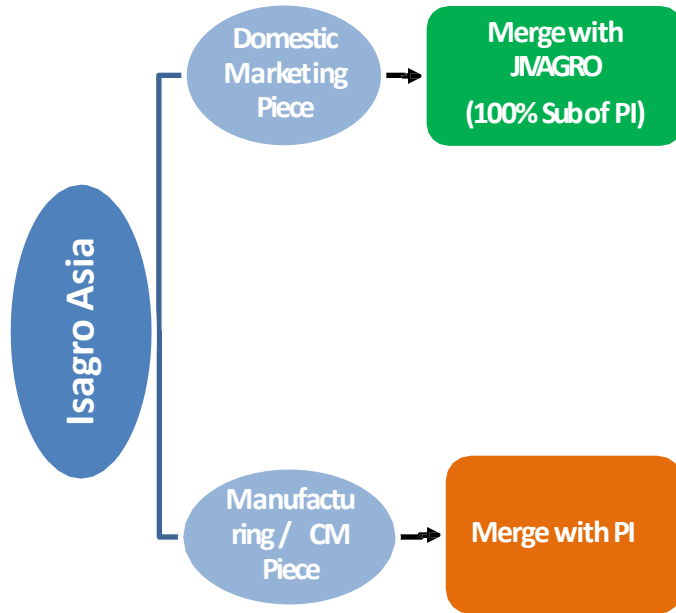
- Won Global Excellence HR Award 2020
- Won CSR Program of the Year Award (DSR – water conservation initiative)
- Committed to Responsible Care® and Human Rights
- Known in the industry for OH&S practices
- Industry leading practices on talent attraction and development
- CSR projects for women empowerment
- Empowerment of farmers, scaling-up farm services, influencing the adoption of science-led agriculture practices

Integration of acquired business of Isagro progressing as per plan

Long term plan in place to unleash full potential



The Plan



Merger activities are expected to get completed in Q3 FY22

Our Aim

JIVAGRO

- To be one of the leading players in the horticulture segment in India
- >25% CAGR growth over next 4-5 years

MFG SITE

- Augment and repurpose from current mfg set up from pharma and pilot plant perspective
- Enhance capacity utilization from current ~50% in Q4 FY21 to >80%

Current Update

- NCLT demerger order received, **the integration of Isagro & Jivagro has been successfully accomplished**
- **PAN India sales permission** on Jivagro brand name has been obtained and back end IT & regulatory integration has been completed
 - Jivagro products available **in new packs in Q2 FY22**
- Jivagro will introduce **12 co-branded and 2 new products** in Q2 FY22
- 1 pipeline product of PI's exports commercialized in Q1 FY22 & ~3 to be commercialized in FY22
- Major synergies with PI's neighboring operations in infra & utilities are being worked out as per plan
- Capacity utilisation in Q1 FY22 at Isagro facility significantly improved to more than 80%

Our Purpose :

“To secure goodness of horticulture through innovative, sustainable solutions and partnerships”

Our Mission :

“To be a specialized Horticulture Crop Solution provider with Industry leadership”

Our Values :



Our ace Brands :



Our Approach :

- ✓ Winning portfolio providing end-to-end crop solutions, anchored in specialty products & biologicals
- ✓ Expertise based digitally enabled front-end
- ✓ Leverage inorganic growth opportunities

Proactive initiatives contained Covid-19 disruption

SOPs in place with regular reviews / vigilant oversight to ensure safety of employees and continuity of operations



SOPs have been instituted to focus on **alleviation of suffering of the citizenry, reassurance of customer base and maintenance of business momentum**

Stringent protocols for streamlining operating and non-operating processes are in place. Workplace hygiene and safety steps have been taken to underline minimal disruption to routine functionality

Customer commitment is a hallmark of our business approach. Through pro-active communication clients are being reassured and their needs are getting assessed, in real-time basis. Deployment of digital methods last year helped achieve **connect with farmers** and key constituents of the distribution chain, these are being activated again

Manufacturing facility level processes have been augmented. **Inventories of critical feedstock and ingredients are being optimally maintained such that the chain of dispatches remains un-broken.** Measures to attend to the needs of the associated workforce are also in place

Government-based organizations and NGOs are being supported to mitigate hardships and facilitate care, where it is most required. Various employee welfare initiatives such as **providing insurances, vaccination drives, safe employee bio-bubble, oxygen concentrators/cylinders, salary advances, etc.** are also undertaken



Doing our bit to support govt effort and communities around us to fight Covid-19



Setting-up of 5 Oxygen Generation Plants

- Amidst the deadly second wave coupled with shortage of medical oxygen, PI Industries quickly rolled out for setting up of 5 **oxygen generation plants** across 5 **hospitals** in Gujarat, Rajasthan and Delhi

Provision for Oxygen Concentrators

- Financial assistance to the Udaipur Chamber of Commerce and Industry (UCCI) for procuring **oxygen concentrator** machines during this crisis

Financial assistance in setting up Covid Isolation Centres

- Provided 50 **beds** and requisite **medical equipment** to **Covid-19 Isolation Centre** at Jambusar & assistance to Vasant Vihar Welfare Association, New Delhi for running **Covid Isolation Centre**

Assistance to procure CT Scan machine

- Financial assistance to Arogya dham Hospital, Gwalior to procure **CT Scan machine** to facilitate better diagnostics & treatment for Covid 19 patients

Support of Medicines for Underprivileged

- Financial assistance to Rotary welfare Trust, Bharuch for procuring **expensive lifesaving medicines** to support the underprivileged community

Awareness Campaigns

- 3 Mobile Med. Vans**
- Community outreach programs covered **>20,000 people in 64 villages**
- ~300 people are screened daily

PI Volunteers for community support

- PI employees are volunteering to support the community (family and friends of employees) by forming self-help groups that are working round the clock to provide assistance in sharing updated and verified information



Corporate Overview & Strategy Recap..

Our Vision & Values



VISION

“Building on the foundation of trust, we shall be at the forefront of science-led opportunities by delivering innovative solutions.”

VALUES



TRUST

Like the earth, we are dependable. We work with integrity of purpose, honesty in action and fairness in all our dealings



SPEED

Blazing ahead, like fire, we constantly strive to work with speed in the way we observe, think and act



INNOVATION

Enlivening, like the air, in the constant quest for the horizon, the never-ending search for a better, newer way to do things; Innovation, for us, is a way of life



ADAPTABILITY

Adaptive, like water, we are constantly transforming ourselves. Being nimble footed, we are highly responsive to change

PI's value proposition



Favorable dynamics driving Indian chemical industry growth

Business model ready to go beyond Ag-Chem

Offerings across the value chain driven by strategic partnership

Strong tangibles: R&D, manufacturing, extensive network of intangibles: Brands

Quality governance, talent & learning skills

Performance over a long term period

1

- Global specialty chemicals market expected to grow at 5.4% CAGR¹
- Increasing focus on CSM as innovators shift focus to core competencies, developing new active ingredients and outsource production
- M&A activities boosting specialized CSM players
- Emerging new areas of innovation such as batteries, coatings, etc.
- Global supply chain risk diversification: China facing issues – pollution, trade wars, safety issues

2

- Business built on end-to-end partnerships with global innovators
- ~90% CSM revenues from patented molecules; 60%+ domestic revenues from in-licensed molecules
- Proven capabilities in agrochemicals; now ready to be replicated across other chemicals segments
- FY22 started with **entry into pharma** via strategic acquisition of API & intermediates business undertaking of Ind-Swift Laboratories

3

- Integrated and innovative services to provide
- Comprehensive solutions by partnerships
- Relationships with 20+ global innovators built on IP protection

4

- Globally certified with use of Technology, 4 manufacturing facilities, 15 production blocks
- 5 formulation facilities
- R&D team of ~350 researchers and scientists
- Technology enabled distribution network and relationships with more than 2.5 million farmers/retailers

5

- Professionals with expertise across various technical and business functions
- Senior management team of qualified experienced professionals

6

- Revenue CAGR (FY18-FY21) of 25.6%²
- EBITDA CAGR (FY18-FY21) of 27.2%³
- Pre-tax RoCE of more than 20% over last 4 years⁴

Well positioned to capture value from changing market landscape

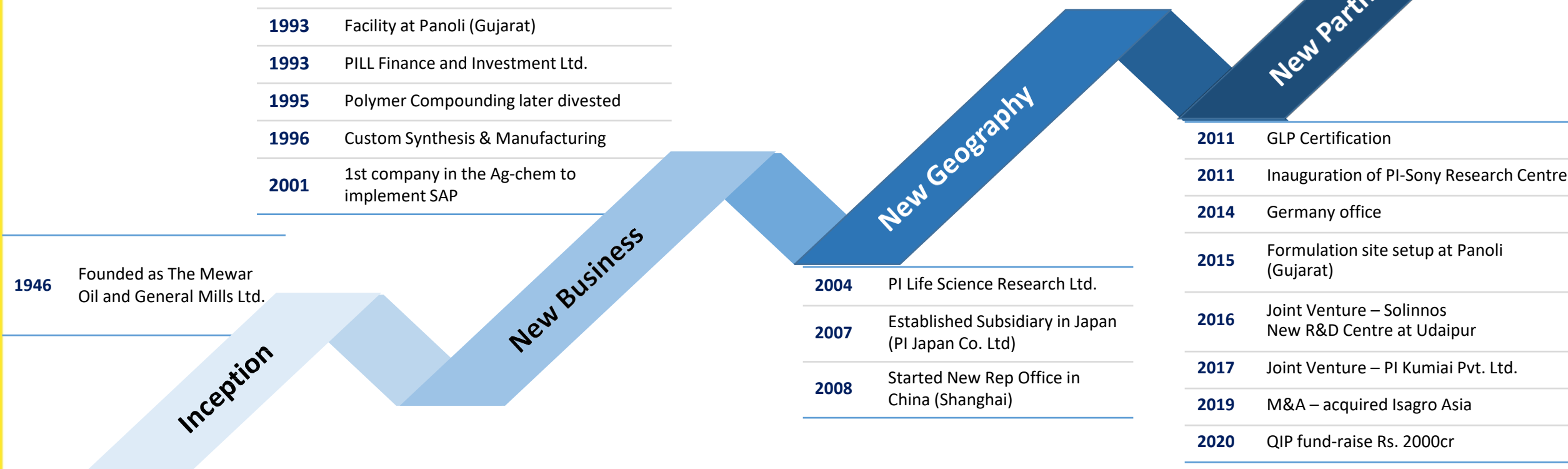
Note: (1) FY19-24 CAGR; Source: Frost & Sullivan; (2) Revenue = Revenue from operating - excise duty; (3) EBITDA = Revenue - Cost of Materials consumed - Purchase of Stock in Trade - Changes in Inventories of FG, WIP and stock in trade - Employee Benefits expense - Other Expenses; (4) Pre-tax RoCE = (EBITDA - D&A) / Average Capital Employed (CE); CE = Net Debt + Total Equity.

Track record of building several successful businesses, partnerships and industry leading brands



1961	Ag-Chem Formulation and Marketing
1971	Mining later hived off
1976	First Technical Manufacturing plant
1985	Energy Metering, later hived off
1992	Name Changed to PI Industries Limited
1993	Facility at Panoli (Gujarat)
1993	PILL Finance and Investment Ltd.
1995	Polymer Compounding later divested
1996	Custom Synthesis & Manufacturing
2001	1st company in the Ag-chem to implement SAP

1946 Founded as The Mewar Oil and General Mills Ltd.



2011	GLP Certification
2011	Inauguration of PI-Sony Research Centre
2014	Germany office
2015	Formulation site setup at Panoli (Gujarat)
2016	Joint Venture – Solinnos New R&D Centre at Udaipur
2017	Joint Venture – PI Kumiai Pvt. Ltd.
2019	M&A – acquired Isagro Asia
2020	QIP fund-raise Rs. 2000cr

Continuingly creating value propositions for the stakeholders

Business model built on the principles of respect for IP and established relationships



Domestic Brand Market

Leveraging our Pan India network, demonstrating brand building capabilities and experienced team to deliver in-licensed, branded generics & co-marketed products

IN-LICENSING

- Introducing new products, partnering with global innovators
- Ensure longer product cycles by brand building
- Develop solutions for the Indian Ag-chem Industry with the partnership approach

Leading Ag-chem Distribution Company in India with leading market share in certain crops

India's largest CRAMS Company with over 90% Revenue from Patented Products

Exports Market

Leveraging on chemistry process research and manufacturing capabilities catering to Global Innovators; Partnering for IP Creation.

Custom Synthesis & Manufacturing

- Early stages of their life cycles
- Complex Chemistries
- Process development
- IP Protection & Generation

R&D Partnership

SYNERGISTIC APPROACH

*Common Infrastructure
Develop knowledge, products, processes and experience in different complex chemistries
Cross-Selling Opportunities*

- State of the Art R&D facilities
 - ~350 researchers and scientists
 - Accredited for GLP and 'Norms on OECD Principles' by NGCMA

- To service its customers
- 1 R&D Facility
- 4 Manufacturing Sites
- Domestic Brand Distribution
 - 28 stock points
 - 10,000+ distributors
 - 70,000 retail points

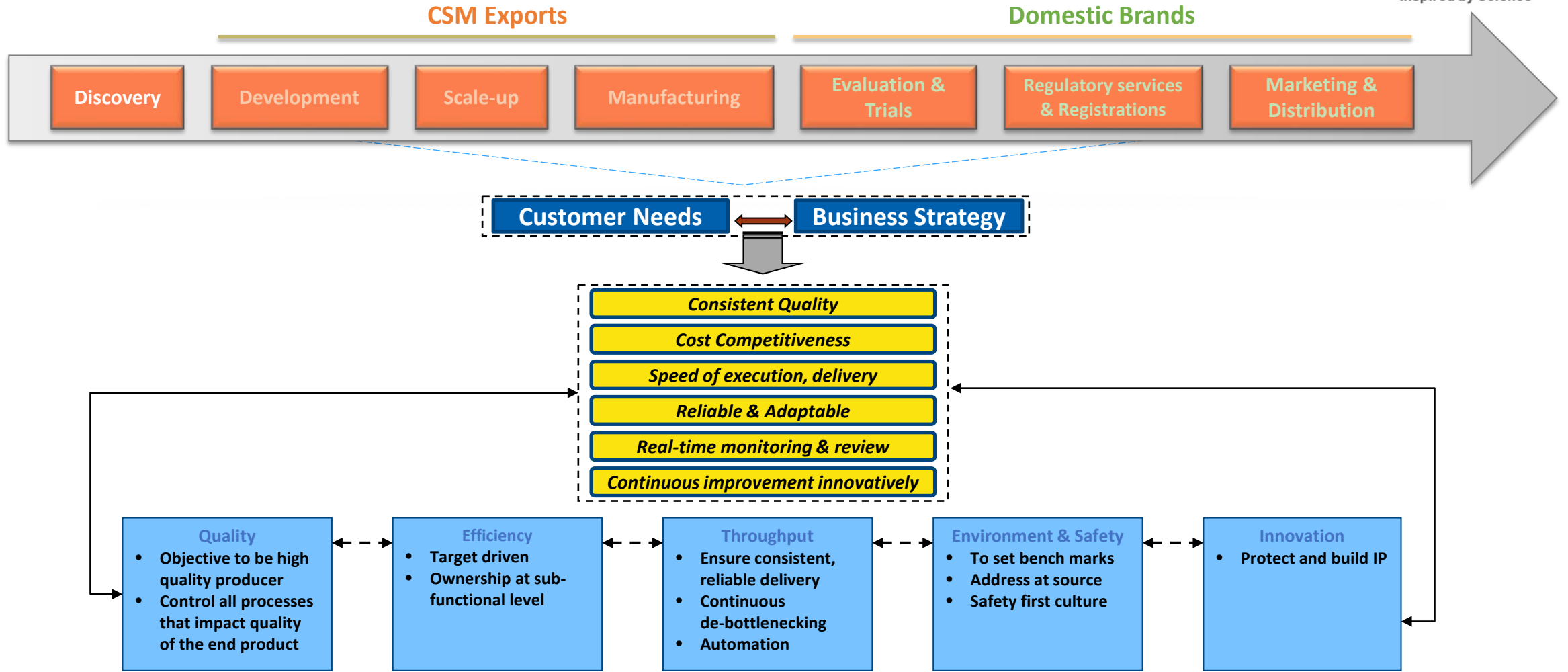
- 3 Global locations
- Japan for business development activities
- China for Sourcing
- Germany for Knowledge Management

Consistent track record of financial performance

Non conflicting business model ... well respected by Global Innovators as Partners !!!

Presence across the agchem value chain

Strong focus on customer needs and continuous innovation



Differentiated domestic distribution model

Driven by unique solutions thru global partnerships, brands building capabilities and market reach



More than 50 years Creating Market Leading Brands
Significant revenue from Brands Ranked No 1 or 2 in the market, Some brands are more than a decade old

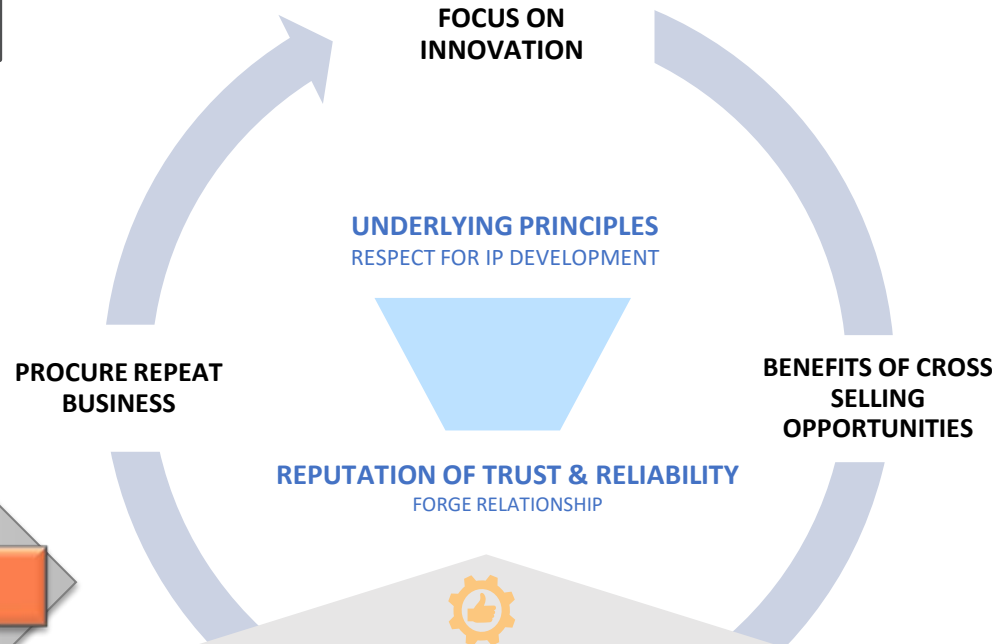
Strong Partner
 40+ years experience
 20+ Global Innovators

Strong Pipeline
 Molecules based on crop solutions and Indian needs

Farmers & Extensive Distribution Network
 28 stock points; 10K+ distributors; 70K+ retail points

- **Extension & product development & stewardship** (team experience in handling complex new-age premium chemistries)
- **Strong relationship with stakeholders**
- **Policy level by participation**

- **Crop solution approach focussing farmer & using ICT** (Information, Communication and Technology)
- **Organization structure empowered with digi tech** to support and demonstrate value delivery to farmers
- **Online analytics tools for farmers and employees**
- **Innovative Ideas and branding** for enhancing product life cycle
- **Experience of successfully managing transition of products from patented to generic**
- **Application services** for development & engagement



Digi-tech @Core

Engagement Efficiency Excellence



Crop Solutions



Farmers



Channel



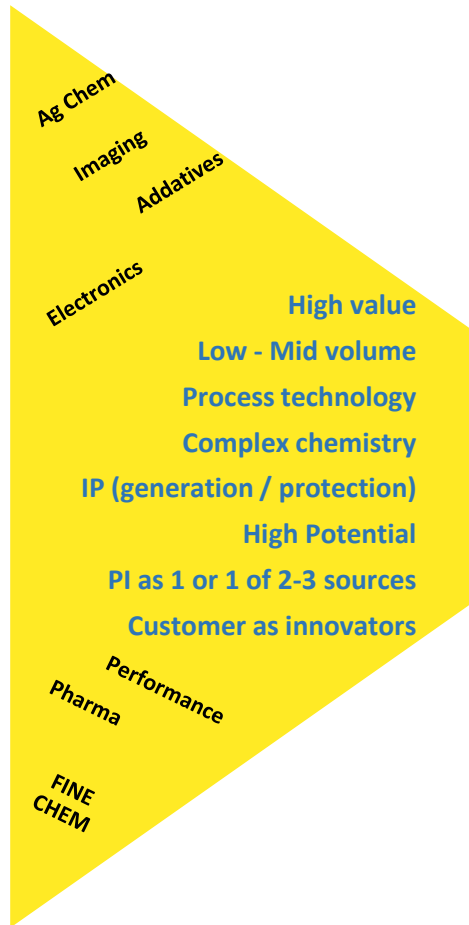
Enablers

Custom Synthesis & Manufacturing (CSM) model is centered around our technological capabilities, high sustainability quotient and world class infrastructure



To be the lifelong Partner of Choice for the Global Chemicals Industry by building innovative, knowledge based solutions through speed, efficiency, straightforwardness & just dealings, respect for intellectual property, society & environment

OUR FOCUS



Partner of Choice

Who

Niche player / boutique industry – leading supplier

How

- Longevity of meaningful engagement
- A marriage of competent equals
- Consultative solution rendering & outsourcing process
- Reliability of services

PI has all that is required to be the “Partner of Choice”

Solutions

Service Lines

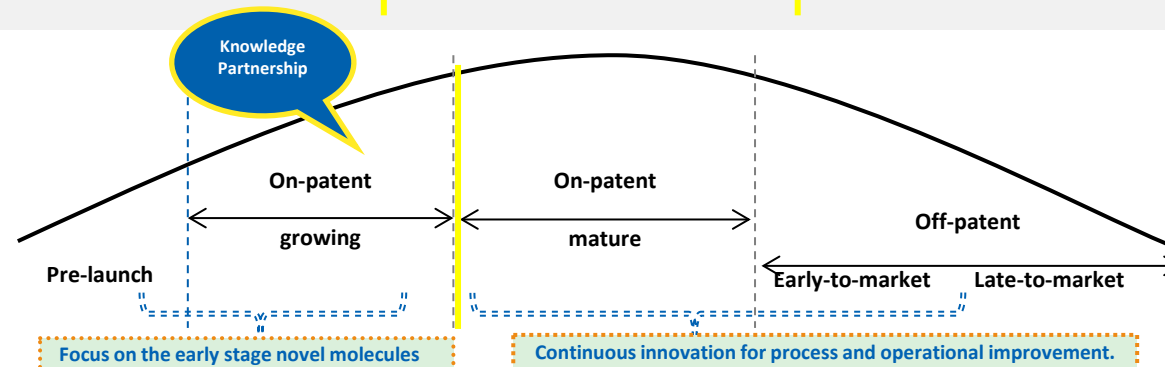
- Research & Development
- Analytical Research & Services
- Process Development
- Engineering
- Process Scale up
- Commercial Production

Characterized by

- Specifications with control limits
- Reliability & predictability
- Repeatability

In

- Technology
- Process
- Commercial operations
- Supply chain customer
- End applications

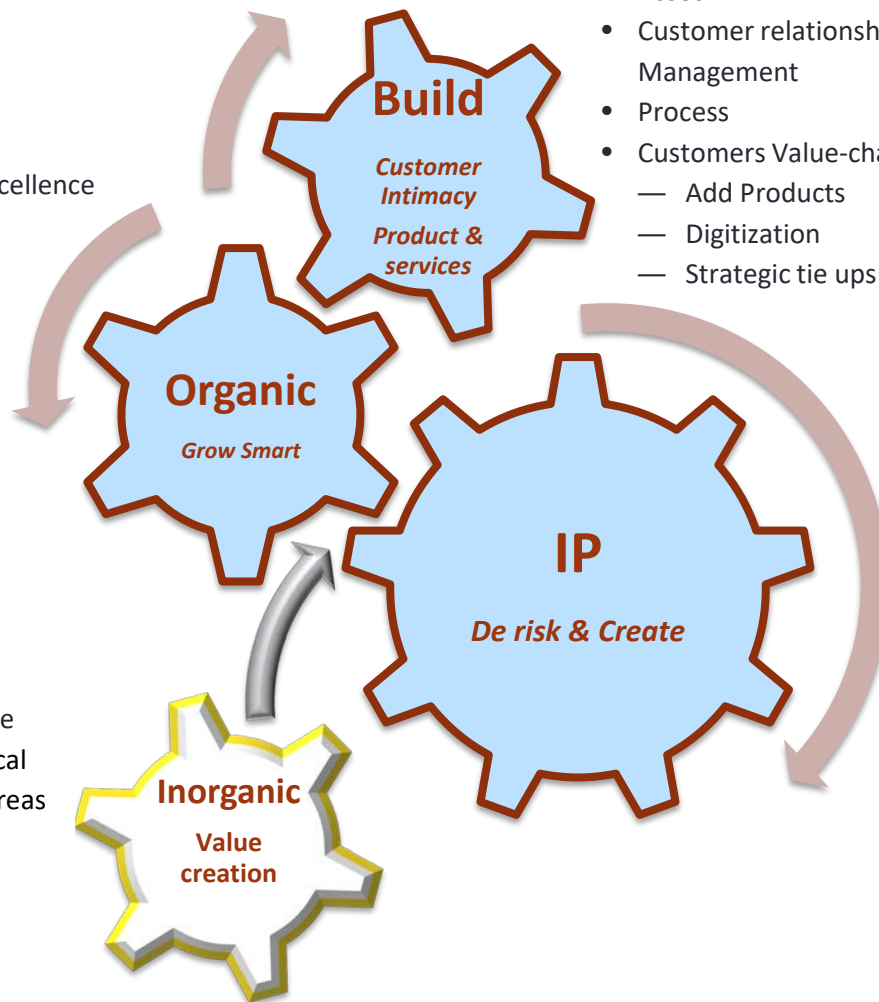


Global tailwinds offering opportunities for aggressive and multi-pronged growth strategy



Market

- Expansion
- Creation
- Segments
- Operation excellence
- Brands



- Asset
- Customer relationship Management
- Process
- Customers Value-chain
 - Add Products
 - Digitization
 - Strategic tie ups

Inorganic...

- Value added Technology
- Products Assets
- Niche vertical with a future Pharma / Specialty chemical
- High growth application areas having synergy
- Disruptive technologies in chemistry & process engineering

De risk	Create
<ul style="list-style-type: none"> • Manufacturing concentration • New formulation of existing products • Biological 	<ul style="list-style-type: none"> • Process Innovation • Biological process development • Formulation Combinations with Partners • New formulations - • Digital Customer engagement
<p><i>Process</i></p> <ul style="list-style-type: none"> • Chemistry • Block Builders • Process engg. • Flow 	
<p><i>Digital</i></p> <ul style="list-style-type: none"> • Information integration • Decision tools 	

Deepening our technological capabilities to open new horizons

Prudent financial management in place to ensure that long term shareholder value creation remains at the heart of the strategy...

Domestic agri input market is expected to grow fast and PI is well positioned to capitalize this opportunity

8-10% projected CAGR
between 2020 to 2025

Ingredients in place for PI to capitalize this
opportunity

**Strong novel offerings
with focus on in-licensing**



3 / 4 exclusive launches

- 25+ products in the pipeline
- Supported by new product launches

**Dedicated verticals for
horticulture crops through
Jivagro**

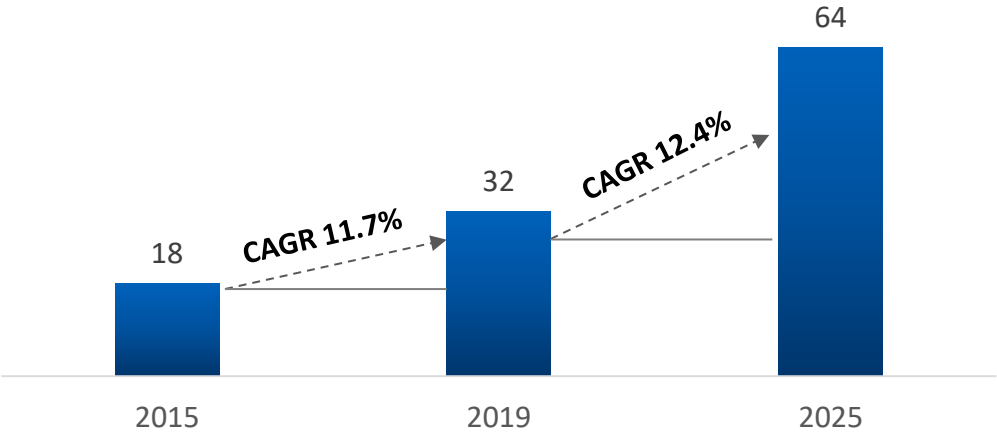
- >25% CAGR growth estimated over next 4-5 years

- Extensive Distribution Network
- Robust brand building capabilities
- Leadership position in key crops

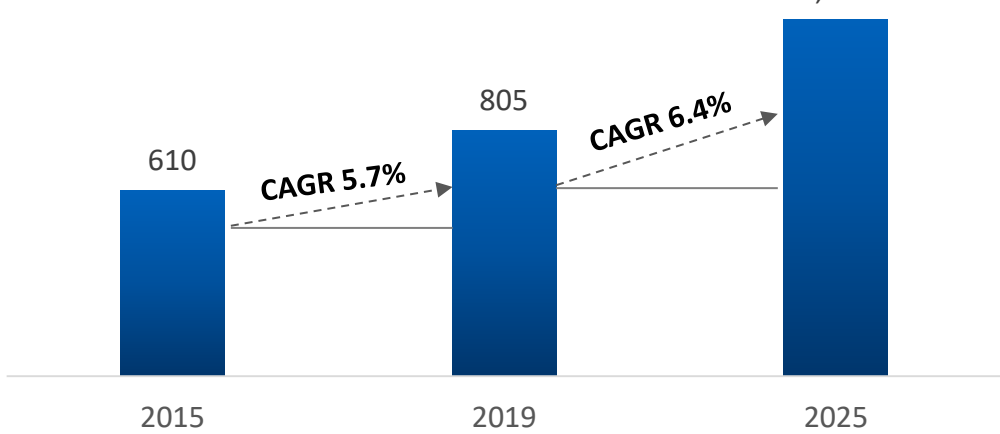
With Indian gaining good market share of the global Specialty Chemical market, PI is consolidating its position with diversification into adjacencies



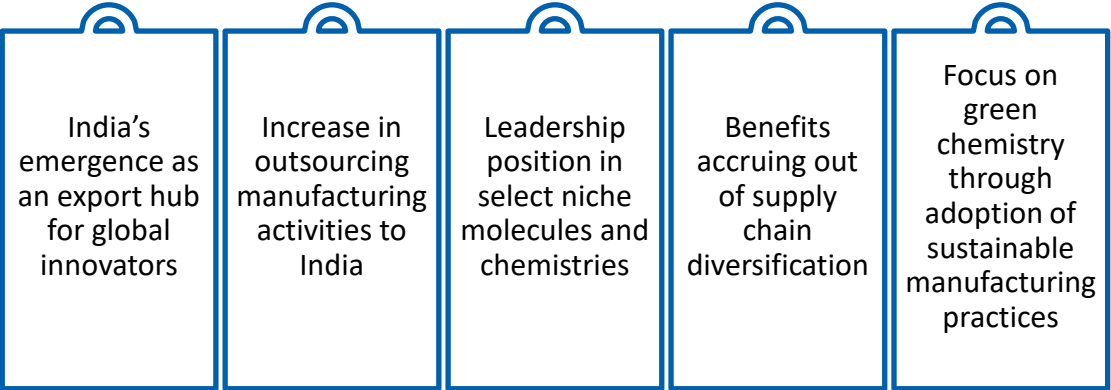
Indian Specialty Chemicals Industry size (USD bn)



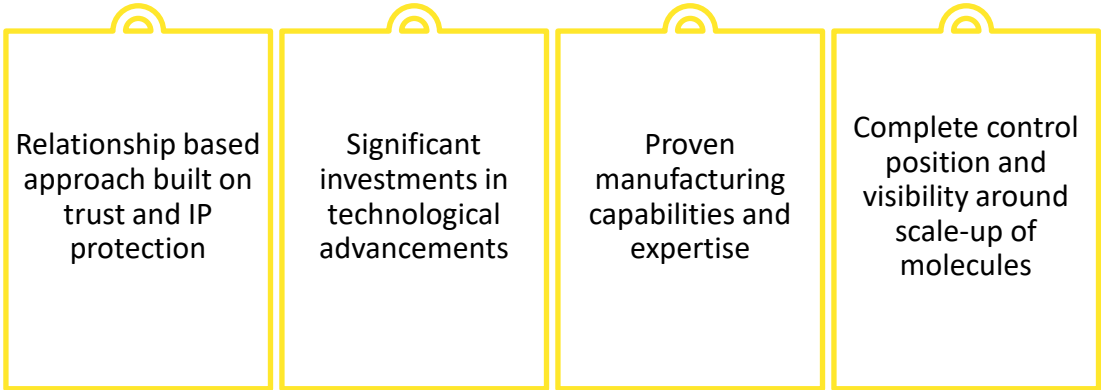
Global Specialty Chemicals Industry size (USD bn)



Factors that will elevate growth for Indian Companies



Advantage PI Industries



Source: FICCI Report on Indian Speciality Chemicals Industry

Our CSR efforts have focused on Community welfare & Environment



PI's CSR strategy focuses on:

- Creating a positive impact for marginalized communities via environmentally sustainable approach
- Interventions align with several Sustainable Development Goals (SDG)
- Continuous life cycle evaluation of products and product stewardship to minimize eco-impact

Implementation

Sustainable Agriculture Practice

700K+ Hectares of Farmlands benefitted by DSR technique thereby saving **1.7 trillion** litres of Water annually

Healthcare, Hygiene and Sanitation Interventions

100K+ Lives impacted using Mobile Healthcare Vans under PI's 'Swasthya Seva' Initiative and Blood Bank services

Women Empowerment

15K+ Women across **82** villages in Bharuch Area benefitted through PI's women empowerment program

Education Interventions

18K+ Govt. school children across **125 Schools** benefitted through PI's Learning Enhancement Programmes

Skill Development

2.0K+ Youth employed through large scale Skill Development Programmes

Key Programmes and Initiatives

- **Water conservation** through sustainable agriculture practices & farm engagement activities
- SWASTHYA Seva Initiative - Aim to provide access to preventive, promotive & curative **health care** to underprivileged
- Learning **enhancement programmes** for government school children in 135 schools
- Certified **vocational training** & employability linked skill enhancement program for underprivileged youth
- **Entrepreneurship development** & livelihood promotion through sustained agriculture, dairy value chain & skill training for rural women
- **Community Drinking Water** Initiative and construction of school toilets





Thank You

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