

PI Industries Ltd.

Investor Presentation
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AGENDA

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- Financial Performance
- CSM Exports
- Domestic Agri Brands
- Business Model and Strategy
- ESG Credentials
- CSR Update

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Robust growth momentum continues...



Inspired by Science

Figures in Rs Million

	Revenue		EBITDA		PAT	
Q2FY23	17,700	↑ 31%	4,331	↑ 49%	3,348	↑ 46%
YTM 6MFY23	33,132	↑ 30%	7,893	↑ 45%	5,972	↑ 43%

Surge in new enquiries
>25% from non-agchem

Commercialised one new product in Exports and **five** in Domestic Agri Brands

S&P Global Corporate Sustainability Assessment (CSA) ranking improved to **93 percentile**

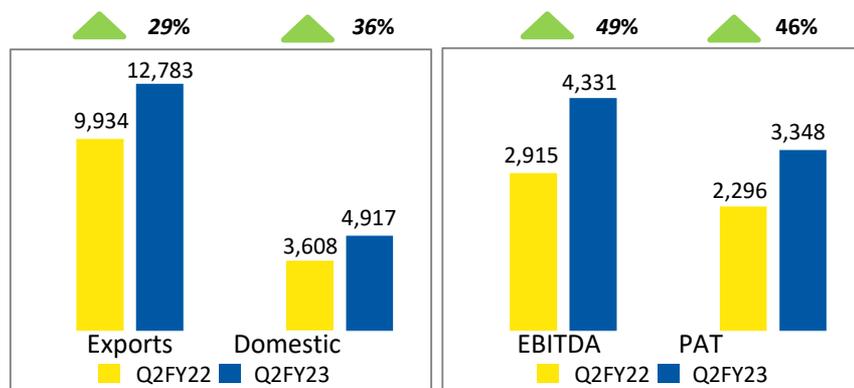
Uptick in CSM Exports Order Book to **USD ~1.8 billion**

20%+ revenue from new innovative Agri brands launched recently

Surge in demand of existing and new products driving growth in Q2FY23

Fig in Rs Million	Q2FY22	Q2FY23	% YOY
Revenue	13,542	17,700	31%
Gross Margin	45%	45%	18 bps
Overheads	3,179	3,684	16%
EBITDA	2,915	4,331	49%
EBITDA as % of Revenue	22%	24%	295 bps
Net Profit	2,296	3,348	46%

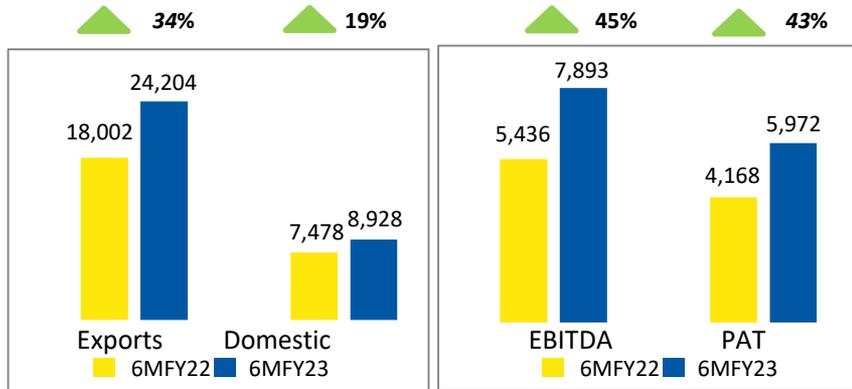
- **Overall 31% Y-o-Y revenue growth**
- **29% growth in Exports** on a higher base
 - Led by volume growth of ~25%, favorable price and currency of ~4%
- **36% growth in Domestic** mainly driven by:
 - Volume growth of ~31% and price increase of ~5%
 - Newly launched brands contributing to significant revenue growth
- Trend of rising input costs and passthrough continued both in Exports and Domestic during Q2
- EBITDA margin improved on account of favorable product mix and operating leverage
- **46% increase in PAT** attributable to EBITDA growth and despite higher depreciation and ETR



Robust performance of both Exports and Domestic in 6MFY23 in line with plan

Fig in Rs Million	6MFY22	6MFY23	% YOY
Revenue	25,480	33,132	30%
Gross Margin	44%	45%	14 bps
Overheads	5,914	6,927	17%
EBITDA	5,436	7,893	45%
EBITDA as % of Revenue	21%	24%	249 bps
Net Profit	4,168	5,972	43%

- **30% Y-o-Y revenue growth**
- **34% growth in Exports** over a high base mainly on account of increase in revenue of existing products
- **19% growth in Domestic segment**
 - Strong Kharif season - recovery in Q2FY23
 - Newly launched brands such as Distruptor®, Brofrefya®, Sectin®, Provide®, Dinoace™ getting good traction and acceptance
- Trend of rising input costs and passthrough continued both in Exports and Domestic during H1
- Favorable product mix and significant increase in operating leverage reflected in improvement in EBITDA margin to 24%
- **Net profit improved by 43% YoY** due to EBITDA growth, despite higher ETR



Strong Balance Sheet and internal accruals to drive future growth initiatives

Fig in Million	Sep-22	Mar-22	Sep-21
Shareholders Fund	66,176	61,204	57,360
Non Current Liabilities	2,604	3,225	3,586
Long term borrowings	1,303	1,699	2,139
Other long term liabilities	1,301	1,526	1,447
Current liabilities	17,073	13,482	14,431
Short term borrowings	1,061	979	950
Trade payables	11,108	9,242	8,721
Other current liabilities	4,904	3,261	4,760
Total	85,853	77,911	75,377

Non Current Asset	26,540	28,272	25,853
Net Fixed Asset	24,962	24,842	24,136
Goodwill	828	828	828
Non current investments	297	448	237
Other assets	453	2,154	652
Current Assets	59,313	49,639	49,524
Inventories	16,095	14,234	13,158
Trade receivables	15,155	10,018	9,589
Cash, Bank & Investments	25,511	22,650	23,713
Other assets	2,552	2,738	3,064
Total	85,853	77,911	75,377

Key Ratios (%) Annualised

Net Sales to Trade Working Capital	3.29	3.53	3.63
Debt/ Equity Ratio	0.04	0.04	0.05
Net Sales to Fixed Assets	2.57	2.06	2.04
ROCE	24.0%	21.1%	21.7%

• ROCE excluding QIP funds and related income

Highlights of H1FY23

- Total capex for H1FY23 is Rs. 1,204 million (H1FY22 Rs. 1,614 million)
 - Actual capex spend is in line with plan
 - Key focus of driving higher capacity utilization by improving throughput
- Operating profit before working capital changes is Rs. 8,077 million (H1FY22 Rs. 5,642 million)
- Maintained higher inventory levels of Rs. 16,095 million attributable to higher revenue
 - To avert supply chain disruptions and meet customer supply schedules / continued operations
- Trade working capital in terms of Days of Sales is 111 days vs. 103 days as on 31-Mar-22
- Net Cashflow from operating activities is Rs 3,078 million (H1FY22 Rs. 1,822 million)
- Surplus cash net of debt is Rs. 23,211 million. Focused efforts are continuing to identify and finalise value accretive inorganic growth opportunities in line with Company's long term strategy.

World class R&D set up and technological capabilities driving growth in future business pipeline

R&D Lab



World-class state-of-the-art R&D Lab at Udaipur

500+ scientists & researchers including 120+ Doctorates

130+ Patents Files

100% Electronic Lab Notebook in Process Research

Investing in state-of-the-art Synthesis and Analytical R&D Infrastructure

> Identifying new chemistries and building blocks for future growth

>40 products at different development stages

15 new enquiries in H1FY23, >25% from non-agchem

1 new product commercialized

Fulfilling customer needs for semi-commercial production for Product Development and scale-up

15+ multi-capacity reactors with various MOCs (SS-316, MSGL, etc.)

Kilo Lab & Pilot Plant



Consistently demonstrated technical competence and R&D effectiveness.

Passion for Innovation drives core competencies to reach out and strive towards excellence.



Continued thrust on sustainable best-in-class manufacturing practices ensuring uninterrupted scale-up

Fully integrated state-of-art manufacturing facilities

15 MPPs

Fully DCS automated plants

ISO 9001: 2015

certification for Quality

1 new process innovation commercialized at KL/ PP stage

> Expanding manufacturing infrastructure and capabilities for non-agchem vertical

ESG Anchored

World class infrastructure for Environment Management

Moving Bed Biological Reactor

Online Analysis of Effluent Treatment

35% of water recycled

44 acre Green Belt developed by converting barren land to farmland

2x increase in Renewable Energy consumption

S&P Global Corporate Sustainability Assessment (CSA) ranking improved to 93 percentile

> Working to improve EcoScale of products to reach top bracket

Digital Edge

Adaptive Controls to optimize Yield, Quality, Energy & Throughput

Sensor-based Data Capturing for KPI Monitoring in Utilities

> Emissions (Liquid & Gas) monitoring at Plants to be Continuous & 100% Online

For PI Industries, sustainability means more than just countering risks.

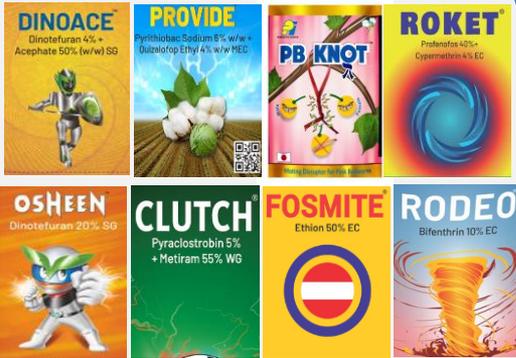
We view sustainability as a source of competitive advantage and key to our business continuity & success.

We closely monitor global trends, align our strategic approach with evolving best practices.



Portfolio of specialized products and robust pipeline of new products driving growth in Domestic revenues

PI has one of the most comprehensive portfolios for Cotton



✓ Most advanced technology including PB Knot™, pheromone based Insecticide for Pink Bollworm management

Next generation product portfolio for Wheat



Crop Solution Approach

- Focus on target crops such as Cotton, Rice, Horticulture and Wheat
 - Maintain leadership with most advanced products:
 - 17+ products at different stages of development and registration
- Launched 5 new Products in H1

“Dual growth engine” for Horticulture (>60 products) along with JIVAGRO



Pioneering innovative products in crop protection for Rice



✓ Most advanced technology including Distruptor® powered by XP Technology for Brown Plant Hoppers

Ramping up Biologicals portfolio



- ✓ Humesol®: Specialised tonic for soil health
- ✓ Biovita®: Bio stimulant for plant growth
- ✓ Tomatough®: Health Booster (Q3 launch)

New product launches in current fiscal

H1

Herbicide with pre-emergence to post-emergence application on Cotton

PROVIDE



Dual action insecticide for Cotton

DINOACE™



Combination Fungicide with excellent curative control against Downy mildew & late blight

SECTIN®



Revolutionary insecticide: Bringing technological advancement for Indian Farmers

BROFREYA



JIVAGRO:
Novel mode of action

JIVAGRO
HORTICARE SPECIALIST
Taurus ULTIMARE®
Ji 31 Insecticide



Q3

Nematicide for nematode control in vegetable crops



Biological product which enhances plant health and induces tolerance to viruses



Leveraging technology in Application services to improve farmers' productivity

Fleet of 300+ advanced boom sprayers

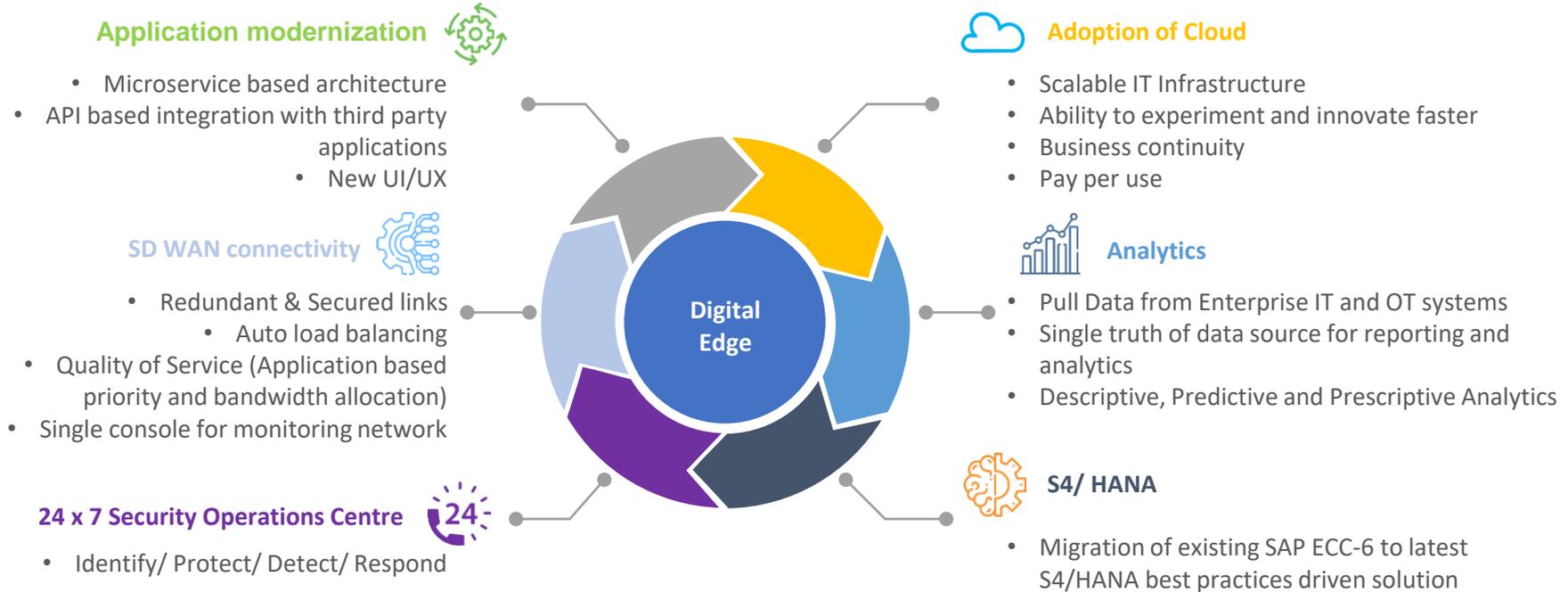
Frugal innovation to ensure cost effective delivery

Deployed in various geographies of North and South

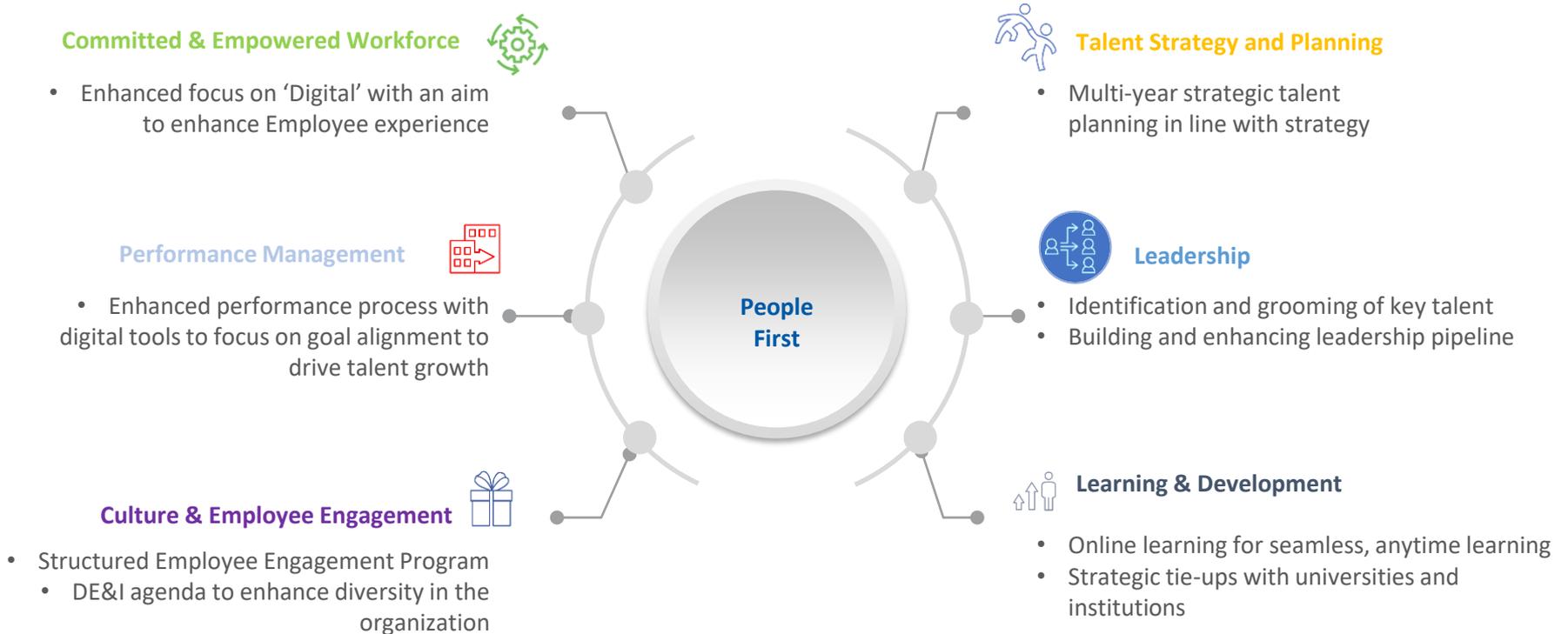
Also piloting drone application



Implementing integrated program for Digital Edge capability



Implementing integrated program for People First capability



Reconstitution of the Board and Committees solidifying governance

score



Mr. Narayan K. Seshadri
Non-Independent Non-Executive
Chairperson



Mr. Mayank Singhal
Vice Chairperson and
Managing Director



Mr. Rajnish Sarna
Joint Managing Director



Ms. Lisa J Brown
Independent Director



Mr. Shobinder Duggal
Independent Director



Dr. T.S. Balganesb
Independent Director



Mr. Arvind Singh
Non-Independent
Non-Executive Director



Ms. Pia Singh
Independent Director

- 50% of Board are Independent Directors
- 25% Women Directors
- Audit, NRC, CSR, Stakeholder Relationship Committees Chaired by Independent Directors
- No Executive Director in the NRC and Audit Committee
- Separation of role for MD and Chairperson
- Non-Executive Chairperson
- Business CEOs not members of the Board
- External evaluation of Board performance

Diverse Board with deep financial acumen, technical & scientific expertise guiding next round of growth

Positive market scenario and improved visibility to sustain growth momentum

Domestic:

Focus on portfolio diversification with launch of novel offerings

- Strong demand for insecticides, fungicides, herbicides and bio-nutrients
- “Dual growth engine” with  focusing on horticulture segment
- Commodity prices to remain robust owing to rising global demand
- 5 new products launched in YTM 6MFY23, 2 new products planned in Q3FY23

CSM Export:

R&D focused approach to drive incremental business

- Continued scale up in demand of the existing products
- 6 new products to be commercialized in H2
- Capacity expansion progressing as per plan
- Momentum in new enquiries and conversion to continue

Efforts to drive strategic initiatives continues

- Inducted seasoned leadership for Pharma foray; building experienced team
- Actively evaluating inorganic growth opportunities in pharma, both domestic and international in line with pharma strategy
- In parallel, working organically on scale-up of pharma intermediates at R&D and pilot scale

...Confident of delivering 20%+ revenue growth with continued improvement in margins and returns

Purpose



Reimagining a healthier planet

Vision



Lead with science, technology and human ingenuity to create transformative solutions in life sciences

Capabilities



Partner centric

First to identify and deliver on latent needs of our customers and partners

Science & Technology driven

Sustainable solutions by early adoption of cutting-edge sciences/technologies

Digital edge

Integrated digital solutions to gain competitive advantage

People first

Best opportunities for employees to learn and grow

ESG anchored

ESG as a way of life

Values



Courageous

- Think and act boldly
- Act with integrity
- Be accountable

Curious

- Question conventional wisdom
- Be open-minded and adaptable
- Develop intellectual curiosity

Creative

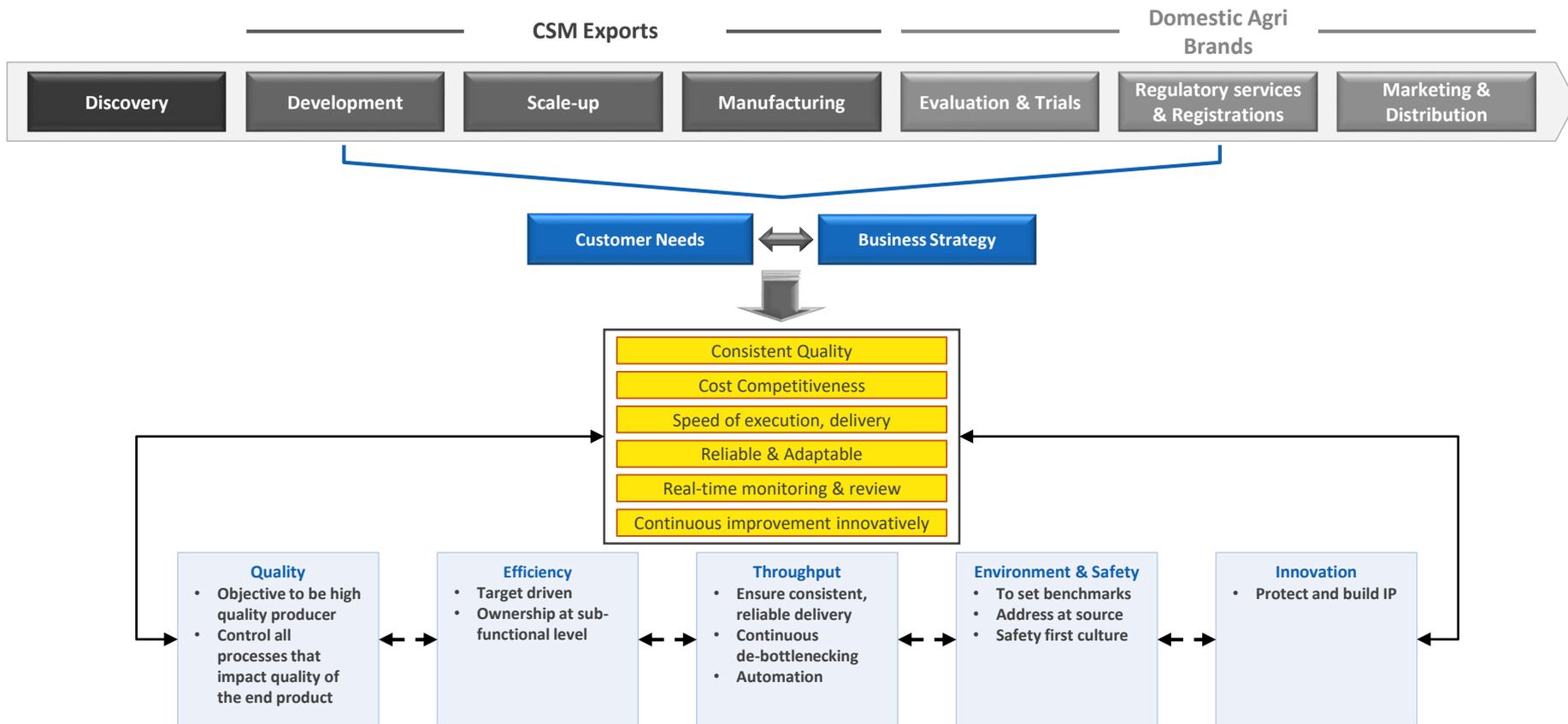
- Connect unseen dots to differentiate
- Collaborate and experiment
- Create an environment to execute ideas with speed and excellence for skills

Caring

- Be transparent
- Trust each other
- Bring the best out of people
- Embrace sustainability

Presence across the Agchem value chain

Strong focus on customer needs and continuous innovation



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

Domestic Brand Market

Leading Agchem Distribution Company in India with leading market share in certain crops

India's largest CRAMS Company with majority revenue from Patented Products

Exports Market

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

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

R&D Partnership

SYNERGISTIC APPROACH

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

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

Custom Synthesis & Manufacturing

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

- State of the Art R&D facilities
 - 500+ 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
 - 25 stock points
 - 10,000+ distributors
 - 80,000+ 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

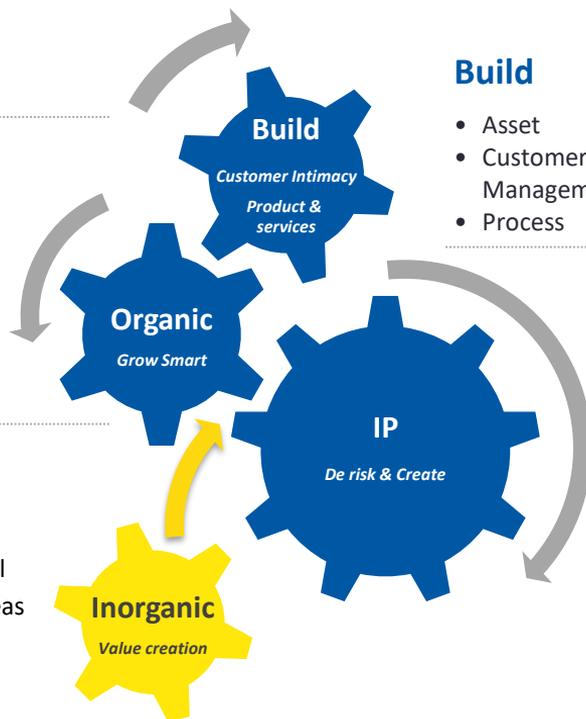
Pursuing Multi-pronged growth strategy..

Market

- Expansion
- Creation
- Segments
- Operation excellence
- Brands

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



Build

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

Deepening our technological capabilities to open new horizons

De risk

- Manufacturing concentration
- New formulation of existing products
- Biological

Process

- Chemistry
- Block Builders
- Process engineering
- Flow

Digital

- Information integration
- Decision tools

Create

- Process Innovation
- Biological process development
- Formulation Combinations with Partners
- New formulations -
- Digital Customer engagement

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

PI's focus on ESG principles is winning accolades



S&P Global Corporate Sustainability Assessment (CSA) ranking improved to 93 percentile

Retained Ecovadis Gold medal in sustainability achievement 2022 with 97 percentile ranking



- Commitment to Bio-diversity and offset-carbon emissions through extensive tree plantation.
- 2x increase in Renewable Energy consumption.
- Utilization of paper based packaging material manufactured from 100% recycled material.
- Encouraged replacement of plastic labels with paper label on products.

- Nil recordable injuries in YTM 6MFY23.
- Conducted Strategic workshop on Risk Awareness, Identification and Assessment with top management.
- Conducted ESG Strategy workshop with Sustainability Council.
- Progressing well on Sustainability Goals for 2025. Also building internal consensus and strategies for long term sustainability goals.

- Achieved higher women participation in senior management and STEM related positions.
- S&P Global Corporate Sustainability Assessment (CSA) ranking improved in several areas such as:
 - Labor Practice Indicators;
 - UN guiding principles of Business and Human Rights;
 - Risk Management;
 - Customer Relationship Management;
 - OHS and Innovation Management.
- Reviving cotton production and increasing growers' income in India through eco-friendly PB Knot technology.
- Initiated project focusing on improving health and nutrition status of children and adolescents.
- Women Empowerment through improved access to credit and livelihood initiatives in 20 villages.
- Enhanced loan access to SHG members.
- Recognised by IAS Collector & DM, Bharuch on the significant contribution made in the domain of CSR and National Priority Areas.

Rewards and Recognition



INDIA'S BEST CEO

MR. MAYANK SINGHAL,
VICE CHAIRMAN AND MD,
PI INDUSTRIES LTD.
IS INDIA'S BEST CEO IN AGRICULTURE &
ALLIED SECTOR IN THE
BUSINESS TODAY - PWC RANKING

TOP RATED PERFORMER

Promising Business Leader

Mr. Mayank Singhal
recognised by The
Economic Times as Asia's
Promising Business
Leader 2021-2022

OFFICE BEARERS FOR 2022-23

CHAIRMAN



Mr Mayank Singhal

Chairman at CII-NR

Mr. Mayank Singhal
chosen as the Chairman at
CII-NR Regional
Committee on Agriculture
Food Processing & Dairy

OPERATIONAL EXCELLENCE



GOLDEN PEACOCK NATIONAL QUALITY AWARD 2022

AN EMINENT JURY SCRUTINISED OVER 265
APPLICATIONS BASED ON EXHAUSTIVE SET
OF PARAMETERS FOR TOTAL SCORE OF
1,000. THE AWARD SHOWCASES
COMMITMENT TO EXCELLENCE AND HIGH
LEVEL OF QUALITY.



PI INDUSTRIES FEATURES AMONGST INDIA'S TOP 500 COMPANIES 2022 IN A DUN & BRADSTREET LISTING

THIS AWARD WAS BASED ON ESG.
PI INDUSTRIES WAS ALSO CONFERRED THE
**CORPORATE AWARD 2022 FOR OUTSTANDING
PERFORMANCE.**



PI Industries, Udaipur receives
Certificate of Appreciation,
Karkhana Suraksha Puraskar-2022

Our CSR efforts focused on Community welfare & Environment



Skill Development

Around **2,700** youth benefitted through vocational training and placed in organized sector

Women Empowerment

Around **7,000** women and families benefitted through entrepreneurship and economic empowerment

Health, Hygiene and Sanitation

Maintenance and upkeep of school and household toilets.



Sustainable Agricultural Practices

Over **750,000** farmers benefitted through climate smart and leading agronomic practices



Education

Learning Enhancement Programs improved learning outcomes and benefitted **over 78,000** Govt. school children



Health, Hygiene and Sanitation

Access to affordable healthcare and blood bank through Mobile Health Vans impacted **over 530,000** people in rural areas



- The number of beneficiaries in the Education and Health, Hygiene and Sanitation domains are non-cumulative.
- The number of beneficiaries in the Women Empowerment and Sustainable Agriculture Practices domains are cumulative.



Thank You