

PI Industries Ltd.

Investor Presentation
Q3 FY23 Results

AGENDA

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

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Sustained growth momentum..on track to exceed full year guidance..



Inspired by Science

Figures in Rs Million

	Revenue		EBITDA		PAT
Q3FY23	16,132 ↑ 19%		4,156 ↑ 40%		3,518 ↑ 58%
YTM 9MFY23	49,264 ↑ 26%		12,049 ↑ 43%		9,490 ↑ 48%

Surge in new enquiries
~25% from non-agchem

Commercialised three new products in Exports and seven in Domestic Agri Brands

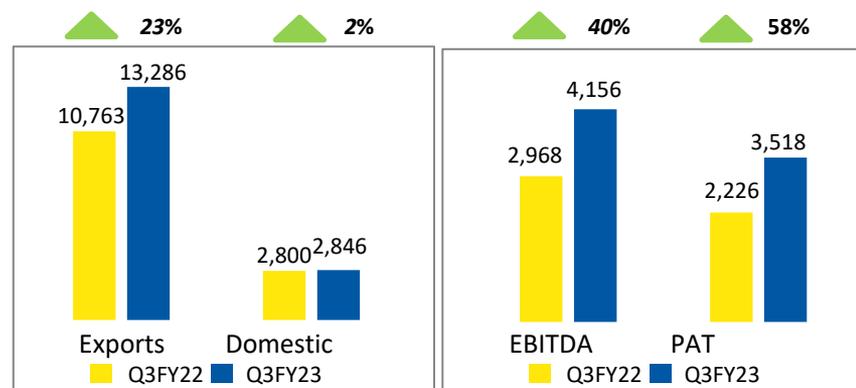
S&P Global Corporate Sustainability Assessment (CSA) ranking improved to 93 percentile

Uptick in CSM Exports Order Book to USD ~1.8 billion

20%+ revenue from new innovative Agri brands launched recently

Demand traction in exports driving growth in Q3FY23

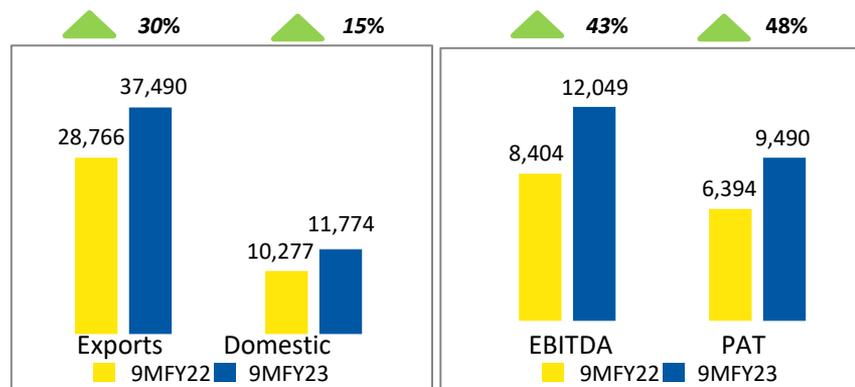
Fig in Rs Million	Q3FY22	Q3FY23	% YOY
Revenue	13,563	16,132	19%
Gross Margin	46%	47%	73 bps
Overheads	3,331	3,456	4%
EBITDA	2,968	4,156	40%
EBITDA as % of Revenue	22%	26%	388 bps
Net Profit	2,226	3,518	58%



- **Overall 19% Y-o-Y revenue growth**
- **23% growth in Exports**
 - Led by volume growth of ~9% and ~14% coming from price, currency and favourable product mix
- **Domestic growth came @ 2% YoY** due to adverse weather condition coupled with higher channel inventory
- EBITDA margin improved on account of favorable product mix and operating leverage
- **58% increase in PAT** attributable to EBITDA growth despite higher depreciation
- Cash flow from operating activities in Q3FY23 is Rs 6,873 million (Q3FY22 Rs. 1,200 million)
- Trade working capital reduced by Rs. 3,928 million during Q3FY23
- The Board has considered interim dividend for FY22-23 of Rs 4.50 per share

Overall ~26% growth in revenue and ~43% growth in EBITDA in 9MFY23

Fig in Rs Million	9MFY22	9MFY23	% YOY
Revenue	39,043	49,264	26%
Gross Margin	45%	45%	29 bps
Overheads	9,245	10,383	12%
EBITDA	8,404	12,049	43%
EBITDA as % of Revenue	22%	24%	293 bps
Net Profit	6,394	9,490	48%



- 30% growth coming from Exports** due to scale up of existing products and introduction of 3 new products
 - Volume growth of ~18% and price, favourable product mix and currency contributing ~12%
- 15% growth in Domestic segment**
 - Volume growth of ~9% and price increase of ~6%
 - Newly launched brands such as Distrupator®, Brofrefya®, Sectin®, Provide®, Dinoace™, Taurus®, Tomatough® getting good traction and acceptance
- Trend of rising input costs offset by efficiencies and price increase both in Exports and Domestic
- Favorable product mix and significant increase in operating leverage reflected in improvement in EBITDA margin to 24%
- Net profit improved by 48% YoY** due to EBITDA growth and lower ETR
- Efficient NWC management leading to significant improvement in free cash flow

Strong Balance sheet with improved capital efficiency..

3x increase in cash flow from operating activities

Fig in Million	Dec-22	Mar-22	Dec-21
Shareholders Fund	69,716	61,204	59,438
Non Current Liabilities	2,233	3,225	3,260
Long term borrowings	1,056	1,699	1,904
Other long term liabilities	1,177	1,526	1,356
Current liabilities	14,209	13,482	13,734
Short term borrowings	1,089	979	952
Trade payables	9,459	9,242	8,660
Other current liabilities	3,661	3,261	4,122
Total	86,158	77,911	76,432

Non Current Asset	27,393	28,272	26,005
Net Fixed Asset	25,812	24,842	24,304
Goodwill	828	828	828
Non current investments	301	448	239
Other assets	452	2,154	634
Current Assets	58,765	49,639	50,427
Inventories	14,517	14,234	13,551
Trade receivables	11,156	10,018	10,221
Cash, Bank & Investments	31,019	22,650	23,650
Other assets	2,073	2,738	3,005
Total	86,158	77,911	76,432

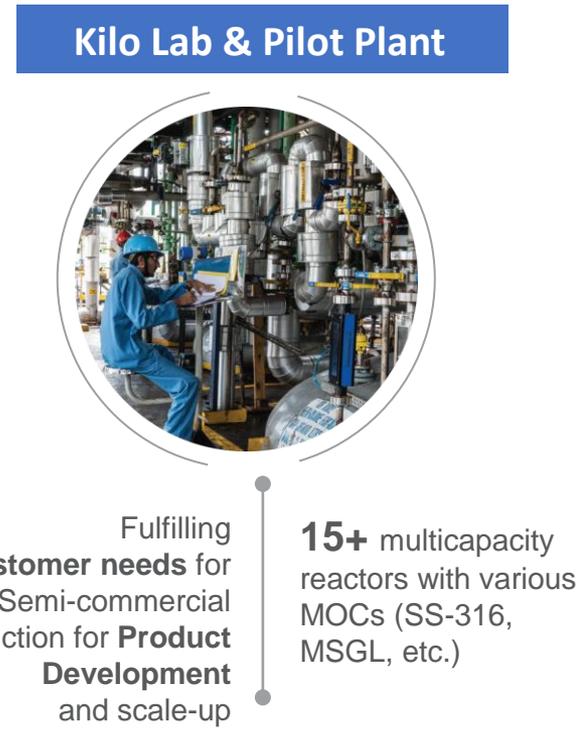
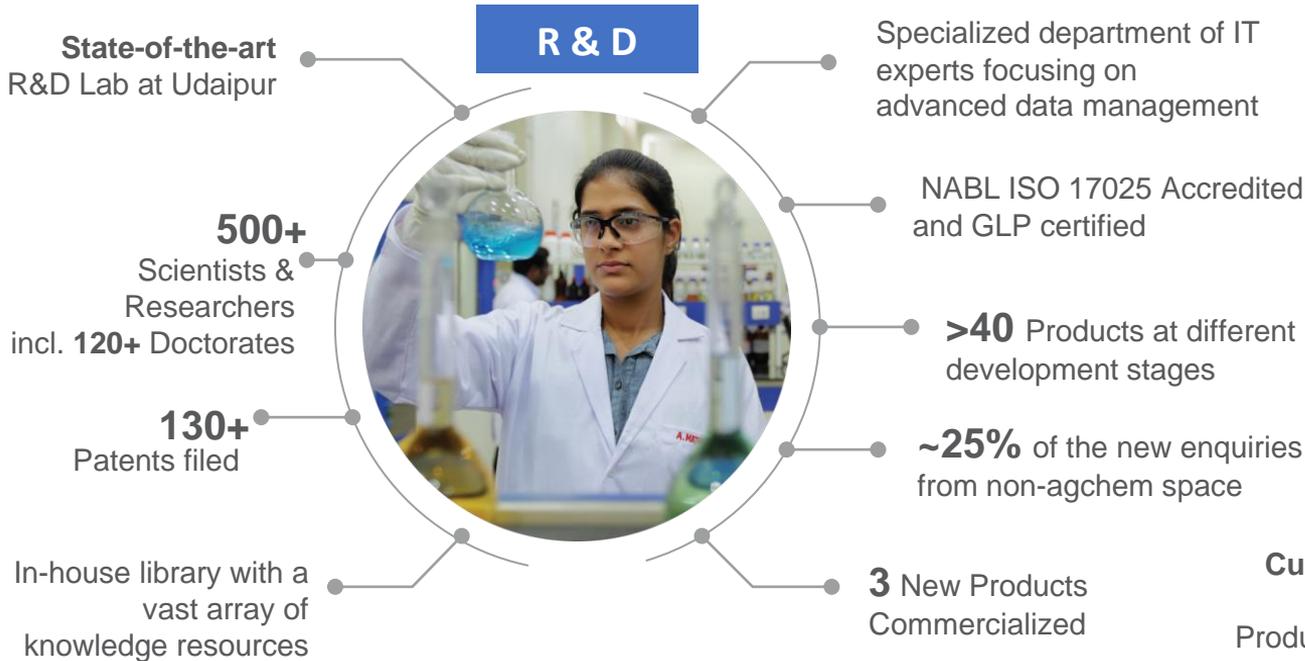
Key Ratios (%) Annualised

Net Sales to Trade Working Capital	4.05	3.53	3.51
Debt/ Equity Ratio	0.03	0.04	0.05
Net Sales to Fixed Assets	2.47	2.06	2.11
ROCE	25.3%	21.1%	20.8%

Highlights of 9MFY23

- Total capex for 9MFY23 is Rs. 2,585 million (9MFY22 Rs. 2,280 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. 12,185 million (9MFY22 Rs. 8,865 million)
- Inventory levels reduced in terms of Days of Sales to approx. 81 days to Rs. 14,517 million. Inventory maintained to avert supply chain disruptions and meet customer supply schedules / continued operations
- Trade working capital in terms of Days of Sales is 90 days vs. 103 days as on 31-Mar-22
- Cash flow from operating activities is Rs 9,951 million (9MFY22 Rs. 3,022 million)
- Surplus cash net of debt is Rs. 28,966 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



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
- Backward Integration of Key Products for Sustainability and Cost Competitiveness vertical

ESG Anchored

World class infrastructure for Environment Management

Moving Bed Biological Reactor

Online Analysis of Effluent Treatment

35% of water recycled

Installed **rooftop solar plant** in Udaipur to reduce CO2 emissions

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. More than 60% products falling in Green category.

Digital Edge

Adaptive Controls to optimize Yield, Quality, Energy & Throughput

Sensor-based Data Capturing for KPI Monitoring in Utilities

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

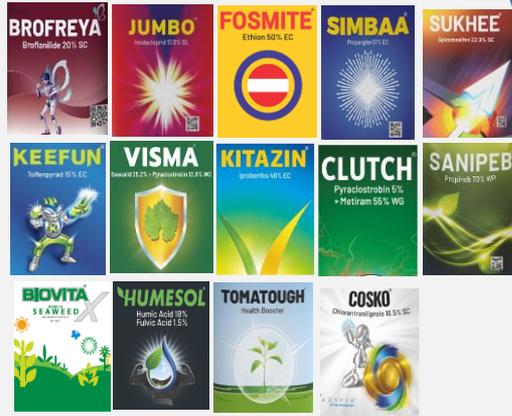
We view sustainability as a source of competitive advantage and key to our business continuity & success.

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 Chili



Crop Solution Approach

- Focus on target crops such as Cotton, Rice, Chilli Horticulture and Wheat
 - Maintain leadership with most advanced products:
 - 17+ products at different stages of development and registration
- Launched 7 new Products in 9MFY23

Pioneering innovative products in crop protection for Rice



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

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

Next generation product portfolio for Wheat



Ramping up Biologicals portfolio



- ✓ Humesol®: Specialised tonic for soil health
- ✓ Biovita®: Bio stimulant for plant growth
- ✓ Tomatough®: Health Booster (Q3 launch)
- ✓ Sipton® & Rapigro™: Amino acid-based bio-stimulants



All new launches as per plan..one of the highest in the industry in a year

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

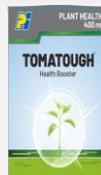
TENEENAL ULTIMARE®

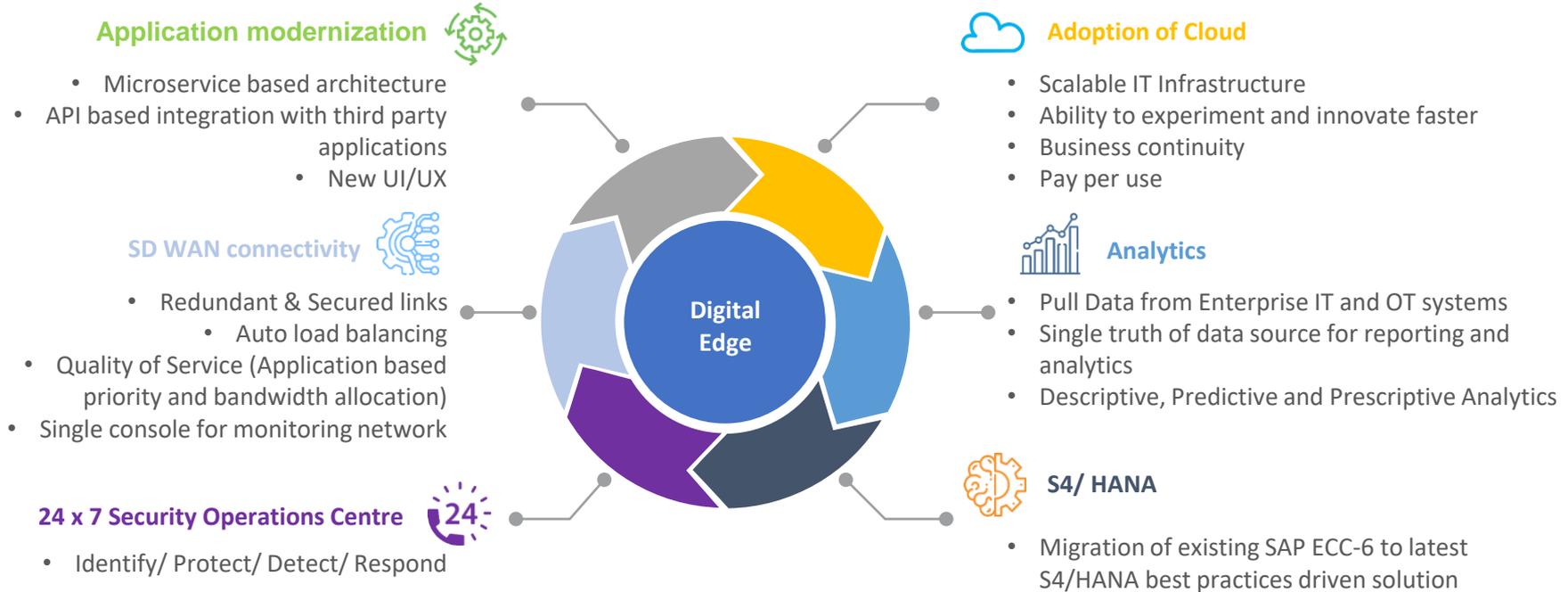


Nematicide for nematode control in vegetable crops



Biological product which enhances plant health and induces tolerance to viruses





Outlook remains positive...

Domestic:

Focus on portfolio diversification with launch of novel offerings

- Growth to be driven by portfolio of new product launches over the last 2 to 3 years
- “Dual growth engine” with  focusing on horticulture segment with enhanced portfolio
- Commodity prices to remain robust owing to rising global demand...also to neutralize seasonal vagaries
- Strong pipeline of products at different stages of development

CSM Export:

R&D focused approach to drive incremental business

- Continued scale up in demand of the existing products
- Solid R&D pipeline – 4 to 5 products to be commercialized every year
- Capacity expansion planned to be intensified
- 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
- Progressing on new technology areas as per plan

...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

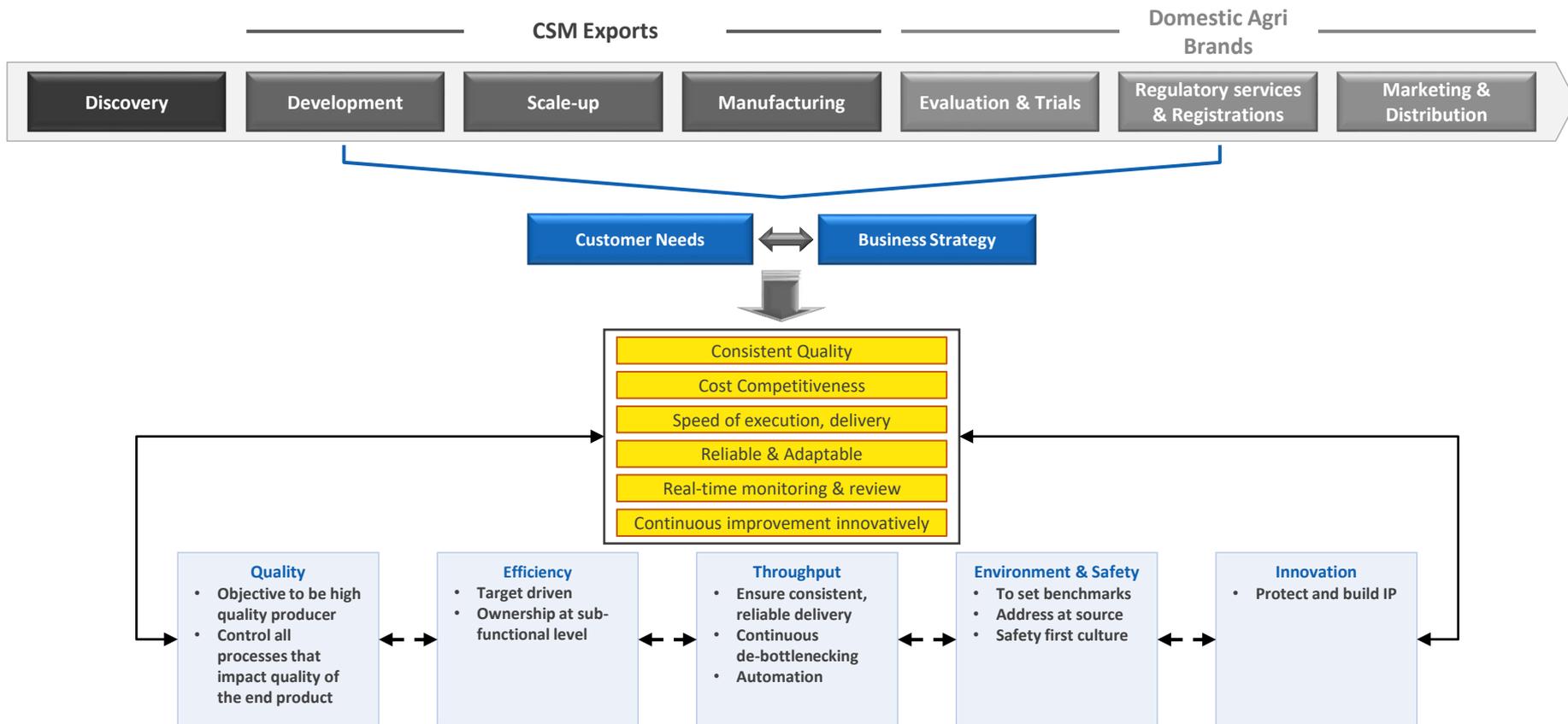
- Connect unseen dots to differentiate
- Collaborate and experiment
- Create an environment to execute ideas with speed and excellence for skills

Caring

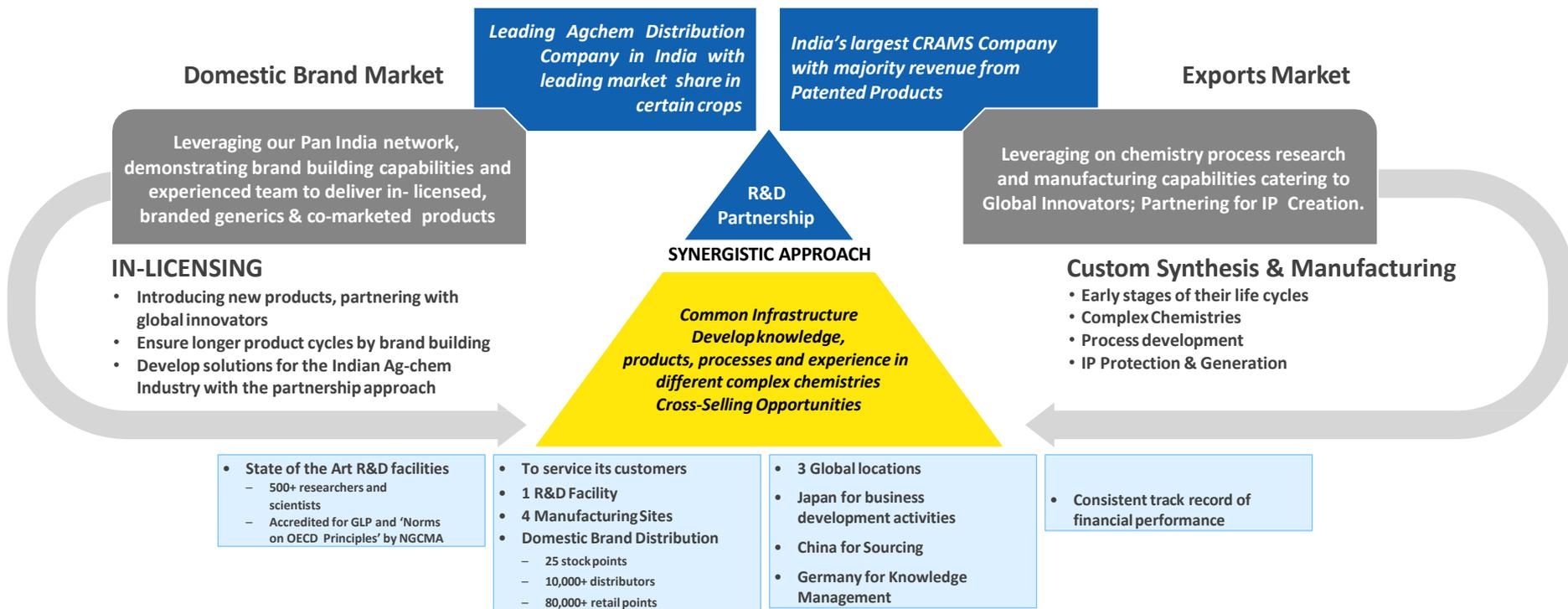
- Be transparent
- Trust each other
- Bring the best out of people
- Embrace sustainability

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



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

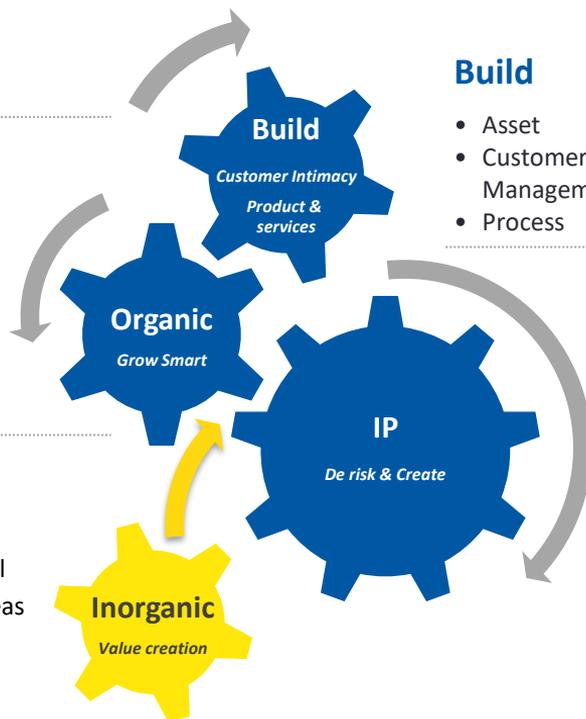
Pursuing Multi-pronged growth strategy..

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.. ranked among the best ESG rated companies globally



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

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



- Extensive tree plantation in and around manufacturing units with focus on plantation of endangered species of tree.
- Increased renewable energy to > 5% of total electricity sourced
- Utilization of paper based packaging material manufactured from 100% recycled material.
- Encouraged replacement of plastic labels with paper label on products.

- New measures taken for improved process/workplace safety. Nil recordable injuries in 9MFY23.
- Increased women and STEM participation in leadership.
- Progressing well on Sustainability Goals for 2025.
- Further de-risked China dependence by development of alternatives in other geographies.

- 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.

- 400 children treated under special **Project Vriddhi**.
- Initiated project focusing on improving health and nutrition status of children and adolescents.
- Initiated projects supporting children with congenital heart disease born in underprivileged families.
- Partnership with top institutions in India and abroad for higher education and deep skilling.



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 CSR AWARD 2022



Award is a testament to the successful
purpose-driven and innovative CSR
interventions that PI Industries has undertaken
through more than 10 years of building
sustainable communities and creating a positive
cycle of environmental and social impact.



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

- 90% placement of students trained at **Employability-linked Skill Development Centre**, Jambusar

Women Empowerment

- ASMITA Project** - Improved access to credit and livelihood initiatives in 20 villages



Health, Hygiene and Sanitation

- Organized **Free Health Camp** on Eye, Dermatology & Dental hygiene in Jambusar



Sustainable Agricultural Practices

- Operation Nalla Tamara Purugu**: An integrated approach for Chilli Black Thrips Management



Education

Valedictory Function of 10th batch of **Vocational Training Program** on Chemical Plant Operators in Nadiad



Health, Hygiene and Sanitation

- Preventive Health Care through **3 Mobile Health vans**, treated over 10,000 patients





Thank You