

# PI Industries Ltd.

**Investor Presentation**  
**Q4 FY23 Results**

# AGENDA

## **CDR India**

Siddharth Rangnekar  
[siddharth@cdr-india.com](mailto:siddharth@cdr-india.com)  
Nishid Solanki  
[nishid@cdr-india.com](mailto:nishid@cdr-india.com)  
Tel: +91 22 6645 1221 /1209  
Fax: +91 22 6645 1213

## **PI Industries Limited**

Rajnish Sarna  
[r.sarna@piind.com](mailto:r.sarna@piind.com)  
Manikantan Viswanathan  
[manikantan@piind.com](mailto:manikantan@piind.com)  
Tel: +91 124 6790000  
Fax: +91 124 4081247

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

Certain statements made in this presentation may not be based on historical information or facts and may be “forward looking statements,” including those relating to general business plans and strategy of PI Industries Limited (“PIIL”), its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. Such forward looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause the actual results to differ materially from those contemplated by the relevant forward-looking statements. This could also differ due to a number of other factors, including future changes or developments in PIIL's business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer, or a solicitation of any offer, to purchase or sell, any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of PIIL's shares. Neither this presentation nor any other documentation or information (or any part thereof) delivered or supplied under or in relation to the shares shall be deemed to constitute an offer of or an invitation by or on behalf of PIIL. This presentation should be read in conjunction with the financial statements included herein.

PIIL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless otherwise specified is only current as of the date of this presentation. PIIL assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent development, information or events, or otherwise. Unless otherwise stated in this document, the information contained herein is based on management information and estimates. The information contained herein is subject to change without notice and past performance is not indicative of future results. PIIL may alter, modify or otherwise change in any manner the content of this presentation, without obligation to notify any person of such revision or changes. This presentation may not be copied and disseminated in any manner. PIIL will not be in any way responsible for any action taken based on such forward-looking statements.

# Another year of robust overall performance..



Inspired by Science

Figures in Rs Million

	Revenue		EBITDA		PAT	
Q4FY23	15,656	↑ 12%	3,440	↑ 13%	2,806	↑ 37%
FY23	64,920	↑ 23%	15,489	↑ 35%	12,295	↑ 46%

Capital efficiency in terms of Net sales to Fixed Assets at all time high of **~2.4x**

Commercialised **four new products** in Exports and **seven** in Domestic Agri Brands

**Top Decile Ranking** of **S&P Global** CSA and **ecovadis** Gold

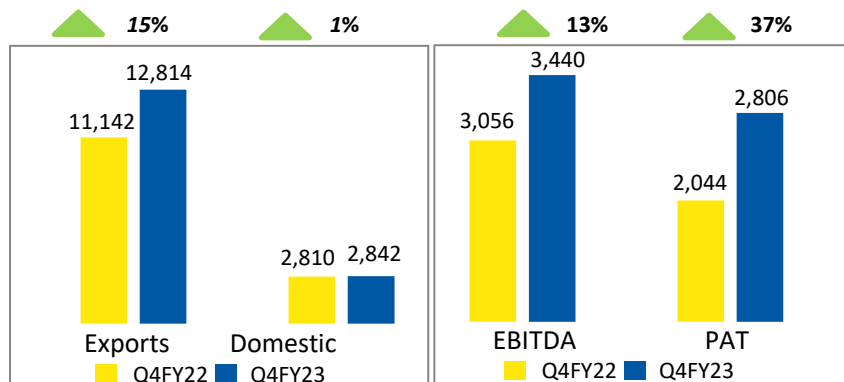
Uptick in CSM Exports Order Book to **USD ~1.8 billion**

**~3X increase** in cashflow from operating activities

# Demand traction in exports driving growth in Q4FY23

Fig in Rs Million	Q4FY22	Q4FY23	% YOY
Revenue	13,952	15,656	12%
Gross Margin	44%	45%	74 bps
Overheads	3,098	3,589	16%
EBITDA	<b>3,056</b>	<b>3,440</b>	<b>13%</b>
EBITDA as % of Revenue	22%	22%	7 bps
Net Profit	<b>2,044</b>	<b>2,806</b>	<b>37%</b>

- Overall 12% Y-o-Y revenue growth
- 15% growth in Exports led by price, currency and favourable product mix of ~17% offset by volume decrease of ~2%
- Domestic growth @ 1% YoY is driven by a volume increase of ~2% offset by a price decrease of ~1%
- Gross margin improved on account of a favourable product mix
- 37% increase in PAT attributable to EBITDA growth despite higher depreciation
- Cash generated from operations before tax during Q4FY23 is Rs 5,729 million (Q4FY22 Rs. 2,640 million)
- Trade working capital was reduced by Rs. 2,237 million during Q4FY23
- The Board proposed a final dividend for FY22-23 of Rs 5.50 per share, aggregating to a total dividend for FY22-23 of Rs 10.00 per share

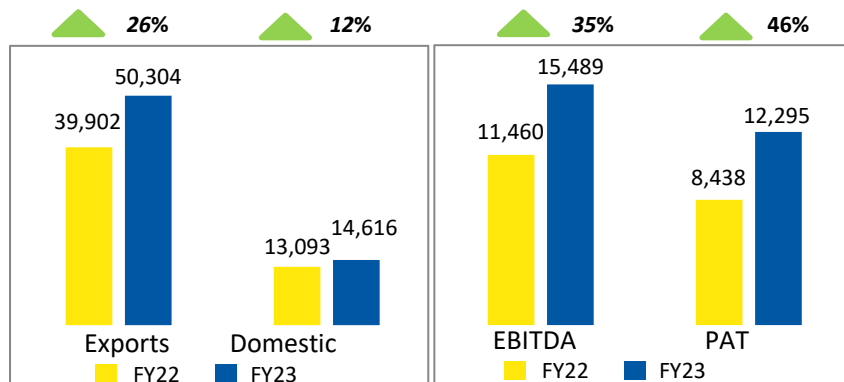


# Annual financial performance exceeding updated guidance

Revenue growth ~23% , EBITDA growth ~35%

Fig in Rs Million	FY22	FY23	% YOY
Revenue	52,995	64,920	23%
Gross Margin	45%	45%	43 bps
Overheads	12,343	13,972	13%
EBITDA	<b>11,460</b>	<b>15,489</b>	<b>35%</b>
EBITDA as % of Revenue	22%	24%	223 bps
Net Profit	<b>8,438</b>	<b>12,295</b>	<b>46%</b>

- **26% growth coming from Exports** due to scale up of existing products and introduction of 4 new products
  - Volume growth of ~11% and ~15% from price, currency and favourable product mix
- **12% growth in the Domestic segment**
  - Volume growth of ~8% and price increase of ~4%
  - Newly launched brands such as Distruptor®, Brofrefya®, Sectin®, Provide®, Dinoace™, Taurus®, Tomatough® getting good traction and acceptance
- Efficiencies and price increases in Exports and Domestic offset rising input costs.
- Favourable product mix and a significant increase in operating leverage reflected in an improvement in EBITDA margin to ~24%
- **Net profit improved by 46% YoY** due to EBITDA growth and lower ETR
- Cash generated from operations before tax during FY23 of Rs 17,572 million (FY22 Rs. 7,038 million) including efficient NWC management leading to significant improvement



# Strong Balance sheet with improved capital efficiency..

Fig in Million	Mar-22	Mar-23
<b>Shareholders Fund</b>	<b>61,204</b>	<b>71,985</b>
<b>Non Current Liabilities</b>	<b>3,225</b>	<b>994</b>
Long term borrowings	1,699	0
Other long term liabilities	1,526	994
<b>Current liabilities</b>	<b>13,482</b>	<b>11,818</b>
Short term borrowings	979	0
Trade payables	9,242	8,380
Other current liabilities	3,261	3,438
<b>Total</b>	<b>77,911</b>	<b>84,797</b>
<b>Non Current Asset</b>	<b>28,272</b>	<b>28,174</b>
Net Fixed Asset	24,842	26,551
Goodwill	828	828
Non current investments	448	313
Other assets	2,154	482
<b>Current Assets</b>	<b>49,639</b>	<b>56,623</b>
Inventories	14,234	13,976
Trade receivables	10,018	8,381
Cash, Bank & Investments	22,650	32,272
Other assets	2,738	1,994
<b>Total</b>	<b>77,911</b>	<b>84,797</b>
<b>Key Ratios (%) Annualised</b>		
Net Sales to Trade Working Capital	3.53	4.64
Debt/ Equity Ratio	0.04	Nil
Net Sales to Fixed Assets	2.06	2.37
ROCE	21.1%	25.5%

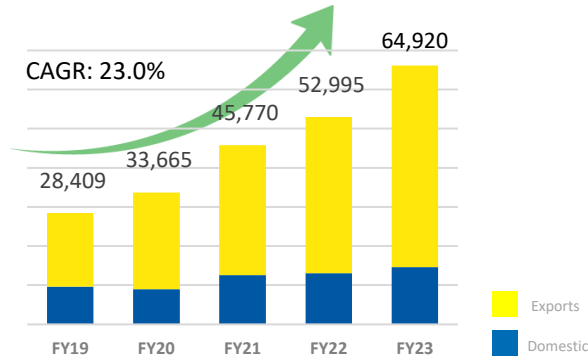
## Highlights of FY23

- Total capex for FY23 is Rs. 3,385 million (FY22 Rs. 3,204 million)
  - Actual capex spend is in line with the plan
  - A key focus of driving higher capacity utilisation by improving throughput
- Operating profit before working capital changes is Rs. 15,522 million (FY22 Rs. 12,314 million)
- Inventory levels reduced in terms of Days of Sales to approx. 79 days to Rs. 13,976 million
- Improved working capital cycle to 79 days as on 31-Mar-23 vs. 103 days as on 31-Mar-22
- Cash flow from operating activities is Rs 15,014 million (FY22 Rs. 5,287 million)
- Surplus cash net of debt is Rs. 32,343 million. QIP funds remained invested into deposits and debt mutual funds with SLR philosophy while final deployment aligned with PI's longer term growth strategy is underway.
- Capitalised PI Health Sciences Ltd. (PIHS) for planned acquisitions and capacity build up

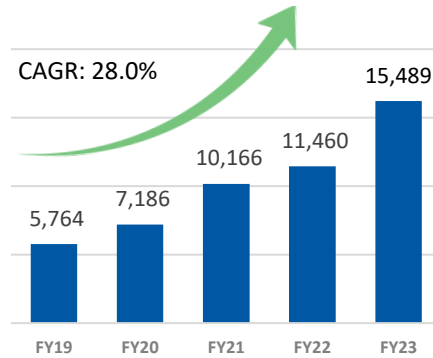
# Continued trend of stellar financial performance with a focus on enhancing shareholder value

Figures in Rs Million

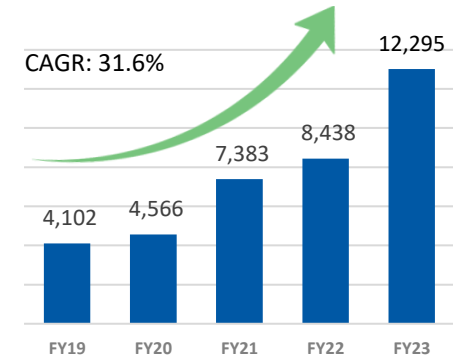
## Revenue



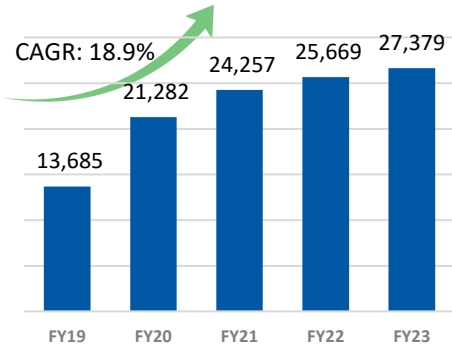
## EBITDA



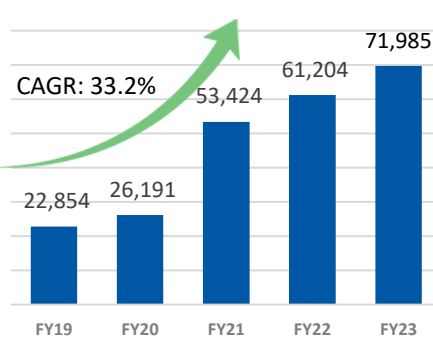
## PAT



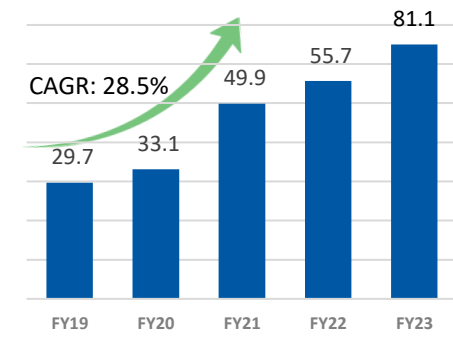
## Fixed Assets



## Net Worth



## EPS



Basic EPS in INR

# Global megatrends supporting long-term growth prospects for agriculture and allied sectors

## Global food security will remain at the core

By 2050, **2/3** of the world's population will live in urban areas.



In the next 20 years,

**95%**

of the world's population growth will occur in developing nations.

**80%**



of food for cities comes from domestic sources in rural areas.

The poorest households in the developing world spend

**60-80%**



of their incomes on food.

## India on track to becoming an economic powerhouse

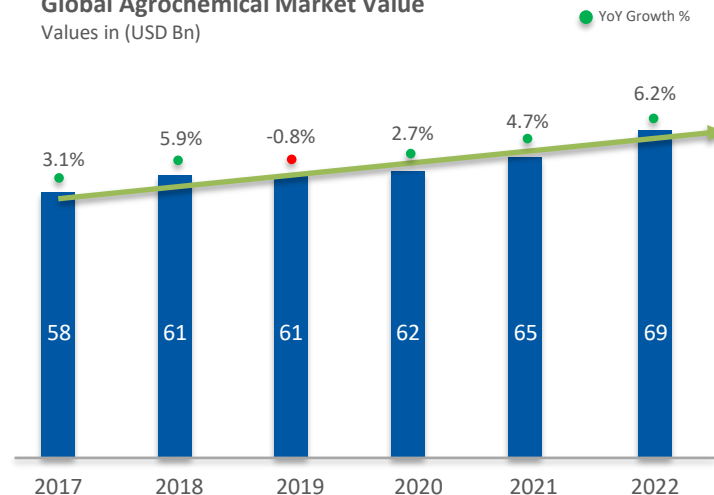
Ranking	2021	2022	2026	2031	2036
China	2	2	2	1	1
US	1	1	1	2	2
India	7	6	5	3	3
Germany	4	4	4	5	4
Japan	3	3	3	4	5
UK	5	5	6	6	6
France	6	7	7	7	7
Indonesia	16	16	15	14	8
Brazil	11	11	10	8	9
Russia	12	12	13	13	10

Source: CEBR World Economic League Table

## Secular growth in Global Agchem industry

### Global Agrochemical Market Value

Values in (USD Bn)



A growing population will need 50%+ more food to meet accelerating demand by 2050.

**1**

Climate change and significant loss of arable land per capita will require improvement in farm productivity to ensure food security.

**2**

India is emerging as the 3<sup>rd</sup> largest economy; to create growth opportunities in the domestic market and a global supply hub.

**3**



# Several tailwinds to drive demand growth in the domestic Agri input sector

## India usage per ha is low

India's Agchem consumption ~600 gm compared to US ~4.5 Kg

## Significant Investments in pipeline

> ₹100,000 cr Agri Infra fund, Drones, etc.

## E-commerce to takeoff

₹ 250,000 cr to ₹ 300,000 cr E-commerce market



## Large # of startups are entering the arena

- 3<sup>rd</sup> largest # of Agtech startups in the world
- US\$ 30 to US\$ 35 billion opportunity in Agritech



## Climate Change

- Yield is dropping and food shortage
- Shorter duration crop
- Pest profile is changing
- Droughts, floods, and extreme weather events

## Shortage of Key Crops

Fruits Processing Demand 2X from current processing levels (~22 mn MT)

Projected Shortfall of ~50 Million MT of Fruits & Vegetables by 2030

**FRUITS**  
Gap: ~15 Million MT

**VEGETABLES**  
Gap: ~35 Million MT

Investments are being stepped up

# World class R&D set up and technological capabilities enabling future business pipeline

## R&D



State-of-the-art  
R&D Lab at Udaipur

Specialized department of IT  
experts focusing on advanced  
data management

NABL ISO 17025 Accredited and  
GLP certified

**40+** Products at different  
development stages

**~25%** of the new enquiries  
from non-agchem space

**4** New Products  
Commercialized in FY23

**500+**

Scientists & Researchers  
incl. 120+ Doctorates

**145+**

Patents filed

In-house library with a  
vast array of knowledge  
resources

## Kilo Lab and Pilot Plant



Fulfilling  
**Customer needs** for  
Semi-commercial Production  
for **Product Development**  
and scale-up

**15+** multicapacity  
reactors with various  
MOCs (SS-316, MSG, etc.)

# Continued thrust on best-in-class manufacturing practices to ensure uninterrupted scale-up

## Fully integrated state-of-art manufacturing facilities

### 15 MPPs

Fully DCS automated plants

### ISO 9001: 2015

certification for Quality

2 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

## ESG Anchored

### World class infrastructure for Environment Management

Moving Bed Biological Reactor

Online Analysis of Effluent Treatment

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

### 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.



# Robust product portfolio for all major crops



# Strong product pipeline of exclusive solutions to improve farm productivity

## Momentum for the introduction of new products to continue

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



5 innovative products to be launched in FY24



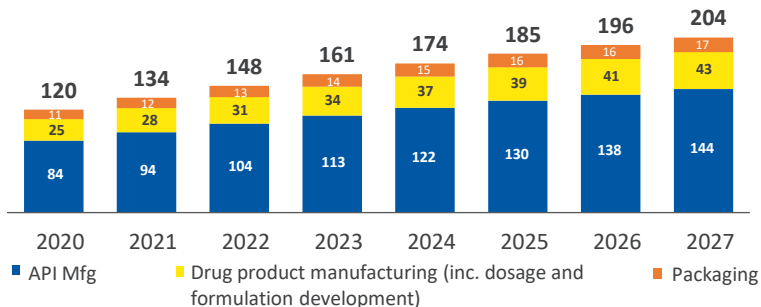
# Progressing on strategic path with Twin Acquisitions into Pharma CDMO space

## committed to building a differentiated pharma play

### Large addressable global market



CDMO market by service (CAGR:7.8%)



### Acquisitions mark a solid and accelerated beginning..

- Both acquisitions are being made through PI Health Sciences Ltd. (PIHS), a 100% subsidiary of PI.
- PIHS will combine the acquired businesses' R&D capabilities with the brand-new integrated pharma research centre being developed in IKP Hyderabad for CRO and CDMO offerings.



#### Hyderabad Research Centre, INDIA

- Brand new integrated pharma research centre being developed in IKP Hyderabad for CRO and CDMO offerings to a wider set of customers across the entire Pharma value chain
- 115,000 sq. ft. built up area. ground plus 2 floors



#### Therachem Research Medilab, INDIA & USA

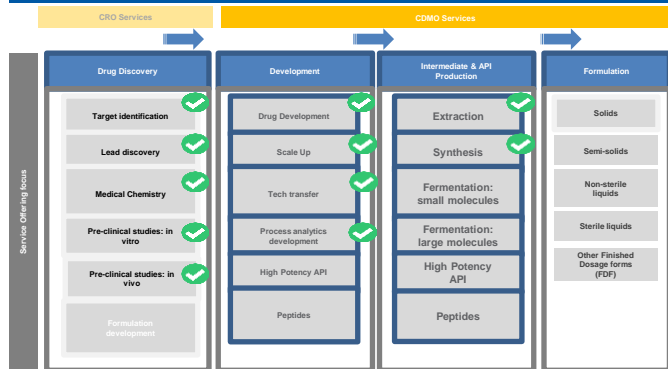
- TRM is an innovative, chemistry-driven solution provider in medicinal chemistry research, process research and development, specialising in the Rare Disease area.
- Manufacturing facilities in India and R&D facilities in India and the US.
- Works closely with marquee publicly listed US biotech companies and big pharma companies



#### Archimica S.p.A. ITALY

- Archimica is an Italy-based, highly reputable small molecule API manufacturer and CDMO operating for last 75 years in Europe
- Servicing over 60 marquee customers in more than 30 countries

### Differentiated play across pharma value chain



# 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. Balganesht**  
Independent Director



**Mr. Arvind Singhal**  
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
- Improved governance score by proxy agencies

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

# Outlook remains positive...

## Domestic:

Focus on portfolio diversification with launch of novel offerings

- Growth to be driven by portfolio of new product launches and the products launched over the last few years
- “Dual growth engine” with  focusing on horticulture segment with enhanced portfolio
- Strong pipeline of Biologicals and Biostimulant products at different stages of development
- Cautious optimism despite climate change forecast of El Niño and dropping prices of generic products

## CSM Export:

R&D focused approach to drive incremental business

- Continued scale up in demand of the existing and newly commercialised products
- Solid R&D pipeline – 4 to 5 products to be commercialized every year
- Capacity expansion in line with plan
- Momentum in new enquiries and conversion to continue

Progressing on strategic initiatives in line with plan

- Forayed into pharma with twin acquisitions and build up of Hyderabad research center
- Working with global advisors for integration and transformation for value creation over time
- Discussions continues with global innovators for development partnership of promising R&D leads

...targeting to achieve 18%-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**

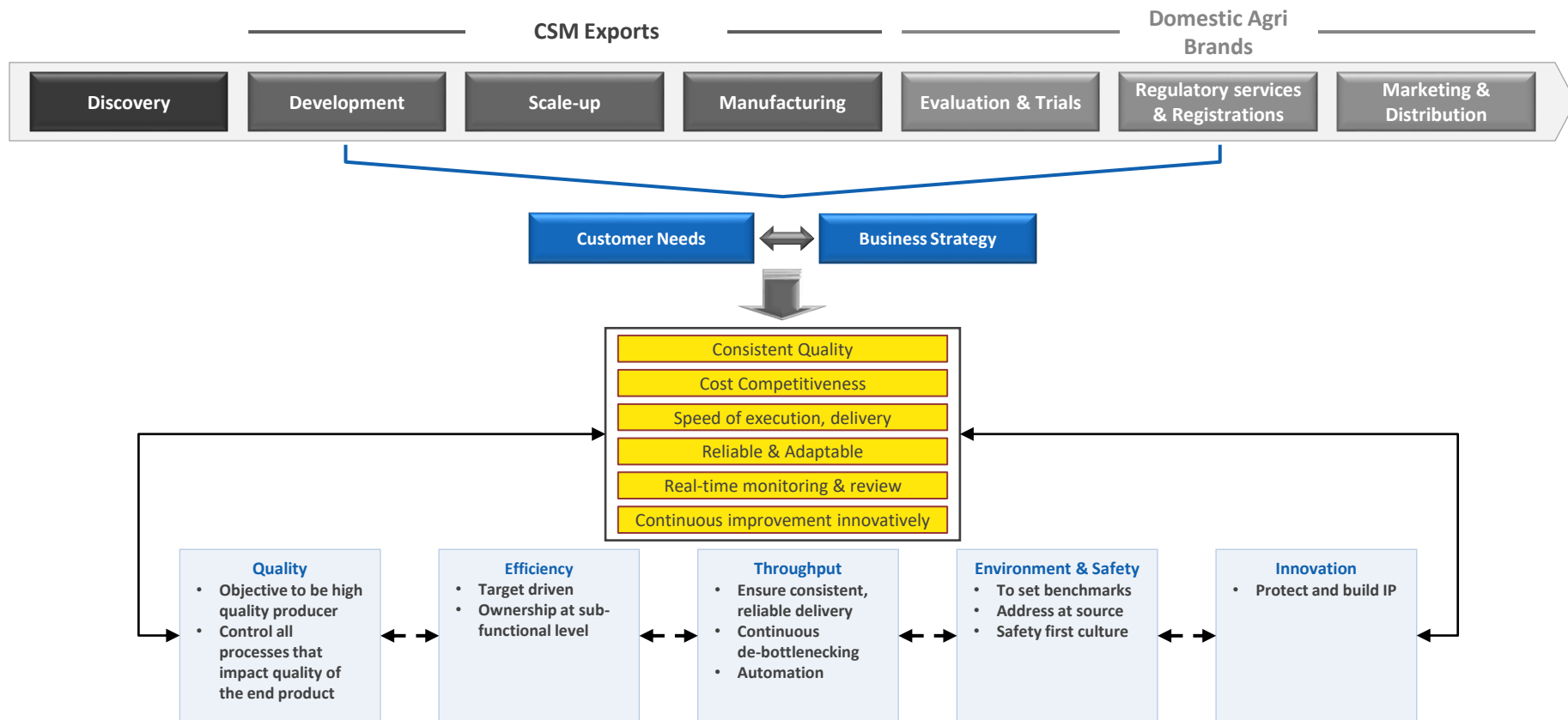
- Connect unseen dots to differentiate
- Collaborate and experiment
- Create an environment to execute ideas with speed and excellence for skills

**Caring**

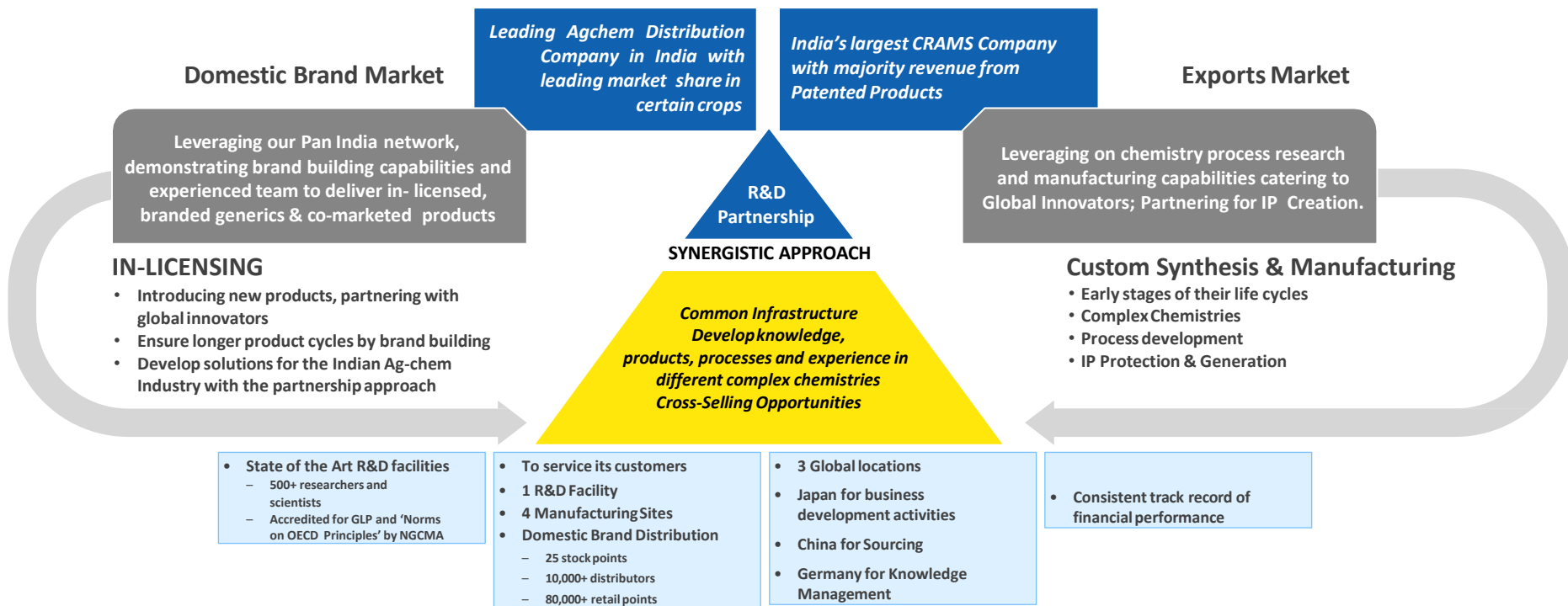
- Be transparent
- Trust each other
- Bring the best out of people
- Embrace sustainability

# 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**

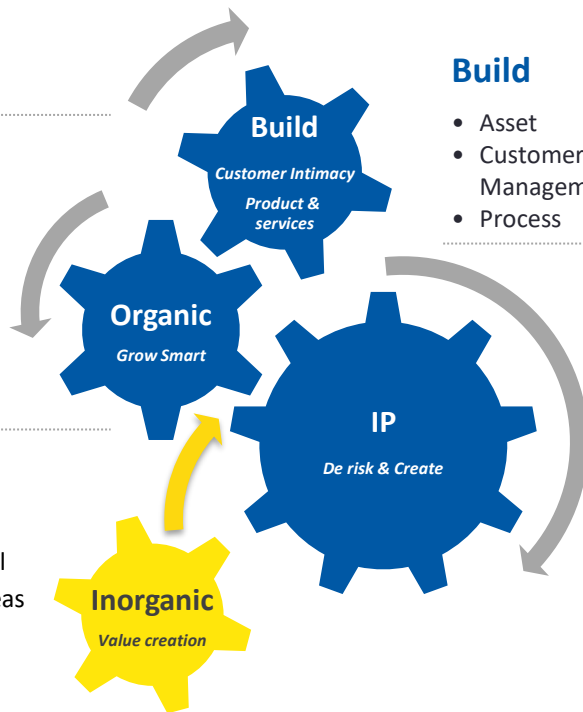
# Pursuing Multi-pronged growth strategy..

## 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

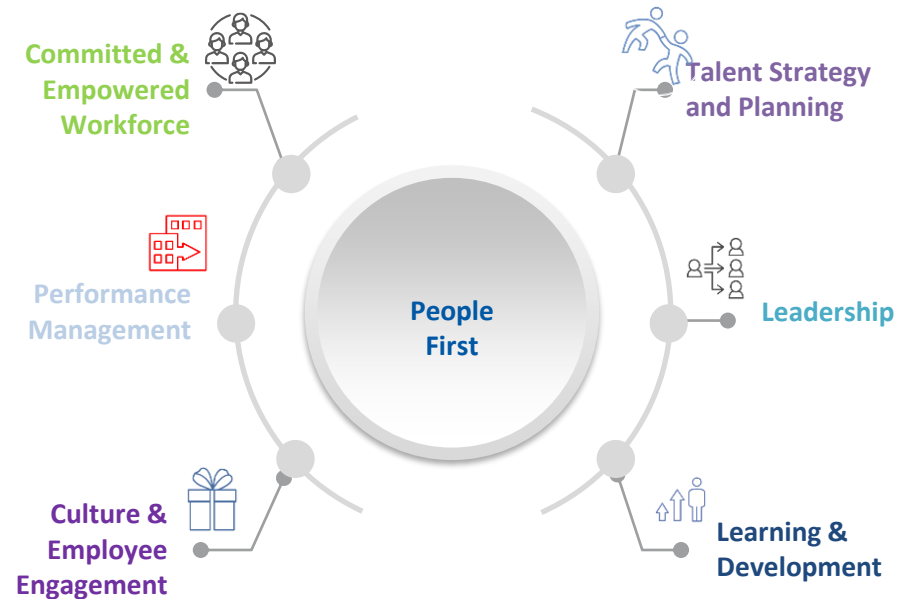
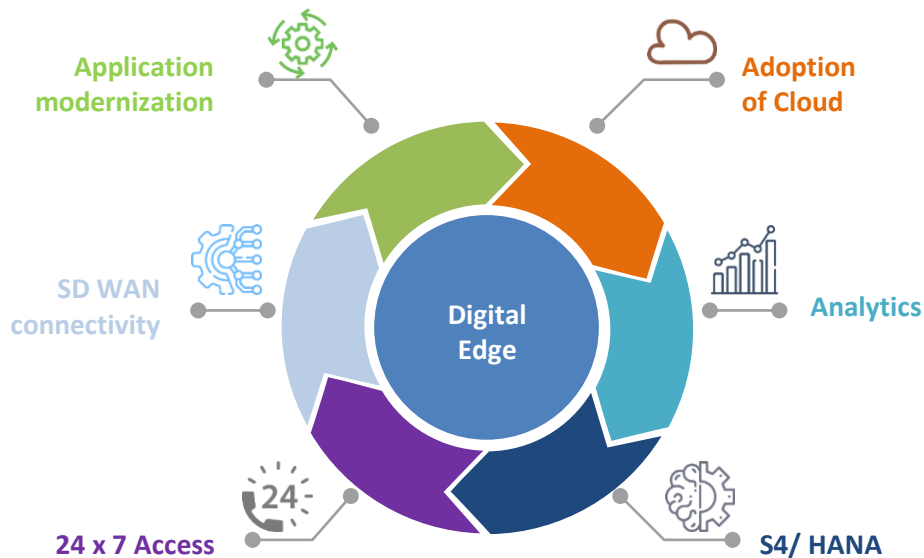
- Information integration
- Decision tools

## 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

# Our Pillars of Growth



# 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



- **Progressing well on the Sustainability Development Goals for 2025.**
- Delivering on the Bio-diversity commitment by developing ~15 acres green cover in and around manufacturing units with plantation of endangered species of trees.
- ~3x increase in renewable energy consumption.
- Specific CO<sub>2</sub> emissions reduced by ~ 17%.
- Reduced specific water consumption by ~ 10%.
- ~2x increase in employee learning and development hours for skill enhancement.
- >60% increase in average training hours per employee.
- ~95% employees trained on Code of Conduct and information security policy.
- Conducted series of ESG Strategic workshops to integrate ESG initiatives into business and functions.
- Conducted Strategic workshop on Risk Awareness, Identification and Assessment with top management.

- Continued commitment towards UN guiding principles of business and human rights.
- Increased women participation in STEM positions and KMPs.
- Nil incidents of non-compliance or fines, or settlements reported related to anti-competitive business practices , corruption and bribery.
- Capacity Building Programs for suppliers to broaden the horizon of their understanding on ESG Commitments.
- 400+ children treated under special Project Vriddhi.
- Initiated project focusing on improving health and nutrition status of children and adolescents.
- Treated 73 children born with congenital heart disease in underprivileged families.
- 1,200+ people benefited from skill development training on income generating activities.

# Rewards and Recognition



## Promising Business Leader

**MR. MAYANK SINGHAL**  
recognized by  
The Economic Times as  
Asia's Promising Business  
Leader 2021-2022



## Golden Peacock National CSR Award 2022

A testament to  
PI's successful  
purpose-driven and  
innovative CSR  
interventions



## Golden Peacock Quality Award 2022

PI's constant innovation and  
quality standards set the  
benchmark in the industry



## Karkhana Suraksha Puraskar Award 2023

A testimony to the  
exceptional safety  
standards PI consistently  
maintains



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**



## India's Best CEO

**MR. MAYANK SINGHAL**  
Vice Chairman & MD,  
PI Industries Ltd. is India's  
Best CEO in Agriculture &  
Allied Sector in the Business  
Today - PWC Ranking

# Our CSR efforts focused on community welfare & environment

CSR policy directed towards inclusive development that creates value for the society, especially around our plant and farmers across the country



## Health, Hygiene and Sanitation

- Preventive Healthcare through **3 Mobile Health vans**, treated over 90,000 patients
- Organized **Free Health Camp** on Eye, Dermatology & Dental hygiene in Jambusar



## Women Empowerment

- **ASMITA Project** - Improved access to credit and livelihood initiatives in 20 villages of Jambusar & Panoli area impacting over 7,000 women



## Skill Development

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



## Sustainable Agricultural Practices

- **Operation Nalla Tamara Purugu**: An integrated approach for Chilli Black Thrips Management impacting over 2,000 farmers including women farmers



## Education

- Improved Learning Outcomes in 135 Government Elementary Schools of 82 villages covering over 2,000 ~15,000 children







Thank You