

PI Industries Ltd.

Investor Presentation
February, 2022

AGENDA

CDR India

Siddharth Rangnekar
siddharth@cdr-india.com
Nishid Solanki
nishid@cdr-india.com
Tel: +91 22 6645 1221 /1209
Fax: +9122 6645 1213

PI Industries Limited

Rajnish Sarna
r.sarna@piind.com
Manikantan Viswanathan
manikantan@piind.com
Tel: +91 124 6790000
Fax: +91 124 4081247

- Financial Performance
- PI's Compass
- Domestic Agri Brands
- Global Agchem Exports (CSM)
- New Initiatives
- 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. Actual results may differ materially from these forward-looking statements due to a number of 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 and political, economic, regulatory and social conditions in India. 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.

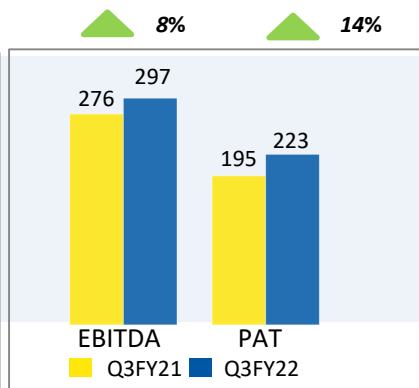
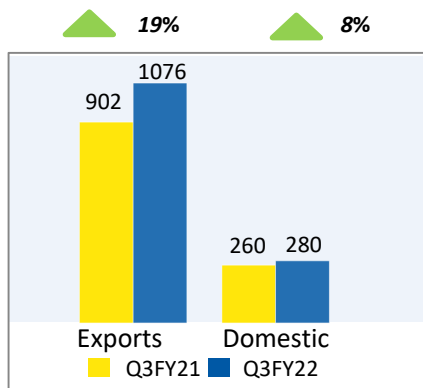
PIIL, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, accuracy, completeness or correctness of any information or opinions contained herein. The information contained in this presentation, unless 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.

Achieving all time high Revenue & EBIDTA in a Quarter...

	Revenue		EBITDA		PAT	
Q3FY22	1,356	↑ 17%	297	↑ 8%	223	↑ 14%
YTM 9M FY22	3,904	↑ 16%	837	↑ 7%	639	↑ 14%

Growth momentum continued in Q3FY22....

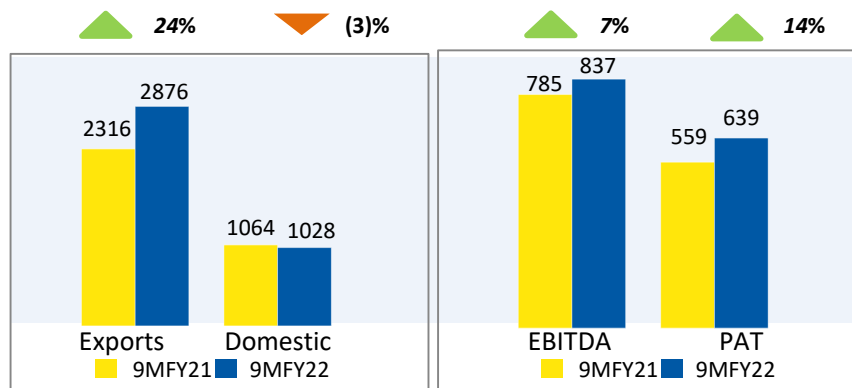
Fig in Rs Crore	Q3FY21	Q3FY22	% YOY
Revenue	1162	1356	17%
Gross Margin	47%	46%	(49) bps
Overheads	270	333	24%
EBITDA	276	297	8%
EBITDA as % of Revenue	24%	22%	(185) Bps
Net Profit	195	223	14%



- 17% Y-o-Y revenue growth**
Global Agchem Exports (CSM)
- 19% growth in Exports**
Q3FY21 over Q3FY20 growth ~40% resulting in a high base
Domestic Agri Brands
- 8% growth in Domestic segment**
Q3FY21 over Q3FY20 growth 26% resulting in a high base
- Trend of rising input costs continued.... **pass through partially effected by hiking selling prices** both in CSM exports and Domestic segment during Q3...full impact to reflect in coming quarters
- Lower export incentives, partial cost pass through, etc. marginally impacted the gross margin despite favourable product mix
- Overheads increase of 24% is mainly attributable to sharp increase in fuel and related utilities, shipping cost and one-time expenses pertaining to strategic initiatives
- 14% increase in PAT** in line with planned ETR
- The board has considered interim dividend for FY21-22 of Rs 3 per share

Exports ramp-up driving earnings growth in 9MFY22

Fig in Rs Crore	9MFY21	9MFY22	% YOY
Revenue	3380	3904	16%
Gross Margin	45%	45%	70 bps
Overheads	717	924	29%
EBITDA	785	837	7%
EBITDA as % of Revenue	23%	21%	(177) Bps
Net Profit	559	639	14%



- 16% Y-o-Y revenue growth

Global Agchem Exports (CSM)

- 24% growth in Exports

YTMFY21 over YTMFY20 growth ~30% resulting in a high base

Domestic Agri Brands

- 3% de-growth in Domestic segment

- YTMFY21 over YTMFY20 growth ~46% resulting in a high base
- Domestic revenue was impacted amid unfavourable agro-climatic conditions in the Kharif season
- Good Rabi season helping recovery in Q3FY22

- Rising Input costs, lower export incentives, etc. offset by favourable product mix, reflected in EBITDA growth. **Price hike effected in Q3** partially reflecting in margins.

- Overheads increase of 29% is mainly attributable to sharp increase in costs, one-time expenses pertaining to strategic initiatives, Covid19 management costs, etc. and reflects in softer EBITDA improvement

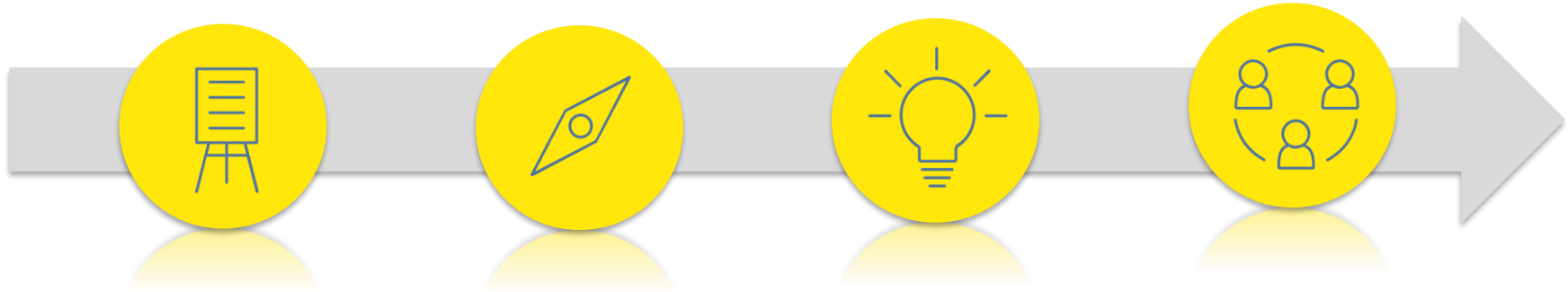
- **Net profit improved by 14% YoY** on a very high base of ~60% YoY growth in 9MFY21

Strong Balance Sheet to drive future growth initiatives

Fig in Rs Crore	Dec-21	Mar-21	Dec-20
Shareholders Fund	5,944	5,342	5,215
Non Current Liabilities	326	403	426
Long term borrowings	190	257	283
Other long term liabilities	136	146	143
Current liabilities	1,373	1,257	1,221
Short term borrowings	95	70	43
Trade payables	866	796	785
Other current liabilities	412	391	393
Total	7,643	7,002	6,862
Non Current Asset	2,600	2,509	2,600
Net Fixed Asset	2,430	2,343	2,242
Goodwill	83	83	83
Non current investments	24	21	23
Other assets	63	62	252
Current Assets	5,043	4,493	4,262
Inventories	1,355	1,053	1,070
Trade receivables	1,022	852	870
Cash, Bank & Investments	2,365	2,327	2,060
Other assets	301	261	262
Total	7,643	7,002	6,862
<u>Key Ratios (%) Annualised</u>			
Net Sales to Fixed Assets	2.07	1.89	2.01
Net Sales to Working Capital	3.44	4.13	4.49
Debt/ Equity Ratio	0.05	0.06	0.05

- **Net Sales to Fixed Assets ratio improved to 2.07 from 1.89 in Mar'21**
 - Focused initiatives to improve fixed assets capital efficiency of CSM Exports
- **Total capex for YTM 9M FY22 of Rs 228 crore**
 - Key focus remains of driving higher capacity utilisation
- **Maintained higher inventory levels of Rs 1,355 crore compared to last year**
 - To avert supply chain disruptions and meet customer supply schedules / continued operations
- Surplus cash net of debt is Rs 2,078 crore. 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

Performance underpinned by PI's Compass



Deliver
consistent
financial
performance

Refresh
PI Compass

**“Live the PI
Compass”**
Capabilities
drive
Operational
Model

Build **new**
Capabilities for
sustained
growth

Purpose

Reimagining a healthier planet

Vision

Lead with science, technology and human ingenuity to address latent nutrition and health needs of the planet

Capabilities

Customer 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

Courage

- Think and act boldly
- Act with integrity and be accountable
- Commit to excellence
- Realise future potential

Curious

- Question conventional wisdom
- Be open and adaptable to change
- Develop intellectual curiosity

Creative

- Differentiate by connecting new dots
- Collaborate and experiment to bring new thinking forward
- Continually innovate processes for efficiency, effectiveness and speedy scale

Caring

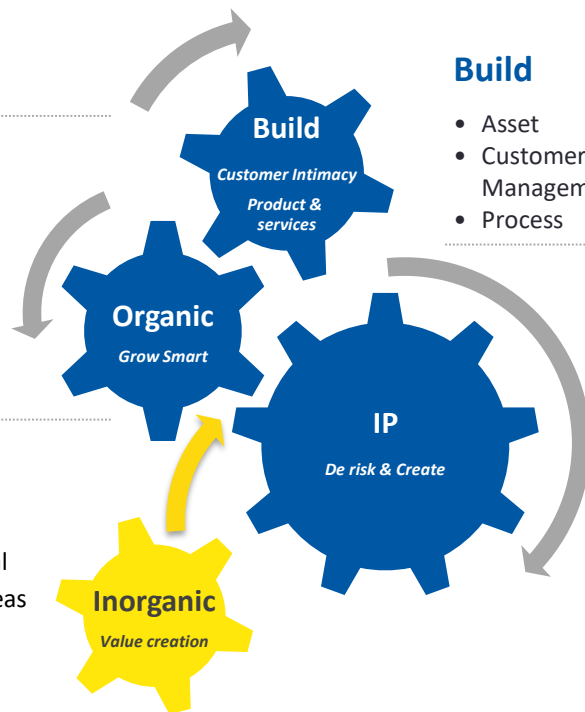
- Be transparent and bring the best out of people
- Think Health First for People and Planet
- Embrace sustainability in all we do and at all times

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

Surge in new enquiries/products scale up driving the growth of CSM Exports



Global Agchem Exports (CSM)

	Discovery	Development	Scale-up	Manufacturing
	R&D Scale Up	New Technology	Capacity Build up	Operational Improvements
Science & Technology Driven	<ul style="list-style-type: none"> 4 new molecules commercialized; 3 more planned in Q4 >40 products at different scale up stages R&D pipeline has >20% non agchem products 	<ul style="list-style-type: none"> Continuous flow chemistry developed for 1 intermediate at pilot plant Implemented technology to improve solvent recovery 	<ul style="list-style-type: none"> 1 more Multi Product Plant (MPP) fully commissioned in Q3 New chemistry building block (MMH) commissioned in Q3 	<ul style="list-style-type: none"> Capital efficiency optimized by ~15% by: <ul style="list-style-type: none"> ✓ Operational excellence; ✓ Statistical data analysis; ✓ Process improvement New analytical tool implemented for process monitoring in >10 products Contracted for 500KW solar power at Jambusar
Customer Centric	Customer Acquisition/ Order Book			
	<ul style="list-style-type: none"> 32 new enquiries received: More than 35% from non agchem space 8 new customers were acquired during current fiscal. Robust order book of ~\$1.4 Bn 			

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

Domestic Agri Brands

Evaluation & Trials

Product Innovation

- One new insecticide for rice and two specialty fungicide focused on horticulture and rice launched
- Successful launch of 12 new products in horticulture segment

Channel Expansion

- PI Mitra Loyalty Program rolled out for engagement with channel partners
- Implemented digital Sales Ordering by channel partners of Domestic segment. Excellent traction seen.

Regulatory services & Registrations

Product development and Regulatory approvals

- 15-18 products at different stages of development and registration
- During Q3, received regulatory approval for 1 insecticide in cotton, 1 insecticide in rice, 1 specialty fungicide for horticulture

Farm Application Services

- Addition of the imported state of the art machines for application has helped to double area treated through application services
- Actively evaluating drone application through pilot programs

Marketing & Distribution

Market Penetration

- Nominee Gold® maintained dominant share among rice herbicides
- Positive momentum for Awkira® (pre-emergent wheat herbicide) with treated acres increase 3x
- Successful launch of Armatura® on grapes, a specialty fungicide with biological origin
- Aggressive growth agenda in horticulture segment

Science & Technology Driven

Customer Centric

Some of the recent product launches getting good traction..

Transforming practice from Post to Pre-emergent Herbicide

AWKIRA™

- ✓ Unique mode of action to control resistant Phalaris minor in Wheat
- ✓ Developed application support to treat ~7 Lakh acreages, providing better & efficient services
- ✓ Immediate expansion in Soybean and Corn, which are highly driven by herbicide business



India's first Pheromone based Insecticide to address boll worm menace affecting cotton crop

PB KNOT™

- ✓ Sustainable solution PB Knot® (cotton insecticide) now covering 100,000+ acres across 5 states
- ✓ Innovative mating disruption technology
- ✓ Best fit in IPM of boll worm management
- ✓ Extensively tested globally
- ✓ Safe to beneficial insects, environment & applicator



Specialty Fungicide of biological origin for India's major export crop, grapes

ARMATURA®

- ✓ Improves grape yield without adversely impacting quality
- ✓ Product is MRL exempt and safe to use for preventive disease management
- ✓ Farmers find that two applications of Armatura® gave effective control of powdery mildew.
- ✓ Armatura® application enhanced the quality of grapes by improving the luster and shining.



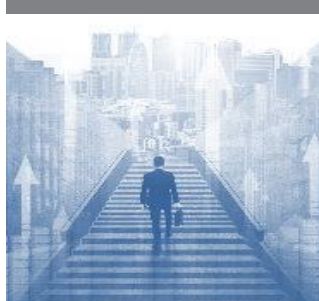
Implementing integrated program for Digital Edge capability

Digital Edge



Operational Excellence

- **Scaling up Vendor Management** functionality for supplier lifecycle and performance management
- Consolidation of **manufacturing platforms for statistical analysis** to study process technology and throughput efficiency



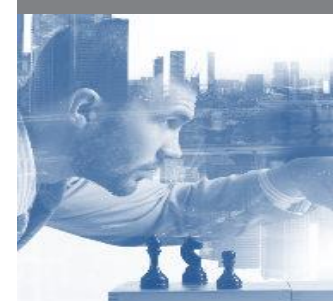
Safety and Security

- **AI based surveillance** for safety and security of facilities and personnel



Customer Engagement

- Digital tools for **ordering, sales analytics etc.**



Learning & Development

- Organization wide launch of digital learning platform
- Advanced analytics including **predictive HR analytics**



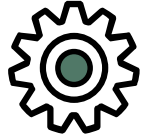
...Others

Select list of initiatives

Building future ready PI for the next phase of growth



- ✓ PI's ambition is to embark on **rapid, differentiated, organic and inorganic growth** which is resilient by being ahead scientifically and technologically
- ✓ We @ PI recognize the need to make deep changes **to align with enormous and pervasive technological changes** all around and the challenges our Planet Earth faces..
- ✓ By **Reimagining a Healthier Planet** and setting an audacious Vision for ourselves to address expressed and latent needs of people, we are aiming to grow rapidly and sustainably
- ✓ Also **implementing a new Operating Model** that enables us to continue growing our current businesses, establish new businesses and also continually add new ideas, technologies, scientific discoveries and more to make PI a resilient, resourceful and successful enterprise .
- ✓ **Elevating leaders with demonstrated success to lead Business Units**, which make up our Delivery fold while backing them up with the requisite talent, empowering them to succeed.
- ✓ Aiming **highly inclusive and diverse work place** ensuring opportunity for all and empowerment of our people to bring out their best whilst ensuring effective accountability.



New operating model to equally focused on Delivery & Development..



PI Compass

Leadership

Technology

Resources

Governance

Align entire organization across different levels with “PI’s Compass”

Elevated seasoned homegrown leaders for CSM and Domestic business

Continue to add bench strength in new technology

R&D team for pharma diversification into bio-chemicals is already in place

Reengineering and digital automation of finance processes for operational efficiencies

Adding resources for digital initiatives

Implementing robust career and succession planning program

Refining key human capital management processes to strengthen employer brand

Our attrition level is well below industry norms and negligible at senior management levels

Restructuring of the Board / Committees with induction of new Independent directors and re-defining the roles

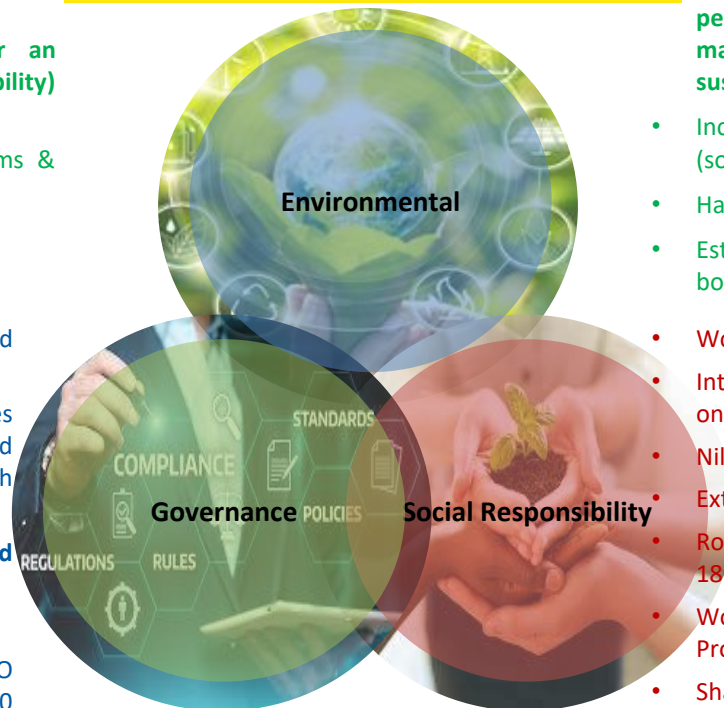
Integrating ESG initiatives with long term business strategy / plan and make that way of life for all @ PI

Strengthening team for deeper understanding of applicable regulations

PI's focus on ESG principles is winning accolades...

- FICCI – India @75- Chemical And Petrochemical Industry Awards 2021: ‘Heritage Company of the Year’ and ‘Lifetime Contribution to Indian Agrochemical Industry’
- Won award from global customer under an independent TFS (Together for Sustainability) assessment with score of 99 out of 100
- Accredited environmental management systems & infrastructure - 14001 certification
- Retained Responsible Care® certification
- Disclosure of sustainability related risks and material issues in public reporting.
- Board & committee composition, Separate roles for NEC and MD, performance linked remuneration structures, etc. ensuring high governance standards
- Cascade shared values of Integrity and Accountability via PI's Compass
- Fully compliant - no imposition of penalties
- Information & Cyber Security Infrastructure: ISO 27001 certification. Assured per AA1000 Assurance Standard on ESG indicators

Emerged amongst top quintile companies in the very first S&P global Corporate Sustainability Assessment (CSA) with 82% percentile industry ranking



CII-National Award for 'Excellence in Water Management 2020'

Gold Star Rating in EcoVadis Survey with 96th percentile ranking among global AgChem manufacturing companies for business sustainability.

- Increased utilization of renewable energy source (solar and wind power) by 6x YOY
- Hazardous waste reduction by 35% YoY
- Established process for identifying climate risks – both, physical & transition
- Won Global Excellence HR Award 2020
- Introduced Training Modules for workforce training on Corporate Governance Practices
- Nil fatality cases reported YTM 9MFY22
- Extensive efforts on product stewardship
- Robust OHS Management systems: ISO 45001 & 18001 certification
- Women Empowerment in 20 villages thro' ASMITA Project targeting scaling up their livelihood.
- Share of women in STEM positions @ 10%.

Business outlook remains robust...

Domestic: Focus on portfolio diversification with launch of novel offerings	<ul style="list-style-type: none">• Q4 demand is expected to be good for insecticides, fungicides and bio-nutrients owing to robust commodity prices and positive crop sentiments• Rice insecticide and a specialty fungicide in horticulture that received regulatory approval to be launched in Q4
CSM Export: R&D focused approach to drive incremental business	<ul style="list-style-type: none">• Commercialization of 3 new molecules planned in Q4• Momentum in new enquiries and conversion to continue• Price correction impact to reflect in coming quarters
Efforts to drive strategic initiatives continues	<ul style="list-style-type: none">• Progress on new technology projects remain in line with plan. One new process innovation to be commercialized in Q4.• Evaluation of inorganic growth opportunities in pharma continues, both domestic and international options being evaluated
PI's product & research efforts yielding promising results	<ul style="list-style-type: none">• Discussions progressing well with global innovators for development partnership of 2 promising leads; one novel fungicide and a novel broad spectrum insecticide having sizable potential market opportunity

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

PI supporting communities to fight Covid-19 ...



Setting-up of 5 Oxygen Generation Plants

Set up 5 oxygen generation plants across 5 hospitals

- Amidst the deadly second wave coupled with shortage of medical oxygen, PI Industries rolled out oxygen generation plants in Gujarat, Rajasthan and Delhi

Provision for Oxygen Concentrators

Procured oxygen concentrator machines

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

Financial assistance in setting up Covid Isolation Centres

Provided 50 beds and requisite medical equipment

- Provided at Covid-19 Isolation Centre at Jambusar & assistance to Vasant Vihar Welfare Association, New Delhi for running Covid Isolation Centre

Assistance to procure CT Scan machines

Procured CT Scan machines

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

Support of Medicines for Underprivileged

Procured expensive lifesaving medicines

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

Awareness Campaigns / PI Volunteers for community support

Provided 3 Mobile Med. vans and arranged free health camps

- Community outreach programs covered >71,776 people in 64 villages
- ~300 people screened daily
- Free Health Camps on Gynecology & RCH, Pediatrics, Dental Hygiene & Dermatology. 1,500 people benefited.
- PI employees volunteered

Our CSR efforts 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/ 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