

PI Industries Ltd.

Investor Presentation
Q3 FY24 Results

AGENDA

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

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Growth momentum continues...vindicates differentiated business model and diversified product portfolio

Figures in Rs. Million

Revenue

EBITDA

PAT

***Q3FY24**

18,975 ↑ 18%

5,550 ↑ 34%

4,486 ↑ 28%

***YTM 9MFY24**

59,248 ↑ 20%

15,810 ↑ 31%

13,120 ↑ 38%

Commercialised
4 new products in
Exports and
5 in Domestic
Agri Brands

CSM Exports
Order Book - USD
~1.7 billion

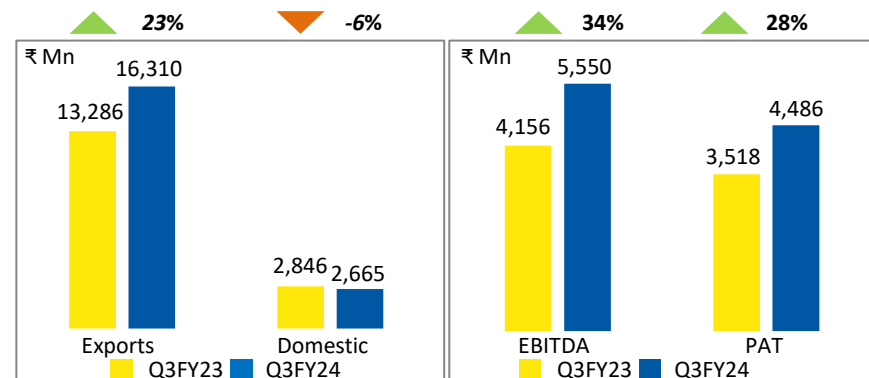
Diversification in
Pharma done,
integration of
CRO-CDMO-API
platforms
underway

Trade working
capital reduced
from 90 days to 80
days

1st Indian
company to get a
new ISO approval
"Pioxaniliprole"

New products commercialisation driving growth in Exports and Q3FY24 revenues

Fig in Rs. Million	Q3FY23	Q3FY24	% YOY
Revenue	16,132	18,975	18%
Gross Margin	47%	54%	640 bps
Overheads	3,456	4,626	34%
EBITDA	4,156	5,550	34%
EBITDA as % of Revenue	26%	29%	348 bps
Net Profit	3,518	4,486	28%



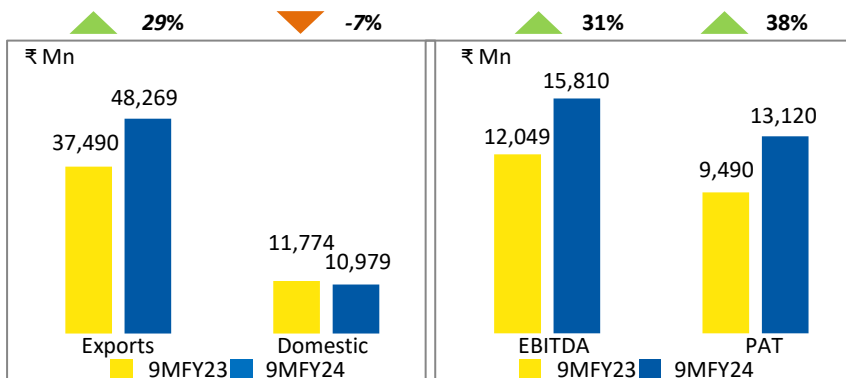
- Overall 18% Y-o-Y revenue growth
- 13% growth in Agchem Exports driven by volume growth and newly commercialised products.
- Pharma¹ contributed Exports revenue of Rs. 1,273 million i.e. ~10% of total Exports revenue growth.
- Domestic revenues were subdued with reduction of ~6% Y-o-Y due to delayed and erratic spread of monsoon although favourable product mix and improved working capital management helped contain financial impact.
- Gross Margin and EBITDA improved mainly on account of favorable product mix, operating leverage and one-time impact of recovery of theft material contributing ~300 bps improvement in EBITDA.
- Overheads increase mainly attributable to the newly acquired Pharma businesses hence not comparable.
- The Board has considered interim dividend for FY23-24 of Rs 6.00 per share

¹ Pharma: PI Health Sciences Ltd. ("PIHSL") Consolidated including overseas subsidiaries

Robust performance in 9MFY24 despite challenging times

Testament to resilient business model and execution capabilities

Fig in Rs. Million	9MFY23	9MFY24	% YOY
Revenue	49,264	59,248	20%
Gross Margin	45%	49%	337 bps
Overheads	10,383	13,177	27%
EBITDA	12,049	15,810	31%
EBITDA as % of Revenue	24%	27%	223 bps
Net Profit	9,490	13,120	38%



¹ Pharma: PI Health Sciences Ltd. ("PIHSL") Consolidated including overseas subsidiaries

- **Overall 20% Y-o-Y revenue growth**
- **22% growth in Agchem Exports** over a high base mainly on account of scale-up of existing products and introduction of 4 new products. Growth comprises volume growth of ~21% and ~1% from price, currency and favourable product mix.
- Newly acquired Pharma¹ contributed to remaining Exports revenue of Rs. 2,434 million i.e. ~7% of total Exports revenue growth.
- **Domestic segment remained subdued** due to erratic monsoon and El Niño conditions which led to long dry spells impacting insecticide and herbicide sales in certain geographies. However focused efforts were made to improve product mix by launching new brands and improving working capital efficiency.
- Overheads increase attributable to the newly acquired Pharma businesses (~13%) and balance (~14%) to scale-up of Exports and promotion expenses for the launch of the new products.
- Overall favorable product mix and significant increase in operating leverage reflected in improvement in EBITDA margin to 31%.
- **Net profit improved by 38% Y-o-Y** attributable to EBITDA growth, low ETR.
- Cash flow from operating activities increased 16% to Rs. 11,561 million and Rs 12,889 million excluding Pharma¹ (9MFY23 Rs. 9,951 million).

Solid Balance Sheet: result of sustained internal accruals, efficient NWC management and disciplined capital allocation

Fig in Rs. Million	Dec-23	Mar-23	Dec-22
Shareholders Fund	84,508	71,985	69,716
Non Current Liabilities	3,082	994	2,233
Long term borrowings	697	-	1,056
Other long term liabilities	2,385	994	1,077
Current liabilities	16,521	11,818	14,209
Short term borrowings	1,004	-	1,089
Trade payables	10,476	8,380	9,459
Other current liabilities	5,041	3,438	3,661
Total	1,04,111	84,797	86,158

Non Current Asset	39,131	28,174	27,393
Net Fixed Asset	33,633	26,551	25,812
Goodwill	3,618	828	828
Non current investments	872	313	301
Other assets	1,009	482	452
Current Assets	64,980	56,623	58,765
Inventories	12,743	13,976	14,517
Trade receivables	15,099	8,381	11,156
Cash, Bank & Investments	34,045	32,272	31,019
Other assets	3,092	1,994	2,073
Total	1,04,111	84,797	86,158

Key Ratios (%) Annualised

Net Sales to Trade Working Capital	4.55	4.64	4.05
Debt/ Equity Ratio	0.02	Nil	0.03
Net Sales to Net Fixed Assets	2.35	2.45	2.54
ROCE ²	31.7%	34.6%	31.9%

Highlights of 9MFY24

- Net fixed asset increase by Rs. 7,821 million Y-o-Y.
- Total capex for 9MFY24 is Rs. 9,001 million including Pharma¹ acquired assets of Rs 4,972 million. The capex excluding this addition is Rs. 4,029 million (9MFY23 Rs. 2,585 million).
- Increase in Other assets includes long term fixed deposits of Rs. 658 million.
- Trade working capital in terms of Days of Sales improved to 80 days as on 31-Dec-23 vs. 90 days as on 31-Dec-22.
- Inventory levels of Rs. 12,743 million and Rs. 11,878 million excluding Pharma¹, reduced in terms of Days of Sales to approx. 59 days to vs. 81 days as on 31-Dec-22.
- Surplus cash net of debt is Rs. 32,926 million.

¹ Pharma: PI Health Sciences Ltd. ("PIHSL") Consolidated including overseas subsidiaries

² ROCE computed excluding Cash, Bank & Investments

PI Health Sciences: Initial development spend reflecting in the financials...

Integration of CRO-CDMO-API platforms underway

Fig in Rs. Million	Q3FY24 Proforma	Ind AS Adjustment	Q3FY24 Reported	9MFY24 Proforma	Ind AS Adjustment	9MFY24 Reported
Revenue	1,207	65	1,273	2,839	(405)	2,434
Gross Margin	54%		51%	62%		58%
Overheads	650		650	1,650		1,650
EBITDA	1	3	4	118	(351)	(233)
EBITDA as % of Revenue	0%		0%	4%		N.M.

9MFY24

- Aforesaid financials represent consolidated financials of PI Health Sciences Ltd. including acquired businesses of Archimica S.p.A., Therachem Medilab, PIHS Hyderabad etc.
- Proforma EBITDA for 9MFY24, before development spend of ~Rs. 350 million, works out to ~16%.
- Inventory of Rs. 865 million reduced from Rs. 1,172 million as on 30-Sep-23.
- Capex 9MFY24 of Rs. 1,008 million.

- State-of-the-art research centre in **Hyderabad**



- CMO for RSM and KSM and CRDO at **Jaipur**



- CRDO in **Alabama, US**



- GMP Speciality API and CDMO plant at **Lodi, Italy**



Few areas of integration activities

Strategic

- In-depth mapping of global CRDO-CDMO value chain
- Areas of strategic focus and differentiation for PIHS

HR

- Integrated organisation structure
- Job bands and HR policies harmonisation

IT

- SAP integration across all sites
- Seamless and common platform for email, processes

SCM

- Procurement and logistics processes digitized
- S & OP procedures standardised

On path to build future growth engine for PI

State-of-art Manufacturing Assets with continued thrust to adapt sustainable practices



Digital Edge

- Adaptive Controls to optimize Yield, Quality, Energy & Throughput
- Sensor-based Data Capturing for KPI Monitoring in Utilities

Key Material Issues

Economic – Contribution to ICT innovation

SDG Alignment



Economic - Supply Chain Management, Product Safety and Quality Assurance



Environment – Emission control



Environment – Energy management



Environment – Materials



Environment – Water management



Environment – Waste management



Key Highlights 6MFY24

15 fully automated Multipurpose Plants (MPPs) with Distributed Control system (DCS) spread across **5 locations**

90% of raw material/packing material suppliers assessed for sustainable sourcing including their environmental impacts

Continued reduction in intensity from carbon emissions

Contribution of **4+%** from renewable energy in the total electricity mix

Increase in tons of input material recovered and reused

~40,000 KL water recycled through rain water harvesting & RO permeate

Reduction in hazardous waste generation

World-class R&D set-up delivering innovative and disruptive solutions

State-of-the-art R&D Labs
at Udaipur, Hyderabad,
Jaipur, Lodi and Alabama

700+ Scientists &
Researchers
incl. 200+ Doctorates

155+ Patents filed
11 patents filed
in 9MFY24

In-house library with a
vast array of knowledge
resources

R&D



Specialized department of
IT experts focusing on
advanced data management

NABL ISO17025
Accredited and GLP certified

50+ Products at different
development stages

~50% of the New Enquiries
from non-agchem space

4 New Products
Commercialized in YTM FY24

Inauguration of the latest addition to our R&D facility (Udaipur) – **pXRD (Powder X-ray Diffraction)** that will help in identification and quantification of different Polymorphs.



1st Indian company to receive approval from International Organization for Standardization (ISO) for groundbreaking insecticide named "PIOXANILIPROLE"

Agchem Labs



Pharma Labs



Momentum of new Brand launches in Domestic market to continue..

5 Innovative Brands launched in 9MFY24

CLARET®

Unique combination
of systemic and
contact insecticide
with dual action on
BPH in Paddy

INSECTICIDE



HERBICIDE

EKETSU™

1st 3-way (mixture of
3 proven chemistries)
Post Emergent Broad
spectrum Rice
Herbicide

KADETT®

Seed treatment in
Soybean & Groundnut
to prevent diseases
and provide Active
Root Growth

FUNGICIDE



FUNGICIDE

PIILIN®

Bio-fungicide for
effective Powdery
Mildew disease
management in Grapes
& Chilli with Novel
Mode Of Action & MRL
exemption

AMINOGROW ACTIV™

Amino acid &
Peptides product to
enhance quality of
fruit and lower flower
drop

BIOLOGICALS



Robust pipeline of over 20 products under registration and development

Most comprehensive innovative portfolio for all major crops

HORTICULTURE



CHILLI



CORN



SOYBEAN



RICE



COTTON



WHEAT



Enhancing farm productivity through farmer education and innovative solutions remains at the core of our offerings...



19 million acres

TREATED ACREAGE



2 million farmer visits

DEMAND GENERATION
ACTIVITIES



- Solutions for Cotton, Rice, Wheat, Corn, Soybean, Horticulture and Chilli

INTEGRATED CROP
SOLUTION APPROACH

- Awkira™ Ka Hero campaign
- Satkaar Campaign felicitating farmers
- Eketsu™ Village Launches
- Distrupor®- XP Hai to Happy Hai
- Badlav ki Boond-Mandi campaign

INNOVATION IN PROMOTION



Outlook remains positive...on path to deliver guided growth for FY24

Domestic:

Focus on portfolio diversification with high quality revenue

- Monsoon deficit in south and low reservoir levels
- Elevated inventory levels in the industry for row crop Agchem products and price pressure from generics to continue
- Integrated crop solution approach with focus on quality of revenue and efficient NWC management

CSM Export:

Technology focused approach to drive incremental business

- Continued scale up in demand of the newly commercialised products: to drive growth in next quarters
- Solid R&D pipeline of diversified portfolio of Agchem, electronic, imaging and other specialty chemicals - 4 to 5 products to be commercialized every year - ~30% from non-Agchem
- Capacity expansion in line with plan - to commission 2 plants in next 1-year

Health Sciences:

Building a differentiated play in Pharma CRDMO space

- Operating model, functional and IT integration of acquired companies nearing completion
- New business development efforts intensified
- Build-up of Hyderabad research center and staffing at full swing; soon getting commissioned
- Capex committed for upgrade of facilities and building cutting-edge capabilities at Lodi and Jaipur facilities

Progressing on strategic initiatives in line with plan

- Strong pipeline of Biologicals and Biostimulant products at different stages of development
- Actively evaluating a few inorganic growth opportunities
- Promising R&D leads progressing towards development phase

PI the company

“Outshines competitors in delivering business needs of the customers by unlocking value & fearlessly reinventing ourselves”

known for over 2 decades to be the top wealth creator ...



A Trusted brand & partnerships

- **50+** years of relationship with Japanese companies
- **Zero conflicts** till date

Successful product brands & Services

- Ranked amongst **Top 3** in the world in CSM
- **70+%** revenue from patented products

Science & Technology

- The only **fully integrated** R&D with all disciplines under one roof – a global benchmark
- Rapid adoption of **latest technologies**

ESG

- ESG a **way of life**



Addressing emerging opportunities

- **Never** a “me-too” player
- Establishing **new frontiers** of Agri, Horticulture, Biologicals, Health Sciences ..

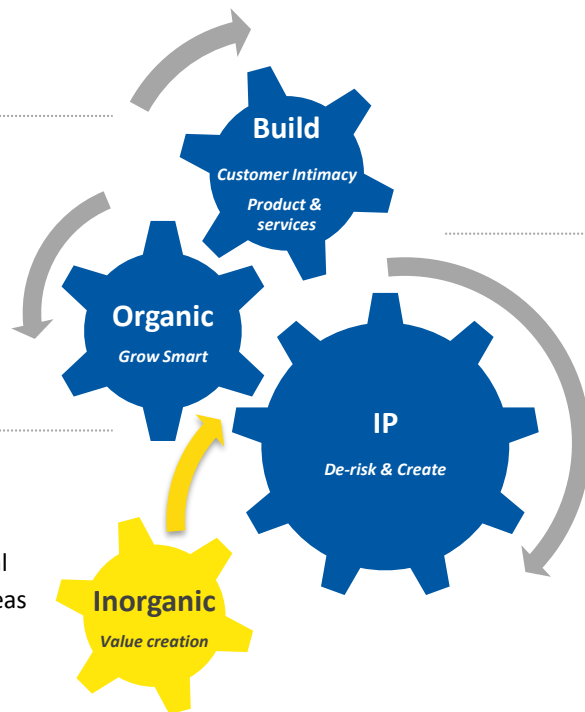
Multipronged strategy to sustain the growth momentum backed by multiple growth engines & aggressive M&A

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



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

Multiple Growth Engines / Levers

- CSM - Technologies, patent cliff, process innovation
- Domestic Marketing & Distribution - Product Pipeline
- Biologicals Stream
- Horticulture Specialist - Product pipeline, geographic expansion
- PI Health Science - CRO, CDMO, API to tap > \$100 Bn market opportunity
- Research Product from CRE - Global partnership

Prudent capital allocation to ensure the long-term shareholder value creation









PI featured in the S&P Global Sustainability Yearbook 2024

Ranked among the best ESG rated companies globally...



Environmental

SDG Alignment

Key Material Issues	Key Highlights 6MFY24
 → Environment – Climate change	Continued reduction in intensity from carbon emissions
 → Environment – Biodiversity and ecological conservation	Developed 15 acres of green belt by converting barren land into farmland
 → Environment – Emissions control	Captive Solar Power Project with an impressive capacity of 887 KWp . This cutting-edge venture spans across two strategically chosen sites, to power our operations and forge a greener future.
 → Environment – Energy management	Contribution of 4+% from renewable energy to total electricity consumption
 →  Environment – Soil Health	Reduction in hazardous waste generation
 → Environment – Water management	~40,000 KL water recycled through rain water harvesting & RO permeate
 → Environment – Waste management	~17% reduction in landfill (hazardous) waste generation

Launched revamped Environment related policies in August 2023

- Sustainable Procurement Policy
- Occupational Health & Safety Management Policy



Social and Governance

- **90%** of raw material/ packing material suppliers assessed for sustainable sourcing including their environmental impacts.
- In YTMFY24, biologicals contributed **9.8%** to the domestic agri brands revenues.
- YTM FY24 learning hours by the employees aggregating **80,000+ hours**.
- Access to top content of more than **10,000+ modules** in addition to learning experience platform Percipio.
- Launched **Management Development Program** in collaboration with IIM Udaipur.
- **20+%** of new joiners were campus hires from Tier-1 colleges.
- Increased women's participation in leadership positions by **15+%** over FY23
- PI funded not-for-profit blood bank in Ankleshwar, Gujarat benefited **5,500+** beneficiaries.
- Upgraded Anganwadi centers at Samoj, Jambusar Taluka, Gujarat benefiting **5,000+** children.

- Water Management Policy
- Equal Employment Opportunity Policy

- Environment Management Policy
- Transportation and Distribution Safety Policy

<https://www.piindustries.com/sustainability/ehs/sustainable-procurement-policy/>

S&P Global

S&P Global Corporate Sustainability Assessment (CSA) ranking improved to 95th percentile

Retained Ecovadis Gold medal in sustainability achievement 2023 with 98th percentile ranking



People first: HR Snapshots



Culture

- Continuing "**PI Values Assessment**" program to reinforce commitment to organizational values
- **PoSH Training** conducted in local languages to promote an inclusive and ethical workplace culture



Capability Development

- Continuing "**PARIVARTAN**" training program
- **Higher Education Policy** encouraging continuous professional development



Talent Management

- Systematic evaluation of Management Trainees to assign them to assume greater responsibilities



Employee Connect

- Direct communication through various channels to drive deeper engagement and awareness



Safety Awareness

- Partnered with renowned institutions of **IIT Madras** and **NITM** to deliver specialized safety training for manufacturing workforce
- **10,000+ hours** dedicated to safety training, underscoring our unwavering commitment to workplace safety



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

Health & wellness support for rural communities

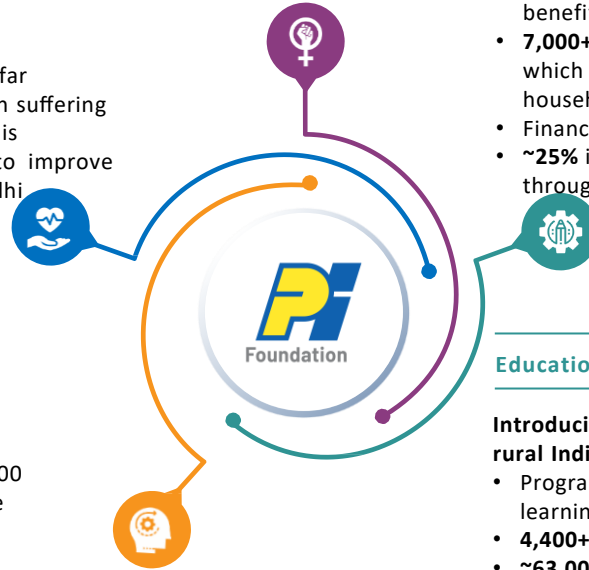
- Supporting communities in **64** villages in Swasthya Seva Program
- **21,000+** beneficiaries reached in Q3
- **6.65+ lakh** beneficiaries reached so far
- Improving nutrition level of children suffering from malnutrition in **66** Aanganwadis
- **~7,000** adolescent children trained to improve health & well-being in Project Vriddhi



Environment Sustainability

Promoting Sustainable Farming Practices & Biodiversity Conservation

- **7,200+** farmers reached covering 1,700 acres in Q3 in Sustainable Agriculture project
- **~7.8 lakh** farmers reached so far
- **1.74 trillion litres** of water saved through Direct Seeding of Rice (DSR)
- **~30,000 trees** planted for a significant positive impact on the environment



Women Empowerment

- Program running in **80** rural villages
- **5,400+** women smallholders directly benefitted in Q3.
- **7,000+** women smallholders impacted, which makes it **~28,000** people at a household level
- Financial access to **100%**
- **~25%** income levels have increased through this program



Education & Skill Development

Introducing digital learning & smart classes in rural India

- Program is supporting **135** schools to improve learning outcomes of children
- **4,400+** students reached in Q3
- **~63,000** students impacted so far
- **230 youth** enrolled in Q3; **3,700+** youth have been skilled, **90%** have got gainful employment
- Smart learning through project Digitalshala launched recently and will reach **100** schools



Rewards and Recognition

PI Industries Ltd.
recognized as
**Dun & Bradstreet India's
Top Value Creator 2023**
- Agro Chemicals



PI Industries Ltd.
selected as one of the
**Top 25 Safest Workplaces
in India** by KelpHR PoSH
Awards 2023



**Karkhana Suraksha
Puraskar Award 2023**

A testimony to the
exceptional safety standards
PI consistently maintains



**PI Industries Ltd., Udaipur
wins Gold Award in R&D Sector**

under the Apex India
Occupational Health &
Safety Award 2023



**India's Best Trailblazer CEO - Agro
Chemicals**

Awarded to
Mr. Mayank Singhal
by Corporate Leadership Awards 2024



Reimagining a healthier planet!



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



Courageous

Think *Bold*, act with *Integrity* and be *Accountable*.



Curious

Question conventional wisdom, be *Open-minded*, *Adaptable* and *Curious*.



Creative

Differentiate, *Collaborate*, *Experiment* and *Execute* ideas at *speed*.



Caring

Be *Transparent*, build *Trust*, bring the best out of *People* and embrace *Sustainability*.



Partner Centric

First to identify & deliver on latent needs of our customers



Science & Technology Driven

Sustainable solutions by early adoption of cutting-edge science / technology



Digital Edge

Integrated digital solutions to gain competitive advantage



People First

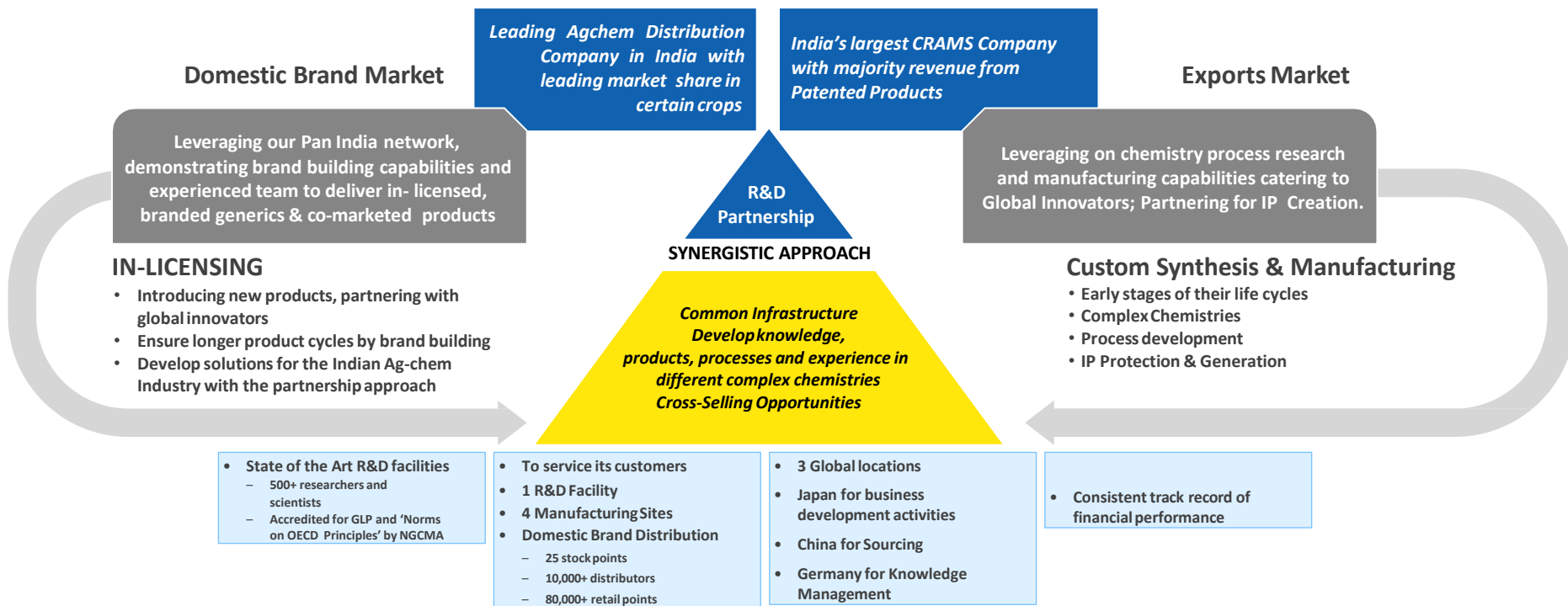
Best opportunities for employees to learn & grow



ESG Anchored

ESG the way of Life

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



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



Thank You