

# PI Industries Ltd.

**Investor Presentation**  
**August, 2022**

## 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
- ESG Credentials
- CSR Update

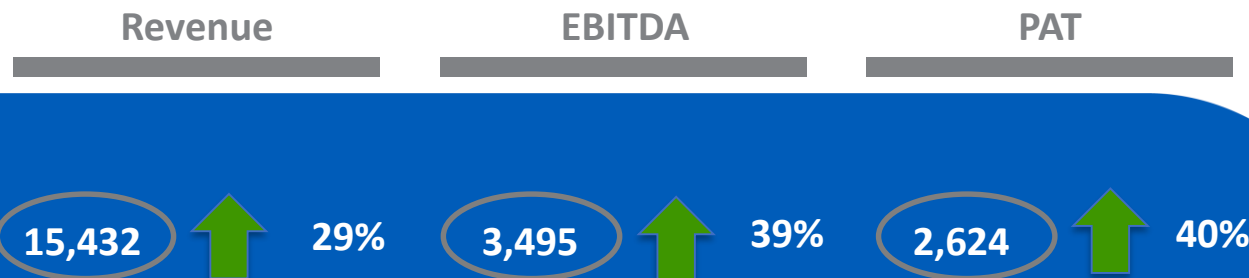
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# Growth momentum continues despite global supply chain challenges...



Figures in Rs Million



Surge in new enquiries of which >15% non-agchem

1 new product commercialized for CSM Exports

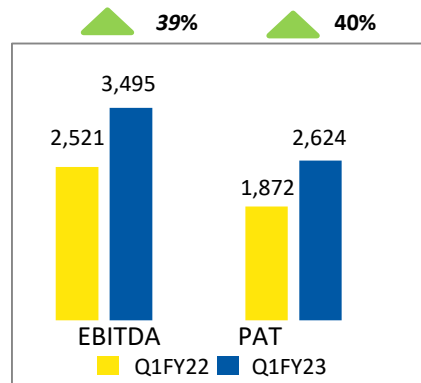
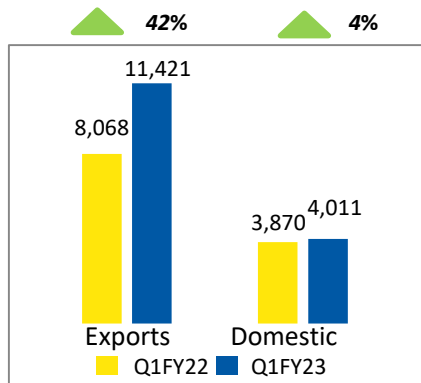
Launched 3 new products in Domestic Agri Brands

44 acre Green Belt developed by converting barren land to farmland

# Acceleration in Exports driving growth in Q1FY23

Fig in Rs Million	Q1FY22	Q1FY23	% YOY
Revenue	11,938	15,432	29%
Gross Margin	44%	44%	8 bps
Overheads	2,735	3,310	21%
EBITDA	2,521	3,495	39%
EBITDA as % of Revenue	21%	23%	153 Bps
Net Profit	1,872	2,624	40%

- Overall 29% Y-o-Y revenue growth
- 42% growth in Exports on a higher base
  - Overall growth led by volume growth of ~30%, favorable price and currency of ~12%
- 4% growth in Domestic mainly driven by price
  - Sowing delayed due to late arrival of rains, acreage under Kharif rice down ~15% and corn down ~5% vs. PY
  - Benefited from a favorable product mix
- Trend of rising input costs continued.... **cost passthrough continued** both in Exports and Domestic during Q1
- Overheads increase of 21% is mainly attributable to sharp increase in power and fuel, freight cost and sales promotion expenses on account of launch of new products
- **40% increase in PAT** in line with planned ETR



# Robust Balance Sheet to drive future growth initiatives

Fig in Rs Million	Jun-22	Mar-22	Jun-21
<b>Shareholders Fund</b>	<b>63,497</b>	<b>61,204</b>	<b>55,257</b>
<b>Non Current Liabilities</b>	<b>2,837</b>	<b>3,225</b>	<b>3,807</b>
Long term borrowings	1,518	1,699	2,379
Other long term liabilities	1,319	1,526	1,428
<b>Current liabilities</b>	<b>17,267</b>	<b>13,482</b>	<b>16,073</b>
Short term borrowings	1,024	979	952
Trade payables	11,863	9,242	10,287
Other current liabilities	4,380	3,261	4,834
<b>Total</b>	<b>83,601</b>	<b>77,911</b>	<b>75,137</b>
<b>Non Current Assets</b>	<b>27,161</b>	<b>28,272</b>	<b>25,340</b>
Net Fixed Asset	24,821	24,842	23,654
Goodwill	828	828	828
Non current Investments	488	448	241
Other assets	1,024	2,154	617
<b>Current Assets</b>	<b>56,440</b>	<b>49,639</b>	<b>49,797</b>
Inventories	15,757	14,234	12,739
Trade receivables	13,377	10,018	9,299
Cash, Bank & Investments	24,784	22,650	25,257
Other assets	2,522	2,738	2,502
<b>Total</b>	<b>83,601</b>	<b>77,911</b>	<b>75,137</b>
<b>Key Ratios (%) Annualised</b>			
Net Sales to Trade Working Capital	3.57	3.53	4.06
Debt/ Equity Ratio	0.04	0.04	0.06

- Total capex for Q1FY23 is Rs. 506 million
  - Key focus of driving higher capacity utilization by improving throughput
- Operating profit before working capital changes is Rs. 3,680 million (FY21-22 Rs. 12,314 million)
- Maintained higher inventory levels of Rs. 15,757 million
  - To avert supply chain disruptions and meet customer supply schedules / continued operations
- Trade working capital in terms of Days of Sales is 102 days vs. 103 days as on 31-Mar-22
- Net Cashflow from operating activities is Rs 1,915 million (FY21-22 Rs. 5,287 million)
- Surplus cash net of debt is Rs. 23,116 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.

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



## Science & Technology Driven

### State-of-the-art R&D facility

**130+** Patents filed | **400+** Scientists and researchers

Successfully developed & operationalized Azide chemistry

**100%** Electronic Lab Notebook implemented in Process Research

> Identifying new chemistries and building blocks for future growth

## Partner Centric

>**40** products at different development stages of which > **35%** non-agchem

**13** new enquiries in Q1FY23 of which >**15%** non-agchem

**1** new product commercialized for CSM Exports

Robust order book of **USD ~1.4 billion**

> Building manufacturing capabilities for electronic chemicals

Our teams are engaged in discovering better and more efficient pathways to commercialise molecules for a global arena.

Innovators across the world acknowledge this, with number of enquiries from existing and potential clients rising markedly.



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



## 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

3,350 KW of renewable power being sourced

Won award from global customer with TfS (Together for Sustainability) score of 99/ 100

> Working to improve EcoScale of products to reach top bracket

## People First

Successful implementation of SAP EHS module for Incident Management, CAPA and Audit

> Building an equitable & inclusive workplace with Focused Action on DEI

## 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 to drive 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

## 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 <sup>a</sup>
  - During Q1, received regulatory approval for 1 insecticide

PI has been pioneer and leader in crop protection solutions for Rice



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

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



Ramping up Biologicals portfolio



- ✓ Humesol®: Specialised tonic for soil health
- ✓ Biovita®: Bio stimulant for plant growth

FY23 launch

<sup>a</sup> In addition, discussions continue with global innovators for development partnership of 2 promising leads; novel fungicide and novel broad spectrum insecticide having sizable market opportunity



# Helping farmers improve productivity through one stop shop ecofriendly products, solutions and services

## Market Penetration

Build constant and deep channel and customer engagement



10,000+ distributors  
Digital platform to create close-knit loyal channels

**PI Mitra Application**



- Countrywide programs to address farmer problems related to specific season-crop productivity
- End to end product portfolio, techniques, allied inputs for timely remediation e.g. Project Bandhan for Pink Bollworm management in Cotton

**Farmer Productivity Programs**



- Automation of application through farm mechanisation (Boom-sprays, Drones)
- New advanced formulations for mechanized sprays
- Target 1+ million acreage in next 3 years

**Precision Farming Services**

## Digitisation

Complete digitization for analytics



Maps cross referenced with farmer database

**3+ million farmers database**



Seamlessly collect, visualize and analyse data

**Track & Trace**

Q1

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

## PROVIDE™

- DUAL mode of action - works through roots and leaves
- ALS and AC Case inhibitor
- Gives control on broad spectrum weeds of cotton
- Advanced MEC formulation



Dual action **insecticide** for Cotton

## DINOACE™

- DUAL mode of action; Systemic and Contact activity
- DINOACE™ gives quick knock down and long duration control on target pest
- Provides lush green crop



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

## SECTIN®

- Combination fungicide giving dual contact and systemic activity against Phycomycetes diseases
- Excellent curative control of diseases



**Revolutionary insecticide:**  
Bringing technological advancement for Indian Farmers

## BROFREYA™

- A meta-diamide GABA-gated Cl<sup>-</sup> channel allosteric modulator
- Broad spectrum control (Lepidopterans + Sucking pests)



**JIVAGRO:**  
Novel mode of action

## JIVAGRO™

HORTICARE SPECIALIST

**ULTIMARE®**  
Ji31 | Chloranil

- Broad spectrum insecticide for horticulture - Effective against resistant Lepidopterans
- Higher yields



Q2

# Performance underpinned by PI's Compass

Purpose



Reimagining a healthier planet

Vision



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

Spiky 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

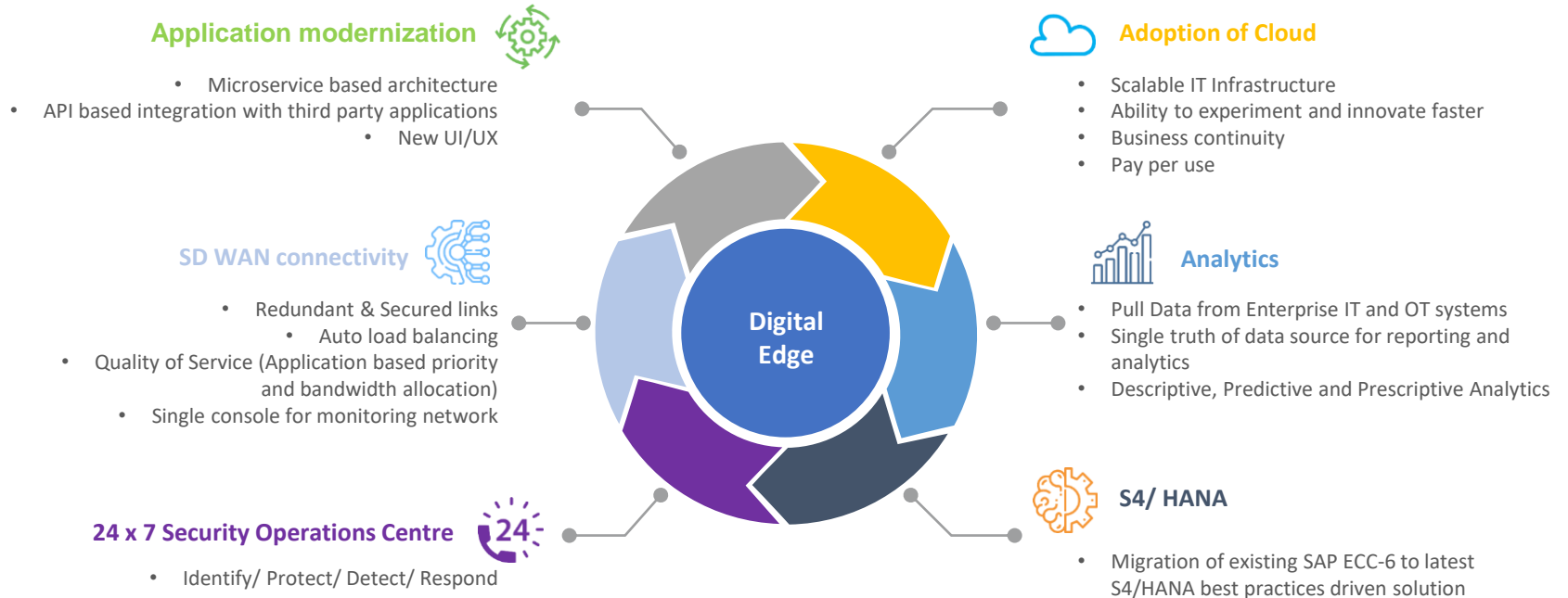
**Creative**

- 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


# Implementing integrated program for Digital Edge capability



# Growth momentum to continue in FY23

## Domestic:

Focus on portfolio diversification with launch of novel offerings

- Strong demand is expected for insecticides, fungicides, herbicides and bio-nutrients on the back of normal monsoon predictions
- “Dual growth engine” with  focusing on horticulture segment
- Commodity prices remain robust owing to rising global demand
- 5 new products scheduled to be launched in FY23

## CSM Export:

R&D focused approach to drive incremental business

- Continued scale up in demand of some of the existing products
- Commercialization of 7 new molecules planned in FY23
- Momentum in new enquiries and conversion to continue
- Higher capital efficiency in FY23 with focused program to reduce Trade Working Capital

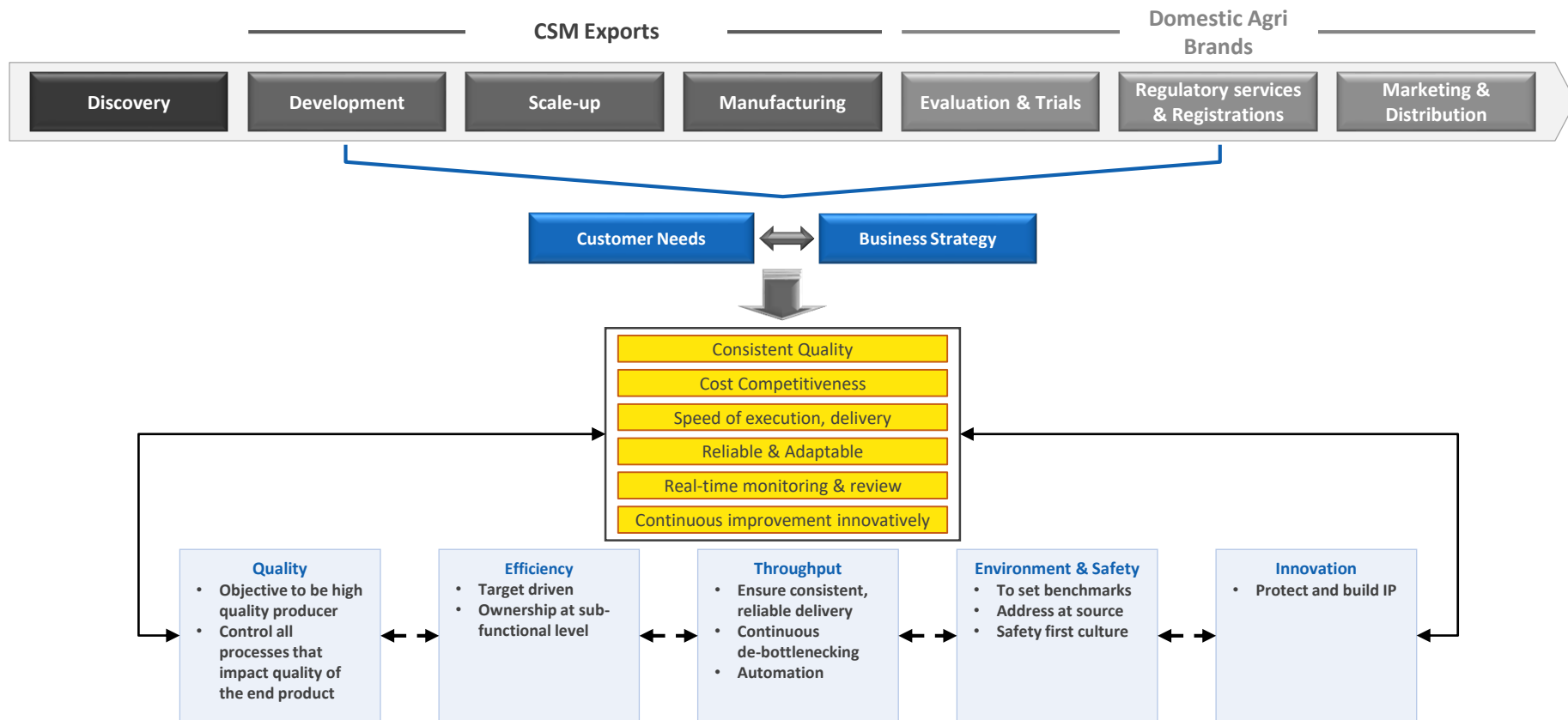
Efforts to drive strategic initiatives continues

- 2 new process innovations to be commercialized in FY23
- Identifying new chemistries and building blocks for future growth
- Precision farming services through farm mechanization (Boom-sprays, Drones)
- Evaluation of inorganic growth opportunities in pharma continues, both domestic and international options being evaluated

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

# 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
  - 400+ 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
  - 70,000 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**

# PI's focus on ESG principles is winning accolades

Winner of Golden Peacock Award for Quality

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



- Initiated transition of Jambusar site to a ZLD facility. Commenced 650 KLD recycle of treated effluent, within premises.
- Executed solar project at Jambusar site. Target to save 450+ MT CO<sub>2</sub> emission equivalent in FY23.
- Structuring programs focused towards carbon credits from farmers
- 100% eco-friendly packaging material for Domestic Agri Brands
- 23.2% increase in Q1 under the environmental investment segment from 2020-21

- NIL complaint reported under Grievance Committee
- Integrated SAP with Governance Risk Compliance (GRC) to ensure appropriate data access controls
- 30% increase in female employee base in STEM
- Conducted 'Mental Health & Stress Management' for employees by Sr. Consultant, Max Hospital

Renewable Energy Consumption increased 24x over the last 2+ years

- ~14 million litres of water recycled in FY22
- ~85% of total incinerable waste disposed off through co-processing
- Continuing journey towards "Zero Landfill Waste" through eco-friendly disposal of ETP Sludge/MEE Salt
- Nil recordable injuries in Q1

- YoY increase in CSR expenditure by 16% to ~Rs. 40 million in Q1
- Weekly screening of ~100 workers under Health, Hygiene and Sanitation program in communities located next to plant site
- Commenced Project Bandhan to protect and increase yield of cotton crop
- Strengthened execution of 'Container Management – Plastic Waste Take Back' program, in collaboration with industry peers





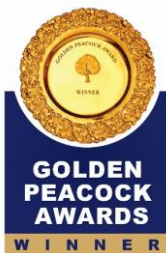
## INDIA'S BEST CEO

**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



## HERITAGE COMPANY OF INDIA

AT FICCI'S INDIA @75:  
CHEMICAL &  
PETROCHEMICAL  
INDUSTRY AWARDS 2021



## 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.**

# 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
- Increase in CSR expenditure by 20% to ~Rs. 140 million in FY22

## Implementation

<b>Sustainable Agriculture Practice</b>	775K+ Hectares of Farmlands benefitted by DSR technique thereby saving <b>1.88 trillion litres</b> of water annually
<b>Healthcare, Hygiene and Sanitation Interventions</b>	100K+ Lives impacted using Mobile Healthcare Vans under PI's 'Swasthya Seva' Initiative and Blood Bank services
<b>Women Empowerment</b>	15K+ Women across <b>82</b> villages in Bharuch Area benefitted through PI's women empowerment program
<b>Education Interventions</b>	15K+ Govt. school children across 125 Schools benefitted through PI's Learning Enhancement Programmes
<b>Skill Development</b>	2.5K+ 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