

PIIL:SEC:NSE/BSE:19:2023-24
May 18, 2023

BSE Limited Corporate Relationship Deptt. PJ Towers, 25 th Floor, Dalal Street, Mumbai – 400 001 Code No.523642	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Code No. PIIND
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Dear Sir/ Madam,

Sub: Press Release on Performance of the Company for the quarter and financial year ended March 31, 2023

We are enclosing herewith a copy of Press Release dated May 18, 2023 on the performance of the Company for the quarter and financial year ended March 31, 2023 in accordance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you,

Yours faithfully,
For **PI Industries Limited**

Sonal Tiwari
Company Secretary

Encl: As above.

PI Industries Ltd.

Investor Presentation
Q4 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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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

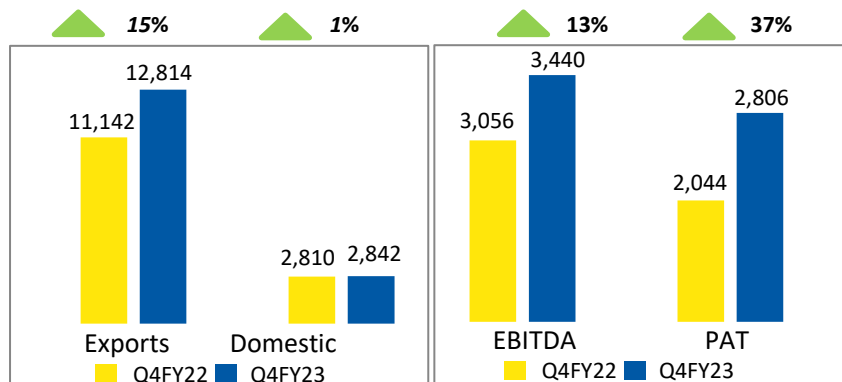
Uptick in CSM Exports Order Book to **USD ~1.8 billion**

~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	3,056	3,440	13%
EBITDA as % of Revenue	22%	22%	7 bps
Net Profit	2,044	2,806	37%

- 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

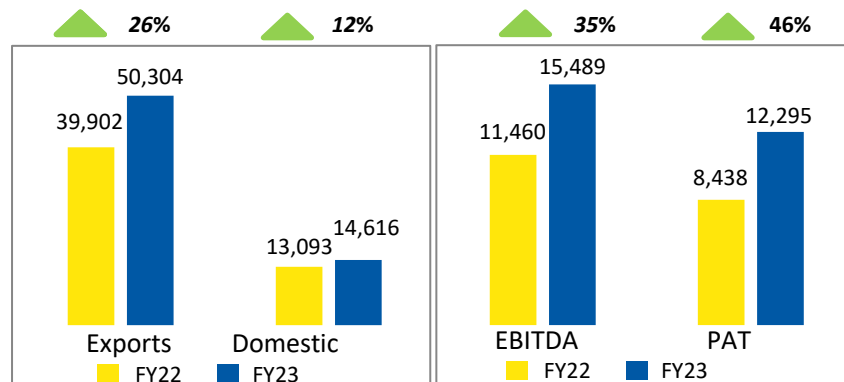


Annual financial performance exceeding updated guidance

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	11,460	15,489	35%
EBITDA as % of Revenue	22%	24%	223 bps
Net Profit	8,438	12,295	46%

- **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
Shareholders Fund	61,204	71,985
Non Current Liabilities	3,225	994
Long term borrowings	1,699	0
Other long term liabilities	1,526	994
Current liabilities	13,482	11,818
Short term borrowings	979	0
Trade payables	9,242	8,380
Other current liabilities	3,261	3,438
Total	77,911	84,797
Non Current Asset	28,272	28,174
Net Fixed Asset	24,842	26,551
Goodwill	828	828
Non current investments	448	313
Other assets	2,154	482
Current Assets	49,639	56,623
Inventories	14,234	13,976
Trade receivables	10,018	8,381
Cash, Bank & Investments	22,650	32,272
Other assets	2,738	1,994
Total	77,911	84,797
Key Ratios (%) Annualised		
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

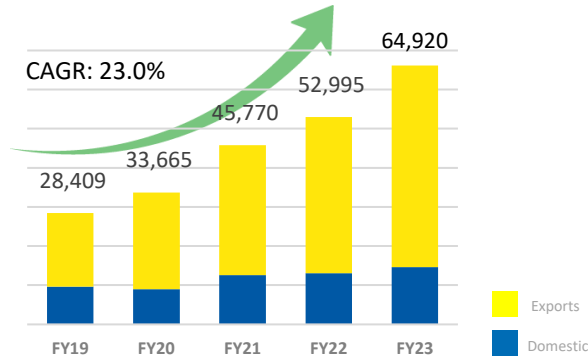
- Total capex for FY23 is Rs. 3,385 million (FY22 Rs. 3,204 million)
 - Actual capex spend is in line with the plan
 - A key focus of driving higher capacity utilisation by improving throughput
- Operating profit before working capital changes is Rs. 15,522 million (FY22 Rs. 12,314 million)
- Inventory 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

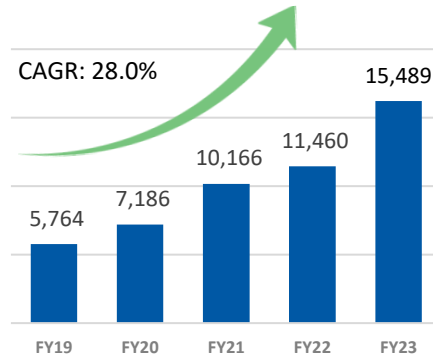


Figures in Rs Million

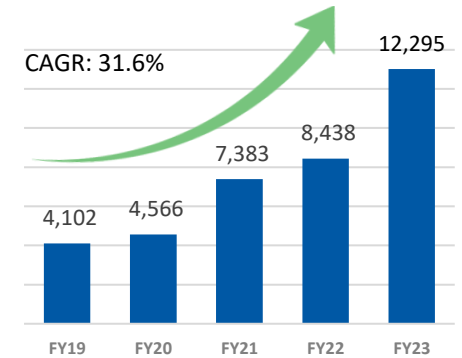
Revenue



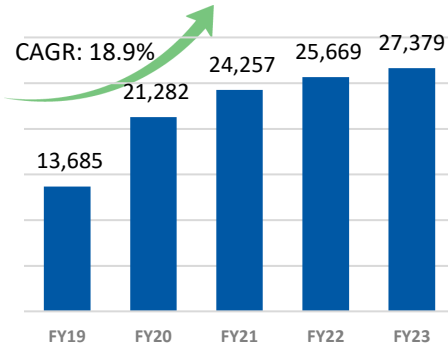
EBITDA



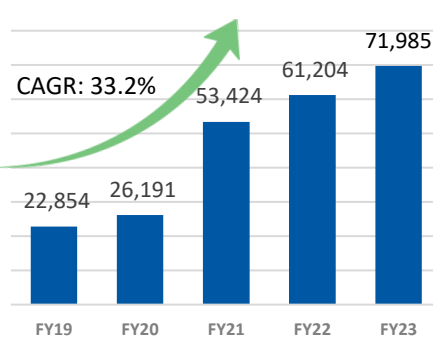
PAT



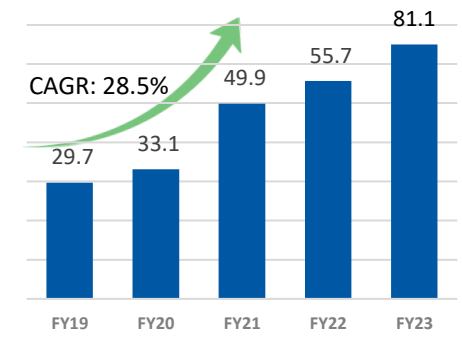
Fixed Assets



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

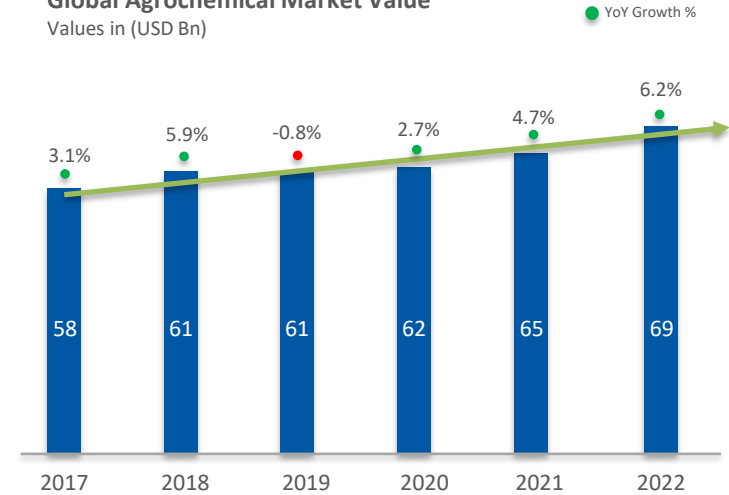
Ranking	2021	2022	2026	2031	2036
China	2	2	2	1	1
US	1	1	1	2	2
India	7	6	5	3	3
Germany	4	4	4	5	4
Japan	3	3	3	4	5
UK	5	5	6	6	6
France	6	7	7	7	7
Indonesia	16	16	15	14	8
Brazil	11	11	10	8	9
Russia	12	12	13	13	10

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 3rd 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

- 3rd 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
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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

500+
Scientists & Researchers
incl. 120+ Doctorates

145+
Patents filed

In-house library with a
vast array of knowledge
resources

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

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 vertical

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

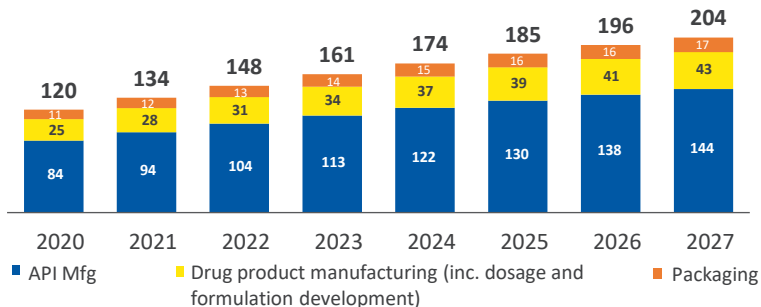
Progressing on strategic path with Twin Acquisitions into Pharma CDMO space

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

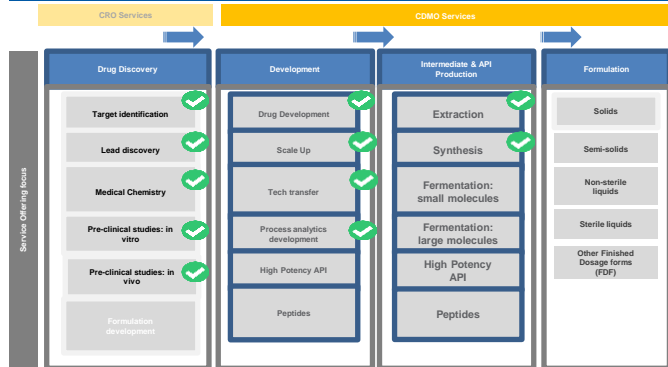
- TRM is an innovative, chemistry-driven solution provider in medicinal chemistry research, process research and development, specialising in the Rare Disease area.
- Manufacturing facilities in India and R&D facilities in India and the US.
- Works closely with marquee publicly listed US biotech companies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



Mr. Arvind Singh
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

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

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

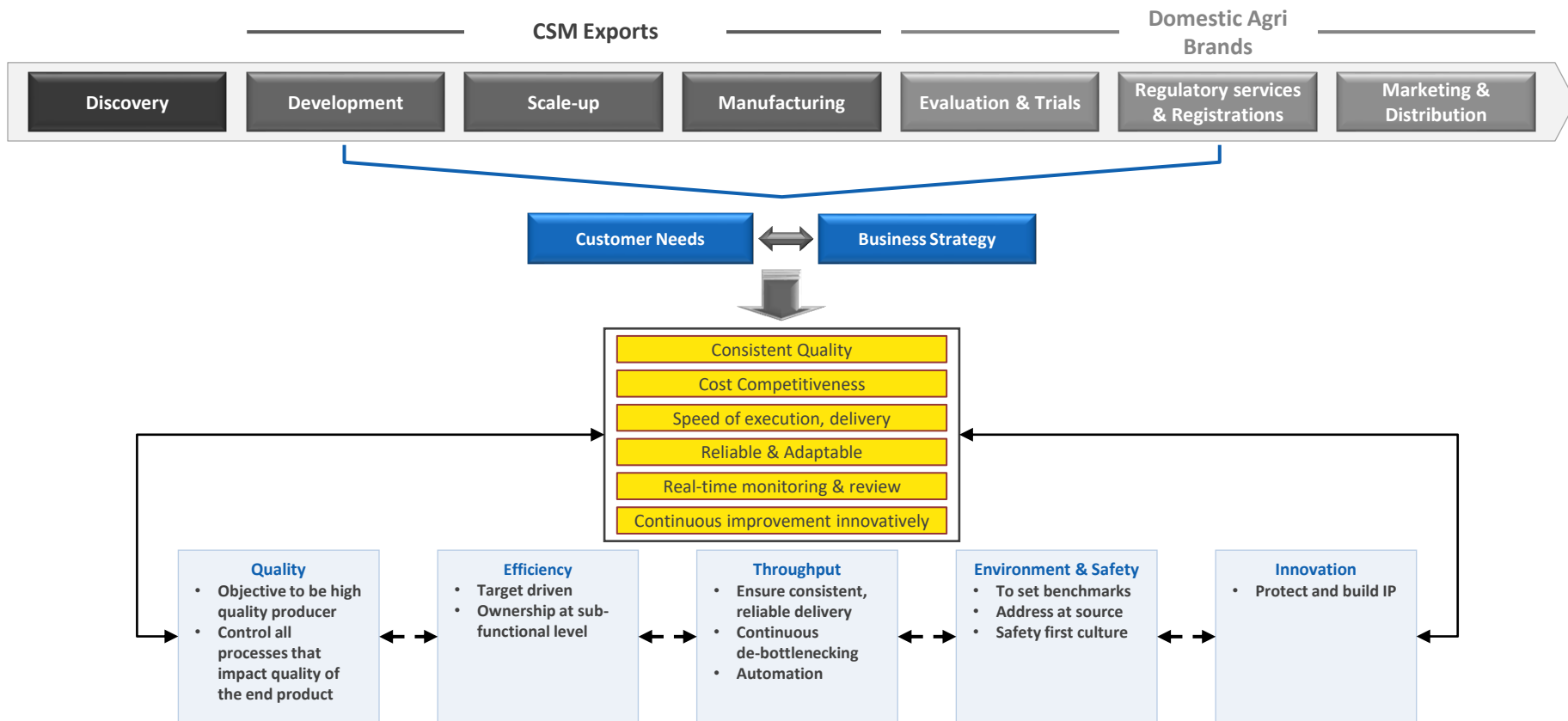
- Connect unseen dots to differentiate
- Collaborate and experiment
- Create an environment to execute ideas with speed and excellence for skills

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

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
 - 500+ 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
 - 80,000+ 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

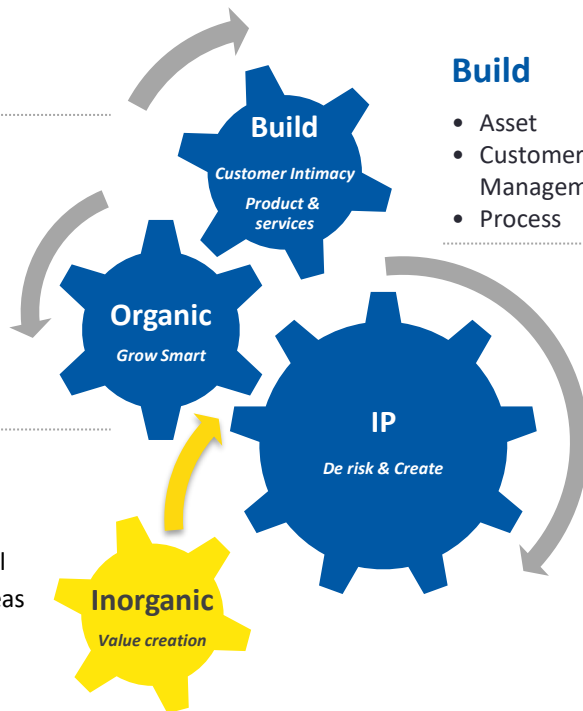
Pursuing Multi-pronged growth strategy..

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

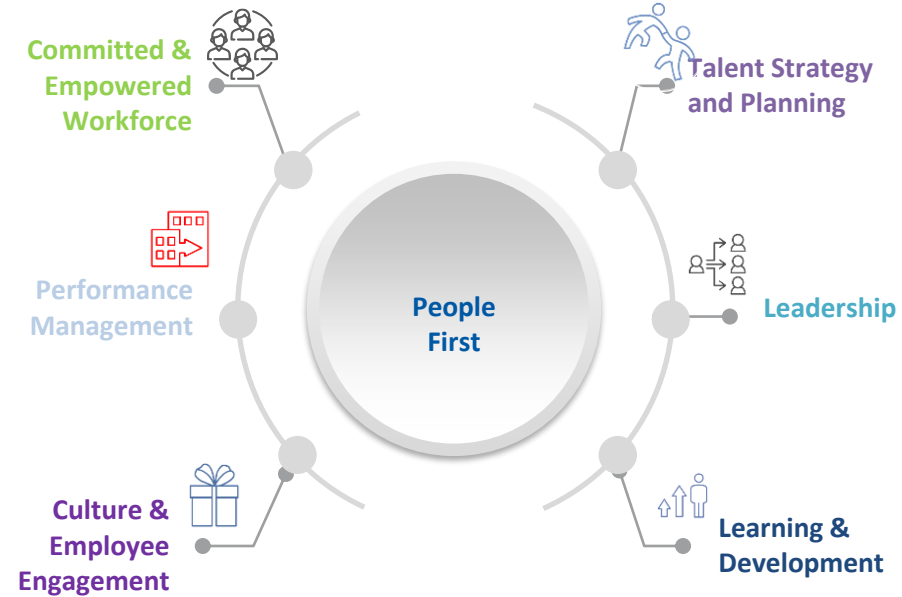
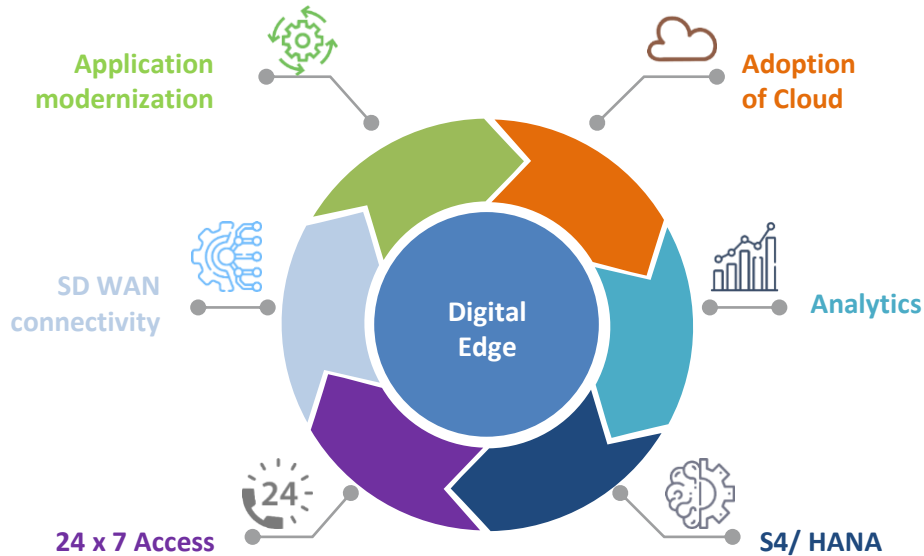
- Information integration
- Decision tools

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 CO₂ 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