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1st November 2022

BSE Limited
Mumbai

National Stock Exchange of India Ltd
Mumbai

SCRIP CODE: 512070

SYMBOL: UPL

Sub: Investor presentation

Dear Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the quarter and half year ended 30th September 2022.

We request you to take the above information on records.

Thanking you,

Yours faithfully,
For **UPL Limited**

Sandeep Deshmukh
Company Secretary and
Compliance Officer
(ACS-10946)

Encl: As above



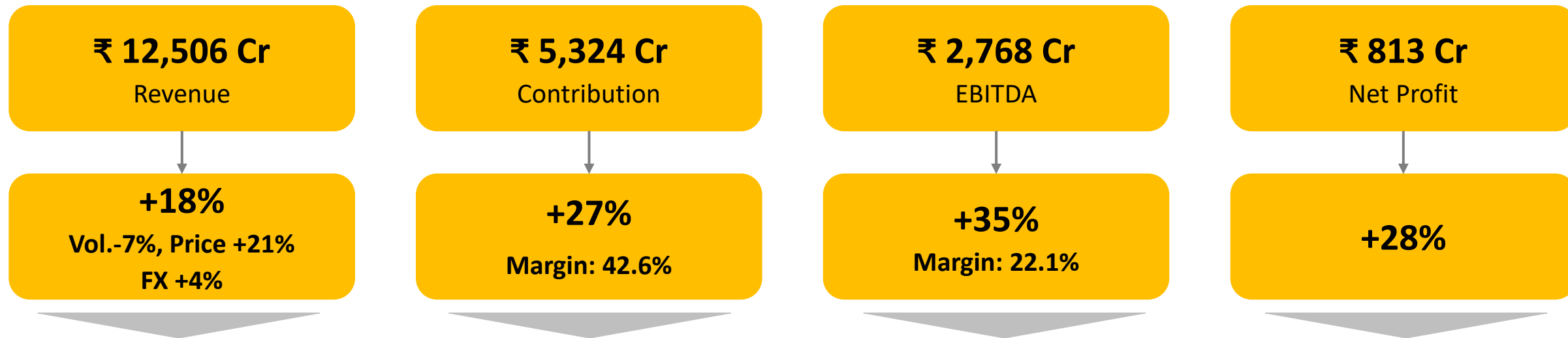
Q2 & H1 FY23 Performance Presentation

November 2022

Safe Harbor Statement

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of UPL Limited (UPL) and certain of the plans and objectives of UPL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our organic business. Forward-looking statements can be identified generally as those containing words such as “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “should”, “will”, “will likely result”, “forecast”, “outlook”, “projects”, “may” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, domestic and global economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where UPL operates, industry consolidation and competition. As a result, UPL’s actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also Risk management, of our Annual Report.

Q2 FY23 Business Highlights – Solid Growth in Revenue and Profitability

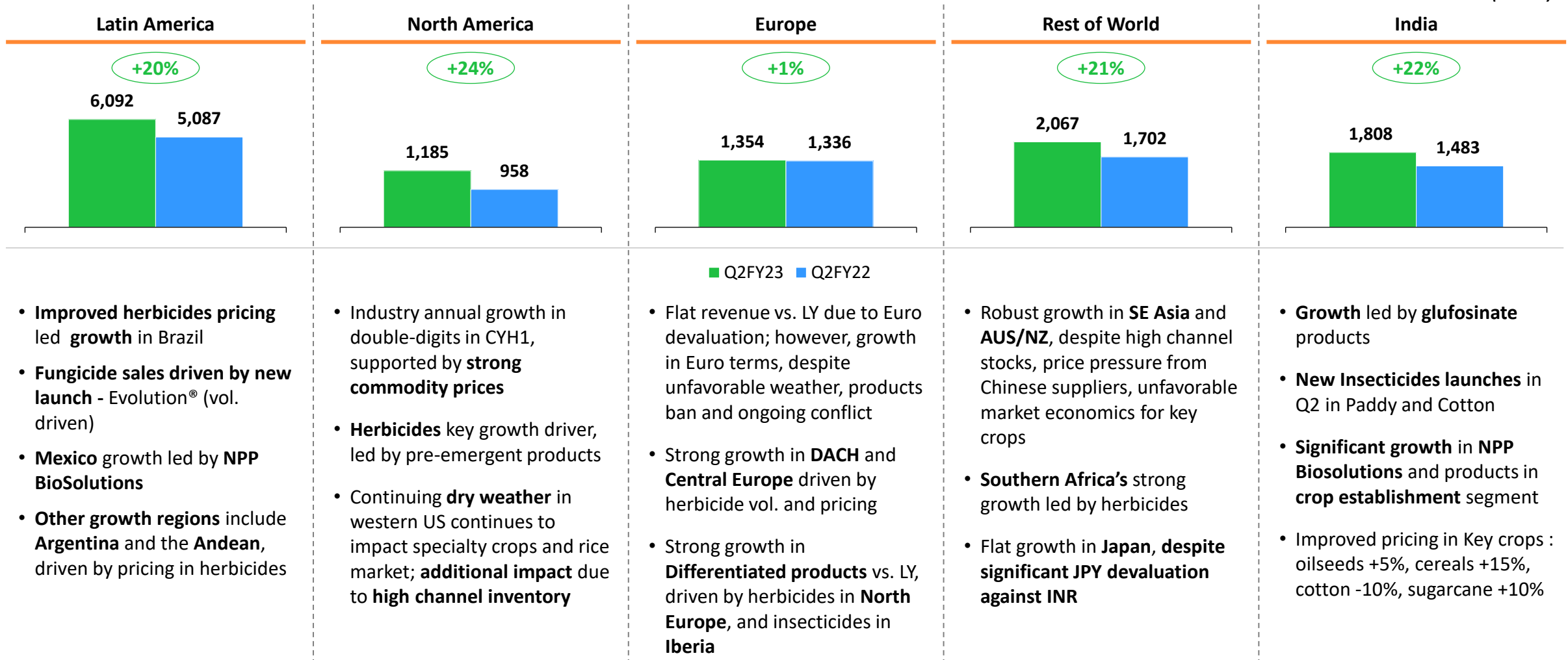


- Robust revenue growth led by **significant pick-up in realizations across regions and favorable FX**. Consciously focused on achieving improved product mix, portfolio rationalization and negotiating better credit terms
- **Contribution profit rose by 27% YoY (contribution margins expanded by ~290 bps)** led by higher realizations and better product mix
- **EBITDA margin improved by ~278 bps YoY** driven mainly by robust growth in contribution profit
- **Strong bottom-line expansion (+28% YoY) despite higher finance and hedging costs**

Note: All changes are year-on-year basis i.e., Q2 FY23 vis-à-vis Q2 FY22

Q2 FY23 Regional Highlights – Double Digit Across All Regions except Europe

(₹ crore)



- **Improved herbicides pricing** led **growth** in Brazil
- **Fungicide sales driven by new launch** - Evolution® (vol. driven)
- **Mexico** growth led by **NPP BioSolutions**
- **Other growth regions** include **Argentina** and the **Andean**, driven by pricing in herbicides

- Industry annual growth in double-digits in CYH1, supported by **strong commodity prices**
- **Herbicides** key growth driver, led by pre-emergent products
- Continuing **dry weather** in western US continues to impact specialty crops and rice market; **additional impact** due to **high channel inventory**

- Flat revenue vs. LY due to Euro devaluation; however, growth in Euro terms, despite unfavorable weather, products ban and ongoing conflict
- Strong growth in **DACH** and **Central Europe** driven by herbicide vol. and pricing
- Strong growth in **Differentiated products** vs. LY, driven by herbicides in **North Europe**, and insecticides in **Iberia**

- Robust growth in **SE Asia** and **AUS/NZ**, despite high channel stocks, price pressure from Chinese suppliers, unfavorable market economics for key crops
- **Southern Africa's** strong growth led by herbicides
- Flat growth in **Japan**, despite **significant JPY devaluation against INR**

- **Growth** led by **glufosinate** products
- **New Insecticides launches** in Q2 in Paddy and Cotton
- **Significant growth** in **NPP Biosolutions** and products in **crop establishment** segment
- Improved pricing in Key crops : oilseeds +5%, cereals +15%, cotton -10%, sugarcane +10%

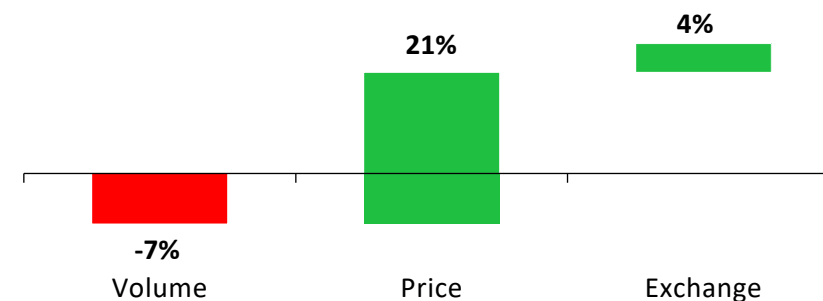
Note: DACH includes Germany, Austria and Switzerland



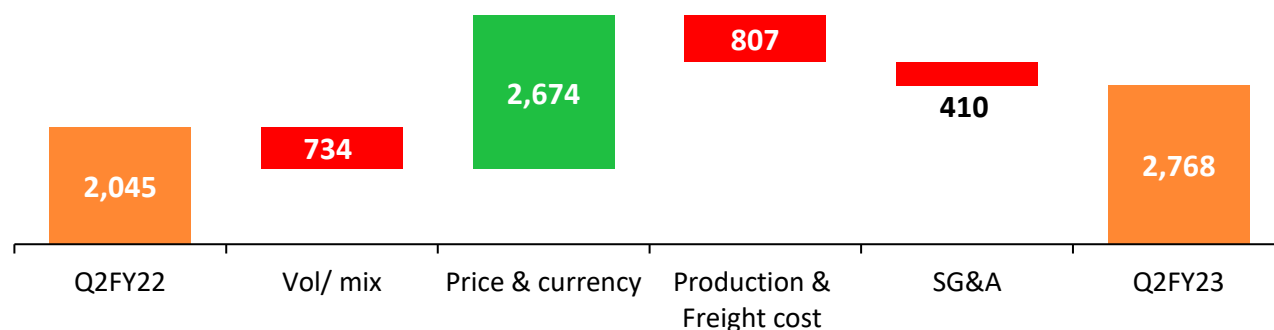
Q2 FY23 Performance Highlights – Strong Growth led by Pricing and Favorable FX

| (₹ Crore) | Q2 FY 2023 | Q2 FY 2022 | YoY% |
|----------------------------|--------------|--------------|----------------|
| Revenue | 12,506 | 10,567 | 18% |
| Contribution Profit | 5,324 | 4,192 | 27% |
| Contribution Margin | 42.6% | 39.7% | 290 bps |
| SG&A Expenses | 2,557 | 2,147 | 19% |
| EBITDA | 2,768 | 2,045 | 35% |
| EBITDA Margin | 22.1% | 19.4% | 278 bps |

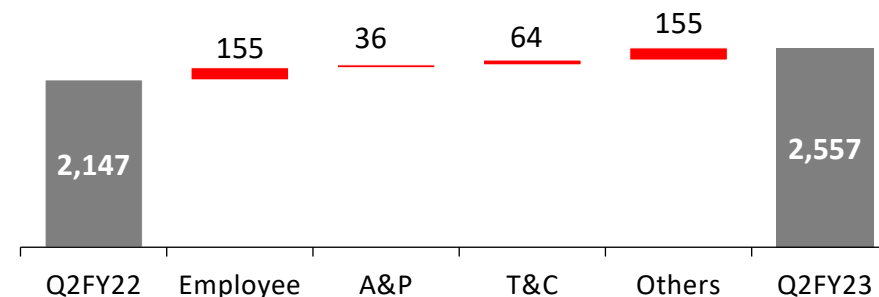
Revenue Variance (%)



EBITDA bridge (vs. PY) (INR Crore)



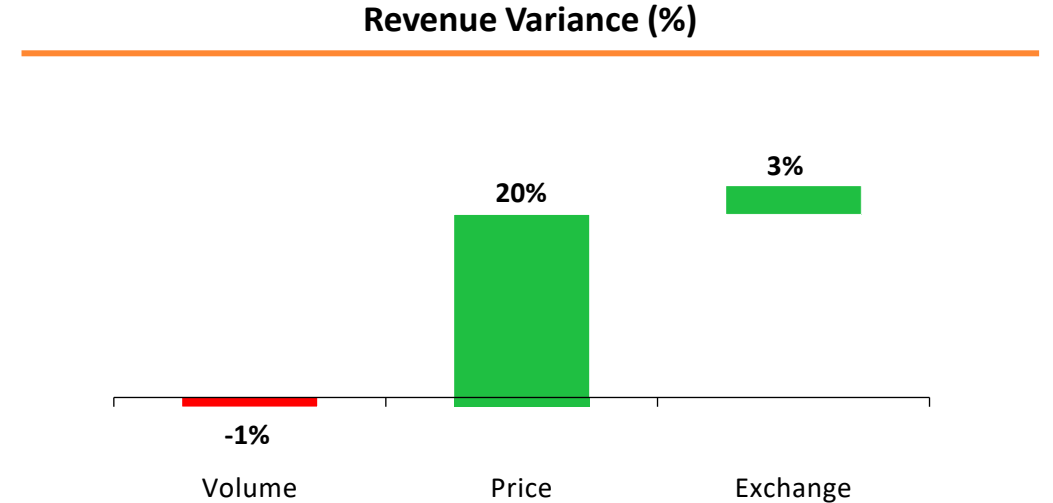
SG&A Variance (INR Crore)



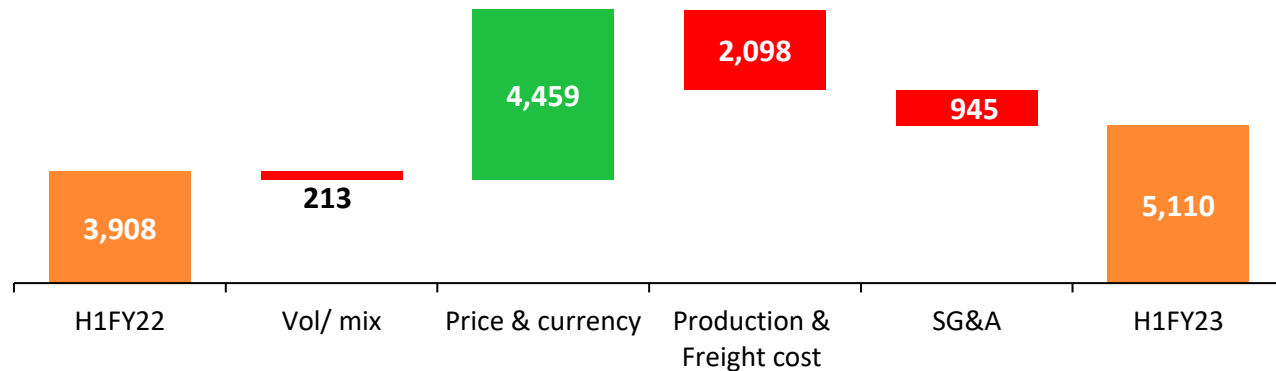
Others: Includes legal & professional fees, labour, insurance & registration charges, provisions for doubtful debts and advances, and others

H1 FY23 Performance Highlights – Strong Growth led by Proactive Pricing Actions

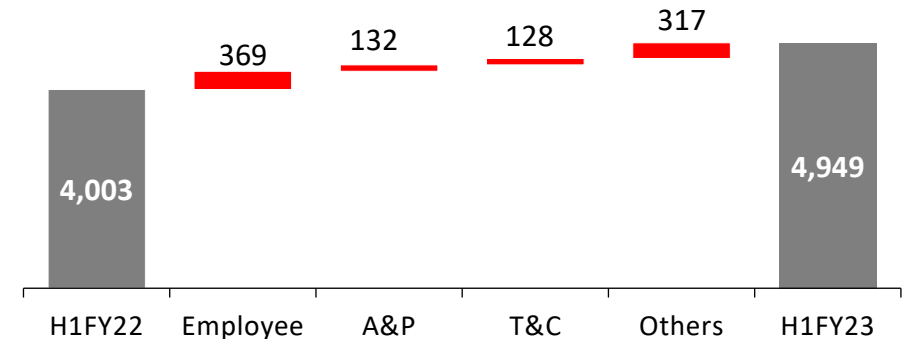
| (₹ Crore) | H1 FY 2023 | H1 FY 2022 | YoY% |
|----------------------------|---------------|--------------|----------------|
| Revenue | 23,328 | 19,082 | 22% |
| Contribution Profit | 10,058 | 7,911 | 27% |
| Contribution Margin | 43.1% | 41.5% | 166 bps |
| SG&A Expenses | 4,949 | 4,003 | 24% |
| EBITDA | 5,110 | 3,908 | 31% |
| EBITDA Margin | 21.9% | 20.5% | 143 bps |



EBITDA bridge (vs. PY) (INR Crore)



SG&A Variance (INR Crore)



Others: Includes legal & professional fees, labour, insurance & registration charges, provisions for doubtful debts and advances, and others

Q2 FY23 Reimagining Sustainability Highlights

- Published **UPL's Task Force on Climate-Related Financial Disclosures Report**, illustrating climate change related risks; mitigation strategies developed to increase our resilience
- In partnership with FIFA foundation, **launched the Gigaton Carbon Goal in Rwanda, Kenya and other western and southern African countries** post the successful launch in Europe in Q1."
- UPL's Initiative for Sustainable Sugarcane shortlisted in **Best Environmental Initiative category** at Bonsucro Inspire Awards
- Signed MOU with Shreenath Mhaskoba Sugar Factory (India) to implement **sustainable sugarcane production programme** with Zeba
- Partnered with World Business Council for Sustainable Development (WBCSD) on **Wastewater Zero Commitment** to eliminate wastewater pollution by 2030
- Joined **World Banks Water Resources Group** to support cross-sector policy making advocating stewardship and conservation of water
- Strengthening Mexico and India relations through inauguration of new **Organic Friendship Garden**, providing NPP's sustainable solutions to support soil health, water efficiency and help thriving of garden plants and biodiversity



Q2 FY23 Detailed Profit and Loss Statement

All Figures are in ₹ Crore

| Particulars | Q2 FY23 | % of Sales | Q2 FY22 | % of Sales | Change % |
|---|--------------|------------|--------------|------------|------------|
| Revenue from operation | 12,506 | 100% | 10,567 | 100% | 18% |
| Cost of Production | 7,182 | 57% | 6,375 | 60% | |
| Contribution Profit | 5,324 | 43% | 4,192 | 40% | 27% |
| SG&A Expenses | 2,557 | 20% | 2,147 | 20% | |
| EBITDA | 2,768 | 22% | 2,045 | 19% | 35% |
| Other Income / (Loss) | (246) | | (67) | | |
| Amortization / Depreciation | 608 | | 566 | | |
| Finance Cost | 644 | | 359 | | |
| PBT | 1,270 | 10% | 1,053 | 10% | 21% |
| Tax | 231 | | 249 | | |
| PAT | 1,038 | 8% | 804 | 8% | 29% |
| Income/(Loss) from Associate Co. and JV | (27) | | 10 | | |
| Minority Interest | 156 | | 140 | | |
| Profit After Tax, Associate Income & Minority Interest | 856 | 7% | 673 | 6% | 27% |
| Exceptional Cost | 43 | | 41 | | |
| Net Profit | 813 | 6% | 633 | 6% | 28% |

H1 FY23 Detailed Profit and Loss Statement

All Figures are in ₹ Crore

| Particulars | H1 FY23 | % of Sales | H1 FY22 | % of Sales | Change % |
|---|---------------|------------|--------------|------------|------------|
| Revenue from operation | 23,328 | 100% | 19,082 | 100% | 22% |
| Cost of Production | 13,269 | 57% | 11,171 | 59% | |
| Contribution Profit | 10,058 | 43% | 7,911 | 41% | 27% |
| SG&A Expenses | 4,949 | 21% | 4,003 | 21% | |
| EBITDA | 5,110 | 22% | 3,908 | 20% | 31% |
| Other Income / (Loss) | (370) | | (108) | | |
| Amortization / Depreciation | 1,196 | | 1,117 | | |
| Finance Cost | 1,163 | | 966 | | |
| PBT | 2,381 | 10% | 1,717 | 9% | 39% |
| Tax | 290 | | 97 | | |
| PAT | 2,091 | 9% | 1,620 | 8% | 29% |
| Income/(Loss) from Associate Co. and JV | 3 | | 6 | | |
| Minority Interest | 283 | | 212 | | |
| Profit After Tax, Associate Income & Minority Interest | 1,811 | 8% | 1,414 | 7% | 28% |
| Exceptional Cost | 121 | | 103 | | |
| Net Profit | 1,690 | 7% | 1,311 | 7% | 29% |

Q2 & H1 FY23 Finance Cost and Other Income Breakdown

Finance Cost Breakdown

(₹ crore)

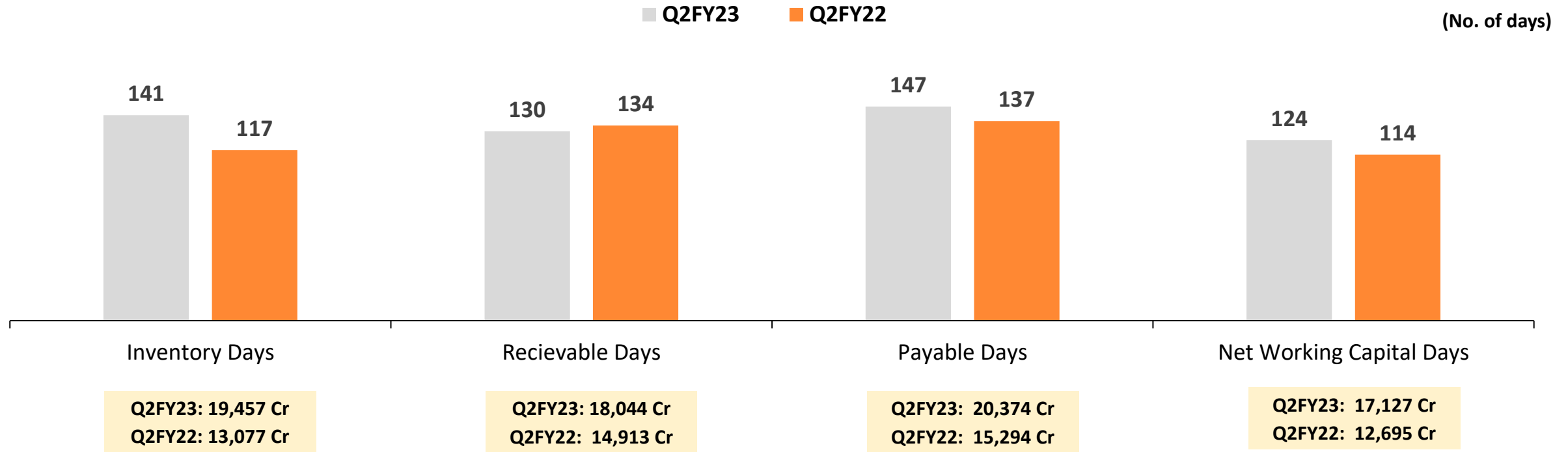
| Particulars | Q2FY23 | Q2FY22 | Change | H1FY23 | H1FY22 | Change |
|---------------------------------|------------|------------|------------|--------------|------------|------------|
| Interest on Borrowings | 274 | 170 | 104 | 489 | 335 | 154 |
| Interest on Leases & Others | 261 | 114 | 147 | 524 | 232 | 292 |
| Other Financial Charges | 49 | 28 | 21 | 74 | 78 | (4) |
| Exchange impact in Finance Cost | (125) | (34) | (91) | (213) | 169 | (382) |
| NPV – Interest & Finance | 185 | 81 | 104 | 289 | 154 | 135 |
| Total Finance Cost | 644 | 359 | 285 | 1,163 | 966 | 197 |

Other Income Breakdown

(₹ crore)

| Particulars | Q2FY23 | Q2FY22 | Change | H1FY23 | H1FY22 | Change |
|------------------------------------|------------|-----------|------------|------------|------------|------------|
| Interest Income | (71) | (39) | (32) | (128) | (59) | (69) |
| Net Exchange Impact | 324 | 114 | 210 | 521 | 203 | 318 |
| Others | (7) | (8) | 1 | (23) | (36) | 13 |
| Total Other Income / (Loss) | 246 | 67 | 179 | 370 | 108 | 262 |

Increase in NWC due to Robust Growth and Short-term Build up in Inventory



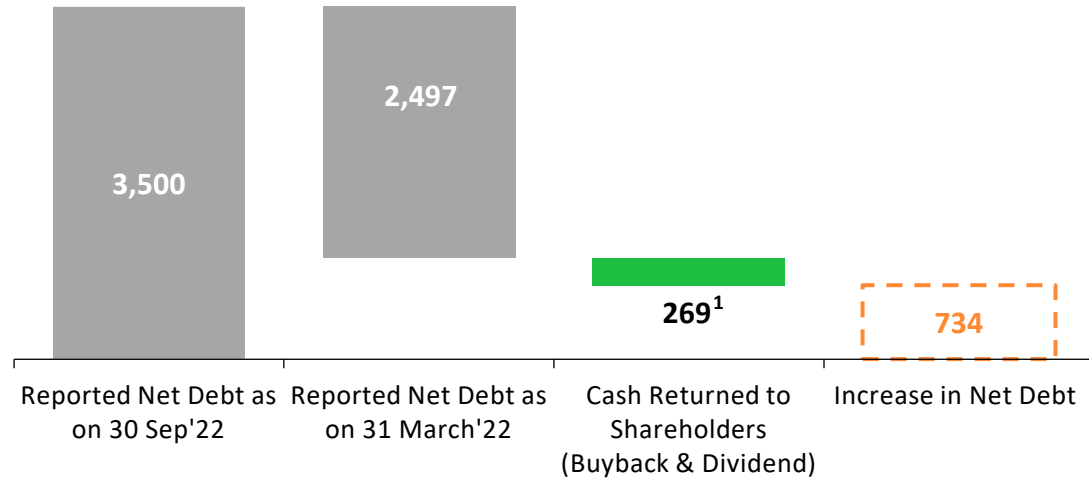
Note: As a risk management measure, the company sells its receivables on non-recourse basis to banks. Receivables sold as of 30 Sep'22 were INR 6,671 crore (31 March'22: INR 12,099 crore, 30 June'22: INR 9,010 crore, 30 Sep'21: INR 5,149 crore)

- **Working capital investment is higher in H1 FY23** primarily due to the - 1) robust growth of 22% in sales, and 2) short-term inventory build-up on the back of strong demand in H2 FY23 and in-lieu of uncertainties in supply chain

Increase in Net Debt and Net Working Capital as on 30th Sep 2022

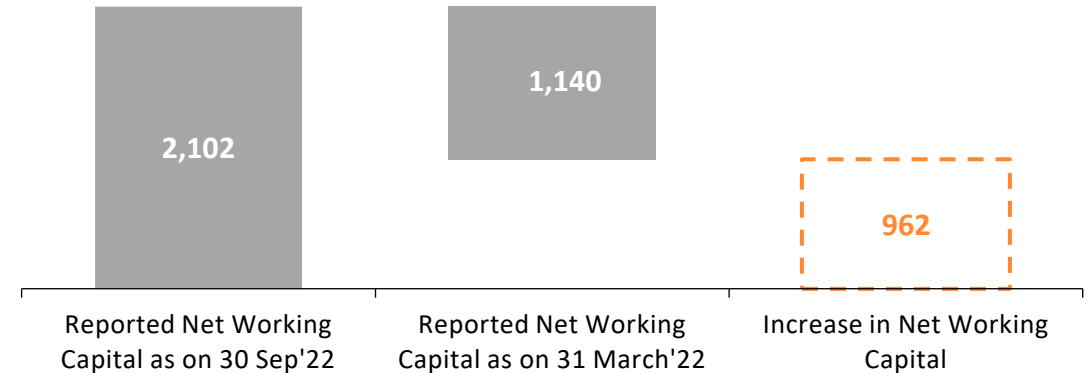
Increase in Net Debt

All figures are in US\$ Mn



Increase in Net Working Capital

All figures are in US\$ Mn



- Cash generation from operations is US\$ 228 Mn in H1FY23 (increase in net working capital of US\$ 962 Mn less the increase in net debt of US\$ 734 Mn)
- In-line with last year, ~75% to 80% of the increase in working capital in H1 is converted to cash in H2FY23. **Estimated working capital release combined with the higher EBITDA in H2, will enable the company to meet its guidance of net debt reduction of US\$ 400 Mn**
- **In addition, the net cash inflow of US\$ 259 Mn from the recently announced corporate realignment will be used to further bring down debt**

Note: ¹Taken Average USD/INR rate for H1 FY23 i.e., 78.44. USD/INR - 31 March 2022: INR 75.72, 30 September 2022: INR 81.47

ANNEXURE

Q2 & H1 FY23 Advanta Performance Highlights – Robust Traction in Revenue and EBITDA

| (₹ Crore) | Q2 FY2023 | Q2 FY2022 | YoY% | H1 FY2023 | H1 FY2022 | YoY% |
|----------------------------|--------------|--------------|-----------------|--------------|--------------|-----------------|
| Revenue | 982 | 757 | 30% | 1,823 | 1,414 | 29% |
| Contribution Profit | 539 | 423 | 28% | 1,026 | 801 | 28% |
| Contribution Margin | 54.9% | 55.8% | (99 bps) | 56.3% | 56.7% | (40 bps) |
| SG&A Expenses | 286 | 228 | 26% | 557 | 438 | 27% |
| EBITDA | 253 | 195 | 30% | 469 | 364 | 29% |
| EBITDA Margin | 25.8% | 25.7% | 7 bps | 25.7% | 25.7% | 4 bps |

+30% Revenue Growth vs LY

- Strong Growth in Field Corn in ASEAN, South Asia and LATAM (ex-Brazil)
- Renewal of Sunflower portfolio in Argentina
- Traction in Grain Sorghum in Australia

+28% Contribution Profit Growth vs LY

- Contribution margin declined by 99 bps versus LY, as weather challenges in Argentina, Thailand and Indonesia resulted in lower seed yields (higher per unit cost)
- Adverse impact of lower seed yields partially offset by increase in sales of high margin portfolios – Sunflower in Argentina, Field Corn in LATAM (ex-Brazil) and Grain Sorghum in Australia

+30% EBITDA Growth vs LY

- Robust growth in contribution profit coupled with lower SGA as % sales (29% in Q2FY23 vs. 30% in Q2FY22) drove faster EBITDA growth and 7 bps YoY expansion in margins

Note: Proforma financials includes Longreach, a joint venture company

Debt Position as on 30th Sep 2022

All figures are in ₹ Crore and US\$ Mn

| Particulars | Sep'22 | Sep'21 | Change | Mar'22 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Gross Debt | 32,550 \$3,995 | 27,146 \$3,657 | +5,404 +\$338 | 25,866 \$3,416 |
| Cash and cash equivalent | 4,038 ² \$496 | 2,867 \$386 | 1,171 +110 | 6,960 \$919 |
| Reported Net Debt | 28,512 \$3,500 | 24,279 \$3,271 | +4,233 (\$229) | 18,906 \$2,497 |
| Net Debt Adjusted for Currency Impact | 26,499¹ | 24,279 | +2,220 | 18,906 |

Note: ¹INR depreciated from 75.72 as on 31 March 2022 to 81.47 as on 30 Sep 2022. ²Includes liquid investment of INR 405 crore.



Thank You