



NACL Industries Limited

Investor Presentation | Q2 FY2022



This presentation contains forward-looking statements, including, but not limited to, the statements and expectations contained in this presentation. Statements herein, other than statements of historical fact, regarding future events or prospects, are forward-looking statements. The words “may”, “will”, “should”, “expect”, “anticipate”, “believe”, “estimate”, “plan”, “predict”, “intend” or variations of these words, as well as other statements regarding matters that are not historical fact or regarding future events or prospects, constitute forward-looking statements.

NACL Industries Limited has based these forward-looking statements on its current views with respect to future events and financial performance. These views involve a number of risks and uncertainties, which could cause actual results to differ materially from those predicted in the forward-looking statements and from the past performance of NACL. Although NACL believes that the estimates and projections reflected in the forward-looking statements are reasonable, they may prove materially incorrect, and actual results may materially differ, e.g. as the result of risks related to the Agriculture sector and Agriculture input industry in general or NACL in particular.

As a result, you should not rely on these forward-looking statements. NACL undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by law.

CORPORATE IDENTITY

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SHAREHOLDERS INFORMATION



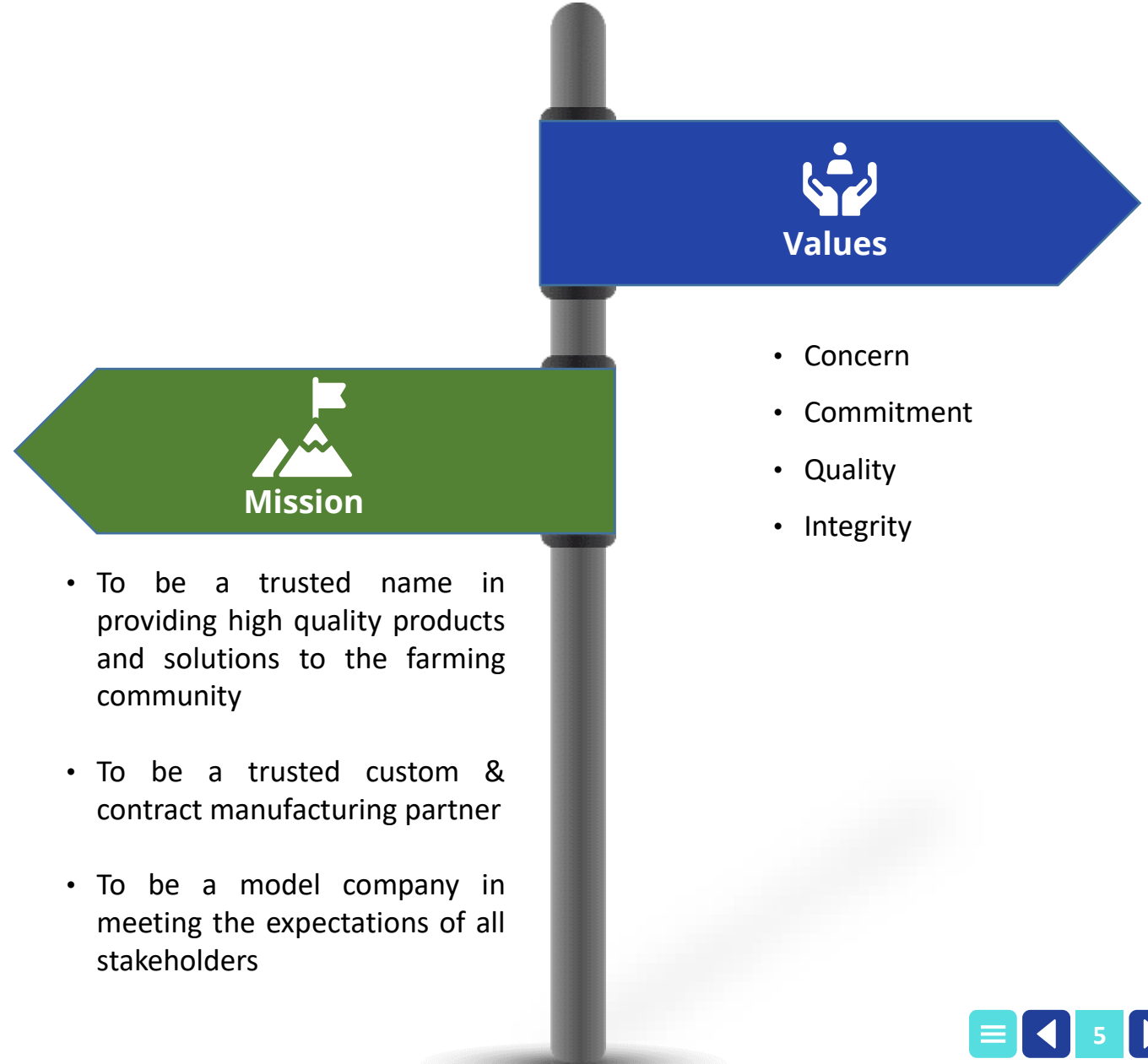
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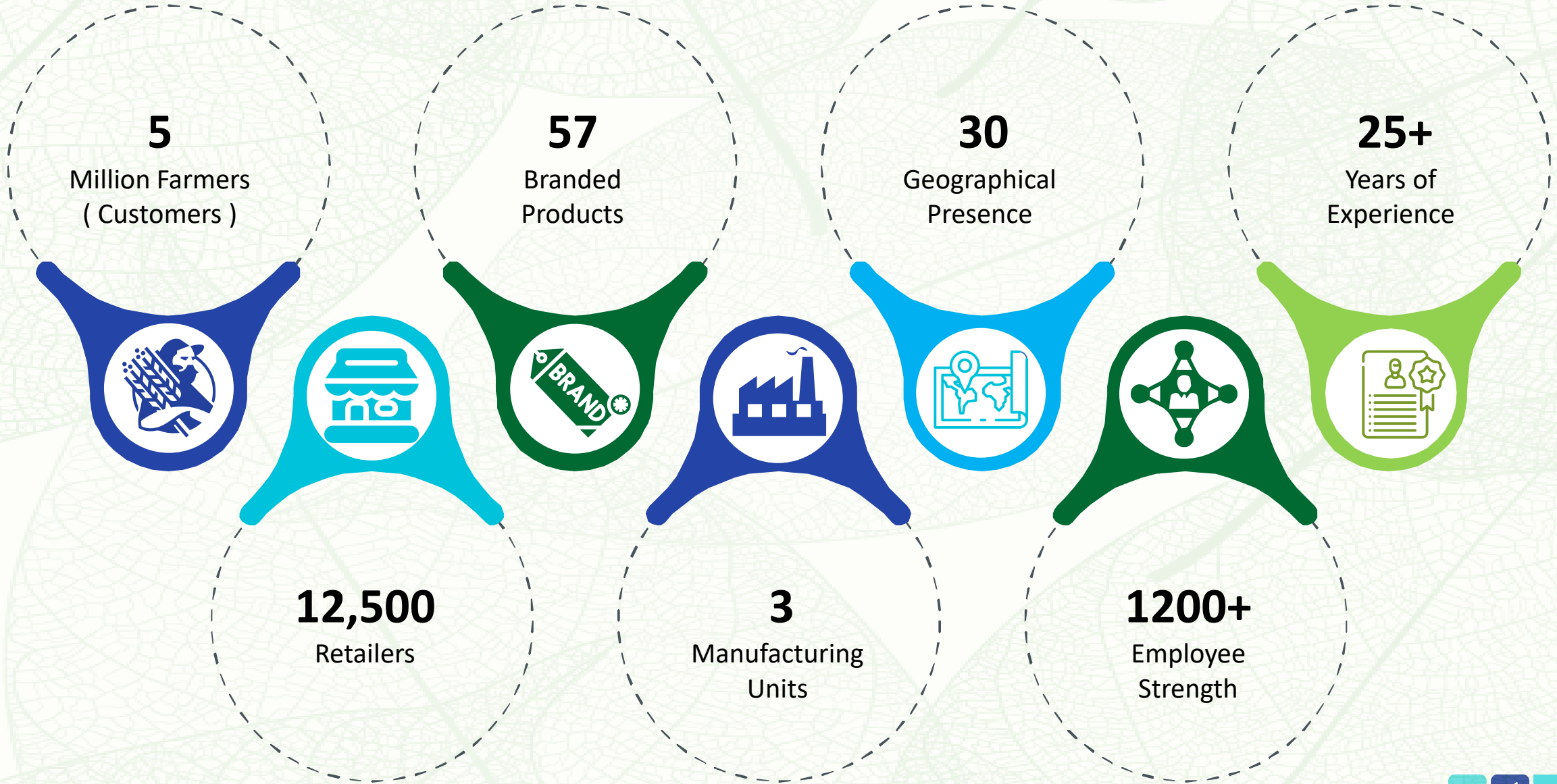


CORPORATE IDENTITY

NA CL is an established agrochemical Company in India, founded in 1993. The Company started as an Active Ingredient manufacturer and has built a sizable business in Domestic Retail, B2B and Exports, with many of the customers being large MNCs with long-standing relationships.

The Company has also emerged as a strong player in the formulations business with over 50 products covering all major crops. In formulations, the Company manufactures products in all major categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators







30

Countries

12,500

Retailers

32

Revenue from International (%)

03

Manufacturing Plants

Technicals

Insecticides

- Profenofos
- Lambda-Cyhalothrin
- Imidacloprid
- Bifenthrin
- Thiomethoxam

Fungicides

- Myclobutanil
- Propiconazole
- Tricyclazole
- Thifluzamide

Herbicides

- Pretilachlor
- Bispyribac Sodium
- Metribuzin
- Clodinafop-Propargyl
- Quizalofop ethyl

Formulations

Insecticides

- Profex Super
- Profex
- Cannon
- Fury
- Nagarjuna
- Mida
- Nagarjuna 4G
- Quick 50% SP
- Pymet
- Warrior Plus
- Warrior
- Ennova
- Monocrown
- Force
- Fenny
- Trust
- Cairo
- Dxtar
- Dxtar FS
- Status
- Pestlock
- Spice

Fungicides

- Nagarjuna
- Index
- Nagarjuna
- Result
- Combi Plus
- Sivic
- Mass Plus
- Zen
- Zeb
- Font
- Mass
- Nagarjuna
- Rizostar
- Subtle
- Slogan

Herbicides

- Erazе
- Erazе Plus
- Erazе Strong
- Erazе-N
- Globus
- Globus SG
- Geomon
- Imax
- Nagarjuna
- Cubit
- Nagastra
- Narilon
- N-Double
- Mix
- Rhino
- Senior
- Sirius
- Smash
- Surya
- Twofour
- Nagarjuna
- Point
- Cambium

Plant Growth Regulators

- Atonik
- Gallant EG
- Gallant Gold

Branded Products Portfolio of NACL includes Insecticides, Herbicides, Fungicides and Plant Growth Regulators



PEST LOCK

Pest Lock is combination of two active ingredients Pyriproxyfen 5% and Difenthiuran 25% in SE formulation. Pest Lock is recommended against sucking complex (Aphids, Thrips, Jassids and Whitefly) in Cotton.

- Very effective on all the stages of whitefly – eggs, nymphs and adults.
- Breaks the life cycle of the pests, thus provides longer duration control
- Safe for beneficial insects and can be used as one of effective tools in IPM
- Effective tool in IRM - No cross resistance among two molecules, effective against the pest population resistant to other molecules



PYMET

It is a new generation systemic insecticide recommended for the control of Brown Plant Hopper in Paddy.

- Pymet is having unique mode of action. It blocks the Stylet of insect mouth parts preventing the insect from feeding
- It paralyzes the insect hind legs resulting in insect dropping from the plant
- Egg laying capacity of the insect will be reduced resulting in controlled insect population



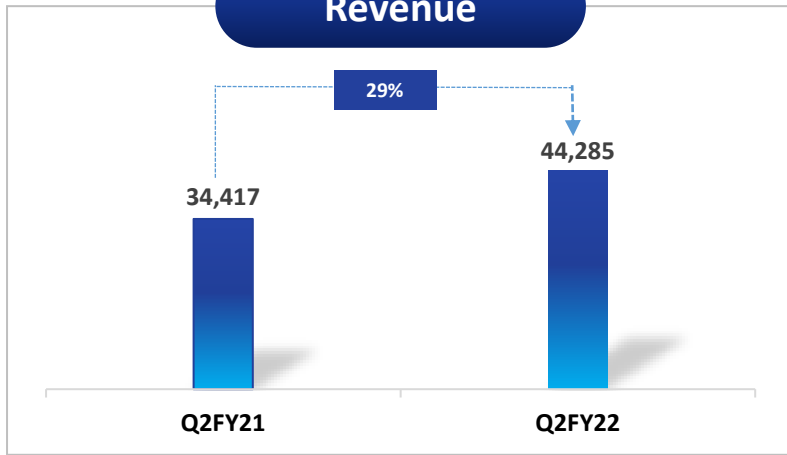
OPERATIONAL HIGHLIGHTS

- Exports business grew by 73% & 63% over the corresponding quarter & half-year of last year respectively. Good order books for key products from MNCs, encouraging campaigns for contract manufacturing products, improved formulation and trading business have contributed to the positive growth. The outlook for Q-3 looks positive with good order book for technicals and formulations
- Domestic retail witnessed a growth of 9% over the corresponding quarter of last year, despite very challenging market conditions as a result of seasonal impact on the overall farming activities
- Domestic institutional grew by 18% & 34% over the corresponding quarter and half-year of last year respectively
- In line with the ongoing thrust on strengthening the product pipeline, the company has planned to add three new products to its portfolio in H2 FY 21-22
- Upon receipt of GLP certification, the NACL R&D Centre has initiated Five batch analysis and Physical chemical analysis of Technical. Development work for new Active Ingredients and Intermediate is taken up
- Construction activities at Dahej in Gujarat for greenfield project is progressing as per schedule
- Srikakulam Plant has been awarded Industry Champion Award by the Government of Andhra Pradesh. The Plant has recorded highest production levels in Q2 and meeting the market demands
- Srikakulam Unit is awaiting for Environment Clearance for its proposed expansion from 10000MT to 25000MT per annum
- Ethakota Plant has started commercial production of 2 new formulations
- CARE has re-affirmed the existing rating for the enhanced Long Term & Short Term Bank Facilities. For Long Term - CARE A; Stable and for Short Term - CARE A1
- Company declared Second Interim Dividend of ₹ 0.15/- per equity share (representing 15%) on the equity share of ₹ 1/- each fully paid up for the financial year 2021-22
- Company has achieved financial closure of Rs 135 Crores Debt funds for the ongoing new Greenfield Project at Dahej during the Q2 of FY '22

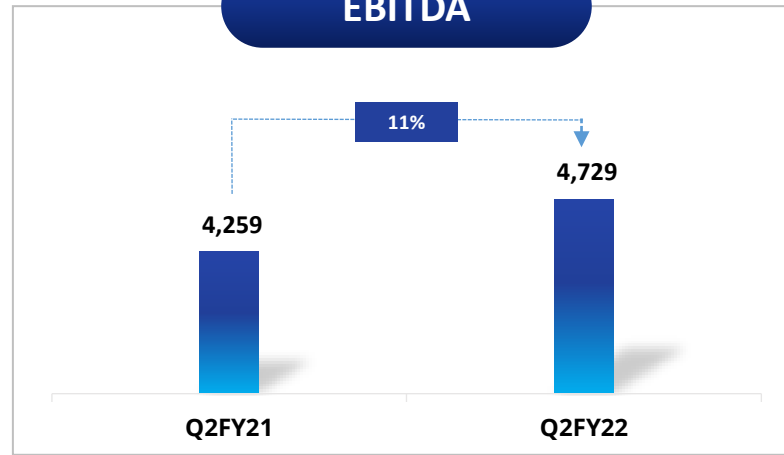


RESULTS SUMMARY

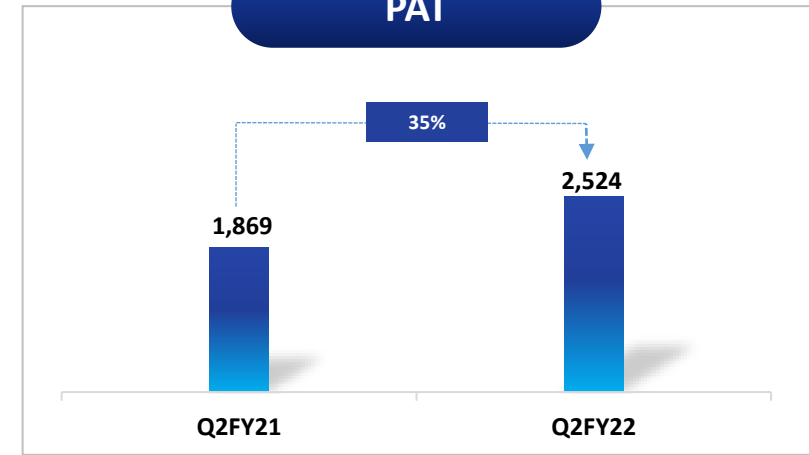
Revenue



EBITDA



PAT



(In ₹ lakhs)

Revenue Breakup

(₹ in lakhs)

Insecticides



32%

Herbicides



7%

Fungicides



39%

Plant Growth Regulators



(2%)

Q2FY22

19,360

7,286

15,595

990

Q2FY21

14,704

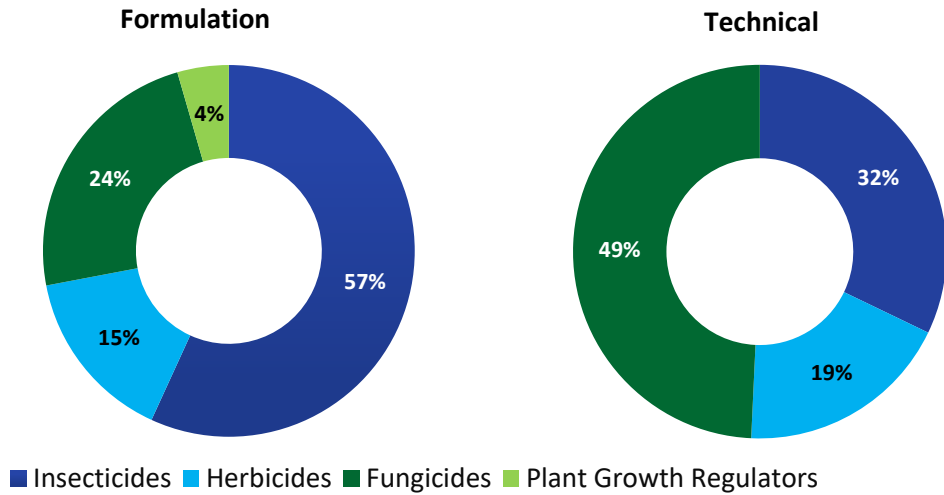
6,832

11,251

1,014

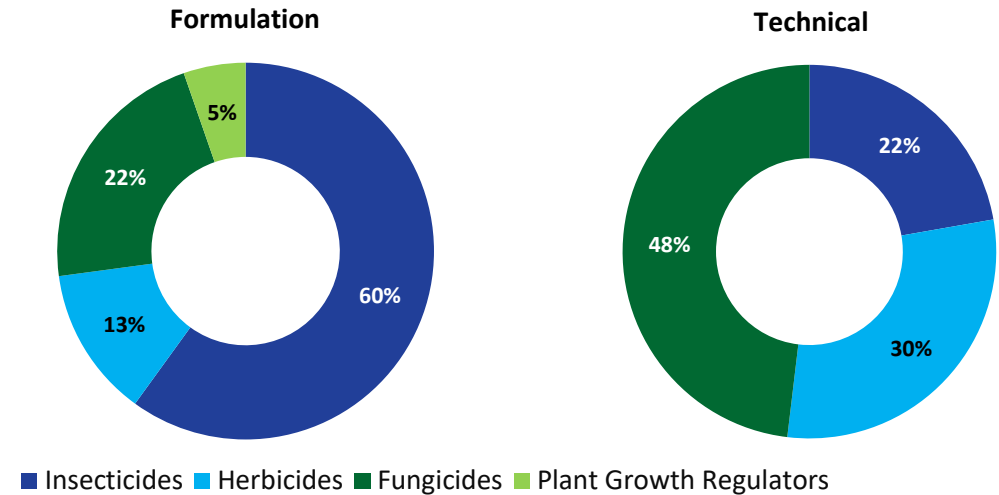
Q2FY22

Product Category-wise (%)

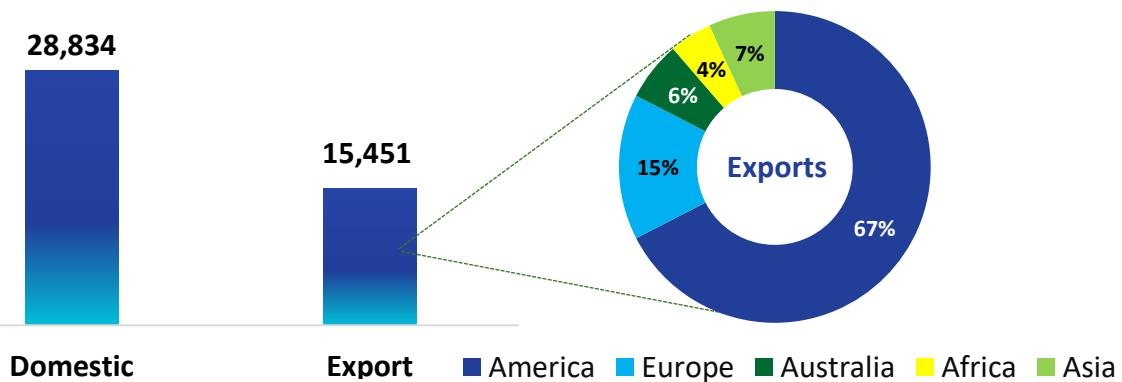


Q2FY21

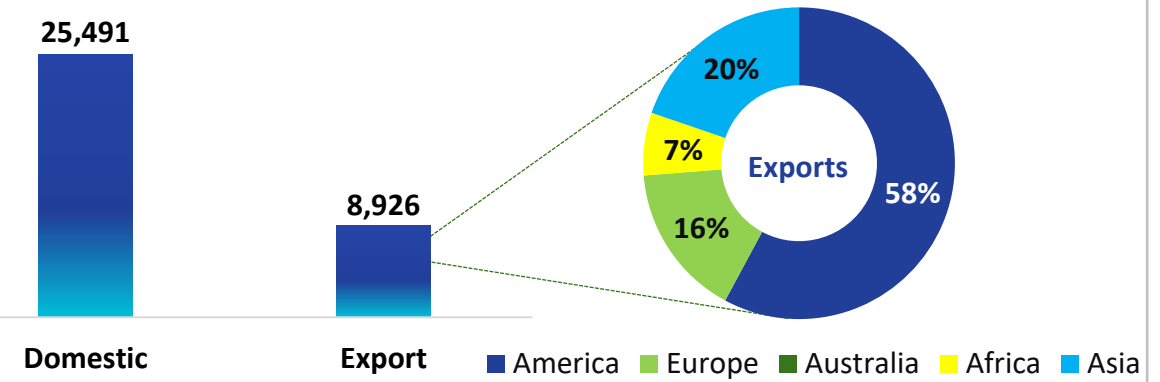
Product Category-wise (%)



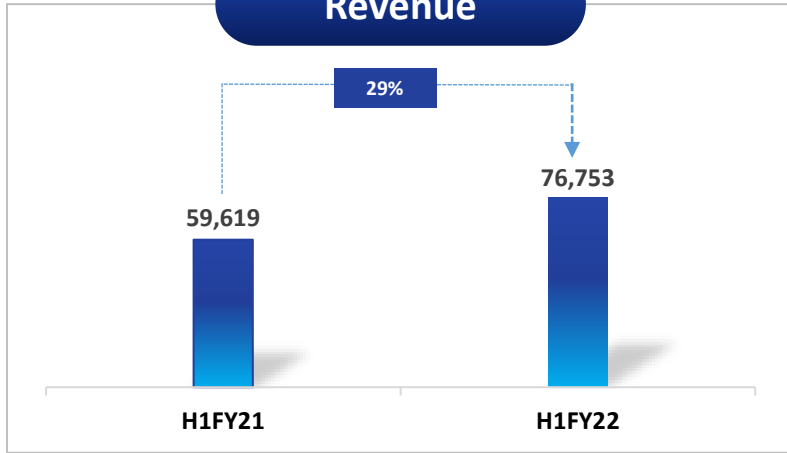
Geographical Revenue Split (₹ lakhs)



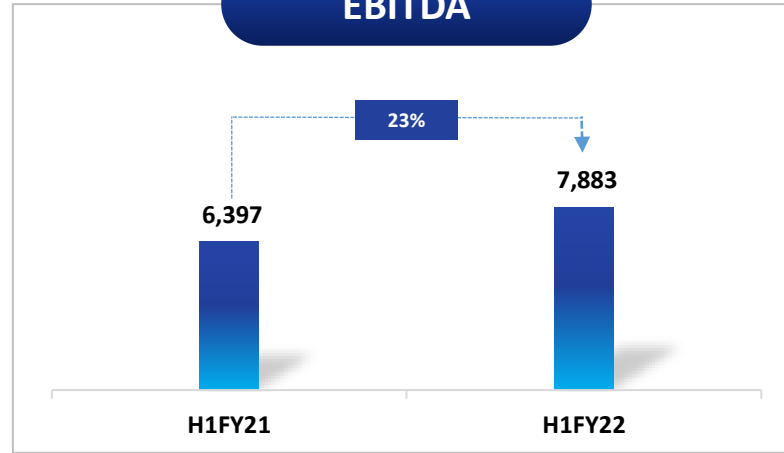
Geographical Revenue Split (₹ lakhs)



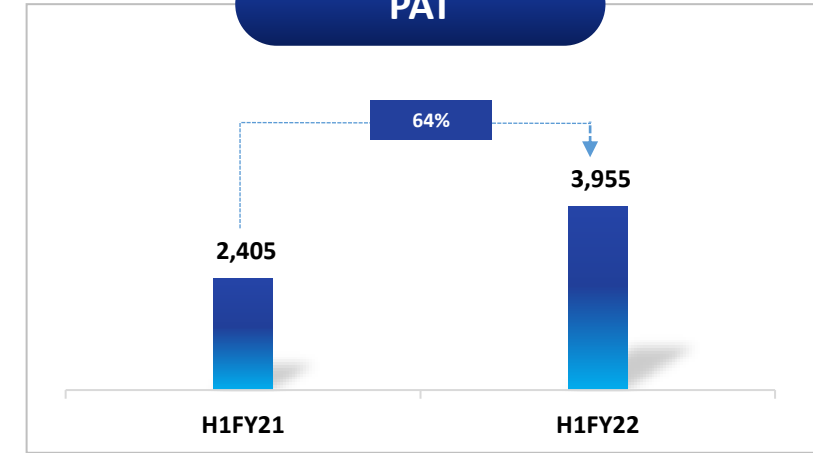
Revenue



EBITDA



PAT



(In ₹ lakhs)

Revenue Breakup

(₹ in lakhs)

Insecticides



28%

Herbicides



26%

Fungicides



34%

Plant Growth Regulators



12%

H1FY22

34,784

14,105

24,920

1,249

H1FY21

27,254

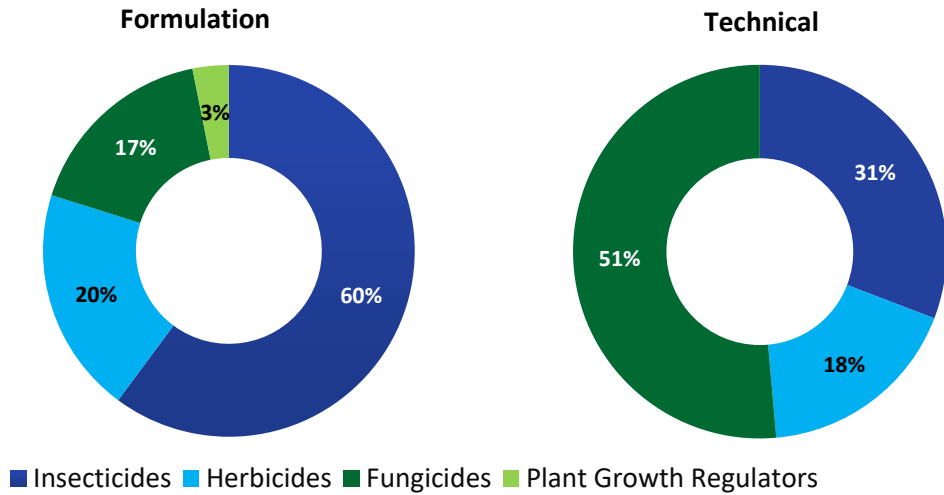
11,217

18,665

1,112

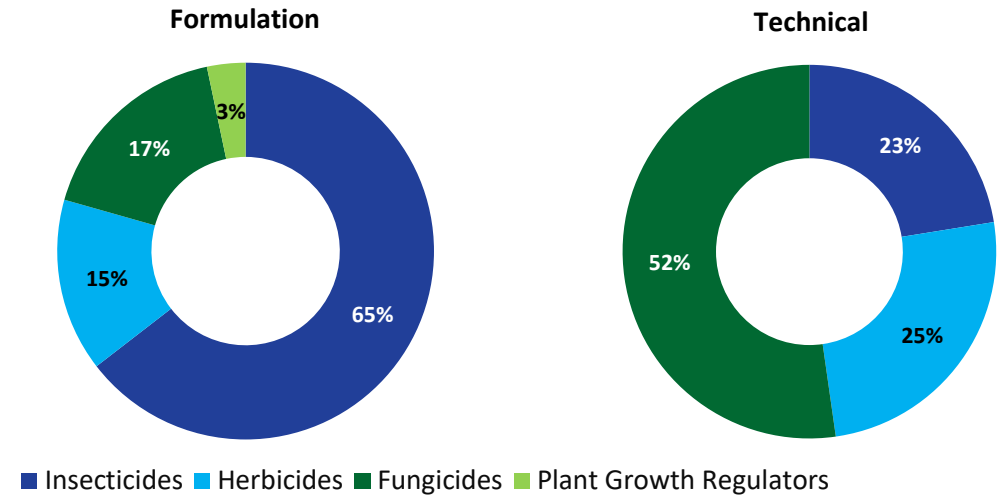
H1FY22

Product Category-wise (%)

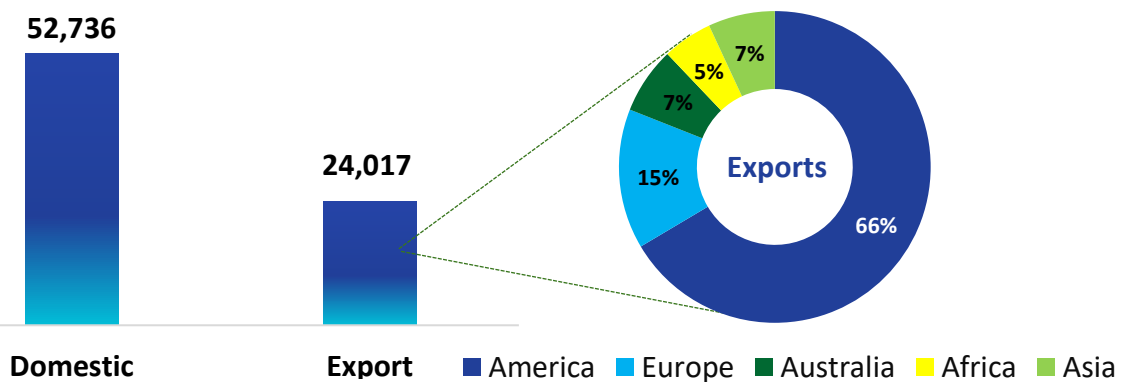


H1FY21

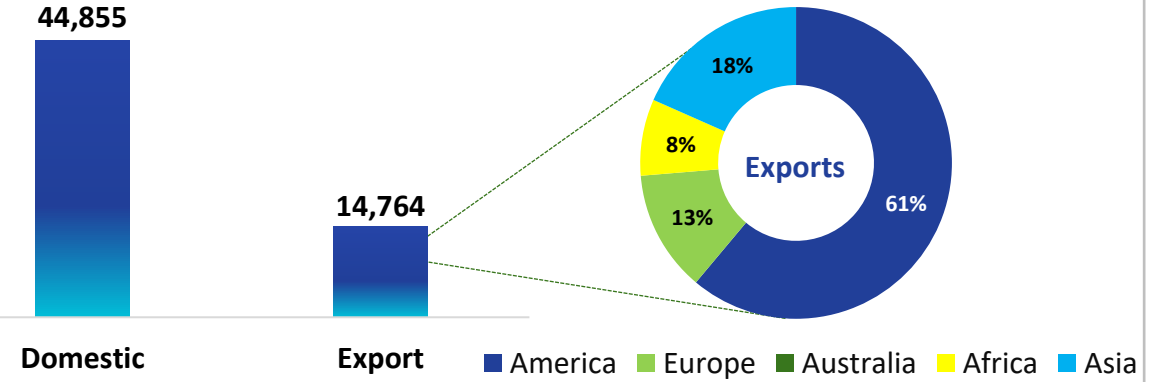
Product Category-wise (%)



Geographical Revenue Split (₹ lakhs)



Geographical Revenue Split (₹ lakhs)



PROFIT AND LOSS – Q2FY22 (Standalone)

Particulars	Q2FY22	Q2FY21	Q1FY22	Y-o-Y (%)	H1FY22	H1FY21	Y-o-Y (%)
Revenue from operations	44,285	34,417	32,468	29%	76,753	59,619	29%
Other income	547	258	315	112%	862	580	49%
Total Income	44,832	34,675	32,783	29%	77,615	60,199	29%
Expenses:							
(a) Cost of materials consumed	30,800	24,262	26,424	27%	57,224	42,475	35%
(b) Purchase of stock-in-trade	2,725	1,373	1,450	98%	4,175	2,366	76%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,111)	(1,335)	(4,156)	-17%	(5,267)	(2,826)	86%
(d) Employee benefits expense	2,407	2,236	2,327	8%	4,734	4,406	7%
(e) Finance costs	703	686	638	2%	1,341	1,365	-2%
(f) Depreciation and amortisation expense	617	652	611	-5%	1,228	1,307	-6%
(g) Other expenses	5,282	3,880	3,584	36%	8,866	7,381	20%
Total Expenses	41,423	31,754	30,878	30%	72,301	56,474	28%
Profit before tax	3,409	2,921	1,905	17%	5,314	3,725	43%
Tax expense:							
(a) Current tax	898	1,065	526	-16%	1,424	1,375	4%
(b) Deferred tax (net)	(13)	(13)	(52)	0%	(65)	(55)	18%
Total Tax Expense	885	1,052	474	-16%	1,359	1,320	3%
Profit for the period	2,524	1,869	1,431	35%	3,955	2,405	64%
Earnings Per Share:							
(a) Basic (in ₹)	1.28	0.97	0.72		2.00	1.25	
(b) Diluted (in ₹)	1.27	0.97	0.72		1.99	1.25	

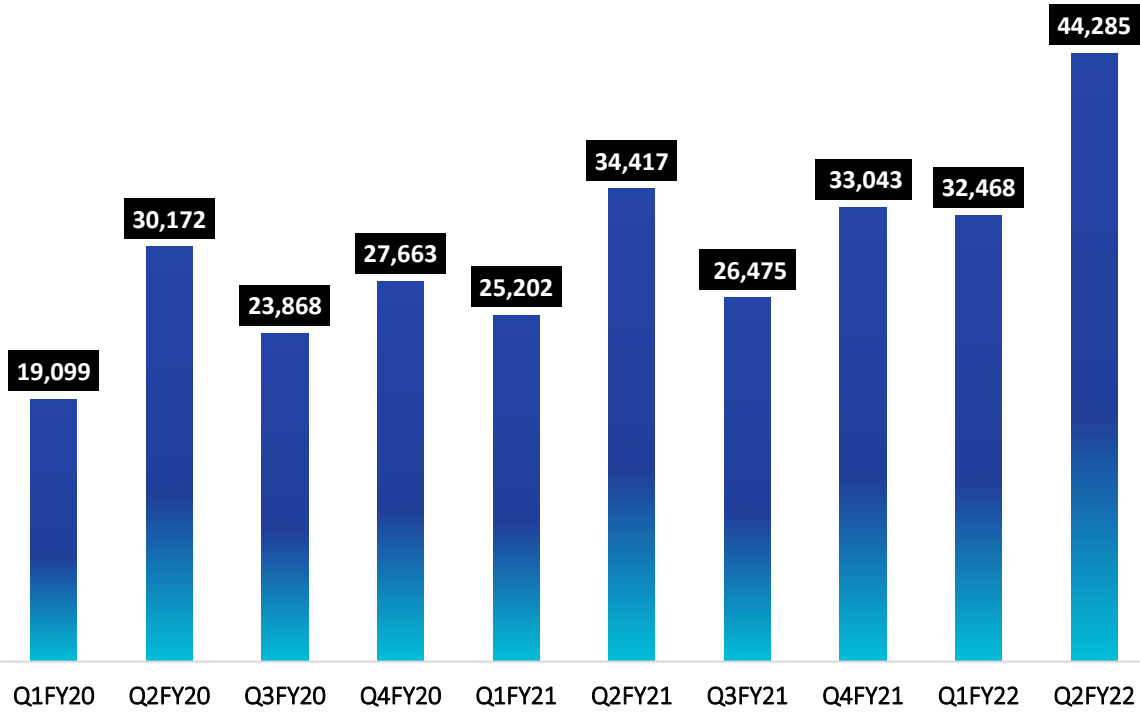
PROFIT AND LOSS – Q2FY22 (Consolidated)

Particulars	Q2FY22	Q2FY21	Q1FY22	Y-o-Y (%)	H1FY22	H1FY21	Y-o-Y (%)
Revenue from operations	44,285	34,417	32,468	29%	76,753	59,619	29%
Other income	483	259	267	86%	750	581	29%
Total Income	44,768	34,676	32,735	29%	77,503	60,200	29%
Expenses:							
(a) Cost of materials consumed	30,800	24,262	26,424	27%	57,224	42,475	35%
(b) Purchase of stock-in-trade	2,725	1,373	1,450	98%	4,175	2,366	76%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,111)	(1,335)	(4156)	-17%	(5,267)	(2,826)	86%
(d) Employee benefits expense	2,412	2,244	2,335	7%	4,747	4,422	7%
(e) Finance costs	625	686	580	-9%	1,205	1,365	-12%
(f) Depreciation and amortisation expense	617	652	611	-5%	1,228	1,307	-6%
(g) Other expenses	5,277	3,874	3,574	36%	8,851	7,367	20%
Total Expenses	41,345	31,756	30,818	30%	72,163	56,476	28%
Profit before share of profit of associate	3,423	2,920	1,917	17%	5,340	3,724	43%
Share of profit / (loss) from Associate	(100)	3	(18)	-3433%	(118)	26	-554%
Profit before tax	3,323	2,923	1,899	14%	5,222	3,750	39%
Tax expense:							
(a) Current tax	898	1,065	526	-16%	1,424	1,375	4%
(b) Deferred tax (net)	(13)	(13)	(52)	0%	(65)	(55)	18%
Total Tax Expense	885	1,052	474	-16%	1,359	1,320	3%
Profit for the period	2,438	1,871	1,425	30%	3,863	2,430	59%
Earnings Per Share:							
(a) Basic (in ₹)	1.23	0.97	0.72		1.95	1.26	
(b) Diluted (in ₹)	1.23	0.97	0.72		1.95	1.26	

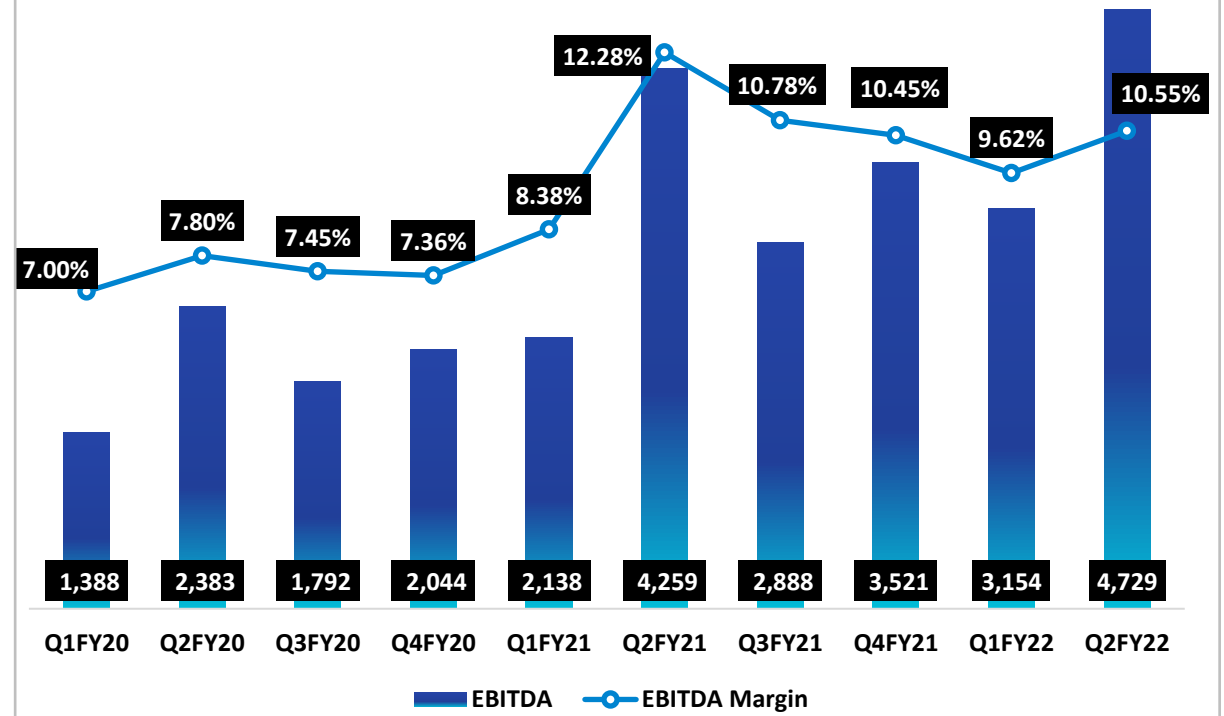


PERFORMANCE TRACK RECORD

Revenue from Operations

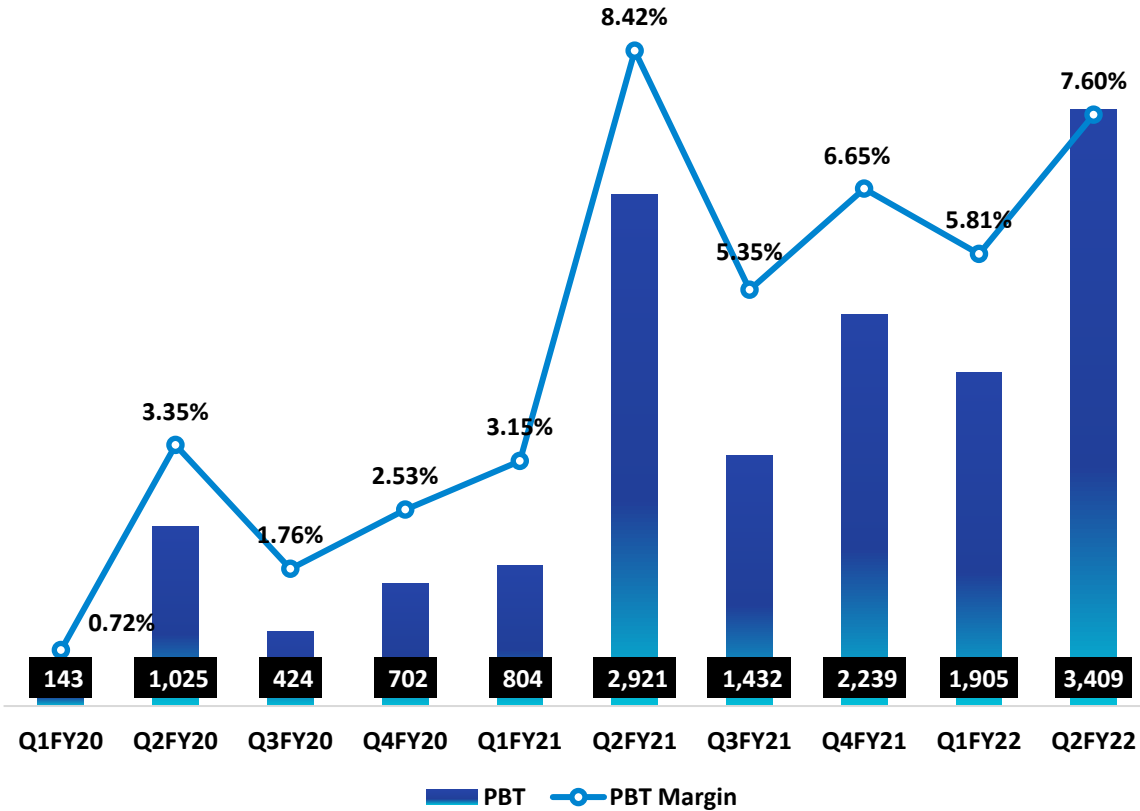


EBITDA and EBITDA Margin

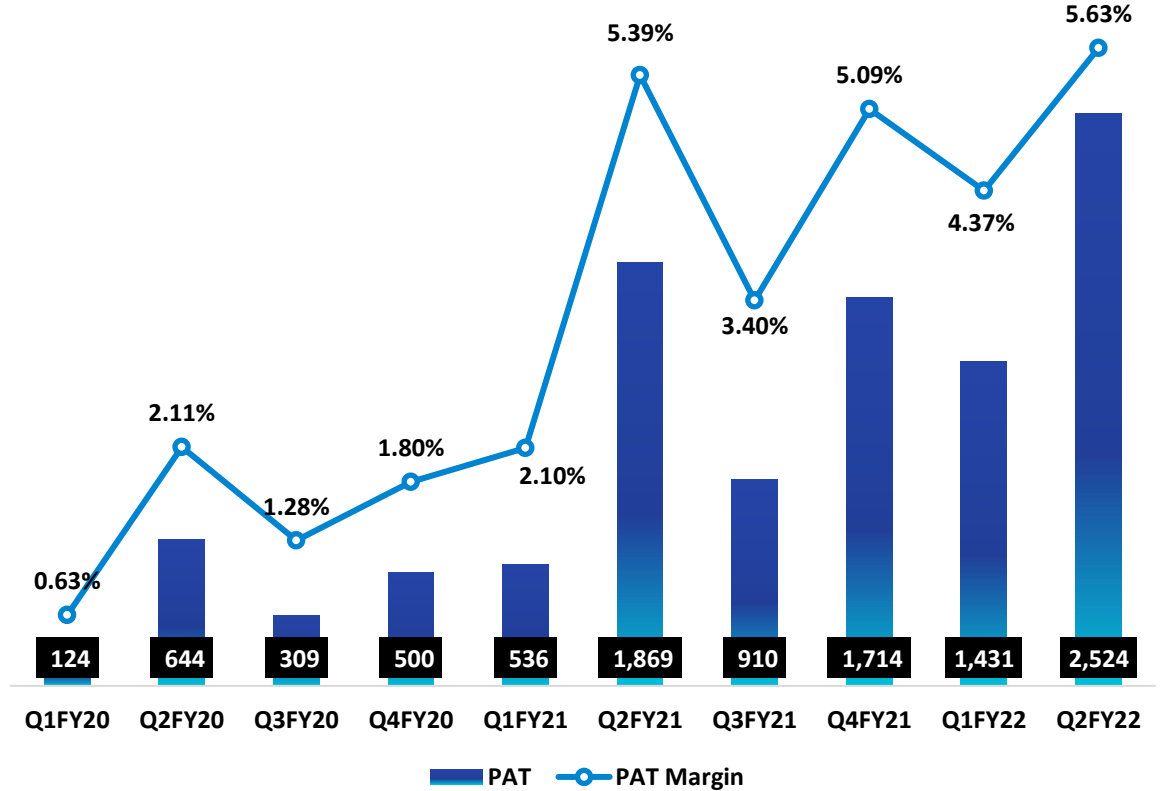


(₹ in lakhs)

PBT and PBT Margin

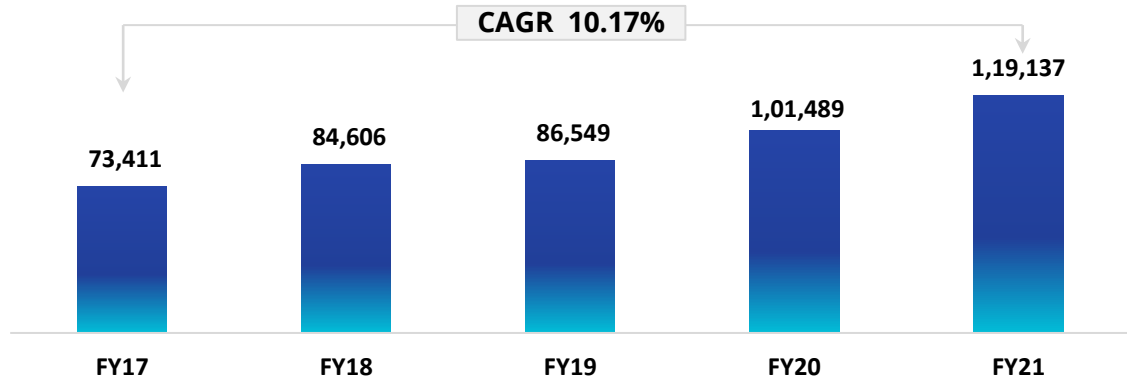


PAT and PAT Margin

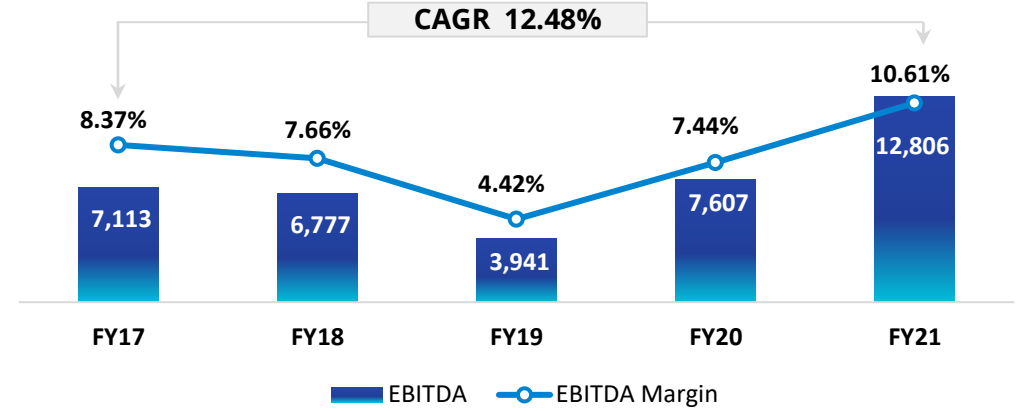


(₹ in lakhs)

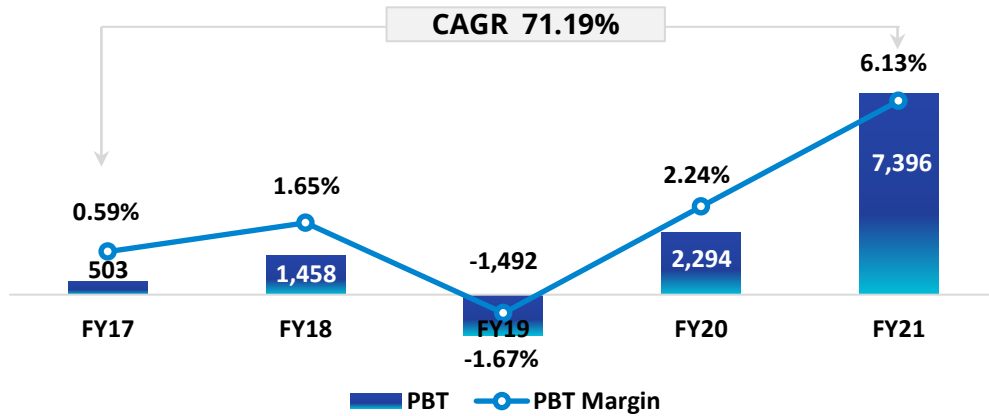
Revenue from Operations



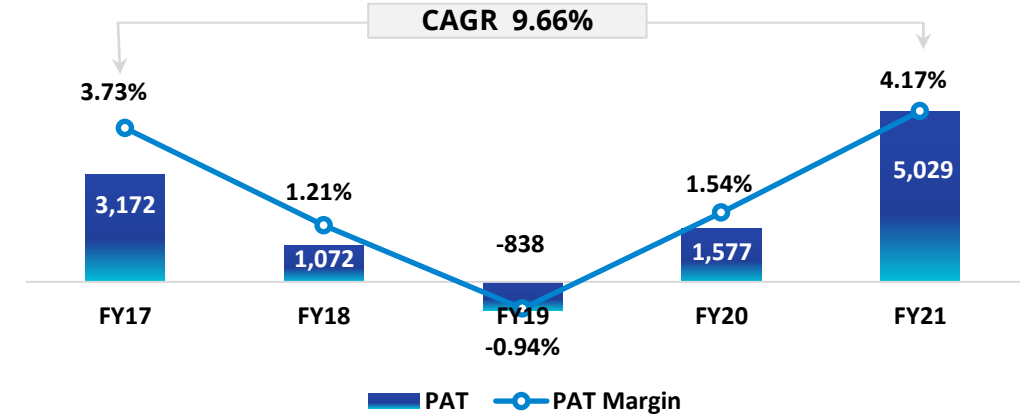
EBITDA and EBITDA Margin



PBT and PBT Margin

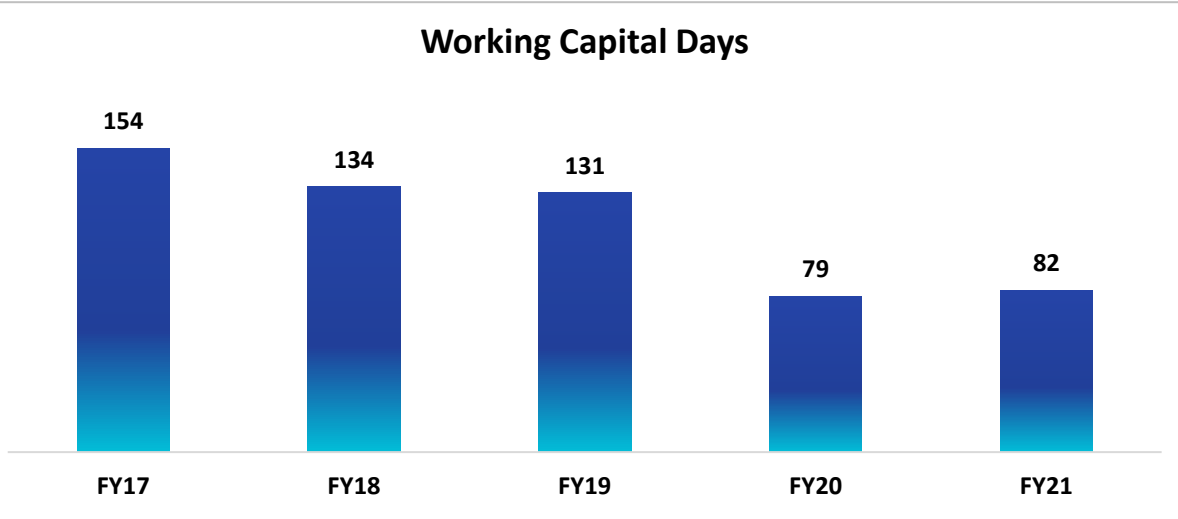


PAT and PAT Margin

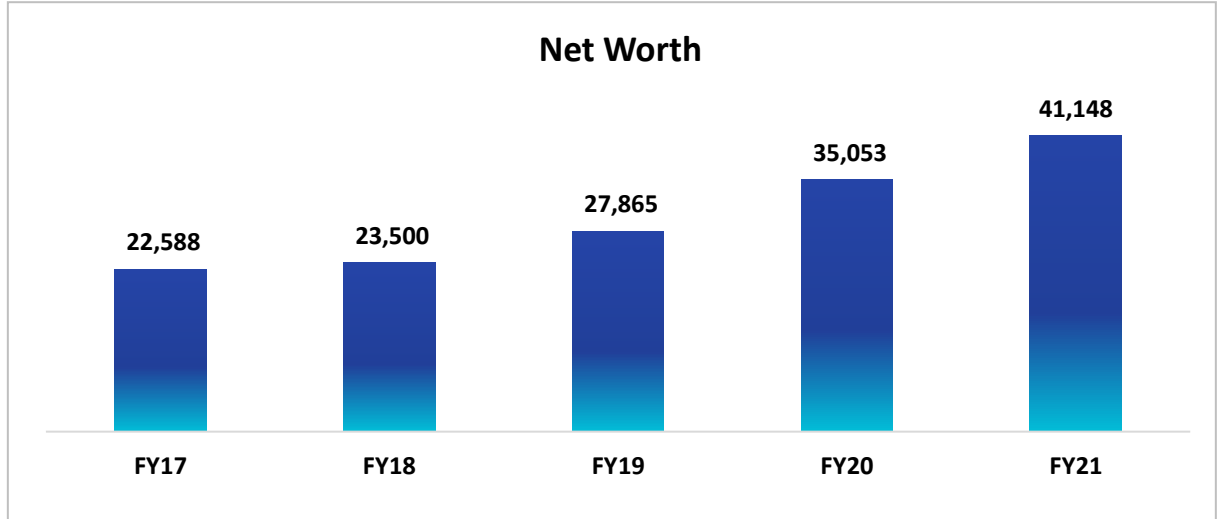


(₹ in lakhs)

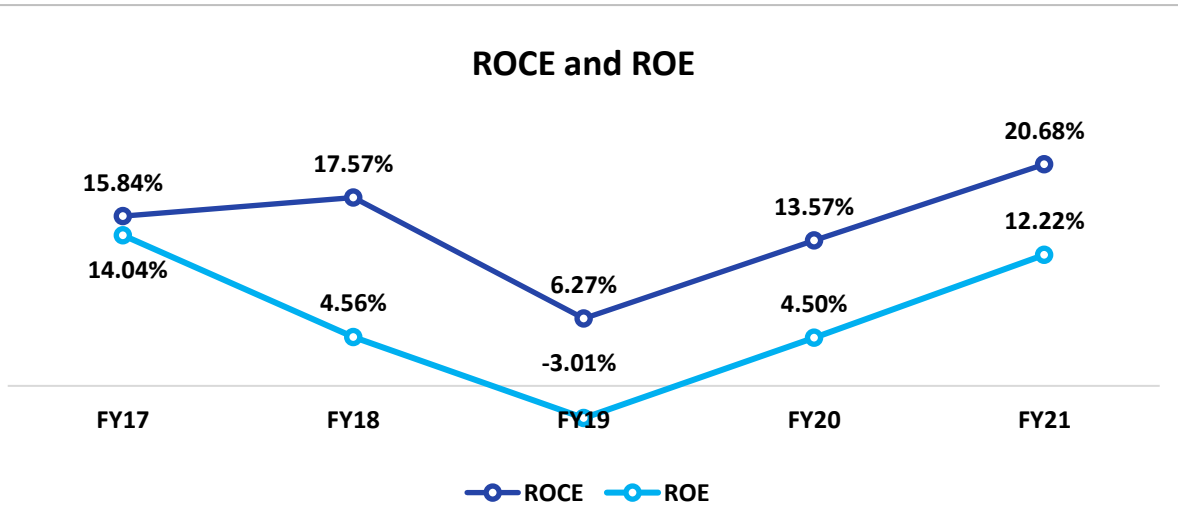
Working Capital Days



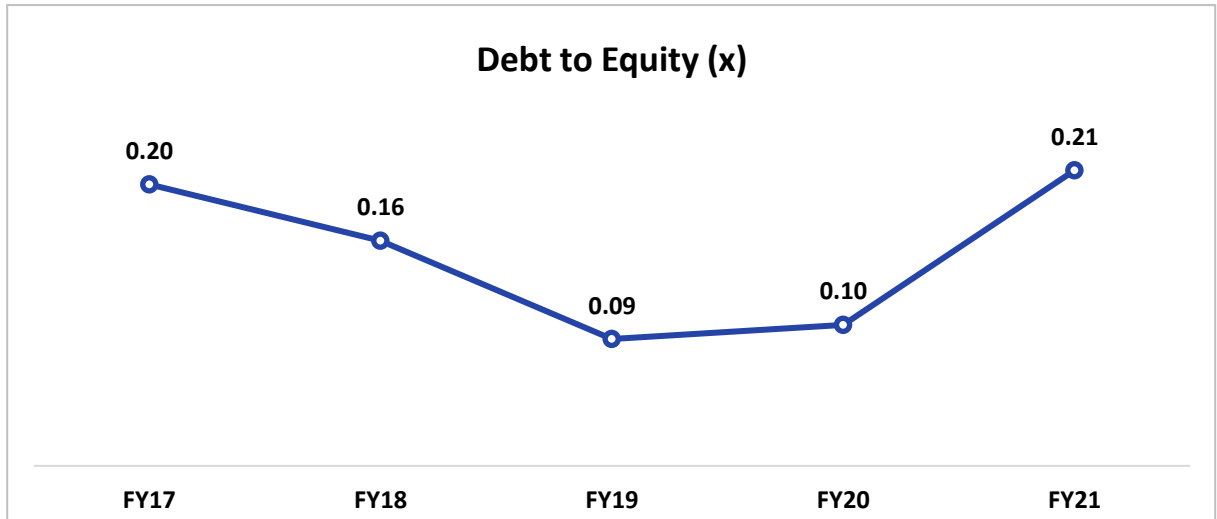
Net Worth



ROCE and ROE



Debt to Equity (x)



Long Term Bank Facilities

**₹ 400.38
Crores**

**CARE A;
Stable**

(Single A;
Outlook: Stable)

Reaffirmed

Short Term Bank Facilities

**₹ 115.00
Crores**

CARE A1

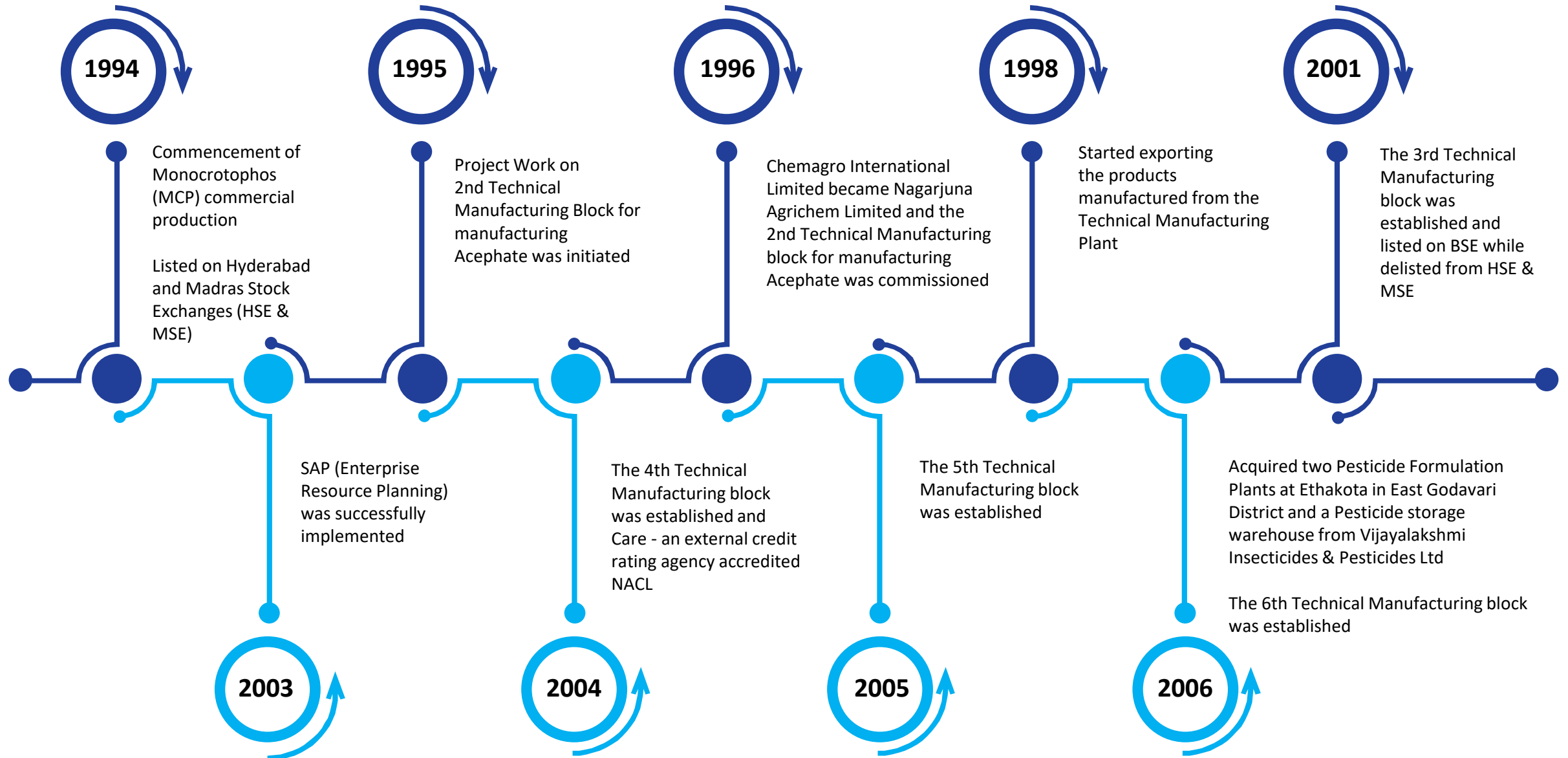
(A One)

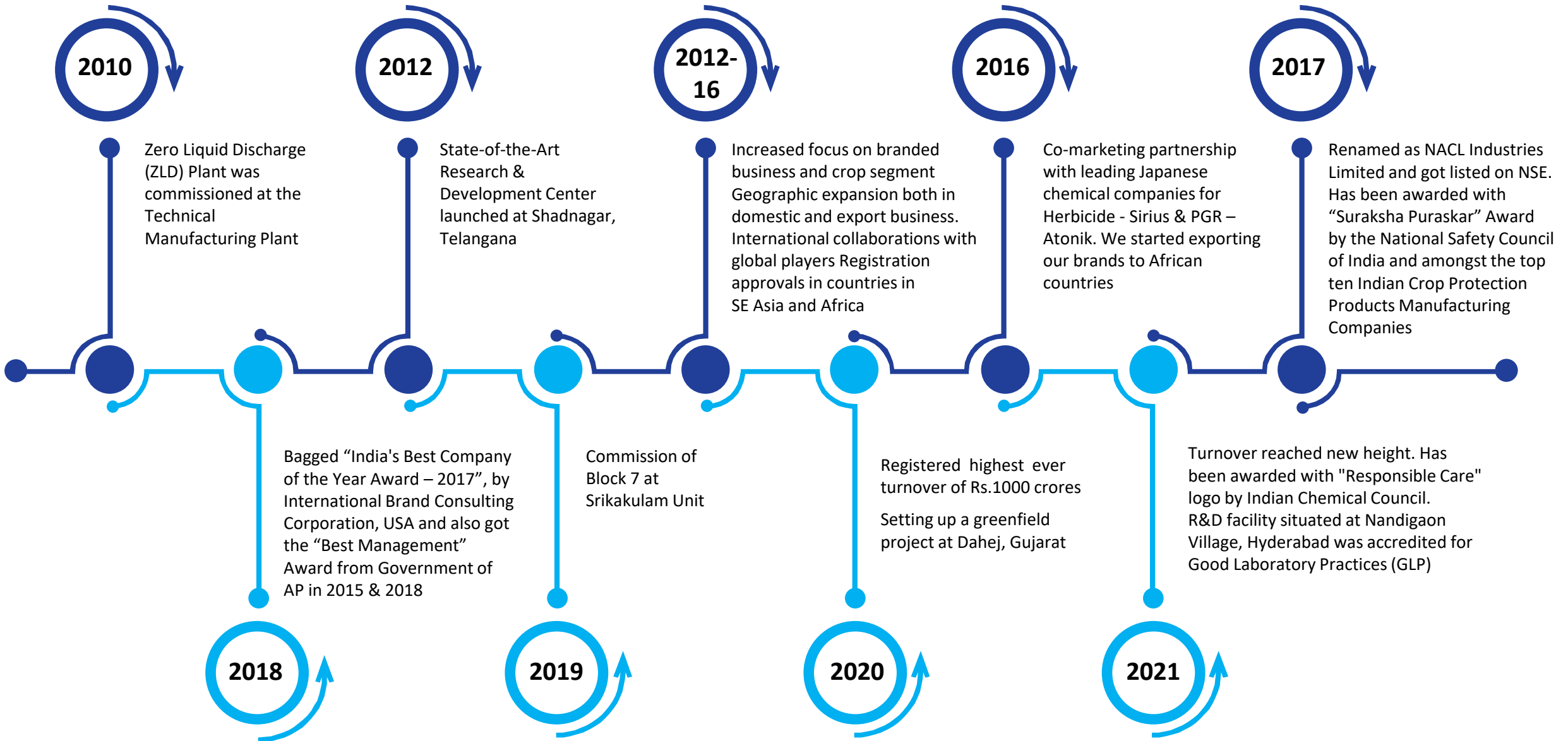
Reaffirmed



ANNEXURE

TIMELINE (1/2)







Mrs. K Lakshmi Raju
Chairperson &
Non-Executive Director



Mr. M Pavan Kumar
Managing Director &
CEO



Mr. Sudhakar Kudva
Independent Director



Mr. N Vijayaraghavan
Non-Executive Director



Mr. Raghavender Mateti
Independent Director



Mr. Atul Churiwal
Investor Nominee Director



Mr. Rajesh Kumar Agarwal
Investor Nominee Director



Mr. Ramkrishna Mudholkar
Independent Director



Mr. N Sambasiva Rao
Independent Director



Ms. Veni Mocherla
Independent Director

KEY MANAGEMENT TEAM



Mr. Amit Tandon
Vice President - Domestic Sales
& Marketing



Mr. Amit Taparia
Senior VP – SCM,
Procurement, IT and
Registrations & RA



Mr. C. Varada Rajulu
Senior VP –Operations
(Srikakulam and Ethakota Plants)



Mr. G. Jagannadha Rao
Executive VP – Exports Sales
& Marketing



**Mr. Harish Chandra
Bijlwan**
VP – Operations &
Technology



Mr. M Pavan Kumar
Managing Director & CEO



Mr. R.K.S Prasad
Executive VP – Finance &
CFO



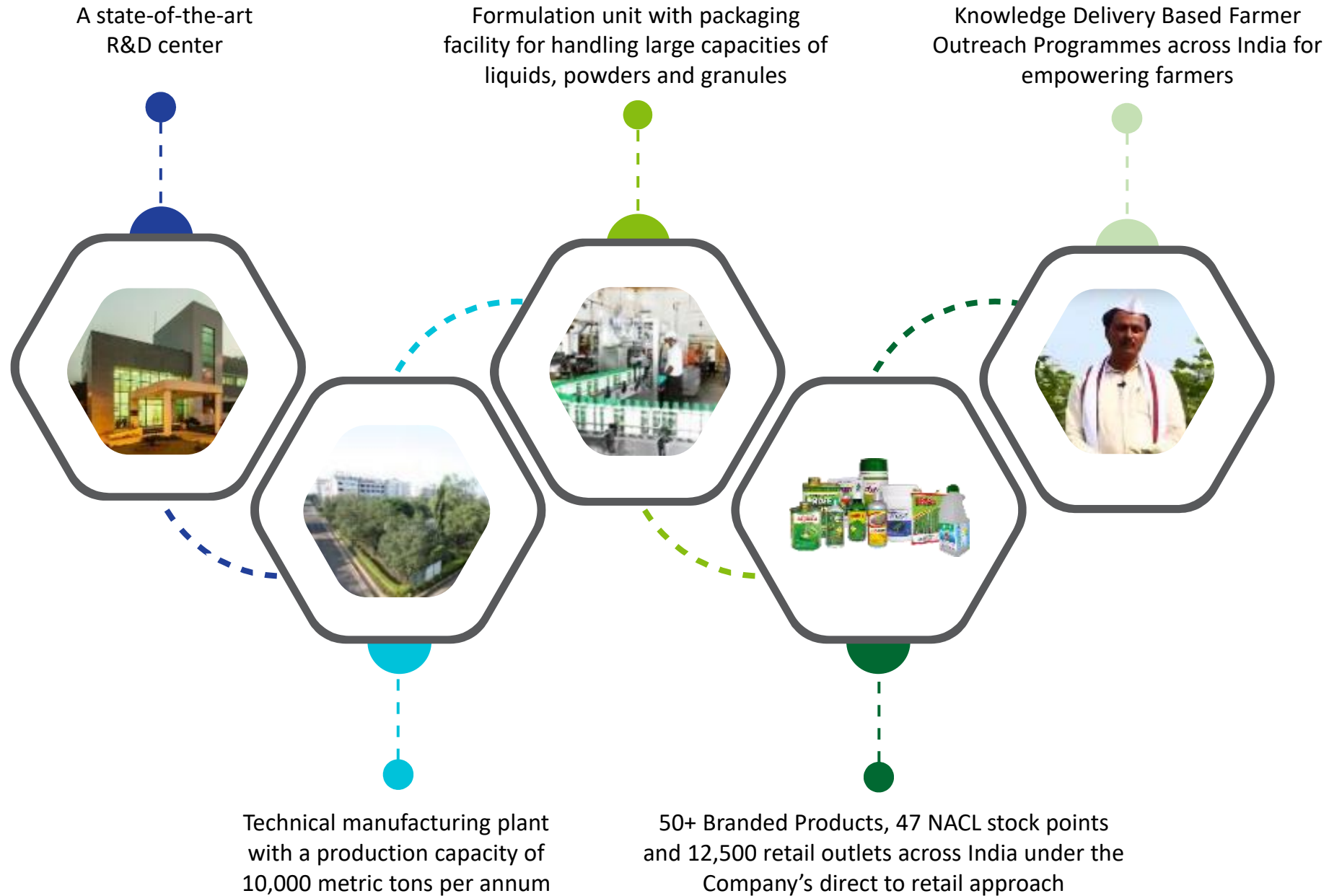
Mr. Satish Kumar Subudhi
CS & Head – Legal



Mr. S. Mani Prasad
Head – Human Potential
Development



Mr. Srinivasa Rao Bitra
Senior General Manager
& Head Plant Operations
(Formulations Unit)



Tap new geographies and spread distribution network

Strengthening and enhancing global collaborations

Farmer Centric product development and sales approach

Human Development Initiatives to develop leadership skills

Focus on efficient and responsible manufacturing



Substantial capacity enhancement strategy in Agrochemical, Specialty Chemicals & Advanced Intermediaries

Continue to invest in Product Registrations, Process know-how, Brand building

Leverage on digital marketing to enhance customer connect

Leverage on R&D and manufacturing capabilities for sustainable & profitable growth

01

RESEARCH & DEVELOPMENT

Capable R&D team with state-of-the-art, GLP accredited facility, to develop differentiated products and cost efficient manufacturing processes.

02

GOVERNANCE & LEADERSHIP

Accomplished Board Members and seasoned professional leadership with decades of industry experience; long standing record of enlightened governance and mature business processes.

03

CONSISTENT GROWTH

Sustained improvement across all key performance parameters over many quarters.

04

DISTRIBUTION NETWORK

Extensive market reach through a large base of retailers and distributors.

05

PRODUCT PORTFOLIO

Robust, diversified and expanding product portfolio, spanning insecticides, herbicides, fungicides and plant growth regulators

06

ENDURING BUSINESS RELATIONS

Long standing and trusted relationships with multi-national and domestic Companies.

07

STRONG VALUE CHAIN

Well developed presence in R&D, intermediate, technical grade materials and formulations manufacturing, exports and brand marketing; intensive farmer and customer engagement.

08

BRAND EQUITY

Distinct consumer preference based on brand competitiveness with accent on quality and service.



ICC (Indian Chemical Council) certified to use Responsible Care Logo, for a period of Three Years.

Responsible Care certification is increasingly recognized as a differentiator in the Chemical Industry for doing business in Domestic and International market.



The R&D facility of NACL Industries Limited, situated at Nandigaon village, outskirts of Hyderabad (Telangana), India has been accredited for "Good Laboratory Practice" issued by NGCMA, Department of Science and Technology, Government of India.

The OECD Principles of Good Laboratory Practice (GLP) ensure the generation of high quality, reliable and reproducible test data related to non-clinical health and environmental safety studies. Registration authorities of all OECD countries (which includes USA, CANADA, Australia, Japan, UK, Germany and many more countries) will now accept the test data generated out of the aforesaid R&D facility centre of NACL. These data are also required for registration of crop protection chemicals in various other Countries.

ISO ACCREDITATIONS



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

NABL ACCREDITATIONS



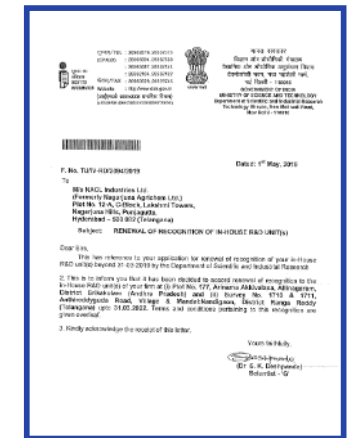
R&D Facility



Ethakota Unit



Srikakulam Unit



DSIR



Best Company of the Year 2017

NACL has been awarded “Best Company of the Year 2017” presented by International Brand Consulting Corporation (IBCC), USA.



Greentech Award

NACL has bagged the “Greentech Environment Silver Award” for the year 2018 from New Delhi-based Greentech Foundation, for its best efforts towards environment protection and conservation.



Suraksha Puraskar

NACL’s Srikakulam Unit has bagged the prestigious “Suraksha Puraskar” Award for the year 2017 from the National Safety Council of India, for its best safety practices.



Certificate of Appreciation

NACL’s Ethakota Unit has bagged the prestigious SAFETY AWARD for the year 2018, 2019 & 2020 from the National Safety Council of India, for its best safety practices.



Best Management Award

NACL’s manufacturing units situated at Srikakulam and Ethakota, Andhra Pradesh have been conferred with “Best Management Award” by the Government of Andhra Pradesh for the years 2015 & 2018.



Water Management Award

Srikakulam won CII National Award in Water management for the year 2019.



Industry Champion Award 2021

NACL's Srikakulam Unit bagged prestigious “Andhra Pradesh Industry Champion Award 2021” from the Government of Andhra Pradesh.



Indian Agrochemical Market

The agrochemicals market in India is expected to register 8% CAGR to reach US\$ 3.7 billion by FY22 and US\$ 4.7 billion by FY25. With the government propagating the development of the agricultural sector and with the recent proposals under the 'Aatmanirbhar Bharat' package pertinent for the upliftment of the agrarian economy focused on boosting agriculture and its allied, the demand for agrochemicals seems promising.



Food Security

According to an estimate, India would require more than 450 million tonnes of food grains to feed 1.65 billion people by 2050 which will be a very difficult task. Similar challenges the world would face in terms of stepping up food production to meet the growing needs of the world population.



Exports

In crop protection chemicals, India is a net exporter. With considerable technical manufacturing capabilities coming up in the Country, India is emerging as a leading destination for sourcing agrochemical active ingredients. The country's exports have increased on account of competitive manufacturing, growing domestic demand, capacity augmentation, product and process development capabilities and technical trained manpower.



Government Initiative

The matured agro chemical sector has an excellent opportunity to grow in the domestic market and gain considerable share in the global market. The industry is adding sizeable capacities in active ingredients / technicals and formulations manufacturing and also integrating backward into intermediates with increased investment in R&D and sustainable practices. The domestic industry is emerging as a course to reckon within agrochemical world.

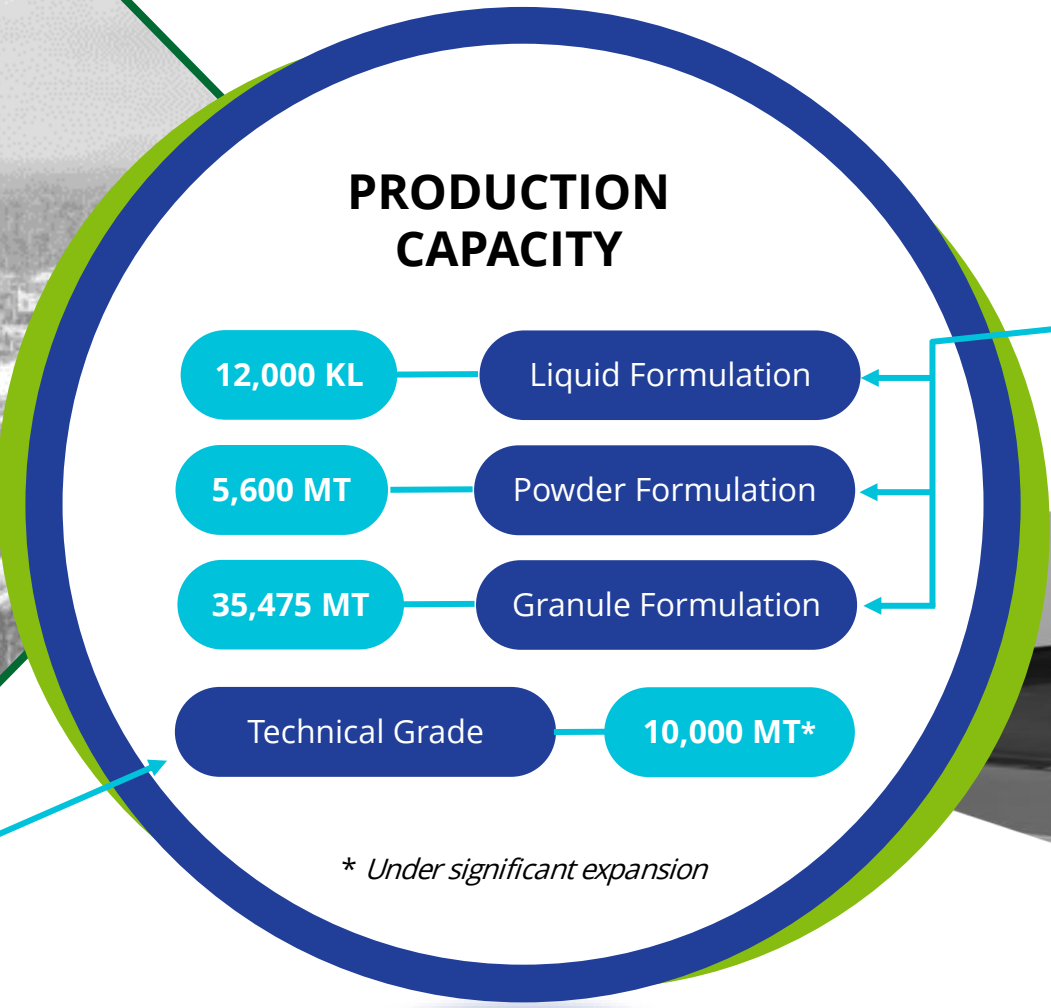




Srikakulam Unit, AP



Ethakota Unit, AP



* Under significant expansion

BROWNFIELD PROJECT

NACL Industries Limited, Srikakulam, Andhra Pradesh

NACL is in process of increasing the existing Plant capacity of **10,000 MT/Annum** to **25,000 MT/Annum**.

CAPACITY 25,000
MT/ Annum in phases

NACL Spec-Chem Limited, Dahej, Gujarat

NACL Spec-Chem Limited, a wholly owned subsidiary of NACL is setting up a Greenfield Project of Agrochemicals Active Ingredients & Formulation.



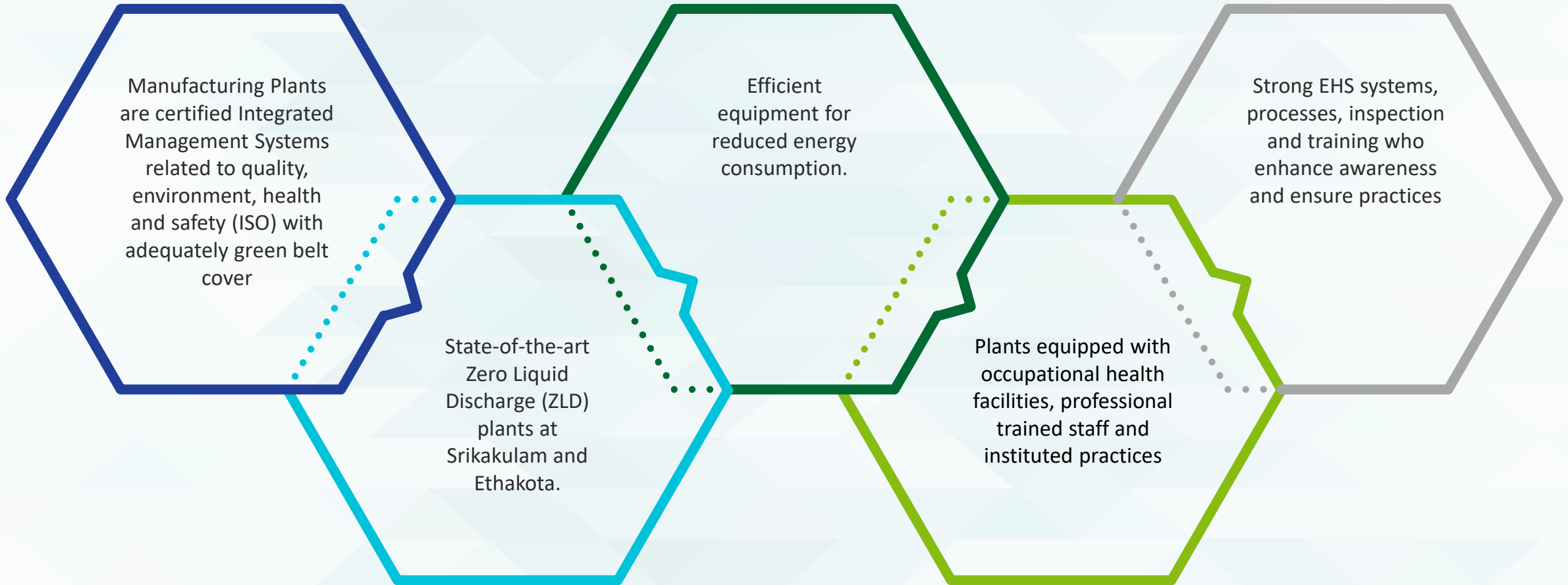
GREENFIELD PROJECTS

NACL Multichem Pvt. Ltd, Ranasthalam Mandal, Srikakulam

NACL Multichem Private Limited, a wholly owned subsidiary of NACL is planning to setup a greenfield Project for manufacturing of Agrochemicals and Synthetic Organic Chemicals.

CAPACITY 38,000
MT/ Annum in phases











SHAREHOLDERS' INFORMATION

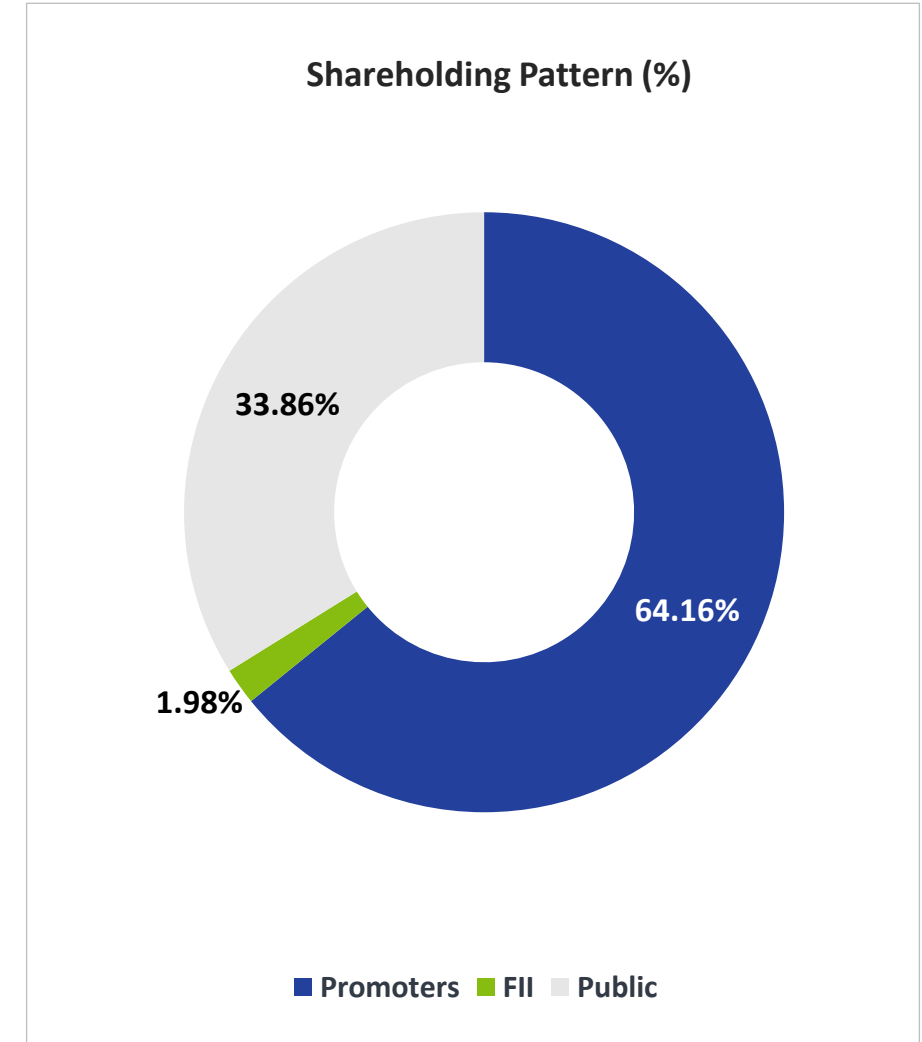
Stock Information (as on 10th November 2021)

 Market Capitalization (₹)	1,433.15 Cr
 Shares Outstanding	19.78 Cr
 Free Float	286.63 Cr
 Symbol (BSE) / (NSE)	524709 / NACLIND

Stock Performance Chart (as on 10th November 2021)



(As on 30th September 2021)





NACL Industries Limited

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THANK YOU