



NACL Industries Limited

Investor Presentation | Q2 FY2023

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OPERATIONAL HIGHLIGHTS

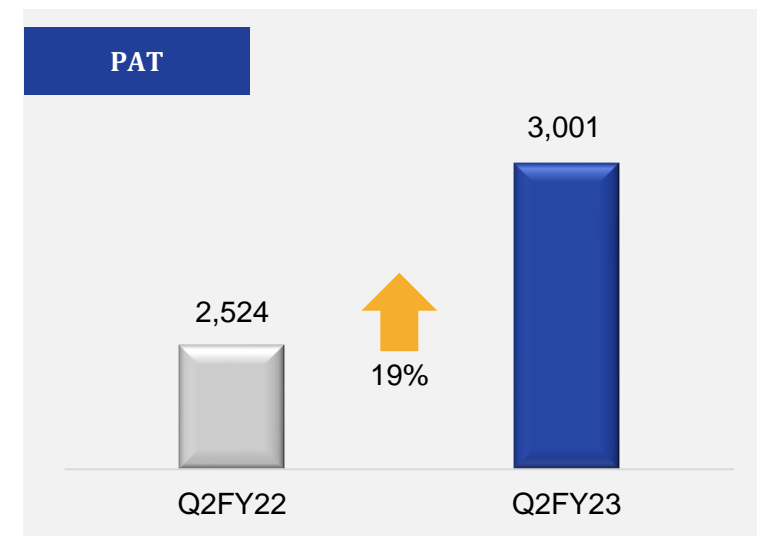
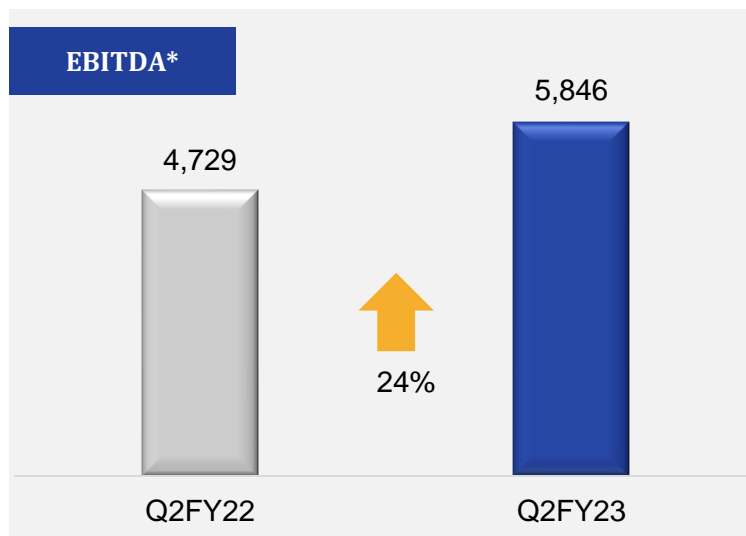
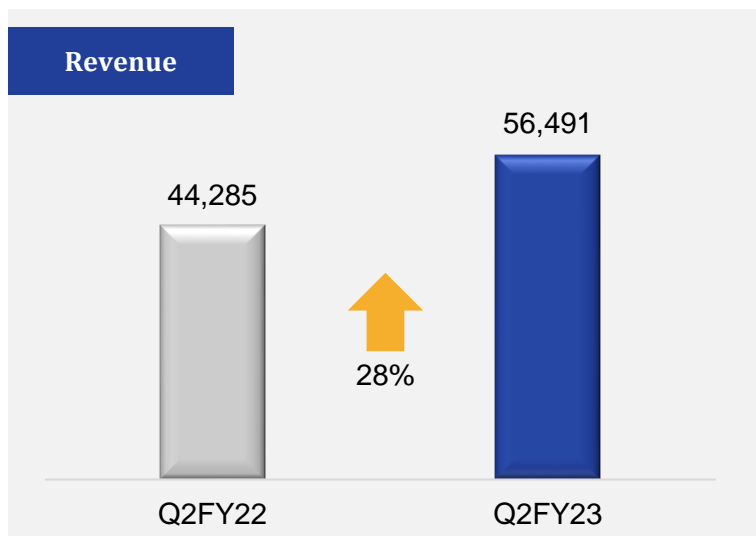




- Record Quarterly Earnings:
 - Consolidated EBITDA at Rs 5,703 lakhs up 22% YoY
 - Consolidated Net Profit at Rs 2,989 lakhs, up 23% YoY
- Consecutive eleven quarters of YoY revenue growth
- Exports contributed 40% of the total revenues during the first half of FY 2023. For the quarter and half year ended 30th September 2022, there was an increase of 44% and 73% respectively over the last year same period. Americas being one of the biggest export market, contributed 62% of export sales. Company is focused on actively working on new product registration and brand building in new geographies
- The retail business on domestic side performed well and achieved 19% growth YoY in Q2 FY23 & 17% growth YoY in H1 FY23 despite head winds. India witnessed an uneven distribution of monsoons resulting in the overall acreage remaining on the lower side, and a reduced demand for agrochemicals. Domestic retail business contributed 37% of total sales
- Domestic institutional business was challenging but yet clocked 26% growth driven by higher price realization and product mix
- Existing Plant at Srikakulam achieved 16% increase in production as compared to same period last year. The brownfield capacity expansion is also going as per schedule. The Consent for Establishment (CFE) has already been received and the Consent for Operations (CFO) is expected to be approved soon
- The R&D team of the Company continues to focus on developing new chemistries along with improving the production process of existing products in order to reduce cost of production of active ingredients (AI) and technical intermediates
- The Company has declared first Interim Dividend of Rs.0.30/- per equity share (i.e 30% of Face Value) on equity share of Rs.1/- each fully paid up for the financial year 2022-2023
- The Greenfield site at Dahej, Gujarat is currently operational and is expected to start regular production soon
- CRISIL has assigned credit rating for various credit facilities of the company - for long term - CRISIL A/ Stable and for short term - CRISIL A1
- NACL's received Agri Business Submit Agri (ABSA) award 2022 under the category "Company of the year" from the Honorable Agriculture Minister for Telangana Mr. S. Niranjan Reddy

RESULTS SUMMARY





- Strong revenue growth aided by higher realization and volumes
- Revenue was higher from fungicides business segment by 60%

- Growth in revenue enabled EBITDA growth
- EBITDA margins remained intact despite the raw material cost inflation and high energy costs

- Despite cost pressure, profit has increased by 19% YoY
- Robust growth in Net profit led by revenue growth, product mix & increased efficiencies

On Standalone Basis

* Includes other income

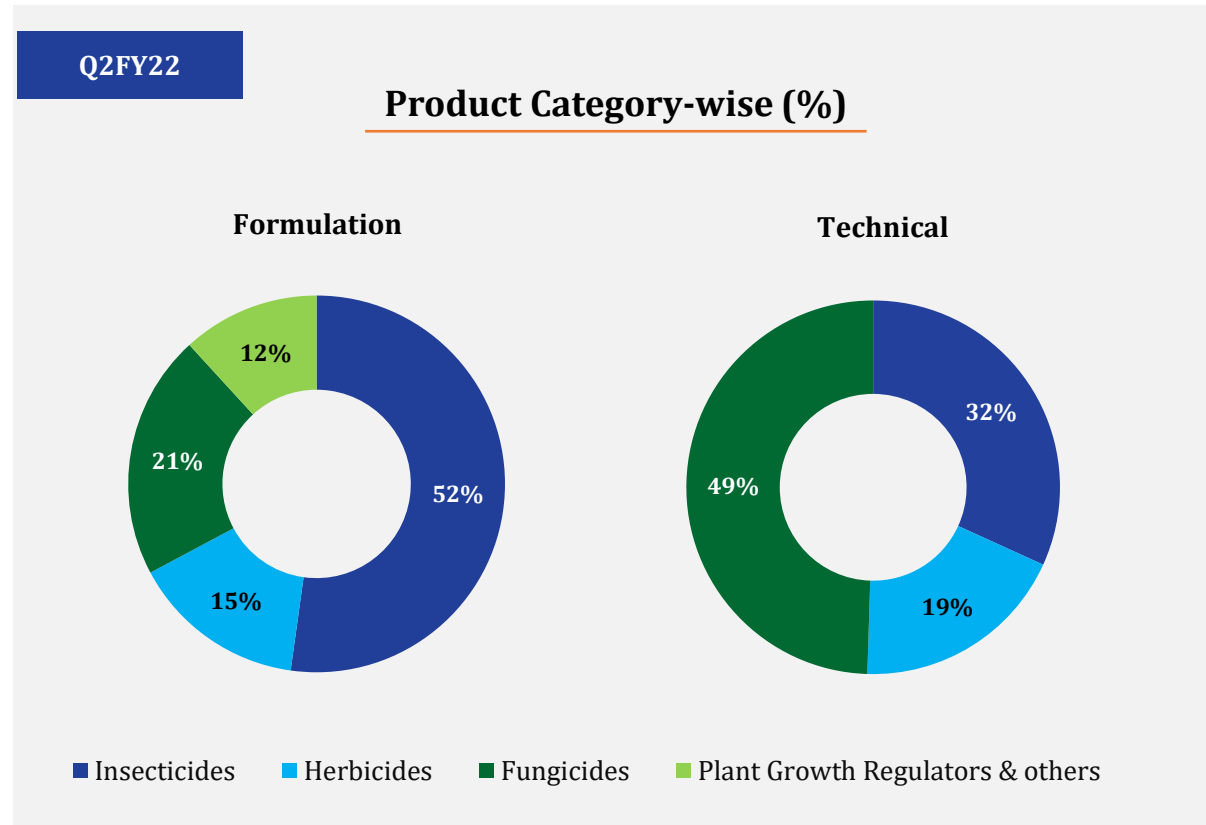
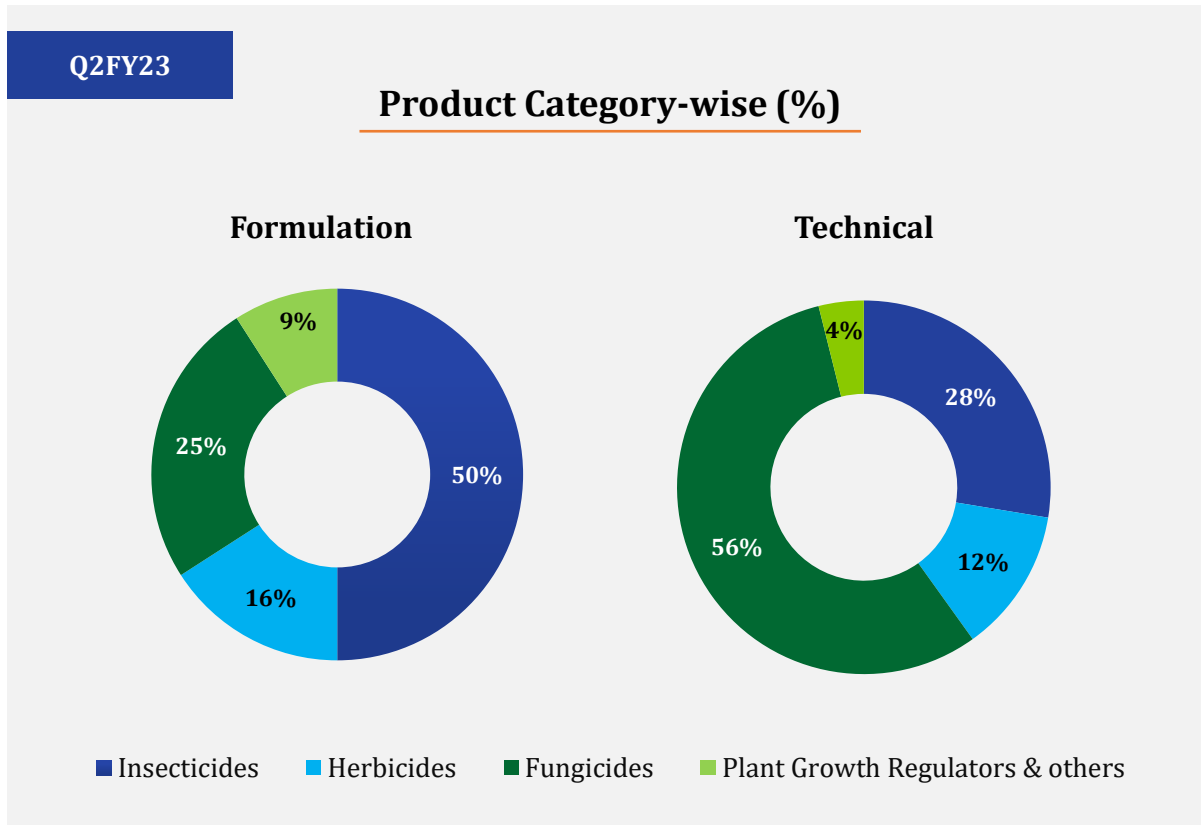
Revenue Breakup

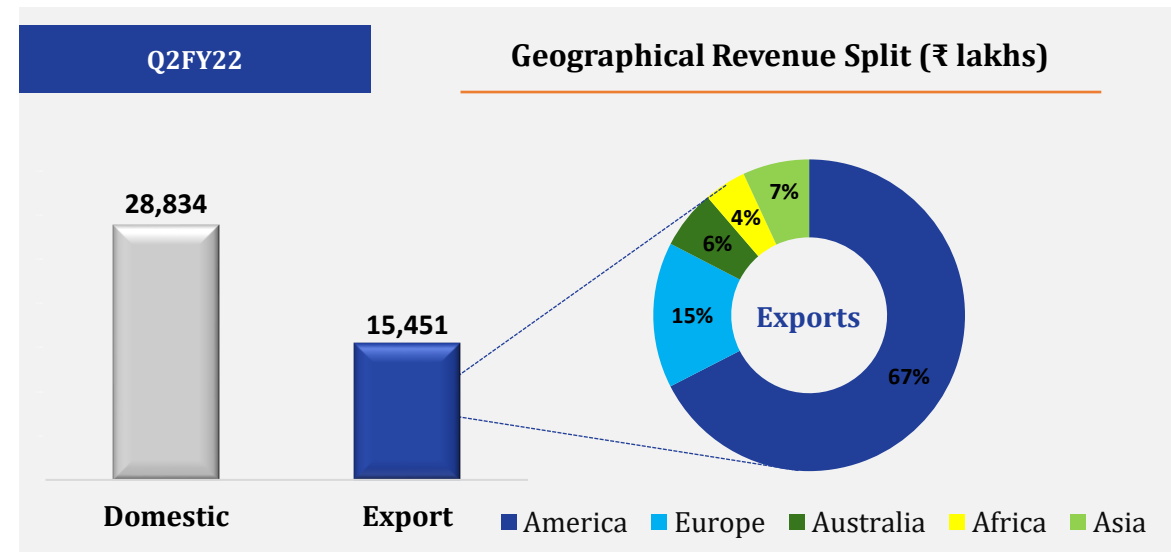
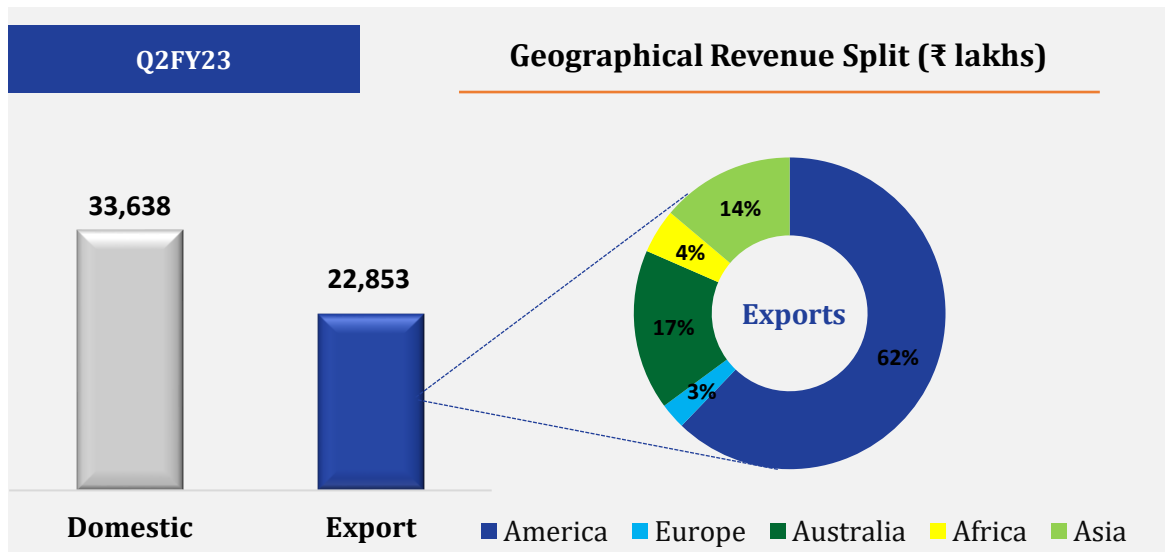
Insecticides 14% 	
Q2FY23	Q2FY22
20,876	18,276

Herbicides 8% 	
Q2FY23	Q2FY22
7,833	7,256

Fungicides 60% 	
Q2FY23	Q2FY22
24,097	15,055

Plant Growth Regulators 31% 	
Q2FY23	Q2FY22
3,434	2,626





India (Domestic)

- The domestic retail business grew on the strength of monsoons across major areas, and the increased demand for herbicides

Europe

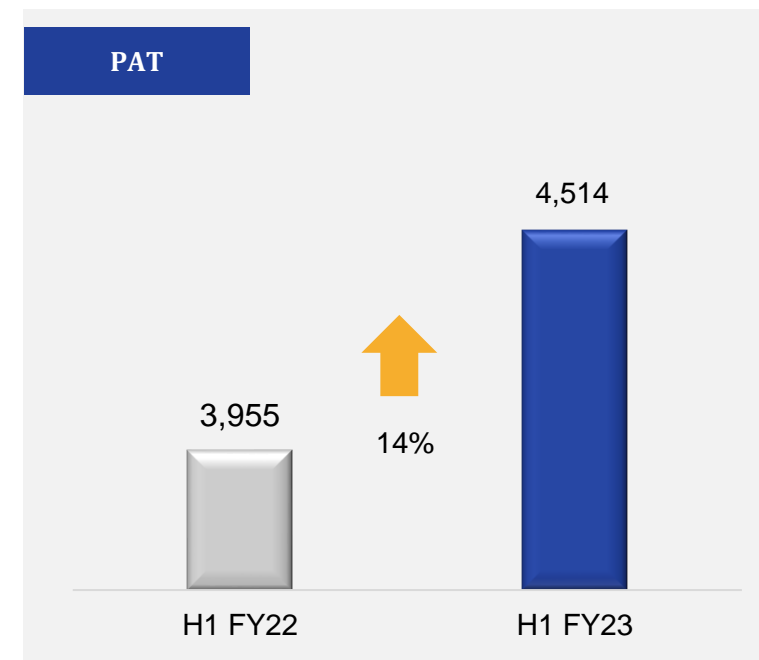
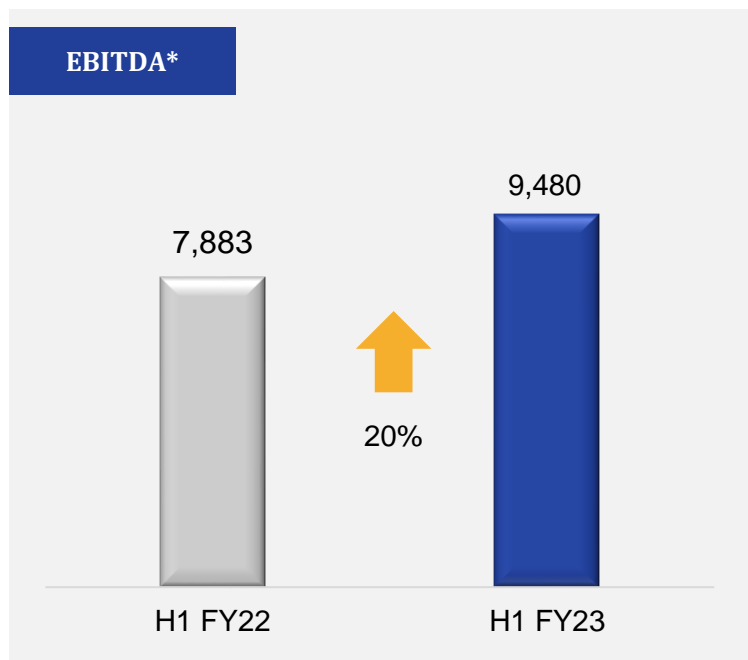
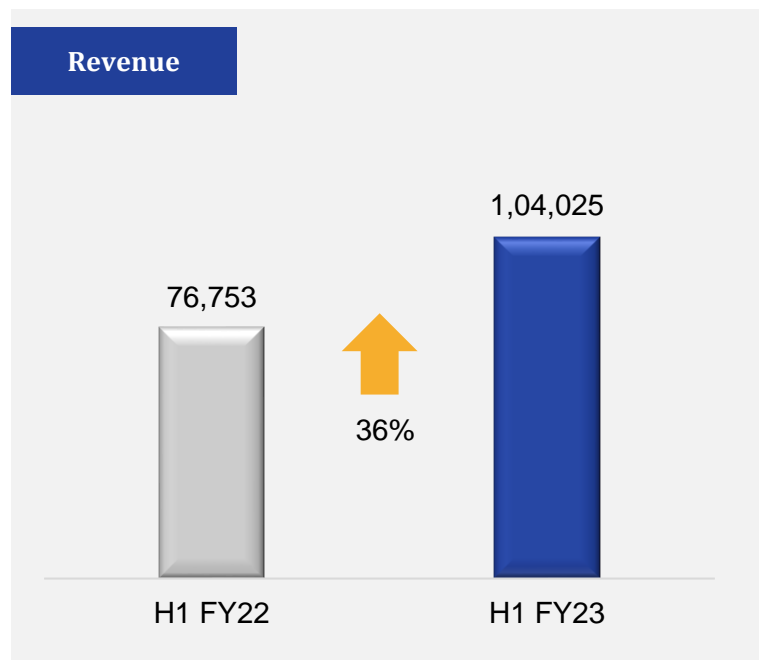
- Impact faced on account of economic slowdown due to Russia-Ukraine war and currency devaluation

Americas

- Growth in this region was attributed by increase in demand for fungicide products & business initiation with a new customer

Rest of World

- Few geographies faced the dual headwinds of high-cost inventory and currency devaluation

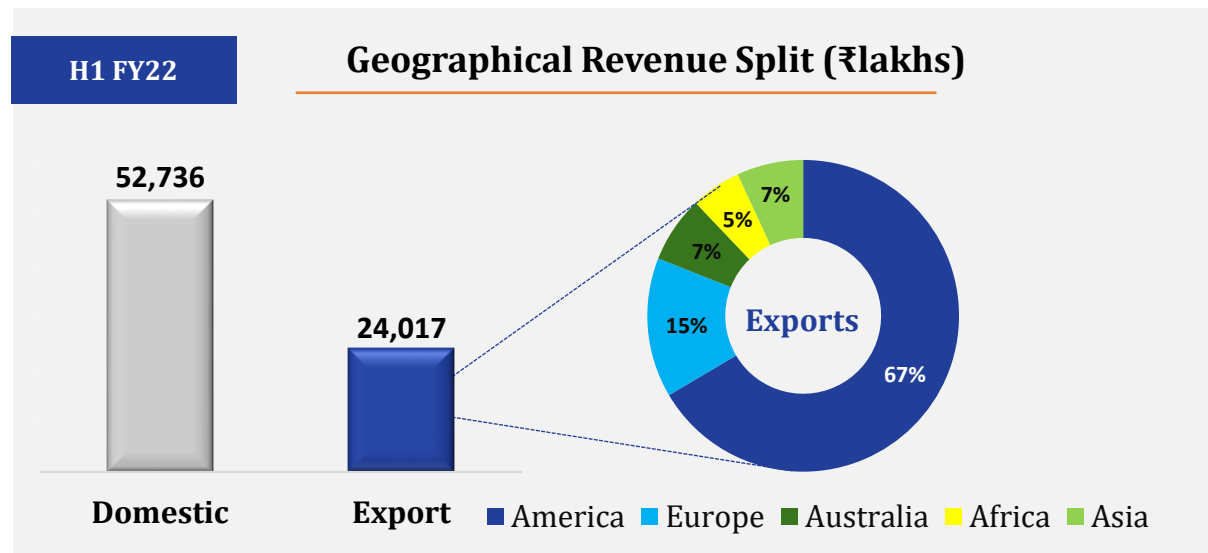
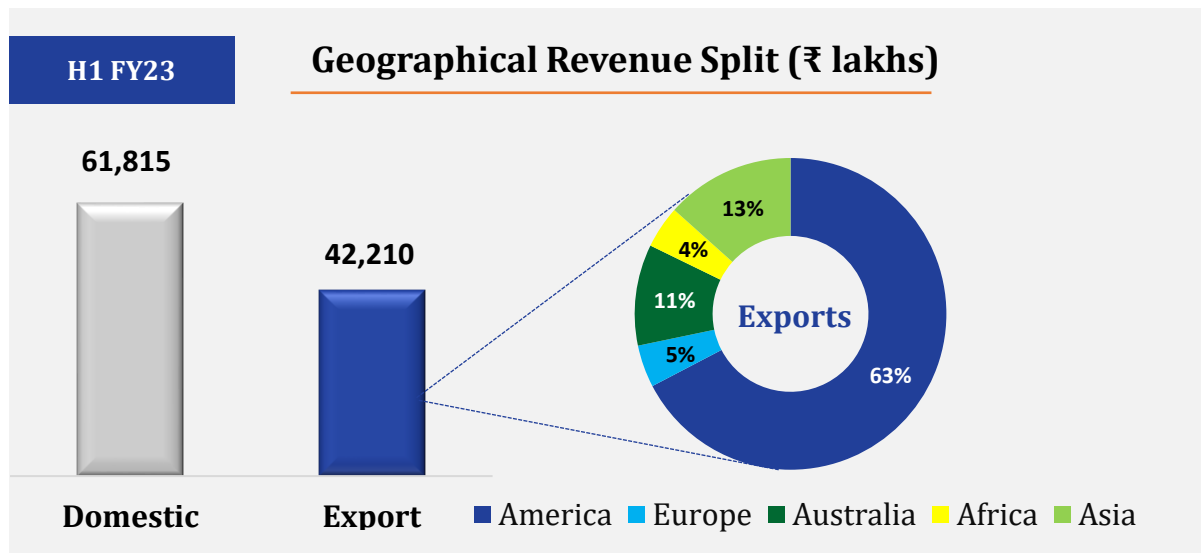
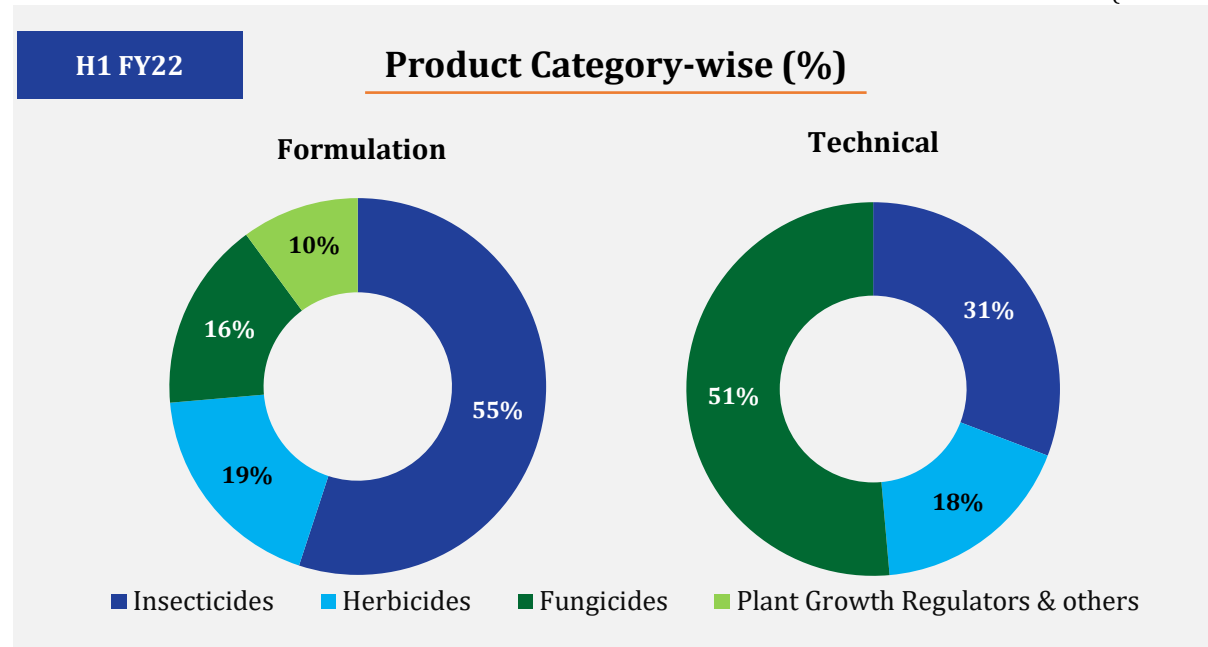
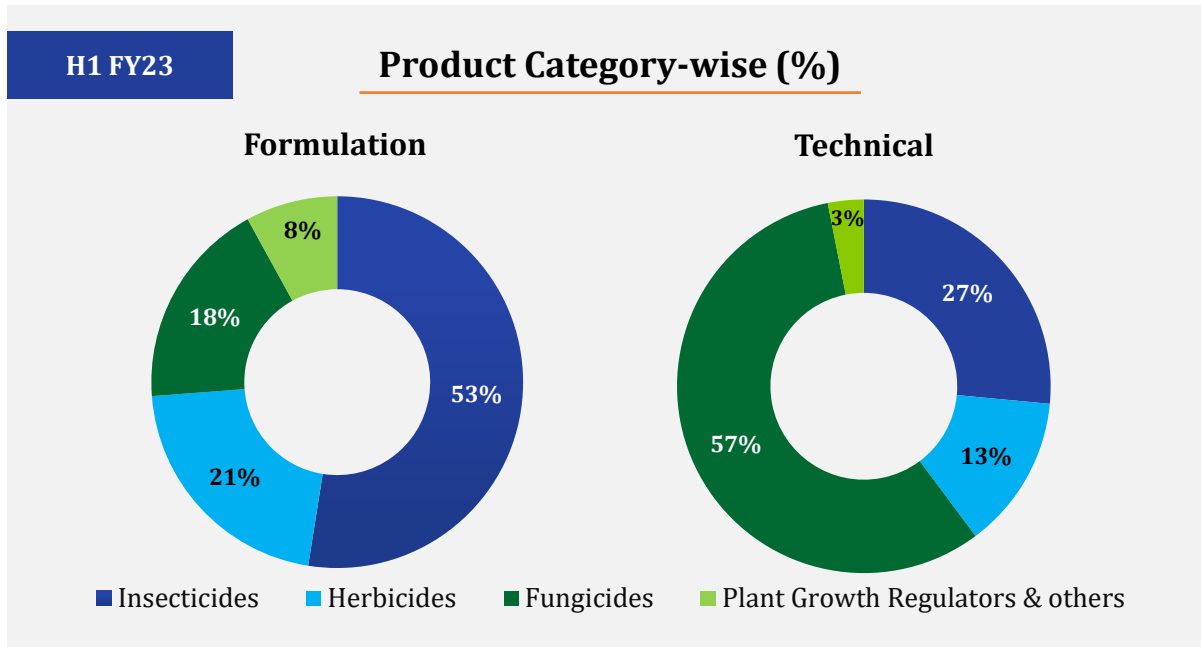


Insecticides		Herbicides		Fungicides		Plant Growth Regulators	
H1 FY23	H1 FY22	H1 FY23	H1 FY22	H1 FY23	H1 FY22	H1 FY23	H1 FY22
38,486	32,748	17,152	13,653	42,138	24,620	5,294	4,019

Insecticides: 18% ↑
 Herbicides: 26% ↑
 Fungicides: 71% ↑
 Plant Growth Regulators: 32% ↑

On Standalone Basis

* Includes other income





Profit and Loss – Q2 & H1 FY23 (Standalone)



Particulars (₹ in lakhs)	Q2 FY23	Q2 FY22	Y-o-Y	Q1 FY23	Q-o-Q	H1 FY23	H1 FY22	Y-o-Y
Revenue from Operations (Net of Excise)	56,491	44,285	↑ 28%	47,534	↑ 19%	104,025	76,753	↑ 36%
Other Income	426	547		293		719	862	
Total Income	56,917	44,832	↑ 27%	47,827	↑ 19%	104,744	77,615	↑ 35%
Cost of materials consumed	39,415	30,800		41,267		80,682	57,224	
Purchase of stock-in-trade	2,143	2,725		1,938		4,081	4,175	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	907	-1,111		-6,786		-5,879	-5,267	
Total Raw Material	42,465	32,414		36,419		78,884	56,132	
Gross Profit	14,452	12,418	↑ 16%	11,408	↑ 27%	25,860	21,483	↑ 20%
Gross Profit Margin	25.4%	27.7%		23.9%		24.7%	27.7%	
Employee Cost	2,836	2,407		2,624		5,460	4,734	
Other Expenses	5,770	5,282		5,150		10,920	8,866	
EBITDA	5,846	4,729	↑ 24%	3,634	↑ 61%	9,480	7,883	↑ 20%
EBITDA Margin	10.3%	10.5%		7.6%		9.1%	10.2%	
Depreciation	672	617		657		1,329	1,228	
EBIT	5,174	4,112	↑ 26%	2,977	↑ 74%	8,151	6,655	↑ 22%
EBIT Margin	9.1%	9.2%		6.2%		7.8%	8.6%	
Finance Cost	1,162	703		936		2,098	1,341	
Profit before Tax	4,012	3,409	↑ 18%	2,041	↑ 97%	6,053	5,314	↑ 14%
Tax	1,011	885		528		1,539	1,359	
PAT	3,001	2,524	↑ 19%	1,513	↑ 98%	4,514	3,955	↑ 14%
PAT Margin %	5.3%	5.6%		3.2%		4.3%	5.1%	
Basic EPS	1.51	1.28		0.76		2.28	2.00	





Profit and Loss – Q2 & H1 FY23 (Consolidated)



Particulars (₹ in lakhs)	Q2 FY23	Q2 FY22	Y-o-Y	Q1 FY23	Q-o-Q	H1 FY23	H1 FY22	Y-o-Y
Revenue from Operations (Net of Excise)	56,491	44,285	↑ 28%	47,534	↑ 19%	104,025	76,753	↑ 36%
Other Income	283	483		162		445	750	
Total Income	56,774	44,768	↑ 27%	47,696	↑ 19%	104,470	77,503	↑ 35%
Cost of materials consumed	39,415	30,800		41,267		80,682	57,224	
Purchase of stock-in-trade	2,143	2,725		1,938		4,081	4,175	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	907	-1,111		-6,786		-5,879	-5,267	
Total Raw Material	42,465	32,414		36,419		78,884	56,132	
Gross Profit	14,309	12,354	↑ 16%	11,277	↑ 27%	25,586	21,371	↑ 20%
Gross Profit Margin	25.2%	27.6%		23.6%		24.5%	27.6%	
Employee Cost	2,836	2,412		2,624		5,460	4,747	
Other Expenses	5,770	5,277		5,150		10,920	8,851	
EBITDA	5,703	4,665	↑ 22%	3,503	↑ 63%	9,206	7,773	↑ 18%
EBITDA Margin	10.0%	10.4%		7.3%		8.8%	10.0%	
Depreciation	673	617		658		1,331	1,228	
EBIT	5,030	4,048	↑ 24%	2,845	↑ 77%	7,875	6,545	↑ 20%
EBIT Margin	8.9%	9.0%		6.0%		7.5%	8.4%	
Finance Cost	1,028	625		816		1,844	1,205	
Share of (loss) / profit from associate	-2	-100		-9		-11	-118	
Profit before Tax	4,000	3,323	↑ 20%	2,020	↑ 98%	6,020	5,222	↑ 15%
Tax	1,011	885		528		1,539	1,359	
PAT	2,989	2,438	↑ 23%	1,492	↑ 100%	4,481	3,863	↑ 16%
PAT Margin %	5.3%	5.4%		3.1%		4.3%	5.0%	
Basic EPS	1.51	1.23		0.75		2.26	1.95	





Balance Sheet (1/2)



Particulars (₹ in lakhs)	Standalone		Consolidated	
	Sep-22	Mar-22	Sep-22	Mar-22
ASSETS				
Non-current assets				
(a) Property, plant and equipment	20,011	20,354	20,039	20,381
(b) Right-to-use assets	419	461	3,273	3,331
(c) Capital work-in-progress	1,544	955	18,835	10,456
(d) Other intangible assets	210	109	210	109
(e) Intangible assets under development	1,296	1,179	1,296	1,179
(f) Financial assets				
(i) Investments	7,080	5,760	1,252	1,263
(ii) Other financial assets	477	408	624	412
(g) Income tax assets (net)	469	469	476	474
(h) Other non-current assets	2,067	1,804	415	929
Total non-current assets	33,573	31,499	46,420	38,534
Current assets				
(a) Inventories	51,381	41,071	52,318	41,071
(b) Financial assets				
(i) Trade receivables	61,416	52,897	61,425	52,897
(ii) Cash and cash equivalents	3,048	4,455	3,296	6,994
(iii) Other bank balances	3,411	3,210	3,411	3,210
(iv) Other financial assets	176	614	177	614
(c) Other current assets	10,805	7,287	12,474	7,728
Total current assets	130,237	109,534	133,101	112,514
TOTAL ASSETS	163,810	141,033	179,521	151,048



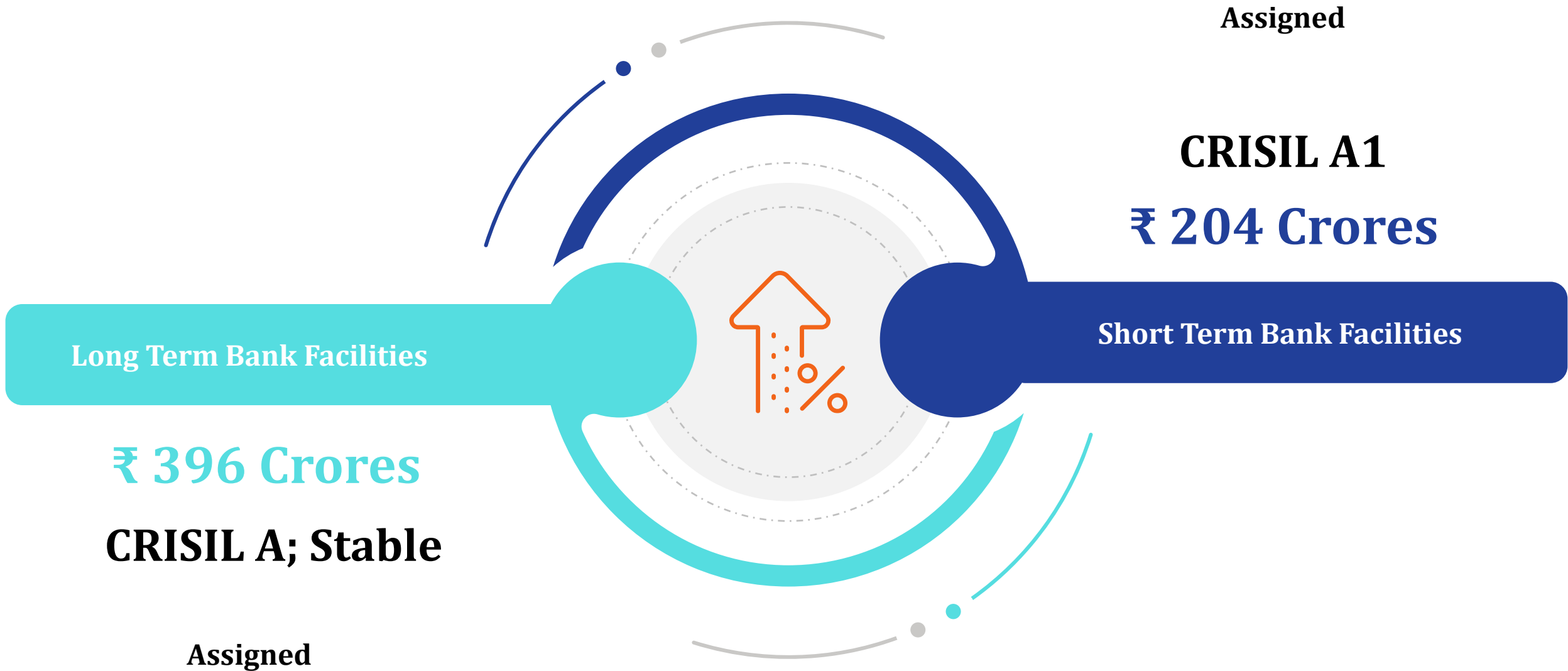


Balance Sheet (2/2)



Particulars (₹ in lakhs)	Standalone		Consolidated	
	Sep-22	Mar-22	Sep-22	Mar-22
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,984	1,983	1,984	1,983
(b) Other equity	50,684	46,412	51,093	46,854
Total equity	52,668	48,395	53,077	48,837
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	7,056	8,777	20,531	17,243
(ia) Lease liabilities	179	261	179	261
(ii) Other financial liabilities	1,564	1,340	1,361	1,188
(b) Provisions	1,178	1,039	1,178	1,039
(c) Deferred tax liabilities (net)	936	1,013	936	1,013
Total non-current liabilities	10,913	12,430	24,185	20,744
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	45,380	35,275	45,380	35,275
(ia) Lease liabilities	274	238	274	238
(ii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	1,426	1,891	1,426	1,891
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	46,949	36,997	47,714	37,000
(iii) Other financial liabilities	4,074	3,484	5,328	4,730
(b) Other current liabilities	1,322	1,644	1,333	1,654
(c) Income tax liabilities (net)	526	398	526	398
(d) Provisions	278	281	278	281
Total current liabilities	100,229	80,208	102,259	81,467
Total equity and liabilities	163,810	141,033	179,521	151,048





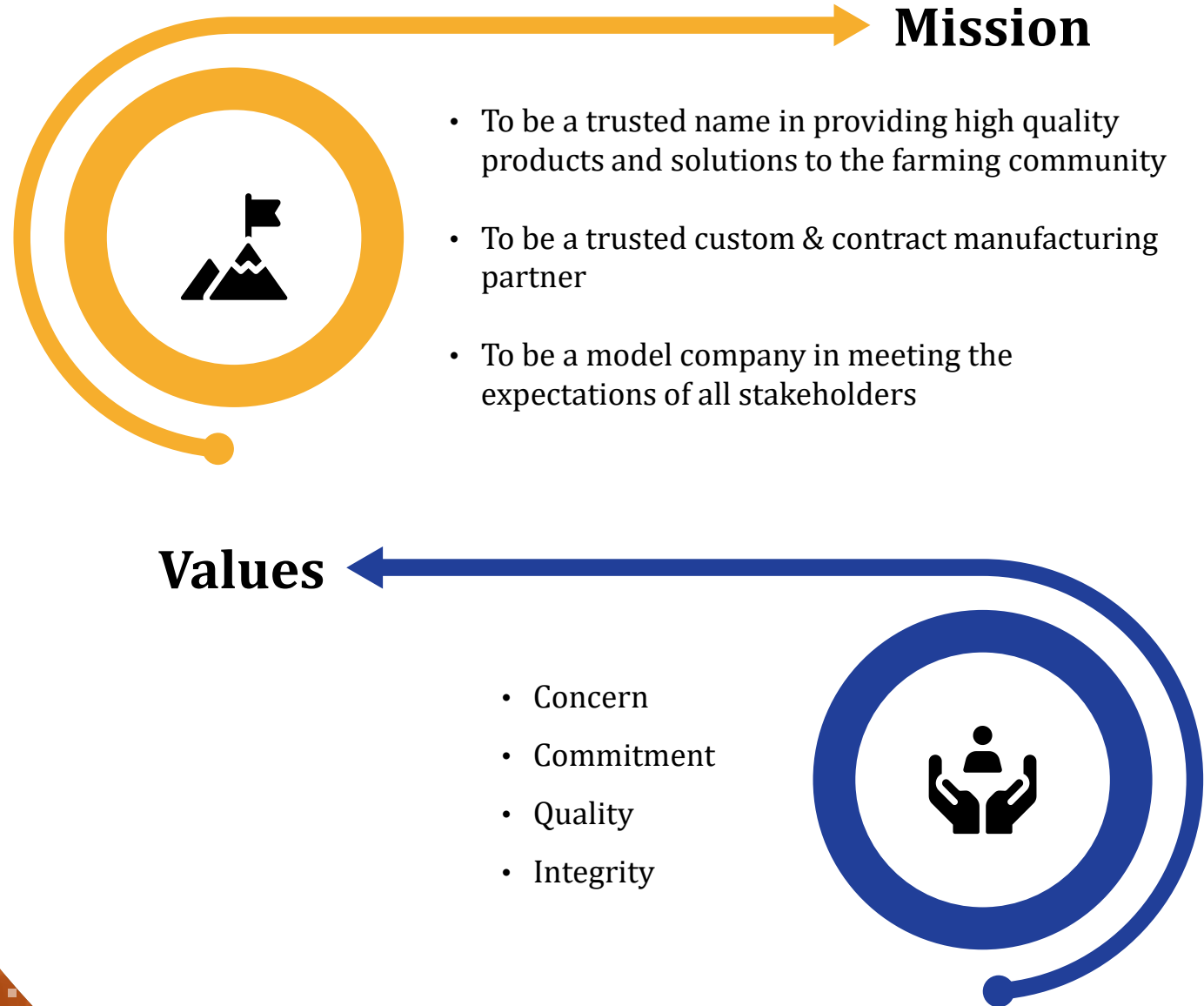
CORPORATE IDENTITY





NACL has been an established player in the Agrochemical industry since 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





1,200+
Employee Strength



30
Geographical
Presence



5
Million Farmers
(Customers)



3
Manufacturing
Units



25+
Years of
Experience



63
Branded Products



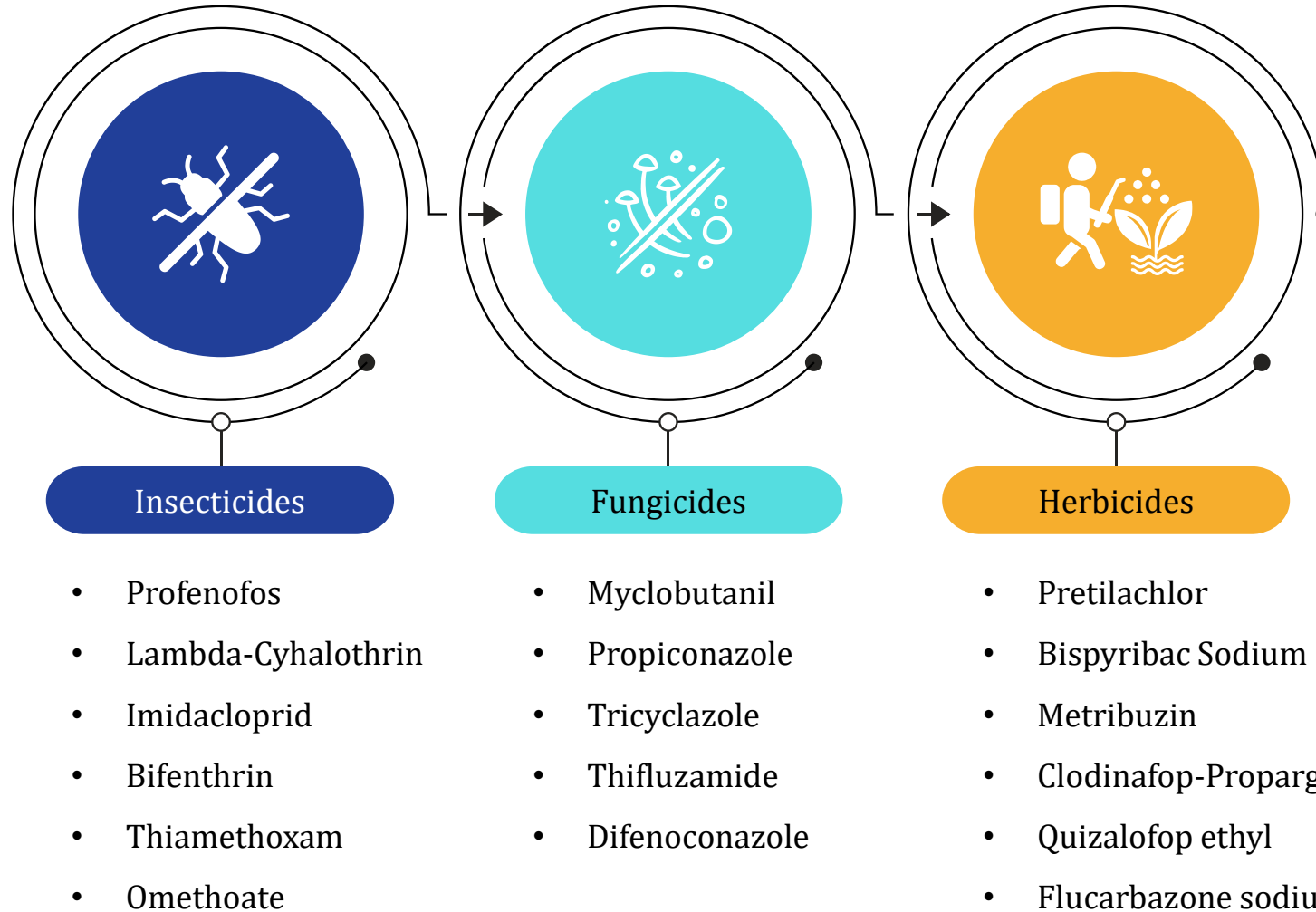
30 - Countries

1,200+ - Employees

35 - Revenue from International (%)

03 - Manufacturing Plants

Technicals



Insecticides



- Cairo
- Cannon
- Dxtar
- Dxtar FS
- Ennova

- Fenny
- Fury
- Force Super
- Hurricane Plus
- Monocrown

- Nagarjuna 4G
- Nagarjuna Mida
- Nagarjuna Mantle
- Nagarjuna Spice
- Pest Lock

- Profex
- Profex Super
- Pymet
- Quick 50% SP

- Status
- Syndicate
- Task Gr
- Task SC

- Trust
- Warrior
- Warrior Plus

Fungicides



- Combi plus
- Font
- Index

- Kazan
- Mass
- Mass Plus

- Result
- Sivic
- Slogan

- Subtle
- Trica
- Zeb

- Zen
- Rhizostar
- Oscar

Herbicides



- Eraze
- Eraze N
- Eraze Plus
- Eraze Strong

- Globus
- Globus SG
- Geomon
- Imax

- Nagarjuna Cubit
- Nagarjuna Dicaught
- Nagarjuna Dicaught Plus
- Nagastra

- Nagastra Strong
- Narilon
- Point
- Rhino

- Senior
- Sirius
- Smash
- Surya
- Twofour

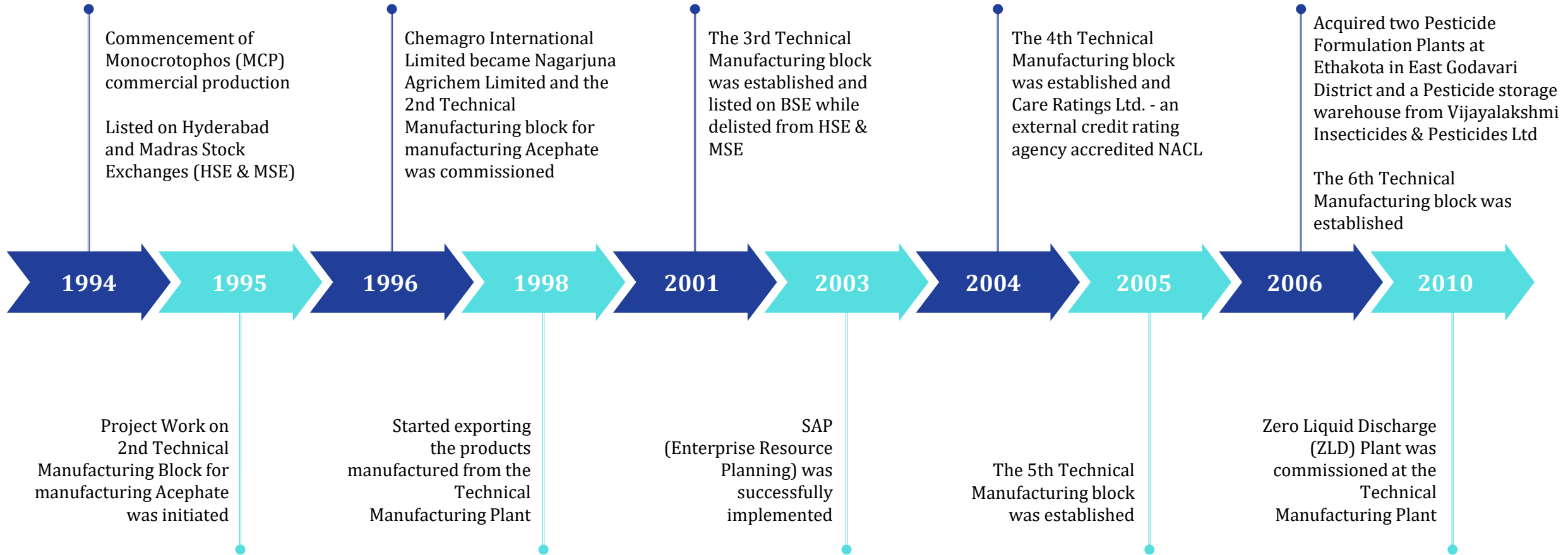
Plant Growth Regulators

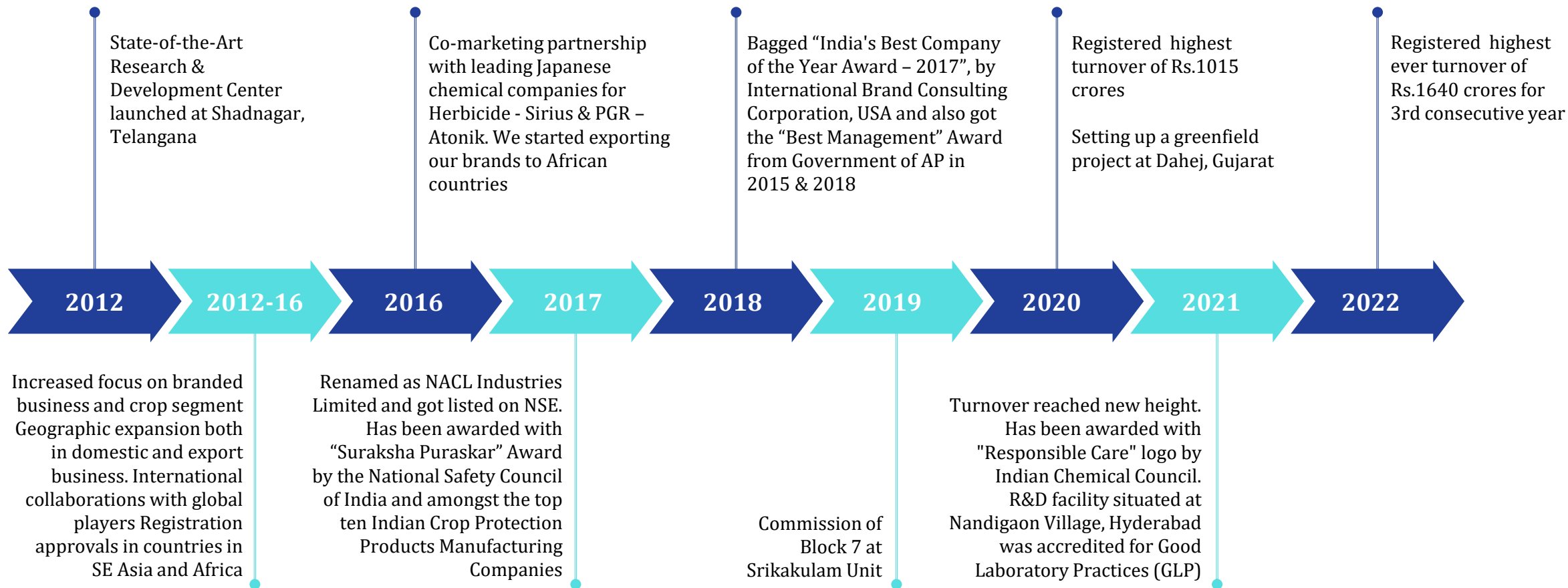


- Atonik
- Gallant
-



Timeline (1/2)







Mrs. K Lakshmi Raju
Chairperson &
Non-Executive Director



Mr. M Pavan Kumar
Managing Director &
CEO



Mr. C. Varada Rajulu
Executive Director -
Corporate Affairs



Mr. N Vijayaraghavan
Independent Director



Mr. Sudhakar Kudva
Independent Director



Mr. Raghavender Mateti
Independent Director



Mr. Ramkrishna Mudholkar
Independent Director



Mr. N Sambasiva Rao
Independent Director



Ms. Veni Mocherla
Independent Director



Mr. Atul Churiwal
Investor Nominee Director



Mr. Rajesh Kumar Agarwal
Investor Nominee Director



Mr. M Pavan Kumar
Managing Director & CEO



Mr. C. Varada Rajulu
Executive Director -
Corporate Affairs



Mr. G. Jagannadha Rao
President -
International key accounts



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



Mr. Amit Taparia
Senior VP - SCM, Procurement,
IT, Registrations & RA and Head
of Operations



Mr. Harish Chandra Bijlwan
Senior VP -
Operations & Technology



Mr. Satish Kumar Subudhi
Vice President -
Legal & Company Secretary



Mr. Roshan Mammen
Vice President -
Exports



Mr. Seshagiri Rao
Vice President- Plant
Operations (Technical Plant)



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



Mr. S. Mani Prasad
Head – Human Potential
Development



Dr. Sunil Kumar Singh
Head - Research &
Development



Dr. Kuppusamy A
Senior General Manager
& Head - Regulatory
Affairs & Product
Development



Mr. Praveen Dubey
Senior General Manager &
Head - Institutional Business &
Strategic Sourcing



Mr. Rajesh Iyer
General Manager -
Procurement



A state-of-the-art
R&D center

Technical
manufacturing plant
with a production
capacity of 10,000
metric tons per annum



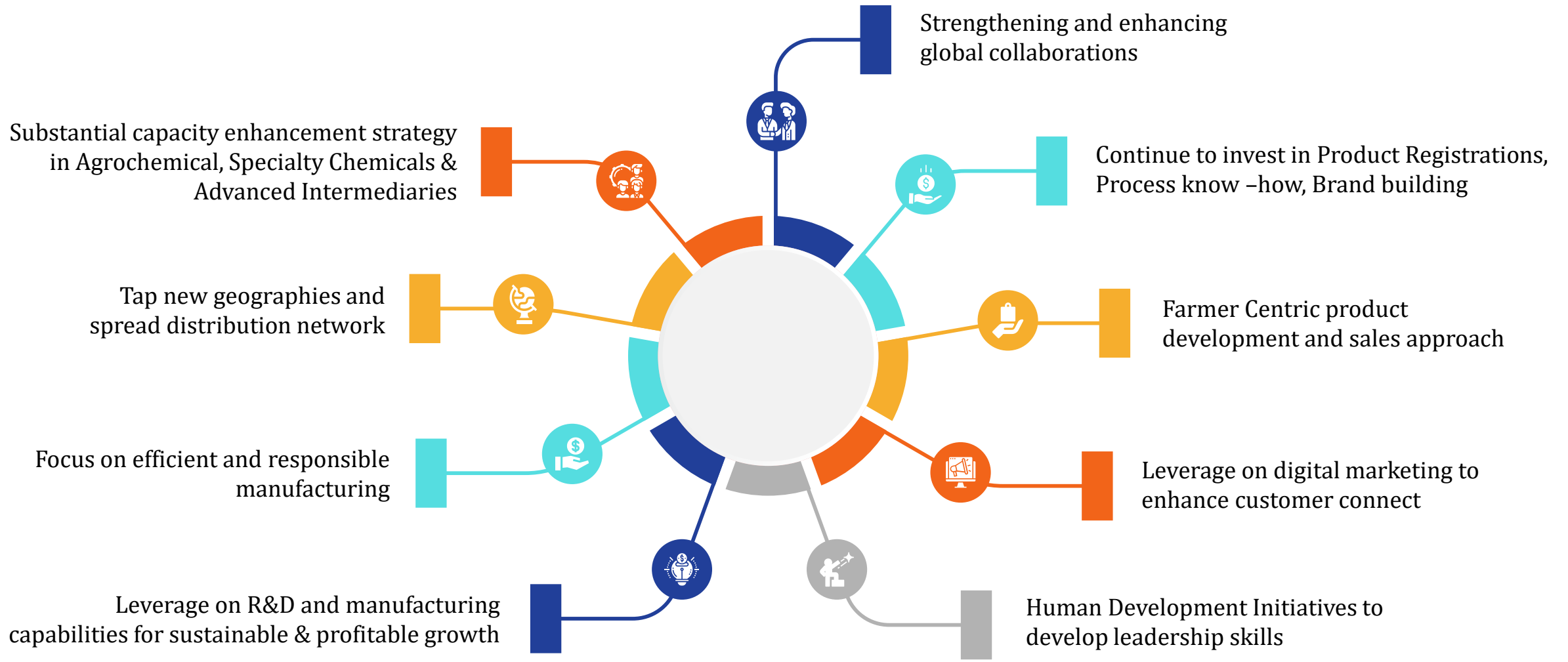
Formulation unit with
packaging facility for
handling large capacities
of liquids, powders and
granules



50+ Branded Products,
47 NACL stock points
and Thousands of retail
outlets across India
under the Company's
direct to retail
approach



Knowledge Delivery
Based Farmer Outreach
Programmes across
India for empowering
farmers





RESEARCH & DEVELOPMENT

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

GOVERNANCE & LEADERSHIP

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

CONSISTENT GROWTH

Sustained improvement across all key performance parameters over many quarters.

DISTRIBUTION NETWORK

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

PRODUCT PORTFOLIO

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

ENDURING BUSINESS RELATIONS

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

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.

BRAND EQUITY

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

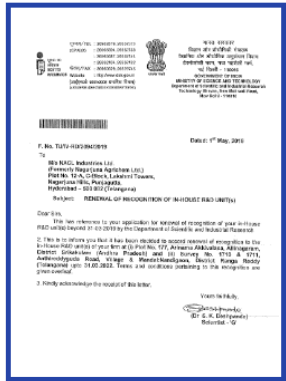
RC certificate



GLP certificate



DSIR



R&D Facility

ISO Accreditations



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

NABL Accreditations



R&D Facility



Ethakota Unit



Srikakulam Unit



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.



ABSA Company of the Year Award 2022

NACL's received Agri Business Submit Agri (ABSA) award 2022 under the category " Company of the year“ from the Honorable Agriculture Minister for Telangana Mr. S. Niranjana Reddy

Indian Agrochemical Market

India is the fourth-largest producer of agrochemicals in the world after USA, Japan and China. The Indian agrochemical market are expected to continue to grow between 5% and 6% through 2030. Government has identified the agrochemical industry as one of the 12 champion industries where India can play a significant role in the global supply chain, recognising its potential.

01



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.

02



Government Initiative

The government's support for agriculture has been remarkable in several respects. Government has invested in several projects to increase farmers' incomes, boost agricultural infrastructure, strengthen Farmer Producer Organisations (FPOs) through aggregation, and facilitate digital infrastructure for agriculture. All of these measures should help to plug gaps in the agricultural ecosystem.

03



Exports

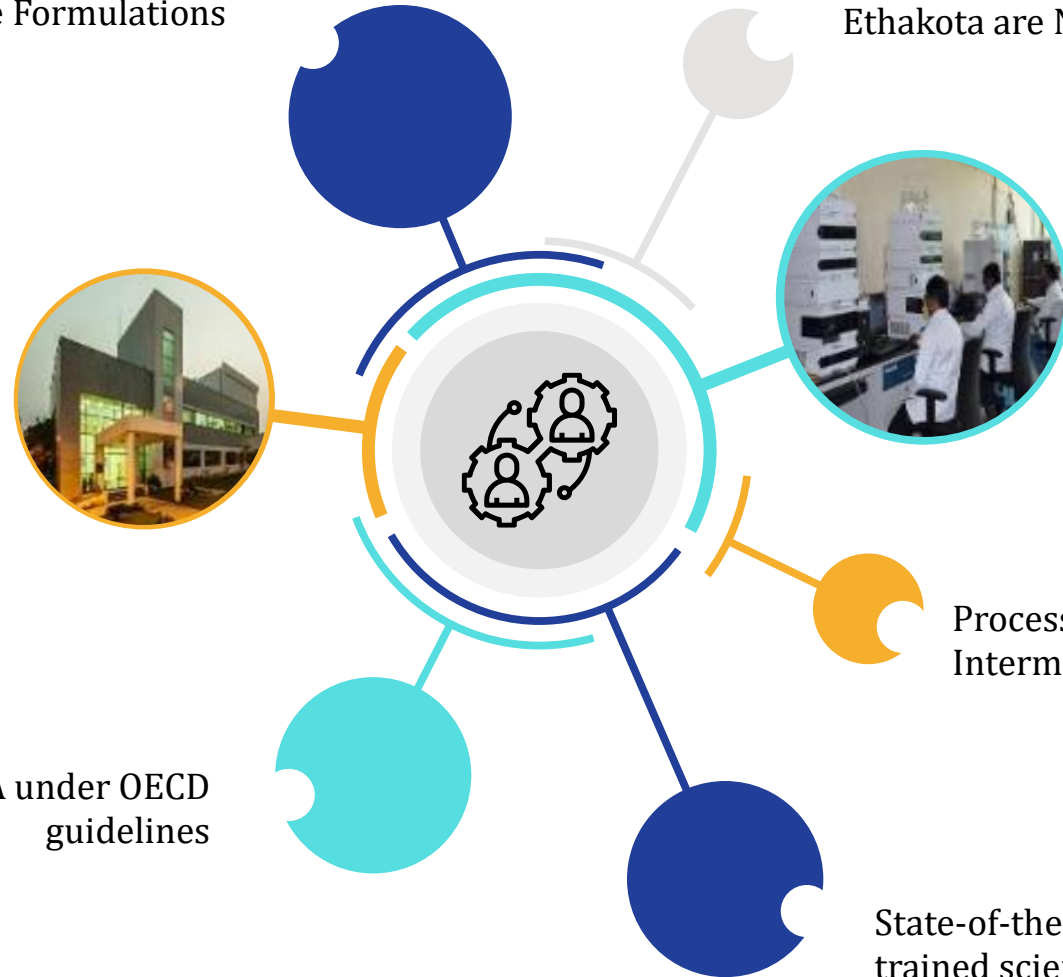
Due to the inherent strength of cost-effective production and qualified manpower, India is one of the leading exporters of crop protection chemicals. Unlike domestic demand growth which fluctuates depending on the rainfall pattern, agrochemicals exports have been increased steadily. Almost 50% of agrochemicals are exported from India to the world.

04



Development of new generation, environment friendly and safe Formulations

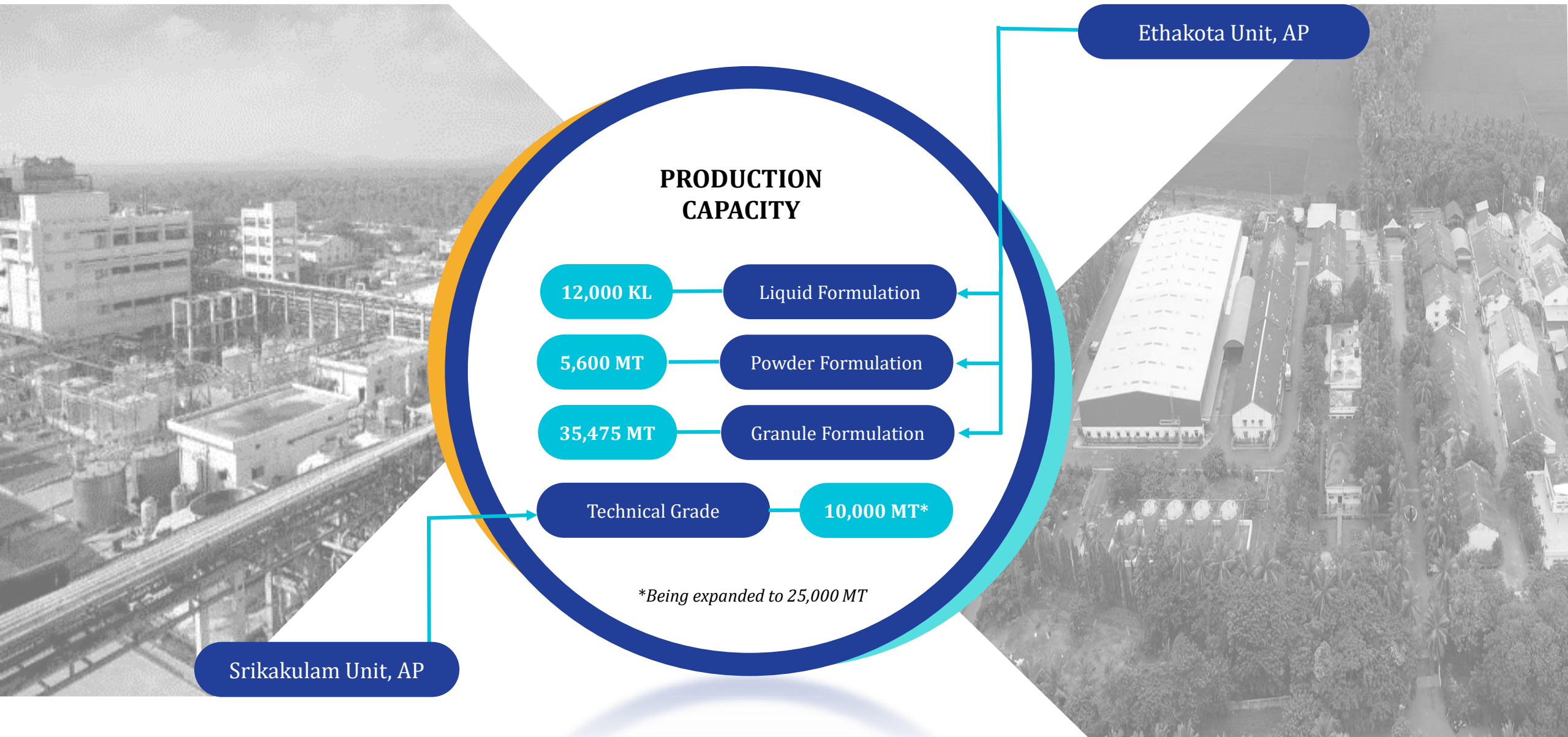
R&D labs at Shadnagar and Srikakulam are DSIR recognized. Quality Control labs in the above locations and Ethakota are NABL accredited.



Process development of Active Ingredients and Intermediates

State-of-the-art R&D manned by highly qualified and trained scientists

R&D lab is GLP Certified by NGCMA under OECD guidelines



PRODUCTION CAPACITY

12,000 KL

Liquid Formulation

5,600 MT

Powder Formulation

35,475 MT

Granule Formulation

Technical Grade

10,000 MT*

**Being expanded to 25,000 MT*

Srikakulam Unit, AP

Ethakota Unit, AP

BROWNFIELD PROJECT

NACL Industries Limited, Srikakulam, Andhra Pradesh

Srikakulam Technical Plant is in process of increasing the capacity from **10,000** MT/Annum to **25,000** MT/Annum.

GREENFIELD PROJECTS

CAPACITY

25,000
MT/ Annum in phases

NACL Spec-Chem Limited, Dahej, Gujarat

NACL Spec-Chem, a Wholly Owned Subsidiary of NACL has completed a Greenfield Project of Agrochemicals Active Ingredients & Formulation. It is currently operational and is expected to start regular production soon



NACL Multichem Private Limited, Ranasthalam Mandal, Srikakulam

NACL Multichem, a Wholly Owned Subsidiary of NACL is in process of acquiring land and obtaining necessary approvals/ licenses.

CAPACITY

38,000
MT/ Annum in phases



Green Field Project at Dahej (Gujarat) Nearing Completion





Strong EHS systems, processes, inspection and training who enhance awareness and ensure practices

Manufacturing Plants are certified Integrated Management Systems related to quality, environment, health and safety (ISO) with adequately green belt cover

State-of-the-art Zero Liquid Discharge (ZLD) plants at Srikakulam and Ethakota.

Plants equipped with occupational health facilities, professional trained staff and instituted practices

Efficient equipment for reduced energy consumption.



SHAREHOLDER'S INFORMATION



Stock Information (as on 25th October, 2022)

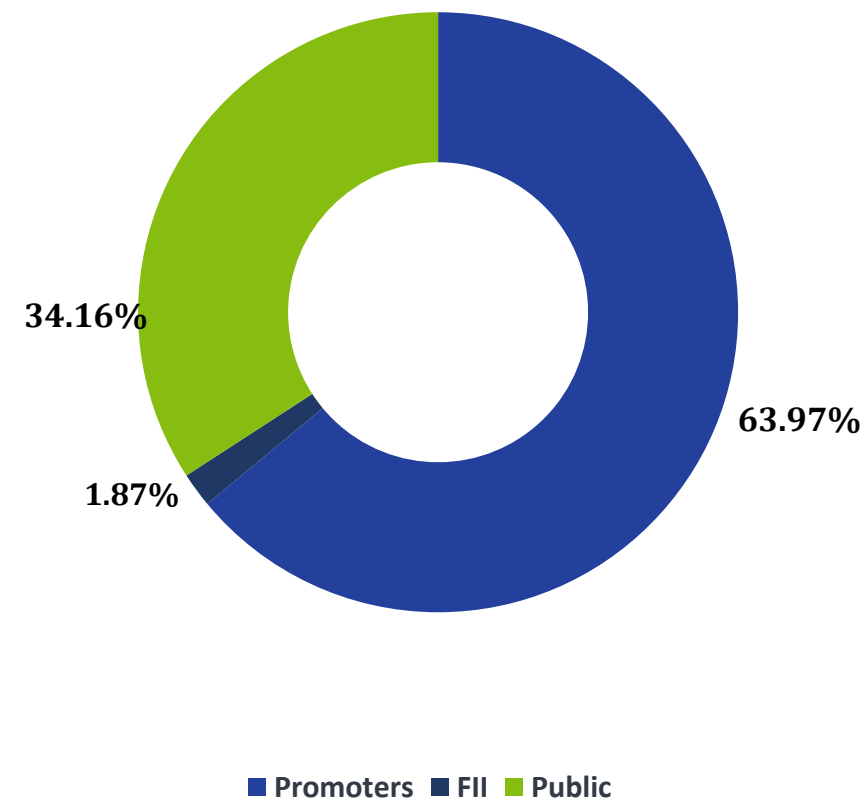
Market Capitalization (₹)	1,733.93 Cr
Shares Outstanding	19.83 Cr
Free Float	300.76 Cr
Symbol (BSE) / (NSE)	524709 / NACLIND

Stock Performance Chart (as of October, 2022)



(As on 30th September 2022)

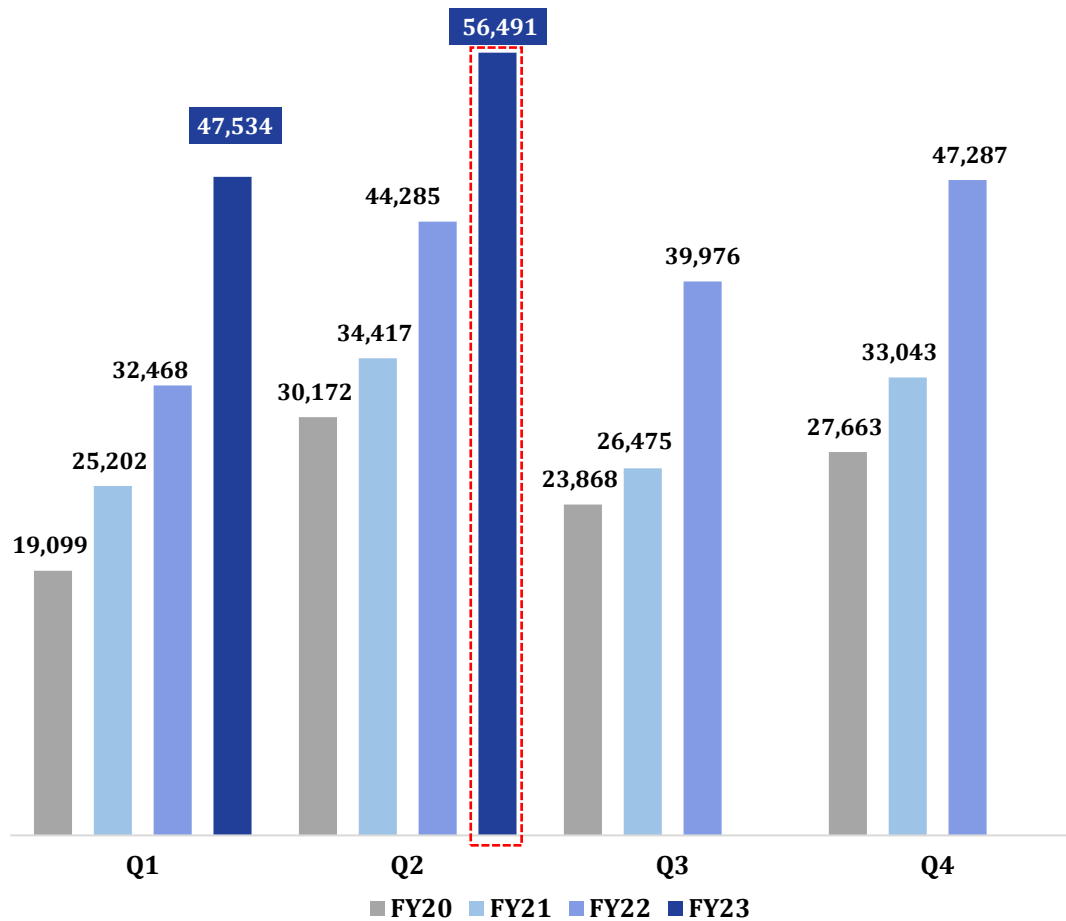
Shareholding Pattern (%)



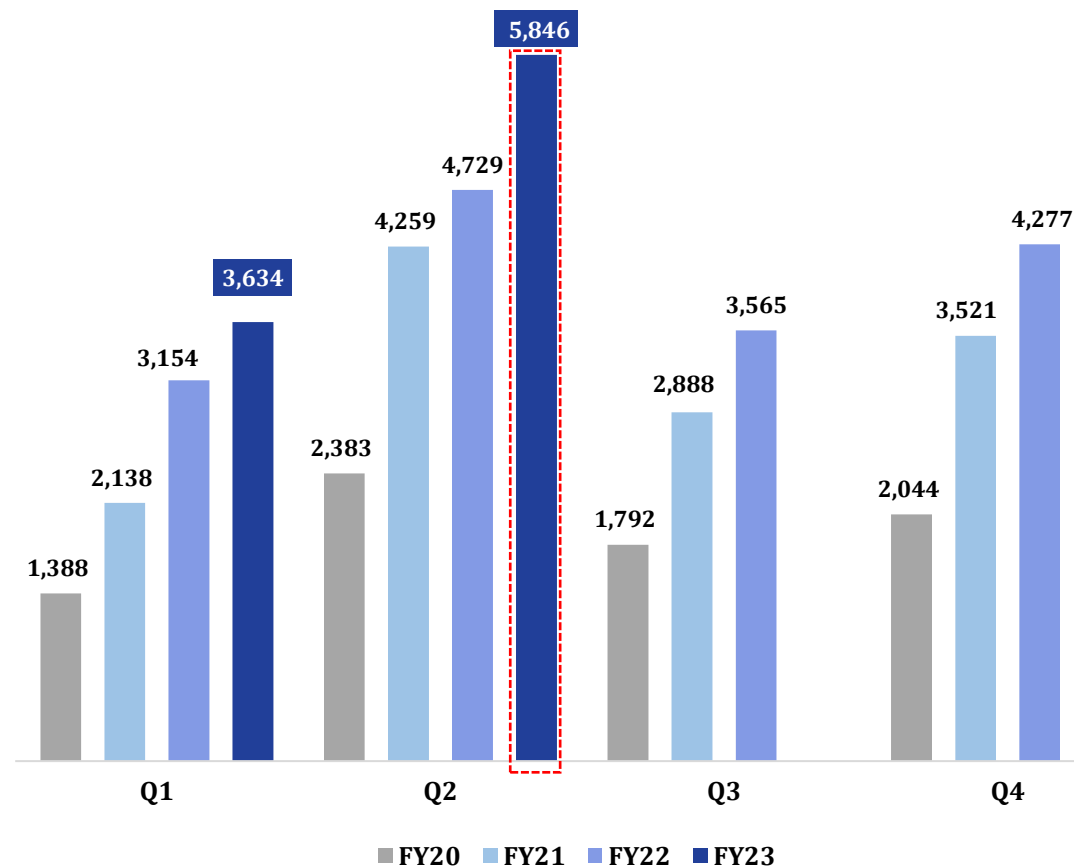
PERFORMANCE TRACK RECORD

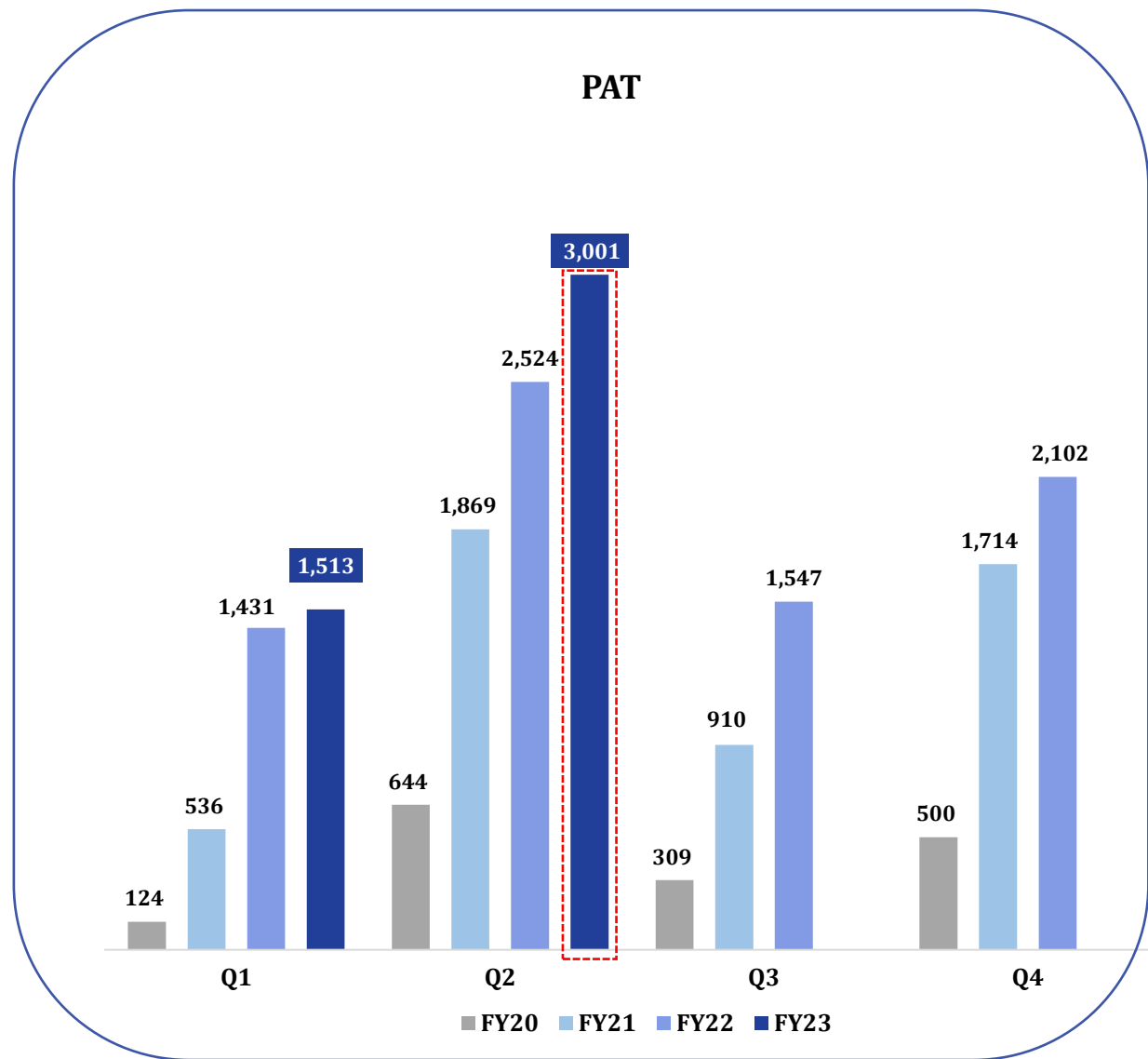
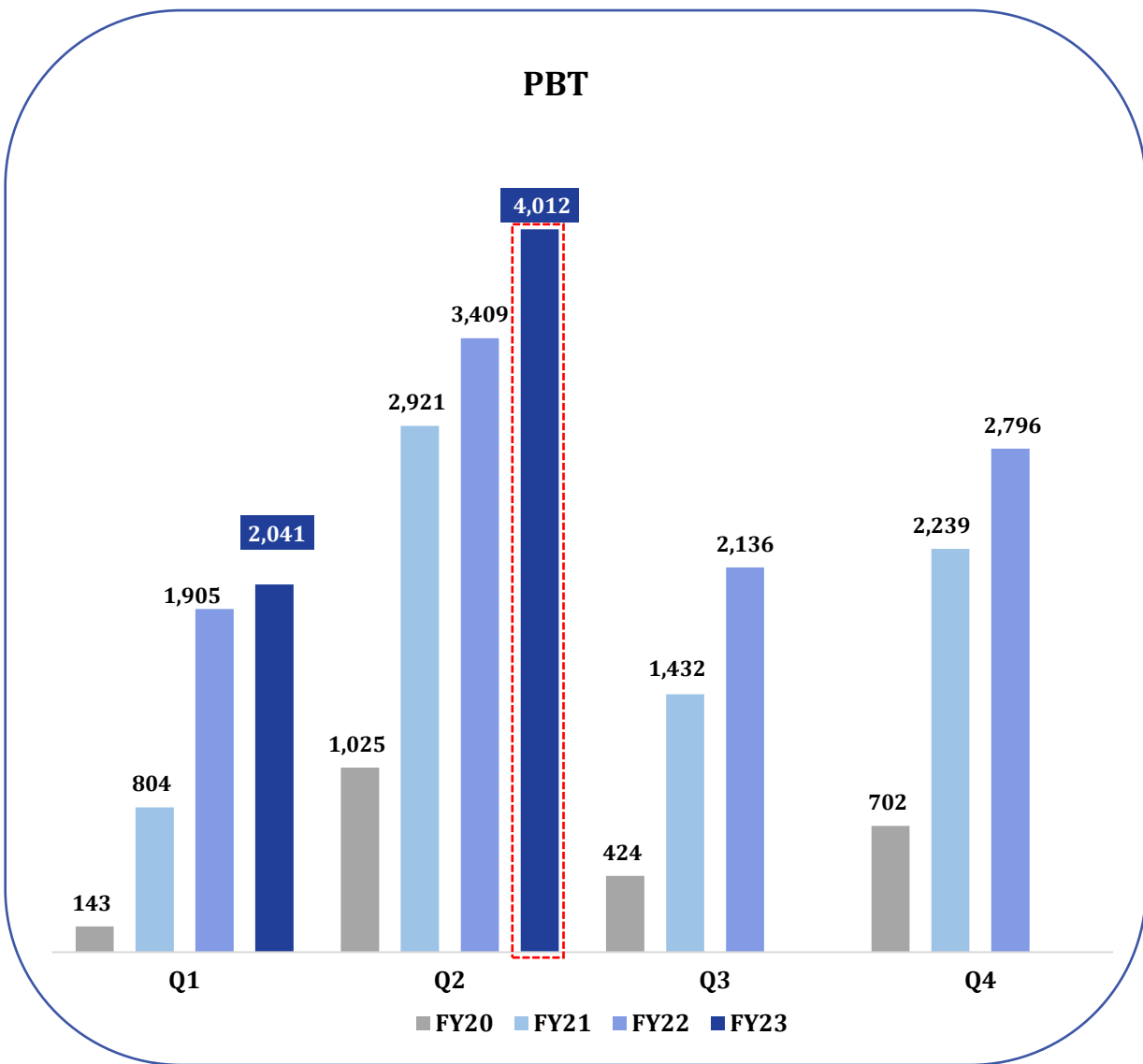


Revenue from operations

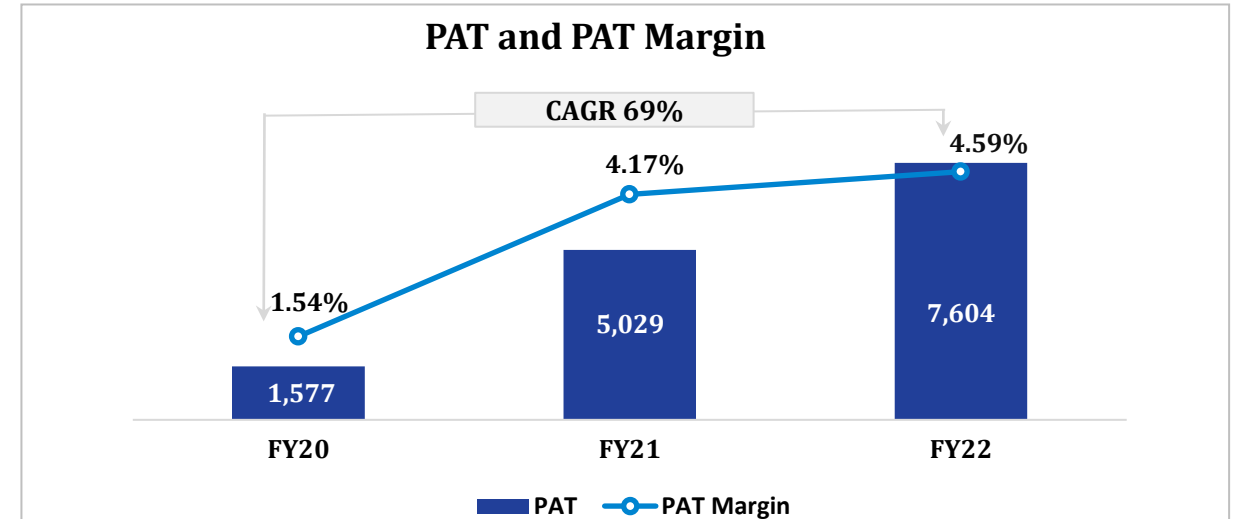
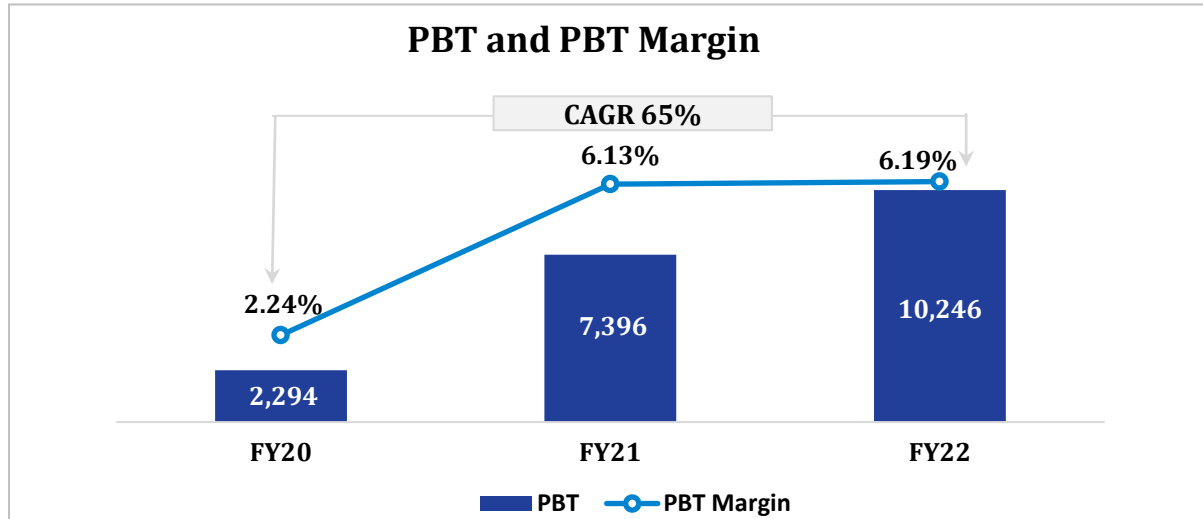
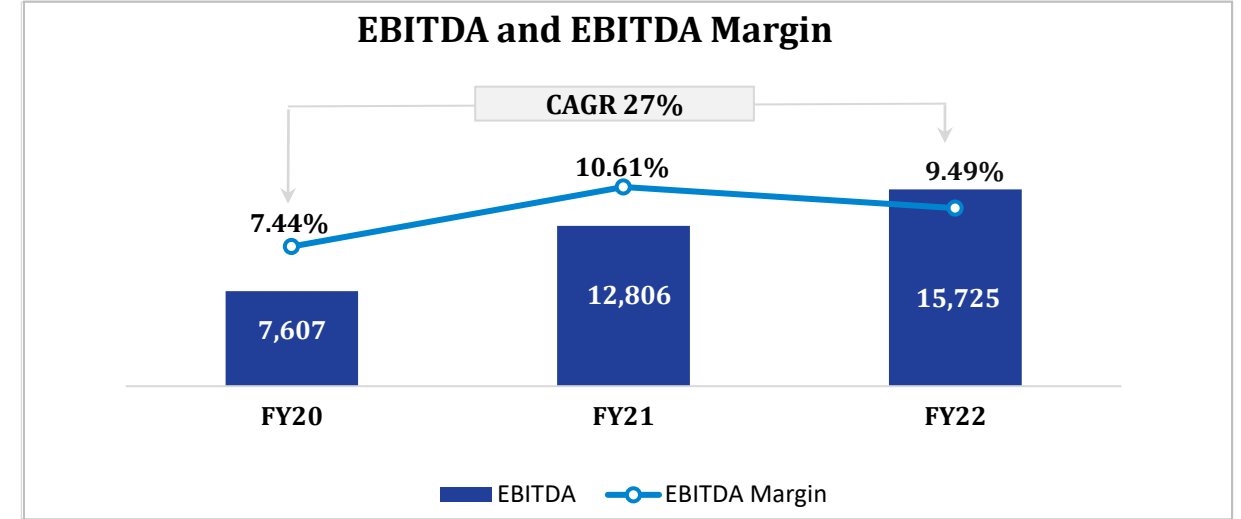
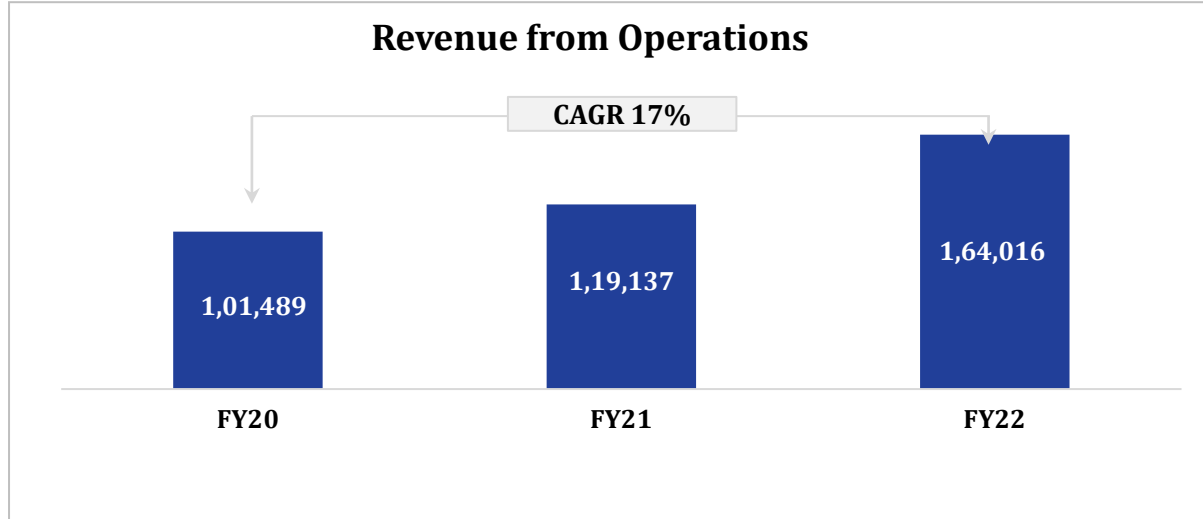


EBITDA



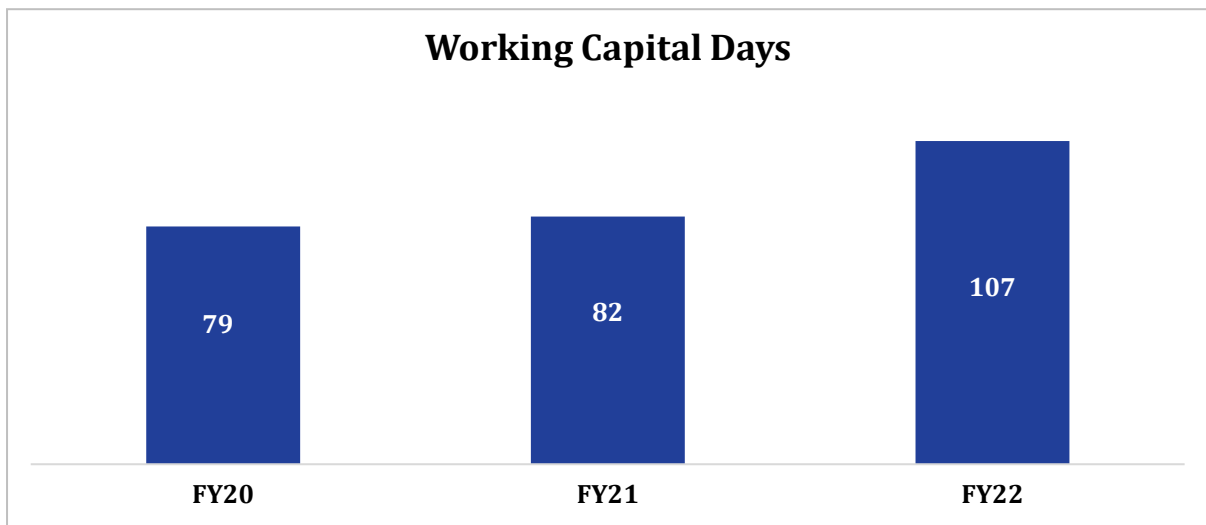


(₹ in lakhs)

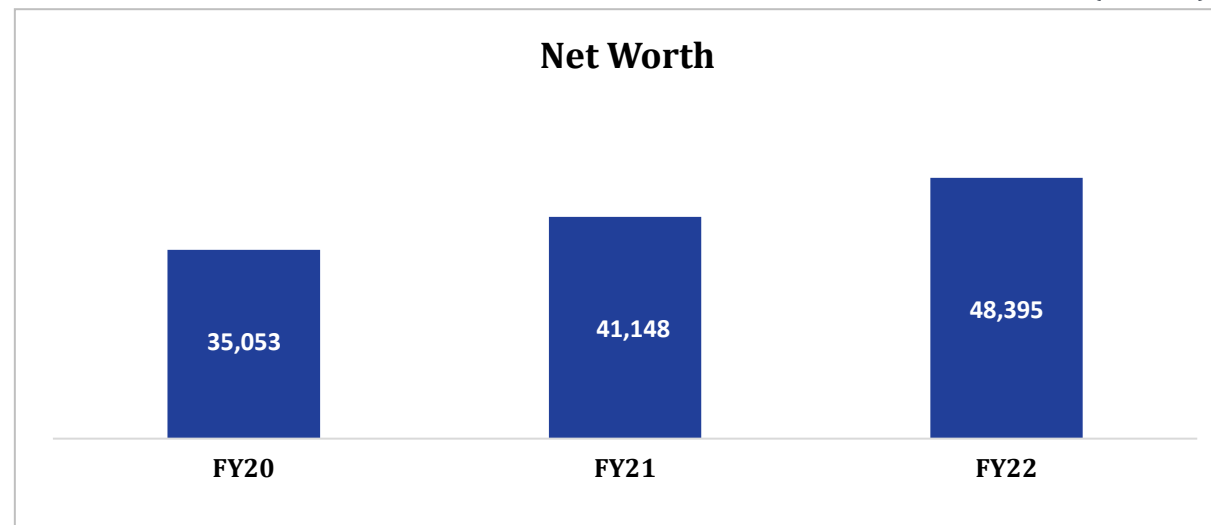


(₹ in lakhs)

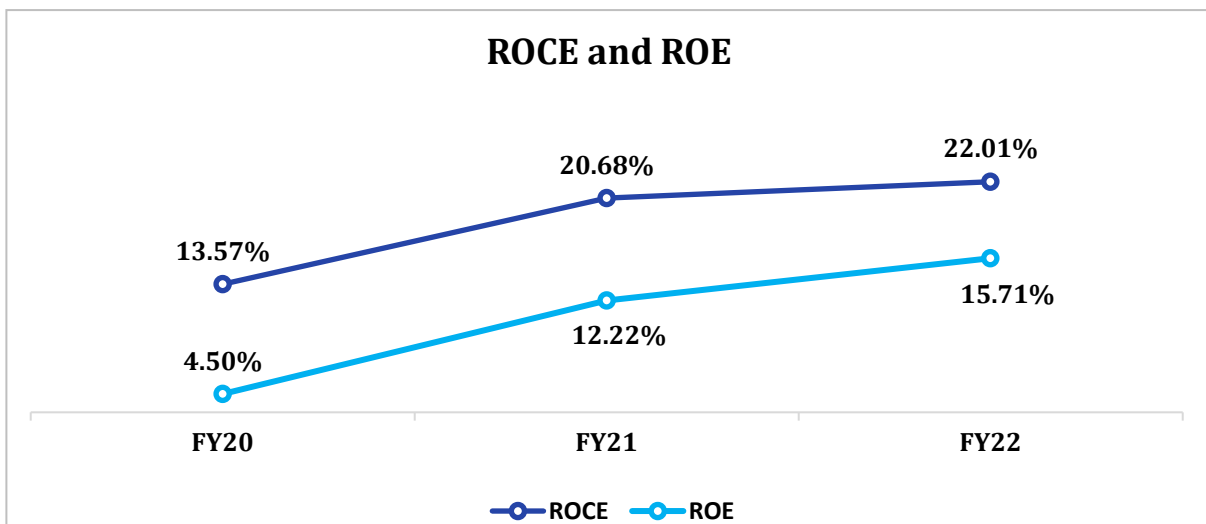
Working Capital Days



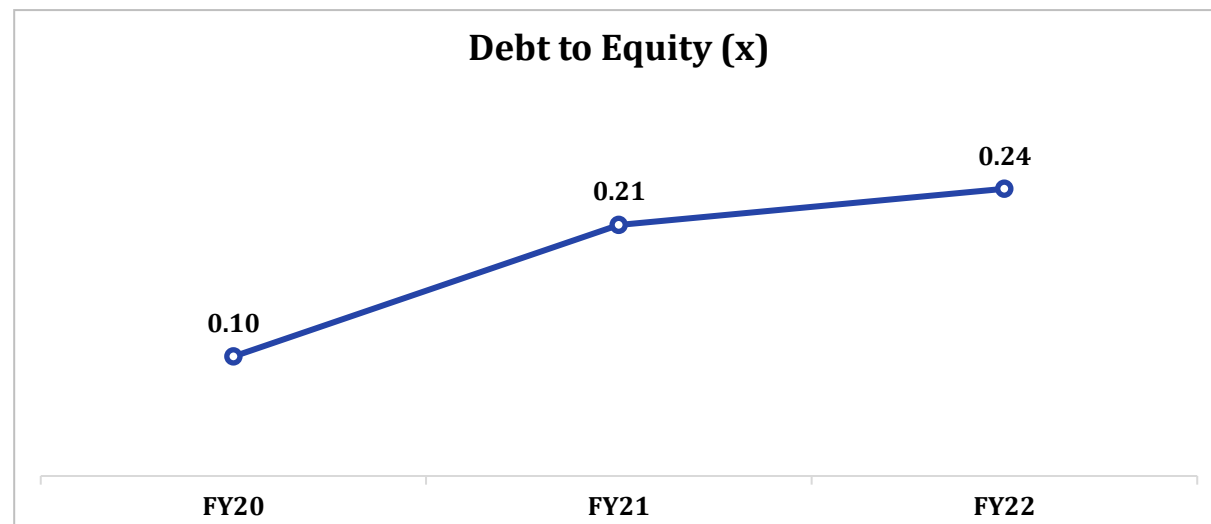
Net Worth



ROCE and ROE



Debt to Equity (x)



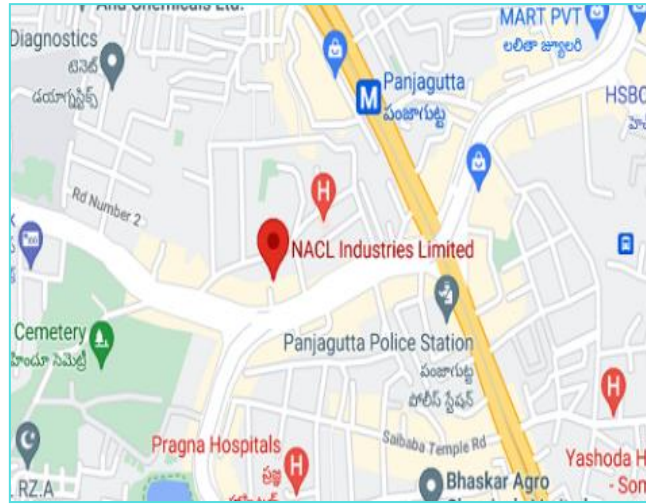
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THANK YOU

