



NACL Industries Limited

Investor Presentation | Q3 FY2023



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OPERATIONAL HIGHLIGHTS



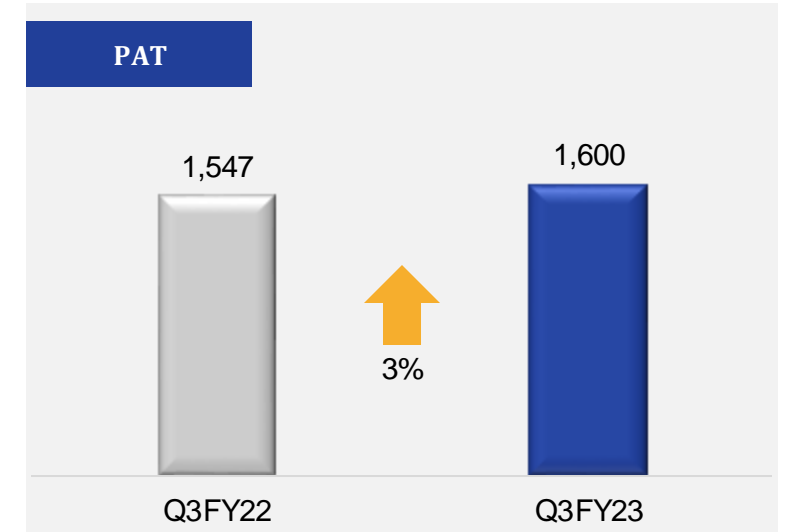
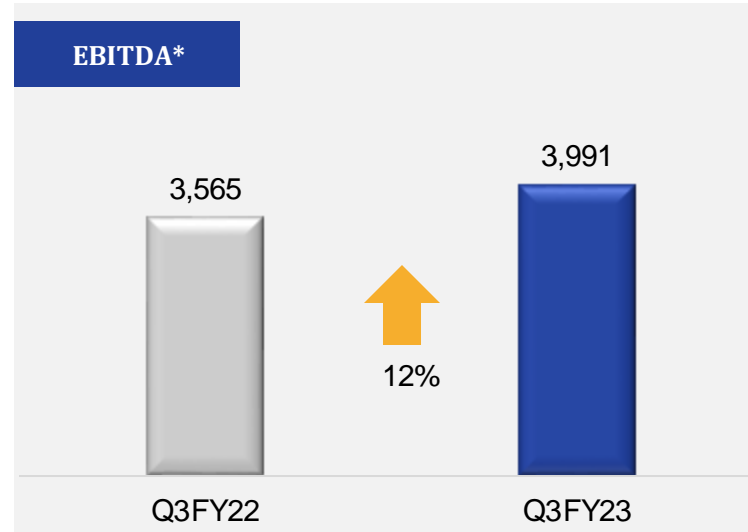
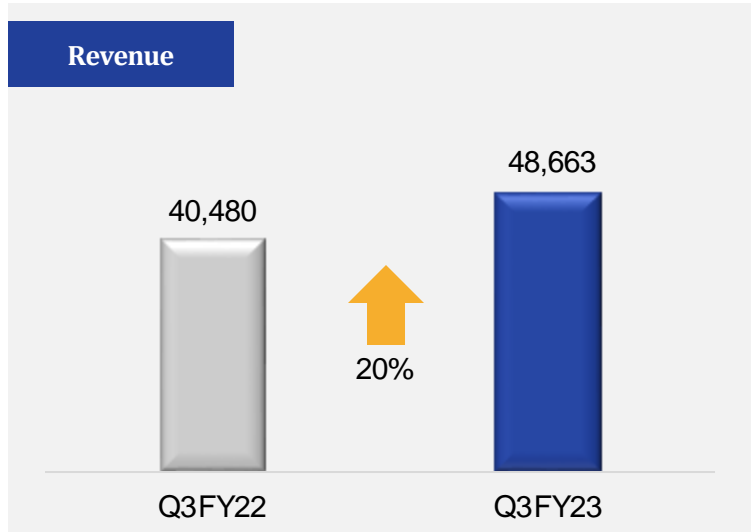


- Record Quarterly Earnings:
 - Consolidated EBITDA at Rs 3,931 lakhs up 13% YoY
 - Consolidated Net Profit at Rs 1,653 lakhs, up 15% YoY
- Consecutive **twelve** quarters of QoQ revenue growth
- Exports contributed 44% of the total revenues during the third quarter of FY 2023. For the quarter and nine months ended 31st December 2022, there was an increase of 22% and 51% respectively over the last year same period.
- The domestic retail business performed well and achieved 19% growth YoY in Q3 FY23 & 18% growth YoY in 9M FY23 despite head winds caused by unseasonal rains in Kharif and high inventory in the market impacting liquidation. Additionally, the lower acreage of commercial crops, is likely to result in single digit growth across most of the industry in this quarter.
- The flagship Plant at Srikakulam achieved 7% increase in production as compared to same period last year. The brownfield capacity expansion is on schedule, and the revised Consent for Operations (CFO) for \approx 17000 TPA has been received.
- Import of raw materials was challenging due to partial closures and lockdowns in several parts of China. Steep fall in input prices and slackening of retail demand came together in hurting businesses.
- The Greenfield site at Dahej, Gujarat has successfully commenced commercial production (first phase of the project with capacity of 6,000MT per annum) with effect from December 28, 2022
- A Wholly Owned Subsidiary (WoS) in the name and style 'NACL Industries (NIGERIA) Limited' has been duly incorporated in Nigeria to carry out the sales & marketing of Agri-input products in Nigeria/Other African Countries.
- The Board of Directors (BOD) in its meeting on January 31, 2023 approved the formation of a wholly owned subsidiary (WoS) in the name and style M/s. NACL Agri-solutions private limited (subject to approval by ministry of corporate affairs), with an intent to provide integrated farm solutions to customers.
- The company has declared second Interim Dividend of Rs. 0.15/-per equity share (i.e. 15% of Face Value) on equity share of Rs. 1/- each fully paid up for the financial year 2022-23.



RESULTS SUMMARY





- Strong revenue growth aided by higher realization and volumes
- Revenue was higher from fungicides, Insecticides & Herbicides business segment by ~19%, ~10% and ~49% YoY respectively.

- 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 3% YoY
- Encouraging growth in Net profit led by revenue growth, product mix & increased efficiencies

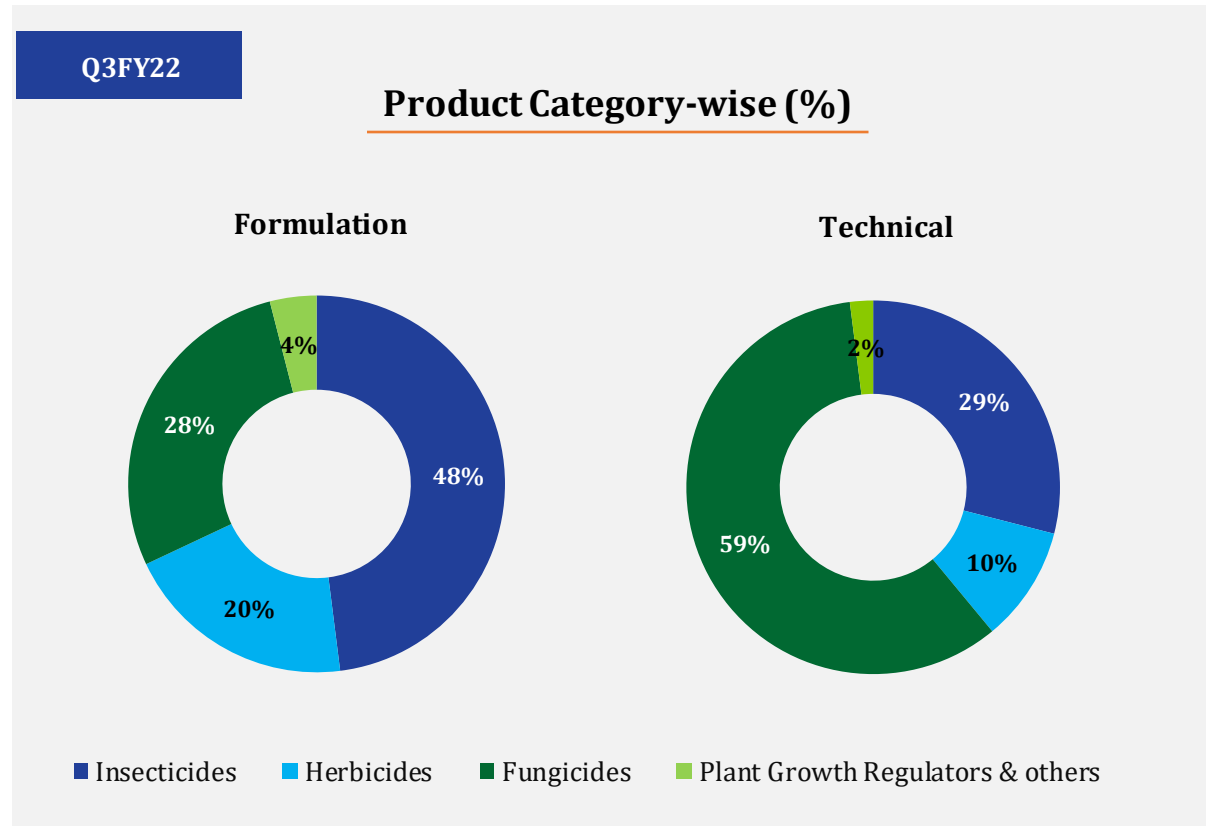
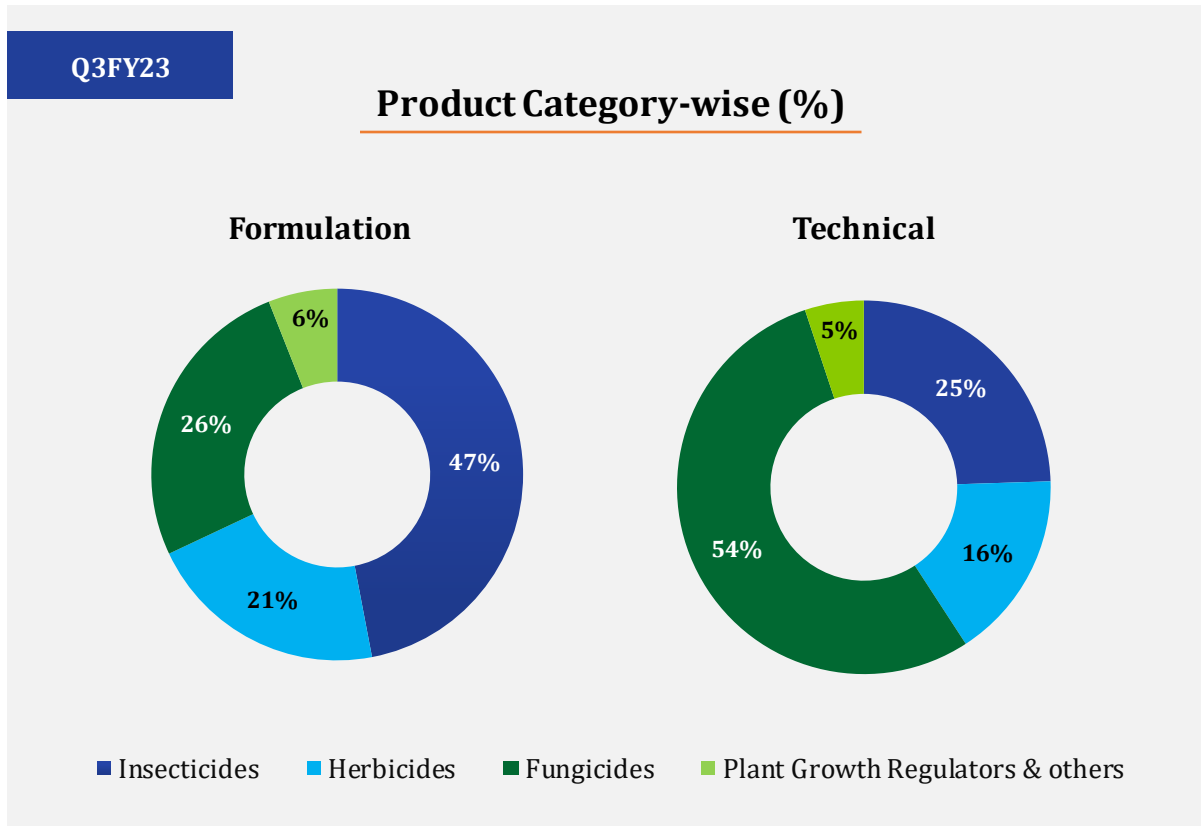
Revenue Breakup

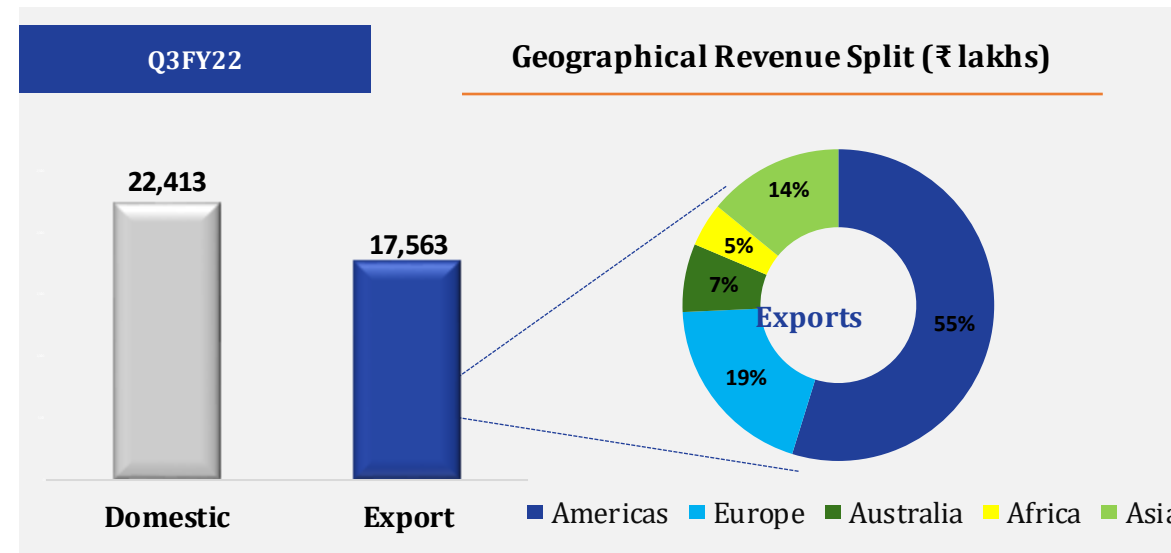
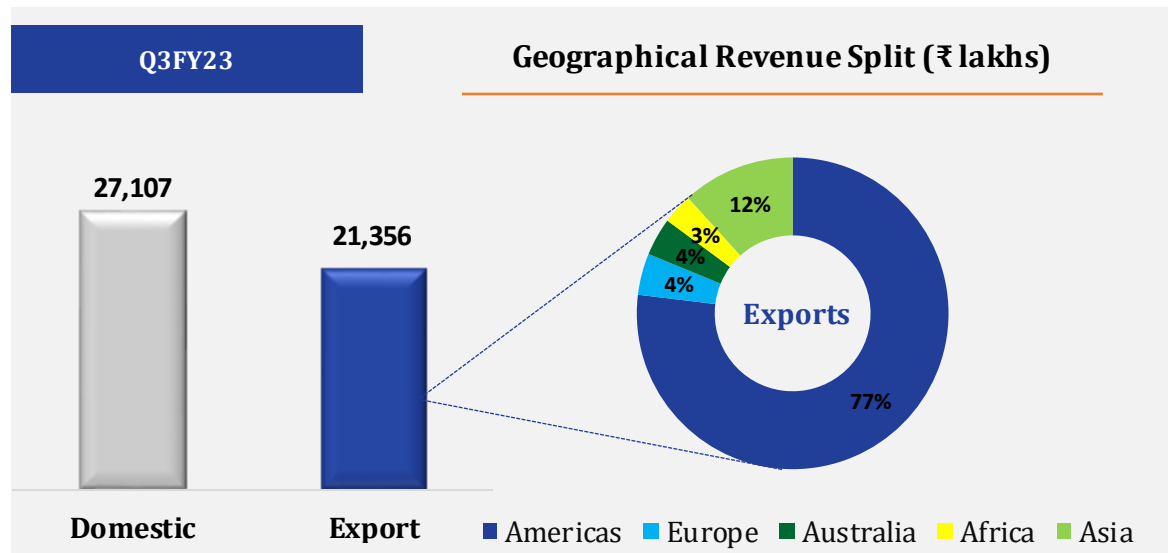
Insecticides		10%
Q3FY23	Q3FY22	
16,031	14,568	

Herbicides		49%
Q3FY23	Q3FY22	
8,517	5,716	

Fungicides		19%
Q3FY23	Q3FY22	
20,781	17,437	

Plant Growth Regulators		119%
Q3FY23	Q3FY22	
2,692	1,231	





India (Domestic)

- The domestic retail business grew despite unseasonal monsoons across major areas, and high inventories effecting liquidation

Europe

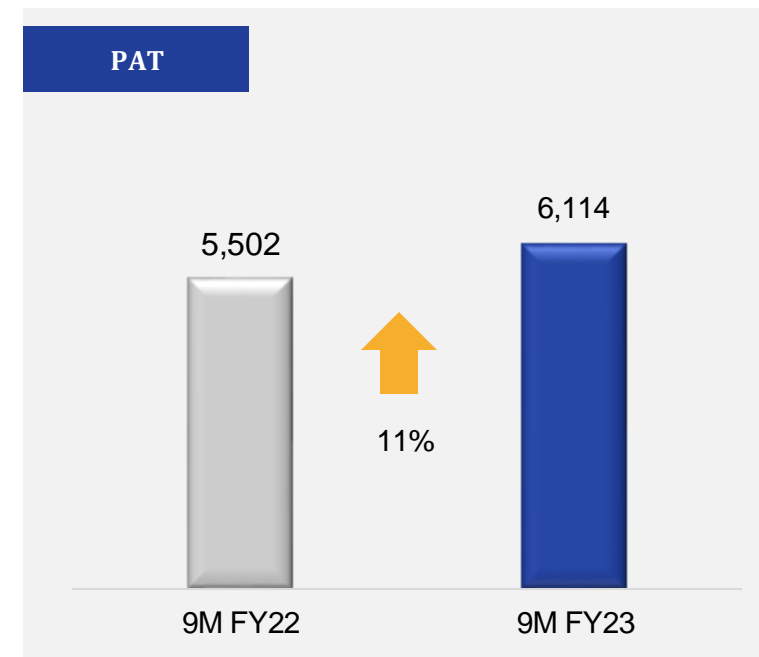
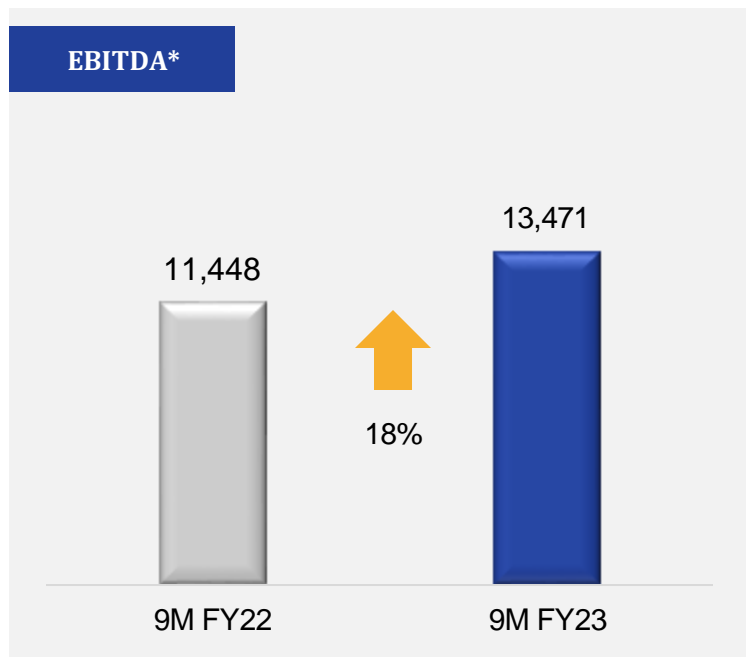
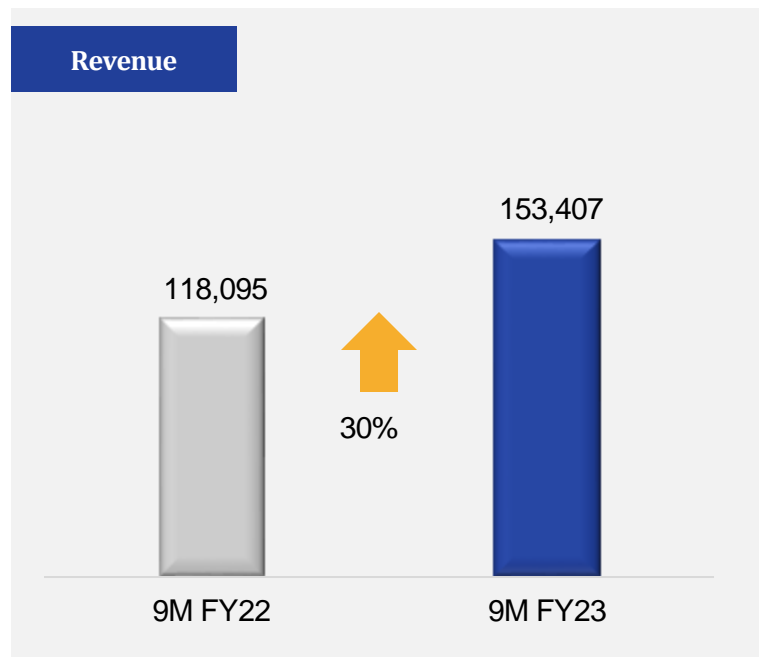
- Impact faced on account of economic slowdown due to Russia-Ukraine war and currency devaluation

Americas

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

Rest of World

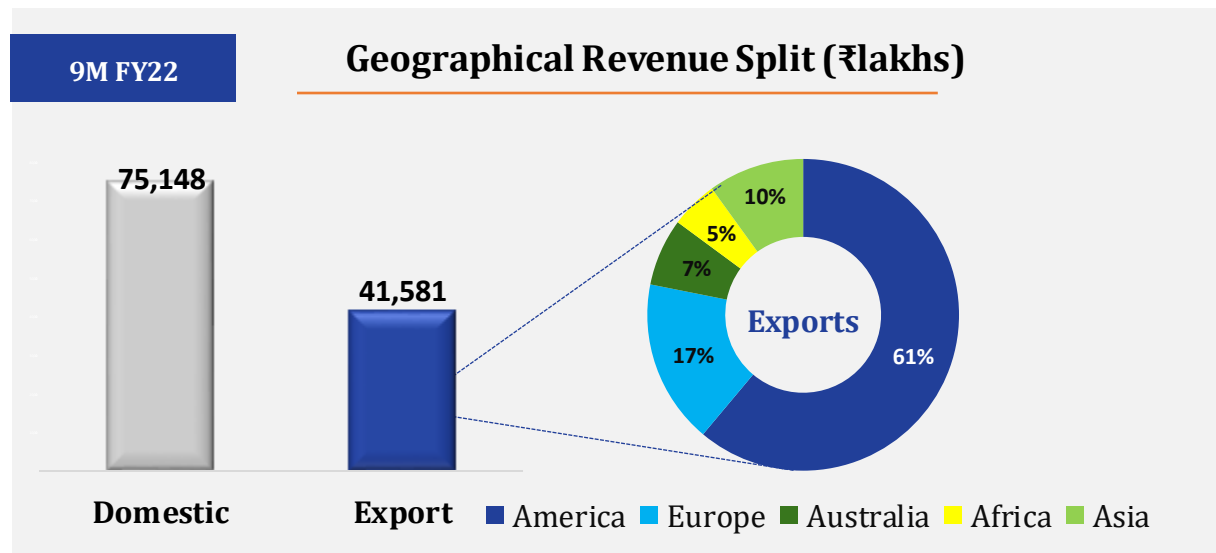
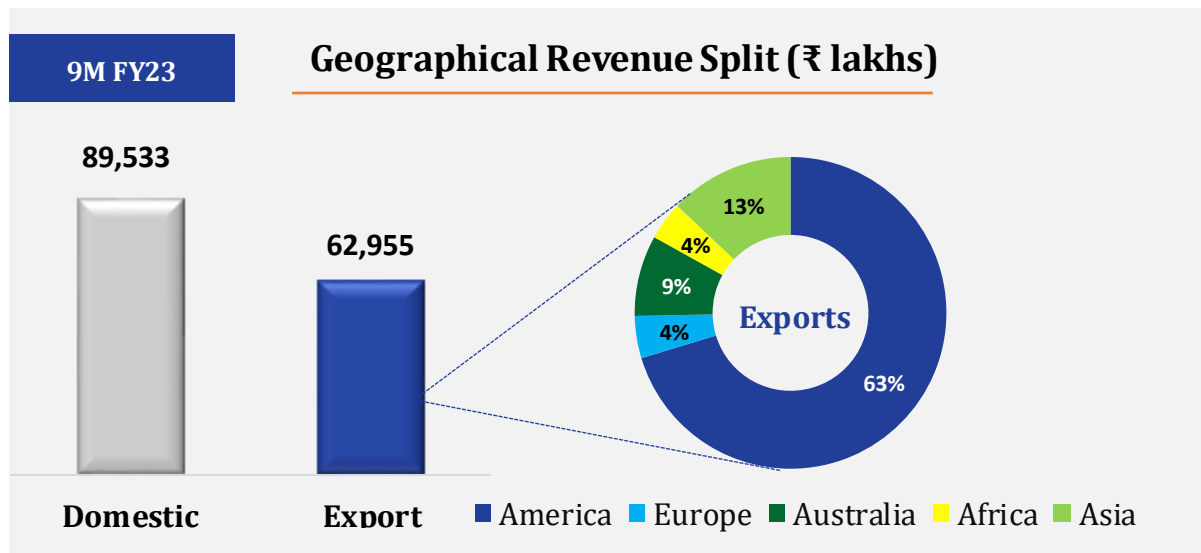
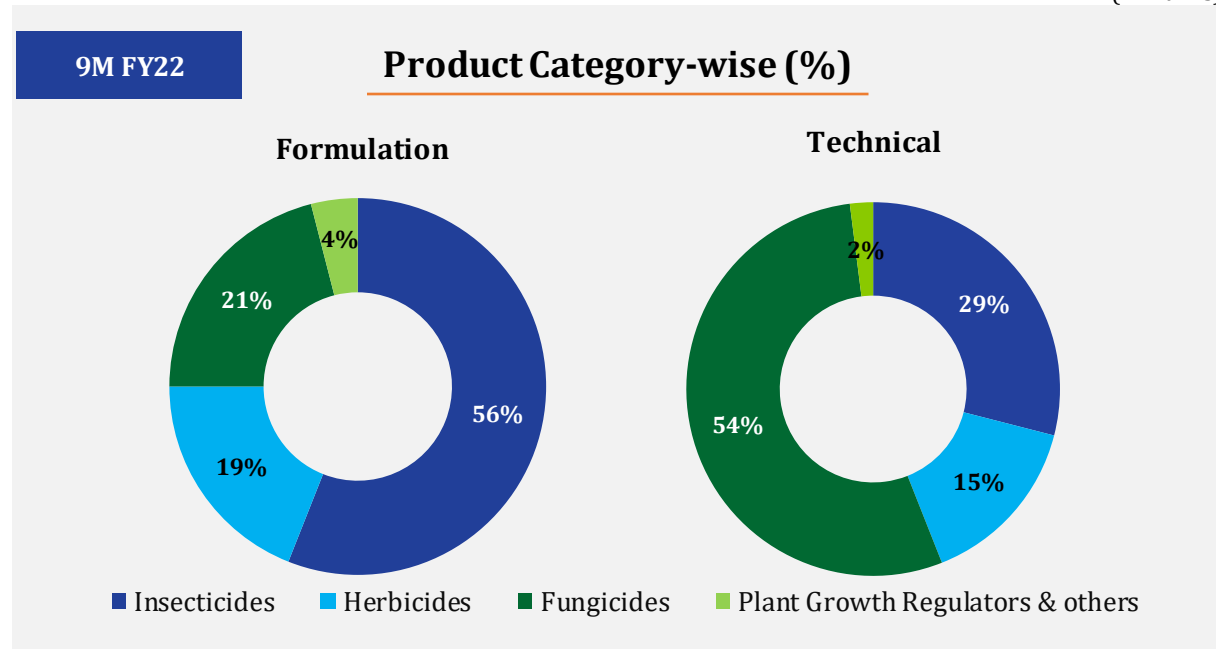
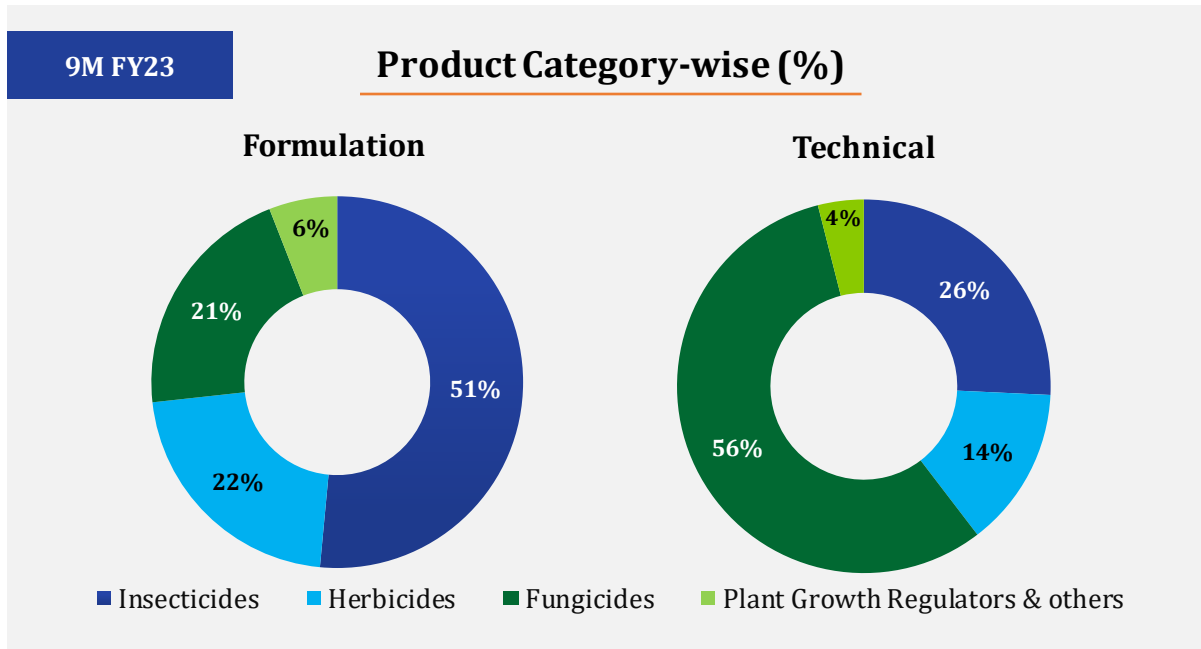
- Few geographies faced the dual headwinds of high-cost inventory and currency devaluation



Insecticides		Herbicides		Fungicides		Plant Growth Regulators	
9M FY23	9M FY22	9M FY23	9M FY22	9M FY23	9M FY22	9M FY23	9M FY22
54,831	48,682	26,109	19,461	63,404	42,785	6,746	3,064
13% ↑		34% ↑		48% ↑		120% ↑	

On Standalone Basis

* Includes other income





Profit and Loss – Q3 & 9M FY23 (Standalone)



Particulars (₹ in lakhs)	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
Revenue from Operations (Net of Excise)	48,463	39,976	↑ 21%	1,52,488	1,16,729	↑ 31%
Other Income	200	504		919	1,366	
Total Income	48,663	40,480	↑ 20%	1,53,407	1,18,095	↑ 30%
Cost of materials consumed	34,010	29,213		1,14,692	86,437	
Purchase of stock-in-trade	2,246	1,853		6,327	6,028	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	643	(1,358)		(5,236)	-6,625	
Total Raw Material	36,899	29,708		1,15,783	85,840	
Gross Profit	11,764	10,772	↑ 9%	37,624	32,255	↑ 17%
Gross Profit Margin	24.2%	26.6%		24.5%	27.3%	
Employee Cost	3,214	2,378		8,674	7,112	
Other Expenses	4,559	4,829		15,479	13,695	
EBITDA	3,991	3,565	↑ 12%	13,471	11,448	↑ 18%
EBITDA Margin	8.2%	8.8%		8.8%	9.7%	
Depreciation	625	631		1,954	1,859	
EBIT	3,366	2,934	↑ 15%	11,517	9,589	↑ 20%
EBIT Margin	6.9%	7.2%		7.5%	8.1%	
Finance Cost	1,210	798		3,308	2,139	
Profit before Tax	2,156	2,136	↑ 1%	8,209	7,450	↑ 10%
Tax	556	589		2,095	1,948	
PAT	1,600	1,547	↑ 3%	6,114	5,502	↑ 11%
PAT Margin %	3.3%	3.8%		4.0%	4.6%	
Basic EPS	0.81	0.78		3.08	2.78	





Profit and Loss – Q3 & 9M FY23 (Consolidated)



Particulars (₹ in lakhs)	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
Revenue from Operations (Net of Excise)	48,214	39,976	↑ 21%	152,240	116,729	↑ 30%
Other Income	176	431		621	1181	
Total Income	48,391	40,407	↑ 20%	152,861	117,910	↑ 30%
Cost of materials consumed	33,782	29,213		114,464	86,437	
Purchase of stock-in-trade	2,246	1,853		6,327	6,028	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	643	-1,358		-5,236	-6625	
Total Raw Material	36,671	29,708		115,555	85,840	
Gross Profit	11,720	10,699	↑ 10%	37,306	32,070	↑ 16%
Gross Profit Margin	24.2%	26.4%		24.4%	27.2%	
Employee Cost	3,214	2,380		8,674	7,126	
Other Expenses	4,575	4,828		15,495	13,679	
EBITDA	3,931	3,491	↑ 13%	13,137	11,264	↑ 17%
EBITDA Margin	8.1%	8.6%		8.6%	9.5%	
Depreciation	629	631		1,960	1,859	
EBIT	3,302	2,860	↑ 15%	11,177	9,405	↑ 19%
EBIT Margin	6.8%	7.1%		7.3%	8.0%	
Finance Cost	1,210	711		3,054	1,916	
Share of (loss) / profit from associate	119	-119		108	-237	
Profit before Tax	2,211	2,030	↑ 9%	8,231	7,252	↑ 13%
Tax	558	589		2,097	1,948	
PAT	1,653	1,441	↑ 15%	6,134	5,304	↑ 16%
PAT Margin %	3.4%	3.5%		4.0%	4.5%	
Basic EPS	0.83	0.73		3.09	2.68	



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 60 products covering all major crops. In formulations, the Company manufactures products in all major categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators

Mission

- To be a trusted name in providing high quality products and solutions to the farming community
- To be a trusted custom & contract manufacturing partner
- To be a model company in meeting the expectations of all stakeholders

Values

- Concern
- Commitment
- Quality
- Integrity



1,200+

Employee Strength



31

Geographical
Presence



5

Million Farmers
(Customers)



4

Manufacturing
Units



30

Years of
Experience



63

Branded Products



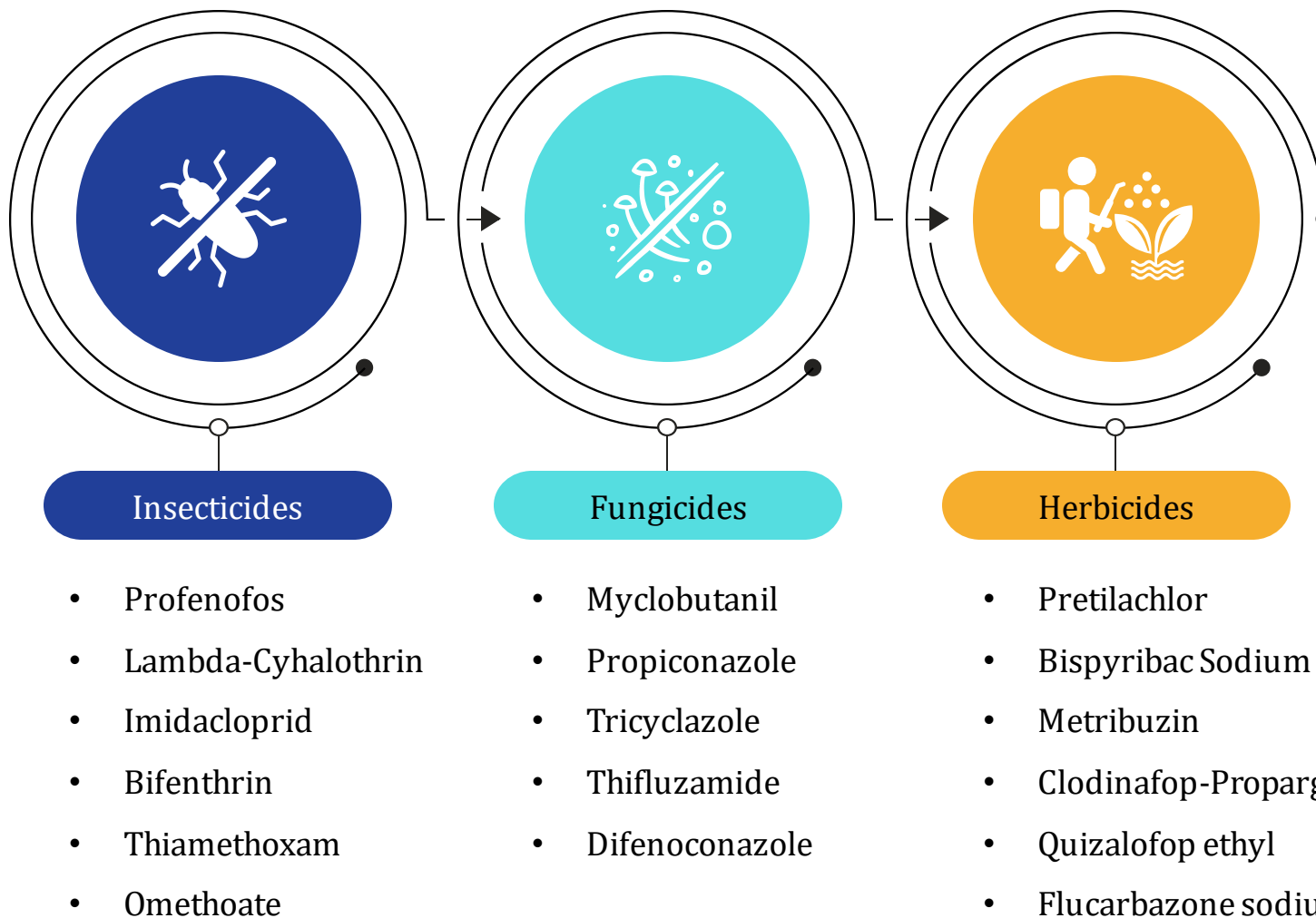
31 - Countries

1,200+ - Employees

04 - Manufacturing Plants

44% - Revenue from International

Technicals



Insecticides



- Cairo
- Cannon
- Dxtar
- Dxtar FS
- Ennova

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

- Nagarjuna 4G
- Nagarjuna Mida
- Nagarjuna Mantle
- Nagarjuna Spice
- Nagarjuna Trust

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

- Status
- Syndicate
- Task Gr
- Task SC
- Warrior
- Warrior Plus

Fungicides



- Combi plus
- Font
- Index

- Kazan
- Mass
- Mass Plus

- Result
- Sivic
- Slogan

- Subtle
- Trica
- Zeb

- Zen
- Rhizostar
- Oscar

Herbicides



- Font
- Zeb M-45
- Zen

- Slogan
- Oscar
- Sivic

- Nagarjuna Combi plus
- Nagarjuna Index
- Nagarjuna Mass

- Nagarjuna Mass Plus
- Nagarjuna Result
- Kazan
- Trica

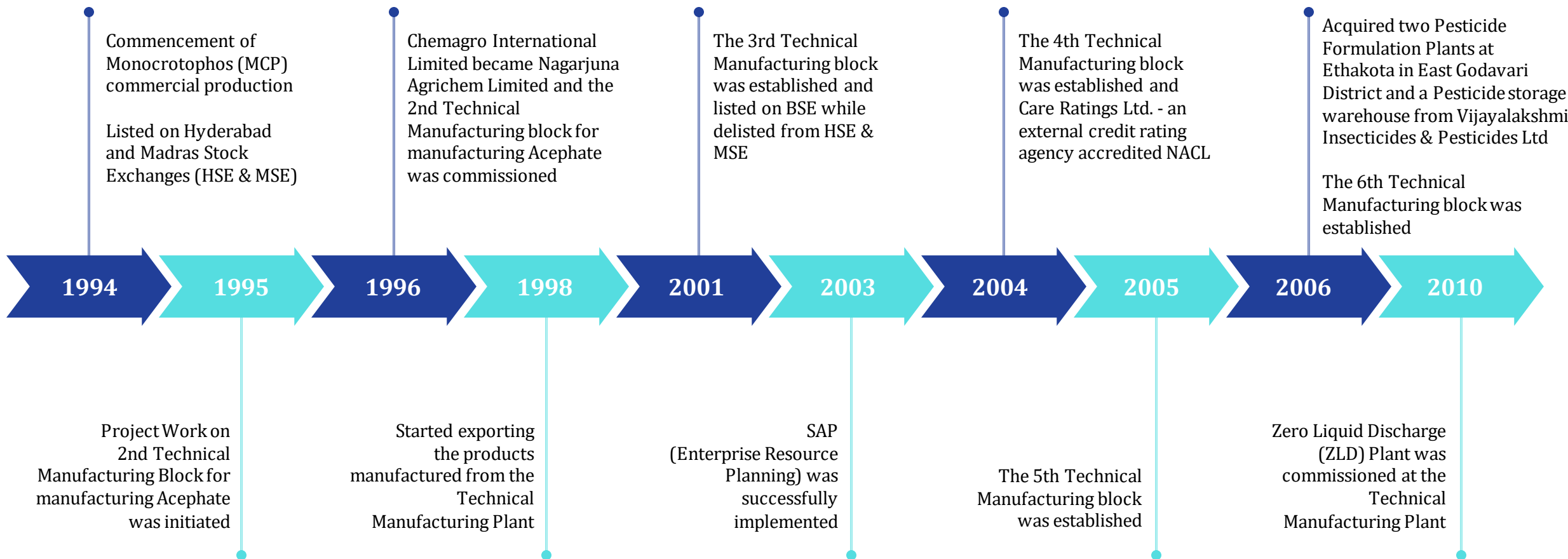
Plant Growth Regulators



- Atonik
- Gallant EG
- Gallant Gold

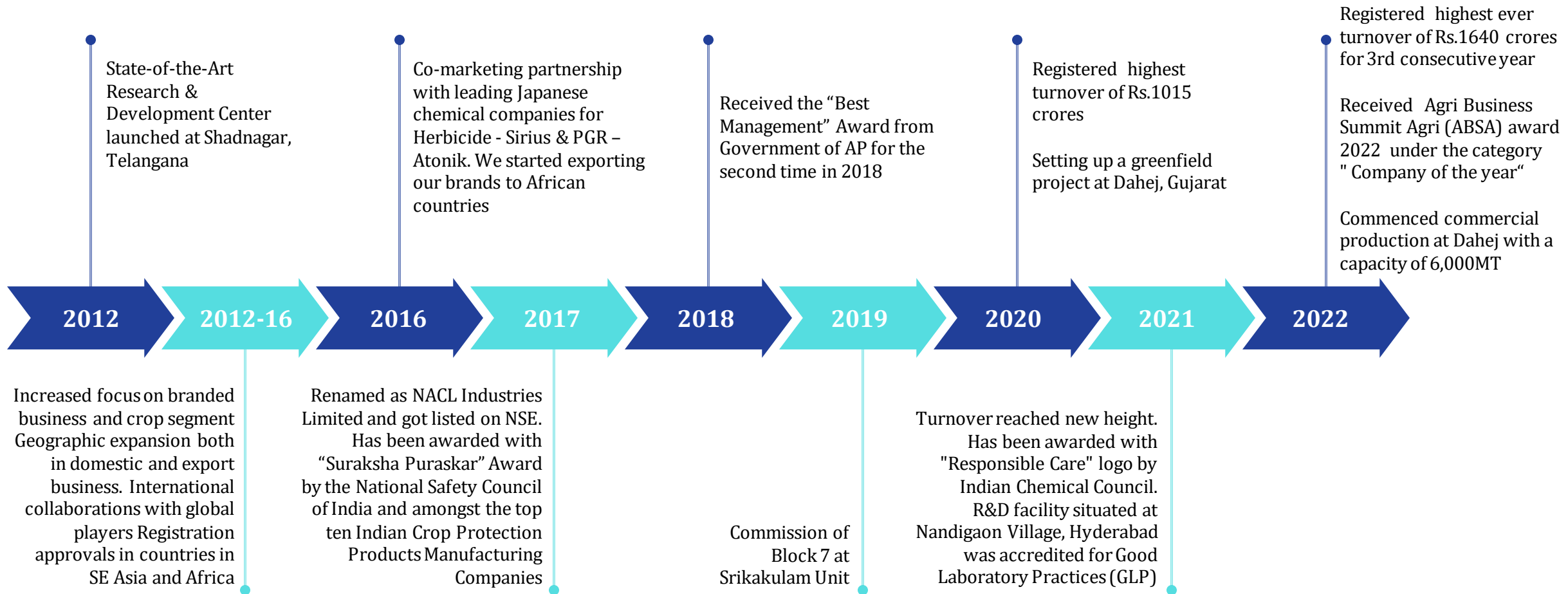


Timeline (1/2)





Timeline (2/2)





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

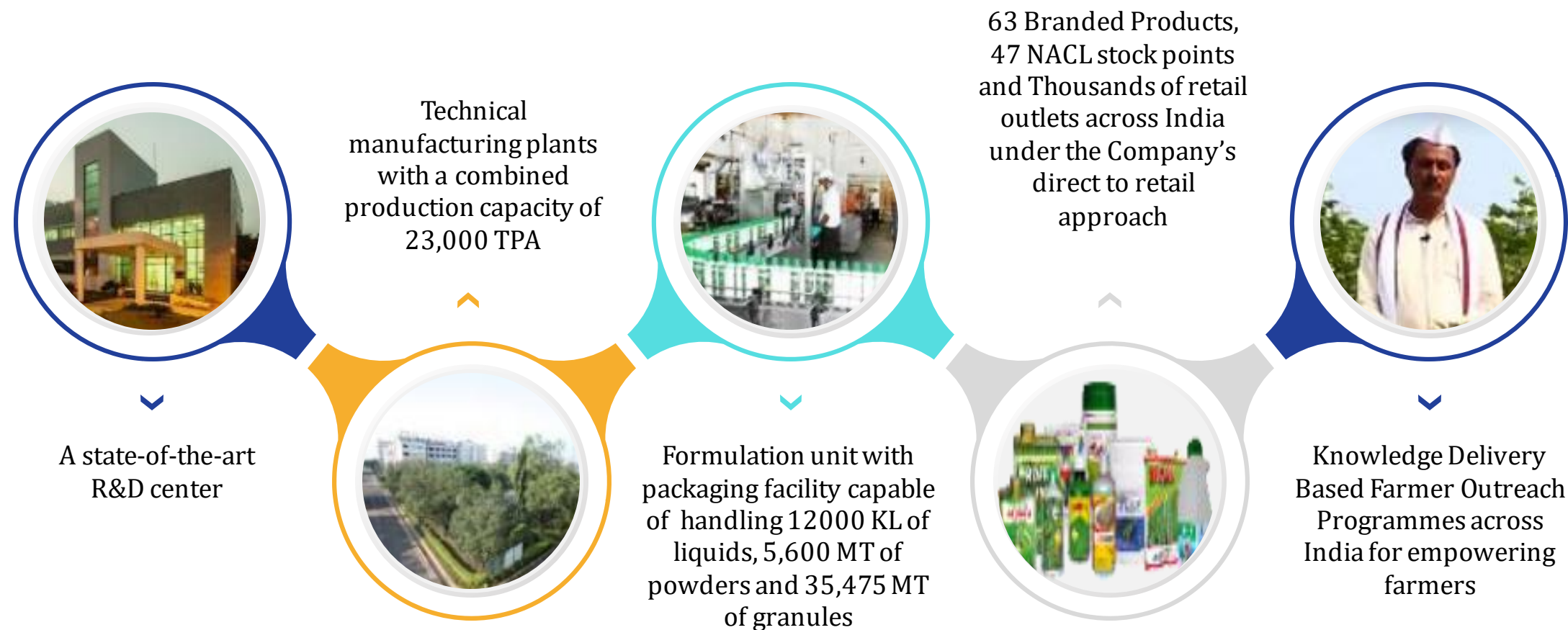


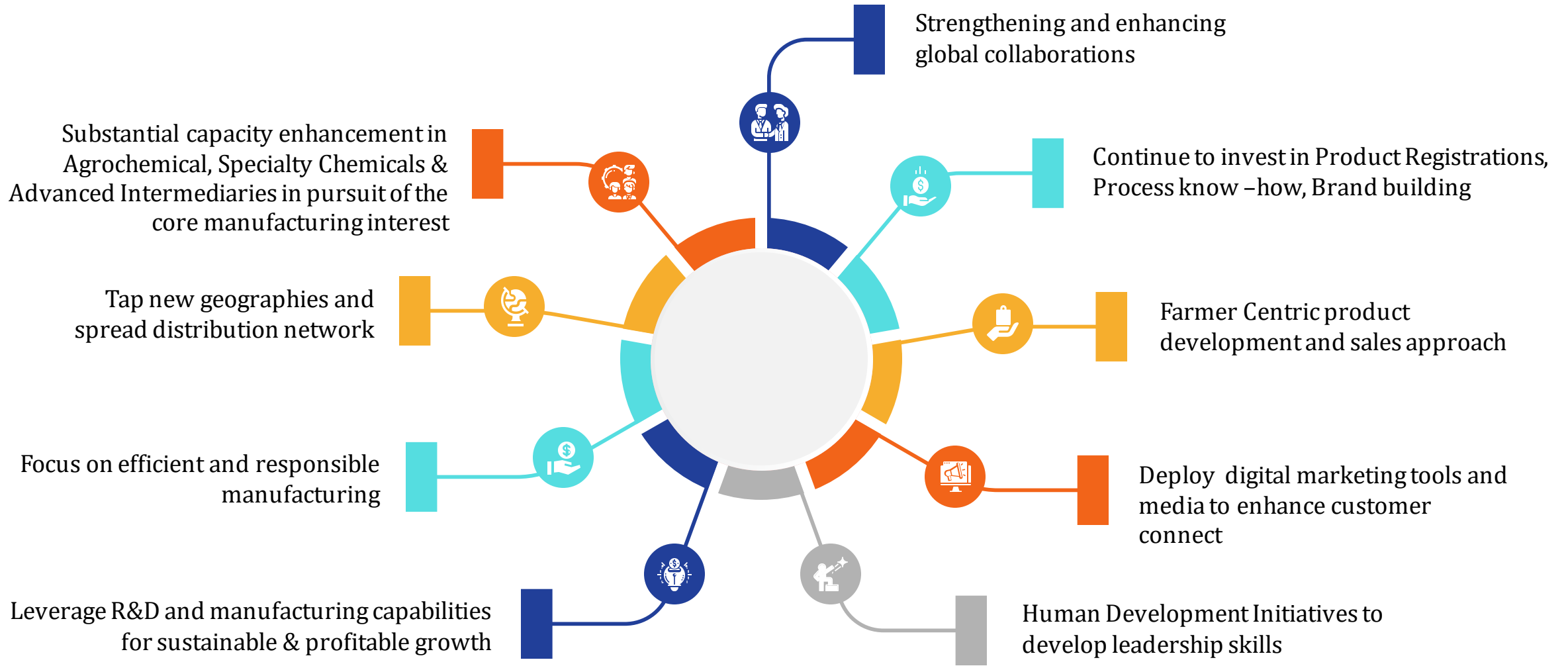
Mr. Praveen Dubey
Senior General Manager &
Head - Institutional Business &
Strategic Sourcing



Mr. Rajesh Iyer
General Manager -
Procurement

An integrated and growing footprint on an extended value chain







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.

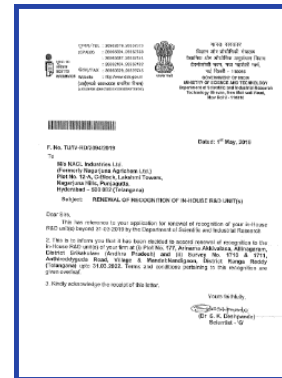
RC certificate



GLP certificate



DSIR



R&D Facility

ISO Accreditations

NABL Accreditations



ISO 45001:2018



ISO 14001:2015



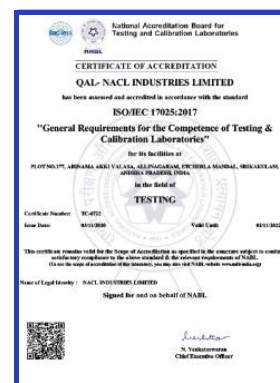
ISO 9001:2015



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 Summit 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.

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.

Government Initiative

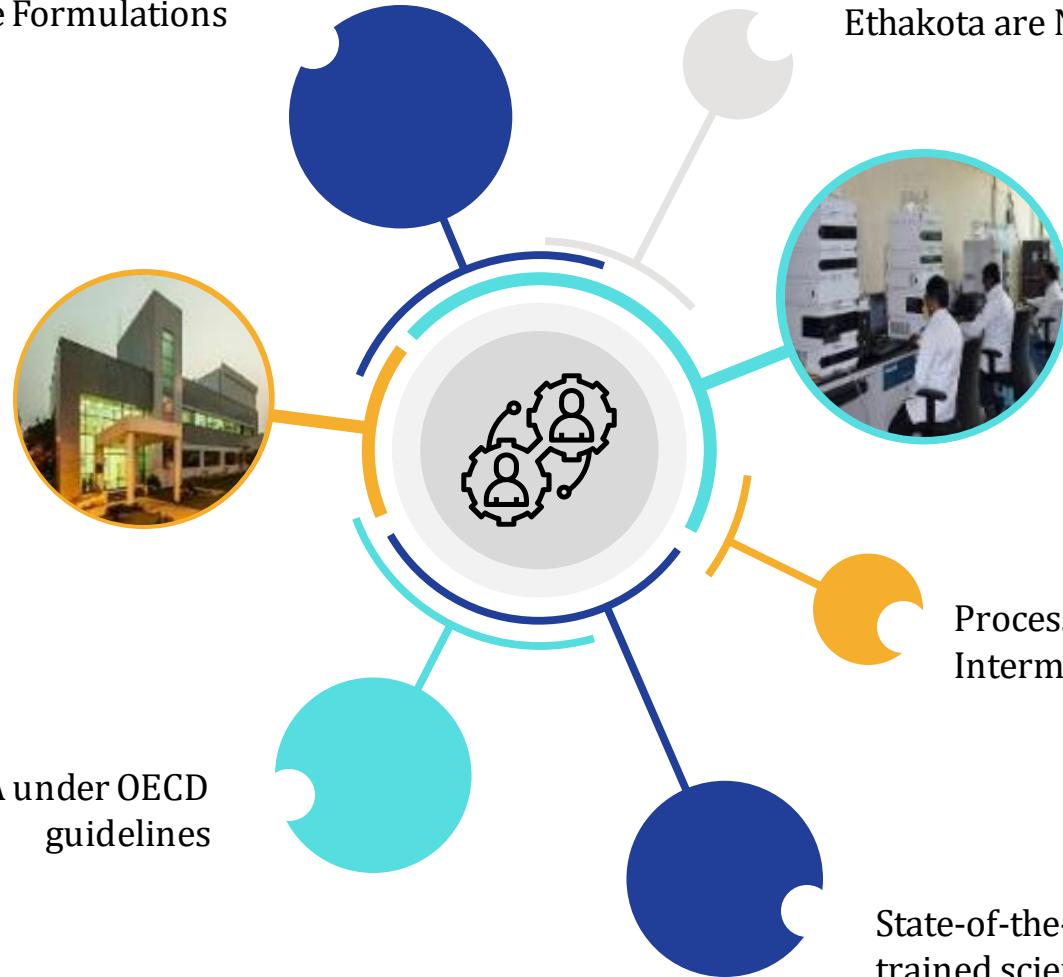
The government's support for agriculture has been remarkable in several respects. Government has invested in several projects to increase farmers' incomes, boost agricultural infrastructure, strengthen Farmer Producer Organisations (FPOs) through aggregation, and facilitate digital infrastructure for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

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.

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.



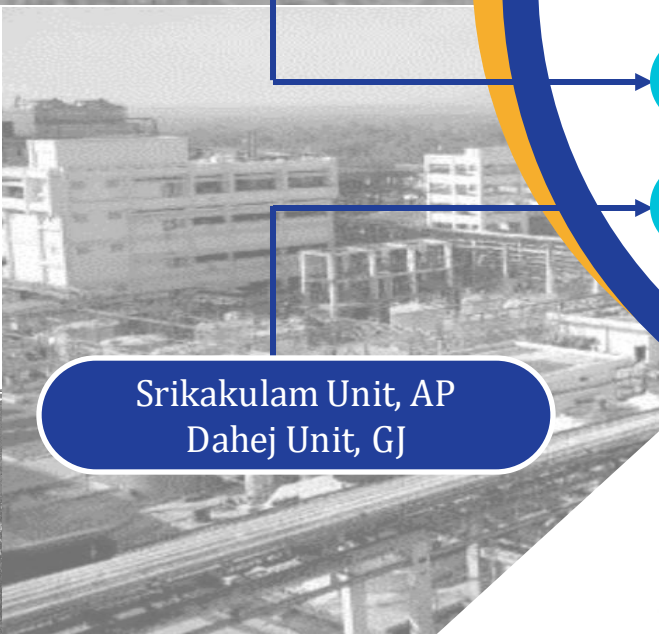
R&D lab is GLP Certified by NGCMA under OECD guidelines

Process development of Active Ingredients and Intermediates

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



Ethakota Unit 1, AP
Ethakota Unit 2, AP



Srikakulam Unit, AP
Dahej Unit, GJ

PRODUCTION CAPACITY

Liquid Formulation

12,000 KL

Powder Formulation

5,600 MT

Granule Formulation

35,475 MT

Technical Grade

19,000 MT

Newly Commissioned Project

**NACL Spec-Chem Limited,
Dahej, Gujarat- Phase I**

The Greenfield site at Dahej, Gujarat has successfully commenced commercial production with a capacity of **6,000MT /Annum** from 28th December, 2022

It proposes to establish a R&D lab and a pilot plant focused on specialty chemicals as part of the next expansion.

BROWNFIELD PROJECT

**NACL Industries Limited,
Srikakulam, Andhra Pradesh**

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

Phase 1: From **10,000** MT/Annum to **17,000** MT/Annum
(**13,000** MT/Annum by March 23, **17,000** MT/Annum by Dec 24)

Phase 2: From **17,000** MT/Annum to **25,000** MT/Annum

GREENFIELD PROJECTS

**NACL Multichem Private Limited,
Ranasthalam Mandal, Srikakulam**

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

Planned capacity: **38,000** MT/ Annum in phases



Green Field Project at Dahej (Gujarat) Completed





SHAREHOLDER'S INFORMATION



Stock Information (as on 30th January, 2023)

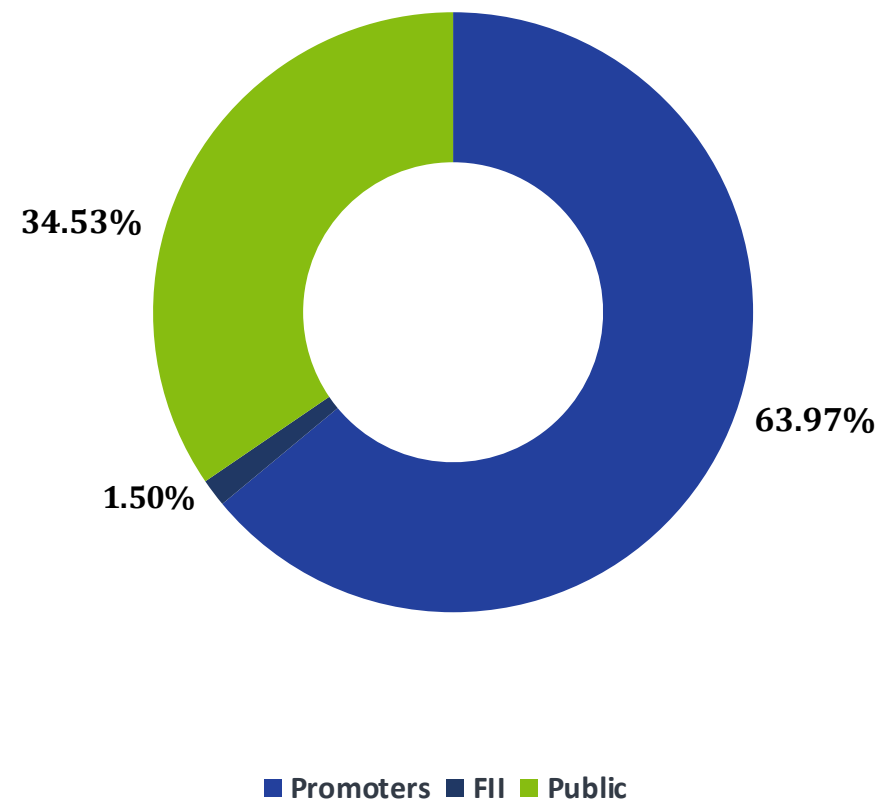
Market Capitalization (₹)	18,95 Cr
Shares Outstanding	19.83 Cr
Free Float	300.76 Cr
Symbol (BSE) / (NSE)	524709 / NACLIND

Stock Performance Chart (as of January, 2023)



(As on 31th December 2022)

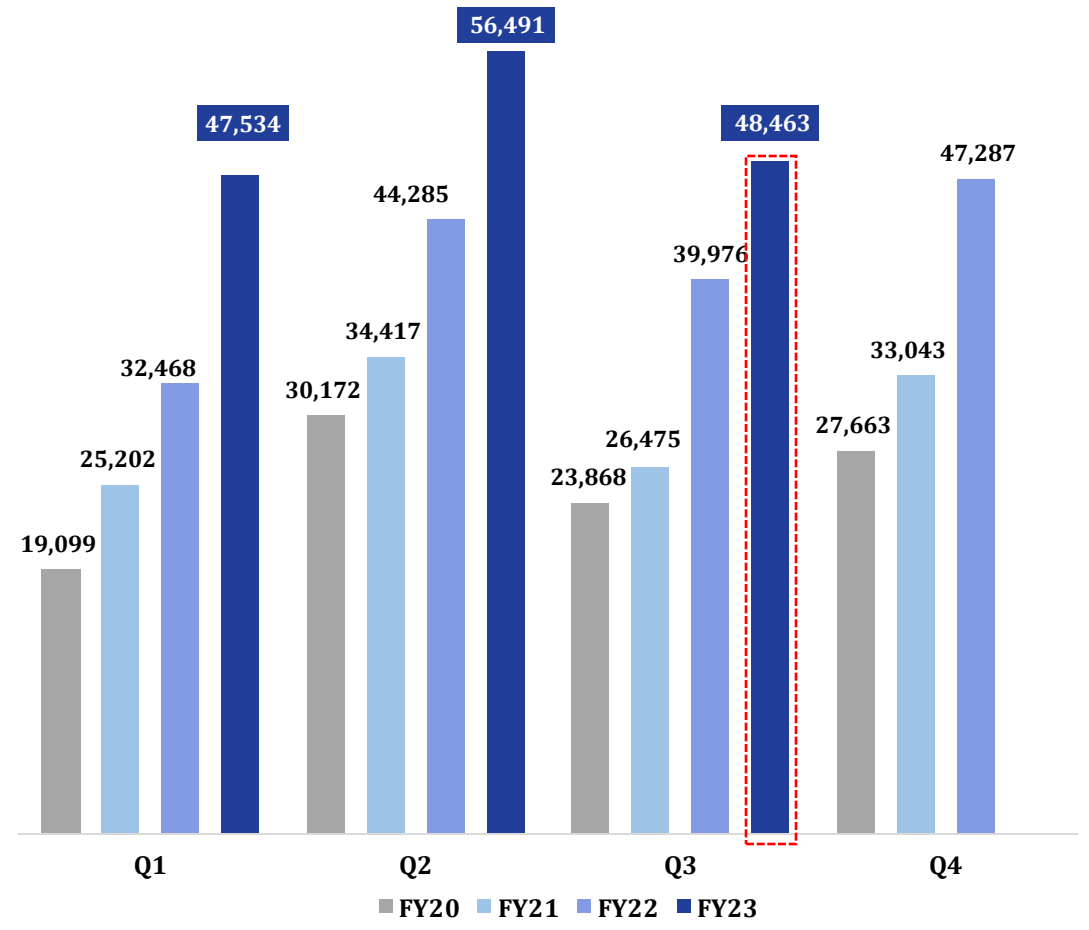
Shareholding Pattern (%)



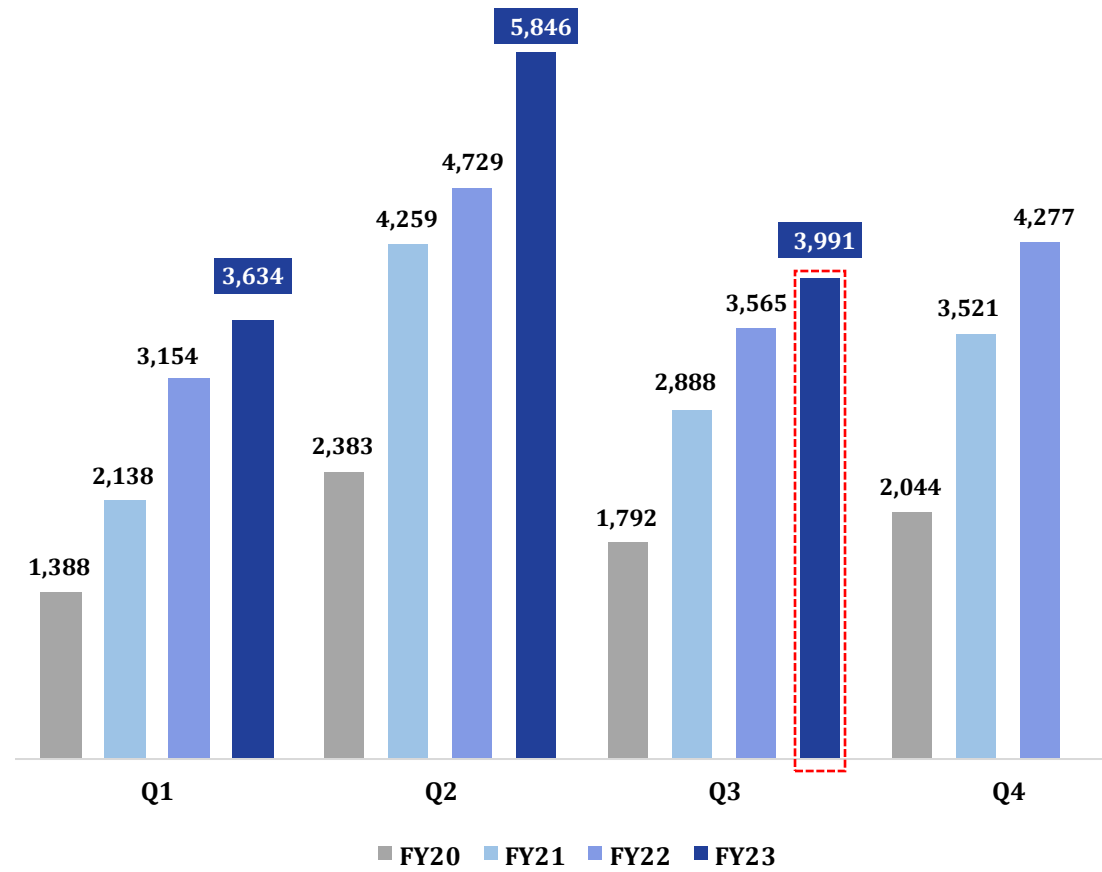
PERFORMANCE TRACK RECORD

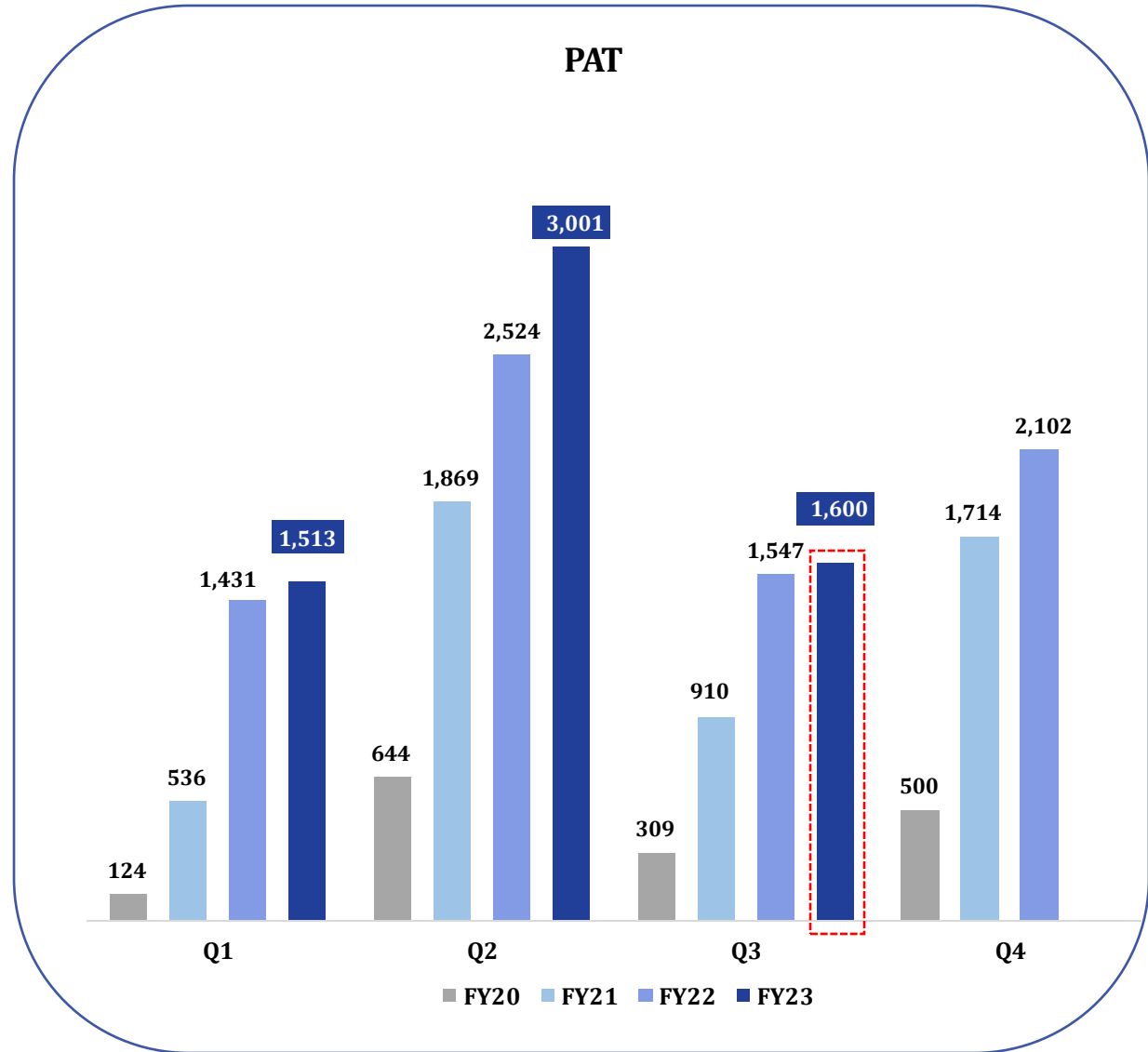
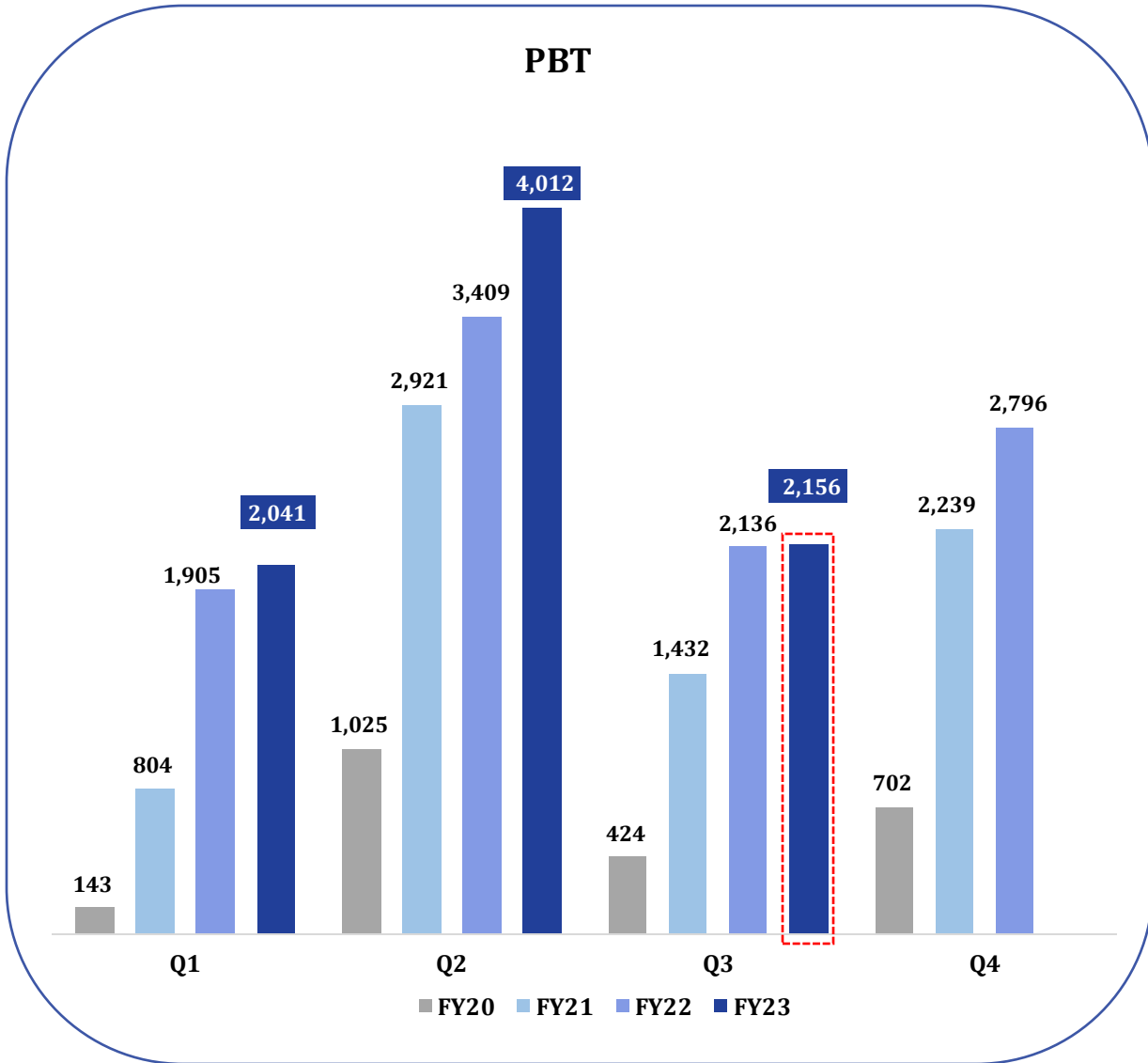


Revenue from operations

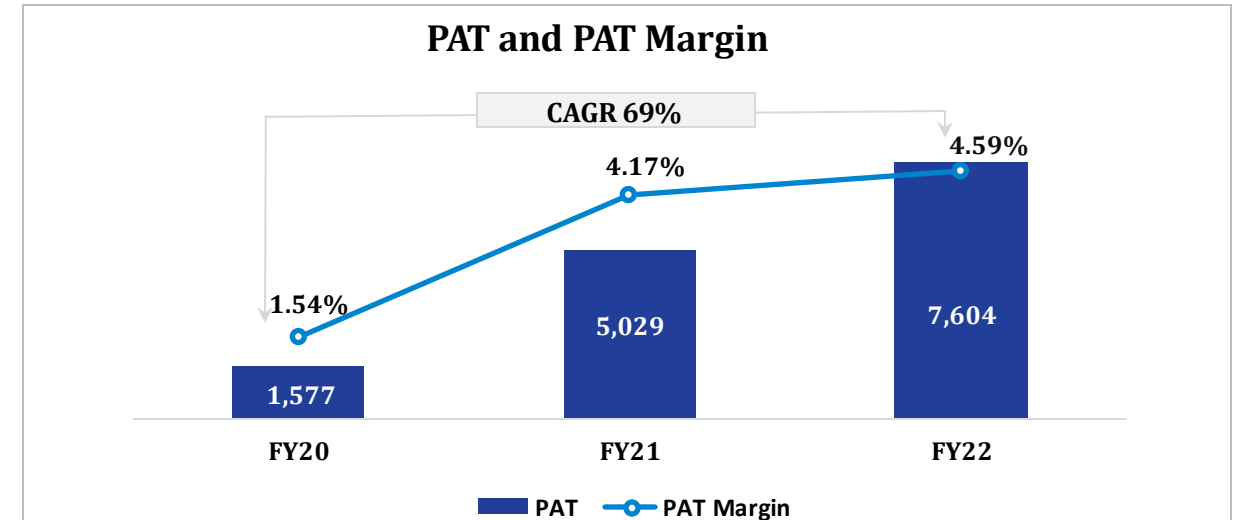
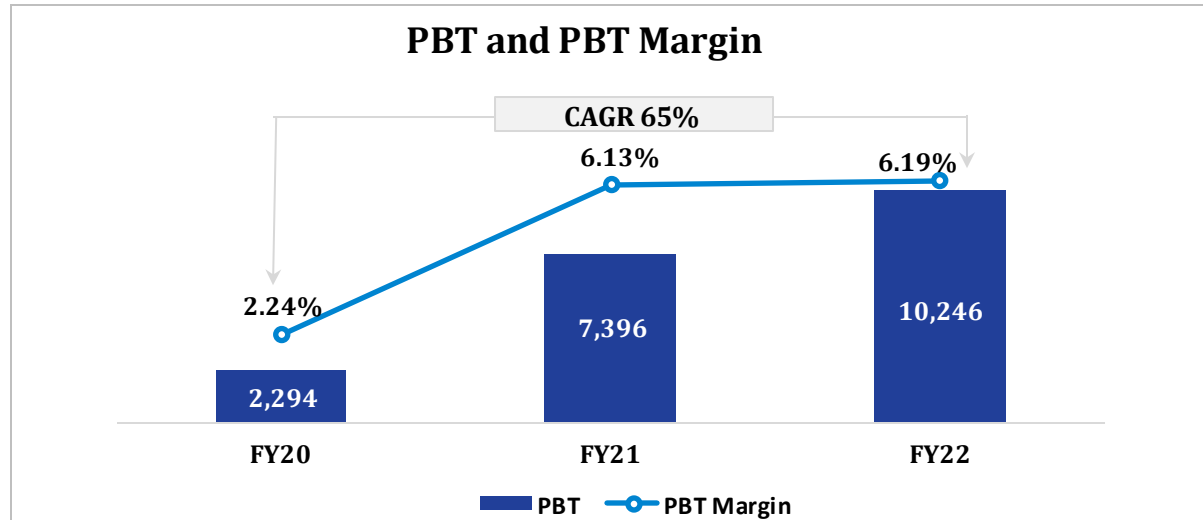
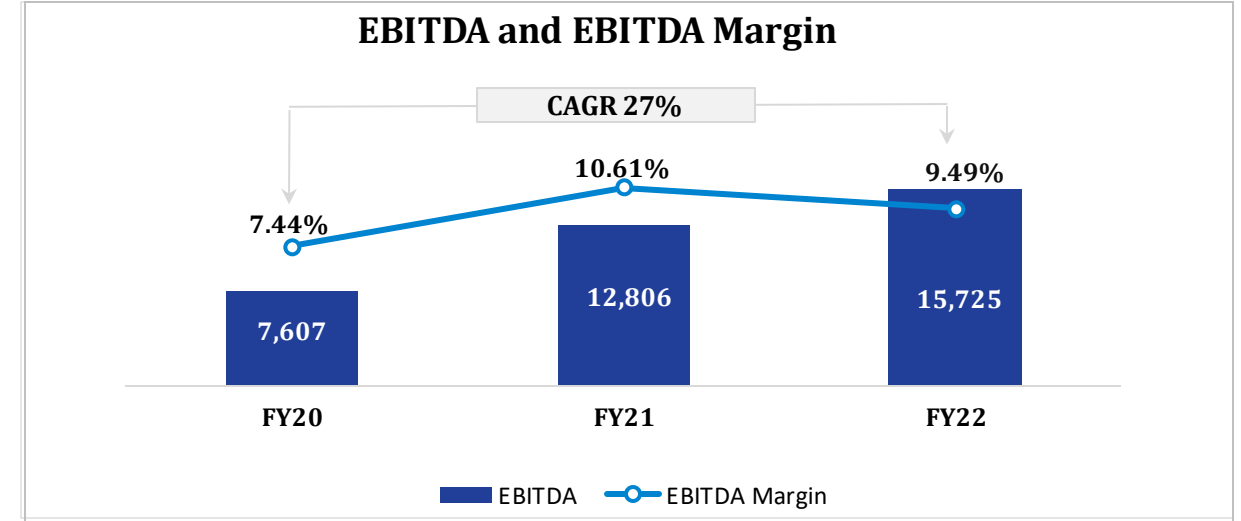
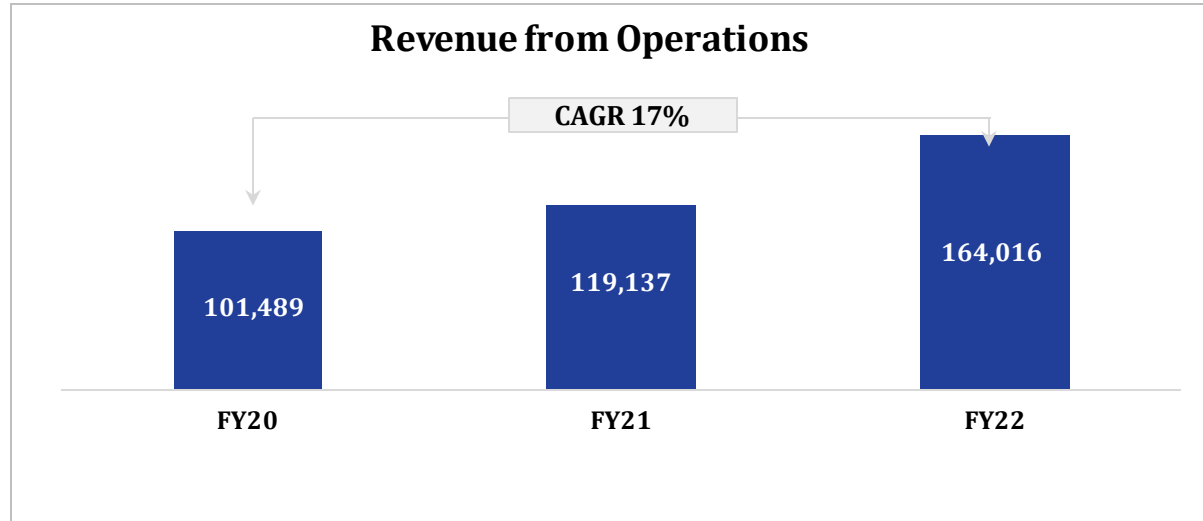


EBITDA



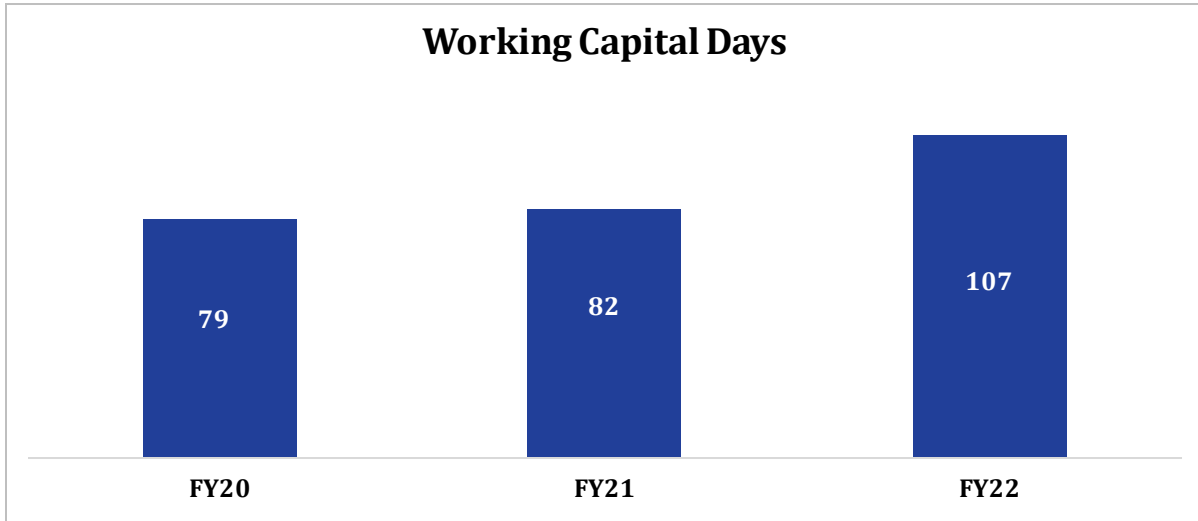


(₹ in lakhs)

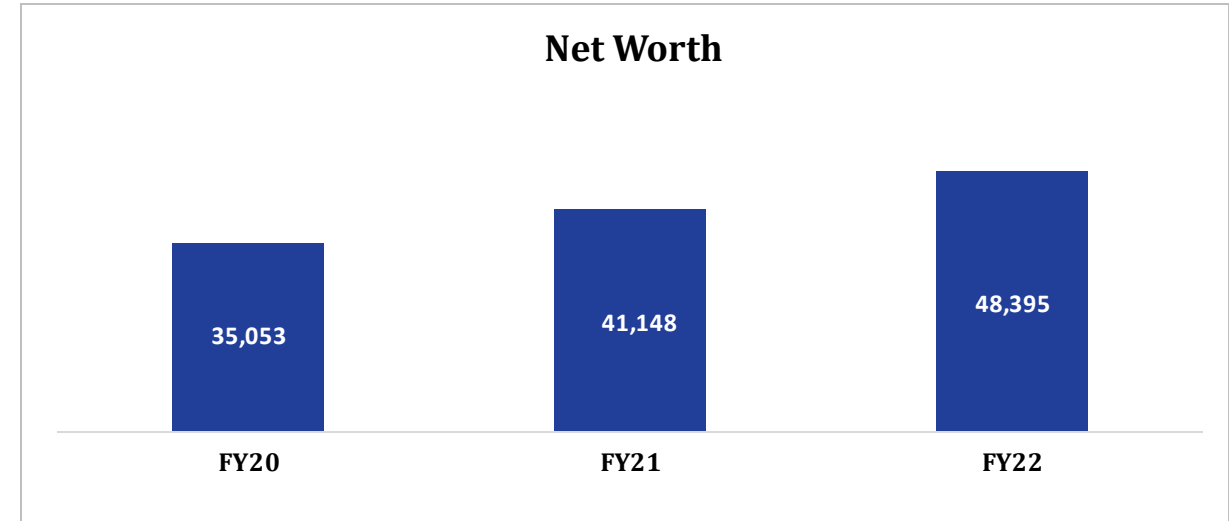


(₹ in lakhs)

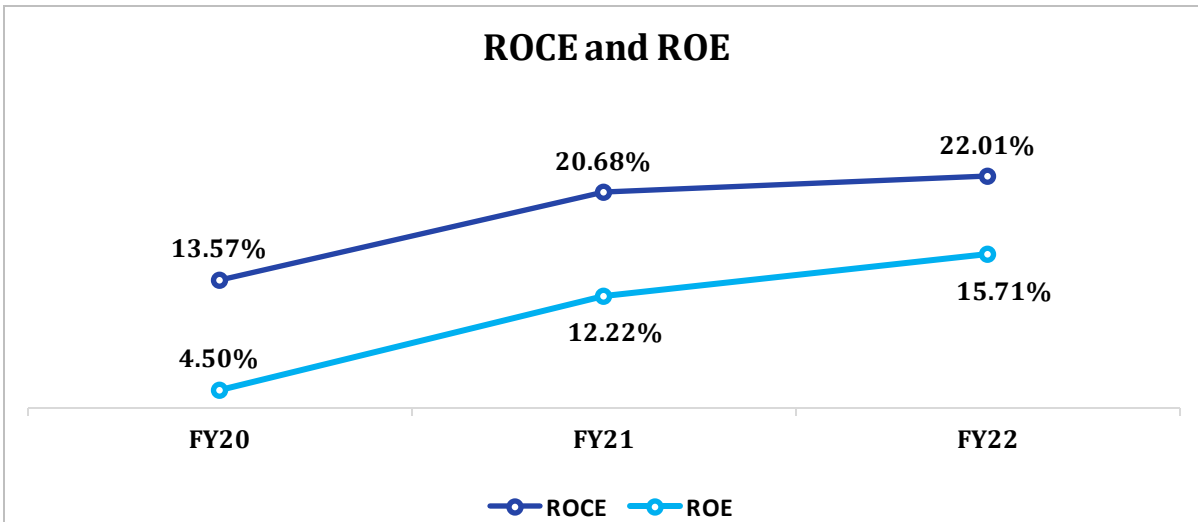
Working Capital Days



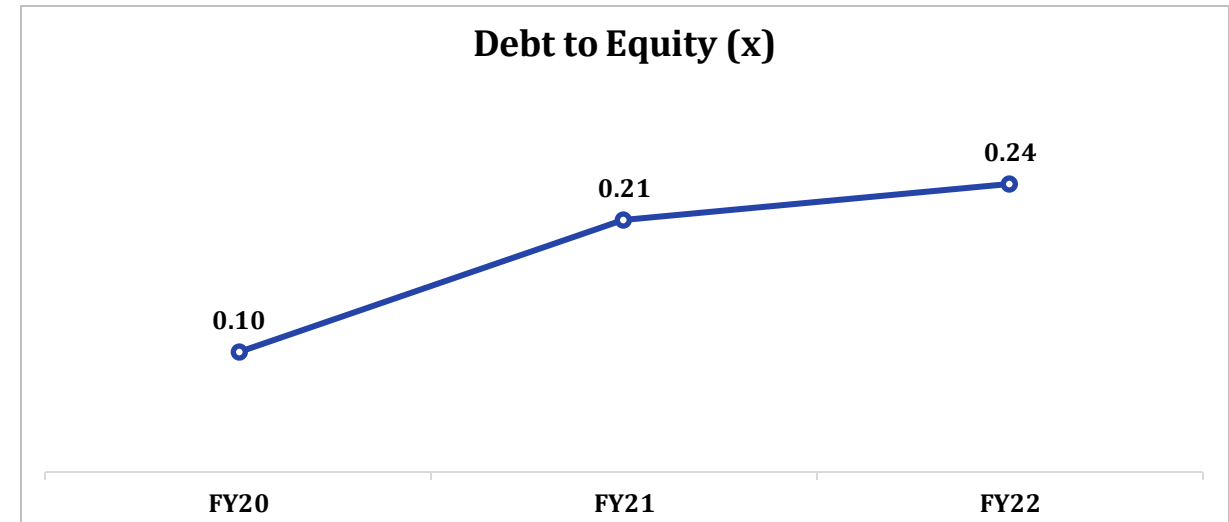
Net Worth



ROCE and ROE



Debt to Equity (x)



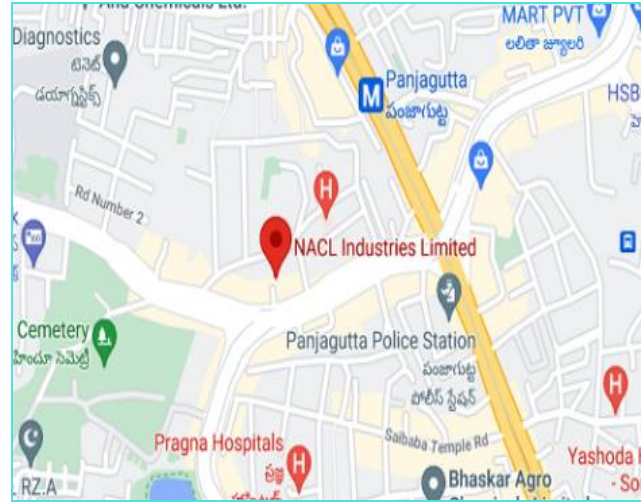
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THANK YOU

