



03rd February, 2023

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001
BSE Code: 500645

Listing Department
National Stock Exchange of India Ltd.
“Exchange Plaza”,
Bandra-Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Code: DEEPAKFERT

Subject: Earnings Presentation for the quarter and nine months ended 31st December, 2022

Dear Sir / Madam,

Please find enclosed an earnings presentation of the Company for the quarter and nine months ended 31st December, 2022.

We request you to kindly disseminate the same.

Thanking you,
Yours faithfully,

For **Deepak Fertilisers
And Petrochemicals Corporation Limited**

**Ritesh Chaudhry
Company Secretary**

Encl: as above

REDEFINING VALUE REINVENTING BUSINESS



DEEPAK FERTILISERS
AND PETROCHEMICALS
CORPORATION LIMITED

(BSE: 500645; NSE: DEEPAKFERT)

Earnings Presentation Q3 FY2023

03rd February 2023

MINING CHEMICALS



INDUSTRIAL CHEMICALS



CROP NUTRITION



Best Ever Q3 and 9M Financial Performance with High Growth Trajectory in Place

Around 40% Gas Tied Up for Ammonia Project at Attractive Discount to Spot

Revenue From Operations

Rs. 8,505 Cr

(+50.5% Y-o-Y)

Operating EBITDA

Rs. 1,696 Cr

(+98.6% Y-o-Y)

EBITDA Margins

19.9%

(9M FY2022: 15.1%)

Profit After Tax

Rs. 964 Cr

(+138.2% Y-o-Y)

PAT Margin

11.2%

(9M FY2022: 7.1%)

- **Segment Performance:**
 - 9M Chemicals Segment contributed ~87% of segment profits. Revenues grew by 60% y-o-y and margins increased from 21% (9M FY22) to 33% (9M FY23)
 - 9M Fertilisers Segment revenues grew by 39% y-o-y with segment margins of 7%
- **Strong performance despite adverse movement of key RM Prices in 9M:** Ammonia ▲ ~83.7% YoY; Phos Acid ▲ ~80.7% YoY; RGP ▲ ~16% YoY; MOP ▲ 103%, Gas ▲ 95.6%
- **TAN Project Funding:** Tied up entire debt of Rs. 1,541 Cr for TAN Greenfield, with a 14-year door-to-door tenure
- **State Incentive on NPK Project Investment:** Received 'Sanction of Industrial Promotion Subsidy Claim' for FY20, FY21 & FY22 of approx. Rs. 25 Crores from Directorate of Industries, Government of Maharashtra
- **ADB Blue Loan:** First tranche of \$15 Million disbursed in November 2022
- **Corporate Restructuring:** Announced Demerger plan of its Mining Chemicals & Fertiliser Businesses in Dec 2022; Composite scheme of arrangement has been admitted by National Company Law Tribunal (NCLT) on January 25, 2023



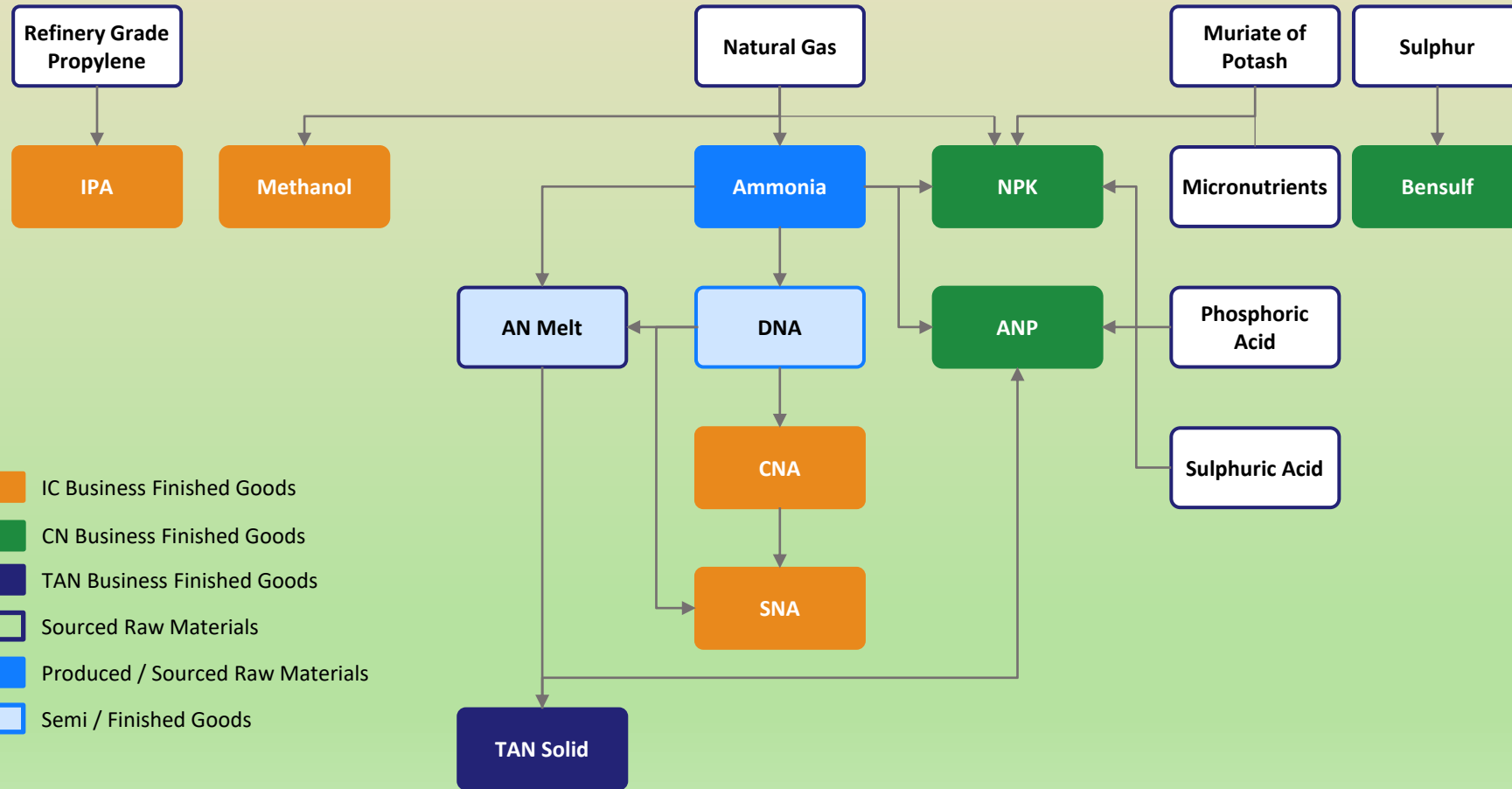
9M EBITDA Doubled; Q3 Jumps by 31%

INR CR	Q3FY23	Q3FY22	Y-o-Y growth	9M FY23	9M FY22	Y-o-Y growth
Operating Revenue	2,755	1,956	40.9%	8,505	5,651	50.5%
Operating EBITDA	461	352	31.0%	1,696	854	98.6%
<i>Margins (%)</i>	16.7%	18.0%	(126) bps	19.9%	15.1%	483 bps
Finance Cost	53	36	46.7%	140	116	20.4%
D&A	55	66	(16.3)%	170	180	(5.2)%
Net Profit	252	181	39.7%	964	405	138.2%
<i>Margin (%)</i>	9.1%	9.2%	(10) bps	11.2%	7.1%	412 bps



Quarterly Operating Margins improved from 9% to 17% between Q3 FY20 – Q3 FY23

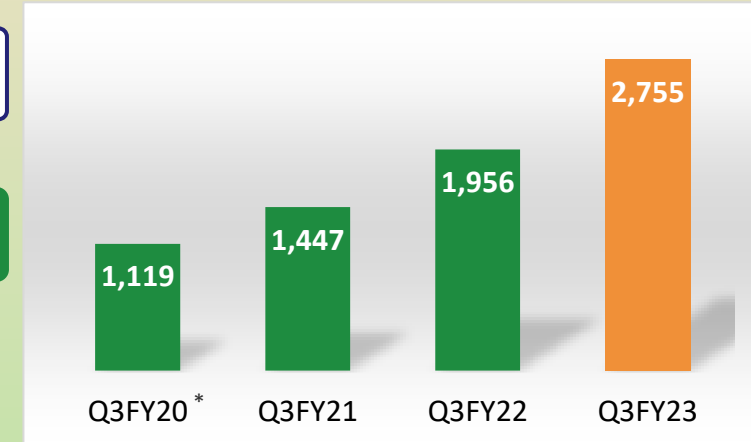
High level of Integration and Fungibility in Upstream – Downstream Operations



- IC Business Finished Goods
- CN Business Finished Goods
- TAN Business Finished Goods
- Sourced Raw Materials
- Produced / Sourced Raw Materials
- Semi / Finished Goods

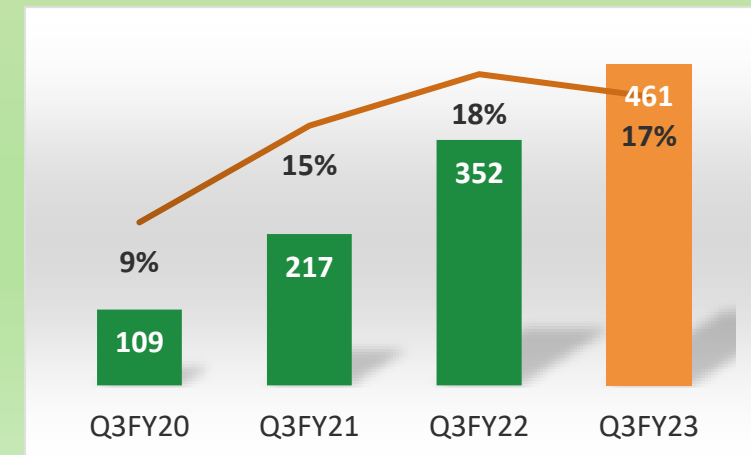
Synergistic Business Model

Operating Revenue (Rs. Cr)



*Cautiously consolidated trading portfolio with focus on high-margin products

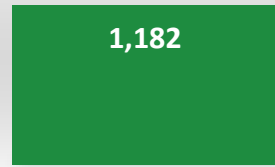
Operating EBITDA (Rs. Cr) and Margins (%)



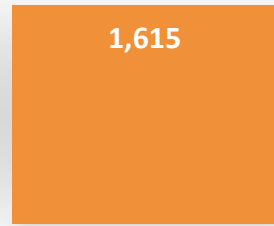
Robust Performance across segments driven by Demand and Transformation Initiatives

Chemicals Business

Revenues (Rs. Cr)

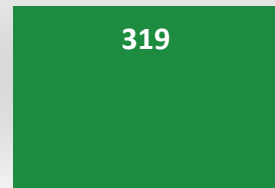


Q3FY22

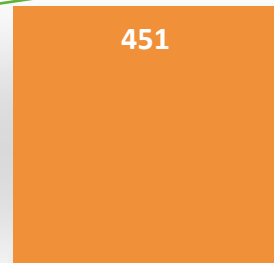


Q3 FY23

Segment Profit (Rs. Cr)



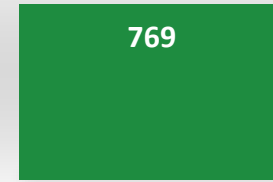
Q3FY22



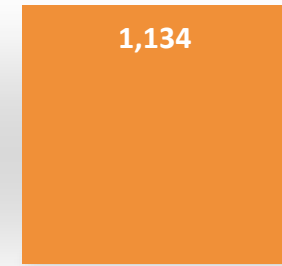
Q3 FY23

Fertilisers Business

Revenues (Rs. Cr)

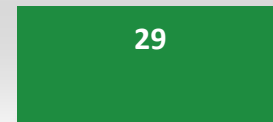


Q3FY22



Q3 FY23

Segment Profit (Rs. Cr)



Q3FY22

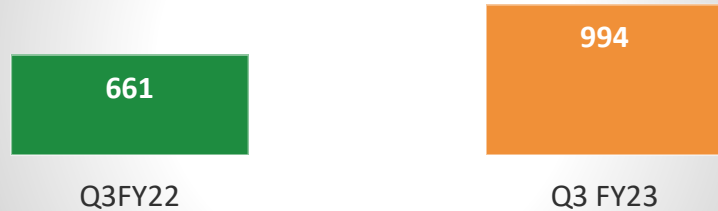


Q3 FY23



Growth momentum is expected to continue in Q4 FY23, which typically is the period of peak production for Mining and Infrastructure activities

Mining Chemicals (TAN) Revenue (Manufactured Sales Rs. Cr)



Mining Chemicals (Manufactured Sales Volumes MT 00)



Q3 FY23 Capacity Utilization

TAN: 117%

Operational Highlights

- Post Q2 i.e., after monsoon period, the mining & infrastructure activities started picking-up in Q3. Q3 FY23 witnessed moderate recovery in demand. CIL’s OB (overburden) production grew by 21% y-o-y and by 53% q-o-q, CIL’s Coal production grew by 10% y-o-y and 29% q-o-q
- In Q3 FY23, TAN continued to focus on meeting the domestic demand. Sales volume decreased by approx. 10% year over year, mainly due to delayed pickup of demand in the infrastructure and non coal segment and resumption of typical imports of AN from Russia.
- Pricing across all segments remained competitive amidst moderation of imported AN prices
- Continues to execute Total Cost of Ownership (TCO) projects to establish and deliver the superior value proposition of its Solutions (product supply + technical services), in line with the transformation journey to move from commodity to specialty

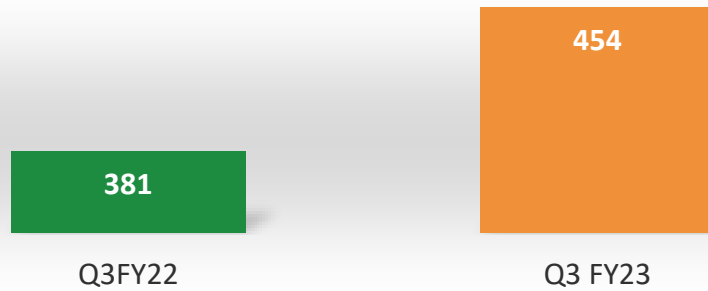
Outlook

- Growth momentum is expected to continue in Q4 FY23, which typically is the period of peak production for Mining and Infrastructure activities
- Strong demand for power and Infrastructure (cement & rock aggregates) is also expected to improve compared to Q3 FY23

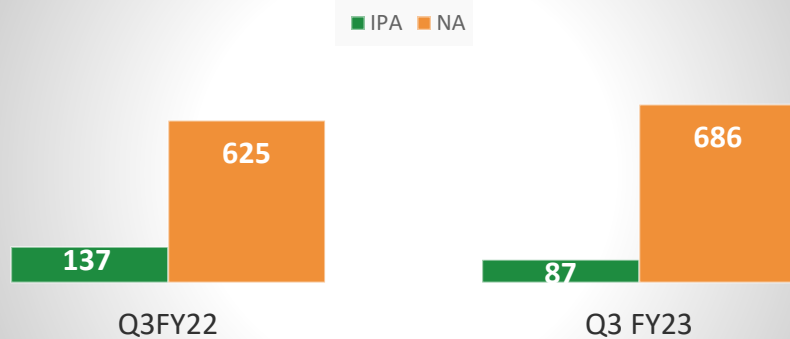


Steel Grade Nitric Acid commercialization planned during Q4 FY23

Pharma / Speciality Chemicals (IPA+NA) (Manufactured Sales Rs. Cr)



Pharma / Speciality Chemicals (Manufactured Sales Volumes MT 00)



Q3 FY23 Capacity Utilization

IPA: 62%

ACIDS: 88%

Operational Highlights

- Prices of all grades of Nitric Acid remained strong. Extended plant maintenance period at DFPCL Dahej plant affected the CNA supply adversely
- New specialty product Solar Grade Nitric Acid has been commercialized and regular supplies has started to a Solar cell manufacturer. The product has received good feedback from the end user
- IPA sales were impacted by import of cheaper IPA from China and the rising cost of propylene raw material and fuel. Focus is on specialty Pharma grade IPA, Sanitizer and Disinfectant segment yielding positive traction and paving way for future shift

Outlook

- Domestic demand for all grades of NA is expected to be stable in Q4
- Steel Grade Nitric Acid commercialization planned during Q4 FY23
- Cost pressures are expected to continue for propylene-based producers

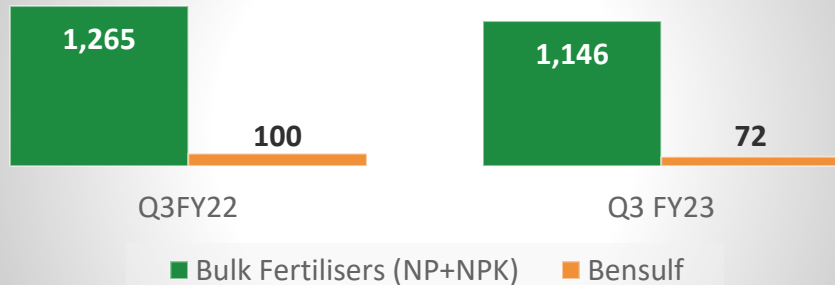


9M Fertilisers Segment revenues grew by 39% y-o-y with segment margins of 7%

Fertilisers Revenue (Manufactured Sales Rs. Cr) (NP + NPK + Bensulf)



Fertilisers (Manufactured Sales Volumes MT 00)



Q3 FY23 Capacity Utilization

NP/NPK: 63%

Bensulf: 50%

Operational Highlights

- Q3 Fertilisers Segment revenues grew by 47% y-o-y with segment margins 5%
- Delayed withdrawal of South west Monsoon and heavy rain led to slow start of rabi season
- Corptek experiencing good response; sales of 25,100MT of Croptek in Q3 and about 1.21 Lakh MT of Croptek Since its launch; reached approx. 0.75 Million farmers
- Significant ramp up of Solutek - Tomato and Grapes
- Received Golden category Award for Croptek launch campaign at Rural marketing association of India (RMAI) flame awards
- ADB association to enhance Company's ongoing Specialty Fertiliser business including the applied R&D and grass-root Farmer Training initiatives

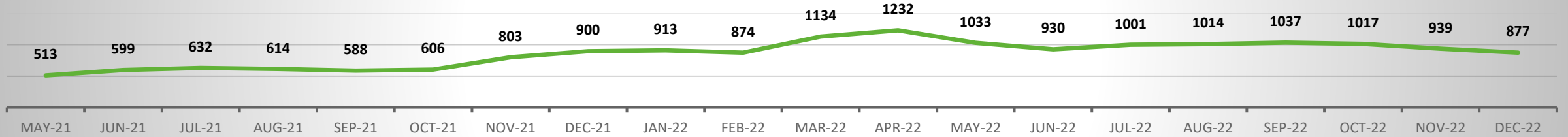
Outlook

- Reservoir levels in key operating geography are well above the normal level expecting Good rabi sowing.
- Focus is on innovating and differentiated products such as Croptek and Solutek which will enhance use efficiency, promote balance crop nutrition management, good soil health, increase crop productivity and achieve improvement in nutritional quality of crop produce

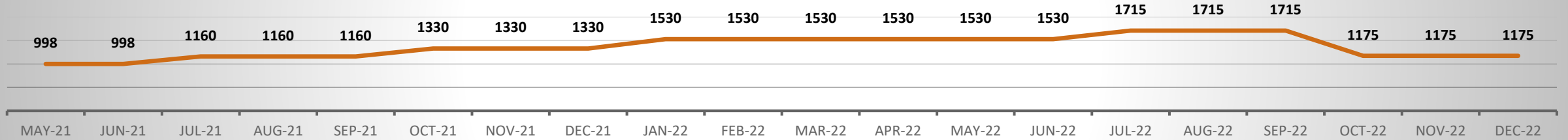


Raw Material Price Movement in Last 18 Months

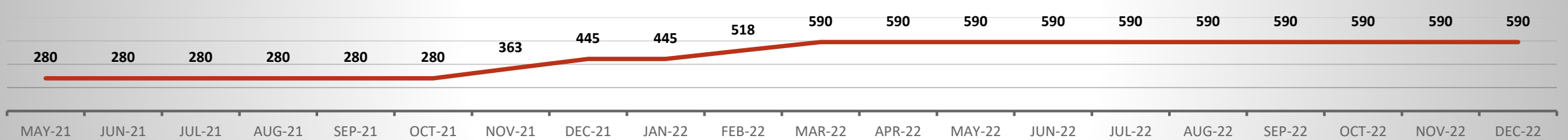
Ammonia Bulk FOB - ME (\$/MT)



Phos acid Bulk CFR (\$/MT)

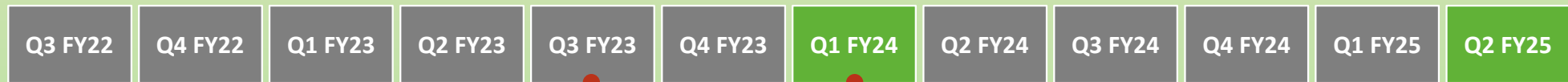


Potash Bulk CFR India (\$/MT)



Clearly Defined and Well Funded Capex Program

Ammonia	<ul style="list-style-type: none"> Total planned Investment: Rs 4,350 cr Cost incurred to date: Rs. 3,290 cr Debt incurred to date: Rs. 1,956 cr Equity Infused: Rs. 1,334 Cr 	<ul style="list-style-type: none"> Balance investment: Rs. 1,060 cr Expected commissioning: Q1 FY24 	
TAN	<ul style="list-style-type: none"> Total planned Investment: Rs. 2,201 cr Cost incurred to date: Rs. 446 cr Equity Infused: Rs. 446 Cr 	<ul style="list-style-type: none"> Period investment: Rs. 237 cr 	<ul style="list-style-type: none"> Balance investment: Rs. 1,518 cr Expected commissioning: Q2 FY25



Capacity (MTPA)	Q3 FY23	Ammonia Expansion	Q1 FY24	TAN Expansion	Q2 FY25
Ammonia	128,700	+500,000	628,700		628,700
Technical Ammonium Nitrate	486,900		486,900	+376,000	862,900

Building upon 40+ years of Proven Capabilities

*Data as of 31st Dec 2022



Ammonia Project – Site Construction Work In Progress (December 2022)

[Click Here to Watch Latest Ammonia Plant Video :Youtube DFPCL Link](#)



ISBL



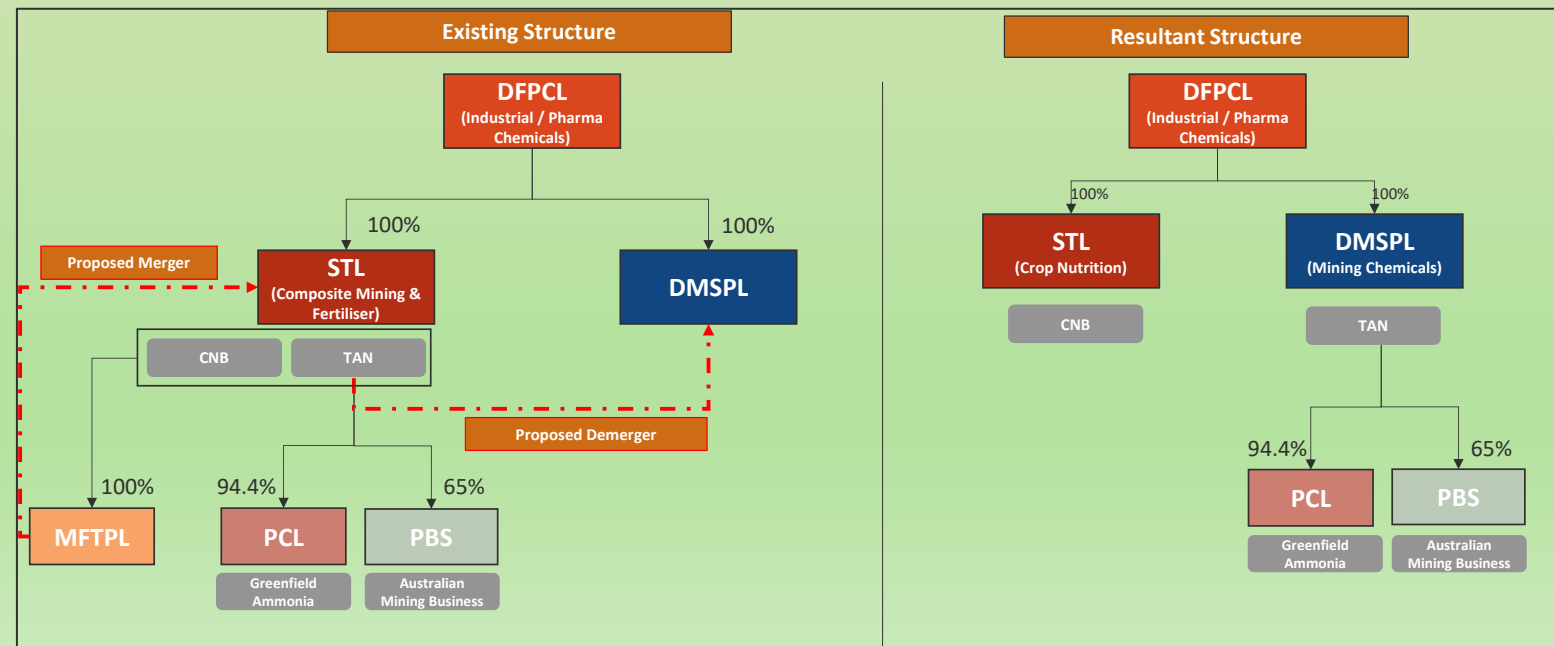
Water Package Area

Deepak Fertilisers Announced Demerger of its Mining Chemicals & Fertiliser Businesses

- The Board of Directors of Smartchem Technologies Limited ('STL') at its meeting held in Dec 2022 approved a Corporate Restructuring Plan with the objective of unlocking growth potential of each of the businesses
- Restructuring In-Line With Strategic Shift From Commodity To Specialty; To Provide Focused Leadership, Simple Structure And Growth Potential
- The composite scheme of arrangement filed with National Company Law Tribunal, Mumbai Bench (NCLT) involving the Company's subsidiaries i.e. Smartchem Technologies Limited, Deepak Mining Services Private Limited and Mahadhan Farm Technologies Private Limited has been admitted by NCLT on January 25, 2023 and the Company will comply with the directions of NCLT in due course

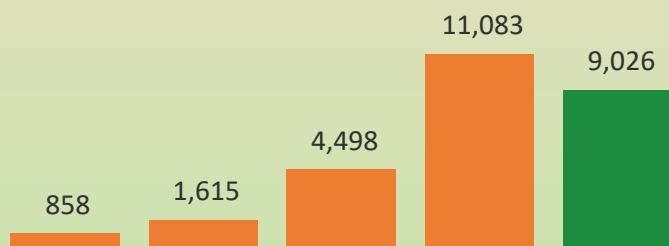
Strategic Rationale:

- A. Demerger of TAN Business (Mining Chemicals) from STL to DMSPL:**
- Focused Leadership:** Over the last five years, the focus of both TAN and CNB business has evolved from commodity to specialty, with an increased emphasis on solutions. Both independent entities to have individual growth plans, focused leaderships, and strategies to maximise its growth prospects
 - Consumer-focused Orientation Strategy:** There is no product, seasonality, markets, branding, or value proposition overlap between CNB and TAN businesses. Consumer-focused orientation strategy likely to get impacted if the CNB and TAN work culture remains intermingled
 - Demerger to Unlock the True Potential:** Enable sector specific strategic and financial investments in respective businesses
 - Economies of Scale:** Strengthening customer service, distribution network, overall economies of scale for all the business verticals
- B. Amalgamation of MFTPL with STL:**
- Simplification of Corporate Structure:** Reduction of multiple entities carrying on similar businesses simplifies the group corporate structure
 - Economies of Scale:** Strengthening customer service, distribution network, overall economies of scale for all the business verticals (including reduction of overhead / administrative costs)

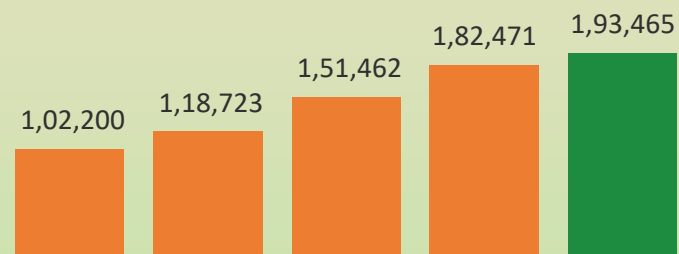


Capital Market: Building on trust by delivering on expectations

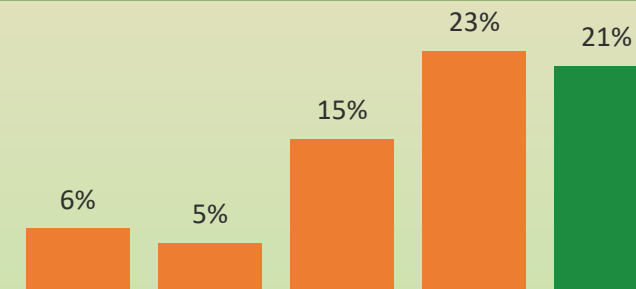
Market Cap (Rs. Crores)



Total No. of Shareholders



Institutional Ownership (%)

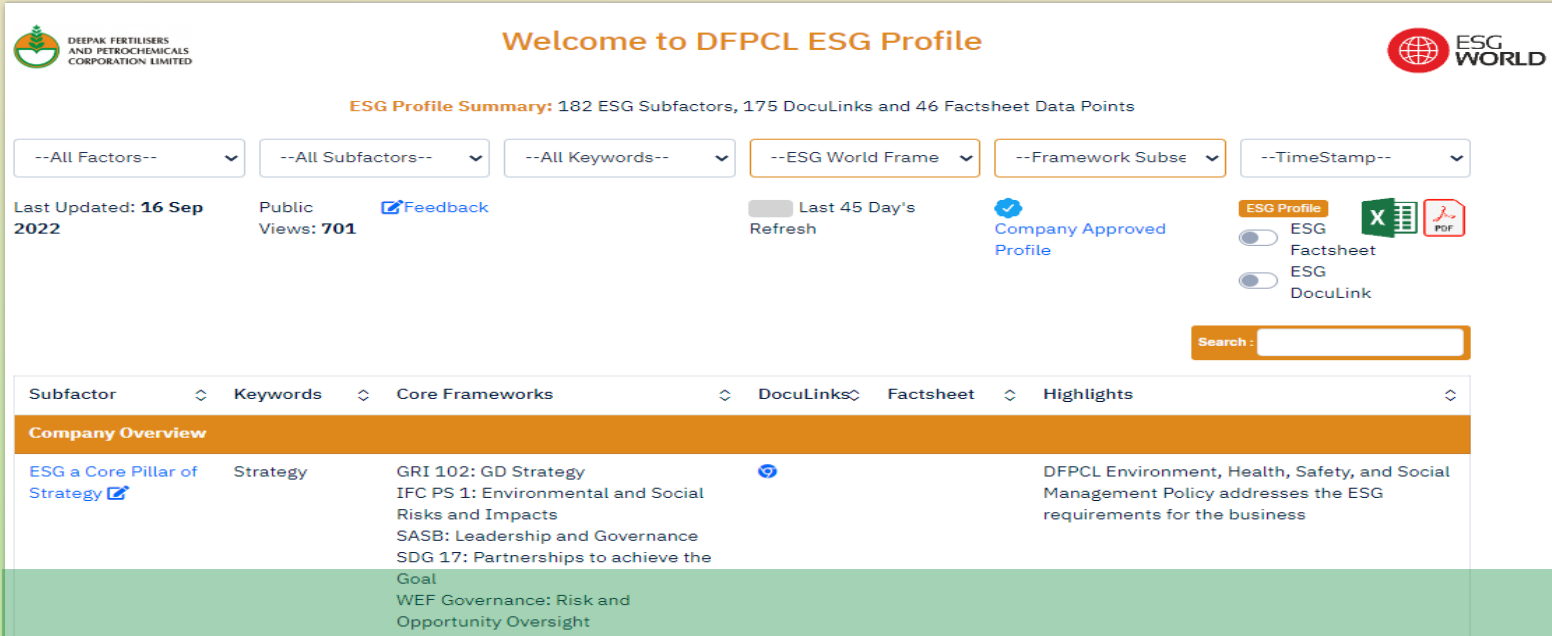


Plant Visit organized in Dec 22



- **Institutional holdings** grew to 21% in Dec 2022 from 6% in Dec 2019; **Total shareholders** grew from 102,200 in Dec 2019 to 193,465 in Dec 2022
- **DFPCL Ranking in NSE Top 500 Companies: DFPCL moved up from 674th rank in Dec 2019 to 358th rank in Dec 2022**
- **FIVE Research Notes on DFPCL** were released by IIFL, Kotak Institutional, CHOICE and Kotak PCG in Dec 2022 and Jan 2023
- **Plant Visit:** 20+ reputed Institutional and Research firms attended DFPCL Taloja complex and greenfield ammonia in Dec 2022
- As on 31st December 2022, **Promoters' pledged** shares are now restricted to **ONLY 3.10%** of paid-up share capital and NDU obligation (and not 'pledge') is of 3.66% of paid-up share capital.

DFPCL ESG Profile: Launched an online ESG profile platform on DFPCL Corporate website, providing accessible streamlined ESG information to all stakeholders



Welcome to DFPCL ESG Profile

ESG Profile Summary: 182 ESG Subfactors, 175 DocuLinks and 46 Factsheet Data Points

Filters: --All Factors-- | --All Subfactors-- | --All Keywords-- | --ESG World Frame-- | --Framework Subse-- | --TimeStamp--

Last Updated: 16 Sep 2022 | Public Views: 701 | Feedback | Last 45 Day's Refresh | Company Approved Profile | ESG Profile | ESG Factsheet | ESG DocuLink

Subfactor	Keywords	Core Frameworks	DocuLinks	Factsheet	Highlights
Company Overview					
ESG a Core Pillar of Strategy	Strategy	GRI 102: GD Strategy IFC PS 1: Environmental and Social Risks and Impacts SASB: Leadership and Governance SDG 17: Partnerships to achieve the Goal WEF Governance: Risk and Opportunity Oversight			DFPCL Environment, Health, Safety, and Social Management Policy addresses the ESG requirements for the business

- DFPCL ESG profile is one stop solution for all ESG queries with consolidated searchable data at one place
- Provides easy access to streamlined ESG information
- Consistent updates on efforts being taken by the company on ESG front
- Mapped to international ESG frameworks

Factors

Mapped across Environment, Social, Governance, Resilience, Awards and Recognitions, Verification and Assurance, ISO certifications and Memberships

ESG World

Sub-Factors

Mapped across 182 ESG Subfactors

ESG Framework

Mapped to framework like IFC, IIRF, NITI Aayog, SASB, UN SDG, WEF, UNGC CoP, TCFD, GRI, CDP, EDCP and EU taxonomy

**Click Here to Visit :
Online ESG Profile**



Inclined Towards Overall Societal Development



Provided tools and equipment's (Electric Pump, Diesel Engine, HDP Pipe, PVC Pipe..etc) to 21 aspirants as per requirement of Individual aspirants for cultivation of vegetables



Beautician Aspirants undergoing session on Hair straightening, curling, ironing, crimping by leading beautician, Ms Rashmi Kapur at IsFon



EYE check up camp



Total 42 aspirants covered under Basic tailoring course at Plae Kh

DFPCL participated and won in category of 'Best Zero Trust Security-Manufacturing' by Quantic India's Cyber Security Excellence Awards 2022



Smartchem Technologies won Golden Peacock Innovative Product Category Award 2022 - 'Mahadhan Croptek'



Creaticity won 'Brand of the year 2022' award from Marskmdaily.com and media partner India Today Television



Strategic Roadmap for Transformation Journey

- **Getting the size right by building upon:**
 - **40+ years** of deep-rooted knowledge base and proven experience
 - **Operational Excellence** through improved plant efficiencies and capacity utilizations besides low-cost debottlenecking initiatives
 - **Strong alignment with India Growth Story**, giving positive tailwinds for all Business Sectors (i.e. IC, TAN, CNB)
- **Capturing value-chain** - Integrate backward into Raw Material Chain to mitigate risk & leverage cost efficiencies
- **Strengthen the backbone** of Systems & Processes to ensure sustenance of best-in-class Performance
- **Redefine & Reinvent product offerings:**
 - Moving from commodity products to holistic solutions
 - Serving the end consumer beyond the channel-customer and
 - Innovating and partnering with end users to deliver the customized value



Safe Harbour: This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Deepak Fertilisers and Petrochemicals Corporation limited’s (DFPCL) future business developments and economic performance. While these forward looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks and uncertainties, are based on management belief as well as assumptions made by and information currently available to management and only indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. DFPCL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

Reg. Off and Corp. Off: Sai Hira, Survey No. 93, Mundhwa, Pune - 411 036
CIN: L24121MH1979PLC021360
www.dfpc.com

Crop Nutrition



Industrial Chemicals



Mining Chemicals



DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

POLLING NOW

POLLING NOW!

2023 ASIA (EX-JAPAN) RESEARCH

POLLING DATES: 9 JAN - 10 FEB 2023

Institutional Investor



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*Voting is easy and input is automatically saved. You may return to the ballot at any point during the survey. All votes are anonymous and confidential. **Voting Link:** voting.institutionalinvestor.com*