



PIIL:SEC:NSE/BSE:11/2020-21

February 2, 2021

BSE Limited, Corporate Relations Deptt. 25 <sup>th</sup> Floor, New Trading Ring Rotunda Building, P.J. Towers, Dalal Street, <b>MUMBAI - 400 001</b> <b>Code No.523642</b>	National Stock Exchange of India Ltd., Exchange Plaza, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (East) <b>MUMBAI – 400 051</b> <b>Code No. PIIND</b>
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Dear Sir,

**Sub: Press Release on Performance of the Company for the quarter and nine months ended December 31, 2020.**

We are enclosing herewith a copy of Press Release dated February 2, 2021 on the performance of the Company for the quarter and nine months ended December 31, 2020. You are requested to take same on record.

Thanking you,

Yours faithfully,  
For **PI Industries Limited**

  
**Naresh Kapoor**  
**Company Secretary**



Encl: As above.

# Business Performance Update

## Q3 FY 2020-21

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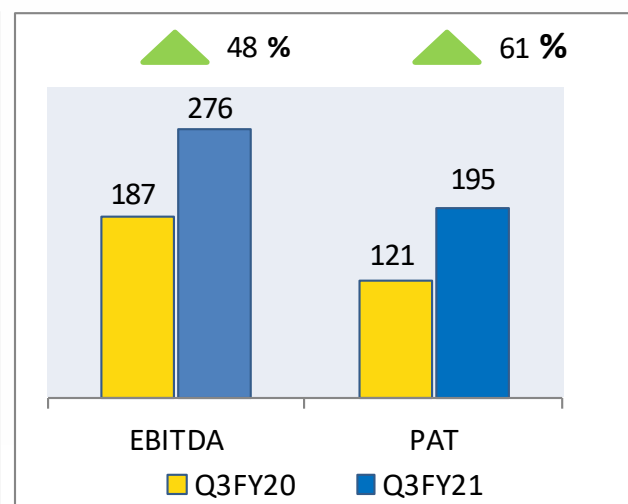
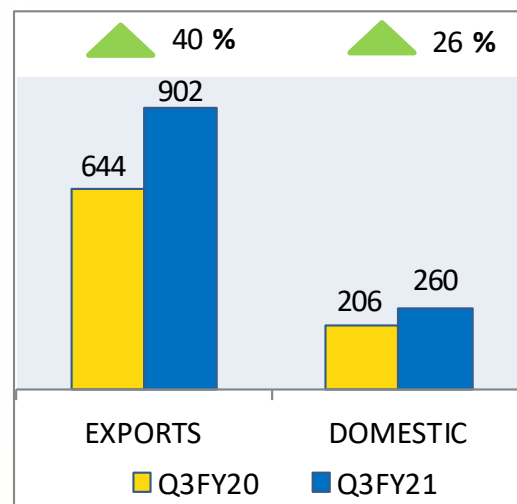
# Q3'FY21... out-performance continues

Revenue growth by 37%, EBITDA up by 48%.. PAT by 61%



## CONSOLIDATED

Fig in Crores	Q3FY20	Q3FY21	% YOY
<b>Revenue</b>	850	1162	37%
<b>Gross Margin</b>	47%	47%	28 bps
<b>Fixed Overheads</b>	210	270	29%
<b>EBITDA</b>	187	276	48%
<b>EBITDA as % Revenue</b>	22%	24%	176 bps
<b>Net Profit</b>	121	195	61%



- ✓ Q3 Exports increase ~40% YoY with pro-active raw material planning along with efficient capacity utilisation. All commercial molecules have maintained strong demand focus in line with order book
- ✓ Domestic revenues increase by 26% YoY, with additional contribution from Isagro and good traction from PI brands
- ✓ Strong control on overhead costs accompanied with healthy collections
- ✓ Net Profit increase in line with higher revenue, depreciation inline with capacities added increased from 32 Cr to 44 Cr.
- ✓ PI declares interim dividend of Rs 3.00 per share

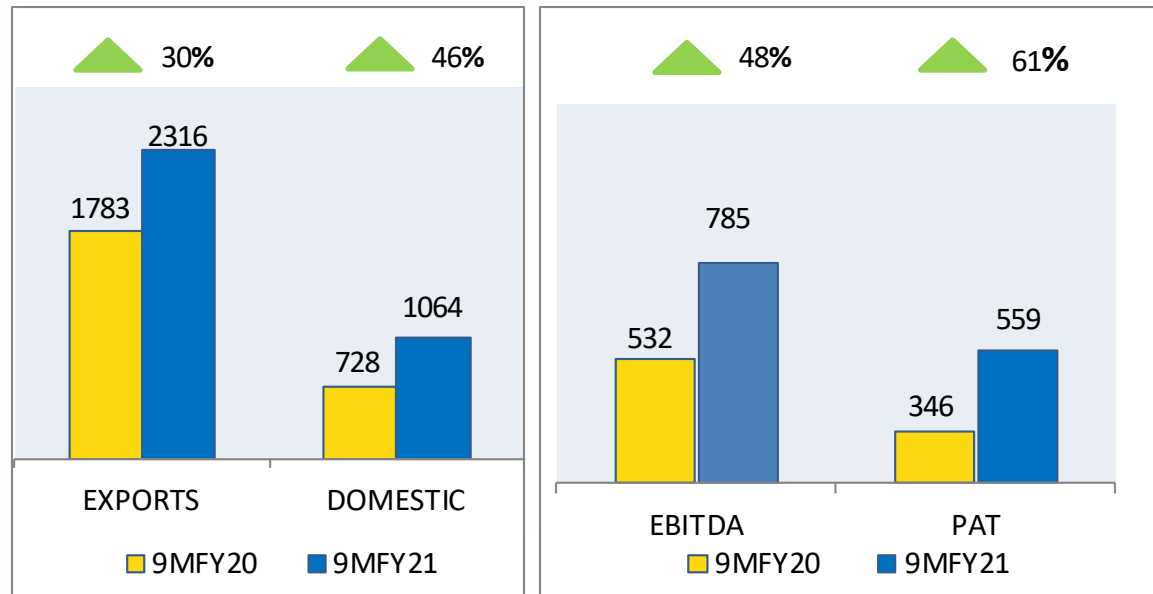
# 9M'FY21 witnessed impressive growth

Revenue growth by 35%, EBITDA up by 48%.. PAT by 61%



## CONSOLIDATED

Fig in Crores	9M FY20	9M FY21	% YOY
Revenue	2,511	3,380	35%
Gross Margin	45%	45%	-
Fixed Overheads	587	717	22%
EBITDA	532	785	48%
EBITDA as % Revenue	21%	23%	206 bps
Net Profit	346	559	61%



- ✓ Limited Covid-19 disruption to operations and movement of goods with all manufacturing facilities operational and capacity utilisation building back to pre-Covid levels
- ✓ 9M Exports increased ~30% YoY despite disrupted global supply chain, proactive raw material inventory management and precise capacity planning. Demand for key commercialised molecules remains strong
- ✓ Domestic revenues up by 46% YoY, inclusive of Isagro and robust momentum in PI leading brands
- ✓ Healthy net generation of cash at Rs 301 cr for 9M
- ✓ Net Profit increase in line with higher revenue, depreciation inline with capacities added increased from Rs. 93 Cr to Rs. 130 Cr

# Balance Sheet position remained strong

Efficient W/C management helping transition uncertain times..



(Rs in Cr.)s	DEC 20	DEC 19
<b>Shareholders' Funds</b>	<b>5,215.1</b>	<b>2,599.9</b>
<b>Non Current Liabilities</b>	<b>426.0</b>	<b>365.9</b>
Long-term borrowings	283.2	314.8
Deferred Tax Liabilities (net)	75.2	-
Other long-term liabilities	58.2	30.2
Long-term provisions	9.4	20.9
<b>Current Liabilities</b>	<b>1,220.7</b>	<b>1,178.3</b>
Trade payables	784.6	543.7
Other current liabilities	389.4	606.5
Short-term provisions	46.7	28.1
<b>TOTAL</b>	<b>6,861.8</b>	<b>4,144.1</b>
<b>Non Current Asset</b>	<b>2,600.1</b>	<b>2,117.5</b>
Net Fixed Asset	2,243.5	1,928.5
Good Will	81.4	82.8
Non-current investments	22.5	17.2
Long term Loans & advances	6.1	6.3
Other Assets	246.6	82.7
<b>Current Asset</b>	<b>4,261.7</b>	<b>2,026.6</b>
Inventories	1,069.5	748.6
Trade receivables	718.3	743.3
Cash, Bank & Investments	2,059.7	220
Short-term loans and advance	65.6	31.9
Other assets	348.6	282.8
<b>TOTAL</b>	<b>6,861.8</b>	<b>4,144.1</b>
<b>KEY RATIOS (ANNUNALISED)</b>		
Net sales to Fixed assets	2.01	1.75
Net Sales to Working capital	4.49	3.55
Net Sales to Inventory	4.21	4.50
Current ratio	3.49	1.72
Debt Equity ratio	0.05	0.18

- ✓ *Net working capital to sales improved from 3.55 to 4.49 as at Dec 20 despite Covid-19 disruption and resultant liquidity challenges in the markets.*
- ✓ *Increased inventory levels in line with expected growth.*
- ✓ *Net sales to fixed Assets improved to 2.01 Vs. 1.75 PY*
- ✓ *Investment in capital expenditure at Rs 320 Cr for 9M*
- ✓ *QIP funds invested with SLR philosophy while final deployment aligned with PI's longer term growth strategy is underway.*

# Key operational highlights YTM FY21

## Planned progress on strategic initiatives for sustained growth..



Inspired by Science



### Steady growth of Domestic Agri Input

- Strong growth in domestic brand business led by Herbicides, Fungicides and Plant Nutrients
- Focused strategy on horticulture crop through Jivagro/ Isagro paying off with significant growth
- Highest ever sales in Nominee herbicide and Osheen insecticide led by rice and cotton crop respectively
- Successful scale up of Awkira (wheat herbicide), treated more than 100k acres
- Application service platform accepted very well at farmers level, supported growth in Wheat herbicide
- Successful launch of Londax Power (Rice herbicide)
- Significant improvement in quality of sales with both Inventory days and DSO showing improvement
- Completed Integration of Isagro brand molecules with PI with an aim to maximize synergies and capacity utilization



### CSM Exports

- Steady in-flow of new enquiries from existing customers as well as new customers in agro/non-agro chemicals space
- Geared up to commence commercial production for new speciality chemicals customer
- Successfully commissioned 4 molecules at recently acquired Isagro site
- Successful deployment of analytical tools in one MPP with encouraging results. Deployment being expanded to across the site
- Successfully completed recertification audit for ISO 17025 at PNL & JMB and (QMS) IMS audit



### Business Supporting Initiatives

- Deployed Sales Order Application across all zones, allowing mobile and web based order placement by Sales Force and Channel Partners
- Automated Fleet Management of Application Spraying Services
- Launched ARIBA sourcing platform
- Continue to file new patents and develop new products for future growth
- Multiple HR initiatives kickstarted focusing on Leadership development, welcoming new hires and create an MNC+ culture

# Business outlook remains robust..

Focused progress on strategic initiatives to continue while navigating through pandemic  
Original growth guideline is maintained...



## Domestic business focusing on portfolio diversification & customized service

- Business outlook remained robust with strong growth expected to continue in Q4FY21 & FY22 in domestic brands with expected launch of products
- Horticulture, rice and pulses crop expected to drive the growth
- We continued to remain optimistic, however farmer agitation may have some disruption on overall crop management in Northern part of India

## CSM Exports to continue growth momentum

- 5-6 pipeline molecules at various stages of development to be commercialized in the coming FY
- Another MPP is planned to be made ready by Q4 FY21, thus enhancing the overall capacities
- Order book continues to remain robust @ \$1.5bn with high visibility of sustainable growth in the next 3-4 years

## Strategic direction and priorities remain intact

- Pursuing inorganic growth opportunities to diversify into adjacencies, widen technology portfolio and de-risk operations
- Build new IP building for deepening our technological capabilities, de-risking current operations and opening up newer opportunities
- Actively evaluating few pharma assets and working with global consulting firm for crystallisation and successfully implementing strategic road map of diversification

**Confident of achieving 20% plus growth in FY21 and resolutely progressing on that path**

# Key highlights - Isagro (Asia)'s integration



## Domestic Marketing (B2C) Jivagro

### Aim

Purpose of Jivagro:

*“to secure goodness of horticulture through innovative, sustainable solutions and partnerships”*

### Highlights

- ❑ Remarkable growth in top line for YTM'21 vis-à-vis YTM'20
- ❑ Leveraging synergistic integration through:
  - ✓ Horticulture focussed PI product portfolio in Jivagro key territories
  - ✓ Utilising PI large manufacturing & supply chain capacity to reduce RM & PM cost
  - ✓ Logistic synergy through common warehouses & transport
- ❑ Demerger of B2C business of Isagro to Jivagro expected in **Q4FY21**
- ❑ New product designs in final stage of manufacturing, aim to launch Jivagro in **Q1FY22**
- ❑ Differentiated GTM by crop, expertise based digitally enabled front-end
- ❑ >20% CAGR growth over next 4-5 years

## Manufacturing/ CSM (B2B) Merge with PI

### Aim

Purpose of MFG site:

*“Enhance capacity utilisation to >90% & triple the revenue generation in next couple of years.”*

### Highlights

- ❑ 5 pipeline products of PI's CSM exports commercialised in FY21 & ~4 pipeline molecules to be commercialised in **FY22** at Isagro mfg site
- ❑ Harmonised major synergies with PI's neighbouring operations in manufacturing, EHS, Quality, IT, sourcing, HR
- ❑ Refurbishment & up-gradation of manufacturing, EHS, general infrastructure to be completed by **Q4FY21**
- ❑ Merger of remaining business of Isagro with PI expected in **Q1FY22** upon receipt of regulatory approvals from NCLT



# Awards & Accolades

## CII – National Award for ‘Excellence in Water Management 2020’



- Adjudged winner of the 14<sup>th</sup> Edition of CII-National Awards for Excellence in Water Management 2020
- Objective of the award is to recognise the leadership role in implementing water & watershed management projects
- PI received this award for its ‘DSR Project: Case study of Kaithal District’ (From PI’s efforts, ~950 million litres of water was saved by DSR adoption in 1130 acres of rice farmlands in Kaithal district)
- PI brings incessant innovations towards sustainable crop solutions in areas of agri science



# Have been socially conscious by measuring business performance on social and environmental parameters\*



Inspired by Science



## Sustainable Agriculture Practices



## Healthcare, Hygiene and Sanitation Interventions



## Women Empowerment



## Education Interventions



## Skill Development

**7,00,000 +**

Hectares of Farmlands benefitted by DSR technique thereby saving

**1.6 trillion**

litres of Water



**100,000 +**

Lives impacted using Mobile Healthcare Vans facilitated through PI's *'Swasthya Seva'* Initiative and Blood Bank services



**15,000 +**

Women across

**82** villages

in Bharuch Area Benefitted through PI's Women empowerment Program.



**18,000 +**

Govt. School Children across

**125** Schools

Benefitted through PI's Learning Enhancement Programmes.



**600+**

Youth helped in gaining employment through large scale Skill Development Programmes



\*Outreach till FY'21

# Our Vision & Values..



## VISION

**“Building on the foundation of trust, we shall be at the forefront of science-led opportunities by delivering innovative solutions.”**

## VALUES



### TRUST

Like the earth, we are dependable. We work with integrity of purpose, honesty in action and fairness in all our dealings



### SPEED

Blazing ahead, like fire, we constantly strive to work with speed in the way we observe, think and act



### INNOVATION

Enlivening, like the air, in the constant quest for the horizon, the never-ending search for a better, newer way to do things; Innovation for us, is a way of life



### ADAPTABILITY

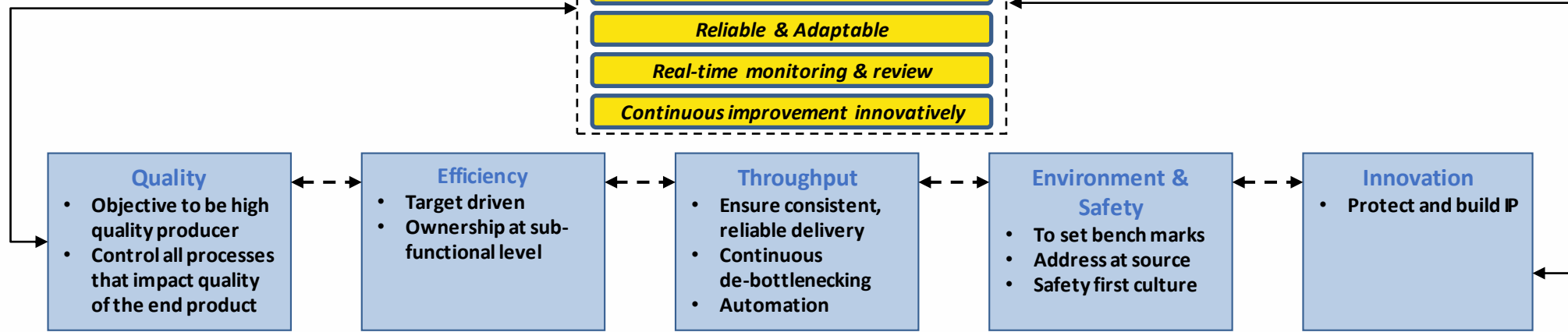
Adaptive, like water, we are constantly transforming ourselves. Being nimble footed, we are highly responsive to change

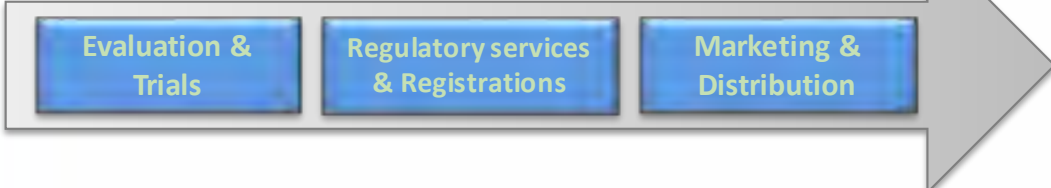
# Strong focus on customer needs and continuous innovation



Global Export Business - CSM

Domestic Business – Brands





# Differentiated domestic distribution

Driven by brands and market reach



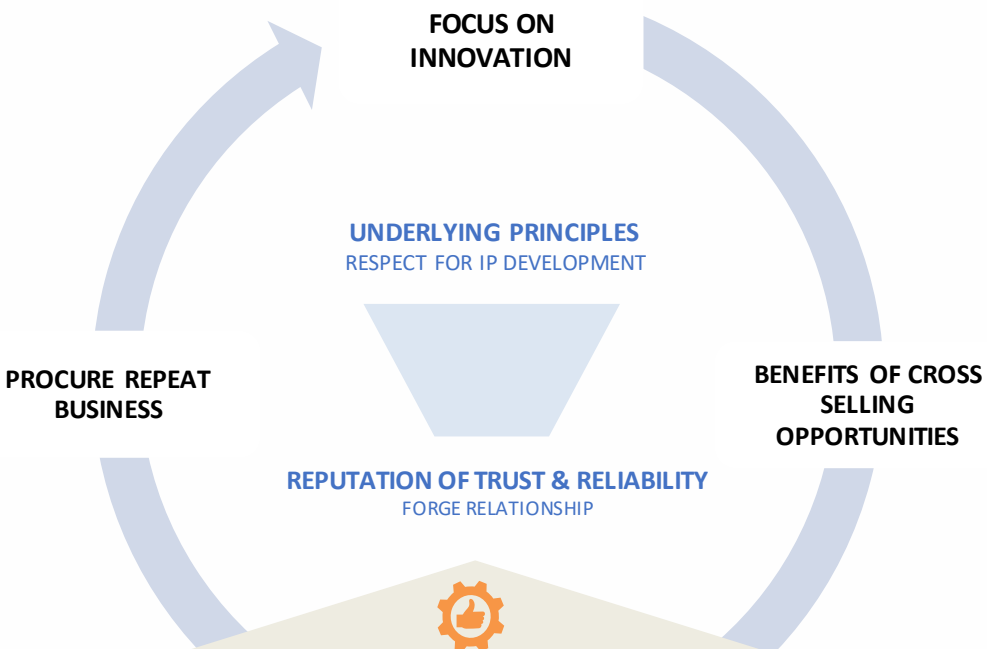
More than 50 years Creating Market Leading Brands  
 Significant revenue from Brands Ranked No 1 or 2 in the market, Some brands are more than a decade old

**Strong Partner**  
 40+ years experience  
 20+ Global Innovators

**Strong Pipeline**  
 Molecules based on crop solutions and Indian needs

**Farmers & Extensive Distribution Network**  
 28 stock points; 10K+ distributors; 70K+ retail points

- **Extension & product development & stewardship** (team experience in handling complex new-age premium chemistries)
- **Strong relationship with stakeholders**
- **Policy level by participation**



- **Crop solution approach focussing farmer & using ICT** (Information, Communication and Technology)
- **Organization structure empowered with digi tech** to support and demonstrate value delivery to farmers
- **Online analytics tools for farmers and employees**
- **Innovative Ideas and branding** for enhancing product life cycle
- **Experience of successfully managing transition of products from patented to generic**
- **Application services** for development & engagement

**Digi-tech @Core**

*Engagement Efficiency Excellence*





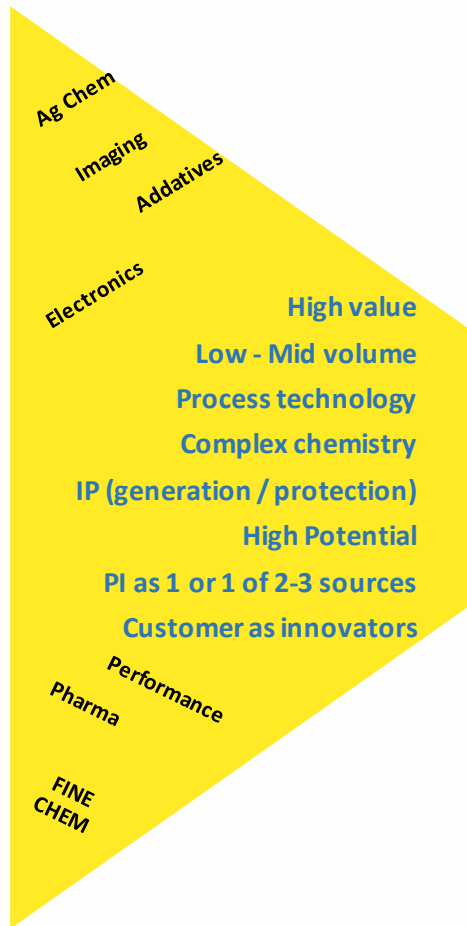
# Custom Synthesis & Manufacturing – Our vision



Inspired by Science

To be the lifelong Partner of Choice for the Global Chemicals Industry by building innovative, knowledge based solutions through speed, efficiency, straightforwardness & just dealings, respect for intellectual property, society & environment

## OUR FOCUS



### Partner of Choice

**Who**  
Niche player / boutique industry – leading supplier

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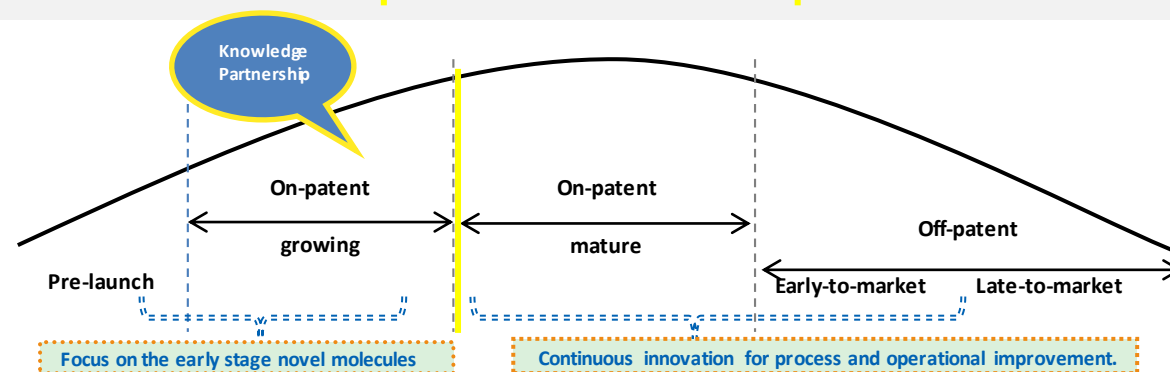
**How**

- Longevity of meaningful engagement
- A marriage of competent equals
- Consultative solution rendering & outsourcing process
- Reliability of services

PI has all that is required to be the “Partner of Choice”

### Solutions

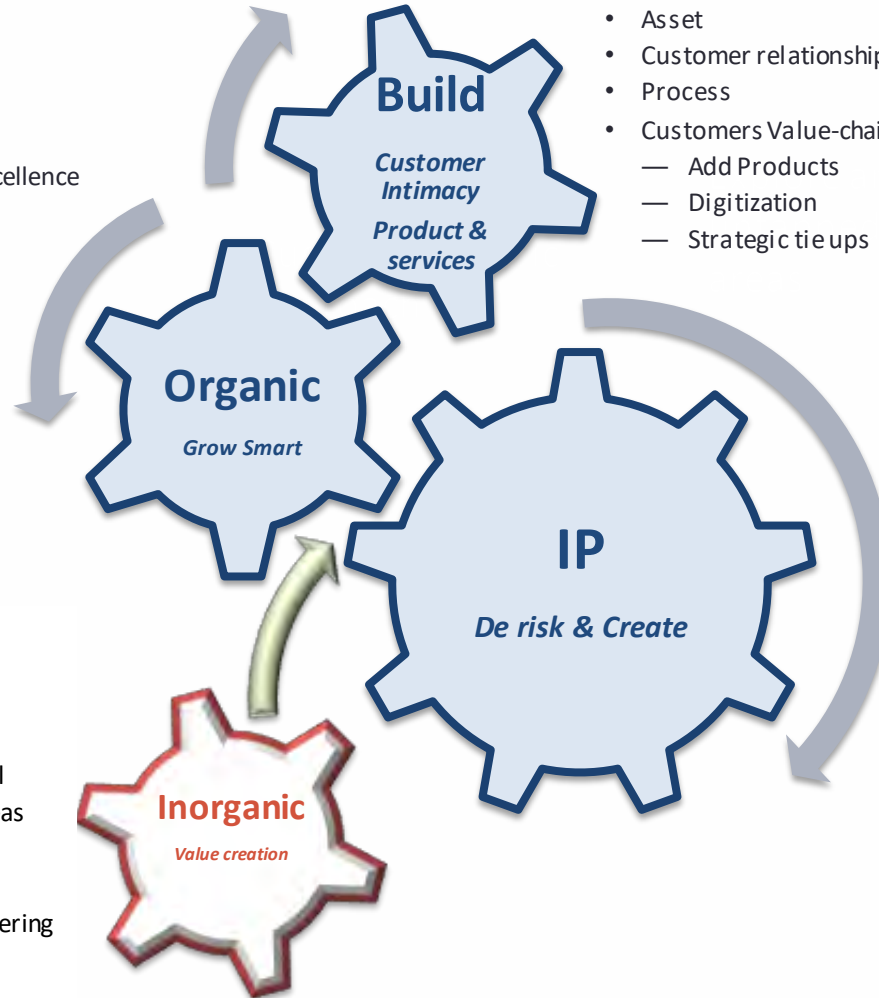
Service Lines	Characterized by	In
<ul style="list-style-type: none"> <li>• Research &amp; Development</li> <li>• Analytical Research &amp; Services</li> <li>• Process Development</li> <li>• Engineering</li> <li>• Process Scale up</li> <li>• Commercial Production</li> </ul>	<ul style="list-style-type: none"> <li>• Specifications with control limits</li> <li>• Reliability &amp; predictability</li> <li>• Repeatability</li> </ul>	<ul style="list-style-type: none"> <li>• Technology</li> <li>• Process</li> <li>• Commercial operations</li> <li>• Supply chain customer</li> <li>• End applications</li> </ul>



# Global tailwinds offering opportunities for aggressive, multi-pronged growth strategy

## Market

- Expansion
- Creation
- Segments
- Operation excellence
- Brands



- Asset
- Customer relationship Management
- Process
- Customers Value-chain
  - Add Products
  - Digitization
  - Strategic tie ups

## Inorganic...

- Value added Technology
- Products Assets
- Niche vertical with a future Pharma / Specialty chemical
- High growth application areas having synergy
- Disruptive technologies in chemistry & process engineering

De risk...	Create...
<ul style="list-style-type: none"> <li>• Manufacturing concentration</li> <li>• New formulation of existing products</li> <li>• Biological</li> </ul>	<ul style="list-style-type: none"> <li>• Process Innovation</li> <li>• Biological process development</li> <li>• Formulation Combinations with Partners</li> <li>• New formulations -</li> <li>• Digital Customer engagement</li> </ul>
<p><i>Process</i></p> <ul style="list-style-type: none"> <li>• Chemistry</li> <li>• Block Builders</li> <li>• Process engg</li> <li>• Flow</li> </ul>	
<p><i>Digital</i></p> <ul style="list-style-type: none"> <li>• Information integration</li> <li>• Decision tools</li> </ul>	

**Deepening our technological capabilities to open new horizons..**

**Prudent financial management in place to ensure that long term shareholder value creation remains at the heart of the strategy...**



**Thank you**

**PI Industries Ltd.**

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