

NACL Industries Limited

Ref: NACL/SE/2021-22

1) **BSE Limited**

Dalal Street,

Fort, Mumbai,

Mumbai - 400001

Stock Code: 524709

January 29, 2022

2) National Stock Exchange of India Ltd
Exchange Plaza, 5thFloor
Plot No.C/1 G Block,
Bandra -Kurla Complex, Bandra (E)
Mumbai-400051.
Symbol: NACLIND

Dear Sir,

Sub: Investor Presentation — reg.

Phiroze Jeejeebhoy Towers

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the third quarter and nine months ended December 31, 2021.

Kindly take the same into records.

Thanking you,

for NACL Industries Limited

Andeceall

Satish Kumar Subudhi

Vice President-Legal & Company Secretary



Regd. Office: Plot No. 12-A, 'C' Block, Lakshmi Towers, No. 8-2-248/1/7/78, Nagarjuna Hills, Panjagutta, Hyderabad - 500082, Telangana, INDIA.
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NACL INDUSTRIES LIMITED

Investor Presentation Q3 FY2022



FORWARD LOOKING STATEMENT



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.





SHAREHOLDERS INFORMATION

Table Of Content

CORPORATE IDENTITY

ABOUT NACL



NACL 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





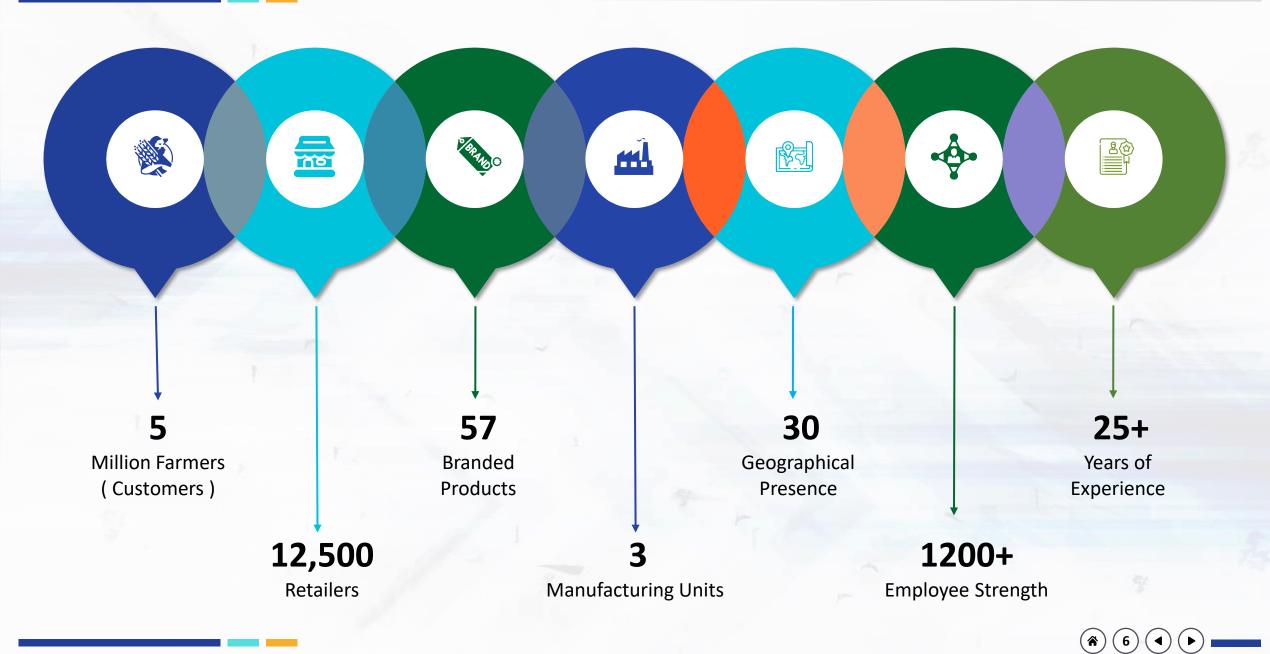
- To be a trusted name in providing high quality products and solutions to the farming community
- To be a trusted custom & contract manufacturing partner
- To be a model company in meeting the expectations of all stakeholders



- Concern
- Commitment
- Quality
- Integrity

QUICK FACTS





GEOGRAPHICAL REACH





PRODUCT PORTFOLIO



Technicals

Insecticides



- Profenofos
- Lambda-Cyhalothrin
- Imidacloprid
- Bifenthrin
- Thiamethoxam
- Omethoate

- Myclobutanil
- Propiconazole
- Tricyclazole
- Thifluzamide
- Difenoconazole





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

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Fungicides

PRODUCT PORTFOLIO





- Pest Lock Cairo
- Cannon
- Dxtar
- Dxtar FS
- Ennova
- Fenny
- Fury
- Task Gr Hurricane Plus
- Monocrown •
- Nagarjuna 4G • Trust
- Nagarjuna Mida
- Nagarjuna

Spice



Profex

• Pymet

SP

Status

• Task SC

• Warrior

• Warrior Plus

• Quick 50%

Profex Super

- **Combi plus** Zeb •
 - Zen •
 - Rhizostar •
- Kazan

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Mass

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- **Mass Plus**
- Result ٠
- Sivic ٠
- Slogan •
- Subtle ٠
 - Fungicides

Herbicides

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Rhino

Surya

• Twofour

Senior

- Eraze Point •
- Eraze N
- Eraze Plus
- Eraze Strong • Sirius
- Globus Smash
- Globus SG
- Geomon •
- Imax .
- Nagarjuna

Cubit

- Nagastra
- Nagastra Strong
- Narilon

Atonik

- Gallant EG
- Gallant Gold

Plant Growth Regulators



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PRODUCT LAUNCH DURING Q3FY22





Hurricane Plus

Nagastra strong (Pendimethalin 38.7 % CS) is herbicide which is an advance version of Nagastra. It belongs to the Dinitroaniline group. It inhibits cell division and cell elongation by microtubule assembly inhibition.

- Nagastra strong is a selective pre emergence herbicide to control annual grasses and certain broadleaf weeds
- Prevents germination of weeds by forming a thin layer at the soil surface

Hurricane Plus is combination of two active ingredients Novaluran 5.25% + Emamectin Benzaote 0.9% in SC formulation

Hurricane Plus gives effective control against wide range of Lepidopteron pests in crops like Chilli, Pulses, Paddy, Vegetables

- Long Lasting & Broad spectrum of insect control
- Faster knock down effect on pests
- Trans laminar action for better control
- Effective tool for IRM

OPERATIONAL HIGHLIGHTS

OPERATIONAL HIGHLIGHTS FOR Q3FY22



For the quarter ending December'21, Revenue from operations stood at ₹ 40,480 lakhs, registering a growth of 51% YoY and recorded Profit after tax of ₹ 1,547 lakhs registering a growth of 70% YoY

For the quarter ending December'21, Exports business has almost doubled over the last year. Thrust on key account management has resulted in encouraging
 business from MNCs. Commercialization of new formulation source registrations generated more formulation business. Focus on trading opportunities improved technical trading business. Energy crisis in China led to shortage and increase in prices of RMs. The outlook for Q-4 looks positive with positive forecast for both Technicals and Formulations. However logistic issues and energy crisis in China might affect the performance to some extent.

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Domestic retail witnessed a growth of 24% over the corresponding quarter of last year, despite very challenging market conditions and reduced demand for agrochemicals on account of un-seasonal rains in AP, Telangana, TN, Maharashtra and East. In addition to this occurrence of new pests led to significant uprooting of chilli crop in AP, Telangana and Karnataka. We also witnessed significant reduction in Cumin acreage in Central India with a shift happening towards oil seeds. All the above factors created a very challenging market condition. However, we were able to maximize our business through opportunities in other parts of the country

Srikakulam & Ethakota Manufacturing units are being operated at optimum level meeting all safety and statutory requirements. A new insecticide production line is successfully commissioned and a fungicide production line capacity is enhanced to cater to the increasing demand. The company has been maintaining its operations following the prescribed safety protocols for the pandemic

Continuously working to build a strong pipeline of Intermediates & Technical products for Global and Indian market through development and registrations. Processes are being developed for manufacture of an import substitute intermediates for making Active Ingredients (AIs)

- R&D Function is working on various AIs and Formulations for overseas and Indian Customers
 - Construction activities at Dahej in Gujarat for greenfield project are progressing well and is as per schedule

• The Board of Directors in their meeting held on January 28, 2022 approved an interim dividend of ₹ 0.15 per Equity Shares of ₹1 each

RESULTS SUMMARY

RESULT SUMMARY – Q3FY22

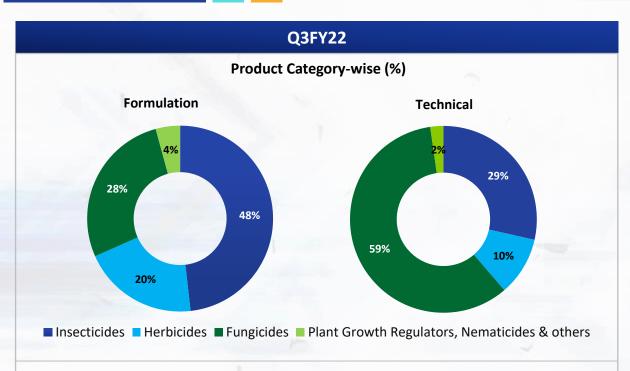




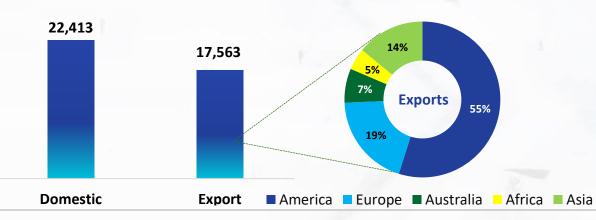
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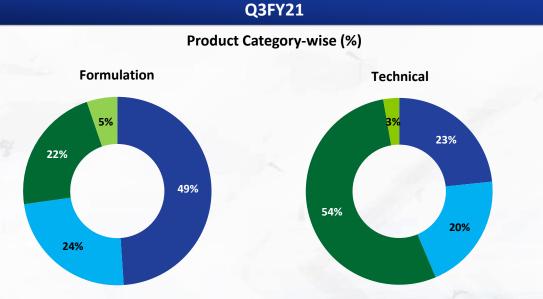
REVENUE SPLIT – Q3FY22





Geographical Revenue Split (₹ lakhs)





■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs)



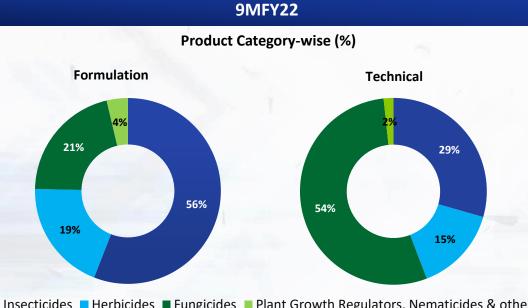
RESULT SUMMARY – 9MFY22





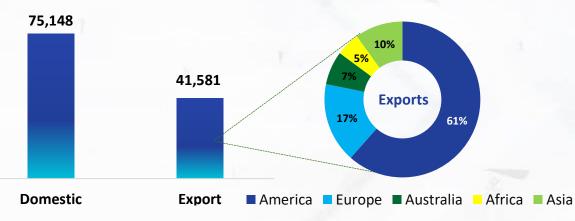
REVENUE SPLIT – 9MFY22

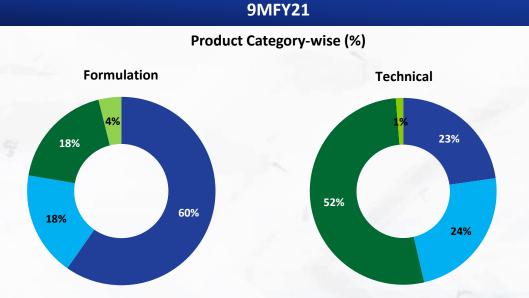




■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs)





■ Insecticides ■ Herbicides ■ Fungicides ■ Plant Growth Regulators, Nematicides & others

Geographical Revenue Split (₹ lakhs) 63,082 15% 7% -2% **Exports** 51% 23,012 25% Domestic Export America Europe Australia Africa Asia

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PROFIT AND LOSS – Q3FY22 (Standalone)



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Particulars	Q3FY22	Q3FY21	Q2FY22	Y-o-Y (%)	9MFY22	9MFY21	Y-o-Y (%)
Revenue from operations	39,976	26,475	44,285	51%	1,16,729	86,094	36%
Other income	504	307	547	64%	1366	887	54%
Total Income	40,480	26,782	44,832	51%	1,18,095	86,981	36%
Expenses:							
(a) Cost of materials consumed	29,213	18,525	30,800	58%	86,437	61,000	42%
(b) Purchase of stock-in-trade	1,853	1,099	2,725	69%	6,028	3,465	74%
(c) Changes in inventories of finished goods, work-in-progress and stock-in- trade	(1,358)	(1,550)	(1,111)	(12%)	(6,625)	(4,376)	51%
(d) Employee benefits expense	2,378	2,266	2,407	5%	7,112	6,672	7%
(e) Finance costs	798	829	703	-4%	2,139	2,194	(3%)
(f) Depreciation and amortisation expense	631	627	617	1%	1,859	1,934	(4%)
(g) Other expenses	4,829	3,554	5,282	36%	13,695	10,935	25%
Total Expenses	38,344	25,350	41,423	51%	1,10,645	81,824	35%
Profit before tax	2,136	1,432	3,409	49%	7,450	5,157	44%
Tax expense:							
(a) Current tax	557	504	898	11%	1,981	1,879	5%
(b) Deferred tax (net)	32	18	(13)	78%	(33)	(37)	(11%)
Total Tax Expense	589	522	885	13%	1,948	1,842	6%
Profit for the period	1,547	910	2,524	70%	5,502	3,315	66%
Earnings Per Share:							
(a) Basic (in ₹)	0.78	0.47	1.28		2.78	1.72	
(b) Diluted (in ₹)	0.78	0.47	1.27		2.77	1.72	



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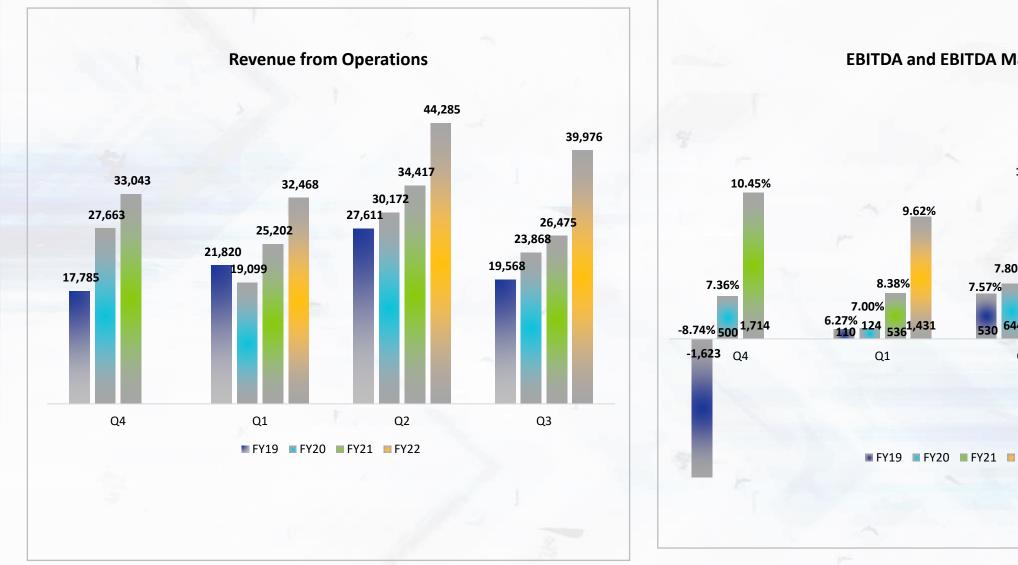
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Particulars	Q3FY22	Q3FY21	Q2FY22	Y-o-Y (%)	9MFY22	9MFY21	Y-o-Y (%)
Revenue from operations	39,976	26,475	44,285	51%	116,729	86,094	36%
Other income	431	301	483	43%	1181	882	34%
Total Income	40,407	26,776	44,768	51%	117,910	86,976	36%
Expenses:							
(a) Cost of materials consumed	29,213	18,525	30,800	58%	86,437	61,000	42%
(b) Purchase of stock-in-trade	1,853	1,099	2,725	69%	6,028	3,465	74%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,358)	(1,550)	(1,111)	(12%)	(6,625)	(4,376)	51%
(d) Employee benefits expense	2,380	2,274	2,412	5%	7,127	6,696	6%
(e) Finance costs	711	829	625	(14%)	1,916	2,194	(13%)
(f) Depreciation and amortisation expense	631	627	617	1%	1,859	1,934	(4%)
(g) Other expenses	4,828	3,545	5,277	36%	13,679	10,912	25%
Total Expenses	38,258	25,349	41,345	51%	110,421	81,825	35%
Profit before share of profit of associate	2,149	1,427	3,423	51%	7,489	5,151	45%
Share of profit / (loss) from Associate	(119)	15	(100)	(893%)	(237)	41	(678%)
Profit before tax	2,030	1,442	3,323	41%	7,252	5,192	40%
Tax expense:							
(a) Current tax	557	504	898	11%	1,981	1,879	5%
(b) Deferred tax (net)	32	18	(13)	78%	(33)	(37)	(11%)
Total Tax Expense	589	522	885	13%	1,948	1,842	6%
Profit for the period	1441	920	2,438	57%	5,304	3,350	58%
Earnings Per Share:							
(a) Basic (in ₹)	0.73	0.48	1.23	~	2.68	1.74	
(b) Diluted (in ₹)	0.73	0.48	1.23		2.67	1.74	

PERFORMANCE TRACK RECORD

HISTORIC QUARTERLY TREND (1/2)







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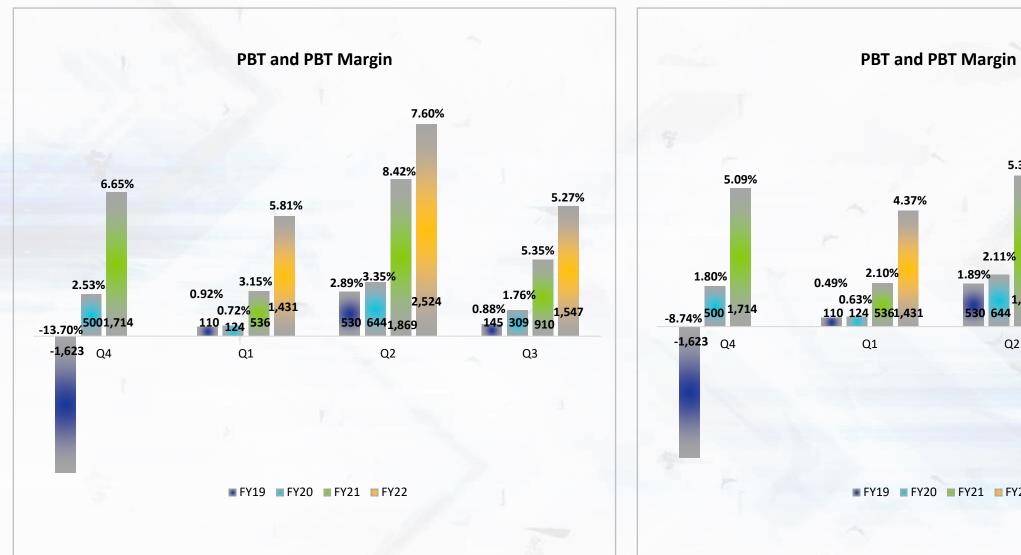
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(₹ in lakhs)

HISTORIC QUARTERLY TREND (2/2)



(₹ in lakhs)



5.63% 5.39% 3.82% 4.37% 3.40%

2.11% 2.10% 1.89% 0.72% 1.28% 1,869 1.547 110 124 5361,431 2,524 145 309 910 530 644 Q2 Q3

FY19 FY20 FY21 FY22

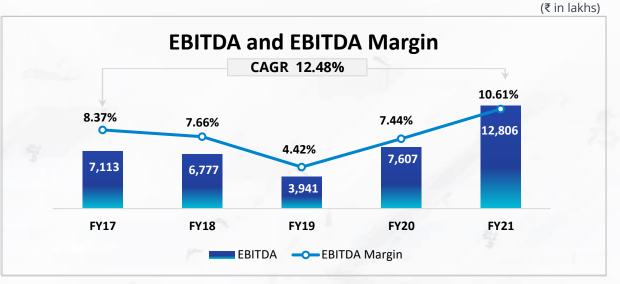
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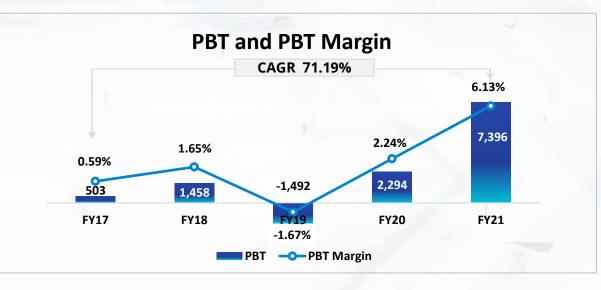
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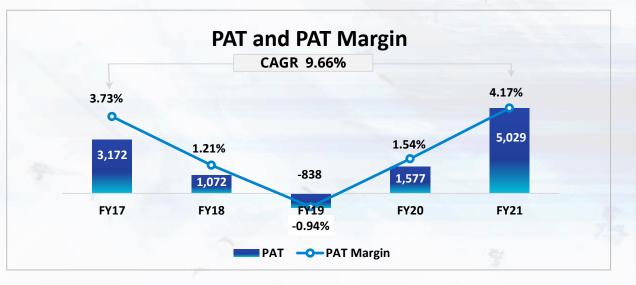
FINANCIAL PERFORMANCE (1/2)

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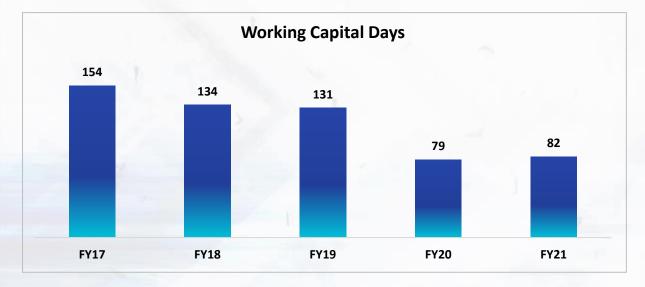


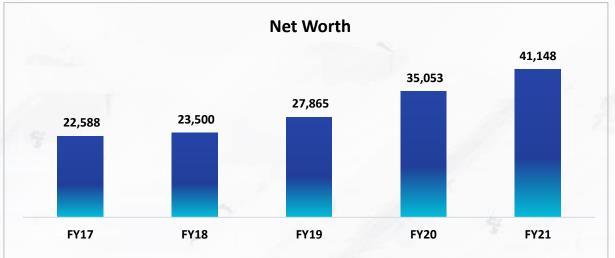
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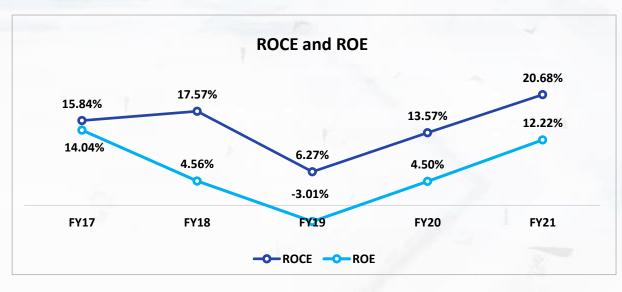
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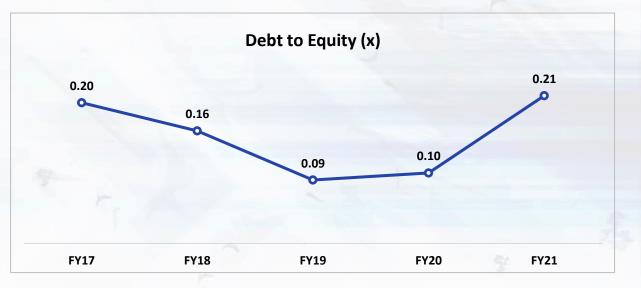
FINANCIAL PERFORMANCE (2/2)











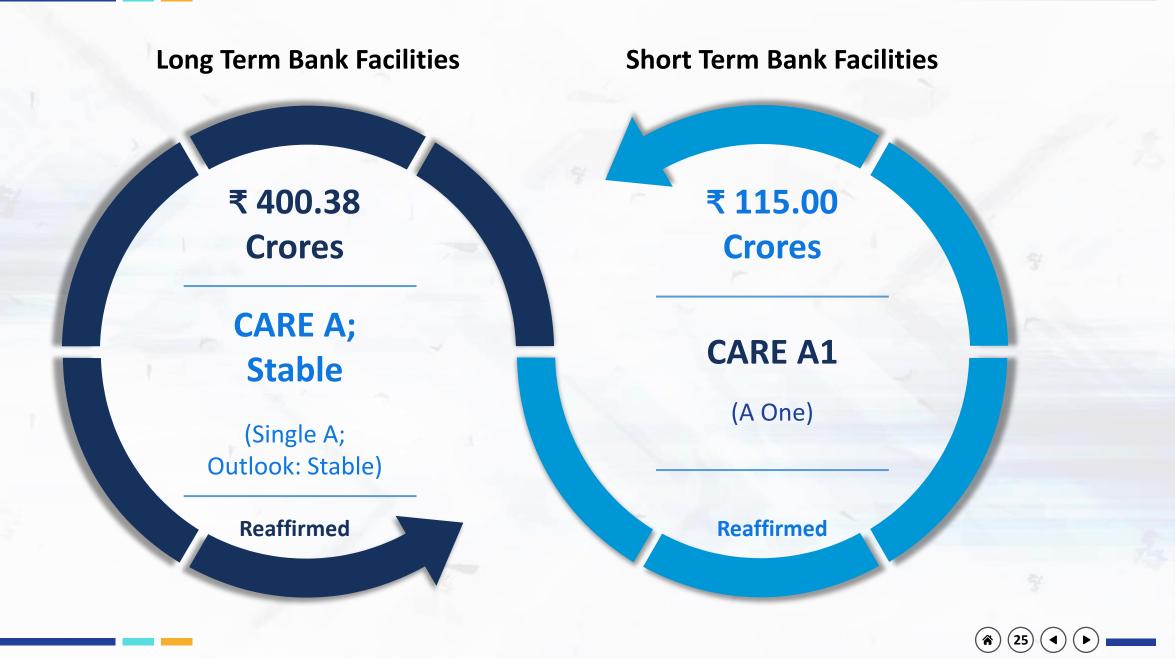
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(₹ in lakhs)

CREDIT RATING





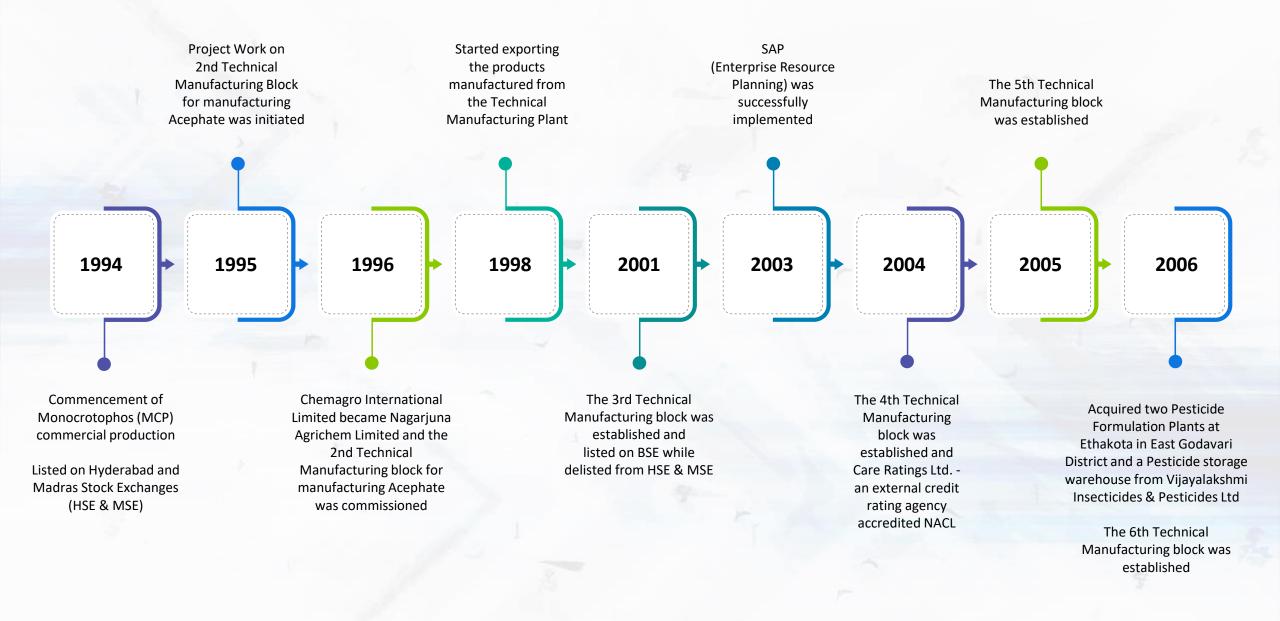
ANNEXURE

TIMELINE (1/2)



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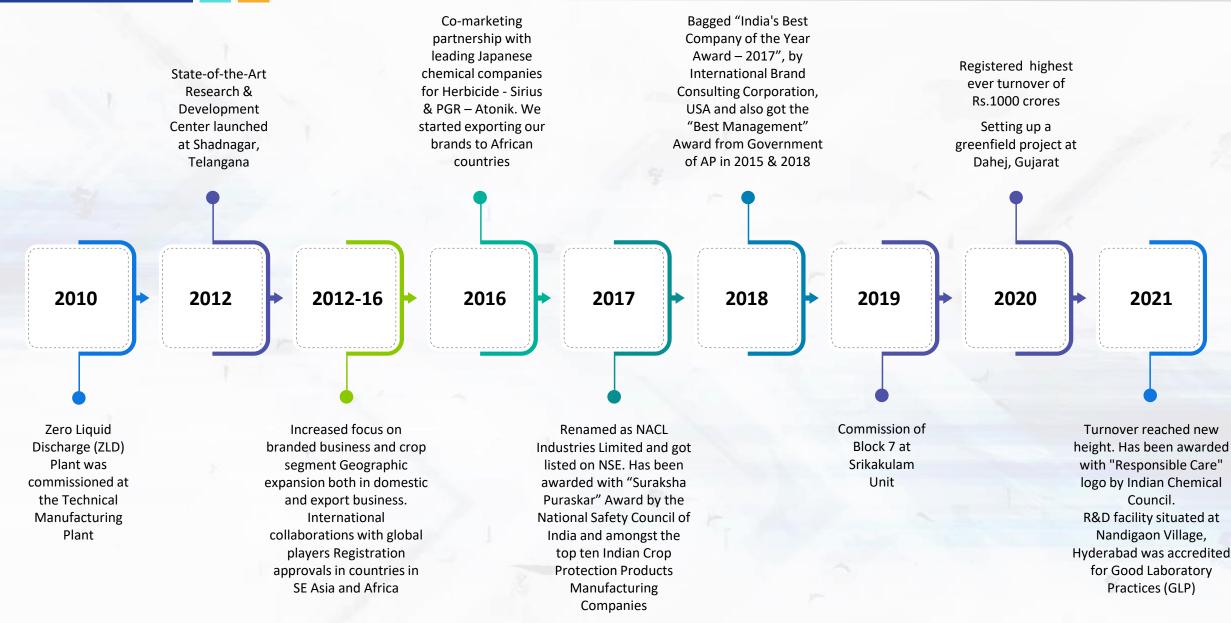


TIMELINE (2/2)



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BOARD OF DIRECTORS







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. 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

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KEY MANAGEMENT TEAM







Mr. M Pavan Kumar Managing Director & CEO

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



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



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



Mr. Harish Chandra Bijlwan Senior VP – Operations & Technology



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



Mr. Amit Tandon Vice President - Domestic Sales & Marketing



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



Mr. S. Mani Prasad Head – Human Potential Development



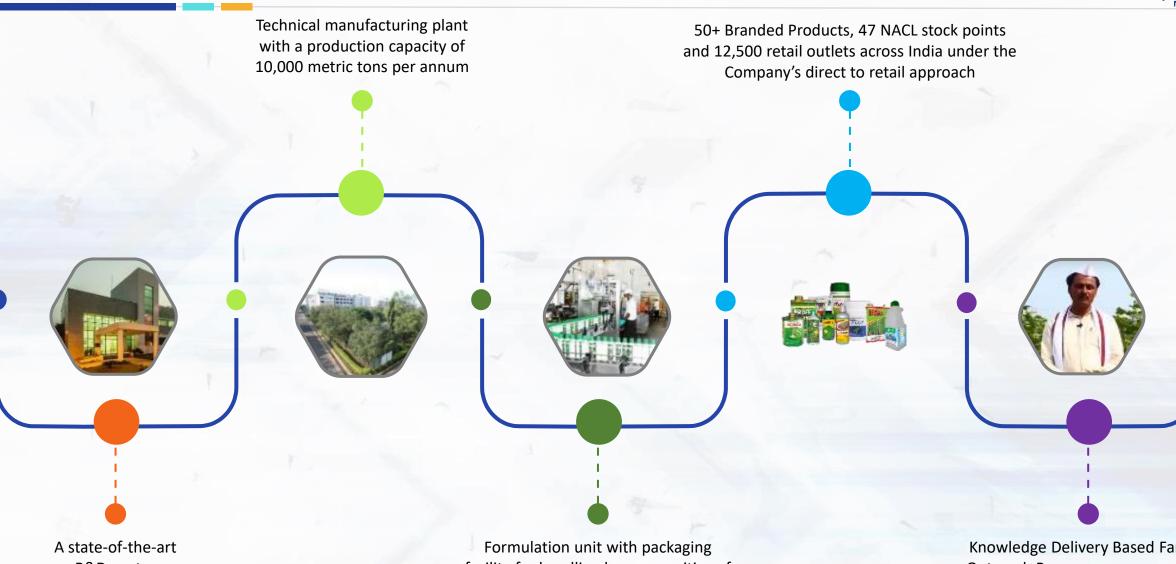
Mr. Srinivasa Rao Bitra Senior General Manager & Head Plant Operations (Formulations Unit)

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NACL'S BUSINESS MODEL





R&D center

Formulation unit with packaging facility for handling large capacities of liquids, powders and granules Knowledge Delivery Based Farmer Outreach Programmes across India for empowering farmers

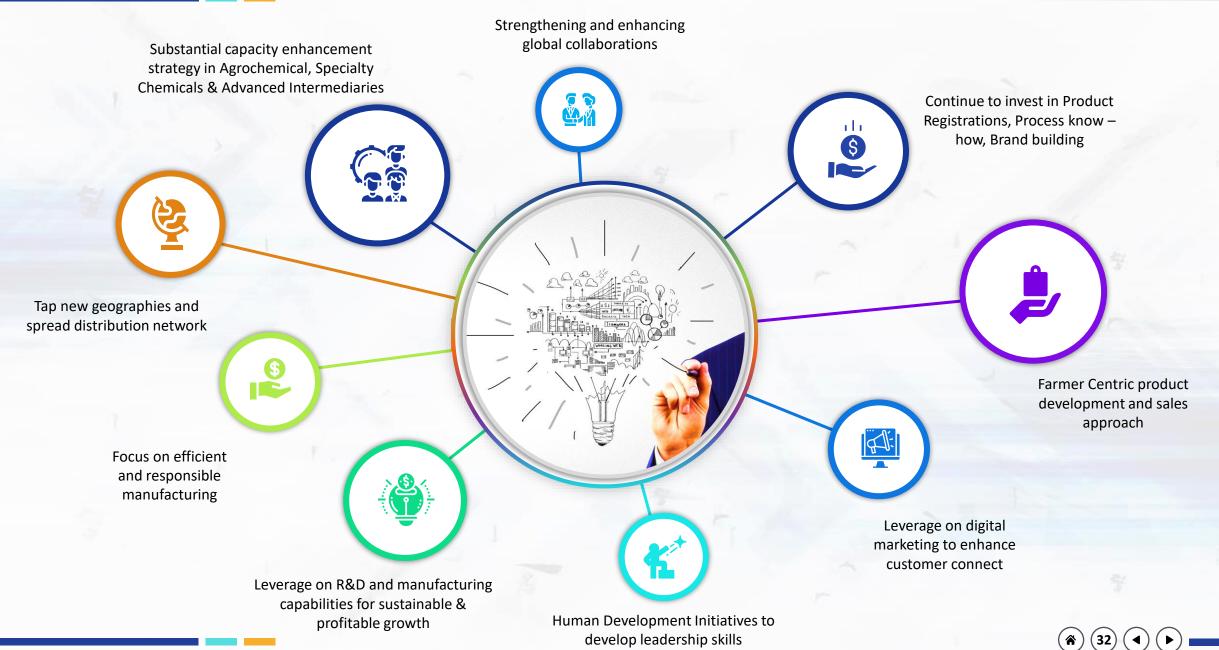
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BUSINESS STRATEGY





NACL – A UNIQUE INVESTMENT CASE







RC certificate



GLP certificate



NABL ACCREDITATIONS



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AWARDS AND ACCOLADES





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

"Greentech **Environment Silver** Award" for the year 2018 from New Delhi-based Greentech Foundation, for its best efforts towards environment protection and conservation.

Unit has bagged the prestigious "Suraksha Puraskar" Award for the year 2017 from the National Safety Council of India, for its best safety practices.

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.

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.

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Unit bagged prestigious "Andhra Pradesh Industry **Champion Award** 2021" from the Government of Andhra Pradesh.

Industry Champion

Award 2021

NACL's Srikakulam

KEY EXTERNAL DRIVERS OF THE BUSINESS



Indian Agrochemical Market

Ministry of Agriculture

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.

Government Initiative

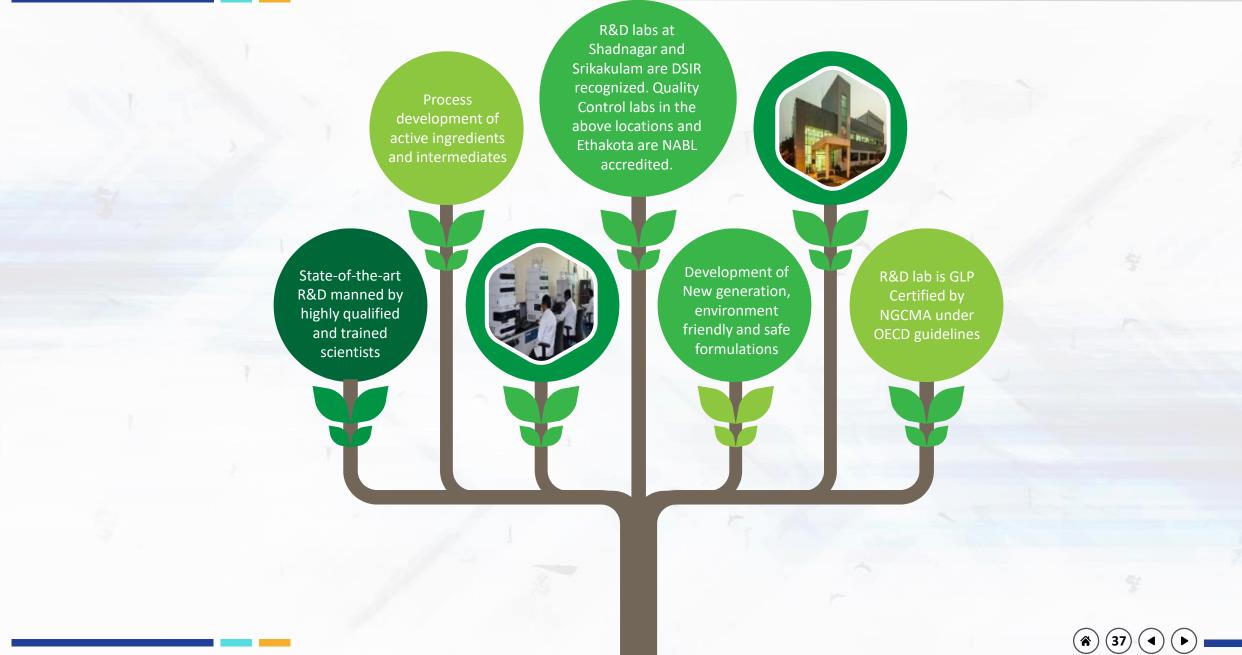
The matured agro chemical sector has an excellent opportunity to grow in the domestic market and gain considerable share in the global market. The industry is adding sizeable capacities in active ingredients / technicals and formulations manufacturing and also integrating backward into intermediates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

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.

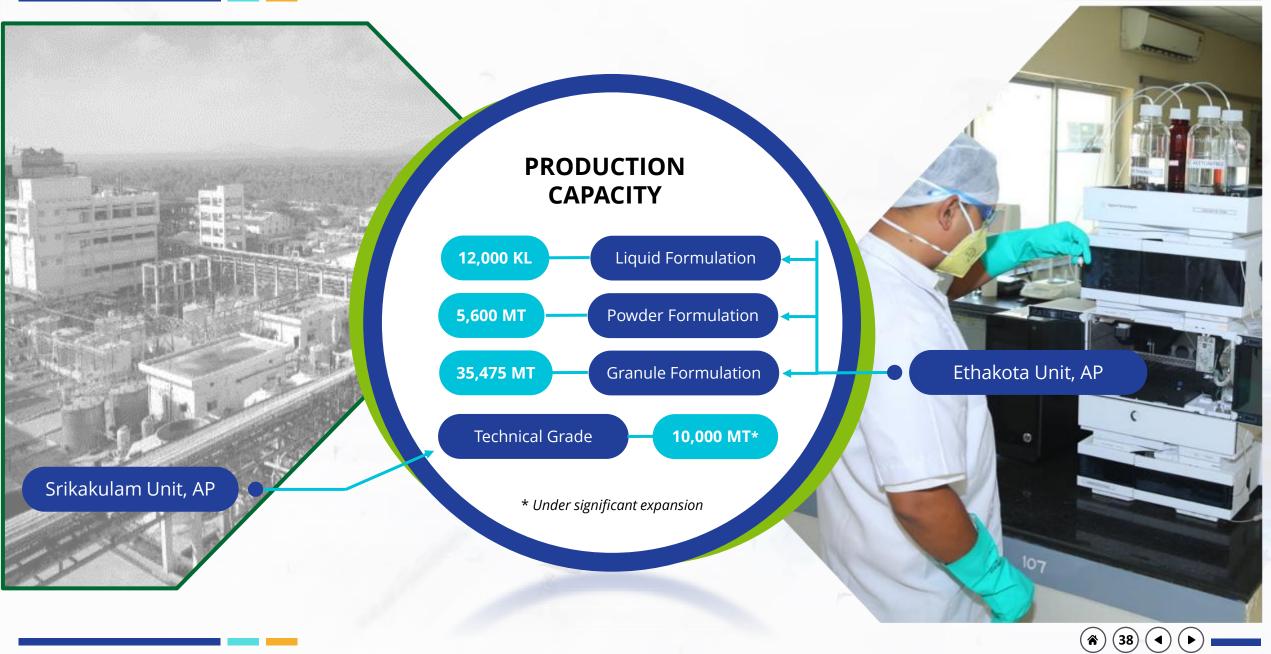
RESEARCH & DEVELOPMENT





PRODUCTION CAPACITY







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.

GREENFIELD PROJECTS

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.

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

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DEVELOPMENT AT DAHEJ GREENFIELD PROJECT









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. Efficient equipment for reduced energy consumption. Plants equipped with occupational health facilities, professional trained staff and instituted practices Strong EHS systems, processes, inspection and training who enhance awareness and ensure practices

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SHAREHOLDERS' INFORMATION

AGARJUNA N A C L







NACL Industries Limited

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nikunj.jain@s-ancial.com bhavya@s-ancial.com

Thank You