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2nd February 2024

BSE Limited Mumbai	National Stock Exchange of India Ltd Mumbai
SCRIP CODE: 512070	**SYMBOL: UPL**

Sub: <u>Investor presentation</u>

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the quarter and nine months ended 31st December 2023.

We request you to take the above information on records.

Thanking you,

Yours faithfully,
For **UPL Limited**

SANDEEP MOHAN DESHMUKH
Digitally signed by SANDEEP MOHAN DESHMUKH
Date: 2024.02.02 16:37:05 +05'30'

Sandeep Deshmukh
Company Secretary and Compliance Officer
(ACS-10946)

Encl.: As above

Q3 FY24 Performance Presentation

February 2024

Safe Harbor Statement

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of UPL Limited (UPL) and certain of the plans and objectives of UPL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our organic business. Forward-looking statements can be identified generally as those containing words such as "anticipates", "assumes", "believes", "estimates", "expects", "should", "will", "will likely result", "forecast", "outlook", "projects", "may" or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, domestic and global economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where UPL operates, industry consolidation and competition. As a result, UPL's actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also Risk management, of our Annual Report.

Q3FY24: Market Headwinds Persist, Leading to Underperformance on Guidance

₹ 9,887 Cr Revenue	₹ 2,689 Cr Contribution	₹ 416 Cr EBITDA	$3,767 Mn Net Debt
(28%) *Volume: -5%, FX +1%, Price: -24%*	(54%) *Margin: 27.2% ↓1,540 bps*	(86%) *Margin: 4.2% ↓1,800 bps*	Adj. for lower factoring, largely in-line with LY

- **'Destocking' driven revenue decline:** low channel demand in NAM, EU; ongoing pricing pressure in post-patent segment across key markets
- **Contribution margin** impacted by high-cost inventory liquidation and higher rebates to support channel partners
- **Normalized business performance** from Q2FY25 as destocking subsides
- **Differentiated and sustainable** segment continued to outperform - share in CP revenue up to 32% (from ~29%) in Q3, to 36% (from ~29%) in 9M
- **SG&A lower by 19% YoY**; on-track to achieve $100 Mn savings in FY25 (on FY23 base)
- Despite lower payables (down by $568 Mn), net debt is largely in-line with Dec'22 adjusted for reduced factoring
- **Deleveraging a priority**: continue to explore opportunities in addition to operational cash flows
  - Announced rights issue of up to $500 Mn to repay debt
  - Exploring capital raise opportunities across platforms

Note: *All changes are year-on-year basis i.e., Q3 FY24 vis-à-vis Q3 FY23*

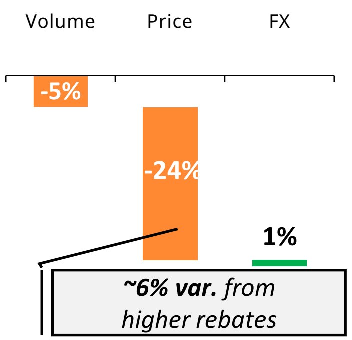
UPL Group: Challenging Quarter with Lower Volumes, Pricing Pressure and Higher Rebates

(₹ Crore)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	**9,887**	**13,679**	**(28%)**	**29,020**	**37,007**	**(22%)**
Contribution Profit	**2,689**	**5,831**	**(54%)**	**10,847**	**15,889**	**(32%)**
Contribution Margin	***27.2%***	***42.6%***	***(1540 bps)***	***37.4%***	***42.9%***	***(551 bps)***
Fixed Overheads	2,272	2,796	(19%)	7,264	7,744	(6%)
EBITDA	**416**	**3,035**	**(86%)**	**3,583**	**8,145**	**(56%)**
EBITDA Margin	***4.2%***	***22.2%***	***(1800 bps)***	***12.3%***	***22.0%***	***(960 bps)***
Amortization /Depreciation	677	624		1,969	1,820	
Net Finance Cost	716	732		2,288	1,980	
FX Gain / (Loss)	-613*	-237		-1,044	-545	
Other Income / (Loss)	-34	39		36	62	
PBT	**-1,623**	**1,481**	**-**	**-1,683**	**3,862**	**-**
Tax	-59	134		-319	425	
PAT before AI, MI and Exceptional Items	**-1,564**	**1,347**	**-**	**-1,364**	**3,437**	**-**
Income/(Loss) from Associates & JV	-26	33		-287	37	
Exceptional Cost	16	20		147	141	
Net Profit before MI	**-1,606**	**1,360**	**-**	**-1,798**	**3,334**	**-**
Minority Interest	-390	273		-558	556	
Net Profit	**-1,217**	**1,087**	**-**	**-1,240**	**2,777**	**-**

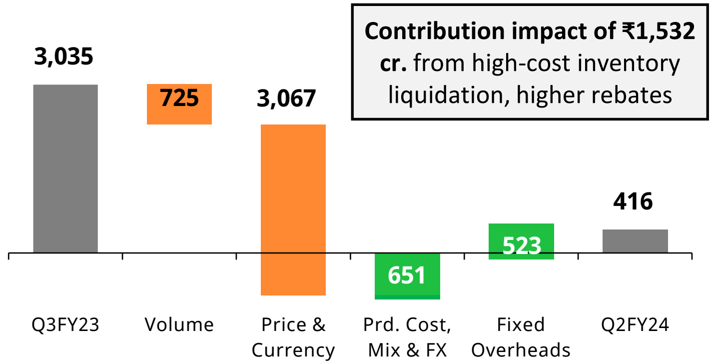
Note: **One-time impact of ₹ 256 crore due to sharp depreciation in Argentina Peso on 13th Dec*

Q3FY24 vs Q3FY23

Revenue Variance

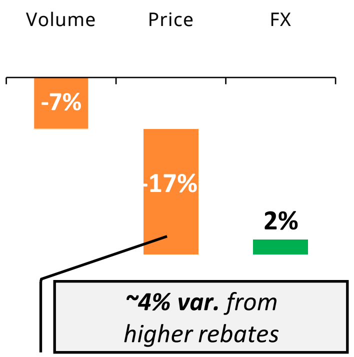


EBITDA Variance

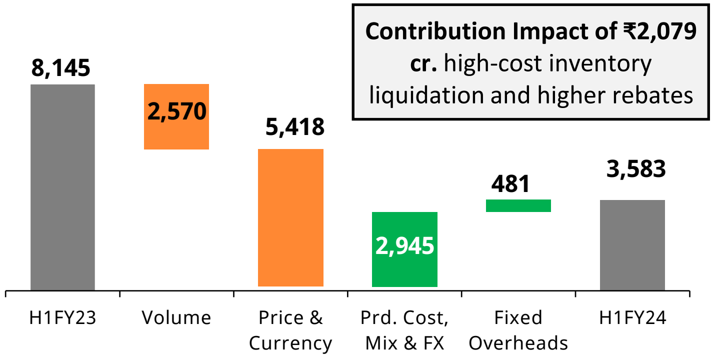


9MFY24 vs 9MFY23

Revenue Variance



EBITDA Variance



UPL

Platform-wise Performance Update – Q3 & 9MFY24

- *UPL Corporation*
- *UPL SAS*
- *Advanta Enterprises*
- *UPL Specialty Chemicals*

UPL Corporation: Improved Product Mix in 9MFY24, Recovery Expected from Q2FY25

(₹ Crore)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	**7,413**	**11,310**	**(34%)**	**20,684**	**28,256**	**(27%)**
Contribution Profit	**1,239**	**4,046**	**(69%)**	**5,746**	**10,539**	**(45%)**
Contribution Margin	***16.7%***	***35.8%***	***(1,910 bps)***	***27.8%***	***37.3%***	***(950 bps)***
Fixed Overheads	1,454	1,705	(15%)	4,580	4,740	(3%)
EBITDA	***-215***	***2,341***	**(109%)**	**1,167**	**5,799**	**(80%)**
EBITDA Margin	***-2.9%***	***20.7%***	***(2,360 bps)***	***5.6%***	***20.5%***	***(1,490 bps)***

Note: *Above financials are after considering proforma adjustments*

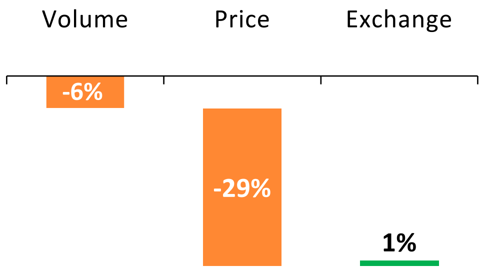
Q3FY24 Performance Update

- Destocking in NAM, EU (low channel demand); ongoing pricing pressure in post-patent segment across key markets
- Prices stable vs. Q2FY24, but sharp fall vs. LY. **6% price impact** due to higher rebates **(4% variance in 9M)**
- High-cost inventory liquidation, higher rebates led margin contraction

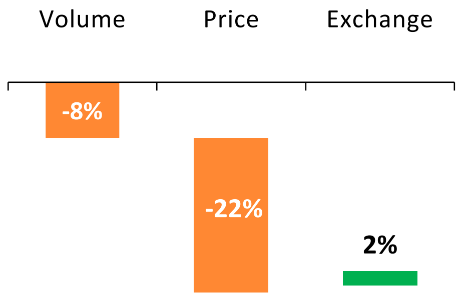
Outlook

- Normalized business performance from Q2FY25, as destocking subsides across key markets

Sales Variance – Q3FY24 vs Q3FY23



Sales Variance – 9MFY24 vs 9MFY23



Differentiated and Sustainable Portfolio Performance

Q3FY24 vs Q3FY23

Portfolio revenue down 16%, share up from 28% to 37%

9MFY24 vs 9MFY23

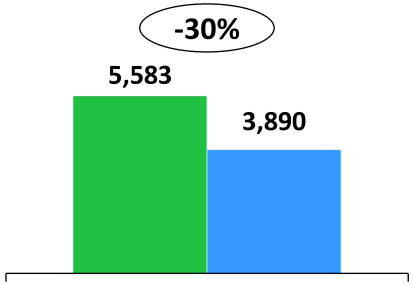
Portfolio revenue slightly down, share up from 26% to 35%

UPL Corporation: Pricing Pressure, Destocking Impacted Performance in Americas, Europe

Q3FY23 Q3FY24

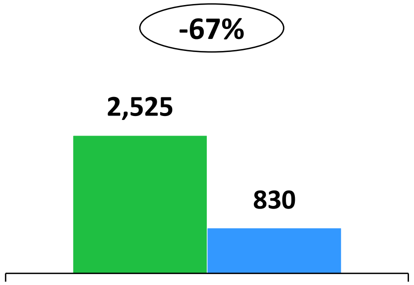
(₹ crore)

Latin America



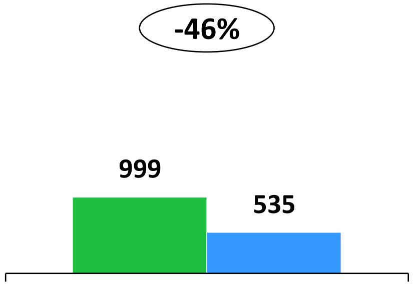
- **Brazil:** pricing related challenges in key herbicides and insecticides
  - **Fungicides** growth led by mancozeb (Evolution®, Unizeb Gold®, Tridium®)
- **Volume growth** offset pricing challenge in rest of LATAM; insecticides, fungicides growth offset by herbicides

North America



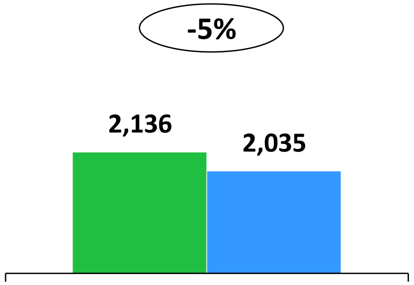
- Continued challenge for post-patent AI prices, channel "**de-stocking"**, "**tactical purchases**" and **higher rebates**
- Decline in **herbicides** (e.g., glufosinate, s-metolachlor, clethodim), and **insecticides**

Europe



- **Channel inventory key challenge**, apart from product bans, resulting in volume decline
- Impact across all key portfolios, specifically herbicides (clethodim, metamitron, etc.)

Rest of World



- Decline in **Africa, ANZ** and **Japan** partially mitigated by **China, Turkey**
- **China** growth led by higher insecticides vol.; **Turkey** driven by herbicides
- **NPP** up by ~20% vs. LY, mainly from vol.

Note: *Regional Revenue Charts exclude Others segment which contributed ₹ 122 crore revenue in Q3FY24 and ₹ 68 crore revenue in Q3FY23*

UPL SAS: Sales Realignment Closer to Season, Lower Key Crop Acreage & Glufosinate Demand Hit Q3

(₹ Crore)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	**371**	**558**	**(34%)**	**2,416**	**3,264**	**(26%)**
Contribution Profit	**43**	**92**	**(53%)**	**522**	**886**	**(41%)**
Contribution Margin	***11.6%***	***16.5%***	***(488 bps)***	***21.6%***	***27.1%***	***(554 bps)***
Fixed Overheads	113	140	(19%)	348	387	(10%)
EBITDA	**-70**	**-48**	**(47%)**	**174**	**499**	**(65%)**
EBITDA Margin	***-18.9%***	***-8.5%***	***(1035 bps)***	***7.2%***	***15.3%***	***(810 bps)***

Note: *Above financials pertain to India Crop Protection business only based on proforma adjustments and exclude 'Nurture'*

Nurture – Update

- **Q3FY24:** Revenue: ₹ 12.8 crore ; EBITDA: ₹ 34.1 crore loss narrowed significantly vs. ₹ 103.9 crore loss LY
- **9MFY24:** Revenue: ₹ 45.6 crore; EBITDA loss narrowed to ₹ 102.1 crore vs. ₹ 254.7 crore LY
- **Nurture.retail turned positive at operational gross margin level** aided by launch of exclusive brands. ~80% of retailers placing repeat orders on platform. **Achieved notable operating cost reduction vs LY**

Q3FY24 Performance Update

- **Revenue Variance: Volume: -21% YoY, Price: -13% YoY**
  - **Realignment of sales closer to season**
  - **High sales return in key crops (cotton, pulses)** with lower cotton acreage in North India; and a below par Rabi in Telangana and Karnataka
  - **Low Glufosinate demand vs LY** due to dry Kharif and Rabi season, elevated channel stock and increased competition
- **Contribution margin down mainly due to short-term impact** of high-cost inventory liquidation, and higher sales returns
- **Launched Pyroxasulfone and integrated solution** with mechanized sprayers; UPL SAS is a leading player in India in first year of launch

Outlook

- **Continue to see challenging conditions in Q4**
- **Focus on diversifying crop mix** with launch of new products

Advanta: Delivered Healthy Growth with Improved Margins in 9MFY24

(₹ Crore)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	898	**910**	(1%)	3,029	**2,724**	11%
Contribution Profit	**567**	**526**	**8%**	**1,831**	**1,539**	**19%**
Contribution Margin	***63.2%***	***57.9%***	***531 bps***	***60.5%***	***56.5%***	***395 bps***
Fixed Overheads	304	265	15%	938	768	22%
EBITDA	**264**	**262**	**1%**	**893**	**771**	**16%**
EBITDA Margin	***29.4%***	***28.7%***	***63 bps***	***29.5%***	***28.3%***	***118 bps***

Note: *Q3FY23 and 9MFY23 financials restated to represent Advanta Enterprises Limited*

Q3 & 9MFY24 Performance Update

- **Revenue Variance:**
  - **9MFY24 up 11% driven by** higher prices and volumes in Sunflower, Corn, Canola, Sorghum & Vegetables portfolios
  - **Q3FY24 flat vs LY due to** lower sales of Sunflower (Argentina, Europe), Corn (Ecuador), and Sorghum (Brazil, US)
- **Contribution margins up ~531 bps YoY in Q3 and ~395 bps YoY in 9M** driven by improved mix, lower COGS and improved B2C performance in Indonesia and Vietnam
- **Healthy EBITDA growth in 9MFY24** driven by improved contribution margins and controlled overheads

Outlook

- **Expect to close FY24 with low-double digit growth in EBITDA**

UPL Specialty Chemicals: Lower Agchem Demand & Pricing Impacted Revenue; Margins Higher vs LY

(₹ Crore)	Q3 FY24	Q3 FY23	YoY%	9M FY24	9M FY23	YoY%
Revenue	**2,265**	**4,139**	**(45%)**	**8,934**	**12,787**	**(30%)**
Contribution Profit	**411**	**506**	**(49%)**	**1,577**	**1,865**	**(15%)**
Contribution Margin	***18.1%***	***12.3%***	***591 bps***	***17.5%***	***15.7%***	***307 bps***
Fixed Overheads	7	10	(30%)	28	28	0%
EBITDA	**404**	**496**	**(6%)**	**1,549**	**1,837**	**(16%)**
EBITDA Margin	***17.8%***	***12.0%***	***585 bps***	***17.3%***	***14.3%***	***297 bps***

Note: *Above financials are after considering proforma adjustments and is inclusive of intercompany revenue*

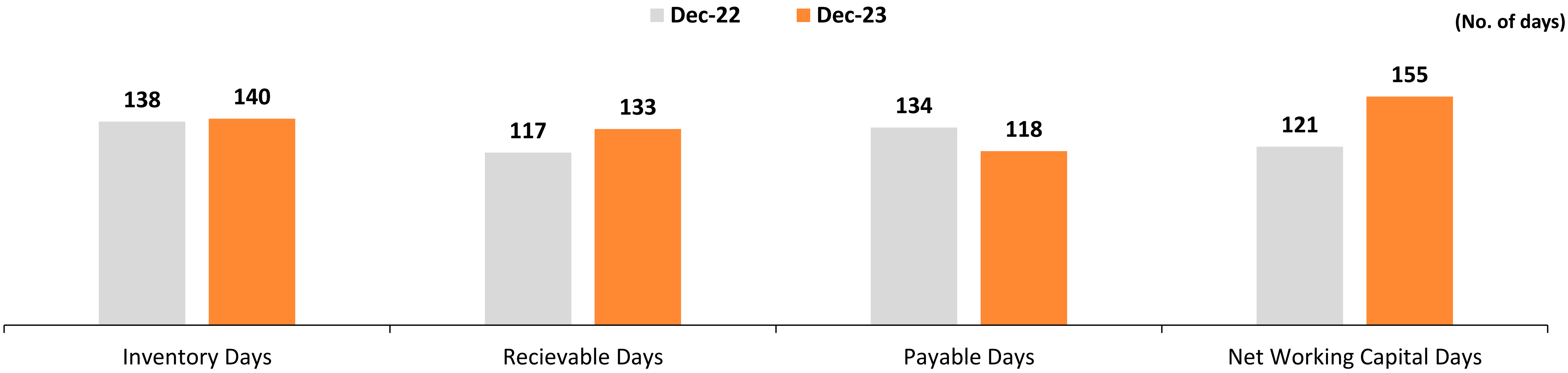
Q3 FY24 Performance Update

- **Agchem Segment**
  - Lower demand and realizations in-line with the group's Agchem business
- **Non-Agchem Segment**
  - Revenue declined by 11% YoY despite **healthy volume growth of 18% YoY** on account of lower realizations
  - Volume growth led by demand from lubricants, optical brighteners, flame retardants & mining end markets
- **EBITDA margins up 585 bps YoY to 17.8%** driven by raw material procurement at lower prices, manufacturing efficiencies, and higher margins in the non-agchem segment
- **Kudos plant on track for commencement of operations in early FY25**
- **Plants for two New AIs to be commissioned in Q4**

Outlook

- **AgChem :** To perform in-line with group's Agchem business
- **Non-AgChem :** Flat to marginal decline in Q4 Revenue

Increase in NWC Primarily due to Reduced Factoring and Lower Payable Days



Inventory Days	Recievable Days	Payable Days	Net Working Capital Days
Dec 2023: ₹ 17,491 Cr	Dec 2023: ₹ 16,629 Cr	Dec 2023: ₹ 14,781 Cr	Dec 2023: ₹ 19,339 Cr
Dec 2022: ₹ 19,965 Cr	Dec 2022: ₹ 16,949 Cr	Dec 2022: ₹ 19,404 Cr	Dec 2022: ₹ 17,510 Cr

- **Working capital days increased by 34 days YoY as on Dec 2023 primarily due to –**
  - Payable days lower by 16 days due to sharp decline in procurement
  - **Reduction in non-recourse factoring by ₹ 2,828 crore on YoY basis** - led to increase in receivable days *(notwithstanding which receivable days at 110 days)*
- **Working capital days at FY24-end expected to be higher vs LY due to lower payables and lower factoring**

Net Debt at $3.77 Bn as of Dec'23; Adj. for Lower Factoring, Net Debt Largely In-line with LY

Gross & Net Debt Position – Dec 2023 vs Dec 2022

All figures are in US$ Mn and ₹ Crore

Particulars	Dec'23	Dec'22	Change
Gross Debt	$4,347 ₹ 36,173	$3,965 ₹ 32,803	$382 ₹ 3,370
Cash and cash equivalent	$580 ₹ 4,827[2]	$638 ₹ 5,275	($57) (₹ 448)
Reported Net Debt	**$3,767** **₹ 31,346**	**$3,328** **₹ 27,528**	**$439** **₹ 3,818**
Net Debt (Adj. for FX Impact)	***₹ 31,165[1]***	***₹ 27,528***	***₹ 3,637***

- **Adjusted for lower factoring (down $346 Mn YoY), net debt stood largely in-line with LY despite lower payables (down by $568 Mn YoY)**
- **Deleveraging a priority: Continue to explore opportunities in addition to operational cash flows**
  - *Announced rights issue of upto $500 Mn to repay debt*
  - *Exploring capital raise opportunities in platforms*

Note: *[1]USD /INR depreciated from 82.73 as on 31 Dec 2022 to 83.21 as on 31 Dec 2023. [2]Includes liquid investment of INR 222 crore as of Dec'23*

ANNEXURE

Breakdown of Net Finance Cost – Q3 FY24 and 9M FY24

Net Finance Cost Breakdown

(₹ crore)

Particulars	Q3FY24	Q3FY23	*Change*	9MFY24	9MFY23	*Change*
Interest on Borrowings	**594**	**419**	**175**	**1,519**	**907**	**612**
Interest on Leases & Others	135	188	(53)	603	712	(109)
Other Financial Charges	51	43	8	120	118	3
NPV – Interest & Finance	121	158	(37)	368	447	(79)
Interest Income	(185)	(76)	(109)	(322)	(204)	(118)
Total Net Finance Cost	**716**	**732**	**(16)**	**2,288**	**1,980**	**308**

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Thank You