



# NGL Fine-Chem Limited

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August 12, 2022

To,  
Listing Department,  
The BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai 400 001.

Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1  
G Block, Bandra Kurla Complex,  
Bandra East, Mumbai 400050.

**Sub: Investor Presentation for 1<sup>st</sup> quarter ended June 30, 2022.**  
**Scrip Code: 524774 – NGL Fine-Chem Limited**

Dear Sir/Madam,

Pursuant to Regulation 33 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 enclosed herewith please find Investor Presentation for 1<sup>st</sup> quarter ended June 30, 2022.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For NGL Fine-Chem Limited

Rajesh Lawande  
Whole-Time Director & CFO  
DIN: 00327301



Encl: Investor Presentation.



**NGL Fine-Chem Ltd**

**Earnings Presentation  
Q1 22-23**

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# **Q1 /FY23 Highlights of the Year**



# Year in review



## Business Environment

Demand in key markets subdued during Q1 22-23, however customer retention still high

- Macro factors pushed input costs to new highs during the year, while fuel and freight also impacted product supply and margins
- Trends of price increase are now easing with expectation of this reduction continuing in current quarter.

## Operations

Subdued demand witnessed during the year in Anthelmintics and Antiparasitics, top 5 products saw reduction in demand

- New molecules streamlined and 2 new products pilot trials completed in current quarter.

## Products

65%+ capacity utilization (incl new Mactrotech expansion) during the quarter on account of subdued demand

- Macrotech expansion completed during the year, approvals in place and validation batches almost completed at facility
- Civil construction started in December 2021 at Tarapur for the planned greenfield expansion

## Financial

•Decrease in sales of 16% YoY in Q1 & 22% sequentially, due to lower demand for top 5 products

- Continuing trend of rising costs (fuel & commodity) severely impacted margins and profitability
- Strong balance sheet with net debt free position to support investments in capex and greenfield expansion



# Consolidated profit & loss statement

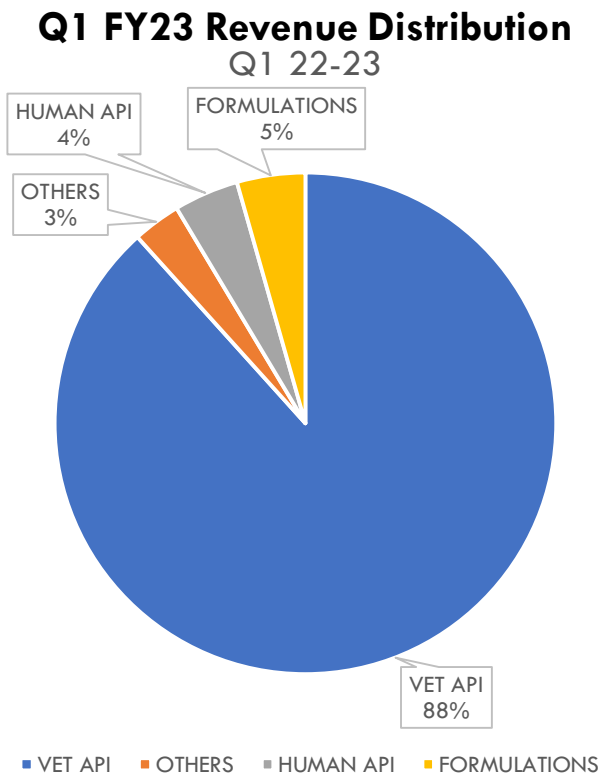


Rupees lakhs	Q1 22-23	Q4 21-22	Change	Q1 21-22
Revenue Income	67.75	87.04	-22.16%	80.41
Cost of Material Consumed	35.24	39.93		32.26
Gross Profit	32.51	47.11	-30.99%	48.15
Gross Profit Margin (%)	48.0%	54.1%		59.9%
Employee Expenses	8.90	9.27		7.46
Other Expenses	18.96	24.30		12.58
EBITDA	4.65	13.54	-65.66%	28.11
EBITDA Margin (%)	6.9%	15.6%		35.0%
Finance Cost	0.50	1.54		0.37
Depreciation	3.60	3.48		2.18
Profit Before Tax	0.55	8.52		25.56
PBT %	0.8%	9.8%	-91.84%	31.8%
Taxes	-0.03	-1.66		-6.44
Profit After Tax	0.52	6.86		19.12
PAT %	0.8%	7.9%	-89.87%	23.8%





# Segment distribution



Rupees Crores	Q1 22-23	Q1 21-22	Change	Q4 21 -22
VET API	55.41	57.51	-3.79%	66.19
OTHERS	1.94	12.73	-556.19%	4.22
HUMAN API	2.62	3.26	-24.43%	6.65
FORMULATIONS	2.76	2.99	-8.33%	1.06

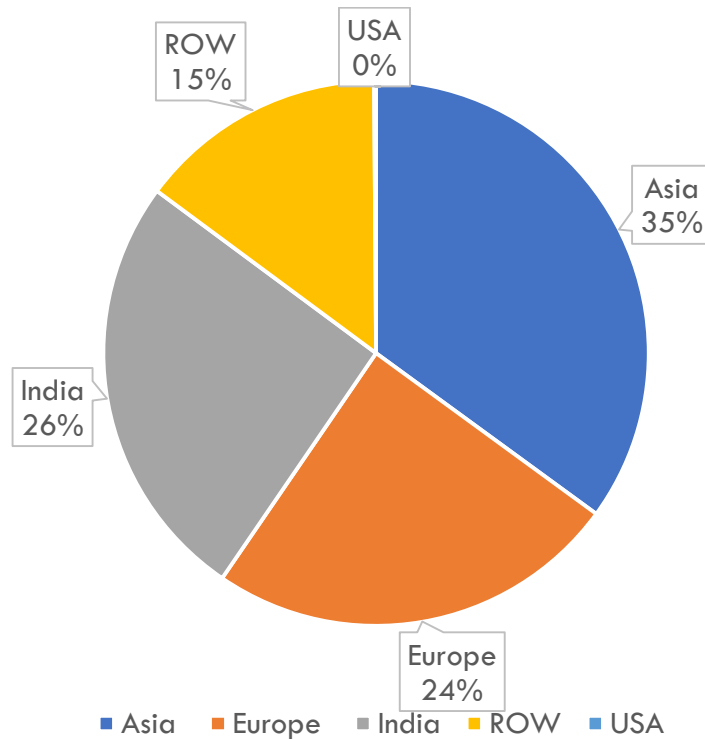
Standalone financials



# Regional distribution



**Q1 22-23 Revenue Distribution**



Revenue (Rs Cr)	Q1 22-23	Q4 21-22	Change	FY 22
Asia	22.6	19.0	19%	93.8
Europe	15.8	22.0	-28%	87.2
India	16.5	23.2	-29%	76.3
ROW	9.5	8.5	12%	47.2
USA	0.1	3.1	-98%	9.8







# **Overview, Key Strengths and Strategy**



# Leading animal health company



## Comprehensive product portfolio

- 24 APIs (22 veterinary API, 2 human), 4 intermediates, 10 finished dosage forms
- Best quality and value-driven pricing



## Market leadership in vet API

- Leadership in top 5 products – 50%+ market share
- Growing position in next 4 – taking market share from other players



## Manufacturing excellence

- 3 state of the art manufacturing facilities
- Strong R&D capabilities in custom synthesis



## Large global presence

- 45+ countries across the globe with country-wise regulatory approvals
- Strong presence in unregulated markets



## Long standing customer relationships

- ~400 customers
- Reliable supplier focused on good sale support to all customers



# Leadership in veterinary API segment



Strong controls of processes with **95%** in-house manufacturing and backward integrated facilities leading to cost competitiveness

High quality and reliable products with no market rejection in **15 years**

Market share ranging from **15% to 50%+** in key products

Suppliers to **5 of top 10** global animal healthcare companies

## Wide Range of Product Categories

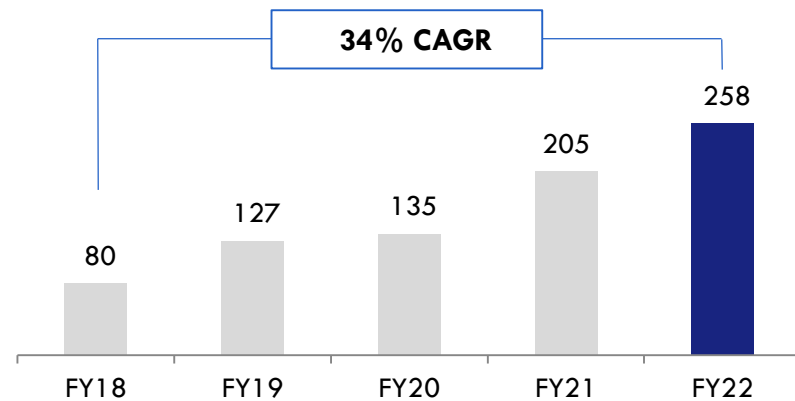
Anthelmintics

Ectoparasiticides

Antiprotozoals

Phosphorus Supplements

## Revenue From Veterinary API segment (Rs cr)



## Customer & Product Concentration (of Sales Q1FY23)

	Customer	Product
Top 3	18% (13% FY22)	34% (44% FY22)
Top 5	25% (20% FY22)	51% (50% FY22)
Top 10	39% (33% FY22)	75% (72% FY22)



# State-of-the-art manufacturing capabilities



**3 manufacturing facilities** located at Tarapur & Navi Mumbai, Maharashtra, designed to meet the requirements of regulatory agencies and are capable of a wide range of reaction capabilities

**10,000 m<sup>2</sup>**

Area of manufacturing facilities

**102 m<sup>3</sup>**

Glass-lined reactors

**194 m<sup>3</sup>**

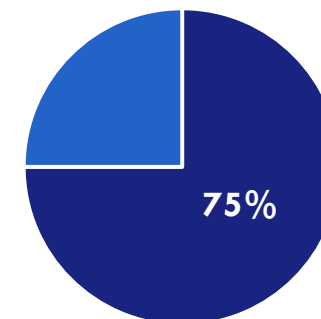
Stainless steel reactors

**12 m<sup>3</sup>**

Gas induction reactors

**-20° C to +250° C**

Reaction range



**Production coming from Zero Liquid Discharge facilities**



## Accreditations

WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and cGMP accredited



# Advantageously placed in a growing opportunity



	Market Size 2020	Market Size 2027	Segment Trends	Growth Drivers
<b>Animal Health Market</b>	\$139 Billion	\$192 Billion (CAGR – 4.7%)	<ul style="list-style-type: none"><li>Pharma segment to grow at higher rate – 5.4% CAGR</li><li>Production animal segment have the larger pie</li></ul>	<ul style="list-style-type: none"><li>Rising prevalence of zoonotic diseases, animal population &amp; pet ownership</li><li>Global livestock population has been experiencing rapid growth</li><li>High demand for animal-based products and growing meat consumption</li></ul>
<b>Animal API Market</b>	\$6.6 Billion	\$10.5 Billion (CAGR – 6.9%)	<ul style="list-style-type: none"><li>APAC market to grow at higher rate – 7.3% CAGR</li><li>Antiparasitics API fastest growing segment</li></ul>	

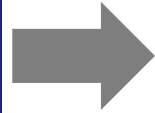
Source: Grand View Research & Global Market Insights



# Strategy for next leg of growth



**Ongoing initiatives to increase capacities to meet growing demand**



## Brownfield Expansion



- Completed 26 cr expansion in subsidiary Macrotech
- Additional capacities of intermediates
- Commercial production started

## Outsource Production



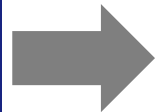
- Target to outsource production to 15% by FY24
- On track – have increased outsourced production from 5% to 10% in last 2 years

## De-bottlenecking



- Continuous debottlenecking & process improvements
- Unlocking capacities and value in the short term

**Larger expansion to drive the next leg of exponential growth**



## Greenfield expansion at Tarapur



- 50% capacity expansion with sufficient capacity to meet demand for new products in pipeline
- Estimated capex of Rs 140 cr to be funded through debt and internal accrual; incurred capex of Rs 7 cr so far
- Civil construction undergoing, facility expected to commercialize in FY24. Currently implementation is slowed down in view of high commodity prices





# **Historical Financial Performance**

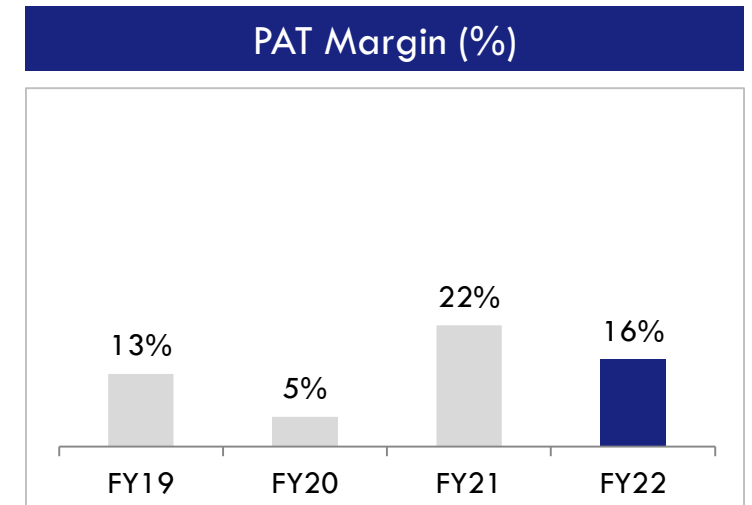
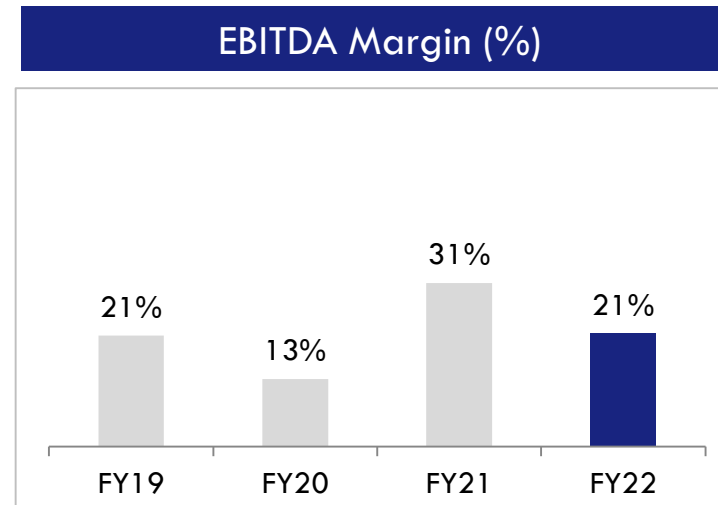
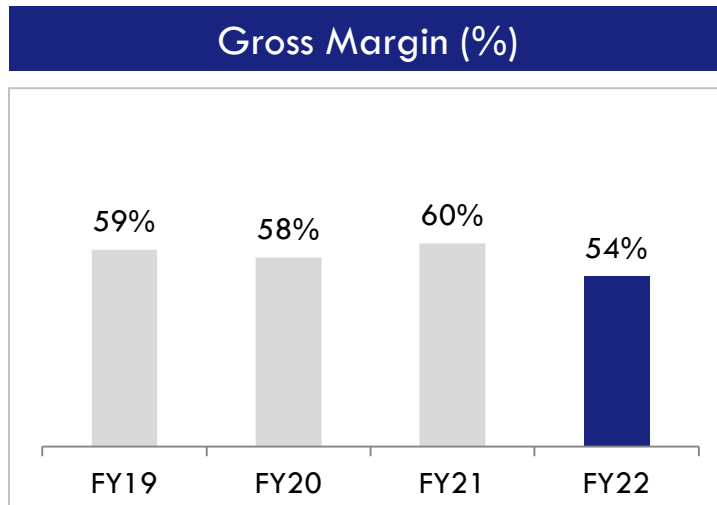
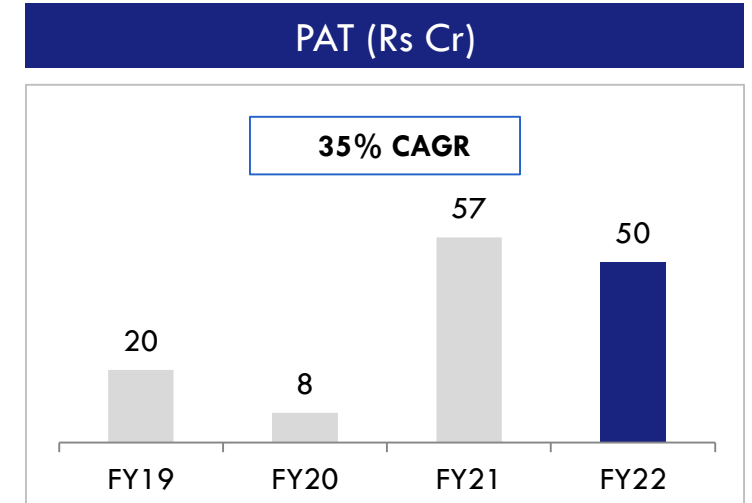
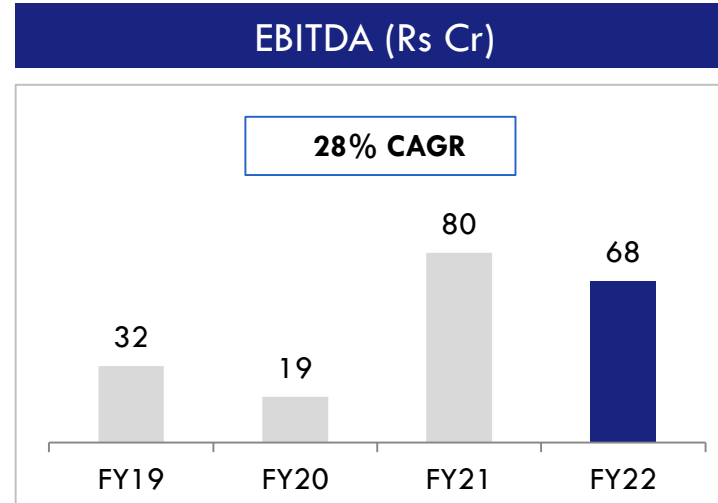
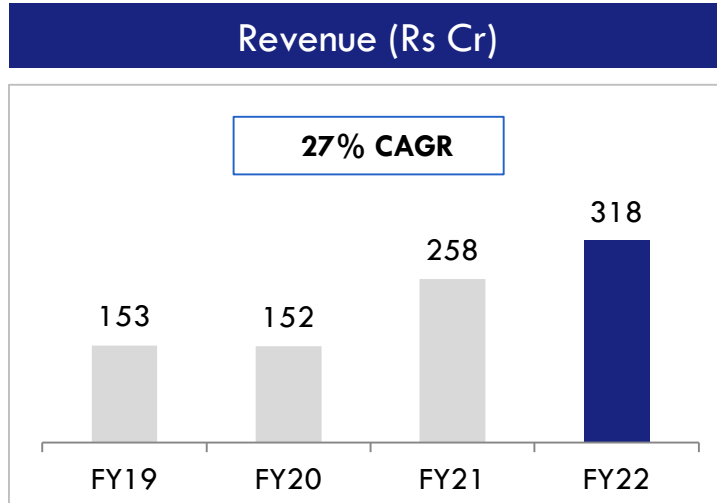




# Robust financial performance



Consolidated Figures



EBITDA excludes Other Income

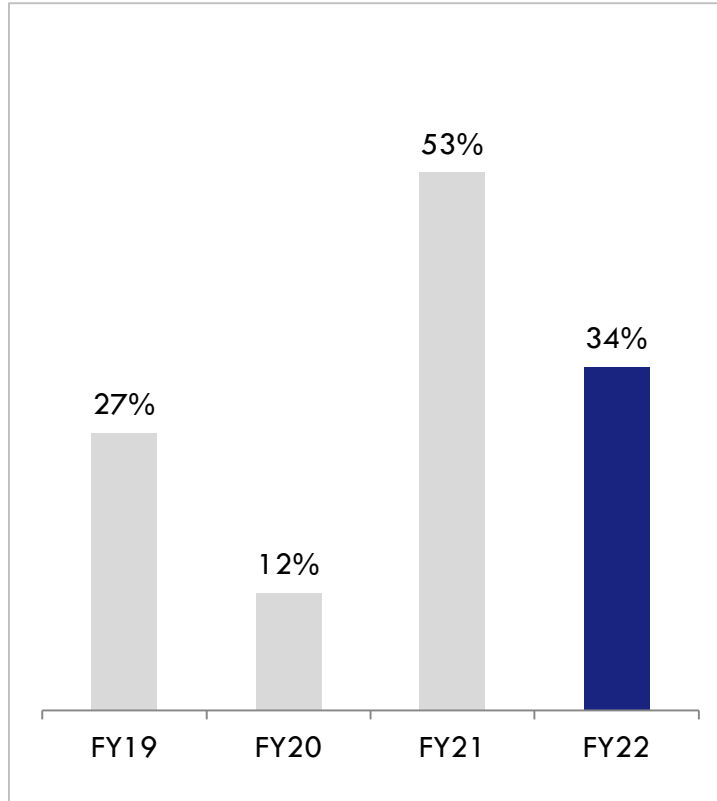


# Improving efficiencies

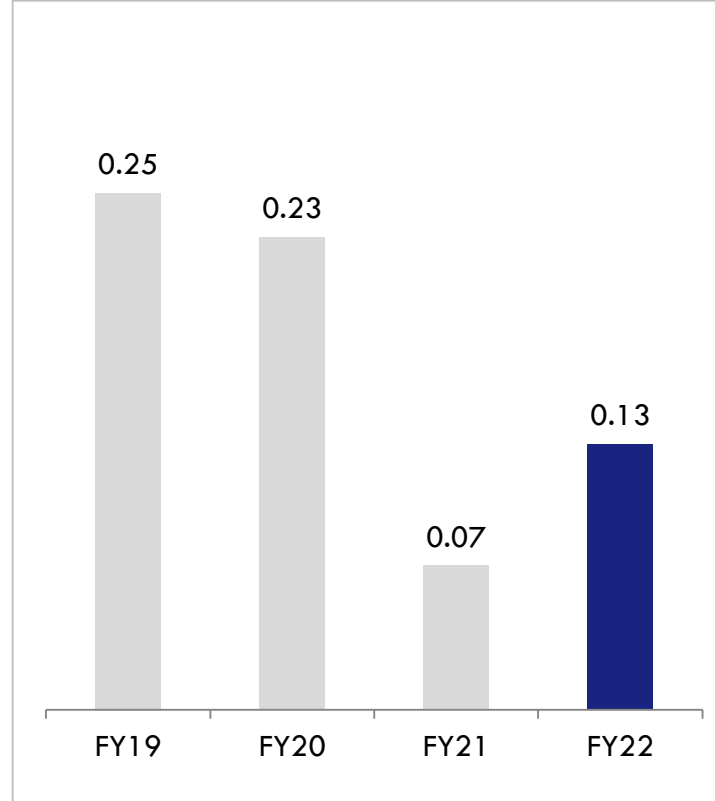


Consolidated Figures

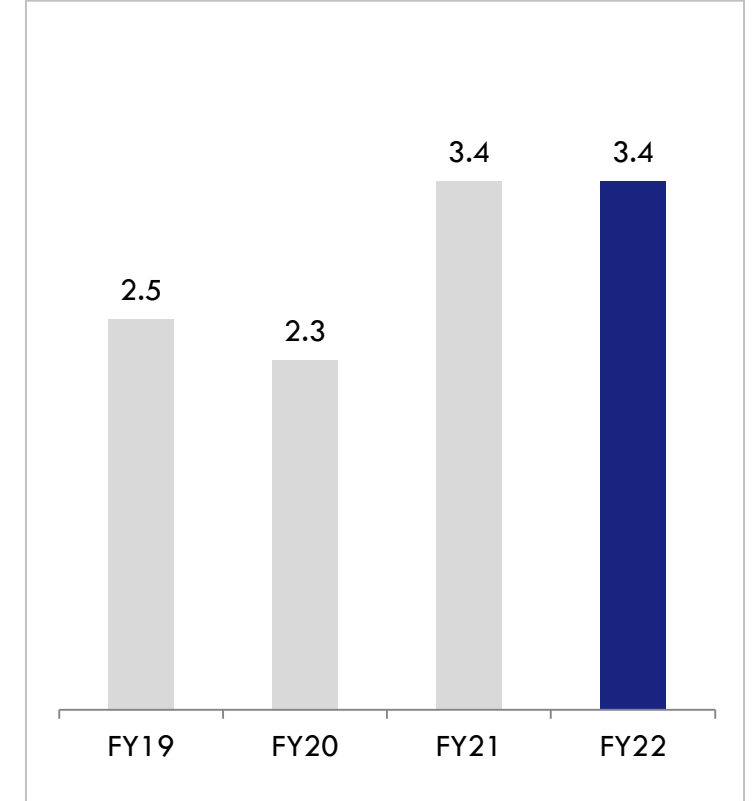
ROCE (%)



Debt/ Equity (x)



Fixed Asset Turnover (x)



ROCE = EBIT / Avg Capital Employed (Shareholder's Fund + Total Debt)

Debt/Equity = Total Debt / Shareholder's Fund

FATO = Revenue / Fixed Assets (Inc CWIP)



# Thank You



**NGL Fine-Chem Ltd**

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