

May 3, 2022

To,  
Department of Corporate Service (DCS-CRD),  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai — 400 001.

**Sub: Investor Presentation for 4<sup>th</sup> quarter and year ended March 31, 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 4<sup>th</sup> quarter and year ended March 31, 2022.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For NGL Fine-Chem Limited



Pallavi Pednekar  
Company Secretary & Compliance Officer  
Membership No: A33498

Encl: Investor Presentation.



**NGL Fine-Chem Ltd**

**Earnings Presentation  
Q4 & FY22**

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**Q4/FY22  
Highlights of the  
Year**



# Year in review



## Business Environment

- Demand in key markets remained very strong coupled with high customer retention
- Macro factors pushed input costs to new highs during the year, while fuel and freight also impacted product supply and margins
- Given the ongoing war/ geopolitical factors, costs expected to remain at elevated levels in near term

## Operations

- 90%+ capacity utilization (excl new Mactrotech expansion) during the year led by strong demand in key markets
- Mactrotech expansion completed during the year, approvals in place and validation batches initiated at facility
- Civil construction started at Tarapur for the planned greenfield expansion

## Products

- Robust demand witnessed during the year in Anthelmintics and Antiparasitics, top 5 products continued to gain market share
- 5 molecules in pipeline having more than 5 step synthesis manufacturing; will lead to new margin accretive products
- Poultry API witnessing strong traction – sold 6 tons in FY22

## Financial

- Revenue growth of 17% YoY in Q4 & 23% YoY in FY22, driven by robust volume demand & deeper product penetration
- Continuing trend of rising costs (freight, 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



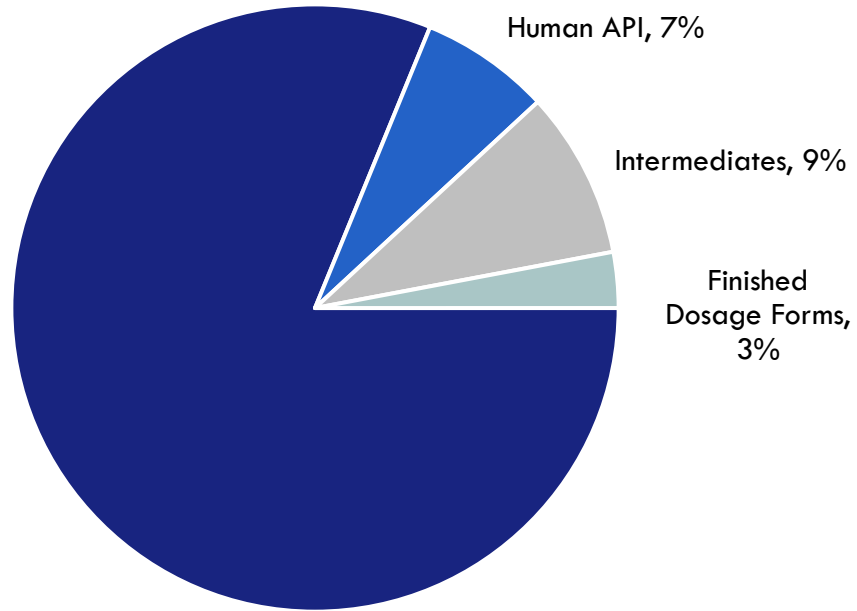
(Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
<b>Revenue from operations</b>	<b>84.1</b>	<b>71.8</b>	<b>17%</b>	<b>317.5</b>	<b>258.0</b>	<b>23%</b>
Cost of material consumed	39.9	26.5		147.0	102.3	
<b>Gross Profit</b>	<b>44.1</b>	<b>45.2</b>	<b>-2%</b>	<b>170.5</b>	<b>155.6</b>	<b>10%</b>
<b>Gross Profit margin</b>	<b>52%</b>	<b>63%</b>		<b>54%</b>	<b>60%</b>	
Employee expenses	9.3	7.4		34.9	28.1	
Other expenses	24.3	17.0		67.8	47.8	
<b>EBITDA</b>	<b>10.6</b>	<b>20.8</b>	<b>-49%</b>	<b>67.9</b>	<b>79.8</b>	<b>-15%</b>
<b>EBITDA margin</b>	<b>12.6%</b>	<b>29.0%</b>		<b>21.4%</b>	<b>30.9%</b>	
Finance cost	1.5	0.3		1.6	1.8	
Depreciation	3.5	2.1		10.4	8.3	
Other income	3.0	2.3		10.7	8.0	
<b>PBT</b>	<b>8.5</b>	<b>20.7</b>	<b>-59%</b>	<b>66.6</b>	<b>77.6</b>	<b>-14%</b>
Tax Expenses (Credits)	1.7	6.8		16.7	20.9	
<b>PAT</b>	<b>6.9</b>	<b>13.9</b>	<b>-50%</b>	<b>49.9</b>	<b>56.7</b>	<b>-12%</b>
<b>PAT margin</b>	<b>8.2%</b>	<b>19.3%</b>		<b>15.7%</b>	<b>22.0%</b>	



# Segment distribution



**FY22 Revenue Distribution**



Revenue (Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
Veterinary API	66.2	58.6	13.0%	257.8	204.5	26.0%
Finished Dosage Forms	1.1	4.9	-78.3%	7.9	12.2	-35.4%
Human API	6.7	6.0	10.5%	20.5	17.7	15.7%
Intermediates	4.2	1.5	181.1%	28.1	20.8	35.4%
<b>Total</b>	<b>78.2</b>	<b>71.8</b>	<b>8.9%</b>	<b>314.3</b>	<b>255.2</b>	<b>23.1%</b>

Standalone financials

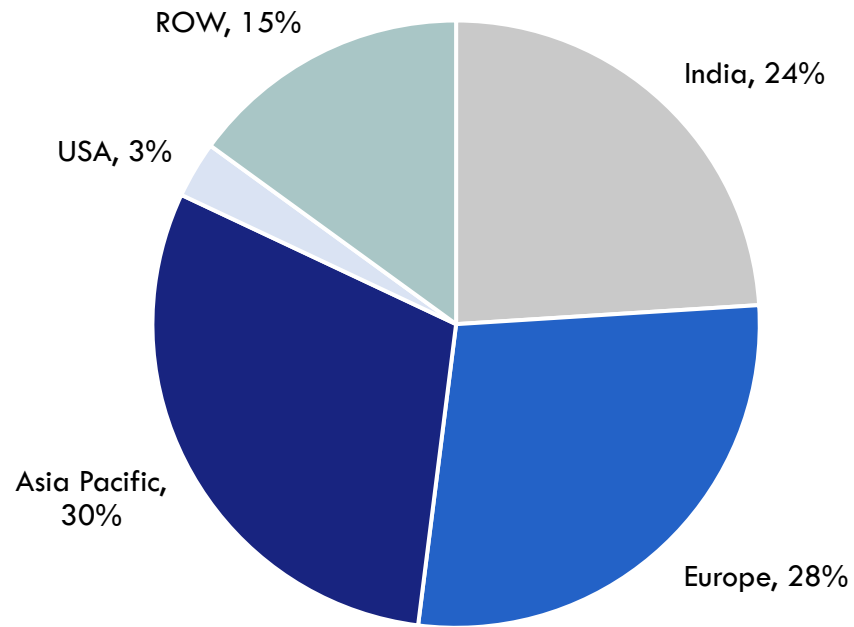




# Regional distribution



**FY22 Revenue Distribution**



Revenue (Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
Asia Pacific	21.3	19.8	<b>7.7%</b>	93.8	82.0	<b>14.3%</b>
Europe	23.1	24.0	<b>-3.6%</b>	87.2	80.7	<b>8.0%</b>
India	22.2	14.3	<b>55.1%</b>	76.3	57.5	<b>32.8%</b>
ROW	11.5	9.5	<b>20.8%</b>	47.2	28.2	<b>67.2%</b>
USA	-	4.1	-	9.8	6.8	<b>44.4%</b>
<b>Total</b>	<b>78.2</b>	<b>71.8</b>	<b>8.9%</b>	<b>314.3</b>	<b>255.2</b>	<b>23.1%</b>

Standalone financials





# Consolidated balance sheet highlights



Abridged Balance Sheet (Rs Cr)	Mar-22	Mar-21
Shareholders' Funds	203	154
Total Borrowings	27	16
Trade Payables	37	30
Other Liabilities	10	8
<b>Total Liabilities</b>	<b>277</b>	<b>208</b>
Fixed Assets (inc CWIP)	95	76
Inventories	56	38
Trade Receivables	64	38
Cash, Bank & Investments	30	34
Other Assets	33	22
<b>Total Assets</b>	<b>277</b>	<b>208</b>

- Increased inventories due to new product development and change in product mix, with NWC of 92 days as of Mar'22
- Incurred CAPEX of ~ Rs 36 crores for FY22
- Continue to remain Net Cash positive at Rs 3 crores as of Mar'22

Note :

1. Other Liabilities : Deferred Tax Liabilities, Current Tax Liabilities, Other Financial Liabilities & Provisions
2. Other Assets : Intangible Assets, Other Financial Assets and Other Non-current and Current Assets





# **Overview, Key Strengths and Strategy**





# Leading animal health company



Comprehensive product portfolio

- 22 APIs (18 veterinary API, 4 human), 4 intermediates, 10 finished dosage forms
- Best quality and value-driven pricing



Market leadership in vet API

- Leadership in top 3 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

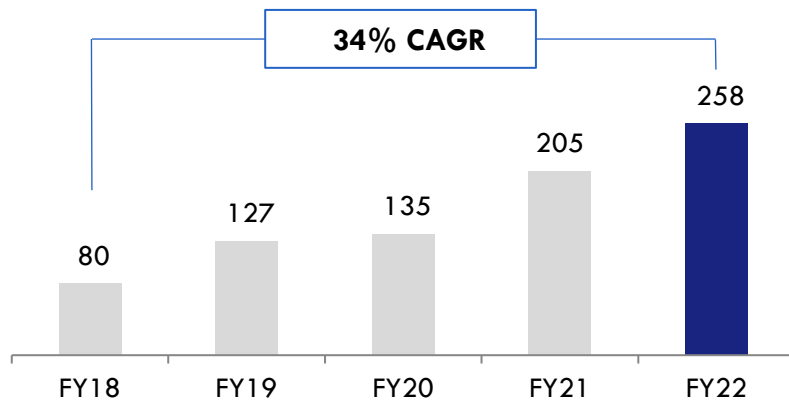
Anthelmintics

Ectoparasiticides

Antiprotozoals

Phosphorus Supplements

## Revenue From Veterinary API segment (Rs cr)



## Customer & Product Concentration (of Sales FY22)

	Customer	Product
Top 3	<b>13%</b> (16% FY21)	<b>44%</b> (40% FY21)
Top 5	<b>20%</b> (23% FY21)	<b>50%</b> (53% FY21)
Top 10	<b>33%</b> (38% FY21)	<b>72%</b> (73% FY21)





# 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>**

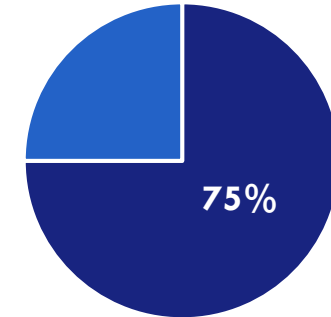
Stainless steel reactors

**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>	

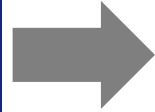
Source: Grand View Research & Global Market Insights



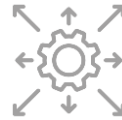


# Strategy for next leg of growth

Ongoing initiatives to increase capacities to meet growing demand



## Brownfield Expansion



- Completed 26 cr expansion in subsidiary Macrotech
- Additional capacities of intermediates
- To commercialize by Q1FY23

## 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

## Greenfield expansion at Tarapur

Larger expansion to drive the next leg of exponential growth



- 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







# Historical Financial Performance

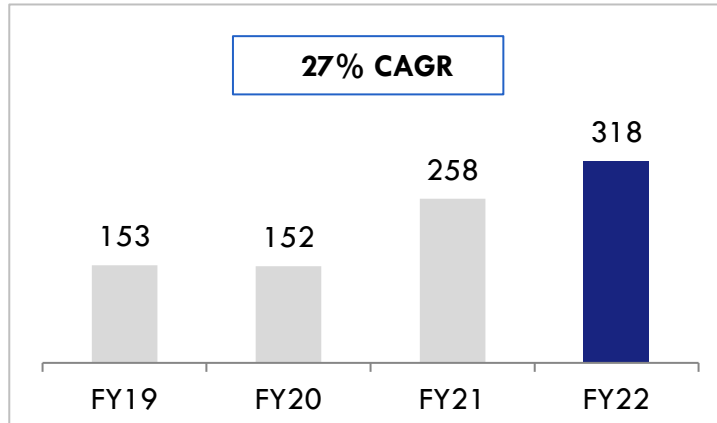


# Robust financial performance

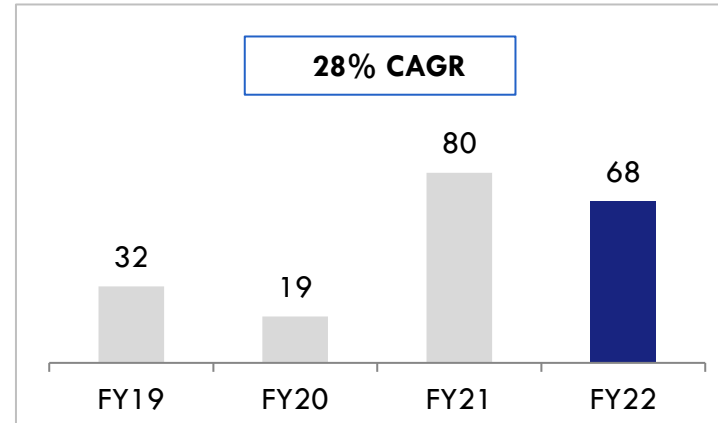


Consolidated Figures

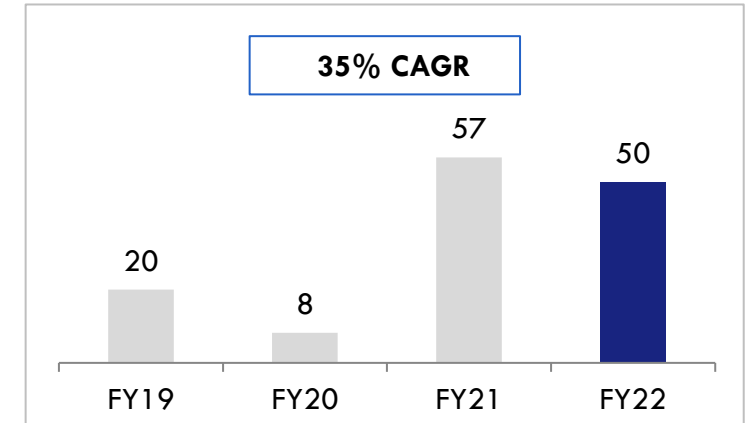
### Revenue (Rs Cr)



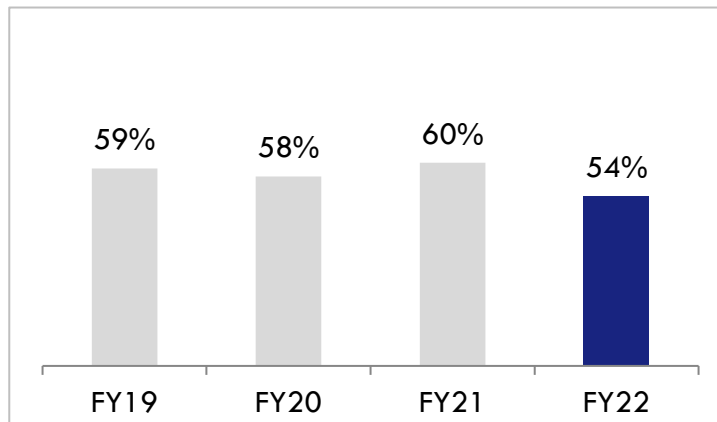
### EBITDA (Rs Cr)



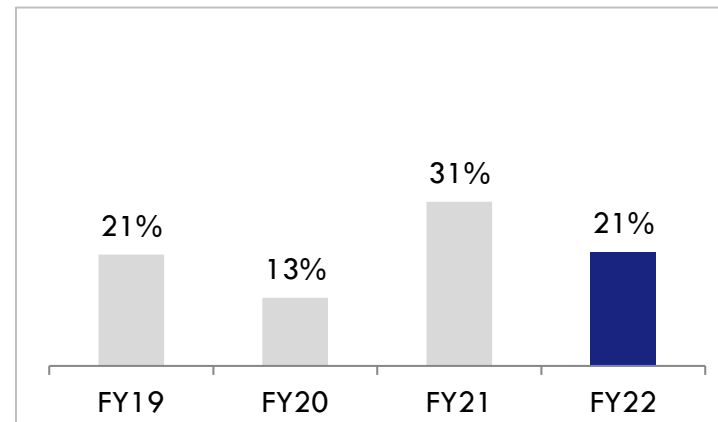
### PAT (Rs Cr)



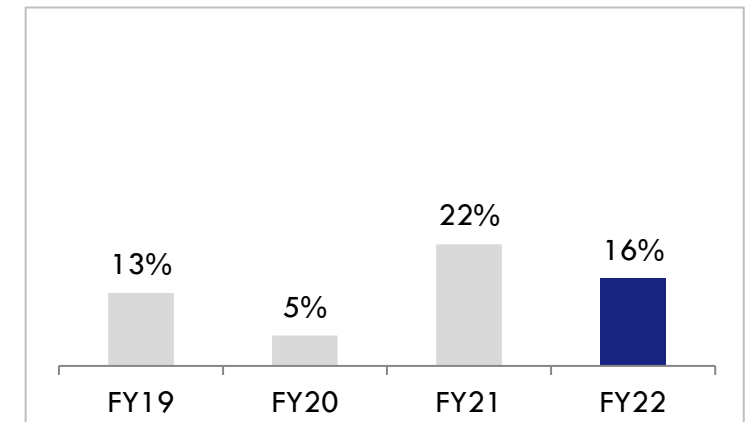
### Gross Margin (%)



### EBITDA Margin (%)



### PAT Margin (%)



EBITDA excludes Other Income

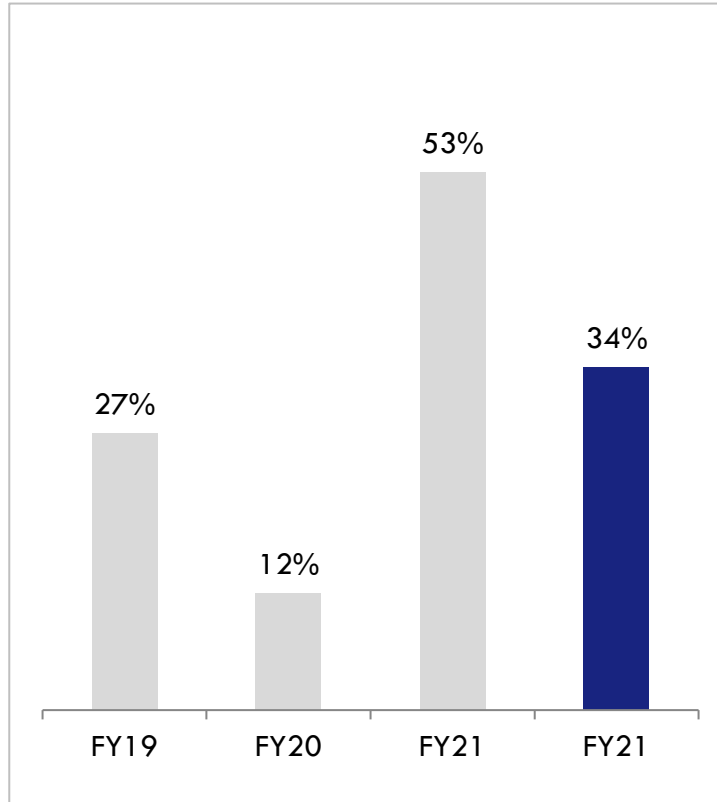


# Improving efficiencies

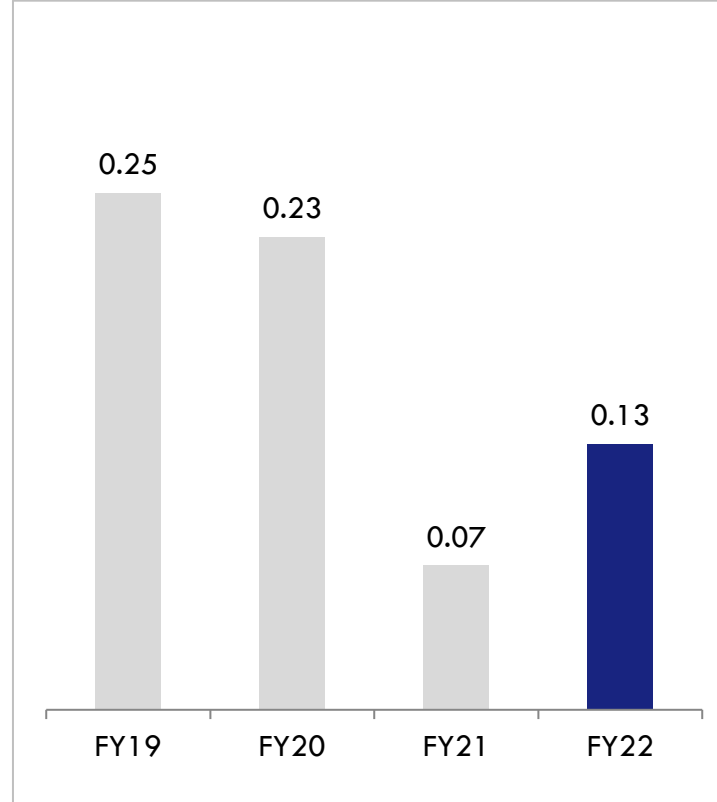


Consolidated Figures

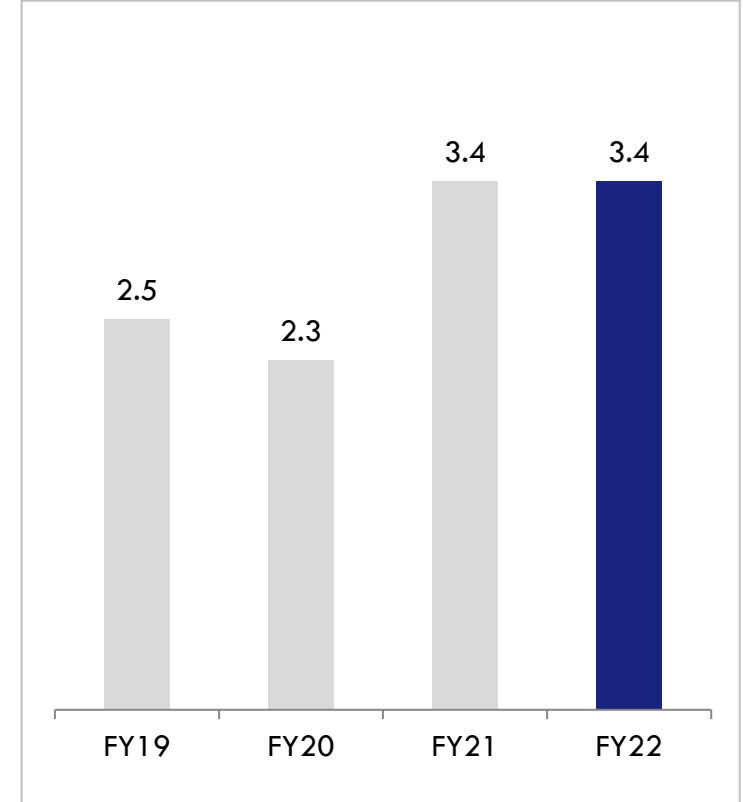
### ROCE (%)



### 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)



# Consolidated profit & loss statement



(Rs Cr)	FY22	FY21	FY20
<b>Revenue from operations</b>	<b>317.5</b>	<b>258.0</b>	<b>151.7</b>
Cost of material consumed	147.0	102.4	64.4
<b>Gross Profit</b>	<b>170.5</b>	<b>155.6</b>	<b>87.3</b>
<b>Gross Profit margin</b>	<b>54%</b>	<b>60.3%</b>	<b>57.5%</b>
Employee expenses	34.9	28.1	24.0
Other expenses	67.8	47.8	43.9
<b>EBITDA</b>	<b>67.9</b>	<b>79.7</b>	<b>19.4</b>
<b>EBITDA margin</b>	<b>21.4%</b>	<b>30.9%</b>	<b>12.8%</b>
Finance cost	1.6	1.8	2.3
Depreciation	10.4	8.3	8.1
Other income	10.7	8.0	3.0
<b>PBT</b>	<b>66.6</b>	<b>77.6</b>	<b>12.0</b>
Tax Expenses (Credits)	16.7	20.9	3.7
<b>PAT</b>	<b>49.9</b>	<b>56.7</b>	<b>8.3</b>
<b>PAT margin</b>	<b>15.7%</b>	<b>22.0%</b>	<b>5.5%</b>



# Thank You



**NGL Fine-Chem Ltd**

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**Pareto Capital (Investor Relations)**

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