



# NACL Industries Limited

Ref: NACL/SE/2022-23

February 14, 2023

**1) BSE Limited**

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

Mumbai – 400001

**Stock Code: 524709**

**2) National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor, Plot No.C/1

G Block, Bandra –Kurla Complex

Bandra (E), Mumbai-400051

**Symbol: NACLIND**

Dear Sir,

**Sub: Investor Presentation - reg.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing the investor presentation for the third quarter ended December 31, 2022.

Kindly take the same into records.

Thanking you

for **NACL Industries Limited**

**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

Encl: As above





# NACL Industries Limited

Investor Presentation | Q3 FY2023



This presentation may include statements, which may constitute forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, business development, market position, expenditures, and financial results, are forward looking statements. Forward-looking statements are based on certain assumptions and expectations of future events.

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Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in the company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which the company conducts business and other factors such as litigation and labour negotiations.

# OPERATIONAL HIGHLIGHTS



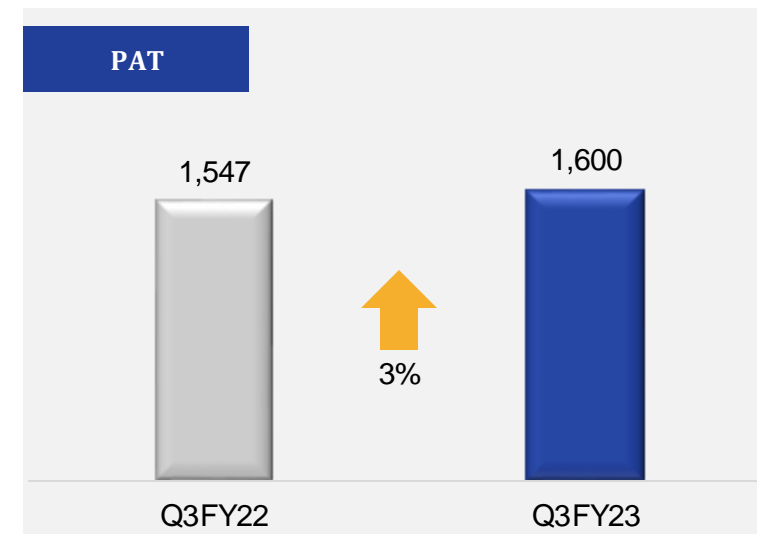
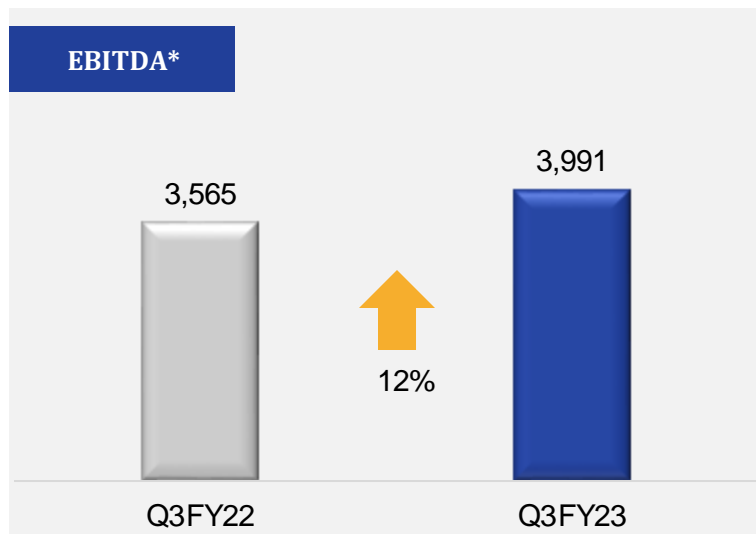
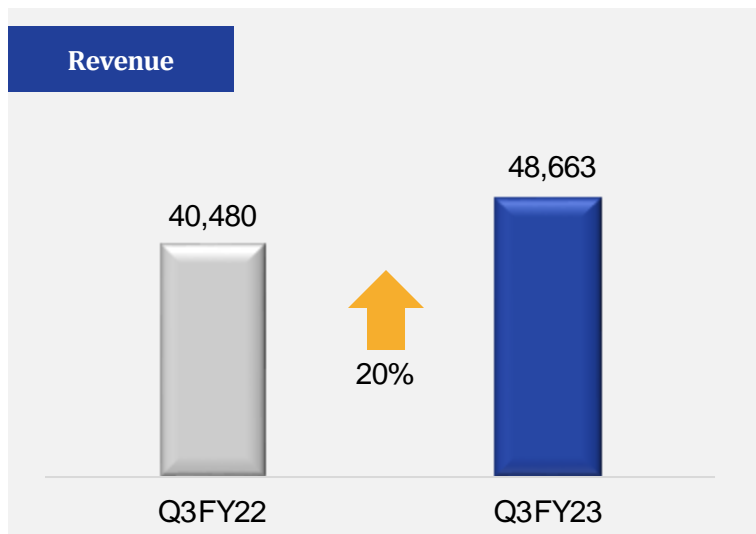


- Record Quarterly Earnings:
  - Consolidated EBITDA at Rs 3,931 lakhs up 13% YoY
  - Consolidated Net Profit at Rs 1,653 lakhs, up 15% YoY
- Consecutive **twelve** quarters of QoQ revenue growth
- Exports contributed 44% of the total revenues during the third quarter of FY 2023. For the quarter and nine months ended 31st December 2022, there was an increase of 22% and 51% respectively over the last year same period.
- The domestic retail business performed well and achieved 19% growth YoY in Q3 FY23 & 18% growth YoY in 9M FY23 despite head winds caused by unseasonal rains in Kharif and high inventory in the market impacting liquidation. Additionally, the lower acreage of commercial crops, is likely to result in single digit growth across most of the industry in this quarter.
- The flagship Plant at Srikakulam achieved 7% increase in production as compared to same period last year. The brownfield capacity expansion is on schedule, and the revised Consent for Operations (CFO) for  $\approx$  17000 TPA has been received.
- Import of raw materials was challenging due to partial closures and lockdowns in several parts of China. Steep fall in input prices and slackening of retail demand came together in hurting businesses.
- The Greenfield site at Dahej, Gujarat has successfully commenced commercial production (first phase of the project with capacity of 6,000MT per annum) with effect from December 28, 2022
- A Wholly Owned Subsidiary (WoS) in the name and style 'NACL Industries (NIGERIA) Limited' has been duly incorporated in Nigeria to carry out the sales & marketing of Agri-input products in Nigeria/Other African Countries.
- The Board of Directors (BOD) in its meeting on January 31, 2023 approved the formation of a wholly owned subsidiary (WoS) in the name and style M/s. NACL Agri-solutions private limited (subject to approval by ministry of corporate affairs), with an intent to provide integrated farm solutions to customers.
- The company has declared second Interim Dividend of Rs. 0.15/-per equity share (i.e. 15% of Face Value) on equity share of Rs. 1/- each fully paid up for the financial year 2022-23.



# RESULTS SUMMARY





- Strong revenue growth aided by higher realization and volumes
- Revenue was higher from fungicides, Insecticides & Herbicides business segment by ~19%, ~10% and ~49% YoY respectively.

- Growth in revenue enabled EBITDA growth
- EBITDA margins remained intact despite the raw material cost inflation and high energy costs

- Despite cost pressure, profit has increased by 3% YoY
- Encouraging growth in Net profit led by revenue growth, product mix & increased efficiencies

## Revenue Breakup

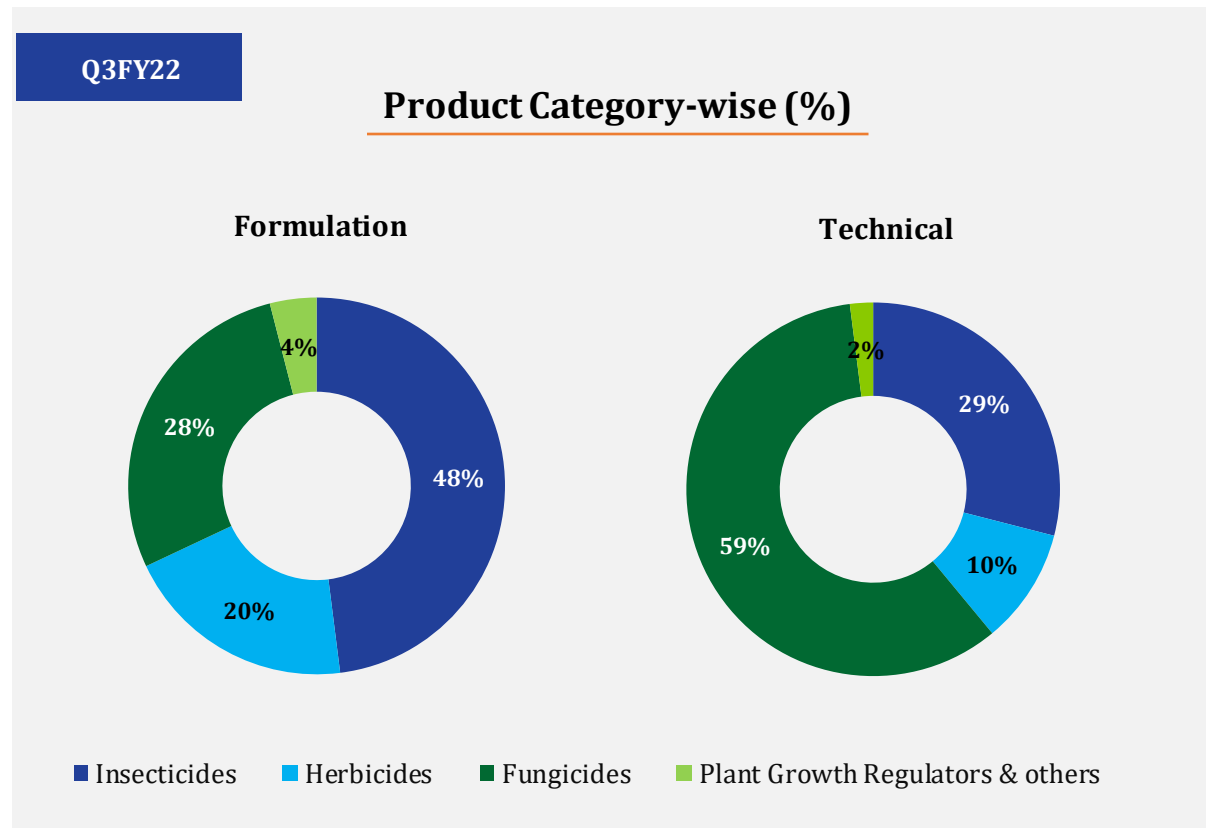
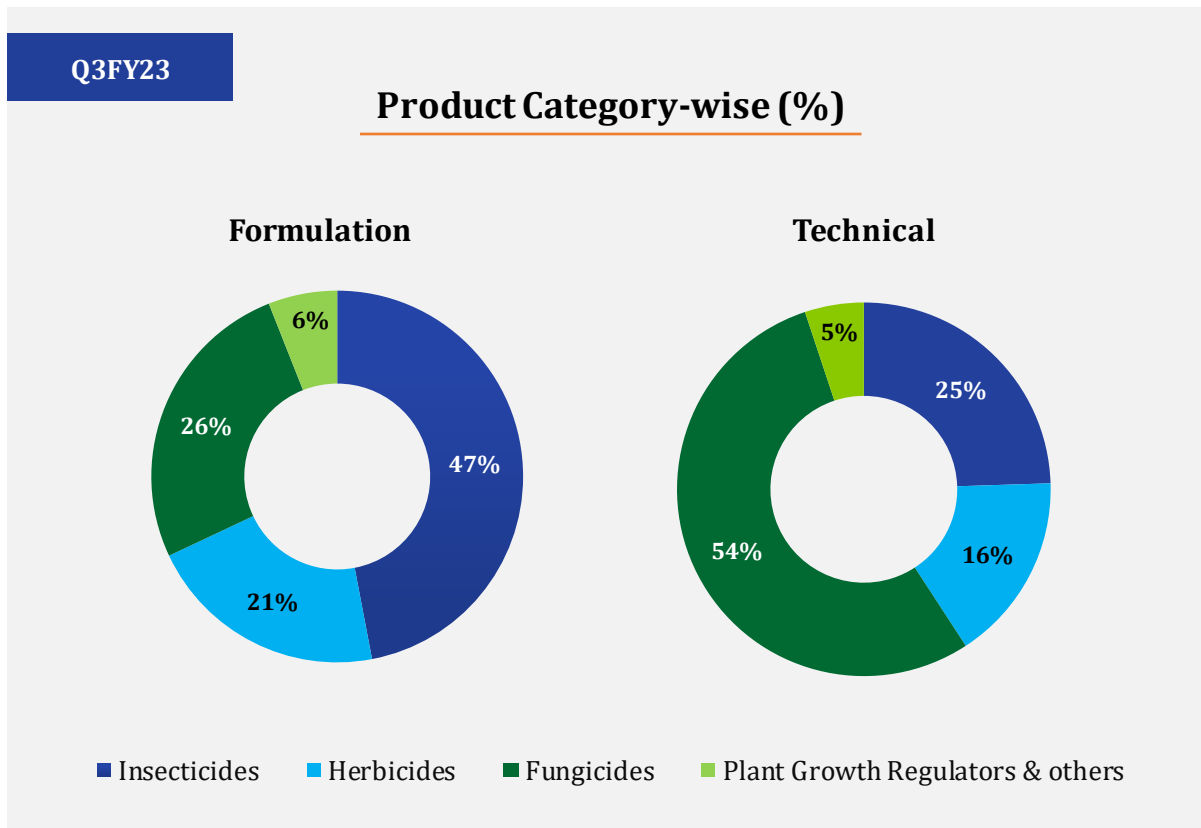
Insecticides		10%
Q3FY23	Q3FY22	
16,031	14,568	

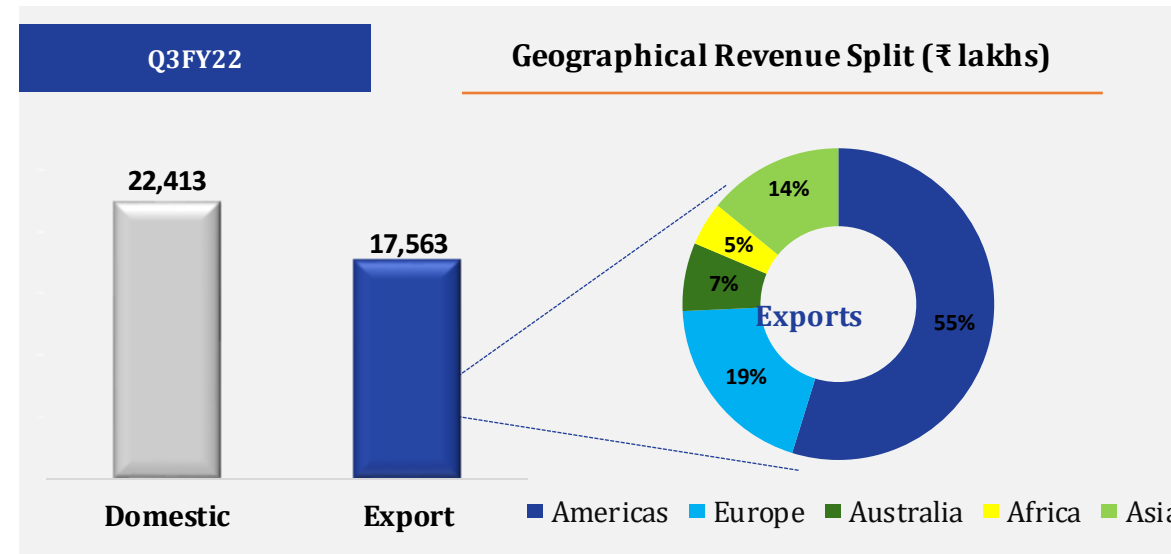
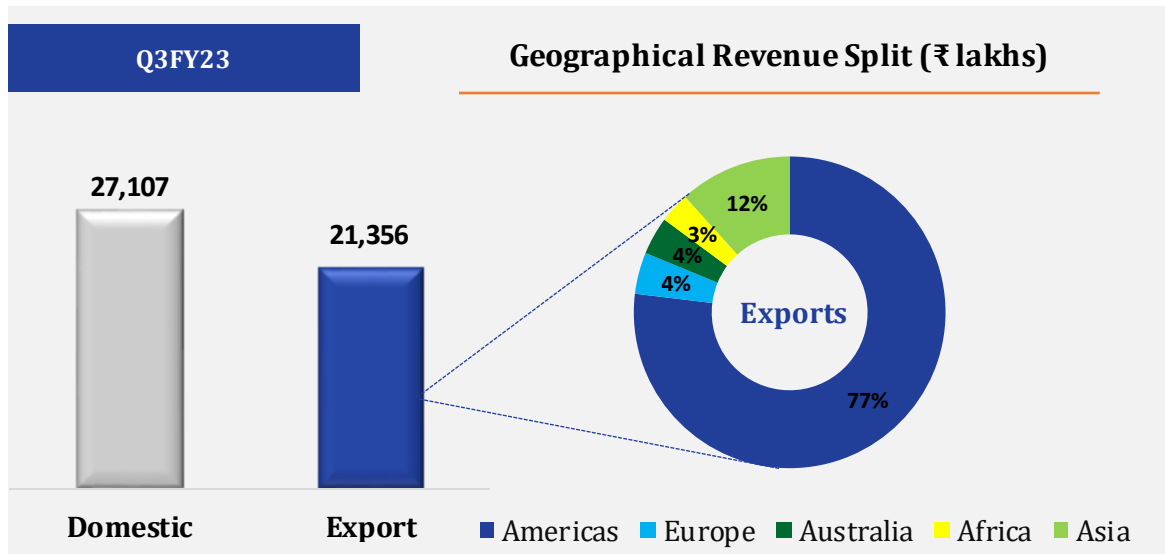
Herbicides		49%
Q3FY23	Q3FY22	
8,517	5,716	

Fungicides		19%
Q3FY23	Q3FY22	
20,781	17,437	

Plant Growth Regulators		119%
Q3FY23	Q3FY22	
2,692	1,231	







## India (Domestic)

- The domestic retail business grew despite unseasonal monsoons across major areas, and high inventories effecting liquidation

## Europe

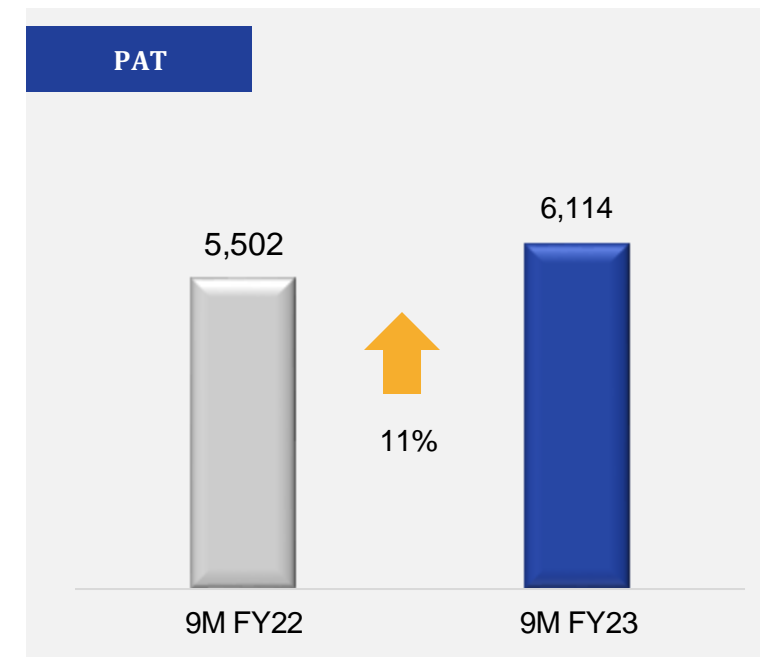
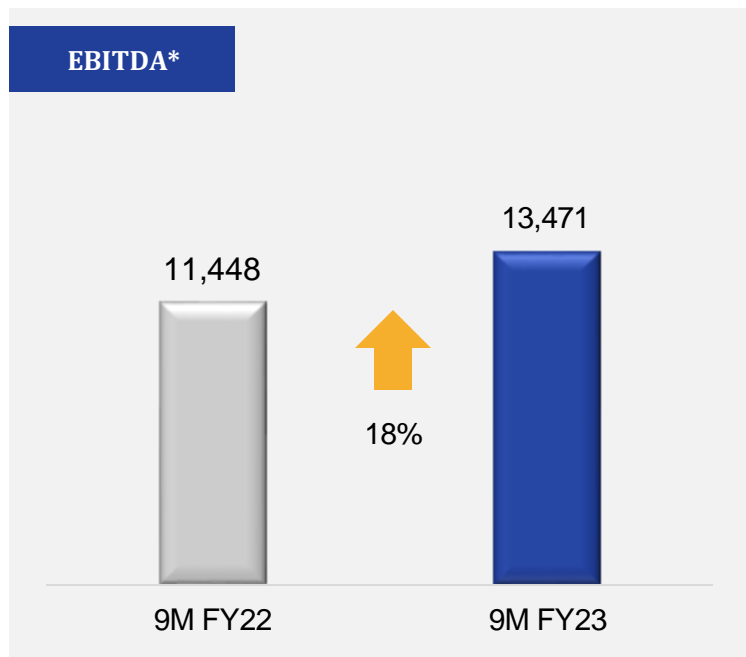
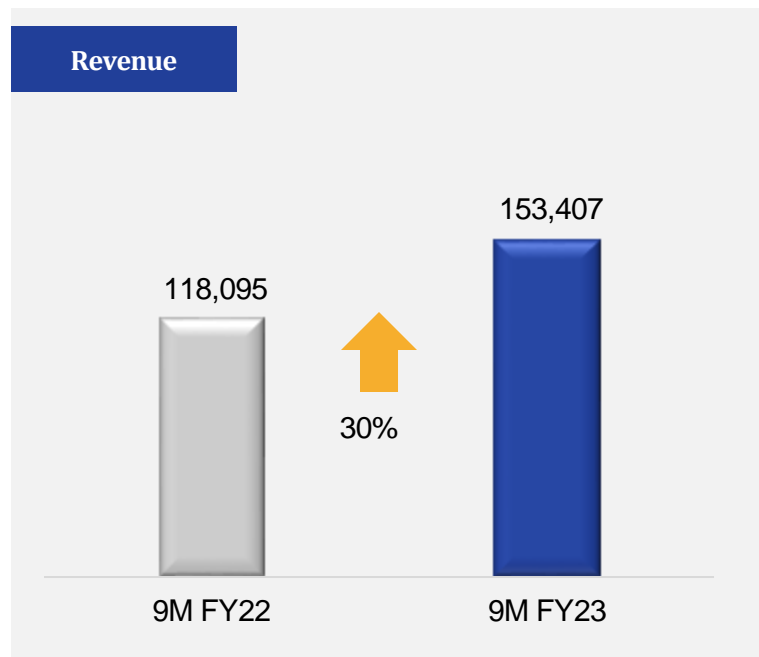
- Impact faced on account of economic slowdown due to Russia-Ukraine war and currency devaluation

## Americas

- Growth in this region was attributed by increase in demand for fungicide products & business initiation with a new customer

## Rest of World

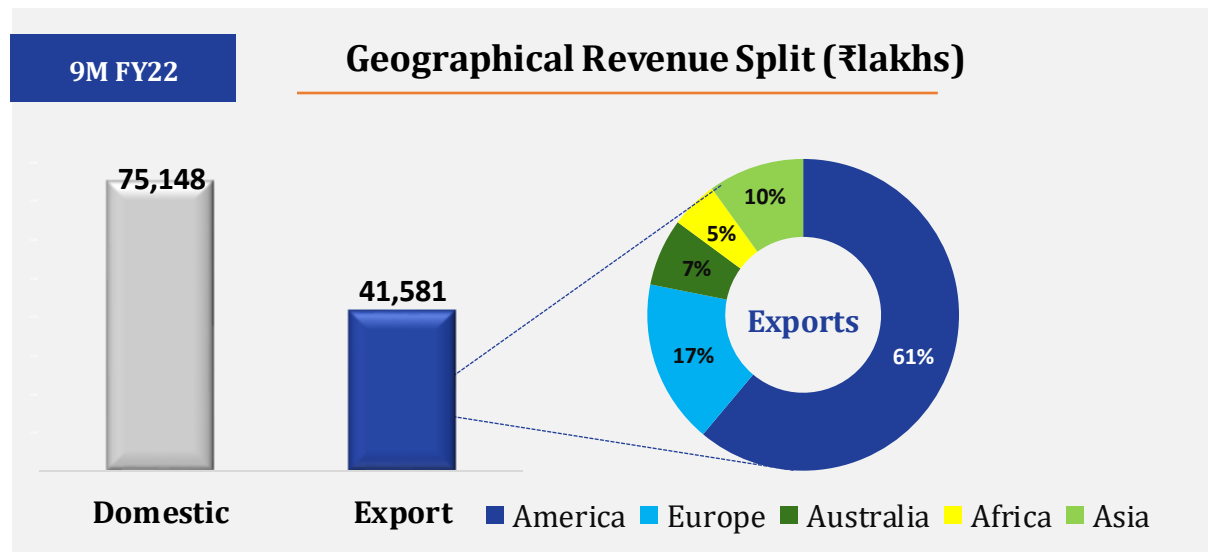
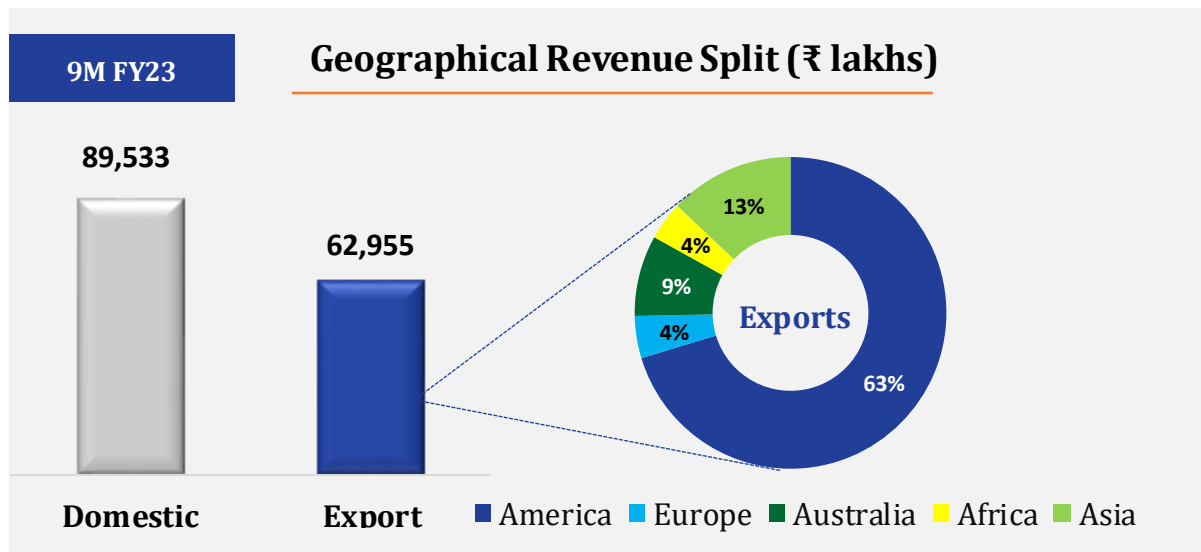
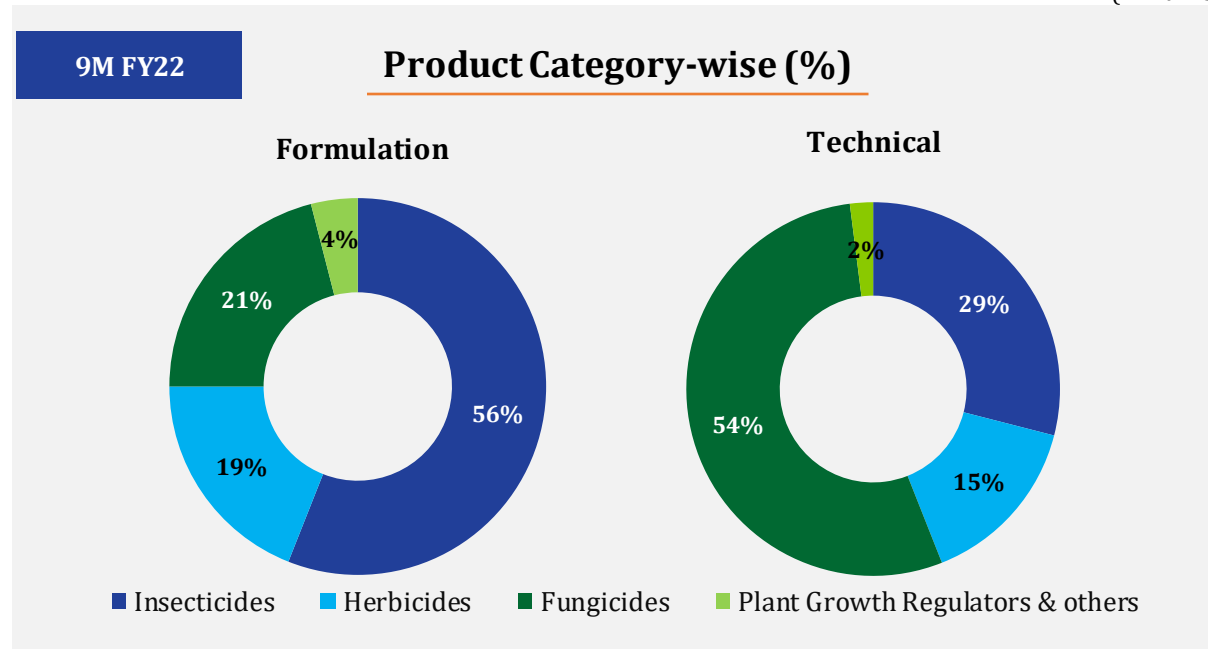
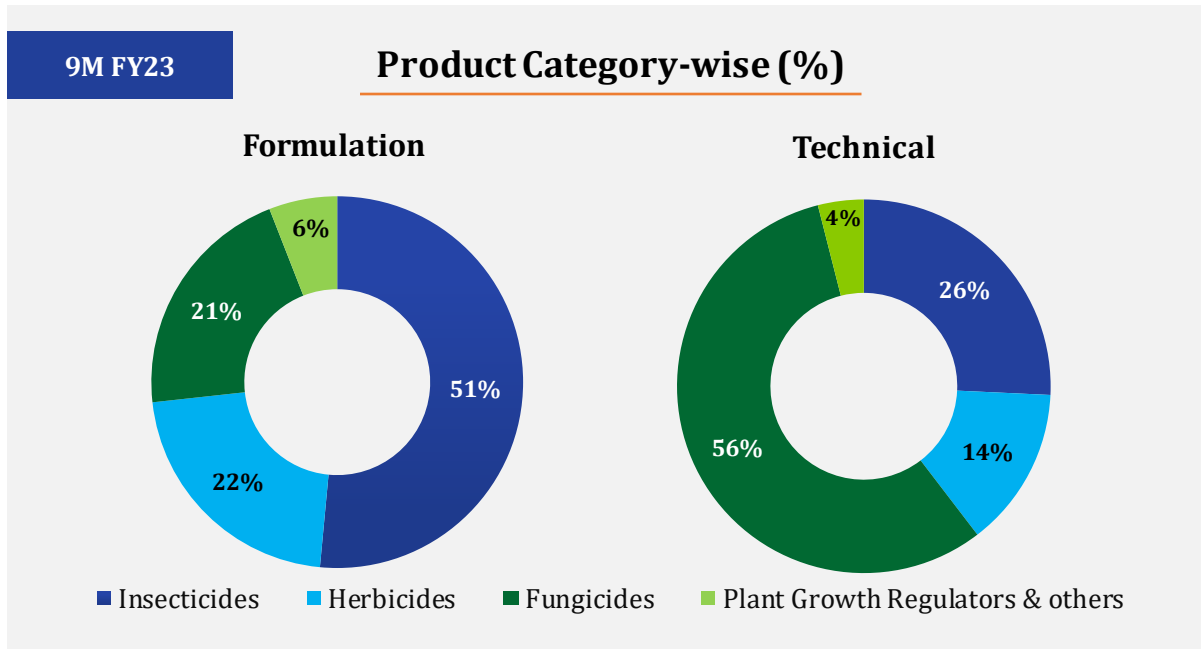
- Few geographies faced the dual headwinds of high-cost inventory and currency devaluation



Insecticides		Herbicides		Fungicides		Plant Growth Regulators	
9M FY23	9M FY22	9M FY23	9M FY22	9M FY23	9M FY22	9M FY23	9M FY22
54,831	48,682	26,109	19,461	63,404	42,785	6,746	3,064

On Standalone Basis

\* Includes other income





# Profit and Loss – Q3 & 9M FY23 (Standalone)



Particulars (₹ in lakhs)	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
<b>Revenue from Operations (Net of Excise)</b>	48,463	39,976	↑ 21%	1,52,488	1,16,729	↑ 31%
Other Income	200	504		919	1,366	
<b>Total Income</b>	<b>48,663</b>	<b>40,480</b>	↑ 20%	<b>1,53,407</b>	<b>1,18,095</b>	↑ 30%
Cost of materials consumed	34,010	29,213		1,14,692	86,437	
Purchase of stock-in-trade	2,246	1,853		6,327	6,028	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	643	(1,358)		(5,236)	-6,625	
<b>Total Raw Material</b>	<b>36,899</b>	<b>29,708</b>		1,15,783	<b>85,840</b>	
<b>Gross Profit</b>	<b>11,764</b>	<b>10,772</b>	↑ 9%	<b>37,624</b>	<b>32,255</b>	↑ 17%
<b>Gross Profit Margin</b>	<b>24.2%</b>	<b>26.6%</b>		<b>24.5%</b>	<b>27.3%</b>	
Employee Cost	3,214	2,378		8,674	7,112	
Other Expenses	4,559	4,829		15,479	13,695	
<b>EBITDA</b>	<b>3,991</b>	<b>3,565</b>	↑ 12%	<b>13,471</b>	<b>11,448</b>	↑ 18%
<b>EBITDA Margin</b>	<b>8.2%</b>	<b>8.8%</b>		<b>8.8%</b>	<b>9.7%</b>	
Depreciation	625	631		1,954	1,859	
<b>EBIT</b>	<b>3,366</b>	<b>2,934</b>	↑ 15%	<b>11,517</b>	<b>9,589</b>	↑ 20%
<b>EBIT Margin</b>	<b>6.9%</b>	<b>7.2%</b>		<b>7.5%</b>	<b>8.1%</b>	
Finance Cost	1,210	798		3,308	2,139	
<b>Profit before Tax</b>	<b>2,156</b>	<b>2,136</b>	↑ 1%	<b>8,209</b>	<b>7,450</b>	↑ 10%
Tax	556	589		2,095	1,948	
<b>PAT</b>	<b>1,600</b>	<b>1,547</b>	↑ 3%	<b>6,114</b>	<b>5,502</b>	↑ 11%
<b>PAT Margin %</b>	<b>3.3%</b>	<b>3.8%</b>		<b>4.0%</b>	<b>4.6%</b>	
<b>Basic EPS</b>	<b>0.81</b>	<b>0.78</b>		<b>3.08</b>	<b>2.78</b>	





# Profit and Loss – Q3 & 9M FY23 (Consolidated)



Particulars (₹ in lakhs)	Q3 FY23	Q3 FY22	Y-o-Y	9M FY23	9M FY22	Y-o-Y
<b>Revenue from Operations (Net of Excise)</b>	48,214	39,976	↑ 21%	152,240	116,729	↑ 30%
Other Income	176	431		621	1181	
<b>Total Income</b>	<b>48,391</b>	<b>40,407</b>	↑ 20%	<b>152,861</b>	<b>117,910</b>	↑ 30%
Cost of materials consumed	33,782	29,213		114,464	86,437	
Purchase of stock-in-trade	2,246	1,853		6,327	6,028	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	643	-1,358		-5,236	-6625	
<b>Total Raw Material</b>	<b>36,671</b>	<b>29,708</b>		<b>115,555</b>	<b>85,840</b>	
<b>Gross Profit</b>	<b>11,720</b>	<b>10,699</b>	↑ 10%	<b>37,306</b>	<b>32,070</b>	↑ 16%
<b>Gross Profit Margin</b>	<b>24.2%</b>	<b>26.4%</b>		<b>24.4%</b>	<b>27.2%</b>	
Employee Cost	3,214	2,380		8,674	7,126	
Other Expenses	4,575	4,828		15,495	13,679	
<b>EBITDA</b>	<b>3,931</b>	<b>3,491</b>	↑ 13%	<b>13,137</b>	<b>11,264</b>	↑ 17%
<b>EBITDA Margin</b>	<b>8.1%</b>	<b>8.6%</b>		<b>8.6%</b>	<b>9.5%</b>	
Depreciation	629	631		1,960	1,859	
<b>EBIT</b>	<b>3,302</b>	<b>2,860</b>	↑ 15%	<b>11,177</b>	<b>9,405</b>	↑ 19%
<b>EBIT Margin</b>	<b>6.8%</b>	<b>7.1%</b>		<b>7.3%</b>	<b>8.0%</b>	
Finance Cost	1,210	711		3,054	1,916	
Share of (loss) / profit from associate	119	-119		108	-237	
<b>Profit before Tax</b>	<b>2,211</b>	<b>2,030</b>	↑ 9%	<b>8,231</b>	<b>7,252</b>	↑ 13%
Tax	558	589		2,097	1,948	
<b>PAT</b>	<b>1,653</b>	<b>1,441</b>	↑ 15%	<b>6,134</b>	<b>5,304</b>	↑ 16%
<b>PAT Margin %</b>	<b>3.4%</b>	<b>3.5%</b>		<b>4.0%</b>	<b>4.5%</b>	
<b>Basic EPS</b>	<b>0.83</b>	<b>0.73</b>		<b>3.09</b>	<b>2.68</b>	



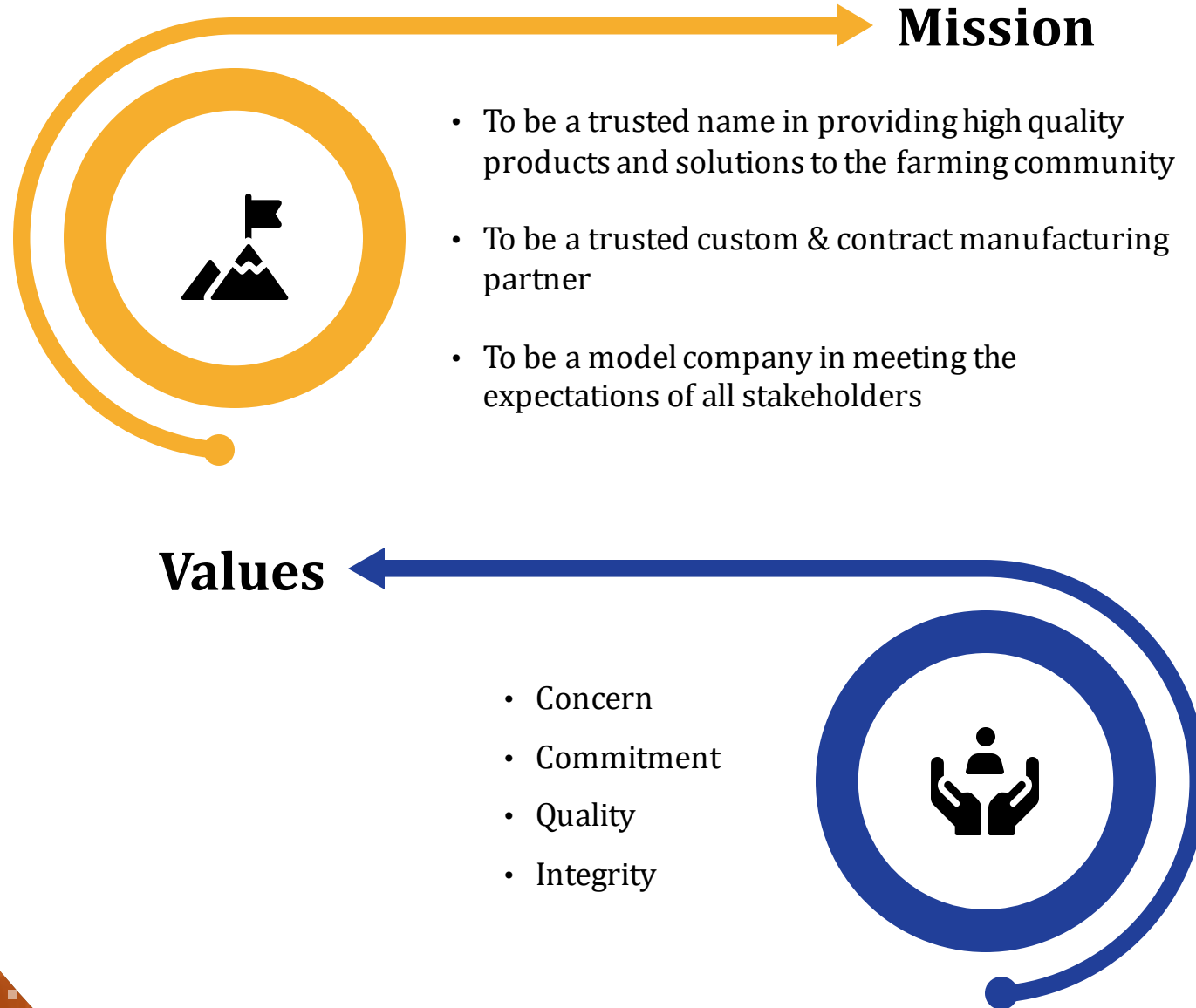
# CORPORATE IDENTITY





NACL has been an established player in the Agrochemical industry since 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 60 products covering all major crops. In formulations, the Company manufactures products in all major categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators







**1,200+**

Employee Strength



**31**

Geographical  
Presence



**5**

Million Farmers  
( Customers )



**4**

Manufacturing  
Units



**30**

Years of  
Experience



**63**

Branded Products



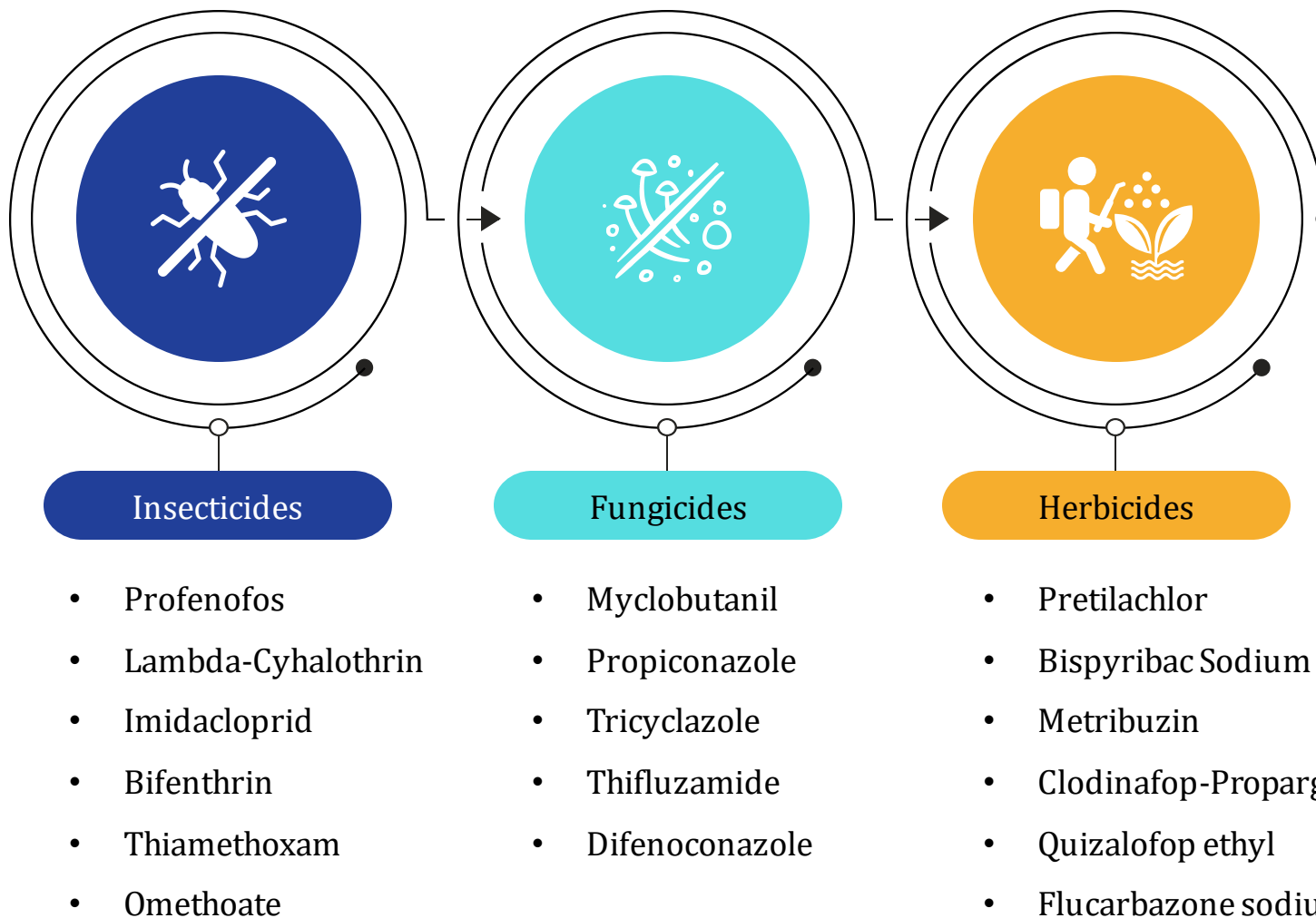
**31 - Countries**

**1,200+ - Employees**

**04 - Manufacturing Plants**

**44% - Revenue from International**

## Technicals



## Insecticides



- Cairo
- Cannon
- Dxtar
- Dxtar FS
- Ennova

- Fenny
- Fury
- Force Super
- Hurricane Plus
- Monocrown

- Nagarjuna 4G
- Nagarjuna Mida
- Nagarjuna Mantle
- Nagarjuna Spice
- Nagarjuna Trust

- Pest Lock
- Profex
- Profex Super
- Pymet
- Quick 50% SP

- Status
- Syndicate
- Task Gr
- Task SC
- Warrior
- Warrior Plus

## Fungicides



- Combi plus
- Font
- Index

- Kazan
- Mass
- Mass Plus

- Result
- Sivic
- Slogan

- Subtle
- Trica
- Zeb

- Zen
- Rhizostar
- Oscar

## Herbicides



- Font
- Zeb M-45
- Zen

- Slogan
- Oscar
- Sivic

- Nagarjuna Combi plus
- Nagarjuna Index
- Nagarjuna Mass

- Nagarjuna Mass Plus
- Nagarjuna Result
- Kazan
- Trica

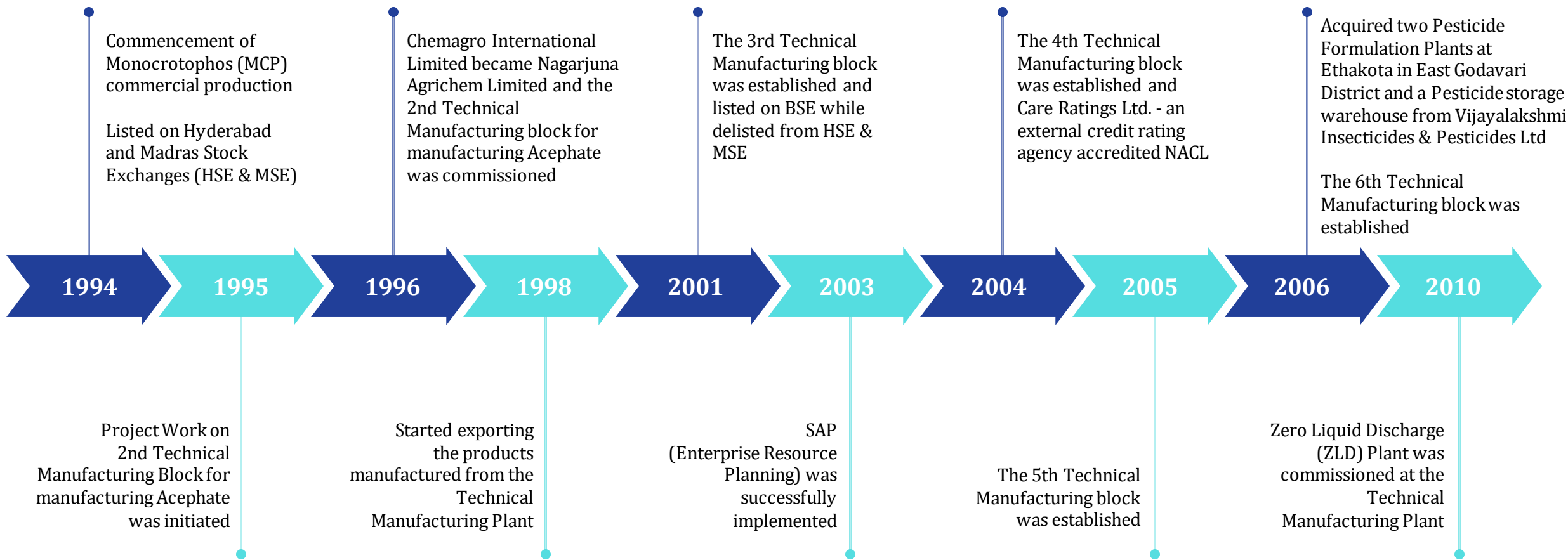
## Plant Growth Regulators



- Atonik
- Gallant EG
- Gallant Gold

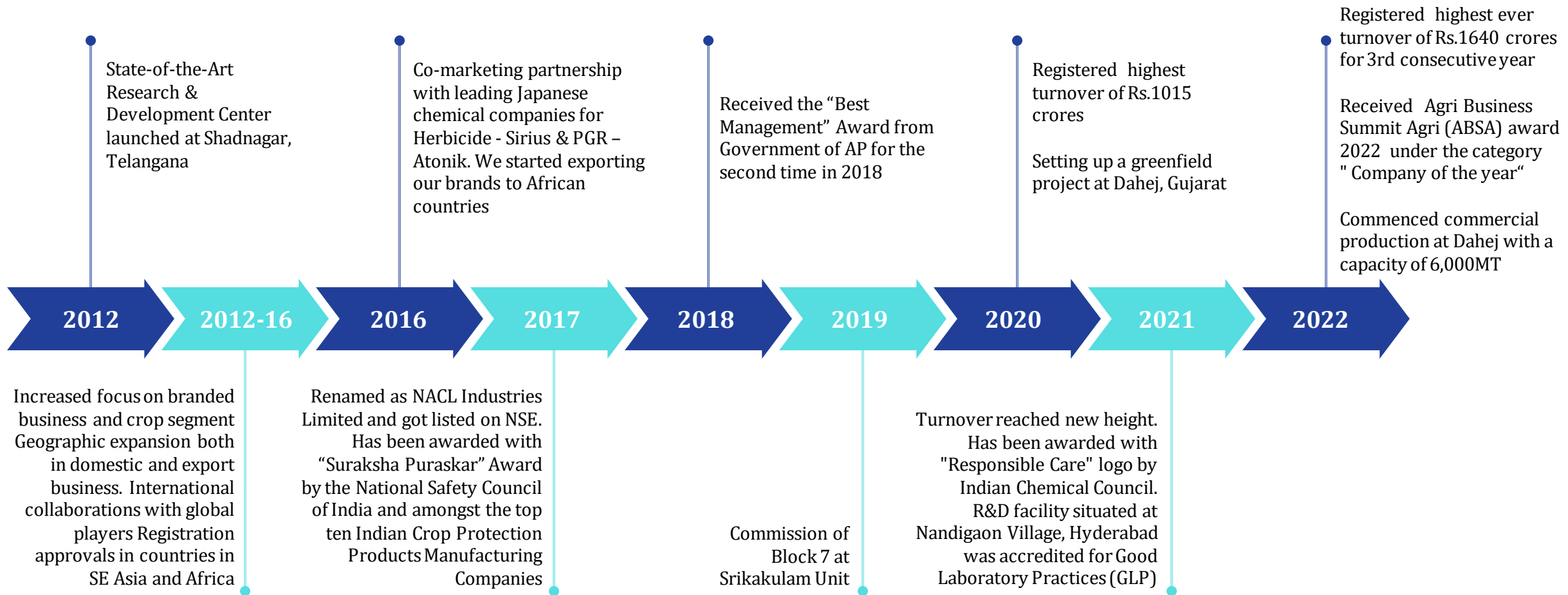


# Timeline (1/2)





# Timeline (2/2)





**Mrs. K Lakshmi Raju**  
Chairperson &  
Non-Executive Director



**Mr. M Pavan Kumar**  
Managing Director &  
CEO



**Mr. C. Varada Rajulu**  
Executive Director -  
Corporate Affairs



**Mr. N Vijayaraghavan**  
Independent Director



**Mr. Sudhakar Kudva**  
Independent 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



**Mr. M Pavan Kumar**  
Managing Director & CEO



**Mr. C. Varada Rajulu**  
Executive Director -  
Corporate Affairs



**Mr. G. Jagannadha Rao**  
President -  
International key accounts



**Mr. R.K.S Prasad**  
Executive VP -  
Finance & CFO



**Mr. Amit Taparia**  
Senior VP - SCM, Procurement,  
IT, Registrations & RA and Head  
of Operations



**Mr. Harish Chandra Bijlwan**  
Senior VP -  
Operations & Technology



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



**Mr. Roshan Mammen**  
Vice President -  
Exports





**Mr. Seshagiri Rao**  
Vice President- Plant  
Operations (Technical Plant)



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



**Mr. S. Mani Prasad**  
Head – Human Potential  
Development



**Dr. Sunil Kumar Singh**  
Head - Research &  
Development



**Dr. Kuppusamy A**  
Senior General Manager  
& Head - Regulatory  
Affairs & Product  
Development

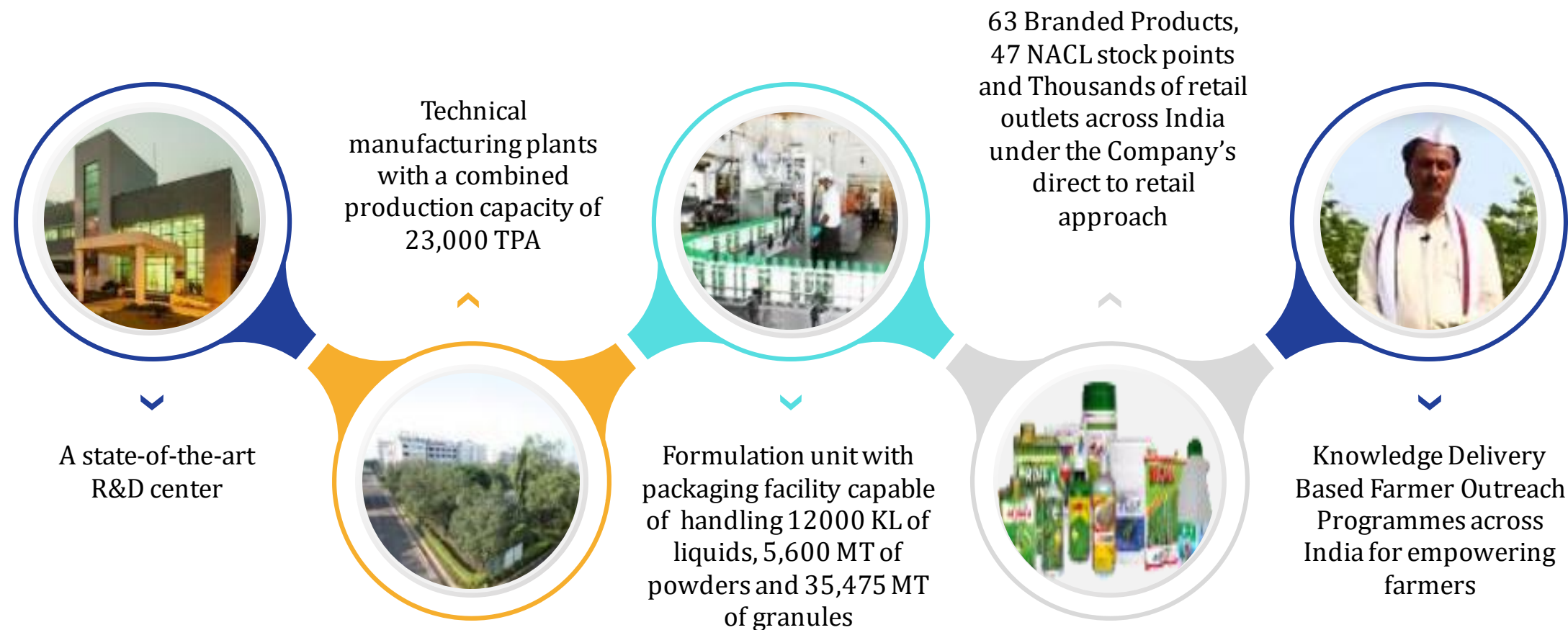


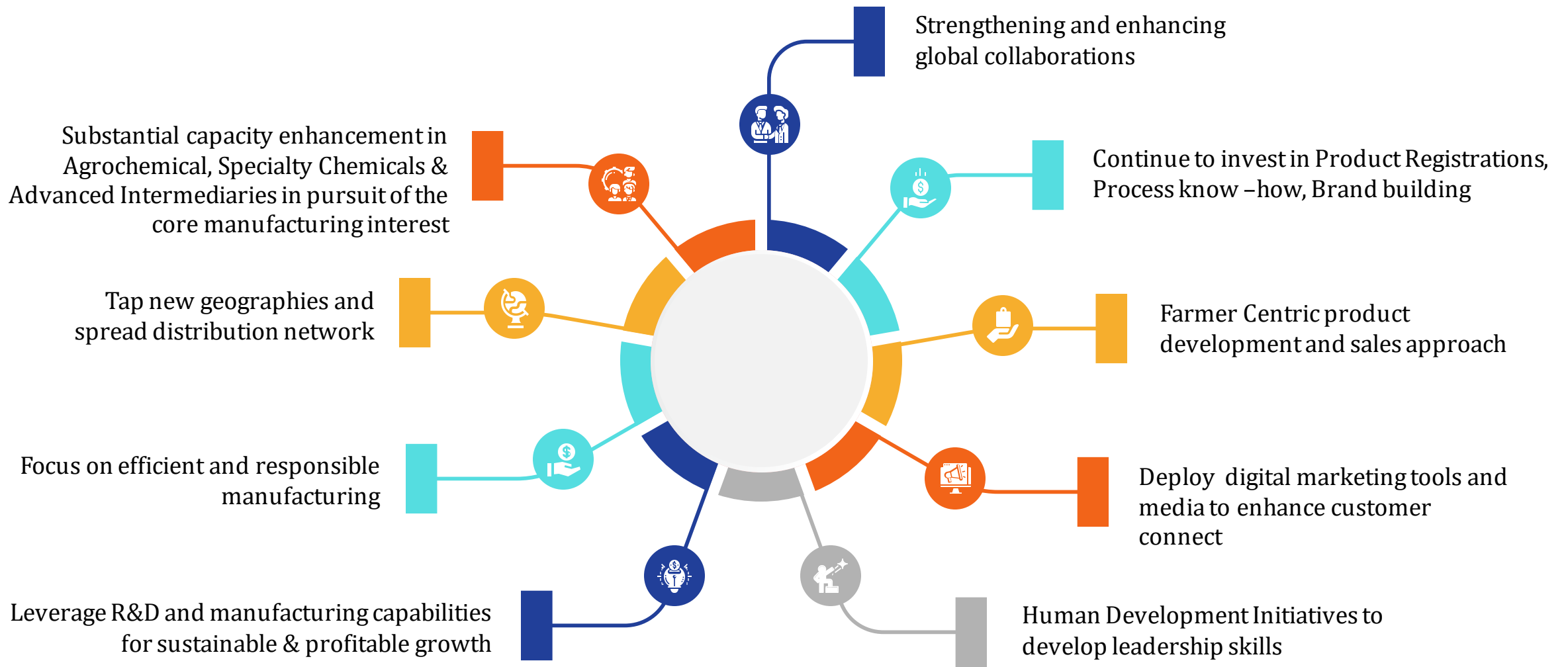
**Mr. Praveen Dubey**  
Senior General Manager &  
Head - Institutional Business &  
Strategic Sourcing



**Mr. Rajesh Iyer**  
General Manager -  
Procurement

## An integrated and growing footprint on an extended value chain







## RESEARCH & DEVELOPMENT

Capable R&D team with state-of-the-art, GLP accredited facility, to develop differentiated products and cost efficient manufacturing processes.

## GOVERNANCE & LEADERSHIP

Accomplished Board Members and seasoned professional leadership with decades of industry experience; long standing record of enlightened governance and mature business processes.

## CONSISTENT GROWTH

Sustained improvement across all key performance parameters over many quarters.

## DISTRIBUTION NETWORK

Extensive market reach through a large base of retailers and distributors.

## PRODUCT PORTFOLIO

Robust, diversified and expanding product portfolio, spanning insecticides, herbicides, fungicides and plant growth regulators

## ENDURING BUSINESS RELATIONS

Long standing and trusted relationships with multi-national and domestic Companies.

## STRONG VALUE CHAIN

Well developed presence in R&D, intermediate, technical grade materials and formulations manufacturing, exports and brand marketing; intensive farmer and customer engagement.

## BRAND EQUITY

Distinct consumer preference based on brand competitiveness with accent on quality and service.

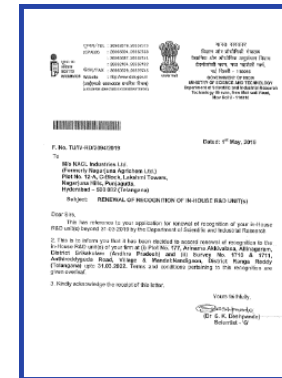
## RC certificate



## GLP certificate



## DSIR



R&D Facility

## ISO Accreditations



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

## NABL Accreditations



R&D Facility



Ethakota Unit



Srikakulam Unit



## Greentech Award

NACL has bagged the “Greentech Environment Silver Award” for the year 2018 from New Delhi-based Greentech Foundation, for its best efforts towards environment protection and conservation.



## Suraksha Puraskar

NACL’s Srikakulam Unit has bagged the prestigious “Suraksha Puraskar” Award for the year 2017 from the National Safety Council of India, for its best safety practices.



## Certificate of Appreciation

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.



## Best Management Award

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.



## Industry Champion Award 2021

NACL's Srikakulam Unit bagged prestigious “Andhra Pradesh Industry Champion Award 2021” from the Government of Andhra Pradesh.



## ABSA Company of the Year Award 2022

NACL's received Agri Business Summit Agri (ABSA) award 2022 under the category " Company of the year“ from the Honorable Agriculture Minister for Telangana Mr. S. Niranjana Reddy



## Indian Agrochemical Market

India is the fourth-largest producer of agrochemicals in the world after USA, Japan and China. The Indian agrochemical market are expected to continue to grow between 5% and 6% through 2030. Government has identified the agrochemical industry as one of the 12 champion industries where India can play a significant role in the global supply chain, recognising its potential.

## 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

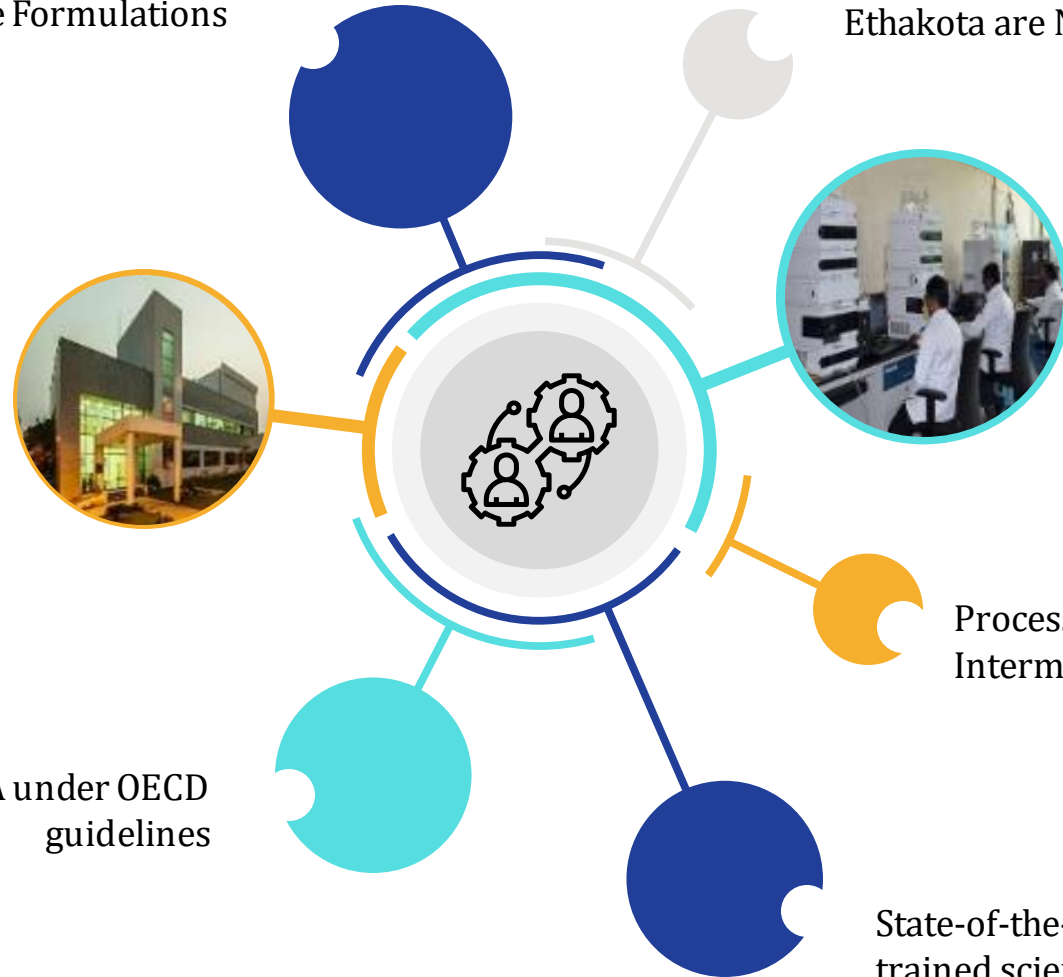
The government's support for agriculture has been remarkable in several respects. Government has invested in several projects to increase farmers' incomes, boost agricultural infrastructure, strengthen Farmer Producer Organisations (FPOs) through aggregation, and facilitate digital infrastructure for agriculture. All of these measures should help to plug gaps in the agricultural ecosystem.

## Exports

Due to the inherent strength of cost-effective production and qualified manpower, India is one of the leading exporters of crop protection chemicals. Unlike domestic demand growth which fluctuates depending on the rainfall pattern, agrochemicals exports have been increased steadily. Almost 50% of agrochemicals are exported from India to the world.

Development of new generation, environment friendly and safe Formulations

R&D labs at Shadnagar and Srikakulam are DSIR recognized. Quality Control labs in the above locations and Ethakota are NABL accredited.



R&D lab is GLP Certified by NGCMA under OECD guidelines

Process development of Active Ingredients and Intermediates

State-of-the-art R&D manned by highly qualified and trained scientists





Ethakota Unit 1, AP  
Ethakota Unit 2, AP



Srikakulam Unit, AP  
Dahej Unit, GJ

## PRODUCTION CAPACITY

Liquid Formulation

12,000 KL

Powder Formulation

5,600 MT

Granule Formulation

35,475 MT

Technical Grade

19,000 MT

## Newly Commissioned Project

**NACL Spec-Chem Limited,  
Dahej, Gujarat- Phase I**

The Greenfield site at Dahej, Gujarat has successfully commenced commercial production with a capacity of **6,000MT /Annum** from 28<sup>th</sup> December, 2022

It proposes to establish a R&D lab and a pilot plant focused on specialty chemicals as part of the next expansion.

## BROWNFIELD PROJECT

**NACL Industries Limited,  
Srikakulam, Andhra Pradesh**

Srikakulam Technical Plant is increasing the capacity in phases from **10,000** MT/Annum to **25,000** MT/Annum

Phase 1: From **10,000** MT/Annum to **17,000** MT/Annum  
(**13,000** MT/Annum by March 23, **17,000** MT/Annum by Dec 24)

Phase 2: From **17,000** MT/Annum to **25,000** MT/Annum

## GREENFIELD PROJECTS

**NACL Multichem Private Limited,  
Ranasthalam Mandal, Srikakulam**

NACL Multichem, a Wholly -owned Subsidiary of NACL is in process of acquiring additional land and obtaining necessary approvals/licenses.

Planned capacity: **38,000** MT/ Annum in phases



# Green Field Project at Dahej (Gujarat) Completed





# SHAREHOLDER'S INFORMATION



## Stock Information (as on 30<sup>th</sup> January, 2023)

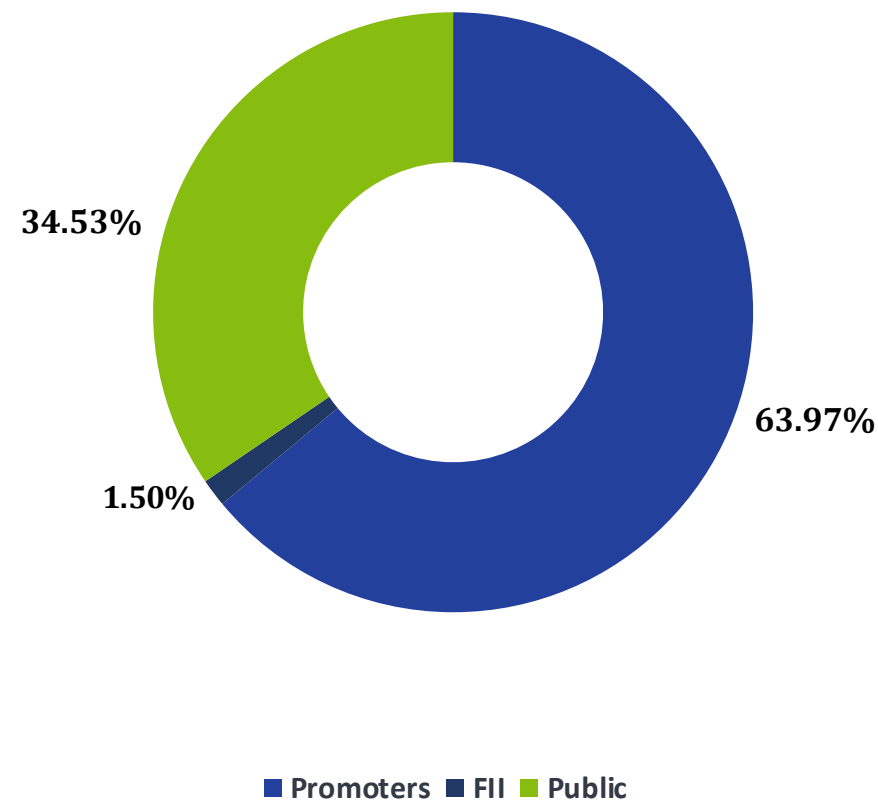
Market Capitalization (₹)	18,95 Cr
Shares Outstanding	19.83 Cr
Free Float	300.76 Cr
Symbol (BSE) / (NSE)	524709 / NACLIND

## Stock Performance Chart (as of January, 2023)



(As on 31<sup>th</sup> December 2022)

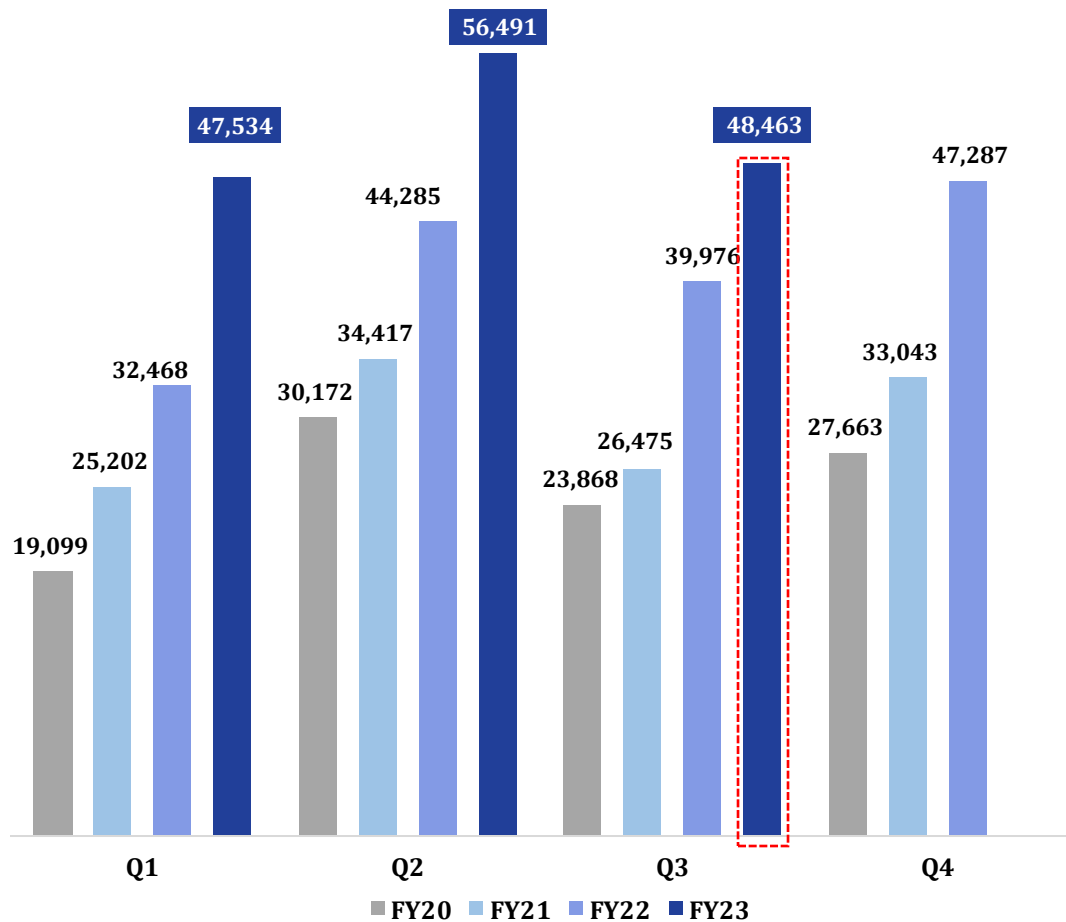
## Shareholding Pattern (%)



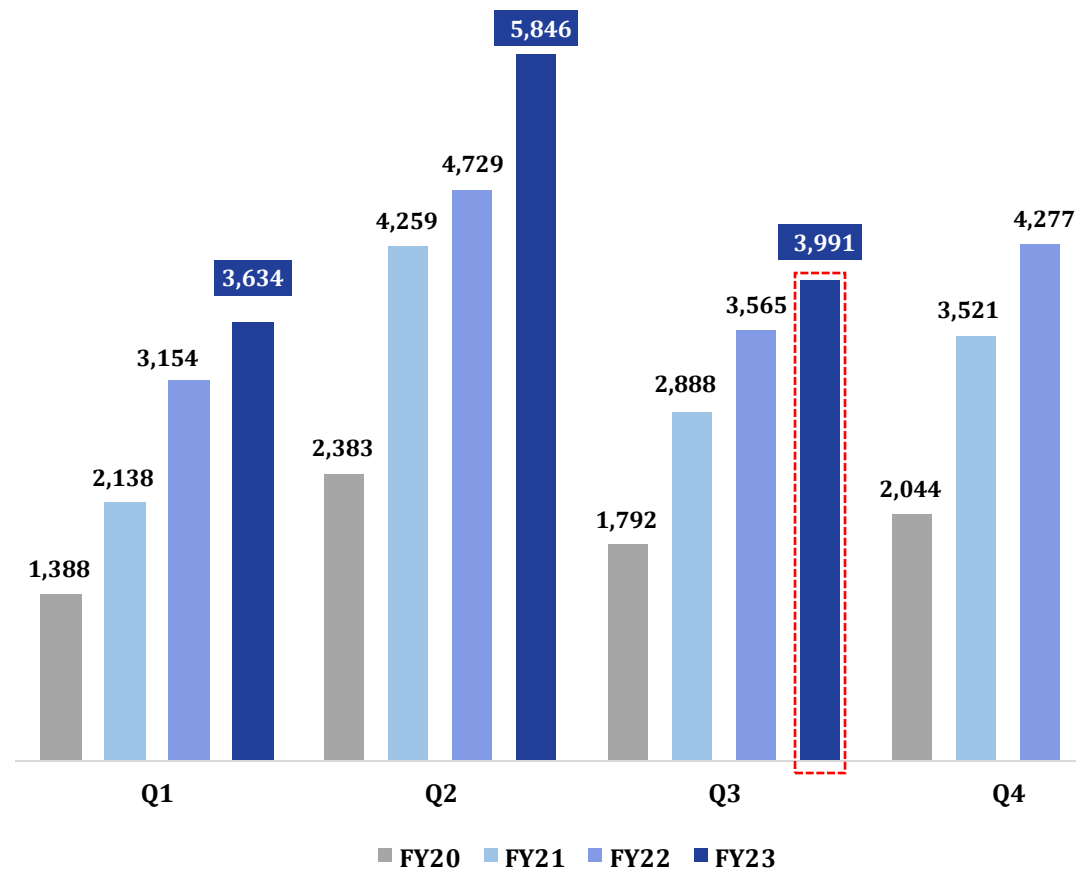
# PERFORMANCE TRACK RECORD



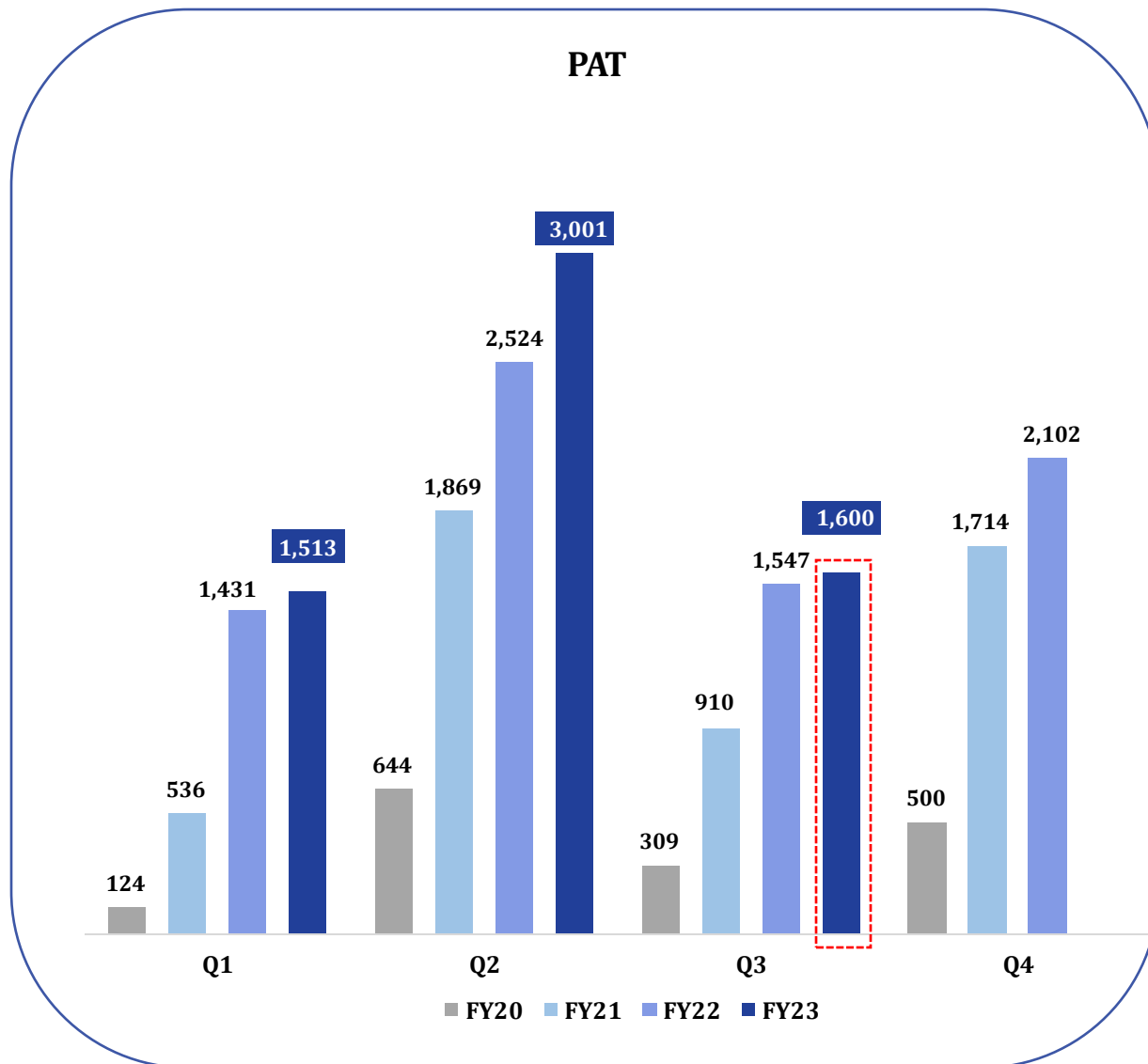
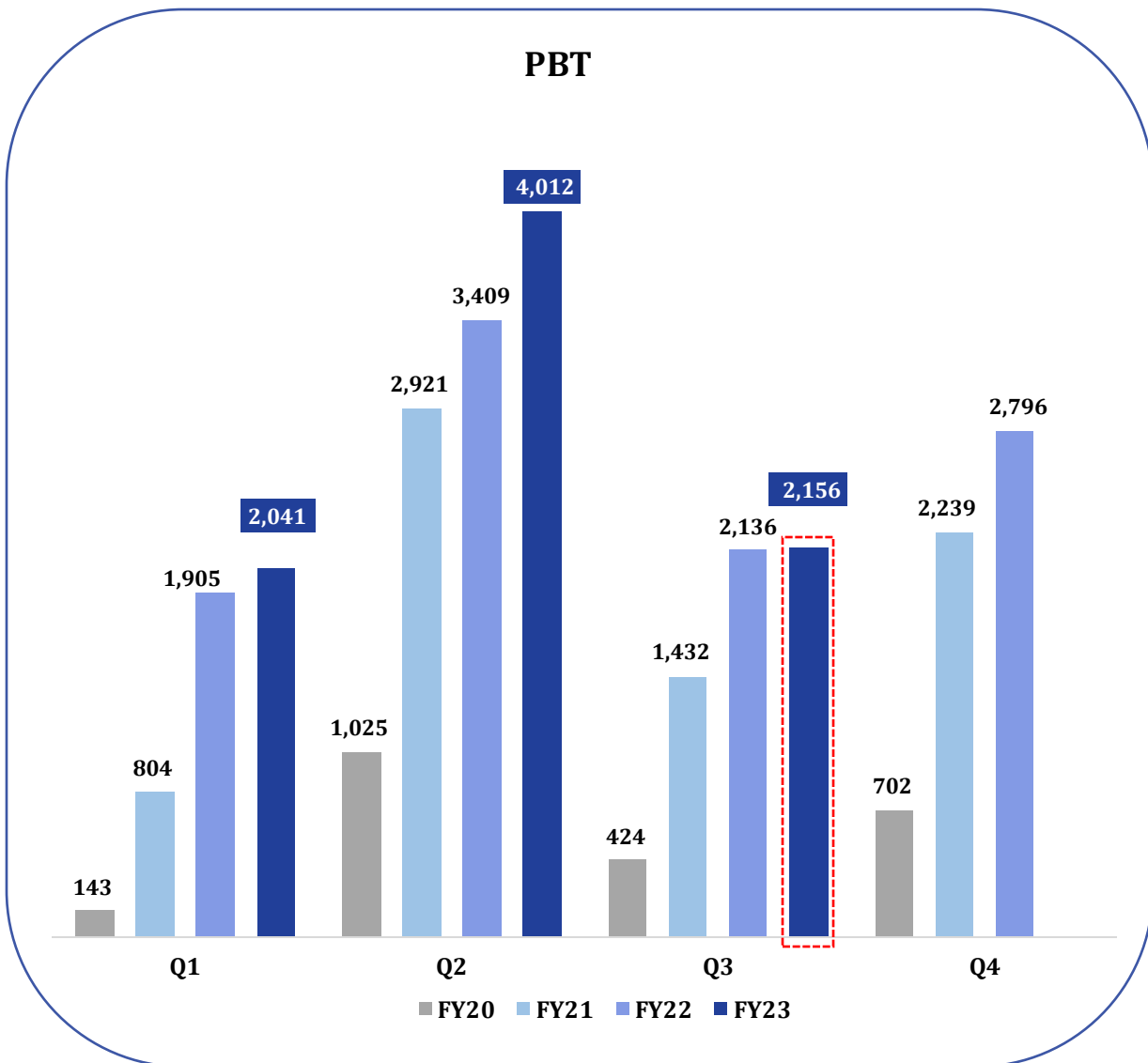
## Revenue from operations



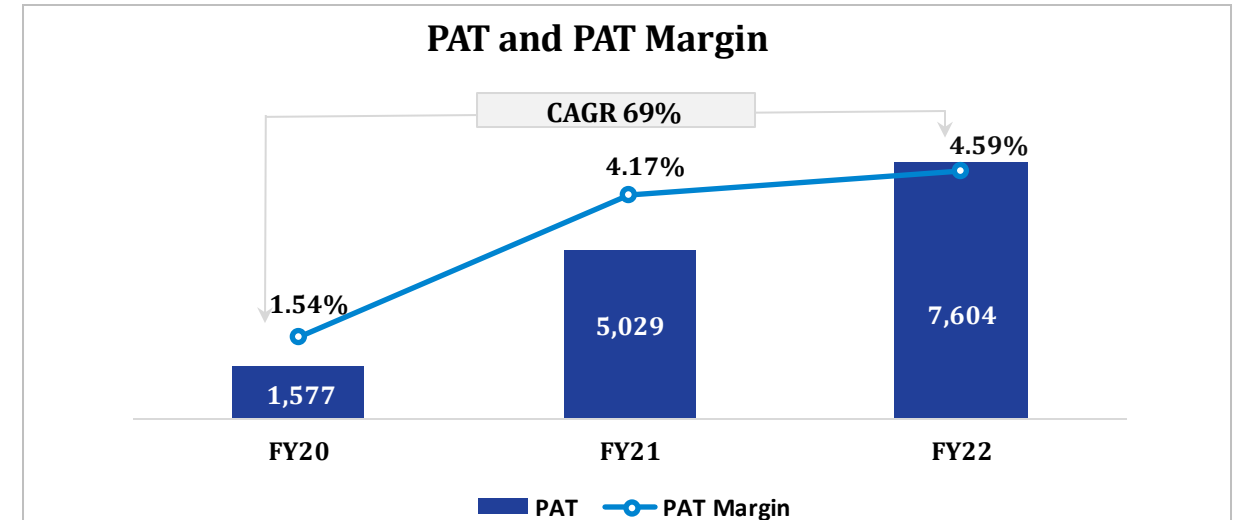
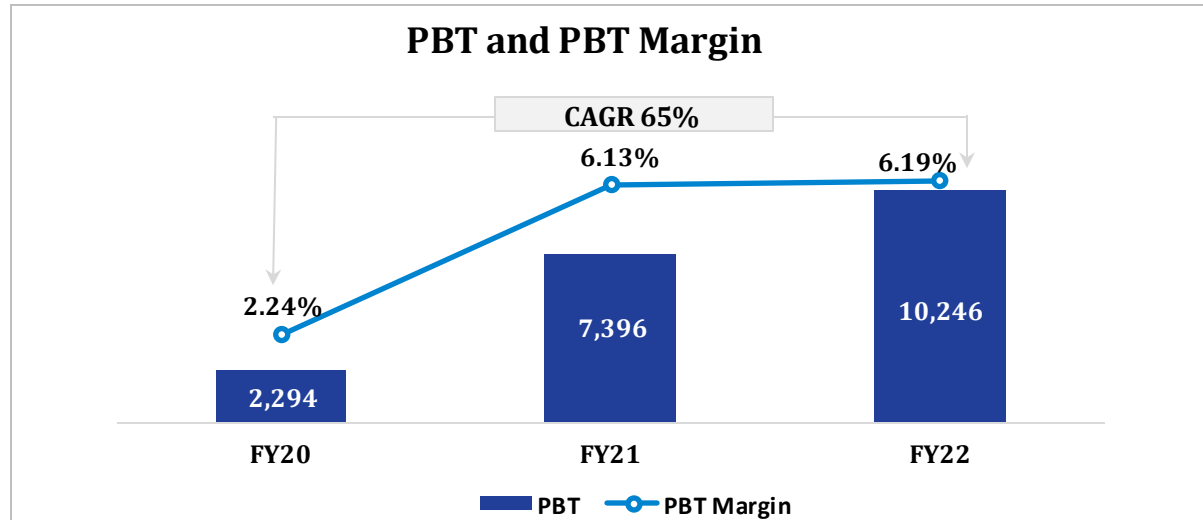
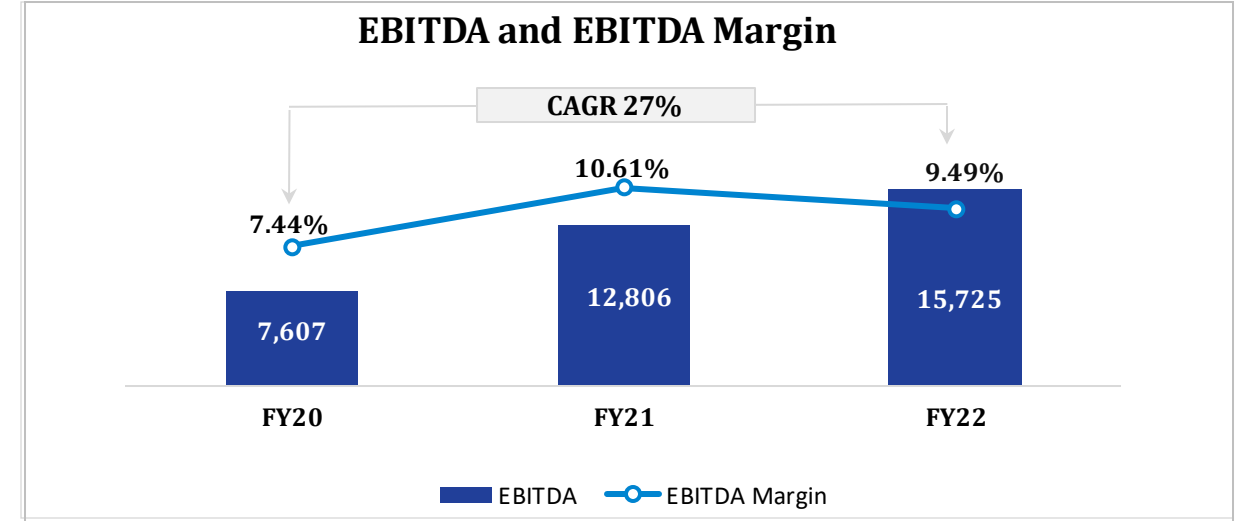
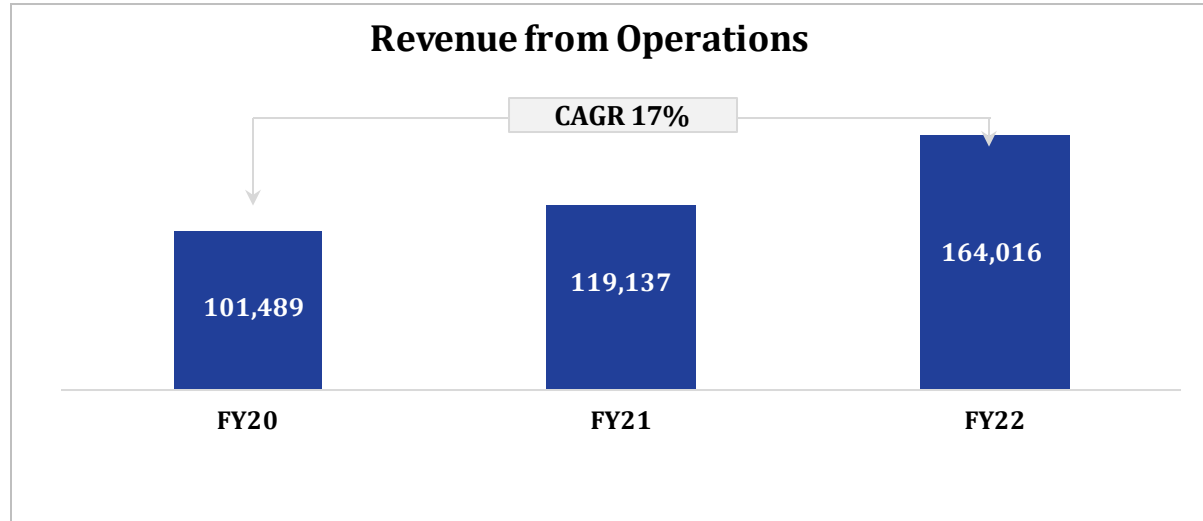
## EBITDA





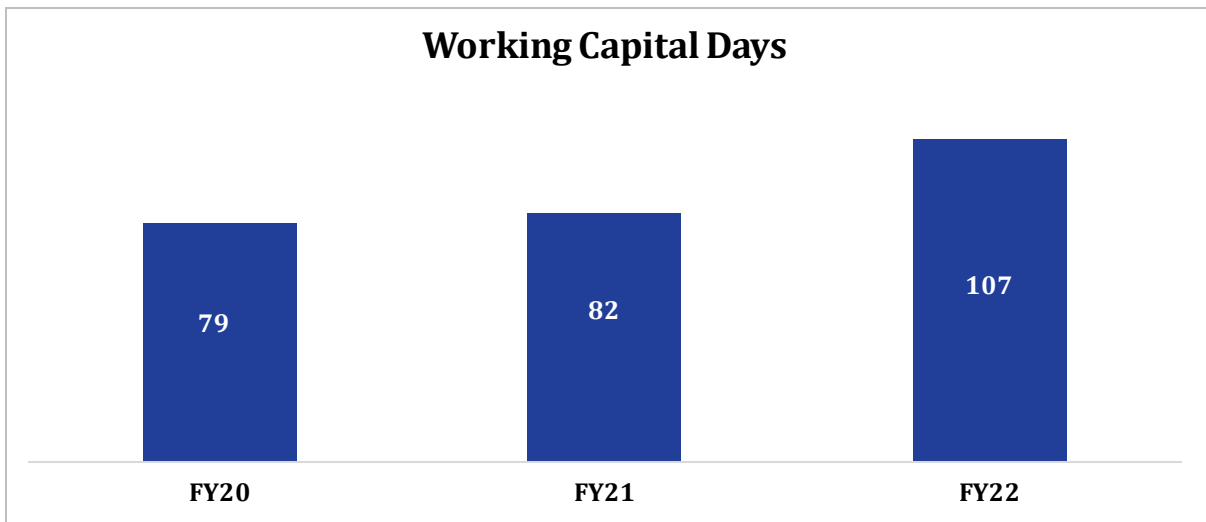


(₹ in lakhs)

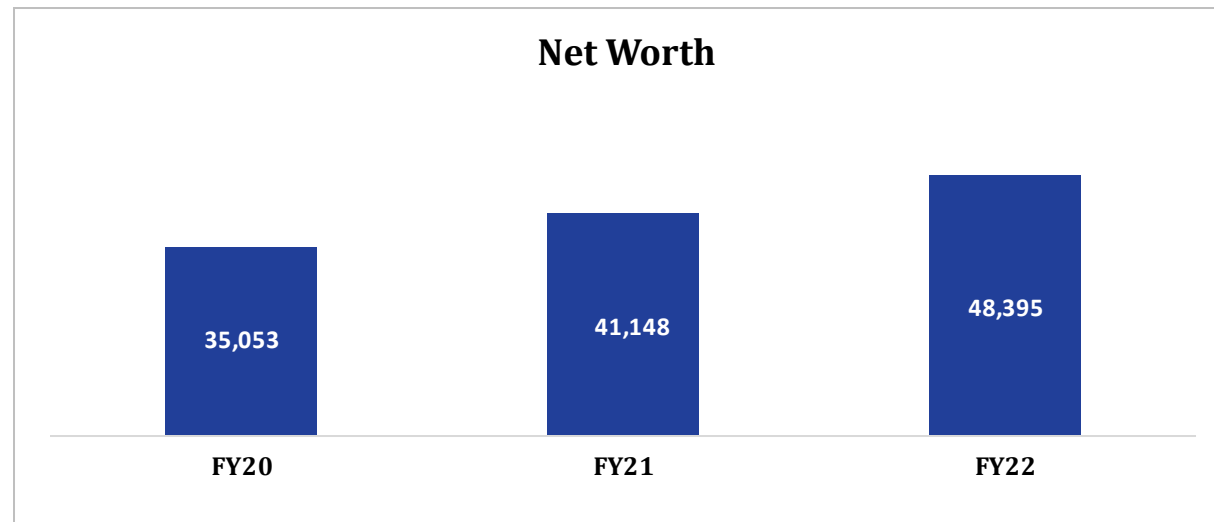


(₹ in lakhs)

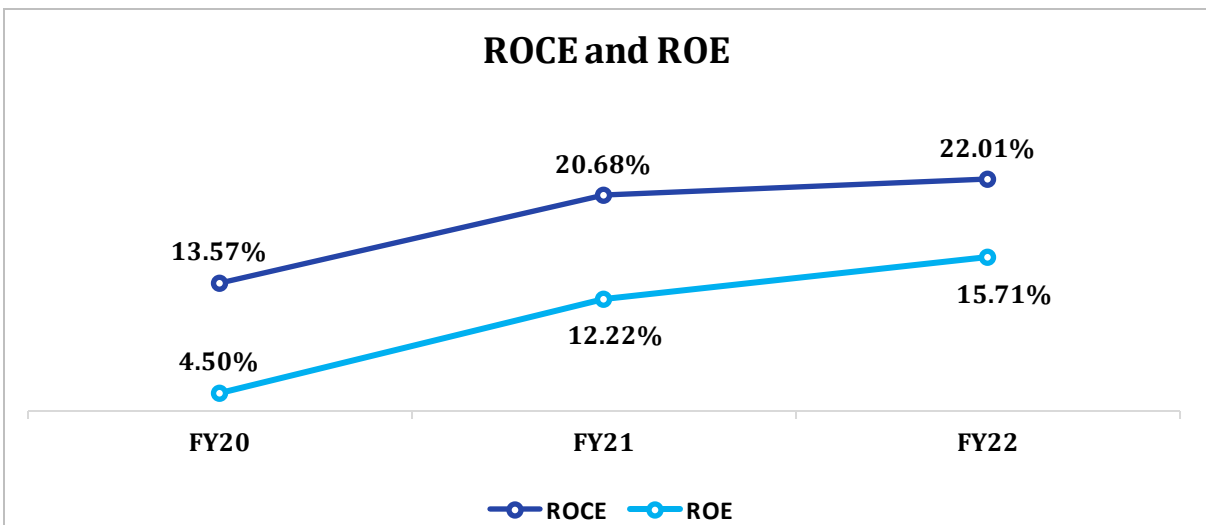
### Working Capital Days



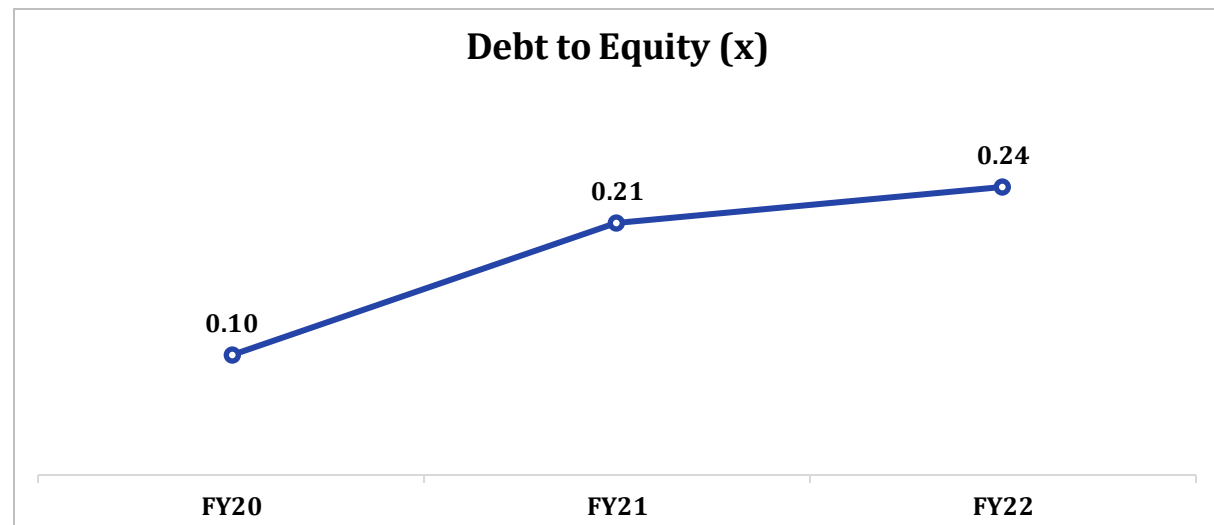
### Net Worth



### ROCE and ROE



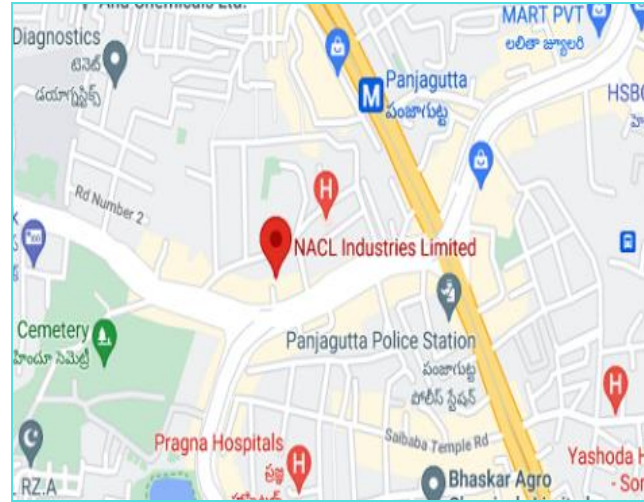
### Debt to Equity (x)



**NACL Industries Limited**

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**THANK YOU**

