



NACL Industries Limited

Ref: NACL/SE/2021-22

16th August, 2021

1) BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street,
Fort, Mumbai,
Mumbai – 400001
Stock Code: 524709

2) National Stock Exchange of India Ltd

Exchange Plaza, 5th 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 first quarter ended 30th June, 2021.

Kindly take the same into records.

Thanking you,

for **NACL Industries Limited**

Satish Kumar Subudhi

Company Secretary & Head-Legal





NACL Industries Limited



Responsible Care[®]
OUR COMMITMENT TO SUSTAINABILITY



Investor Presentation | Q1 FY2022

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.

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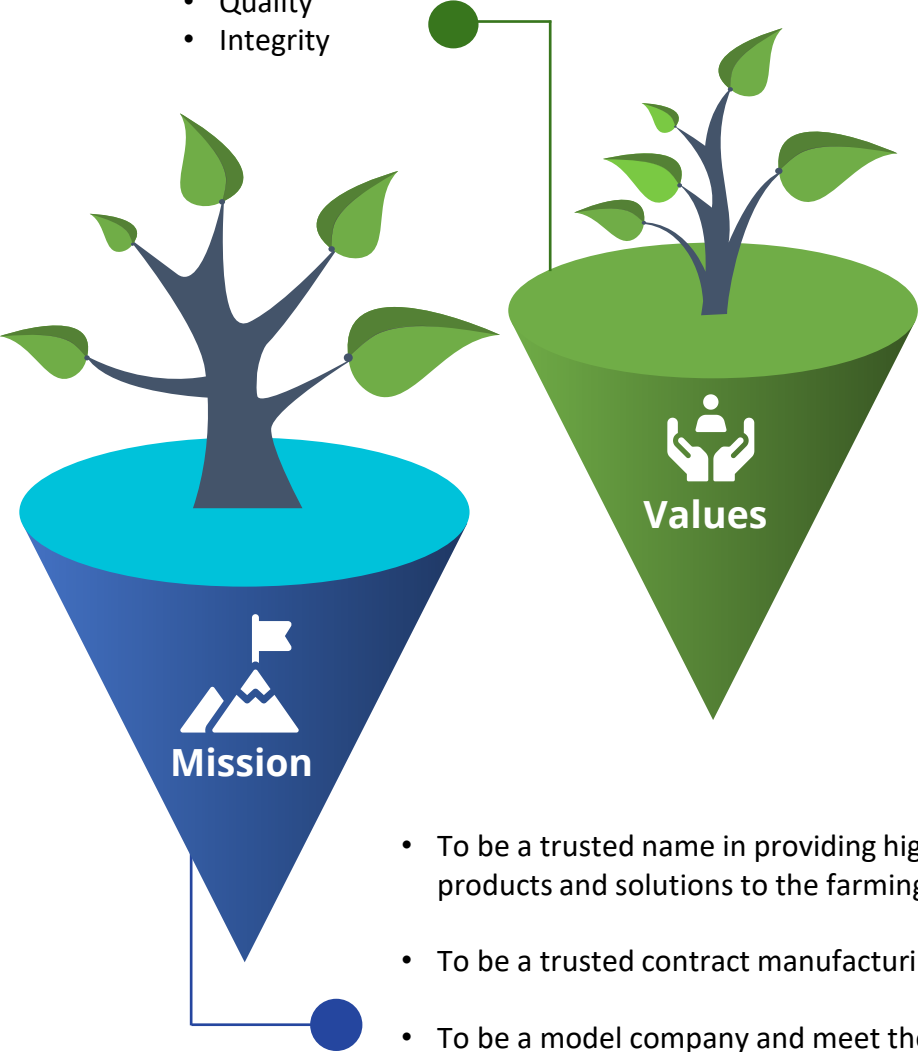


CORPORATE IDENTITY



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, Plant Growth Regulators and Nematicides.

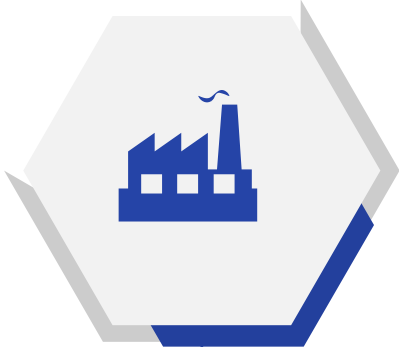
- Concern
- Commitment
- Quality
- Integrity



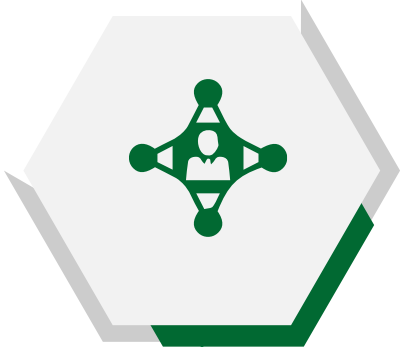
- To be a trusted name in providing high quality products and solutions to the farming community
- To be a trusted contract manufacturing supplier
- To be a model company and meet the expectations of all its stakeholders



12,500
Retailers



3
Manufacturing
Units



1200+
Employee
Strength



25+
Years of
Experience



5
Million Farmers
(Customers)



57
Branded
Products



30
Geographical
Presence

- 30**
Countries
- 12,500**
Retailers
- 32**
Revenue from International (%)
- 03**
Manufacturing Plants



Branded Products Portfolio of NACL includes Insecticides, Herbicides, Fungicides and Plant Growth Regulators

TECHNICALS

Insecticides

- Profenofos
- Lambda-Cyhalothrin
- Imidacloprid
- Bifenthrin

Fungicides

- Myclobutanil
- Propiconazole
- Tricyclazole
- Thifluzamide

Herbicides

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

Formulations

Insecticides

- Profex Super
- Profex
- Cannon
- Fury
- Dxtar
- Trust
- Nagarjuna 4G
- Quick 50% SP
- Pymet
- Warrior Plus
- Warrior
- Ennova
- Monocrown
- Force
- Fenny
- Nagarjuna Mida
- Cairo
- Dxtar FS
- Status
- Pestlock
- Spice
- Pace

Fungicides

- Nagarjuna Index
- Nagarjuna Result
- Combi Plus
- Sivic
- Mass Plus
- Zen
- Zeb
- Font
- Mass
- Nagarjuna Rizostar
- Subtle
- Slogan
- Nagarjuna Signet

Herbicides

- Eraze
- Eraze Plus
- Eraze Strong
- Eraze-N
- Globus
- Globus SG
- Geomon
- Imax
- Nagarjuna Cubit
- Nagastra
- Narilon
- N-Double Mix
- Rhino
- Senior
- Sirius
- Smash
- Surya
- Twofour
- Nagarjuna Point
- Cambium

Plant Growth Regulators & Nematicides

- Atonik
- Gallant EG
- Gallant Gold
- Nagarjuna Nipit



OPERATIONAL HIGHLIGHTS



1

For the quarter ending June'21, Revenue from operations stood at ₹ 32,468 lakhs, registering a growth of 29% YoY and recorded Profit after tax of ₹ 1,431 lakhs registering a growth of 167% YoY

2

Exports business grew over 40% YoY, despite the logistic hurdles across the globe in general and to US and Europe in particular. The outlook for Q2FY22 looks positive with good order book for technicals and formulations

3

Domestic retail witnessed a growth of 11% over the corresponding quarter of last year, despite impact due to second wave of COVID which penetrated to villages too this time. It impacted farmers and trade. Also, we witnessed delay in rainfall in states like Gujarat, Rajasthan, Madhya Pradesh and Uttar Pradesh leading to a delay in sowing activities in these areas. With improvement in rains, outlook for Q2 is positive

4

Domestic institutional witnessed 50% growth over the corresponding quarter of last year

5

The increased fuel costs are impacting some input materials and logistics costs. Input supplies are stable and adequately planned to meet the increased volumes at our plants

6

In line with the ongoing thrust on strengthening the product pipeline, the company has planned to add three new products to its portfolio in H2FY22

7

Upon receipt of GLP certification, the NACL R&D Centre has initiated various GLP related works

8

Formulations are being developed for introduction in Indian market. Process has been developed for manufacture of an import substitute intermediate for Active Ingredient

9

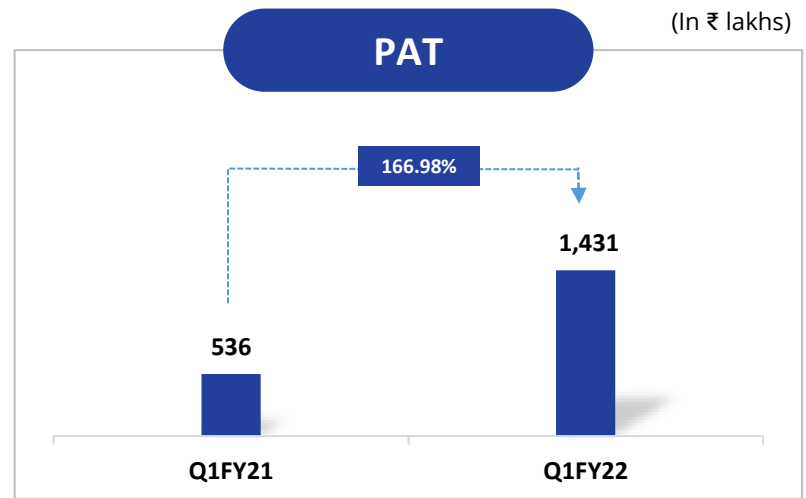
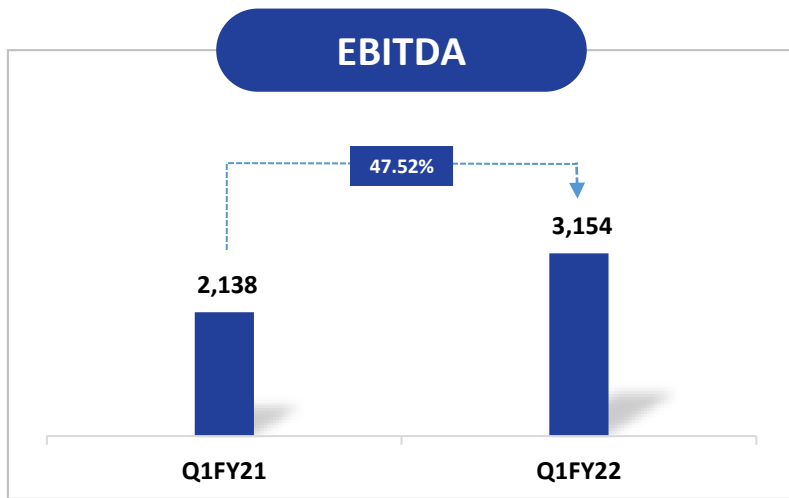
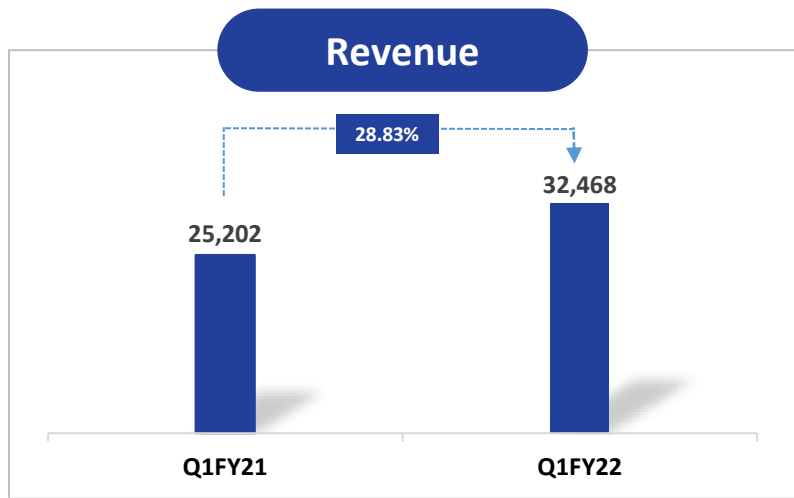
Srikakulam unit capacity utilization is optimized and increased production capacity of Pretilachlor. Environmental clearance for increased capacity is in process. The company has taken all precautions against COVID and ensuring the continuity of production

10

Ethakota plant production is continuing taking all precautions against COVID and started commercial production of 2 new formulations

RESULTS SUMMARY



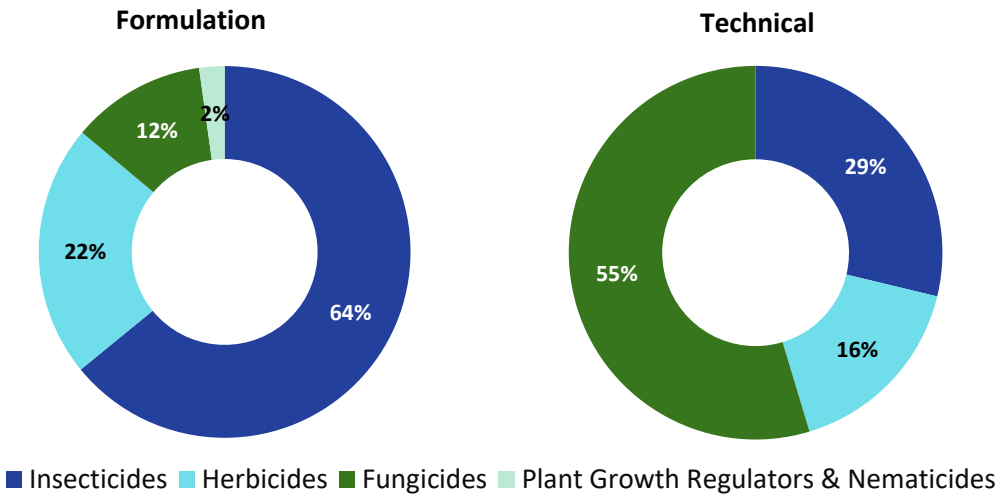


Revenue Breakup

	Insecticides	Herbicides	Fungicides	Plant Growth Regulators & Nematicides
Q1FY22	15,368	6,232	9,842	386
Q1FY21	12,527	4,330	7,465	125

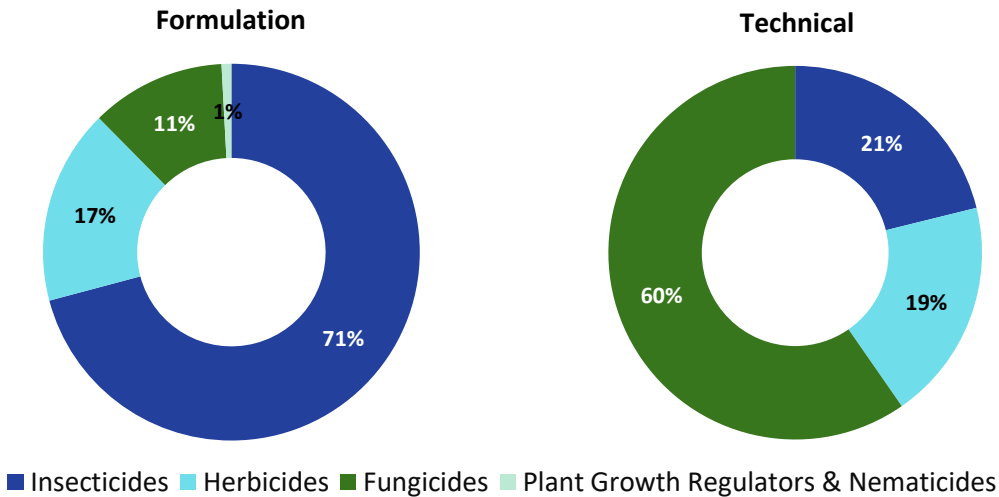
Q1FY22

Product Category-wise (%)

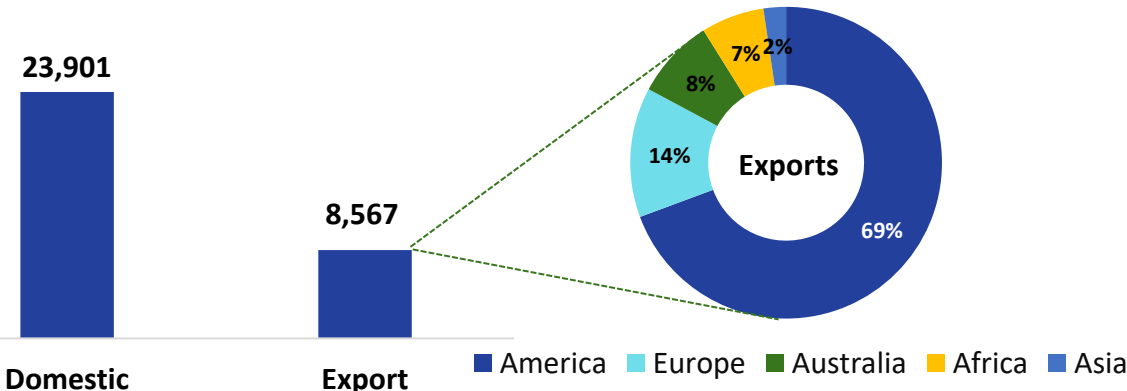


Q1FY21

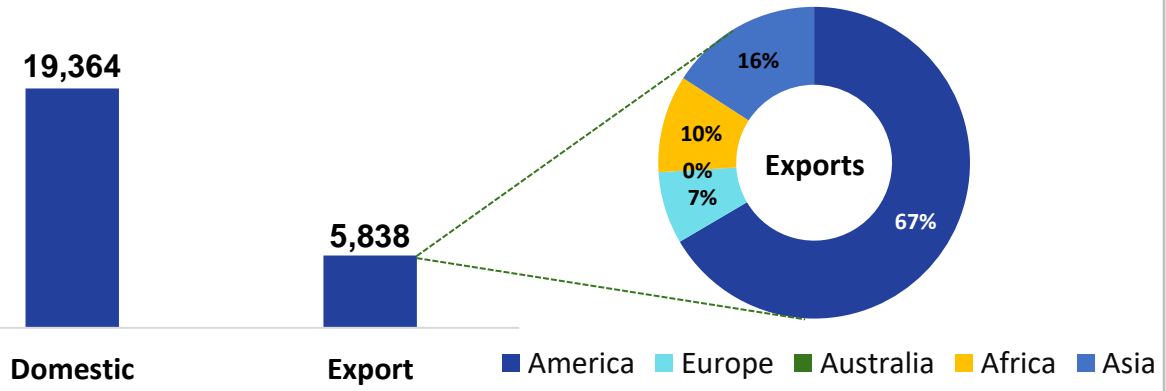
Product Category-wise (%)



Geographical Revenue Split (₹ lakhs)



Geographical Revenue Split (₹ lakhs)

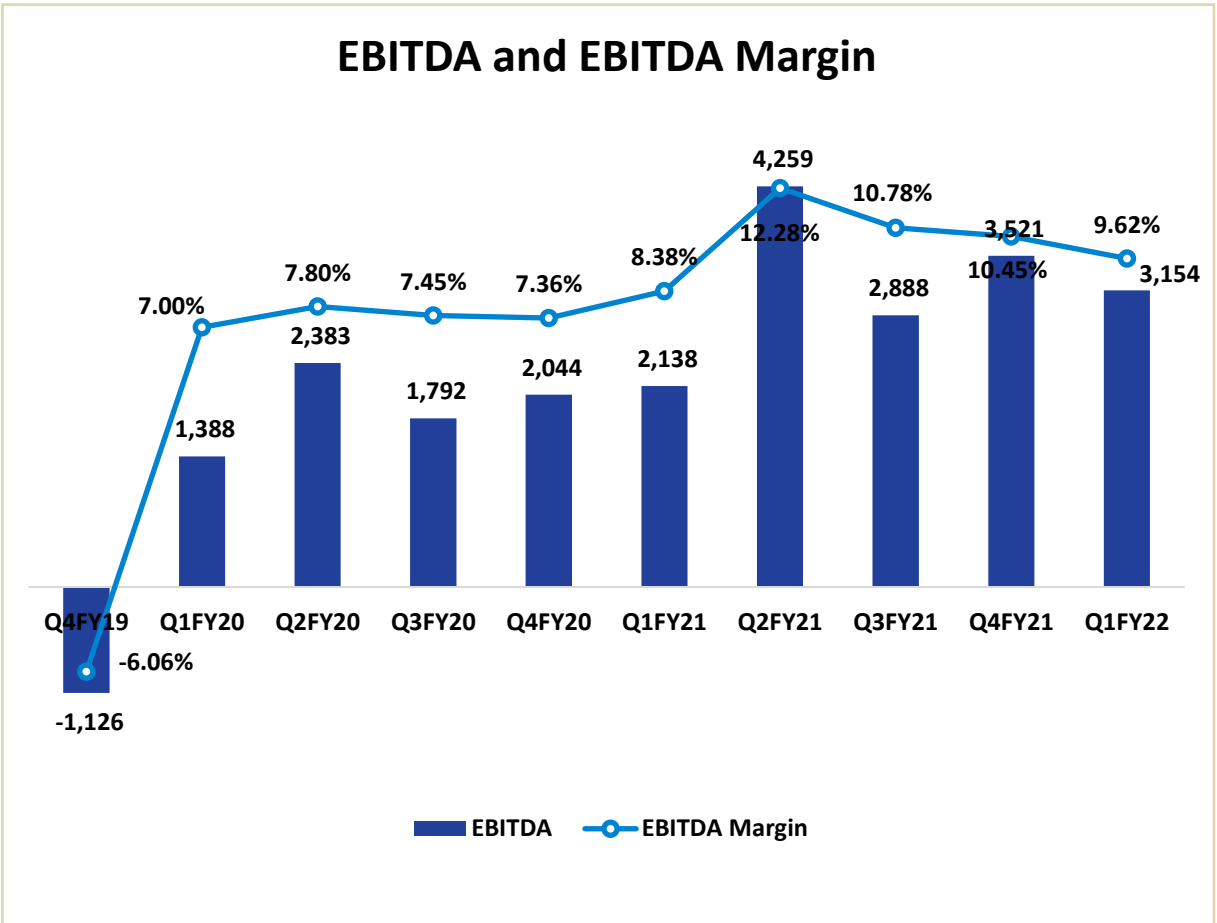
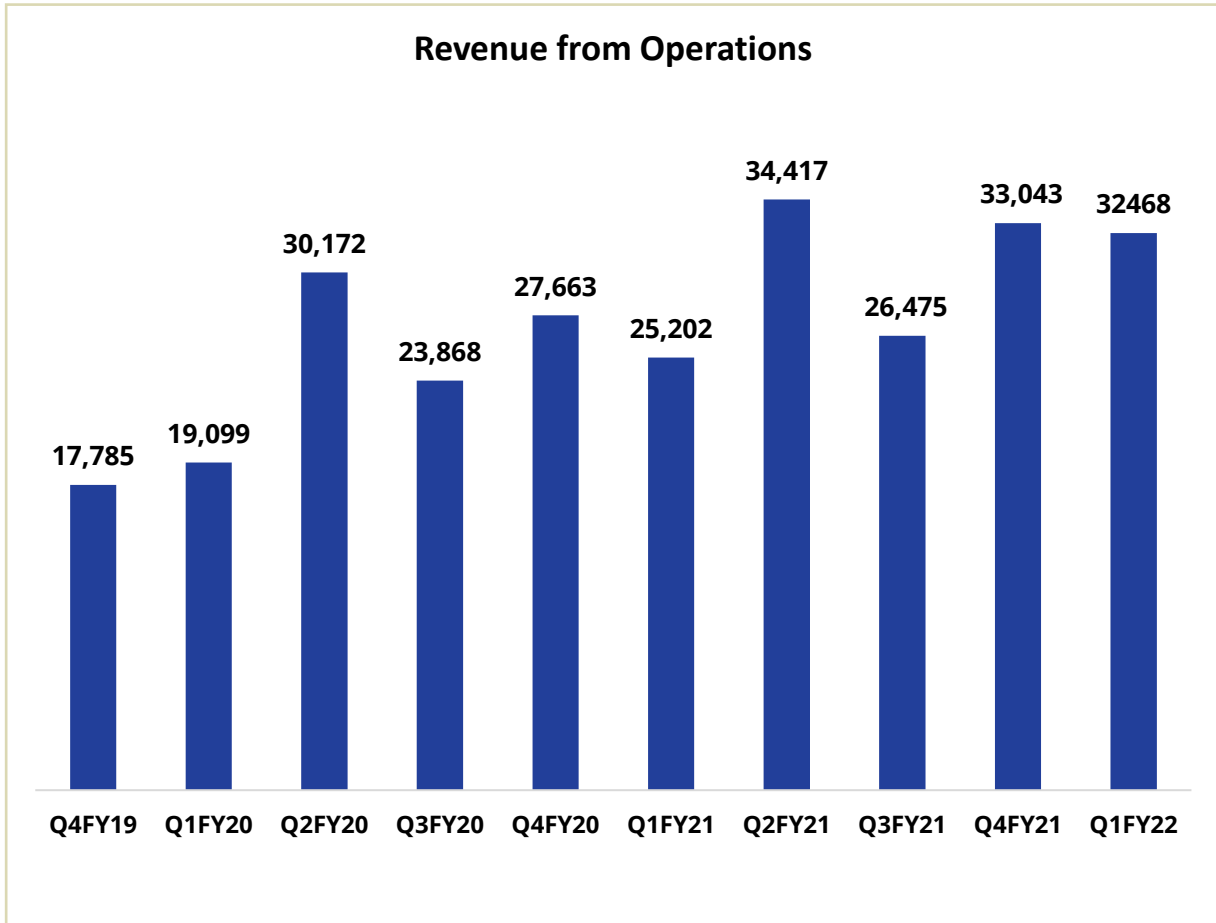


Particulars	Q1FY22	Q4FY21	Q1FY21	Y-o-Y (%)
Revenue from operations	32,468	33,043	25202	29%
Other income	315	649	322	
Total Income	32,783	33,692	25,524	28%
Expenses:				
(a) Cost of materials consumed	26,424	20,479	18,213	45%
(b) Purchase of stock-in-trade	1,450	1,254	993	46%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4,156)	1,668	(1,491)	179%
(d) Employee benefits expense	2,327	2,722	2,170	7%
(e) Finance costs	638	686	679	-6%
(f) Depreciation and amortisation expense	611	596	655	(7%)
(g) Other expenses	3,584	4,048	3,501	2%
Total Expenses	30,878	31,453	24,720	25%
Profit before tax	1,905	2,239	804	137%
Tax expense:				
(a) Current tax	526	727	310	
(b) Deferred tax (net)	(52)	(202)	(42)	
Total Tax Expense	474	525	268	77%
Profit for the period	1,431	1,714	536	167%
Earnings Per Share:				
(a) Basic (in ₹)	0.72	0.89	0.28	
(b) Diluted (in ₹)	0.72	0.88	0.28	

Particulars	Q1FY22	Q4FY21	Q1FY21	Y-o-Y (%)
Revenue from operations	32,468	33,043	25,202	29%
Other income	267	584	322	
Total Income	32,735	33,627	25,524	28%
Expenses:				
(a) Cost of materials consumed	26,424	20,479	18,213	45%
(b) Purchase of stock-in-trade	1,450	1,254	993	46%
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4156)	1,668	(1,491)	179%
(d) Employee benefits expense	2,335	2,732	2,178	7%
(e) Finance costs	580	598	679	(15%)
(f) Depreciation and amortisation expense	611	596	655	(7%)
(g) Other expenses	3,574	4,042	3,493	2%
Total Expenses	30,818	31,369	24,720	25%
Profit before share of profit of associate	1,917	2,258	804	138%
Share of profit / (loss) from Associate	(18)	16	23	
Profit before tax	1,899	2,274	827	130%
Tax expense:				
(a) Current tax	526	727	310	
(b) Deferred tax (net)	(52)	-202	(42)	
Total Tax Expense	474	525	268	77%
Profit for the period	1,425	1,749	559	155%
Earnings Per Share:				
(a) Basic (in ₹)	0.72	0.90	0.29	
(b) Diluted (in ₹)	0.72	0.90	0.29	

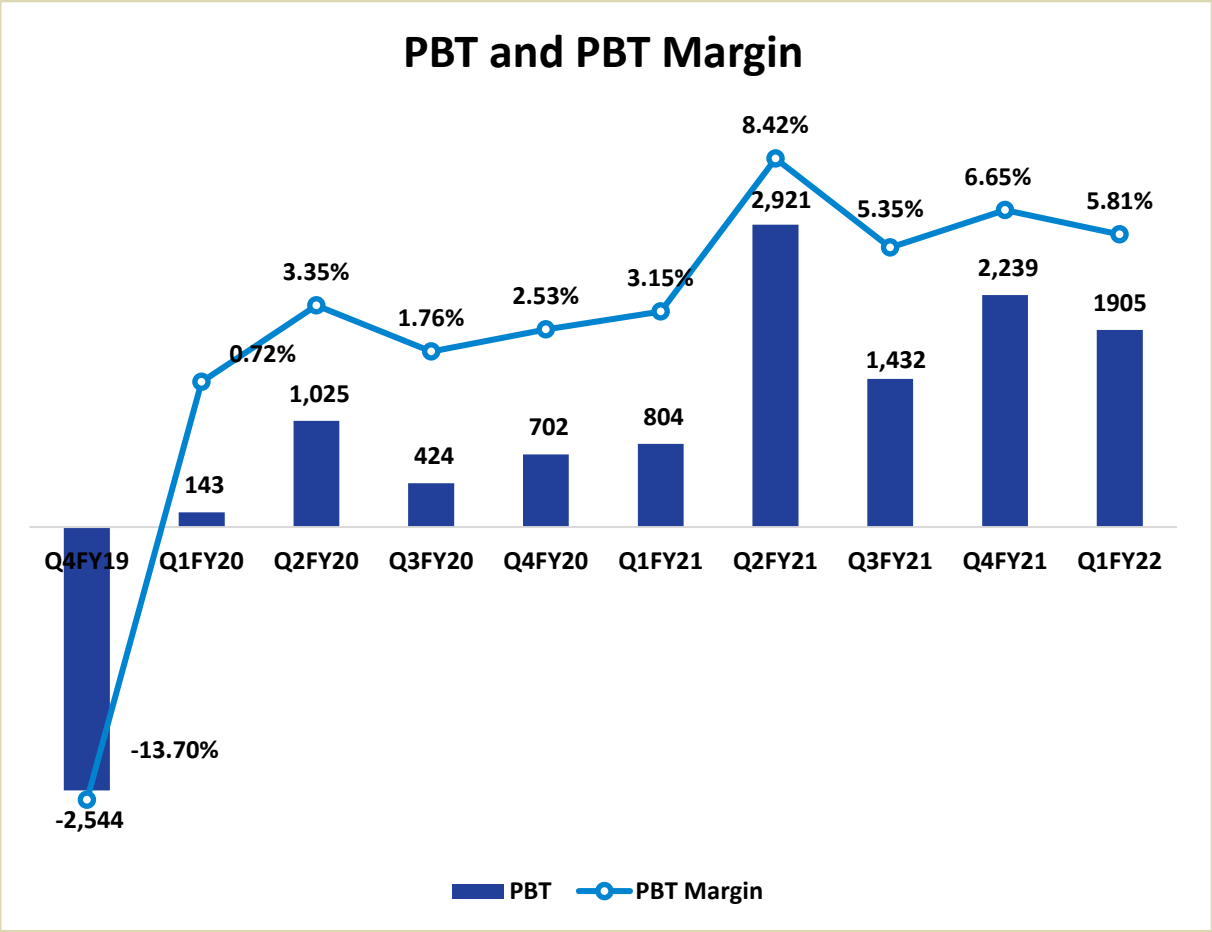
PERFORMANCE TRACK RECORD



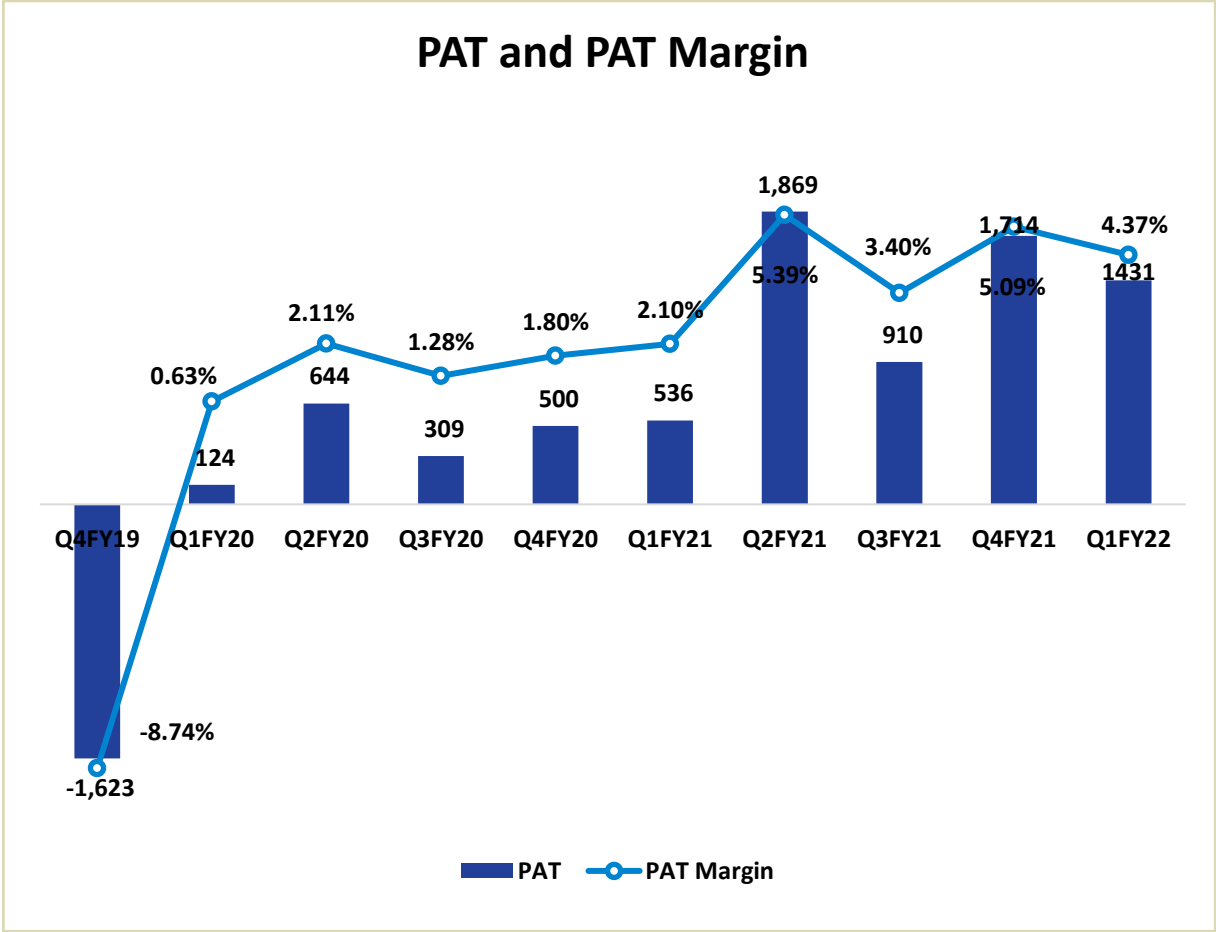


(₹ in lakhs)

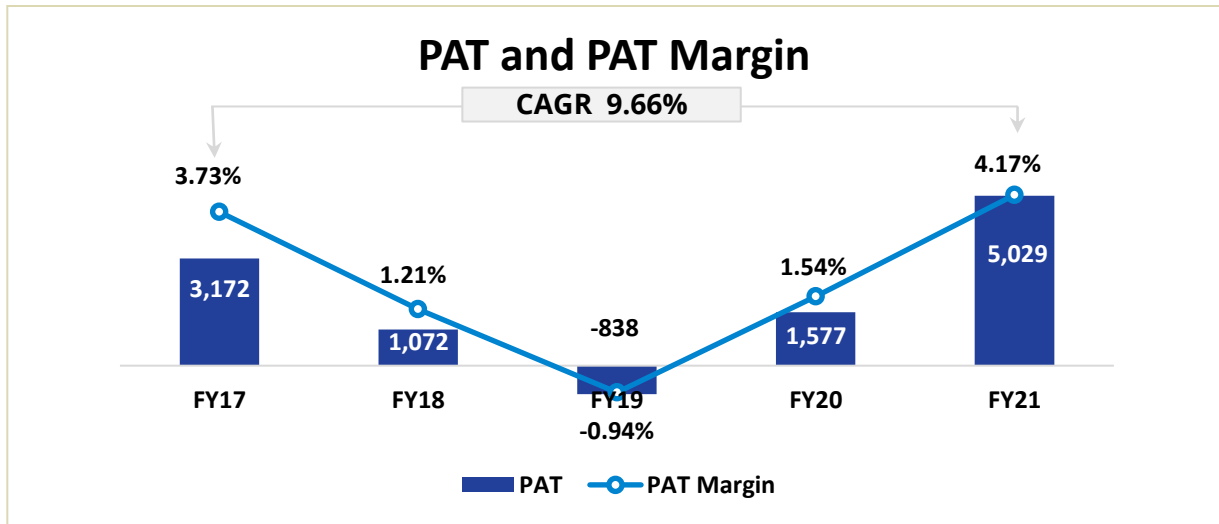
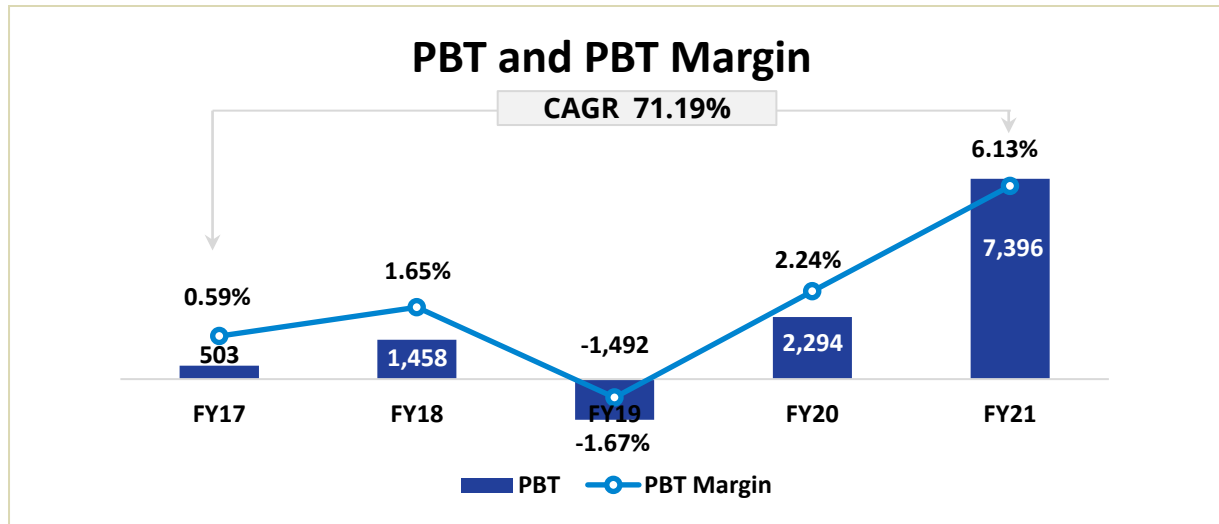
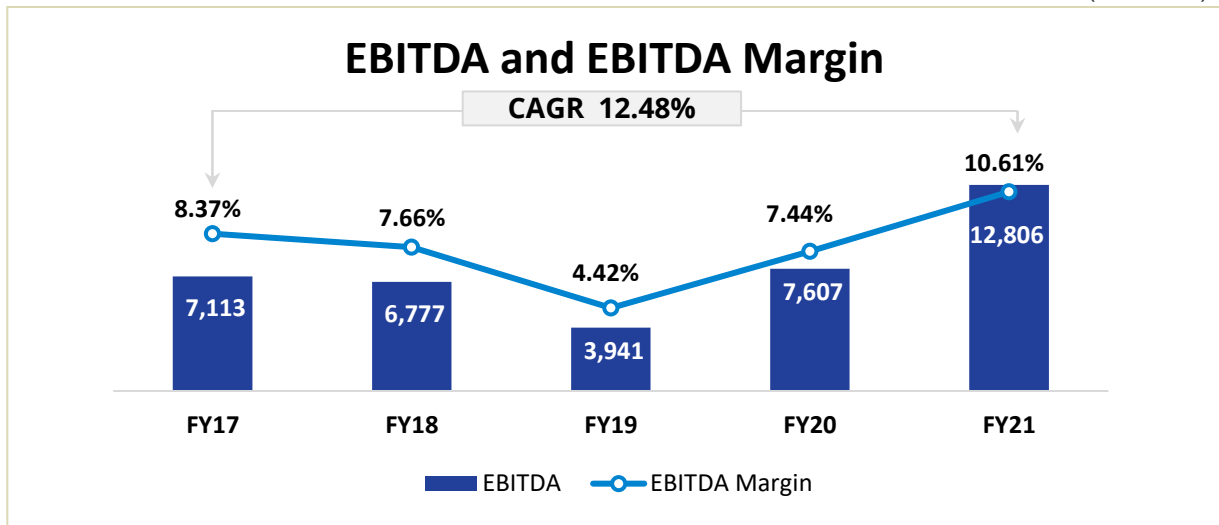
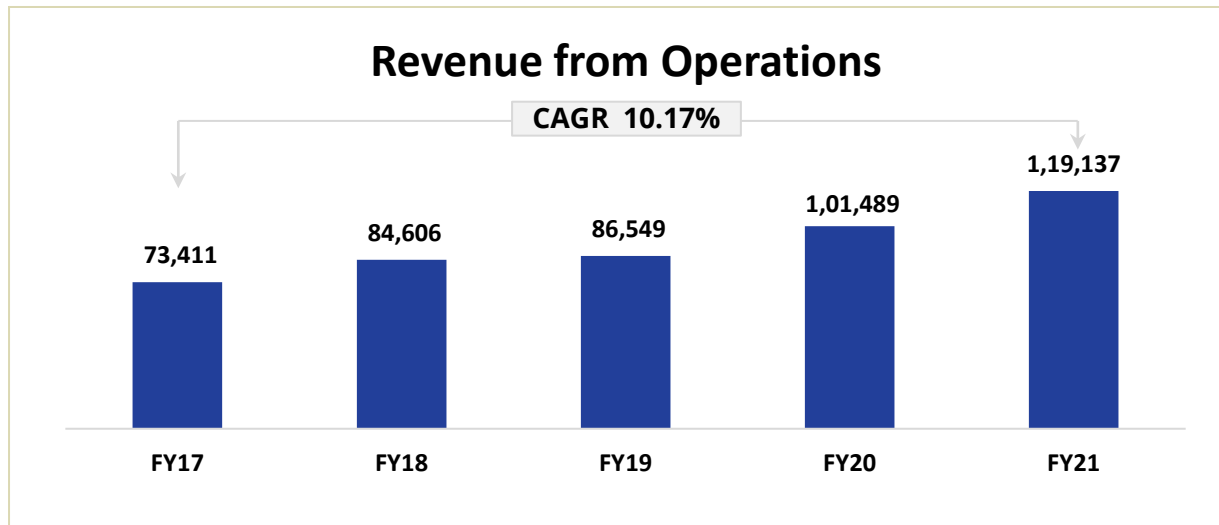
PBT and PBT Margin



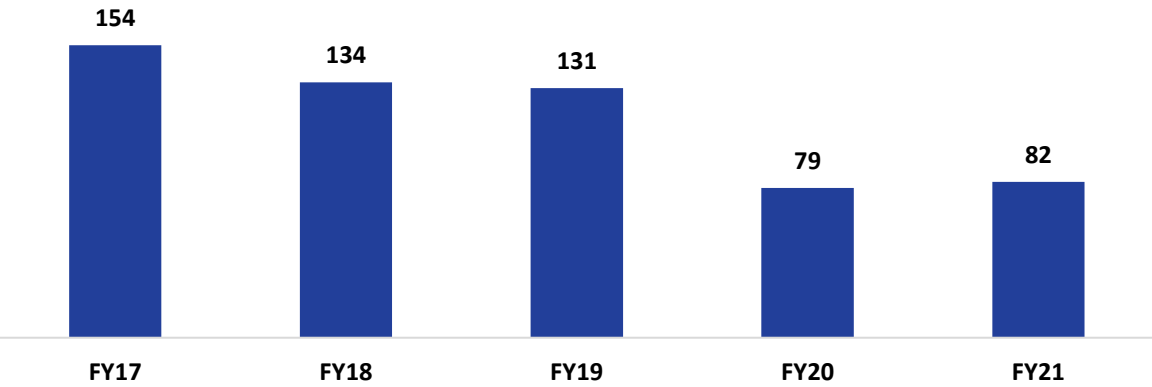
PAT and PAT Margin



(₹ in lakhs)

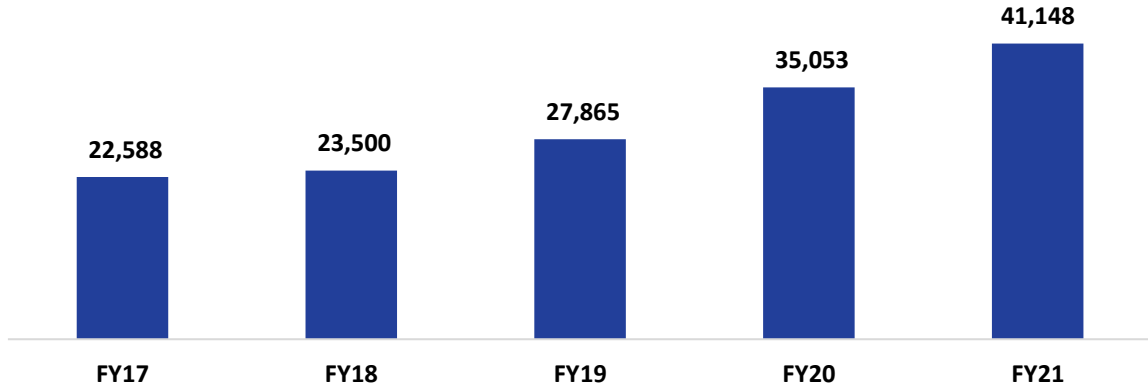


Working Capital Days

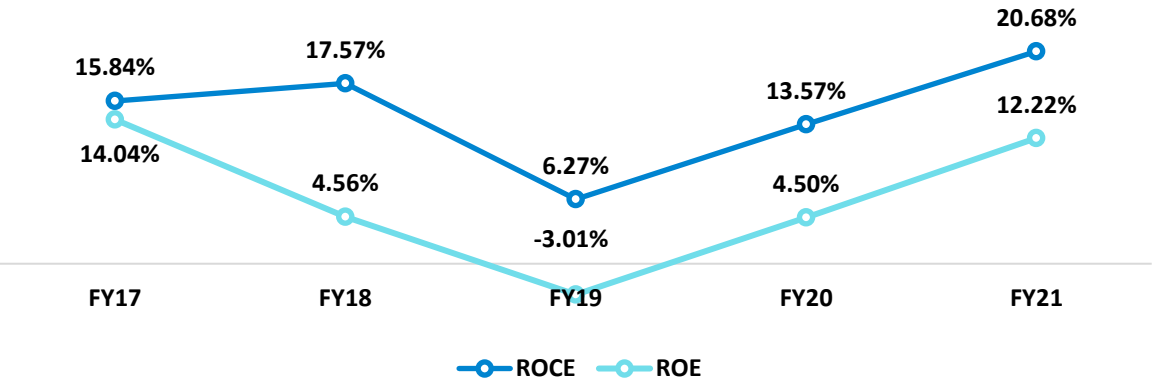


Net Worth

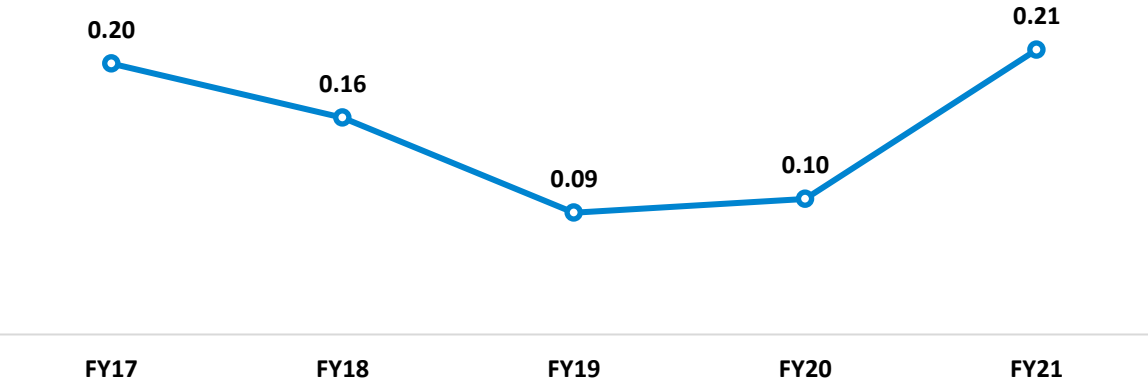
(₹ in lakhs)



ROCE and ROE



Debt to Equity (x)



Long Term Bank Facilities

₹ 288.56 Crores

CARE A; Stable
(Single A; Outlook: Stable)

Revised from
CARE A-; Positive
(Single A Minus; Outlook: Positive)

Short Term Bank Facilities

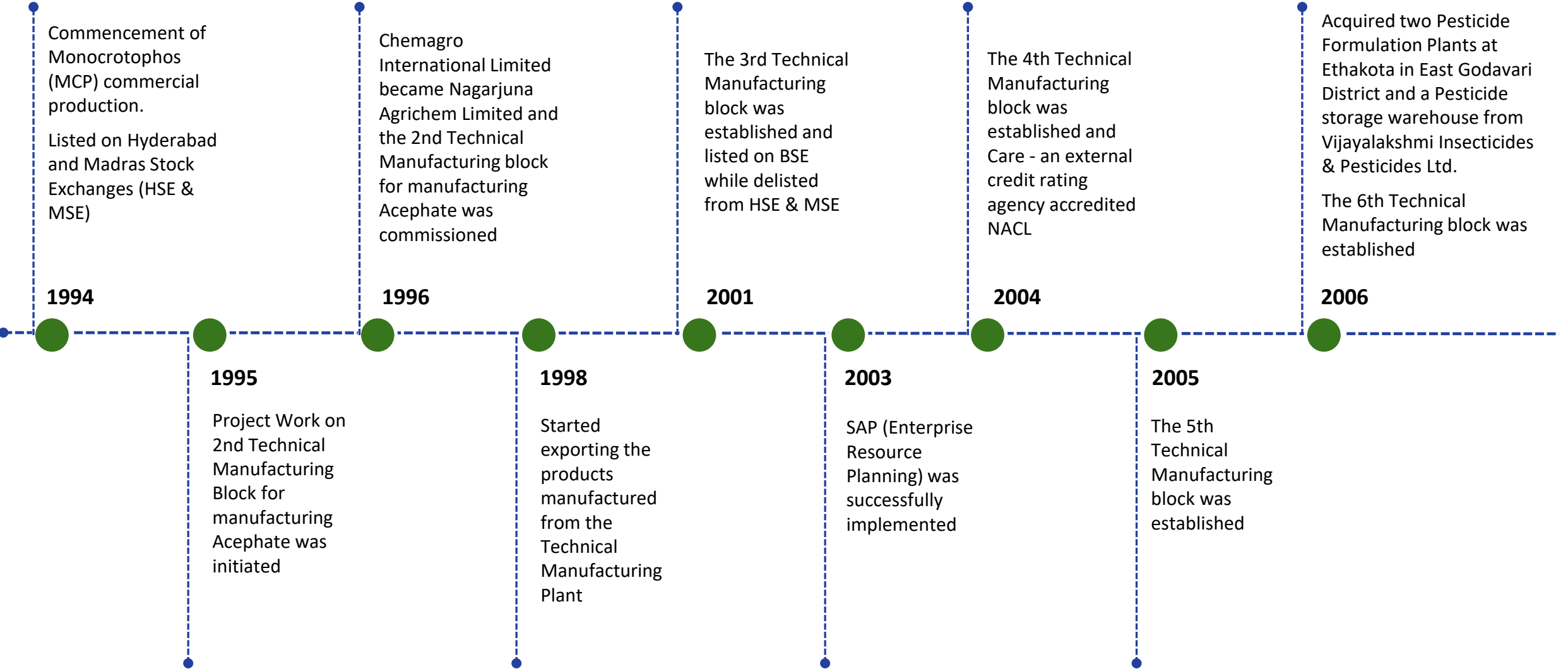
₹ 85.00 Crores

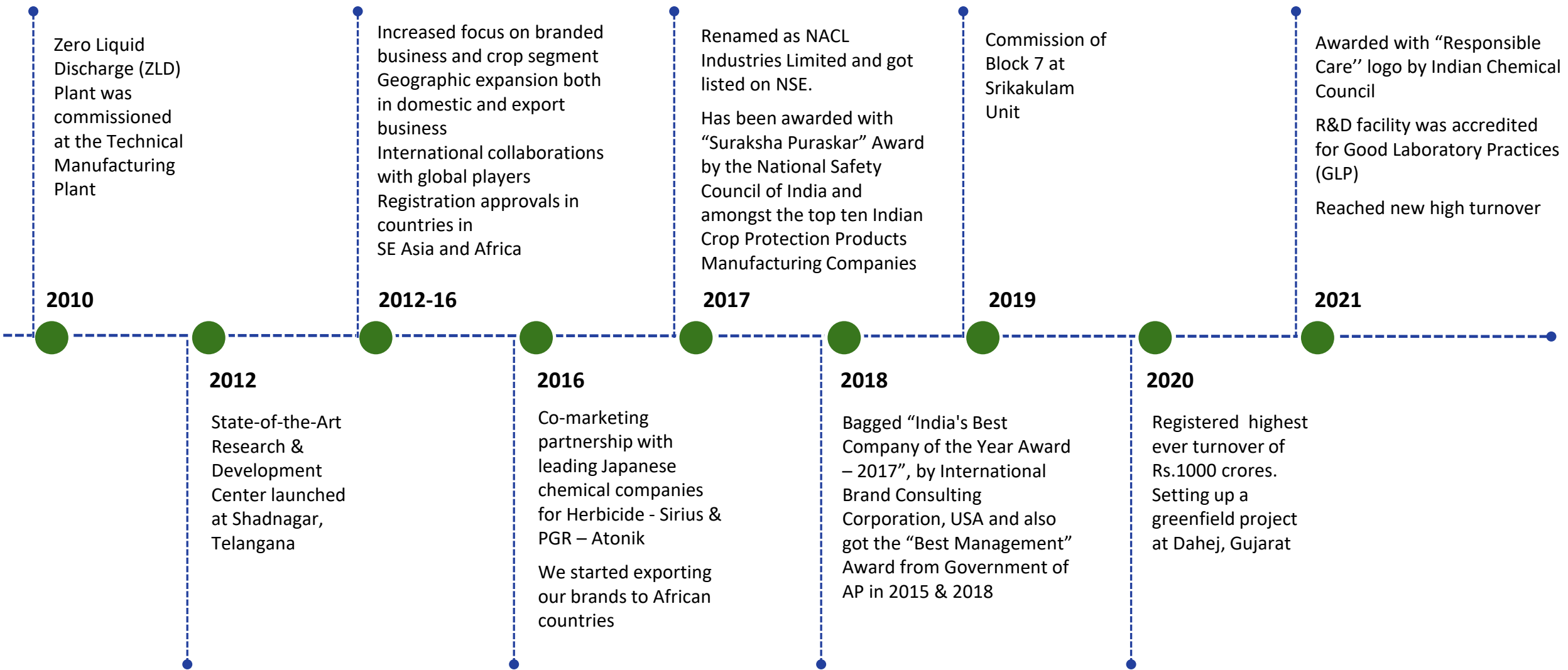
CARE A1
(A One)

Revised from
CARE A2+
(A Two Plus)

ANNEXURE









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. Atul Churiwal
Investor Nominee Director



Mr. Rajesh Kumar Agarwal
Investor Nominee Director



Mr. Dorairaj K
Independent Director



Mr. Ramkrishna Mudholkar
Independent Director



Mr. N Sambasiva Rao
Independent Director



Ms. Veni Mocherla
Independent Director



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



Dr. B. Saha
Chief Research &
Development Officer



**Mr. Harish Chandra
Bijlwan**
VP – Operations &
Technology



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



Mr. S. Mani Prasad
Head – Human Potential
Development



Mr. Amit Tandon
Vice President -
Domestic Sales &
Marketing



Mr. M Pavan Kumar
Managing Director &
CEO



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



**Mr. Satish Kumar
Subudhi**
CS & Head – Legal

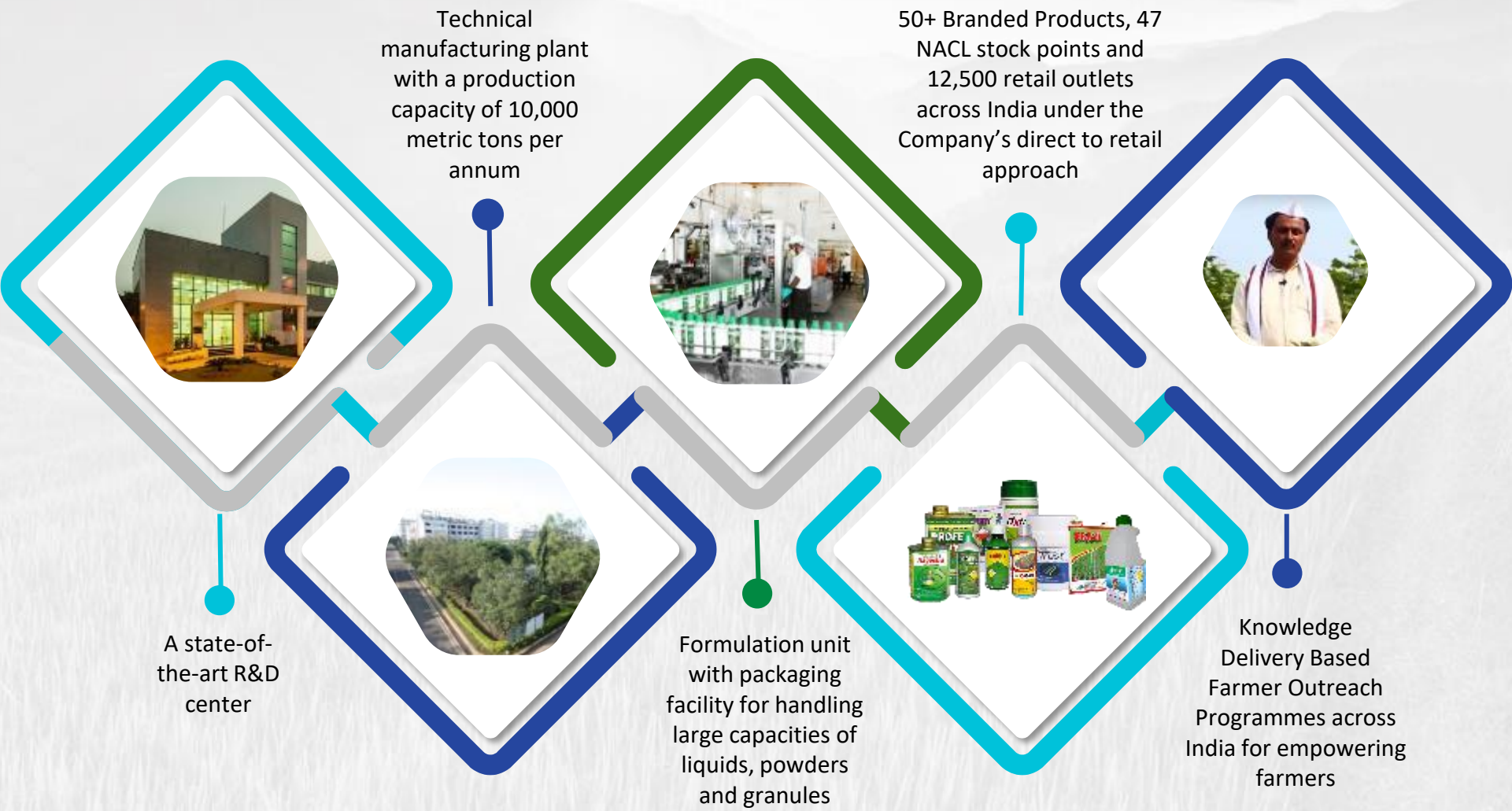


Mr. Srinivasa Rao Bitra
Senior General Manager
& Head Plant
Operations
(Formulations Unit)

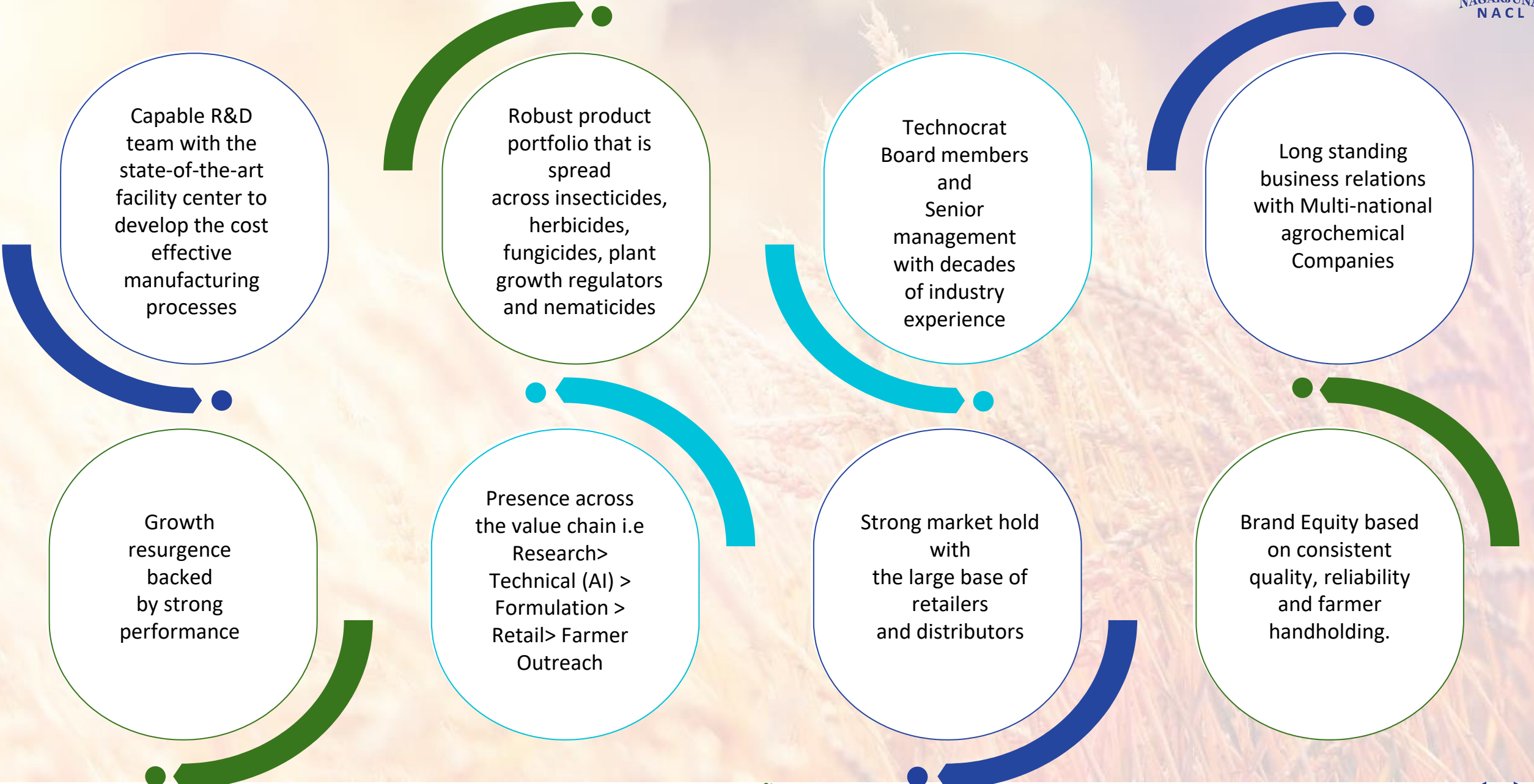


Mr. C. Varada Rajulu
Senior VP –Operations
(Srikakulam and
Ethakota Plants)

Value Creation Process









ICC (Indian Chemical Council) has granted permission for use of the Responsible Care Logo, for a period of Three Years.

Responsible Care certification is increasingly recognized as a differentiator in the Chemical Industry for doing business in Domestic and International market.



The R&D facility of NACL Industries Limited, situated at Nandigaon village, outskirts of Hyderabad (Telangana), India has been accredited for "Good Laboratory Practice" issued by NGCMA, Department of Science and Technology, Government of India.

The OECD Principles of Good Laboratory Practice (GLP) ensure the generation of high quality, reliable and reproducible test data related to non-clinical health and environmental safety studies. Registration authorities of all OECD countries (which includes USA, CANADA, Australia, Japan, UK, Germany and many more countries) will now accept the test data generated out of the aforesaid R&D facility centre of NACL. These data are also required for registration of crop protection chemicals in various other Countries.

ISO ACCREDITATIONS



ISO 45001:2018



ISO 14001:2015



ISO 9001:2015

NABL ACCREDITATIONS



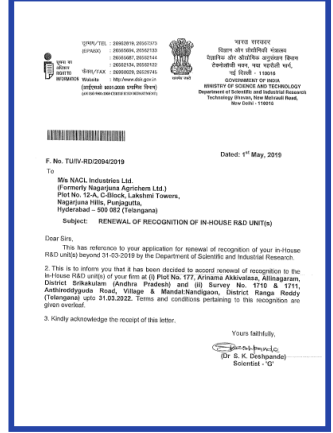
R&D Facility



Ethakota Unit



Srikakulam Unit



DSIR



Best Company of the Year 2017

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



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.



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.



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.



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.



Water Management Award

Srikakulam won CII National Award in Water management for the year 2019.

Indian Agrochemical Market

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.



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.



Food Security

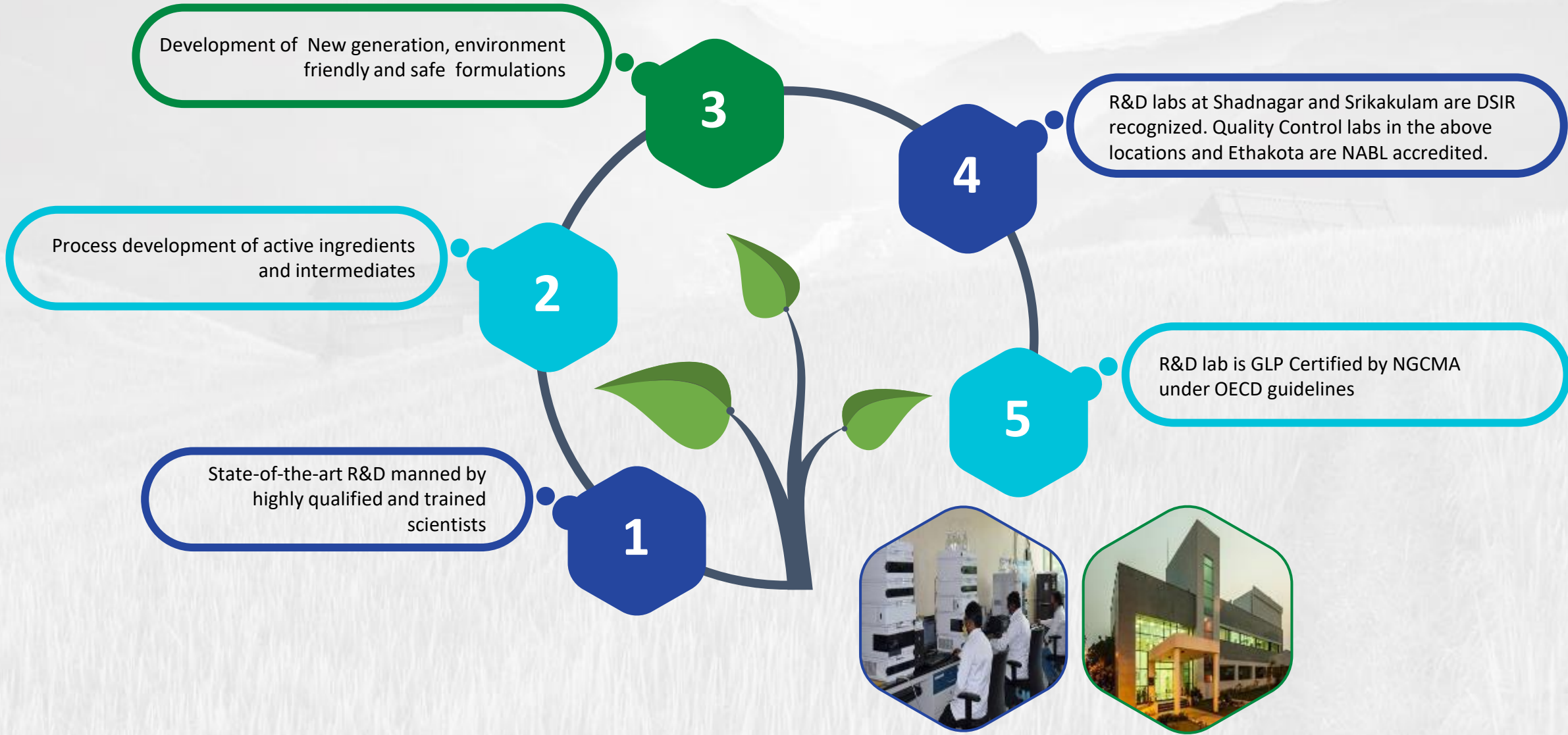
According to an estimate, India would require more than 450 million tonnes of food grains to feed 1.65 billion people by 2050 which will be a very difficult task. Similar challenges the world would face in terms of stepping up food production to meet the growing needs of the world population.



Government Initiative

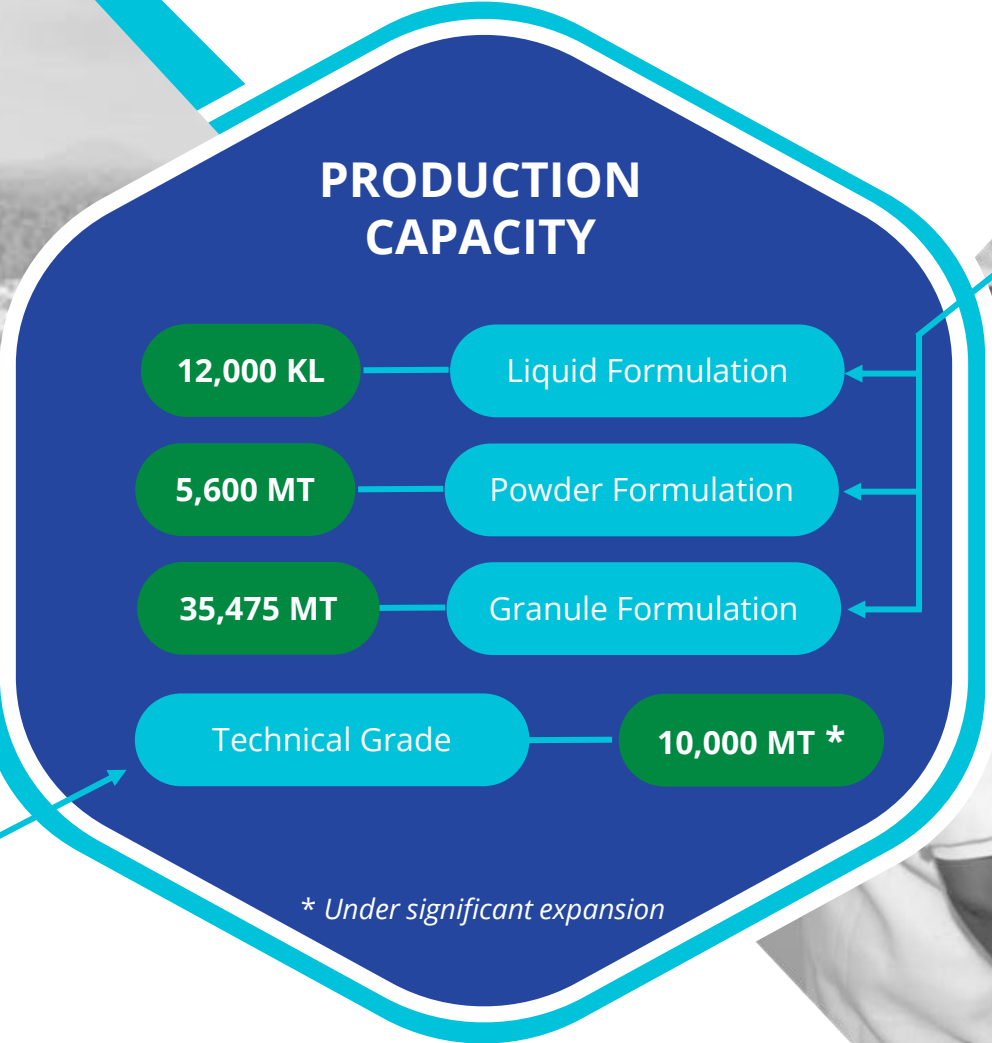
The matured agro chemical sector has an excellent opportunity to grow in the domestic market and gain considerable share in the global market. The industry is adding sizeable capacities in active ingredients / technicals and formulations manufacturing and also integrating backward into intermediates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







Srikakulam Unit, AP



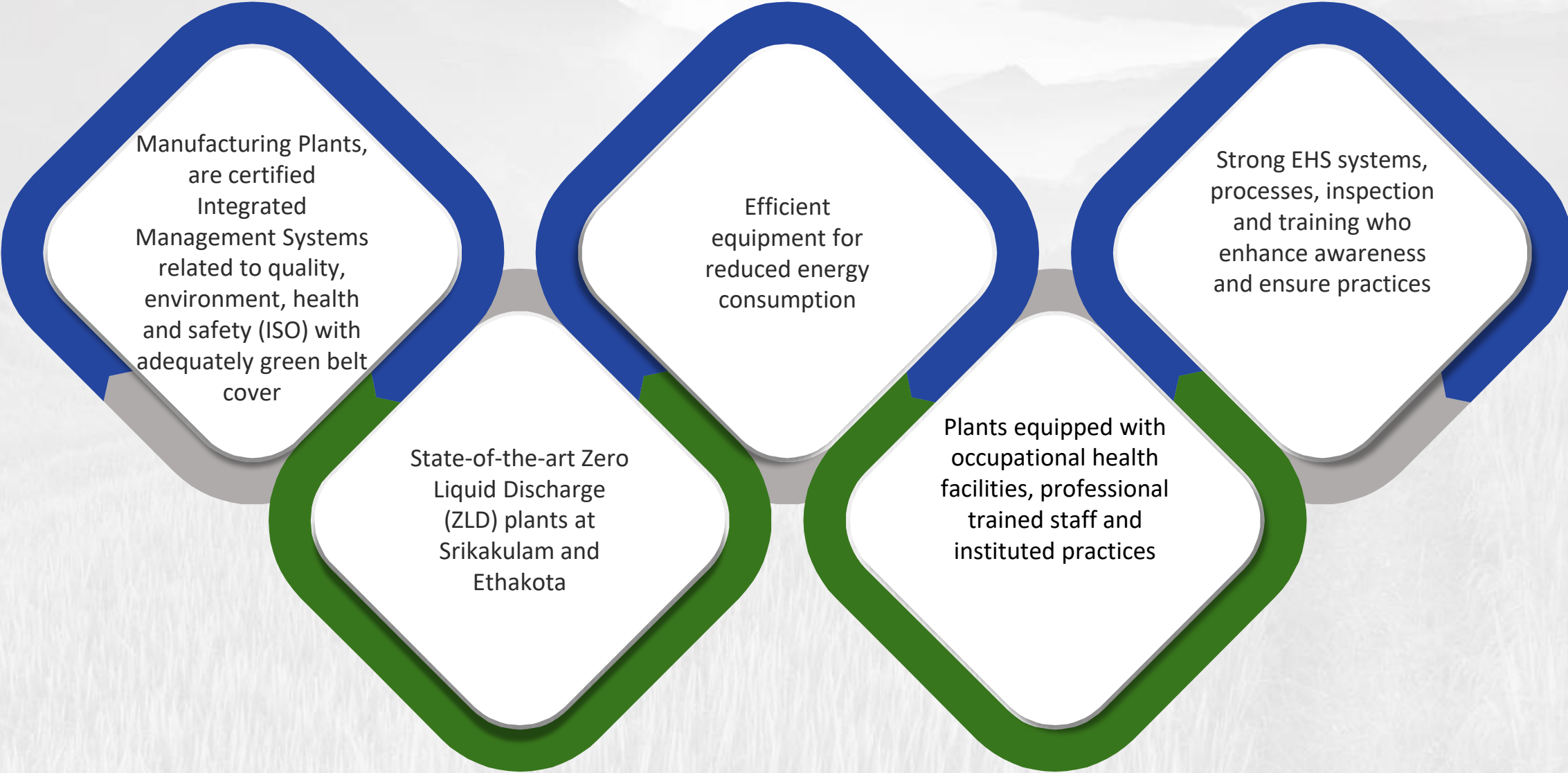
Ethakota Unit, AP



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.





SHAREHOLDERS INFORMATION

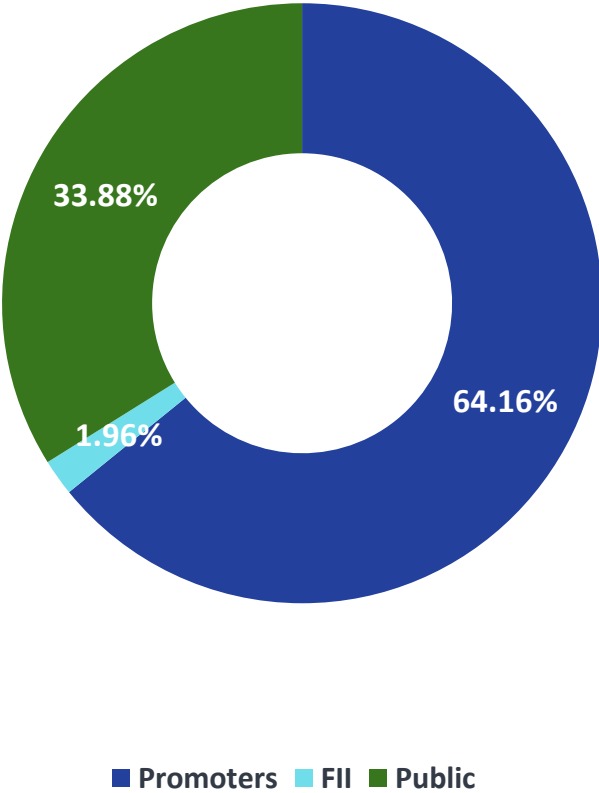


Stock Information (as on 13th August 2021)

 Market Capitalization (₹)	1286.77 Cr
 Shares Outstanding	19.78 Cr
 Free Float	257.35 Cr
 Symbol (BSE) / (NSE)	524709 / NACLIND

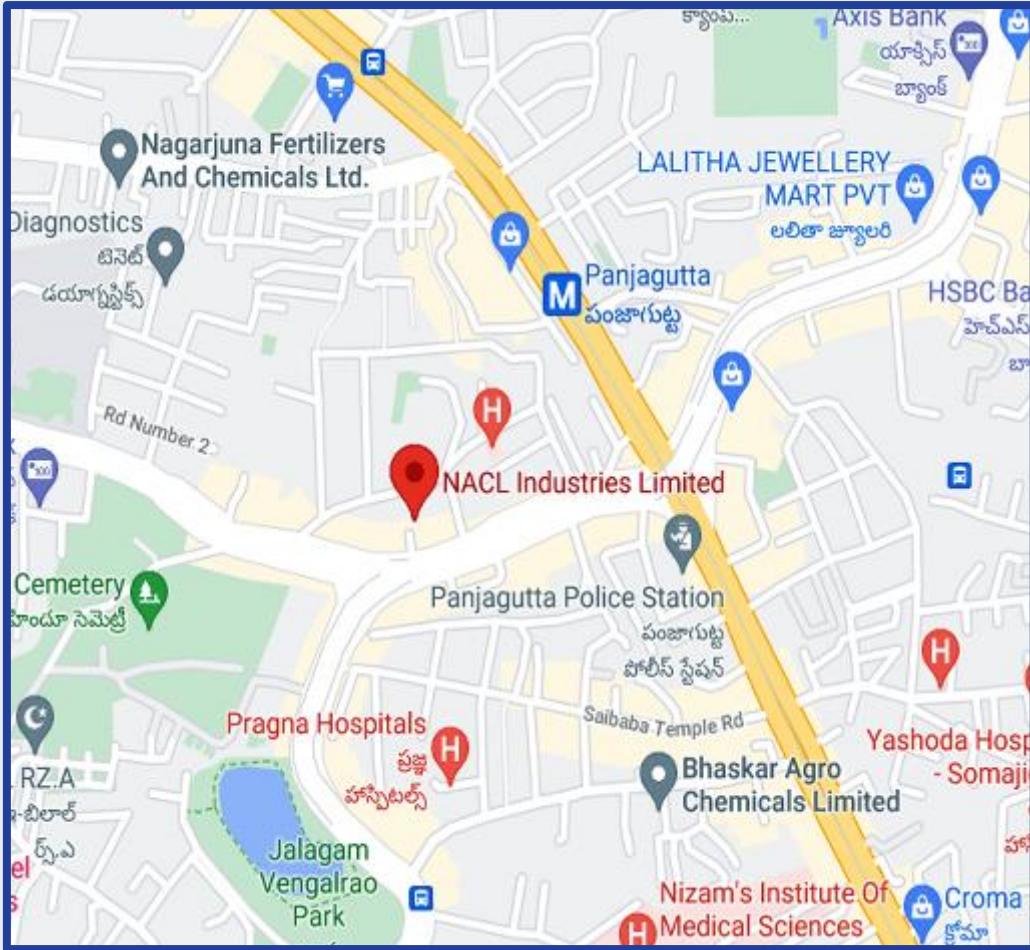
(As on 30th June 2021)

Shareholding Pattern (%)



Stock Performance Chart (as on 13th August 2021)






NACL Industries Limited

THANK YOU

NACL Industries Limited

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Nagarjuna Hills, Punjagutta, Hyderabad - 500082,
Telangana, India

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(Investor Relations)

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Mumbai 400011

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bhavya@s-ancial.com