



NACL Industries Limited

Ref: NACL/SE/2023-24

June 15, 2023

1) BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

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 fourth quarter and financial year ended March 31, 2023.

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
Q4 & FY 23

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



Scaling New Heights FY-2023



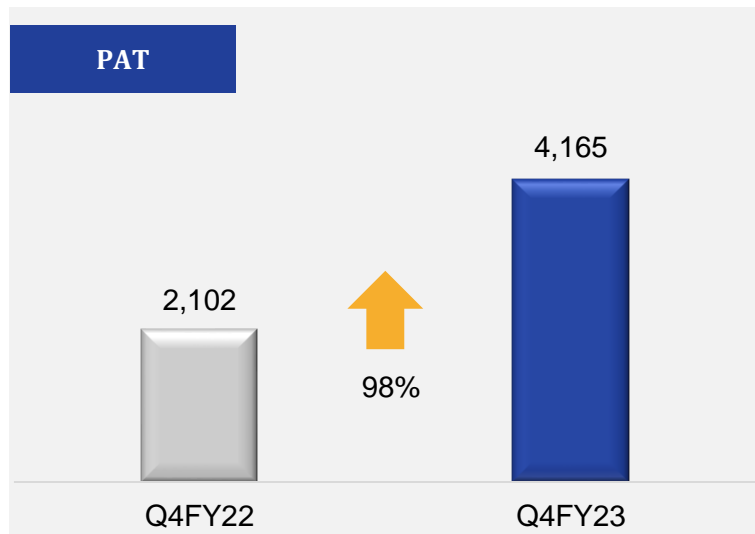
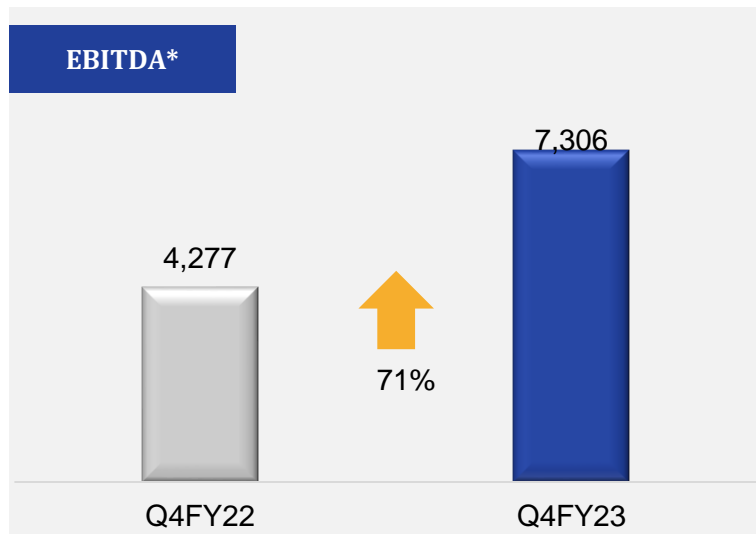
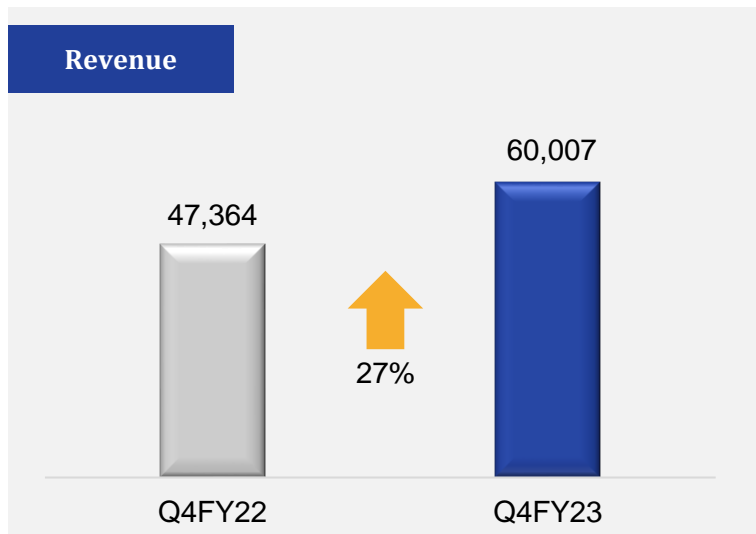


- Total income for the Quarter ended March 31, 2023, stood at Rs. 600.07 Cr, registering a YOY growth of 27%, and the Total income for the year ended March 31, 2023, stood at Rs. 2,128.55 Cr, registering a YoY growth of 30%
- Exports contributed 36% of the total revenues during the fourth quarter of FY 2023. For the year ended 31.03.2023, there was an increase of 41% over the last year. Price pressures and inventory build-up across various segments, suggest a challenging outlook for FY'24.
- The domestic retail business performed exceptionally well and achieved a growth of 48% in Q4 & 27% over the last year. While unseasonal rains in Kharif and high inventory in the market created headwinds, this was mitigated by good monsoons and an increase in acreage in the Rabi season. With normal monsoons being predicted for the upcoming Kharif season, the outlook for Q1 FY'24 remains positive, with several new product launches planned.
- The flagship technical plant in Srikakulam (AP) has achieved its highest monthly production in March 23 reaching 1002 MT, while setting new benchmarks in safety, with innovative new initiatives like the “Suraksha Samelan”. It also recently received the “Best Safety Performer” award from CII. Similarly, the formulation plant in Ethakota (AP) also set several new records for highest ever daily and monthly production.
- The Company’s raw material supply remains stable, despite the disruption of supplies from China. Prices of intermediates from China have been falling in Q4 FY'23, with the trend expected to continue for Q1 FY'24.
- R&D team is working on improving process for the synthesis of emerging AIs and new agrochemical combination (formulations) for overseas and Indian Customers.
- Mr. Raj Kaul has been appointed as a Non-Executive and Non- Independent Director on the Board of the Company with effect from May 05, 2023.
- M/s. NACL Multichem Private Limited (a Wholly Owned Subsidiary of the Company) was granted Environmental Clearance for its proposed establishment of a manufacturing facility at Ranastalam Mandal, Srikakulam District, Andhra Pradesh, for the manufacturing of various Agrochemicals, Synthetic Organic chemicals and Fluorine based chemicals with a production capacity of 264.615 TPD and a Co-Generation Power Plant (6MW).
- The Greenfield site at Dahej has successfully commenced its commercial production, with two production line working at full designed capacity. The other three production line are expected to ramp up to full capacity by Q3 FY'24.
- The Board of Directors in their meeting held on May 22, 2023, have recommended a final dividend of ₹ 0.25 per Equity Shares of ₹1 each. The total dividend amount for the financial year 2022-23, including the proposed final dividend, amounts to ₹ 0.70 per Equity Shares of ₹1 each.



RESULTS SUMMARY





- Strong revenue growth aided by higher realization and volumes
- Revenue was higher from fungicides, Insecticides & Herbicides business segment by ~33%, ~21% and ~22% YoY respectively.

- Growth in sales realization enabled EBITDA growth
- EBITDA margins remained intact despite high energy costs

- Despite cost pressure, profit has increased by 98% YoY
- Robust growth in Net profit led by revenue growth, product mix & increased efficiencies

On Standalone Basis

* Includes other income

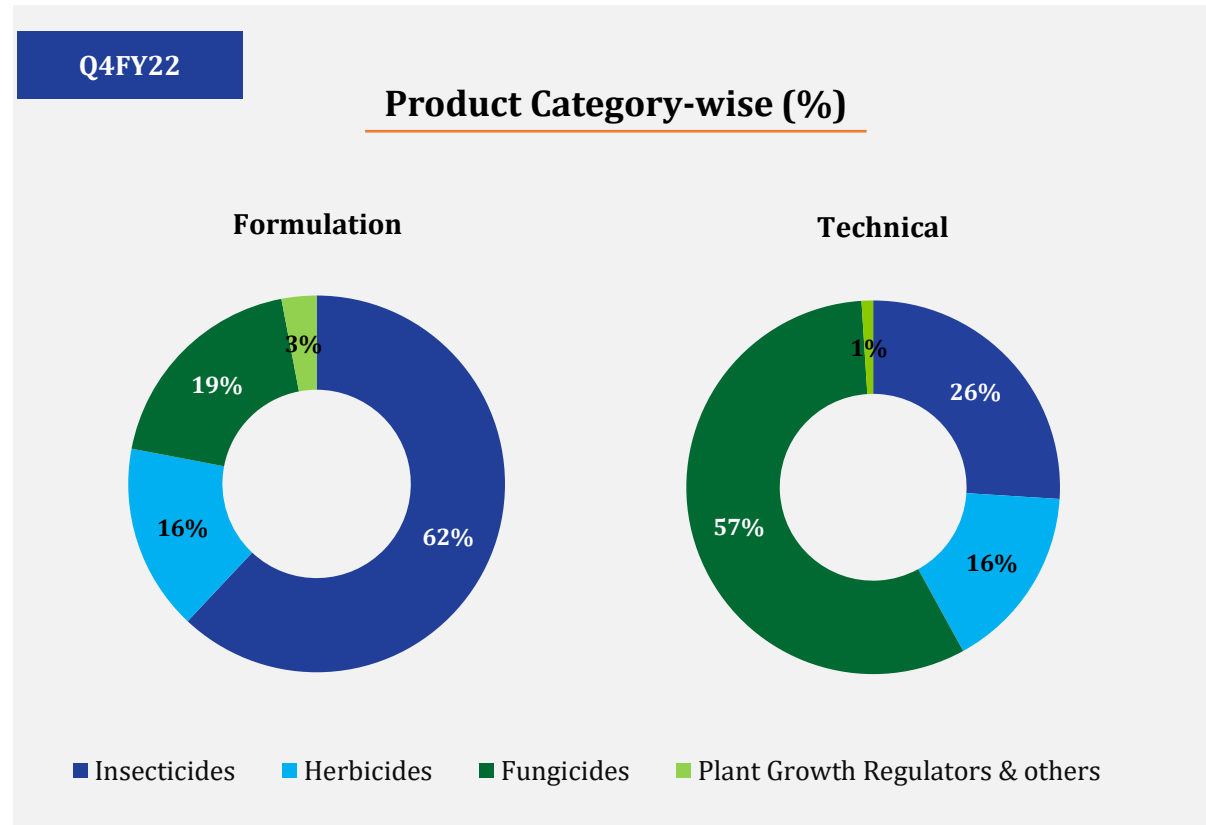
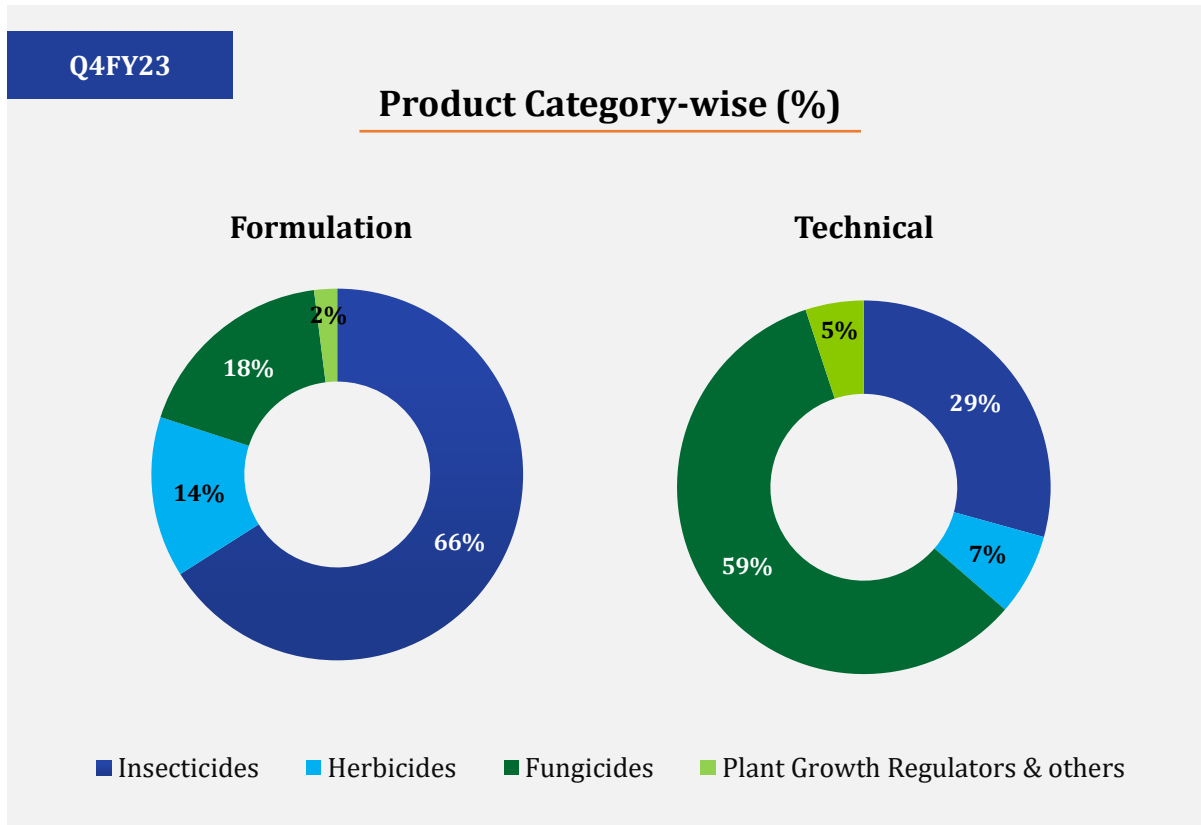
Revenue Breakup

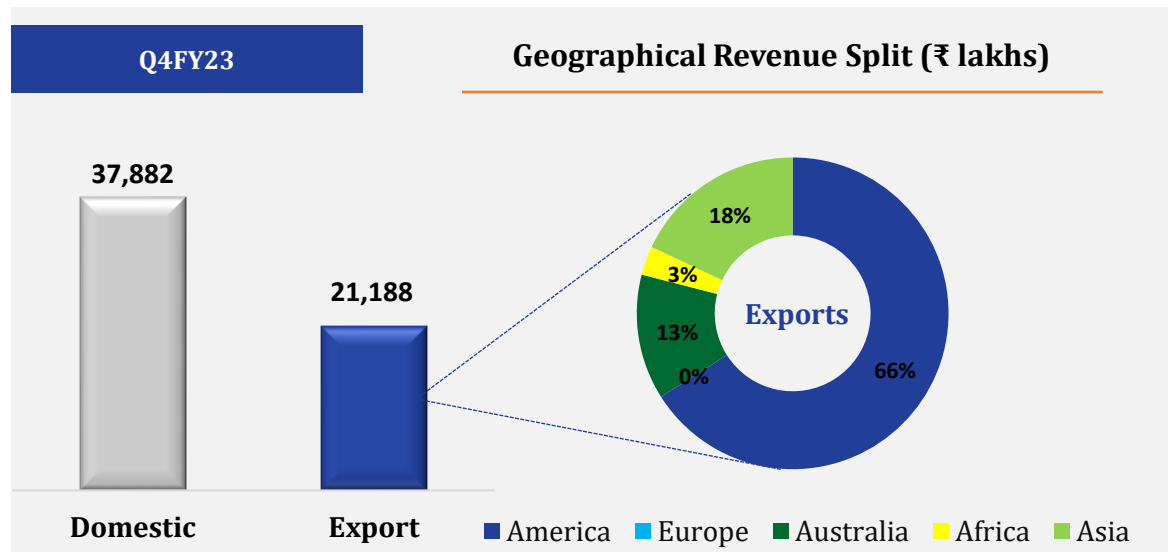
Insecticides 44 %	
Q4FY23	Q4FY22
28,827	20,007

Herbicides (10) %	
Q4FY23	Q4FY22
6,571	7,329

Fungicides 21 %	
Q4FY23	Q4FY22
21,719	18,020

Plant Growth Regulators 139 %	
Q4FY23	Q4FY22
2,186	916



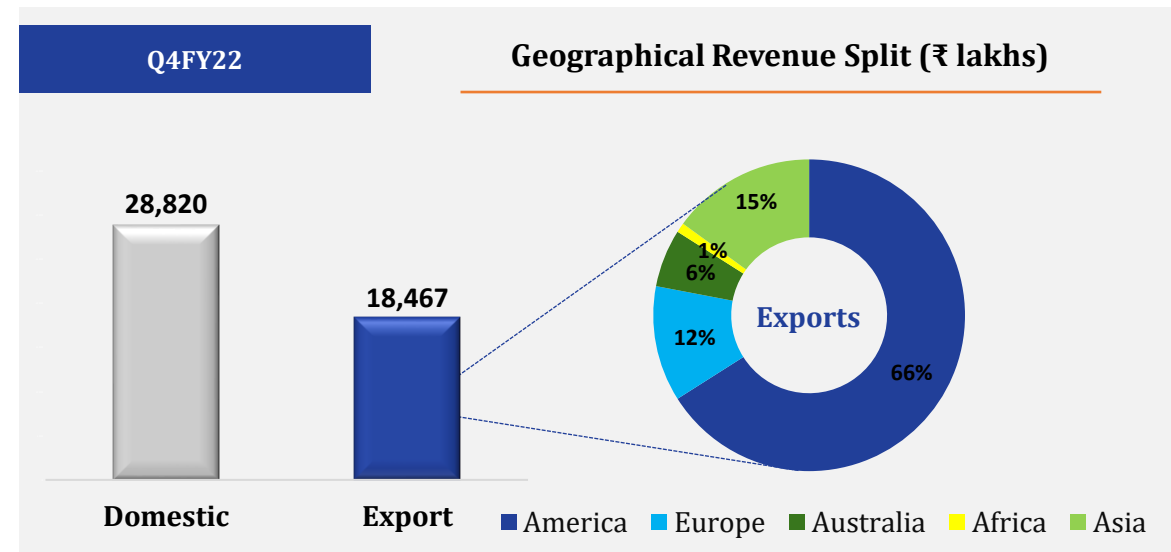


India (Domestic)

- 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

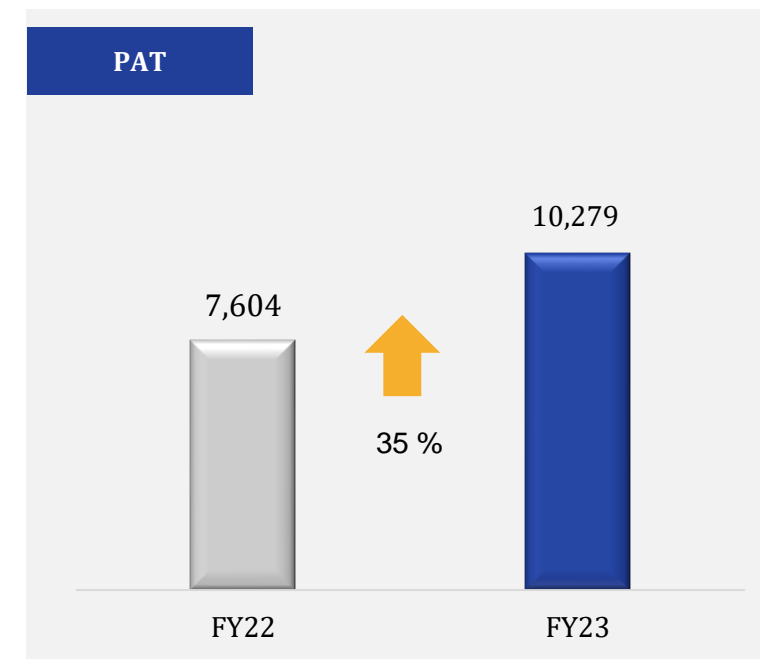
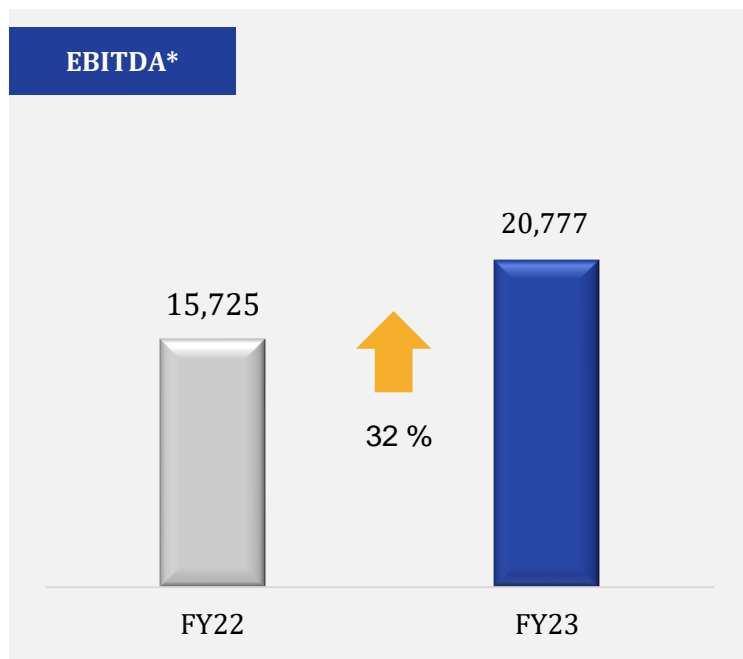
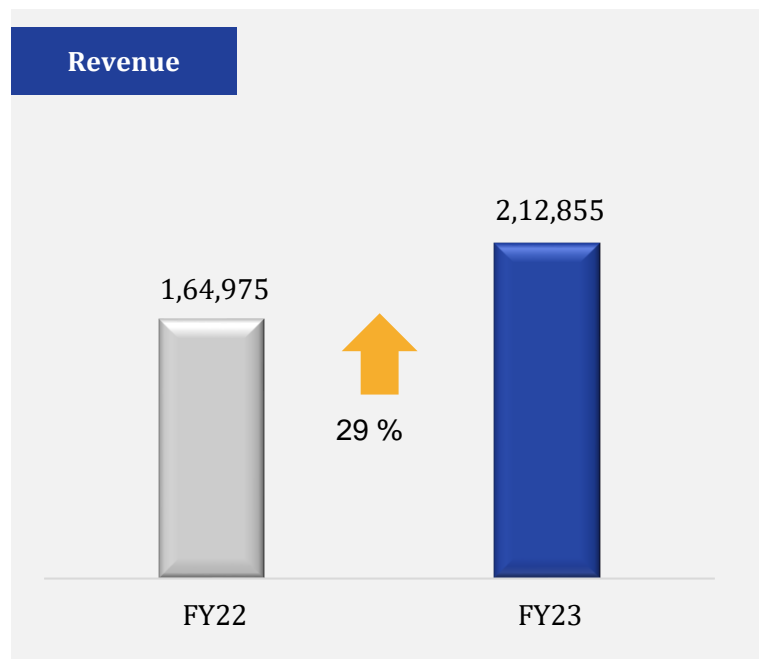


Americas

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

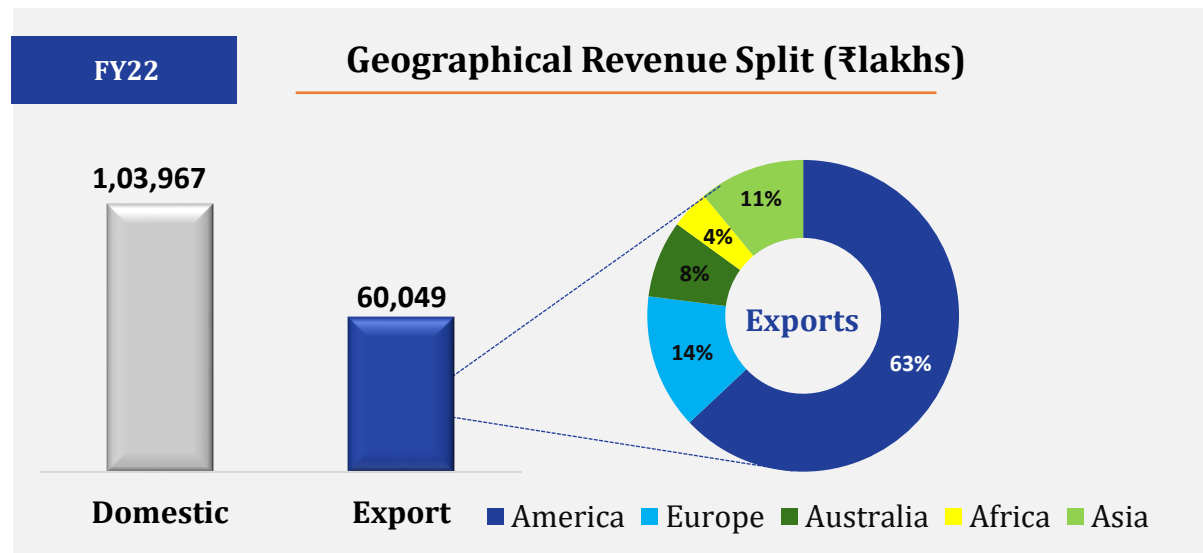
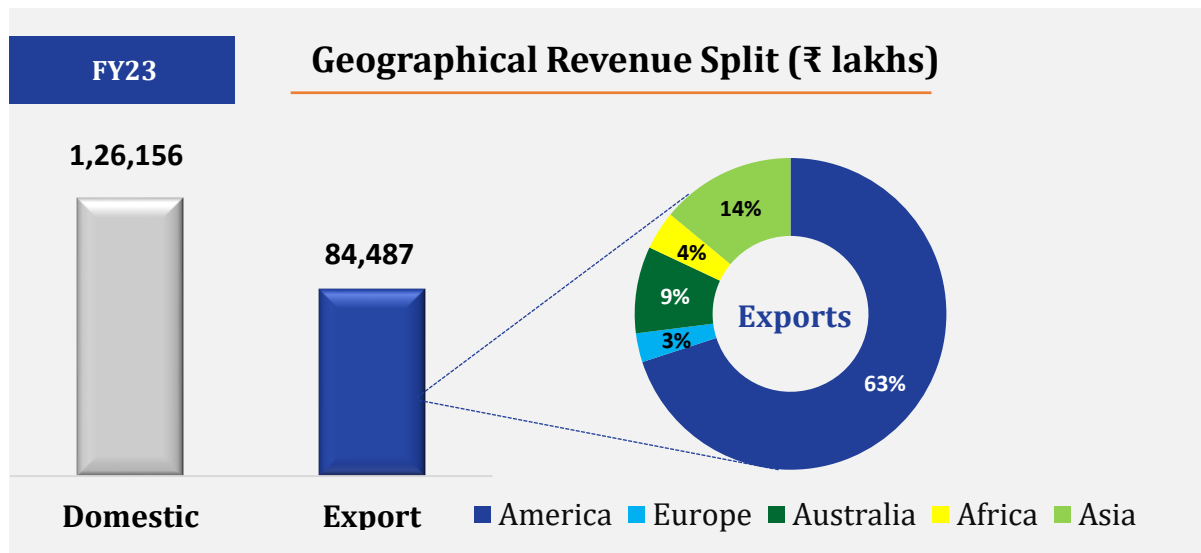
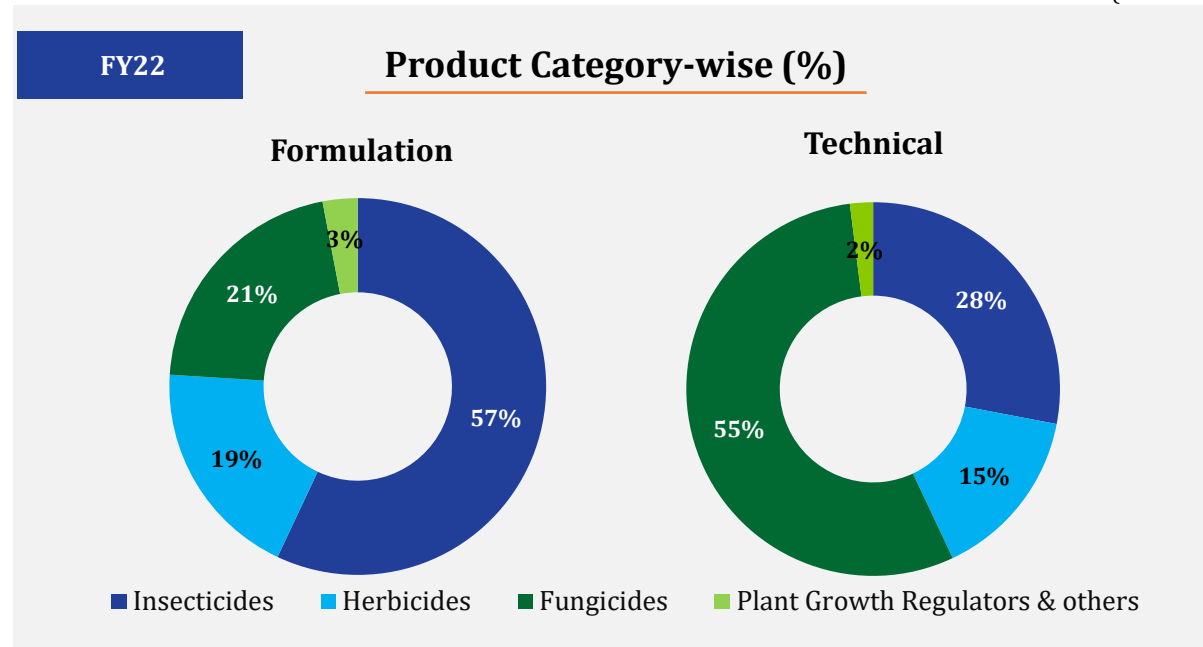
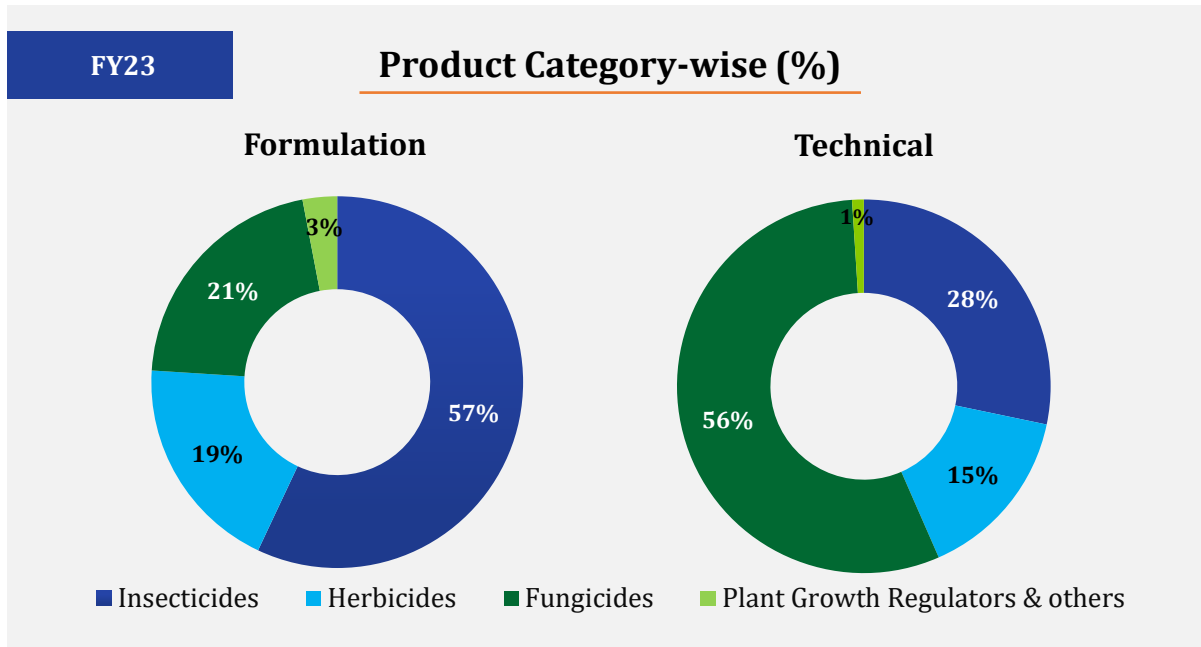
Rest of World

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



Insecticides		Herbicides		Fungicides		PGR	
FY23	FY22	FY23	FY22	FY23	FY22	FY23	FY22
83,260	68,276	32,616	26,741	85,106	61,093	8,789	3,669

Insecticides: 22 % ↑
 Herbicides: 22 % ↑
 Fungicides: 39 % ↑
 PGR: 140 % ↑



Profit and Loss – Q4FY23 (Standalone)

Particulars (₹ in lakhs)	Q4 FY23	Q4 FY22	Y-o-Y	FY23	FY22	Y-o-Y
Revenue from Operations (Net of Excise)	59,671	47,090	↑ 27%	211,600	163,335	↑ 30%
Other Income	336	274		1,255	1,640	
Total Income	60,007	47,364	↑ 27%	212,855	164,975	↑ 29%
Cost of materials consumed	44,496	37,330		159,188	123,767	
Purchase of stock-in-trade	(1,699)	1,512		4,628	7,540	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,458	(3,492)		(3,778)	(10,117)	
Total Raw Material	44,255	35,350		160,038	121,190	
Gross Profit	15,752	12,014	↑ 31%	52,817	43,785	↑ 21%
Gross Profit Margin	26%	25%		25%	27%	
Employee Cost	3,320	2,881		11,994	9,993	
Other Expenses	5,126	4,856		20,046	18,067	
EBITDA	7,306	4,277	↑ 71%	20,777	15,725	↑ 32%
EBITDA Margin	12%	9%		10%	10%	
Depreciation	640	636		2,594	2,495	
EBIT	6,666	3,641	↑ 83%	18,183	13,230	↑ 37%
EBIT Margin	11%	8%		9%	8%	
Finance Cost	1,101	845		4,409	2,984	
Profit before Tax	5,565	2,796	↑ 99%	13,774	10,246	↑ 34%
Tax	1,400	694		3,495	2,642	
PAT	4,165	2,102	↑ 98%	10,279	7,604	↑ 35%
PAT Margin %	7%	4%		5%	5%	
Basic EPS	2.10	1.06		5.18	3.84	

Profit and Loss – Q4FY23 (Consolidated)

Particulars (₹ in lakhs)	Q4 FY23	Q4 FY22	Y-o-Y	FY23	FY22	Y-o-Y
Revenue from Operations (Net of Excise)	59,870	47,090	↑ 27%	2,11,551	1,63,335	↑ 30%
Other Income	378	161		999	1,342	
Total Income	60,248	47,251	↑ 28%	2,12,550	1,64,677	↑ 29%
Cost of materials consumed	44,701	37,330		1,59,165	1,23,767	
Purchase of stock-in-trade	(1,699)	1,512		4,628	7,540	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,184	(3,492)		(4,052)	(10,117)	
Total Raw Material	44,186	35,350		1,59,741	1,21,190	
Gross Profit	16,062	11,901	↑ 35%	52,809	43,487	↑ 21%
Gross Profit Margin	27%	25%		25%	26%	
Employee Cost	3,503	2,881		12,177	10,008	
Other Expenses	5,445	4,859		20,381	18,054	
EBITDA	7,114	4,161	↑ 71%	20,251	15,425	↑ 31%
EBITDA Margin	12%	9%		10%	9%	
Depreciation	855	637		2,815	2,496	
EBIT	6,259	3,524	↑ 78%	17,436	12,929	↑ 35%
EBIT Margin	10%	7%		29%	27%	
Finance Cost	1,679	749		4,733	2,665	
Share of (loss) / profit from associate	30	(43)		138	(280)	
Profit before Tax	4,610	2,732	↑ 69%	12,841	9,984	↑ 29%
Tax	1,257	694		3,354	2,642	
PAT	3,353	2,038	↑ 65%	9,487	7,342	↑ 29%
PAT Margin %	6%	4%		4%	4%	
Basic EPS	1.69	1.03		4.78	3.71	

Balance Sheet (1/2)

Particulars (₹ in lakhs)	Standalone		Consolidated	
	FY 23	FY 22	FY 23	FY 22
ASSETS				
Non-current assets				
(a) Property, plant and equipment	20,760	20,354	36,924	20,381
(b) Right-to-use assets	286	461	3,125	3,331
(c) Capital work-in-progress	2,417	955	5,526	10,456
(d) Intangible assets	190	109	190	109
(e) Intangible assets under development	1,542	1,179	1,542	1,179
(f) Investments accounted for using the equity method			1,403	1,262
(g) Financial assets				
(i) Investments	10,652	7,776	1	1
(ii) Other financial assets	520	408	694	412
(h) Deferred tax assets (net)			144	-
(i) Income-tax assets (net)	459	469	466	474
(j) Other non-current assets	356	273	356	929
Total non-current assets	37,182	31,984	50,371	38,534
Current assets				
(a) Inventories	48,418	41,071	49,101	41,071
(b) Financial assets				
(i) Trade receivables	77,054	52,897	77,151	52,897
(ii) Cash and cash equivalents	3,993	4,455	4,148	6,994
(iii) Bank balances other than (ii) above	3,197	3,283	3,197	3,283
(iv) Other financial assets	301	782	-	541
(c) Other current assets	5,039	7,064	7,559	8,231
Total current assets	1,38,002	1,09,552	1,41,156	1,13,017
Total Assets	1,75,184	1,41,536	1,91,527	1,51,551

Balance Sheet (2/2)

Particulars	Standalone		Consolidated	
	FY 23	FY 22	FY 23	FY 22
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	1,988	1,983	1,988	1,983
(b) Other equity	55,753	46,412	55,406	46,854
Total equity	57,741	48,395	57,394	48,837
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	8,131	8,777	20,345	17,243
(ii) Lease liabilities	43	261	43	261
(iii) Other financial liabilities	107	176	-	24
(b) Provisions	1,312	1,039	1,323	1,039
(e) Deferred tax liabilities (net)	915	1,013	915	1,013
Total non-current liabilities	10,508	11,266	22,626	19,580
Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	49,534	35,306	51,739	35,363
(ii) Lease liabilities	271	238	271	238
(iii) Trade payables				
(a) total outstanding dues of micro enterprises and small enterprises	3,685	1,891	5,029	1,891
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	43,205	35,467	43,422	35,470
(iv) Other financial liabilities	6,836	6,650	7,623	7,839
(b) Other current liabilities	1,720	1,644	1,738	1,654
(c) Provisions	400	281	401	281
(d) Income-tax liabilities (net)	1,284	398	1,284	398
Total current liabilities	1,06,935	81,875	1,11,507	83,134
Total equity and liabilities	1,75,184	1,41,536	1,91,527	1,51,551

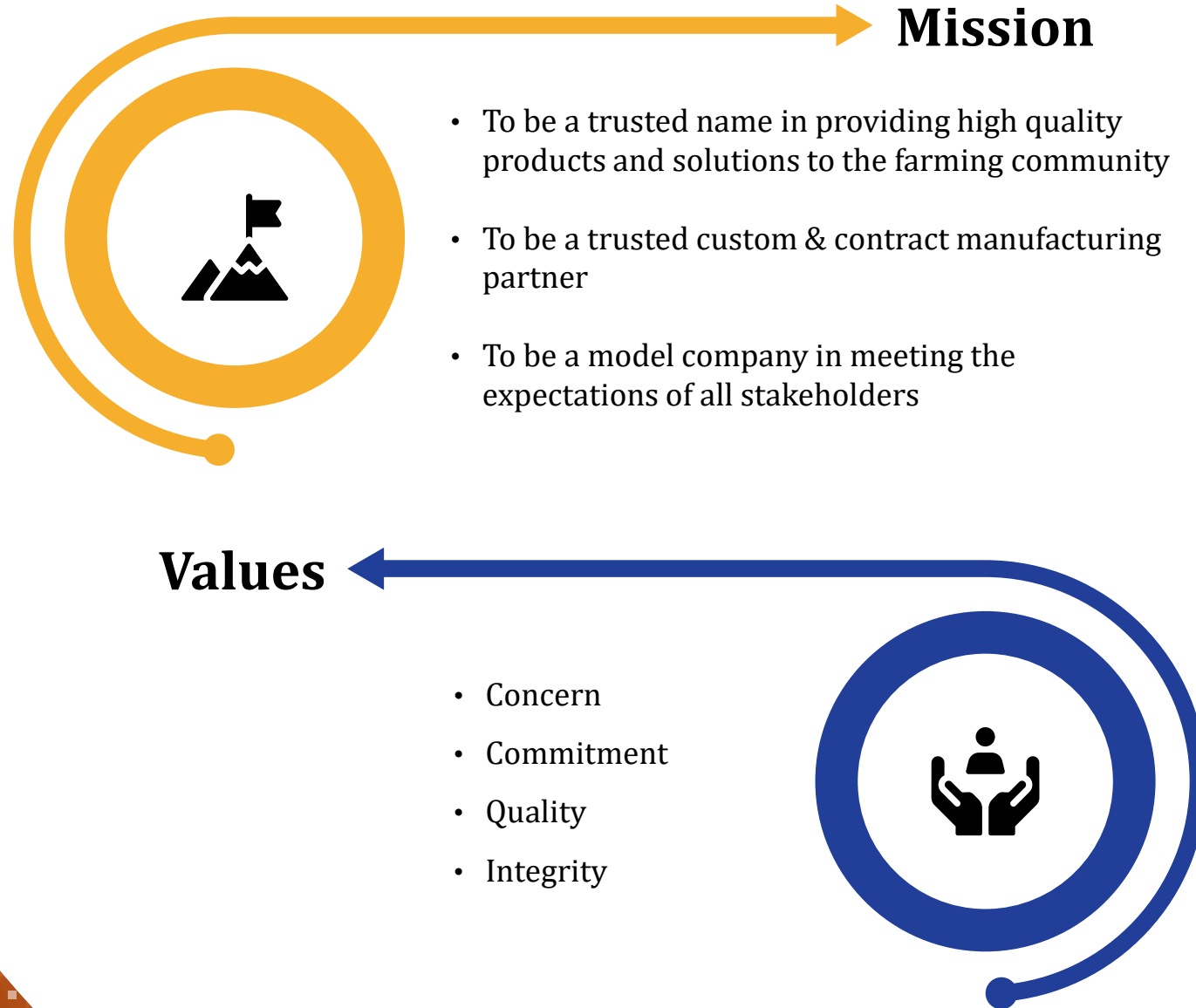
CORPORATE IDENTITY





NACL established itself as an Agrochemical player 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 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





1,350+
Employee Strength



31
Geographical
Presence



5
Million Farmers
(Customers)



4
Manufacturing
Units



30
Years of
Experience



63
Branded Products



Geographical Reach



31 - Countries

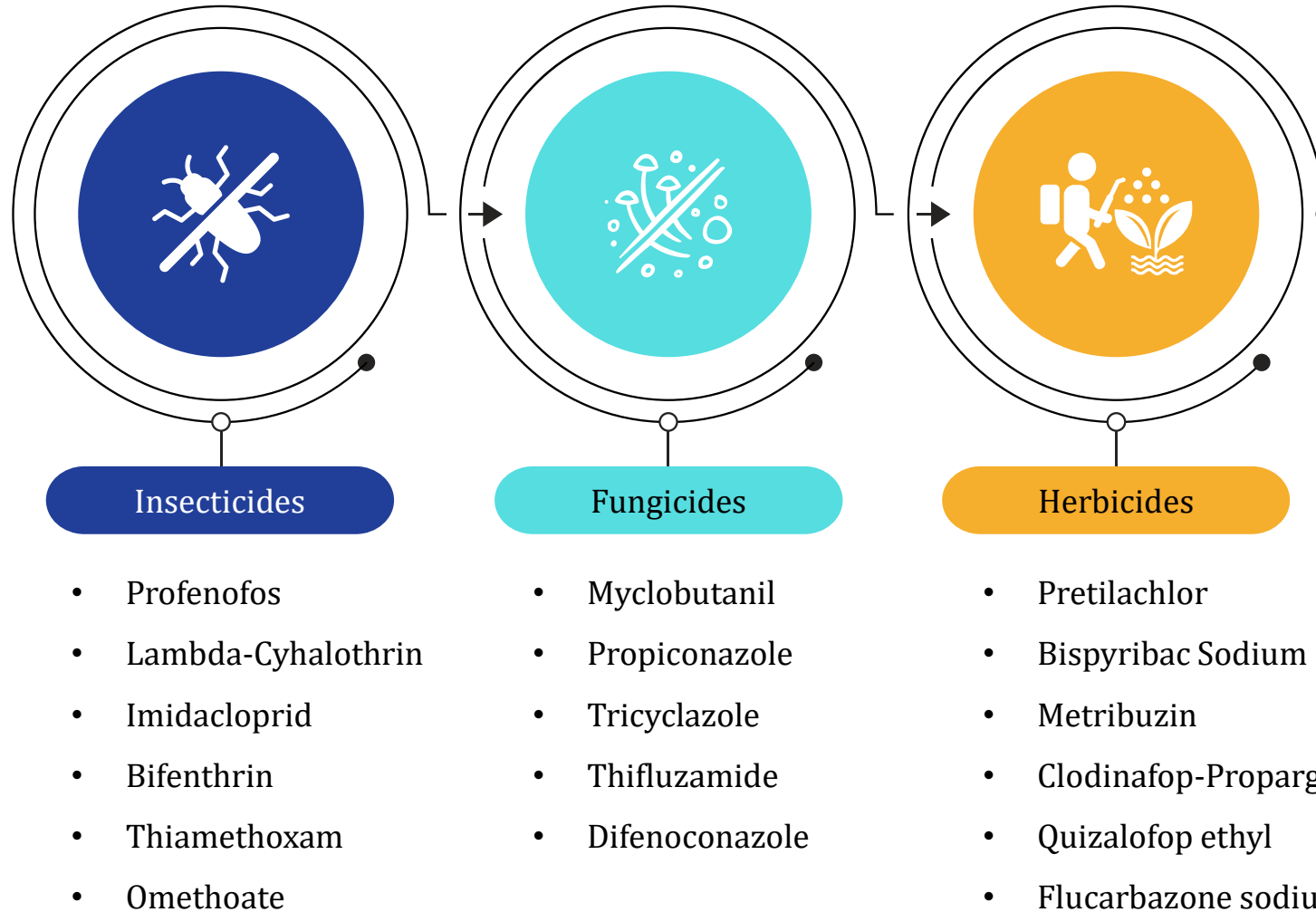
1,350+ - Employees

04 - Manufacturing Plants

36% - 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

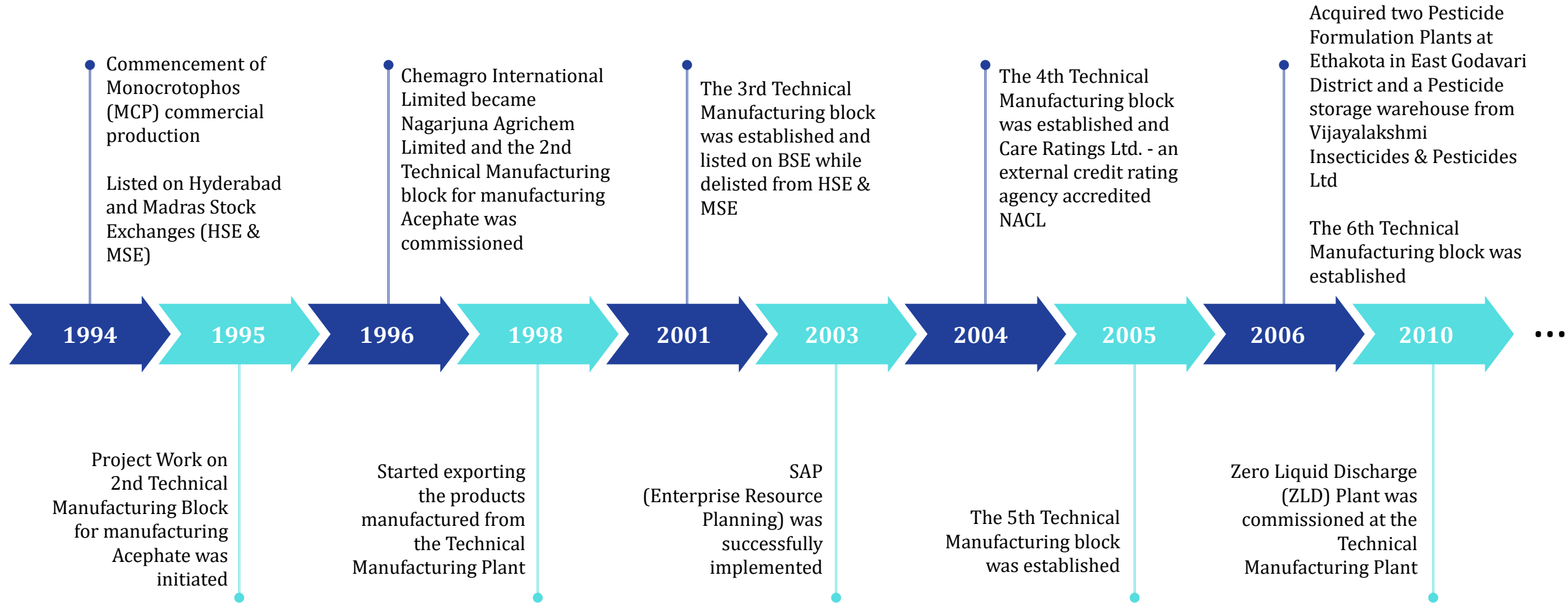
Plant Growth Regulators



- Atonik
- Gallant EG
- Gallant Gold



Timeline (1/2)

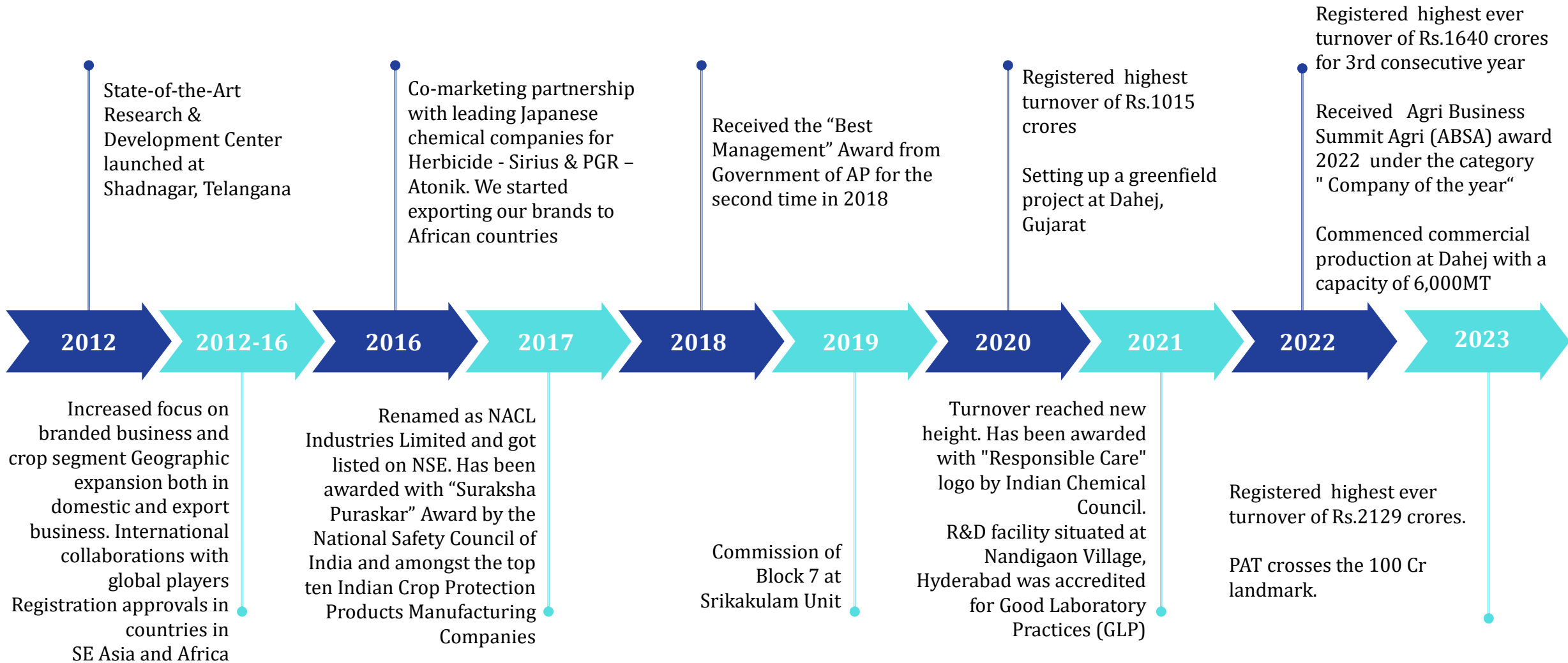


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Timeline (2/2)





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. Raj Kaul
Non-Executive & Non-
Independent 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. Kannan Upadhyaya
Vice President – Domestic
Retail Sales & Marketing



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



A state-of-the-art
R&D center

Technical
manufacturing plants
with a combined
production capacity of
23,000 TPA

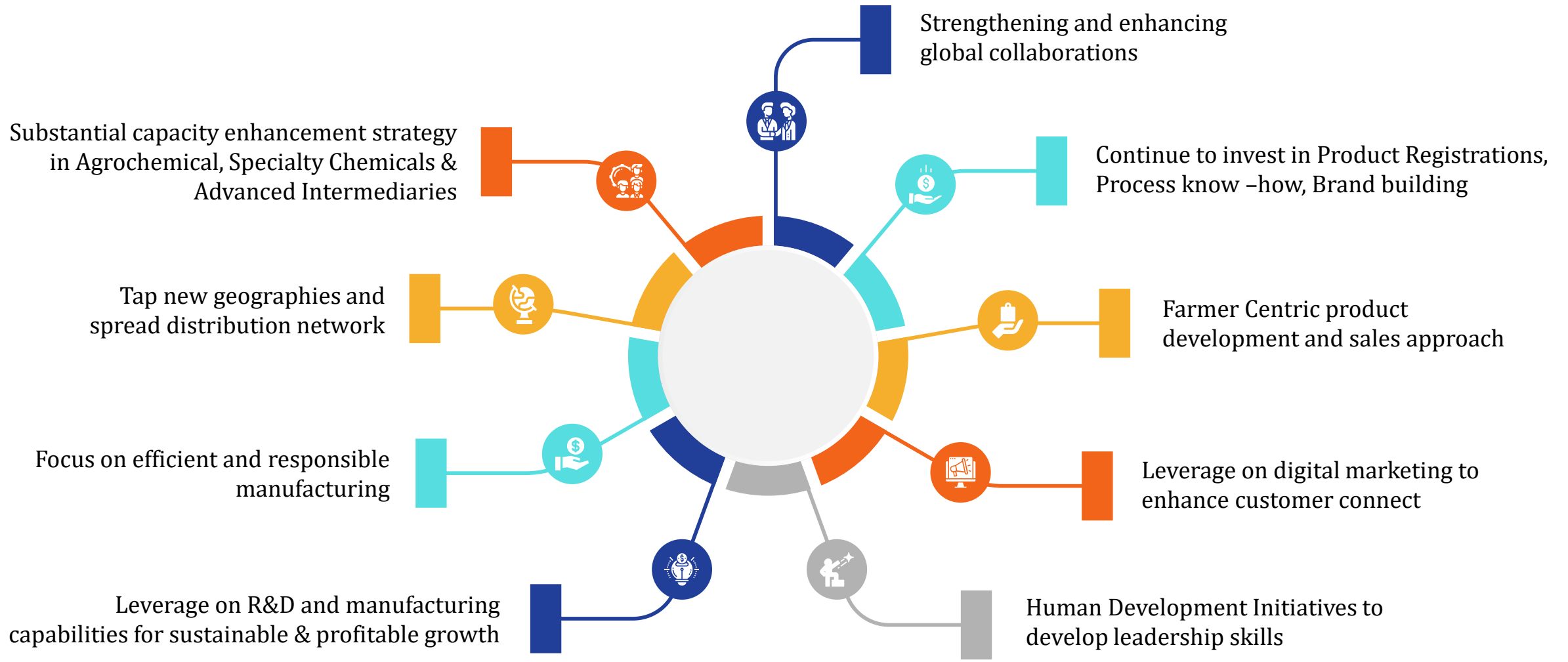


Formulation unit with
packaging facility capable
of handling 12000 KL of
liquids, 5,600 MT of
powders and 35,475 MT
of granules

63 Branded Products,
47 NACL stock points
and Thousands of retail
outlets across India
under the Company's
direct to retail
approach



Knowledge Delivery
Based Farmer Outreach
Programmes across
India for empowering
farmers





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.

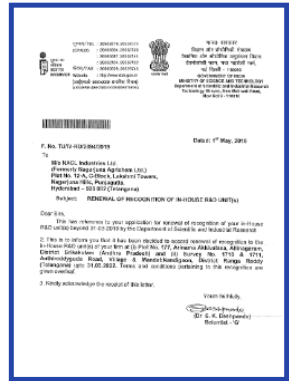
RC certificate



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.

01



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.

02



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.

03



Exports

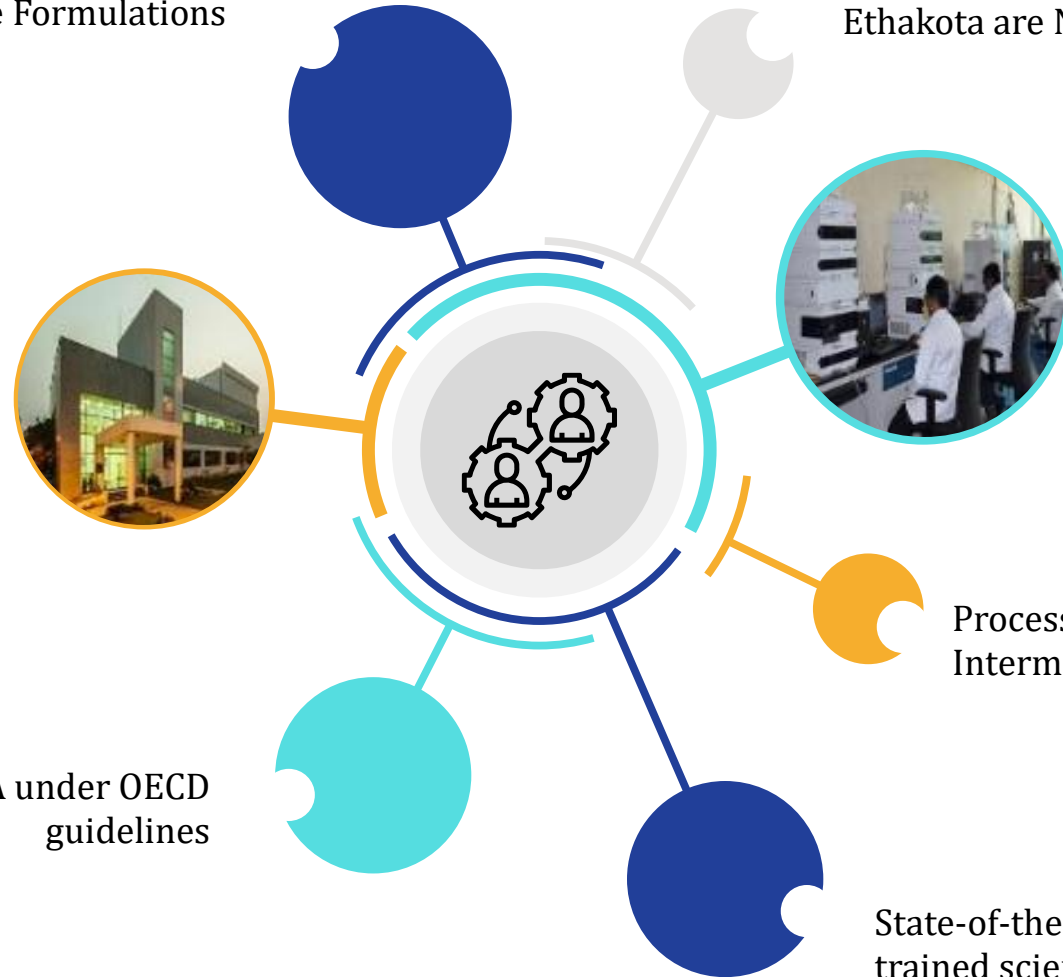
Due to the inherent strength of cost-effective production and qualified manpower, India is one of the leading exporters of crop protection chemicals. Unlike domestic demand growth which fluctuates depending on the rainfall pattern, agrochemicals exports have been increased steadily. Almost 50% of agrochemicals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

04



Development of new generation, environment friendly and safe Formulations

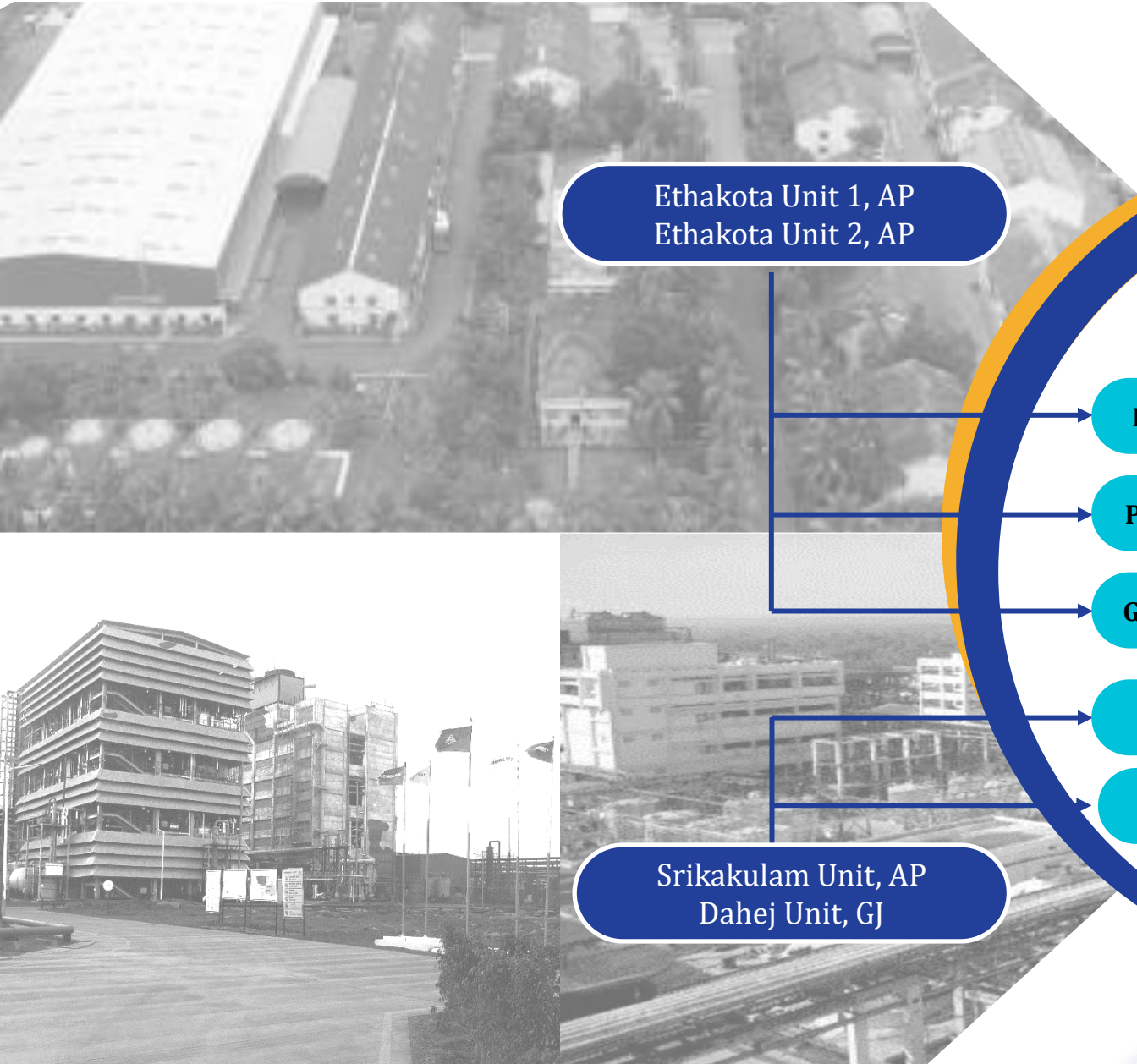
R&D labs at Shadnagar and Srikakulam are DSIR recognized. Quality Control labs in the above locations and Ethakota are NABL accredited.



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

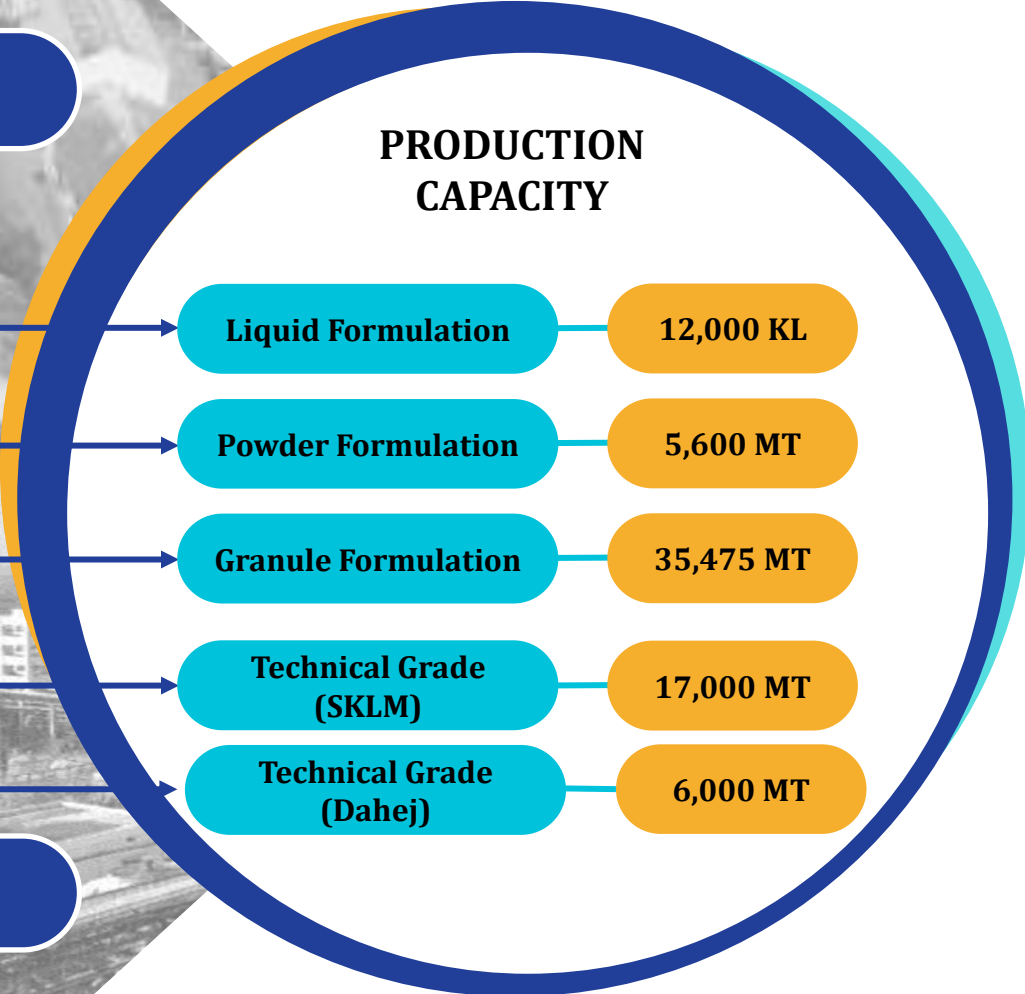
Process development of Active Ingredients and Intermediates

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



Newly Commissioned Project

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

The Greenfield site at Dahej, Gujarat has successfully commenced commercial production from 28th December, 2022, with two production line working at full designed capacity. The other three production line are expected to ramp up to full capacity by Q3 FY'24.

BROWNFIELD PROJECT

NACL Industries Limited, Srikakulam, Andhra Pradesh

Srikakulam Technical Plant is in process of increasing the capacity 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 the advanced stage of acquiring land and obtaining necessary approvals/licenses. capacity **38,000 MT/** Annum in phases



Green Field Project at Dahej (Gujarat) Completed





Strong EHS systems, processes, inspection and training who enhance awareness and ensure practices

Manufacturing Plants are certified Integrated Management Systems related to quality, environment, health and safety (ISO) with adequately green belt cover

State-of-the-art Zero Liquid Discharge (ZLD) plants at Srikakulam and Ethakota.

Plants equipped with occupational health facilities, professional trained staff and instituted practices

Efficient equipment for reduced energy consumption.



SHAREHOLDER'S INFORMATION



Stock Information (as on 31st March, 2023)

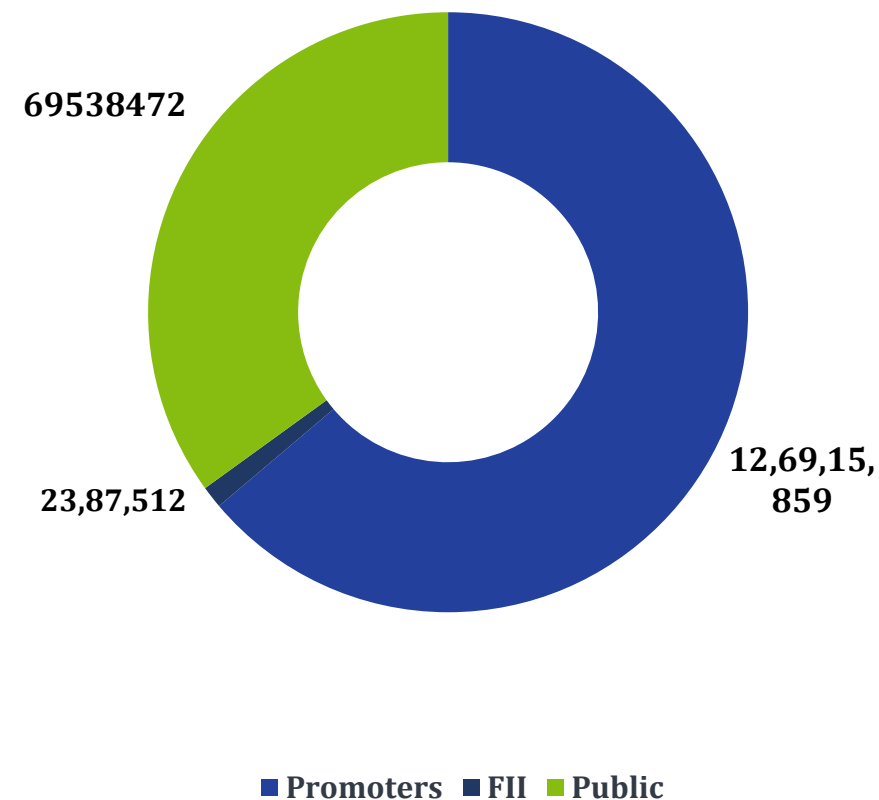
Market Capitalization (₹)	1932.74 Cr
Shares Outstanding	19,88,41,843
Symbol (BSE) / (NSE)	524709 / NACLIND

(As on 31th March 2023)

Stock Performance Chart (as of January, 2023)



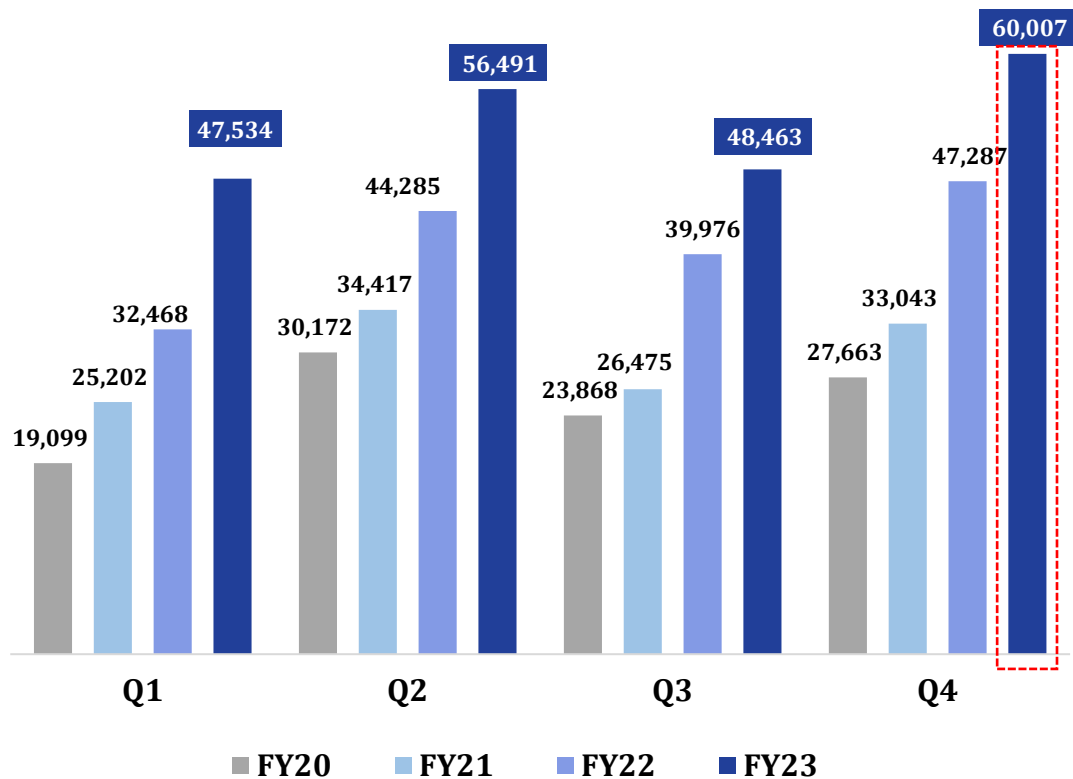
Shareholding Pattern (%)



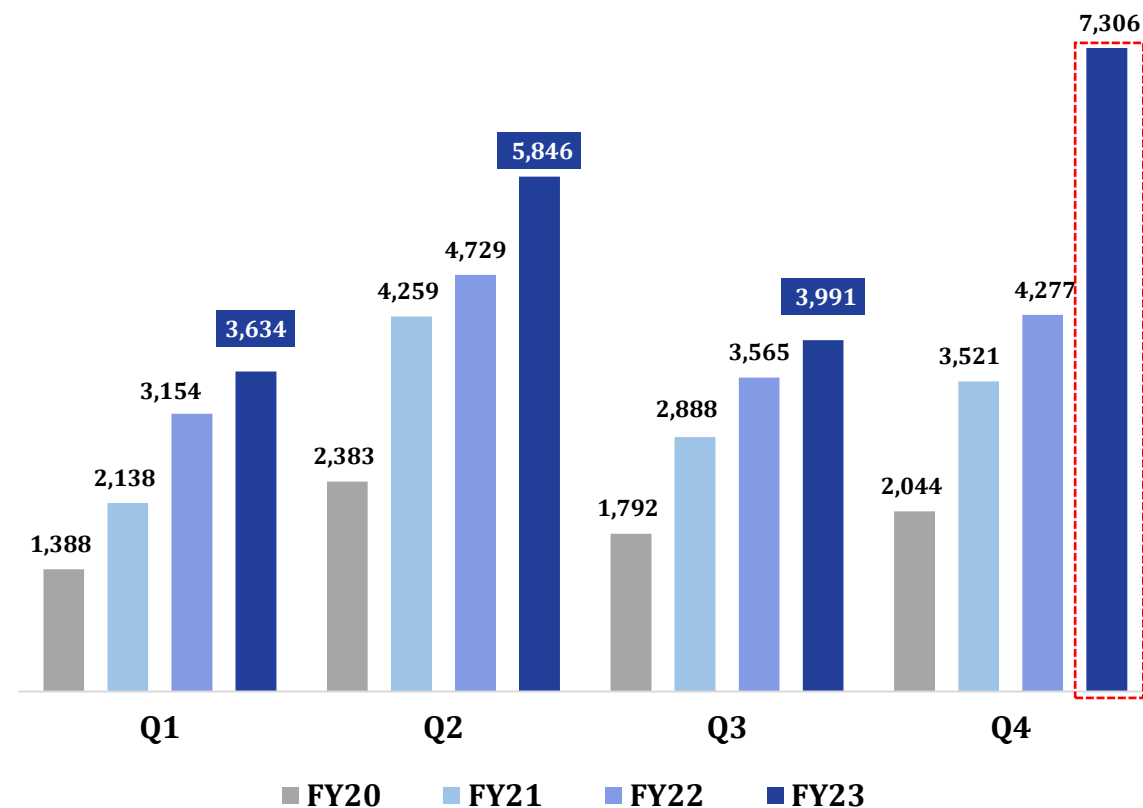
PERFORMANCE TRACK RECORD

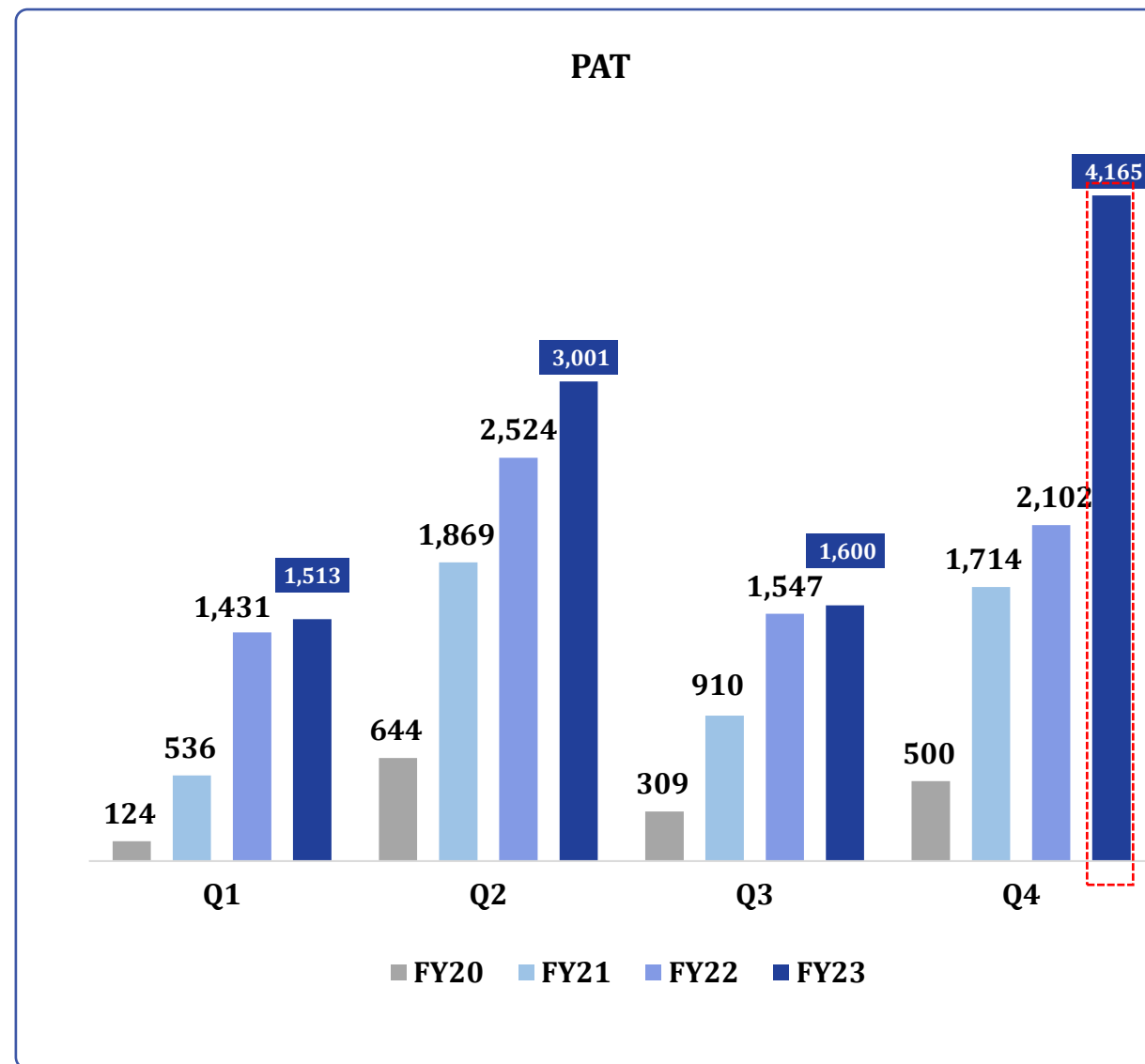
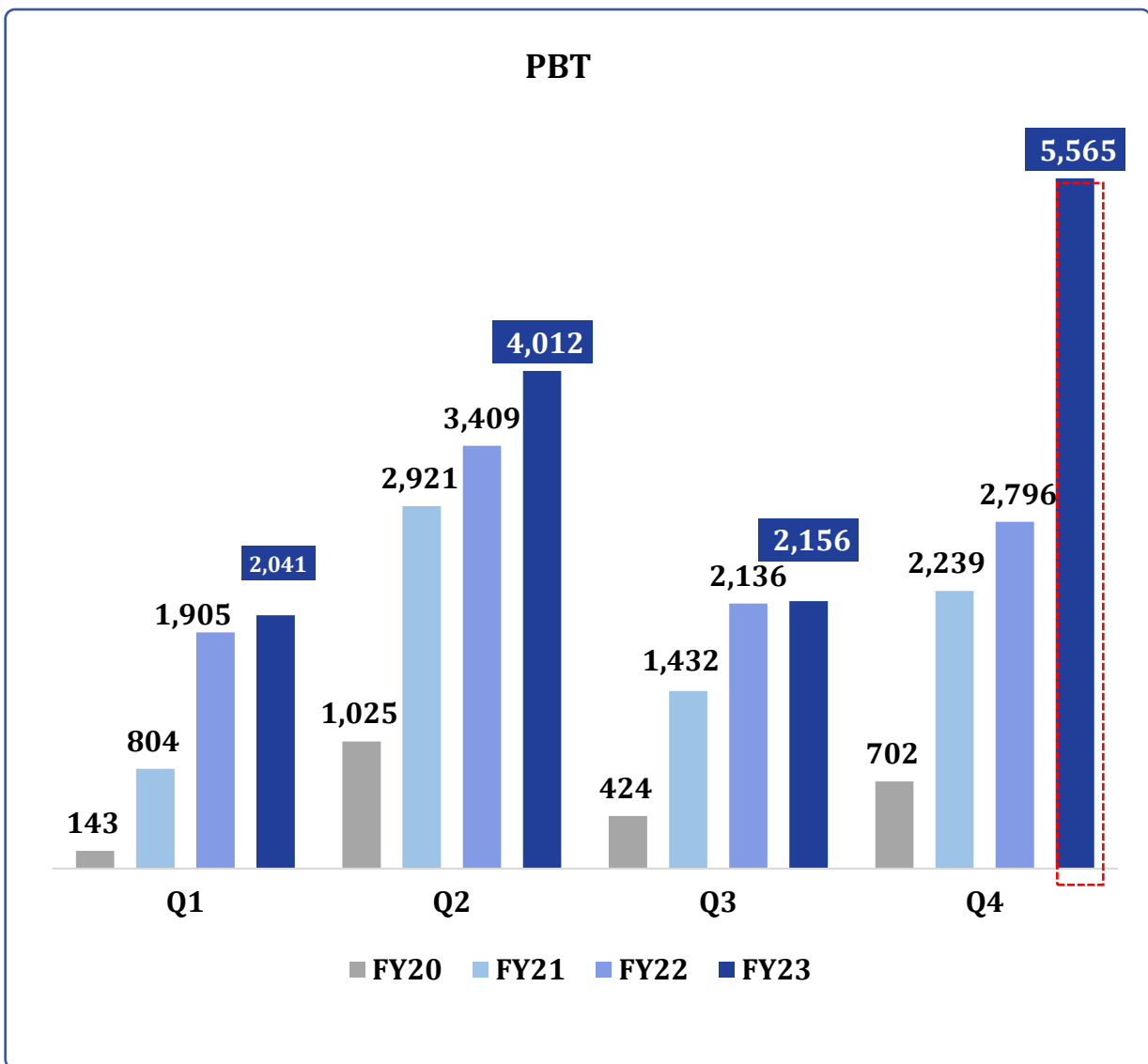


Revenue from operations

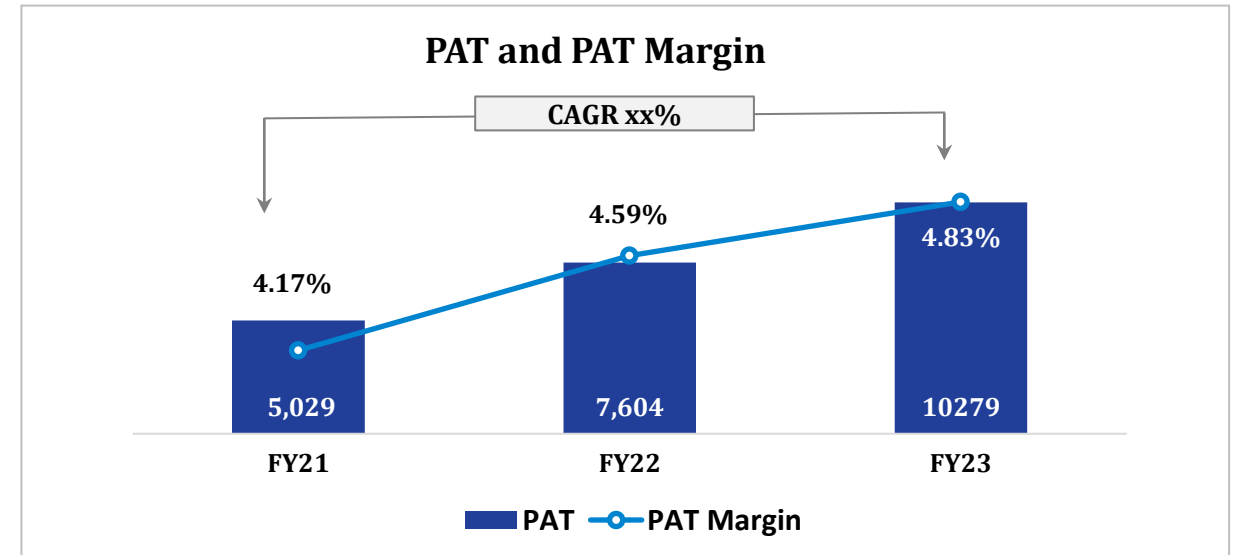
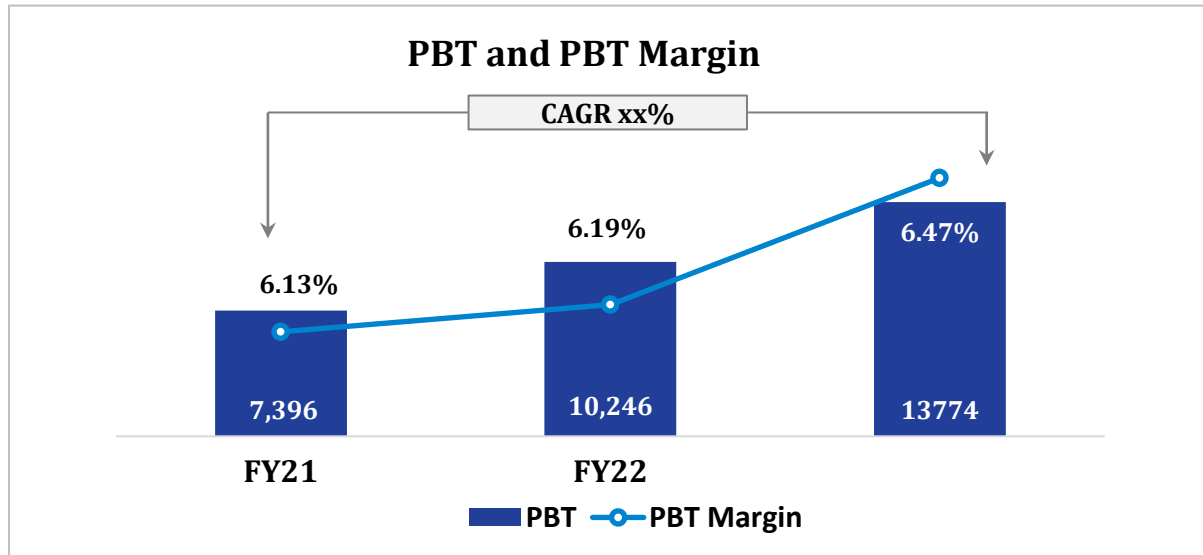
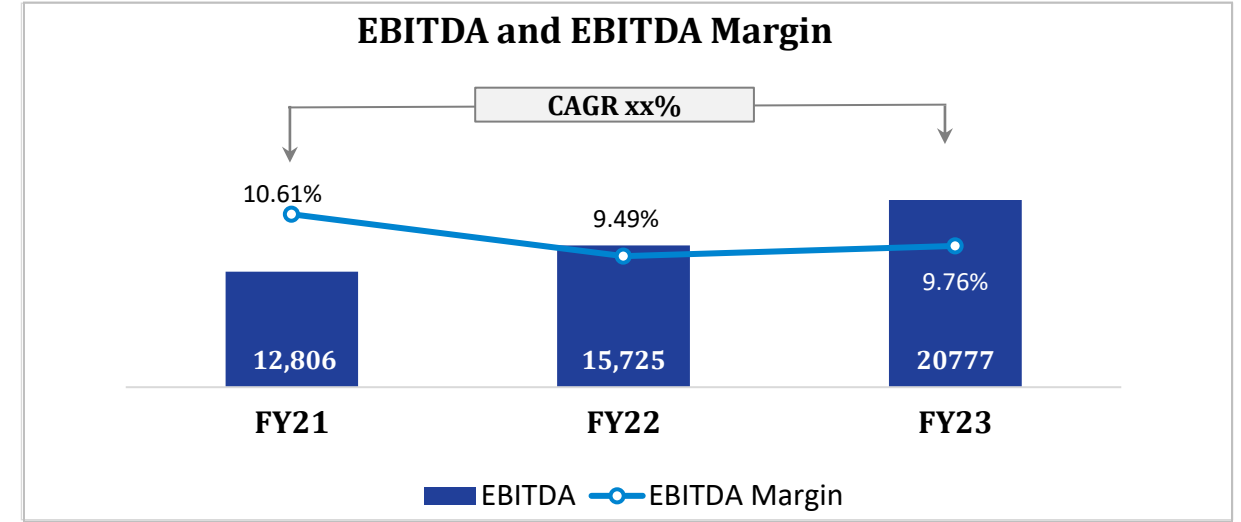
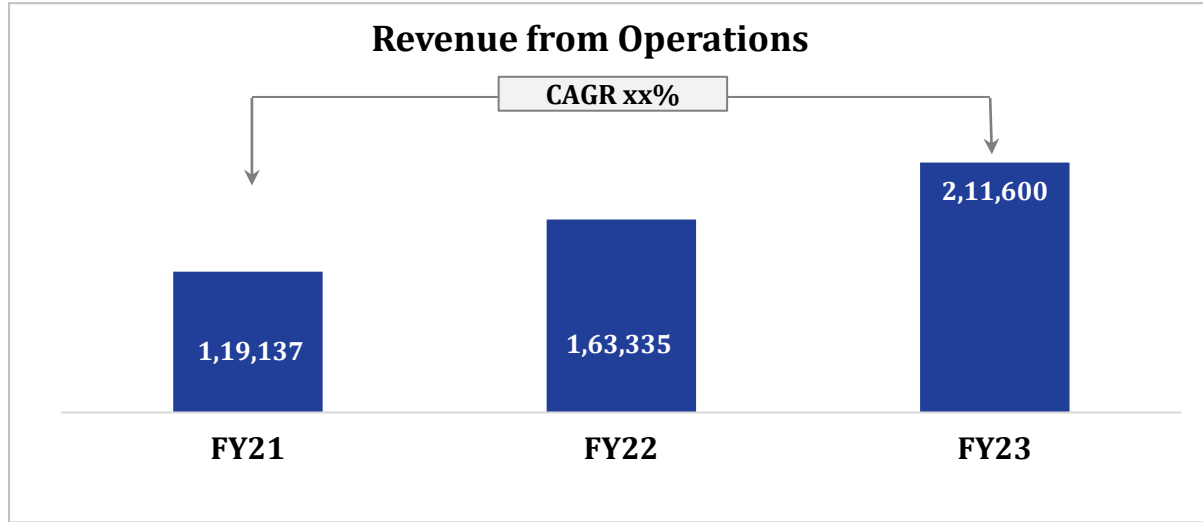


EBITDA

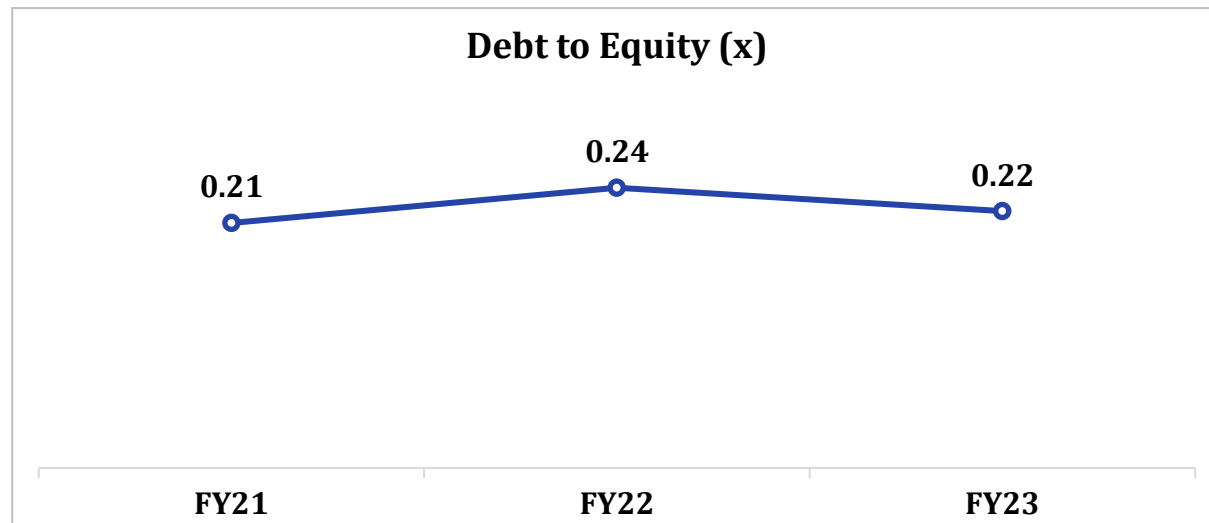
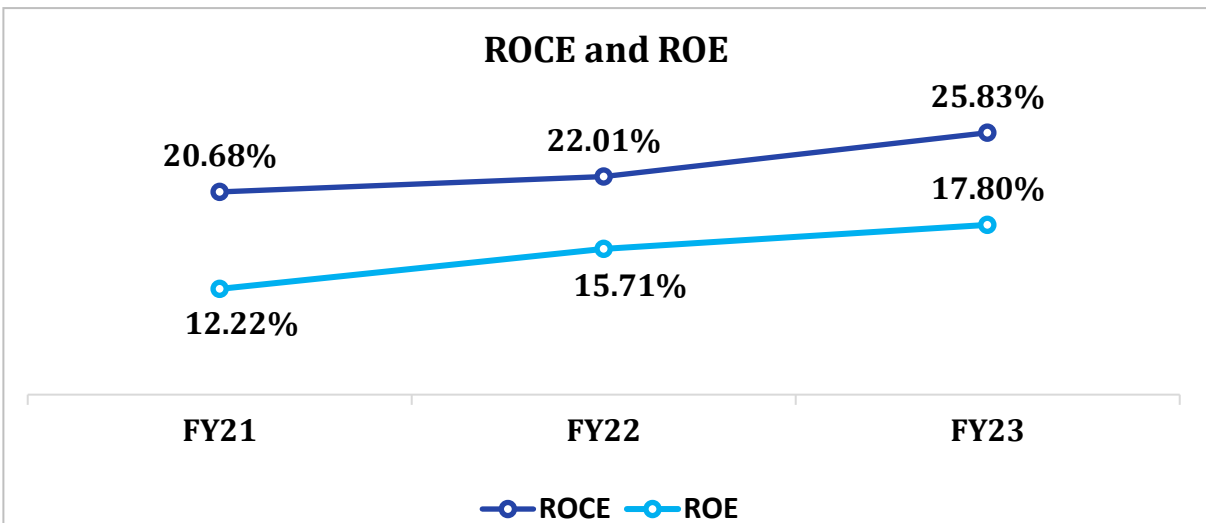
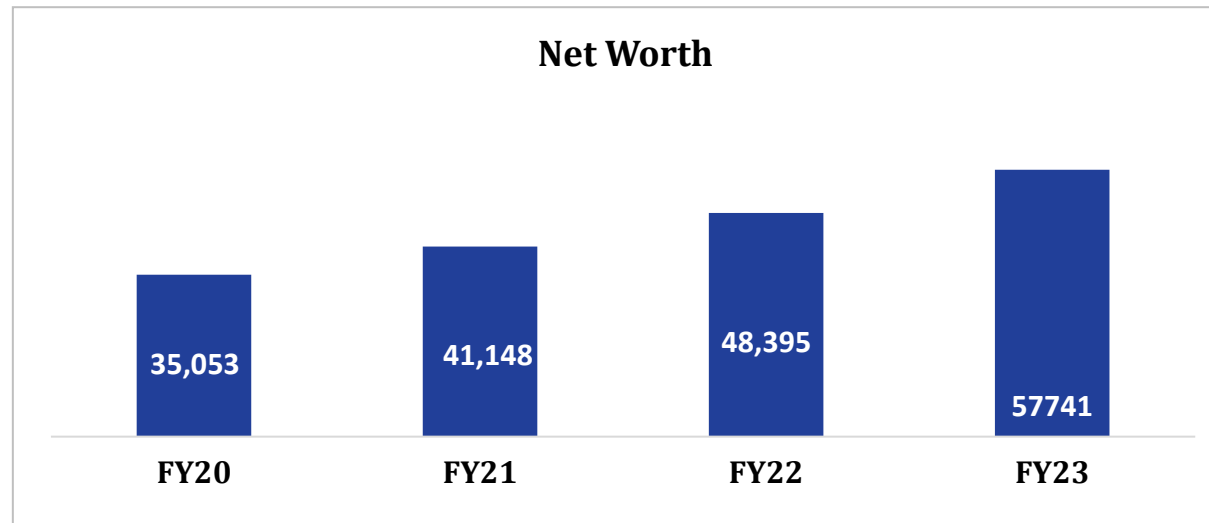
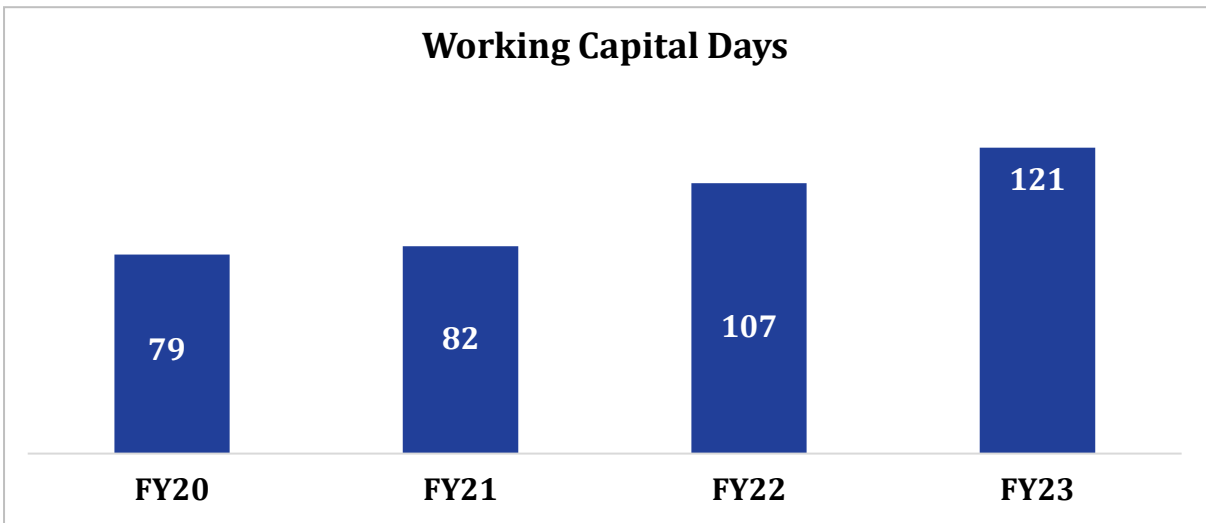




(₹ in lakhs)



(₹ in lakhs)



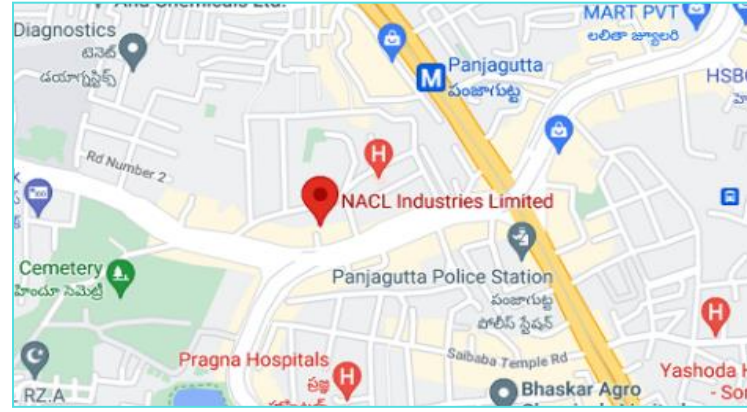
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THANK YOU

