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PRESS RELEASE

May 24, 2016

## Delivers Profitable Growth in FY16

- **Achieves Highest-Ever Revenues of Rs. 2,097 crore**
- **Achieves Highest-Ever PAT of Rs. 313 crore, up 29%**
- **Net Cash from Operations was at Rs. 457 crore**

**Gurgaon, May 24, 2016:** PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company announced its financial results for the quarter and year ended March 31, 2016.

### Financial Highlights for Q4 & FY2016

	Q4 FY2016 (Rs. in Crore)	Growth (%) (Y-o-Y)	FY2016 (Rs. in Crore)	Growth (%) (Y-o-Y)
Revenues	585	8.9	2,097	8.1
EBITDA	107	12.6	433	16.9
PAT	95	58.0	313	28.8

### Financial and Operational Commentary for the quarter and year ended 31st March, 2016

#### Net Revenue

Revenues showed 8.1% improvement YoY during FY16 on the back of 6% gains in domestic agri-inputs and 10% improvement in custom synthesis exports. This aligns to the challenging agro-climatic conditions witnessed in the domestic market during the year and softness in global markets.

During Q4 FY16, blended revenues grew 8.9%. This was backed by 17% growth in agri-inputs and 6% enhancement in exports. The domestic performance was driven by momentum within the portfolio of in-licensed products in light of the expected good monsoon. The planned scale-up in deliveries against existing molecules combined with commissioning of two new plants at Jambusar facility led to healthy improvement in custom synthesis exports.

#### EBITDA

Full-year EBITDA reported an increase of 16.9% at Rs. 433 crore. This resulted in 156 bps better margins at 20.6%. Q4 FY16 EBITDA was at Rs. 107 crore, translating into margins of 18.3%.

#### Pre-tax Earnings

Profit Before Tax in FY16 were at Rs. 404 crore, up 14.5%. In Q4 FY16, Profit Before Tax showed growth of 12.9% to Rs. 97 crore.



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## **Post-tax Earnings**

Profit After Tax in FY16 stood at Rs. 313 crore, delivering gains of 28.8% year-on-year. The Company benefitted from better tax planning, on the back of SEZ operations, expansion at Jambusar and extension of the R&D operations. The corresponding Basic EPS was at Rs. 22.90 per share as compared to Rs. 17.84 per share.

In Q4 FY16, PAT rose 58% Y-o-Y at Rs. 95 crore. The Basic EPS during Q4 FY16 was at Rs. 6.97 per share.

## **Strong balance sheet**

The strong earnings profile of the business continues to contribute towards building a robust balance sheet. Net Cash from Operations was at Rs. 457 crore. The Net Debt on books stood at Rs. 125 crore (Debt : Equity of 0.11x) where the Company remains comfortably placed to drive its growth initiatives. Working capital cycle further improved during the year.

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## **Commenting on the performance Mr. Mayank Singhal, Managing Director & CEO, PI Industries Limited, said:**

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*"I am proud to present a healthy set of numbers backed by a world-class operation, leading brand position in key categories and a growing exports franchise.*

*We have an exciting portfolio under domestic agri-inputs, where we focus on getting high-potential patented products into India. Our model emphasizes on creating an entire ecosystem for the farmer, where he can draw in from our agri-expertise, market-related tips and hand-holding in terms of how best to utilize our range of high-performance products in order to drive up his returns. This remains backed by our extensive distribution set-up nationwide.*

*Brands like Nominee Gold, Vibrant, Osheen, Fluton, Cuprina, Keefun have given us good standing in the sector. In the times to come, I am sure these will continue to drive consumption further and bring benefits of higher yields and productivity to many more farmers.*

*Our approach to business is disciplined and thus every year you will see incremental additions of brands to our portfolio. We wish to lend each of our products the full support of our marketing machinery and farmer-connect initiatives. This model has worked wonderfully for us and will continue to deliver a broad platform to provide value to our customers.*

*Our CSM exports business has been delivering largely as per plan. Over time, we have built a steady pipeline of exciting molecules, which when commercialized will cater to markets of a very large order. The pattern of introduction of new molecules each year will continue, thereby giving us a profitable product-mix comprising of relatively newer agrochemicals while insulating us from softer sector dynamics.*

*What makes all of this possible is our commitment to driving a very efficient balance sheet. We continue to build infrastructure, systems & processes which will deliver superior value to our shareholders in medium to long term. The feather in the cap will be a favourable monsoon this year, which will benefit not just us, but the entire agri-sector at large."*



## **Outlook**

- The view on the business is positive, duly supported by favourable expectations of good monsoon in the key domestic market, normalization of momentum in exports and regular introduction of 2 - 3 products in both the segments
  - Growth on the domestic front will be driven by a leading profile of exciting products that have been launched in the past couple of years and augmented by new introductions
    - This will be supported by extensive efforts to establish the range of products further, while leveraging the extensive distribution apparatus and farmer outreach initiatives of the Company
    - Company to introduce a new herbicide named, 'Legacee' during Kharif 2016
  - Custom synthesis exports remains well-placed to deliver robust upsides in the coming year on the back of:
    - Growth in requirements for existing molecules and commercialization of new molecules as per plan; continuing strong order book position
    - Production scale-up on account of the two newly commissioned plants at Jambusar
    - Focus on developing new process technologies through investment in R&D
    - Initiated business in the pharmaceuticals segment



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## About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, NSE: PIIND, ISIN ID: INE603J01030) focuses on Agri-Input and Custom Synthesis with strength of over 1,800 employees, PI Industries currently operates three formulation and two manufacturing facilities as well as eight multi-product plants under its three manufacturing locations in Gujarat. These state-of-art facilities have integrated process development teams with in-house engineering capabilities. PI Industries is into the following markets:

### **Domestic Agri-Input**

PI is one of India's leading players in the Agri-Input industry, primarily dealing in agro-chemicals and plant nutrients. This venture is the flagship business for which PI enjoys tremendous brand recognition across several industry leading products. The Company has exclusive rights with several global Corporations for distribution in India and is constantly evaluating prospects to further expand its product portfolio. Given the inevitable surge in demand for food grain production in the agriculture sector, the opportunities for Agro-Chem Companies are innumerable. PI Industries is favorably positioned to contribute to the growth in this space by leveraging its long-standing association with business partners and intensive network of distributors across India.

### **Custom Synthesis Exports**

Here PI focuses on Custom Synthesis, which entails dealing in custom synthesis and contract manufacturing of chemicals including techno commercial evaluation of chemical processes, process development, lab & pilot scale up as well as commercial production. The Company has an impressive product portfolio as result of exclusive tie-ups with leading agro-chemical and fine chemical companies around the world. PI has made substantial investments in building state of art process research and manufacturing facilities of chemical intermediates and active ingredients with special focus on strong process R&D capabilities. Custom Synthesis is expected to be the primary growth driver with strong revenue visibility for P I as India continues to be a preferred destination for outsourcing Custom Synthesis and contract manufacturing related projects. With exceptional growth opportunities in the offing, this segment is poised for great success. For further information please visit: [www.piindustries.com](http://www.piindustries.com)

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