

PIIL:SEC:PR:2020-21
August 4, 2020

BSE Limited, Corporate Relationship Deptt. 25 th Floor, New Trading Ring Rotunda Building P.J. Towers, Dalal Street, MUMBAI - 400 001 Code No.523642	National Stock Exchange of India Ltd. Exchange Plaza, Plot No.C/1, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 Code No.PIIND
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Dear Sir,

Sub: Press Release on Performance of the Company for the quarter ended June 30, 2020.

We are enclosing herewith a copy of Business Performance update dated August 4, 2020 on the performance of the Company for the quarter ended June 30, 2020.

Please arrange to upload the same on your web site at the earliest.

Thanking you,

Yours faithfully,
For PI Industries Ltd.


Naresh Kapoor
Company Secretary



Encl: As above.

PI Industries Ltd

Business Performance Update

Q1 FY 2020-21

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Out-performance continues in spite of Covid-19 challenges....

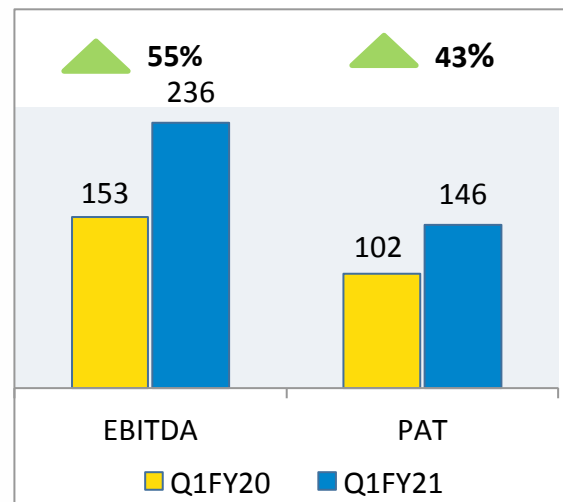
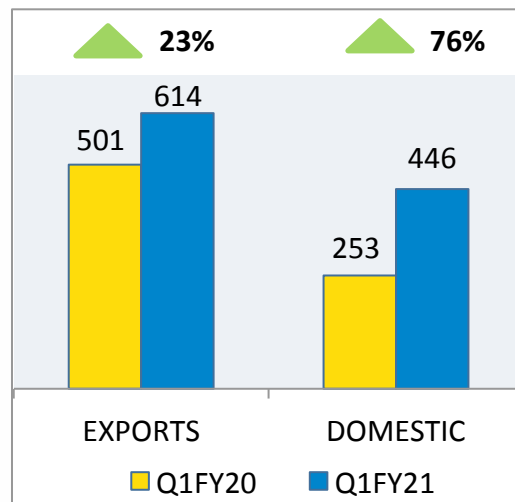
Revenue Up 41%, EBITDA Up 55% and PAT Up 43%, YoY



Inspired by Science

CONSOLIDATED

Fig in Crores	Q1FY20	Q1FY21	% YOY
Revenue	754	1060	41%
Gross Margin	45%	42%	(280) Bps
Fixed Overheads	185	216	-17%
EBITDA	153	236	55%
EBITDA as % Revenue	20%	22%	140bps
Net Profit	102	146	43%



- ✓ Revenues grew by ~41% YoY despite Covid-19 disruptions to operations and movement of goods during initial phase of Q1
- ✓ Exports increased ~23% YoY driven mainly by proactive raw material inventory management and capacity planning. Demand for key commercialised molecules remains strong. Shipments have gained momentum
- ✓ Domestic revenues up by 76% YoY, contributed by carryover demand from Q4'FY20, Isagro brand sales and robust momentum in the domestic segment on planned brand positioning to avail advantage of early sowing
- ✓ Both domestic and export supplies have picked up pace with all manufacturing facilities being operational and capacity utilisation is building back to pre-COVID levels
- ✓ Contribution from Isagro further enhanced during the quarter. ~13% growth contributed by Isagro Asia, a mark of good beginning
- ✓ 280 basis drop in gross margin due to change in business mix of Export, Domestic and Isagro
- ✓ Control on overall fixed overhead helped in improving EBITDA Margin
- ✓ Net Profit upsurge with higher momentum in topline, depreciation inline with capacities added increased from Rs.29 Cr to Rs.43 Cr.

Balance Sheet position further strengthened

Efficient W/C management resulting in free cash flow generation



Inspired by Science

(Rs in Crores)	JUN 20	JUN 19
Shareholders' Funds	2,789.5	2,391.9
Non Current Liabilities	598.6	49.9
Long-term borrowings	468.7	0.0
Deferred tax liabilities	26.0	-
Other long-term liabilities	75.1	19.2
Long-term provisions	28.8	30.7
Current Liabilities	1,390.3	962.5
Short – term Borrowings	42.7	39.2
Trade payables	921.5	544.5
Other current liabilities	396.7	365.9
Short-term provisions	29.3	12.9
TOTAL	4,778.4	3,404.3
Non Current Asset	2,226.0	1,595.8
Net Fixed Asset	2,076.8	1,517.4
Goodwill	82.8	-
Non-current investments	7.0	7.0
Long term Loans & advances	6.1	3.7
Other Assets	53.4	67.6
Current Asset	2,552.4	1,808.6
Inventories	948.4	588.4
Trade receivables	830.5	775.9
Cash and Bank Balances	609.1	172.0
Short-term loans and advance	29.7	44.2
Other assets	134.6	228.1
TOTAL	4,778.4	3,404.3
KEY RATIOS		
Net sales to Fixed assets	2.04	1.99
Net Sales to Working capital	4.95	3.68
Net Sales to Inventory	4.47	5.31
Current ratio	1.84	1.88
Debt Equity ratio	0.18	0.02

- Free Cashflow generations of Rs.298 Crs (7% of revenue) thru better working capital management. Increase in operating cash flow helping fund continued strategic initiatives
- Net working capital to sales improved from 3.68 to 4.95 as at Jun'20 despite Covid-19 disruption and resultant liquidity challenges in the markets
- Increased inventory levels to securitize continuity of operations amid Covid-19 uncertainties
- Moved back to surplus cash position... Cash available (net of debt) at Rs.98 Crs on 30th Jun' 20
- Net sales to fixed Assets improved to 2.04 Vs. 1.99 PY

Key operational highlights Q1'FY21

Planned progress on strategic initiatives for sustained growth..



Good start of Domestic Agri Input

- Highest ever placement of **Nominee Gold**. Successful execution of tank mix solutions.
- Launch of PI Mitra , digital campaigns like Awkira Harvest Days, Sone Pe Suhaga, Digital Channel Partner Meet, Etc



Successful Scale up of Covid Intermediate & Capacity ramp-up for new MPPs

- Successfully scaled up and supplied initial quantities of Covid intermediate
- Gradual capacity ramp up of new MPP commissioned last quarter.
- Production almost at pre-covid level
- Covid delayed the regulatory clearance, expected to re-start production in MPP5 shortly.



Digitalisation and process improvement

- Order & Inventory management tool rolled out to ensure online connect with channel partner
- Various initiatives taken to connect with farmers and channels through social network marketing



IPR Creation

- 7 new patent application filed during Q1'FY21 including intermediary of covid 19.

Overwhelming response to QIP issue.....

- Successfully concluded **INR 2,000 crore** Qualified Institutions Placement (QIP)
- **Allotted ~13.61 million** equity shares at the issue price of **INR 1,470** per share (at a discount of **4.2%** to the floor price)

Key Highlights



Net proceeds from QIP will be judiciously utilised for strategic growth initiatives (organic and inorganic)



The issue received solid demand ~6x the book size of INR 2,000 crore!



Encouraging response from high-quality domestic as well as Foreign Institutional Investors



Investors include marquee names like Capital Research, Fidelity, Morgan Stanley, ADIA, SBI MF, ICICI Prudential MF, Birla MF, Amundi Funds, Axis MF, Sundaram MF, DSP MF, HDFC Life, among others reflecting investors' confidence and belief in the Company



“I am glad that we have received an overwhelming response from the investor community, especially in the midst of ongoing disruptions posed by the pandemic. This showcases investors' trust in growth-oriented approach of PI Industries.”

Mayank Singhal
Vice Chairman and MD
PI Industries Ltd.

Business outlook remains robust..

Focused progress on strategic initiatives to continue while navigating through



Inspired by Science

Focus on Demand generation and new product launches

- Good progress of overall South-West Monsoon...
- Continue to have robust demand for branded products to drive growth
- Expect to launch 2 new products in Q2/Q3

CSM Exports to continue growth momentum

- Global customers continuing positive commentary; no change in demand outlook
- Volume Scale up expected for some of the products commercialized in last 1-2 years.
- Promising products in R&D pipeline, gradual ramp up in progress.
- Order book remained robust @ ~US\$ 1.5 Bn; high visibility of sustainable growth over 3-5 yrs

Strategic direction and priorities remain intact while carefully transitioning through Covid-19 uncertainties

- Successfully completed QIP process
- Aggressively pursuing inorganic growth opportunities to diversify into adjacencies, widen technology portfolio and de-risk operations
- Dedicated deal team formed to run the process in time bound manner

Confident of achieving 20% plus growth in FY21 assuming gradual normalisation of Covid-19 curve

Our Vision & Values..



VISION

“Building on the foundation of trust, we shall be at the forefront of science-led opportunities by delivering innovative solutions.”

VALUES



TRUST

Like the earth, we are dependable. We work with integrity of purpose, honesty in action and fairness in all our dealings



SPEED

Blazing ahead, like fire, we constantly strive to work with speed in the way we observe, think and act



INNOVATION

Enlivening, like the air, in the constant quest for the horizon, the never-ending search for a better, newer way to do things; Innovation for us, is a way of life



ADAPTABILITY

Adaptive, like water, we are constantly transforming ourselves. Being nimble footed, we are highly responsive to change

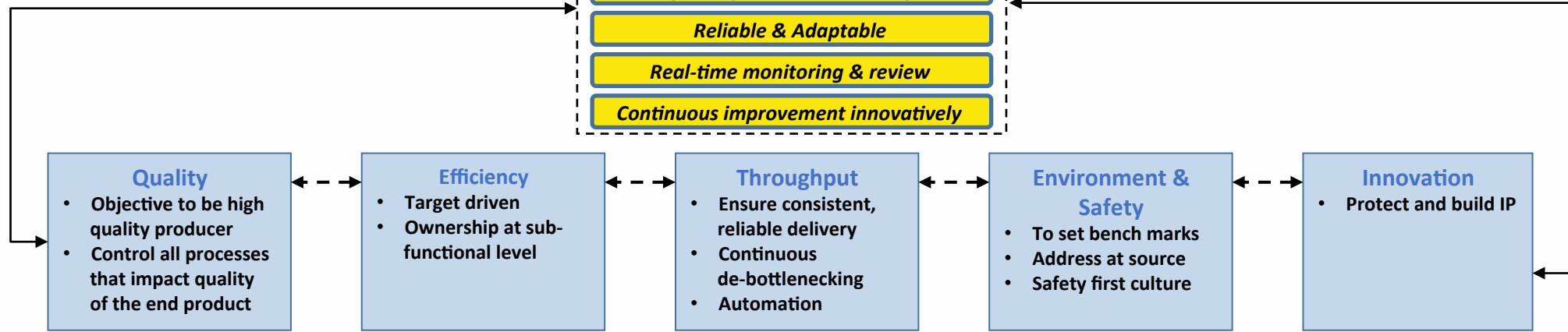
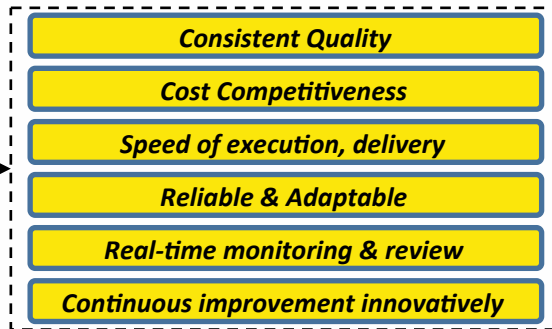
Strong focus on customer needs and continuous innovation

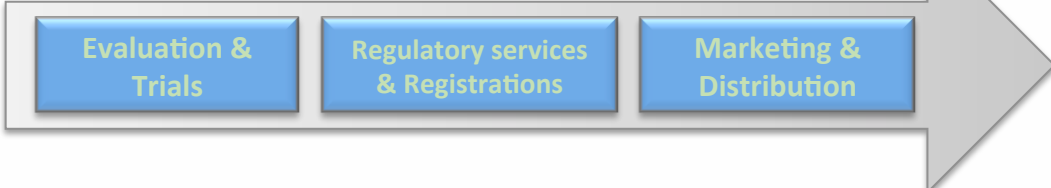


Inspired by Science

Global Export Business - CSM

Domestic Business – Brands





Differentiated domestic distribution

Driven by brands and market reach



Inspired by Science

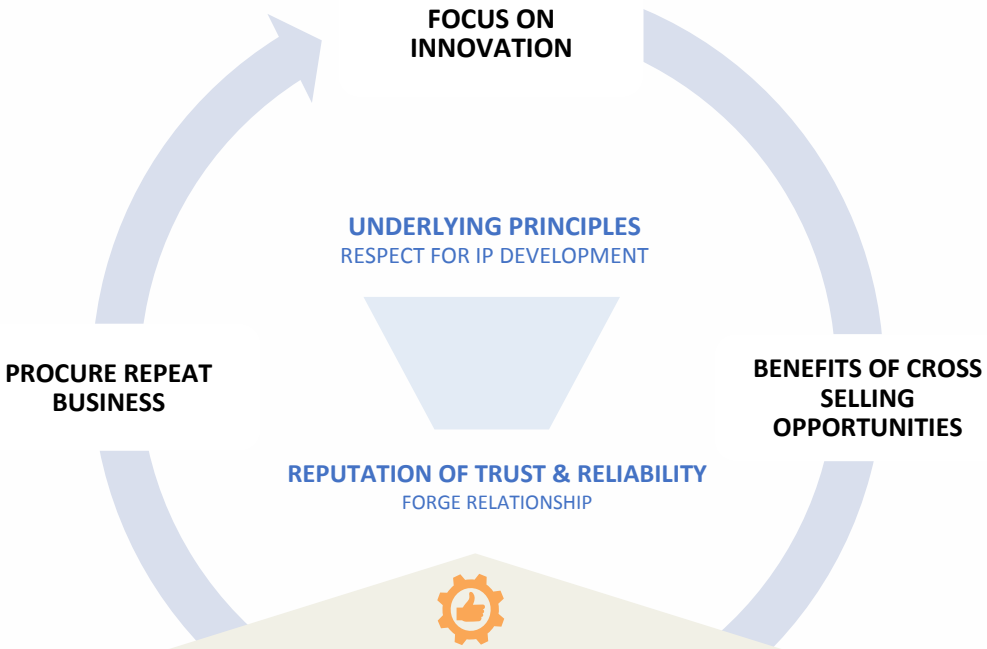
More than 50 years Creating Market Leading Brands
 Significant revenue from Brands Ranked No 1 or 2 in the market, Some brands are more than a decade old

Strong Partner
 40+ years experience
 20+ Global Innovators

Strong Pipeline
 Molecules based on crop solutions and Indian needs

Farmers & Extensive Distribution Network
 28 stock points; 10K+ distributors; 70K+ retail points

- **Extension & product development & stewardship** (team experience in handling complex new-age premium chemistries)
- **Strong relationship with stakeholders**
- **Policy level by participation**



- **Crop solution approach focussing farmer & using ICT** (Information, Communication and Technology)
- **Organization structure empowered with digi tech** to support and demonstrate value delivery to farmers
- **Online analytics tools for farmers and employees**
- **Innovative Ideas and branding** for enhancing product life cycle
- **Experience of successfully managing transition of products from patented to generic**
- **Application services** for development & engagement

Digi-tech @Core

Engagement Efficiency Excellence





Custom Synthesis & Manufacturing – Our vision



Inspired by Science

To be the lifelong Partner of Choice for the Global Chemicals Industry by building innovative, knowledge based solutions through speed, efficiency, straightforwardness & just dealings, respect for intellectual property, society & environment

OUR FOCUS

Partner of Choice

Who

Niche player / boutique industry – leading supplier

How

- Longevity of meaningful engagement
- A marriage of competent equals
- Consultative solution rendering & outsourcing process
- Reliability of services

Solutions

Service Lines

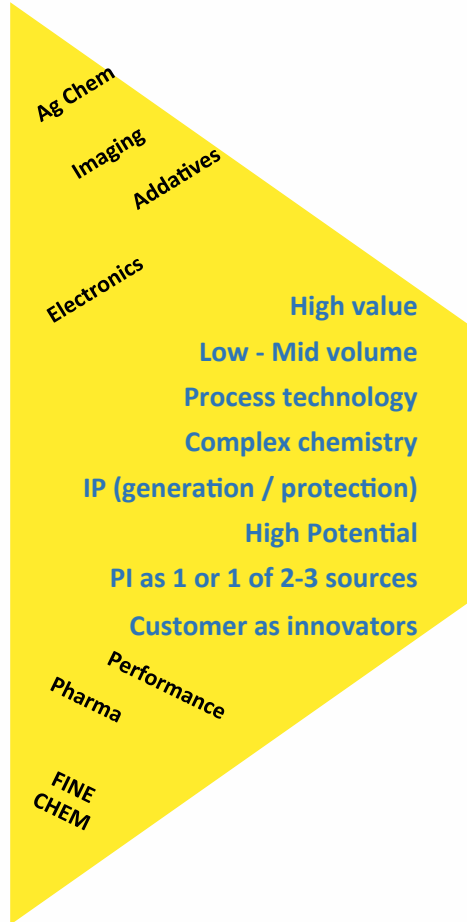
- Research & Development
- Analytical Research & Services
- Process Development
- Engineering
- Process Scale up
- Commercial Production

Characterized by

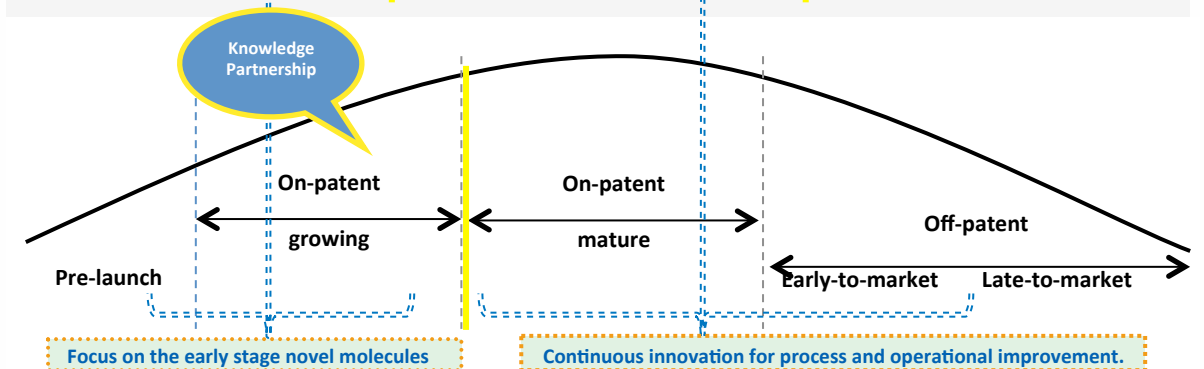
- Specifications with control limits
- Reliability & predictability
- Repeatability

In

- Technology
- Process
- Commercial operations
- Supply chain customer
- End applications



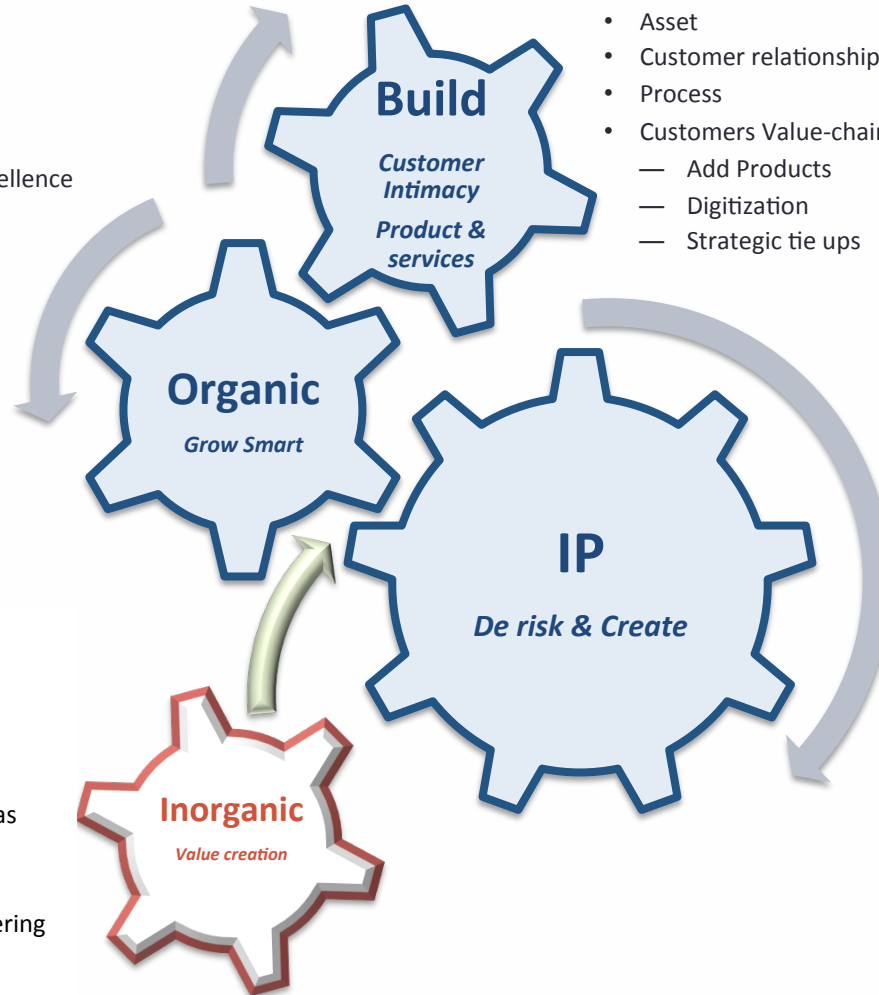
PI has all that is required to be
the
“Partner of Choice”



Global tailwinds offering opportunities for aggressive, multi-pronged growth strategy

Market

- Expansion
- Creation
- Segments
- Operation excellence
- Brands



- Asset
- Customer relationship Management
- Process
- Customers Value-chain
 - Add Products
 - Digitization
 - Strategic tie ups

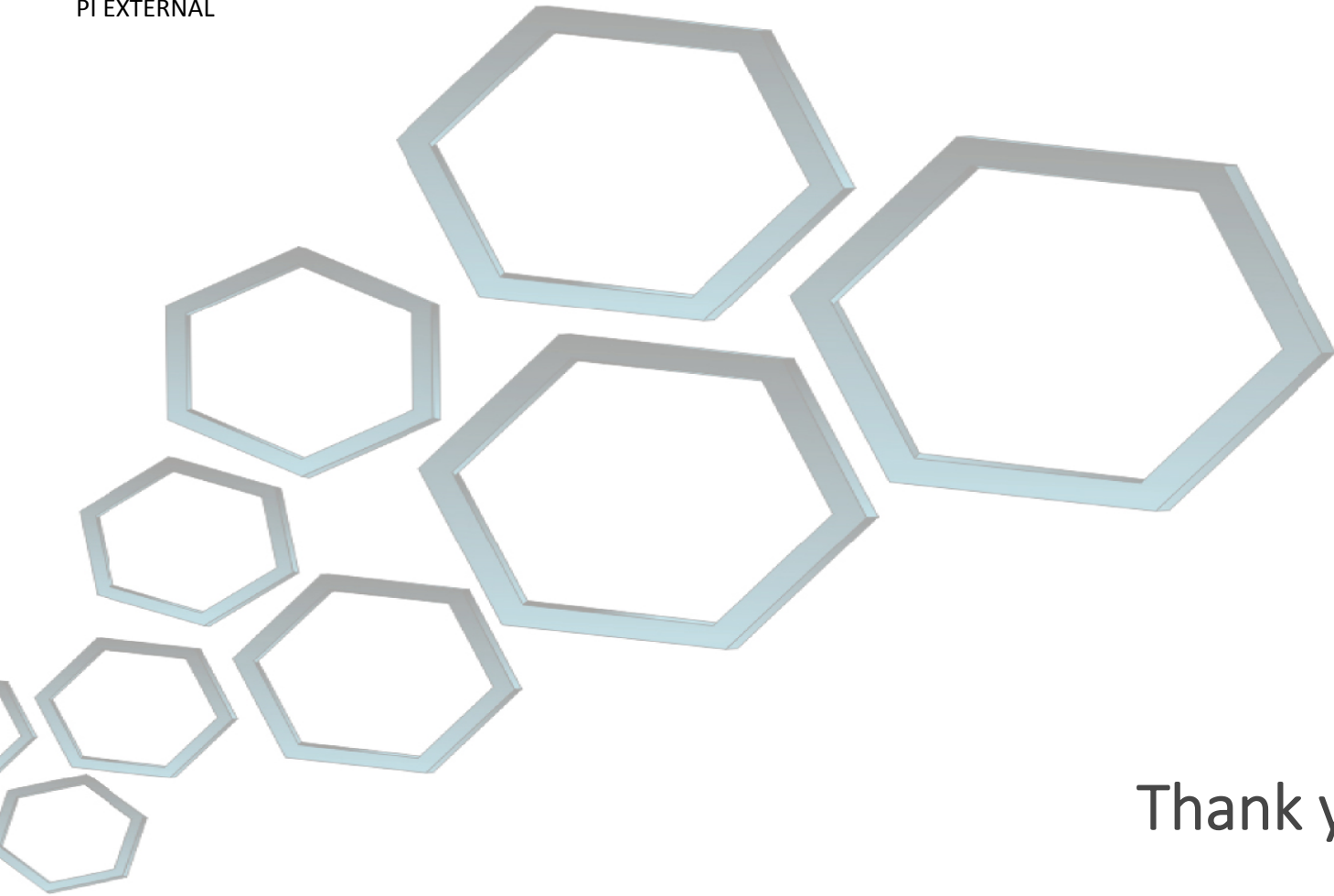
Inorganic...

- Value added Technology
- Products Assets
- Niche vertical with a future Pharma / Specialty chemical
- High growth application areas having synergy
- Disruptive technologies in chemistry & process engineering

De risk...	Create...
<ul style="list-style-type: none"> • Manufacturing concentration • New formulation of existing products • Biological 	<ul style="list-style-type: none"> • Process Innovation • Biological process development • Formulation Combinations with Partners • New formulations - • Digital Customer engagement
<p><i>Process</i></p> <ul style="list-style-type: none"> • Chemistry • Block Builders • Process engg • Flow 	
<p><i>Digital</i></p> <ul style="list-style-type: none"> • Information integration • Decision tools 	

Deepening our technological capabilities to open new horizons..

Prudent financial management in place to ensure that long term shareholder value creation remains at the heart of the strategy...



Thank you

PI Industries Ltd.

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