



NGL Fine-Chem Ltd

**Earnings Presentation
Q1 22-23**

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Q1 /FY23
Highlights of the
Year



Year in review



Business Environment

Demand in key markets subdued during Q1 22-23, however customer retention still high

- Macro factors pushed input costs to new highs during the year, while fuel and freight also impacted product supply and margins
- Trends of price increase are now easing with expectation of this reduction continuing in current quarter.

Operations

Subdued demand witnessed during the year in Anthelmintics and Antiparasitics, top 5 products saw reduction in demand

- New molecules streamlined and 2 new products pilot trials completed in current quarter.

Products

65%+ capacity utilization (incl new Mactrotech expansion) during the quarter on account of subdued demand

- Mactrotech expansion completed during the year, approvals in place and validation batches almost completed at facility
- Civil construction started in December 2021 at Tarapur for the planned greenfield expansion

Financial

•Decrease in sales of 16% YoY in Q1 & 22% sequentially, due to lower demand for top 5 products

- Continuing trend of rising costs (fuel & commodity) severely impacted margins and profitability
- Strong balance sheet with net debt free position to support investments in capex and greenfield expansion



Consolidated profit & loss statement



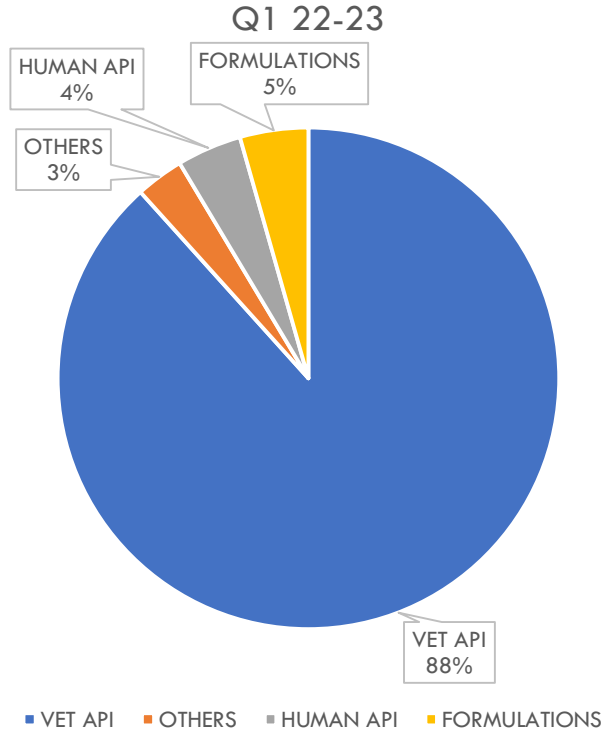
Rupees lakhs	Q1 22-23	Q4 21-22	Change	Q1 21-22
Revenue Income	67.75	87.04	-22.16%	80.41
Cost of Material Consumed	35.24	39.93		32.26
Gross Profit	32.51	47.11	-30.99%	48.15
Gross Profit Margin (%)	48.0%	54.1%		59.9%
Employee Expenses	8.90	9.27		7.46
Other Expenses	18.96	24.30		12.58
EBITDA	4.65	13.54	-65.66%	28.11
EBITDA Margin (%)	6.9%	15.6%		35.0%
Finance Cost	0.50	1.54		0.37
Depreciation	3.60	3.48		2.18
Profit Before Tax	0.55	8.52		25.56
PBT %	0.8%	9.8%	-91.84%	31.8%
Taxes	-0.03	-1.66		-6.44
Profit After Tax	0.52	6.86		19.12
PAT %	0.8%	7.9%	-89.87%	23.8%



Segment distribution



Q1 FY23 Revenue Distribution



Rupees Crores	Q1 22-23	Q1 21-22	Change	Q4 21 -22
VET API	55.41	57.51	-3.79%	66.19
OTHERS	1.94	12.73	-556.19%	4.22
HUMAN API	2.62	3.26	-24.43%	6.65
FORMULATIONS	2.76	2.99	-8.33%	1.06

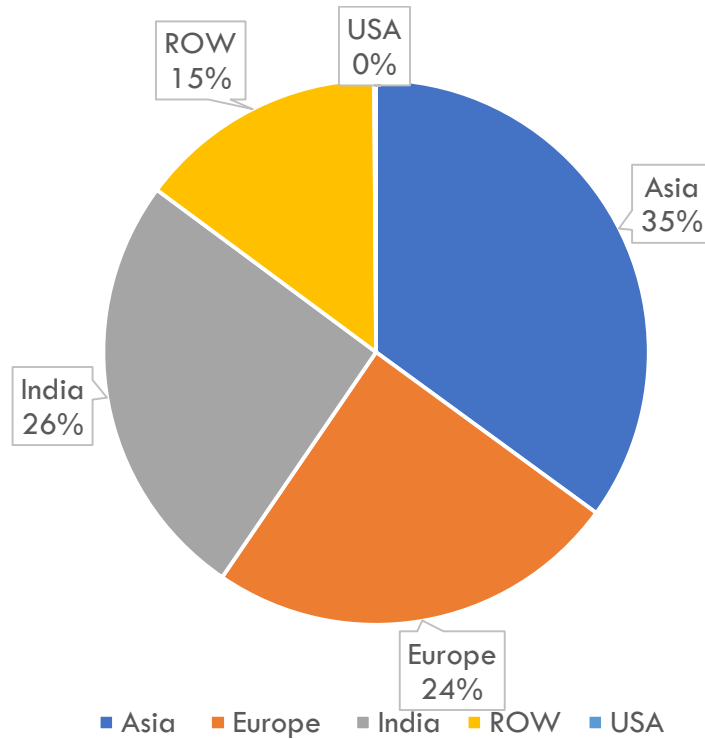
Standalone financials



Regional distribution



Q1 22-23 Revenue Distribution



Revenue (Rs Cr)	Q1 22-23	Q4 21-22	Change	FY 22
Asia	22.6	19.0	19%	93.8
Europe	15.8	22.0	-28%	87.2
India	16.5	23.2	-29%	76.3
ROW	9.5	8.5	12%	47.2
USA	0.1	3.1	-98%	9.8





Overview, Key Strengths and Strategy





Leading animal health company



Comprehensive product portfolio

- 24 APIs (22 veterinary API, 2 human), 4 intermediates, 10 finished dosage forms
- Best quality and value-driven pricing



Market leadership in vet API

- Leadership in top 5 products – 50%+ market share
- Growing position in next 4 – taking market share from other players



Manufacturing excellence

- 3 state of the art manufacturing facilities
- Strong R&D capabilities in custom synthesis



Large global presence

- 45+ countries across the globe with country-wise regulatory approvals
- Strong presence in unregulated markets



Long standing customer relationships

- ~400 customers
- Reliable supplier focused on good sale support to all customers





Leadership in veterinary API segment

Strong controls of processes with **95%** in-house manufacturing and backward integrated facilities leading to cost competitiveness

High quality and reliable products with no market rejection in **15 years**

Market share ranging from **15%** to **50%+** in key products

Suppliers to **5 of top 10** global animal healthcare companies

Wide Range of Product Categories

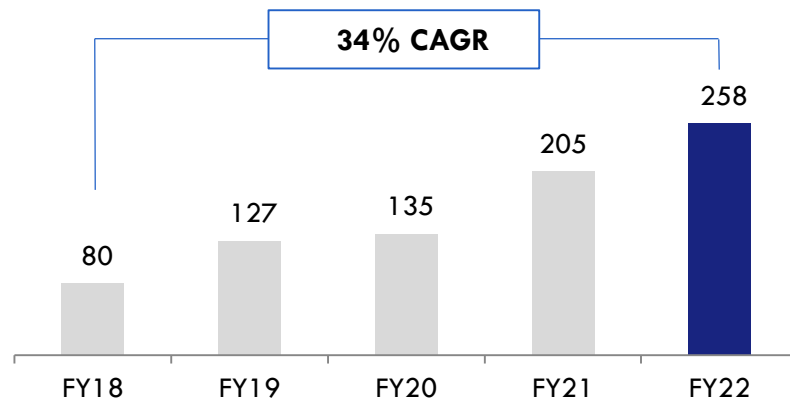
Anthelmintics

Ectoparasiticides

Antiprotozoals

Phosphorus Supplements

Revenue From Veterinary API segment (Rs cr)



Customer & Product Concentration (of Sales Q1FY23)

	Customer	Product
Top 3	18% (13% FY22)	34% (44% FY22)
Top 5	25% (20% FY22)	51% (50% FY22)
Top 10	39% (33% FY22)	75% (72% FY22)





State-of-the-art manufacturing capabilities

3 manufacturing facilities located at Tarapur & Navi Mumbai, Maharashtra, designed to meet the requirements of regulatory agencies and are capable of a wide range of reaction capabilities

10,000 m²

Area of manufacturing facilities

102 m³

Glass-lined reactors

194 m³

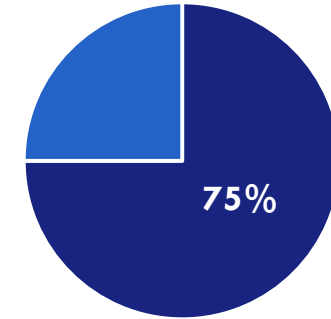
Stainless steel reactors

12 m³

Gas induction reactors

-20° C to +250° C

Reaction range



Production coming from Zero Liquid Discharge facilities



Accreditations

WHO-GMP, ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and cGMP accredited





Advantageously placed in a growing opportunity

	Market Size 2020	Market Size 2027	Segment Trends	Growth Drivers
Animal Health Market	\$139 Billion	\$192 Billion (CAGR – 4.7%)	<ul style="list-style-type: none">Pharma segment to grow at higher rate – 5.4% CAGRProduction animal segment have the larger pie	<ul style="list-style-type: none">Rising prevalence of zoonotic diseases, animal population & pet ownershipGlobal livestock population has been experiencing rapid growthHigh demand for animal-based products and growing meat consumption
Animal API Market	\$6.6 Billion	\$10.5 Billion (CAGR – 6.9%)	<ul style="list-style-type: none">APAC market to grow at higher rate – 7.3% CAGRAntiparasitics API fastest growing segment	

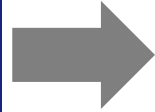
Source: Grand View Research & Global Market Insights





Strategy for next leg of growth

Ongoing initiatives to increase capacities to meet growing demand



Brownfield Expansion



- Completed 26 cr expansion in subsidiary Macrotech
- Additional capacities of intermediates
- Commercial production started

Outsource Production



- Target to outsource production to 15% by FY24
- On track – have increased outsourced production from 5% to 10% in last 2 years

De-bottlenecking



- Continuous debottlenecking & process improvements
- Unlocking capacities and value in the short term

Larger expansion to drive the next leg of exponential growth



Greenfield expansion at Tarapur



- 50% capacity expansion with sufficient capacity to meet demand for new products in pipeline
- Estimated capex of Rs 140 cr to be funded through debt and internal accrual; incurred capex of Rs 7 cr so far
- Civil construction undergoing, facility expected to commercialize in FY24. Currently implementation is slowed down in view of high commodity prices





Historical Financial Performance

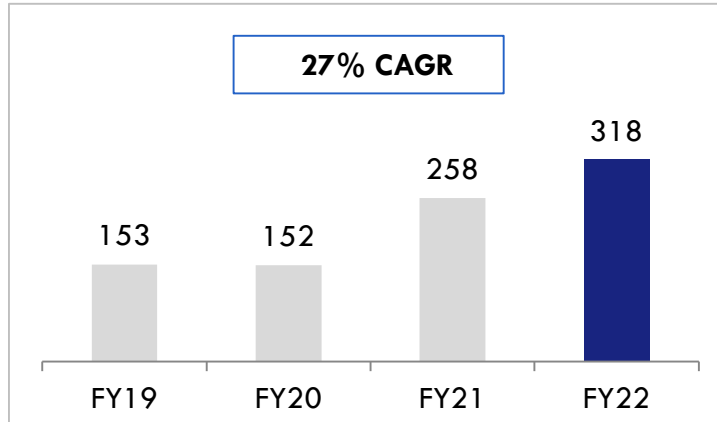


Robust financial performance

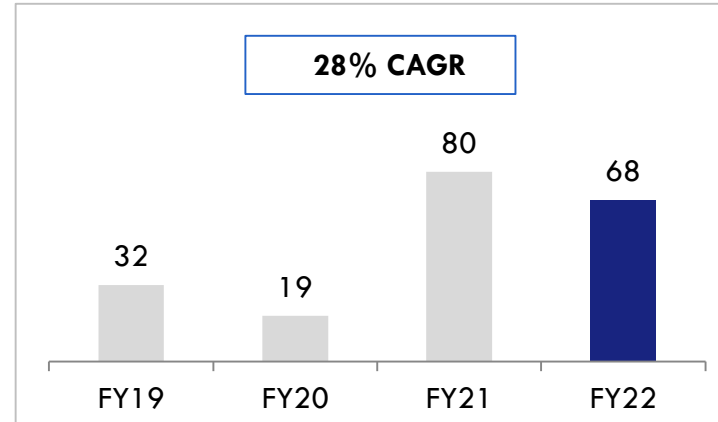


Consolidated Figures

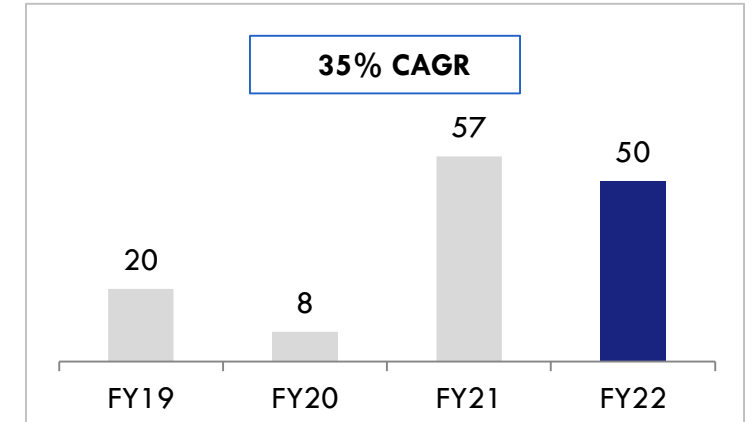
Revenue (Rs Cr)



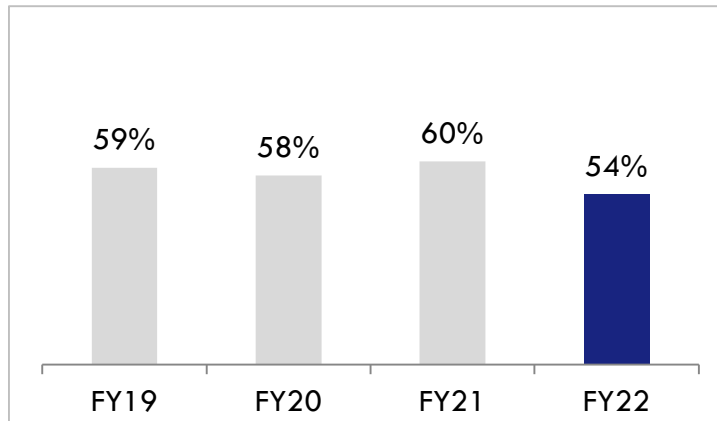
EBITDA (Rs Cr)



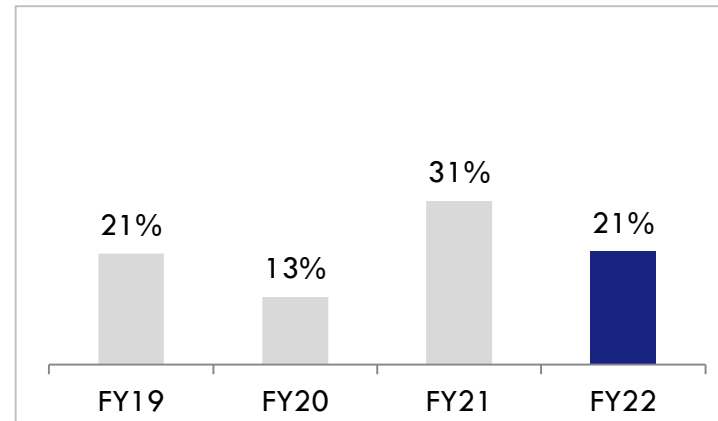
PAT (Rs Cr)



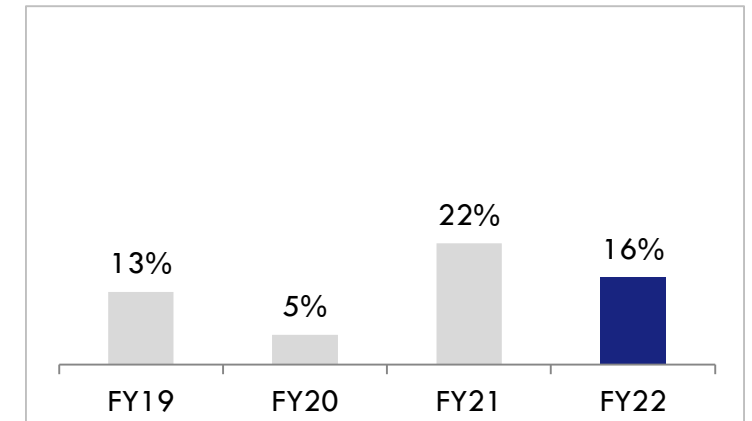
Gross Margin (%)



EBITDA Margin (%)



PAT Margin (%)



EBITDA excludes Other Income

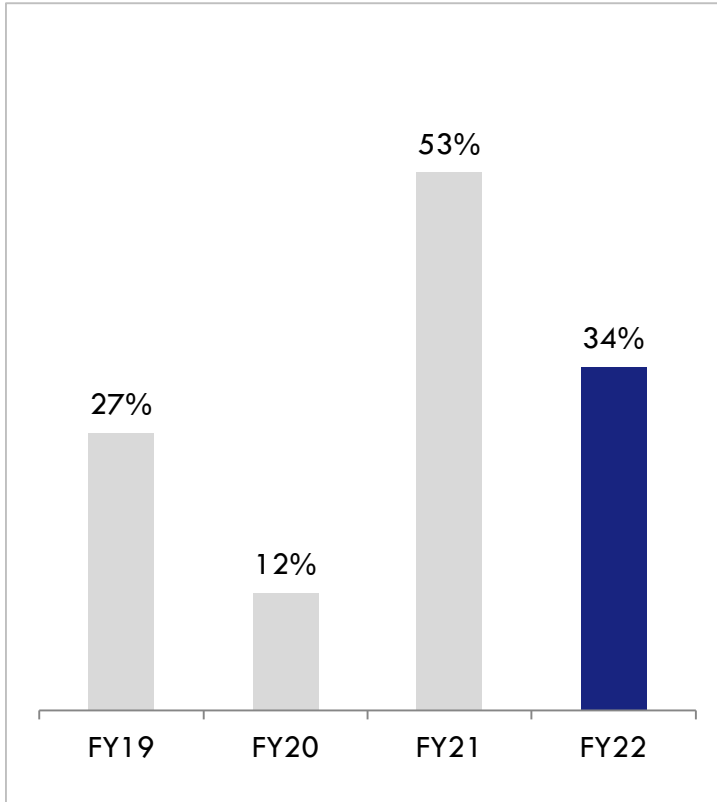


Improving efficiencies

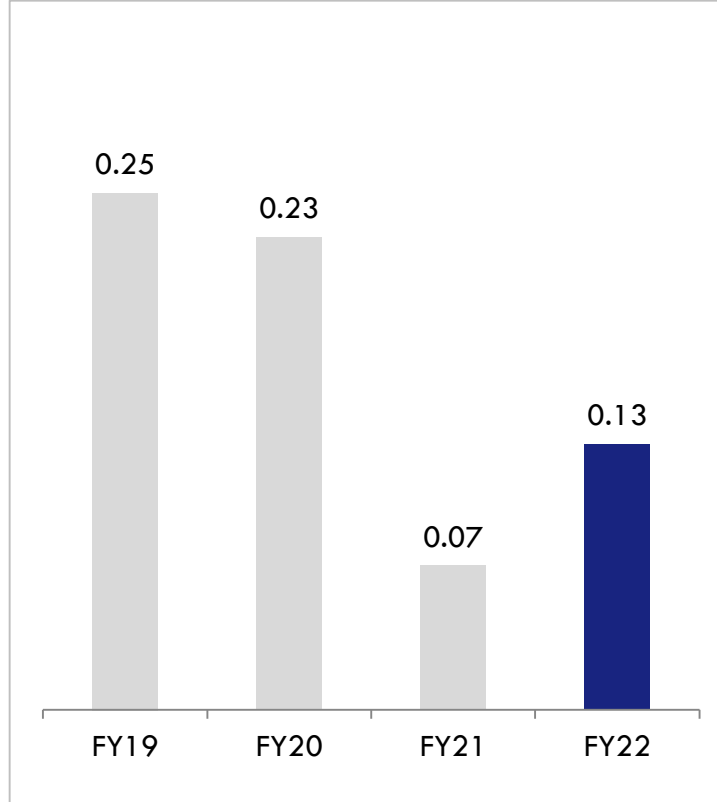


Consolidated Figures

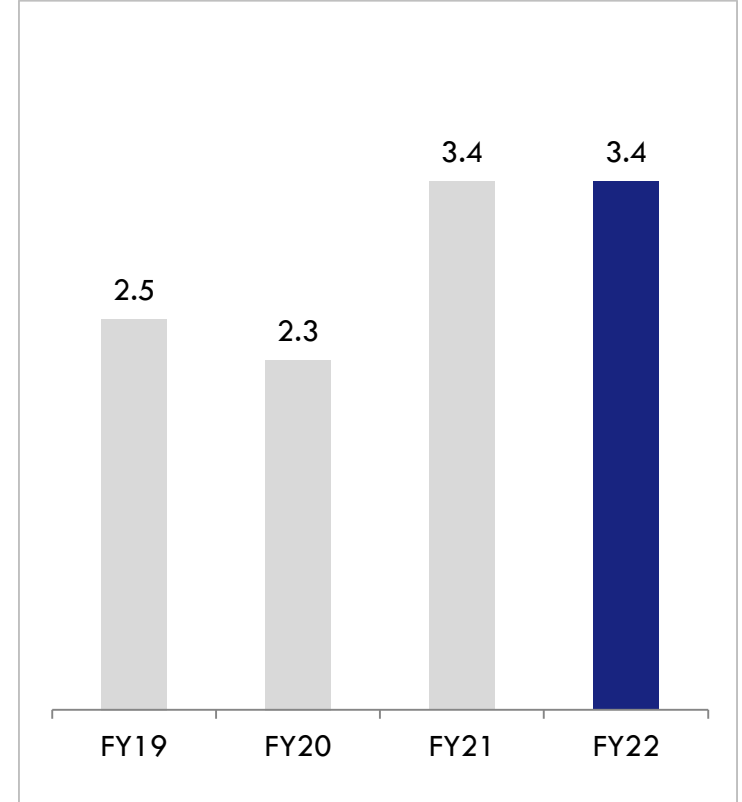
ROCE (%)



Debt/ Equity (x)



Fixed Asset Turnover (x)



ROCE = EBIT / Avg Capital Employed (Shareholder's Fund + Total Debt)

Debt/Equity = Total Debt / Shareholder's Fund

FATO = Revenue / Fixed Assets (Inc CWIP)



Thank You



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