



NGL Fine-Chem Ltd

**Earnings Presentation
Q4 & FY22**

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**Q4/FY22
Highlights of the
Year**



Year in review



Business Environment

- Demand in key markets remained very strong coupled with high customer retention
- Macro factors pushed input costs to new highs during the year, while fuel and freight also impacted product supply and margins
- Given the ongoing war/ geopolitical factors, costs expected to remain at elevated levels in near term

Operations

- 90%+ capacity utilization (excl new Mactrotech expansion) during the year led by strong demand in key markets
- Mactrotech expansion completed during the year, approvals in place and validation batches initiated at facility
- Civil construction started at Tarapur for the planned greenfield expansion

Products

- Robust demand witnessed during the year in Anthelmintics and Antiparasitics, top 5 products continued to gain market share
- 5 molecules in pipeline having more than 5 step synthesis manufacturing; will lead to new margin accretive products
- Poultry API witnessing strong traction – sold 6 tons in FY22

Financial

- Revenue growth of 17% YoY in Q4 & 23% YoY in FY22, driven by robust volume demand & deeper product penetration
- Continuing trend of rising costs (freight, 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



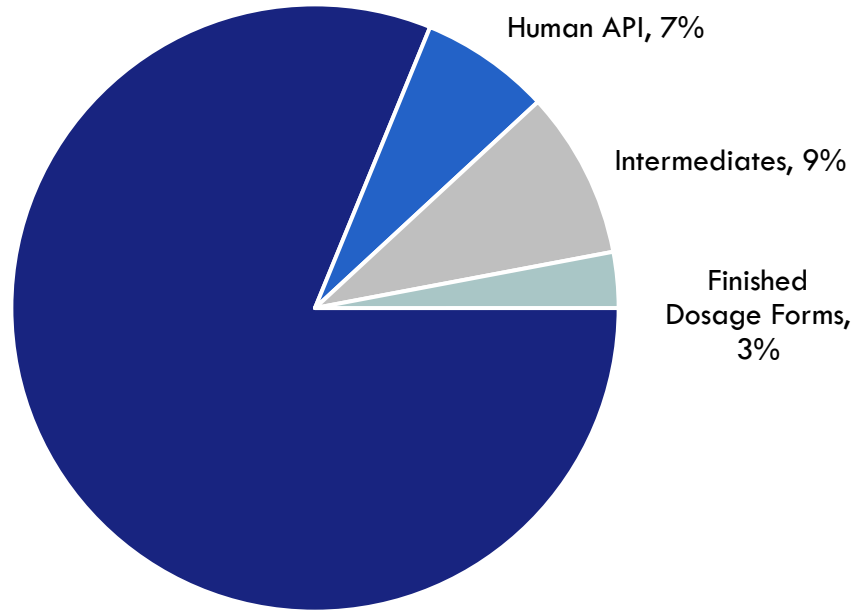
(Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
Revenue from operations	84.1	71.8	17%	317.5	258.0	23%
Cost of material consumed	39.9	26.5		147.0	102.3	
Gross Profit	44.1	45.2	-2%	170.5	155.6	10%
Gross Profit margin	52%	63%		54%	60%	
Employee expenses	9.3	7.4		34.9	28.1	
Other expenses	24.3	17.0		67.8	47.8	
EBITDA	10.6	20.8	-49%	67.9	79.8	-15%
EBITDA margin	12.6%	29.0%		21.4%	30.9%	
Finance cost	1.5	0.3		1.6	1.8	
Depreciation	3.5	2.1		10.4	8.3	
Other income	3.0	2.3		10.7	8.0	
PBT	8.5	20.7	-59%	66.6	77.6	-14%
Tax Expenses (Credits)	1.7	6.8		16.7	20.9	
PAT	6.9	13.9	-50%	49.9	56.7	-12%
PAT margin	8.2%	19.3%		15.7%	22.0%	



Segment distribution



FY22 Revenue Distribution



Revenue (Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
Veterinary API	66.2	58.6	13.0%	257.8	204.5	26.0%
Finished Dosage Forms	1.1	4.9	-78.3%	7.9	12.2	-35.4%
Human API	6.7	6.0	10.5%	20.5	17.7	15.7%
Intermediates	4.2	1.5	181.1%	28.1	20.8	35.4%
Total	78.2	71.8	8.9%	314.3	255.2	23.1%

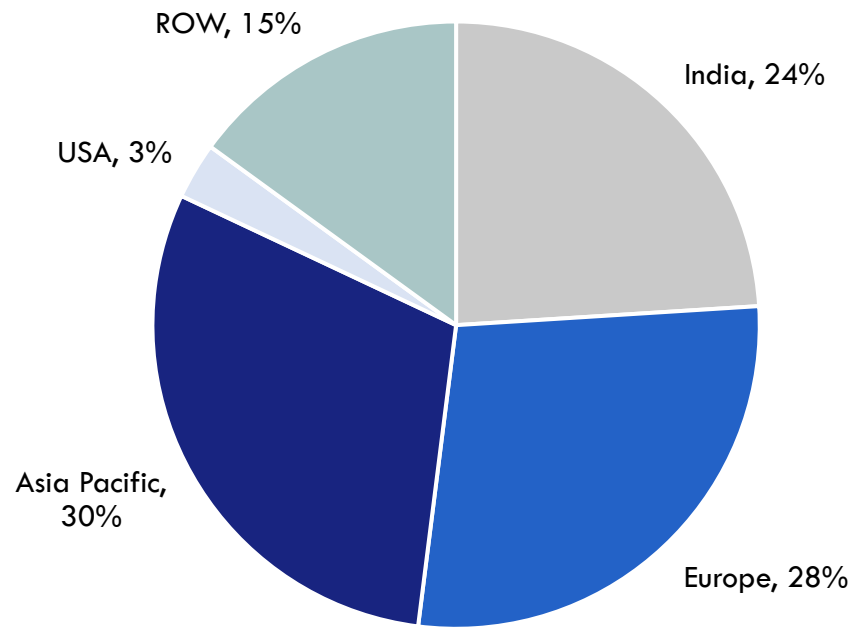
Standalone financials



Regional distribution



FY22 Revenue Distribution



Revenue (Rs Cr)	Q4FY22	Q4FY21	YoY%	FY22	FY21	YoY %
Asia Pacific	21.3	19.8	7.7%	93.8	82.0	14.3%
Europe	23.1	24.0	-3.6%	87.2	80.7	8.0%
India	22.2	14.3	55.1%	76.3	57.5	32.8%
ROW	11.5	9.5	20.8%	47.2	28.2	67.2%
USA	-	4.1	-	9.8	6.8	44.4%
Total	78.2	71.8	8.9%	314.3	255.2	23.1%

Standalone financials





Consolidated balance sheet highlights

Abridged Balance Sheet (Rs Cr)	Mar-22	Mar-21
Shareholders' Funds	203	154
Total Borrowings	27	16
Trade Payables	37	30
Other Liabilities	10	8
Total Liabilities	277	208
Fixed Assets (inc CWIP)	95	76
Inventories	56	38
Trade Receivables	64	38
Cash, Bank & Investments	30	34
Other Assets	33	22
Total Assets	277	208

- Increased inventories due to new product development and change in product mix, with NWC of 92 days as of Mar'22
- Incurred CAPEX of ~ Rs 36 crores for FY22
- Continue to remain Net Cash positive at Rs 3 crores as of Mar'22

Note :

1. Other Liabilities : Deferred Tax Liabilities, Current Tax Liabilities, Other Financial Liabilities & Provisions
2. Other Assets : Intangible Assets, Other Financial Assets and Other Non-current and Current Assets





Overview, Key Strengths and Strategy





Leading animal health company



Comprehensive product portfolio

- 22 APIs (18 veterinary API, 4 human), 4 intermediates, 10 finished dosage forms
- Best quality and value-driven pricing



Market leadership in vet API

- Leadership in top 3 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

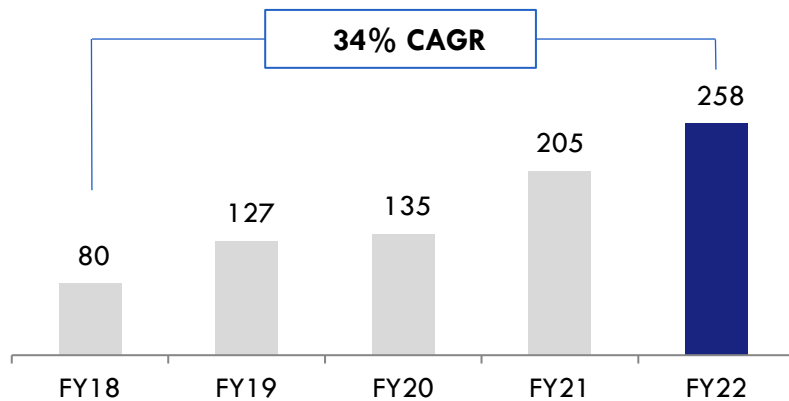
Anthelmintics

Ectoparasiticides

Antiprotozoals

Phosphorus Supplements

Revenue From Veterinary API segment (Rs cr)



Customer & Product Concentration (of Sales FY22)

	Customer	Product
Top 3	13% (16% FY21)	44% (40% FY21)
Top 5	20% (23% FY21)	50% (53% FY21)
Top 10	33% (38% FY21)	72% (73% FY21)





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

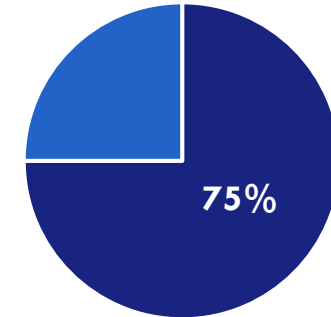
Stainless steel reactors

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	

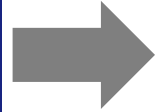
Source: Grand View Research & Global Market Insights



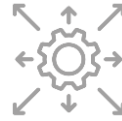


Strategy for next leg of growth

Ongoing initiatives to increase capacities to meet growing demand



Brownfield Expansion



- Completed 26 cr expansion in subsidiary Macrotech
- Additional capacities of intermediates
- To commercialize by Q1FY23

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





Historical Financial Performance

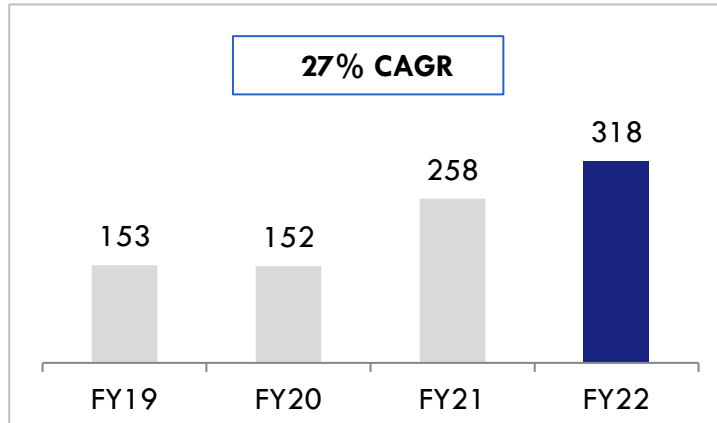


Robust financial performance

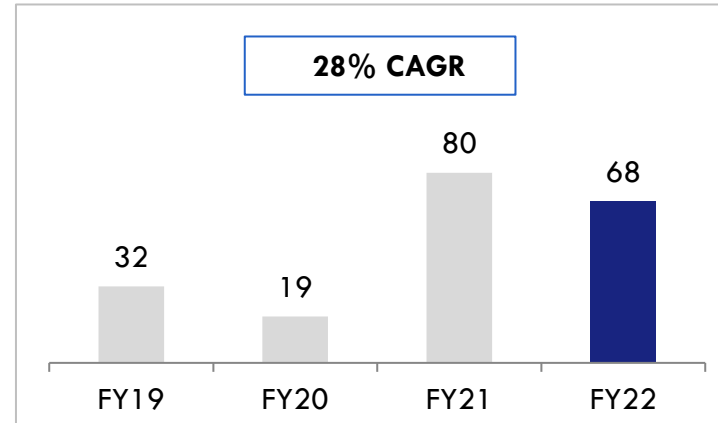


Consolidated Figures

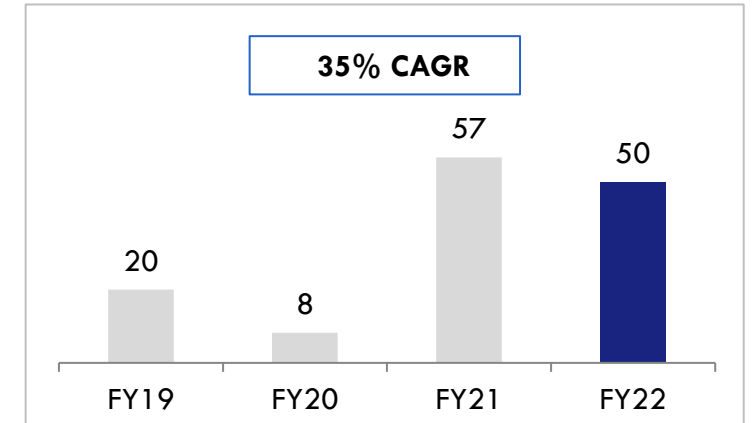
Revenue (Rs Cr)



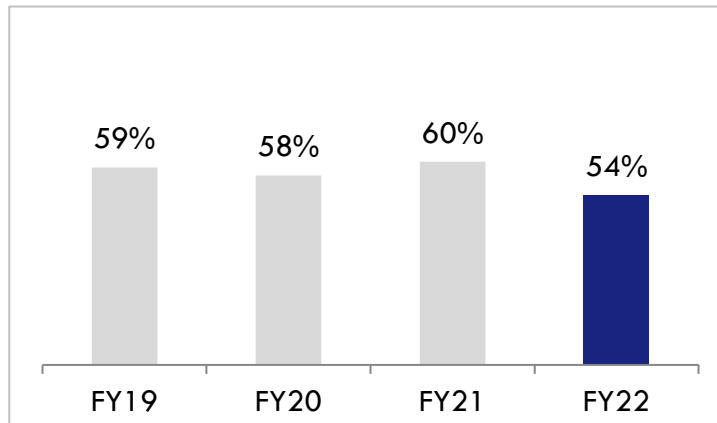
EBITDA (Rs Cr)



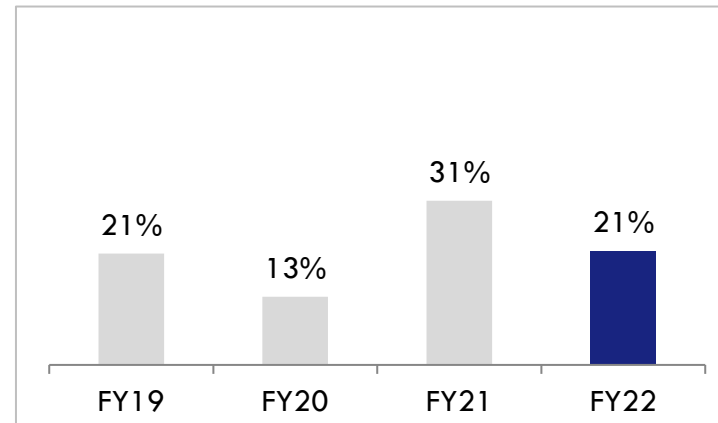
PAT (Rs Cr)



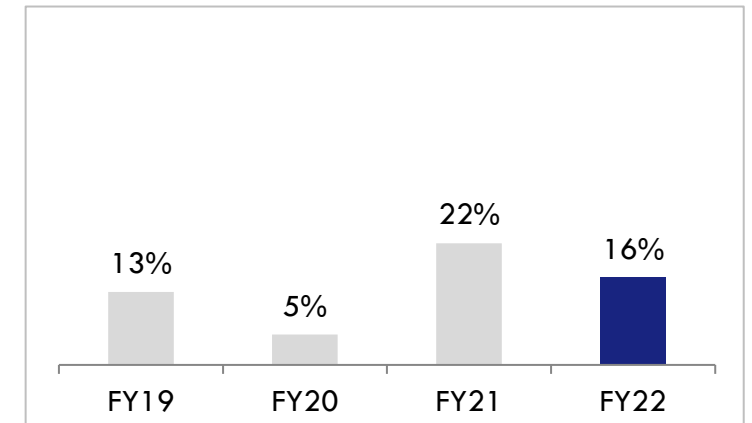
Gross Margin (%)



EBITDA Margin (%)



PAT Margin (%)



EBITDA excludes Other Income

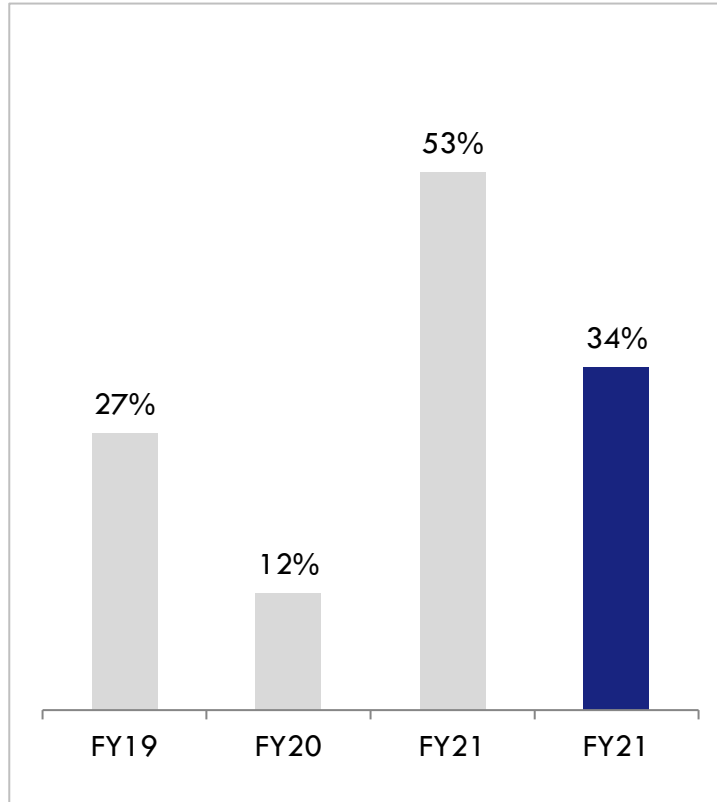


Improving efficiencies

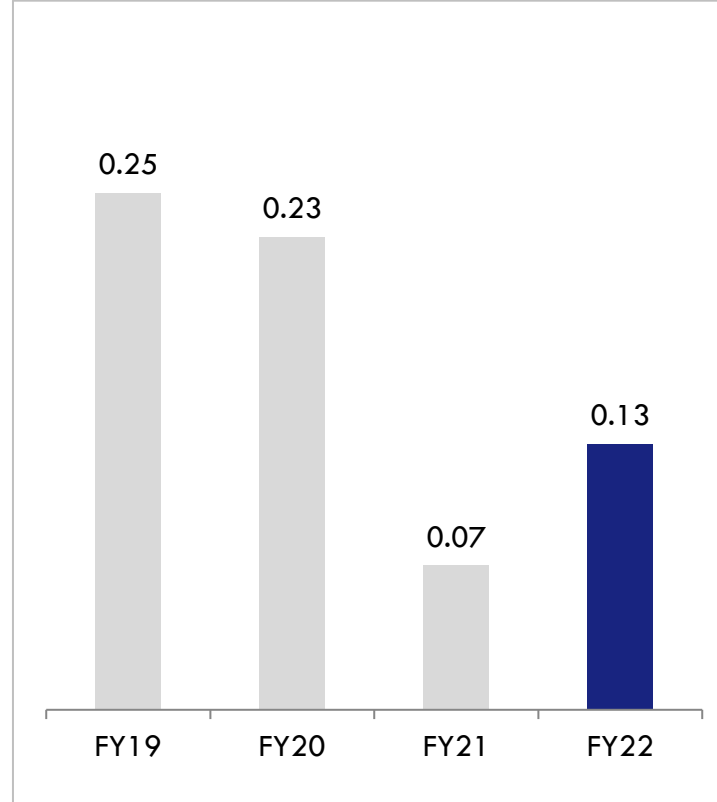


Consolidated Figures

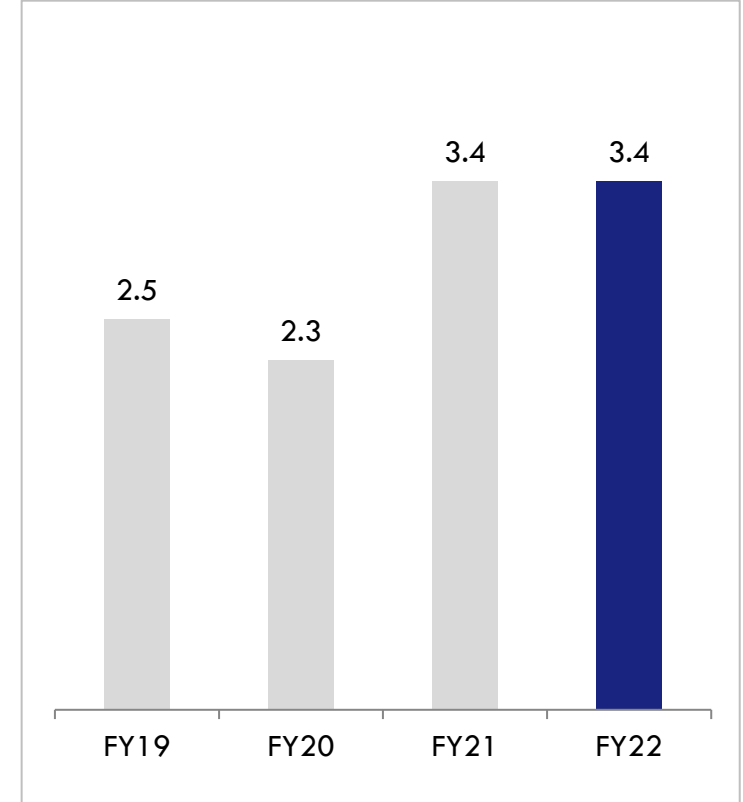
ROCE (%)



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)



Consolidated profit & loss statement



(Rs Cr)	FY22	FY21	FY20
Revenue from operations	317.5	258.0	151.7
Cost of material consumed	147.0	102.4	64.4
Gross Profit	170.5	155.6	87.3
Gross Profit margin	54%	60.3%	57.5%
Employee expenses	34.9	28.1	24.0
Other expenses	67.8	47.8	43.9
EBITDA	67.9	79.7	19.4
EBITDA margin	21.4%	30.9%	12.8%
Finance cost	1.6	1.8	2.3
Depreciation	10.4	8.3	8.1
Other income	10.7	8.0	3.0
PBT	66.6	77.6	12.0
Tax Expenses (Credits)	16.7	20.9	3.7
PAT	49.9	56.7	8.3
PAT margin	15.7%	22.0%	5.5%



Thank You



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