

NGL Fine-Chem Limited

INVESTOR PRESENTATION



Q2FY24

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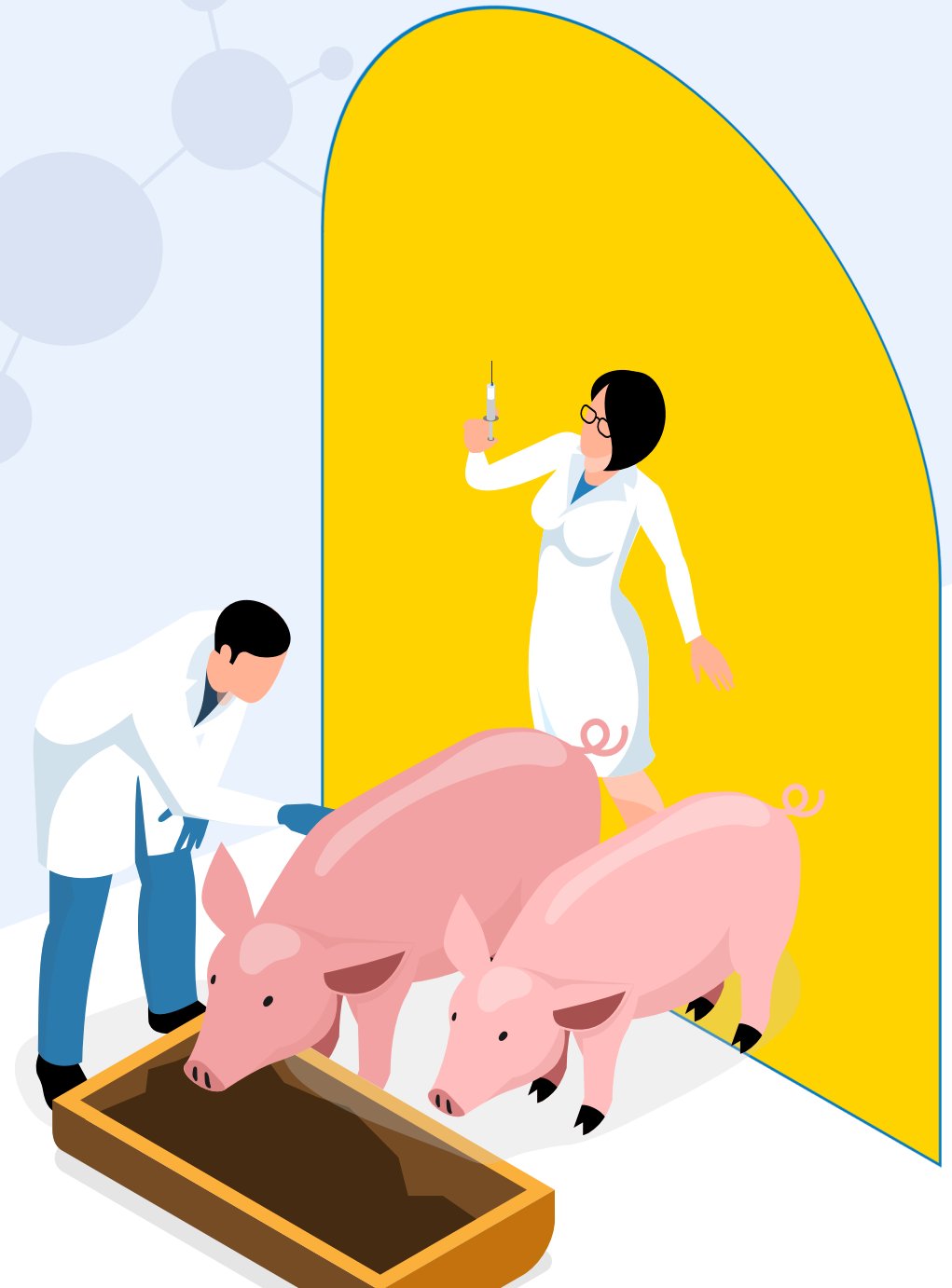
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MANAGEMENT COMMENTARY



Rahul Nachane
MANAGING DIRECTOR

Dear Shareholders,

It is my pleasure to share with you our performance for Q2FY24.

Reflecting on our FY23 performance, I am delighted to report that our operational performance has not only improved but also sustained its growth momentum into the current financial year. Despite the broader economic headwinds, we have achieved strong top-line growth. This growth is particularly noteworthy as it has been achieved in a period where average realisations have seen a decline year-on-year. The quarter witnessed robust volumetric growth, and this trend is set to sustain into Q3. The signs of recovery are promising, yet we adopt a stance of cautious optimism, awaiting further quarters to confirm this positive trajectory.

Our margins have seen a favourable turn, with a significant reduction in raw material costs, allowing us to return to our normalised margin levels. In alignment with our previous guidance, we maintain that our business's sustainable EBITDA margin profile will remain within the 17-22% band.

Demand has shown signs of improvement; however, challenges persist. Currency availability issues in Egypt, Pakistan, and Turkey continue to affect our demand negatively. Moreover, while we are not

directly exposed to African markets, the currency volatility in these regions indirectly influences our business by impacting our customers.

Our resilience through these testing times has been reinforced by our broad and diversified API offerings, coupled with the continual expansion of our portfolio. Our strategy of not relying excessively on any single product, customer, or geography has been our stronghold. This quarter, we are particularly encouraged by the resurgence in demand for several of our long-standing products, which had experienced a downturn in the previous financial year.

On the capital expenditure front, we have sustained our moderate pace of execution. We await clearer signals of demand recovery before accelerating our CAPEX initiatives. Until then, we remain committed to funding our capital expenditures using the internal accruals generated by our business, without resorting to leveraging our books.

In closing, I extend our heartfelt thanks for your continued support and trust in our journey towards sustained growth and value creation.

Operational Metrics

SEGMENTAL REVENUE MIX

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
ANIMAL API	82%	87%	83%
HUMAN API	8%	3%	6%
INTERMEDIATES	6%	7%	5%
FORMULATIONS	4%	3%	6%

GEOGRAPHIC MIX

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
ASIA	30%	29%	32%
EUROPE	25%	25%	25%
INDIA	23%	28%	27%
ROW	14%	17%	15%
USA	8%	1%	01%

PRODUCT CONCENTRATION

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
TOP 3 PRODUCTS	27%	34%	29%
TOP 5 PRODUCTS	41%	50%	41%
TOP 10 PRODUCTS	72%	73%	65%

CUSTOMER CONCENTRATION

PARTICULARS	Q2FY23	Q1FY24	Q2FY24
TOP 3 CUSTOMERS	21%	26%	17%
TOP 5 CUSTOMERS	32%	38%	24%
TOP 10 CUSTOMERS	47%	53%	34%

Summary of Profit and Loss Statement

₹ IN CRORES

PARTICULARS	Q2FY23	Q1FY24	Q2FY24	Q-o-Q	Y-o-Y	H1FY23	H1FY24	Y-o-Y
REVENUE FROM OPERATIONS	67.72	71.04	80.18	13.49%	18.40%	132.33	151.22	14.27%
OTHER INCOME	0.47	3.32	3.22	(21.51%)	584.87%	3.61	6.54	81.16%
TOTAL INCOME	68.19	74.36	83.40	13.25%	22.30%	135.94	157.76	16.05%
TOTAL OPERATING EXPENSES	58.56	61.18	66.21	8.59%	13.06%	121.67	127.38	4.69%
EBITDA	9.16	9.86	13.97	44.87%	52.51%	10.66	23.84	123.64%
EBITDA MARGIN (%)	13.53%	13.88%	17.00%	312 bps	347 bps	8.06%	15.77%	771 bps
FINANCE COST	0.12	0.24	0.36	50.88%	201.75%	0.62	0.61	(1.61%)
DEPRECIATION AND AMORTISATION EXPENSES	3.25	2.86	2.89	1.06%	(11.07%)	6.85	5.75	(16.06%)
PROFIT BEFORE TAX	6.26	10.08	13.94	38.26%	122.62%	6.8	24.02	253.24%
PROFIT AFTER TAX	4.67	8.51	10.48	23.13%	124.37%	5.19	18.98	265.70%

Summary of Balance Sheet

₹ IN CRORES

PARTICULARS

SHAREHOLDERS FUND

FY23

H1FY24

222.55

241.61

NON CURRENT LIABILITIES

6.23

6.14

LONG TERM BORROWINGS

2.07

1.17

CURRENT LIABILITIES

58.30

75.12

SHORT TERM BORROWINGS

28.41

26.04

TOTAL EQUITY AND LIABILITIES

287.08

322.88

NON CURRENT ASSETS

124.43

129.11

NET BLOCK

87.59

86.10

CURRENT ASSETS

162.65

193.77

INVENTORIES

26.99

38.84

TRADE RECEIVABLES

65.87

69.99

CASH & BANK BALANCES

5.00

16.16

TOTAL ASSETS

287.08

322.88

Summary of Cash Flow Statement

₹ IN CRORES

PARTICULARS

CASH FLOW FROM OPERATING ACTIVITIES

FY23

35.29

H1FY24

2.84

CASH FLOW FROM INVESTING ACTIVITIES

(27.02)

(8.84)

CASH FLOW FROM FINANCING ACTIVITIES

(1.08)

(1.08)

NET CASH FLOW

7.18

(7.08)

CASH AT THE BEGINNING OF YEAR

0.64

7.83

CASH AT THE END OF YEAR

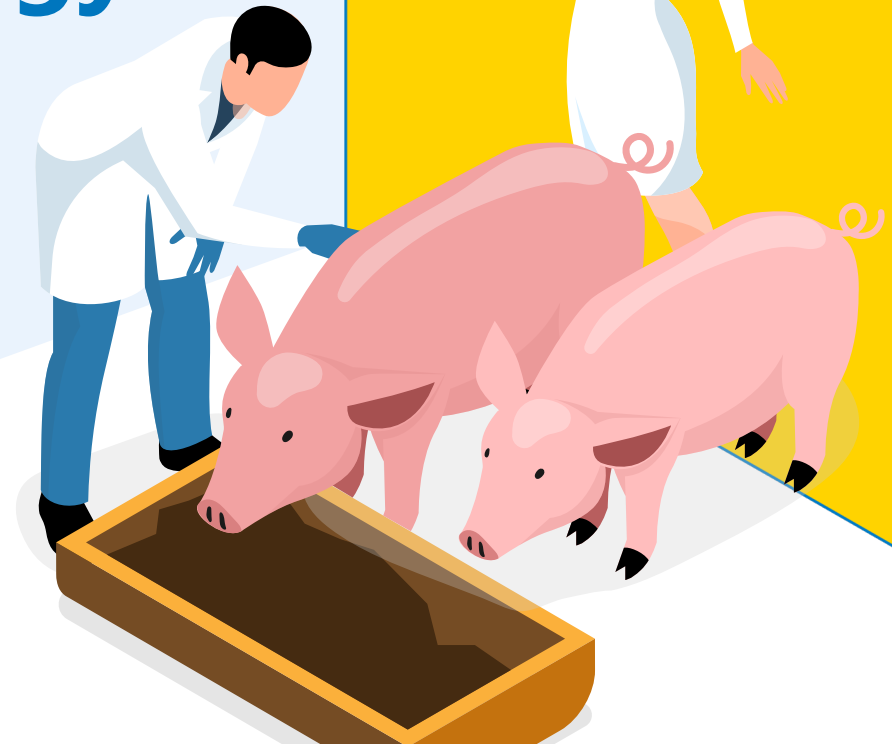
7.83

0.75

02

Overview, **Strengths and Strategy**

- 11 LEADING ANIMAL HEALTH COMPANY
- 12 LEADERSHIP IN VETERINARY API SEGMENT
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- 14 STRATEGY FOR NEXT LEG OF GROWTH



Leading Animal Health Company



COMPREHENSIVE PRODUCT PORTFOLIO

- 26 APIs (24 Veterinary APIs, 2 Human APIs), 4 Intermediates and 10 finished dosage forms
- Best quality and value-driven pricing



MARKET LEADERSHIP IN VETERINARY 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

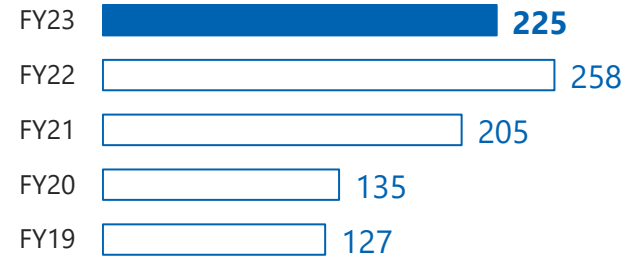
High quality and reliable products with no market rejection in **15 years**

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

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

REVENUE FROM VETERINARY API SEGMENT

(₹ IN CRORES)



15%
CAGR

WIDE RANGE OF PRODUCT CATEGORIES

ANTHELMINTICS

ECTOPARASITICIDES

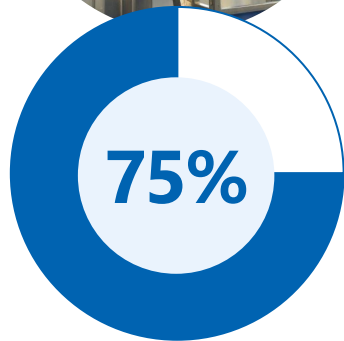
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PHOSPHORUS SUPPLEMENTS

CUSTOMER & PRODUCT CONCENTRATION (OF SALES FY23)

	CUSTOMER	PRODUCT
TOP 3	17% (13% FY22)	34% (37% FY22)
TOP 5	24% (20% FY22)	47% (52% FY22)
TOP 10	35% (33% FY22)	72% (76% 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

PRODUCTION COMING FROM ZERO LIQUID DISCHARGE FACILITIES

HIGHLIGHTS

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



ACCREDITATIONS

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

Strategy for next leg of growth



**ONGOING INITIATIVES
TO INCREASE
CAPACITIES TO MEET
GROWING DEMAND**

BROWNFIELD EXPANSION

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



**LARGER EXPANSION
TO DRIVE THE NEXT
LEG OF EXPONENTIAL
GROWTH**

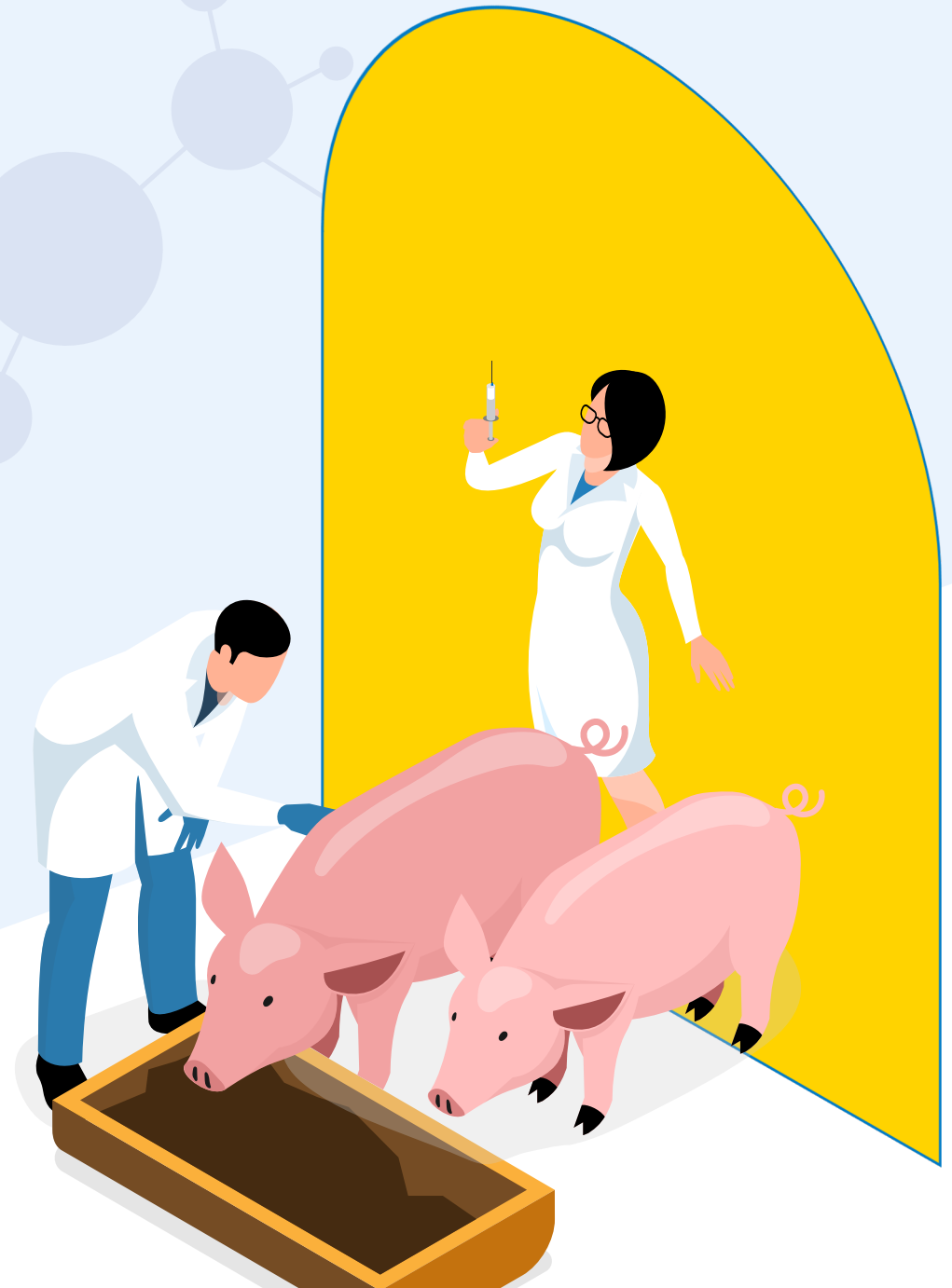
GREENFIELD EXPANSION AT TARAPUR

- 50% capacity expansion with sufficient capacity to meet demand for new products in pipeline
- Estimated capex of ₹ 140 Cr to be funded through debt and internal accrual
- Civil construction undergoing. Invested ₹ 33.16 crores till Q2FY24

03

Historical Financial **Performance**

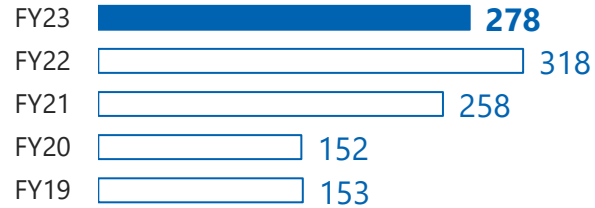
16 ROBUST FINANCIAL PERFORMANCE



Robust Financial Performance

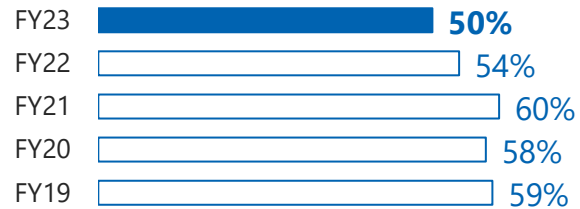
REVENUE

(₹ IN CRORES)



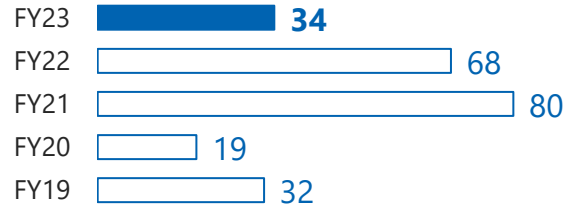
GROSS MARGIN

(IN %)



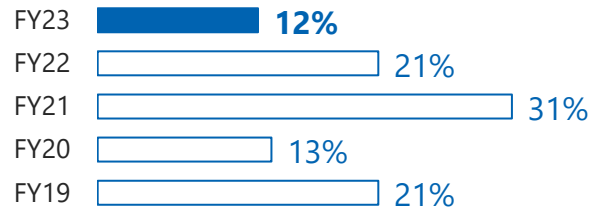
EBITDA

(₹ IN CRORES)



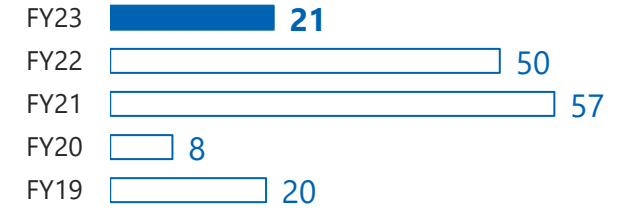
EBITDA MARGIN

(IN %)



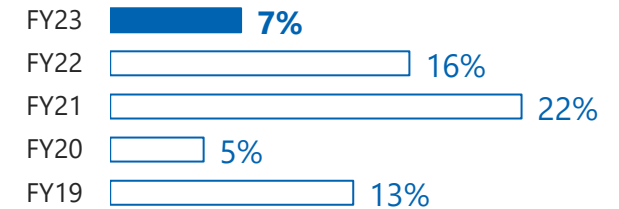
PAT

(₹ IN CRORES)



PAT MARGIN

(IN %)



EBITDA excludes Other Income

Thank **You**

**FOR ANY FURTHER INFORMATION,
PLEASE CONTACT**

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