



NGL Fine-Chem Ltd

**Earnings Presentation
Q3 & 9MFY22**



Disclaimer



This presentation and the accompanying slides (the “Presentation”), which have been prepared by NGL Fine-Chem Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Q3 & 9MFY22 Financial Highlights



Consolidated profit & loss statement



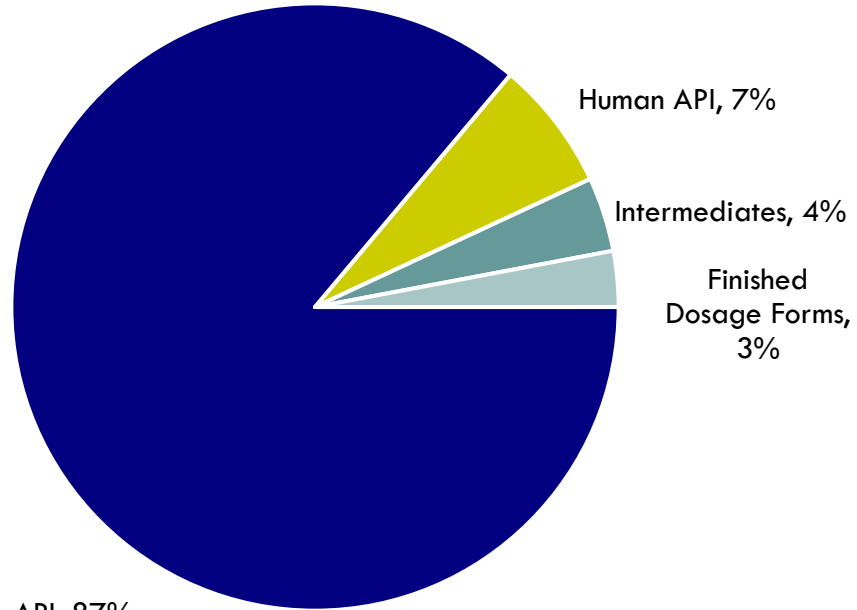
(Rs Cr)	Q3FY22	Q3FY21	YoY	9MFY22	9MFY21	YoY
Revenue from operations	81.1	72.7	12%	235.5	183.4	28%
Cost of material consumed	41.9	29.2		109.3	76.0	
Gross Profit	39.2	43.5	-10%	126.2	107.4	17%
Gross Profit margin	48%	60%		54%	59%	
Employee expenses	9.0	8.1		25.6	20.7	
Other expenses	17.7	13.0		47.0	30.5	
EBITDA	12.5	22.4	-44%	53.6	56.2	-5%
EBITDA margin	15.4%	30.8%		22.8%	30.7%	
Finance cost	0.4	0.4		1.2	1.5	
Depreciation	2.4	2.1		6.8	6.3	
Other income	3.8	3.5		12.5	8.5	
PBT	13.5	23.4	-42%	58.2	56.9	2%
Tax Expenses (Credits)	3.6	5.7		15.0	14.0	
PAT	9.9	17.7	-44%	43.1	42.9	1%
PAT margin	12.3%	24.4%		18.3%	23.4%	

- Revenue growth of 12% YoY in Q3FY22 and 28% YoY in 9MFY22, driven by strong volume growth and increasing market penetration
- Continuing rise in input prices (27% YoY in Q3), fuel costs (167% YoY in Q3) and freight costs (43% YoY in Q3) led to margin and profitability contraction during the quarter

Strong growth in Vet API biz. driven by increasing market share



9MFY22 Revenue Distribution

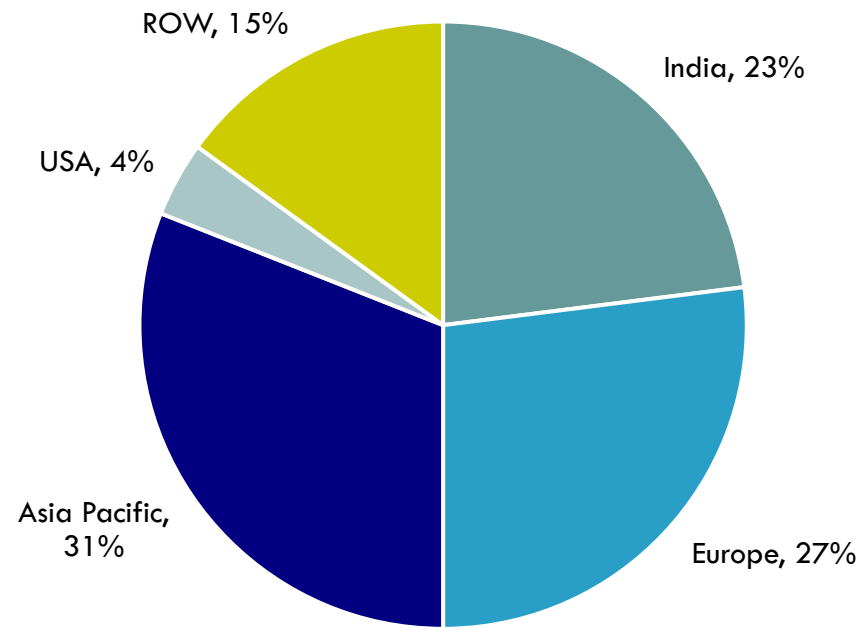


Revenue (Rs Cr)	Q3FY22	Q3FY21	YoY%	9MFY22	9MFY21	YoY %
Veterinary API	70.4	56.3	25%	193.9	141.8	37%
Finished Dosage Forms	2.2	5.2	-59%	8.8	12.8	-31%
Human API	5.6	6.0	-7%	13.9	13.5	3%
Intermediates	3.1	5.2	-41%	18.8	15.2	23%
Total	81.1	72.7	12%	235.5	183.4	28%

Coupled with growth across regions



9MFY22 Revenue Distribution



Revenue (Rs Cr)	Q3FY22	Q3FY21	YoY%	9MFY22	9MFY21	YoY %
Asia Pacific	28.1	20.5	36.6%	72.5	62.3	16.4%
Europe	22.4	22.6	-0.6%	63.5	56.5	12.5%
India	12.7	17.7	-28.6%	53.7	43.2	24.4%
ROW	14.5	10.3	40.6%	35.4	18.9	87.7%
USA	3.6	1.6	119.1%	10.3	2.7	284.3%
Total	81.1	72.7	12%	235.5	183.4	28%

Company Overview



Animal health company with strong global footprint



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 on the back of superior quality



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**

Wide Range of Product Categories

Anthelmintics

Ectoparasiticides

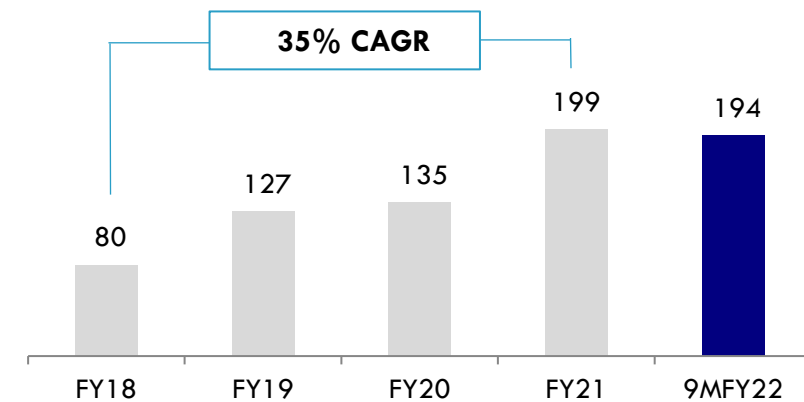
Antiprotozoals

Phosphorus Supplements

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

Team of **25 R&D** professionals spearheading a pipeline of 5 molecules under development

Revenue from veterinary API segment (Rs cr)



Large product portfolio with primary presence in livestock and farm animals

Strong presence in APAC – **30%+** revenue

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



Accreditations

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



Represented by a professional team & Board



Promoters



Mr. Rahul Nachane

Managing Director

- 30+ years of experience in the pharmaceutical industry
- Is involved in the operations of the Company since 1989, and a fulltime director of the Company since 1992. He is responsible for the overall management of the Company and specifically for marketing and production



Mr. Rajesh Lawande

Whole-Time Director & CFO

- 20+ years of experience in the pharmaceutical industry
- Is involved in the operations of the company since 1999. He has been shaping the Company's R&D efforts and introducing new markets and customers. He is responsible for R&D, sales and production

Board of Directors

Mrs. Ajita Nachane

Non-Executive Director

- 24+ years of expertise in sales and marketing functions
- Founder director of Tele Access E-Services Pvt Ltd, a BPO providing services to the finance, FMCG and other sectors

Mr. Jayaram Sitaram

Independent Director

- 20+ years of expertise in consulting and management functions
- Currently Managing Director at Praxis Technologies. He is a Co-founder of Matrix Technologies, Inc. He was the Country Head at Lionbridge in India earlier

Ms. Sarala Menon

Independent Director

- 35+ years of expertise in manufacturing and supply chain functions
- Currently Executive VP at Colgate-Palmolive India. Her area of focus is on optimizing manufacturing operations and management

Mr. Milind V Shinde

Independent Director

- 30 years of expertise in manufacturing and engineering industry
- Founder of AVM Engineering a leading manufacturer of industrial fans in India and caters to the requirement of all major OEMS in India as well as exports to Middle East and Africa.

Mr. K.V. Subramanian

Non-Executive Independent Director

- 30+ years of expertise in banking and financial markets
- Currently Managing Director at Standard Chartered Bank and a member of the India Country Management team driving Strategy, Process & Governance & CVO. On the Board of all the Standard Chartered subsidiary companies in India and is also on the Board of CDSL Ventures Limited.

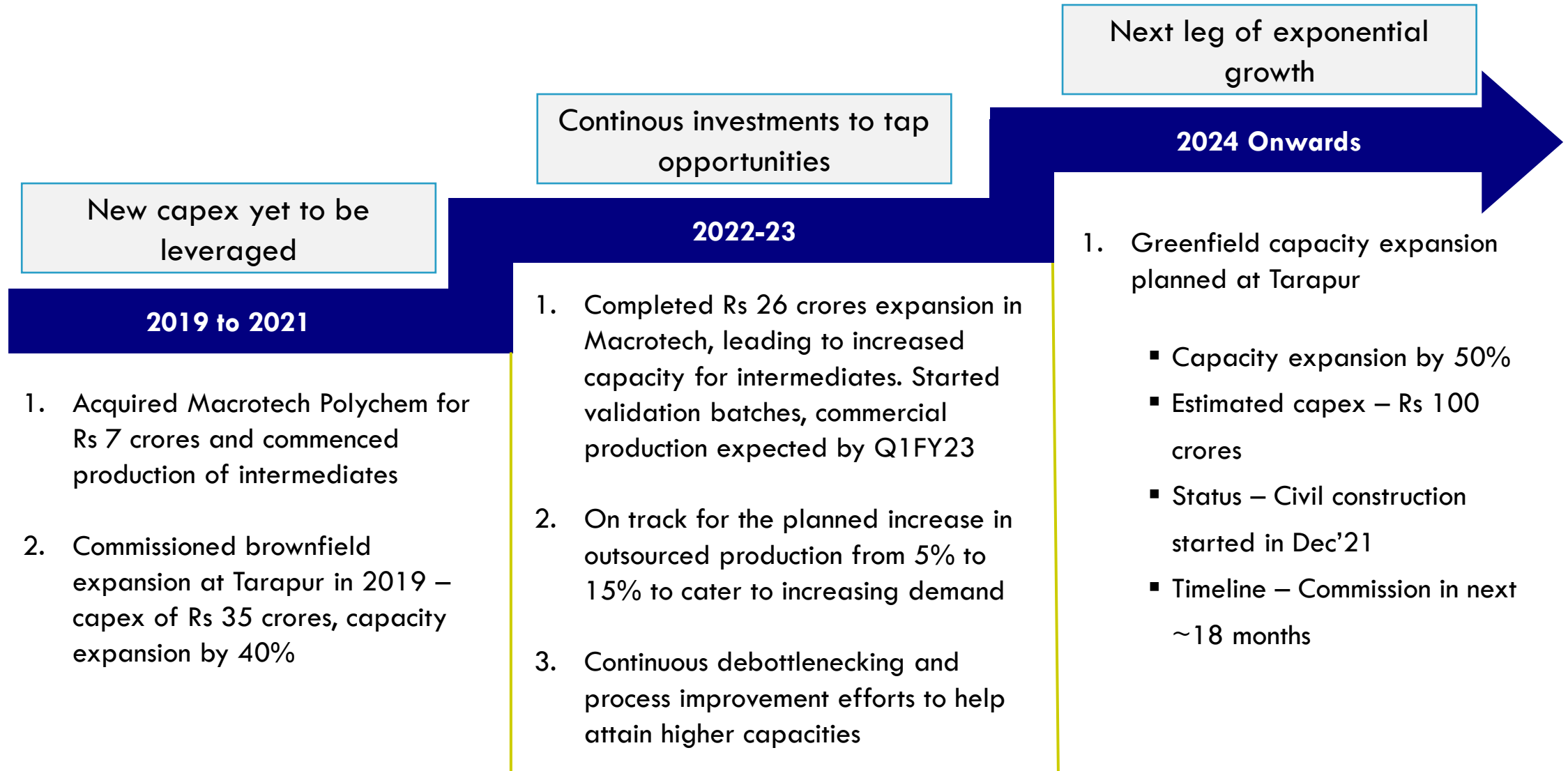
Advantageously placed in a growing opportunity



	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

On strategic growth path



Historical Financials

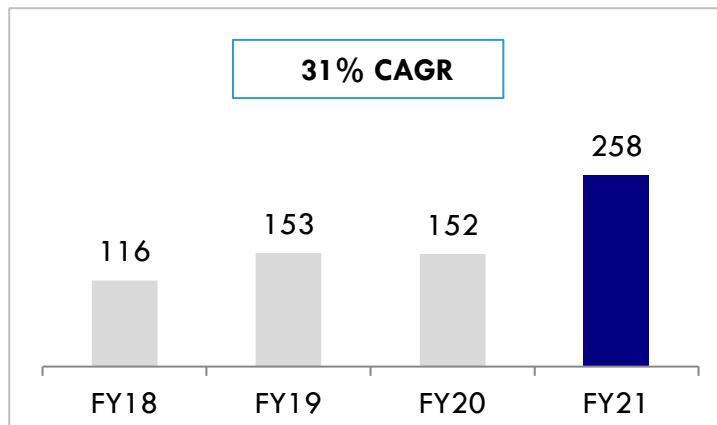


Robust financial performance

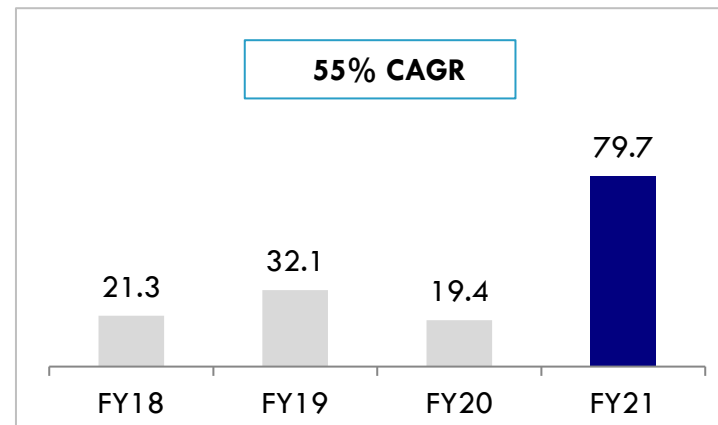


Consolidated Figures

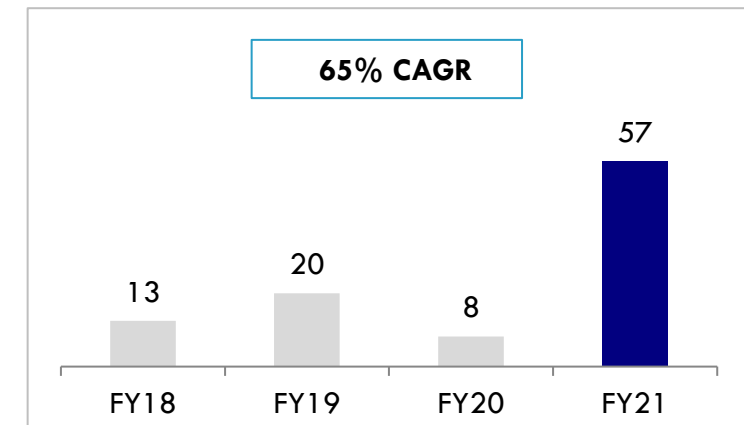
Revenue (Rs Cr)



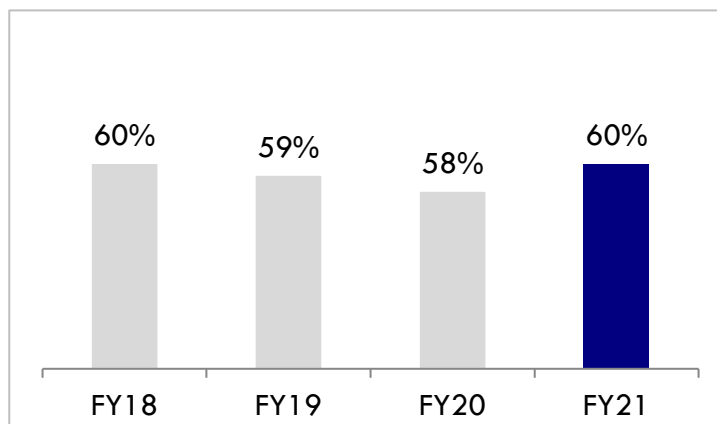
EBITDA (Rs Cr)



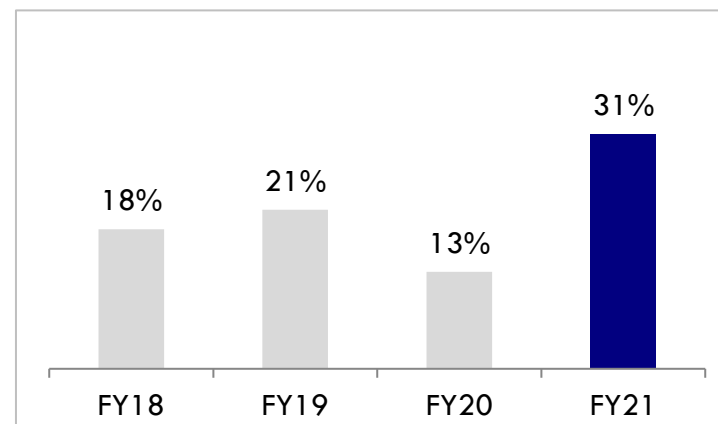
PAT (Rs Cr)



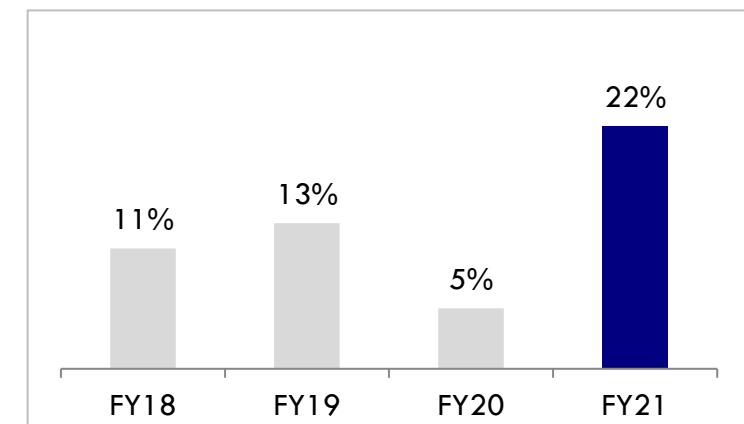
Gross Margin (%)



EBITDA Margin (%)



PAT Margin (%)



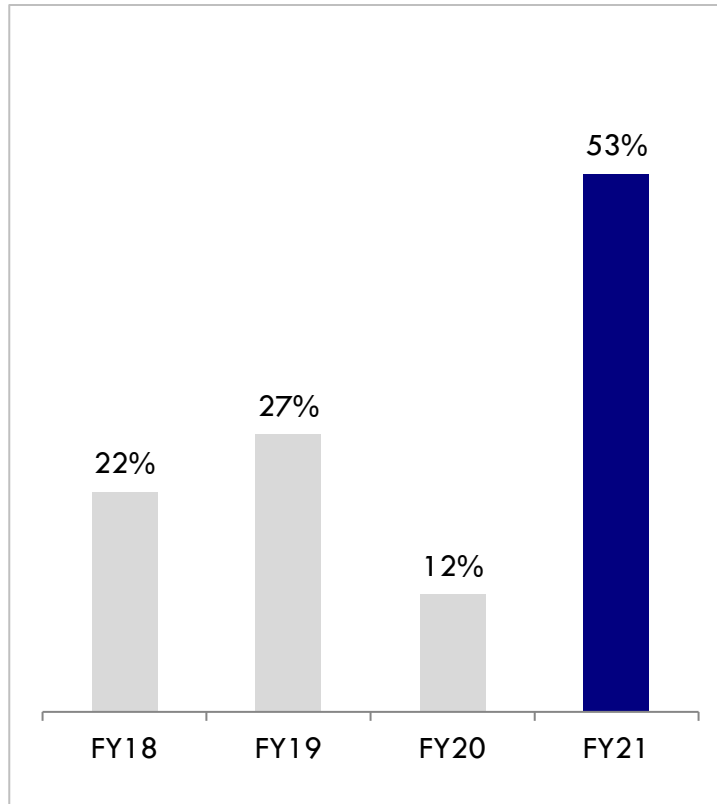
EBITDA excludes Other Income

Improving efficiencies

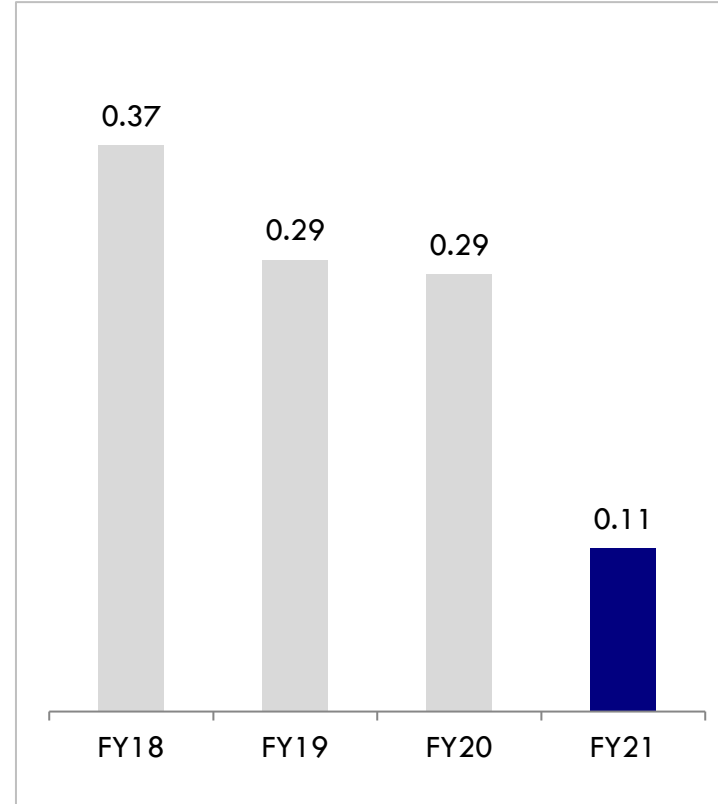


Consolidated Figures

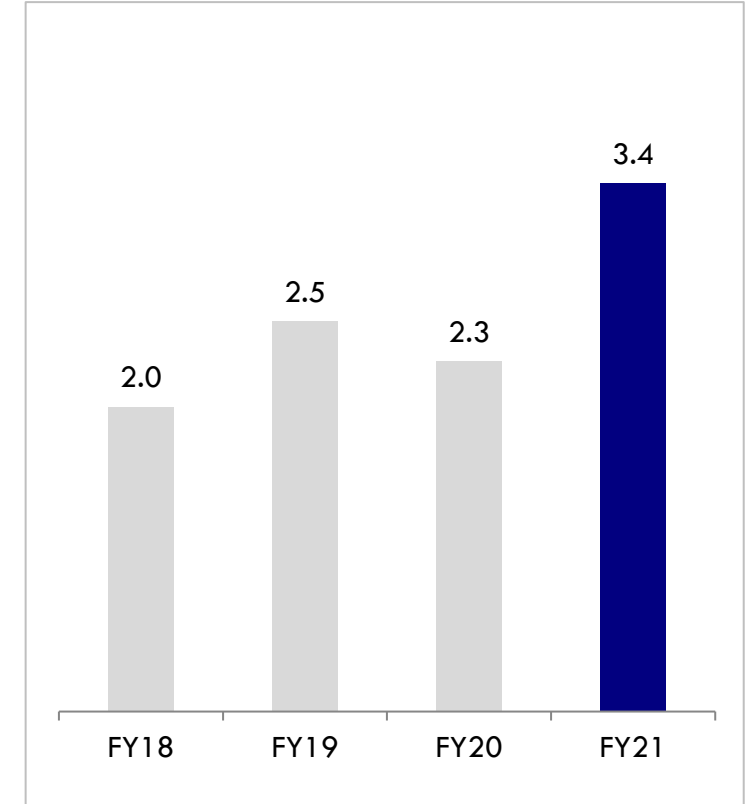
ROCE (%)



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)	FY21	FY20	FY19
Revenue from operations	258.0	151.7	153.2
Cost of material consumed	102.4	64.4	62.6
Gross Profit	155.6	87.3	90.6
Gross Profit margin	60.3%	57.5%	59%
Employee expenses	28.1	24.0	21.2
Other expenses	47.8	43.9	37.3
EBITDA	79.7	19.4	32.1
EBITDA margin	30.9%	12.8%	21.0%
Finance cost	1.8	2.3	2.3
Depreciation	8.3	8.1	6.3
Other income	8.0	3.0	4.1
PBT	77.6	12.0	27.6
Tax Expenses (Credits)	20.9	3.7	7.4
PAT	56.7	8.3	20.2
PAT margin	22.0%	5.5%	13.2%

Consolidated balance sheet highlights



Abridged Balance Sheet (Rs Cr)	Sep-21	Mar-21
Shareholders' Funds	186	154
Total Borrowings	24	16
Trade Payables	46	30
Other Liabilities	10	8
Total Liabilities	267	208
Fixed Assets (inc CWIP)	88	76
Inventories	55	38
Trade Receivables	58	38
Cash, Bank & Investments	40	34
Other Assets	27	22
Total Assets	267	208

- Increased inventories to cater to growing demand, while maintaining a strong working capital with a NWC of 78 days as of Sep'21
- Incurred CAPEX of ~ Rs 17 crores for H1FY22
- Continue to remain Net Cash positive at Rs 16 crores as of Sep'21

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

Thank You

NGL Fine-Chem Ltd

Pallavi Pednekar
(Company Secretary)
cs@nglfinechem.com



Pareto Capital (Investor Relations)

Pooja Dokania
pooja.dokania@paretocapital.in

Rishav Das
rishav.das@paretocapital.in

