



Q3 and Nine Months Period ended 31st Dec 2020 Results Presentation

January 2021

Safe Harbor Statement

This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of UPL Limited (UPL) and certain of the plans and objectives of UPL with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITDA and future developments in our organic business. Forward-looking statements can be identified generally as those containing words such as “anticipates”, “assumes”, “believes”, “estimates”, “expects”, “should”, “will”, “will likely result”, “forecast”, “outlook”, “projects”, “may” or similar expressions. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, domestic and global economic and business conditions, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where UPL operates, industry consolidation and competition. As a result, UPL’s actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also Risk management, of our Annual Report.

Q3-FY2021

Business Update

Diego Casanello

Q3 Highlights: On track to deliver guidance

₹ 9,125 cr

Revenue

44.2%

Gross Margin

₹ 2,209 cr

EBITDA

117 days

Net Working Capital

₹ 793 cr

PAT

₹ 27,837 cr.

Gross Debt

+3%

Volume +7%

+230bps

YTD +12bps

+6%

Margin: 24.2%

19 days

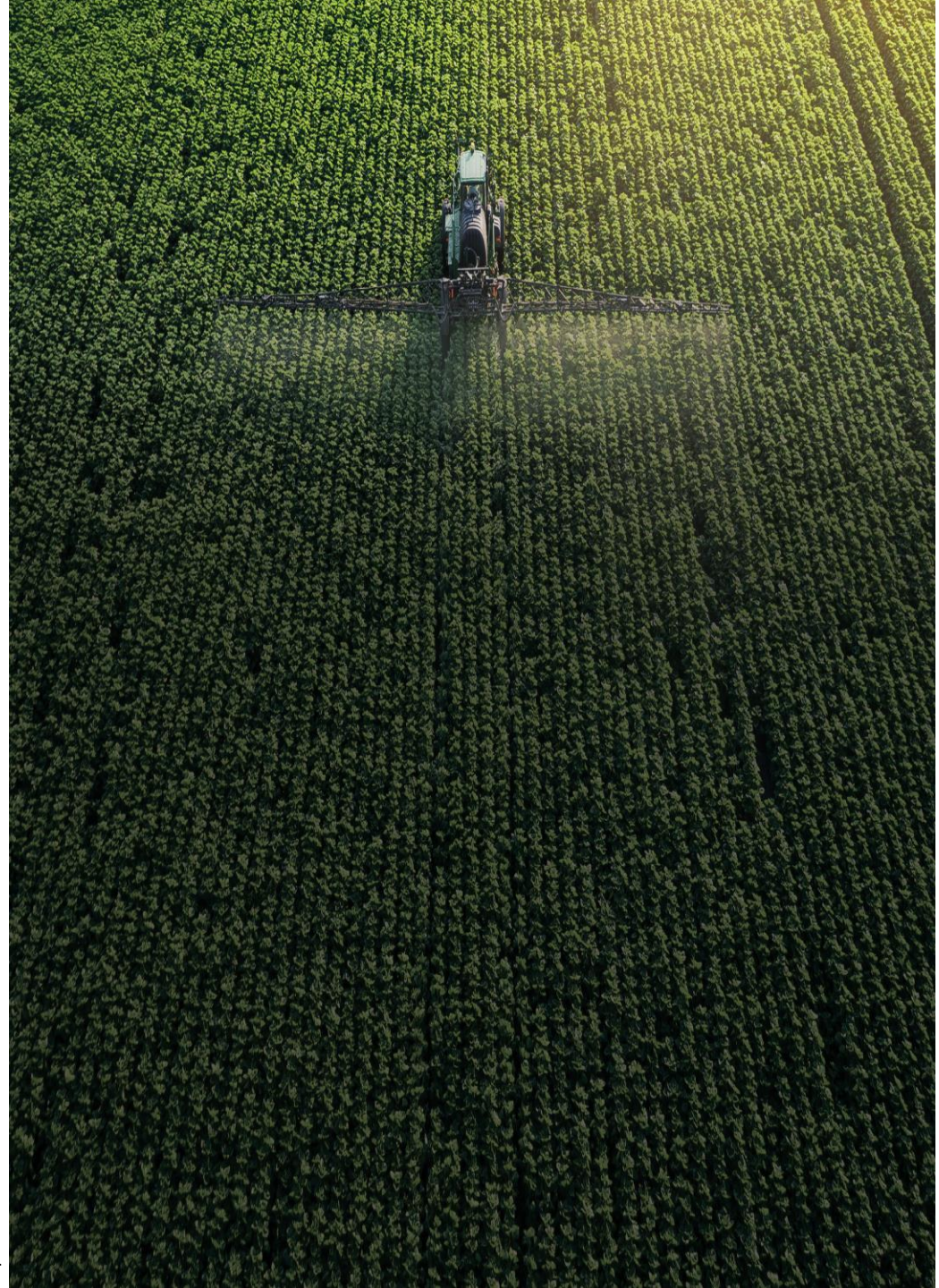
Reduction

+12%

YTD +56%

₹ 3,980 cr.

Reduction



Q3 Performance Highlights

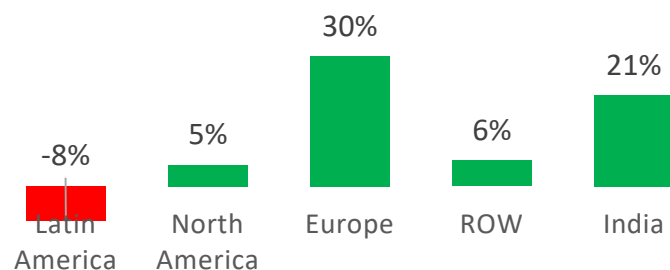
₹ crore

Particulars	Q3 FY 2021	Q3 FY 2020 (Proforma) ¹	B/(W) LY
Revenue	9,125	8,892	3%
Gross Margin	44%	42%	230 bps
Fixed OH	1,828 ²	1,643	-11%
EBITDA	2,209	2,083	6%
% Revenue	24.2%	23.4%	+80 bps

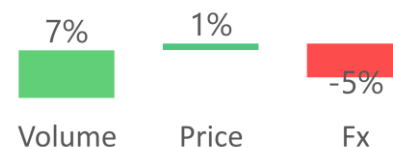
1. Purchase price allocation (PPA) effect of 7cr. is removed from FY2020 numbers

2 Includes a provision of 39.5 cr on account of an unfavourable court order for the industry pertaining to excise duty liability for previous years

Revenue Development by Region



Revenue Variance



3% Revenue Growth vs PY:

- Strong volume growth in Europe, India, North America and ROW and price improvements
- Latin America impacted by a delayed season in Brazil due to drought and unfavorable Fx

230 bps higher Gross Margin vs PY:

- Margin improvement through price actions and COGS savings and synergies
- Favorable mix with sales of higher margin Differentiated & Sustainable solutions growth

Unfavorable SG&A vs PY:

- Higher bonus provisions an account of improved performance in most geographies

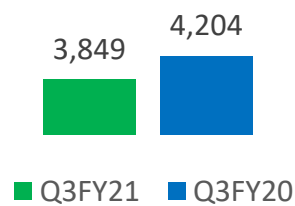
6% EBITDA Growth vs PY:

- Driven by Gross Margin growth

Q3 Regional Highlights (₹ crore)

LATIN AMERICA

-8%

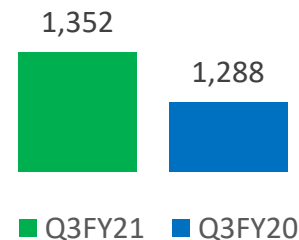


LATAM impacted by delayed season

- Season delayed by drought in Brazil/Argentina, pushing sales to Q4
- Volume growth in Argentina, South Cone and Andean regions
- Increase in grain commodity prices and recent rains supporting a positive trend for Q4
- Across the board currency devaluation in LATAM countries partially offset by pricing actions

NORTH AMERICA

5%

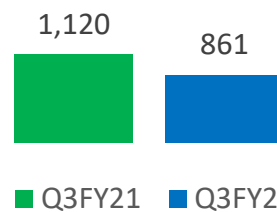


Growth driven by weather and market share gains

- Strong growth in Differentiated & Sustainable Solutions driving improved margins
- Increased demand for Glufosinate due to robust ramp up of resistant-traits acres
- Strong growth in Vigilant, Everest, Manzate and Interline

EUROPE

30%

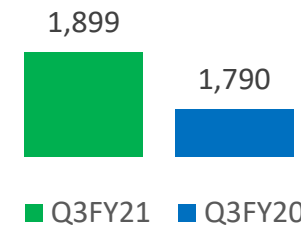


UPL bringing alternatives to gaps created by banned products

- Improved mix, driven by strong sales of Differentiated & Sustainable Solutions and moderate Post-Patent growth
- Strong growth led by Poland, Benelux and Ukraine, in addition to Italy and Spain
- Strong demand for Argos – a sustainable solution product in its first launch year, in addition to Penncozeb, Cyperkill and Syllit drove Q3 growth

REST OF WORLD

6%

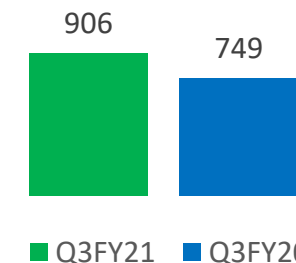


Normalized season and Glufosinate demand continue to drive growth

- Double digit growth in Africa, Australia and New Zealand, benefiting from a normalized season
- Strong growth in South East Asia, supported by the continued expansion of Glufosinate in the area
- Accelerated growth in China, driven by volume gains in UPL's branded sales in addition to the impact of the Yoloo acquisition

INDIA

21%



Solid growth in sales despite market slowdown in Q3

- Good herbicide sales in the resistant phalaris infested wheat acres of North India
- Strong Ferio and Sweep Power volume growth in the quarter
- Excess rains in the South reduced market growth after a very strong H1

Q3 FY2021

Financial Results Update

Anand Vora

Profit and Loss Account

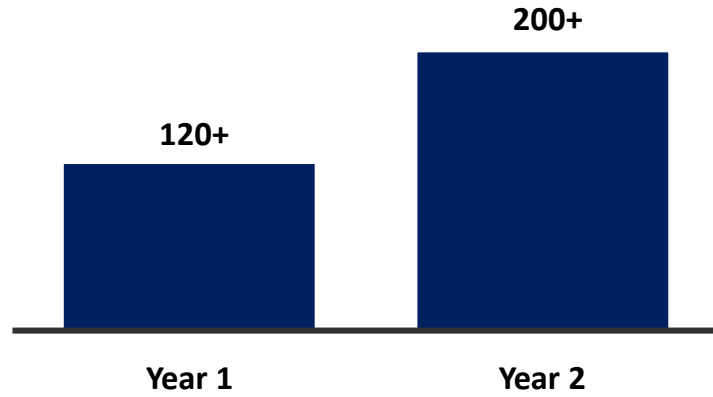
₹ crore

Particulars	Q3 FY21		Q3 FY20		Change
	Reported	%	Reported	%	%
Total Revenue from operation	9,125	100%	8,892	100%	3%
Variable Cost	5,088	56%	5,172	58%	
Gross Margin	4,037	44%	3,720	42%	9%
Fixed Overheads	1,828	20%	1,643	18%	
EBITDA	2,209	24%	2,076	23%	6%
Other Income / (Loss)	61		51		
Amortization / Depreciation	542		494		
Finance Cost	745		515		
PBT	982	11%	1,118	13%	-12%
Tax	109		198		
PAT	872	10%	921	10%	-5%
Income/(Loss) from Associate Co. and JV	(7)		(8)		
Minority Interest	150		131		
Profit After Tax, Associate Income & Minority Interest	715	8%	782	9%	-9%
Exceptional Cost	(78)		75		
Net Profit	793	9%	707	8%	12%

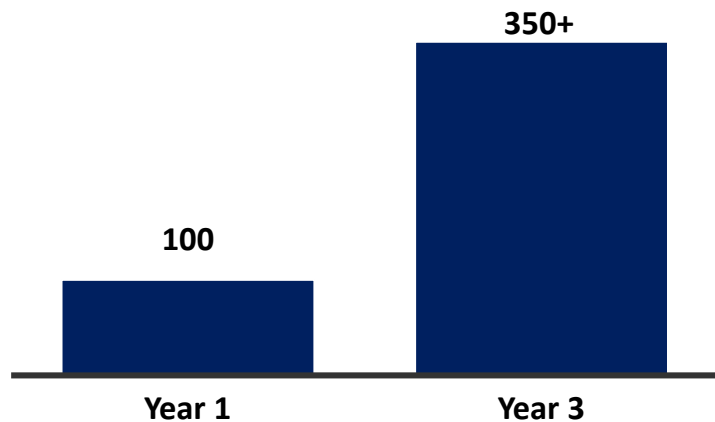
Note: In Q3 FY2020 PPA impact of 7 cr in EBITDA; adjusted EBITDA 2,083 cr, and adjusted PAT after Associates Income minority and exceptional cost 714cr.

Cost and Revenue synergy targets and achievements

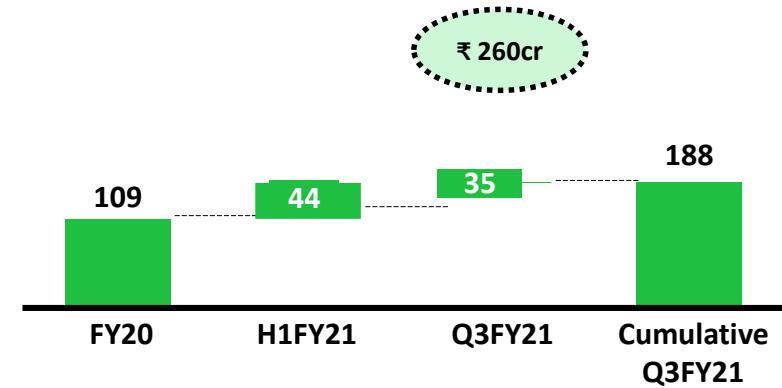
Cost Synergy Target, run rate, USD Mn



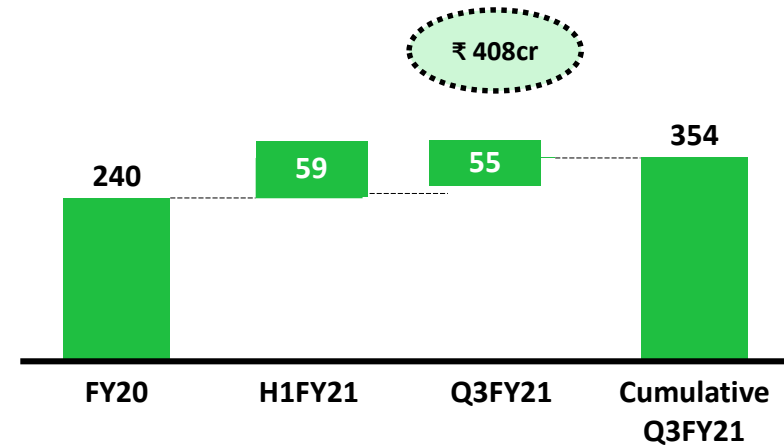
Revenue Synergies Target, run rate, USD Mn



Cost Synergies Achieved, USD Mn



Revenue Synergies Achieved, USD Mn



Nine Months FY2021 Financial Results Update

Anand Vora

Nine Month Performance Highlights

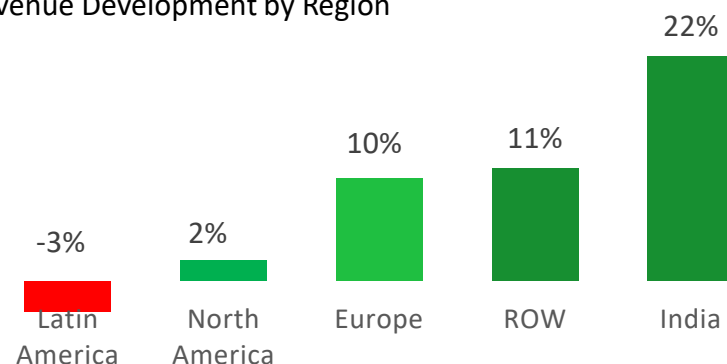
₹ crore

Particulars	9M FY 2021	9M FY 2020 (Proforma) ¹	B/(W) LY
Revenue	25,898	24,615	5%
Gross Margin	42%	42%	12 bps
Fixed OH	5,249 ²	5,113	-3%
EBITDA	5,720	5,283	8%
% Revenue	22.1%	21.5%	+60 bps

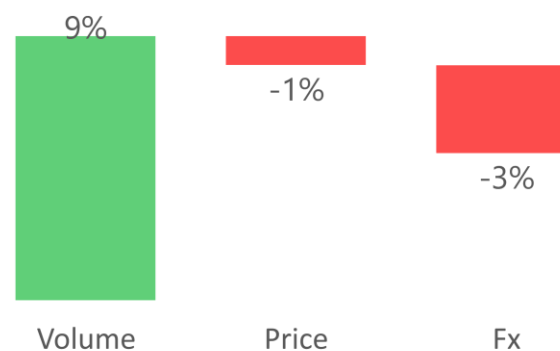
1. Purchase price allocation (PPA) effect of 349cr. is removed from FY2020 numbers

2 Includes a provision of 39.5 cr on account of an unfavourable court order for the industry pertaining to excise duty liability for previous years

Revenue Development by Region



Revenue Variance



- Strong volumes driven by market share gains and improved weather conditions, partially off set by FX headwinds
- Pricing actions and focus on Differentiated and Sustainable Solutions driving margin recovery year to date, after a challenging start to the year due to COVID and associated FX volatility
- Higher growth in EBITDA supported by synergy capture in fixed costs and COGS
- On track to deliver stated full year revenue and EBITDA guidance

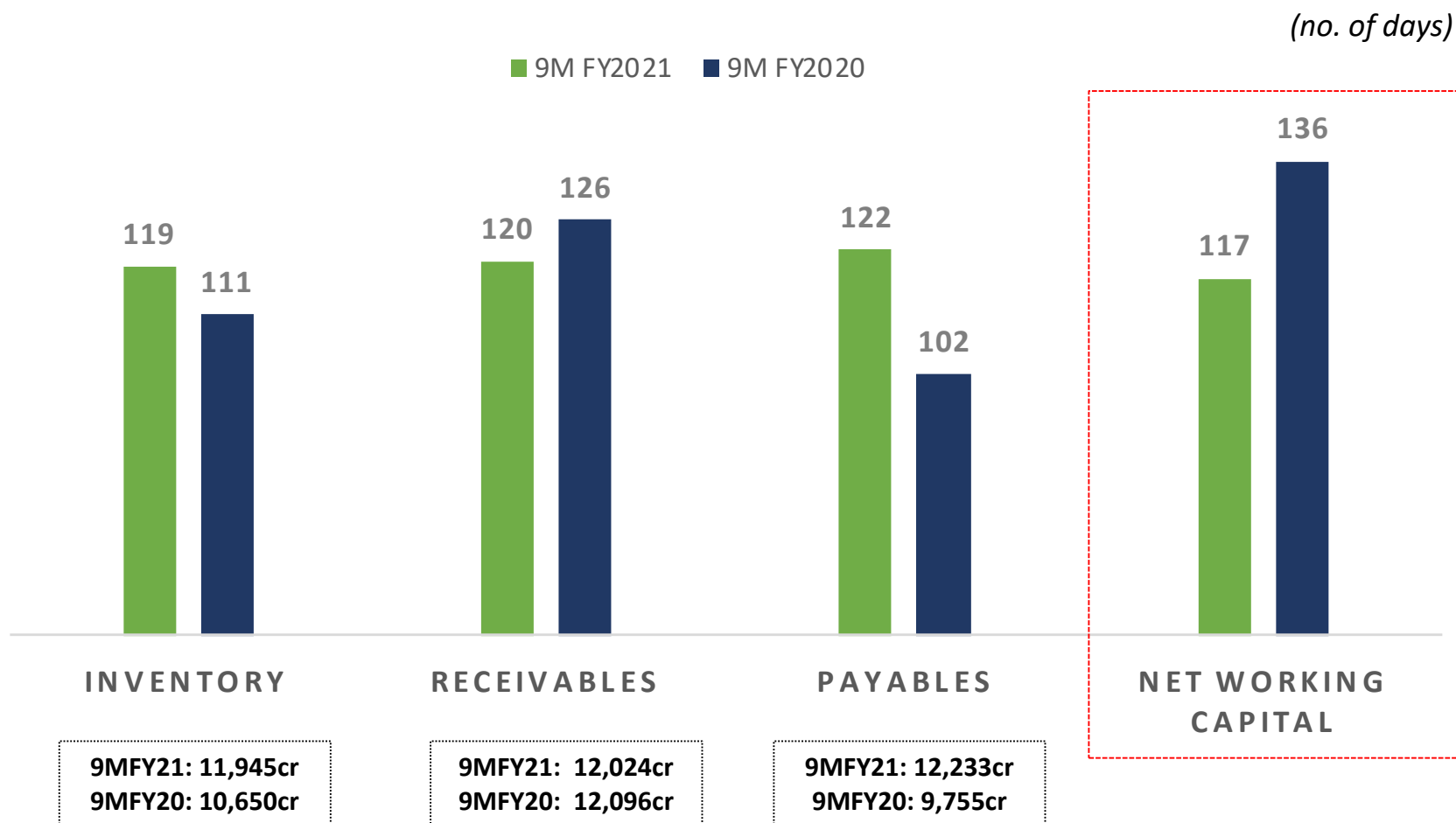
Nine Month Profit and Loss Account

₹ crore

Particulars	9M FY21		9M FY20		Change
	Reported	%	Reported	%	%
Total Revenue from operation	25,898	100%	24,615	100%	5%
Variable Cost	14,929	58%	14,568	59%	
Gross Margin	10,968	42%	10,047	41%	9%
Fixed Overheads	5,249	20%	5,113	21%	
EBITDA	5,720	22%	4,934	20%	16%
Other Income / (Loss)	190		17		
Amortization / Depreciation	1,597		1,417		
Finance Cost	1,639		1,294		
PBT	2,673	10%	2,240	9%	19%
Tax	365		374		
PAT	2,309	9%	1,865	8%	24%
Income/(Loss) from Associate Co. and JV	(18)		(20)		
Minority Interest	326		235		
Profit After Tax, Associate Income & Minority Interest	1,965	8%	1,610	7%	22%
Exceptional Cost	158		452		
Net Profit	1,807	7%	1,158	5%	56%

Note: 8% increase in EBITDA considering PPA impact of 349cr in 9M FY20. Adjusted EBITDA 5,283cr, and adjusted PAT after Associates Income minority and exceptional cost 1507 cr

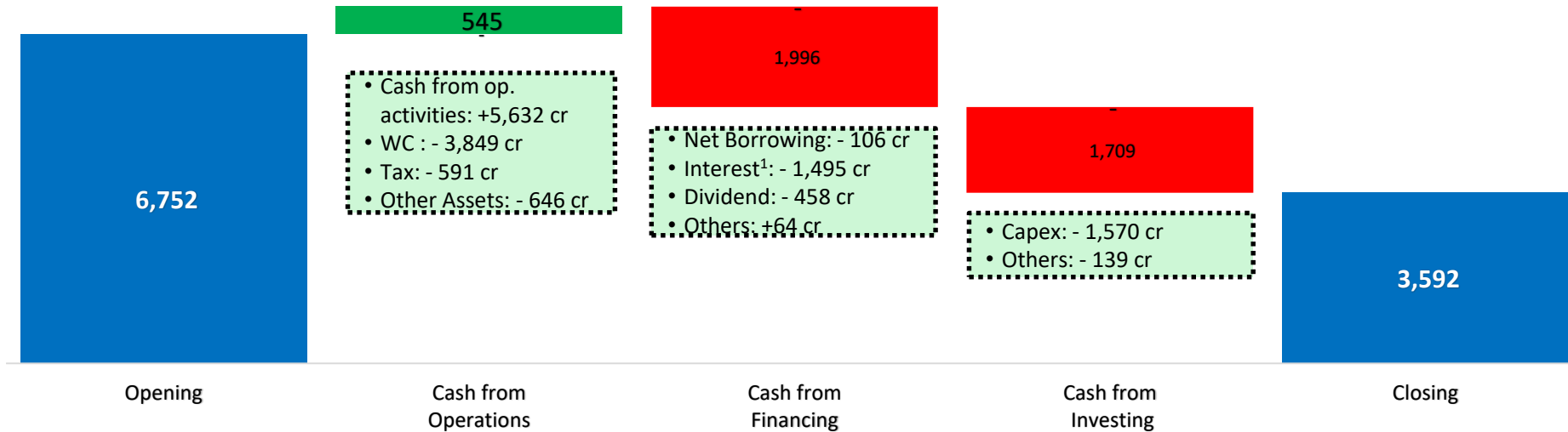
Working Capital Analysis



Note: As a risk management measure, the company has been selling its receivables on non-recourse basis to banks. Receivables sold as of 31st Dec 2020 were 4,570 crore (31st Dec 2019 3,565 crore)

Cash Flow Statement (1st April 2020 to 31st Dec 2020)

₹ Crore



¹Interest expense of 1,495 crore including interest component of redeemed bonds including Rs.75 cr. of interest paid upto maturity on early redemption of bonds

Guidance Maintained : FY2021

- Expected 6-8% revenue growth and 10-12% EBITDA growth for the full year
 - Growth to be driven by focus on differentiated and sustainable solutions as well as new product launches
- COGS savings, synergies and further implementation of price increases in local currencies to support margin improvement
- Fixed cost saving opportunity from synergies and covid19 contingency measures will continue to support EBITDA growth
- Net working capital to release in H2 and expected to be lower compared to March 2020
- Committed to debt reduction and to maintain investment grade credit rating



Sustainability Performance and Other Key Achievements

Sustainability Highlights

Strong progress on ESG Performance



DJSI Ranking, November 2020

- DJSI scores UPL at ~2x of Industry Peer Average
- Ranks 23 globally with a score of 63, a 10-point improvement compared to 2019
- Striving for continuous improvement

Sustainalytics last report dated 25 Sept 2020

• Environment : Delivering on our targets

YTD Specific (per MT) reduction vs. FY2020

- CO2 Emission: 12%
- Water Consumption¹: 30%
- Wastewater Discharge¹: 34%
- Waste Disposal: 1%

• Health and Safety : Key to our operations

- YTD TRIR: 1.22 (H1: 1.18)
- YTD TRFR: 0.31

- **Communities: Reaching 0.5 mn lives through initiatives across 10+countries, 70 communities** – Initiatives on track

TRIR: Total Recordable Incident Rate; TRFR: Total Recordable Frequency Rate

1. High reduction in specific water and specific wastewater discharge observed due to permanent closure of Rotterdam plant in Q2FY2021

Achievements and Awards

**UPL Wins Esteemed Agrow
Award for “Best Company From
an Emerging Region”**



**UPL Wins CII Industrial
Intellectual Property Award for
Best Patent Portfolio in the Life
Sciences/Pharma Industry**

