



UPL
OpenAg™

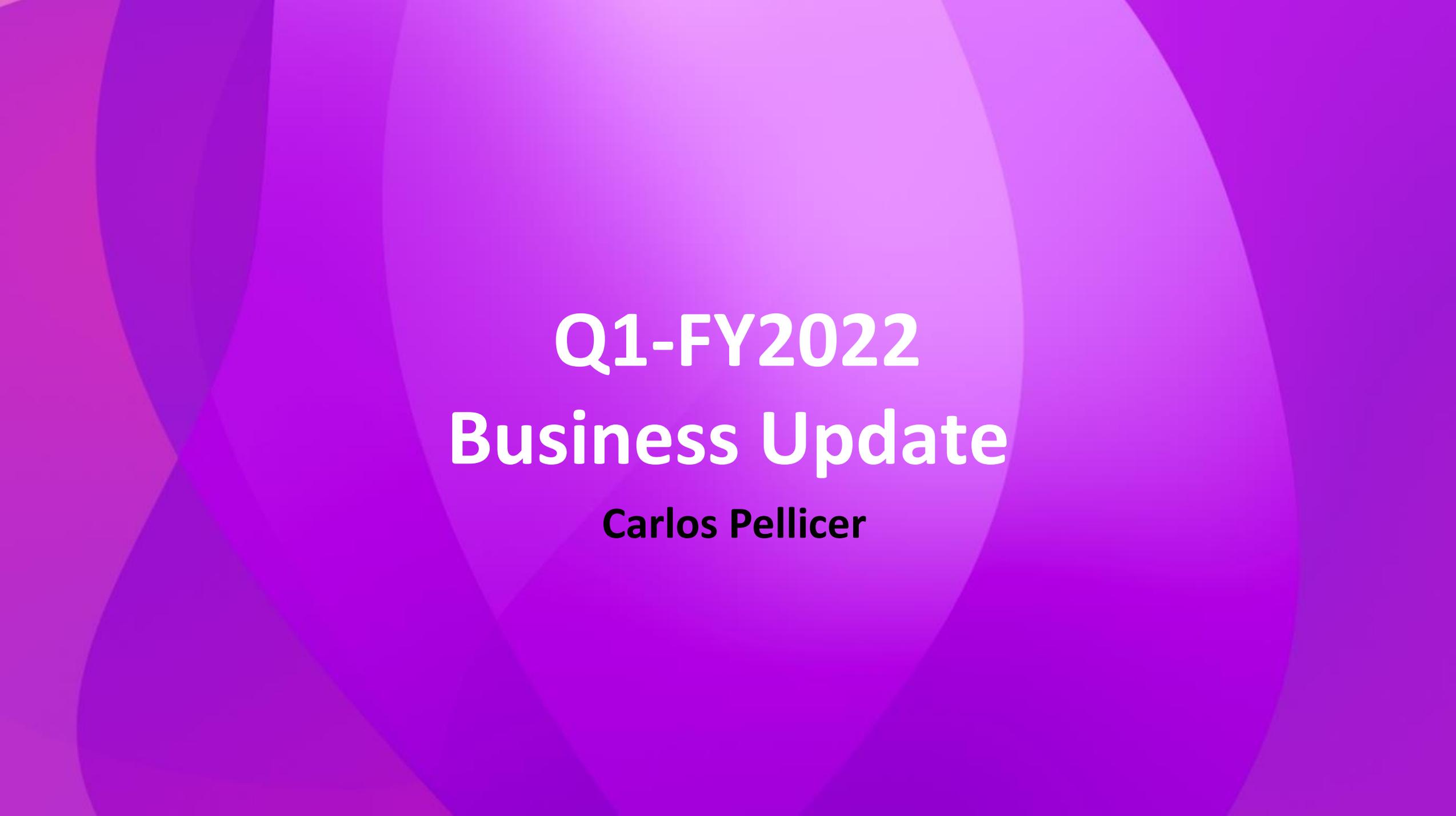
Quarter ended 30th June 2021

Results Presentation

July 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.



Q1-FY2022 Business Update

Carlos Pellicer

Q1 Highlights

₹ 8,515 cr

Revenue

43.7%

Gross Margin

₹ 1,862 cr

EBITDA

91 days

Net Working Capital

₹ 678 cr

Net Profit

₹ 25,099 cr.

Gross Debt

+9%

Vol.+6%, Price+2%
Crcncy+1%

+50bps

+9%

Margin: 21.9%

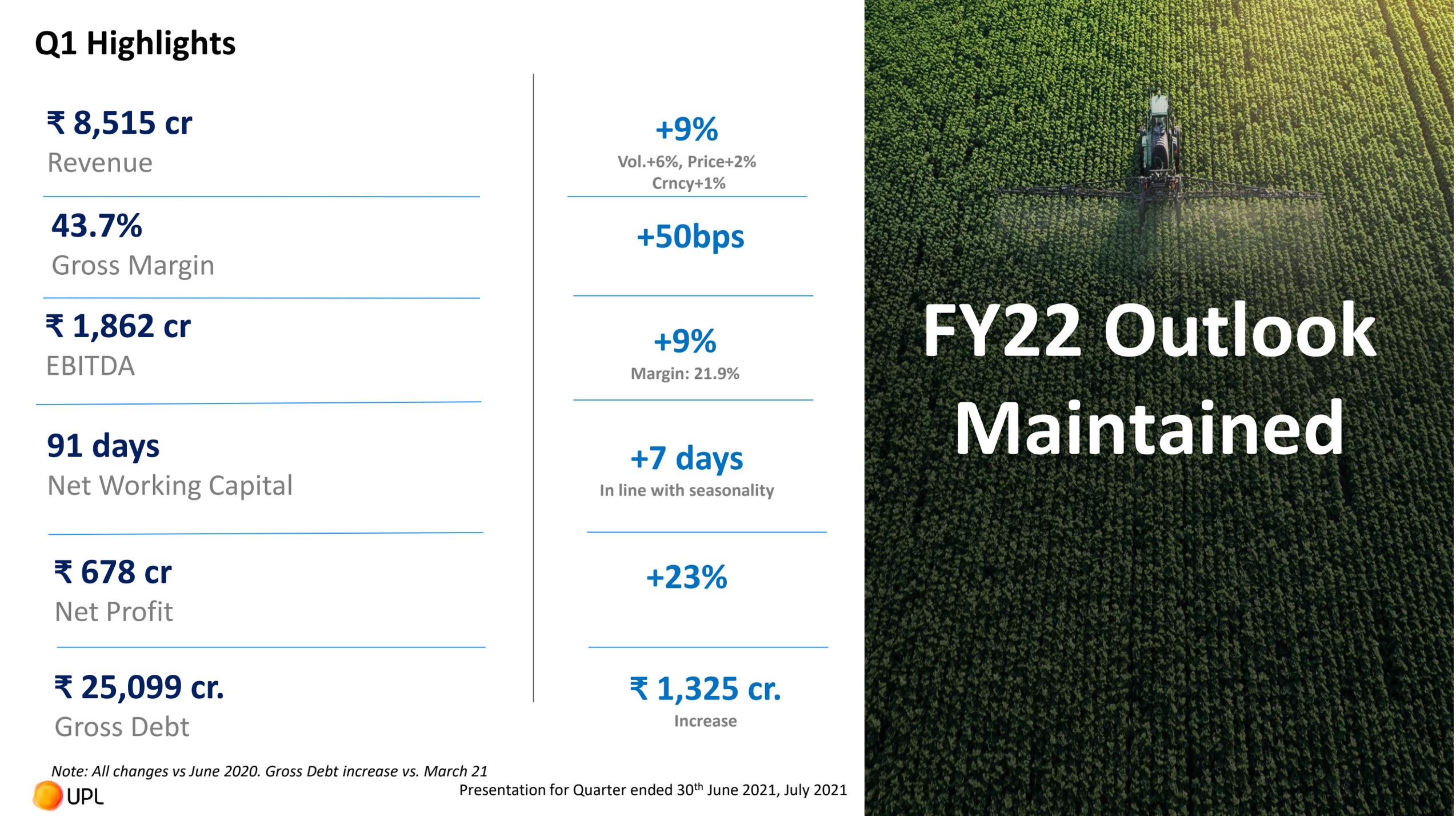
+7 days

In line with seasonality

+23%

₹ 1,325 cr.

Increase



FY22 Outlook Maintained

Note: All changes vs June 2020. Gross Debt increase vs. March 21



Presentation for Quarter ended 30th June 2021, July 2021

Q1 Performance Highlights

₹ crore

Particulars	Q1 FY 2022	Q1 FY 2021	B/(W) LY
Revenue	8,515	7,833	9%
Gross Margin	44%	43%	+50bps
Fixed OH	1,855	1,679	-11%
EBITDA	1,862	1,704	9%
<i>% Revenue</i>	<i>21.9%</i>	<i>21.7%</i>	<i>+12bps</i>

9% Revenue Growth vs LY:

- Robust volume growth on the back of strong demand supported by better realisation in India
- Strong volume growth in LATAM, primarily driven by incremental Perito® and Sperto® sales in Brazil
- Strong growth in NAM driven by robust volume expansion coupled with higher overall price realization
- Europe sales impacted due to supply constraints, unfavorable weather
- ROW showed decline in revenues via-a-vis LY

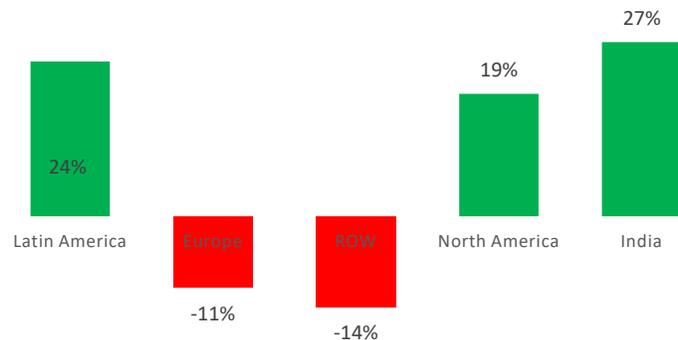
50 bps higher Gross Margin vs LY:

- Better realisation and product mix, despite increased cost pressure
- LATAM margins impacted due to pre-booked orders

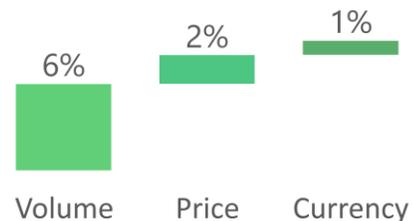
+9% EBITDA Growth with 12 bps improvement vs LY:

- Higher EBITDA partially off-set by cost and SG&A increases

Revenue Development by Region

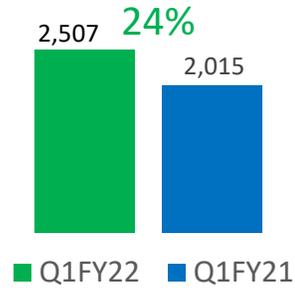


Revenue Variance



Q1 Regional Highlights

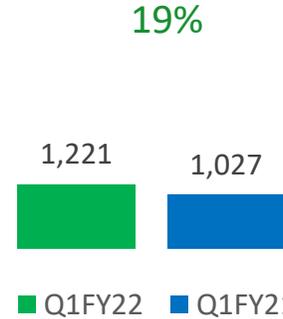
LATIN AMERICA



Strong volume growth led by Brazil

- >40% rev growth in Brazil, while other countries have remained nearly flat versus Q1FY21
- Mexico impacted due to severe drought; however, expected to catch up during the year
- In Brazil, strong volume growth of Perito® (by ~2x) and Sperto® (by ~1.8x), coupled with higher price realization for Perito® led to overall growth in the region
- Delayed price realization due to pre-booked orders
- Further upward price revision expected in Q2 for Unizeb Gold®, Sperto® and Perito® to improve price realization

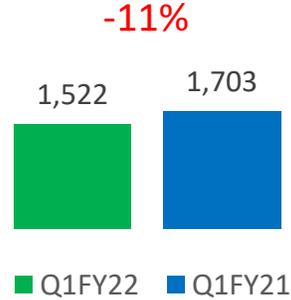
NORTH AMERICA



Higher volume and strong price realization

- Higher commodity prices, strong seasonal outlook, coupled with increase (~1-5%) in acreages of most major row crops
- US administration's decision to maintain the tariff structure for Chinese imports
- Overall price realization up, adequately compensating for marginal cost increase
- Strong growth in post patent products, along with increase in other segments

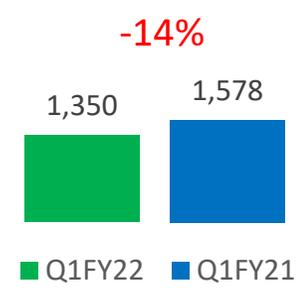
EUROPE



Impact due to unfavorable weather, supply constraints

- Unfavorable weather conditions shrunk market in key areas
- Most of the decline in South European countries:
 - Propanil non derogation in Iberia which impacted sales vs Q1FY21
 - Entry of Clethodim generics in France impacted sales versus prior year
- UK mancozeb based formulations (Manzate® and Nautile®) phased out to Q2

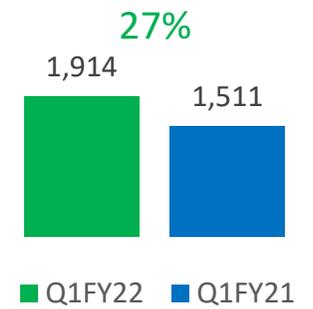
REST OF WORLD



Unfavorable weather, supply constraints reduced volumes

- Growth in SE Asia, AME regions despite COVID related challenges; upside due to favorable commodity prices
- Vietnam Glufosinate supply constraints offset by increased sales in Thailand
- China impacted by Glufosinate supply constraints and unfavorable weather which impacted citrus sales
- Japan sales down by ~30% vs Q1PY due to lower H&NS, along with JPY depreciation

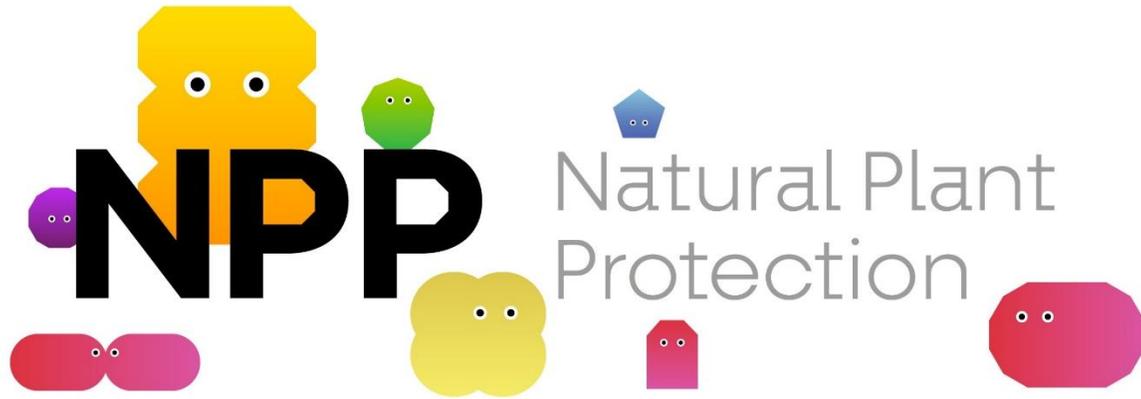
INDIA



Strong performance versus market

- Despite delayed monsoons in parts, COVID second wave, and delayed upward price revision, market grew by 6-7% in Q1FY22
- Favorable commodity prices (~+14% for food grains, ~36-48% for cash crops, pulses, etc.)
- Strong vol. growth (~14%) of Glufosinate (Ferio®, Sweep Power®), coupled with higher price realization (by ~7%)
- Flat volume for Ulala® (Flonicamid)

UPL launches two important businesses showcasing the power of OpenAg



Launch Date

June 28th, 2021

- A new global business unit housing UPL's comprehensive portfolio of natural and biologically derived agricultural inputs and technologies.
- A stand-alone brand, consolidating UPL's existing biosolutions portfolio, network of R&D laboratories and our facilities worldwide.
- The strength of NPP shall be a catalyst to our progressive approach to sustainable agriculture to meet the innovation and technology needs of farmers, consumers, and the environment.

[NPP - Brand Movie](#)



Launch Date

July 19th, 2021

nurture.farm
brighter futures

- A digital platform that advances resilience for farmers and the food system, making agriculture simple, profitable and sustainable through technology-led solutions for generations to come.
- Covering every step of the farming life cycle nurture.farm will operate as an open platform in the supply of products, innovation and mechanization

[nurture.farm - Brand Movie](#)

Q1 FY2022

Financial Results Update

Anand Vora

Profit and Loss Account

₹ crore

Particulars	Q1 FY22		Q1 FY21		Change
	Reported	%	Reported	%	%
Total Revenue from operation	8,515	100%	7,833	100%	9%
Variable Cost	4,796	56%	4,451	57%	
Gross Margin	3,719	44%	3,382	43%	10%
Fixed Overheads	1,856	22%	1,679	21%	
EBITDA	1,862	21.9%	1,704	21.7%	9%
Other Income / (Loss)	(41)		194		
Amortization / Depreciation	551		522		
Finance Cost	607		551		
PBT	664	8%	825	11%	-20%
Tax	(152)		143		
PAT	816	10%	682	9%	20%
Income/(Loss) from Associate Co. and JV	(4)		(5)		
Minority Interest	72		102		
Profit After Tax, Associate Income & Minority Interest	741	9%	575	7%	29%
Exceptional Cost	63		25		
Net Profit	678	8%	550	7%	23%

Net Exchange Impact

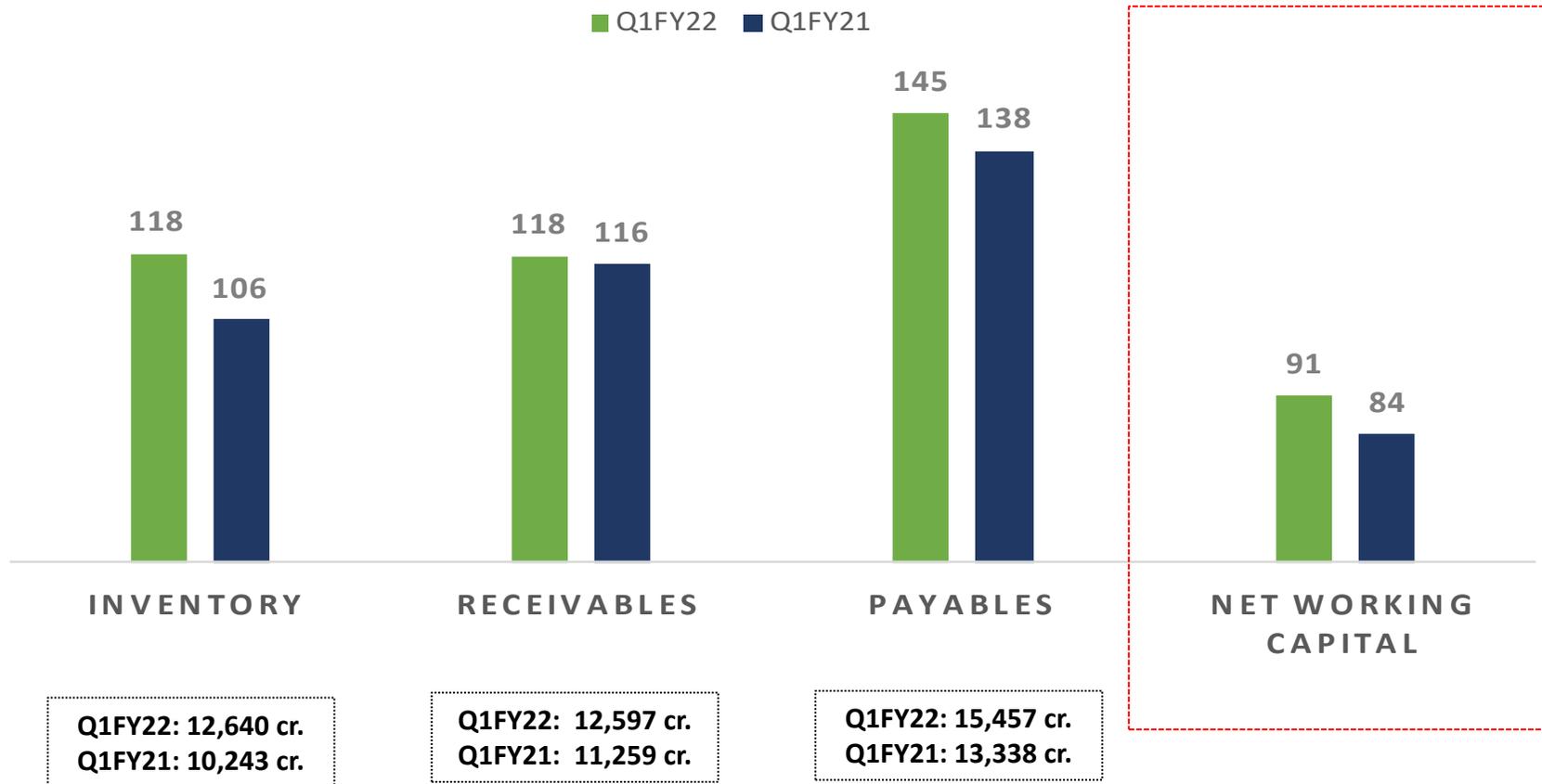
₹ crore

Exchange Impact	Q1 FY 22	Q1 FY 21	Change
MTM hedges and exchange Impact in Finance costs	202	177	25
Exchange impact in other income	89	(128)	217
Net Exchange Loss	291	49	242

- Advance orders in excess of \$500mn in Brazil booked in March'21
- Hedges taken to protect revenues on account of currency devaluation
- MTM loss in finance costs are on the hedge taken on the open orders (BRL:USD from 5.6 in March'21 to 5.0 in June'21)
- Benefit against these MTM's to be recognized in Q2 and Q3 as we execute the orders

Working Capital Analysis

(No. of days)



Note: As a risk management measure, the company has been selling its receivables on non-recourse basis to banks. Receivables sold as of 30th June 2021 were 7,004 crore (30th June 2020: 6,000 crore, 31st March 2021 7,623 crore)

Cash Flow Statement (1st April 2021 to 30th June 2021)

₹ Crore

