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www.insecticidesindia.com
CIN : L65991DL1996PLC083909



Ref: IIL/SE/2023/1402/1

Dated: February 14, 2023

The Manager

Listing Compliance Department BSE Limited (Through BSE Listing Centre)	Listing Compliance Department National Stock Exchange of India Limited (Through NEAPS)
Scrip Code: 532851	Symbol: INSECTICID

Dear Sir/Madam,

Sub: Earning Presentation and Press Release for Q3 & 9M FY2023 Results

Please find enclosed the Q3 & 9M FY 2023 Earning Presentation on third Quarter and nine months ended Financial Results of the Company

The same will also be available on the website of the Company at <https://www.insecticidesindia.com/investors-desk/>

This is for information and records.

Thanking You,
For Insecticides (India) Limited

Sandeep Kumar
Company Secretary & CCO

Encl: As above



CIN: L65991DLI996PLC083909

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Q3 & 9M FY23 – Earnings Update

Revenue from Operations reported at Rs. 3,565.32 Mn in Q3 FY23 and Rs. 14,994.31 Mn for 9M FY23

EBITDA stands at Rs. 232.57 Mn in Q3 FY23 and Rs. 1,501.64 Mn for 9M FY23

PAT at Rs. 93.66 Mn in Q3 FY23 and Rs. 925.08 Mn for 9M FY23

Delhi, 14th Feb, 2023: Insecticides (India) Ltd. (“IIL”) is one of the leading manufacturers of crop protection and nutrition products catering to the needs of domestic as well as international markets. IIL boasts of an impressive product portfolio consisting of 21+ technical products and 105+ formulation products. IIL, in its’ board meeting held on 13th February 2023, has announced its unaudited results for Q3 and 9M ended on 31st December, 2022.

Consolidated Financial Statement Highlights for Q3 FY23 v/s Q3 FY22

Particulars	Q3 FY23	Q3 FY22	YoY%
Revenue from Operations	3,565.32	3,137.78	13.63%
Other Income	3.74	8.68	
Total Revenue	3,569.07	3,146.46	13.43%
Total Expenses excluding Depreciation, Amortization & Finance Cost	3,332.75	2,951.97	
EBITDA	232.57	185.81	25.17%
EBITDA Margins (%)	6.52%	5.92%	60 bps
Depreciation & Amortization	64.32	67.93	
Finance Cost	48.38	17.20	
PBT before Share of profits of JV & investment	123.61	109.37	
Add: Share of Profits of JV & Investment	0.88	1.01	
PBT	124.49	110.38	12.78%
Total Tax Expenses	30.84	27.83	
PAT	93.66	82.55	13.46%
Other comprehensive profit / loss	-4.23	-3.09	
Net PAT	89.43	79.47	12.53%
PAT Margins %	2.63%	2.53%	10 bps
Diluted EPS	3.16	2.79	13.26%

All Figures in Rs. Mn except Diluted EPS

Consolidated Financial Performance Comparison – Q3 FY23 v/s Q3 FY22

- Revenue from Operations has **grown by 13.63% from Rs. 3,137.78 Mn in Q3 FY22 to Rs. 3,565.32 Mn in Q3 FY23** mainly led by increase in sales of Focused Maharatna Products owing to resilient demand and effective implementation of the sales strategy.
- The EBITDA **increased by 25.17% from Rs. 185.81 Mn in Q3 FY22 to Rs. 232.57 Mn in Q3 FY23** owing to increase in scale of operations. **EBITDA margins increased from 5.92% in Q3 FY22 to 6.52% in Q3 FY23** on a YoY basis owing to market acceptance of IIL's newly launched products with better margin profile.
- PAT increased by **13.46% from Rs. 82.55 Mn in Q3 FY22 to Rs. 93.66 in Q2 FY23** and PAT margins **increased from 2.53% in Q3 FY22 to 2.63% in Q3 FY23.**

Consolidated financial statement highlights for 9M FY23 v/s 9M FY22

Particulars	9M FY23	9M FY22	YoY%
Revenue from Operations	14,994.31	12,259.78	22.31%
Other Income	8.52	21.85	
Total Revenue	15,002.83	12,281.62	22.16%
Total Expenses excluding Depreciation, Amortization & Finance Cost	13,492.67	10,901.46	
EBITDA	1,501.64	1,358.32	10.55%
EBITDA Margins (%)	10.01%	11.08%	-107 bps
Depreciation & Amortization	194.55	195.72	
Finance Cost	89.85	55.74	
PBT before Share of profits of JV & investment	1,225.76	1,128.70	
Add: Share of Profits of JV & Investment	5.70	4.65	
PBT	1,231.46	1,133.35	8.66%
Total Tax Expenses	306.39	282.41	
PAT	925.08	850.93	8.71%
Other comprehensive profit / (loss)	11.06	-2.13	
Net PAT	936.14	848.80	10.29%
PAT Margins %	6.17%	6.92%	-75 bps
Diluted EPS	31.25	28.62	9.19%

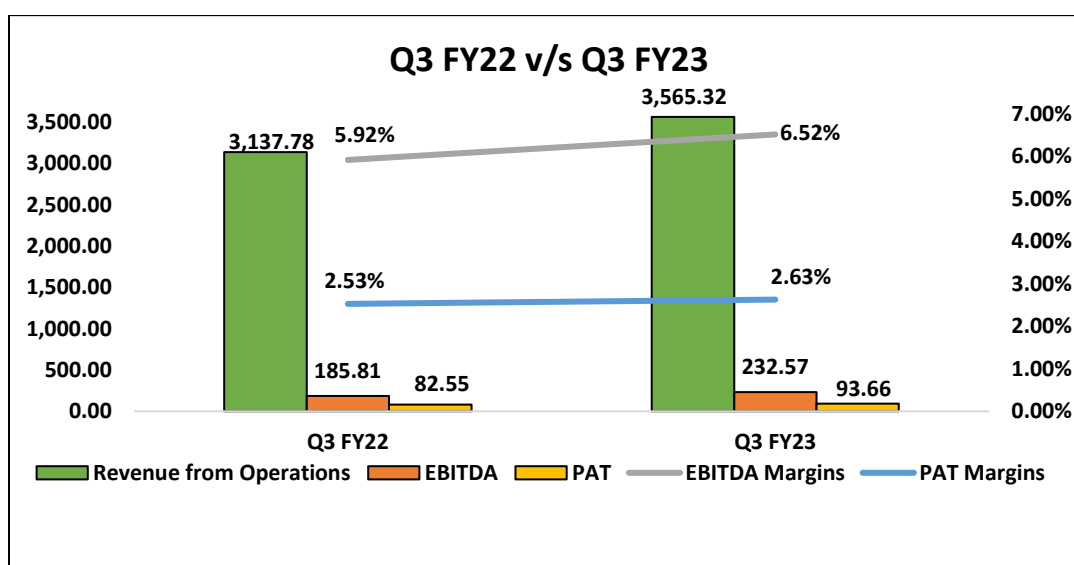
All Figures in Rs. Mn except Diluted EPS

Consolidated Financial Performance Comparison for 9M FY23 v/s 9M FY22

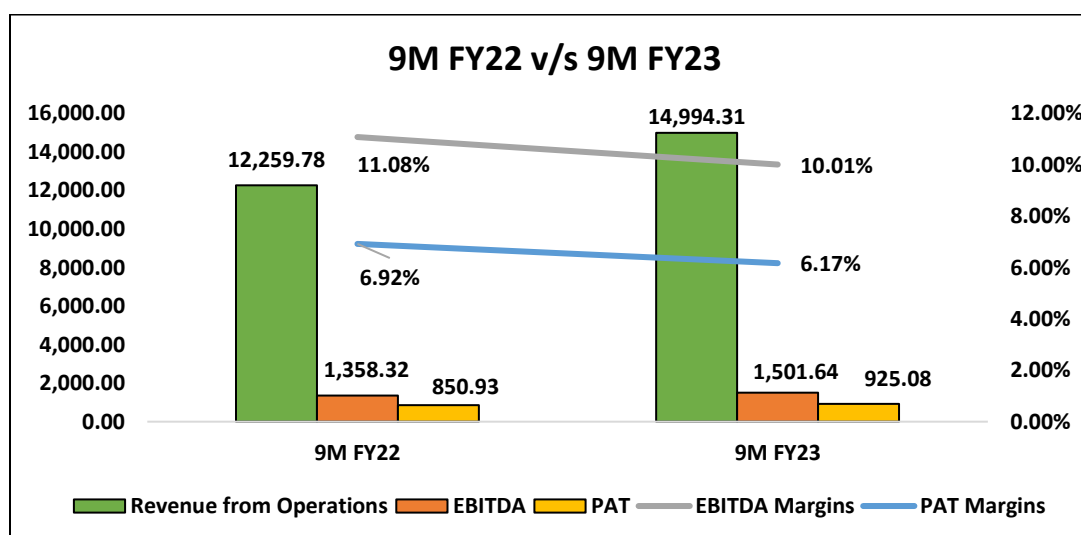
- **Revenue** from operations recorded a growth of **22.31%** from **Rs. 12,259.78 Mn** in **9M FY22** to **Rs. 14,994.31 Mn** in **9M FY23** mainly driven by the increase in sale of Maharatna and Focused Maharatna products and greater acceptance of ILL's newly launched products.
- The **EBITDA** increased by **10.55%** from **Rs. 1,358.32 Mn** in **9M FY22** to **Rs. 1,501.64 Mn** in **9M FY23** owing to increase in revenue from operations and the **EBITDA margins declined marginally from 11.08% in 9M FY22 to 10.01% in 9M FY23** owing to elevated raw material cost witnessed in H1 FY23.
- **PAT** stood at **Rs. 850.93 Mn** in **9M FY22** as compared to **Rs. 925.08 Mn** in **9M FY23** recording a growth of **8.71%** and **PAT margins** stood at **6.92% in 9M FY22** as compared to **6.17% in 9M FY23**.

Financial Snapshot

- **Improving Performance Year on Year**



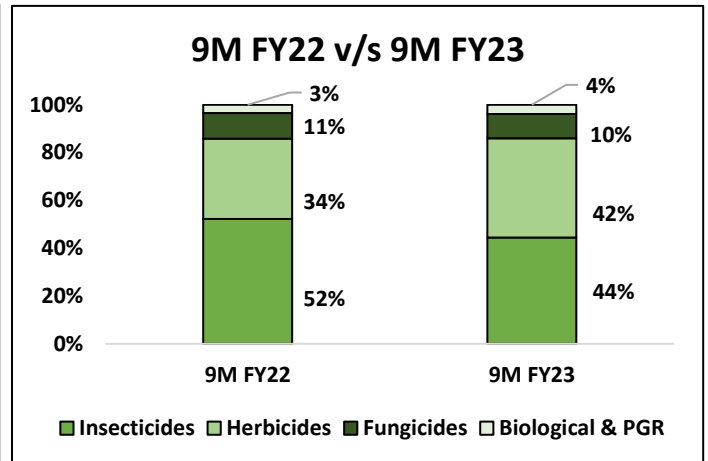
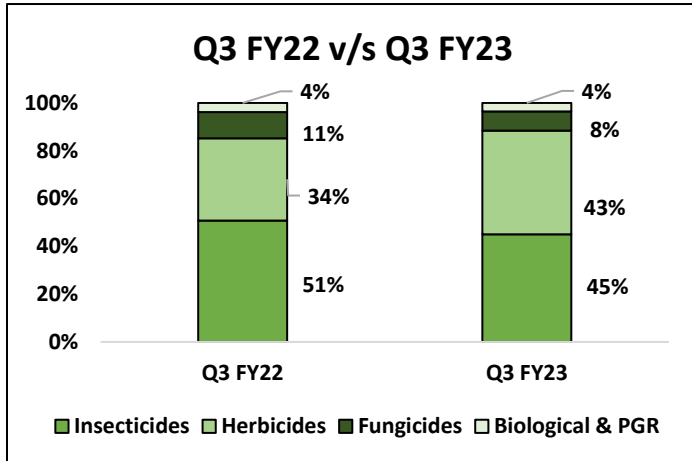
- **9M FY22 v/s 9M FY23**



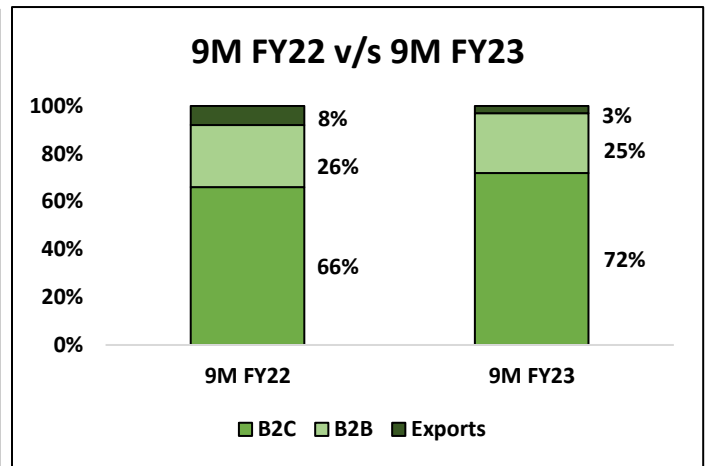
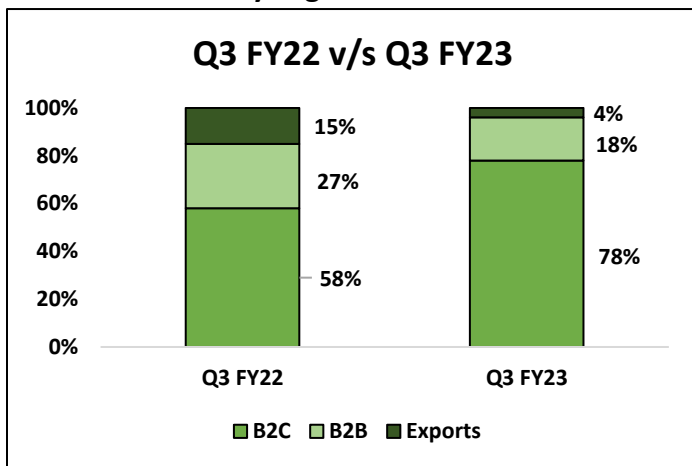
All Figures in Rs. Mn

Revenue Mix

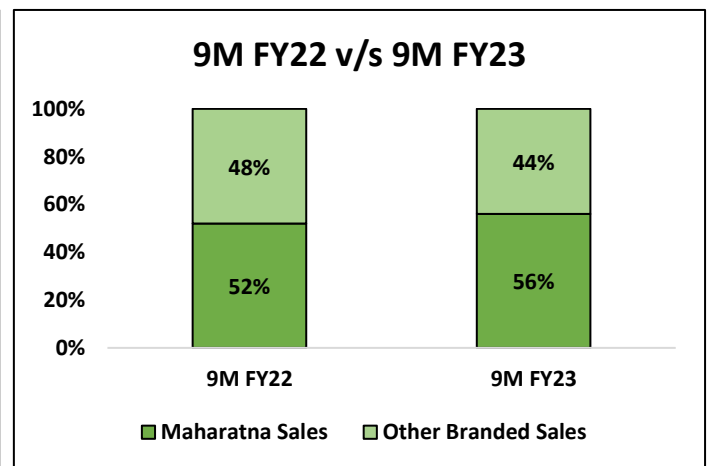
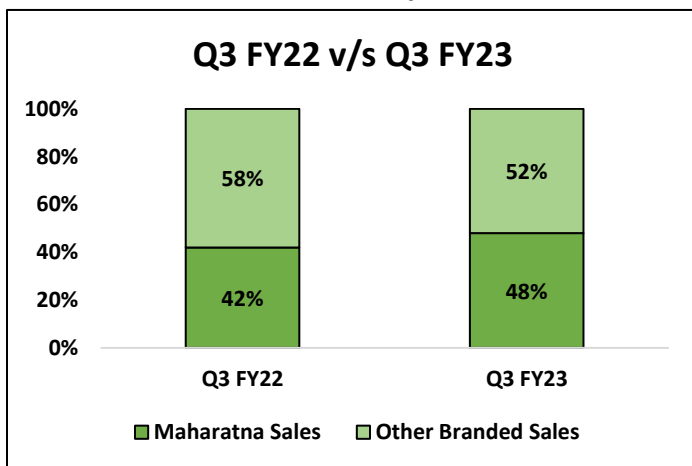
- Category-Wise Sales Breakup



- Net Sales By Segment

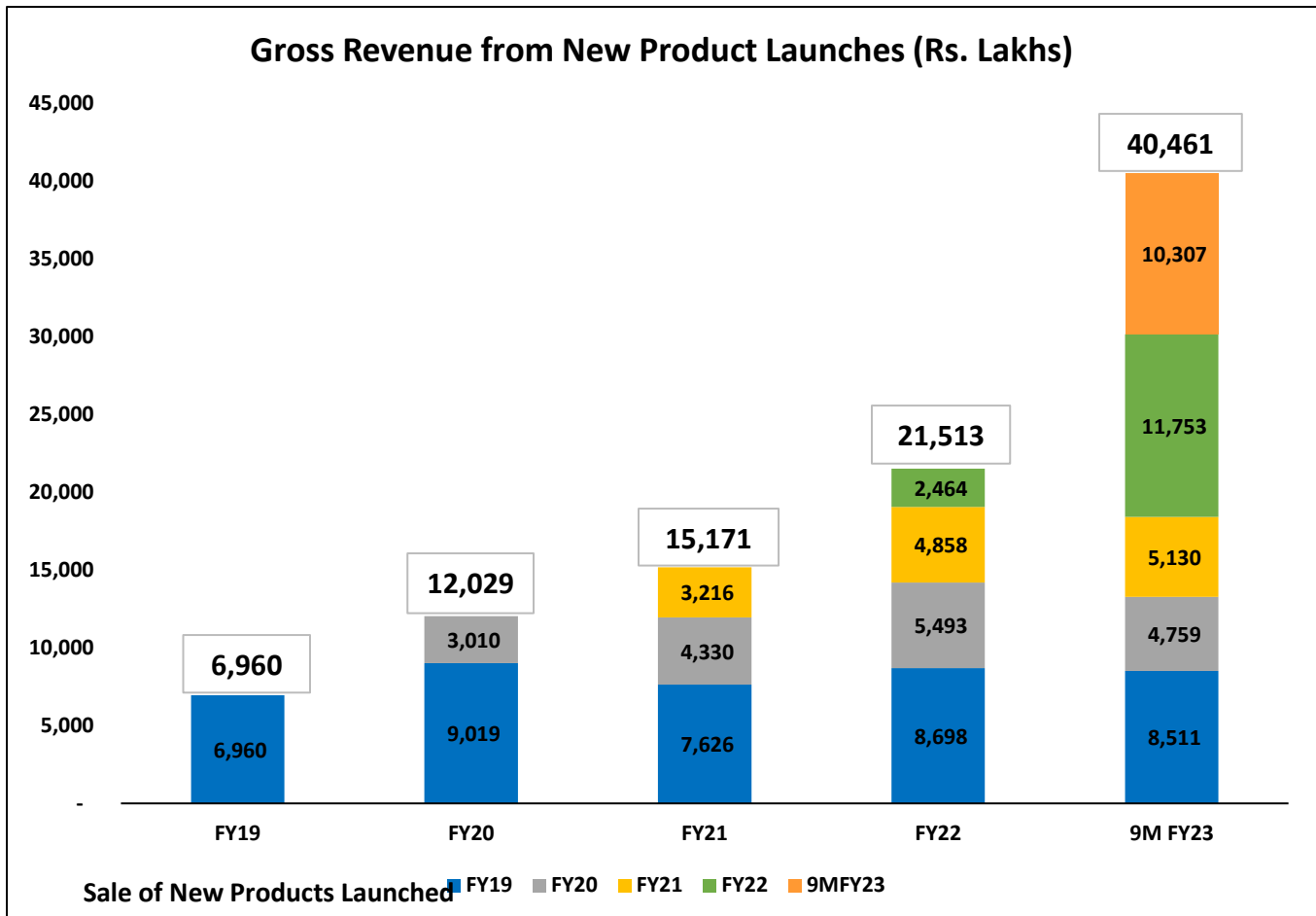


- Maharatna Products V/S Others



Product Freshness Index

IIL is committed to launching new products to keep in touch with the changing needs of agricultural market. The below graph depicts Revenues from new products launched since FY 13 till date.



*Please note that while the Revenue from new products has been tracked since FY13, for brevity purposes we have depicted graphs starting from FY19. The total Revenue from New products launched from FY13 to FY18 is Rs. 1162 Cr.

*There is decline in total revenue generated from new products from FY 19-20 onwards, due to Ban in sale of Product “NUVAN” by the government, whose sales revenue has been included in preceding years.

Recent Notable Developments for Q3 FY23

a. Update on CAPEX

- IIL commenced a major expansion program aimed at increasing the capabilities at both technical and formulation units in Chopanki (Rajasthan) and Dahej- SEZ (Gujarat) in FY21 with a **budget of Rs. 1,100 Mn**. There is a marginal increase in capex budget on account of inflationary costs and non-budgeted incidental expenditures (such as construction of warehouse, installation of solar panels, etc.). The Company already incurred a **total expenditure of Rs. 1,132 Mn till the end of FY22**, going a little over the original budget. Additionally, the Company incurred an **expenditure of ~Rs.340 Mn in H1 FY23 and ~Rs. 150 Mn in Q3 FY23**. The CAPEX for Technical Synthesis plant at Dahej (Gujarat) has been completed and the operations

will commence by Q4 FY23. The company plans to manufacture new intermediates with this capacity expansion that will be used for captive consumption going forward.

b. Business Updates:

- On 6th October, 2022, IIL allotted bonus shares on the basis of record date of 3rd October, 2022 in the ratio of **1:2 i.e. 98,65,946 Equity Shares of Rs. 10/-** taking its' total number of shares to **2,95,97,837**.
- IIL's Credit Rating Agency, CRISIL, maintained the existing ratings i.e. "CRISIL A/Stable" for Long-Term Borrowings and "CRISIL A1" for Short-Term Borrowings.

c. New product launched in Q3 FY23

- IIL has launched "**Stunner**", in the Fungicides category, a contact fungicide with a translaminar effect and is classified as a protectant with anti-sporulation effects and has limited systemic activity. This is used for the protection of Grape, Tomato, and Potato.

Management Comments:

Commenting on the performance of Q3 and 9M FY23, Mr. Rajesh Aggarwal (MD) and the management team said:

"We are very happy to share that we had a modest quarter and nine months FY23, both in terms of financial performance and in terms of market acceptance of our newly launched products in last fiscal year.

On the financial front, IIL has recorded revenue from operations of Rs. 3,565.32 Mn & EBITDA of Rs. 232.57 Mn for Q3 FY23, thus registering a growth of 13.63% in terms of revenue and 25.17% in terms of EBITDA. The EBITDA margins increased by 60 bps in Q3 FY23 on a YoY basis mainly due to market acceptance of IIL's newly launched products with better margin profile. Further, for 9M FY23, revenue stood at Rs. 14,994.31 Mn and EBITDA stood at Rs. 1,501.64 Mn. The EBITDA margins declined by 107 bps in 9M FY23 owing mainly to the increase in cost of raw materials as compared to 9M FY22. Revenue growth was majorly driven by following:

- Products launched in FY22 recorded a revenue of ~Rs. 1,175.33 Mn in 9M FY23, contributing to ~8% of the revenue from operations, as compared to Rs. 246.40 Mn in FY22. This shows the market acceptance of our products among the targeted customers.
- Our R&D initiatives are being recognized as successful innovations in the form of several patents being granted in 9M FY23, taking our total portfolio of patented products to 18, which have performed better than expectations.
- Focused Maharatna products (premium of 11 product range consisting of the top Maharatna brands which are high-ranking in nature with superior margins) have performed really well in the 9M period and our total Maharatna products contributed to ~56% in 9M FY23 as compared to ~52% in 9M FY22, showcasing a positive response to our sales strategy.

On the exports front, we continue to witness good demand, however, in 9M FY23, we focused on exports in a calibrated manner, retaining our caution on the currency movement and likely distress of foreign debtors. The export sales works towards removing the quarterly cyclicity of the business.

In lines with our continuous efforts and focus towards research & innovation, we are pleased to inform that we have successfully obtained 9(3) registration for Thiamethoxam 0.4% + Bifenthrin 0.8% GR and Glyphosate Potassium Salt 54% w/v SL in this quarter. We expect our sustained efforts at data generation & registration to yield several product registrations in developed international markets in the next two years.

We have launched a new product, “Stunner” in Q3 FY23 and we expect incremental contribution in Revenues from this product in the coming quarters. We also plan to launch a new product, by the brand name “Mission”, in the Insecticides Category and we are proud to state that the technical and formulation will be manufactured in India by our Company as well. This product will be used for protection of Paddy and Sugarcane. The manufacturing of this product will be in line with sustained efforts of IIL to contribute to PM Modi’s vision of “Aatma Nirbhar Bharat”.

We are pleased to inform that we have completed our ongoing CAPEX plan at Dahej and the plant will commence operations by Q4 FY23 and will be fully operational in FY24. We witnessed an increase in the cost over the allocated budget owing to additional expenditure incurred on account of construction of warehouse and installation of solar panels and the rising inflation, however appropriate and timely actions were taken to minimize the incremental cost.

At IIL, we continue to move forward on our mission to grow responsibly towards a sustainable future through continuous support of our employees and other stakeholders. I would like to conclude by thanking all our stakeholders for helping us grow and move in the right direction.”

Management Guidance:

- The management expects the **top line to grow by a double digit in FY23**, mainly driven by expansion of facilities, addition of new generation products and adding significant number of product registrations in the current fiscal. The new generation products will not only help in top line growth but also help in margin accretion.
- The management expects to exceed **revenue of Rs. 1,000 Mn through exports** in FY23 on the back of existing healthy order wins.
- The management plans to launch **5 to 6 new generation products in FY23**, out of which **4 products** have already been launched **till 9M FY23**.

About Insecticides (India) Limited

Insecticides India Ltd. (IIL) is one of India’s leading manufacturers of Agrochemicals. It provides farmers with a range of products for their crop protection requirements. It also owns the prestigious “Tractor Brand” which has gained great popularity in the farming community. It has state-of-art manufacturing facilities located at Chopanki (Rajasthan), Samba & Udampur (Jammu & Kashmir) and Dahej (Gujarat). It also has technical synthesis plants at Chopanki and Dahej which provides the company with competitive advantage by backward integration. The company also prides of having great R&D capabilities and technical expertise to provide farmers with effective and innovative products. IIL foundation, an initiative by IIL, is involved in imparting knowledge to farmers regarding modern agricultural practices to improve their crop output.

For further information on the Company, please visit www.insecticidesindia.com

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