



31<sup>st</sup> January, 2022

The Secretary

Listing Department

BSE Limited

National Stock Exchange of India Ltd.

Phiroze Jeejeebhoy Towers,

Exchange Plaza,

Dalal Street, Fort,

Bandra - Kurla Complex, Bandra (E)

Mumbai – 400 001

Mumbai – 400 051

BSE Code: 500645

NSE Code: DEEPAKFERT

Dear Sir/ Madam,

**Sub: Earnings presentation for the quarter and nine months ended 31<sup>st</sup> December, 2021**

Please find enclosed an earnings presentation of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2021.

We request you to take the same on your record.

Thanking you,

Yours faithfully,

**For Deepak Fertilisers**

**And Petrochemicals Corporation Limited**

**Ritesh Chaudhry**



**Company Secretary**

Encl: as above.



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**

(BSE: 500645; NSE: DEEPAKFERT)

# Earnings Presentation Q3 FY2022

31<sup>st</sup> January 2022



**MINING CHEMICALS**



**INDUSTRIAL CHEMICALS**



**CROP NUTRITION**

**FUTURE  
READY**  
*Transforming from Commodity to Specialty*

# Consolidated Financial Highlights

Strong business performance reflected in strong EBITDA margins and PAT growth

Rs. Crores	Q3FY22	Q3FY21	Y-o-Y growth	9M FY22	9M FY21	Y-o-Y growth
Operating Revenue	1,956	1,447	35.1%	5,651	4,233	33.5%
<b>Operating EBITDA</b>	<b>352</b>	<b>217</b>	<b>62.3%</b>	<b>854</b>	<b>682</b>	<b>25.2%</b>
<i>Margins (%)</i>	18%	15%	-	15%	16%	-
Finance Cost	36	43	(15.4%)	116	140	(16.8%)
D&A	66	53	24.0%	180	160	12.1%
<b>Net Profit</b>	<b>181</b>	<b>89</b>	<b>103.0%</b>	<b>405</b>	<b>291</b>	<b>39.2%</b>
<i>Margin (%)</i>	9.2%	6.1%	-	7.1%	6.9%	-

Business and marketing focus towards end consumer is showing result with operating profit growth

Finance Cost reduced by 15.4% Y-o-Y primarily driven by better working capital management and reduction in interest rate on existing loans

Depreciation increased YoY due to one time accelerated depreciation taken in some equipment anticipating reduced useful life of these asset

# Synergistic Business Model

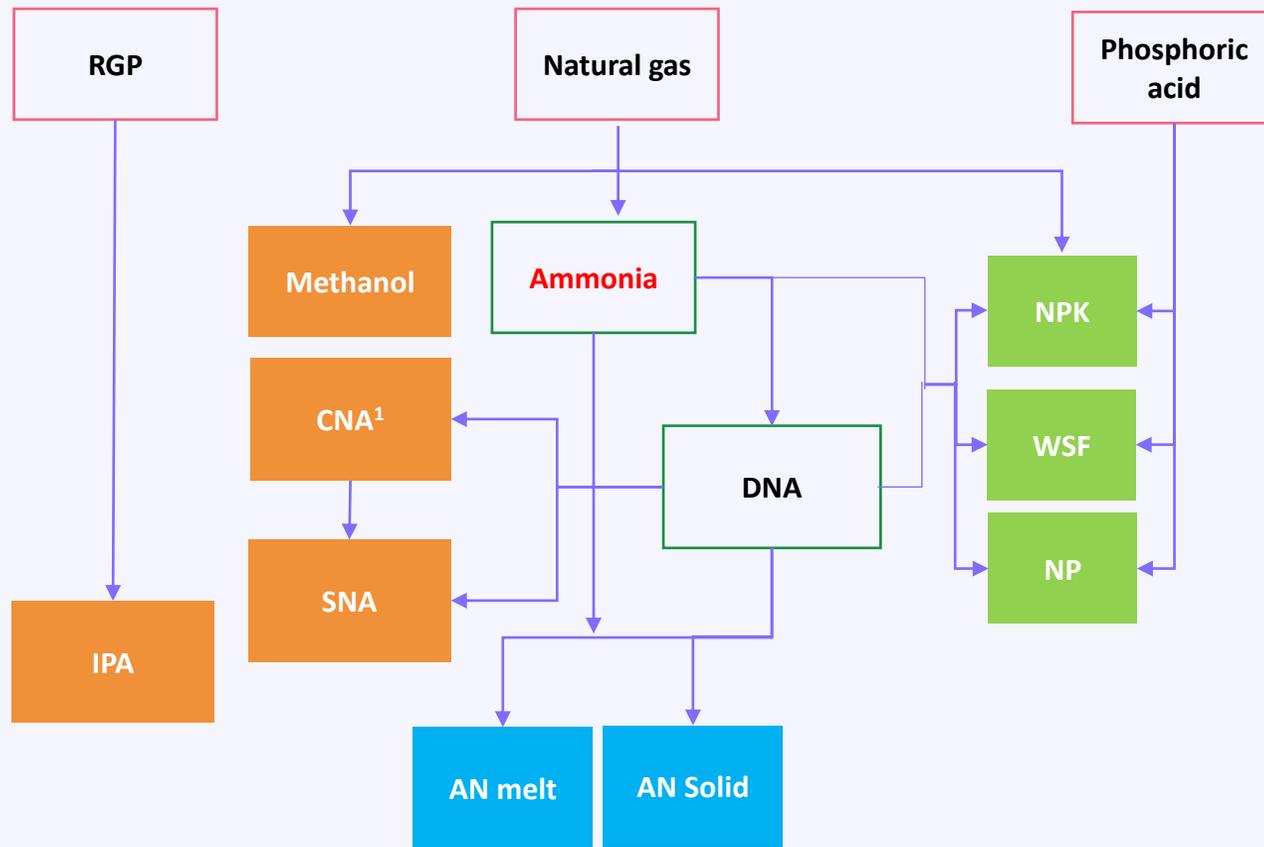
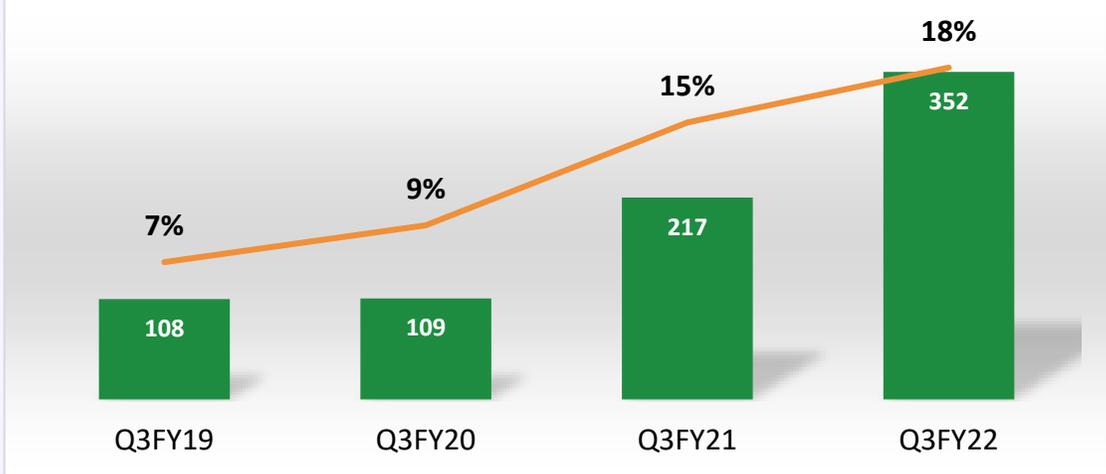
Quarterly Operating EBITDA grew at CAGR 48.3%; margins improved from 7% to 18% between 2019 - 2022

## Operating Revenue (Rs. Cr)



\*Cautiously consolidated trading portfolio with focus on high-margin products

## Operating EBITDA (Rs. Cr) and Margins (%)



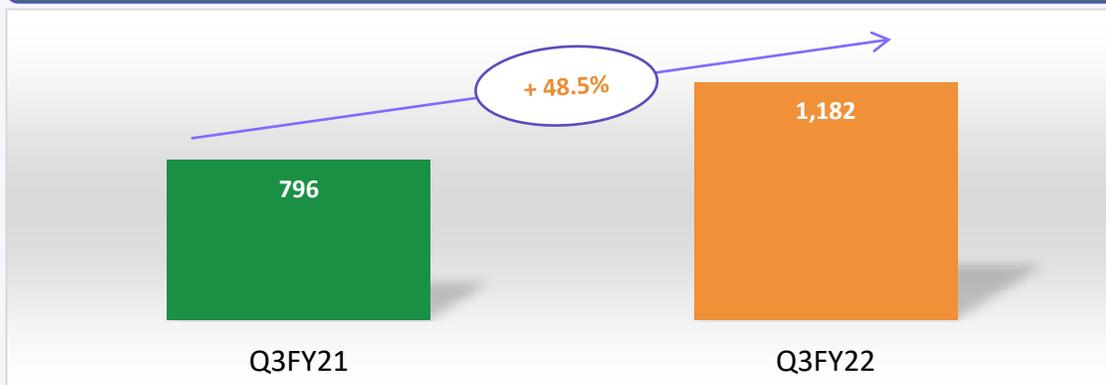
  Sourcing raw materials   
   Produced/sourced raw materials  
 Fertiliser business   
  TAN business   
  IC business

# Quarterly Performance Trend

Strong topline growth across business segments; Operating Profit continued to build on growth momentum despite unfavourable raw material prices impacting Iso Propyl Alcohol and Fertiliser segment profitability

## Chemicals Business

### Revenues (Rs. Cr)

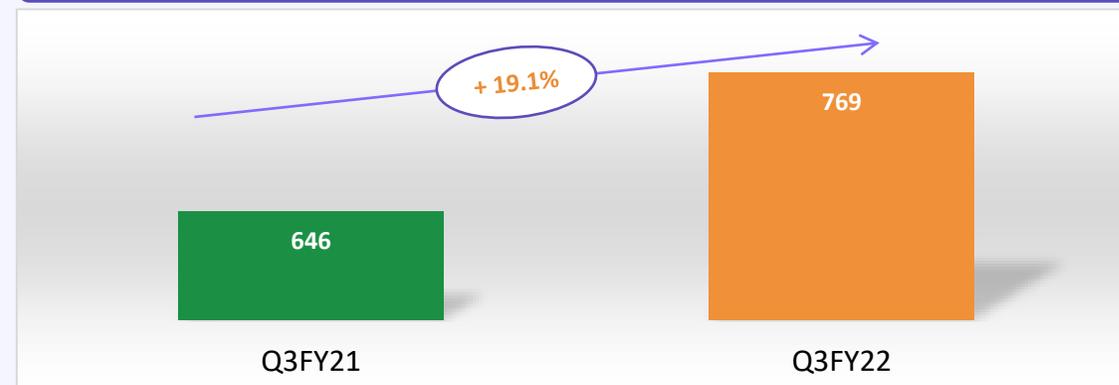


### Segment Profit (Rs. Cr)



## Fertilisers Business

### Revenues (Rs. Cr)



### Segment Profit (Rs. Cr)



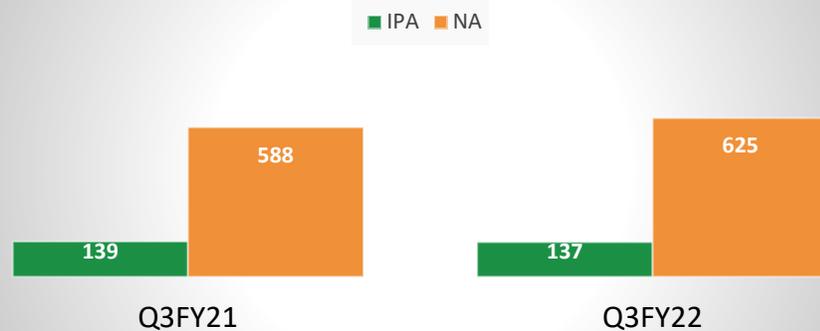
# Quarterly Performance Trend

**Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers**

## Pharma / Speciality Chemicals (IPA+NA) (Manufactured Sales Rs. Cr)



## Pharma / Speciality Chemicals (Manufactured Sales Volumes MT 00)



## Q3FY22 Capacity Utilization

**IPA 88%**

**ACIDS 86%**

## Operational Highlights

- Despite significant increase in Ammonia Prices, Nitric Acid demonstrated improvement in both volumes (6%) and margins backed by the improved demand from the downstream industries
- Production at Dahej WNA Plant suffered due to technical issue which has been resolved and resumed normal operations in Dec 2021. Despite this, the overall revenue and margins were maintained
- IPA demand remained subdued, significant increase in price of RGP (76%) impacted margins
- IPA Pharma and LR grade in small packs (25L and below) have been getting good response from the market. Has application in Pharma, Automotive, Food, Electronics, Cosmetic, and other industries. On export front, IPA USP grade consignment in 25L pack size dispatched to South Africa. Received new orders to supply IPA small packs to Armenia and South Africa

## Outlook

- Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers
- Chinese new year restocking, falling Acetone inventories and plant turn around will support the NSP growth of Acetone and IPA
- Quantitative restrictions (QR) notification is awaited during this quarter, which should support the Indian IPA producers

# Quarterly Performance Trend

**Mining Chemical delivered an outstanding quarter; Outlook remains encouraging supported by increase in Mining and Infrastructure related activities**

## Mining Chemicals (TAN) Revenue (Manufactured Sales Rs. Cr)



## Mining Chemicals (Manufactured Sales Volumes MT 00)



## Q3FY22 Capacity Utilization

**TAN 110%**

## Operational Highlights

- Q3 FY22 witnessed recovery in demand, post seasonality impact in Q2. TAN Business achieved a capacity utilization of 110%
- In Q3 FY22, Coal India's over burden production recorded a growth of 8% YoY and 43% QoQ. However, Cement & Steel production were flat on YoY basis
- Despite adverse impact of increasing Ammonia and Commodity costs, margins in all product segments (i.e. HDAN, AN Melt and LDAN) improved as supported by robust demand, sales volume growth (24% YoY & 31% QoQ) and improved product mix
- Marketing team continued to work closely with its customers across Limestone/Metal Mines and Infrastructure segments to demonstrate technical capability, value and cost benefits, and security of supply through use of ANFO and High Energy Emulsion blend explosives

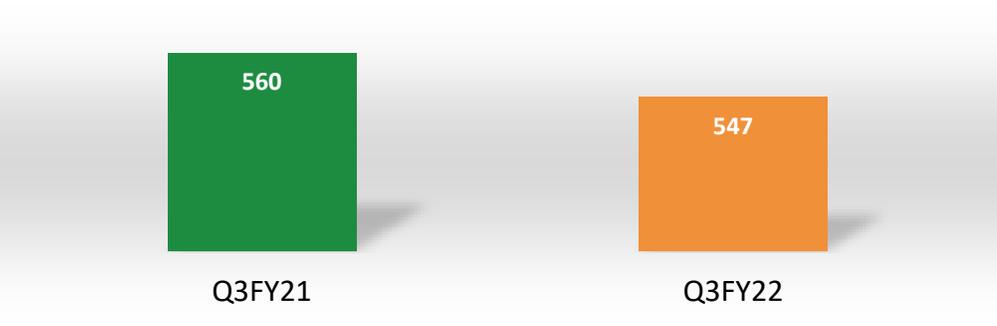
## Outlook

- Demand for explosives are expected to increase with the positive outlook for infrastructure, power and mining sectors
- The Company continues to demonstrate and deliver value propositions of ANFO based explosives through Technical Services as mining activities picks up

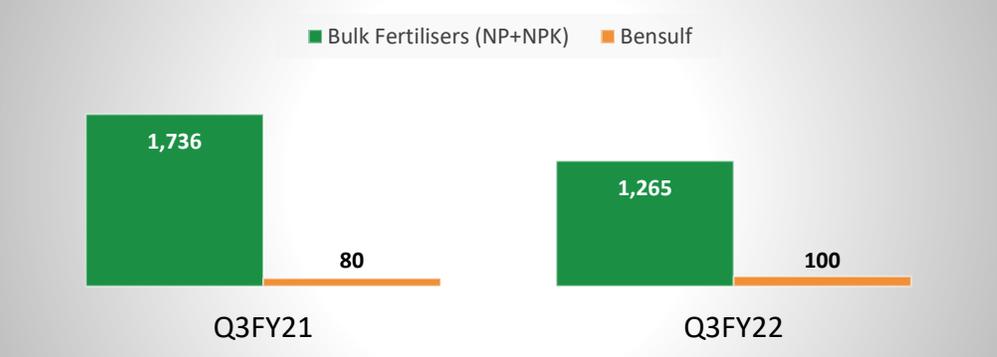
# Quarterly Performance Trend

**Focused on enhance efficiency fertilizer, crop specific portfolio to optimize available resources and mitigate increase in raw material prices**

## Fertilisers Revenue (Manufactured Sales Rs. Cr) (NP + NPK + Bensulf)



## Fertilisers (Manufactured Sales Volumes MT 00)



## Q3 FY22 Capacity Utilization

**NP/NPK 47%**

**Bensulf 36%**

## Operational Highlights

- Early onset of winter & higher required moisture following a delayed withdrawal of monsoon made favorable condition for Rabi Sowing
- Q3 FY22 Revenues grew by 19.1% to Rs. 769 Cr with segment profit of Rs. 28.5 Cr
- Fertiliser segment profitability was impacted due to unfavorable movement of key RM Prices Y-o-Y (Ammonia ▲ ~115%; Phos Acid ▲ ~78.5%)
- Uncertainties of raw material availability impacted the NP and NPK volumes in Q3
- For the first time in India, the Company, launched ‘Mahadhan Croptek’, a Crop Specific Nutrient which provide balance and Complete crop nutrient to crops
- DFPCL actively connected with farmers through social media platforms such as Facebook, YouTube, WhatsApp and Mobile App - Mahadhan App. Digital team engaged around 17 million famers in these 9 months via different social media platforms

## Outlook

- Key Raw material prices are expected to further increase in Q4
- Strategically directed efforts right from Crop Specific product to farmer-focused marketing drive are expected to benefit DFPCL’s market share and margins
- With almost full reservoir levels across the country, the stage is set for a good Rabi harvest

# Croptek

For the first time in India, the Company, launched 'Mahadhan Croptek', a Crop Specific Nutrient which provide balance and Complete crop nutrient to crops



**खताच्या प्रत्येक दाण्यात कांदा पिकाचे संपूर्ण समाधान!**

**MAHADHAN Croptek**  
FERTILISER  
NPK-8:21:21  
S 2% Mg 1.2% Zn 1% B 0.2-0.3%

**NUTRIENT UNLOCK TECHNOLOGY**

**MAHADHAN Croptek**  
नजर ठेवा उद्यावर

**Croptek**

- खतांचा 20% खर्च कमी
- 10 ते 12% अतिरिक्त उत्पादन

\*ICAR संलग्न कृषी संशोधन संस्था/विद्यार्थींनी घेतलेल्या विविध चाचण्यांवर आधारीत.

**क्रॉपटेक काय आहे ?**

**MAHADHAN Croptek**

- भारतात सर्वप्रथम निर्मित कांदा पिकासाठी संतुलित खत
- कांदा पिकास आवश्यक अन्नद्रव्यांच्या गरजेनुसार निर्माण करण्यात आलेले विशेष खत
- प्रत्येक दाण्यामध्ये (अॅन्युलमध्ये) सर्व अन्नद्रव्ये संतुलित प्रमाणात उपलब्ध
- ज्यात आहे एनपीकेसह दुय्यम व सूक्ष्म अन्नद्रव्यांचा समावेश
- न्युट्रियंट अनलॉक टेक्नॉलॉजीसह

**असंतुलित पोषण** (X)

**संतुलित पोषण** (✓)

पिकांच्या संतुलित पोषणासाठी फक्त क्रॉपटेक!

**हे फक्त खतच नाही, हे आहे कांदा पिकासाठी संपूर्ण आणि संतुलित पोषण !**

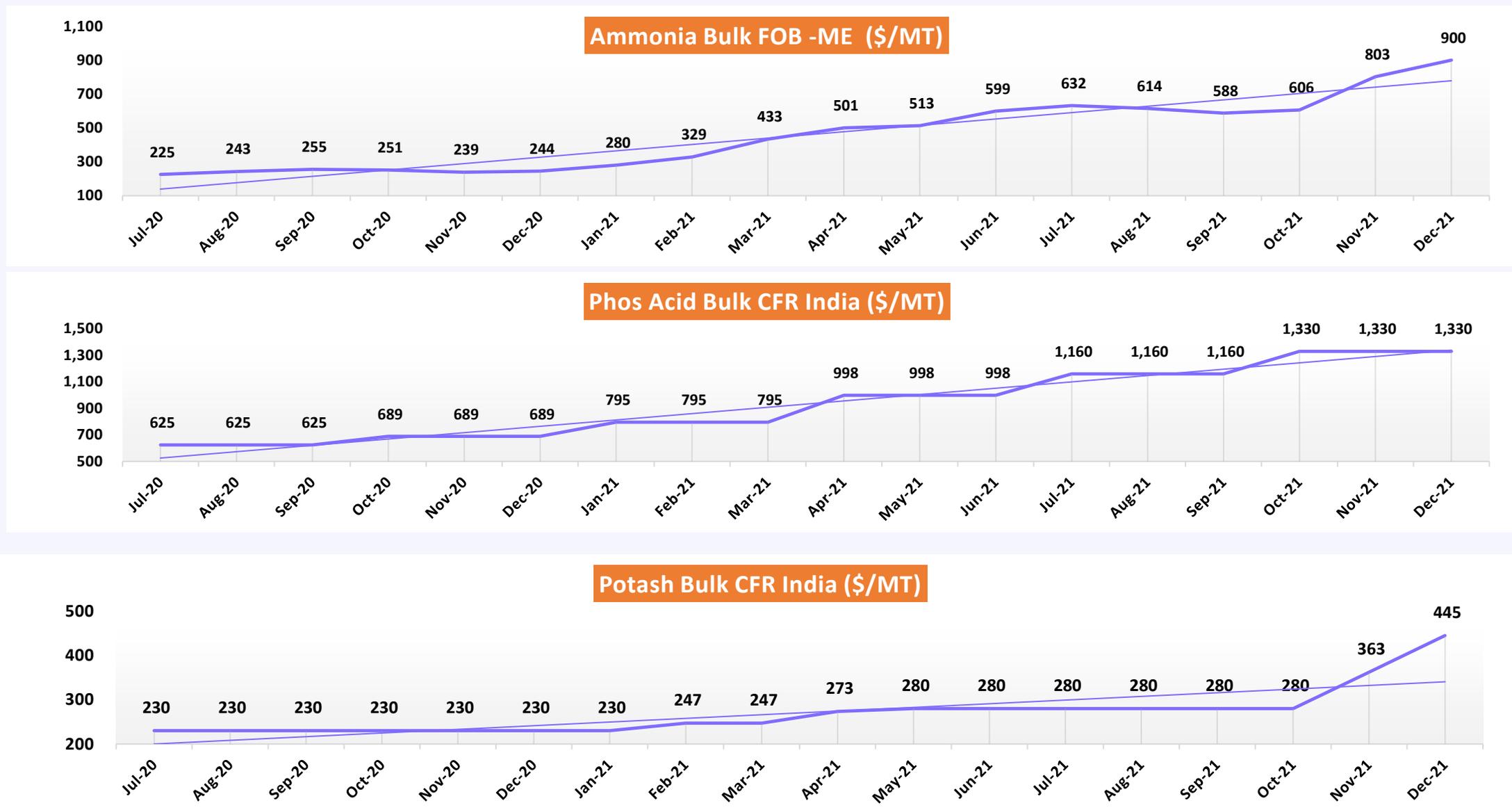
**MAHADHAN Croptek**

- खतांवरील खर्च २०% पर्यंत कमी करते
- ८५-९०% कांदे 'ए' व 'बी' ग्रेडचे तयार होतात
- १०-१२% अधिक उत्पादन मिळते
- ५-६ महिन्यांपर्यंत कांदा चाळीमध्ये घांगला टिकतो

\*ICAR संलग्न कृषी संशोधन संस्था/विद्यार्थींनी घेतलेल्या विविध चाचण्यांवर आधारीत.

# Raw Material Price Movement Trend

Movement in last 1<sup>1</sup>/<sub>2</sub> Year



# Update on Upcoming Projects

**Clearly defined investment program; strong track record of peak utilization demonstrated at Dahej plant**

**Ammonia**

- Total planned Investment: **Rs 4,350 cr**
- Cost incurred to date: **Rs. 2,074 cr**
- Debt incurred to date: **Rs. 930 cr**

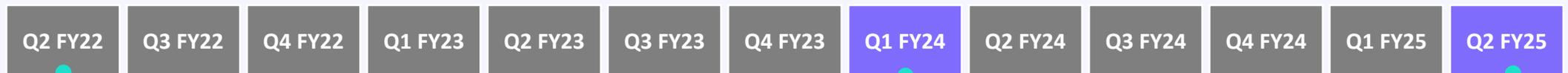
- Balance investment: **Rs. 2,276 cr**
- Expected commissioning: **Q1 FY24**

**TAN**

- Total planned Investment: **Rs. 2,200 cr**
- Cost incurred to date: **Rs. 357 cr**
- Debt incurred to date: **Rs. 0**

- Period investment: **Rs. 700 - 900 cr**

- Balance investment for TAN planned capex
- Expected commissioning: **Q2 FY25**



Capacity (MTPA)	Q4 FY21	Ammonia Expansion	Q1 FY24	TAN Expansion	Q2 FY25
Ammonia	128,700	+510,000	<b>638,700</b>		638,700
Technical Ammonium Nitrate	486,900		486,900	+376,000	<b>862,900</b>
Industrial Chemicals	1,362,160		1,362,160		1,362,160
Crop Nutrition Business	985,720		985,720		985,720

# Ammonia Plant - Status Update



**RAW WATER & FIRE WATER TANK**



**COOLING TOWER AREA**



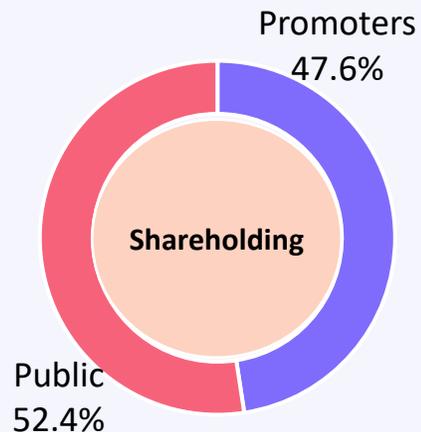
**COMPRESSOR AREA**



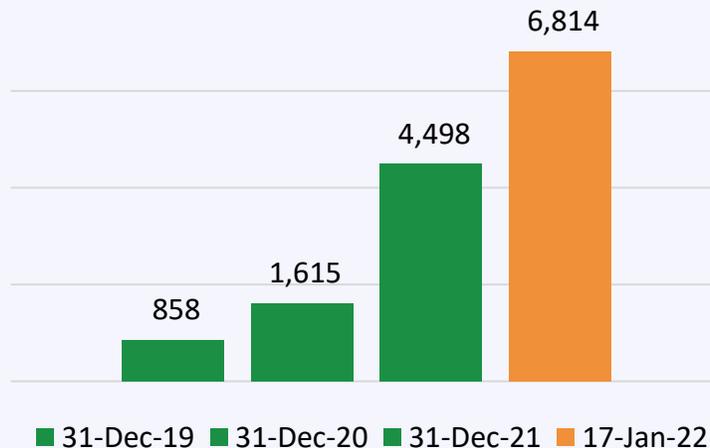
**REFORMER AREA**

# Capital Market Update

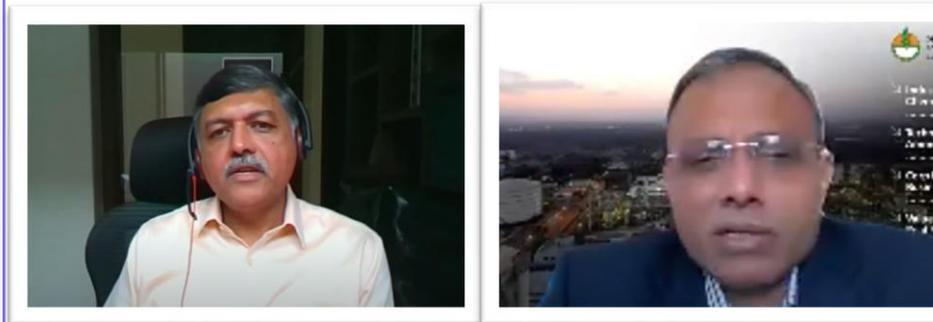
**Total Shares Outstanding**  
120,592,948



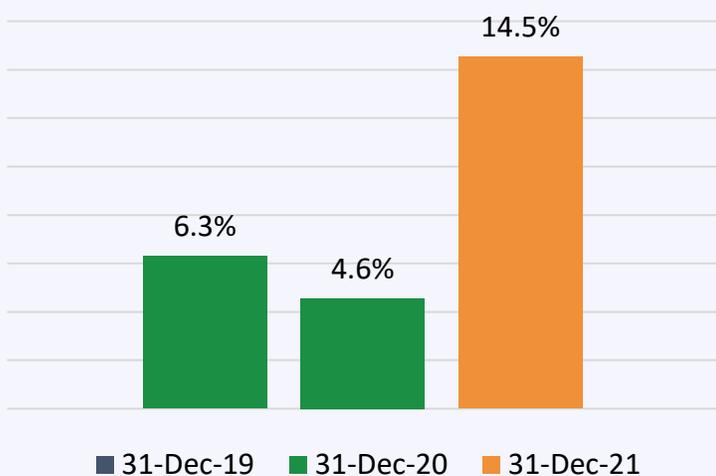
**Market Cap (Rs. Crores)**



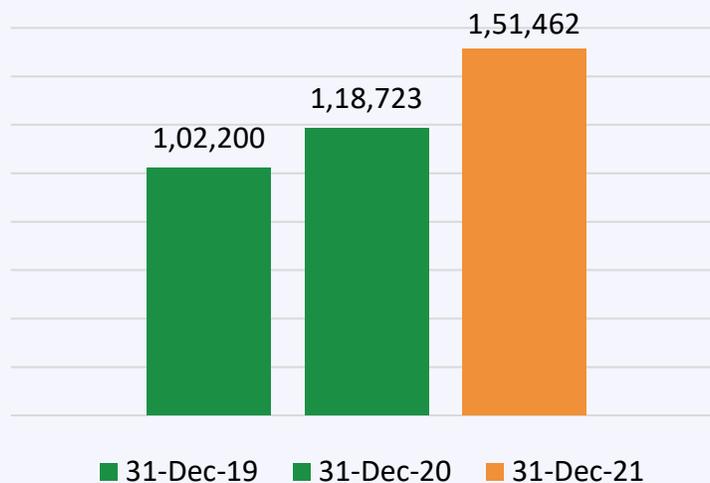
**Representation from Senior Management (including business heads) of DFPCL in virtual investor meet**



**Institutional Ownership (%)**



**Total No. of Shareholders**



**FIRST EVER Virtual Investor Meet:**

- Virtual meet with Investors and Analysts held on 13<sup>th</sup> Jan 22; 3.5 Hours long session; 367 record participants, 1,100+ Youtube Views

**QIP (Oct 2021):** Global Long term Marquee Investors Join Deepak Fertilisers via QIP of Rs. 510 Cr

- Some of DFPCL's top institutional shareholders include Smallcap world fund, Government pension fund global, BNP paribas , Axis mutual fund , Fidelity funds, Habrok capital etc

**Shares Pledged:** 10.3 mn shares pledged out of total 57.4 mn shares held by promoters; 17.9% of promoter holding and 8.5% of total shares are pledged (excluding IFC NDU and negative lien) as of 31st Dec 2021

## Corporate Social Responsibility

### Rural Initiatives

#### WADI Project

- Provided NPK fertilizer to 221 Wadi Aspirants.
- 41 aspirants completed soil conservation work
- 199 wadi aspirants Completed sowing of vegetable such as Bitter Guard, Sponge Guard, Bottle Guard, Cucumber, Cow Pea, Chilli, Brijal

#### Dairy Development Project

- Support Given for purchase cow and medicine kit to 4 aspirant
- Total Artificial Insemination Done: 246
- 275 Cattle Vaccinated by FMD vaccine as preventive measure
- Distributed Maize seed to 50 Aspirants for Fodder development

#### Aarogyam

- Doorstep health services provided to 3214 patients through mobile clinic villages in and around Taloja MIDC.
- During the Q-III done cataract surgeries of 46 patients
- Installed PSA Medical Oxygen Plant at Sardar Patel Hospital Navsari city of Gujrat State

#### Gyanam Project

- Provided Science Lab Equipment and Printer to Madhymic Vidhyalay Chindran. Use of Equipment student No's: 175
- Aanganwadi Classroom Construction work At Pale Kh is in progress.

### Vocational Skills Development Program (VSDP) & LEED



42 women's and girls are taking basic garment training at Pale training center.



Support to Individuals towards Enhancing Entrepreneurship to 24 Aspirants



Awards being given by Mrs Parul Mehta-Trustee Ishanya Foundation, Mr M. Mahesh and Mr Pramod Jagtap

## Recent Awards



DFPCL's has won Pune Best Employer Brand Award – 2021 on July 2021 hosted by World HRD Congress



DFPCL has won "Asia Manufacturing Excellence Award of 2021" at the 12th CMO ASIA Awards for its innovation in the Utilization of Reverse Osmosis Plant to Save Water, Energy, Chemical Consumption & Improvement of Reliability of Heat Exchanger in their Iso Propyl Alcohol (IPA) Plant.



DFPCL received the Digital Technology Senate Awards 2021 under Internet of Things category organized by The Indian Express Group



DFPCL received the prestigious IDC Future Enterprise Awards, 2021 in Digital Transformation (DX) Best in Future of Customers and Consumers"; in the first-ever IDC Future Enterprise Awards for India..

# Key Messages

**DFPCL caters to strategic sectors of the Indian economy, with diversified product portfolio catering towards them.....**

- Q3 FY22 Revenue growth +35%, Operating EBITDA and Net Profit growth of 62% and 103%, respectively
- Market leadership in all key product segments and strong demand outlook to further support business growth and profitability
- Transformation from Commodity to Specialty and Product to Solutions continues
- Growth in sales volumes supported by improving utilization levels, capacity expansion and backward integration to drive long-term growth
- **Pharma / Speciality Chemicals:**
  - Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers
  - IPA business is moving to preferentially place product into higher margin applications and formulated offerings to sustain and improve margins
- **Mining Chemicals:**
  - With the positive outlook for the mining, infrastructure and power sector, the Company is expected to benefit from the increased TAN demand, a trend that is likely to sustain
  - Leveraging advanced technologies like Drones & AI-based blast modelling to improve productivity in the mines and infrastructure projects
- **Fertilisers:**
  - Our strategically directed efforts right from Crop Specific product to farmer-focused marketing drive to benefit in expanding our market share and margins
- Greenfield ammonia plant is making speedy development on the ground and is progressing as per planned schedule
- **With all the three sectors: Industrial Chemicals, Mining Chemicals and Fertilisers, strongly aligned to India Growth story, positive tailwinds will continue**

**Safe Harbour:** This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Deepak Fertilisers and Petrochemicals Corporation limited’s (DFPCL) future business developments and economic performance. While these forward looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks and uncertainties, are based on management belief as well as assumptions made by and information currently available to management and only indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. DFPCL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



**DEEPAK FERTILISERS  
AND PETROCHEMICALS  
CORPORATION LIMITED**



**DEEPAK FERTILISERS AND  
PETROCHEMICALS CORPORATION LIMITED**

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POLLING NOW!

**2022 ASIA (EX-JAPAN) EXECUTIVE TEAM**

**Institutional  
Investor**

*Polling for Institutional Investor’s 2022 Asia (ex-Japan) Survey has begun! The survey will be open until February 4, 2022:*  
<https://voting.institutionalinvestor.com/>