

Quarter and Nine Months Ended 31st December 2021 Results Presentation

January 2022

Safe Harbor Statement

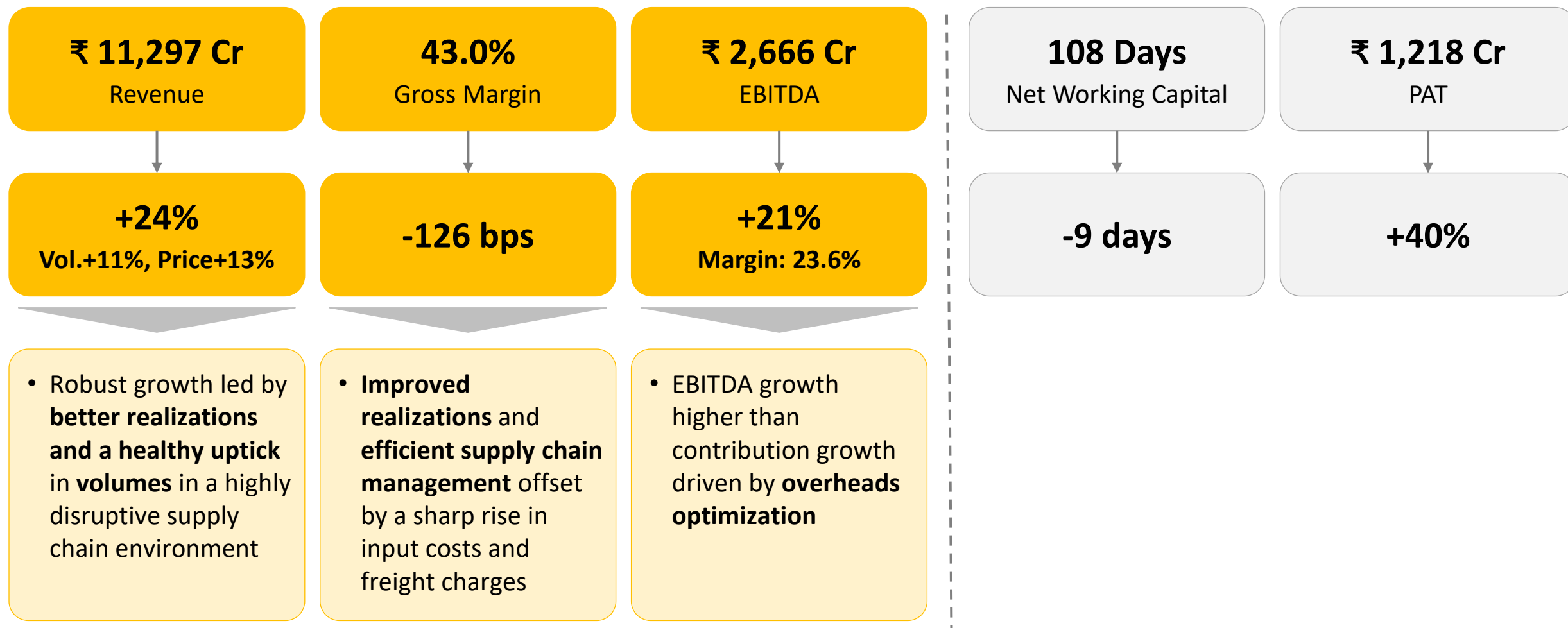
This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of UPL Limited (UPL) and certain of the plans and objectives of UPL with respect to these items. Examples of forward-looking statements include statements made about our 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.

Key Q3 FY2022 Developments

- Ranked **No. 1 for Sustainability Performance** by Sustainalytics amongst peers second year in a row
- Recognized by **World Benchmarking Alliance (WBA)** as a **leading Agricultural company worldwide**
 - UPL ranked 2nd out of 55 companies in Agriculture and 15th out of 350 companies in Food and Agriculture
- Successfully launched **“The Gigaton Challenge”** in Brazil/ Chile –1 Bn ton **CO₂** reduction by 2040
 - Received **‘The Zero Award’** during The Zero Summit for outstanding contribution in ‘Fighting Climate Change’
- Progressing UPL’s **Soil Health Initiatives:**
 - Launched **Global Soil Health Program** during COP26
 - **Carbon & Soil Health Radicle Challenge** to access disruptive technologies, and identify equity investments; >150 submissions from 40 countries
- Raised **tranche 2** of **\$700M sustainability loan** (total: \$1.45B) at **35bps lower rate** than acquisition debt
- **nurture.farm “end the burn”**: >425K acres saved from burning, and converted to sustainable farming practices, preventing a potential release of ~1 million tons of CO₂ emissions
- Won CII Industrial IP Award 2021 for third consecutive year
- Bunge to acquire 33% in Sinagro, **accelerating its growth plans in Brazil and UPL sales potential**



Q3 Business Highlights

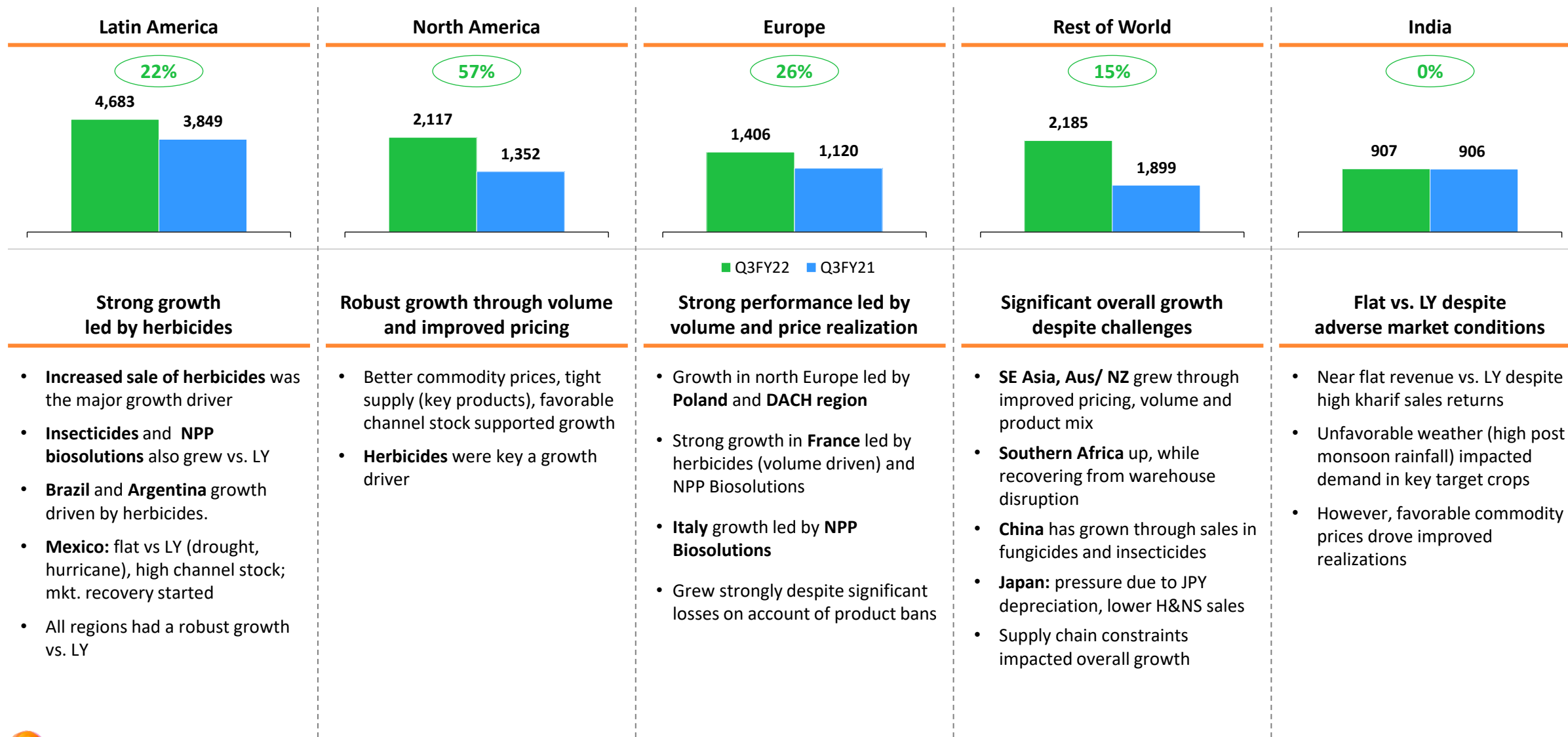


Note:

- All changes vs Dec 2020
- Adjusting for investment on digital platform of INR 75 crore in Q3 FY22 and INR 27 crore in Q3 FY21, EBITDA growth stood at 23% and EBITDA margins at 24.3% for Q3 FY22

Q3 FY2022 Regional Highlights

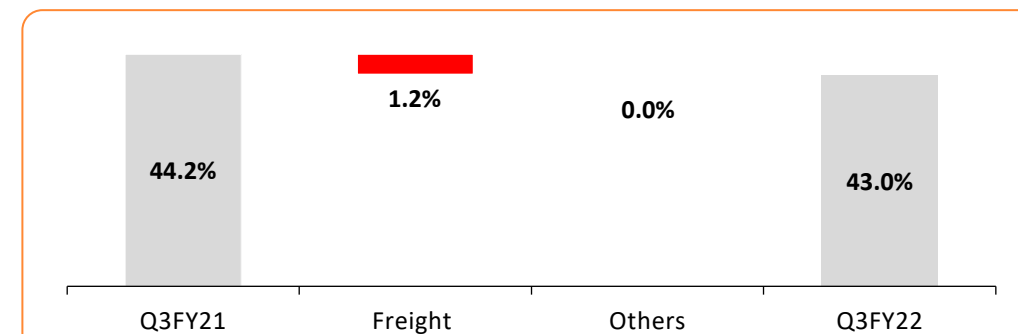
(₹ crore)



Q3 Performance Highlights

(₹ Crore)	Q3 FY 2022	Q3 FY 2021	B/(W) LY
Revenue	11,297	9,125	24%
Gross Margin	43.0%	44.2%	-126 bps
Fixed OH	2,190	1,828	20%
EBITDA	2,666	2,209	21%
EBITDA Margin	23.6%	24.2%	-61 bps

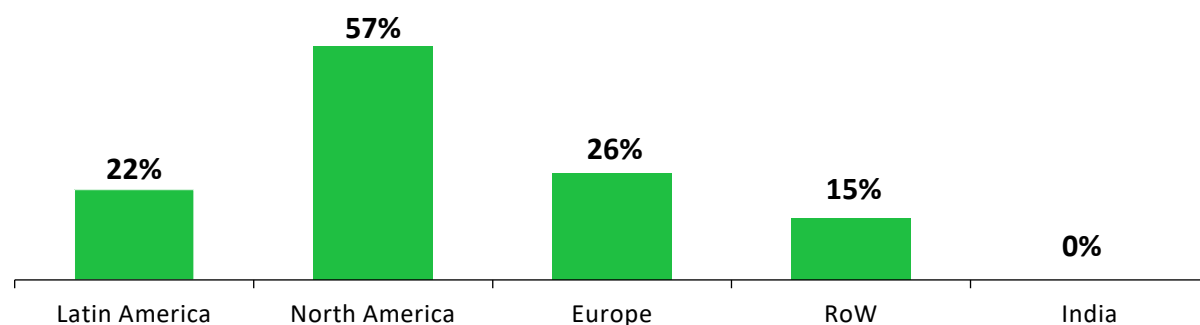
CM% Variance



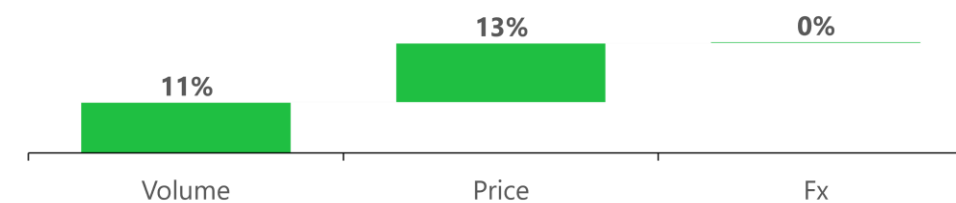
Marginally lower contribution margin vs. LY:

- Increased freight charges (by ~122 bps) key factor for margin reduction

Revenue Development by Region



Revenue Variance



24% higher revenue vs. LY:

- Witnessed strong traction across most regions driven by higher volumes and price hikes

Note: Adjusting for investment on digital platform of INR 75 crore in Q3 FY22 and INR 27 crore in Q3 FY21, Q3 FY22 EBITDA stood at INR 2,741 crore while EBITDA growth was at 23% and EBITDA margins at 24.3% for Q3 FY22

Q3 Profit and Loss Account

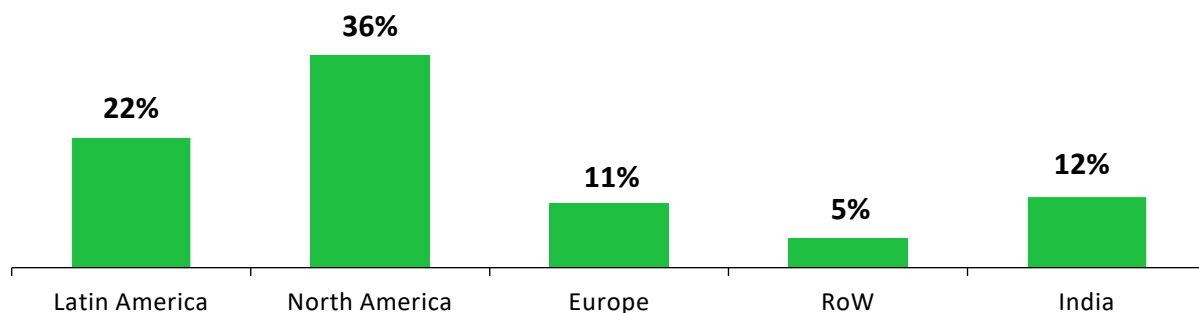
(₹ crore)

Particulars	Q3 FY2022		Q3 FY2021		Change
	Reported	%	Reported	%	%
Total Revenue from operation	11,297	100%	9,125	100%	24%
Variable Cost	6,442	57%	5,088	56%	
Gross Margin	4,856	43%	4,037	44%	20%
Fixed Overheads	2,190	19%	1,828	20%	
EBITDA	2,666	24%	2,209	24%	21%
Other Income / (Loss)	(152)		61		
Amortization / Depreciation	600		542		
Finance Cost	529		745		
PBT	1,385	12%	982	11%	41%
Tax	167		109		
PAT	1,218	11%	872	10%	40%
Income/(Loss) from Associate Co. and JV	13		(7)		
Minority Interest	243		150		
Profit After Tax, Associate Income & Minority Interest	989	9%	715	8%	38%
Exceptional Cost	52		(78)		
Net Profit	937	8%	793	9%	18%

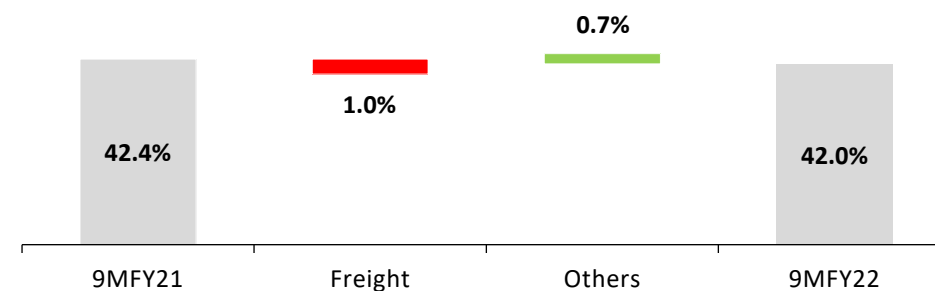
9M Performance Highlights

(₹ Crore)	9M FY 2022	9M FY 2021	B/(W) LY
Revenue	30,379	25,898	17%
Gross Margin	42.0%	42.4%	-33 bps
Fixed OH	6,193	5,249	18%
EBITDA	6,574	5,720	15%
EBITDA Margin	21.6%	22.1%	-45 bps

Revenue Development by Region



CM% Variance



33 bps lower contribution margin vs. LY:

- Higher freight costs (~102 bps) primarily led to decline in margins
- Favorable regional mix and higher proportion of differentiated portfolio supported overall margins

Revenue Variance



17% higher revenue vs. LY:

- Growth across all regions led by better realizations and uptick in volumes except RoW

Note: Adjusting for investment on digital platform of INR 199 crore in 9M FY22 and INR 53 crore in 9M FY21, 9M FY22 EBITDA stood at INR 6,773 crore while EBITDA growth was at 17% and EBITDA margins at 22.3% for 9M FY22

9M Profit and Loss Account

(₹ crore)

Particulars	Nine Months FY2022		Nine Months FY2021		Change
	Reported	%	Reported	%	%
Total Revenue from operation	30,379	100%	25,898	100%	17%
Variable Cost	17,613	58%	14,929	58%	
Gross Margin	12,767	42%	10,968	42%	16%
Fixed Overheads	6,193	20%	5,249	20%	
EBITDA	6,574	22%	5,720	22%	15%
Other Income / (Loss)	(260)		190		
Amortization / Depreciation	1,717		1,597		
Finance Cost	1,495		1,639		
PBT	3,102	10%	2,673	10%	16%
Tax	264		365		
PAT	2,838	9%	2,309	9%	23%
Income/(Loss) from Associate Co. and JV	20		(18)		
Minority Interest	455		326		
Profit After Tax, Associate Income & Minority Interest	2,403	8%	1,965	8%	22%
Exceptional Cost	156		158		
Net Profit	2,247	7%	1,807	7%	24%

Q3 & 9M Finance Cost and Other Income Breakdown

Finance Cost Breakdown

(₹ crore)

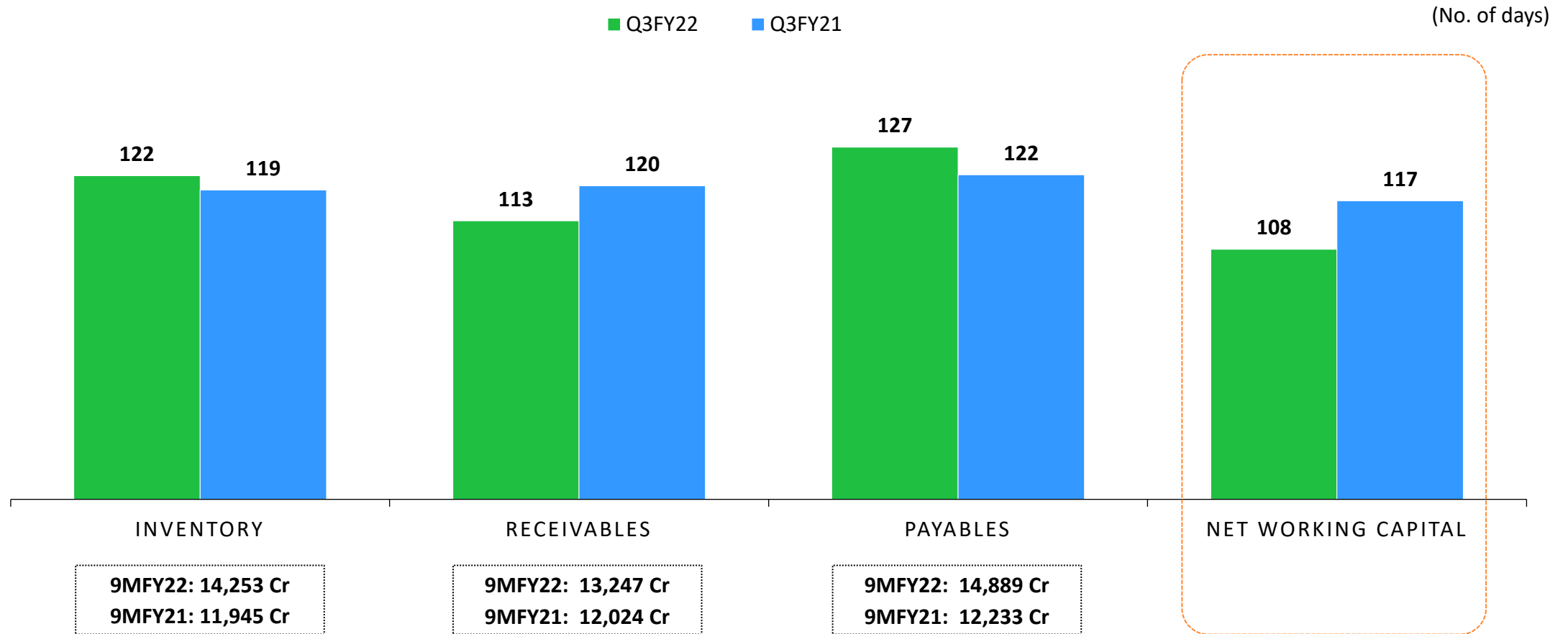
Particulars	Q3FY22	Q3FY21	Change	9MFY22	9MFY21	Change
Interest on Borrowings	361	421	(61)	927	1,042	(116)
Other Financial Charges	62	39	23	140	111	28
Exchange impact in Finance Cost	8	199	(191)	177	279	(103)
NPV –Interest & Finance	98	86	12	252	206	46
Total Finance Cost	529	745	(216)	1,495	1,639	(144)

Other Income Breakdown

(₹ crore)

Particulars	Q3FY22	Q3FY21	Change	9MFY22	9MFY21	Change
Interest Income	28	57	(29)	84	162	(78)
Net Exchange Impact	(221)	(6)	(215)	(424)	(19)	(406)
Others	41	10	31	80	47	34
Total Other Income / (Loss)	(152)	61	(213)	(260)	190	(450)

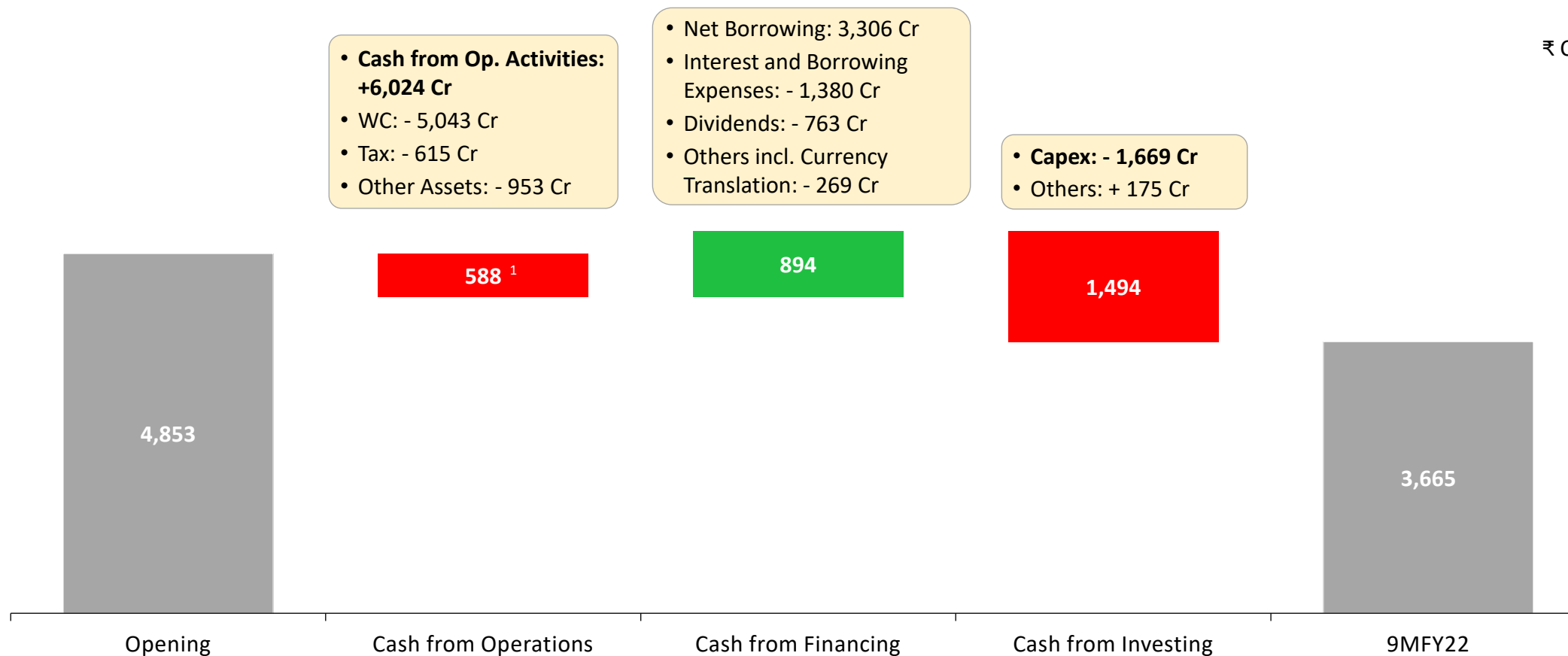
Working Capital Analysis



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 2021 were 7,175 crore (31st Dec 2020: 4,570 crore, 31st March 2021: 7,623 crore)

Cash Flow Statement (1st April 2021 to 31st Dec 2021)

₹ Crore



- Higher build-up of working capital as of 31st Dec 2021 in line with the revenue growth
- The company has prepaid debt of INR 940 crore in Jan 2022

¹ Includes ~500cr. receivables on account of insurance claim of South Africa