

Quarter and Half Year Ended 30th September 2021 Results Presentation

October 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.

Reimagining Sustainability: H1 Highlights

- Joined **“The Climate Pledge (‘TCP’)”** as the **first and only signatory** from the chemical sector
- Launched **“The Gigaton Challenge”** — to **reduce atmospheric CO₂ by 1 Gigaton** by 2040
- Expansion of **nurture.farm**, an ecosystem of integrated solutions to increase accessibility, connectivity and resilience and secure sustainable outcomes for farmers:
 - Program to **end stubble burning** across 500,000 acres in India by spraying an eco-friendly decomposer, protecting the soil, flora and fauna
- Launched **‘NPP’ business** to enhance adoption of biosolutions for a more sustainable world
 - Signed a long-term collaboration with Chris. Hansen to develop and commercialize microbial solutions for sustainable agriculture
- Bags **Asian Sustainability Leadership Award** for Excellence in Sustainability Performance Management



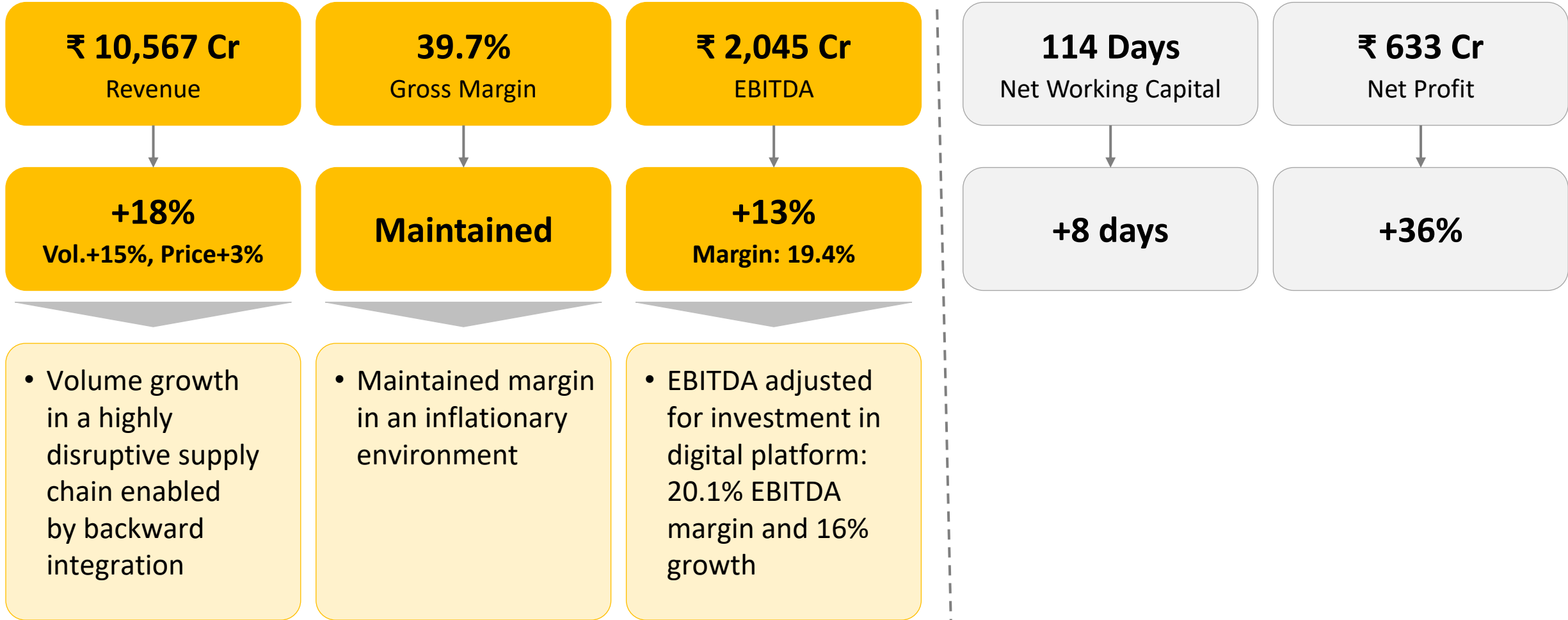
nurture.farm: Sustainability through Technology in Agriculture

- Demonstrated ability to drive digital adoption across farmers — 90%+ bookings through apps
- Unlocked gig economy models for rural work- Milestone of reaching 1 Mn farmers achieved in H1
- Acres serviced increased by more than 2x–3Mn acres in H1 vs. 1.2Mn in FY21
- Launched credit solution for retail platform, risk free to nurture — 400+ retailers transacting

Metric	Value
Farmers Onboard	1.4Mn+
Retailers Onboard	60K+
Gross Market Value (GMV)	INR 600 Cr+
Acres Serviced	3Mn+
Digital Adoption	90%
Tonnes Traded	5,000 MT+

Note- Farmers & Retailers onboard are Lifetime to date numbers

Q2 Business Highlights

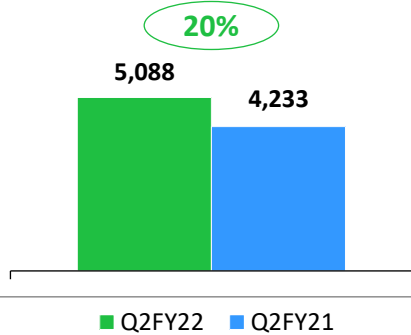


Note: All changes vs Sept 2020

Q2 FY2022 Regional Highlights

(₹ crore)

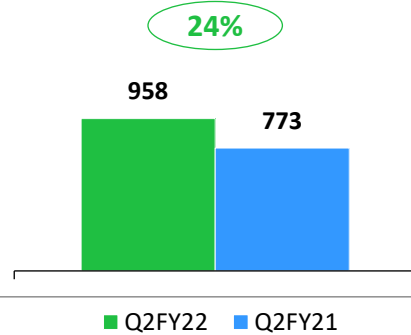
Latin America



Strong growth driven by volumes in Brazil

- ~27% growth in Brazil; others in the region grew by ~11% vs. LY
- Brazil: higher volumes supported by better price realization
- Vol. driven growth in South Cone and Argentina
- Mexico: nearly flat vs LY, despite severe drought impact, improved price realization

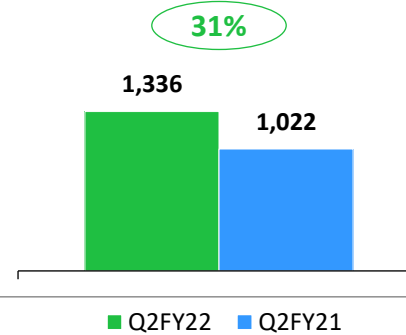
North America



Revenue growth through higher price realization

- Improved commodity prices, tight supply for key products, and favorable channel stock provide overall positive outlook
- Robust increase in price realization, more than offsetting cost increase
- Significant upside for non-selective herbicides driven by improved price realization

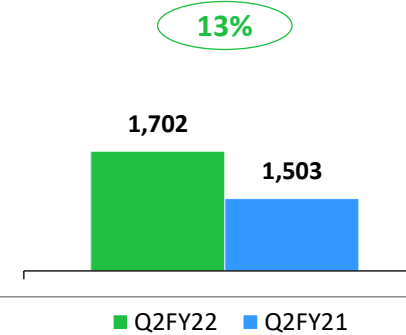
Europe



Strong performance, led by robust volume growth

- Improved weather conditions leading to accelerated sales in Q2, also helped by favorable price realization
- France, UK and DACH growth driven by a combination of higher volumes and improved price realization
- Strong performance driven by fungicides, herbicides and biosolutions

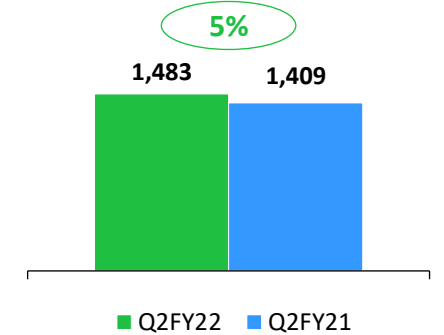
Rest of World



Robust growth despite adverse market conditions

- Growth registered despite supply constraint
- Strong growth in ANZ, driven by volume, and price realization
- Japan sales comparable to LY, despite JPY depreciation
- AME has degrown due to unfavorable rains in parts of Africa impacting crops, and supply chain challenges

India



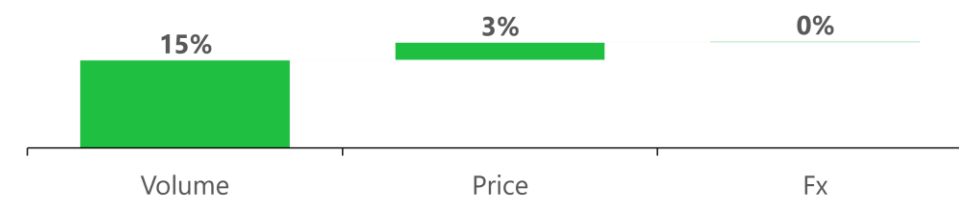
Stronger performance than the market

- Higher growth versus market (~3-4% in Q2FY22), despite rainfall deficit (~9%), reduced kharif acreage for cotton, soybeans, groundnuts, Covid related challenges
- Favorable commodity prices (~61% for cash crops, ~24% for pulses, ~72% for oilseeds)
- Better contribution margin in seeds and specialty business

Q2 Performance Highlights

(₹ Crore)	Q2 FY 2022	Q2 FY 2021	B/(W) LY
Revenue	10,567	8,939	18%
Gross Margin	39.7%	39.7%	-
Fixed OH	2,066	1,719	-20%
Investment in Digital Platform	81	23	-
Normalised EBITDA (w/o Investment in Digital Platform)	2,126	1,831	16%
EBITDA	2,045	1,808	13%
Normalised EBITDA Margin (w/o Investment in Digital Platform)	20.1%	20.4%	-30 bps
EBITDA Margin	19.4%	20.2%	-90 bps

Revenue Variance



18% higher revenue vs. LY:

- Revenue growth across all regions driven by higher volumes and price increases

CM% Variance



Flat contribution margin vs. LY:

- Regional Mix (84bps) — due to higher share of low-margin Brazil business
- Strong margins in Europe and ROW
- Strong growth of Bio-solutions in North America, India and ROW
- Q-o-Q improvement in Brazil margin

Q2 Profit and Loss Account

Particulars	Q2 FY2022		Q2 FY2021		Change
	Reported	%	Reported	%	%
Total Revenue from operation	10,567	100%	8,939	100%	18%
Variable Cost	6,375	60%	5,390	60%	
Gross Margin	4,192	40%	3,549	40%	18%
Fixed Overheads	2,147	20%	1,742	19%	
EBITDA	2,045	19%	1,808	20%	13%
Other Income / (Loss)	(67)		(65)		
Amortization / Depreciation	566		533		
Finance Cost	359		343		
PBT	1,053	10%	866	10%	22%
Tax	249		112		
PAT	804	8%	754	8%	7%
Income/(Loss) from Associate Co. and JV	10		(5)		
Minority Interest	140		74		
Profit After Tax, Associate Income & Minority Interest	673	6%	675	8%	0%
Exceptional Cost	41		211		
Net Profit	633	6%	464	5%	36%

(₹ crore)

Finance Cost Breakdown

Particulars	Q2FY22	Q2FY21	Change
Interest on Borrowings	284	341	(57)
Other Financial Charges	28	39	(11)
Exchange impact in Finance Cost	(34)	(96)	62
NPV –Interest & Finance	81	60	21
Total Finance Cost	359	343	16

H1 Performance Highlights

(₹ Crore)	H1 FY 2022	H1 FY 2021	B/(W) LY
Revenue	19,082	16,772	14%
Gross Margin	41.5%	41.3%	+10 bps
Fixed OH	3,879	3,394	-14%
Investment in Digital Platform	124	26	-
Normalised EBITDA (w/o Investment in Digital Platform)	4,032	3,537	14%
EBITDA	3,908	3,511	11%
Normalised EBITDA Margin (w/o Investment in Digital Platform)	21.1%	21.1%	-
EBITDA Margin	20.5%	20.9%	-50 bps

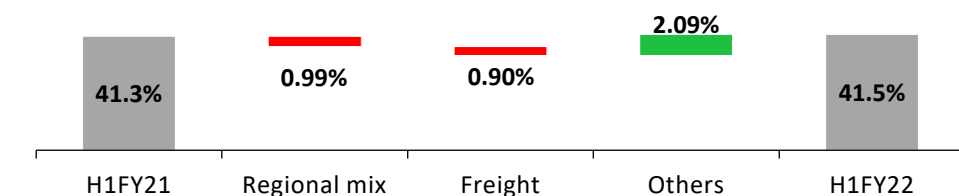
Revenue Variance



14% higher revenue vs. LY:

- Revenue growth across all regions driven by higher volumes and price increases

CM% Variance



10bps higher contribution margin vs. LY:

- Regional Mix (99bps) — Due to higher share of low-margin Brazil business
- Strong margins in Europe, North America and ROW
- Growth in Bio-solutions in North America, India and ROW

H1 Profit and Loss Account

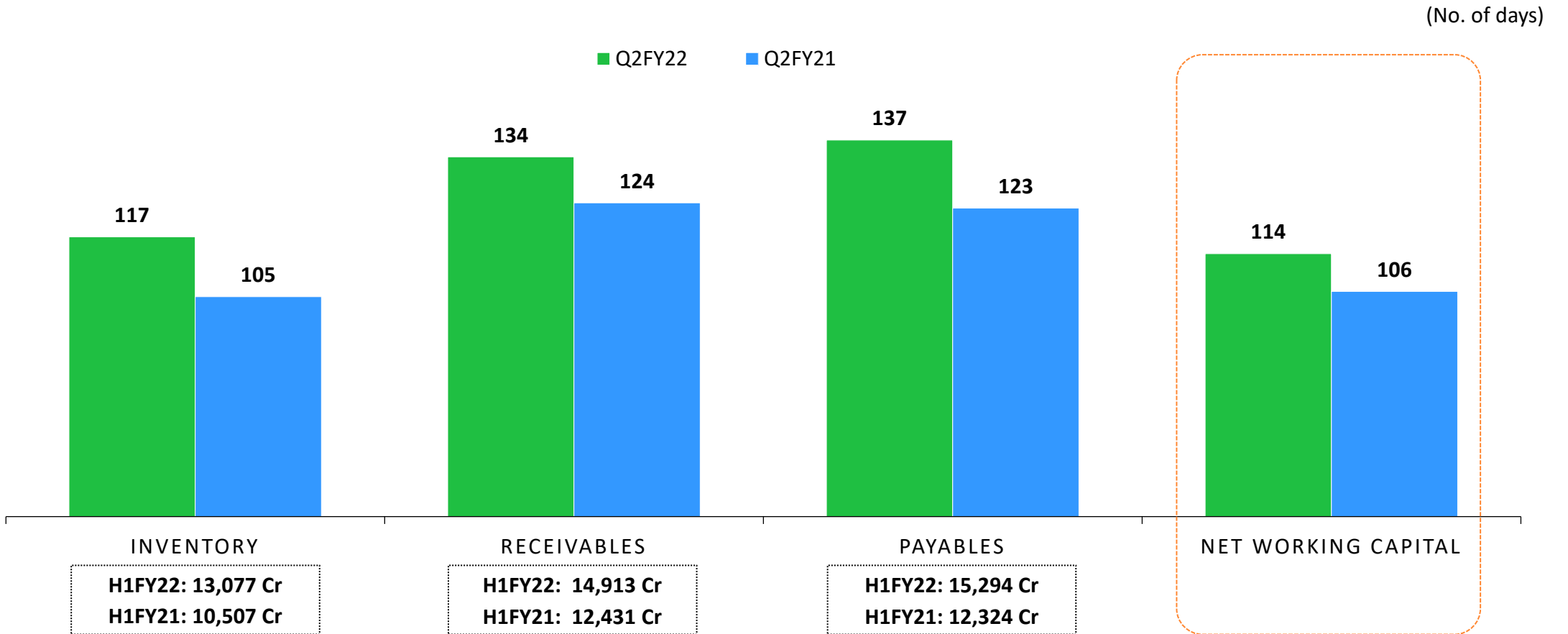
Particulars	H1 FY2022		H1 FY2021		Change
	Reported	%	Reported	%	%
Total Revenue from operation	19,082	100%	16,772	100%	14%
Variable Cost	11,171	59%	9,841	59%	
Gross Margin	7,911	41%	6,932	41%	14%
Fixed Overheads	4,003	21%	3,420	20%	
EBITDA	3,908	20.5%	3,511	20.9%	11%
Other Income / (Loss)	(108)		129		
Amortization / Depreciation	1,117		1,055		
Finance Cost	966		894		
PBT	1,717	9%	1,692	10%	2%
Tax	97		255		
PAT	1,620	8%	1,436	9%	13%
Income/(Loss) from Associate Co. and JV	6		(11)		
Minority Interest	212		176		
Profit After Tax, Associate Income & Minority Interest	1,414	7%	1,250	7%	13%
Exceptional Cost	103		236		
Net Profit	1,311	7%	1,014	6%	29%

(₹ crore)

Finance Cost Breakdown

Particulars	Q2FY22	Q2FY21	Change
Interest on Borrowings	566	621	(56)
Other Financial Charges	78	73	5
Exchange impact in Finance Cost	169	80	89
NPV –Interest & Finance	154	120	34
Total Finance Cost	966	894	72

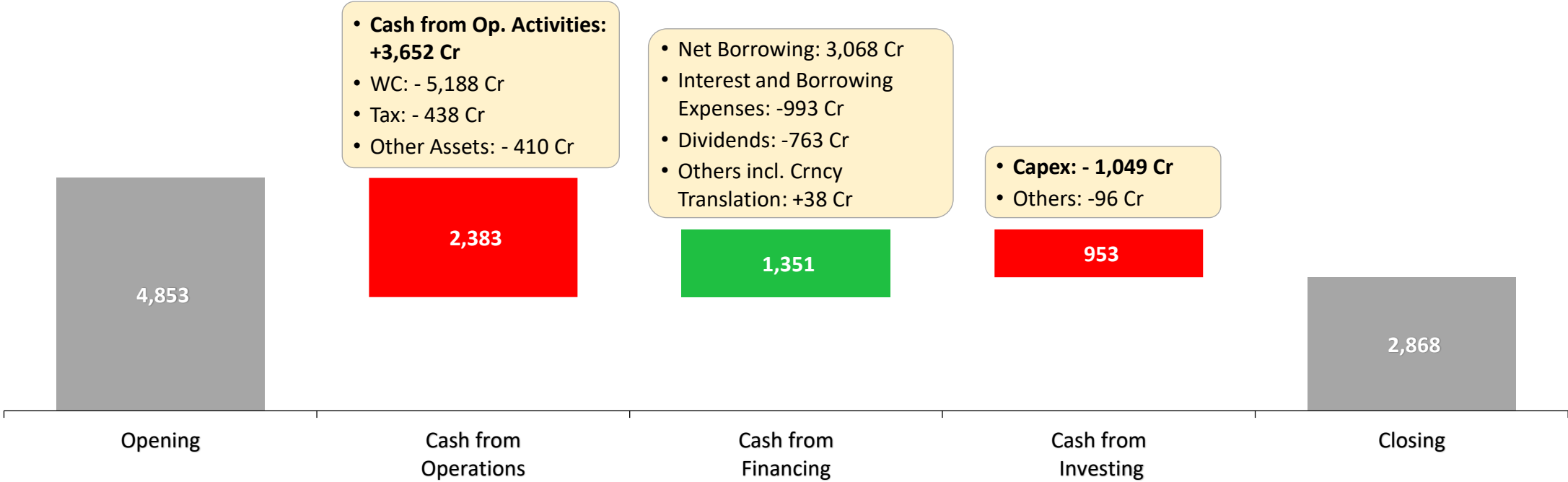
Working Capital Analysis



Note: As a risk management measure, the company has been selling its receivables on non-recourse basis to banks. Receivables sold as of 30th Sept 2021 were 5,149 crore (30th Sept 2020: 3,717 crore, 31st March 2021: 7,623 crore)

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

₹ Crore



- Cash from Op. Activities: +3,652 Cr
- WC: - 5,188 Cr
- Tax: - 438 Cr
- Other Assets: - 410 Cr

- Net Borrowing: 3,068 Cr
- Interest and Borrowing Expenses: -993 Cr
- Dividends: -763 Cr
- Others incl. Crncy Translation: +38 Cr

- Capex: - 1,049 Cr
- Others: -96 Cr

FY2022 Outlook Maintained

+7-10%
Revenue Growth

+12-15%
EBITDA Growth

<2x
Net Debt to EBITDA