

PI Industries sustains high growth 9M FY14 PAT up 89% at Rs. 138.5 Crore

Domestic business delivers sustained outperformance over sector growth rates and strong ramp-up in exports continues in-line with plan

Gurgaon, February 13, 2014: PI Industries Limited (PI), a leading Indian Agri-Input and Custom Synthesis company announced its financial results for the quarter and nine-months ended December 31, 2013.

Financial and Operational Commentary for the quarter & nine-months ended 31st December, 2013

	Q3 FY14 (Rs. in Crore)	Growth (%) (Y-o-Y)	9M FY14 (Rs. in Crore)	Growth (%) (Y-o-Y)
Revenues	363.4	29	1232.2	50
EBIDTA	62.7	38	233.7	69
PAT	34.7	45	138.5	89

Net Revenue

Domestic revenues remained on trend, growing 22% over 9M FY13. Volume growth was aligned with a marginal price increase in select products. The robust sales performance was driven by PI's superior product stewardship and its strong brand positioning across the portfolio. A good spell of rainfall combined with higher acreages during the Rabi season provided support.

Exports delivered continued growth at 83% in 9M FY14, essentially given the larger base of last year, while the natural growth in the commercialized molecules continued in-line with our plan. The medium to long-term outlook remains positive as the Company is focused on creating a pipeline of products with excellent prospects and high visibility.



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EBITDA

The margins for Q3 FY14 came in at 17.3% as against 16% last year. As the business acquires greater scale a consistent focus on keeping costs under check in an inflationary environment and prudential forex policies will augment this growth.

Pre-tax Earnings

The revenue momentum has translated into a substantial upmove in the Profit Before Tax. The overall emphasis on better working capital management and reduced interest outgo is driving the quality growth. In Q3 FY14 the PBT stood 49% higher at Rs. 53.5 crore.

Post-tax Earnings

Profit After Tax grew by 45% to Rs. 34.7 crore in Q3 FY14. The resultant Basic EPS was at Rs. 2.6 per share from Rs. 1.9 per share last year.

Strong balance sheet

The Company's balance sheet as on December 31, 2013 stood strong and was further augmented by robust P&L. Compared to March 31, 2013; the Company reduced its Net Debt to ~Rs. 95 crore bringing down debt equity ratio to <0.15. Overall working capital turns have also improved with net working capital (NWC) reduced from ~83.5 days for FY2013 to ~68 days for the 9 months period ended on 31st Dec, 13. The cash flows remain robust and the Company is in comfortable position to drive its future growth plans.

Interim dividend

The Board declared an interim dividend of 50% (Rs.0.50 per equity share of Rs. 1 each) which will result in payout of ~Rs. 7.92 Crore including dividend distribution tax.

Commenting on the performance Mr. Mayank Singhal, Managing Director & CEO, PI Industries Ltd., said;

"What allows us to consistently outperform is our unique business model. PI benefits from a premium portfolio of products across our domestic and export operations.

In our domestic business we are driving success through bringing in newer products, which are providing excellent value proposition to the Indian farmers and improving their productivity. In order to convert these concept products to big brands, we are closely working with our channel partners and farmers with focus on sharing modern technologies and harnessing information technology to enhance productivity. During the current crop season we had the additional benefit of a favourable water level in the reservoirs, increased acreages for Rabi YoY and lastly rich MSPs.



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On the exports front the salient partnerships we have in place with sustained respect for IPR, are delivering and as the molecule attains global acclaim, there is a corresponding volume multiplier that we stand to benefit from. This has been playing out across the variety of molecules we have in our portfolio and will underline those in the pipeline.”

Outlook

- Given the favourable agro-climatic conditions, growth should sustain at present levels backed by PI's robust product presence in the domestic market.
- CSM Exports will continue to grow inline with robust outlook of existing high-quality portfolio of molecules. Commercialization of few more products in Q4/Q1, 15 will further drive the growth.



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About PI Industries Ltd. (PI)

Incorporated in 1947, PI Industries (BSE: 523642, NSE: PIIND, ISIN ID: INE603J01030) focuses on Agri-Input and Custom Synthesis with strength of over 1,400 employees, PI Industries currently operates three formulation and two manufacturing facilities as well as five multi-product plants under its three manufacturing locations across Jammu and Gujarat. These state-of-art facilities have integrated process development teams with in-house engineering capabilities. PI Industries is into the following segments:

Domestic Agri-Input

PI is one of India's leading players in the Agri-Input industry, primarily dealing in agro-chemicals, specialty fertilizers, plant nutrients and seeds. This venture is the flagship business for which PI enjoys tremendous brand recognition across several industry leading products. The Company has exclusive rights with several global Corporations for distribution in India and is constantly evaluating prospects to further expand its product portfolio. Given the inevitable surge in demand for food grain production in the agriculture sector, the opportunities for Agro-Chem Companies are innumerable. PI Industries is favorably positioned to contribute to the growth in this space by leveraging its long-standing association with business partners and intensive network of distributors across India.

Custom Synthesis Exports

Here PI focuses on Custom Synthesis, which entails dealing in custom synthesis and contract manufacturing of chemicals including techno commercial evaluation of chemical processes, process development, lab & pilot scale up as well as commercial production. The Company has an impressive product portfolio as result of exclusive tie-ups with leading agro-chemical, pharmaceutical and fine chemical companies around the world. PI has made substantial investments in building state of art process research and manufacturing facilities of chemical intermediates and active ingredients with special focus on strong process R&D capabilities. Custom Synthesis is expected to be the primary growth driver with strong revenue visibility for P I as India continues to be a preferred destination for outsourcing Custom Synthesis and contract manufacturing related projects. With exceptional growth opportunities in the offing, this segment is poised for great success. For further information please visit: www.piindustries.com

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