

MADHYA BHARAT AGRO PRODUCTS LIMITED

(a unit of Ostwal Group of Industries)

Earnings Presentation: Q 2 | F.Y. 2020-21

www.mbapl.com



MADHYA BHARAT AGRO PRODUCTS LIMITED

SERVING AGRICULTURE AND CHEMICAL SECTOR OF INDIA



Chemicals
Our chemical products
Sulphuric Acid and Oleum

Zincated & Boronated SSP (Powder)

Sulphur Bentonite (Granular)

Phosphatic Rich Organic Manure(PROM)

SSP (Granular)

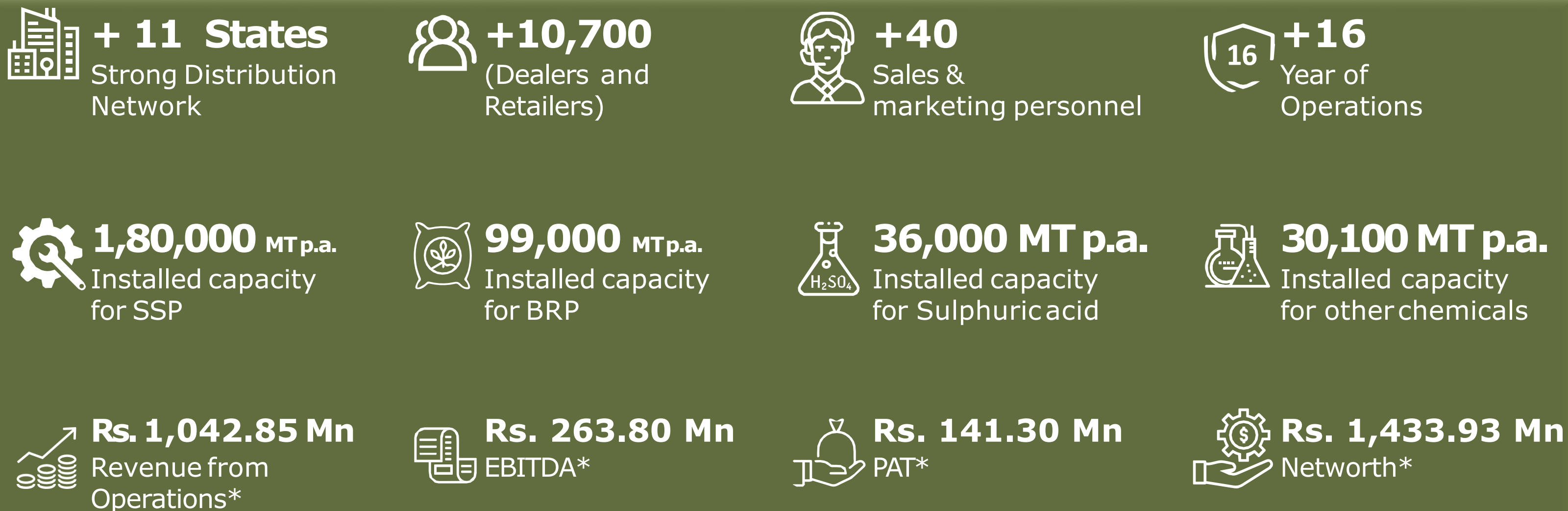
Single Super Phosphate (Powder)

Single Super Phosphate (Granular)

Potash (Granular)

Mineral Beneficiated Rock Phosphate (BRP)

GROWTH SO FAR – H1 FY 21



*Based on H1 FY 21. Networth includes revaluation reserves.

OUR JOURNEY OF TRANSFORMATION SO FAR



From a Single Customer to Thousands of Customers

Till March.'18, we produced and sold the entire range of SSP fertilizer products to a single giant customer (DCM Shriram). From Apr. 18, we took a key strategic decision to market all the SSP fertilizer products under our own brand name “Annadata” in order to establish own brand image and capture the growing SSP Market.



From BRP Manufacturer to BRP + SSP + GSSP Producer

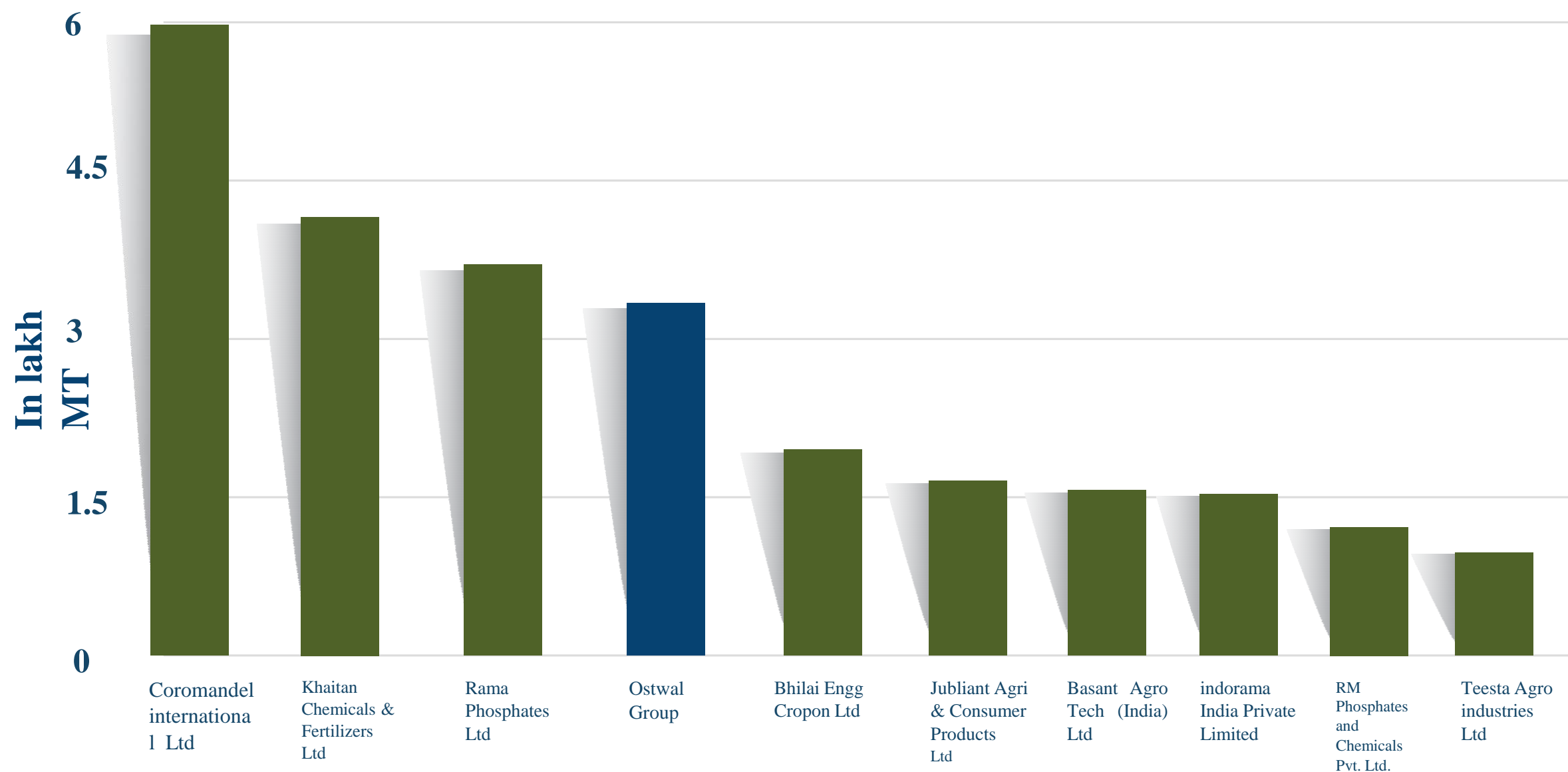
Till 2011, the Company was focused on producing Beneficiated Rock Phosphate (BRP). In 2012, as part of our forward integration plan, we decided to expand our manufacturing operations and enter into the SSP fertilizer Market. The SSP plant was installed in the existing unit at Rajoua, Dist. Sagar, Madhya Pradesh.



From Fertilizers to Fertilizers and Chemicals

Prior to 2016, our business was confined to manufacturing of BRP and fertilizers (SSP, GSSP). In 2016, we planned to diversify our business operations and thus forayed into the chemical sector by setting a separate technologically advanced plant (Unit – II) in Sourai, Tehsil Banda, Dist. Sagar, M.P.

TRANSFORMATION OF OSTWAL GROUP FROM SMALL TO 4TH LARGEST SSP MANUFACTURER IN INDIA

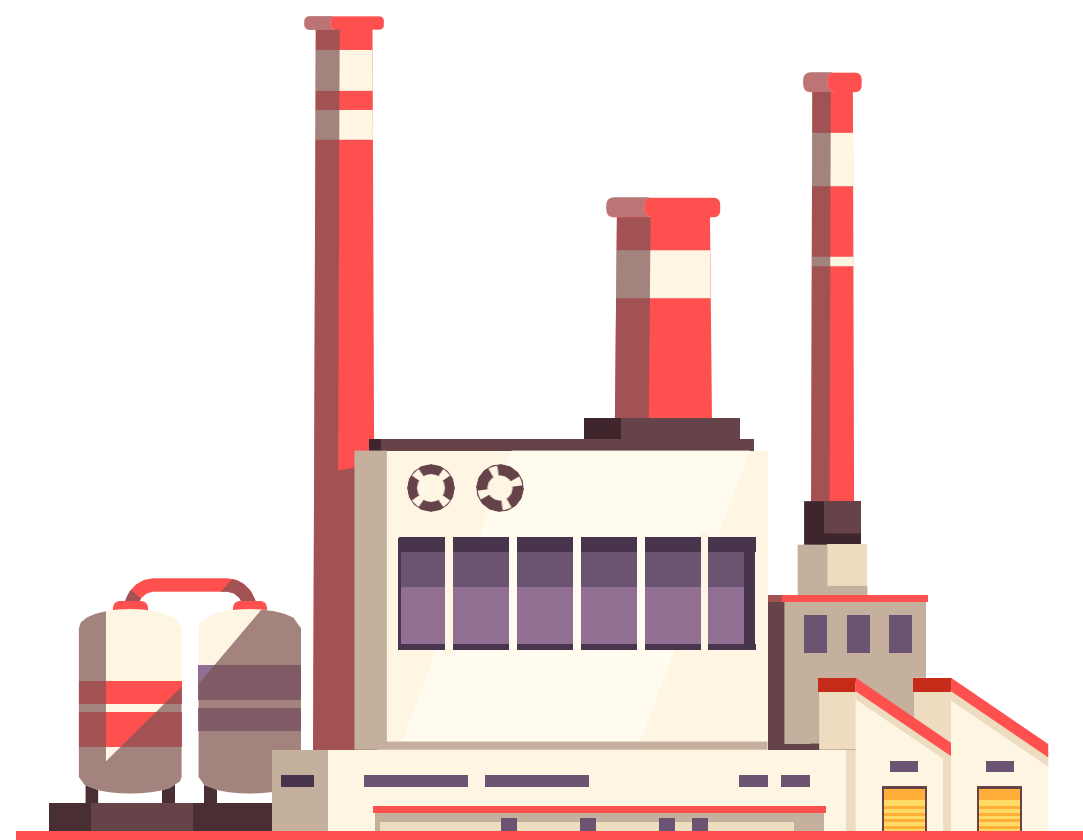


The total sales in India of SSP for the F.Y. 2019 – 20 stood at 42.09 Lakh MT

Ostwal Group stand at 4th position and accounted for ~8% of total SSP market share in India in FY 20. (Source : <http://m-fms.nic.in/>).

OUR NEXT TRANSFORMATION

A MEGA TSP& NPK FERTILIZER PLANT



We are determined to deliver a mega TSP (Triple SSP)&NPK (Nitrogen, Phosphorous and Potash) Plant in Madhya Pradesh by the end of FY21. The project comprises of three backward integrated units for manufacturing of BRP, Sulphuric acid and Phosphoric acid with total cost of Rs. 93 crores.

TASKS COMPLETED

Land admeasuring to 233000 sq. mtr has been allotted by AKVN in 2013 at Sagar M.P.

The construction work of factory building was started in the month of April 2019 and is in full swing.

Over 45% of the total cost of project has been incurred till date.

TASKS TO BE COMPLETED BY F.Y. 2021

We propose to complete the project construction work by December'20, subject to timely clearance from Statutory Authorities and other factors.

We plan to commence commercial production of TSP and NPK Fertilizers by the end of FY 21*

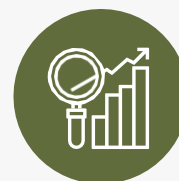
**Based on Management Estimates*

TSP & NPK-FUTURE OF INDIAN FERTILIZERS MARKET

OPPORTUNITY IN ADVERSITY



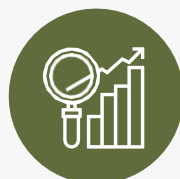
TSP is an upgraded version of SSP. While it has not become popular in India, but in many neighboring countries, TSP is widely used. We believe that our indigenous production of TSP would be highly cost effective as compared to import cost of TSP, and thus would be easily marketable.



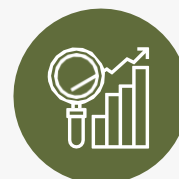
NPK is considered as one of the finest fertilizer in India as it consist of all the three macro nutrients i.e. Nitrogen, Phosphorous and Potassium, which contributes to development and growth of plants. We see a huge potential in NPK Market in future.



Majority of Indian farmland is experiencing stagnating or declining crop yields as a result of constant deterioration in soil quality, inadequate and imbalanced nutrients, due to lack of value added fertilizers.



Extreme stress on resources like water & Labour, which can be reduced to an extent by using water efficient technologies like drip irrigation which drive demand for water soluble fertilizers



Other factors that will contribute to the increase of complex fertilizers (TSP& NPK) sales in India includes farmers' shift towards cash crops, gradual awareness of balanced dose of nutrients, availability of soil health reports, the market development and awareness works done by public and private industry players.

“Deep within every crisis is an opportunity for something beautiful”

FINANCIAL HIGHLIGHTS – Q2 F.Y. 21

FINANCIAL HIGHLIGHTS - Q2 F.Y. 21

Overall Revenue for Q2FY21 stood at Rs. 547.65 Mn, grew 32% as compared to Q2FY20

EBITDA for the period stood at Rs. 147.15 Mn, up 44.5% as compared to Q2FY20

PAT for the period stood at Rs. 81.92 Mn, up by 55.5% as against Rs. 52.7 Mn in Q2FY 20

PAT Margin for the period improved to 14.96% as against 12.7% in Q2FY20

The revenue from fertilizers segment grew by over 26.9% (YoY) on account of high fertilizer demand

The revenue from chemical segment witnessed a jump of over 200% (YoY)

The Company's plan to commence its mega TSP & NPK plant in Madhya Pradesh by end of FY 21 remains intact

Basic EPS stood at Rs. 3.74 per share (up by 55.5% as compared to Q2FY20)

FINANCIAL HIGHLIGHTS - H1 F.Y. 21

INCOME

₹1043.23 Mn

HIGHER BY
54.3% Y-o-Y

EBITDA

₹ 263.80 Mn

INCREASED BY
60.96% Y-o-Y

EBITDA Margin

25.29 %

UP BY
4.32% Y-o-Y

PAT

₹ 141.3 Mn

INCREASED BY
67.3% Y-o-Y

PAT Margin

13.54 %

UP BY
8.43% Y-o-Y

EPS

₹ 6.45

HIGHER BY
60.45% Y-o-Y

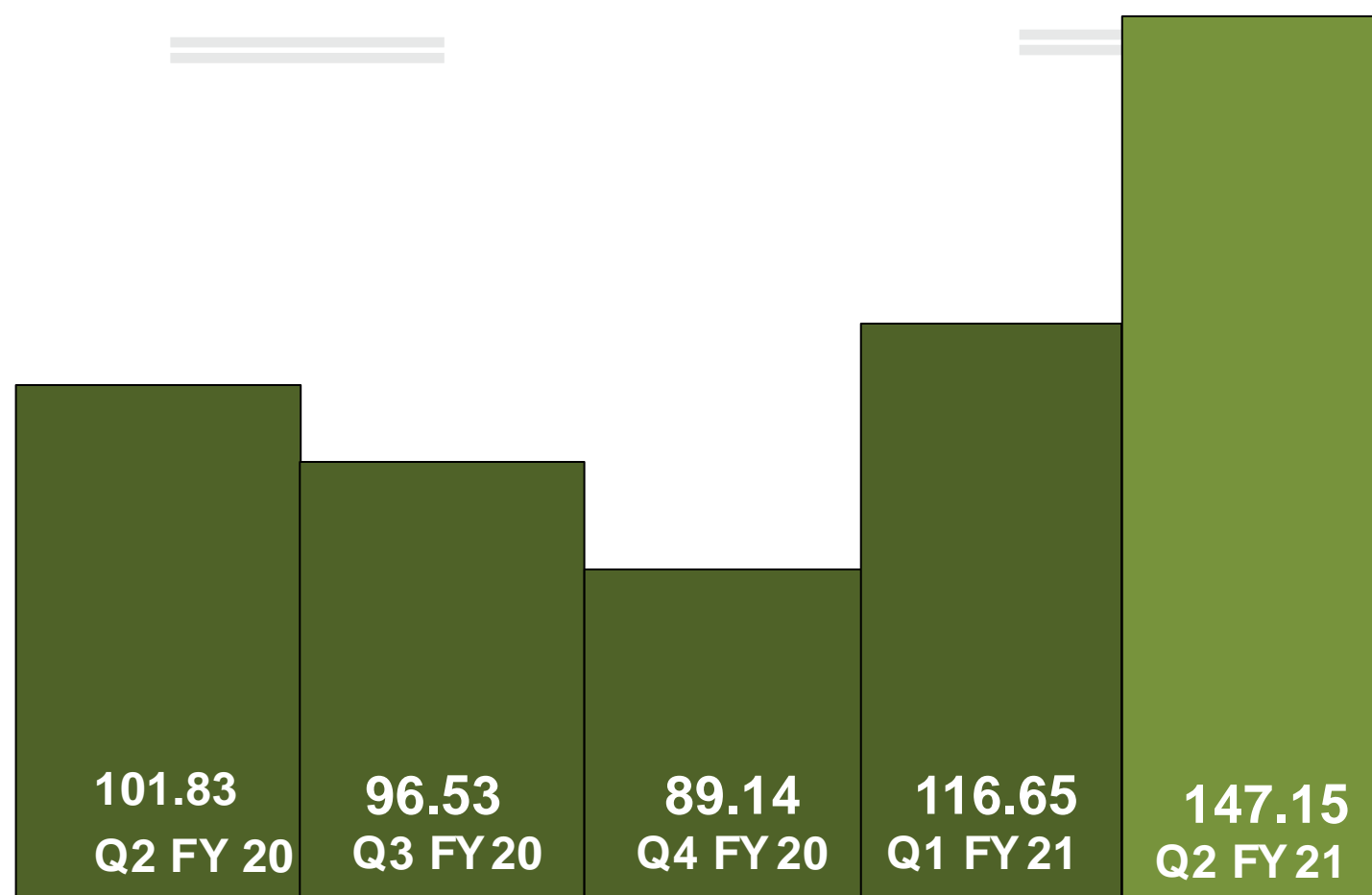
ANALYSIS OF FINANCIAL RESULTS Q2 FY21 and H1 FY 21

Particulars	Q2FY21	Q2FY20	Y-o-Y growth	Q1FY21	Q-o-Q growth	H1 FY 2021	H1 FY 2020	Y-o-Y
Total Income	547.65	415.00	31.97%	495.58	10.51%	1043.23	676.12	54.3%
EBITDA	147.15	101.83	44.50%	116.65	26.15%	263.80	163.88	60.96%
EBITDA Margin (%)	26.87%	24.54%	9.50%	23.54%	14.16%	25.29%	24.24%	4.32%
Net Profit after tax	81.92	52.68	55.51%	59.38	37.95%	141.30	84.46	67.30%
PAT Margin (%)	14.96%	12.69%	17.84%	11.98%	24.83%	13.54%	12.49%	8.43%
EPS	3.74	2.40	55.51%	2.71	37.95%	6.45	4.02	60.45%

TREND IN EBITDA AND PAT (QoQ)

EBITDA Trend

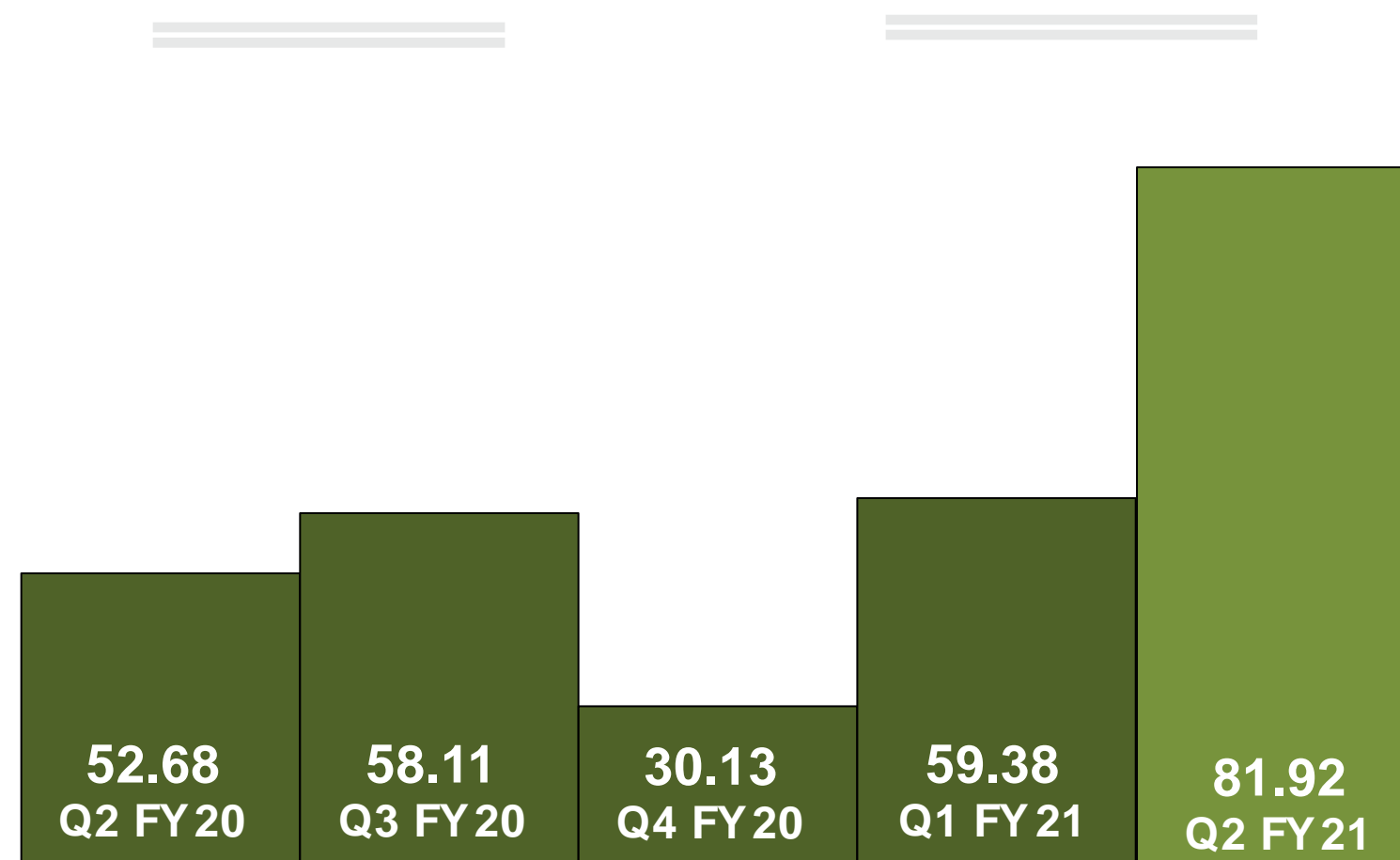
(Rs. in Mn.)



EBITDA (Rs. in Mn.)

PAT Trend

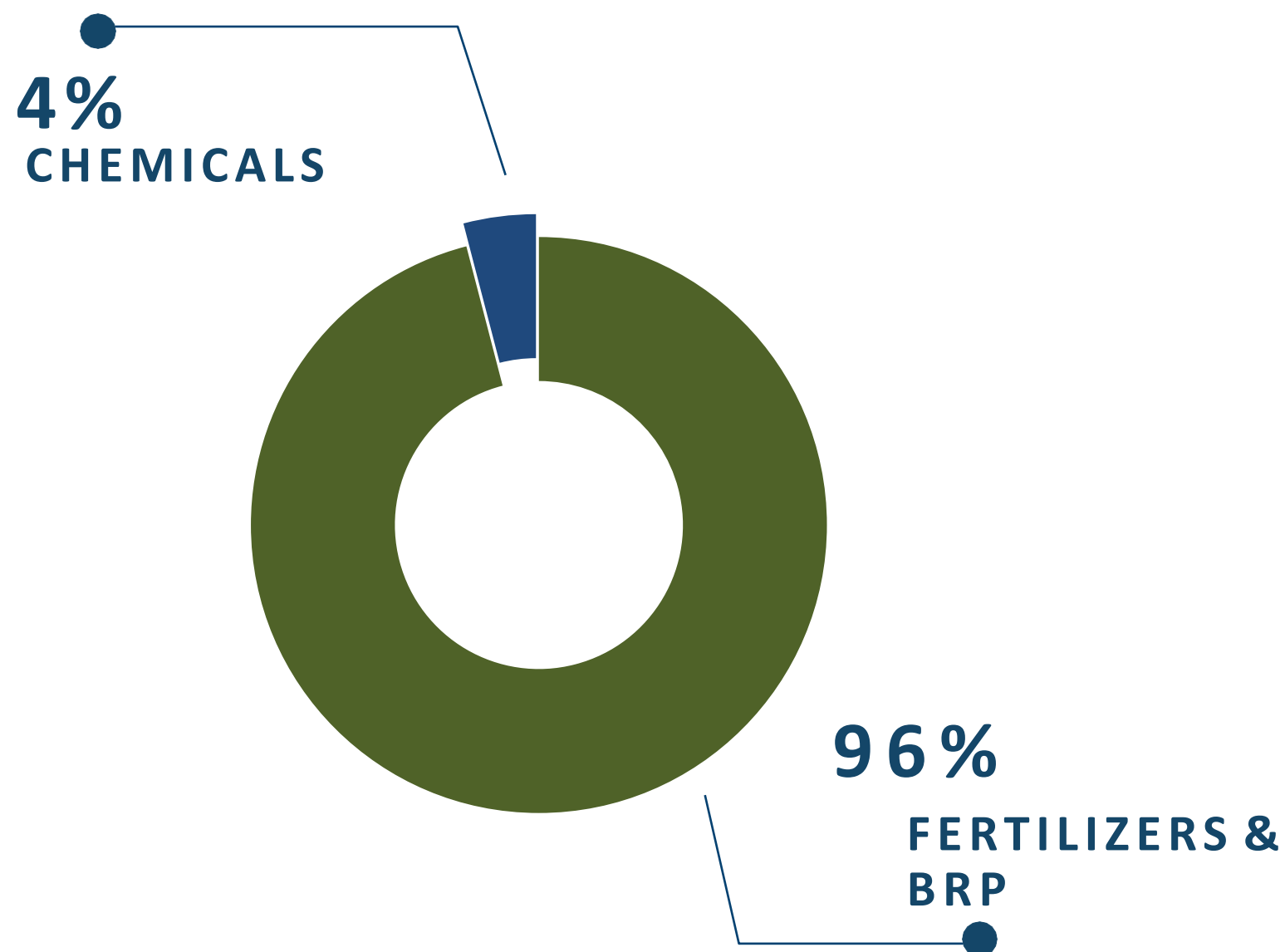
(Rs. in Mn.)



PAT (Rs. in Mn.)

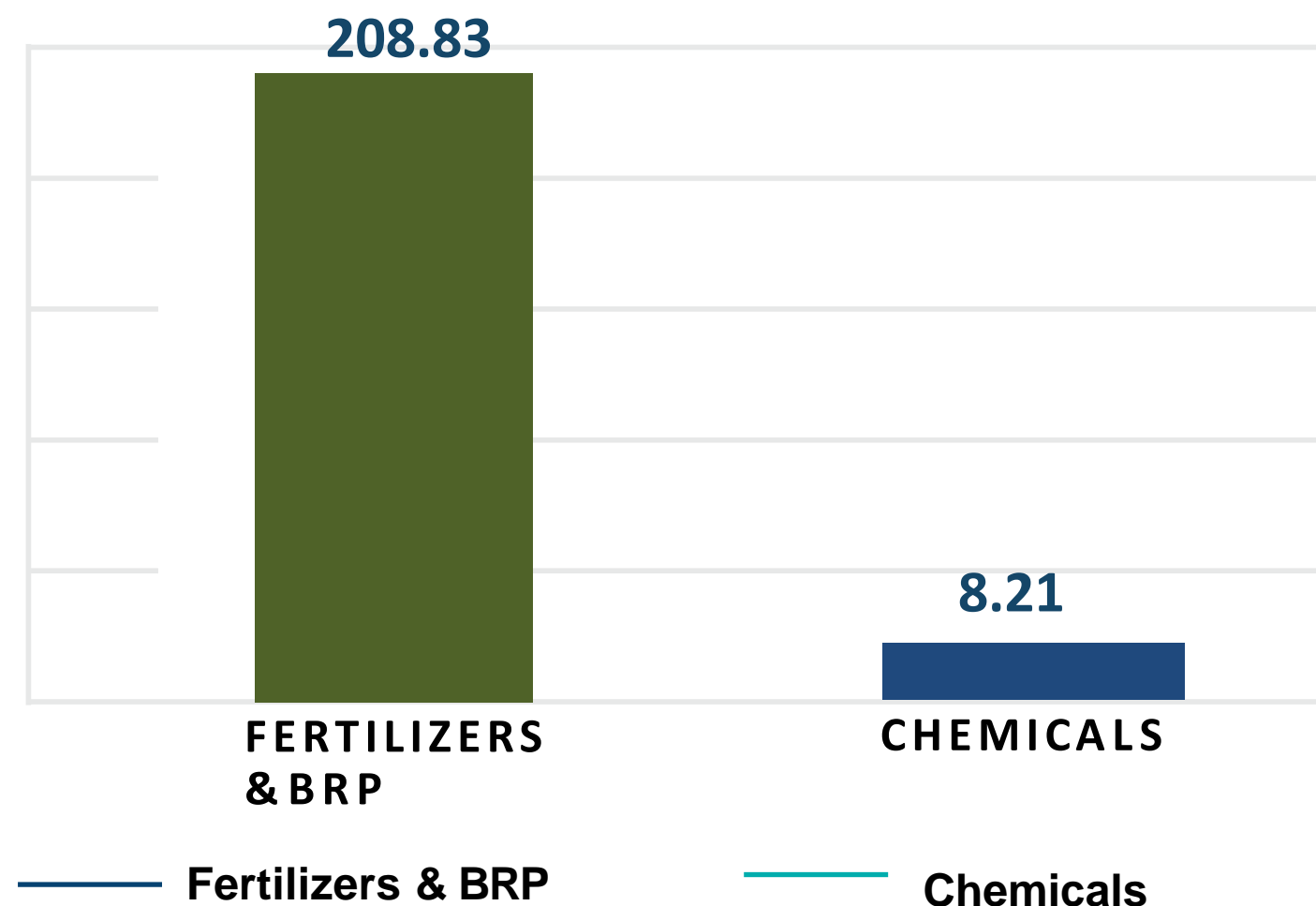
H1 FY21: REVENUE BREAKUP & SEGMENT PROFIT

SEGMENT REVENUE



Total Revenue (H1 FY21) –Rs. 1043.23 Mn

SEGMENT PROFIT



Total EBIT (H1 FY21) –Rs. 217.04 Mn

MANAGEMENT PERFORMANCE REVIEW



Mr. Pankaj Ostwal
Managing Director

MBAPL

Mr. Pankaj Ostwal- Managing Director, MBAPL

“We are delighted to announce a strong financial performance in terms of revenue & profitability during the first half year of F.Y. 2020-21, despite the difficult operating environment caused by Covid-19 pandemic and subsequent lockdowns.

It gives me an immense satisfaction to say that our Company continues to progress well both on financial and operational fronts. Our quarterly revenues witnessed growth of 32% over the corresponding year quarter. With such strong set of results, our EPS for H1 FY21 has been increased by over 60% to Rs. 6.45 per share in comparison to Rs. 4.02 per share in H1 FY20.

We had a strong quarter with broad based revenue growth and an improvement in operating margin performance, in line with what we had guided. Our PAT margin in the 2nd quarter remained to 14.96% as compared to 12.69% in last financial year quarter.

Going forward, with expectation of good Rabi season, gradually improving business dynamics and various strategic initiatives undertaken by us, we are confident of maintaining positive momentum in the coming months.”

Statement of Profit & Loss

	Quarter Ended		Half Year Ended	
Particulars	30.09.2020	30.06.2020	30.09.2020	30.09.2019
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
Revenue from Operations	547.61	495.24	1042.85	675.95
Other Income	0.04	0.34	0.38	0.17
Total Income (I+II)	547.65	495.58	1043.23	676.12
Expenses				
Cost of Material Consumed	251.91	208.53	460.44	324.31
Changes in Inventories	6.35	31.35	37.71	(3.55)
Employee benefits expense	26.18	23.93	50.11	36.18
Depreciation and amortisation Expense	23.20	23.17	46.37	51.56
Finance Costs	10.26	8.58	18.84	14.09
Other Expenses	116.06	115.13	231.19	155.30
Total Expenses	433.96	410.68	844.65	577.89
Profit before tax	113.69	84.90	198.59	98.23
Total Tax Expenses	(31.77)	(25.52)	(57.29)	(13.77)
Net Profit after tax	81.92	59.38	141.30	84.46
% on Revenue	14.96%	11.98%	13.54%	12.49%
EBITDA	147.15	116.65	263.80	163.88
% on Revenue	26.87%	23.54%	25.29%	24.24%

“We believe that our journey of transformation is steadily evolving despite challenging business environment. We have come a long way in our strategic path and will continue marching towards a brighter future.”



Disclaimer:- 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 Madhya Bharat Agro Products Limited (MBAPL) future business developments and economic performance. While these forward looking statements 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. MBAPL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.



MADHYA BHARAT AGRO PRODUCTS LIMITED

(A Unit of Ostwal Group of Industries)

Reg. and Corp. Off.: 5-O-21, Basement, R.C. Vyas Colony,
Bhilwara (Rajasthan) 311001

CIN: L24121RJ1997PLC029126

Website: www.mbapl.com

Email: secretarial@mbapl.com Tel No.: 0148-2237104

Contact Person: Mr. Pukhraj Kanther, Project and Financial Advisor

CORPORATE ADVISOR



Hem Securities Ltd.

904, A Wing, Naman Midtown, Senapati Bapat Marg,
Lower Parel, Mumbai -400013

Email: hemclient@hemsecurities.com

Website: www.hemsecurities.com

Tel. No.: 022-4906-0000