

AIMCO PESTICIDES LIMITED

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CIN NO. L 24210MH1987PLC044362



September 15, 2020

Ref.: APL/CO/BSE/22/2020-21

To,
The Manager
The Department of Corporate Services
BSE Limited
P. J. Towers, First Floor,
Dalal Street, Mumbai – 400 001

Dear Sir / Madam,

Subject: Investor Update

Reference: Aimco Pesticides Limited (Scrip Code - 524288)

Please find enclosed herewith the copy of the Investor Update of the Company highlighting the performance and recent developments of the Company.

This is for your information and record.

Thanking You.

For Aimco Pesticides Limited

Anuradha Matkar
Company Secretary and Compliance Officer
ACS No. 57570

Encl.: a/a

**Rcgd. Office : 81/1, M.I.D.C. Indusdial Area, Lote Parshuram, P.B. No. 9,
Village Awashi, Dist. Ratnagiri - 415 707, Maharashtra
Phone : (02356) 272136 / 272137 / 272138**

AIMCO Pesticides Limited

Q1FY21 Earnings Presentation September 2020

BSE – AIMCOPEST | 524288

Bloomberg : AIM:IN



AIMCO PESTICIDES LTD.

AIMCO

Q1FY21 Financial Statement Summary

Consolidated Profit and Loss Summary

Rs. In Crores

Particulars	Q1FY21 (Unaudited)	Q4FY20 (Unaudited)	Q1FY20 (Unaudited)	Y-o-Y %
Revenue from Operations	43.09	32.95	62.39	-30.9%
Total Income	43.67	32.96	64.11	-31.9%
Total Operating Expenses	40.16	30.45	57.64	-30.3%
EBITDA (Excluding OI & Exceptional Items)	2.94	2.51	4.75	-38.2%
EBITDA (Excluding OI & Exceptional Items) %	6.8%	7.6%	7.6%	(-) 80 BPS
Interest Cost	1.25	0.82	0.27	360.9%
Depreciation & Amortisation	0.53	0.76	0.62	-14.2%
Profit Before Taxes	1.16	0.92	3.86	-70.0%
Profit After Taxes	0.84	0.71	2.74	-69.4%
EPS	0.87	0.74	2.86	-69.6%

Click here to view Financial Results : <https://www.bseindia.com/xml-data/corpfiling/AttachLive/4901e131-df2d-437e-bcb1-1262b906fe3b.pdf>

30.9% ▼

Q1FY21 Revenue from Operations at INR 43.09 crores as compared to INR 62.39 crores in Q1FY20

38.2% ▼

Q1FY21 Revenue from Operations at INR 2.94 crores as compared to INR 4.75 crores in Q1FY20

69.4% ▼

Q1FY21 Revenue from Operations at INR 0.83 crores as compared to INR 2.73 crores in Q1FY20



Q1FY21 Performance Discussion

MANAGEMENT COMMENTARY

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Performance
Discussion



Result Discussion

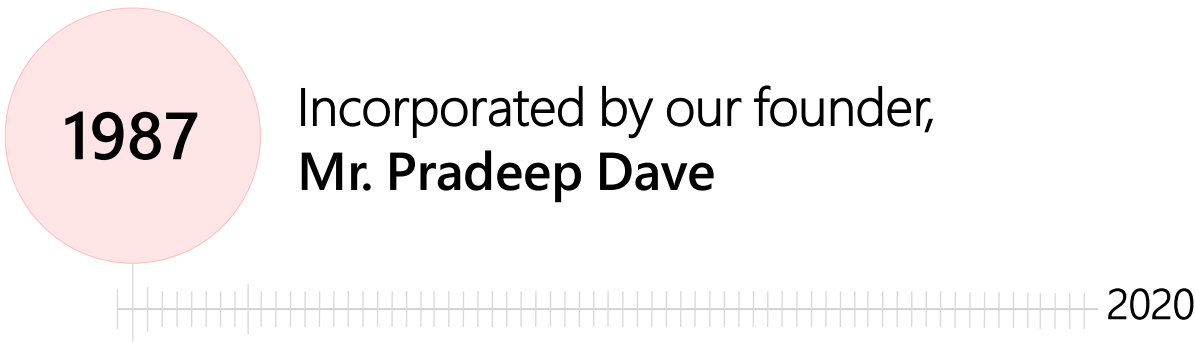
- Revenue from Operations for Q1FY21 stood at 43.09 crores compared to 62.38 crores in Q1FY20, registering a decline of 30.9%. Revenue from Operations for Q1FY21 suffered due to the effects of COVID-19 & Lockdown prominently concentrated in April, and completely neutralizing till the end of May. Even after the classification of Agrochemicals as an essential commodity and the beginning of production since 1st April, many challenges remained, including logistics, workforce movement, and production with a limited workforce (~10%) & capacity.
- On the profitability front, the company witnessed a compression in margins due to a sudden lockdown, causing a disturbance in production and sales activity from the last few weeks of March 2020, till the beginning of May 2020. The company continues to support its team members in these tough times. However, the company opted for a slab wise deduction in pay compensation to ensure there is no hardship on any of the

employees. Additionally, a spike in the prices of many inputs & raw materials (prominently domestic) led to depressed gross margins. EBITDA margins stood at 6.8% in Q1FY21 compared to 7.6% in Q1FY20. This was a momentary phase caused due to a demand-supply mismatch. The company was able to pass on the increase in input prices, but with a lag of 1-2 months. Additionally, the aforementioned raw materials' prices have started reverting to mean, though they are not back to the original pre-COVID prices.

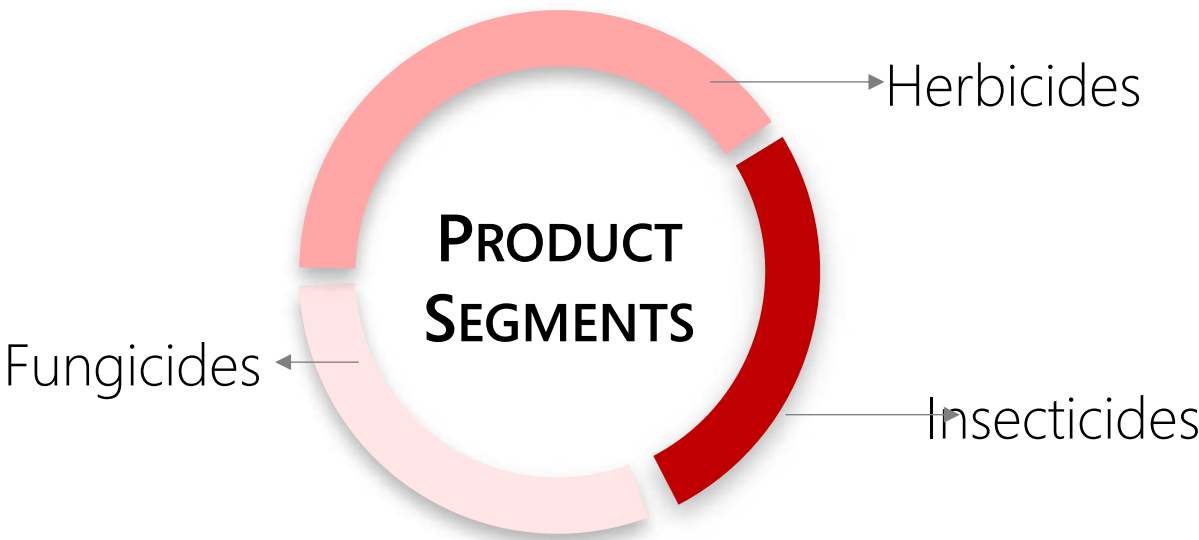
Demand Scenario

At present, the domestic demand scenario looks more healthy than exports, which is still showing signs of uncertainties in global trade and demand. In the meantime, the company has taken this opportunity to further its domestic business in both branded formulations & technical's product categories.

Introduction



Incorporated in 1987 by our founder **Mr. Pradeep P Dave**, Aimco Pesticides Limited (APL) is a key player in the Agro Chemicals space.



The company is into manufacturing, marketing & exporting of technical grade chemicals & formulations of Insecticides, Fungicides and Herbicides.



Strong export presence in **~42 countries globally.**

Government Registered Export house

Recognised for it's acumen in Technical grade chemicals

In its vast history spanning over 4 decades, the company has been ***credited with introducing & commercializing many Agro-chemicals in India.***

→ **First Indian company to manufacture Chlorpyrifos & Triclopyr**

First Indian company to manufacture Chlorpyrifos & Triclopyr Technical in India; right after Dow Chemicals (USA).

→ **Second Indian company to manufacture Imidacloprid after Bayer India**

History and Evolution

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History &
Evolution

01



Incorporation & early history

- Established in 1987
- Listed on BSE in 1993
- Setup a centralized manufacturing unit in Lote Parshuram in 1993
- 1st India company to manufacture & commercialize Chlorpyrifos technical in 1993
- Commenced exports in 1995
- Established R&D centre recognized by Department of Science & Technology, GOI since 1996
- 1st India company to manufacture & commercialize Triclopyr technical in 2001

02



Debt restructuring & operational turnaround

- RoCE depleted in existing investments due to entry of excessive competition in key products
- Chlorpyrifos turned unprofitable, with more than a dozen plants manufacturing it in the country
- Domestic formulations business under-stress due to severe and continuous droughts in '98-'00
- This all led to low profitability and an inability to service debt. Debt accumulated due to unapplied interest being converted into term loans.
- In between FY10-14, the company offered OTS to banks, completed debt restructuring and turned debt-free by the end of FY2014.

03

Turning profitable and building a foundation

- Post restructuring, the first objective of the company was to turn & stay profitable at all levels
- Company remained agile, utilizing every available business opportunity to turn profitable and rebuild reserves
- Undertook major maintenance & upgradation at Lote Parshuram Facility between FY16-19
- Established a strong footing
- Key focus on scaling manufacturing for technical grade chemicals
- Introduced Bifenthrin technical in 2017





Corporate Ethos

Mission

To the **serve the farmer** at the very grass root level, by enhancing farm yields using our understanding and respect for the natural ecological processes

Vision

To be peerless among the stalwarts of the agrochemical industry, by offering the very best of agro-inputs to the farmer, through constant innovation and tailor-made solutions that provide the highest levels of customer satisfaction sustainably.

Environmentally Conscious

The company has recently pledged to attain ZERO LIQUID EFFLUENT discharge status in next 5 years.



CSR Activities



As part of its CSR Program, Aimco Pesticides Limited has funded the construction of a new school building with superior infrastructure and advanced facilities for a Primary & Secondary Ashram School – Village Ganjad, Taluka Dahanu, District Palghar.



Aimco as of today



AIMCO PESTICIDES LTD.
HEAD OFFICE
AIMCO HOUSE,
8 TH ROAD SANTACRUZ (EAST)
MUMBAI 400055 (INDIA)
REGD. OFFICE
B-1/1, M.I.D.C. INDUSTRIAL AREA,
LOTE PARSHURAM, TAL-KHED,
DIST-RATNAGIRI 415722
MAHARASHTRA

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AIMCO PESTICIDES LTD.
PLANT LAYOUT INDEX

SECURITY

NOTICE
CELL PHONES
PROHIBITED

SMOKING
PROHIBITED

YOU ARE UNDER CCTV
SURVEILLANCE
आपका सारा काम सी.टी.वी. कैमरे
द्वारा जागरूक है

Business Segments

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Business
Segments

Technical

31% Contribution

Primary Revenue Stream

Captive usage to develop formulations & sales to formulators in India & abroad



Primarily in Australia, USA

B2B Formulations

48% Contribution

Primary Revenue Stream

Formulations either sold in bulk packaging or in retail packaging.



Primarily in Brazil, Africa and Gulf Markets

Branded Formulations

12% Contribution

Secondary Revenue Stream

Domestic sales of branded formulation directly to end-consumers (B2C) through our own distribution



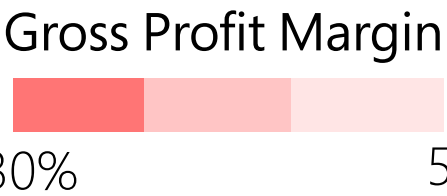
Primarily in West Bengal, Gujarat, Orrisa, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Maharashtra etc

Trading

10% Contribution

Secondary Revenue Stream

Opportunistic trading business in our product categories.



*% contribution of FY20

Revenue Mix

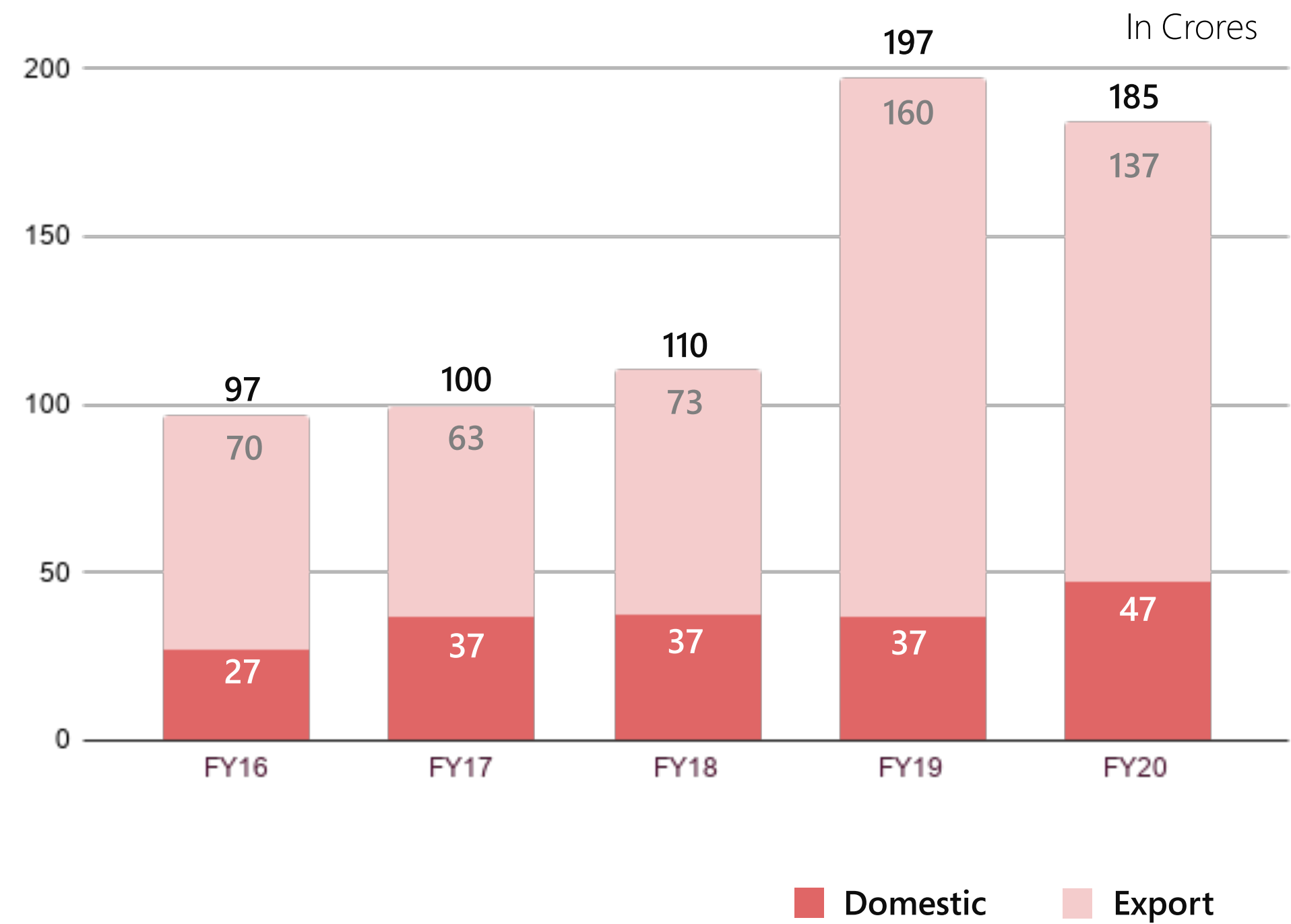
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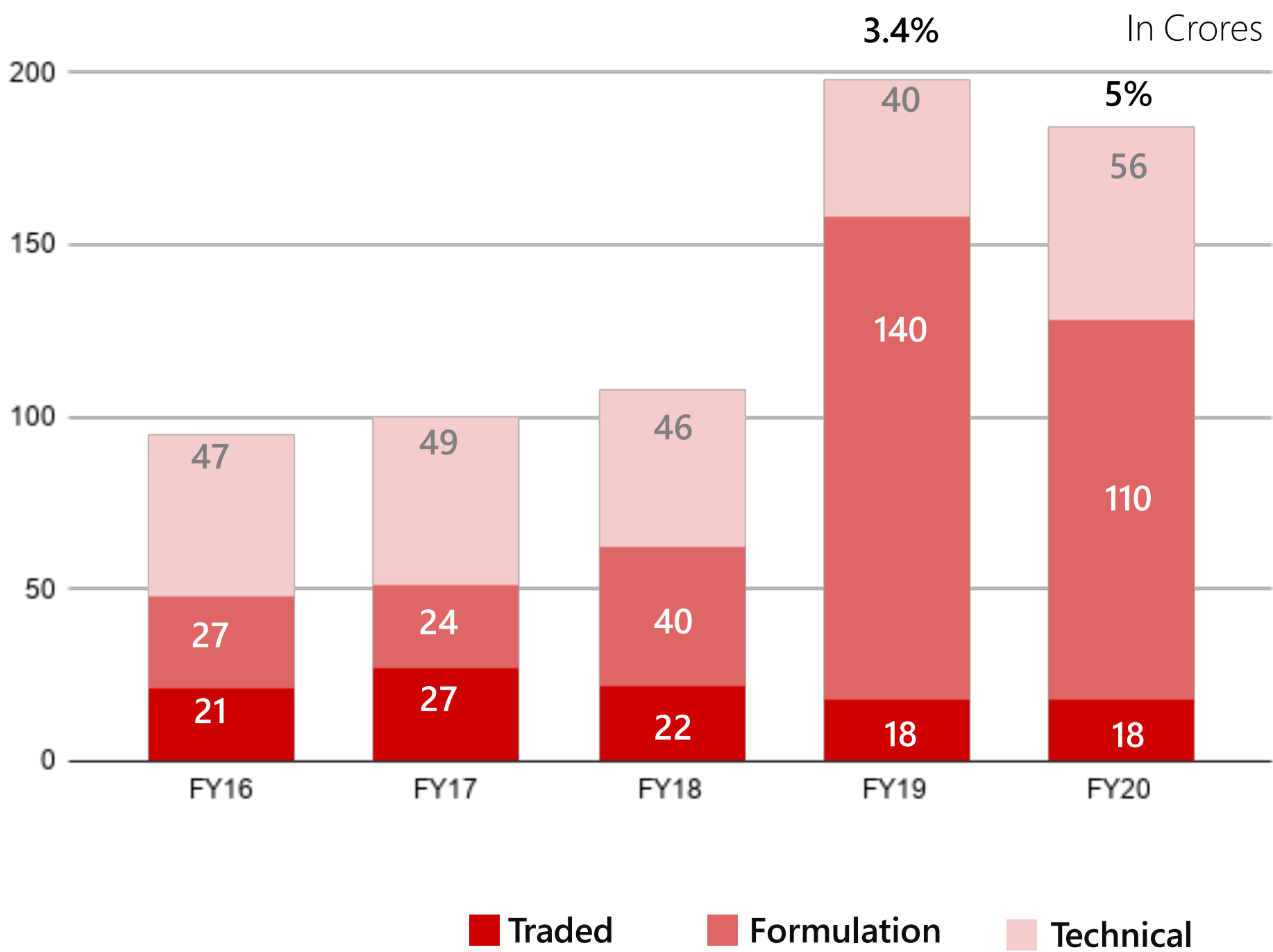
Revenue
Mix



Geography Wise



Product Category Wise



* Figures Rounded Off



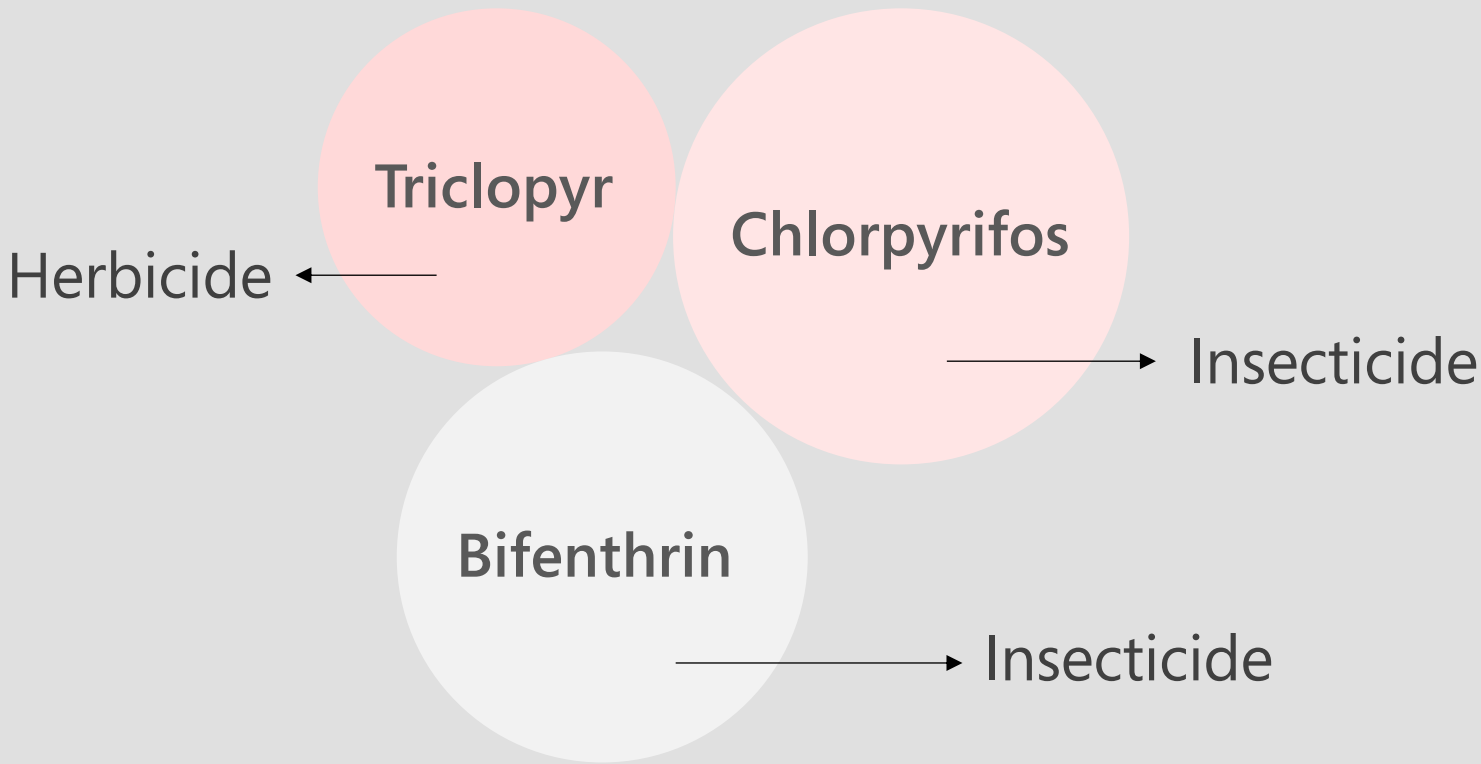
TECHNICAL



11 Technical Manufactured

Manufacturing about a dozen technical grade chemicals in Insecticides, Fungicides and Herbicides categories.

Key Technical Grade Chemicals Manufactured

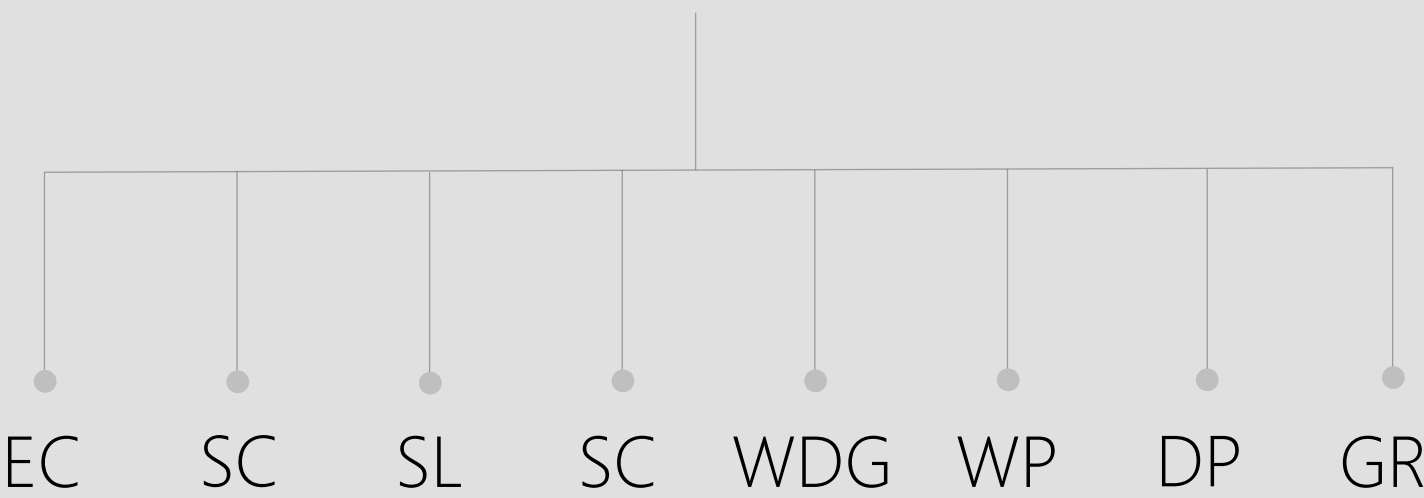


FORMULATIONS

80 Formulations manufactured

Manufacturing about 80 formulations (45 actively) for internally manufactured technical's or procured technical grade chemicals

Categories of Formulation's manufactured



Product Portfolio

Domestic Branded Business

200+ SKU's



**Age Group
of brands –
2+ Decade**

Top Selling Brands

- Anaconda
- Pyriban

Presence in *branded formulations*
since 1995 with a brief pause
between 2000-04

Management Outlook

The company is working towards adding new molecules in its portfolio while also expanding its geographical reach, with a strict focus on receivables.



Undertaking *responsible*
& *cautious* growth in this
segment

Mode of Operation

1. Building sales offices
2. Appointing Distributors
3. Actively Marketing Products

35 

Dedicated marketing &
sales team for domestic
branded business – **35**
personnel



Expanding Geographical Reach

The company is working
towards **adding new**
molecules in its portfolio
while also **expanding its**
geographical reach, with a
strict **focus on receivables**



Branded Formulations

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Branded
Formulations



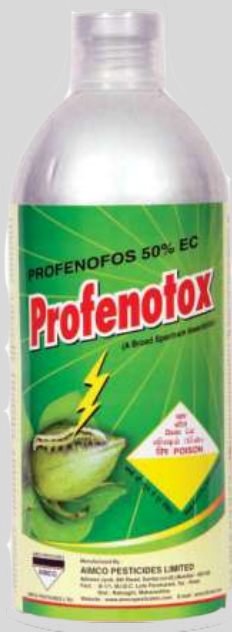
BYKILL (Bifenthrin
2 EC, 2 G, 10 EC)



BYKILL (Bifenthrin
2 EC, 2 G, 10 EC)



PYRIBAN (Chlorpyriphos 20% EC)



PROFENOTOX
(Profenofos 50% EC)



AIMCO- DDVP
(Dichlorvos 6% EC)



Anaconda 505 (Chlorpyriphos
50%, Cypermethrin 5 EC)



Manufacturing Facility

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The company operates out of one manufacturing facility located at **Lote Parshuram, Ratnagiri in the state of Maharashtra.**

Set up in 1993

This unit was set up in 1993, as a measure to centralize the manufacturing operations & enter technical manufacturing. Prior to 1993, the company had 4 formulations plant spread throughout the country.

23,000 sq. mt

This facility is located on a plot admeasuring ~23,000 Sq. Mt., with ~50% land available for further development

Fully equipped manufacturing facility.

Pilot Plant with capability to carry out various reactions such as - distillation, dehydration, filtration, washing, etcetera.



Manufacturing both technical grade chemicals and formulations.

~250 Personnel

Total capacity to manufacture & current utilization



Manufacturing
Facility



Largest Triclopyr manufacturing capacity in India and
Number 3 globally.



3000 Tones

Annual Capacity of
Technical Products

20 kl

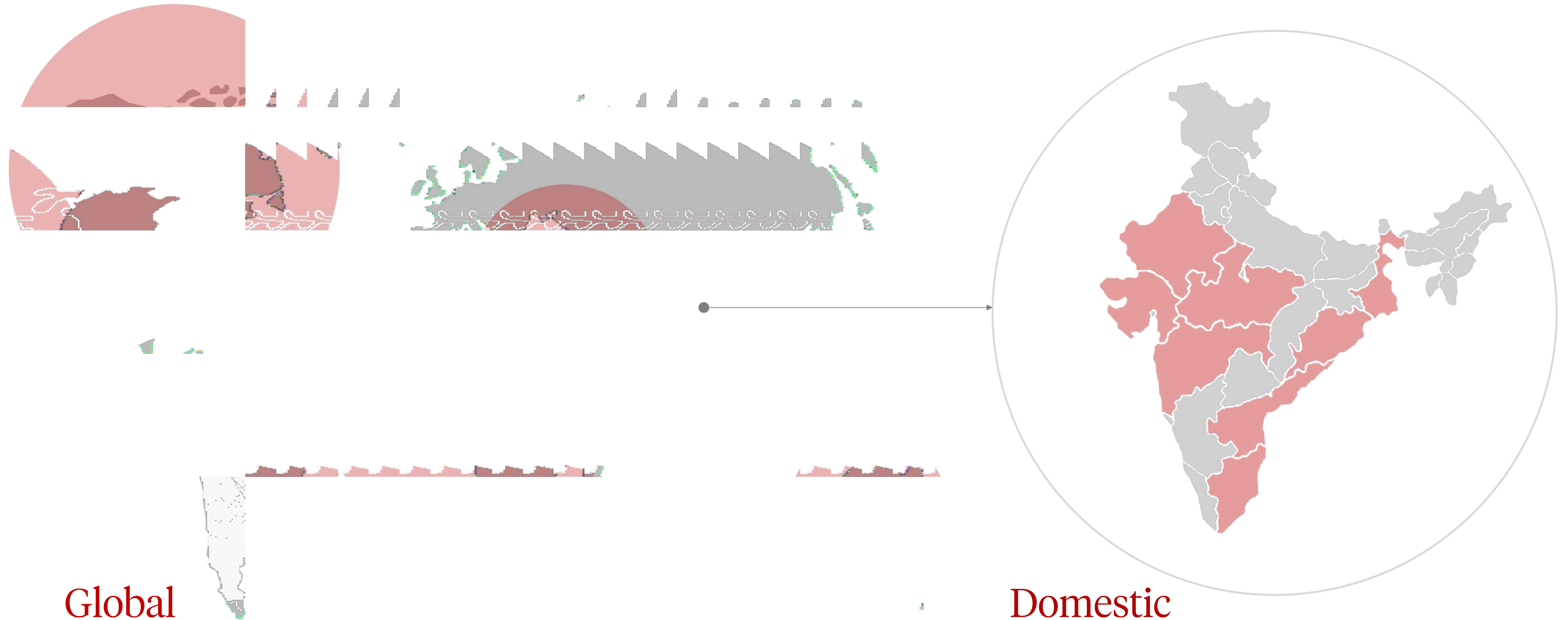
Daily Manufacturing Capacity
of Liquid Formulations

20 Tones

Daily Manufacturing Capacity
of Granules Formulations

**Manufacturing
Capacity**

Geographical Footprint



Global

42 Exporting to ~**42 Countries**
both developed and
developing markets.

1 International Sales Office

● Primary markets - North
American, Latin
American, African and
Australian continent.

Domestic

5 Domestic Branch Offices

285 Active Distributors (Domestic & Abroad)



Aimco's Value Chain

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Aimco's
Value
Chain

1. Product & Process Identification

- First focus is on our area of competence and expertise in the given chemistry, the process of manufacturing, etcetera.
- For future product additions (technical), only products with at least 30%-40% GPM are considered.
- Second preference assigned to the acceptability and market-size of the given product in our key strongholds globally.
- Lastly, the product is shortlisted for further research and development.

2. Pilot Manufacturing & Data Collection

Data collection as per the requirements of the market in which the product is to be registered.

3. Product Registration

Registration either of the technical, formulation or both depending upon the requirement of the market. Product registration may take anywhere between 6 months to 5 years depending upon the country.

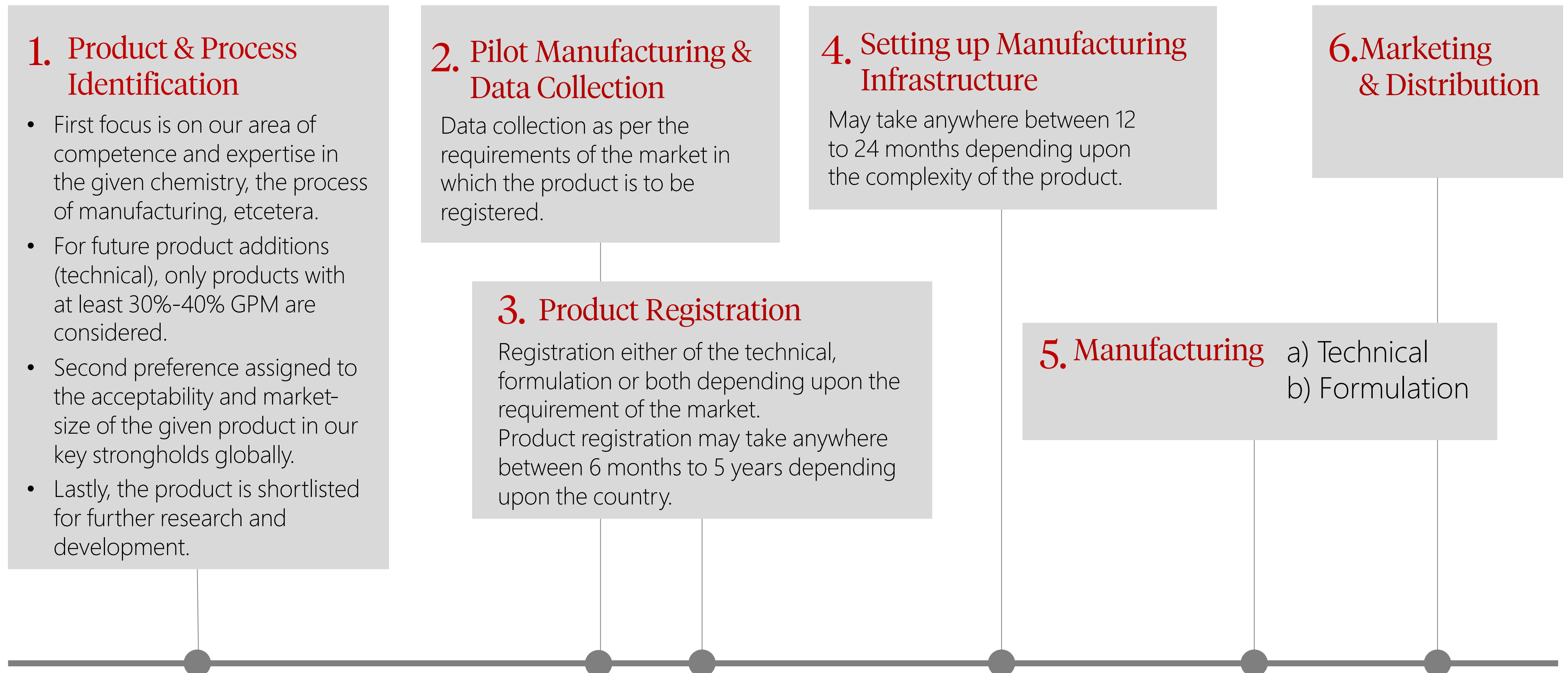
4. Setting up Manufacturing Infrastructure

May take anywhere between 12 to 24 months depending upon the complexity of the product.

5. Manufacturing

a) Technical
b) Formulation

6. Marketing & Distribution



Research & Development

Department Head

R&D department headed by Dr. Samir Dave

Certified R&D Centre

Department of Science & Technology, GOI certified R&D Centre at Lote Parshuram factory site, since 1996.

Team of 15 staff

A team of 15 chemists, scientists, and staff working in the R&D Department.

In-House R&D

Entirely in-house R&D developed products – Triclopyr Acid & Esters, Neo Nicotinoids Pesticides, among others.

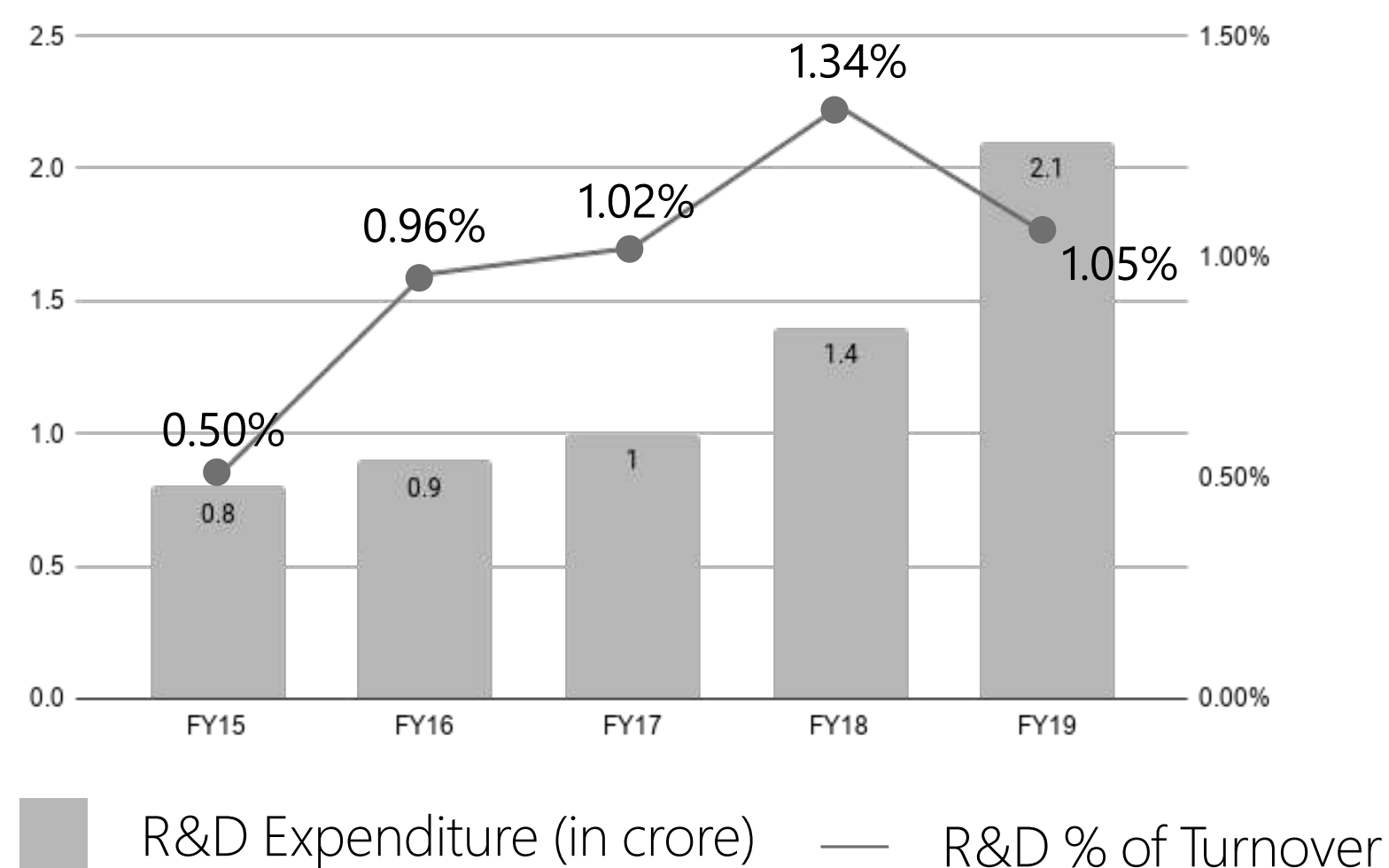
Each of Aimco's current commercial product is developed & commercialized using in-house R&D.

Expanding Portfolio

Actively working towards adding molecules and expanding Aimco's technical grade chemicals portfolio.

Newer Formulations

Additionally, working on developing newer & innovative formulations.



R&D Focus

- Process development
- Technology to manufacture off patented products
- Process efficiency, higher productivity and cost reductions
- Product development
- Customized formulations

Management Team



Mr. Pradeep Dave
Founder & Executive Director

B.Sc. (Chemistry) from MU

Serves as the President of Pesticides Manufacturers & Formulators Association of India (PMFAI) for 23+ years

Chairman of the confederation of All India Small & Medium Pesticides Manufacturers Association (CAPMA)

Under his leadership APL became first Indian co. to mf. Chlorpyrifos & Triclopyr technical



Mr. Elizabeth Srivastav
Managing Director

Qualified in M.Sc. In Bio Chemistry from MU

Associated with the company from (year) and appointed as Managing Director in 2013

More than 30 years of experience in Agro Chemicals industry

Handles International Business at APL



Dr. Samir Dave
Executive Director

Qualified Ph.D. in Synthetic Organic Chemistry from MU

20+ years of extensive experience in organic synthesis, research and process development.

Founder & Director of Agrocare – a global Agrochemical Association registered in Belgium. Also a board member of "Agriculture Skill Council of India"

Instrumental in introducing new molecules over last decade.

Production, Product Development, Research & Development



Mr. Ashit Dave
Executive Director & CFO

Qualified B.Com, MEP –IIM Ahmedabad

Business executive with wide expertise in chemicals & agrochemicals industry

Looks after Finance, Administration, Commercial Aspects of Business



Board of Director’s

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Board of
Directors

Mr. Dushyant Patel
Non-Executive
Independent Director

Mr. Dushyant D. Patel, aged 60 years, holds a degree in Electrical Engineering and possesses more than 25 years of experience in the various areas of business including investment, finance and marketing.

Mr. Ram Gopal Kaja
Non-Executive and
Independent Director

Mr. Kaja is a Chartered Accountant with wide experience in Finance and Corporate Legal matters.

Mr. Mayoora Amin
Non-Executive and
Independent Director

Mr. Amin has diversified work experience of more than 45 years in various areas like manufacturing and marketing of electronics, medical equipment, defence instruments, textiles in India as well as abroad. Mr. Amin had been a president of Bombay Industries Association in the year(s) 1995-96 and Rotary Club of Bombay Airport in the year(s) 2013-14. Mr. Amin was an honorary faculty of Bio-Medical Engineering at Bhagubhai Polytechnic, for a decade.

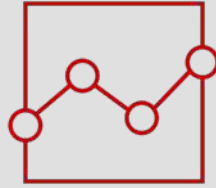
Mr. Suresh Bhatt
Non-Executive and
Independent Director

Mr. Bhatt has work experience of more than 50 years in the Agrochemical Industry. He is the Managing Director of Dinkal Agro Products Private Limited, a company that specializes in crop organic nutrition technologies and veterinary supplements. Mr. Bhatt is an esteemed executive leader who has been awarded the Udyog Rattan (1984) and Udyog Shree (1986) by the Government of India for his contributions to the industry. Mr. Bhatt has also served in various capacities on the Pesticides Manufacturer’s Association of India (PMFAI), one of India's premier agrochemical associations.



Aimco Going Forward





Identifying products for commercial development

In the last few years, since our operational turnaround, the company has been constantly focusing on adding newer molecules to its product portfolio.



Investing in product development, data collection and registration

After the initial development phase, the company is investing in data collection and product registration globally, which is a very time and capital intensive procedure.



Expanding technical portfolio

The company has a principal focus on expanding its competencies in its technical grade portfolio. That is the area in which its strength lies.

Aimco is making continuous efforts to add

- a) Chemicals which would prove to be profitability margin **assertive** and
- b) Have an **opportunity size bigger** than our current products

Long Term Decisions



Outlook

Existing technical products	Additions in technical portfolio	CAPEX	Branded Domestic Formulations	Profitability
We will be focusing on ramping up production, and if necessary capacity, for remunerative products like Bifenthrin in the FY2020-21. The idea is to invest incremental capital only towards margin assertive products, even in our existing portfolio.	There are a few products under development in various categories such as Herbicides, Insecticides, and Plant Growth Regulators (PGR). The company is certain of commercializing at least one key product in FY2021-22.	The company has certain planned capital expenditure for FY2020-21 towards a) Effluent Treatment Plant facility and b) upgradation, automation, and replacement of equipment.	The company is undertaking a steady but very cautious growth in this segment. However, external tailwinds that are expected to last this year will give a boost to this business in FY2020-21. At present, we are receiving good response in this business segment.	Due to reasons communicated, earlier in this presentation, among other factors, we are expecting a healthy improvement in the profitability margins of FY2020-21.

Financial Statements and Market Statistics





Financial Statement Summary

Consolidated Profit & Loss Summary

Rs. In Crores

Particulars	FY2020	FY2019	FY2018	FY2017
Revenue from Operations	185.24	197.25	110.19	102.47
Total Income	188.99	203.98	115.42	104.50
Total Operating Expenses	171.34	183.85	100.99	89.95
EBITDA	13.89	13.40	9.20	12.52
EBITDA %	7.5%	6.8%	8.3%	12.2%
Interest Cost	1.99	0.63	0.31	0.25
Depreciation and Amortisation	2.66	1.73	0.98	0.60
Profit Before Taxes	9.24	11.04	7.91	11.67
Profit After Taxes	6.65	7.72	4.98	11.34
EPS	6.94	8.05	5.33	12.28



Financial Statement Summary

Consolidated Balance Sheet Summary

Rs. In Crores

Particulars	FY2020	FY2019	FY2018	FY2017
Shareholder’s Fund	38.66	35.09	28.69	18.16
Non Current Liabilities	4.44	2.25	1.43	1.42
Current Liabilities	87.05	63.02	39.90	39.73
Total	130.15	100.36	70.02	59.31
Non Current Assets	24.73	21.06	17.62	19.31
Current Assets	105.42	79.30	52.40	40.00
Total	130.15	100.36	70.02	59.31



Financial Statement Summary

Consolidated Cash Flow Summary

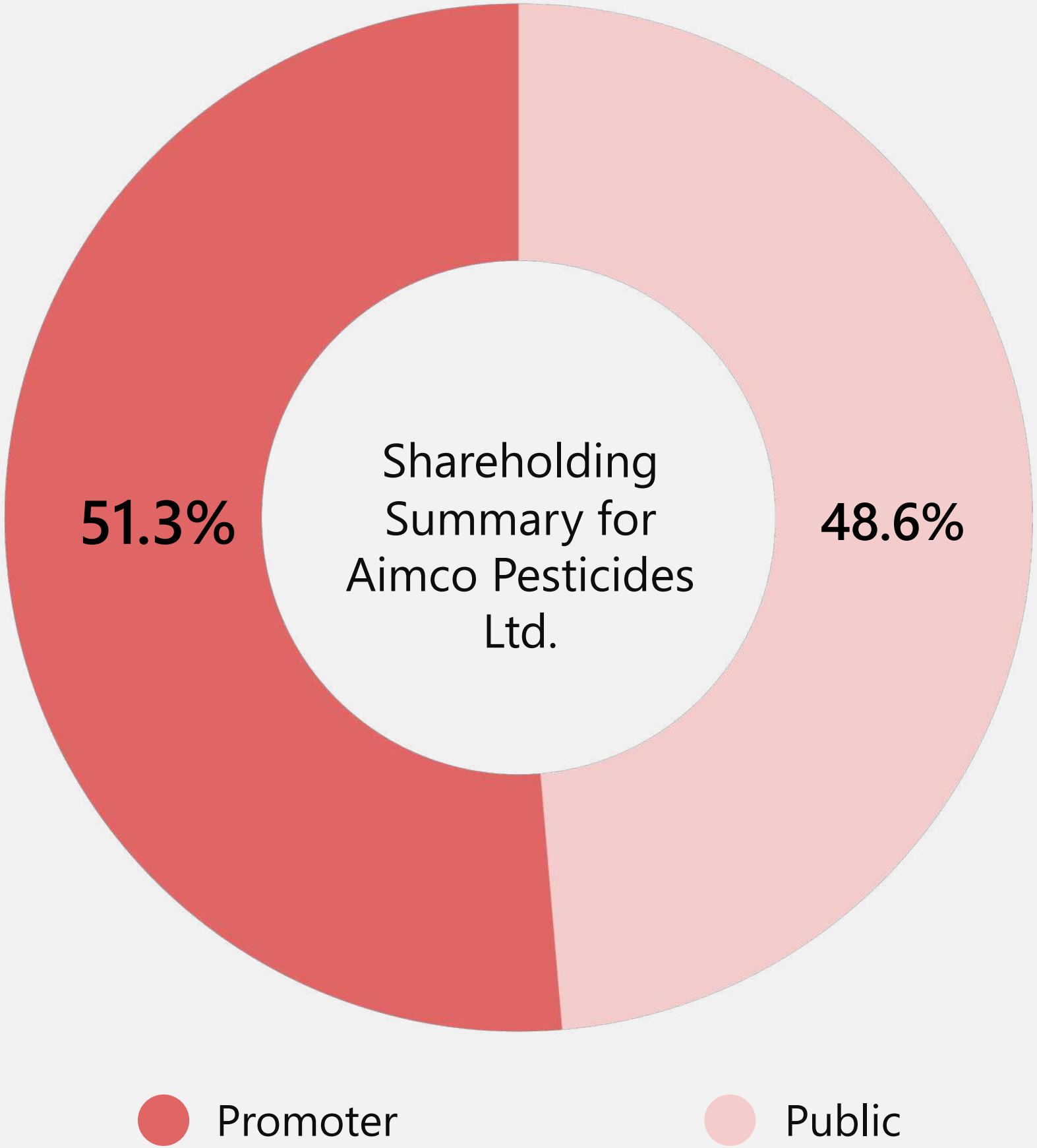
Rs. In Crores

Particulars	FY2020	FY2019	FY2018	FY2017
Operating profit/(loss) before working capital changes	14.09	15.18	8.54	12.11
Net Cash (used in)/generated from operating activities	3.52	14.34	4.25	6.81
Net Cash (used in)/generated from investing activities	-5.07	-6.46	-3.16	-8.89
Net Cash (used in)/generated from financing activities	3.98	-1.78	0.34	0.00
Net Increase/(decrease) in cash and cash equivalents	2.13	1.74	1.43	-2.08
Cash and Cash equivalents at the beginning of the year	3.58	1.84	0.41	2.48
Cash and Cash Equivalents at the end of the year	5.71	3.58	1.84	0.40

Market Statistics

Current Market Price	65.85
52 Week High/Low	141.00/32.40
Market Capitalization	62.55 Cr
Shares Outstanding	0.95 Cr
BSE Scrip Code	524288

Market Price Data as on 20th July, 2020



Get in Touch

Mrs. Anuradha Matkar

Company Secretary & Compliance Officer

Aimco Pesticides Limited

investors@aimcopesticides.com



Mr. Sayam Pokharana

Investor Relations Advisor

The Investment Lab

sayam@theinvestmentlab.in



Safe Harbor

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Harbor

