

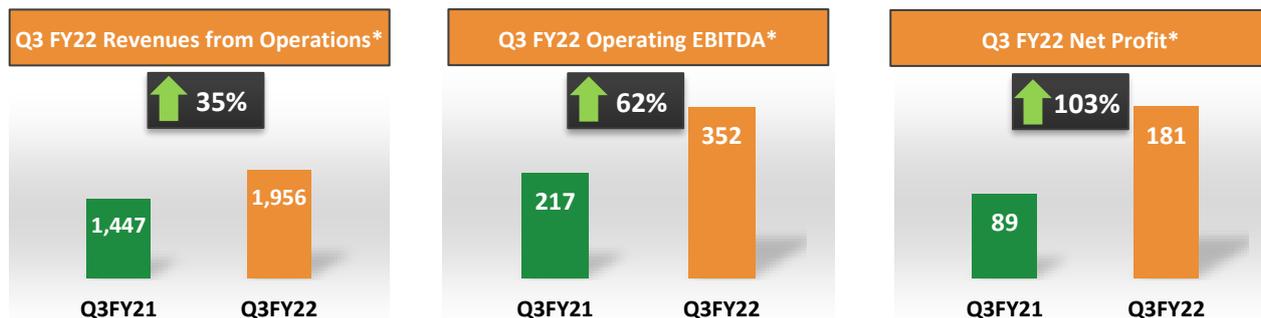
## Stellar Business Performance despite Unprecedented Inflationary Raw Material Challenges

Deepak Fertilisers Sets New Record with Q3 Business Performance

| EBITDA grew by +62% | Net Profit DOUBLES to Rs. 181 Cr |

**Pune, India, January 28, 2022:** Deepak Fertilisers And Petrochemicals Corporation Limited, one of India's leading producers of industrial chemicals and fertilisers ("DFPCL" or the "Company"), announces its results for quarter ending December 31, 2021.

### Q3 FY22 Consolidated Financial Highlights



\* Rs Crores

- Strong topline growth across business segments; Operating Profit continued to build on growth momentum despite unfavourable raw material prices impacting Iso Propyl Alcohol and Fertiliser segment profitability
- Chemical Segment contributed about 93% of total segment profit
- Mining Chemical business delivered an outstanding quarter; Outlook remains encouraging supported by increase in Mining and Infrastructure related activities
- Shift of global supply chain trend towards India driving strong demand of Nitric Acid from downstream customers
- Launched unique crop-specific nutrition solution "Mahadhan Croptek" having essential primary, secondary and micronutrients required for crops
- Finance Cost reduced by 15.4% Y-o-Y primarily driven by better working capital management and reduction in interest rate on existing loans
- Adverse movement of key raw material prices in Q3 FY22 Y-o-Y (Ammonia ▲ ~115%; Phos Acid ▲ ~78.5%; RGP ▲ ~76%)

### Chairman's Message

Commenting on the performance, Mr. Sailesh C. Mehta, Chairman & Managing Director:

*"Our robust business performance reflects our deep strengths emerging out of integrated operations and diversified end user segments with continuous improvement in operating margin despite significant raw materials price increase.*

**During the Quarter:**

1. Net Profits doubled owing to significant margin expansion in Chemicals Segment; whilst Fertiliser Segment faced challenges due to uncertainties around raw material availability and costs



2. We continued to work closely with our Mining Chemicals customers to demonstrate technical capability and value benefits. Furthermore, we are leveraging advanced technologies like Drones & AI-based blast modelling to improve productivity in the mines and infrastructure projects

### Going Forward:

Market leadership in key product segments and strong demand outlook to strengthen business growth and profitability

1. **Mining Chemicals:** With the positive outlook for the mining, infrastructure and power sector, the Company is expected to benefit from the increased TAN demand, a trend that is likely to sustain
2. **Pharma / Speciality Chemicals:** Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers
3. **Fertilisers:** We are focussing on a crop-specific product portfolio which shall provide value to farmers by enhancing product quality, increase in yield and thus more income to farmers

Furthermore, the new Ammonia Project at Talaja (Maharashtra) and the TAN Plant at Gopalpur (Odisha) are making strong progress on the ground and are on track.”

## Chemicals Review

- Q3 FY22 Revenues increased by 49% to Rs. 1,182 Cr in Chemical segment comprising Mining Chemicals and Pharma / Speciality Chemicals. Segment Profit increased from Rs. 173 Cr in Q3FY21 to Rs. 319 Cr in Q3 FY22 (an increase of 84% Y-o-Y)
- **Mining Chemicals:**
  - In Q3 FY22, TAN Business achieved a capacity utilization of 110%
  - Despite adverse impact of increasing Ammonia and Commodity costs, margins in all product segments (i.e. HDAN, AN Melt and LDAN) improved as supported by robust demand, sales volume growth (24% YoY & 31% QoQ) and improved product mix
- **Pharma / Speciality Chemicals:**
  - Despite significant increase in Ammonia Prices, Nitric Acid demonstrated improvement in both volumes (6%) and margins backed by the improved demand from the downstream industries
  - Production at Dahej WNA Plant suffered due to technical issue which has been resolved and resumed normal operations in Dec 2021. Despite this, the overall revenue and margins were maintained
  - IPA demand remained subdued, significant increase in price of RGP (76%) impacted margins

## Fertilisers Review

- Q3 FY22 Revenues grew by 19.1% to Rs. 769 Cr with segment profit of Rs. 28.5 Cr
- Fertiliser segment profitability was impacted due to unfavorable movement of key RM Prices Y-o-Y (Ammonia ▲ ~115%; Phos Acid ▲ ~78.5%)
- Uncertainties of raw material availability impacted the NP and NPK volumes in Q3
- For the first time in India, the Company, launched 'Mahadhan Croptek', a Crop Specific Nutrient which provide balance and Complete crop nutrient to crops

## Strategic Outlook

- Shift of global supply chain trend towards India to continue to drive strong demand of Nitric Acid from downstream customers
- Demand for explosives are expected to increase with the positive outlook for infrastructure, power and mining sectors



- Strategically directed efforts right from crop specific product to farmer-focused marketing drive are expected to benefit DFPCL's market share and margins
- With almost full reservoir levels across the country, the stage is set for a good Rabi harvest
- Greenfield ammonia plant is making speedy development on the ground and is progressing as per planned schedule

### Additional Notes

#### DFPCL Overview:

Deepak Fertilisers Aand Petrochemicals Corporation Ltd. (DFPCL) is among the India's leading manufacturers of industrial chemicals and fertilisers. With a strong presence in Technical Ammonium Nitrate (mining chemicals), Industrial Chemicals and Crop Nutrition (fertilisers), the Company supports critical sectors of the economy such as infrastructure, mining, chemicals, pharmaceutical and agriculture. DFPCL is a publicly listed, multi-product Indian conglomerate and has plants located in four states, namely Maharashtra (Taloja), Gujarat (Dahej), Andhra Pradesh (Srikakulam) and Haryana (Panipat). The Company successfully raised Rs. 510 Crores through a Qualified Institutions Placement ("QIP") of equity shares in October 2021. Leading investors from India and across the globe have participated in the issue which included Smallcap World Fund, Government Pension Fund Global, Axis Mutual Fund, Fidelity, Avendus and Societe Generale among others.

Shares Pledged: 10.3 mn shares pledged out of total 57.4 mn shares held by promoters; 17.9% of promoter holding and 8.5% of total shares are pledged (excluding IFC NDU and negative lien) as of 31<sup>st</sup> Dec 2021.

#### Safe Harbour:

This document contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating Deepak Fertilisers and Petrochemicals Corporation limited's (DFPCL) future business developments and economic performance. While these forward looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks and uncertainties, are based on management belief as well as assumptions made by and information currently available to management and only 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. DFPCL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

