

Delivering Resilient Performance amidst Challenges in Q4FY24 and FY24

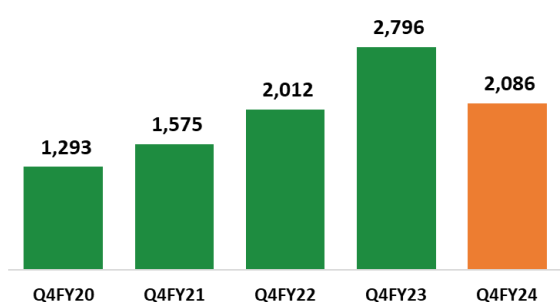
Smart Upswing from Q3 to Q4 of 576bps reaching 21% EBITDA margins.

Board recommends 85% Dividend

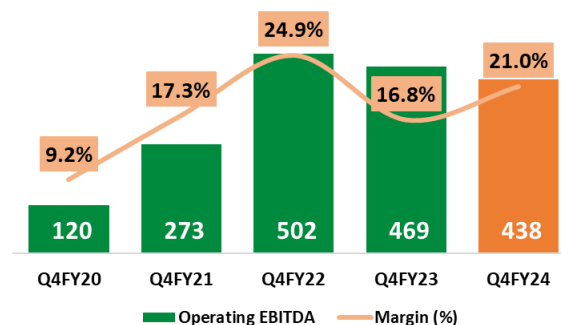
Pune, India, May 29, 2024: Deepak Fertilisers and Petrochemicals Corporation Limited, one of India's leading producers of industrial chemicals and fertilisers ("DFPCL" or the "Company"), announces its results for the fourth quarter and fiscal year ended March 31, 2024.

Consolidated Financial Highlights

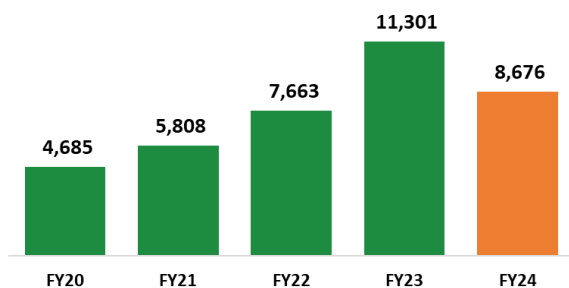
Q4FY24 Operating Revenues (Rs. Cr)



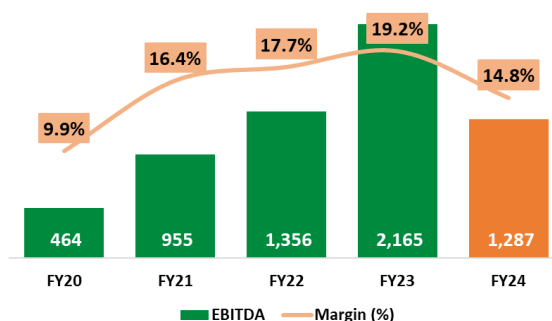
Q4FY24 Operating EBITDA (Rs. Cr) and Margins (%)



FY24 Operating Revenues (Rs. Cr)



FY24 Operating EBITDA (Rs. Cr) and Margins (%)



Consolidated (INR CR)	Q4FY24	Q3FY24	QoQ Change	Q4FY23	YoY Change	FY24	FY23	YoY Change
Operating Revenue	2,086	1,853	12.6%	2,796	(25.4%)	8,676	11,301	(23.2%)
Operating EBITDA	438	282	55.2%	469	(6.7%)	1,287	2,165	(40.6%)
Margins (%)	21.0%	15.2%	576 bps	16.8%	421 bps	14.8%	19.2%	(433 bps)
Net Profit	220	61	262.8%	257	(14.7%)	457	1,221	(62.5%)
Margin (%)	10.5%	3.3%	726 bps	9.2%	132 bps	5.3%	10.8%	(553 bps)



The year saw challenges in all segments i.e. fertilisers due to below normal monsoon, short-term aberration in the import of fertilizer-grade ammonium nitrate from Russia and import of Nitroaromatics from China, despite which the company demonstrated resilience and delivered sustained performance.

Key Highlights from Q4FY24 and FY24:

- **Revenue Growth:** During Q4FY24, revenues grew by 12.6% QoQ basis. For FY24, the company reported consolidated operating revenue of INR 8,676 Cr.
- **EBITDA margin improvement:** As the Raw Materials and the Finished products prices came down from the post Covid peaks, the revenue/top-lines receded. However, the overall EBITDA margins of the quarter rose from 16.8% to 21% and the annual margins were lower only thanks to the large one-time subsidy adjustment. The improving trend is also apparent from the Q3FY24 to Q4FY24 margins showing smart upswings of 576bps reaching 21% EBITDA margins versus 15.2%.
- **Segment Performance:**
 - **FY24 Chemicals Segment** revenues de-grew by 25% YoY with sustainable segment margins of 26%.
 - **FY24 Fertilisers Segment** revenues dropped by 21% YoY, segment margins were impacted on account of one-time subsidy of 267 Cr and weak monsoon.
- **Reduction in key RM Prices during FY24 has resulted in lower NSP:** Ammonia ▼ ~46% YoY; Phos Acid ▼ ~37% YoY; RGP ▼ ~15% YoY; MOP ▼ ~25%, Gas ▼ ~22%
- **Net Debt** of Rs. 3,426 Cr with Net Debt / Equity of 0.63x (FY22: 0.48x), increased due to long term project debt and working capital needs.
- **Ammonia project** commissioned in Aug 23, has achieved 100% designed production capacity.
- **CRISIL** has recently assigned a 'Short Term' Credit Rating of A1+ to DFPC and MAL (Highest rating). **ICRA** has reaffirmed DFPC & MAL 'Long Term' Credit Rating to AA- with Stable outlook and 'Short Term' Credit Rating is also reaffirmed to A1+ (Highest Rating).
- **Promoters Pledge:** As of March 31st, 2024, there is no encumbrance of any kind on Promoter's holding, ensuring stakeholders' confidence in the company's strong financial position.
- **Dividend:** The Board has recommended a dividend of Rs. 8.5/- per equity share of Rs. 10/- each (85%).



Chairman's Message

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

The company has shown resilience and strategic focus despite the Chemical and Fertilisers segment facing challenges simultaneously. Short-term aberration in the import of fertilizer-grade ammonium nitrate from Russia, low cost Nitroaromatics from China and below normal rainfall in our core markets impacted business performance. Despite the odds the company has delivered healthy performance with sustained margins, driven by innovation, operational excellence, and sustainability.



We have entered into a 15-year long-term gas supply agreement with Equinor, commencing in May 2026. This move will ensure continuous supplies of Natural Gas and is expected to improve margins through effective natural gas/LNG hedging and in-house ammonia production, ensuring greater stability.

We also signed a Commercial agreement with Haifa Group, a renowned multinational corporation specializing in Specialty Crop Nutrient. The MAL-Haifa offerings will support agricultural practices that counter the vicious trend of water scarcity and also enhance Nutrient Uptake & Use Efficiency in the plants. This will directly help achieve our Prime Minister's dream of "More Crop Per Drop".

For FY 24-25, the demand outlook for all our business segments looks positive. 'IMD' has forecasted above average normal rainfall in FY25, expecting a good Kharif and Rabi season this year.

Mining Chemical business volume growth is expected to continue in FY25. Further, the business has demonstrated capability to deliver Total Cost of Ownership (TCO) projects across mining & infrastructure end-users customers and is in process to become a holistic mining solutions provider in India. This will help sustain margins and customer stickiness.

As we navigate through evolving market dynamics, we remain steadfast in our commitment to creating long-term value for our stakeholders while upholding the highest standards of corporate governance and sustainability.

Chemicals Review

• Mining Chemicals (Technical Grade Ammonium Nitrate):

- Technical Grade Ammonium Nitrate Business demand showed healthy growth trends with Coal production growing at 11% YoY and 23% QoQ and Cement production growing at 10% YoY and 16% QoQ.
- Technical Grade Ammonium Nitrate sales volume in Q4 grew by 26% YoY and 39% QoQ due to improved demand and coupled with low imports, particularly from Russia as it was short-term aberration.
- The Company continues to maintain a competitive pricing strategy across all segments, underscoring the company's strategic positioning in the market.
- Post demerger of Technical Grade Ammonium Nitrate business into a separate legal entity, it will establish itself as a fully integrated, unique value chain offering mining solutions in India.



- **Business Outlook:** Growth in demand is expected to continue during FY25 as the demand for coal mining, Power and Infrastructure spend is likely to remain high due to the strong demand for power and the Government's spending on infrastructure projects..
- **Pharma / Specialty Chemicals (Nitric Acid and IPA):**
 - Nitric Acid volumes in Q4 degrew by 27% YoY and 25% QoQ due to extended plant shutdown at Dahej along with low demand from downstream industries due to imports from China.
 - Our thrust for speciality Pharma-grade IPA continues on a positive journey, with volumes increasing by 26% quarter-on-quarter in Q4FY24, supported by higher prices.
 - Steel grade Nitric acid has witnessed positive customer response since its commercial launch.
 - **Business Outlook:** Nitric acid prices are expected to remain stable and improve over few quarters. Propylene based IPA would continue to perform better from demand and price perspective. Further, various trials at customers end are being conducted for Steel grade nitric acid and we expect expansion of volumes.

Crop Nutrition Business (Fertilisers) Review

- In Q4, lower rainfall in our core markets lead to lower water storage and drought conditions impacted sowing of key Rabi crops acreage. Despite these challenges, the business has achieved 11% YoY & 10% YoY growth in Croptek & Smartek sales respectively.
- Recently received DOF approval for 3rd Croptek grade which will be positioned for Pulse crops. Launched Croptek Soyabean aiming kharif soyabean high acreages in Maharashtra and MP.
- **Business Outlook:** 'IMD' has forecasted above normal monsoon in FY25. This is the first time, after a gap of eight years, that the IMD has forecast "above normal" rains in the country. Expecting good kharif season this year. The Company to continue its focus on Crop specific nutrient solution through 'Croptek' & 'Solutek' products offering.

Company Overview

Deepak Fertilisers and 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).

DFPCL is Leading manufacturer and marketer of Iso Propyl Alcohol (IPA) in India and Largest Manufacturer of Nitric Acid in South East Asia. The Company is developing specialised grades of Nitric acid and IPA to meet specific requirements to cater needs of the industry/consumer.

DFPCL is one of the leading manufacturers of Technical Ammonium Nitrate in the world, it is the only producer of prilled Technical Grade Ammonium Nitrate solids in India and also manufactures medical grade Ammonium Nitrate. The Company has commenced best in-class Technical Services to drive downstream productivity benefits for the mining end consumers.



CNB Segment (fertilisers) offers a basket of 48 products which include bulk fertilizers, Crop nutrient solutions, specialty fertilizers, water-soluble fertilizers, bio-stimulants, micro-nutrients, and secondary nutrients, catering to every crop's nutrient requirement. Enhanced-efficiency speciality fertilizers are developed basis rigorous R&D efforts and product trials at over 50,000 farmer demo plots. The R&D efforts have shown distinct yield and quality improvements for crops across segments such as cotton, sugarcane, onion, fruits & vegetables. Over last three years, value-added nutrition products have benefitted 6 million farmers.

Deepak Fertilisers And Petrochemicals Corporation Ltd.

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Safe Harbour:

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