



Current Price: ₹ 714.75

STOCK DATA

BSE Code	512070
NSE Symbol	UPL
Reuters	UPLL.BO
Bloomberg	UPLL IN

VALUE PARAMETERS

52 W H/L(Rs)	827.30/607.80
Mkt. Cap.(Rs Cr)	53649.68
Latest Equity(Subscribed)	150.12
Latest Reserve (cons.)	29694.00
Latest EPS (cons.) -Unit Curr.	49.16
Latest P/E Ratio -cons	14.54
Latest Bookvalue (cons.) -Unit Curr.	397.6
Latest P/BV - cons	1.8
Dividend Yield -%	1.40
Face Value	2.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 31/03/2023
Foreign	39.64
Institutions	18.34
Non Promoter Corp. Hold.	1.18
Promoters	32.35
Public & Others	8.50

Financials Results

Particulars	In Cr.		Var. (%)
	Qtr Ending Mar. 23	Qtr Ending Mar. 22	
Net Sales	16,569.00	15,861.00	4
OPM (%)	16.43	21.31	-488bps
OP	2,722.00	3,380.00	-19
Other Inc.	211.00	116.00	82
PBIDT	2,933.00	3,496.00	-16
Interest	906.00	800.00	13
PBDT	2,027.00	2,696.00	-25
Depreciation	727.00	642.00	13
PBT	1,300.00	2,054.00	-37
Share of Profit/(Loss) from Associates	120.00	114.00	5
PBT before EO	1,420.00	2,168.00	-35
EO Income	-29.00	-168.00	83
PBT after EO	1,391.00	2,000.00	-30
Taxation	311.00	265.00	17
PAT	1,080.00	1,735.00	-38
Minority Interest (MI)	288.00	356.00	-19
Net profit	792.00	1,379.00	-43
EPS (Rs)	10.80	19.64	

UPL Q4FY23 results: Reduced net debt by US\$ 440 million in FY2023 but weak operating Performance, below estimates

UPL consolidated net sales increased 4.46% to Rs 16569 crore in Q4FY23 compared to Q4FY22 impacted by rapid decline in product prices and delays in planting season that resulted in headwinds for product placements. Sales of Non Agro segment has gone up 1.63% to Rs 684.00 crore (accounting for 4.11% of total sales). Sales of Crop Protection segment rose 3.88% to Rs 15,080.00 crore (accounting for 90.67% of total sales). Sales of Seeds Business segment has gone up 11.73% to Rs 867.00 crore (accounting for 5.21% of total sales). Inter-segment sales came down from Rs 105.00 crore to Rs 63.00 crore.

Profit before interest, tax and other unallocable items (PBIT) has slumped 34.38% to Rs 2,201.00 crore. PBIT of Non Agro segment fell 90.54% to Rs 7.00 crore (accounting for 0.32% of total PBIT). PBIT of Crop Protection segment fell 32.91% to Rs 2,118.00 crore (accounting for 96.23% of total PBIT). PBIT of Seeds Business segment fell 38.21% to Rs 76.00 crore (accounting for 3.45% of total PBIT).

PBIT margin of Non Agro segment fell from 11.00% to 1.02%. PBIT margin of Crop Protection segment fell from 21.75% to 14.05%. PBIT margin of Seeds Business segment fell from 15.85% to 8.77%. Overall PBIT margin fell from 21.01% to 13.23%.

Operating profit margin has declined from 21.31% to 16.43%, leading to 19.47% decline in operating profit to Rs 2,722.00 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 50.40% to 59.27%. Employee cost decreased from 8.49% to 7.59%. Other expenses fell from 19.80% to 16.71%. Provisions writeoffs cost rose from 0.07% to 0.19%. Other provisions rose from 0.07% to 0.19%.

UPL : Consolidated Segment Results

	Qtr Ending Mar.23	Qtr Ending Mar.22	Var.(%)	In Cr. % of (Total)
Sales				
Non Agro	684	673	2	4
Crop Protection	15080	14517	4	91
Seeds Business	867	776	12	5
Total Reported Sales	16631	15966	4	100
Less: Inter segment revenues	63	105	-40	
Net Sales	16568	15861	4	
PBIT				
Non Agro	7	74	-91	0
Crop Protection	2118	3157	-33	96
Seeds Business	76	123	-38	3
Total PBIT	2201	3354	-34	100
Less : Interest	906	800	13	
Add: Other un-allocable	96	-554	LP	
PBT	1391	2000	-30	

Other income rose 81.90% to Rs 211 crore. PBIDT fell 16.10% to Rs 2933 crore. Provision for interest rose 13.25% to Rs 906 crore. Loan funds declined from Rs 26,709.00 crore as of 31 March 2022 to Rs 23,939.00 crore as of 31 March 2023. Inventories rose to Rs 13,985.00 crore as of 31 March 2023 from Rs 13,078.00 crore as of 31 March 2022. Sundry debtors were higher at Rs 18,224.00 crore as of 31 March 2023 compared to Rs 15,328.00 crore as of 31 March 2022. Cash and bank balance declined from Rs 6,120.00 crore as of 31 March 2022 to Rs 6,097.00 crore as of 31 March 2023. Investments declined from Rs 1,922.00 crore as of 31 March 2022 to Rs 1,624.00 crore as of 31 March 2023. PBDT fell 24.81% to Rs 2027 crore. Provision for depreciation rose 13.24% to Rs 727 crore. Fixed assets declined from Rs 20,330.00 crore as of 31 March 2022 to Rs 10,267.00 crore as of 31 March 2023. Intangible assets increased from Rs 18,364.00 crore to Rs 31,264.00 crore.

Profit before tax down 36.71% to Rs 1,300.00 crore. Share of profit/loss was 5.26% higher at Rs 120 crore. Extraordinary items were increased to Rs -29.00 crore. Provision for tax was expense of Rs 311 crore, compared to Rs 265 crore. Effective tax rate was 22.36% compared to 13.25%. Minority interest decreased 19.10% to Rs 288.00 crore. Net profit attributable to owners of the company decreased 42.57% to Rs 792.00 crore.

Full year results analysis

Net sales of UPL have increased 15.87% to Rs 53576 crore ed by better product realizations (+10%), favourable currency impact (+5%) and flat volumes. Sales of Non Agro Activities segment has gone up 13.17% to Rs 2,741.00 crore (accounting for 5.08% of total sales). Sales of Crop Protection segment rose 15.17% to Rs 47,568.00 crore (accounting for 88.23% of total sales). Sales of Seeds Business segment has gone up 25.63% to Rs 3,603.00 crore (accounting for 6.68% of total sales). Inter-segment sales came down from Rs 356.00 crore to Rs 340.00 crore.

Profit before interest, tax and other unallocable items (PBIT) has jumped 3.83% to Rs 8,945.00 crore. PBIT of Non Agro Activities segment fell 17.44% to Rs 303.00 crore (accounting for 3.39% of total PBIT). PBIT of Crop Protection segment rose 4.08% to Rs 7,956.00 crore (accounting for 88.94% of total PBIT). PBIT of Seeds Business segment rose 13.58% to Rs

686.00 crore (accounting for 7.67% of total PBIT).

PBIT margin of Non Agro Activities segment fell from 15.15% to 11.05%. PBIT margin of Crop Protection segment fell from 18.51% to 16.73%. PBIT margin of Seeds Business segment fell from 21.06% to 19.04%. Overall PBIT margin fell from 18.49% to 16.59%.

Operating profit margin has declined from 20.61% to 19.03%, leading to 7% rise in operating profit to Rs 10,196.00 crore. Raw material cost as a % of total sales (net of stock adjustments) increased from 47.73% to 50.92%. Employee cost decreased from 10.00% to 9.44%. Other expenses fell from 21.66% to 20.61%. Provisions writeoffs cost rose from 0.03% to 0.23%. Other provisions rose from 0.03% to 0.23%.

Other income rose 69.75% to Rs 477 crore. PBIDT rose 8.80% to Rs 10673 crore. Provision for interest rose 29.11% to Rs 2963 crore. Loan funds declined from Rs 26,709.00 crore as of 31 March 2022 to Rs 23,939.00 crore as of 31 March 2023. Inventories rose to Rs 13,985.00 crore as of 31 March 2023 from Rs 13,078.00 crore as of 31 March 2022. Sundry debtors were higher at Rs 18,224.00 crore as of 31 March 2023 compared to Rs 15,328.00 crore as of 31 March 2022. Cash and bank balance declined from Rs 6,120.00 crore as of 31 March 2022 to Rs 6,097.00 crore as of 31 March 2023. Investments declined from Rs 1,922.00 crore as of 31 March 2022 to Rs 1,624.00 crore as of 31 March 2023. PBDT rose 2.59% to Rs 7710 crore. Provision for depreciation rose 7.97% to Rs 2547 crore. Fixed assets declined from Rs 20,330.00 crore as of 31 March 2022 to Rs 10,267.00 crore as of 31 March 2023. Intangible assets increased from Rs 18,364.00 crore to Rs 31,264.00 crore.

Profit before tax grew 0.14% to Rs 5,163.00 crore. Share of profit/loss was 17.16% higher at Rs 157 crore. Extraordinary items were increased to Rs -170.00 crore. Provision for tax was expense of Rs 736 crore, compared to Rs 529 crore. Effective tax rate was 14.29% compared to 10.65%. Minority interest increased 4.07% to Rs 844.00 crore. Net profit attributable to owners of the company decreased 1.54% to Rs 3,570.00 crore.

During the year, the company generated strong cash flows and utilized it towards deleveraging the balance sheet and returning cash to shareholders. The gross debt was reduced by \$617 million and net debt by US\$ 440 million (Net Debt of \$2.06 billion as of 31st March 2023).

Management Comment

Commenting on the performance, Mr. Jai Shroff, Chairman and Group CEO – UPL Ltd., said "We delivered a resilient set of results for FY23 despite facing significant headwinds in the final quarter. Thanks to the dedication, agility, and tenacity of our teams, we were able to deliver on most of our commitments.

We reduced our gross debt by over \$600 million and net debt by \$440 million driven by improved cash flow from operations and a leaner working capital cycle.

In-line with our priority of creating shareholder value, we created distinct pure play platforms during the year to bring in enhanced focus and operational freedom to pursue independent growth strategies thereby unleashing the growth potential of each of our distinct platforms.

Going forward, as we look ahead to FY24, we are well-positioned to deal with the market headwinds and deliver better profitability growth. In the longer-term, we remain confident of achieving our growth ambitions and transforming the food value chain with emphasis on sustainability."

Mike Frank, CEO – UPL Global Crop Protection, said "FY2023 was a tale of two distinct periods, our performance in the first nine months delivered >20% growth in Revenue and EBITDA. The fourth quarter was an unusual one with pricing pressure and delayed purchases by

channel in the post-patent space due to oversupply of certain molecules. Our focus in the last quarter was to grow share in key markets, liquidating most of our high-cost inventory, closely manage working capital and smartly set-up our inventory position for the next year.

As a result, given our lean inventory position, we are well-placed to deal with the challenging market conditions which are likely to persist for first half of FY24, but also to benefit once the market begins to normalize thereafter. Backed by our superior manufacturing and product innovation capabilities, we remain confident of growing significantly faster than the market in FY24 and beyond".

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