



Investor Presentation

December 2019

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Agri industry: The opportunity ahead



Coromandel: Strong track record, future positive



Business-wise highlights: Unique strengths to win in the market



The Coromandel investment case: Summary



Agri industry: The opportunity ahead



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Business-wise highlights: Unique strengths to win in the market

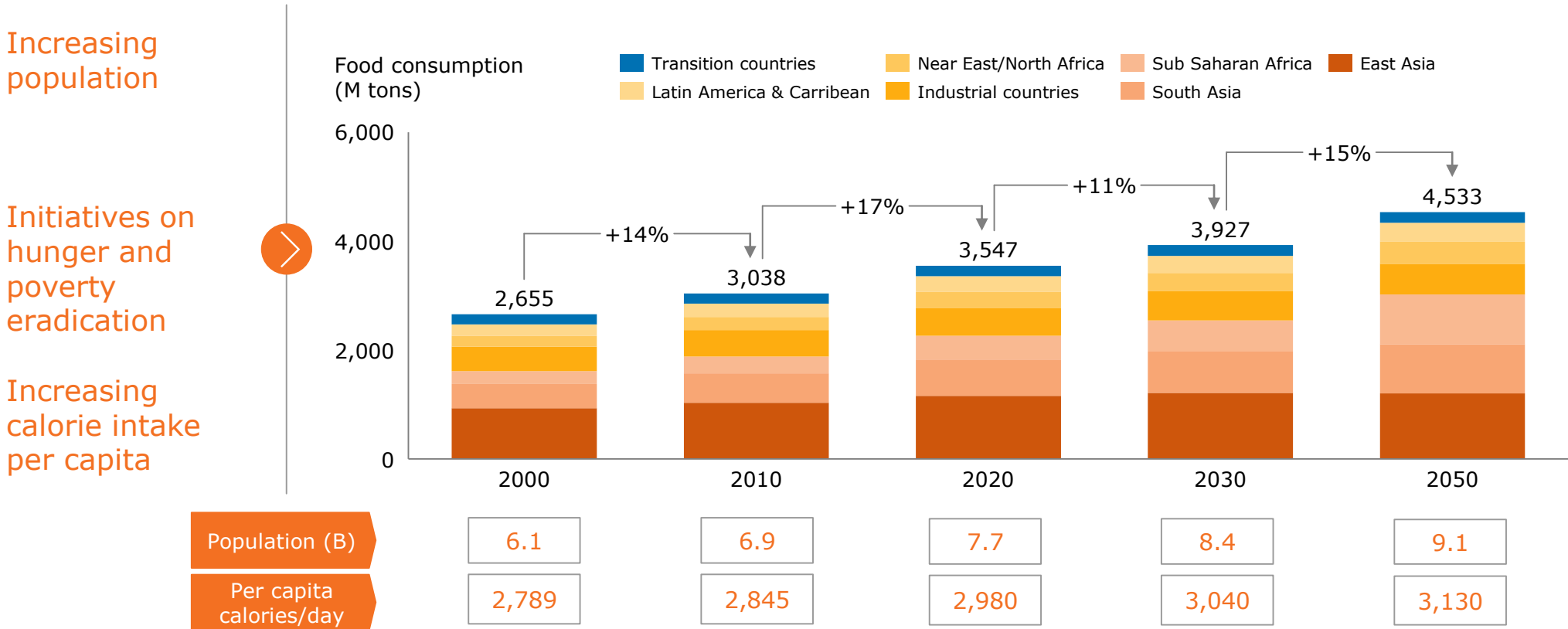


The Coromandel investment case: Summary

Global: Increasing population and wealth to drive up global food consumption



Strong increase in food demand expected



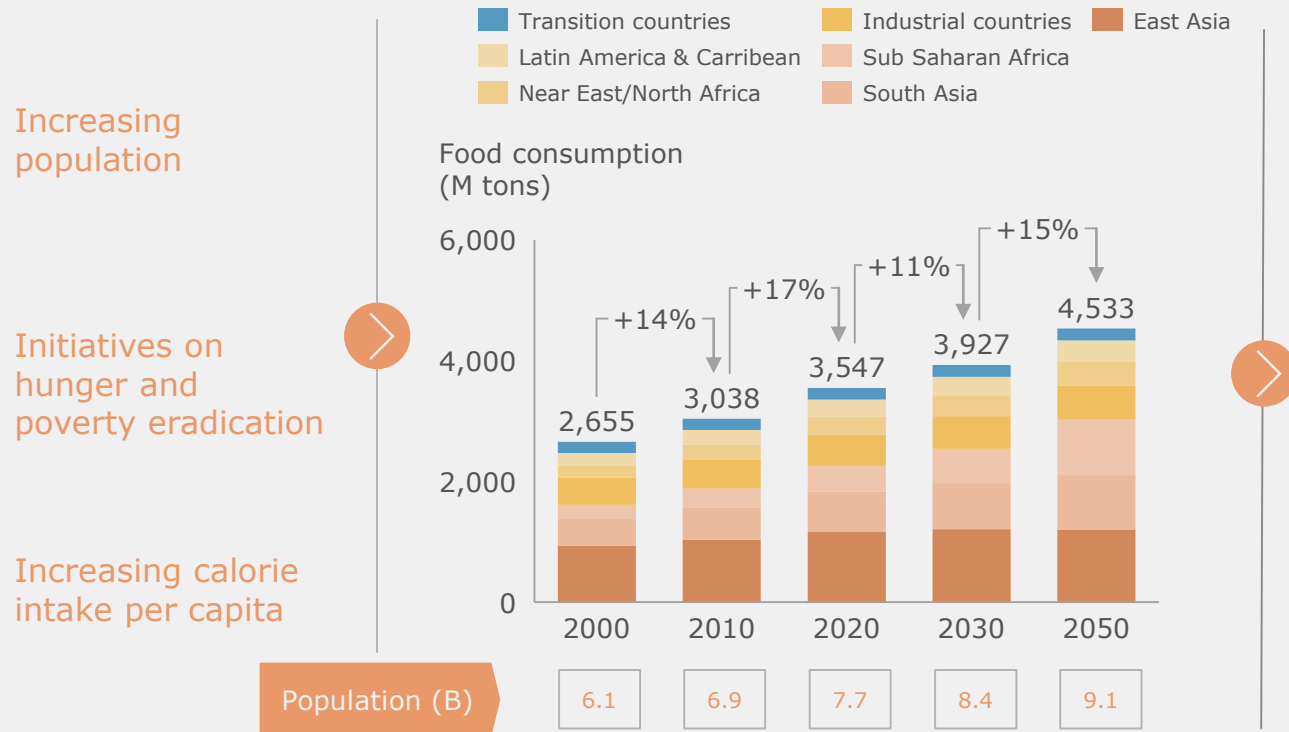
India, Africa, South East Asia and Australia emerging as new food bowls



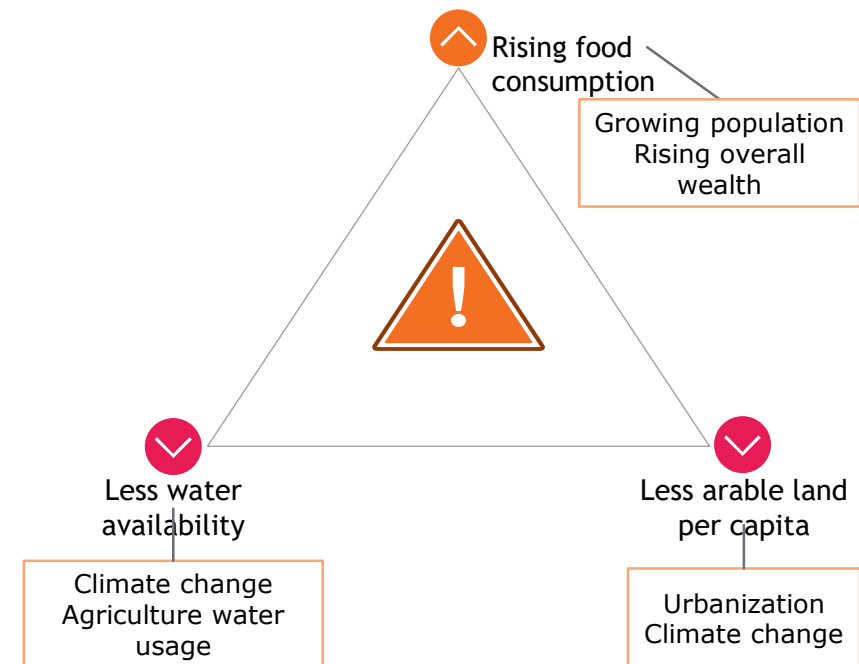
Note: Industrial countries include North America, Western Europe & ANZ; Transition Counties include Eastern Europe & Russia
Source: FAOSTAT; BCG analysis

Global agri trend: Rising consumption & resource exhaustion

Strong increase in food demand expected....

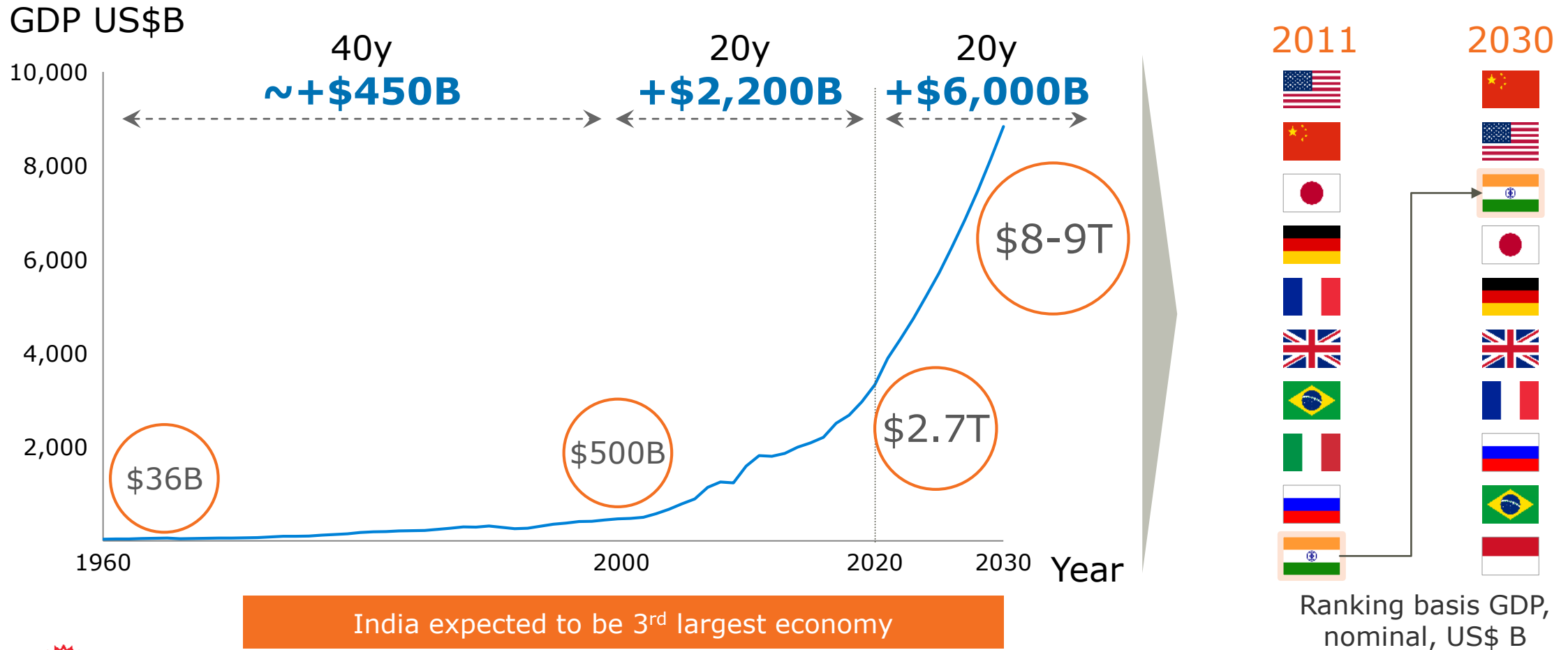


Combined with non-ceasing water and land scarcity seen leading to Natural Resource pressure triangle



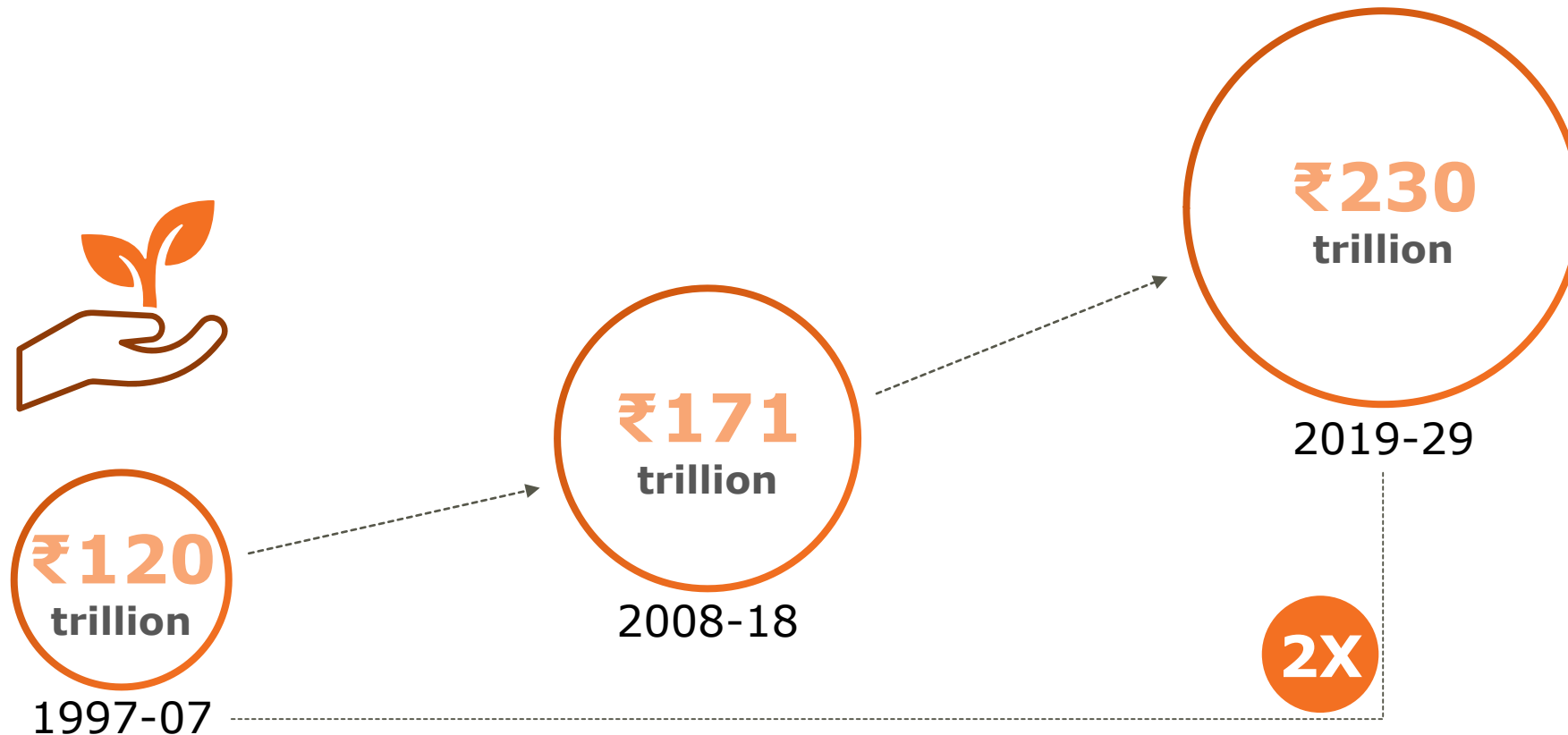
Pressure on improving the agri productivity

India: A decade of accelerated growth ...



India: ... with unparalleled value creation in Agri sector over the next 10 years in India

— Gross value added by Agri sector (cumulative) —



1997-07

2008-18

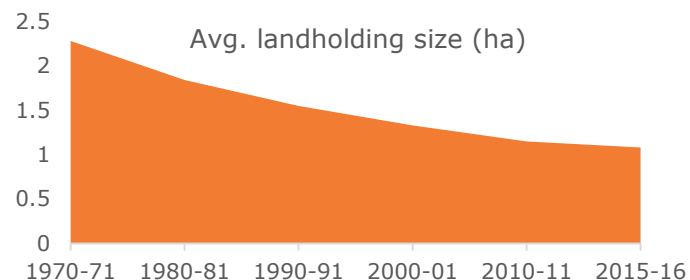
2019-29

2X

India Agri: ~\$1.7 trillion to ~\$3.3 trillion in 30 years

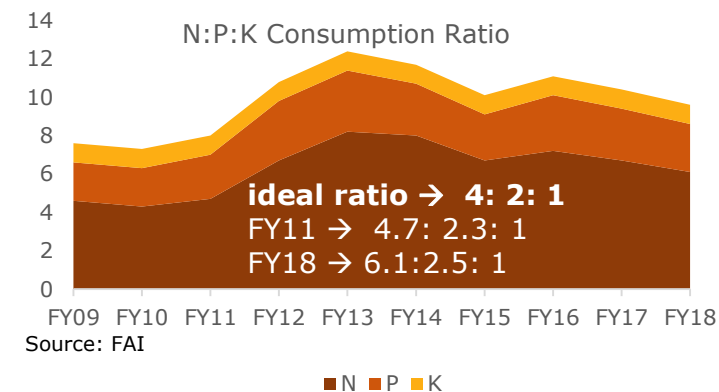
India: The opportunity and imperative for value creation in Agri sector over the next 10 years are large...

Falling per capita land holding

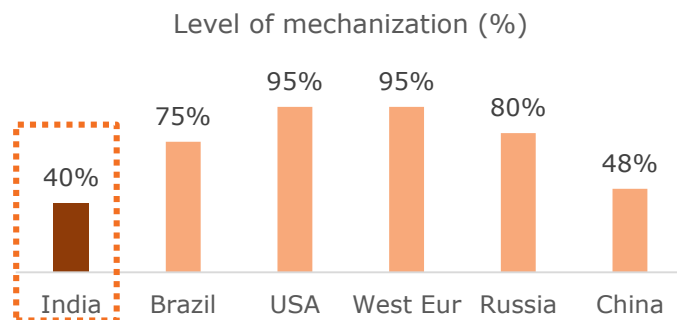


Source: Ministry of Agri

Imbalanced Nutrient Usage

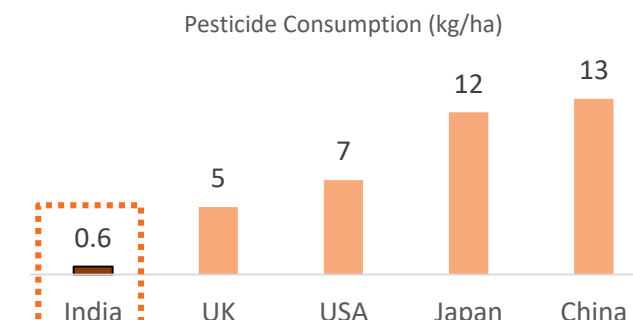


Low Mechanization



Source: World Bank, FAO

Low Crop Protection consumption



Source: FICCI

8 global agri trends : Impact on India

Rising pressure on natural resources



Pressure on natural resources is driving greater push towards **micro-irrigation** in India

Changing dietary preferences



Dietary patterns are evolving as **demand for fruits, vegetables & pulses** continues to grow at 6-8% CAGR v/s cereals (1%)

Evolution of farm holdings



Declining avg. farm holding (87% of India farmers hold <2 Ha) is adding pressure on farm productivity

Farm labor shortages



Decreasing labour availability is driving 10% p.a. rise in cultivation cost of major crops

Continued importance to Political economy



Additional Government interventions in the form of **higher MSP and Direct Benefit Transfer** to support farmers

Rise of digital farmers



Increasing mobile penetration to provide unique opportunity to use personalization to build deep farmer connect

Farm Tech advancements



Data-driven agriculture and Precision farming are changing the landscape of agri today & will continue to do so in the future

Evolution of logistics

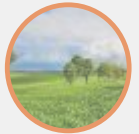


Logistics sector is evolving in India with **42 mega Food Parks** planned across the country

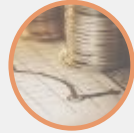
Trends opening up significant opportunities for Agri cos



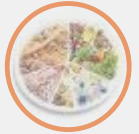
Themes



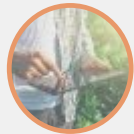
Rising pressure on natural resources



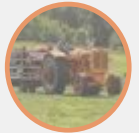
Continued importance to Political economy



Changing dietary patterns



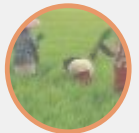
Rise of digital farmers



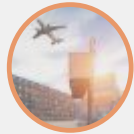
Evolution of farm holdings



Farm Technology advancements



Farm labor shortages



Evolution of logistics



Implications

- Focus on **balanced plant nutrition** and improved Ag input penetration
- Focus on **specialized nutrients** and ag inputs for F&V, pulses in line with changing dietary preferences
- **Precision farming / ag tech** at the heart of holistic agri solution of the future
- **Micro-irrigation to gain prominence**; Agri-input delivery models will change
- **Digital** presents a great opportunity to drive **personalization and farmer connect**
- Continued emphasis on improving farm productivity; **shared service models for mechanization** to gain prominence

Government policy focus positive for value creation in Agri sector



Farmer Focus

- **Doubling of farmer income:** Productivity, Price Realization
 - Productivity: **Soil Health Cards, customized fertilizer**
 - Realization: Direct Income Support - Centre & State initiatives, Agri Insurance, Electronic Agriculture Markets, MSP support
- **Contract farming** : Improved value chain linkage



Positive Policy shifts

- **Direct Benefit Transfer (DBT)** – Soil health cards, Direct benefit transfers
- **Nutrient self-sufficiency:** ‘**Make in India**’ to target intermediate & finished product capacity additions
- **Quality** consciousness: SSP – RM quality, Pesticide Management Bill
- **Sustainable farm solutions:** Balanced nutrition, Bio and Organic as next focus areas



Welfare Policy

- **JAM (Jan Dhan, Aadhaar, Mobile)** as enabler to direct benefit transfer for beneficiaries
- **Building Rural India:** Electrification, Ayushman Bharat (Health insurance)
- Push towards **Pulses & Oilseeds** – Self sufficiency goals



Infra Push

- Irrigation focus:
 - **Micro Irrigation** focus
 - Accelerated Irrigation Benefit Program – **River linkages**
- Increased investments in logistics, cold chain and warehousing
- Inland waterways, Sagarmala project – **Alternate distribution channel**
- Thrust on **Farm mechanization** – Custom Hiring Centres



Agri industry: The opportunity ahead



Coromandel: Strong track record, future positive



Business-wise highlights: Unique strengths to win in the market



The Coromandel investment case: Summary

Murugappa Group:
Coromandel flagship company of the group



Workforce	Businesses	Revenue	Market Cap	Locations
50,000+	28; 9 listed entities	5.27 Bn USD	9.4+ Bn USD	90



Agriculture

Coromandel
EID Parry



Engineering

CUMI
Tubes Investment



Financial
Services

Chola Finance
Chola MS



119 years of trust

Coromandel: Strong Governance Structure

The Spirit of the Murugappa Group

These **five lights** guide us as we navigate through professional and personal decisions.



The five lights

The light of
INTEGRITY
that gives us the courage to
always do the right thing

The light of
RESPONSIBILITY
that gives us the humility to
think about the world around us

The light of
PAS2ION
that provides us with
the desire to win

The light of
RESPECT
that inspires people
around us to perform

The light of
QUALITY
which makes us
dream of excellence



Eminent Board



Professional
Management



Engaged
employees

Coromandel: a strong, responsible company



Key Facts :

- Turnover: **USD 1.9 bil** (FY18-19), **USD 1 Bn** (H1 FY20)
- Market Cap: **USD 1.7 bil** (Sep 2019)
- Strong credit rating: '**AA +**' (Stable outlook)' with CRISIL India
- Zero long term debt
- **~4500** employees & ~7500 contract staff



STRONG BRAND EQUITY



COST EFFECTIVE
MFG.& SUPPLY CHAIN



DOING IT RESPONSIBLY



BRINGING PROSPERITY
TO 3M+ FARMERS

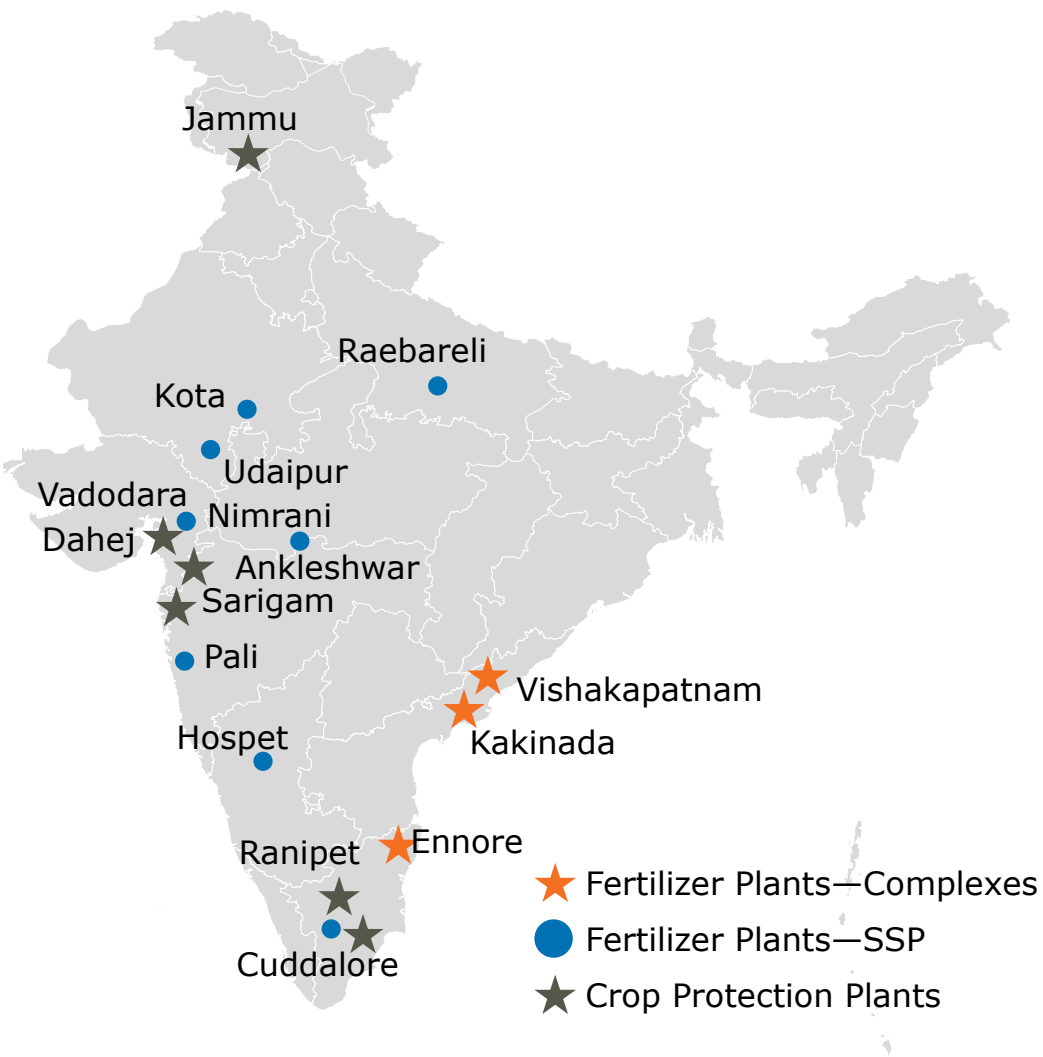


TECH and R&D FOCUS

Coromandel: India footprint

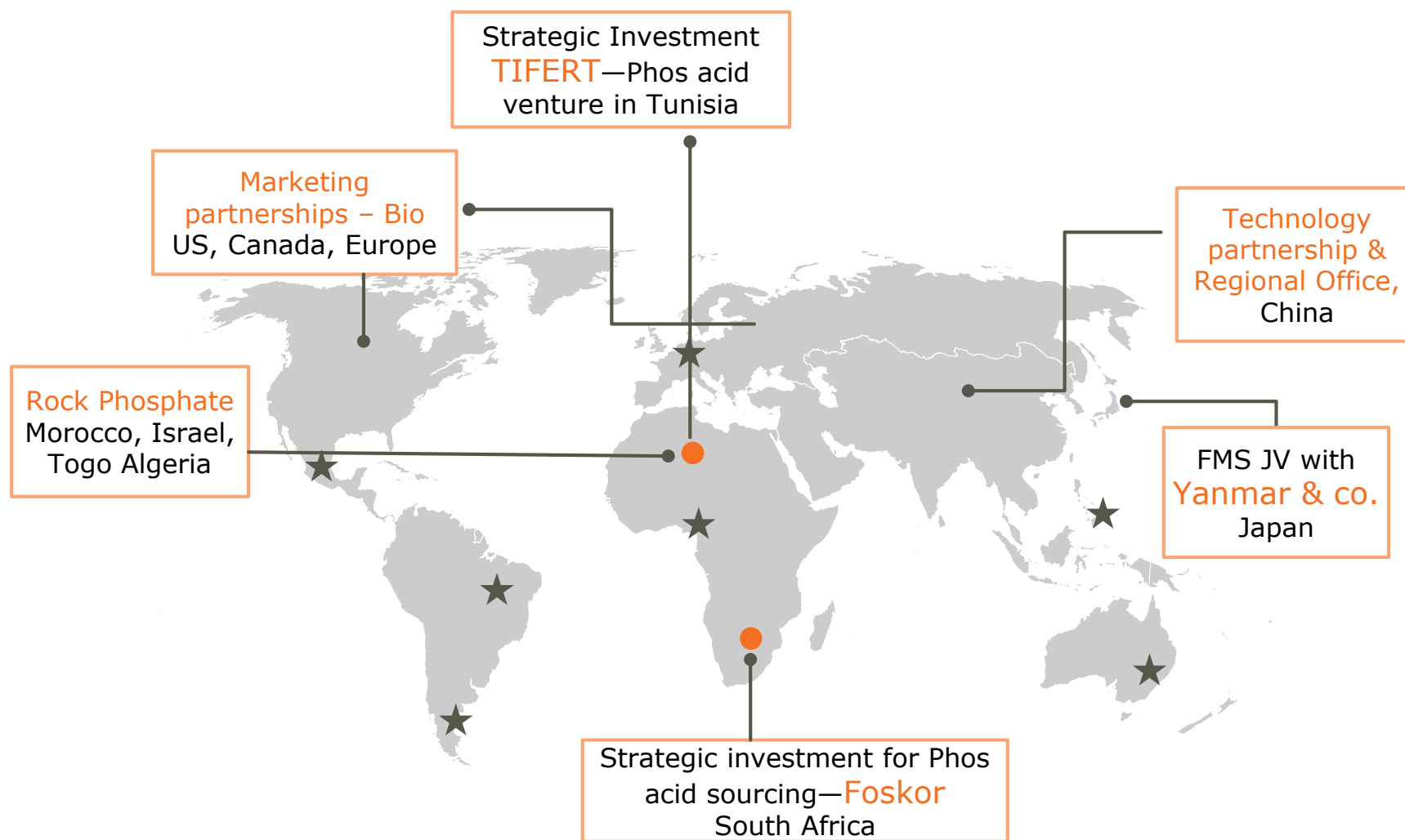


- India's largest private sector Phosphatic Fertilizer company
- Pioneers & market leaders in Specialty Nutrients
- India's largest Single Super Phosphate (SSP) company
- 5th largest Crop Protection Indian company
- Worlds' largest Neem based Bio pesticide manufacturer
- No. 1 Organic Manure player in India
- Largest Rural Retail Chain in India



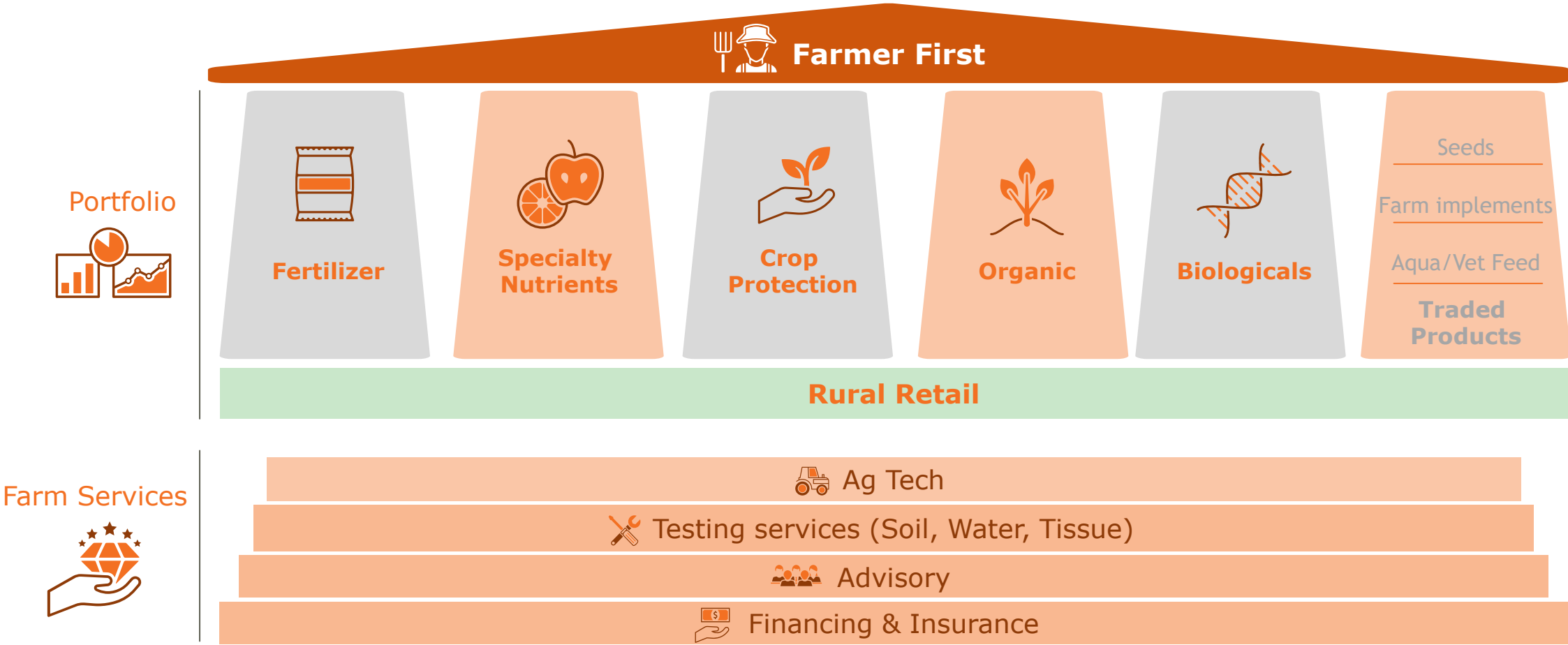
- 16 manufacturing locations ⬅
- ~800 Retail centres ⬅
- ~20,000+ dealers ⬅
- Presence across ~81 countries ⬅
- ~ 2,000+ strong market development team ⬅

Coromandel: Global footprint & collaborations

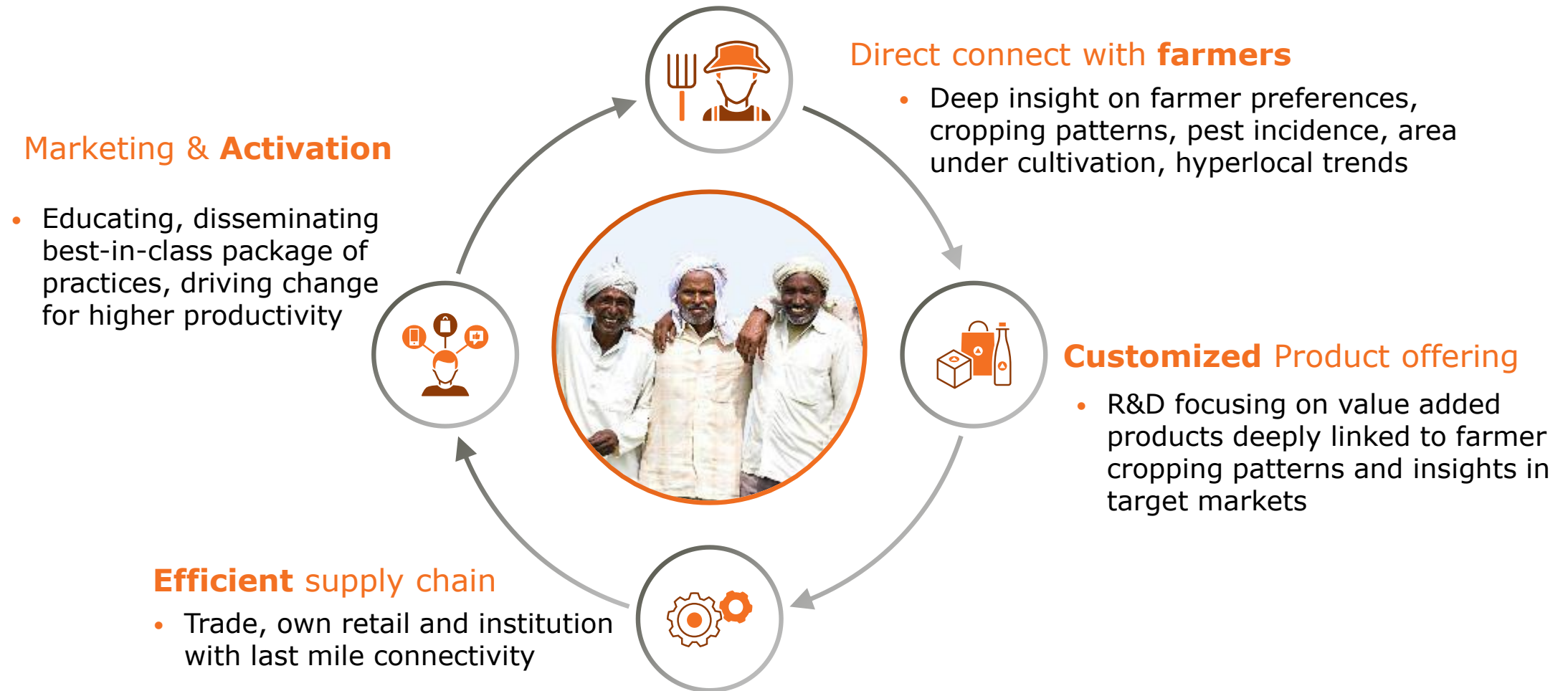


- Highly diversified sourcing
- Significant market presence in International markets
- Technology tie ups with global majors like Shell
- Farm Mechanization JV with Yanmar, Japan

Coromandel: A 'Farmer First' winning business model



Coromandel: Converting farmer insights into farmer prosperity





Agri industry: The opportunity ahead



Coromandel: Strong track record, future positive



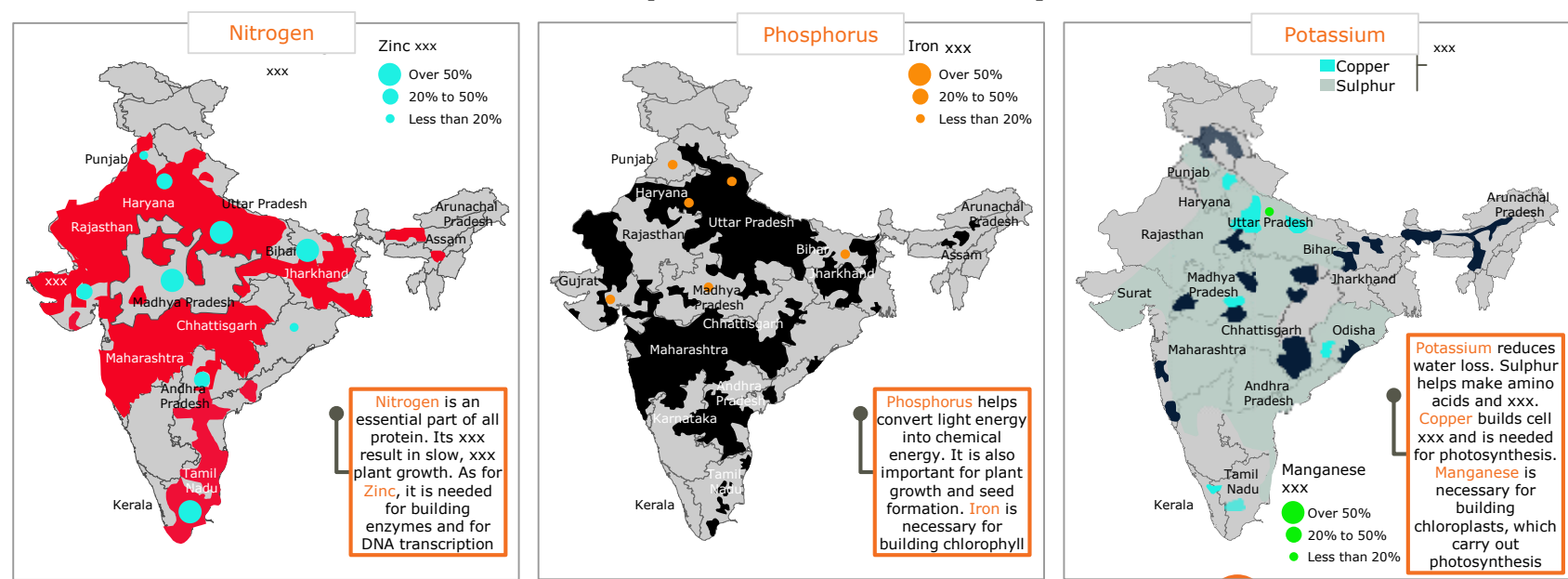
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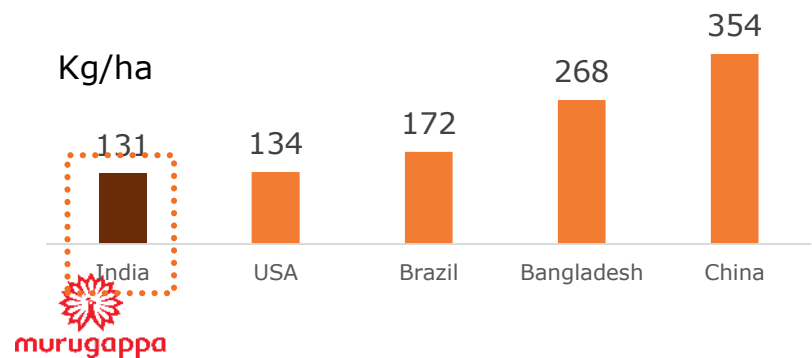
The Coromandel investment case: Summary

Fertilizer: Opportunity to address nutrient imbalance

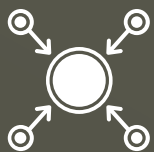
Widespread Soil Deficiency



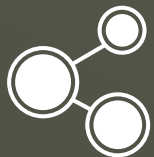
Low Nutrient Usage



Best placed to capture this opportunity



Huge opportunity exists for Fertilizer business to provide balanced nutrition



Relatively untapped Secondary & Micro Nutrients segment



Organic products for soil rejuvenation

Fertilizer: Positive Policy Measures

Soil Health Cards ...



The image shows a Soil Health Card form. It includes a header with the Government of India logo and the text 'Soil Health Card'. Below this, there are sections for 'Farm Details' (Name, Address, Phone, etc.) and 'Soil Test Results' (pH, Nitrogen, Phosphorus, Potassium, etc.). There is also a section for 'Soil Sample Details' (Location, Date, etc.). The form is designed to be filled out by farmers to track their soil's health over time.

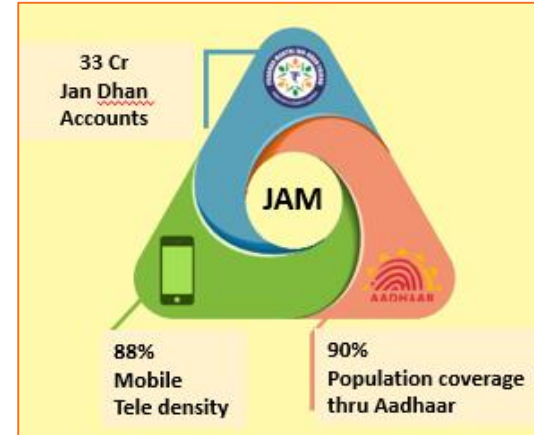
- Scheme started in 2015 by Government of India
- Soil health cards issued every two years—140 mil farmers covered

Direct Benefit Transfer (DBT)



- In 2018, DBT implemented pan India
- Accurate information gathering wrt availability of fertilizers
- DBT2.0: linking the soil health card data with the individual farm records

JAM Trinity for Direct Transfers



- Rural India high on "JAM" coverage—Jan Dhan (Bank account coverage), Aadhaar (Biometric system), Mobile (88% coverage)
- Paving way for direct subsidy transfer to farmers

Boosting investments



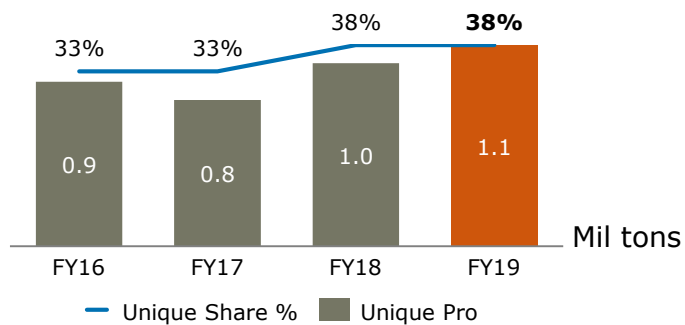
- Self sufficiency in Urea—Additional 6-7 million ton capacity
- P&K—Ensuring distribution flexibility for domestic manufacturers
- SSP—Addressing quality issues
- Lower corporate tax rates to boost investment

Coromandel Fertilizer: Highlights

Differentiated Product Offering



38%
unique
share

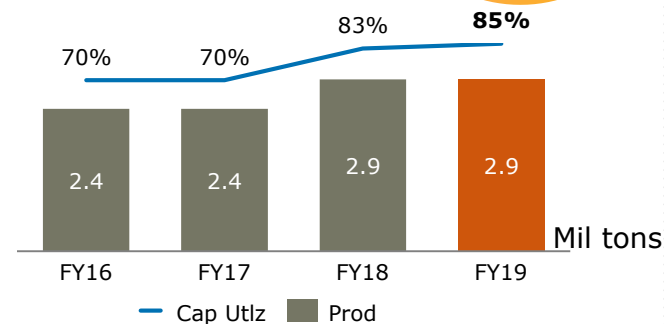


- **13 products** catering to farmer needs
- Quality focus - Quick Test Kit
- Collaboration with **IIT Bombay Monash**, pilot farms initiatives for new R&D

Efficient Manufacturing



**4.5
MT**
capacity

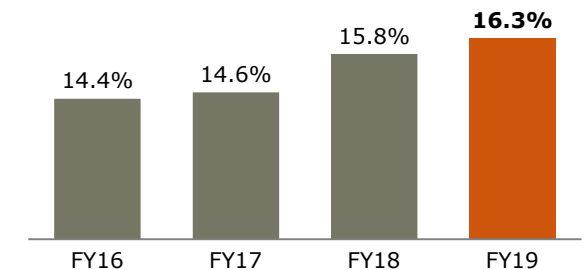


- Strong cost positioning - **upstream integration**
- **Strategic tech tie-up** with global players
- JVs for Phos. acid security

Winning in Markets



16.3%
Market
share



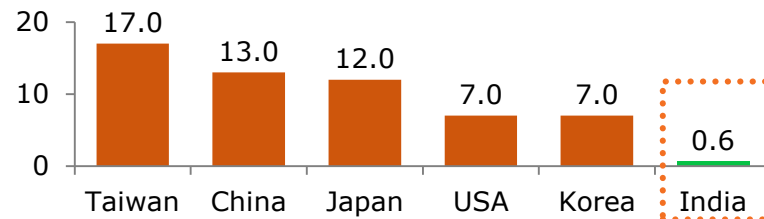
- **2nd largest** Phosphatic marketer in India
- **Largest** SSP marketer - 14% market share
- Best in class **agronomists** & market development team (~300)

Crop Protection: Market opportunity large

India ... massive potential exists

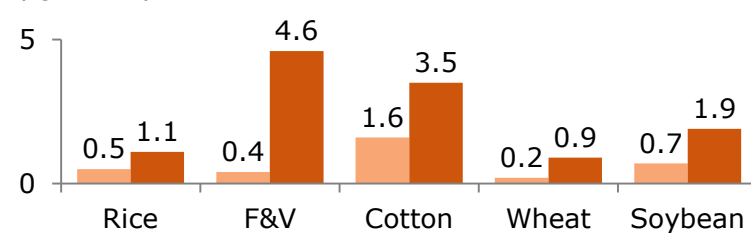
India – Consumption lowest in world

Pesticide consumption
(kg/hectare)



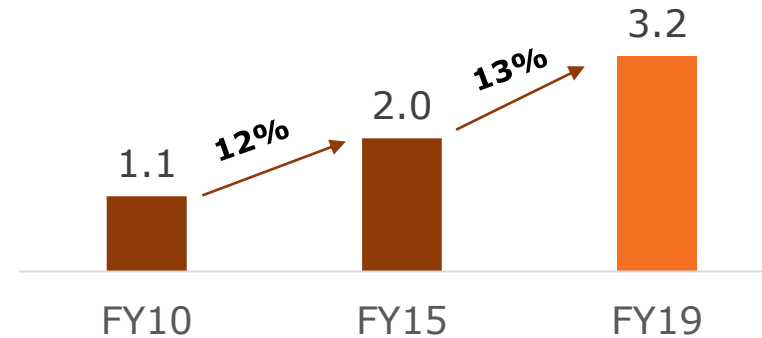
Consumption across crops significantly lower

Pesticide consumption
(kg/hectare)



Source: Ken Research 2016, Ministry of Commerce, BCG Analysis

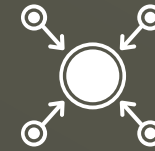
Exports slated to grow at 9% CAGR



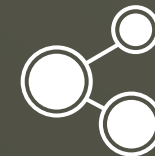
India – Unique advantages to boost exports:

- Low cost operations with high quality
- Strong IP protection - CRAMS
- Skilled manpower & process engineering skills
- Strong presence in generic space
- SEZs & strong investment climate

Best placed to capture this opportunity



India is well positioned to tap the huge multi-year exports opportunity in Ag-chem



Improvement in Crop protection usage domestically in the future to provide fresh impetus

Coromandel Crop Protection: Highlights



5th

Largest crop protection company in India

80,000+

Tons per annum manufacturing capacity from 6 plant locations

10,000
dealers

Presence across

~60+

brands based product portfolio sold across ~81 countries

Strategic collaborations with global players across the entire value chain (R&D, mfg. & sourcing) in **US, Canada, Europe, China, Japan**

China desk for sourcing security

Key Strengths



Product Offering

- **1000+** product registrations globally resulting in geographically diversified sales
- Focus on **new products/combinations** development - **Rich product pipeline**
- State of the art R&D center & pilot labs



Manufacturing

- **3rd Largest** Mancozeb manufacturer globally
- 3 technical and 2 formulation facilities
- Ability to manufacture **15 technical**
- Manufacturing capacity across **6 plant** locations



Sales and Marketing

- B2B and B2C presence
- Geographically diversified sales: **49% international sales**
- Best in class **agronomists** & market development team (~300)



No.1

Azadirachtin
manufacturing
facility in the
world

60%

Export share

State of the
art
laboratories



Key Strengths



New Product development

- Rich product pipeline
- Strong R&D capabilities: Research on Azadirachtin from plant extracts, microbial bio pesticides
- Tie-ups with Indian and International CROs



Manufacturing

- Manufacturing facility in Cuddalore, TN
- Highest purity and best in class stability at plant - 2 yrs shelf life
- Mfg. process: Aflatoxins < 50ppb vs European norms of 100 ppb
- Global Organic certifications: DNV, IMO



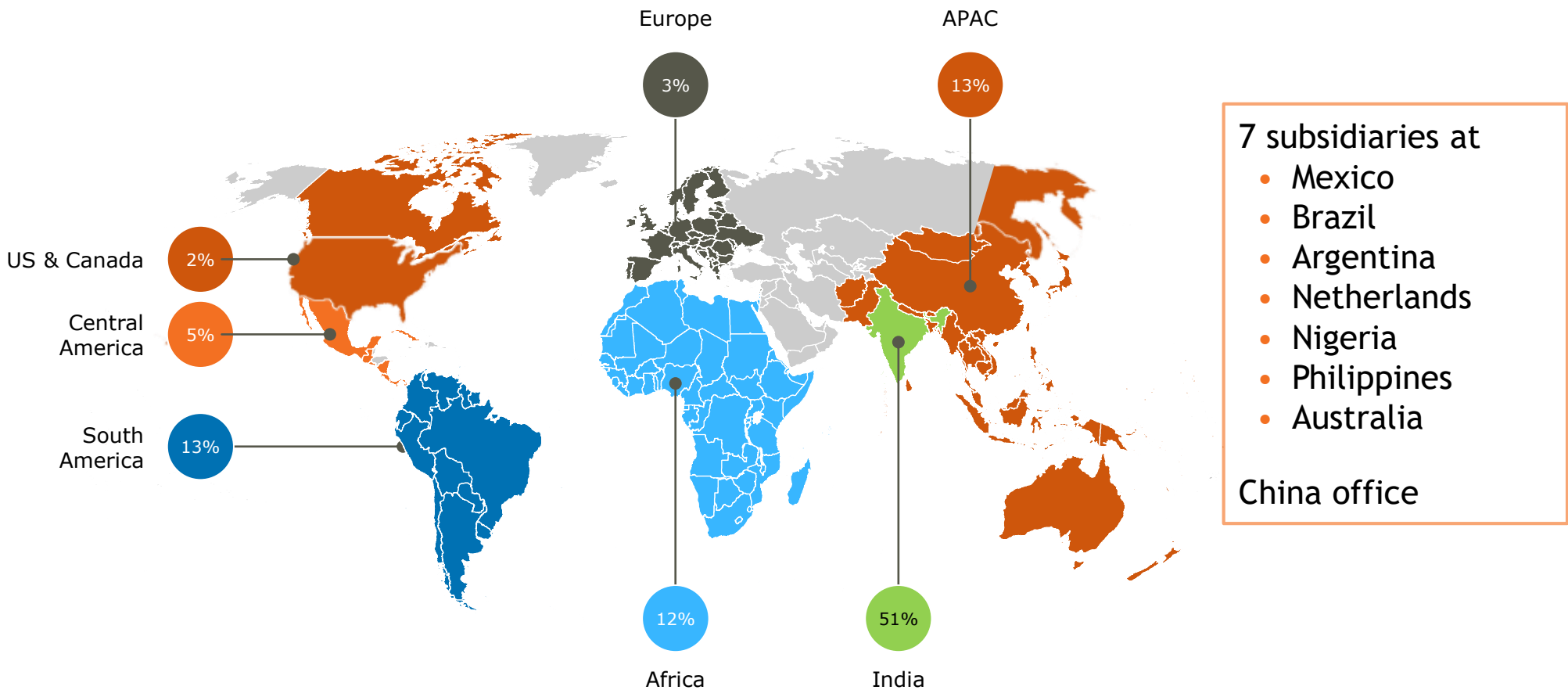
Sales and Marketing

- Export contribution driven by significant presence in USA, Canada & Europe
- Tie-ups with Agri institutions etc.

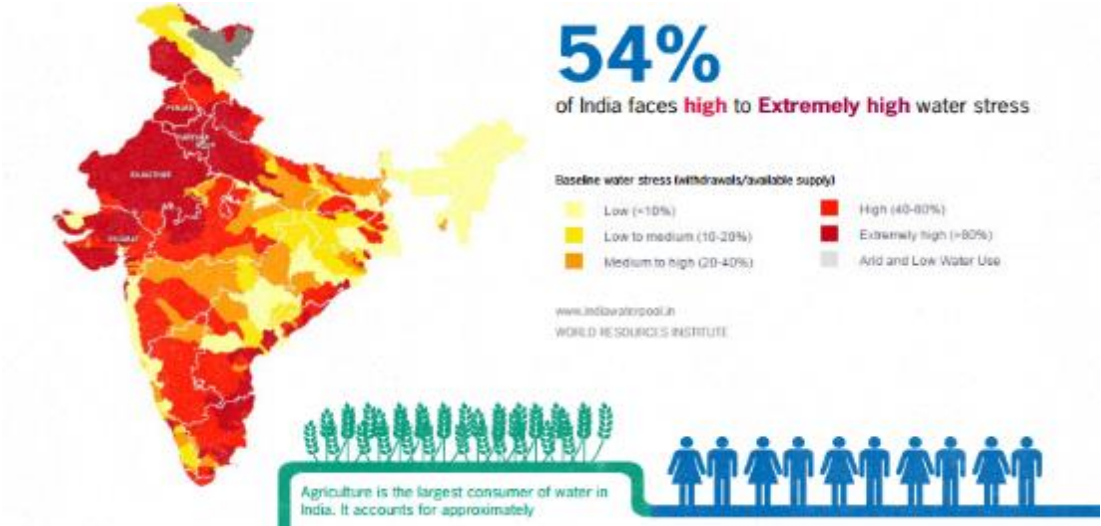
Coromandel Crop Protection: Global footprint



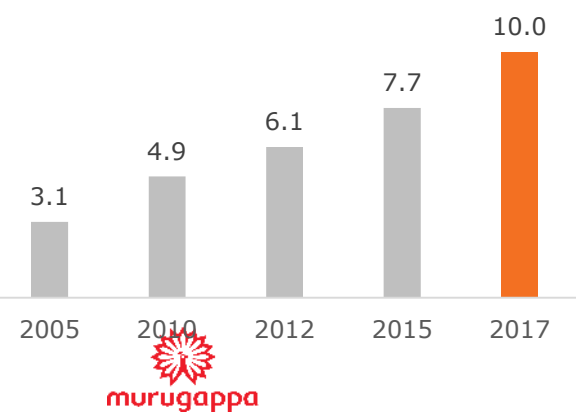
● ————— Beyond India ... Creating a true global champion ————— ●



Specialty Nutrients: Market opportunity large – micro irrigation, secondary & micro nutrients



Potential: 69 mil Ha
Current coverage: 8 mil Ha



✓

Coromandel

Best placed to capture this opportunity



Potential for Specialty Nutrients business to capture market as micro-irrigation coverage expands



Current Micro Irrigation coverage in India at 6% (US: 55%, Brazil: 52%, China: 10%)



Scope to scale up consumption of Water soluble Fertilizers



Market leaders

In WSF & Sulphur segments

Activation

Tie-ups with Drip Irrigation, contract farming, Agri university etc.

Improving share of

Focus Products

Strong R&D

Unique product development
Crop specific offerings

Key Strengths



Product Offering

- Focus on **Crop specific nutrient & liquid fertilizer solutions** targeting Cereals, pulses, cotton and horticulture crops
- Exclusive offerings of WSF grades - **Speedfol, Insta, Superia, Ultrasol**



Sourcing & Manufacturing

- **Efficient manufacturing capabilities:** Bentonite sulphur, Water Soluble Fertilizers (WSFs)



Sales and Marketing

- Strong dealer network to capture whitespace emerging from **increasing micro irrigation penetration**
- Agronomist team for Extension support

Coromandel Retail: Comprehensive Agri Solutions



~800
Retail Centers

Significant presence in AP, TG, KN; foray into Maharashtra

ONE
Stop Shop for Agriculture needs

Convergence of Products & Services



3 million +

Farmers - Direct connect

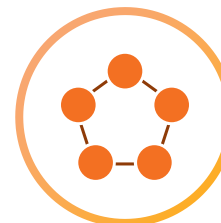
Farmer driven insights

Key Strengths



Key achievements

- India's **largest agri retail chain**
- **Strong brand equity** providing customer value proposition of Quality, Trust & farm Advice



Comprehensive Agri solutions

- **Own manufactured and label products:** Ag nutrients, crop pesticides, seeds, vet feed, farm implements
- **Value added services:** farm mechanization, agri insurance, soil testing, credit, extension activities etc.



Consumer Connect

- Strong farmer connect – **~70% turnover through Captive product**
- Non Fertilizer Focus: **~45% of sales**
- Educating farmers through regular meetings
- **Scientist at store** to assist farmers



No.1

Organic fertilizer
marketer in India

Growth drivers for future

- Regulatory push
- Swachh Bharat - Waste treatment management
- Soil Health Focus- Sustainable Agriculture
- Consumption shift- Organic Food

Key Strengths



Product Offering

- Product portfolio:
 - Soil **health** (City compost)
 - Soil **nutrition** (Kash, PROM, CMS, Nrich)
 - Soil **amendment** (gypsum)



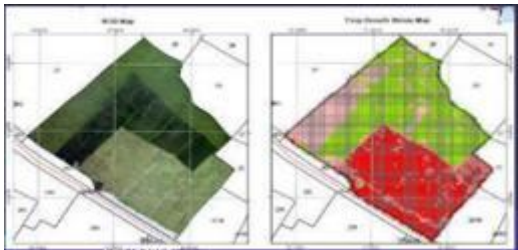
Sales & Marketing / Activation

- **Largest Organic marketer** in India – 1.3 lakh tons annually
- **Strong activation focus**: Tie-ups with Agri universities and organic farms
- **Soil health testing** services for farmers

Coromandel has successfully forayed into Agtech by carrying out pilot trials using Drones



Stress Map



Soil pH



Real time crop diagnostics quickly highlighting stressed regions needing intervention made possible



Crop advisory provided to farmers based crop diagnostics results



Timely interventions enhancing farmer prosperity



	Yield improvement	Additional income/acre (Rs)	Avg Net Returns
Paddy	18%	5848	34%
Cotton	23%	8547	55%

Coromandel: Leveraging Technology for Farmer Prosperity



~50,000 soil tests carried out annually



Farm advisory through Scientists' panel



Gromor **Nutrient Manager** based nutrients recommendations



Hiring Farm machinery through **Custom Hiring Centers**



Developing superior **delivery mechanisms - Injectables**



E kiosks for improving reach & product delivery

Coromandel: Focus on Sustainable development

Bird's Paradise



- Bird's Paradise was established at Kakinada plant is home to 100+ species
- Recognized by UNDP 'Turning a Factory into a Bird Sanctuary'
- Extensive coverage by Discovery

Bio Mining



- Bio mining plant at Vizag: Converting city waste to Organic manure
- Annually, converts ~30000 tons city waste into City Compost

Green Belt



- Converting Phospho gypsum heaps into green belt
- 1st of its kind initiative globally

Coromandel CSR: Doing it responsibly

Healthcare Initiatives



- Coro Medical Centres have touched 70K+ beneficiaries annually
- Supporting Paediatric ward at Kakinada Government Hospital, Hrudhya - Heart Foundation

Girl Child Education Scheme



- Girl Child Education Scheme has touched 16K+ children and counting
- More than 1K girls benefited through scholarships

Community Development



- Community development initiatives focussed on creating employment opportunities: Computer skills, Tailoring training
- Toilet construction under Swach Bharat



Agri industry: The opportunity ahead



Coromandel: Strong track record, future positive



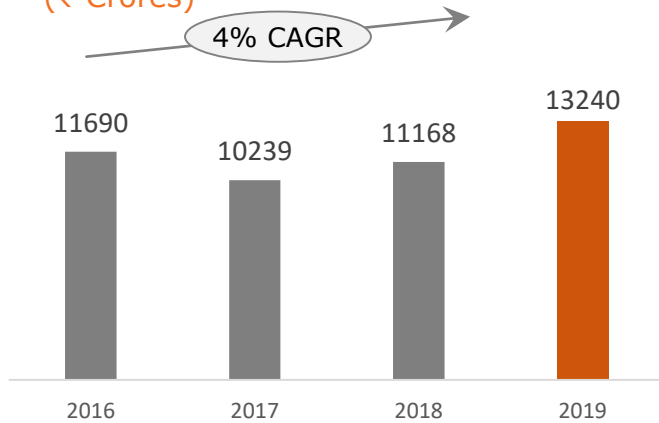
Business-wise highlights: Unique strengths to win in the market



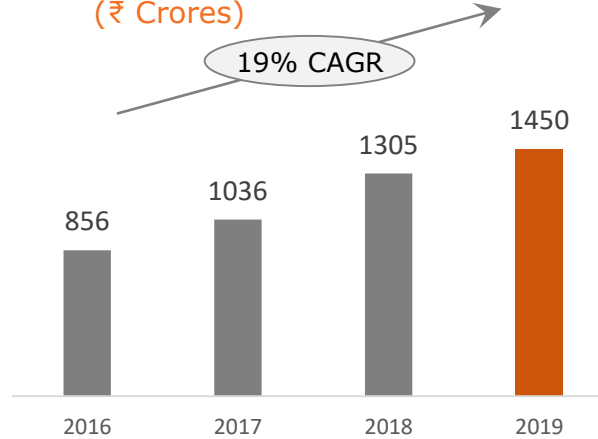
The Coromandel investment case: Summary

Coromandel: Track record of sustained financial performance

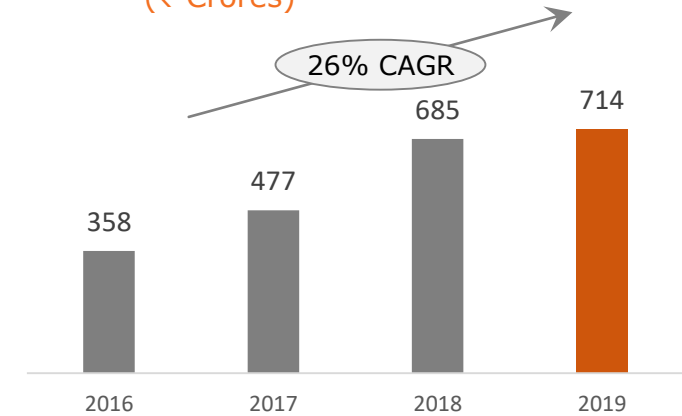
Revenue* From Operations
(₹ Crores)



EBITDA
(₹ Crores)

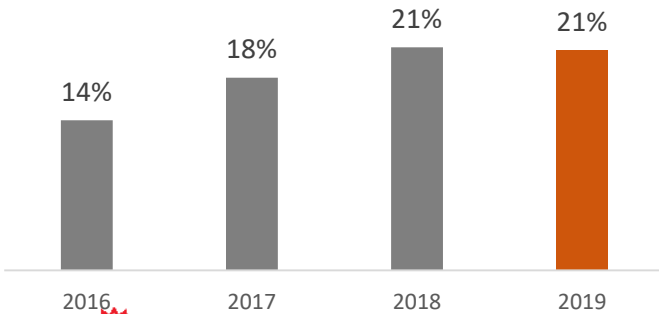


Profit after Taxes
(₹ Crores)

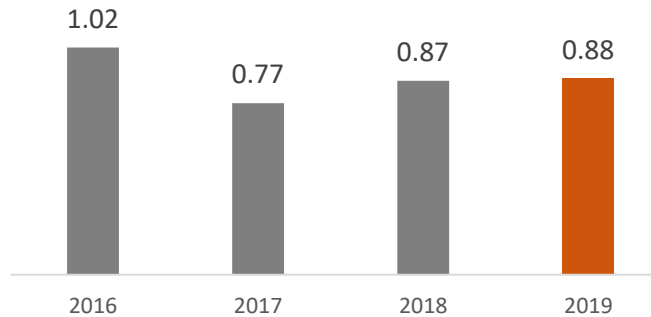


*Fertilizer revenue subject to commodity price movement and subsidy policies

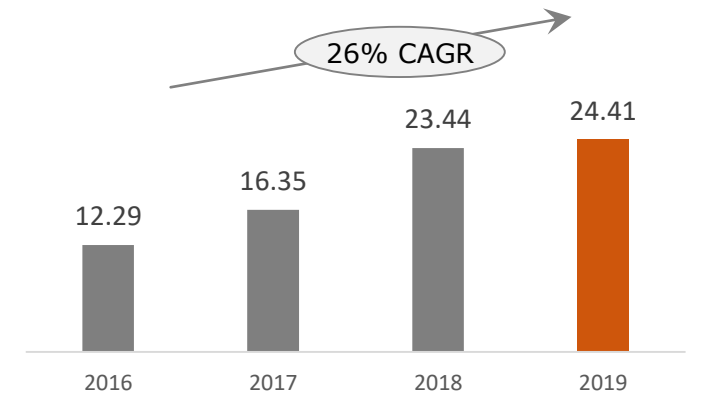
Return on Capital Employed
(%)



Debt to Equity Ratio



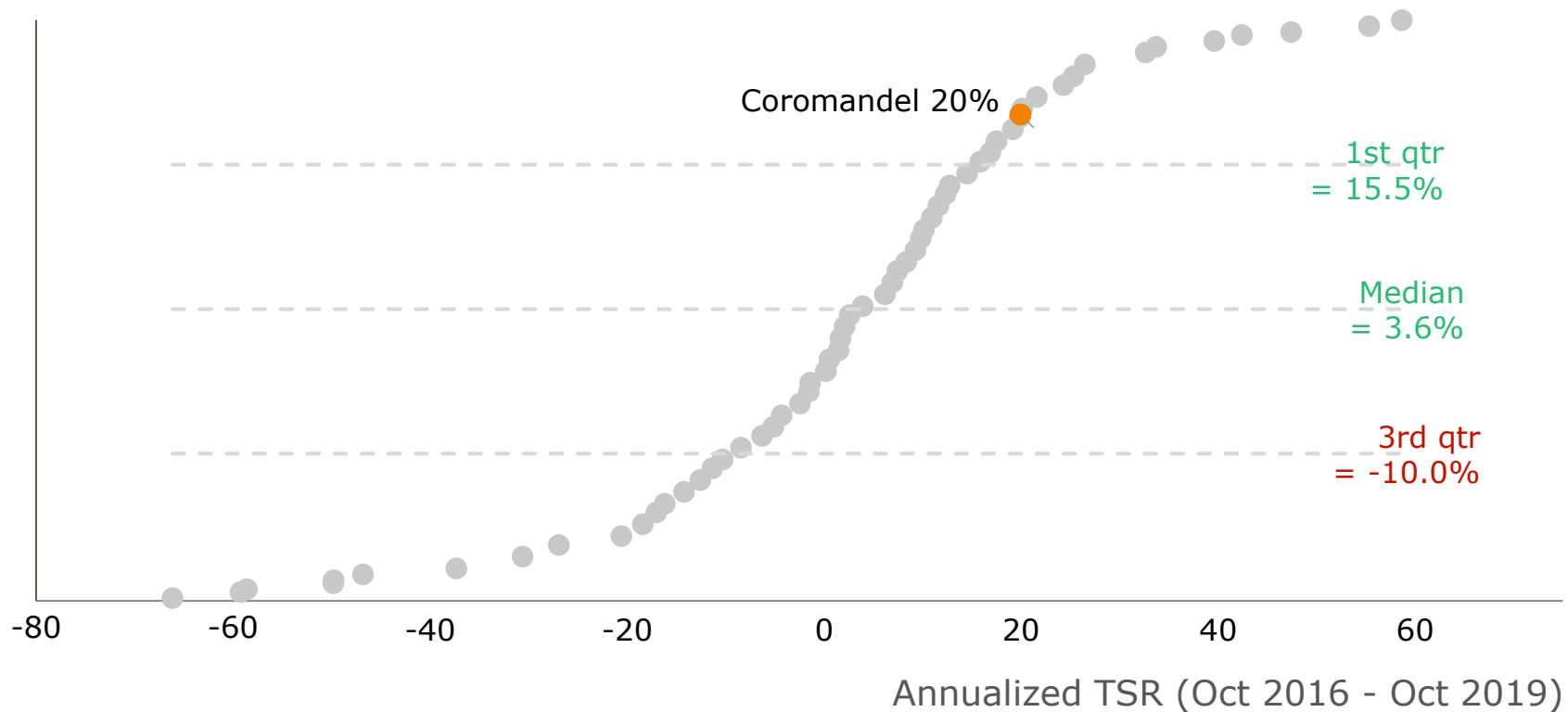
EPS (₹ per share)



... with top quartile investor returns

3-year Total Shareholder Return (TSR)

Companies Ranked by TSR

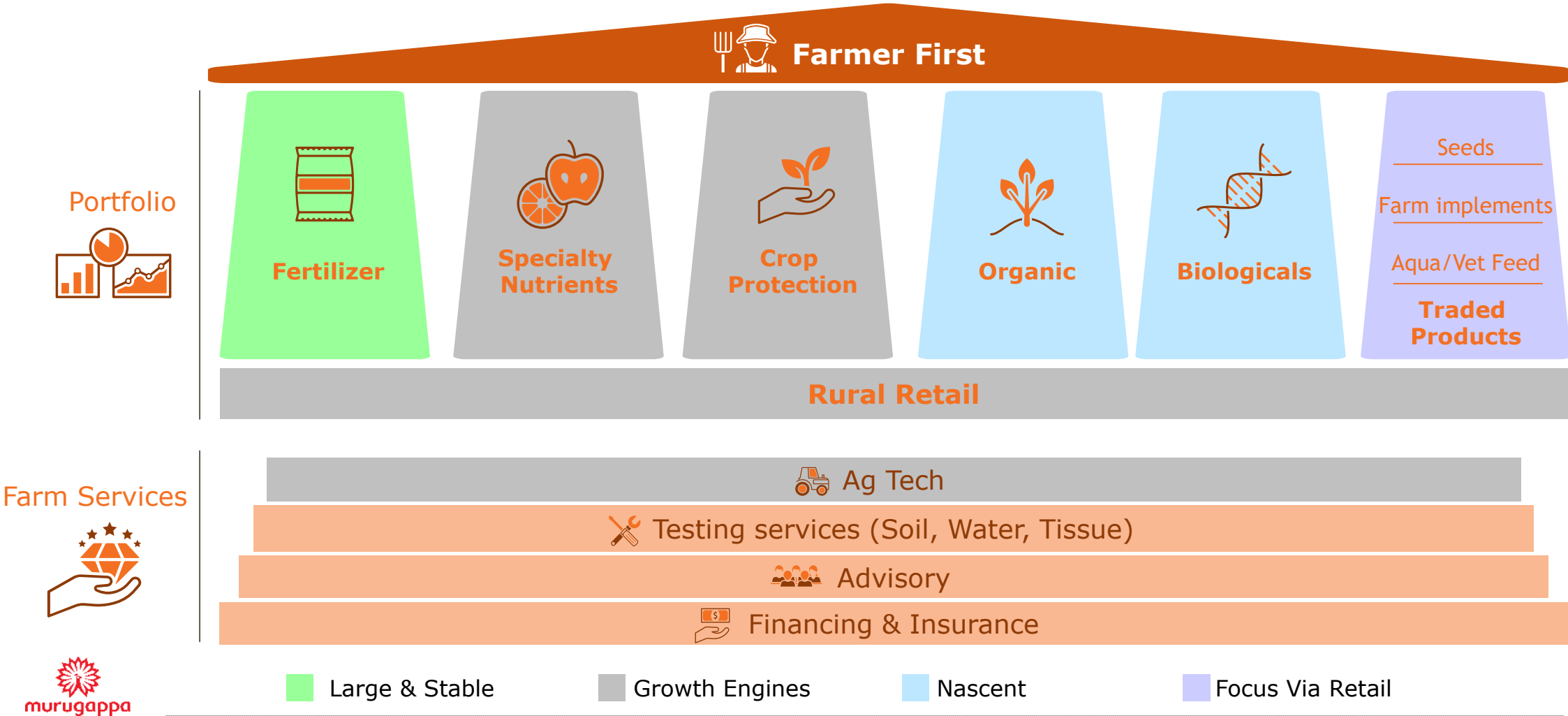


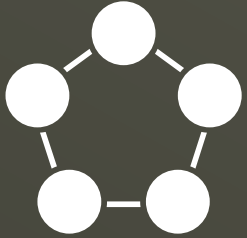
Delivering superior investor returns

Among the top quartile cos. across BSE 200

Top performers in Ag segment

Coromandel – Holistic farm solutions provider... ...with unique business model driving farm prosperity





Eight key elements of our Strategy to capture the India Ag opportunity & deliver consistent value...



Coromandel Value Proposition

Unparalleled value creation opportunity in India agriculture space

- India agriculture opportunity large; GV to reach INR 230 trillion by 2029
- Government focused on doubling farmer's income
- India well placed to capitalize on exports opportunity - increasing global presence and acceptance



Coromandel has a strong track record of delivering consistent value

- Top quartile TSR performer over the last 3 years (in the S&P BSE 200)
- Strong balance sheet, zero long term debt
- AA+ credit rating from CRISIL India



Coromandel best placed to capture the opportunity

- Leading Indian agri inputs player with significant global presence
- Integrated manufacturing facilities - low cost operations
- Value added solutions based on farmer driven insights
- Educating the last mile farmer, driving ground level changes



A heritage of strong governance & value structure

- Flagship company of 118 year old Murugappa Group
- Strong commitment to values: Integrity, Passion, Quality, Respect and Responsibility



Thank You

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