



# Investor Presentation

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## Agriculture Trends: Global & India

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

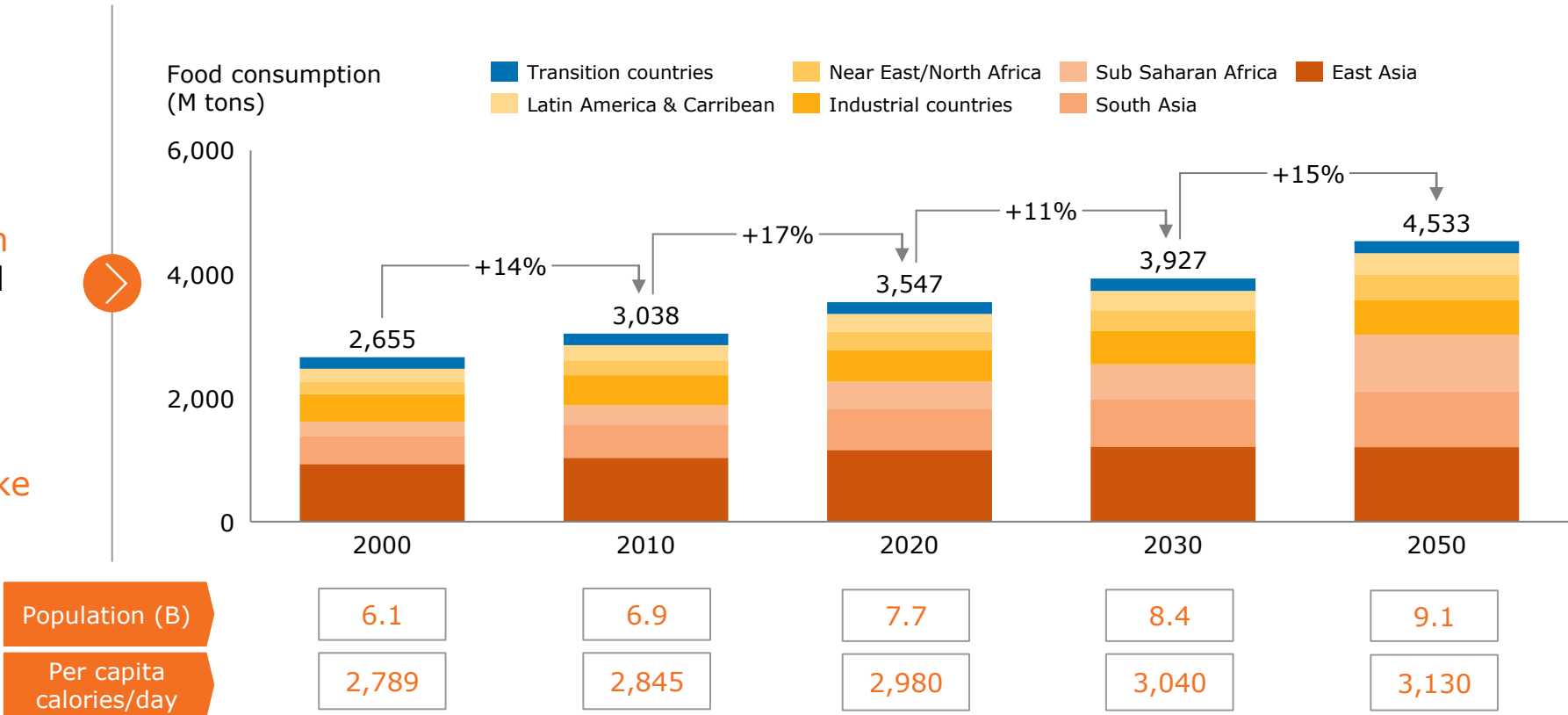


## Strong increase in food demand expected

Increasing population

Initiatives on hunger and poverty eradication

Increasing calorie intake per capita

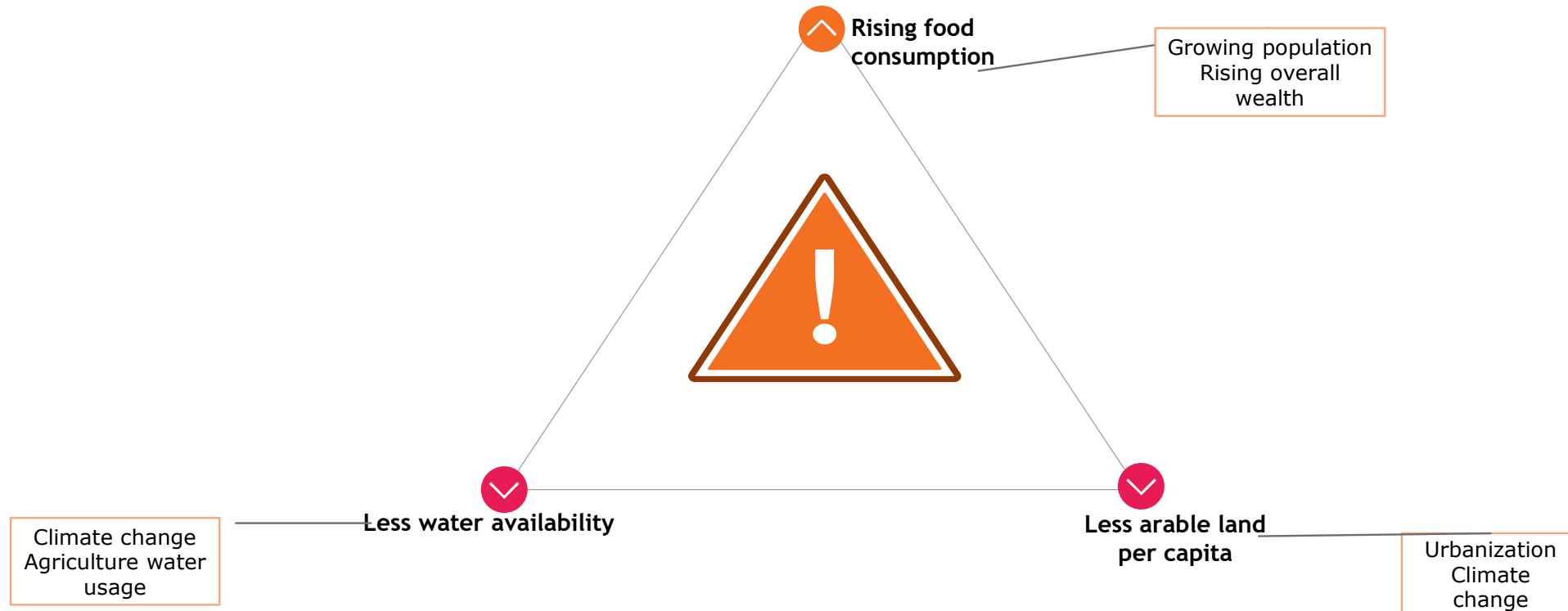


India, Africa, South East Asia and Australia emerging as new food bowls



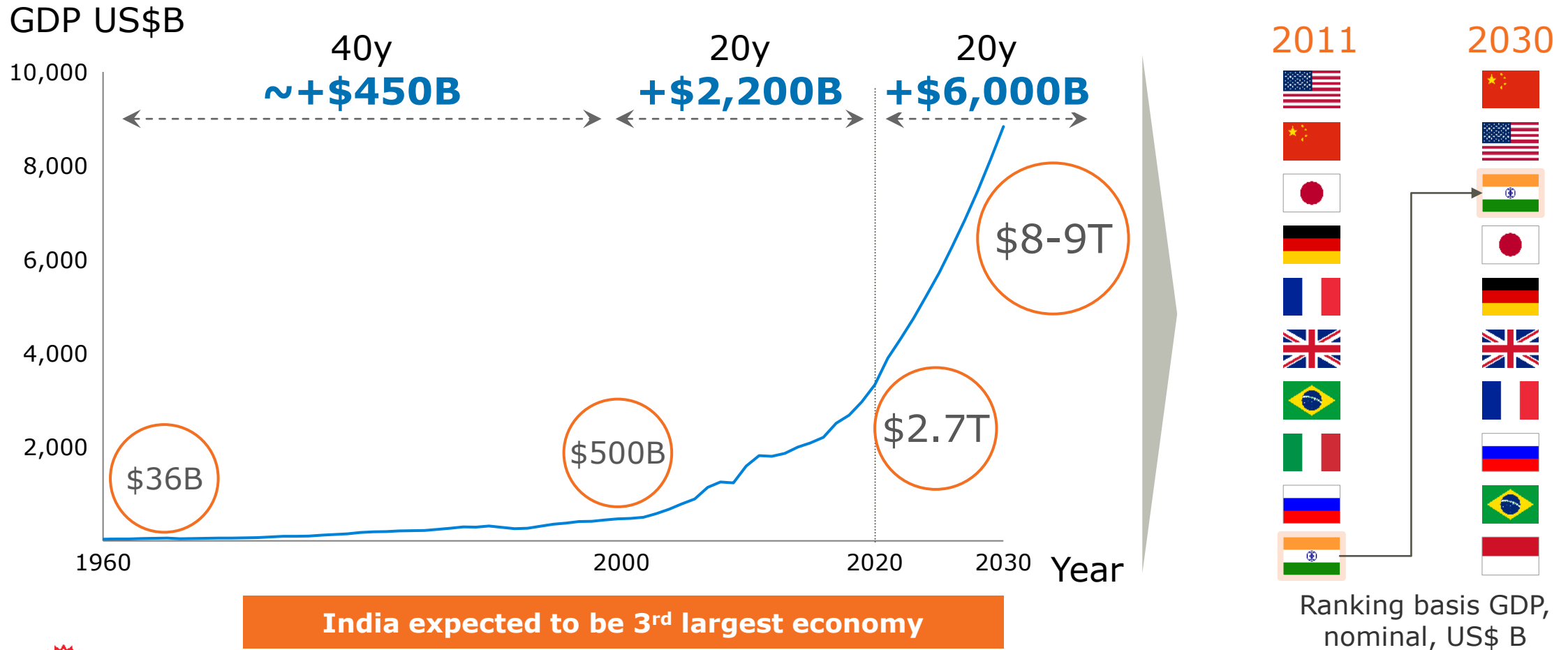
Note: Industrial countries include North America, Western Europe & ANZ; Transition Countries include Eastern Europe & Russia  
Source: FAOSTAT; BCG analysis

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



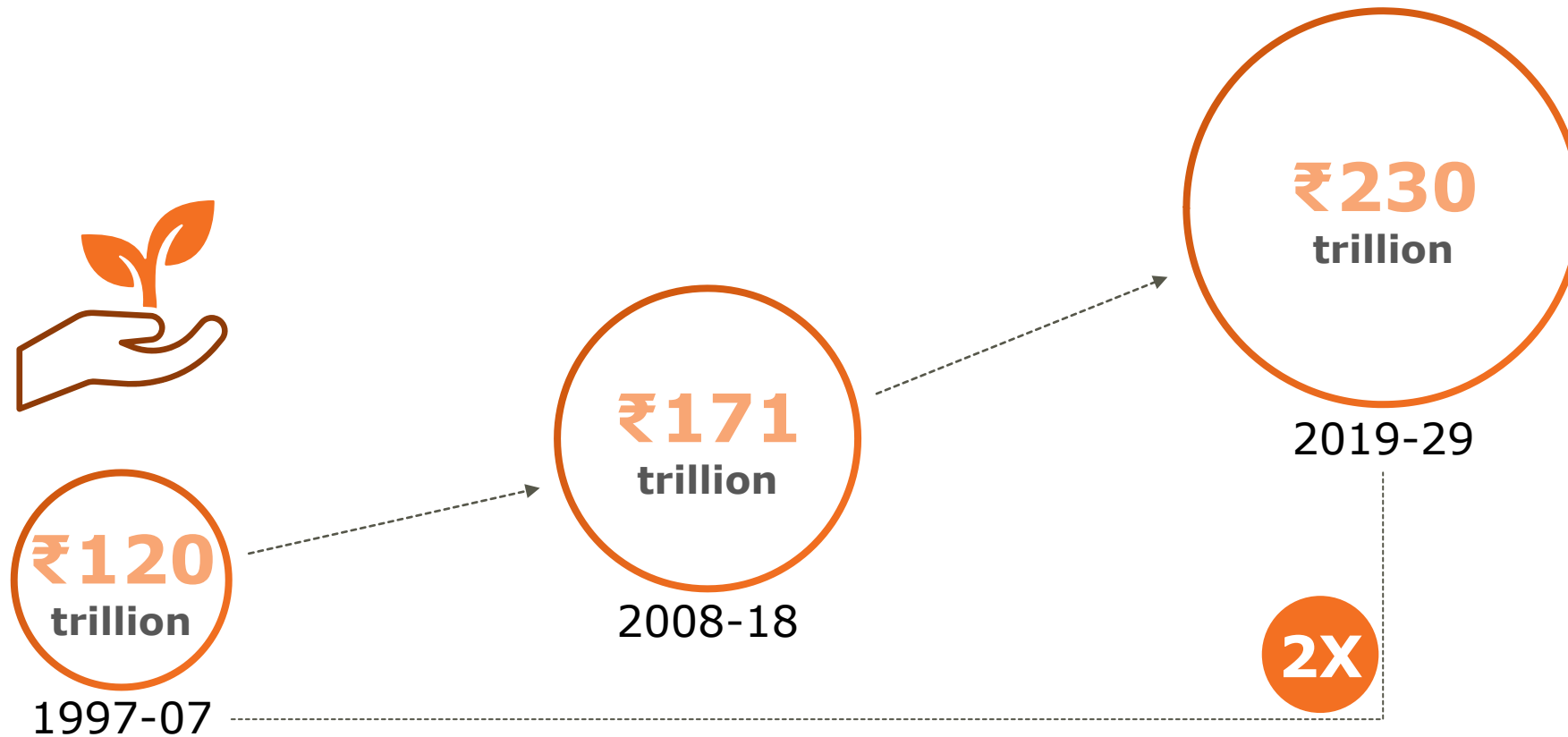
**Pressure on improving the agri productivity**

# India: A decade of accelerated growth ...



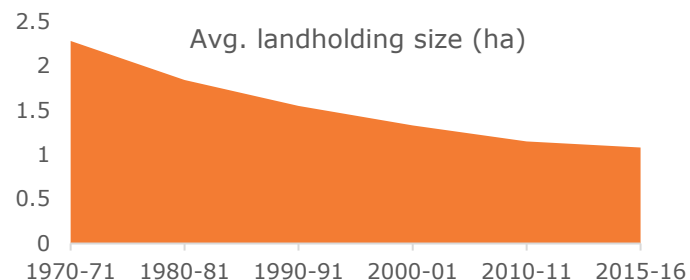
# India: ... with unparalleled value creation in Agri sector over the next 10 years in India

•———— Gross value added by Agri sector (cumulative) ————•



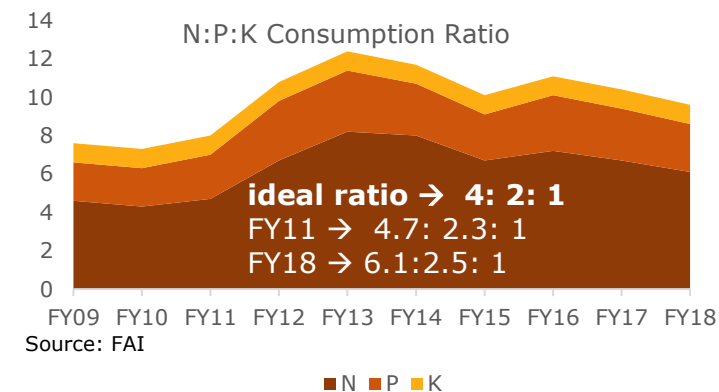
# India: The opportunity and imperative for value creation in Agri sector over the next 10 years are large...

## Falling per capita land holding

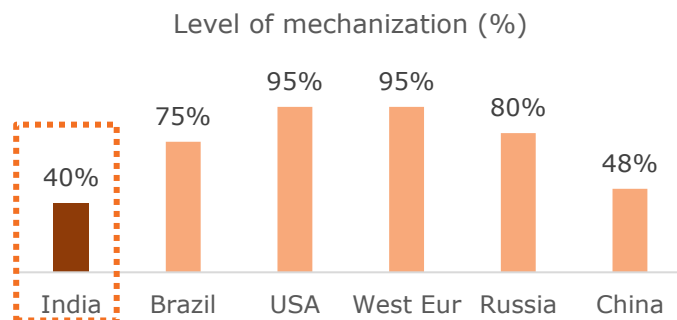


Source: Ministry of Agri

## Imbalanced Nutrient Usage

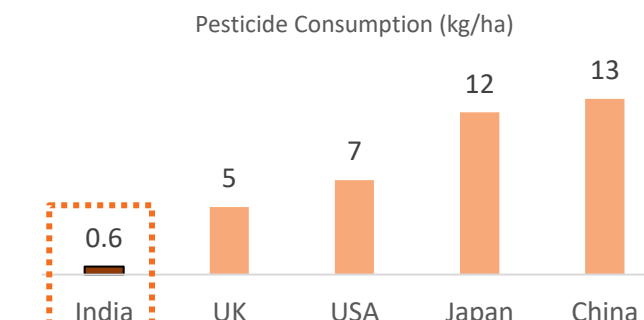


## Low Mechanization



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




## Implications

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

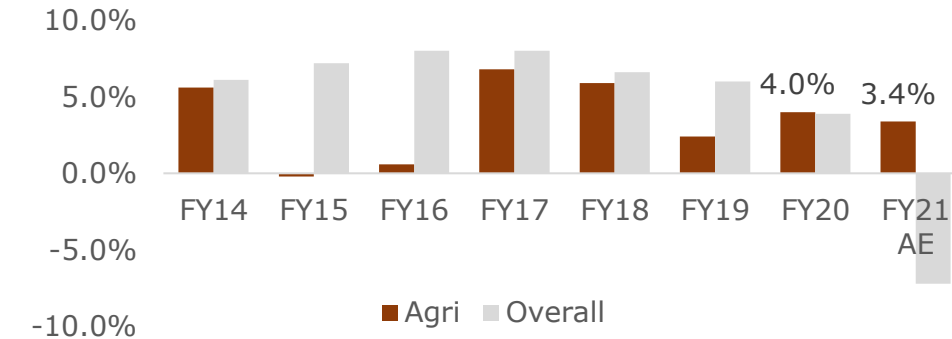


## Agriculture under COVID

# Agriculture under COVID

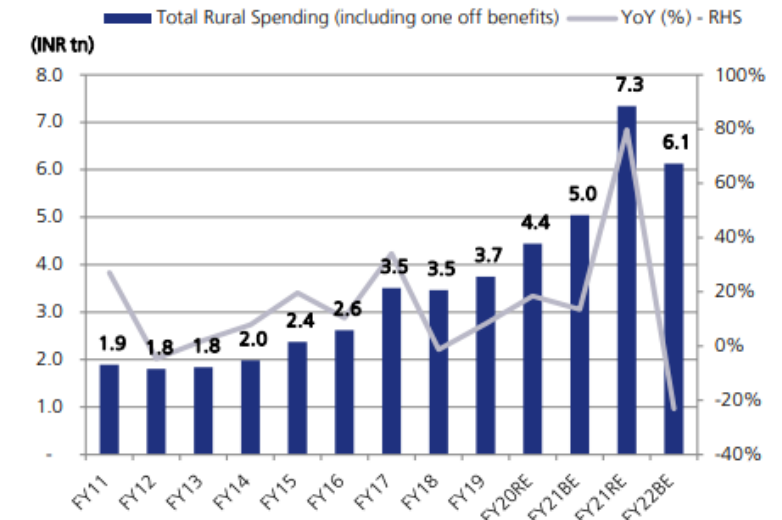
- Agriculture **Sweet Spot**
  - 3.4% GVA growth
  - Record food grain (303 mil, +2%) & horticulture (327 mil, +1%)
- **Higher Rural spending** : Rs 7.3 lakh Cr (Rs 4.4 lakh cr in FY20)
  - MNREGA, Social Assistance Programs
- **Record Govt procurement** under MSP
  - Wheat/Paddy : **+14% volume growth**
- Impetus on **Agri exports**: Rs 2.7 lakh cr (**+18%**)
  - **Cereals** Rs. 0.6 lakh cr (+50%)
  - **Organic** exports: Rs 7078 cr (**+51%**)
- **Farm Mechanization** & AgTech: Covid push
  -  Tractor sales (**FY21: +28%**)

**GVA growth (%)**



Source: Economic Survey

**Rural Spending**



Source: JM Financial

# Agriculture in FY22

- **11<sup>th</sup> consecutive monthly rise in Food Price Index**

- Highest level since May 2014

- Growth led by Vegetable Oil and Cereals
- Lower output & fall in inventory levels
- Stockpiling by China

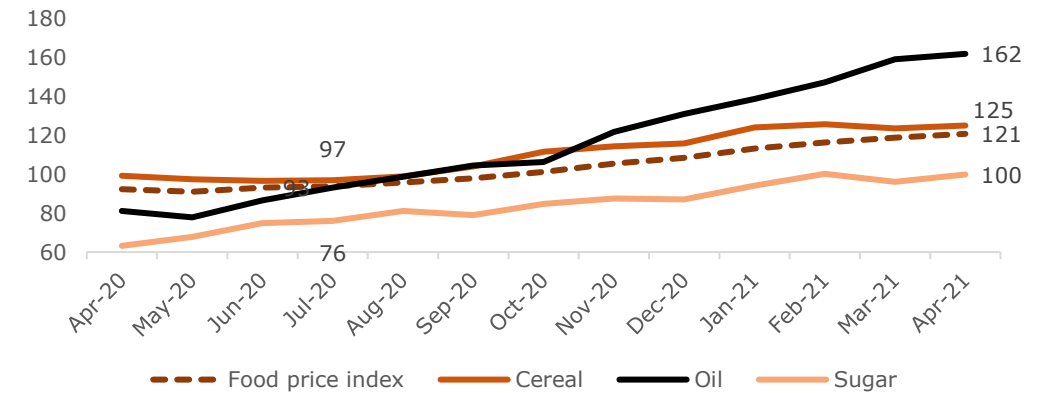
- **Normal monsoon forecast** for 2021

- 98% of Long period avg
- High rainfall TG, Kar, Vidarbha, MP
- On time arrival – May 31 (Kerala)

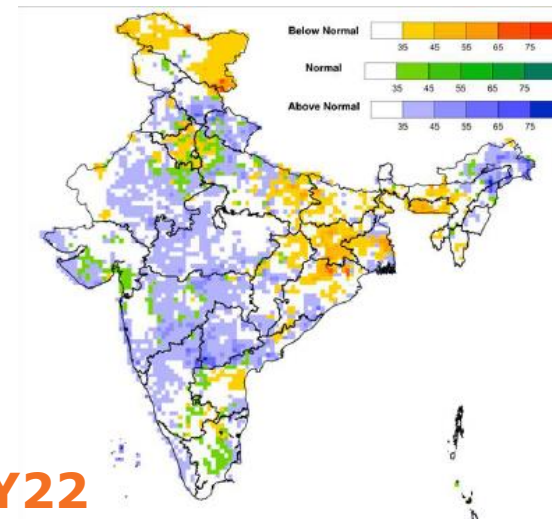
- **Good reservoir** levels - South & West

- **Summer crops:** Sowing up +21%

**FAO Food Price Index**

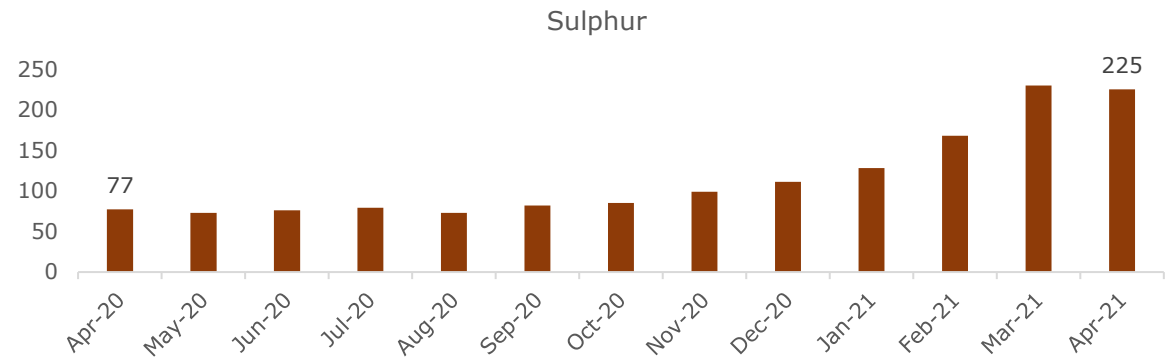
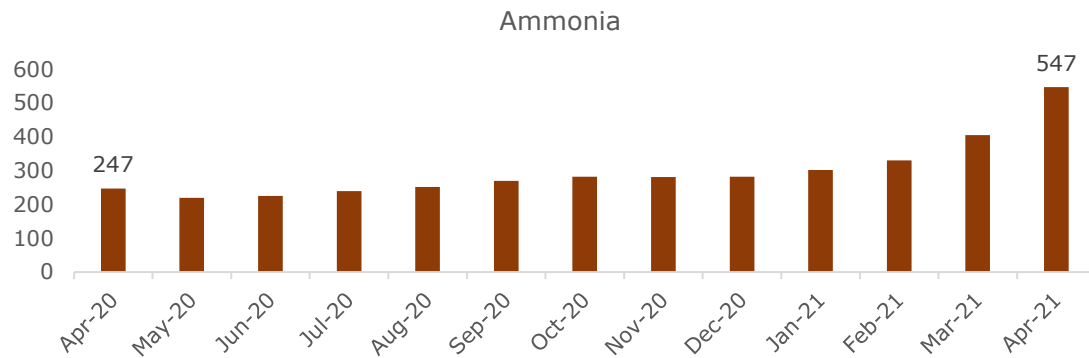
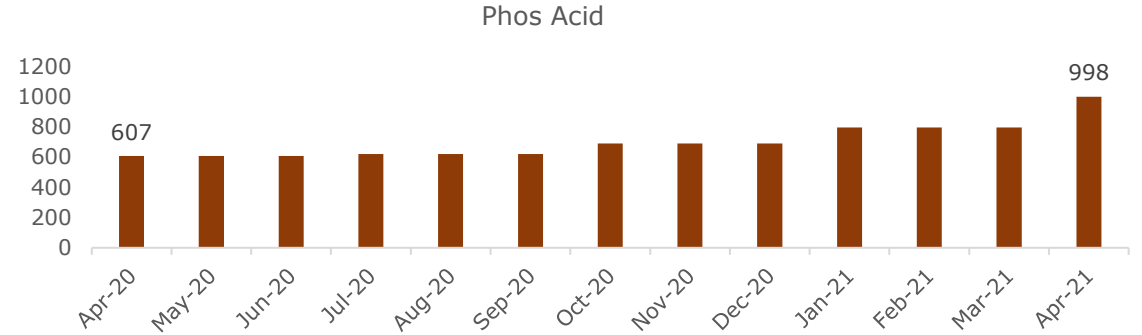
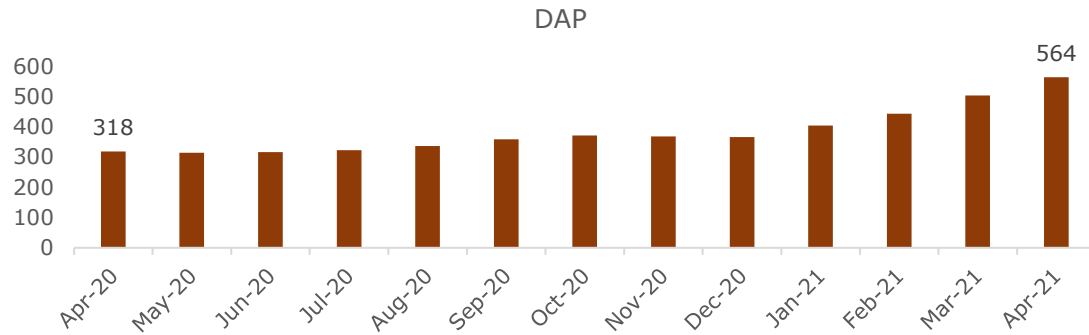


**SW Monsoon Forecast - IMD**





# FY22: Firming Raw material prices – Nov'20 onwards



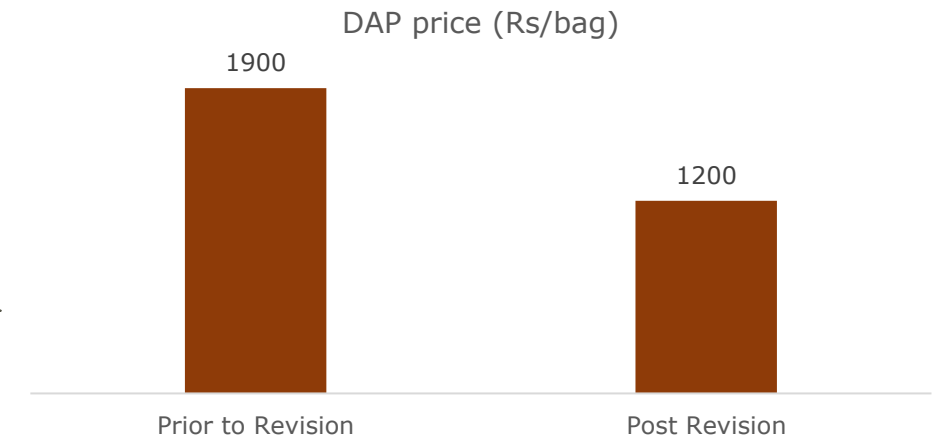
- **Commodity Boom** - RM prices firming up
  - **High demand** in 4 key markets: China, Brazil, US, India
  - **Tight availability** – Plant turnaround - Ammonia, Sulphuric Acid
  - **Container** availability & charges

## Nutrient rates (Rs/kg)

	N	P	K	S
20-21	18.789	14.888	10.116	2.374
21-22	18.789	45.323	10.116	2.374
% chg	0%	204%	0%	0%

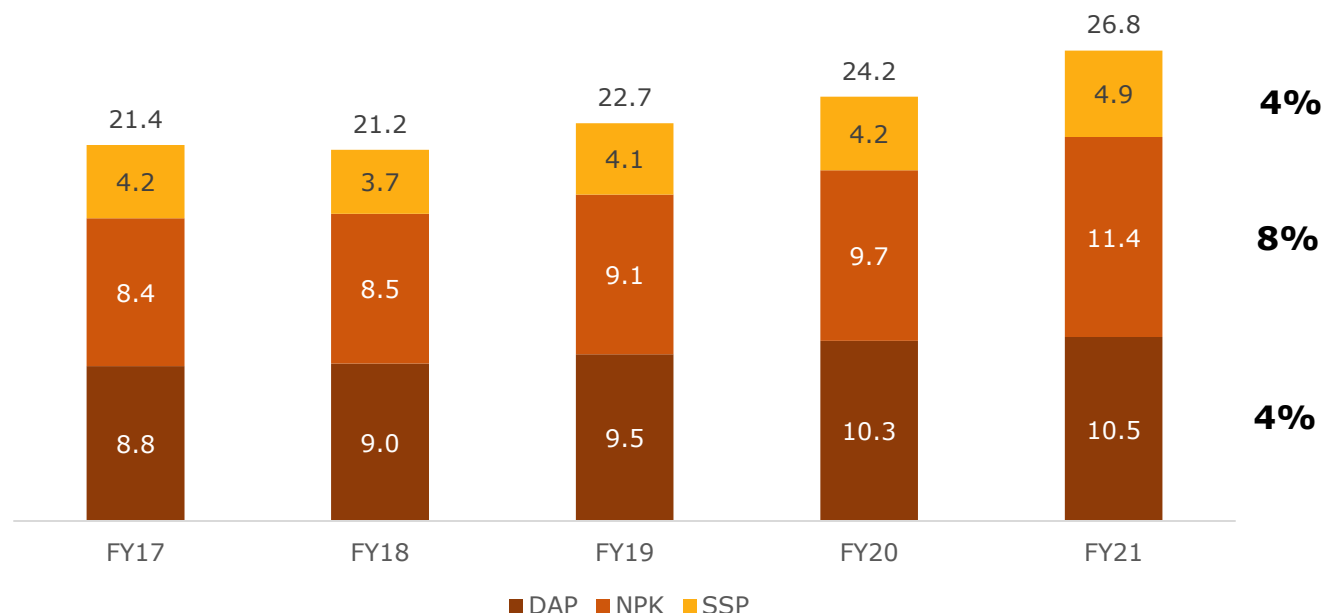
- Significant correction in subsidy rates for 'P' based fertilisers
- Budgetary allocation under NBS increased by +71%

Disbursement of Additional **Rs. 65,000** Crs. in Q4FY21



# Phosphatic fertiliser demand upbeat in last few years

## Phosphatic fertiliser – Industry Sales (mil tons)



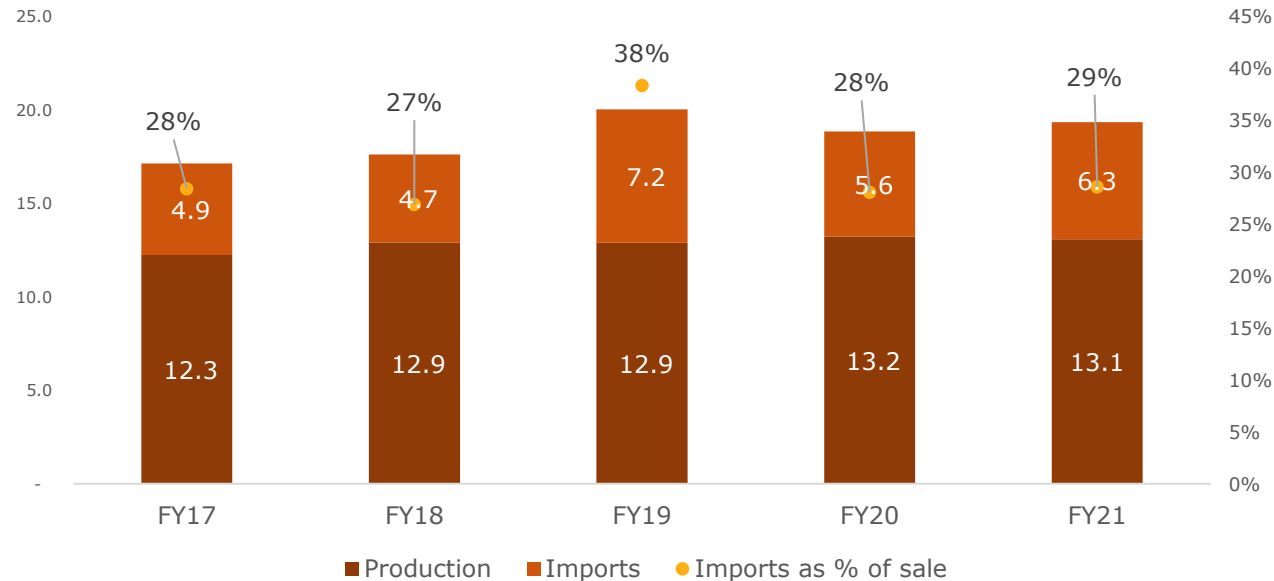
Higher nutrient consumption led by:

- Increased area under assured irrigation
- Direct Income Support
- Balanced nutrition – Agronomists
- Soil Health
- Increase usage by Crops – F&V, Pulses, Oilseeds

Industry growing at 6% cagr – Led by NPKs

# Phosphatics (DAP/NPK): Supply scenario

Phosphatic supplies - in mil tons



## Need for Atmanirbharta in NPKs

- Basic Custom Duty in RMs
- GST in Ammonia & Sulphuric acid
- Supporting JVs in RM rich nations
- PLI for domestic manufacturers

- Domestic industry operating at 80-85% capacity
- Imports constituting 25-30% of sales

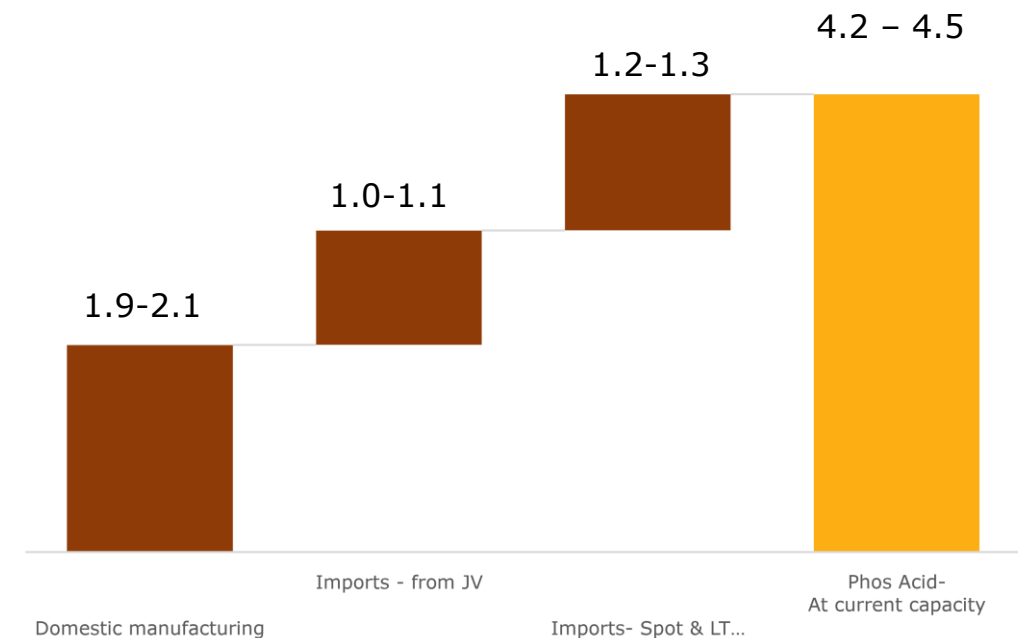
# Phosphoric Acid: Supply – Demand Balance

- India's total Phos Acid demand: 4.2-4.5 mil tons
- Out of the tradable ~4.5 mil ton Phos Acid available globally, **India consumes >50%**
- At current operating levels, India needs to secure supplies of ~1.3 mil tons – Spot/ LT

Industry focusing on:

- Domestic capacity expansion
- Overseas JVs in resource rich geographies

## India – Phos Acid Scenario (in mil mt)







## TRANSFORMING AGRICULTURE CHANGING LIVES

For over five decades, we at Coromandel International Limited have been building viable crop solutions to make agriculture prosperous and sustainable.

We believe in harnessing the power of technology to harvest prosperity for our farmers. We are here to usher the next agri-renaissance.

## Coromandel: Transforming Indian Agriculture

# Coromandel: a strong, responsible company

## Key Facts :

- Turnover: **Rs. 142 billion** (FY20-21)
- Market Cap: **Rs. 216 billion** (Apr 2021)
- 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



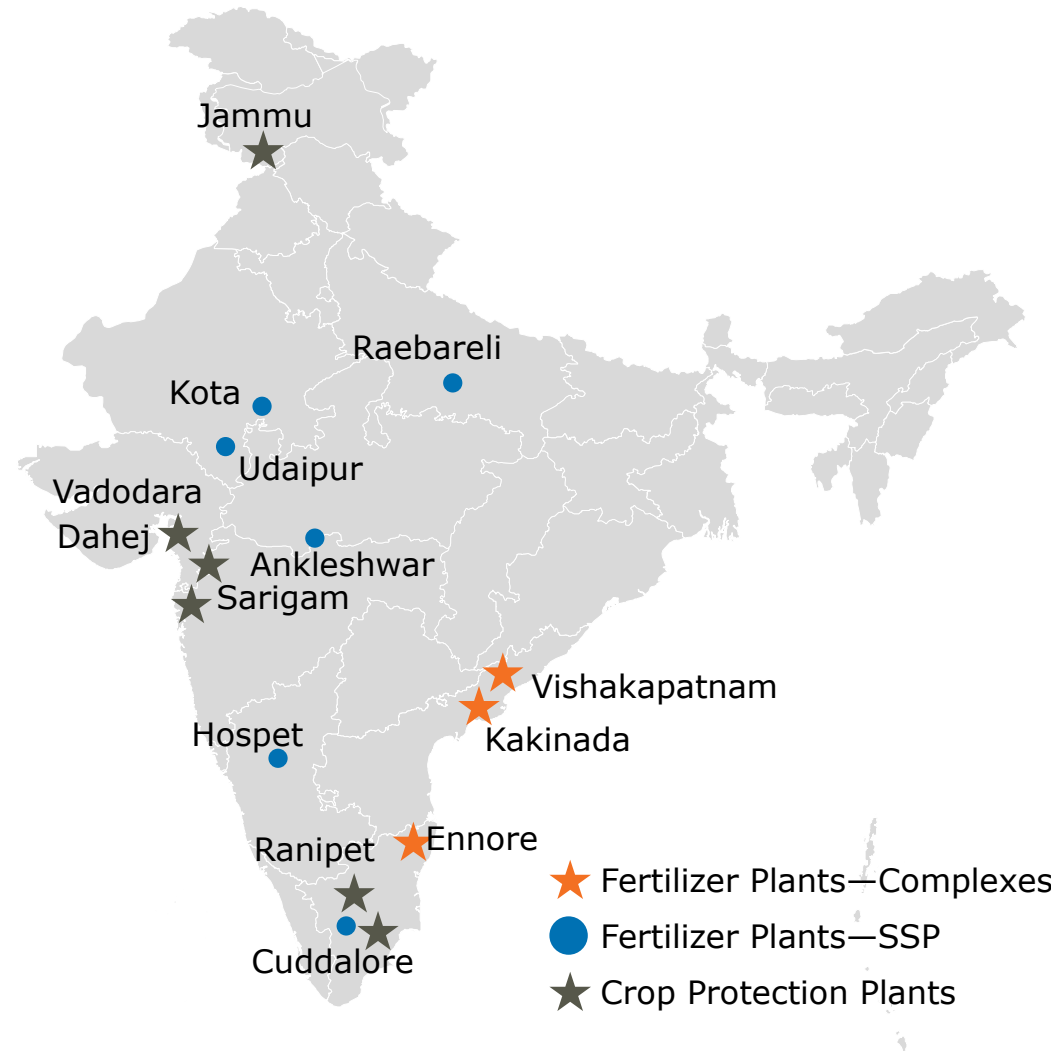
BRINGING PROSPERITY  
TO 3M+ FARMERS



TECH and R&D FOCUS

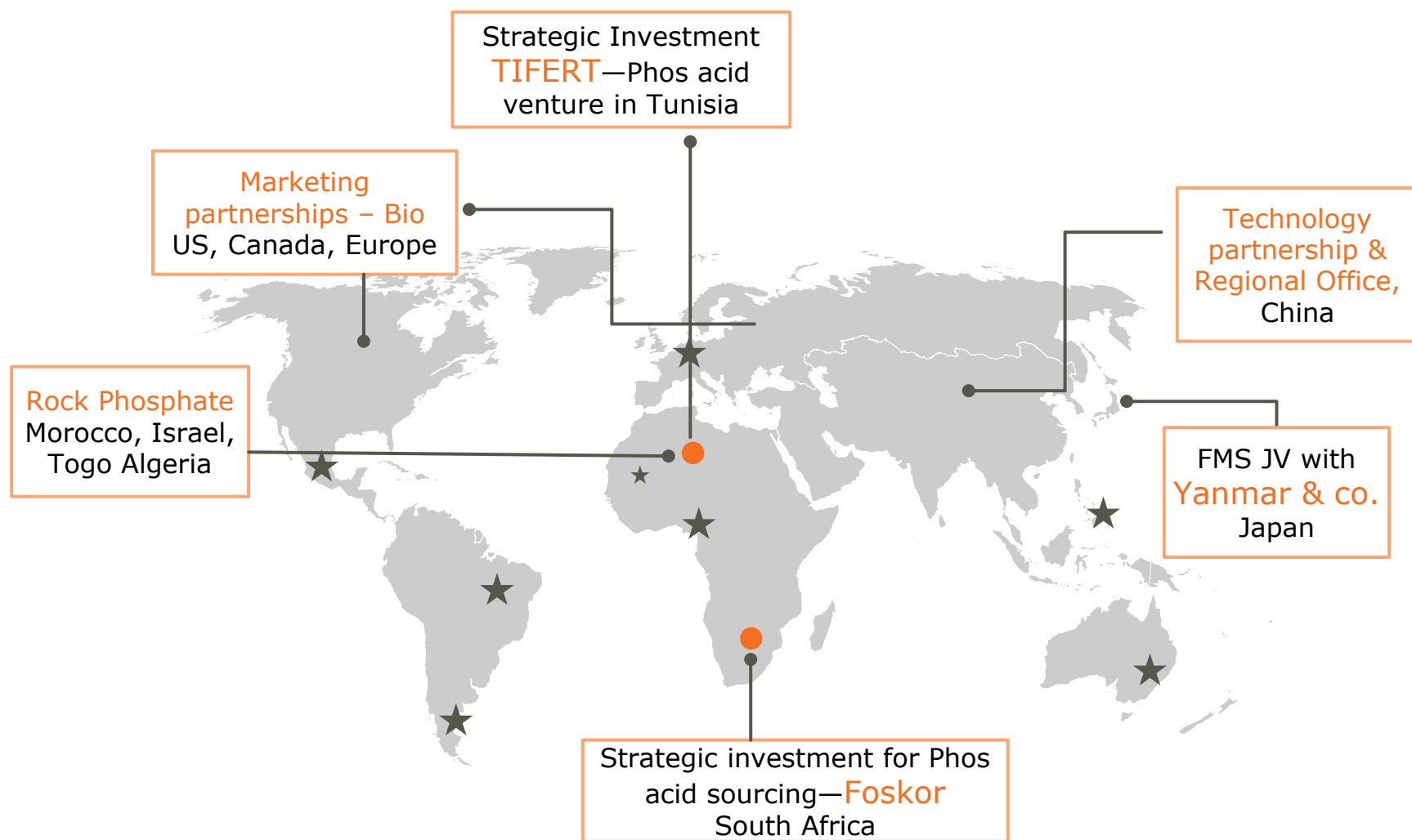
# Coromandel: India footprint

- 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



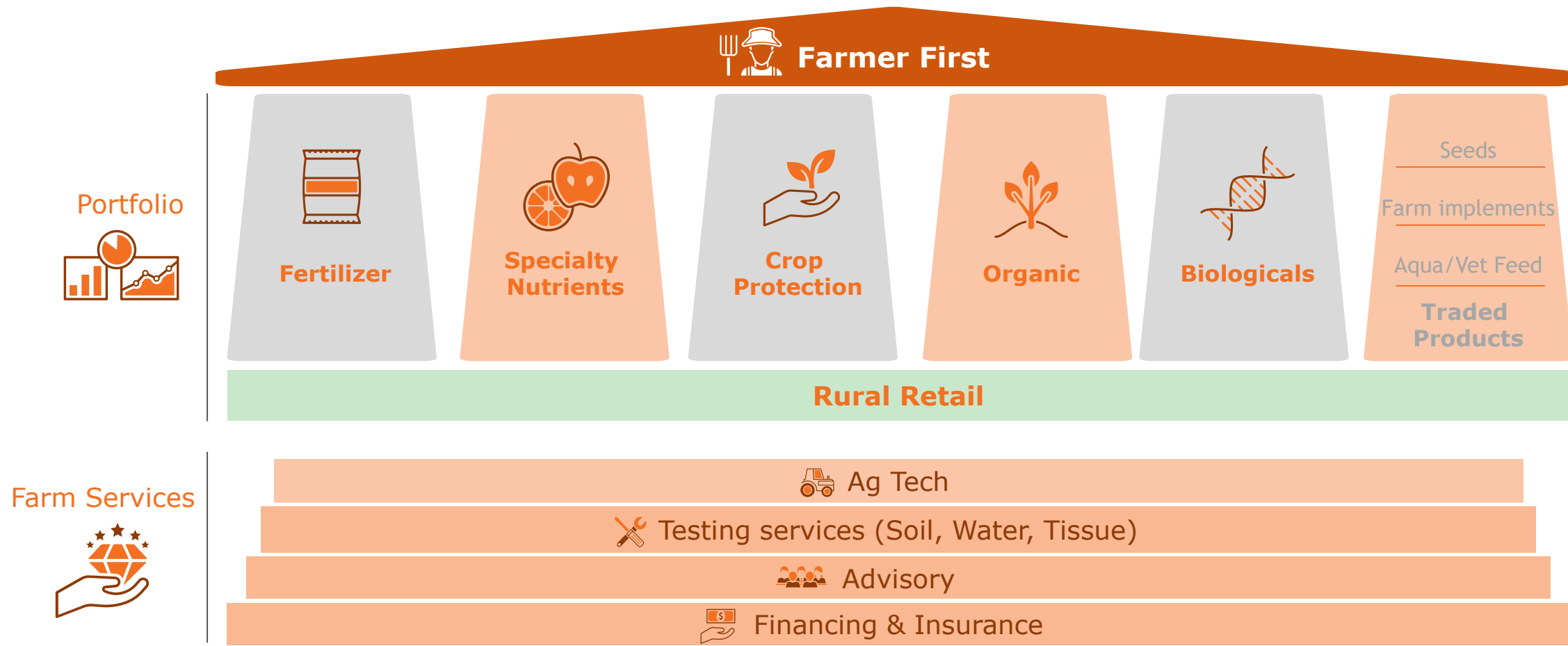
- 16 manufacturing locations
- ~750 Retail centres
- ~20,000+ dealers
- Presence across ~81 countries
- ~ 2,000+ strong market development team

# Coromandel: Global footprint & collaborations

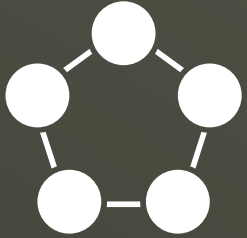


- Highly diversified sourcing
- Significant market presence in International markets
- Technology tie ups with global majors like Shell
- Farm Mechanization JV with Yanmar, Japan

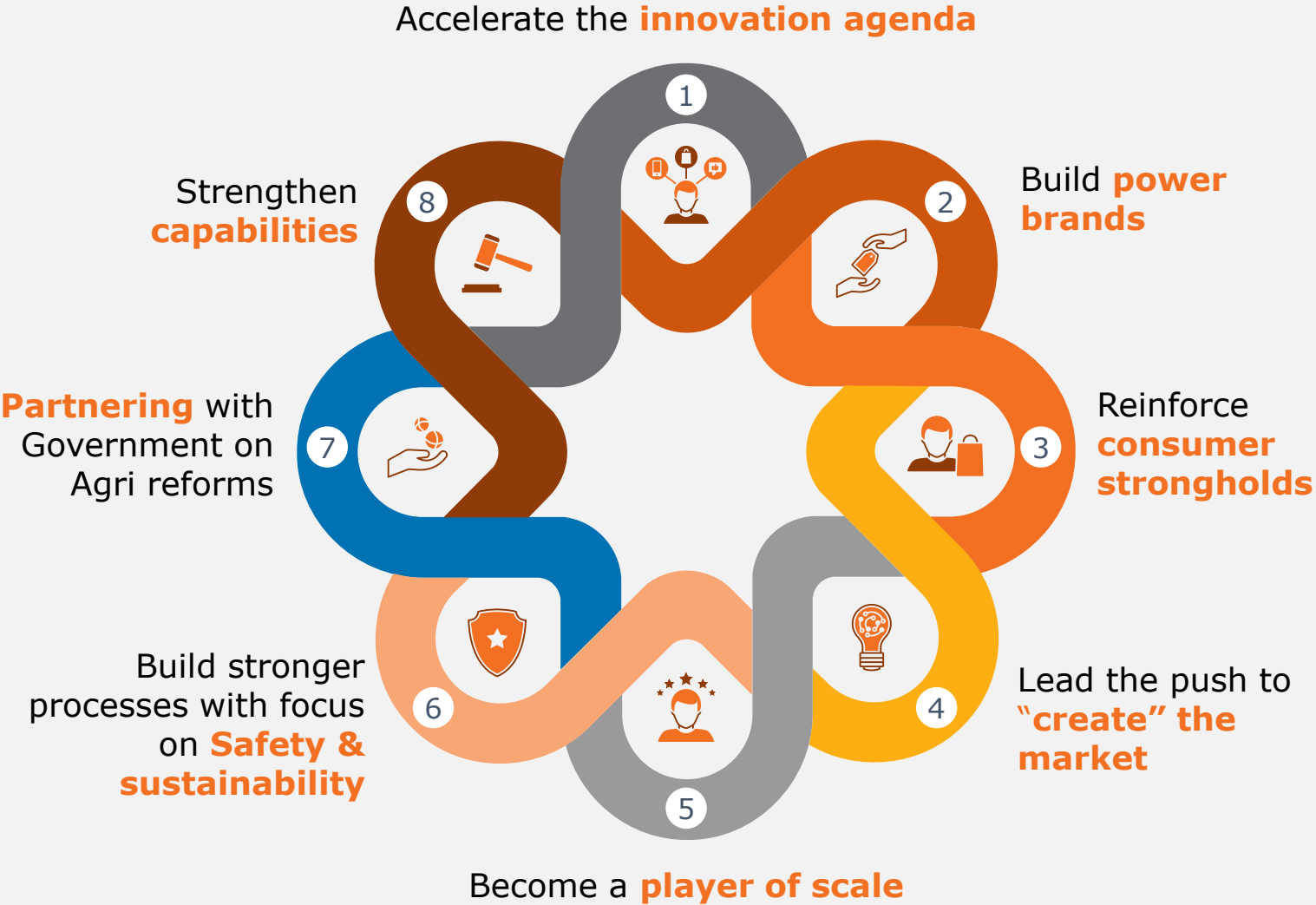
# Coromandel: A 'Farmer First' winning business model







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



# Moving from Grades to Brands

## Brand (not grades)

critical for farmers  
(fert. / non fert.)

- 66% respondents said "**brand availability**" was one of top factors driving purchase



## Selective in adoption of Specialty/ New Gen products - short-term cost focus

- Still willing to **invest for high value crops** to **generate higher returns**



# 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**



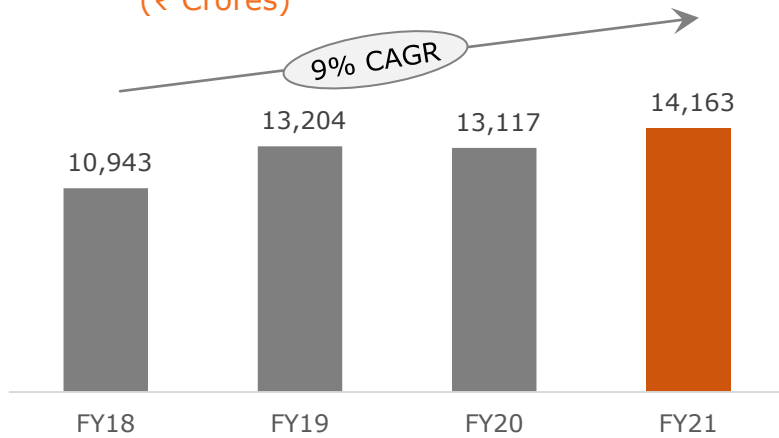
Developing superior **delivery mechanisms - Injectables**



**E kiosks** for improving reach & product delivery

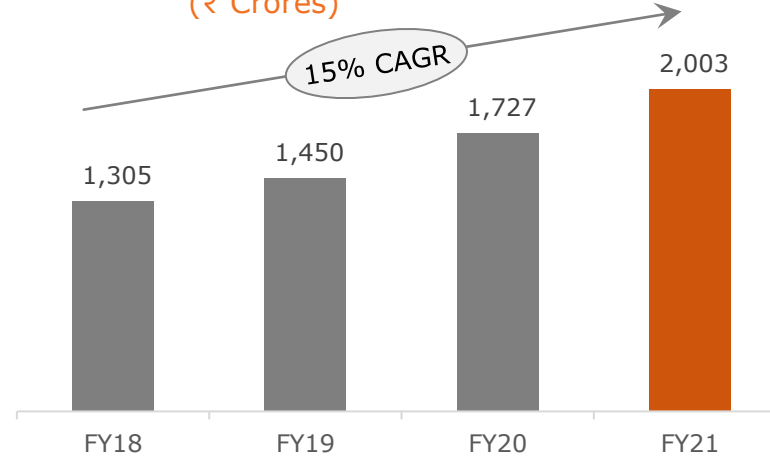
# Coromandel: Track record of sustained financial performance

Revenue\* From Operations  
(₹ Crores)

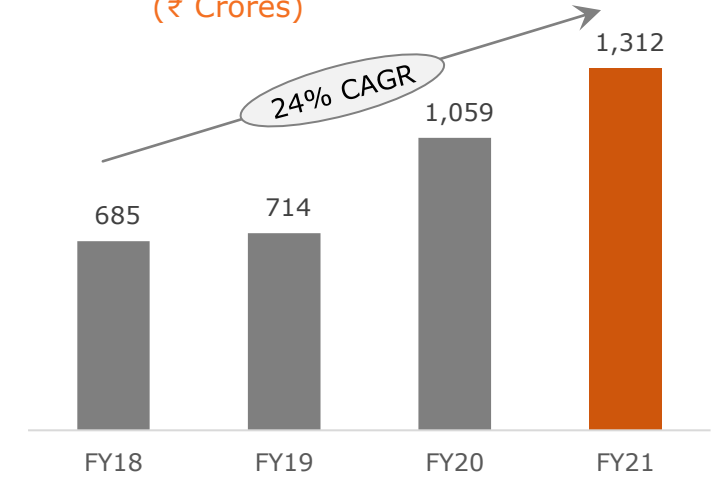


\*Fertilizer revenue subject to commodity price movement and subsidy policies

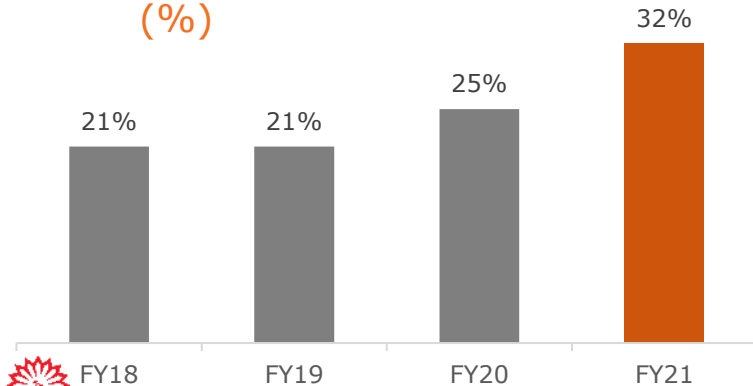
EBITDA  
(₹ Crores)



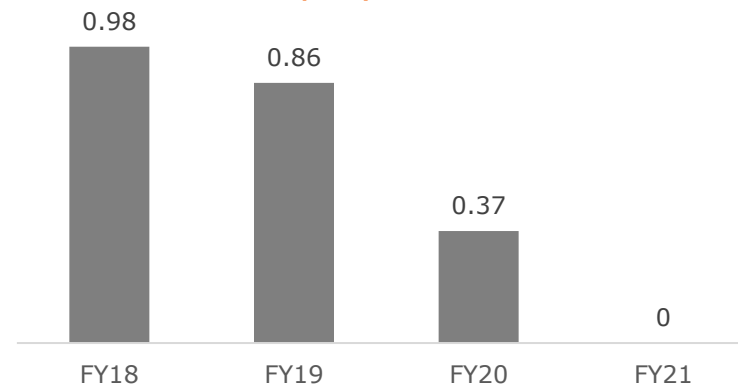
Profit after Taxes  
(₹ Crores)



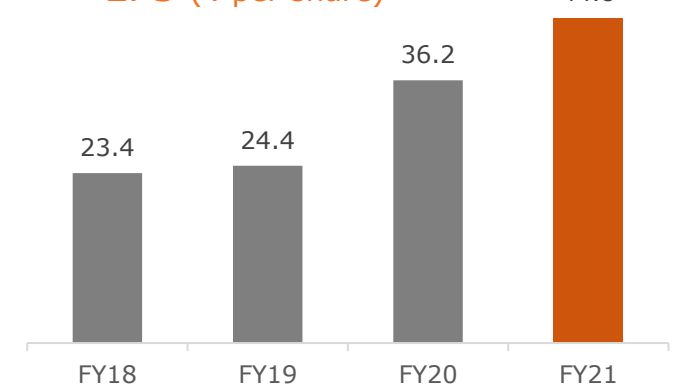
Return on Capital Employed  
(%)



Debt to Equity Ratio



EPS (₹ per share)





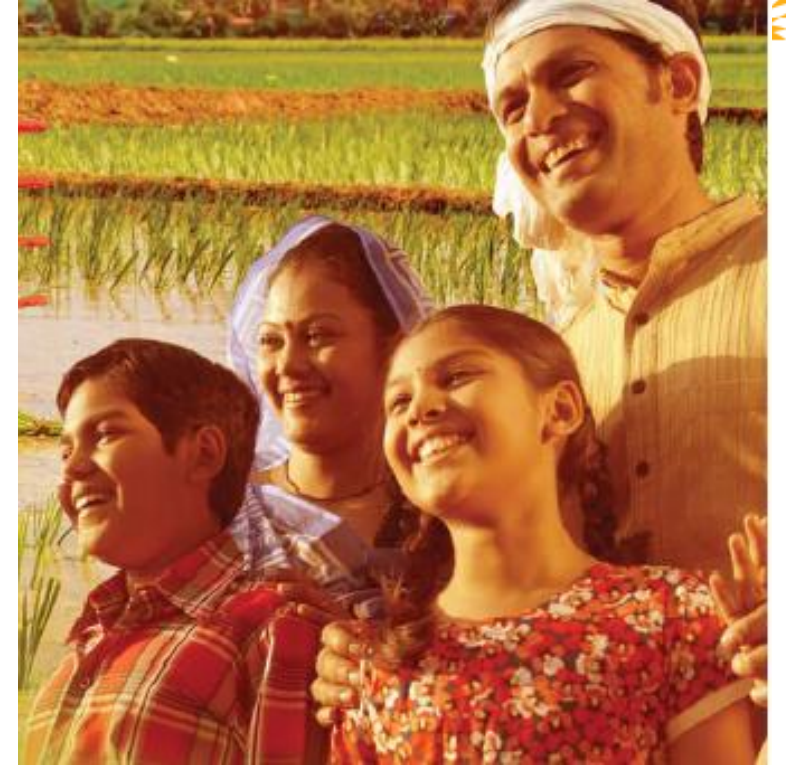


The 1<sup>st</sup> Green Revolution  
driven by **Agri-inputs**

Achieving **self-sufficiency**  
in food grains



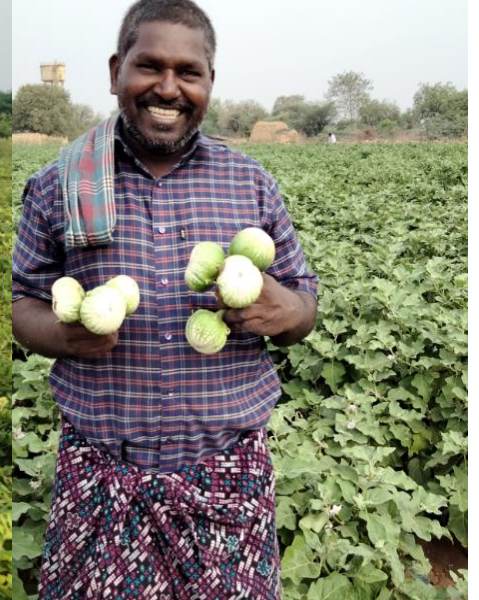
The 2<sup>nd</sup> Green Revolution to be powered by **superior**  
**products, smarter delivery mechanisms & agri-tech**



Achieving **Income Security and Farm Sustainability**



# Coromandel.....Bringing Smiles to the Farmers







Thank You

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