



Coromandel: Future Positive
Aug 2018



Agri Landscape

**Birds Paradise:
Bio-Diversity at Coromandel's Kakinada Plant**

Indian Agriculture: The Global Giant

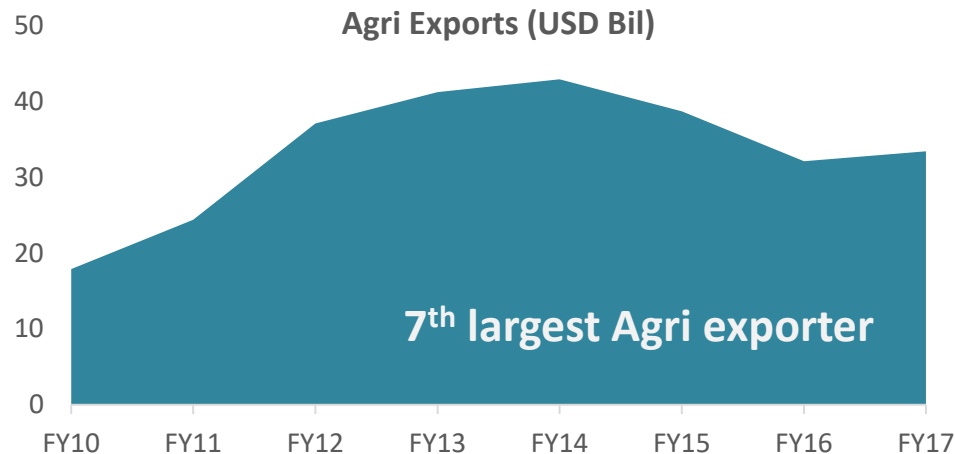


Source: U.S. Geological Survey

Crop	India Ranking	% Share
Pulses	1 st	23%
Oilseeds	1 st	11%
Cotton	1 st	29%
F & V	2 nd	11%
Sugarcane	2 nd	20%
Cereals	3 rd	11%

Source: FAOSTAT

3rd largest Agriculture producer globally



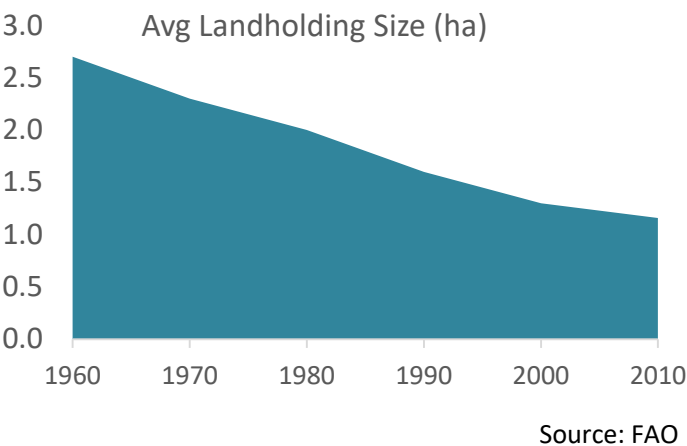
Source: DGCIS

Agriculture : Contribution to Indian Economy

- **17%** contribution to GVA
- **12%** of country exports
- **50%** of employment

...But Productivity Gaps exist

Falling per capita land holding

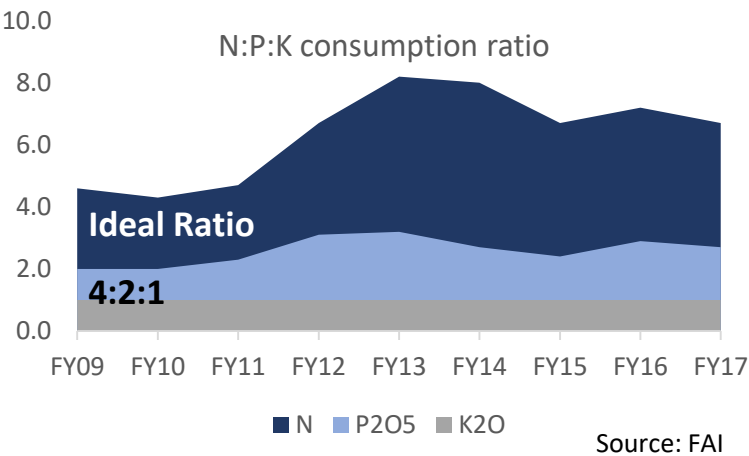


Low Mechanization

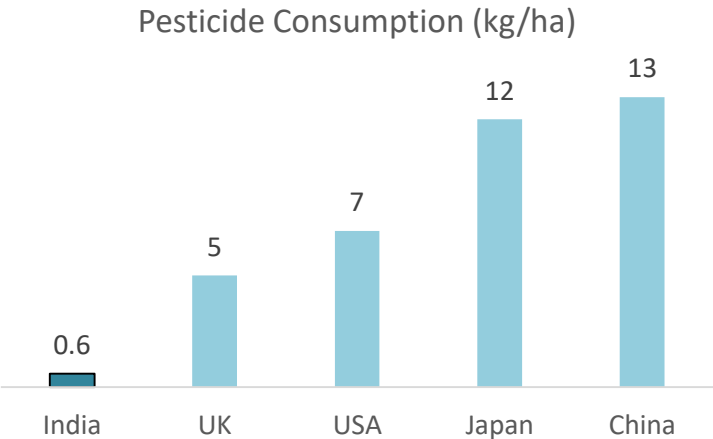
Country	Level of farm Mechanization
India	40%
Brazil	75%
USA	95%
West Eur	95%
Russia	80%
China	48%

Source: World Bank, FAO

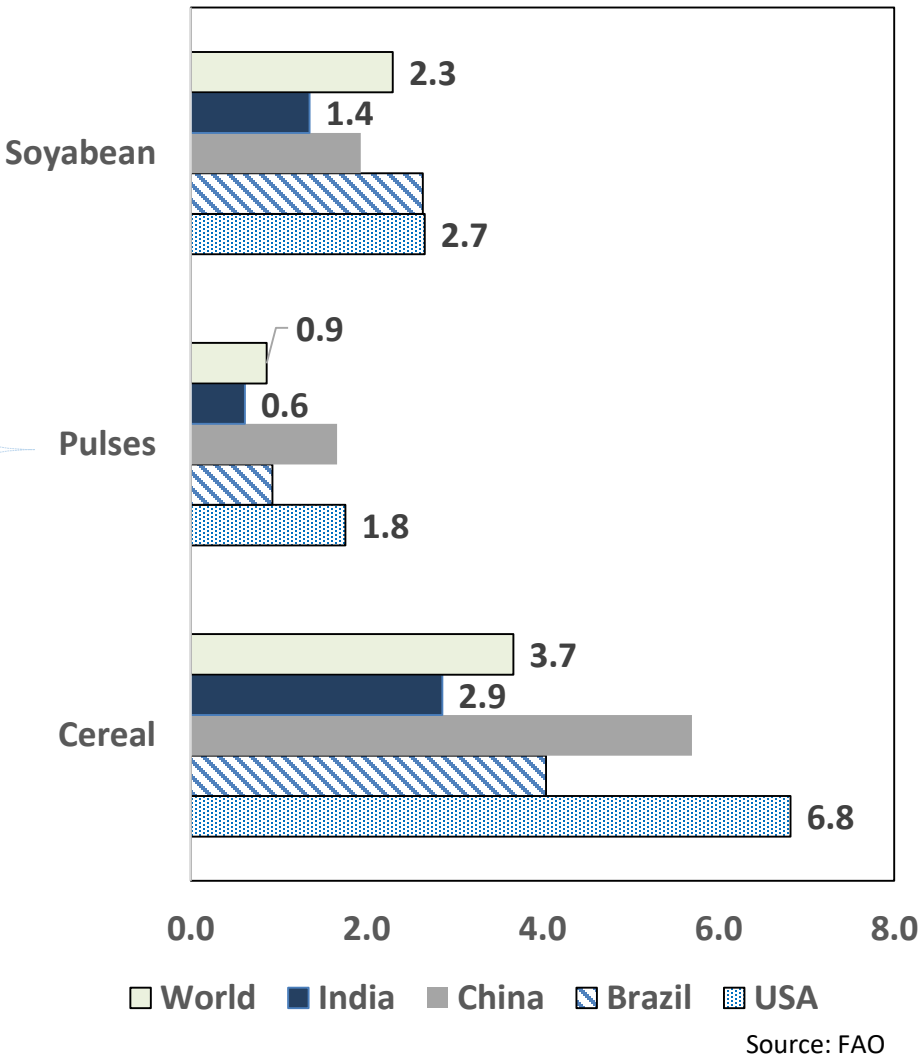
Imbalanced Nutrient Usage



Low Crop Protection consumption

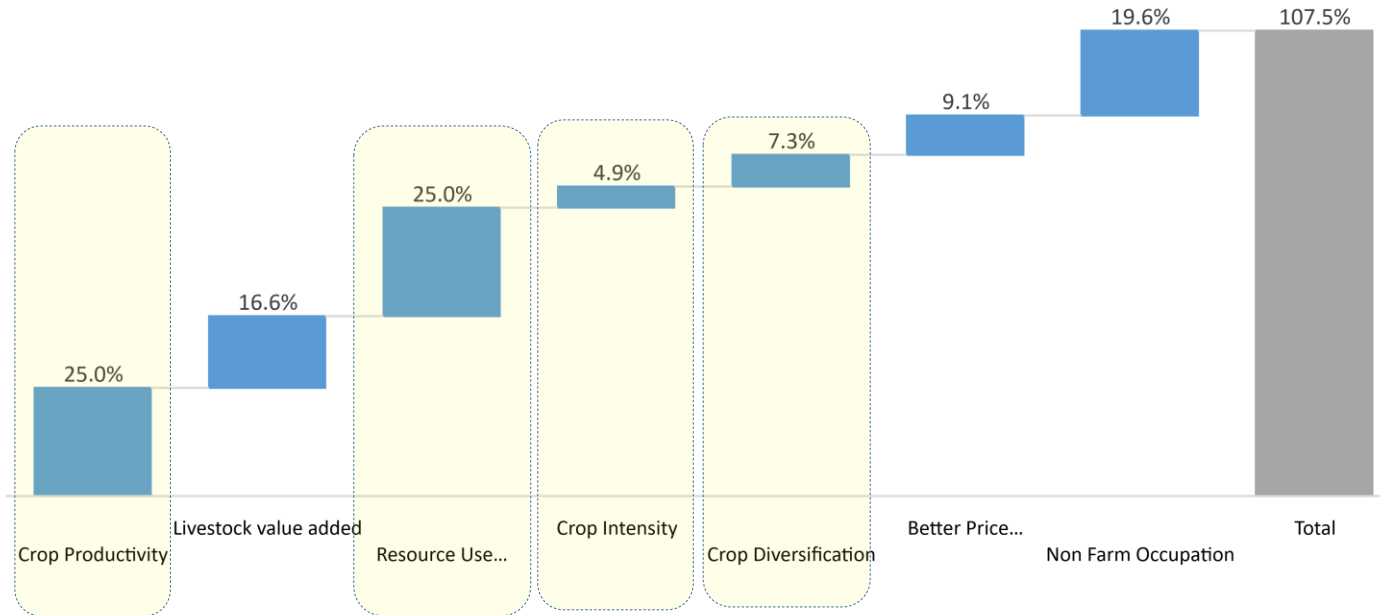


Yield comparison (Tonnes/ ha)



Efforts being made to Double Farmer Income by 2022

Prospects of Growth from various sources (10 years)



Source: Niti Aayog

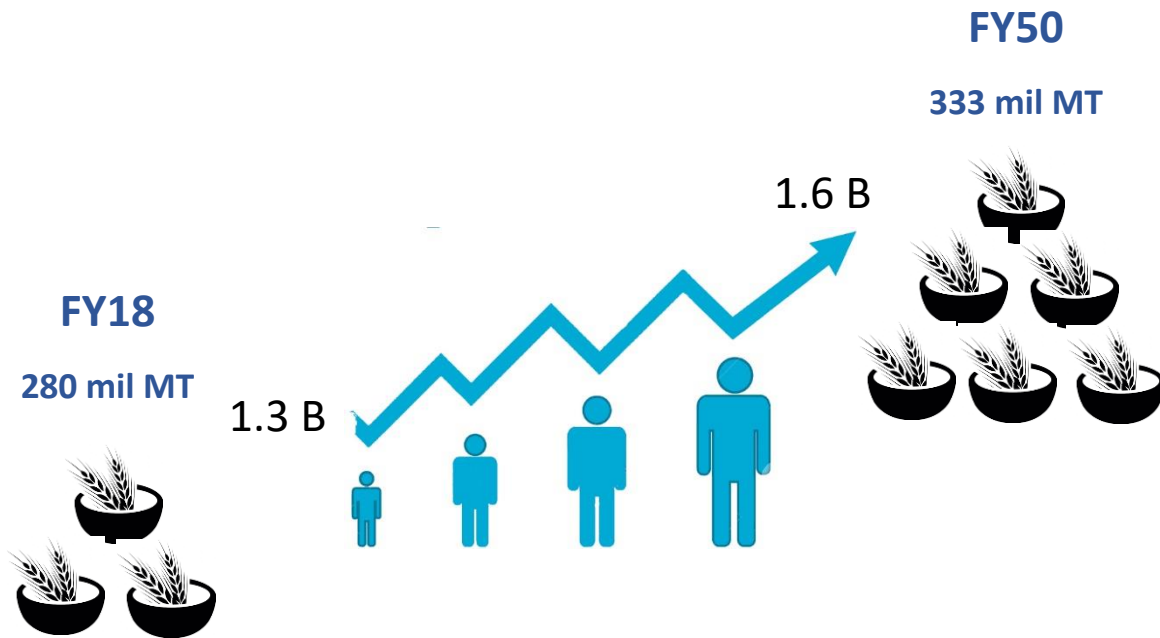
Policy Measures in Union Budget 18-19

- MSP at 1.5x Cost of Production
- Institutional credit at USD 17 billion
- Increased allocation under Crop Insurance
- Upgrade existing 22,000 rural haats into Gramin Agricultural Markets (GrAMs)
- Solar Water Pumps: 96 deprived irrigation districts

- **Increasing output** – Productivity, Cropping Intensity
- **Improving realization** – Price Discovery, Remunerative pricing, Crop Diversification
- **Reducing cost** - Balanced Application, Resource Use efficiency
- **Covering Risk** – Crop Insurance, Livestock & Non farm income

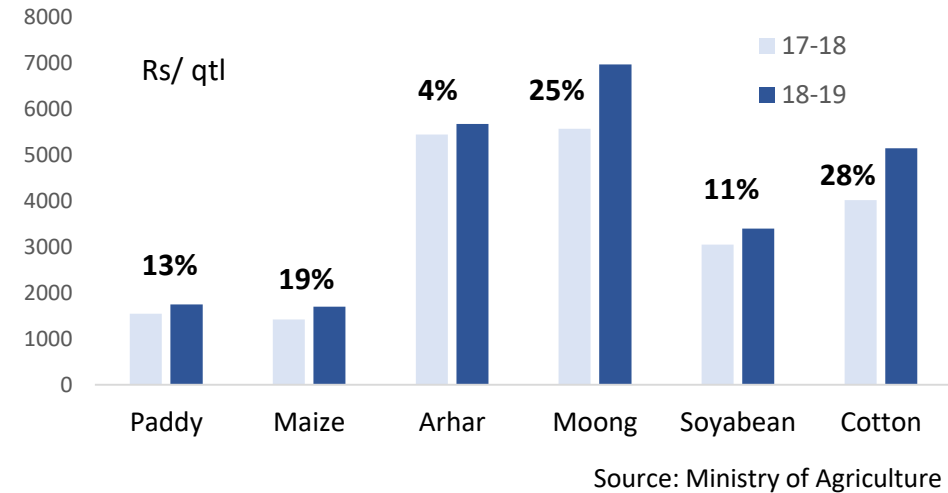
Agri Growth Levers

Food Security



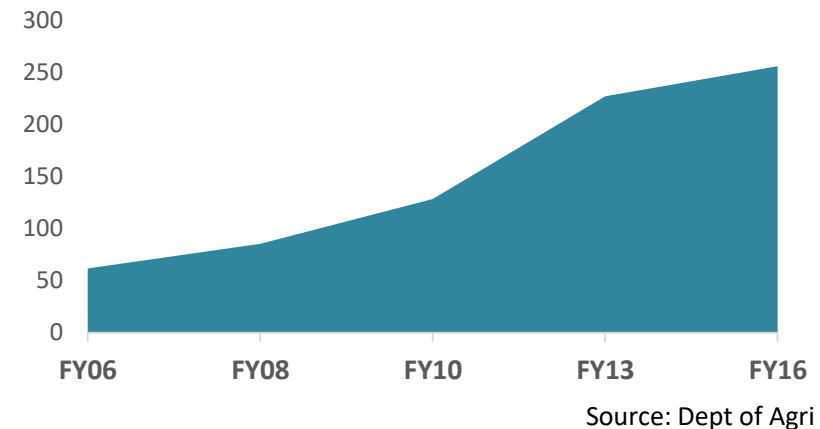
Annual food requirement in India to go up at 1% CAGR

Improved support price (at 50% Cost of Prod)



....Coupled with Rural Wage Growth

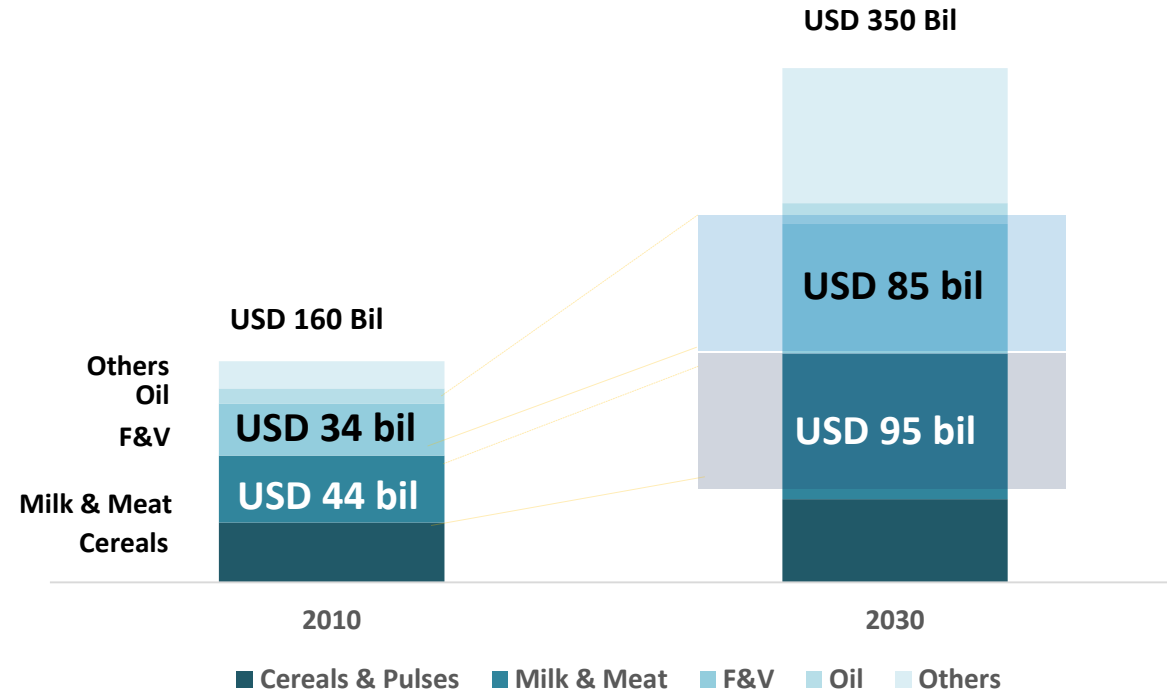
Avg Daily Wages- Agri Labour (Rs/ day)



Higher
Disposable
Income

Dietary Shifts

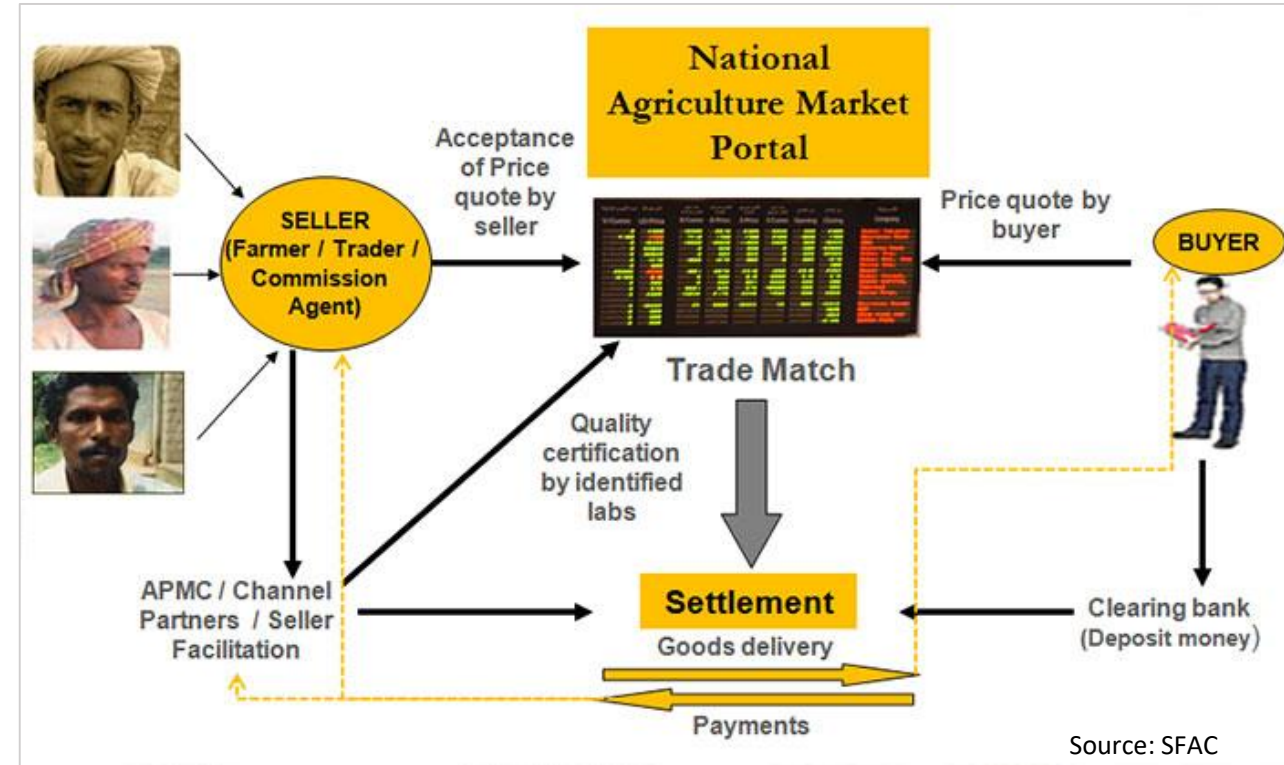
Indian Consumption Basket



- Food consumption to more than double by 2030
- Consumption towards premium food

Digital India

Unified National Agriculture Market



- Efficient delivery mechanism- Ag Inputs & Output
- Towards Cashless agri credit

...along with Agriculture reforms

Doubling Farmer Income by 2022

Productivity Improvement

Water & Inputs

Integrated
Farming

Improving
Market
Realization

Bio
technology

Micro
Irrigation

Minimizing
crop losses:
Crop
Protection

Balancing
nutrition

Increasing
Irrigation
Coverage

Allied
Activities

E
Procurement

More crop per drop: Potential to bring 69 million hectare area under Micro-Irrigation (8 mil currently)

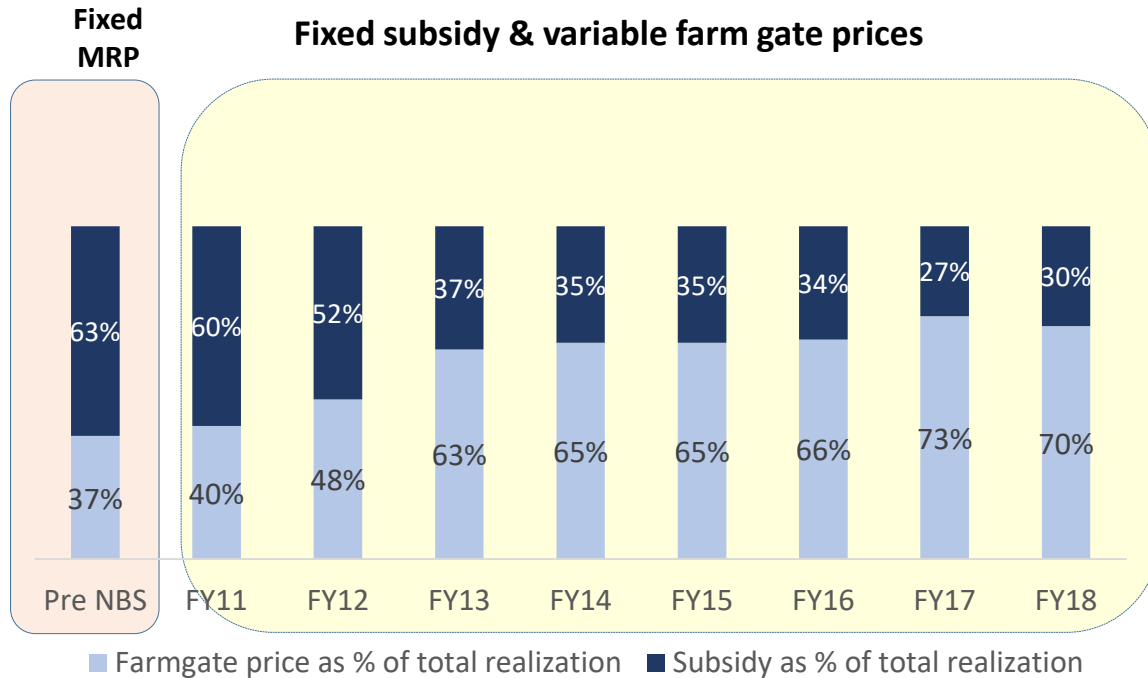
Bringing additional area under irrigation coverage: **8 mil ha (USD 13 bil investment)**

Connecting **585 agri yards** centrally

Developing **Agri infrastructure & storage** capabilities

Nutrient Based Subsidy

.....Towards **deregulating** the Fertiliser industry



- Easing **working capital** pressure
- **Flexibility** to fix farm gate prices
- Shift from Commodity based to **Market driven**

Make in India

.....Thrust towards **Domestic Manufacturing**

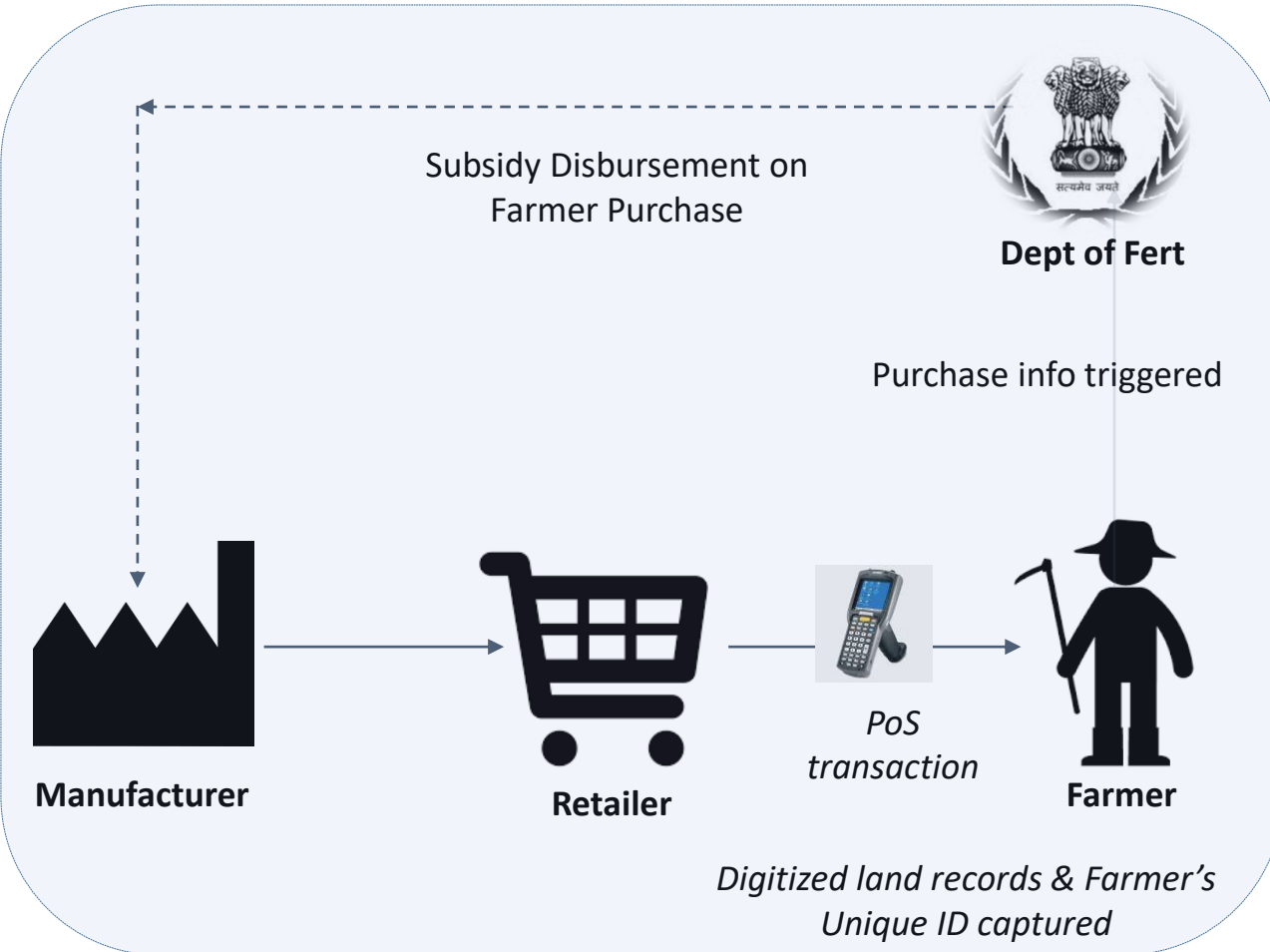


Investment Innovation Skill Devt Protect IP Best in Class

- Promotes **infrastructure** development
- Supports **domestic** manufacturing
- R&D and **innovative** solutions

& Positive Policy Measures

Direct Benefit TransferTowards **balancing Soil Health**



- Informed farmer purchases based on **Soil Health Status**
- Subsidy to manufacturer to be **paid on weekly basis**
- Lead to **digitization** & improved rural connect
- **Prevention** on fertiliser **leakage** & diversion

DBT to improve nutrient usage & promote balanced application

Product Flow Subsidy Flow

→ ←

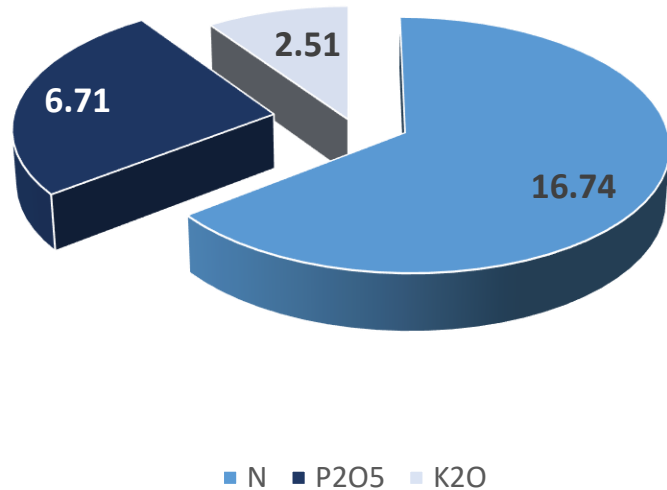
Our Industry



Birds Paradise at Coromandel's Kakinada Plant:
Home to ~100 species of migratory birds

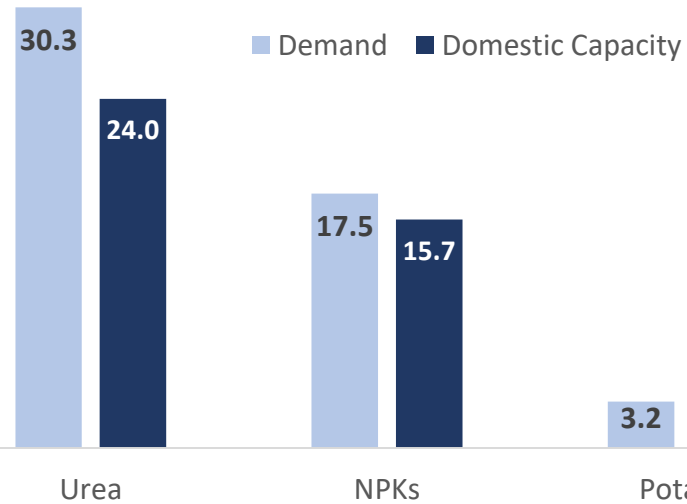
Indian Fertiliser Industry: Overview

Indian Nutrient Demand
(mil tons)



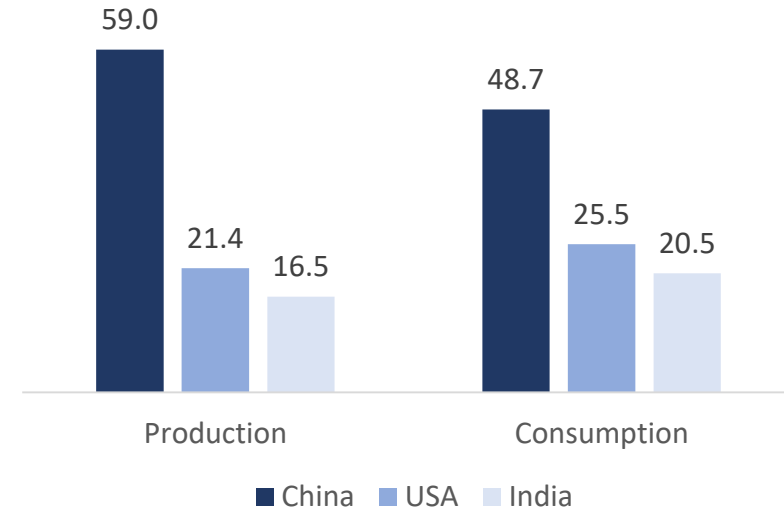
- High share of 'N' consumption (64%)
- Urea constitutes 55% of Fertiliser sales

Fertiliser: Supply Demand Balance 17-18
(in mil tons)



- Demand outstrips domestic capacity
- Capacity expansion in last 2 years in Urea & NPK space

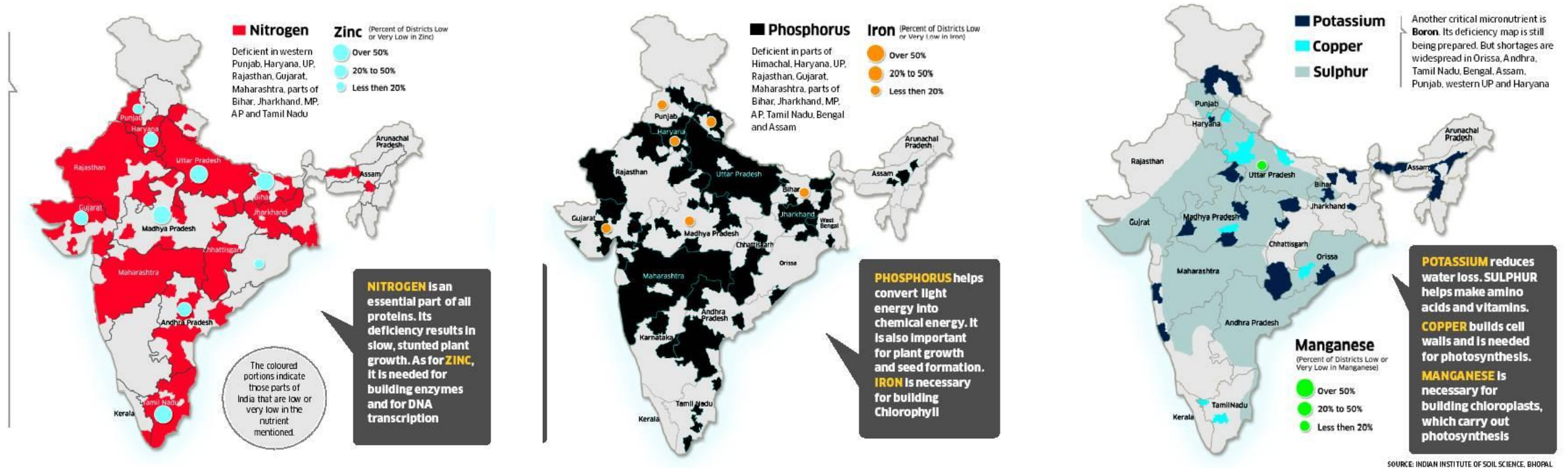
Production & Consumption (N+P2O5)
in mil tons



- Globally, 3rd largest Fertiliser production & consumption

Opportunities in Inputs space: Ag Nutrients

Nutrient Deficient India Soils



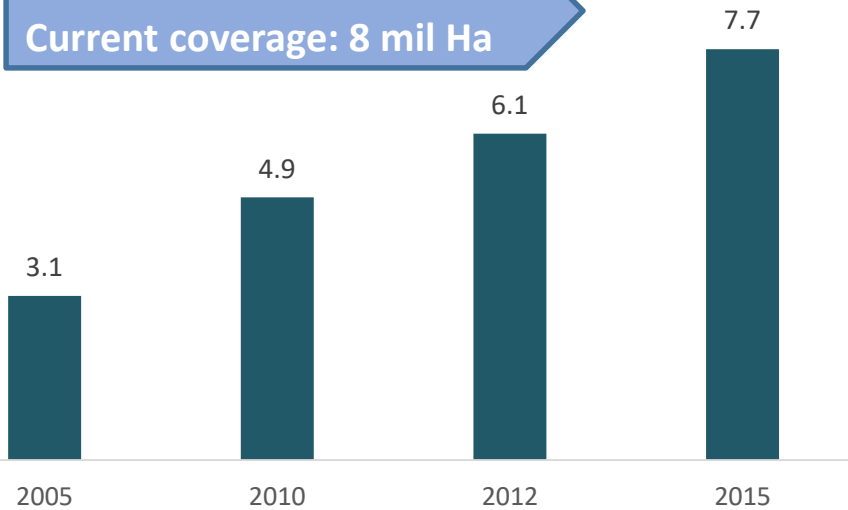
Source: IISS Bhopal

- More than 50% of the districts deficient in essential plant nutrients- Opportunity for Balanced Nutrition
- Relatively untapped Secondary & Micro Nutrients segment
- Organic products to balance plant growth

Opportunities in Inputs space: Micro Irrigation & Water Soluble Fertiliser

Area under Micro irrigation (mil ha)

Potential: 69 mil Ha
Current coverage: 8 mil Ha

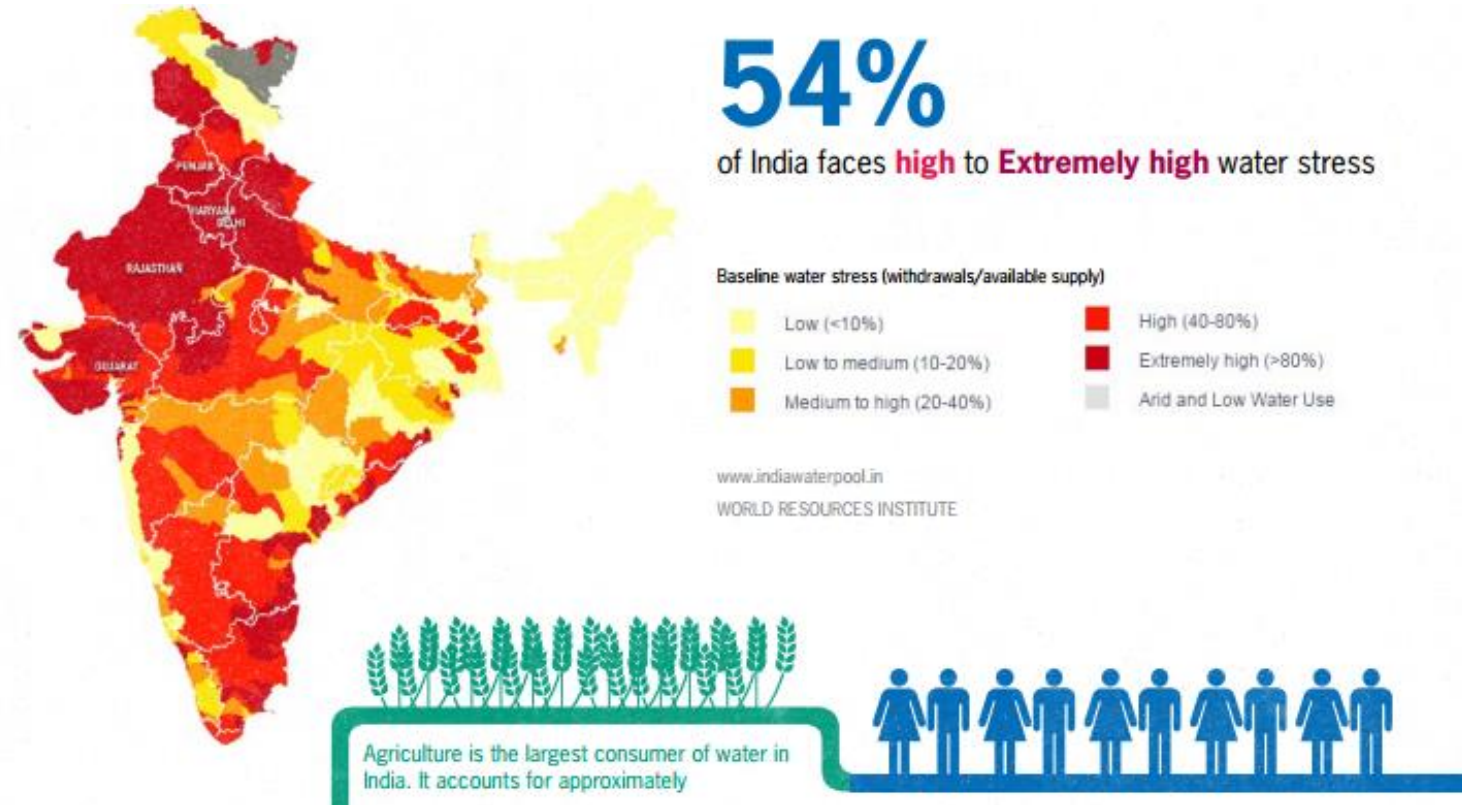


Benefits:

Increase in Water Use Efficiency: 50 – 90%

Productivity Increase: 40-50%

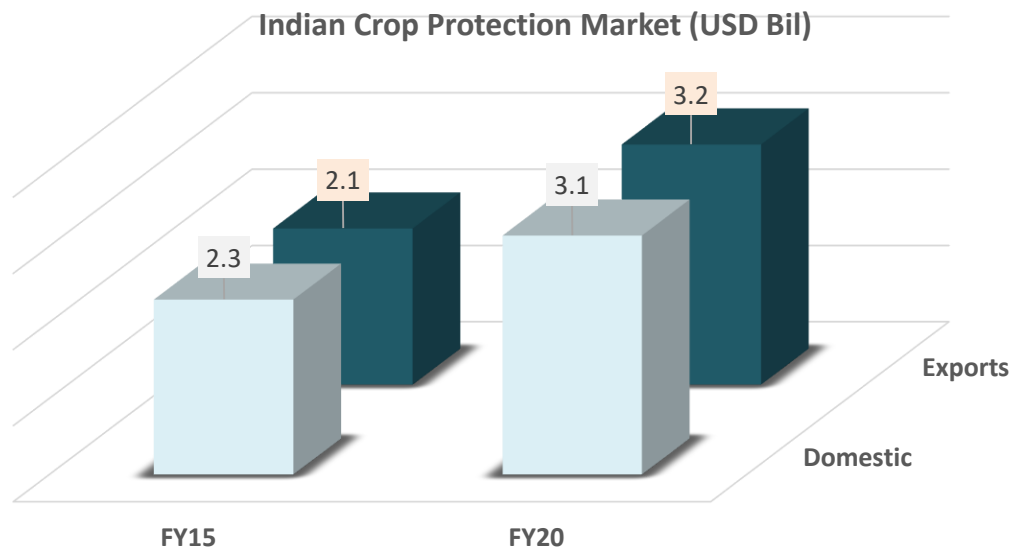
Increase in Farmer's income: 42%



- Current Micro Irrigation coverage at 6% (US: 55%, Brazil: 52%, China: 10%)
- Scope to scale up consumption of Water soluble Fertilisers

Source: Grant Thornton

Opportunities in Crop Protection space



- Exports segment to grow by 9% p.a.
- Domestic segment to grow by 7% p.a.

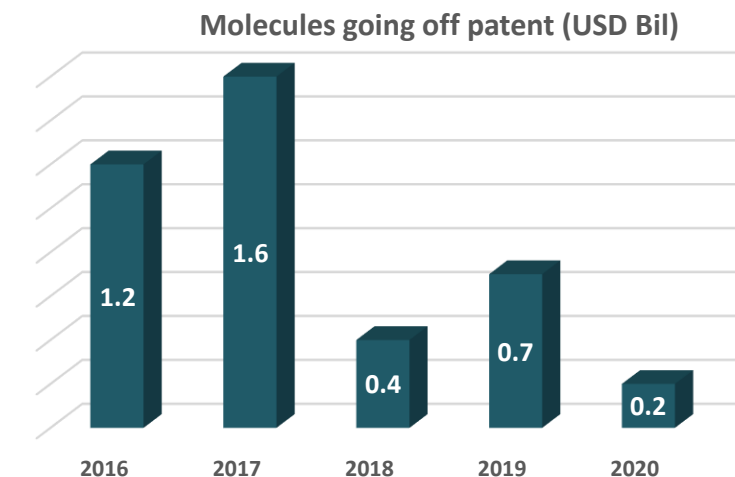
Increasing Pest Incidence

	1940		At Present	
	Total Pests	Serious Pests	Total Pests	Serious Pests
Rice	35	10	240	17
Wheat	20	2	100	19
Sugarcane	28	2	240	43
Ground Nut	10	4	100	12
Mustard	10	4	38	12
Pulses	35	6	250	34

Herbicide Opportunities

- Increasing labour cost to boost herbicide usage
- Global share: 47% India share: 16%**

Opportunities in Generic Space

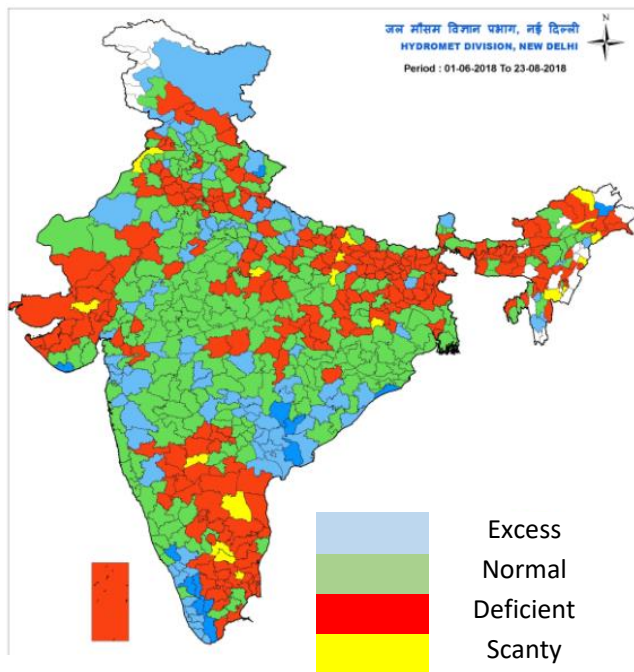


Industry Updates: 2018-19 Kharif



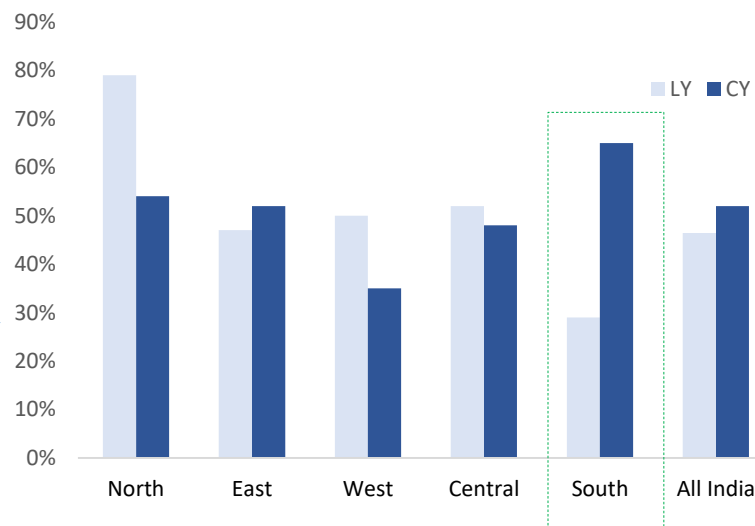
Neutral Agriculture Environment in 18-19 Kharif

1 All India South West Monsoon: **93% LPA**



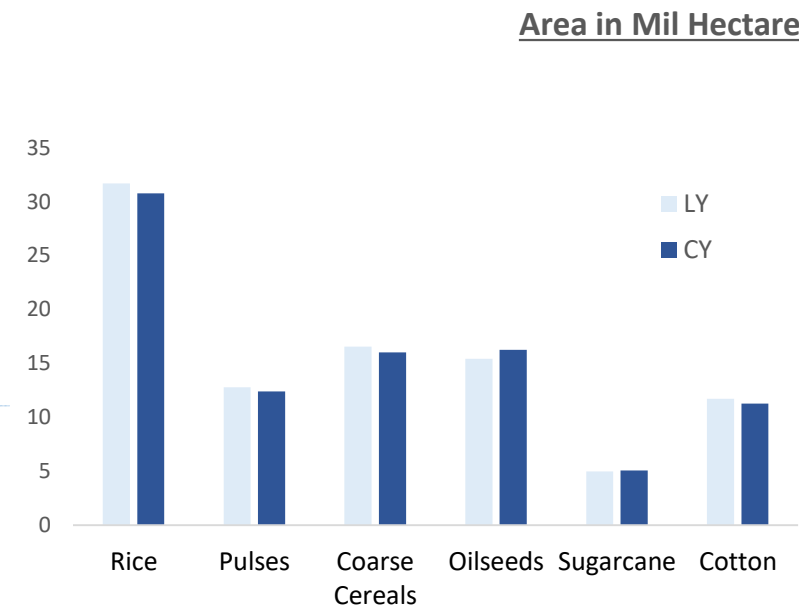
Normal in Coromandel's Primary South Peninsular markets: **111% LPA**

2 Improved reservoir levels: **+6%**



Southern region: High storage levels - Positive **Rabi** prospects

3 Slight drop in acreage: **-1.5%**



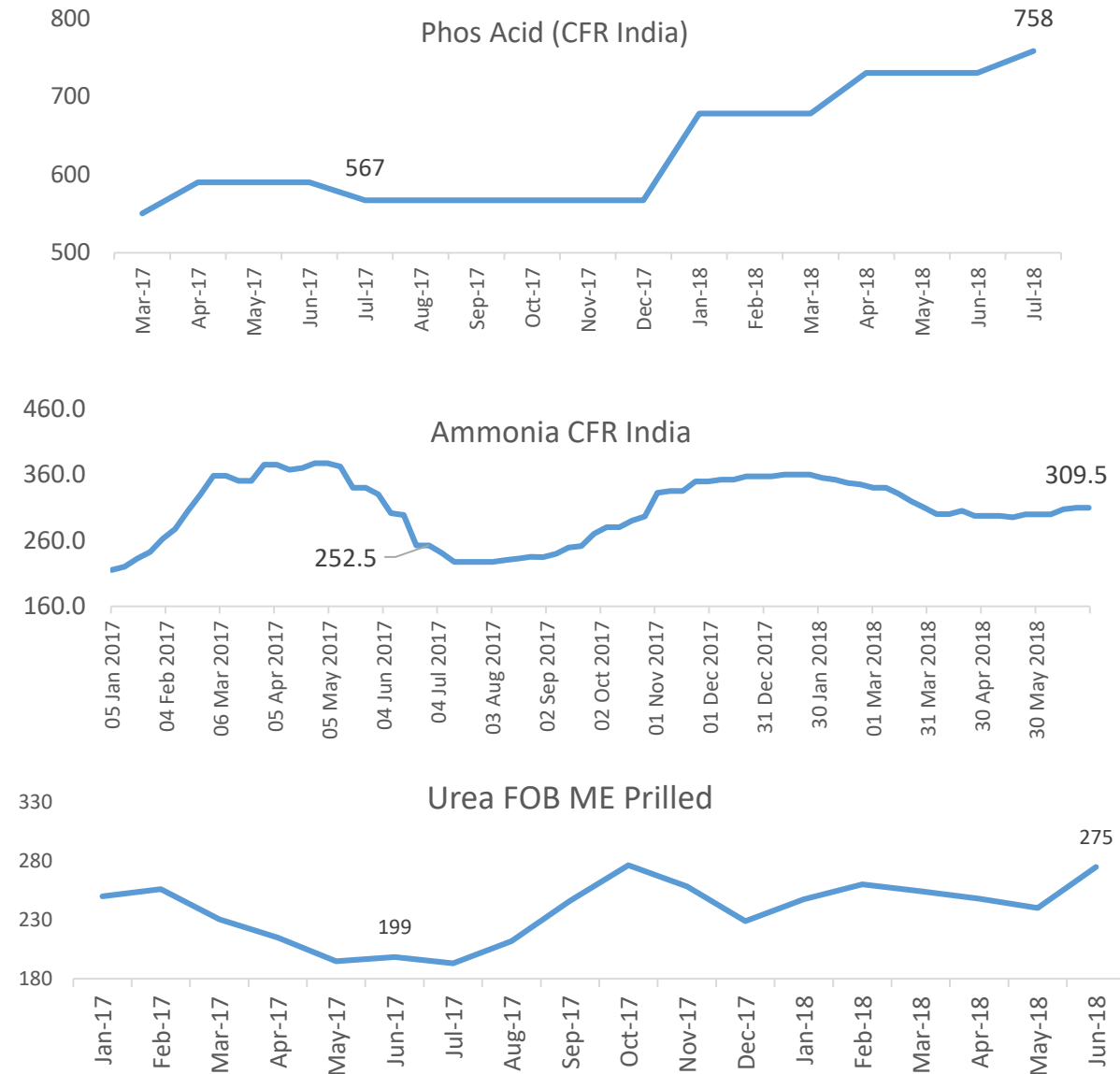
Acreages up in AP & Telangana

... Effect of weakened rupee & commodity hardening

USD-INR Movement (Rs/USD)

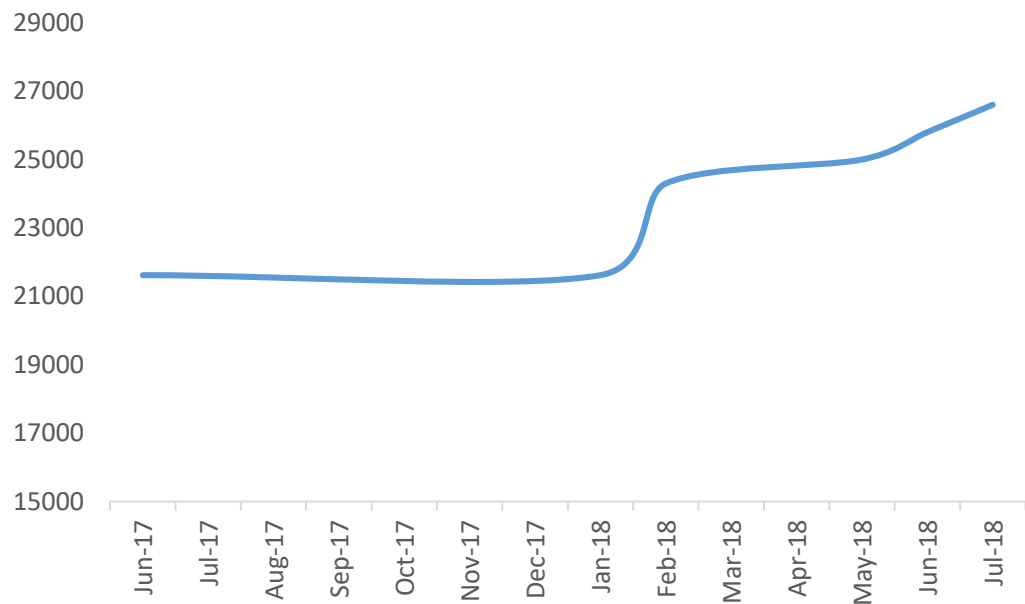


- Rupee operated in a narrow price band. Depreciating since Q4FY18.
- Raw material Soft to Stable in H1. Bullish since.

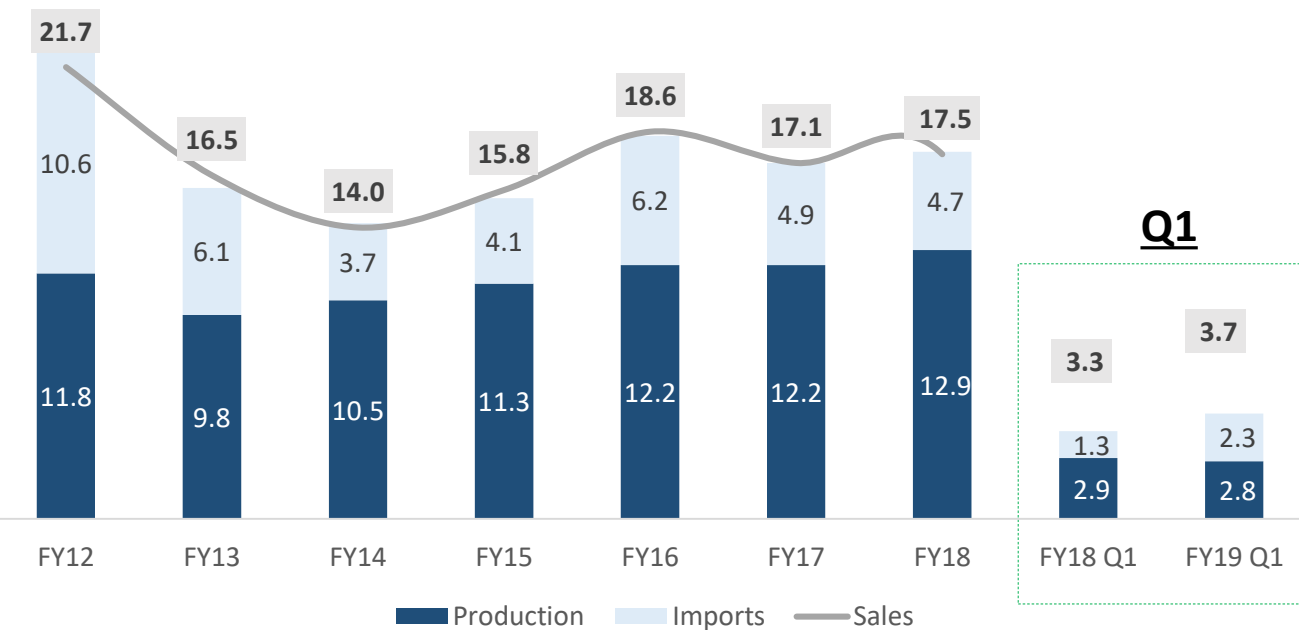


Impacting the farm gate price...but consumption story remains intact

Farm gate price (Rs/MT DAP)



Indian Phosphatic Industry: Supply-Demand Scenario (in mil tons)



- Improved consumption (+12%) in Q1
- Higher DAP imports- Shift towards complex manufacturing
- Sales getting aligned to DBT

Coromandel: Who We Are

- About Coromandel
- Business Segments
- Financials



Birds Paradise at Coromandel's Kakinada Plant:
More than 50% Plant area covered under Green Belt

About Coromandel

Coromandel's Manufacturing Presence

India's largest private sector
Phosphatic Fertiliser company

Pioneers & **market leaders** in
Specialty Nutrients

5th largest Ag Chem Indian
company

No. 1 Organic Manure player in
India

India's largest Single Super
Phosphate (**SSP**) company

Largest Rural Retail Chain
across India



Key Facts :

- Turnover: **USD 1.7 bil** (FY17-18)
- Market Cap: **USD 2.3 bil** (Mar 2018)
- Strong credit rating: '**AA +**' (Stable outlook)' with CRISIL India
- ~**4500** employees & ~7500 contract staff
- **International Linkages:** FOSKOR, GCT, CANPOTEX, SQM, GETAX , QAFCO, ICL, OCP, YANMAR etc
- **International Market** Serviced: Latin America, Africa, China, South East Asia, Middle East



Strong Brand Equity



Cost effective production



Doing it Responsibly

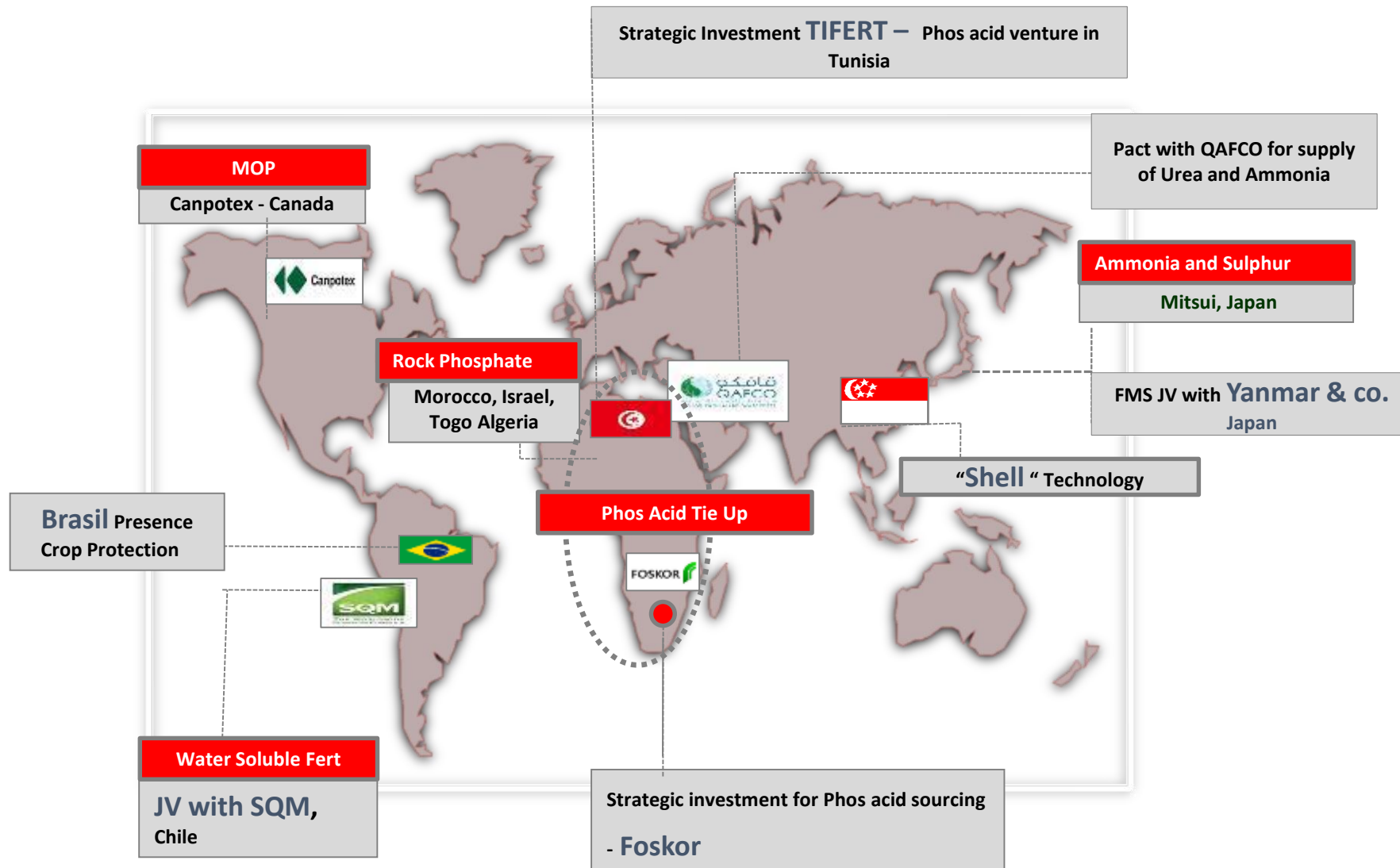


Bringing Prosperity

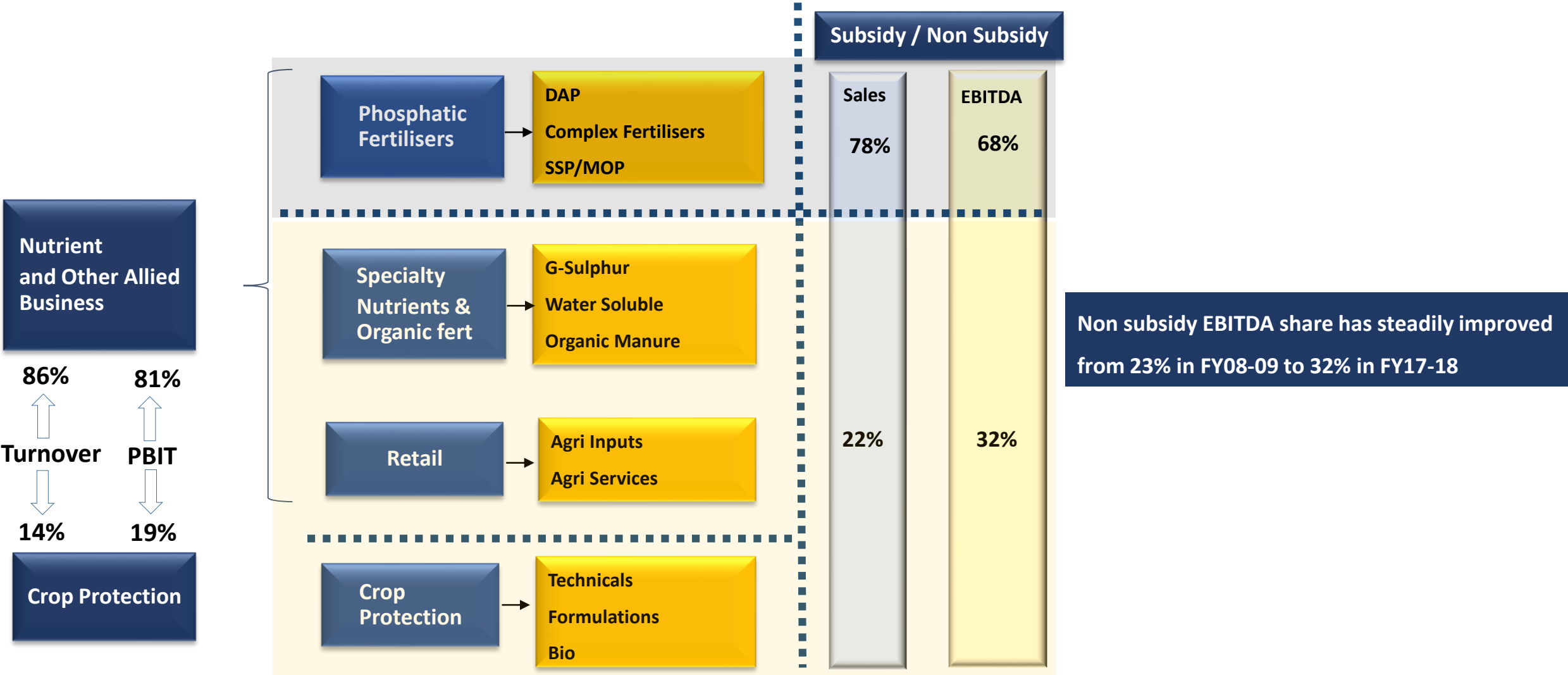


R&D Focus

Global Strategic Alliances



- Highly **diversified** sourcing
- Significant market presence in **International markets**
- **Technology** tie ups with global majors like **Shell**
- JV Partnership with global water soluble major, **SQM Chile**
- Farm Mechanization JV with **Yanmar, Japan**



Growth Journey

Towards New Growth Segments

2018

Bio Acquisition

2014

Farm Mechanization-
Yanmar JV

2013

SSP-
Liberty acquisition

2011

Crop Protection-
Sabero acquisition

2012

Technology tie up-
Shell

2010

WSF JV with SQM

2008

Entry into Retail

2006

Specialty & Organic
Business



New capacity addition: ~3 mil tons over last decade



New Businesses: CPC, SND, Organic, Bio



Expansion into Retail Channel: 800 stores



Strategic Partnership Yanmar, SQM, Foskor, Tifert



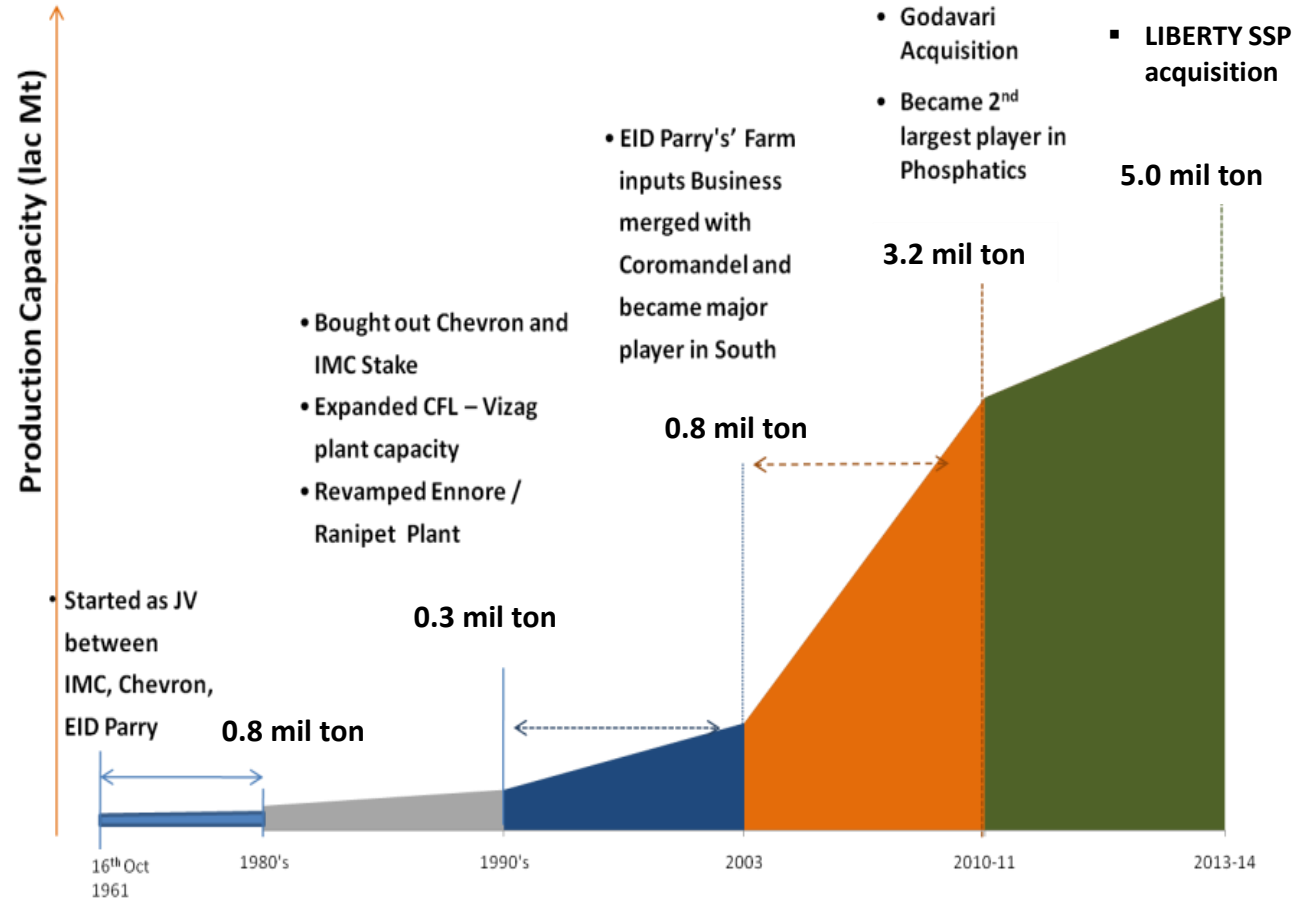
Technology Tie ups: Shell, IRRI

Business Segments



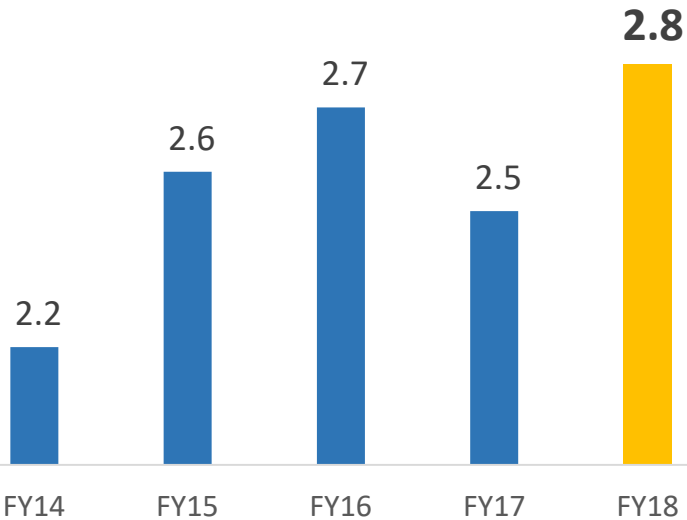
**Birds Paradise at Coromandel's Kakinada Plant:
Largest breeding site in the East Godavari district for a variety of bird species**

Coromandel Phosphatic Fertilisers



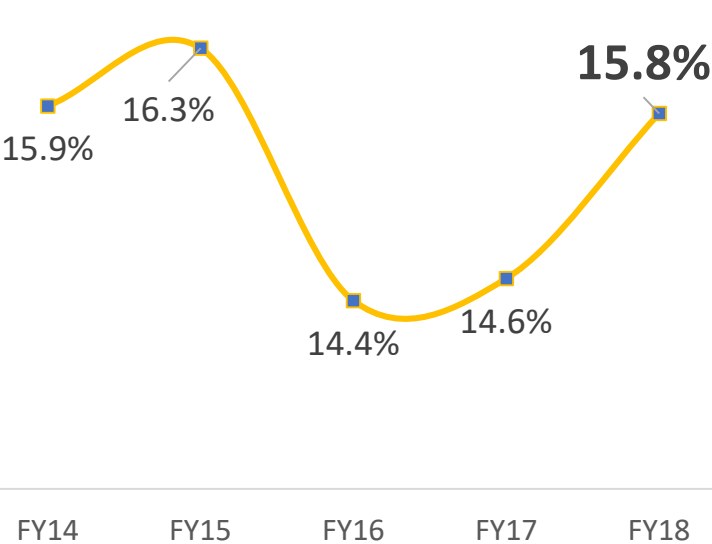
- Largest Complex marketer in India
- 22% of the domestic Phosphatics capacity
- Ability to manufacture 12 different grades
- Differentiated offering thru Unique grades
- Diversified presence in South, West & East markets

Sales (mil tons)



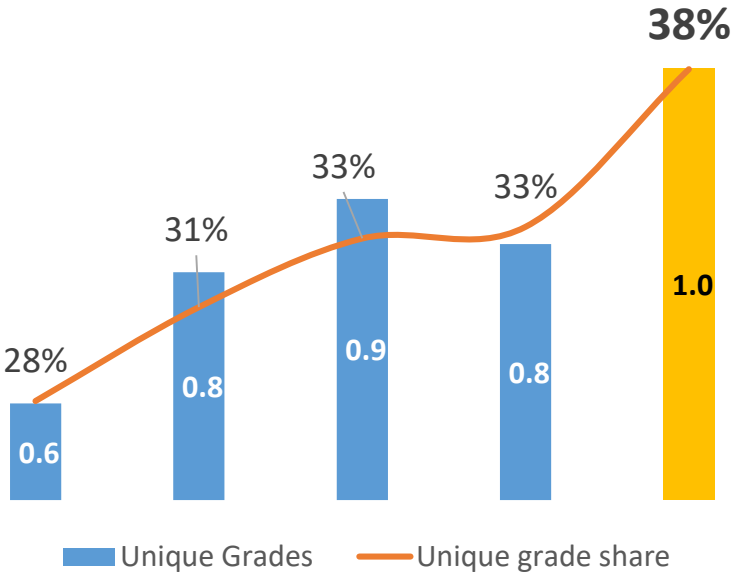
Improving Fertiliser Sales

Market Share



Rising Market share

Unique Grades (mil tons)



Creating Differentiation

Fertiliser Manufacturing

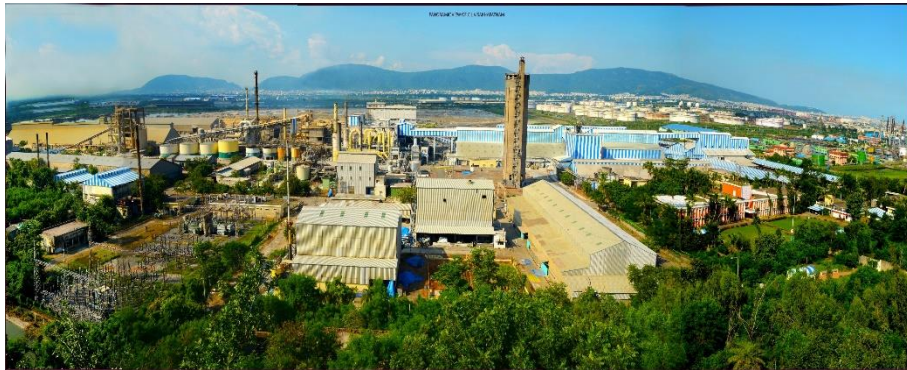


Kakinada:

Capacity: 1.9 mil tons

High Nutrient Efficiency

Flexibility to manufacture multiple grades



Vizag:

Capacity: 1.2 mil tons

Integrated Phos Acid Production (0.2 mil ton)

Captive Sulphuric Acid Plant

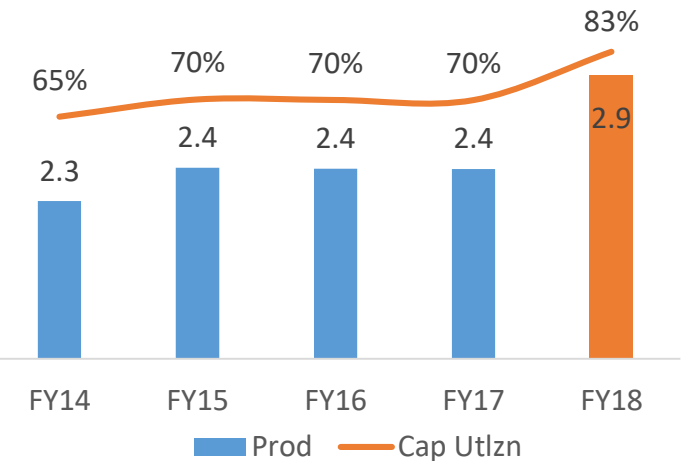


Ennore:

Capacity: 0.3 mil tons

Integrated Phos Acid Production (0.05 mil ton)

Phosphatic Production (in mil tons)



1990's	2006	2009	2010	2011	2015	2018
Acquired pesticides unit of BPM	Acquisition of FICOM and setting up Jammu Unit I	Expansion to Latin America	Acquired Pasura Bio Tech – Jammu Unit II	Sabero Acquisition	Established: <ul style="list-style-type: none">- China Office- R&D Centre	Bio Pesticide Acquisition

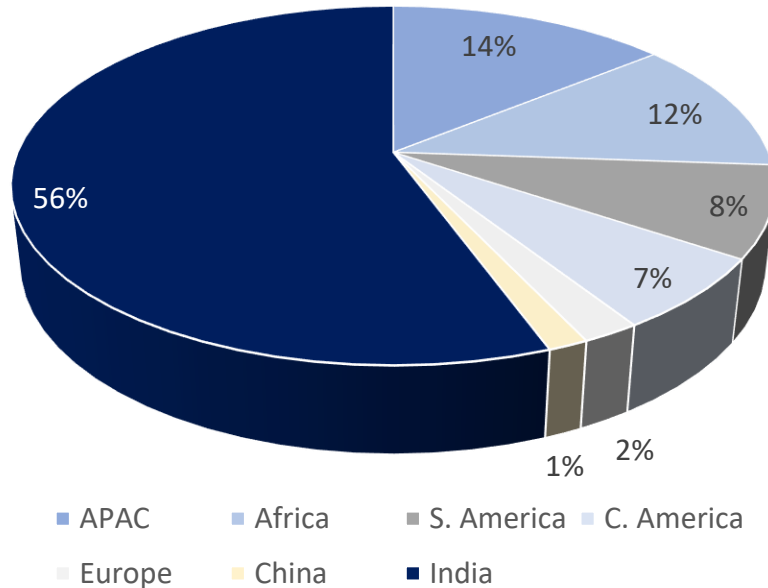
5th Largest Crop Protection Company in India

Ability to manufacture **15 technicals**

3rd Largest Mancozeb manufacturer globally: Capacity expansion in 2016 & 2017

Robust **Environment Management** Systems: ~USD 10 mil investment in last 5 years

Diversified Sales



- **Exports share: 44%**
- **~900** global registrations
- B2B & B2C presence
- Customer reach thru **10000+ retailers**

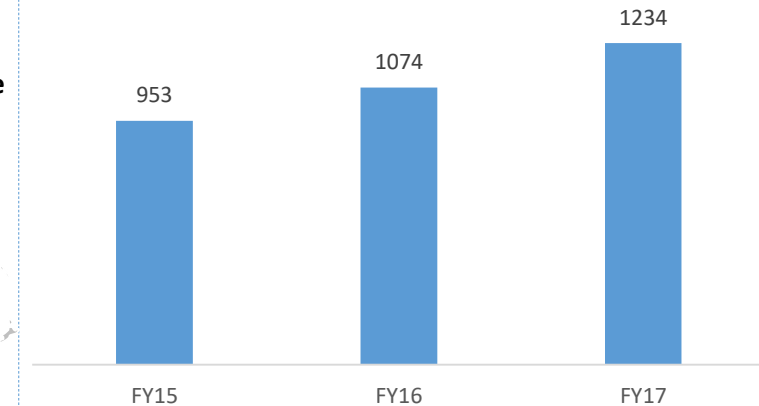
Global presence through Subsidiaries



- **8 subsidiaries:** Expansion in Africa
- Presence across **~81 countries**

Bio Business: Synergistic Fit

Bio Turnover (Rs Mio)



- **Export share: 60%** with significant presence in USA, Europe & Canada
- Manufacturing facility in Cuddalore, TN

Crop Protection Operations

Significant Manufacturing presence

Sarigam Plant



- Manufacturing **Capacity 60,000+ MT/** annum from 6 locations
- Wide product portfolio **~60 brands**

Ably supported by R&D Team

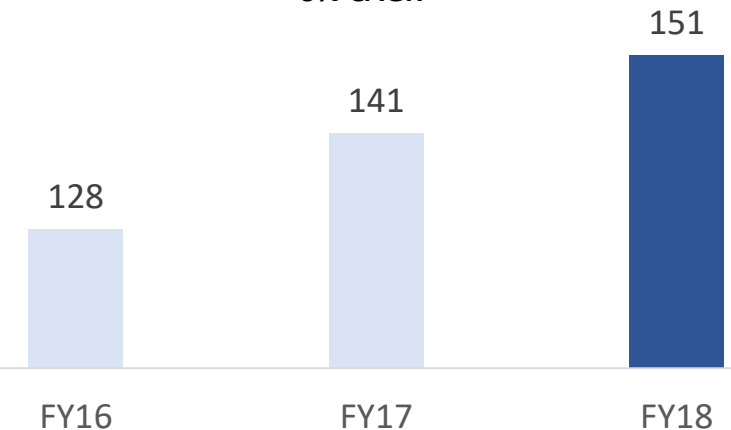


- **4 new Product** launches in FY18
- Plan to introduce **2-3 products** every year

Resulting in Significant growth

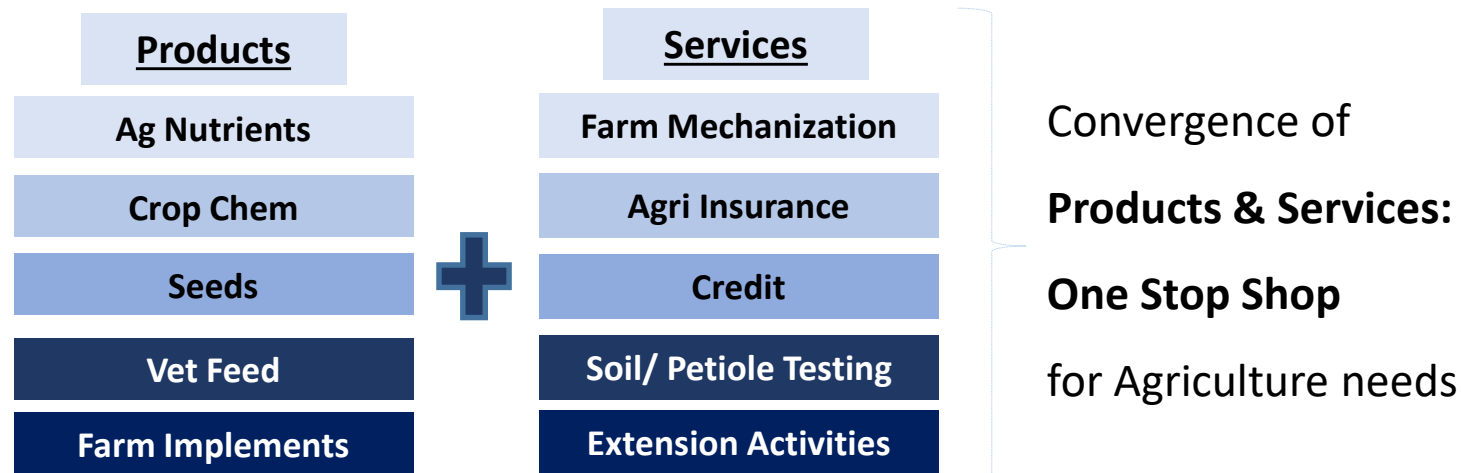
Turnover (Rs '00 Mil)

9% CAGR

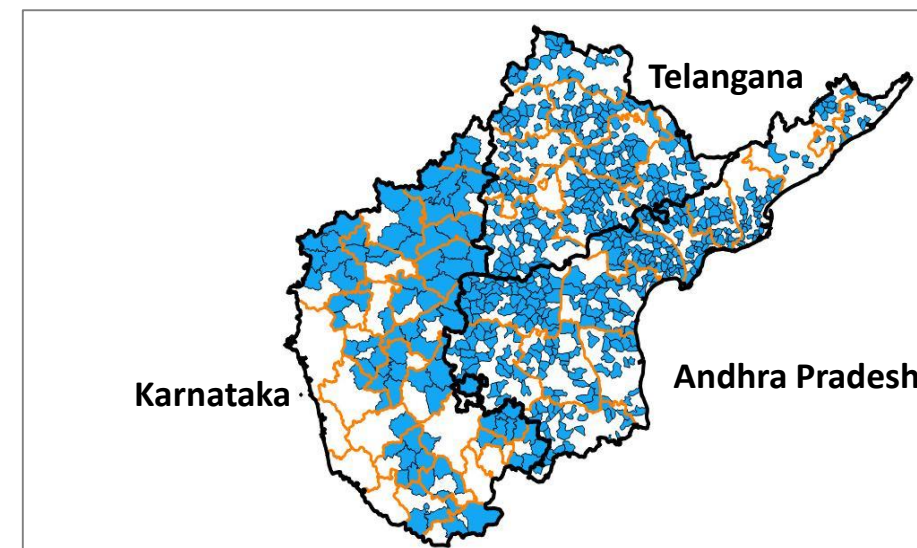


- Growth across Domestic & Exports segments

Farming Solutions



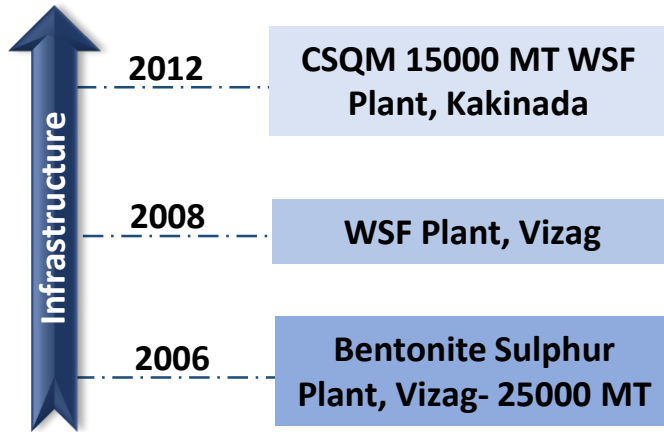
Customer Reach **2.8 million** farmers annually



- ~70% turnover through **Captive** products
- **Non Fertiliser** Focus: ~45% of annual sales
- 'Retailer of the Year' award by CMO Asia

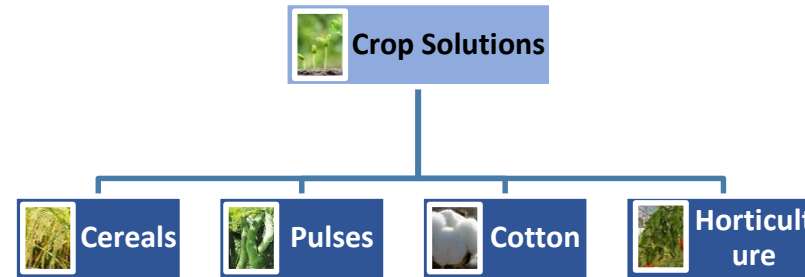
Expansion into Maharashtra in FY18

Manufacturing Capability



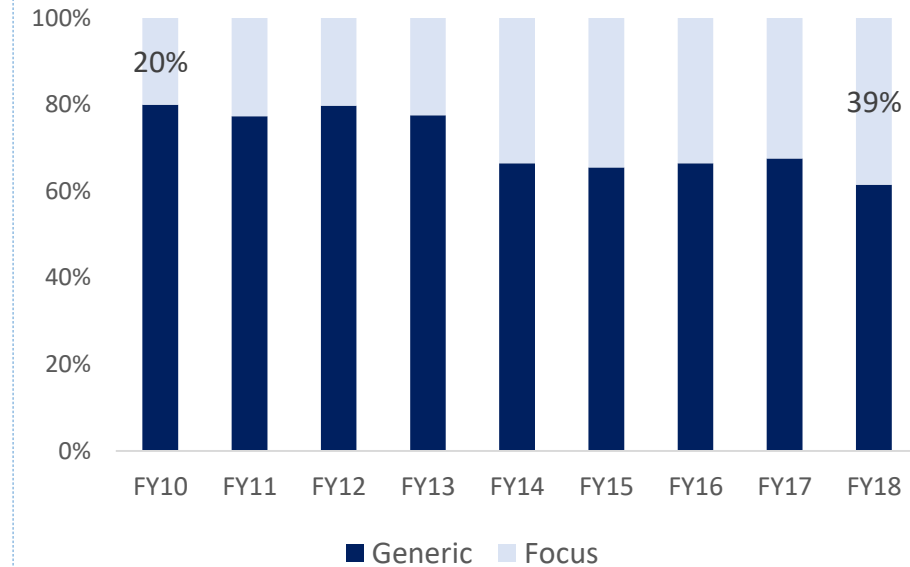
- 1st Bentonite Sulphur plant in India
- Exclusive manufacturers of WSF grades - Speedfol, Insta, Superia, Ultrasol
- JV with WSF major SQM

Crop based Product Solutions



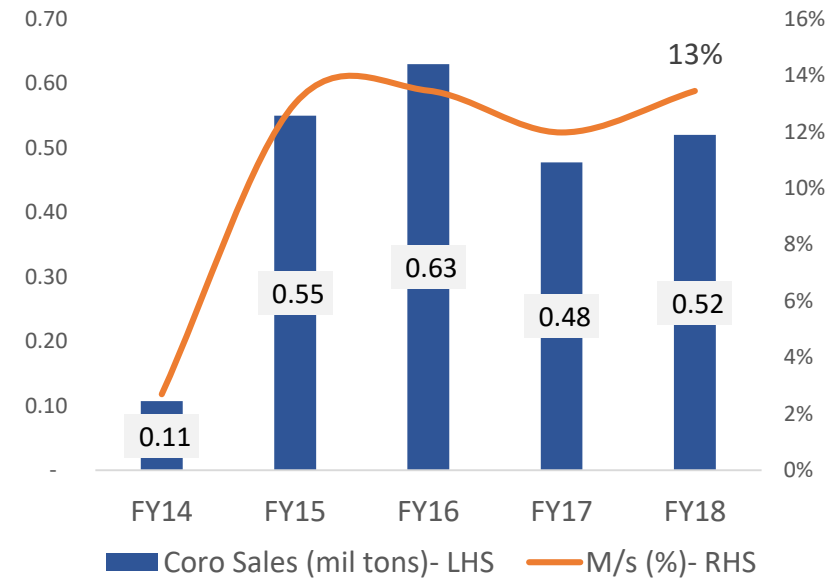
- Introduced 7 crop specific grades in last 4 years: Cotton, Chilli, Cereals, Potato, Pulses, F&V
- Agronomist team for Extension support

Increasing share of Focus products



- Improving share of focus products

Maintaining Market Leadership



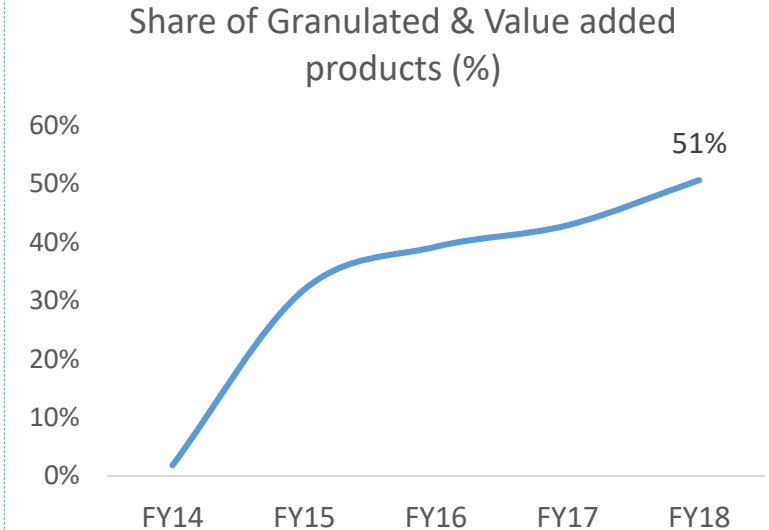
- Started SSP manufacturing in 1906 from Ranipet : **1st Fertiliser Plant** in India
- Manufacturing capacity ~**1 mil MT/ annum**

With Quality Focus



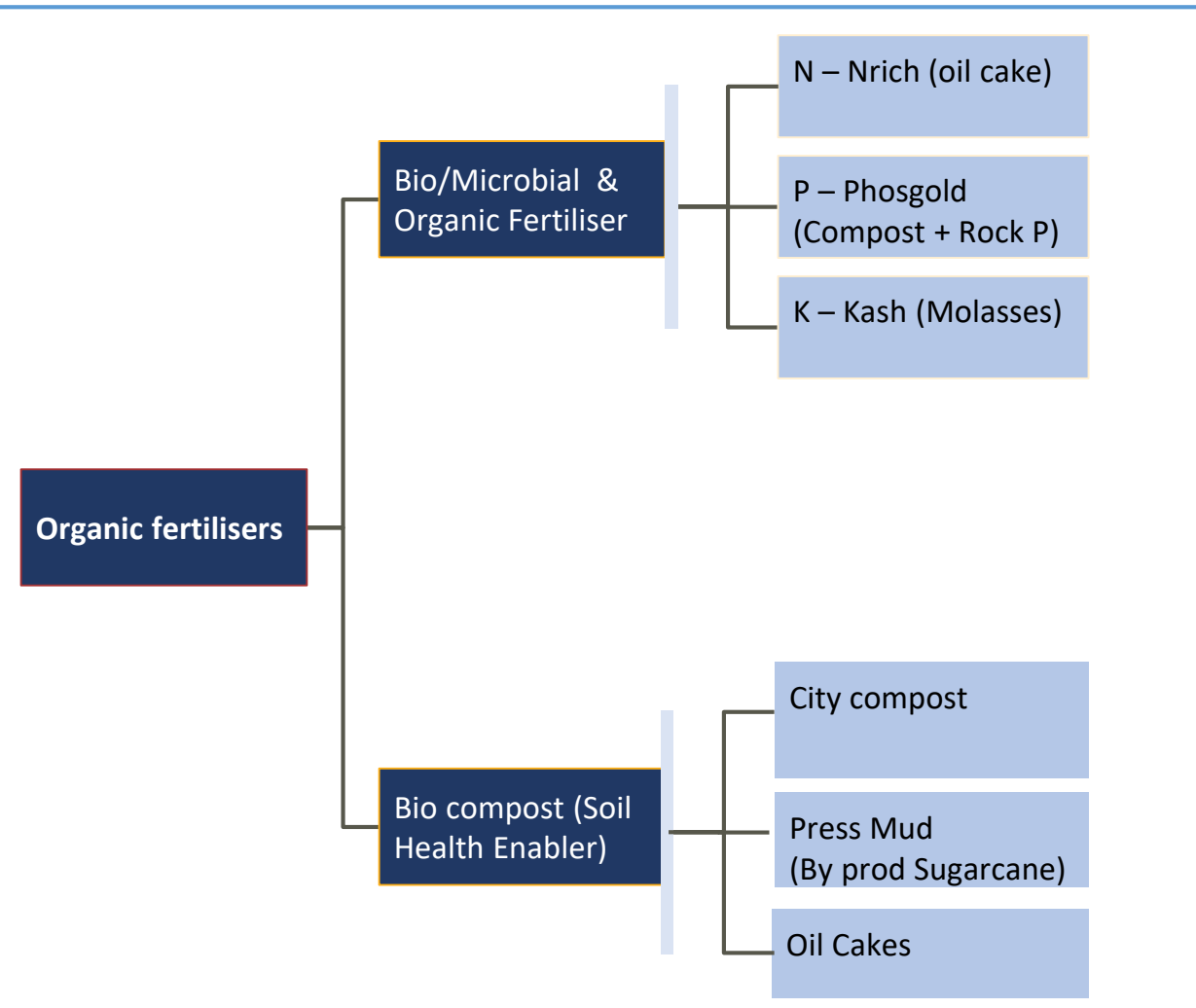
- Quality Differentiation demonstrated thru **Quick Test Kits**
- Quality Certification:** ISO 9001, ISO 14001 & OHSAS 18001 Management

& Focus Product Approach



- Improving share of **granulated & value added** products

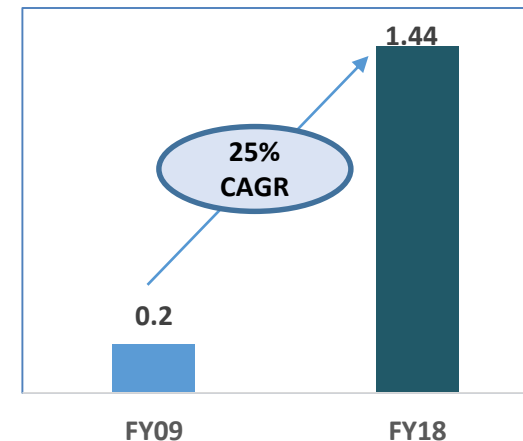
Product Portfolio



Growth Drivers

- Regulatory push from government- Market Development Assistance
- Push towards waste treatment & management
- Soil Health Focus- Sustainable Agriculture
- Consumption shift- Green Food

Coromandel Organic Vol (in Lakh MT)



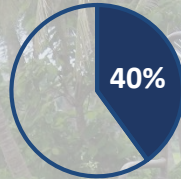
- **Pioneers** in Organic Fertilisers
- Market leaders **~30%** value share
- Efficient **sourcing** & distribution

Farm Mechanization: Eyeing the Future

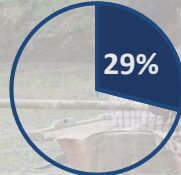
Mechanization across Ag Value Chain

Coromandel's Presence

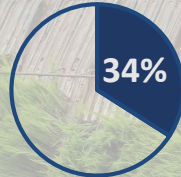
Soil & seed bed preparation



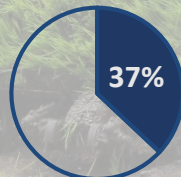
Seeding & Planting



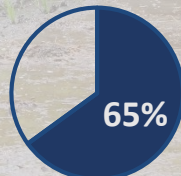
Plant Protection



Irrigation



Harvesting & Threshing



Paddy Transplanters

Power Sprayers

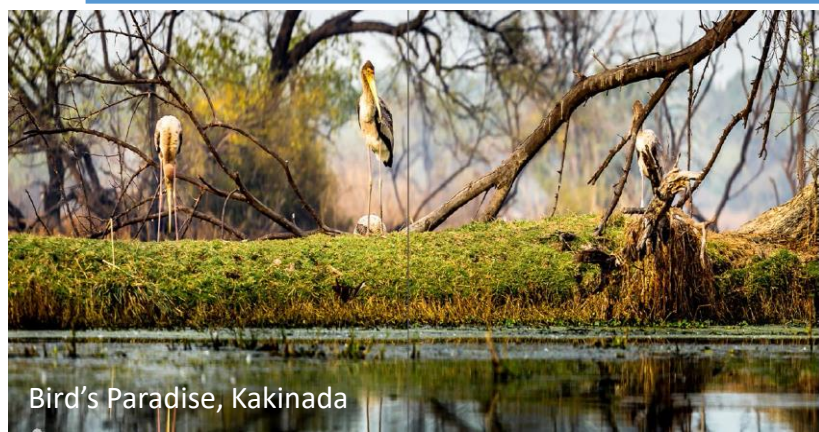
Drip

Combine Harvester

- Market leadership in **TN, AP, Kerala** for Rice transplanters
- Introduced **Combine harvester** in FY18
- **Service centers** in AP, Telangana, Odisha & Tamil Nadu
- **Synergistic approach** through Coromandel Retail operations
- **Indigenization** of spares
- Expanding portfolio to include **other Yanmar models**
- Partnering with Govt.- **Custom Hiring Centers**

Source: Grand Thornton

Doing it Responsibly



Bird's Paradise, Kakinada



Girl Child Education Scheme

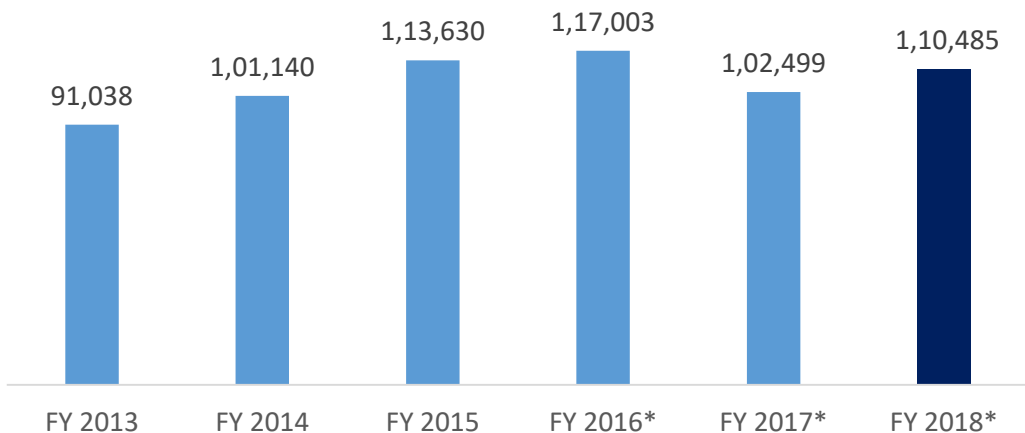


Green Belt at Vizag

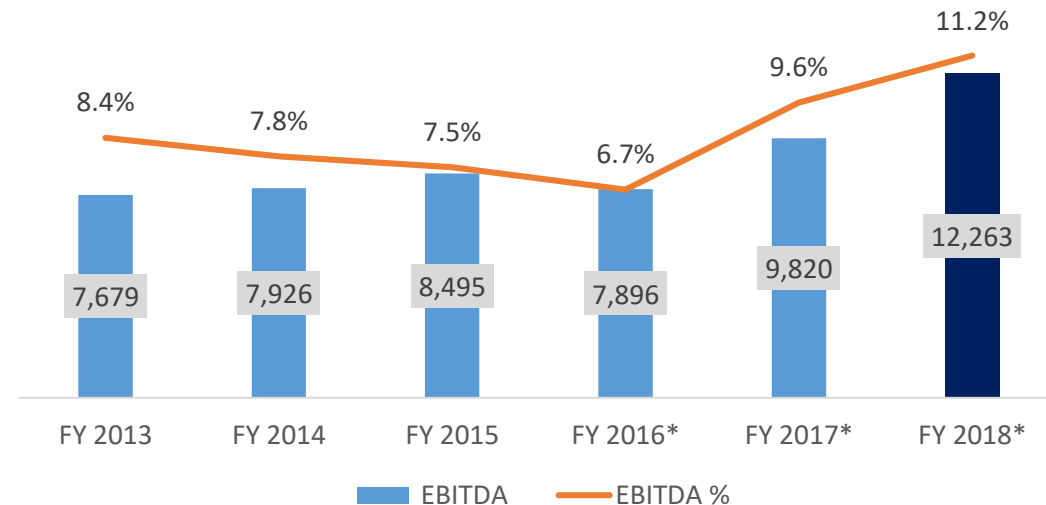
- **Benefitting ~1 million** lives through its CSR initiatives
- Coverage under **Green Belt**: ~10000 new planting every year
- **Conversion of Phospho gypsum** heaps into Green belt
- Constructed **1000+ toilets** as part of Swachh Bharat initiative
- Established a **Bird's Paradise** at Kakinada plant (home to 100+ species): Covered by
Discovery channel & UNDP

Coromandel Key Financials

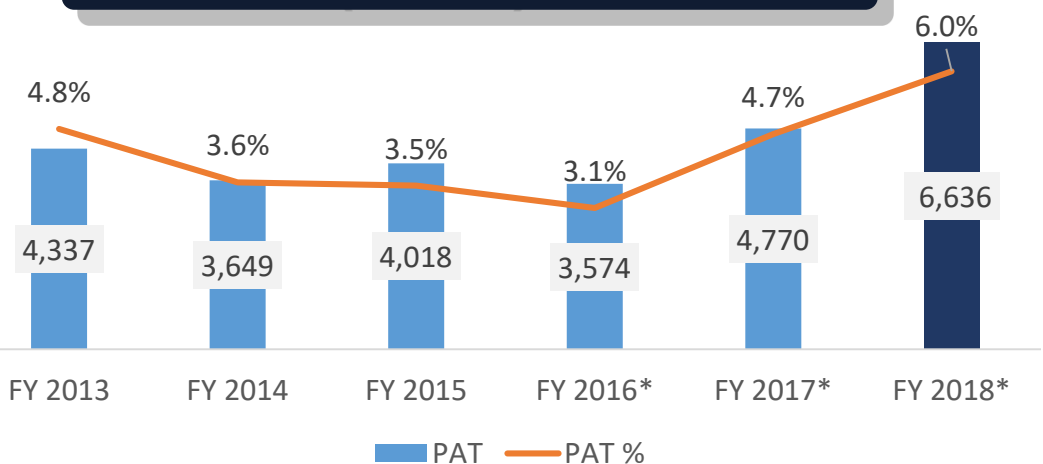
Turnover (INR Mil)



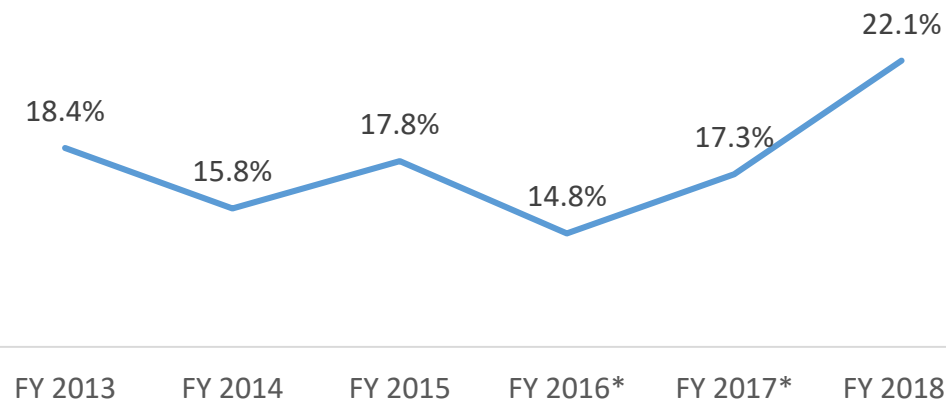
EBIDTA (INR Mil) & EBIDTA %



PAT (INR Mil) & PAT %



ROE (%)



Coromandel Financials- P&L

In Rs Mio

	FY 2013	FY 2014	FY 2015	FY 2016*	FY 2017*	FY 2018*
Revenue	91,038	1,01,140	1,13,630	1,17,003	1,02,499	1,10,485
<i>YoY (Growth) (%)</i>	<i>-9%</i>	<i>11%</i>	<i>12%</i>	<i>3%</i>	<i>-12%</i>	<i>8%</i>
EBITDA before PY Subsidy	6,591	7,578	8,495	7,896	9,820	12,263
PY Subsidy	1,088	349	-	-	-	-
EBITDA Reported	7,679	7,926	8,495	7,896	9,820	12,263
<i>YoY (Growth) (%)</i>	<i>-25%</i>	<i>3%</i>	<i>7%</i>	<i>-7%</i>	<i>24%</i>	<i>25%</i>
PBT after exceptional item	5,567	5,171	5,920	5,291	7,123	10,088
PAT	4,337	3,649	4,018	3,574	4,770	6,636
EPS (Rs.) -Basic	12.46	15.27	13.80	12.27	16.36	22.72
Debt / Total Capital (%)	56.1%	44.4%	51.0%	50.4%	43.5%	46.6%
LT Debt / Total Capital (%)	22.4%	10.6%	5.5%	1.8%	0.0%	0.0%

*As per new accounting standards Ind AS

Coromandel Financials- Balance Sheet

In Rs Mio

	FY 2013	FY 2014	FY 2015	FY 2016*	FY 2017*	FY 2018*
Equity	23,029	23,066	22,020	26,340	28,908	31,259
Debt & Other LT liabilities	29,761	18,730	23,178	26,890	22,398	27,395
Deferred Tax Liability	1,877	1,890	1,875	1,679	1,495	1,290
Sources of Funds	54,666	43,685	47,074	54,909	52,801	59,942
Net Fixed Assets	22,764	18,085	14,261	13,612	13,495	13,514
Investments	1,597	3,416	3,520	4,769	3,884	2,213
Cash	5,346	4,722	3,176	1,978	1,678	5,508
Deposits	3,850	2,850	4,700	4,800	5,223	4,078
Inventory	14,775	17,529	22,592	23,458	17,246	22,271
Subsidy	13,756	11,123	17,894	23,671	25,570	26,269
Debtors	18,201	14,835	14,464	16,419	16,217	15,234
Other Current Assets	3,832	3,490	3,010	3,111	3,138	8,185
Current Liabilities	29,454	32,363	36,543	36,908	33,649	37,330
Net Current Assets	30,306	22,185	29,293	36,528	35,423	44,215
Application of Funds	54,666	43,685	47,074	54,909	52,801	59,942

*As per new accounting standards Ind AS

This presentation contains forward-looking statements which may be identified by their use of words contains “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realised. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise



Thank You

Thank You