



Coromandel: Future Positive

May 2019



Agri Landscape

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

Indian Agriculture: The Global Giant



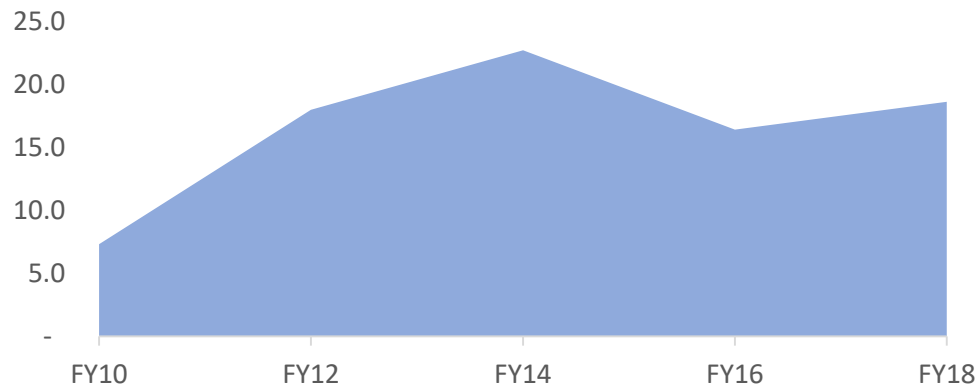
Source: U.S. Geological Survey

Crop	India Ranking	% Share
Pulses	1 st	21%
Seed Cotton	2 nd	22%
F & V	2 nd	11%
Sugarcane	2 nd	18%
Cereals	3 rd	10%

Source: FAOSTAT

3rd largest Agriculture producer globally

India Agri exports (USD bil)



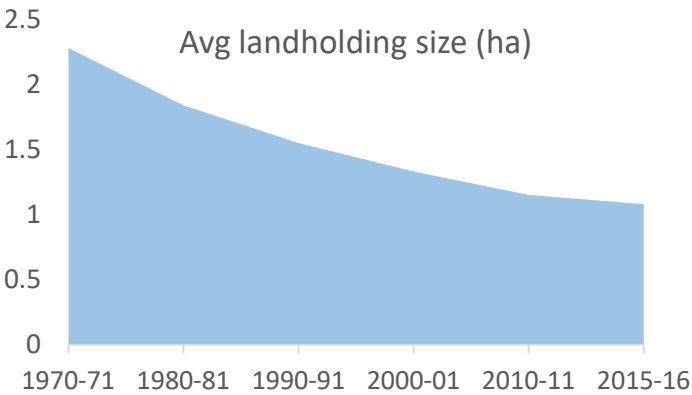
Source: APEDA

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



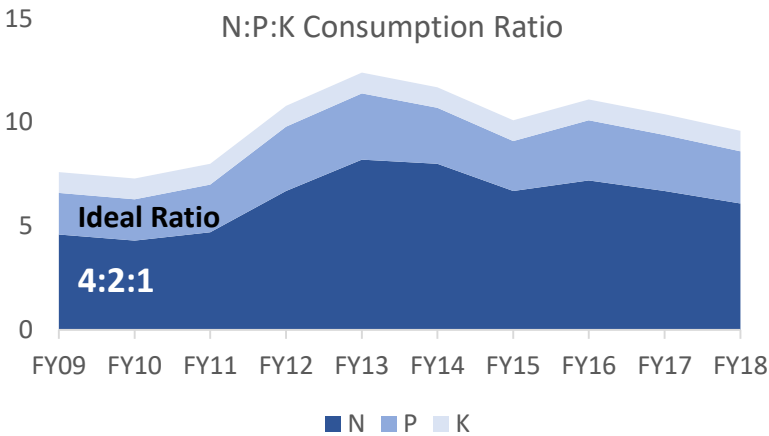
Source: Ministry of Agri

Low Mechanization

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

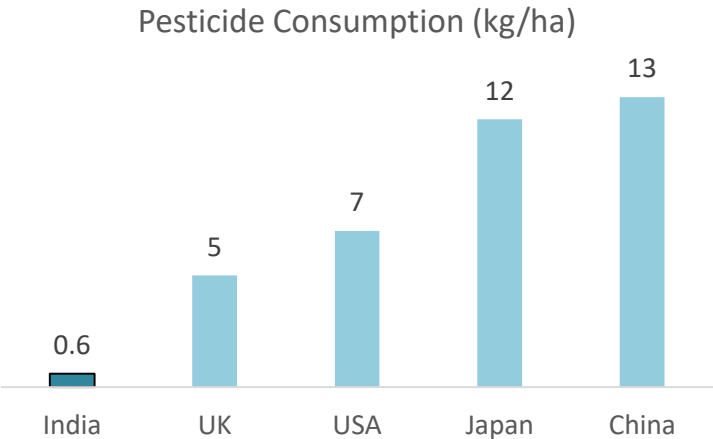
Source: World Bank, FAO

Imbalanced Nutrient Usage



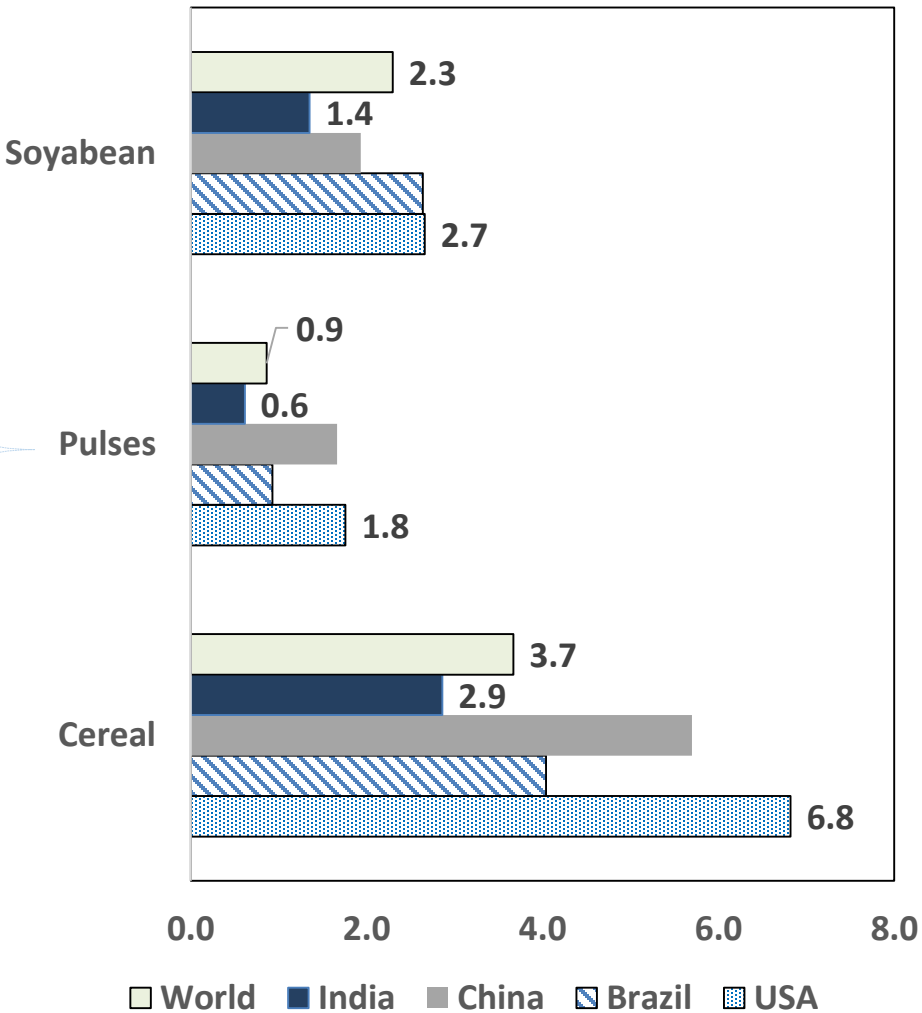
Source: FAI

Low Crop Protection consumption



Source: FICCI

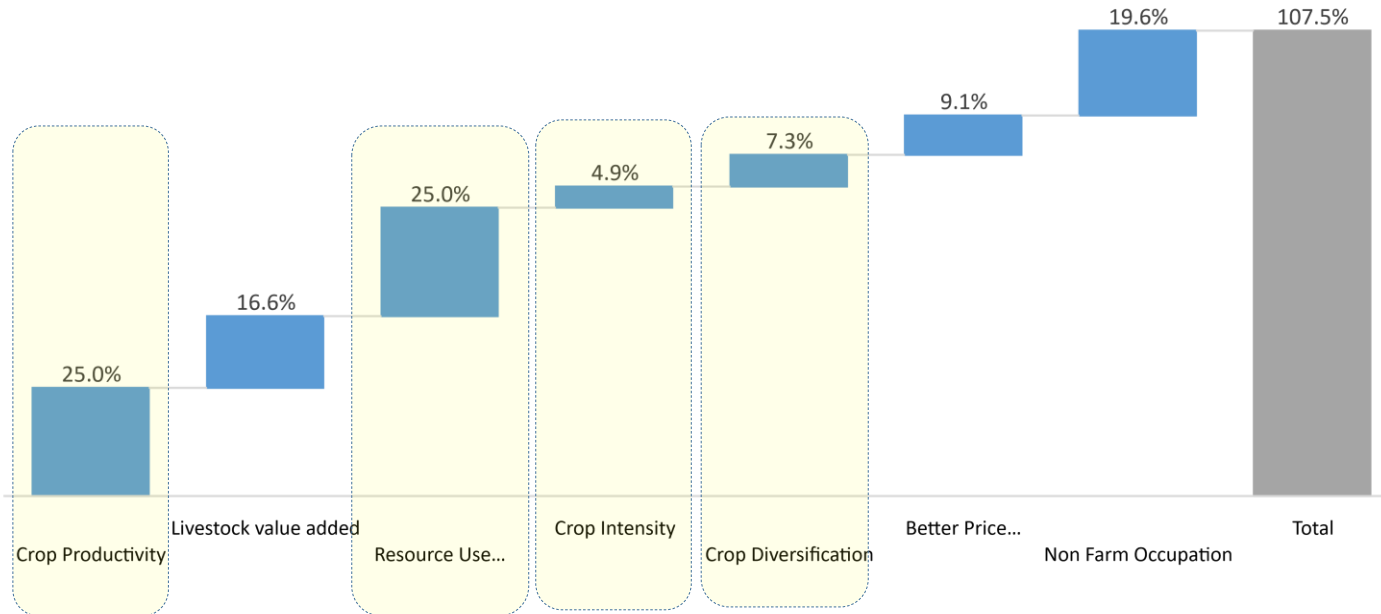
Yield comparison (Tonnes/ ha)



Source: FAO

Efforts being made to Double Farmer Income by 2022

Prospects of Growth from various sources (10 years)



Source: Niti Aayog

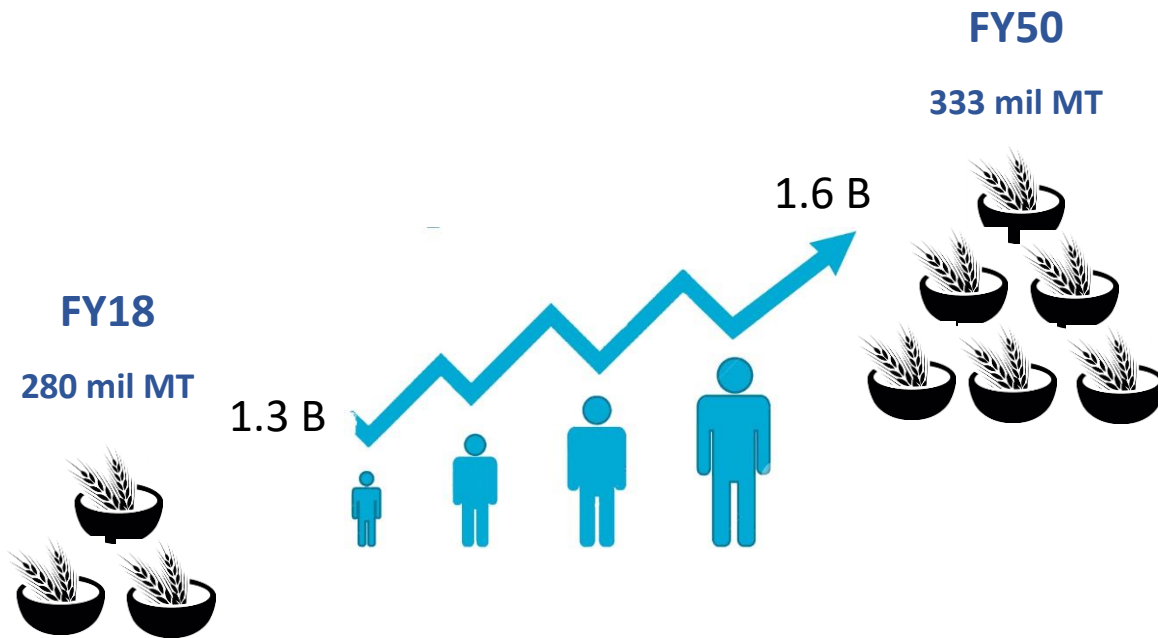
Policy Measures in Union Budget 19-20

- Direct Income Support: USD 11 bil/ year
- Higher allocation under Institutional credit
- Agri exports focus
- Increase usage of Bio fuels

- **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

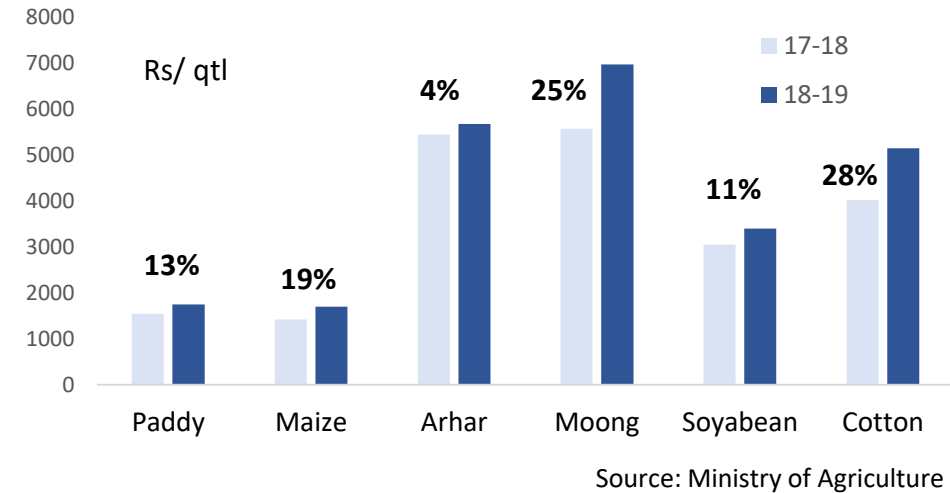
Agri Growth Levers

Food Security



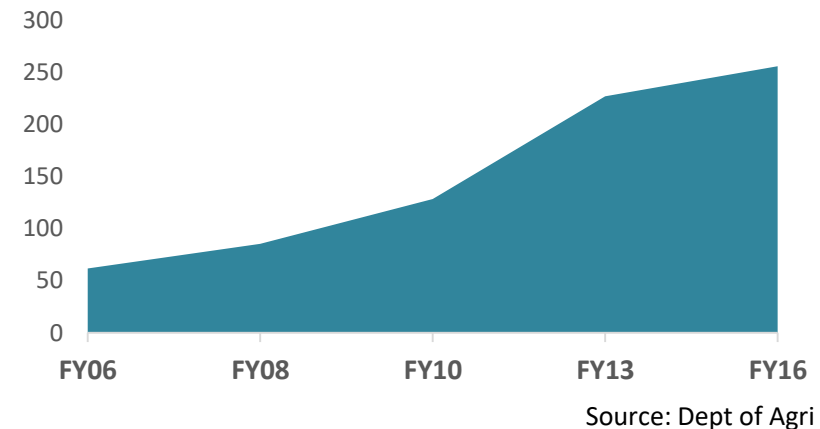
Annual food requirement in India to go up at 1% CAGR

Improved support price (at 50% Cost of Prod)



....Coupled with Rural Wage Growth

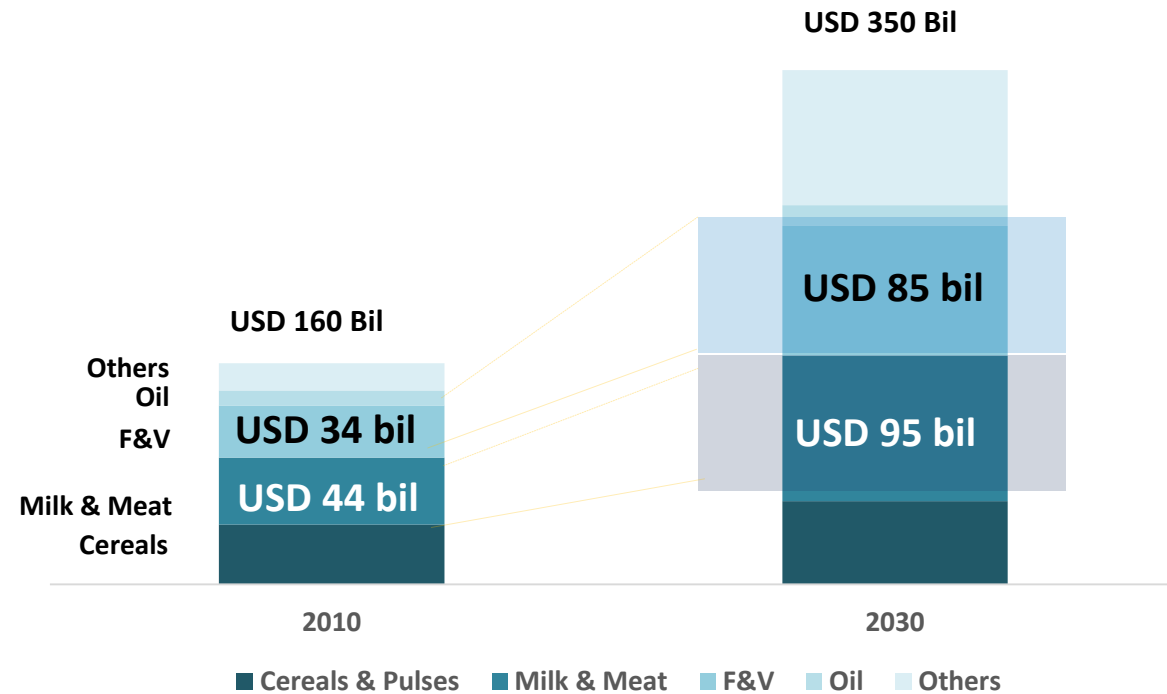
Avg Daily Wages- Agri Labour (Rs/ day)



Higher
Disposable
Income

Dietary Shifts

Indian Consumption Basket

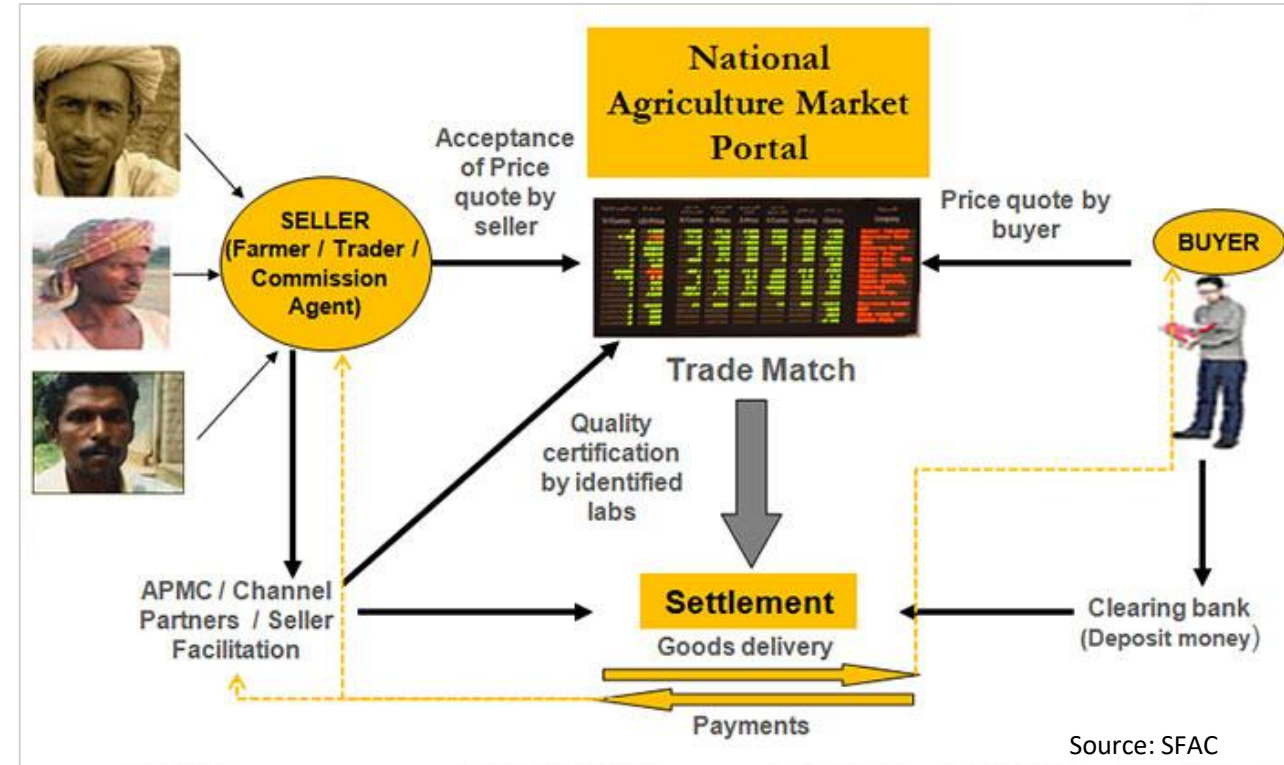


Source: CII McKinsey

- 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)

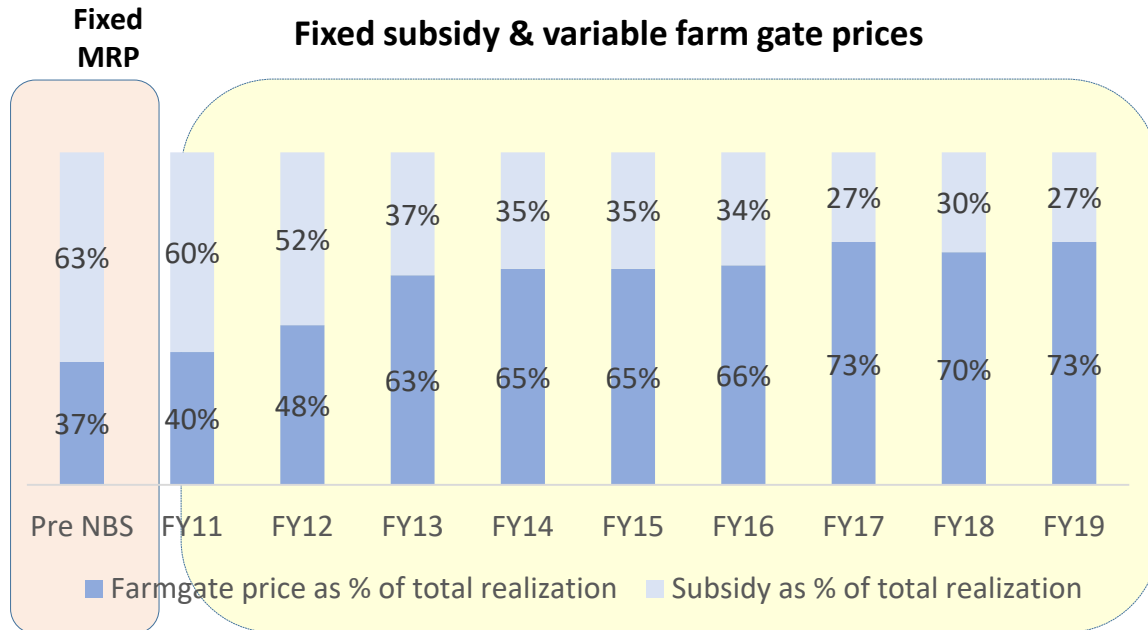
Bringing additional area under irrigation coverage: **8 mil ha**

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**

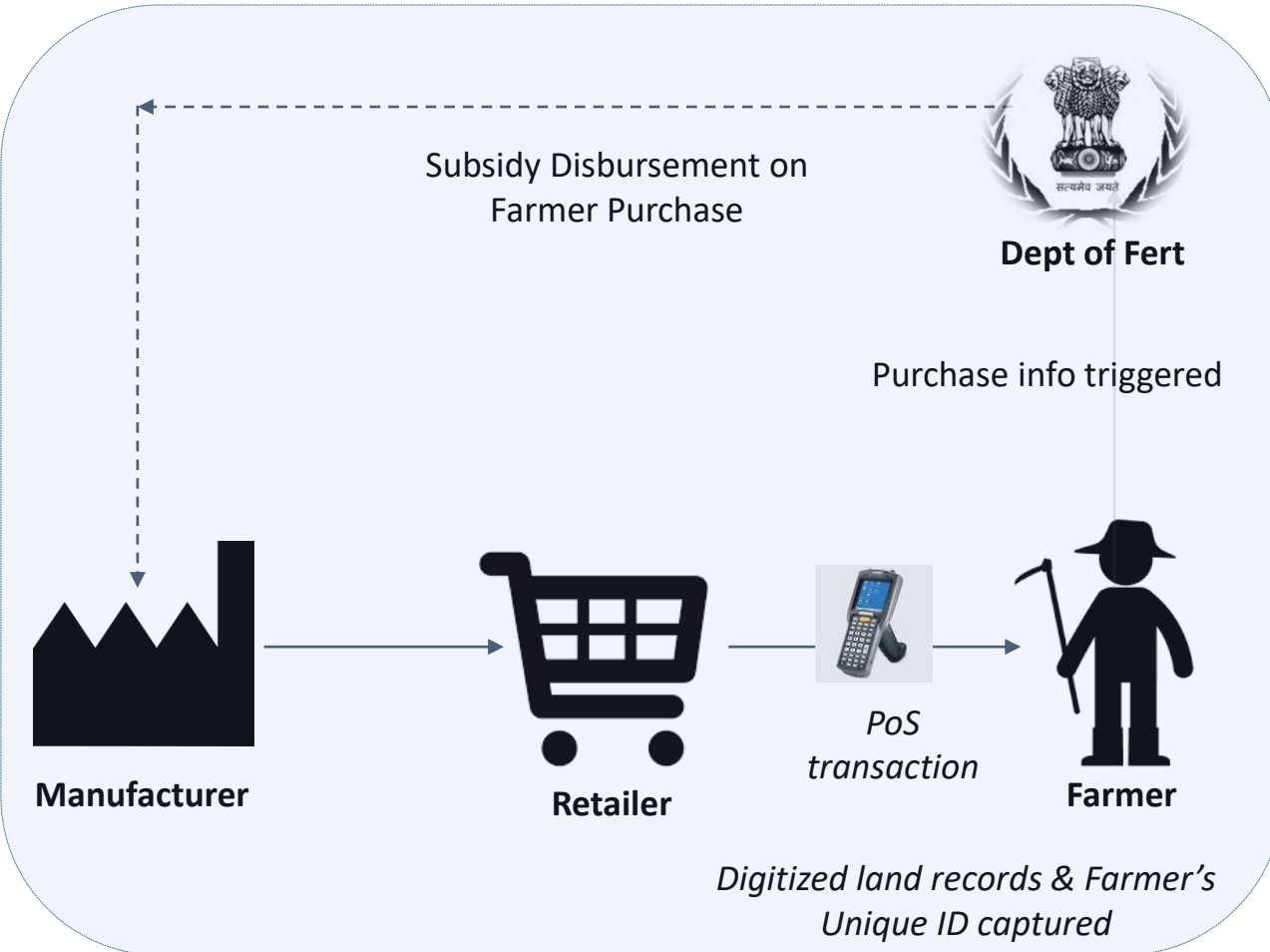


Investment Innovation Skill Devt Protect IP Best in Class

- 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 a periodic basis**
- Lead to **digitization** & improved rural connect
- **Prevention** on fertiliser **leakage** & diversion

DBT to improve nutrient usage & promote balanced application

Product Flow Subsidy Flow

→ ←

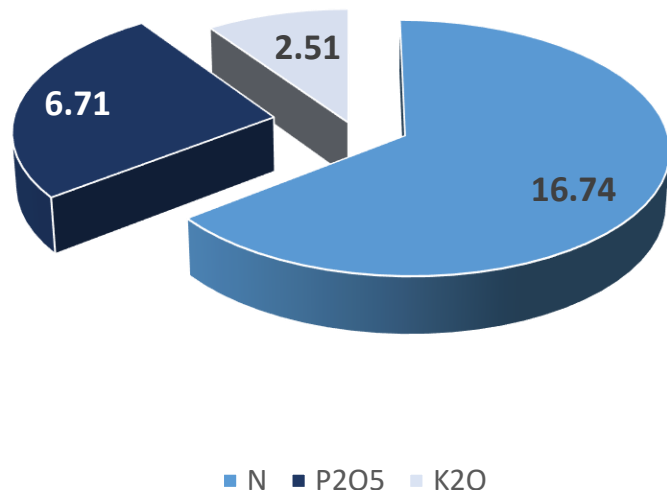
Our Industry



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

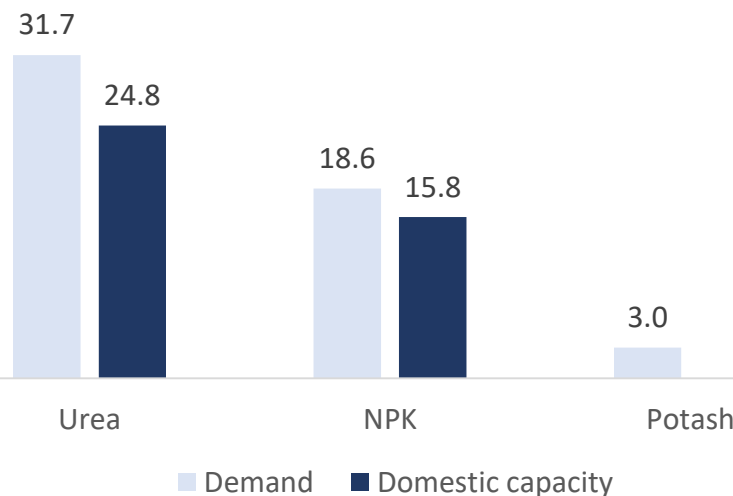
Indian Fertiliser Industry: Overview

Indian Nutrient Demand
(mil tons)



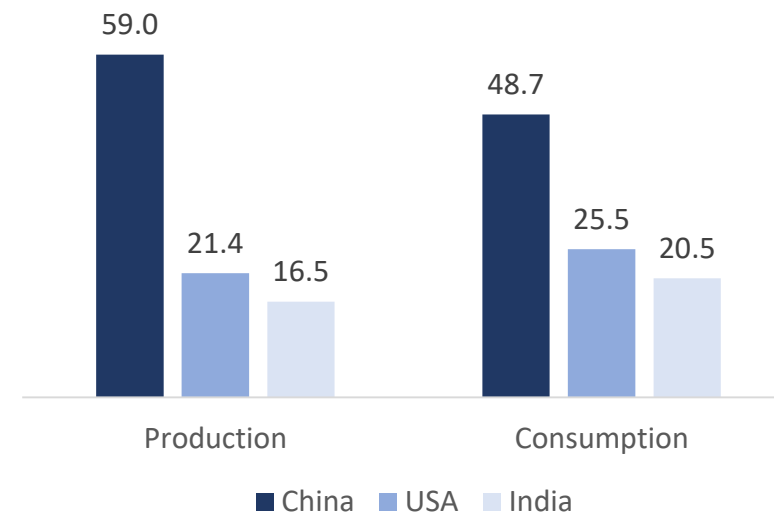
- High share of 'N' consumption (64%)
- Urea constitutes 55% of Fertiliser sales

Fertiliser: Supply Demand Balance 18-19
(in mil tons)



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

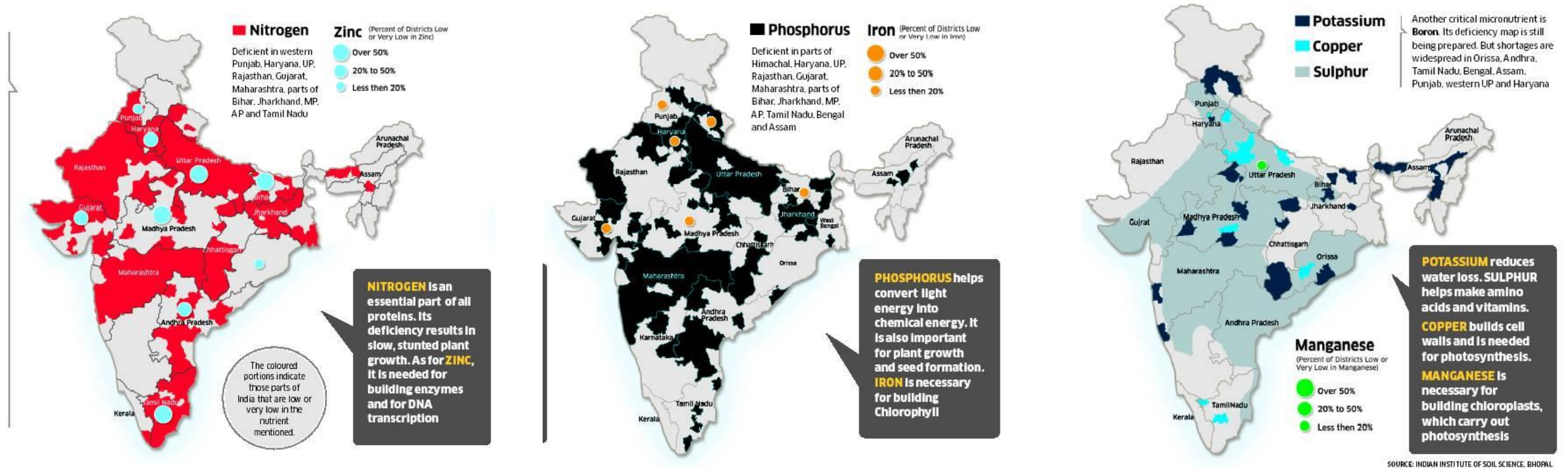
Production & Consumption (N+P2O5)
in mil tons



- Globally, 3rd largest Fertiliser production & consumption

Opportunities in Inputs space: Ag Nutrients

Nutrient Deficient India Soils



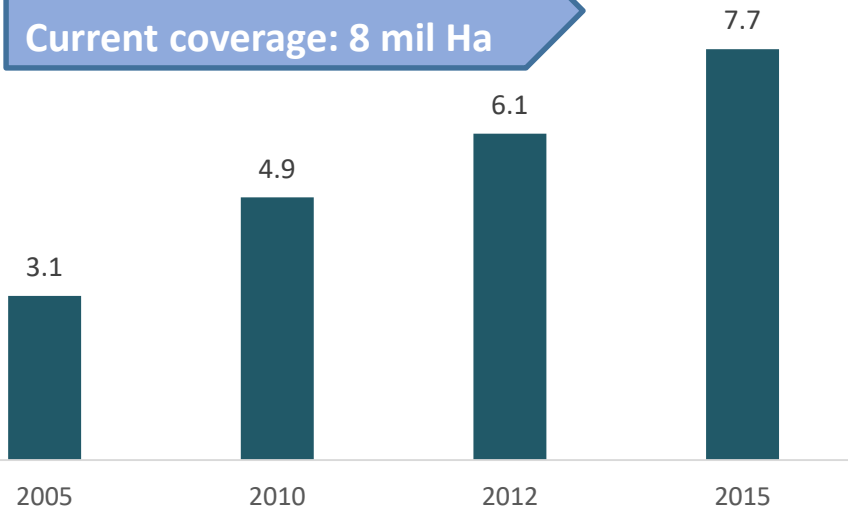
Source: IISS Bhopal

- 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

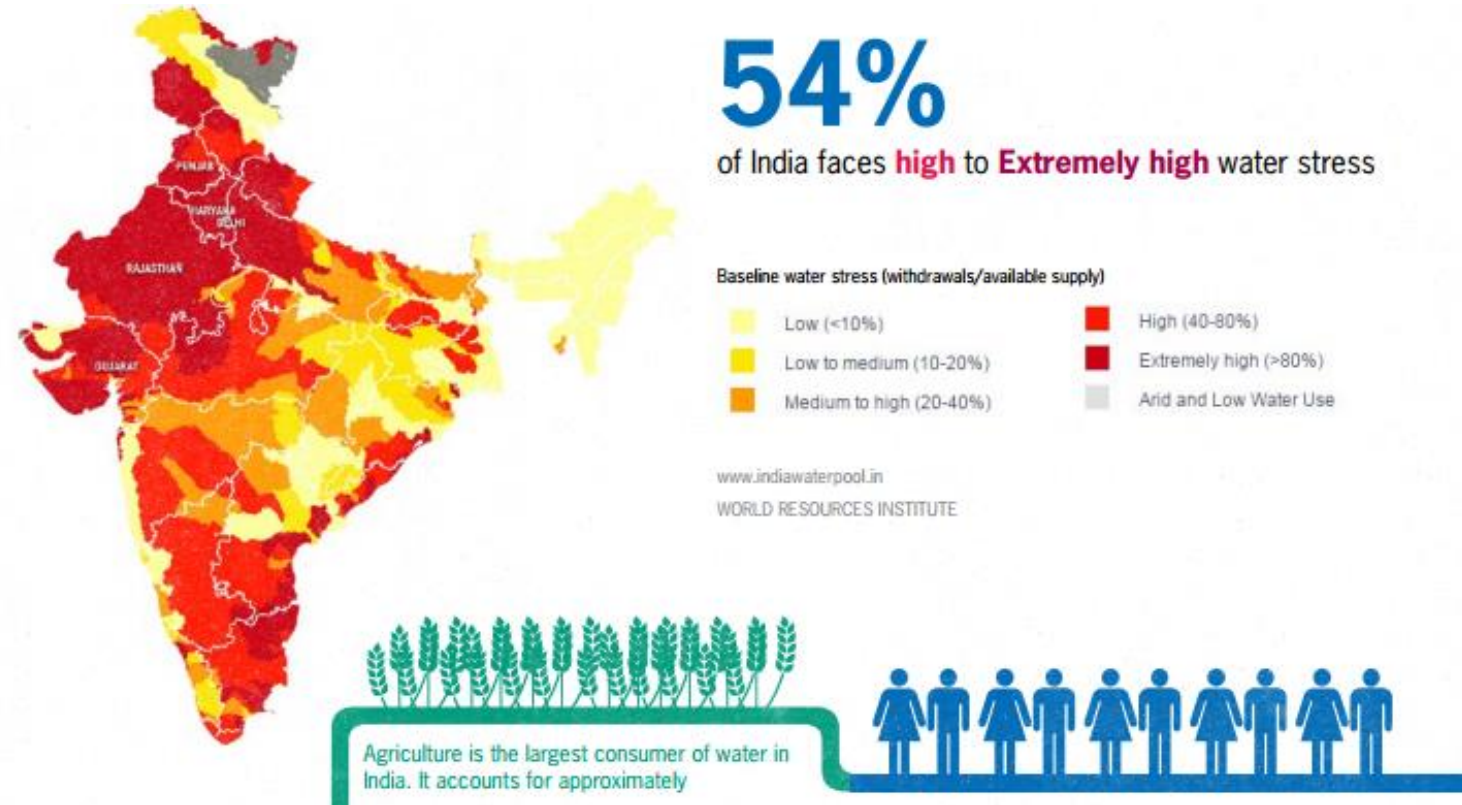


Benefits:

Increase in Water Use Efficiency: 50 – 90%

Productivity Increase: 40-50%

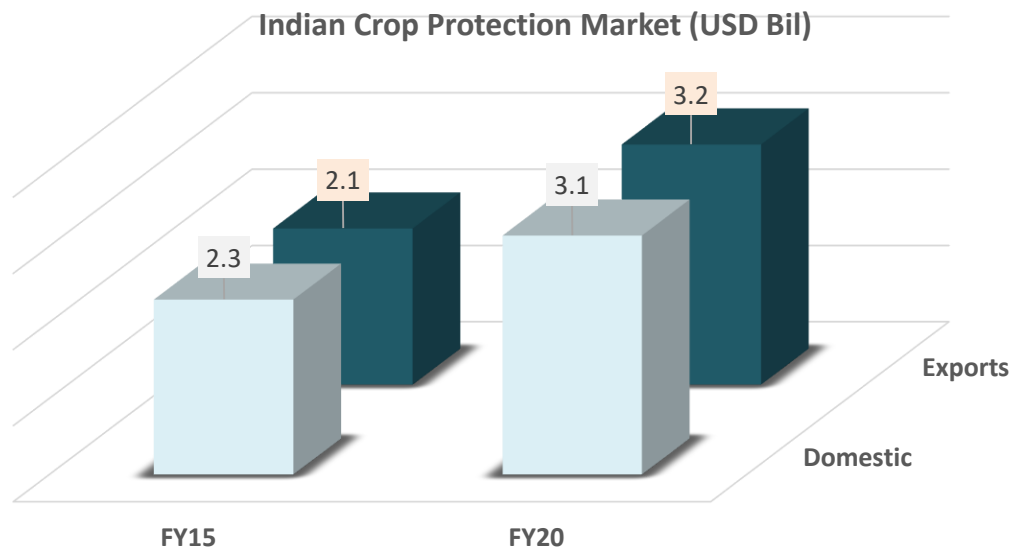
Increase in Farmer's income: 42%



- 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.

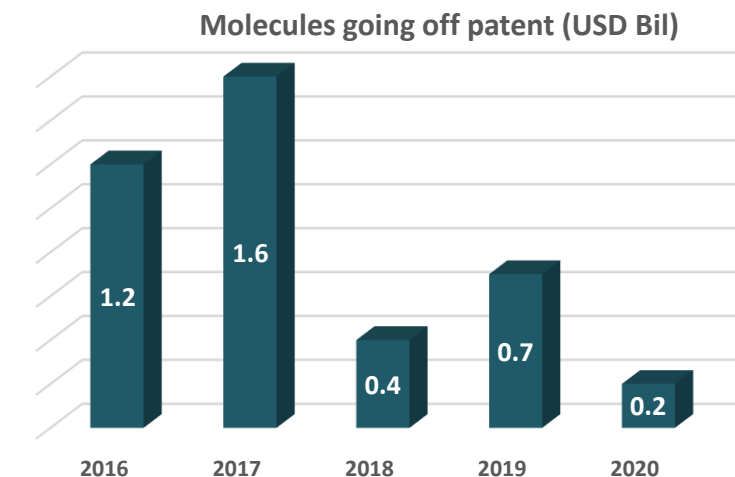
Increasing Pest Incidence

	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



A blue notebook with a red pencil resting on it, and a government ID card in the bottom right corner. The ID card is for Shikhar Dixit, a member of the Government of India. The background is a light-colored, textured surface.

Industry Updates:

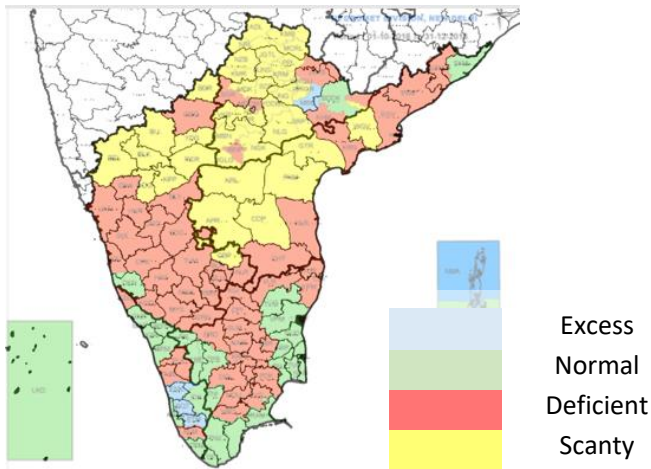
2018-19



Challenging Agriculture Environment in 18-19

- 1 All India SW Monsoon: 91% LPA
followed by Deficit NE Monsoon (-44%)

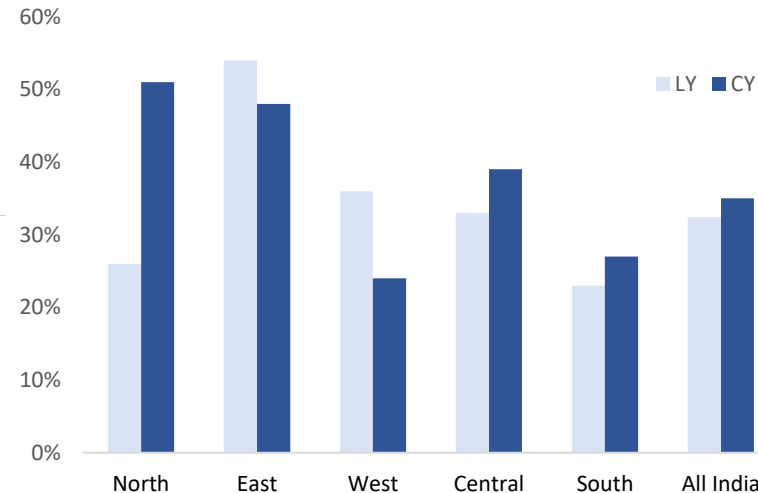
NE Monsoon South Peninsula: Oct-Dec'2018



Source: IMD

- 2 Drop in reservoir levels during the 2nd half

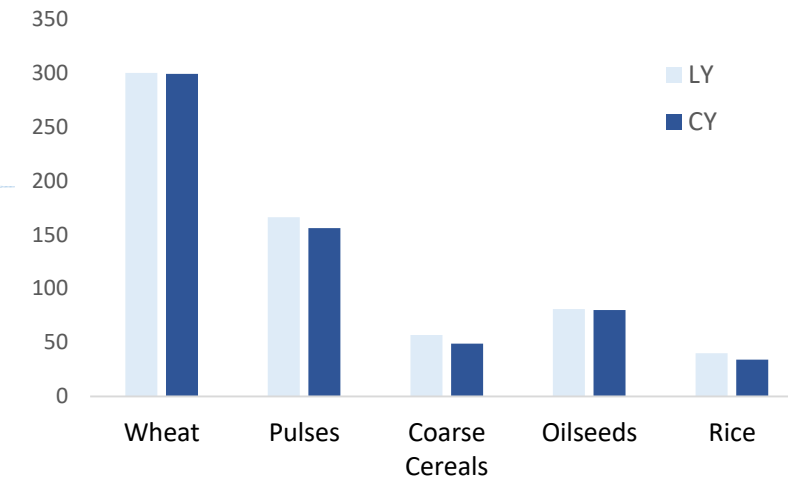
Reservoir levels – Mar'19 (%)



Source: Ministry of Water Resources

- 3 Resulting in Drop in acreage in Kharif (-2%) & Rabi (-4%) seasons

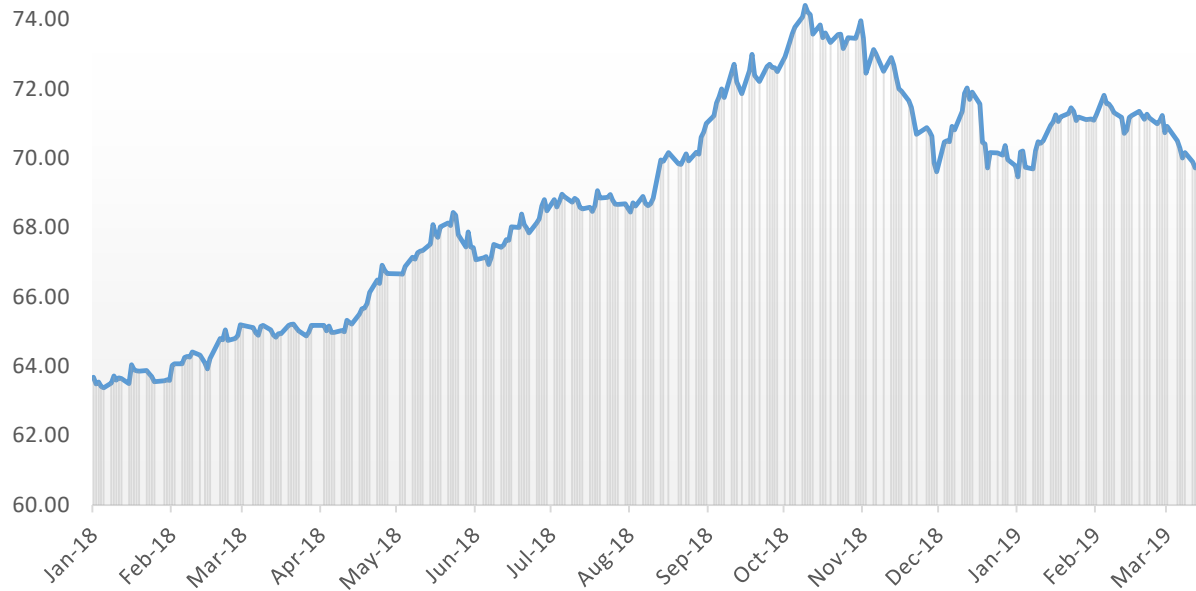
Rabi - Area in Lakh Hectare



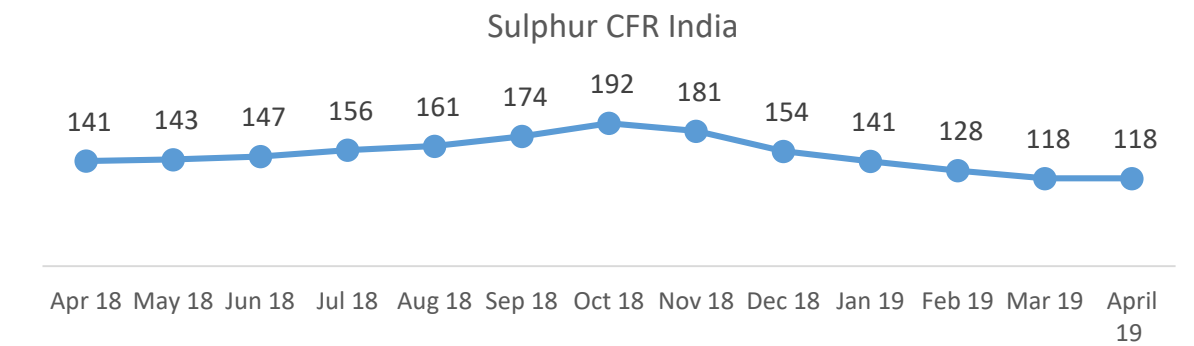
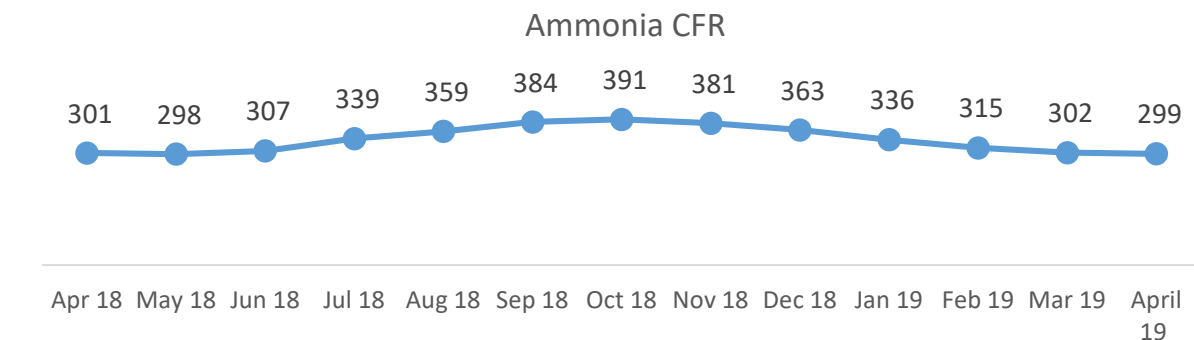
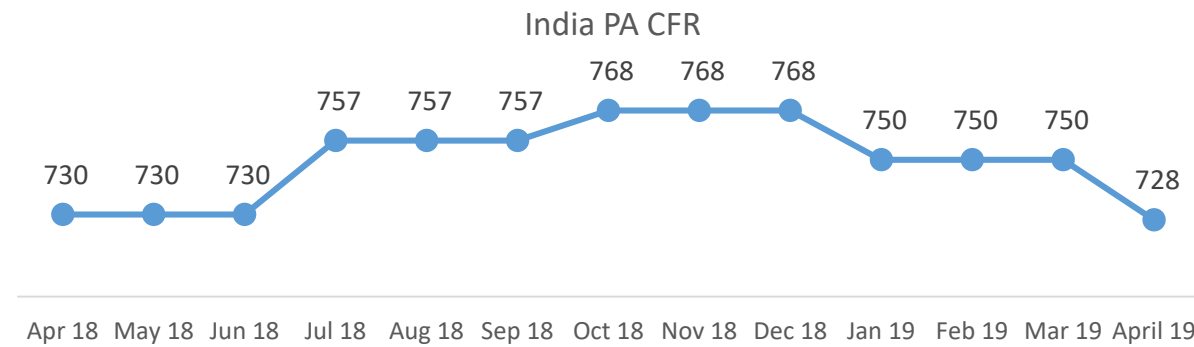
Source: Ministry of Agriculture

... rupee & commodity prices beginning to stabilize after sharp volatility during H1

USD-INR Movement (Rs/USD)

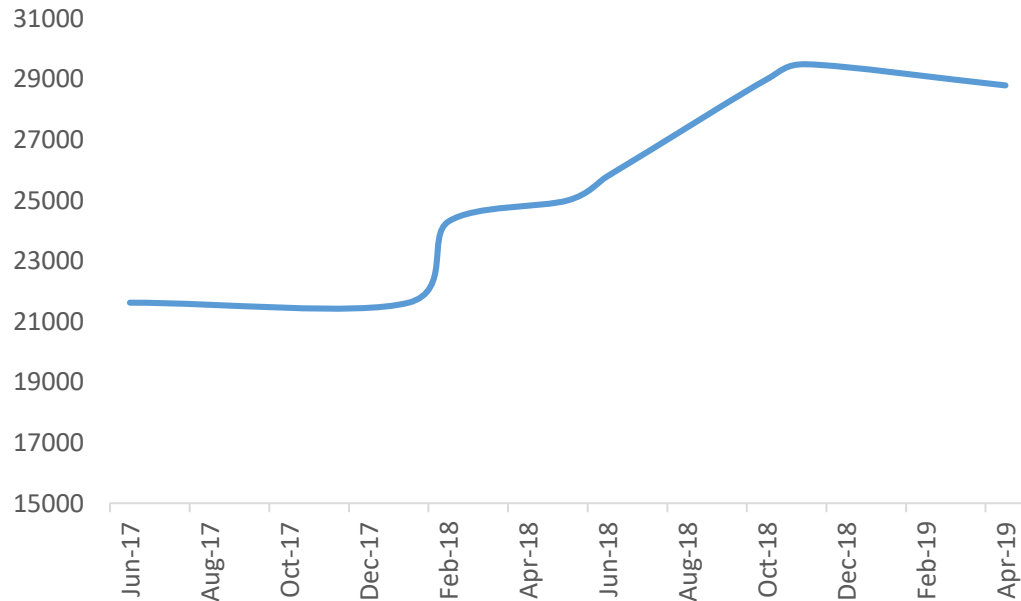


- Sharp rupee depreciation in 2018. Stabilizing since.
- Raw material Stable in Q4

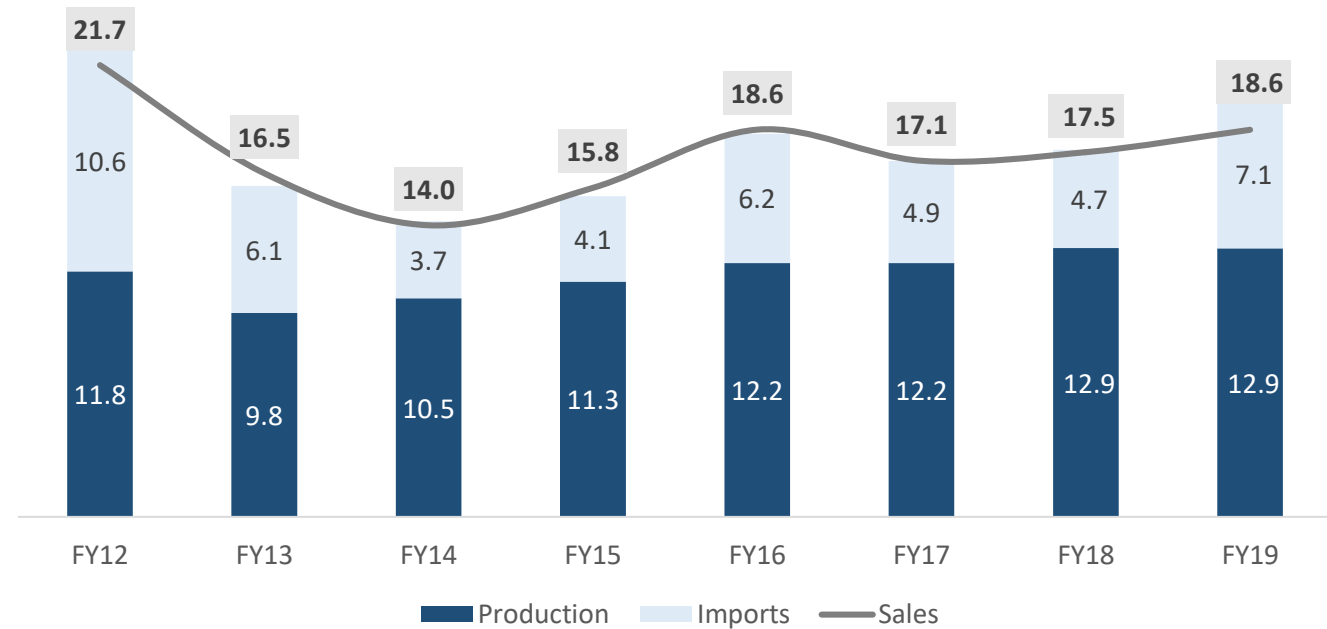


Impact on the farm gate price...consumption moderation during H2

Farm gate price (Rs/MT DAP)



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



Source: FAI

- Higher consumption in H1. Impact in 2nd half.
- 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 1.9 bil** (FY18-19)
- Market Cap: **USD 2.1 bil** (Mar 2019)
- 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

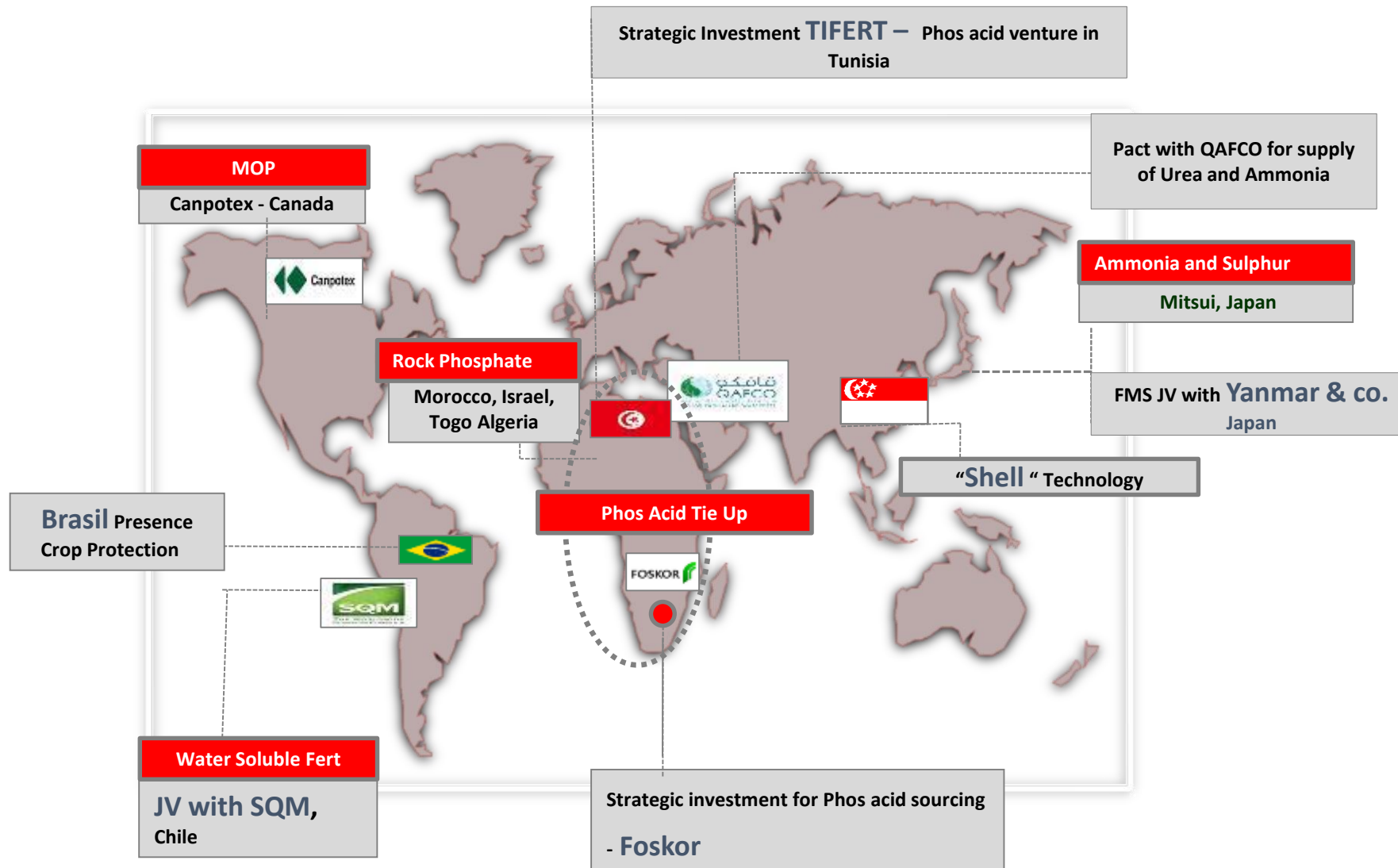


Bringing Prosperity

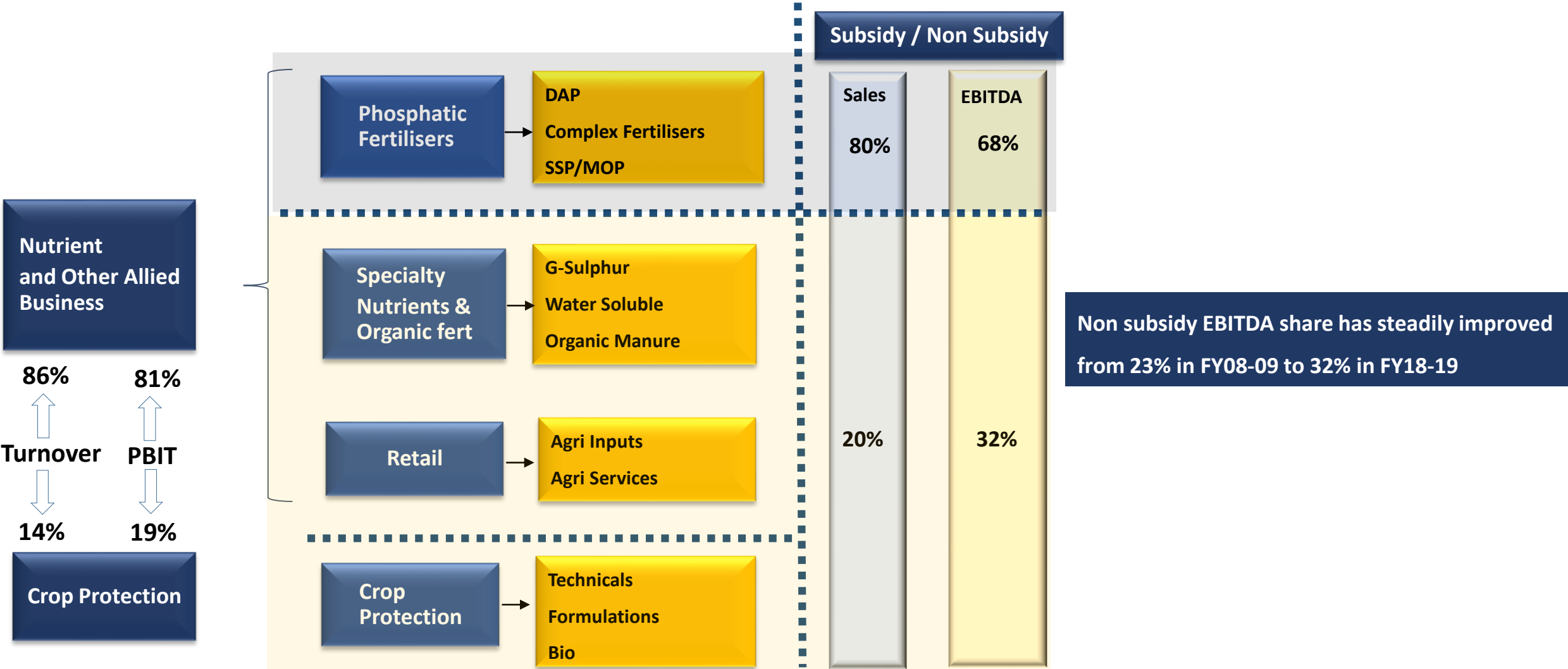


R&D Focus

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

2012

Technology tie up-
Shell

2011

Crop Protection-
Sabero acquisition

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, IITB-Monash

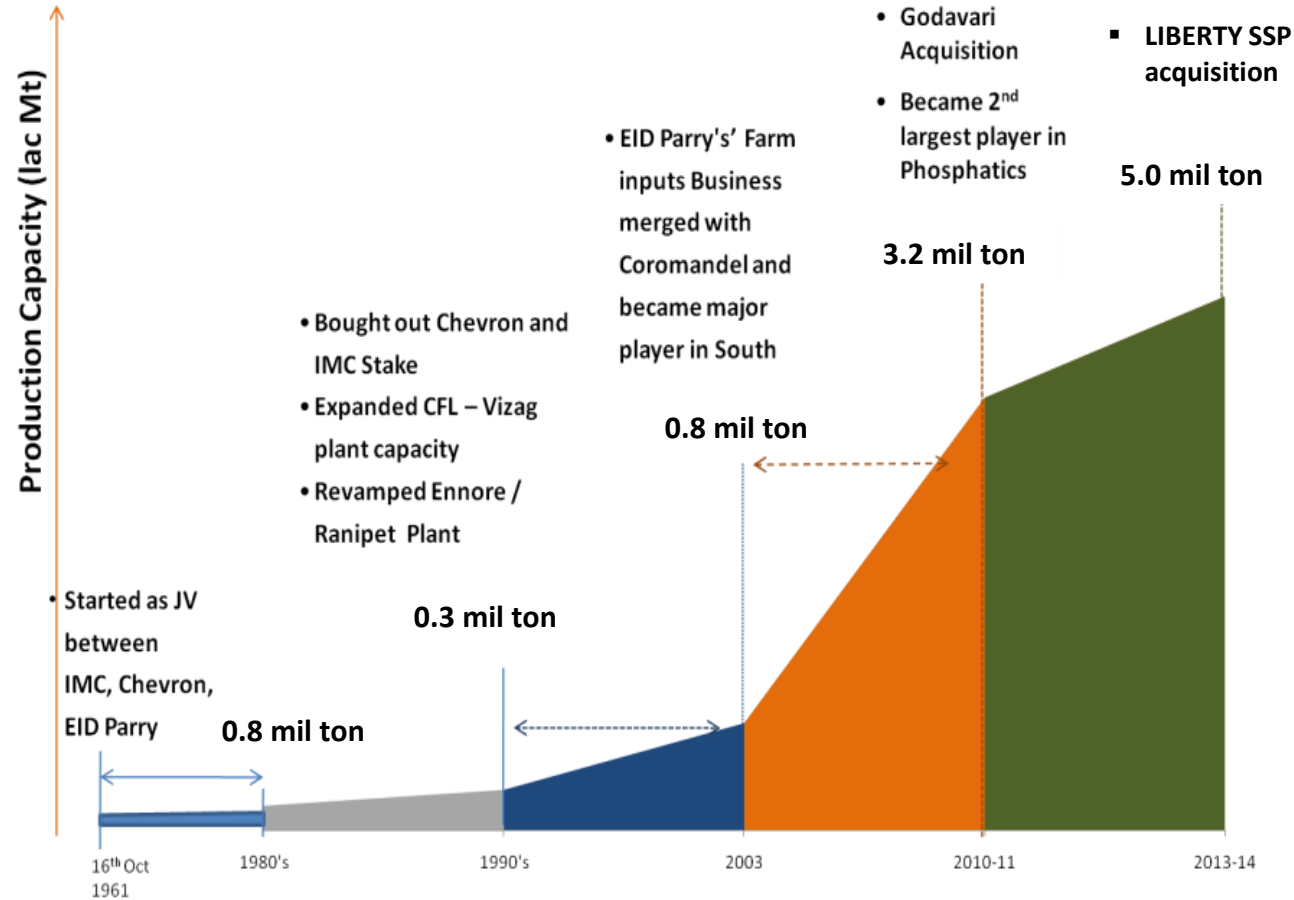


Business Segments



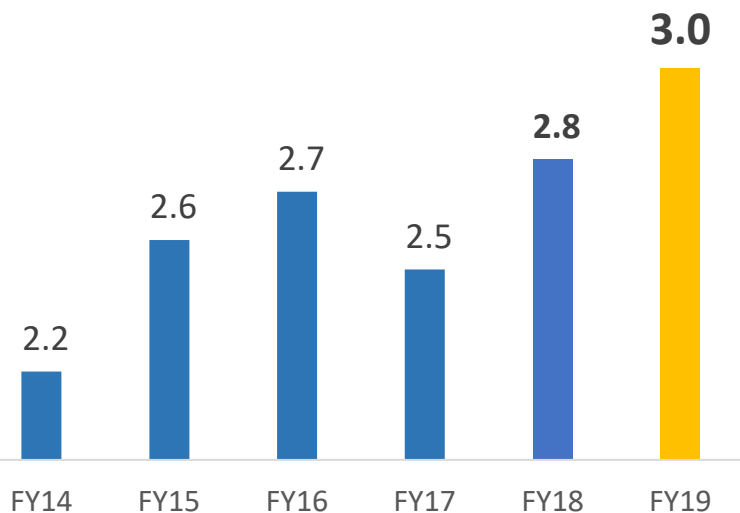
**Birds Paradise at Coromandel's Kakinada Plant:
Largest breeding site in the East Godavari district for a variety of bird species**

Coromandel Phosphatic Fertilisers



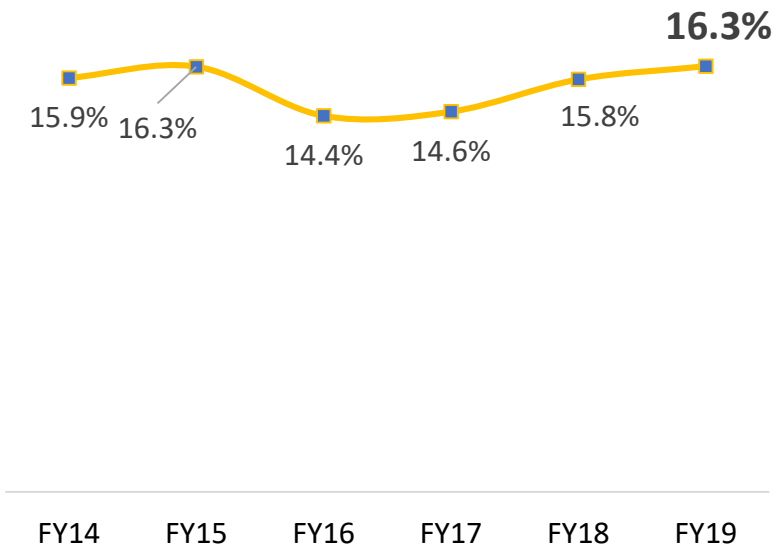
- Largest Complex marketer in India
- 22% of the domestic Phosphatics capacity
- Ability to manufacture 13 different grades
- Differentiated offering thru Unique grades
- Diversified presence in South, West & East markets

Sales (mil tons)



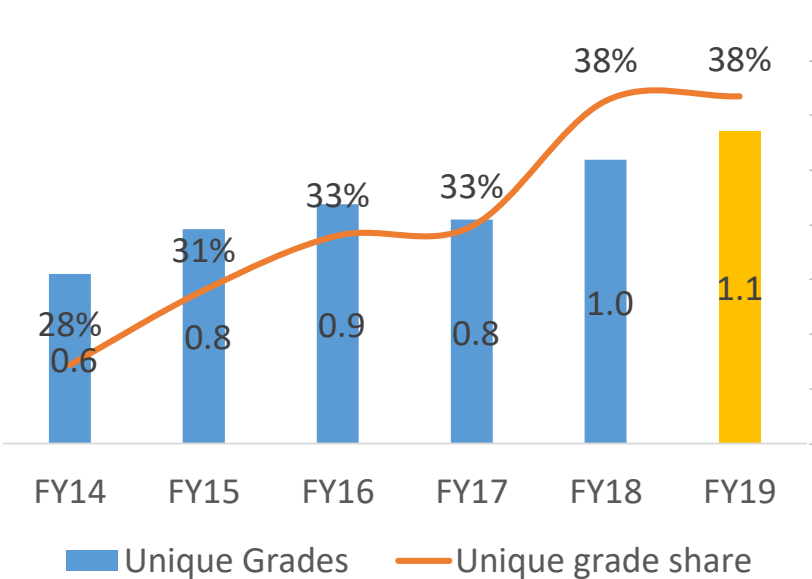
Improving Fertiliser Sales

Market Share



Rising Market share

Unique Grades (mil tons)



Creating Differentiation

Fertiliser Manufacturing

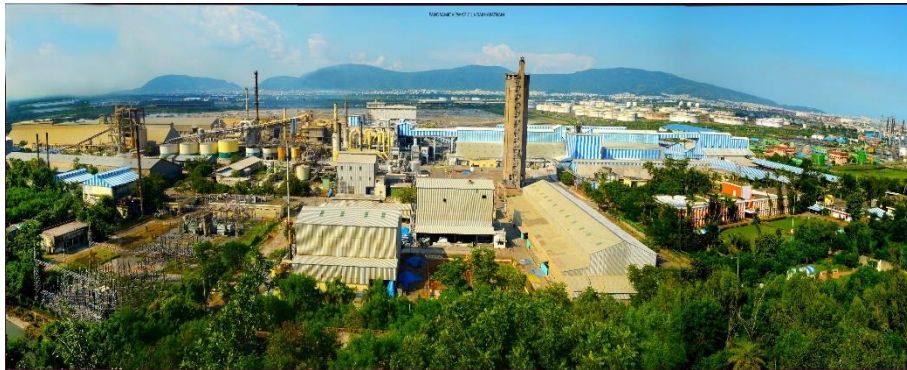


Kakinada:

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

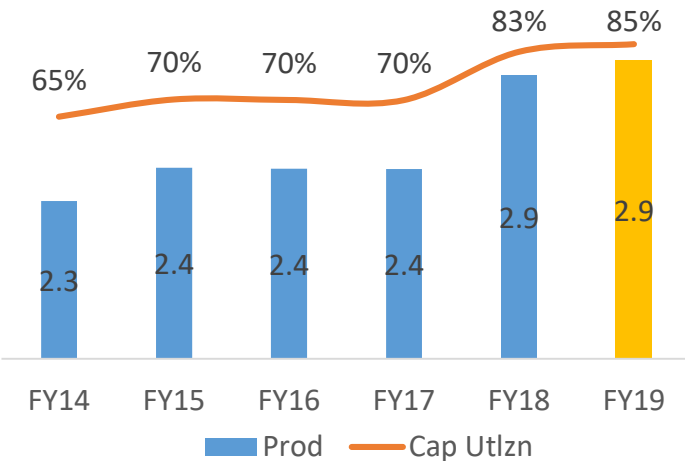


Ennore:

Capacity: 0.3 mil tons

Integrated Phos Acid Production (0.05 mil ton)

Phosphatic Production (in mil tons)



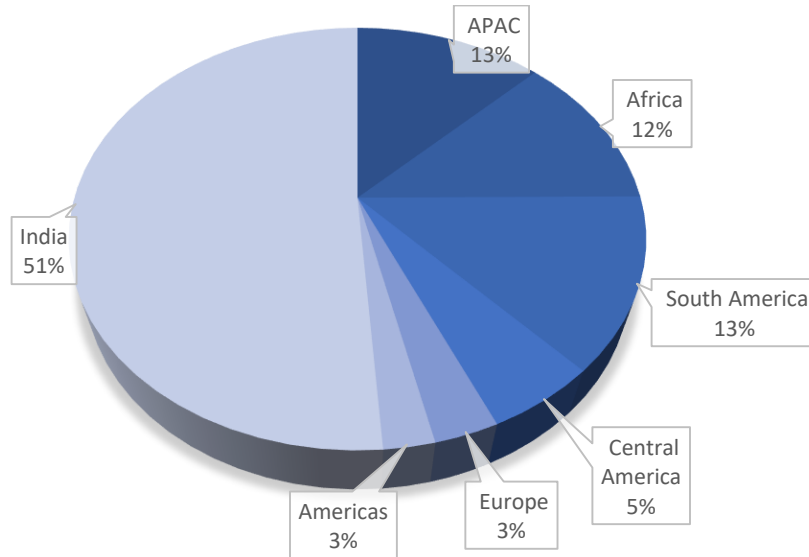
1990's	2006	2009	2010	2011	2015	2018
Acquired pesticides unit of BPM	Acquisition of FICOM and setting up Jammu Unit I	Expansion to Latin America	Acquired Pasura Bio Tech – Jammu Unit II	Sabero Acquisition	Established: <ul style="list-style-type: none">- China Office- R&D Centre	Bio Pesticide Acquisition

5th Largest Crop Protection Company in India

Ability to manufacture **15 technicals**

3rd Largest Mancozeb manufacturer globally

Diversified Sales



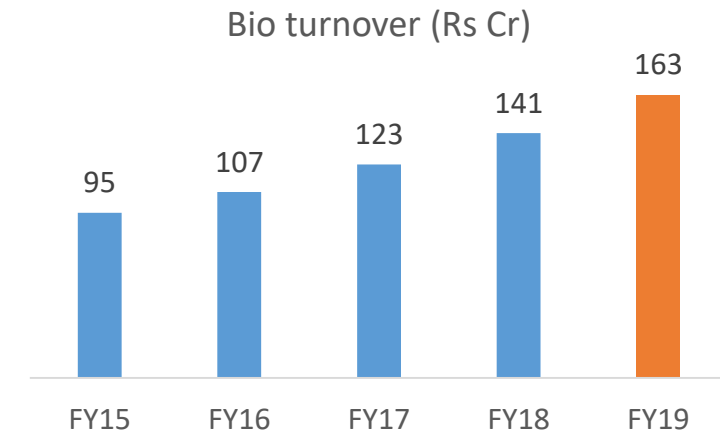
- **Exports share: 49%**
- **~1000** global registrations
- B2B & B2C presence
- Customer reach thru **10000+ retailers**

Global presence through Subsidiaries



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

Bio Business: Synergistic Fit



15% CAGR

- **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 80,000+ MT/** annum from 6 locations
- Wide product portfolio **~60 brands**

Ably supported by R&D Team



R&D Centre, Hyderabad

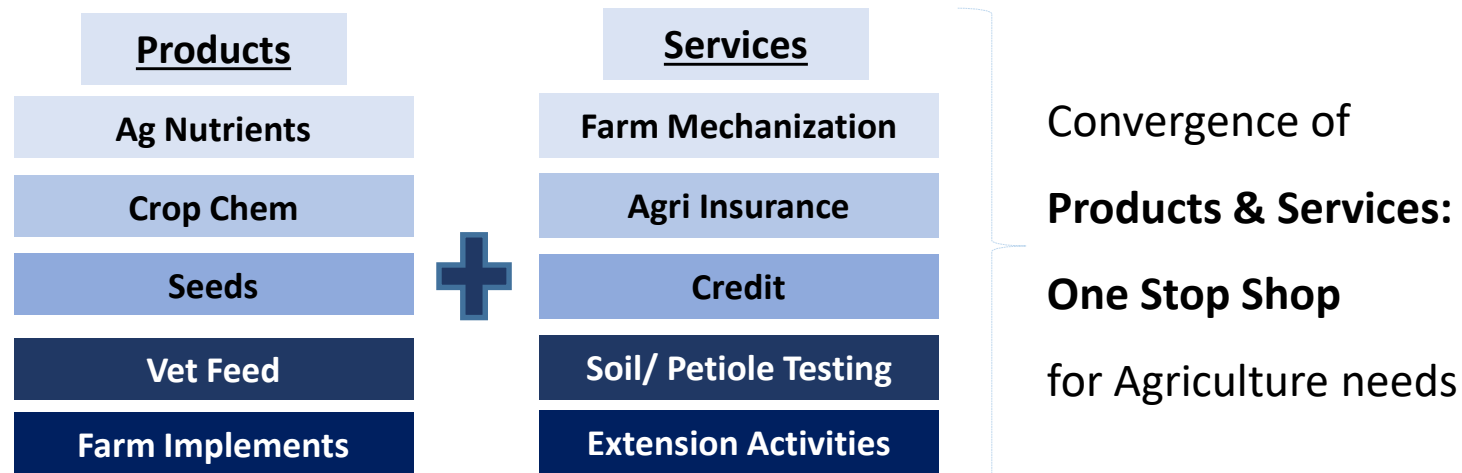
- **R&D facility** at Hyderabad & Cuddalore
- Initiated **Pilot plant** at Ankleshwar

Resulting in successful product launches

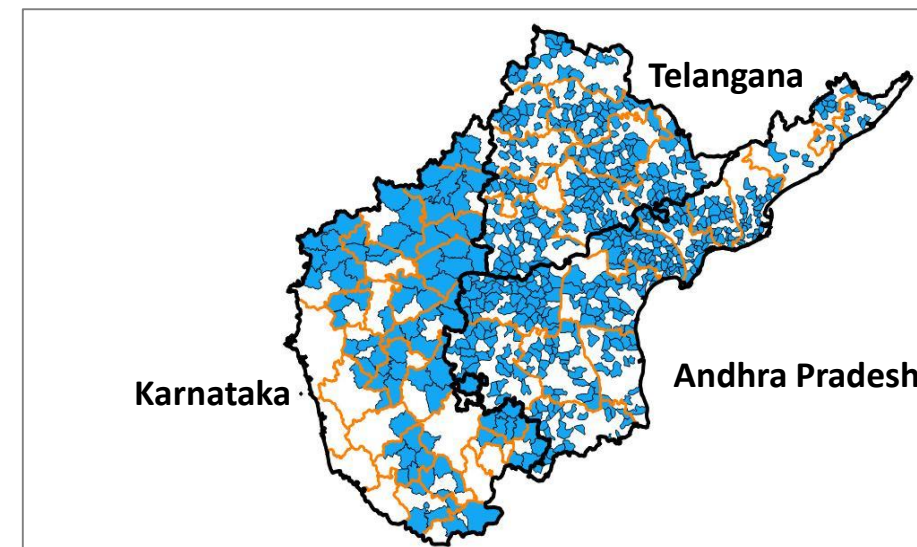


- **5 new product** launches in FY19
- Plan to introduce **4 new products** in FY20

Farming Solutions



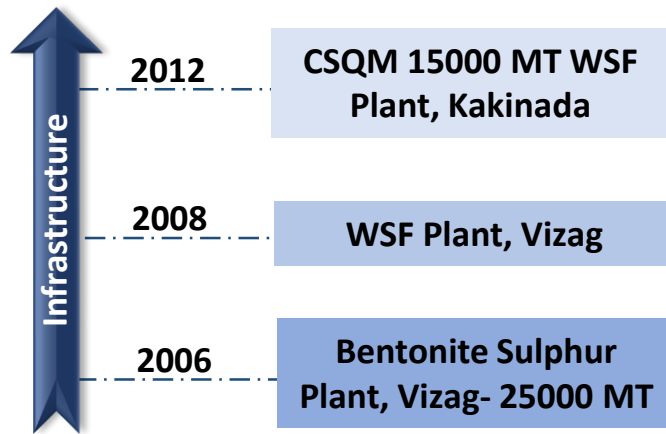
Customer Reach **3 million** farmers annually



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

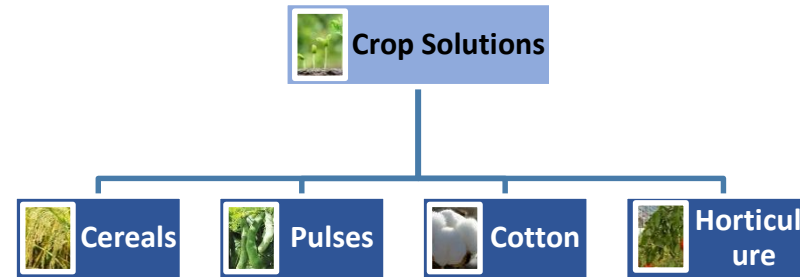
Expansion into Maharashtra in FY18

Manufacturing Capability



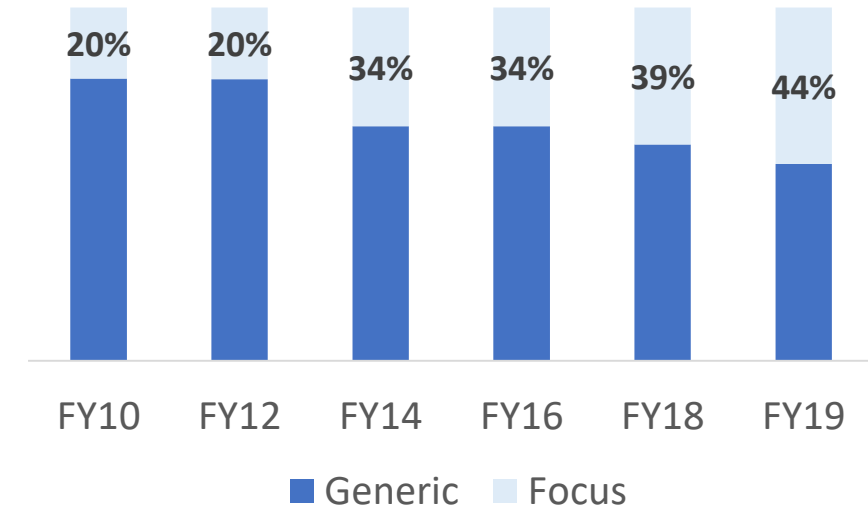
- 1st Bentonite Sulphur plant in India
- Exclusive manufacturers of WSF grades - Speedfol, Insta, Superia, Ultrasol
- JV with WSF major SQM

Crop based Product Solutions



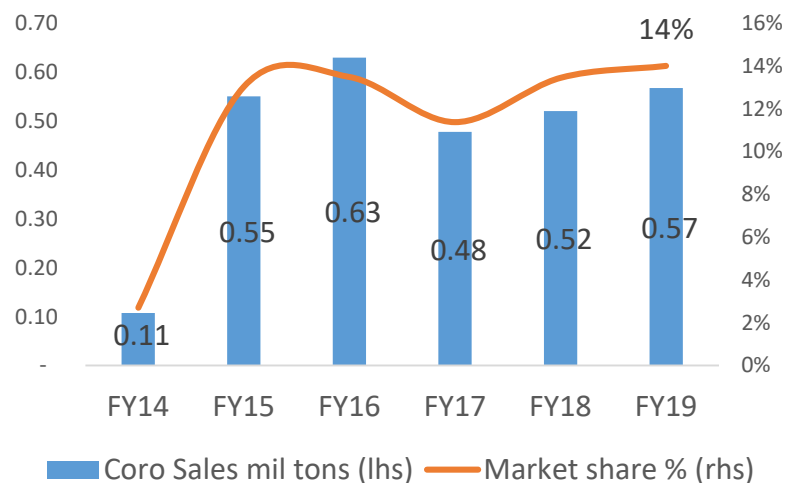
- Introduced 7 crop specific grades in last 4 years: Cotton, Chilli, Cereals, Potato, Pulses, F&V
- Agronomist team for Extension support

Increasing share of Focus products



- Improving share of focus products

Maintaining Market Leadership



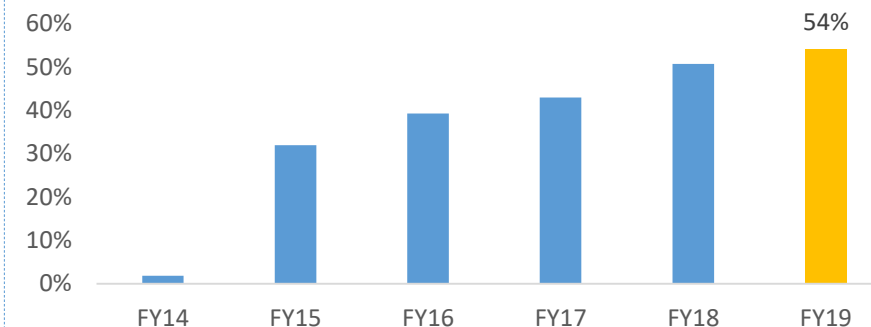
With Quality Focus



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

& Focus Product Approach

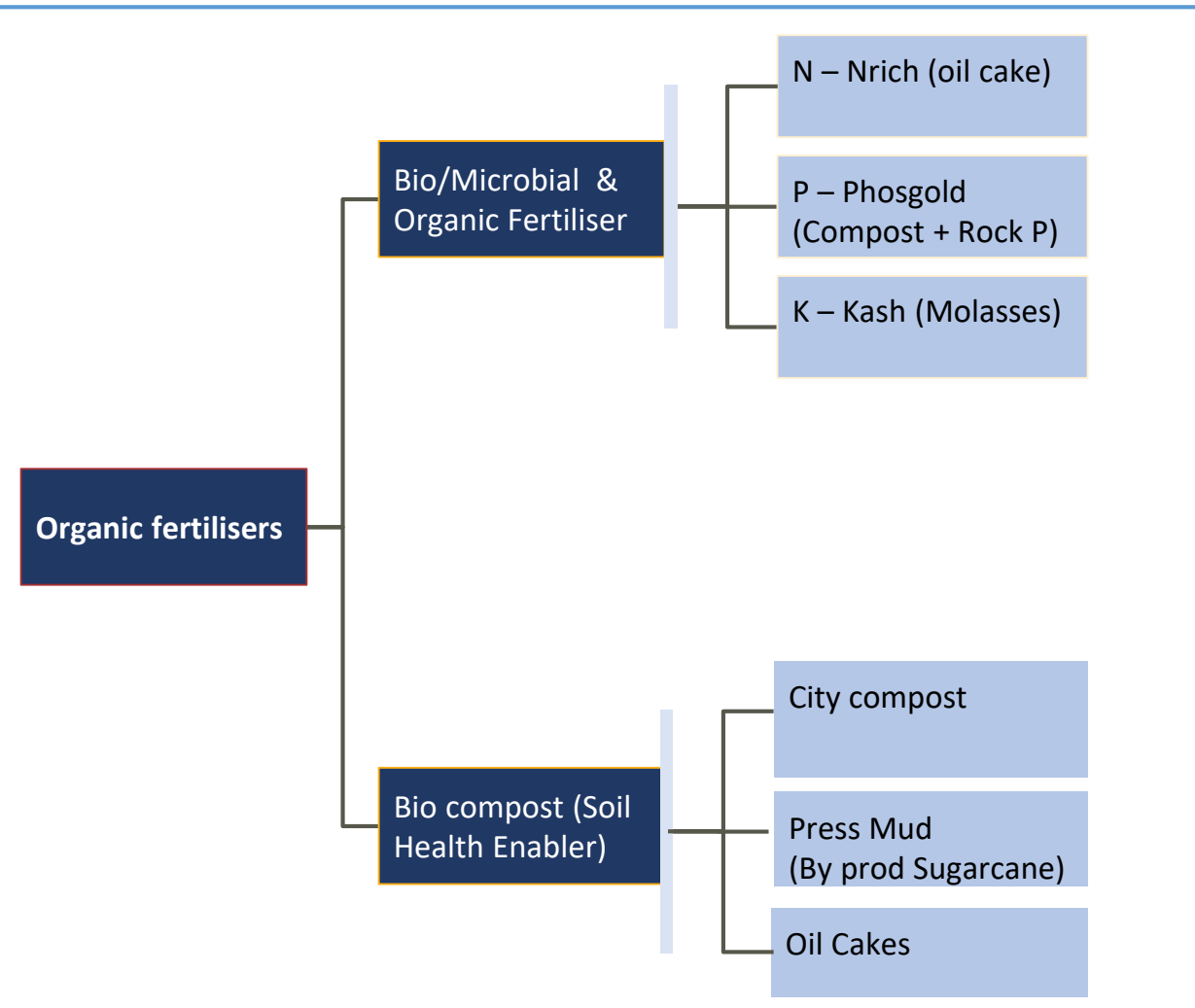
Share of granulated & value added products (%)



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

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

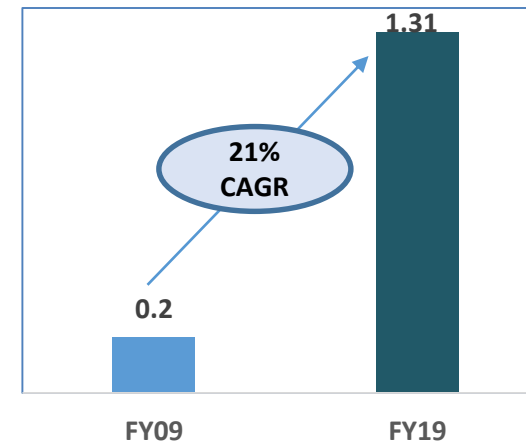
Product Portfolio



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)



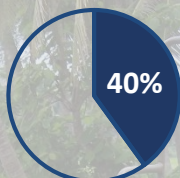
- **Pioneers** in Organic Fertilisers
- Efficient **sourcing** & distribution

Farm Mechanization: Eyeing the Future

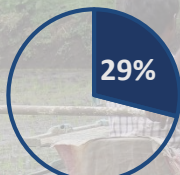
Mechanization across Ag Value Chain

Coromandel's Presence

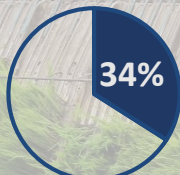
Soil & seed bed preparation



Seeding & Planting



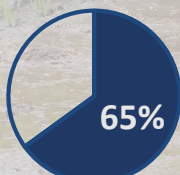
Plant Protection



Irrigation



Harvesting & Threshing



Paddy Transplanters

Power Sprayers

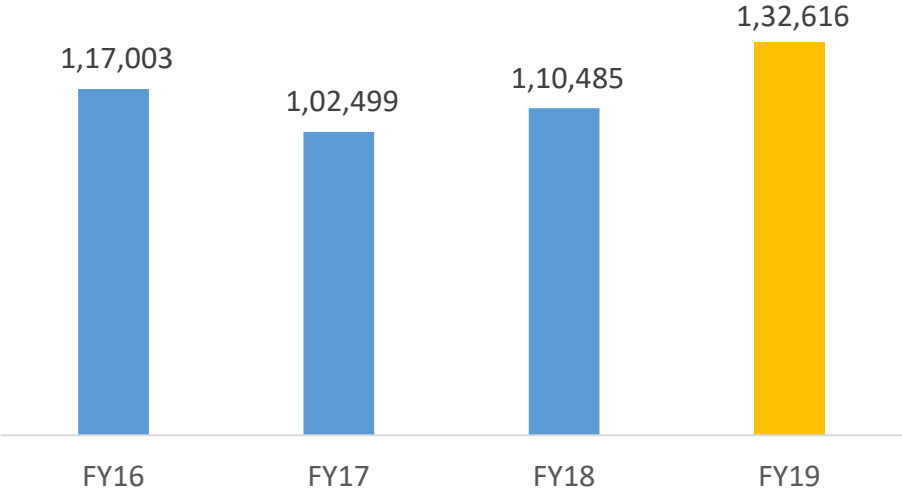
Drip

Combine Harvester

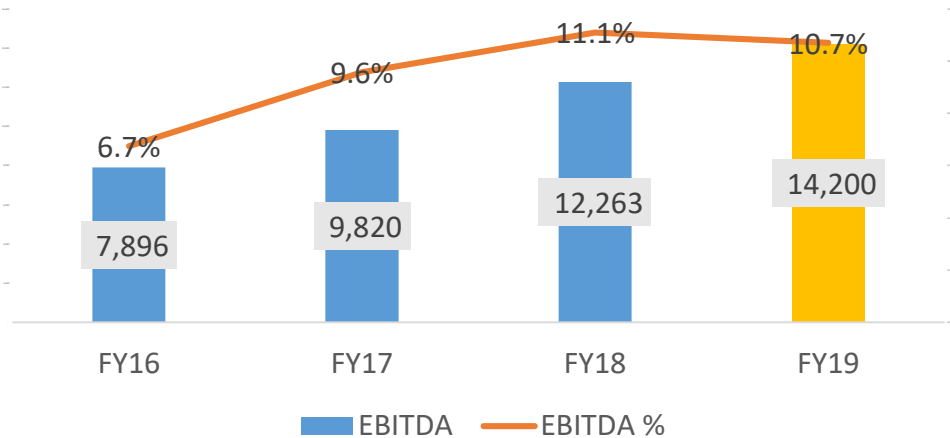
- Market leadership in **TN, AP, Kerala** for Rice transplanters
- Introduced **Combine harvester** in FY18
- **Service centers** in AP, Telangana, Odisha & Tamil Nadu
- **Synergistic approach** through Coromandel Retail operations
- **Indigenization** of spares
- Expanding portfolio to include **other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

Source: Grand Thornton

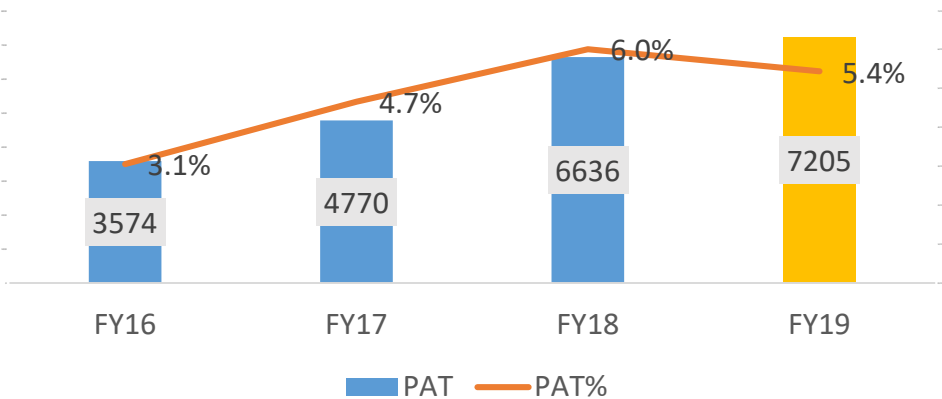
Total Income (INR Mil)



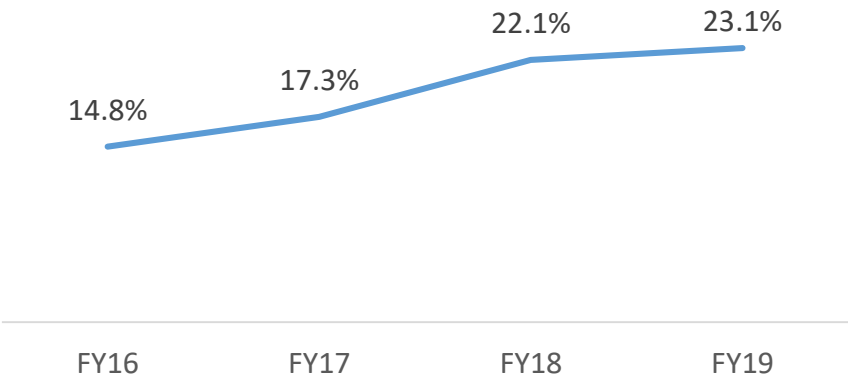
EBIDTA (INR Mil) & EBIDTA %



PAT (INR Mil) & PAT %



ROE (%)

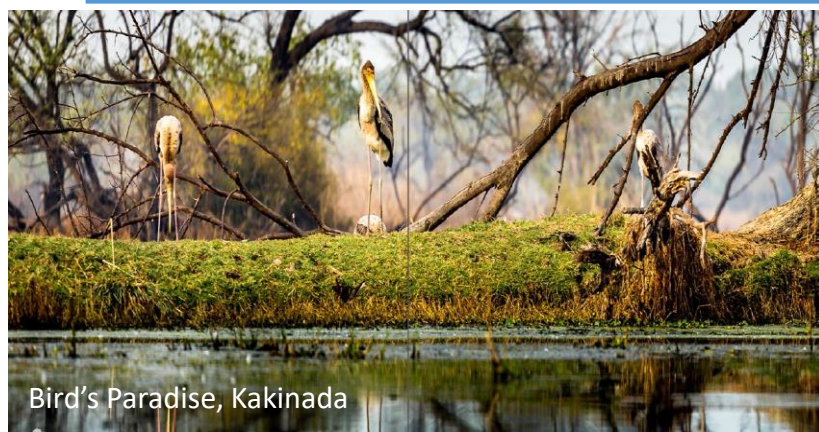


Coromandel Financials- P&L

In Rs Mio

	FY 2016*	FY 2017	FY 2018	FY2019	CAGR
Revenue	1,17,003	1,02,499	1,10,485	1,32,616	4%
<i>YoY (Growth) (%)</i>	<i>3%</i>	<i>-12%</i>	<i>8%</i>	<i>20%</i>	
EBITDA	7,896	9,820	12,263	14,200	22%
<i>YoY (Growth) (%)</i>	<i>-7%</i>	<i>24%</i>	<i>25%</i>	<i>16%</i>	
PBT after exceptional item	5,291	7,123	10,088	10,926	27%
PAT	3,574	4,770	6,636	7,205	26%
<i>YoY (Growth) (%)</i>	<i>-11%</i>	<i>33%</i>	<i>39%</i>	<i>9%</i>	
EPS (Rs.) -Basic	12.27	16.36	22.72	24.64	
Debt / Total Capital (%)	50.4%	43.5%	46.6%	46.8%	
LT Debt / Total Capital (%)	1.8%	0.0%	0.0%	0%	

Doing it Responsibly



Bird's Paradise, Kakinada



Girl Child Education Scheme



Green Belt at Vizag

- Established a **Bird's Paradise** at Kakinada plant (home to 100+ species): Covered by Discovery channel & UNDP
- **Green Visaka**: Coverage under **Green Belt**: ~10000 new planting every year
- **Conversion of Phospho gypsum** heaps into Green belt at Vizag

Impact: 4,99,629 Beneficiaries (2018-19)



16363 children impacted



1038 girls benefited through scholarships



7297 got benefited through medical camps



73268 medical services through 4 centers



469 women & 2161 youth beneficiaries



2688 benefited through sports



4485 benefitted through construction of toilets



Government general hospital- 7974 patients benefitted



9003 Plants planted



496 beneficiaries from ladies club activities



452 beneficiaries from TUSR activities



1474 –Employee volunteer hours

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