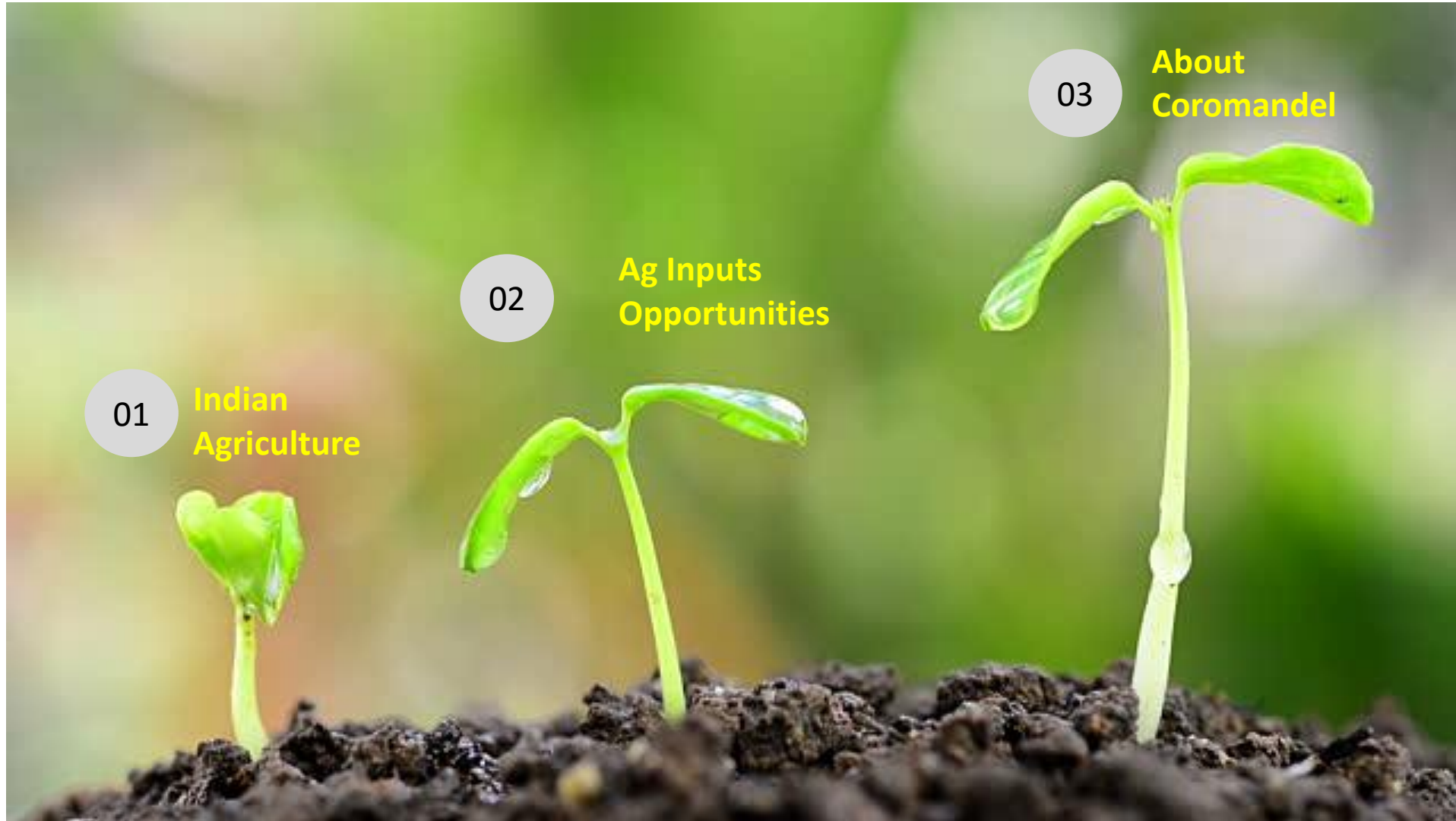




Coromandel: Opportunities Unbound
Nov 2017

Contents

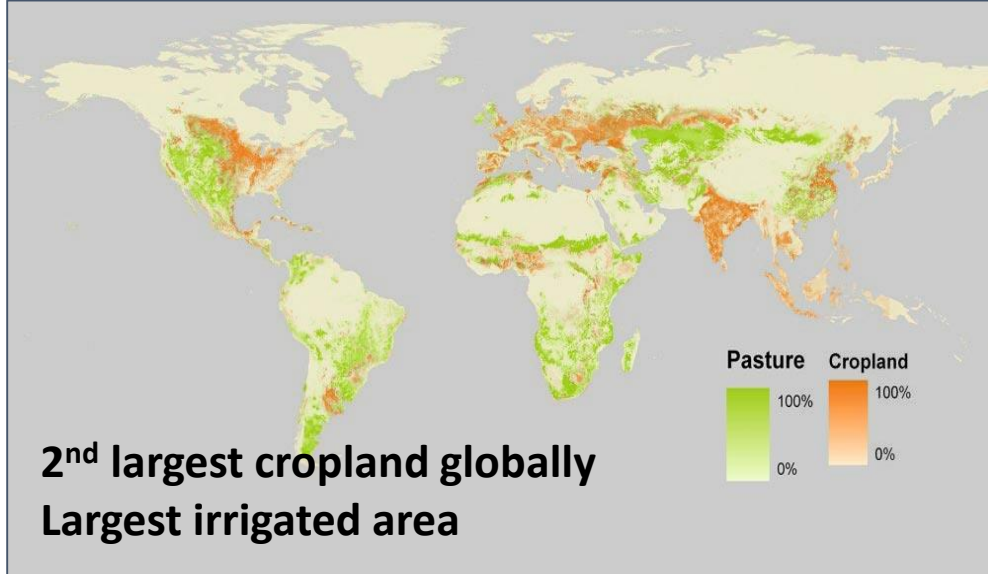


The background of the slide is a close-up photograph of several large, vibrant green leaves. The leaves are layered, with some in the foreground and others receding into the background, creating a sense of depth. The lighting is bright, highlighting the texture and veins of the leaves. The overall color palette is various shades of green, from light lime to deep forest green.

Indian Agriculture

- Scale & Scope
- Growth Levers
- Agricultural Reforms

Indian Agriculture: The Global Giant

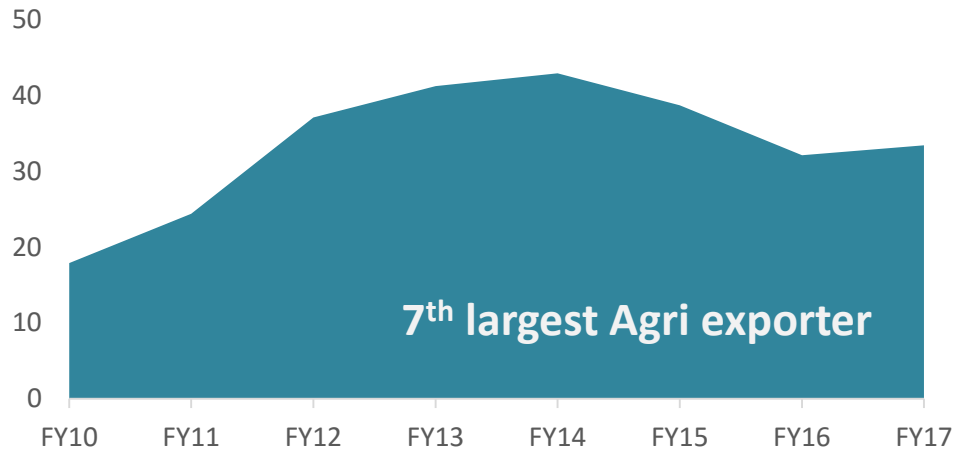


Crop	India Ranking	% Share
Pulses	1 st	23%
Oilseeds	1 st	11%
Cotton	1 st	29%
F & V	2 nd	11%
Sugarcane	2 nd	20%
Cereals	3 rd	11%

Source: FAOSTAT

3rd largest Agriculture producer globally

Agri Exports (USD Bil)



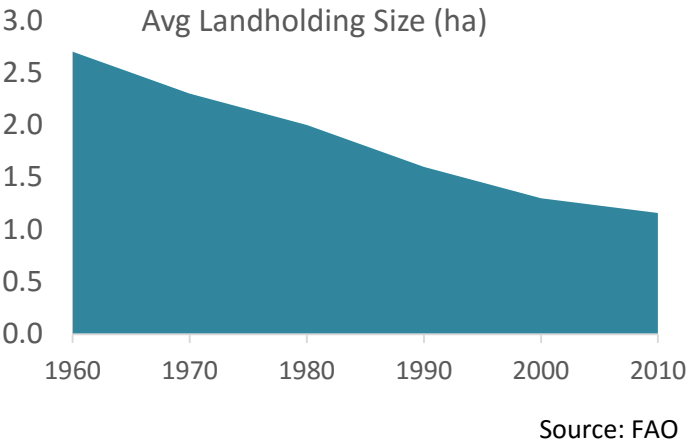
Source: DGCIS

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

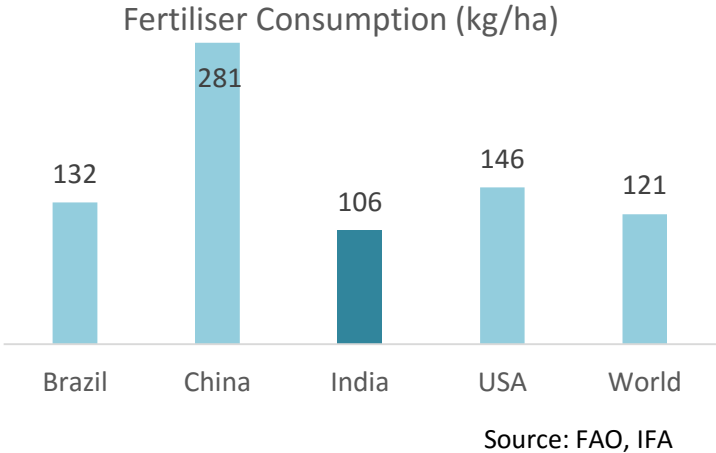


Low Mechanization

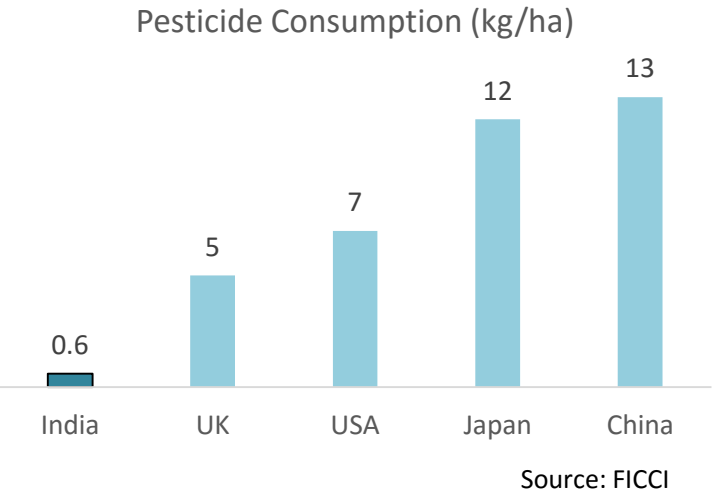
Country	Level of farm Mechanization
India	40%
Brazil	75%
USA	95%
West Eur	95%
Russia	80%
China	48%

Source: World Bank, FAO

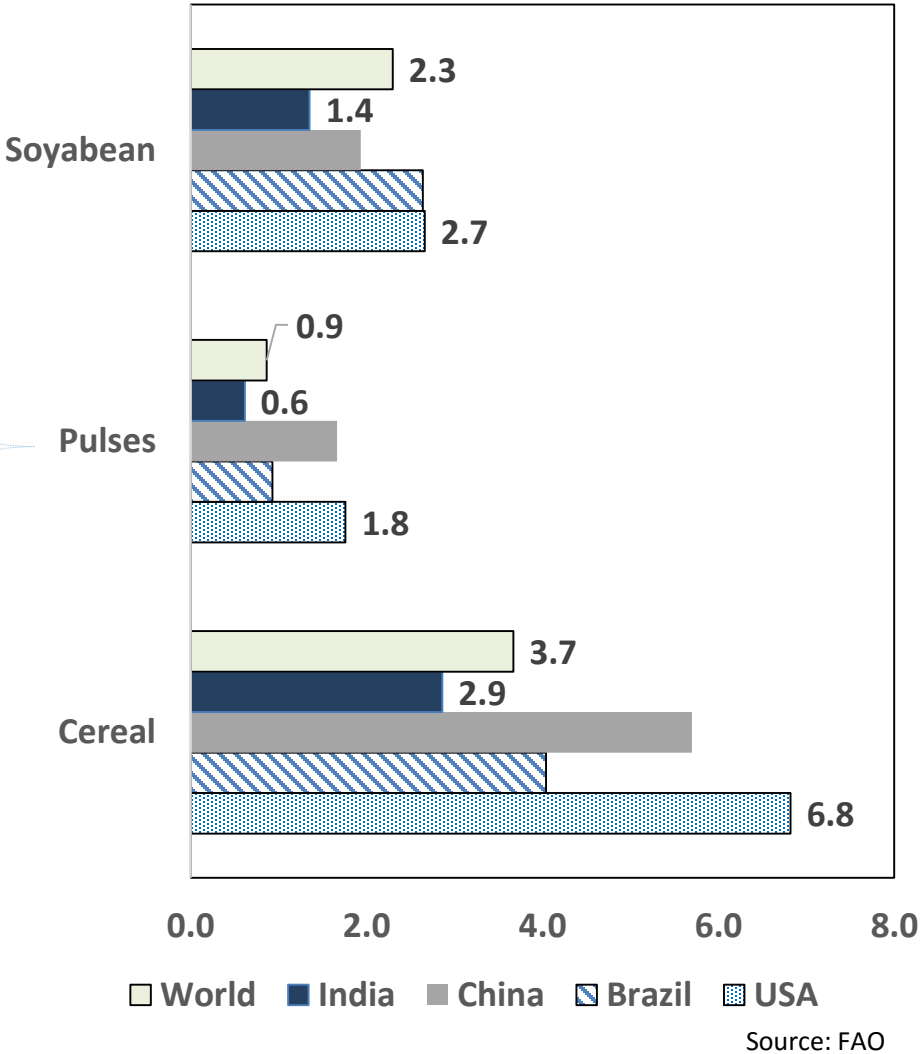
Low Nutrient Usage



Low Crop Protection consumption

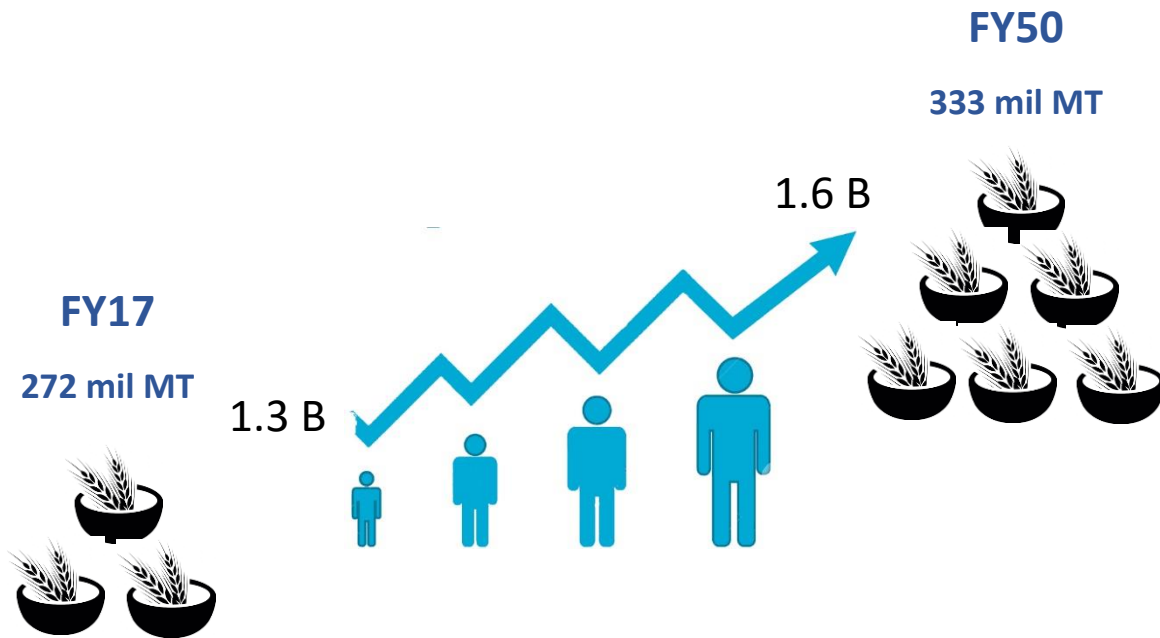


Yield comparison (Tonnes/ ha)



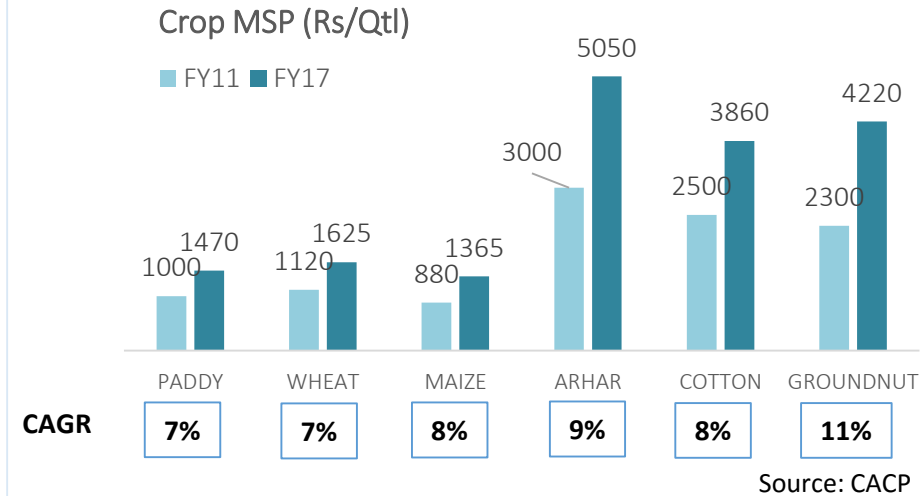
Agri Growth Levers

Food Security

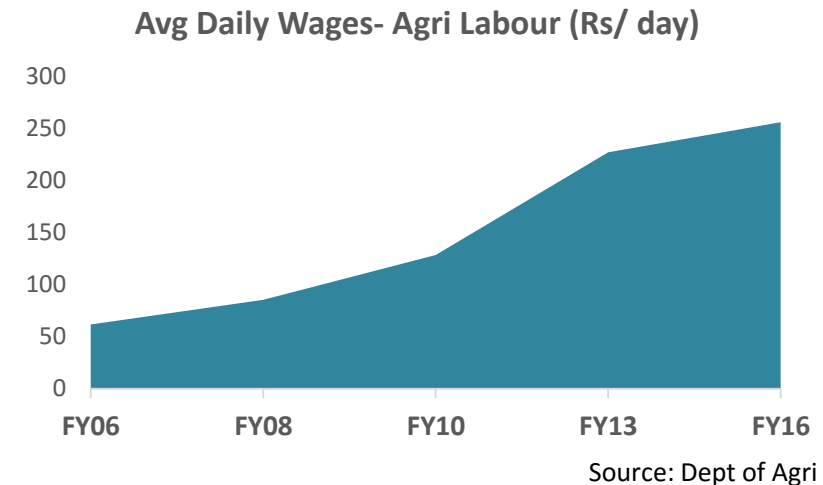


Annual food requirement in India to go up at 1% CAGR

Improved support price



....Coupled with Rural Wage Growth

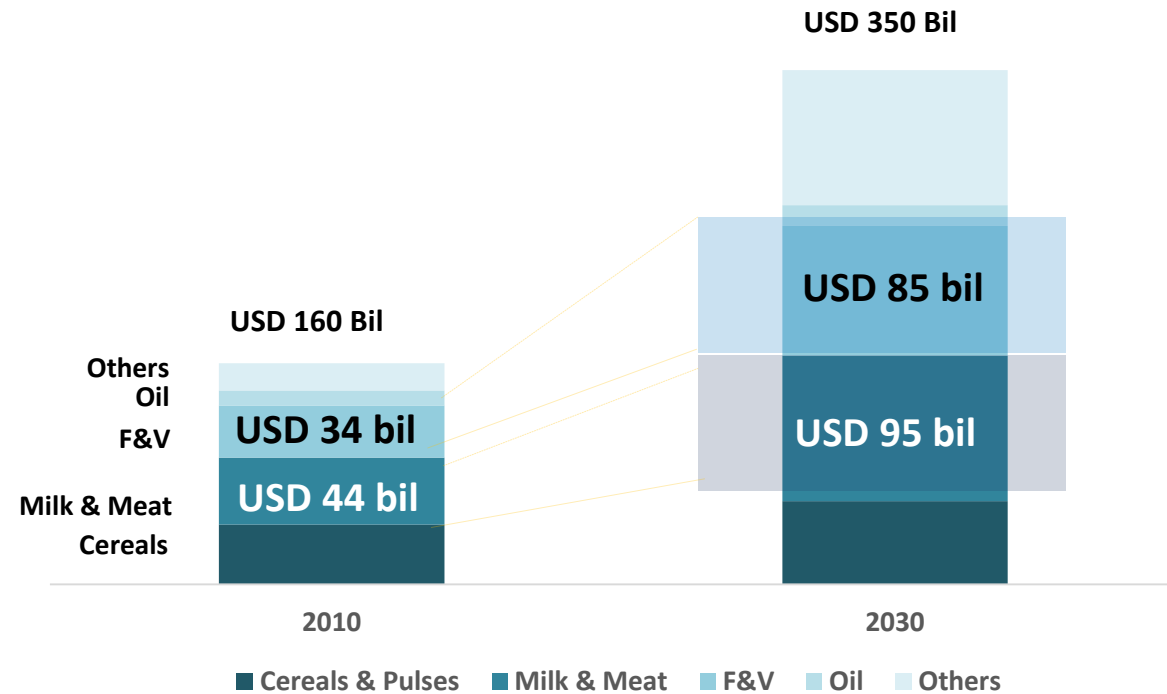


Higher
Disposable
Income

Agri Growth Levers

Dietary Shifts

Indian Consumption Basket

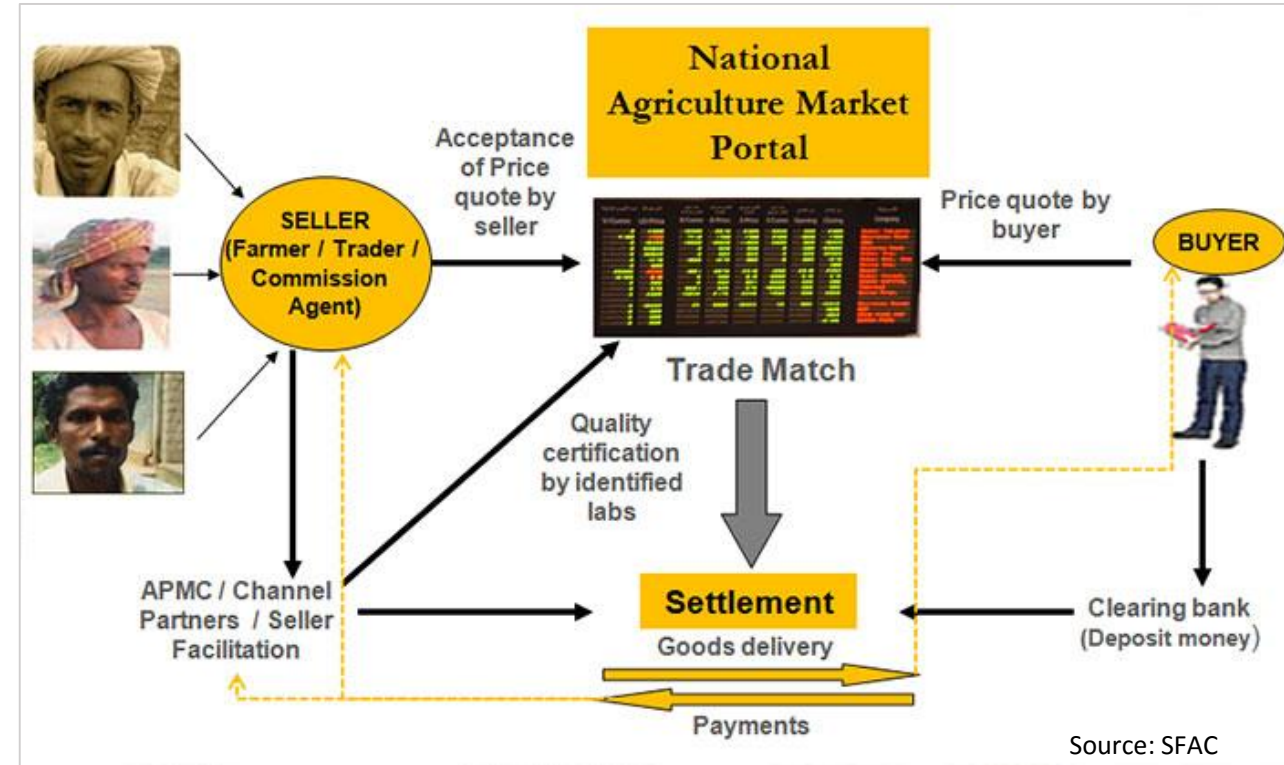


Source: CII McKinsey

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

Digital India

Unified National Agriculture Market



Source: SFAC

- 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

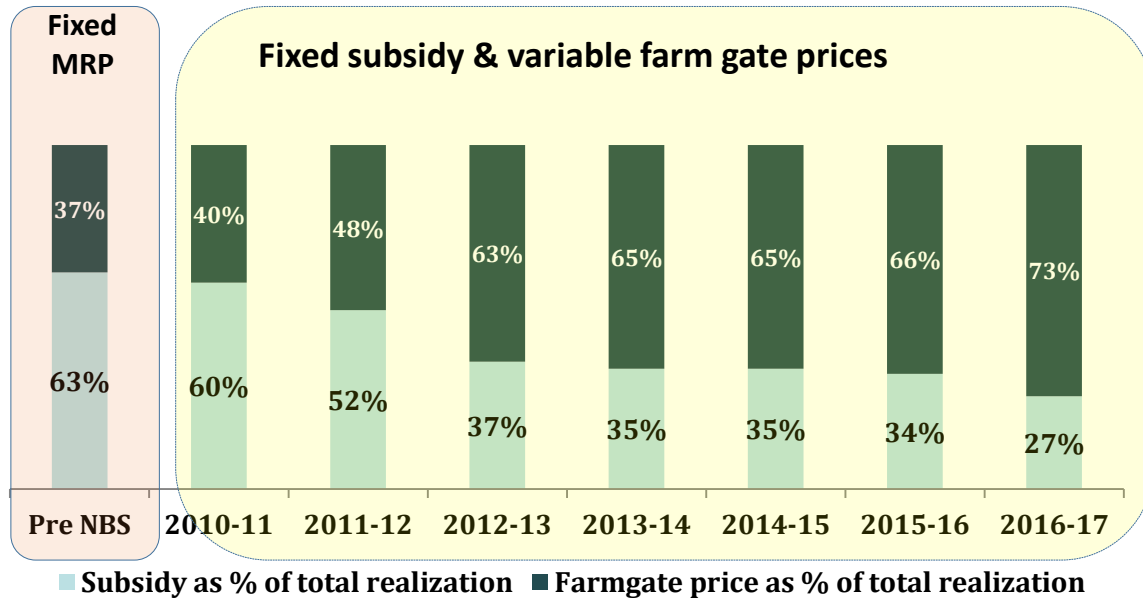
Developing **Agri infrastructure & storage** capabilities

& Positive Policy Measures

Nutrient Based Subsidy

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

Fertiliser Prices



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

Make in India

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



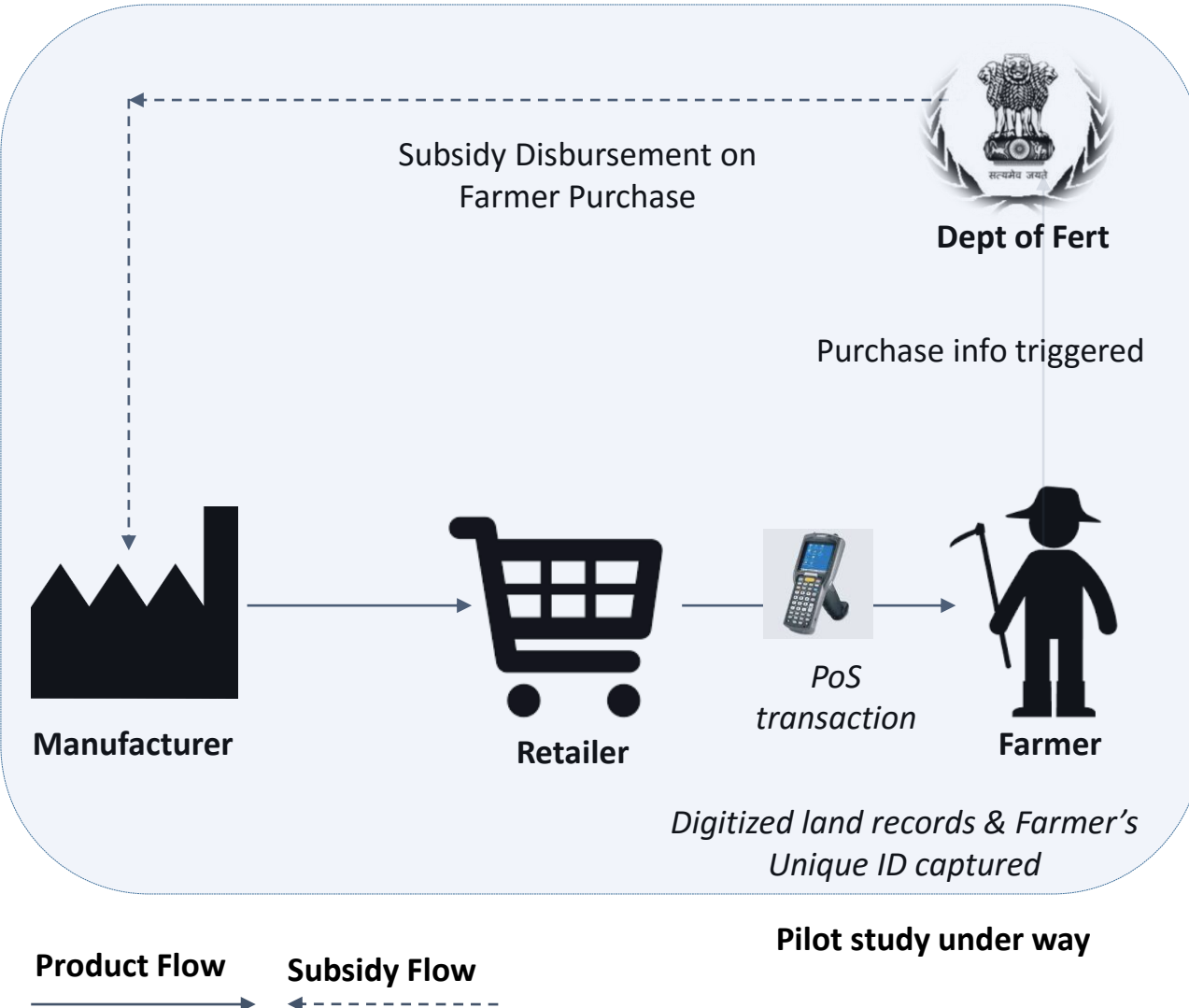
Investment Innovation Skill Devt Protect IP Best in Class

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

& Positive Policy Measures

Direct Benefit Transfer

.....Towards **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

...coupled with Rural Empowerment to boost Growth



Soil Health

- ~60 million soil health cards issued upto Mar'2017
- Budget allotment: **USD 84 mil**
- Organic thrust: Additional 0.5 mil ha coverage



Financial Inclusion

- Bank Account for each household: **250 million accounts**
- Crop **Insurance** (50% coverage by 2019) & **Credit** access



Infrastructure Development

- **2000 Model Retail Outlets**- Agri inputs, Soil & Seed testing facilities
- Road development: **100 km/ day**
- **100% rural electrification** by 2018



Irrigation Coverage

- 89 Irrigation projects: Additional **8 mil hectare** coverage
- Long Term **Irrigation Fund**

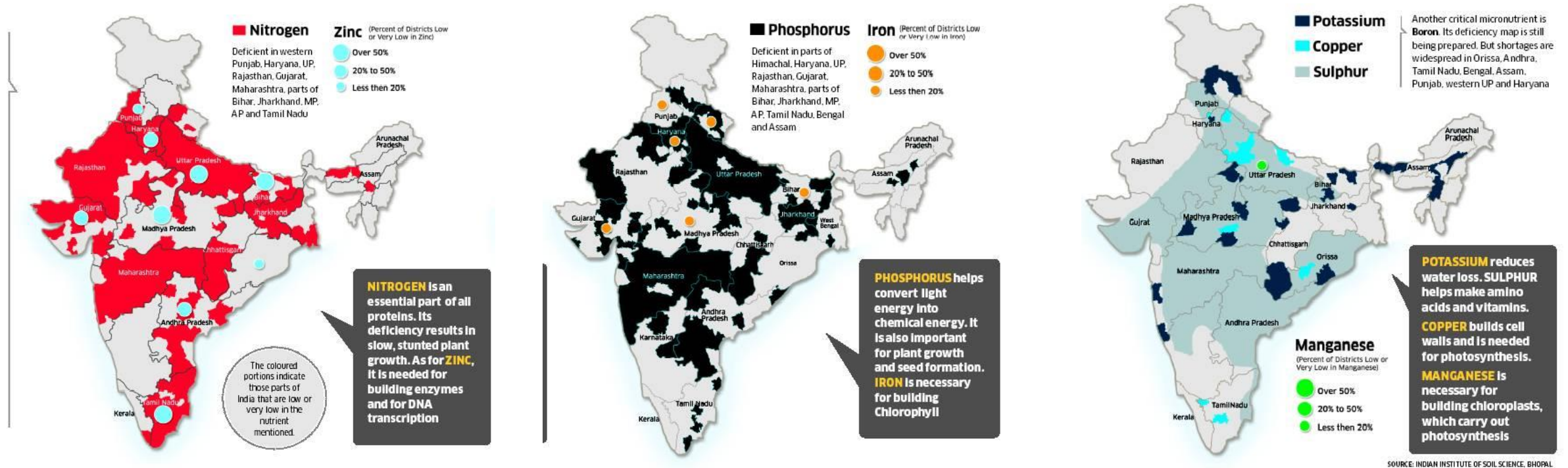


Ag Inputs Opportunities

- Ag Nutrients
- Crop Protection

Opportunities in Inputs space: Ag Nutrients

Nutrient Deficient India Soils



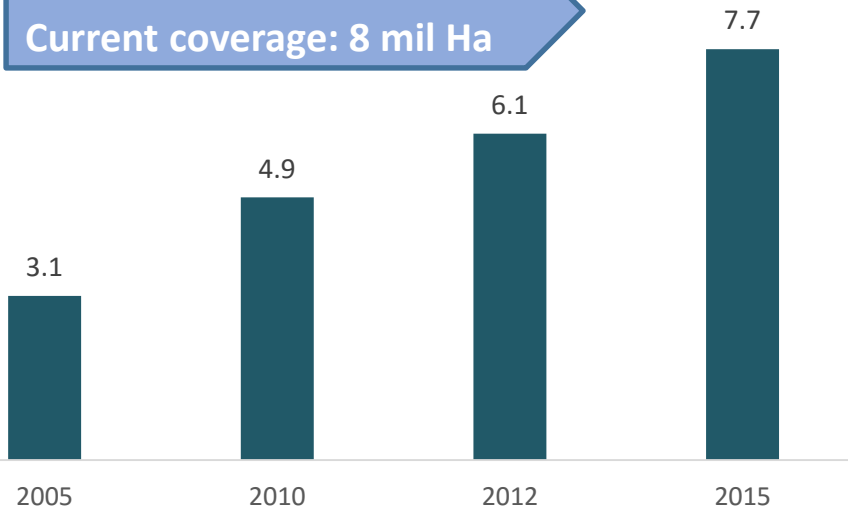
Source: IISS Bhopal

- 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

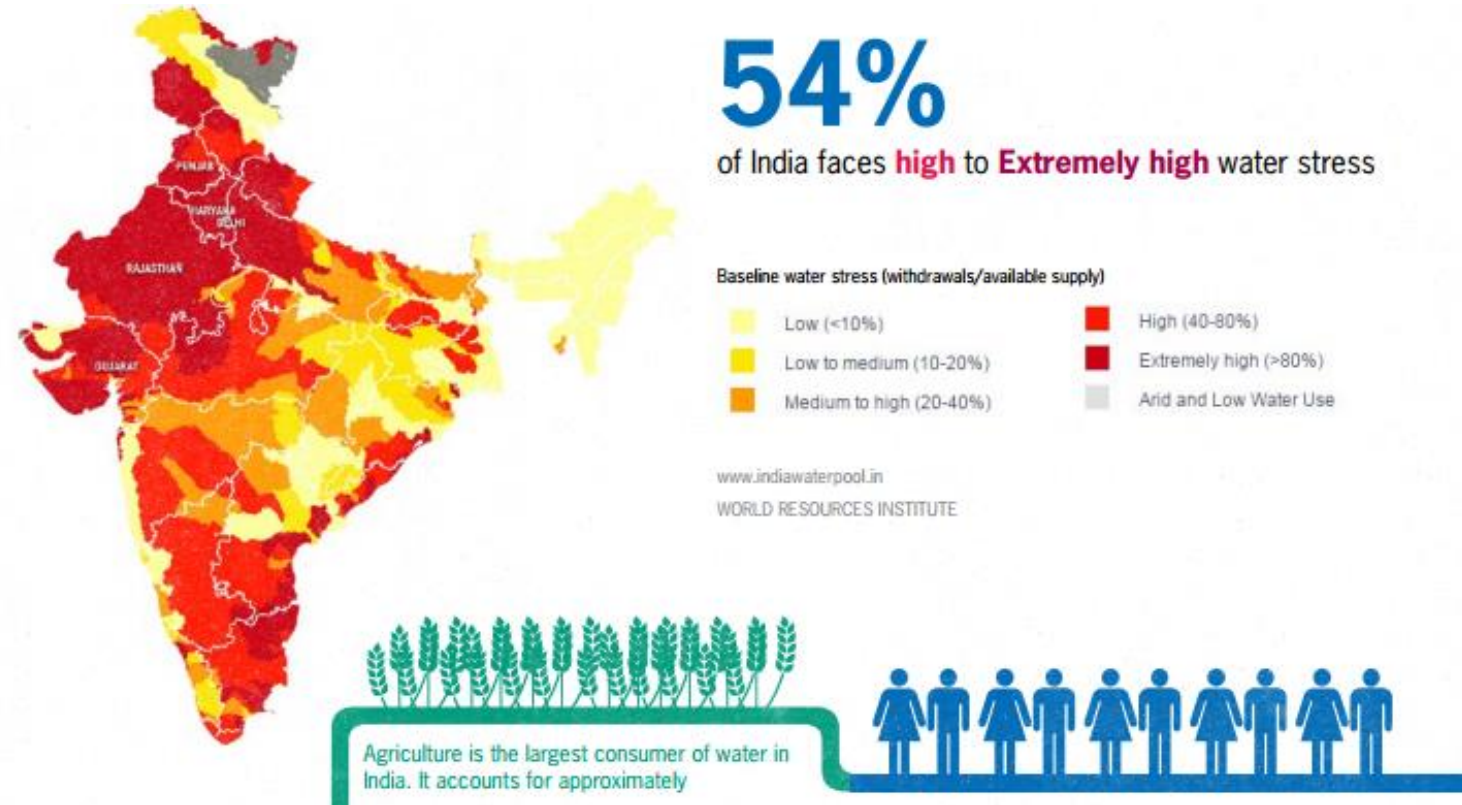


Benefits:

Increase in Water Use Efficiency: 50 – 90%

Productivity Increase: 40-50%

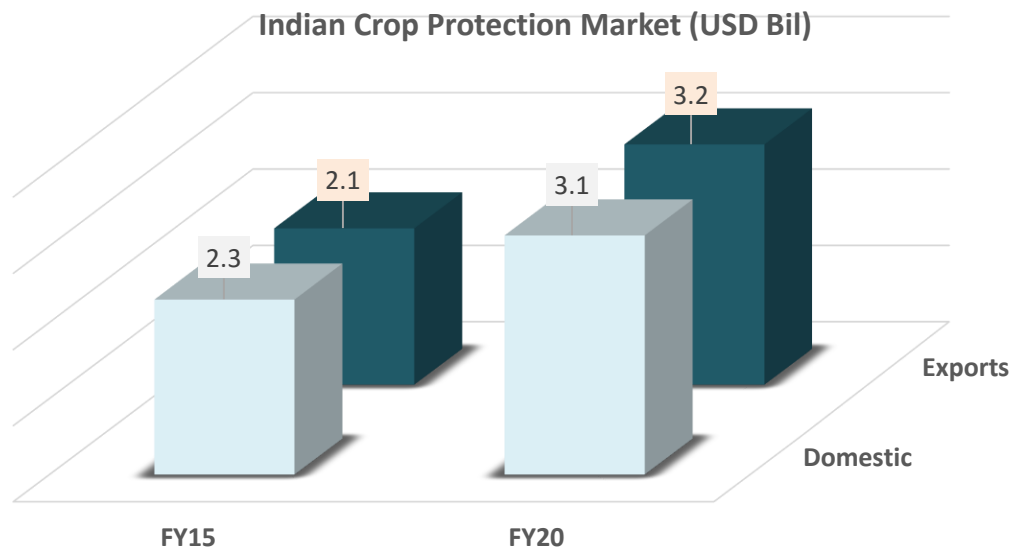
Increase in Farmer's income: 42%



- 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.

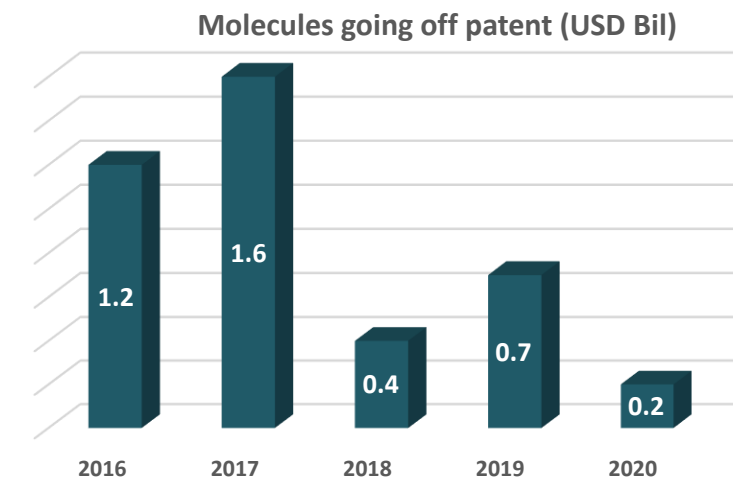
Increasing Pest Incidence

	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

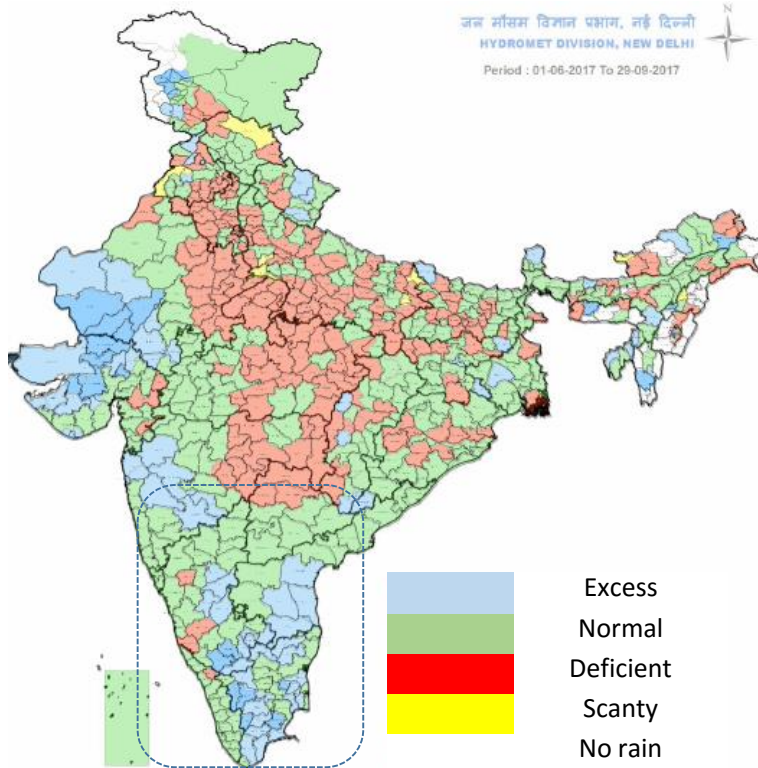




Industry Updates: 2017-18 H1

Stable Agriculture Environment in 17-18

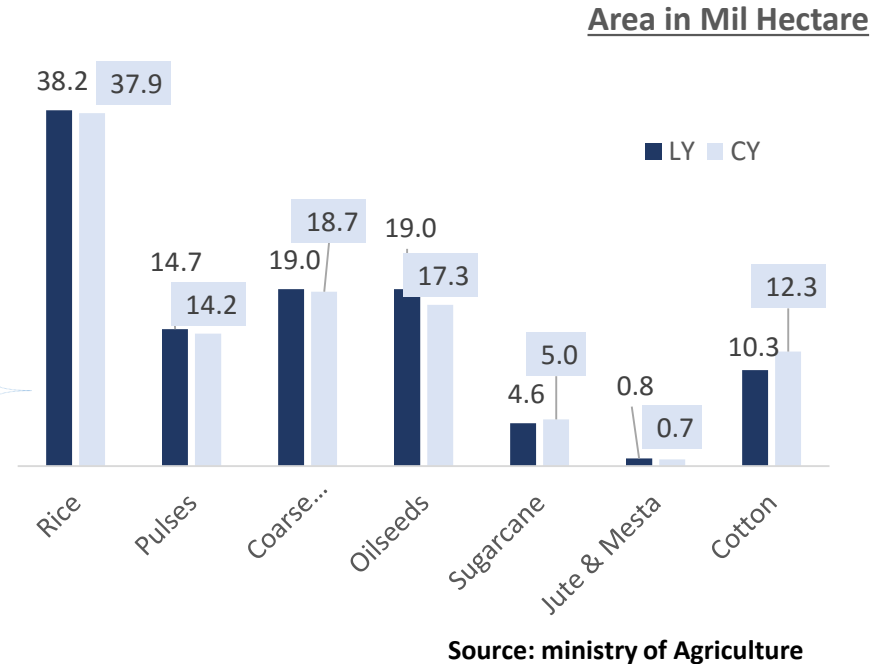
1 All India South West Monsoon: **95% LPA**



Source: IMD

Normal in Coromandel's Primary markets:
99% LPA

2 Marginal drop in acreage: **-0.5%**



Cotton (+19%) & Sugarcane (+9%) acreage
up- Improved input agri consumption

3 Improved Rabi Prospects

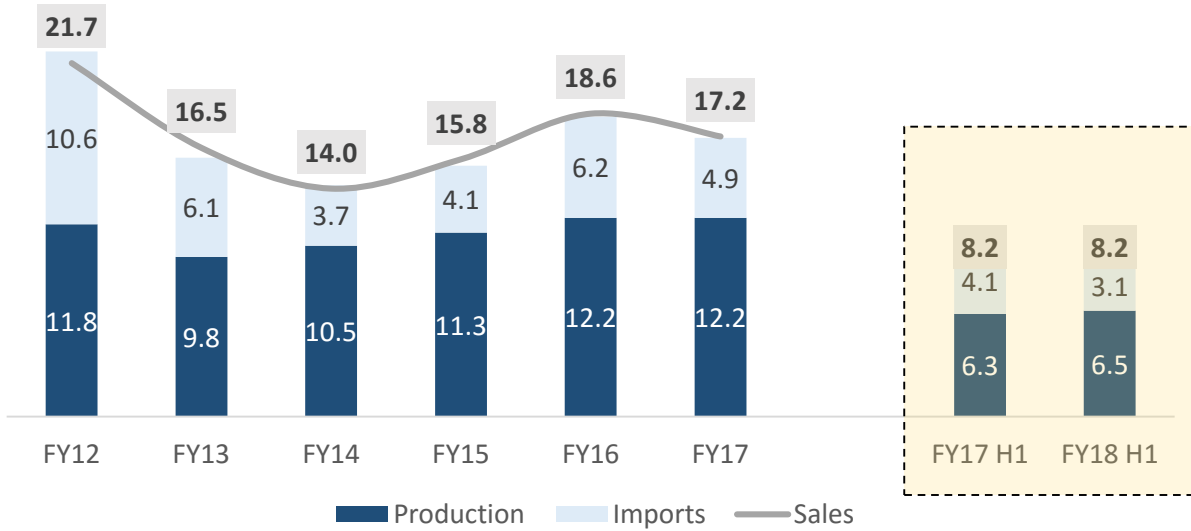
- Reservoir levels up in South (75%)
- Normal North East monsoon
- Forecast
- Moderation in Fertiliser Channel Inventory

& Positive Policy Reforms

- **Agriculture focus:** Crop Insurance, National Agriculture Market, Infrastructure strengthening
- **'Make in India' Initiative:**
 - Making India **self sufficient in Urea** production by 2021
 - **Freight Subsidy changes** favouring domestic manufacturing in Phosphatics
- **Direct Benefit Transfer:** Bringing 'Soil Health' to focus
- **New Urea Policy:** Incentivizing production beyond Reassessed capacity
- **Gas Price Pooling** in Urea: Promoting Energy Efficiency
- Ease of **introduction of new products** in Water Soluble Fertiliser segment

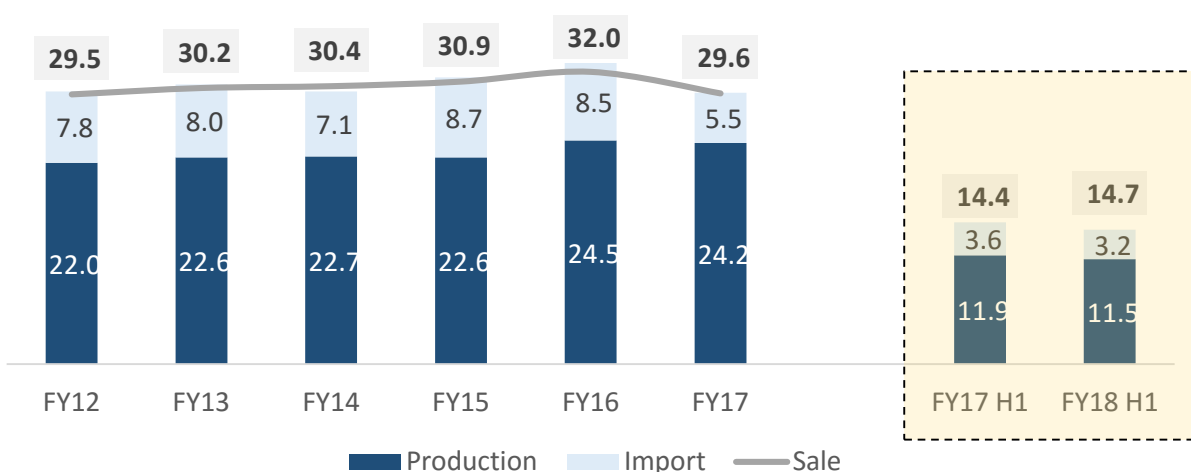
... Resulted in improved Fertiliser Industry Dynamics

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



- Sharp **fall in Imports** in H1(-24%)
- Partially substituted by **domestic DAP production (+19%)**
- **Normalized sales (-1%)**
- Improved consumption resulting in **lower channel stocks**

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



- Neem Coating of Urea resulting in **improved nutrient efficiency**
- Moderation in **bag size (50kg to 45kg)** – Balanced Nutrition
- Domestic **production up** in last 2 years: **Make in India**



Coromandel Introduction

- About Coromandel
- Business Segments
- Financials

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



About Coromandel

Key Facts :

- Turnover: **USD 1.6 bil** (FY16-17)
- Market Cap: **USD 2.3 bil** (Oct 2017)
- Strong credit rating: '**AA +**' (Stable outlook)' with CRISIL India
- Employees: **4300** & equal no. of contract employees
- **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

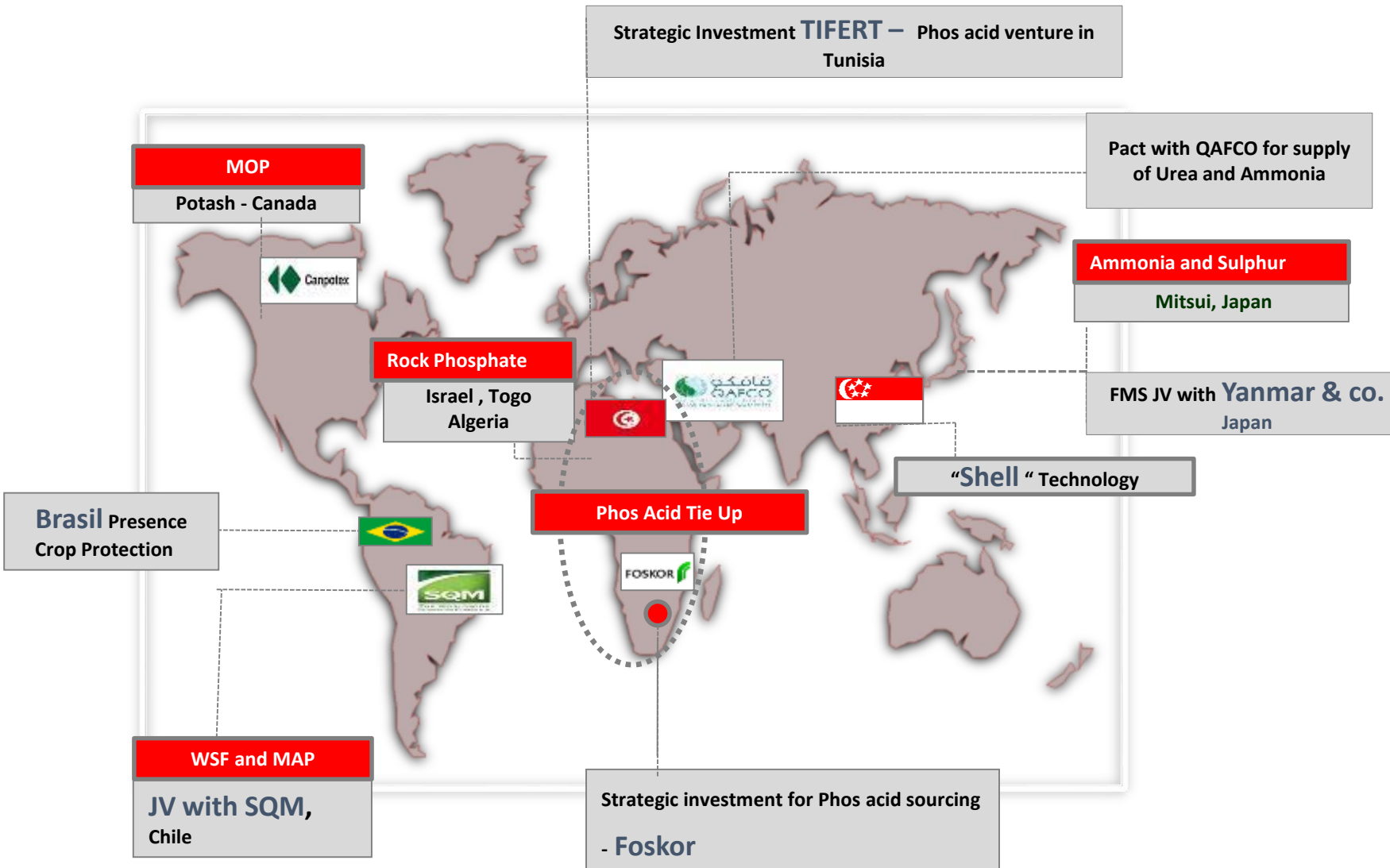


Bringing Prosperity



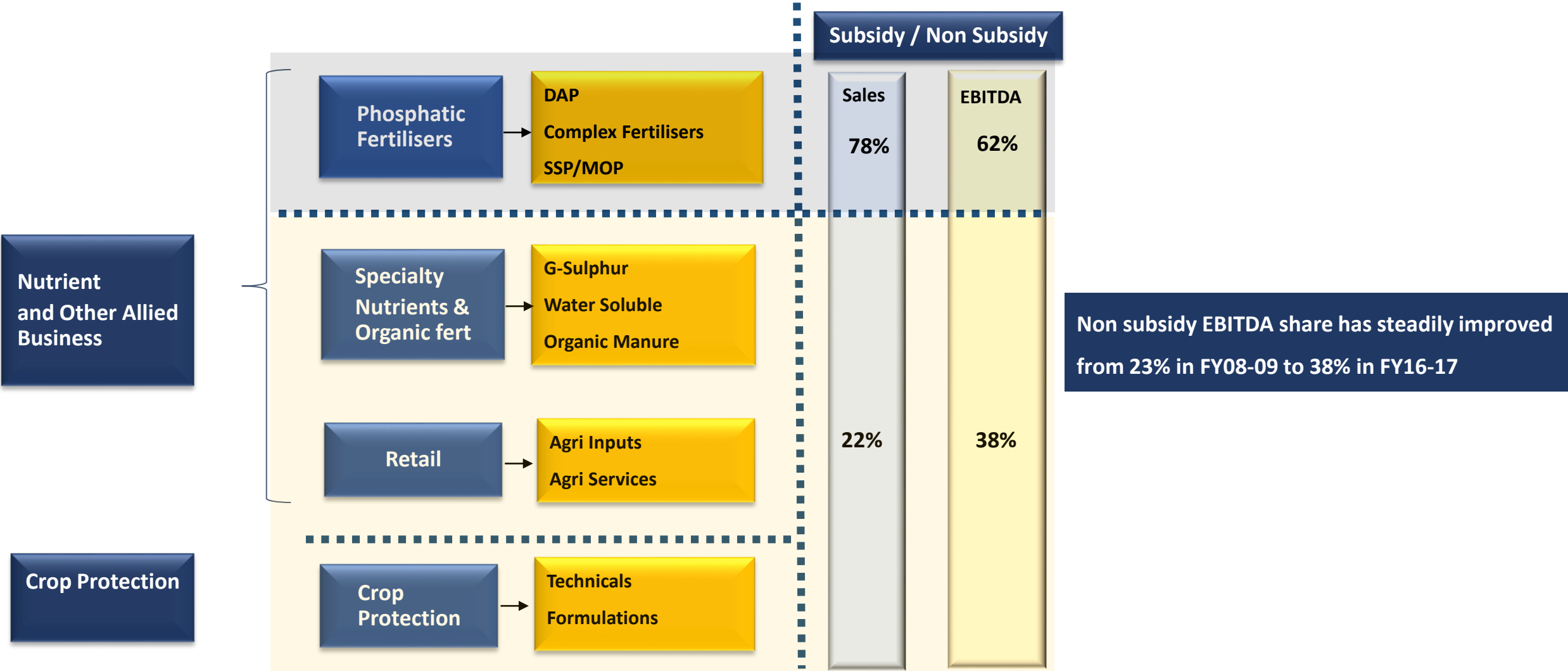
R&D Focus

Global Strategic Alliances



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

Business Structure



Growth Journey

Towards New Growth Segments

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



**Expansion
into Retail
Channel:** 800
stores



**Strategic
Partnership**
Yanmar, SQM,
Foskor, Tifert



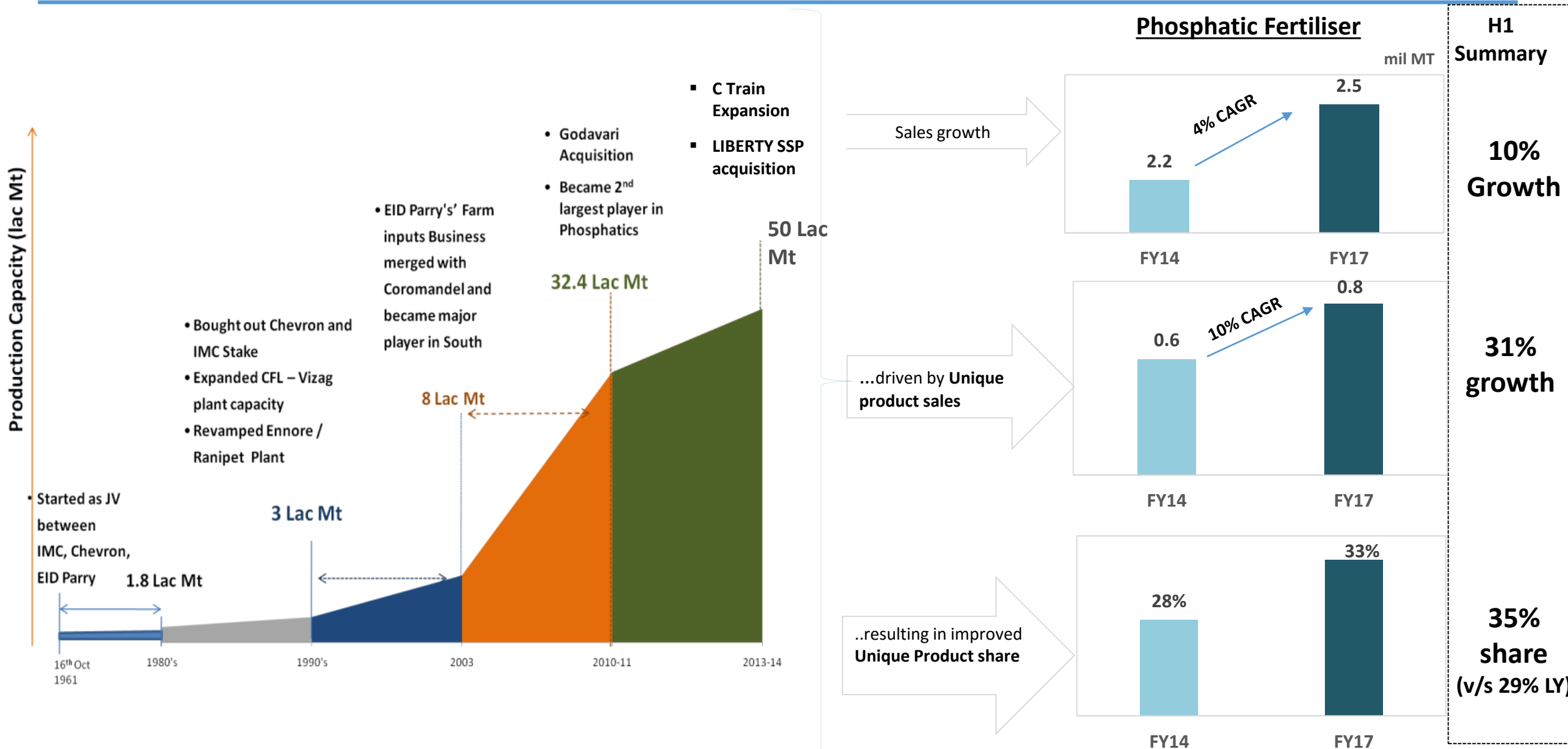
**Technology
Tie ups:** Shell,
IRRI



Business Segments



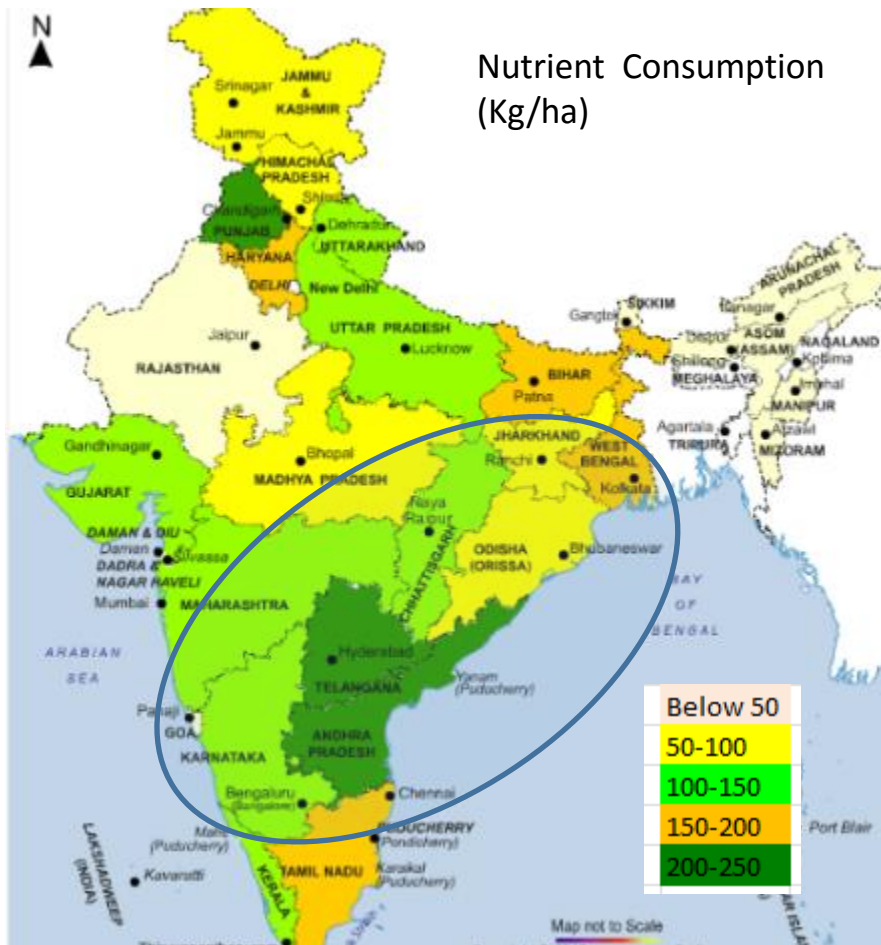
Coromandel Phosphatic Fertilisers



Coromandel Phosphatic Fertilisers: Key Strengths

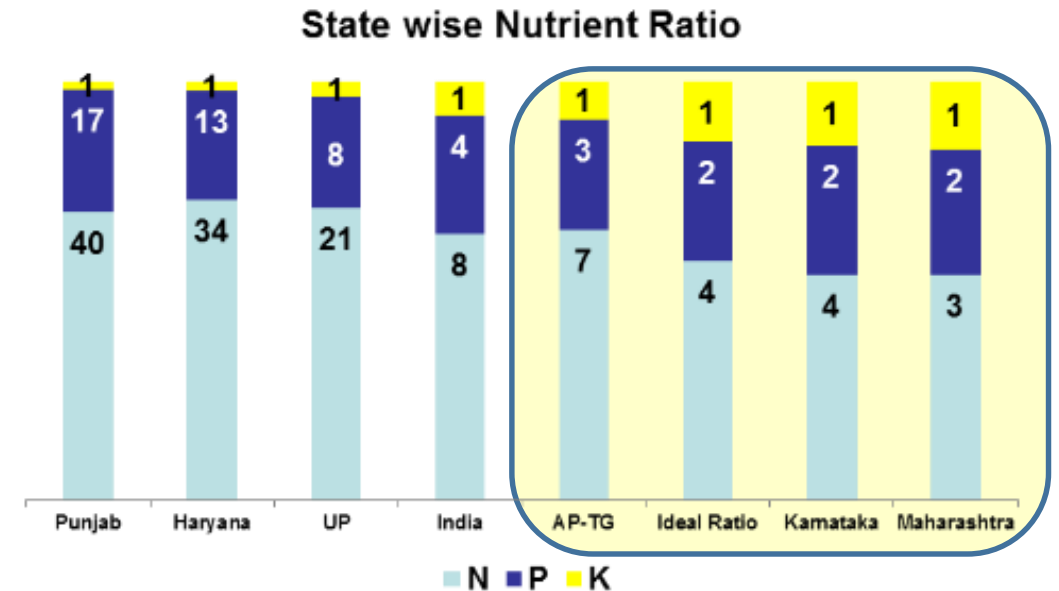
Sourcing	Cost Leadership	Marketing Strength
<p>Strategic Alliances in Sourcing –</p> <ul style="list-style-type: none">• Long Term tie-up with Foskor, South Africa and Group Chemique, Tunisia, OCP, Morocco• Supply agreement :<ul style="list-style-type: none">• Ammonia and Sulphur with Mitsui• Potash from Canpotex	<ul style="list-style-type: none">• Low cost manufacturer of Phos acid - Visak and Ennore• Kakinada - High Efficiency and low conversion cost• Ex Plant/Rail deliveries - Low Freight Cost• Low cost of borrowing• Access to low cost electricity – Stake in APGPCL	<ul style="list-style-type: none">• Wider reach and penetration• Strong brand image in the home market• Wide Product Range - Low 'P' to high 'P'• Direct contact with farmers - Mana Gromor Centers• Extensive field promotions
Alternate Sources	Manufacturing Flexibility	Unique Grade Focus

Coromandel Phosphatic Fertilisers: Locational Advantage



Presence across major consumption pockets

~60% market share in highest consuming AP & Telangana markets

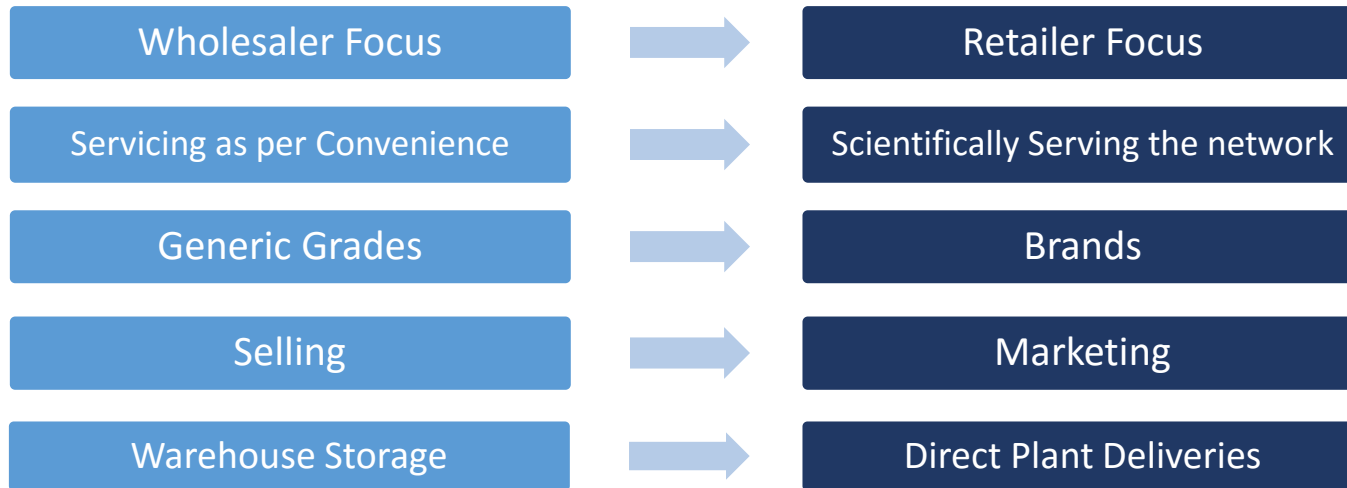


Primary markets maintains the balanced nutrient ratio

- **Market leader** in Complex fertiliser segment
- **2nd largest Phosphatics** player in India
- Highest producer and **marketer of unique** fertiliser grades
- Plants located along **strategic sourcing ports**
- **Three Pronged Channel Approach:** Trade, Retail, Institution

Direct Benefit Transfer (DBT) : Changing Scenario

Paradigm Shift post DBT



Advantage Coromandel:

- Direct farmer connect through ~800 Mana Gromor Centers
- Integrated Nutrient Team with Agronomist support
- Feet on the Street: ~2200 marketing team
- Unique product focus: 33% sales share
- High brand equity in key markets
- Significant Retailer Reach

Coromandel Phosphatics: Manufacturing efficiency

- Strategically located Plants in highly irrigated southern Indian states and in heart of fertilizer consumption market – **low freight cost**
- Plant Facilities – **State of art** with good infrastructure support & robust systems
- Phosphate – **Lowest cost manufacturer** in India
- **Backward integration** into manufacturing the intermediate - phosphoric acid from rock
- Captive jetty at Vizag, Own storage tanks and pipeline for raw materials: Ammonia & molten sulphur (Vizag & Ennore) - **Lower handling** and associated costs
- **Captive power plants** at Vizag & Ennore



Coromandel Crop Protection

1990's	2006	2009	2010	2011	2015
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	Sabero Merger completed

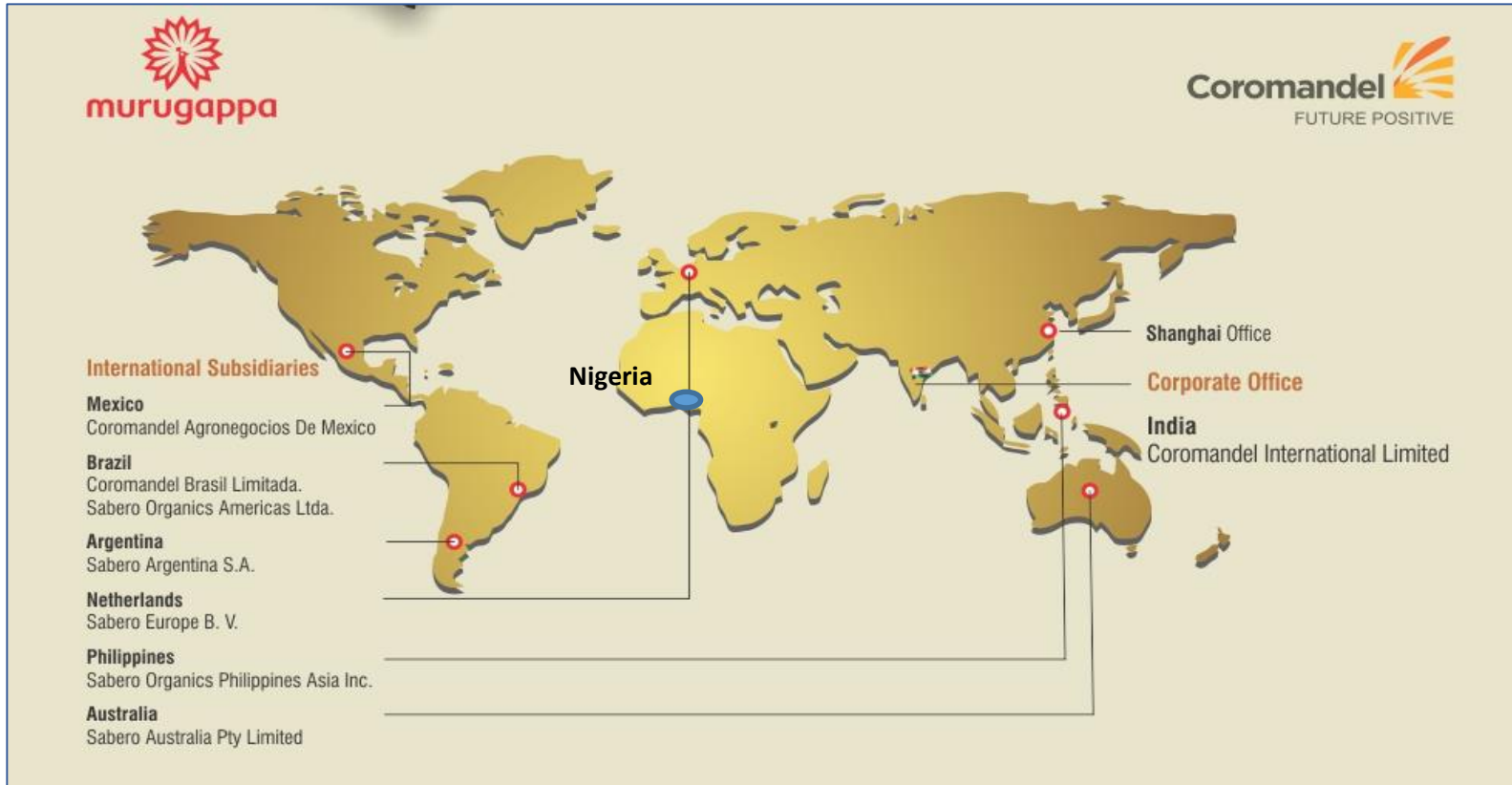
5th Largest Crop Protection Company in India: USD 210 mil

Technical Manufacturing Capacity **50,000+** MT/ annum

3rd Largest Mancozeb manufacturer globally

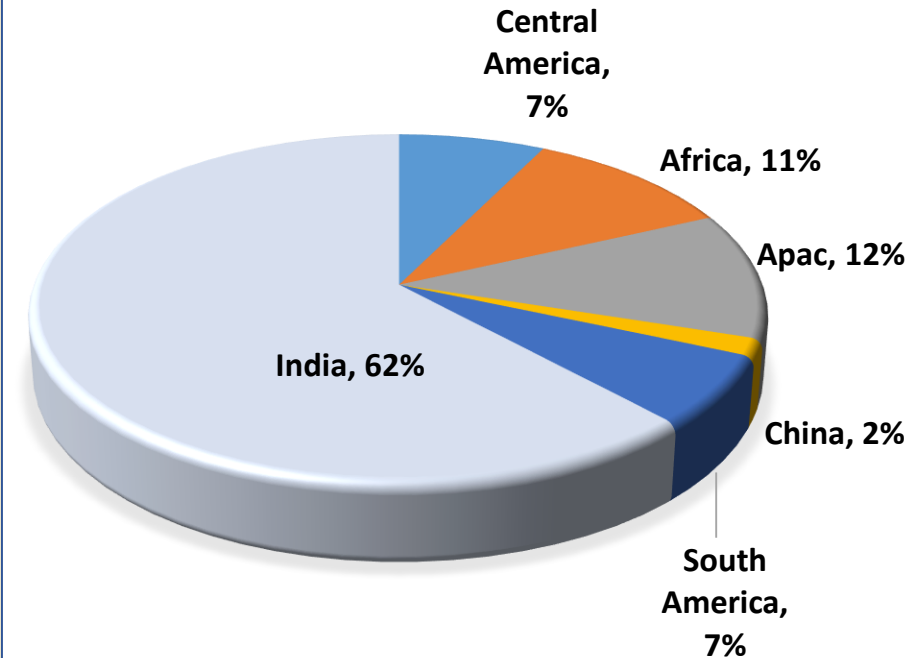
Robust **Environment Management** Systems: ~USD 10 mil investment in last 5 years

Coromandel Crop Protection : Exports



- **8 Subsidiaries** in key global geographies- Adding Subsidiaries in Africa
- Presence across **71 countries**
- **~USD 80-100 mil** revenue from exports

Sales Share: 2016-17

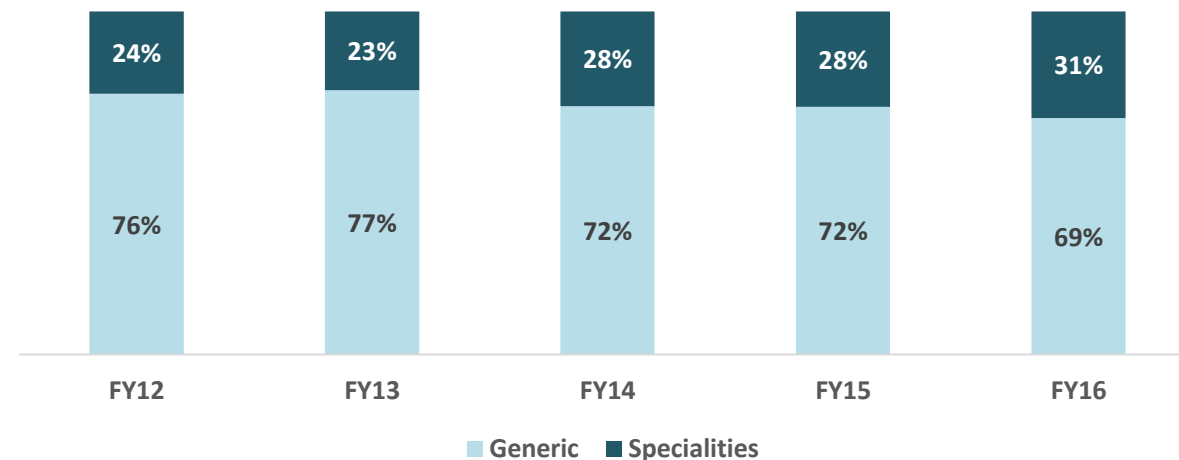


- **Exports** share: **40%**
- **~800** global registrations
- B2B & B2C presence

Coromandel Crop Protection : Domestic Formulations

- Wide product portfolio ~60 brands
- Customer reach thru 9000+ retailers

Specialties Focus



Coromandel Focus Crops and Major States



Rice –Andhra, Telangana, Tamil Nadu, West Bengal, Punjab



Grapes –Maharashtra, Karnataka



Cotton – Punjab, Andhra, Karnataka, Gujarat



Chilli – Andhra, Madhya Pradesh



Soyabean – Madhya Pradesh, Maharashtra



Pulses- Madhya Pradesh, Uttar Pradesh, Maharashtra, Rajasthan



F & V – All India

Coromandel Crop Protection: Strong R & D

- Process Synthesis / Development
- Process Improvement
- Formulation Development
- Effluent treatability Study
- Pilot Plant (Scale up)
- Centralized R&D at Hyderabad



- **Strong product pipeline**
- **Focusing on molecules going off patent over next 5 years**

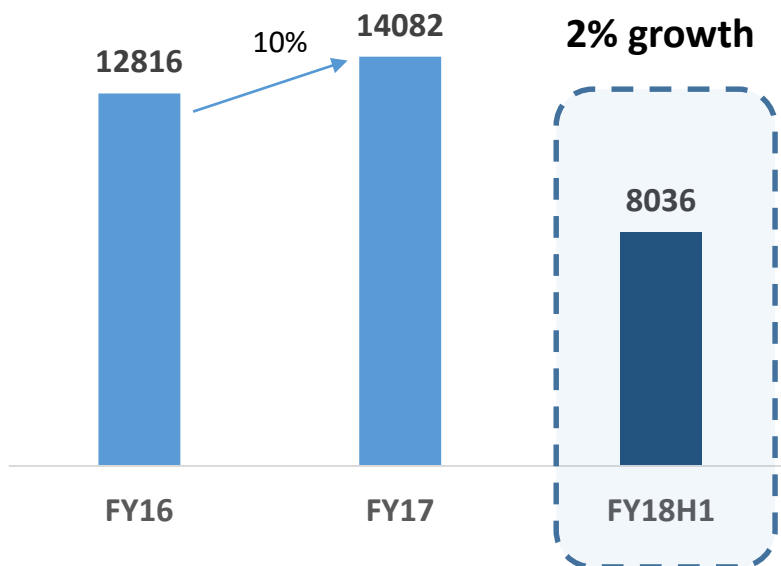
Coromandel Crop Protection: Growth Strategy

- **Focus on Export Registrations to improve market penetration**
 - B2C presence
 - Expand business in LATAM, Africa & APAC by leveraging strong registration portfolio
- **Domestic market expansion**
 - Product portfolio expansion
- **Increase R&D focus**
 - Off Patent molecule synthesis and process improvements in existing range
- **Improving sourcing efficiency & Cost Position**
 - Generate market information through China office

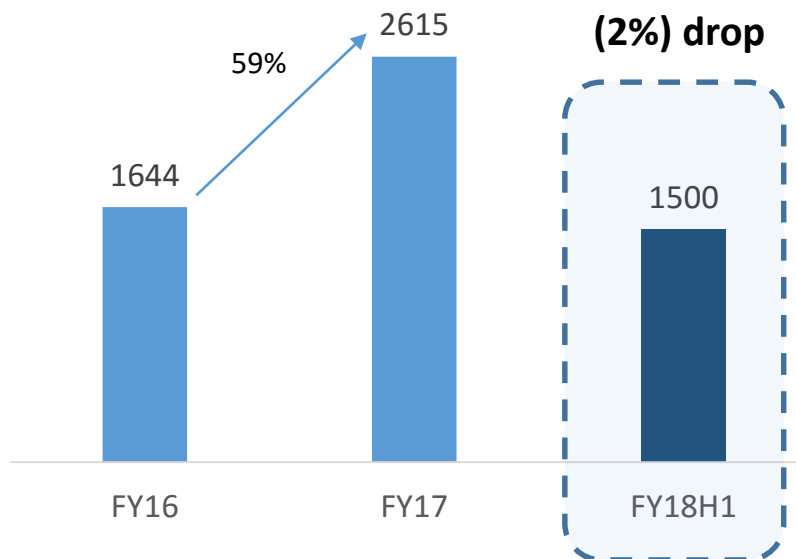


Crop Protection: Performance Variables

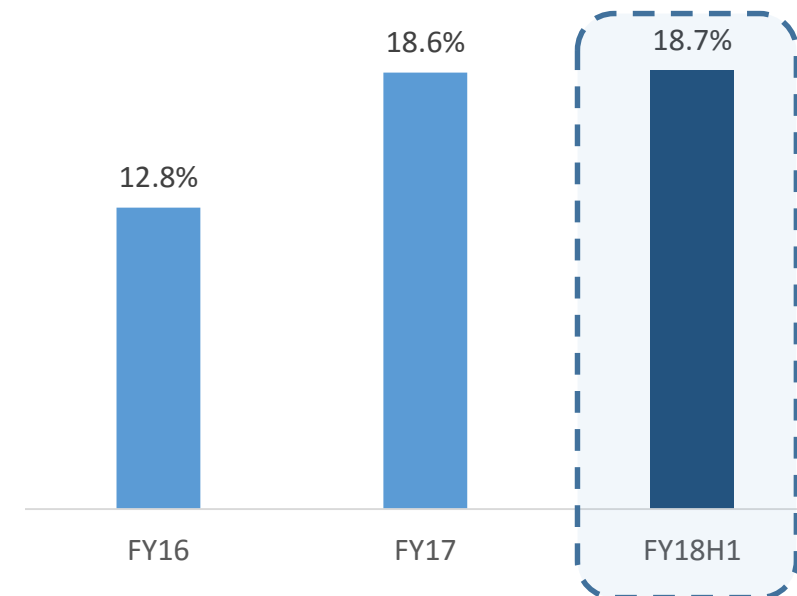
Turnover (INR mil)



PBIT (INR mil)



PBIT %



Growth Drivers:

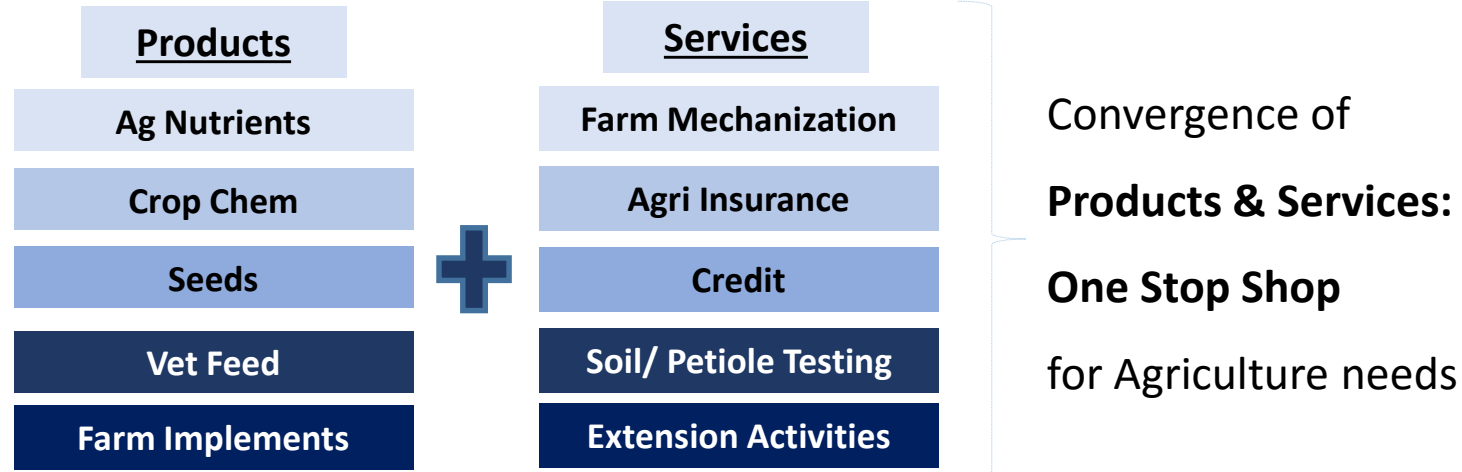
- High demand for **key molecule Mancozeb**
- **Capacity augmentation** of Mancozeb at Dahej and Sarigam
- Successful **product launches**

Headwinds H1:

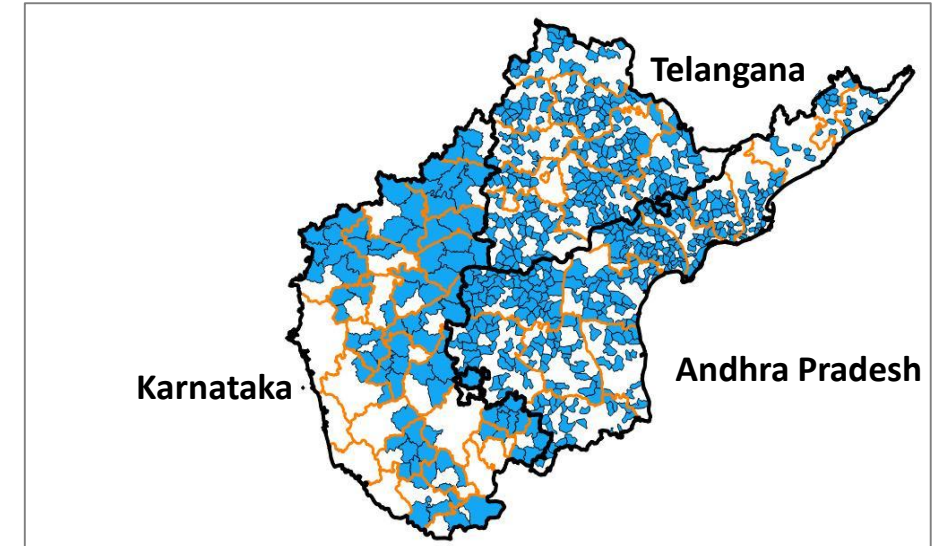
- Industry **slowdown** globally in H1
- **De stocking** before GST- Impact in Q1
- **Raw material** strengthening

Coromandel Retail

Farming Solutions



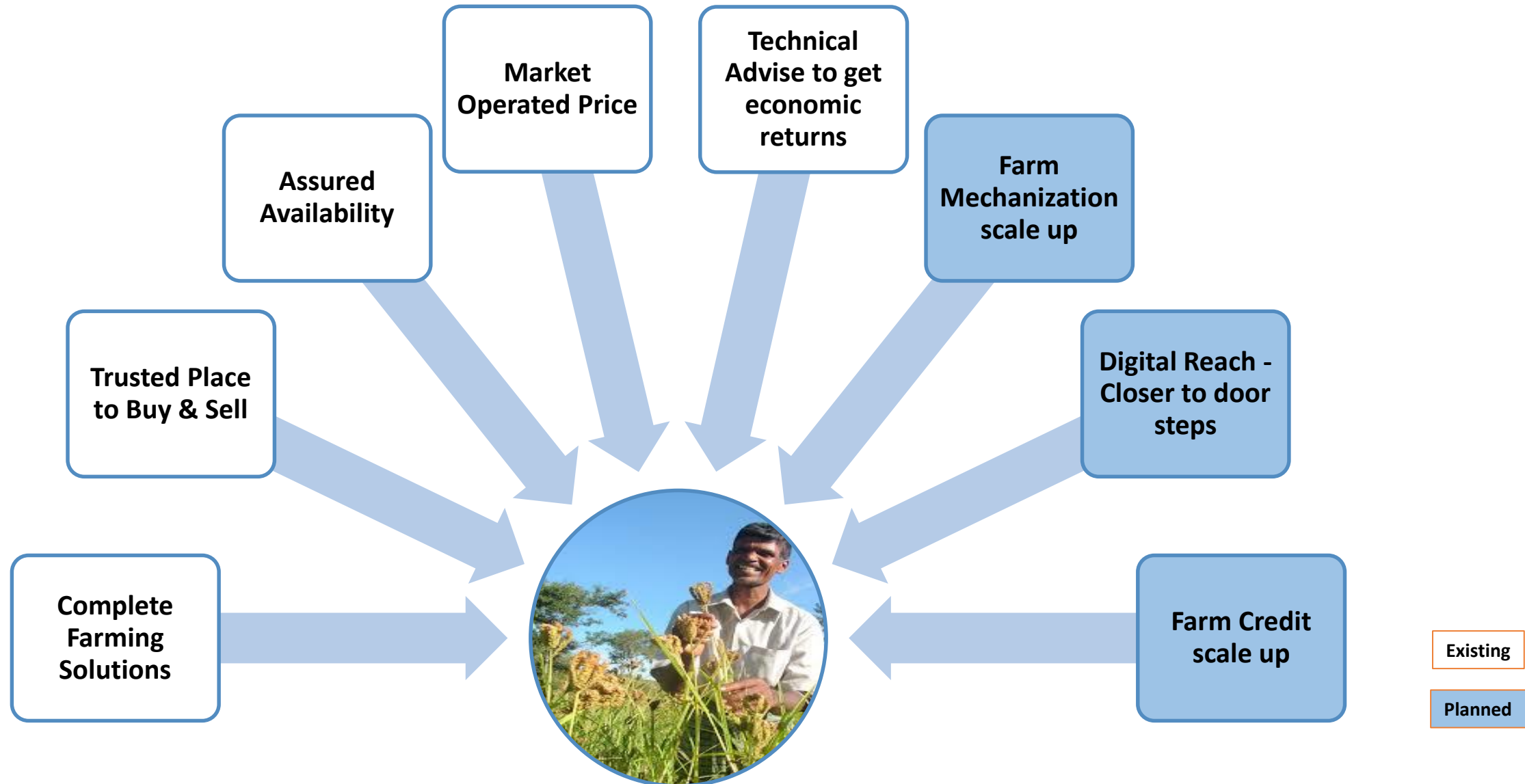
Customer Reach **2.8 million** farmers annually



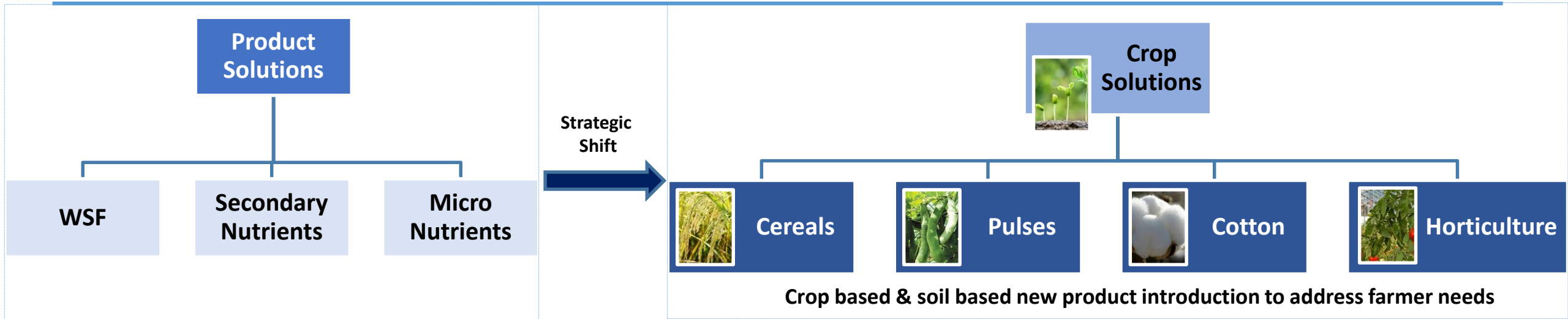
- ~70% turnover through **Captive** products
- **Non Fertiliser** Focus: ~45% of annual sales
- 'Retailer of the Year' award by CMO Asia

Expansion into Maharashtra in Q3

Coromandel Retail: Improving Customer Value Proposition



Coromandel Specialty Nutrients



Coromandel Specialty Nutrients: Balancing Growth

Manufacturing Capability

Infrastructure ↑

2012

CSQM 15000 MT WSF Plant, Kakinada

2008

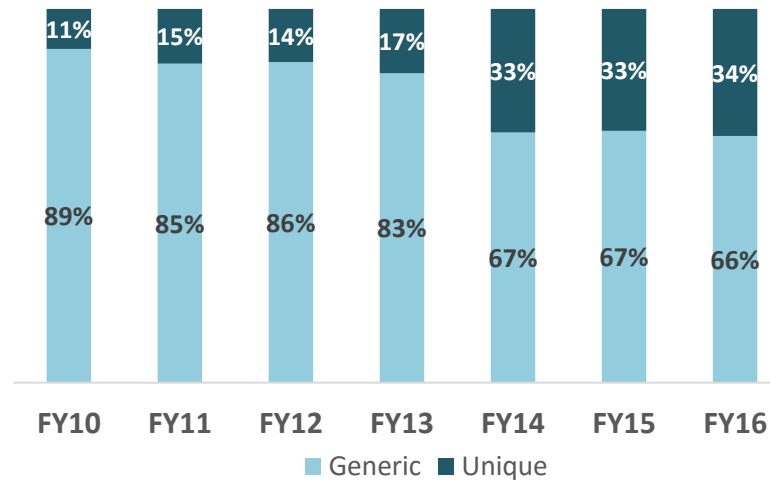
WSF Plant, Vizag

2006

Bentonite Sulphur Plant, Vizag- 25000 MT

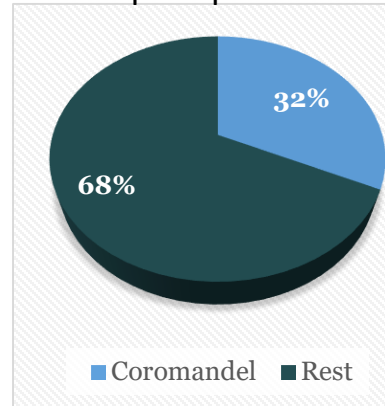
Marketing Capability

Unique Product Focus

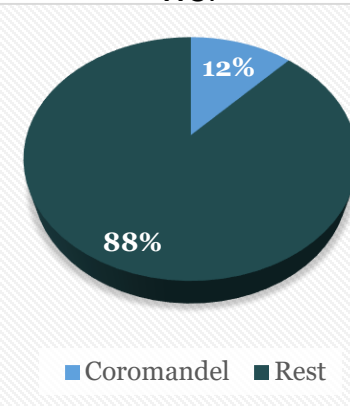


Value based Market Share

Sulphur products



WSF



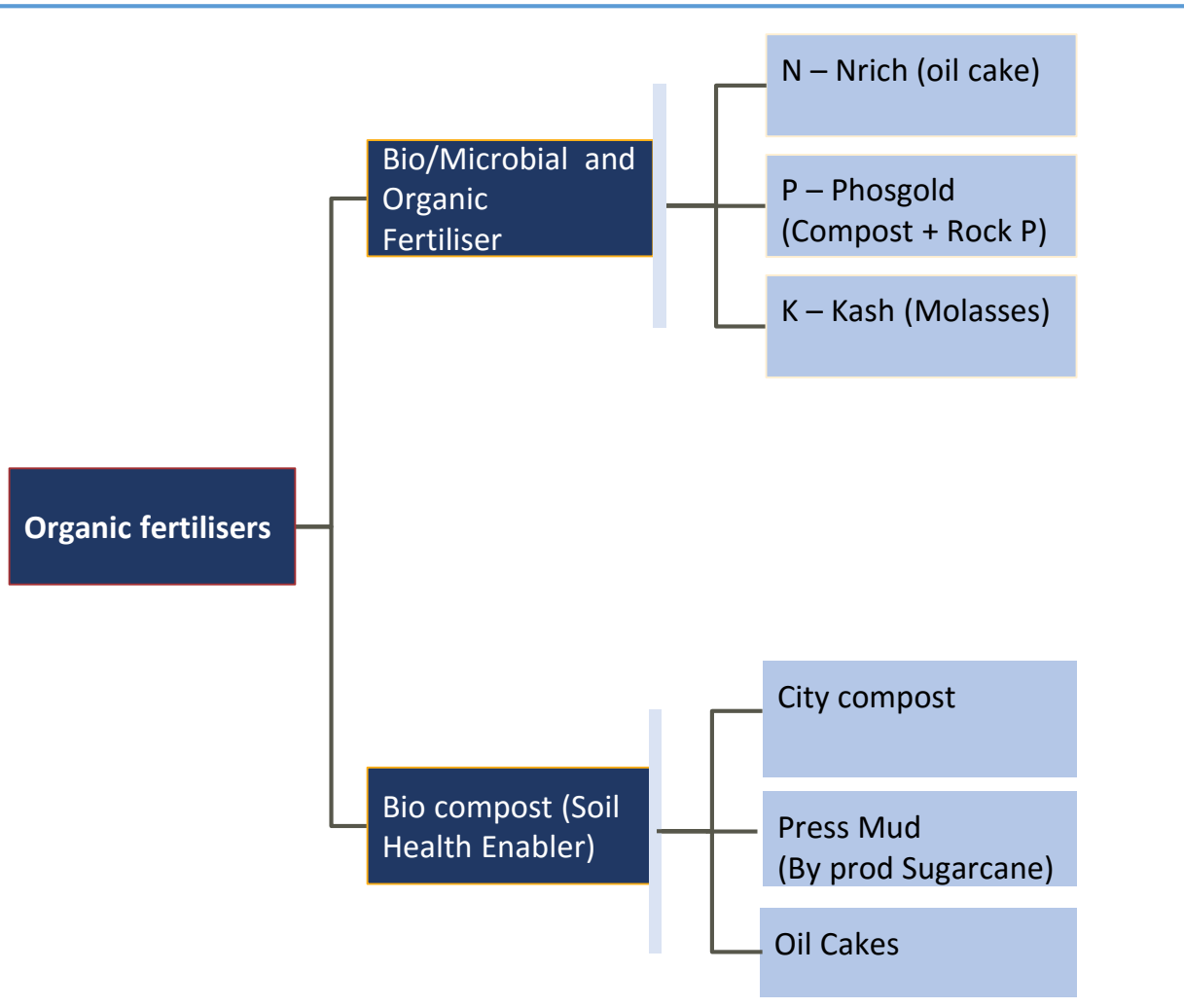
Knowledge Capability

- Dedicated Agronomist Team
- SQM Crop Knowledge
- Agronomic & Process R&D



Coromandel Organic Manure: Enriching Soil Health

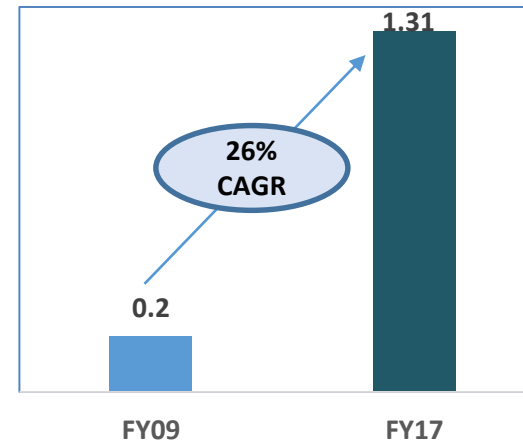
Product Portfolio



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)



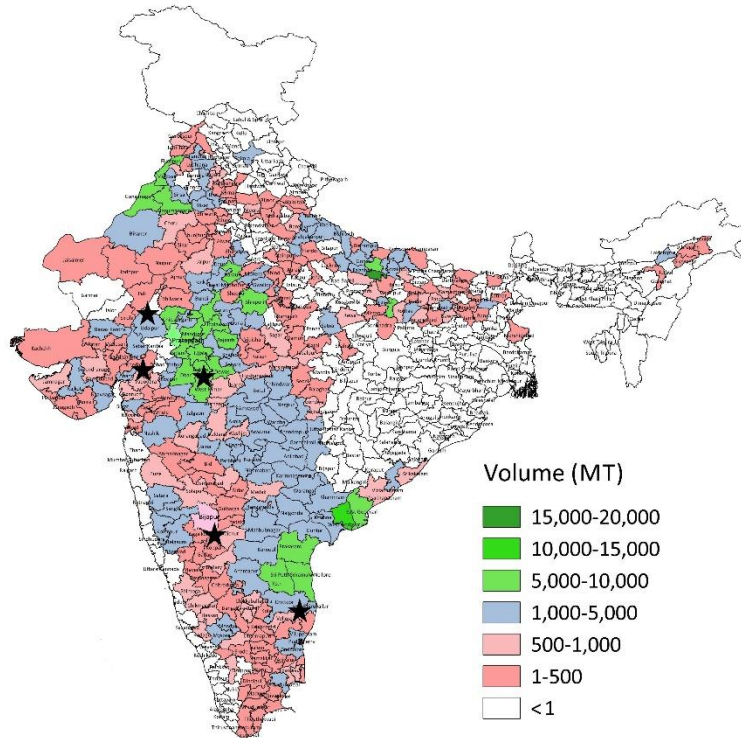
- **Pioneers** in Organic Fertilisers
- Market leaders **~30%** value share
- Efficient **sourcing** & distribution

Coromandel SSP

SSP : Market Leader in H1
12% market share

Started **SSP manufacturing in 1906** from Ranipet Plant:
1st Fertiliser Plant in India

SSP - FY 2016-17 Coromandel sales volume



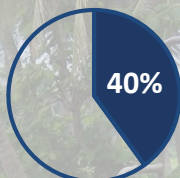
- Manufacturing capacity ~**1 mil MT/ annum**
- Presence across major SSP consuming crops- **Pulses & Oilseeds**
- Improving quality perception and positioning of the product:
 - **Quick Test Kits**
 - **Quality Certification:** ISO 9001, ISO 14001 & OHSAS 18001 Management
- Expanding product range – Granular, Fortified SSP

Farm Mechanization: Eyeing the Future

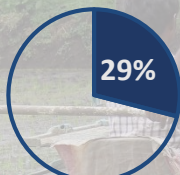
Mechanization across Ag Value Chain

Coromandel's Presence

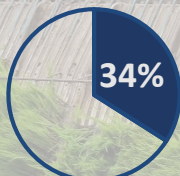
Soil & seed bed preparation



Seeding & Planting



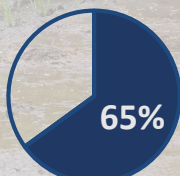
Plant Protection



Irrigation



Harvesting & Threshing



Paddy Transplanters

Power Sprayers

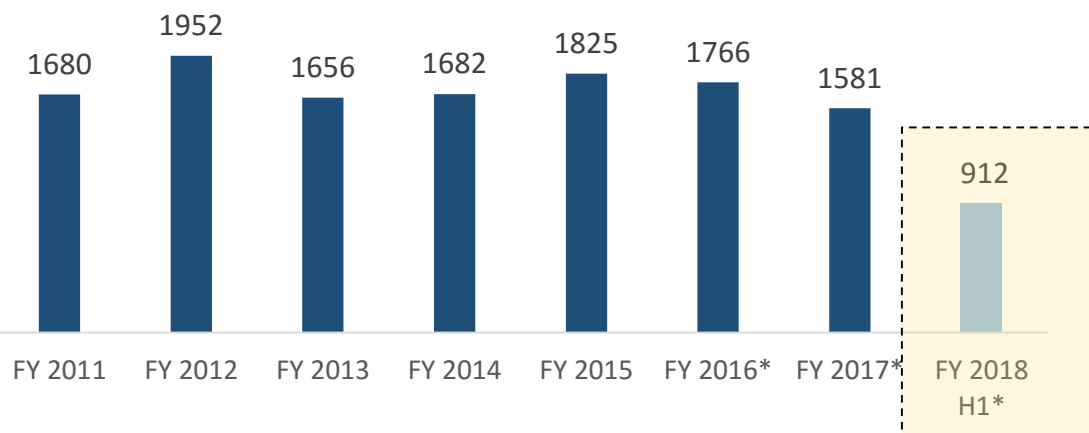
Drip

Source: Grand Thornton

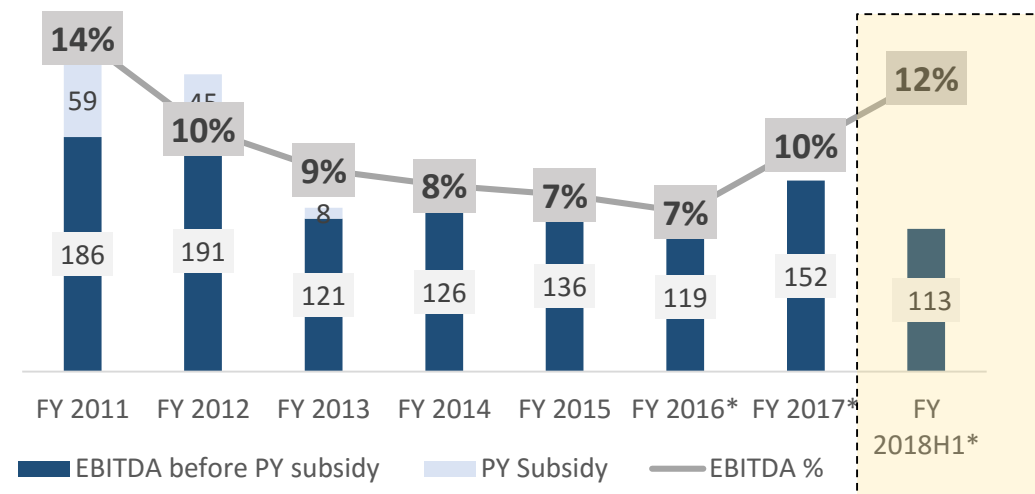
- Market leadership in **TN, AP, Kerala** for Rice transplanters
- **Service centers** in AP, Telangana & Tamil Nadu
- **Synergistic approach** through Coromandel Retail operations
- **Indigenization** of spares
- Expanding portfolio to include **other Yanmar models** (Combine , Tractors, Harvesters)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

Coromandel Key Financials

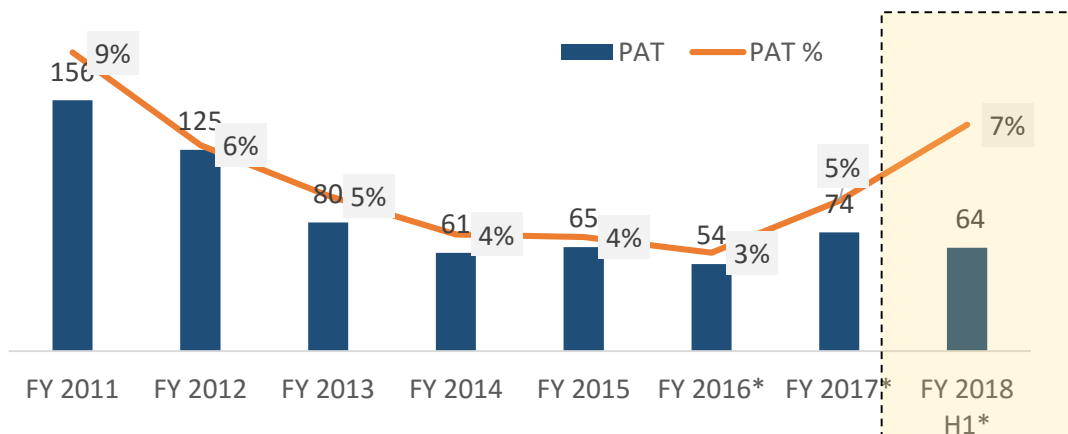
Turnover (USD Mil)



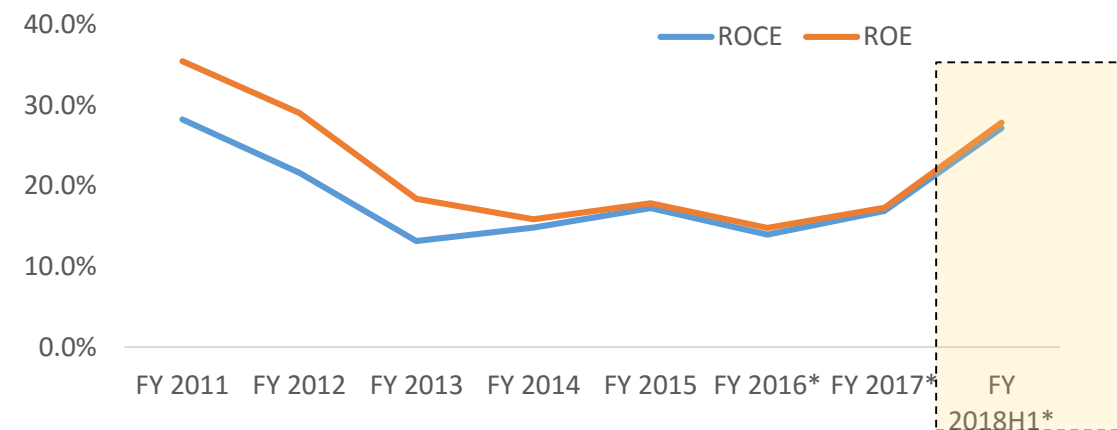
EBIDTA (USD Mil) & EBIDTA %



PAT (USD Mil) & PAT %



ROE & ROCE (%)



Coromandel Financials- P&L

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016*	FY 2017*	In Rs Mio FY 2018* H1	H1 growth YOY
Revenue	77,204	99,796	91,038	1,01,140	1,13,630	1,17,003	1,02,499	59,543	+5%
<i>YoY (Growth) (%)</i>	<i>18%</i>	<i>29%</i>	<i>-9%</i>	<i>11%</i>	<i>12%</i>	<i>3%</i>	<i>-12%</i>		
EBITDA before PY Subsidy	8,291	9,728	6,591	7,578	8,495	7,896	9,820	7,386	+56%
PY Subsidy	2,265	461	1,088	349	-	-	-		
EBITDA Reported	10,556	10,189	7,679	7,926	8,495	7,896	9,820	7,386	
<i>YoY (Growth) (%)</i>	<i>49%</i>	<i>-3%</i>	<i>-25%</i>	<i>3%</i>	<i>7%</i>	<i>-7%</i>	24%		
PBT after exceptional item	9,857	9,111	5,567	5,171	5,920	5,291	7,123	6,341	+92%
PAT	6,937	6,345	4,337	3,649	4,018	3,574	4,770	4,180	
EPS (Rs.) -Basic	24.66	22.64	12.46	15.27	13.80	12.27	16.36	14.32	
Debt / Total Capital (%)	44.4%	54.9%	56.1%	44.4%	51.0%	50.4%	43.5%	33.39%	
LT Debt / Total Capital (%)	9.6%	12.2%	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 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016*	FY 2017*	FY 2018 H1*
Equity	19567	24161	23029	23066	22020	26340	28908	31,149
Debt & Other LT liabilities	15923	29774	29761	18730	23178	26890	22398	16,252
Deferred Tax Liability	815	675	1877	1890	1875	1679	1495	1,268
Sources of Funds	36305	54610	54666	43685	47074	54909	52801	48,669
Net Fixed Assets	11041	18226	22764	18085	14261	13612	13495	13,457
Investments	1330	1495	1597	3416	3520	4769	3884	4,608
Cash	9605	9847	5346	4722	3176	1978	1678	1,463
Deposits	0	2698	3850	2850	4700	4800	5223	5,677
Bonds	4300	0	0	0	0	0	0	
Inventory	15139	19218	14775	17529	22592	23458	17246	18,602
Subsidy	9690	16260	13756	11123	17894	23671	25570	20,111
Debtors	2024	9579	18201	14835	14464	16419	16217	16,540
Other Current Assets	2163	2328	3832	3490	3010	3111	3138	5,412
Current Liabilities	18987	25041	29454	32363	36543	36908	33649	37,201
Net Current Assets	23933	34889	30306	22185	29293	36528	35423	30,604
Application of Funds	36305	54610	54666	43685	47074	54909	52801	48,669

*As per new accounting standards Ind AS

Thank You