



RALLIS INDIA LIMITED

Results Presentation

Q3 & YTD FY20



DOMESTIC CROP
PROTECTION



INTERNATIONAL
BUSINESS



CONTRACT
MANUFACTURING



SEEDS



PLANT GROWTH
NUTRIENTS



AGRI
SERVICES

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Rallis – Areas of Strength



Well entrenched connect with the Indian farmer

(Domestic business)

- Crop Protection
- Plant Growth Nutrients (PGN)
- Soil conditioners
- Seeds



Chemistry

(International business)

- Partnering with global innovators
- Strong R&D & executional capabilities
- Environmentally adhering products

Proven capabilities make Rallis a Preferred Partner of Choice for Innovators



Domestic business

Leading Agrochemical Company

Presence across value chain: Seeds — Soil conditioners – Crop Protection Chemicals-Plant growth nutrients

Market share: ~ 6% (Crop protection & PGN), ~3% (Seeds)

Strong & Healthy pipeline of sustainable products

Nation wide footprint – 3,670 dealers & 41500+ retailers



International Business – Primed for growth

Alliances

- Developing Technical for global Agro chemicals players
- **Key products**
 - **Pendimethalin:** Used as a pre-emergence herbicide to control annual grasses and certain broad leaved weeds. Global market size: **413Mn USD**
 - **Acephate:** An organophosphate foliar and soil insecticide used primarily for control of aphids, leaf miners, caterpillars, sawflies, thrips, and spider mites. Global market size: **510Mn USD**
 - **Hexaconazole:** is a Broad-spectrum systemic triazole fungicide used for the control of many fungi particularly Ascomycetes and Basidiomycetes, used chiefly for the control of rice sheath blight in China, India, Vietnam and parts of East Asia. Global Market size: **149 Mn USD**
 - **Metribuzin:** herbicide used both pre- and post-emergence in crops including soy bean, potatoes, tomatoes and sugar cane. Global market size: **196 Mn USD**
 - **Metalaxyl:** an acylalanine fungicide used to control Pythium in a number of vegetable crops, and Phytophthora in peas, Global market size: **89 Mn USD**

Source: Kleffmann market research FY17-18

Contract Manufacturing

- Manufacturing molecules for global chemical players
- Key products - Poly Ether Ketone Ketone (PEKK) & Metconazole
- **Poly Ether Ketone Ketone (PEKK)**
 - Major supplier of PEKK for Solvay
 - Polyetheretherketone (PEKK) is a high-performance, engineering thermoplastic characterized by an unusual combination of properties - resistance to chemicals, wear, fatigue
 - PEKK and its composites are widely used in aerospace, automotive, structural, high temperature electrical and biomedical applications
- **Metconazole**
 - Fungicide supplied to Kureha Chemicals, a leader in speciality chemicals

FACTS

1st Indian company to introduce a new molecule in India

1st company to set up an R&D centre in the country

Opportunity Size: Agrochemicals products worth US\$ 2.9 bn expected to go off patent between 2017 -20



Seed business

Metahelix develops, produces and sells hybrid seeds including Paddy, Millet, Maize and Bt Cotton with main exposure (80-85%) to the Kharif season

Strong market position - among top 3 in Hybrid Paddy(3rd) & Hybrid Millet (2nd) and Maize (6th). With around a million packets sold, our Bt Cotton portfolio is fast growing

Farmer base of 3 Mn up from 1 Mn in FY15

Seasonal business – Q1 & Q2 accounting for 85% of revenues



Strategic Initiatives

Domestic business:

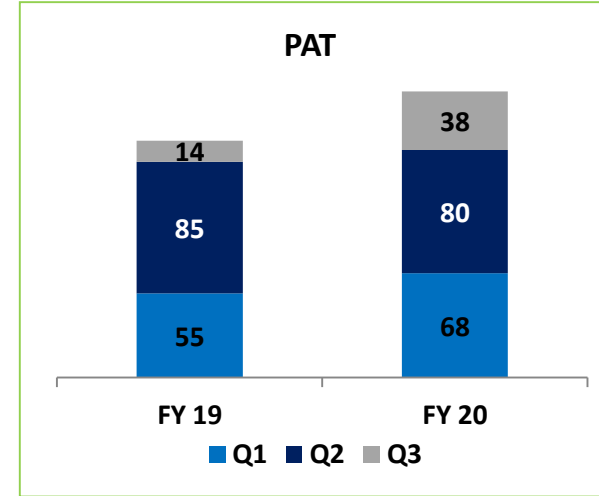
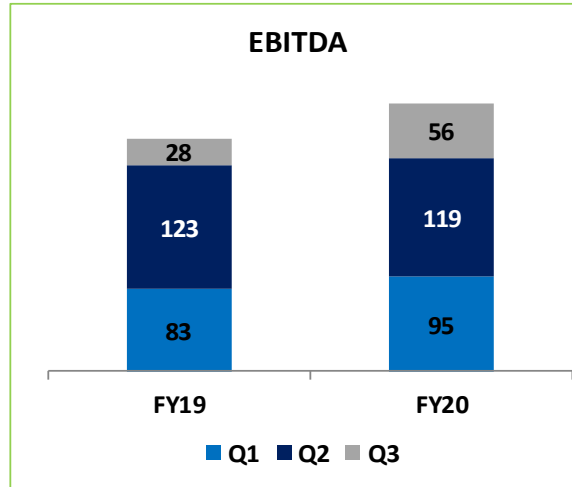
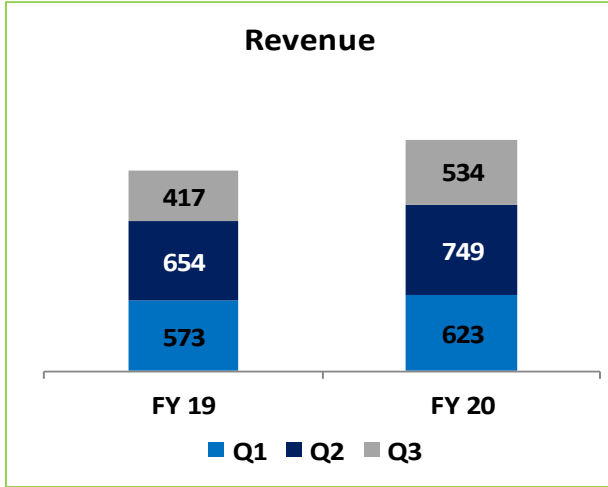
- Refresh distribution channel : Add distributors to enhance growth
- Revitalize channel policies
- Increase focus on new product launches
- Improve connect between distributors and Company

International business:

- Invest in capacity expansion
- Increase Registrations in International markets
- Expand foot prints in South East Asian countries and Africa



Q3 FY20 - Performance Highlights : Consolidated



Overall growth of 28%.

Majority growth coming from Volume growth across Domestic business and International Business

Seeds business registered a modest growth for the quarter largely coming from Paddy, Millet and Vegetable

EBITDA for the quarter increased due to higher contribution coming through volume growth across businesses and reduction in raw material cost (net of unfavorable price var)

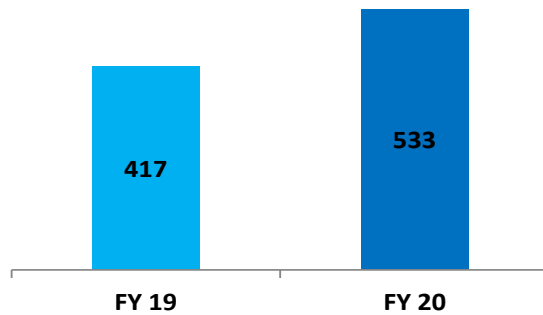
Seeds: Improved Gross margin due to product mix

Higher contribution through volume growth, part reversal of tax provision.

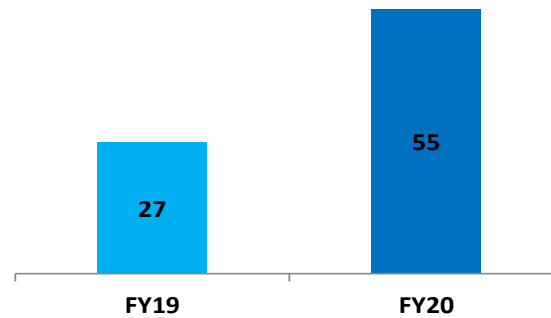
Q3 FY20 - Performance Highlights : Rallis Standalone (Merged Entity)

Rs crs

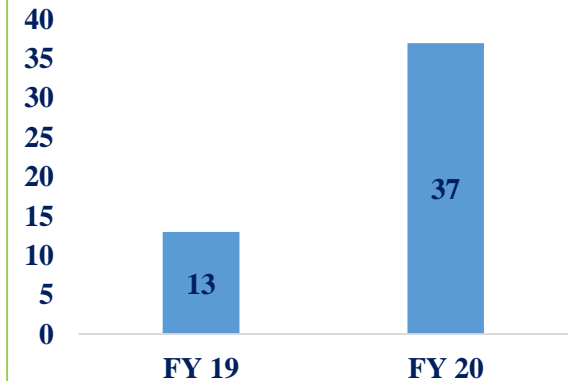
Revenue



EBITDA



PAT



Rallis: Overall growth of 30%, majority growth coming through volume- across Domestic and International business.

Seeds: Major Growth in Paddy ,Bajra & Vegetable

Rallis : EBITDA for the quarter increased due to higher contribution coming through volume growth across businesses and reduction in raw material cost (net of unfavorable price var)

Seeds: Product mix leading to margin improvement

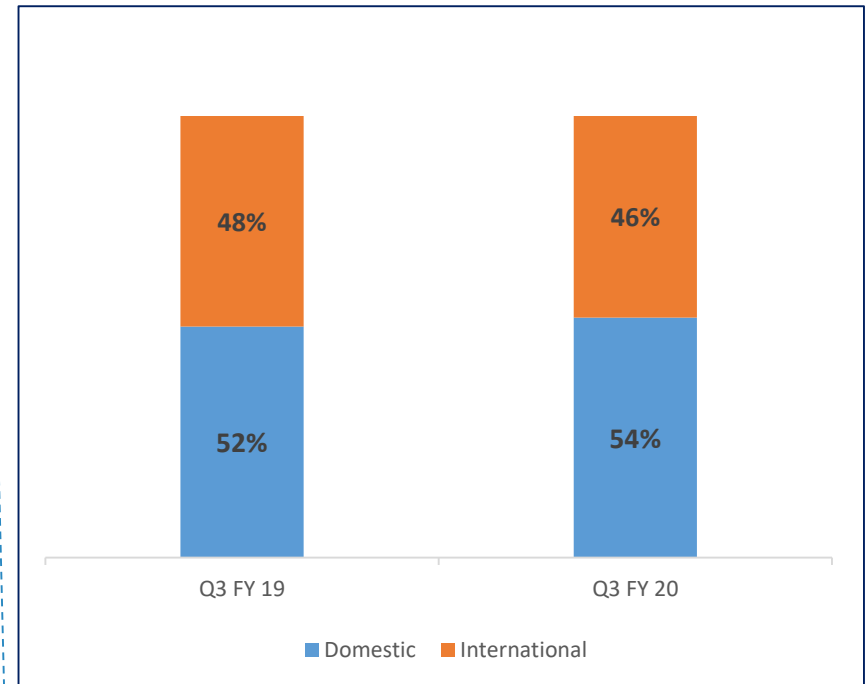
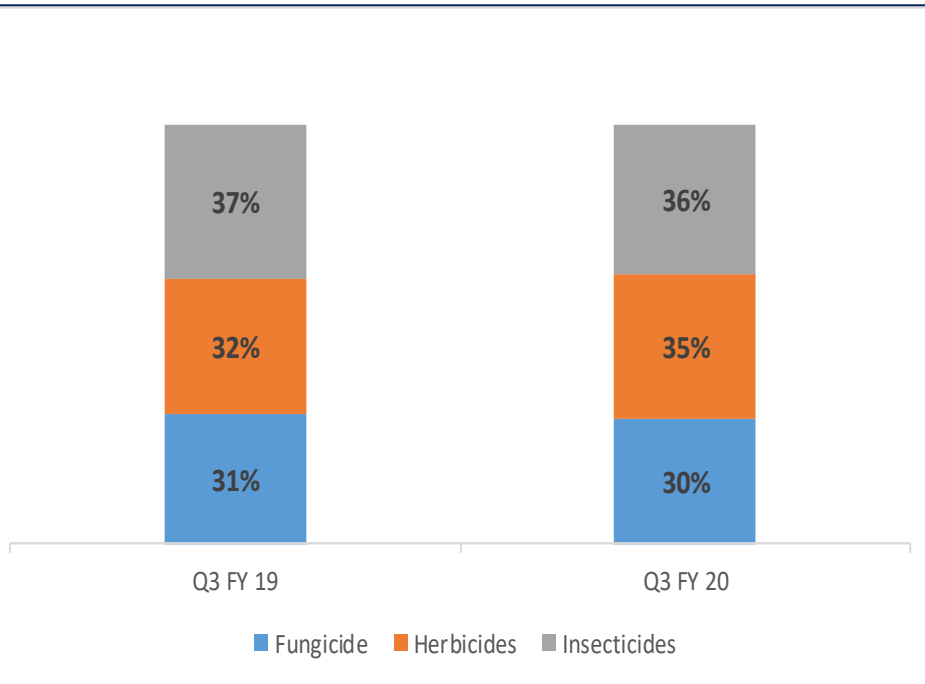
Higher volume growth leading to increased gross contribution coupled with Cost optimization and Tax provision reversal



Revenue Split Q3

Category wise

Geography wise



Note:

Pl note that these revenue breakups are for Crop Protection only and are not directly reflective of Merged Entity financials

Note:

Geography breakup is for Rallis standalone only and are not directly reflective of the Merged Entity revenue.

(International business-YTD Share has gone up from 35% to 38%)

Capex - Update

Scaling up capacities of selective molecules -

- Setting up of Dahej chemical plant-Progress on track. Production expected to commence in FY 21.
- Metribuzin Phase II expansion of 500MTPA is expected to be commercialized by Feb, 2020

Operational Highlights

- Rallis standalone Financials is drawn as per merged entity and accordingly previous year figures are restated In accordance with the guidance set out in Ind AS Transition Facilitation Group (ITFG) Clarification Bulletin 14 (Issue 4).

Strong Product pipeline –

- Introduced 2 products during the quarter in Crop Protection
- On track to launch 1 additional products during the fiscal (total new introductions in the year =7)
- Plan to introduce 11-12 new products over the next few years in Domestic market

Widening footprint –

- New trade terms accepted well by the partners; addition of 330 dealers during the 9M FY20 (SS/PD count at 9M end = 3730; retailer count ~ 41500)

Operational efficiency -

- Improved cash from Operations more than Rs 300 Cr CY as compared to PY
- Channel pipeline stocks stable



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THANK YOU



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