



RALLIS INDIA LIMITED

Results Presentation

Q2 & H1 FY20



DOMESTIC CROP
PROTECTION



INTERNATIONAL
BUSINESS



CONTRACT
MANUFACTURING



SEEDS



PLANT GROWTH
NUTRIENTS



AGRI
SERVICES



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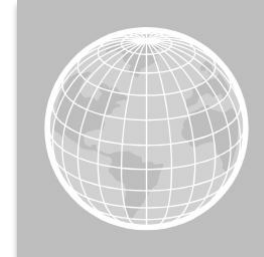
Rallis – Areas of Strength



**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

The Board approved the merger of Metahelix (a wholly owned subsidiary of the Company) with the Company under a Scheme of Amalgamation subject to necessary statutory approvals from various regulatory authorities



Strategic Initiatives

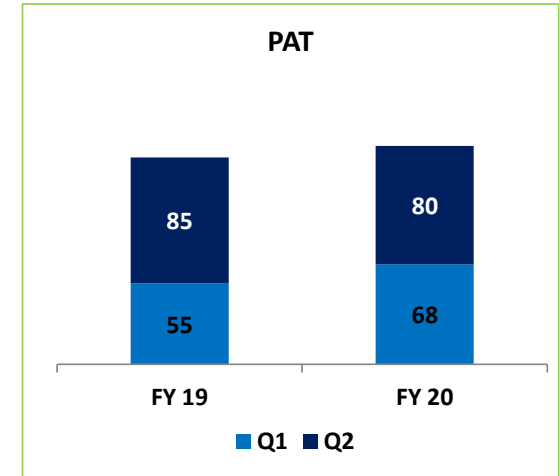
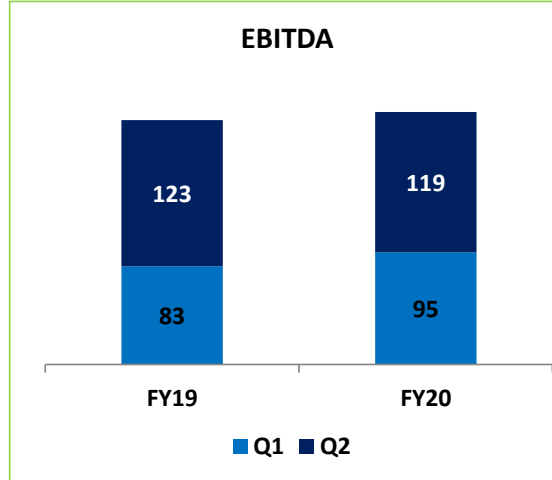
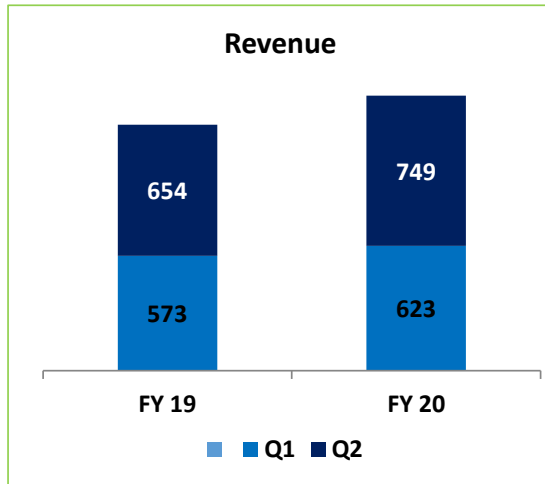
Domestic business:

- 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

Q2 FY20 - Performance Highlights : Consolidated



Q2

Overall growth of 14.5%. Out of which 10.7 % through volume and 3.8% is price.

Domestic business grew by 6% . Out of which 4% through Volume and 2% is through price .

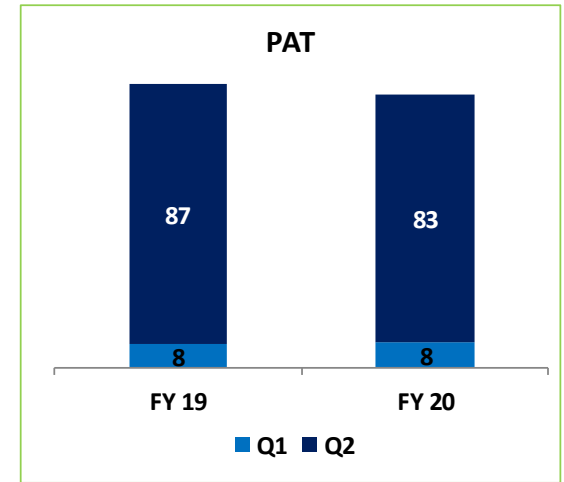
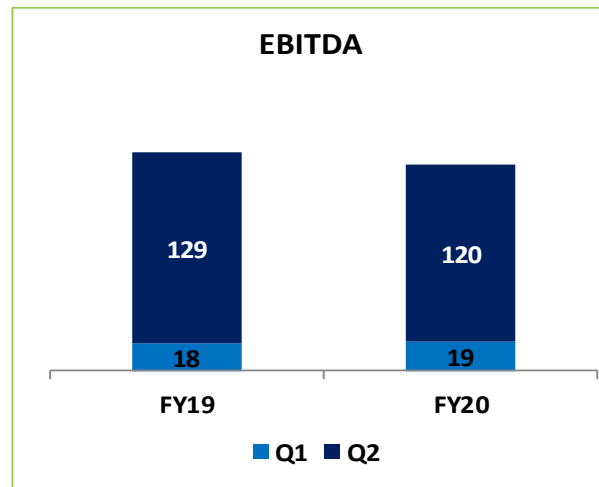
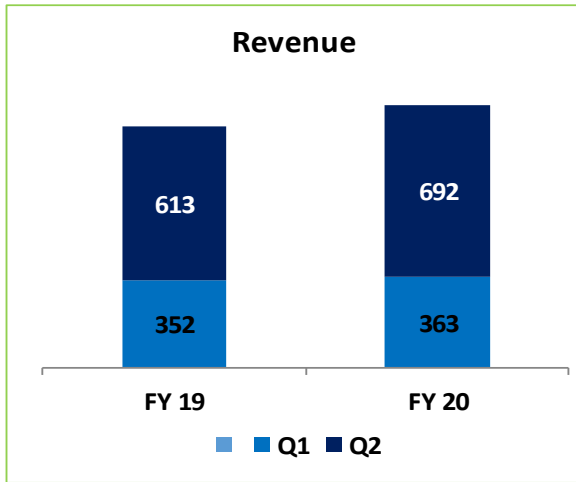
H1

Overall growth of ~12% out of which volume is ~9%

As anticipated, EBITDA margin for the quarter declined owing to higher input prices – on going disruption in China. Further, higher competitive intensity, in select products both in India and Internationally exerted pressure on the margins & profitability

PAT for the quarter lower by 6% on the back of lower margin realization.

Q2 FY20 - Performance Highlights : Standalone



Q2

Overall growth of 13% out of which volume growth is 9%

Domestic business grew by 6% . Out of which 4% through Volume growth

H1

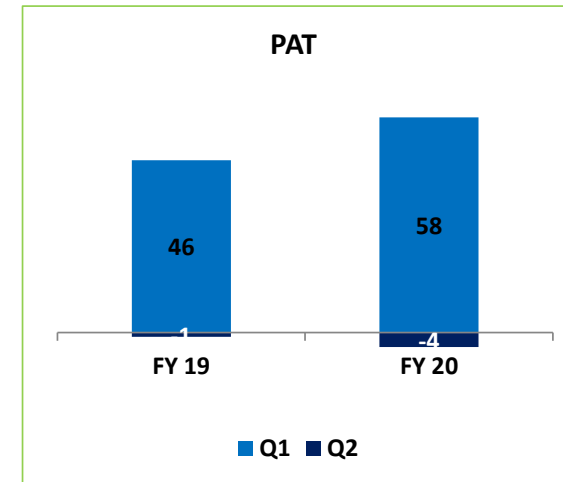
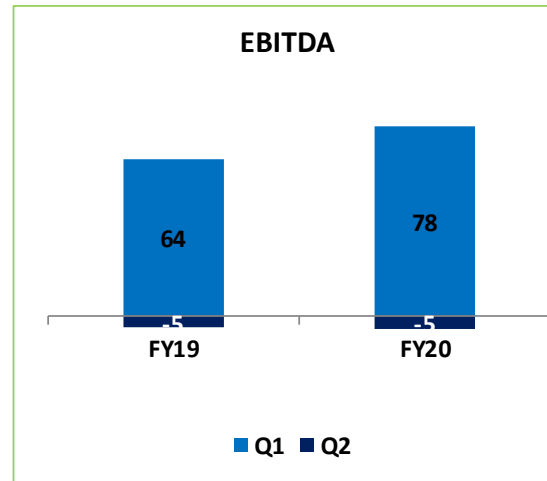
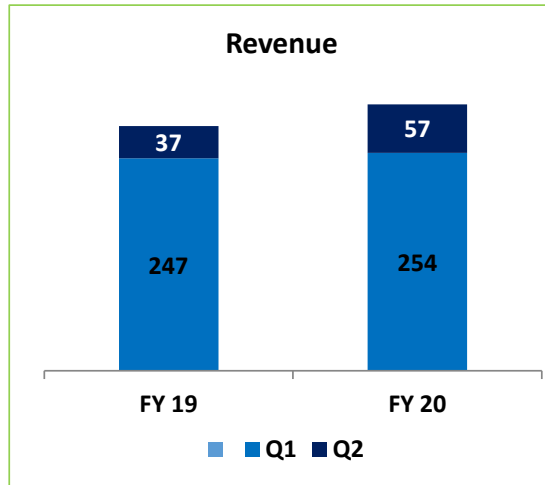
Overall growth of ~13% out of which volume is ~8%

EBITDA for the quarter declined marginally owing to higher input prices – on going disruption in China. Further, higher competitive intensity in select products both in India and Internationally also exerted pressure on the margins & profitability

PAT for the quarter lower by 5% on the back of lower GC realization.

Deferred tax balance has been re measured using the tax rate expected to be prevalent in the period in which the deferred tax balances are expected to be reversed.

Q2 FY20 - Performance Highlights : Metahelix



Q2

- Overall growth of 51% in revenues

H1

- Overall growth of ~9.5% largely due to price/mix
- Strong performance largely driven by Paddy & Millet. No. 2 in Millet
- Millet new hybrids look promising

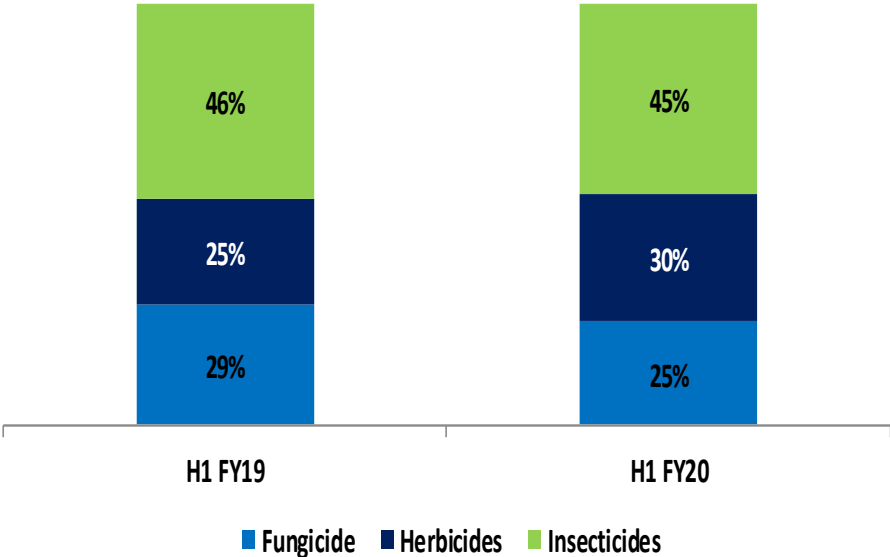
Improved EBITDA margin vs PY result of NRV growth & Product Mix for H1

Positive impact includes effect of channel mix due to Seed business consolidation (Chiefly in Cotton and Paddy) for H1

PAT for H1 higher by 19%.

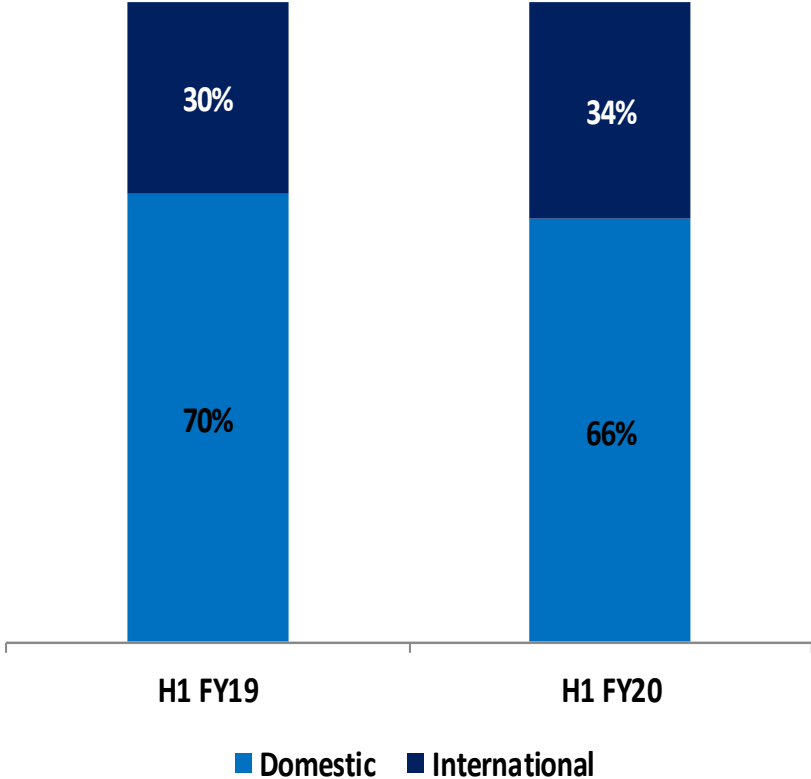
Revenue Split

Category wise



Note: Pl note that these revenue breakups are for Crop Protection only and are not directly reflective of Standalone revenues

Geography wise



Note: Pl note that geography breakup is for Standalone revenues

Capex - Update

Scaling up capacities of selective molecules -

- Setting up of Dahej chemical plant-Progress on track. Production expected to commence in FY 21.
- Metri-First phase of expansion (500MT) completed in June-19-commercial production on.
- Second phase of expansion of 500 MT underway –expected to be ready by Dec 2019.



Operational Highlights

Strong Product pipeline –

- Introduced 4 products during the quarter in Crop Protection
- On track to launch 1 additional products during the fiscal (total new introductions in the year =5)
- 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 270 dealers during the H1 FY20 (SS/PD count at H1 end = 3670; retailer count ~ 41500)

Operational efficiency -

- Improved cash from Operations (Rs 216 Cr CY vs Rs 47 Cr PY at H1 end, consolidated)
- Channel pipeline stocks stable


Credit Rating -





CRISIL reaffirmed its ratings on Rallis India Ltd.'s bank facilities and commercial paper programme at 'CRISIL AA+/Stable/CRISIL A1+' – reflective of the Company's strong financial position and leadership position in Agrochemical / Crop protection market

- Total Bank Loan Facilities Rated: **Rs.400 Crore (Enhanced from Rs.360 Crore)**
- Long Term Rating: **CRISIL AA+/Stable (Reaffirmed)**
- Short Term Rating: **CRISIL A1+ (Reaffirmed)**
- Rs.75 Crore Commercial Paper: **CRISIL A1+ (Reaffirmed)**

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