



RALLIS INDIA LIMITED

Results Presentation

Q2 FY21



DOMESTIC CROP
PROTECTION



INTERNATIONAL
BUSINESS



CONTRACT
MANUFACTURING



SEEDS



PLANT GROWTH
NUTRIENTS



AGRI
SERVICES

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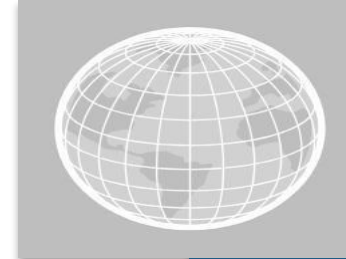
Rallis – Areas of Strength



**Well entrenched connect
with the Indian farmer**

(Domestic
business)

- Crop Protection
- Plant growth
- Nutrients(PGN)
- Soil conditioner
- Seeds



Chemistry

(International
business)

- Partnering with global innovators
- Strong R&D and 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

Nationwide footprint – more than **3800**
dealers & **47377+** retailers



International Business – Primed for growth

Alliances

- Developing Technicals 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 soybean, 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**

FACTS

1st Indian company to introduce a new molecule in India

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

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 automotive, high temperature electrical, aerospace, structural and biomedical applications
- **Metconazole**
 - Fungicide supplied to Kureha Chemicals, a leader in speciality chemicals

Seed business

Rallis 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

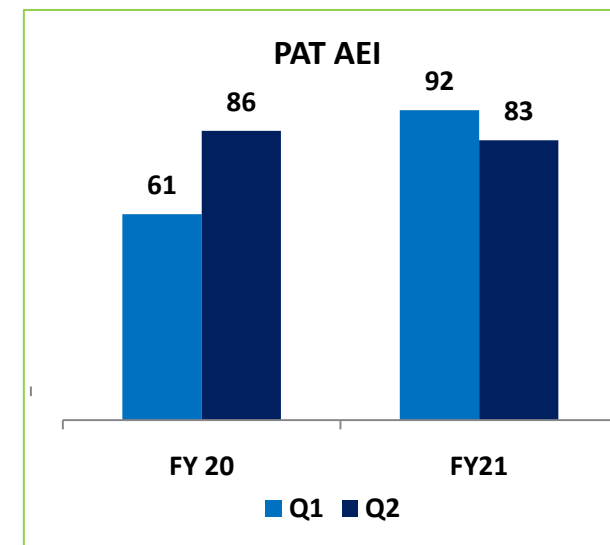
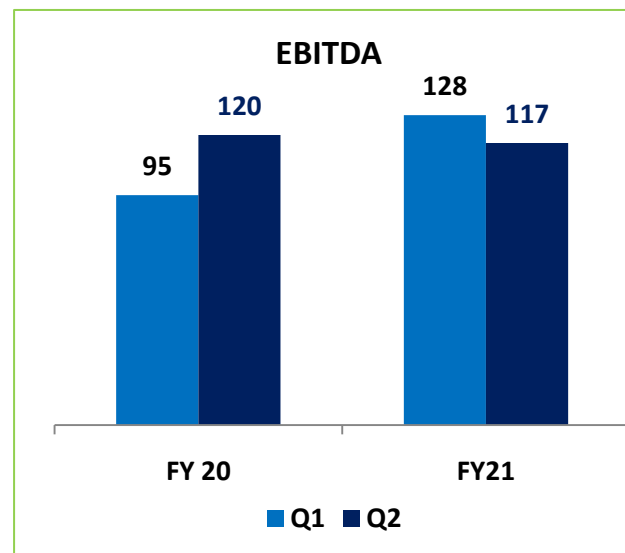
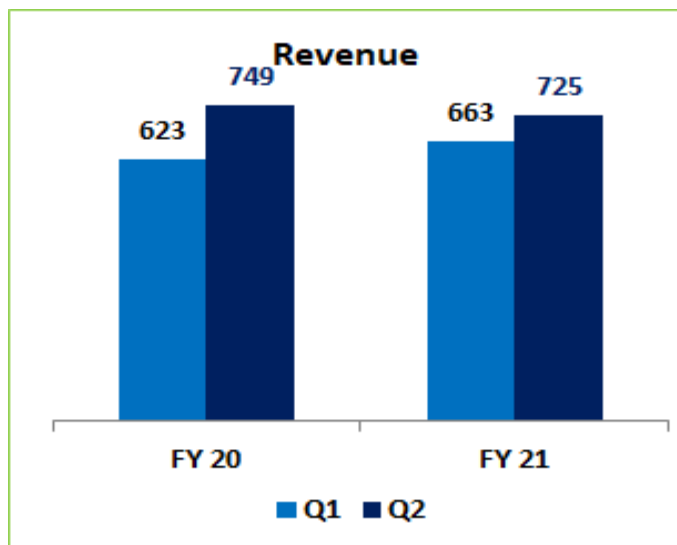
- Customer connect through digital campaigns
- Refresh distribution channel : Add distributors to enhance growth
- Higher focus towards digitisation and technology adoption
- Increase focus on new product launches; portfolio optimisation
- Improve connect between distributors and company

International business:

- Invest in capacity expansion
- Increase Registrations in International markets
- Expand footprint in South East Asian countries, Africa and LATAM

Q2 FY21 - Performance Highlights: Overall

Rs Crs



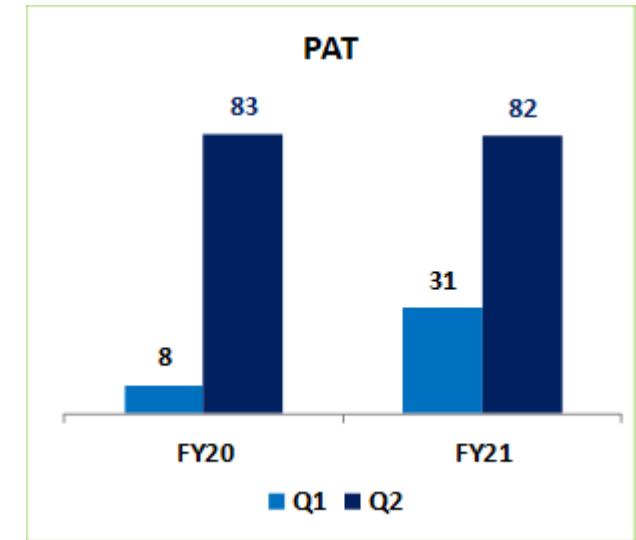
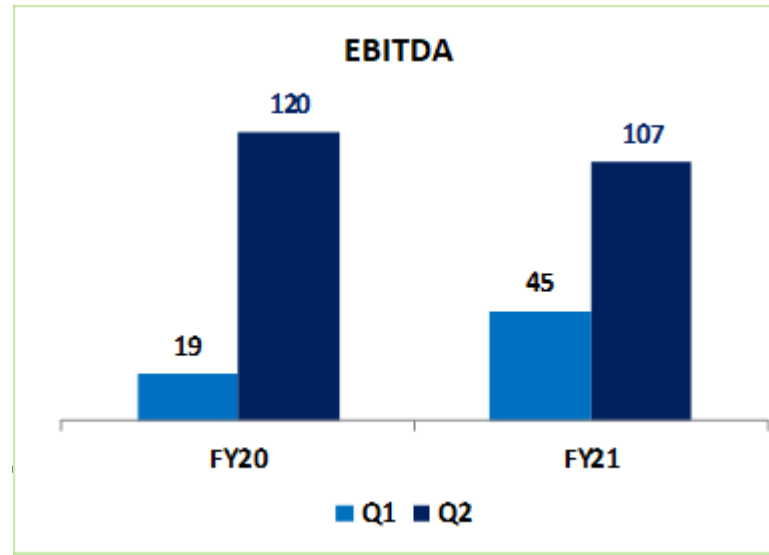
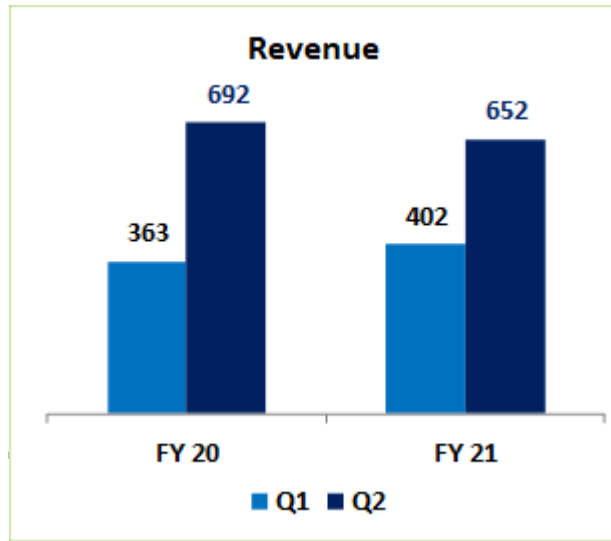
- CY Qtr Revenue was at Rs. 725 Crs i.e. lower by 3% as compared to PY Q2.
- Seeds business has registered growth of 29% in CY Q2.
- Domestic Crop Care Business grew by 8%; International Business saw a drop of 29%

- % EBITDA margins are at 16.1%; similar to 16.0% in PY Q2
- YoY drop in prices of Metribuzin Tech in the international business

- Company has opted for lower Income tax rate from current year. The effective tax rate ~ 24%
- PAT AEI- includes profits on sale of asset

Q2 FY21 - Performance Highlights: Crop Care division

Rs Cr



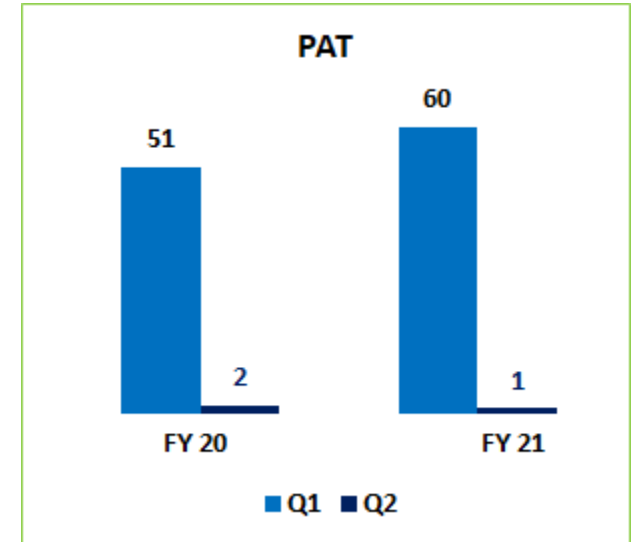
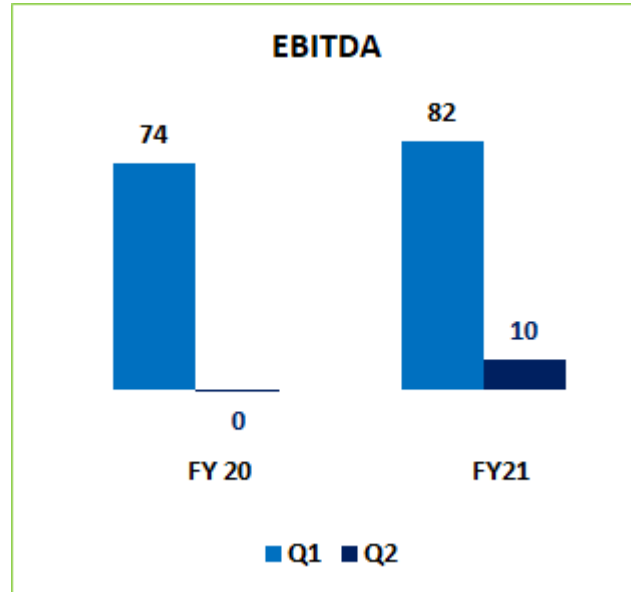
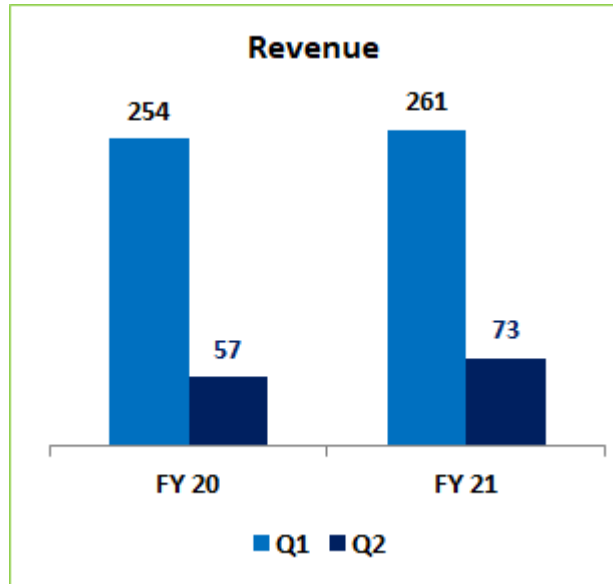
- Overall YoY revenue declined by 6% mainly due to drop in international business.
- Domestic business grew by ~ 8% YoY
- Pressure on Metribuzin in the International business continued in the 2nd quarter as well- both on Volume and Price front
- Contract Manufacturing business also witnessed a degrowth in both the products - -Metconazole & PEKK

- Overall drop in EBITDA due to drop in topline
- Price erosion in Metribuzin impacted margins.
- Better realization on Acephate & Pendi Tech and some of our branded products helped compensate partially

- Company has opted for lower tax rate at the start of the year
- Previous years tax includes adjustment of deferred tax amount resulting due to change in tax rate

Q2 FY21 - Performance Highlights : Seeds Division

Rs Cr

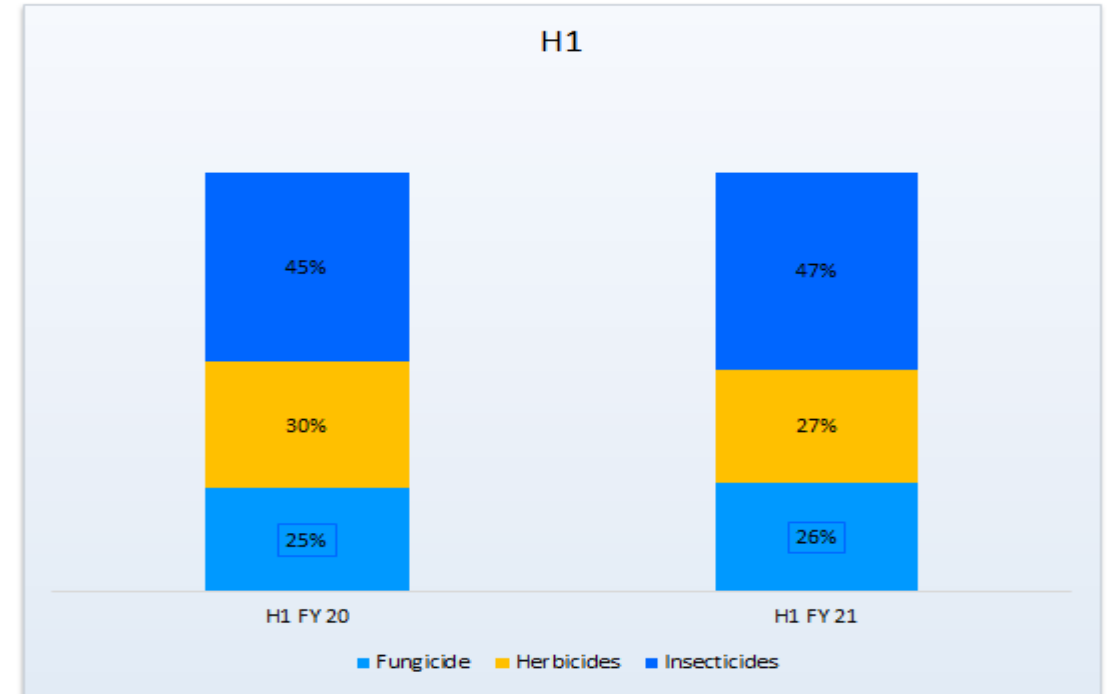
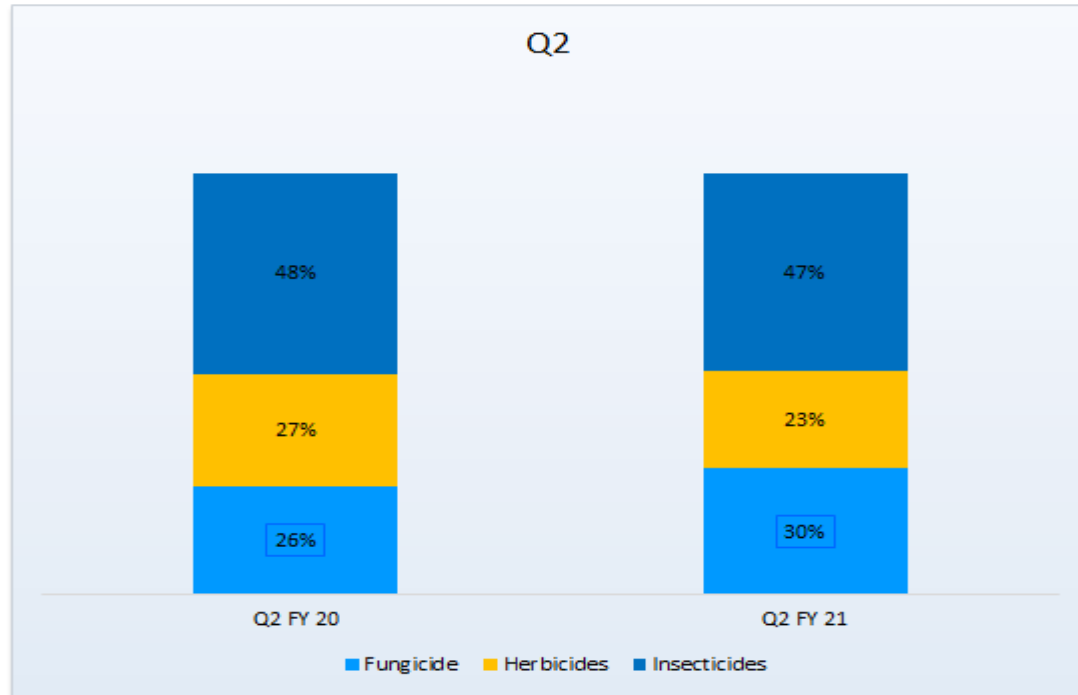


- 29% growth in topline in Q2 FY 21
- Volume growth in Maize
- Better price realization in Paddy

- Growth is due to Volume and Better Price Realization

Tax rate at higher level than PY due to overall effective tax rate being at ~ 24%

Category-wise Revenue Split Q2 & H1



Note:

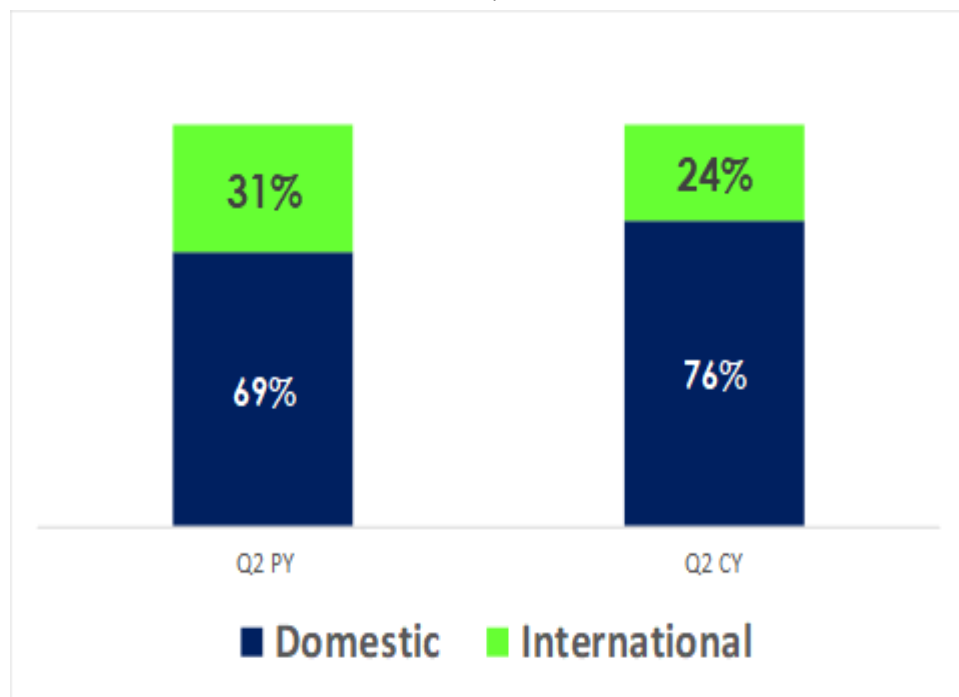
Pl note that these revenue breakups are for Crop Protection

Price corrections in Metribuzin impacting Herbicide revenue compared to PY

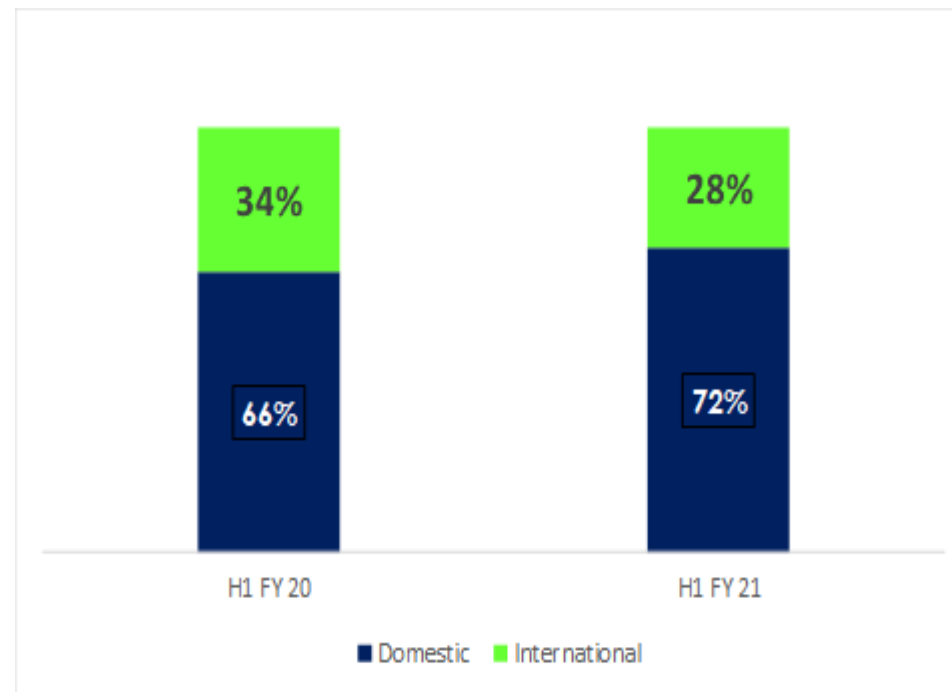
Revenue Split Domestic/International Q2 & H1

Category wise

Q2



H1



Note:

Pl note that these revenue breakups are for Crop Protection

Drop in Volume of Metribuzin with price correction coupled with drop in Contract Manufacturing Volumes leading to overall drop in % share of International revenue

Capex - Update

- Overall Capex implementation impacted due to COVID 19 : delayed by 2- 3 months
- Formulation Plant at Dahej, CZ - Phase 1 Expected to be now completed by March 21
- Capacity Expansion of our AI on track.
- Board has approved further investments of ~ Rs. 70 Crs for expansion of MPP, Pilot Plant, automation etc.

Operational Highlights

New Product Progress –

- ❖ Launched 1 formulation in Q2; 2 formulations YTD
- ❖ Received own registration approval for Metribuzin for USA
- ❖ Successful launch of Aquafert – Potato, Onion, Vegetable (FNP) and Flobor in Crop Nutrition category

Tackling COVID Difficulties and Operational Efficiency –

- ❖ Digital Acceleration: Campaigns, Sales meetings; Trade, Product Development Trials, farmer and employee engagement
- ❖ Rallis Celebrated 25 Yr completion of our flagship brand CONTAF
- ❖ 12% top line product growth in Domestic Crop Protection business in H1
- ❖ Despite higher inventory, improved cash from Operations due to strong collections.
- ❖ Planned Raw Material Inventory build up to cope with Covid challenges.

THANK YOU



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