RALLIS INDIA LIMITED
A TATA Enterprise

RALLIS INDIA LIMITED

Results Presentation

Q3 FY21

DOMESTIC CROP PROTECTION | INTERNATIONAL BUSINESS | CONTRACT MANUFACTURING | SEEDS | PLANT GROWTH NUTRIENTS | AGRI SERVICES

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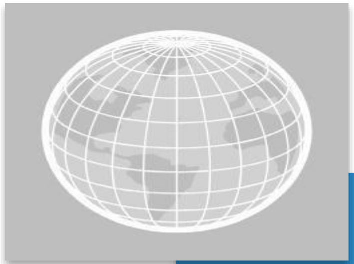
Rallis – Areas of Strength

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 **3700+** dealers & **48000+** 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 - One Polymer and One Fungicide

- **Polymer Product**
  - Major supplier
  - Is a high-performance, engineering thermoplastic characterized by an unusual combination of properties - resistance to chemicals, wear, fatigue
  - Widely used in automotive, high temperature electrical, aerospace, structural and biomedical applications

- **Fungicide Product**
  - Fungicide supplied to 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 80% of revenues

Strategic Initiatives

Domestic business

- Customer connect through digital campaigns
- New Brand Architecture introduced
- Increase focus on new product launches; portfolio optimisation
- Improve connect between distributors and company

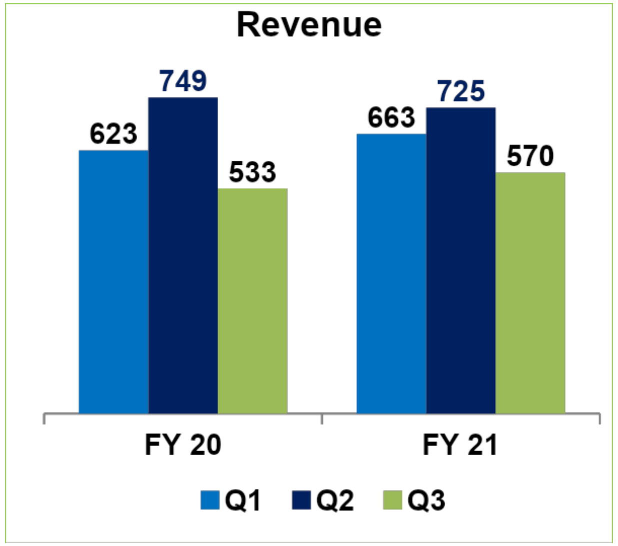
  Refresh distribution channel : Add distributors to enhance growth in underserved geographies

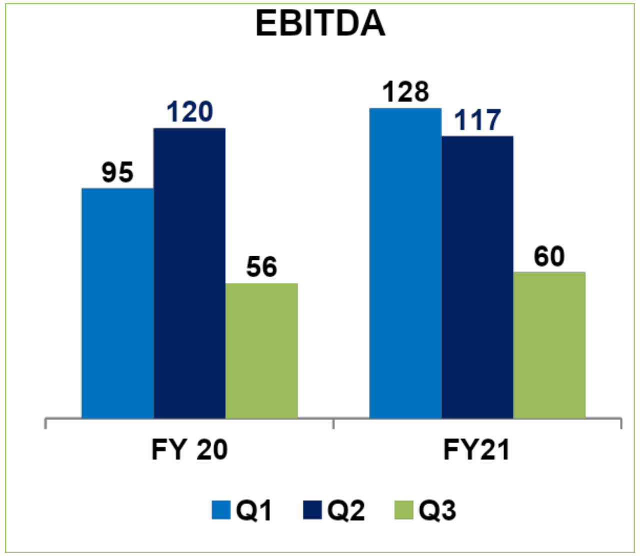
International business:

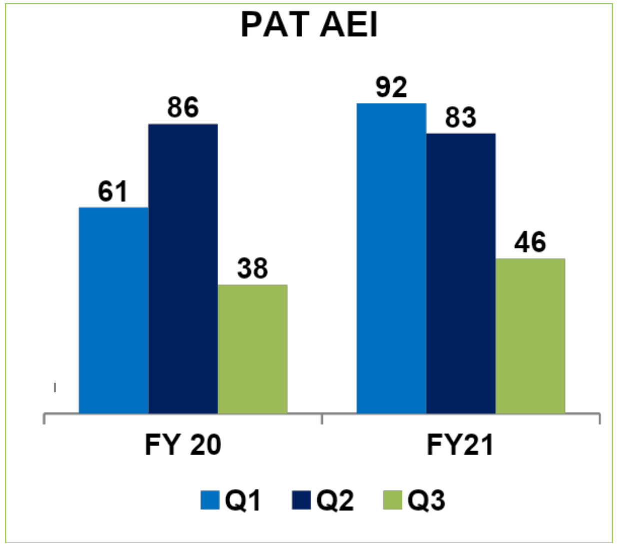
- Invest in capacity expansion
- Increase Registrations in International markets
- Expand footprint in South East Asian countries, Africa and LATAM

Q3 & YTD FY21 - Performance Highlights: Overall

Rs Crs







- The company witnessed a 7% growth in revenues QoQ. Crop Care grew by 5% QoQ and Seeds by 38%
- 15% revenue growth on QoQ basis in the domestic business.
- Despite hike in volumes of major A.Is, international business resulted de-growth by 7% on QoQ largely due to Metri price corrections
- Seeds grew by 38% mainly due to volume growth in Maize & bajra

- Overall EBITDA % remained at similar level to PY i.e. @ 10.5% despite one time charge of Rs.7.8 crs on account of substandard seed stocks and non moving items
- EBITDA growth is in line with increase in sales.

- Growth in PAT is reflective of sales & EBITDA growth.
- PAT also includes exceptional item towards sale of assets during the quarter.

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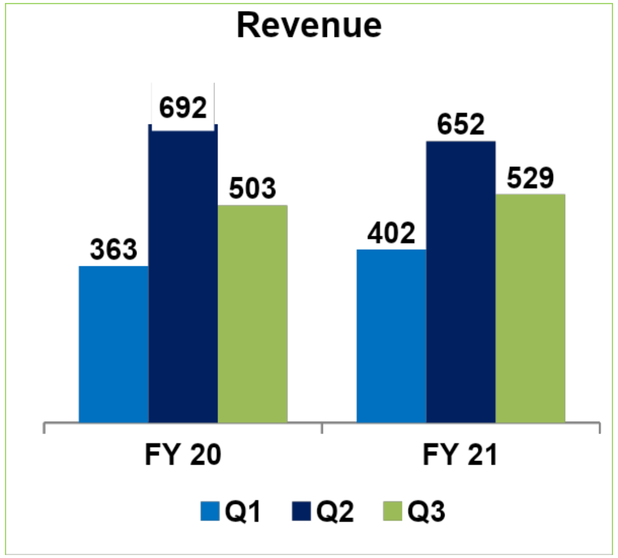
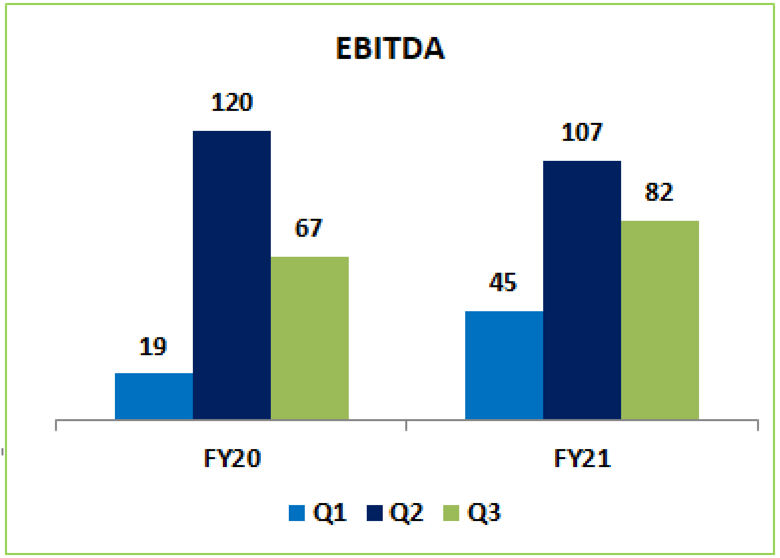
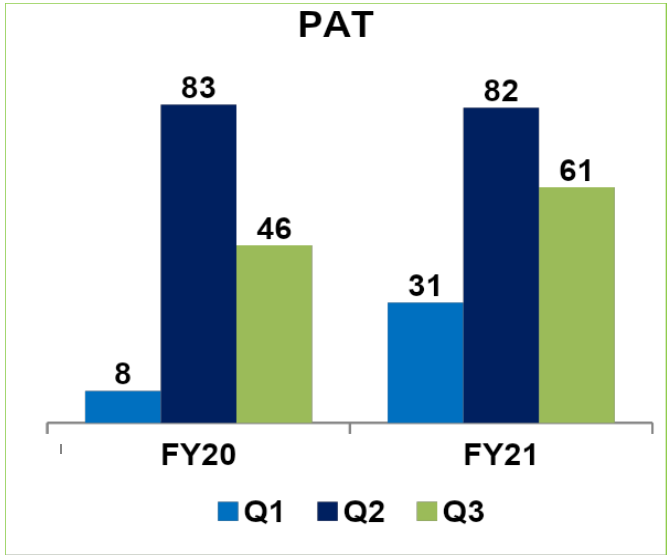
Q3 FY21 & YTD FY21 - Performance Highlights: Crop Care division

Rs Cr







- Crop care division witnessed a 5% increase in revenues QoQ
- 15% revenue growth on QoQ basis in the domestic business.
- Pressure continued on international business resulting in drop by 7% on QoQ basis. However there was healthy volume growth in some of our major AIs

- EBITDA % increased in Crop care by 213 basis points i.e. CY @ 15.5% as compared to PY @ 13.4%.
- EBITDA growth mirrors gross margin increase in crop care.

- Growth in PAT is reflective of sales & EBITDA growth.
- PAT also includes exceptional item towards sale of assets during the quarter.

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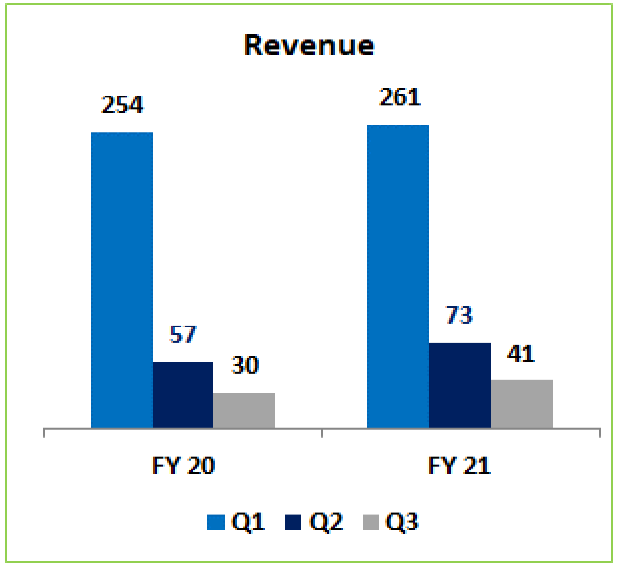
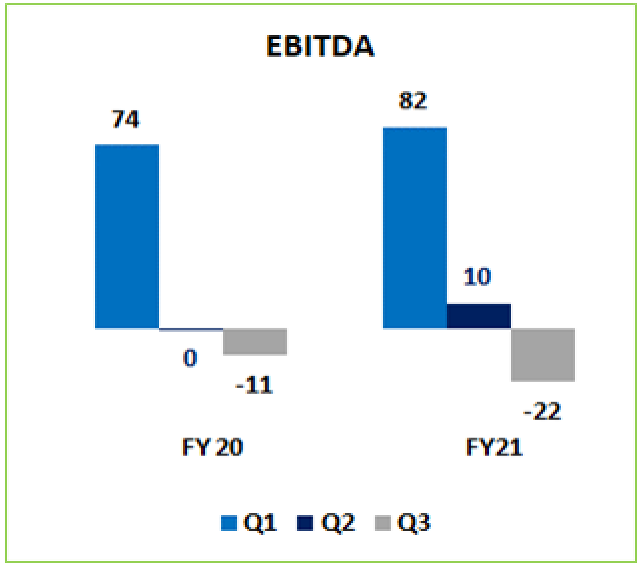
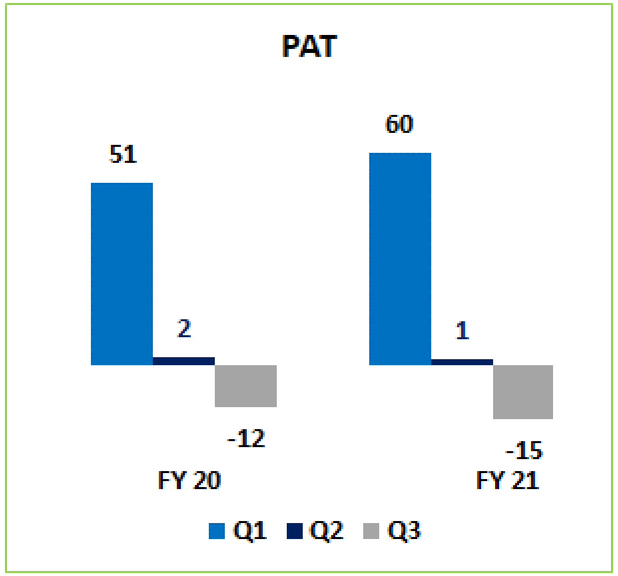
Q3 FY21 & YTD FY21 - Performance Highlights : Rallis Seeds Division

Rs Cr







- Seeds grew by 38% mainly due to volume growth in Maize & bajra
- Better price realisation in Maize, Paddy, Bajra

- Drop in EBITDA is due to drop in Gross margins - (Low yield in Paddy/Bajra)
- One time charge of Rs.6 crs on account of substandard stocks

- PAT movement for the quarter mirrors EBITDA

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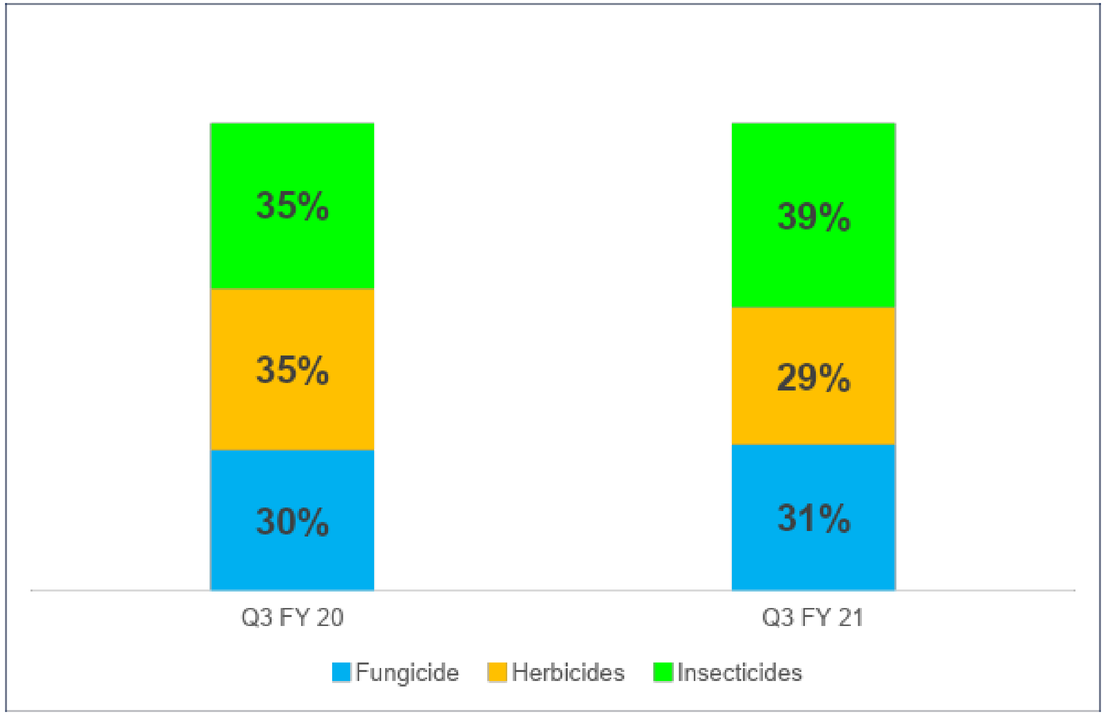
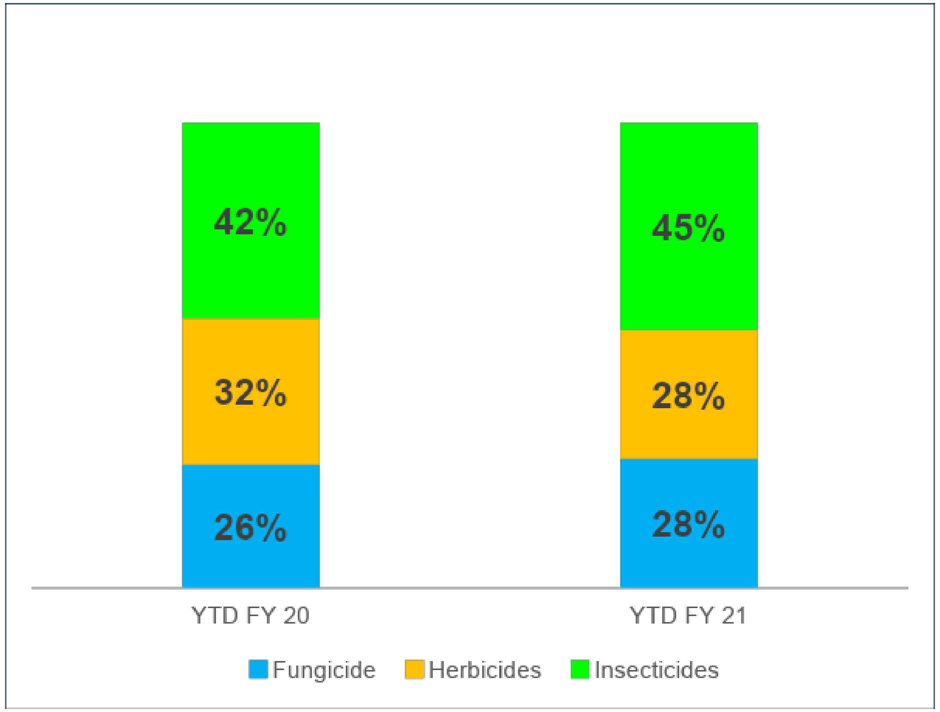
Category-wise Revenue Split Q3 & YTD

Category Wise Break-up





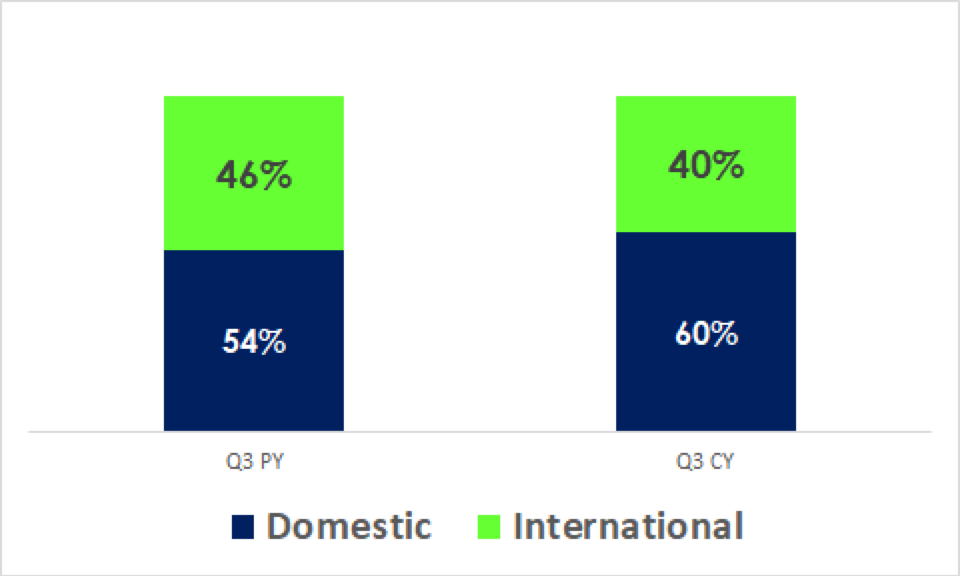
Note:
Pl note that these revenue breakups are for Crop Protection

Price corrections in Metribuzin impacting Herbicide revenue compared to PY

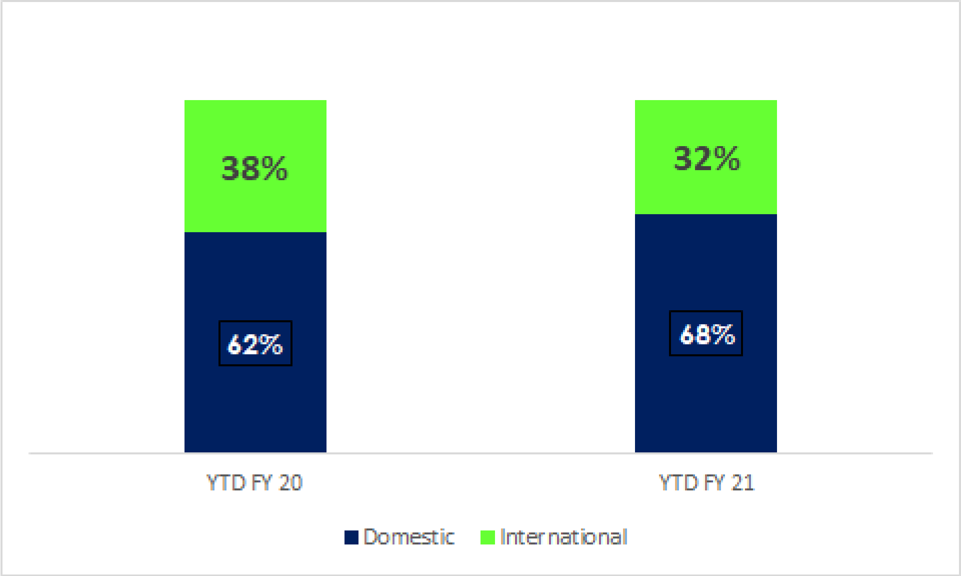
Revenue Split Domestic/International Q3 & YTD

Category wise

Q3



YTD



Note:
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Price correction in Metribuzin 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 & monsoons : delayed by 2- 3 months
- Formulation Plant at Dahej, CZ - Phase 1 expected to be completed by March 21
- Capacity Expansion of Metribuzin, Hexaconazole and, Kresoxim Methyl completed during the quarter
- Capacity expansion for Acetamiprid, & Lambda Cyhalothrin now expected to be completed by April 21
- Board had approved further investments of ~ Rs.65 Crs for expansion of MPP/Pilot Plant, automation etc. in Oct 2020
- MPP at Dahej SEZ progressing as per plan and, Pilot Plant expansion is expected to be completed by Aug 21

Operational Highlights

New Product Progress –

- Launched new 9(4) formulation in Q3 - Trot (Thiamethoxam FS) targeted as a seed treatment insecticide for Cotton, Soybean, Chilli, Sorghum, Wheat, Okra, Maize, Sunflower and Groundnut
- Registration Approved: for Acephate 75% SP by Health Ministry ANVISA, Brazil; Metalaxyl Tech in Paraguay
- Successful launch of Aquafert – Grapes (FNP) in Crop Nutrition category
- Entered into biopesticide segment with launch of 2 new products: Ralli-Neem and Ralli-Neem+

Tackling COVID Difficulties and Operational Efficiency –

- Digital Acceleration: Campaigns, Sales meetings; Trade, Product Development Trials, farmer and employee engagement
- Domestic Formulation registered 14% revenue growth on YTD basis. Strong performance of flagship brands like Blitox, Contaf, Takumi, Master, Panida, Tata Metri
- Continued upstocking of raw materials to avert production disruptions due to potential supply chain issues
- Despite higher inventory working capital remained at a similar level as PY due to strong collections

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