

Agro Chemicals

Rallis	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	523	508	630	3%	-17%	2,966	2,604	14%
Gross Profit	192	177	248	8%	-23%	1,338	980	36%
Gross Margin(%)	37%	35%	39%			45%	38%	
EBITDA	-60	4	55			234	303	-23%
EBITDA Margin (%)	-11%	1%	9%			8%	12%	
PBT	-88	-16	30			128	222	-42%
PBT Margin (%)	-17%	-3%	5%			4%	9%	
PAT	-69	-14	23			92	164	-44%
PAT Margin(%)	-13%	-3%	4%			3%	6%	

Q4 Crop Care revenue grew 3% largely driven by International business. Full year growth of 16%

Q4 Seeds revenue is ₹25 Crs Vs ₹26 Crs YoY. Full year revenue de-grew by 1%

Gross margins lower due to high cost volatility mitigated through agile pricing and procurement decisions

EBITDA lower due to inventory provision & impairments of intangibles in seeds, ₹ 63 Cr & ₹ 83 Cr for Q4FY23 & FY23 resp

Lower cash, higher borrowings led to lower Other Income and higher finance costs. Depreciation on additional capex had an impact of ₹ 17 Cr for the year. Capex for FY23 was 190 Cr, FY24 to be ~150-180 Cr

Q4 domestic crop care revenue flat, full year growth 12% while Q4 international business grew by 7%, full year growth of 25%

New Products Launched: 4 Insecticides, 3 Fungicides, 3 Herbicides, 3 Crop Nutrition products and 5 hybrids in seeds

The Multi-Purpose Plant is nearing completion and is expected to be ready for commercial production in Q1 FY24

Monsoon in CY23 may be at lower end of the normal range, true picture to become clear by end of Q1 once monsoon arrives

AI prices have come down in international market due to massive global inventory, China opening has eased supply

Coromandel International	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	5,476	4,227	8,310	30%	-34%	29,628	19,111	55%
Gross Profit	1,239	1,085	1,618	14%	-23%	6,155	4,983	24%
Gross Margin(%)	23%	26%	19%			21%	26%	
EBITDA	434	456	811	-5%	-46%	3,073	2,297	34%
EBITDA Margin (%)	8%	11%	10%			10%	12%	
PBT	337	389	706	-13%	-52%	2,701	2,050	32%
PBT Margin (%)	6%	9%	8%			9%	11%	
PAT	246	290	527	-15%	-53%	2,013	1,528	32%
PAT Margin(%)	4%	7%	6%			7%	8%	

For the FY plants operated at ~93% capacity, record production of 32.91 lakh MT

Q4 volumes stood at 6.25 lakh MT, up 5% YoY. In FY23 DAP and complex volume stood at 26.45 lakh MT up 10% YoY

In Q4 97% of retail stores were profitable as they focused on high margin products and operated with negative working capital

Received subsidy of ₹4,483 Cr in Q4 and ₹12,474 Cr in FY23. Outstanding subsidy as on Q4 end was ₹2,378 Cr

Market share of complex fertilizers for FY23 was 26.7% v/s 26.3% in FY22

In crop protection business domestic market was flat while exports grew 34% YoY in Q4. Cost lag effect and price challenges on Mancozeb impacted export business in light of inventory overhang, 41% export within crop protection business

The subsidy and non-subsidy share of business stands at 84% and 16% for Q4 and 87% and 13% resp for FY23

Capex projects for sulphuric acid and desalination plant at Vizag on schedule. MPP (multi-purpose plant) at Ankleshwar (for manufacturing 3 new technicals) has been commercialised, 2 products commercialised in Q3 FY23. Setting up a plant at Andhra Pradesh and expects to commercialize a large batch of products from same in H2 FY24

Announced investment of ₹1,000 Cr in crop protection business primarily in building new MPP and foray into adjacencies like CDMO and specialty chemicals. Asset turns can be 2-3x at EBITDA margin of 16-18% at optimum utilization. Plants to commercialize in 2 years

FY24 capex to be ~₹2,000 Cr, ~₹700-800 Cr for the fertilizer segment; 1000 Cr for MPP where capacity is fungible across CPC, specialty chemicals and CDMP. All capex to be funded through internal accruals

Crop protection capacity at 80,000 MT per year, 3rd largest Mancozeb manufacturer in the world

Cash balance at ~₹3,110 Cr as of FY23 end, gross block at 3,700 Cr. Management can fund new forays without stressing balance sheet

Org structure moved to divisional CEO rather than central MD structure after Sameer Goel's services superannuated

PI Industries	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	1,566	1,395	1,613	12%	-3%	6,492	5,300	22%
Gross Profit	702	615	761	14%	-8%	2,939	2,478	19%
Gross Margin(%)	45%	44%	47%			45%	47%	
EBITDA	394	305	466	29%	-15%	1,708	1,248	37%
EBITDA Margin (%)	25%	22%	29%			26%	24%	
PBT	332	269	400	23%	-17%	1,444	1,033	40%
PBT Margin (%)	21%	19%	25%			22%	19%	
PAT	281	204	352	38%	-20%	1,230	844	46%
PAT Margin(%)	18%	15%	22%			19%	16%	

FY23 exports grew by 26% YoY to ₹5,030 Cr, 12% YoY revenue growth in domestic segment. Export growth was driven by scaling up of existing products and introduction of 4 new products. Volume growth of ~11%, domestic segment volume growth of ~8% YoY

Favourable product mix & operating leverage drove EBITDA margin to ~25%, an expansion of 3% YoY

In Q4 exports stood at ₹1,281 Cr up 15% YoY. Value growth of ~17% YoY was offset by volume decrease of ~2% YoY. Domestic revenue at ₹284 crore up by 1% YoY; volume increase of ~2% YoY offset by a price decrease of ~1% YoY

Capex for FY23 stood at ₹340 Cr. Twin recent acquisitions in areas of pharma API & CDMO, US acquisition offers high EBITDA margin and existing relationships with marquee names in differentiated areas. Italy acquisition is a pure play API biz

Revenue growth target of 18-20% revenue growth (ex acquisition) with improved margins in FY24, primarily volume driven. Expects to commercialize 4 to 5 molecules every year

Capex is expected to be ~₹850-900 Cr in the core agro chem business, 300 Cr spillover from FY23

Total consideration for the two acquisitions to be ~₹850 Cr over time, cash balance post acquisition to be ~₹2,500 Cr. The acquisitions are expected to be EPS accretive immediately, incremental PBT growth expected to be 10-11% from them

CSM order book at USD 1.8 Bn, current asset turns at 2.4x

Global inventory levels are high in generic products, minimal impact on CSM segment since products are differentiated there. Pyroxasulfone offtake seems to be impressive in Q1 FY24 going by the export data in the public domain

Dhanuka Agritech	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	371	318	393	17%	-6%	1,700	1,478	15%
Gross Profit	142	129	129	10%	10%	578	540	7%
Gross Margin(%)	38%	41%	33%			34%	37%	
EBITDA	93	77	60	21%	55%	324	298	9%
EBITDA Margin (%)	25%	24%	15%			19%	20%	
PBT	87	72	54	21%	61%	303	278	9%
PBT Margin (%)	23%	23%	14%			18%	19%	
PAT	65	54	46	20%	41%	234	209	12%
PAT Margin(%)	18%	17%	12%			14%	14%	

Revenue growth of 17% YoY to 371 Cr driven by volumes up 16.5% YoY, prices remained flat. FY23 volume/price growth of 8% & 7% YoY

Gross Margins contracted by 230bps YoY due high inventory provisions. High cost inventory & inability to fully pass on the inflated cost

RM cost continues its downward trajectory, subsequent quarters may see some margin pressure

EBITDA margins expanded by 50bps to 21% due to lower employee and other expenses, down 100bps and 190bps YoY as % of revenue

Insecticides and Herbicides contributed to >70% of the overall revenues

Innovation turnover index (ITI) stood at 12.75% in FY23 as against 10% in FY22

Intends to launch 2-3 new 9(3) and 3-4 new 9(4) molecules in FY24

Dahej plant to start production in July, part of the capacity will be for captive consumption of technical ingredients. 50 Cr revenue for FY24 expected, yet to sign any contracts in the export market to sweat this capacity. No breakthroughs expected in FY24

Bayer Cropscience	Q4 FY23	Q4 FY22	Q3 FY23	YoY	QoQ	FY23	FY22	YoY
Revenue	982	963	1,038	2%	-5%	5,140	4,734	9%
Gross Profit	501	486	443	3%	13%	2,324	2,071	12%
Gross Margin(%)	51%	50%	43%			45%	44%	
EBITDA	230	217	201	6%	14%	1,092	924	18%
EBITDA Margin (%)	23%	23%	19%			21%	20%	
PBT	195	190	184	3%	6%	990	847	17%
PBT Margin (%)	20%	20%	18%			19%	18%	
PAT	158	153	134	3%	18%	758	645	18%
PAT Margin(%)	16%	16%	13%			15%	14%	

Managed inflationary pressures in FY23 well, 17% EPS growth on a revenue growth of 9% YoY

Dividend payout ratio at 70%, business continues to operate as a cash cow with limited capex needs

Operating cash flow for FY23 stood at 600 Cr, cumulative dividends paid over last 3 FY at ~₹1,750 Cr

Cash equivalents on balance sheet at ~₹900 Cr, annual capex in the range of 50-70 Cr