Twitter Thread by JST Investments



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Rallis India Annual Report Takeaways.

'Launched and promoted 2 botanical biopesticides'

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A Thread ■■

1/ From the desk of Mr. Bhaskar Bhat (chairman) 🖋■

- Talks about how the reforms in the ■■'s sector over the long run: will make it more organized
- Record production of foodgrains this year: 303 million tonnes
- Focus is to increase R&D infra & manufacturing capacities.

2/ Crop care business (83% of rev)

- 10% YoY growth in domestic & 3% growth in exports (incl. CDMO)
- Launched 4 new products in Crop Protection (3 in-house formulations) & 6 new products in Crop Nutrition (2 in Biopesticides)
- Enhanced dealer network by 5%.

3/ ■■ Crop care

- Formulations was up 14%
- Channel network of 3879 distributors & 48K dealers

Exports Crop care

- Acquired 9 registrations
- Global leadership in most active ingredients
- Adding 2 new manufacturing plants in Dahej & scale-up facilities for CDMO biz

4/ Seeds business (17% of rev)

- 11% growth in rev
- Challenging business environment
- Launched 4 new products
- Sharpening focus on segments having successful products
- Plans to set up new retailer loyalty programmes, combined with a hybrid demand generation model.

5/ Innovation Turnover Index: represents the rev that was generated from products that were introduced in the last 4 years.

11.6% for Crop Care | 15.1% for seeds

Targeting launch of 2 new products a year.

6/ Macro trends playing out in the Industry

Asian companies dominate the crop protection biz (15 in Top 20)

Consolidation: Top 7 account for 70% of rev

A lot of emerging formulation technologies with the increased role of bio-tech

China+1: owing to supply chain management.

7/ Rallis in numbers

Rev up 8% YoY, EBITDA of 13%, Pat up 24% | Strong Cashflows

Technical grade crop care vols up 19%, Formulations vols flat

Capex incured 168crs | 41crs investment in R&D (192 peeps in R&D) | 2 innovation centers

Employees up 5% | Rev per employee going up

8/ Short. Medium & Long term targets for various business segments.

Crop care: Domestic | International
Contract manufacturing
Seeds ■

9/ Domestic portfolio's performance in all three verticles of Pesticides:

Insecticides up 4% | Fungicides up 24% | Herbicides up 24%

10/ Why is ■■+1 playing out?

China continues to remain under pressure owing to environmental stringencies leading to price increase of intermediates and active ingredients.

It also experienced selling pressure in the USA owing to increased tariffs for import of Chinese goods.

11/ Performance in Crop Nutrition & Seeds business:

12/ Humongous Capex Investments: 800crs over the next 3-5yrs.

+ R&D focus: Developing Novel combinations of active ingredients across the classes: via Flow chemistry ■

Much value remains to be unlocked from these investments.

End of Thread.