

Coromandel International

Chemicals | 2QFY24 Result Update

ACCUMULATE

CMP: Rs1,075 | Target Price (TP): Rs1,059 | Downside: 1.5%

October 28, 2023

Near term headwinds to cap the stock

Key Points

- CRIN's 2QFY24 revenue came in at Rs69.88bn – 17.8%/17.1% below NBIE/street estimates. At Rs7.57bn, PAT was a beat of 7.9%/3% vs NBIE/street estimates. The Nutrient segment's revenue missed our estimate by 20.5%, offsetting the 8.7% beat in CPC revenue.
- EBIT margin in Nutrient/CPC segment beat NBIE estimates by 317bps/201bps, resulting in a 1.2%/32.6% beat in Nutrient/CPC segment EBIT. The beat in consolidated PAT was aided by a beat of 3.2% in blended EBIT and 31% in other income while interest expense came in lower by 29.5%.
- CPC business is facing global headwinds caused by persistent destocking and dumping by China.
- Maintain ACCUMULATE post 1.8% cut in TP to Rs1,059, valuing it at an unchanged PE of 14.25x after rolling over to Sept'25E. We expect healthy growth over FY23-FY26E despite the likely squeeze in 2HFY24E earnings.

CPC exports bucked the global headwinds and saw 20% YoY revenue growth, aided by 29% YoY volume growth – mainly in LatAm/Africa markets and also mid-single digit growth in India formulations; but India B2B sales saw a decline. CPC business outlook is set to revive on the back of Rs10bn capex for three MPPs pending approvals; the same is likely to entail 2-3 years to complete. The new Herbicide plant at Dahej is nearing completion.

Nutrient segment FY24 EBITDA guidance of Rs5,000/tonne implies pain in 2HFY24. This is an overhang given the following: (a) the hefty margin of ~Rs7,000-8,000/te in 1HFY24 and (b) the latest cut in NBS rates for Phosphatic Fertilizers for 2HFY24 even as the price of inputs like Ammonia have seen a recent spurt.

Management is hopeful of some relief through a combination of additional subsidy and hike in MRP. But, timing these actions is tricky given the sensitivity of the farm sector, especially as we head towards Lok Sabha elections.

Catalysts: (a) Long term growth from new investments in CPC/Speciality Chemicals/CDMO and Drones

(b) Growth from new launches - Nano DAP, CPC products, capacity augmentation, cost savings and a modest start in Speciality Chemicals using existing assets.

Est Change	Downward
TP Change	Downward
Rating Change	No Change

Company Data and Valuation Summary

Reuters	CORF.BO
Bloomberg	CRIN IN Equity
Mkt Cap (Rsbn/US\$bn)	316.4 / 3.8
52 Wk H / L (Rs)	1,185 / 838
ADTV-3M (mn) (Rs/US\$)	410.6 / 5.0
Stock performance (%) 1M/6M/1yr	(4.6) / 13.2 / 8.9
Nifty 50 performance (%) 1M/6M/1yr	(3.2) / (3.0) / 7.1

Shareholding	4QFY23	1QFY24	2QFY24
Promoters	57.4	57.4	57.3
DII's	18.9	20.6	21.1
FII's	9.4	7.6	7.2
Others	14.3	14.5	14.4
Pro pledge	0.0	0.0	0.0

Financial and Valuation Summary

Particulars (Rsmn)	FY23	FY24E	FY25E	FY26E
Net sales	2,96,279	2,14,441	2,07,636	2,08,079
EBITDA	29,262	23,719	28,444	33,131
EBIT	27,442	21,657	26,196	30,711
Consolidated Net Profit Adj	20,129	16,419	20,057	23,644
EBITDA margin (%)	9.88	11.06	13.70	15.92
Adj. EPS (Rs)	68.46	55.84	68.22	80.42
EPS growth (%)	31.46	-18.43	22.16	17.88
PER (x)	15.70	19.25	15.76	13.37
EV/EBITDA (x)	10.0	12.3	10.3	8.8
FCFF/EV yield %	4.21	5.12	2.16	5.74
Net Debt/Equity (x)	-0.27	-0.34	-0.30	-0.34
RoCE (%)	26.9	17.9	18.7	18.8
RoIC (%)	44.3	27.5	31.6	33.4
RoE (%)	28.2	19.2	20.1	20.2

Source: Bloomberg, Company, Nirmal Bang Institutional Equities Research

Key Links-[Coromandel 2QFY24 result filing](#)

Please refer to the disclaimer towards the end of the document.

New CPC capex may take time to move earnings – Maintain ACCUMULATE: We have revised estimates based on changes in segment numbers and margin assumptions. We have cut FY24E EPS by 25.7% as a matter of caution to build in the erosion in Nutrient unit margin post the latest cut in NBS rates - Rs12,000/te of fertilizer on an average. We have also cut FY25E by 6.2%, based on 36% cut in CPC EBIT

The steep cut in FY24E is due to 15.8% cut in EBIT/te, 14% cut in overall volume and 27.7% cut in EBIT for the Nutrient segment and 22% cut in CPC segment EBIT (as a result of the 7.25% cut in CPC revenue). We have cut 2HFY24E EBITDA per manufactured te in Nutrient by 49% to Rs3,380 - implies 58% decline from 1HFY24. There could be upside to these estimates based on future MRP increases beyond our expectations and further increase in NBS rates possibly during Jan-Apr'24 to compensate the recent spike in input costs.

We have added FY26E based on expectations of better prospects in both segments - including growth in Nano DAP. We have rolled over to Sept'25E and have cut TP by 1.8% to Rs1,059, using an unchanged PE of 14.25x (vs median PE of 13.4x). There could be upside to these estimates and valuations if we see improved visibility on CPC and Spec chem/CDMO earlier than expectations.

We have maintained ACCUMULATE as growth catalysts are likely to be back-ended and will be visible only from 2HFY26. This includes the CPC expansion of Rs10bn pending approval with a project timeline of 2-3 years and nascent CDMO plans. The stock has rallied 21% YTD.

Focus on debottlenecking, cost optimisation and asset sweating: Interim efforts for repurposing existing assets at Dahej could aid new business in Speciality Chemicals and contract manufacturing in Agrochem AI/Intermediates. The company is also expecting volume growth in the Nutrients segment on the back of flexibility in product mix (based on market) and cost/process efficiency gains through debottlenecking appropriate blend of RMs like Rock Phosphate.

The management is working on initial stages of Agrochem CDMO, including client visits and discussions.

Exhibit 1: 2QFY24 result analysis

Y/E March (Rsmn)	2QFY23	2QFY24	Ch YoY %	1QFY24	Ch QoQ %	2QFY24E	Var. (%)
Net sales	1,01,134	69,881	-30.9	56,934	22.7	84,990	-17.8
Cost of goods	82,288	51,184	-37.8	42,188	21.3	66,255	-22.7
% of Sales	81.4	73.2	-812	74.1	-86	78.0	-471
Contribution	18,846	18,698	-0.8	14,746	26.8	18,734	-0.2
Gross Margin (%)	18.6	26.8	812	25.9	86	22.0	471
Employee benefits expenses	1,699	1,772	4.3	1,644	7.8	1,727	2.6
% of Sales	1.7	2.5	86	2.9	-35	2.0	50
Other expenses	6,577	6,339	-3.6	6,010	5.5	6,763	-6.3
% of Sales	6.5	9.1	257	10.6	-149	8.0	111
EBITDA	10,570	10,587	0.2	7,092	49.3	10,244	3.3
EBITDAM (%)	10.5	15.2	470	12.5	269	12.1	310
Depreciation and amortization	457	540	17.9	481	12.2	507	6.3
Other income	311	448	44.0	445	0.7	342	30.9
Interest expenses	542	462	-14.8	405	14.1	655	-29.5
Exceptional income/ (exp)	-	-	-	-	-	-	-
Profit before tax	9,881	10,033	1.5	6,651	50.9	9,424	6.5
Tax expenses	2,481	2,450	-1.3	1,674	46.3	2,376	3.1
Effective tax rate%	25.1	24.4	-70	25.2	-76	25.2	-80
Share of JV and assoc. +/-	6	(38)	-775.0	(36)	-	(36)	-
Minority Interest	-	(23)	-	-	-	-	-
Adj.Consol. PAT	7,406	7,569	2.2	4,940	53.2	7,012	7.9
NPM (%)	7.32	10.83	350.8	8.68	215.4	8.25	258.1

Source: Company, Nirmal Bang Institutional Equities Research. Please note margin changes are in bps.

Exhibit 2: 2QFY24 consolidated performance

Particulars (Rsmn)	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24E	4Q24E	FY23	FY24E
Net Sales	57,291	1,01,134	83,096	54,758	56,934	69,881	48,577	39,049	2,96,279	2,14,441
YoY Change (%)	56.4	64.5	63.8	29.5	-0.6	-30.9	-41.5	-28.7	55.0	-27.6
Gross Profit	24,917	35,350	31,507	16,421	14,746	18,698	11,613	11,144	61,554	56,199
Margin (%)	43.5	35.0	37.9	30.0	25.9	26.8	23.9	28.5	20.8	26.2
EBITDA	6,854	10,570	7,806	4,032	7,092	10,587	3,536	2,504	29,262	23,719
YoY Change (%)	41.9	42.2	43.3	6.2	3.5	0.2	-54.7	-37.9	36.1	-18.9
Margin (%)	12.0	10.5	9.4	7.4	12.5	15.2	7.3	6.4	9.9	11.1
Depreciation	446	457	471	446	481	540	546	496	1,820	2,063
Interest	266	542	568	524	405	462	212	212	1,900	1,292
Other income	536	311	396	469	445	448	435	322	1,711	1,650
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
PBT (bei)	6,678	9,881	7,163	3,531	6,651	10,033	3,213	2,118	27,253	22,015
PBT	6,678	9,881	7,163	3,531	6,651	10,033	3,213	2,118	27,253	22,015
Tax	1,703	2,481	1,794	901	1,674	2,450	811	535	6,879	5,469
Rate (%)	25.5	25.1	25.0	25.5	25.2	24.4	25.2	25.2	25.2	24.8
Reported PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,365	1,545	20,129	16,419
Adj. PAT	4,991	7,406	5,269	2,464	4,940	7,569	2,365	1,545	20,129	16,419
YoY Change (%)	47.8	42.6	38.1	-15.0	-1.0	2.2	-55.1	-37.3	31.7	-18.4
Adj. EPS	17.0	25.2	17.9	8.4	16.8	25.7	8.0	5.3	68.5	55.8

Source: Company, Nirmal Bang Institutional Equities Research

Positives: (i) Operational savings and capacity augmentation in Nutrients (ii) New product initiatives in non-subsidized fertilizers and plans to 'move up the value chain' in the CPC business.

Downside risks: (i) Weaker/delayed monsoon and low water storage could hurt the farm sector – especially in the Rabi season 2023-2024. (ii) The looming threat of El Nino is causing worries about potential adverse weather, which could pose a risk to crops and demand for CPC and Nutrients (iii) Pressure on CPC segment's margin due to weak product demand, prices and destocking besides excess supply from China. Delay in subsidy receipts and persistent input cost inflation post the recent cut in NBS rates could increase working capital requirement to finance higher value of inventory/debtors.

Exhibit 3: Earnings revision

Rs Mn	Revised estimate			Earlier estimate			% Revision*		
	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Nutrient Revenue	1,89,039	1,78,764	1,72,607	2,58,897	2,34,282	na	(27.0)	(23.7)	na
CPC Revenue	25,402	28,871	35,472	27,387	32,138	na	(7.2)	(10.2)	na
Total Revenue	2,14,441	2,07,636	2,08,079	2,86,284	2,66,420	na	(25.1)	(22.1)	na
EBITDA	23,719	28,444	33,131	31,669	30,084	na	(25.1)	(5.5)	na
EBITDA margin (%)	11.06	13.70	15.92	11.06	11.29	na	(0)bps	241bps	na
Nutrient EBIT	19,099	23,041	25,579	26,435	23,011	na	(27.7)	0.1	na
CPC EBIT	2,557	3,155	5,131	3,278	4,947	na	(22.0)	(36.2)	na
Total EBIT	21,657	26,196	30,711	29,712	27,959	na	(27.1)	(6.3)	na
EBIT margin	10.10	12.62	14.76	10.38	10.49	na	(28)bps	212bps	na
PAT	16,419	20,057	23,644	22,101	21,376	na	(25.7)	(6.2)	na
EPS	55.84	68.22	80.42	75.17	72.70	na	(25.7)	(6.2)	na
TP	1059			1079			-1.8		

Source: Nirmal Bang Institutional Equities Research; *Note: Margin ch in BPS

Key highlights from CRIN conference call

Macro and Agriculture: Global economy is recovering slowly. Global growth is estimated at 3% in 2023 vs 3.5% in 2022. Energy prices are rising. Robust domestic demand in India. IMF estimates 6.3% GDP growth in India in 2023.

Monsoon: South West monsoon was below normal and 6% lower vs LTA. Record low rainfall was seen in Aug'23 followed by surplus in Sept'23. Crop acreages increased in Paddy and Coarse Cereals but were down in Pulses and Cotton. **All India water reservoir levels stood at 92% but were lower at 62% in South India.** This could have a negative impact in Rabi season, especially in South because of low moisture content of the soil.

NBS rates have been reduced for 2HFY24 due to lower raw material prices.

MSPs for key Rabi crops have been revised at 1.5 times the weighted average cost of production.

Fertilizer industry sales numbers:

Kharif primary sales of all fertilizers increased by 11% YoY in 2QFY24; consumption was up by 24% YoY.

DAP +NPKs:

2QFY24 primary sales were up by 19% YoY i.e 7.72mn te vs 6.46mn te in 2QFY23; POS consumption increased to 9.02mn te vs 6.72mn te in 2QFY23.

YTDFY24 DAP+NPK primary sales stood at 13.21mn te vs 11.91mn te in YTDFY23. POS consumption came in 12.82mn te in YTDFY24 vs 10.37mn te in YTDFY23.

CRIN's performance:

Nutrient segment

- Primary sales volume was down 7% YoY as a result of tempered placements by the company and the dry weather in Aug'23.
- This along with the fall in subsidy rates led to decline in segment revenue.
- 2QFY24 vs 2QFY23: Sales volume stood at 1.16mn te vs 1.24mn te. YTDFY24: Sales volume stood at 2.02mn te vs 1.97mn te in YTDFY23.
- Market share: In 2QFY24, market share was at 15% vs 19.2% in 2QFY23. For YTDFY24, market share was at 15.2% vs 16.5% for YTDFY23.
- SSP 2QFY24 sales were at 0.21mn te vs 0.24mn te in 2QFY23. For 1HFY24, sales stood at 0.31mn te vs 0.4mn te last year. Market share for 2QFY24 was up at 17.1% from 16.5% in 2QFY23. YTDFY24 market share stood at 15.3% vs 14.3% in the previous year.
- For 2QFY24, DAP and complex plant operated at 86% capacity.

Impact of reduced NBS rates for 2HFY24

- The management believes that there could be upward revision in NBS subsidy rates if the current upward trend in RM prices persists. Any delay or gap in subsidy may require increase in MRP, but, this is likely to be done in a calibrated manner based on the government's response and ability to pass on price hikes without hurting sales.
- The management is hopeful of a favourable response from the Government in giving additional subsidy to the industry, sometime in 4QFY24.

- Some provision has already been made in 2QFY24 results for the reduction in subsidy announced in Oct'23 for 2HFY24; hence, this is unlikely to require additional provision in 3QFY24. In fact, CRIN's CFO said that Nutrient segment EBITDA is likely to be positive.
- **Full-year EBITDA guidance at Rs5,000 per manufactured tonne implies a subdued outlook for CRIN's Nutrient segment in 3QFY24/4QFY24.**
- **The impact of increase in input costs and low water levels poses a concern for Rabi season Nutrient and CPC sales, which the management expects to recover if the NE monsoon is normal as expected.**

Nano DAP

- This was introduced during the quarter with the plant commissioning to be done by 3QFY24, pending some regulatory approvals. However, CRIN has already started producing at the pilot plant in Vizag and in Sept'23 started commercial production as well as sales. CRIN has received a positive response for the same.
- **The nano DAP facility has a capacity of 10mn bottles (1ltr capacity) per year. The company expects to sell this new product at an MRP of Rs600/unit with a margin of at least 20%.**
- The Nano DAP plant can be expanded in a modular fashion

CPC Business:

Domestic segment performed well in formulations, but B2B sales were under pressure due to excess inventory, China dumping and weak prices.

Global Agrochem sector was hurt by inventory pressure and dumping of low-cost materials by China. Despite this, CRIN's export volume grew by 29% YoY, led by South America and Africa; Export revenue was up 20% YoY (prices declined by 9% YoY).

Export volume growth was driven by: (1) 20 new customers on-boarded (2) Dormant registrations were re-activated during the quarter (3) Also, focus on bundled products rather than specific products helped.

Financial performance:

Subsidy share in revenue:

- 84% share for 2QFY24 vs 89% in 2QFY23; 85% for YTD24 vs 87% for YTD23

Subsidy share in EBITDA:

81% for 2QFY24 vs 78% for 2QFY23; 82% for YTD24 vs 78% for YTD23

- **Subsidy claimed and received:** Rs42.43bn in 2QFY24; for 1HFY24, subsidy received stood at Rs63.12bn. Subsidy outstanding as on Sept'23 stood at Rs14.97bn vs Rs41.76bn in Sept'22
- Net interest income, excluding Ind-AS, stood at Rs50mn vs net interest expense of Rs130mn in 2QFY23. For 1HFY24, net interest income earned stood at Rs160mn vs Rs80mn in 2HFY23
- Net cash surplus stood at Rs33.80bn as of end-2QFY24
- Rating: Crisil 'AAA' stable for long term and 'A1+' for short term

Capex:

- During 2QFY24, the company acquired 16.53% equity stake in 'XMachines', an AI-based robotics start-up focusing on a variety of agricultural operations such as Planting, Weed Control and Pest Control
- Commissioned its 1,650tpd Sulphuric Acid plant at Visakhapatnam with an investment of Rs4bn to improve its backward integration. The value gap between sulphur and sulphuric acid can also provide benefit. CRIN expects a payback period of 2-3 years. Sulphuric Acid plant capacity increased to 1.1mn tpa from 0.6mn tpa - meets 60% of its total requirement post expansion.
- In addition, it has set up a 6mn litres per day desalination plant to meet its water requirements
- Total capex of Rs3.7bn was incurred in 1HFY24. The capex for FY24 is pegged at Rs5bn across Nutrient, Sulphuric Acid expansion, Nano DAP, CPC, MPP and normal capex.

Other points:

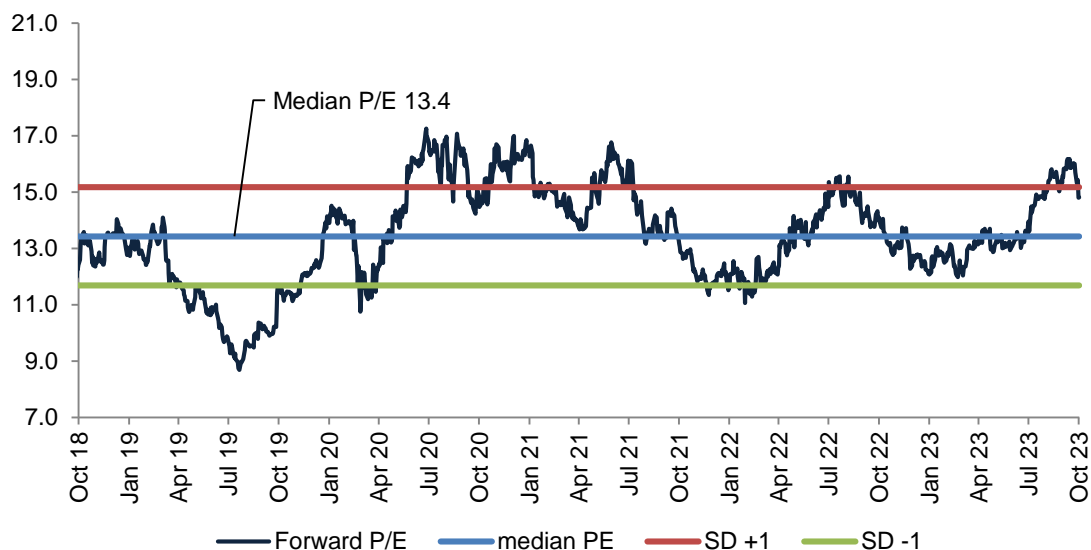
- Backward integration is 50% in Phos Acid and 60% in Sulphuric Acid
- Capex of Rs10bn for 3 MPP plants is pending approval. It could take 24-36 months to complete this capex. New herbicide facility in Dahej is nearing completion.
- The company also expects to explore Speciality Chemicals using its existing assets over the next few months.

Exhibit 4: Segment forecast

	FY21	FY22	FY23	FY24E	FY25E	FY26E
Revenue Rs Mn						
Nutrient & Other	1,22,003	1,67,142	2,71,622	1,90,451	1,78,764	1,72,607
Crop protection	20,838	25,105	26,356	25,402	28,871	35,472
Inter segment revenue	(1,022)	(1,139)	(1,699)	(1,411)	-	-
Total	1,41,819	1,91,109	2,96,279	2,14,441	2,07,636	2,08,079
EBIT Rs Mn						
Nutrient & Other	15,282	16,372	23,999	19,099	23,041	25,579
Crop protection	3,145	3,400	3,443	2,557	3,155	5,131
Total	18,427	19,772	27,442	21,657	26,196	30,711
Revenue Growth %						
Nutrient & Other	5.6	37.0	62.5	(29.9)	(6.1)	(3.4)
Crop protection	23.6	20.5	5.0	(3.6)	13.7	22.9
Total	8.0	34.8	55.0	(27.6)	(3.2)	0.2
EBIT Margin %						
Nutrient & Other	12.6	9.9	8.9	10.1	12.9	14.8
Crop protection	15.1	13.5	13.1	10.1	10.9	14.5
Blended margin	13.0	10.3	9.3	10.1	12.6	14.8
CPC share of business %						
Revenue	14.7	13.1	8.9	11.8	13.9	17.0
EBIT	17.1	17.2	12.5	11.8	12.0	16.7
Phosphatic nutrients mfd volume mn tonne	3.34	3.31	3.65	3.60	3.93	4.18
EBIT Rs/TE of Nutrient sales	3161	3477	4029	3829	4333	4523

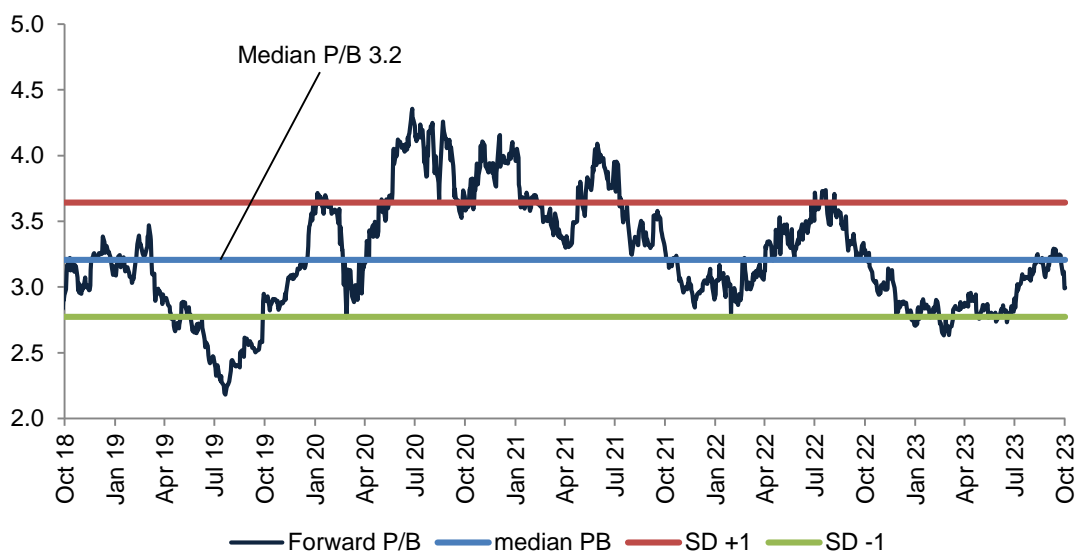
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 5: 5-year historical 1-yr forward P/E trend



Source: Nirmal Bang Institutional Equities Research

Exhibit 6: 5-year historical 1-yr forward P/B trend



Source: Nirmal Bang Institutional Equities Research

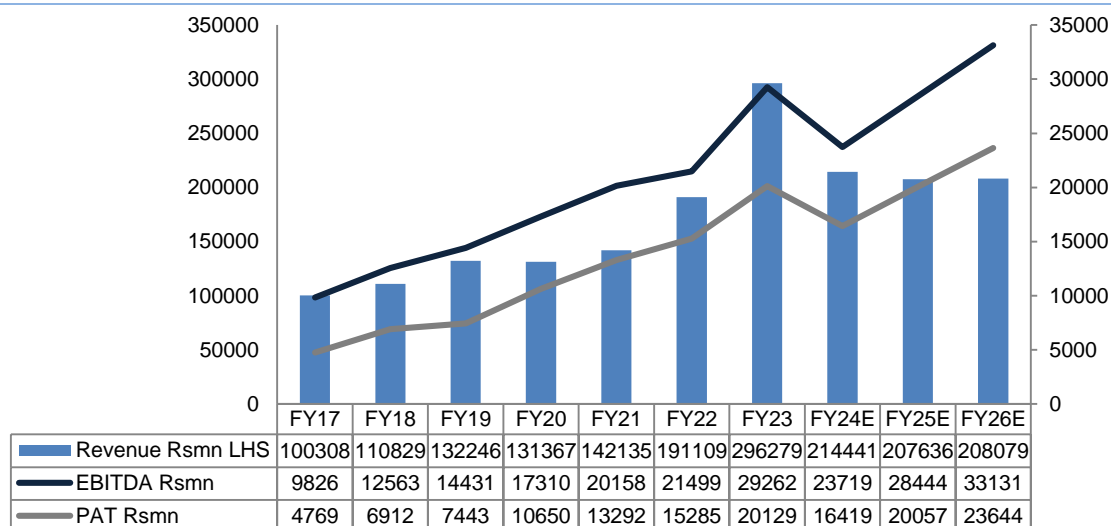
Financial in charts

Exhibit 7: CRIN 2QFY24 segment results

Rsmn	2QFY23	2QFY24	Ch YoY %	1QFY24	Ch QoQ %	2QFY24E	#2QFY24A	Var. (%)	#Ch YoY % adjusted
Segment Revenue							Revenue adjusted		
Nutrient & Other	94,612	63,017	-33.4	52,006	21.2	78,728	62,581	-20.5	-33.9
Crop protection	7,068	7,301	3.3	5,475	33.4	6,717	7,301	8.7	3.3
Total Revenue	1,01,680	70,318	-30.8	57,481	22.3	85,444			
Less: Inter-segment	547	437	-20.1	547	-20.1	455	na	na	na
Net revenues	1,01,134	69,881	-30.9	56,934	22.7	84,990	69,881	-17.8	-30.9
Segment EBIT							EBIT adjusted		
Nutrient & Other	9,553	9,913	3.8	6,718	47.6	9,124	9,235	1.2	-3.3
Crop Protection	1,053	871	-17.3	550	58.5	613	813	32.6	-22.8
less Corp. exp	493	737	-92.7	656	12.2	0	na	na	na
Total EBIT	10,112	10,048	-0.6	6,611	52.0	9,737	10,048	3.2	-0.6
Segment EBIT margin (%)								Var (bps)	
Nutrient and other allied business	10.1	15.7	563.4	12.9	281.3	11.6	14.8	317	466.0
Crop protection	14.9	11.9	-296.8	10.0	189.6	9.1	11.1	201	-376.6
CRIN blended EBIT Margin	10.0	14.4	437.9	11.6	276.7	11.5	14.4	292	437.9

Source: Company, Nirmal Bang Institutional Equities Research; **Note: * reported; # adjusted for inter segment rev in segment revenue and corp. expenses in segment EBIT. Margin changes are in bps**

Exhibit 8: Trend in financials



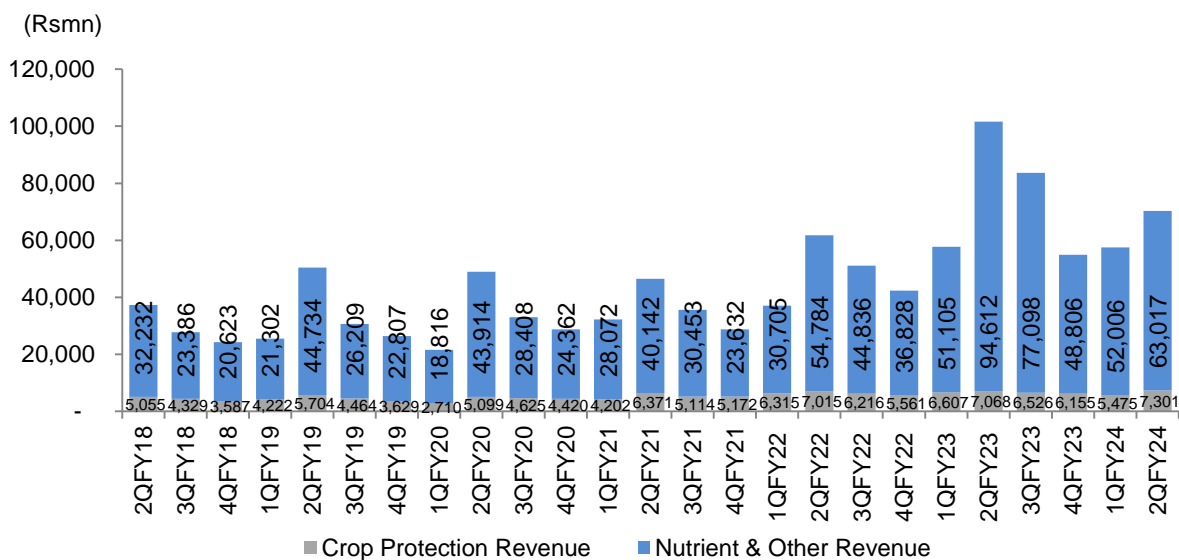
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 9: Trend in FCF yield and dividend yield

	FY21	FY22	FY23	FY24E	FY25E	FY26E
FCF yield %	9.9	1.6	4.2	5.1	2.8	6.6
Dividend yield %	1.1	1.1	1.1	1.2	1.4	1.5

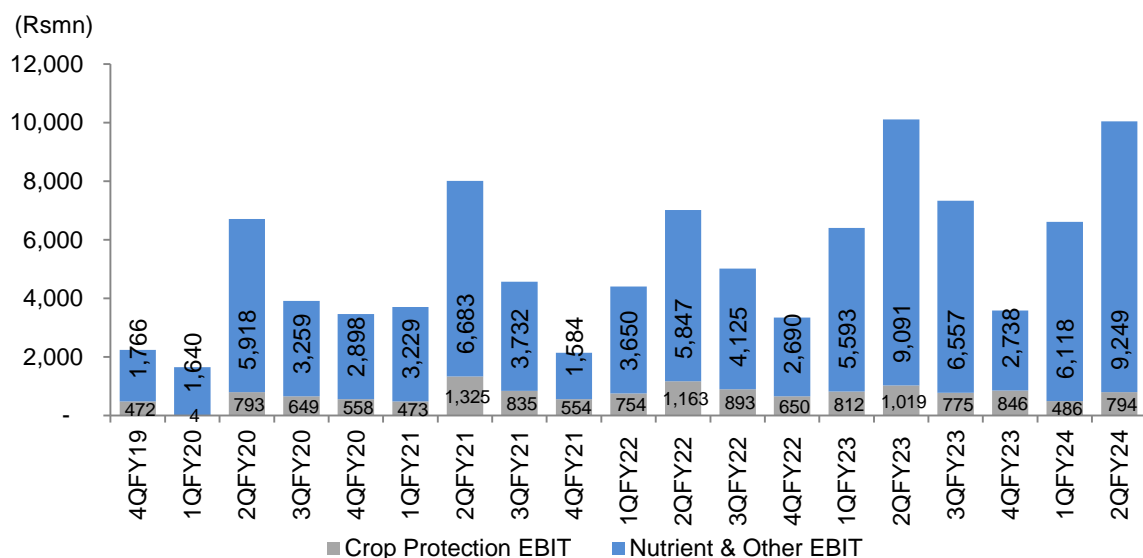
Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 10: Quarterly segment revenue trend



Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 11: Quarterly segment EBIT trend



Source: Company, Nirmal Bang Institutional Equities Research

Coromandel Consolidated Financials

Exhibit 12: Income statement

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Net Revenue	1,91,109	2,96,279	2,14,441	2,07,636	2,08,079
y/y %	34.5	55.0	(27.6)	(3.2)	0.2
Raw material cost	1,17,815	1,88,084	1,27,101	1,10,717	1,00,918
Gross Profit	48,943	61,554	56,199	64,845	74,125
Employee cost	5,872	6,566	6,888	7,129	7,379
Freight cost	10,334	11,384	12,719	13,354	14,022
Other expenses	11,239	14,343	12,873	15,917	19,593
EBITDA	21,499	29,262	23,719	28,444	33,131
y/y %	6.7	36.1	(18.9)	19.9	16.5
Depreciation	1,726	1,820	2,063	2,248	2,420
EBIT	19,772	27,442	21,657	26,196	30,711
Interest Expense	755	1,900	1,292	881	882
Other Income	1,443	1,711	1,650	1,800	2,100
PBT (adjusted)	20,460	27,253	22,015	27,115	31,928
- Income Tax Expense	5,213	6,879	5,469	6,908	8,135
- Sh of Assoc&Min int	37	(245)	(127)	(150)	(150)
PAT (adjusted)	15,285	20,129	16,419	20,057	23,644
Diluted EPS (adjusted)	52.08	68.46	55.84	68.22	80.42
y/y %	14.96	31.46	-18.43	22.16	17.88

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 14: Balance sheet

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Equity	294	294	294	294	294
Reserves	63,289	78,784	91,507	1,07,304	1,26,393
Net worth	63,583	79,078	91,801	1,07,598	1,26,687
Other long term liab.	900	1,074	1,074	1,074	1,074
Long term Lease Liab.	3,709	3,631	3,677	3,677	3,677
Accounts payables	39,135	53,138	26,012	23,472	22,020
Other ST liabilities	5,520	5,381	5,381	5,381	5,381
Short-term loans	0	46	46	46	46
Total Equity & Liabilities	1,12,847	1,42,348	1,27,992	1,41,249	1,58,885
Gross block	32,324	34,696	37,696	39,196	46,696
Accum. Depreciation	15,236	16,324	18,386	20,634	23,054
Net block	17,088	18,372	19,309	18,562	23,641
Goodwill	3	3	3	3	3
Other LT assets + WIP	5,919	8,895	11,395	20,395	20,395
Long-term investments	6,435	12,642	12,642	12,642	12,642
Inventories	36,632	44,165	26,012	23,472	25,690
Debtors (trade and subsidy)	5,590	29,672	20,149	26,675	25,855
Cash and Equivalent	7,060	13,938	23,820	24,839	35,999
Cash & ST Investments	25,873	7,440	7,440	7,440	7,440
Other current assets	8,247	7,222	7,222	7,221	7,221
Total current assets	83,402	1,02,436	84,643	89,647	1,02,204
Total assets	1,12,847	1,42,348	1,27,992	1,41,248	1,58,885

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 13: Cash flow

Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
PBT	20,498	27,008	22,015	27,115	31,928
Add Depreciation & Amortization	1,726	1,820	2,063	2,248	2,420
Add interest less other income and other adj	(326)	640	(358)	(919)	(1,218)
Ch in working Capital (inc)/dec less taxes	3,716	(16,520)	550	(6,525)	(2,849)
Cash From Op. Activities	20,780	5,910	18,800	15,010	22,147
Disposal of Fixed Assets	13	-	-	-	-
Capital Expenditures	(2,779)	(6,052)	(5,500)	(10,500)	(7,500)
Increase in Investments & Subsidiaries	-	(1,566)	-	-	-
Decrease in Investments	4,937	-	-	-	-
Other Investing Activities	(19,444)	12,573	-	-	-
Other Income	1,053	1,436	1,650	1,800	2,100
Cash From Investing Activities	(16,220)	6,390	(3,850)	(8,700)	(5,400)
Free cashflow to firm	4,560	12,300	14,950	6,310	16,747
Dividends Paid	(3,521)	(3,526)	(3,822)	(4,410)	(4,704)
Change in Short-Term Borrowings	(16)	46	-	-	-
Change in Short term inv	-	-	-	-	-
change in Long-term Borrowing	-	-	46	-	-
Change in Capital Stocks	43	196	-	-	-
Interest paid	(342)	(1,523)	(1,292)	(881)	(882)
Others	(586)	(615)	-	-	-
Cash from Financing Activities	(4,422)	(5,423)	(5,068)	(5,292)	(5,587)
Net Changes in Cash	139	6,878	9,882	1,019	11,160
Opening cash	6,921	7,060	13,938	23,820	24,839
Closing cash	7,060	13,938	23,820	24,839	35,999

Source: Company, Nirmal Bang Institutional Equities Research

Exhibit 15: Key Ratios

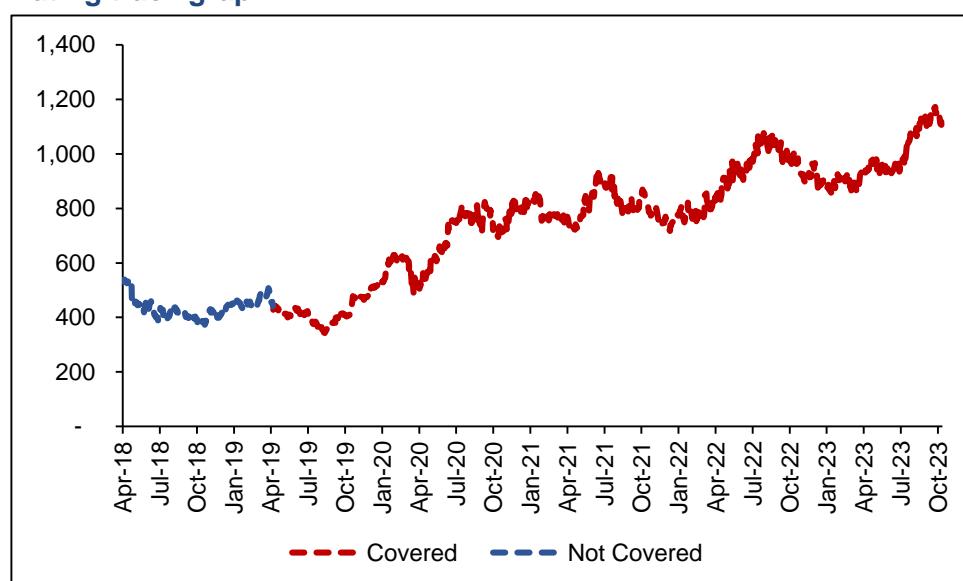
Y/E March (Rsmn)	FY22	FY23	FY24E	FY25E	FY26E
Profitability & return ratios					
EBITDA margin (%)	11.2	9.9	11.1	13.7	15.9
EBIT margin (%)	10.35	9.26	10.10	12.62	14.76
Adj Net profit margin (%)	8.00	6.79	7.66	9.66	11.36
RoE (%)	26.56	28.22	19.21	20.11	20.18
RoCE (%)	23.74	26.90	17.89	18.68	18.76
RoIC (%)	44.18	44.31	27.51	31.61	33.36
Working capital ratios					
Trade receivables (days) *	8	5	15	30	30
Subsidy receivables (days)	10	18	30	30	30
Inventory (days)	60	50	60	60	70
Payables (days)	65	57	60	60	60
Cash conversion cycle	12	16	45	60	70
Leverage and FCF ratios					
Net debt/(cash) (Rsmn)	-32,932	-21,332	-31,214	-32,233	-43,393
Net Debt (cash)/Equity (x)	(0.52)	(0.27)	(0.34)	(0.30)	(0.34)
Total debt/Equity (x)	-1.53	-0.73	-1.32	-1.13	-1.31
FCFF Yield (%)	1.6	4.2	5.1	2.2	5.7
Dividend yield (%)	1.1	1.1	1.2	1.4	1.5
Valuation ratios					
EV/sales (x)	1.5	1.0	1.4	1.4	1.4
EV/EBITDA (x)	13.6	10.0	12.3	10.3	8.8
P/E (x)	20.6	15.7	19.2	15.8	13.4
P/BV (x)	5.0	3.99	3.44	2.94	2.49
Per Share Ratios					
EPS	52.08	68.46	55.84	68.22	80.42
CEPS	57.96	74.65	62.86	75.86	88.65
BV	216.63	268.95	312.30	366.03	430.95
DPS	12.0	12.00	13.00	15.00	16.00

Source: Company, Nirmal Bang Institutional Equities Research* excluding subsidy

Coromandel International Rating track

Date	Rating	Market price (Rs)	Target price (Rs)
15 th February 2019	Buy	445	600
10 th April 2019	Acc	436	495
24 th July 2019	Sell	382	336
9 th October 2019	Sell	412	379
25 th October 2019	Acc	466	468
4 th February 2020	Acc	630	630
8 th April 2020	Acc	505	567
28 th May 2020	Acc	660	714
28 th July 2020	Acc	791	792
23 rd September 2020	Acc	800	803
4 th November 2020	Buy	733	911
7 th January 2021	Buy	816	1,003
3 rd February 2021	Buy	789	1,006
1 st May 2021	Buy	742	919
28 th July 2021	Acc	887	962
24 th September 2021	Buy	807	997
29 th October 2021	Buy	787	935
17 th November 2021	Buy	794	935
5 th February 2022	Buy	794	975
30 th April. 2022	Buy	895	1,058
28 th July 2022	Acc	1,059	1,120
16 th September 2022	Acc	1,029	1,126
6 th November 2022	Buy	954	1,173
6 th February 2023	Buy	889	1,047
21 st March 2023	Buy	864	1,057
17 th May 2023	Acc	962	976
29 th July 2023	Acc	980	1,079
28 th October 2023	Acc	1,075	1,059

Rating track graph



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Stock Ratings Absolute Returns

BUY > 15%

ACCUMULATE -5% to 15%

SELL < -5%

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