



Paradeep Phosphates Limited

Nourishing the Future - Feeding the Nation



Paradeep Phosphates is India's second largest integrated phosphatic private sector company

- Paradeep Phosphates Limited (PPL) is India's second largest private sector phosphatic company with a capacity of 3.0 MMTPA (finished fertilizers NPK, DAP and Urea)
- Diverse consumer product portfolio of phosphatic grades of fertilizer:
 - N-10, N-12, and N-20: Core NPK products
 - N-14, N-19 and N-28: Recent NPK products
 - DAP
- Industrial supplier of Phospho-gypsum, Zypmite, Sulphuric Acid and Hydrofluorosilicic Acid (HFSA)
- PPL also trades in Muriate of Potash (MOP)
- Two manufacturing plants in Paradeep (1.8 MMTPA) and Goa (1.2 MMTPA) with ISO 9001, ISO 14001, ISO 45001 and ISO 50001
- PPL's recently acquired Goa plant has co-located facilities manufacturing both phosphatic fertilizers and urea
- Well-diversified customer market across India covering 16 states with 21 regional offices, 510 stock points and 5,322 dealers
- Zuari Agro Chemicals (ZACL) and OCP Group hold 56.1% of PPL post IPO on 27th May, 2022

3.0 MMTPA

Installed Capacity

16 States

Geographical Presence

Rs. 78,587 million

FY22 Revenue

+1,500

Employees

19.7% 15.0%

FY22 ROE ROCE

+8 million

Farmer Connect

1.06x

FY22 Net Debt / Equity

ICRA A-1 Stable

Credit Rating

Backward integration and capacity expansion resulting in competitive EBITDA / MT in an industry with attractive dynamics

1

Well-positioned to capture favorable Indian fertilizer market with enabling and conducive government regulations

- PPL will be able to capture a major share of growth in DAP / NPK arising out of higher demand for fruits and vegetables, sugarcane and cotton
- The Indian government's subsidies in the fertiliser industry have created favorable conditions for growth and development by increasing the availability of affordable fertilisers to farmers, ultimately improving the demand

2

Second largest phosphatic fertiliser manufacturer

- India's 2nd largest private sector phosphatic fertiliser company
- Post acquisition of Goa Plant, enhanced capacity of DAP and NPK from 1.2 MMTPA to 2.6 MMTPA
- Total PPL finished fertiliser capacity of 3.0 MMTPA
- Incremental capacity will enable PPL to bridge the domestic supply gap and drive market share across East, West and South India
- Diversified customer market across India covering 16 states with 21 regional offices, 510 stock points, 5,322 dealers and 8 million farmers reach

3

Competitive EBITDA per tonne in the industry led by backward integration

- PPL has a long-term agreement with the OCP Group (Morocco) that owns 70% of global rock phosphate reserves
- OCP Group is also part of the promoter group and strategically important given India imports most of its raw material for phosphatic fertilizer
- OCP Group relationship secures PPL's requirements of phosphatic fertilizers and raw material

4

Secure and certified manufacturing facility and infrastructure and unutilised land available for expansion

- PPL owns large parcels of land of 2,282 acres in Paradeep and the existing manufacturing facility is constructed on 33% of the land
- The company has the capacity to expand facilities on the remaining portion of the land
- The ability to store raw materials at its own facility enables it to withstand disruptions in supply

Q3 FY23 Performance Highlights



(in Million)

Total Income

Rs. 44,040



62% Y-o-Y

EBITDA

Rs. 3,773



76% Y-o-Y

PBT

Rs. 2,424



43% Y-o-Y

Net Profit

Rs. 1,803



41% Y-o-Y

EBITDA / MT

Rs. 5,995



35% Y-o-Y

Quarterly Developments

- EBITDA for the quarter is Rs. 3,773.1 million, up by 76 % as compared to Rs 2,147.2 million of the corresponding quarter of previous year
- Revenue from Operations is Rs. 43,984.4 million, up by 62 % as compared to Rs. 27,093.3 million of the corresponding quarter of previous year
- Total fertilizers produced in Q3 FY 2023 is 621,815 MT, up by 66% vis a vis 374,060 MT in Q3 FY 2022

Goa Plant is fully stabilized, Paradeep Plant is running at 5,000 MT of daily average production from December 2022



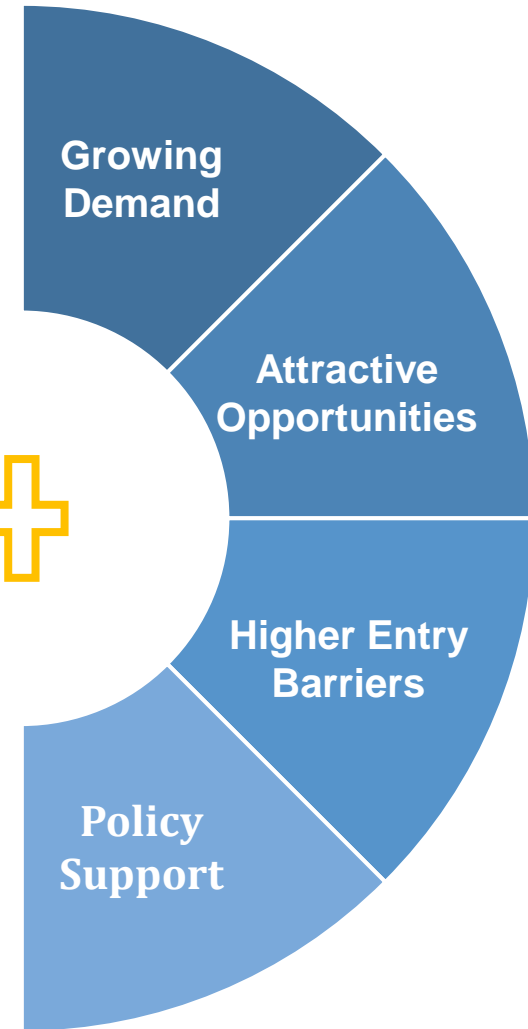
Paradeep Plant

- Successfully completed the granulation process for all four trains, achieving a daily average production rate of 5,000 metric tons, from December 2022
- The Paradeep Plant has achieved highest ever monthly production of 1,44,355 MT of fertilizers during December 2022.



Goa Plant

- Goa operations is now fully stabilized
- Goa plant produced 261,550 MT of finished fertilizers in Q3 of FY23
- Product mix included several NPK grades (viz. N10, N14, N19, N20, N24) and 124,271 MT of Urea



Q3 FY23 PPL Operational Highlights



(Production Volume)

Total Fertilizers

6,21,815 MT

66% Y-o-Y

DAP

231,314 MT

(10)% Y-o-Y

N-20

127,649 MT

33% Y-o-Y

Other NPKs

138,581 MT

553% Y-o-Y

Sulphuric Acid

342,440 MT

(3.6%) Y-o-Y

Phosphoric Acid

85,645 MT

(2.3%) Y-o-Y

Fertiliser Products

Industrial Products
and Intermediaries

Urea Production: **124,271 MT**
Ammonia Production: **79,300 MT**

Brownfield backward-integration projects to enhance earnings potential at the Paradeep Plant

Phosphoric Acid



Ramping up the captive production capacity from 0.3 MMTPA to 0.5 MMTPA by Q1 FY 2024.



Minimize the risk of supply chain disruptions and price volatility and generate substantially higher margin as compared to imported Phosphoric acid.

Sulphuric Acid



Ramping up the captive production capacity from 1.4 MMTPA to 2 MMTPA over the next two years.



Help in backward integration as Sulphuric acid is an essential input for phosphoric acid. This also helps reduce dependency on external sources.



Enable to generate captive power which is 78% cost effective



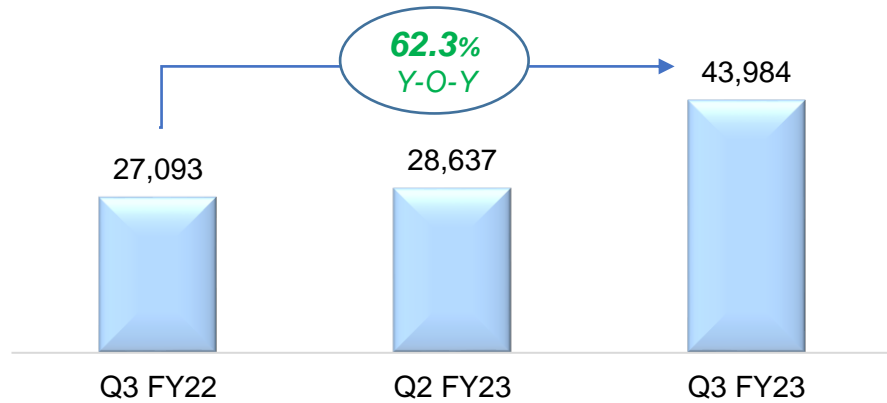
High IRR Project enabling us to generate positive returns to stakeholders

Quarter Performance Trends

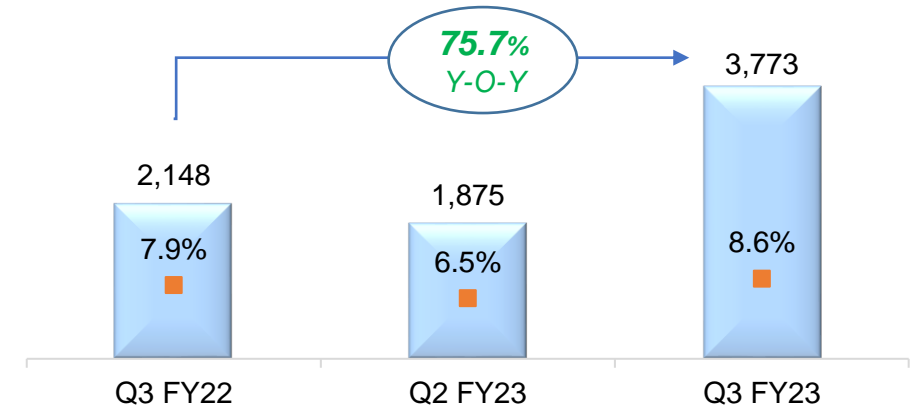


Q3 YoY EBIDTA has increased by 76 % while Revenue from Operations has increased by 62%

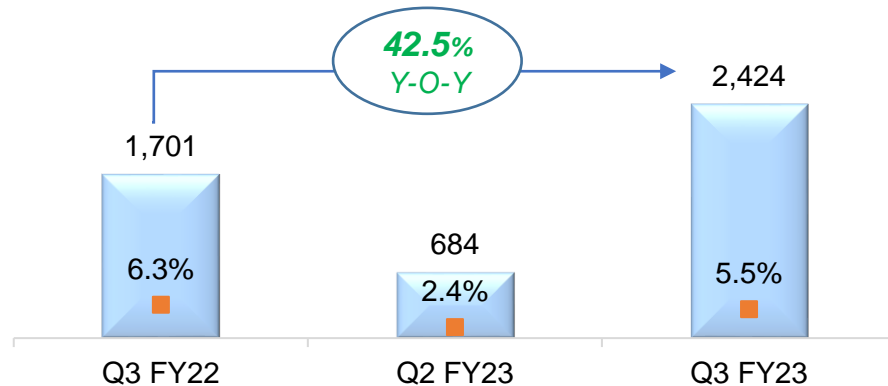
Revenue from Operations



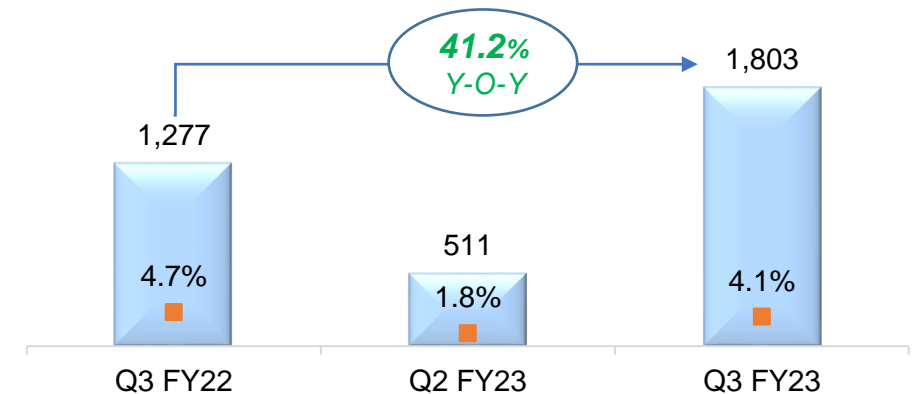
EBITDA and Margins



PBT and Margins



Net Profit and Margins

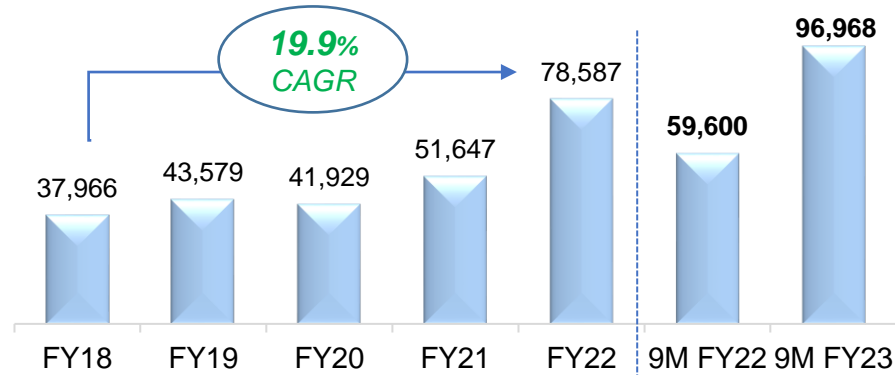


Annual Performance Trends

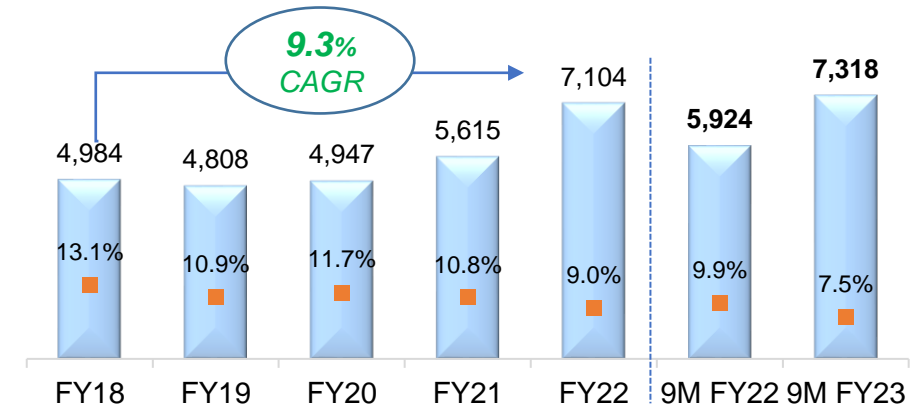


Consistent improvement in financial performance with 9M FY2023 EBITDA and Revenue exceeding the FY2022 performance

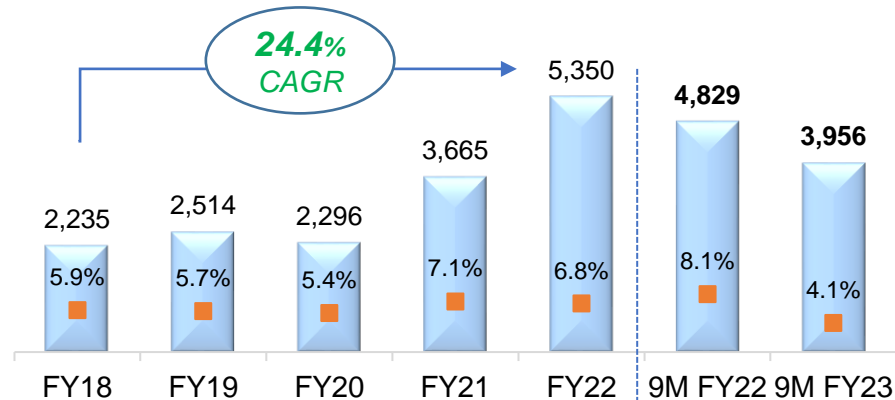
Revenue from Operations



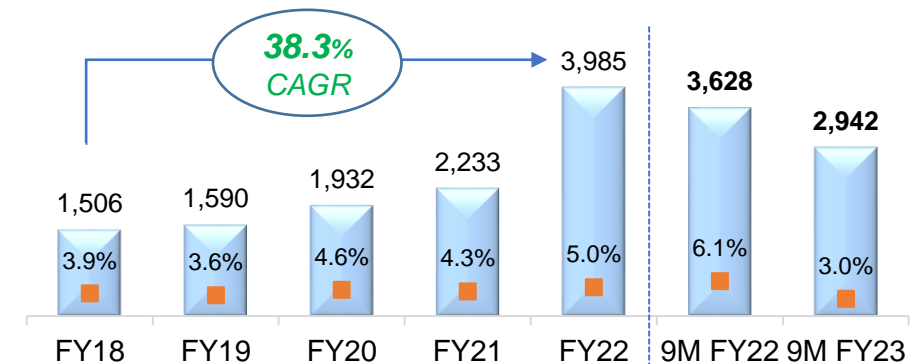
EBITDA and Margins



PBT and Margins



Net Profit and Margins





Commenting on the performance, Suresh Krishnan, Managing Director, said:

“During the third quarter, we have been able to operate both the plants steadily with the help of our strong supply-side linkages notwithstanding a volatile global macro-environment.

Post acquisition of the Goa plant on June 1st 2022, we are happy to report that we have now fully stabilized the Goa operations and the plant has been steadily producing both Urea and phosphatic fertilizers. We have been able to produce 2,61,550 tons of finished fertilizers this quarter at our Goa Plant with several NPK grades (viz. N10, N14, N19, N20, N24) and 1,24,271 MT of Urea.

At our Paradeep Plant, we completed the revamp of all granulation trains and all four plant-lines have been running since November 2022, resulting in a daily average production run-rate of 5000 MT December 2022 onwards, thereby meeting the revamp targets.

We are keen to continue such a steady rate of production at both our plants with the right product mix aligned to the market-need. With an aim to further improve our earning potential, we have embarked upon two brownfield backward-integration projects - a 2 Lakh ton of phosphoric acid capacity by Q1 of FY 24 and 6 Lakh ton of sulphuric acid capacity over the next 2 years. The sulphuric acid capacity will additionally enable us to generate green captive power.

At a macro-economic level, the outlook remains positive with prices correcting and global markets further improving post China opening up.”

Awards & Recognitions: Q3 FY23



Received Kalinga Safety Excellence Award-2022 in Platinum Category during the “National Safety Conclave” held on 11th Nov 2022 at BBSR



Received 13th “Exceed Award” 2022 on OSH in Platinum category, Goa held on 25th November, 2022.



Received best production performance award for FY22 performance of PAP during FAI seminar held in Dec'22



Achieved 4.25 star rating as recognition by CII Eastern region during the Encon Energy Conclave held on 29th Nov'22 at Kolkata for the continuous efforts made in energy conservation

Farmer Engagement: 9M FY23



5,530

9M FY 23
Farmer Meetings

2,991

9M FY 23
Product Demonstrations



678

9M FY 23
Crop Seminars

2,436

9M FY 23
Campaign Days



1,240

9M FY 23
Wall and Shop Paintings

173

9M FY 23
Retailer Meets

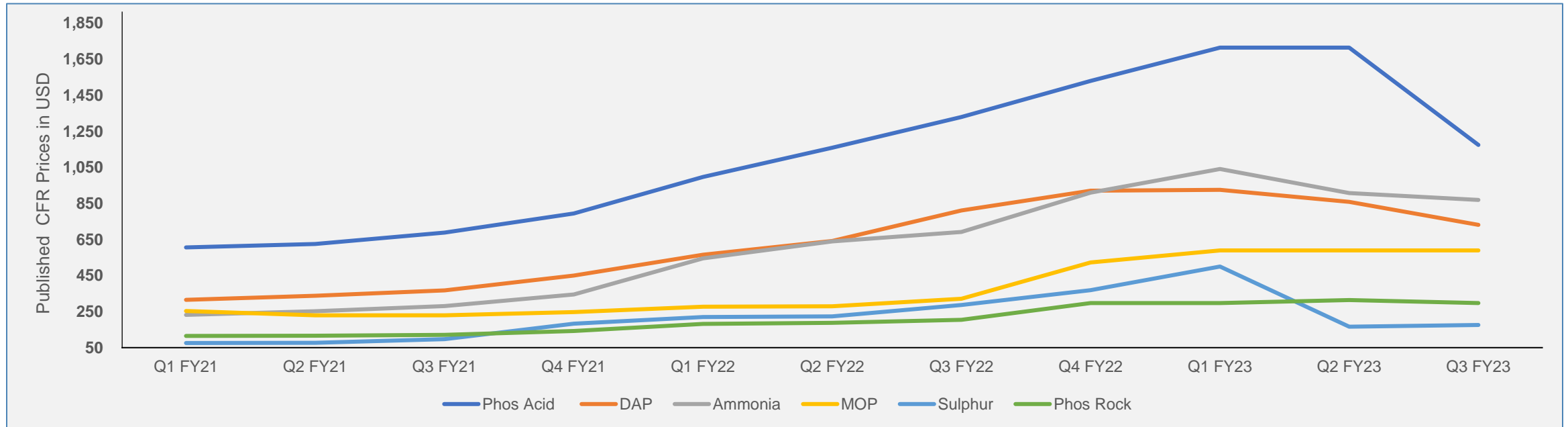
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23rd December'22
Jai Kisaan Diwas
8,833 farmers attended

70

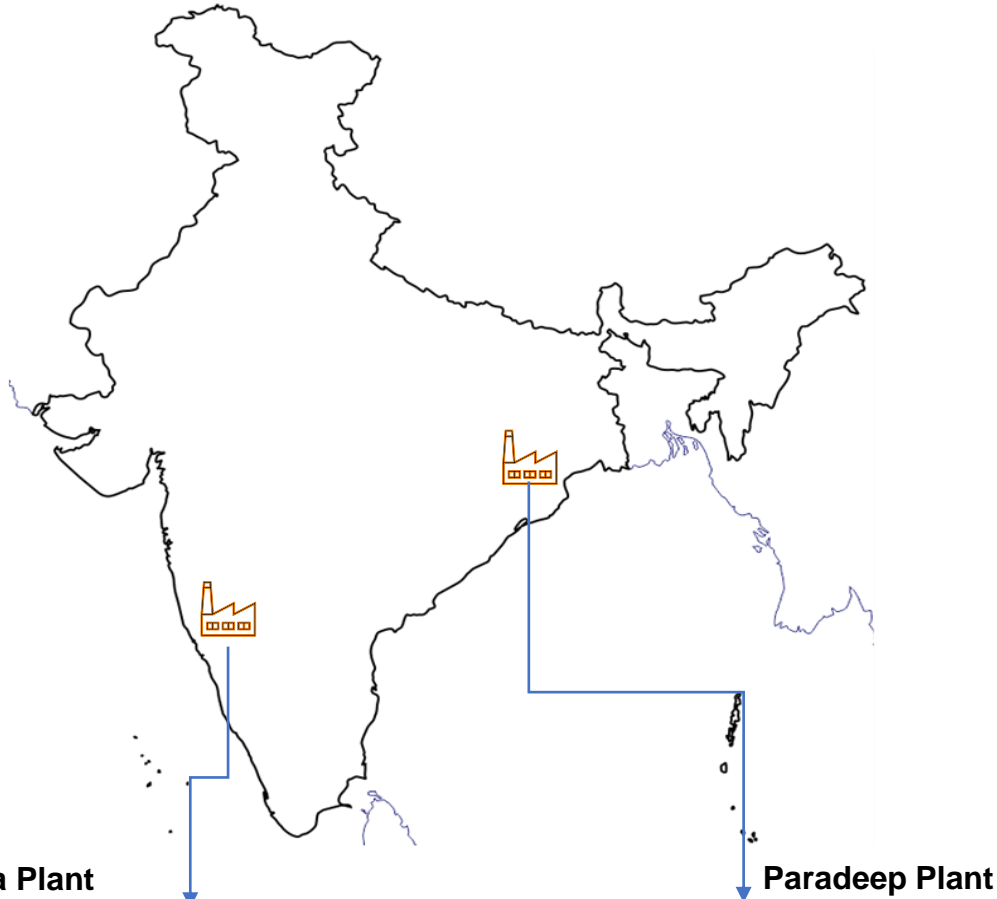
29th December'22
PMKSK Meets
4,170 farmers attended





- Covid followed by the Russia-Ukraine War have led to **increased prices in raw materials**. However, we are witnessing a gradual stabilization in raw material prices (*graph above*).
- China is gradually opening up post Covid. We are witnessing an **improvement in global supply chains**. This has led to a **favorable environment for price-stabilization, trading of raw-materials and production**.
- We have been witnessing a **hike in the interest rates world-over by respective central banks** with an aim to **control inflation**. This has temporarily increased the borrowing costs for companies across the globe.

Manufacturing Locations



Goa Plant



Paradeep Plant



Location	Paradeep, Odisha	Zuarinagar, Goa
Area (Acres)	2,282	260
Target Market	East, Central and South	West, Central and South
Fertiliser Products	DAP, NPK-20, N-12, N-10, N-14	NPK-10, N-12, N-14, N-19, N-28, DAP, Urea
Installed Fertiliser Capacity (MMTPA)	NPK / DAP: 1.8	NPK / DAP: 0.8 Urea: 0.4
Strategic Position	<ul style="list-style-type: none"> • Backward integration of phosphoric acid • Captive berth at Paradeep port • Land available for future expansion 	<ul style="list-style-type: none"> • Backward integration of ammonia • Diversified product portfolio • Access to developed markets

Well diversified product portfolio with focus on NPKs to improve farm yield and farmers' income

- PPL manufactures a versatile mix of products. Our core product portfolio includes **DAP, NPK-20, NPK-12, NPK-10**. Besides these, we also manufacture NPKs like **NPK 14, NPK 19, NPK 24** at both our plants Paradeep and Goa. The Goa plant also produces **Urea**.
- All the production lines are **fungible** in nature and can produce any mix of NPKs based on market need.
- Diversified product portfolio helps farmers in a) usage of the right **crop-specific and soil-specific** agri-inputs and b) **balanced fertilization**.
- Leading to a) **higher farm yields**, b) **better quality of farm produce**, c) **improvement in farmers' income**.

NPK - 10

- Contains Nitrogen, Phosphorus and Potassium in the ratio of **10:26:26**
- Suitable for all types of soil
- Presence of 1:1 ratio of Phosphorus and Potassium makes it suitable for crops such as sugarcane and potatoes

NPK - 12

- Contains Nitrogen, Phosphorus and Potassium in the ratio of **12:32:16**
- Suitable for all types of soil and enhances the yield and quality of crops such as onions, tobacco, ginger, garlic, tomato, cabbage and oil seeds

NPK - 20

- Contains Ammonia, Phosphate and Sulphate in the ratio of **20:20:0:13**
- Utilized for fertilizing vegetables that require frequent application of fertilizers
- Enhances the yield and quality of crops such as oil seeds, pulses, onions, soybean, garlic, sugarcane, paddy and cotton

DAP

- Granulated, high quality, water-soluble, complex mineral fertilizer containing primarily of **18%** Ammoniacal Nitrogen by weight and **46%** Phosphate by weight
- Suitable for all types of soils and can be used as a base fertilizer for all crops

Sales and Distribution Network



	PPL Total
States Currently Present	16
Regional Marketing Offices	21
Stock Points	510
No. of Dealers	5,322
No. of Retailers	72,925
Farmers Covered	~ 8 Mn

- Structured distribution network facilitates efficient sale of products and promotes brand visibility
- Undertakes various marketing activities to enhance customer loyalty and further penetrate geographic markets

Competitive Positioning



Manufacturing Capabilities

Paradeep capacity 1.8 MTPA:

NPK / DAP – 1.8 MTPA

Goa capacity 1.2 MTPA:

NPK / DAP – 0.80 MTPA

Urea – 0.40 MTPA

More than 78% reduction in power cost from Sulphuric Acid production



Comprehensive Product Portfolio

Consumer product portfolio:

Five grades of NPK

DAP

Industrial product portfolio:

Phospho-gypsum, Zypmite, Sulphuric Acid and HFSA

Availability of extensive storage area for raw materials and finished goods



Backward integration of rock phosphate

Raw material:

Stable source of raw materials, especially rock phosphate, by entering into long-term agreements with suppliers

Operational volatility hedge with backward integration of facilities



Logistics Advantage

Paradeep plant:

Proximity to Paradeep port and seamless access to waterways, railways and highways

Ability to expand facilities given one third of land currently utilized

Goa plant:

Strategically located close to the Mormugao port with captive power plant



Well Established Sales and Distribution Network

Consolidated pan india network:

21 regional marketing offices

510 stock points across India

5,322 dealers

72,925 retailers



Experienced Board and Management

Independent Board of Directors:

4 out of 8 Board of Directors are independent

Non-Executive Board of Directors:

88% of the Board of Directors are non-executive

Capacity Utilization and Product Diversification

- Expand into allied areas such as crop protection and specialty plant nutrition
- To achieve best capacity utilization for 3 MMTPA capacity (1.8 MMTPA at Paradeep Plant and 1.2 MMTPA for Goa Plant)
- To have the product mix aligned to market need and to have more NPK grades in our overall portfolio compared to DAP

Productivity and Cost Improvement Programs

- Enhance the captive Phosphoric Acid capacity from 0.3 to 0.5 MMTPA by Q1 FY 24 to further improve earning potential
- Enhance the captive Sulphuric Acid capacity from 1.39 to 2 MMTPA to backward integrate in line with phosphoric acid and to generate captive green power at 78% reduced cost compared to the grid

Market Expansion through New Channels

- Extending market presence in Odisha, West Bengal, Chhattisgarh, central and eastern parts of Uttar Pradesh, Andhra Pradesh, Telangana and Madhya Pradesh
- Relationship building with retailers, select dealers and institutions through the Jai Kisaan Sambandh reward program

Identify Inorganic Growth Opportunities

- Completed the acquisition of Goa facility from ZACL in June 2022
- Continue to explore potential inorganic growth opportunities in the future

Consolidated Financial Performance Summary



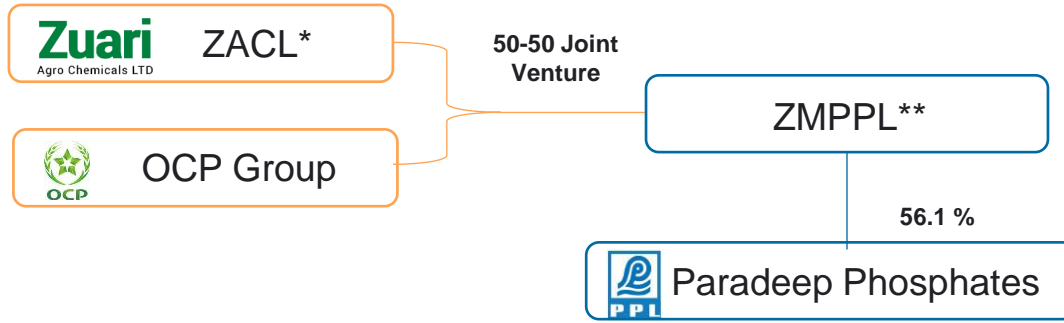
(in Rupees Million)

(Rs. Million)	Q3		Y-o-Y	Q2		Q-o-Q	9M		Y-o-Y
	FY2023	FY2022	Growth(%)	FY2023	Growth(%)	FY2023	FY2022	Growth(%)	
Revenue from Operations	43,984	27,093	62%	28,637	54%	96,968	59,600	63%	
Other Income	55	63	(13)%	61	(9)%	214	137	56%	
Total Income	44,040	27,157	62%	28,698	53%	97,182	59,737	63%	
Cost of Material Consumed	33,679	17,095	97%	26,227	28%	75,421	37,951	99%	
Purchase of Trading goods	700	3,427	(80)%	382	83%	1,393	10,424	(87)%	
Changes in Inventories of Finished Goods, W-I-P & Stock in Trade	648	1,940	(67)%	(4,648)	(114)%	(520)	(1,342)	(61)%	
Employee benefits expense	576	347	66%	558	3%	1,585	1,004	58%	
Other expenses	4,663	2,200	112%	4,305	8%	11,985	5,775	108%	
EBITDA	3,773	2,148	76%	1,875	101%	7,318	5,924	24%	
Margin	8.6%	7.9%		6.5%		7.5%	9.9%		
EBIT	3,302	1,916	72%	1,407	135%	6,071	5,254	16%	
Margin	7.5%	7.1%		4.9%		6.2%	8.8%		
PBT	2,424	1,701	43%	684	255%	3,956	4,829	(18)%	
Margin	5.5%	6.3%		2.4%		4.1%	8.1%		
Reported Profit After Tax	1,803	1,277	41%	511	253%	2,942	3,628	(19)%	
Margin	4.1%	4.7%		1.8%		3.0%	6.1%		
Basic EPS	2.21	2.22	(0)%	0.63	251%		6.30	(100)%	

Notes:

1. EBITDA includes Other Income
2. All Margins are calculated on Total Income

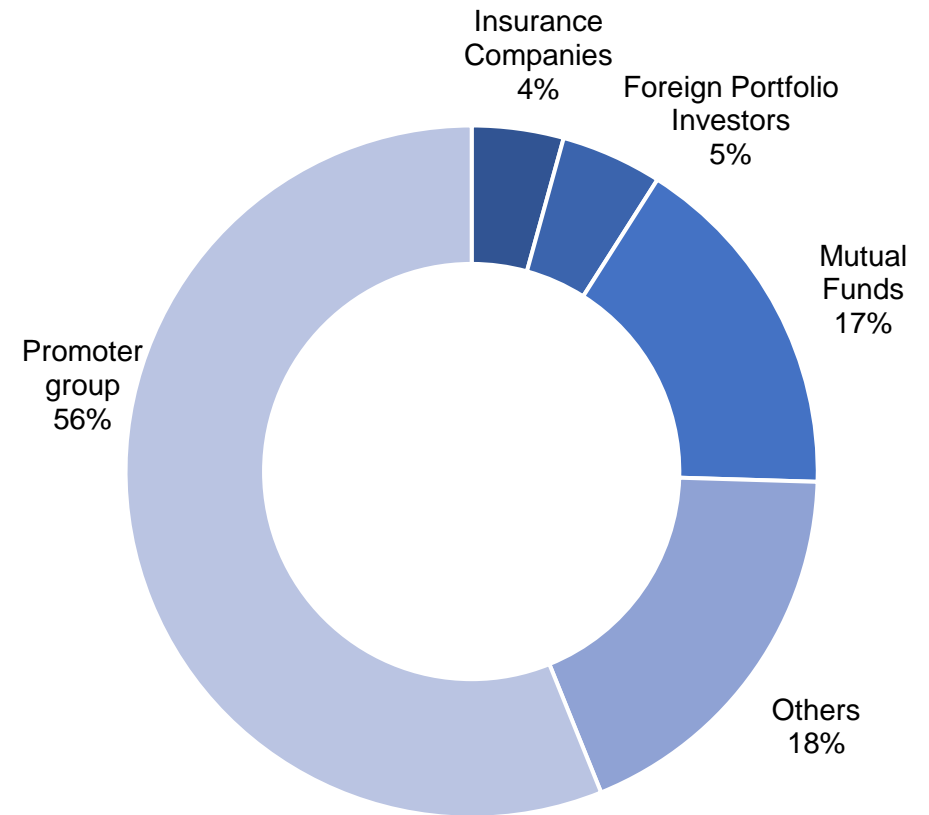
Promoters Group



[Zuari Agro Chemicals](#) (ZACL) has been a leading fertilizer player in India. It was promoted by the eminent industrialist Dr. K K Birla and incorporated jointly by the House of Birlas and US Steel Corporation in the year 1967

[OCP Group](#) is one of the leading producers of Phosphate rock globally with approximately 70% of the global Phosphate rock reserves and exercises the monopoly for the exploration and operation of phosphates. The group is owned by the Moroccan Government

% PPL Shareholdings – Dec 31, 2022



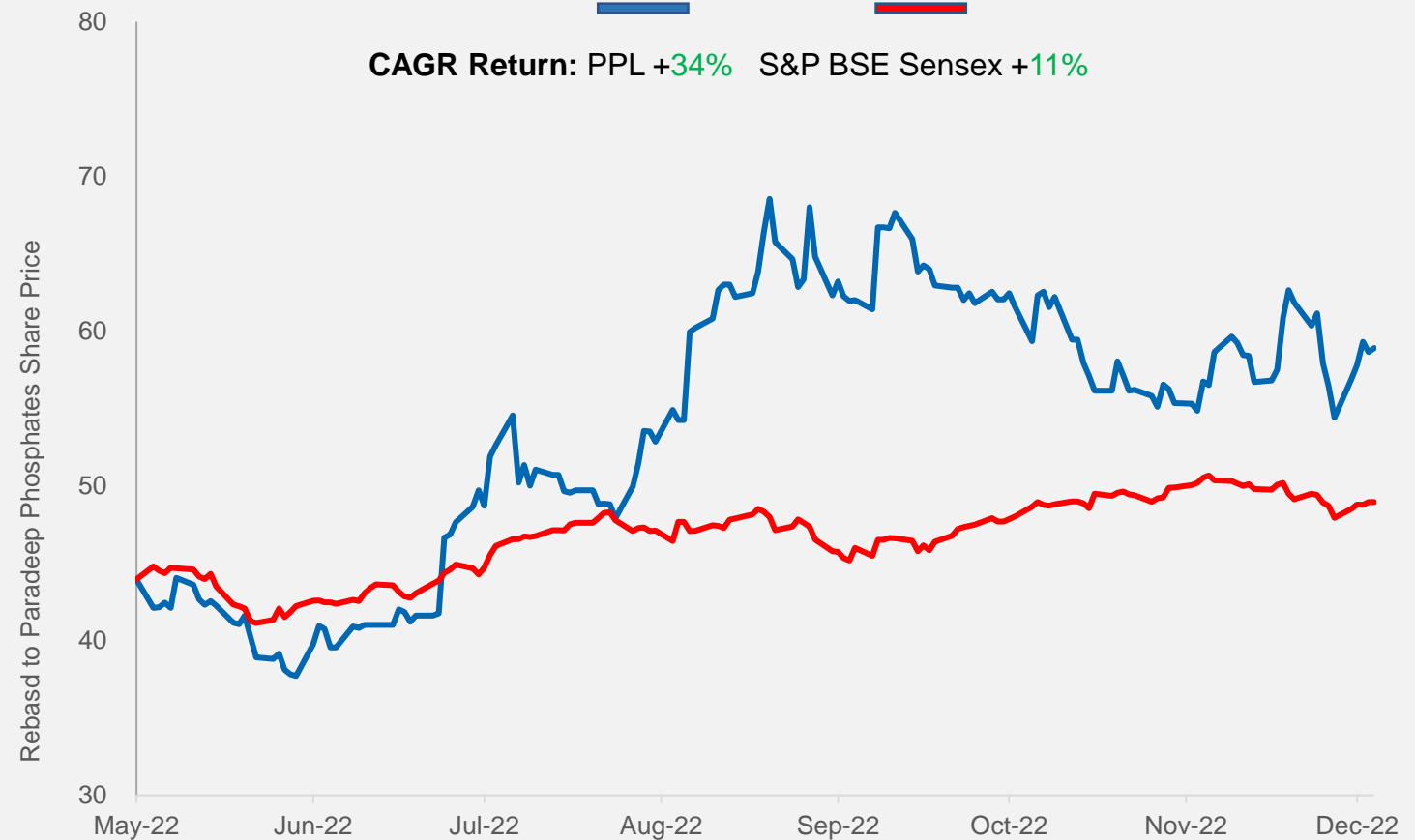
* Zuari Agro Chemicals Limited

**Zuari Maroc Phosphates Pvt Ltd

Key Facts 30th Dec 2022

BSE Ticker	543530
CMP (Rs.)	59
Shares O/S (Cr)	81
Market Cap (Rs. Cr)	4,797
52 Week H/L (Rs.)	69 / 38

Share Price Information, as on 30th Dec 2022



(BSE Sensex Rebasd to PPL Share Price)

Disclaimer

This presentation contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to “Paradeep Phosphates” future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Paradeep Phosphates undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

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Thank You

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