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Earnings Presentation

Q2 FY2025



Business Overview



- Paradeep Phosphates Limited (PPL) is India's second-largest private sector phosphatic fertilizer company with a capacity of **3.0 MMTPA**
- The Paradeep unit (1.8 MMTPA) can produce **DAP** and various **NPK grades**, while the Goa unit (1.2 MMTPA) can produce **unique NPK grades** (0.8 MMTPA) and **urea** (0.4 MMTPA)
- PPL's competencies are in sourcing critical raw materials, producing DAP and various NPK grades, and selling to more than **9 million farmers** through a wide distribution network of over **75,000 retailers** across **15 states** in India. PPL also has a small industrial portfolio
- PPL's brands, **Jai Kisaan** and **Navratna**, hold strong equity in the minds of farmers
- PPL is promoted by Zuari Agro Chemicals and OCP Group of Morocco, jointly holding 56.1% of the company through ZMPPL (Zuari Maroc Phosphates Pvt Ltd)

Key Metrics in FY 24

02 Manufacturing Plants	9+ Million Farmer Connect	ICRA A Stable Credit Rating
3.0 MMTPA Installed Capacity	1,500+ Employees	1.1 Debt to Equity
Rs. 115,751 Mn Revenue	15 States Geographical Presence	12% ROCE

Manufacturing Units	Location	Area in acres	Installed Capacity	Target Market	Key Products	ISO Certification	Backward Integration	Advantages
	Paradeep, Odisha	2280	NPK / DAP 1.8 MMTPA	East, Central and South of India	DAP, NPK-20, N-12, N-10, N-14	<ul style="list-style-type: none"> 9001 14001 45001 50001 17025 	Phosphoric Acid	Inbound logistics via a 3.4 km pipeline from the port Green power generated from sulphuric acid production
	Zuarinagar, Goa	260	NPK / DAP 0.8 MMTPA, Urea - 0.4 MMTPA	West, Central and South of India	NPK-10, N-12, N-14, N-19, N-28, Urea N-19 is unique to the Goa plant in India	<ul style="list-style-type: none"> 45001 14001 	Ammonia	Centrally located in agriculturally developed markets with high phosphate consumption



Raw Material Sourcing

- Competitive edge in sourcing raw materials via **long-term agreements** with suppliers
- **Supplier relationships** coupled with **backward integration** help hedge global price volatility
- Close proximity to ports enhances inbound logistics. PPL owns a **captive berth** at Paradeep port, using a 3.4 km conveyor pipeline for transport
- The Goa plant also benefits from its location near Mormugao Port



Manufacturing & Storage Capabilities

Paradeep Plant:

- Backward integration of P_2O_5
- Land for future expansion
- Green Power via making of captive sulphuric acid

Goa Plant:

- Backward integration of ammonia
- Diversified product portfolio
- Access to developed markets

Availability of **extensive storage area** for raw materials and finished goods at both plants



Wide product basket with unique grades

Consumer Product Portfolio:

- **Core Products:**
NPK-20:20:0:13, NPK-19:19:19, NPK-28:28:0, DAP-18:46:0, NPK-12:32:16, NPK-10:26:26

• Newer Products:

TSP-0:46:0, Nano DAP, Nano Urea, NPK-14:35:14

• Industrial Products:

Phospho-gypsum, Sulphuric Acid, NH_3 , HFSA

• Circular Product

Zypmite



Pan India Sales Network and Strong Brand Equity

Two flagship brands

- Jai Kisaan and Navratna

Extensive Pan-India Network

- 15 plus States in India
- 22 regional marketing offices
- 520 plus stock points
- 5,000 plus dealers
- 75,000 plus retailers

Consumer Base

- 9 plus Million Farmers

Strong channel loyalty programme



ESG Centric Organization

Environment in FY 24

- 46% energy is **green** via process heat recovery
- 17% reduction in GHG footprint across scope 1&2
- 100% operations ZLD

Social in FY 24

- 1467 Total Employees
- 45.23 avg. training hours
- Zero Fatalities
- ₹103.6 Million CSR spends impacting 59,000 lives

Governance in FY 24

- 50% Independent Directors
- Zero cases of corporate governance breach
- 51 ESG score in DJSI

Sustainability & ESG Journey at PPL



ESG at PPL is a blend of GRI benchmarking, new policies & initiatives, reporting, rating and governance



Paradeep Site: A Crucial Habitat for Migratory Birds

The Paradeep site, spanning 2,280 acres, is a vital habitat for over 30,000 migratory birds from more than 50 species annually. It offers diverse habitats like wetlands, grasslands, and woodlands, supporting avian biodiversity and ecological research. These birds, traveling long distances from around the world, help maintain ecological balance through seed dispersal, pollination, and insect control.



DJSI, or Dow Jones Sustainability Index, is a globally renowned ESG rating index by S&P

[ESG Report FY2021 - 2022](#) , [ESG Report FY2022 – 2023](#) , [BRSR Report FY2022-2023](#) , [BRSR Report FY 2023-24](#), [PPL Digital ESG Profile](#)

Q2 FY25 Performance Highlights



(In Rupees Million)

Total Income

Rs. 38,438

61.7% Y-o-Y

EBITDA

Rs. 4,403

Margins : 11.4%

PBT

Rs. 2,960

Margins : 7.7%

Net Profit

Rs. 2,276

Margins : 5.9%

Quarterly Developments

- Profit soared 155% year-over-year, with sales and production volumes rising by 7% and 5%, respectively
- Sales mix included **over 10 varieties** of NPK fertilizers, such as NPK-10, NPK-12, NPK-14, NPK-15, NPK-19, and NPK-28, in addition to core products like DAP and NPK-20
- New products, like biogenic nano DAP and nano Urea, surpassed 550,000 bottles in sales, while Triple Super Phosphate (TSP) experienced a 35% increase in sales during Q2, reaching 36,320 MT
- The overall performance is driven by strategic sourcing, backward-integration of intermediaries, a soil and crop-specific product portfolio, robust sales and distribution capabilities, and strong relationships with channel and farmers

Q2 FY25 PPL Operational Highlights



(Production Volumes)

Total fertilizers

693,311 MT

6% Y-o-Y

DAP

209,852 MT

18% Y-o-Y

N-20

239,229 MT

11% Y-o-Y

Other NPK

138,977 MT

2% Y-o-Y

Sulphuric Acid

363,830 MT

3% Y-o-Y

Phosphoric Acid

138,190 MT

46% Y-o-Y

Urea Production: **105,253 MT**

Ammonia: **65,854 MT**

Q2 FY25 PPL Operational Highlights



(Manufactured Sales Volumes)

Total fertilizers

865,286 MT

7% Y-o-Y

DAP

218,383 MT

(13)% Y-o-Y

N-20

254,544 MT

9% Y-o-Y

Other NPK

192,100 MT

(1)% Y-o-Y

Urea Sales: 113,756 MT

Traded Products: 86,503 MT (MOP, TSP, DAP)

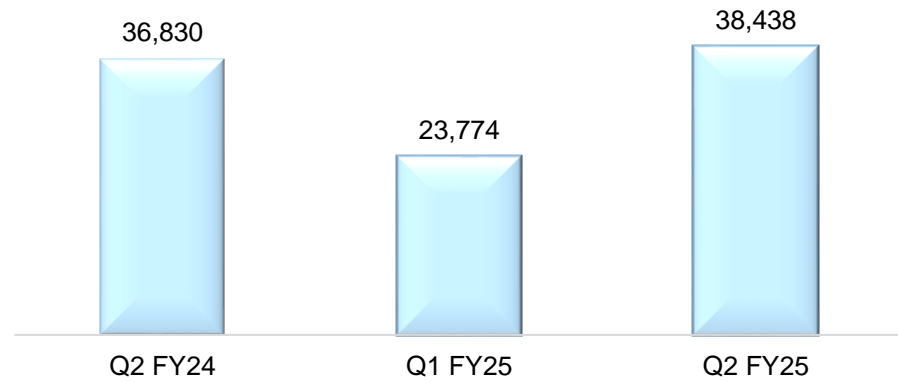
Q2 FY25 Performance Trends



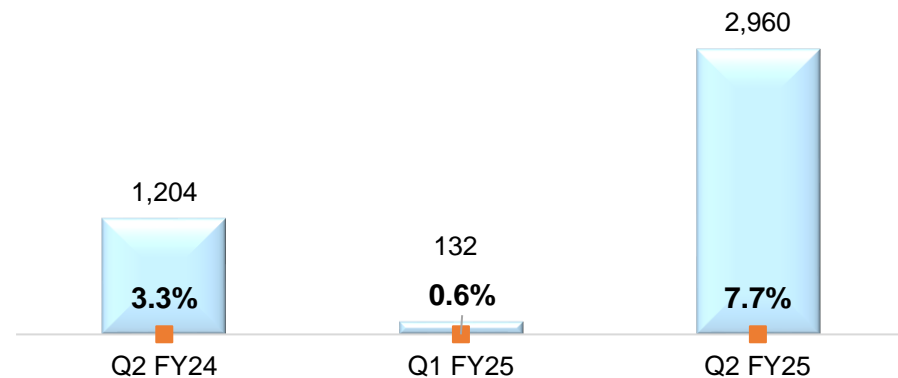
Profit, PBT, EBITDA Soared by 155%, 146% and 65 % respectively on YoY basis, Revenue up 4.4 % YoY

(in Rupees Million)

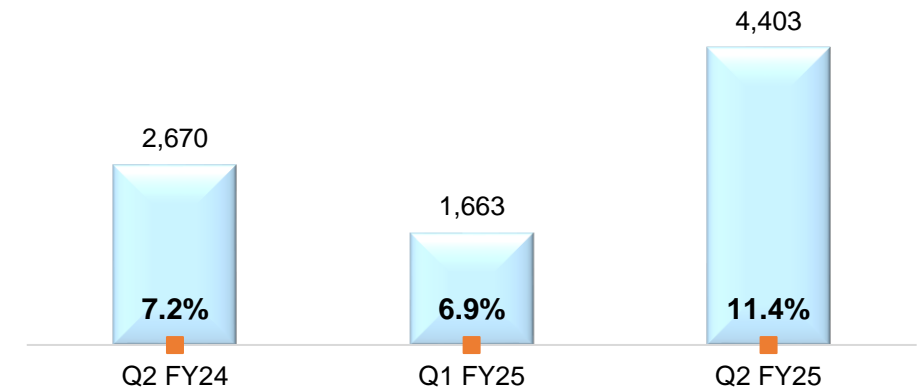
Revenue from Operations



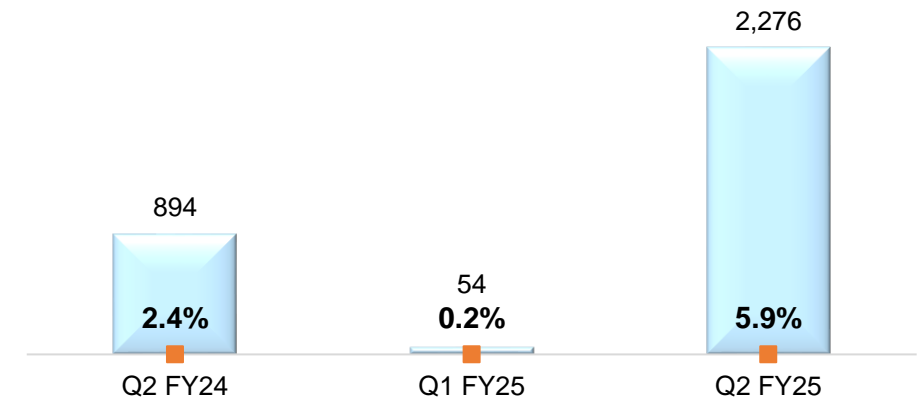
PBT and Margins



EBITDA and Margins



Net Profit and Margins



Leverage Profile, Working Capital Cycle and RM Movement

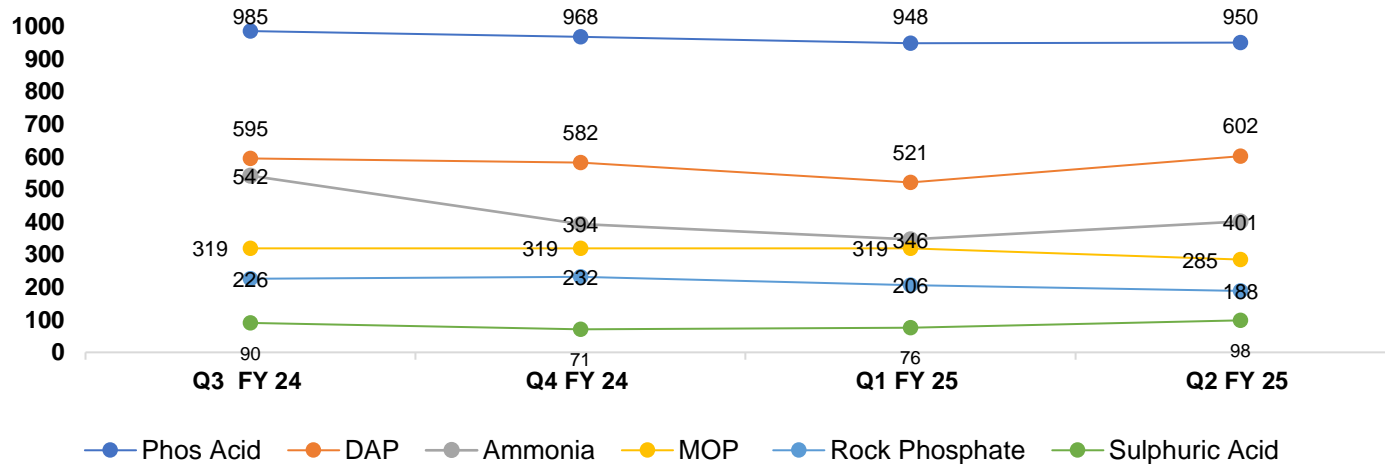


(Rs. Million)	FY23	FY24	H1 FY25
Long Term Debt	6,119	6,765	6,438
Short Term Debt	40,192	33,179	36,839
Total Debt	46,311	39,944	43,277
(-) Cash & Cash Equivalents	1,099	1,180	12,384*
Net Debt	45,213	38,764	30,893
Total Equity	35,047	35,644	37,592
Net Debt/Equity	1.3x	1.1x	0.8x

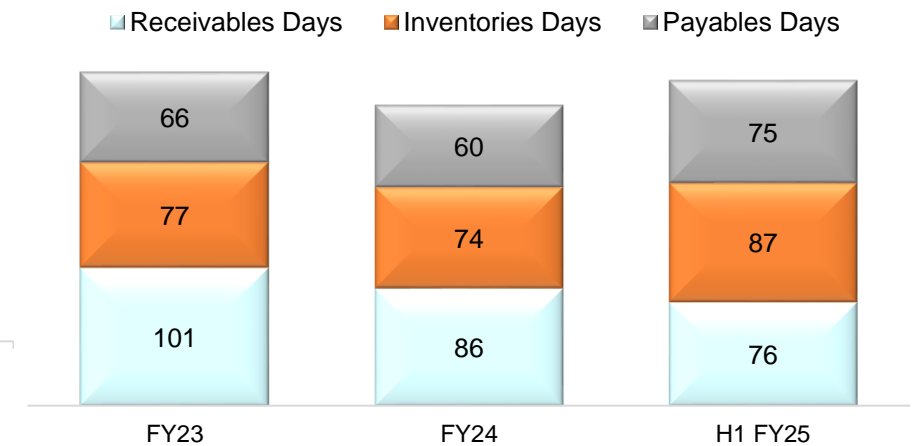
Key Observation

- Net debt to equity improved by nearly 25% to 0.82 in Q2 FY25 compared to the start of the year.
- Increase in short term debt is balanced by increase in current assets.
- Surplus cash generated from operations stood at Rs 1,238 crores.

RM Movement (\$ / ton)**



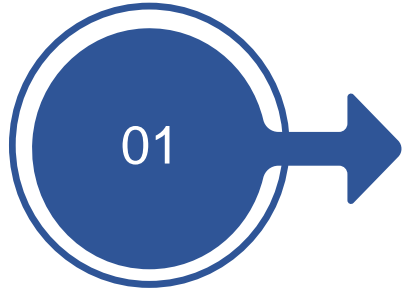
Working Capital Cycle



Receivables Days = Trades Receivables / Revenue * 365 ; Payable Days = Trades Payable / COGS * 365 ; Inventory Days = Inventory / COGS *365

* Cash and Cash Equivalents additionally encompasses investments, bank balances

** These are indicative published prices and are not actual for the company

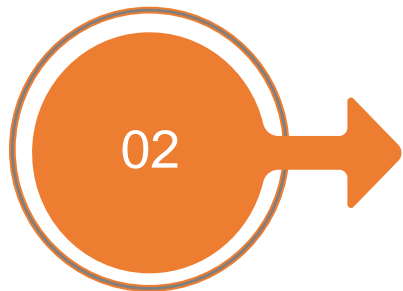


Capex projects to enhance profitability

- The newly expanded phosphoric acid capacity is now operational
- Increase in sulphuric acid production capacity from 1.4 to 2 MMTPA is ongoing

Q2 FY25 Update

- Phosphoric acid production increased YoY by 46%. Higher spreads realized given the raw-material climate
- Sulphuric acid augmentation is on-track and is expected to be completed by early FY 26

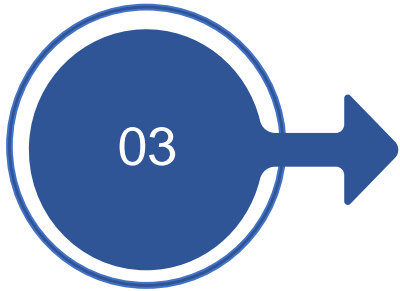


Product Stewardship

- Advancements in domestic R&D leading to the development of nano-urea and nano-DAP
- Introduction of new NPK variants viz. Triple Super Phosphate (TSP)
- Diversity of Product Basket and Product Circularity (Zypmite)

Q2 FY25 Update

- The company sold 5.5 Lakh bottles of nano fertilizers (DAP and Urea), a record ~10x jump from Q1 sales
- PPL sold 36,200 MT of TSP, marking a 34% rise from Q1 sales
- PPL sold over 10 NPK varieties, highlighting its production flexibility, Zypmite sales rose 75% YoY this quarter



Brownfield expansion of Phosphoric Acid Capacity

- The Board of Directors approved the brownfield expansion of our captive phosphoric acid capacity from 0.5 MMTPA to 0.7 MMTPA in the Q2 board meeting
- This initiative aims to achieve 100% backward integration in fertilizer production, reduce import dependency, and enhance the company's operational capabilities and profitability
- The expansion is expected to cost approximately Rs 250 crores, to be funded through a mix of internal accruals and external financing



Mr. N Suresh Krishnan
Managing Director and CEO

In Q2 FY25, we benefited from favourable conditions, including good monsoons, healthy reservoir levels, and robust crop prices. We achieved strong volume growth across our diverse portfolio of NPK fertilizers, further reinforced by the acceptance of our climate and soil friendly products like nano fertilizers and TSP.

Our strategic approach to raw material sourcing and diligent operational management improved our financial leverage, resulting in a 25% reduction in our net debt to equity ratio. The board has also approved plans to increase our phosphoric acid capacity targeting 100% backward integration across all manufacturing sites. These initiatives will enhance our earnings quality and position us for sustainable growth.

Looking ahead, I am optimistic about the upcoming Rabi season, which we anticipate will mirror the strong demand seen in Kharif. With our robust supply chain linkages and backward integration capabilities, along with our diverse product offerings and strong channel partnerships, we are well equipped to serve Indian farmers and soils effectively.

We will continue to prioritize our ESG initiatives as a core aspect of our growth strategy. I want to extend my heartfelt gratitude to all stakeholders for their ongoing support in our journey.

Financial Performance Summary



(in Rupees Million)

(Rs. Million)	Q2		Y-o-Y	Q1		Q-o-Q	H1		Y-o-Y
	FY2025	FY2024	Growth(%)	FY2025	Growth(%)	FY2025	FY2024	Growth(%)	
Revenue from Operations	38,438	36,830	4.4%	23,774	61.7%	62,213	67,374	(7.7)%	
Other Income	149	110	35.7%	192	(22.4)%	341	302	13.1%	
Total Income	38,588	36,940	4.5%	23,966	61.0%	62,554	67,675	(7.6)%	
Cost of Material Consumed	22,336	20,177	10.7%	17,162	30.1%	39,498	44,605	(11.5)%	
Purchase of Trading goods	6,409	1,548	314.0%	3,964	61.7%	10,373	8,319	24.7%	
Changes in Inventories of Finished Goods, W-I-P & Stock in Trade	(490)	7,340	(106.7)%	(3,906)	(87.4)%	(4,397)	1,855	(337.0)%	
Employee benefits expense	615	578	6.4%	580	6.0%	1,195	1,161	3.0%	
Other expenses	5,315	4,627	14.9%	4,504	18.0%	9,819	9,260	6.0%	
EBITDA	4,403	2,670	64.9%	1,663	164.8%	6,066	2,476	145.0%	
Margin	11.4%	7.2%		6.9%		9.7%	3.7%		
EBIT	3,777	2,163	74.6%	1,051	259.5%	4,827	1,499	222.0%	
Margin	9.8%	5.9%		4.4%		7.7%	2.2%		
PBT	2,960	1,204	145.9%	132	2140.5%	3,092	(389)	nm	
Margin	7.7%	3.3%		0.6%		4.9%	(0.6)%		
Reported Profit After Tax	2,276	894	154.5%	54	4131.0%	2,330	(305)	nm	
Margin	5.9%	2.4%		0.2%		3.7%	(0.5)%		
Basic EPS	2.79	1.10	153.6%	0.07	3885.7%	2.86	(0.37)	nm	

Notes:

- EBITDA includes Other Income
- All Margins are calculated on Total Income

Well diversified product portfolio to cover the entire range of the non-urea fertilizer market

Core Products



DAP 18:46:0



NPK 20:20:0:13



NPK 12:32:16



NPK 28:28:0



NPK 19:19:19



NPK 10:26:26



NPK 0:46:0 (TSP)



NPK 14:35:14



Nano Urea



Nano DAP

For more details of our products, please visit : <https://www.paradeepphosphates.com/brands-and-products>

PPL's Sales and Distribution Strength



PPL is present pan-India. Its continuous channel engagement enhances brand equity and customer loyalty



Market Presence	PPL
States Covered	15
Regional Marketing Offices	22
Stock Points	345
No. of Dealers	5,000+
No. of Retailers	75,000+
Farmers Covered	9+ Mn

Farmer Engagement & Brand Development Q2 FY25 (1/2)



Showcase Of BTL Activities and Digital Out-reach For Our New Products of Nano-fertilizers and TSP

BTL Activities Organized

Activity	Count
Retailer Meetings	83
Farmer Meetings	2,212
Demonstrations	477
Crop Seminar	265
FPO Farmer meetings	409
Viksit Bharat Sankalp Yatra	2,217
Mega Farmer Meetings	23
Wall Paintings	158,396 sq ft
Shop Paintings	675

Digital Out-reach



Farmer Engagement & Brand Development Q2 FY25 (2/2)



Showcase Of Nutrient Use Efficiency With The Channel And Farmers For Our New Products



PPL actively touches over 59,000 lives through its six themed CSR programmes



Livelihood & Community Empowerment

3,545 lives touched

55 women provided Agriculture drones
1662 women underwent agriculture training



Rural Sports Promotion

3,545 lives touched

1 Girl selected for Khelo India National Championship Din Football and 8 boys secured place to participate in State level championship



Environment & Biodiversity

7,044 lives touched

- 47400 saplings planted
- 1958 fruit bearing tree planted



Healthcare

32,875 lives touched

50 TB and 34 Anaemic patient provided nutrition & Healthcare support and +300 elderly people supported with Geriatric kit, Eye care



Education

8,859 lives touched

•30 AWC centre developed as Navratna Balyagraha project over three years and 15 STEM Centre and 15 Library established



Rural & Slum Development

1,925 lives touched

- Connectivity issues addressed in 4 villages
- Address power disruption through 4 solar power project making ease of life

The company invested ₹103.6 million in FY 23-24 to create meaningful impact in the communities surrounding its facilities

1. Union Budget 2024: Boost for Fertilizer Sector

- In the July 2024 Union Budget, the government has allocated ₹1.52 lakh crore to farming and allied sectors
- The fertilizer sector has received a total budget of ₹1.64 lakh crore, with ₹45,000 crore designated for products under nutrient-based subsidies

2. Government Increase in Minimum Support Prices (MSP) for Kharif Crops

- The Government has increased the Minimum Support Prices (MSP) for Kharif crops for the marketing season 2024-25 to ensure growers receive remunerative prices.
- This is expected to benefit fertilizer companies as higher MSPs may encourage farmers to cultivate more Kharif crops, leading to increased demand for fertilizers

3. India's Progress Toward Urea Self-Sufficiency

- India's urea imports have recently decreased to less than 5 million tonnes due to the establishment of new production plants
- Domestic urea production is expected to increase by 2025, with four new plants operational, advancing India toward self-sufficiency (Atma Nirbhar Bharat)

4. Government Initiatives to Promote Nano Fertilizers

- The Government of India is promoting the use of nano fertilizers via a) awareness campaigns b) newer capacity building c) availability at PMKSKs d) SHGs e) field demonstrations
- The 'Namo Drone Didi' Scheme provides drones to 15,000 women SHGs for nano fertilizer application

Awards & Recognitions



Recent Awards



Best Annual Report Award - 2023



Kalinga Safety Excellence Award



Best Performing Plant Award at FAI

Awards and Accolades



CSR Golden Peacock Award - 2022



Excellence Award by Odisha CSR Forum - 2022

Industry Recognition



CIDC Vishwakarma Award Best Professionally Managed Co.



Accolades by CII for Energy Conservation Initiatives



Exceed Award 2022 on OSH in Platinum category, Goa



Recognition for "Shared Vision for Better World" by Bureau of Indian Standards

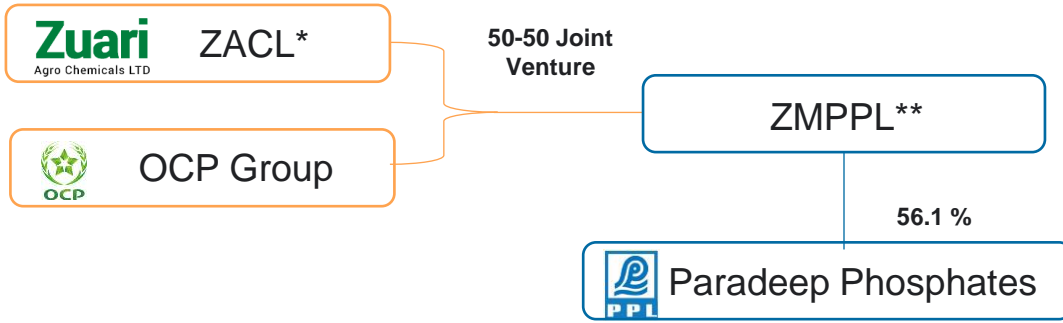


PAP Best Performance Award, FAI - 2022

Share Holding Pattern Top Shareholders



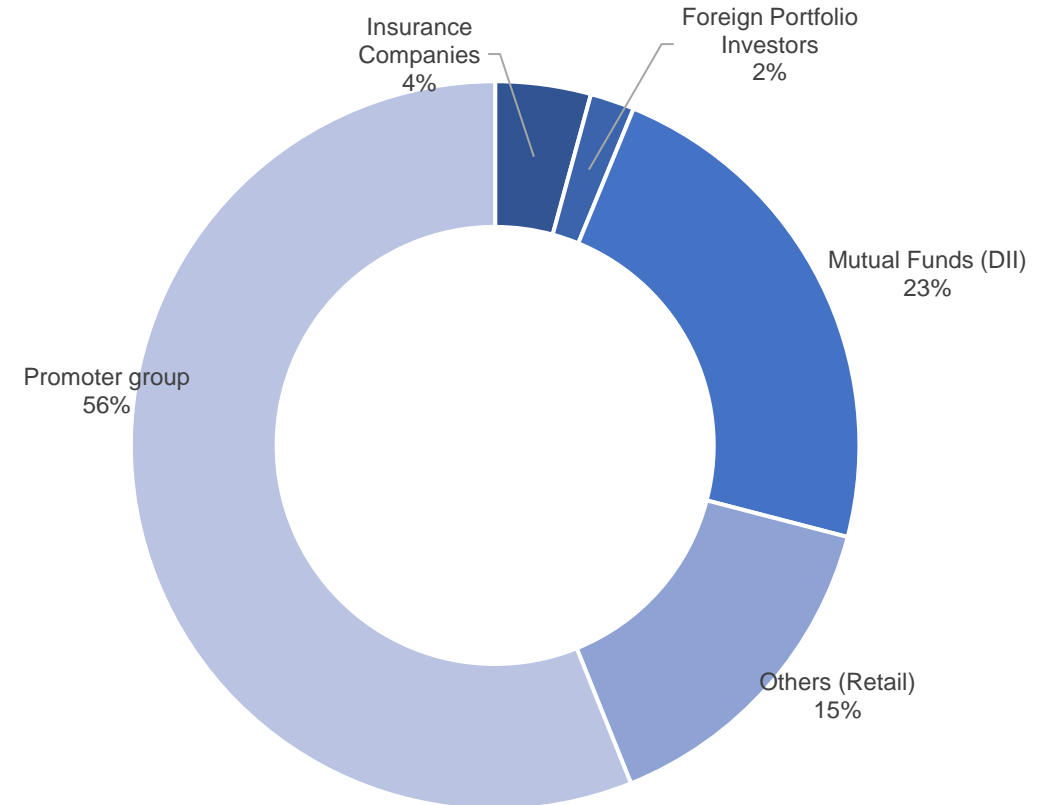
Promoter Group



Top Shareholders# in DII, FII and Insurance

SBI MF Total	8.55%	Domestic
Life Insurance Corporation of India	4.15%	Domestic
Nippon Life India	3.59%	Domestic
DSP Small Cap Fund	3.19%	Domestic
HSBC MF Total	3.17%	Domestic
HDFC MF Total	1.96%	Domestic
Tata Mutual Fund Total	0.85%	Domestic
UTI MF	0.54%	Domestic
Dovetail India Fund	0.49%	Foreign

% PPL Shareholdings



* Zuari Agro Chemicals Limited, **Zuari Maroc Phosphates Pvt Ltd, # As on 30th September 2024

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.

For further information please contact:

Paradeep Phosphates Limited

Susnato Lahiri

susnato.lahiri@adventz.com

Contact : +91 080 46812500 (Ext 533)

Churchgate Partners

Yash Patel / Rajiv Pandya

paradeep@churchgatepartners.com

Contact: +91 22 6169 5988

Thank You

www.paradeepphosphates.com

Follow us on :  

Registered Office : Paradeep Phosphates Limited, 5th Floor, Bayan Bhavan Pandit Jawaharlal Nehru Marg, Bhubaneswar, Odisha, India - 751 001