



Profit Soars 143% YoY, with Sales and Production Volumes Rising by 18% and 5% YoY, respectively

28 October, 2024: Paradeep Phosphates Ltd (PPL) today declared its financial results for the quarter that ended on 30th September, 2024.

The company reported income from operations of Rs 3,844 crores for Q2 FY25, reflecting a 4% year-over-year increase. Total fertilizer production for the quarter reached 693,311 MT, up 5% YoY, while total fertilizer sales rose by 18% to 865,286 MT.

The sales mix showcased a diverse array of NPK fertilizers, including NPK-10, NPK-12, NPK-14, NPK-15, NPK-19, and NPK-28, along with core products of DAP and NPK-20.

Notably, our newly launched biogenic nano DAP (with 6% Nitrogen and 16% P₂O₅) and nano Urea (containing 8% Nitrogen) have gained significant traction, with sales surpassing 600,000 bottles in H1. Additionally, sales of the newly introduced Triple Super Phosphate (TSP) reached 63,330 MT in H1, with Q2 sales totaling 36,320 MT.

The company has announced an expansion of its captive phosphoric acid capacity from 0.5 MMTPA (million metric tons per annum) to 0.7 MMTPA.

Commenting on the Q2 results, **Mr. S Krishnan, Managing Director & CEO, Paradeep Phosphates** said,

"In Q2 FY25, we benefited from favorable 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."

PARADEEP PHOSPHATES LIMITED

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Performance Highlights: Q2 FY25

- Total Income in Q2 FY25 is Rs 3,844 crores, up by 4% YoY.
- Total production volumes stood at 693,311 MT, reflecting a 5% YoY increase.
- Total sales volumes of finished fertilizers reached 865,286 MT, marking an 18% year-over-year increase.
- Sales volumes exceeded production by 25%, re-inforcing the company's distribution strengths and strong brand equity.
- EBITDA for Q2 FY25 stood at Rs 440 crores, an increase of 65% YoY, while PBT stood at Rs 296 crores, marking an increase of 146% YoY.
- Net debt to equity improved by nearly 25% to 0.82 in Q2 FY25 compared to the start of the year.
- Key raw material prices witnessed an upward trend from Q1 FY25 to Q2 FY25.
- Surplus cash generated from operations stood at Rs 1,238 crores.

Performance Highlights: H1 FY25

- Total Income in H1 FY25 is Rs 6,221 crores.
- Total Production Volumes stood at 1,232,504 MT, while Total Sales Volumes reached 1,419,857 MT.
- EBITDA for H1 FY25 stood at Rs 607 crores, while PBT amounted to Rs 310 crores.
- New product sales volumes for nano-fertilizers were over 6 Lakh bottles and for TSP were 63,330 MT in H1.
- With favorable monsoon conditions, healthy reservoir levels, robust crop prices above MSPs, and moderate fertilizer inventory levels in the country, fertilizer demand is projected to remain strong throughout the Rabi season of FY25.

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 today's 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.

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Press Release : PPL's Q2 FY 25 results

About Paradeep Phosphates Limited

Paradeep Phosphates Ltd (PPL) is a leading company in India's phosphatic fertilizer industry, with a total production capacity of 3 million metric tonnes (MT), including 2.6 million MT of phosphates and 0.4 million MT of urea. Its two manufacturing units in Paradeep, Odisha (1.8 million MT), and Zuarinagar, Goa (1.2 million MT), produce a wide range of fertilizers, including DAP and various NPK grades (N-10, N-12, N-14, N-19, N-20, N-28), as well as urea. PPL caters to over 9 million farmers through 70,000 retail points across 15 Indian states and supplies industrial products such as gypsum, HFSA, sulphuric acid, and ammonia.

The company's strengths include raw material sourcing through long-term contracts; backward integration in phosphoric acid, sulphuric acid, and ammonia; efficient storage, inbound, and outbound logistics, a captive berth at Paradeep port; flexible DAP/NPK production lines; and a robust pan-India distribution network, supported by strong brands of "Jai Kisaan" and "Navratna".

Since 2022, PPL has increased its production capacity from 1.2 million MT to 3 million MT, driven by organic growth at the Paradeep plant and the acquisition of the Goa unit in June 2022. The company has also strengthened its backward integration in phosphoric acid to 5 lakh tonnes per annum.

At PPL, ESG is an embedded part of its growth journey and is overseen by the Board and an executive steering committee. The company adheres to global standards, including the GRI, SASB, and UN-SDGs, and annually publishes both ESG and BRSR reports including its carbon footprint across Scope 1, 2, and 3 emissions. In 2023, PPL made an impressive debut on the S&P Dow Jones Sustainability Index (DJSI) placing it in the top 25 percentile globally in its sector.

Founded in 1981 as a joint venture between the Government of India (GoI) and the Republic of Nauru, PPL became a public sector entity in 1993. In 2002, GoI divested nearly 80% of its stake to Zuari Maroc Phosphates Pvt. Ltd. (ZMPPL), a joint venture between Dr. K K Birla's Zuari Group and Morocco's OCP Group. Following its IPO in May 2022, PPL transitioned into a private company, with GoI selling its residual 19.55% stake, and ZMPPL becoming the majority owner with 56.08 % stake.

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