



# **E.I.D.- PARRY (INDIA) LIMITED**

## **INVESTOR PRESENTATION**

### **NOVEMBER 2012**

*Enriching life by creating value from agriculture*



# Disclaimer

This presentation contains forward-looking statements which may be identified by their use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements.

Forward-looking statements are based on certain assumptions and expectations of future events. The companies referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements, could thus differ materially from those projected in any such forward-looking statements. These companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

# Contents

- Company Overview
- Sugar Business
  - ▶ World and Indian Sugar Balance
  - ▶ EID – Sugar Business
- Bio Products Business
  - ▶ Nutraceuticals
  - ▶ Bio Pesticides
- Financials
- Recognitions

# COMPANY OVERVIEW





# Overview

REACHING NEW HEIGHTS

POWERING LIVES

PIONEERING GROWTH



## Many 1sts.

- first to setup sugar plant in India
- first to launch branded sugar in India- Parrys
- only sugar brand to be conferred “Super brand” status

## Pioneers in

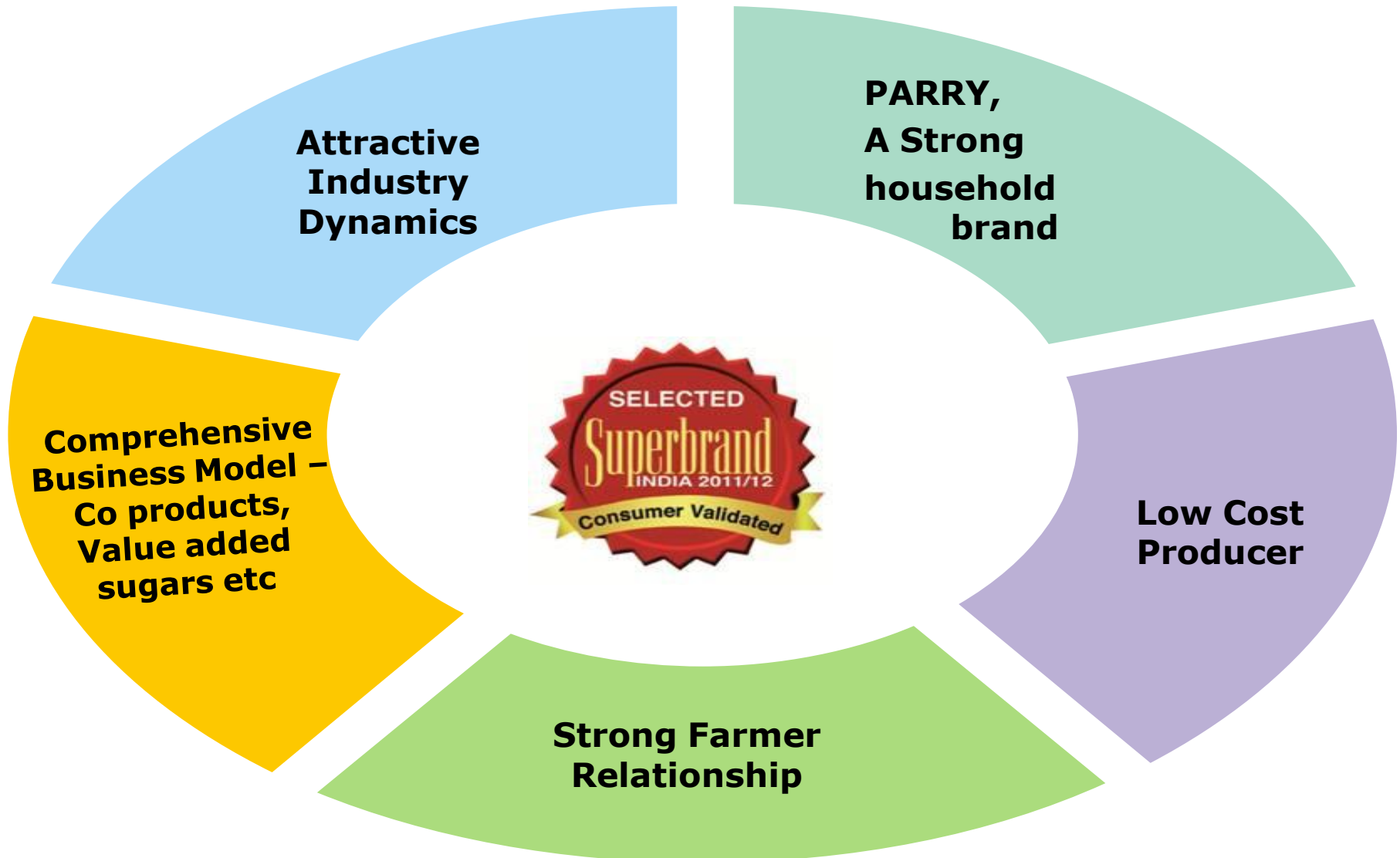
- Sugar from 1842
- Distillery from 1848
- Fertilizers from 1906
- Bio-pesticides from 1995
- Co-generation- Exportable Power from 1997
- Algal Nutraceuticals-EID from 1997
- Branded Retail sugar from 2004

Serving stakeholders  
for more than



Making Sugar since 1842

# Strengths



# Operational Achievements

- 65,232 acres brought under cane cultivation for the half year ended 30<sup>th</sup> Sep'12



- 32.58 lakh Tons cane crushed for the half year.
- 174 days of operations with optimum capacity utilisation
- 332 % growth in sugar exports over half year ended 11-12

- 2<sup>nd</sup> Largest sugar exporter in India
- Focus on organic growth by debottlenecking & sweating the assets

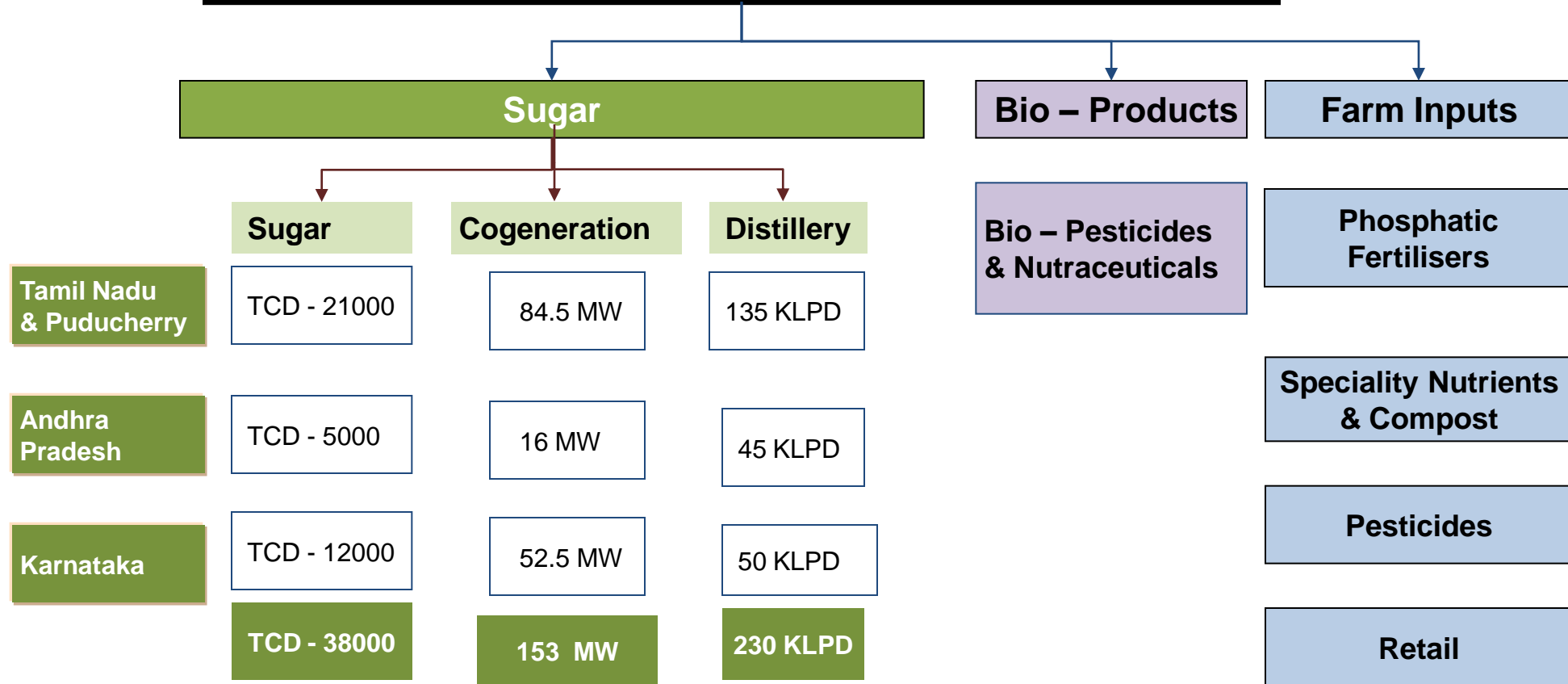




# Capacity & Financials



# Businesses in EID

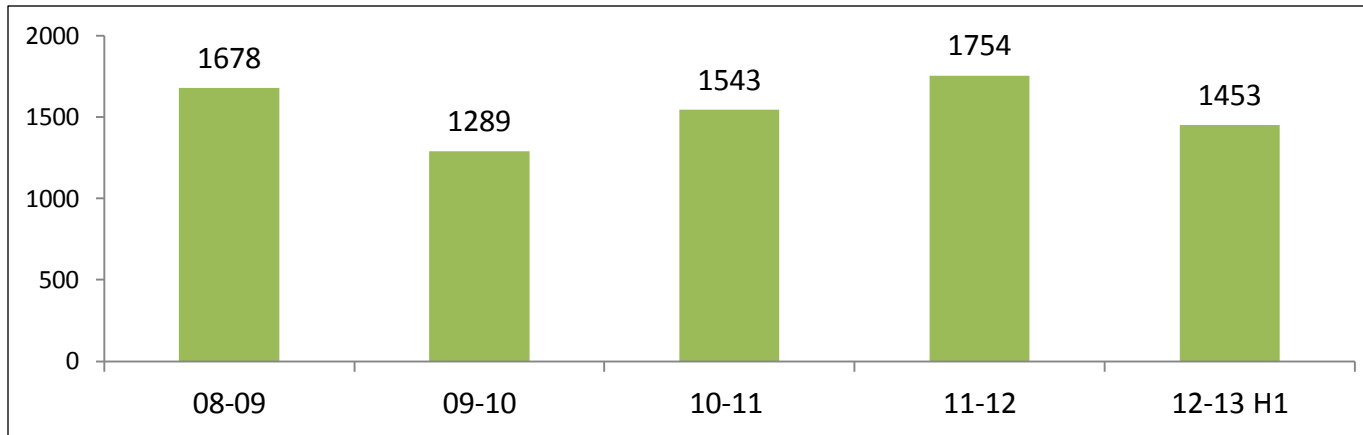


- TCD – Tons crushed per day
- MW – Mega Watt
- KLPD – Kilo Litres per day

# FINANCIALS - EID STANDALONE

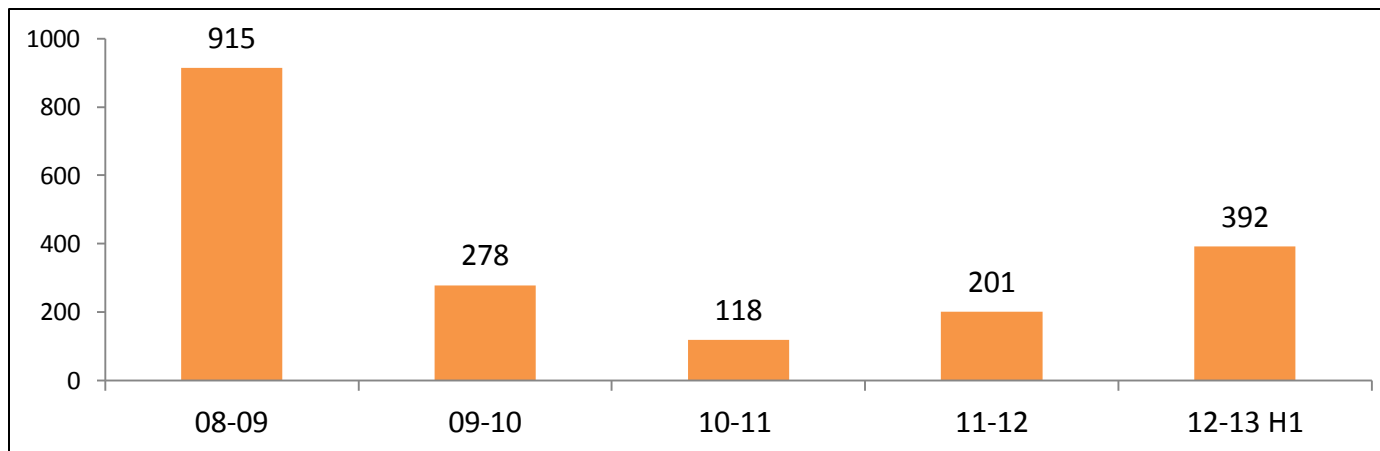
## Gross Income

**Rs Crores**



## EBIT

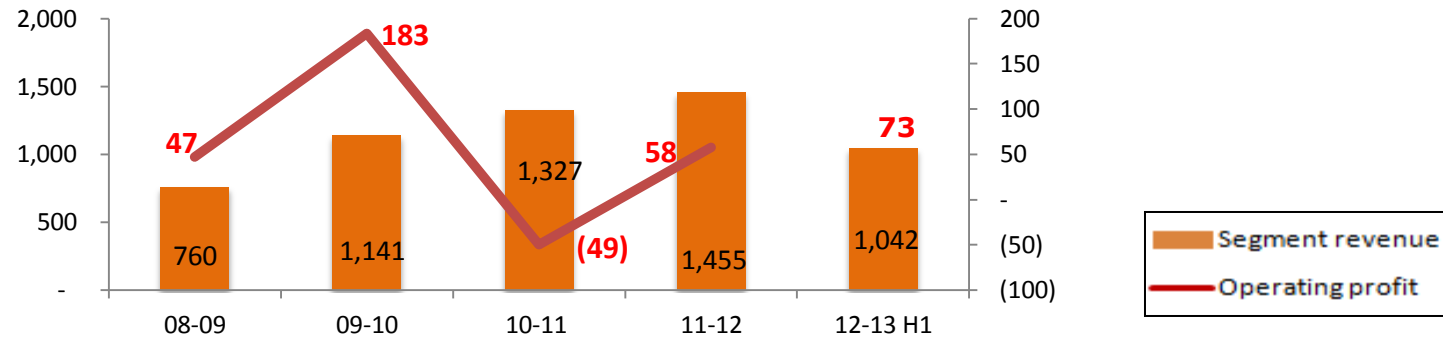
**Rs Crores**



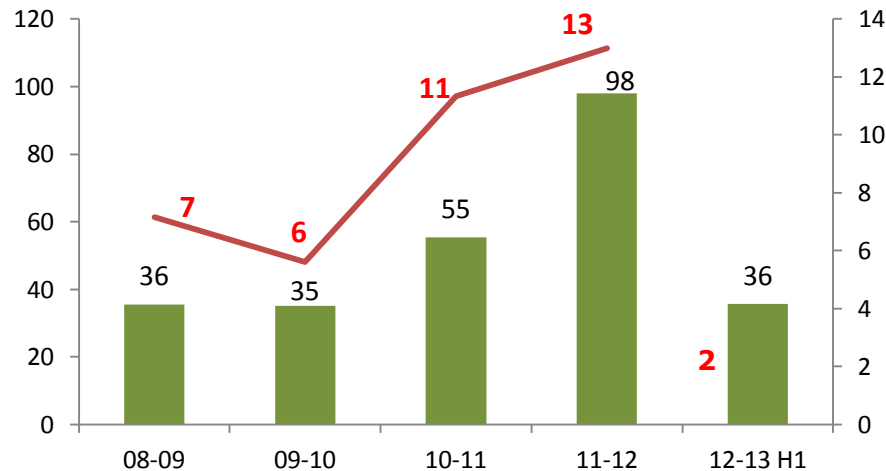
# Segmental Revenue and EBIT-EID Standalone

## Sugar

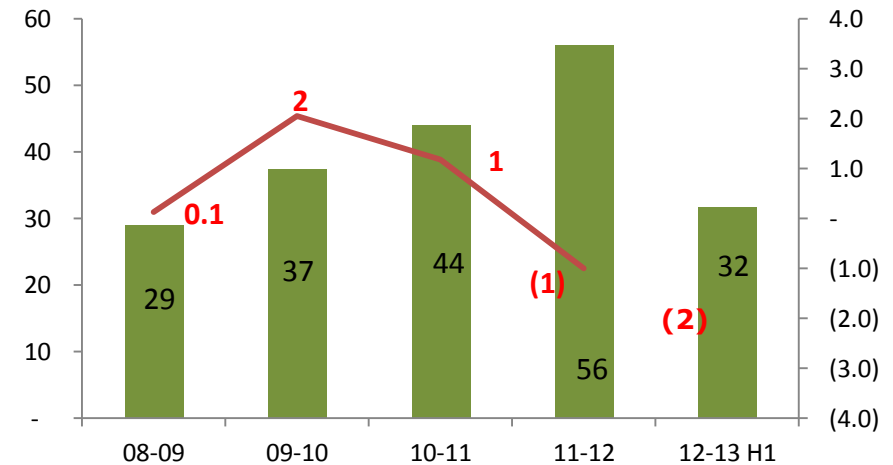
Rs Crores



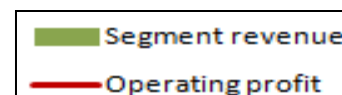
## Bio- Pesticides



## Nutraceuticals



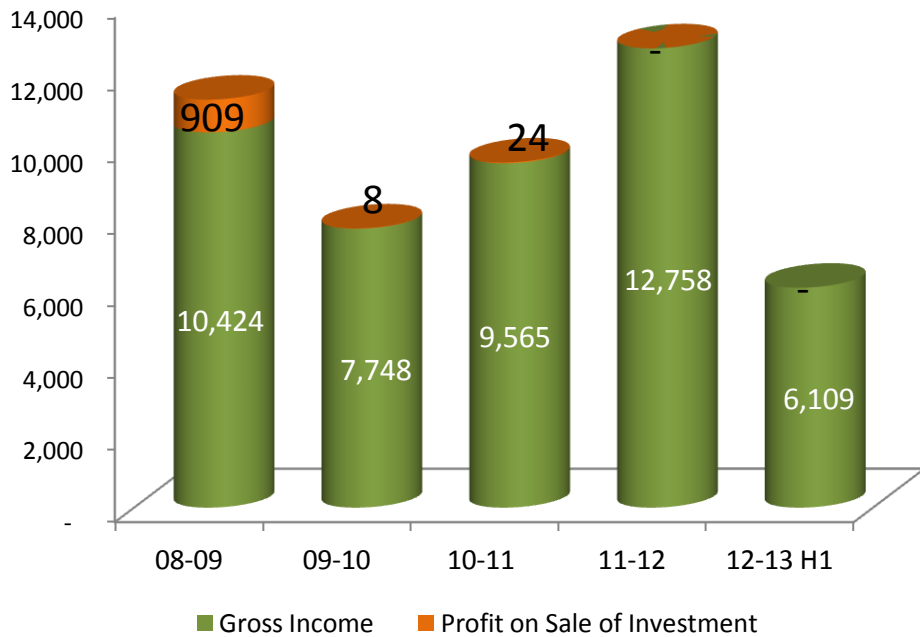
Making Sugar since 1842



# FINANCIALS - Consolidated

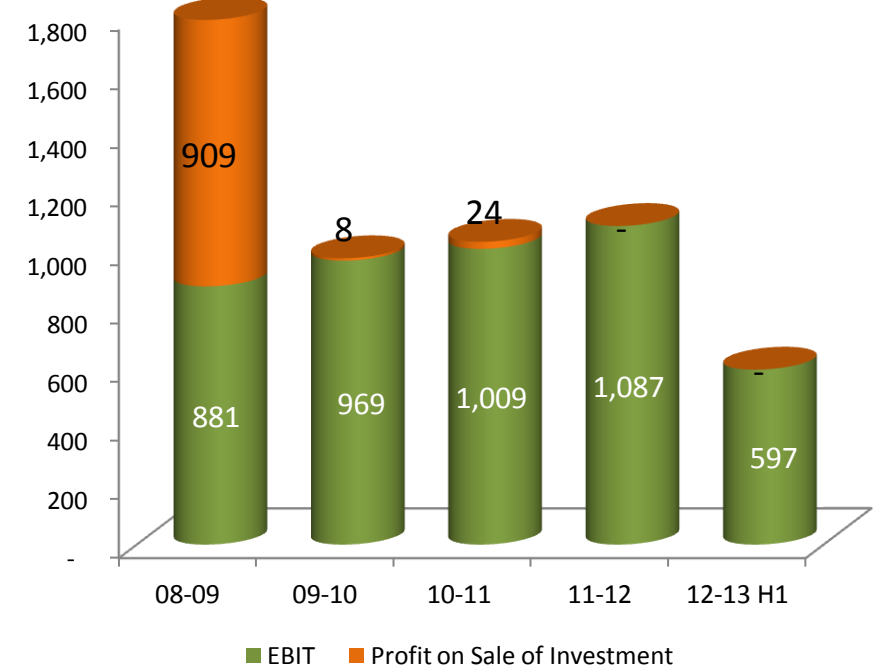
## Consolidated Gross Income

Rs Crores



## Consolidated EBIT

Rs Crores



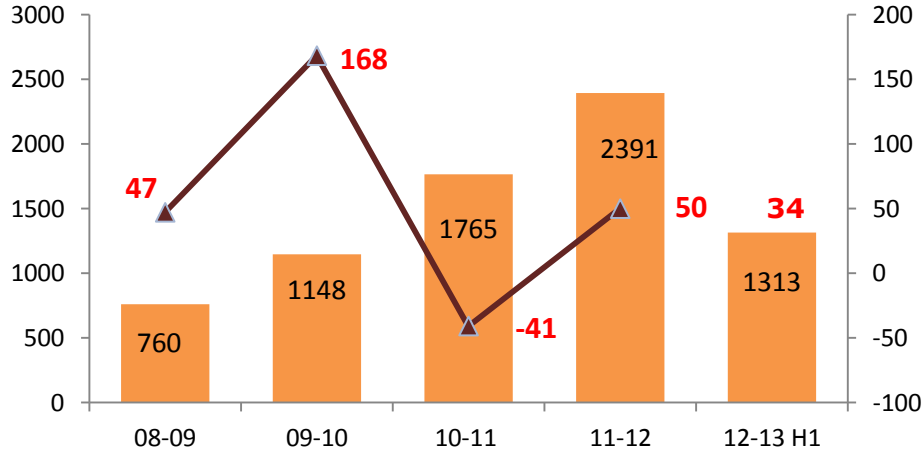
EBIT includes Minority Interest



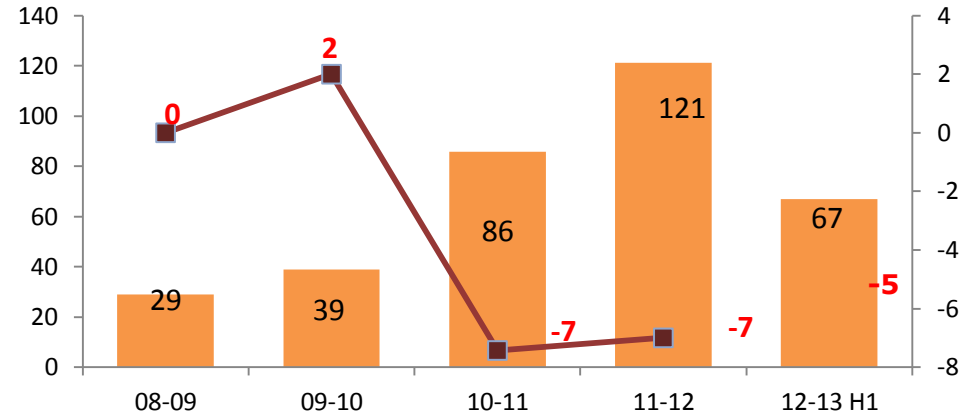
# Consolidated Segmental Revenue and EBIT

Rs Crores

## Sugar

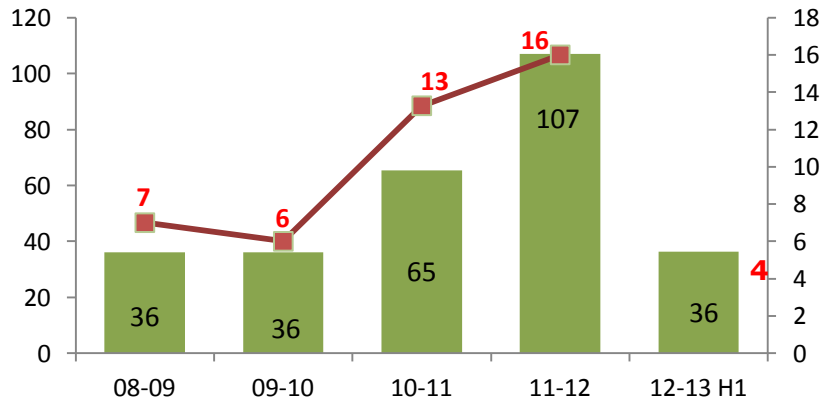


## Nutraceuticals

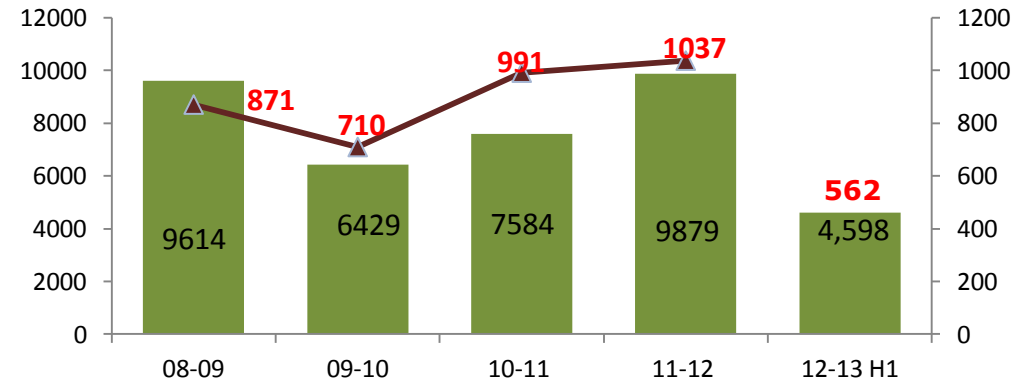


Orange bar: Gross Revenue    Dark red line: EBIT

## Bio- Pesticides



## Farm Inputs



Note: Revenue & EBIT of 2008-09 includes Rs. 159 Crs Business Assistance Agreement

Green bar: Gross Revenue    Dark red line: EBIT

# SUGAR BUSINESS

## -WORLD AND INDIAN SUGAR BALANCE



# SUGAR – DEMAND & SUPPLY

## World Sugar (million MT)

Particulars	SY 2011-12	SY 2012-13	Change	
			Change in mln tons	in %
Production	173.49	177.4	3.91	2.26
Consumption	168.30	171.5	3.20	1.90
Surplus / (Deficit)	5.19	5.9		
Import demand	51.7	48.3	(3.40)	(6.58)
Export Availability	52.24	54.5	2.26	4.33
End Stocks	63.25	62.94	(0.31)	(0.49)
Stock to Consumption Ratio %	37.58	36.69		

Source: ISO Quarterly Market Outlook, Aug'12

**Note: "SY" refers to Sugar year.**

## India's Sugar Balance (million MT)

Particulars	SY 2011-12	SY 2012-13 Est.
Opening stock	6	6
Production	26	24
Imports	0	0
Consumption	23	22
Exports	3	3
Closing stock	6	5
Stock to Consumption Ratio %	26	23

Source: ISMA

# Sugar Industry – Changes in the making

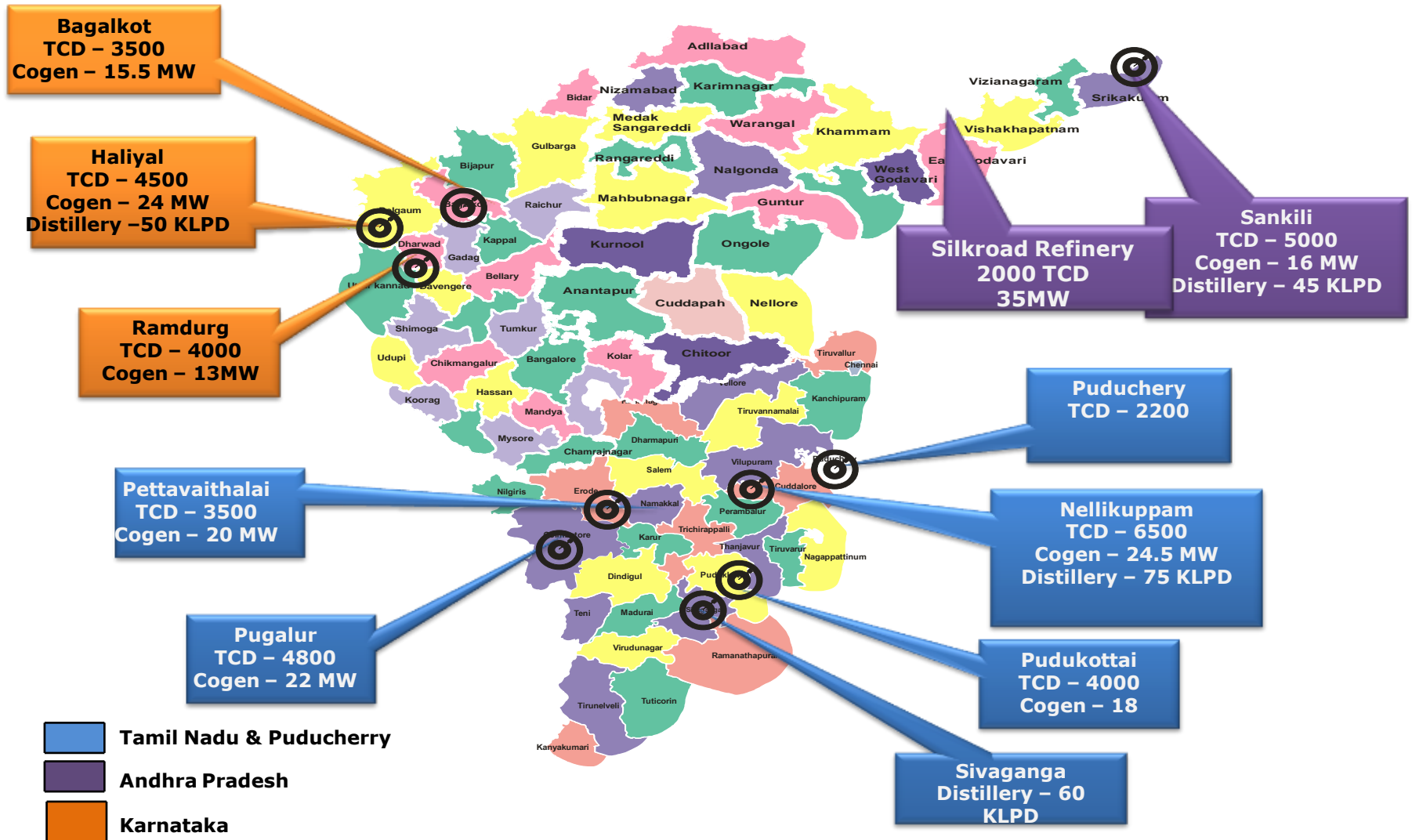
- ➔ Rangarajan committee's recommendations to Central Government:
  - levy, release mechanism to be dispensed with.
  - no outright bans or Quantitative restrictions.
  - no restrictions on the movement of Molasses or Ethanol or sale of surplus power to any consumer
  - command area reservation to be abolished
- ➔ Finance ministry has suggested to hike the import duty on white and raw sugar to avoid large scale imports in the next three months.
- ➔ Sugar exports under Open General license to be allowed for one more year as per the Union Food Minister.



# EID – SUGAR BUSINESS



# SOUTH INDIA PRESENCE



# EID Sugar Success Factors...

## Longer Crushing

- Number of days crushing > 270 days
- Complete integration by-products into Cogen, Distillery and value added products.

## Location advantage

- Factories closer to Port facilitating export of Sugar.
- Availability of cane, both within our command area and outside.

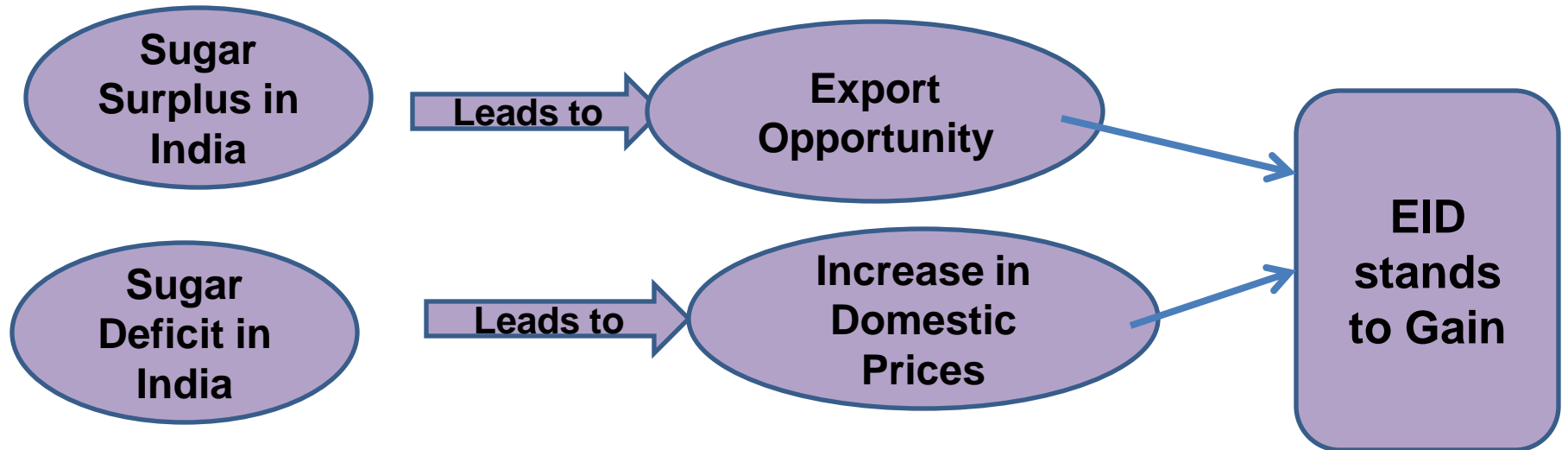
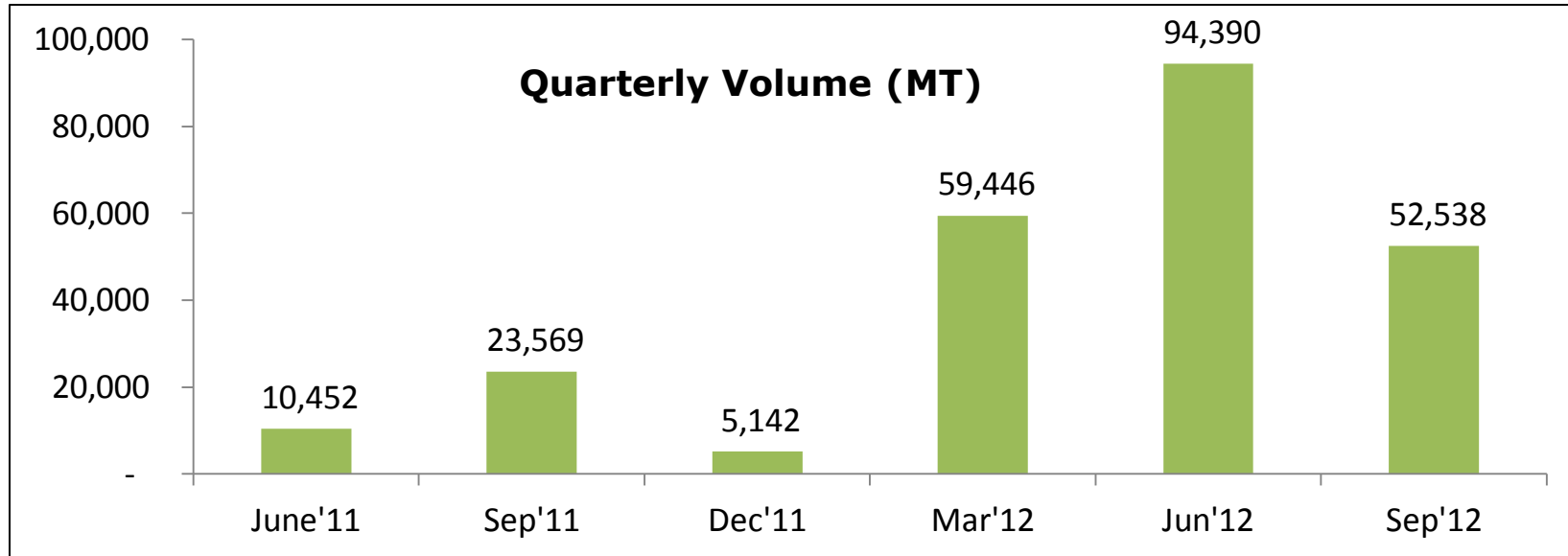
## Marketing Strength

- Diversified mix of selling... Institutions, Retail and Exports.
- Flexibility in Raws production to take advantage of export pricing.

## Farmer's Loyalty

- Payments to farmers made with 14 days.. No arrears.
- Focus on yield improvement to address profitability to farmers.

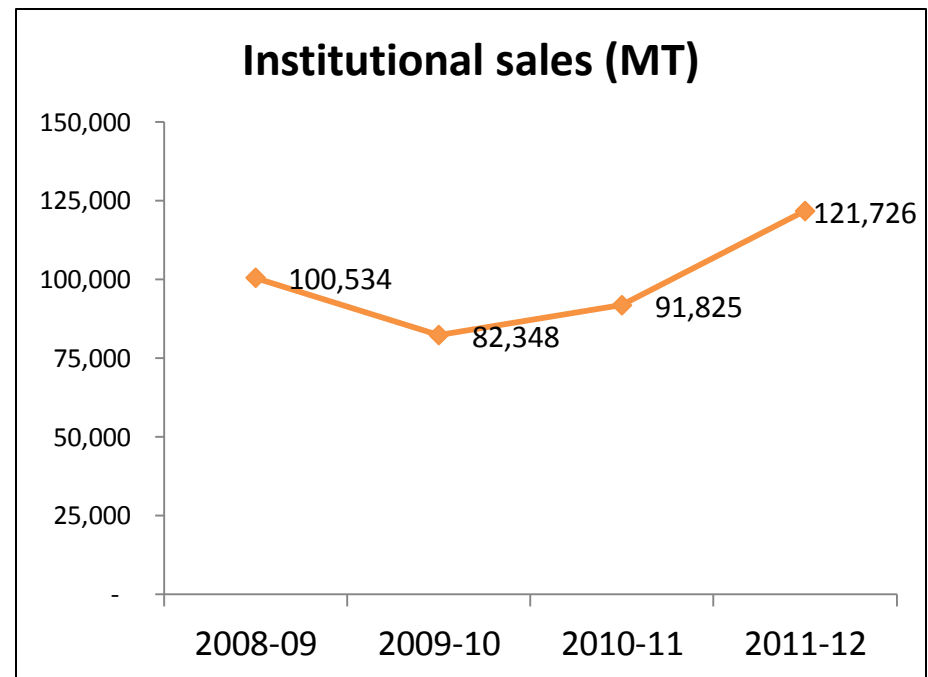
# SUGAR-EXPORT





# Institutional Sales

- Sales to institutional customers has increased from 27% in 2010-11 to 30% of total sugar sold in 2011-12.
- Key institutional customers include Pepsi, Coke Cadburys, Britannia, Rasna.
- Innovations to customize the products and delivery mechanism ensures the growth in institutional sales.
- The company's products has several certifications including ISO 9001-2008, Kosher, Halal, Indian Pharmacopoeia, Japanese Pharmacopoeia





Making Sugar since 1842

# Capacities and Operating Parameters

## Sugar Capacity – 38000 TCD

	2008-09	2009-10	2010-11	2011-12	2012-13 H1
Nellikuppam	6000	6000	6000	6500	6500
Pugalur	4000	4000	4000	4800	4800
Pettavaithalai	3000	3000	3000	3500	3500
Pudukottai	4000	4000	4000	4000	4000
Puducherry	2000	2000	2000	2200	2200
<b>Tamil Nadu &amp; Puducherry</b>	<b>19000</b>	<b>19000</b>	<b>19000</b>	<b>21000</b>	<b>21000</b>
Sankili			4000	4000	5000
<b>Andhra Pradesh</b>			<b>4000</b>	<b>4000</b>	<b>5000</b>
Bagalkot		2500	2500	3500	3500
Haliyal			3500	4000	4500
Ramdurg			2500	3500	4000
<b>Karnataka</b>		<b>2500</b>	<b>8500</b>	<b>11000</b>	<b>12000</b>
<b>TOTAL</b>	<b>19000</b>	<b>21500</b>	<b>31500</b>	<b>36000</b>	<b>38000</b>

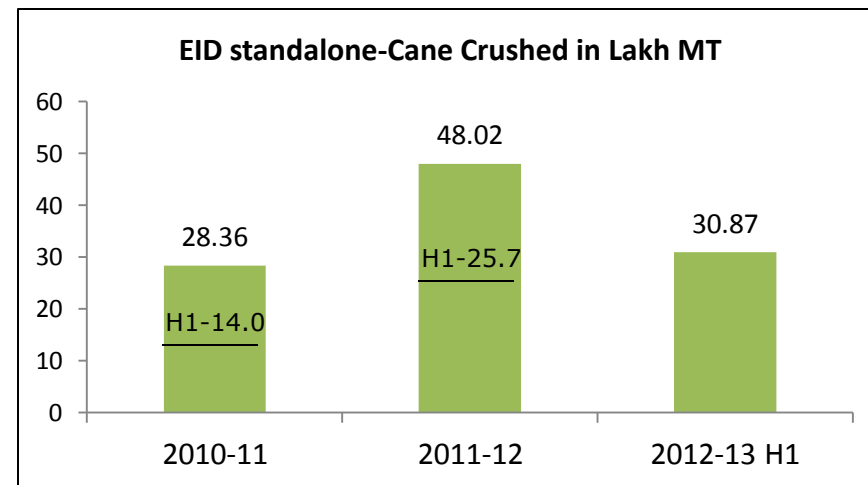
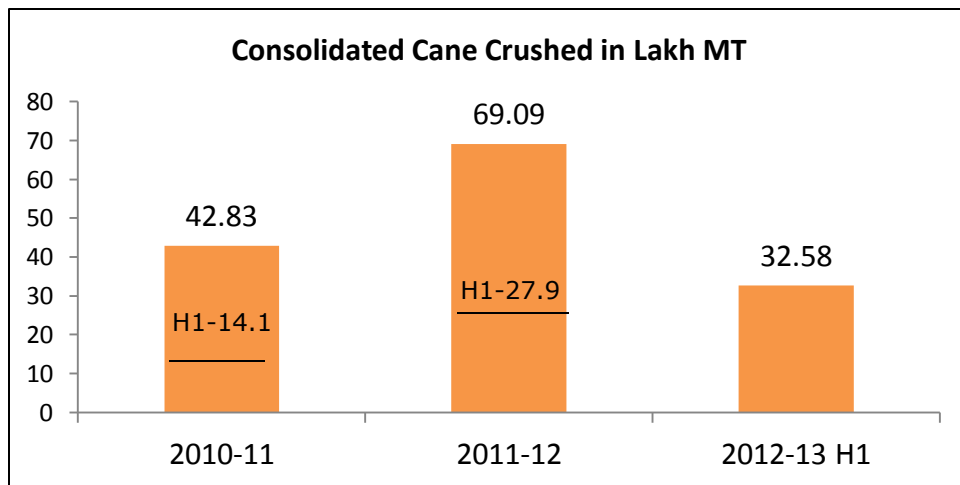
# Sugar Operating Parameters –Company wise

EID Parry H1				PSIL H1			SSL H1		
	2011-12	2012-13	Growth	2011-12	2012-13	Growth	2011-12	2012-13	Growth
<b>Sugar</b>									
Cane Crushed LMT	25.72	30.87	20%	1.85	1.53	(17)%	0.4	0.18	(55)%
Recovery %	8.52%	8.87%	4%	10.85	8.44	(22)%	11.63	10.64	(9)%
Production Qty LMT	2.22	2.74	23%	0.2	0.12	(40)%	0.05	0.02	(62)%
Sales Qty LMT	2.20	2.97	35%	0.69	0.61	(12)%	0.20	0.21	5%
Avg Selling Price (MT)	27,113	28,015		25,084	27,921		24,771	26,575	
<b>Cogeneration</b>									
Power Export (Lakh units)	1,896	2,031	7%	141	180	28%	53	54	2%
<b>Distillery</b>									
Production(LL)	223	236	6%	60	54.26	(10)%			
Sales (LL)	213	202	(5)%	72	78.6	9%			



# Sugar Parameters - Consolidated

Particulars	2011-12 H1	2012-13 H1
Cane Registration(in acres)	156,908	183,823
Cane Crushed(LMT)	27.97	32.58
Recovery %	8.83	9.35
<b>No. of. Operating days</b>	<b>165</b>	<b>174</b>



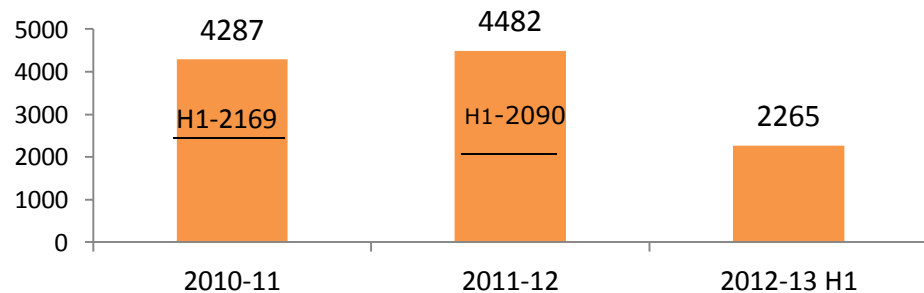
# Cogeneration- Particulars

## Cogeneration Capacity - 153MW

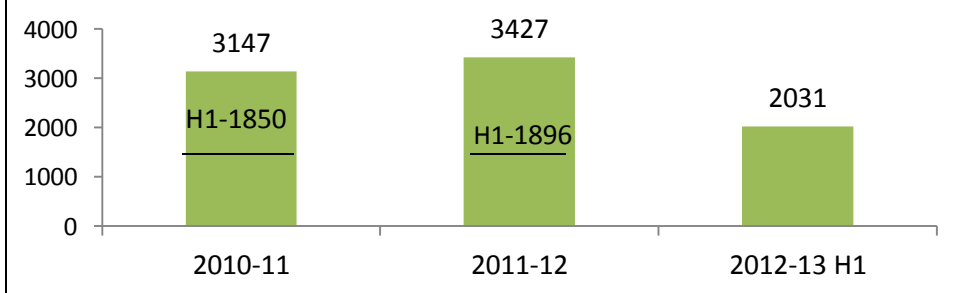
	2010-11	2011-12	2012-13 H1
Nellikuppam	24.5	24.5	24.5
Pugalur	22.0	22.0	22.0
Pettavaithalai	20.0	20.0	20.0
Pudukottai	18.0	18.0	18.0
Sankili	16.0	16.0	16.0
Bagalkot	15.5	15.5	15.5
Haliyal	24.0	24.0	24.0
Ramdurg	6.0	6.0	13.0
<b>Total</b>	<b>146.0</b>	<b>146.0</b>	<b>153.0</b>

	EID Parry H1			PSIL H1			SSL H1		
<b>Power Exported</b>	<b>11-12</b>	<b>12-13</b>	<b>Growth</b>	<b>11-12</b>	<b>12-13</b>	<b>Growth</b>	<b>11-12</b>	<b>12-13</b>	<b>Growth</b>
In Lac units	1,896	2,031	7%	141	180	28%	53	54	2%

Consolidated Power export to grid(Lac units)



EID Standalone Power export to grid(Lac units)



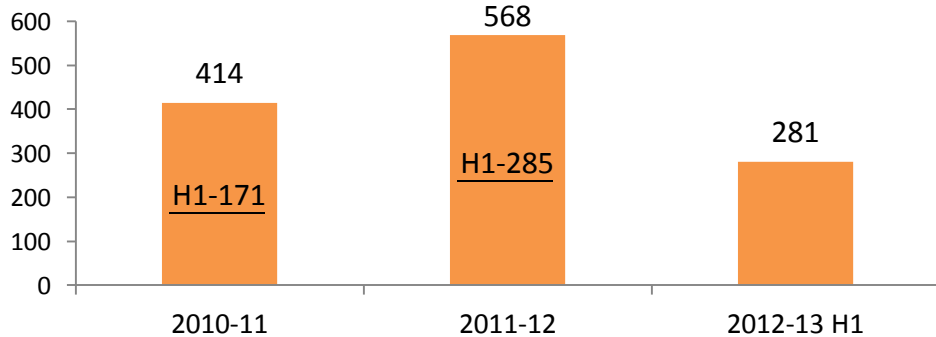
# Distillery-Particulars

## Distillery Capacity– 230 KLPD

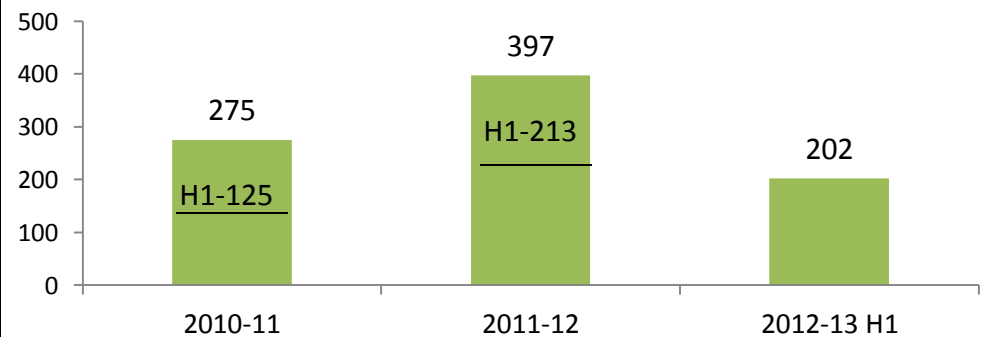
	2010-11	2011-12	2012-13 H1
Nellikuppam	75	75	75
Sivaganga	60	60	60
Sankili	45	45	45
Haliyal	50	50	50
<b>Total</b>	<b>230</b>	<b>230</b>	<b>230</b>

	EID Parry H1			PSIL H1		
Distillery	2011-12	2012-13	Growth	2011-12	2012-13	Growth
Production(LL)	223	236	6%	60	54	(10%)
Sales (LL)	213	202	(5%)	72	79	9%

### Consolidated Sales (in lac litres)



### EID standalone Sales (in lac litres)



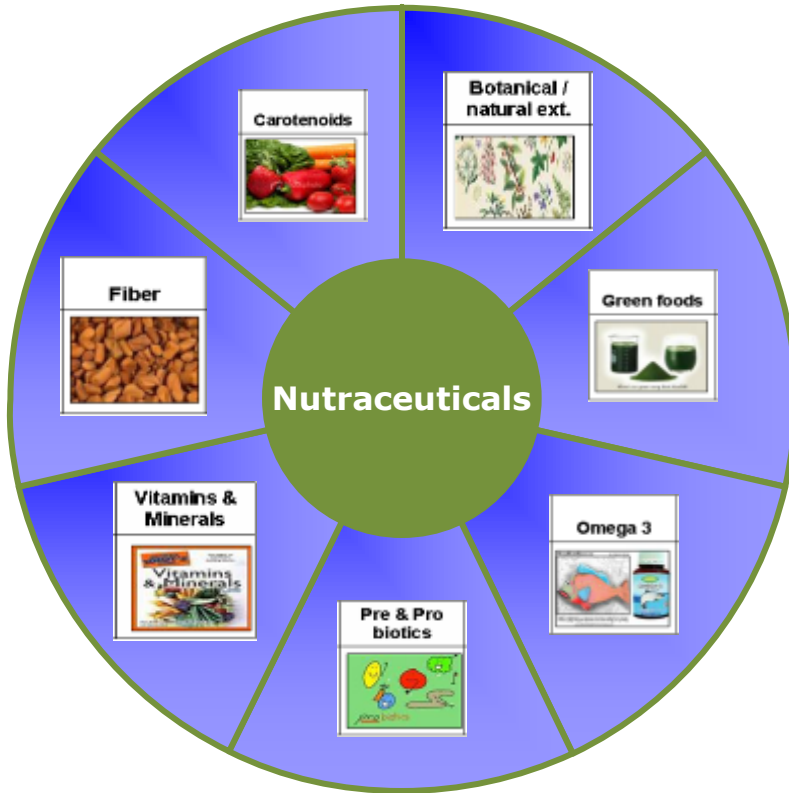
# NUTRACEUTICALS



Making Sugar since 1842

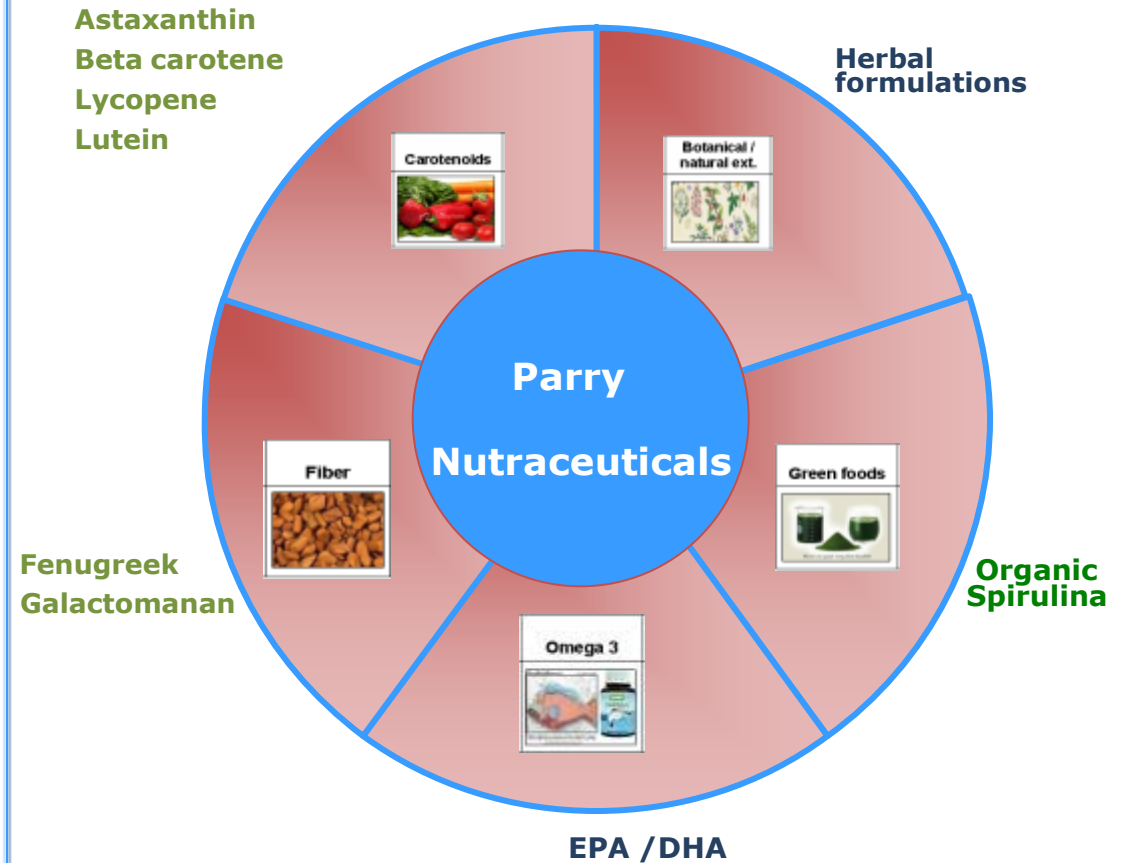
# Nutraceuticals

## Global Nutraceutical Segments



**Global Nutraceutical market size  
- \$ 151 Billions**

## Parry Nutraceuticals "Product portfolio"



# Products



**Natu  
Nutri**



Making Sugar since 1842



# Valensa International

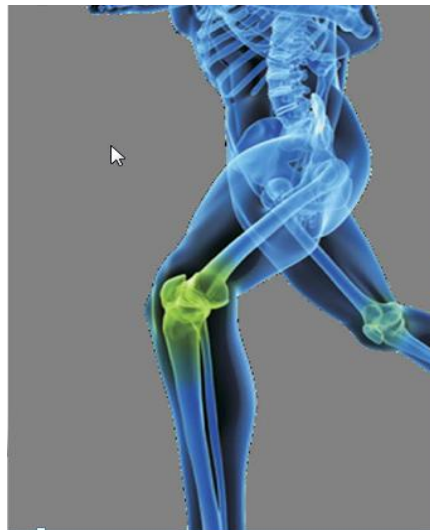
## Cartenoids

- Zanthin® Brand Astaxanthin
- Parry Tomato Lycopene
- Lutein & Trans-Zeaxanthin
- Parry Mixed Carotenoids



## Conditional Specific formulations

- Eye Health (*EyeProMD™*)
- Joint Health (*FlexProMD™*)
- Cardiovascular Health (*DeepOceanKrill™*)
- GI Health (*GoEasy™*)
- Men's Health (*USPlus® Saw Palmetto Extract*)
- Women's Health (*Cran-Gyn DDS®*)



## General Health & Wellness

- *Parry Organic Spirulina*
- *SpiruZan®*
- *Pur-Blue™ SpiruZan®*



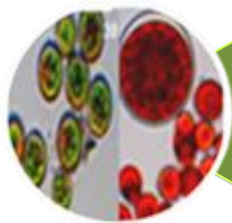
# Products and Opportunities.....



## Organic Spirulina

Current market - \$ 7.5 Mi.

CAGR - 2%



## Astaxanthin

Current market - \$ 35 Mi.

CAGR - 7%



## Lutein

Current market - \$ 150 Mi.

CAGR - 9%



## Lycopene

Current market - \$ 55 Mi.

CAGR - 6%

# OTC Products

- ▶ Distribution Expansion
  - ▶ Products placed in 13600 outlets
  - ▶ Distribution network comprising of over 70 channel partners
  - ▶ Sales organisation in place in Key towns
- ▶ Product Portfolio
  - ▶ Existing products
    - ▶ Pro 9, Pro 9D (Protein supplements)
    - ▶ Parry's Spirulina
    - ▶ NBC9 (Beta Carotene)
- ▶ New Products Launched
  - ▶ GreenT<sup>6</sup> – Antioxidant to address stress related ageing
  - ▶ Rejuveneyes- Eye Supplement
- ▶ Products under development to position in Immunity , Skin health and other segments



# Nutraceuticals – Financials

Rs. Crores

Description	08-09	09-10	10-11	11-12
Sales	29.0	37.3	43.9	43.6
PBIT	-	2.0	1.2	(1.0)
Capital Employed	49.3	47.4	51.0	53.3

Rs. Crores

Description	SALES		PBIT	
	10-11	11-12	10-11	11-12
Valensa	42.7	73.7	(7.5)	(2.8)
Phyto	9.6	3.9	(1.0)	(2.6)

# BIO PRODUCTS



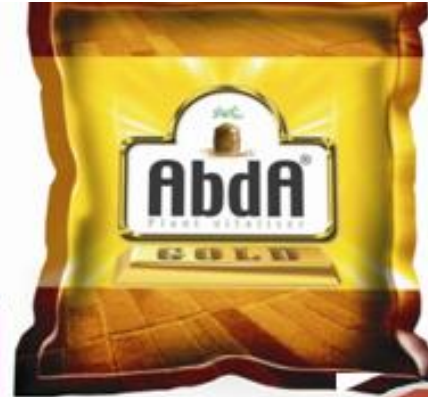
Making Sugar since 1842







# Products



# Market Estimate for Bio Pesticides

- The global pesticide market was valued at approximately \$40 billion in 2008. This figure increased to nearly \$43 billion in 2009 and is expected to grow at a compound annual growth rate (CAGR) of 3.6% to reach \$51 billion in 2014.
- Bio pesticides represent a strong growth area in the global pesticide market. This segment is expected to grow at a 15.6% compound annual growth rate (CAGR) from \$1.6 billion in 2009 to \$3.3 billion in 2014.
- Synthetic pesticides represent the greatest market share, valued at \$41 billion in 2009. This market will be worth an estimated \$48 billion in 2014, a compound annual growth rate (CAGR) of 3%

## Bio biz... so far

- ➔ Highest ever consolidated sale of Rs. 83 Crores achieved in 11-12 (against Rs.67 Crores of 10-11). Domestic Sales was 42% over 10-11 & export sales was 20% over 10-11.
- ➔ Achieved production of 6749 Kgs of Technical in 11-12 (6314 kgs in 10-11) and sale of 7730 kgs of Technical in 11-12 (6777 kgs in 10-11)
- ➔ Obtained registrations in 37 countries besides 25 product & process patents Japan, Canada, Australia, U.S.A, India, New Zealand, Argentina, Mexico, China, Hong Kong and South Africa.
- ➔ Increased the sale of ABDA – a plant extract based Plant Growth Regulator Granule in domestic market to 1700 MT in 11-12 against 1100 MT in 10-11.
- ➔ Highest ever profitability achieved in 2011-12.

# Bio – New Products: Abda Variants

Continuing with the success of **Granulated Plant**

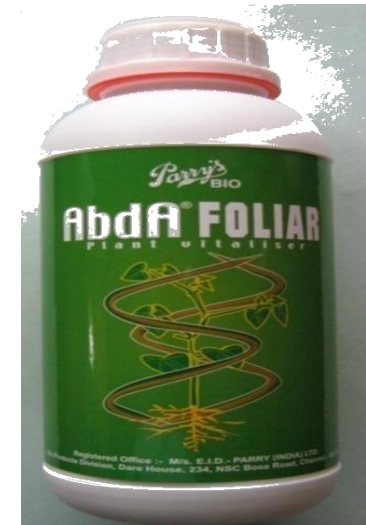
**ABDA** – for rice and sugarcane.



**ABDA GOLD** - an improvised ABDA for commercial crops.

Launched– a **Liquid Plant Vitalizer**

**ABDA FOLIAR** for Fruits & Vegetables in Sep'11.



# Bio – Pesticides Financials

Description	08-09	09-10	10-11	11-12
<b><u>Sales Quantities</u></b>				
Total Technical (in Kgs)	4900	4319	6777	7730
Abda MT	147	509	1136	1714
Sales Value (Rs. Cr.)	35.5	35.0	55.3	77.0
PBIT (Rs. Cr.)	7.2	5.6	11.3	13.0
Capital Employed (Rs. Cr)	45.8	50.0	55.3	57.8
Parry America Sales (Rs. Cr)	13.8	14	24.9	30.2



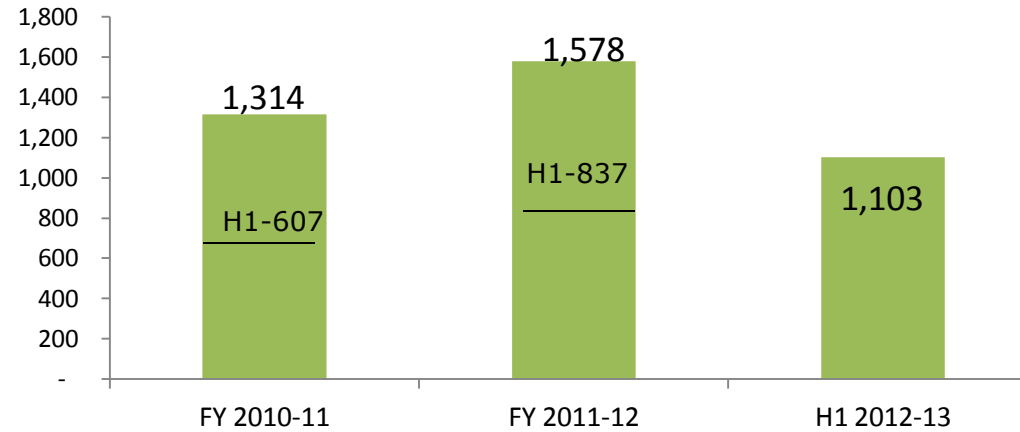
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# FINANCIALS SNAP SHOT: EID STANDALONE

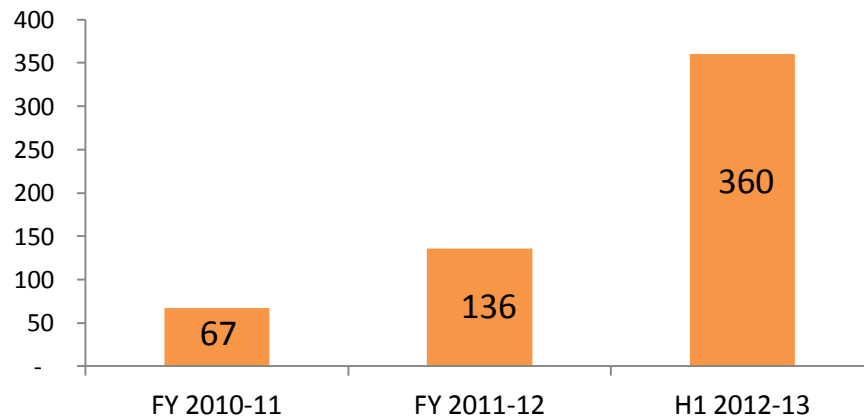
## Gross Revenue

Rs. Crores

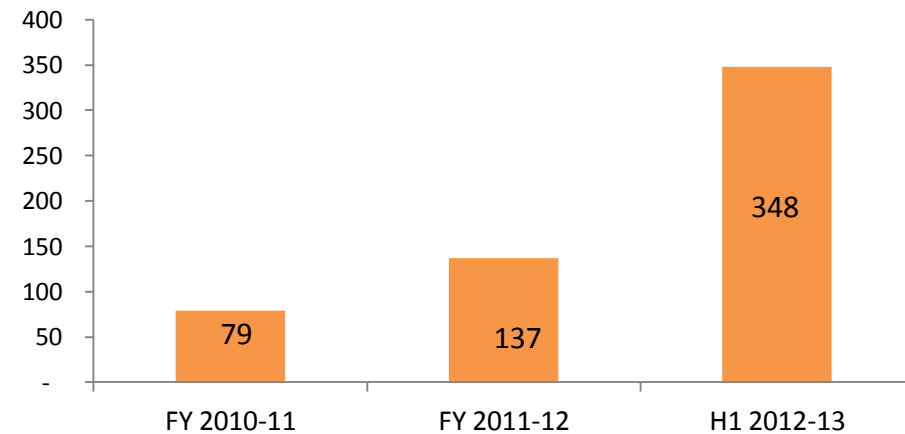


Rs. Crores

## Profit Before Tax

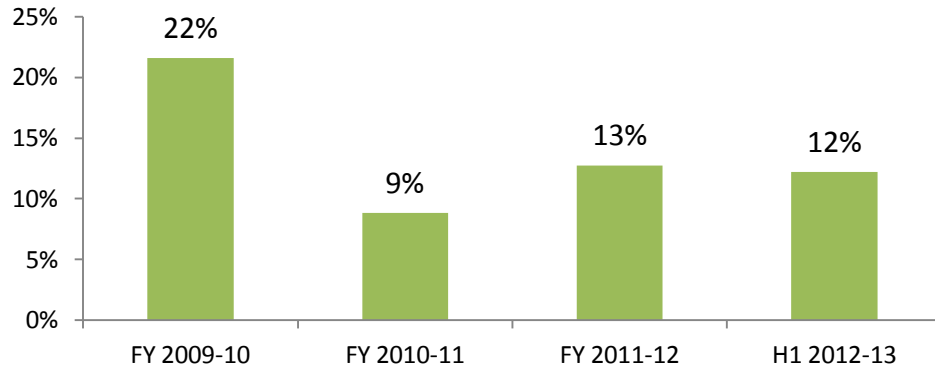


## PAT

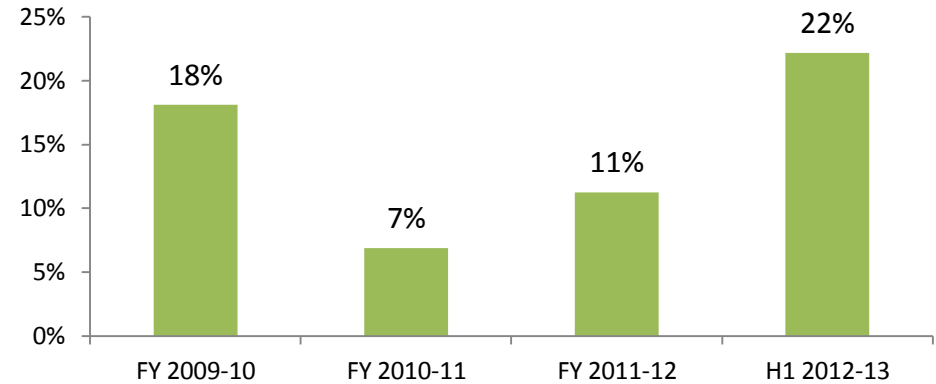


# RATIOS FOR EID-STANDALONE

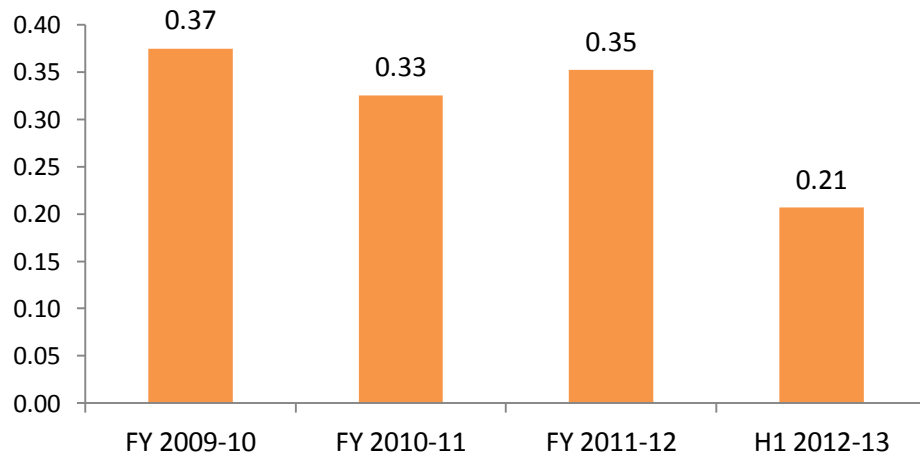
## Operating Margin



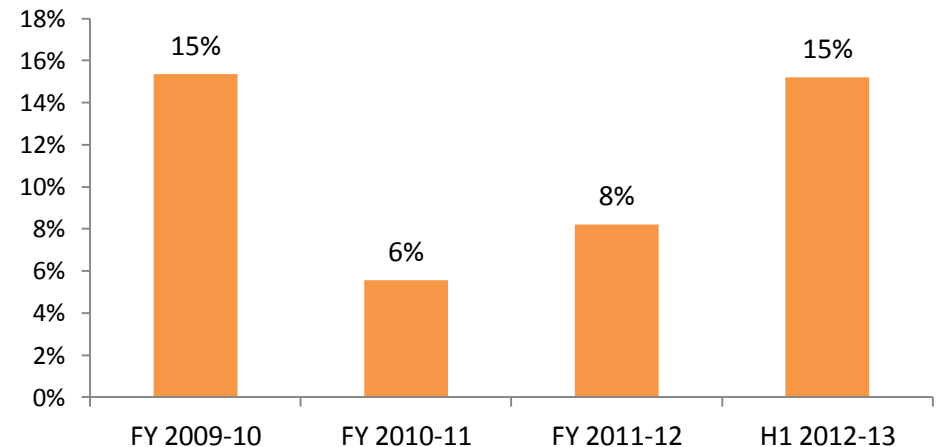
## Return on Equity



## Long Term Debt : Equity



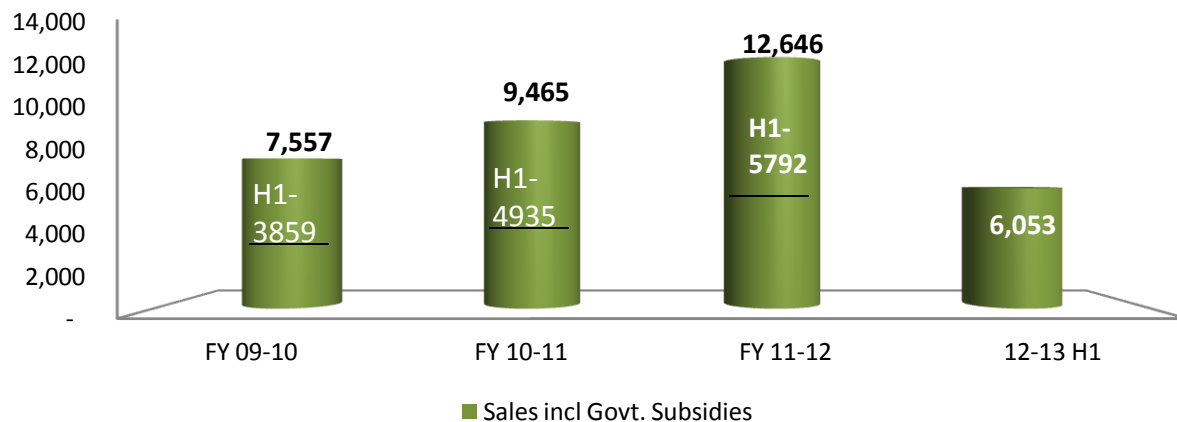
## Return on Capital Employed



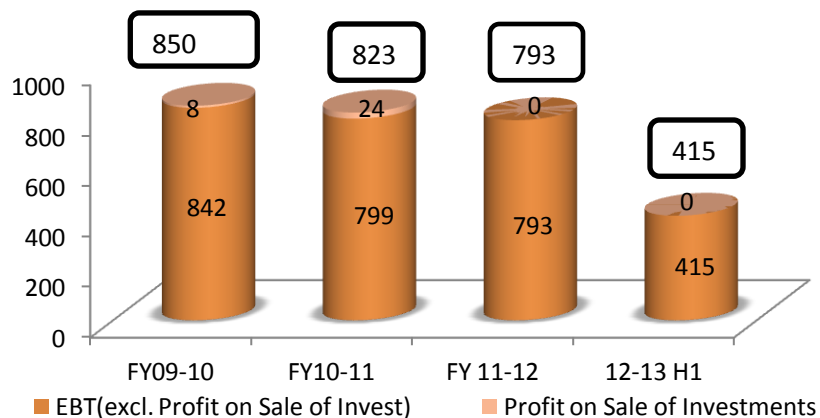
# FINANCIALS SNAP SHOT: CONSOLIDATED

## Gross Revenue

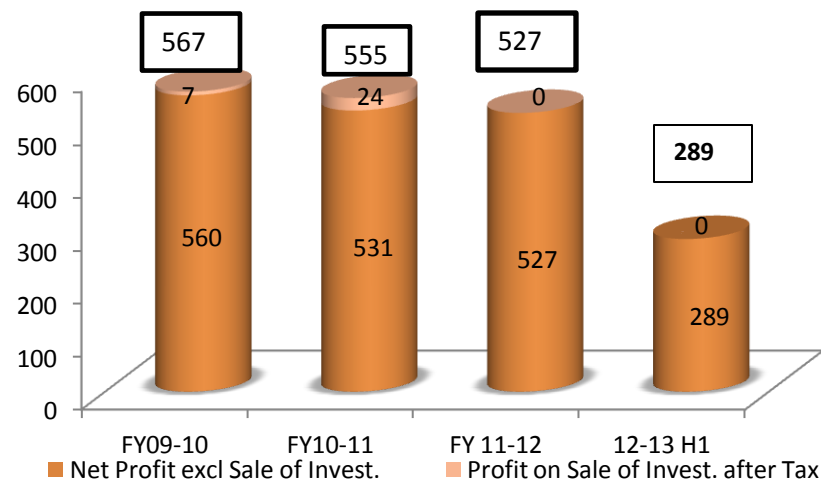
Rs. Crores



## EBT



## PAT \*

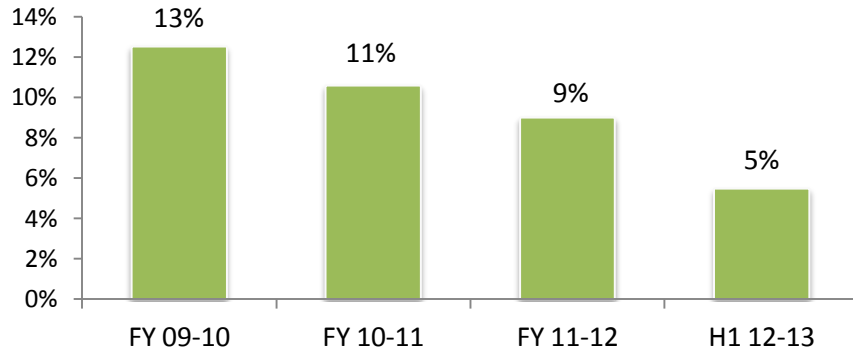


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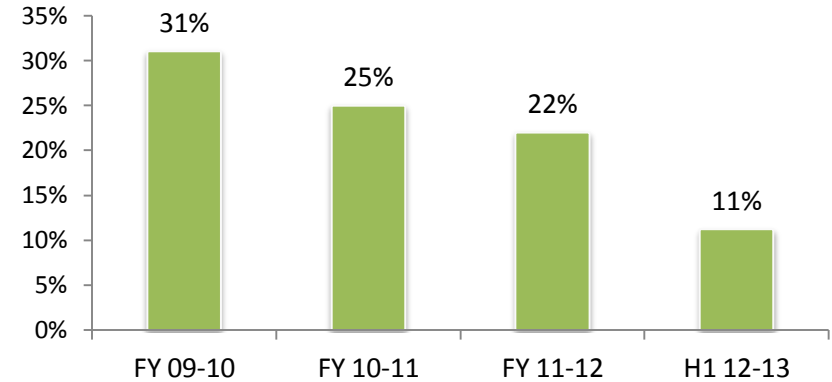
\* PAT with Minority Interest

# RATIOS FOR CONSOLIDATED

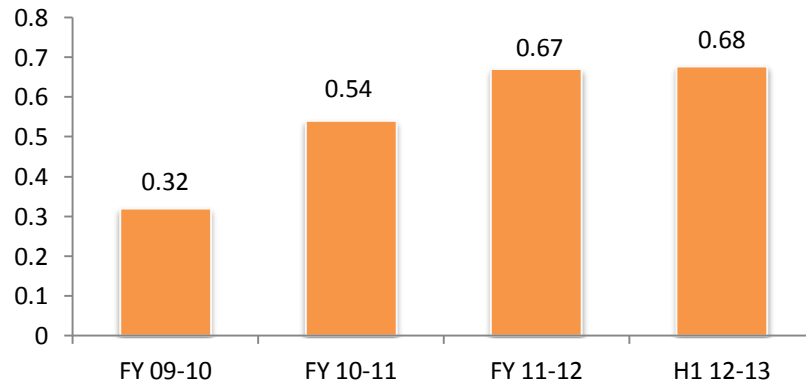
## Operating Margin



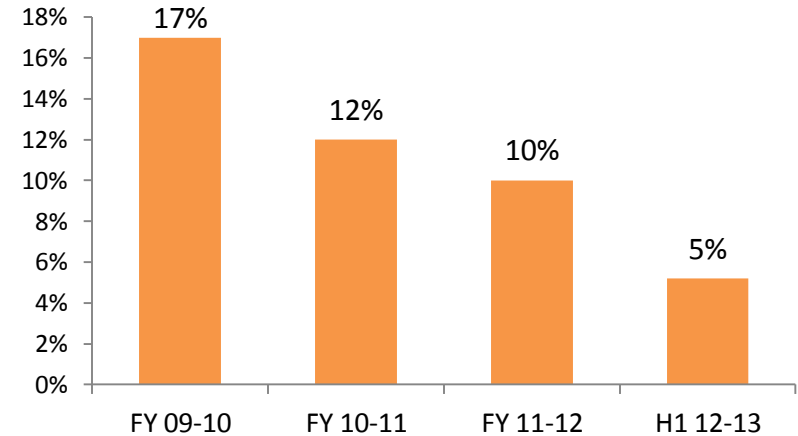
## Return on Equity



## Long Term Debt : Equity



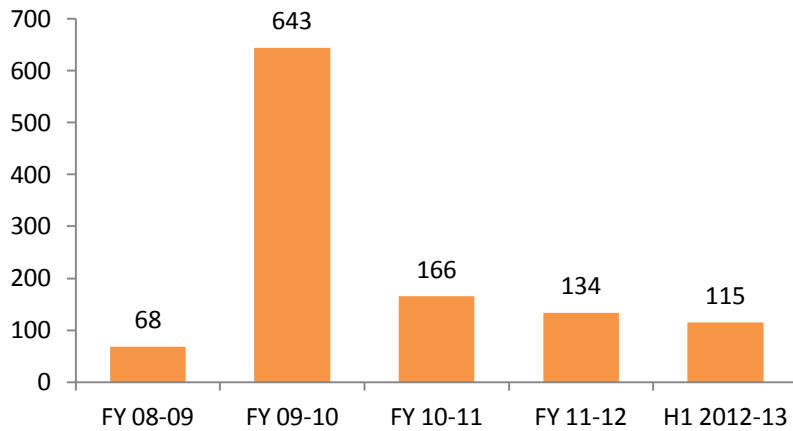
## Return on Capital Employed



**Average Payout over last 5 Years – 34%, amounting to Rs. 368Crores**

# OTHER FINANCIAL INFORMATION

## Consolidated Free Cash Flow (in Crs)



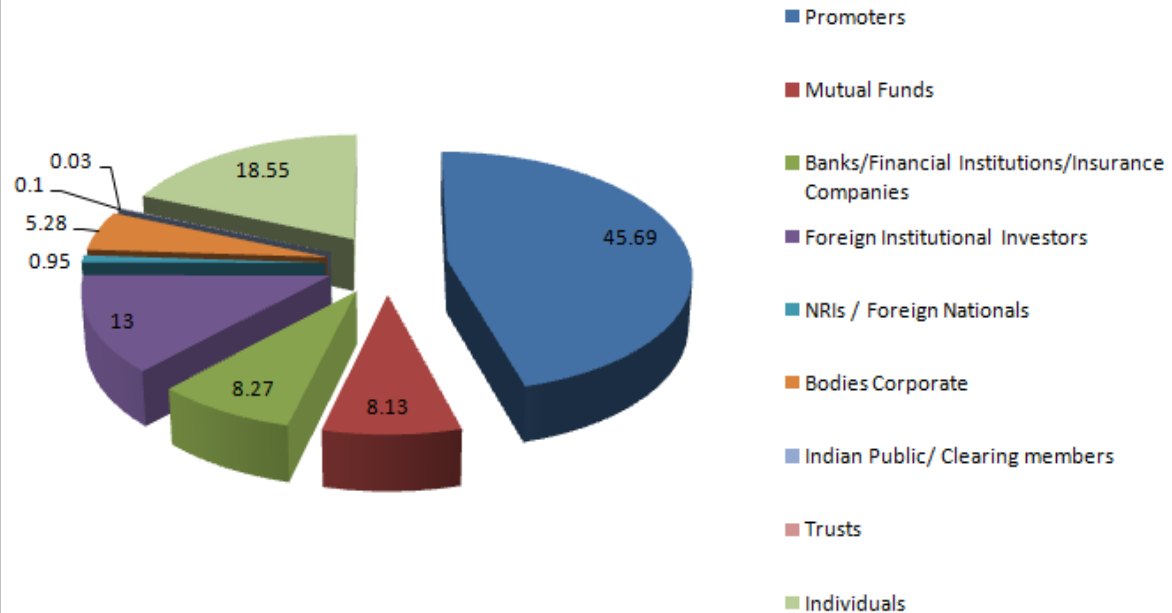
## Rating

### → CRISIL

- Long Term Debt rating AA/Stable outlook
- Short Term Debt rating to A1+
- Same ratings also been assigned by CRISIL as Bank Loan rating as per BASEL II requirement for the existing and proposed Bank Facilities.

## Share Holding Pattern as on 30 June 2012

### Shareholding as a %



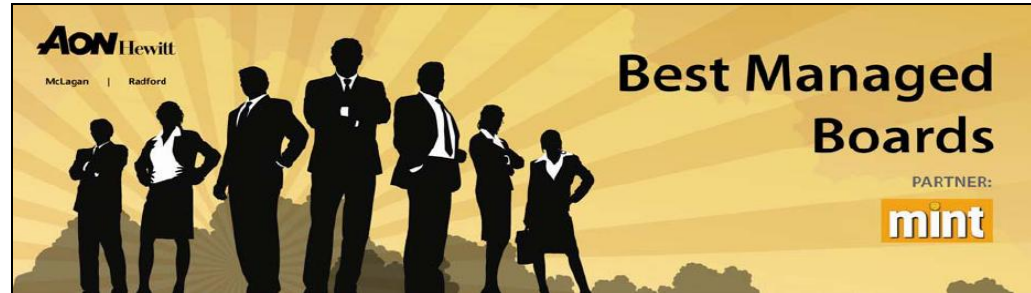
# Recognitions





# Recognitions

- EID Parry awarded best managed board by AON Hewitt –Mint



- Safety Appreciation Award for the year 2009 from National Safety Council
- Nellikuppam selected for 1st Prize for “Best Sugarcane Development Award (2011-12)” for Tamil Nadu Region
- Pudukkottai Co-generation plant had bagged the 2nd Prize for “Best Co-generation Award (2011-12) for Tamil Nadu Region

## Investor's Contact

### **For further information, please contact:**

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**Thank You**