



3R MATRIX

	+	=	-
Right Sector (RS)	✓	✗	✗
Right Quality (RQ)	✓	✗	✗
Right Valuation (RV)	✓	✗	✗

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	✓	↔	✓
RQ	✓	↔	✓
RV	✓	↔	✓

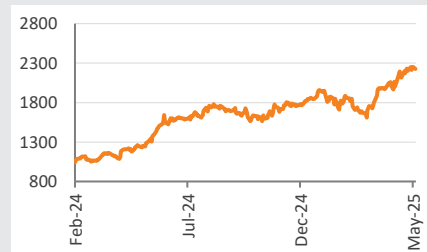
Company details

Market cap:	Rs. 65,618 cr
52-week high/low:	Rs. 2,650 / 1,170
NSE volume: (No of shares)	5.5 lakh
BSE code:	506395
NSE code:	COROMANDEL
Free float: (No of shares)	12.7 cr

Shareholding (%)

Promoters	57
FII	11
DII	19
Others	13

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	10.5	22.9	31.6	84.3
Relative to Sensex	3.3	19.7	30.0	75.0

Source: Mirae Asset Sharekhan Research, Bloomberg

Coromandel International Ltd

Strong result; Maintain Buy

Fertiliser	Sharekhan code: COROMANDEL		
Reco/View: Buy	↔	CMP: Rs. 2,227	Price Target: Rs. 2,535 ↑
↑ Upgrade	↔ Maintain	↓ Downgrade	

Summary

- Company reported a revenue of Rs. 4,988 crore (up 27.5% y-o-y), with strong performance in both Nutrient & Allied business and the Crop Protection business.
- Operating profit of Rs. 426 crore (up 56% y-o-y) was led by the revenue growth and increase in margin in the CPC business.
- Focus on backward integration and investment in CDMO, specialty chemicals and drone business would drive long-term growth.
- We maintain a Buy with a revised PT of Rs. 2,535, assigning a multiple of 26x on FY27 EPS due to backward integration and increasing presence in non-fertilizer business. At CMP, the stock trades at a valuation of 27.4x/22.8x to its FY26E/FY27E EPS.

Q4FY2025 Consolidated revenue of Rs. 4,988 crore (up 27.5%y-o-y) was ahead of our estimates. Revenues increased due to strong volume growth in the fertilizer and the crop protection business. Fertilizer volumes grew well due to a low base and shortage of DAP in the domestic market. The revenue from nutrient and other allied (fertilizer) segment witnessed a growth of 28.2% y-o-y to Rs. 4,321 crore, while revenue from crop protection segment increased by 23.8% y-o-y to Rs. 699 crore. Crop protection revenue was led by volume growth of 9%/24% in the exports/domestic market respectively. Nutrient and other allied segments' EBIT rose by 18.2% y-o-y to Rs. 297 crore, while Crop protection (CPC) segment reported EBIT growth of 60.2% y-o-y to Rs. 101 crore. OPM at 8.5% (up 156 bps y-o-y) was aided by the increase in CPC margin. Operating profit of Rs. 426 crore (up 56% y-o-y) was higher than estimate due to the strong revenue growth and rise in CPC margin. Consequently, Consolidated Adj. PAT at Rs. 305 crore was up by 86.2% y-o-y. The board has approved a final dividend of Rs. 9/share.

Key positives

- Fertilizer business had a strong volume growth of 24% y-o-y.
- In CPC, exports/domestic registered good volume growth of 9%/24% respectively.

Management Commentary

- Management has guided for high-double digit revenue growth in FY26. Company margin will improve with backward integration and increase in NACL margin. Guidance for EBITDA/tonne is of Rs 4500-5000.
- The rock phosphate production at the mining site BMCC, Senegal stabilised, and also the company increased its stake to 53.8%. It will meet 1/3rd of the company's total rock phosphate requirement.
- The phosphoric and sulphuric acid facility at Kakinada (for backward integration) is progressing as per plan and will be commissioned by H2FY26.
- The subsidy share in revenue was 79% in 4QFY25 vs 78% in 4QFY24. During the year, the retail business of the company expanded its footprint by adding another 130 stores in Andhra, Telangana, Karnataka and entering new markets like Maharashtra and Tamil Nadu. 99% of the retail stores are profitable.

Revision in earnings estimates – We have incorporated NACL financials in our estimates.

Our Call

Valuation – Maintain Buy on Coromandel with a revised PT of Rs. 2,535: Emphasis on backward integration, combined with investments in CDMO, specialty chemicals, and drone sectors, is expected to drive long-term growth. The acquisition of NACL in crop protection would aid the company as well. We assign a valuation multiple to 26x its FY27E EPS, reflecting the potential from CDMO and specialty chemicals, and maintain a buy rating with a revised price target of Rs 2,535. At the current market price, the stock is valued at 27.4x/22.8x FY26E/FY27E EPS.

Key Risks

- Poor monsoons can affect the demand environment
- Unfavourable variation in raw material prices and delay in the ability to pass on price hikes
- Margin pressure in the CPC business.

Valuation (Consolidated)

Particulars	FY23	FY24	FY25	FY26E	FY27E
Revenue	29,628	22,058	24,085	27,620	30,118
OPM (%)	9.9	10.9	10.9	12.3	13.3
Adjusted Net Profit	2,013	1,641	1,709	2,397	2,873
% YoY growth	31.7	(18.5)	4.2	40.3	19.8
EPS (Rs.)	68.5	55.7	58.0	81.4	97.5
PE (x)	32.5	40.0	38.4	27.4	22.8
P/BV (x)	8.3	6.9	5.8	5.0	4.2
EV/EBITDA	21.9	25.9	23.4	17.8	14.6
ROE (%)	28.2	18.9	16.5	19.6	19.9
ROCE (%)	38.4	26.1	24.4	26.1	26.4

Source: Company; Mirae Asset Sharekhan estimates

Results (Consolidated)

Particulars						Rs cr
	Q4FY25	Q4FY24	Y-o-Y (%)	Q3FY25	Q-o-Q (%)	
Revenue	4,988	3,913	27.5	6,935	-28.1	
Total Expenditure	4,562	3,640	25.4	6,213	-26.6	
Operating profit	426	273	56.0	722	-41.0	
Other Income	126	84	50.8	114	10.8	
Interest	66	62	6.7	73	-9.9	
Depreciation	85	63	35.6	71	20.7	
Exceptional income/(expense)	347	0	NA	0	NA	
Share of profit of JV	-17	-10	NA	-8	NA	
PBT	731	222	229.6	683	7.0	
Tax	152	58	163.6	175	-13.0	
Reported PAT	578	164	252.9	508	13.9	
Minority interest	-1	0		-4		
Adjusted PAT	305	164	86.2	512	-40.4	
Adjusted EPS (Rs)	19.67	5.45	260.9	17	13.3	
Margins (%)			BPS		BPS	
OPM	8.5	7.0	156	10.4	-187	
NPM	6.1	4.2	193	7.4	-126	
Tax rate	20.8	26.1	-522	25.6	-480	

Source: Company; Mirae Asset Sharekhan Research

Segmental Performance

Particulars						Rs cr
	Q4FY25	Q4FY24	Y-o-Y (%)	Q3FY25	Q-o-Q (%)	
Segment Revenue						
Nutrient and other allied business	4,321	3,370	28.2%	6,367	-32.1%	
Crop protection	699	564	23.8%	636	9.9%	
Total revenue	5,020	3,935	27.6%	7,003	-28.3%	
Less: Inter Segment revenue	31	22		68		
Net revenue	4,988	3,913	27.5%	6,935	-28.1%	
Segment EBIT						
Nutrient and other allied business	297	252	18.2%	626	-52.5%	
Crop protection	101	63	60.2%	91	11.1%	
Total EBIT	398	315	26.6%	717	-44.4%	
EBIT margin (%)			BPS		BPS	
Nutrient and other allied business	6.9	7.5	-58	9.8	-295	
Crop protection	14.5	11.2	329	14.3	15	
Overall EBIT margin	8.0	8.0	-5	10.3	-235	

Source: Company; Mirae Asset Sharekhan Research

Outlook and Valuation

■ Sector View – Steady outlook for the fertilizer and agro-chem business

The fertilizers and agri-solutions sector in India is set for steady growth in 2025, driven by the nation's agriculture-centric economy and rising demand for enhanced farm productivity. Government support, including a Rs. 1.68 lakh crore fertilizer subsidy for FY26, underpins the sector, alongside initiatives like Kisan Drones for precision farming. Increasing adoption of crop protection and nutrient solutions reflects farmers' focus on yield optimization. Challenges such as regulatory shifts and raw material price volatility persist, but innovations and sustainable practices are expected to fuel resilience and expansion, aligning with India's goal of agricultural self-reliance. Also, the outlook of the agro-chem market is improving.

■ Company Outlook – Backward integration and focus on non-subsidy business to drive growth

We like Coromandel because of its leadership position in key businesses, strong focus on backward integration for the sourcing of key raw materials and strong distribution reach. This helps the company deliver healthy performance on a consistent and sustainable basis. The company has been generating healthy cash flows, which have helped the company to look for inorganic acquisitions at different intervals in related businesses. The company's focus to foray into CDMO and specialty chemical is a right step to diversify its business stream and the same could drive meaningful growth in the medium to long term. Also, its drone business 'Dhaksha' has an orderbook of Rs. 250 crore.

■ Valuation – Maintain Buy on Coromandel with a revised PT of Rs. 2,535

Emphasis on backward integration, combined with investments in CDMO, specialty chemicals, and drone sectors, is expected to drive long-term growth. The acquisition of NACL in crop protection would aid the company as well. We assign a valuation multiple to 26x its FY27E EPS, reflecting the potential from CDMO and specialty chemicals, and maintain a buy rating with a revised price target of Rs 2,535. At the current market price, the stock is valued at 27.4x/22.8x FY26E/FY27E EPS.

One-year forward P/E (x) band



Source: Company; Mirae Asset Sharekhan Research

About company

Coromandel was incorporated in 1961 by the synergistic efforts of EID Parry Limited, a leading business house in India associated with agriculture and two major U.S. companies, namely Chevron Chemical Company and International Minerals and Chemicals Corporation. Coromandel is part of the \$10 billion Murugappa Group. Coromandel is India's largest private-sector phosphatic fertiliser company and the largest single super phosphate (SSP) company. The company is also the pioneer and market leader in specialty nutrients. Coromandel is also the No. 1 organic manure player in India and has the largest rural retail chain across the country with 750 centres. The company's manufacturing facilities are located in 18 locations. The company is also present across 81+ countries.

Investment theme

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Key Risks

1) Poor monsoons can affect the demand environment 2) Unfavourable variation in raw material prices and delay in the ability to pass on price hikes 3) Margin pressure in the CPC business.

Additional Data

Key management personnel

Name	Designation
Mr. Arun Alagappan	Executive Chairman
Mrs. Jayashree Satagopan	President - Corporate & CFO
Mr. Sankarasubramanian S	Managing Director & CEO

Source: Company Website

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Kotak Mahindra Asset Management Co	5.5
2	Axis Asset Management Co Ltd/India	1.84
3	DSP Investment Managers Pvt Ltd	1.74
4	Vanguard Group Inc/The	1.69
5	Groupe Chimique Tunisien SA	1.63
6	Life Insurance Corp of India	1.56
7	INVESTOR EDUCATION & PROTECTN FD	1.39
8	FundRock Management Co SA	1.05
9	UTI Asset Management Co Ltd	0.91
10	Blackrock Inc	0.80

Source: Bloomberg

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Understanding the Mirae Asset Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/ weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Mirae Asset Sharekhan Research

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