



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		↔	

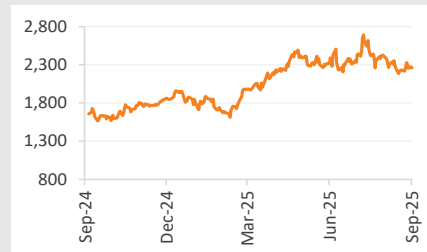
Company details

Market cap:	Rs. 66,558 cr
52-week high/low:	Rs. 2720/1546
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	14
DII	16
Others	13

Price chart



Source: NSE India, Mirae Asset Sharekhan Research

Price performance

(%)	1m	3m	6m	12m
Absolute	-6.8	-5.4	13.7	36.2
Relative to Sensex	-7.7	-5.5	8.5	39.5

Source: Mirae Asset Sharekhan Research, Bloomberg

Coromandel International Ltd

Primed for growth

Fertiliser	Sharekhan code: COROMANDEL		
Reco/View: Buy	↔	CMP: Rs. 2,259 (as on Sept 23, 2025)	Price Target: Rs. 2,535 ↔

Summary

- Coromandel's focus on backward integration and investment in the CDMO segment, specialty chemicals and drone business would drive long-term growth.
- The company has been delivering strong results for the last few quarters.
- Q1FY26 revenue of Rs. 7,042 crore (up 48.9% y-o-y) was led by both Nutrient & Allied business and the Crop Protection business. Operating profit of Rs. 782 crore (up 55% y-o-y) was led by the revenue growth and rise in margin in the CPC business.
- We maintain a Buy with an unchanged 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 28x/23x to its FY26E/FY27E EPS.

Q1FY2026 Consolidated revenue of Rs. 7,042 crore was up 49% y-o-y. Revenues increased due to strong volume growth in the fertilizer and the crop protection business and increase in subsidy. Early onset of monsoon helped the company. The revenue from nutrient and other allied (fertilizer) segment witnessed a growth of 51% y-o-y to Rs. 6,352 crore, while revenue from crop protection segment increased by 31% y-o-y to Rs. 725 crore. Nutrient and other allied segments' EBIT rose by 46% y-o-y to Rs. 629 crore, while Crop protection (CPC) segment reported EBIT growth of 77% y-o-y to Rs. 111 crore. OPM at 11.1% (up 41 bps y-o-y) was aided by the increase in CPC margin. Operating profit of Rs. 782 crore rose 55% y-o-y due to the revenue growth and rise in CPC margin. Consequently, Consolidated Adj. PAT at Rs. 505 crore was up by 62% y-o-y.

Key positives

- NPK segment continued to grow well and constituted 65% of total sales.

Management Commentary

- To ensure adequate availability of DAP, a government delegation secured a long term supply of 3.1mn tonne for the next few years. India imports close to 5-6mn tonne of DAP. Coromandel signed a long-term agreement with Ma'aden of Saudi Arabia, a leading fertilizer player mainly to secure DAP shipments.
- The company's market share on the consumption basis has improved to 16% as compared to 12% of last year. It has a 18% market share in NPK segments and differentiated grades account for 34% of sales (31% last year). In crop protection, 40% is export sales and 60% is domestic.
- The company launched 10 new products in QFY26, including 3 insecticides, 3 herbicides, 3 bio products, and 1 Plant Growth Regulator (PGR), with one being an in-licensed product
- The rock phosphate production at the mining site BMCC, Senegal stabilised, and also the company's board approved increasing its stake to 71.5% from 53.8%.
- The phosphoric and sulphuric acid facility at Kakinada (for backward integration) is progressing well and 70% of the project milestone is completed. It will be commissioned by Q4FY26.
- During the quarter, the company received Rs. 1,300 crore from subsidy as compared to Rs. 987 crore in the previous quarter. The subsidy outstanding is Rs. 2,911 crore.

Our Call

Valuation – Maintain Buy on Coromandel with an unchanged 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 an unchanged price target of Rs 2,535. At the current market price, the stock is valued at 28/23x 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)	33.0	40.5	38.9	27.8	23.2
P/BV (x)	8.4	7.0	5.9	5.0	4.3
EV/EBITDA	22.2	26.3	23.7	18.0	14.8
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

Outlook and Valuation

■ Sector Outlook – 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.

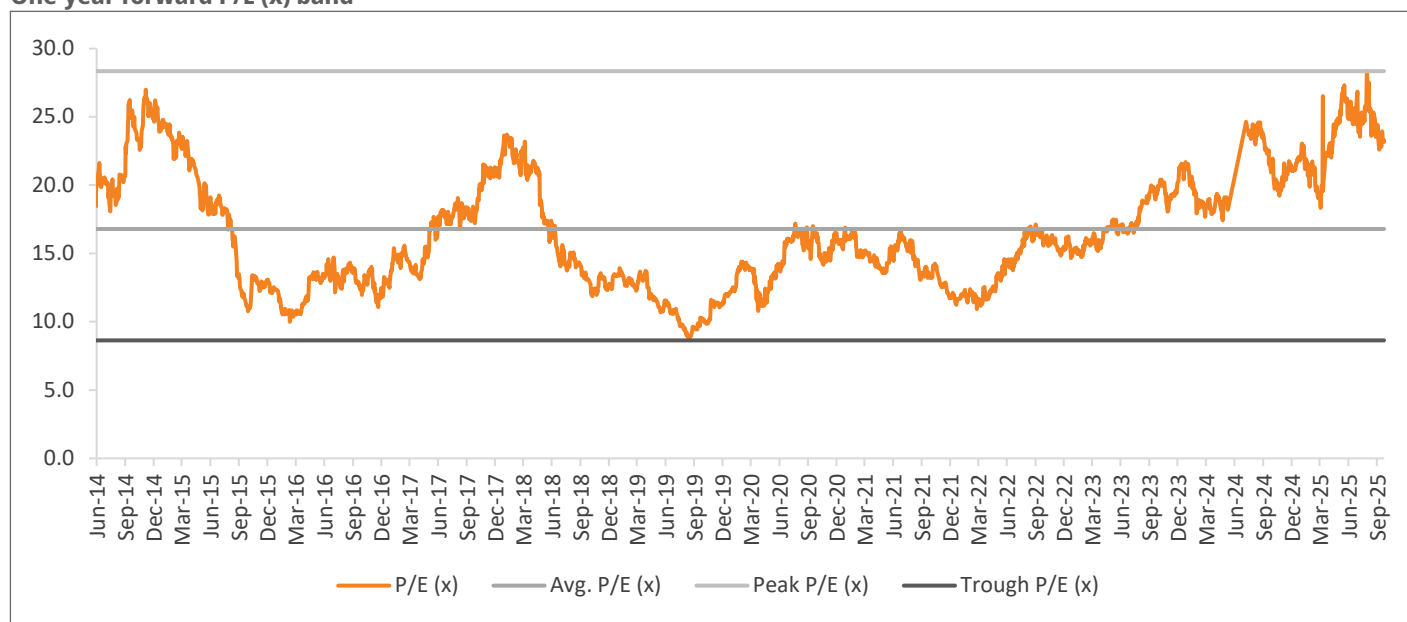
■ Company Outlook – Backward integration and focus on non-subsidy business to drive growth

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 an unchanged PT of Rs. 2,535

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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	4.45
2	Axis Asset Management Co Ltd/India	1.99
3	Vanguard Group Inc/The	1.72
4	Groupe Chimique Tunisien SA	1.63
5	Blackrock Inc	1.51
6	DSP Investment Managers Pvt Ltd	1.47
7	INVESTOR EDUCATION & PROTECTN FD	1.42
8	HDFC Asset Management Co Ltd	0.92
9	Sundaram Asset Management Co Ltd	0.77
10	Dimensional Fund Advisors LP	0.67

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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