



Excel Crop Care Limited
Beyond crop protection. Behind every farmer

Investor Presentation

AUGUST 2018



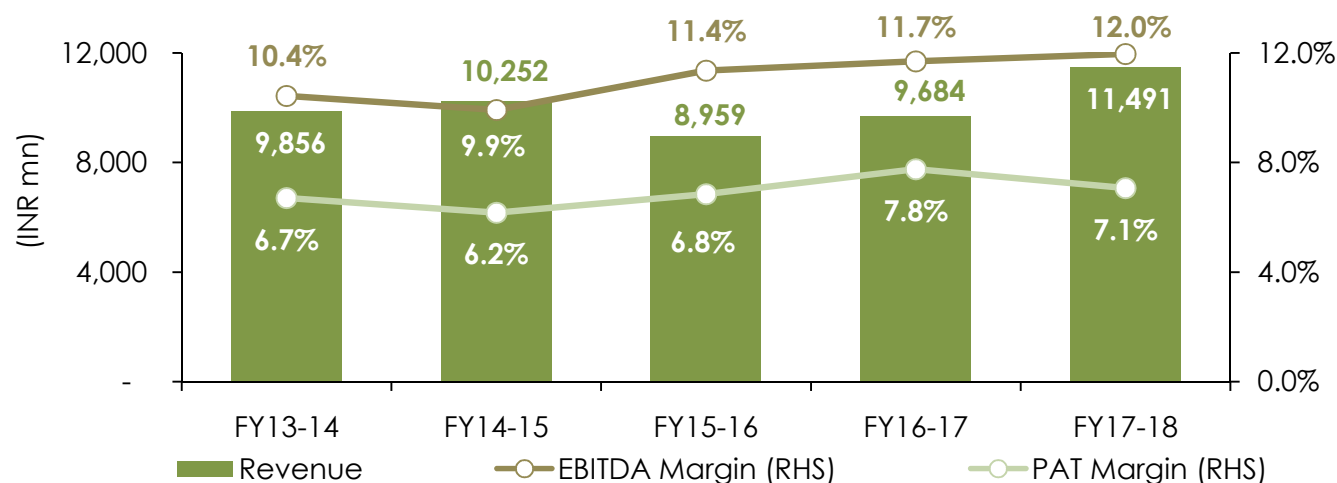
Business Overview

Excel Crop Care Limited

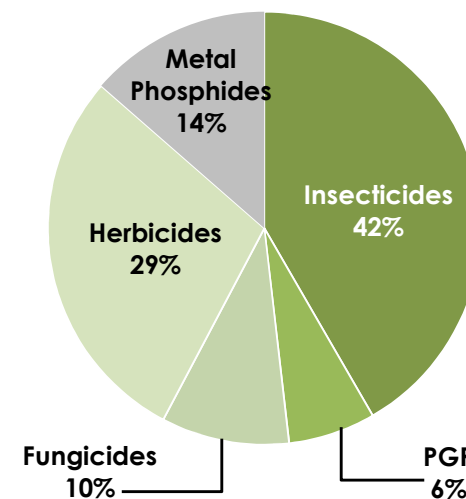
KEY HIGHLIGHTS

- ❖ Excel Crop Care Limited ("**Excel**") is primarily engaged in the manufacturing and marketing of Crop Protection, Soil Nutrition, Seed Treatment and Post Harvest products
- ❖ Operates across 5 key categories: Insecticides, Herbicides, Fungicides, Metal Phosphide and Plant growth Regulators
 - Insecticides and Herbicides contribute >70% to the revenue
- ❖ Engineering and research driven entity
 - First one to manufacture several key molecules using indigenous technology
 - Capable of producing ~27,000 tonnes of pesticides and ~40,000 tonnes of formulations per annum
- ❖ Operates through a wide reaching distribution network of 34 depots, ~4,700+ distributors and ~40,000 dealers covering >80% of the market
- ❖ Global presence through offices /representatives across all continents and exports to over 70 countries

KEY FINANCIALS



PRODUCT MIX (FY17-18)



Note: Revenue numbers represents operating revenues net of excise duty

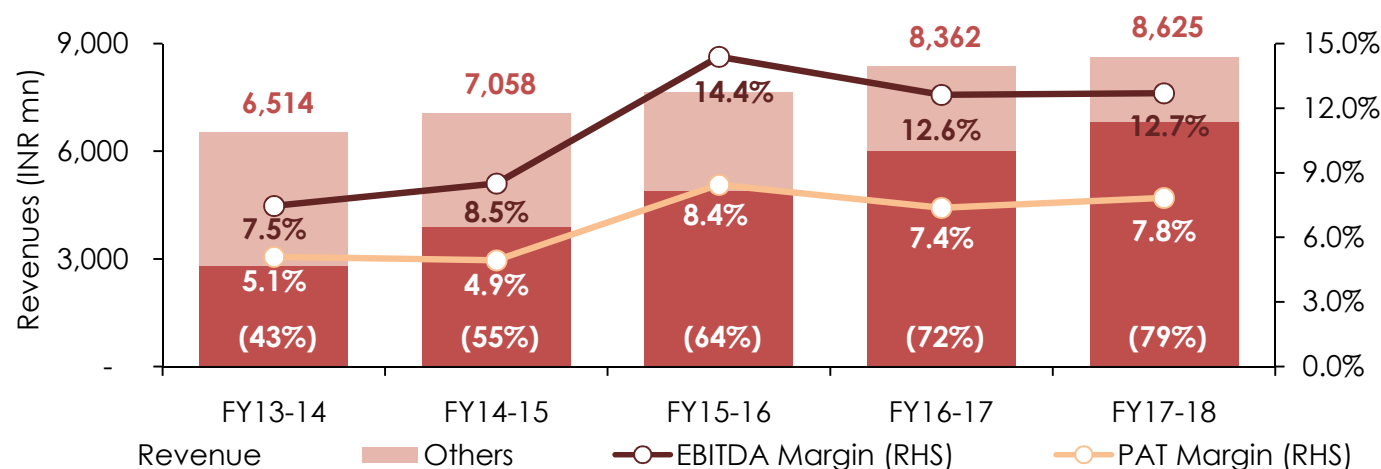
Business Overview

Sumitomo Chemical India Private Limited

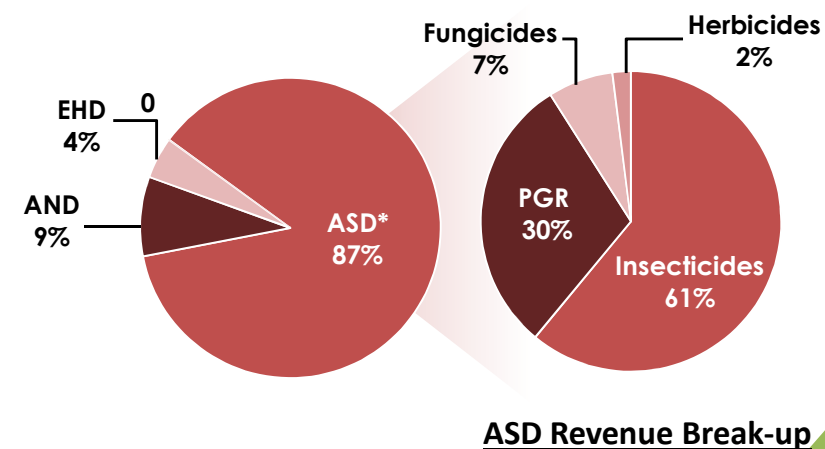
KEY HIGHLIGHTS

- ❖ Sumitomo Chemical Company India Private Limited ("**Sumitomo Chemical India**"), wholly owned subsidiary of Sumitomo Chemical Company, Limited, Japan ("**SCC**") was established in year 2000 to drive the expansion of its Health & Crop Sciences business in India
- ❖ Its business is organized into three different divisions –
 - Agro solutions division (**ASD**): Manufactures formulations for crop protection products using active ingredients either sourced locally or received from SCC
 - Animal nutrition division (**AND**): Provides ingredients used in poultry feeds for maintaining good health of chickens. Sumitomo Chemical India's product is a highly effective alternative to anti-biotics
 - Environment health division (**EHD**): Engaged in manufacturing of pest control chemicals which are re-sold to city level municipalities, professional pest control companies and companies manufacturing household insecticides
- ❖ Manufactures and sell formulations for both specialty chemicals and generic chemicals with the former contributing 63% to the revenues
- ❖ Operates through a strong distribution network of ~9,000 distributors with very high dealer density in West and North India

KEY FINANCIALS



PRODUCT MIX (FY17-18)



ASD Revenue Break-up

Note: Revenue numbers represents operating revenues net of excise duty

*Includes exports which form 8% of total revenues

Transaction Overview



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Transaction Overview

- ❖ The board of directors of Excel and Sumitomo Chemical India at their meeting today approved the merger of Excel into Sumitomo Chemical India through a scheme of amalgamation
- ❖ The shareholding of Sumitomo Chemical India in Excel will get cancelled
- ❖ The other shareholders of Excel will receive equity shares of Sumitomo Chemical India which will be listed on BSE Limited and the National Stock Exchange of India Limited
- ❖ Post-merger, Sumitomo Chemical India will increase the public shareholding to 25% within a period of one year from the date of listing of its equity shares or as prescribed under the applicable regulations

Swap Ratio

- ❖ Excel's shareholders, other than Sumitomo Chemical India, will receive 51 fully paid-up equity shares of Sumitomo Chemical India of face value of INR 10 each for every 2 fully paid-up equity shares of face value of INR 5 held in Excel as on the record date

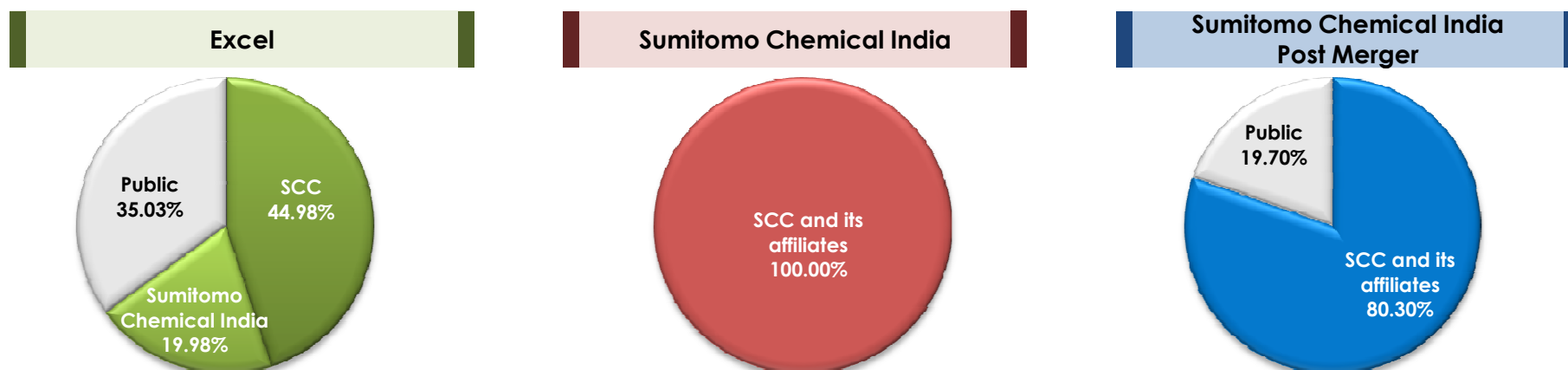
Key Approvals

- ❖ Key approvals required include
 - NCLT convened shareholders' approval of Excel
 - Securities and Exchange Board of India and Stock Exchanges
 - National Company Law Tribunal ("NCLT")

Target Completion Date

- ❖ Expect to complete the merger and get the equity shares of Sumitomo Chemical India listed in the next 8 -14 months

Proforma Shareholding Pattern



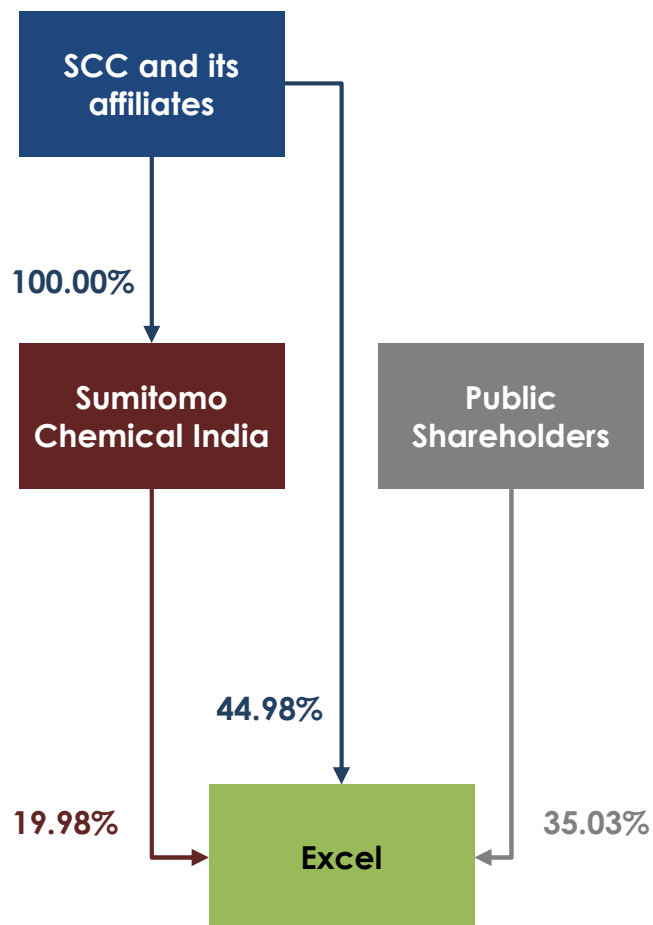
Note: Shareholding as on 30th June 2018

Transaction Structure - Overview

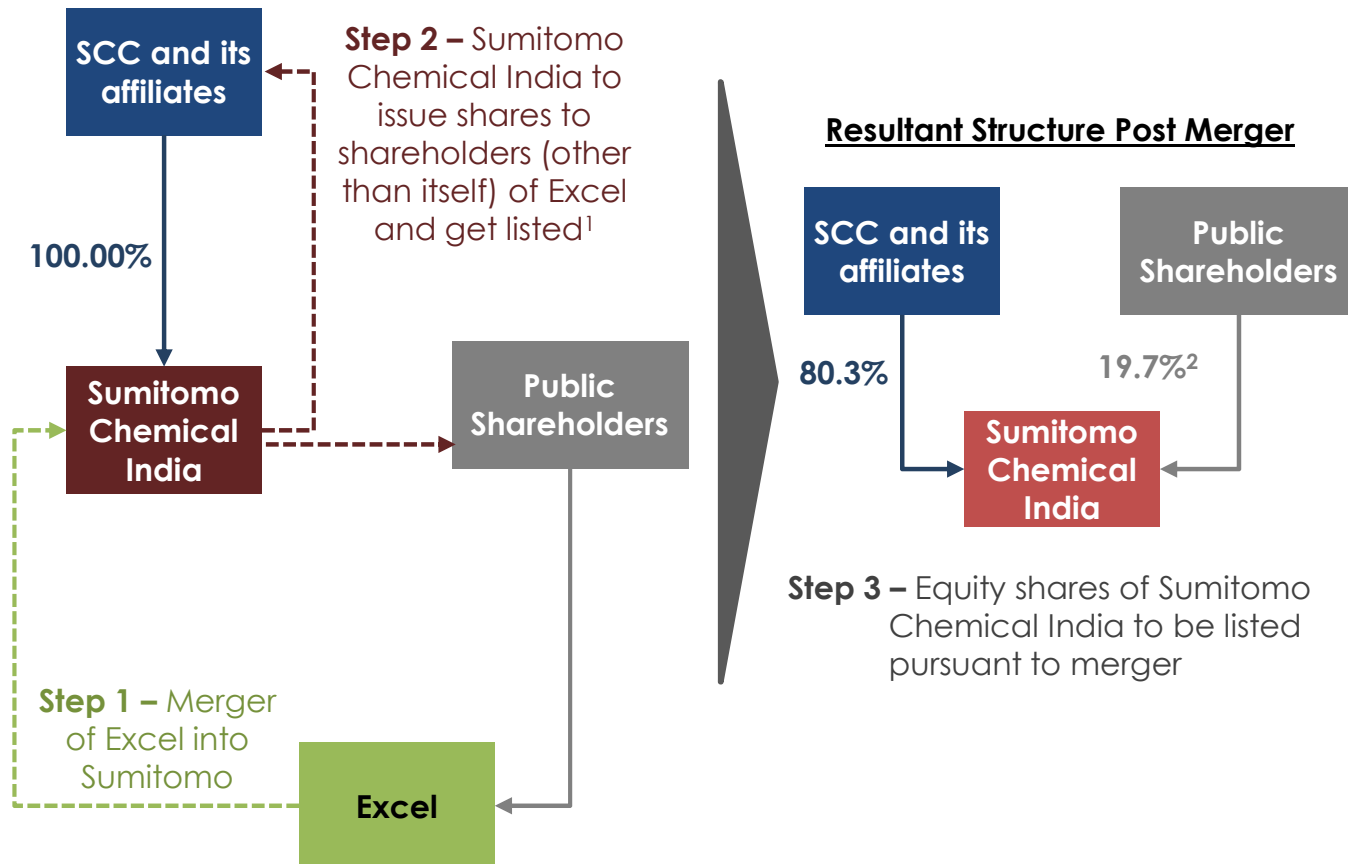


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CURRENT STRUCTURE



POST-MERGER STRUCTURE



Note: Shareholding as on 30th June 2018

1. Shares held by Sumitomo Chemical India in Excel will stand cancelled after the merger
2. Post-merger, Sumitomo Chemical India will increase the public shareholding to 25% within a period of one year from the date of listing of its equity shares or as prescribed under the applicable regulations

Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India



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03 Scaling up of distribution network across India and synergies in product marketing

Reduction of business risk as operations become more robust

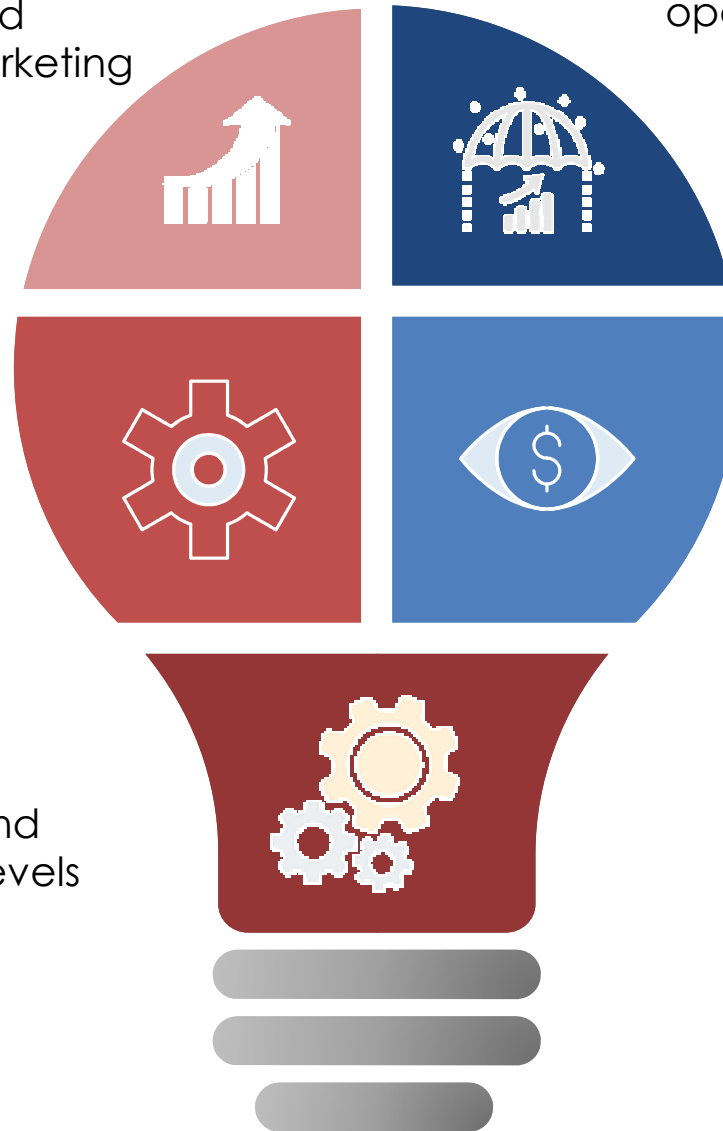
04

02 Highly complementary business on product front

Undivided focus and backing of a well-established parent company

05

01 Operational synergies and efficiencies at multiple levels



Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India



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#1

Operational synergies and efficiencies at multiple levels

Ensuring future growth through 4 new products developed by Sumitomo Chemical India



Access to new active ingredients will be without incurring any additional capex keeping Excel's facilities free for other molecules



Optimize operations across plants by moving production of similar products at one plant – improves capacity utilization



Optimum utilization of R&D facilities through development of value added products



Combined marketing team to assist in new product launches



Synergies in back-end operations such as marketing, finance and customer service



Streamlining of administrative and operational processes and building of larger depots to bring efficiency in inventory management



Opportunity to co-sell specialty and generic chemicals to Excel and Sumitomo Chemical India's customers



Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India

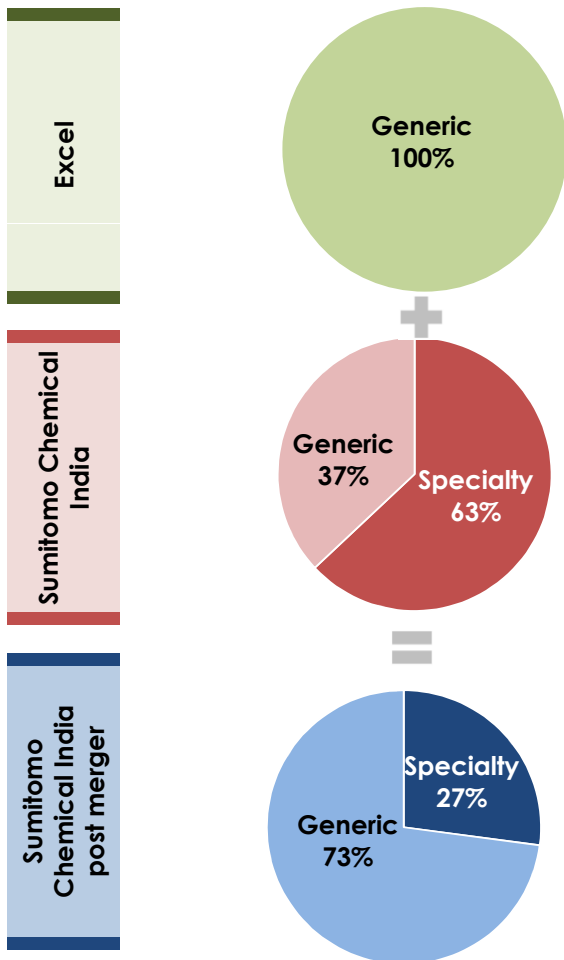


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#2

Highly complementary business on product front

Segment-wise Revenues (FY17-18)



Complementary marketing teams
– Excel has a strong connect with distributors while Sumitomo Chemical India has deep bonds with farmers

Dual brand portfolio to have products at all price points serving multiple customer sub-segments

Excel is a generic focused company while Sumitomo Chemical India is more focused on specialty chemicals (63% of sales)

Provide complete range of products by filling up product gaps

Synergistic gains in sales of bio-pesticides, pest control and metal phosphide products

Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India



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#3

Scaling up of distribution network across India and synergies in product marketing



Significant boost to distribution network
– from ~4,700 distributors to ~13,000 distributors post-merger



Qualitative improvement in marketing which will be now be driven by in-depth product knowledge due to own actives



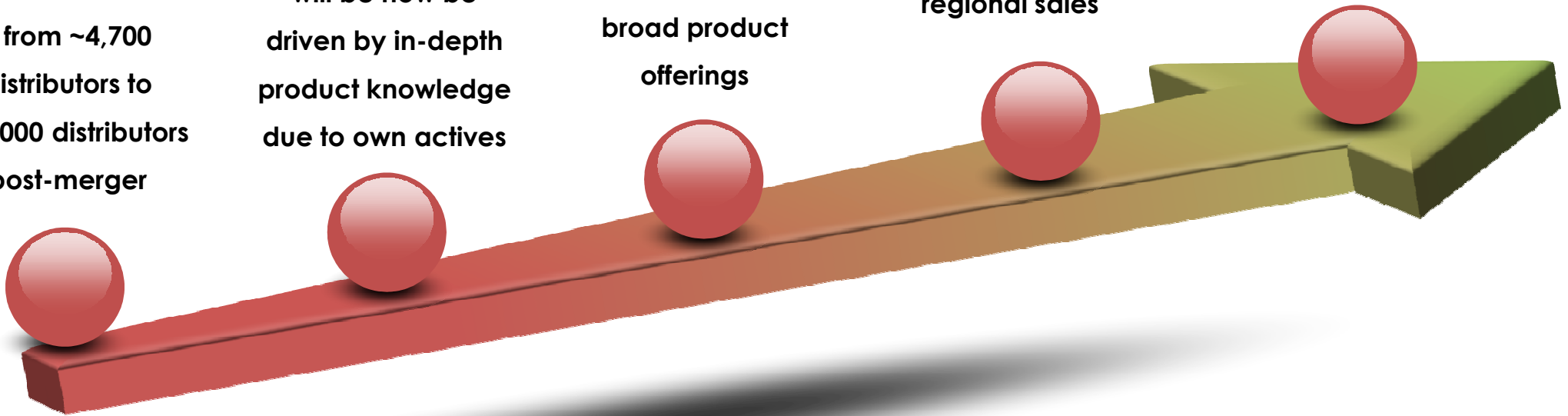
Improved negotiation strength with distributors on account of size and broad product offerings



High distributor density in West and North to boost regional sales



Ease of launching specialty products through deep connect with farmers



Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India

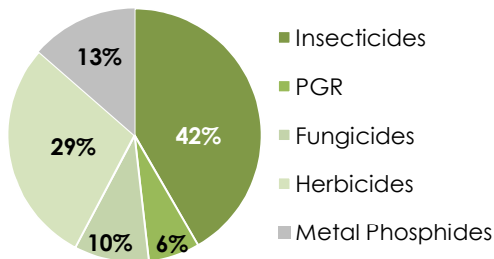


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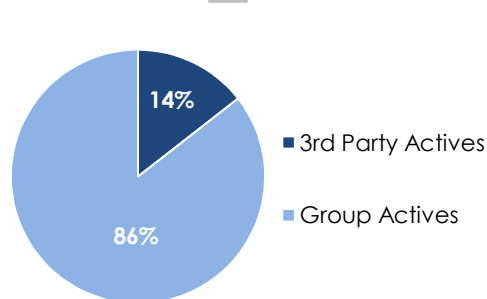
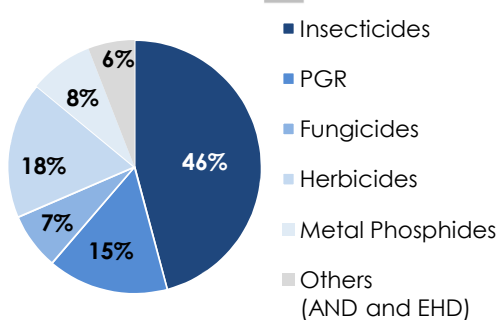
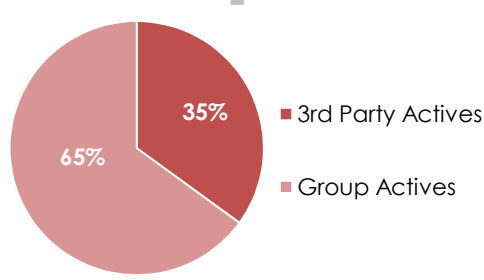
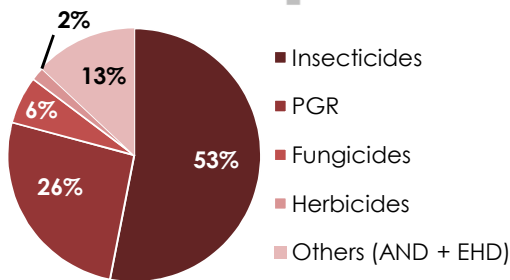
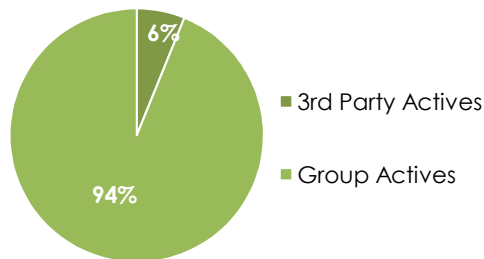
#4

Reduction of business risk as operations become more robust

Potential to create a balanced presence across key sub-segments of Crop Protection (FY17-18)



Domestic Sales on the basis of Own manufactured / Procured from SCC Actives vis-à-vis Procured from 3rd Party Actives



Low degree of customer concentration and improved customer loyalty due to a broad range of product offerings

Broad basing of revenue streams and reduced dependency on any single product segment

Sales of PGR is not dependent on monsoon and will form ~15% of the revenues from ~6% today

Expanding the range of crop categories served to include fruits and vegetables in addition to staple crops

Reduction in seasonality risk as product portfolio will now have offerings for both Kharif and Rabi season crops

Merger Rationale

Creates a single focused entity of scale for SCC's major businesses in India



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#5

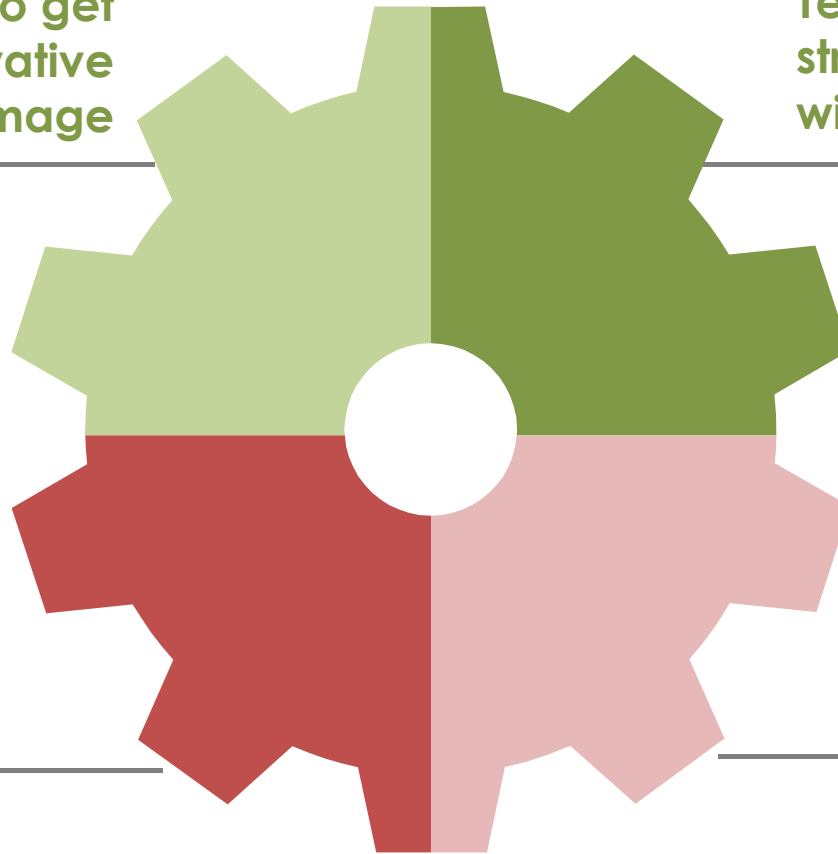
Undivided focus and backing of a well-established parent company

Benefits from International standing of SCC – exports to get a boost due to innovative company image

Technical expertise, financial strength and market reach to witness stark improvement

Excel to benefit from rapid assimilation and integration with the culture, manufacturing practices and corporate philosophy of the parent

Benefit from global R&D activities, active ingredients and broad range of product portfolio



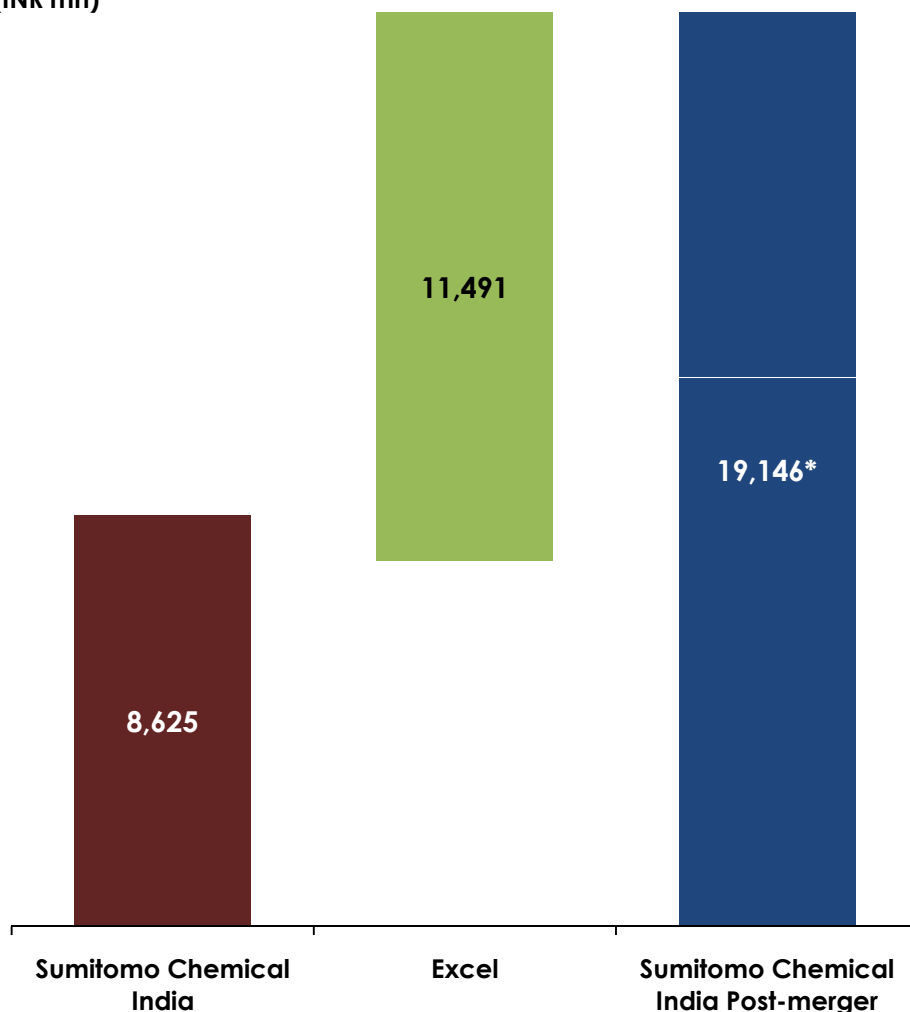
Merger to Create a Well-diversified Platform of Scale (1/3)



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REVENUE (FY17-18)

(INR mn)

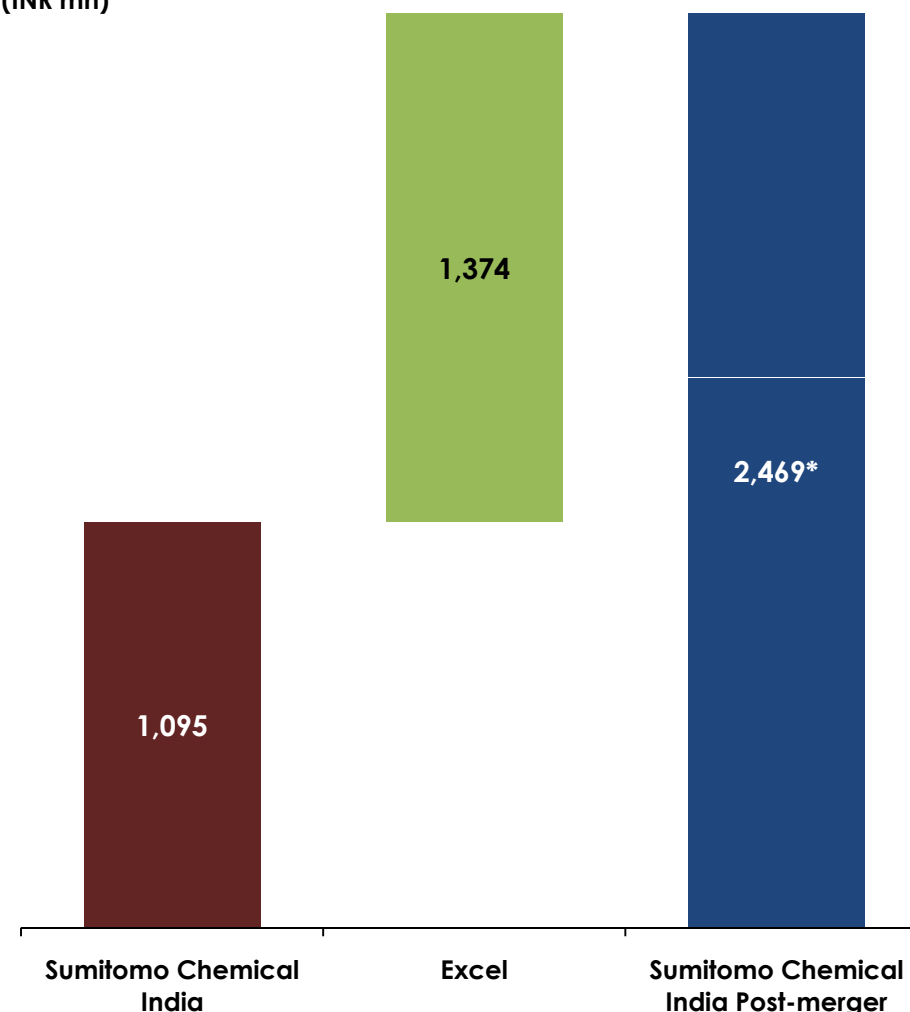


*Adjusted for inter company sales of INR 970 Mn

Note: Revenue numbers represents operating revenues net of excise duty

EBITDA (FY17-18)

(INR mn)



*EBITDA includes profits on intercorporate sales

Merger to Create a Well-diversified Platform of Scale (2/3)



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Parameter	Sumitomo Chemical India	Excel	Sumitomo Chemical India Post-Merger
Manufacturing Facilities	Plant in Maharashtra (1) and Gujarat (1)	Plants in Gujarat (2) and Dadar & Nagar Haveli (1)	5 plants in West India
Manufacturing Capability	Manufacturing of formulations	Predominantly a formulation company with facilities for both formulation & technical	Presence in both technical & formulation manufacturing
Distribution Capability	9,000+ distributors concentrated in few regions	4,700+ distributors located across India	~13,000+ distributors covering >85% of the geography pan-India – Improved depth and breadth of the distributors
R&D Capability	Outsources all of its R&D requirements	Operates 3 fully equipped R&D facilities for synthesis and formulation of chemicals	Optimally utilized R&D facilities capable of creating new combinations using Sumitomo Chemical India's chemistries
Financial Strength	FY18 Revenues of INR 8,625 Mn and PAT of INR 675 Mn	FY18 Revenues of INR 11,491 Mn and PAT of INR 811 Mn	Almost 2x in size with additional upside on account of synergies

Merger to Create a Well-diversified Platform of Scale (3/3)



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Parameter	Sumitomo Chemical India	Excel	Sumitomo Chemical India Post-Merger
Presence across Industry sub-segments	Sales mix: Insecticides (48%), PGR (24%), Fungicide (6%) & Herbicide (2%)	Sales mix: Insecticides (42%), Herbicides (29%), Fungicides (9%), PGR (6%) & Metal Phosphides (14%)	Evenly distributed across major Industry sub-segments of crop
Product Capability	Specialty focused (Specialty: 63%, Generic: 37%)	Generic focused (100%); nascent presence in Bio-pesticides	Presence across complete range of products
Business Segments	Presence in Animal Nutrition and Environment Health as well in addition to agrochemicals segment	Presence only in agrochemical segment	Primarily an agrochemical company with presence in Animal Nutrition and Environment Health Products
Range of crops served	Products dominantly targeted towards fruits and vegetable crops covering both Kharif and Rabi season	Product mix is tilted more towards staple crops with major presence in Kharif season	Well diversified product range covering multiple crop segments in both Kharif and Rabi season
Customer Concentration	Top 5 customers contributes to ~15% of sales	Top 5 customers contributes to ~12% of sales	Top 5 customers = <10% of sales – Will include the top 2 customers of Sumitomo Chemical India
Sales and Marketing Capability	High degree of engagement with the farmers	Strong Wide spread presence with the distributors / retailers	Strong presence with both the retailers and farmers

Advisors to the Transaction



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Role	Excel	Sumitomo Chemical India
Financial Advisor	Kotak Investment Banking	NA
Tax and Regulatory Advisor	KPMG India	
Valuers	Deloitte Haskins & Sells and Desai Haribhakti & Co. (joint valuation advisors to both Excel and Sumitomo Chemical India)	
Fairness Opinion Issued by	Kotak Investment Banking	NA
Legal Advisors	Kanga & Co.	DSK Legal

Summary Takeaways



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Excel Crop Care Limited



SUMITOMO CHEMICAL

SUMITOMO CHEMICAL INDIA PVT. LTD.



Consolidates Market
Position



Significant
Complementarity and
Growth Potential



Access to an Impressive
Range of Active Ingredients



Brings Together Two Strong
Cultures and Best Practices



Benefits From a Globally
Well Revered Brand
Renowned for its Quality



Enhanced Financial and
Technological Strength

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