

# Sharda Cropchem Limited



ISO 9001: 2015 Reg. No: 702949  
CIN: L51909MH2004PLC145007

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www.shardacropchem.com



26<sup>th</sup> May, 2021

The Secretary  
BSE Limited  
Listing Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

Scrip Code: 538666  
Scrip ID: SHARDACROP

**Subject: Investors/Analyst's Presentation for the Quarter and Year ended March 31, 2021**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we are enclosing herewith the presentation to be made to the Investors/Analysts on the Financial Results of the Company for the Quarter and Year ended March 31, 2021.

The presentation is also being uploaded on the website of the Company [www.shardacropchem.com](http://www.shardacropchem.com) in accordance with Regulation 46 of the Listing Regulations.

We request you to take the same on record.

Yours faithfully,

Jetkin Gudhka  
Company Secretary &  
Compliance Officer



Encl: As above

**Sharda Cropchem Limited**  
INVESTOR PRESENTATION  
Q4 & FY21 Results Update



***Sharda Cropchem Limited***





***Sharda Cropchem Limited***

<b>PAGE NO.</b>	<b>CONTENTS</b>
<b>03</b>	<b>Q4 &amp; FY21 RESULT HIGHLIGHTS</b>
<b>12</b>	<b>CONSOLIDATED FINANCIALS</b>
<b>15</b>	<b>COMPANY OVERVIEW</b>
<b>20</b>	<b>BUSINESS MODEL</b>
<b>22</b>	<b>BUSINESS STRATEGY &amp; OUTLOOK</b>





***Sharda Cropchem Limited***

## **Q4 & FY21 Result Highlights**



# Q4 FY21: KEY FINANCIAL HIGHLIGHTS

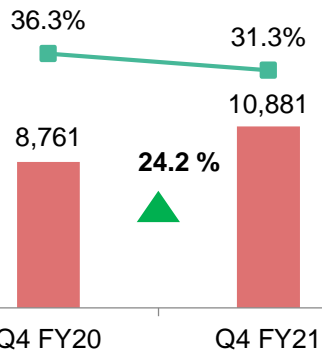
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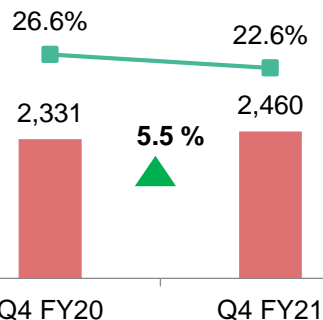
Sharda Cropchem Limited

In ₹ Mn

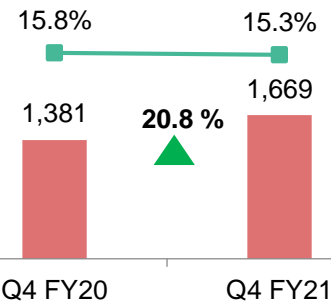
## REVENUES & GM



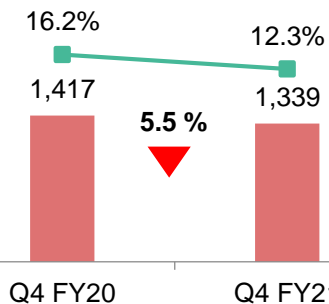
## EBITDA & EBITDA MARGIN \*



## PBT & PBT MARGIN



## PAT & PAT MARGIN



**Revenues** grew by 24.2% YoY to ₹ 10,881 mn in Q4 FY21

**Gross profit** grew marginally by 7.3% YoY to ₹ 3,410 mn in Q4 FY21. Gross margin contracted by 495bps YoY from 36.3% in Q4 FY20 to 31.3% in Q4 FY21 due to exceptionally higher gross margins in Q4FY20 driven by favourable product mix

**EBITDA** grew by 5.5% YoY from ₹ 2,331 mn in Q4 FY20 to ₹ 2,460 mn in Q4 FY21

**EBITDA** margin contracted by 400bps YoY to 22.6% in Q4 FY21 mainly due to unfavourable product mix

**PBT** grew by 20.8% YoY from ₹ 1,381 mn in Q4 FY20 to ₹ 1,669 mn in Q4 FY21 mainly due to revenue growth, decline in forex loss and rise in other income

**PAT** declined by 5.5% YoY from ₹ 1,417 mn in Q4 FY20 to ₹ 1,339 mn in Q4 FY21

**PAT** margin contracted by 386bps YoY to 12.3% in Q4 FY21 mainly due to lower effective tax rates in FY20

\* EBITDA excluding IA & IAUD write-off (₹ 296.7 mn in Q4 FY21 and ₹ 523.3 mn in Q4 FY20) (IA & IAUD – Intangible Assets & Intangible Assets Under Development)

# FY21: KEY FINANCIAL HIGHLIGHTS

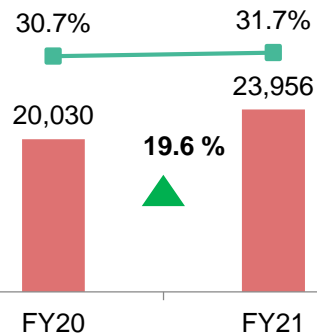
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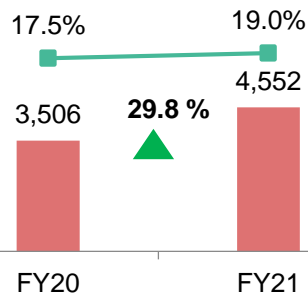
Sharda Cropchem Limited

In ₹ Mn

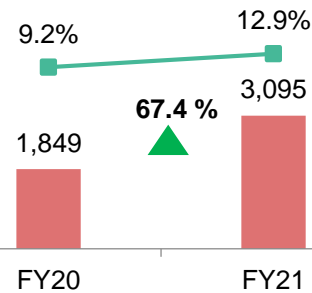
## REVENUE & GM



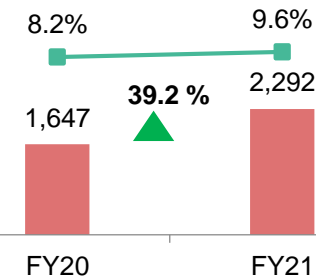
## EBITDA & EBITDA MARGIN \*



## PBT & PBT MARGIN



## PAT & PAT MARGIN



**Revenues** grew by 19.6% YoY to ₹ 23,956 mn in FY21

**Gross profit** grew by 23.6% YoY to ₹ 7,597 mn in FY21. Gross margin expanded by 104bps YoY from 30.7% in FY20 to 31.7% in FY21 due to favourable product mix & higher sales in Europe region

**EBITDA** grew by 29.8% YoY from ₹ 3,506 mn in FY20 to ₹ 4,552 mn in FY21

**EBITDA margin** expanded by 150bps YoY to 19.0% in FY21 mainly due to favourable product mix and operating efficiencies

**PBT** grew by 67.4% YoY from ₹ 1,849 mn in FY20 to ₹ 3,095 mn in FY21 due to impressive YoY revenue growth and forex gains in FY21 as against forex loss in FY20

**PAT** grew by 39.2% YoY from ₹ 1,647 mn in FY20 to ₹ 2,292 mn in FY21

**PAT margin** expanded by 135bps YoY to 9.6% in FY21

\* EBITDA excluding IA & IAUD write-off (₹ 383.2 mn in FY21 and ₹ 546.5 mn in FY20)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)

# Q4 & FY21: REGIONWISE REVENUE BRIDGE

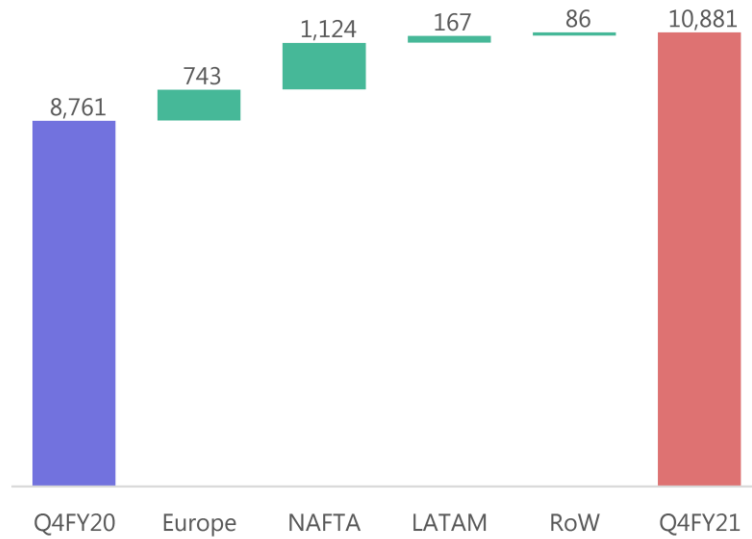
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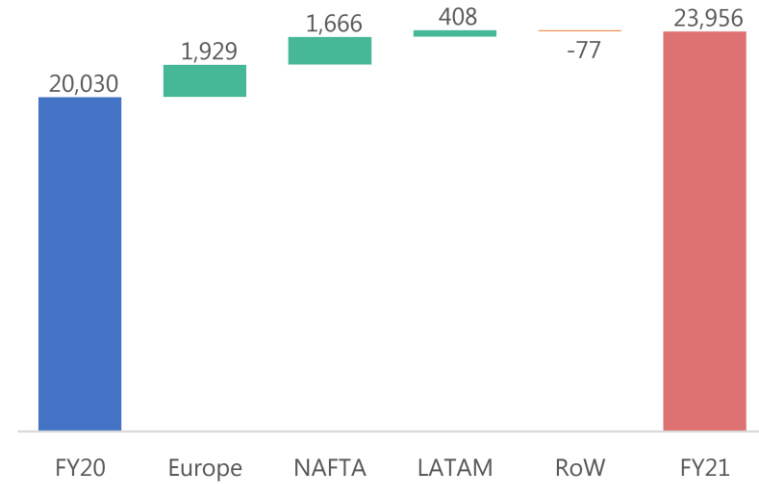
Sharda Cropchem Limited

In ₹ Mn

## Q4 FY21 REGIONWISE REVENUE BRIDGE



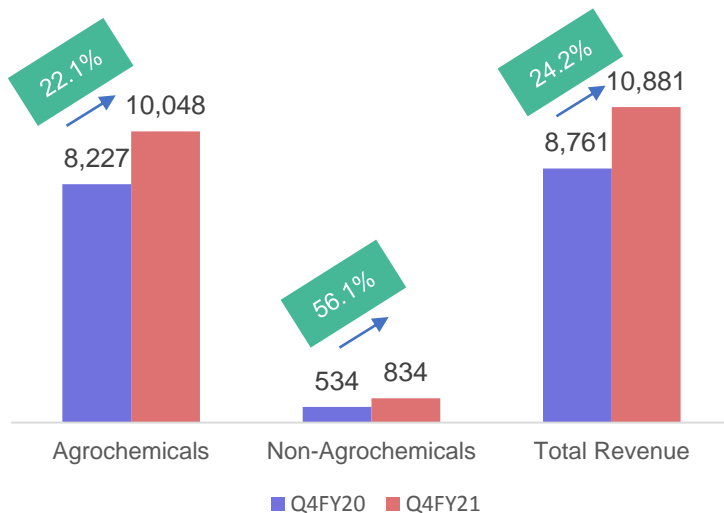
## FY21 REGIONWISE REVENUE BRIDGE



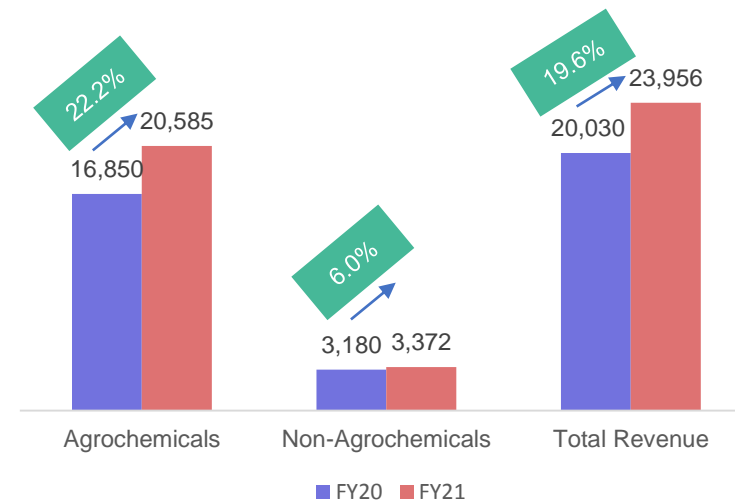
➤ Europe and NAFTA continues to be the growth engine for Sharda Cropchem

In ₹ Mn

## Q4 FY21 YoY ANALYSIS: REVENUE BREAKUP



## FY21 YoY ANALYSIS: REVENUE BREAKUP



- Agrochemicals revenues during Q4 FY21 grew by 22.1% YoY
- Non-Agrochemicals revenues during Q4 FY21 grew by 56.1% YoY
- Revenue Mix:  
Agrochemicals : Non-Agrochemicals mix stood at 92:8 in Q4 FY21 & 94:6 in Q4 FY20

- Agrochemicals revenues during FY21 grew by 22.2% YoY
- Non-Agrochemicals revenues during FY21 grew by 6.0% YoY
- Revenue Mix:  
Agrochemicals : Non-Agrochemicals mix stood at 86:14 in FY21 & 84:16 in FY20



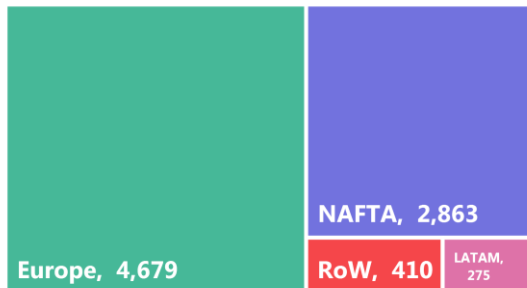
# Q4 FY21: AGROCHEMICALS BUSINESS DEEP DIVE



In ₹ Mn

Q4 FY20: Agrochemicals Revenues : 8,227

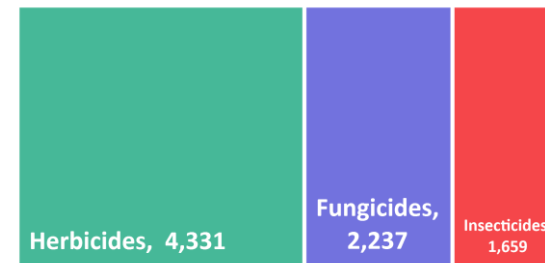
## REGION WISE



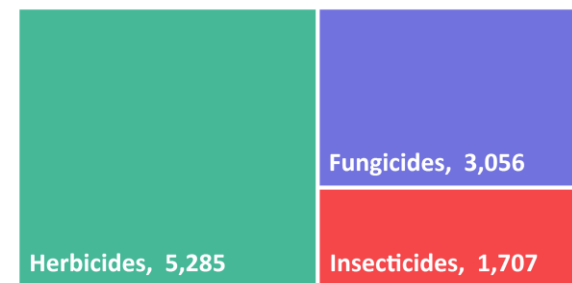
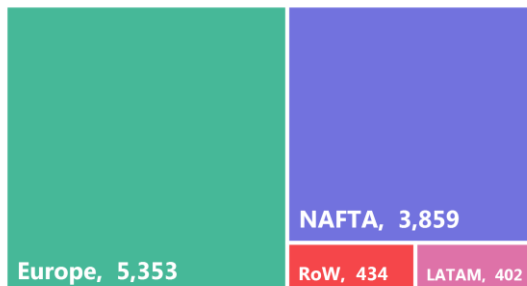
## FORMULATION VS. AI



## PRODUCT WISE



Q4 FY21: Agrochemicals Revenues : 10,048



➤ Q4 FY21 Revenue Growth:  
Europe: 14.4%, NAFTA: 34.8%,  
RoW: 5.8% & LATAM 46.2%

➤ Formulation: AI Mix  
Q4 FY21 – 95:5  
Q4 FY20 – 96:4

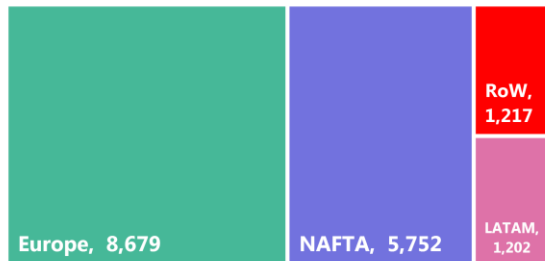
➤ Product Mix updates: Herbicides continues to command 52.6% of revenues in Q4 FY21 & 52.6% of revenues in Q4 FY20

# FY21: AGROCHEMICALS BUSINESS DEEP DIVE



In ₹ Mn

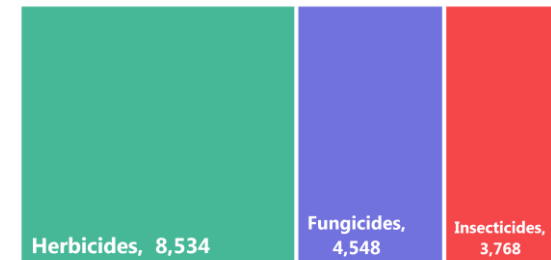
## REGION WISE



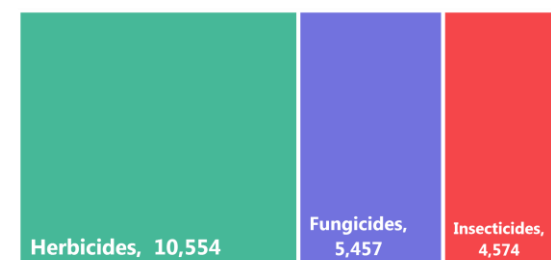
## FORMULATION VS. AI



## PRODUCT WISE



## FY21: Agrochemicals Revenues : 20,585



➤ FY21 Revenue Growth:  
Europe: 20.0%, NAFTA: 26.0%,  
LATAM: 24.6% & ROW: 17.1%

➤ Formulation: AI Mix  
FY21 – 93:7  
FY20 – 92:8

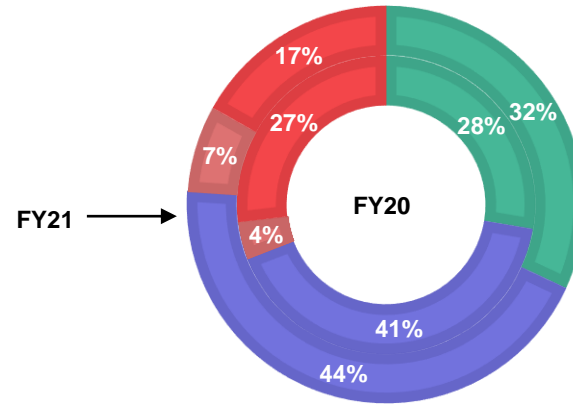
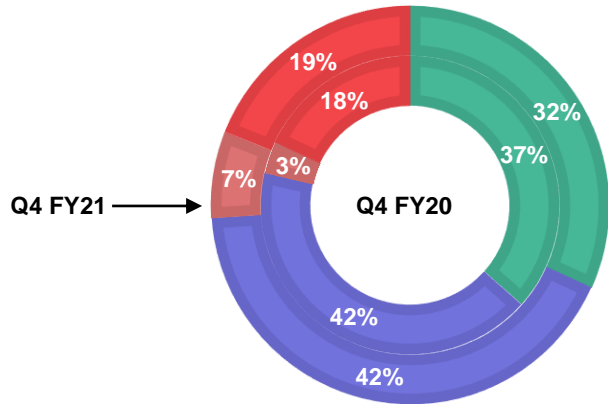
➤ Product Mix updates: Herbicides continues to command 51.3% of revenues in FY21 & 50.6% of revenues in FY20



## REVENUE BREAKUP: REGIONWISE

■ Europe ■ NAFTA ■ LATAM ■ RoW

■ Europe ■ NAFTA ■ LATAM ■ RoW

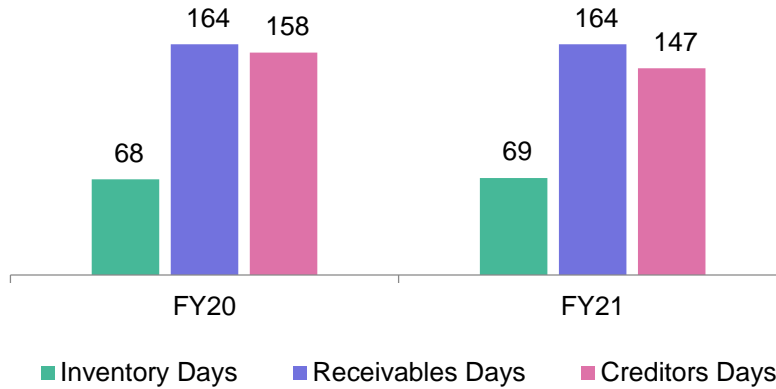


- Europe grew by 35.7% in Q4 FY21 to ₹ 265 mn
- NAFTA grew by 57% in Q4 FY21 to ₹ 352 mn
- LATAM grew by 215.2% in Q4 FY21 to ₹ 59 mn
- RoW grew by 64.8% in Q4 FY21 to ₹ 158 mn

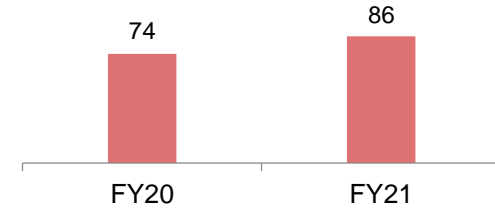
- Europe grew by 22.4% in FY21 to ₹ 1,076 mn
- NAFTA grew by 12.7% in FY21 to ₹ 1,488 mn
- LATAM grew by 87.1% in FY21 to ₹ 239 mn
- RoW declined by 33.4% in FY21 to ₹ 568 mn



## WORKING CAPITAL DAYS\*



## NET WORKING CAPITAL DAYS



➤ Net working capital days stood at 86 days in FY21 as against 74 days in FY20

\* Calculated on average inventory, receivables and creditors



***Sharda Cropchem Limited***

**Consolidated Financials**



# Q4 & FY21: CONSOLIDATED PROFIT & LOSS STATEMENT

13



Sharda Cropchem Limited

In ₹ Mn

Particulars	Q4 FY21	Q4 FY20	YoY %	FY21	FY20	YoY%
<b>Revenue from Operations</b>	<b>10,881.4</b>	<b>8,760.7</b>	<b>24.2%</b>	<b>23,956.1</b>	<b>20,030.2</b>	<b>19.6%</b>
COGS	7,471.5	5,581.4	33.9%	16,359.6	13,886.1	17.8%
<b>Gross Profit</b>	<b>3,409.9</b>	<b>3,179.3</b>	<b>7.3%</b>	<b>7,596.5</b>	<b>6,144.1</b>	<b>23.6%</b>
<b>Gross Margin %</b>	<b>31.3%</b>	<b>36.3%</b>	<b>495bps</b>	<b>31.7%</b>	<b>30.7%</b>	<b>104bps</b>
Employee Expenses	118.6	116.5	1.8%	373.2	349.0	7.0%
Other Expenses	1,128.4	1,255.2	10.1%	3,054.8	2835.7	7.7%
<b>EBITDA*</b>	<b>2,459.6</b>	<b>2,330.9</b>	<b>5.5%</b>	<b>4,551.7</b>	<b>3,505.9</b>	<b>29.8%</b>
<b>EBITDA Margin %</b>	<b>22.6%</b>	<b>26.6%</b>	<b>400bps</b>	<b>19.0%</b>	<b>17.5%</b>	<b>150bps</b>
Forex (Gain)/Loss	131.5	179.5	26.8%	(198.9)	151.4	N.A.
Depreciation	522.2	350.0	49.2%	1,704.4	1,371.2	24.3%
Finance Cost	7.7	4.5	71.9%	27.7	19.2	44.6%
Other Income	167.6	107.9	55.4%	459.3	431.1	6.5%
<b>PBT</b>	<b>1,669.2</b>	<b>1,381.4</b>	<b>20.8%</b>	<b>3,094.5</b>	<b>1,848.7</b>	<b>67.4%</b>
Tax Expense	329.9	(35.5)	N.A.	802.3	201.8	297.7%
<b>PAT</b>	<b>1,339.3</b>	<b>1,416.8</b>	<b>5.5%</b>	<b>2,292.2</b>	<b>1,646.9</b>	<b>39.2%</b>
<b>PAT Margin %</b>	<b>12.3%</b>	<b>16.2%</b>	<b>386bps</b>	<b>9.6%</b>	<b>8.2%</b>	<b>135bps</b>
<b>Earnings Per Share (EPS) In ₹</b>	<b>14.84</b>	<b>15.70</b>	<b>5.5%</b>	<b>25.40</b>	<b>18.25</b>	<b>39.2%</b>

\* EBITDA excluding IA & IAUD write-off (₹ 296.7 mn in Q4 FY21, ₹ 523.3 mn in Q4 FY20, ₹ 383.2 mn in FY21 and ₹ 546.5 mn in FY20)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)



Particulars	FY21	FY20
<b>Equities &amp; Liabilities</b>		
<b>Shareholder's Funds</b>		
Equity and Share Capital	902.2	902.2
Other Equity	15,240.8	13,125.7
Non-controlling Interest	3.1	2.7
<b>Total Equity</b>	<b>16,146.1</b>	<b>14,030.6</b>
<b>Non-Current Liabilities</b>		
Borrowings	-	0.9
Trade Payables	24.0	23.8
Other Financial Liabilities	116.0	130.6
Provisions	30.2	26.6
Deferred Tax Liabilities (net)	928.7	693.0
<b>Total non-current liabilities</b>	<b>1,098.9</b>	<b>874.9</b>
<b>Current Liabilities</b>		
Borrowings	678.5	-
Trade Payables	8,067.5	6,866.9
Other Financial Liabilities	1,535.9	897.2
Other Current Liabilities	580.0	543.5
Current Tax Liabilities	31.7	15.2
Provisions	500.0	243.9
<b>Total current Liabilities</b>	<b>11,393.6</b>	<b>8,566.7</b>
<b>Total Equity &amp; Liabilities</b>	<b>28,638.6</b>	<b>23,472.2</b>

Particulars	FY21	FY20
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	208.8	278.2
Goodwill	4.3	4.4
Other Intangible assets	5,231.1	3,880.8
Intangible assets under development	1,310.4	1,614.0
Deferred Tax Assets (net)	60.4	39.2
Non-Current Tax Assets	736.3	725.3
Other non-current assets	94.0	115.5
<b>Total non-current assets</b>	<b>7,645.3</b>	<b>6,657.4</b>
<b>Current Assets</b>		
Inventories	5,255.5	3,822.4
Investments	830.1	1,155.3
Trade Receivables	11,625.7	9,893.9
Cash & Cash equivalents	855.5	777.6
Other Bank balances	1,749.8	756.9
Other Financial Assets	280.6	112.8
Other Current Assets	396.1	295.9
<b>Total current assets</b>	<b>20,993.3</b>	<b>16,814.8</b>
<b>Total Assets</b>	<b>28,638.6</b>	<b>23,472.2</b>



***Sharda Cropchem Limited***

## Company Overview







## Agrochemicals Focused Company

Intellectual Property (IP) driven company engaged in marketing and distribution of wide range formulations and generic active ingredients

## Asset-Light Business Model

The Company efficiently channelises its time and resources for strengthening its core competency of identifying generic molecules and registration opportunities which offers scalable growth with limited capital requirements

## Firm Registration Pipeline

The Company has procured 2,543 registrations\* [2,270 registrations - Formulations and 273 registrations - Active Ingredients (AIs)]. Additionally, it has filed 1,128 applications for registrations globally pending at different stages

\*As on 31<sup>st</sup> March, 2021

## Diversified Sourcing Arrangements

Enduring relationship with multiple manufacturers and formulators enables the Company to source and supply formulations or generic active ingredients at competitive prices

## Consistently Increasing Global Presence

With its diversified range of product portfolio, the Company has grown by expanding its business operations in 80+ countries, across Europe, NAFTA, Latin America and Rest of the World

## Wide-spread Distribution Network

Presence in the entire agrochemical value chain with 500 third-party distributors and 400+ sales force serving the Company's esteemed clientele in 80+ countries

## Prudent and Professional Management

The Company's apt domain knowledge and experience gives a substantial competitive advantage for expanding its business in existing markets and entering new geographies

## Sound Financial Standing

Sharda Cropchem is a debt-free company which enables the Company to utilise its cash flows prudently

## Financial Performance

Sales – 14.4% (FY17-21 CAGR)  
ROCE – 16.0% (FY21),  
ROE – 15.2% (FY21) and  
Net Cash & Cash Equivalents - INR 3,435 mn (FY21)

Presence in 80+ countries across Europe, NAFTA, LATAM & RoW

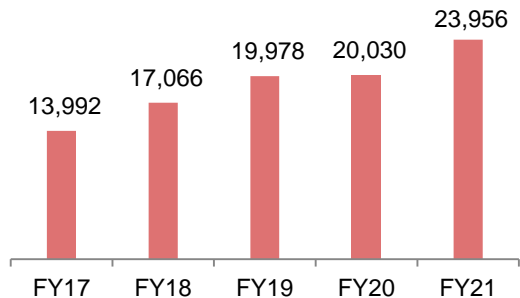


FY21 CAPEX: INR 3,090 Mn

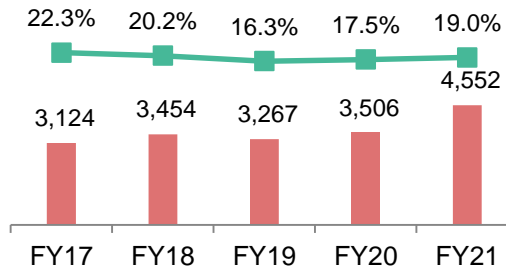


In ₹ Mn

## REVENUE FROM OPERATIONS

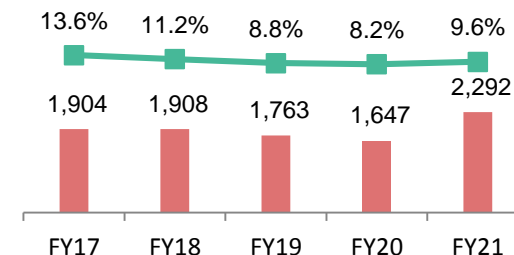


## EBITDA & EBITDA Margin\*

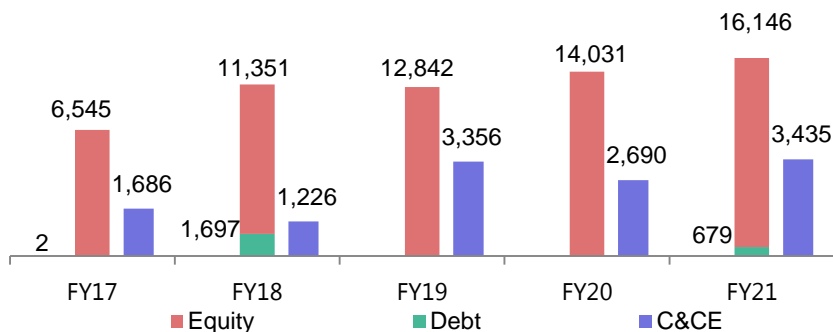


\* EBITDA excluding IA & IAUD write-off

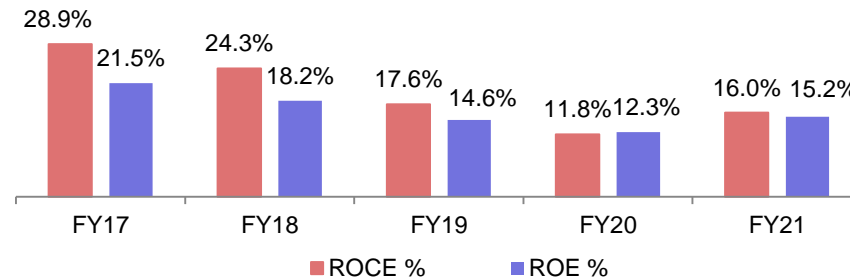
## PAT & PAT Margin



## LEVERAGE ANALYSIS



## RETURN METRICS



Source: PAT Margin = PAT / Revenue from Operations, EBITDA Margin = EBITDA / Revenue from Operations, ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt)]



## KEY INSTITUTIONAL INVESTORS – 31<sup>ST</sup> MAR 2021 % HOLDING

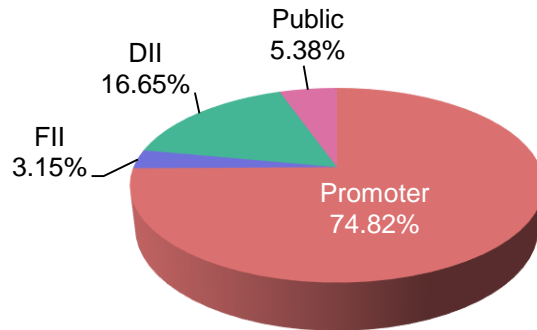
HDFC MF	9.22%
L & T Mutual Fund	4.55%
DSP MF	2.89%
Pinebridge Global	1.96%

## MARKET DATA

AS ON 25<sup>TH</sup> May 2021

Market capitalization (INR Mn)	32,055
Price (INR)	355.3
No. of shares outstanding (Mn)	90.2
Face Value (INR)	10.0
52 week High-Low (INR)	374.0 – 134.6

## SHAREHOLDING – 31<sup>ST</sup> MARCH 2021



Source: BSE

## SHARE PRICE PERFORMANCE





***Sharda Cropchem Limited***

## **Business Model**





### Agrochemical Value Chain

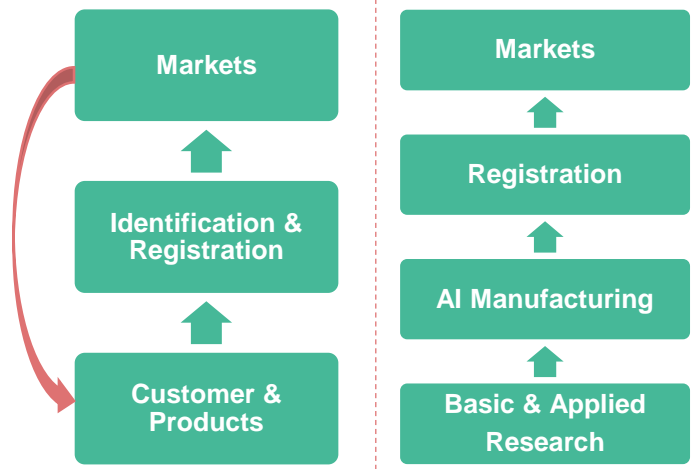


### Sharda's Operating Area

### ASSET LIGHT BUSINESS MODEL

- Focus on identification of generic molecules, preparing dossiers, seeking registrations, marketing & distributing formulations through third party distributors and/or own sales
- Manufacturing of AIs and formulations is outsourced
- Highly flexible operating model resulting in –
  - Overall cost competitiveness
  - Efficient management of fluctuating market demand across various geographies.
  - Offering wide range of formulations and AIs

### Sharda's Model: Demand Pulled / Customer Driven



Sharda is a focussed global agrochemical marketing & distribution company



***Sharda Cropchem Limited***

## Business Strategy & Outlook



## Forward Integration - Build own Sales Force

- Leverage market presence and execution capabilities
- Adopt the factory-to-farmer approach and be a one-stop solution provider
- Strategy on-ground in Mexico, Colombia, Hungary, Spain, Poland, Italy, Portugal, USA & India

## Expand & Strengthen Distribution Presence

- Expand geographical reach using existing library of dossiers
- Two-fold strategy of further penetrating existing markets and entering new markets

## Continual Investment in Obtaining Registrations

- Continue to identify generic molecules going off- patent
- Investing in preparing dossiers and seeking registrations in own name

## Focus on Biocide Registrations

- Scale up marketing and distribution of biocides with a focus on Europe
- Increase biocide registrations





# FOR FURTHER QUERIES



Sharda Cropchem Limited



**Sharda Cropchem Limited**

Mr. Ashok Vashisht  
Chief Financial Officer  
Email: [cfo@shardaintl.com](mailto:cfo@shardaintl.com)  
Contact No: +91 22 6678 2800

**DICKENSON**

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