

# Sharda Cropchem Limited



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

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www.shardacropchem.com



October 26, 2021

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

Scirp Code: 538666  
Scirp ID: SHARDACROP

**Subject: Investors/Analyst's Presentation for the quarter and half year ended  
September 30, 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 half year ended September 30, 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**  
**Q2 & H1 FY22 Results Update**



***Sharda Cropchem Limited***





***Sharda Cropchem Limited***

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***Sharda Cropchem Limited***

**Q2 & H1 FY22 Result Highlights**



# Q2 FY22: KEY FINANCIAL HIGHLIGHTS

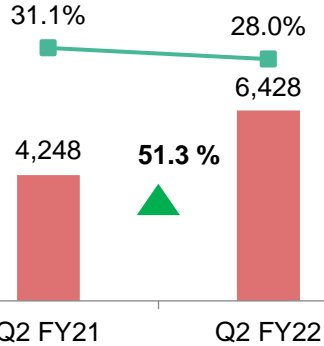
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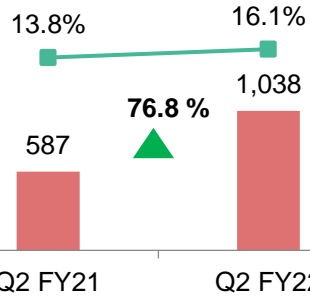
Sharda Cropchem Limited

In ₹ Mn

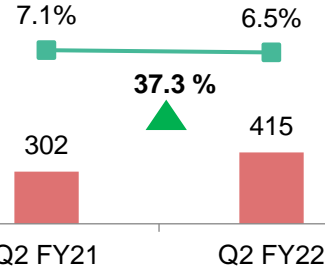
## REVENUES & GM



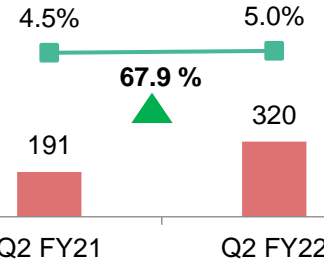
## EBITDA & EBITDA MARGIN \*



## PBT & PBT MARGIN



## PAT & PAT MARGIN



**Revenues** grew by 51.3% YoY to ₹ 6,428 mn in Q2 FY22 led by strong volume growth across geographies

**Gross profit** grew by 36.3% YoY to ₹ 1,798 mn in Q2 FY22. Gross margin during Q2 FY22 stood at 28.0%

**EBITDA** grew by 76.8% YoY from ₹ 587 mn in Q2 FY21 to ₹ 1,038 mn in Q2 FY22

**EBITDA** margin expanded by 233bps YoY to 16.1% in Q2 FY22 driven by volume growth and better cost management, partly impacted by change in product mix and inflation in the freight cost.

**PBT** grew by 37.3% YoY from ₹ 302 mn in Q2 FY21 to ₹ 415 mn in Q2 FY22, partly impacted by higher depreciation charge and forex loss in Q2 FY22 vis-à-vis forex gain in Q2 FY21

**PAT** surged by 67.9% YoY from ₹ 191 mn in Q2 FY21 to ₹ 320 mn in Q2 FY22

**PAT margin** expanded by 49bps YoY to 5.0% in Q2 FY22 mainly due to lower effective tax rates (22.9% in Q2 FY22 vs. 36.9% in Q2 FY21)

\* EBITDA excluding IA & IAUD write-off (₹ 8.7 mn in Q2 FY22 and ₹ 19.2 mn in Q2 FY21)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)

# H1 FY22: KEY FINANCIAL HIGHLIGHTS

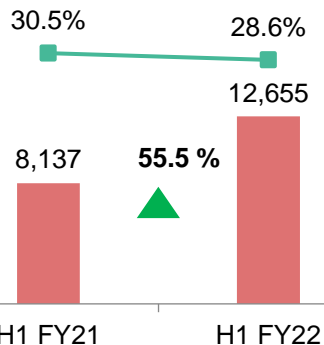
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Sharda Cropchem Limited

In ₹ Mn

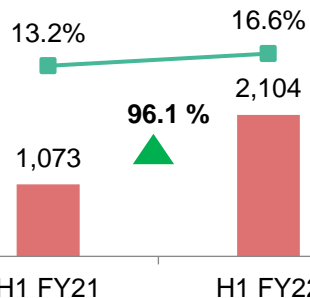
## REVENUES & GM



**Revenues** grew by 55.5% YoY to ₹ 12,655 mn in H1 FY22 led by strong volume growth across geographies

**Gross profit** grew by 46.0% YoY to ₹ 3,624 mn in H1 FY22. Gross margin during H1 FY22 stood at 28.6%

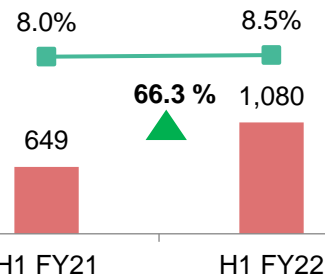
## EBITDA & EBITDA MARGIN \*



**EBITDA** grew by 96.1% YoY from ₹ 1,073 mn in H1 FY21 to ₹ 2,104 mn in H1 FY22

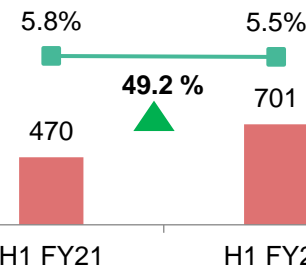
**EBITDA** margin expanded by 344bps YoY to 16.6% in H1 FY22 driven by volume growth and better cost management, partly impacted by change in the product mix and inflation in the freight cost.

## PBT & PBT MARGIN



**PBT** grew by 66.3% YoY from ₹ 649 mn in H1 FY21 to ₹ 1,080 mn in H1 FY22 led by better operating leverage, partly impacted higher depreciation & forex loss in H1FY22 vs forex gain in FY21.

## PAT & PAT MARGIN



**PAT** surged by 49.2% YoY from ₹ 470 mn in H1 FY21 to ₹ 701 mn in H1 FY22

**PAT margin** contracted by 24bps YoY to 5.5% in H1 FY22 mainly due to higher effective tax rates (35.1% in H1 FY22 vs. 27.6% in H1 FY21)

\* EBITDA excluding IA & IAUD write-off (₹ 44.1 mn in H1 FY22 and ₹ 29.6 mn in H1 FY21) (IA & IAUD – Intangible Assets & Intangible Assets Under Development)

# Q2 & H1FY22: REGIONWISE REVENUE BRIDGE

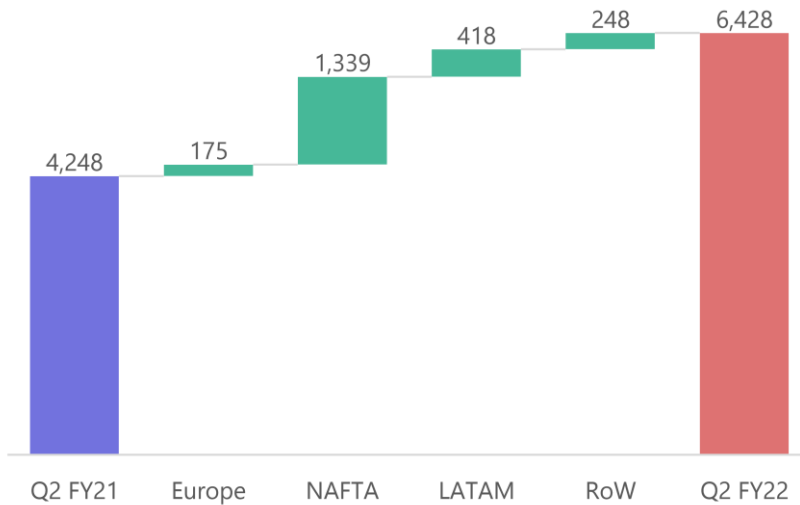
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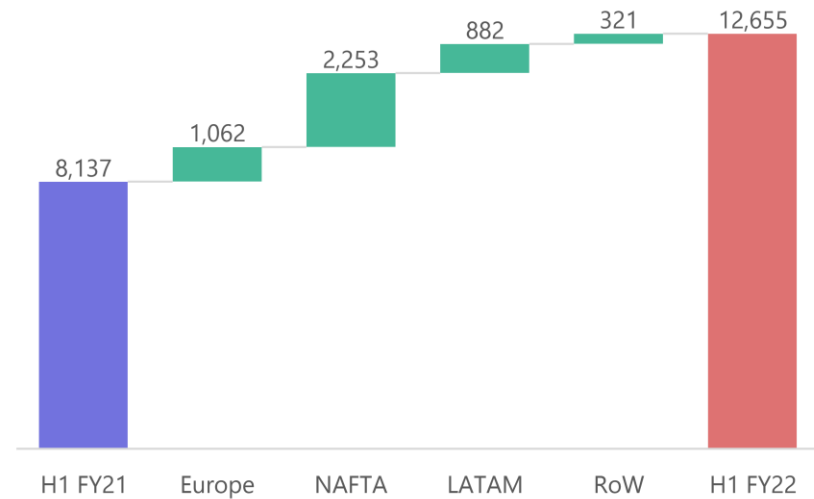
Sharda Cropchem Limited

In ₹ Mn

## Q2 FY22 REGIONWISE REVENUE BRIDGE



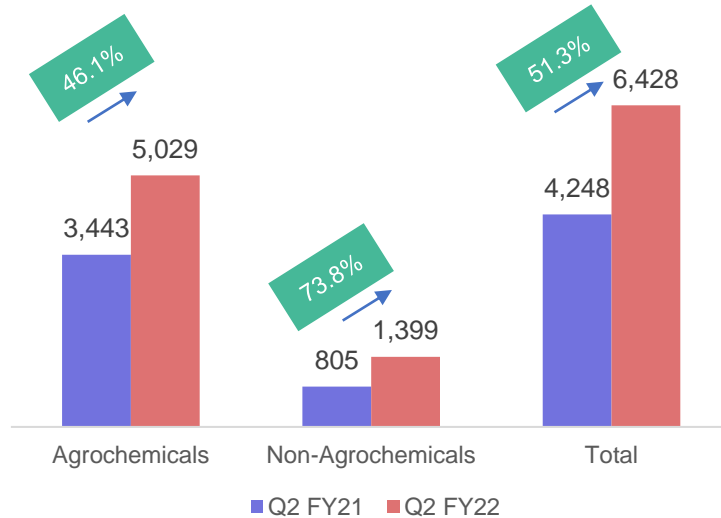
## H1 FY22 REGIONWISE REVENUE BRIDGE



➤ NAFTA , Europe & LATAM continues to be the growth engine for Sharda Cropchem

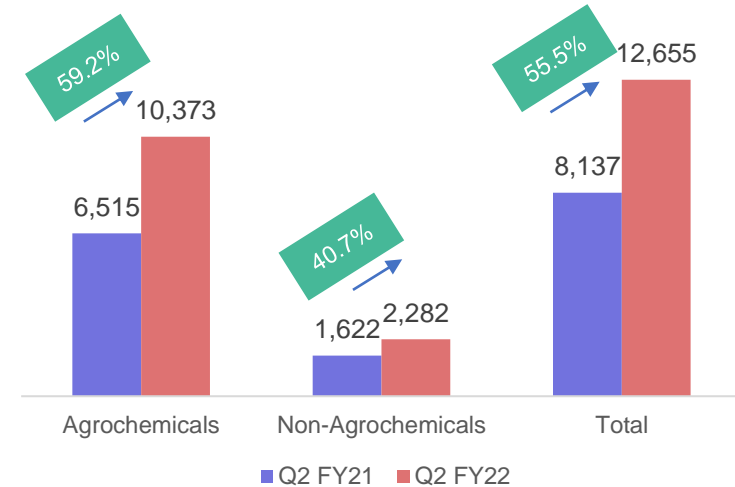
In ₹ Mn

## Q2 FY22 YoY ANALYSIS: REVENUE BREAKUP



- Agrochemicals revenues during Q2 FY22 grew by 46.1% YoY
- Non-Agrochemicals revenues during Q2 FY22 grew by 73.8% YoY
- Revenue Mix:  
Agrochemicals : Non-Agrochemicals mix stood at 78:22 in Q2 FY22 as against 81:19 in Q2 FY21

## H1 FY22 YoY ANALYSIS: REVENUE BREAKUP



- Agrochemicals revenues during H1 FY22 grew by 59.2% YoY
- Non-Agrochemicals revenues during H1 FY22 grew by 40.7% YoY
- Revenue Mix:  
Agrochemicals : Non-Agrochemicals mix stood at 82:18 in H1 FY22 as against 80:20 in H1 FY21

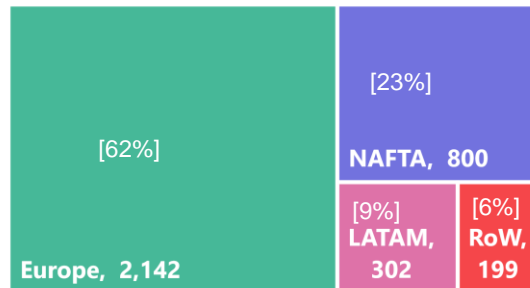




## Q2 FY21: Agrochemicals Revenues : 3,443

In ₹ Mn

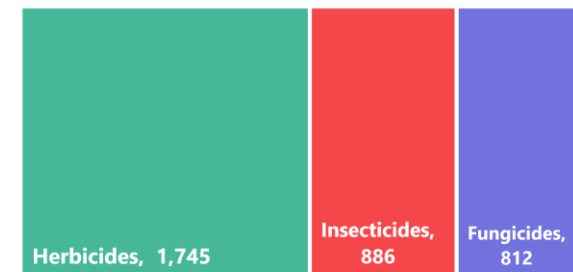
### REGION WISE



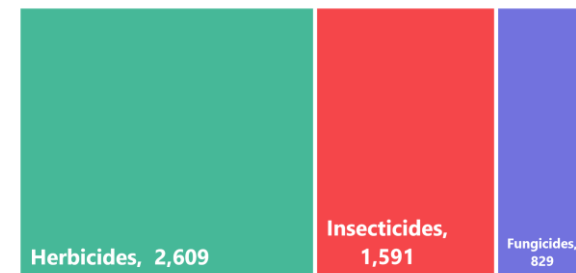
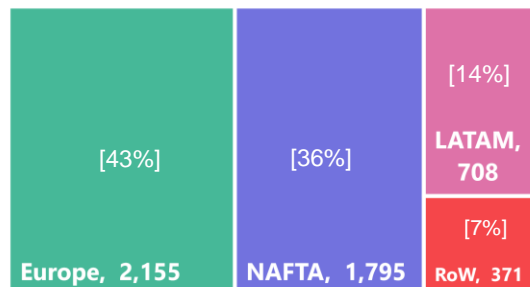
### FORMULATION VS. AI



### PRODUCT WISE



## Q2 FY22: Agrochemicals Revenues : 5,029



➤ Q2 FY22 Revenue Growth:  
Europe: 0.6%, NAFTA: 124.4%,  
LATAM 134.8% & RoW: 85.9%

➤ Formulation: AI Mix  
Q2 FY22 – 94:6  
Q2 FY21 – 93:7

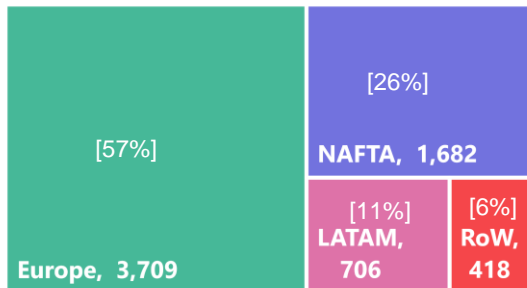
➤ Product Mix updates: Herbicides continues to command 52.0% of revenues in Q2 FY22 & 51.0% of revenues in Q2 FY21



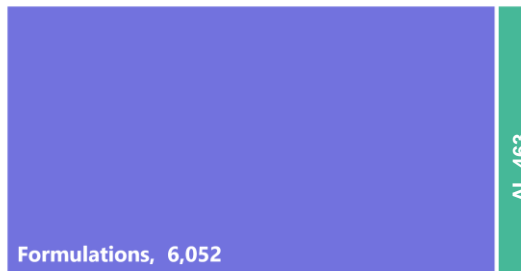
## H1 FY21: Agrochemicals Revenues : 6,515

In ₹ Mn

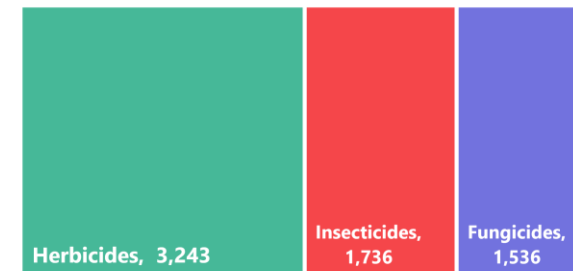
### REGION WISE



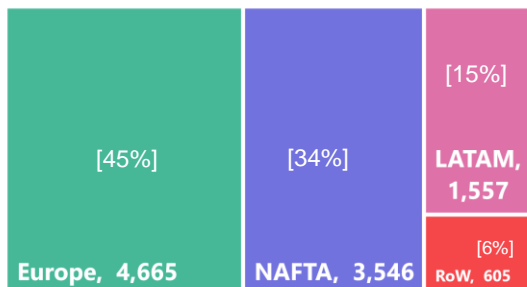
### FORMULATION VS. AI



### PRODUCT WISE



## H1 FY22: Agrochemicals Revenues : 10,373



➤ H1 FY22 Revenue Growth:  
Europe: 25.8%, NAFTA: 110.8%,  
LATAM 120.3% & RoW: 44.9%

➤ Formulation: AI Mix  
H1 FY22 – 92:8  
H1 FY21 – 93:7

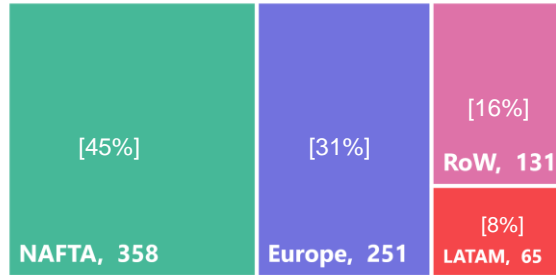
➤ Product Mix updates: Herbicides continues to command 49.7% of revenues in H1 FY22 & 49.8% of revenues in H1 FY21



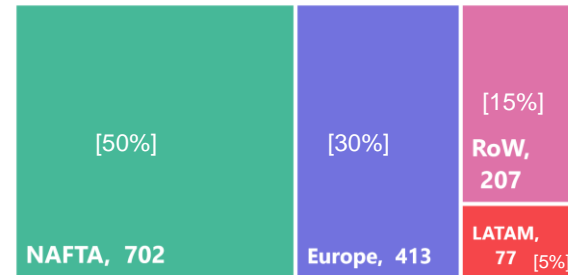
In ₹ Mn

## REVENUE BREAKUP: REGIONWISE

Q2 FY21: Non-Agrochemicals Revenues : 805



Q2 FY22: Non-Agrochemicals Revenues : 1,399



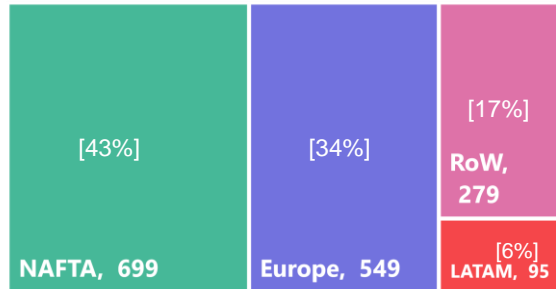
- NAFTA grew by 95.9% in Q2 FY22 to ₹ 702 mn
- Europe grew by 64.7% in Q2 FY22 to ₹ 413 mn
- RoW grew by 58.9% in Q2 FY22 to ₹ 207 mn
- LATAM grew by 17.5% in Q2 FY22 to ₹ 77 mn



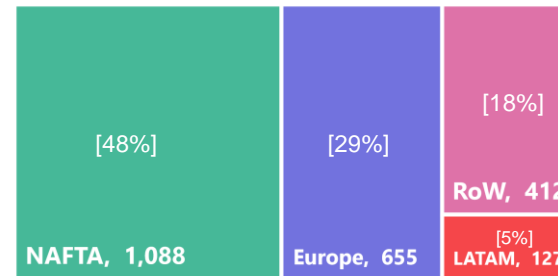
In ₹ Mn

## REVENUE BREAKUP: REGIONWISE

H1 FY21: Non-Agrochemicals Revenues : 1,622



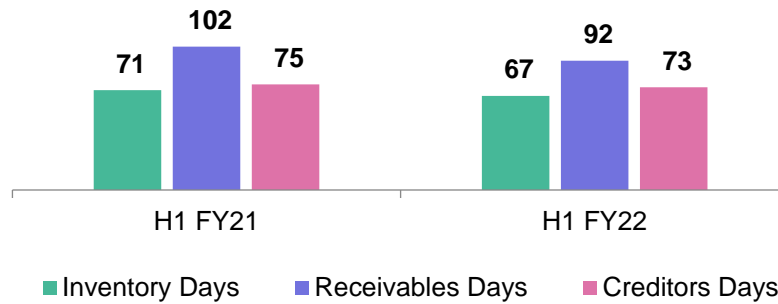
H1 FY22: Non-Agrochemicals Revenues : 2,282



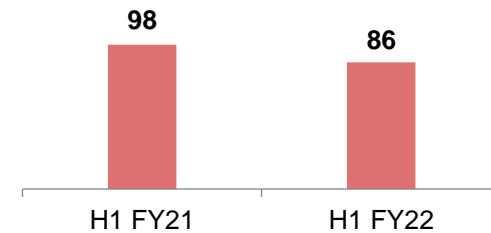
- NAFTA grew by 55.8% in H1 FY22 to ₹ 1,088 mn
- Europe grew by 19.3% in H1 FY22 to ₹ 655 mn
- RoW grew by 47.8% in H1 FY22 to ₹ 412 mn
- LATAM grew by 33.7% in H1 FY22 to ₹ 127 mn



## WORKING CAPITAL DAYS\*



## NET WORKING CAPITAL DAYS



➤ Net working capital days improved to 86 days in H1 FY22 as against 98 days in H1 FY21

\* Calculated on average inventory, receivables and creditors



***Sharda Cropchem Limited***

## Financial Performance



# Q2 & H1 FY22: CONSOLIDATED PROFIT & LOSS STATEMENT

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Sharda Cropchem Limited

In ₹ Mn

Particulars	Q2 FY22	Q2 FY21	YoY %	H1 FY22	H1 FY21	YoY %	FY21
<b>Revenue from Operations</b>	<b>6,427.8</b>	<b>4,247.6</b>	<b>51.3%</b>	<b>12,654.6</b>	<b>8,136.6</b>	<b>55.5%</b>	<b>23,956.1</b>
COGS	4,629.4	2,927.7	58.1%	9,030.8	5,655.1	59.7%	16,359.6
<b>Gross Profit</b>	<b>1,798.4</b>	<b>1,319.9</b>	<b>36.3%</b>	<b>3,623.7</b>	<b>2,481.5</b>	<b>46.0%</b>	<b>7,596.5</b>
<b>Gross Margin %</b>	<b>28.0%</b>	<b>31.1%</b>	<b>(309bps)</b>	<b>28.6%</b>	<b>30.5%</b>	<b>(186bps)</b>	<b>31.7%</b>
Employee Expenses	105.4	74.2	42.2%	205.9	158.0	30.3%	373.2
Other Expenses	663.9	678.0	(2.1%)	1,358.1	1,280.3	6.1%	3,054.8
<b>EBITDA*</b>	<b>1,037.9</b>	<b>587.0</b>	<b>76.8%</b>	<b>2,103.8</b>	<b>1,072.8</b>	<b>96.1%</b>	<b>4,551.7</b>
<b>EBITDA Margin %</b>	<b>16.1%</b>	<b>13.8%</b>	<b>233bps</b>	<b>16.6%</b>	<b>13.2%</b>	<b>344bps</b>	<b>19.0%</b>
Forex (Gain)/Loss	131.8	(70.3)	N.A.	16.9	(204.9)	N.A.	(198.9)
Depreciation	606.4	423.2	43.3%	1,145.6	777.8	47.3%	1,704.4
Finance Cost	4.4	7.3	(39.5%)	10.5	15.6	(32.6%)	27.7
Other Income	128.5	94.7	35.7%	193.1	194.4	(0.6%)	459.3
<b>PBT</b>	<b>415.1</b>	<b>302.3</b>	<b>37.3%</b>	<b>1,079.8</b>	<b>649.1</b>	<b>66.3%</b>	<b>3,094.5</b>
Tax Expense	94.9	111.5	(14.9%)	378.9	179.2	111.4%	802.3
<b>PAT</b>	<b>320.2</b>	<b>190.7</b>	<b>67.9%</b>	<b>700.9</b>	<b>469.9</b>	<b>49.2%</b>	<b>2,292.2</b>
<b>PAT Margin %</b>	<b>5.0%</b>	<b>4.5%</b>	<b>49bps</b>	<b>5.5%</b>	<b>5.8%</b>	<b>(24bps)</b>	<b>9.6%</b>
<b>Earnings Per Share (EPS) In ₹</b>	<b>3.55</b>	<b>2.11</b>	<b>68.2%</b>	<b>7.77</b>	<b>5.20</b>	<b>49.4%</b>	<b>25.40</b>

\* EBITDA excluding IA & IAUD write-off (₹ 8.7 mn in Q2 FY22, ₹ 19.2 mn in Q2 FY21, ₹ 44.1 mn in H1 FY22, ₹ 29.6 mn in H1 FY21 and ₹ 383.2 mn in FY21)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)



Particulars	H1 FY22	FY21
<b>Equities &amp; Liabilities</b>		
<b>Shareholder's Funds</b>		
Equity and Share Capital	902.2	902.2
Other Equity	15,729.8	15,240.8
Non-controlling Interest	3.2	3.1
<b>Total Equity</b>	<b>16,635.2</b>	<b>16,146.1</b>
<b>Non-Current Liabilities</b>		
Borrowings	-	-
Trade Payables	24.3	24.0
Other Financial Liabilities	78.0	116.0
Provisions	23.1	30.2
Deferred Tax Liabilities (net)	1,012.9	928.7
<b>Total non-current liabilities</b>	<b>1,138.3</b>	<b>1,098.9</b>
<b>Current Liabilities</b>		
Borrowings	290.5	678.5
Trade Payables	5,743.9	8,067.5
Other Financial Liabilities	1,756.8	1,490.6
Other Current Liabilities	793.1	625.4
Current Tax Liabilities	29.4	31.7
Provisions	535.1	500.0
<b>Total current Liabilities</b>	<b>9,148.8</b>	<b>11,393.6</b>
<b>Total Equity &amp; Liabilities</b>	<b>26,922.3</b>	<b>28,638.6</b>

Particulars	H1 FY22	FY21
<b>Assets</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	178.5	208.8
Goodwill	4.3	4.3
Other Intangible assets	4,989.6	5,231.1
Intangible assets under development	1,884.0	1,310.4
Deferred Tax Assets (net)	47.4	60.4
Non-Current Tax Assets	699.3	736.3
Other financial assets	124.1	94.0
<b>Total non-current assets</b>	<b>7,927.2</b>	<b>7,645.3</b>
<b>Current Assets</b>		
Inventories	6,078.9	5,255.5
Investments	1,700.3	830.1
Trade Receivables	8,256.6	11,625.7
Cash & Cash equivalents	1,087.7	855.5
Other Bank balances	1,203.2	1,749.8
Other Financial Assets	162.2	280.6
Other Current Assets	506.2	396.1
<b>Total current assets</b>	<b>18,995.1</b>	<b>20,993.3</b>
<b>Total Assets</b>	<b>26,922.3</b>	<b>28,638.6</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 2,610 registrations\* [2,324 registrations - Formulations and 286 registrations - Active Ingredients (AIs)]. Additionally, it has filed 1,054 applications for registrations globally pending at different stages

\*As on 30<sup>th</sup> September, 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

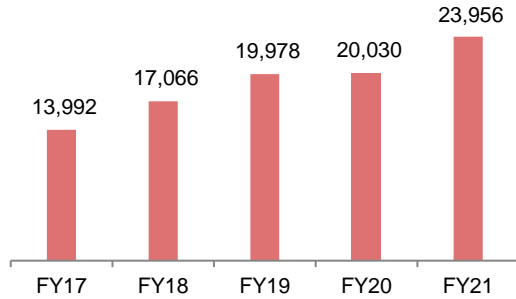


# KEY FINANCIAL PERFORMANCE INDICES

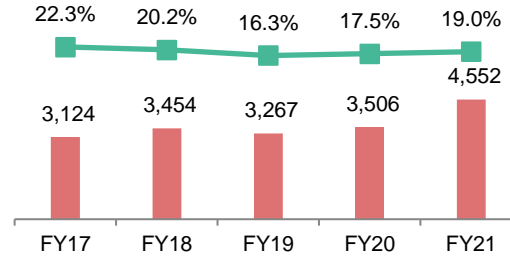


In ₹ Mn

## REVENUE FROM OPERATIONS

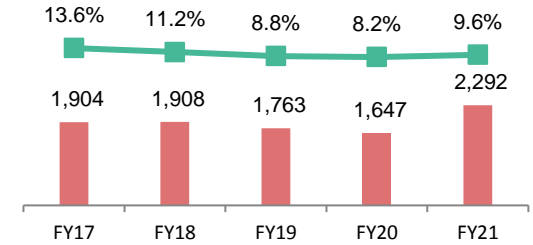


## EBITDA & EBITDA Margin\*

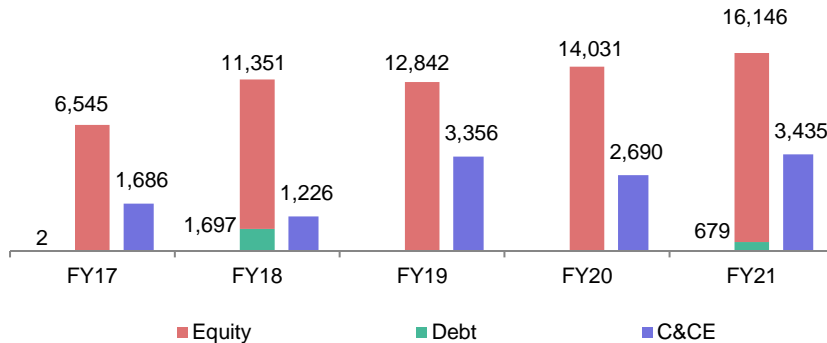


\* EBITDA excluding IA & IAUD write-off

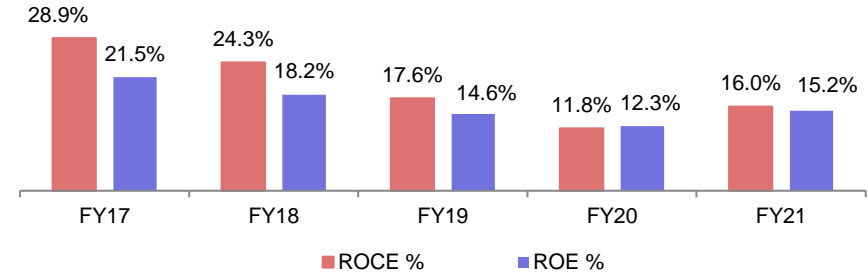
## PAT & PAT Margin



## 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 – 30<sup>TH</sup> SEP 2021 % HOLDING

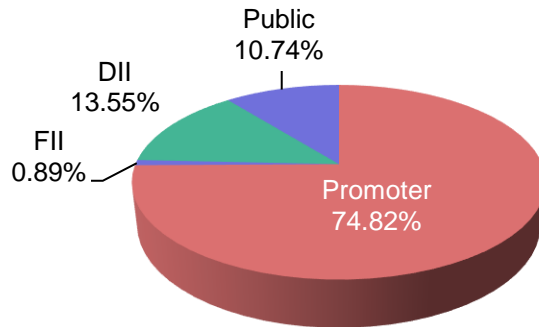
HDFC MF	9.20%
DSP MF	2.89%
L & T Mutual Fund	1.45%

## MARKET DATA

AS ON 22<sup>ND</sup> OCT 2021

Market capitalization (INR Mn)	28,058.6
Price (INR)	311.0
No. of shares outstanding (Mn)	90.2
Face Value (INR)	10.0
52 week High-Low (INR)	387.1 – 230.8

## SHAREHOLDING – 30<sup>TH</sup> SEP 2021



Source: BSE

## SHARE PRICE PERFORMANCE





***Sharda Cropchem Limited***

## **Business Model**



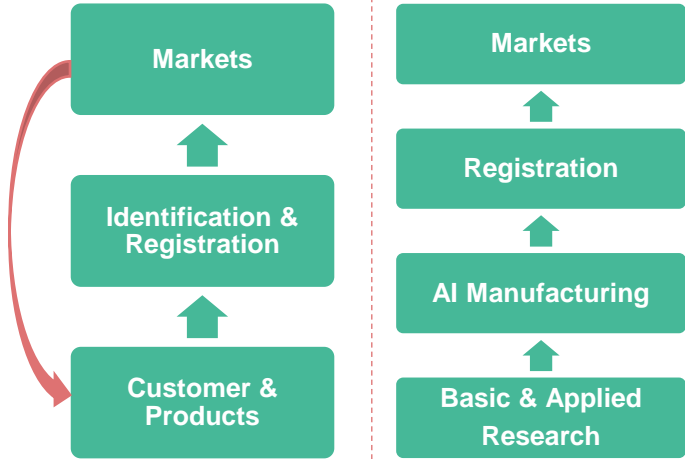
## Agrochemical Value Chain



## 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



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## 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

01

## Expand & Strengthen Distribution Presence

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

02

## Continual Investment in Product Registrations

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

03

04

## Focus on Operational Efficiencies

- Accelerated focus on revenue generating investments
- Margin improvements
- Better cost management and eliminate NVAs



# FOR FURTHER QUERIES



Sharda Cropchem Limited



**Sharda Cropchem Limited**

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