

# Sharda Cropchem Limited

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



25<sup>th</sup> July, 2022

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, 5th Floor, Plot No. C/1, G-Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051  <b>Trading Symbol: SHARDACROP</b>	<b>BSE Limited</b> Phiroze Jeejeebhoi Tower, Dalal Street, Mumbai – 400 001  <b>Scrip Code: 538666</b>
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**Subject: Investors / Analyst's Presentation for the quarter ended 30<sup>th</sup> June, 2022:**

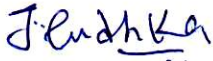
Dear Sir/Madam,

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 ended 30<sup>th</sup> June, 2022.

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 Sincerely,



**Jetkin Gudhka**  
Company Secretary &  
Compliance Officer



Encl.: As above



*Sharda Cropchem Limited*



**EXPLORE...  
EMERGE...  
ENHANCE**

**Investor Presentation**

July 2022

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Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



**About Sharda Cropchem Limited**

“We are a fast-growing global agrochemicals company with a peer position in the generic crop protection chemicals industry. Our vast and growing library of dossiers and IPRs provide us solid foundations for growth in the global marketplace, especially in Advanced Markets such as Europe, North America and Latin America. It equips us with the ability to operate in a diversified range of formulations and generic active ingredients space globally”



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



### Asset Light Business Model

Efficiently channelizing time and resources for strengthening core competency of identifying generic molecules and registration opportunities which offer scalable growth with limited capital requirements



### Large Pipeline of Registrations\*

Procured 2,719 registrations. Additionally, it has filed 1,153 applications for registrations globally pending at different stages



### Diversified Sourcing Arrangements

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



### Consistently Increasing Global Presence

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



### Widespread 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

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

# Asset Light Business Model

## Overall Agrochemical Value Chain

 Sharda's Operating Area



### SHARDA CROPCHEM'S 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 force

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

**Acts as a key differentiator from an innovator company, allowing the Company to save its capital, time and resources on R&D**

# Increasing Global Presence having a Widespread Distribution



**Presence**  
**80+ countries**

across Europe, NAFTA,  
LATAM & RoW

**Sales Force**  
**400+**

**Distributors**  
**500+**

**CAPEX incurred in Q1 FY23\***  
**Rs. 102 Cr.**

*Over the years, we've built a strong brand franchise within our global markets; we are benefiting through the economies of scale in our portfolio and leveraging value of our supply chain to deliver value to our customers across geographies*

Company has gained a great deal from globalization, including new customers and diverse geocentric revenue streams. Over the years, we have mastered flexibility and adopted innovative ways to grow our business overseas

In addition to newer markets, the wide global presence has allowed us to find new, specialised sales and local marketing talent.

**Successfully adopted a factory-to-farmer approach to become a one-stop solution provider to our global customers**

Strengthening and widening the sales force in Europe, USA, Canada, Mexico, Colombia, South Africa, India, and rest of the world, in addition to third party distributors with a goal to enhance its presence in the agrochemical value chain

It enables the Company to penetrate its formulations and generic active ingredients in various countries backed by the third-party distributors and presence of its own sales force

\* Plus related revenue expenditure on registrations





## THE SHARDA ADVANTAGE

Global Reach

Wide Product Range

Healthy relationships with suppliers

Quality with Affordability

Faster Services to Customers

One Stop Solution Provider for Crop Care Products

# Way Forward

## Forward Integration - Build 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 different regions of NAFTA, Europe, LATAM and other key markets in ROW

## Expand & Strengthen Distribution Presence

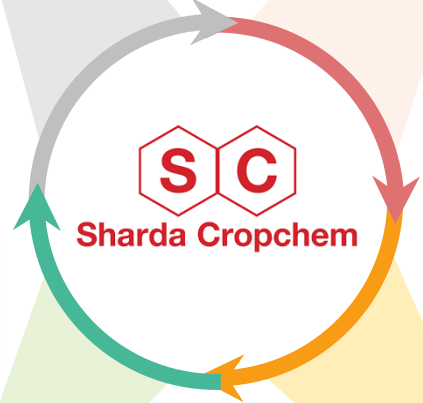
- Expand geographical reach using existing library of dossiers
- Two-fold strategy of further penetrating existing markets and entering new markets

## Continual Investment in Product Registrations

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

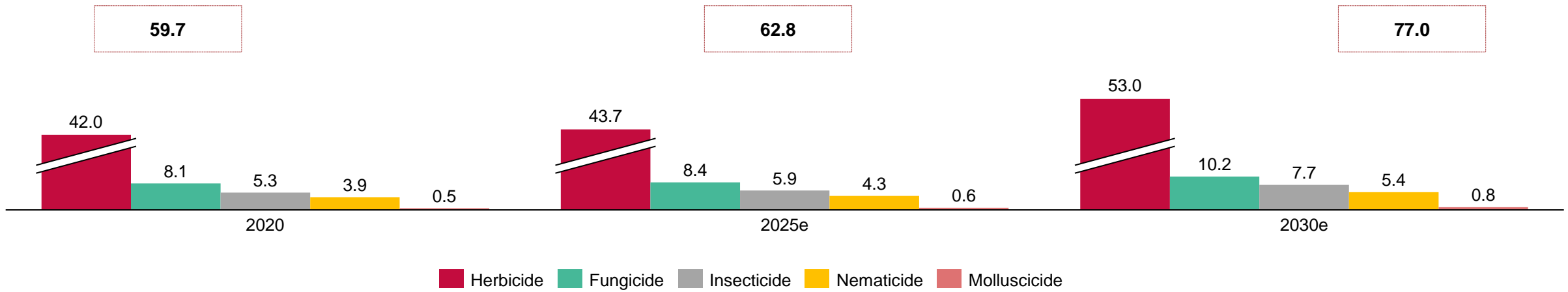
## Focus on Operational Efficiencies

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



# Industry Outlook and Growth Drivers

Global crop protection chemicals market value (In Billion USD) – CAGR of 3.5%



## INDUSTRY DRIVERS

**1**  
A growing population: the global population is set to **increase by 1.2 billion by 2030 and 2 billion by 2050**, while the middle class will more than double to 4.9 billion by 2030



**2**  
A growing middle class fuels demand for increased food and protein production, **which in turn drives demand for grain to support growth**



**3**  
Fewer arable acres per capita means that products need to continue to maximise farmer yields; **arable land is expected to decrease from half an acre per person today to less than one-third of an acre per person by 2050**



**Mr. Ramprakash V. Bubna**  
Chairman & Managing Director

- Holds a Bachelor's Degree of Technology in Chemical Engineering from IIT, Bombay
- He has over 53 years of experience in chemicals, agrochemicals and related businesses
- He is responsible for the Company's overall business operations and strategy



**Mr. Ashish Bubna**  
Whole Time Director

- Holds a Bachelor's Degree in Commerce from the University of Mumbai
- Over 30 years of experience in marketing of chemicals, agrochemicals and related businesses.
- Instrumental in strategizing early investment in product registrations and building the library of product dossiers.
- Responsible for marketing, procurement, registrations and logistics functions of the agrochemical business.



**Mr. Manish Bubna**  
Whole Time Director

- Holds a Bachelor's Degree in Chemical Engineering from the Department of Chemical Technology, Bombay University.
- Over 28 years of experience in chemicals, agrochemicals and related businesses
- Spearheaded the Company's foray into the conveyor belt and general chemicals business
- Also oversees the information technology, logistics and documentation functions of the Company



**Mr. Ashok Vashisht**  
Chief Financial Officer

- He is Fellow member of Chartered Institute of Management Accountants UK & accredited CGMA, Fellow member of CPA Australia, Fellow member of The Institute of Cost Accountants of India and Associate member of The ICSI. He has also done DipIFR from ACCA UK and qualified Independent Director from IICA
- 25+ years of rich professional corporate experience in global and Indian MNCs in the field of Strategy, M&A, Financial Management, Direct & Indirect Taxation, Strategic Cost Management, Project Management, Statutory Audits & Internal Audits, Governance & Risk Management



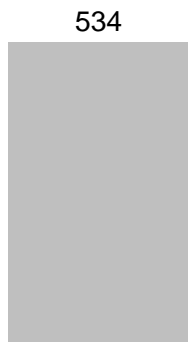
## Q1 FY23 Financial Highlights

# Q1 FY23 Segment Wise Highlights

## Agrochemical Segment

86%

75%



Q1FY22

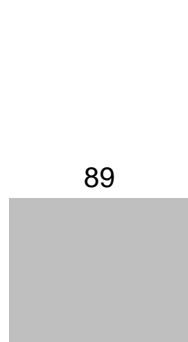
Q1FY23

**+15%**

## Non Agrochemical Segment

14%

25%



Q1FY22

Q1FY23

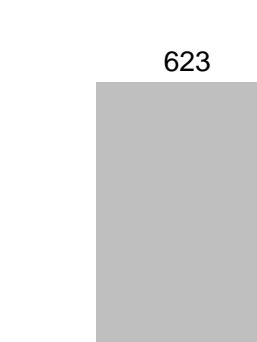
**+137%**

% of Revenue

## TOTAL REVENUES

100%

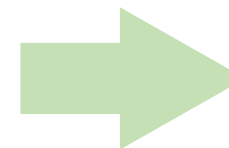
100%



Q1FY22

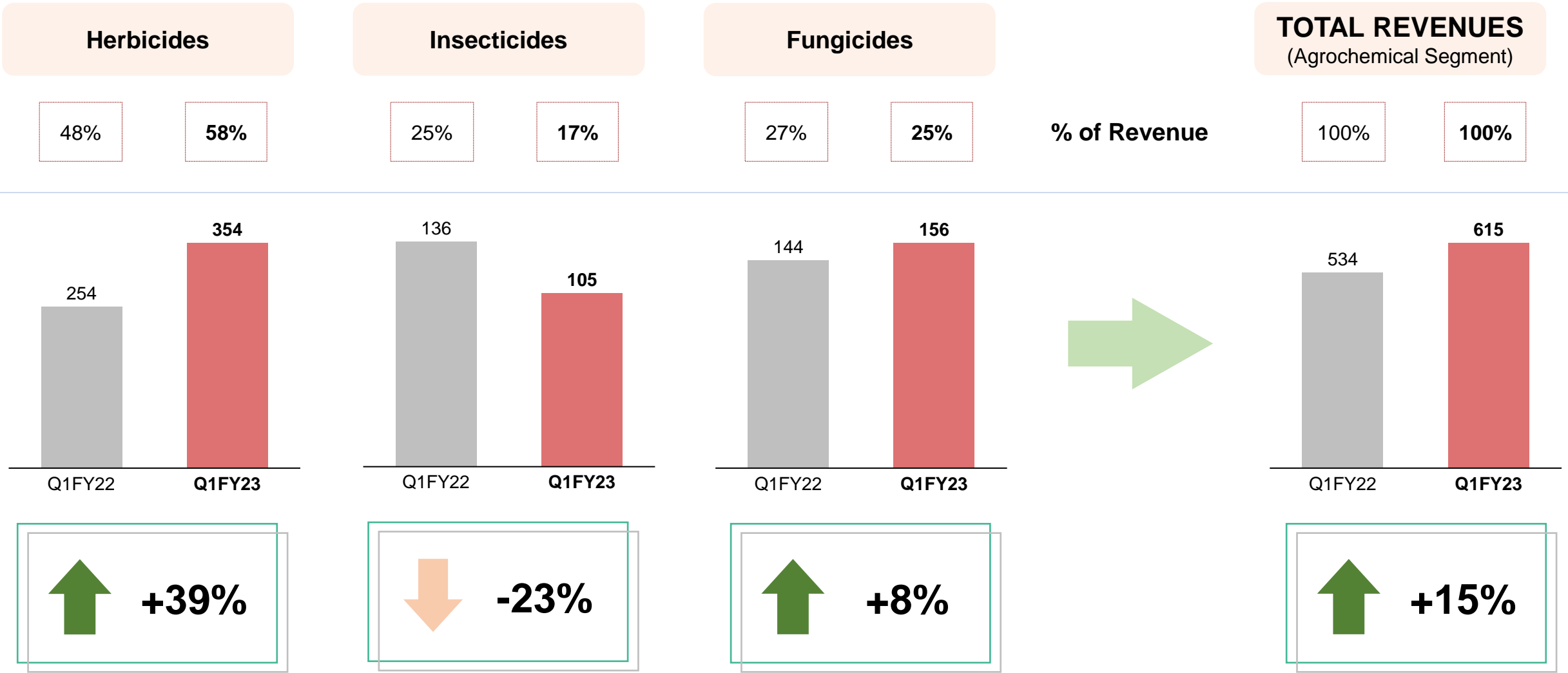
Q1FY23

**+32%**



# Q1 FY23: Product Wise Highlights (Agrochemical Segment)

₹ Cr.

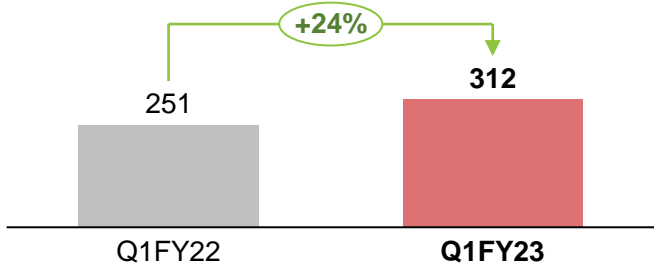


# Q1 FY23: Region Wise Breakup (Agrochemical Segment)

₹ Cr.

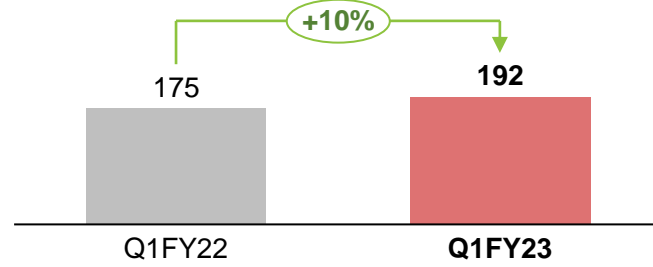
## Europe

47%      51%

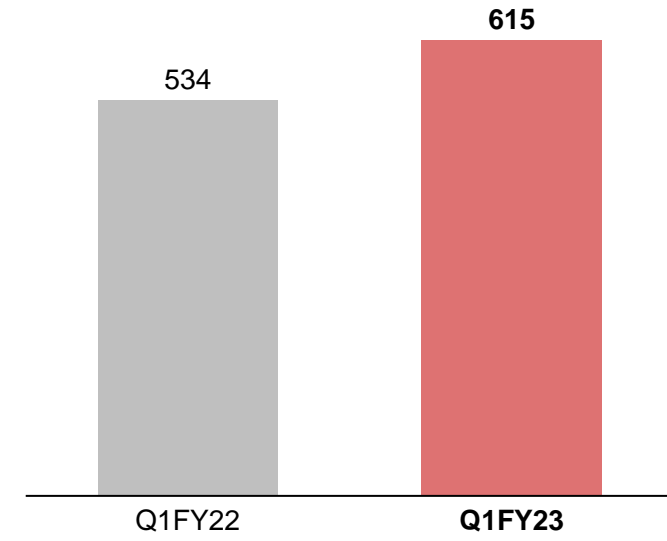


## NAFTA Region

33%      31%

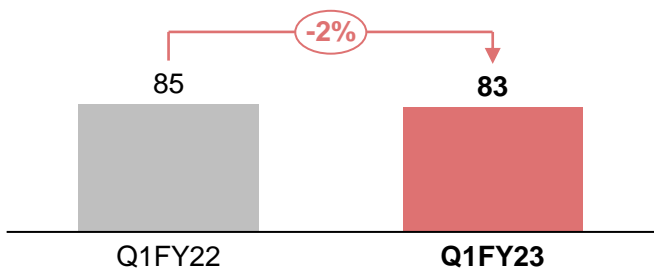


## TOTAL REVENUES (Agrochemical Segment)



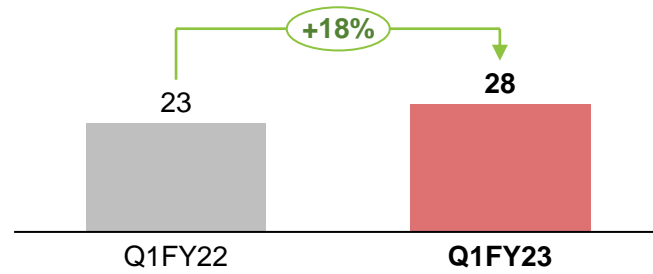
## LATAM Region

16%      13%



## RoW

4%      5%



**↑ +15%**

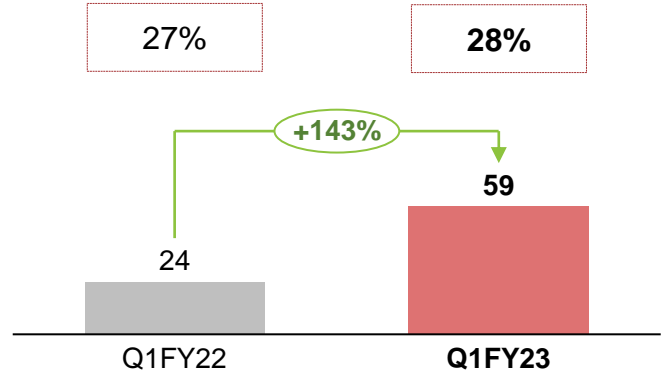
   % of Revenue



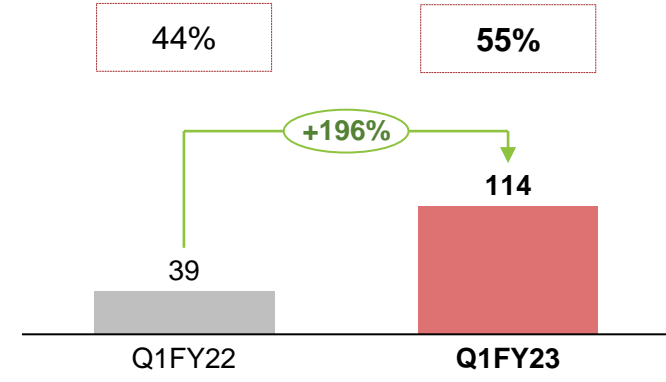
# Q1 FY23: Region Wise Breakup (Non Agrochemical Segment)

₹ Cr.

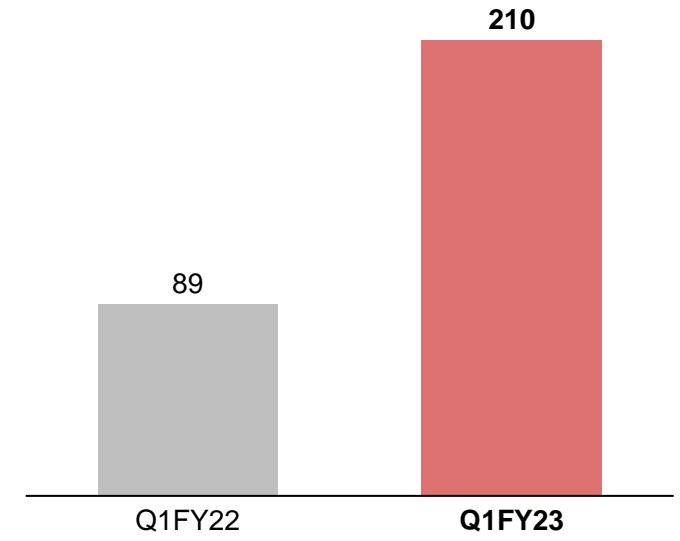
## Europe



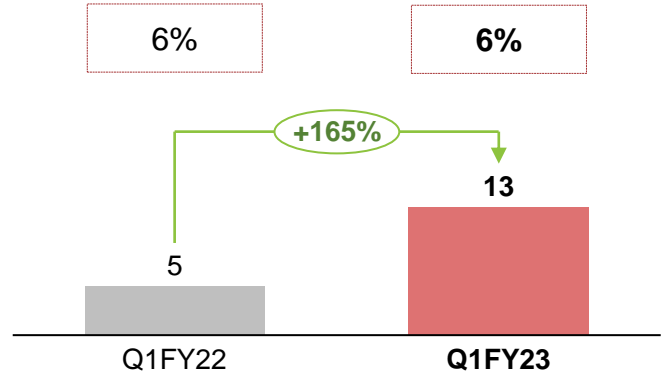
## NAFTA Region



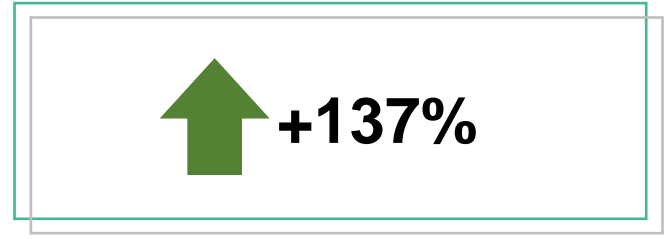
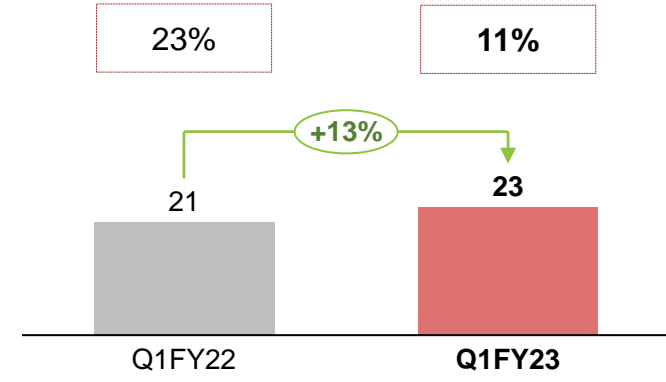
## TOTAL REVENUES (Non - Agrochemical Segment)



## LATAM Region



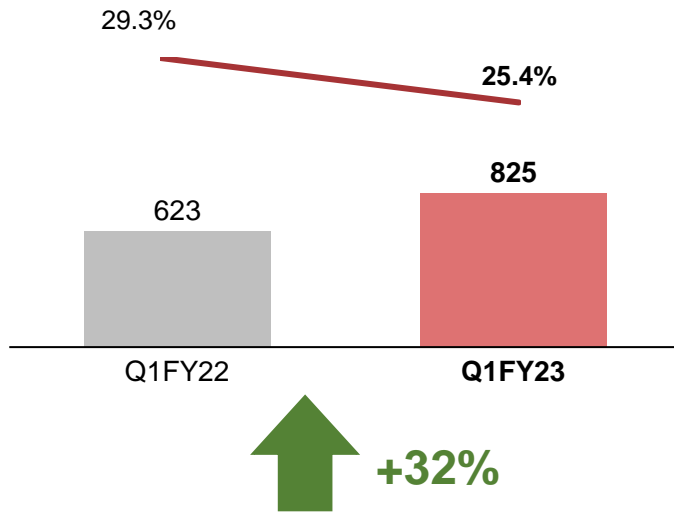
## RoW



   % of Revenue

# Q1 FY23 Financial Highlights

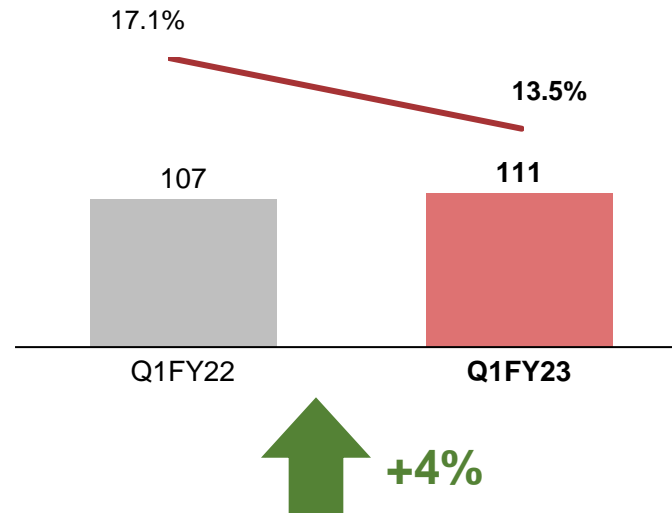
## Revenues & GP Margin



Revenue growth led by better price realization and product mix.

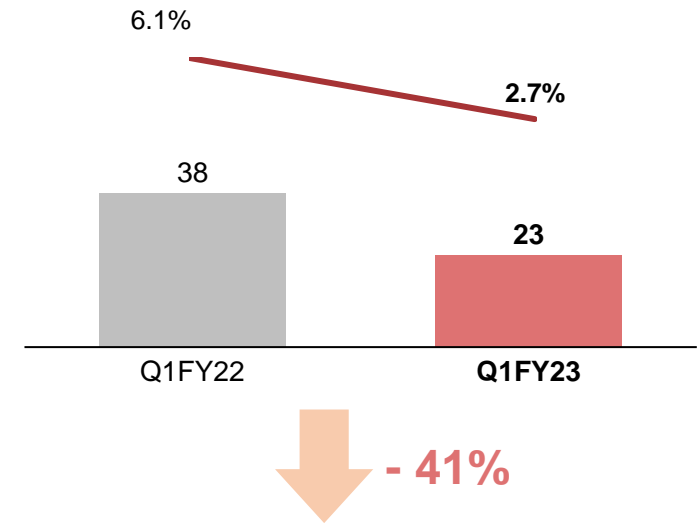
Gross Margins have been impacted by weakening of €/ \$ and increase in freight costs

## EBITDA & EBITDA Margin\*



EBITDA and Margin impacted due to lower GP Margins and increase in freight costs .

## Profit After Tax & PAT Margin



PAT was impacted by higher depreciation and forex losses of Rs. Rs. 43.2 cr. in Q1 FY23 vs. Gain of Rs. 11.5 cr. in Q1 FY22 impacting to the tune of Rs. 54.7 Crs.

\* Excluding

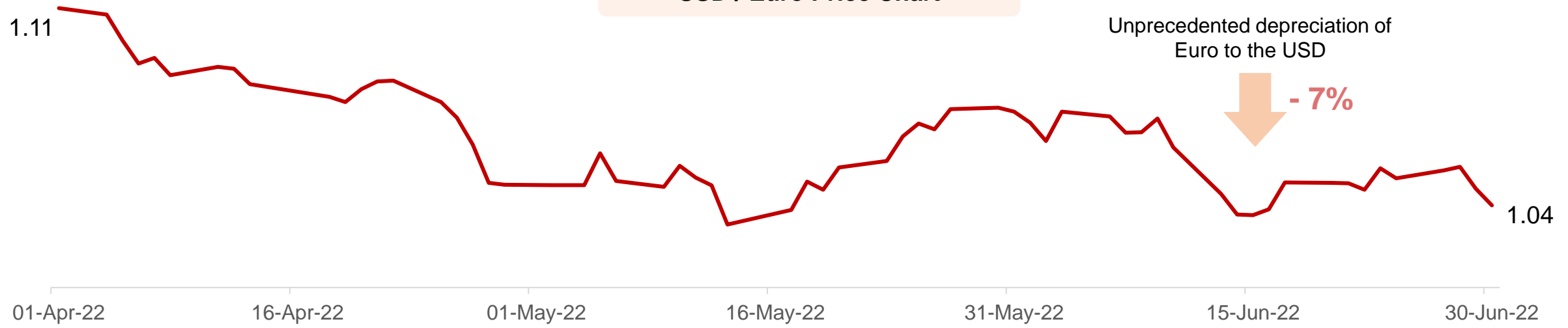
1. Other expenses of Rs 12.15 Crs. towards loss on fair valuation of investments during quarter ended June 30, 2022 as against gain of Rs.1.27 Crs. for corresponding quarter ended June 30, 2021 which has been included under Other Income

2. EBITDA is excluding IA & IAUD write-off (Rs. 2.8 cr. in Q1 FY23; Rs. 3.5 cr. in Q1 FY22 ; IA & IAUD – Intangible Assets & Intangible Assets Under Development)

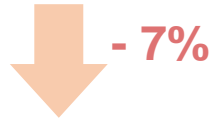
# Impact of weakened Euro to the Dollar in the last quarter



**USD / Euro Price Chart**



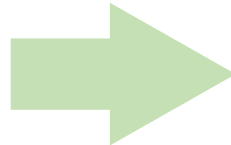
Unprecedented depreciation of Euro to the USD



Major currencies have depreciated to the USD in the last quarter due to the ongoing war between Russia & Ukraine

Nearly 50% of Q1 FY23 Sales from Agrochemical business have been to the Europe whereas majority of the Company's Raw Material is imported from China and payments are done in US Dollar

This has impacted the Company's Gross Margin and overall profitability as the Euro had considerably depreciated against the dollar

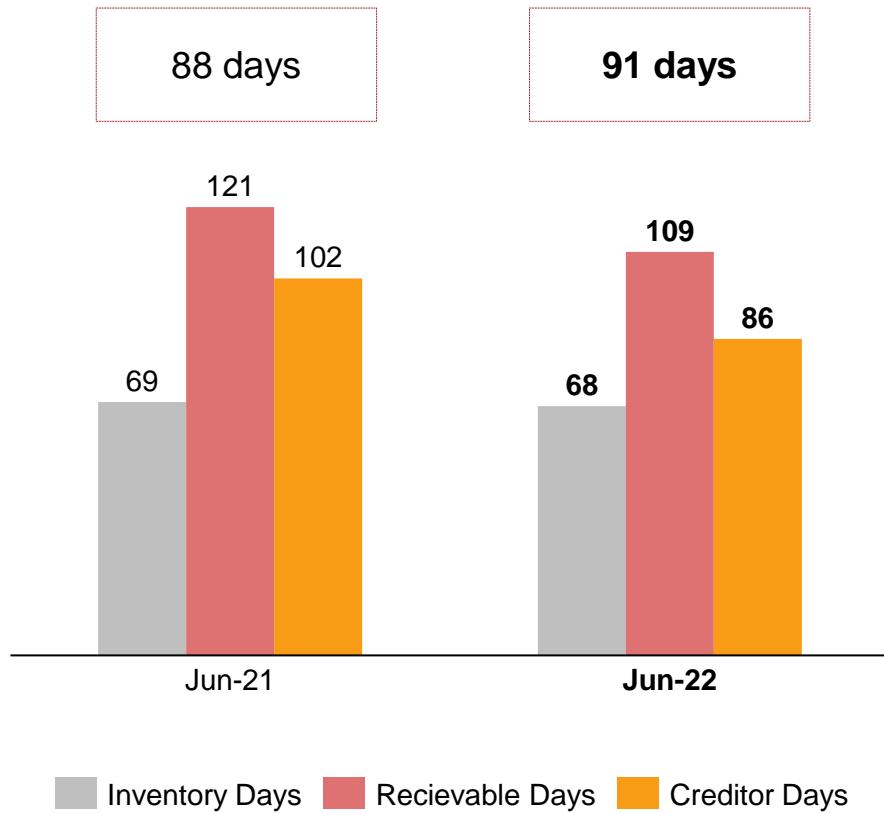


- EVALUATION OF VARIOUS MEASURES BY THE COMPANY**
- Sourcing in Euro currency
  - Optimal Hedging of currencies
  - Seeking Price increase to minimize this forex impact

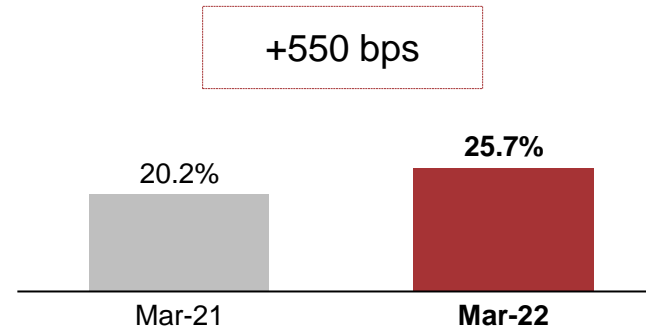


# Strong Balance Sheet

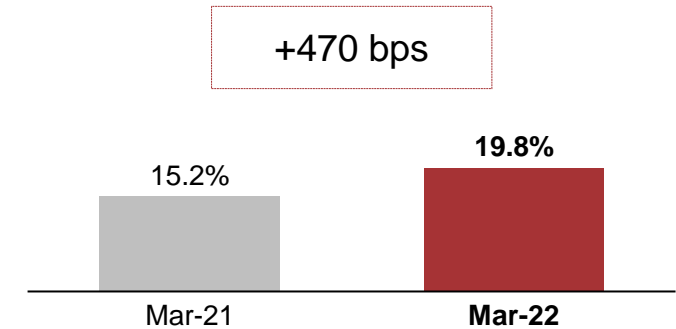
## Working Capital (in Days)



## RoCE



## RoE



## Total Equity

**Rs. 1,942 crores**

Rs. 1,912 crores as on Mar'22

## Total Debt

**Rs. 61 crores**

Rs. 38 crores as on Mar'22

## Cash & Cash Equivalents

**Rs. 254 crores**

Rs. 300 crores as on Mar'22



**Annexure**

# Q1 FY23 Financial Highlights



Sharda Cropchem Limited

₹ Cr.

Particulars	Q1 FY23	Q1 FY22	Y-o-Y
<b>Revenue from Operations</b>	<b>824.5</b>	<b>622.7</b>	<b>32%</b>
COGS	615.1	440.1	
<b>Gross Profit</b>	<b>209.4</b>	<b>182.5</b>	<b>15%</b>
<b>Gross Margin %</b>	<b>25.4%</b>	<b>29.3%</b>	
Employee Expenses	8.5	10.1	
Other Expenses	104.8	69.4	
<b>EBITDA*</b>	<b>111.1</b>	<b>106.6</b>	<b>4%</b>
<b>EBITDA Margin %</b>	<b>13.5%</b>	<b>17.1%</b>	
Forex (Gain)/Loss	43.2	-11.5	
Depreciation	54.7	53.9	
Other Income	20.3	6.5	
<b>EBIT</b>	<b>18.4</b>	<b>67.1</b>	<b>(73%)</b>
<b>EBIT Margin %</b>	<b>2.2%</b>	<b>10.8%</b>	
Finance Cost	0.8	0.6	
<b>PBT</b>	<b>17.6</b>	<b>66.5</b>	<b>(73%)</b>
Tax Expense	-5.0	28.4	
<b>PAT</b>	<b>22.6</b>	<b>38.1</b>	<b>(41%)</b>
<b>PAT Margin %</b>	<b>2.7%</b>	<b>6.1%</b>	
<b>Earnings Per Share (EPS) In Rs.</b>	<b>2.51</b>	<b>4.22</b>	

\* Excluding

1. Other expenses of Rs 12.15 Crs. towards loss on fair valuation of investments during quarter ended June 30, 2022 as against gain of Rs.1.27 Crs. for corresponding quarter ended June 30, 2021 which has been included under Other Income

2. EBITDA is excluding IA & IAUD write-off (Rs. 2.8 cr. in Q1 FY23; Rs. 3.5 cr. in Q1 FY22 ; (IA & IAUD – Intangible Assets & Intangible Assets Under Development)

On Consolidated Basis

# Historical Profit & Loss



Sharda Cropchem Limited

₹ Cr.

Particulars	FY22	FY21	FY20	FY19	FY18
<b>Revenue from Operations</b>	<b>3,579.8</b>	<b>2,395.6</b>	<b>2,003.0</b>	<b>1,997.6</b>	<b>1,706.6</b>
COGS	2,499.8	1,636.0	1,388.8	1,387.3	1,143.7
<b>Gross Profit</b>	<b>1,080.0</b>	<b>759.7</b>	<b>614.3</b>	<b>610.2</b>	<b>562.8</b>
<b>Gross Margin %</b>	<b>30.2%</b>	<b>31.7%</b>	<b>30.7%</b>	<b>30.5%</b>	<b>33.0%</b>
Employee Expenses	44.2	37.3	34.9	33.5	33.5
Other Expenses	336.4	305.5	282.4	250.1	183.9
<b>EBITDA*</b>	<b>728.6</b>	<b>455.2</b>	<b>351.7</b>	<b>368.8</b>	<b>353.3</b>
<b>EBITDA Margin %</b>	<b>20.4%</b>	<b>19.0%</b>	<b>17.6%</b>	<b>18.5%</b>	<b>20.7%</b>
Forex (Gain)/Loss	16.5	-19.9	15.1	4.5	-8.5
Depreciation	245.3	170.4	137.1	99.4	69.9
Other Income	28.9	45.9	42.1	20.6	8.1
<b>EBIT</b>	<b>466.5</b>	<b>312.2</b>	<b>186.8</b>	<b>243.4</b>	<b>292.1</b>
<b>EBIT Margin %</b>	<b>13.0%</b>	<b>13.0%</b>	<b>9.3%</b>	<b>12.2%</b>	<b>17.1%</b>
Finance Cost	2.2	2.8	1.9	8.4	4.9
<b>PBT</b>	<b>464.2</b>	<b>309.5</b>	<b>184.9</b>	<b>235.0</b>	<b>287.2</b>
Tax Expense	115.0	80.2	20.2	58.7	96.4
<b>PAT</b>	<b>349.3</b>	<b>229.2</b>	<b>164.7</b>	<b>176.3</b>	<b>190.8</b>
<b>PAT Margin %</b>	<b>9.8%</b>	<b>9.6%</b>	<b>8.2%</b>	<b>8.8%</b>	<b>11.2%</b>
<b>Earnings Per Share (EPS) In Rs.</b>	<b>38.71</b>	<b>25.40</b>	<b>18.25</b>	<b>19.55</b>	<b>21.15</b>

\* EBITDA is excluding IA & IAUD write-off

# Balance Sheet - Equity & Liabilities



Sharda Cropchem Limited

₹ Cr.

Equities & Liabilities	FY22	FY21	FY20	FY19	FY18
<b>Shareholder's Funds</b>					
Equity and Share Capital	90.2	90.2	90.2	90.2	90.2
Other Equity	1,822.2	1,524.1	1,312.6	1,193.7	1,044.6
Non-controlling Interest	0.3	0.3	0.3	0.2	0.2
<b>Total Equity</b>	<b>1,912.8</b>	<b>1,614.6</b>	<b>1,403.1</b>	<b>1,284.1</b>	<b>1,135.0</b>
<b>Non-Current Liabilities</b>					
Borrowings	-	-	0.1	0.1	0.1
Trade Payables	2.4	2.4	2.4	2.9	3.0
Lease Liabilities	3.5	8.4	-	-	-
Other Financial Liabilities	1.6	3.2	13.1	1.4	0.3
Provisions	2.3	3.0	2.7	2.2	2.1
Deferred Tax Liabilities (net)	128.9	92.9	69.3	91.0	83.1
<b>Total Non-Current Liabilities</b>	<b>138.6</b>	<b>109.9</b>	<b>87.5</b>	<b>97.6</b>	<b>88.6</b>
<b>Current Liabilities</b>					
Borrowings	38.0	67.8	0.0	0.0	169.6
Lease Liabilities	5.1	4.5	-	-	-
Trade Payables	1,177.6	806.8	686.7	636.2	633.8
Other Financial Liabilities	324.8	149.1	89.7	104.0	106.2
Other Current Liabilities	55.4	58.0	54.4	60.7	56.1
Current Tax Liabilities	4.2	3.2	1.5	0.6	24.0
Provisions	86.7	50.0	24.4	20.1	12.9
<b>Total Current Liabilities</b>	<b>1,691.8</b>	<b>1,139.4</b>	<b>856.7</b>	<b>821.7</b>	<b>1,002.6</b>
<b>Total Equity &amp; Liabilities</b>	<b>3,743.1</b>	<b>2,863.9</b>	<b>2,347.2</b>	<b>2,203.3</b>	<b>2,226.2</b>



# Balance Sheet - Assets



Sharda Cropchem Limited

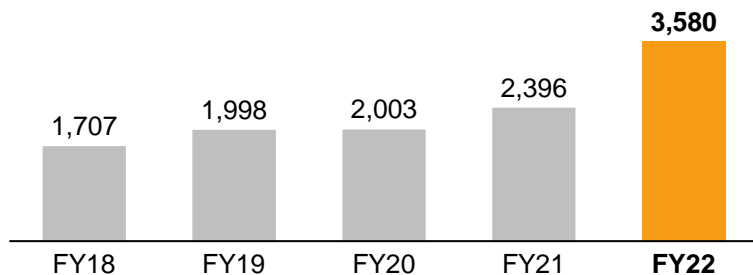
₹ Cr.

ASSETS	FY22	FY21	FY20	FY19	FY18
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, Plant and Equipment	14.4	20.9	27.8	13.5	10.7
Goodwill	0.0	0.4	0.4	0.4	0.4
Other Intangible assets	577.4	523.1	388.1	357.8	215.2
Intangible assets under development	212.2	131.0	161.4	219.8	359.9
Deferred Tax Assets (net)	4.9	6.0	3.9	5.5	40.0
Non-Current Tax Assets	71.6	73.6	72.5	49.2	29.3
Other financial assets	11.2	9.4	11.6	8.9	7.3
<b>Total Non-Current Assets</b>	<b>891.7</b>	<b>764.5</b>	<b>665.7</b>	<b>655.2</b>	<b>662.9</b>
<b>Current Assets</b>					
Inventories	892.8	525.5	382.2	364.9	530.4
Investments	134.4	83.0	115.5	211.9	22.1
Trade Receivables	1,540.0	1,162.6	988.4	811.4	891.9
Cash & Cash equivalents	56.7	85.6	77.8	50.6	61.3
Other Bank balances	109.3	175.0	75.7	73.0	39.3
Loans	0.5	-	-	-	-
Other Financial Assets	48.9	28.1	11.3	11.9	0.0
Other Current Assets	68.9	39.6	29.6	24.3	18.3
<b>Total Current Assets</b>	<b>2,851.5</b>	<b>2,099.3</b>	<b>1,681.5</b>	<b>1,548.2</b>	<b>1,563.3</b>
<b>Total Assets</b>	<b>3,743.1</b>	<b>2,863.9</b>	<b>2,347.2</b>	<b>2,203.3</b>	<b>2,226.2</b>

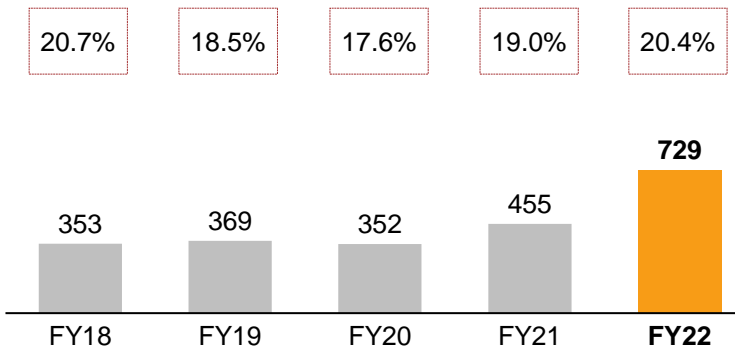
# Key Financial Performance Indices

₹ Cr.

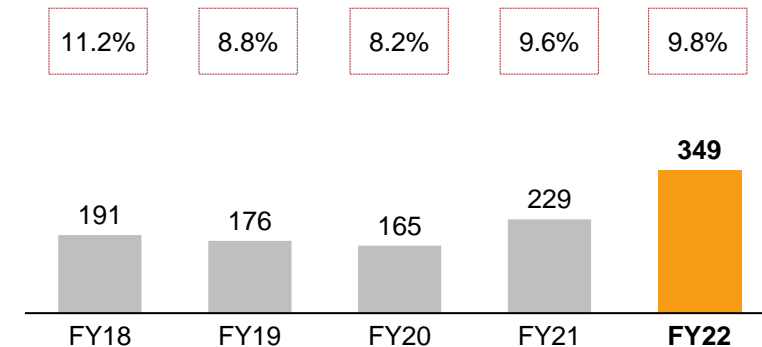
## Revenue



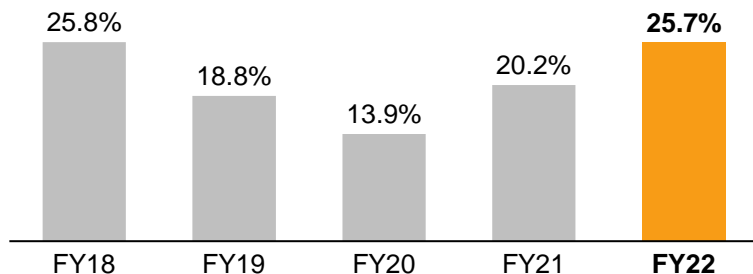
## EBITDA & EBITDA Margin\*



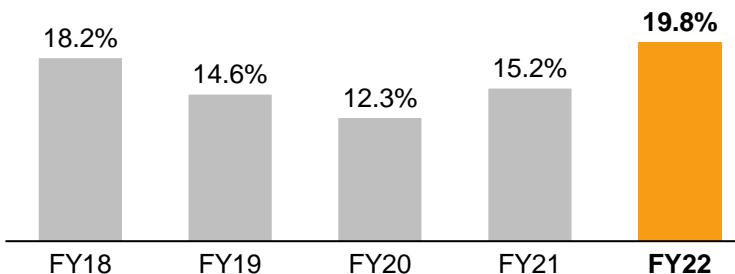
## Profit After Tax & PAT Margin



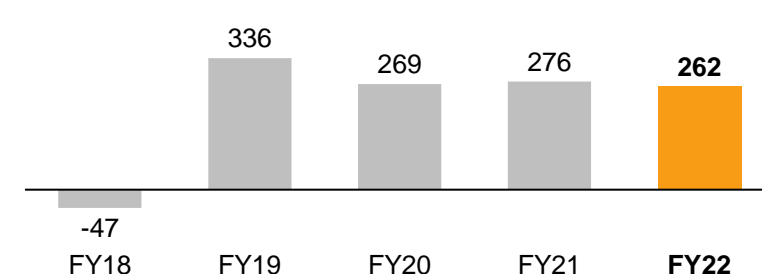
## RoCE



## RoE



## Net Cash & Cash Equivalents^



\* EBITDA is excluding IA & IAUD write-off

^ Total Cash & Cash Equivalents - Debt

CSR initiatives taken up by the Company are in the areas of Promoting Education, Healthcare, Eradicating Hunger, Empowerment of Women, Animal Welfare, Promotion of Sports and Rural Development Projects

## Promoting Education



## Animal Welfare



## Medical Aid & Relief





**EXPLORE...EMERGE...ENHANCE**

**THANK YOU**

**Company: Sharda Cropchem Limited**



*Sharda Cropchem Limited*

CIN: L51909MH2004PLC145007

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Tel: +91 22 6678 2800

**Investor Relation Advisors: Strategic Growth Advisors Pvt. Ltd.**

**SGA** Strategic Growth Advisors

CIN: U74140MH2010PTC204285

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