

Sharda Cropchem Limited

(Formerly known as Sharda Worldwide Exports Pvt. Ltd.)

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www.shardaworld.com



ISO 9001: 2008 Reg. No: 690257

CIN: L51909MH2004PLC145007



January 30, 2017

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

Scrp Code: 538666
Scrp ID: SHARDACROP

Subject: Investors/Analyst's Presentation for the Quarter and Nine Months ended December 31, 2016

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 Nine Months ended December 31, 2016.

The presentation is also being uploaded on the website of the Company 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

**HELPING
FARMERS
PROSPER**
AROUND THE WORLD

Q3 & 9M FY17
RESULTS UPDATE
JANUARY 2017

This presentation and the following discussion may contain “forward looking statements” by Sharda Cropchem Limited (“Sharda” or “the Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Sharda about the business, industry and markets in which Sharda operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Sharda’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Sharda.

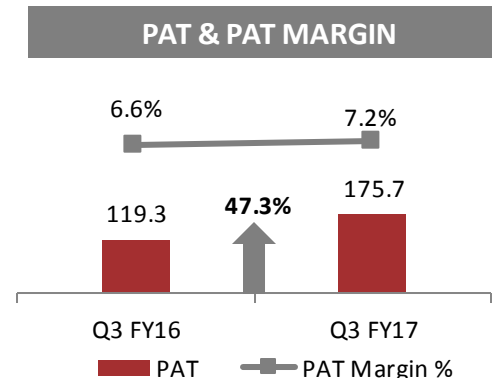
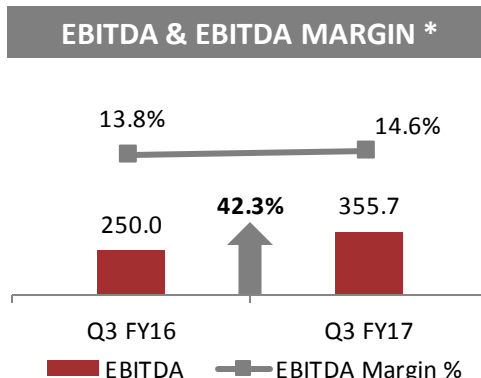
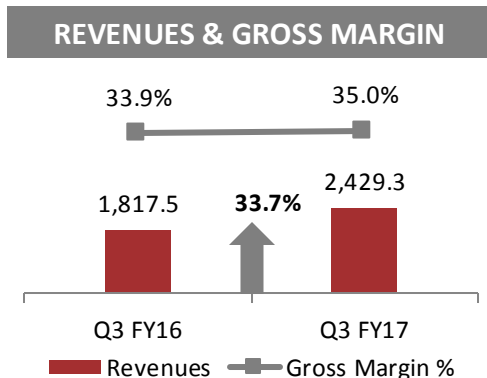
In particular, such statements should not be regarded as a projection of future performance of Sharda. It should be noted that the actual performance or achievements of Sharda may vary significantly from such statements.

- Q3 & 9M FY17 Results Highlights**
- Q3 & 9M FY17 Consolidated Financials**
- About Us**
- Business Model**
- Business Strategy & Outlook**

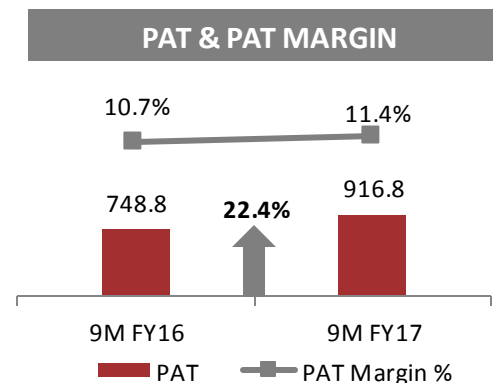
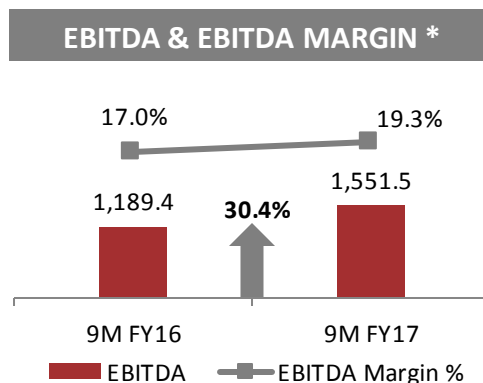
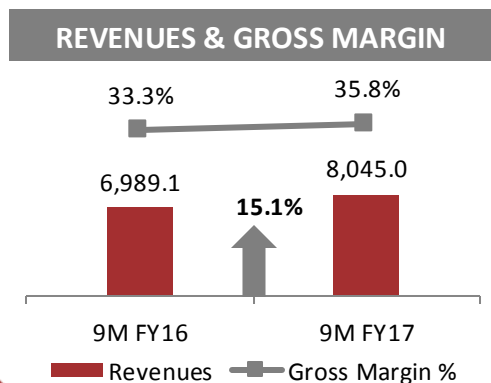
Q3 & 9M FY17 RESULTS: KEY HIGHLIGHTS



Q3 FY17 YoY ANALYSIS



9M FY17 YoY ANALYSIS



* Excluding Foreign Exchange Impacts

FINANCIAL UPDATE -

- Q3 FY17 Total Revenues increased significantly by 33.7% YoY to Rs. 2,429.3 mn primarily driven by volume growth of 30.8%, and favourable currency movement of 1.2%.
 - Region-wise growth – Europe (15.8%), NAFTA (65.5%), LATAM (22.2%), ROW (29.0%)
- Q3 FY17 gross profit increased by 37.7% YoY to Rs. 849.1 mn. Gross margin increased by 103 bps to 35.0% primarily driven by higher share of agrochemical formulations and improved performance in NAFTA region.
- Q3 FY17 EBIDTA excluding foreign exchange impacts increased by 42.3% YoY to Rs. 355.7 mn. EBIDTA margin increased by 89 bps to 14.6%.
- Q3 FY17 EBIDTA including foreign exchange impacts increased by 29.4% YoY to Rs. 323.5 mn. EBIDTA margin marginally declined by 44 bps to 13.3%.
- Q3 FY17 PAT after minority interest grew by 47.3% YoY to Rs 175.7 mn. PAT margin increased by 67 bps to 7.2%

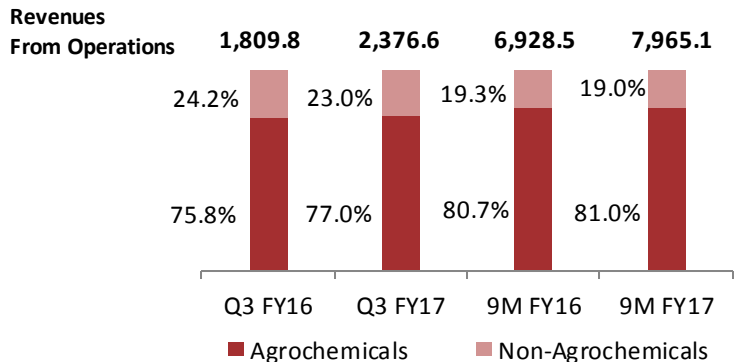
OPERATIONAL UPDATE -

- Total number of registrations increased to 2,061 as of 31-Dec-16 as compared to 1,936 as of 30-Sep-16 and 1,765 as of Mar-16.
- In Q3 FY16, the company added 125 registrations (Europe –44, NAFTA – 5, LATAM – 53 and RoW – 23).
- The company has another 768 registrations in the pipeline across geographies.
- Total revenue contribution from the Top 10 molecules has been 57% in 9M FY17 as compared to 62% in 9M FY16.

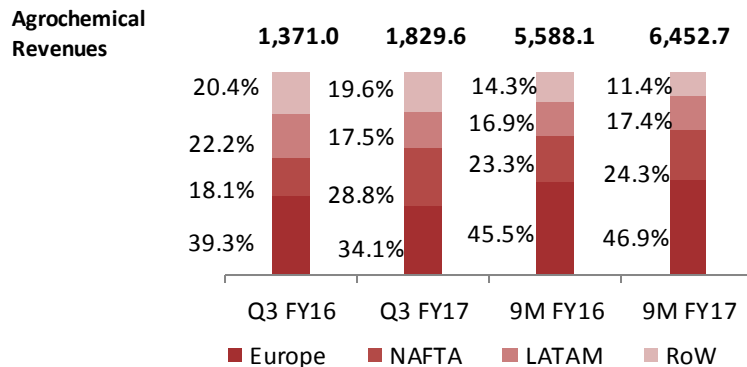
Q3 & 9M FY17 RESULTS: REVENUE ANALYSIS



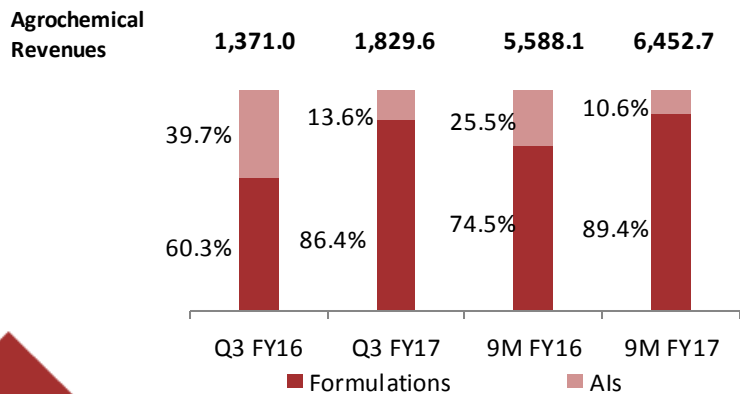
AGROCHEMICALS VS. NON-AGROCHEMICALS



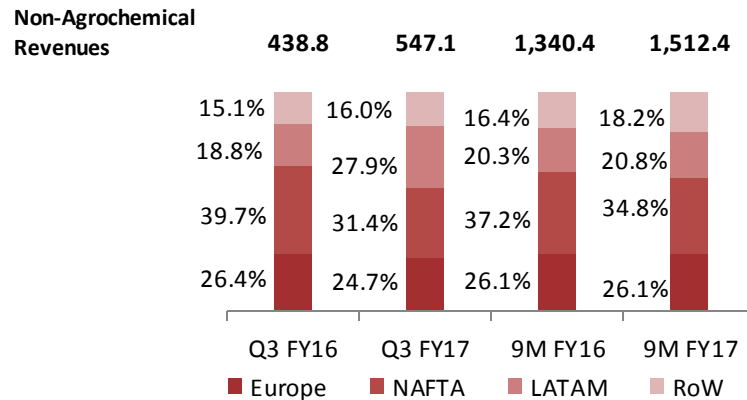
GEOGRAPHICAL PRESENCE – AGROCHEMICAL SALES



FORMULATIONS VS. ACTIVE INGREDIENTS



GEOGRAPHICAL PRESENCE – NON-AGROCHEMICAL SALES



CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs Mn)	Q3 FY17	Q3 FY16	YoY %	9M FY17	9M FY16	YoY %
Revenue from Operations	2,376.6	1,809.8	31.3%	7,965.1	6,928.5	15.0%
Other Operating Income	52.7	7.7	580.7%	79.9	60.6	32.0%
Total Revenues	2,429.3	1,817.5	33.7%	8,045.0	6,989.1	15.1%
COGS	1,580.2	1,201.0	31.6%	5,162.0	4,661.1	10.7%
Gross Profit	849.1	616.6	37.7%	2,883.0	2,328.0	23.8%
Gross Margin	35.0%	33.9%	103 bps	35.8%	33.3%	253 bps
Employee Expenses	67.6	54.2	24.8%	197.6	186.4	6.0%
Professional Charges	165.2	128.7	28.3%	464.4	368.2	26.1%
Other Expenses	292.8	183.6	59.5%	722.8	584.0	23.8%
EBITDA	323.5	250.0	29.4%	1,498.2	1,189.4	26.0%
EBITDA Margin %	13.3%	13.8%	-44 bps	18.6%	17.0%	161 bps
Operating EBITDA Excl. Forex Impacts	355.7	250.0	42.3%	1551.5	1189.4	30.4%
Operating EBITDA Margin % excl. Forex Impacts	14.6%	13.8%	89 bps	19.3%	17.0%	227 bps
Depreciation	123.9	81.9	51.2%	369.2	246.6	49.7%
Finance Cost	0.0	0.0	-	0.1	0.1	-
Other Income	92.8	-6.9	-	191.3	145.0	-
PBT	292.4	161.2	81.4%	1,320.2	1,087.7	21.4%
Tax Expense	116.1	41.9	177.1%	403.4	339.1	18.9%
PAT	176.3	119.3	47.8%	916.8	748.6	22.5%
Minority Interest	-0.5	0.1	-	-0.0	0.2	-
Reported PAT	175.7	119.3	47.3%	916.8	748.8	22.4%
PAT Margin %	7.2%	6.6%	67 bps	11.4%	10.7%	68 bps
Earnings Per Share (EPS) In Rs.	1.95	1.32	47.8%	10.16	8.30	22.5%



ABOUT US

BUSINESS OVERVIEW

- Sharda Cropchem Limited is a global crop protection chemical company largely operating across Europe, NAFTA and Latin America across fungicides, herbicides and insecticides.
- Sharda operates with an asset light business model focused on identification and registration of potential molecules with a strong demand.
- As of 31st December 2016, Sharda owned 1,795 registrations for formulations and 266 registrations for active ingredients (AIs) and filed 768 applications for registrations globally pending at different stages.
- Sharda also runs a non-agrochemical business comprising of order-based procurement and supply of non-agrochemical products including conveyor belts and general chemicals, dyes and dyes intermediates.

KEY STRENGTHS

- Asset light business model with core competency of registrations and an extensive library of dossiers and registrations.
- Strong geographical presence in more than 78 countries with an established global marketing & distribution network (more than 634 third-party distributors and over 120 direct sales force).
- Superior sourcing capabilities with an established access to cost competitive manufacturers in China and India.
- Significant promoter experience and experienced management team.

STRONG FINANCIALS

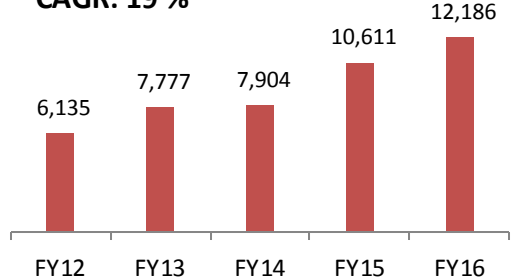
- Consolidated Revenues, EBITDA and PAT were Rs 12,206.1 mn, Rs 2,669.1 mn and Rs 1,749.7 mn in FY16 having grown at CAGR of 19%, 22% and 26% over FY12 to FY16.
- Strong balance sheet and asset light model resulting into a strong cash position of Rs 1,448.5 mn (net of gross debt of Rs 20.0 mn) and equity of Rs 8,108.1 mn in FY15.
- Healthy Return Ratios in FY16 :
 - ROCE – 30.8%
 - Cash Adj. ROCE – 38.6%
 - ROE – 23.9%

ABOUT US: FINANCIAL SUMMARY



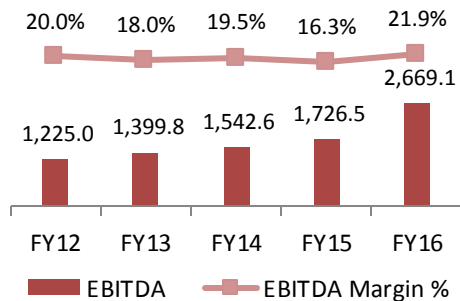
REVENUE FROM OPERATIONS

CAGR: 19 %



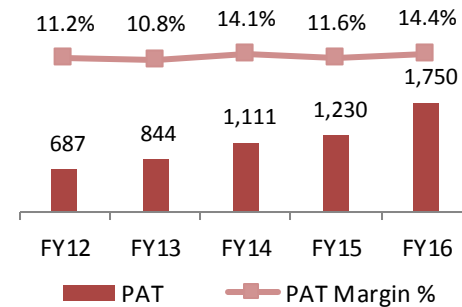
EBITDA & EBITDA Margin

CAGR: 22 %

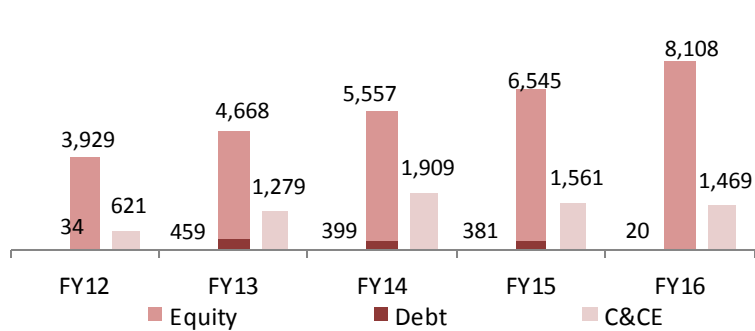


PAT & PAT Margin

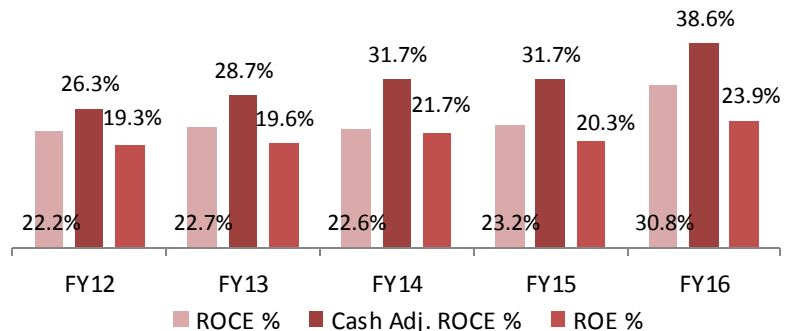
CAGR: 26 %



LEVERAGE ANALYSIS



RETURN METRICS



Source: Figures for FY12 and FY13 are sourced from Red Herring Prospectus of the company.

PAT Margin = PAT / Revenue from Operations, EBITDA Margin = EBITDA (excl. Other Income) / Revenue from Operations,

ROE: PAT/Avg. Equity, ROCE: EBIT/Avg. Capital Employed [(Capital Employed = Equity + Total Debt), (Cash Adj. Capital Employed = Equity + Total Debt – C&E)]

ABOUT US: SHAREHOLDING STRUCTURE



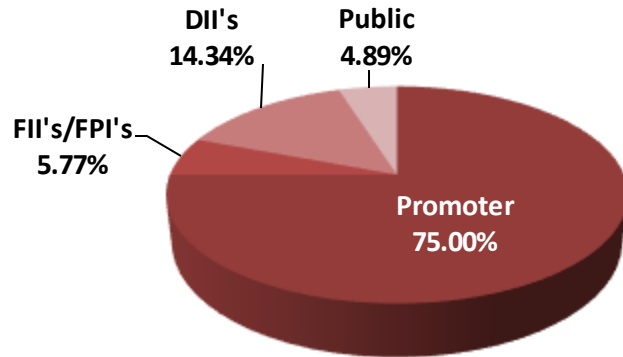
Key Institutional Investors – 31 st December 2016	% Holding
DSP Blackrock Investment Manager	7.14%
HDFC MF	4.31%
Pinebridge	2.55%
Goldman Sachs	2.15%
SBI Funds Management	1.99%

Source: Company

Market Data	As on 30 th January 2017 (BSE)
Market capitalization (Rs Mn)	42,268.3
Price (Rs.)	468.5
No. of shares outstanding (Mn)	90.2
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	509.6 – 203.3

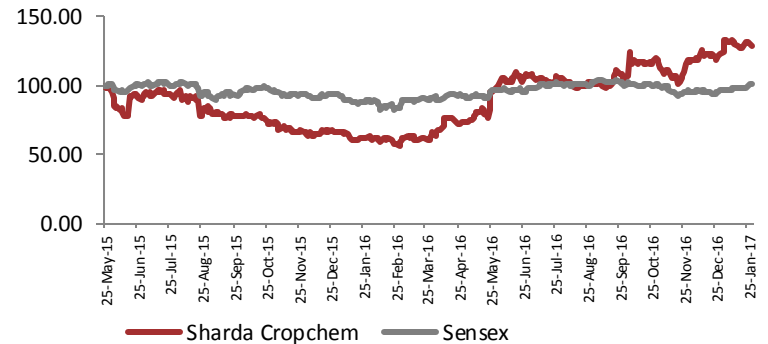
Source: Company

Shareholding – 31st December 2016



Source: Company

Share Price Performance



Source: BSE

Agrochemical Value Chain

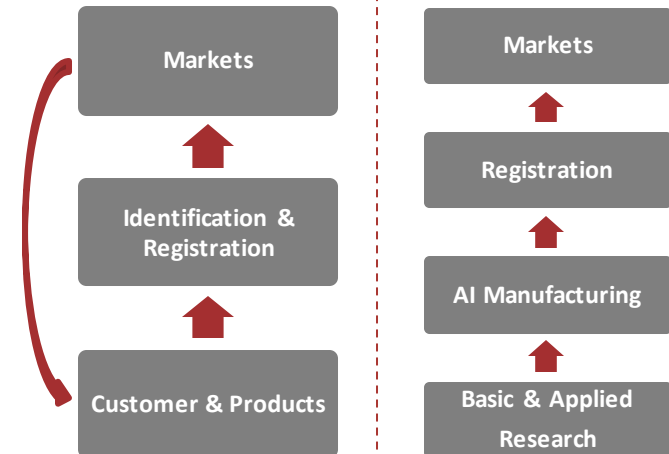


Sharda's Operating Area

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 FOCUSED GLOBAL AGROCHEMICAL MARKETING & DISTRIBUTION COMPANY

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.

Focus on Inorganic Growth

- Continue to explore possibilities of partnerships with other companies across jurisdictions.





Sharda Cropchem Limited

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