

# Sharda Cropchem Limited

Tel. : +91 22 66782800

FAX : +91 22 66782828 / 66782808

E-mail : office@shardaintl.com

Regd. Office : Prime Business Park, Dashrathlal Joshi Road, Vile Parle (W),  
Mumbai - 400056, India.  
www.shardacropchem.com



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



27<sup>th</sup> July, 2021

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

Scirp Code: 538666  
Scrip ID: SHARDACROP

**Subject: Investors/Analyst's Presentation for the Quarter ended June 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 made to the Investors/Analysts Call on the Financial Results of the Company for the Quarter ended June 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 Sincerely,

Jetkin Gudhka  
Company Secretary &  
Compliance Officer



Encl: As above

**Sharda Cropchem Limited**  
**INVESTOR PRESENTATION**  
**Q1 FY22 Results Update**



***Sharda Cropchem Limited***







***Sharda Cropchem Limited***

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## **Q1 FY22 Result Highlights**



# Q1 FY22: KEY FINANCIAL HIGHLIGHTS

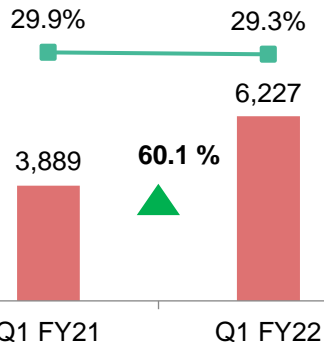
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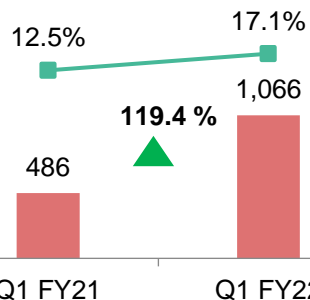
Sharda Cropchem Limited

In ₹ Mn

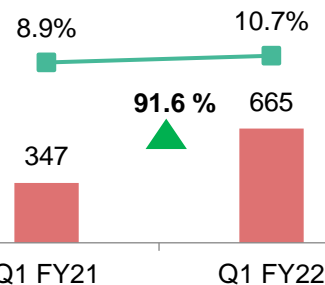
## REVENUES & GM



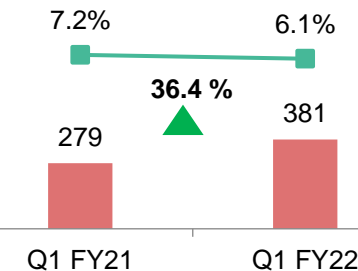
## EBITDA & EBITDA MARGIN \*



## PBT & PBT MARGIN



## PAT & PAT MARGIN



**Revenues** grew by 60.1% YoY to ₹ 6,227 mn in Q1 FY22 led by strong volume growth across geographies

**Gross profit** grew by 57.1% YoY to ₹ 1,825 mn in Q1 FY22. Gross margin remained flat at 29.3% in Q1 FY22 mainly due to product mix

**EBITDA** grew by 119.4% YoY from ₹ 486 mn in Q1 FY21 to ₹ 1,066 mn in Q1 FY22

**EBITDA** margin expanded by 463bps YoY to 17.1% in Q1 FY22 mainly due to better operating leverage

**PBT** grew by 91.6% YoY from ₹ 347 mn in Q1 FY21 to ₹ 665 mn in Q1 FY22 well supported by higher operating leverage

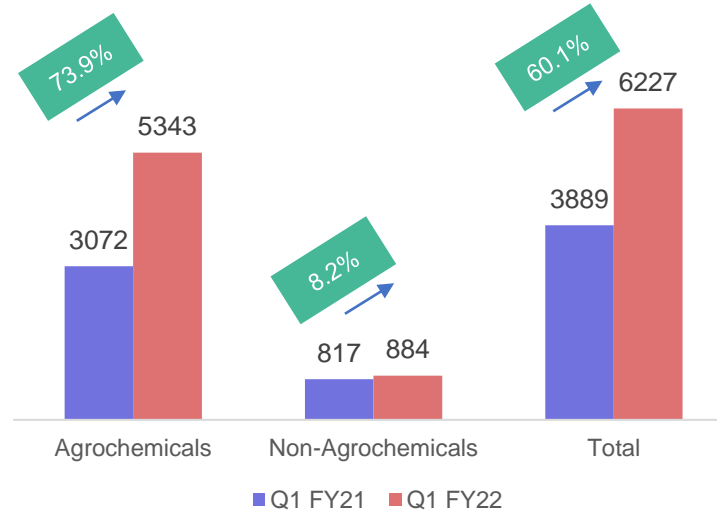
**PAT** surged by 36.4% YoY from ₹ 279 mn in Q1 FY21 to ₹ 381 mn in Q1 FY22

**PAT margin** contracted by 107bps YoY to 6.1% in Q1 FY22 mainly due to higher effective tax rates (42.7% in Q1 FY22 vs. 19.5% in Q1 FY21)

\* EBITDA excluding IA & IAUD write-off (₹ 35.4 mn in Q1 FY22 and ₹ 10.4 mn in Q1 FY21)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)



## Q1 FY22 YoY ANALYSIS: REVENUE BREAKUP



- Agrochemicals revenues during Q1 FY22 grew by 73.9% YoY
- Non-Agrochemicals revenues during Q1 FY22 grew by 8.2% YoY
- Revenue Mix:  
Agrochemicals : Non-Agrochemicals mix stood at 86:14 in Q1 FY22 as against 79:21 in Q1 FY21

# Q1 FY22: AGROCHEMICALS BUSINESS DEEP DIVE

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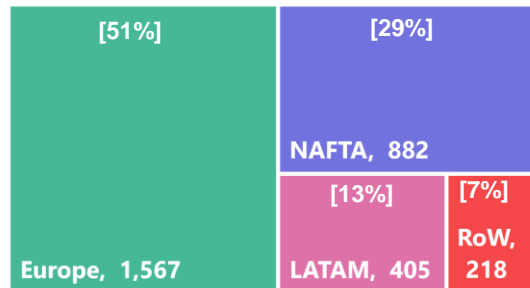


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In ₹ Mn

Q1 FY21: Agrochemicals Revenues : 3,072

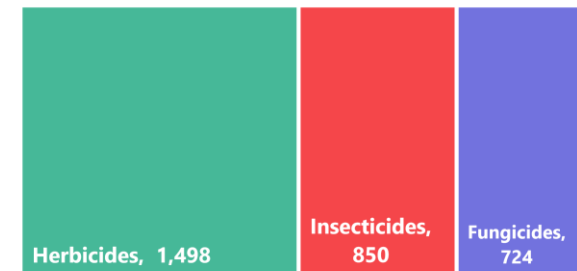
## REGION WISE



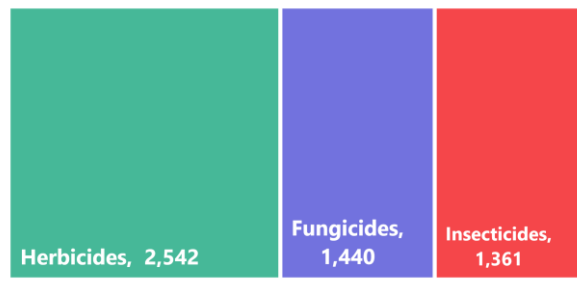
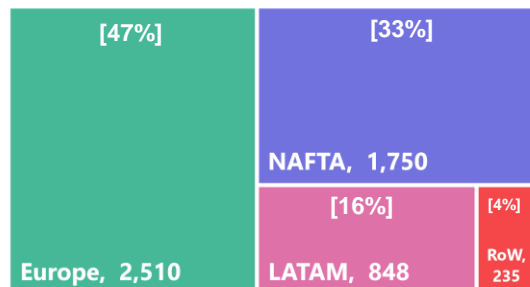
## FORMULATION VS. AI



## PRODUCT WISE



Q1 FY22: Agrochemicals Revenues : 5,343



\* [ ] %age revenue share

➤ Q1 FY22 Revenue Growth:  
Europe: 60.1%, NAFTA: 98.5%,  
LATAM 109.6% & RoW: 7.4%

➤ Formulation: AI Mix  
Q1 FY22 – 89:11  
Q1 FY21 – 93:7

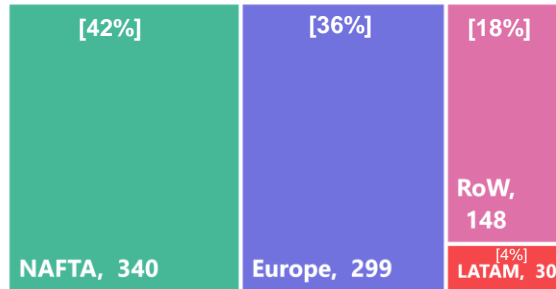
➤ Product Mix updates: Herbicides continues to command 48.0% of revenues in Q1 FY22 & 49.0% of revenues in Q1 FY21



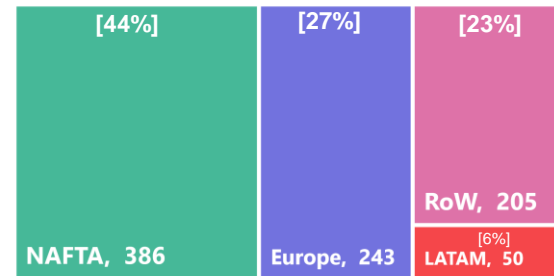
In ₹ Mn

## REVENUE BREAKUP: REGIONWISE

Q1 FY21: Non-Agrochemicals Revenues : 817



Q1 FY22: Non-Agrochemicals Revenues : 884



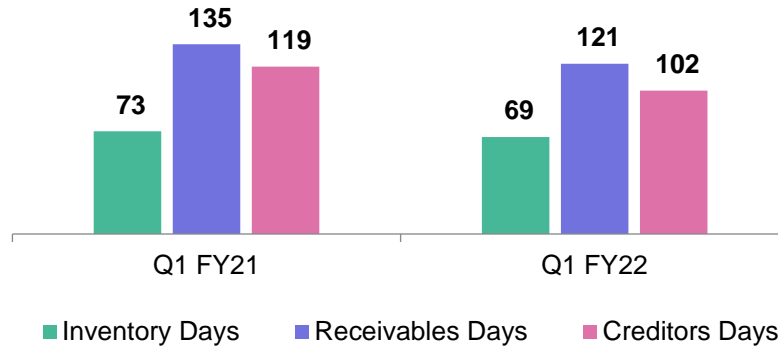
\* [ ] %age revenue share

- NAFTA grew by 13.5% in Q1 FY22 to ₹ 386 mn
- LATAM grew by 69.0% in Q1 FY22 to ₹ 50 mn
- RoW grew by 38.0% in Q1 FY22 to ₹ 205 mn
- Europe degrew by 18.7% in Q1 FY22 to ₹ 243 mn

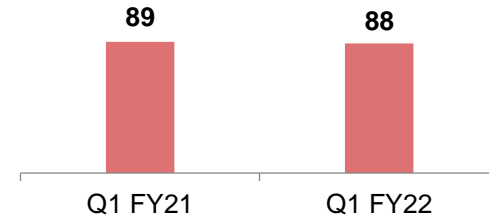




## WORKING CAPITAL DAYS\*



## NET WORKING CAPITAL DAYS



➤ Net working capital days stood at 88 days in Q1 FY22 as against 89 days in Q1 FY21

\* Calculated on average inventory, receivables and creditors



***Sharda Cropchem Limited***

## **Financial Performance**



# Q1 FY22: CONSOLIDATED PROFIT & LOSS STATEMENT

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Particulars	In ₹ Mn			
	Q1 FY22	Q1 FY21	YoY %	FY21
<b>Revenue from Operations</b>	<b>6,226.8</b>	<b>3,889.0</b>	<b>60.1%</b>	<b>23,956.1</b>
COGS	4,401.5	2,727.4	61.4%	16,359.6
<b>Gross Profit</b>	<b>1,825.3</b>	<b>1,161.6</b>	<b>57.1%</b>	<b>7,596.5</b>
<b>Gross Margin %</b>	<b>29.3%</b>	<b>29.9%</b>	<b>(56bps)</b>	<b>31.7%</b>
Employee Expenses	100.5	83.9	19.8%	373.2
Other Expenses	694.3	602.4	15.3%	3,054.8
<b>EBITDA*</b>	<b>1,065.9</b>	<b>485.8</b>	<b>119.4%</b>	<b>4,551.7</b>
<b>EBITDA Margin %</b>	<b>17.1%</b>	<b>12.5%</b>	<b>463bps</b>	<b>19.0%</b>
Forex (Gain)/Loss	(114.8)	(134.7)	(14.7%)	(198.9)
Depreciation	539.2	354.6	52.1%	1,704.4
Finance Cost	6.1	8.3	(26.6%)	27.7
Other Income	64.6	99.7	(35.2%)	459.3
<b>PBT</b>	<b>664.7</b>	<b>346.9</b>	<b>91.6%</b>	<b>3,094.5</b>
Tax Expense	284.0	67.7	319.6%	802.3
<b>PAT</b>	<b>380.7</b>	<b>279.2</b>	<b>36.4%</b>	<b>2,292.2</b>
<b>PAT Margin %</b>	<b>6.1%</b>	<b>7.2%</b>	<b>(107bps)</b>	<b>9.6%</b>
<b>Earnings Per Share (EPS) In ₹</b>	<b>4.22</b>	<b>3.09</b>	<b>36.6%</b>	<b>25.40</b>

\* EBITDA excluding IA & IAUD write-off (₹ 35.4 mn in Q1 FY22, ₹ 10.4 mn in Q1 FY21 and ₹ 383.2 mn in FY21)  
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)



***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 2,570 registrations\* [2,292 registrations - Formulations and 278 registrations - Active Ingredients (AIs)]. Additionally, it has filed 1,026 applications for registrations globally pending at different stages

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



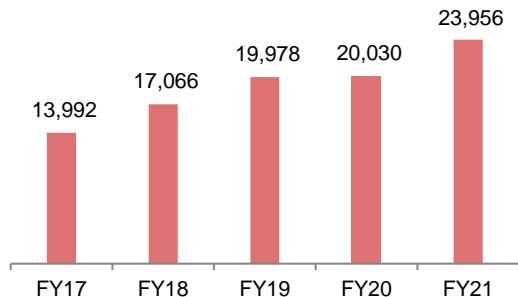
Q1 FY22 CAPEX: INR 635 Mn

# KEY FINANCIAL PERFORMANCE INDICES

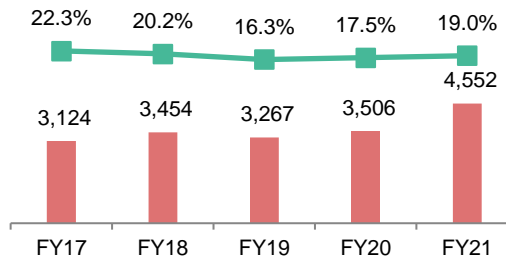


In ₹ Mn

## REVENUE FROM OPERATIONS

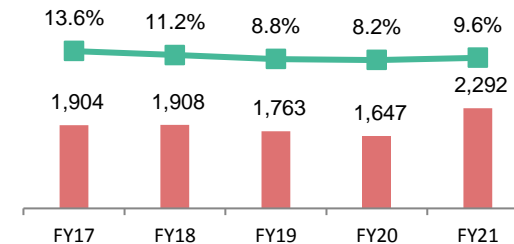


## EBITDA & EBITDA Margin\*

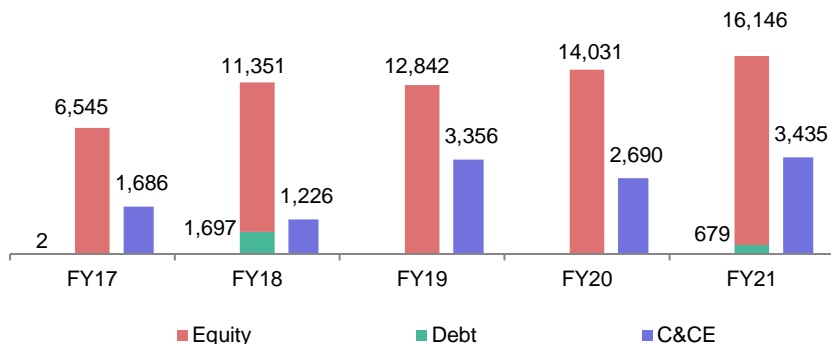


\* EBITDA excluding IA & IAUD write-off

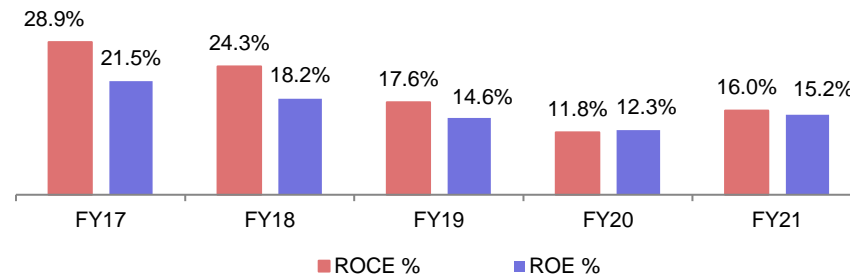
## PAT & PAT Margin



## 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> JUN 2021 % HOLDING

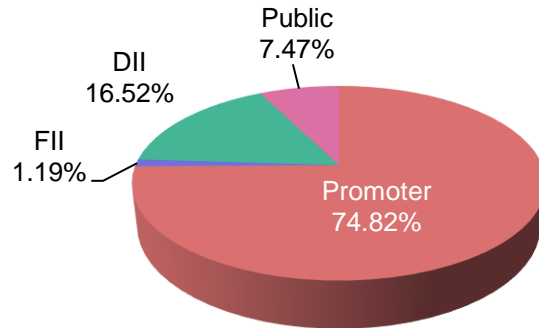
HDFC MF	9.20%
L & T Mutual Fund	4.41%
DSP MF	2.89%

## MARKET DATA

AS ON 23<sup>RD</sup> Jul 2021

Market capitalization (INR Mn)	31,095
Price (INR)	344.7
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> JUN 2021



## SHARE PRICE PERFORMANCE







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## **Business Model**





### Agrochemical Value Chain

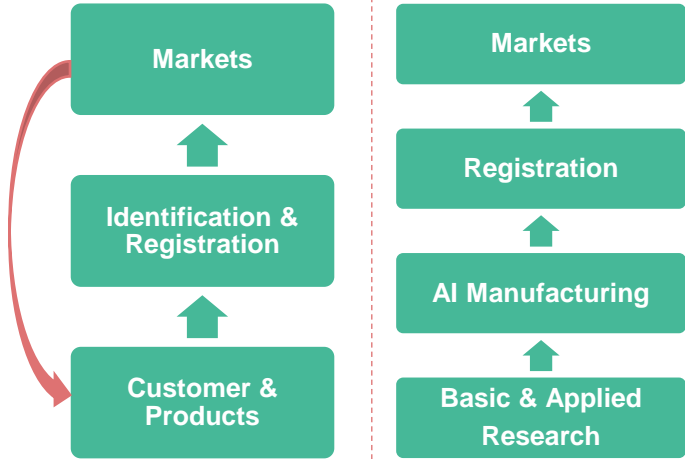


### Sharda's Operating Area

### 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



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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

## 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**

Mr. Hiral Keniya / Chintan Mehta  
IR Consultants  
Email: [shardacropchem@dickensonworld.com](mailto:shardacropchem@dickensonworld.com)  
Contact no: +91 9029662801 / 9892183389

