

**SECOND QUARTER & FIRST HALF FY15
RESULTS PRESENTATION**

7TH NOVEMBER 2014



Sharda Cropchem Limited





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.

- Q2 & H1 FY15 Results Highlights**
- Q2 & H1 FY15 Consolidated Financials**
- About Us**
- Business Model**
- Business Strategy & Outlook**

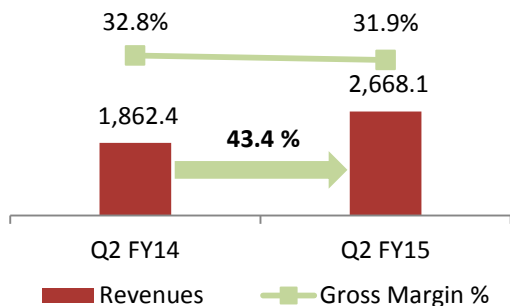


Q2 & H1 FY15 RESULTS: KEY HIGHLIGHTS



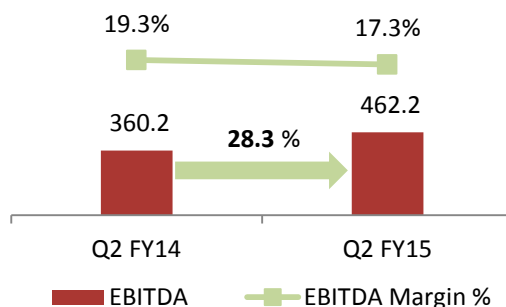
In Rs Mn

REVENUES & GROSS MARGIN

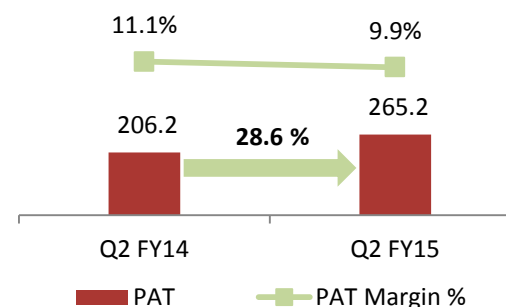


Q2 FY15 YoY ANALYSIS

EBITDA & EBITDA MARGIN *

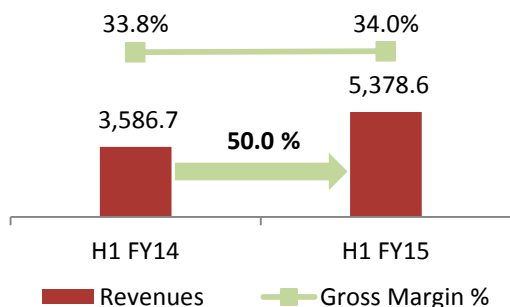


PAT & PAT MARGIN

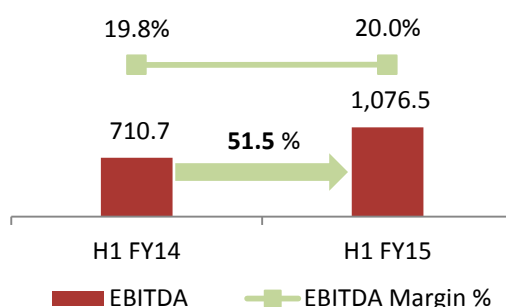


H1 FY15 YoY ANALYSIS

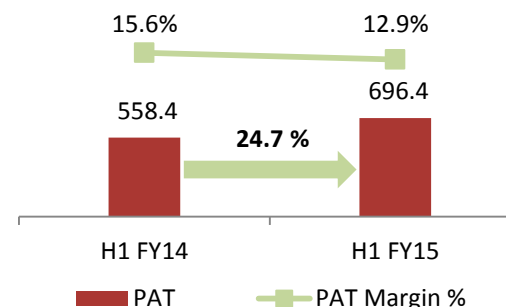
REVENUES & GROSS MARGIN



EBITDA & EBITDA MARGIN * ^



PAT & PAT MARGIN



* Excl. Forex Impacts

Q2 & H1 FY15 RESULTS: KEY HIGHLIGHTS



FINANCIAL UPDATE -

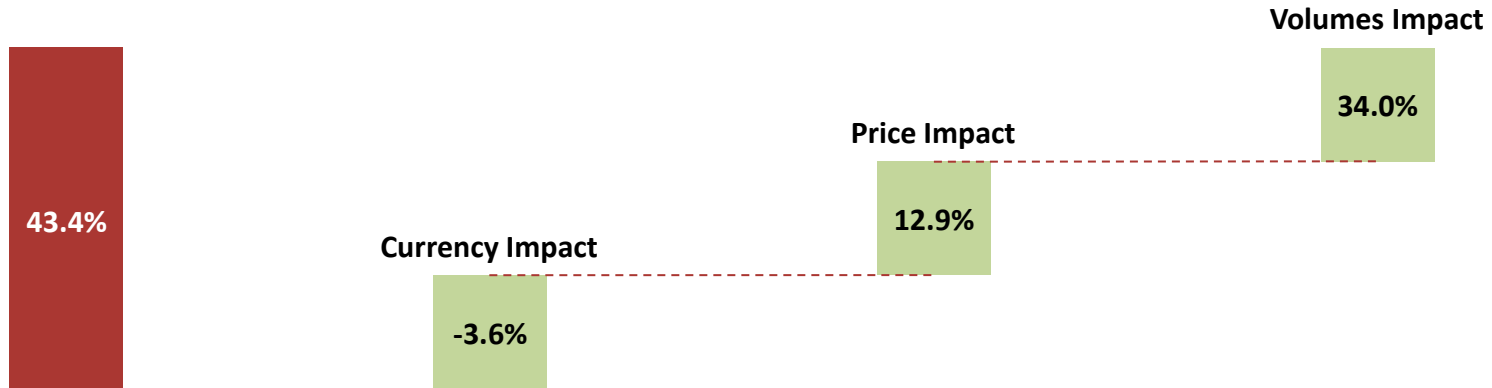
- H1 FY15 Total Revenues from Operations increased by 50.0% YoY to Rs. 5,367.4 mn from Rs. 3,581.5 mn in H1 FY14.
- H1 FY15 Gross Profit increased by 50.9% to Rs. 1,831.1 mn from Rs. 1,213.8 mn in H1 FY14. Gross Margin improved by 20.2 bps YoY to 34.0% from 33.8% in H1 FY14.
- Company has been able to maintain strong growth along with sustained Gross margins.
- H1 FY15 EBIDTA increased by 17.2 % YoY to Rs. 1,102.0 mn from Rs. 940.7 mn in H1 FY14. EBIDTA Margin reduced by 573.7 bps YoY to 20.5% from 26.2% in H1 FY14 primarily due to foreign currency translation charges.
- H1 FY15 EBITDA excl. forex impacts increased by 51.5% YoY to Rs 1,076.5 mn * from Rs. 710.7 mn in H1 FY14. EBITDA Margin increased by 20 bps to 20.0% * from 19.8% in H1 FY14, the increase was partially offset by increase in employee costs, service charges and business development & marketing expenses in H1 FY15.

OPERATIONAL UPDATE-

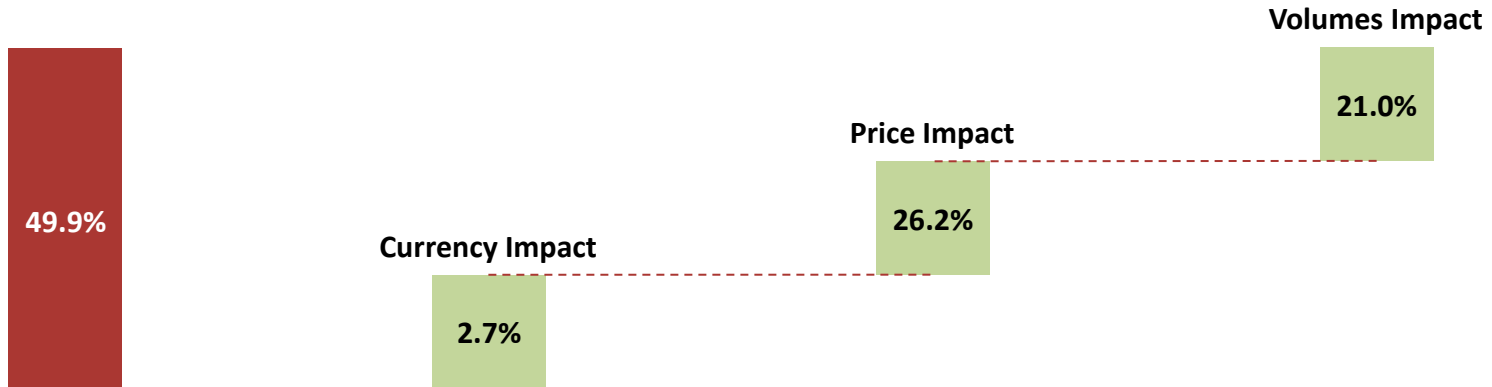
- Total number of registrations increased to 1,255 as of 30-Sep-14 as compared to 1,207 as of 15-Jul-14. The company currently has another 575 registrations in the pipeline across geographies.
- Sales have been stable across all geographies, however revenue contribution from NAFTA Region improved due to expansion of customer base and new orders.
- Total revenue contribution from the Top 10 molecules has been 64% in H1 FY15 as compared to 60% in H1 FY14.



Q2 FY15 YoY % CHANGE IN REVENUE FROM OPERATIONS



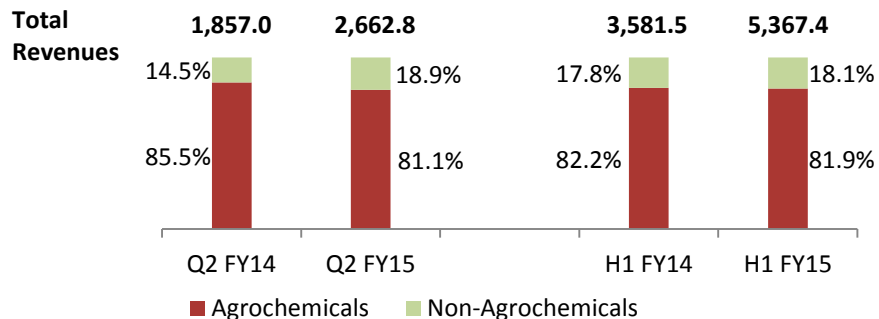
H1 FY15 YoY % CHANGE IN REVENUE FROM OPERATIONS



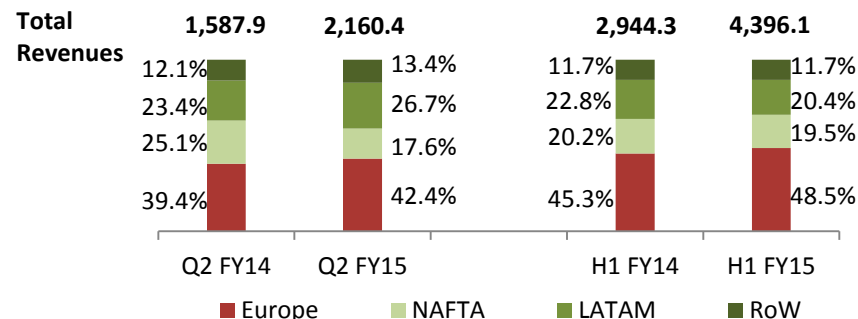
Q2 & H1 FY15 RESULTS: REVENUE ANALYSIS



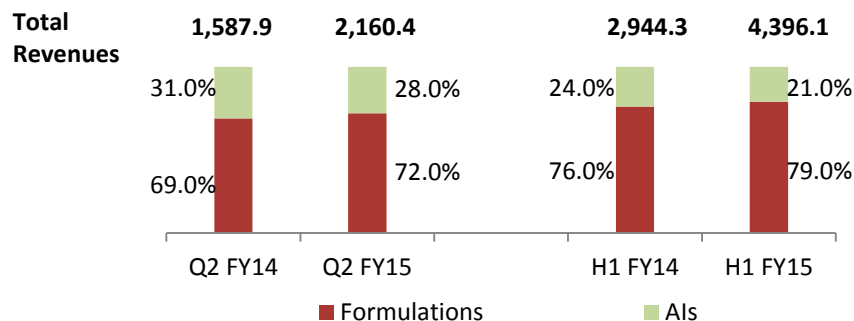
AGROCHEMICALS VS. NON-AGROCHEMICALS



GEOGRAPHICAL PRESENCE – AGROCHEMICAL SALES

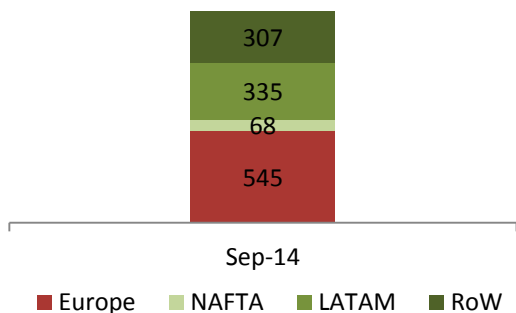


FORMULATIONS VS. ACTIVE INGREDIENTS

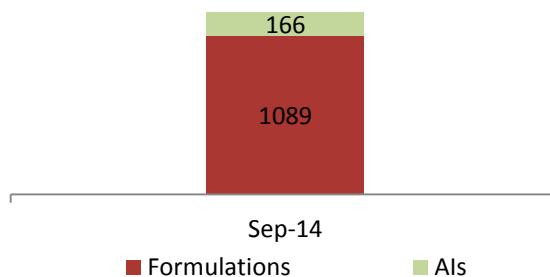




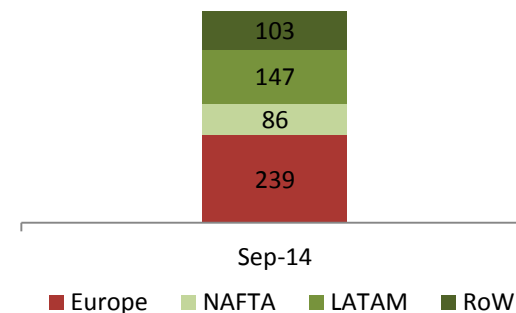
REGISTRATIONS AS ON 30-SEP-14 - 1255



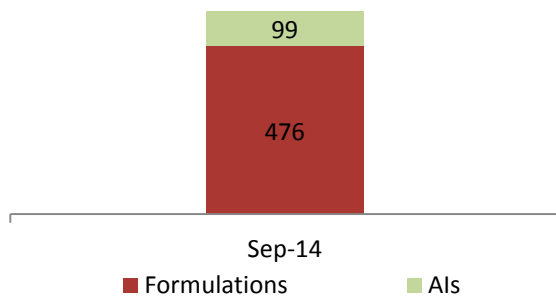
REGISTRATIONS - FORMULATIONS VS. ACTIVE INGREDIENTS



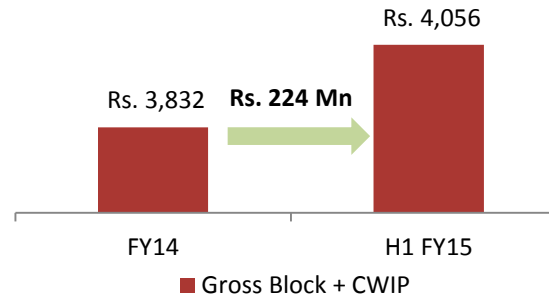
REGISTRATIONS PIPELINE AS ON 30-SEP-14 - 575



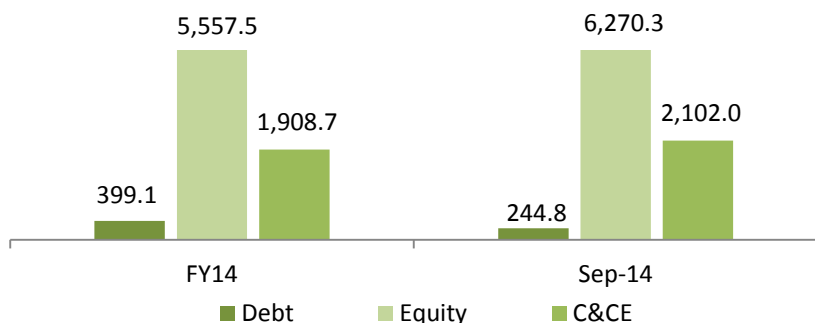
REGISTRATIONS PIPELINE - FORMULATIONS VS. AIs



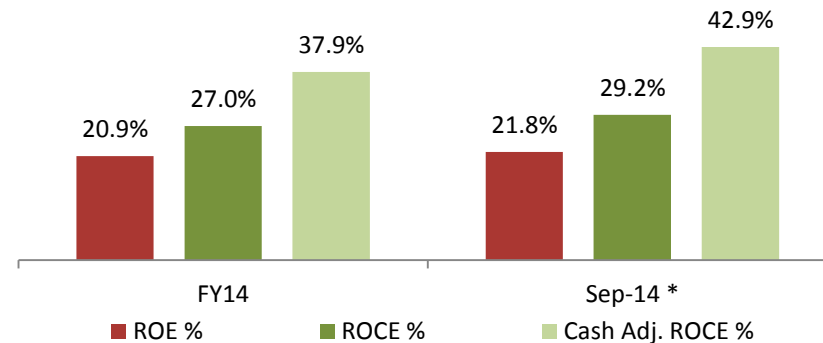
CAPEX INCURRED ON REGISTRATIONS



LEVERAGE ANALYSIS

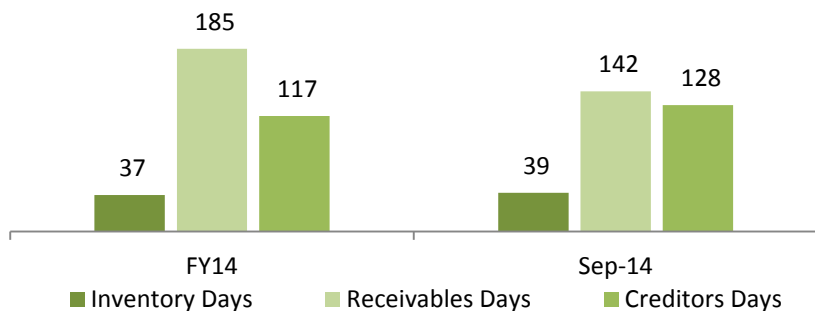


RETURN METRICS



* Calculated On Trailing 12 Months

WORKING CAPITAL ANALYSIS **



** Calculated on closing inventory, receivables, creditors

- **Total Debt to Equity at 0.04x and Net Cash Position of Rs. 1,857.2 mn as of 30-Sep-14.**
- **Robust Balance sheet with Cash & Cash Equivalents of Rs. 2,102.0 mn as of 30-Sep-14.**
- **Significant improvement in working capital cycle from 105 days as of FY14 to 53 days as of 30-Sep-14.**

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

CONSOLIDATED PROFIT & LOSS STATEMENT



Particulars (In Rs Mn)	Q2 FY15	Q2 FY14	YoY %	Q1 FY15	QoQ %	H1 FY15	H1 FY14	YoY %
Revenue from Operations	2,662.8	1,857.0	43.4%	2,704.5	-1.5%	5,367.4	3,581.5	49.9%
Other Operating Income	5.3	5.4	-1.7%	5.9	-10.6%	11.2	5.2	114.4%
Total Revenues	2,668.1	1,862.4	43.3%	2,710.4	-1.6%	5,378.6	3,586.7	50.0%
COGS	1,815.9	1,251.7	45.1%	1,731.5	4.9%	3,547.4	2,372.9	49.5%
Gross Profit	852.2	610.7	39.6%	978.9	-12.9%	1,831.1	1,213.8	50.9%
Gross Margin	31.9%	32.8%	- 84.9 bps	36.1%	- 417.8 bps	34.0%	33.8%	20.2 bps
Employee Expenses	57.7	27.5	109.5%	60.6	-4.8%	118.3	64.7	82.9%
Other Expenses	425.9	222.9	91.1%	313.9	35.7%	739.9	438.4	68.8%
Other Income	70.7	25.1	181.4%	58.3	21.3%	129.1	229.9	-43.9%
EBITDA	439.3	385.4	14.0%	662.7	-33.7%	1,102.0	940.7	17.2%
EBITDA Margin %	16.5%	20.7%	- 422.7 bps	24.5%	- 798.4 bps	20.5%	26.2%	- 573.6 bps
Operating EBITDA Excl. Forex Impacts	462.2	360.2	28.3%	614.3	-24.8%	1,076.5 *	710.7	51.5%
Operating EBITDA Margin % excl Forex Impacts	17.3%	19.3%	- 201.7 bps	22.7%	- 534.1 bps	20.0% *	19.8%	20 bps
Depreciation	59.4	69.0	-13.9%	52.6	13.1%	112.0	135.9	-17.6%
Finance Cost	6.8	1.1	517.9%	4.1	64.2%	10.9	3.4	222.1%
PBT	373.1	315.8	18.1%	606.0	-38.4%	979.1	793.6	23.4%
Tax Expense	106.2	108.1	-1.8%	174.9	-39.3%	281.1	233.8	20.3%
PAT after minority interest	265.2	206.2	28.6%	431.2	-38.5%	696.4	558.4	24.7%
PAT Margin %	9.9%	11.1%	-113.4 bps	15.9%	- 596.9 bps	12.9%	15.6%	- 262.1 bps
Earnings Per Share (EPS)	2.9	2.3	28.4%	4.8	-38.5%	7.7	6.2	24.7%

Note: * H1 FY15 Operating EBITDA Excl. Forex Impact has been revised from Rs 1,188.5 mn to Rs. 1,076.5 mn and consequently EBITDA margins have been revised from 22.8% to 20.0%



BUSINESS OVERVIEW

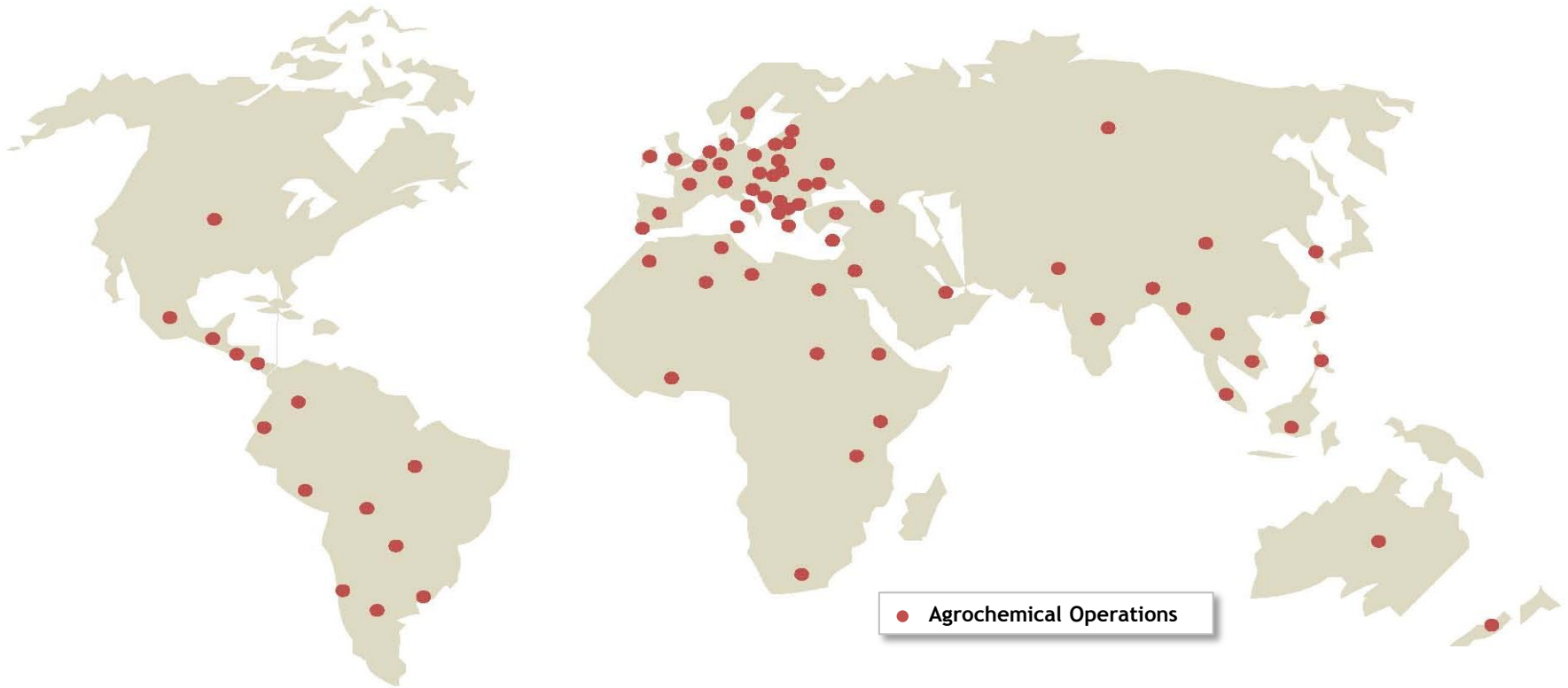
- Sharda Cropchem Limited is a global crop protection chemical company largely operating across Europe, NAFTA and Latin America across fungicides, herbicides and insecticides.
- Sharda operates with an asset light business model focused on identification and registration of potential molecules in strong demand.
- As of 30-Sep-14, Sharda owned 1,089 registrations for formulations & 166 registrations for active ingredients (AIs) and filed over 575 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 60 countries with an established global marketing & distribution network (more than 440 distribution points through combination of third-party distributors and 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 8,147 mn, Rs 1,786 mn and Rs 1,069 mn in FY14 having grown at CAGR of 23%, 28% and 39% over last five years.
- Strong balance sheet and asset light model resulting into a strong net cash position of Rs 1,509.6 mn, gross debt of Rs 399.1 mn and equity of Rs 5557.5 mn in FY14.
- Consistent improvement in return ratios over last five years.
 - ROCE – 12.6% in FY10 to 27.0% in FY14, Cash Adj. ROCE – 13.7% in FY10 to 37.9% in FY14.
 - ROE – 10.4% in FY10 to 20.9% in FY14.

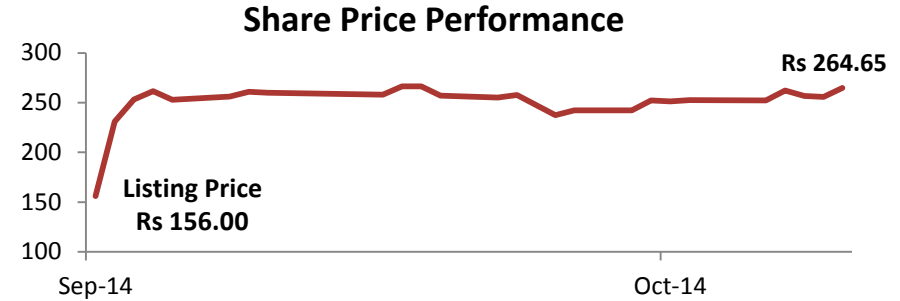


Diversified business operations across the globe leading to reduced risk of adverse market and seasonal conditions.

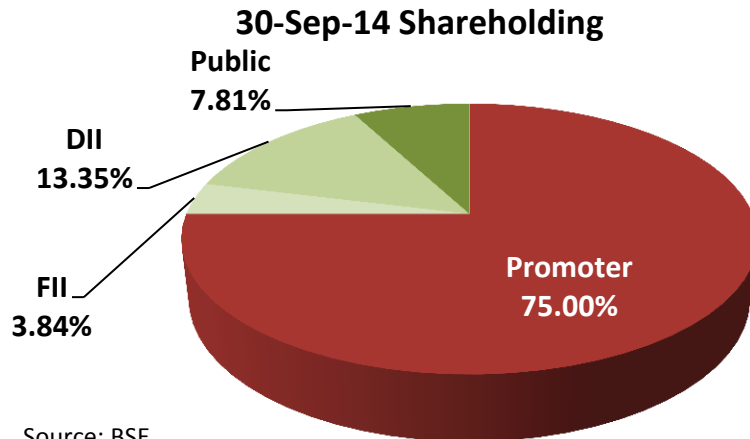
ABOUT US: SHAREHOLDING STRUCTURE



Market Data	As on 31.10.14 (BSE)
Market capitalization (Rs Mn)	23,877
Price (Rs.)	264.65
No. of shares outstanding (Mn)	90.22
Face Value (Rs.)	10.00
52 week High-Low (Rs.)	217.60 – 273.85



Source: BSE



Source: BSE

Key Institutional Investors at 30-Sep-14	% Holding
DSP Blackrock Investment Manager	2.88%
HDFC Asset Management	2.51%
IDFC Mutual Fund	1.72%
SBI Funds Management	1.15%
L&T Investment Management	1.15%
UTI Asset Management	0.88%
ICICI Prudential Asset Management	0.70%
Mirae Asset Global Investment	0.53%

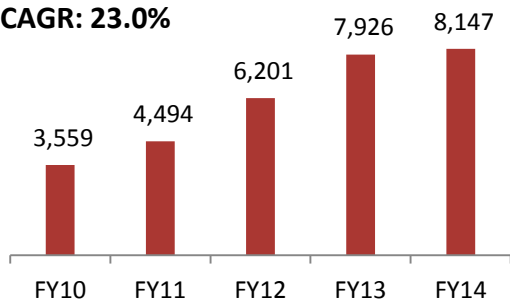
Source: Bloomberg

ABOUT US: FINANCIAL SUMMARY



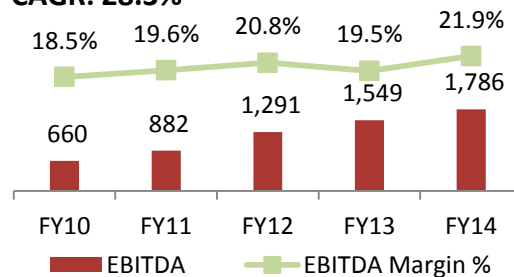
REVENUES

CAGR: 23.0%



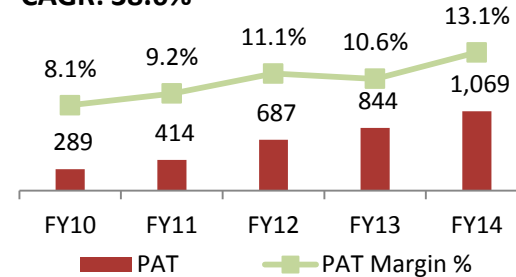
EBITDA & EBITDA Margin

CAGR: 28.3%

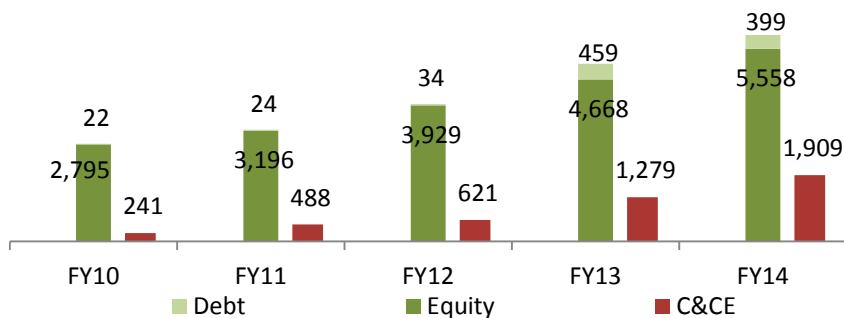


PAT & PAT Margin

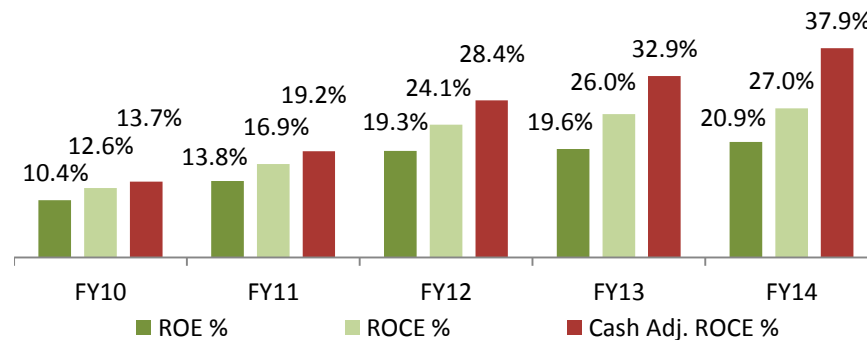
CAGR: 38.6%



LEVERAGE ANALYSIS



RETURN METRICS



Source: Red Herring Prospectus,

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



Agrochemical Value Chain

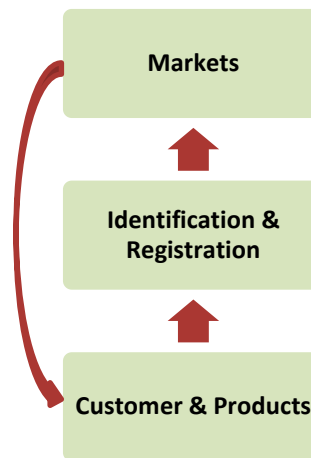


Sharda's Operating Area

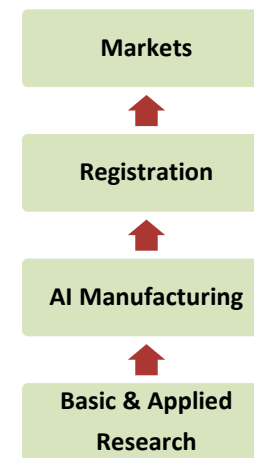
ASSET LIGHT BUSINESS MODEL

- 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



Traditional Model: Supply Pushed / Product 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 & be a one-stop solution provider.
- Strategy on ground in Mexico, Colombia, South Africa & India .

Expand & Strengthen Distribution Presence

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

Continual Investment in Obtaining Registrations

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

Focus on Biocide Registrations

- Scale up marketing & distribution of biocides with a focus on Europe.
- Increase biocide registrations including through inorganic means.

Focus on Inorganic Growth

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

FOR FURTHER QUERIES:



THANK YOU



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