

Sharda Cropchem Limited
INVESTOR PRESENTATION
Q4 & FY21 Results Update



Sharda Cropchem Limited





Sharda Cropchem Limited

PAGE NO.	CONTENTS
03	Q4 & FY21 RESULT HIGHLIGHTS
12	CONSOLIDATED FINANCIALS
15	COMPANY OVERVIEW
20	BUSINESS MODEL
22	BUSINESS STRATEGY & OUTLOOK





Sharda Cropchem Limited

Q4 & FY21 Result Highlights



Q4 FY21: KEY FINANCIAL HIGHLIGHTS

04



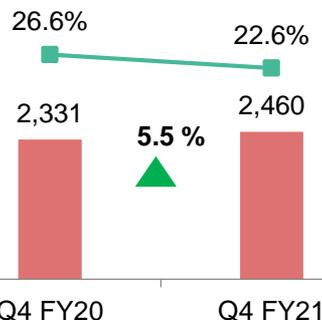
Sharda Cropchem Limited

In ₹ Mn

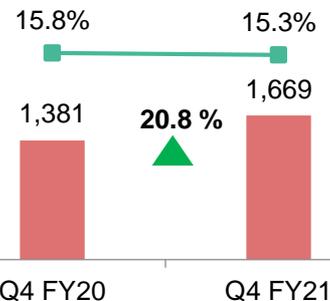
REVENUES & GM



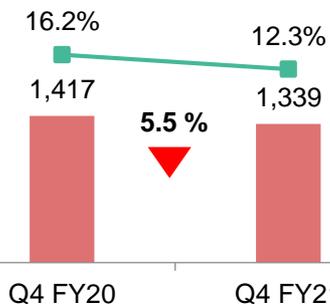
EBITDA & EBITDA MARGIN *



PBT & PBT MARGIN



PAT & PAT MARGIN



Revenues grew by 24.2% YoY to ₹ 10,881 mn in Q4 FY21

Gross profit grew marginally by 7.3% YoY to ₹ 3,410 mn in Q4 FY21. Gross margin contracted by 495bps YoY from 36.3% in Q4 FY20 to 31.3% in Q4 FY21 due to exceptionally higher gross margins in Q4FY20 driven by favourable product mix

EBITDA grew by 5.5% YoY from ₹ 2,331 mn in Q4 FY20 to ₹ 2,460 mn in Q4 FY21

EBITDA margin contracted by 400bps YoY to 22.6% in Q4 FY21 mainly due to unfavourable product mix

PBT grew by 20.8% YoY from ₹ 1,381 mn in Q4 FY20 to ₹ 1,669 mn in Q4 FY21 mainly due to revenue growth, decline in forex loss and rise in other income

PAT declined by 5.5% YoY from ₹ 1,417 mn in Q4 FY20 to ₹ 1,339 mn in Q4 FY21

PAT margin contracted by 386bps YoY to 12.3% in Q4 FY21 mainly due to lower effective tax rates in FY20

* EBITDA excluding IA & IAUD write-off (₹ 296.7 mn in Q4 FY21 and ₹ 523.3 mn in Q4 FY20) (IA & IAUD – Intangible Assets & Intangible Assets Under Development)

FY21: KEY FINANCIAL HIGHLIGHTS

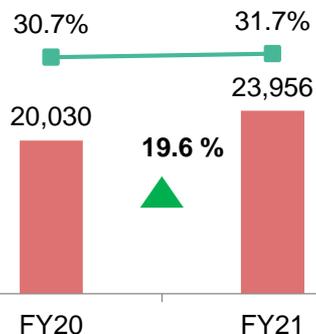
05



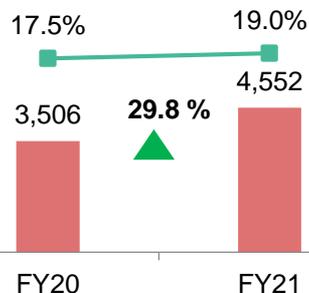
Sharda Cropchem Limited

In ₹ Mn

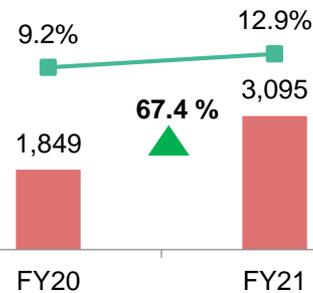
REVENUE & GM



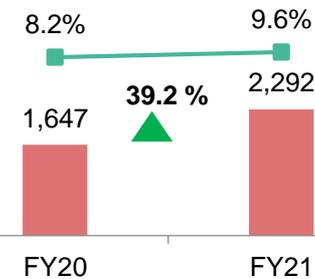
EBITDA & EBITDA MARGIN *



PBT & PBT MARGIN



PAT & PAT MARGIN



Revenues grew by 19.6% YoY to ₹ 23,956 mn in FY21

Gross profit grew by 23.6% YoY to ₹ 7,597 mn in FY21. Gross margin expanded by 104bps YoY from 30.7% in FY20 to 31.7% in FY21 due to favourable product mix & higher sales in Europe region

EBITDA grew by 29.8% YoY from ₹ 3,506 mn in FY20 to ₹ 4,552 mn in FY21

EBITDA margin expanded by 150bps YoY to 19.0% in FY21 mainly due to favourable product mix and operating efficiencies

PBT grew by 67.4% YoY from ₹ 1,849 mn in FY20 to ₹ 3,095 mn in FY21 due to impressive YoY revenue growth and forex gains in FY21 as against forex loss in FY20

PAT grew by 39.2% YoY from ₹ 1,647 mn in FY20 to ₹ 2,292 mn in FY21

PAT margin expanded by 135bps YoY to 9.6% in FY21

* EBITDA excluding IA & IAUD write-off (₹ 383.2 mn in FY21 and ₹ 546.5 mn in FY20)
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)

Q4 & FY21: REGIONWISE REVENUE BRIDGE

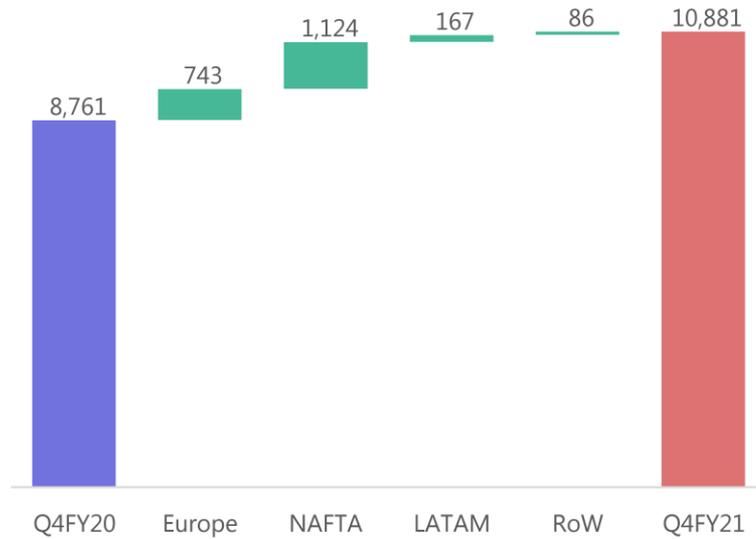
06



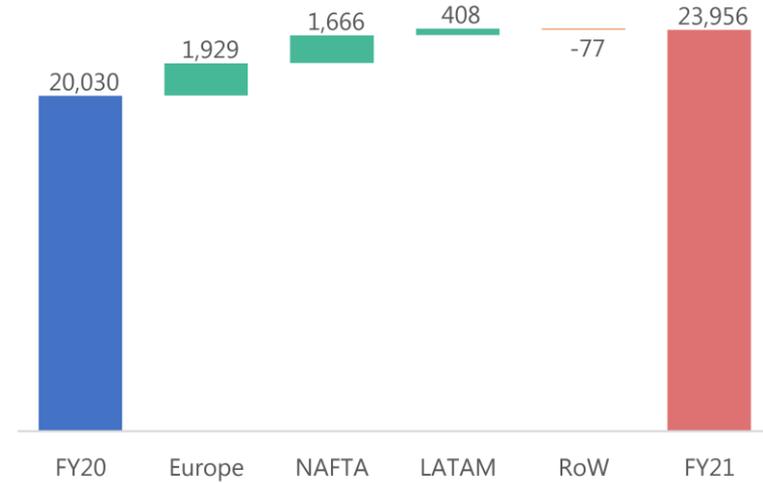
Sharda Cropchem Limited

In ₹ Mn

Q4 FY21 REGIONWISE REVENUE BRIDGE



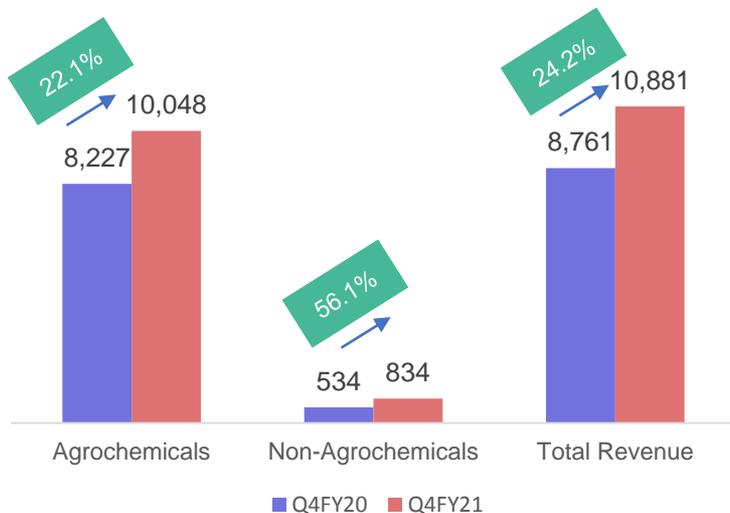
FY21 REGIONWISE REVENUE BRIDGE



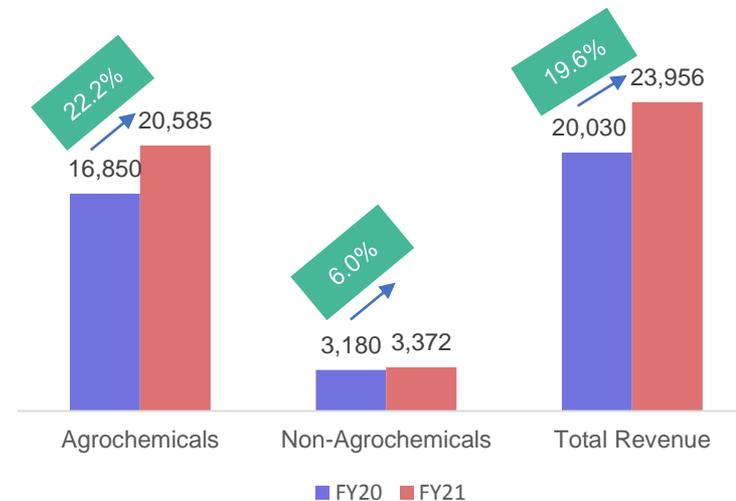
➤ Europe and NAFTA continues to be the growth engine for Sharda Cropchem

In ₹ Mn

Q4 FY21 YoY ANALYSIS: REVENUE BREAKUP



FY21 YoY ANALYSIS: REVENUE BREAKUP



- Agrochemicals revenues during Q4 FY21 grew by 22.1% YoY
- Non-Agrochemicals revenues during Q4 FY21 grew by 56.1% YoY
- Revenue Mix:
Agrochemicals : Non-Agrochemicals mix stood at 92:8 in Q4 FY21 & 94:6 in Q4 FY20

- Agrochemicals revenues during FY21 grew by 22.2% YoY
- Non-Agrochemicals revenues during FY21 grew by 6.0% YoY
- Revenue Mix:
Agrochemicals : Non-Agrochemicals mix stood at 86:14 in FY21 & 84:16 in FY20

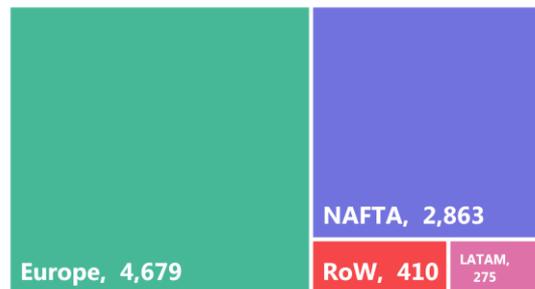
Q4 FY21: AGROCHEMICALS BUSINESS DEEP DIVE



Q4 FY20: Agrochemicals Revenues : 8,227

In ₹ Mn

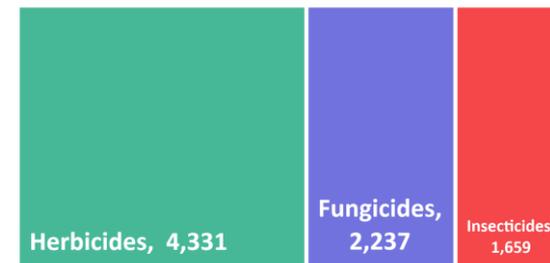
REGION WISE



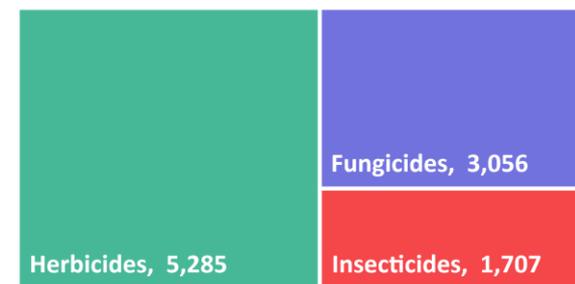
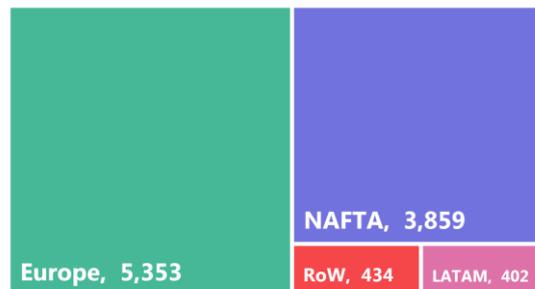
FORMULATION VS. AI



PRODUCT WISE



Q4 FY21: Agrochemicals Revenues : 10,048



➤ Q4 FY21 Revenue Growth:
Europe: 14.4%, NAFTA: 34.8%,
RoW: 5.8% & LATAM 46.2%

➤ Formulation: AI Mix
Q4 FY21 – 95:5
Q4 FY20 – 96:4

➤ Product Mix updates: Herbicides continues to command 52.6% of revenues in Q4 FY21 & 52.6% of revenues in Q4 FY20

FY21: AGROCHEMICALS BUSINESS DEEP DIVE



In ₹ Mn

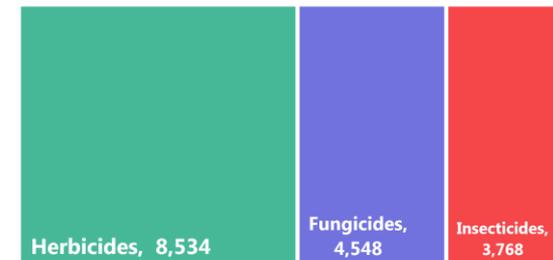
REGION WISE



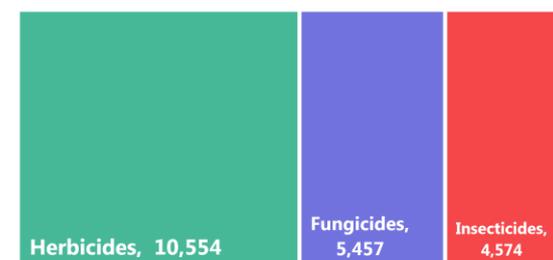
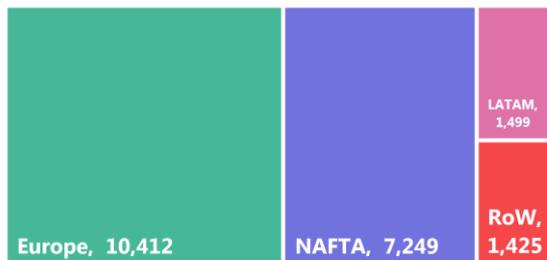
FORMULATION VS. AI



PRODUCT WISE



FY21: Agrochemicals Revenues : 20,585



- FY21 Revenue Growth:
Europe: 20.0%, NAFTA: 26.0%,
LATAM: 24.6% & ROW: 17.1%

- Formulation: AI Mix
FY21 – 93:7
FY20 – 92:8

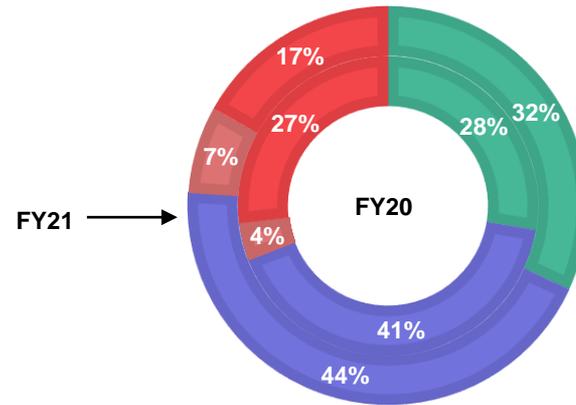
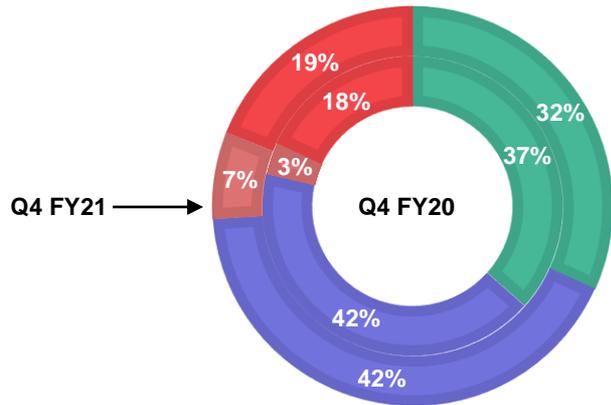
- Product Mix updates: Herbicides continues to command 51.3% of revenues in FY21 & 50.6% of revenues in FY20



REVENUE BREAKUP: REGIONWISE

■ Europe ■ NAFTA ■ LATAM ■ RoW

■ Europe ■ NAFTA ■ LATAM ■ RoW

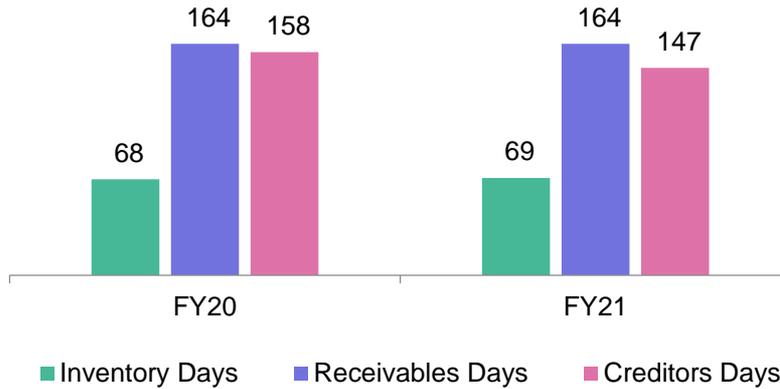


- Europe grew by 35.7% in Q4 FY21 to ₹ 265 mn
- NAFTA grew by 57% in Q4 FY21 to ₹ 352 mn
- LATAM grew by 215.2% in Q4 FY21 to ₹ 59 mn
- RoW grew by 64.8% in Q4 FY21 to ₹ 158 mn

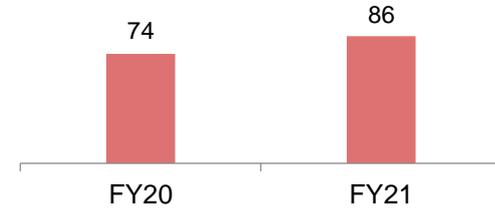
- Europe grew by 22.4% in FY21 to ₹ 1,076 mn
- NAFTA grew by 12.7% in FY21 to ₹ 1,488 mn
- LATAM grew by 87.1% in FY21 to ₹ 239 mn
- RoW declined by 33.4% in FY21 to ₹ 568 mn



WORKING CAPITAL DAYS*



NET WORKING CAPITAL DAYS



➤ Net working capital days stood at 86 days in FY21 as against 74 days in FY20

* Calculated on average inventory, receivables and creditors



Sharda Cropchem Limited

Consolidated Financials



Q4 & FY21: CONSOLIDATED PROFIT & LOSS STATEMENT

13



Sharda Cropchem Limited

In ₹ Mn

Particulars	Q4 FY21	Q4 FY20	YoY %	FY21	FY20	YoY%
Revenue from Operations	10,881.4	8,760.7	24.2%	23,956.1	20,030.2	19.6%
COGS	7,471.5	5,581.4	33.9%	16,359.6	13,886.1	17.8%
Gross Profit	3,409.9	3,179.3	7.3%	7,596.5	6,144.1	23.6%
Gross Margin %	31.3%	36.3%	495bps	31.7%	30.7%	104bps
Employee Expenses	118.6	116.5	1.8%	373.2	349.0	7.0%
Other Expenses	1,128.4	1,255.2	10.1%	3,054.8	2835.7	7.7%
EBITDA*	2,459.6	2,330.9	5.5%	4,551.7	3,505.9	29.8%
EBITDA Margin %	22.6%	26.6%	400bps	19.0%	17.5%	150bps
Forex (Gain)/Loss	131.5	179.5	26.8%	(198.9)	151.4	N.A.
Depreciation	522.2	350.0	49.2%	1,704.4	1,371.2	24.3%
Finance Cost	7.7	4.5	71.9%	27.7	19.2	44.6%
Other Income	167.6	107.9	55.4%	459.3	431.1	6.5%
PBT	1,669.2	1,381.4	20.8%	3,094.5	1,848.7	67.4%
Tax Expense	329.9	(35.5)	N.A.	802.3	201.8	297.7%
PAT	1,339.3	1,416.8	5.5%	2,292.2	1,646.9	39.2%
PAT Margin %	12.3%	16.2%	386bps	9.6%	8.2%	135bps
Earnings Per Share (EPS) In ₹	14.84	15.70	5.5%	25.40	18.25	39.2%

* EBITDA excluding IA & IAUD write-off (₹ 296.7 mn in Q4 FY21, ₹ 523.3 mn in Q4 FY20, ₹ 383.2 mn in FY21 and ₹ 546.5 mn in FY20)
(IA & IAUD – Intangible Assets & Intangible Assets Under Development)



Particulars	FY21	FY20
Equities & Liabilities		
Shareholder's Funds		
Equity and Share Capital	902.2	902.2
Other Equity	15,240.8	13,125.7
Non-controlling Interest	3.1	2.7
Total Equity	16,146.1	14,030.6
Non-Current Liabilities		
Borrowings	-	0.9
Trade Payables	24.0	23.8
Other Financial Liabilities	116.0	130.6
Provisions	30.2	26.6
Deferred Tax Liabilities (net)	928.7	693.0
Total non-current liabilities	1,098.9	874.9
Current Liabilities		
Borrowings	678.5	-
Trade Payables	8,067.5	6,866.9
Other Financial Liabilities	1,535.9	897.2
Other Current Liabilities	580.0	543.5
Current Tax Liabilities	31.7	15.2
Provisions	500.0	243.9
Total current Liabilities	11,393.6	8,566.7
Total Equity & Liabilities	28,638.6	23,472.2

Particulars	FY21	FY20
Assets		
Non-Current Assets		
Property, Plant and Equipment	208.8	278.2
Goodwill	4.3	4.4
Other Intangible assets	5,231.1	3,880.8
Intangible assets under development	1,310.4	1,614.0
Deferred Tax Assets (net)	60.4	39.2
Non-Current Tax Assets	736.3	725.3
Other non-current assets	94.0	115.5
Total non-current assets	7,645.3	6,657.4
Current Assets		
Inventories	5,255.5	3,822.4
Investments	830.1	1,155.3
Trade Receivables	11,625.7	9,893.9
Cash & Cash equivalents	855.5	777.6
Other Bank balances	1,749.8	756.9
Other Financial Assets	280.6	112.8
Other Current Assets	396.1	295.9
Total current assets	20,993.3	16,814.8
Total Assets	28,638.6	23,472.2



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 2,543 registrations* [2,270 registrations - Formulations and 273 registrations - Active Ingredients (AIs)]. Additionally, it has filed 1,128 applications for registrations globally pending at different stages

*As on 31st March, 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



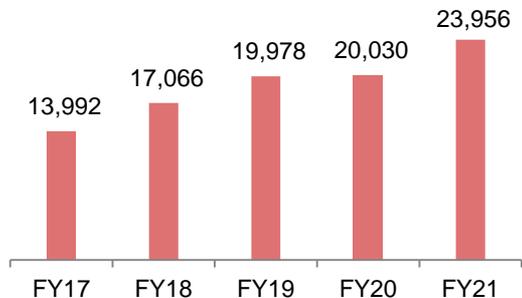
FY21 CAPEX: INR 3,090 Mn

KEY FINANCIAL PERFORMANCE INDICES

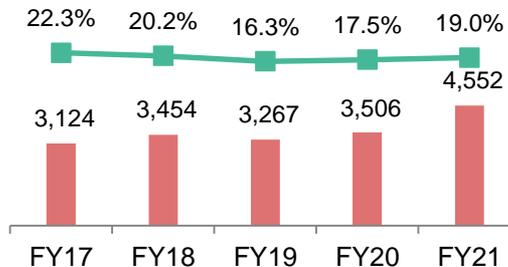


In ₹ Mn

REVENUE FROM OPERATIONS

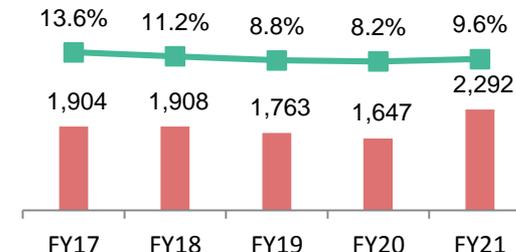


EBITDA & EBITDA Margin*

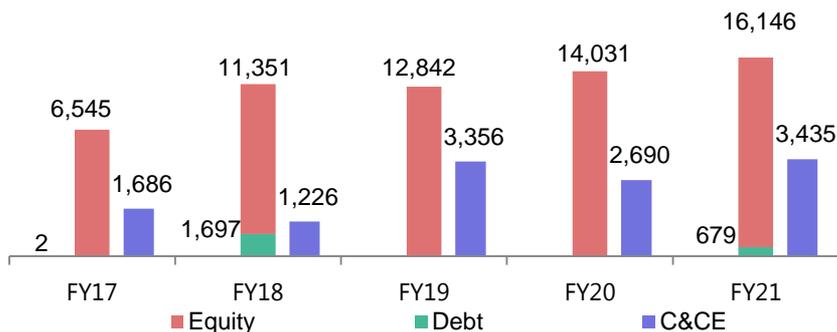


* EBITDA excluding IA & IAUD write-off

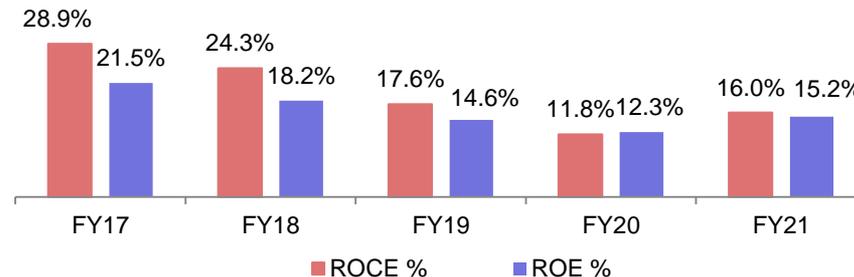
PAT & PAT Margin



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 – 31ST MAR 2021 % HOLDING

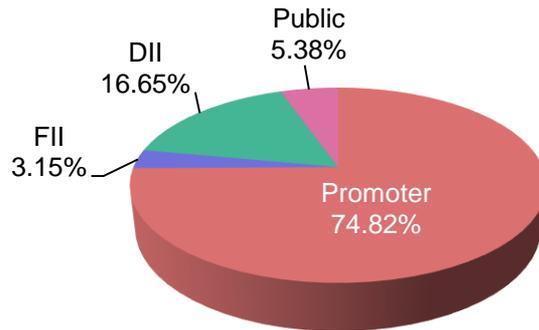
HDFC MF	9.22%
L & T Mutual Fund	4.55%
DSP MF	2.89%
Pinebridge Global	1.96%

MARKET DATA

AS ON 25TH May 2021

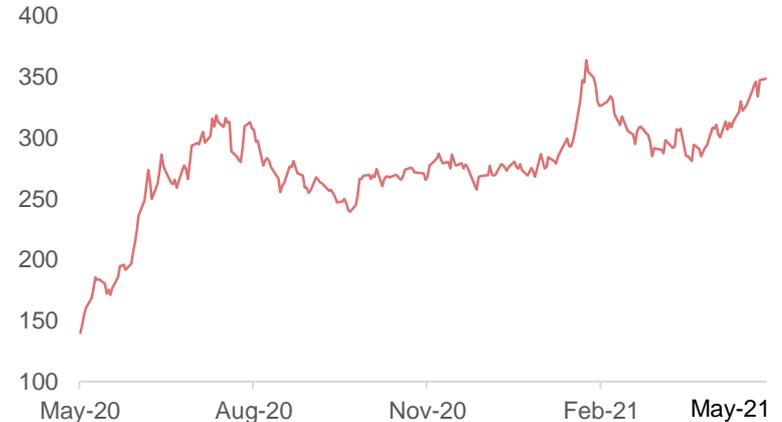
Market capitalization (INR Mn)	32,055
Price (INR)	355.3
No. of shares outstanding (Mn)	90.2
Face Value (INR)	10.0
52 week High-Low (INR)	374.0 – 134.6

SHAREHOLDING – 31ST MARCH 2021



Source: BSE

SHARE PRICE PERFORMANCE





Sharda Cropchem Limited

Business Model



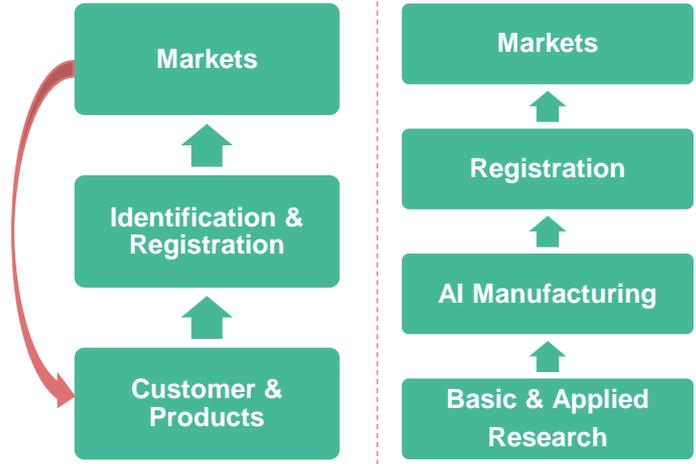
Agrochemical Value Chain



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



Sharda Cropchem Limited

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
Contact No: +91 22 6678 2800

DICKENSON

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

