

ABOUT US: COMPANY OVERVIEW

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 30TH June 2016, Sharda owned 1,605 registrations for formulations and 225 registrations for active ingredients (AIs) and filed 831 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

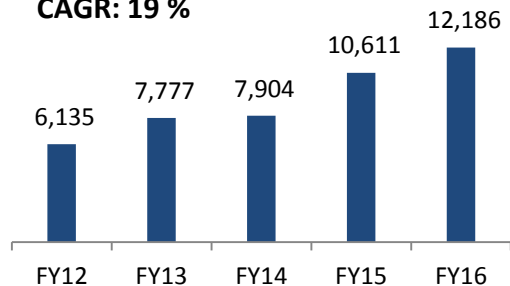
- Consolidated Revenues, EBITDA and PAT were Rs 12,206.1 mn, Rs 2,669.1 mn and Rs 1,749.7 mn in FY16 having grown at CAGR of 19%, 22% and 26% over FY12 to FY16.
- Strong balance sheet and asset light model resulting into a strong cash position of Rs 1,448.5 mn (net of gross debt of Rs 20.0 mn) and equity 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

In Rs Mn

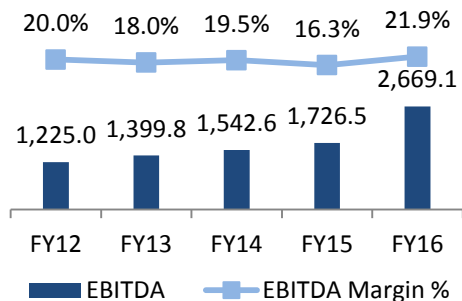
REVENUE FROM OPERATIONS

CAGR: 19 %



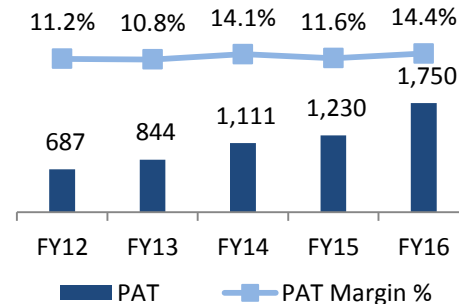
EBITDA & EBITDA Margin

CAGR: 22 %

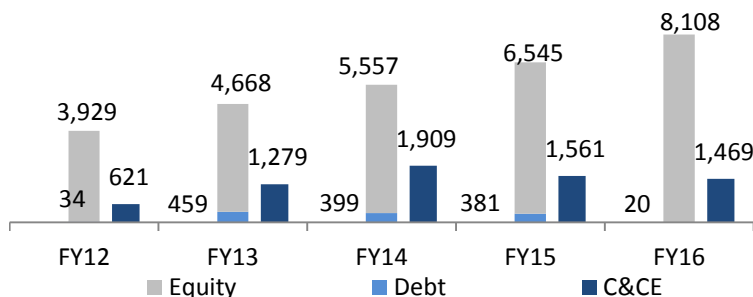


PAT & PAT Margin

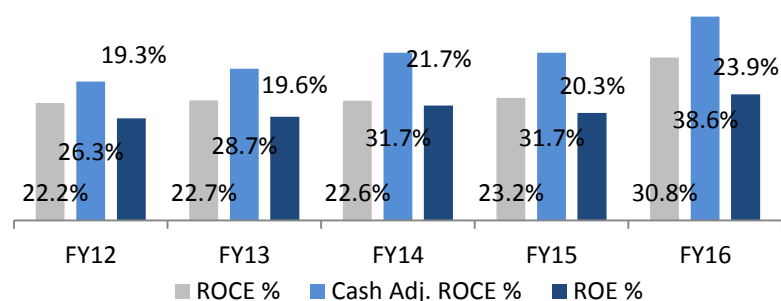
CAGR: 26 %



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)]

DIFFERENTIATED BUSINESS MODEL: ASSET LIGHT MODEL

Agrochemical Value Chain

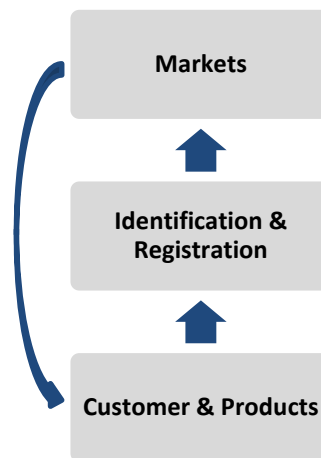
Sharda's Operating Area



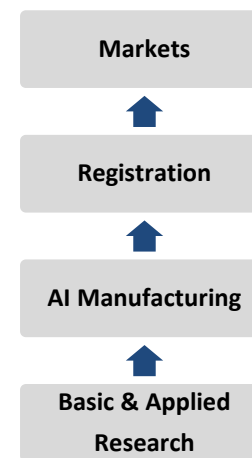
ASSET LIGHT BUSINESS MODEL

- 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



Traditional Model: Supply Pushed / Product Driven



SHARDA IS A FOCUSED GLOBAL AGROCHEMICAL MARKETING & DISTRIBUTION COMPANY

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.

Focus on Inorganic Growth

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