

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



30th January, 2016

The Manager
National Stock Exchange India Limited
Listing Department
"Exchange Plaza", 5th Floor
Bandra- Kurla Complex,
Bandra (East), Mumbai - 400 051

Scrip Symbol: SHARDACROP EQ

**Subject: Investors/Analyst's Presentation for the Third Quarter ended
December 31, 2015**

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 third quarter and nine months ended December 31, 2015.

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

**Q3 & 9M FY16
RESULTS UPDATE
FEBRUARY 2016**

DISCLAIMER

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.

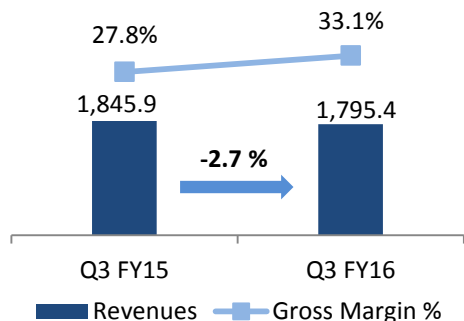
In particular, such statements should not be regarded as a projection of future performance of Sharda. It should be noted that the actual performance or achievements of Sharda may vary significantly from such statements.

DISCUSSION SUMMARY

- ☐ **Q3 & 9M FY16 Results Highlights**
- ☐ **Q3 & 9M FY16 Consolidated Financials**
- ☐ **About Us**
- ☐ **Business Model**
- ☐ **Business Strategy & Outlook**

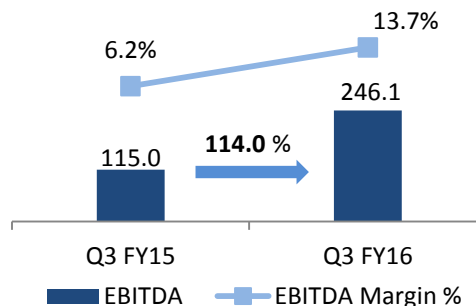
Q3 & 9M FY16 RESULTS: KEY HIGHLIGHTS

REVENUES & GROSS MARGIN

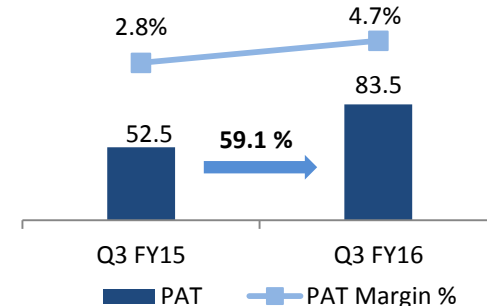


Q3 FY16 YoY ANALYSIS

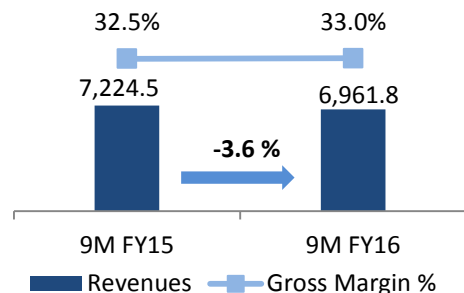
EBITDA & EBITDA MARGIN *



PAT & PAT MARGIN

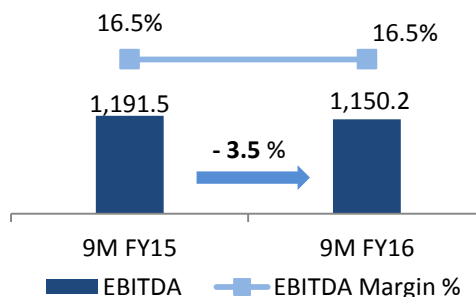


REVENUES & GROSS MARGIN

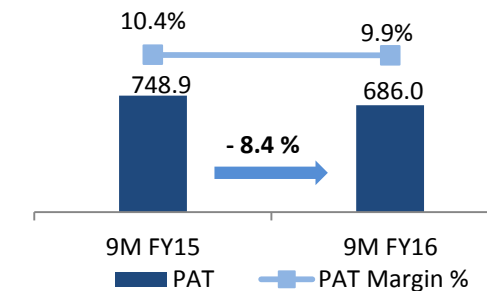


9M FY16 YoY ANALYSIS

EBITDA & EBITDA MARGIN *



PAT & PAT MARGIN



* Excluding Foreign Exchange Impacts

In Rs Mn

Q3 FY16 RESULTS: KEY HIGHLIGHTS

FINANCIAL UPDATE -

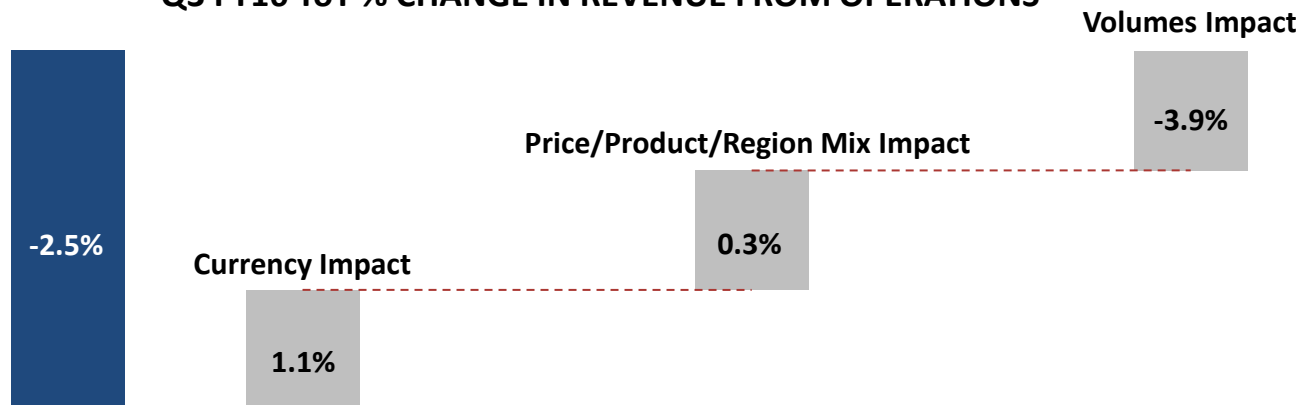
- Q3 FY16 Total Revenues marginally declined by 2.7% YoY primarily due to volume de-growth of 3.9%, partially offset by positive change in price/product/region mix and favourable currency movement. The company has strategically reduced its exposure to LATAM region due to unfavourable economic environment.
- Q3 FY16 Gross Profit increased by 15.7% YoY primarily due to increased share of sales to high margin European region along with reduced exposure to lower margin LATAM region.
- Q3 FY16 EBIDTA excluding foreign exchange impact increased by 114% due to higher gross profit coupled with 15% reduction in operating expenses.

OPERATIONAL UPDATE -

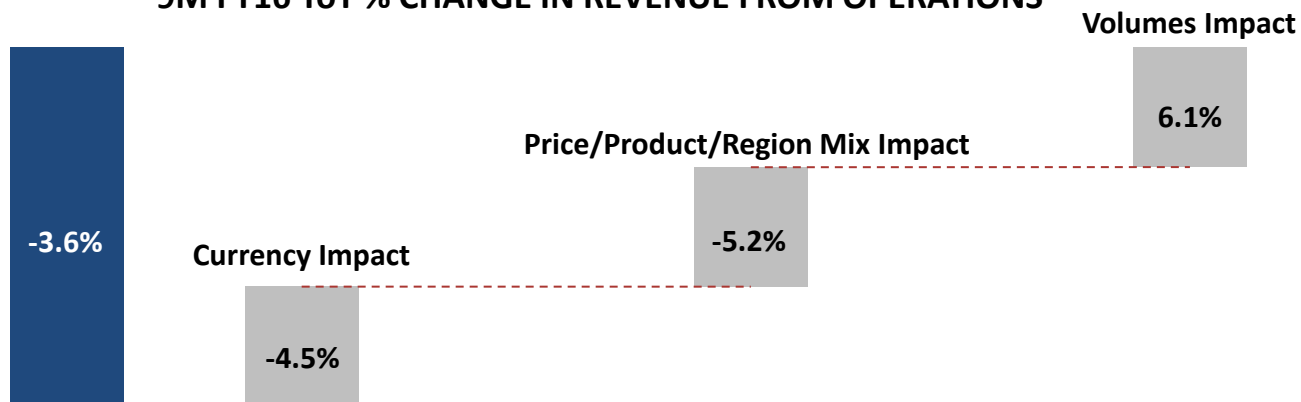
- Total number of registrations increased to 1,626 as on 31-December-15, compared to 1,543 as on 30-September-15.
- In Q3 FY16, the company added 83 registrations (Europe: 38, NAFTA: 5, LATAM: 41 and RoW: 1 under renewal).
- The company has another 786 registrations in the pipeline across geographies.
- Total revenue contribution from the Top 10 molecules has been 65% in 9M FY16 as compared to 64% in 9M FY15.

Q3 & 9M FY16 RESULTS: REVENUE ANALYSIS

Q3 FY16 YoY % CHANGE IN REVENUE FROM OPERATIONS

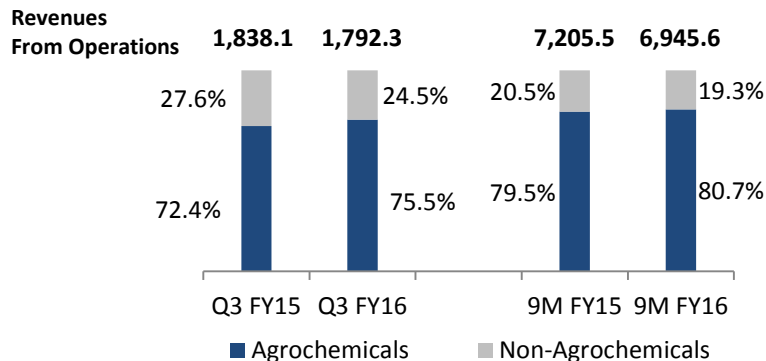


9M FY16 YoY % CHANGE IN REVENUE FROM OPERATIONS

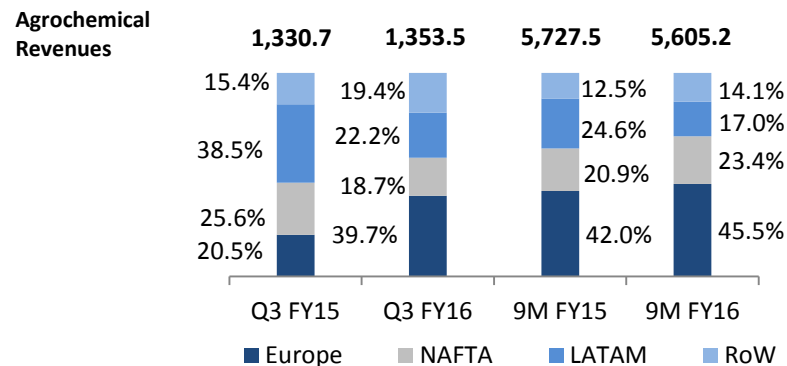


Q3 & 9M FY16 RESULTS: REVENUE ANALYSIS

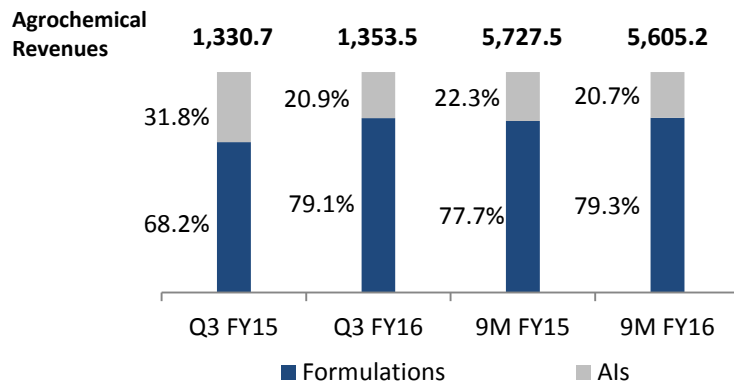
AGROCHEMICALS VS. NON-AGROCHEMICALS



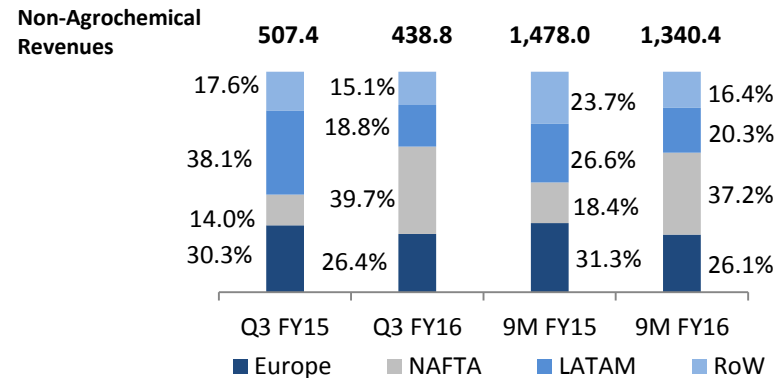
GEOGRAPHICAL PRESENCE – AGROCHEMICAL SALES



FORMULATIONS VS. ACTIVE INGREDIENTS

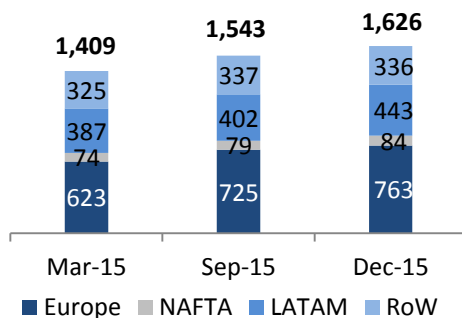


GEOGRAPHICAL PRESENCE – NON-AGROCHEMICAL SALES

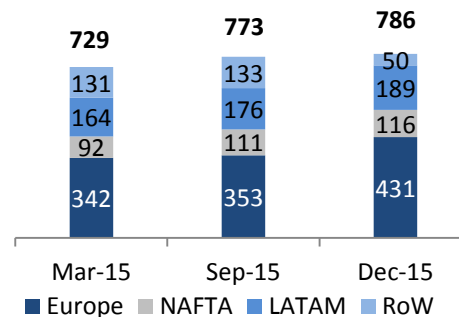


UPDATE ON REGISTRATIONS

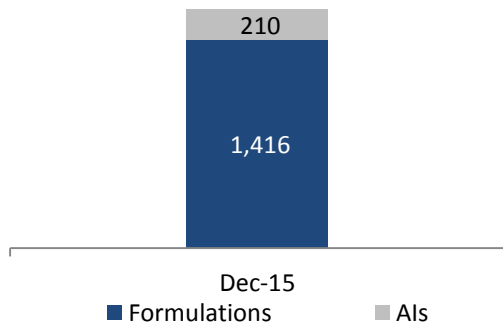
**REGISTRATIONS AS ON
31-DECEMBER-2015: 1,626**



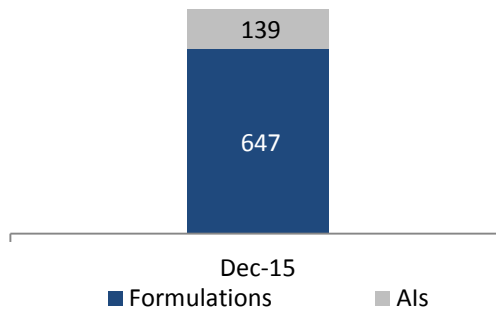
**REGISTRATIONS PIPELINE AS ON
31-DECEMBER-2015: 786**



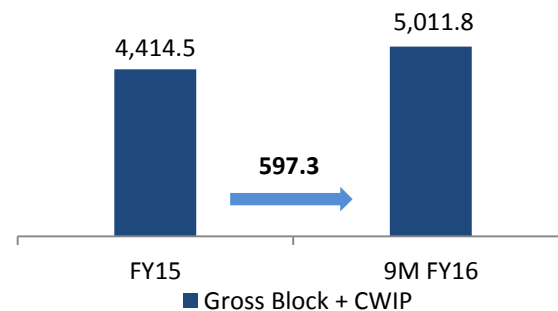
**REGISTRATIONS –
FORMULATIONS VS. ACTIVE INGREDIENTS**



**REGISTRATIONS PIPELINE –
FORMULATIONS VS. ACTIVE INGREDIENTS**



**CAPEX INCURRED ON
REGISTRATIONS (IN RS MN)**



CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q3 FY16	Q3 FY15	YoY %	9M FY16	9M FY15	YoY%	FY15
Revenue from Operations	1,792.3	1,838.1	-2.5%	6,945.6	7,205.5	-3.6%	10,610.6
Other Operating Income	3.1	7.8	-60.5%	16.2	19.0	-14.6%	13.9
Total Revenues	1,795.4	1,845.9	-2.7%	6,961.8	7,224.5	-3.6%	10,624.6
COGS	1,201.4	1,332.3	-9.8%	4,664.5	4,879.7	-4.4%	7,100.7
Gross Profit	594.0	513.6	15.7%	2,297.3	2,344.7	-2.0%	3,523.9
Gross Margin	33.1%	27.8%	526 bps	33.0%	32.5%	54 bps	33.2%
Employee Expenses	57.1	55.7	2.6%	190.3	174.0	9.4%	246.4
Other Expenses	290.8	408.5	-28.8%	956.9	1,148.3	-16.7%	1,551.0
EBITDA	246.1	49.5	397.3%	1,150.2	1,022.4	12.5%	1,726.5
EBITDA Margin %	13.7%	2.7%	1103 bps	16.5%	14.2%	237 bps	16.2%
Operating EBITDA Excl. Forex Impacts	246.1	115.0	114.0%	1,150.2	1,191.5	-3.5%	1,908.6
Operating EBITDA Margin % excl. Forex Impacts	13.7%	6.2%	748 bps	16.5%	16.5%	3 bps	18.0%
Depreciation	81.9	54.8	49.6%	246.6	166.8	47.9%	233.1
Finance Cost	0.0	5.7	-	0.1	16.6	-	8.0
Other Income	-1.0	63.8	-101.6%	139.5	192.9	-27.7%	273.3
Prior Period Adjustments (Net of tax)	-5.4	4.2	-226.3%	1.2	4.2	-71.0%	-4.5
PBT	157.8	57.1	176.5%	1,044.2	1,036.2	0.8%	1,754.1
Tax Expense	74.3	4.6	1513.2%	358.4	285.7	25.4%	524.3
Minority Interest	0.1	0.0	26.7%	0.2	-1.5	-113.8%	0.0
PAT after minority interest	83.5	52.5	59.1%	686.0	748.9	-8.4%	1,229.7
PAT Margin %	4.7%	2.8%	181 bps	9.9%	10.4%	-51 bps	11.6%
Earnings Per Share (EPS)	0.93	0.58	60.3%	7.60	8.30	-8.4%	13.63

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 31-Dec-15, Sharda owned 1,416 registrations for formulations and 210 registrations for active ingredients (AIs) and filed 786 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.

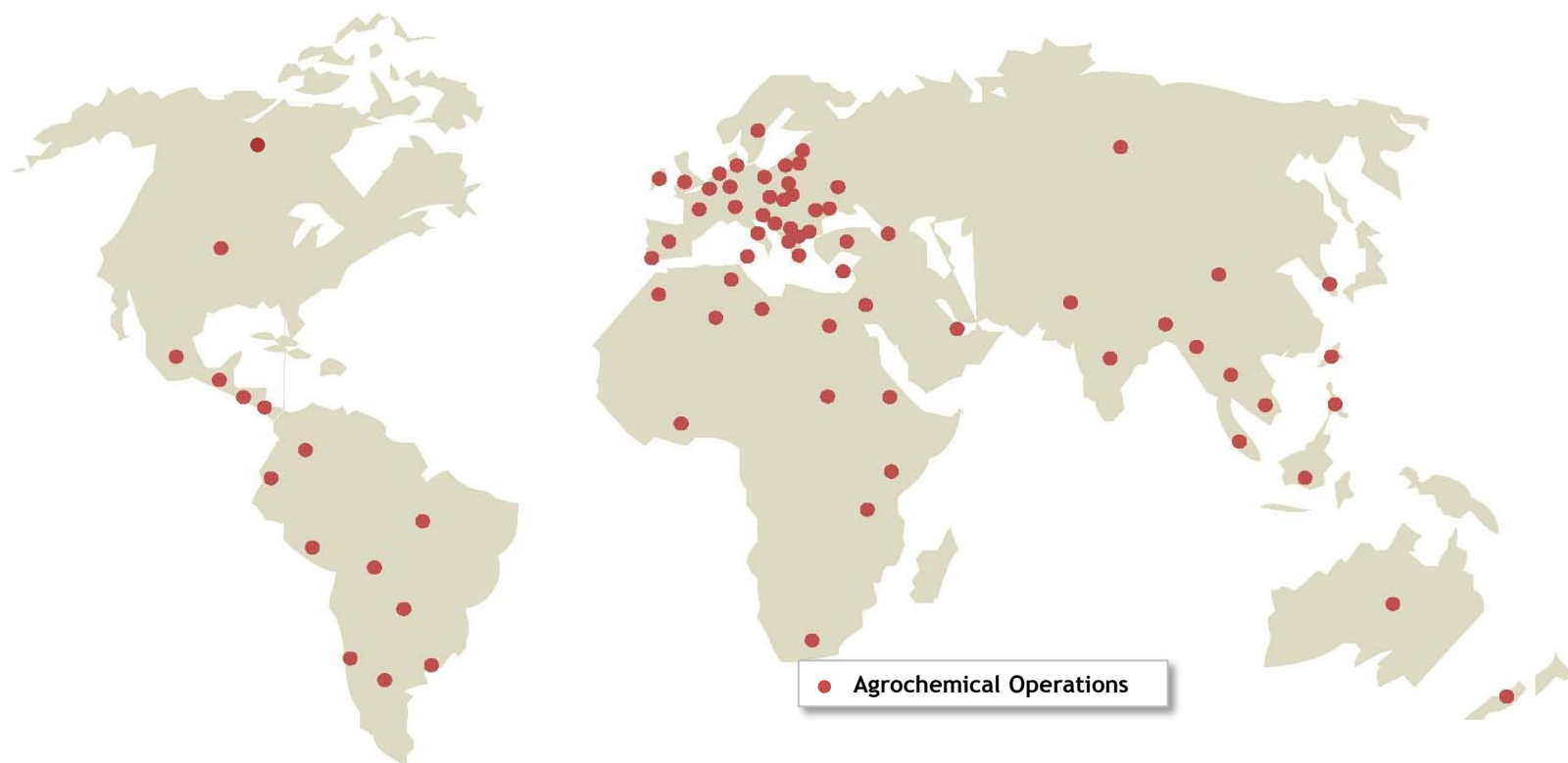
KEY STRENGTHS

- 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 621 third-party distributors and over 119 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 10,624.6 mn, Rs 1,726.5 mn and Rs 1,229.7 mn in FY15 having grown at CAGR of 25%, 21% and 31% over FY11 to FY15.
- Strong balance sheet and asset light model resulting into a strong net cash position of Rs 1,180.4 mn, gross debt of Rs 380.7 mn and equity of Rs 6,545.1 mn in FY15.
- Healthy Return Ratios in FY15 :
 - ROCE – 23.7%
 - Cash Adj. ROCE – 32.5%
 - ROE – 20.3%

ABOUT US: OUR PRESENCE

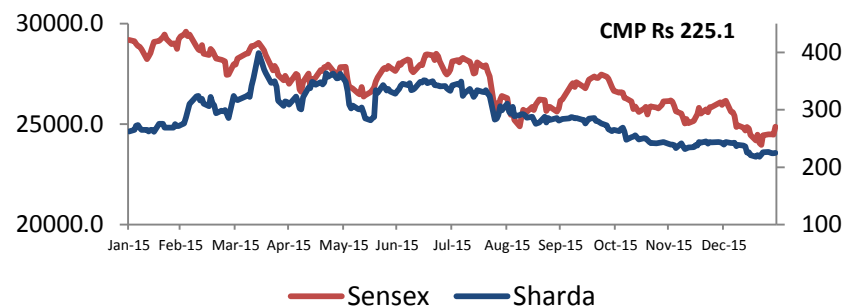


Diversified business operations across the globe leading to reduced risk of adverse market and seasonal conditions

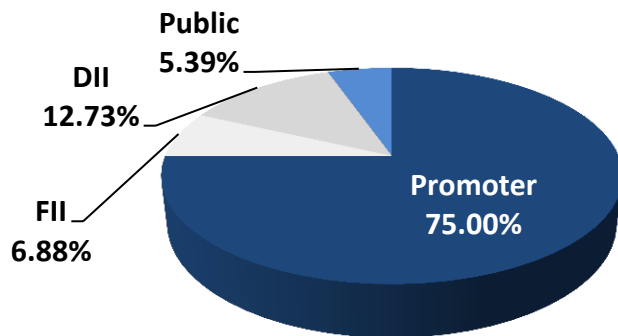
ABOUT US: SHAREHOLDING STRUCTURE

Market Data	As on 29.01.16 (BSE)
Market capitalization (Rs Mn)	20,308.6
Price (Rs.)	225.1
No. of shares outstanding (Mn)	90.2
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	408.9 – 212.0

Share Price Performance



Shareholding As On 31-December-2015



Key Institutional Investors As on 31-December-2015

Key Institutional Investors As on 31-December-2015	% Holding
DSP Blackrock Investment Manager	5.40%
HDFC Asset Management	3.54%
Pinebridge Investments	2.35%
Goldman Sachs	2.01%
SBI Funds Management	1.87%

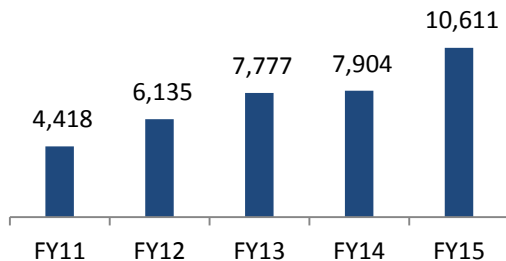
Source: BSE

ABOUT US: FINANCIAL SUMMARY

In Rs MN

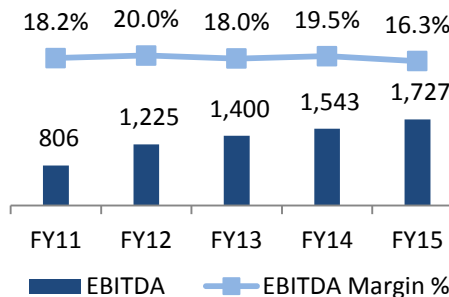
REVENUE FROM OPERATIONS

CAGR: 24.5%



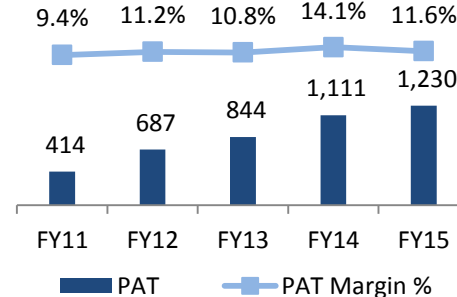
EBITDA & EBITDA Margin

CAGR: 20.7%

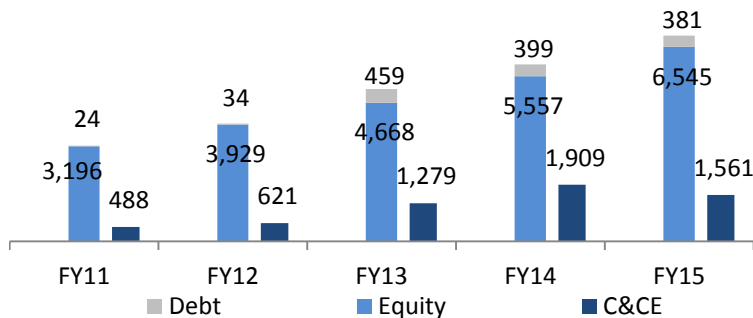


PAT & PAT Margin

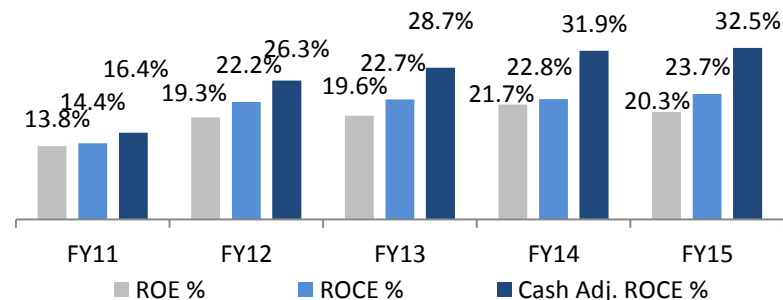
CAGR: 31.3%



LEVERAGE ANALYSIS



RETURN METRICS



Source: Figures for FY11, 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&CE)]

DIFFERENTIATED BUSINESS MODEL: ASSET LIGHT MODEL

Agrochemical Value Chain

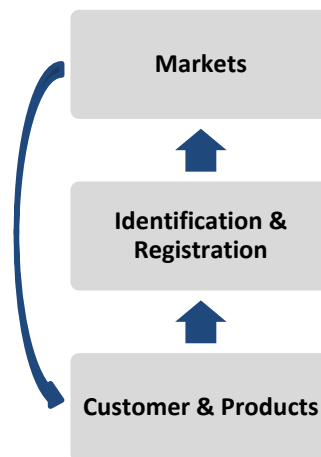
Sharda's Operating Area



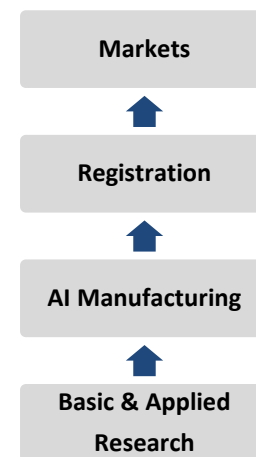
ASSET LIGHT BUSINESS MODEL

- 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 FOCUSSED 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 & 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



Sharda Cropchem Limited

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DICKENSON **SEAGULL** **IR**

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