Sharda Cropchem Limited
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www.shardaworld.com

ISO 9001: 2008 Reg. No: 690257
CIN: L51909MH2004PLC145007

November 05, 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 Quarter and Half Year ended September 30, 2016

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 Quarter and Half Year ended September 30, 2016.

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,

Sharda Cropchem Limited MUMBAI 400050

Jetkin Gudhka
Company Secretary
& Compliance Officer

Encl: As above

Sharda Cropchem Limited

HELPING FARMERS PROSPER AROUND THE WORLD

Q2 & H1 FY17
RESULTS UPDATE
NOVEMBER 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.

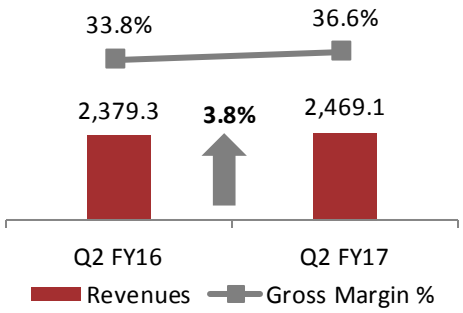
DISCUSSION SUMMARY

- Q2 & H1 FY17 Results Highlights
- Q2 & H1 FY17 Consolidated Financials
- About Us
- Business Model
- Business Strategy & Outlook

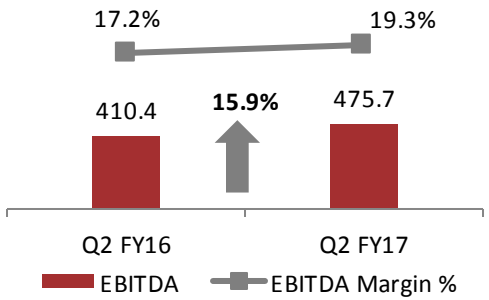
Q2 & H1 FY17 RESULTS: KEY HIGHLIGHTS

Q2 FY17 YoY ANALYSIS

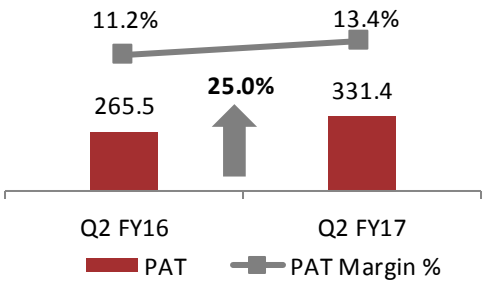
REVENUES & GROSS MARGIN



EBITDA & EBITDA MARGIN *

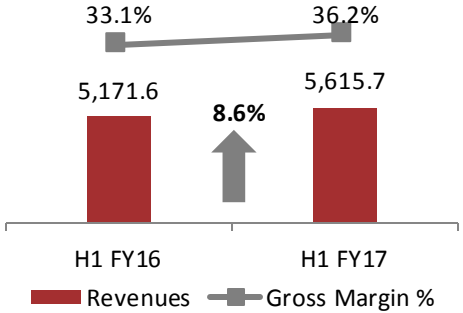


PAT & PAT MARGIN

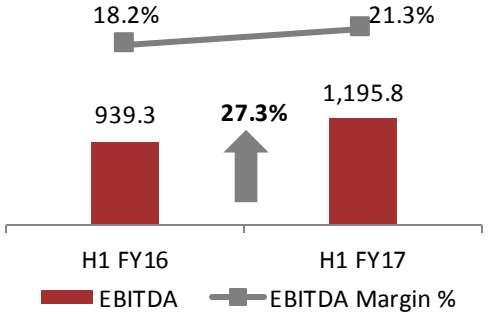


H1 FY17 YoY ANALYSIS

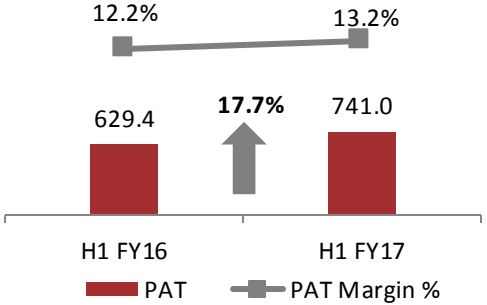
REVENUES & GROSS MARGIN



EBITDA & EBITDA MARGIN *



PAT & PAT MARGIN



*** Excluding Foreign Exchange Impacts**

Q2 & H1 FY17 RESULTS: KEY HIGHLIGHTS

FINANCIAL UPDATE -

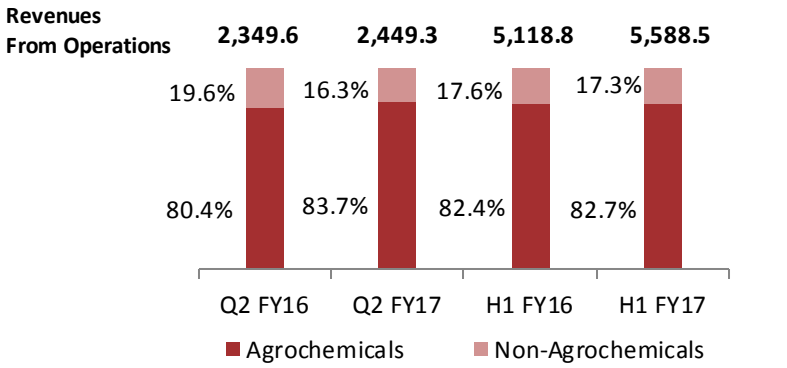
- Q2 FY17 total revenues grew by 3.8% YoY to Rs. 2,469.1 mn –
  - Region-wise growth – Europe (14.2%), NAFTA (3.1%), LATAM (9.4%), ROW (-26.8%)
- Q2 FY17 gross profit increased by 12.4% YoY to Rs. 904.0 mn and gross margin increased by 280 bps to 36.6%.
- Q2 FY17 EBIDTA excluding foreign exchange impacts increased by 15.9% YoY to Rs. 475.7 mn. EBIDTA margin increased by 202 bps to 19.3%.
- Q2 FY17 EBIDTA including foreign exchange impacts increased by 24.1% YoY to Rs. 509.4 mn. EBIDTA margin increased by 338 bps to 20.6%.
- Q2 FY17 PAT grew by 25.0% YoY to Rs 331.8 mn. PAT margin increased by 228 bps to 13.4%

OPERATIONAL UPDATE -

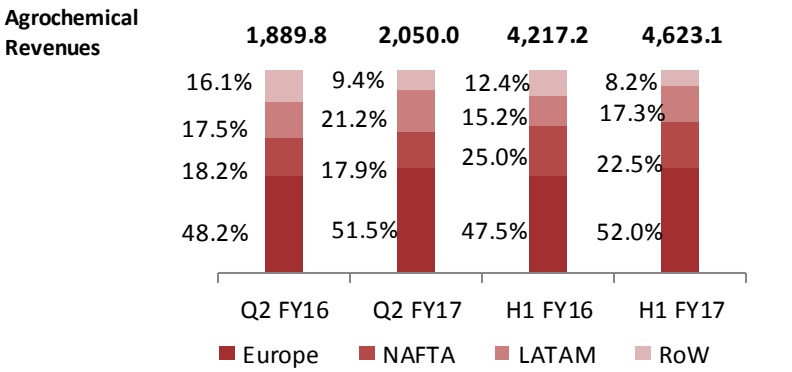
- Total number of registrations increased to 1,936 as of 30-Sep-16 as compared to 1,830 as of 30-Jun-16.
- In Q2 FY16, the company added 106 registrations (Europe – 41, NAFTA – 20, LATAM – 32 and RoW – 13).
- The company has another 782 registrations in the pipeline across geographies.
- Total revenue contribution from the Top 10 molecules was 63.5% in H1 FY17 as compared to 64.8% in H1 FY16.

Q2 & H1 FY17 RESULTS: REVENUE ANALYSIS

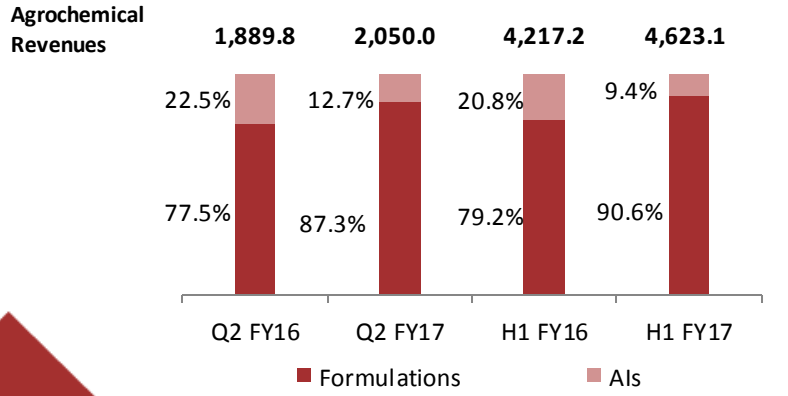
AGROCHEMICALS VS. NON-AGROCHEMICALS



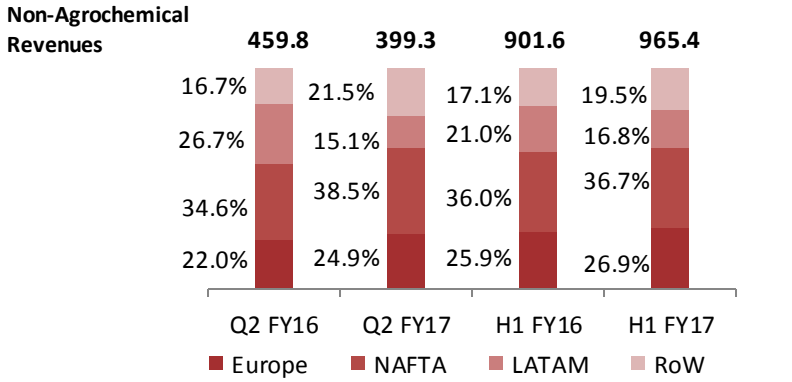
GEOGRAPHICAL PRESENCE – AGROCHEMICAL SALES



FORMULATIONS VS. ACTIVE INGREDIENTS

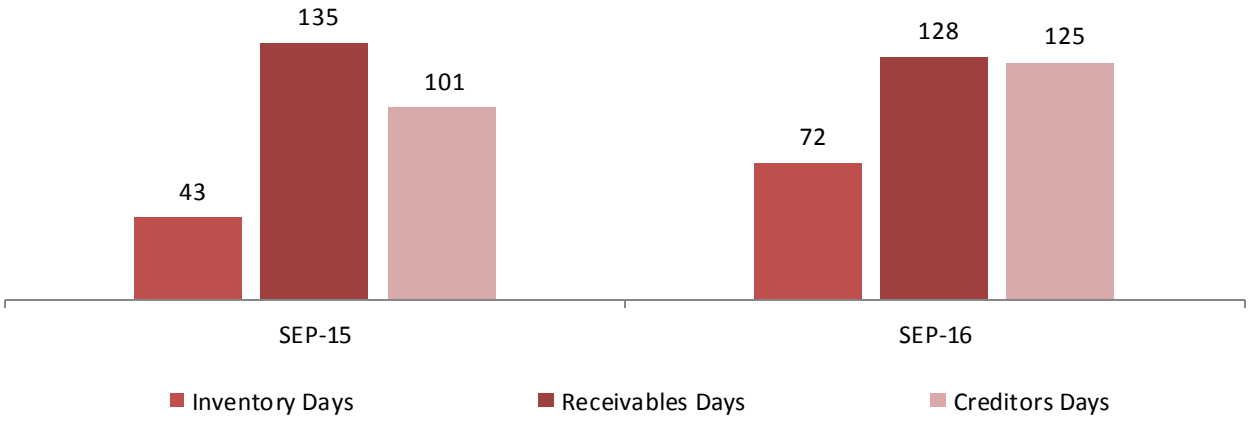


GEOGRAPHICAL PRESENCE – NON-AGROCHEMICAL SALES



WORKING CAPITAL ANALYSIS

WORKING CAPITAL ANALYSIS *



NET WORKING CAPITAL DAYS IMPROVED YOY FROM 77 DAYS TO 75 DAYS

* Calculated on closing inventory, receivables, creditors

CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q2 FY17	Q2 FY16	YoY %	H1FY17	H1FY16	YoY %
Revenue from Operations	2,449.3	2,349.6	4.2%	5,588.5	5,118.8	9.2%
Other Operating Income	19.7	29.7	-33.6%	27.2	52.8	-48.4%
Total Revenues	**2,469.1**	**2,379.3**	**3.8%**	**5,615.7**	**5,171.6**	**8.6%**
COGS	1,565.1	1,574.8	-0.6%	3,581.8	3,460.1	3.5%
Gross Profit	**904.0**	**804.5**	**12.4%**	**2,033.9**	**1,711.5**	**18.8%**
Gross Margin	**36.6%**	**33.8%**	**280 bps**	**36.2%**	**33.1%**	**312 bps**
Employee Expenses	62.4	65.8	-5.2%	129.9	132.2	-1.7%
Professional Charges	158.7	123.6	28.4%	299.2	239.5	25.0%
Other Expenses	173.4	204.7	-15.3%	430.0	400.5	7.4%
EBITDA	**509.4**	**410.4**	**24.1%**	**1,174.7**	**939.3**	**25.1%**
EBITDA Margin %	**20.6%**	**17.2%**	**338 bps**	**20.9%**	**18.2%**	**276 bps**
Operating EBITDA Excl. Forex Impacts	**475.7**	**410.4**	**15.9%**	**1,195.8**	**939.3**	**27.3 %**
Operating EBITDA Margin % excl. Forex Impacts	**19.3%**	**17.2%**	**202 bps**	**21.3%**	**18.2%**	**313 bps**
Depreciation	118.2	73.1	61.8%	245.3	164.7	49.0%
Finance Cost	0.0	0.0	-	0.1	0.1	-
Other Income	58.7	65.0	-9.6%	98.5	151.9	-35.2%
PBT	**449.9**	**402.3**	11.8%	**1,027.8**	**926.5**	10.9%
Tax Expense	118.0	136.8	-13.7%	287.2	297.2	-3.4%
PAT	**331.8**	**265.5**	**25.0%**	**740.5**	**629.3**	**17.7%**
Minority Interest	0.0	0.0	-136.8%	0.5	0.1	218.1%
Reported PAT	**331.8**	**265.5**	**25.0%**	**741.0**	**629.4**	**17.7%**
PAT Margin %	**13.4%**	**11.2%**	**228 bps**	**13.2%**	**12.2%**	**102 bps**
Earnings Per Share (EPS) In Rs.	**3.67**	**2.94**	**24.8%**	**8.21**	**6.98**	**17.6%**

CONSOLIDATED BALANCE SHEET

Particulars in Rs. Mn	H1 FY17
Assets	
Non-Current Assets	
Property, Plant and Equipment	12.3
Goodwill on consolidation	3.8
Other Intangible assets	1,591.4
Intangible assets under development	2,381.2
Financial Assets	
Loans	0.8
Deferred Tax Assets (net)	16.9
Non-Current Tax Assets	546.3
	4,552.7
Current Assets	
Inventories	2,196.4
Financial Assets	
Investments	1,381.3
Trade Receivables	3,905.2
Cash & Bank Balance	1,029.7
Loans	2.6
Other Financial Assets	9.1
Other Current Assets	166.7
	8,691.1
Total Assets	**13,243.8**

Particulars in Rs. Mn	H1 FY17
Equities & Liabilities	
Shareholder's Funds	
Equity and Share Capital	902.2
Reserves & Surplus	8,043.9
Non-controlling Interest	0.5
Total Equity	**8,946.6**
Non-Current Liabilities	
Financial Liabilities	
Borrowings	0.9
Other Financial Liabilities	9.0
Provisions	11.2
Deferred Tax Liabilities (net)	475.0
	496.1
Current Liabilities	
Financial Liablities	
Short-term Borrowings	1.7
Trade Payables	2,932.1
Other Financial Liablities	695.5
Other Current Liabilities	117.5
Current Tax Liabilities	27.1
Short-term Provisions	27.2
	3,801.1
Total Equity & Liabilities	**13,243.8**

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 September 2016, Sharda owned 1,677 registrations for formulations and 259 registrations for active ingredients (AIs) and filed 782 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 113 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. (Based on I GAAP)
- 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%

OUR PRESENCE

DIFFERENTIATED BUSINESS MODEL: ASSET LIGHT MODEL

Agrochemical Value Chain

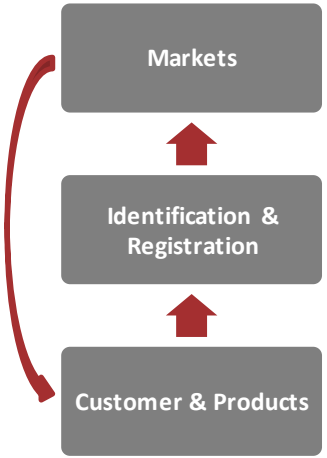
Sharda's Operating Area

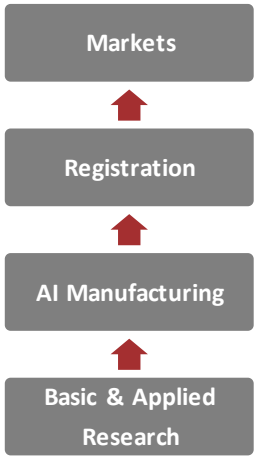
Basic & Applied Research → Identification → Registration → Active Ingredient Manufacturing → Formulation & Packaging → Marketing & Distribution

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

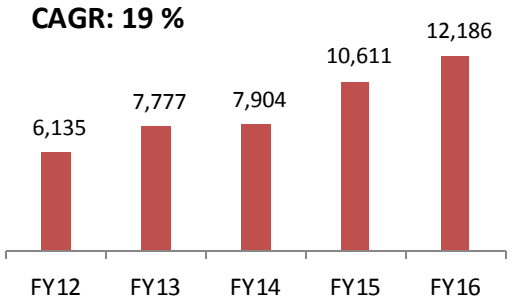
BUSINESS STRATEGY & OUTLOOK

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.

FINANCIAL SUMMARY

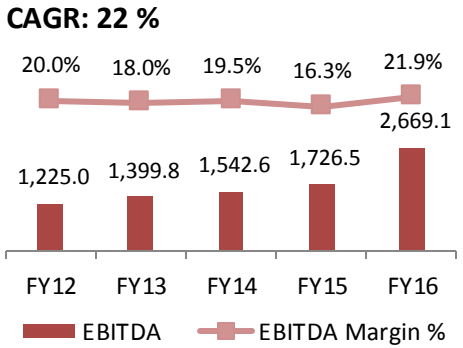
In Rs Mn

REVENUE FROM OPERATIONS *

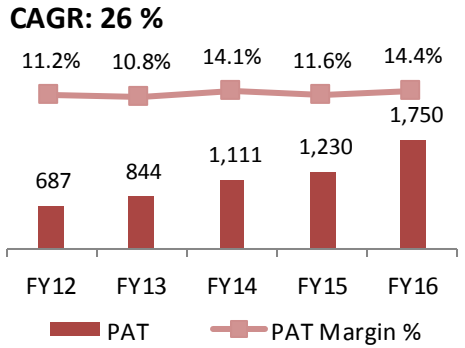


* Based on I GAAP

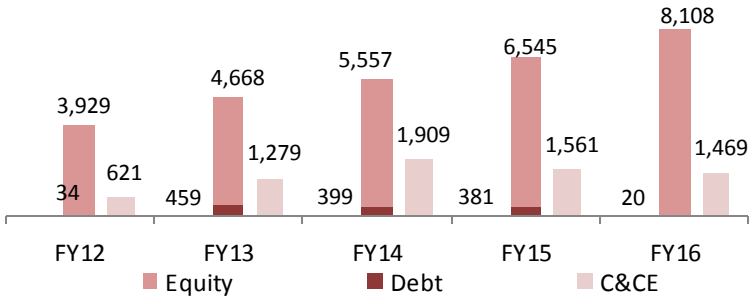
EBITDA & EBITDA MARGIN



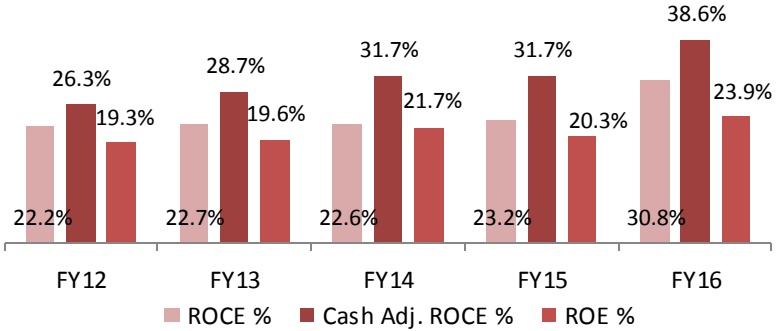
PAT & PAT MARGIN



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&CE)]

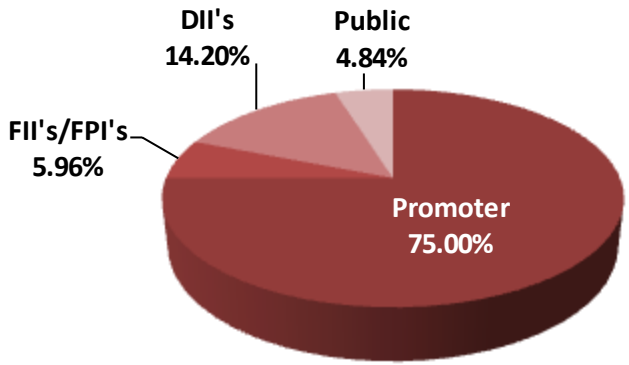
SHAREHOLDING STRUCTURE

Key Institutional Investors – 30th September 2016	% Holding
DSP Blackrock Investment Manager	6.97%
HDFC MF	4.31%
Pinebridge Investments	2.56%
Goldman Sachs	2.02%
SBI MF	1.99%
Reliance Capital	0.82%

Source: Company

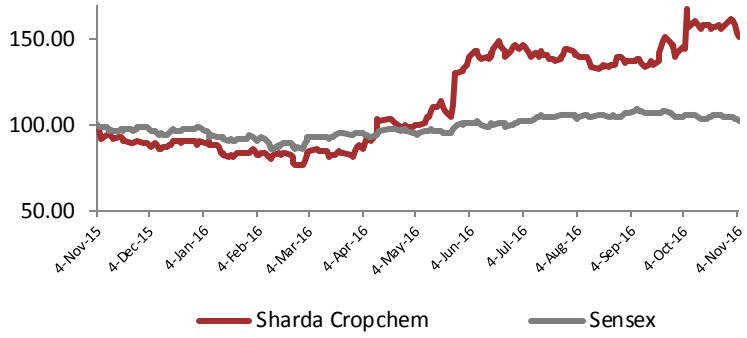
Market Data (BSE)	As on 4 / 11 / 2016
Market capitalization (Rs Mn)	36,674.6
Price (Rs.)	406.5
No. of shares outstanding (Mn)	90.2
Face Value (Rs.)	10.0
52 week High-Low (Rs.)	461.5 – 203.3

Shareholding – 30th September 2016

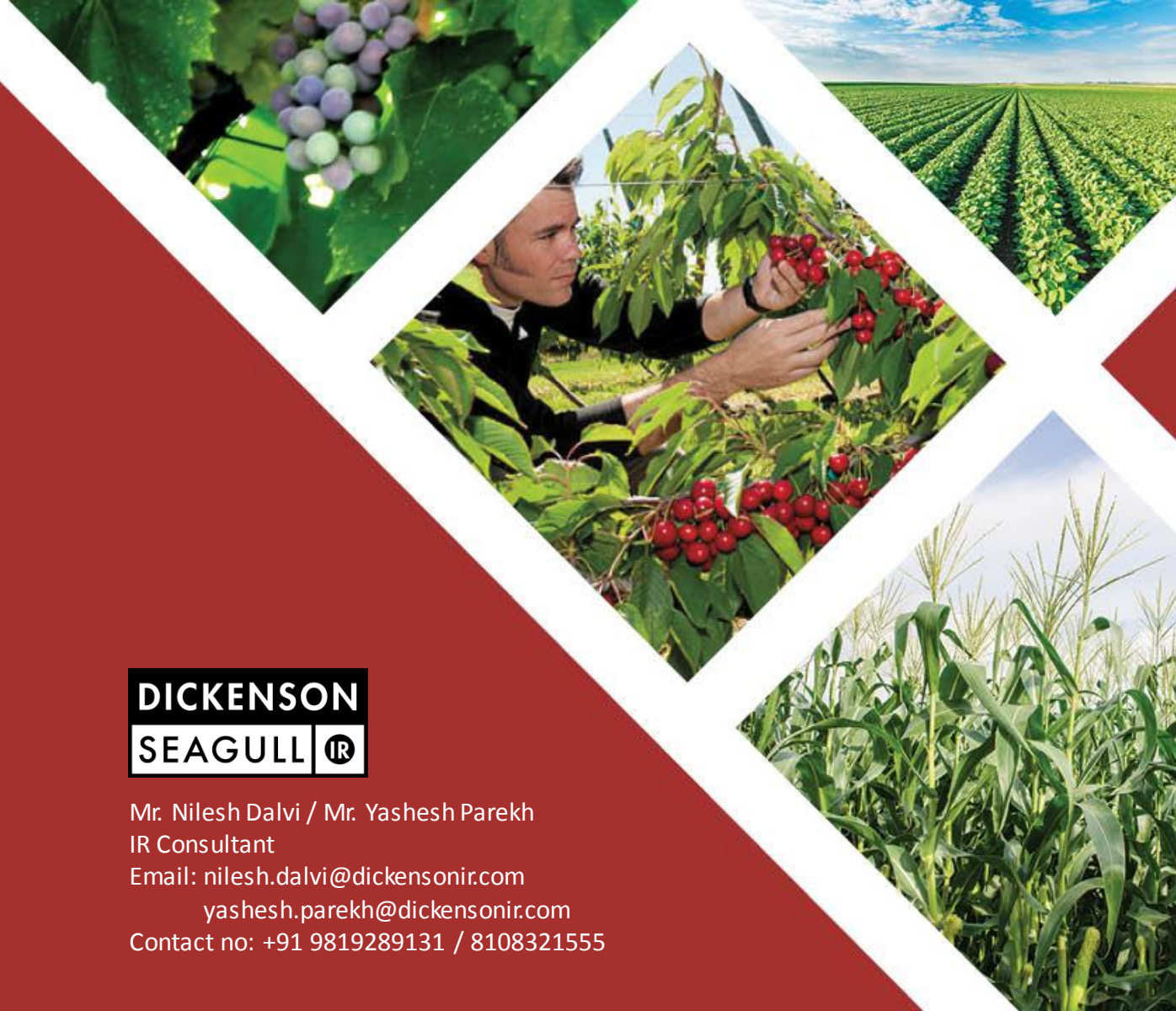


Source: Company

Share Price Performance



Source: BSE



Sharda Cropchem Limited

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