



Limitless Growth



DHARMAJ[®]
CROP GUARD LIMITED

Dharmaj Crop Guard Limited
Q2 & H1FY24 Earnings Presentation | November 2023

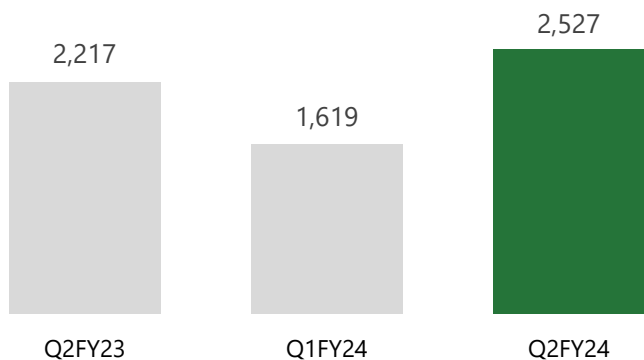
Performance Highlights (Q2)

FINANCIAL HIGHLIGHTS

Revenue from Operations

(₹ Mn)

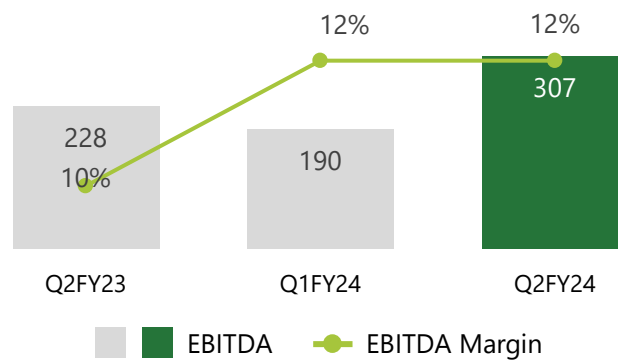
▲ 14% YOY



EBITDA & EBITDA Margin

(₹ Mn & %)

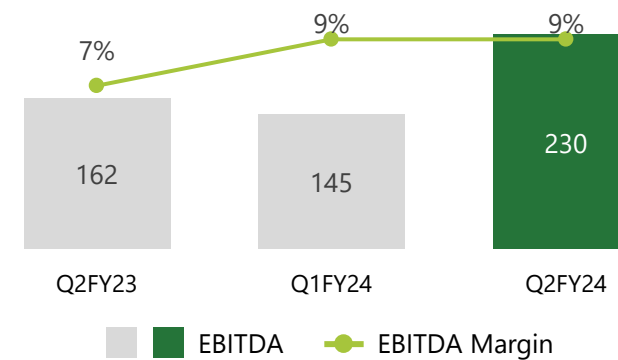
▲ 35% YOY



PAT & PAT Margin

(₹ Mn & %)

▲ 42% YOY

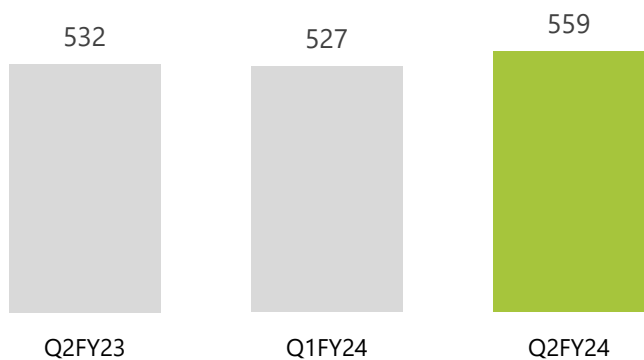


BUSINESS VERTICALS HIGHLIGHTS

Branded Formulations

(₹ Mn)

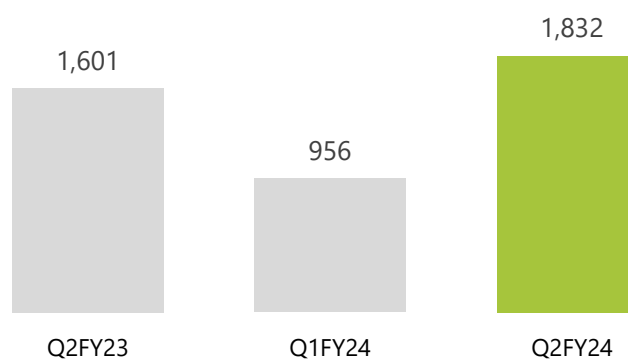
▲ 5% YOY



Domestic Institutional Formulations

(₹ Mn)

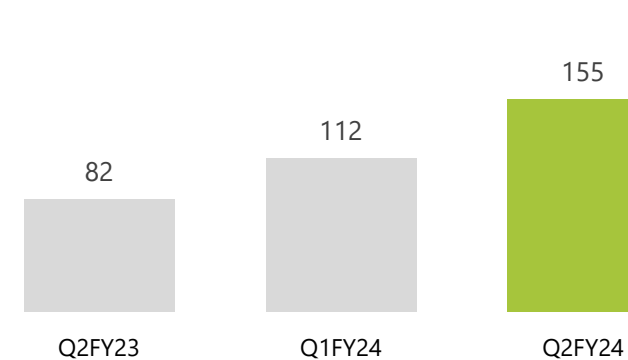
▲ 14% YOY



Export Institutional Formulations

(₹ Mn)

▲ 91% YOY



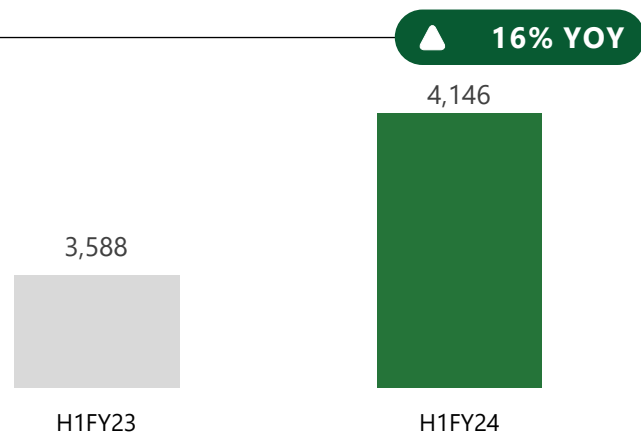
Note: Difference in Revenue from Operations and Sales Break-up (as per business verticals) is due to Export Incentives

Performance Highlights (H1)

FINANCIAL HIGHLIGHTS

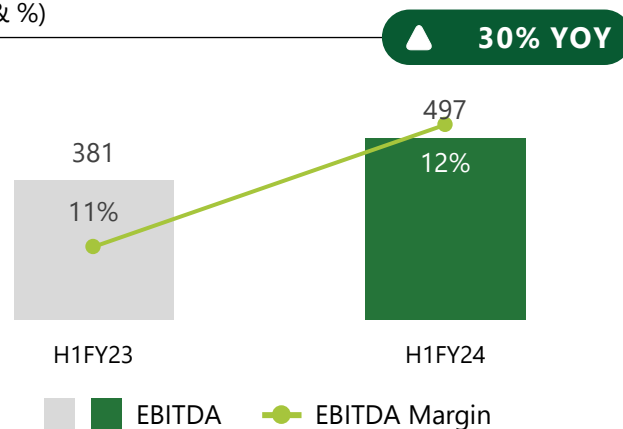
Revenue from Operations

(₹ Mn)



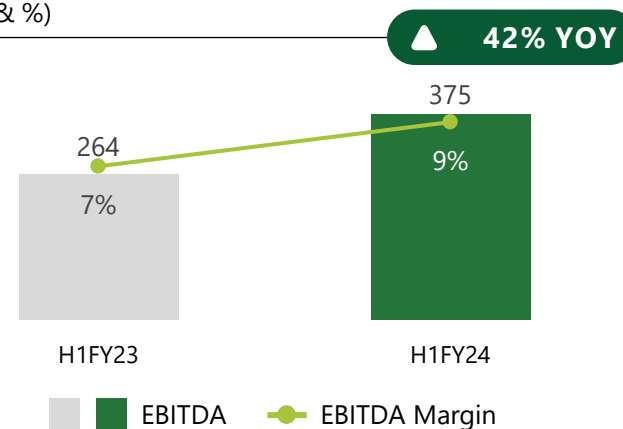
EBITDA & EBITDA Margin

(₹ Mn & %)



PAT & PAT Margin

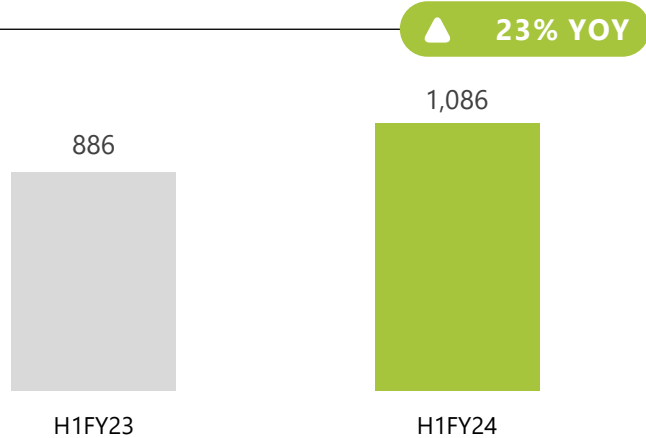
(₹ Mn & %)



BUSINESS VERTICALS HIGHLIGHTS

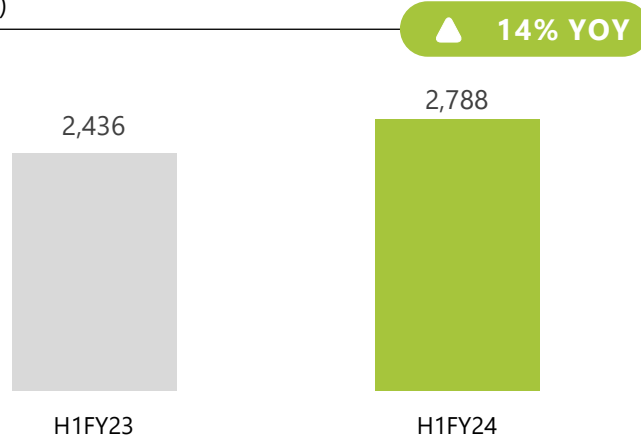
Branded Formulations

(₹ Mn)



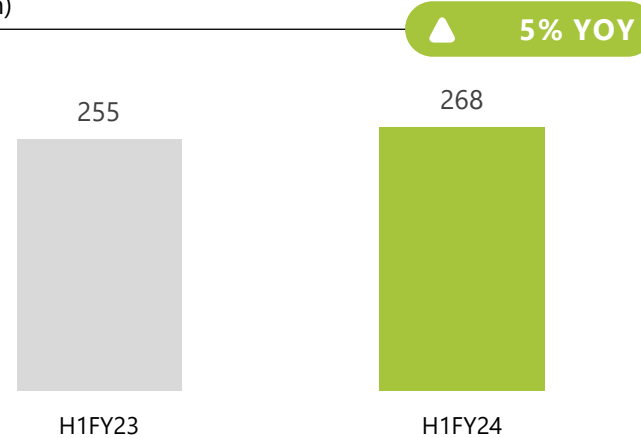
Domestic Institutional Formulations

(₹ Mn)



Export Institutional Formulations

(₹ Mn)



Note: Difference in Revenue from Operations and Sales Break-up (as per business verticals) is due to Export Incentives

Profit & Loss Summary (Q2 & H1)

(₹ Mn)

Particulars	Q2FY23	Q1FY24	Q2FY24	YoY Change	H1FY23	H1FY24	YoY Change
Revenue from Operations	2,217	1,619	2,527	14%	3,588	4,146	16%
Gross Profit	375	356	500	33%	649	856	32%
Gross Profit Margin (%)	17%	22%	20%	286 BSP	18%	21%	255 BSP
Operating Expenses	147	166	193	31%	268	358	34%
EBITDA	228	190	307	35%	381	497	30%
EBITDA Margin (%)	10%	12%	12%	186 BSP	11%	12%	137 BSP
Depreciation & Amortisation	12	13	1	-94%	24	13	-44%
EBIT	216	178	306	42%	358	484	35%
Finance Cost	7	7	4	-41%	13	11	-16%
Other Income	8	24	6	-23%	9	30	242%
Profit Before Taxes (and EI)	217	195	308	42%	353	503	42%
Tax Expenses	55	50	78	41%	90	128	43%
Profit After Taxes	162	145	230	42%	264	375	42%
Profit After Taxes Margin (%)	7%	9%	9%	182 BSP	7%	9%	170 BSP
Earnings Per Share (₹)*	6.55	4.29	6.81		10.68	11.11	

Note: *EPS not annualised

Balance Sheet Summary (H1)

(₹ Mn)

Particulars	H1FY23	FY23	H1FY24
TOTAL EQUITY	1,110	3,214	3,590
Non-Current Liabilities	551	378	513
Borrowings	513	335	496
Current Liabilities	1,785	792	2,099
Borrowings	143	189	223
Trade Payables	1,591	553	1,352
TOTAL EQUITY & LIABILITIES	3,446	4,385	6,201
Non-Current Assets	819	1,514	2,698
Property, plant and equipment	396	385	473
Capital work-in-progress	350	947	2,118
Current Assets	2,627	2,871	3,503
Inventories	815	729	726
Trade Receivables	1,698	741	2,570
Cash and cash equivalents	7	4	4
TOTAL ASSETS	3,446	4,385	6,201

Management Commentary

I am pleased to share insights into our Company's performance for Q2FY24. Amidst a dynamic operating environment, Dharmaj Crop Guard has sustained its robust business momentum, resulting in a 14% YOY growth in Revenue from Operations, which now stands at ₹2,527 million.

This trajectory has been driven by volumetric growth across our business verticals, whilst maintaining a stable realisation in line with the preceding quarter. The resilience of our growth is particularly commendable given the prevailing headwinds faced by the agrochemical industry.

Despite the setback posed by a monsoon deficit in August, which briefly curtailed the industry's momentum, we have effectively navigated through the challenges, thereby ensuring sustained growth through the quarter. Furthermore, the stability in agrochemical product prices this quarter also reflects a promising environment for our business.

Within our business verticals, we witnessed encouraging sales growth across the board. Branded sales saw a modest 5% increase YOY, despite challenges in existing markets in West India due to deficient rainfall. On the positive side, new states contributed significantly with higher volumes. Our institutional business continued to remain robust, complemented by a pronounced surge in exports, attributable in part to order spill overs from the previous quarter.

Our efforts to improve operational efficiency have yielded positive results, with EBITDA margins showing YOY improvement, and consistent with the trend observed in the previous quarter. This focus has been pivotal in us achieving a higher EBITDA & PAT in H1FY24, compared to the entirety of FY23. While there has been a seasonal increase in Trade Receivables in line with our increased business activity, we have managed these changes without compromising our disciplined approach to working capital management.

We are pleased to report that our greenfield project in Sayakha is on track to be completed by the end of November, in accordance with our originally committed timelines. However, we are encountering some increase in the CAPEX for this project, which was earlier pegged at ₹200 Cr. This can be attributed to two key factors. Firstly, there have been cost escalations in material & labour compared to our original estimates. Secondly, we installed some additional equipment in our multi-purpose plant for technicals, aiming to improve our product-mix flexibility. Additionally, we have also shifted the boiler plant to a newly acquired adjacent site, a strategic move from an operations risk-management standpoint.

Looking forward, we remain optimistic about the rest of the year. The upcoming launch of the Sayakha project in Q3 is expected to further strengthen our business and enhance our position in the agrochemical industry. We are confident in our strategic approach and our ability to navigate through challenges to seize future opportunities.



“The upcoming launch of the Sayakha project in Q3 is expected to further strengthen our business and enhance our position in the agrochemical industry.”

Mr. Rameshbhai Ravajibhai Talavia
Chairman and Managing Director

Strengthened Product Portfolio & Team

300+

Dealers & Distributors added during H1FY24, taking the total to 4,800+

~10

Team Strength addition in Sales & Marketing during Q2FY24, taking the total count to ~230

Product Registration Activity

- 3 new technical registrations filed
- Cumulatively 13 technical registrations received, and 25 pending as of H1FY24
- 3 export market product registrations received (formulations & technical)

Recently launched products (B2C portfolio)



Q1FY24 product launches



Latest Demand Generation Activity

Dealer meets, field days, product demonstrations, in both, new & existing markets



Active Ingredients – Project Overview

Foraying into **Technicals & Intermediates manufacturing** through upcoming greenfield facility at Sayakha

Synthetic Pyrethroids will be the initial product basket

Key technicals (7-8):

- Deltamethrin
- Lambda Cyhalothrin
- Bifenthrin
- Alphamethrin
- Cypermethrin

Key intermediates:

- MPBD
- CMAC

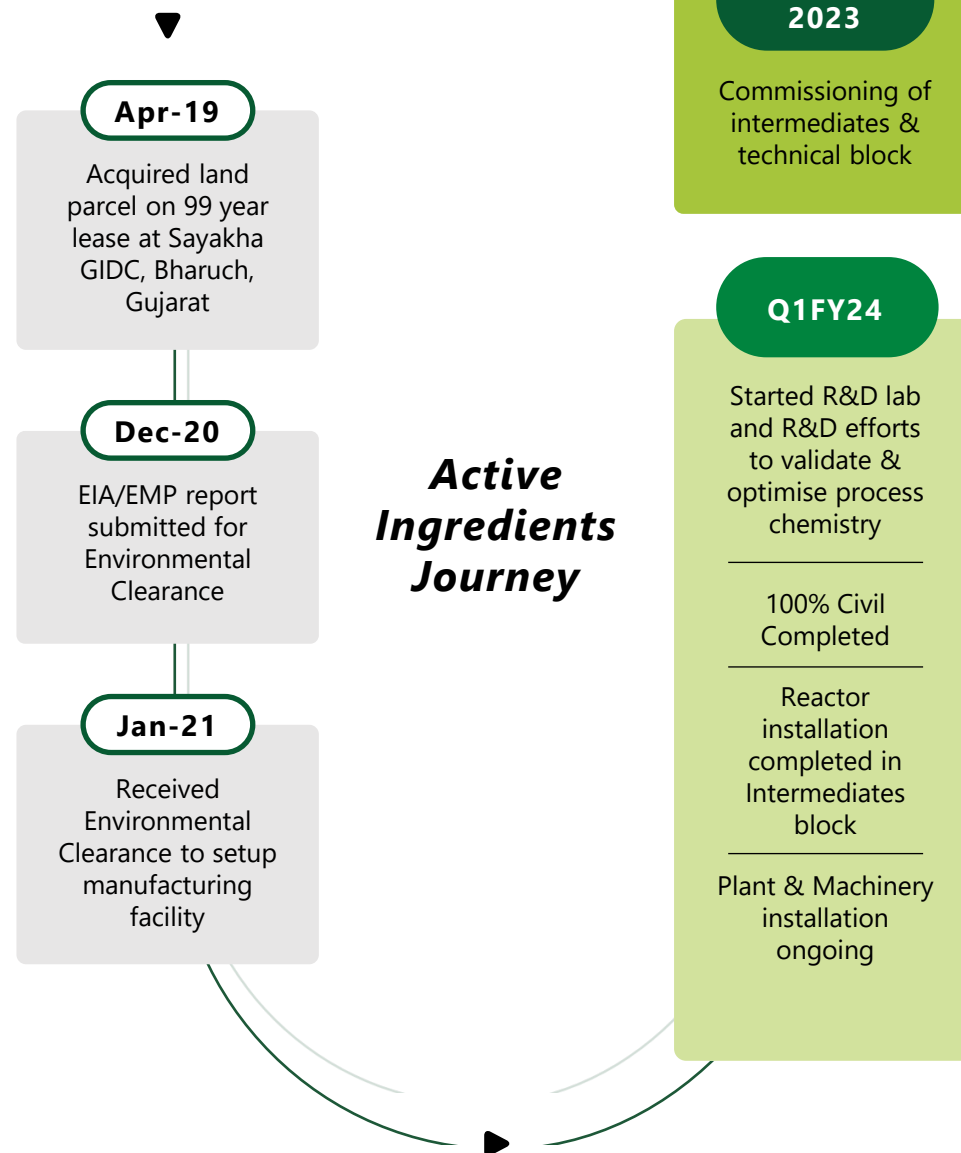
3 separate production blocks:
2 dedicated intermediates manufacturing lines

1 multi-purpose technical manufacturing block

Ability to manufacture 6 technicals simultaneously over 3 manufacturing lines

Facility being setup in accordance with **export market regulatory standards**

Dedicated R&D and QC laboratory with state-of-art equipment



Active Ingredients – Project Overview

Manufacturing Capacity

- **2,500 TPA** dedicated MPBD capacity
- **2,500 TPA** dedicated CMAC capacity
- **3,000 TPA** multi-purpose technical capacity
- **8,000 TPA** Cumulative production capacity

Project Financing

- Partial IPO Proceeds: **₹105 Cr**
- Term Loans Sanctioned: **Up to ₹100 Cr**
- Balance to be funded from **internal accruals**
- Short-term borrowings & internal accruals to finance additional working capital requirements

- **Potential ~3X Fixed Asset Turns** at Optimum Capacity Utilization & Product-Mix

Captive Consumption vs. External Sales

- **60-70%** captive consumption for intermediates
- **20-25%** captive consumption for technicals

Process Optimisations

- Latest generation P&M opted for higher overall efficiency
- Improvement in solvent recovery
- Improvement in distillation process to achieve better yields & purity

Why Synthetic Pyrethroids?

- Open Public & Animal Health vertical for the Company
- Confident of the technical learning curve & plant stabilisation in this product basket
- Complementary product profile to existing formulation business
- India strengthening its position as an export hub of Synthetic Pyrethroids
- High potential use in Public Health & Animal Health

Note: ~3X Asset Turns at Optimum Capacity assumes 100% external sales of the output manufactured at the Sayakha plant, however, the Company will consume a part of the production as feedstock for formulations vertical.



Active Ingredients – Project Status

Status as of early October 2023. Commissioning Planned at end of November 2023.



Utility, Common Tank Farm & IB Yard



MEE & ETP Area



Plant - 1 Building



Reactor Installation Completed



Reactor Installation Completed



Boiler Plant



R&D Laboratory Started in July



R&D Laboratory Started in July

Active Ingredients – Plant Capabilities

Chemistry Capabilities

- Chlorination
- Alkylation
- Friedel Crafts
- Hydrogenation
- Acetylation
- Bromination
- Esterification
- Kharasch Reaction
- Condensation
- Favorskii Rearrangement
- Acidic Hydrolysis



Reaction Capabilities

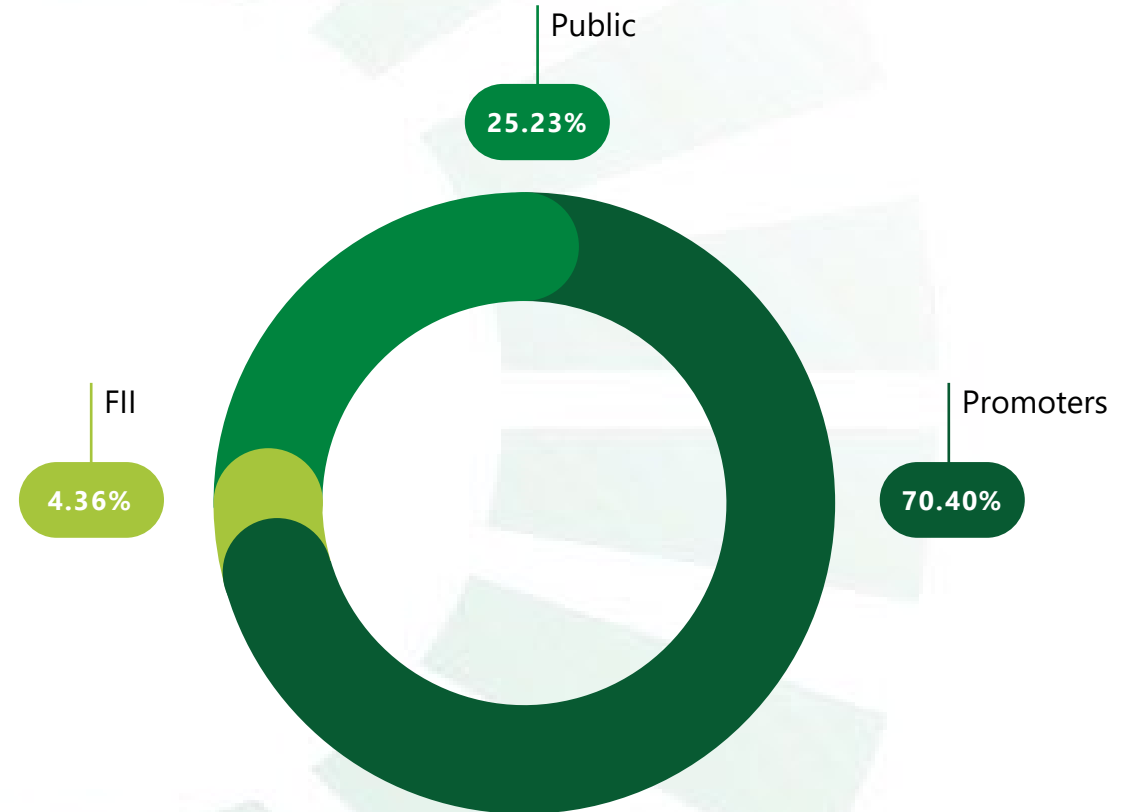
- Batch Reaction
- Chain Reaction
- Continuous Process Reaction
- High Pressure Reaction
- High Vacuum Distillation
- Short Path Distillation
- Fraction Distillation

System Capabilities

- State-of-art ERP implementation

Shareholding & Market Statistics

NSE Symbol	<u>DHARMAJ</u>
BSE Scrip Code	<u>543687</u>
IPO Issue Price Band	₹216 to ₹237
Current Market Price	₹251
52 Week High/Low	₹279 / ₹137
Shares Outstanding	3.38 Cr
Market Capitalization	₹848 Cr
Industry Classification	Pesticides & Agrochemicals



Note: Market Price Data as on 3rd November 2023

For more details read FY23 Investor Presentation



Safe Harbour

This document which have been prepared by Dharmaj Crop Guard Limited (the "Company"), have been prepared solely for information purposes. This document has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Document. This Document may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Document is expressly excluded.

Certain matters discussed in this Document may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company assumes no obligation to update any forward-looking information contained in this Document. Any forward-looking statements and projections made by third parties included in this Document are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



DHARMAJ CROP GUARD LIMITED

Vinay Joshi

Chief Financial Officer

cfo@dharmajcrop.com

079 2960 3735

W: www.dharmajcrop.com

til
ADVISORS

TIL ADVISORS PRIVATE LIMITED

Investor Relations Advisor

Sayam Pokharna

Director

sayam@theinvestmentlab.in

+91 94266 60791