



Limitless Growth



DHARMAJ[®]
CROP GUARD LIMITED

Dharmaj Crop Guard Limited
Q3 & 9MFY24 Earnings Presentation | February 2024

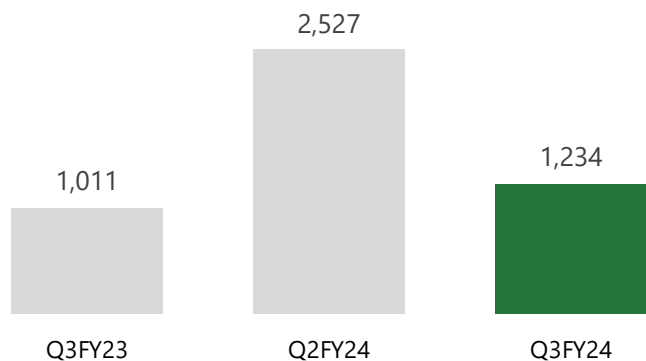
Performance Highlights (Q3)

FINANCIAL HIGHLIGHTS

Revenue from Operations

(₹ Mn)

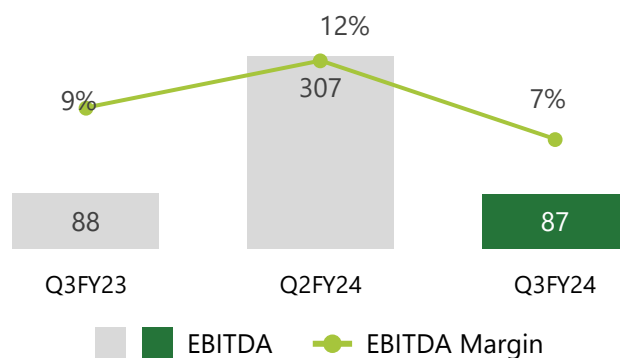
▲ 22% YOY



EBITDA & EBITDA Margin

(₹ Mn & %)

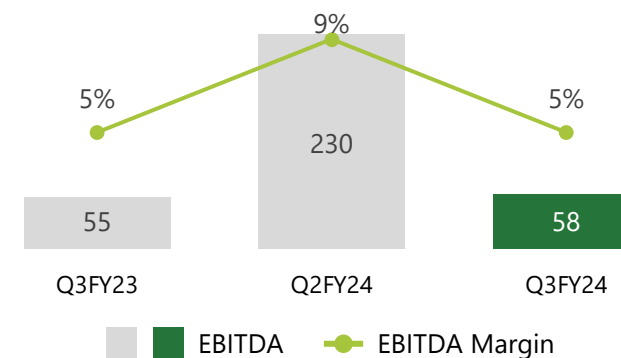
▲ 4% YOY



PAT & PAT Margin

(₹ Mn & %)

▲ 6% YOY



BUSINESS VERTICALS HIGHLIGHTS

Branded Formulations

(₹ Mn)

▼ -13% YOY



Domestic Institutional Formulations

(₹ Mn)

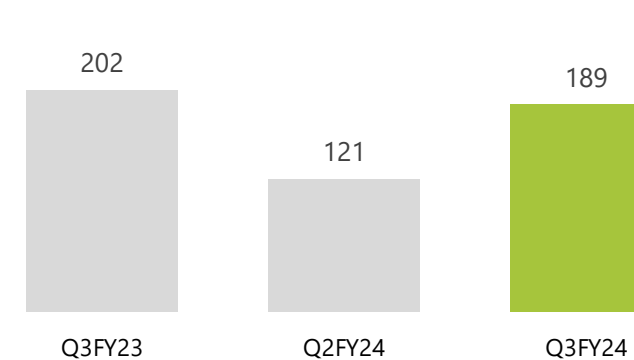
▲ 63% YOY



Export Institutional Formulations

(₹ Mn)

▼ -6% YOY



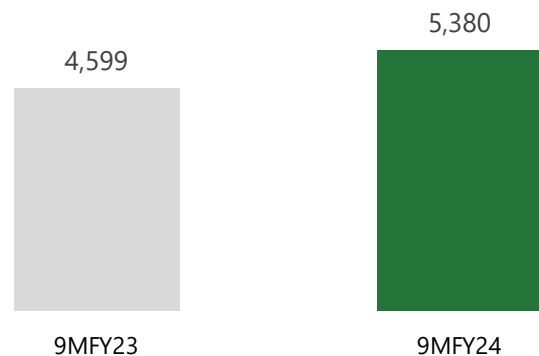
Performance Highlights (9M)

FINANCIAL HIGHLIGHTS

Revenue from Operations

(₹ Mn)

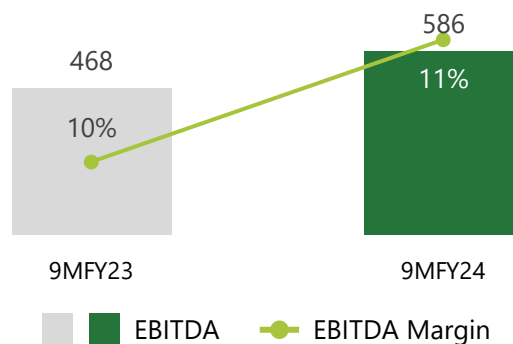
▲ 17% YOY



EBITDA & EBITDA Margin

(₹ Mn & %)

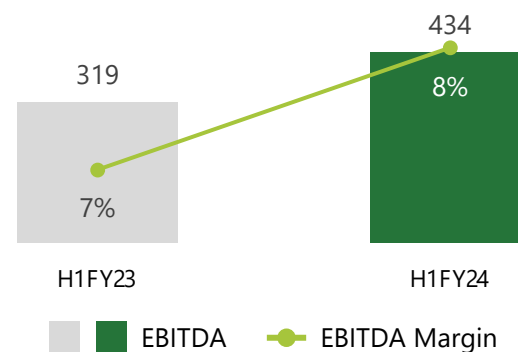
▲ 25% YOY



PAT & PAT Margin

(₹ Mn & %)

▲ 36% YOY

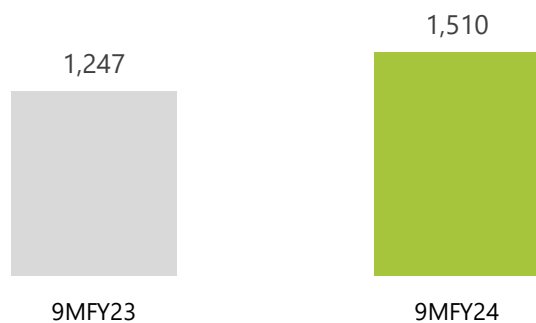


BUSINESS VERTICALS HIGHLIGHTS

Branded Formulations

(₹ Mn)

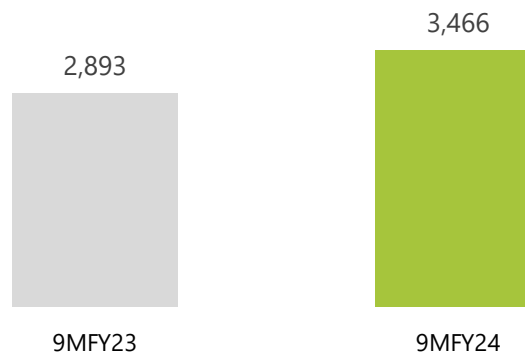
▲ 21% YOY



Domestic Institutional Formulations

(₹ Mn)

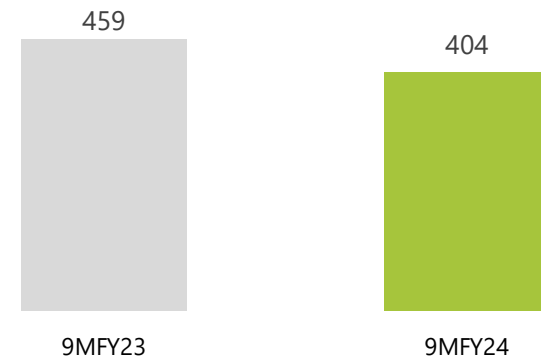
▲ 20% YOY



Export Institutional Formulations

(₹ Mn)

▼ -12% YOY



Profit & Loss Summary (Q3 & 9M)

(₹ Mn)

Particulars	Q3FY23	Q2FY24	Q3FY24	YoY Change	9MFY23	9MFY24	YoY Change
Revenue from Operations	1,011	2,527	1,234	22%	4,599	5,380	17%
Gross Profit	212	500	265	25%	861	1,121	30%
Gross Profit Margin (%)	21%	20%	21%	49 BSP	19%	21%	211 BSP
Operating Expenses	125	193	177	41%	393	535	36%
EBITDA	87	307	88	2%	468	586	25%
EBITDA Margin (%)	9%	12%	7%	(143 BSP)	10%	11%	71 BSP
Depreciation & Amortisation	12	1	10	-13%	36	24	-34%
EBIT	75	306	78	4%	433	562	30%
Finance Cost	7	4	3	-50%	20	14	-28%
Other Income	6	6	3	-54%	14	33	128%
Profit Before Taxes (and EI)	74	308	77	5%	427	580	36%
Tax Expenses	19	78	19	-1%	109	147	35%
Profit After Taxes	55	230	58	6%	319	434	36%
Profit After Taxes Margin (%)	5%	9%	5%	(71 BSP)	7%	8%	113 BSP
Earnings Per Share (₹)*	1.63	6.81	1.73	6%	9.43	12.83	36%

Note: *EPS not annualised

Management Commentary

“Dharmaj Crop Guard continues to report robust financial performance in the backdrop of a challenging industry environment. Despite external headwinds, in Q3FY24, we achieved a remarkable 22% YOY increase in Revenue from Operations, reaching ₹123.4 Cr as compared to ₹101.1 Cr in Q3FY23. The cumulative topline for 9MFY24 stands at ₹538.03 Cr, registering a 17% growth compared to 9MFY23.

The realisation trend across our product portfolio has been relatively stable on an average. While some products experienced marginal recovery in Q3, others witnessed a slight decrease. Thus the predominant source of growth this quarter has been volumetric in nature.

While we have witnessed robust topline growth and healthy gross margins, there has been a marginal compression in EBITDA margins during the quarter. This can be attributed to higher Employee Benefit Expenses, including increased headcount at new plant and senior team hirings in Sales & Marketing, elevated Other Expenses such as Professional Fees & Consulting Expenses for development of new export markets, and higher Travelling & Conveyance expenses. Most of these expenses are precursory to our ongoing expansion initiatives, and some are one-time in nature.

Trade Receivables and thus Working Capital optimization from the season's business is underway and we have witnessed significant collections in Q3, which is expected to continue in the current quarter as well. Additionally, as part

of our growth plans in the Formulations Business, we are progressing well in entering Southern India states in the coming financial year. We have hired senior personnel, initiated team building, and are in the process of selecting trade channels. The Company is actively scouting for locations for Stock Depots in these markets, and demand generation & farmer engagement activities will commence in the upcoming financial year.

The response from states entered during the last year has been positive, with good traction observed in Maharashtra & North India. On the Institutional front, we are onboarding new customer accounts in both categories i.e. small formulators and large corporate accounts.

A significant milestone in our journey was the successful commissioning of the Sayakha project on the historic day of 22nd January 2024. Subsequently, the first shipment from Sayakha was dispatched last week. The purity and quality achieved in the first batch is impressive, and we are continuously working to build on this trend in the coming quarters.

We are currently at a crucial juncture in our journey, focusing our efforts on stabilising the Sayakha plant and achieving planned capacity utilisation targets in the coming financial year. We appreciate your continued support as we strive towards our targets and remain optimistic about a more conducive industry environment in the coming financial year.”



“The first shipment from Sayakha was dispatched last week, catering to both our captive consumption and a third-party client”

Mr. Rameshbhai Ravajibhai Talavia
Chairman and Managing Director

Strengthened Product Portfolio & Team

300+

Dealers & Distributors added during 9MFY24, taking the total to 4,800+

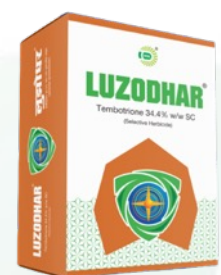
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Team Strength addition during Q3FY24 primarily at Sayakha site, with few senior hirings in Sales & Marketing

Product Registration Activity

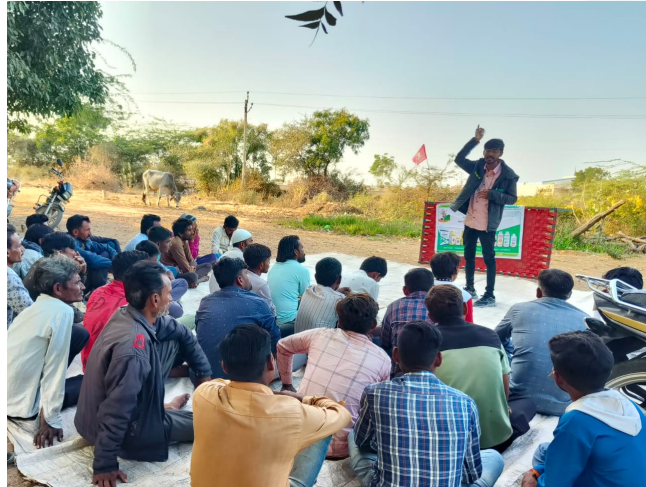
- 1 new technical registrations received
- 1 new technical registrations filed
- Cumulatively 14 technical registrations received, and 25 pending as of Q3FY24
- 4 export market product registrations received (formulations & technical)

Recently launched products (B2C portfolio)



Latest Demand Generation Activity

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



Active Ingredients – Project Overview

Forayed 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

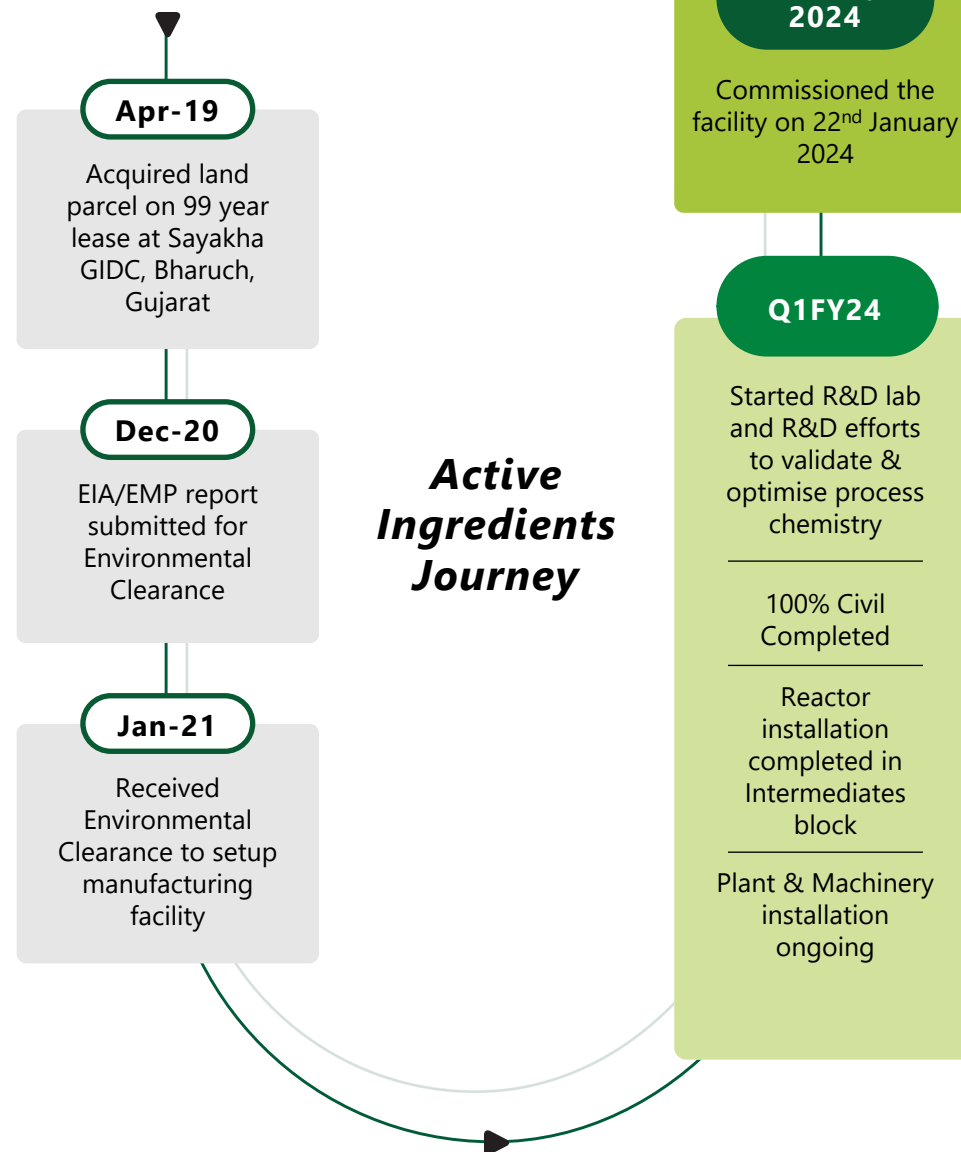
3 separate production blocks:
2 dedicated intermediates manufacturing lines

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

Commissioned on 22nd January 2024



Active Ingredients – Plant Capabilities

Chemistry Capabilities

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



Reaction Capabilities

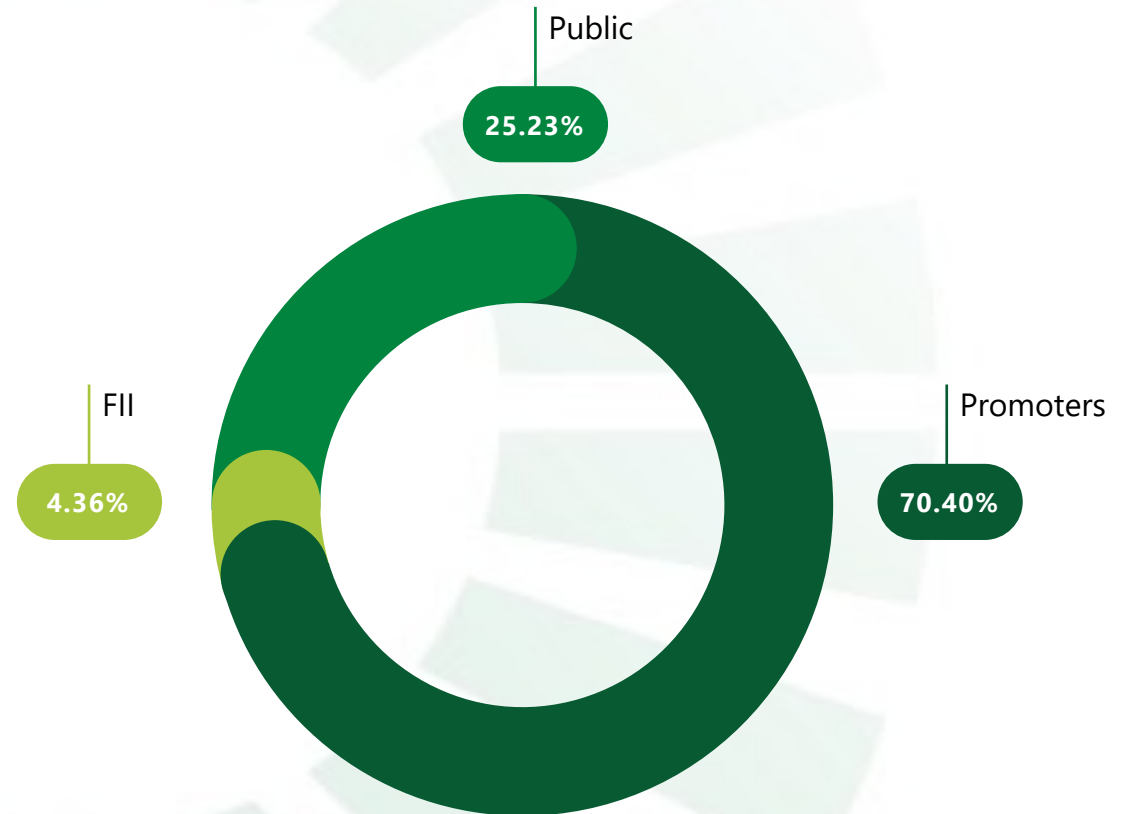
- Batch Reaction
- Chain Reaction
- Continuous Process Reaction
- High Pressure Reaction
- High Vacuum Distillation
- Short Path Distillation
- Fraction Distillation

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	₹257
52 Week High/Low	₹290 / ₹137
Shares Outstanding	3.38 Cr
Market Capitalization	₹868 Cr
Industry Classification	Pesticides & Agrochemicals



Note: Market Price Data as on 5th February 2024

For more details read FY23 Investor Presentation



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