DHARMAJ® CROP GUARD LIMITED

PRESS & MEDIA RELEASE

Ahmedabad, May 30, 2024

Dharmaj Crop Guard Limited, one of the fastest-growing agrochemicals Company, announced its financial results for Q4 & FY24.

Q4FY24 Financials Highlights

(₹ Mn)

REVENUE	EBITDA	PAT
1,161	**0**	**(34)**
↑ 69% YoY	↓ 102% YoY	↓ 371% YoY

FY24 Financials Highlights

(₹ Mn)

REVENUE	EBITDA	PAT
6,541	**629**	**444**
↑ 25% YoY	↑ 53% YoY	↑ 65% YoY

Commenting on the results, Mr. Rameshbhai Talavia, Chairman and Managing Director, said:

"I am pleased to update you on the company's performance in Q4 and FY24. Despite facing several external headwinds, including a late season start in April, lower rains in August, and challenges on the export front contributing to lower product realizations, Dharmaj Crop Guard has reported robust performance across all quarters of FY24. In a challenging year, the Company has managed 25% Revenue growth.

Profitability for Q4 has been impacted primarily because of Sayakha project commissioning, entailing higher depreciation, finance cost, and operating expenditure such as Employee Benefit Expenses, among others.

The biggest achievement for FY24 was undoubtedly the commissioning of the Saykha active ingredients facility. This pivotal project has integrated Dharmaj across the agrochemicals value chain. The plant was commissioned in January, and after initial trials followed by commercial trials, a total of 8 products have been commercialized including products beyond synthetic pyrethroids portfolio. We have achieved the desired purity levels in almost all products, and while yields are being optimized for recently launched products, initial products have stabilized on the yield front as well. This will continue to be an ongoing exercise, nonetheless.

Since this is a significant project for the company in terms of investment and scale of operations, initial front-loaded expenses have naturally been built into the P&L, partially in Q4 which will be fully rebased in Q1, thus impacting short-term profitability margins. As we scale up, these expenses should normalize as a percentage of the top line in line with industry standards.

More importantly, I am proud of the work our team has been doing at this facility. We are already eyeing an average production of 200 MT per month from this plant for the first year, which should translate into ~30% capacity utilization. This is a remarkable feat for a greenfield facility. We are not only consuming some technicals captively but also witnessing good traction from export sales, with a few export orders already dispatched to markets where we have registrations in place. The registration applications have already been applied for many larger export destinations last year, including Brazil, the US, and Europe, although these are medium to long-term initiatives with a decent gestation period.

As we move forward, the company isn't limiting itself to standard molecules but is also focusing on higher-value molecules, some of which have already been commercialized in Phase-I. While these won't be high-volume products initially, they will help us optimize our overall realizations as we scale up.

In our existing formulations business, the company has entered a new geographical cluster in South India, covering Odisha, Andhra Pradesh, Karnataka, and Telangana. New stock depots have been setup and majority of team hiring has been completed, with some hiring expected during the season. FY25 will be the first season in these states. With this geographical expansion, we have marked our presence in key markets across India. For the coming two years, we do not foresee the addition of new markets; instead, our focus will be on ramping up sales from existing markets. Subsequently, key operational expenditures have already been incurred for these markets.

FY25 looks to be a promising year for domestic markets, with a good rainfall forecast and expectations of a good sowing season. Additionally, the recent increase in price trends of synthetic pyrethroids and other technicals has been encouraging and will aid our new operations. Dharmaj is fully prepared to deliver on its growth ambitions in the coming year, primarily driven by its growing formulations business, further coupled with initial numbers from the newly launched Active Ingredients vertical."

About Dharmaj Crop Guard Limited

Dharmaj Crop Guard Limited ("Dharmaj", "the Company'') is a dynamic and fast-growing agrochemicals company engaged in manufacturing & marketing agrochemical formulations like insecticides, fungicides, herbicides, plant growth regulators, and micro fertilisers. The Company markets and distributes generic & licensed formulations to B2C customers (farmers) under its brands and to B2B customers (institutional). Dharmaj is also engaged in the business of general insect and pest control chemicals for public and animal health protection.

The Company recently entered active ingredients manufacturing to become an integrated player across the agrochemical value chain, with its 8,000 TPA intermediates & technicals greenfield unit at Sayakha, commissioned in Q4FY24. Dharmaj has been redefining the crop protection segment with top-quality formulation, product performance, ability to continually expand its portfolio, making it a trusted player to more than 700+ customers in India and across 26+ countries in Latin America, East African Countries, the Middle East and Far East Asia.

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