



Dhanuka Agritech Limited (DAL)  
(BSE: 507717; NSE: DHANUKA)



Q4 and FY2020  
Earnings Presentation  
June 10, 2020

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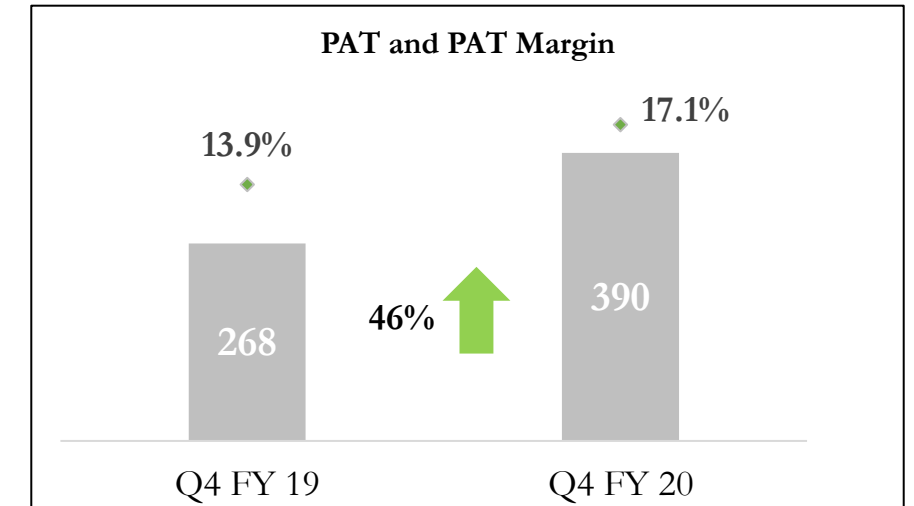
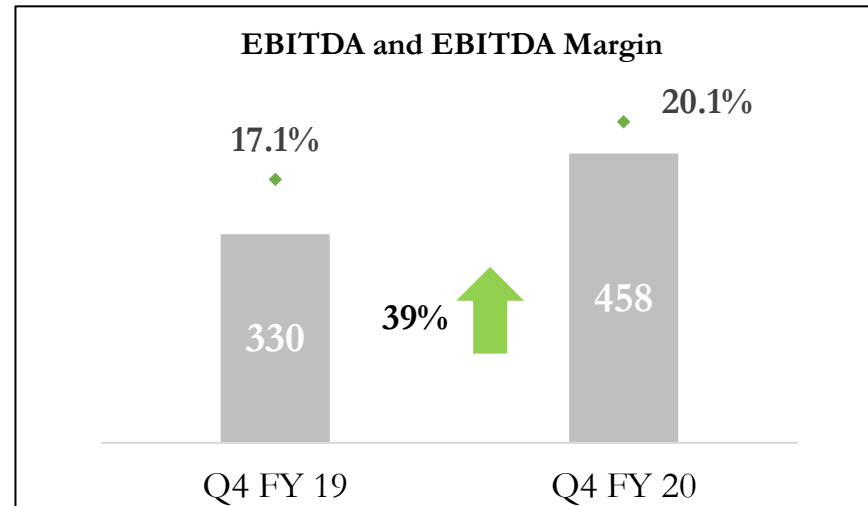
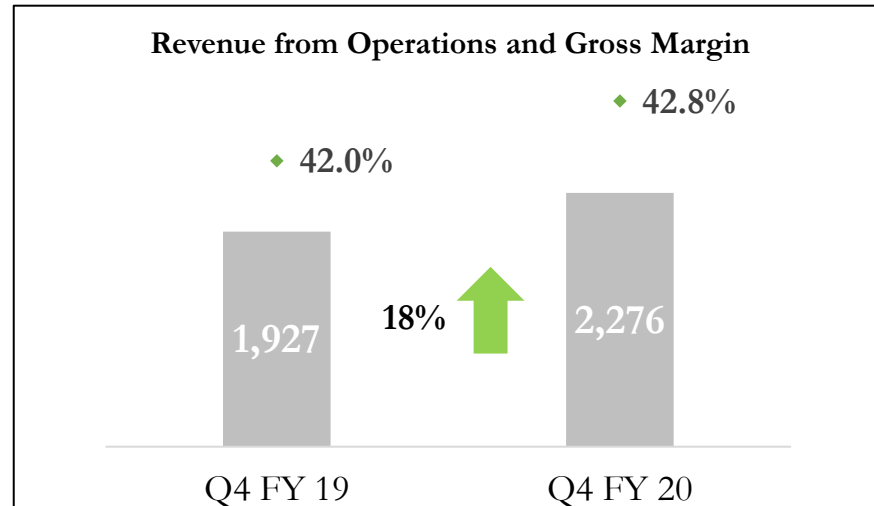


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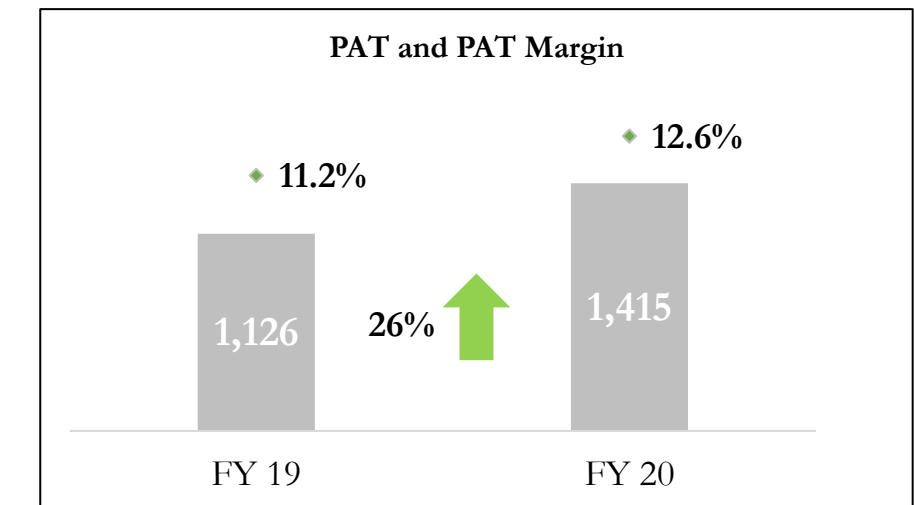
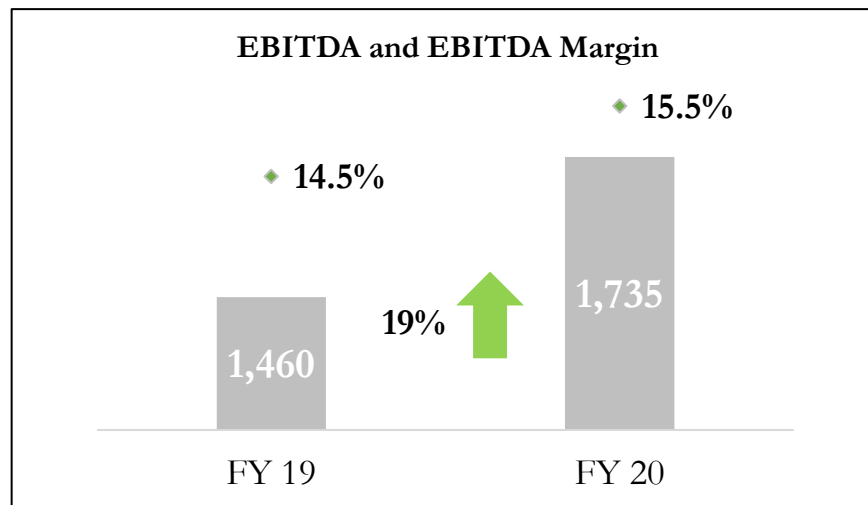
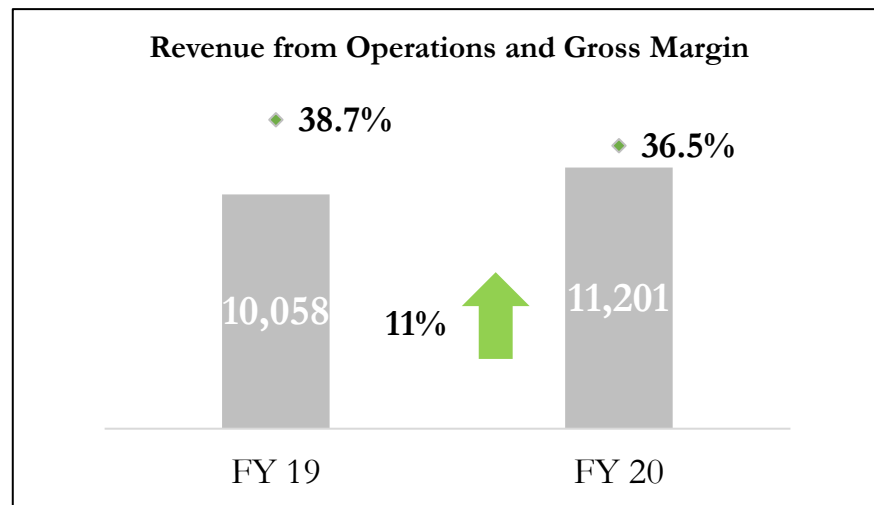
# Q4 and Full Year FY2020 Result Highlights



## Q4 FY2019 vs Q4 FY2020



## FY2019 vs FY2020



# Managing Director's Message



**Mr. Mahendra K Dhanuka**  
Managing Director

“Driven by the focus of winning customers through planned strategies, the Company’s financial performance continued to gain momentum quarter after quarter this year. The Company has registered 11.36% growth in Turnover this year, which shows Company’s initiatives have reaped good results.

Being an Agro-industry, Govt. allowed us functioning during the COVID-19 pandemic in lockdown 2, and hence the impact of lockdown was not much. The masses realized the importance of farmers and agriculture. With this year’s favourable monsoon forecast coupled with a slew of initiatives announced by the Govt., we are hopeful of much positive performance in the fiscal year 2020-21. At the same time, we will remain committed to improving our product mix, ongoing branding initiatives, and new product offerings. Dhanuka Agritech has always been working towards providing better solutions to farmers and improving their livelihood. We strongly believe that both, Indian agriculture and Indian farmers have a bright future. Our company will continue to empower them through such initiatives and help bring prosperity to our farmer friends.

The company is working towards farmer’s welfare by strengthening Agri-inputs dealer as a strong extension service provider and for that our ‘Diploma in Agricultural Extension Service in Input Dealers’ (DEASI) program in association with many Agriculture universities stabling new milestone. The Company keeps adding new products every year through its collaborations and is continuously on the lookout to bring the latest technology to Indian Farmers.”

# Q4 and Full Year FY2020 Income Statement



| Particulars (Rs. million)                    | Q4 FY2020    | Q4 FY2019    | YoY%         | FY2020       | FY2019       | YoY%         |
|----------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenue from Operations                      | 2,276        | 1,927        | 18.1%        | 11,201       | 10,058       | 11.4%        |
| COGS                                         | 1,301        | 1,118        | 16.4%        | 7,117        | 6,167        | 15.4%        |
| <b>Gross Profit</b>                          | <b>975</b>   | <b>809</b>   | <b>20.4%</b> | <b>4,084</b> | <b>3,892</b> | <b>4.9%</b>  |
| <i>Gross Profit Margin (as a % of sales)</i> | <i>42.8%</i> | <i>42.0%</i> |              | <i>36.5%</i> | <i>38.7%</i> |              |
| Employee Benefit Expenses                    | 242          | 237          | 1.8%         | 1,052        | 1,047        | 0.5%         |
| Other expenses                               | 276          | 242          | 14.0%        | 1,297        | 1,385        | (6.4%)       |
| <b>EBITDA</b>                                | <b>458</b>   | <b>330</b>   | <b>38.6%</b> | <b>1,735</b> | <b>1,460</b> | <b>18.8%</b> |
| <i>EBITDA Margin (as a % of sales)</i>       | <i>20.1%</i> | <i>17.1%</i> |              | <i>15.5%</i> | <i>14.5%</i> |              |
| Depreciation and amortisation expenses       | 37           | 30           | 22.7%        | 164          | 123          | 32.5%        |
| <b>EBIT</b>                                  | <b>420</b>   | <b>300</b>   | <b>40.2%</b> | <b>1,571</b> | <b>1,336</b> | <b>17.6%</b> |
| <i>EBIT Margin (as a % of sales)</i>         | <i>18.5%</i> | <i>15.6%</i> |              | <i>14.0%</i> | <i>13.3%</i> |              |
| Finance Cost                                 | 4            | 3            | 20.1%        | 16           | 9            | 74.4%        |
| Other Income                                 | 87           | 64           | 34.5%        | 251          | 212          | 18.3%        |
| <b>PBT</b>                                   | <b>503</b>   | <b>361</b>   | <b>39.4%</b> | <b>1,806</b> | <b>1,540</b> | <b>17.3%</b> |
| Total Tax                                    | 113          | 93           | 21.0%        | 392          | 414          | (5.3%)       |
| <b>PAT</b>                                   | <b>390</b>   | <b>268</b>   | <b>45.8%</b> | <b>1,415</b> | <b>1,126</b> | <b>25.7%</b> |
| <i>PAT Margin (as a % of sales)</i>          | <i>17.1%</i> | <i>13.9%</i> |              | <i>12.6%</i> | <i>11.2%</i> |              |
| <b>Basic EPS</b>                             | <b>8.20</b>  | <b>5.53</b>  | <b>48.1%</b> | <b>29.71</b> | <b>23.02</b> | <b>29.1%</b> |

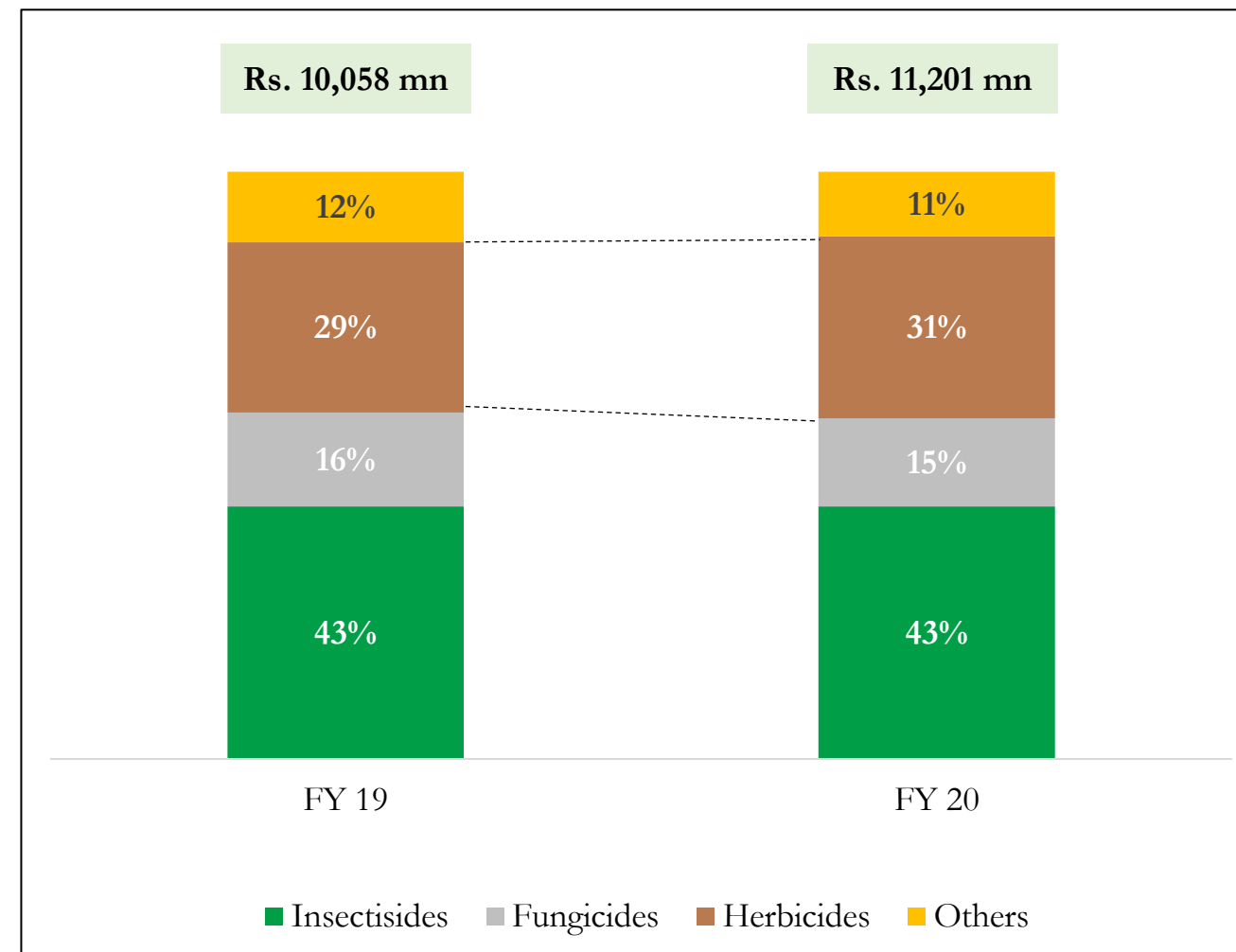
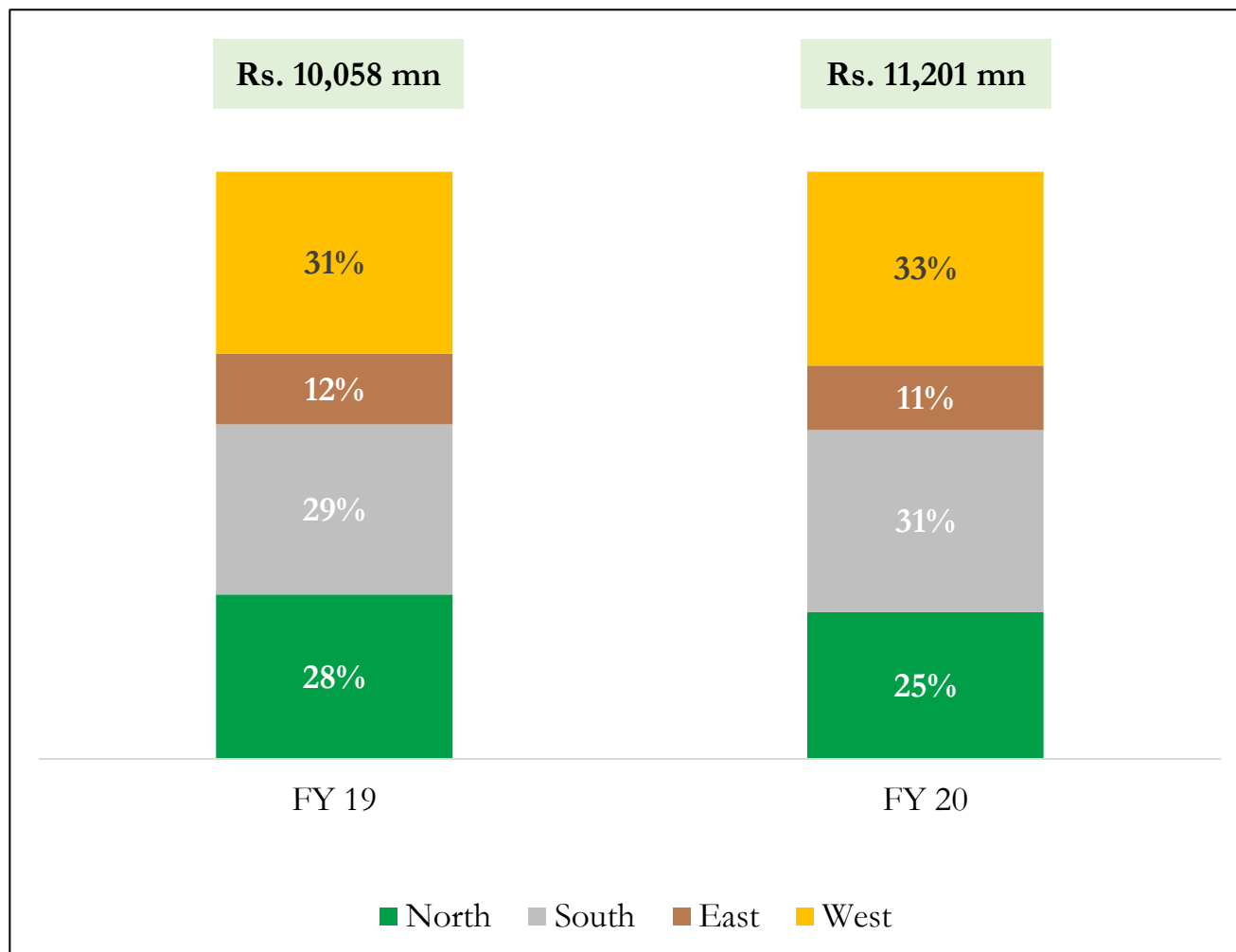
## FY2020 vs. FY2019

- **Revenue from Operations** during FY2020 grew by 11.4% Y-o-Y. Fungicides registered 10.4% Y-o-Y growth, Herbicides grew by 18.1% and Insecticides recorded a growth of 12.6%
  - Total volumes recorded a growth of 12.7% as against 1.4% last year
- **EBITDA:** Higher operating leverage aided EBITDA margin expansion by ~100 bps Y-o-Y
- Top 10 products accounted for 32.6% of the total revenue compared to 34.8% last year
- **Innovation Turnover Index (ITI)** stood at 12% in FY20. It is expected to improve in the coming year led by robust pipeline of new launches

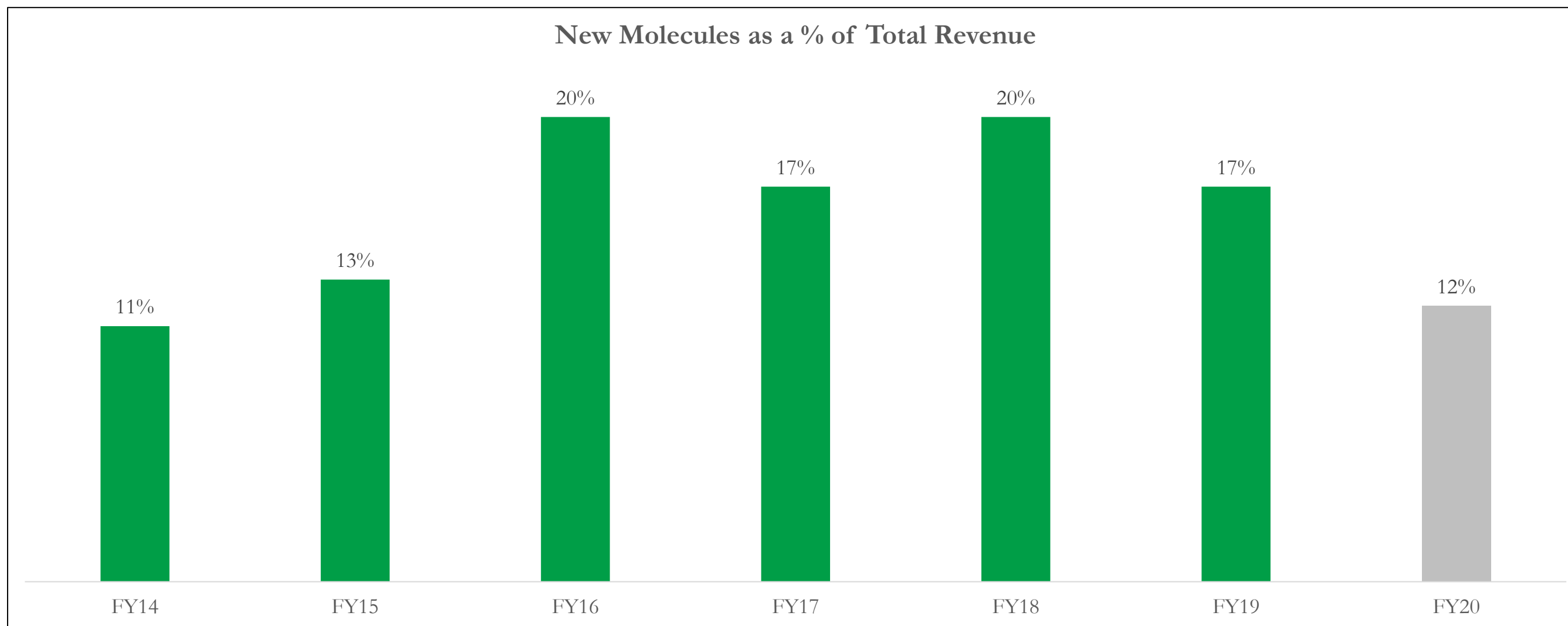
## Q4 FY2020 vs. Q4 FY2019

- **Revenue from Operations** grew by 18.1% Y-o-Y driven by strong sales momentum across product segments. Fungicides registered 33.0% Y-o-Y growth, Herbicides grew by 32.6% and Insecticides recorded a growth of 14.9%
- **EBITDA:** Higher operating leverage aided EBITDA margin expansion by ~300 bps Y-o-Y

# FY2020 Revenue mix (By Geography and Segment)



- Focus is on expanding the share of fast growing ‘Herbicides’ segment in the medium term
- Well diversified portfolio across business segment and key geographies



- On an average, more than 15% of revenue contribution comes from new product launches
- Acceptance of new molecules to result in increase of Innovation Turnover Index going forward



## Business Impact

- **Temporarily disruption in operations** during the initial days of the lockdown which resulted in **partial deferment** of the Company's revenues from the month of March to Q1 FY21
- **Operations resumed in a phased manner** from the **beginning of April** as per Government directives
- Company's product portfolio falls under essentials category; hence, **major impact is not foreseen to the business** due to the coronavirus pandemic

## Initiatives Undertaken

- Implemented various measures promptly to **protect employees, communities and operations** to ensure supply chain was not impacted
- Encouraged **non-critical operations to work from home** and carry out interactions electronically
- The Company **adheres to social distancing norms** across sites and the staff is encouraged to maintain **two meters distance** from co-workers and other stakeholders who operate in and around the sites

# Why Dhanuka Agritech?



## Unique Asset Light Model

Minimal investments required in fixed assets.  
Aim is to leverage strong formulation capabilities by partnering with global innovators



## Rural FMCG Play

40 warehouses, 7,000+ distributors and 80,000+ retailers to service the needs of over 10 million touchpoints across farmers



## Diverse Product Portfolio

300+ registrations across Herbicides, Insecticides, Fungicides and Plant Growth Regulators, ~90 Products across all segments



## Global Innovator Tie Ups

World's leading agrochemical companies from the US, Japan and Europe have partnered with Dhanuka Agritech to introduce latest technology to Indian farmlands



## Robust Pipeline

Focus on margin accretive 9(3) portfolio. Target to launch 10 new products across all segments over the next two years



## Profitable Growth

Higher contribution of margin accretive products, growth in volumes from existing products to drive return ratios

# Product Segments



|                                 | Herbicides                                                                                                                                                                   | Fungicides                                                                                                                                                           | Insecticides                                                                                                                                                                         | Plant Growth Regulators                                    |
|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| <b>Total number of Products</b> | 25                                                                                                                                                                           | 16                                                                                                                                                                   | 38                                                                                                                                                                                   | 9                                                          |
| <b>% of Revenues (FY2020)</b>   | 31%                                                                                                                                                                          | 15%                                                                                                                                                                  | 43%                                                                                                                                                                                  | 11%                                                        |
| <b>Key Products</b>             | Barrier Craze, D-Era, Dhanutop, Fuzi Super, Maxx-soy, Nabood, Noweed, Oxykill, Ozone, Quirin, Sakura, Sempra, Targa Super, Weedmar, Dumil 10% SL, Fenox 1000, Dhanutop Super | Cursor, Dhanteam, Dhanuka M-45, Dhanustin, Hexadhan, Conika, Kasu-B, Godiwa, Vitavax Power, Lustre, Protocol, Sheathmar, Sixer, Zerox, Godiwa, GodiwaSuper, Spectrum | Aaatank, Adfyre, Apple, Areva, Bombard, Caldan, Cover, Danfuron, Dhanpreet, Em-1, Fax, Foster, Markar, Media, Mortar, Omite, Pager, Super-D, Superkiller, D-one, Markar Super, Domar | Dhanvarsha, Dhanuvit, Dhanzyme Gold, Maxyld, Wetcit, Suelo |

# Top 10 Brands contribute 33% of Total Revenue

## Herbicides



## Insecticides



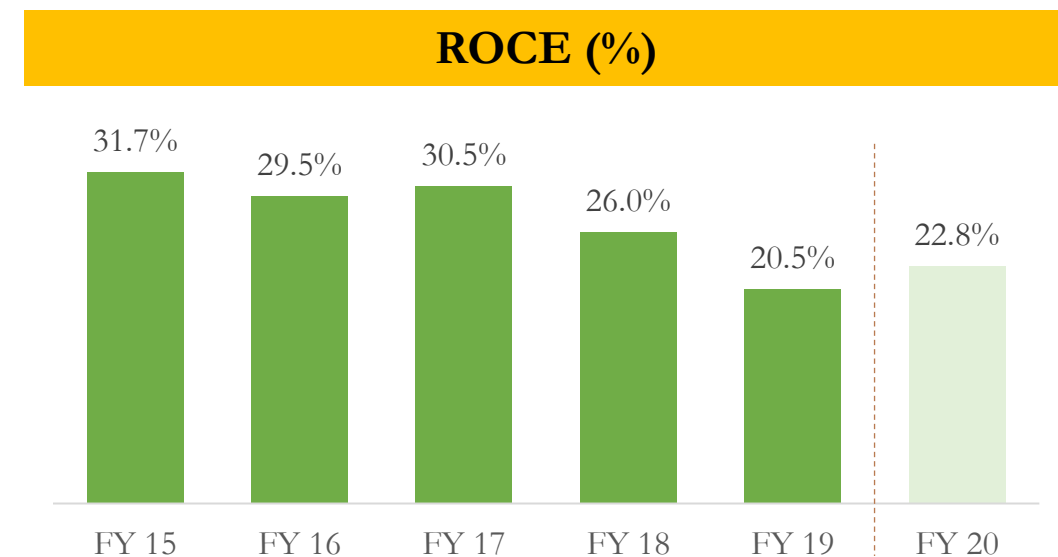
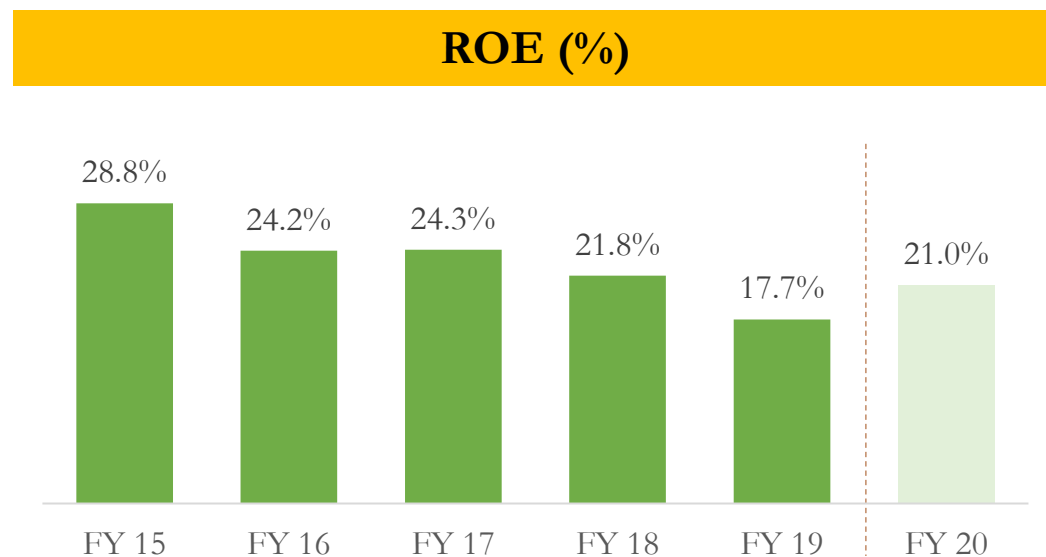
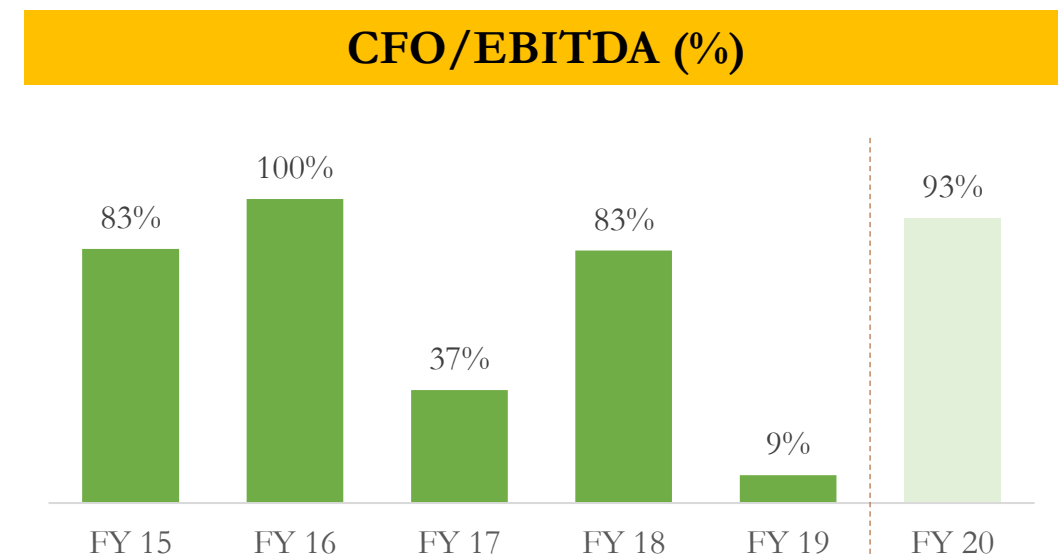
## Plant Growth Regulator



# FY2020 Balance Sheet and Return Ratios



| Figures in Rs mn            | Sep-19    | Mar-20       |
|-----------------------------|-----------|--------------|
| Short Term Debt             | 70        | 80           |
| Long Term Debt              | -         | -            |
| <b>Total Debt</b>           | <b>70</b> | <b>80</b>    |
| Cash & Cash Equivalent      | 22        | 263          |
| <b>Net debt/ (Net Cash)</b> | <b>48</b> | <b>(183)</b> |
| Equity                      | 7,133     | 7,077        |
| Total Debt/Equity           | 0.01x     | 0.01x        |

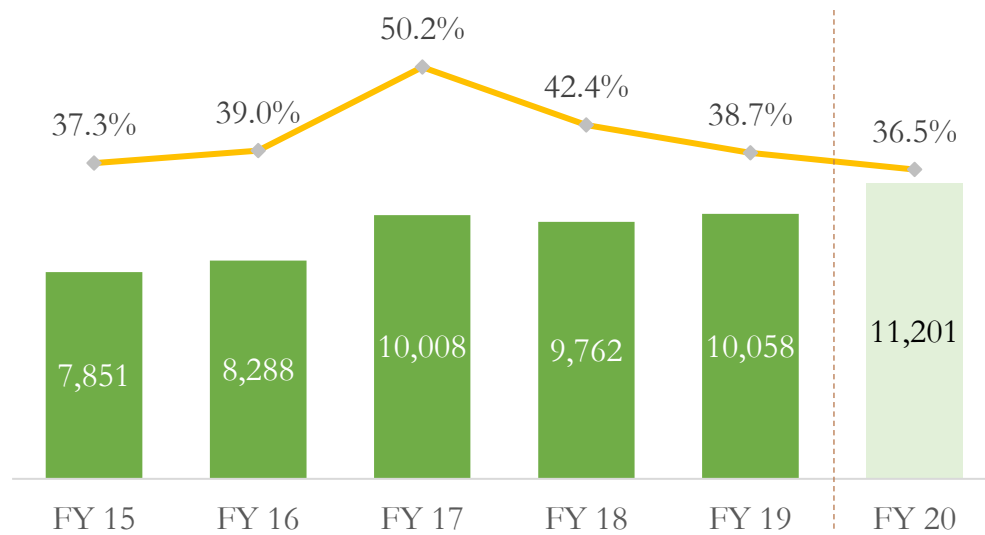


**Robust return ratios and cash flow generation across business cycles**

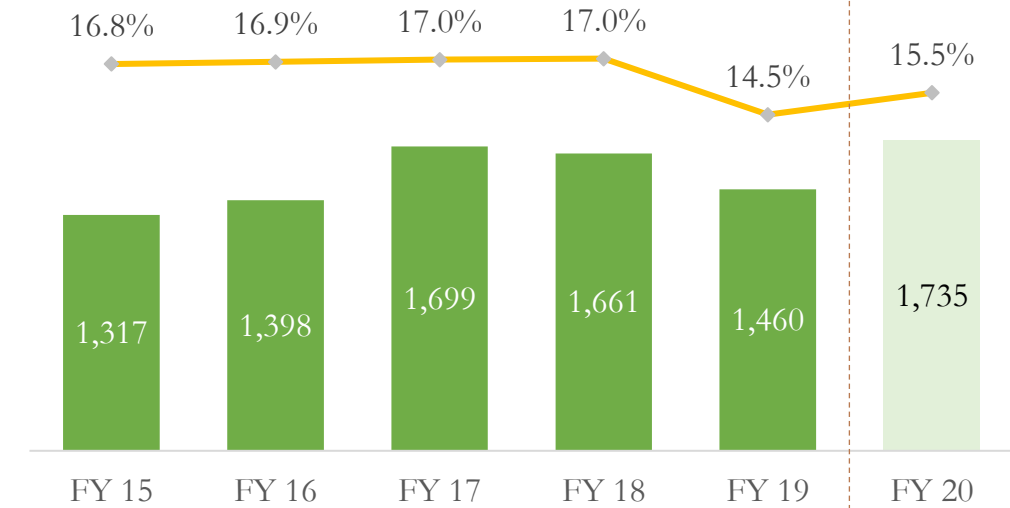
# Annual P&L Trend: Focus on Profitable Growth



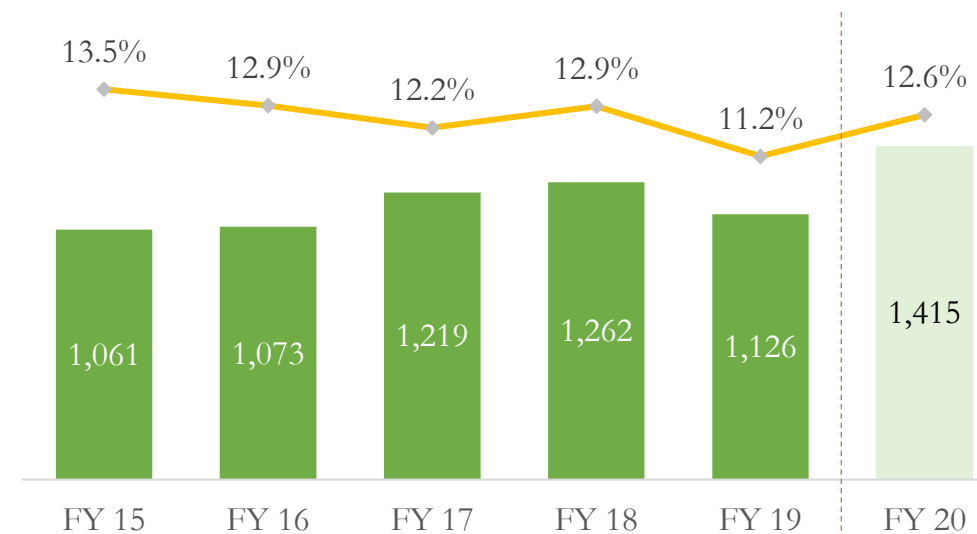
## Revenue from Operations and Gross Margin



## EBITDA and EBITDA Margin



## PAT and PAT Margin



This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Dhanuka Agritech Limited (“Dhanuka Agritech” or the Company) future business developments and economic performance.

While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Dhanuka Agritech undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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