



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



Q1 FY2021
Earnings Presentation
July 22, 2020

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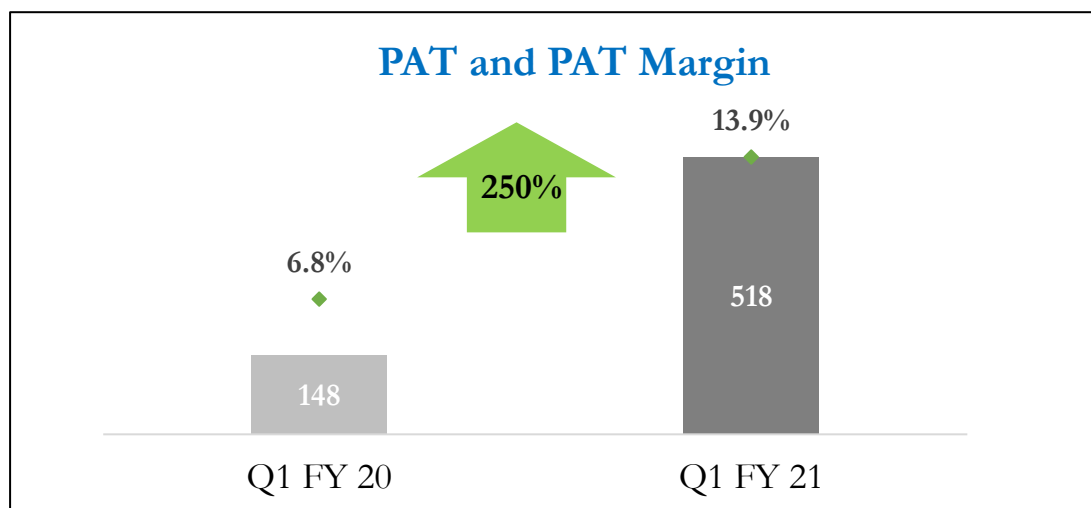
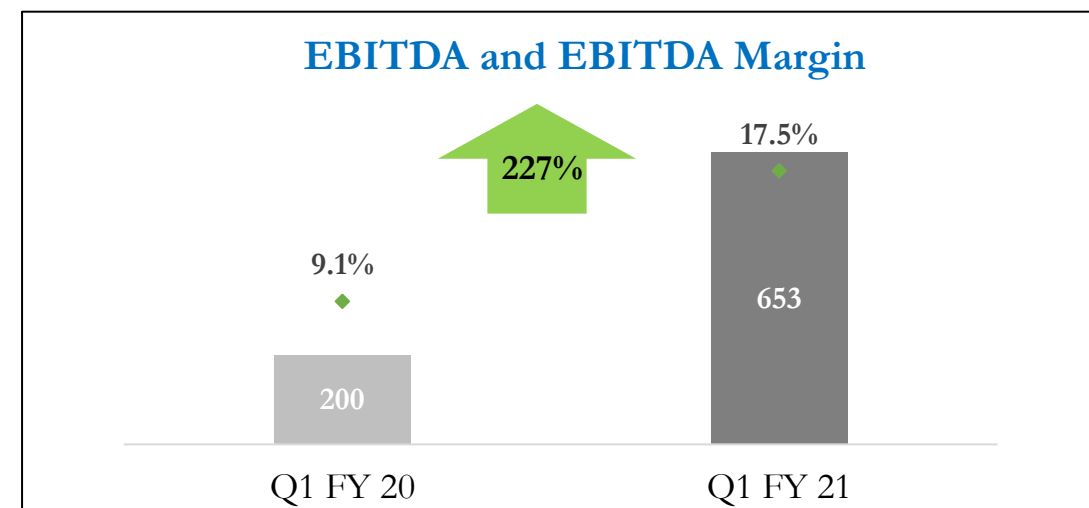
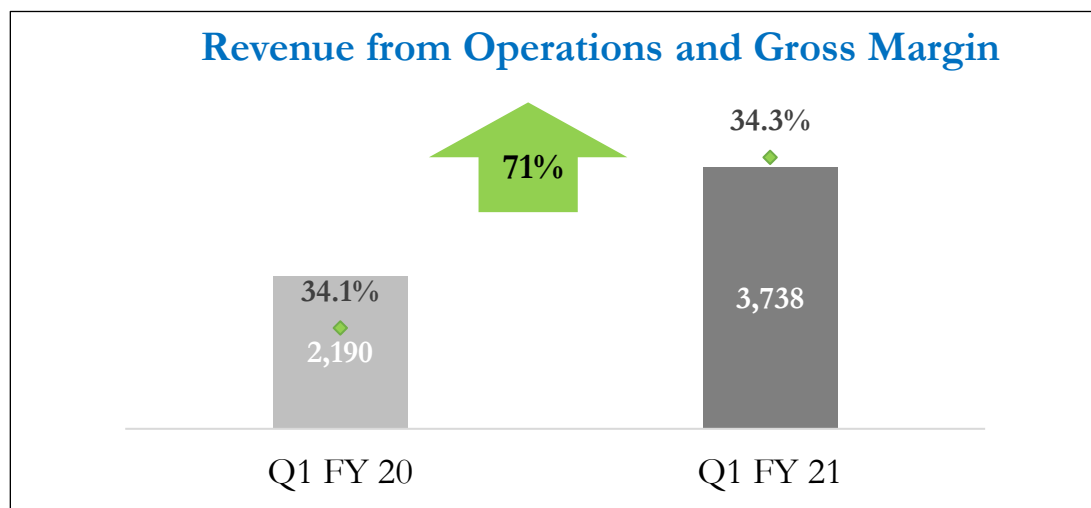


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Q1 FY2021 Result Highlights



Q1 FY2021 vs Q1 FY2020



Performance Discussion

- **Revenue from Operations:** Revenue grew by 70.7% Y-o-Y driven by strong sales momentum across product segments. Fungicides increased by 51.0%, Herbicides increased by 59.7% and Insecticides recorded a robust growth of 69.0% Y-o-Y. Total volumes grew by 72.7% Y-o-Y
- **EBITDA:** Higher operating leverage resulted in EBITDA margin expansion by ~ 830 bps as compared to Q1 FY2020
- **PAT:** Net Profit margins improved from 6.8% in Q1 FY2020 to 13.9% in Q1 FY2021

Managing Director's Message



Mr. Mahendra K Dhanuka
Managing Director

“The first quarter has shown an excellent upward trend in market demand as compared to the corresponding quarter of the previous year. The company’s growth in sales and profits may be attributed to robust cash sales, timely and even distribution of rainfall. The company’s sales picked up very well from the first week of April and the traction continued throughout the quarter with the start of monsoon.

During the quarter, we have launched two herbicides Dabooch and Dozo Maxx and the initial response has been very encouraging. We would continue to increase our outreach to more farmers through our wide distribution channel.

Our expectations for the coming quarter are high considering good monsoon and significant sales traction expected from our comprehensive product portfolio backed by several marketing and branding initiatives. The company is extremely dedicated towards social and economic development of Indian farmers. We regularly organize various Seminars/Krishak Goshti(s)/Sammelan to educate our farmers about new innovative techniques of farming. We are trying to reach farmers at remote locations and educate them on ways of doubling their production and income.

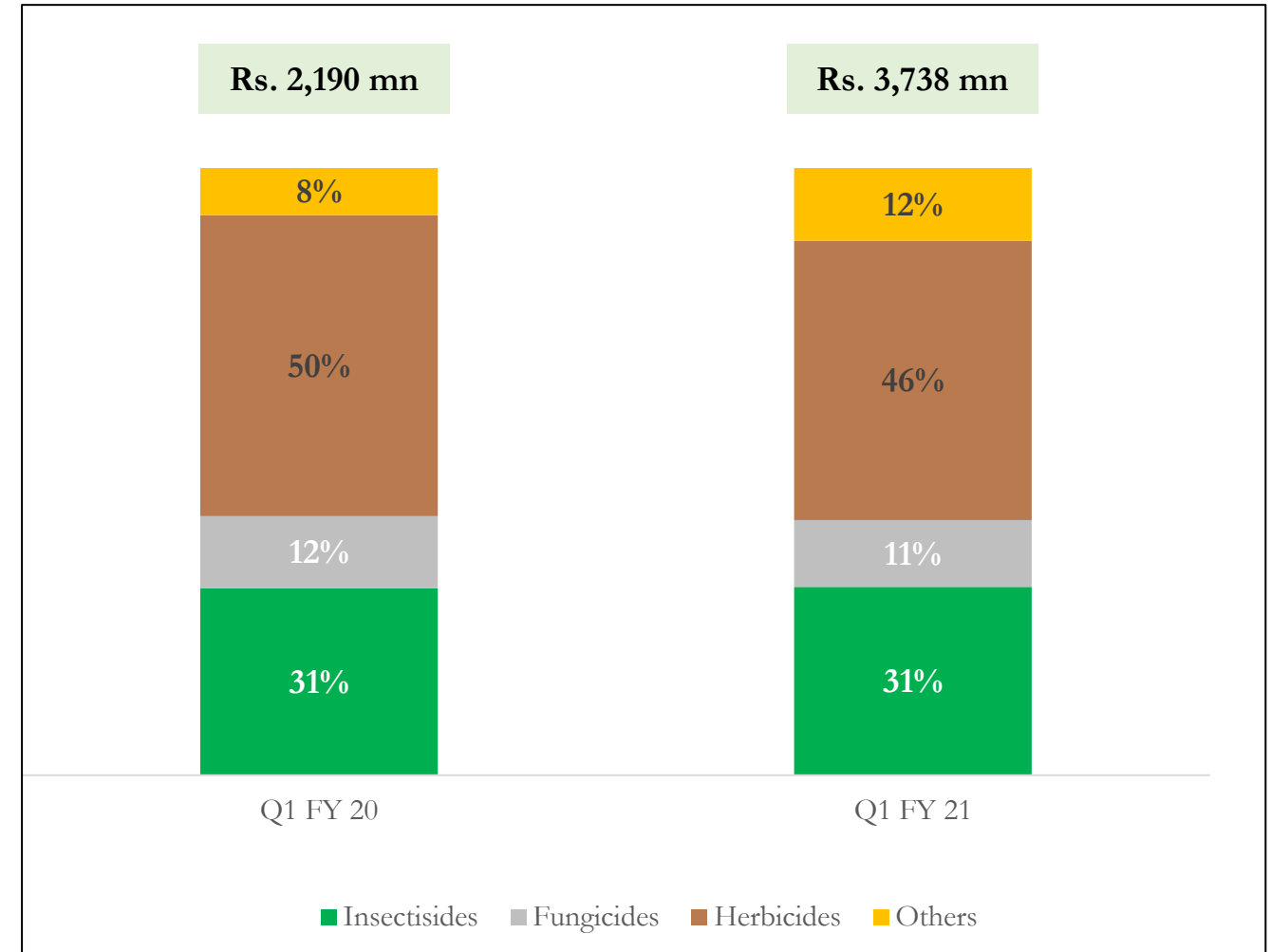
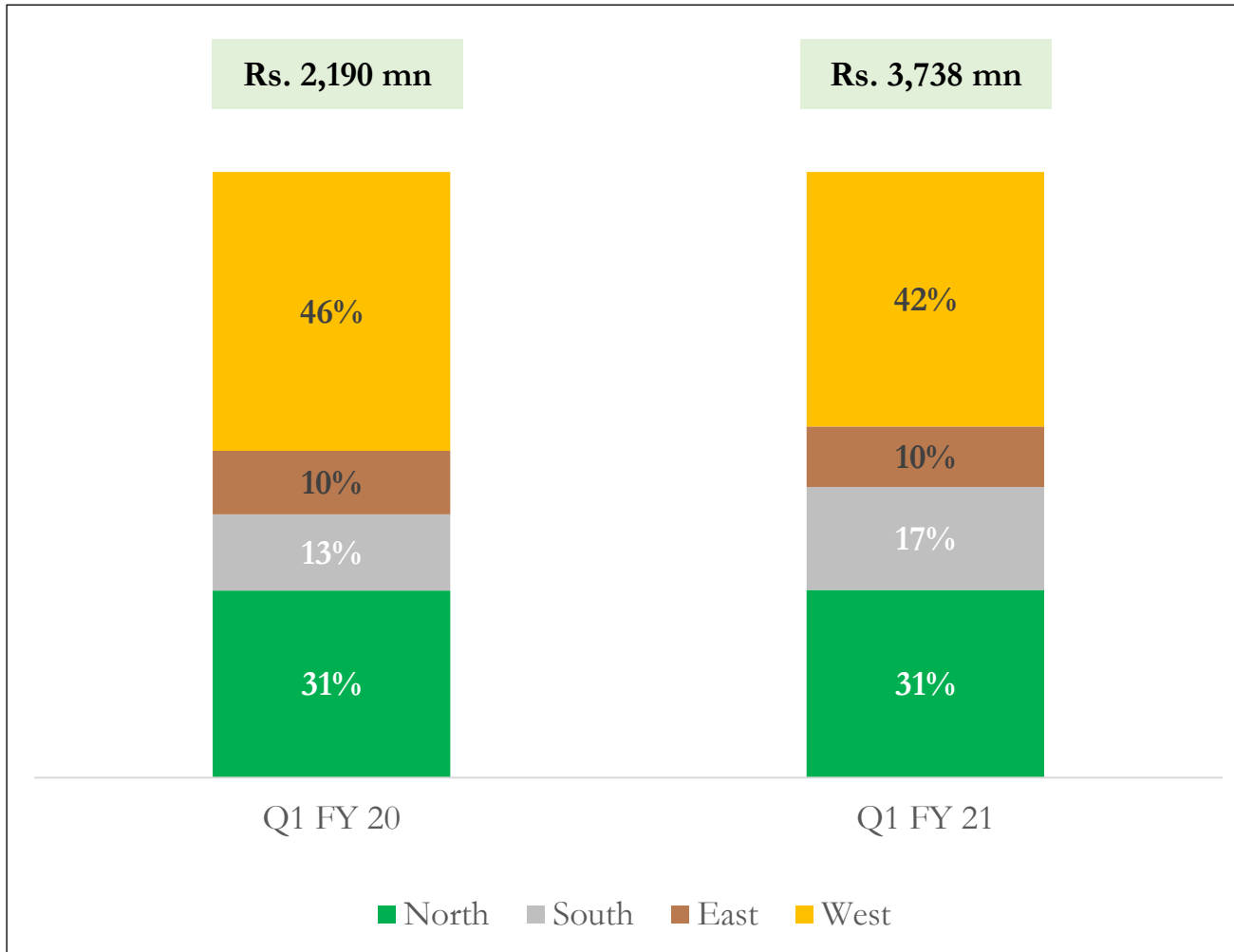
During the COVID-19 pandemic, our team was the first to organize seminar/webinar over the internet and received an overwhelming response from the farming community. We will continue to introduce superior products to meet the farmer demand and expectations.”

Q1 FY2021 Income Statement

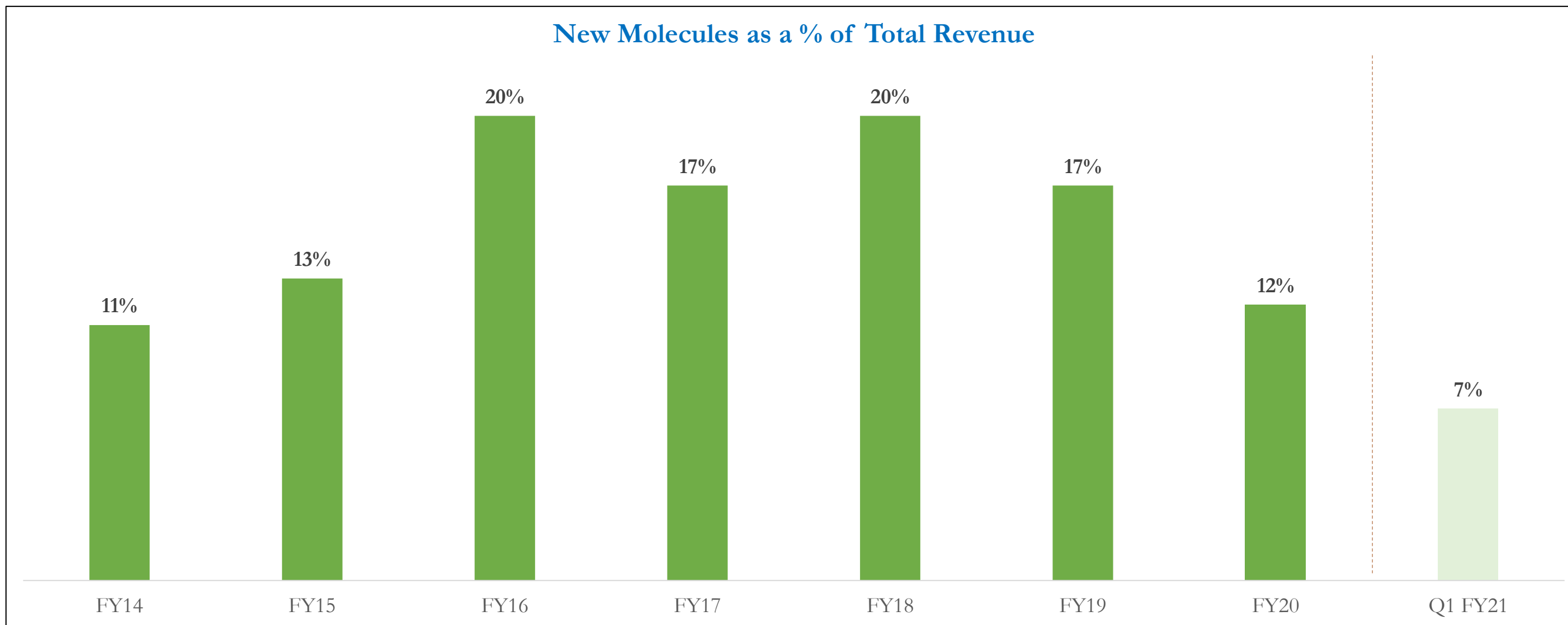


Particulars (Rs. million)	Q1 FY2021	Q1 FY2020	YoY%
Revenue from Operations	3,738	2,190	70.7%
COGS	2,457	1,443	70.2%
Gross Profit	1,281	746	71.7%
<i>Gross Profit Margin (as a % of sales)</i>	<i>34.3%</i>	<i>34.1%</i>	
Employee Benefit Expenses	314	236	33.2%
Other expenses	315	311	1.2%
EBITDA	652.8	199.7	226.9%
<i>EBITDA Margin (as a % of sales)</i>	<i>17.5%</i>	<i>9.1%</i>	
Depreciation and amortisation expenses	32	27	17.5%
EBIT	621	173	259.5%
<i>EBIT Margin (as a % of sales)</i>	<i>16.6%</i>	<i>7.9%</i>	
Finance Cost	3	2	30.1%
Other Income	74	38	95.4%
PBT	692	208	232.1%
Total Tax	174	60	188.1%
PAT	517.9	147.9	250.1%
<i>PAT Margin (as a % of sales)</i>	<i>13.9%</i>	<i>6.8%</i>	
Basic EPS	10.89	3.11	250.2%

Q1 FY2021 Revenue Mix (By Geography and Segment)



- Well diversified portfolio across business segment and key geographies



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
Total number of Products	25	16	38	9
% of Revenues (Q1 FY2021)	46%	11%	31%	12%
Key Products	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 39% of Q1 FY2021 Total Revenue



Herbicides



Insecticides



Plant Growth Regulator



New Products Launched This Quarter

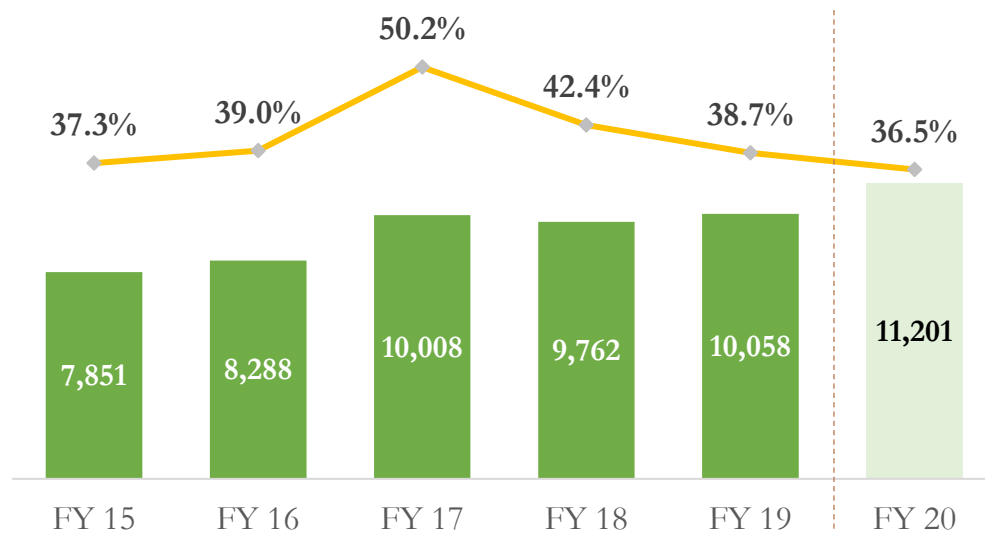


- Two new products launched online during lockdown
- Dabooch (Soybean & Groundnut Herbicide)
- Dozo Maxx (Herbicide for Cotton, Broad and Narrow Leaf crops)

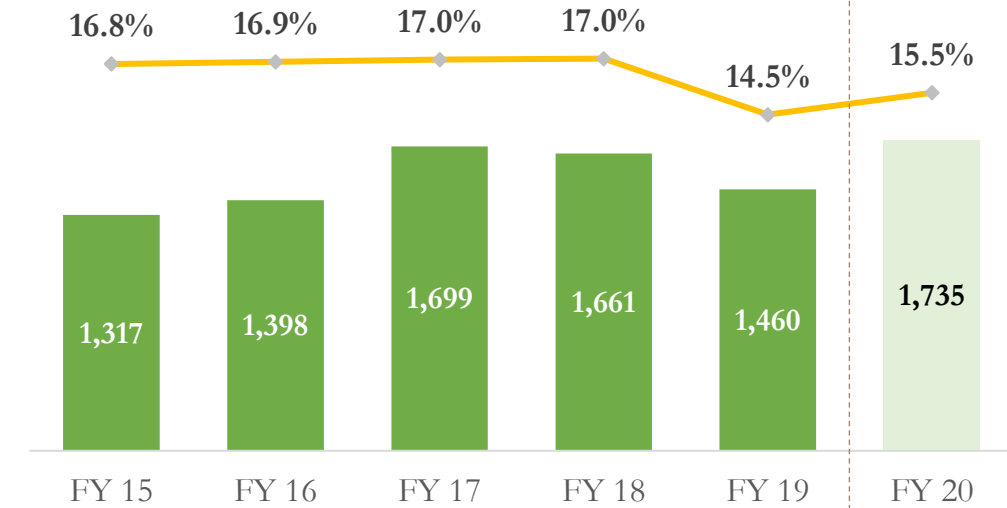
Annual P&L Trend: Focus on Profitable Growth



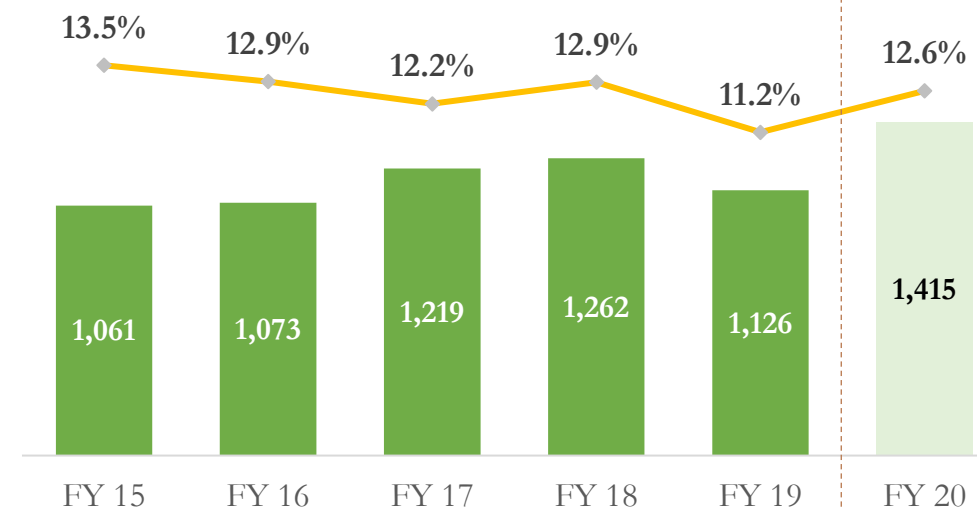
Revenue from Operations and Gross Margin



EBITDA and EBITDA Margin



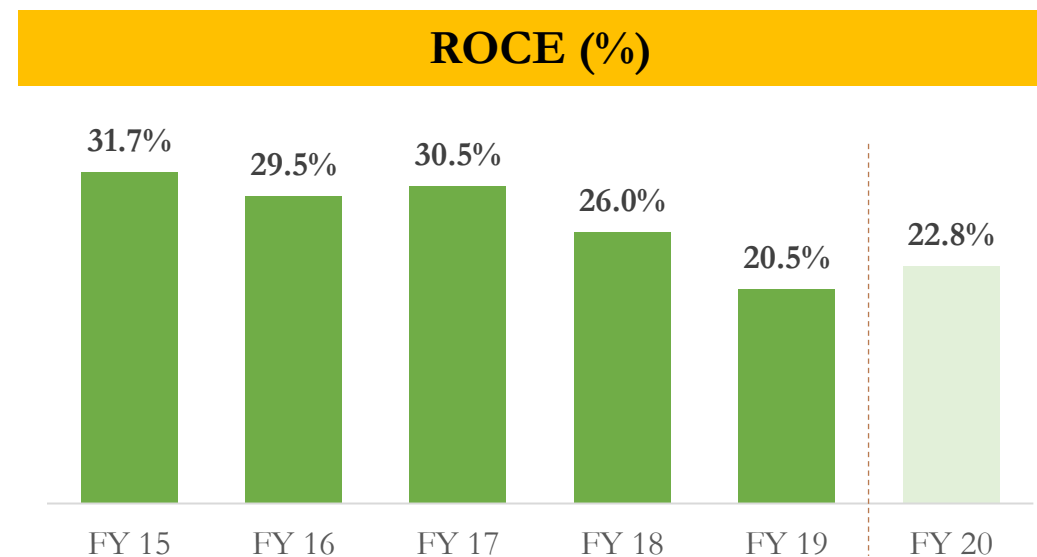
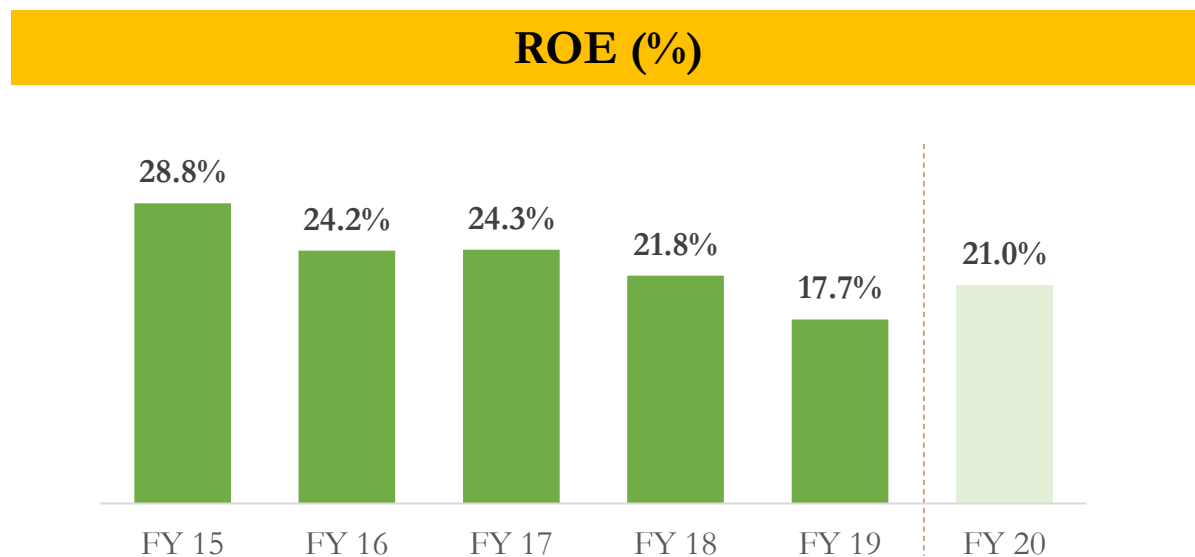
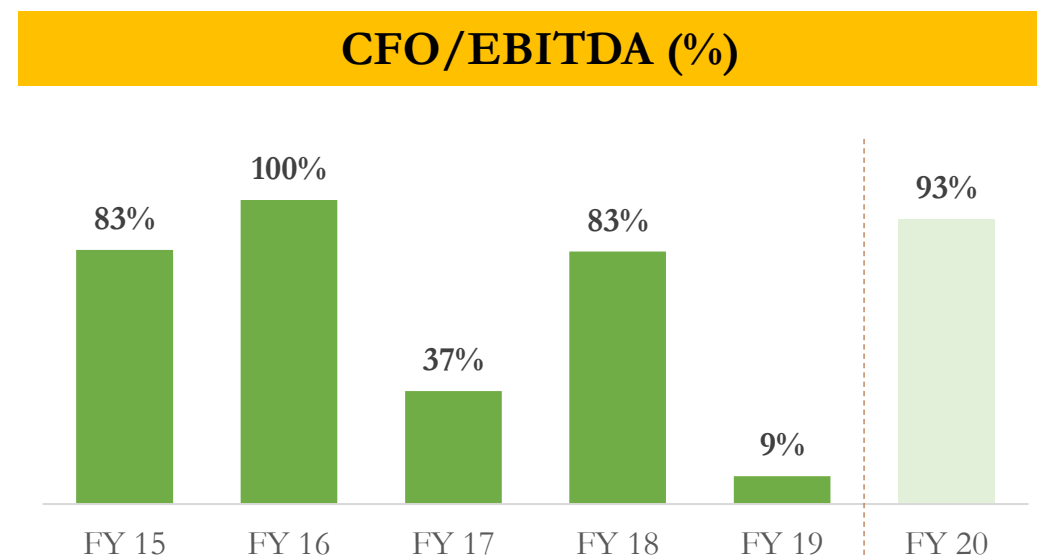
PAT and PAT Margin



FY2020 Balance Sheet and Return Ratios



Figures in Rs mn	Mar-19	Sep-19	Mar-20
Short Term Debt	222	70	80
Long Term Debt	0	0	0
Total Debt	222	70	80
Cash & Cash Equivalent	13	22	263
Net debt/ (Net Cash)	208	48	(183)
Equity	6,422	7,133	7,077
Total Debt/Equity	0.03x	0.01x	0.01x



Robust return ratios and cash flow generation across business cycles

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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