



HERANBA
INDUSTRIES LIMITED
A Govt. Recognised Export House

INVESTOR Presentation

JUNE 2021

heranba.co.in



Safe Harbor

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01 | **COMPANY** Overview

HERANBA at a Glance



3

Manufacturing Facilities



60+

Countries Presence



650+

Employees
(As on March 2021)



81.05%

Revenue from Institutional
customers**
(FY21)



9400+

Dealers across India



47.66%

Revenue from Exports
as % of sales (FY21)



22.61%

Revenue from Top 10
customers
(FY21)



36.33%

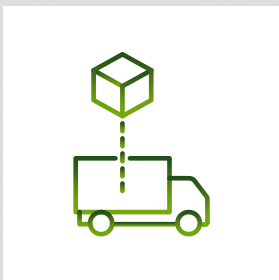
ROE#
(FY21)

Our Journey



Value Chain

Value Chain



HIL over the years, has scaled up the manufacturing of Intermediates, Technicals and Formulations which form part of the entire value chain of the agrochemicals industry

Manufacturing Process

- HIL manufactures a wide range of products and each product has its own unique manufacturing process
- The Company specialises in the manufacturing processes that mainly include chemical reactions of:

Ammonolysis	Hydrolysis	Favorski Reaction	Cyanation
Methoxylation	Halogenation	Esterification	Condensation
Isomerisation	Friedel Crafts	Cyclisation	

- The process of manufacturing can be classified broadly into three stages



Intermediaries

Intermediates

Cypermethric Acid
Chloride (CMAC)

High CIS CMA

High CIS CMAC

High Trans CMA

High Trans CMAC

Bromobenzenes

Metaphenoxy
Benzaldehyde (MPBD)

End-use

Intermediates manufactured
are for Company's own captive
consumption for manufacturing
various Technicals and
Formulations



Technicals

Insecticides

- Cypermethrin
- Deltamethrin
- Alpha Cypermethrin
- Acephate
- Lambda Cyhalothrin
- Permethrin
- Profenophos
- Temephos
- Theta Cypermethrin
- Thiamethoxam
- Imidacloprid

Herbicides

- Glyphosate
- Metribuzin
- Clodinofof

Technicals

Fungicides

- Tricyclazole
- Hexaconazole



Formulations

Insecticides

- Jayam
- Progress Plus
- Param
- Cypraplus
- Dyken
- Mantra
- Astron
- Signor
- Prompt
- Cypra
- Heraban
- Alpha Shakti
- Henoxa

Herbicides

- Glory
- Chakde
- Heraquat
- Zinta
- Glory 71
- Shera
- Pendant
- Atria

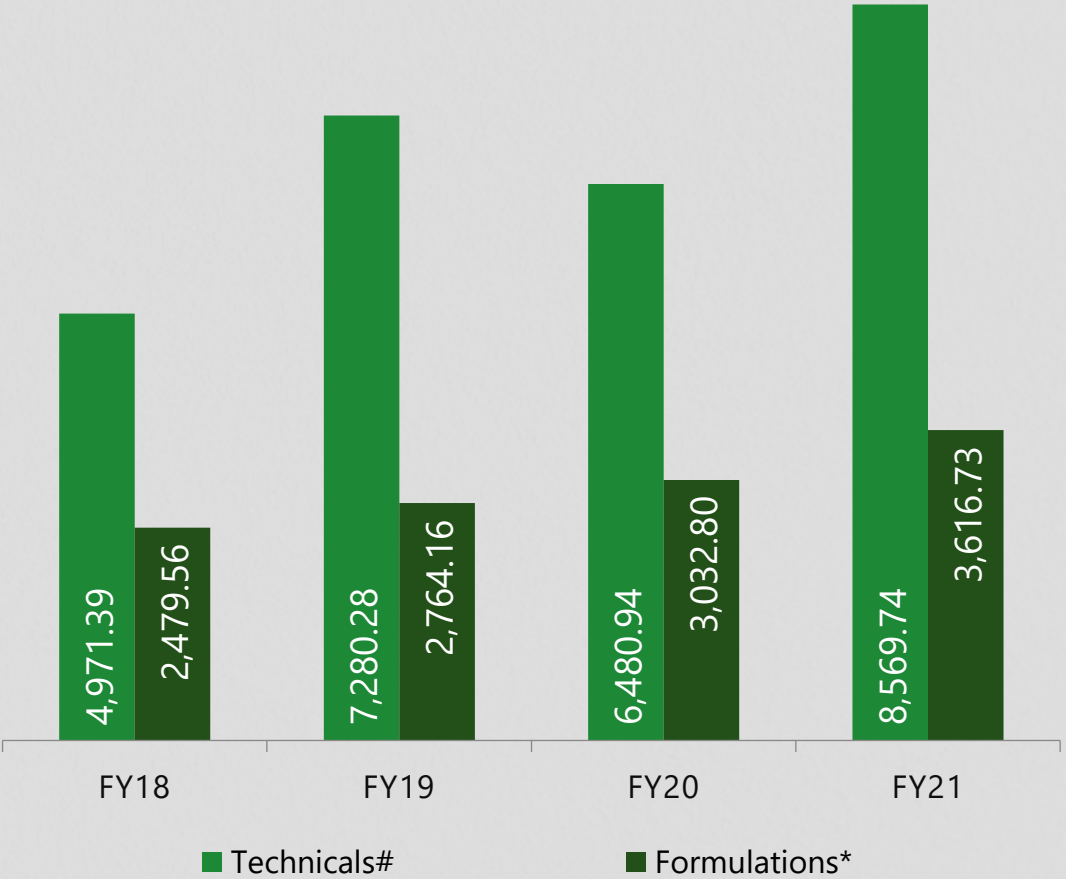
Formulations

Fungicides

- Macamba
- Sulphy
- Mask
- Mandy
- Propizole
- Vintage
- Exort
- Tulip
- Silicon Plus

Revenue from Technical and Formulations

(₹ IN MILLION)





ABOUT PROMOTERS

SLIDE 12

LEADERSHIP TEAM

SLIDE 13

02 | **MANAGEMENT** Team

Experienced Promoters with Domain Knowledge

Promoters having a cumulative experience of more than six decades



Mr. Sadashiv K. Shetty

CHAIRMAN AND EXECUTIVE DIRECTOR

- Holds a bachelor's (physics and chemistry) and master's (chemistry) degree in science from University of Mysore
- Has experience of more than three decades in agrochemicals industry
- Has been on Board since September, 1994 and is responsible for the overall supervision, direction and management of the Company
- He has been instrumental in new products development and addition of capacities
- Has previously worked with Sudarshan Chemical Limited, Gharda Chemical Limited, Hoechst Pharmaceuticals and Nirlon Limited



Mr. Raghuram K. Shetty

MANAGING DIRECTOR

- Holds a bachelor's degree in economics from University of Mysore
- Subsequently, pursued government commercial diploma from the Department of Education, Bureau of Government Examinations, Maharashtra and completed diploma in export and import management from the India International Trade Centre, Mumbai
- Has experience of more than three decades in agrochemicals industry
- Has been on Board since September, 1994 and is fully involved in day-to-day affairs of the Company
- He has been instrumental in developing export business for the Company

Management Expertise

Mr. CA Maheshwar V. Godbole

CHIEF FINANCIAL OFFICER

- Holds a bachelor's degree in commerce from University of Bombay and is an associate member of the Institute of Chartered Accountants of India
- He has several years of industry experience in the field of accounts, corporate finance and management information systems
- Oversees overall finance and accounting, risk management and audit compliance in the Company

Mr. Rajesh Ohri

VICE PRESIDENT - PROCUREMENT
& BUSINESS DEVELOPMENT

- Holds a bachelor's degree in engineering (production) from Shivaji University, Kolhapur
- He has several years of experience in field of supply chain management and procurement of raw materials
- Looks after procurement department along with business development function of the Company

Mr. Mopidevi V. Rao

HEAD OF R&D DIVISION

- Holds a bachelor's and master's degree (organic chemistry) degree in science from Andhra University
- He has also done Ph.D. in chemistry from GITAM University
- He has experience of more than two decades in the field of agro formulations of insecticides, fungicides and herbicides
- Looks after development of new products & has control over the R&D activities in the Company
- Has previously been associated with Insecticides (India) Limited, Nagarjuna Agrichem Limited and Solaris Chemtech Limited



FINANCIAL HIGHLIGHTS

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KEY RATIOS

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FINANCIAL SUMMARY

SLIDE 18

03 | FINANCIAL Performance

Financial Highlights

Q4FY21 Highlights

- Total Income at ₹2,731.75 million in Q4FY21 as compared to ₹2,295.25 million in Q4FY20 – growth of 19.02% Y-o-Y.
- EBITDA(incl. Other income) at ₹630.45 million in Q4FY21 as compared to ₹412.96 million in Q4FY20 – growth of 52.67% Y-o-Y.
- EBITDA(incl. Other income) Margins were at 23.54% in Q4FY21 as compared to 19.33% in Q4FY20 – growth of approx. 421bps.
- Profit After Tax at ₹431.99 million in Q4FY21 as compared to ₹262.64 million in Q4FY20 – growth of 64.48% Y-o-Y.

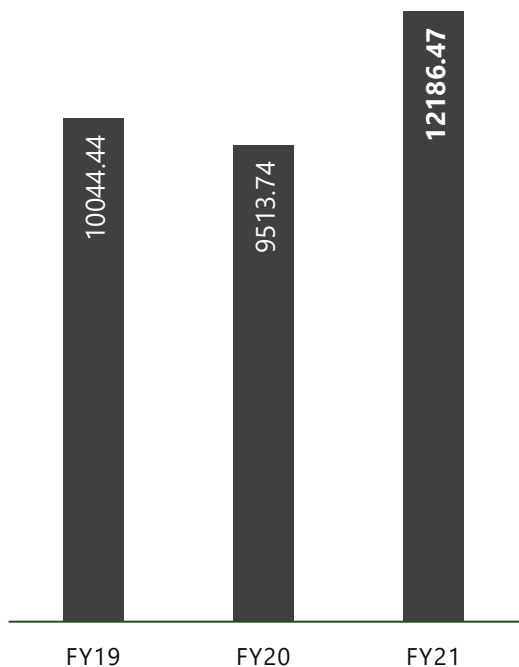
FY21 Highlights

- Total Income at ₹12,256.77 million in FY21 as compared to ₹9,679.06 million in FY20 – growth of 26.63% Y-o-Y.
- EBITDA(incl. Other Income) at ₹2,283.69 million in FY21 as compared to ₹1,458.82 million in FY20 – growth of 56.54% Y-o-Y.
- EBITDA(incl. Other income) Margins were at 18.74% in Q4FY21 as compared to 15.33% in Q4FY20 – growth of approx. 341bps.
- Profit After Tax at ₹1,542.26 million in FY21 as compared to ₹976.57 million in FY20 – growth of 57.93% Y-o-Y.
- Earnings Per Share (Diluted) was ₹39.41 in FY21 as compared to ₹25.00 in FY20 – growth of 57.64% Y-o-Y.
- Cash and Cash equivalent stood at ₹847.80 million in FY21.
- Company announced dividend of ₹0.70 per share in FY21.

KEY Ratios

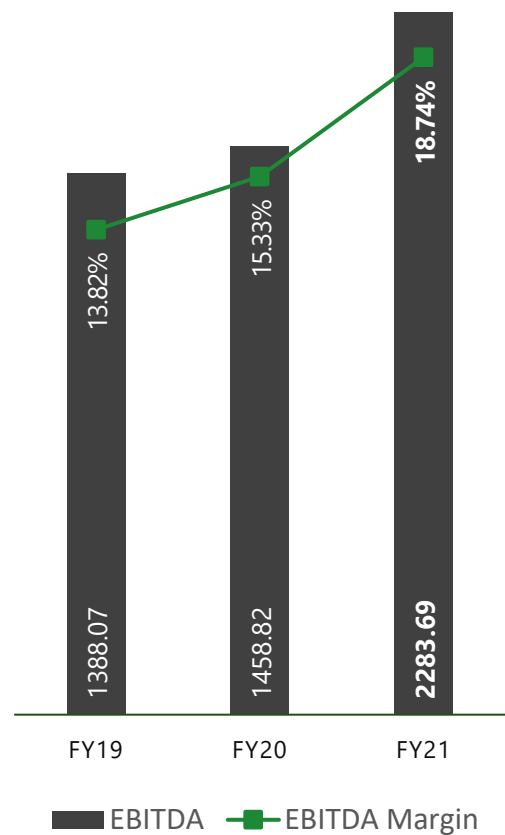
Net Revenue from Operations

(₹ IN MILLION)



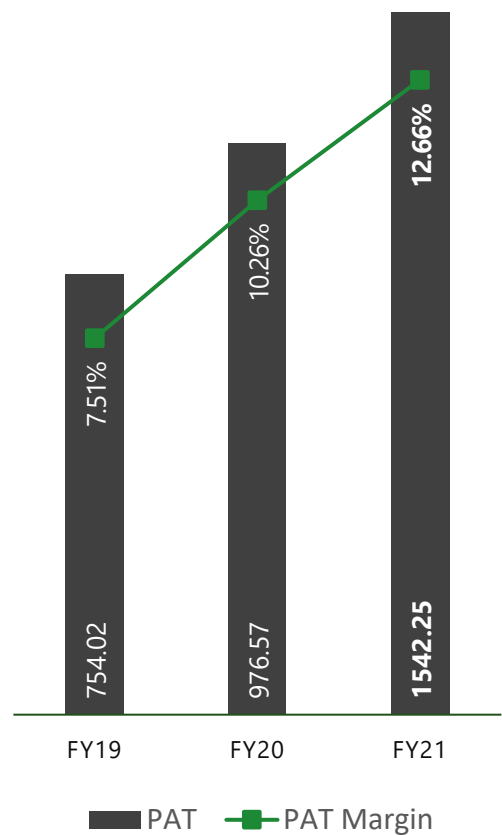
EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



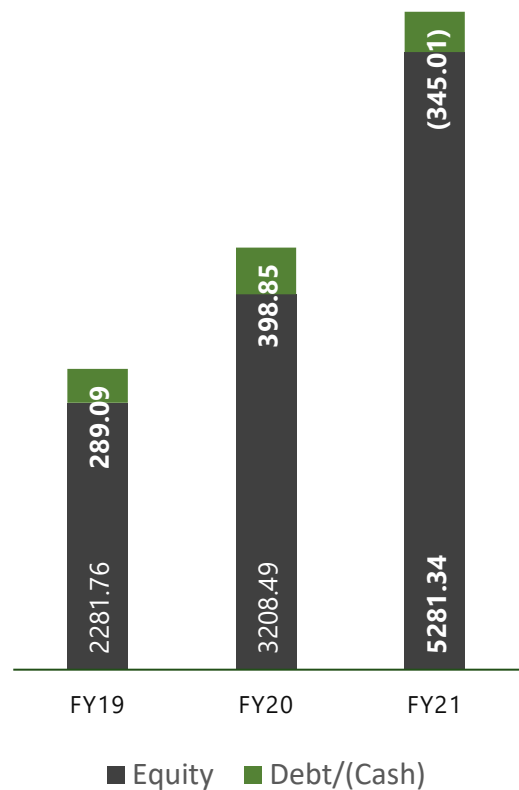
PAT and PAT Margin

(₹ IN MILLION & %)



Net Debt/(Cash) and Equity

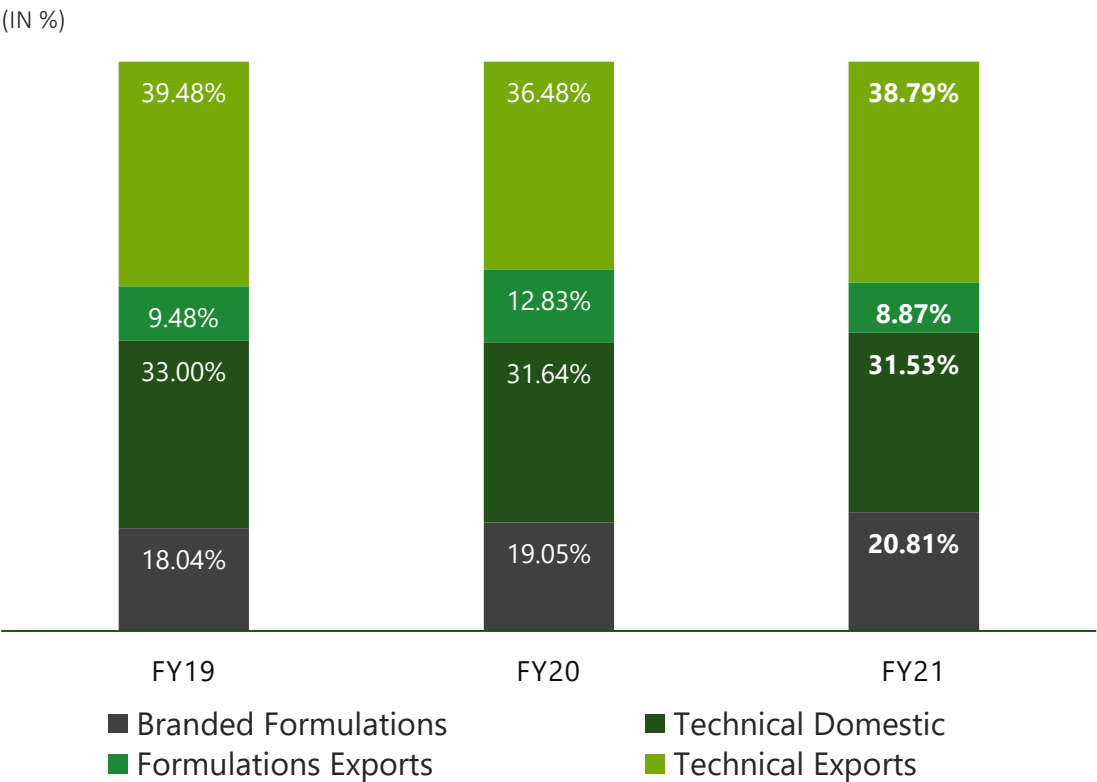
(₹ IN MILLION)



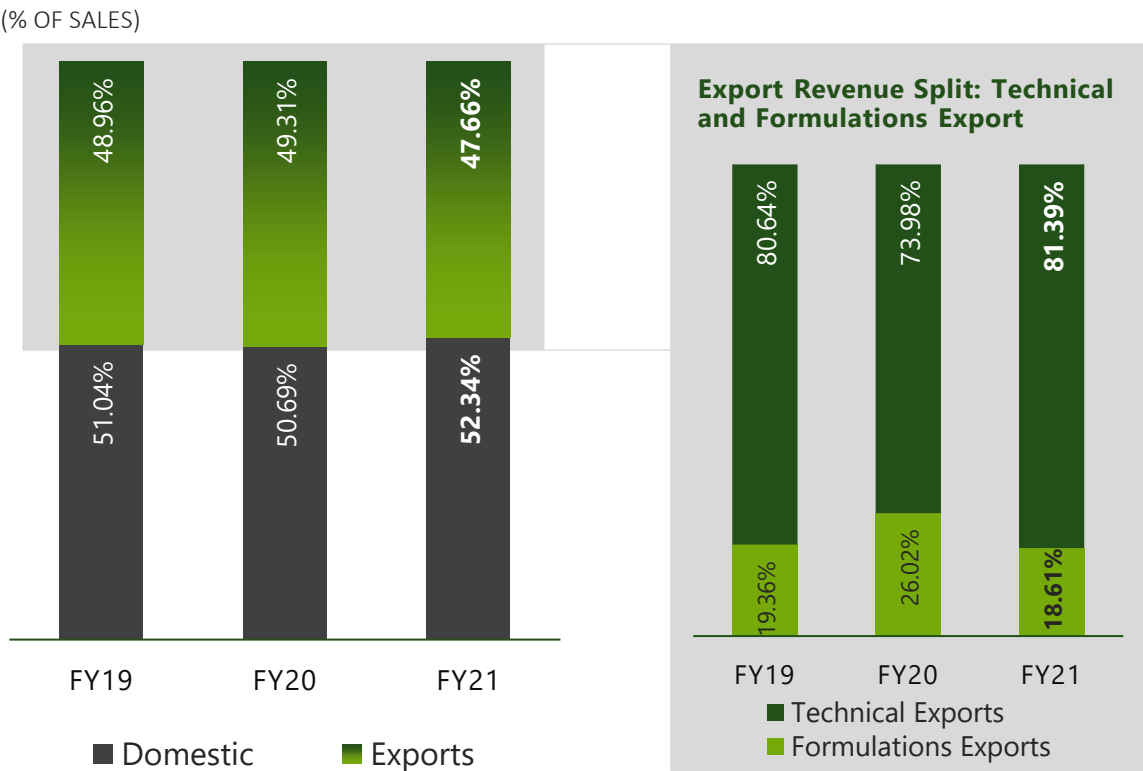
Business Mix

Diversified customers base across geographies helps to mitigate risks and benefit from expected growth in agrochemical market

Revenue from Operations



Revenue from Exports



Profit & Loss Summary

(Quarterly)

(₹ IN MILLION)

PARTICULARS	Q4FY20	Q3FY21	Q4FY21
Revenue from Operations	2,136.87	3,324.73	2,678.30
Other Income	158.38	8.18	53.46
Total Revenue	2,295.25	3,332.91	2,731.75
Total Expenses	1,936.20	2,728.42	2,154.21
Profit Before Tax	359.05	604.49	577.54
Total Tax Expense	96.41	157.23	145.55
Profit After Tax	262.64	447.26	431.99
EPS Basic (₹)	6.72	11.45	11.04
EPS Diluted (₹)	6.72	11.45	11.04
EBITDA (incl. Other income)	412.96	651.79	630.45
EBITDA (incl. Other income) Margin	19.33%	19.60%	23.54%

Profit & Loss Summary

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21
Revenue from Operations	10,044.44	9,513.74	12,186.47
Other Income	73.94	165.32	70.30
Total Revenue	10,118.38	9,679.06	12,256.77
Total Expenses	8,897.18	8,390.64	10,173.92
Profit Before Tax	1,221.2	1,288.42	2,082.85
Total Tax Expense	467.18	311.85	540.59
Profit After Tax	754.02	976.57	1,542.26
EPS Basic (₹)	19.31	25.00	39.41
EPS Diluted (₹)	19.31	25.00	39.41
EBITDA (incl. Other Income)	1,388.07	1,458.82	2,283.69
EBITDA (incl. Other Income) Margin	13.82%	15.33%	18.74%

Balance Sheet ^(1/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21
Non-Current Assets			
Property, plant and equipment	511.39	954.41	1,334.35
Capital work-in-progress	159.70	377.72	96.95
Financial Assets:			
(i) Investments	0.24	37.31	100.98
(ii) Other Financial Assets	71	84.27	241.71
Current tax assets (Net)	1.48		10.20
Other non-current assets	344.58	80.66	97.01
Total Non-Current Assets (I)	1,088.39	1,534.37	1,881.20
Current Assets			
Inventories	1,138.94	1,455.18	1,659.86
Financial Assets:			
(i) Trade Receivables	2,532.72	2,584.67	3,417.62
(ii) Cash and cash equivalents	209.65	31.94	847.80
(iii) Loans	0	8.95	
(iv) Other financial assets	15.4	17.17	19.97
Other current assets	619.33	615.35	606.68
Total Current Assets (II)	4,516.04	4,713.26	6,551.93
Total Assets (I + II)	5,604.43	6,247.63	8,433.13

Balance Sheet (2/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21
Equity and liabilities			
Equity			
Equity share capital	390.56	390.56	400.13
Other equity	1891.2	2817.93	4881.21
Total Equity	2281.76	3208.49	5281.34
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings			
(ii) Other Financial Liabilities	57.27	61.46	66.41
Provisions	4.22	6.49	22.43
Other Non-current liabilities		2.28	11.71
Deferred Tax balances (net)	41.27	16.09	
Total Non-Current Liabilities (I)	102.76	86.32	100.55
Current Liabilities			
Financial Liabilities			
(i) Borrowings	498.74	430.79	502.79
(ii) Trade payables	2352.07	2124.68	1955.82
(iii) Other Financial Liabilities	121.89	139.30	283.27
Current tax Balances (net)	101.68	37.46	88.37
Other current liabilities	96.46	163.19	159.73
Provisions	49.07	57.40	61.25
Total Current Liabilities (II)	3219.91	2952.82	3051.24
Total Liabilities (I + II)	3322.67	3039.14	3151.79
TOTAL EQUITY AND LIABILITIES	5604.43	6247.63	8433.13

Cashflow Statement

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21
Cash Flow from Operations	877.02	542.11	603.98
Cash Flow from Investing Activities	-373.79	-520.39	-407.13
Cash Flow from financing Activities	-411.35	-199.43	619.01
Net increase/ (decrease) in cash and cash equivalents	91.88	-177.71	815.86
Cash and cash equivalents at beginning of the year	117.77	209.65	31.94
Cash and cash equivalents at end of the year	209.65	31.94	847.80



COMPETITIVE STRENGTHS

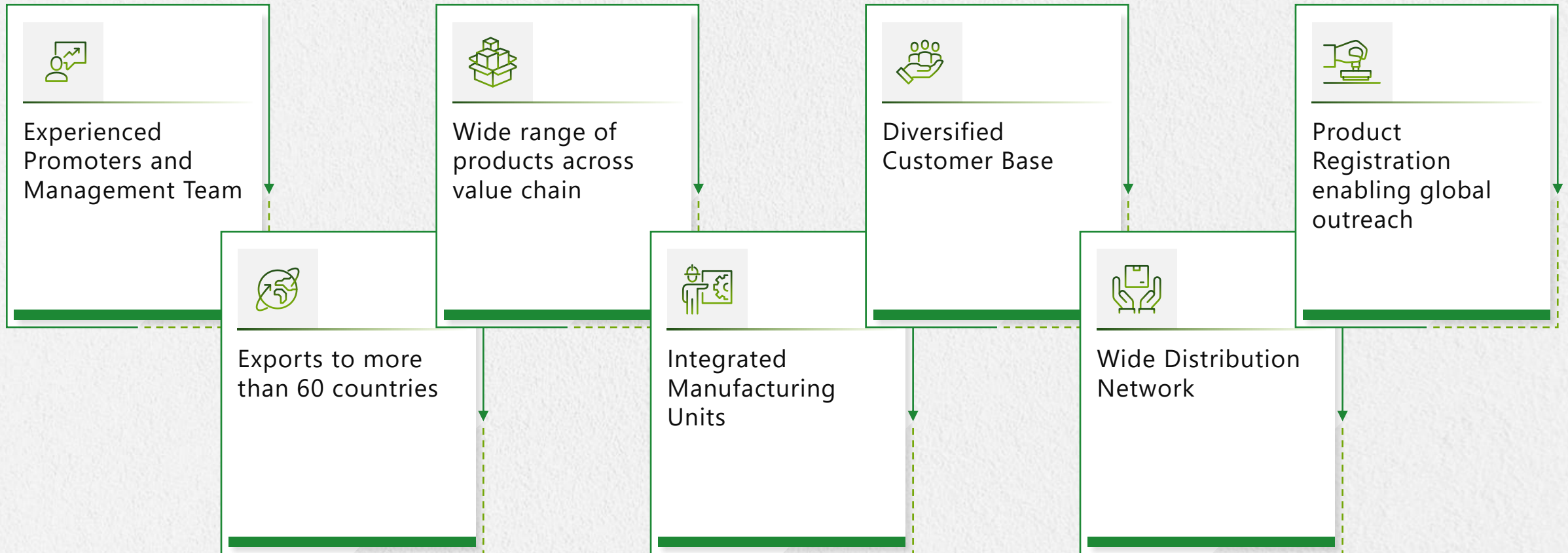
SLIDE 24

BUSINESS STRATEGY

SLIDE 25

04 | **Strategy** for Growth

Competitive Strengths



Business Strategy

Well positioned to exploit opportunities offered by growth in pyrethroids market.



Entering Highly Regulated USA and Europe markets



Strengthening of R&D Facility



Enhancing Production Capabilities



Enhancing Formulation & Technicals in International Markets



Branded Formulations and Public Health

THANK YOU

CONTACT US:

Investor Relations

Mayura Bhusari/Nikhil Morye

Mbhusari@christensenir.com

nmorye@christensenir.com

CORPORATE OFFICE

Heranba Industries Ltd.

101/102, Kanchanganga,
Factory Lane, Borivali (W),
Mumbai – 400 092, India

Tel : 91-22-2898 7912/14,
91-22-2898 2133/44,
91-22-2898 4439,
91-22-5070 5050

Email : contact@heranba.com

