



An ISO 9001:2015 Company
HERANBA[®]
INDUSTRIES LIMITED

Investor Presentation

Q1FY23 || August 2022

BSE: 543266 | NSE: HERANBA | ISIN: INE694N01015
www.heranba.co.in





Safe Harbor

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Heranba Industries Limited (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

Contents

01 **Company Overview**
SLIDE 04

02 **Management Team**
SLIDE 11

03 **Quarterly Performance**
SLIDE 13

04 **Financial Performance**
SLIDE 18

05 **Strategy for Growth**
SLIDE 25





An ISO 9001:2015 Company
HERANBA[®]
INDUSTRIES LIMITED

Section: 01

Company Overview

Heranba at glance

SLIDE 05

Our journey

SLIDE 06

Value chain

SLIDE 07

Intermediaries

SLIDE 08

Technicals

SLIDE 09

Formulations

SLIDE 10



Heranba at a Glance



4

Manufacturing
Facilities



65+

Countries
Presence



700+

Employees
(as of FY22)



60+

Revenue from
Institutional
customers**
(as of FY22)



9400+

Dealers
across India



42%

Revenue from
Exports as % of sales
(as of FY22)



~25%

Revenue from
Top 10 customers
(as of FY22)



30.4%

ROE#
(as of FY22)

Our Journey



CMAC

Started manufacturing the Intermediate CMAC



FORMULATIONS

Forward integrated into the manufacturing of Formulations developed from Company's synthetic pyrethroids product portfolio of cypermethrin, alphacypermethrin, deltamethrin, permitherin, lambda cyhalothrin



ISO CERTIFICATE

Receipt of ISO 9001:2015 certification in respect of production & dispatch of agro Formulations and packing & dispatch of agro based herbicides

EXPORTS

Exported Technicals and Formulations to more than 65+ countries in the international markets

1996

2002

2005

2006

2014

2019

2020

2021-22



TECHNICALS

Forward integrated into the manufacturing of Technicals, primarily made from the raw material CMAC and other Intermediates



BRANDED FORMULATIONS

Forward Integrated into Branded Formulations through its own distribution network



TURNOVER

Achieved Turnover of ₹1000 Crores



INITIAL PUBLIC OFFERING

Listed on BSE & NSE



Commissioned Unit No. 4 in Vapi

Value Chain

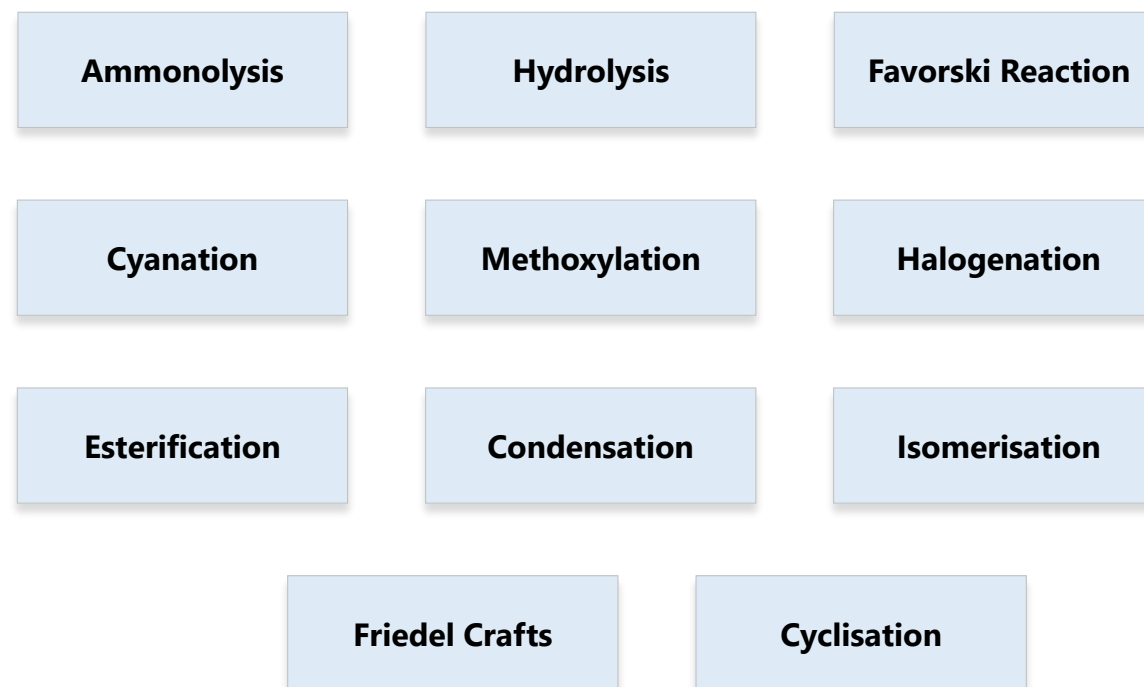


Value Chain

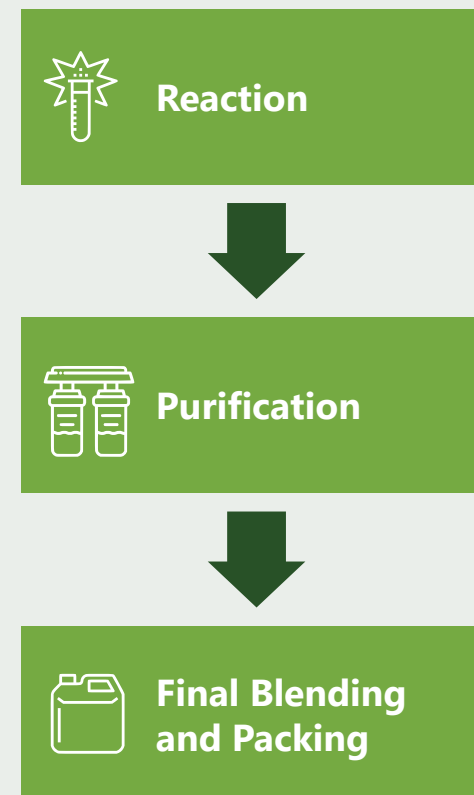
HIL over the years, has scaled up the manufacturing of Intermediates, Technicals and Formulations which form part of the entire value chain of the agrochemicals industry

Manufacturing Process

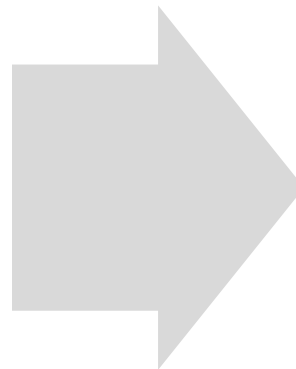
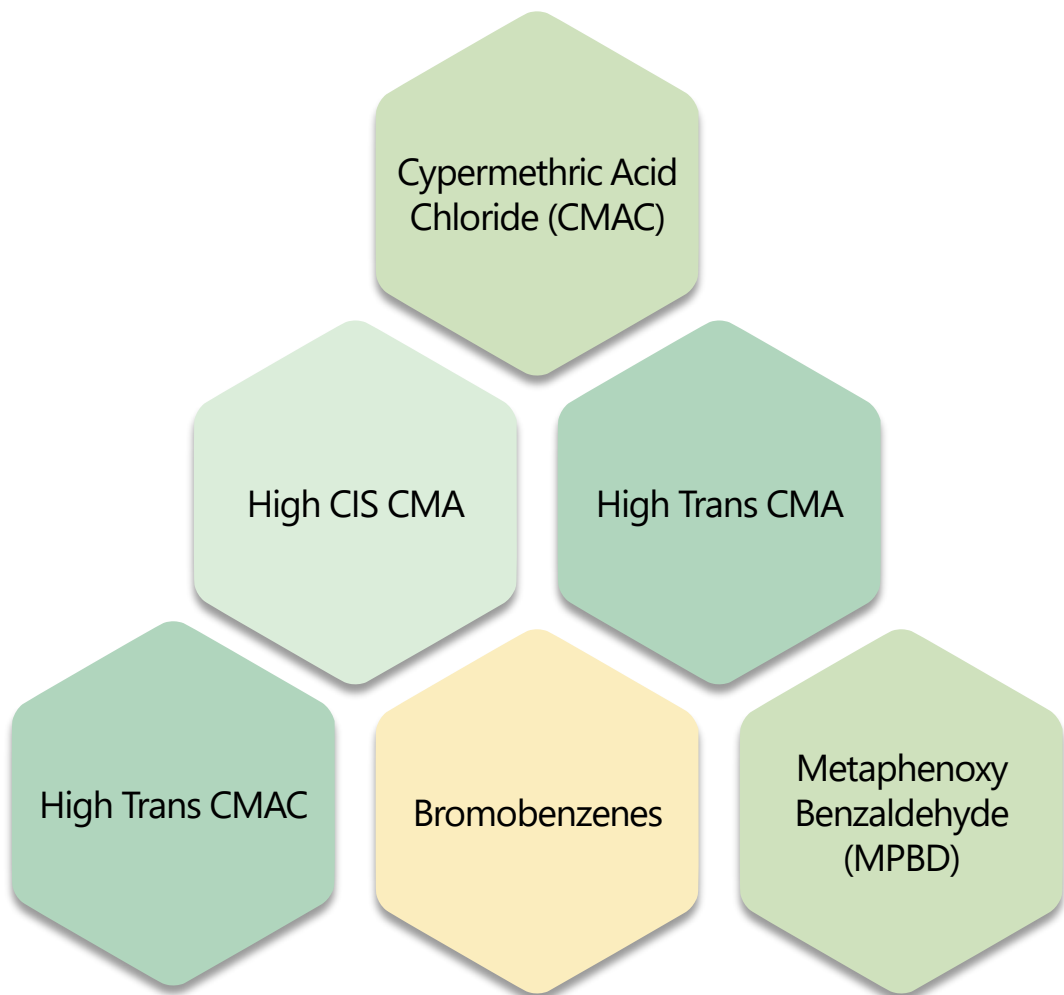
- HIL manufactures a wide range of products, and each product has its own unique manufacturing process
- The Company specializes in the manufacturing processes that mainly include chemical reactions of:



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



Intermediaries



End-use

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

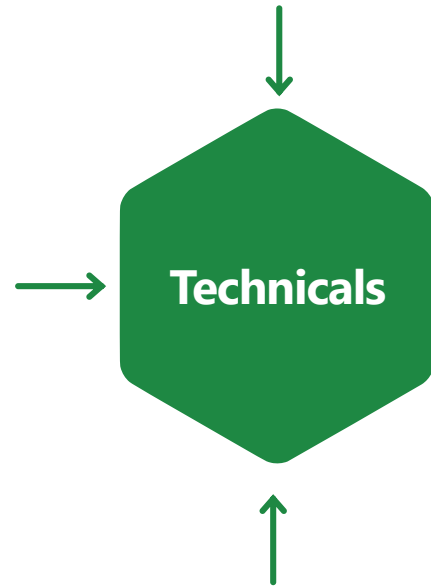
Technicals

Insecticides

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

Herbicides

- Glyphosate
- Metribuzin
- Clodinofop



Technicals

Fungicides

- Tricyclazole
- Hexaconazole



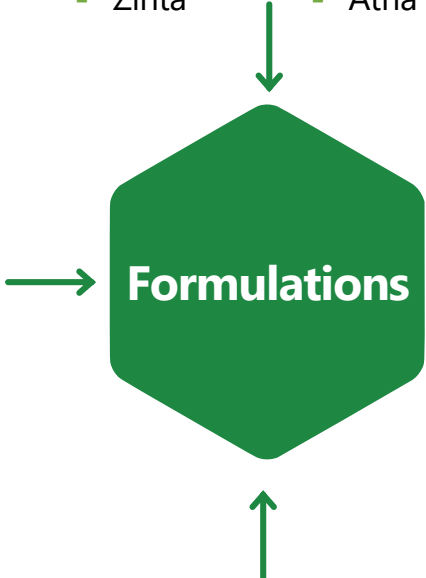
Formulations

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

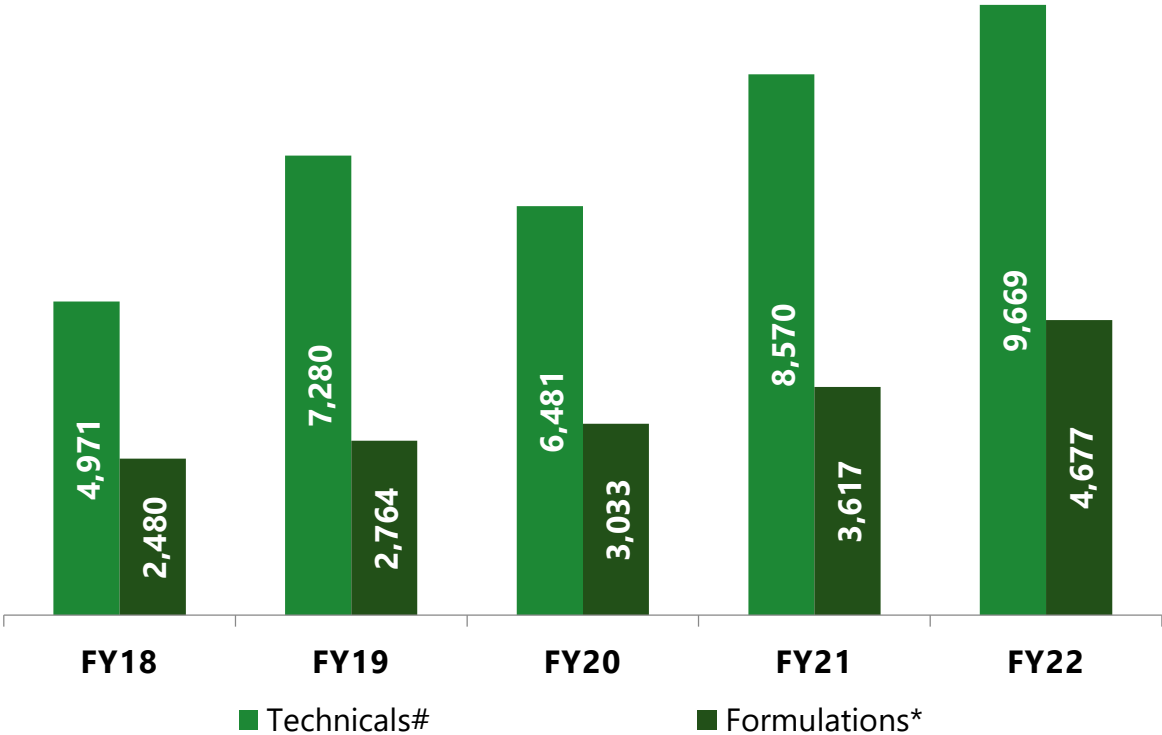


Fungicides

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

Revenue from Technical and Formulations

(₹ in Million)



#Technicals includes Technical Domestic and Technical Exports | *Formulations includes Branded Formulations, Formulation Exports and Public Health



An ISO 9001:2015 Company
HERANBA®
INDUSTRIES LIMITED

Section: 02

Management



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 an experience of more than three decades in agrochemicals industry
- Mr. Sadashiv K. Shetty is associated with the Company since 1994. He is a stalwart of the agrochemicals industry, with over thirty years of experience in the sector.
- Has galvanized the development of new products and is boosting the capacities & capabilities of the Company
- His skill, Experience & Expertise includes Business Leadership & Operations, Risk Management & Governance, Business Expertise, Strategic Planning, General Management, Functional & Managerial Experience, Chemical Industry Expert, Manufacturing, Research & Development, etc.



Mr. Raghuram K. Shetty

Managing Director

- Holds a bachelor's degree in economics, Diploma in Export and Import Management and Commercial Diploma from Department of Education, Bureau of Government Examination
- Has an experience of more than three decades in agrochemicals industry
- Mr. Raghuram K. Shetty is associated with the Company since 1994
- In charge of the overall management and day-to-day affairs of the Company, while also giving shape to the future business strategies
- He is the driving force behind the Business Development, Business Operations, Risk Management & Governance, Finance & Accounting, Functional, Strategic Planning, Procurement, Sales & Marketing, Managerial Operations, International Trade, Export Business Management, Product Development, Plant Setup, Supply Chain, Intellectual Property Rights, etc.



An ISO 9001:2015 Company
HERANBA[®]
INDUSTRIES LIMITED

Section: 03

Quarterly Performance

**Management
Commentary**

SLIDE 14

**Quarterly
Performance**

SLIDE 15

P&L Summary

SLIDE 16 & 17



Q1FY23 Management Commentary

Mr. Raghuram K. Shetty, Managing Director of Heranba Industries Limited, commented, *"The Company's revenues grew by 3% YoY to ₹3,619 million in Q1FY23, despite of adverse macro-economic environment and delay in monsoons in the domestic markets. Our EBITDA margins were under check owing to a rise in raw material prices, higher power costs and supply chain related constraints. However, we are confident of growth in the coming quarter owing to robust demand. We are also witnessing good traction for our products in the domestic markets with the monsoons making up for Q1 deficit and adequate reservoir levels.*

The ongoing capex at our Sarigam facility is shaping up well. Heranba will continue to leverage its integrated manufacturing facilities, wide distribution network, presence across the value chain and thrust on R&D to offer high-quality varied products, aiding farmers to enhance their crop yield and income. The Company looks forward to add new product registrations, thereby expanding its diverse customer base and driving Heranba's next wave of growth."



Quarterly Performance (Standalone)

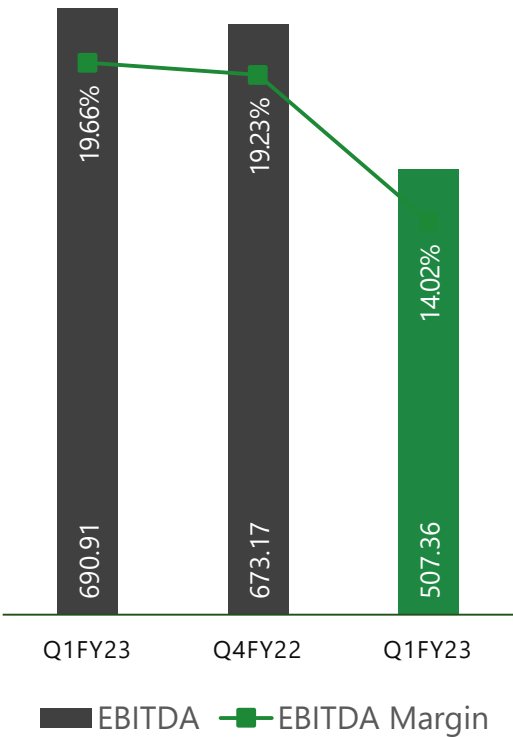
Net Revenue from Operations

(₹ IN MILLION)



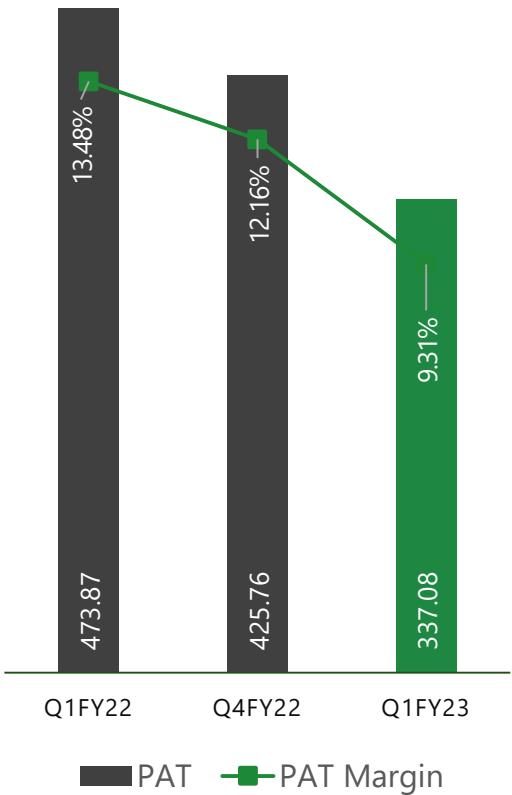
EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



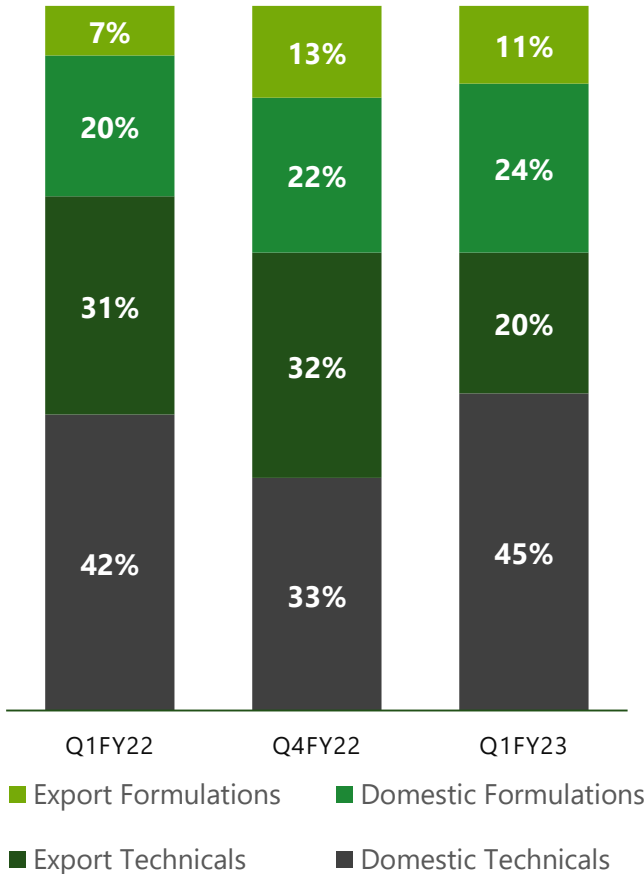
PAT and PAT Margin

(₹ IN MILLION & %)



Business Mix

(IN %)



NOTE: Domestic Formulations includes Branded Formulations and Public Health

Profit & Loss Summary (Standalone)

(Quarterly)

Figures in Rs Million, except EPS and Margins

PARTICULARS	Q1FY22	Q4FY22	Q1FY23
Revenue from Operations	3,514	3,501	3,619
Other Income	43	48	44
Total Revenue	3,557	3,549	3,664
Total Expenses	2,914	2,967	3,221
Profit Before Tax	643	583	443
Total Tax Expense	169	157	106
Profit After Tax	474	426	337
EPS Basic (₹)	11.84	10.64	8.42
EPS Diluted (₹)	11.84	10.64	8.42
EBITDA (incl. Other income)	691	673	507
EBITDA (incl. Other income) Margin	19.66%	19.23%	14.02%

Profit & Loss Summary (Consolidated)

(Quarterly)

Figures in Rs Million, except EPS and Margins

PARTICULARS	Q1FY23
Revenue from Operations	3,619
Other Income	44
Total Revenue	3,664
Total Expenses	3,221
Profit Before Tax	440
Total Tax Expense	106
Profit After Tax	334
EPS Basic (₹)	8.36
EPS Diluted (₹)	8.36
EBITDA (incl. Other income)	505
EBITDA (incl. Other income) Margin	13.95%



An ISO 9001:2015 Company
HERANBA[®]
INDUSTRIES LIMITED

Section: 04

Financial Performance

Key Ratios

SLIDE 19

Financial Summary

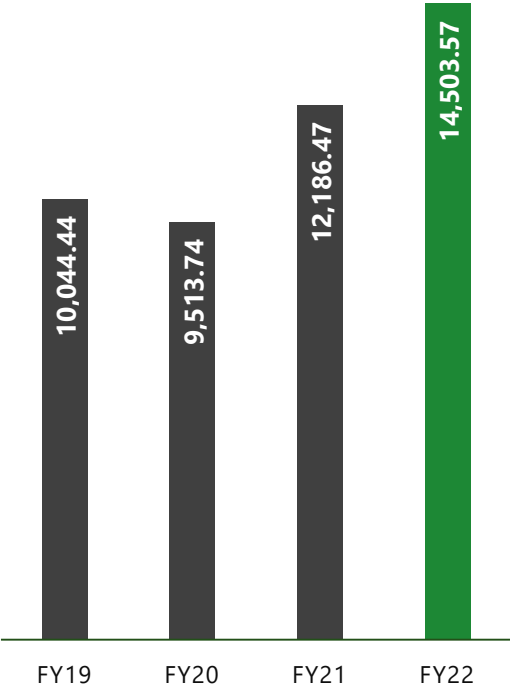
SLIDE 21



Key Financial Metrics (Standalone)

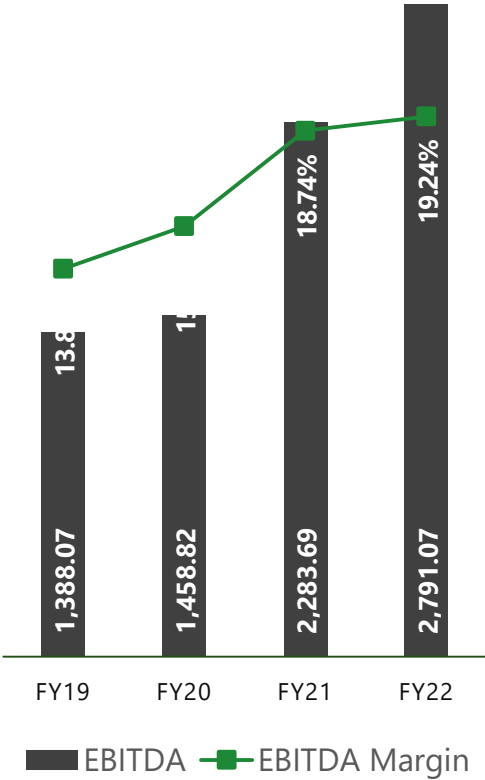
Net Revenue from Operations

(₹ IN MILLION)



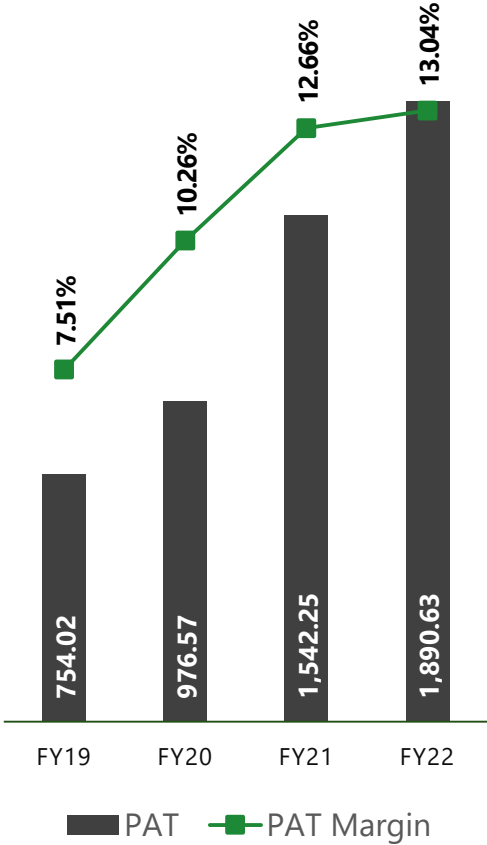
EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



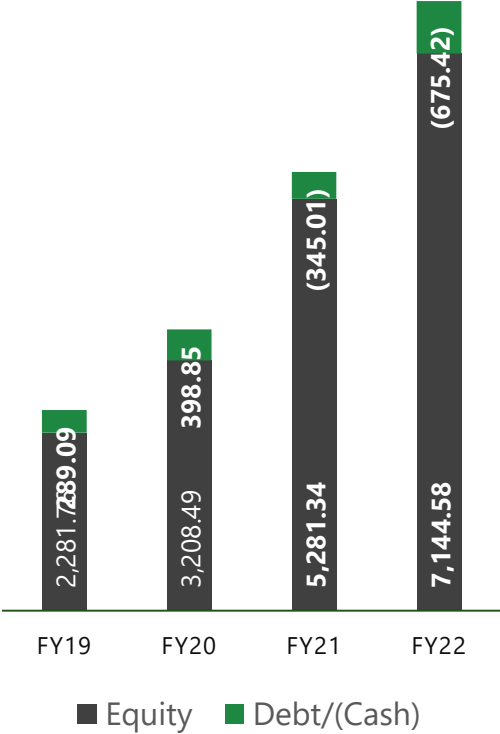
PAT and PAT Margin

(₹ IN MILLION & %)



Net Debt/(Cash) and Equity

(₹ IN MILLION)

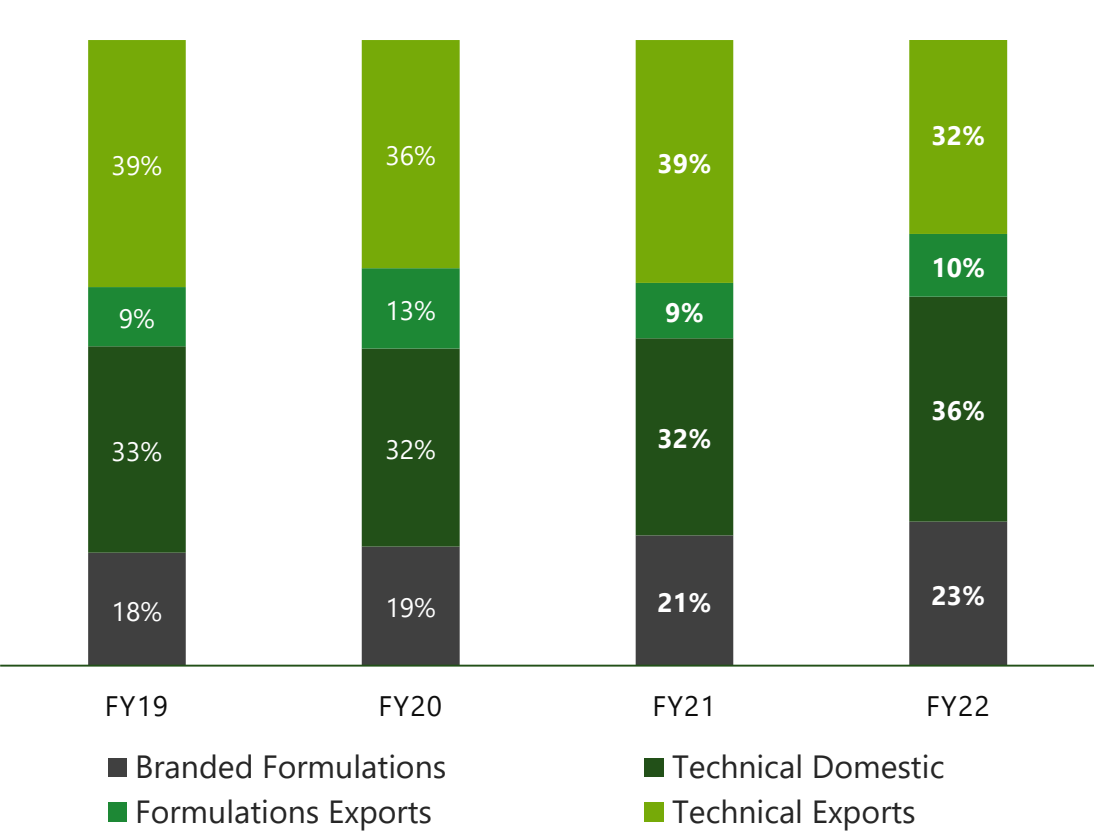


Standalone Business Mix

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

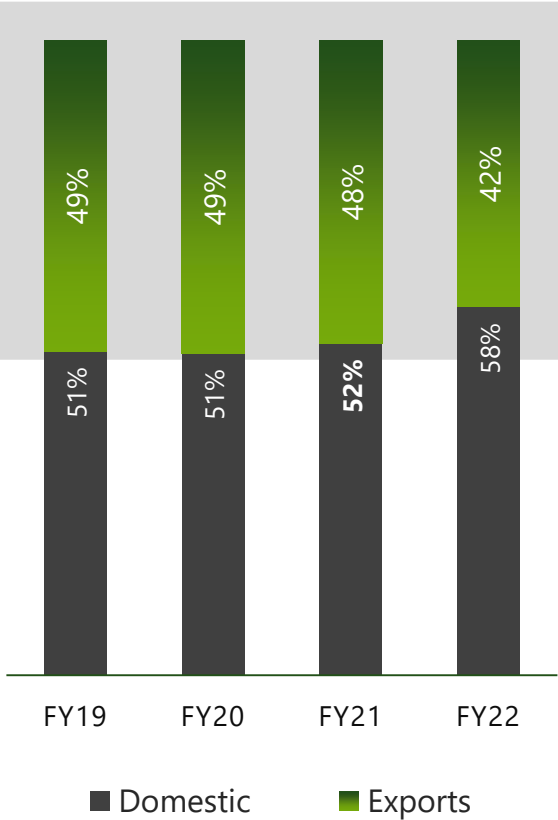
Revenue from Operations

(IN%)

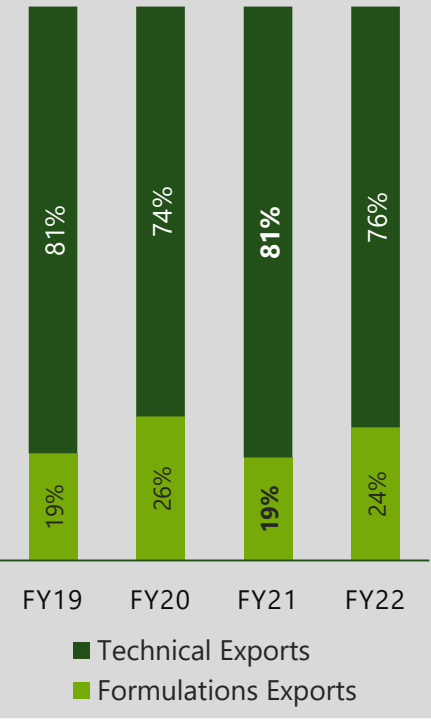


Revenue from Domestic / Exports

(% OF SALES)



Export Revenue Split: Technical and Formulations Export



Profit & Loss Summary (Standalone)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22
Revenue from Operations	10,044.44	9,513.74	12,186.47	14,503.73
Other Income	73.94	165.32	70.30	193.50
Total Revenue	10,118.38	9,679.06	12,256.77	14,697.23
Total Expenses	8,897.18	8,390.64	10,173.92	12,144.73
Profit Before Tax	1,221.2	1,288.42	2,082.85	2,552.50
Total Tax Expense	467.18	311.85	540.59	661.87
Profit After Tax	754.02	976.57	1,542.26	1,890.63
EPS Basic (₹)	19.31	25.00	39.41	47.25
EPS Diluted (₹)	19.31	25.00	39.41	47.25
EBITDA (incl. Other Income)	1,388.07	1,458.82	2,283.69	2,791.07
EBITDA (incl. Other Income) Margin	13.82%	15.33%	18.74%	19.24%

Standalone Balance Sheet (1/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22
Non-Current Assets				
Property, plant and equipment	511.39	954.41	1,334.35	1,934.26
Capital work-in-progress	159.70	377.72	96.95	142.29
Financial Assets:				
(i) Investments	0.24	37.31	100.98	21.27
(ii) Other Financial Assets	71	84.27	241.71	113.72
Current tax assets (Net)	1.48		10.20	28.06
Other non-current assets	344.58	80.66	97.01	59.86
Total Non-Current Assets (I)	1,088.39	1,534.37	1,881.20	2,299.46
Current Assets				
Inventories	1,138.94	1,455.18	1,659.86	2,557.39
Financial Assets:				
(i) Trade Receivables	2,532.72	2,584.67	3,417.62	4,096.45
(ii) Cash and cash equivalents	209.65	31.94	847.80	1,198.71
(iii) Loans	0	8.95		
(iv) Other financial assets	15.4	17.17	19.97	19.56
Other current assets	619.33	615.35	606.68	514.73
Total Current Assets (II)	4,516.04	4,713.26	6,551.93	8,386.84
Total Assets (I + II)	5,604.43	6,247.63	8,433.13	10,686.30

Standalone Balance Sheet (2/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22
Equity and liabilities				
Equity				
Equity share capital	390.56	390.56	400.13	400.13
Other equity	1891.2	2817.93	4881.21	6,744.45
Total Equity	2281.76	3208.49	5281.34	7,144.58
Liabilities				
Non-Current Liabilities				
Financial Liabilities				
(i) Borrowings				
(ii) Other Financial Liabilities	57.27	61.46	66.41	70.85
Provisions	4.22	6.49	22.43	78.63
Other Non-current liabilities		2.28	11.71	6.34
Deferred Tax balances (net)	41.27	16.09		
Total Non-Current Liabilities (I)	102.76	86.32	100.55	155.82
Current Liabilities				
Financial Liabilities				
(i) Borrowings	498.74	430.79	502.79	523.29
(ii) Trade payables	2352.07	2124.68	1955.82	2,432.38
(iii) Other Financial Liabilities	121.89	139.30	283.27	176.19
Current tax Balances (net)	101.68	37.46	88.37	37.59
Other current liabilities	96.46	163.19	159.73	202.58
Provisions	49.07	57.40	61.25	13.87
Total Current Liabilities (II)	3219.91	2952.82	3051.24	3,385.90
Total Liabilities (I + II)	3322.67	3039.14	3151.79	3,541.72
TOTAL EQUITY AND LIABILITIES	5604.43	6247.63	8433.13	10,686.30

Standalone Cashflow Statement

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22
Cash Flow from Operations	877.02	542.11	603.98	981.8
Cash Flow from Investing Activities	-373.79	-520.39	-407.13	-816.8
Cash Flow from financing Activities	-411.35	-199.43	619.01	-62.8
Net increase/ (decrease) in cash and cash equivalents	91.88	-177.71	815.86	102.2
Cash and cash equivalents at beginning of the year	117.77	209.65	31.94	847.8
Cash and cash equivalents at end of the year	209.65	31.94	847.80	950.0



An ISO 9001:2015 Company
HERANBA[®]
INDUSTRIES LIMITED

Section: 05

Strategy for growth

Competitive Strengths

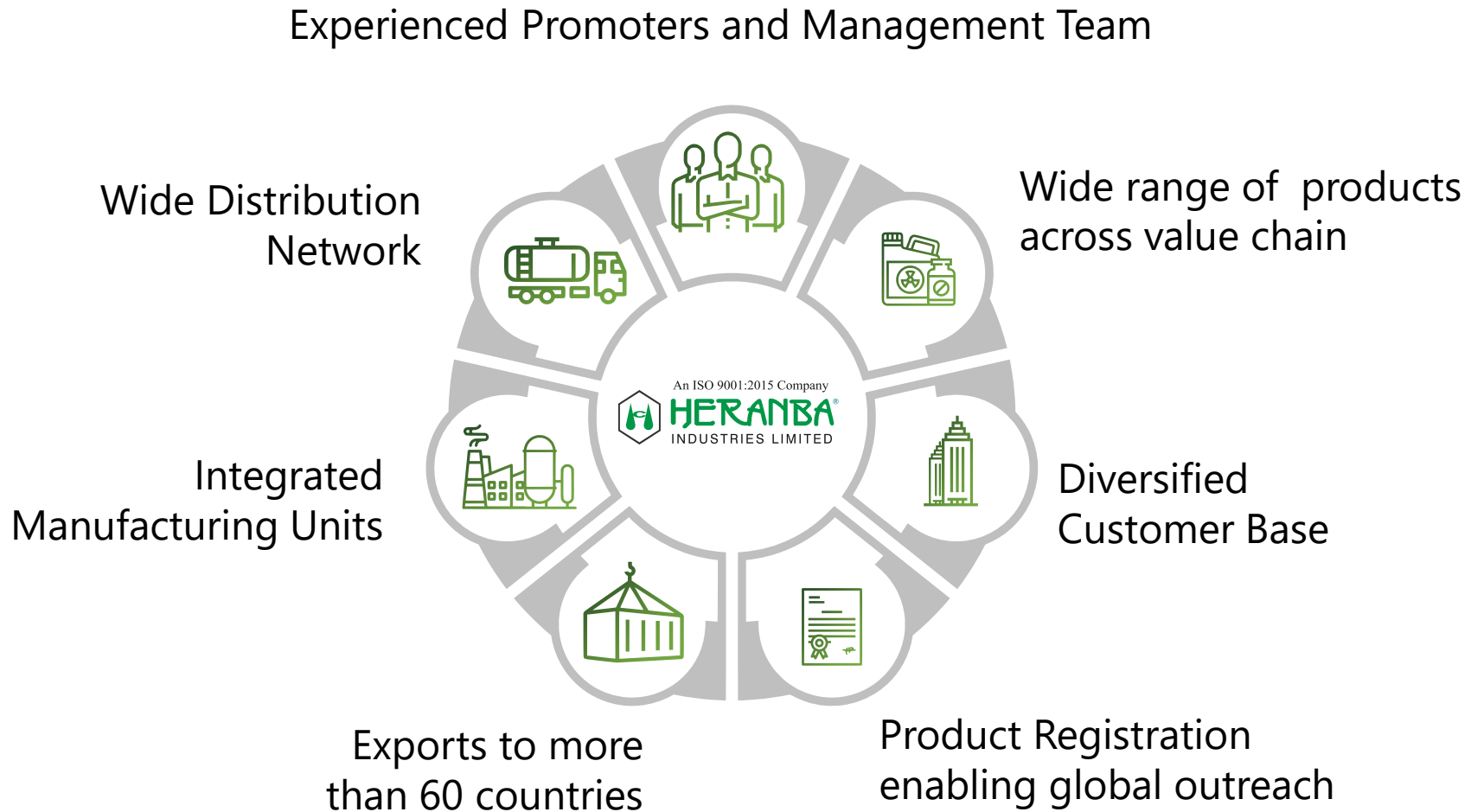
SLIDE 26

Business Strategy

SLIDE 27



Competitive Strengths



Business Strategy

Well positioned to exploit opportunities offered by growth in Agrochemicals



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



An ISO 9001:2015 Company

HERANBA[®]
INDUSTRIES LIMITED

Corporate Office

Heranba Industries Ltd.

2nd Floor, A wing , Fortune Avirahi,
Jain Derasar 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 : compliance@heranba.com

Investor Relations Contacts:

Vikash Verma

✉vikash.verma1@in.ey.com

Diwakar Pingle

✉diwakar.pingle@in.ey.com



Thank You