



An ISO 9001:2015 Company  
**HERANBA**<sup>®</sup>  
INDUSTRIES LIMITED

# Investor Presentation

Q3FY23 || January 2023

BSE: 543266 | NSE: HERANBA | ISIN: INE694N01015  
[www.heranba.co.in](http://www.heranba.co.in)





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## Section: 01

# Company Overview

**Heranba at glance**

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# 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



**32%**

Revenue from  
Exports as % of sales  
(as of H1FY23)



**~25%**

Revenue from  
Top 10 customers  
(as of FY22)



**29.0%**

ROE#  
(as of H1FY23)

# 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

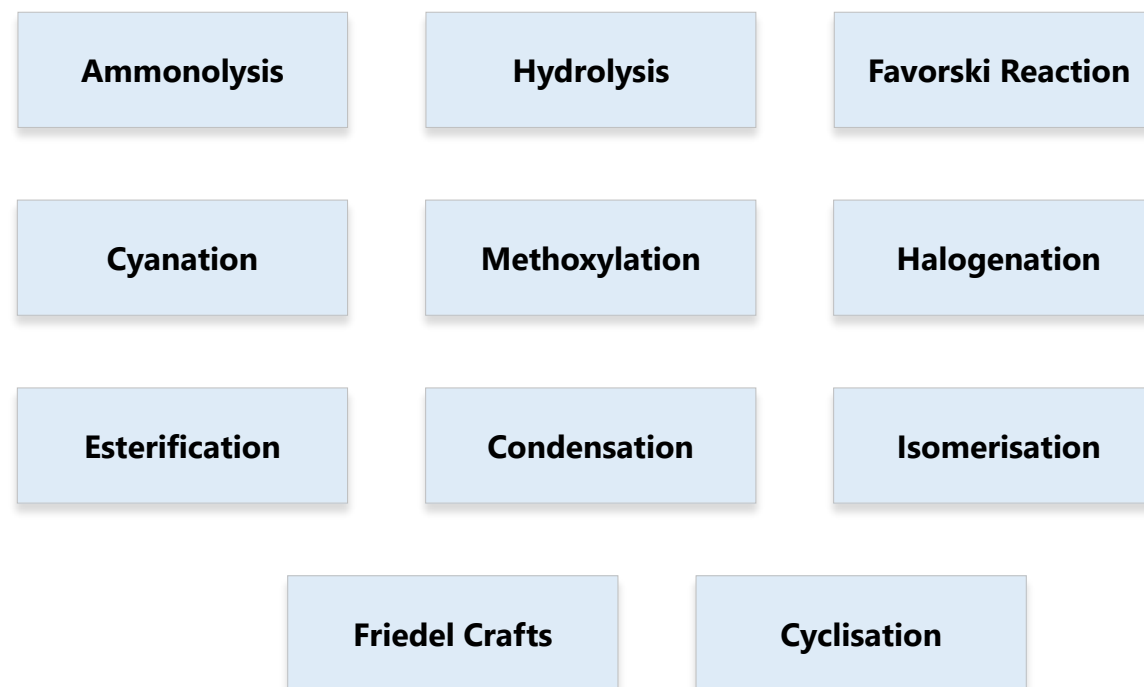


## Value Chain

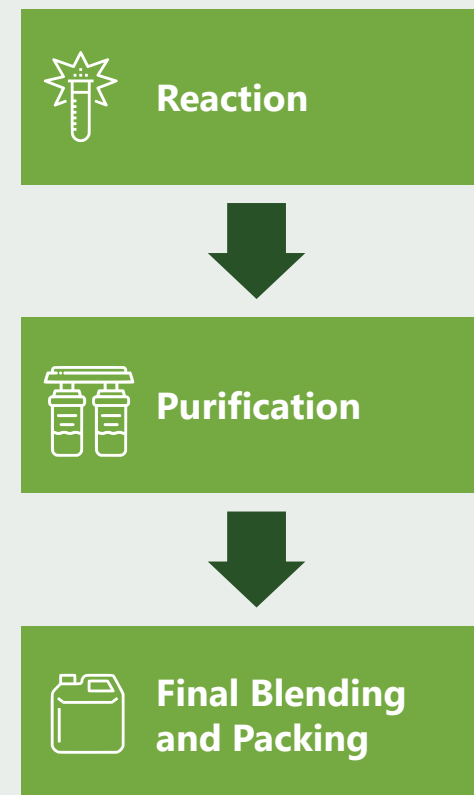
HIL over the years, has scaled up the manufacturing of Intermediates, Technicals and Formulations which form part of the entire value chain of the agrochemicals industry

## Manufacturing Process

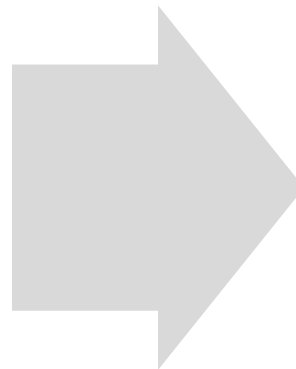
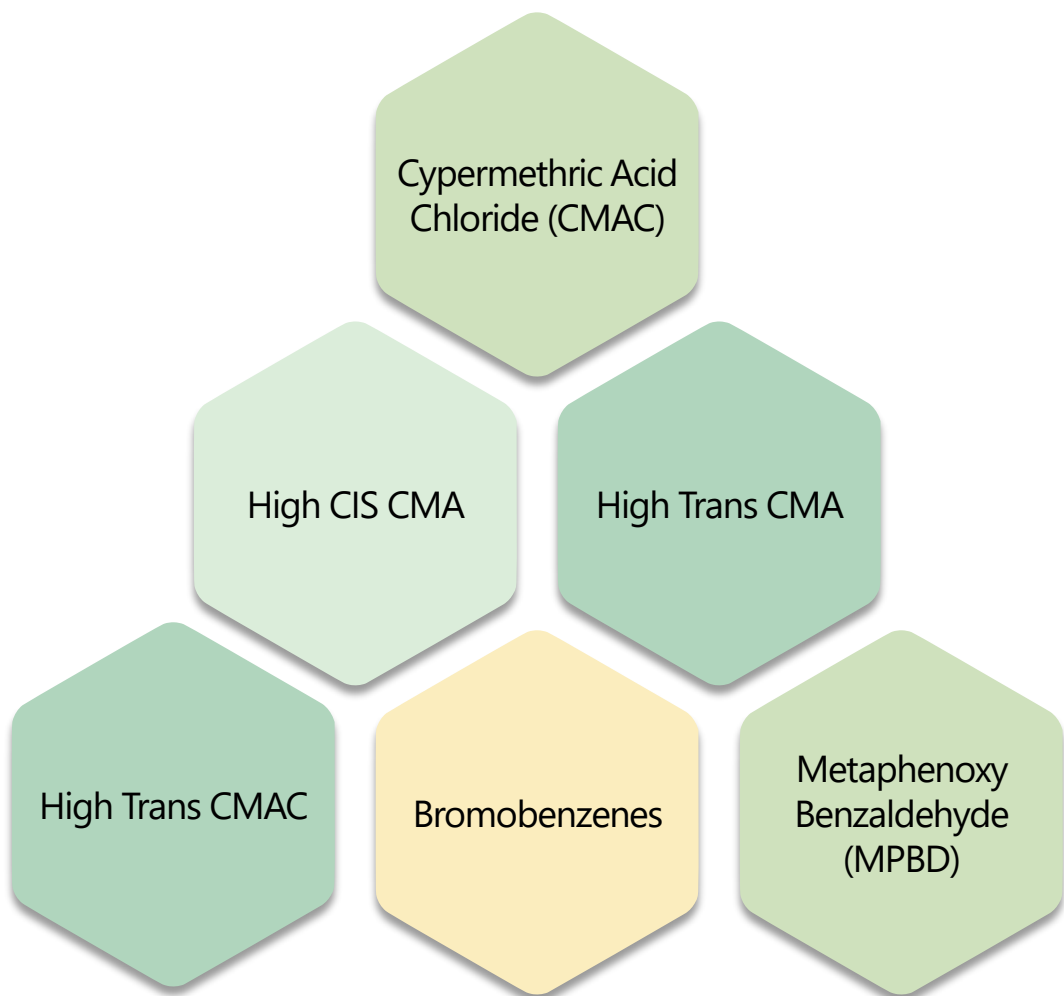
- HIL manufactures a wide range of products, and each product has its own unique manufacturing process
- The Company specializes in the manufacturing processes that mainly include chemical reactions of:



- 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



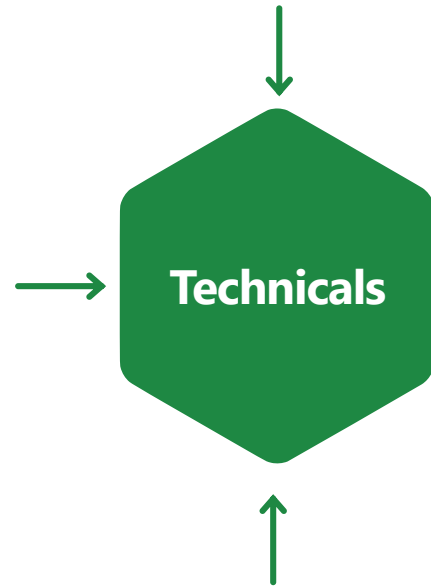
# Technicals

## Insecticides

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

## Herbicides

- Glyphosate
- Metribuzin
- Clodinofop



**Technicals**

## Fungicides

- Tricyclazole
- Hexaconazole



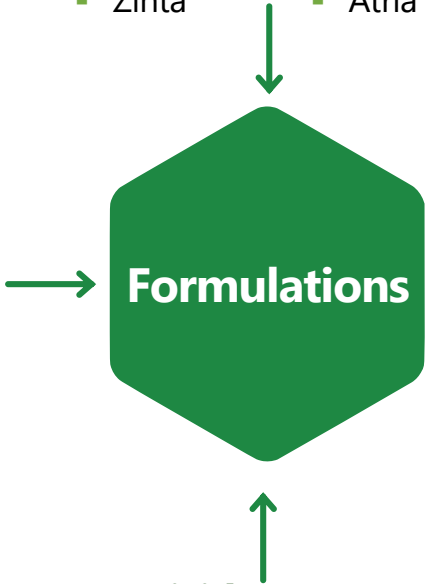
# Formulations

## 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

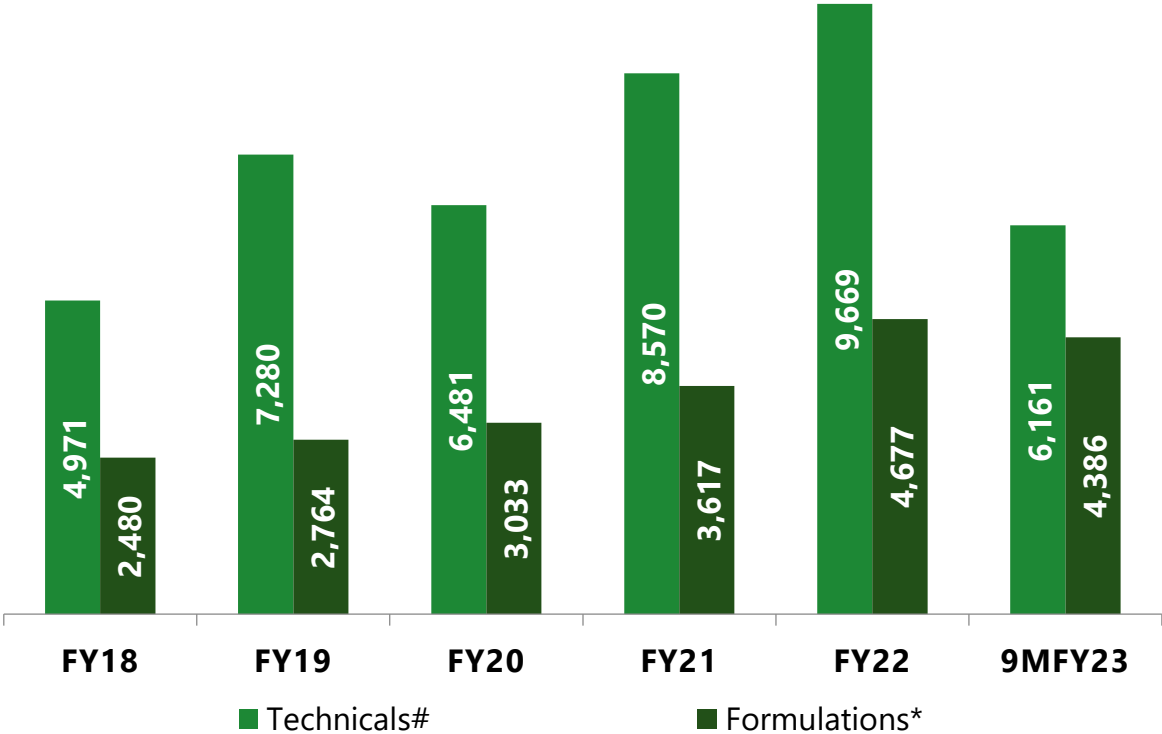


## Fungicides

- 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



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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.



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## Section: 03

# Quarterly Performance

**Management  
Commentary**

SLIDE 14

**Quarterly  
Performance**

SLIDE 15

**P&L Summary**

SLIDE 16 & 17





# Q3FY23 Management Commentary

**Mr. Raghuram K. Shetty, Managing Director of Heranba Industries Limited, commented,** *"The Company's 9M FY23 revenues stood at ₹10,655 million impacted by challenging global macros including prolonged geopolitical concerns, rising inflation in major economies and slowdown in demand. The domestic technical business witnessed lower demand due to challenging market conditions coupled with higher inventory. Our export business was impacted by volatile global macroeconomics. The EBITDA margins were suppressed during 9MFY23 due to higher raw material prices and an increase in power & fuel costs."*

*Heranba's capex plans are progressing as planned and it will further strengthen the Company's capacities and capabilities for the coming years. Heranba aims to leverage its sales and marketing teams reach to strengthen its relationships with existing customers along with adding new customers. The near term outlook is challenging for the entire agrochemical industry. However, Heranba will continue to diversify its product portfolio, widen its distribution network and sharpen its R&D focus for creating sustainable growth."*



# Quarterly Performance (Standalone)

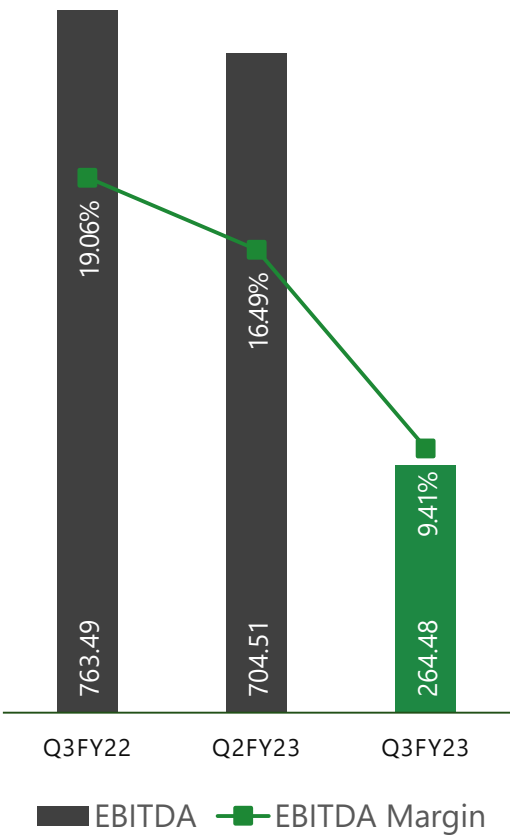
## Net Revenue from Operations

(₹ IN MILLION)



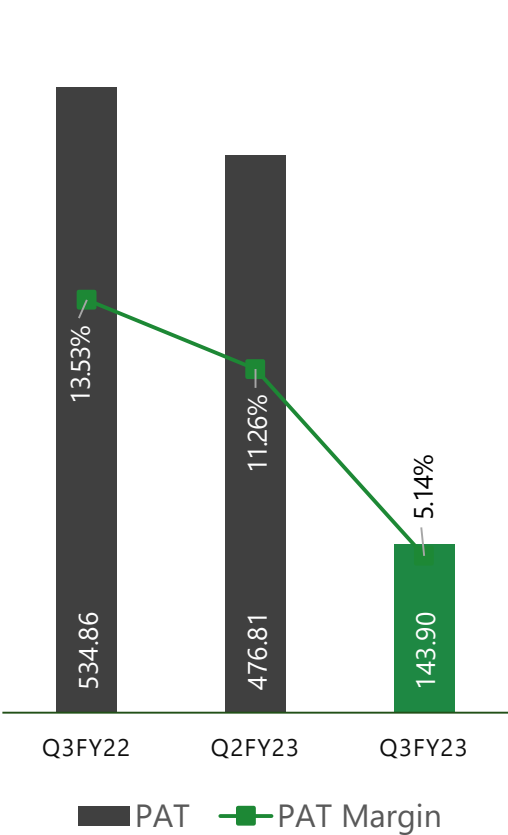
## EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



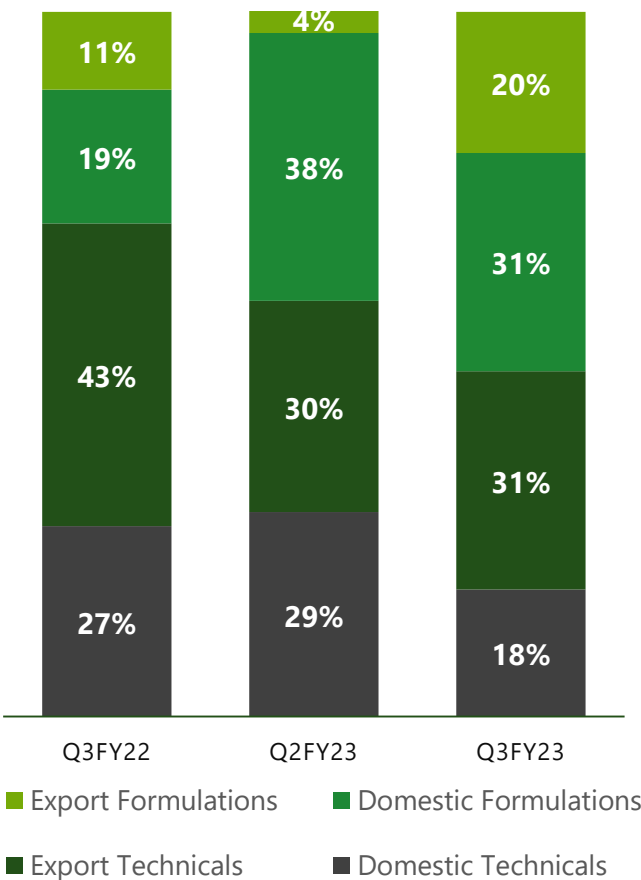
## PAT and PAT Margin

(₹ IN MILLION & %)



## Business Mix

(IN %)



NOTE: Domestic Formulations includes Branded Formulations and Public Health

# Profit & Loss Summary (Standalone)

(Quarterly)

Figures in ₹ Million, except EPS and Margins

PARTICULARS	Q3FY22	Q2FY23	Q3FY23
Revenue from Operations	3,954	4,233	2,802
Other Income	51	40	9
Total Revenue	4,005	4,273	2,811
Total Expenses	3,293	3,640	2,627
Profit Before Tax	713	633	184
Total Tax Expense	178	157	40
Profit After Tax	535	477	144
EPS Basic (₹)	13.37	11.92	3.60
EPS Diluted (₹)	13.37	11.92	3.60
EBITDA (incl. Other income)	763	705	264.48
EBITDA (incl. Other income) Margin	19.06%	16.49%	9.41%

# Profit & Loss Summary (Consolidated)

(Quarterly)

Figures in ₹ Million, except EPS and Margins

PARTICULARS	Q1FY23	Q2FY23	Q3FY23
Revenue from Operations	3,619	4,207	2,760
Other Income	44	40	6
Total Revenue	3,664	4,247	2,767
Total Expenses	3,221	3,621	2,603
Profit Before Tax	440	626	164
Total Tax Expense	106	155	37
Profit After Tax	334	472	126
EPS Basic (₹)	8.36	11.78	3.16
EPS Diluted (₹)	8.36	11.78	3.16
EBITDA (incl. Other income)	505	698	245
EBITDA (incl. Other income) Margin	13.78%	16.43%	8.84%



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## Section: 04

# Financial Performance

### Key Ratios

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### Financial Summary

SLIDE 21

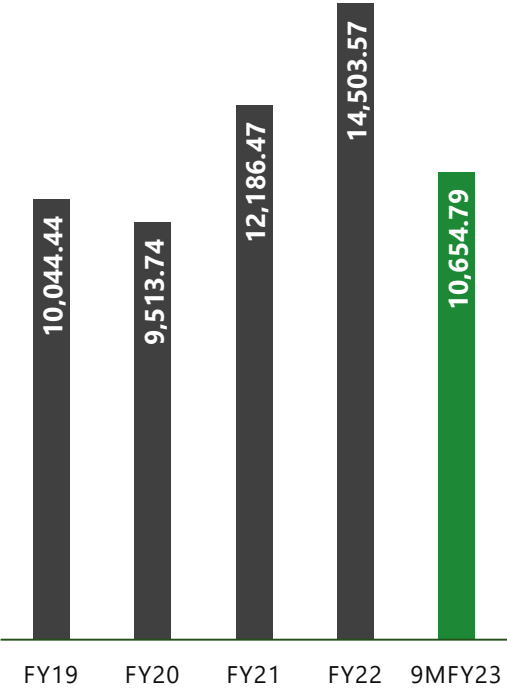




# Key Financial Metrics (Standalone)

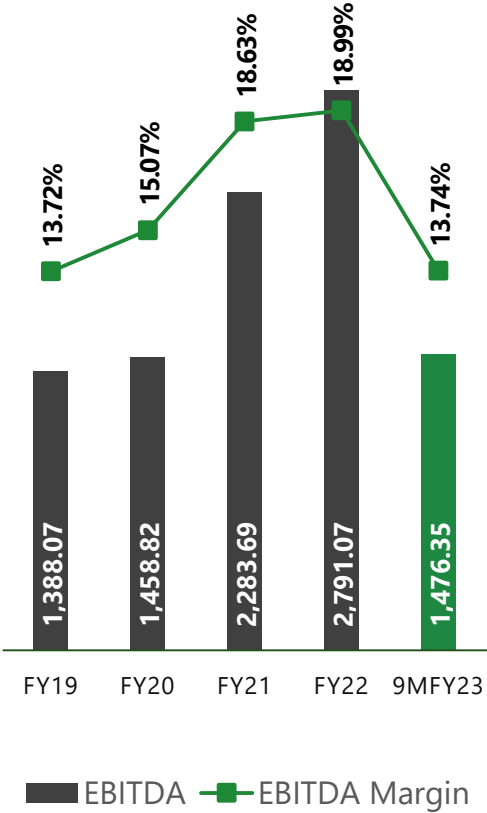
## Net Revenue from Operations

(₹ IN MILLION)



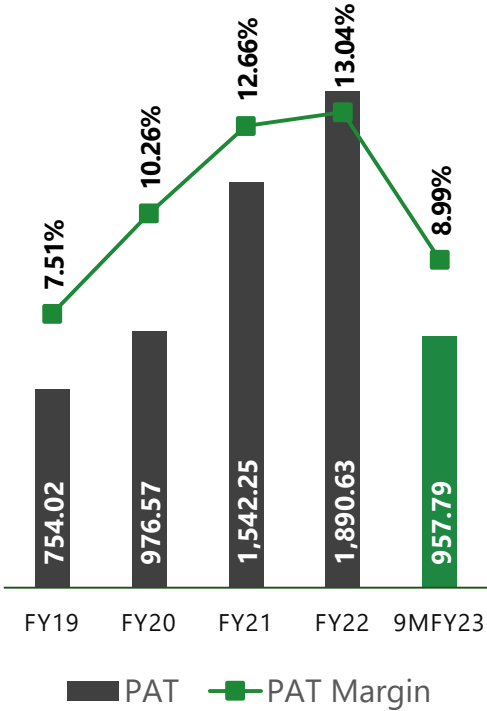
## EBITDA(incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



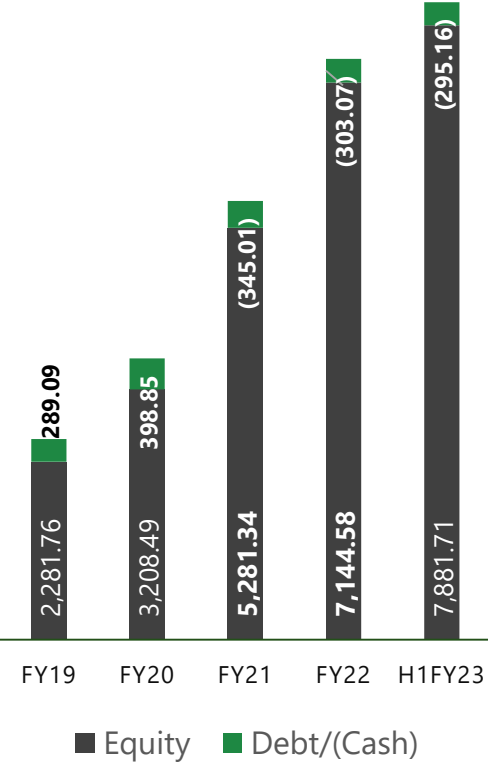
## PAT and PAT Margin

(₹ IN MILLION & %)



## Net Debt/(Cash) and Equity

(₹ IN MILLION)

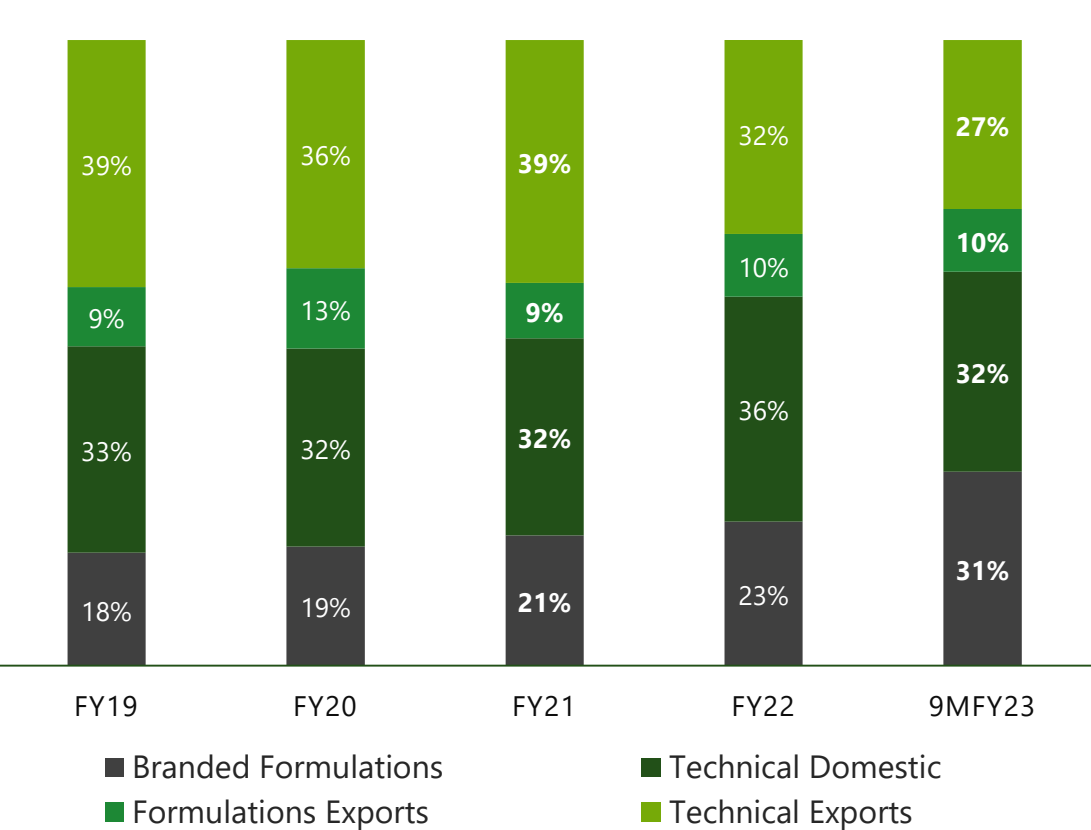


# Standalone Business Mix

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

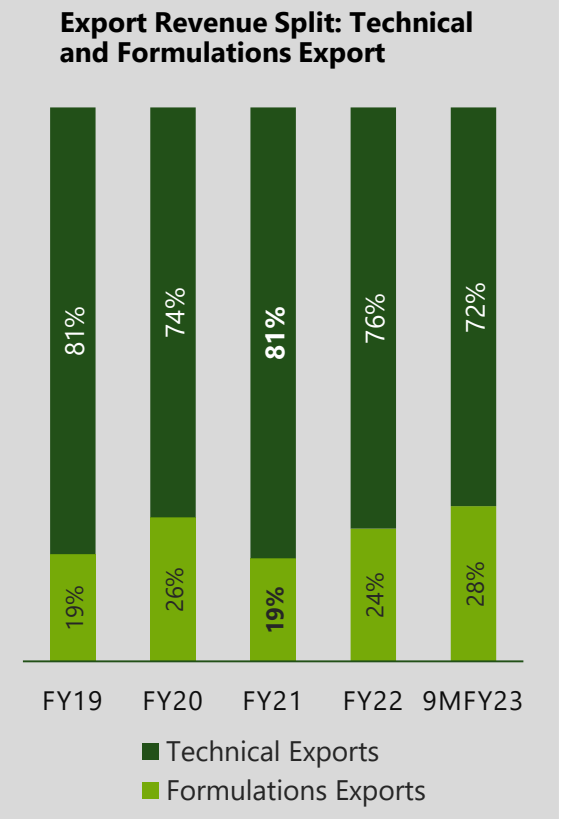
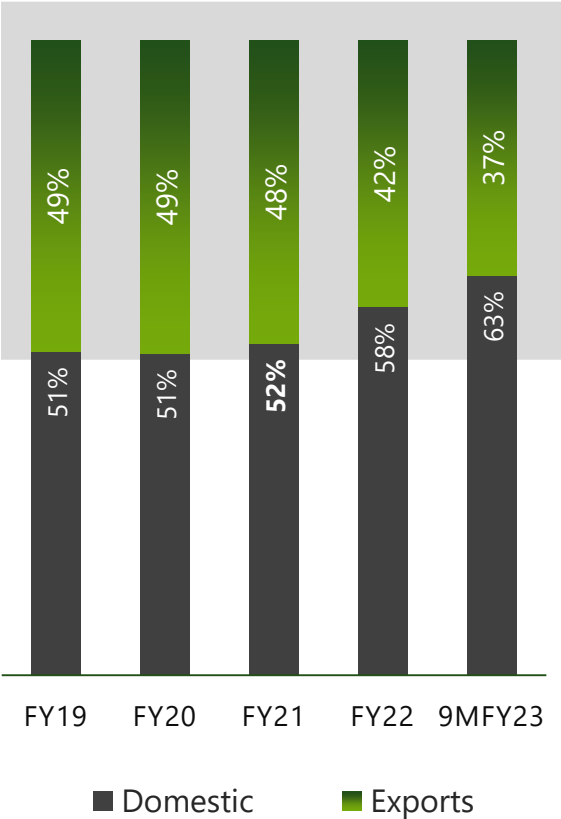
## Revenue from Operations

(IN%)



## Revenue from Domestic / Exports

(% OF SALES)



# Profit & Loss Summary (Standalone)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	9MFY23
Revenue from Operations	10,044.44	9,513.74	12,186.47	14,503.73	10,654.79
Other Income	73.94	165.32	70.30	193.50	93.27
Total Revenue	10,118.38	9,679.06	12,256.77	14,697.23	10,748.06
Total Expenses	8,897.18	8,390.64	10,173.92	12,144.73	9,488.20
Profit Before Tax	1,221.2	1,288.42	2,082.85	2,552.50	1,259.86
Total Tax Expense	467.18	311.85	540.59	661.87	302.07
Profit After Tax	754.02	976.57	1,542.26	1,890.63	957.79
EPS Basic (₹)	19.31	25.00	39.41	47.25	23.94
EPS Diluted (₹)	19.31	25.00	39.41	47.25	23.94
EBITDA (incl. Other Income)	1,388.07	1,458.82	2,283.69	2,791.07	1,476.35
EBITDA (incl. Other Income) Margin	13.82%	15.33%	18.74%	19.24%	13.74%

# Standalone Balance Sheet <sup>(1/2)</sup>

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	H1FY23
<b>Non-Current Assets</b>					
Property, plant and equipment	511.39	954.41	1,334.35	1,934.26	1940.22
Capital work-in-progress	159.70	377.72	96.95	142.29	350.93
<b>Financial Assets:</b>					
(i) Investments	0.24	37.31	100.98	21.27	6.75
(ii) Loans					5.83
(iii) Other Financial Assets	.71	84.27	241.71	113.62	52.02
Current tax assets (Net)	1.48		10.20	28.06	46.3
Other non-current assets	344.58	80.66	97.01	72.47	195.38
<b>Total Non-Current Assets (I)</b>	<b>1,088.39</b>	<b>1,534.37</b>	<b>1,881.20</b>	<b>2,311.97</b>	<b>2597.42</b>
<b>Current Assets</b>					
Inventories	1,138.94	1,455.18	1,659.86	2,557.39	3435.35
<b>Financial Assets:</b>					
(i) Trade Receivables	2,532.72	2,584.67	3,417.62	4,468.80	5456.71
(ii) Cash and cash equivalents	209.65	31.94	847.80	1198.71	1224.45
(iii) Loans	0	8.95			
(iv) Other financial assets	15.4	17.17	19.97	19.55	20.12
Other current assets	619.33	615.35	606.68	514.73	511.27
<b>Total Current Assets (II)</b>	<b>4,516.04</b>	<b>4,713.26</b>	<b>6,551.93</b>	<b>8,759.19</b>	<b>10,647.90</b>
<b>Total Assets (I + II)</b>	<b>5,604.43</b>	<b>6,247.63</b>	<b>8,433.13</b>	<b>11,071.16</b>	<b>13,245.32</b>

# Standalone Balance Sheet (2/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	H1FY23
<b>Equity and liabilities</b>					
<b>Equity</b>					
Equity share capital	390.56	390.56	400.13	400.13	400.13
Other equity	1891.2	2817.93	4881.21	6,744.45	7481.58
<b>Total Equity</b>	<b>2281.76</b>	<b>3208.49</b>	<b>5281.34</b>	<b>7,144.58</b>	<b>7,881.71</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
<b>Financial Liabilities</b>					
(i) Borrowings					
(ii) Other Financial Liabilities	57.27	61.46	66.41		
Provisions	4.22	6.49	22.43	78.63	85.91
Other Non-current liabilities		2.28	11.71	6.34	33.21
Deferred Tax balances (net)	41.27	16.09			
<b>Total Non-Current Liabilities (I)</b>	<b>102.76</b>	<b>86.32</b>	<b>100.55</b>	<b>84.97</b>	<b>119.20</b>
<b>Current Liabilities</b>					
<b>Financial Liabilities</b>					
(i) Borrowings	498.74	430.79	502.79	895.64	929.29
(ii) Trade payables	2352.07	2124.68	1955.82	2,432.38	3693.54
(iii) Other Financial Liabilities	121.89	139.30	283.27	323.47	447.89
Current tax Balances (net)	101.68	37.46	88.37	40.06	69.55
Other current liabilities	96.46	163.19	159.73	126.15	78.83
Provisions	49.07	57.40	61.25	23.91	25.33
<b>Total Current Liabilities (II)</b>	<b>3219.91</b>	<b>2952.82</b>	<b>3051.24</b>	<b>3,841.61</b>	<b>5,244.41</b>
<b>Total Liabilities (I + II)</b>	<b>3322.67</b>	<b>3039.14</b>	<b>3151.79</b>	<b>3,926.58</b>	<b>5,363.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5604.43</b>	<b>6247.63</b>	<b>8433.13</b>	<b>11,071.16</b>	<b>13,245.32</b>



# Standalone Cashflow Statement

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	H1FY23
Cash Flow from Operations	877.02	542.11	603.98	981.8	542.81
Cash Flow from Investing Activities	-373.79	-520.39	-407.13	-816.8	-549.46
Cash Flow from financing Activities	-411.35	-199.43	619.01	-62.8	-130.36
Net increase/ (decrease) in cash and cash equivalents	91.88	-177.71	815.86	102.2	-137.0
Cash and cash equivalents at beginning of the year	117.77	209.65	31.94	847.8	950.0
Cash and cash equivalents at end of the year	209.65	31.94	847.80	950.0	813.0



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Section: 05

# Strategy for growth

**Competitive Strengths**

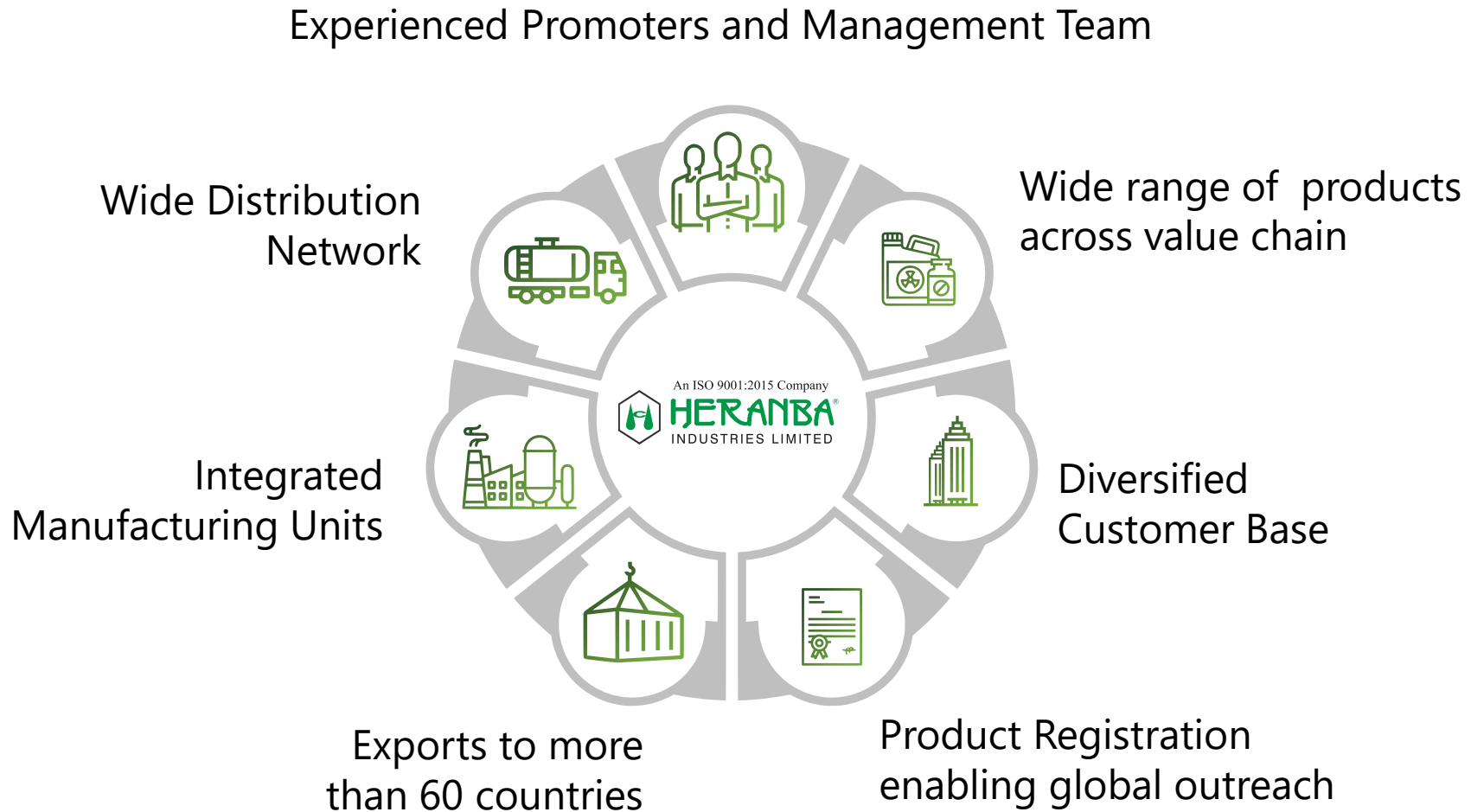
SLIDE 26

**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





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# Thank You