



# Sumitomo Chemical India Limited



Investor Presentation

February 2022



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Sumitomo Chemical India 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 what so ever. 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.

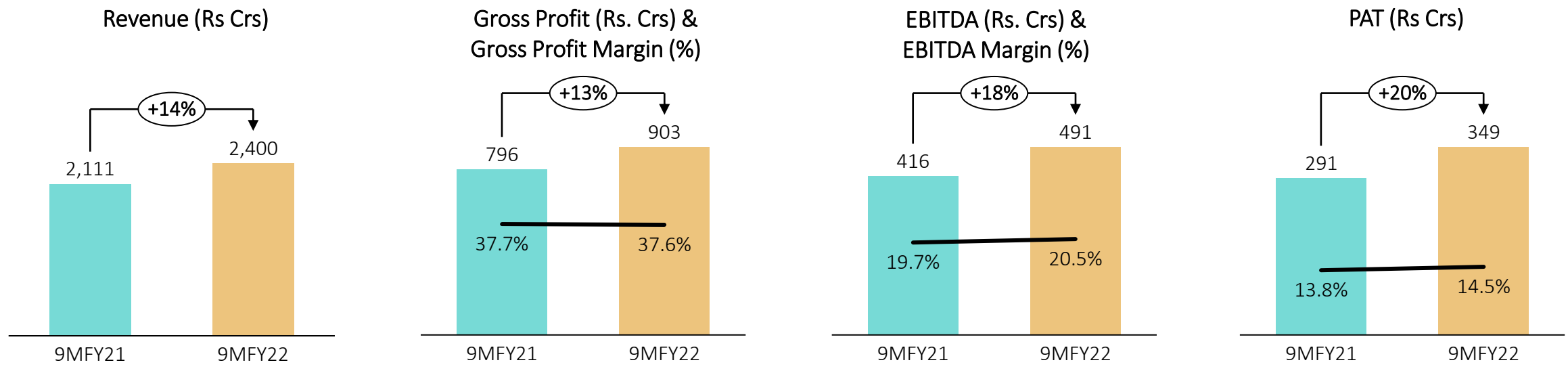
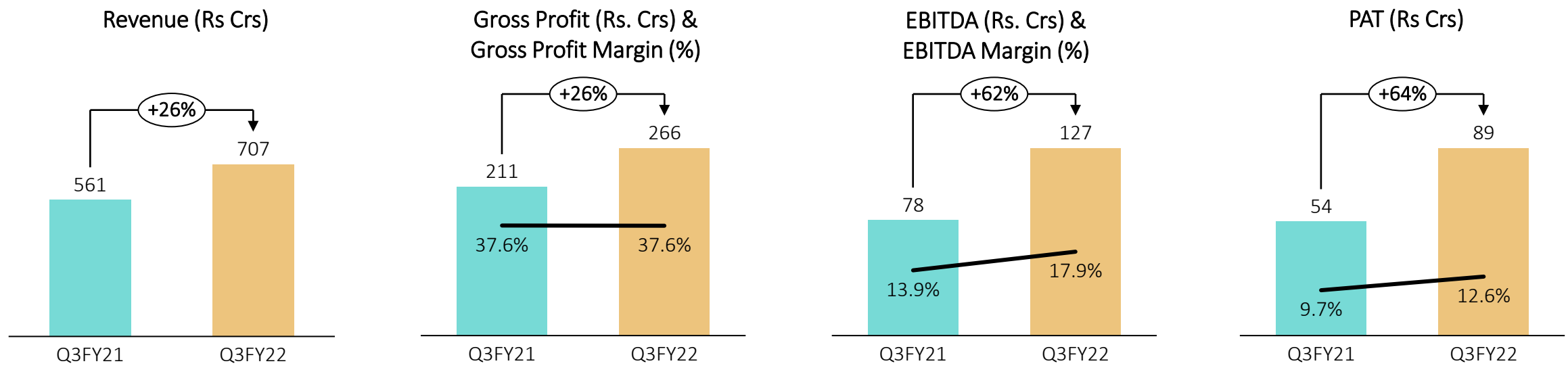


Financial Performance  
&  
Key Highlights





# Performance Highlights – Quarter & YTD



Given the seasonality in the business, it is best monitored on an annual basis



# Consolidated Profit & Loss Account Statement – Quarter & YTD

Particulars (Rs. Crs)	Q3 FY22	Q3 FY21	YoY	Q2 FY22	QoQ	9M FY22	9M FY21	YoY
<b>Revenue from Operations</b>	<b>707.2</b>	<b>560.9</b>	<b>26%</b>	<b>910.4</b>	<b>-22%</b>	<b>2,399.5</b>	<b>2,110.6</b>	<b>14%</b>
COGS	441.5	349.9		555.5		1,496.6	1,314.4	
<b>Gross Profit</b>	<b>265.7</b>	<b>211.1</b>	<b>26%</b>	<b>354.8</b>	<b>-25%</b>	<b>902.9</b>	<b>796.2</b>	<b>13%</b>
<b>Gross Profit %</b>	<b>37.6%</b>	<b>37.6%</b>	<b>-6 bps</b>	<b>39.0%</b>	<b>-141 bps</b>	<b>37.6%</b>	<b>37.7%</b>	<b>-9 bps</b>
Employee Expenses	51.8	49.5		45.4		151.5	151.9	
Other Operating Expenses	87.3	83.5		94.7		260.5	228.7	
<b>Operating EBITDA</b>	<b>126.5</b>	<b>78.0</b>	<b>62%</b>	<b>214.7</b>	<b>-41%</b>	<b>491.0</b>	<b>415.5</b>	<b>18%</b>
<b>EBITDA Margin</b>	<b>17.9%</b>	<b>13.9%</b>	<b>398 bps</b>	<b>23.6%</b>	<b>-569 bps</b>	<b>20.5%</b>	<b>19.7%</b>	<b>77 bps</b>
Other Income	6.2	5.4		7.9		19.4	13.9	
Depreciation	11.4	11.1		10.9		33.4	33.1	
<b>EBIT</b>	<b>121.3</b>	<b>72.4</b>	<b>67%</b>	<b>211.6</b>	<b>-43%</b>	<b>477.0</b>	<b>396.3</b>	<b>20%</b>
<b>EBIT Margin</b>	<b>17.1%</b>	<b>12.9%</b>	<b>424 bps</b>	<b>23.2%</b>	<b>-609 bps</b>	<b>19.9%</b>	<b>18.8%</b>	<b>110 bps</b>
Interest	1.6	1.5		2.0		5.4	4.5	
<b>Profit Before Tax &amp; Exceptional</b>	<b>119.7</b>	<b>70.9</b>	<b>69%</b>	<b>209.6</b>	<b>-43%</b>	<b>471.6</b>	<b>391.9</b>	<b>20%</b>
Exceptional Item Gain / (Loss)*	0.0	0.0		0.0		0.0	0.0	
<b>Profit Before Tax</b>	<b>119.7</b>	<b>70.9</b>	<b>69%</b>	<b>209.6</b>	<b>-43%</b>	<b>471.6</b>	<b>391.9</b>	<b>20%</b>
<b>PBT Margin</b>	<b>16.9%</b>	<b>12.6%</b>	<b>428 bps</b>	<b>23.0%</b>	<b>-610 bps</b>	<b>19.7%</b>	<b>18.6%</b>	<b>109 bps</b>
Tax	30.7	16.8		55.4		122.7	100.6	
<b>Net Profit</b>	<b>88.9</b>	<b>54.1</b>	<b>64%</b>	<b>154.2</b>	<b>-42%</b>	<b>348.9</b>	<b>291.3</b>	<b>20%</b>
<b>Net Profit Margin</b>	<b>12.6%</b>	<b>9.7%</b>	<b>292 bps</b>	<b>16.9%</b>	<b>-436 bps</b>	<b>14.5%</b>	<b>13.8%</b>	<b>74 bps</b>
Other Comprehensive Income	0.5	0.4		1.4		0.1	-1.4	
<b>Total Comprehensive income for the period</b>	<b>89.4</b>	<b>54.6</b>	<b>64%</b>	<b>155.6</b>		<b>349.0</b>	<b>289.9</b>	<b>20%</b>

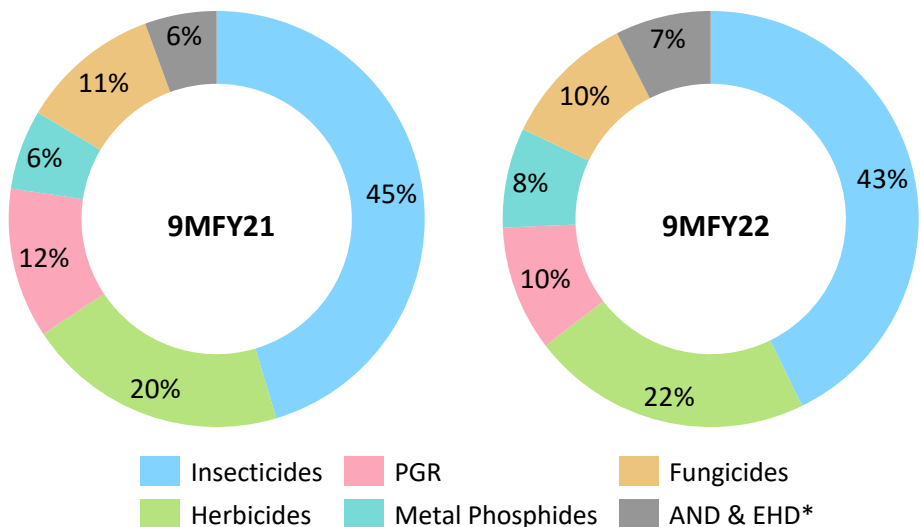
Given the seasonality in the business, it is best monitored on an annual basis

\* Merger expenses

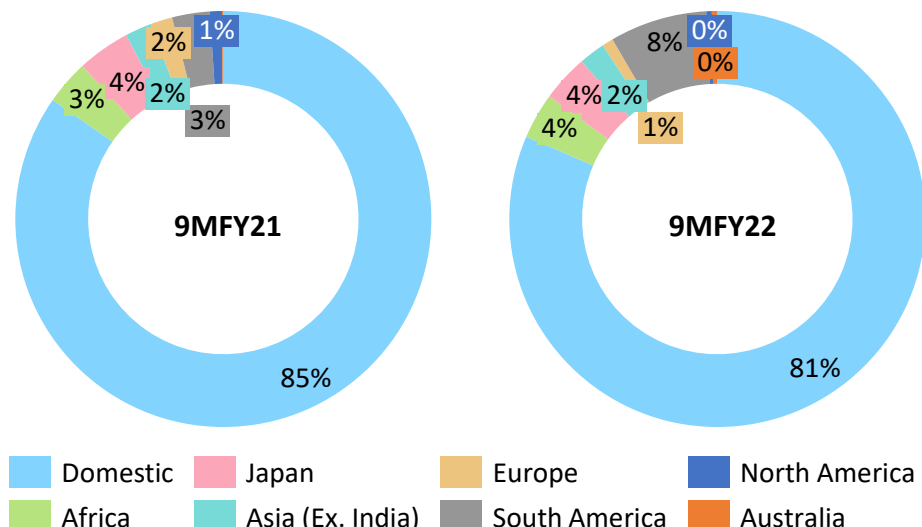


# Revenue Breakup – YTD

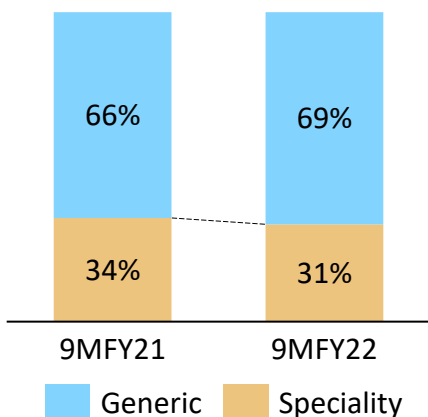
### Product Breakup



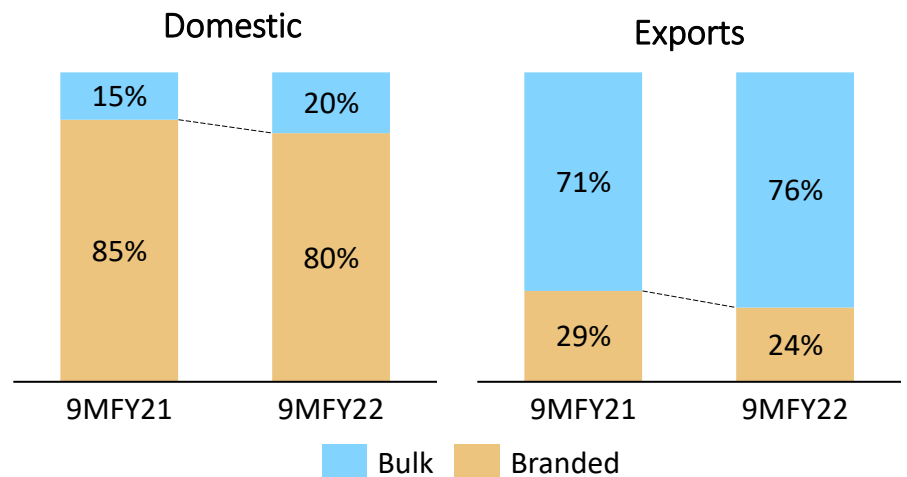
### Geographic Breakup



### Segment Breakup



### Bulk & Branded



\* Animal Nutrition Division (AND) and Environmental Health Division (EHD)



# Consolidated Working Capital Movement

Particulars (Rs. Crs)	Dec-21*	Sep-21*	Change (Dec-21 to Sep-21)	Mar-21*	Change (Dec-21 to Mar-21)	Dec-20*	Change (Dec-21 to Dec-20)
Inventory (A)	696.6	650.4	42.6	754.4	-57.8	544.0	152.6
Inventory Days (Inventories/ COGS* No. of days in period) (i)	145	111		166		143	
<b>Trade Receivables (B)</b>	<b>917.1</b>	<b>983.6</b>	<b>-66.5</b>	<b>848.2</b>	<b>68.9</b>	<b>916.5</b>	<b>0.6</b>
Trade Receivables Days (Trade Receivables / Revenue*No. of days in period) (ii)	119	105		117		150	
Trade Payables (C)	509.1	561.3	-52.2	598.3	-89.2	596.1	-87.0
Trade Payables Days (Trade Payables/ COGS*No. of days in period) (iii)	106	96		132		157	
Other Financial Liabilities (D)	424.9	451.0	-26.1	349.8	75.1	379.8	45.1
Other Financial Liabilities Days (Other Current Liabilities / Revenue*No. of days in period) (iv)	55	48		48		62	
<b>Net Working Capital (A+B-C-D)</b>	<b>679.7</b>	<b>621.7</b>	<b>58.0</b>	<b>654.5</b>	<b>25.2</b>	<b>484.6</b>	<b>195.1</b>
Net Working Capital Days (i + ii – iii – iv)	103	72		103		74	

## Key Highlights

- ✓ Maintained higher inventory on back of anticipated strong demand as well as to protect against increasing input cost
- ✓ Focused efforts towards improving collections - Collection during 9M FY22 of ~Rs. 2,512 crores as compared to Rs. 2,449 crores during 9M FY21, increased by 3% yoy
- ✓ Cash, Cash Equivalents and Liquid investments of ~Rs. 664 crores as on 31<sup>st</sup> December 2021

Given the seasonality in the business, it is best monitored on an annual basis

\* No. of Days in period: Dec-21 – 92 days, Sep-21 – 92 days, Mar-21 – 365 days, Dec-20 – 92 days





SUMITOMO CHEMICAL

# Sumitomo Chemical Company Limited, Japan

- An Introduction







# Overview of our Parent Company

## About Sumitomo

- ✓ Sumitomo started business in Japan in early **16th Century (400 years+)**
- ✓ Currently several Sumitomo founded companies operate as **independent listed companies** with widespread shareholding and run by its professional boards
- ✓ Even today, all Sumitomo companies continue to follow **basic business philosophy and ethical practices** of Sumitomo

## About Sumitomo Chemical Company Limited, Japan (SCC)

- ✓ SCC was founded in **1913** and undertakes several chemical related businesses as an independent listed company
- ✓ SCC is a leading Japanese **research driven diversified chemical company** listed on the Tokyo Stock Exchange with consolidated sales revenue of more than **US\$ 20 bn**
- ✓ Offers **diverse range of products** globally in 5 business sectors: petrochemicals, energy and functional materials, IT-related chemicals and materials, pharmaceuticals and health and crop sciences sector;
- ✓ SCC holds **12,600+ Patents of which ~34% are in Health & Crop Science**

## SCC's Health and Crop Science Sector - Undivided Focus for Leadership in India

- ✓ Health & Crop Sciences Sector – **Revenue of more than US\$ 4.0 bn**
- ✓ Leading R&D spenders globally among agro-solution players
- ✓ **Strong pipeline** of Agro-Solutions and Environmental Health products with very high business potential of ~US\$1.4 - \$1.8 bn
- ✓ SCC recently **acquired Nufram's distribution in Latin America** thereby gaining leadership position in Latin America Generics Market Segment
- ✓ SCIL is **flagship entity** of SCC group focusing on high potential Indian market; only TG grade manufacturing site outside Japan and part of SCC's growth strategy
- ✓ SCC is **proud of SCIL's achievement** so far and confident of its growth potential
- ✓ SCC will continue to support SCIL to achieve **market leadership position** in Indian market



# SCC - Growth Strategy in Health & Crop Sciences Sector - R&D

## Core Competence: R&D

### Intellectual Capital

Sumitomo Chemical is conducting R&D based on the knowledge regarding chemical and biorational crop protection products, which is obtained after its many years of R&D activities.

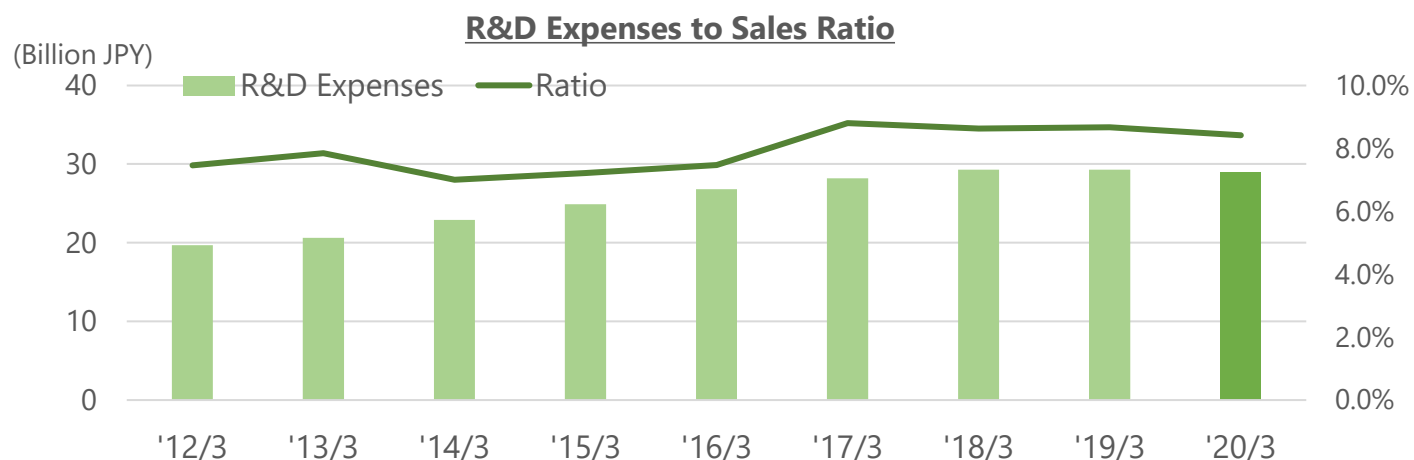
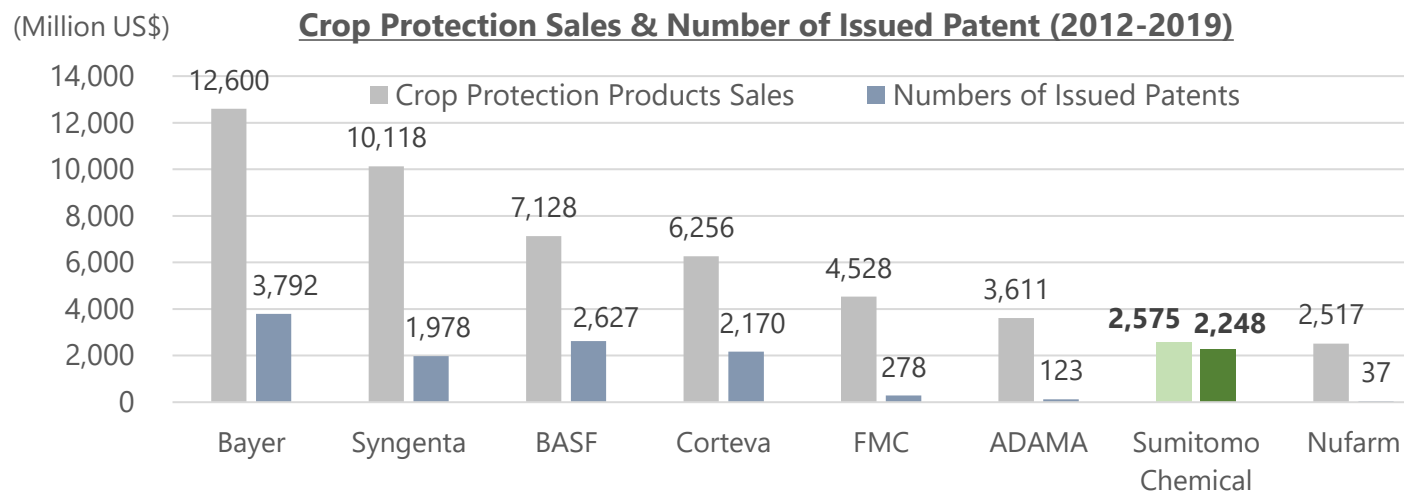
### Human Capital

Personnel located around the world are conducting R&D using a global network.



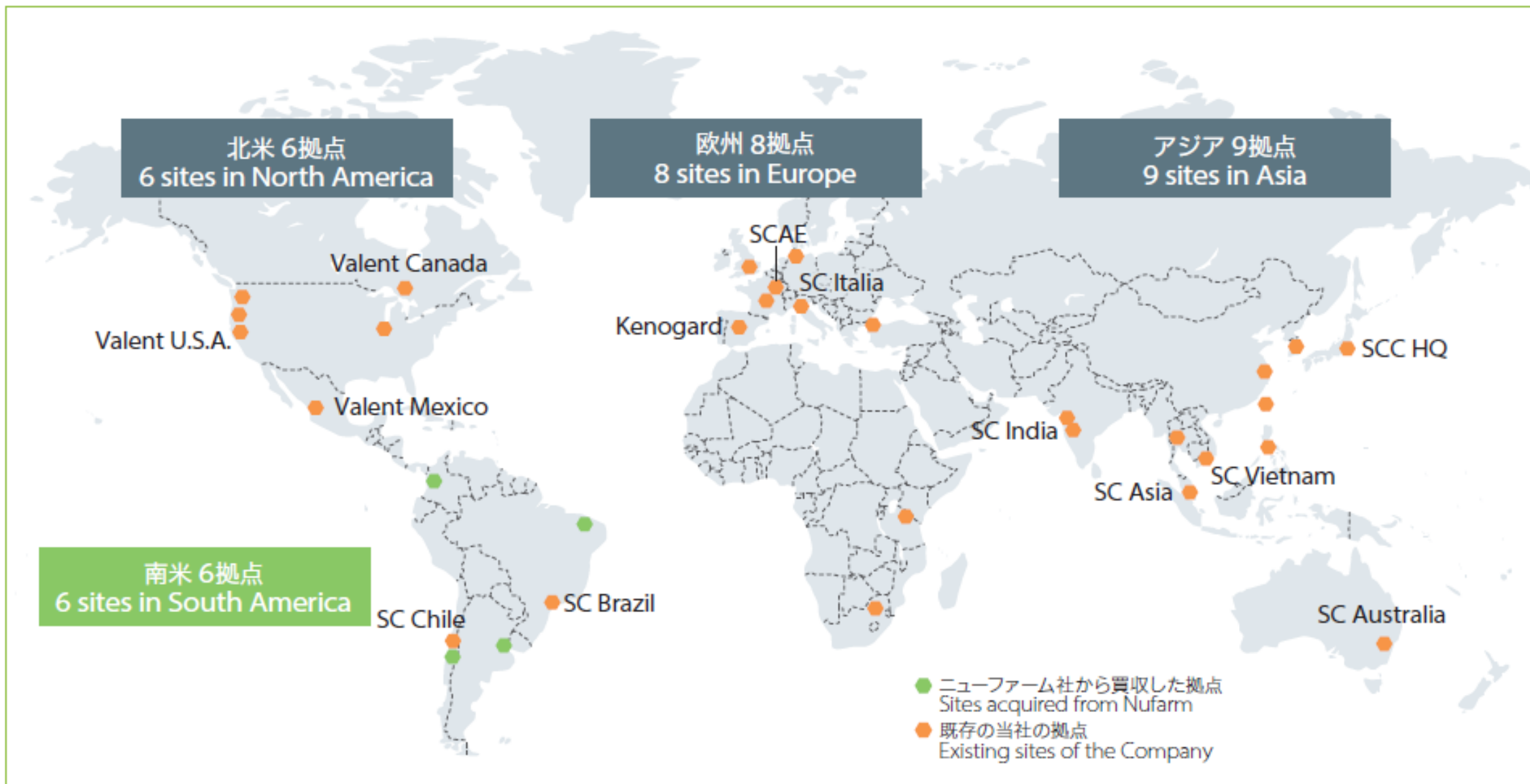
**The Chemistry Research Center:**  
A global discovery and innovation base for the Health & Crop Sciences Sector

## R&D performance data





# SCC - Growth Strategy in Health & Crop Sciences Sector - Distribution





# Sumitomo Chemical India Ltd.

## - Company Overview

SCIL - Vision & Mission

Journey to 11x Growth  
in India

Formidable Player in the Indian  
Agrochemicals Space

Diversified & De-risked Portfolio  
Across the Agro-Chem Value  
Chain

Strong Brand and Well-  
Entrenched Distribution  
Network

Strategically Located  
Manufacturing Facilities

Strong Focus on R&D, Process  
Innovation and Safety, Health  
and Environment (SHE)

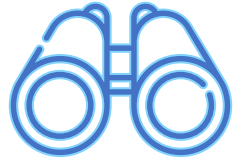
Autonomous Board with Vast  
Industry Experience

Growth Strategies





# SCIL - Vision & Mission



## Vision & Values

### Vision:

- To be a trusted market leader in Indian crop-protection sector
- To develop a vibrant corporate culture
- Endeavor to achieve success and sustainability through innovation & excellence

### Core Values:

- Innovation
- Excellence
- Integrity
- Respect & value all stakeholders
- Customer focus
- People focus
- Sustainability



## Mission

### Marketing and Sales:

- Further penetration into Indian market & take leadership; expand exports
- Strengthen Sales Force, Distribution and Product Portfolio

### Manufacturing:

- Supplying the most competitive products with safe and stable operation and meet demand
- Strengthen Procurement Power
- Expand Manufacturing Functions

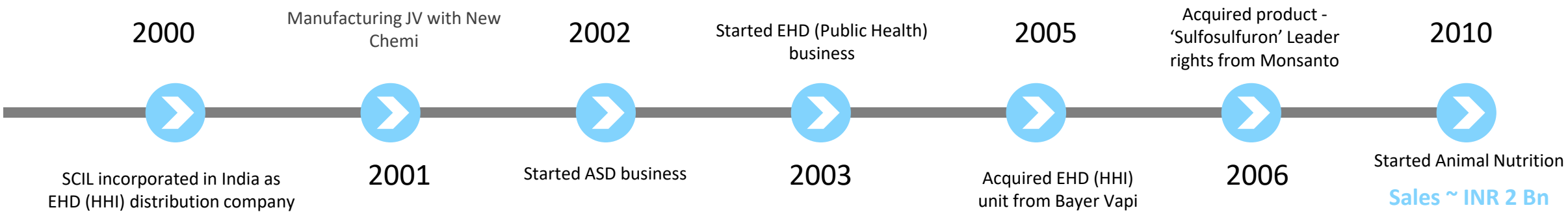
### Management & Support:

- Establishing the most efficient organization to support business growth and alignment with SCC
- Develop administrative efficiency while ensuring internal controls
- Full & Strict Compliances
- Value Creation for all stakeholders



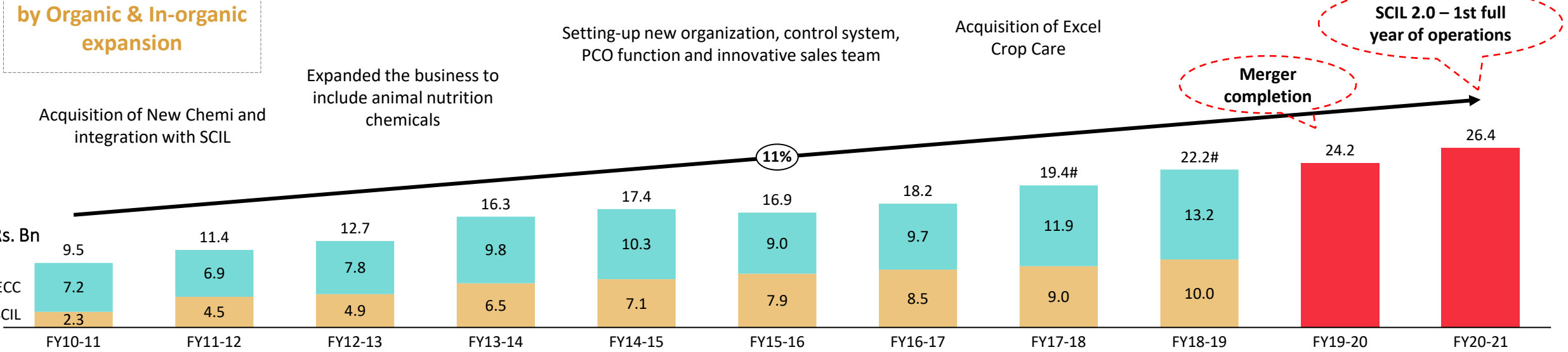
# Journey to 11x Growth in India

## Exploration Phase: 2000 – 2010



**Robust growth driven by Organic & In-organic expansion**

## Aggressive Growth Phase : 2011 – 2021



# Inter-company transactions are eliminated. Other operating income is included  
HHI – Household Insecticides



# Formidable Player in the Indian Agrochemicals Space



**5**  
Manufacturing  
Facilities

**10+**  
Technical Actives

**14,000+**  
Distributors

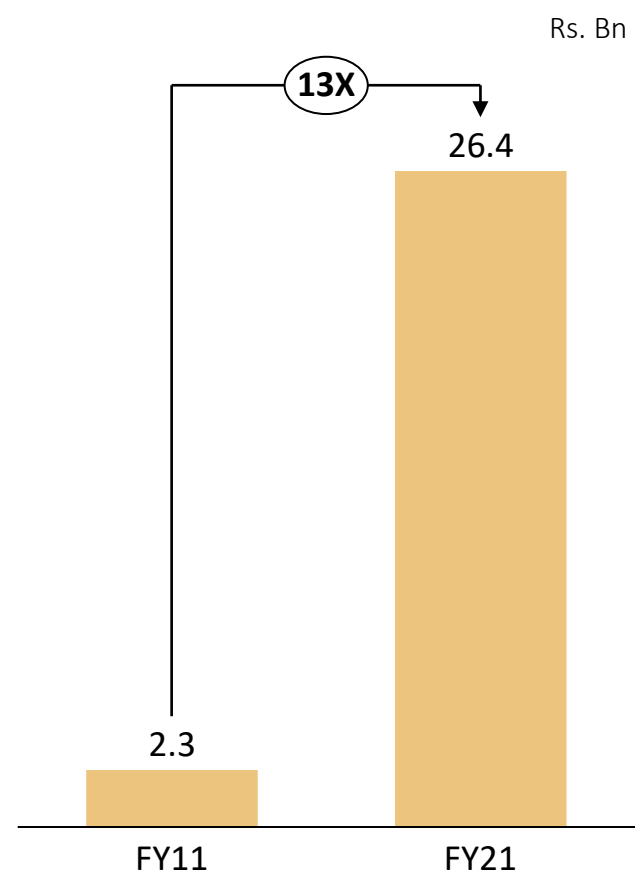
**200+**  
Brands

**25+ / 200+**  
Patents /  
Registrations

**1,500+**  
Employees

Key Products	Product Name	Product Category	Indicative Use
	Glyphosate	Herbicide	Tea Gardens, non-cropped
	Profenophos	Insecticide	Cotton, Soya bean
	Dantotsu	Insecticides	Vegetables
	Tebuconazole	Fungicides	Wheat, Soya bean, Chilli
	Progibb	Plant Growth Regulator	Citrus Fruits
	Aluminum Phosphide	Fumigant	Warehousing of Food Grains
	Chlorpyriphos	Insecticide	Paddy, Beans, Gram
	DL-Methionine	Animal Nutrition	Poultry

Grown 11X+\* over FY11-21

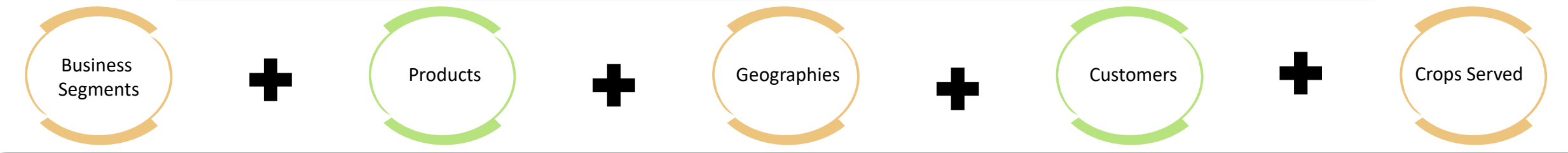


\*On an organic basis, grown 5X+



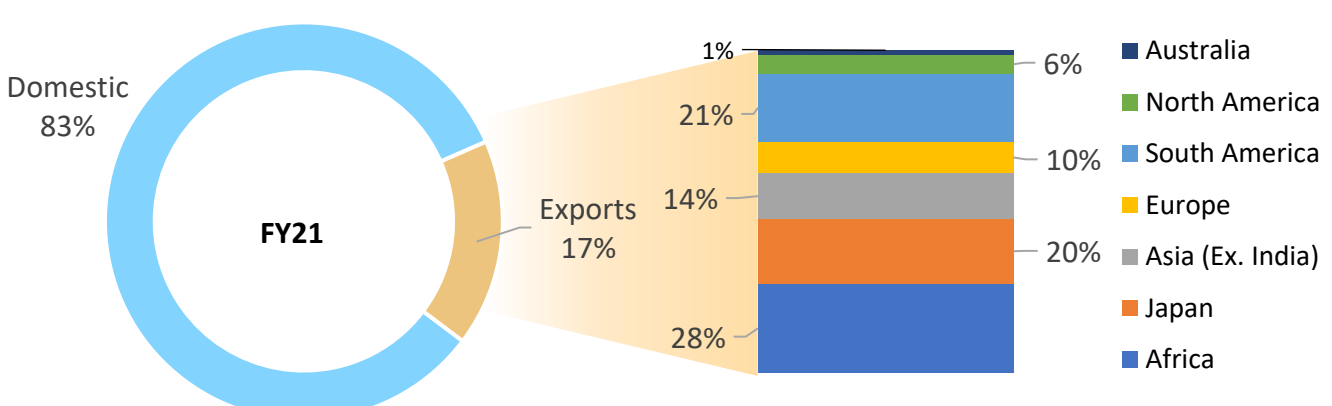
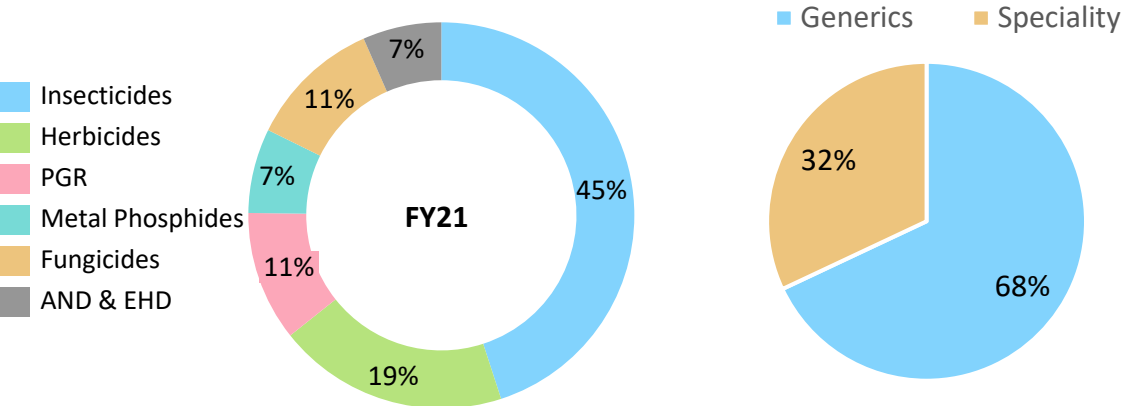
# Diversified & De-risked Portfolio Across the Agro-Chem Value Chain

Well-Diversified across multiple dimensions



Diversified Portfolio Across Segments

Geographic Diversification with Exports to over 60 countries



- ✓ Greater focus on high growth, stable and high profitable segments such as **Herbicides, PGR, Bio-rational products**
- ✓ Increasing contribution from PGR segment and offerings for both Kharif and Rabi crops to reduce seasonality in the business
- ✓ One of the highest proportion of environmentally-friendly products in the Industry

- ✓ **Top 10 products contributes less than 50% of Total Revenue**
- ✓ **No product / molecule contributes more than 15% of Total Revenue**
- ✓ **Diversified across key crops - Concentrated efforts now on fruits & vegetables, paddy and other high growth segments**





# Strong Brand and Well-Entrenched Distribution Network

✓ **Strong brand** with market leading position across various product categories

✓ **Dual brand portfolio** can offer products at all price points serving multiple customer sub-segments

✓ **In-depth knowledge** of own research products, **proven go-to-market strategy and deep farmer connect** facilitates launch of Speciality products

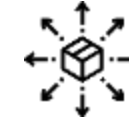
✓ **On-field demonstration of products, training of farmers** in using the products, building awareness among stakeholders in relation to the products

✓ **Pan-India distribution network** ensures strong presence with both retailers and farmers and **on-time feedback mechanism**

✓ **Scale and diversity** of product offerings lead to **superior bargaining power** with distributors and provides **one-stop solution for farmers**



**23** States



**14,000+**  
Distributors



**1 million+**  
Farmer Connect through  
**1,400+**  
Field / Market Development  
Officers



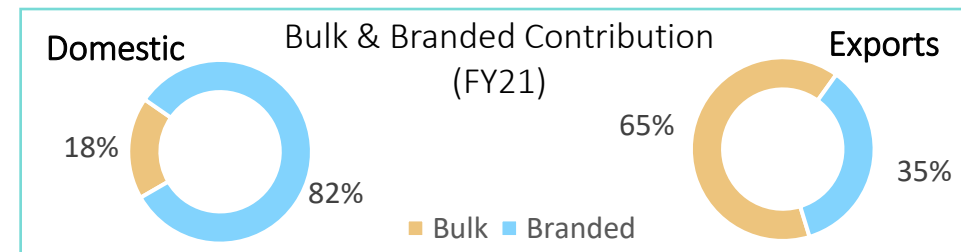
**65+** Depots



**~40,000**  
Dealers



**~600**  
Sales Team





# Expanding Brand Visibility and Connect



- ✓ Wide range of **generics and speciality products** for Increased crop presence and providing crop protection solutions
- ✓ More than **1,400+ Relationship managers** connecting to **1 million+ farmers** throughout crop cycle
- ✓ Over **100 brands** covering maximum of crops and pest segments
- ✓ **14,000+ distributors, 40,000+ dealers and 68 Depots** help in expanding brand visibility and connect
- ✓ More than **500+ Qualified and skilled managers** in Sales, Marketing and customer support
- ✓ Company with **20+ mega brands** with high brand recall
- ✓ Healthy geographical Brand coverage **throughout India** including North East and J&K
- ✓ Optimum use of **advertising media** with increased Digital Platforms presence







# Digital Marketing Initiatives

Develop “Digital Marketing” as a parallel support to Traditional marketing system leading to improved sales.

✓ Our Digital Assets : **23 websites**, engaged with **5.6 million consumers** in 2020-21.



<http://www.danitolindia.com/>



<http://www.naturedeep.in/>



<http://danzapower.com/>



<http://www.vidyutindia.com/>

- ✓ Successful campaign to introduce the QR codes of <http://www.sumitomoproducts.com/> to the retailers and farmers.
- ✓ Video based campaigns to increase awareness among farmers and disseminate information on necessary precautions to stop the spread of COVID 19.



YouTube - Advantage

More than **31,000 subscribers**



Taboli Product Launch Video with 193K views in 3 months



Conducted 168 YouTube Live sessions in 2020-21



15 Digital Launch programs of Taboli across India to introduce the product to distributors & retailers



- ✓ More than 5,000 downloads
- ✓ Rating – 4.5



# Digital transformation & SAP Implementation



01 Earlier SCIL was using different SAP platforms in different parts of business. From April 2021, SCIL has completed implementation of an integrated SAP SH4 HANA system across the entity including several additional modules

02 Common SAP system across the entity and greater use of technology will enable greater integration, efficiencies & synergies across the organization and expected to provide long term benefits

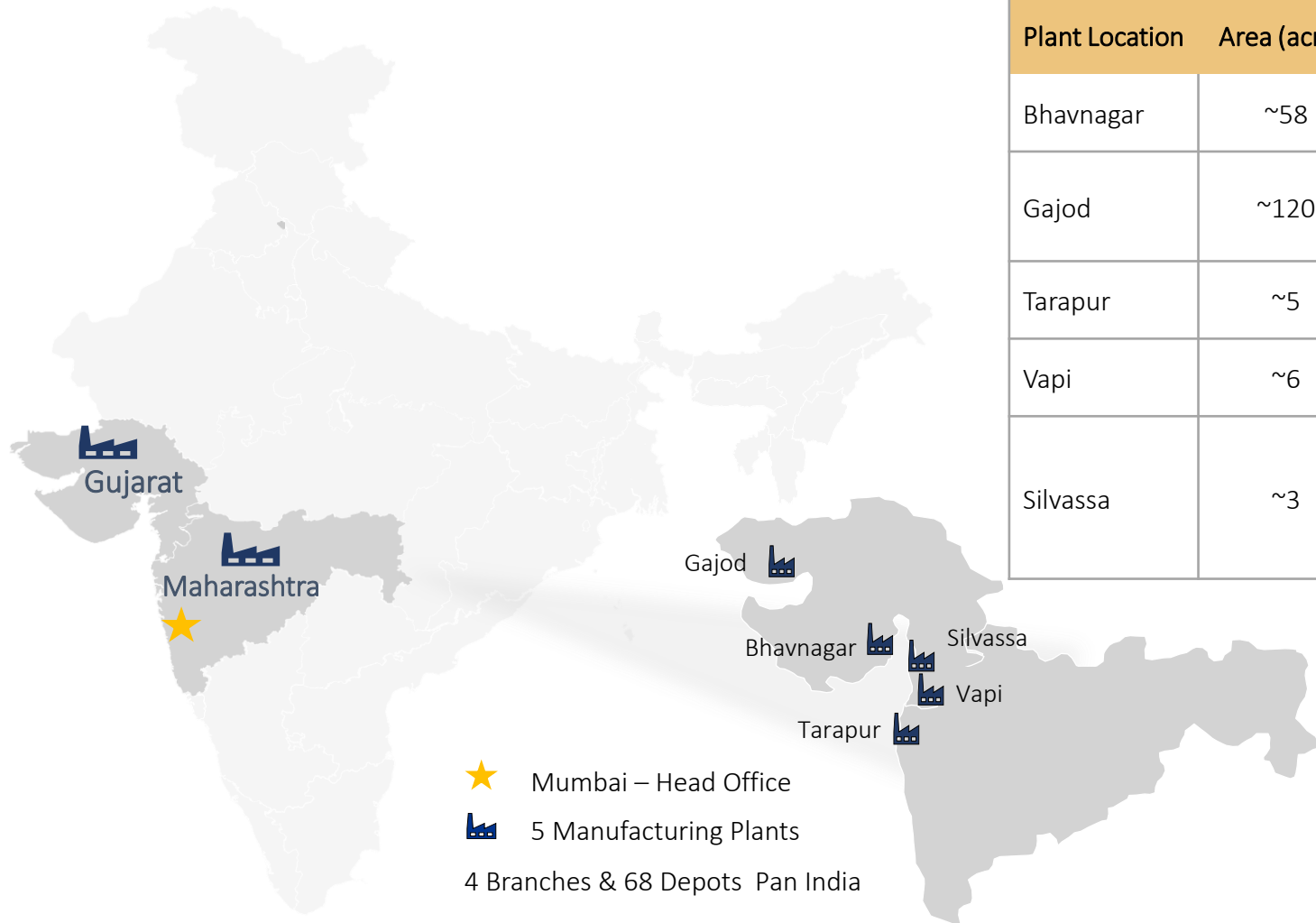
03 SCIL plans to carry forward digital transformation journey across all areas with deployment of various value-added modules and systems including 'SAP Integrated Business Planning', 'SAP Analytics Cloud' and various digital interfaces to reach out to distribution channel & farmers and provide them timely information





# Strategically Located Manufacturing Facilities

## Connectivity to Major Cities and Proximity to Main Highways, Ports Reduces Logistic Time and Costs



Plant Location	Area (acres)	Segment Served	Product Manufactured
Bhavnagar	~58	Manufacturing of Technical Grade Pesticides and Formulations	<b>Technical Grade Products:</b> Chlorpyrifos, Profenophos, Glyphosate, Tebuconazole Tech, Quinalphos, Imidacloprid, Thiacloprid, Acetamiprid, Byspyribac Sodium, Aluminium Phosphide, Zinc Phosphide, Sulphur WDG, Fenpropathrin  Formulations for above TG products and several other speciality and generic products
Gajod	~120	Production and manufacturing of Metal Phosphides, Sulphur WDG and other WDG formulations	
Tarapur	~5	Production and manufacturing of Active Ingredients	
Vapi	~6	Formulation & Packaging	
Silvassa	~3	Formulation of Glyphosate and Other Speciality Products	

- Overall Optimal capacity utilization generally (Utilization were impacted in Q1 due to Covid-19 related lockdown and restrictions)
- Continues investments to enhance capacity as per the forecasted demand (similar to the trends followed in past)
- Recently acquired additional land at Dahej and Bhavnagar for future capex



# Capex Plans

## Regular Capex Rs. 70-75 crore p.a.

- Maintenance capex
- Capacity enhancements for existing products in line with projected demand
- Infrastructure enhancements for supporting future growth
- Efficiency improvement projects and safety enhancement
- Sustainability initiatives, full compliance with environmental norms & renewable energy projects
- Trials and registrations for future pipeline products



## Additional Capex Rs. 100-110 crore over 1-2 years for 5 products

- To manufacture additional proprietary technical grade active ingredients products for our parent company SCC Japan and our global affiliates
- 5 products have been approved** in-principle for supply to SCC and several others are in pipeline
- Projects are being set-up at our existing sites. **Target commercialization over next 2 years**
- Revenue potential of these 5 products on the above capex is Rs. 200 crore to Rs. 250 crore p.a.**
- Estimated **margins are in line with current margins** earned by SCIL for similar projects
- These products have growing global demand. Potential to add further capacities and additional products in medium to long term

## Research & Development



Indian R&D team is working on manufacturing several off-patent products for Domestic as well as Exports to global affiliates including high growth regions such as Latin America, Africa and Asia Pacific which will entail additional capex and is under evaluation

## Future Expansion Plans



Signed and registered agreements to buy 2 additional land parcels and transfer process is expected to be completed soon

- ~20 acre privately owned land parcel adjoining our existing Bhavnagar site
- ~50 acre privately owned land parcel at a prime location at Dahej within PCPIR Zone

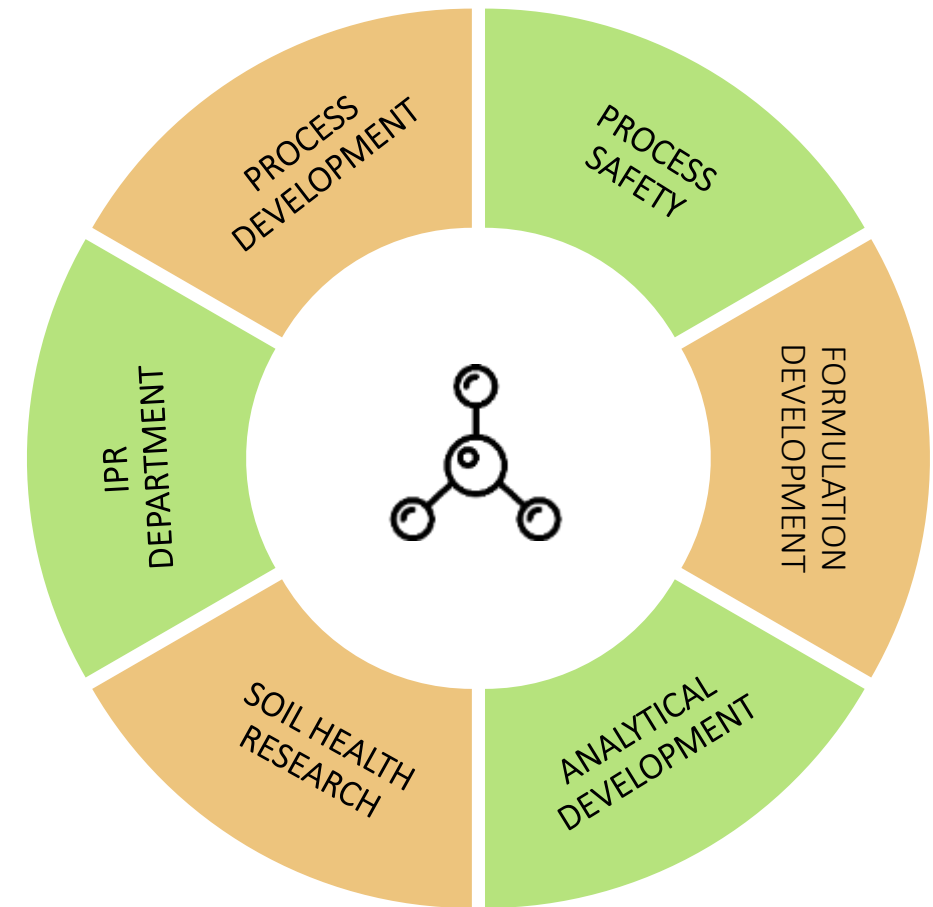
**Capex plan progressing as per schedule; commercial production is expected to start during FY 22-23**



# Strong Focus on R&D and Process Innovation

## End-to-End Product Development Capabilities

- ✓ **3 fully equipped, DSIR approved R&D labs** located at Mumbai, Bhavnagar and Gajod capable of synthesis, technical product and formulation development
- ✓ R&D Team comprises of **75+** qualified and dedicated engineers & scientists of which 10+ are PhDs with more than 15 years of Experience
- ✓ **25+ patents** granted across various geographies; 9 applications filed
- ✓ **Product Pipeline**
  - Multiple Global Speciality Proprietary products to be launched in India (target to launch minimum 2-3 every year)
  - 9 new combination products / pre-mixtures currently under development for domestic and exports (5 insecticides, 2 fungicides, 2 PGR)
  - 3 Off-patent products under development for domestic and exports
  - 5 Technical products approved for manufacturing and exports
  - Several additional products are under discussion
- ✓ R&D facilities to gain capability for creating new processes and new combinations using **SCC Japan's chemistries** which would help improve production processes and efficiency
















# Thrust on Safety, Health and Environment (SHE)

## Quality Certifications Ensure Consistent product quality and healthy working environment at manufacturing sites

-  ISO:9001:2015, ISO-14001:2015 and OHSAS18001:2007 for the manufacturing sites at Bhavnagar, Gajod, Tarapur and Silvassa; ISO:9001:2015 at Vapi
-  A8000 Certification for Social Accountability in Bhavnagar and Gajod
-  Efforts focused on reducing effluent load and effluent treatment cost, for staying innovative and competitive in the market
-  The quality of the products is maintained and upgraded to the applicable national and international standards through rigorous pursuit of Six Sigma initiative
-  Focused on energy conservation and energy cost reduction: 50% of total power requirement through wind and solar power generation plants
-  Expanding solar power plant capacity in line with towards green energy would also help in reducing dependence on outsourced power as well as in energy cost reduction
-  3R Principle: Recovery – Recycle – Reuse
-  Safety audit, training programmes and other safety management processes and programmes are carried out/conducted at regular intervals
-  All the manufacturing and warehousing sites of the Company are covered by safety audit



## Abiding by SCC Japan's EHS Policies



Dr. Vikram Sarabhai award for developing green technology from department of Science and Technology, Government of Gujarat



Certificates of appreciation received ten times from jointly by Gujarat Safety Council and Dish



Government of Gujarat for achieving 10 lakh accident free man-hours



Certificates of merits received from jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 20 lakh accident free man-hours



Certificates of honour received two times jointly by Gujarat Safety Council and Dish Government of Gujarat for achieving 30 lakh accident free man-hours

**Focus on purity, quality and timely delivery of products to the customer**



# Autonomous Board with Vast Industry Experience



**Dr. Mukul Govindji Asher**  
**Chairman and Independent Director**

- Professorial Fellow at Lee Kuan Yew School of Public Policy at the National University of Singapore
- Advisor to Govts in Asia on tax policy & pension reforms; and to multi-lateral institutions including IMF, Asian Development Bank, PFRDA of India, Govt of Gujarat, & World Bank
- Member of the panel to review Crawford School of Public Policy at Australian National University



**Preeti Gautam Mehta**  
**Independent Non-executive Director**

- 30 years of experience in corporate laws, foreign investment and collaborations, mergers and acquisitions and private equity investments, banking, franchising and hospitality



**Bhupendranath Bhargava**  
**Independent Non-executive Director**

- Experience of over 50 years in areas including banking, project financing and credit rating
- Held directorship in several leading corporates and was on the advisory board of an independent regulatory body set up by the Government of India to work on reforms in telecommunications sector



**Ninad Dwarkanath Gupte**  
**Non-executive Director**

- Experience of 43 years in management of companies operating in fine chemicals, performance chemicals, industrial chemicals & agrochemicals
- Held senior positions at Excel Industries, BASF India, Herdillia Chemicals and worked as MD of Cheminova India and Agrocel Industries and as Joint MD of Excel Crop Care



# Autonomous Board with Vast Industry Experience



**Hiroyoshi Mukai**

**Non-executive Director**

- Associated with Sumitomo Chemical Group for over 30 years
- Holds a bachelor's degree from the University of Osaka, Japan



**Tadashi Katayama**

**Non-executive Director**

- MBA from Vanderbilt University, U.S.A. and a Master's degree from Kyoto University in Japan
- Associated with Sumitomo Chemical, Japan since 1992 in the Health and Crop Science business unit in various positions



**Masanori Uzawa**

**Non-executive Director**

- MBA from University of Virginia, USA and a Bachelor's degree from the University of Tokyo in Japan
- Associated with Sumitomo Chemical, Japan and has experience of over 19 years in the areas of strategy, planning and business development for crop protection & other chemical businesses.



**Chetan Shantilal Shah**

**Managing Director**

- Commerce graduate from the University of Mumbai and holds a master's degree in Business Administration from North Rope University in the USA
- Over 43 years of industry experience in various leadership and senior management roles



**Sushil Champaklal Marfatia**

**Executive Director**

- Chartered Accountant with over 42 years of industry experience
- Worked with New Chemi Industries Limited for 33 years which was later merged with the Company

Board is supported by a strong and experienced management team associated with Company since long





# Growth Strategies



## Continued Investment in R&D and Pipeline

- Aim to invest in seamless integration of R&D between SCIL and SCC units which would help improve our production processes, enhancing yields and efficiency
- Introduce new products as per market demand



## Capacity Expansion

- Driving operational efficiencies maintaining highest safety standards and Responsible Care compliances
- Invest ~15% of consolidated EBITDA every year for upgradation of manufacturing facilities and capacity expansion to cater to strong domestic/global demand



## Further Brand Development

- Investments for marketing of new and existing products and brands
- On-field demonstrations, training of farmers for building ground-level demand generation supported by digital marketing
- Focus on high margin brands
- 11 products registration in process to further improve capacity utilization including product level expansion



## Product Pipeline

- 9 new combination products / pre-mixtures currently under development for domestic and exports (5 insecticides, 2 fungicides, 2 PGR)
- 3 Off-patent products under development for domestic and exports
- 5 Technical products for manufacturing and exports
- Multiple Global Speciality Proprietary products to be launched in India



## Expand Export Business

- Enhance exports in regions like Africa and Europe
- Leverage SCC's Global supply chain and marketing network to drive exports

## Achieving Market Leadership in India

- Balanced portfolio of generic and speciality products
- Consolidate position as best agro-chemical marketer in India
- Strive for manufacturing excellence
- Set-up a strong management & team
- Lay the foundation for next generation leadership

Leverage expertise in successful product launches and capacity expansions to fuel future growth





Financial Performance  
&  
Key Takeaways

Historical Performance  
Highlights

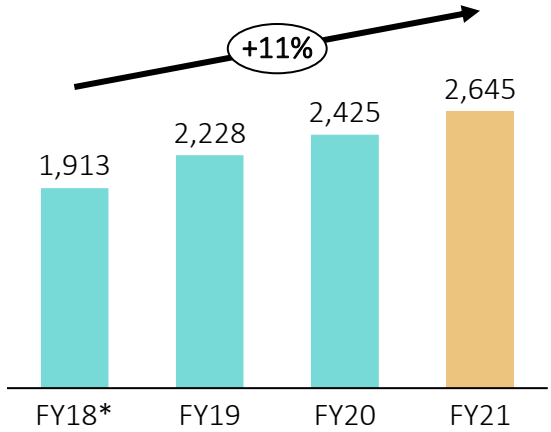
Key Takeaways



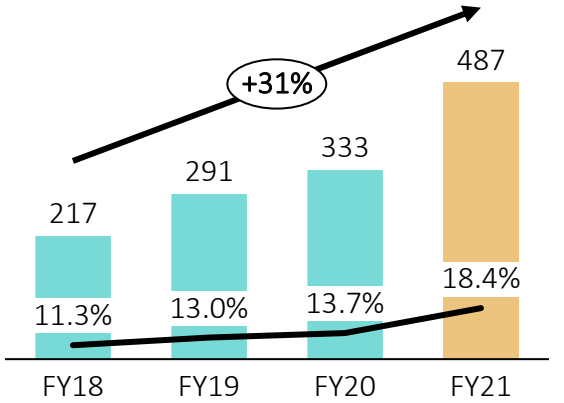


# Historical Performance Highlights

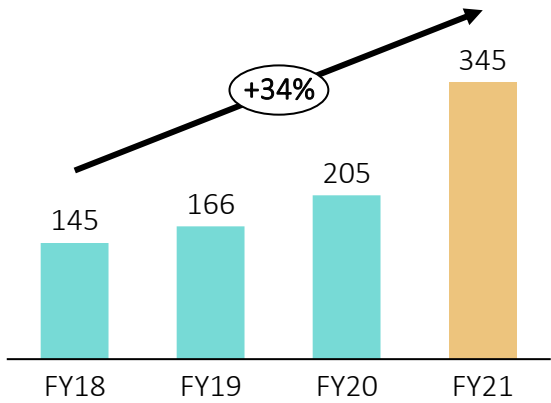
Revenue (Rs Crs)



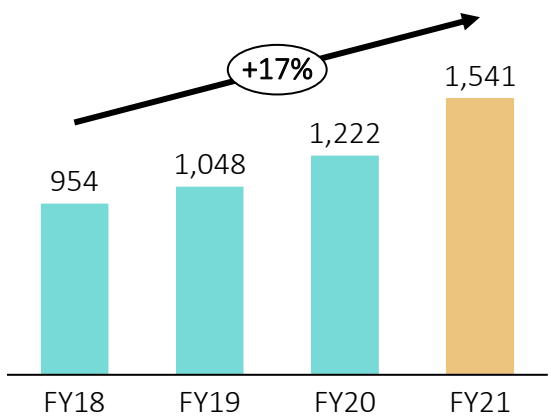
EBITDA (Rs. Crs) & EBITDA Margin (%)



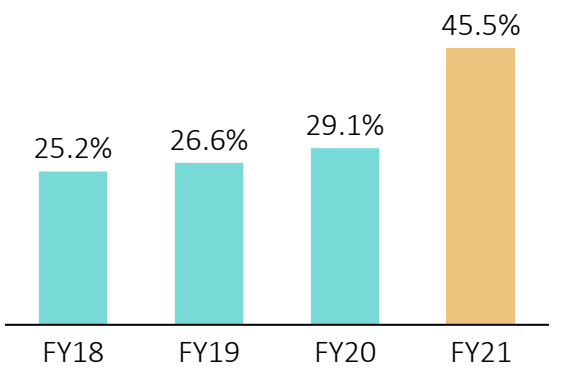
PAT (Rs Crs)



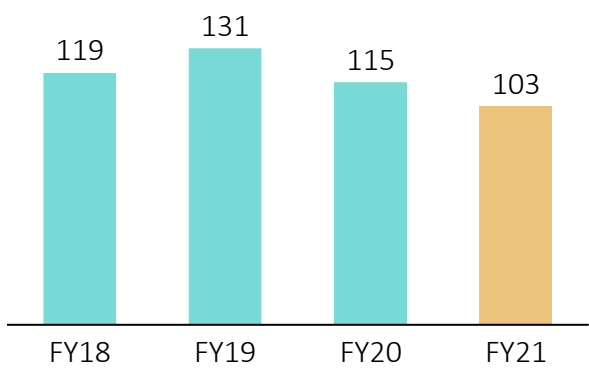
Networth (Rs Crs)



RoCE (%)^



Net Working Capital Days



- ✓ Good monsoon and availability of water boosted farmer sentiment and resulted in good growth in rabi season 2020 as well as upcoming Kharif season in 2021 in the Indian domestic market
- ✓ Combined entity ~2x in size
- ✓ Net debt free balance sheet
- ✓ Strong margin profile maintained
- ✓ PAT number is after adjusting one time merger costs
- ✓ Additional upside to be realized on account of synergies

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year

2. Appointed date for merger of ECC and SCL is 1<sup>st</sup> Apr'18

\*Revenue is Net of Excise Duty.

^ ROCE = {EBIT / (Net Worth + Borrowings - Cash and Cash Equivalent)}





# Consolidated Profit & Loss Account Statement

Particulars (Rs. Crs)	FY21	FY20	FY19	FY18
<b>Net Revenue from Operations</b>	<b>2,644.9</b>	<b>2,424.8</b>	<b>2,228.4</b>	<b>1,912.9*</b>
COGS	1,655.4	1,607.6	1,458.9	1,238.7
<b>Gross Profit</b>	<b>989.5</b>	<b>817.2</b>	<b>769.6</b>	<b>674.2</b>
<b>Gross Profit %</b>	<b>37.4%</b>	<b>33.7%</b>	<b>34.5%</b>	<b>35.2%</b>
Employee Expenses	194.3	179.3	158.4	147.5
Other Operating Expenses	308.4	304.7	320.5	309.6
<b>Operating EBITDA</b>	<b>486.9</b>	<b>333.2</b>	<b>290.7</b>	<b>217.1</b>
<b>EBITDA Margin</b>	<b>18.4%</b>	<b>13.7%</b>	<b>13.0%</b>	<b>11.3%</b>
Other Income	18.6	10.7	7.6	30.5
Depreciation	46.6	41.0	27.8	23.7
<b>EBIT</b>	<b>458.9</b>	<b>302.9</b>	<b>270.5</b>	<b>223.8</b>
<b>EBIT Margin</b>	<b>17.3%</b>	<b>12.5%</b>	<b>12.1%</b>	<b>11.7%</b>
Interest	5.6	5.5	3.7	2.8
<b>Profit Before Tax &amp; Exceptional</b>	<b>453.3</b>	<b>297.4</b>	<b>266.8</b>	<b>221.0</b>
Exceptional Item Gain / (Loss)**	-	-30.9	-7.0	-
<b>Profit Before Tax</b>	<b>453.3</b>	<b>266.5</b>	<b>259.8</b>	<b>221.0</b>
<b>PBT Margin</b>	<b>17.1%</b>	<b>11.0%</b>	<b>11.7%</b>	<b>11.6%</b>
Tax	107.9	61.8	94.0	75.8
<b>Net Profit</b>	<b>345.4</b>	<b>204.7</b>	<b>165.8</b>	<b>145.1</b>
<b>Net Profit Margin</b>	<b>13.1%</b>	<b>8.4%</b>	<b>7.4%</b>	<b>7.6%</b>
Other Comprehensive Income	1.6	-5.1	0.1	5.1
<b>Total Comprehensive income for the period</b>	<b>347.0</b>	<b>199.6</b>	<b>165.9</b>	<b>150.2</b>
<b>EPS</b>	<b>6.9</b>	<b>4.1</b>	<b>3.3</b>	<b>2.9</b>

1. Given the seasonality in the business, it is best monitored on an annual basis

2. Appointed date for merger of ECC and SCIL is 1st Apr'18

\* Revenue net of Excise Duty; \*\* Merger expenses



# Consolidated Balance Sheet

Assets (Rs. Crs)	Mar-21	Mar-20	Mar-19	Mar-18
<b>Non-Current Assets (A)</b>	<b>365.7</b>	<b>360.6</b>	<b>318.3</b>	<b>312.7</b>
Property, Plant and Equipment	277.6	282.9	277.2	264.8
Capital work-in-progress	4.3	6.5	3.2	4.5
Right to use an Asset	31.1	34.9	-	-
Other Intangible Assets	0.6	1.7	2.1	1.9
Intangible Assets under Development	10.0	3.8	4.9	4.3
<b>Non-Current Financial Assets</b>				
(i) Investments	0.1	0.1	0.1	0.1
(ii) Loans	6.0	5.3	7.6	7.3
Deferred tax Asset (net)	-	1.1	-	-
Non-Current tax Assets (net)	18.5	20.2	18.8	24.8
Other non-current Assets	17.6	4.2	4.4	5.1
<b>Current Assets (B)</b>	<b>2,304.3</b>	<b>1,745.6</b>	<b>1,541.7</b>	<b>1,345.7</b>
Inventories	754.4	588.0	680.6	609.3
<b>Current Financial Assets</b>				
(i) Investments	290.2	86.0	-	-
(ii) Trade receivables	848.2	849.8	671.0	551.8
(iii) Cash and cash equivalents	213.3	92.6	50.5	73.5
(iv) Bank balances other than (iii) above	28.8	0.9	0.9	0.8
(v) Loans	7.7	7.9	5.1	3.7
(vi) Other financial assets	11.4	21.8	15.8	10.4
Other Current Assets	150.3	98.6	117.8	96.3
<b>Total Assets (A+B)</b>	<b>2,670.1</b>	<b>2,106.2</b>	<b>1,860.0</b>	<b>1,658.4</b>

Equity & Liabilities (Rs. Crs)	Mar-21	Mar-20	Mar-19	Mar-18
<b>EQUITY (A)</b>	<b>1,541.3</b>	<b>1,221.8</b>	<b>1,048.4</b>	<b>954.0</b>
Equity Share Capital	499.1	499.1	274.6	274.6
Other Equity	1,042.2	722.6	773.8	679.4
<b>Non-Current liabilities (B)</b>	<b>49.6</b>	<b>44.5</b>	<b>30.2</b>	<b>32.5</b>
<b>Non-current Financial liabilities</b>				
Lease Liabilities	15.3	19.4	-	-
Provisions	29.2	25.1	15.6	12.7
Deferred tax liabilities (net)	5.0	-	14.6	18.1
Non-current Tax Liabilities	-	-	-	1.7
<b>Current liabilities (C)</b>	<b>1,079.2</b>	<b>839.9</b>	<b>781.3</b>	<b>671.9</b>
<b>Current Financial liabilities</b>				
(i) Borrowings	-	-	19.7	10.1
(ii) Trade Payables	598.3	490.9	480.8	527.3
(iii) Lease Liabilities	17.3	16.2	-	-
(iii) Other financial liabilities	349.8	235.4	179.2	55.6
Other current liabilities	108.2	80.2	87.2	70.1
Provisions	5.6	9.7	2.5	2.3
Current tax liabilities	0.0	7.4	12.0	6.6
<b>Total Equity &amp; Liabilities (A+B+C)</b>	<b>2,670.1</b>	<b>2,106.2</b>	<b>1,860.0</b>	<b>1,658.4</b>

**NIL borrowings**  
**Cash, Cash Equivalents & Liquid Investments of ~Rs. 532 Crs as on 31<sup>st</sup> March 2021**

1. Given the seasonality in the business, it is best monitored on an annual basis
2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18



# Consolidated Working Capital Movement

Particulars (Rs. Crs)	Mar-21	Mar-20	Mar-19	Change (Mar-21 over Mar-19)
Inventory (A)	754.4	588.0	680.6	73.8
<i>Inventory Days (Inventories/ COGS*365) (i)</i>	<i>166</i>	<i>134</i>	<i>170</i>	
Trade Receivables (B)	848.2	849.8	671.0	177.2
<i>Trade Receivables Days (Trade Receivables / Revenue*365) (ii)</i>	<i>117</i>	<i>128</i>	<i>110</i>	
Trade Payables (C)	598.3	490.9	480.8	117.5
<i>Trade Payables Days (Trade Payables/ COGS*365) (iii)</i>	<i>132</i>	<i>111</i>	<i>120</i>	
Other Financial Liabilities (D)	349.8	235.4	179.2	170.6
<i>Other Financial Liabilities Days (Other Current Liabilities / Revenue*365) (iv)</i>	<i>48</i>	<i>35</i>	<i>29</i>	
<b>Net Working Capital (A+B-C-D)</b>	<b>654.5</b>	<b>711.4</b>	<b>691.6</b>	<b>-37.1</b>
<i>Net Working Capital Days (i + ii – iii – iv)</i>	<i>103</i>	<i>115</i>	<i>131</i>	

1. Given the seasonality in the business, it is best monitored on an annual basis  
 2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18





# Consolidated Cash Flow Statement

Particulars (Rs. Crs)	Year ended 31-Mar-21	Year ended 31-Mar-20	Year ended 31-Mar19	Year ended 31-Mar-18
<b>Net Profit Before Tax</b>	<b>453.3</b>	<b>266.5</b>	<b>259.8</b>	<b>221.0</b>
Adjustments for: Non-Cash Items / Other Investment or Financial Items	54.5	45.7	18.6	9.6
<b>Operating profit before working capital changes</b>	<b>507.8</b>	<b>312.2</b>	<b>278.5</b>	<b>230.6</b>
Changes in working capital	25.6	-9.4	-112.7	-100.0
<b>Cash generated from Operations</b>	<b>533.4</b>	<b>302.8</b>	<b>165.8</b>	<b>130.6</b>
Direct taxes paid (net of refund)	107.9	81.4	88.1	83.1
<b>Net Cash from Operating Activities</b>	<b>425.4</b>	<b>221.4</b>	<b>77.7</b>	<b>47.4</b>
<b>Net Cash from Investing Activities</b>	<b>-257.7</b>	<b>-117.9</b>	<b>-35.3</b>	<b>-39.6</b>
<b>Net Cash from Financing Activities</b>	<b>-47.1</b>	<b>-61.4</b>	<b>-65.4</b>	<b>7.2</b>
<b>Net Increase /(Decrease) in Cash and Cash equivalents</b>	<b>120.7</b>	<b>42.2</b>	<b>-23.1</b>	<b>15.0</b>
Add: Cash & Cash equivalents at the beginning of the period	92.6	50.5	73.5	58.6
<b>Cash &amp; Cash equivalents at the end of the period</b>	<b>213.3</b>	<b>92.6</b>	<b>50.5</b>	<b>73.6</b>

1. Given the seasonality in the business, it is best monitored on an annual basis since a significant portion of revenue & PAT is recorded in the first half of the year  
 2. Appointed date for merger of ECC and SCIL is 1<sup>st</sup> Apr'18



# Key Takeaways

## Formidable Player in the Indian Agro-chem Space

- Strong / leadership position across products and processes
- Ability to develop new combination products (9 under registrations and additional under development)

## Experienced Management Team and Board of Directors

- Strong management and autonomous Board with vast experience and domain expertise
- Localized experience enables better understanding of market needs to drive growth

## Well-diversified Product Portfolio Across Agro-Chem Value Chain

- Multi-product, multi-geography, multi-customer de-risking
- Access to an impressive range of own actives along with significant exposure towards speciality products resulting in product offerings at all price points serving multiple customers sub-segment

## Strong Brand and Well-Entrenched Distribution Network

- 23 states, 65+ depots, 14,000+ distributors, 40,000+ dealer network
- High credibility and brand recall amongst farmers and the trade on account of transparent and ethical business dealings

## To Benefit from Strong Parentage of SCC Japan

- Benefits from international standing of SCC Japan; most well revered brand renowned for its quality
- Access to SCC's global supply chain and global R&D activities (one of the largest spenders) resulting in development of actives and broad range of formulation research

## State-of-the-art Manufacturing and R&D Facilities

- Operates five manufacturing facilities with state-of-the-art plants at strategic location which helps reduce logistic time and costs
- Capacity not a constraint allowing for significant growth on existing investments
- Holds 27 patents and further 9 applications filed

## Strong Track Record of Driving Growth

- Grown 11X over FY11-21 driven by organic and inorganic expansion; 11% CAGR for merged entity (including Excel Crop Care) over the same period
- Debt free balance sheet with strong return ratios



Awards & Accolades

Annexures

Details on Merger with Excel  
Crop Care Ltd.



# Awards & Accolades



Jamnallal Bajaj Award for “*Fair Business and Practices*”



First ever president’s gold shield for import substitution



First award for export of organic and inorganic chemicals



ICMA award for innovation and purposeful programs for social progress



First Sir P.C. Ray award for development of products and process with indigenous technology



Punjab Haryana Delhi Chamber of Commerce and Industries award for ethical business



Winner active ingredient trophy and certificate from M/s. Bayer



Trishul award for the excellent performance for exports in international markets



Shramveer award for improvement of product efficiency received from national level Delhi



Vishwakarma Rashtriya Puraskar received for process development



National Safety Award by Labour Ministry, Government of India for safety performance



Shramveer Award to employees from Labour Ministry, state level received six times



Shram Bhushan Award to employees received five times



Shram Ratna to employees, received seven times



Shram Shri award to employees received three times



Gujarat State Safety Certificate for safety commitment

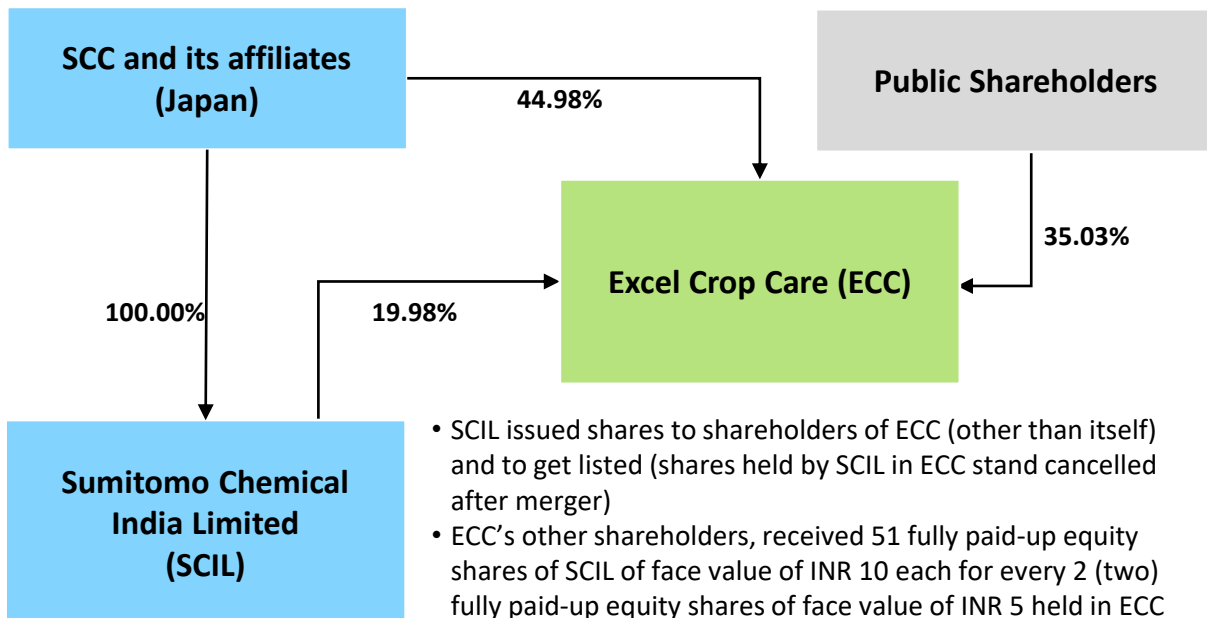




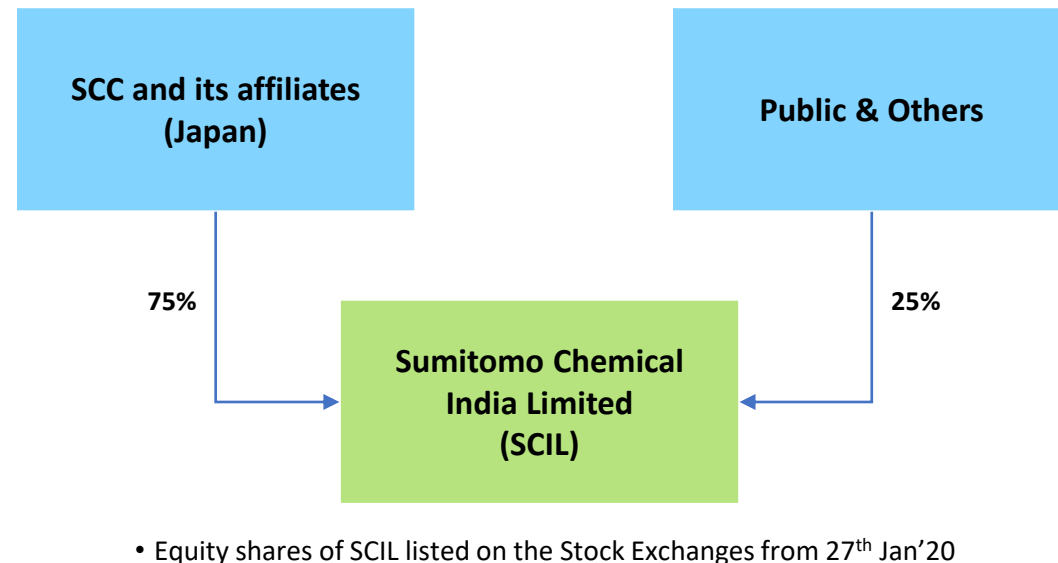
# Merger of Excel Crop Care to Unlock Value

Successfully and smoothly completed the merger

## Pre-Merger Structure



## Post-Merger Structure



“Long term Commitment from SCC, Japan”

01

### De-risked Portfolio

Presence in both technical & formulation manufacturing and across complete range of products

02

### Highly Complementary Offerings

Spread across generics & speciality and to leverage dual brands for offerings across the price spectrum

03

### Distribution Scale

Well-entrenched pan-India network and synergies in product marketing

04

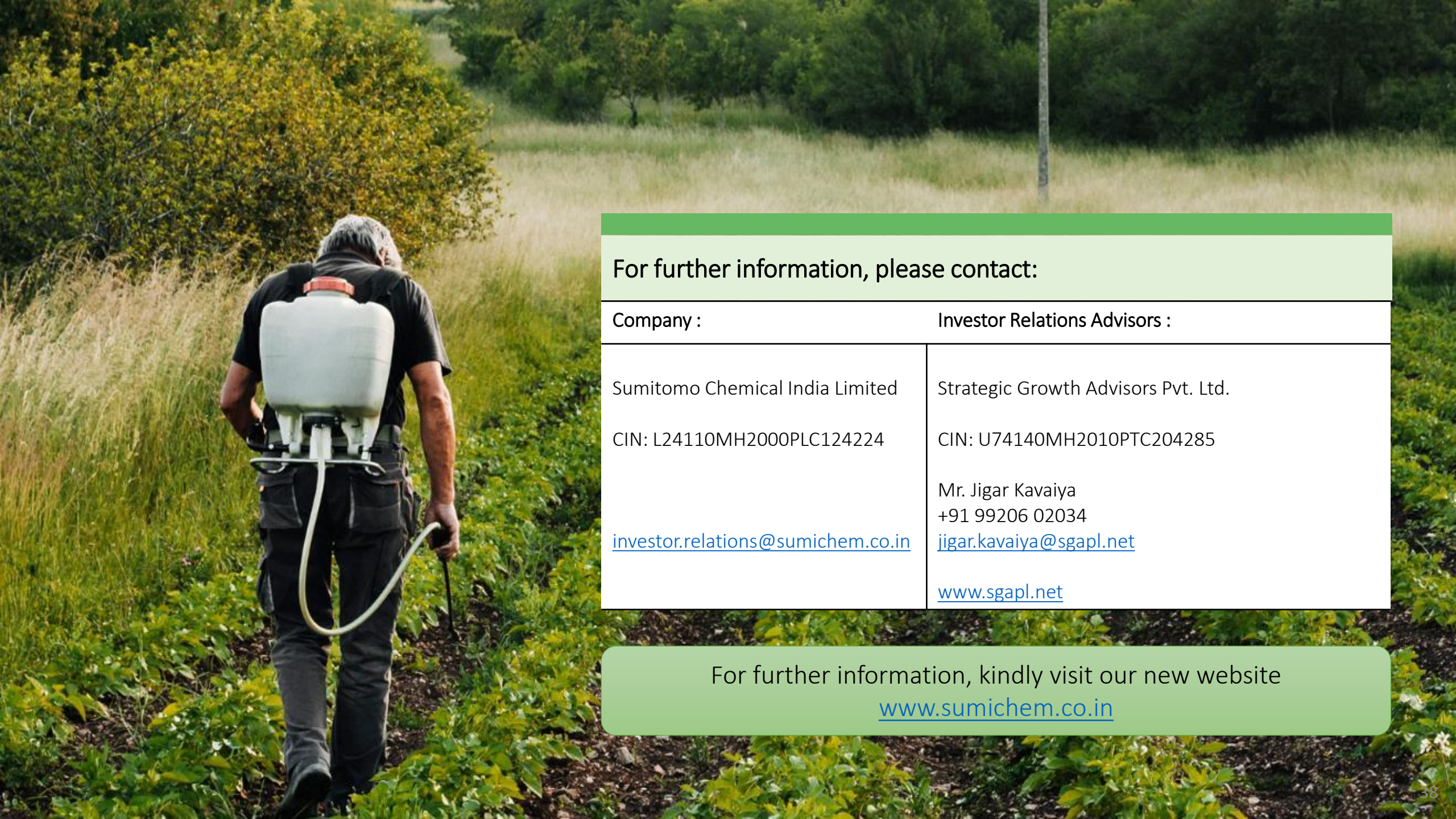
### Operational Synergies

Continuous improvement in manufacturing efficiencies, location realignment and process efficiencies to lead to margin expansion

05

### Undivided Parent Focus

Backing of a well-established parent company with single focused entity of scale to drive India expansion



For further information, please contact:

Company :

Investor Relations Advisors :

Sumitomo Chemical India Limited

Strategic Growth Advisors Pvt. Ltd.

CIN: L24110MH2000PLC124224

CIN: U74140MH2010PTC204285

[investor.relations@sumichem.co.in](mailto:investor.relations@sumichem.co.in)

Mr. Jigar Kavaia  
+91 99206 02034

[jigar.kavaia@sgapl.net](mailto:jigar.kavaia@sgapl.net)

[www.sgapl.net](http://www.sgapl.net)

For further information, kindly visit our new website

[www.sumichem.co.in](http://www.sumichem.co.in)