

January 24, 2022

## Q3FY22 Result Update

Change in Estimates |  Target |  Reco

### Change in Estimates

	Current		Previous	
	FY23E	FY24E	FY23E	FY24E
Rating	BUY		BUY	
Target Price	570		450	
Sales (Rs. m)	39,834	46,375	35,901	40,118
% Chng.	11.0	15.6		
EBITDA (Rs. m)	7,657	9,064	6,193	7,159
% Chng.	23.6	26.6		
EPS (Rs.)	37.5	44.2	30.1	34.3
% Chng.	24.7	28.9		

### Key Financials - Standalone

Y/e Mar	FY21	FY22E	FY23E	FY24E
Sales (Rs. m)	23,956	34,242	39,834	46,375
EBITDA (Rs. m)	4,168	6,533	7,657	9,064
Margin (%)	17.4	19.1	19.2	19.5
PAT (Rs. m)	2,292	2,970	3,382	3,987
EPS (Rs.)	25.4	32.9	37.5	44.2
Gr. (%)	39.2	29.6	13.9	17.9
DPS (Rs.)	3.0	3.5	4.0	4.0
Yield (%)	0.7	0.8	0.9	0.9
RoE (%)	15.2	17.0	16.7	17.0
RoCE (%)	16.0	23.2	23.4	23.9
EV/Sales (x)	1.5	1.1	0.9	0.7
EV/EBITDA (x)	8.8	5.7	4.7	3.7
PE (x)	17.2	13.3	11.7	9.9
P/BV (x)	2.4	2.1	1.8	1.6

### Key Data

SHCR.BO | SHCR IN

52-W High / Low	Rs.455 / Rs.261
Sensex / Nifty	57,492 / 17,149
Market Cap	Rs.39bn/ \$ 530m
Shares Outstanding	90m
3M Avg. Daily Value	Rs.89.11m

### Shareholding Pattern (%)

Promoter's	74.82
Foreign	1.00
Domestic Institution	12.75
Public & Others	11.43
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	29.0	26.9	63.5
Relative	28.1	16.9	39.0

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## Healthy all round performance; attractive valuation

### Quick Pointers:

- Volume growth and price growth of 51% and 27%.
- Citing robust global demand SHCR guides for 20% YoY revenue growth going forward.

**Sharda Cropchem (SHCR) reported strong operational performance in 3QFY22, primarily led by healthy revenue growth across regions. Key highlights are: (1) Volume/Price/FX growth of 51%/26.5%/1% YoY respectively; (2) Gross margin declined 60bps YoY to 33.9% led by higher freight cost; (3) Better operating leverage coupled with superior geographical and product mix has resulted into EBITDA margins expansion of 250bps YoY to 22% (incl. IU&AD write-offs of Rs70mn in 3QFY22); and (4) Working capital days up by 1-day YoY to 72. Citing a positive growth momentum across regions, management remains confident of achieving 20% YoY revenue growth for next few years, while maintaining margins at current levels aided by better geographical mix and higher contribution from recently received new registrations.**

**We believe SHCR's performance has suffered in the past on account of multiple factors like (1) inferior geographical mix; (2) sharp uptick in RM cost and inability to pass on inflated cost and (3) higher capitalization cost. However, these cloud of concerns are largely overdone. That said, factoring in better 9MFY22 performance we increase our EPS estimates for FY22/23/24E by 22%/25%/29% respectively. Maintain 'BUY' with a revised TP of Rs570 (earlier INR450 based on 13x FY24E EPS) based on 13x FY24E EPS. We believe that risk reward remains favorable for the stock.**

- Better volume growth across regions:** SHCR posted robust volume growth of 51% aided by favorable price and FX impact of 26.5% and 1% respectively resulting into an overall growth of 78% to Rs8.8bn in 3QFY22 (PLe -Rs5.8bn). Agrochemical revenues increased 80% YoY to Rs7.2bn; while non-agrochemicals revenues grew by 71% YoY to Rs1.5bn respectively. Stellar performance was primarily on the back of higher agrochemicals growth across regions with Europe/ NAFTA/ LATAM/ ROW up 125%/82%/30%/1% YoY respectively.
- Decline in Gross margins offset by better operating leverage:** SHCR reported strong 3QFY22 results with Revenue/EBITDA/PAT growth of 78%/102%/112% YoY. Gross margins contracted by 60 bps YoY to 33.9% led by higher freight cost. However better operating leverage coupled with superior geographical and product mix has in-turn resulted into an EBITDA margin expansion of 250bps YoY to 22% (PLe 18.4%) (including IU&AD write-offs of Rs70.1mn in 3QFY22 /9MFY22 at Rs114mn). Going forward, management believes that positive growth momentum will likely continue in the near term led by a) better traction and acceptance from customers in key markets; b) healthy global agronomic situation; c) remunerative crop prices. Citing a positive global trend, management remains hopeful for 20% YoY revenue growth with margins likely to remain in 20-24% range. However, management expects intangible write-offs to be in between Rs300-500mn/year.

## Other key highlights

- **Region-wise revenue break-up:** Agrochemicals revenues in Europe/ NAFTA/ LATAM/ RoW grew by 125%/82%/30%/1% YoY in 3QFY22.
- **Category-wise Revenue break-up in 3QFY22:** Herbicide /Fungicide /Insecticides contributed 50%/26%/24% to overall revenues, as against 50%/21%/28% respectively in the same period last year.
- **Region-wise gross margins:** For 3QFY22 Europe /NAFTA /LATAM /RoW stood at 36%/37%/14%/23% as against 41%/32%/21%/21% respectively in the same period last year.
- **Capex:** SCHR has spent Rs2.03bn of capex in 3QFY22 as against Rs1.7bn in the same period last year. For 9MFY22 capex spent stood at Rs3.56bn as against Rs2.9bn last year.
- **Tax rate:** SHCR has guided for a tax rate to remain around 30-32% for FY22E.
- **Net Working Capital:** stood at 72 days in 3QFY22 as against 71 days in 3QFY21.
- **Guidance:** Citing a better global industry demand scenario coupled with comfortable inventory position globally, SHCR guided for a top-line growth of 20% YoY for next few years with margins likely to be maintained in the same levels of FY22 (with scope of some improvement in Europe and NAFTA region).

**Exhibit 1: Quarterly Results Snapshot**

Y/e March (Rs mn)	Q3FY22	Q3FY21	YoY gr. (%)	Q2FY22	QoQ gr. (%)	9MFY22	9MFY21	YoY gr. (%)	FY22E	FY21	YoY gr. (%)
<b>Revenue</b>	<b>8,798</b>	<b>4,938</b>	<b>78.2</b>	<b>6,428</b>	<b>36.9</b>	<b>21,453</b>	<b>13,075</b>	<b>64.1</b>	<b>34,242</b>	<b>23,956</b>	<b>42.9</b>
Raw material costs	5,814	3,233	79.8	4,629	25.6	14,845	8,888	67.0	23,558	16,360	44.0
Gross profit	2,984	1,705	75.0	1,798	65.9	6,608	4,187	57.8	10,683	7,597	40.6
Employee costs	108	97	12.2	105	2.9	314	255	23.5	445	373	19.3
Other expenses	936	646	44.9	664	41.0	2,294	1,927	19.1	3,706	3,055	21.3
Total operating expenses	1,045	743	40.7	769	35.8	2,609	2,181	19.6	4,151	3,428	21.1
<b>EBITDA</b>	<b>1,939</b>	<b>962</b>	<b>101.5</b>	<b>1,029</b>	<b>88.4</b>	<b>3,999</b>	<b>2,005</b>	<b>99.4</b>	<b>6,533</b>	<b>4,168</b>	<b>56.7</b>
Depreciation	590	404	46.0	606	(2.6)	1,736	1,182	46.8	2,408	1,704	41.3
<b>EBIT</b>	<b>1,349</b>	<b>558</b>	<b>141.7</b>	<b>423</b>	<b>219.0</b>	<b>2,263</b>	<b>823</b>	<b>174.9</b>	<b>4,125</b>	<b>2,464</b>	<b>67.4</b>
Less: Interest Expense	4	4	(2.9)	4	(1.2)	15	20	(26.0)	22	28	(20.6)
Add : Other Income	14	223	(93.9)	-3	NA	190	622	(69.5)	265	658	(59.7)
<b>Profit Before Tax</b>	<b>1,358</b>	<b>776</b>	<b>74.9</b>	<b>415</b>	<b>227.1</b>	<b>2,438</b>	<b>1,425</b>	<b>71.0</b>	<b>4,368</b>	<b>3,095</b>	<b>41.2</b>
Less: Provision for Tax	336	293	14.6	95	254.1	715	472	51.3	1,398	802	74.2
<b>Adjusted Profit</b>	<b>1,022</b>	<b>483</b>	<b>111.6</b>	<b>320</b>	<b>219.1</b>	<b>1,723</b>	<b>953</b>	<b>80.8</b>	<b>2,970</b>	<b>2,292</b>	<b>29.6</b>
Exceptional items	0	0		0		-	-		0	0	
<b>Reported Profit</b>	<b>1,022</b>	<b>483</b>	<b>111.6</b>	<b>320</b>	<b>219.1</b>	<b>1,723</b>	<b>953</b>	<b>80.8</b>	<b>2,970</b>	<b>2,292</b>	<b>29.6</b>
Equity capital (FV INR 10)	902	902		902		902	902		902	902	
No. of Diluted shares outstanding (mn)	90	90		90		90	90		90	90	
<b>Adjusted Diluted EPS</b>	<b>11.3</b>	<b>5.4</b>	<b>111.6</b>	<b>3.5</b>	<b>219.1</b>	<b>19.1</b>	<b>10.6</b>	<b>80.8</b>	<b>32.9</b>	<b>25.4</b>	<b>29.6</b>
<b>As % of revenues</b>											
COGS	66.1	65.5		72.0		69.2	68.0		68.8	68.3	
Gross profit	33.9	34.5		28.0		30.8	32.0		31.2	31.7	
Employee costs	1.2	2.0		1.6		1.5	1.9		1.3	1.6	
Other expenses	10.6	13.1		10.3		10.7	14.7		10.8	12.8	
Total operating expenses	11.9	15.0		12.0		12.2	16.7		12.1	14.3	
EBITDA	22.0	19.5		16.0		18.6	15.3		19.1	17.4	
Net profit	11.6	9.8		5.0		8.0	7.3		8.7	9.6	

Source: Company, PL

**Exhibit 2: Revenue break-up and growth (%)**

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
<b>Sales Breakup</b>									
Agrochemicals	3,115	8,227	3,072	3,443	4,022	10,048	5,343	5,029	7,232
Non - Agrochemicals	712	534	817	805	916	834	884	1,399	1,566
<b>Total</b>	<b>3,827</b>	<b>8,761</b>	<b>3,889</b>	<b>4,248</b>	<b>4,938</b>	<b>10,881</b>	<b>6,227</b>	<b>6,428</b>	<b>8,798</b>
<b>Growth %</b>									
Agrochemicals	(17.8)	19.2	(2.4)	45.6	29.1	22.1	73.9	46.1	79.8
Non - Agrochemicals	(22.5)	(28.2)	(22.8)	(8.2)	28.7	56.2	8.2	73.9	71.0
<b>Total</b>	<b>(18.7)</b>	<b>14.6</b>	<b>(7.5)</b>	<b>31.0</b>	<b>29.0</b>	<b>24.2</b>	<b>60.1</b>	<b>51.3</b>	<b>78.2</b>

Source: Company, PL

**Exhibit 3: Geography-wise analysis of revenue from agrochemicals segment**

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Europe	1,006	4,679	1,567	2,142	1,351	5,353	2,511	2,162	3,037
NAFTA	1,377	2,863	882	799	1,709	3,859	1,763	1,810	3,110
RoW	405	410	218	200	571	434	214	352	579
Latam	327	275	405	303	390	402	855	704	506
<b>Total Agrochem Sales</b>	<b>3,115</b>	<b>8,227</b>	<b>3,072</b>	<b>3,443</b>	<b>4,022</b>	<b>10,048</b>	<b>5,343</b>	<b>5,029</b>	<b>7,232</b>
<b>Growth %</b>									
Europe	(15.2)	22.8	(6.1)	61.1	34.3	14.4	60.3	1.0	124.8
NAFTA	(32.5)	13.7	(6.9)	40.7	24.1	34.8	100.0	126.6	81.9
RoW	4.7	26.4	3.4	4.2	41.0	5.9	(2.0)	76.3	1.3
Latam	83.6	10.7	26.3	9.5	19.3	46.2	110.8	132.4	29.8
Total	(17.8)	19.2	(2.4)	45.6	29.1	22.1	73.9	46.1	79.8

Source: Company, PL

**Exhibit 4: Geography-wise analysis of revenue from non-agrochemicals segment**

	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Europe	235	195	299	250	262	265	239	420	595
NAFTA	268	224	340	359	438	352	389	700	689
RoW	149	96	149	130	131	158	203	210	235
Latam	60	19	29	65	85	59	53	70	47
<b>Total</b>	<b>712</b>	<b>534</b>	<b>817</b>	<b>805</b>	<b>916</b>	<b>834</b>	<b>884</b>	<b>1,399</b>	<b>1,566</b>
<b>Growth %</b>									
Europe	22.4	(13.2)	30.7	32.2	11.5	35.6	(20.2)	67.7	127.2
NAFTA	(10.8)	15.3	(18.3)	(13.1)	63.6	57.4	14.4	94.9	57.4
RoW	(62.4)	(63.9)	(59.3)	(46.3)	(12.4)	64.4	36.7	61.0	79.3
Latam	110.1	(67.3)	(22.8)	106.5	42.5	215.7	80.3	7.3	(44.9)
<b>Total</b>	<b>(22.5)</b>	<b>(28.1)</b>	<b>(22.1)</b>	<b>(8.2)</b>	<b>28.7</b>	<b>56.2</b>	<b>8.2</b>	<b>73.9</b>	<b>71.0</b>

Source: Company, PL

**Exhibit 5: Volume growth, pricing and forex impact on total sales growth**

Particulars	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Volume	7.3	11.3	(3.7)	23.2	17.0	36.0	48.2	60.8	51.0
Price	(25.0)	29.9	(8.2)	2.4	5.0	(17.0)	8.2	(10.6)	26.5
Exchange	(1.0)	(26.7)	4.4	5.4	7.0	5.0	3.7	1.1	0.8
<b>Total</b>	<b>(18.7)</b>	<b>14.5</b>	<b>(7.5)</b>	<b>31.0</b>	<b>29.0</b>	<b>24.0</b>	<b>60.1</b>	<b>51.3</b>	<b>78.3</b>

Source: Company, PL

**Exhibit 6: No. of registrations**

Geography	Q3FY20	Q4FY20	Q1FY21	Q2FY21	Q3FY21	Q4FY21	Q1FY22	Q2FY22	Q3FY22
Europe	NA	NA	NA	1,270	1,290	1,326	1,347	1,370	NA
NAFTA	NA	210	NA	215	225	236	237	252	NA
RoW	NA	237	NA	235	240	237	238	238	NA
Latam	NA	741	NA	740	740	744	748	750	NA
<b>No. of registrations</b>	<b>2,384</b>	<b>1,188</b>	<b>2,439</b>	<b>2,460</b>	<b>2,495</b>	<b>2,543</b>	<b>2,570</b>	<b>2,610</b>	<b>2,645</b>

Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
<b>Net Revenues</b>	<b>23,956</b>	<b>34,242</b>	<b>39,834</b>	<b>46,375</b>
YoY gr. (%)	19.6	42.9	16.3	16.4
Cost of Goods Sold	16,360	23,558	27,406	31,906
Gross Profit	7,597	34,242	39,834	46,375
Margin (%)	31.7	100.0	100.0	100.0
Employee Cost	373	445	558	649
Other Expenses	2,672	3,356	3,864	4,406
<b>EBITDA</b>	<b>4,168</b>	<b>6,533</b>	<b>7,657</b>	<b>9,064</b>
YoY gr. (%)	40.4	56.7	17.2	18.4
Margin (%)	17.4	19.1	19.2	19.5
Depreciation and Amortization	1,704	2,408	2,933	3,458
<b>EBIT</b>	<b>2,464</b>	<b>4,125</b>	<b>4,724</b>	<b>5,606</b>
Margin (%)	10.3	12.0	11.9	12.1
Net Interest	28	22	23	25
Other Income	658	265	273	281
<b>Profit Before Tax</b>	<b>3,095</b>	<b>4,368</b>	<b>4,974</b>	<b>5,863</b>
Margin (%)	12.9	12.8	12.5	12.6
Total Tax	802	1,398	1,592	1,876
Effective tax rate (%)	25.9	32.0	32.0	32.0
<b>Profit after tax</b>	<b>2,292</b>	<b>2,970</b>	<b>3,382</b>	<b>3,987</b>
Minority interest	0	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,292</b>	<b>2,970</b>	<b>3,382</b>	<b>3,987</b>
YoY gr. (%)	39.2	29.6	13.9	17.9
Margin (%)	9.6	8.7	8.5	8.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,292</b>	<b>2,970</b>	<b>3,382</b>	<b>3,987</b>
YoY gr. (%)	39.2	29.6	13.9	17.9
Margin (%)	9.6	8.7	8.5	8.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,292	2,970	3,382	3,987
<b>Equity Shares O/s (m)</b>	<b>90</b>	<b>90</b>	<b>90</b>	<b>90</b>
<b>EPS (Rs)</b>	<b>25.4</b>	<b>32.9</b>	<b>37.5</b>	<b>44.2</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY21	FY22E	FY23E	FY24E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>10,758</b>	<b>13,758</b>	<b>16,758</b>	<b>19,758</b>
Tangibles	10,758	13,758	16,758	19,758
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>5,527</b>	<b>7,935</b>	<b>10,868</b>	<b>14,325</b>
Tangibles	5,527	7,935	10,868	14,325
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>5,231</b>	<b>5,823</b>	<b>5,891</b>	<b>5,433</b>
Tangibles	5,231	5,823	5,891	5,433
Intangibles	-	-	-	-
Capital Work In Progress	1,519	1,519	1,519	1,519
Goodwill	4	4	4	4
Non-Current Investments	-	-	-	-
Net Deferred tax assets	(868)	(868)	(868)	(868)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	830	830	830	830
Inventories	5,255	6,454	7,508	8,741
Trade receivables	11,626	16,617	19,331	22,505
Cash & Bank Balance	2,605	1,481	2,960	5,367
Other Current Assets	-	-	-	-
<b>Total Assets</b>	<b>27,710</b>	<b>33,368</b>	<b>38,682</b>	<b>45,039</b>
<b>Equity</b>				
Equity Share Capital	902	902	902	902
Other Equity	15,241	17,831	20,779	24,331
<b>Total Networkth</b>	<b>16,143</b>	<b>18,733</b>	<b>21,681</b>	<b>25,233</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	678	-	-	-
Provisions	30	30	30	30
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	8,068	11,618	13,515	15,734
Other current liabilities	2,788	2,984	3,453	4,038
<b>Total Equity &amp; Liabilities</b>	<b>27,710</b>	<b>33,368</b>	<b>38,682</b>	<b>45,039</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY21	FY22E	FY23E	FY24E
PBT	3,095	4,368	4,974	5,863
Add. Depreciation	1,704	2,408	2,933	3,458
Add. Interest	-	-	-	-
Less Financial Other Income	658	265	273	281
Add. Other	(76)	(390)	(398)	(406)
Op. profit before WC changes	4,723	6,386	7,509	8,914
Net Changes-WC	(1,662)	(2,444)	(1,401)	(1,603)
Direct tax	(575)	(1,398)	(1,592)	(1,876)
<b>Net cash from Op. activities</b>	<b>2,486</b>	<b>2,544</b>	<b>4,516</b>	<b>5,435</b>
Capital expenditures	(2,335)	(3,000)	(3,000)	(3,000)
Interest / Dividend Income	-	-	-	-
Others	(504)	390	398	406
<b>Net Cash from Invst. activities</b>	<b>(2,839)</b>	<b>(2,610)</b>	<b>(2,602)</b>	<b>(2,594)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	614	(678)	-	-
Dividend paid	(180)	(380)	(435)	(435)
Interest paid	-	-	-	-
Others	-	-	-	-
<b>Net cash from Fin. activities</b>	<b>434</b>	<b>(1,059)</b>	<b>(435)</b>	<b>(435)</b>
<b>Net change in cash</b>	<b>1,827</b>	<b>(1,125)</b>	<b>1,479</b>	<b>2,406</b>
Free Cash Flow	152	(456)	1,516	2,435

Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q4FY21	Q1FY22	Q2FY22	Q3FY22
<b>Net Revenue</b>	<b>10,881</b>	<b>6,227</b>	<b>6,428</b>	<b>8,798</b>
YoY gr. (%)	24.2	60.1	51.3	78.2
Raw Material Expenses	7,471	4,401	4,629	5,814
Gross Profit	3,410	1,825	1,798	2,984
Margin (%)	31.3	29.3	28.0	33.9
<b>EBITDA</b>	<b>2,163</b>	<b>1,031</b>	<b>1,029</b>	<b>1,939</b>
YoY gr. (%)	19.7	116.8	81.3	101.5
Margin (%)	19.9	16.5	16.0	22.0
Depreciation / Depletion	522	539	606	590
<b>EBIT</b>	<b>1,641</b>	<b>491</b>	<b>423</b>	<b>1,349</b>
Margin (%)	15.1	7.9	6.6	15.3
Net Interest	8	6	4	4
Other Income	36	179	(3)	14
<b>Profit before Tax</b>	<b>1,669</b>	<b>665</b>	<b>415</b>	<b>1,358</b>
Margin (%)	15.3	10.7	6.5	15.4
Total Tax	330	284	95	336
Effective tax rate (%)	19.8	42.7	22.9	24.7
<b>Profit after Tax</b>	<b>1,339</b>	<b>381</b>	<b>320</b>	<b>1,022</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>1,340</b>	<b>381</b>	<b>320</b>	<b>1,022</b>
YoY gr. (%)	(5.5)	36.4	68.0	111.6
Margin (%)	12.3	6.1	5.0	11.6
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>1,340</b>	<b>381</b>	<b>320</b>	<b>1,022</b>
YoY gr. (%)	(5.5)	36.4	68.0	111.6
Margin (%)	12.3	6.1	5.0	11.6
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>1,340</b>	<b>381</b>	<b>320</b>	<b>1,022</b>
Avg. Shares O/s (m)	90	90	90	90
<b>EPS (Rs)</b>	<b>14.8</b>	<b>4.2</b>	<b>3.5</b>	<b>11.3</b>

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY21	FY22E	FY23E	FY24E
<b>Per Share(Rs)</b>				
EPS	25.4	32.9	37.5	44.2
CEPS	44.3	59.6	70.0	82.5
BVPS	178.9	207.6	240.3	279.7
FCF	1.7	(5.1)	16.8	27.0
DPS	3.0	3.5	4.0	4.0
<b>Return Ratio(%)</b>				
RoCE	16.0	23.2	23.4	23.9
ROIC	15.2	18.1	19.6	22.1
RoE	15.2	17.0	16.7	17.0
<b>Balance Sheet</b>				
Net Debt : Equity (x)	(0.2)	(0.1)	(0.2)	(0.2)
Net Working Capital (Days)	134	122	122	122
<b>Valuation(x)</b>				
PER	17.2	13.3	11.7	9.9
P/B	2.4	2.1	1.8	1.6
P/CEPS	9.9	7.3	6.3	5.3
EV/EBITDA	8.8	5.7	4.7	3.7
EV/Sales	1.5	1.1	0.9	0.7
Dividend Yield (%)	0.7	0.8	0.9	0.9

Source: Company Data, PL Research

**Key Operating Metrics**

Y/e Mar	FY21	FY22E	FY23E	FY24E
Revenues	23,958	34,242	39,834	46,375
Europe	10,413	13,641	16,369	19,643
NAFTA	7,249	11,598	13,338	15,339
LatAM	1,501	2,522	2,900	3,335
RoW	1,423	1,608	1,769	1,946

Source: Company Data, PL Research

**Price Chart**
**Recommendation History**


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	12-Jan-22	BUY	450	349
2	27-Dec-21	BUY	450	340
3	27-Jul-21	BUY	457	350
4	6-Jul-21	Accumulate	414	362
5	8-Apr-21	BUY	383	311
6	27-Jan-21	BUY	383	275

**Analyst Coverage Universe**

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bayer Cropscience	BUY	5,700	5,035
2	Coromandel International	BUY	960	745
3	Dhanuka Agritech	BUY	870	759
4	Godrej Agrovet	Accumulate	615	528
5	Insecticides India	Hold	680	717
6	P.I. Industries	BUY	3,470	2,887
7	Rallis India	Hold	280	277
8	Sharda Cropchem	BUY	450	349
9	Sumitomo Chemical India	BUY	440	394
10	UPL	BUY	910	822

**PL's Recommendation Nomenclature (Absolute Performance)**

<b>Buy</b>	: > 15%
<b>Accumulate</b>	: 5% to 15%
<b>Hold</b>	: +5% to -5%
<b>Reduce</b>	: -5% to -15%
<b>Sell</b>	: < -15%
<b>Not Rated (NR)</b>	: No specific call on the stock
<b>Under Review (UR)</b>	: Rating likely to change shortly



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