



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

Investor Presentation

Q4FY23 || May 2023

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





Safe Harbor

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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



850+
Employees
(as of FY23)



60+
Revenue from
Institutional
customers**
(as of FY23)



8500+
Dealers
across India



41%
Revenue from
Exports as % of sales
(as of FY23)



~20%
Revenue from
Top 10 customers
(as of FY23)



14.4%
ROE#
(as of FY23)

Our Journey



CMAC

Started manufacturing the Intermediate CMAC

1996



FORMULATIONS

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

2002



TECHNICALS

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

2005

2006



BRANDED FORMULATIONS

Forward Integrated into Branded Formulations through its own distribution network



ISO CERTIFICATE

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

2014

2019



TURNOVER

Achieved Turnover of ₹1000 Crores

2020

2021-22

EXPORTS

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



INITIAL PUBLIC OFFERING

Listed on BSE & NSE



Commissioned Unit No. 4 in Vapi

Value Chain

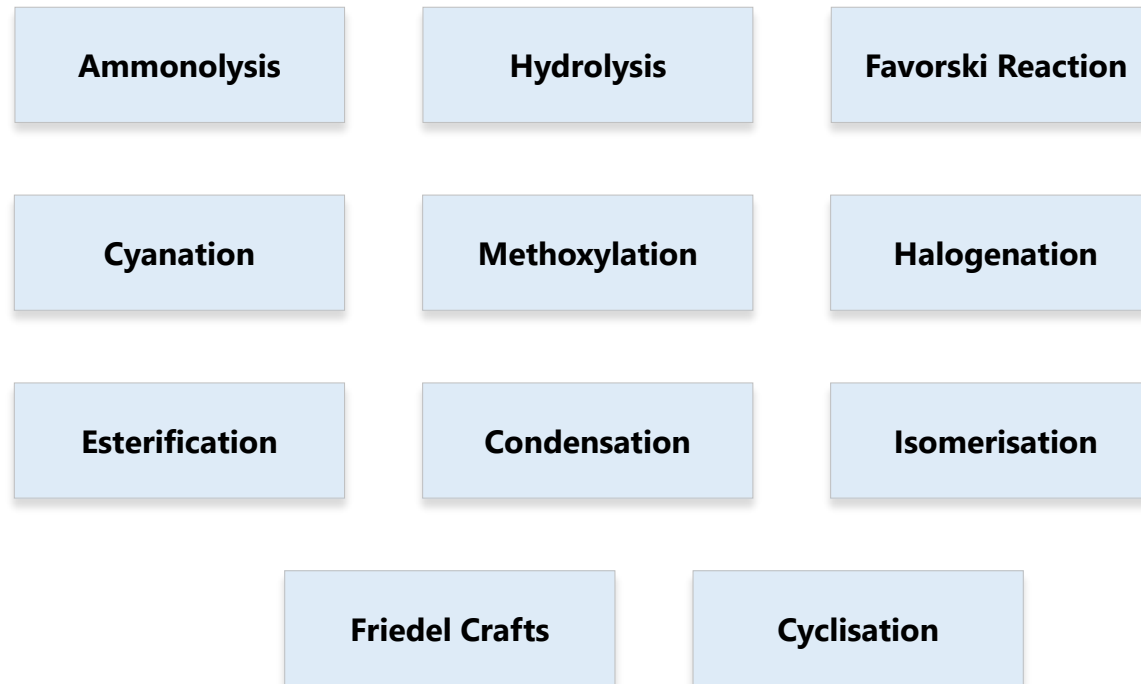


Value Chain

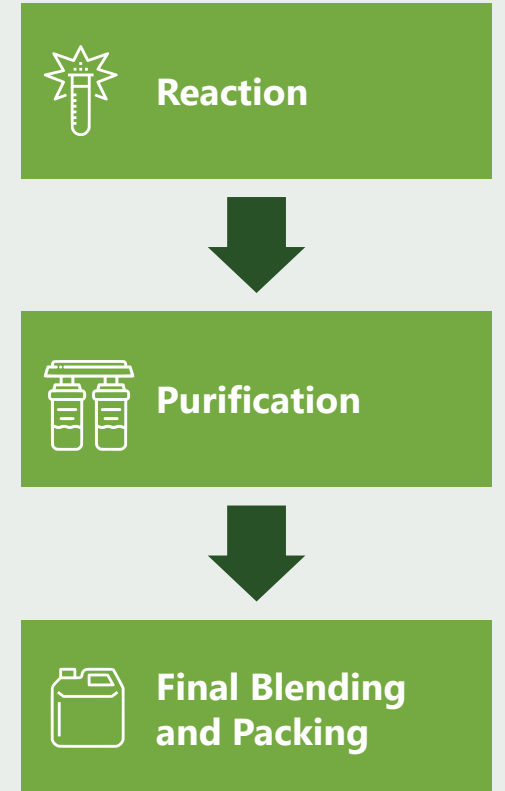
HIL over the years, has scaled up the manufacturing of Intermediates, Technicals and Formulations which form part of the entire value chain of the agrochemicals industry

Manufacturing Process

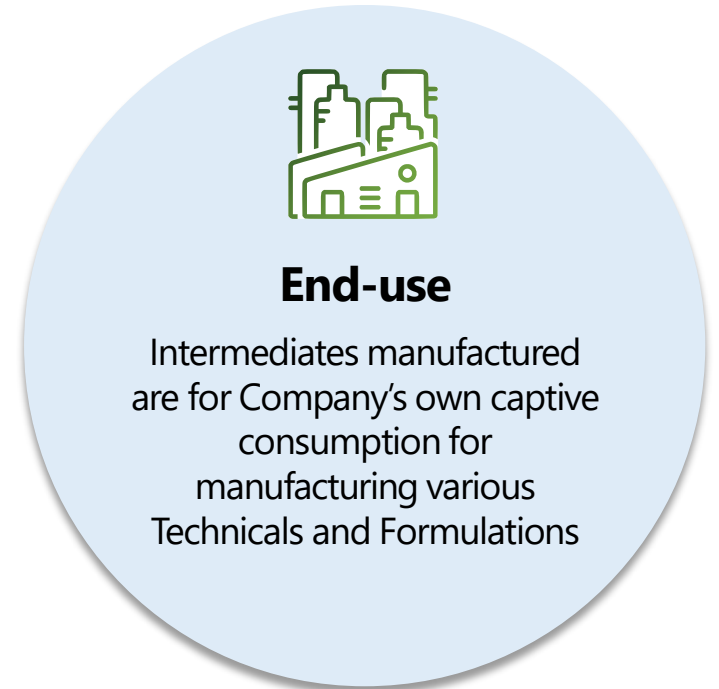
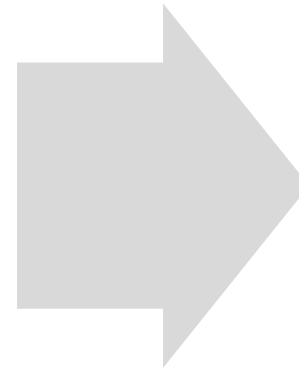
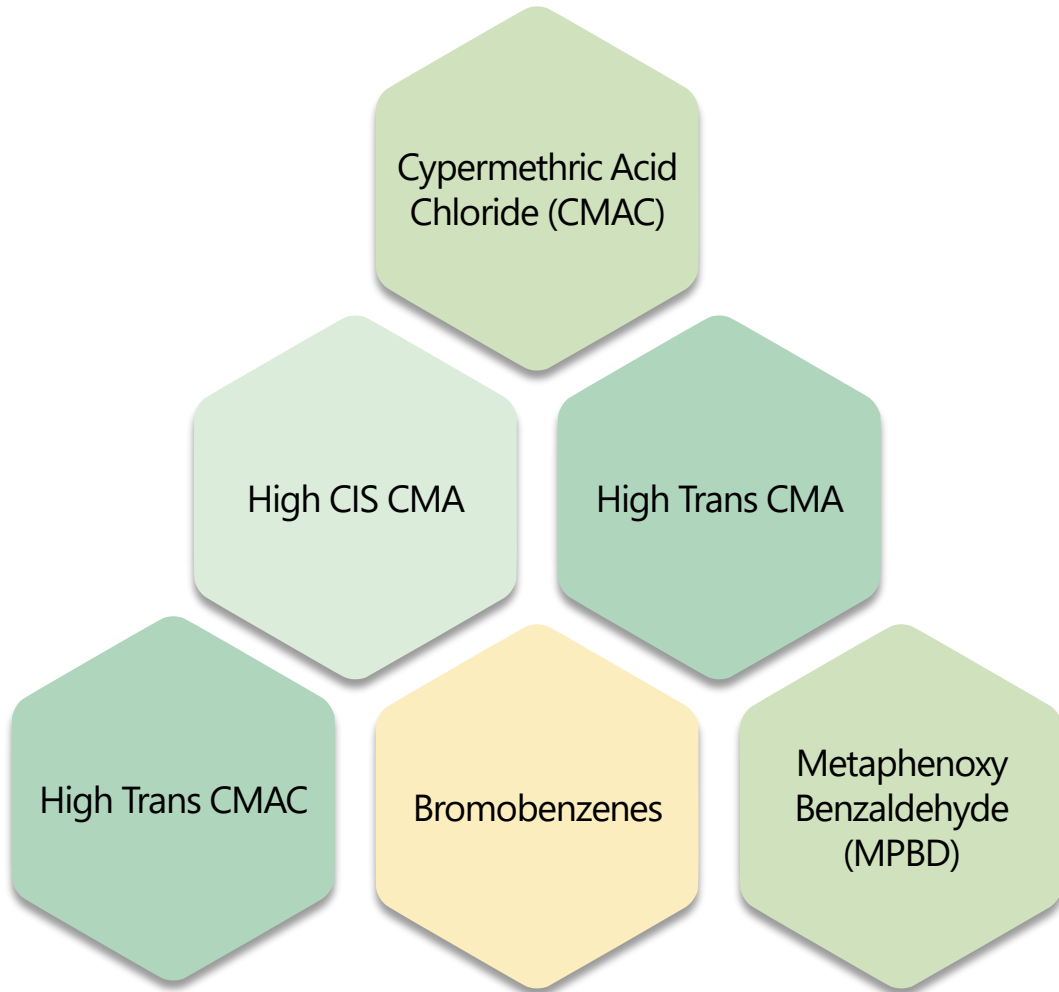
- HIL manufactures a wide range of products, and each product has its own unique manufacturing process
- The Company specializes in the manufacturing processes that mainly include chemical reactions of:



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



Intermediaries



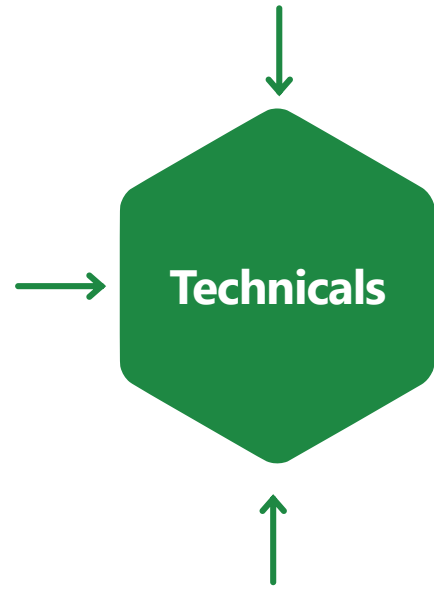
Technicals

Insecticides

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

Herbicides

- Glyphosate
- Metribuzin
- Clodinofop



Fungicides

- Tricyclazole
- Hexaconazole



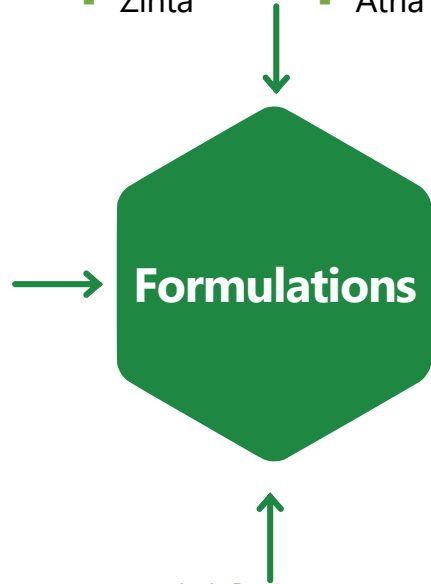
Formulations

Insecticides

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

Herbicides

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

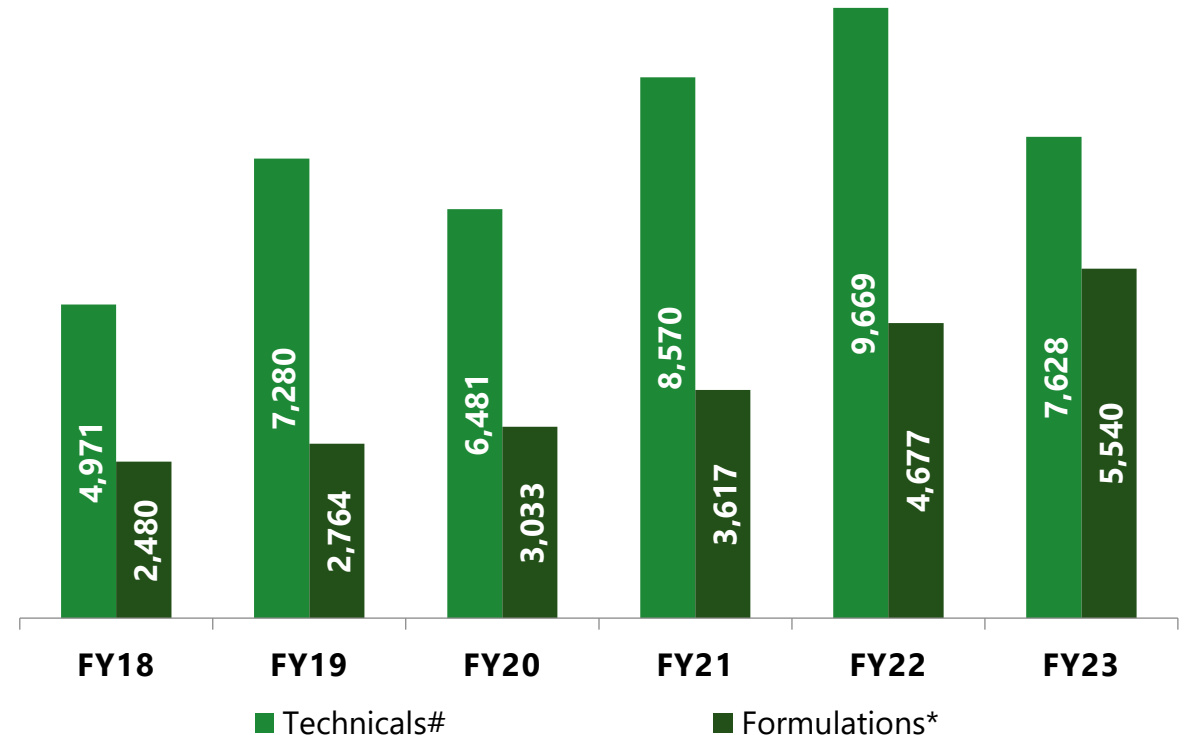


Fungicides

- 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



FY23 Management Commentary

Mr. Raghuram K. Shetty, Managing Director of Heranba Industries Limited, commented, *"The Company's FY23 revenues stood at ₹13,380 million restricted by unfavourable global economic scenario, inventory build-up in the system and sluggish demand from key export regions. However, we have witnessed decent traction for our formulation products in both domestic and export markets. The EBITDA margins remained muted during FY23 due to lower price realization and higher power & fuel costs. Despite of a challenging year, Heranba's Balance Sheet continues to remain strong with 'Net Debt Free' status coupled with healthy gross cash & cash equivalents balance of INR 1,186 million as on 31st March 2023 fuelling the Company's capex plans.*

Heranba's has aptly responded to the recent Gujarat Pollution Control Board (GPCB) closure notice for its Vapi plant. The management is confident to resume the commercial production from the Vapi unit in the coming days and the GPCB's temporary Vapi plant's closure notice has no impact on Heranba's future business operations.

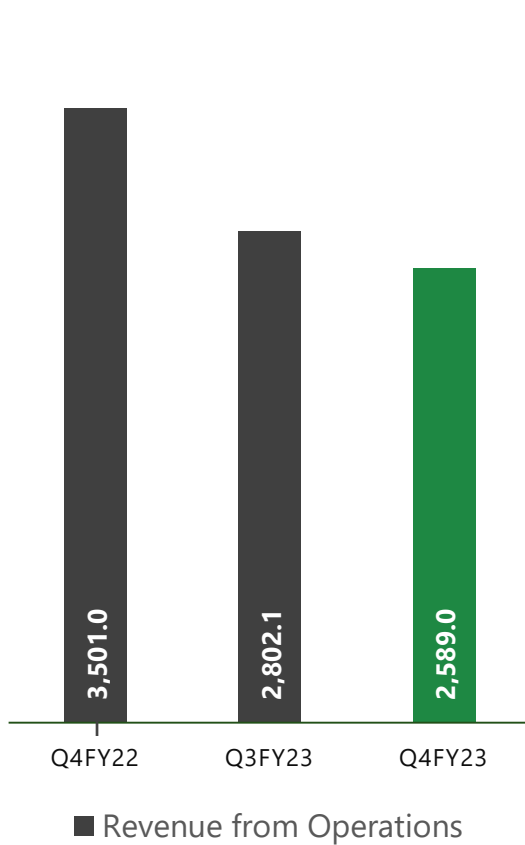
The Company continues to strengthen its product portfolio with new product registrations in both domestic & export markets and leverage its distribution network for delivering growth in the coming years."



Quarterly Performance (Standalone)

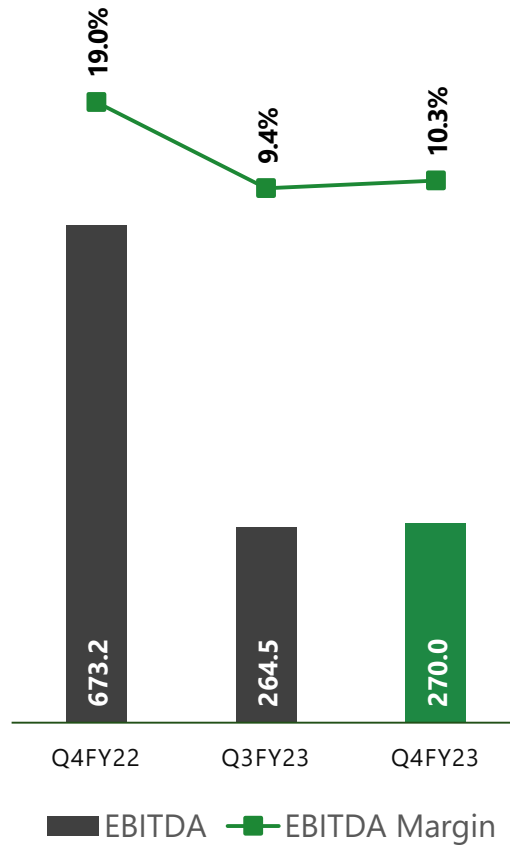
Net Revenue from Operations

(₹ IN MILLION)



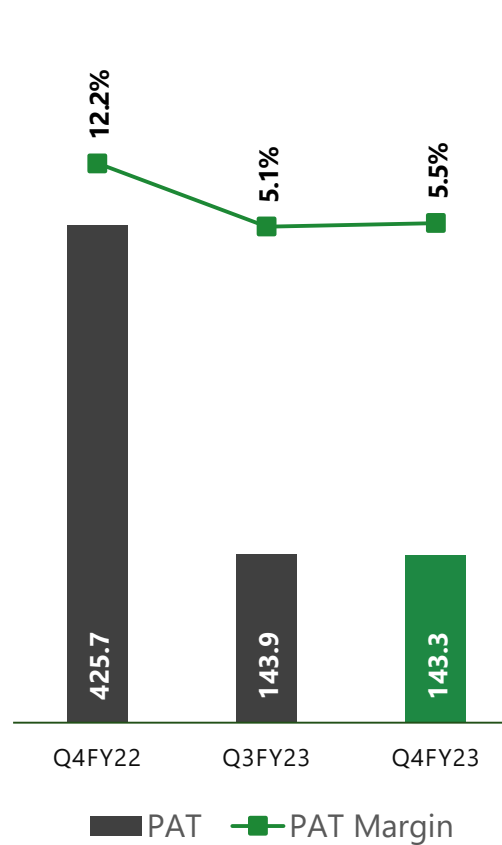
EBITDA (incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



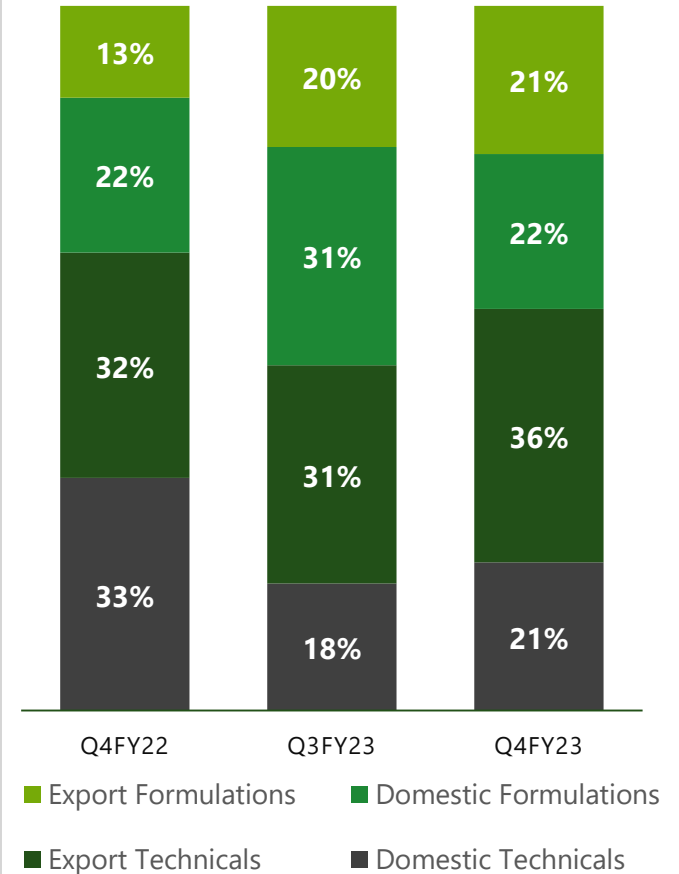
PAT and PAT Margin

(₹ 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	Q4FY22	Q3FY23	Q4FY23
Revenue from Operations	3,501	2,802	2,589
Other Income	48	9	43
Total Revenue	3,549	2,811	2,632
Total Expenses	2,967	2,627	2,450
Profit Before Tax	583	184	182
Total Tax Expense	157	40	38
Profit After Tax	426	144	143
EPS Basic (₹)	10.64	3.60	3.58
EPS Diluted (₹)	10.64	3.60	3.58
EBITDA (incl. Other income)	673	264	270
EBITDA (incl. Other income) Margin	18.97%	9.41%	10.26%

Profit & Loss Summary (Consolidated)

(Quarterly)

Figures in ₹ Million, except EPS and Margins

PARTICULARS	Q1FY23	Q2FY23	Q3FY23	Q4FY23
Revenue from Operations	3,619	4,207	2,760	2,602
Other Income	44	40	6	31
Total Revenue	3,664	4,247	2,767	2,633
Total Expenses	3,221	3,621	2,603	2,487
Profit Before Tax	440	626	164	146
Total Tax Expense	106	155	37	35
Profit After Tax	334	472	126	112
EPS Basic (₹)	8.36	11.78	3.16	2.79
EPS Diluted (₹)	8.36	11.78	3.16	2.79
EBITDA (incl. Other income)	505	698	245	236
EBITDA (incl. Other income) Margin	13.78%	16.43%	8.84%	8.95%



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Section: 04

Financial Performance

Key Ratios

SLIDE 19

Financial Summary

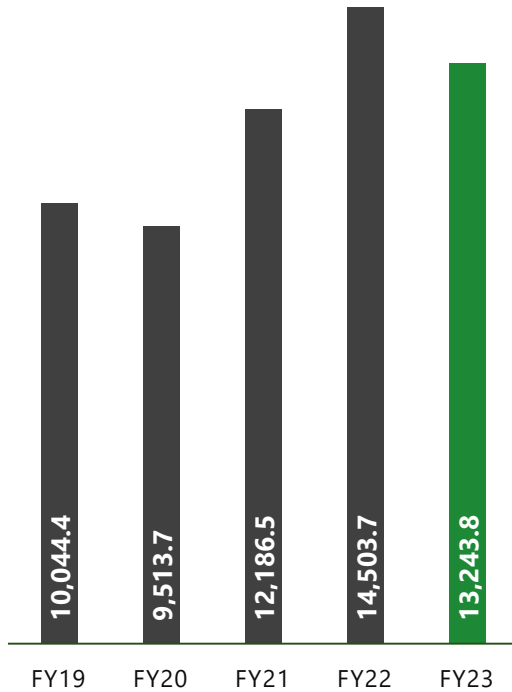
SLIDE 21



Key Financial Metrics (Standalone)

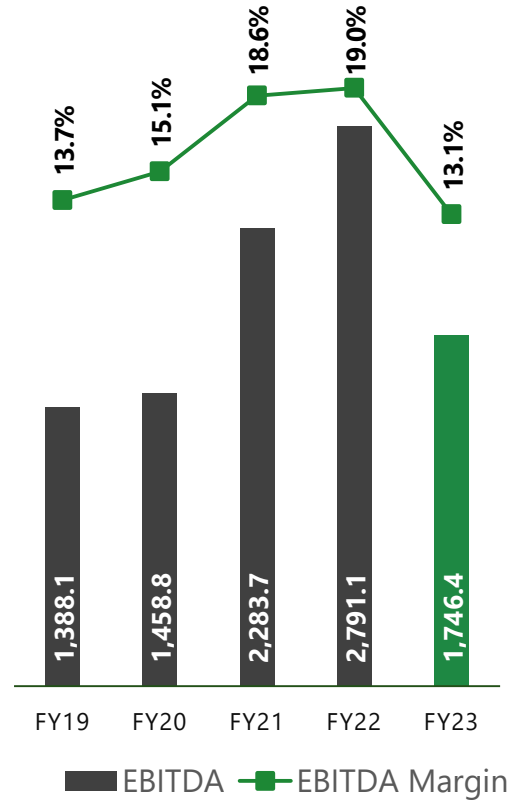
Net Revenue from Operations

(₹ IN MILLION)



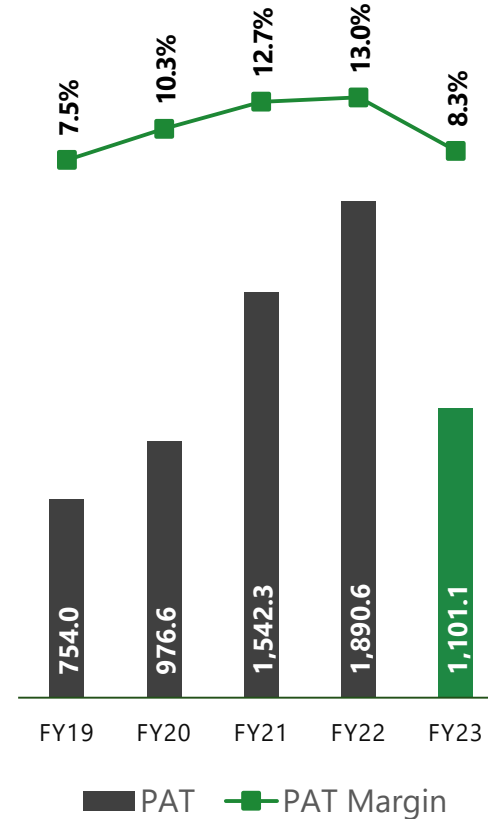
EBITDA (incl. Other Rev) and EBITDA Margin

(IN ₹ MILLION & %)



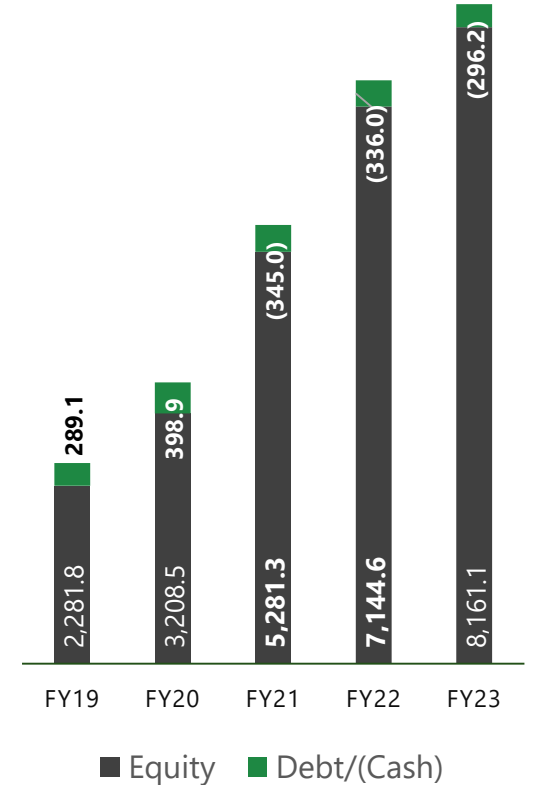
PAT and PAT Margin

(₹ IN MILLION & %)



Net Debt/(Cash) and Equity

(₹ IN MILLION)

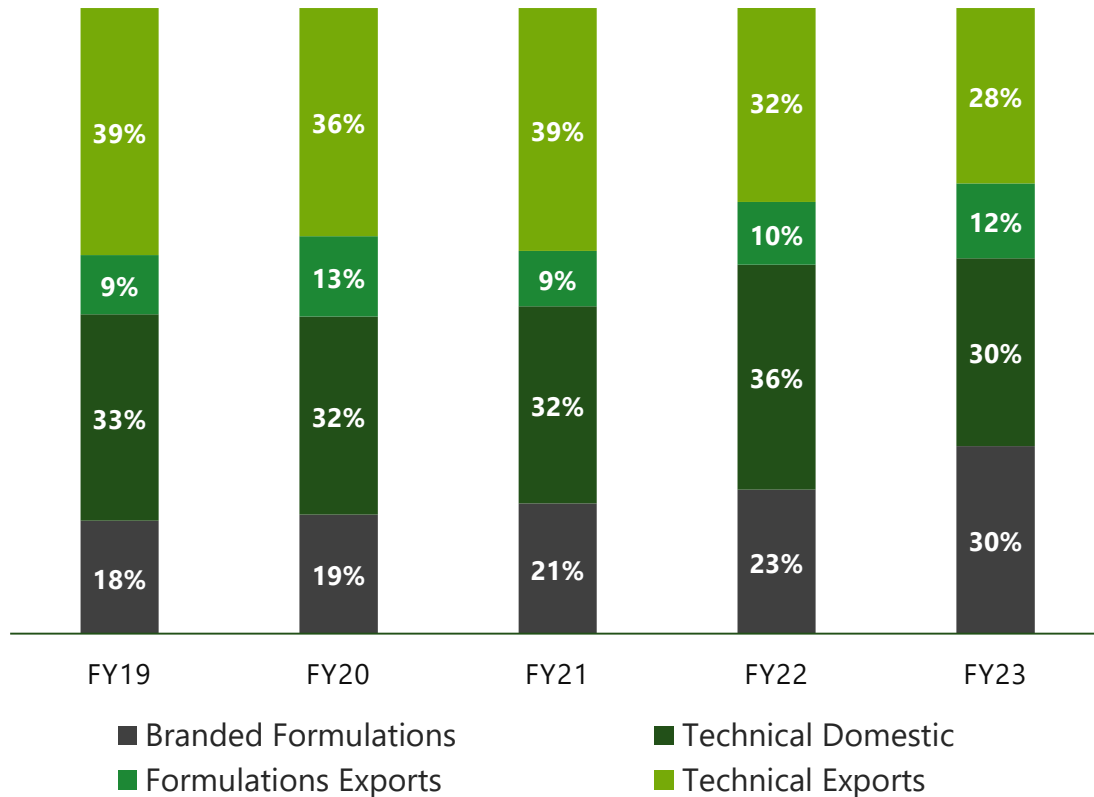


Standalone Business Mix

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

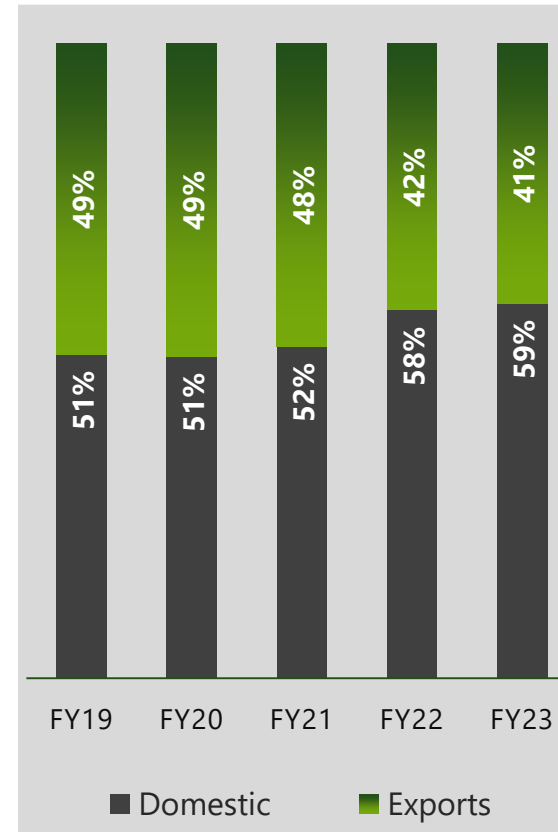
Revenue from Operations

(IN%)

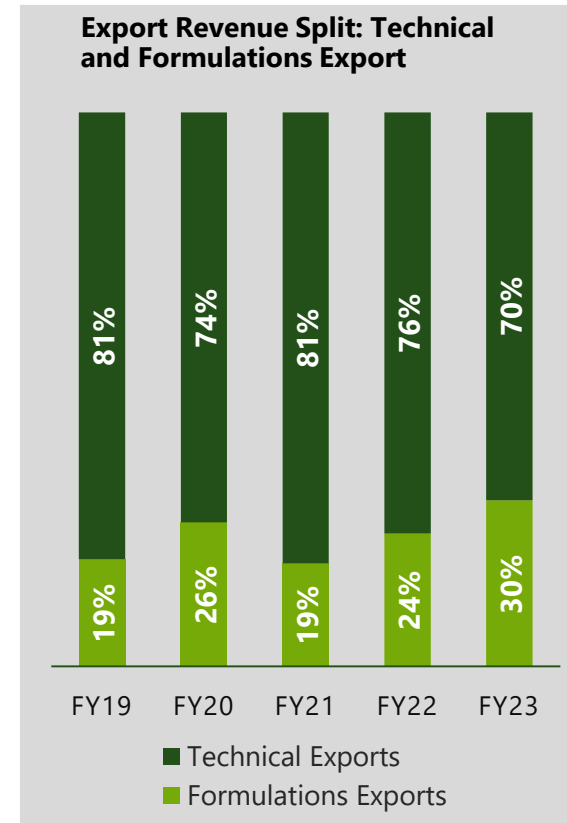


Revenue from Domestic / Exports

(% OF SALES)



Export Revenue Split: Technical and Formulations Export



Profit & Loss Summary (Standalone)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	10,044.4	9,513.7	12,186.5	14,503.7	13,243.8
Other Income	73.9	165.3	70.3	193.5	135.8
Total Revenue	10,118.4	9,679.1	12,256.8	14,697.2	13,379.6
Total Expenses	8,897.2	8,390.6	10,173.9	12,144.7	11,938.2
Profit Before Tax	1,221.2	1,288.4	2,082.9	2,552.5	1,441.4
Total Tax Expense	467.2	311.9	540.6	661.9	340.3
Profit After Tax	754.0	976.6	1,542.3	1,890.6	1,101.1
EPS Basic (₹)	19.31	25.00	39.41	47.25	27.52
EPS Diluted (₹)	19.31	25.00	39.41	47.25	27.52
EBITDA (incl. Other Income)	1,388.1	1,458.8	2,283.7	2,791.1	1,746.4
EBITDA (incl. Other Income) Margin	13.82%	15.33%	18.74%	19.24%	13.01%

Standalone Balance Sheet (1/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	FY23
Non-Current Assets					
Property, plant and equipment	511.4	954.4	1,334.4	1,934.2	1,859.9
Capital work-in-progress	159.7	377.7	97.0	142.3	420.4
Financial Assets:					
(i) Investments	0.2	37.3	101.0	21.3	9.2
(ii) Loans					531.9
(iii) Other Financial Assets	71.0	84.3	241.7	80.7	58.1
Current tax assets (Net)	1.5		10.2	28.1	70.9
Other non-current assets	344.6	80.7	97.0	72.5	67.8
Total Non-Current Assets (I)	1,088.4	1,534.4	1,881.2	2,279.1	3,018.2
Current Assets					
Inventories	1,138.9	1,455.2	1,659.9	2,557.4	2,971.6
Financial Assets:					
(i) Trade Receivables	2,532.7	2,584.7	3,417.6	4,468.8	3,875.9
(ii) Cash and cash equivalents	209.7	31.9	847.8	1,231.6	1,186.3
(iii) Loans	0.0	9.0			
(iv) Other financial assets	15.4	17.2	20.0	25.5	28.6
Other current assets	619.3	615.4	606.7	516.8	293.4
Total Current Assets (II)	4,516.0	4,713.3	6,551.9	8,800.1	8,355.8
Non-Current Assets held for Sale					219.0
Total Assets (I + II)	5,604.4	6,247.6	8,433.1	11,079.1	11,593.0

Standalone Balance Sheet (2/2)

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	FY23
Equity and liabilities					
Equity					
Equity share capital	390.6	390.6	400.1	400.1	400.1
Other equity	1,891.2	2,817.9	4,881.2	6,744.4	7,761.0
Total Equity	2,281.8	3,208.5	5,281.3	7,144.5	8,161.1
Liabilities					
Non-Current Liabilities					
Financial Liabilities					
(i) Borrowings					
(ii) Other Financial Liabilities	57.3	61.5	66.4		
Provisions	4.2	6.5	22.4	78.6	89.4
Other Non-current liabilities		2.3	11.7	6.3	35.1
Deferred Tax balances (net)	41.3	16.1			
Total Non-Current Liabilities (I)	102.8	86.3	100.6	84.9	124.5
Current Liabilities					
Financial Liabilities					
(i) Borrowings	498.7	430.8	502.8	895.6	890.1
(ii) Trade payables	2,352.1	2,124.7	1,955.8	2,458.4	1,865.9
(iii) Other Financial Liabilities	121.9	139.3	283.3	295.0	380.2
Current tax Balances (net)	101.7	37.5	88.4	40.1	77.9
Other current liabilities	96.5	163.2	159.7	136.7	77.0
Provisions	49.1	57.4	61.3	23.9	16.3
Total Current Liabilities (II)	3,219.9	2,952.8	3,051.2	3,849.7	3,307.4
Total Liabilities (I + II)	3,322.7	3,039.1	3,151.8	3,934.6	3,431.9
TOTAL EQUITY AND LIABILITIES	5,604.4	6,247.6	8,433.1	11,079.1	11,593.0

Standalone Cashflow Statement

(₹ IN MILLION)

PARTICULARS	FY19	FY20	FY21	FY22	FY23
Cash Flow from Operations	877.02	542.11	603.98	981.1	1,225.0
Cash Flow from Investing Activities	-373.79	-520.39	-407.13	-817.2	-1,000.6
Cash Flow from financing Activities	-411.35	-199.43	619.01	-62.7	-180.8
Net increase/ (decrease) in cash and cash equivalents	91.88	-177.71	815.86	101.1	43.6
Cash and cash equivalents at beginning of the year	117.77	209.65	31.94	847.8	949.0
Cash and cash equivalents at end of the year	209.65	31.94	847.80	949.0	992.6



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Section: 05

Strategy for growth

Competitive Strengths

SLIDE 26

Business Strategy

SLIDE 27



Competitive Strengths

Experienced Promoters and Management Team

Wide Distribution Network

Wide range of products across value chain

Integrated Manufacturing Units

Diversified Customer Base

Exports to more than 60 countries

Product Registration enabling global outreach



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