



CCM Data & Business
Intelligence

Financial Analysis of 15 Chinese Listed Pesticide Enterprises

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1. Introduction

List of 2018 China Top 100 Pesticide Enterprises by pesticide revenue was released and enterprises got awarded at the 5th Analysis Meeting of Economic Operation in Pesticide Industry. The top 100 pesticide enterprises enjoyed a great improvement generally, whose total revenue increased by 40.40% year on year. The threshold for the top 100 finalists in revenue increased by 27.89% compared with last year. In 2017, influenced by supply-side structural reform and normalization of environmental inspection, polarization became obvious in pesticide industry. Significant increase was witnessed in production and performance of preponderant enterprises, to which listed enterprises made an indispensable contribution. Among these listed enterprises, Hubei Sanonda Co., Ltd., the first enterprise whose primary business of pesticide sales exceeded RMB10 billion in China, ranked first. Apart from these satisfactory achievements, how about the financial performance and major events of these listed pesticide enterprises in 2017? In this monthly report, 15 listed agrochemical enterprises are selected from the top 100 enterprises for research by CCM. Their financial data and major events were introduced in the report. Besides, corresponding rankings were given according to their operating ability, profitability and debt paying ability in 2017.

2. Approach

This report is concerning financial analysis of the 15 listed enterprises which were selected from the List of 2018 China Top 100 Pesticide Enterprises. It is drafted by diverse methods as follows:

- Desk research

The sources of desk research are various, including published magazines, journals, government websites and statistics, industrial statistics, association seminars as well as information from the Internet. A lot of work has gone into the compilation and analysis of the obtained information.

- Internet

CCM visited government websites and contacted with players in the domestic agrochemical industry through B2B websites and software as well as obtained registration information on the Internet.

- Data processing and presentation

The data collected and compiled are sourced from:

The data from various sources have been combined and cross-checked to make this report as precise and scientific as possible. Throughout the process, a series of internal discussions were held in order to analyse the data and draw the conclusions.

3. Executive summary

In this monthly report, 15 listed agrochemical enterprises are selected from the top 100 enterprises for research by CCM. Their financial data and major events were introduced in the report. Besides, corresponding rankings were given according to their operating ability, profitability and debt paying ability in 2017. Financial situation of these enterprises are summarized as follows:

The financial data showed that the revenue of Hubei Sanonda in 2017 increased by XXX YoY. Even after a comparison with the pro forma data before the merger, the combined company saw increases in both revenue and net profit.

In 2017, Nutrichem saw stable growth in sales revenue and continuous expansion in market share through optimizing product portfolio, organizing effective production and imposing strict quality control. At the same time, it adhered to the rules and regulations of production safety and environmental protection. During this period, Nutrichem merged Jiangxi Heyi Chemicals Co., Ltd. and Jiangsu Changlong Agrochemical Co., Ltd. through several transactions. Therefore, these two companies were included in the consolidated statement.

In 2017, Nanjing Red Sun carried out supply-side structural reform in pesticide industry and gained success in cutting overcapacity and excess inventory, deleveraging and strengthening areas of weakness.

In 2017, affected by the supply-side structural reform, prices of raw and auxiliary materials went up a lot, which greatly increased the production cost of pesticides. Meanwhile, prices of leading products in Jiangsu Yangnong enjoyed an upward trend for tight supply caused by restriction of backward capacity. Since product factor outweighed the negative effects of material factor, Jiangsu Yangnong's profitability has improved significantly, which was manifested by its record high in both sales and profits in 2017.

In 2017, the recovered glyphosate and organosilicon industries, as well as new business models contributed to Zhejiang Wynca's remarkable performance. Specifically, its revenue from glyphosate technical and formulations was USDXXX million (RMBXXX million) and USDXXX million (RMBXXX million) respectively in 2017. Despite a poor performance of its leading product—glyphosate in 2016, Zhejiang Wynca achieved growth in overall performance, which was benefited from its development of agricultural services. The company actively expanded agricultural service coverage through mergers and acquisitions, absorbed high-quality resources in the society and explored new business models.

Jiangsu Huifeng achieved significant increase in performance through working closely on the established business objectives. Specifically, its consolidated revenue and net profit attributable to the parent company increased by XXX and XXX year on year respectively.

Lier Chemical seized market opportunities to actively organize effective production, thus ensuring market supply at its best. The sales of glufosinate-ammonium technical and other products achieved rapid growth. Meanwhile, its holding subsidiaries also obtained good sales performance during this period, including Jiangsu Kuaida Agrochemical Co., Ltd., Sichuan Lier Crop Science Co., Ltd. and Hunan Bide Biochemical Technology Co., Ltd. In this situation, its 2017 consolidated revenue and net profit attributable to parent company increased by XXX and XXX year on year respectively.

Although the shortage of raw materials caused by more stringent environmental inspection and enforcement of related laws and regulations in China in 2017, Lianhe Chemical achieved the highest revenue in its history. However, its net profit declined compared with the previous year due to rising raw material prices.

Anhui Guangxin actively dealt with new challenges such as strict inspection of production safety and environmental protection, as well as intensified competition in the domestic market.

Nantong Jiangshan achieved a XXX year-on-year increase in revenue of herbicide products and an XXX year-on-year increase in insecticide products in 2017.

Jiangsu Changqing achieved a total revenue and an operating profit of USD328.78 million and USDXXX million, increasing by XXX and XXX year on year respectively. The total profit and net profit attributable to equity holders of the company was USDXXX million and USDXXX million, seeing a year-on-year increase of XXX and XXX respectively.

Shenzhen Noposion turned from deficits to profits thanks to healthy development of Tiantian Circle, a service platform.

Since Hailir joined China's A-share market, its performance has been going up. In the end of 2017, its consolidated revenue reached to USDXXX million (RMBXXX million), a XXX year-on-year increase; the net profit attributable to parent company was USDXXX million (RMBXXX million), a XXX year-on-year growth; net asset value per share ended at USDXXX (RMBXXX) and earnings per share was USDXXX (RMBXXX).

Limin Chemical achieved a XXX year-on-year increase in revenue and its net profit attributable to parent company enjoyed a XXX year-on-year growth in 2017.

Jiangsu Flag achieved a XXX year-on-year growth in revenue and a XXX increase in net profit in 2017.

4. What's in this report?

Note: Key data/information in this sample page is hidden, while in the report it is not.

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1.1 Ranking of 15 Chinese listed pesticide enterprises by operating ability in 2017

As for operating ability of the 15 listed pesticide enterprises in China, Jiangsu Yangnong was the best in terms of inventory turnover ratio. While Shenzhen Noposion and Nantong Jiangshan ranked first respectively in terms of fixed assets turnover ratio and total assets turnover ratio.

Table 1.1-1 Inventory turnover ratio of 15 listed pesticide enterprises in China, 2017

No.	Enterprise	Inventory turnover ratio
1	XXXX	XXXX
2	XXXX	XXXX
3	XXXX	XXXX
4	XXXX	XXXX
5	XXXX	XXXX
6	XXXX	XXXX
7	XXXX	XXXX
8	XXXX	XXXX
9	XXXX	XXXX
10	XXXX	XXXX
11	XXXX	XXXX
12	XXXX	XXXX
13	XXXX	XXXX
14	XXXX	XXXX
15	XXXX	XXXX

Note: Increasing inventory turnover can improve an enterprise's liquidity.

Source: CCM and annual reports of the 15 listed pesticide enterprises

Table 1.1-2 Fixed assets turnover ratio of 15 listed pesticide enterprises in China, 2017

No.	Enterprise	Fixed assets turnover ratio
1	XXXX	XXXX
2	XXXX	XXXX
3	XXXX	XXXX
4	XXXX	XXXX
5	XXXX	XXXX
6	XXXX	XXXX
7	XXXX	XXXX
8	XXXX	XXXX
9	XXXX	XXXX
10	XXXX	XXXX
11	XXXX	XXXX
12	XXXX	XXXX
13	XXXX	XXXX
14	XXXX	XXXX
15	XXXX	XXXX

Note: The fixed asset turnover ratio is mainly used to analyse the utilization efficiency of fixed assets such as plant and equipment. A higher ratio is indicative of greater efficiency in managing fixed-asset investments and better management level.

Source: CCM and annual reports of the 15 listed pesticide enterprises

Table 1.1-3 Total assets turnover ratio of 15 listed pesticide enterprises in China, 2017

No.	Enterprise	Total assets turnover ratio
1	XXXX	XXXX
2	XXXX	XXXX
3	XXXX	XXXX
4	XXXX	XXXX
5	XXXX	XXXX
6	XXXX	XXXX
7	XXXX	XXXX

No.	Enterprise	Total assets turnover ratio
8	XXXX	XXXX
9	XXXX	XXXX
10	XXXX	XXXX
11	XXXX	XXXX
12	XXXX	XXXX
13	XXXX	XXXX
14	XXXX	XXXX
15	XXXX	XXXX

Note: A higher ratio of total asset turnover indicates an enterprise's stronger sales ability and better efficiency of asset investment.

Source: CCM and annual reports of the 15 listed pesticide enterprises

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2 Analysis of 15 Chinese listed pesticide enterprises

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2.3 Nanjing Red Sun Co., Ltd.

In March 2017, Nanjing Red Sun Co., Ltd. (Nanjing Red Sun) successfully acquired XXXX equity stake of Shandong Kexin Biochemical Co., Ltd. (Shandong Kexin) with its own capital of about USDXXXX (RMBXXXX, pre-tax) and had the industrial and commercial registration of Shandong Kexin changed. This move is ...

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On 5 July, 2018...

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Table 2.3-1 Revenue and net profit of Nanjing Red Sun, 2016 and 2017

Year	Revenue, million USD	Net profit, million USD
2016	XXXX	XXXX
2017	XXXX	XXXX

Source: Nanjing Red Sun Co., Ltd.

Table 2.3-2 Revenue of Nanjing Red Sun by business, 2016 and 2017

Item	2017		2016	
	Revenue, million USD	Share, %	Revenue, million USD	Share, %
Pesticides	XXXX	XXXX	XXXX	XXXX
Others	XXXX	XXXX	XXXX	XXXX

Source: Nanjing Red Sun Co., Ltd.

Table 2.3-3 Revenue of Nanjing Red Sun by region, 2016 and 2017

Region	2017		2016	
	Revenue, million USD	Share, %	Revenue, million USD	Share, %
Domestic market	XXXX	XXXX	XXXX	XXXX
Overseas market	XXXX	XXXX	XXXX	XXXX

Source: Nanjing Red Sun Co., Ltd.

If you want more information, please feel free to contact us

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