

NATH SEEDS®

Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

15th June 2020

The Manager-Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

The Manager-Listing
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra-Kurla Complex
Bandra (E)
Mumbai-400051

BSE Code-537291

NSE Code-NATHBIOGEN

Dear Sirs,

Subject- Presentation on Audited Financial Results as on 31st March 2020.

Please find the attached herewith, presentation on Audited financial results for the quarter and financial year ended 31st March 2020.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana
Chief Financial Officer



Nath Bio Genes (India) Limited

Earnings
Presentation

Q4 & FY20



Safe Harbour

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward looking statements.

Nath Bio Genes (India) Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.



Highest Ever Revenue despite a Challenging Environment

Strong Financial Performance...

- FY20 revenue growth of 21%; highest ever top line achieved at INR 280 crores
- Gross Margins maintained at 54.9%
- Generated positive Operating cash flow
- Debtors collection period improved
- Working Capital cycle improving

(INR Mn except as stated)	FY20	FY19	YoY %
Revenue	2,799	2,309	21%
EBITDA	547	432	26%
PAT	505	384	31%
EPS	26.6	20.2	31%

Driven By Superior Operating Performance

- Cotton registered strong growth at 45% Y-O-Y
- Vegetables segment grew by 30%
- Minimal impact of COVID on Rabi season; Kharif 20 Season progressing well
- Timely action taken to ensure un-hindered processing and dispatches in spite of COVID situation

Product	Volume Growth	Revenue Growth
Cotton	46%	45%
Paddy	32%	8%
Vegetable	56%	30%
Win Chi Win	27%	24%



FY20 Guidance met; Moving towards Higher Trajectory

	FY20 Guidance	FY20 Actuals
Revenue Guidance FY20	INR 2,800-3,100 Mn	2,799
Gross Margin	50%+	54.9%
Long Term Debt	NIL	NIL

Moving Towards a Higher Growth Trajectory

Revenue Guidance FY21	20%+
Gross Margin	50%+



Driven by Superior R&D; Highly Ranked Cotton Seeds Launched

- Multi Year Process
- Involves extensive testing by Indian Council of Agricultural Research

○ Sanket (NBC 1111)

- **High Yield** – 39% higher than BGII BG cotton hybrid and 26% higher than local BGII BG cotton Hybrid
- **High tolerance to sucking pests**

○ Daksh (NBC 1103)

- **High Yield** – 22% higher than BGII BG cotton hybrid and 8% higher than local BGII BG cotton Hybrid
- **Best suited for cultivation under rainfed conditions**

Product Rankings			
Hybrid Cotton Seed	Year	Zone	Rank (for Yield Kg/Ha)
Sanket (NBC 1111)	2017-18	South Zone	1
		Central Zone	3
	2018-19	South Zone	1
		Central Zone	2
Daksh (NBC 1103)	2017-18	South Zone	3
		Central Zone	1
	2018-19	South Zone	2
		Central Zone	3



Circumventing a Global Pandemic – Farmers First!

Timely Actions; Dedicated Teams

- ✓ Successfully avoided disruption of processing & logistics on account of COVID
- ✓ Agri categorised as an essential commodity; Teams immediately mobilised
- ✓ Secured permissions to operate 24/7; Staff accommodated at factory premises
- ✓ Nath teams reached out to farmers; necessary support ensured

Field Operations Resumed

Received 92% of targeted seed production

16 Lacs + packets of cotton placed in the Market

Sales collection recovered in April/May



Sector and Company Outlook remains Strong

Agri is Surviving Corona

- Sector was exempted from lockdown
- Multiple relief packages announced by GOI in early April
- Loan moratorium to positively impact Agri sector borrowers
- Normal Monsoons expected by IMD

Nath is Gaining Market Share

- Nath has gained market share in these adverse times as marginal and unorganised players have been adversely impacted
- Exponential growth expected in Cotton – 40-50% annual for next two years
 - R&D teams working on awards winning products – 2 new cotton seeds launched
- Capturing the market in Rabi Season through Vegetables and Win Chi Win

A journey of Thousand Miles Begins with a Single Step...

Cotton (Mn Pkts)		Paddy (Quintals)		Vegetables (Quintals)		Win Chi Win (Litres)	
FY19	0.8 mn	FY19	56K	FY19	2.7K	FY19	43K
FY23E	4.5 mn	FY23E	90K	FY23E	10K	FY23E	125K
5 Year CAGR	62%		12%		27%		27%

NBIL's Transformational Journey

Market Leading Products

Strong Balance Sheet; Diversified Revenue stream

Revitalised Marketing

World-class R&D

Revenue (INR Mn)

FY15 1,853

FY20 2,799

EBITDA (INR Mn)

FY15 347

FY20 547

PAT (INR Mn)

FY15 253

FY20 505

EPS (Per Share)

FY15 15.8

FY20 26.6



Visionary Leadership; Attracting the Best Talent



Mr. N Kagliwal
Chairman



Mr. S Kagliwal
MD

Nath Promoters are committed to sustainable growth and are working towards making Nath one of the best seeds company globally.

Leadership Team



Mr. D Khurana
CFO



Mr. M Dhande
Business Leader



Mr K Reddy Head
– Supply Chain



Dr S Raina
Head - Cotton



Dr Ish Kumar
Head - Paddy



Dr C Pathak
Head - VEG



Mr R Kumar
Head - VEG

Nath leadership team shares the same passion as its promoters. The leadership team comprises of the best talent in Industry.

Combined work experience of 250 Years

Combined R&D experience of 100 Years



Management Focussed on Improving Efficiencies...

Maintaining high inventory for achieving higher sales

Inventory Days



Ramping up collections from Receivables

Receivable Days

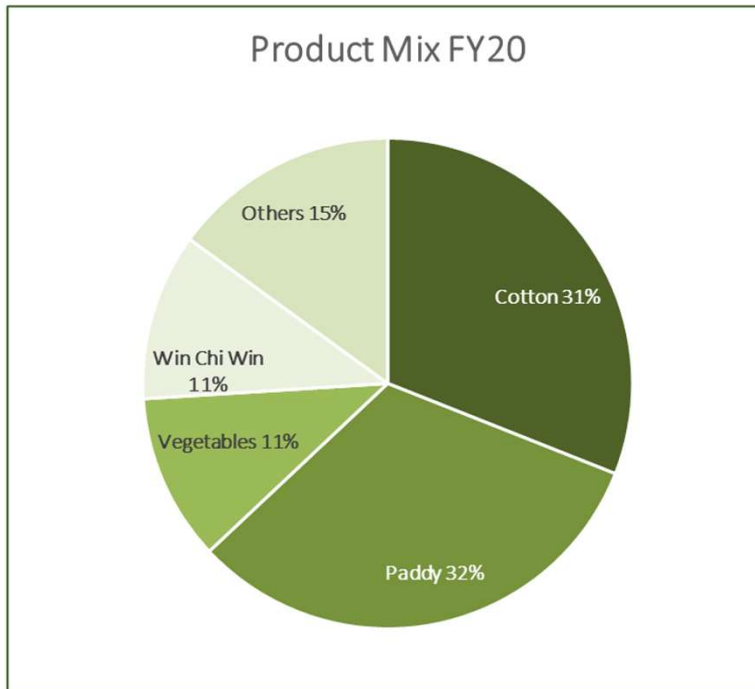


Giving lesser advances as products gain prominence in the market

Advances Days



Achieved Targets...



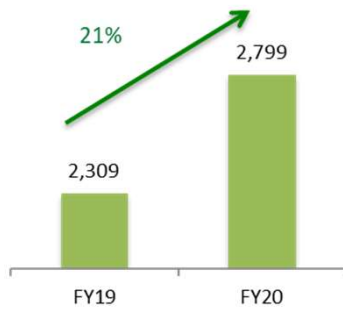
On Track to Achieving Guidance		
Key Revenue Contributor	FY20 Guidance	FY20 Actual
Cotton	1,200,000 packets	1,166,566 packets*
Paddy	60,000 Quintals	74,116 Quintals
Vegetables	3,500 Quintals	4,075 Quintals
Win Chi Win	55,000 Litres	51,293 Litres

*Net of sales return, which stood at 11% - Lowest in NBIL history

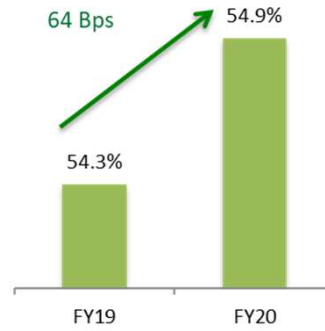


Superior Products Drive Strong Financial Performance – FY20

Revenue (INR Mn)



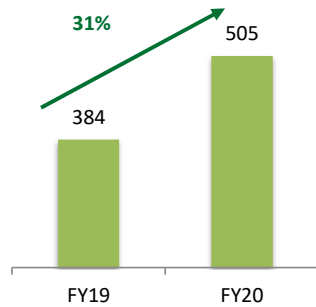
Gross Margin (%)



EBITDA (INR Mn)



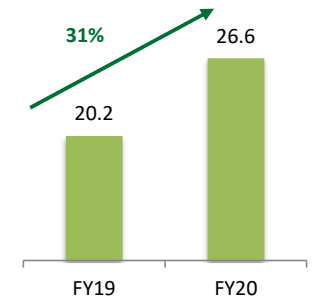
PAT (INR Mn)



PAT Margin (%)



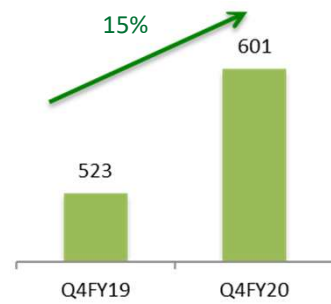
EPS (INR/Share)



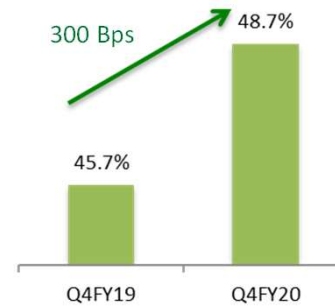


Superior Products Drive Strong Financial Performance – Q4FY20

Revenue (INR Mn)



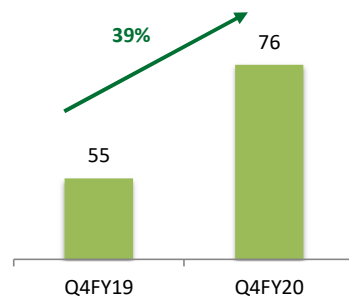
Gross Margin (%)



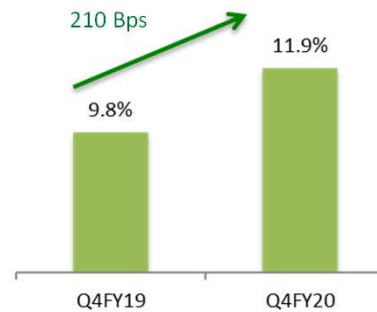
EBITDA (INR Mn)



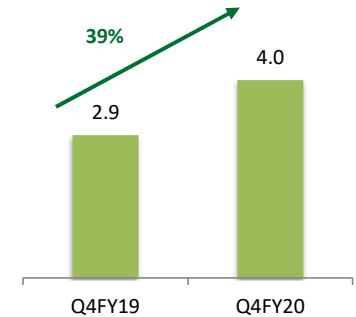
PAT (INR Mn)



PAT Margin (%)



EPS (INR/Share)





Summary and Focus Areas



Build on fast growing Vegetables and Win Chi Win Segments



Enhance product lines in Cotton to meet changing customer requirements



Improving the Distribution Network to reach Northern and Southern Indian States



Increasing Focus on Marketing

- Three vertical being enhanced and strengthened.
- D4 concept and distribution network in progress.

Cotton

Identified 200+ PAN India distributors to be personally serviced by individual officers from NGBL sales team; focusing on increasing presence in untouched areas of the existing states

Vegetables

Significant hiring in the sales and marketing verticals under the leadership of Mr Ravi Kumar

Plant Nutrient

Creating a separate sales and distribution team; Exclusive distributor being appointed



Cotton – Highly Ranked Products

Operating Highlights

Key States: Maharashtra, Gujarat, Karnataka, Andhra Pradesh, Telangana, MP

Other geographies being targeted: Orissa, North India

Top Products (ranked #1-3): NBC 102, NBC 1022, NBC 1111, NBC 1103, NBC 10

Product Pipeline

Products having completed 1 year of ICAR Trials – will go in for 2nd year of trials & then commercialization:

- NBC 1821
- NBC 1851
- NBC 1811

Cotton Volume (in Packets)



Volume Guidance

Sales Projection	Million Packets
FY18-19 (A)	0.8
FY19-20 (A)	1.1
FY20-21 (E)	1.7
FY21-22 (E)	2.5



Paddy – High Yielding Products; Robust Distribution

Operating Highlights

Key States: Bihar, Jharkhand ,Uttar Pradesh

Top Products: Loknath, Gorakhnath, Super Duper, Tehelka, Kabir, Gazab, Ford

New Launches: Khushi, Shwetha-43, Nath Mamra, Nath 2020, Golden 72, Sarvodya-45

Product Pipeline

New Product Pipeline:

- Hybrid NBRH 29: Testing in new regions of UP, Chattisgarh, Jharkhand & Bihar
- Hybrid NBRH 33: Testing in new regions like Haryana, Western UP & Bihar

Paddy Volume (in Quintals)



Volume Guidance

Sales Projection	Quintals
FY18-19 (A)	56K
FY19-20 (A)	74K
FY20-21 (E)	80K
FY21-22 (E)	90K

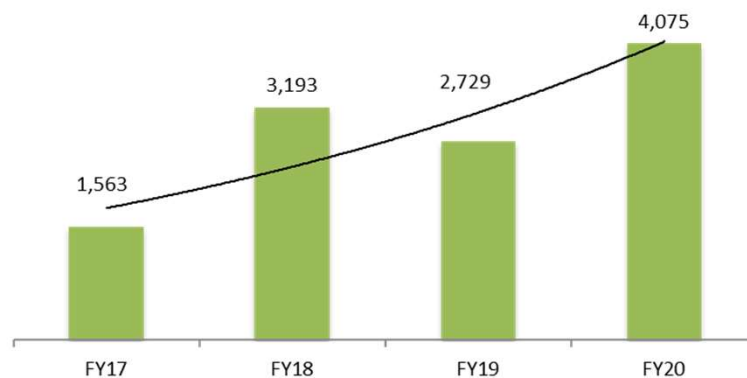


Vegetables – Rabi Sowing at an All time High

Strategic Initiatives

- Rabi crop sowing at an all time high: 30% increase YoY(%)
- NBIL to focus on: Okra, Tomato, Chilli, Brinjal, Gourds, Cucumber – Has high yielding product varieties
- in each with good acceptability amongst Indian farmers
- Constituted separate vertical for higher gross margin business of Vegetables seeds

Vegetables Volumes (in Quintals)



Volume Guidance

Sales Projection	Quintals
FY18-19 (A)	3,217
FY19-20 (A)	4,075
FY20-21 (E)	5,000
FY21-22 (E)	7,000



Win-Chi-Win – Benefitting from Shift to Organic Farming

Strategic Initiatives

- Constituted a **new vertical for WCW**, highest margin business
- Introduced **separate kit for 1 acre land** as a tiffin dose - New SKUs: 500, 1,000 & 4,000 ml
- **New product testing** on Biopesticide & Bio antivirus with Soil conditioners(granular or liquid)
- **Shift towards organic farming** paving way for organic products like WCW
- NBIL has a long-term agreement in place as the **sole seller of WCW in India**

Win Chi Win Volumes (in Kl)



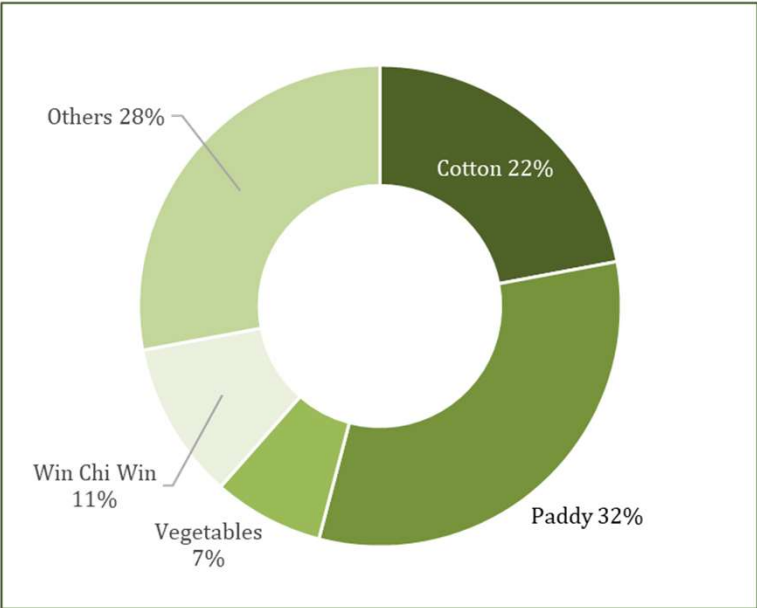
Volume Guidance

Sales Projection	Litres
FY18-19 (A)	43K
FY19-20 (A)	51K
FY20-21 (E)	70K
FY21-22 (E)	95K

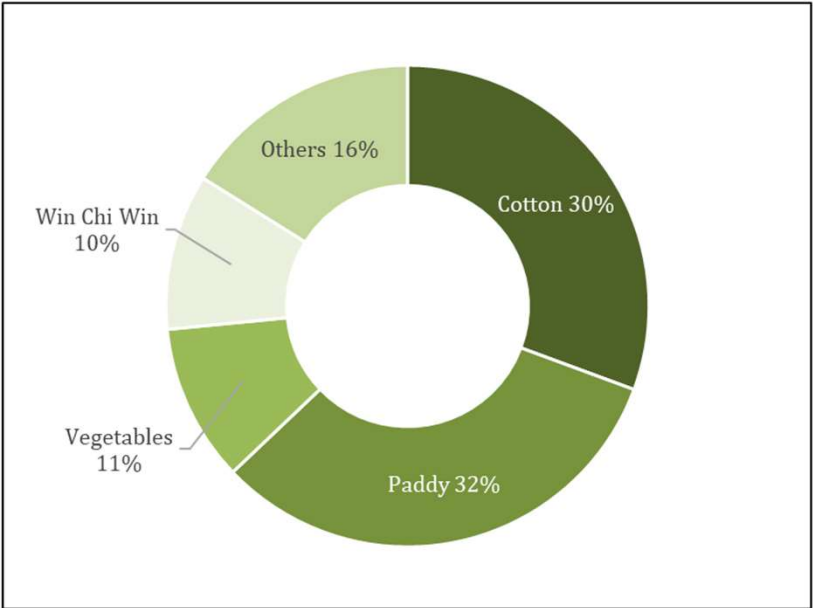


Segmental Revenue Contribution

FY15 Revenue Contribution



FY20 Revenue Contribution



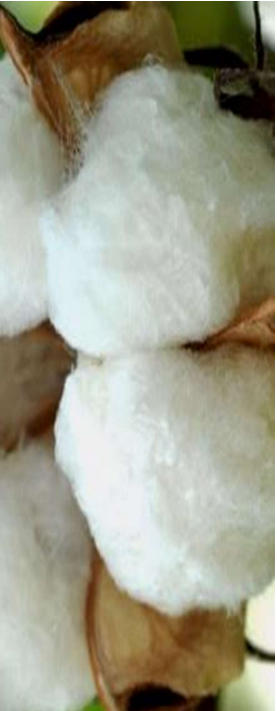
Q4 & FY20 At A Glance

Particulars (INR Mn)	FY20	FY19	% Change (YoY)	Q4FY20	Q4FY19	% Change (YoY)
Total Revenue	2798.9	2309.0	21.2%	601.5	523.0	15.0%
Gross Profit	1536.3	1252.7	22.6%	293.1	239.0	22.6%
<i>Gross Margin (%)</i>	54.9%	54.3%		48.7%	45.7%	
EBITDA	547	432	26.6%	67.3	58.0	16.0%
<i>EBITDA Margin (%)</i>	19.5%	18.7%		11.2%	11.1%	
Depreciation	14.5	14.4	0.01%	3.5	3.9	-10.2%
Finance Cost	65.5	52.0	25.9%	16.9	13.4	26.5%
PBT	485.1	388.7	24.8%	51.7	40.7	27.1%
PAT	504.8	384.4	31.4%	76.3	55.0	38.7%
<i>PAT Margin (%)</i>	17.9%	16.6%		11.9%	9.8%	
EPS	26.6	20.2	31.4%	4.0	2.9	38.7%

Stable Balance Sheet Despite Growth

Assets (INR Mn)	FY20	FY19	Liabilities (INR Mn)	FY20	FY19
Fixed Assets	2,460.3	2,317.1	Share Capital	190	190
Financial Assets	52.2	51.7	Reserves & Surplus	5,386.1	4,885.8
Oth Non-current Assets	15.4	19.8	Long-Term Borrowings	3.0	5.0
Inventories	2,043.1	1,553.5	Long-term Provisions	24.1	18.9
Trade Receivables	1,070.0	1,080.2	Short Term Borrowings	695.1	572.0
Cash & Bank Balances	219.8	213.7	Trade Payables	682.1	502.4
Loans & Advances	1,346.1	1,186.8	Other Current Liabilities	309.6	278.0
Other Current Assets	92.6	37.2	Short Term Provisions	9.5	8.9
Total	7,299	6,460	Total	7,299	6,460

Maintaining guidance of NIL long-term debt on the books



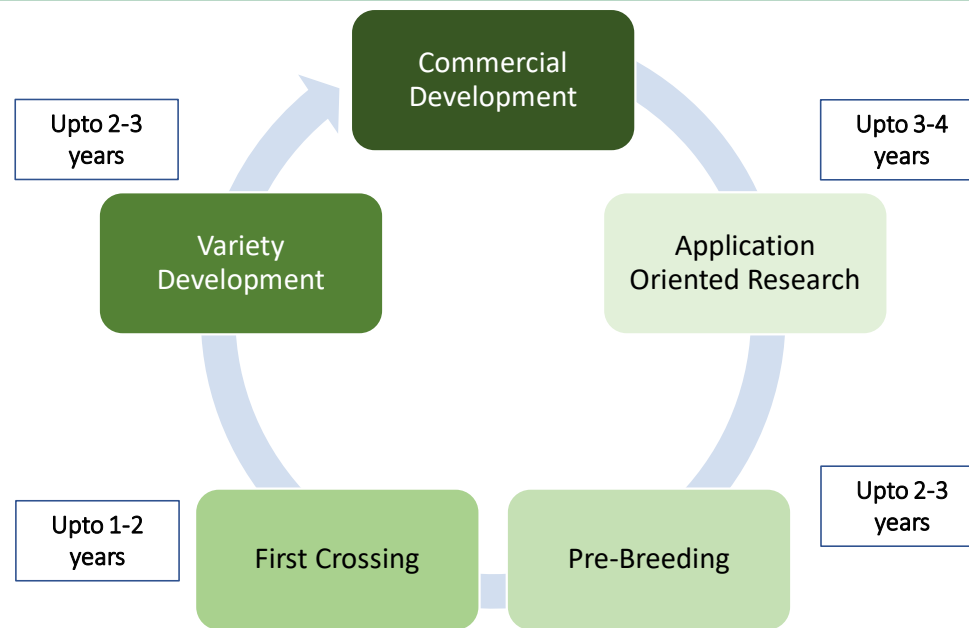
Nath Bio Genes (India) Limited

Appendix



..R&D Focused Technologies to Boost Breeding..

Developing new product takes 6-8 years: Conventional Approach



At NBIL, We are Re-Engineering Traditional Plant Breeding with tools of RGA (Rapid Generation Advance), Modern Biology/Molecular Biology/Bio-informatics, so as to Breed Crops of Choice with High Yield Potential and Superior Adaptability



Revamped Marketing: Direct Reach Substantially Enhanced

16
Business Centres

131
Territories

2000+
Distributors



Improving Direct Reach

- Current direct retailers 7,000+
- 20,000+ Direct Retailers by FY21



Increase contract farmers

- 1,50,000 contract farmers
- 15,000 villages



Add Nath Farm Advisors

- 400 Nath Farm Advisors
- Each Managing:
- 30 Villages
 - 10 Retailers
 - 30 Acres Crop Show/Village



Exports: A Huge Opportunity Unfolding

- ✓ ○ Exploring opportunities in countries with similar agronomical conditions
- ✓ ○ Testing completed; Trial marketing commenced

- Products Being Exported**
- Hybrid corn
 - Hybrid millet
 - Grain sorghum
 - Forage sorghum
 - Hybrid paddy
 - Hybrid cotton
 - Vegetable seeds

- Export Destination**
- Philippines
 - Sudan
 - Myanmar
 - Azerbaijan

- NBL team spent significant time to conduct Multi Location Trials, jointly with Govt. of Philippines, carry-out elaborate Regulatory and Agronomic Trials
- Philippines: Significant growth expected; final approvals pending
- Sudan : Permission received for LST for Kharif 20 . Commercialization expected in 2021
- Myanmar : Government approvals received for trials. Commercialization expected in 2021



Improving Profitability; Strong Balance Sheet



Zero Long Term Debt

QIP funds used to repay full debt in Feb'18



Return Ratios Improving

On back of higher profitability



Land Bank worth INR 200 crores

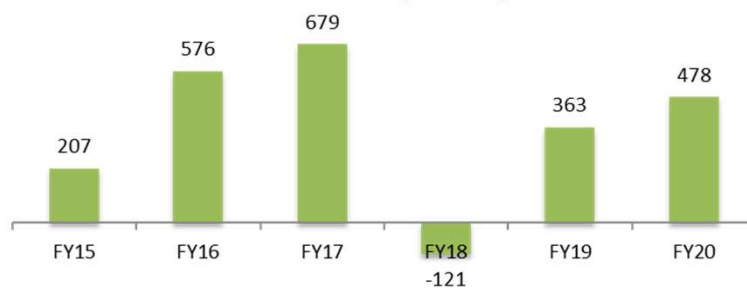
To be monetised to fund future Capex requirement



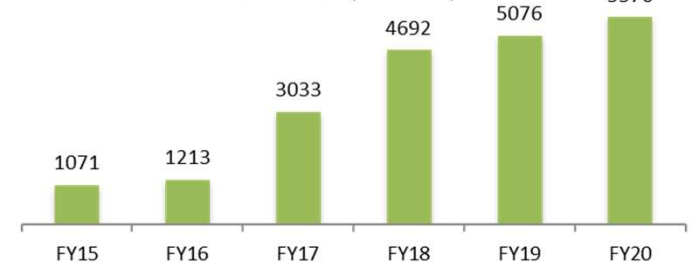
Working Capital Improving

Receivable Days down from 171 days to 140 days

Net Debt (INR Mn)



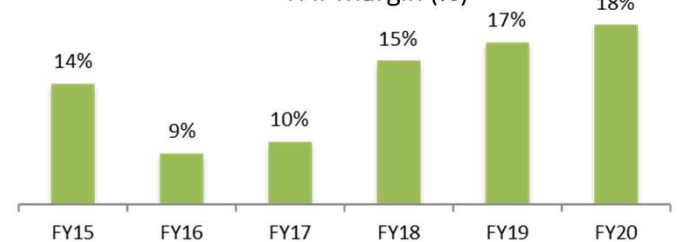
Net Worth (INR Mn)



EBITDA Margin (%)

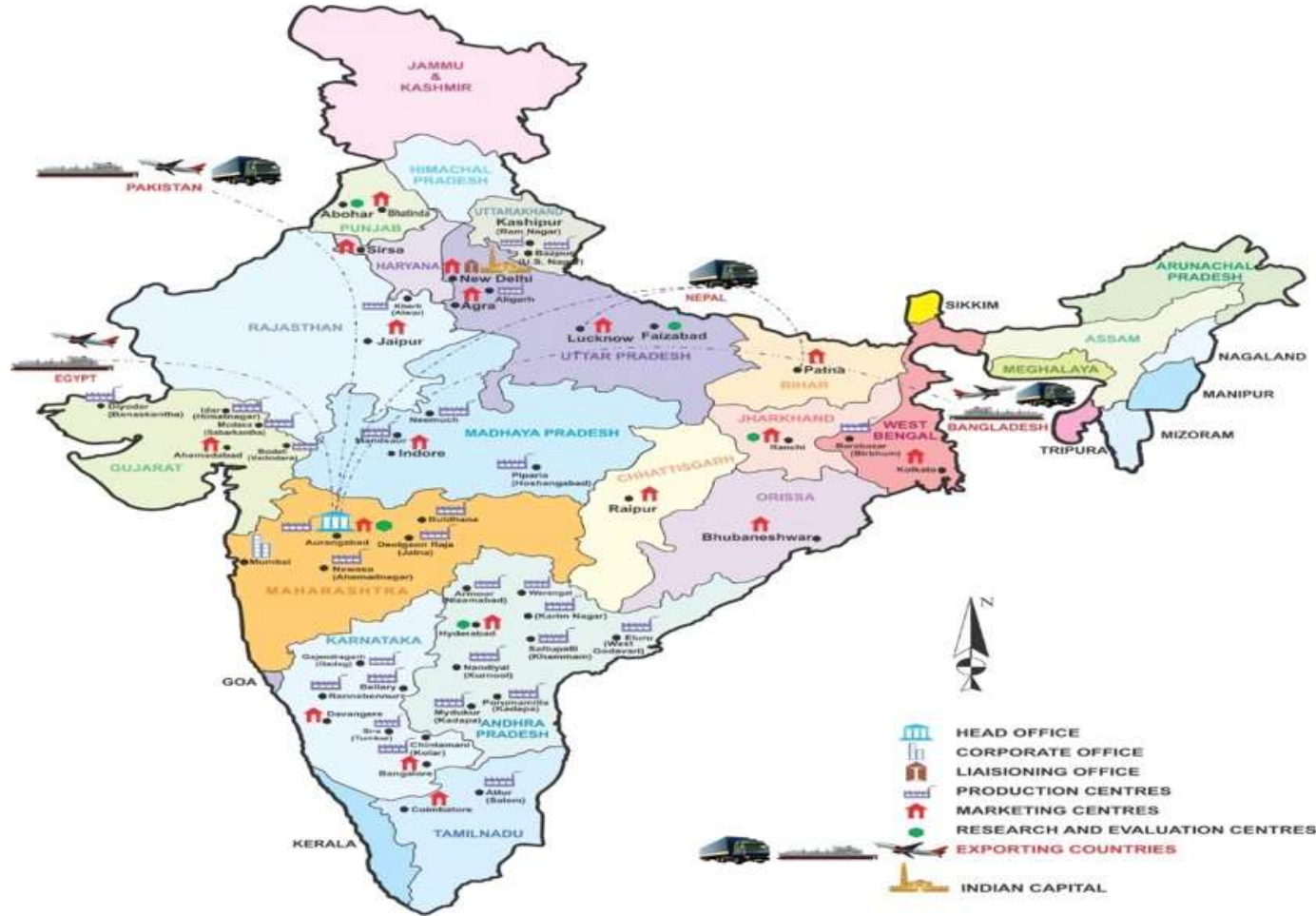


PAT Margin (%)





Outreach





Thank You

For further information, please get in touch with:

Sheetal Khanduja
sheetal@GoIndiaAdvisors.com
M:+91 97693 64166

Radha Agarwalla
radha@goIndiaAdvisors.com
M:+91 8981938289