

NATH SEEDS®

Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

10th August 2021

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 Sir/Madam,

Subject- Presentation on Unaudited Financial Results.

Please find the attached herewith, presentation on unaudited financial results for the period ended 30th June 2021.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Dhiraj Rathi
Company Secretary

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Email : info@nathseeds.com www.nathbiogenes.com
- 1, Chateau Windsor, 86 Veer Nariman Road, Mumbai - 400020 (MS) Tel : 022-22871001, 22875653/4/5

NATH
GROUP



Q1FY22 Performance



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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.

Strategic Update

Kharif Season Update

Cotton packets sold 13.63 Lacs Cotton
growth 8.5 % YOY
Already crossed last year full cotton sales
Expected sales return between 20%
to 25 %
PNS new products launched

Capital Structuring/Buyback

Dividend declared to be ratified in
AGM on 27 Aug 2021
Buy back proposal in discussion with
Company's Bankers

New Products Developments/Launches

Gearing up for Rabi
Vegetable Sales lined up
PNS new products emphasised
Mustard and Wheat stocked for
sales

Working Capital

Working Capital eased out
Inventory level reduced
Debtors increased due to sales and
are being realised
Positive cash flow envisaged

Strong Operating and Financial Performance

Operating Performance

- Non - cotton, non - paddy portfolio contributed 22% to revenue
- Non Cotton and Non Paddy portfolio contribution reduced from 80% to 78%
- Cotton growth at 8.5% YoY
- Paddy growth at 8.0% YoY

Financial Performance

- Revenue up 11% YoY
- EBITDA up 10% YoY
- PAT up 9% YoY
- FY22 Revenue guidance expected to be 20%. Gross Margins to be maintained at 50%+

Managing Headwinds

Impact of Covid

- Covid second wave - Kharif sowing hampered
- Processing and logistics have been normalised with extra efforts

Illegal BT Cotton

- Farmers can grow only BT Cotton, however they have veered towards another hybrid – HT BT in past few years.
- The process saves on labour required to physically remove weeds from cotton fields. But it has not been approved by regulators.
- Record high of 60-70 lakhs packets of illegal cotton seed have been sold this season.
- Industry lobbies have written to the Agriculture Ministry, demanding that action be taken to stop such sales and punish offenders, noting that cultivation of the genetically modified cotton variant has serious environmental and economic consequences.

Income Statement

Particulars (INR Mn)	Q1FY22	Q1FY21	% Change (YoY)	FY21	FY20	% Change (YoY)
Total Revenue	2146	1933	11%	3076	2799	10%
Gross Profit	998	956	5%	1715	1536	12%
<i>Gross Margin (%)</i>	46.5%	49.4%		56%	55%	
EBITDA	481	438	10%	667	547	22%
<i>EBITDA Margin (%)</i>	22.4%	22.9%		22%	20%	
Depreciation	7	7	2%	28	14	94%
Finance Cost	27	20	35%	88	65	35%
PBT	452	416	9%	568	485	17%
<i>Tax Rate (%)</i>	0.6%	0.7%		2%	-4%	
PAT	449	413	9%	557	505	10%
<i>PAT Margin (%)</i>	20.9%	21.3%		18%	18%	
EPS	23.6	21.7	9%	29.3	26.3	11%

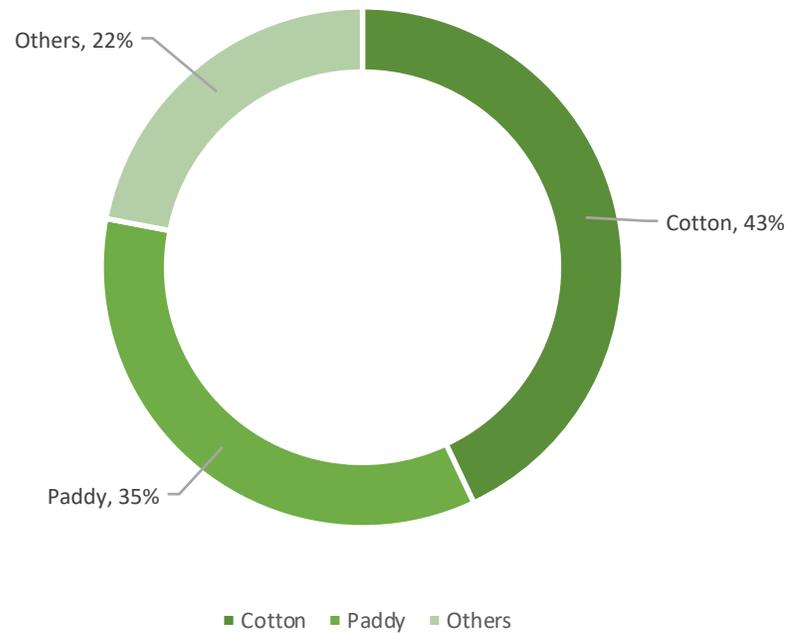
Segment wise Operating Performance

Products	Metric	Q1FY22	Q1FY21	YOY Growth	FY21
Cotton	Packets in lakhs	13.63	12.57	8.5%	12.24
Paddy	Quintals	59,382	54,984	8.0%	83,839
Other Crops (Bajra, Maize)	Quintals	17,461	13,697	27.5%	34,195

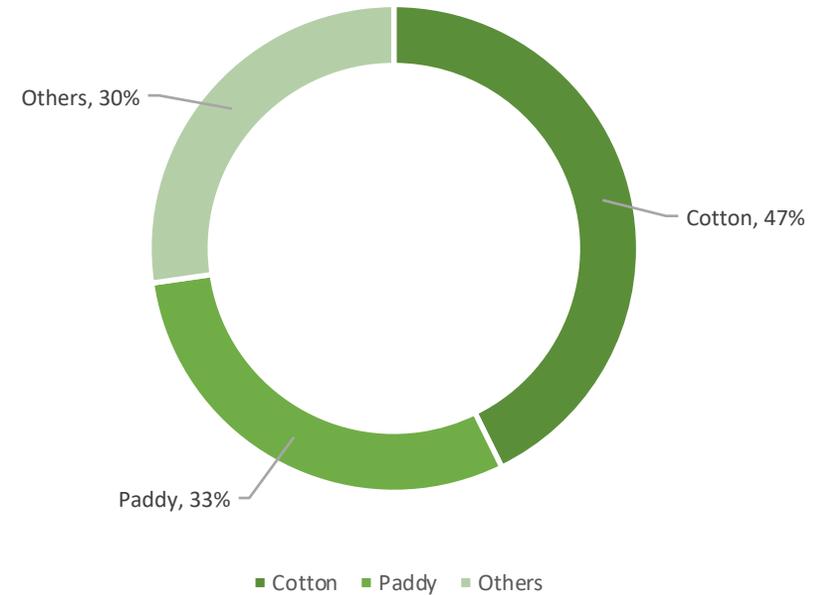
- Surpassed FY21 cotton sales in Q1 only.
- Revenue from Paddy grew by 10%
- Cotton sales provision is made at 25% which is likely to be reduced in Q2

Segmental Revenue Contribution- Cotton + Paddy share reducing

Q1FY22 Revenue
INR 2,146 Mn



Q1FY21 Revenue
INR 1,933 Mn



Highly Ranked Cotton Products – Gaining market share in declining market

- Volume growth of 20% projected for FY22
- Sales return provision of 25%
- Special Campaign being undertaken to educate farmers



Progress of Acreage under COTTON BT (in Lk Hectare) - STATE-WISE

STATE	2020-21	2019-20	% Change (YoY)
AP	4.19	2.28	84%
Telangana	21.49	15.56	38%
Gujarat	19.95	20.25	-2%
Haryana	7.30	6.69	9%
Karnataka	4.59	2.62	75%
MP	5.91	5.70	4%
Maharashtra	39.13	38.60	1%
Odisha	1.66	0.00	-
Punjab	4.96	3.94	26%
Rajasthan	6.40	5.41	18%
Tamil Nadu	0.05	0.03	56%
Others	0.22	0.24	-10%
All India	115.85	101.32	14%

Source: Ministry of Agriculture, Data updated till 31 July, 2020

**3 YEAR OUTLOOK:
20% + Growth CAGR**

9

Cotton Products launched in last 5 years

8-12

Products in Pipeline

Paddy: Strong volume growth

- Volume growth projected at 20% in FY22
- Research Efforts underway for new products



Presence of Paddy across India

Key Products

Loknath

Gorakhnath

Super Duper

Tehelka

Key Markets

Bihar

Jharkhand

UP

Haryana

**3 YEAR OUTLOOK:
20% + Growth**

10+
Paddy Products launched in last 5 years

8-10
Products in Pipeline

Highly diversified vegetable Portfolio

- Volume growth of 25-30% projected in FY22
- High Margin segment : 60%+ margins
- New products being launched
- Vegetable vertical achieving results

**3 YEAR OUTLOOK:
30% + Growth**



Hybrid Vegetable Market Size: INR 25 – 30 Bn

Hybrid Vegetable Industry: Market Break-up

Okra	14%
Chilli	9%
Tomato	10%
Onion	9%
Gourds	9%
Cucumber	6%

30+
Vegetable Products launched in last 5 years

20+
Products in Pipeline

Win Chi Win : Major growth booster

- Volume growth of 25% projected in FY22.
- Overall sales effected due to COVID situation
- High Margin segment : 70%+ Margins
- Territories being enhances to sustain growth



- A growth enhancer for Cereals, Fruits, Vegetable Crops, etc
- A foliar spray containing essential elements required for regulation of growth like Manganese, Zinc, Boron, etc

**3 YEAR OUTLOOK:
30% + Growth**

- Concentrate on Plant Nutrient Segment for more growth and profitability
- Extend Product range in Plant Nutrient Segment

Innovate, Help, Grow

Innovate

45

New Seeds Developed in last 5 years

100+ years

R&D Team experience

#1-3

ICAR Trials

15+

Products in Pipeline

Help

150,000

Employment Generated

50,000

Contract Farmers

20,000+

Direct Retailers

15,000

Villages

Grow

(5 Year Performance]

81%

Revenue Growth

2.3x

EBITDA Growth

3.4x

PAT Growth

465 bps

EBITDA Margin Expansion

Focussed on Shareholder Value Creation

- 1 Building A Strong Organisation; Evolved into a Dividend Paying Company
- 2 Developing Innovative Products
- 3 Making the Portfolio more Balanced
- 4 Balance Sheet becoming Stronger
- 5 Strategic Presence across Seed Value Chain
- 6 Delivering strong growth despite an uncertain environment

Working Capital Cycle – Impacted by higher inventory due to Covid

All figures in INR mn	FY21	FY20
Revenue	3076	2799
Inventories	2263	2043
Trade Receivables	1094	1070
Trade Payables	452	682
Net Working Capital	2905	2431

	FY21	FY20
Inventory Days	268	266
Receivable Days	130	140
Payable Days	54	89
Working Capital Cycle	344	317

- **Increase in Inventory due to :**
 - Delay in cotton seed procurement due to Covid19 and subsequent stock build up
 - Inventory to normalise over next 2 years. No losses expected

Stable Balance Sheet Despite Growth

Assets (INR Mn)	FY21	FY20	Liabilities (INR Mn)	FY21	FY20
Fixed Assets	2469	2460	Share Capital	190	190
Financial Assets	53	52	Reserves & Surplus	5943	5386
Other Non-current Assets	134	15	Long-Term Borrowings	7	3
Inventories	2263	2043	Long-term Provisions	26	24
Trade Receivables	1094	1070	Short Term Borrowings	944	695
Cash & Bank Balances	292	220	Trade Payables	452	682
Loans & Advances	1554	1346	Other Current Liabilities	328	285
Other Current Assets	36	93	Short Term Provisions	5	34
Total	7895	7299	Total	7895	7299



Corporate Overview



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Strategy 4.0

Altering strategy to create a more robust & de-risked business model



Risks

- **Portfolio Concentration Risk**
 - Cotton & Paddy seeds portfolio in excess of 30% each
- **Geographic Risk**
 - Spatial distribution of rainfall
- **Regulatory Risk**
 - Price control on cotton seeds likely to be extended
- **Seasonal Risk**
 - Skewed Growth



Change in Strategy

- Limiting revenue contribution of any single crop to less than 25%
- Achieve wide Geographical spread to mitigate risks of adverse spatial distribution of monsoon
- Higher resource allocation for other food crops including vegetables
- Concentrate on vegetable & Plant Nutrient Supplement for faster growth and profitability

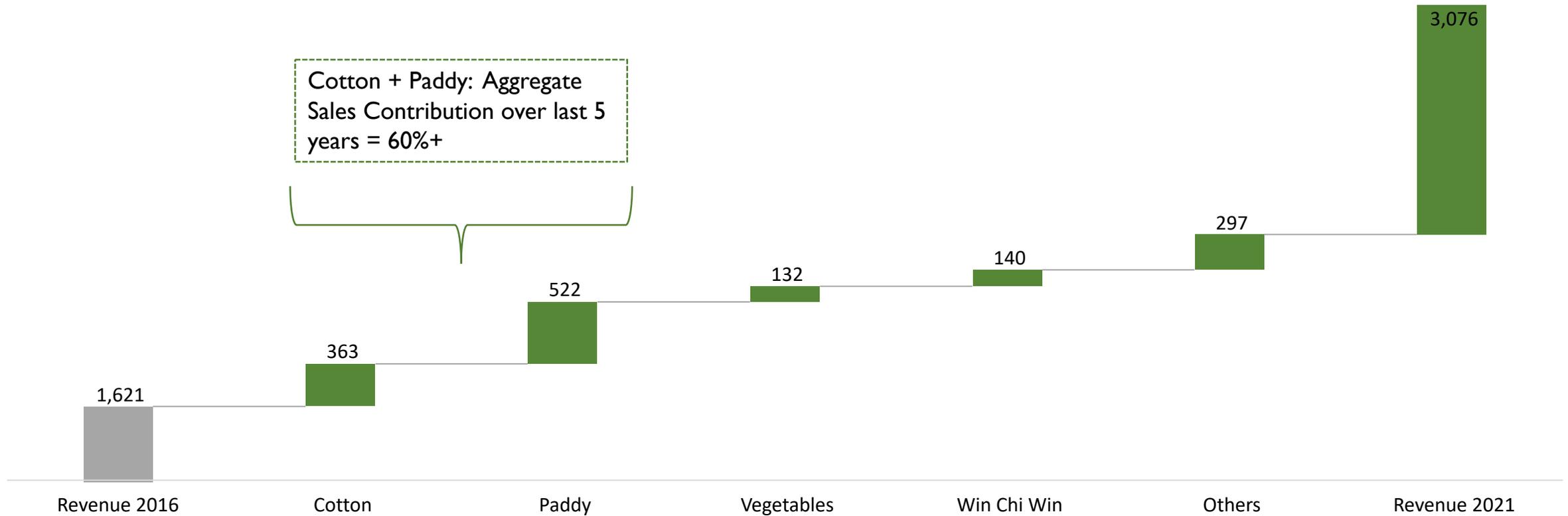


Action Points

- Developing products in multiple food crops like Maize, Jowar, Bajra etc
- Develop export markets
- Cotton seeds to grow at 20% CAGR in line with overall growth
- Add new products in vegetable segment; Extend product range in Plant Nutrient Supplement Segment

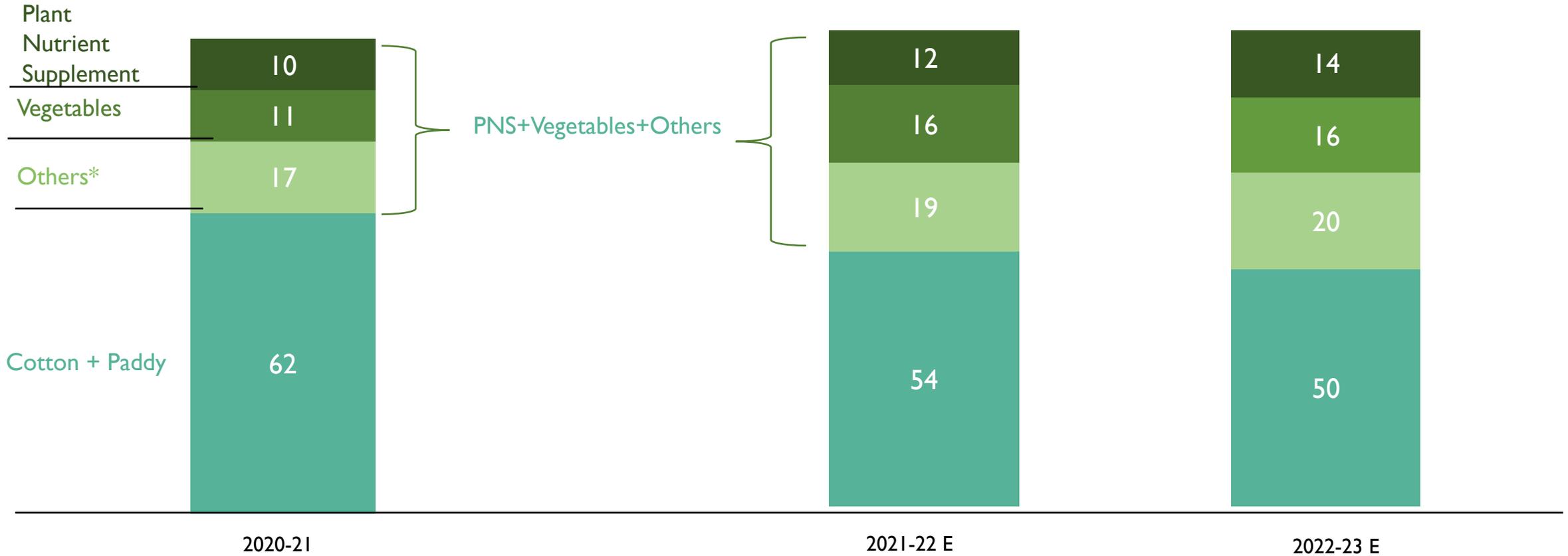
Last 5 Years: Cotton & Paddy Driven Growth

Revenue Growth Contributors (INR Mn)



Next 5 Year: Multiple Growth Drivers

Moving towards a Diversified and De-Risked Portfolio (% Sales)



* include: Jowar, Bajra, Maize, Mustard, Wheat

Building a Strong Organisation

- Imbibing a culture of continuous growth and strong governance
- Hiring industry experts in each key area of operations – R&D, Finance, Supply-Chain
- Empowered teams, well-aligned with organisation vision
- Strong risk management framework

500+
Employees

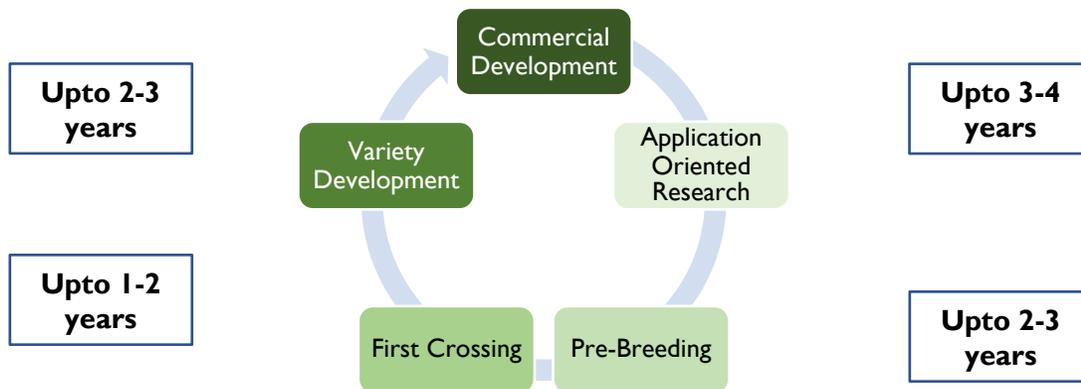
150+
New Employees Hired in Last 3 Years

20+
Senior Level Hiring in Last 3 Years

Developing Innovative Products

- World Class R&D Infrastructure
- Launched 36 Innovative Products Developed across Segments
- 8-10 new products in pipeline in cotton
- 20+ new products in pipeline in Vegetables

Seed Development: 7-10 Year Cycle



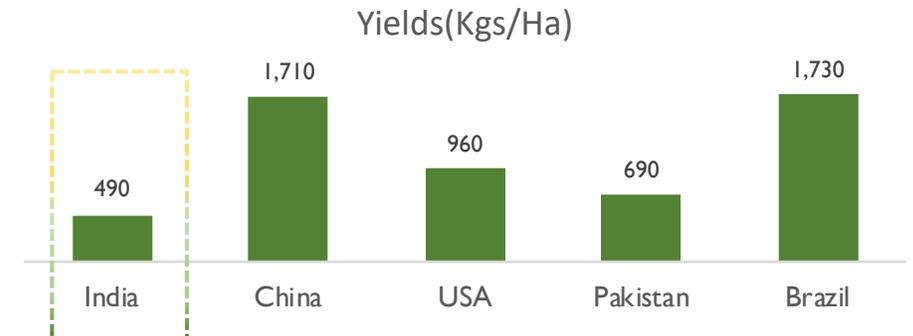
Holistic Products to Address Problems of

Low Yields

Climate Change

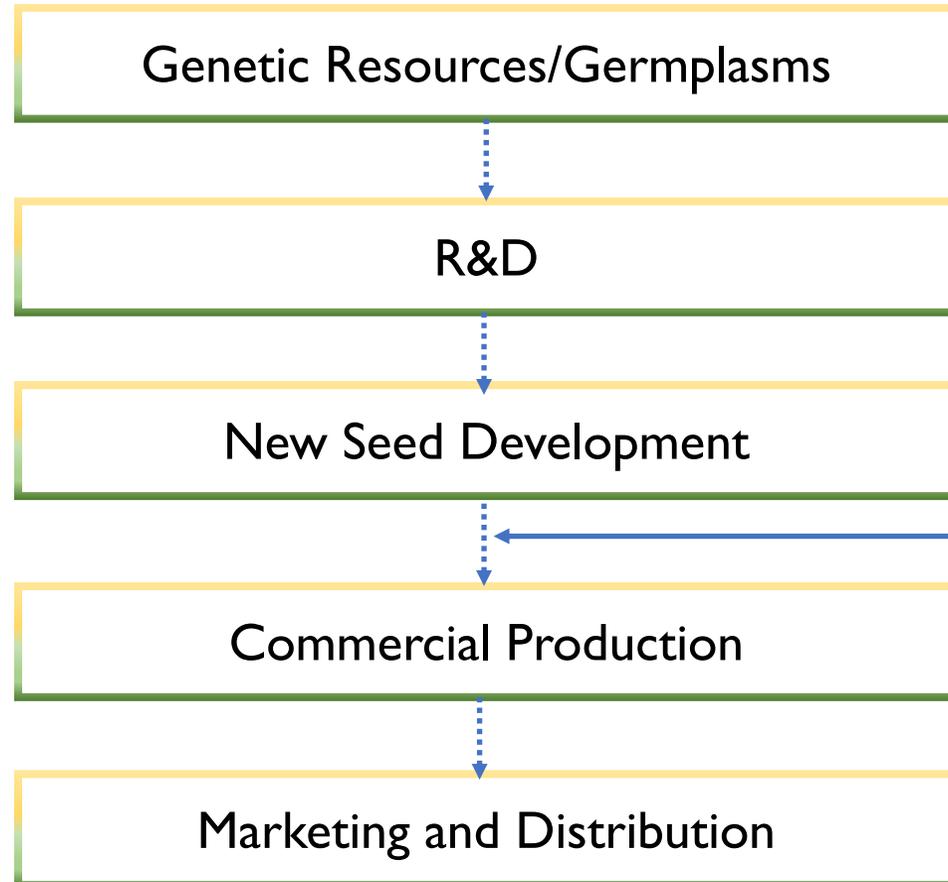
Pest Infestations

India: Amongst the Lowest Cotton Yield



Source: OECD-FAO Agricultural Outlook 2019-2028

Strategic Presence Across the Seed Value Chain



ICAR Trials
done at
this stage

18,000+
Germplasm Library

100+ years
R&D Team experience

36
Seed varieties launched in last 3 years

50,000
Contract Farmers



Appendix



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Visionary Leadership; Attracting the Best Talent



**Mr. N
Kagliwal
Chairman**



**Mr. Satish
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. Devinder Khurana
CFO**

Research & Product Development



**Dr S Raina
Head - Cotton**



**Dr Ish Kumar
Head - Paddy**



**Dr VN
Kulkarni**



**Dr C Pathak
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**

Marketing Heads



**Harish Pandey
FC**



**Ram Pandey
VEG**



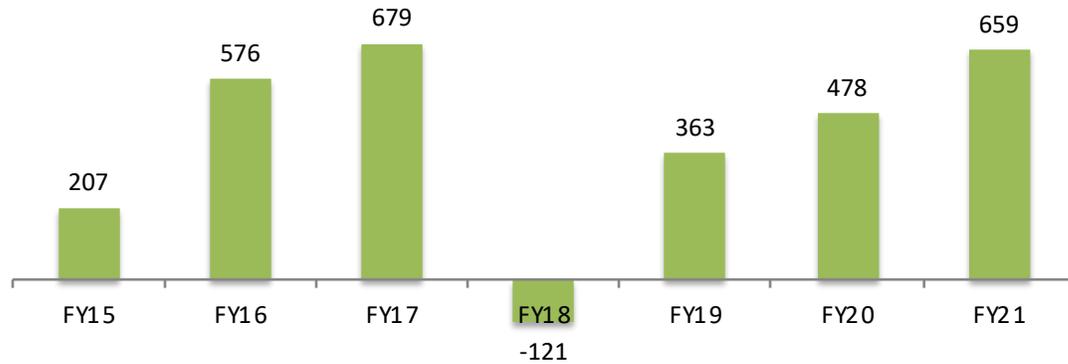
**Sachin
Kamajdar PNS**



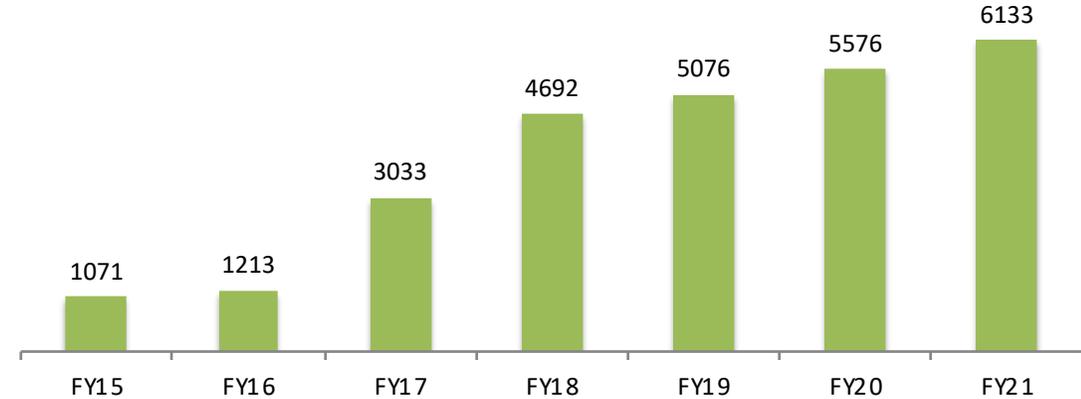
**Mr K Reddy Head
- Supply Chain**

Improving Profitability; Strong Balance Sheet

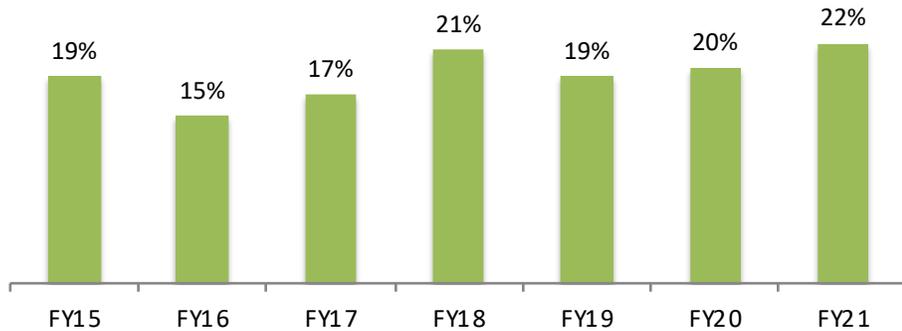
Net Debt (INR Mn)



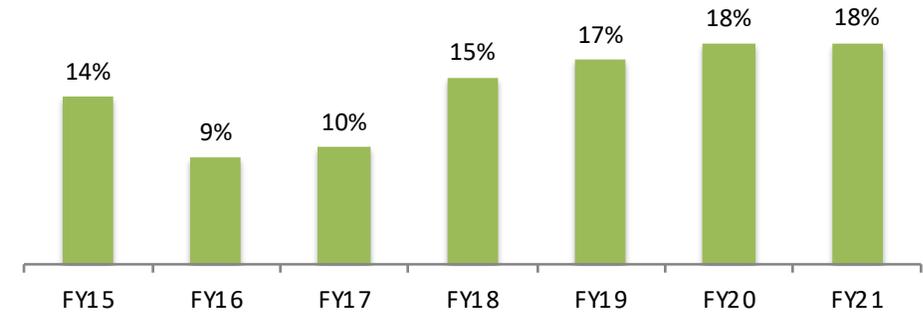
Net Worth (INR Mn)



EBITDA Margin (%)



PAT Margin (%)



Historical Income Statement

Nath Bio-Genes' P&L Statement			
Particulars (INR Mn)	FY21	FY20	FY19
Total Revenue	3076	2799	2,309
Gross Profit	1715	1536	1,253
<i>Gross Margin (%)</i>	56%	55%	54%
EBITDA	667	547	433
<i>EBITDA Margin (%)</i>	22%	20%	19%
Depreciation	28	14	14
Finance Cost	88	65	52
PBT	568	485	389
PAT	557	505	386
<i>PAT Margin (%)</i>	18%	18%	17%
EPS	29.3	26.3	20.3

Historical Balance Sheet

Assets (INR Mn)	FY21	FY20	FY19	Liabilities	FY21	FY20	FY19
Fixed Assets	2469	2,460	2,317	Share Capital	190	190	190
Financial Assets	53	52	52	Reserves & Surplus	5943	5,386	4,885
Other Non-current Assets	134	15	20	Long-Term Borrowings	7	3	5
Inventories	2263	2,043	1,554	Long-term Provisions	26	24	19
Trade Receivables	1094	1,070	1,080	Short Term Borrowings	944	695	572
Cash & Bank Balances	292	220	214	Trade Payables	452	682	502
Loans & Advances	1554	1,346	1,187	Other Current Liabilities	328	310	278
Other Current Assets	36	93	37	Short Term Provisions	5	10	9
Total	7895	7,299	6,460	Total	7895	7,299	6,460

Thank You

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For further information, please get in touch with:

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