



NATH SEEDS®

Nath Bio-Genes (I) Ltd.

(CIN L01110MH1993PLC072842)

01st November 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 September 2021.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana
Chief Financial Officer

NATH SEEDS

एक बीज खरा, शक्ति भरा

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NATH
GROUP



HIFY22 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 11.71 Lacs due to excessive sales return (27%)
Paddy sales maintained over H1
35% quantitative growth in other crops
PNS new products launched

Capital Structuring/Buyback

Dividend declared and ratified in AGM on 27 Aug 2021
Dividend distributed in Sep 2021
Buy back proposal being deferred due to bank permission

New Products Developments/Launches

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

Working Capital

Positive Operational Cash Flow
Working Capital under control.
Inventory level increased due to returns, but manageable
Debtors increased due to sales and are being realised

Strong Operating and Financial Performance

Operating Performance

- Non - cotton, non - paddy portfolio contributed 28% to revenue
- Non Cotton and Non Paddy portfolio contribution reduced from 80% to 72%
- Cotton sales reduced by 12% YOY
- Paddy sales maintained

Financial Performance

- Revenue up 6% YoY
- EBITDA up 7% YoY
- PAT up 4% YoY
- FY22 Revenue guidance expected to be 10%. 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)	H1FY22	H1FY21	% Change (YoY)	Q2FY22	Q2FY21	% Change (YoY)
Total Revenue	2,295	2,165	6.0%	149	233	(36.2)%
Gross Profit	1,153	1,158	(0.5)%	125	203	(38.6)%
Gross Margin (%)	50.2%	53.5%	(325)bps	83.9%	87.3%	(337)bps
EBITDA	525	492	6.7%	44	54	(17.9)%
EBITDA Margin (%)	22.9%	22.7%	15.6bps	29.8%	23.2%	662bps
Depreciation	13	13	0.7%	7	7	(0.3)%
Finance Cost	54	40	36.3%	28	20	38.1%
PBT	466	447	4.1%	14	32	(57.1)%
Tax Rate (%)	0.8%	1.0%	(15)bps	8.1%	4.8%	329bps
PAT	462	443	4.3%	12	30	(58.5)%
PAT Margin (%)	20.1%	20.4%	(33)Bps	8.4%	13.0%	(454)bps
EPS	24.3	23.3	4.2%	0.6	1.6	(59.1)%

Stable Balance Sheet Despite Growth

Assets (INR Mn)	H1FY22	H1FY21	Liabilities (INR Mn)	H1FY22	H1FY21
Fixed Assets	2,461	2,452	Share Capital	190	190
Financial Assets	55	59	Reserves & Surplus	6,366	5,829
Other Non-current Assets	132	10	Long-Term Borrowings	6	7
Inventories	2,281	1,742	Long-term Provisions	27	32
Trade Receivables	1,297	1,216	Short Term Borrowings	950	788
Cash & Bank Balances	200	204	Trade Payables	64	146
Loans & Advances	1,308	1,331	Other Current Liabilities	173	115
Other Current Assets	50	97	Short Term Provisions	8	4
Total	7,783	7,111	Total	7,783	7,111

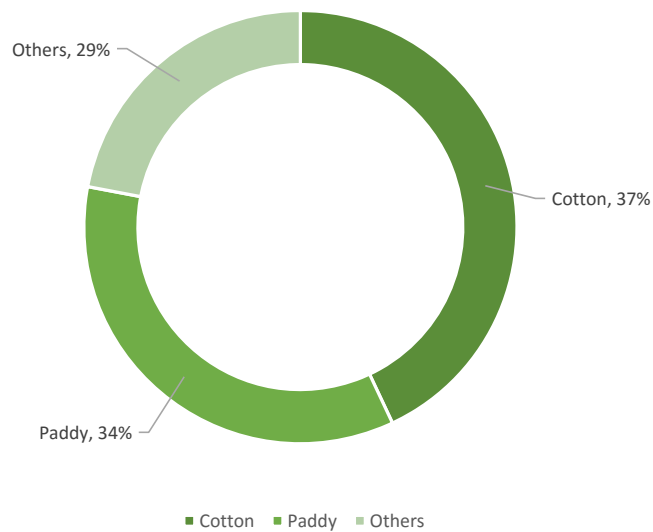
Segment wise Operating Performance

Products	Metric	H1FY22	H1FY21	YOY Growth	FY21
Cotton	Packets in lakhs	11.71	13.23	(11.50) %	12.24
Paddy	Quintals	59,261	59,439	0 %	83,839
Other Crops (Bajra, Maize)	Quintals	18,778	13,874	35.32 %	34,195

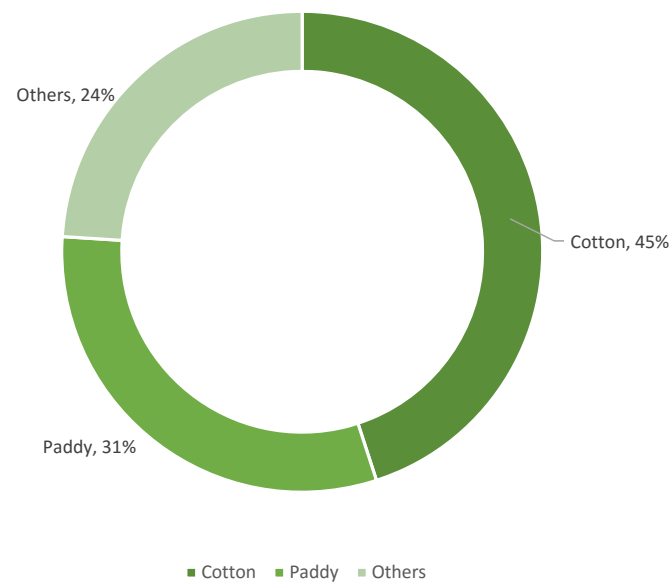
- o Cotton sales reduced due to excessive sales return of 28%
- o Revenue from Paddy maintained
- o Other crops increased quantitatively by 35 %

Segmental Revenue Contribution- Cotton + Paddy share reducing

H1FY22 Revenue
INR 2,295Mn



H1FY21 Revenue
INR 2,165 Mn



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

Highly Ranked Cotton Products – Gaining market share in declining market

- Volume growth of 10-15% projected for FY23
- Sales return provision of 22%
- 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 15-20% in FY23
- 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 FY23
- 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 15% projected in FY22.
- Overall sales effected due to COVID situation
- High Margin segment : 70%+ Margins
- Territories enhanced 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	H1FY22	FY21
Revenue	2,295	3,076
Inventories	2,281	2,263
Trade Receivables	1,297	1,094
Trade Payables	64	452
Net Working Capital	3,514	2,905

	H1FY22	FY21
Inventory Days	362	268
Receivable Days	206	130
Payable Days	10	54
Working Capital Cycle	558	344

○ **Increase in Inventory due to :**

- Enhanced sales return and FY 23 production. Cotton seed has long shelf life so no issue in that.
- Inventory to normalise over next 2 years. No losses expected

Historical 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

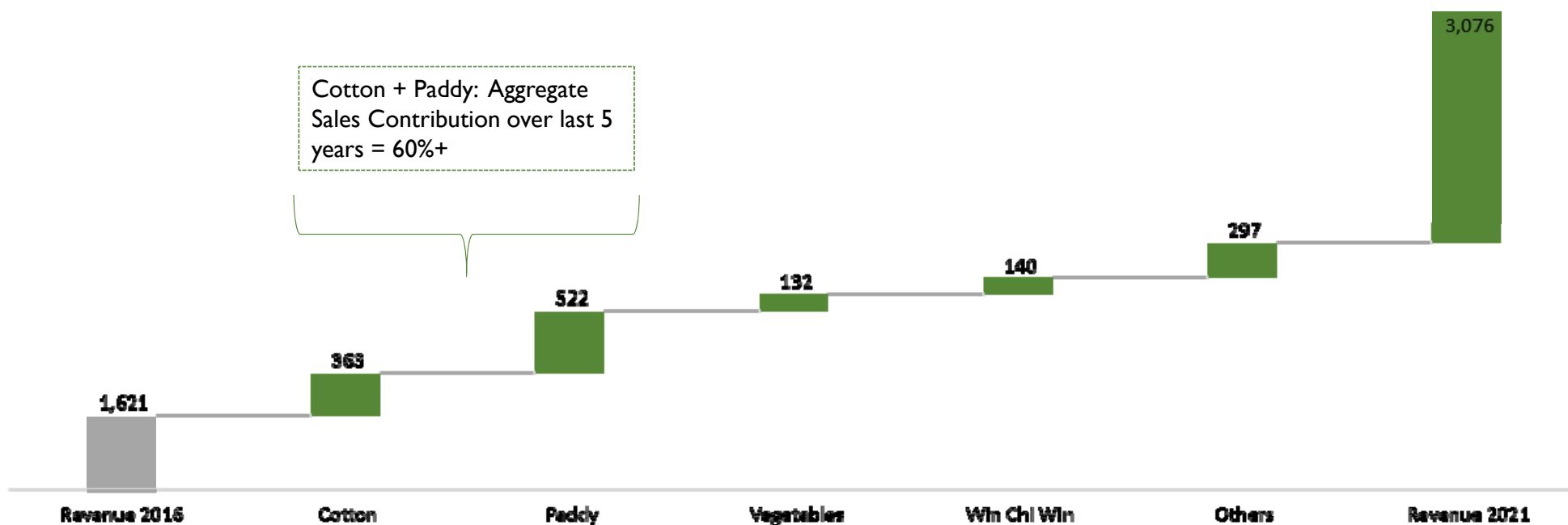
- Develop export markets

- 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

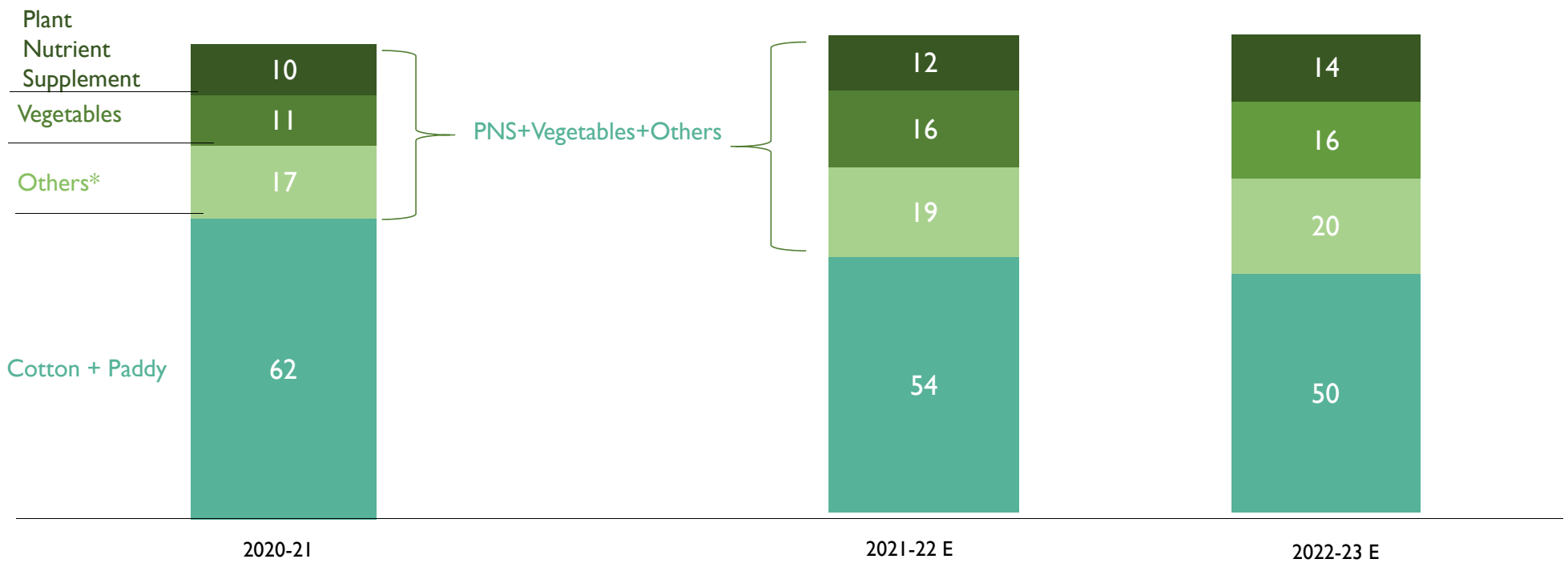
Last 5 Years: Cotton & Paddy Driven Growth

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

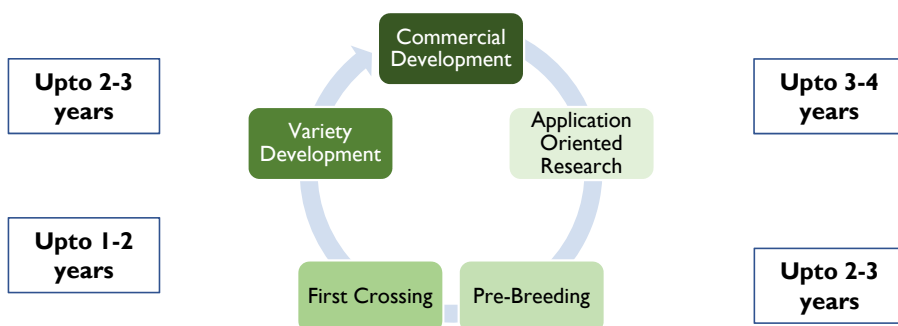
20+

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



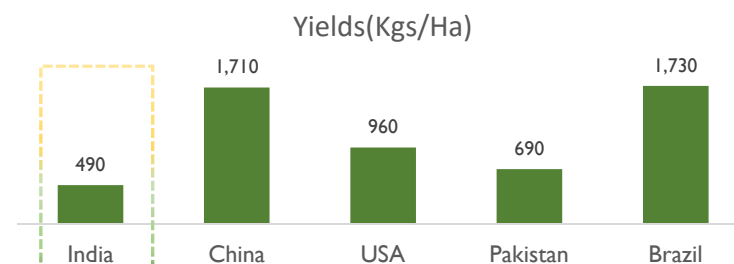
Holistic Products to Address Problems of

Low Yields

Climate Change

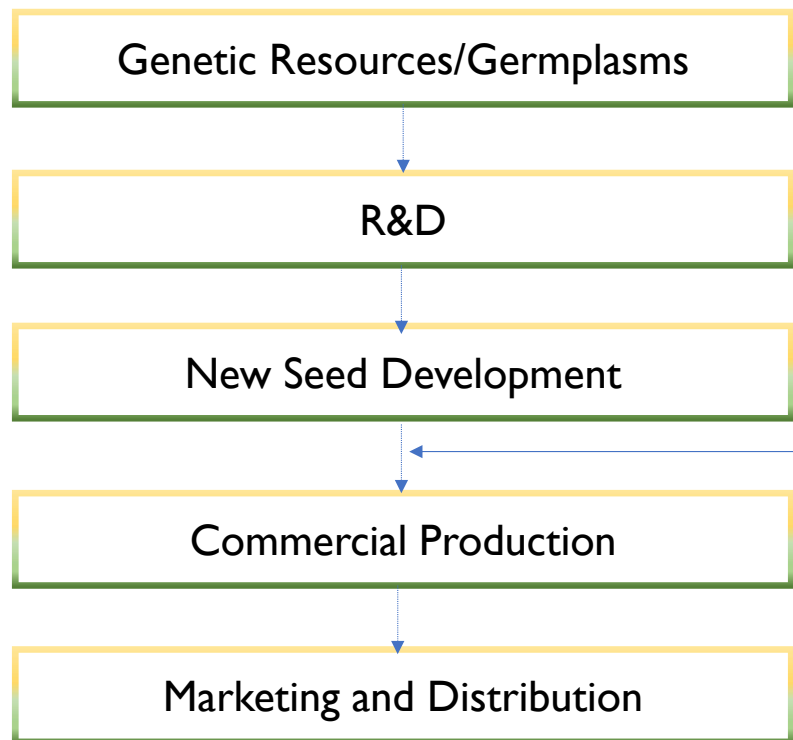
Pest Infestations

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**



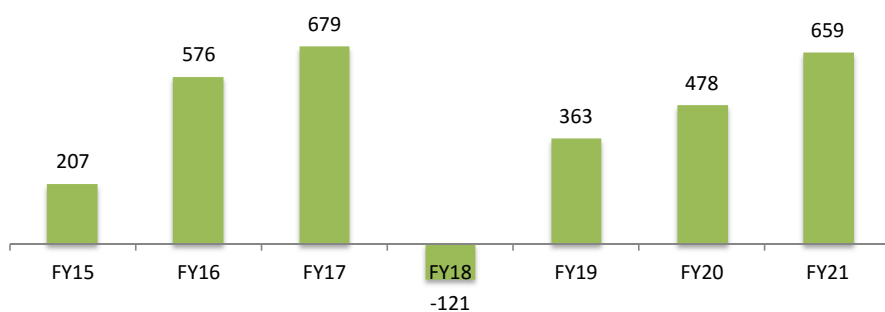
**Sachin
Kamajdar PNS**



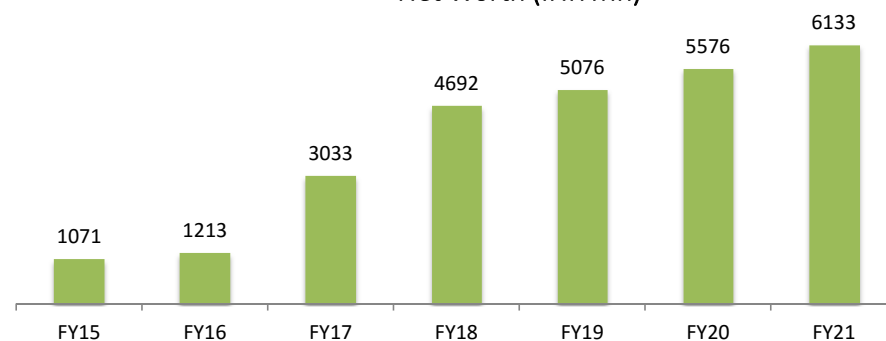
**Mr K Reddy Head
- Supply Chain**

Improving Profitability; Strong Balance Sheet

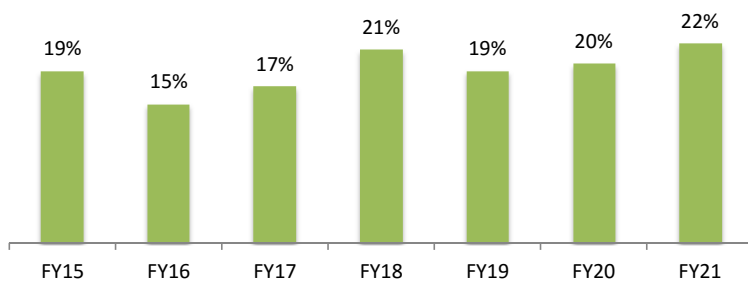
Net Debt (INR Mn)



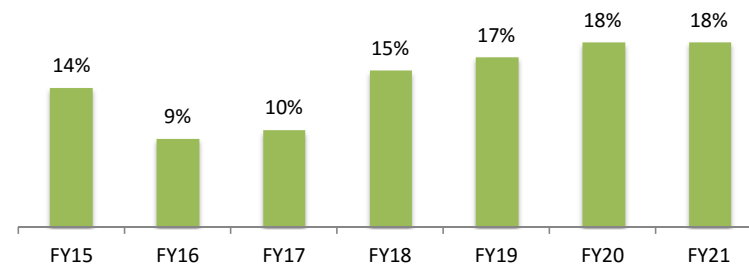
Net Worth (INR Mn)



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

CIN_NBIL_L01110MH1993PLC072842

For further information, please get in touch with:

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