



PRESS RELEASE

KAVERI SEEDS ANNOUNCES FINANCIAL RESULTS FOR QUARTER ENDED 30th June 2021

Results at a Glance

- Overall environment was challenging during the quarter due to the second wave. Large scale pandemic impact across supply chain resulted in lower absorption of cotton hybrids by dealers and distributors
- Challenging quarter primarily due to second wave - sales of hybrid seeds across the industry and cotton in particular impacted
- Non cotton performed much better as compared to cotton, Non Cotton Business is Up by 15.5%
Revenue growth is driven by volume growth in Rice, New Products in Maize, Rice & Bajra & Price increase in key lead hybrids across crops
 - **Hybrid Rice** : Revenue Grew by 43.28% in Q1FY22
 - **Selection Rice** : Revenue grew by 14.88% in Q1FY22
 - **Vegetables** : Vegetable sales revenue increased by 22.39%
 - **New Hybrids drive strong revenue and volume growth in selection and hybrid rice**
- Operations continue to progress well supported by a robust R&D and infrastructure backbone
- Net sales lower by 12.47% for the year under review
- PAT lower by 30.93%. Provision for bad debts on Government sales in FY2020 amounting to Rs 14.90 Cr. affected the profitability as a whole
- Total cash on books of Rs. 560 crore as on 30 June, 2021

Hyderabad, August 13, 2021: The Board of Directors of Kaveri Seeds Company Limited approved the financial results for the quarter ended 30th June 2021 at its meeting held in Secunderabad on Friday, 13 August, 2021. The Accounts have been subjected to a Limited Review by the company's Statutory Auditors.

Mr. GV Bhaskar Rao, Chairman & MD, Kaveri Seeds, said " We are happy with our performance in an extremely challenging environment caused by the pandemic . Our non- cotton portfolio has seen all around positive performance with paddy and vegetables performing particularly well . *Sales of hybrid seeds across the industry and cotton were significantly impacted in the quarter under review. While acreages of cotton were lower than the previous year the decline in sales of branded seeds were much steeper. This was because a large part of the supply chain comprising our dealers and distributors were all constrained due to the pandemic and an erratic monsoon. We are seeing a significant increase in use of HTBT & illegal which is impacting branded sales and are in dialogue with the Government to address this situation.*

"We are happy with the progress of our operations. Our continued endeavor is to drive profitable growth and enhance value for all our stakeholders"

Financial Overview

Consolidated	Q1FY22	Q1FY21	Growth
Rs. lakhs			(%)
Net Sales	62,977.92	71,948.31	(12.47)
EBITDA	21471.05	31045.86	(30.84)
EBITDA Margin (%)	34.09	43.15	(20.99)
PAT	20473.54	29641.52	(30.93)

Business Highlights

- Challenging quarter primarily due to second wave - sales of hybrid seeds across the industry and cotton in particular impacted. Acreages of cotton were significantly lower than previous year, decline in sales of branded seeds even more steep. Use of HTBT further impacted branded sales. In total about 15% of HTBT is estimated to have been used this season. The industry is in dialogue with the Government in an endeavor to rectify this.
- Large scale pandemic impact across supply chain results in lower absorption of cotton hybrids by dealers and distributors and consequent unavailability for the farmer. Farmers resultantly looked at other seed options and, in some instances, shifted to other crops for which seeds were more easily available.
- Unlike in the first wave when dealers built inventories in anticipation of shortages, during the second wave there was minimal advance stocking. Further, the Hybrid Seed market for all major crops got impacted as farmers used the locally available OP seed rather than going for costly seed this season due to lot of uncertainty due to COVID.
- Non cotton performed much better as compared to cotton. Paddy sales grew significantly despite overall market growing downwards. Vegetables continued to perform well. Maize declined on the back of previous year's commodity prices and erratic rainfall. Overall shift by farmers seen to chilies, groundnut, soya, etc.
- Operations continue to progress well supported by a robust R&D and infrastructure backbone. Kaveri Seed's focus continues to be on leveraging its established strengths to drive growth and utilizing cash to enhance its position in the agri space creating value for all its stakeholders.
- Provision for bad debts against realized revenue for Govt. business in FY2020 amounting to Rs 14.90 Cr. affected the profitability as a whole.

Crop wise detail

Non Cotton

- Non Cotton Business is Up by 15.5%
- Revenue growth is driven by volume growth in Rice, New Products in Maize, Rice & Bajra & Price increase in key lead hybrids across crops

Maize

- Maize volume has decreased by 18.29% and revenue by 7.84%.
 - Contribution of new products has gone up significantly from 6.98% to 17.88%
 - Major loss in revenue is due to No Govt Business compared to 17.5 Cr In the same quarter last year
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Hybrid Rice

- Revenue Grew by 43.28% in Q1FY22
- Introduction of new hybrid 7299, 471 & 473 helped towards strong growth
- Contribution of New Hybrids went up from 64.42% to 74.55%

Selection Rice

- Revenue grew by 14.88% in Q1FY22
- Consistent performance across geographies.. New products scale up on the back of growth in Chintu , 828 , Sampurna & KV99
- Contribution of New Hybrids went up from 16.50% to 18.12%

Vegetables

- Vegetable sales revenue increased by 22.39%
- Major growth driven by Hot pepper, Gourds & Okra
- In Hot pepper KHPH 1223, KHPH 206 & Kaveri Beauty & Kaveri Sony
- Kaveri introduced New Hybrids like Srimukhi (KHPH 1223) which has good growth due to good commercial price and demand in exports
- Coriander hybrid Parimal helps in increase in the volume
- Vegetable hybrids got a good response in the market.
- Contribution of Vegetable New Hybrids went up from 74.10% to 96.17%

Cotton:

- Volumes & Revenue Q1FY22 is down by about 28%
- Gained cotton seed market share in Gujarat & Haryana markets
- Lost sales in AP and Telangana & Karnataka
- Contribution of new products went Down from 36.16% to 21.30% of volume
- New products include KCH 111, Viplav & Money Maker

A presentation for investors is being separately placed on the Company's website: www.kaveriseeds.in

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Safe Harbor

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