



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**

(CIN L01110MH1993PLC072842)

12<sup>th</sup> February 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 31<sup>st</sup> December 2020.

This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

Devinder Khurana  
Chief Financial Officer

NATH SEEDS  
हर बीज खरा, शक्ति भरा

- Nath House, Nath Road, Aurangabad - 431005 (MS) Tel : 0240-2376314/5/6/7  
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**



# 9MFY21 Performance



NATH SEEDS<sup>®</sup>

**Nath Bio-Genes (I) Ltd.**

हर बीज खरा, शक्ति भरा<sup>®</sup>

# Progress on Strategic Priorities in 9MFY21

	Actions Taken	Outcome
<b>Diversified and De-Risked Portfolio</b>	<ul style="list-style-type: none"><li>○ Strengthen vegetable, field crops and plant nutrient portfolio faster than cotton &amp; paddy</li><li>○ Decrease contribution from cotton and paddy segment</li></ul>	<ul style="list-style-type: none"><li>○ 15% Revenue growth YOY, non - cotton, non - paddy portfolio grew at 23%</li><li>○ Vegetable volume grew 25%</li><li>○ PNS grew 63% in FY21</li><li>○ Cotton growth maintained at 16%</li></ul>
<b>Improving working capital cycle &amp; Meeting financial guidance</b>	<ul style="list-style-type: none"><li>○ Maintain zero debt status</li><li>○ Improve working capital cycle</li><li>○ Meeting FY21 guidance</li></ul>	<ul style="list-style-type: none"><li>○ Zero long term debt despite strong growth</li><li>○ Working capital improvement temporary halted due to covid led inventory built up</li><li>○ FY21 Revenue guidance expected to be 18-20% on account of covid. Gross Margins maintained at 50%+</li></ul>

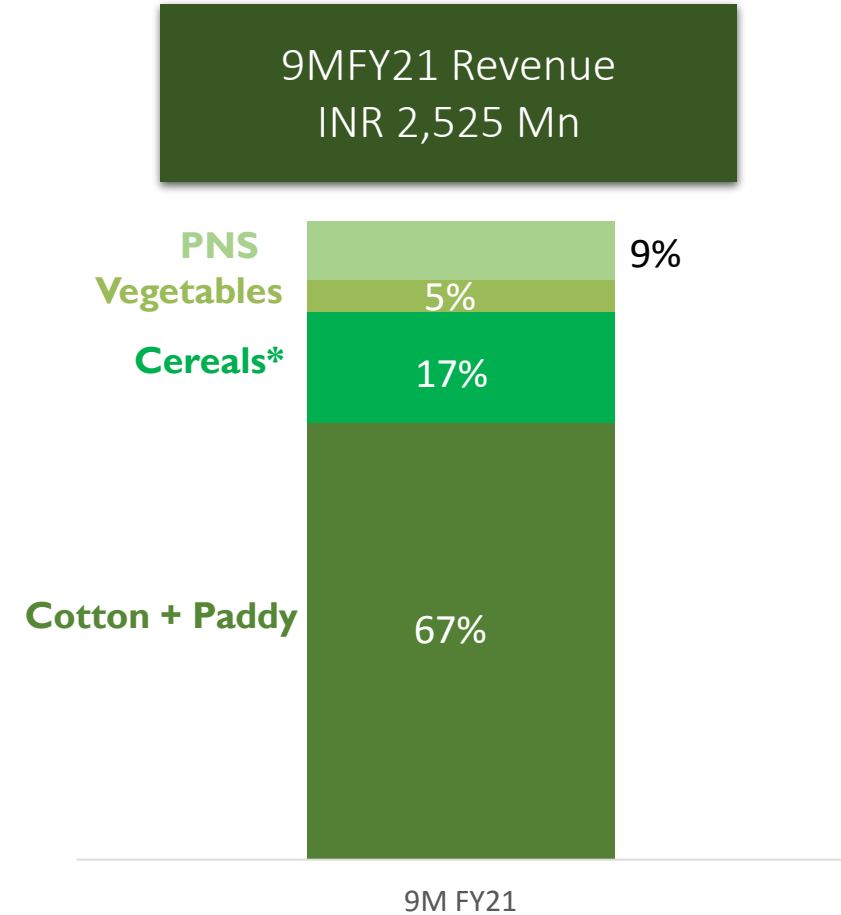
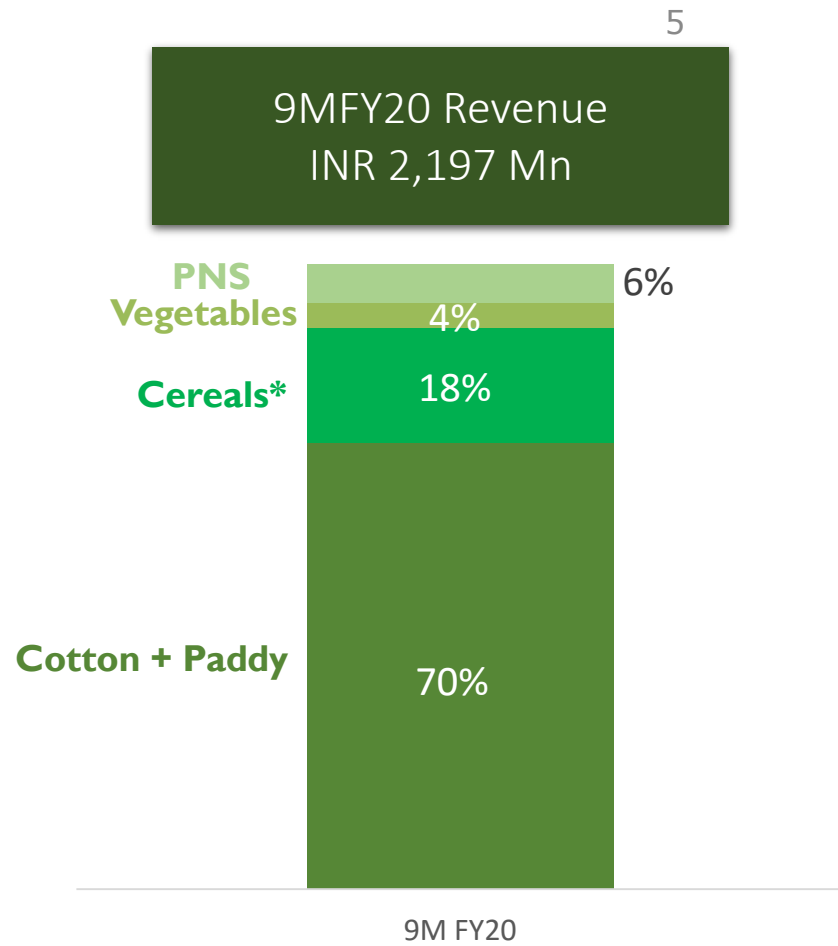
# Income Statement

Particulars (INR Mn)	9MFY21	9MFY20	% Change (YoY)	Q3FY21	Q3FY20	% Change (YoY)
Total Revenue	2,525	2,197	14.9%	360	330	9.0%
<b>Gross Profit</b>	1,404	1,243	13.0%	246	224	9.8%
<i>Gross Margin (%)</i>	55.6%	56.6%		68.4%	67.9%	
<b>EBITDA</b>	556	480	15.9%	64	57	12.2%
<i>EBITDA Margin (%)</i>	22.0%	21.8%		17.7%	17.2%	
Depreciation	20	11	82.1%	7	4	77.5%
Finance Cost	61	49	31.6%	21	16	28.5%
<b>PBT</b>	493	433	25.5%	45	41	11.7%
<i>Tax Rate (%)</i>	1.5%	1.1%		6.4%	4.0%	
<b>PAT</b>	485	429	13.2%	42.5	39	8.8%
<i>PAT Margin (%)</i>	19.2%	19.5%		11.8%	11.8%	
EPS	25.5	22.6	13.2%	2.2	2.1	8.8%

# Segment wise Operating Performance

Products	Metric	9MFY21	9MFY20	YOY Growth
Cotton	Packets	1,318,000	1,140,000	15.61%
Vegetable	Quintals	4,000	3200	25.01%
Paddy	Quintals	66,089	53,000	24.69%
Other Crops (Bajra, Maize)	Quintals	36,425	30154	20.79%
Win chi Win	Litres	41,153	25,000	64.61%

# Segmental Revenue Contribution- Cotton+Paddy share reducing



# Highly Ranked Cotton Products – Gaining market share in declining market

- Volume growth of 16% in 9MFY21
- Sales return of 20% - as provisioned
- Special Campaign being undertaken to educate farmers

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



## 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%
<b>All India</b>	<b>115.85</b>	<b>101.32</b>	<b>14%</b>

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

**8**  
Cotton Products launched in last 5 years

**8-10**  
Products in Pipeline

# Paddy: Strong volume growth

- Volume growth 25% in 9MFY21
- 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



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**



# Highly diversified vegetable Portfolio

- Volume growth of 25% in 9MFY21
- High Margin segment : 60%+ margins
- New products being launched

**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

- Sales almost doubled - Registered a strong volume growth of 63% in 9MFY21
- 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]

**73%**

Revenue Growth

**1.2x**

EBITDA Growth

**2.6x**

PAT Growth

**440 bps**

EBITDA Margin Expansion



# Focussed on Shareholder Value Creation

---

- 1 Building A Strong Organisation
- 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	H1FY21	H1FY20
Revenue	2,165	1,869
Inventories	1,742	1,324
Trade Receivables	1,231	1,294
Trade Payables	146	108
Net Working Capital	2,827	2,510

	H1FY21	H1FY20
Inventory Days	205	181
Receivable Days	145	177
Payable Days	17	15
Working Capital Cycle	333	343

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

# Stable Balance Sheet Despite Growth

Assets (INR Mn)	H1FY21	H1FY20	Liabilities (INR Mn)	H1FY21	H1FY20
Fixed Assets	2,452	2,310	Share Capital	190	190
Financial Assets	60	52	Reserves & Surplus	5,829	5,275
Other Non-current Assets	9	24	Long-Term Borrowings	6	7
Inventories	1,742	1,324	Long-term Provisions	32	21
Trade Receivables	1,216	1,294	Short Term Borrowings	788	659
Cash & Bank Balances	204	200	Trade Payables	146	108
Loans & Advances	1,331	1,083	Other Current Liabilities	116	60
Other Current Assets	97	40	Short Term Provisions	4	6
<b>Total</b>	<b>7,111</b>	<b>6,326</b>	<b>Total</b>	<b>7,111</b>	<b>6,326</b>



# Corporate Overview



NATH SEEDS®

**Nath Bio-Genes (I) Ltd.**

हर बीज खरा, शक्ति भरा®

# 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

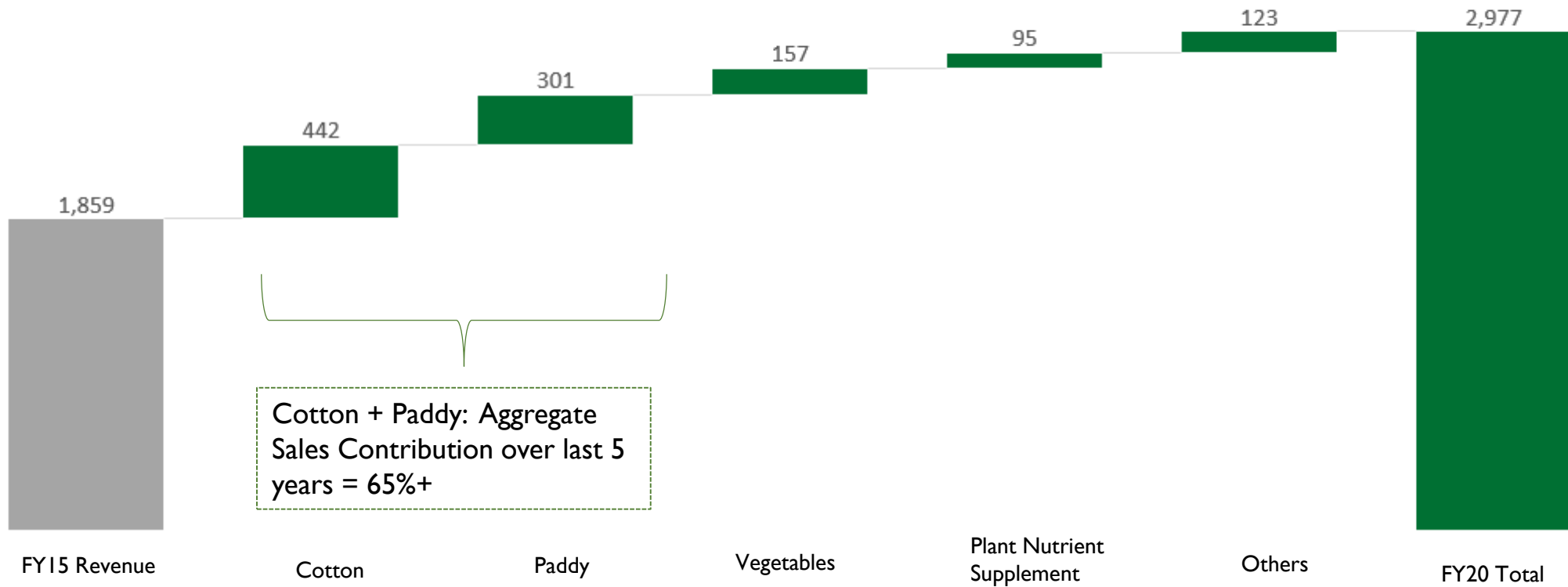
- Developing products in multiple food crops like Maize, Jowar, Bajra etc
- Develop export markets
- Cotton seeds to grow at 20% CAGR in line with overall growth
- Add new products in vegetable segment; Extend product range in Plant Nutrient Supplement Segment





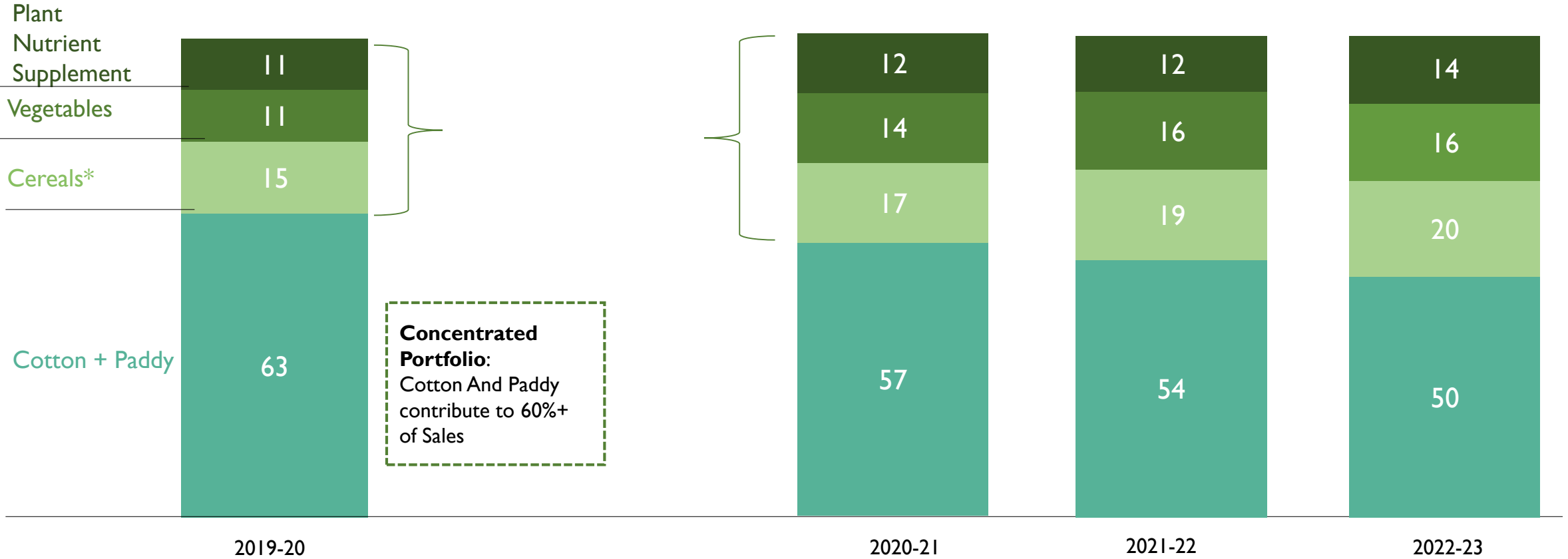
# Last 5 Years: Cotton & Paddy Driven Growth

## 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

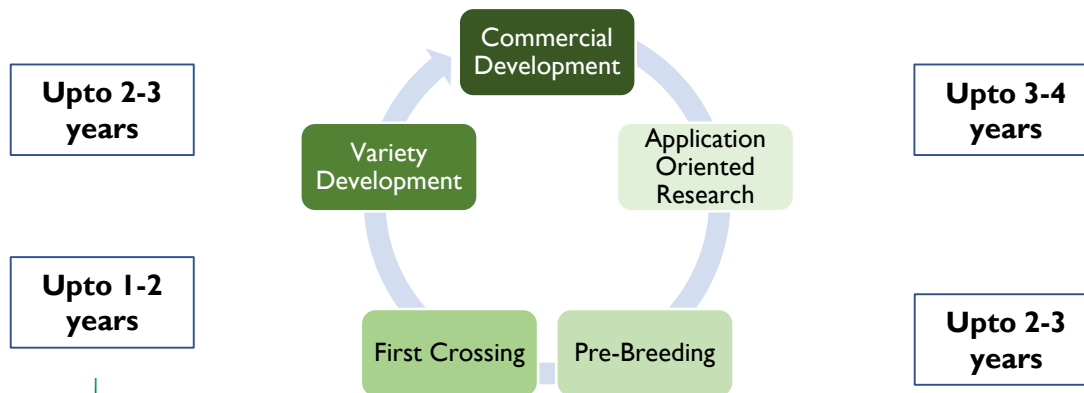
**150+**  
New Employees Hired in Last 3 Years

**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



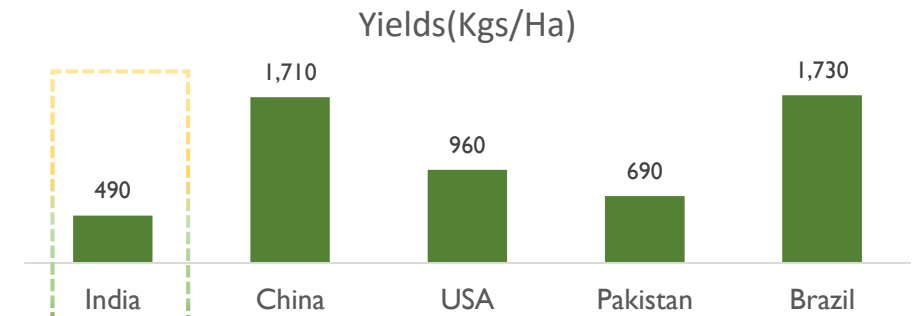
## Holistic Products to Address Problems of

Low Yields

Climate Change

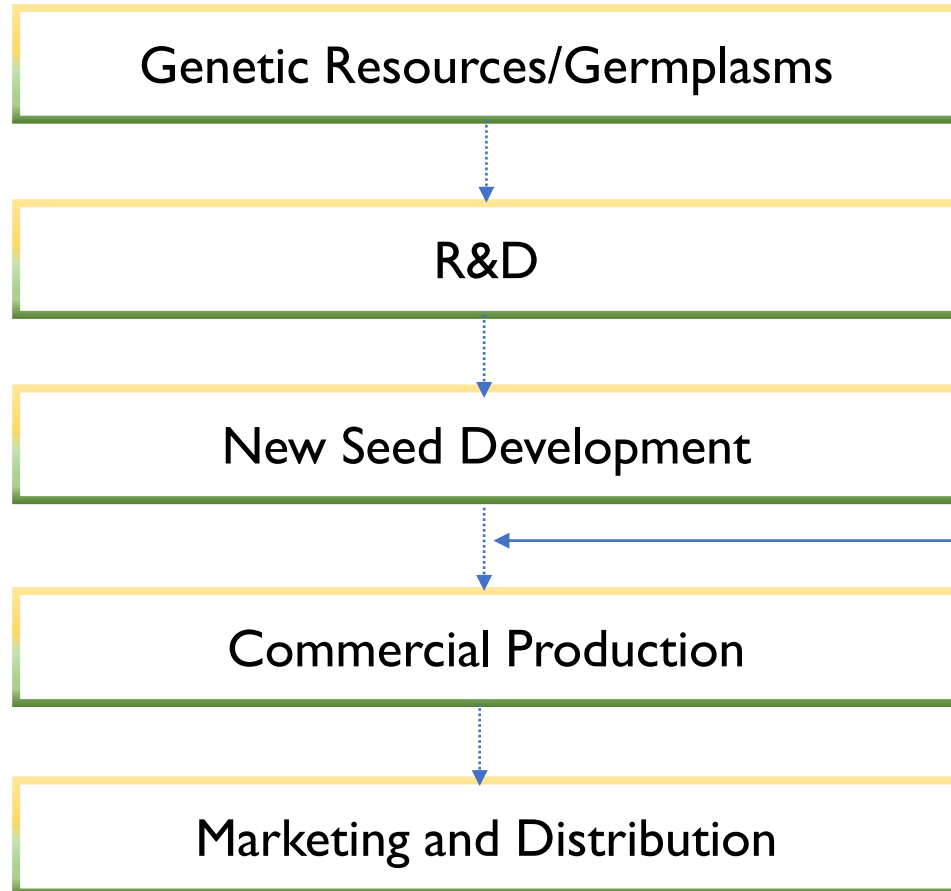
Pest Infestations

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



NATH SEEDS<sup>®</sup>

**Nath Bio-Genes (I) Ltd.**

हर बीज खरा, शक्ति भरा<sup>®</sup>

# 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**

## 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



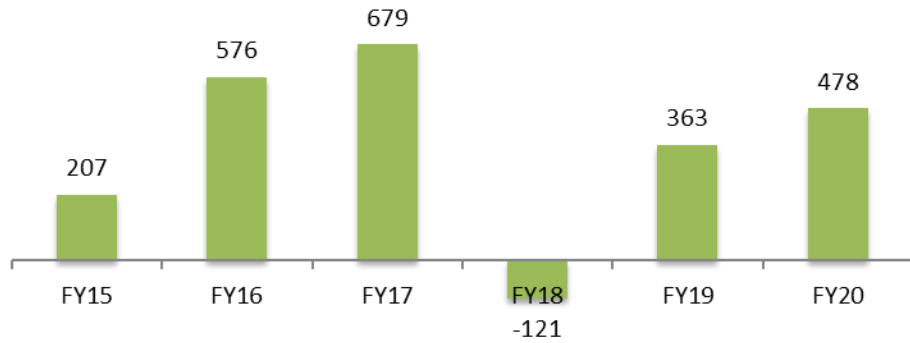
**Mr K Reddy Head –  
Supply Chain**



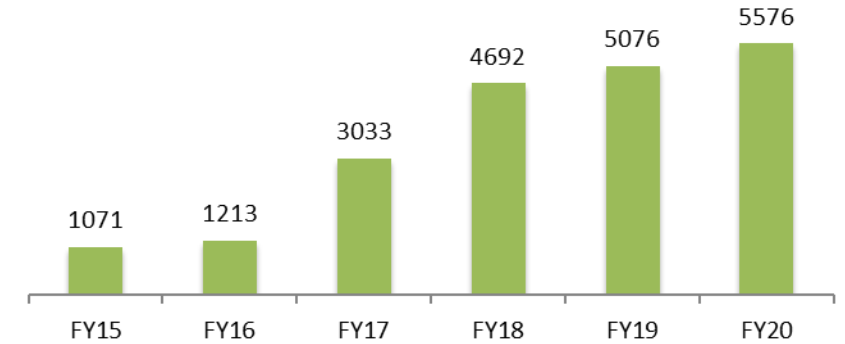
**Mr R Pandey  
Head - VEG**

# Improving Profitability; Strong Balance Sheet

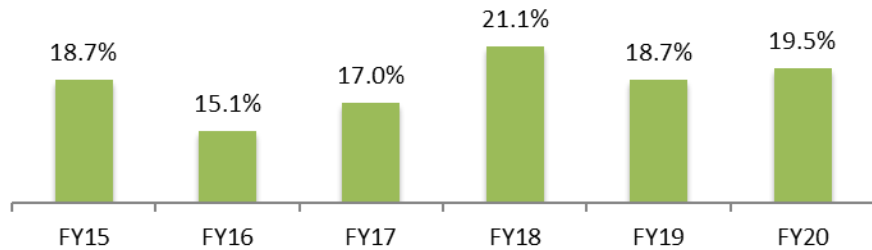
Net Debt (INR Mn)



Net Worth (INR Mn)



EBITDA Margin (%)



PAT Margin (%)





# Historical Income Statement

Nath Bio-Genes' P&L Statement			
Particulars (INR Mn)	FY20	FY19	FY18
Total Revenue	2799	2,309	1,917
<b>Gross Profit</b>	1536	1,253	1,073
<i>Gross Margin (%)</i>	54.9%	54.3%	56.0%
<b>EBITDA</b>	547	433	404
<i>EBITDA Margin (%)</i>	19.5%	18.7%	21.1%
Depreciation	14	14	10
Finance Cost	65	52	103
<b>PBT</b>	485	389	300
<b>PAT</b>	505	386	294
<i>PAT Margin (%)</i>	17.9%	16.7%	15.3%
EPS	26.6	20.3	15.5

# Historical Balance Sheet

Assets (INR Mn)	FY20	FY19	FY18	Liabilities	FY20	FY19	FY18
Fixed Assets	2,460	2,317	2,109	Share Capital	190	190	190
Financial Assets	52	52	51	Reserves & Surplus	5,386	4,885	4,502
Other Non-current Assets	15	20	11	Long-Term Borrowings	3	5	4
Inventories	2,043	1,554	1,235	Long-term Provisions	24	19	19
Trade Receivables	1,070	1,080	820	Short Term Borrowings	695	572	320
Cash & Bank Balances	220	214	447	Trade Payables	682	502	366
Loans & Advances	1,346	1,187	982	Other Current Liabilities	310	278	278
Other Current Assets	93	37	58	Short Term Provisions	10	9	29
<b>Total</b>	<b>7,299</b>	<b>6,460</b>	<b>5712</b>	<b>Total</b>	<b>7,299</b>	<b>6,460</b>	<b>5712</b>

# Thank You

---

For further information, please get in touch with:

Sheetal Khanduja

[sheetal@GoIndiaadvisors.com](mailto:sheetal@GoIndiaadvisors.com)

M:+91 97693 64166

