



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

Results at aGlance

- Net sales up by 10.11% for the quarter under review
- PAT lower by 45.14% - further impacted by provision for bad debts on Government sales in FY2020
- Total cash on books of Rs. 374 crore as on 30 September, 2021
- The Board of Directors has approved the payment of Interim Dividend @ 200% i.e., Rs.4/- per Equity Share of Rs.2/- each on the profits of the Company for the Financial Year 2021-22 on the equity share capital of the Company.' This translates to a total cash payout of Rs 23.39 cr
- Challenging environment for the seed industry particularly for Branded cotton
- Kaveri Seeds' inherent business strengths in R&D, distribution and product quality combined with a focused business strategy in Cotton and Non cotton helps Company combat these challenges

Hyderabad, November 12, 2021: The Board of Directors of Kaveri Seeds Company Limited approved the financial results for the quarter ended 30th September 2021 at its meeting held in Secunderabad on Friday, 12 November, 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 for the second quarter and half year under review which has been achieved in the face of varying adversities. While branded cotton continues to face challenges, we are happy that strong emphasis on our non-cotton portfolio is bearing fruit. In line with our endeavour to give back to our shareholders, the Board of Directors approved the payment of an interim dividend of Rs 4 on the profits of the current financial year. We will continue to leverage on our inherent strengths and understanding of the seed industry to drive growth and create value."*

Financial Overview

Consolidated Rs. lakhs	Q2FY22	Q2FY21	Growth (%)	H1FY22	H1FY21	Growth (%)
Net Sales	14,756.66	13,402.18	10.11	77,734.58	85,350.49	(8.92)
EBITDA	2156.02	2712.73	(20.52)	23627.07	33758.60	(30.01)
EBITDA Margin (%)	14.61	20.24	(27.82)	30.39	39.55	(23.15)
PAT	1283.95	2340.55	(45.14)	21757.48	31982.07	(31.97)

In October 2021, the Company also completed the buyback of 14,11,780 equity shares of face value of Rs.2/- each aggregating to an amount of Rs.12,000.13 lakhs.

Crop wise detail

Cotton:

- Volumes H1FY22 are down by about 24.62% & Revenue by 26.61%
- Gained cotton seed market share in Gujarat & Haryana markets
- Lost sales in AP, Telangana, Karnataka & MH
- Contribution of new products went down from 35.23% to 20.39% of volume
 - New products include KCH 111, Viplav & Money Maker

Non Cotton

- Non Cotton Business is Up by 11.49%
 - Revenue growth is driven by volume growth in Rice, New Products in Hybrid Rice & Sel Rice & Price increase in key lead hybrids across crops

Maize

- Maize volume has decreased by 30.64% and revenue by 19.38%.
- New Product scale up has happened significantly from 40MT to 500MT
- Contribution of new products has gone up significantly from 8.85% to 23.69%

Hybrid Rice

- Revenue Grew by 44.35% in H1FY22
- Introduction of new hybrid 7299, 471 & 473 helped towards strong growth
- Contribution of New Hybrids went up from 67.10% to 75.17%

Selection Rice

- Revenue grew by 15.60% in H1FY22
- Revenue growth has been driven largely by high price product sales as well as price correction
- Consistent performance across geographies. New products scale up on the back of growth in Chintu, 828, Sampurna & KV99
- Contribution of New products went up from 17.62% to 19.85%

Vegetables

- Vegetable sales revenue increased by 16.95%
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- **Major growth driven by Hot pepper, Gourds & Okra**
 - In Hot pepper KPH 206 & Kaveri Beauty & Kaveri Sony
 - Kaveri introduced New Hybrids like Hot Pepper :Beauty, Hanivath, KPH 206, Tomato: KTOH 1305, Jabardast, Damdar, Sakhsi, Okra: Joy, Leena
 - Coriander hybrid Parimal helped in increase in the volume
 - Vegetable hybrids got a good response in the market
 - Contribution of Vegetable New Hybrids went up from 71.59% to 99.69%

The Kaveri Approach

The macro environment continues to present several challenges. Rainfall has been adequate but erratic thus hampering productivity and making farmers wary

Cotton in particular continues to face significant challenges. Share of branded sales across the board have declined sharply on the back of increasing use of HTBT. Falling acreages in some key states have made it even more difficult

Kaveri's business strategy of increasing emphasis on non cotton is expected to combat these challenges and enable the Company continue to grow.

Share of Rice, Maize, Vegetables etc is targeted to be over 60% of revenue. For the quarter under review non cotton is up 11.49% YOY.

The Company continues to strengthen its R&D and infrastructure backbone to deliver quality and value to the farmer. Its R&D strengths have been consistently visible with new product innovations like new hybrid rice 7299, 471 & 473 and new vegetable Hybrids like Srimukhi (KPH 1223) which have delivered good growth. Maize KMH 8322 and KMH8333 have seen contribution from new products up from 40 MT last year to 500 MT in the current year

Concurrently the Company continues to explore viable organic and inorganic growth opportunities and will return excess cash to shareholders

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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