



Kaveri Seed Company Limited

Results Presentation - Q3 & 9M FY19



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. Kaveri Seed Company 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.



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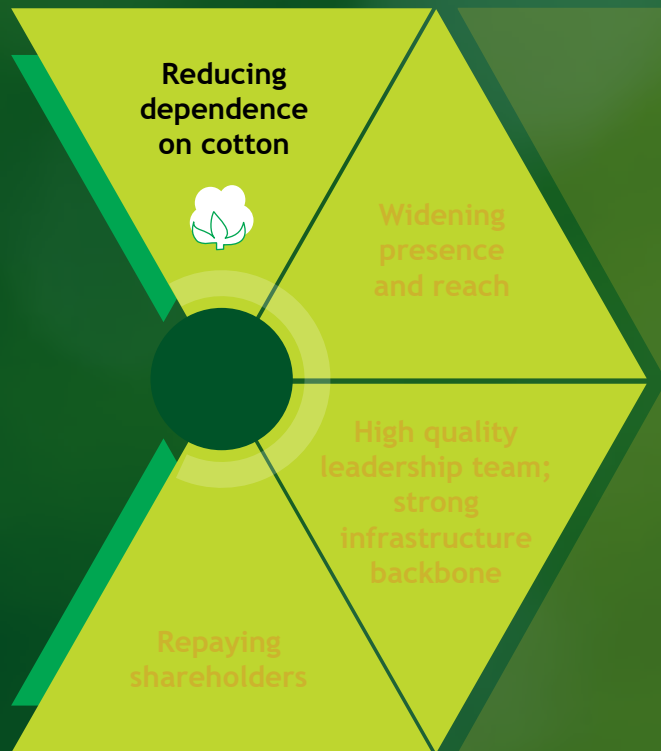
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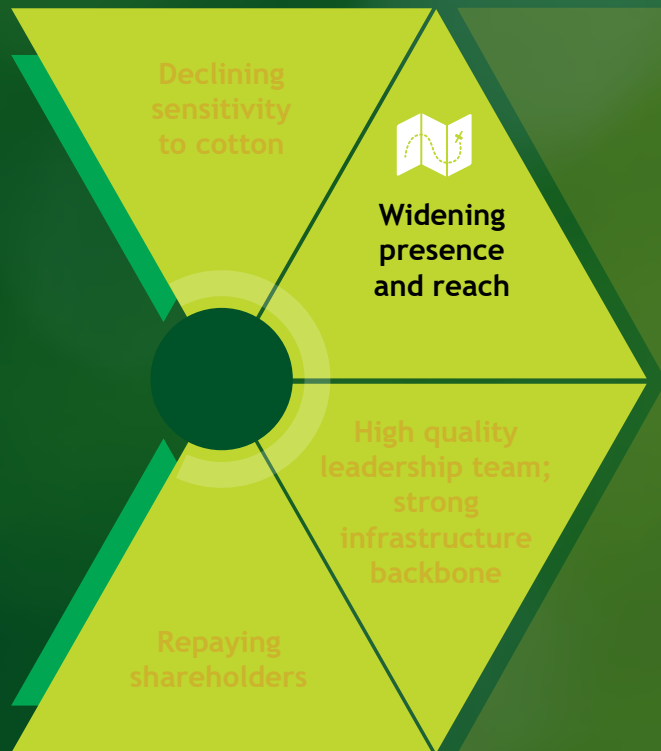


Kaveri Reinvented





- Increasing presence in non cotton crops
- Over a 3 year time frame non cotton expected to contribute ~60% of revenues
- Transition diversifies risk profile of the revenue stream
- Key non cotton crops - Rice, Maize and Vegetables enjoy superior margin profile

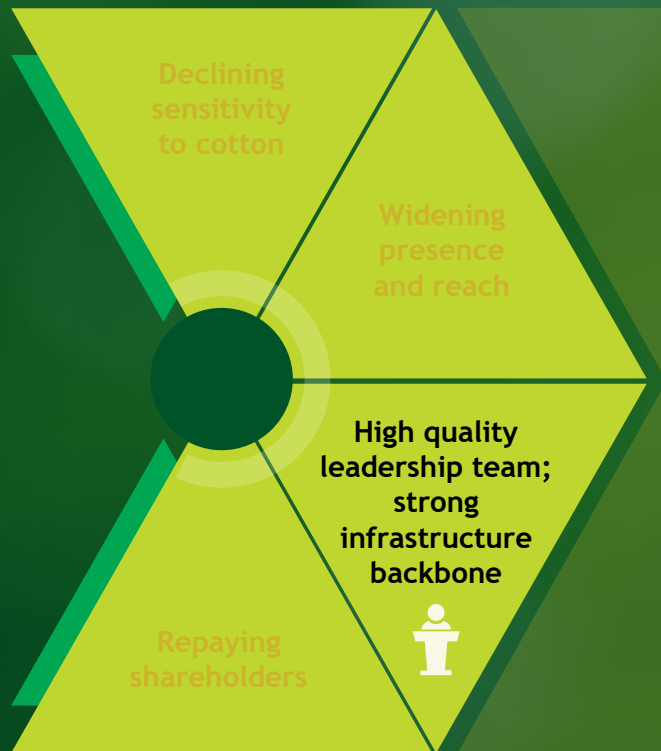


Domestic

- FY18: Established leadership in cotton in Gujarat; growing presence in Maharashtra
- Thrust on entering new markets - Punjab, Chandigarh and Rajasthan over FY19 and 20 - testing successfully completed on new region specific variants

International

- Exports expanding beyond Bangladesh
- Horizons expanding to a few more countries

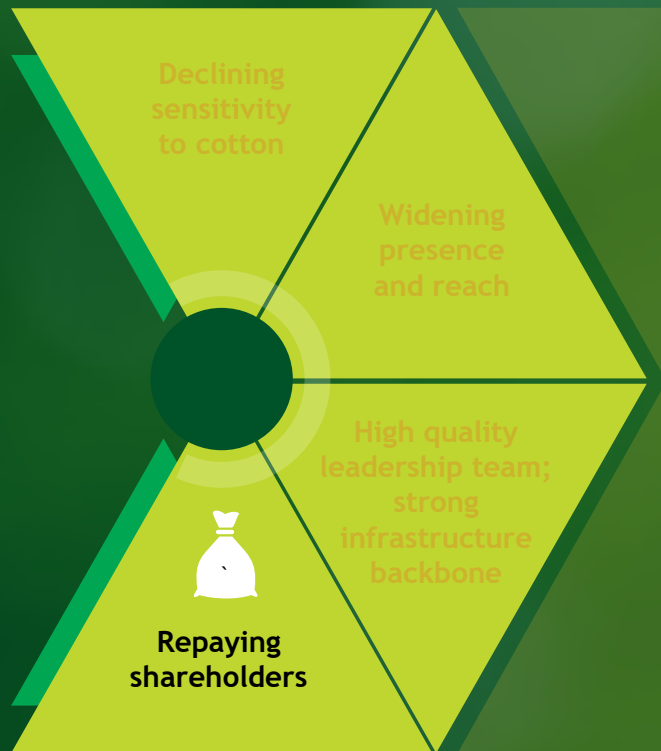


Strong leadership team in place

Most functional heads bring to the table 15+ years of industry relevant experience

Infrastructure enhancements

- More multi-locational satellite farms across country
- New maize facilities; more processing lines and capacity added



- Consistent annual free cashflow of appx. Rs 200 cr
- Total Cash on books as on December 31, 2018: Rs 389 cr
- Annual capex: ~ Rs 30-40 cr
- Focus on repaying shareholders with a large proportion of free cash
- FY17 & FY18: Over Rs 200 crore paid back to shareholders each year.



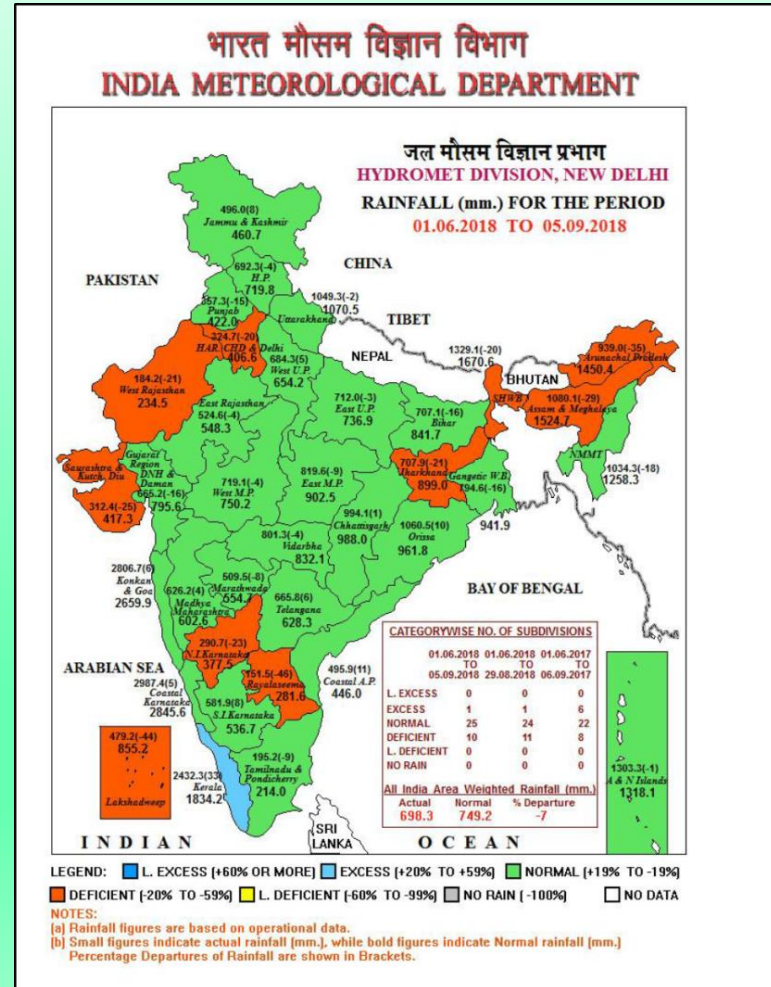
INDUSTRY BACKDROP & OUTLOOK

- Overall rainfall was delayed & deficient with wide variation resulted in lower sowing area in most crops for the same period last year
- This affected market sentiments and leading to reduced acreage and farmers down trading
- Commodity prices of cotton and maize have firmed up during the quarter
- Conversion from hybrids to fine varieties due to price advantage impacted hybrid rice market
- Attractive prices for fine rice gave boost to Selection Rice market
- Commodity prices have remained lucrative for cotton in the later part despite lower yields due to Pink Bollworm incidence
- Bajra areas severely impacted due to late and deficient rains
- Hot pepper sowing improved considerably over last year which was badly impacted due to poor commodity prices
- Crop-wise area coverage during Rabi 2018-19: As on Jan 24, 2019.

State	2018-19	2017-18	YoY Abs Change
Cotton	120.64	121.72	-1.08
Maize	14.28	15.84	-1.56
Rice	18.06	22.95	-4.89
Bajra	0.13	0.20	-0.07
Pulses	151.10	160.97	-9.87
Oilseeds	79.10	79.49	-0.39

Source: agricoop.nic.in

Industry Backdrop - All India Rainfall



Industry Backdrop - Cotton

Area coverage during Kharif 2018
as on Sep 29, 2018

Area in lakh hectare

State	2018-19	2017-18	YoY Abs Change
Andhra Pradesh	5.51	5.95	(0.44)
Telangana	17.94	18.66	(0.72)
Gujarat	27.09	26.36	0.73
Haryana	6.65	6.56	0.09
Karnataka	5.48	4.77	0.71
Madhaya Pradesh	6.97	5.99	0.98
Maharastra	41.23	42.05	(0.82)
Odisha	1.57	1.45	0.12
Punjab	2.84	3.85	(1.01)
Rajasthan	4.96	5.03	(0.07)
Tamilnadu	0.22	0.76	(0.54)
Others	0.17	0.29	(0.12)
All India	120.64	121.72	(1.08)

Source: Directorate of Cotton Development, Nagpur

- Fear of Pink Bollworm as well as delayed rainfall in some markets have impacted sales
- Sowing happened much later this year than last year in Central and South India
- Overall North Cotton market has been stable while Punjab saw a de-growth that was compensated with growth in Haryana
- Use of Illegal Herbicide Tolerance was found in all states this year despite Govt efforts to curb this problem . Largely as a result of farmers to farmers selling
- Pink Bollworm reported in early stages this year. Govt and private companies are running Campaigns to create awareness among farmers to prevent loss
- Comparing 9M Cotton acreages, although reduced over the previous year; cotton still remains the most profitable crop of the season

Industry Backdrop - Maize

Area coverage during Rabi 2018-19
as on January 24, 2019

Area in lakh hectare

State	2018-19	2017-18	YoY Abs Change
Karnataka	0.81	0.99	-0.18
Maharashtra	1.16	1.98	-0.82
Uttar Pradesh	0.16	0.18	-0.02
Telangana	0.94	1.04	-0.10
Bihar	4.58	4.66	-0.08
Gujarath	0.97	0.96	0.01
Jharkhand	0.06	0.10	-0.04
Orissa	0.13	0.14	-0.01
Chhattisgarh	0.63	0.61	0.02
Andhra Pradesh	1.18	1.91	-0.73
Arunachal Pradesh	0.10	0.10	0.00
Others	0.12	0.13	-0.01
Total	14.281	15.841	-1.56

- On the back of fear of Fall Army Worm, the sentiments for Maize have been subdued
- Overall acreage of Maize has reduced thus far this year compared to the previous year
- AP and Maharashtra are the most affected states

Industry Backdrop - Commodity Prices Cotton

State	Febraury, 2019	Febraury, 2018	YOY % Change	January, 2019	MOM % Change
Andhra Pradesh		4425.4	—	5432.07	—
Gujarat	5275.68	4808	9.73	5230.76	0.86
Haryana	5383.47	5149.95	4.53	5468.89	-1.56
Karnataka	5391.36	4765.71	13.13	5528.3	-2.48
Madhya Pradesh	5319.93	4909.1	8.37	5439.64	-2.2
Maharashtra	5413.88	4729.92	14.46	5445.55	-0.58
Odisha	5403.97	4568.08	18.3	5347.85	1.05
Punjab	5258.24	5312.48	-1.02	5451.08	-3.54
Rajasthan	5496.07	5121.59	7.31	5496.94	-0.02
Tamil Nadu	5412.45	4996.64	8.32	5249.98	3.09
Telangana	5339.24	4522.39	18.06	5313.5	0.48
Uttar Pradesh		4501.21	—	4899.76	—
Average	5369.43	4817.54		5358.69	

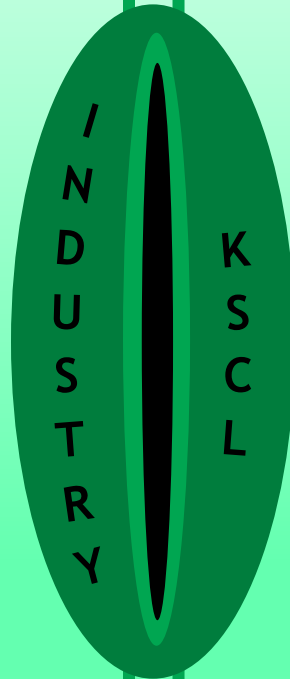
Source: AGMARKNET

Industry Backdrop - Commodity Prices Maize

State	Febraury, 2019	Febraury, 2018	YOY % Change	January, 2019	MOM % Change
Andhra Pradesh	1681.7	1145.94	46.75	1617.91	3.94
Assam	1657.14	1159.07	42.97	1619.94	2.3
Chattisgarh	1735.71	1100.25	57.76	1544.38	12.39
Gujarat	1946.02	1304.71	49.15	1803.27	7.92
Jharkhand	1745.1	1644.08	6.14	1701.93	2.54
Karnataka	1827.92	1185.75	54.16	1705.74	7.16
Madhya Pradesh	1785.94	1096.54	62.87	1602.92	11.42
Maharashtra	1829.65	1125.22	62.6	1731.25	5.68
Odisha	1453.98	1208.78	20.28	1464.04	-0.69
Rajasthan	1975.16	1307.59	51.05	1734.66	13.86
Tamil Nadu	1893.78	1254.32	50.98	1789.24	5.84
Telangana	1662.73	1428.15	16.43	1699.26	-2.15
Uttar Pradesh	1785.22	1242.23	43.71	1671.11	6.83
Average	1767.7	1400.08		1768.31	

Source: AGMARKNET

- Overall cotton market down by 3-4% and is impacted by delay in rainfall & fear of pink bollworm.
- Rabi maize acreage has seen a drop during the quarter and is likely to maintain this trend
- Hybrid Rice outlook is positive due to good performance of Hybrids. Selection Rice prospects also positive due to better commodity prices. Selection rice market saw a positive trend due to improved SRR consistently



- Cotton prices seen to improve
- Maize prices are also seen to be better for the crops
- New products to see robust growth especially in cotton, maize and rice
- Strong growth expected for Money Maker across markets, KCH 111, KCH 36
- In Maize sturdy growth expected in Drona, Profit, KMH 3712, KMH 463 and KMH 3089
- Rice growth driven by KPH 468 and KPH 475
- Strong Vegetable growth driven by new hybrids across Hot Pepper, Okra, Tomato, Sweet corn and Gourds



QUARTERLY PERFORMANCE

Q3 & 9MFY19 Performance Review



Rs. lakhs	Q3FY19	Q3FY18	Growth (%)	9MFY19	9MFY18	Growth (%)
Net Sales	6,718.30	7,063.93	(4.89)	72,426.72	73,079.84	(0.89)
Cost of Production	3,914.53	3,976.55	(1.56)	38,739.95	37,161.15	4.25
Gross Profit	2,803.77	3,087.38	(9.19)	33,686.77	35,918.69	(6.21)
<i>Gross Margin (%)</i>	<i>41.73</i>	<i>43.71</i>	<i>(4.51)</i>	<i>46.51</i>	<i>49.15</i>	<i>(5.37)</i>
Employee cost	1,160.92	967.31	20.02	3,335.79	3,316.01	0.60
Other Expenses	1,631.00	1,146.88	42.21	9,201.24	9,467.94	(2.82)
Other income	1,059.93	162.24	553.31	4,049.49	2,231.29	81.49
EBITDA	1,071.78	1,135.43	(5.61)	25,199.23	25,366.03	(0.66)
<i>EBITDA Margin (%)</i>	<i>15.95</i>	<i>16.07</i>	<i>(0.75)</i>	<i>34.79</i>	<i>34.71</i>	<i>0.24</i>
Depreciation	526.05	574.81	(8.48)	1,530.87	1,810.87	(15.46)
Finance Cost	5.25	4.57	14.88	9.19	35.25	(73.93)
PBT	540.48	556.05	(2.80)	23,659.17	23,519.91	0.59
PAT	364.88	543.43	(32.86)	22,616.83	22,871.73	(1.11)
<i>PAT Margin (%)</i>	<i>5.43</i>	<i>7.69</i>	<i>(29.40)</i>	<i>31.23</i>	<i>31.30</i>	<i>(0.22)</i>

Cash investments as on 31 December 2018

Rs.in Lakhs

All figures based on cost

Fund House	Liquid	Liquid Plus	FMP	Medium Term	Short Term	Total
ASK				2,991		2,991
BIRLA		10	2,100	1,220		3,330
FRANKLIN			500			500
HDFC			4,905	3,800		8,705
ICICI			2,991	3,703	450	7,144
IDFC		59		316		375
IIFL				2,705		2,705
KOTAK		4,000	500			4,500
RELIANCE	400	259	600	5,300		6,559
UTI			648			648
Total	400	4,328	12,244	20,035		37,457

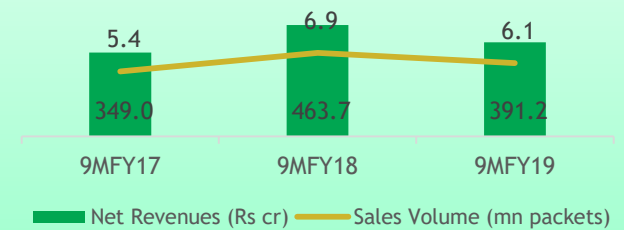
Total cash on books of Rs. 389 crore as on 31 December, 2018

9M FY19 Operational Highlights

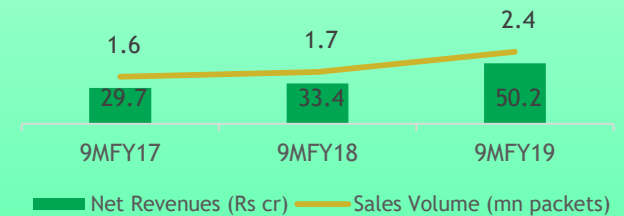
- Cotton Kaveri volumes decreased by about 12% in 9M FY19
 - Gained cotton seed market share in Gujarat, Maharashtra & Northern Markets
 - Contribution of new product went up from 8% to 15% of volume
- Maize volumes decreased of 3% in 9M FY19
 - Market declined in key Kaveri states of Telangana , Maharashtra & North Eastern markets
 - Government business volumes doubled compared to last year
- Hybrid Rice volumes increased by 39% in 9M FY19
 - Introduction of new hybrid 468 helped > 200% growth
 - Govt Business doubled in Hybrid rice in FY19
 - Contribution of new product went up from 29% to 36% of volume
- Selection Rice volumes grew by 48% in 9M FY19
 - Contribution of new products went up from 11% to 19%
- Bajra Sales declined over last year
- Non cotton business has grown significantly by about 18% driven by volume growth in new hybrids and also price appreciation in key products

- Money Maker Scale up across market this year . 2 new Cotton hybrids under demonstrations with farmers. Performance of Money Maker appreciated by farmers across markets
- In maize, new hybrid Drona scale up done across market with good growth.. 2 new hybrids in maize launched in Kharif
- Spread of new products done across markets in Bajra in Kharif
- In hybrid rice, new hybrid scale up with tremendous growth across markets with more than 2X growth in 468 & 475
- In selection rice, consistent performance across geographies. New products scale up done with tremendous growth in Coastal King , Elito & Shireen across markets

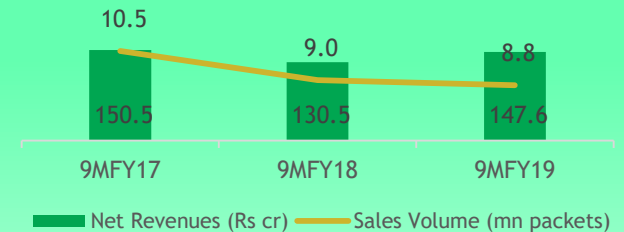
Cotton seed revenue & volumes



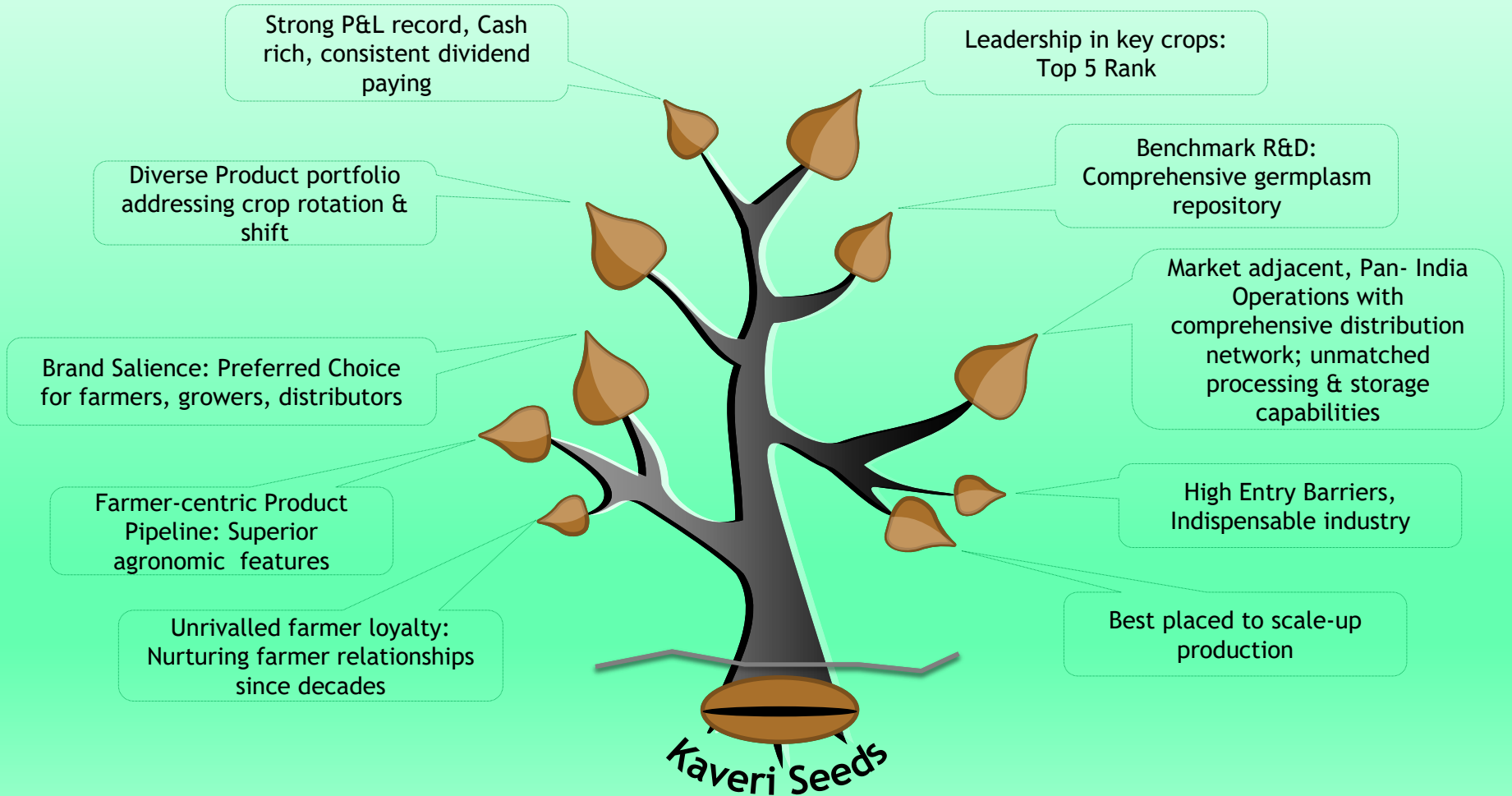
Hybrid Rice seed revenue & volumes



Maize seed revenue & volumes



The Kaveri Moat: Seeding Profitable Growth



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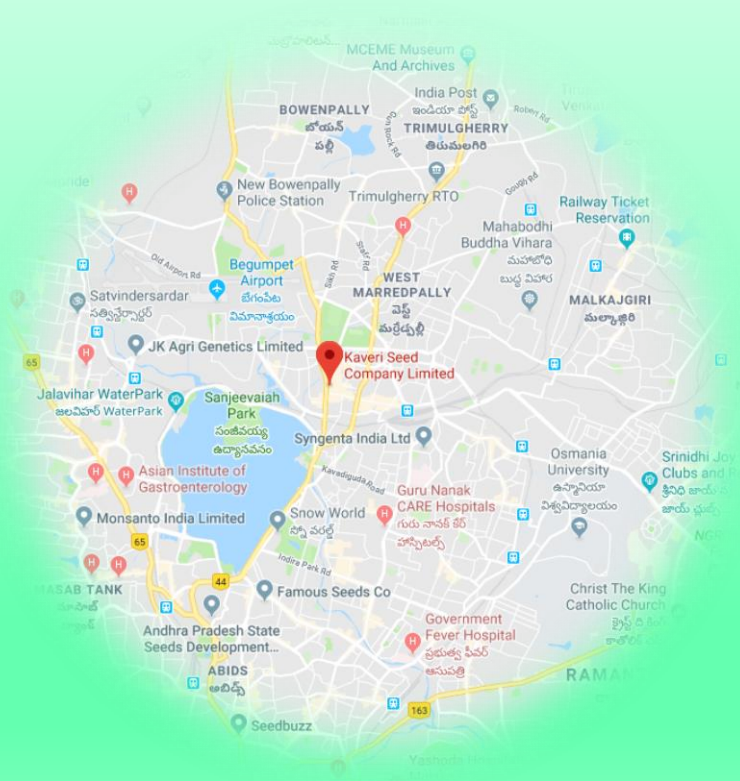
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THANK YOU