



NATH SEEDS®

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

(CIN L01110MH1993PLC072842)

13<sup>th</sup> August 2022

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 30<sup>th</sup> June 2022.

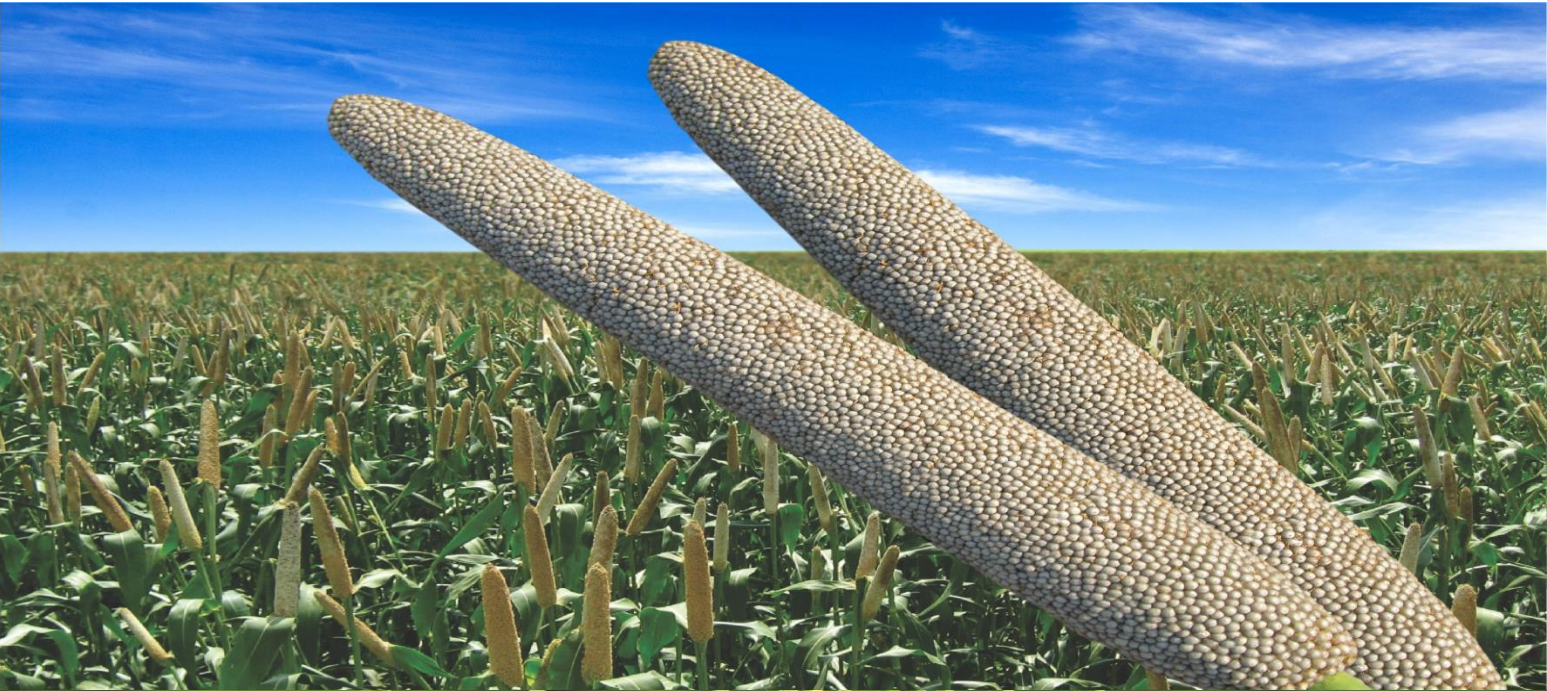
This is for your information and record purpose

Thanking You

For Nath Bio-Genes (India) Limited

  
Authorised Signatory





# Q1FY23

## Investor Presentation





# Safe Harbour

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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

## Q1FY23 Season Update

Cotton packets sold 10.15 Lacs  
Non-Cotton; Non-Paddy Field Crop  
grew 10%

## New Products Developments/Launches

Kharif Season in progress  
Field Crop, Vegetable sales lined up  
New products launched in Cotton,  
Paddy and Vegetables

## Working Capital

Positive Operational Cash Flow in Q1  
Working capital cycle improved  
Inventory level decreased; Debtors  
decreased

# Key Operating and Financial Highlights

## Operating Performance

- Non - cotton, non - paddy portfolio contribution at 31% to revenues
- Cotton and Paddy portfolio contribution at 69% to revenues
- Cotton and Paddy sales down YoY due to delayed and lower than anticipated monsoon in some parts of the country

## Financial Performance

- Revenue flat at Rs 2,093mn in Q1; due to decline in cotton and paddy sales
- Gross margin improved to 51% in Q1FY23 v/s 48% in Q1FY22
- EBITDA margin at 17% in the quarter; down YoY due to increased sales and promotional expenses during the quarter
- PAT at Rs 308mn down 31% YoY a result of decreased EBITDA

# Managing Headwinds

## 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 80-82 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)	Q1FY23	Q1FY22	% Change (YoY)	Q4FY22	FY22
Total Revenue	2,093	2,146	-3	272	2,783
<b>Gross Profit</b>	<b>1,059</b>	<b>1,028</b>	<b>3</b>	<b>197</b>	<b>1,544</b>
<i>Gross Margin (%)</i>	50.6	47.9	270bps	72.0	55.5
<b>EBITDA</b>	<b>345</b>	<b>481</b>	<b>-28</b>	<b>-212</b>	<b>373</b>
<i>EBITDA Margin (%)</i>	16.5	22.4	-590bps	78.0	13.4
Depreciation	7	7	-	11	31
Finance Cost	29	27	7	25	106
Exceptional Item	-	-	-	-889	-889
<b>PBT</b>	<b>310</b>	<b>452</b>	<b>31</b>	<b>-240</b>	<b>-634</b>
<i>Tax Rate (%)</i>	0.5%	0.6%	-	-	-
<b>PAT</b>	<b>308</b>	<b>449</b>	<b>31</b>	<b>-1163</b>	<b>-673</b>
<b>Adjusted PAT</b>	<b>308</b>	<b>449</b>	<b>31</b>	<b>-275</b>	<b>215</b>
<b>EPS (Rs)</b>	<b>16.1</b>	<b>23.6</b>	<b>31</b>	<b>-</b>	<b>-</b>

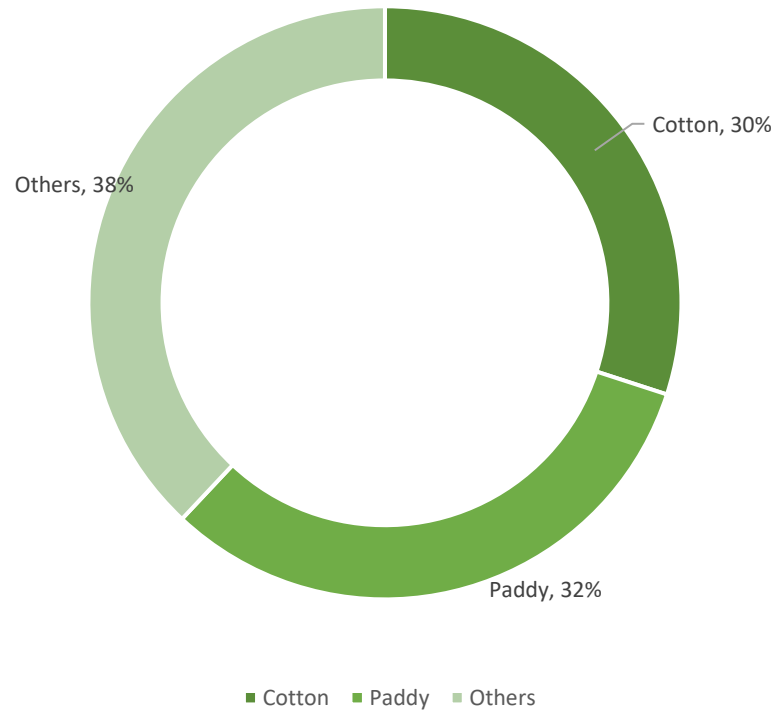
# Segment wise Operating Performance

Products	Metric	Q1FY23	Q1FY22	YOY Growth	FY22
Cotton	Packets in lakhs	10.15	13.64	-26%	11.90
Paddy	Quintals	47,081	55,107	-15%	59,176
Other Crops (Bajra, Maize)	Quintals	16,836	17,461	-4%	29,963

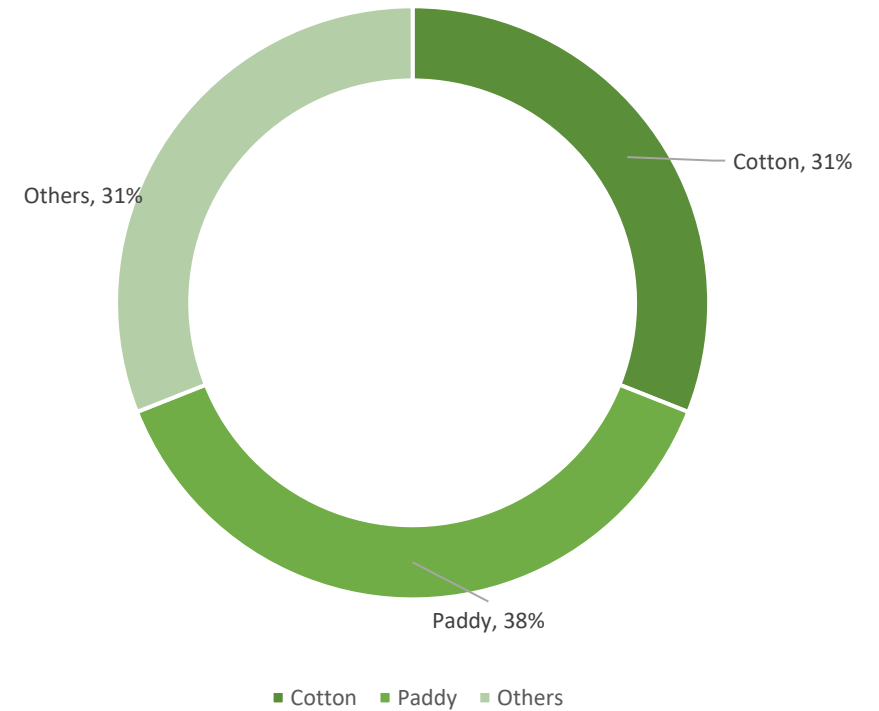


# Segmental Revenue Contribution

Q1FY22 Revenue  
INR 2,146Mn



Q1FY23 Revenue  
INR 2,093 Mn



# Highly Ranked Cotton Products – Gaining Market Share

- Volume growth of 5-10% projected for FY23
- Special Campaign being undertaken to educate farmers

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

**10**

Cotton Products launched in last 5 years

**8-12**

Products in Pipeline

# Paddy: Strong Outlook

- **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

# Growing Vegetable Portfolio

- **Volume growth of 25-30% projected in FY23**
- **High Margin segment : 80%+ margins**
- New products being launched
- Vegetable vertical achieving results



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%

**3 YEAR OUTLOOK:  
30% + Growth**

**30+**  
Vegetable Products launched in last 5 years

**20+**  
Products in Pipeline



# Win Chi Win : Major Growth Booster

- **Volume growth of 25+% projected in FY23**
- **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]

**45%**

Revenue Growth

**2.3x**

EBITDA Growth till FY21

**3.45x**

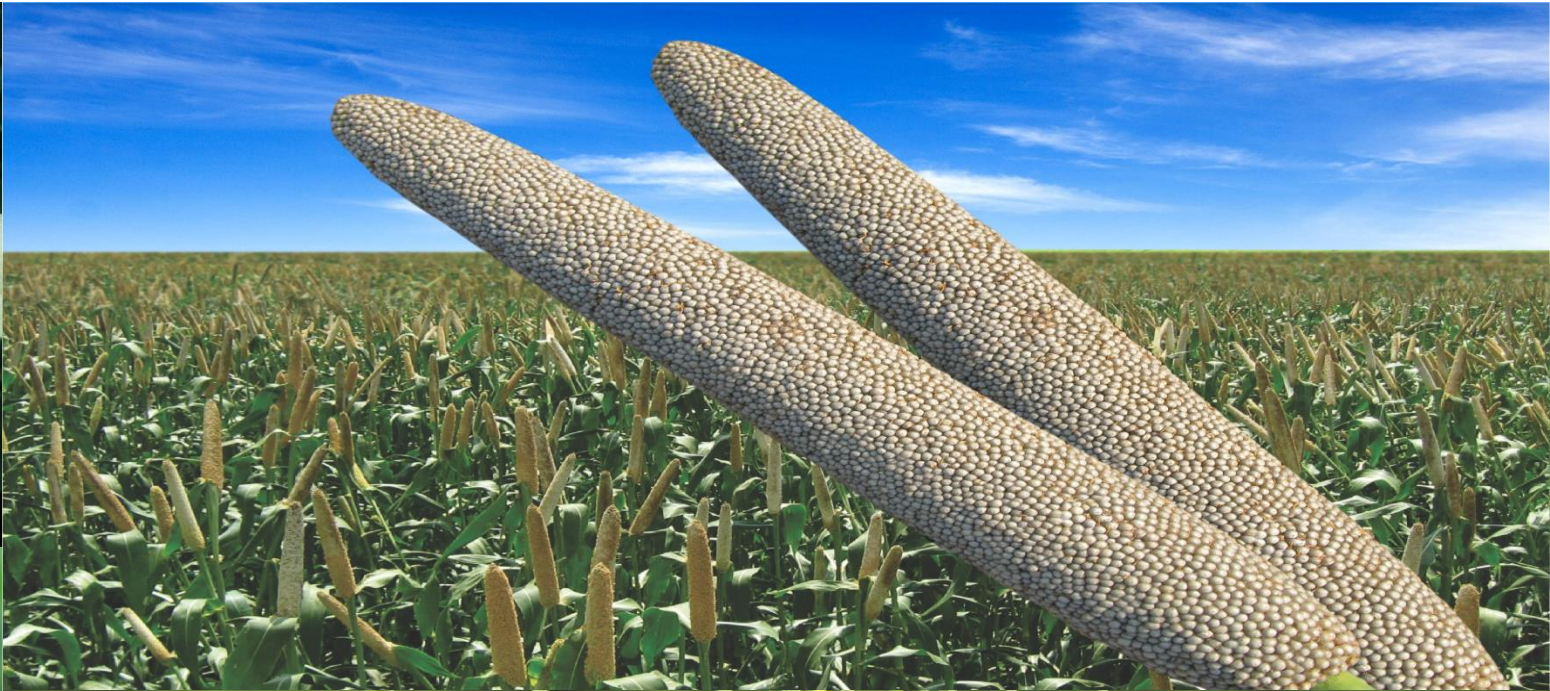
PAT Growth till FY21

PBT before exceptional items at  
Rs 254mn

# 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





# Corporate Overview





# 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

# 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

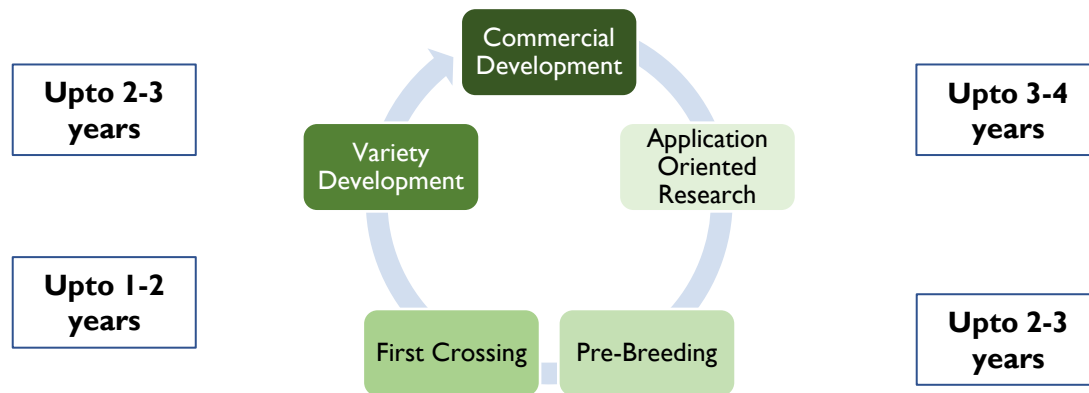
**20+**  
Senior Level Hiring in Last 3 Years



# 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



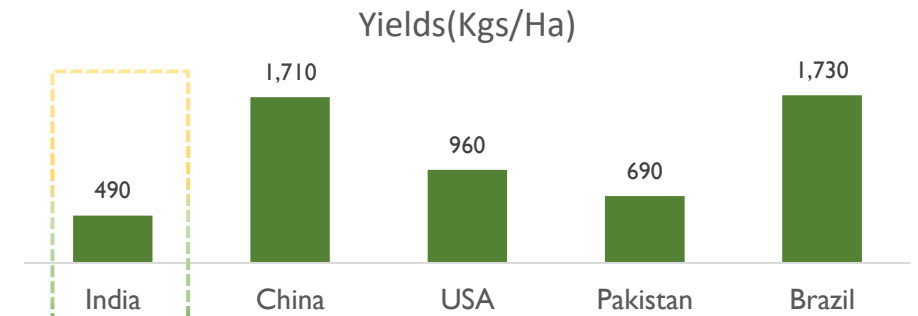
## Holistic Products to Address Problems of

Low Yields

Climate Change

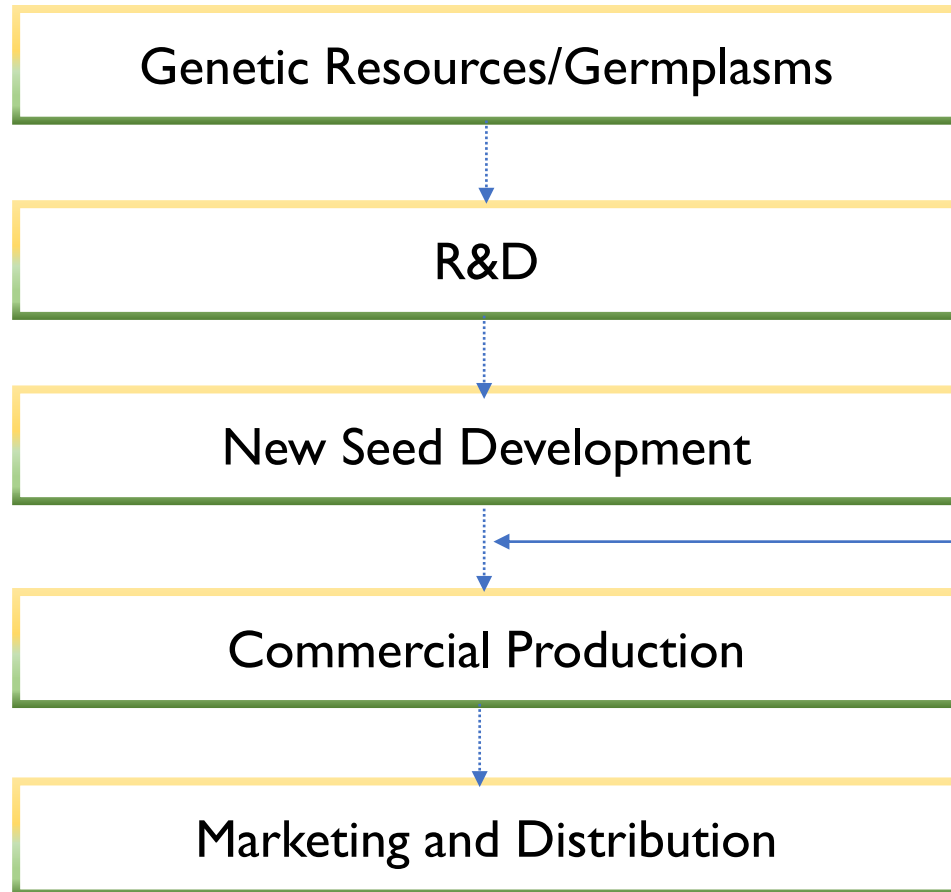
Pest Infestations

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

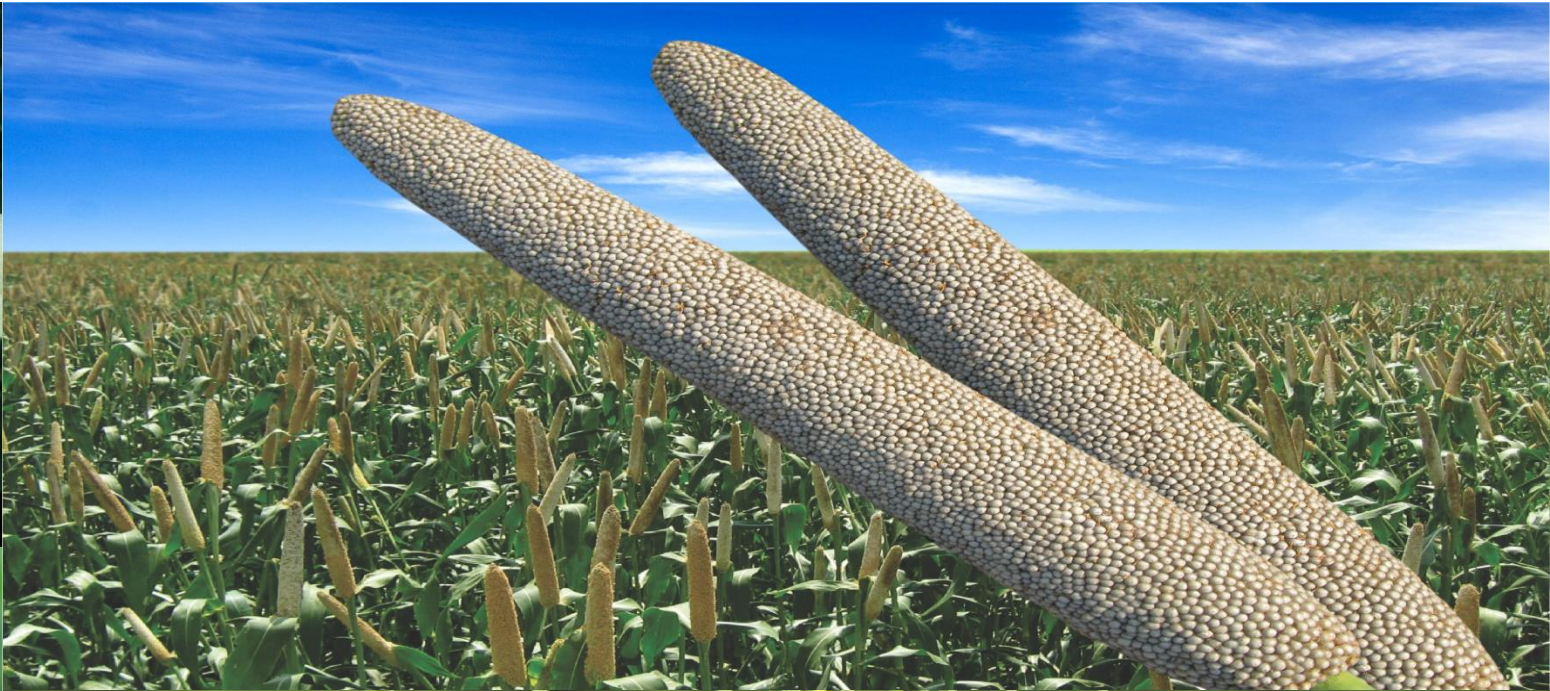
**18,000+**  
Germplasm Library

**100+ years**  
R&D Team experience

**36**  
Seed varieties launched in last 3 years

**50,000**  
Contract Farmers





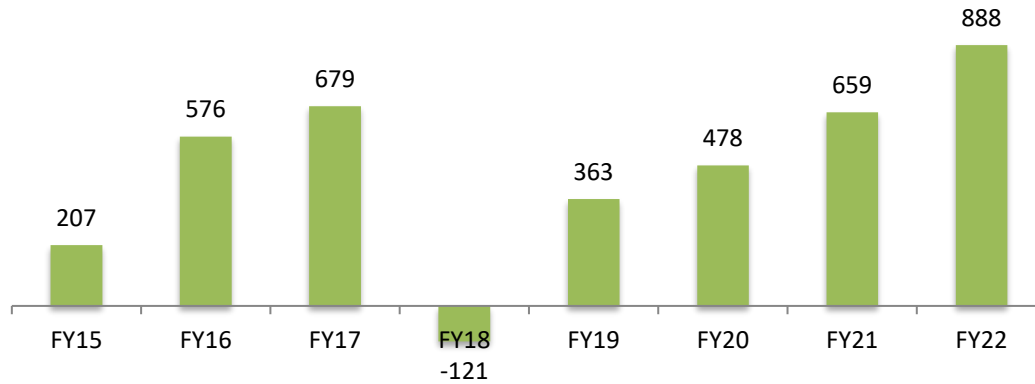
# Appendix



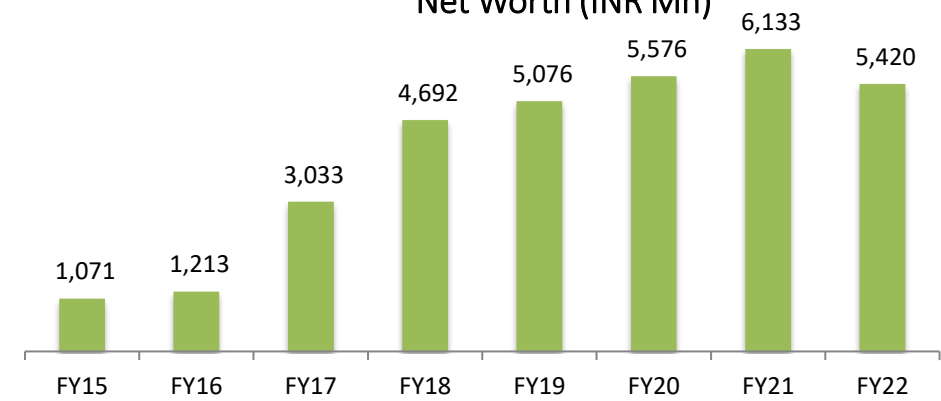


# Maintaining Profitability; Strong Balance Sheet

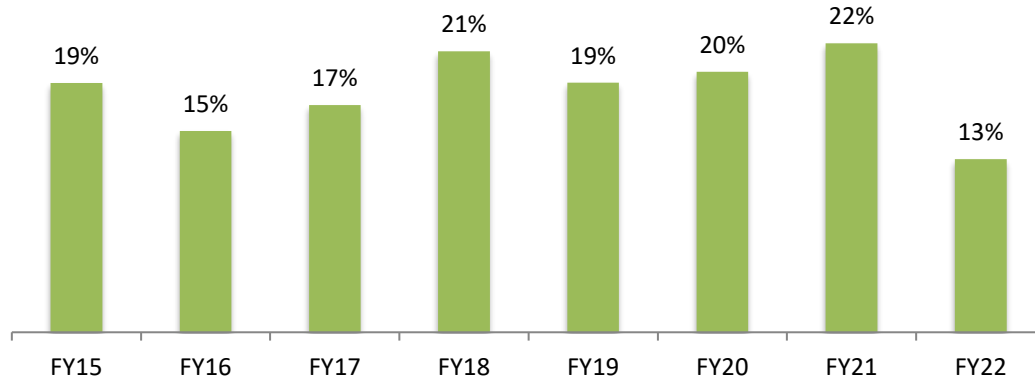
Net Debt (INR Mn)



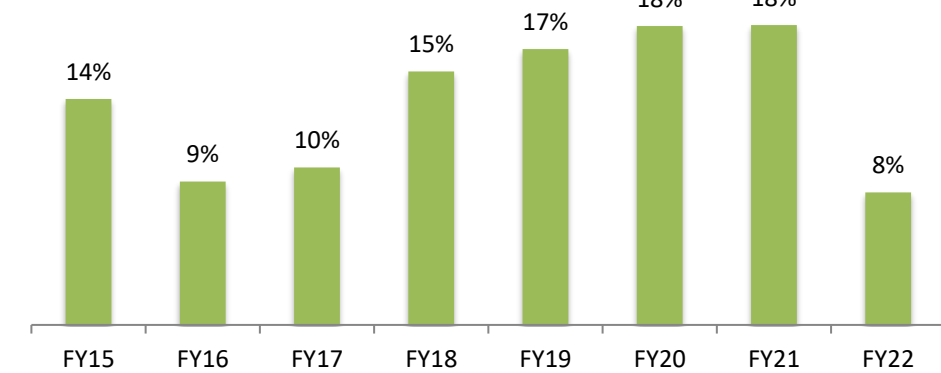
Net Worth (INR Mn)



EBITDA Margin (%)



PAT Margin (%)



\* PAT margin calculated on adjusted PAT

# 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**



**Mr K Reddy Head  
- Supply Chain**



# Historical Income Statement

Nath Bio-Genes' P&L Statement			
Particulars (INR Mn)	FY22	FY21	FY20
Total Revenue	2,783	3076	2799
<b>Gross Profit</b>	1,544	1715	1536
<i>Gross Margin (%)</i>	56%	56%	55%
<b>EBITDA</b>	373	667	547
<i>EBITDA Margin (%)</i>	13%	22%	20%
Depreciation	31	28	14
Finance Cost	106	88	65
<b>PBT (before exceptional)</b>	254	568	485
<b>Adjusted PAT</b>	215	557	505
<i>PAT Margin (%)</i>	9%	18%	18%
EPS	11.3	29.3	26.3

# Historical Balance Sheet

Assets (INR Mn)FY	FY22	FY21	FY20	Liabilities	FY22	FY21	FY20
Fixed Assets	2,449	2,469	2,460	Share Capital	190	190	190
Financial Assets	51	53	52	Reserves & Surplus	5,230	5,943	5,386
Other Non-current Assets	218	134	15	Long-Term Borrowings	7	7	3
Inventories	2,203	2,263	2,043	Long-term Provisions	26	26	24
Trade Receivables	879	1,094	1,070	Short Term Borrowings	923	944	695
Cash & Bank Balances	42	292	220	Trade Payables	551	452	682
Loans & Advances	1,502	1,554	1,346	Other Current Liabilities	482	328	310
Other Current Assets	76	36	93	Short Term Provisions	11	5	10
<b>Total</b>	<b>7,419</b>	<b>7,895</b>	<b>7,299</b>	<b>Total</b>	<b>7,419</b>	<b>7,895</b>	<b>7,299</b>

# Thank You

CIN\_NBIL\_L01110MH1993PLC072842

For further information, please get in touch with:

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