



**NAANDANJAIN**

A **JAIN IRRIGATION** COMPANY

July 2022

CFO-Forum

מפגש מהלכים כלכליים  
אסטרטגיים

Nir Vaiman

Liquidity crisis - mission  
impossible ??





1	A glance about myself	2
2	NDJ at a glance	4
3	Late 2019 - Environment & Business Overview	6
4	Planning Vs Strategy *	7
5	Key steps in setting the path to exist liquidity crisis	9
6	Achievements - some	10



# NAANDANJAIN – A snapshot



**1937**

Founded as Kibutz Naan irrigation company



**2012** Jain  
Acquires NDJ



**15+**

# of Product families



**~US\$170m**



**XX EBITDA**



**1k+**

# of Project Agriculture installations



**600+**

Associates



**120+**

Countries reached



**90+**

Patents



**7**

Manufacturing plants



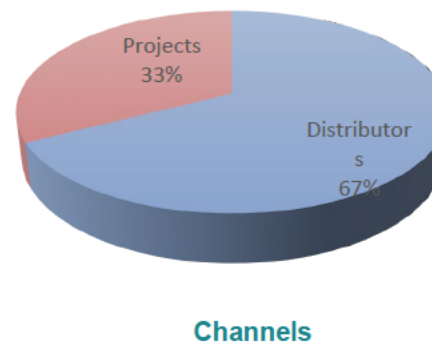
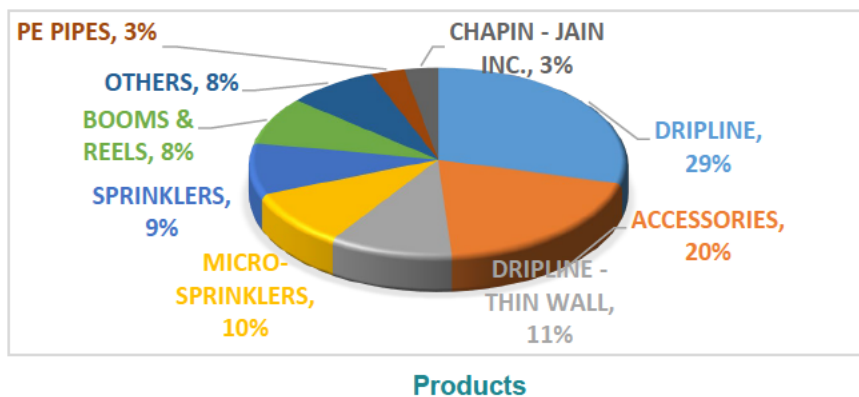
**2k+**

Dealers and distributors globally

**Over 84 years of pioneered irrigation experience and technology leadership**



**Business mix by products and channels (FY22)**



# Global multinational footprint with local presence across all key geographies (FY21)



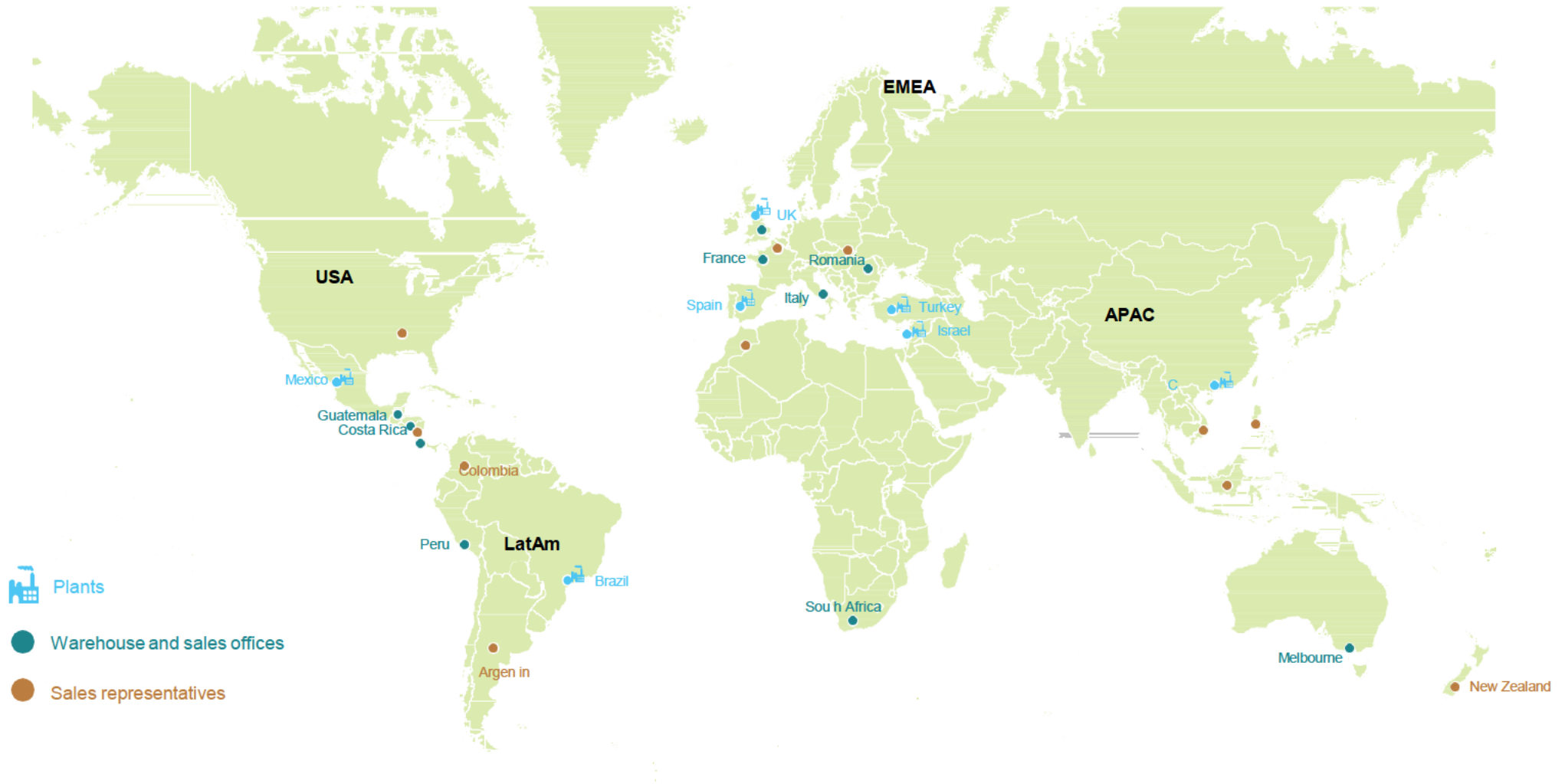
7 production Plants



14 Subsidiaries



2,000+ Dealers / Distributors



Note: Map not to scale  
Revenue numbers by end market



### “ When the sky are falling every one run to the CFO” Nir Vaiman



In late 2019 the liquidity crisis become visible to all



- NDJ run out of cash



“DD” defaults with the main Banks



- NDJ defaulted both covenants and a loan repayments



Credit Insurance and credit terms



- Credit insurance companies reduced the credits insurance coverage to NDJ across some geographics, suppliers reduced credit terms ... with almost 0.5B of Debts and loans under pressure



Employees



- Low employee engagement, low morals
- “Kibutz social economy” intense the negative approach



“DD” also to holding group in India and Europe



- ON Oct 2019 Jain defaulted, in India, with their bank loan. on Feb 2020 Jain default with \$200m Copen in Europe,



Other



- Covid Outbreak, Tax audit, roamers about selling...



# Planning Vs Strategy \*

## Strategy

- Strategy is an integrative set of choices that position you on your playing field of your choice in a way that you win
- This is a theory that explain why and how will you be better serving your customer
  - Coherent
  - Double
  - Be translated to action
- Usually, the customers are external , you don't really control them, they decide not you
- Much harder since you need --- believe



## Planning

- Planning does not have to be Coherent
- Typically, those are list of actions without a specification how collectively to meet the goal
- Deal usually with the resource you spend
- Deal usually with the cost side of the business
- The customer of the cost is usually – You
- Much easier to create believe



\* Harvard Business review



## Key steps in setting the path to exist the liquidity situations

\$10M

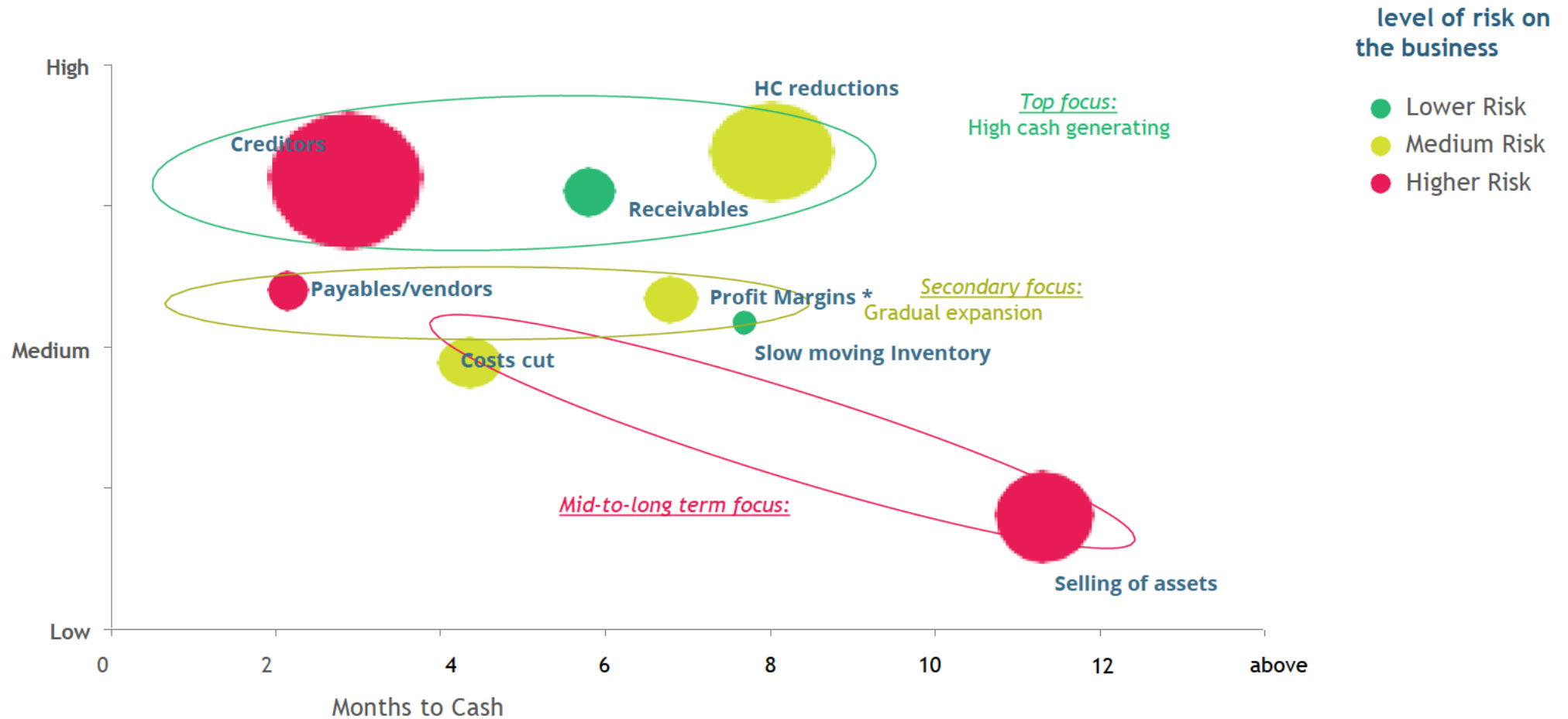


- The first question: whether problems are temporary or permanent, or, in other words, whether The company is illiquid or insolvent.
- Develop a financial modeling exercise involves projecting a slowdown in cash receipts while demands on cash resources increase;
- Define an Operating Model to set the organization for success
- Understanding who are your stakeholders: employees, customers, vendors, landlords ,lenders and even owners and manager within the company .
- Rebuild Multi dimensional Trust in the organization and with the stakeholders
- Take action.....



# Ability to generate cash

## Top priority drive cash



\* Both cost and price



## Some achievements

“Only us can pull ourself out from the hole ” Nir Vaiman

### Financial attractiveness and risk



#### Banks, Investors

- Stopping liquidation appetite
- Establish a new relationship despite the lost of trust.
- Showing accountability by providing detailed forecast and operational downsize plan.
- Getting waivers to maintain the ongoing activity and later getting new covenants.
- strengthen equity and securing new equity injection



#### Suppliers .....!!

- Defining hierarchy with dealing with suppliers.
- Leading Negotiations, some successful, with key suppliers in order to get additional credit and to avoid court appealing's
- Very close relationship with all insurance companies, sharing information to avoid reducing the insurance coverage to zero



#### Fucus the company on cash and cash generation

- Centralize all the cash pressure in Israel.
- Defining tough cash priorities across the companies ( Banks , salary, production line, material suppliers and service suppliers)
- Establish an operational cash flow reviews across subsidiaries.
- Improve BS, P&L and cash flow link with a fucus on working capital.

### Strategic fit



#### Focusing the company on high margin products

- Improving the efficiency in operations by small Capex investments.
- Stopping low margin sales, drive margins instead of revenue focusing on home products.

### Other



#### Other

- Successfully leading the second negotiations with the union.
- Successfully finalizing the Tax audits at 25% from the original demand.
- Never received a full going concern comments
- About 15% reduction in WW workforce , mainly in Israel
- Improving the reporting both by quality and speed with less resource

## Some achievements



NDJ has the best EBIDTA for last 10 years



NDJ EV value jumped by more then 200% despite sales reduction !!



Next quarter the company is expected to move out from “special credit” situation



NDJ has paid all the overdue debts to 3<sup>rd</sup> party and secured most of its future pension obligation to the Israeli employees



High Employees morals ( \*\*before the sales)







**LEAVE THE WORLD BETTER  
THAN YOU FOUND IT**

**NAANDANJAIN**

A JAIN IRRIGATION COMPANY



# Business issues can quickly become a liquidity crisis without a tight liquidity management

May 2018  
"Kassandra Curse"

