

Heritage Foods Limited

Investor Presentation – FY17



The release contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realized. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Therefore the investors are requested to make their own independent assessments and judgments by considering all relevant factors before making any investment decision. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events.

Vision, Mission, & Core Values



Core Values of Heritage Foods

Values for S.U.C.C.E.S.S.

- S** Speed and Agility
- U** Uphold Integrity
- C** Customer Delight
- C** Collaboration with Leadership Excellence
- E** Empowering Society & Employees
- S** Supremacy Through Innovation
- S** Sustainability

Vision for Heritage Foods Limited

Delighting Every Home with Fresh and Healthy Products
And
Empowering The Farmer

Mission for Heritage Foods Limited



To be a nationally recognized brand for healthy and fresh products with a revenue of INR 6000 Crore by 2022

We anticipate, understand and respond to our customers' needs by creating high quality products and making them available through innovative and convenient channels.

We embrace the right technology to delight our customers.

We are a strong supporter of balancing economic, social and environmental aspects to create a better tomorrow. We are devoted to empowering the farming community through our unique "Relationship Farming" Model.

We aim to be the employer of choice by nurturing entrepreneurship, promoting empowerment alongside transparent and open communication.

- ✓ Change in Logo of the Company.
- ✓ Acquired Dairy Business of Reliance Retail Ltd.
- ✓ Demerged Retail Undertaking to Future Retail.
- ✓ Crossed Rs 1,800 crore revenue mark in Dairy vertical in FY17.
- ✓ Value Added Products, which enjoy 2X EBITDA margins as against Liquid Milk, notched 23.47% of Dairy revenue.
- ✓ Commissioned 1st Cattle Feed Plant with a capacity of 200 tons per day.
- ✓ Commissioned 2nd 2.1 MW Wind Power Plant.
- ✓ Bags a prominent award in Corporate Governance; won National Energy Conservation Award; CFO conferred CIMA award (100 Most Influential CFOs in India) and Dairy division CIO won The 100 most innovative CIO by The World CSR Day award.

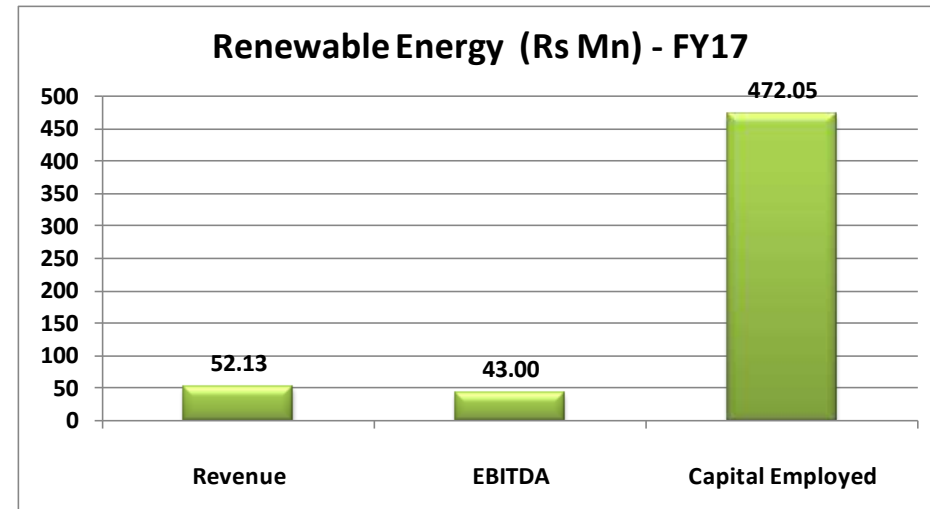
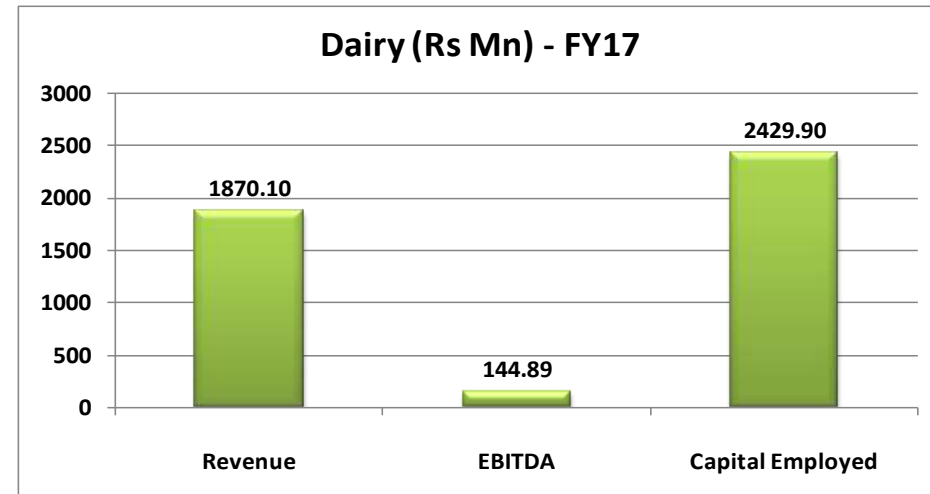
Overview of Business Verticals



➤ Heritage Foods Limited (“Heritage”) is a leading corporate based out of Hyderabad and operates in the high-growth segments.

➤ Two reporting divisions – Dairy and Renewable Energy.

➤ One of the few private sector companies in India with a true Farm to Fork solution in dairy.





➤ The Company's Dairy division has been awarded the 1st Prize '**National Energy Conservation Award**' for the year 2016 by the Ministry of Power, Government of India for the effective energy conservation methods adopted.



➤ Heritage Foods Limited has been declared as the Winner of 'Special Commendation' for '**Golden Peacock Award for Excellence in Corporate Governance**' for the year 2016.



➤ The Chief Financial Officer (CFO) of Heritage Foods Ltd, Mr. A. Prabhakara Naidu has been conferred an Award by the London-based Chartered Institute of Management Accountants(CIMA), there by joining the elite list of CIMA's '**100 Most Influential CFOs**'.

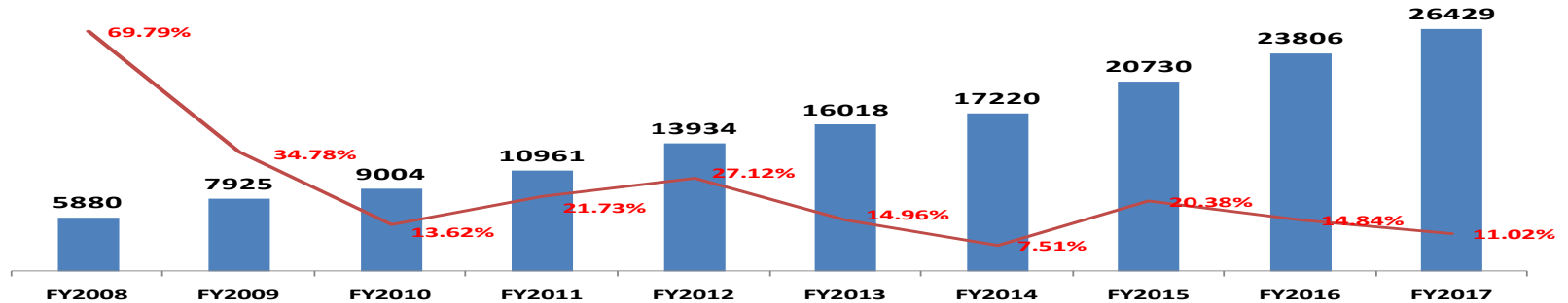


➤ Mr. K.Rajababu, Head-Information Technology, Dairy Division of the Company is among those conferred with the '**100 Most Innovative CIO of India**' by The World CSR day (www.indiasgreatest.com), Mumbai.

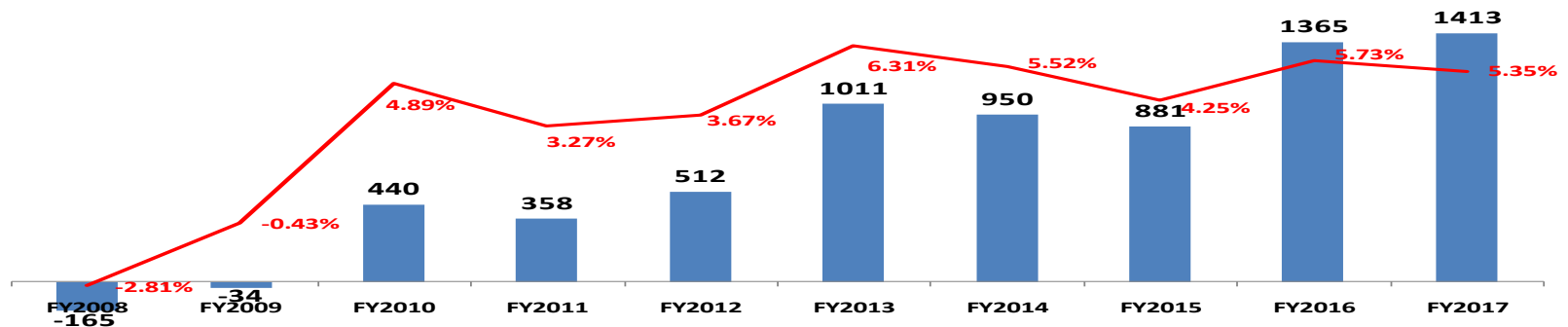
Consolidated Financial Overview



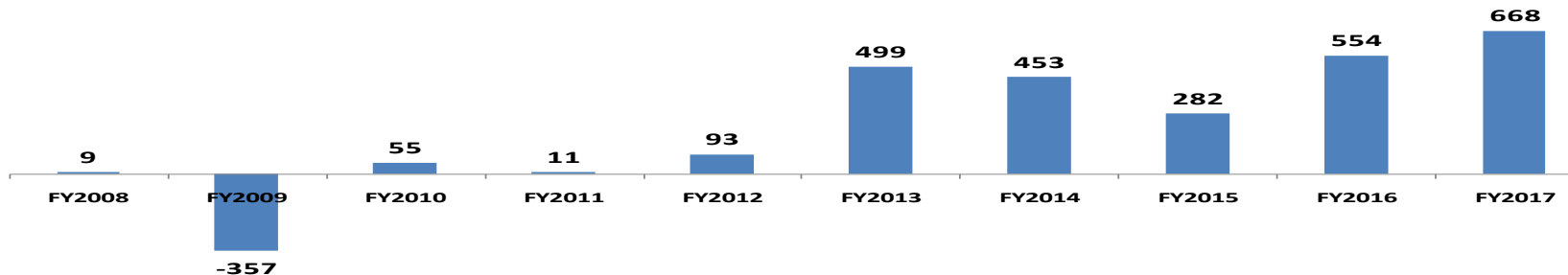
Net Sales (Rs. in Mn.) & Growth %



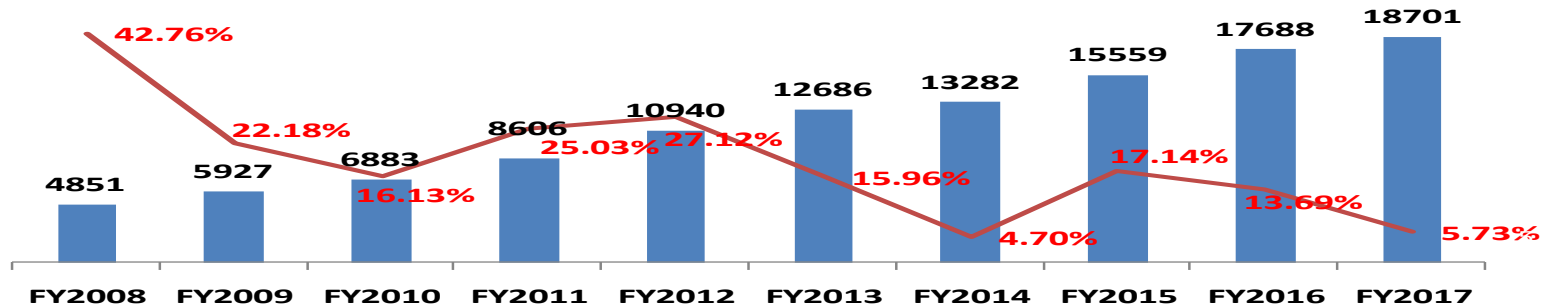
EBITDA (Rs. in Mn.) & EBITDA %



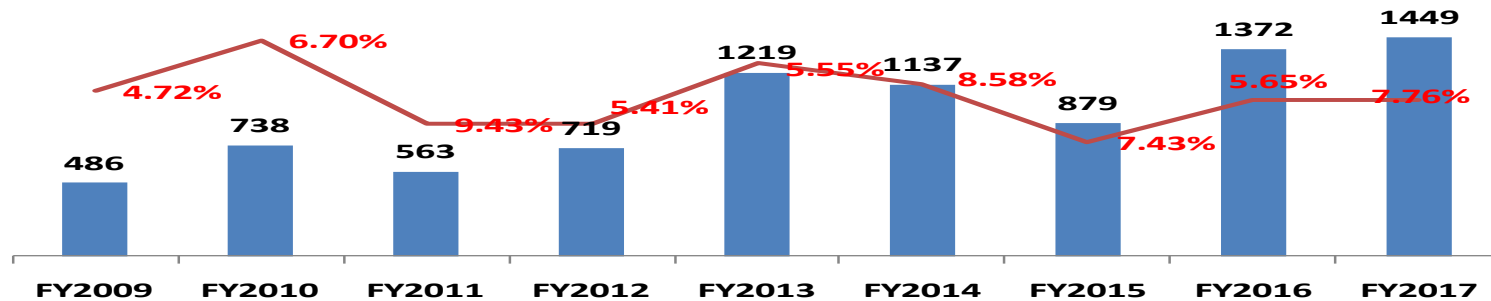
PAT (Rs. in Mn.)



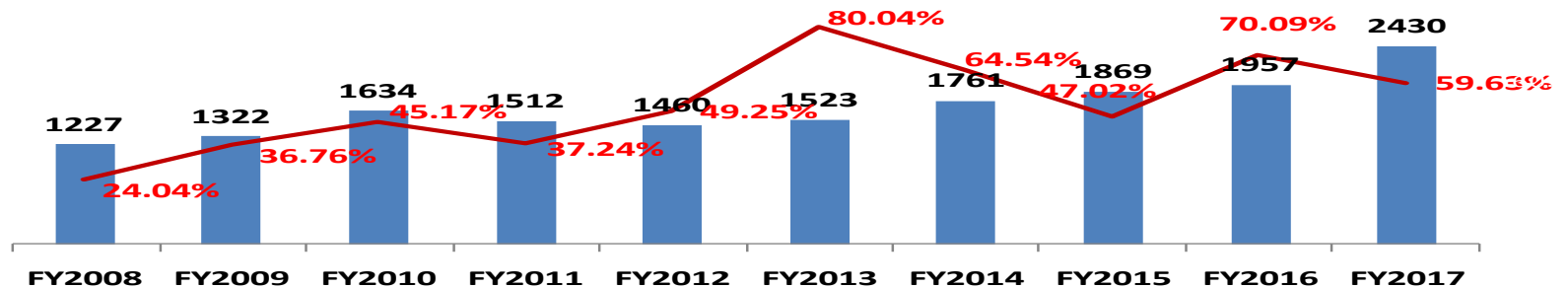
Net Sales (Rs. in Mn.) & Growth %



EBITDA (Rs. in Mn.) & EBITDA %



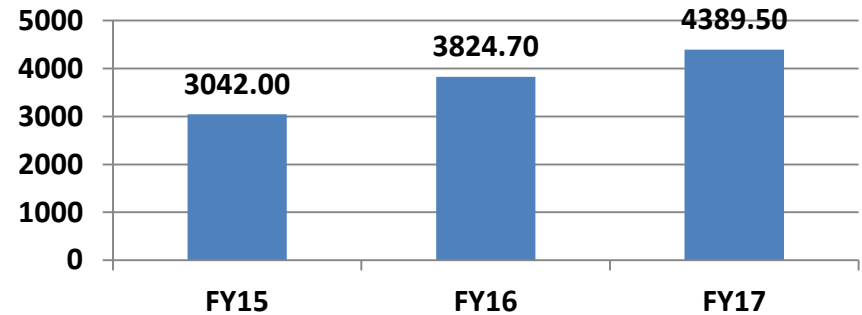
Capital Employed (Rs. in Mn.) & ROCE %



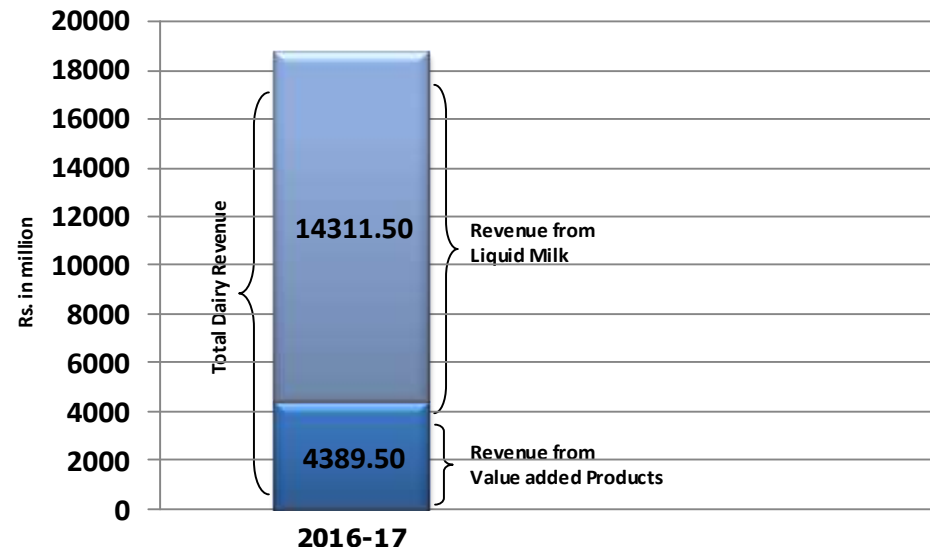
- In 1993 - 20,000 liters per day was milk collection.
- In 2017 – 10.43 lakh liters per day is milk collection.
- Average procurement cost is at Rs. 32.52 per liter
- Average selling price is at Rs. 37.37 per liter.

- Forayed into value added products in 2007.
- Turnover for FY15-Rs. 3042.00 mn, FY16-Rs. 3824.70 mn, FY17-Rs. 4389.50 mn

Turnover (Rs. in Mn.)



- Products portfolio: Curd (around 77%), rest are in the following order: Ice Cream, Paneer, Flavored Milk, Sweets.
- The Contribution of value added products in the total dairy revenue is 23.47% amounting to Rs 4389.50 mn in 2016-17.



- Facilitating loans for the purchase of cattle through commercial banks;
- Facilitating cattle insurance;
- Conducting health camps for animals through mobile veterinary clinics at frequent intervals;
- Supply of high quality cattle feed and fodder seeds;
- Helping to source good productive animals to farmers;
- Supply of milk analyzers for ensuring accurate measurement of milk quality.
- And ensuring punctual payment to farmers.

Parlours as Brand Outlets



- Heritage Parlor is a Modern “Kirana” incubated and pioneered by Heritage.
- Currently there are 1680 parlors with an average shop area of 100 sq.ft.
- Vision is to nurture entrepreneurship and to enhance inclusive growth opportunities-Owned and managed by franchisees.
- Selling only Heritage range of products and authorized products/services.
- Only organized chain of parlors to be selling non-dairy products also.
- Milk & Milk Products, Ice Cream, Bread, Baked Products, FMCG Products, Staples, Fruits & Vegetables, Eggs, Public Telephone, and Mobile recharge coupons.



- Focus on own brand value added products -
 - Curd
 - Butter milk
 - Frozen Dessert/Ice cream
- Consolidation in existing markets.
- Dairy Employee strength : 2,420

Demerged Retail Undertaking to Future Retail....



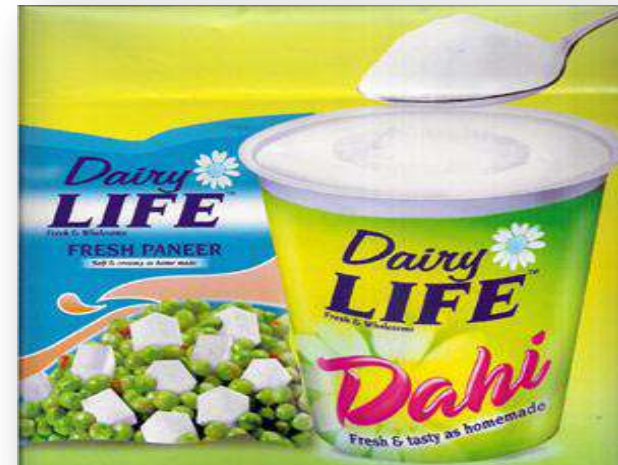
- ✓ Completed demerger process of Retail undertaking (operating 136 stores with 4.81 lakh sq.ft), Agri, and Bakery divisions to Future Retail Ltd
- ✓ Retail operations which were started in year 2006, currently serves 24 Mn customers annually.
- ✓ Will hold 3.65% equity stake in Future Retail Ltd through fresh issuance of shares.



Integrates with Reliance Dairy, post acquisition...



- ✓ Acquired Dairy business of Reliance Retail Ltd.
- ✓ Reliance Dairy procurement was 1.76 Lakh Liters Per Day (LLPD) as on April, 2017 from over 2,400 villages across 10 states, had 30 Milk Chilling Centers(MCCs), and 17 Bulk Milk Coolers (BMCs).
- ✓ Reliance Dairy transferred its 2 brands: Dairy Life and Dairy Pure.



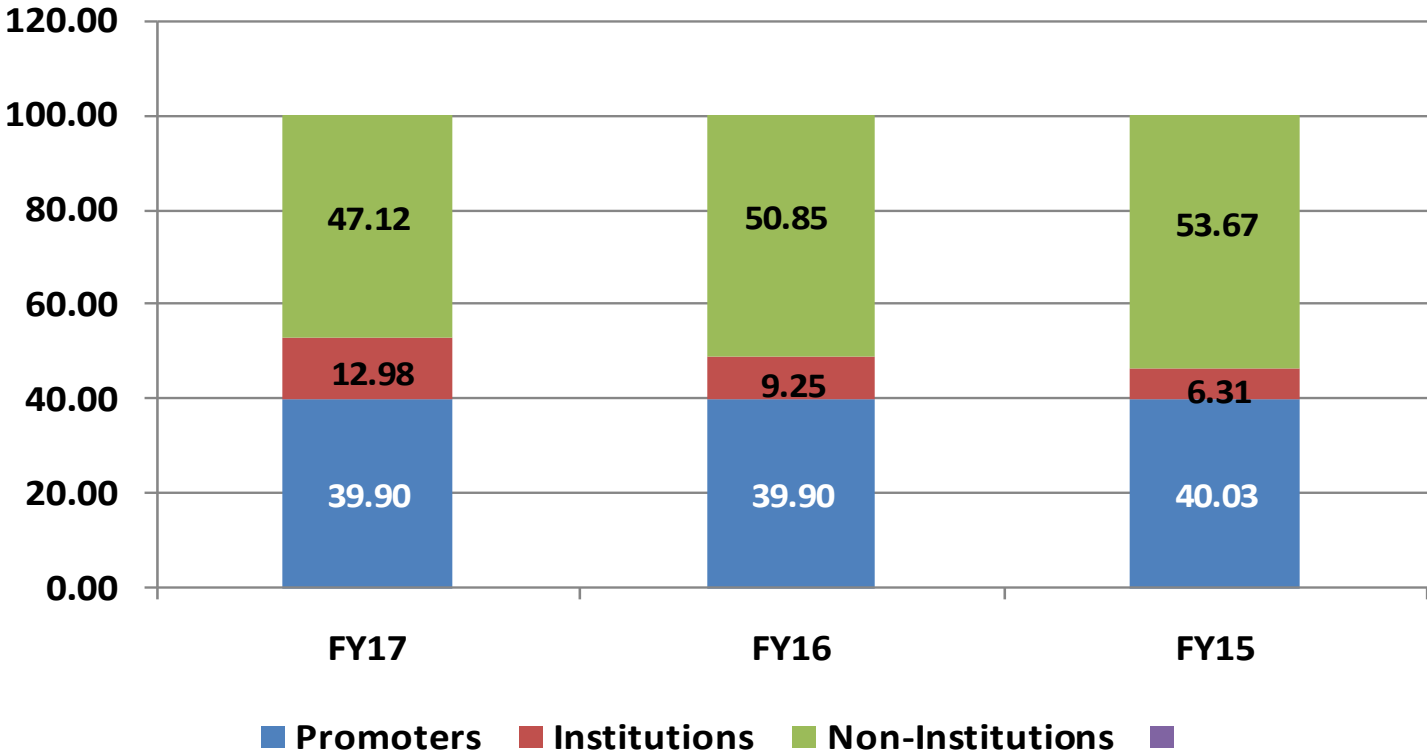
- Turnover in FY2017 was Rs 52.13 mn.
- Capital Employed for Renewable Energy division Rs 472.05 mn.
- Heritage Foods Ltd has commissioned Distributed Captive Solar Power Plants at its 6 various locations/plants namely, (1) Bobbili packing Station (Andhra Pradesh), (2) Battiprolu packing Station (Andhra Pradesh), (3) Kallur packing Station (Telangana), (3) Sangavi packing Station (Maharashtra), (5) Vada Madurai packing Station (Tamil Nadu) and (6) Bangalore packing Station (Karnataka) with total capacity of 1.66KWp with key objective to optimize energy mix by use of clean & Green sources (Renewable) Energy sources to reduce carbon emissions and to secure energy at low cost.
- The Company increased its Renewable Energy Capacity to 8.2MW with 2.4MW Solar Power, 1.66MW Distributed Solar power and 4.20MW Wind Power in the state of Andhra Pradesh, Telangana, Maharashtra, Tamil Nadu and Karnataka for the captive consumption of its Dairy plants.



Comparative Shareholding Pattern



Shareholding pattern as on March, 2017; March, 2016 & March, 2015





The Promise Of Health And Happiness

A white outline of a glass filled with liquid, with two white teardrop shapes above it, positioned centrally between the words "Of" and "Health".

Thank You