



Heritage

HEALTH AND HAPPINESS



Corporate Presentation
October– 2019 (Q2FY20)



Disclaimer Clause

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

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Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Their investors are expected to make their own independent assessments and judgements by considering all relevant factors before making any investment decision. The Company assumes no responsibility to publicly amend or revise such statements on the basis of subsequent developments, information or events.

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1. Vision & Mission



Vision

Delighting every home with fresh and healthy products and empowering the farmer

Mission

To be a nationally recognized brand for healthy and fresh products with a revenue of INR 6000 Crore by 2024

We anticipate, understand and respond to our customer's 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 support 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.

2. Company Overview



Core Business

- 27 Years rich experience in dairy business that includes, procurement of milk from dairy farmers at village level, and distribution of processed milk and milk products to the households in 15 states.
- Over a decade plus experience in production of dairy products like curd, ice cream, paneer, butter milk, flavoured milk, butter, cream, and ghee.
- Widely respected brand known for its freshness and purity

Key Strengths

- Strong relationships with over 3 lakh dairy farmers.
- Supplying milk and milk products to over 15 lakh households.

Financial Strength

- High Return on Capital Employed (ROCE)
- Low Debt/Equity Ratio
- High operational efficiency in terms of Working Capital Cycle.

3. Consolidated Financial Highlights – Q2FY20



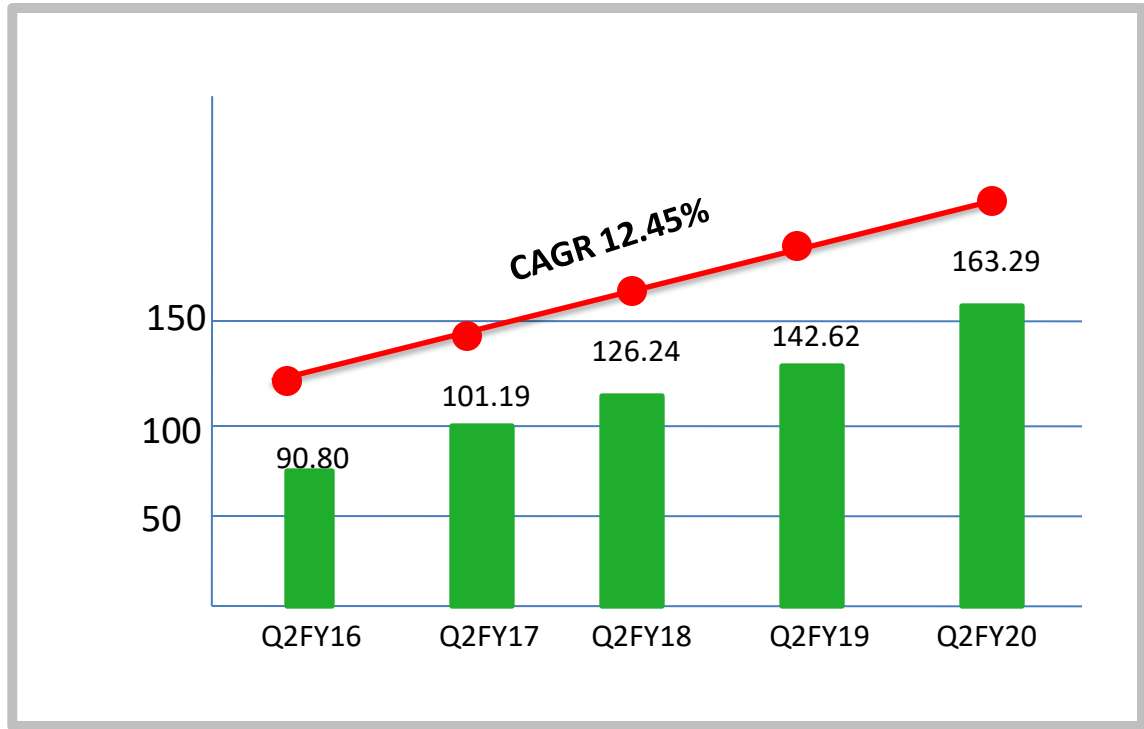
| | Percentage | Rupees in Crore |
|---------|------------|-----------------|
| Revenue | +9.72 % | 679.59 Cr |
| EBITDA | - 50.48 % | 24.88 Cr |
| PBT | - 80.17 % | 6.83 Cr |
| PAT | - 49.33 % | 10.66 Cr |

4. Standalone Financials – Q2FY20, Q2FY19

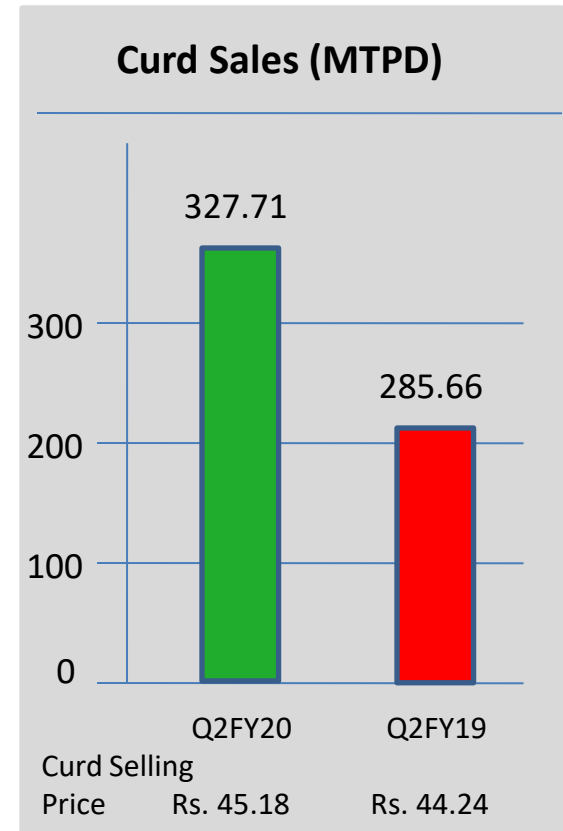
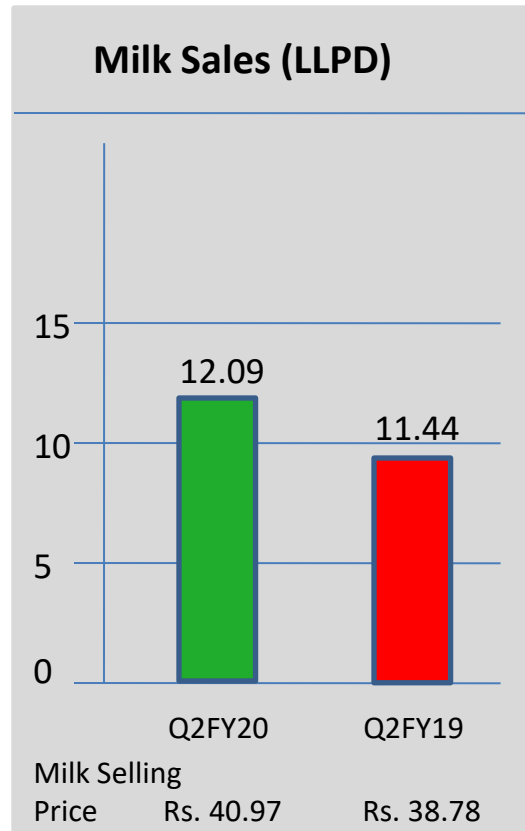
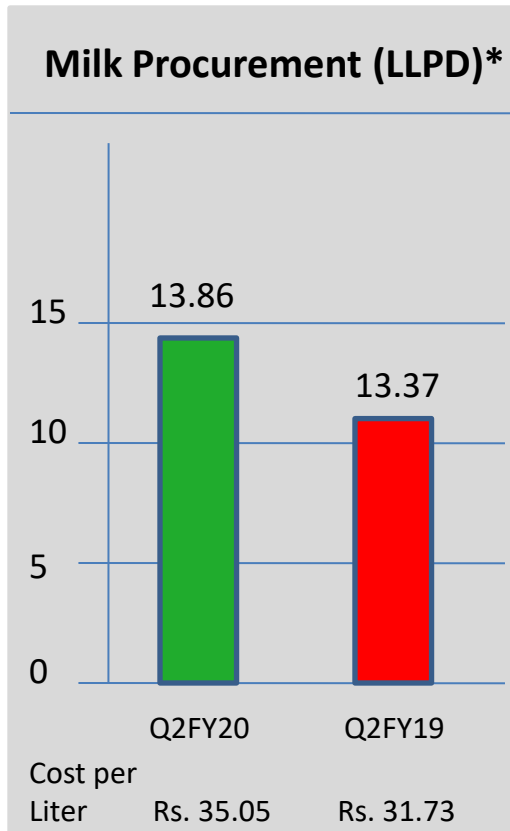


| Financial Highlights | Q2FY20 | Q2FY19 |
|----------------------|--------|--------|
| (Rs in crores) | | |
| Net Turnover | | |
| Dairy | 665.38 | 610.96 |
| RE | 3.00 | 4.44 |
| EBITDA | | |
| Dairy | 24.71 | 44.94 |
| RE | 2.70 | 3.98 |
| PBT | | |
| Dairy | 9.09 | 31.05 |
| RE | 1.27 | 2.43 |
| Dairy Margins | | |
| EBITDA | 3.71% | 7.35% |
| PBT | 1.37% | 5.08% |

5. Growth in VAP



6. Procurement & Sales



*LLPD: Lakh Liters Per Day

*MTPD: Metric Tonnes Per Day

7. Heritage Nutrivet Limited

(A Wholly Owned Subsidiary Company)



| Particulars (Rs in Lakh) | Q2FY20 | Q2FY19 |
|-----------------------------|--------|--------|
| Turnover | 3071 | 1674 |
| EBITDA | 137 | 66 |
| PBT | 34 | 28 |



8. Financials - Yearly



| Financial Highlights | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 | FY 14 |
|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| (Rs in crores) | | | | | | |
| Net Turnover | 2482.35 | 2344.01 | 2642.89 | 2380.58 | 2072.97 | 1722.04 |
| Dairy | 2479.18 | 2343.68 | 1870.72 | 1768.8 | 1555.86 | 1328.19 |
| RE | 11.37 | 6.87 | 5.21 | 3.04 | 2.57 | 0.77 |
| EBITDA | 192.43 | 133.32 | 146.61 | 136.47 | 88.08 | 98.65 |
| Dairy | 182.56 | 127.32 | 144.82 | 137.2 | 87.82 | 113.67 |
| RE | 9.87 | 6.01 | 4.31 | 2.08 | 1.52 | 0.03 |
| PBT | 128.69 | 88.08 | 323.31 | 85.98 | 39.14 | 61.21 |
| Dairy | 124.93 | 79.79 | 114.76 | 105.68 | 57.31 | 89.88 |
| RE | 3.76 | -0.04 | 0.38 | 0.14 | -0.85 | -0.89 |
| FVTPL | | 8.33 | 208.26 | | | |
| IND-AS Adjustment | | | -0.09 | | | |
| Dairy Margins | | | | | | |
| EBITDA% | 7.36% | 5.43% | 7.74% | 7.76% | 5.65% | 8.56% |
| PBT% | 5.04% | 3.40% | 6.13% | 5.97% | 3.68% | 6.77% |

Note: Figures in FY14 - FY17 Include Discontinued Businesses.

9. Balance Sheet Figures



| Particulars | FY19 | FY18 | FY17 | FY16 | FY15 |
|-----------------------------------|--------|--------|-----------------|--------|--------|
| (Rs in crore) | | | (As per Ind-As) | | |
| Equity Share Capital | 23.20 | 23.20 | 23.20 | 23.20 | 23.20 |
| Other Equity (Reserves & Surplus) | 781.76 | 754.81 | 570.02 | 216.80 | 169.80 |
| Networth | 804.96 | 778.01 | 593.22 | 240.00 | 193.00 |
| Gross Fixed Assets | 555.10 | 463.20 | 304.99 | 518.40 | 462.30 |
| Net Fixed Assets | 475.66 | 424.71 | 287.41 | 312.00 | 280.70 |

Key Ratios:

Net Fixed Asset Turnover; 6

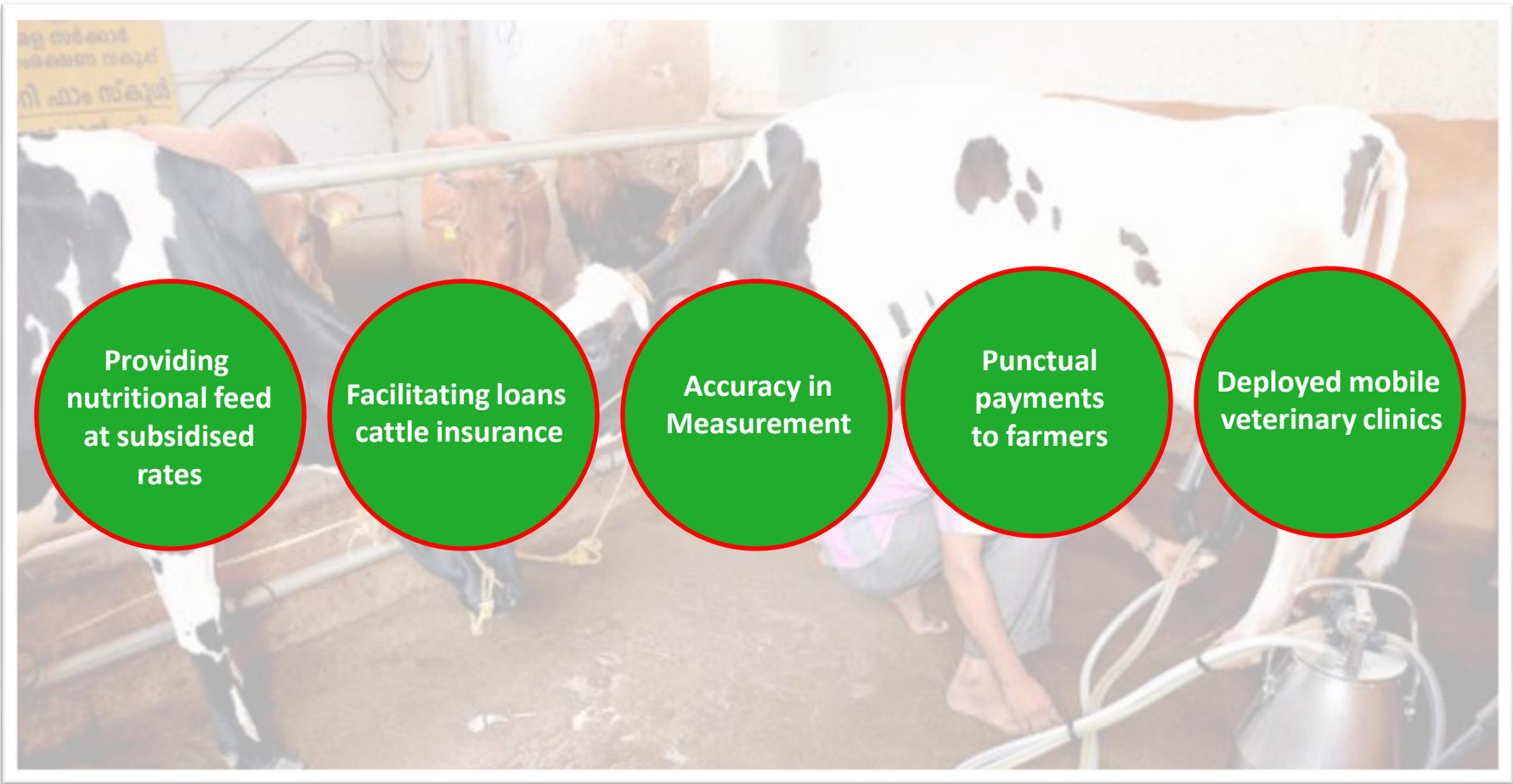
Debt / Equity; 0.18

Current Ratio; 0.82

Inventory Days; 21

Book Value (Rs. 5/share); Rs. 173.49

10. Winning Farmers' Trust



Providing nutritional feed at subsidised rates

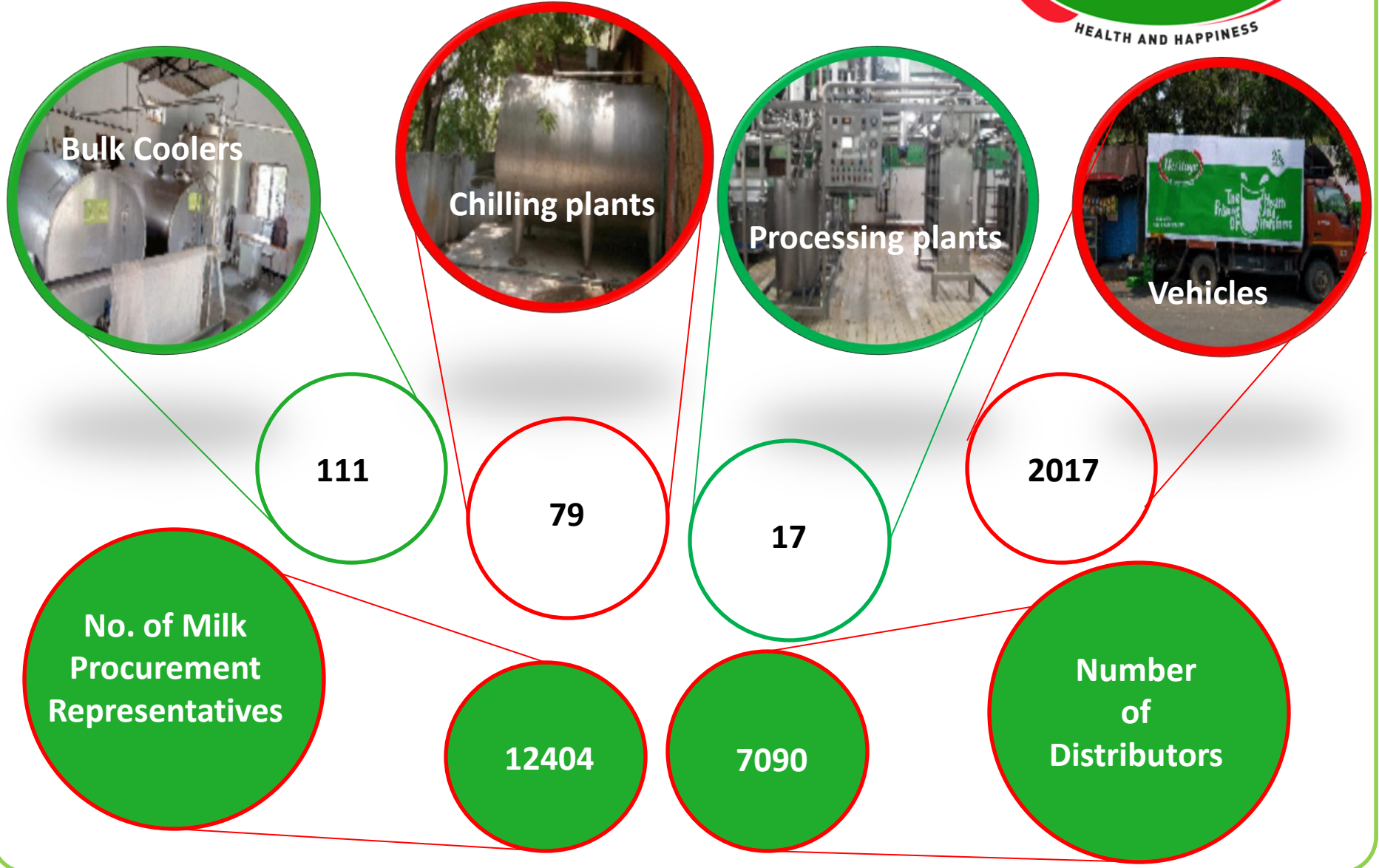
Facilitating loans cattle insurance

Accuracy in Measurement

Punctual payments to farmers

Deployed mobile veterinary clinics

11. Achieving Operational Excellence

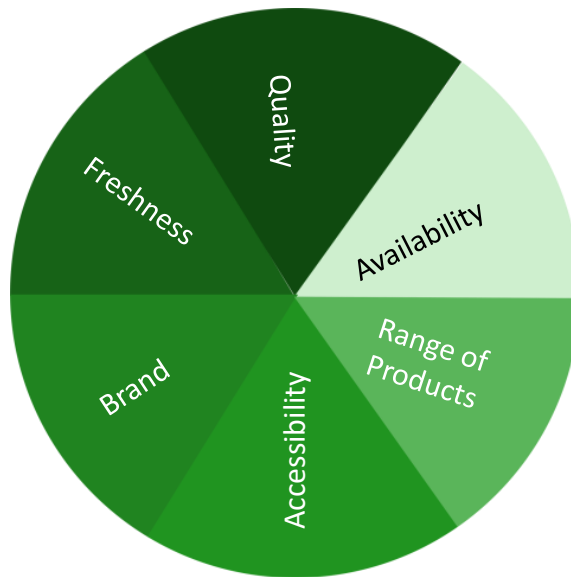


12. Innovations



- Launched new range of health drinks Lassi with goodness of 'Ragi' and 'Sabja'

Strong
360°
marketing
approach



INTRODUCED SABJA & RAGI LASSI

Two Heritage Lassi cups are shown side-by-side. The left cup is purple and labeled 'Sabja Lassi' with 'CALCIUM 29%' and '26g protein'. The right cup is brown and labeled 'Ragi Lassi' with 'CALCIUM 33%' and '26g protein'. Both cups feature the Heritage logo and a glass of lassi.

- Rich in calcium
- Helps in weight loss
- Improves digestion
- Acts as coolant
- Promotes healthy skin

- Rich in calcium
- Helps reduce cholesterol
- Helps in weight loss
- Helps in relaxation

13. UHT Plant



- Commissioned an UHT Plant with capacity of 1 Lakh Litres Per Day
- Variants: Double Toned Milk & Toned Milk.
- UHT Milk sales: 51,10,000 Liters (Jul'19 - Sep'19)



14. Parlour as branded outlets



- Exclusive Product Outlets
- 1408 Outlets
- Helps in Branding
- Complete Range of Products
- Products availability and Accessibility to customers



15. Heritage Distribution Centre (HDC)



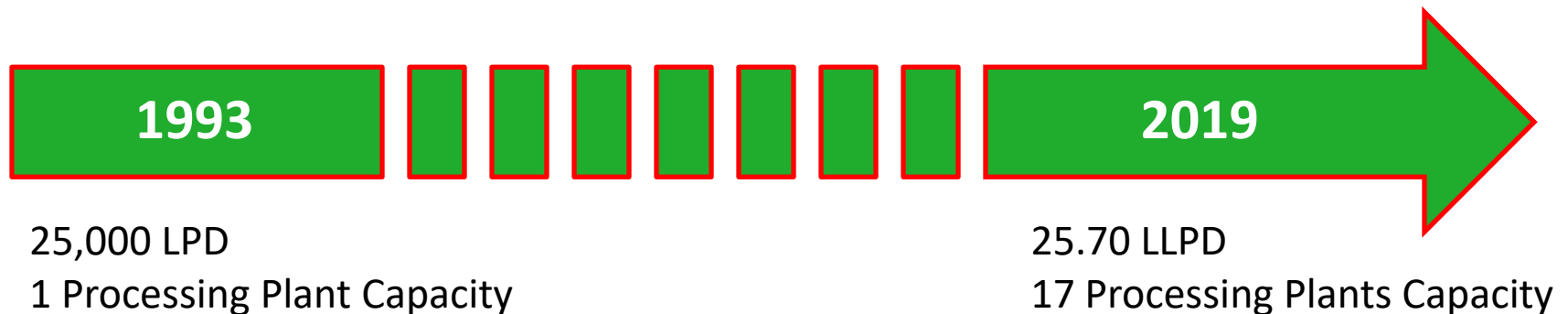
- Exclusive Product Distribution centre
- 46 HDC's in Operation 16 at Bangalore, 22 at Chennai, 2 at Delhi Region, 3 at Punjab, 1 at Hyderabad, 1 at Rajahmundry and 1 at Vijayawada.
- Each HDC Covering 100 retail and 100 households of the locality
- Unique tool for entering the unrepresented gap areas
- A big leap in strengthening the brand



16. Way Forward



- To reach a topline of Rs. 6000 crore
- To achieve Rs. 2400 crore from value added products
- To handle 28 lakh liters of milk per day
- To expand relationship to 6 lakh farmers
- To supply milk and milk products to 30 lakh households





The Promise OF  Health And Happiness

Thank You

Umakanta Barik | hfl@heritagefoods.in