

Hindustan Foods Ltd. Earnings Presentation Aug' 23

Safe Harbor



This presentation and the accompanying slides (the "Presentation"), which have been prepared by **Hindustan Foods Limited** (the "Company"), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company

This Presentation is not a prospectus, disclosure document, a statement in lieu of a prospectus, an offering circular, an advertisement or an offer document under the Companies Act, 2013, and the rules made thereunder, as amended, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, or any other applicable law in India. This Presentation should not be considered as a recommendation that any investor should subscribe for or purchase any securities of the Company or its subsidiary and should not be used as a basis for any investment decision. The information contained in this Presentation is only current as of its date and has not been independently verified. The Company will not update you in the event the information in the Presentation becomes stale. Moreover, both express or implied representation or warranty is made as to, and no reliance should be placed on, the truth, accuracy, fairness, reasonableness or completeness of the information presented or contained in this Presentation and nothing in this Presentation shall be relied upon as a promise or representation in this respect, whether as to the past or the future.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

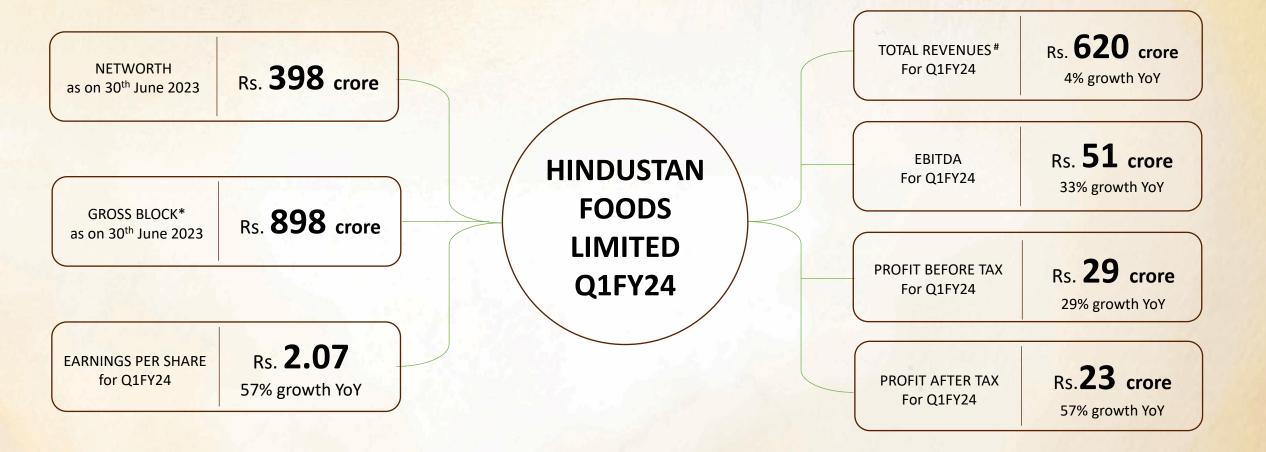
Q1FY24 Overview





Key Parameters





Key Business Highlights





The second phase of expansion at the ice cream facility was successfully commercialized and ramped up during the quarter

The company's summer products portfolio was affected by the drop in demand caused by unseasonal rains during the quarter



The fall in the commodity prices continues to be reflected in the weak QoQ growth in the top line

The Company's acquisition of the Baddi factory is delayed due to the statutory approvals. The Management now expects to close the transaction towards the end of Q3FY24





The factory being set up in Guwahati, Assam for the manufacture of juices is progressing well and is expected to start commercial production by Q4FY24

The Company's capex plans for setting up the Soap & Bars project was commercialized in Q1FY24 and continues to ramp up satisfactory in July and August











Commenting on the Results, Sameer R. Kothari, Managing Director said, "While the overall slowdown in the FMCG demand has affected the growth plans of the company, the existing factories continue to deliver steady performance. Our top line was affected by the continuing fall in the commodity prices which offset the gains of the ramping up of the new factories. Additionally, our bottom line was affected by the lesser than expected off-take of our summer products due to the unseasonal rains.

However, the nature of our business model enables us to deal with these variations and protects our bottom-line.

We continue to be bullish about the Indian consumption story in spite of the short-term hiccups and are beginning to see some green shoots."

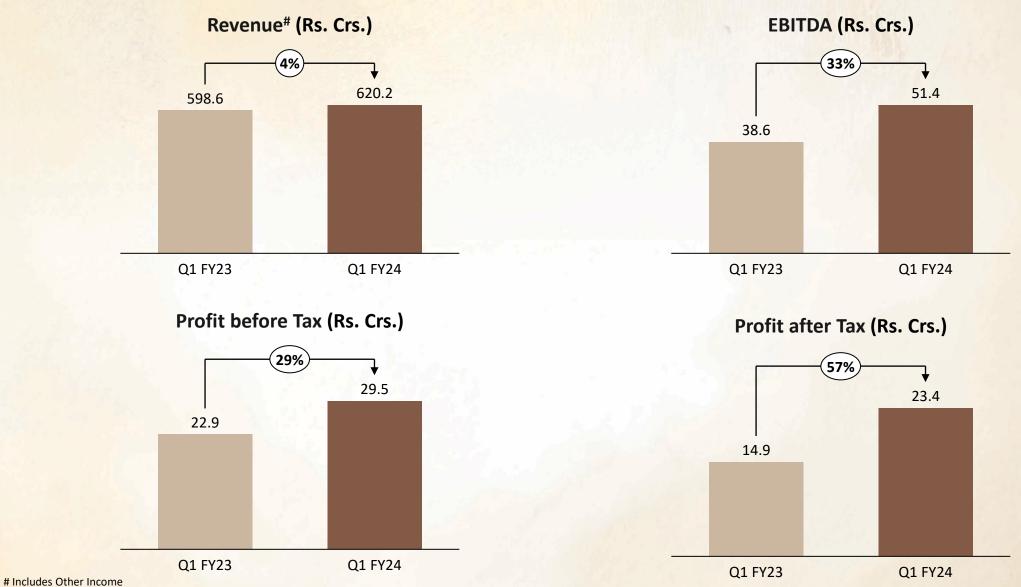
Commenting on the Results, Mayank Samdani, Group CFO said, "While our turnover for the quarter on a consolidated basis was flat YoY and QoQ, the PAT rose by 16% QoQ and 57% YoY.

Our PAT numbers for the quarter were the highest ever, aided by the commercialization of the new facilities and the change in the tax regime.

The integration of the Baddi factory has been held up for the lack of the statutory approvals but we do believe that the ramp up of the new facilities and the Baddi facility integration which is expected in Q3FY24 should help improve our performance."

Q1 FY24 Consolidated Result Highlights





and the second second

Consolidated Profit & Loss Statement – Q1FY24



Particulars (Rs. Crs.)	Q1 FY24	Q1 FY23	Ү-о-Ү	Q4 FY23	Q-o-Q	FY23
Total Revenue#	620.2	598.6	4%	660.7	-6%	2,602.6
Cost of Goods Sold	516.3	515.7		557.1		2,232.2
Manufacturing and Operating Costs	28.5	25.1		29.7		106.0
Gross Profit	75.4	57.8	31%	73.9	2%	264.5
Employee Expenses	15.4	11.9		15.9		55.6
Other Expenses	8.7	7.3		7.9		31.1
EBITDA	51.4	38.6	33%	50.0	3%	177.7
Depreciation	10.9	8.6		9.3		37.4
EBIT	40.5	30.0		40.7		140.3
Finance Cost	11.0	7.2		9.7		35.8
Profit Before Tax	29.5	22.9	29%	31.0	-5%	104.5
Tax expense	6.1	8.0		10.7	,	33.4
Profit After Tax	23.4	14.9	57%	20.2	16%	71.1
EPS	2.07	1.32		1.79		6.31



Uttar Pradesh: Ice Cream (Rs. 125 cr + Rs. 75 Cr)

- Phase 2 of the Uttar Pradesh Ice Cream Project has commenced commercial production
- The Rs 75 crore expansion sanctioned by the Board earlier has already been commercialised

Hyderabad: Bath Soaps & Detergent Bars (Rs. 125 cr)

 The Project work is progressing well, and was commercialized in Q1FY24 and continues to ramp up in July and August'23

Baddi Acquisition

- Baddi acquisition is delayed for the various statutory permissions.
- We are confident that we should be able to consummate the deal by Q3 of this financial year

Guwahati (Rs 25cr)

 Greenfield expansion to set up a juices tetra pack line is expected to commercialize in Q4FY24

CSR | HFL & BAIF



- HFL, along with BAIF Institute for Sustainable Livelihoods and Development, has identified Peddaipally, Khethireddypally and Balanagar villages in the Mahbubnagar District, Telangana to pilot a 'village development program' to enhance education and health. The project will focus on providing basic facilities in government schools like construction of toilets, midday meals shed, kitchen renovation, solar street-lights, computers, printers & projectors, and other primary infrastructure
- The project will also emphasize on health & hygiene awareness.
- The relationship has now also been extended to Sandila (UP) and Silvassa as well

Progress against Deliverables







ESG Initiatives





GHG Emission reduction:

 Focusing on the importance of GHG emission reduction and effective utilization of energy by selecting appropriate low-carbon transition technologies. Currently, Bio briquette is being used at some manufacturing facilities

Environmental

Energy Efficiency:

 Identified opportunities for improving energy efficiency. For example, we replaced inefficient old motors with Variable Frequency Drive motors, and Lights are now LED lights. Currently, 6831 MT of Bio briquette is being used at some manufacturing facilities

Water Management:

We are conducting various initiatives, such as groundwater recharge through rainwater harvesting at its facilities, maintaining ponds, and ensuring its beautification, as a part of its compliance requirements. ETP is installed at all plants at HFL. No wastewater is discharged outside the facility. Treated ETP water is used for gardening purposes

Waste Management:

Since we are a contract manufacturing business, all operations are governed by the principal Company (Customers) ranging from procuring raw materials and manufacturing products to safe disposal of waste. The Company has SOPs in place to ensure safe and responsible disposal of waste

Community Engagement:

- Company's CSR initiatives are rolled out directly or in partnership with non-profit organizations
- This helps in increasing reach as well as ensuring the adoption of initiatives by communities
- Representatives from the Company monitor the reach and take the necessary steps to ensure its success
- Further, the CSR projects are evaluated by the CSR Committee to ensure the maximum impact of their initiatives

Employee Engagement:

- Have provided additional wellness benefits to their employees, such as recognition, leadership, and behavioural training, in addition to maintaining worklife balance and overall health
- We provide various trainings during the year to ensure the health and safety of the workers
- HFL has developed and adopted a robust, comprehensive, and reliable Occupational Health and Safety Management System
- All employees and workers are covered under our Occupational Health and Safety Management System

- The Company has defined corporate governance and business performance in such a way that governance structures and principles determine the distribution of rights and responsibilities
- The Company's philosophy on the code of governance is to observe the highest level of ethics in all its dealings to ensure the efficient conduct of the company and help the company achieve its goal of maximizing value for all its stakeholders, as well as its principal objectives



THANK YOU



SGA Strategic Growth Advisors

Hindustan Foods Limited CIN: L15139MH1984PLC316003 Vimal Solanki vimal.solanki@thevanitycase.com

www.hindustanfoodslimited.com

Strategic Growth Advisors Pvt. Ltd. CIN: U74140MH2010PTC204285 Rahul Agarwal / Brinkle Shah Jariwala rahul.agarwal@sgapl.net /brinkle.shah@sgapl.net

+91 9821438864 / +91 9619385544 www.sgapl.net