



# Hindustan Foods Limited

EARNINGS PRESENTATION FEBRUARY 2023

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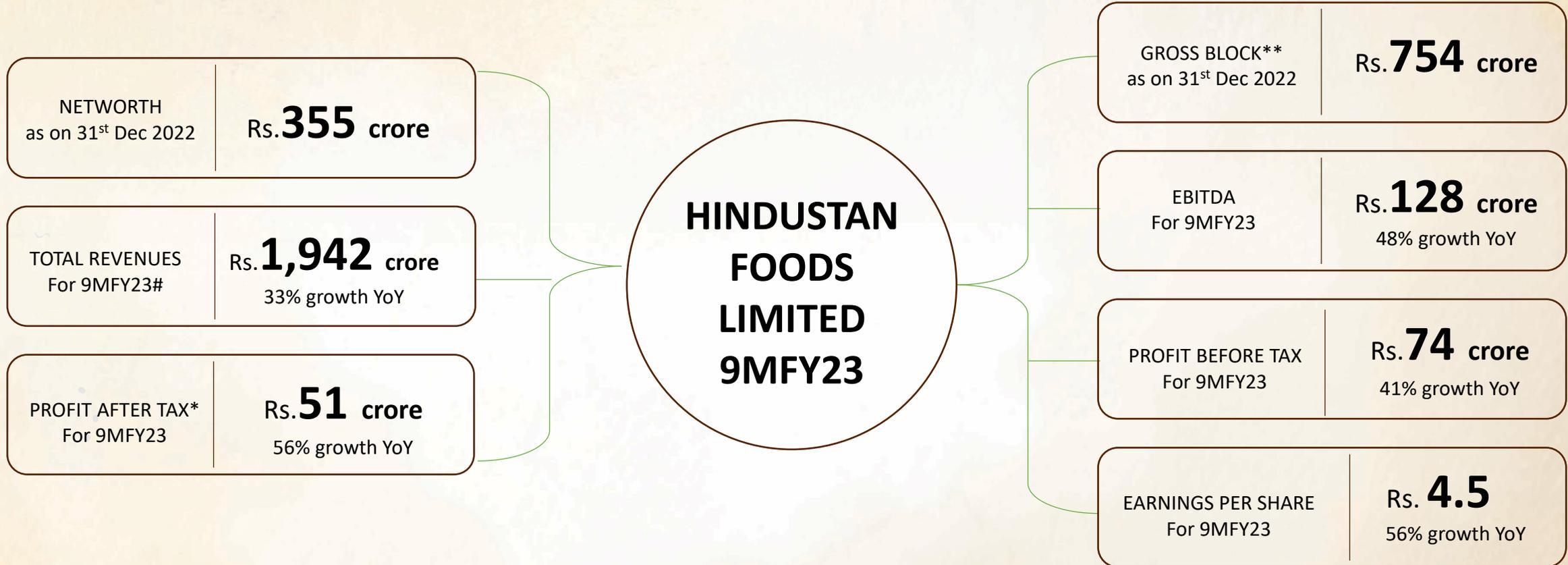
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Uttar Pradesh | Ice Cream Plant



\*\*Gross Block for 9MFY23 includes wholly owned subsidiaries/LLP and includes CWIP

\*PAT includes, excess provision of tax to the tune of Rs. 1.8 Crores in FY 22 which was reversed in FY 23 after filing tax returns

# Includes other income

The Company recently executed a Business Transfer Agreement for acquisition of a pharmaceutical factory from Reckitt Benckiser further expanding its Health Care, OTC Medicines & Wellness Division

The Ice Cream facility in Lucknow, Uttar Pradesh set up by the wholly owned subsidiary of the Company has commenced operations and the expanded capacity is also expected to be operational from March '23.

The Company's capex plans for setting up the Soap Bar project continue to progress and is expected to commercialize by Q1FY24

# Acquisition Of Manufacturing Facility Of Reckitt Benckiser



**Baddi | OTC Medicine & Skin Care**

## Overview

- **Hindustan Foods Limited** has executed Business Transfer Agreement for acquisition of Reckitt Benckiser Healthcare India Private Limited's manufacturing facility as a move to further expand its Health Care & Wellness division
- The manufacturing facility is located in Baddi, Himachal Pradesh and it manufactures a vast variety of pharmaceutical, non-pharmaceutical and wellness products . It is a state-of-the-art Facility with modern machinery & at par with global standards.

## Key Highlights Of The Facility

Experienced team  
as a part of  
transaction

India's prime  
manufacturing hub

Highest quality &  
standards

Cutting Edge  
manufacturing  
setup

Extensive range of  
pharma products

Future growth for  
international  
clients

## Product profile

Machinery capable of producing wide producing range of products-



Ointment & Creams



Strips



Liquid syrups



Liquid Handwash



Plaster



Tablets

The company is acquiring the facility on going concern basis and expects to enter into a long term supply agreement.

## Consideration

- It is proposed that the undertaking will be acquired for a cash consideration INR 156 Cr, subject to certain adjustment on closing date in accordance to conditions set out in the BTA

## Rationale

### Long Term Production Commitment

- The company expects to enter into a long term supply agreement as per mutually agreed terms.
- This long term production commitment will lead to a minimum capacity utilization and also allow the company to offer the idle capacity to other customers..

### Idle Capacity utilized to service new clients

- Ample unutilized capacity available at the facility to cater to additional domestic/ global clients.
- Idle capacity can be leveraged to external sources which could reap benefits like-



Increased Clientele



Better Asset Sweating



Higher Revenue



Increased profit & RoCE

### Opportunity to cater new clients

- Presence of leading global certifications allow the Facility to manufacture multiple products for international use.
- Manufacturing a wide range of products-



Allopathic Liquids



Ayurvedic Ointments & Creams



Lozenge



Personal Care Plasters



**Commenting on the Results, Mr. Sameer R. Kothari, Managing Director said,** “I am pleased with the overall performance of the company in the last 9 months and ramp up of the ice cream facility and beverage facility in the last quarter of this year should help us close the year with record turnover. This in spite of the tepid FMCG demand in the last few quarters is a testament to the resilience of our business model and gives us confidence that as volume growth returns to the FMCG industry, we will be able to leverage it further.

*With the acquisition of the Chennai Scholl factory and the planned acquisition of the Baddi factory, we are well poised to serve the customers in the OTC Pharma and Wellness segment. These acquisitions of US FDA and MHRA approved factories give us a strong footprint in this segment along with the comfort of assured volumes from our existing customers. These facilities will also enable us to tap some new customers including high-end skin care and wellness brands.*

*After the expansion of the Ice Cream project in Lucknow (slated to start commercial production in March '23), we will now be amongst the largest manufacturers of ice cream in the country and are looking forward to expanding in this area.*

*I am confident that our earlier goal of INR 4,000 crores turnover by FY 25 will be revised upwards in view of these developments.”*

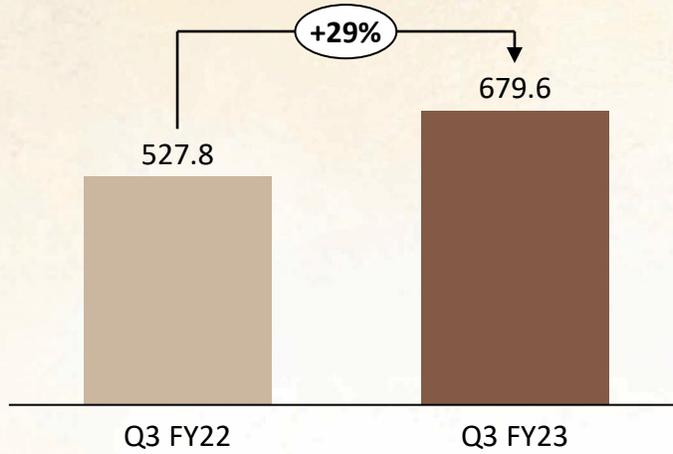


**Commenting on the Results, Mr. Mayank Samdani, Group CFO said,** “Our turnover for the quarter on a consolidated basis has increased by 29% YoY while the PAT rose by 46% YoY. The QoQ revenue numbers were flattish as it was the lean season for both beverages and ice cream and the QoQ numbers for PAT are strictly not comparable as the last quarter PAT numbers were buoyed by a one-time tax write back arising due to our acquisition.

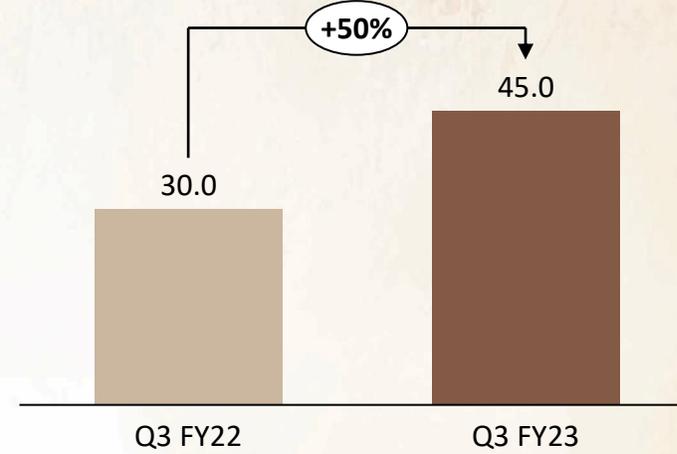
*Our revenues for the 9MFY23 are highest ever and our PAT for the 9 month period is higher than that of the entire past year. We expect our MAT credit to be utilized in this year and will accordingly explore the possibility of moving to a lower tax rate under the new regime by next year”*

# Q3 FY23 Consolidated Result Highlights

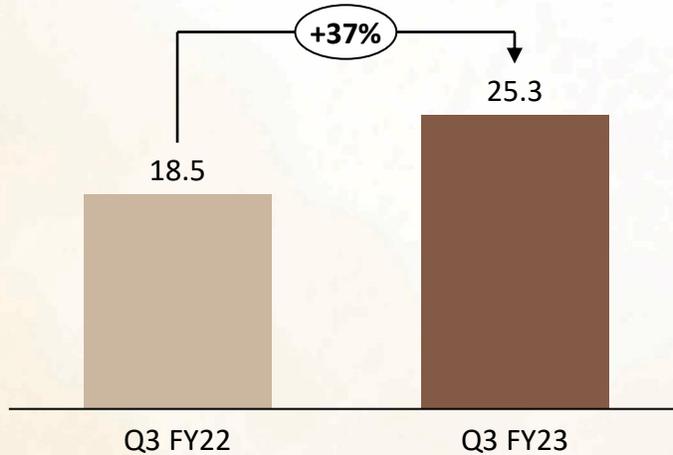
### Revenue# (Rs. Crs.)



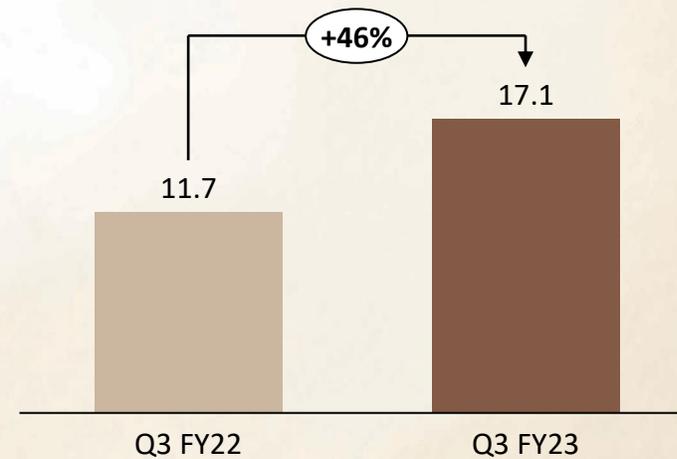
### EBITDA (Rs. Crs.)



### Profit before Tax (Rs. Crs.)



### Profit after Tax (Rs. Crs.)

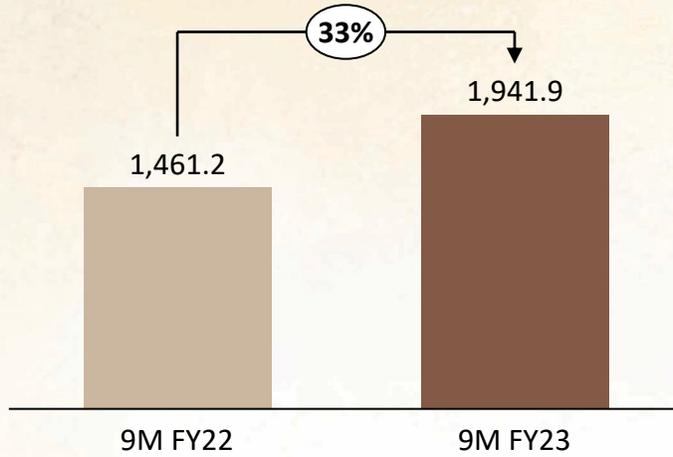


# Includes Other Income

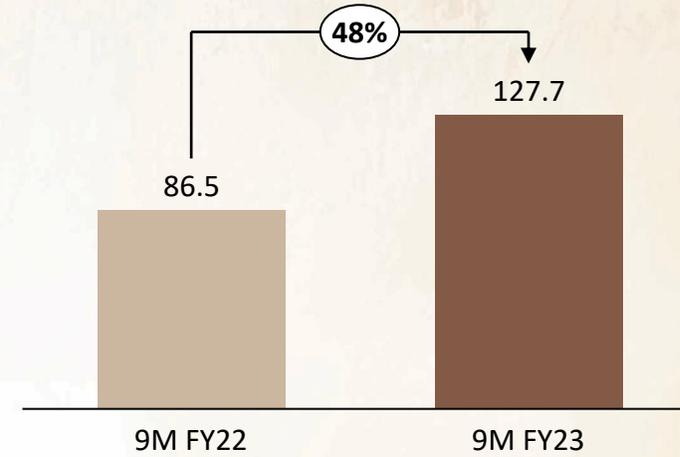
Note: Q3FY22 numbers are restated

# 9M FY23 Consolidated Result Highlights

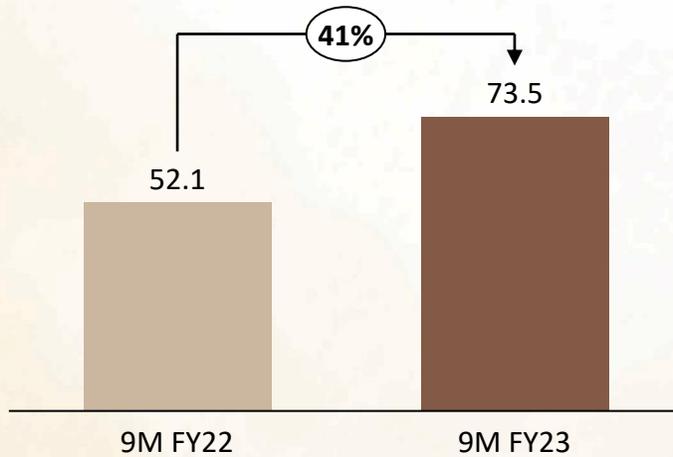
### Revenue# (Rs. Crs.)



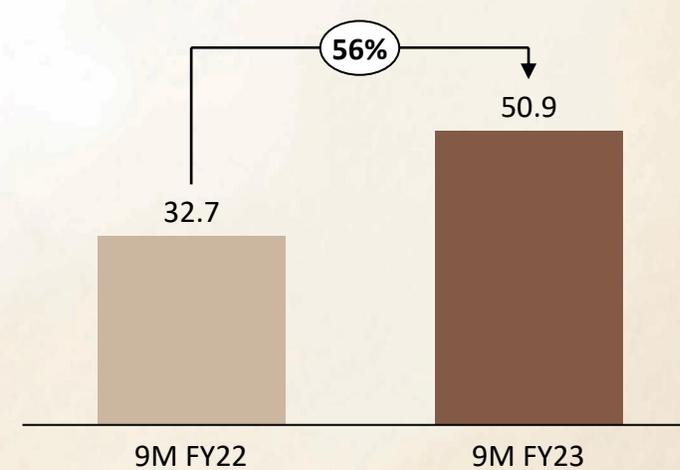
### EBITDA (Rs. Crs.)



### Profit before Tax (Rs. Crs.)



### Profit after Tax\* (Rs. Crs.)



# Includes Other Income

\*PAT includes, excess provision of tax to the tune of Rs. 1.8 Crores in FY 22 which was reversed in FY 23 after filing tax returns

Note: 9MFY22 numbers are restated

# Consolidated Profit & Loss Statement – Q3 & 9M FY23



Particulars (Rs. Crs.)	Q3 FY23	Q3 FY22	Y-o-Y	Q2 FY23	Q-o-Q	9M FY23	9M FY22	Y-o-Y
<b>Total Revenue#</b>	<b>679.6</b>	<b>527.8</b>	<b>28.8%</b>	<b>663.7</b>	<b>2.4%</b>	<b>1,941.9</b>	<b>1,461.2</b>	<b>32.9%</b>
Cost of Goods Sold	586.5	460.5		572.9		1,675.1	1,267.6	
Manufacturing and Operating Costs	25.8	20.6		25.3		76.2	58.4	
<b>Gross Profit</b>	<b>67.4</b>	<b>46.7</b>	<b>44.3%</b>	<b>65.4</b>	<b>3.0%</b>	<b>190.6</b>	<b>135.2</b>	<b>40.9%</b>
Employee Expenses	14.3	10.0		13.5		39.7	29.5	
Other Expenses	8.1	6.7		7.8		23.2	19.2	
<b>EBITDA</b>	<b>45.0</b>	<b>30.0</b>	<b>50.0%</b>	<b>44.0</b>	<b>2.2%</b>	<b>127.7</b>	<b>86.5</b>	<b>47.6%</b>
Depreciation	10.0	6.1		9.5		28.1	17.5	
<b>EBIT</b>	<b>35.1</b>	<b>23.9</b>		<b>34.5</b>		<b>99.6</b>	<b>69.0</b>	
Finance Cost	9.8	5.3		9.1		26.1	15.4	
Share of Loss from JV	0.0	0.0		0.0		0.0	-1.5	
<b>Profit Before Tax</b>	<b>25.3</b>	<b>18.5</b>	<b>36.8%</b>	<b>25.4</b>	<b>-0.2%</b>	<b>73.5</b>	<b>52.1</b>	<b>41.0%</b>
Tax expense for current year	8.2	6.8		8.2		24.5	19.5	
<b>Adj. Profit After Tax</b>	<b>17.1</b>	<b>11.7</b>	<b>46.2%</b>	<b>17.1</b>	<b>-0.3%</b>	<b>49.1</b>	<b>32.7</b>	<b>50.2%</b>
Tax adjustments for previous year	0.0	0.0		1.8		1.8	0.0	
<b>Profit After Tax</b>	<b>17.1</b>	<b>11.7</b>	<b>46.2%</b>	<b>18.9</b>	<b>-9.8%</b>	<b>50.9</b>	<b>32.7</b>	<b>55.8%</b>
EPS^	1.51	1.04		1.68		4.51	2.90	

# Includes Other Income ^ EPS numbers are restated

Note: Q3FY22 & 9MFY22 numbers are restated

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

- The Phase 1 of the Uttar Pradesh Ice Cream Project has commenced commercial production
- The Rs 75 crore expansion sanctioned by the Board earlier is expected to be commercialized by March '23
- Production from the unit is expected to be ramped up to 20,000,000 liters of ice cream by the end of FY23

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

- The Project work is progressing well and the Management expects commercial production by Q1FY24

## Healthcare & Wellness (Rs. 100 cr + Rs. 156 Cr)

- The company has successfully completed the acquisition and has integrated the same successfully,
- The company has also announced another acquisition in this space

## Progress against Deliverables

- **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.
- **Project amount: Rs 18 Lakhs**
- **Project Duration: 1<sup>st</sup> August 2022- 31<sup>st</sup> March 2023**



# THANK YOU

Company:



**Hindustan Foods Limited**

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