



# Hindustan Foods Limited

EARNINGS PRESENTATION **NOVEMBER 2022**



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Uttar Pradesh | Ice Cream Plant



\*\*Gross Block for H1FY23 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



The Company's recent acquisitions of Aero Care Personal Products LLP, and Reckitt Benckiser Scholl India Private Limited have started contributing to the consolidated numbers

The Ice Cream facility in Lucknow, Uttar Pradesh set up by the wholly owned subsidiary of the Company has also started operating however this being the lean season, the numbers are subdued

The Company's capex plans, announced earlier in August 2022, for the expansion of the Ice Cream Facility and the Soap Bar project in November 2020 continue to progress



**Commenting on the Results, Mr. Sameer R. Kothari, Managing Director said,** “These are exciting times for us, as a contract manufacturer. We, at HFL, do believe that we are rightly positioned to capture the burgeoning market. Our performance over the past few years as indeed this quarter is symbolic of the same. Along with organic growth, we have also been able to pursue inorganic opportunities with the recent acquisition of Aero Care Personal Products LLP, and Reckitt Benckiser Scholl India Private Limited. We believe both these acquisitions will start to reflect incrementally to the business.

The Ice Cream project in Lucknow has commenced production and we believe we are geared to cater to the demand for the upcoming season. Similarly, with the expansion in the beverage facility in Mysuru, we believe we are fully geared to cater to the beverage demand starting from Q4 of this year.

Given the scale of the business as also the opportunity ahead for HFL, we have further strengthened our core management team, I am happy to share that Mr. Sunil Plakkat has joined us as President, Manufacturing Excellence. Mr. Plakkat is a chemical engineer with a prolonged experience in manufacturing operations in plant and corporate roles and has in the past worked with companies like Asian Paints and Atul Ltd.”

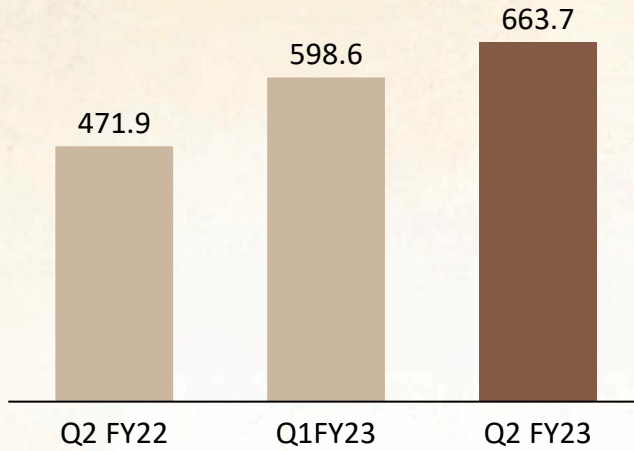


**Commenting on the Results, Mr. Mayank Samdani, Group CFO said,** “Our turnover for the quarter on a consolidated basis has increased by 41% YoY while the PAT rose by 73% YoY. This is on the back of the ramping up of all our facilities and the consolidation of the new acquisitions. We had a robust net cashflow from operations before taxes of Rs 43.78 crores for H1FY23”

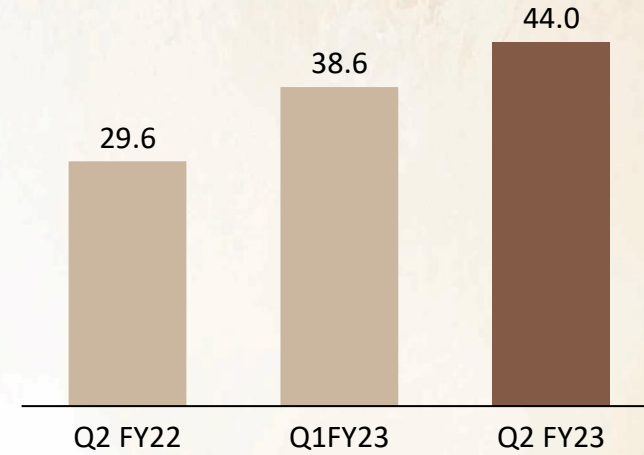
# Q2 FY23 Consolidated Result Highlights



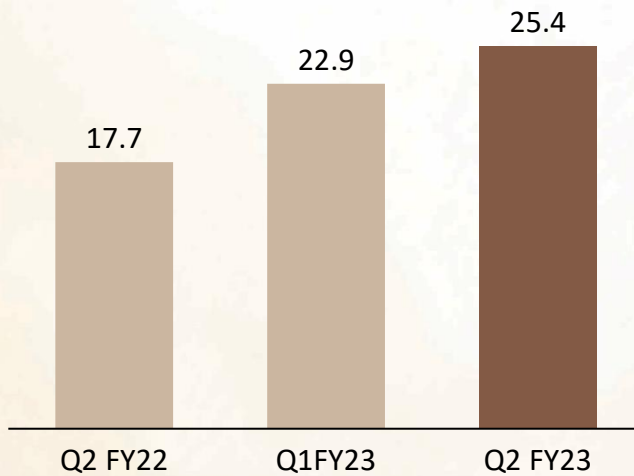
### Revenue# (Rs. Crs.)



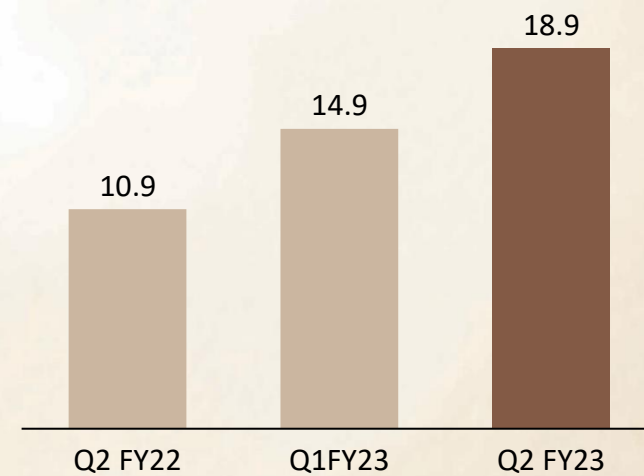
### EBITDA (Rs. Crs.)



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



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



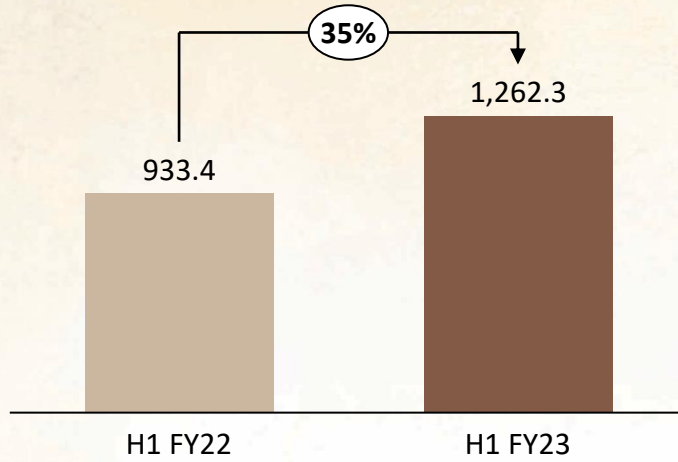
# Includes Other Income

\*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

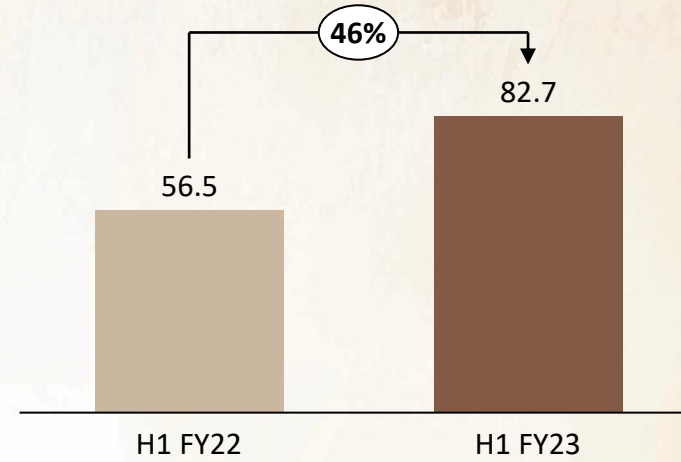
Note: Q2FY22 numbers are restated

# H1 FY23 Consolidated Result Highlights

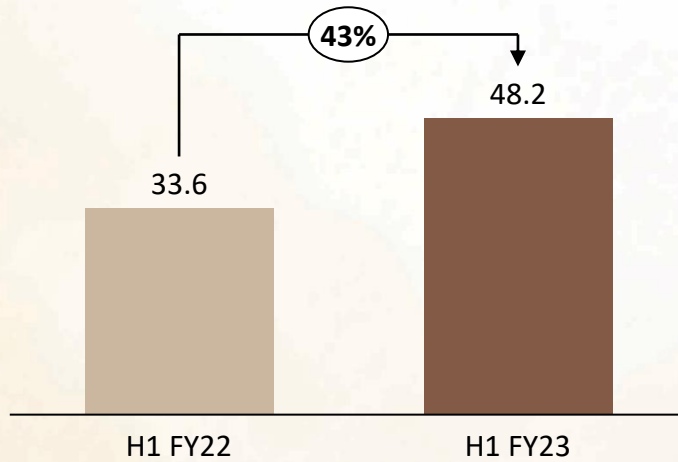
### Revenue# (Rs. Crs.)



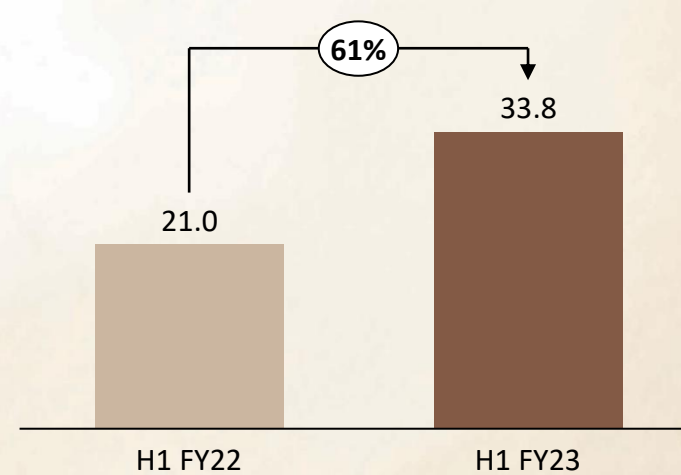
### EBITDA (Rs. Crs.)



### 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: H1FY22 numbers are restated



# Consolidated Profit & Loss Statement – Q2 & H1 FY23



Particulars (Rs. Crs.)	Q2 FY23	Q2 FY22	Y-o-Y	Q1 FY23	Q-o-Q	H1 FY23	H1 FY22	Y-o-Y
<b>Total Revenue#</b>	<b>663.7</b>	<b>471.9</b>	<b>40.7%</b>	<b>598.6</b>	<b>10.9%</b>	<b>1,262.3</b>	<b>933.4</b>	<b>35.2%</b>
Cost of Goods Sold	572.9	405.6		515.7		1,088.7	807.1	
Manufacturing and Operating Costs	25.3	20.0		25.1		50.4	37.8	
<b>Gross Profit</b>	<b>65.4</b>	<b>46.4</b>	<b>41.1%</b>	<b>57.8</b>	<b>13.2%</b>	<b>123.2</b>	<b>88.5</b>	<b>39.2%</b>
Employee Expenses	13.5	9.7		11.9		25.4	19.5	
Other Expenses	7.8	7.1		7.3		15.1	12.5	
<b>EBITDA</b>	<b>44.0</b>	<b>29.6</b>	<b>49.0%</b>	<b>38.6</b>	<b>14.0%</b>	<b>82.7</b>	<b>56.5</b>	<b>46.2%</b>
Depreciation	9.5	5.9		8.6		18.1	11.4	
<b>EBIT</b>	<b>34.5</b>	<b>23.6</b>		<b>30.0</b>		<b>64.5</b>	<b>45.1</b>	
Finance Cost	9.1	5.2		7.2		16.3	10.0	
Share of Loss from JV	0.0	-0.7		0.0		0.0	-1.5	
<b>Profit Before Tax</b>	<b>25.4</b>	<b>17.7</b>	<b>43.6%</b>	<b>22.9</b>	<b>10.9%</b>	<b>48.2</b>	<b>33.6</b>	<b>43.3%</b>
Tax expense for current year	8.2	6.7		8.0		16.2	12.6	
<b>Adj. Profit After Tax</b>	<b>17.1</b>	<b>10.9</b>	<b>56.7%</b>	<b>14.9</b>		<b>32.0</b>	<b>21.0</b>	<b>52.5%</b>
Tax adjustments for previous year	-1.8	0.0		0.0		-1.8	0.0	
<b>Profit After Tax</b>	<b>18.9</b>	<b>10.9</b>	<b>73.3%</b>	<b>14.9</b>	<b>27.1%</b>	<b>33.8</b>	<b>21.0</b>	<b>61.1%</b>
EPS in Rs. (Face value of Rs. 2)	1.68	0.97^		1.32		3.00	1.86^	

# Includes Other Income ^ EPS numbers are restated

Note: Q2FY22 & H1FY22 numbers are restated

# Consolidated Balance Sheet

Particulars (Rs. Crs.)	Sep-22	Mar-22
<b>Non-Current Assets</b>	<b>624.1</b>	<b>546.1</b>
Property, plant and equipment	514.9	394.6
Capital work-in-progress	22.9	87.2
Right of Use assets	32.4	32.3
Goodwill	4.4	-
Other Intangible Assets	0.1	0.1
Financial assets		
(i) Investments	-	-
(ii) Other financial assets	7.2	6.7
Non-current tax assets (net)	22.8	17.4
Other non-current assets	19.4	7.9
<b>Current Assets</b>	<b>558.0</b>	<b>440.2</b>
Inventories	327.7	237.8
Financial assets		
(i) Investments	-	-
(ii) Trade receivables	95.7	72.2
(iii) Cash and cash equivalents	27.0	32.6
(iv) Bank balances	6.9	10.8
(v) Loans	0.0	0.0
(vi) Other financial assets	40.9	32.7
Other current assets	59.8	54.2
<b>Total Assets</b>	<b>1182.1</b>	<b>986.4</b>

Particulars (Rs. Crs.)	Sep-22	Mar-22
<b>Equity</b>	<b>338.0</b>	<b>304.1</b>
Equity share capital	22.5	22.5
Other equity	315.5	281.6
<b>Non-Current Liabilities</b>	<b>372.8</b>	<b>306.4</b>
Financial liabilities		
(i) Borrowings	305.9	254.3
(ii) Lease liabilities	21.1	22.6
Employees Benefits Obligation	3.4	2.8
Deferred tax liabilities (net)	42.4	26.7
Other non-current liabilities	0.0	0.0
<b>Current liabilities</b>	<b>471.3</b>	<b>375.8</b>
Financial liabilities		
(i) Borrowings	93.1	73.0
(ii) Trade payables	330.0	271.1
(iii) Lease Liabilities	2.0	1.4
(iv) Other financial liabilities	19.1	19.8
Other current liabilities	23.8	7.8
Employees Benefits Obligation	1.1	0.8
Current tax liabilities (net)	2.2	1.9
<b>Total Equity &amp; Liabilities</b>	<b>1182.1</b>	<b>986.4</b>



# Summary of Consolidated Cashflows

Particulars (Rs. Crs.)	Sept-22	Sept-21
Operating profit before working capital changes	78.1	56.5
Changes in working capital	-34.3	-41.2
Cash generated from/(used in) operations	<b>43.8</b>	<b>15.3</b>
Direct taxes paid (net of refund)	12.3	8.8
<b>Net Cash from Operating Activities (A)</b>	<b>31.5</b>	<b>6.5</b>
<b>Net Cash from Investing Activities (B)</b>	<b>-120.9</b>	<b>-58.3</b>
<b>Net Cash from Financing Activities (C)</b>	<b>57.2</b>	<b>21.1</b>
Net Change in cash and cash equivalents	-32.3	-30.6
<b>Cash and Cash equivalents at the end of the period</b>	<b>27.0</b>	<b>13.9</b>

## Uttar Pradesh: Ice Cream Capex Rs. 125 Crores

- The Uttar Pradesh Ice Cream Project has commenced commercial production
- Production from the unit is expected to be ramped up to 15,000 litons of ice cream by the end of FY23
- The Rs 75 crore expansion sanctioned by the Board earlier is progressing as per timelines. The expansion is expected to be commercialized by Q4FY23

## Hyderabad: Bath Soaps & Detergent Bars Capex Rs. 150 Crores

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

## Healthcare & Wellness Rs. 100 Crores

- The company has successfully completed the acquisition and has integrated the same successfully,
- The company continues to be looking out for other opportunities in this field



# THANK YOU

Company:



**Hindustan Foods Limited**

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