



Ref: SECT: STOC: 16-23

21st January, 2023

To
The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, C-1, G Block, Bandra-Kurla
Complex, Bandra (East), Mumbai – 400 051

Scrip Code: 519552

Scrip Code: HERITGFOOD

Sub: Investor Presentation - reg

Dear Sir / Madam,

Pursuant to Regulation 30 and other respective regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the copy of Investor Presentation which covers the milestones achieved by the Company during the quarter/Nine months ended December 31, 2022, apart from that there are certain other information which is required to be known by our existing shareholders as well as prospective investors of the Company.

The copy of the same also available in the website of the Company i.e. www.heritagefoods.in

Kindly take the same on record and display the same on the website of your exchange.

Thanks & Regards

For **HERITAGE FOODS LIMITED**

UMAKANTA BARIK

Company Secretary & Compliance Officer
M. No:FCS-6317

Encl: a/a

About the Company:

Heritage Foods founded in the year 1992 is one of the fastest growing Private Sector Enterprises in India, with two business divisions' viz., Dairy and Renewable Energy under its flagship company Heritage Foods Limited and Cattle feed business through its subsidiary, Heritage Nutrivet Limited (HNL). Presently Heritage's milk and milk products have market presence in Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Maharashtra, Odisha, NCR Delhi, Haryana, Uttar Pradesh and Uttarakhand. It has total renewable energy generation capacity of 10.50 MW from both Solar and Wind for captive consumption of its dairy factories.



HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY

Regd. Off : H.No. 8-2-293/82/A/1286 , Plot No. 1286, Road No. 1 & 65, Jubilee Hills, Hyderabad - 500033, Telangana, INDIA.
Tel. : +91-40-23391221, 23391222, Fax: 23326789, 23318090 Email : hfl@heritagefoods.in, Website : www.heritagefoods.in





Earnings Presentation

Q3 / 9M-FY23



Rich Legacy of 30 Years



Fully Integrated Dairy Business



Wide Presence Across 11 States



Highly Qualified and Experienced Leadership Team and Independent Board



Strong Distribution Network with Omni Channel Presence



Strong Corporate Governance Standards



+1.5 Mn Households Served Daily



Net Debt Free



18 State-of-the-art Milk Processing Plants



10 Year CAGR:
Revenue - 7%
PAT – 26%



2.65 MLPD Milk Processing Capacity



21,452 Farmers Benefited through Community Development Activities



3,000+ employees on rolls

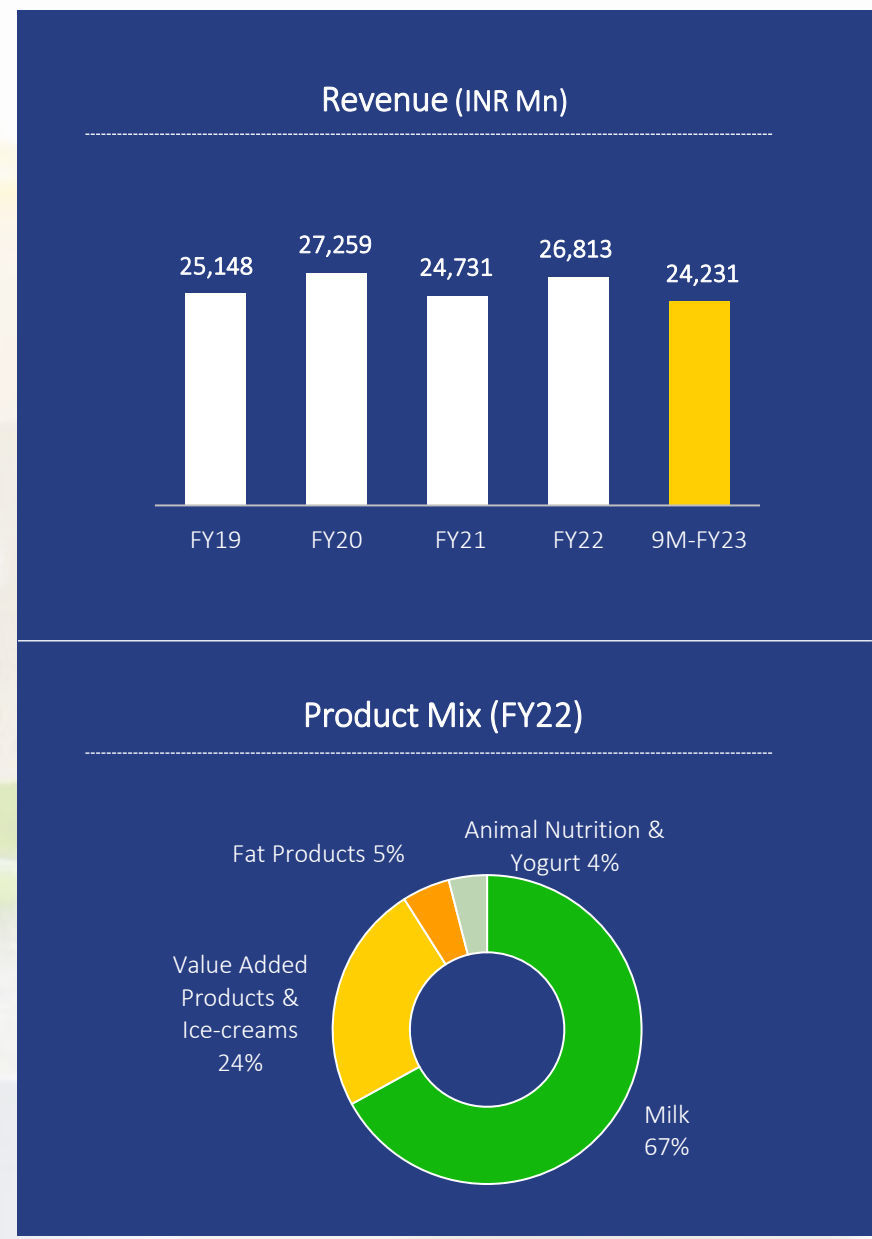


INR A+ (LT), A1 (ST) Credit Rating CRISIL



Company Overview

- Founded in 1992 with the objective to serve the farming community in India, Heritage Foods is India's one of the leading Dairy companies.
- Over the span of 3 decades, Heritage Foods has not only stayed true its values and mission but also created a diversified product portfolio, which includes milk and many milk based value added products.
- The company has a highly qualified and experienced leadership team with decades of experience spanning across business functions and is guided by a strong and eminent independent board of directors.
- Over the years, the company has created strong long-lasting relationships with 300,000+ dairy farmers for milk procurement across 8 states in India.
- The company has 18 State-of-the-art milk processing facilities with a total processing capacity of 2.65 Mn litres per day (MLPD), and 202 Chilling Units with 2.22 MLPD milk chilling capacity.
- Heritage Foods has created deeply entrenched distribution network with products sold across 11 States in India and including 122 Heritage Distribution Centres, 130,000+ Retail Outlets, 27 organized retail chains across India and 859 Heritage Parlours. It also has a strong presence across 16 E-Commerce websites.
- Heritage adopts a technology integrated network enabled by 11,300+ Milk Procurement Representatives & 2,100+ distribution vehicles across 11 states on the back of 6,500+ distributors who deliver Heritage products daily at doorsteps.
- The company has a technologically advanced R&D infrastructure with stringent quality control for the benefit of consumers.



Product Portfolio



Milk



Value Added Products



Fat Products



Animal Nutrition
Heritage Nutrivet – Subsidiary



Ice-creams



Yogurt - Mamie Yova
Heritage Novandie – Joint Venture

Geographical Footprint



Haryana

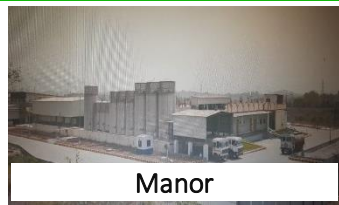


Rai

Maharashtra

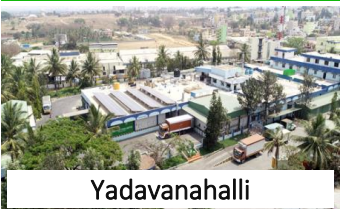


Sangvi



Manor

Karnataka

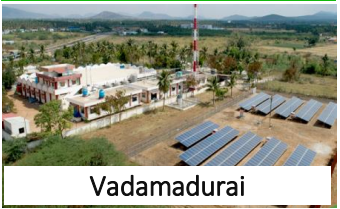


Yadavanahalli

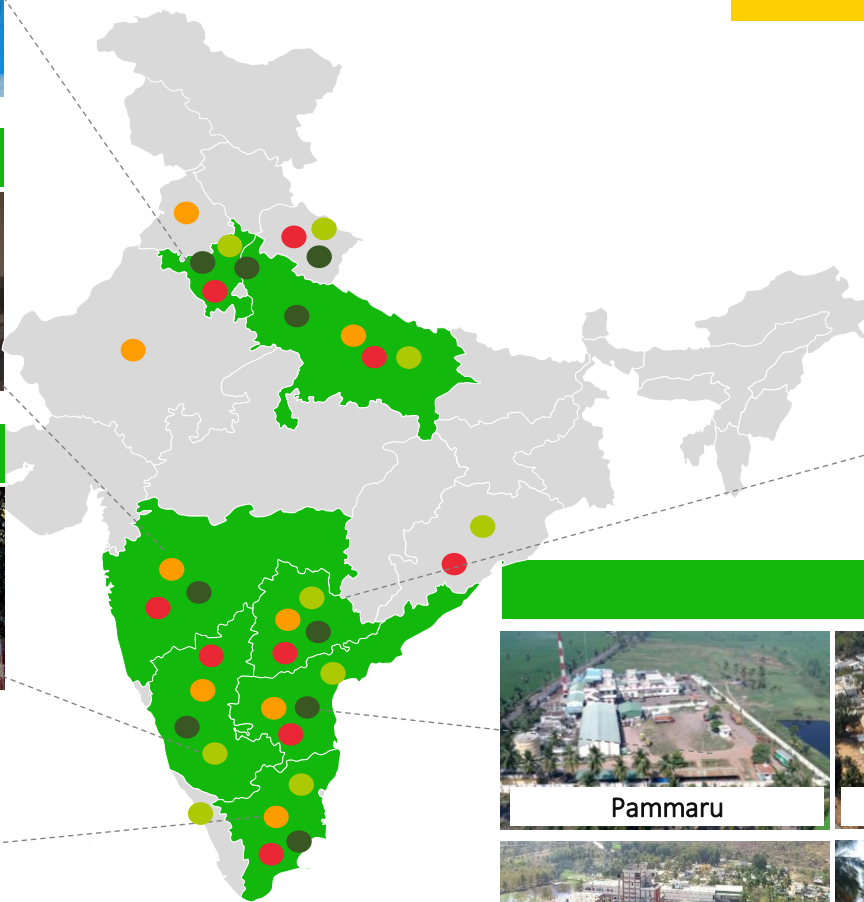


Sindhanur

Tamil Nadu



Vadamadurai



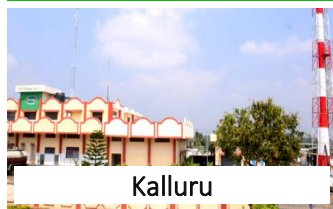
Milk Procurement - 8 States

Milk Products Sales - 11 States

Milk Sales - 11 States

Heritage Distribution Centres - 9 States

Telangana



Kalluru



Narketoally



Uppal



Shamirpet

Andhra Pradesh



Pammaru



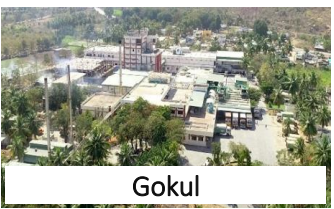
Bayyavaram



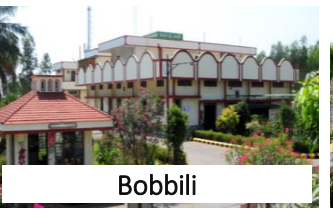
B.Kothakota



UHT Bayyavaram



Gokul



Bobbili



Battiprolu



Chittoor



Q3 / 9M-FY23 Financial Overview



Q3 / 9M-FY23 Consolidated Financial Highlights

Q3-FY23 Performance

INR 7,860 Mn Revenue from Operations	INR 326 Mn EBITDA	4.15% EBITDA Margins
INR 137 Mn PAT	1.74% PAT Margins	INR 2.96/Share Basic/Diluted EPS

9M-FY23 Performance

INR 24,231 Mn Revenue from Operations	INR 963 Mn EBITDA	3.97% EBITDA Margins
INR 400 Mn PAT	1.65% PAT Margins	INR 8.63/Share Basic/Diluted EPS

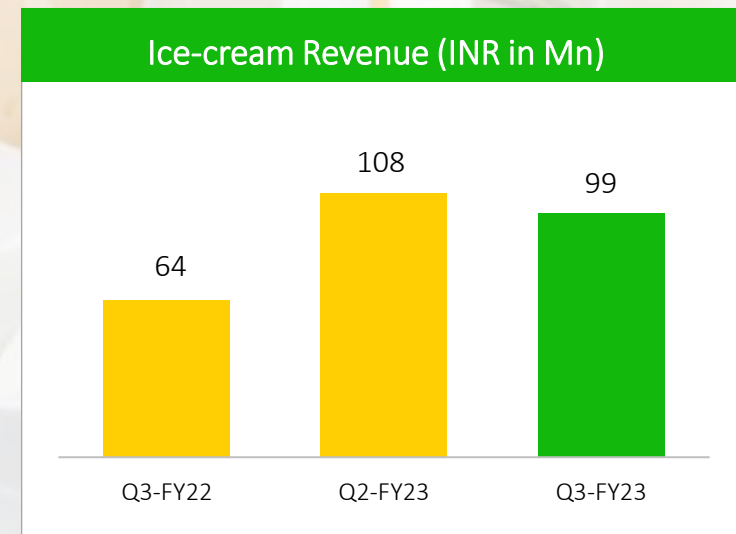
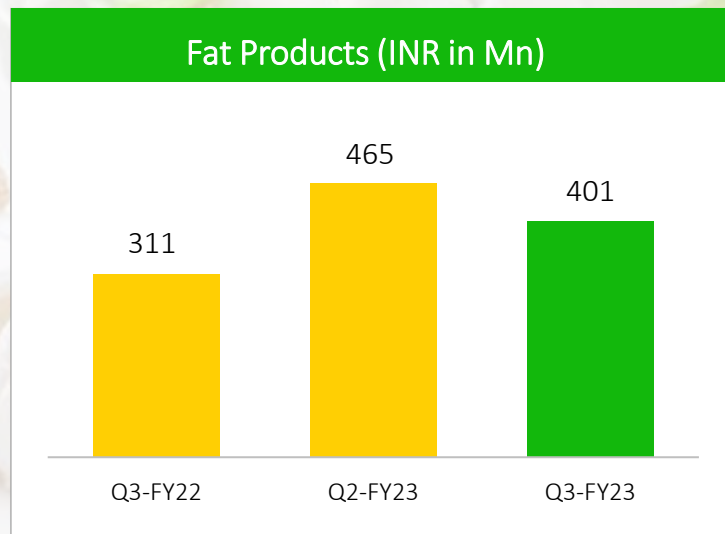
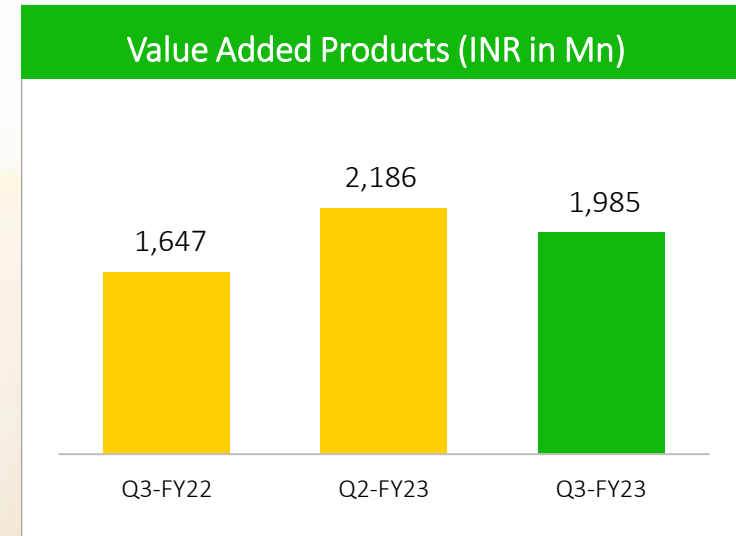
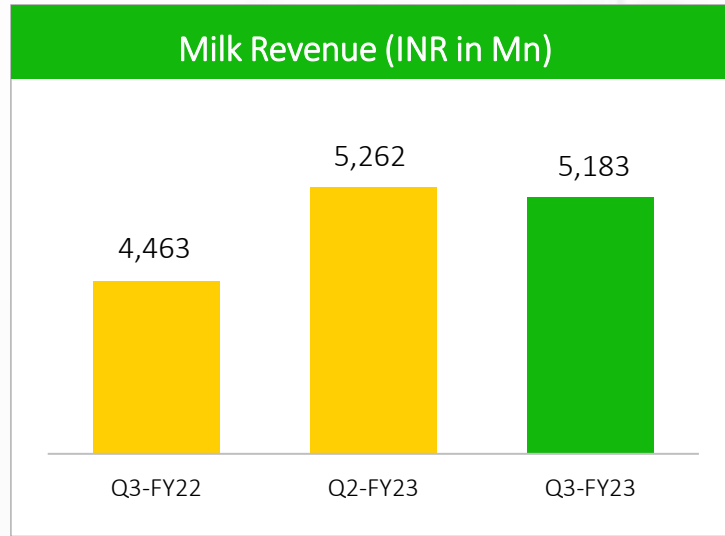
Operational Highlights

- Average milk procurement during Q3-FY23 was at 14.32 lakh litres per day (LLPD), compared to 11.91 LLPD in Q3-FY22; registering a growth of 20% YoY
- Revenue from Value added products (VAP) grew by 20.5% YoY to INR 1,985 million in Q3-FY23 compared to INR 1,647 million in Q3- FY22.
- Curd sales during Q3-FY23 stood at 294 MTPD compared to 271 MTPD in Q3-FY22; registering a growth of 8.5% YoY
- Decline in margins can primarily be attributed to increase of raw material costs which were higher than the increase in sales prices undertaken.
- Capex incurred during 9M-FY23 was INR 555 Mn

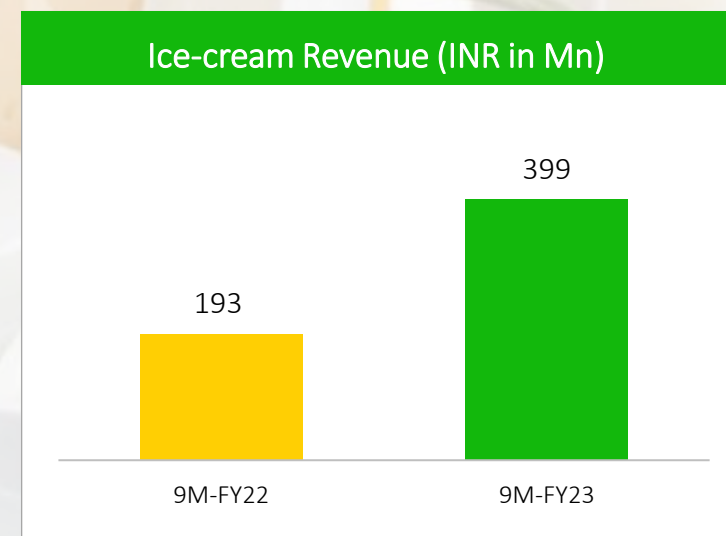
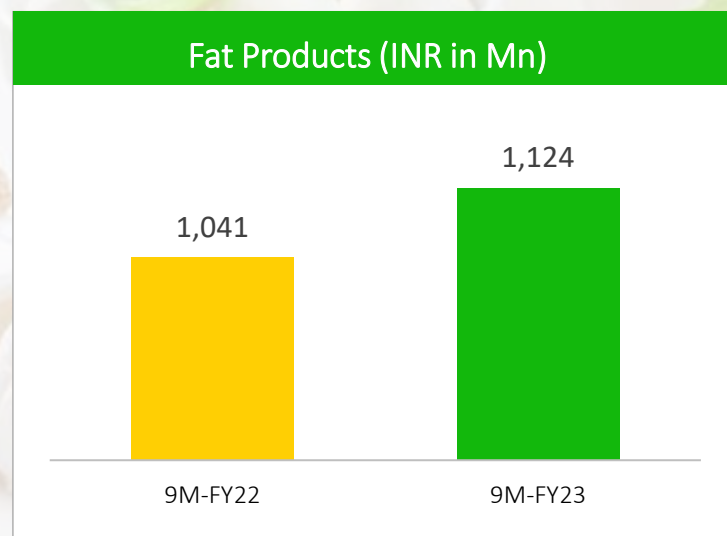
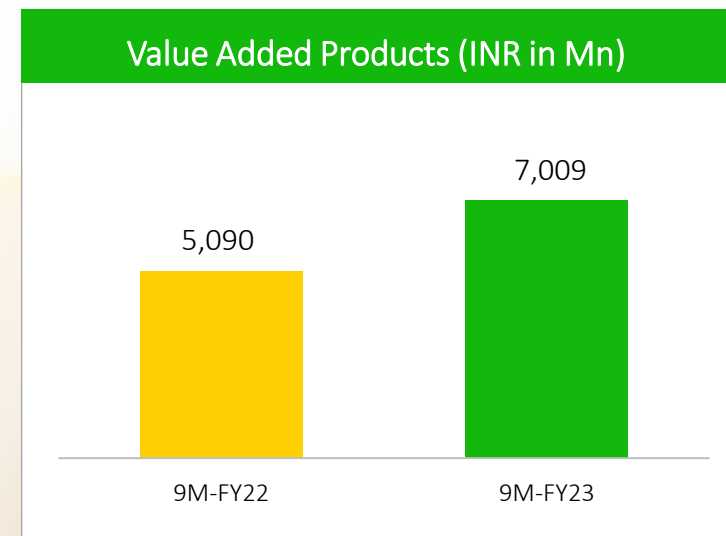
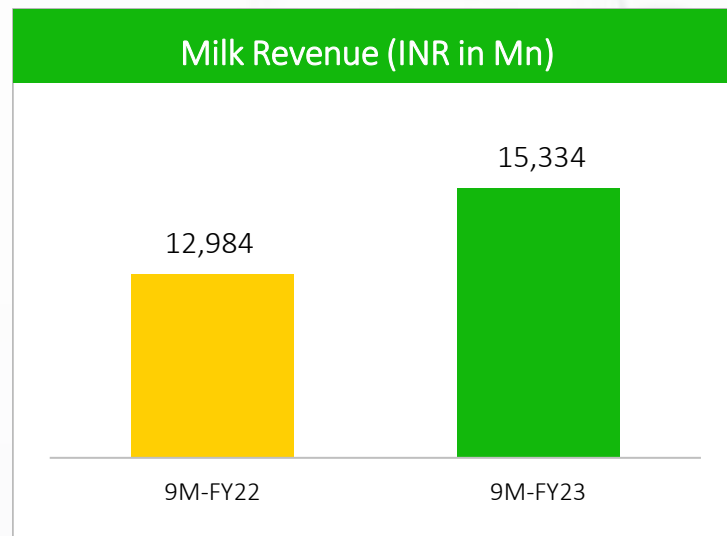
New Value Added Product Launch:



Quarterly Segmental Revenue



YTD Segmental Revenue



#SeasonOfJoy #ReasonOfJoy

The end of the year coincides with most people taking a break from their hectic routines; spending time with family, friends, and celebrating. There is a sense of joy and warmth all around. With this campaign, we wanted to catch the joyfulness of this season and be salient in the minds and the hearts of our consumers hence the campaign name #SeasonOfJoy

Through this campaign, we reached out to consumers and asked for their #ReasonOfJoy in this special season of joy. We delighted the consumer and gave them one more reason to be joyful by gifting a special Joy Hamper from Heritage. We captured these special moments and amplified them on our social media assets.

Key Metrics Achieved: 400+ Joy hampers distributed | 28k + watch hours | 11% engagement in Fb & Instagram | Highly Engaged Cohort – 18 to 34 age group | Avg. view – 70% to 75%



Mirchi Fun Street Activation in Chennai



WhatsApp Commerce Door to Door Activation in Bangalore



Quarterly Consolidated Financial Performance

Particulars (INR Mn)	Q3-FY23	Q2-FY23	Q-o-Q	Q3-FY22	Y-o-Y
Operating Income	7,860	8,162	(3.7)%	6,670	17.8%
Expenses	7,534	7,764	(3.0)%	6,263	20.3%
EBIDTA	326	398	(18.1)%	407	(19.9)%
<i>EBIDTA Margins (%)</i>	<i>4.15%</i>	<i>4.88%</i>	<i>(73)Bps</i>	<i>6.10%</i>	<i>(195)Bps</i>
Depreciation	143	138	3.6%	129	10.9%
Finance Cost	5	3	66.7%	6	(16.7)%
Other Income	32	29	10.3%	31	3.2%
Share of Profit/(Loss) of an associate & Joint Venture	(20)	(23)	(13.0)%	(16)	25.0%
PBT from continuing operations	190	263	(27.8)%	287	(33.8)%
Tax	53	73	(27.4)%	79	(32.9)%
PAT from continuing operations	137	190	(27.9)%	208	(34.1)%
Profit/(Loss) from discontinued operations	-	-	-	(1)	NA
Profit After Tax	137	190	(27.9)%	207	(33.8)%
<i>PAT Margins (%)</i>	<i>1.74%</i>	<i>2.33%</i>	<i>(59)Bps</i>	<i>3.10%</i>	<i>(136)Bps</i>
Other Comprehensive Income	0	0	NA	(1)	NA
Total Comprehensive Income	137	190	(27.9)%	206	(33.5)%
EPS Diluted (INR)	2.96	4.10	(27.8)%	4.49	(34.1)%

YTD Consolidated Financial Performance

Particulars (INR Mn)	9M-FY23	9M-FY22	Y-o-Y
Operating Income	24,231	19,854	22.0%
Expenses	23,268	18,261	27.4%
EBIDTA	963	1,593	(39.5)%
<i>EBIDTA Margins (%)</i>	<i>3.97%</i>	<i>8.02%</i>	<i>(405)Bps</i>
Depreciation	415	387	7.2%
Finance Cost	15	30	(50.0)%
Other Income	87	88	(1.1)%
Share of Profit/(Loss) of an associate & Joint Venture	(61)	(43)	(41.9)%
Exceptional Items	-	(91)	NA
PBT from continuing operations	559	1,130	(50.5)%
Tax	159	291	(45.4)%
PAT from continuing operations	400	839	(52.3)%
Profit/(Loss) from discontinued operations	-	(2)	NA
Profit After Tax	400	837	(52.2)%
<i>PAT Margins (%)</i>	<i>1.65%</i>	<i>4.22%</i>	<i>(258)Bps</i>
Other Comprehensive Income	-	(3)	NA
Total Comprehensive Income	400	834	(52.0)%
EPS Diluted (INR)	8.63	18.08	(52.3)%

Historical Financial Overview



Historical Consolidated Income Statement



Particulars (INR Mn)	FY19	FY20	FY21	FY22	9M-FY23
Operating Income	25,148	27,259	24,731	26,813	24,231
Expenses	23,298	25,974	22,062	24,906	23,268
EBIDTA	1,850	1,284	2,669	1,907	963
EBIDTA Margins (%)	7.36%	4.71%	10.79%	7.11%	3.97%
Depreciation	446	501	462	522	415
Finance Cost	215	226	192	40	15
Fair Value Loss on FVTPL Securities	1,311	5,116	48	-	-
Other Income	90	89	80	113	87
Gain due to changes in fair value of derivative liabilities	1,311	2,945	-	-	-
Share of Profit/(Loss) of an associate & Joint Venture	(4)	(9)	(22)	(60)	(61)
Exceptional Items	-	-	-	(91)	-
PBT from continuing operations	1,275	(1,534)	2,025	1,307	559
Tax	447	153	535	342	159
PAT from continuing operations	828	(1,687)	1,490	965	400
Profit/(Loss) from discontinued operations	2	(7)	(7)	(4)	-
Profit After Tax	826	(1,694)	1,483	961	400
PAT Margins (%)	3.28%	(6.21)%	6.00%	3.58%	1.65%
Other Comprehensive Income	454	(1,712)	(21)	(1)	0
Total Comprehensive Income	372	(3,406)	1,462	960	400
EPS Diluted (INR)	17.55	(34.55)	32.32	20.81	8.63

Historical Consolidated Balance Sheet

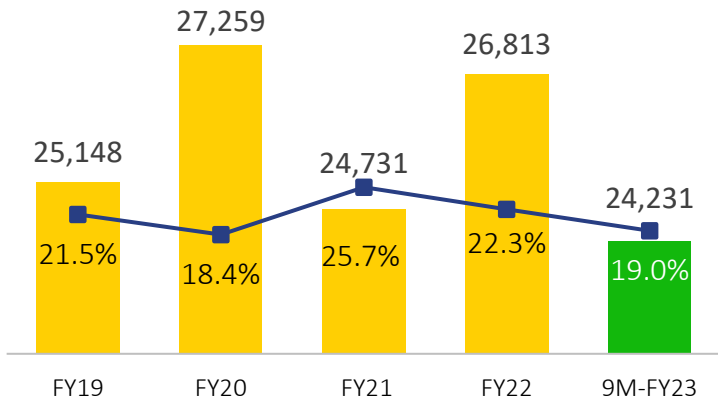


Particulars (INR Mn)	FY21	FY22	H1-FY23
Equity And Liability			
Equity Share Capital	232	232	232
Reserve and Surplus	5,726	6,344	6,491
Shareholders Fund	5,958	6,576	6,723
Minority Interest	5	0	0
Total Equity	5,963	6,576	6,723
Non-Current Liabilities			
Long-term Borrowings	340	80	59
Deferred tax liabilities (net)	241	239	236
Other long term liabilities	162	305	329
Total non-current liabilities	743	624	624
Current Liabilities			
Short-term Borrowings	299	38	36
Trade payables	355	519	781
Other financial liabilities	1,194	1,035	1,089
Other current liabilities	231	234	275
Total current liabilities	2,079	1,826	2,181
Total Equity and Liability	8,785	9,026	9,528

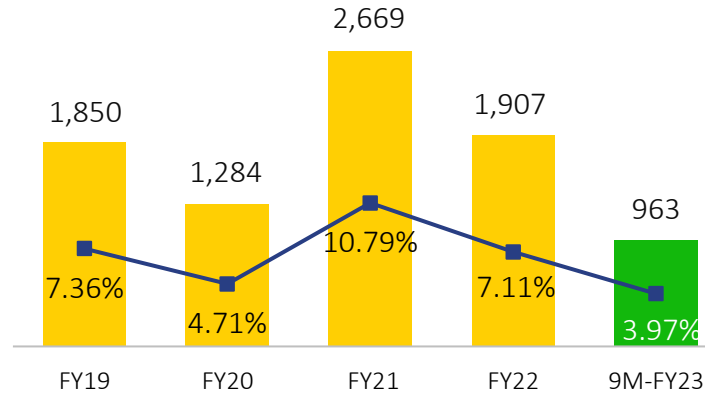
Particulars (INR Mn)	FY21	FY22	H1-FY23
Assets			
Non-Current Assets			
Property, Plant and Equipment	5,714	5,705	5,670
Capital WIP	157	74	175
Investment Property	45	44	44
Other intangible assets	39	44	38
Intangible assets under development	26	6	5
Investment in Associate & Joint Venture	129	174	133
Financial assets	58	67	82
Other non-current assets	22	4	25
Total non-current assets	6,191	6,118	6,172
Current Assets			
Inventories	1,983	2,058	1,144
Investments	0	0	807
Trade Receivables	152	185	380
Cash & Bank Balances	236	356	767
Loans	9	1	2
Other Financial Assets	32	37	35
Other Current Assets	184	271	221
Total Current Assets	2,595	2,908	3,356
Total Assets	8,785	9,026	9,528

Historical Consolidated Financial Performance

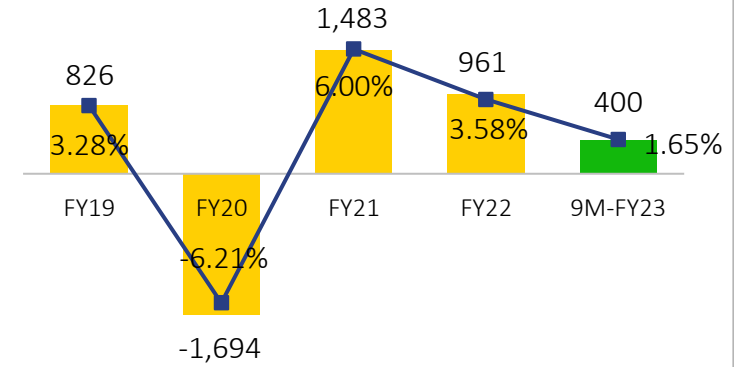
Revenue (INR Mn) & Gross Margins (%)



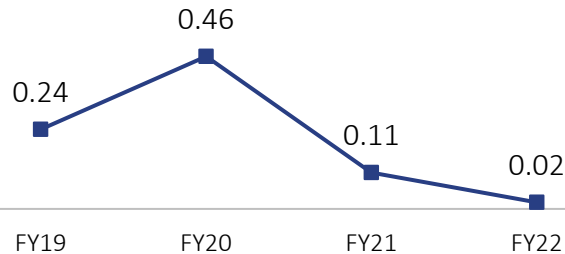
EBITDA (INR Mn) & Margins (%)



PAT (INR Mn) & Margins (%)

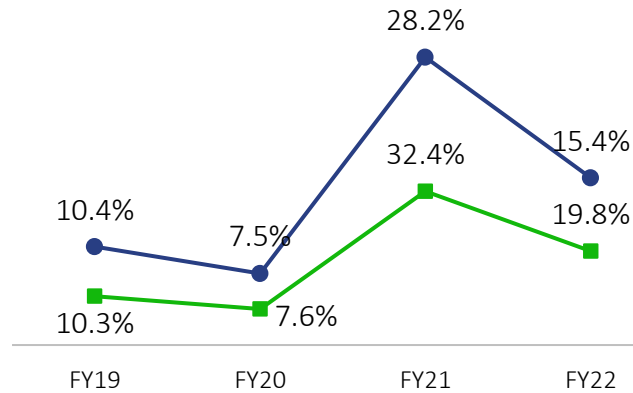


Leverage Ratio (x)



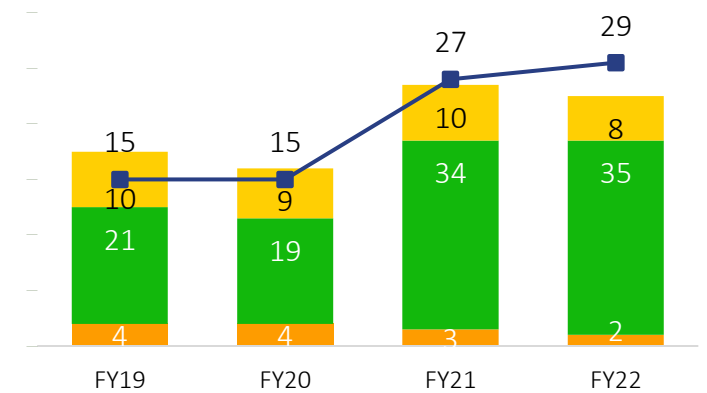
■ D/E(x)

ROE & RoCE (%)



■ ROCE (%) ■ ROE (%)

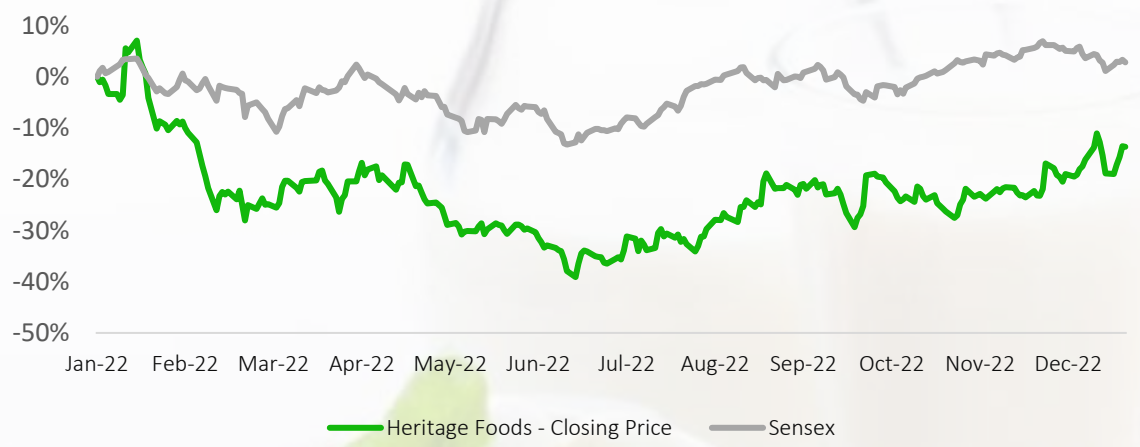
Working Capital Analysis



■ Receivable Days ■ Inventory Days
 ■ Payable Days ■ NWC Days

Capital Market Data

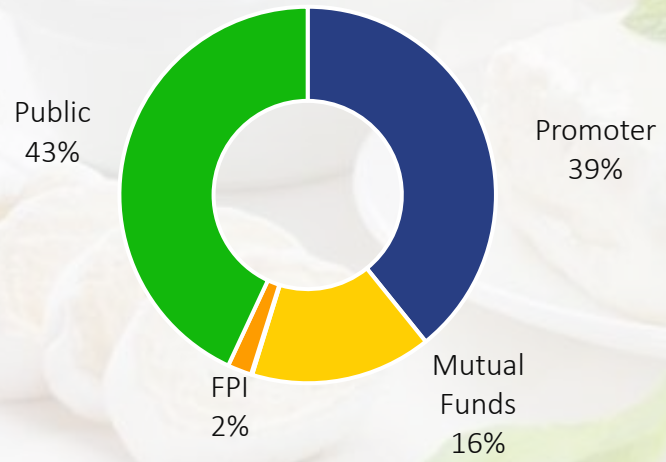
1 Year Stock Performance up to 31st December, 2022



Market Data as on 31st December, 2022

Shareholder	% Shareholding
Face Value	5.0
CMP	359.0
52 Week H/L	451.9 / 250.3
Market Capitalization (Mn)	16,656.9
Shares O/S (Mn)	46.4

Shareholding Pattern as on 31st December, 2022



Top Marquee Shareholders as on 31st December, 2022

Shareholder	% Shareholding
DSP Small Cap Fund	4.94
Kotak Mutual Fund	4.78
UTI Mutual Fund	2.76
Aditya Birla Sun Life Mutual Fund	1.37
IDFC Emerging Businesses Fund	0.88

Heritage Foods Limited:

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Email: heritage@valoremadvisors.com



Thank You
