



## HINDUSTAN FOODS LIMITED

A Vanity Case Group Company

A Government Recognised Star Export House

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**Tel. No.:** +91 22 6980 1700/01, **CIN:** L15139MH1984PLC316003

Date: November 8, 2023

To, The General Manager Department of Corporate Services BSE Limited Floor 25, P. J. Towers, Dalal Street, Mumbai- 400 001 Tel: (022) 2272 1233 / 34 Company Scrip Code: 519126	To, The Manager, National Stock Exchange of India Limited, Listing Department, Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 070 Company Symbol: HNDFDS
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Dear Sir/Madam,

**Subject: Earnings Presentation Nov' 23**

In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, please find attached herewith the "Earnings Presentation Nov'23" for the Q2 & H1 ended September 30, 2023.

We request you to take above on record.

Thanking you.

Yours faithfully,  
For **Hindustan Foods Limited**

**Bankim Purohit**  
**Company Secretary**  
**ACS: 21865**

Encl. As above





**Hindustan Foods Limited**  
**Earnings Presentation Nov'23**



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# Q2 & H1 FY24 Overview



# Key Parameters



# Includes Other Income

\*Gross Block for H1FY24 includes wholly owned subsidiary/LLP and includes CWIP

# Key Business Highlights

01

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

02

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

03

The upgradation capex in the beverage facility in Mysuru for the new MNC customer was completed and commercial production has started in the month of October

04

The company is raising funds to the tune of Rs. 400 Crores in form of preferential warrants to be used as a growth capital

05

The Company plans to invest up to Rs. 100 Crores to set up, acquire and invest in area of sports shoe manufacturing. As a part of this capex, Company has executed a share purchase agreement to acquire 100% share capital of KNS Shoetech Pvt. Ltd.

06

The Board has authorized an investment of Rs. 75 crores for setting up a Greenfield Ice Cream facility

07

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

# Expands Presence in Contract Manufacturing of Shoes

01

## Acquisition Target

- ✓ Company has executed a share purchase agreement with KNS Shoetech Pvt Ltd (KNS Shoetech) to acquire 100% share capital of KNS Shoetech

02

## Overview

- ✓ KNS Shoetech is engaged in the business of manufacturing the entire portfolio of sports shoes and sneakers
- ✓ The company has a factory located in Kundli, Haryana and is currently manufacturing the entire portfolio of sports shoes and sneakers

03

## Rationale

- ✓ Company is looking forward to strengthening its position in the future by additional capex and expansion
- ✓ The India sports shoes market has witnessed remarkable growth in recent years, driven by increasing consumer awareness about fitness and sports, along with surge in demand for comfortable and fashionable sports footwear

04

## Industry

- ✓ India is one of the largest markets for sports shoes in the Asia-Pacific region. The industry comprises both domestic and international players, with brands like Nike, Adidas, Puma, Reebok, and domestic brands like Bata and Lakhani, among others

05

## Outlook

- ✓ Plans to invest up to Rs. 100 crores to set up, acquire and invest in sports shoes manufacturing.
- ✓ This strategic move is the first bet on the thriving sports shoes space in India

# Expands presence in the Ice Cream Industry

01

## Initial Set up

- ✓ The wholly owned subsidiary, HFL Consumer Products successfully set up the Ice Cream plant in Uttar Pradesh at a cost of Rs. 125 Crores and commenced trial production in Q4FY22

02

## Brownfield expansion

- ✓ Further, expansion of Ice Cream plant in Uttar Pradesh was carried out at a cost of Rs. 75 Crores. The same was completed and commenced operations in Q4FY23

03

## Additional Greenfield Capacity

- ✓ The Board has authorized an investment of Rs. 75 crores for setting up a Greenfield Ice Cream facility

04

## Rationale

- ✓ Increase in per capita consumption
- ✓ Increasing reach of eCommerce
- ✓ Decentralisation of supply chain



# Message from Managing Director and Group CFO



**Commenting on the Results, Sameer R. Kothari, Managing Director said,** “The overall slowdown in the FMCG demand and the deflation in the commodity prices continues to affect the short-term performance of the company. Additionally, the delay in getting the approvals for our Baddi acquisition have also hurt our plans for this financial year.

However, we do believe that this phase is temporary and that this environment will lead to further consolidation of the industry and offer interesting opportunities for M&A. We have accordingly, decided to raise some capital in the form of warrants which will not only give us access to the capital but will also allow us the luxury of drawing down this capital as and when these opportunities manifest.

One such opportunity identified by the company is in the sports shoe manufacturing sector where the company has agreed to invest up to Rs. 100 crores. We do believe that this sector will see some unprecedented growth aided by the tailwinds of government policies and global realignment of supply chains. Another sector is ice cream manufacturing where we have further authorized an investment of Rs. 75 crores as we believe that per capita consumption and increasing reach of e-commerce will lead to a further decentralization of the supply chain and require more capex for setting up manufacturing facilities.

We continue to be bullish about the Indian consumption story and are still confident of reaching our stated target by FY25.”



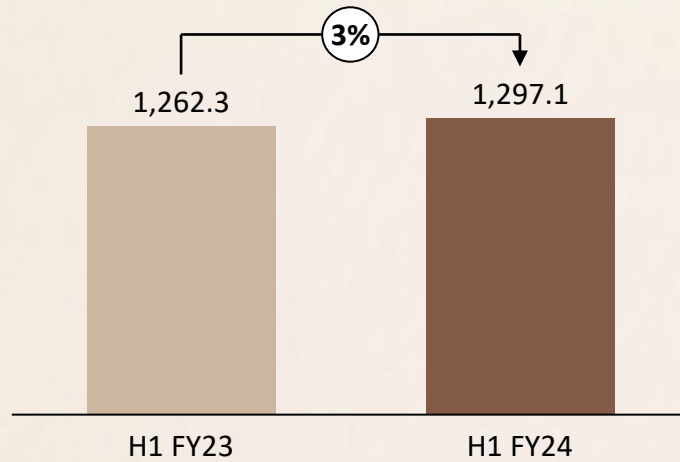
**Commenting on the Results, Mayank Samdani, Group CFO said,** “While our turnover for the quarter on a consolidated basis was flat with a growth of only 2% YoY, the PAT rose by 31% YoY.

Our PAT for the quarter surpassed its previous high owing to the commercialization of the new facilities and thus for the half year also, we have posted our highest ever PAT of Rs. 48.0 crores. We were able to achieve 21% RoE which we expect to sustain.

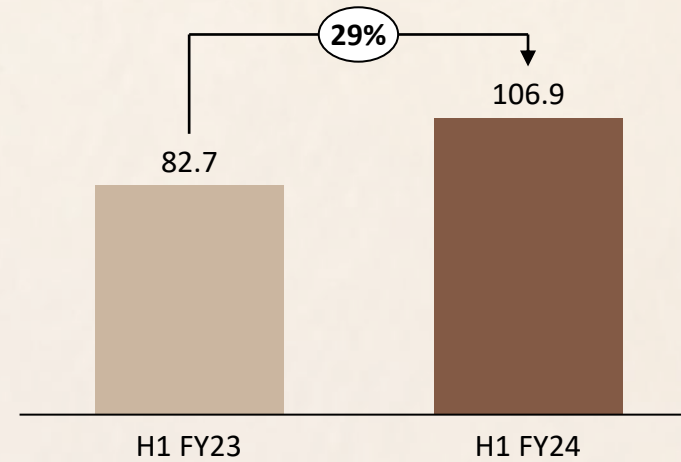
Our consolidated cash flow from operations was stable in spite of the increase in the inventory levels due to the commencement and ramping up of the new facilities.”

# H1 FY24 Consolidated Results Highlights

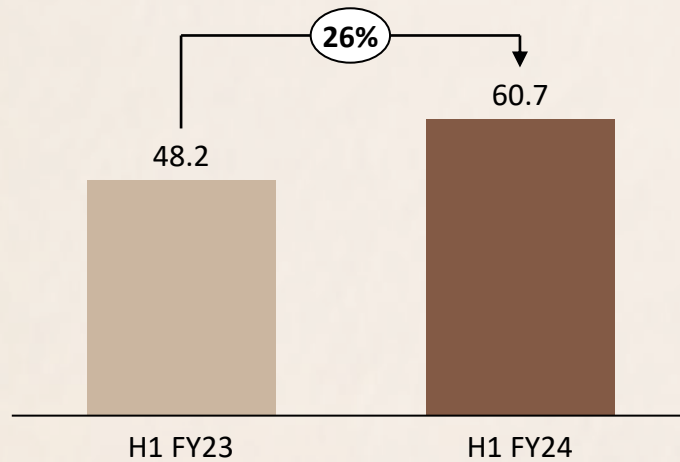
### Revenue# (Rs. Crs.)



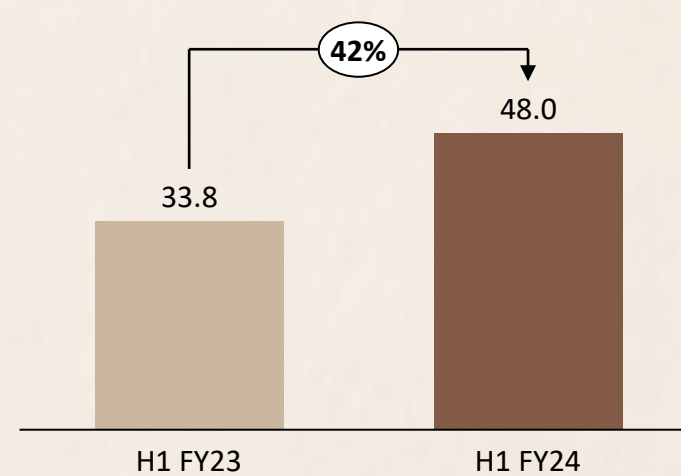
### EBITDA (Rs. Crs.)



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



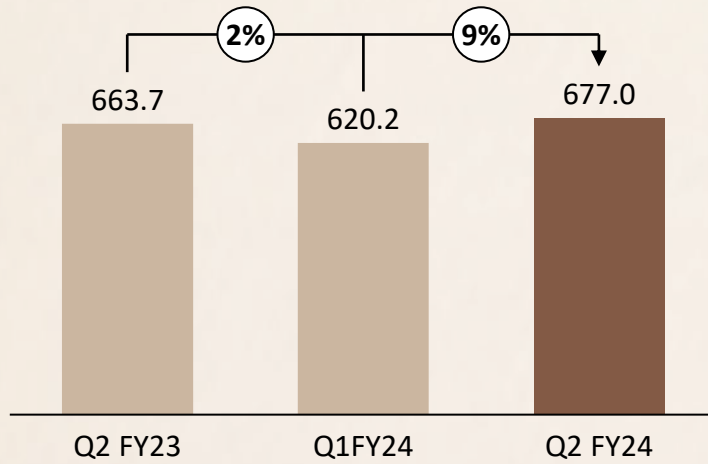
### Profit after Tax (Rs. Crs.)



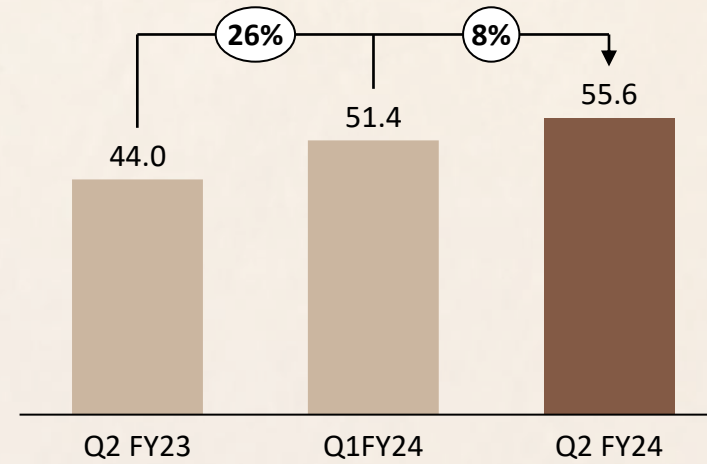
# Includes Other Income

# Q2 FY24 Consolidated Results Highlights

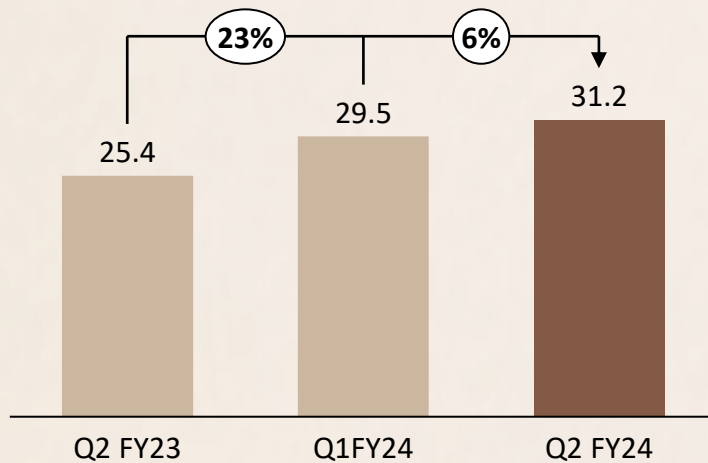
### Revenue# (Rs. Crs.)



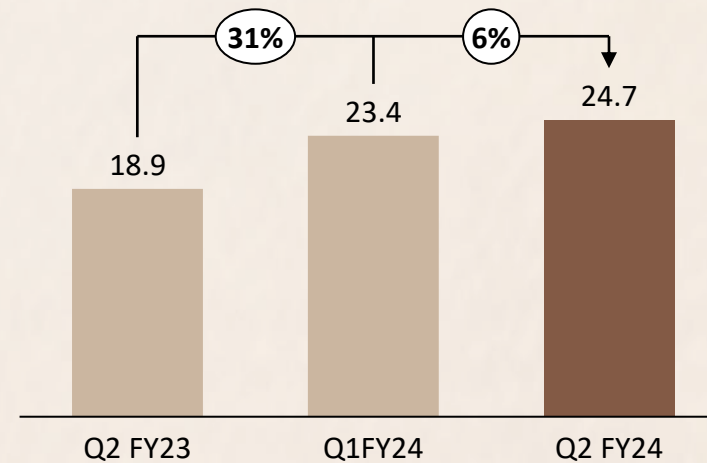
### EBITDA (Rs. Crs.)



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



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



# Includes Other Income

# Consolidated Profit & Loss Statement – Q2 & H1 FY24

Particulars (Rs. Crs.)	Q2 FY24	Q2 FY23	Y-o-Y	Q1 FY24	Q-o-Q	H1 FY24	H1 FY23	Y-o-Y
<b>Total Revenue#</b>	<b>677.0</b>	<b>663.7</b>	<b>2%</b>	<b>620.2</b>	<b>9%</b>	<b>1,297.1</b>	<b>1,262.3</b>	<b>3%</b>
Cost of Goods Sold	564.5	572.9		516.3		1,080.8	1,088.7	
Manufacturing and Operating Costs	30.6	25.3		28.5		59.1	50.4	
<b>Gross Profit</b>	<b>81.8</b>	<b>65.4</b>	<b>25%</b>	<b>75.4</b>	<b>9%</b>	<b>157.2</b>	<b>123.2</b>	<b>28%</b>
Employee Expenses	15.9	13.5		15.4		31.2	25.4	
Other Expenses	10.4	7.8		8.7		19.0	15.1	
<b>EBITDA</b>	<b>55.6</b>	<b>44.0</b>	<b>26%</b>	<b>51.4</b>	<b>8%</b>	<b>106.9</b>	<b>82.7</b>	<b>29%</b>
Depreciation	11.7	9.5		10.9		22.6	18.1	
<b>EBIT</b>	<b>43.8</b>	<b>34.5</b>		<b>40.5</b>		<b>84.3</b>	<b>64.5</b>	
Finance Cost	12.6	9.1		11.0		23.6	16.3	
<b>Profit Before Tax</b>	<b>31.2</b>	<b>25.4</b>	<b>23%</b>	<b>29.5</b>	<b>6%</b>	<b>60.7</b>	<b>48.2</b>	<b>26%</b>
Tax expense	6.6	6.4		6.1		12.7	14.4	
<b>Profit After Tax</b>	<b>24.7</b>	<b>18.9</b>	<b>31%</b>	<b>23.4</b>	<b>6%</b>	<b>48.0</b>	<b>33.8</b>	<b>42%</b>
EPS	2.19	1.68		2.07		4.26	3.00	

# Includes Other Income

# Consolidated Balance Sheet as on 30<sup>th</sup> September 2023

Particulars (Rs. Crs.)	30-Sep-23	31-Mar-23
<b>Non-Current Assets</b>	<b>767.9</b>	<b>737.5</b>
Property, plant and equipment	664.2	519.7
Capital work-in-progress	32.9	124.7
Right of Use assets	30.6	31.0
Goodwill	3.0	3.0
Intangible assets under development	0.2	0.4
Other Intangible Assets	0.6	0.0
Financial assets		
(i) Other financial assets	9.7	19.0
Deferred Tax Asset (Net)	0.2	0.4
Non-current tax assets (net)	4.7	13.7
Other non-current assets	21.9	25.6
<b>Current Assets</b>	<b>726.2</b>	<b>597.7</b>
Inventories	450.5	333.9
Financial assets		
(i) Trade receivables	106.8	104.5
(ii) Cash and cash equivalents	37.1	39.9
(iii) Bank balances	8.5	10.6
(v) Other financial assets	60.8	51.3
Other current assets	62.5	57.5
<b>Total Assets</b>	<b>1,494.1</b>	<b>1,335.2</b>

Particulars (Rs. Crs.)	30-Sep-23	31-Mar-23
<b>Equity</b>	<b>423.1</b>	<b>374.9</b>
Equity share capital	22.5	22.5
Other equity	400.5	352.4
<b>Non-Current Liabilities</b>	<b>472.1</b>	<b>455.3</b>
Financial liabilities		
(i) Borrowings	399.0	382.0
(ii) Lease liabilities	20.3	20.2
Employees Benefits Obligation	5.9	5.4
Deferred tax liabilities (net)	47.0	47.8
<b>Current liabilities</b>	<b>598.9</b>	<b>505.0</b>
Financial liabilities		
(i) Borrowings	158.6	109.4
(ii) Trade payables	382.0	335.3
(iii) Lease Liabilities	2.0	1.0
(iv) Other financial liabilities	25.8	28.2
Other current liabilities	25.9	30.1
Employees Benefits Obligation	0.9	1.0
Current Tax Liabilities (Net)	3.7	-
<b>Total Equity &amp; Liabilities</b>	<b>1,494.1</b>	<b>1,335.2</b>

# Summary of Consolidated Cashflows

Particulars (Rs. Crs.)	Sept-23	Sept-22
Operating profit before working capital changes	107.2	78.1
Changes in working capital	-82.7	-34.3
Cash generated from/(used in) operations	<b>24.5</b>	<b>43.8</b>
Direct taxes paid (net of refund)	0.5	12.3
<b>Net Cash from Operating Activities (A)</b>	<b>24.0</b>	<b>31.5</b>
<b>Net Cash from Investing Activities (B)</b>	<b>-69.5</b>	<b>-120.9</b>
<b>Net Cash from Financing Activities (C)</b>	<b>42.9</b>	<b>57.2</b>
Net Change in cash and cash equivalents	-2.6	-32.3
<b>Cash and Cash equivalents at the end of the period</b>	<b>37.1</b>	<b>27.0</b>

**01**

Integration of solar power plants and rainwater harvesting systems at our new factories, reducing reliance on conventional energy sources and conserving water resources

**02**

Adoption of briquette boilers to replace traditional coal-fired ones, transition to cleaner fuel to reduce carbon emissions and promotion of cleaner energy alternatives

**03**

Embracing smart lighting and air-conditioning systems, digital payment and signature methods, replacing vapour lamps with LED bulbs in operations to conserve power consumption and striving to minimise paper usage, thereby reducing energy consumption and paper waste

**04**

Collaborating with our Principals to adopt eco-friendly and minimal product packaging practices, promoting sustainable supply chains, actions towards segregation and disposal of plastic wastes in line with regulations and reducing environmental impact

**05**

Prioritising the employment of local labour in our factories, contributing to the economic development of rural and semiurban areas where our facilities are located

**06**

Enforcing the mandatory preservation of trees and plants in and around our factories, fostering a greener environment and enhancing biodiversity



## 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.
- The relationship has now also been extended to Sandila (UP) and Silvassa as well





# THANK YOU

**Company:**



**Hindustan Foods Limited**

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**Investor Relations Advisors:**



**Strategic Growth Advisors Pvt. Ltd.**

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