



Hindustan Foods Limited

A Vanity Case Group Company

Registered Office: Office No.3, Level-2, Centrium, Phoenix Market City,
15, Lal Bahadur Shastri Road, Kurla (West), Mumbai, Maharashtra, India. 400 070.
Email: business@thevanitycase.com Website: www.hindustanfoodslimited.com
Tel. No. +91-22-61801700 / 01 CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date : 20th November, 2019

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

Through Listing Centre

Dear Sir / Madam,

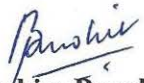
Sub.: Earnings Presentation for Q2 and H1 FY 2019-20

In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Earnings Presentation for Q2 and H1 ended 30th September, 2019 of FY 2019-20.

We request you to take the above on record.

Thanking you,

Yours faithfully
for **HINDUSTAN FOODS LIMITED**


Bankim Purohit
Company Secretary
ACS: 21865



Encl.: As above



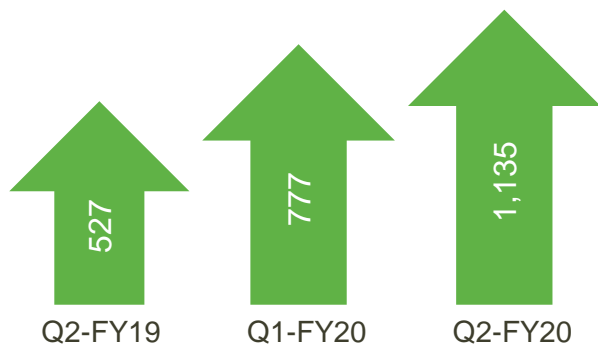
HINDUSTAN FOODS LIMITED

EARNINGS PRESENTATION | H1 / Q2-FY20

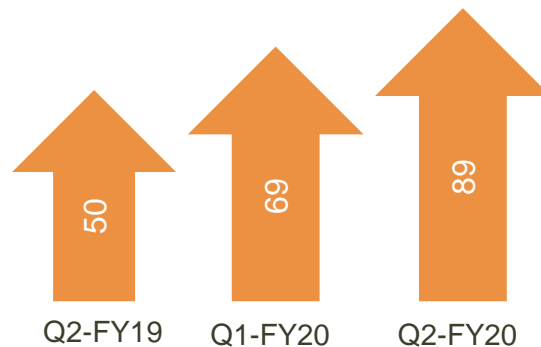


Q2-FY20 Consolidated Performance Highlights

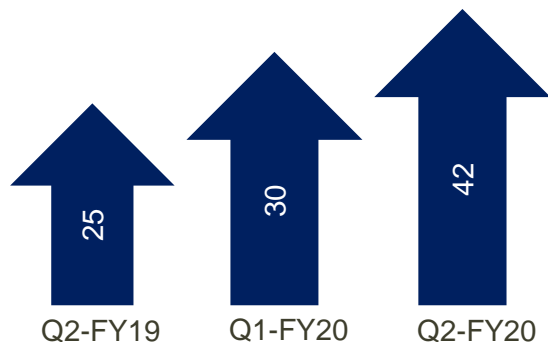
Operational Income (INR Mn)



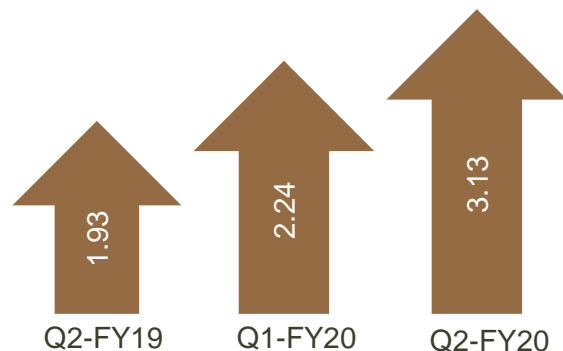
EBITDA (INR Mn)



PAT (INR Mn)



Basic EPS (INR)



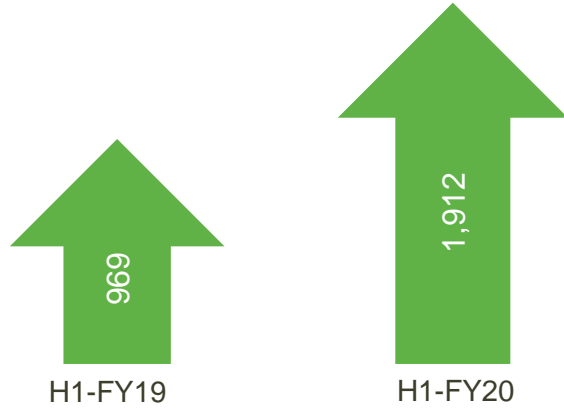
- Operational Revenue for Q2-FY20 grew by 115.4% YoY.
- EBITDA grew by 78.0% on a YoY basis and EBITDA margins stood at 7.84% for the quarter which is a de-growth of 165 Bps YoY.
- PAT for the quarter grew by 68% YoY and PAT margins are 3.70% which is a de-growth of 104 Bps YoY.
- The Coimbatore unit for packing of tea and other beverages has been successfully ramped up and the company has started another expansion at this unit which is expected to further scale up in coming quarters
- ATC Beverages Private Limited, an associate company, has successfully signed on multiple customers and expects to run at 70% capacity utilization in the coming season.
- The Extruded Foods manufacturing in Goa, the Leather Shoes business in Pondicherry & Vasai and the Pest Control manufacturing in Jammu continued to perform consistently.

Consolidated Quarterly Income Statements (Ind-As)

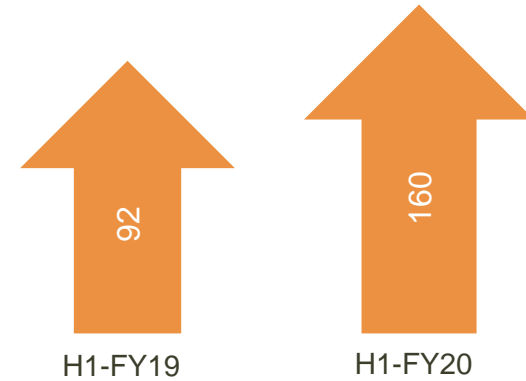
Income Statement (INR Mn)	Q2-FY20	Q2-FY19	Y-o-Y % Change	Q1-FY20	Q-o-Q % Change
Operational Income	1,135	527	115.4%	777	46.1%
Total Expenses	1,046	477	119.3%	708	47.7%
EBITDA	89 7.84	50 9.49	78.0% (165) bps	69 8.88	28.9% (104) bps
Depreciation	14	7	100.0%	12	16.7%
Interest	17	9	88.9%	17	NA
Other Income	2	1	100.0%	1	100%
Share of profit/loss from associate	(2)	-	NA	-	NA
PBT	58	35	65.7%	41	41.5%
Tax	16	10	60.0%	11	45.5%
Profit After tax	42	25	68.0%	30	40.0%
PAT Margins(%)	3.70%	4.74%	(104) Bps	3.86%	(16) Bps
Other Comprehensive Income	-	-	NA	-	NA
Total Comprehensive Income	42	25	68.0%	30	40.0%
Basic EPS (INR)	3.13	1.93	62.2%	2.24	39.7%

H1-FY20 Consolidated Performance Highlights

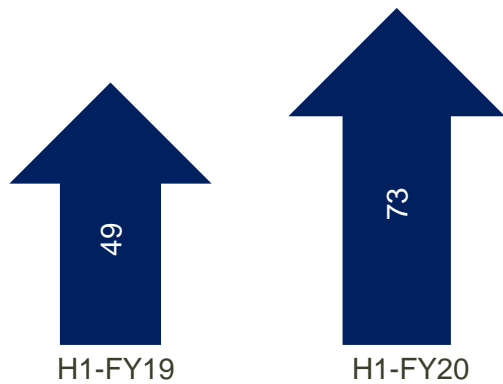
Operational Income (INR Mn)



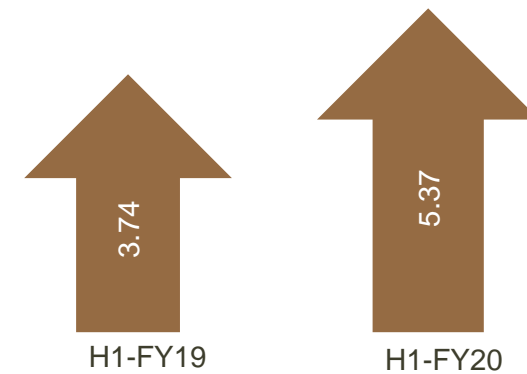
EBITDA (INR Mn)



PAT (INR Mn)



Basic EPS (INR)



Consolidated Half-Yearly Income Statement

Income Statement (INR Mn)	H1-FY20	H1-FY19	Y-o-Y % change
Operational Income	1,912	969	97.3%
Total Expenses	1,752	877	99.8%
EBITDA	160 8.37	92 9.49	73.9% (112) bps
Depreciation	26	13	100.0%
Interest	34	14	142.9%
Other Income	2	1	100.0%
Share of profit/loss from associate	(2)	-	NA
PBT	100	66	51.5%
Tax	27	17	58.8%
Profit After tax	73	49	49.0%
PAT Margins(%)	3.82%	5.06%	(124) Bps
Other Comprehensive Income	(1)	-	NA
Total Comprehensive Income	72	49	46.9%
Basic EPS (INR)	5.37	3.74	43.6%

Q2-FY20 Consolidated Financial Performance



YoY Financial Performance (Q2-FY20 vs. Q2-FY19)

- Increase in revenue is primarily due to the ramp up of the Coimbatore plant, that started commercial production in January, 2019.
- Decrease in EBITDA margins was due to increase in share of the company's dedicated manufacturing business vis-à-vis the contract manufacturing business.
- Depreciation increased primarily due to the capitalization of the Coimbatore tea plant.
- Increase in interest cost was due to term loan taken for Coimbatore plant and also increase in working capital facilities
- The share of profit/loss from associate of INR 1.6 Mn is related to the associate company ATC Beverages Ltd in which the company holds 36.04%

Sequential Financial Performance (Q2-FY20 vs. Q1-FY20)

- Increase in revenue was due to ramp of Coimbatore plant
- EBITDA increased by 29% was due to ramping up of the new factory and resultant operational efficiencies.

Capitalization and Borrowings

- Long term borrowings have increased to finance the expansion.

Future Capex Plans

- The company is proposing to set up a liquid manufacturing facility in Silvassa for a leading home care liquid brand. The board has authorized an investment of up to INR 30 Cr in this facility which includes buying out the existing factory of the promoter group and additional investments. The factories will have a capacity to manufacture around 20,000 KI of liquids and the company hopes to enter into a multi-year contract for the same.



Hyderabad Facility (On-Going Merger):

- The legal process for the merger of the Hyderabad Unit (HUL Detergent factory) has been delayed at the honorable NCLT and is expected to conclude in Q3-FY20
- As soon as the Hyderabad factory is merged into the company, it's turnover of INR 252 Cr of FY19 will reflect in the books of HFL as per the statutory process.
- The company is also planning to invest up to INR 150 Cr in building up a state of art Home care Liquid and Shampoo Manufacturing facility for HUL in addition to the existing detergent powder facility. This expansion has been sanctioned by the board in the previous meeting. This would be one of the largest detergents facilities in India for the said principal.
- The company expects to kick-off commercial production of this new project by Q3-FY20.



Proposed Mergers:

- The promoter group owns a factory located at Coimbatore for packing malted beverages for a multinational. As a step towards the eventual consolidation of the group's operations, the company is considering to merge this factory under HFL
- Also, with the successful turnaround of ATC Beverages Pvt Limited, the management of ATC and HFL is now confident that HFL should take a bigger role in ATC Beverages and hence is considering the option of merging the same into HFL.



ABOUT HFL

Company Overview

Introduction

- Hindustan Foods Ltd. (HFL) was founded in 1984 and was promoted by the Dempo Group.
- The company offers reliable **contract manufacturing** services across India to top FMCG customers who are looking to minimize cost while maximizing product quality in the post-GST environment.
- In 2013, Vanity Case Group bought a controlling stake in Hindustan Foods Ltd. from Dempo Group of Goa and since then the company has diversified across various FMCG categories with manufacturing competencies in **Food & Beverages, Home & Personal Care, Fabric Care, Leather products.**
- The Vanity Case Group was founded in the year 2001 and is one of the largest and most diversified FMCG contract manufacturers in India, under the visionary leadership of Mr. Sameer Kothari.
- Over the years, HFL has transformed into a scalable, profitable, diversified contract manufacturer catering to various marquee customers.
- The company has a vision of growing 20x by 2020 to reach a turnover of INR 1,000 Crores, through various organic and inorganic strategies.
- HFL has a market capitalization of INR 7,128.8 Mn as on 30th September, 2019.

Key Clients



Goa



- **Key Clients:**
Danone, Pepsico, Marico
- **Products:** Baby Food Products & Snacks
- **Brands:** Farex, First Food, Easum, Kurkure Puff-corn.

Pondicherry



- **Key Clients:**
International- TBS, Jomos, Gabor, Richter
Indian: Hush Puppies, Allen Solly, Arrow
- **Products:** Shoes / shoe uppers for men, women and juniors

Mumbai



- **Key Clients:**
Espirit, Saks Fifth Avenue, Dune, Myntra, Lollipop, Flipkart.
- **Products:** Primarily shoes for women, men and children

Jammu



- **Key Client:** Reckitt Benckiser
- **Products:** Coils, Vaporizers, Aerosols
- **Brands:** Mortein

Coimbatore



- **Key Client:**
Hindustan Unilever
- **Products:** Tea, Coffee
- **Brands:**
Tea- Taj Mahal, Lipton, 3 Roses
Coffee- Bru



HISTORICAL FINANCIALS

Consolidated Historical Income Statement (Ind-As)

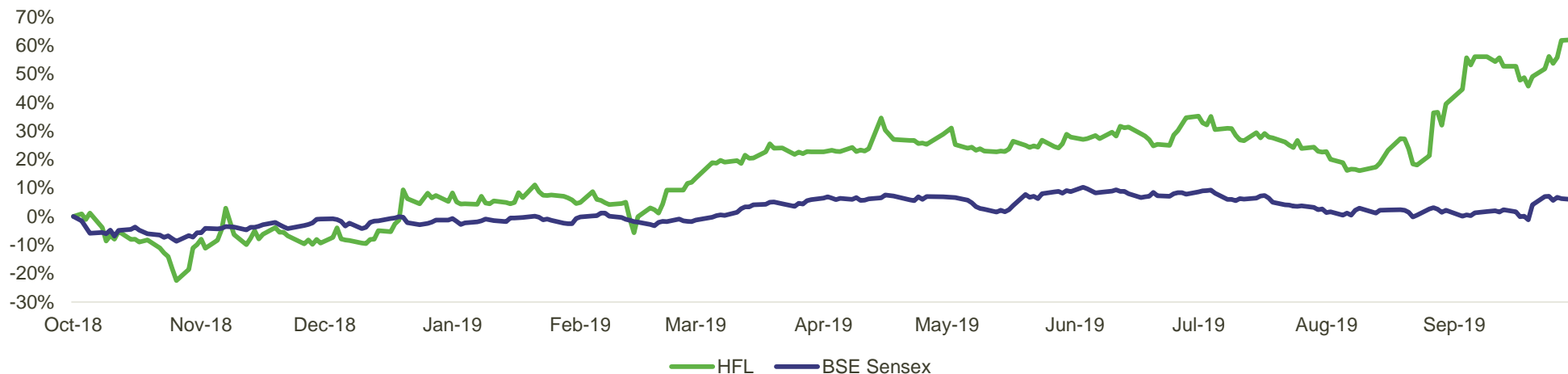
Income Statement (INR Mn)	FY17	FY18	FY19	H1-FY20
Operational Income	387	1,389	2,366	1,912
Total Expenses	357	1,288	2,162	1,752
EBITDA	30	101	204	160
Depreciation	14	12	31	26
Interest	10	13	40	34
Other Income	2	11	6	2
Share of profit/loss from associate	-	-	-	(2)
PBT	8	87	139	100
Tax	2	24	37	27
Profit After tax	7	63	102	73
PAT Margins(%)	1.81%	4.54%	4.31%	3.82%
Other Comprehensive Income	(2)	-	(1)	(1)
Total Comprehensive Income	5	63	101	72
Basic EPS (INR)	0.65	4.81	7.65	5.37

Consolidated Balance Sheet (Ind-As)



Particulars (INR Mn)	FY18	FY19	H1-FY20	Particulars (INR Mn)	FY18	FY19	H1-FY20
EQUITIES & LIABILITIES				ASSETS			
Shareholder Funds				Non Current Assets			
Share Capital	130	135	135	Property, Plant and equipment	390	725	816
Other Equity	253	493	815	Capital Work in Progress	30	3	595
Non Current Liabilities				Intangible Assets	1	18	16
Long Term Borrowings	297	478	1,000	Investments			27
Other Financial Liabilities	-	8	148	Long Term Loans & Advances	2	4	9
Employee benefits obligations	-	4	8	Other Non-Current Assets	27	104	200
Long Term Provisions	4	-		Other Financial Assets	1	2	2
Deferred tax liabilities (Net)	-	5	15	Non-Current tax assets	6	3	7
Other non current Liabilities	3	8	8	Deferred Tax Asset (Net)	2	-	
Current Liabilities				Current Assets			
Short term Borrowings	31	152	171	Inventories	244	348	476
Trade Payables	415	443	581	Trade Receivables	291	355	379
Other Current Liabilities	14	11	6	Cash & Bank Balances	66	44	105
Other Financial Liabilities	12	71	95	Short-term loans & advances	-	13	27
Provisions	2	-		Other Financial Assets	45	37	65
Employee benefits obligations	-	7	5	Other Current Assets	70	174	263
Current Income Tax	14	15	-				
GRAND TOTAL - EQUITIES & LIABILITIES	1,175	1,830	2,987	GRAND TOTAL – ASSETS	1,175	1,830	2,987

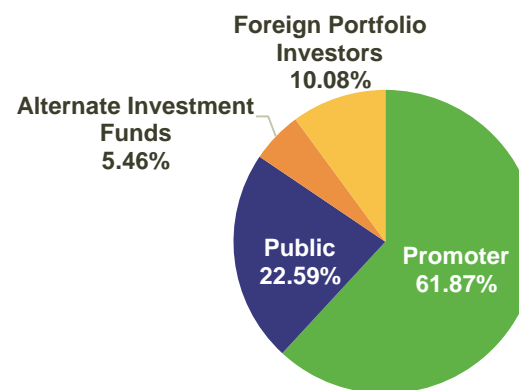
Share Price Performance (As on 30th September, 2019)



Market Data (INR) (As on 30th September, 2019)

Face Value	10.0
CMP	528.35
52 Week H/L	533.25/252.85
MCAP (Mn)	7,128.8
Shares O/S (Mn)	13.49
1 Yr Avg. Vol. ('000)	21.57
1 Yr Avg. T/O (Mn)	9.02

Shareholding Pattern (As on 30th September, 2019)



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THANK YOU