



Hindustan Foods Limited

Registered & Corporate 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 CIN: L15139MH1984PLC316003

Company Scrip Code: 519126

Date : 16th August, 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 Q1 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 Q1 ended 30th June, 2019 FY 2019-20.

We request you to take the above on record.

Thanking you,

Yours faithfully
for **HINDUSTAN FOODS LIMITED**


Bankim Purohit
Company Secretary



Encl.: As above



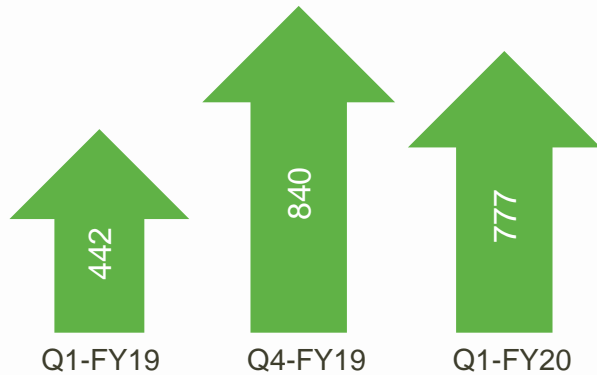
HINDUSTAN FOODS LIMITED

EARNINGS PRESENTATION | Q1 - FY20

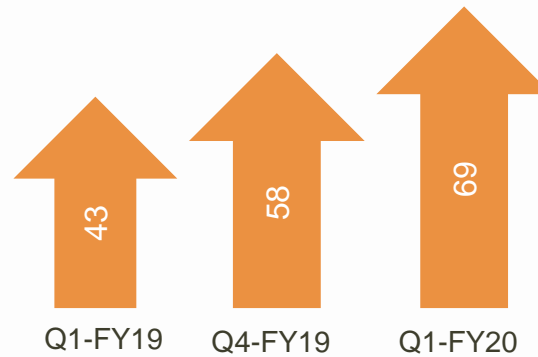


Q1-FY20 Performance Highlights

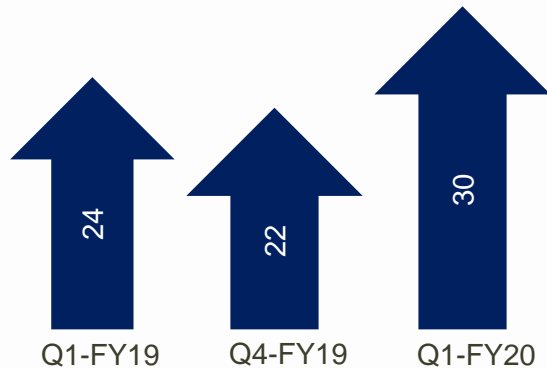
Operational Income (INR Mn)



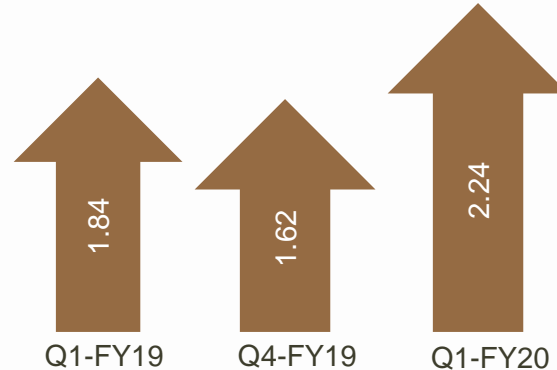
EBITDA (INR Mn)



PAT (INR Mn)



Basic EPS (INR)



- Operational Revenue for Q1-FY20 grew by 75.8% YoY.
- EBITDA grew by 60.5% on a YoY basis and EBITDA margins stood at 8.8% for the quarter which reduced by 74 Bps YoY.
- PAT for the quarter grew by 25% YoY and PAT margins are 3.86% which is a de-growth of 157 Bps YoY.
- The Coimbatore unit which started production in the Q4-FY19 ramped-up production in Q1-FY20. In addition to tea, the Company will start packing Coffee from Q2-FY20.
- The company bought shares from existing promoters of ATC Beverages Pvt. Ltd and now holds ~36%. ATC Beverages has signed a contract with Hector Beverages Pvt. Ltd. and it is expected to start production from Q3-FY20.
- The Extruded Foods manufacturing in Goa, the Leather Shoes business in Pondicherry & Vasai and the Pest Control manufacturing in Jammu continued to perform consistently.

Quarterly Income Statements (IND-As)

Income Statement (INR Mn)	Q1-FY20	Q1-FY19	Y-o-Y % Change	Q4-FY19	Q-o-Q % Change
Operational Income	777	442	75.8%	840	(7.5)%
Total Expenses	708	399	77.4%	782	(9.5)%
EBITDA	69	43	60.5%	58	19.0%
Depreciation	12	6	100.0%	12	NA
Interest	17	6	183.3%	16	6.3%
Other Income	1	-	NA	-	NA
PBT	41	31	32.3%	30	36.7%
Tax	11	7	57.1%	8	37.5%
Profit After tax	30	24	25.0%	22	36.4%
PAT Margins(%)	3.86%	5.43%	(157) Bps	2.62%	124 Bps
Other Comprehensive Income	-	-	NA	(1)	NA
Total Comprehensive Income	30	24	25.0%	21	42.9%
Basic EPS (INR)	2.24	1.84	21.7%	1.62	38.3%

Q1-FY20 Financial Performance

YoY Financial Performance (Q1-FY20 vs. Q1-FY19)

- Increase in revenue is basically due to the ramping up of the Coimbatore tea plant which started commercial production in January, 2019
- Decrease in EBITDA margins was due to the increase in the share of the company's dedicated manufacturing business as compared to the Contract manufacturing business.
- Depreciation increased primarily due to the capitalization of the Coimbatore tea plant.
- Increase in interest cost was due to the term loan on the Coimbatore tea plant and also due to increase in working capital requirements.

Sequential Financial Performance (Q1-FY20 vs. Q4-FY19)

- Decline in Operational Income of 7.5% was primarily due to seasonality of some categories of products manufactured by the company.
- EBITDA increased by 19% was due to ramping up of the new factory and resultant operational efficiencies.
- Increase in taxes was due to the deferred tax mainly because of the difference in depreciation due to the capitalization plan.

Capitalization and Borrowings

- The Gross Block of the company has approximately doubled due to capitalization of Coimbatore tea plant in this Quarter.
- Long term borrowings have increased to finance the expansion.

Cash Flow

- The company continues to be in an investment mode and has plans to invest close to INR 150 Cr as capex and a commensurate amount as Working capital for the rest of the year.



Hyderabad Facility (On-Going Merger):

- The legal process for the merger of the Hyderabad Unit (HUL Detergent factory) has progressed and the process will be concluded by Q2-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. In Q1-FY20, the Hyderabad unit has achieved a turnover of INR 78 Cr.
- 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 would be one of the largest detergents facilities in India for the said principal.
- Phase I of this new project is under progress with the civil work near completion and Phase II is expected to be concluded by Q2-FY20 and the company expects to kick-off commercial production 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 5,924.6 Mn as on 30th June, 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

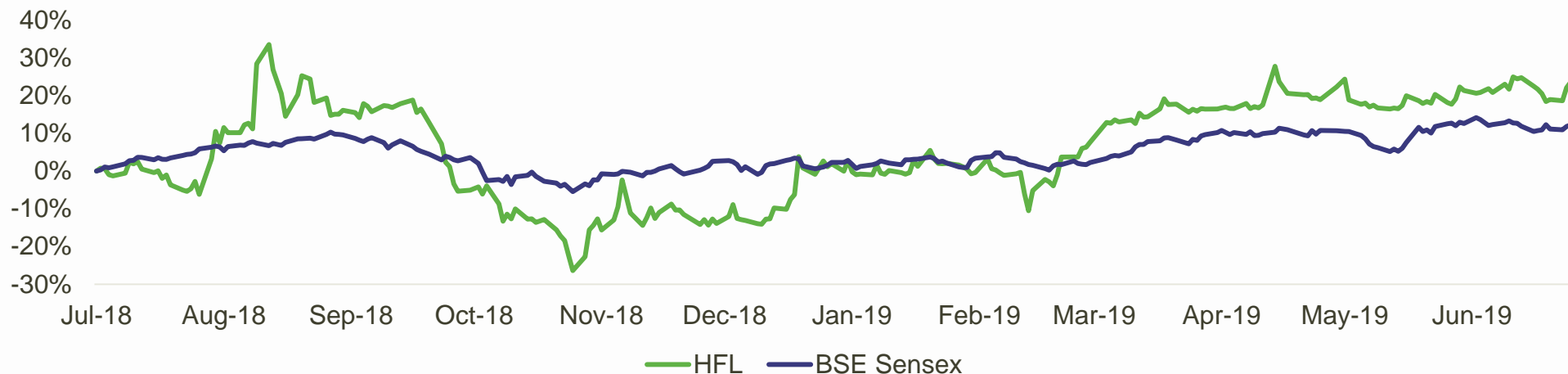
Historical Income Statement (IND-As)

Income Statement (INR Mn)	FY17	FY18	FY19
Operational Income	387	1,389	2,366
Total Expenses	357	1,288	2,162
EBITDA	30	101	204
Depreciation	14	12	31
Interest	10	13	40
Other Income	2	11	6
PBT	8	87	139
Tax	2	24	37
Profit After tax	7	63	102
PAT Margins(%)	1.81%	4.54%	4.31%
Other Comprehensive Income	(2)	-	(1)
Total Comprehensive Income	5	63	101
Basic EPS (INR)	0.65	4.81	7.65

Balance Sheet (As per IND-As)

Particulars (INR Mn)	FY18	FY19	Particulars (INR Mn)	FY18	FY19
EQUITIES & LIABILITIES			ASSETS		
Shareholder Funds			Non Current Assets		
Share Capital	130	135	Property, Plant and equipment	390	725
Other Equity	253	493	Capital Work in Progress	30	3
			Intangible Assets	1	18
Non Current Liabilities			Deferred Tax Asset (Net)	2	-
Long Term Borrowings	297	478	Long Term Loans & Advances	2	4
Other Long Term Liabilities	-	9	Other Non-Current Assets	27	104
Other Financial Liabilities	3	8	Other Financial Assets	1	2
Long Term Provisions	4	4	Non-Current tax assets	6	3
Deferred tax liabilities (Net)	-	5			
Current Liabilities			Current Assets		
Short term Borrowings	31	152	Inventories	244	348
Trade Payables	415	443	Trade Receivables	291	355
Other Current Liabilities	14	11	Cash & Bank Balances	66	44
Other Financial Liabilities	12	71	Short-term loans & advances	-	13
Provisions	2	7	Other Financial Assets	45	37
Current Income Tax	14	14	Other Current Assets	70	174
GRAND TOTAL - EQUITIES & LIABILITES	1,175	1,830	GRAND TOTAL – ASSETS	1,175	1,830

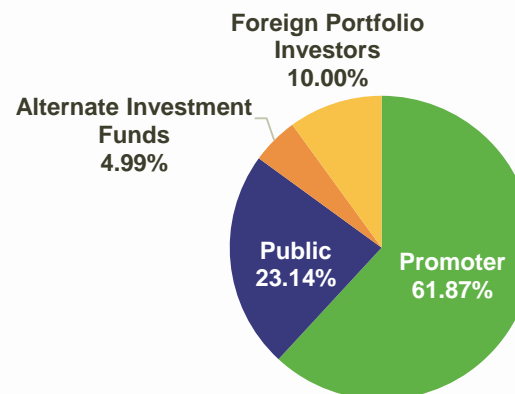
Share Price Performance (As on 30th June, 2019)



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

Face Value	10.0
CMP	439.1
52 Week H/L	484/252.85
MCAP (Mn)	5,924.6
Shares O/S (Mn)	13.49
1 Yr Avg. Vol. ('000)	14.24
1 Yr Avg. T/O (Mn)	5.28

Shareholding Pattern (As on 30th June, 2019)



*No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Such information and opinions are in all events not current after the date of this presentation. Certain statements made in this presentation may not be based on historical information or facts and may be "forward looking statements" based on the currently held beliefs and assumptions of the management of **Hindustan Foods Limited** ("Company" or "HFL" or "Hindustan Foods Ltd."), which are expressed in good faith and in their opinion reasonable, including those relating to the Company's general business plans and strategy, its future financial condition and growth prospects and future developments in its industry and its competitive and regulatory environment.*

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, financial condition, performance or achievements of the Company or industry results to differ materially from the results, financial condition, performance or achievements expressed or implied by such forward-looking statements, including future changes or developments in the Company's business, its competitive environment and political, economic, legal and social conditions. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other factors, viewers of this presentation are cautioned not to place undue reliance on these forward-looking statements. The Company disclaims any obligation to update these forward-looking statements to reflect future events or developments.

This presentation is for general information purposes only, without regard to any specific objectives, financial situations or informational needs of any particular person. This presentation does not constitute an offer or invitation to purchase or subscribe for any securities in any jurisdiction, including the United States. No part of it should form the basis of or be relied upon in connection with any investment decision or any contract or commitment to purchase or subscribe for any securities. None of our securities may be offered or sold in the United States, without registration under the U.S. Securities Act of 1933, as amended, or pursuant to an exemption from registration there from.

This presentation is confidential and may not be copied or disseminated, in whole or in part, and in any manner.

Valorem Advisors Disclaimer:

Valorem Advisors is an Independent Investor Relations Management Service company. This Presentation has been prepared by Valorem Advisors based on information and data which the Company considers reliable, but Valorem Advisors and the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded. Valorem Advisors also hereby certifies that the directors or employees of Valorem Advisors do not own any stock in personal or company capacity of the Company under review.

For further information please contact our Investor Relations Representatives:



Valorem Advisors
Mr. Anuj Sonpal, CEO

Tel: +91-22-49039500

Email: hfoods@valoremadvisors.com

The background of the slide is composed of a series of vertical stripes of varying widths and colors. The colors transition from light green on the left, through various shades of blue and purple, to orange and red on the right. The stripes are set against a light gray background.

THANK YOU