



Ref: SECT: STOC: 13-22
January 22, 2022

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

Dear Sir/Madam,

Sub: Submission of Soft copy of quarterly updates - reg

With reference to the above mentioned subject, we are herewith enclosing the copy of the quarterly updates which covers the milestones achieved by the Company during the 3rd Quarter and Nine Months ended December 31, 2021, 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 disclosure is 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 10.39 MW from both Solar and Wind for captive consumption of its dairy factories.



HERITAGE FOODS LIMITED
CIN : L15209TG1992PLC014332
AN ISO: 22000 CERTIFIED COMPANY





INVESTOR PRESENTATION

January 2022

Nurture. Nourish. Flourish

HERITAGE FOODS LIMITED



Discussion Summary

- 03 ➔ Company Snapshot
- 10 ➔ Financial Highlights
- 15 ➔ The Heritage Advantage
- 25 ➔ Annexures



Financial
Highlights

01

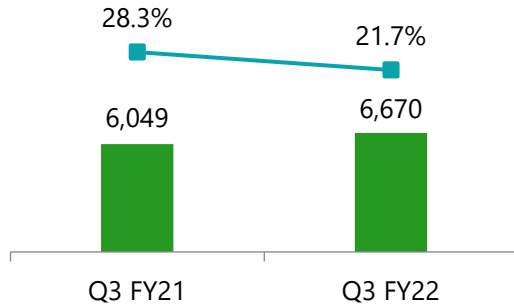
Consolidated Q3 & 9M FY22 Results: Key Highlights



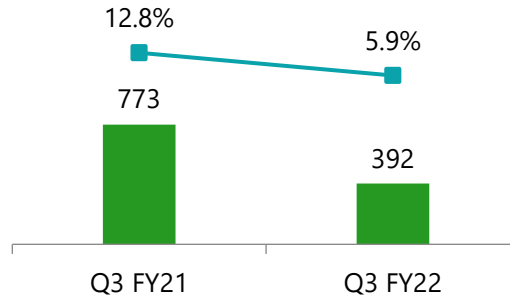
INR in Mn

Q3 FY22 YoY ANALYSIS

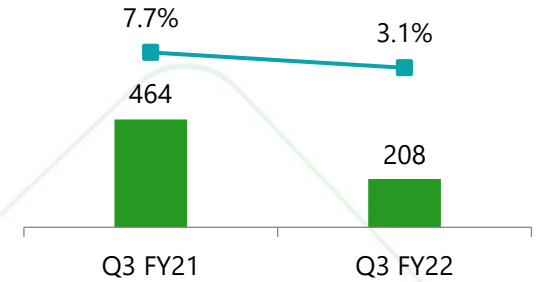
Revenues & Gross Margin (%)



^EBITDA & EBITDA Margin (%)

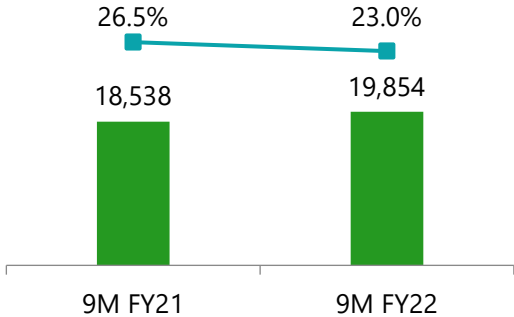


*PAT & PAT Margin (%)

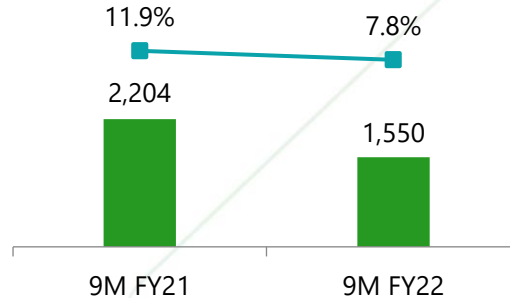


9M FY22 YoY ANALYSIS

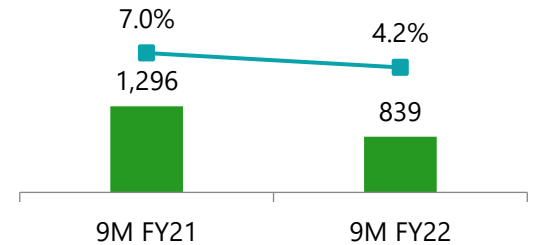
Revenues & Gross Margin (%)



^EBITDA & EBITDA Margin (%)



*PAT & PAT Margin (%)



^ EBITDA excludes other income & finance cost; *PAT (continuing operations) for Q3 FY22 & 9M FY22 excludes exceptional items gain due to changes in fair value of derivative liabilities and fair value loss on FVTPL securities

Q3 & 9M FY22: Key Performance Highlights



*FINANCIAL UPDATES

- ➔ **Q3 FY22 Results – Consolidated:** Revenue from operations increased by 10.3% YoY to INR 6,670 mn during the quarter due to growth in milk sales and VAP products. EBITDA was at INR 392 mn as compared to INR 773 mn in Q3 FY21. EBITDA margin stood at 5.9% in Q3 FY22. Net Profit during the quarter stood at INR 208 mn
- ➔ **9M FY22 Results – Consolidated:** Revenue from operations increased by 7.1% YoY to INR 19,854 mn during 9M FY22 led by growth in milk sales and VAP products. EBITDA was at INR 1,550 mn as compared to INR 2,204 mn in 9M FY21. EBITDA margin stood at 7.8% in 9M FY22. Net Profit during 9M FY22 stood at INR 839 mn

BALANCE SHEET HIGHLIGHTS

- ➔ Debt-to-Equity ratio during 9M FY22 stood at 0.01:1
- ➔ Cash & Bank balance stood at INR 662 mn as on December 31, 2021

OPERATIONAL HIGHLIGHTS

- ➔ Average own milk procurement during Q3 FY22 was at 1.2 MLPD compared to 1.1 MLPD in Q3 FY21
- ➔ Average milk sales during Q3 FY22 was 1.04 MLPD as compared to 0.97 MLPD in Q3 FY21
- ➔ Curd sales during Q3 FY22 grew by 17.3% YoY at 271.0 metric tonnes per day (MTPD) despite extended monsoon season
- ➔ Revenue from Value added products (VAP) grew by 21.1% YoY to INR 1,646.9 mn in Q3 FY22. VAP contributed 25.1% to the overall dairy revenue during Q3 FY22 as against 23.1% in Q3 FY21

Q3 & 9M FY22 Consolidated Profit & Loss Statement



Particulars (INR. in Mn)	Q3 FY22	Q3 FY21	YoY %	9M FY22	9M FY21	YoY %	FY21
Revenue from Operations	6,670	6,049	10.3%	19,854	18,538	7.1%	24,731
COGS	5,225	4,340	20.4%	15,280	13,618	12.2%	18,374
Gross Profit	1,445	1,709	(15.4)%	4,574	4,920	(7.0)%	6,357
Gross Margin %	21.7%	28.3%	(658 bps)	23.0%	26.5%	(350 bps)	25.7%
Employee Expenses	484	468	3.3%	1,425	1,334	6.8%	1,779
Other expenses	554	463	19.7%	1,557	1,371	13.5%	1,909
Share of loss of an associate and a joint venture	16	5	194.2%	43	10	322.6%	22
EBITDA	392	773	(49.3)%	1550	2,204	(29.7)%	2,647
EBITDA Margin %	5.9%	12.8%	(690 bps)	7.8%	11.9%	(408 bps)	10.7%
Depreciation	129	113	14.2%	387	343	13.0%	462
EBIT	263	659	(60.2)%	1,162	1,862	(37.6)%	2,185
Finance Cost	6	51	(88.1)%	30	161	(81.7)%	192
Other Income	31	11	177.3%	88	45	96.6%	80
*PBT before Exceptional Items	287	620	(53.6)%	1,221	1,745	(30.0)%	2,073
Exceptional Items	-	-		91	-	N.A.	-
PBT after Exceptional Items	287	620	(53.6)%	1,130	1,745	(35.3)%	2,073
Taxes	79	155	(49.0)%	291	449	(35.3)%	535
^PAT	208	464	(55.2)%	839	1,296	(35.3)%	1,539
PAT Margin %	3.1%	7.7%	(455 bps)	4.2%	7.0%	(277 bps)	6.2%

EBITDA excludes other income & finance cost; *PBT (in Q3 FY21 & 9M FY21) excludes exceptional items, Gain due to changes in fair value of derivative liabilities and fair value loss on FVTPL securities and ^PAT (in Q3 FY21 & 9M FY21) includes profit and loss from continued operations

Consolidated Balance Sheet



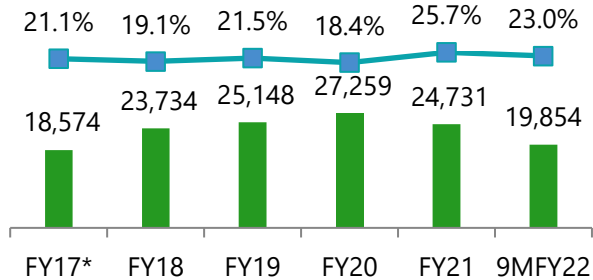
Particulars in INR Mn	Sept 2021	March 2021
EQUITY AND LIABILITY		
Equity Share Capital	232	232
Reserve and Surplus	6,123	5,726
Shareholders Fund	6,355	5,958
Minority Interest	4	5
Total Equity	6,359	5,963
Non-Current Liabilities		
Long-term Borrowings	262	340
Deferred tax liabilities (net)	221	241
Other long term liabilities	87	58
Provisions	116	104
Total non-current liabilities	685	743
Current Liabilities		
Short-term Borrowings	77	299
Trade payables	596	355
Other financial liabilities	1,068	1,217
Other current liabilities	336	209
Total current liabilities	2,077	2,079
Total Equity and Liability	9,122	8,785

Particulars in INR Mn	Sept 2021	March 2021
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	5,692	5,714
Capital WIP	59	157
Investment Property	45	45
Intangible assets under development	19	26
Other intangible assets	39	39
Investment in Associate & Joint Venture	148	129
Financial assets	62	58
Other non-current assets	31	22
Total non-current assets	6,095	6,191
Current Assets		
Inventories	1,225	1,983
Investments	729	
Trade Receivables	150	152
Cash & Bank Balances	731	236
Loans	8	20
Other Financial Assets	21	21
Other Current Assets	162	184
Total Current Assets	3,026	2,595
Total Assets	9,122	8,785

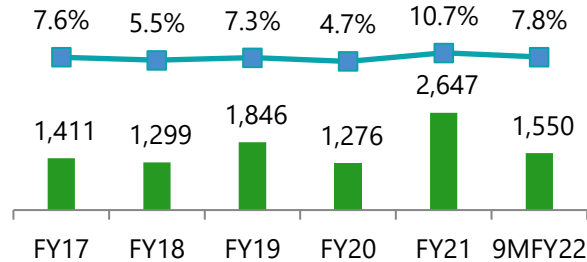
Consolidated Financial Summary



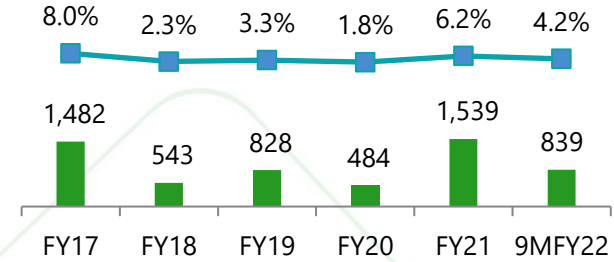
Revenues & Gross Margin (%)



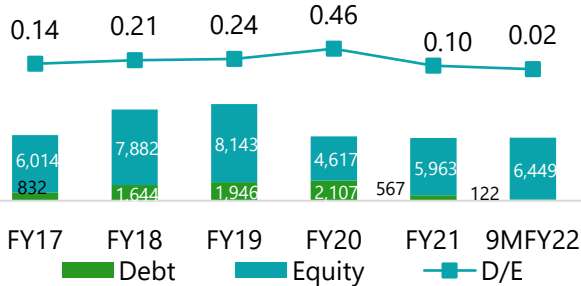
EBITDA & EBITDA Margin (%)



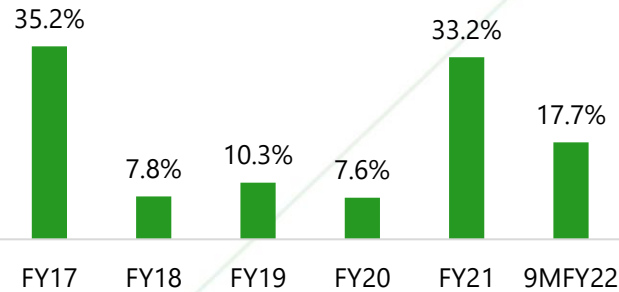
^PAT & PAT Margin (%)



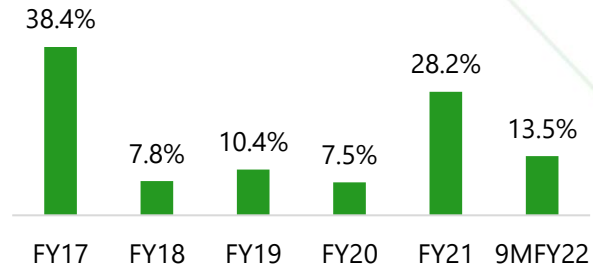
Leverage Analysis



Return on Capital Employed (ROCE)



Return on Equity (ROE)



Shareholding Structure



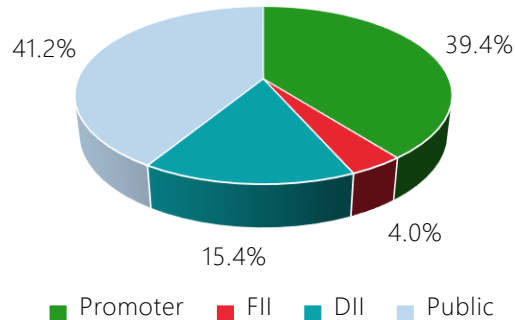
Prominent Investors – 31st December 2021 (% Holding)

UTI - Long Term Equity Fund	4.40
Kotak Small Cap Fund	3.33
Sundaram Mutual Fund	2.91
L&T Mutual Fund	2.54
Aditya Birla Sun Life Small Cap Fund	1.52
Doric Asia Pacific Small Cap (Mauritius) Limited	1.41

Market Data as on 20th January 2022

Market capitalization (INR. Mn)	19,412.9
Price (INR Mn)	418.4
No of shares outstanding (Mn)	46.4
Face Value (INR)	5.0
52-week High-Low (INR)	565.0-268.3

Shareholding Pattern



Share Price Performance





02

Company Snapshot



Heritage Foods Ltd.

Amongst the leading private players in the Dairy Industry



Overview

- ➔ 29 years of legacy and domain expertise in dairy industry backed with strong product portfolio and brands serving +1.5 million households in 11 states.
- ➔ Product portfolio includes Curd, Ice Cream, Frozen Dessert, Paneer, Butter Milk, Flavoured Milk, Milkshake, Cold Coffee, Lassi, A2 Milk and UHT milk.
- ➔ Strong relationships with +0.3 million dairy farmers for milk procurement.
- ➔ 18 State-of-the-art milk processing facilities with a processing capacity of 2.7 million litres per day (MLPD).
- ➔ Dedicated and experienced team and technologically advanced R&D infrastructure with stringent quality control.

Vision

- ➔ To delight every home with fresh and healthy products and empowering the farmer



Heritage in Numbers (FY21)

- | | |
|---------------------------|---|
| ➔ Sales: INR 24,731 mn | ➔ Milk Chilling Capacity: 2.1 MLPD |
| ➔ *Adj. PAT: INR 1,539 mn | ➔ Milk Processing Capacity: 2.7 MLPD |
| ➔ Debt/Equity: 0.10:1 | ➔ Milk Packaging Capacity: 1.7 MLPD |
| ➔ ROCE: 33.2% | ➔ Curd Packaging Capacity: 742 MTPD [^] |
| ➔ ROE: 28.2% | ➔ 1 Wholly Owned Subsidiary: Heritage Nutrivet and 1 JV Co: Heritage Novandie Foods Pvt. Ltd. |

*Adj. PAT (Continuing Operations) excludes exceptional items

[^]Metric Tons Per Day

Nurture. Nourish. Flourish

Decoding our growth mantra



	Nurture	Nourish	Flourish
Empowering Farmers	Direct procurement of milk from farmers	Assist and equip farmers to improve milch animals' yield	Increase farmers income, enhance the farmers social-economic lives
Tech-Enabled Business Operations	Expand milk processing capabilities with state-of-the-art machinery	Maintaining stringent quality control and product innovation	Delighting consumers through omni-channel supply chain
Strengthening Product Portfolio	Built a strong product portfolio through Consumer-centric approach	Heritage Novandie JV to strengthen value-added products proposition	Aspire to be nationally recognized brand for healthy & fresh products
Financial Excellence	D/E at 0.01:1; Cash & Cash Equivalents at INR 662 mn as on 31 Dec 2021	Deploying internal accruals for funding the Company's capex plans	Focus on efficient capital management & maximize shareholders value

Deploy 'Nurture-Nourish-Flourish' Approach for the next wave of growth

Technology enabled 'Grass to Glass' Approach

'Tech' it to the next level



Milk Procurement

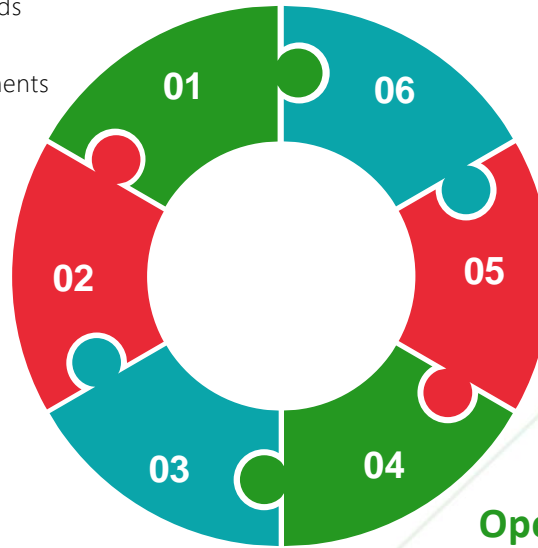
- ➔ Digitally automated procurement systems sends mail alerts to the Procurement & Inputs team about quality & quantity, tanker acknowledgments and farmer payments

Heritage DIGIT Centre

- ➔ Creates SMS alerts on milk stock, tanker monitoring, procurement representative feedback, weekly status reports & other related activities

Materials Management

- ➔ Digitally enabled approval process from Purchase Requisition to Purchase Order release and prompt invoice submission tracking & communication of capex material status



Consumer Delight

- ➔ Satisfy taste buds & bring delight to +1.5 million households by supplying pure and high-quality milk & milk products through omni-channel distribution network

Sales & Distribution

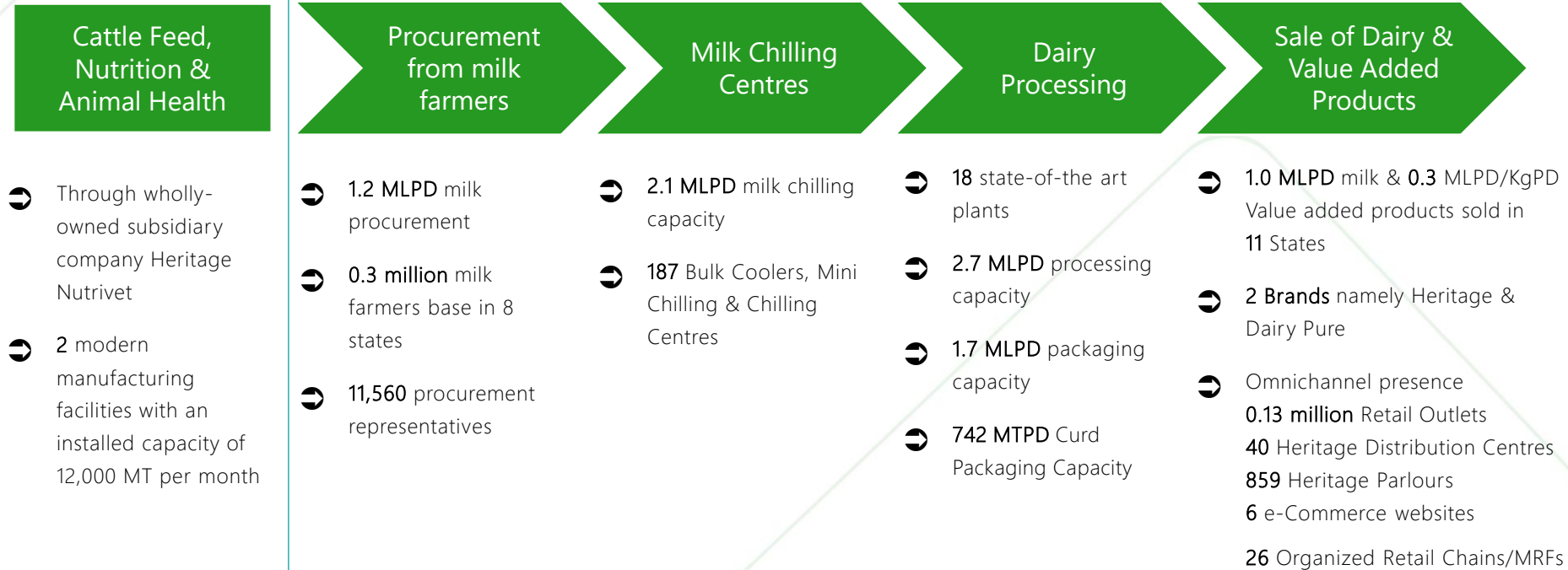
- ➔ IT-enabled sales automation sends periodic analysis of sales and inventory to channel partners through SMS alerts

Operations

- ➔ Online digitally enabled operations for handling dispatch (through GPS), product shelf life & merchandizing

Presence across the value chain

Concentrated focus at every stage





The Heritage Advantage

03

Increasing Value-Added Products Share

Delighting Consumers with 'more the merrier' Approach



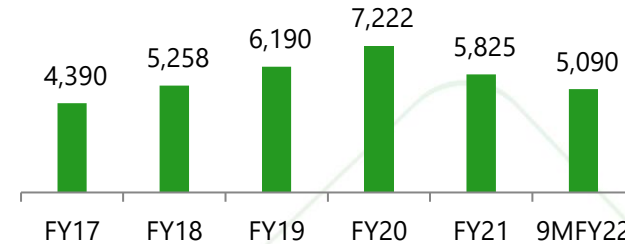
Diverse Product Portfolio

Milk	Fresh Milk, A2 Milk and UHT Milk
Value Added Products	Curd, Paneer, Tikka Paneer, Cheese, Butter Milk, Flavoured Milk, Cold Coffee, Milk Shakes, Immunity Milk, Sweets, Cheese and Ice creams/Frozen Deserts
FAT – Consumer Pack	Ghee, Butter and Fresh Cream

Factors driving Value-Added Products Demand

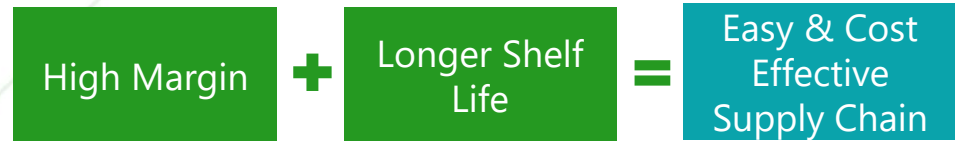
- ➔ High disposable income
- ➔ Convenience
- ➔ Urbanization
- ➔ Growing consumer preference for branded healthier & nutritious alternatives

Value-Added Products Sales (in INR Mn)



The value-added products (VAP) have clocked a CAGR of 5.8%, during FY17-21. The VAP consumption declined in FY21 due to drop in out of home consumption due to COVID-19 pandemic. However, the demand for VAP is expected to bounce back strongly in the coming years.

Business Dynamics of Value-Added Products

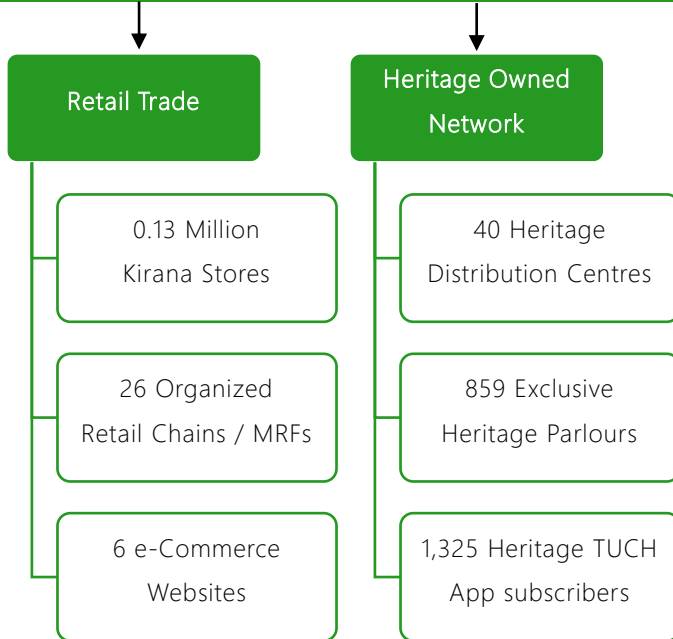


Robust Supply Chain Network

Seasoned 'Dairy Products FMCG' player



Heritage Foods Distribution Network Strength



Sound Supply Chain Management in place for

- ➔ Sourcing Milk directly from farmers
- ➔ Manufacturing high-quality milk & milk products and value-added products
- ➔ Cost-effective supply boosting omnichannel presence

Supply Chain Management: Success Stories

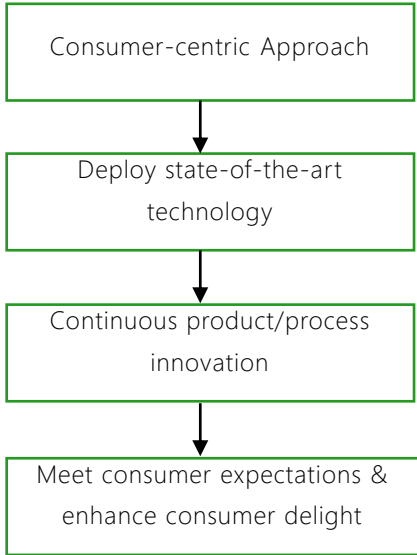
- ➔ Integrated technology driven supply chain flexes our procurement & distribution capabilities aiding tight inventory control
- ➔ Deployment of data analytics gives deep-insight and understanding about the consumer behaviour leading to strengthen our product portfolio

Technology Enabled Operations

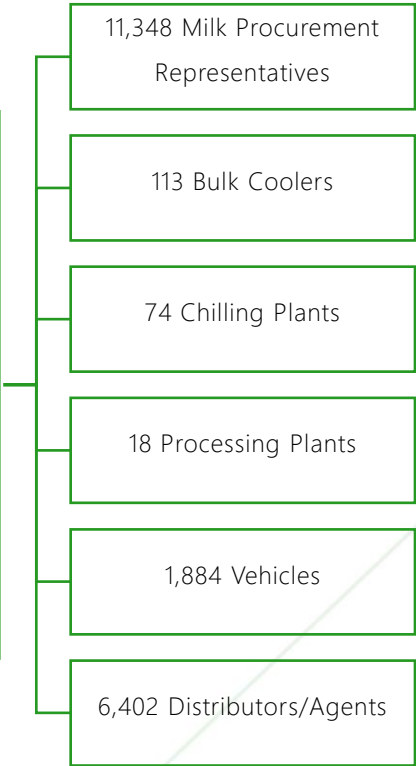
Raising the operational efficiency quotient



Technology @ work



Technology Integrated Network



Heritage TUCH App



- ➔ Convenient
- ➔ No Minimum Order
- ➔ The Power of TUCH
- ➔ One-in-All App
- ➔ Secured Digital Payments
- ➔ Your Personal Assistant

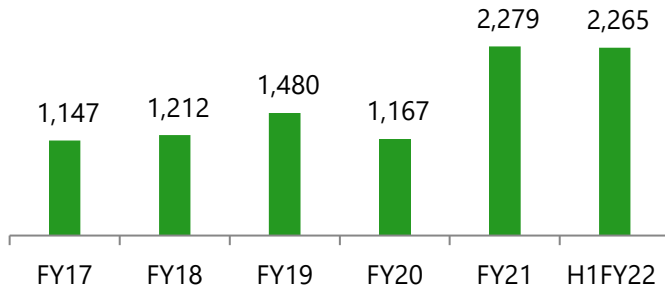
Steady operating cash flows fueled capex plans

On a sound footing

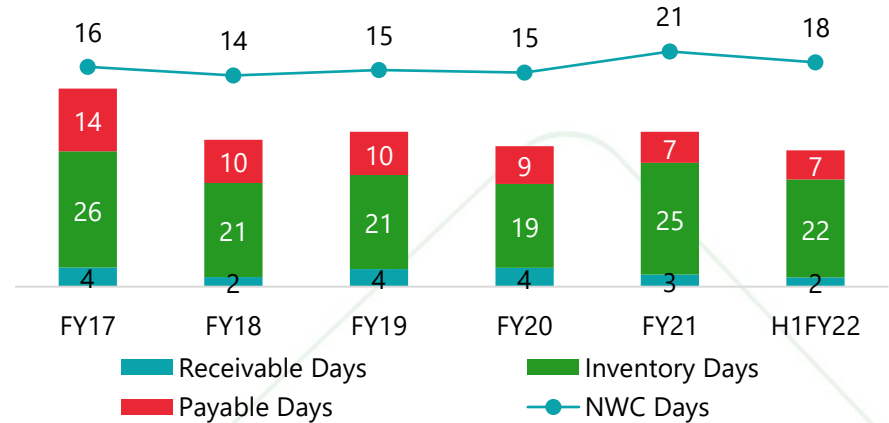


INR in Mn

Net Cash Generated from Operating Activities



Working Capital Analysis *



Financial Excellence

- Steady net cash flows from business operations and prudent working capital management has aided us to rely on internal accruals for meeting and executing the capex plans
- Robust cash flow from operations allows the Company to reward its esteemed shareholders with consistent dividends
- Total proceeds from sale of Future Retail & Praxis Home Retail shares (INR 1,360 million) was utilized to prepay debt adding to the overall Balance Sheet strength and further strengthening the Company's debt-equity profile

Capacity Expansion

On the path towards a Brighter Future

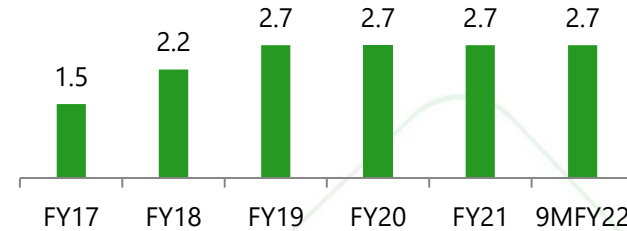


End-to-End Strengths

Particulars	FY17	FY21	CAGR %
Milk Procurement (MLPD)	1.0	1.3	3.8%
Consumer Base (in millions)	1.2	1.5	4.6%

- ➔ Innovation and go-to-market strategies has helped in expanding the overall capacities
- ➔ Focus on bringing value-added dairy products to the market at a fast pace raising the consumers health quotient
- ➔ Steadily expand the milk processing capacity and augment the R&D infrastructure with technologically advanced equipment and testing laboratories

Processing Capacity (MLPD)



The Processing Capacity have clocked a CAGR of 12.5%, during FY17-21.

Enhancing the capabilities at each level

- ➔ Investing in state-of-the-art milk processing facilities
- ➔ R&D backed infrastructure
- ➔ Stringent quality control
- ➔ Lead by professional & seasoned team

Heritage Nutrivet: Build on a strong foundation

Ready to add meaningful contribution



Heritage Nutrivet Ltd. (Wholly Owned Subsidiary Company catering the cattle feed industry)

Heritage Nutrivet Ltd. (HNL) is one of India's leading livestock and feed supplement company. The Company endeavours to provide cattle feed to milch animals and take care of overall health and immunity. Heritage Nutrivet aims to improve livestock milk yields and their reproductive ability.

- **State-of-the-art manufacturing facilities:** Hindupur and Mallavalli, Andhra Pradesh
- **Presence:** Serves 0.3 million farmers across Andhra Pradesh, Telangana, Tamil Nadu, Karnataka and Maharashtra
- **Specialized Products:** Power-packed products with protein, energy, minerals and vitamins in adequate quantity and proportion to meet the nutritional requirements of dairy cattle
- **Product Portfolio:** Deluxe-Mash/pellet, Dairy Special Gold-Mash/pellet, Milk Magic Pellet, BYPASS, Excel and Supreme
- **Supporting Farmers with Technical Knowledge:** Provide technical support and build awareness amongst dairy farmers for improving milk productivity and profitability



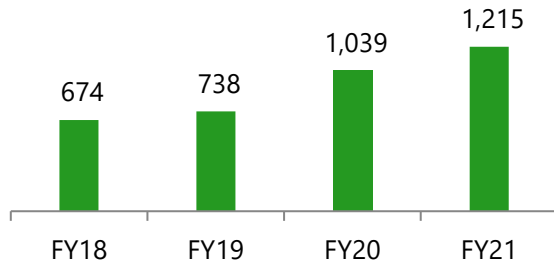
Heritage Nutrivet: Build on a strong foundation

Ready to add meaningful contribution



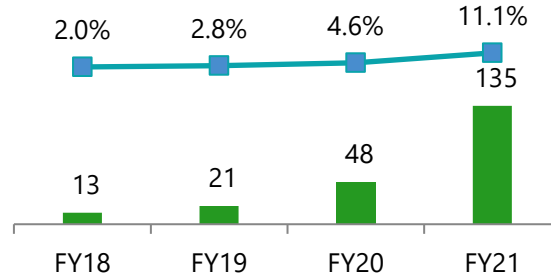
Revenue from Operations

CAGR: 15.9%



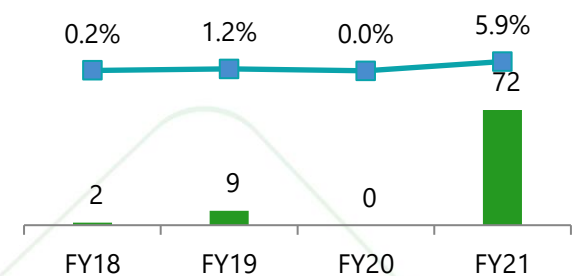
EBITDA & EBITDA Margin

CAGR: 79.5%



PAT & PAT Margin

CAGR: 145.0%



Performance Highlights

- ➔ During FY21, the Company's sales grew by 17% to INR 1,215 Mn. EBITDA grew exponentially by 1.8x to INR 135 Mn. The EBITDA margin expanded by 646 bps to 11.1% in FY21. PAT stood at INR 72 Mn. in FY21, the PAT margin expanded by 593 bps to 5.9% during the year.
- ➔ Financial Performance: Sales, EBITDA and PAT grew at 15.9%, 79.5% 145% CAGR during the FY17-21 period.

Industry Overview and Outlook

- ➔ India is one of the fastest growing animal feed markets
- ➔ Demand for nutritionally balanced compound feed expected to register 7% CAGR during 2021-26 period, owing to surge in dairy products consumption & farmers opting for high yielding milch cattle
- ➔ HNL well placed to garner better margins due to rising volumes & better output prices

Forging meaningful partnership

Partnering to fortify the value proposition



Heritage Novandie: Salient Features

50:50 Partnership

- Leveraging Heritage Foods product legacy and reputation in Indian markets with French Partners – Andros group's global legacy, product knowledge and technology

Target Consumers

- Rising trend of nutrition quotient amongst the Indian consumers

Riding on Supply Chain Dynamics

- Competitive pricing, premium packaging standards, localized supply chains for a larger distribution network and proven quality track record

Key USP

- First of its kind, French Yogurt production aided by state-of-the-art manufacturing facilities and robust quality control of ingredients and process

Mamie & Yova Yogurt & Flavoured Yogurt Drink SKUs

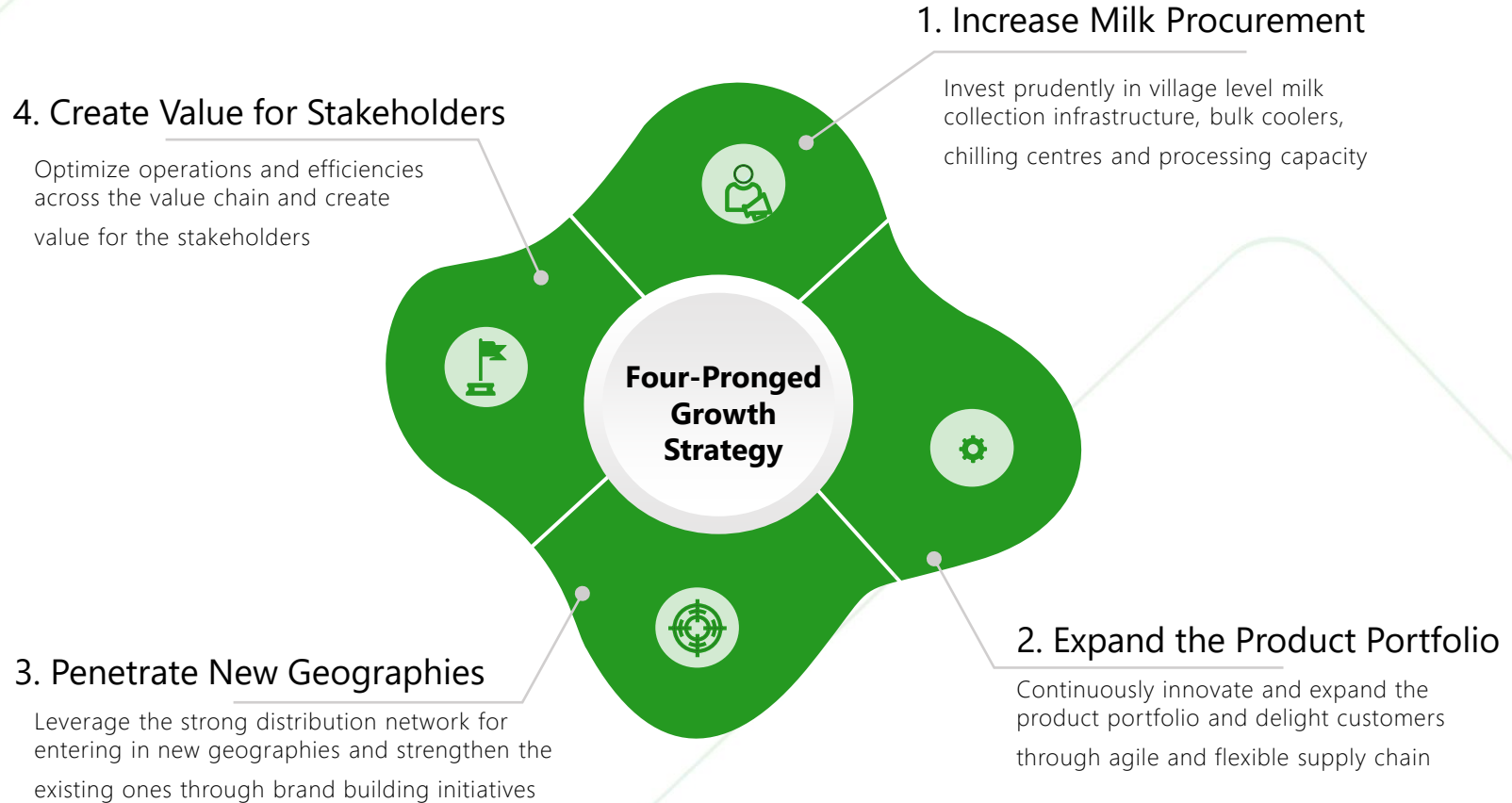


Heritage Novandie: Snapshot

- **State-of-the-art production facility:** Palghar District, Maharashtra
- **Product reach:** Mumbai, Pune, Surat, Ahmedabad, Hyderabad and Bengaluru via omnichannel distribution network
- **Expansion Plans:** Penetrate in other parts of Southern India in FY22
- **Augmented Reality (AR):** Deploying AR for creating brand awareness, product usage knowledge and enhance consumer experience

Heritage Foods: The Road Ahead

Nutrition to Nation





04

Annexures

Product Portfolio

Reason to celebrate for every season



Milk



Toned Milk



Double-Toned Milk



Full Cream Milk



Standardised Milk



A2 Full Cream Milk



Cow Milk



Slim Milk



UHT Milk

Value Added Products



Curd



Butter Milk



Flavoured Milk



Sweet & Sabja Lassi



Milk Shakes



Cold Coffee



Immunity Milk



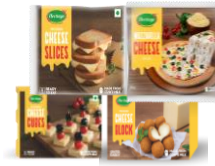
Paneer



Tikka Paneer



Malai Paneer Fresh



Cheese



Sweets

Product Portfolio

Reason to celebrate for every season



Value Added Products



Heritage Kesari Shrikhand



Heritage Amrakhand

Ice-Creams



Cups



Cones



Bars



Kulfi (Anjeer & Malai)



Tubs



Family Packs

Fat Products



Cow Ghee



Buffalo Ghee



Hi Aroma Ghee



Cooking Butter



Table Butter



Fresh Cream

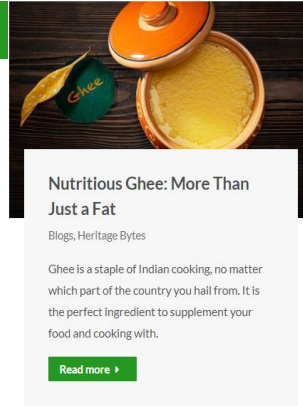
Marketing and Consumer Connect Initiatives

Empowering the brand



Heritage bytes

A digital consumer connect initiative featuring regular blogs and videos recipe campaign creating consumers rejoice with innovative and nutritious recipes curated with milk, curd, paneer and ghee.



Heritage Bytes | Episode 6 | Achari Paneer Wrap



Heritage Bytes | Episode 5 | Ghee Cookies

Other Omnichannel Consumer Connect Initiatives

- ➔ Print & Radio Campaigns
- ➔ Wall Paintings
- ➔ Campus Connect
- ➔ Vehicles & Pushcart Branding
- ➔ Social Media Campaigns
- ➔ BigBasket Campaigns
- ➔ Launch of Heritage TUCH App for home deliveries in Hyderabad

Awards & Accolades

Excellence seldom gets unnoticed



FY21: Highlights

- ➔ Won recognition cum appreciation from CBIT & Customs departments, Ministry of Finance, Government of India for prompt filing of returns and payments under GST for FY21
- ➔ Won all three Prestigious National Energy Conservation Awards (NECA - 2020) in Dairy Sector for the year 2020
- ➔ Won CII National Award in Food Safety for the year 2021 in Dairy Sector

FY20: Highlights

- ➔ CII Accolades - Food Safety 2018 for Gokul plant
- ➔ Won SYNNA award for Technology Innovator of the Year - India Food Safety & Summit Awards - 2019
- ➔ Won the best customer service provider award - India Food Safety & Summit Awards - 2019
- ➔ Bagged the 'Most Integrated Company' at India Dairy Award 2020 organized by Agriculture Today Group, Delhi

Thank You!

For Further Queries



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