



25  
YEARS  
OF HERITAGE

**Ref: SECT: STOC: 65-20**

30<sup>th</sup> July, 2020

To  
The Secretary,  
**The Stock Exchange, Mumbai**  
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 quarter ended June 30, 2020, 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.

Therefore we will request you to display in the website of the stock exchanges to the benefit of the investor community.

This is for your information and record.

Thanks & Regards

**For HERITAGE FOODS LIMITED**

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

Encl: a/a



**HERITAGE FOODS LIMITED**

CIN : L15209TG1992PLC014332

**AN ISO: 22000 CERTIFIED COMPANY**

Regd. Off: # 6-3-541/C, Panjagutta, Hyderabad - 500 082. Telangana, INDIA. Tel.: +91-40-23391221, 23391222, Fax: 23326789, 23318090  
Email: hfl@heritagefoods.in, Website : www.heritagefoods.in



# Corporate Presentation

June – 2020 (Q1FY21)







### **Disclaimer Clause**

The Release contains forward looking statements identified by words like "plans", "expects", "will", "anticipates", "believes", "intends", "projects", "estimates", and so on. All statements that address expectations or projections about

future, but not limited to Company's strategy for growth, product development, market position, expenditures and financial results, are forward looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised.

Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances. Their investors are expected to make their own independent assessments and judgements by considering all relevant factors before making any investment decision. The Company assumes no responsibility to publicly amend or revise such statements on the basis of subsequent developments, information or events.



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# 1. Vision & Mission



## **Vision**

Delighting every home with fresh and healthy products and empowering the farmer

## **Mission**

To be a nationally recognized brand for healthy and fresh products with a revenue of INR 6000 Crore by 2024

We anticipate, understand and respond to our customer's needs by creating high quality products and making them available through innovative and convenient channels.

We embrace the right technology to delight our customers.

We are a strong support of balancing economic, social and environmental aspects to create a better tomorrow. We are devoted to empowering the farming community through our unique "Relationship Farming" model.

We aim to be the employer of choice by nurturing entrepreneurship promoting empowerment alongside transparent and open communication.

## 2. Company Overview



### Core Business

- 28 Years rich experience in dairy business that includes, procurement of milk from dairy farmers at village level, and distribution of processed milk and milk products to the households in 13 states.
- Over a decade plus experience in production of dairy products like curd, ice cream, paneer, butter milk, flavoured milk, butter, cream, and ghee.
- Widely respected brand known for its freshness and purity in dairy products

### Key Strengths

- Strong relationships with over 3 lakh dairy farmers.
- Supplying milk and milk products to over 15 lakh households.

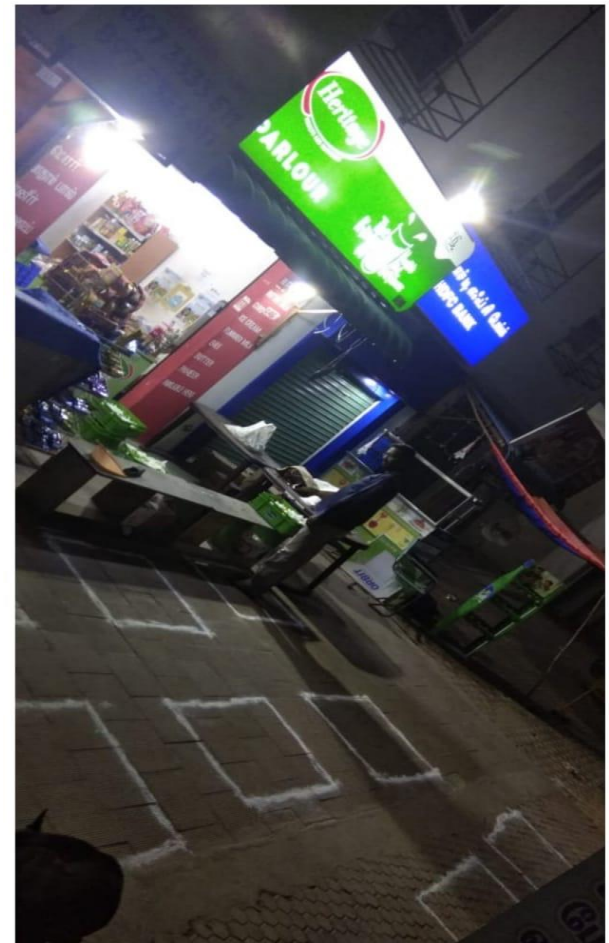
### Financial Strength

- High Return on Capital Employed (ROCE)
- Low Debt/Equity Ratio
- High operational efficiency in terms of Working Capital Cycle.

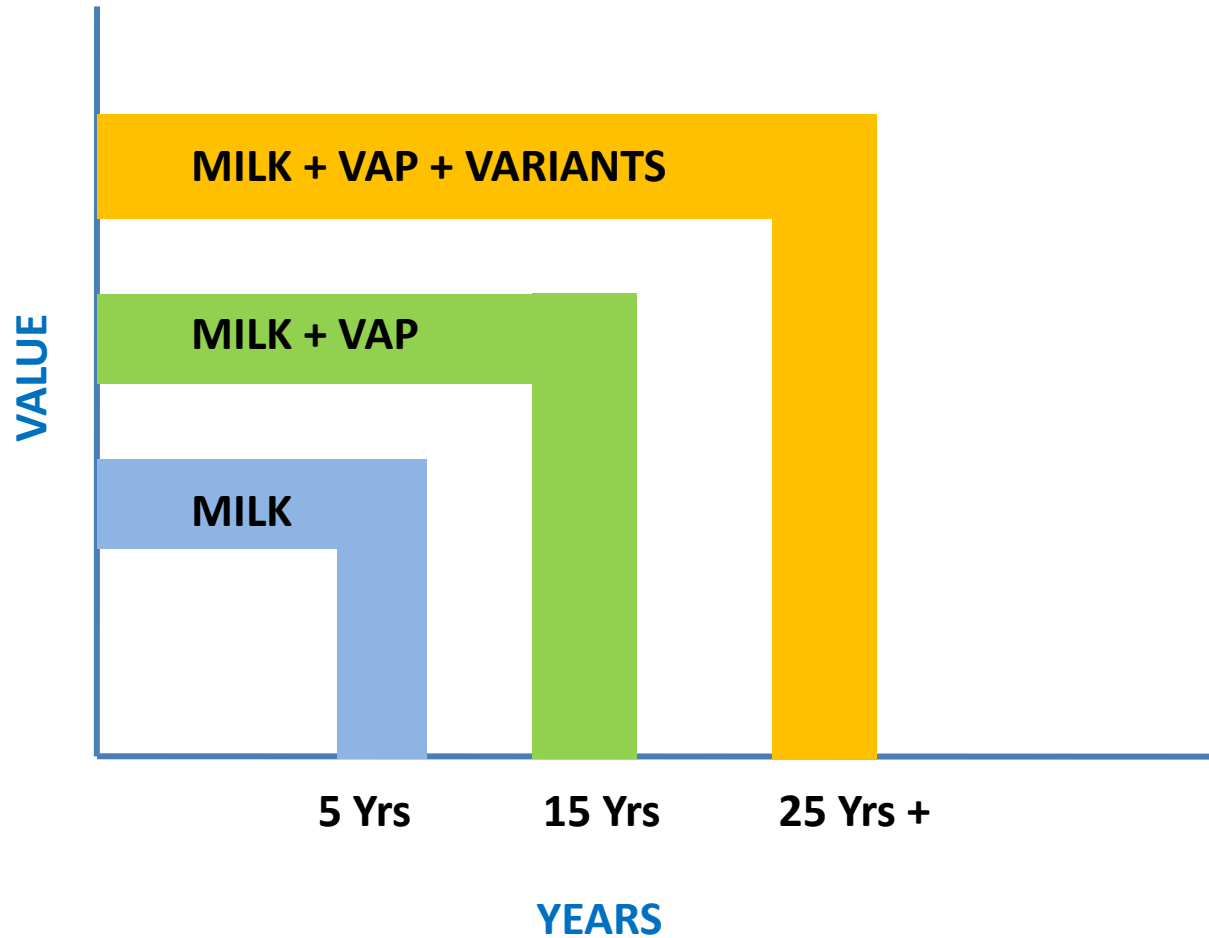
### 3. Impact of Covid-19



- Procured milk from all our farmer
- Ensured uninterrupted supplies to consumers
- Taken all steps to contain spread of Virus
- Maintenance of Social Distancing from Procurement areas to point of sale and at all work places
- Sanitizing the premises and vehicles on regular basis
- Procured Passes from Authorities where ever Required
- Ensured Supply Chain Management from Rural to Urban Areas
- Asking all employees to have Aarogya Setu App
- Enforcing wearing of masks and regular cleaning of hands
- There was no major business interruption wrt. procurement and sales
- Contributed Rs.1 Cr to fight against COVID-19 pandemic

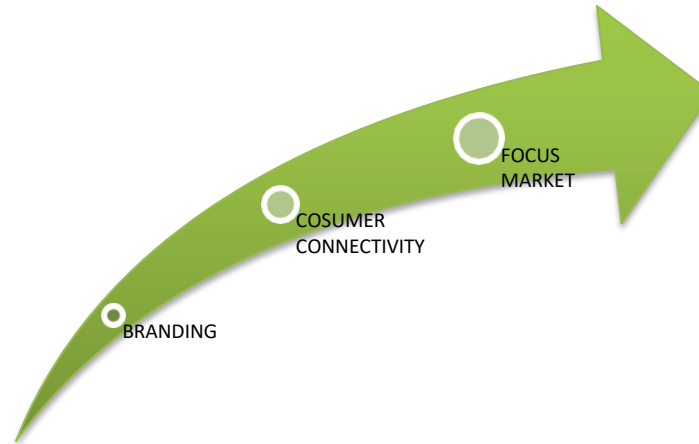


## 4. Our Journey





# 5. Activities Segmentation



## BRANDING

- Bus & Bus Shelter Branding
- Dealer Board Branding
- Dealer Board Signage- Lit/ Non Lit
- Wall Painting
- Vehicle Painting
- Shop Painting
- Vizi Cooler
- Bottle Cooler

## CONSUMER CONNECTIVITY

- Leaflet Distribution
- Poster & Banner
- Door to Door Activity
- Consumer Sampling at Retail Point
- Festivals/ Occasions

## FOCUS MARKETS

- Delhi
- Mumbai
- Chennai

Ad Spent –less than 1% of Topline

# 6. Branding





# 7. Consumer Connect





# 8. Digital Marketing



### TACKLING CORONAVIRUS RESPONSIBLY

Here's how Heritage Foods Ltd is keeping its stores safe and ensuring safe and uninterrupted supply of essential commodities like milk & curd to all our consumers across the coronavirus pandemic.

- PROTECTING OUR DELIVERY TEAM**
  - Masks, gloves & sanitization provided to all delivery team members.
  - Regular health checks and no delivery team members with any symptoms.
- ENSURING CONTINUOUS & QUALITY SUPPLY**
  - Increased production capacity to meet the demand.
  - Regular quality checks and testing.
- DEPLOYING PRECAUTIONARY MEASURES AT PRODUCTION PLANTS**
  - Regular sanitization of all production areas.
  - Increased safety measures for all employees.

### GET MILK & CURD DELIVERED HOME

#### #StayHomeStaySafe

**DIRECT MESSAGE US**  
Your nearest delivery van will get in touch with you & arrange delivery of your orders.

WhatsApp: 91007 78818  
Email: [heritage@heritagefoods.com](mailto:heritage@heritagefoods.com)

**FREE HOME DELIVERY**

#NutritionToNation®

### FRESHNESS DELIVERED HOME, EVERY MORNING

\*Delivery available at selected Hyderabad locations only.

Download the **Heritage TUCH App** for milk & curd delivery.

COMING SOON ON THE APP!

Google Play | App Store

### ONE FOR THE HERITAGE HEROES!

To the dairy farmers, sales teams, delivery executives, plant personnel & everyone on the ground to ensure safe & uninterrupted supply of milk and curd products to all our consumers in these challenging times - we're grateful to your efforts.

#NutritionToNation®

### THIS LOCKDOWN, SET YOUR TASTEBUDS FREE WITH

#### #MyHeritageSpecial

Participate now & stand a chance to get featured!

### CELEBRATE #WorldMilkDay WITH

## Heritage

HEALTH AND HAPPINESS

#NutritionToNation®

### A2 IS THE WAY TO A HAPPY TUMMY

- Helps build immunity
- Easy to Digest
- Rich in A2 Proteins

GET MORE, WITH EVERY POUR.

KNOW MORE (Click on the link above)

### 28 YEARS OF HERITAGE

#### #NutritionToNation®

### YOUR EID FEAST DESERVES THE BEST

Eid Mubarak from Team Heritage

#NutritionToNation®

### #MYHERITAGESPECIAL

#### RELOADED

## IT'S BACK AGAIN

PARTICIPATE NOW

### DELICIOUS DARK INDULGENCE TO COOL OFF IN STYLE

Try the Milk & Shakes Heritage Chocolate Milkshake

#SHAKEITOFF

### Taste the Bliss in Every Bite

This National Ice Cream Day, celebrate with the comforting richness of Heritage Ice Creams & Frozen Desserts.



# 9. Focus Markets



## DELHI NCR

- Retailer Board and Flange installation
- In Shop promotion
- Community connect
- Digitally geo-targeting through Heritage Bytes

## MUMBAI

- Opened new HDCs in Koparkhairane & Kharghar
- Visi-cooler deployment
- Digital geo targeting through Heritage Bytes

## CHENNAI

- Road-show under HDC's for 1 month to create awareness, increase width & depth of distribution & range selling

### Heritage Privilege Card Activity

- Started in June'19
- Households Enrolled 3800
- Retained 2600 with volume of 1200 LPD
- Post HPC offer, retained 1200 with 650 LPD



## 10. Consolidated Financial Highlights – Q1FY21



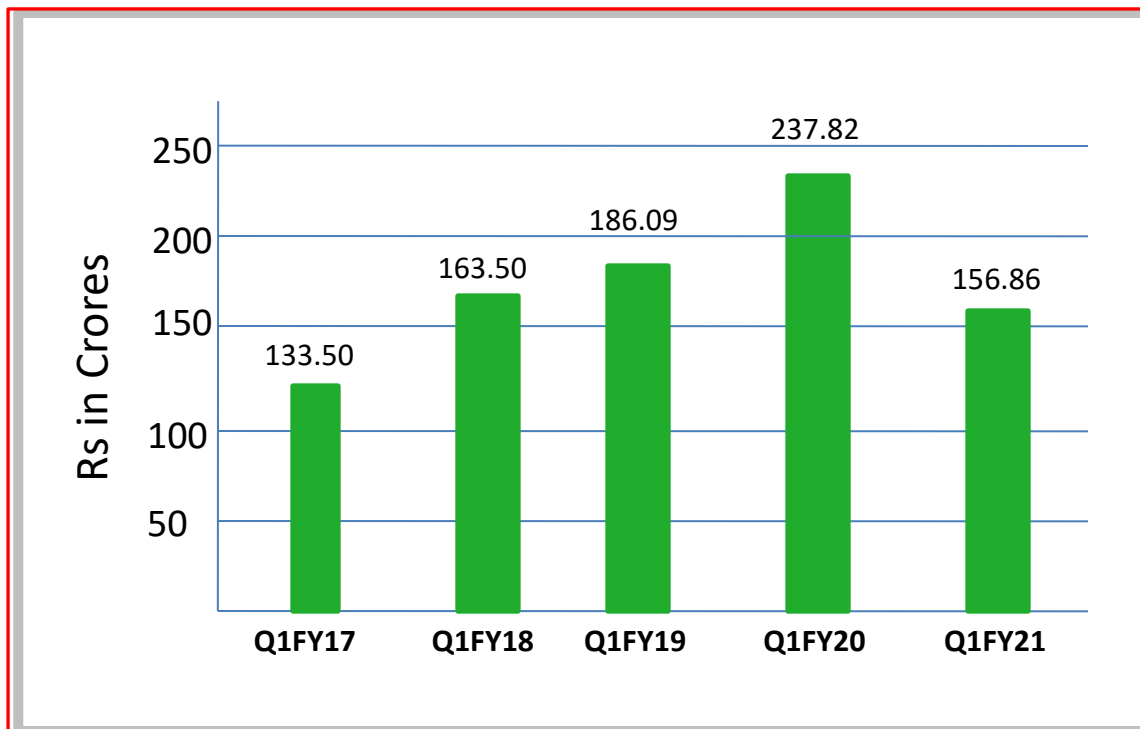
	Percentage	Rupees
Revenue	(11.43) %	638.81 Cr
EBITDA	17.78 %	57.31 Cr
PBT	247.41 %	106.17 Cr
PAT	409.81 %	96.10 Cr

## 11. Standalone Financials – Q1FY21, Q1FY20



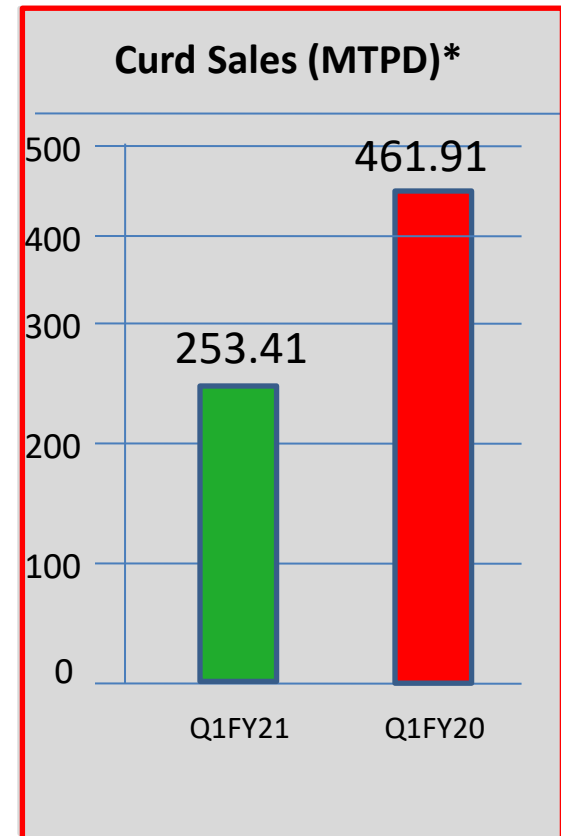
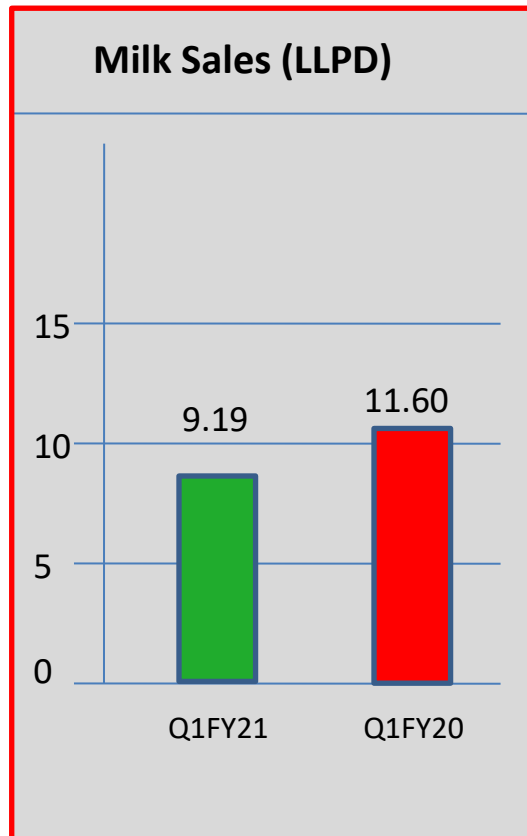
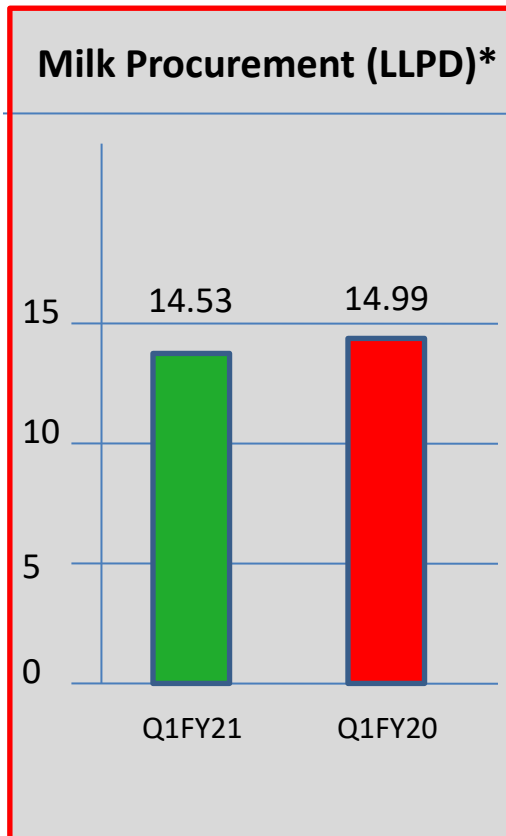
Financial Highlights	Q1FY21	Q1FY20
(Rs in crores)		
Net Turnover		
Dairy	619.55	710.49
RE	1.92	2.59
EBITDA		
Dairy	51.71	48.23
RE	1.32	2.25
PBT		
Dairy	35.98	32.47
RE	0.02	0.80
Dairy Margins		
EBITDA	8.35%	6.79%
PBT	5.81%	4.57%

## 12. Growth in VAP





## 13. Procurement & Sales Trend



\* LLPD: Lakh Liters Per Day

\* MTPD: Metric Tonnes Per Day

# 14. Heritage Nutrivet Limited

(A Wholly Owned Subsidiary Company)



(Rs in Cr)

Particulars	Q1FY21	Q1FY20
Turnover	34.55	27.17
EBITDA	5.26	(0.34)
PBT	4.27	(1.28)



# 15. Financials - Yearly



Financial Highlights	FY 20	FY 19	FY 18	FY 17	FY 16
(Rs in crores)					
<b>Net Turnover</b>	<b>2681.11</b>	<b>2482.35</b>	<b>2344.01</b>	<b>2642.89</b>	<b>2380.58</b>
Dairy	2679.44	2479.18	2343.68	1870.72	1768.8
RE	9.39	11.37	6.87	5.21	3.04
<b>EBITDA</b>	<b>140.37</b>	<b>192.43</b>	<b>133.32</b>	<b>146.61</b>	<b>136.47</b>
Dairy	132.61	182.56	127.32	144.82	137.2
RE	7.76	9.87	6.01	4.31	2.08
<b>PBT</b>	<b>72.44</b>	<b>128.69</b>	<b>88.08</b>	<b>323.31</b>	<b>85.98</b>
Dairy	70.33	124.93	79.79	114.76	105.68
RE	2.11	3.76	-0.04	0.38	0.14
FVTPL			8.33	208.26	
IND-AS Adjustment				-0.09	
<b>Dairy Margins</b>					
EBITDA%	4.95%	7.36%	5.43%	7.74%	7.76%
PBT%	2.62%	5.04%	3.40%	6.13%	5.97%

Note: Figures in FY16 & FY17 Include Discontinued Businesses.

## 16. Balance Sheet Figures

Particulars	FY20	FY19	FY18	FY17	FY16
(Rs in crore)				(As per Ind-As)	
Equity Share Capital	23.20	23.20	23.20	23.20	23.20
Other Equity (Reserves & Surplus)	439.13	781.76	754.81	570.02	216.80
Networth	462.33	804.96	778.01	593.22	240.00
Gross Fixed Assets	630.53	555.10	463.20	304.99	518.40
Net Fixed Assets	513.98	475.66	424.71	287.41	312.00

### Key Ratios:

Net Fixed Asset Turnover; 6

Debt / Equity; 0.35

Current Ratio; 0.83

Inventory Days; 18

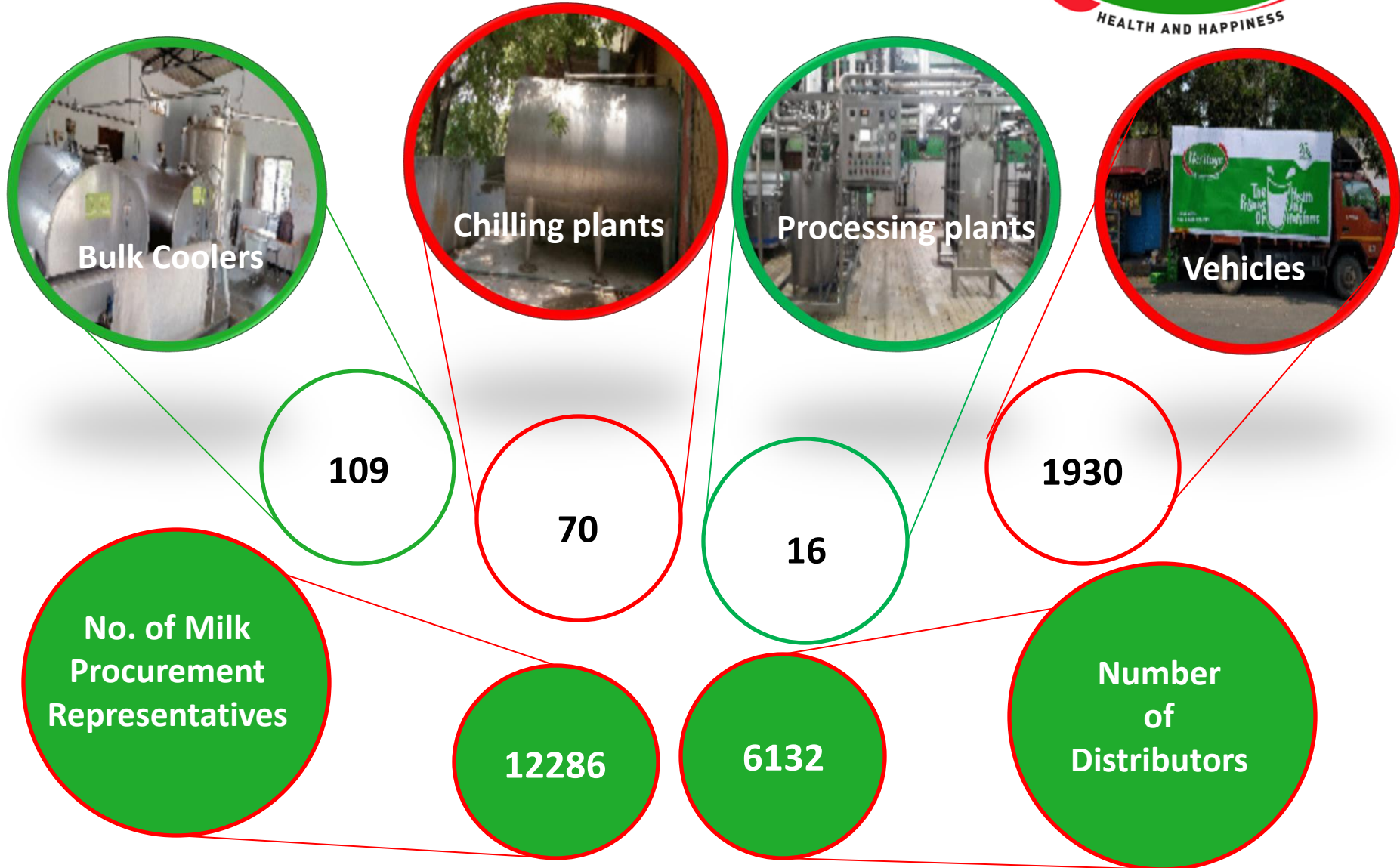
Book Value (Rs. 5/share); Rs. 99.64



## 17. Winning Farmers' Trust



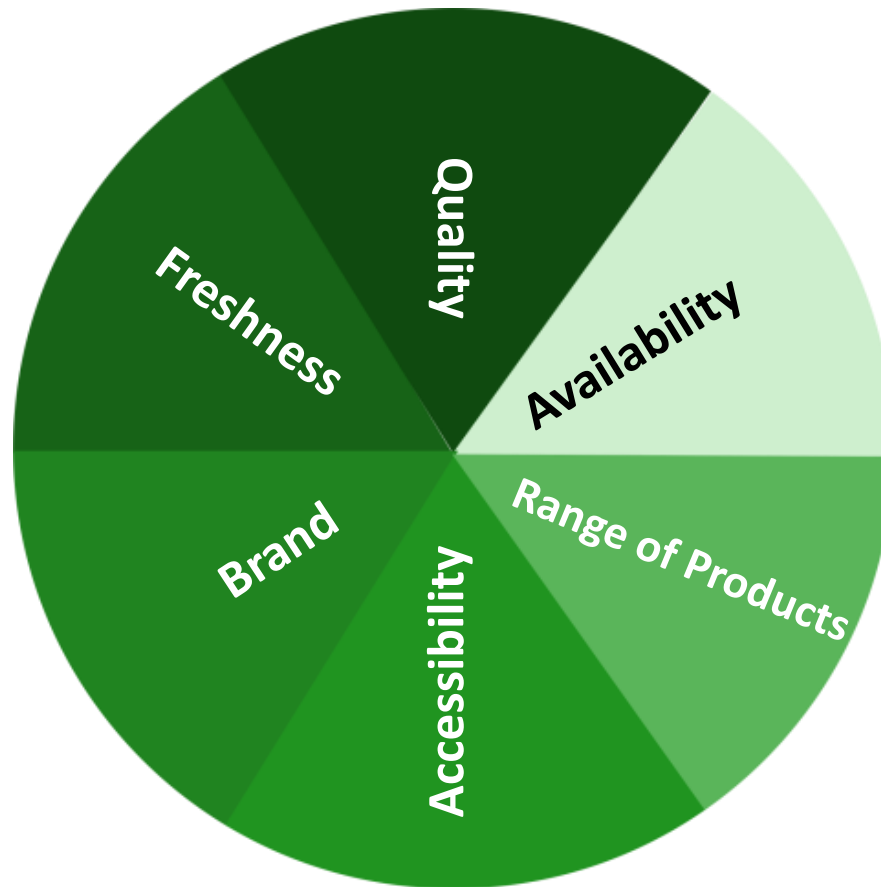
# 18. Achieving Operational Excellence



# 19. Innovations



Strong  
**360°**  
marketing  
approach



# 20. UHT Plant



- Commissioned an UHT Plant with capacity of 1 Lakh Litres Per Day
- UHT processed milk shelf life 90 days.
- No refrigeration required
- No need to boil
- Variants: Double Toned Milk & Toned Milk.
- UHT Milk sales: 52,070 Litres Per Day (April'20 - June'20)





## 21. Parlour as branded outlets



- Exclusive Product Outlets
- 944 Outlets managed by franchises
- Helps in recognition branding
- Flexibility of the product mix
- Products availability and Accessibility to customers





## 22. Heritage Distribution Centre (HDC)

- Exclusive Product Distribution centre managed by franchises
- 39 HDC's in Operation 16 at Bangalore, 19 at Chennai, 2 at Mumbai, 1 at Rajahmundry and 1 at Vijayawada.
- Each HDC Covering 100 retail and 100 households of the locality
- A big leap in strengthening the brand



# 23. Way Forward

NOW	NEXT	BEYOND
<p>Handles 14.53 LLPD of Milk</p> <p>Procuring Milk From 3 Lakh Dairy Farmers</p> <p>Supplying Milk To 15 Lakh Households</p> <p>Revenue of Rs 2681 crore</p> <p>VAP Contributes 26.96%</p> <p>Launched Heritage App for Digital Marketing</p>	<p>Focus on Organic Growth</p> <p>To Penetrate Into new markets</p> <p>To take initiatives in the Rural Belt</p> <p>To add tier 2/3 towns</p> <p>Moderate EBITDA Growth</p> <p>To Add Yogurt to VAP</p>	<p>To Handle Milk 28 LLPD</p> <p>To Procure Milk From 6 Lakh Dairy Farmers</p> <p>To Supply Milk To 30 Lakh Households</p> <p>Revenue of Rs 6000 crore</p> <p>VAP To Contribute 40%</p> <p>Adding new variants</p>

1993



25,000 LPD Processing Capacity  
1 Processing Plant

23.70 LLPD Processing Capacity  
16 Processing Plants



*Thank You*

Umakanta Barik | [hfl@heritagefoods.in](mailto:hfl@heritagefoods.in)