



25
YEARS
OF HERITAGE

Ref: SECT: STOC: 41-20

28th May, 2020

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 quarter/year ended 31st March, 2020, apart from that there are certain other information which is required to be know 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
M. No: FCS-6317

Encl: a/a



HERITAGE FOODS LIMITED

CIN : L15209TG1992PLC014332

AN ISO: 22000 CERTIFIED COMPANY





Corporate Presentation
March – 2020 (Q4FY20)



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.

Index



Vision & Mission 1

Company Overview 2

Impact of Covid-19 3

Financial Highlights – Q4FY20 4

Financials – Q4FY20, Q4FY19 5

Core Business 6

Growth in VAP 7

Procurement & Sales Volumes 8

Heritage Nutrivet Limited 9

Financials – Yearly 10

Balance Sheet 11

Winning Farmers Trust 12

Achieving Operational Excellence 13

Innovations 14

UHT Plant 15

Parlour as branded outlets 16

Heritage Distribution Centre 17

Way Forward 18

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 to the households in 13 states.
- Over a decade plus experience in production of other 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

- Variety of products
- High Product Quality
- Strong distribution and supply chain
- Strong relationships with over 3 lakh dairy farmers.
- Supplying dairy products to over 15 lakh households.

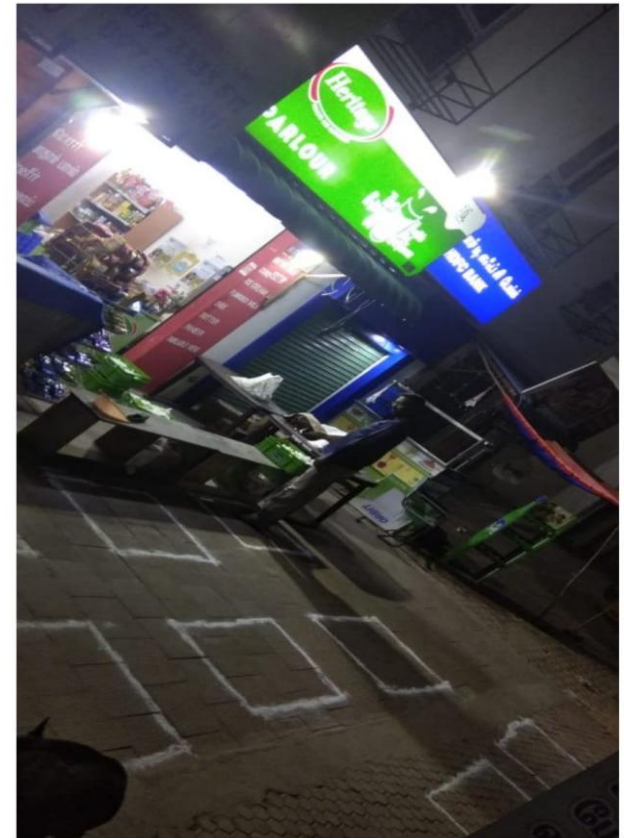
Financial Strength

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

3. Impact of Covid-19



- Ensured uninterrupted supplies to consumers
- Taken all steps to contain spread of Virus
- Maintenance of Social Distancing from Procurement 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. Financial Highlights – Q4FY20

(Consolidated)



	Growth %	Rupees
 Revenue	2.77 %	652.65 Cr
 EBITDA	(42.37) %	27.92 Cr
 PBT*	(67.13) %	10.17 Cr
 PAT*	(60.70) %	7.91 Cr

* From Core Business

5. Financials – Q4FY20, Q4FY19



Financial Highlights	Q4FY20	Q4FY19
(Rs in crores)		
Net Turnover	643.08	625.22
Dairy	642.15	624.94
RE	2.48	1.82
EBITDA	26.45	51.75
Dairy	24.34	50.44
RE	2.11	1.31
PBT	-207.4	34.82
Dairy	8.99	34.96
RE	0.73	-0.14
FVTPL	-217.12	
Dairy Margins		
EBITDA	3.79%	8.07%
PBT	1.40%	5.59%

6. Core Business...

(Standalone)

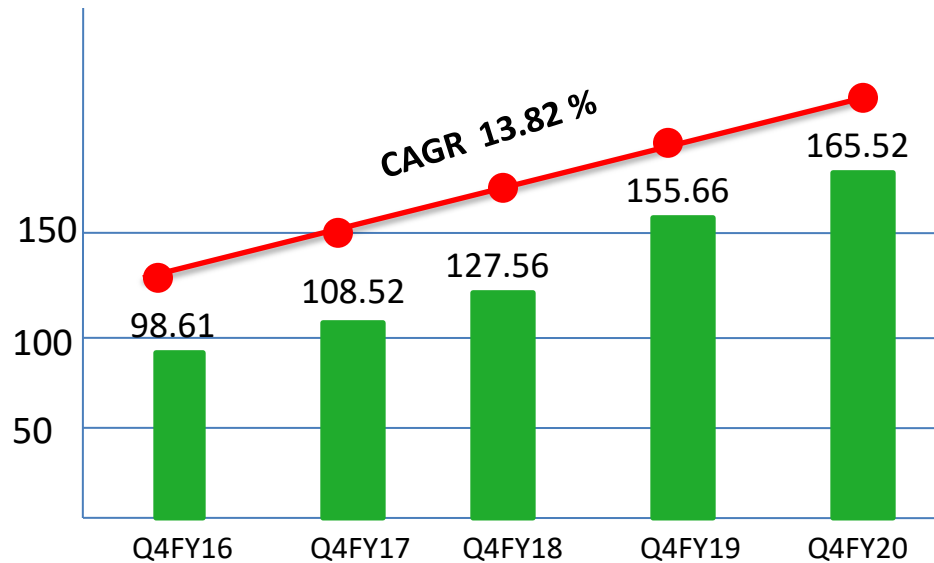


Profit after adjustments of gain due to changes in the fair value of derivative liabilities and loss due to changes in the FVTPL equity securities

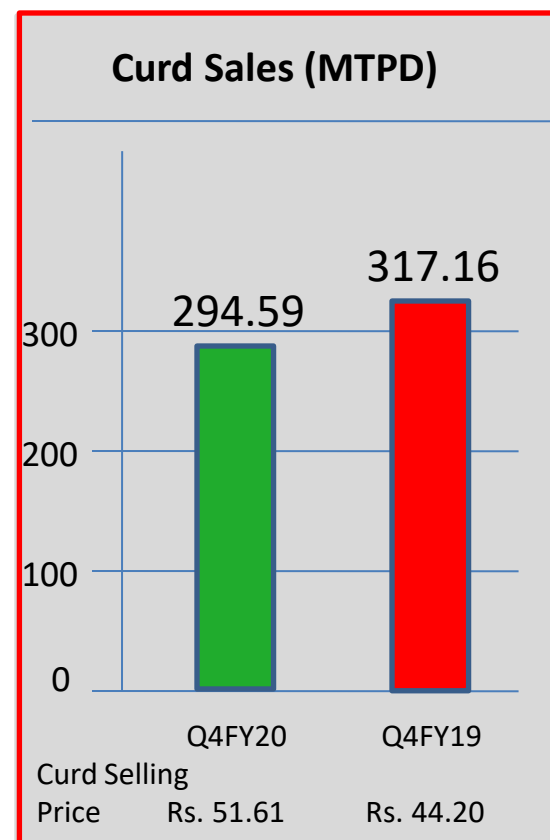
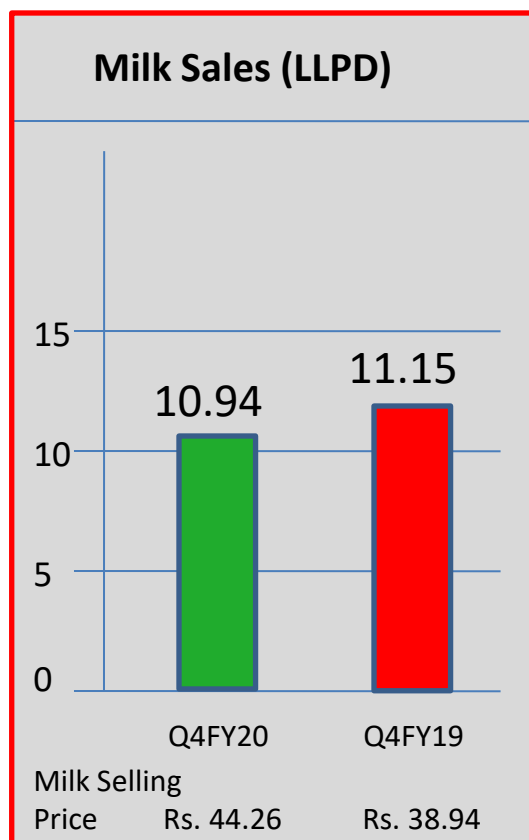
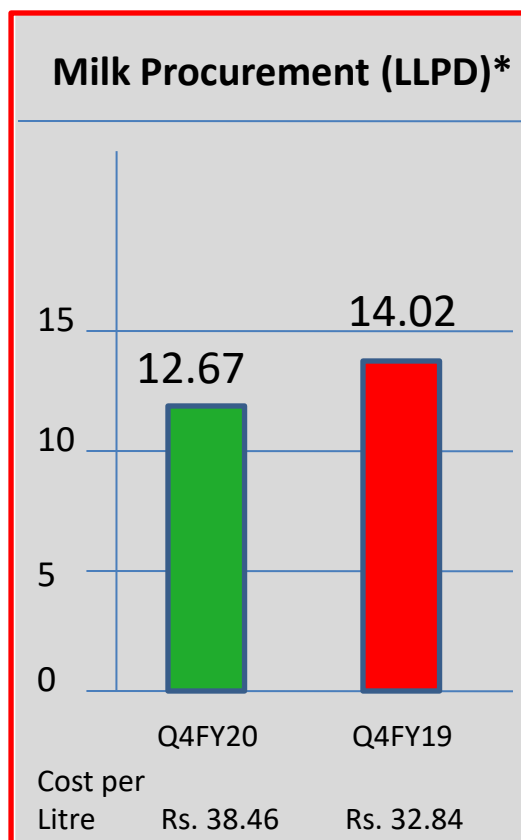
(Rs in lakhs)

PARTICULARS	Quarter Ended 31.03.2020	Quarter Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
Profit/(loss) before tax	(20,739.53)	3,481.90	(14,467.64)	12,868.82
Adjustments:				
Gain due to changes in the fair value of derivative liabilities	13,674.09	6,822.09	29,448.87	13,109.85
Loss due to changes in the FVTPL equity securities	(35,385.78)	(6,822.09)	(51,160.56)	(13,109.85)
Profit after above adjustments from core business	972.16	3,481.90	7,244.05	12,868.82
Core Business EPS (in Rs)	1.46	5.17	12.31	17.98

7. Growth in VAP



8. Procurement & Sales



*LLPD: Lakh Liters Per Day

*MTPD: Metric Tonnes Per Day

9. Heritage Nutrivet Limited

(A Wholly Owned Subsidiary Company)



Particulars (Rs in Lakh)	Q4FY20	Q4FY19
Turnover	2074	2158
EBITDA	243	78
PBT	137	35



10. Financials - Yearly



Financial Highlights	FY 20	FY 19	FY 18	FY 17	FY 16
(Rs in crores)					
Net Turnover	2681.11	2482.35	2344.01	2642.89	2380.58
Dairy	2679.44	2479.18	2343.68	1870.72	1768.8
RE	9.39	11.37	6.87	5.21	3.04
EBITDA	140.37	192.43	133.32	146.61	136.47
Dairy	132.61	182.56	127.32	144.82	137.2
RE	7.76	9.87	6.01	4.31	2.08
PBT	72.44	128.69	88.08	323.31	85.98
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	
Dairy Margins					
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.

11. 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	549.90	164.18	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

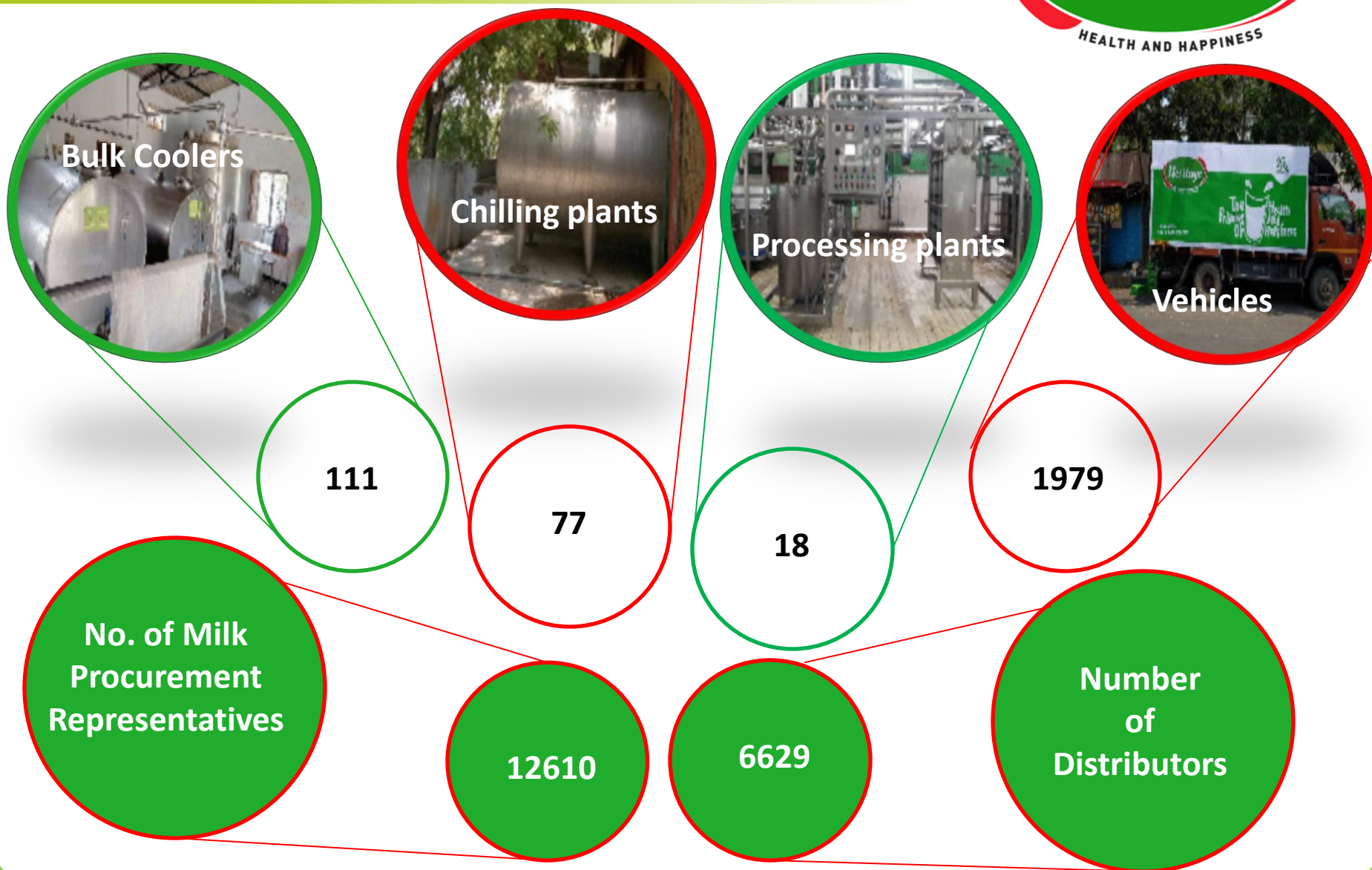
Inventory Days 18

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

12. Winning Farmers' Trust



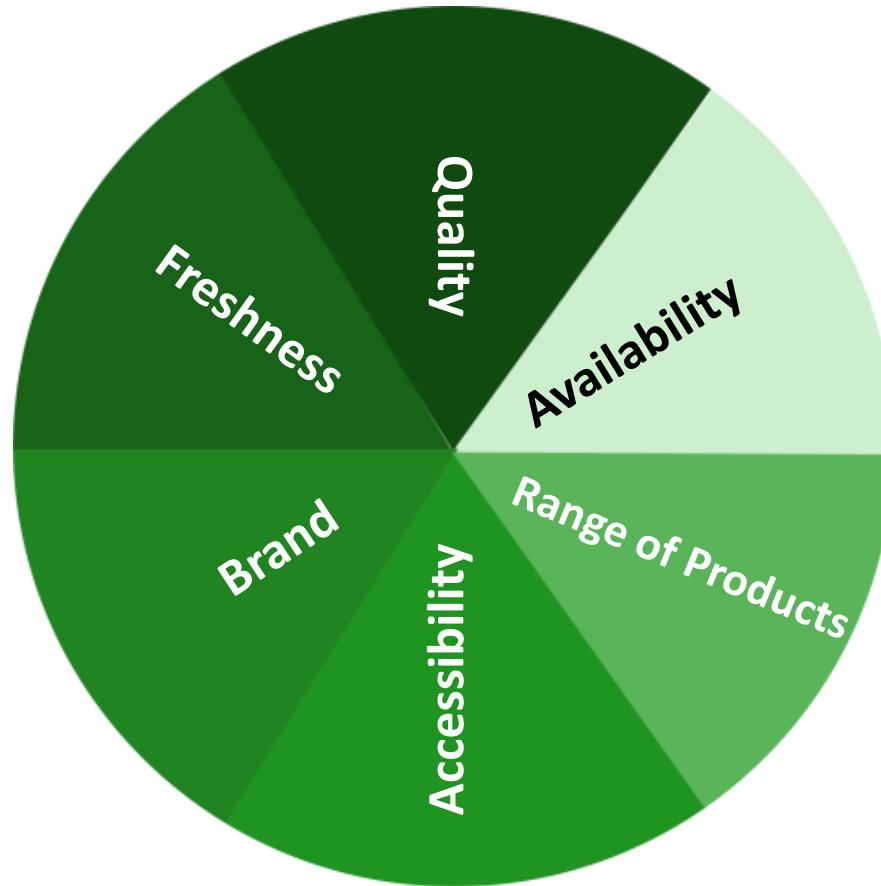
13. Achieving Operational Excellence



14. Innovations



Strong
360°
marketing
approach



15. 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: 67,642 Litres Per Day (Jan'20 - Mar'20)



16. Parlour as branded outlets



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



17. Heritage Distribution Centre (HDC)



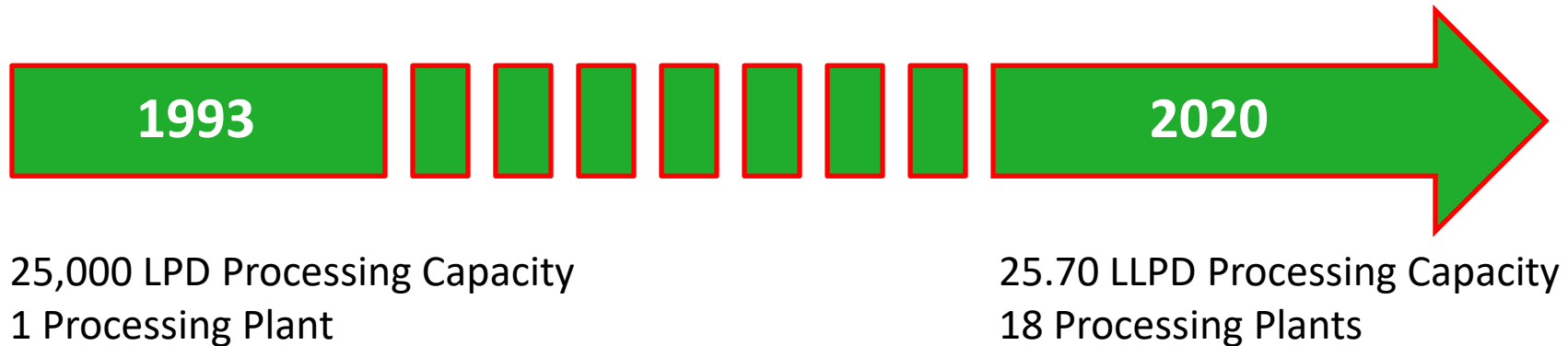
- Exclusive Product Distribution centre managed by franchises
- 48 HDC's in Operation 20 at Bangalore, 20 at Chennai, 1 at Hyderabad, 3 at Punjab, 2 at Mumbai, 1 at Rajahmundry and 1 at Vijayawada.
- Each HDC Covering 100 retail and 100 households of the locality
- A big leap in strengthening the brand imaging



18. Way Forward



NOW	NEXT	MISSION
Handles 13.77 LLPD of Milk Procuring Milk From 3 Lakh Dairy Farmers Supplying Milk To 15 Lakh Households Revenue of Rs 2681 crore VAP Contributes 25.78% Launched Heritage App for digital Marketing	Focus On Organic Growth To Penetrate Into New Markets To take Initiatives in the Rural Belt To Add Tier 2/3 Towns Moderate EBITDA Growth To Add Yogurt To VAP	To Handle Milk 28 LLPD To Procure Milk From 6 Lakh Dairy Farmers To Supply Milk To 30 Lakh Households Revenue of Rs 6000 crore VAP To Contribute 40%, Adding new variants





Thank You

Umakanta Barik | hfl@heritagefoods.in