



Ref: SECT: STOC: 68-22

30th July, 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

Sub: Investor Presentation - reg

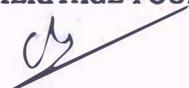
Pursuant to Regulation 30 and other respective regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing the copy of Investor Presentation which covers the milestones achieved by the Company during the quarter ended June 30, 2022, apart from that 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 same also 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

Enc: 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 10.50 MW from both Solar and Wind for captive consumption of its dairy factories.



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



HERITAGE FOODS LIMITED

Investor Release

Q1 Financial Year 2022-23





HERITAGE FOODS LIMITED

CHAPTER 02

Financial Highlights



Key Highlights

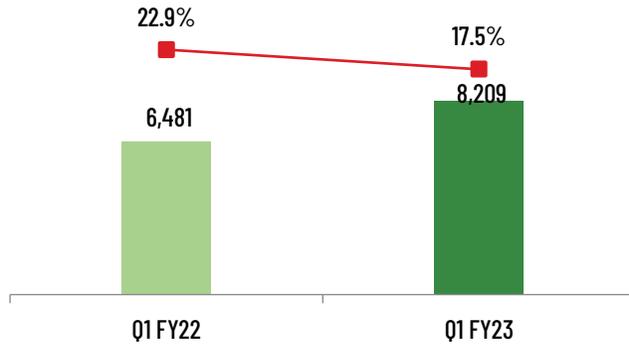


HERITAGE FOODS LIMITED

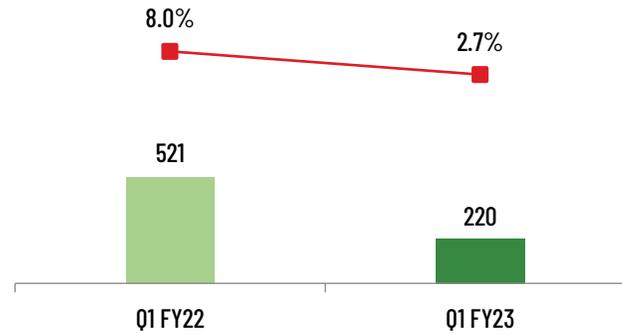
Consolidated Q1 FY23 Results

Q1 FY23 YoY ANALYSIS

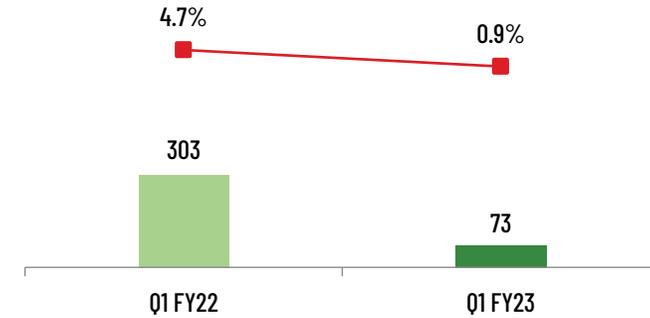
Revenues & Gross Margin (%)



EBITDA & EBITDA Margin (%)



PAT & PAT Margin (%)



Q1 FY23 Consolidated Profit & Loss Statement



HERITAGE FOODS LIMITED

Particulars (INR. in Mn)	Q1 FY23	Q1 FY22	YoY %	Q4 FY22	QoQ %	FY 22
Revenue from Operations	8,209	6,481	26.7%	6,959	18.0%	26,813
COGS	6,773	4,998	35.5%	5,555	21.9%	20,835
Gross Profit	1,436	1,483	-3.1%	1,404	2.3%	5,978
Gross Margin %	17.5%	22.9%	-539bps	20.2%	-985bps	22.3%
Employee Expenses	512	462	10.8%	418	22.3%	1,843
Other expenses	685	487	40.7%	670	2.3%	2,227
Share of loss of an associate and a joint venture	19	13	40.5%	17	7.3%	60
EBITDA	220	521	-57.6%	299	-26.1%	1,848
EBITDA Margin %	2.7%	8.0%	-535bps	4.3%	-161bps	6.9%
Depreciation	134	128	5.3%	135	-0.1%	522
EBIT	86	393	-78.1%	164	-47.4%	1,326
Finance Cost	7	14	-51.8%	11	-34.9%	40
Other Income	26	28	-6.9%	25	7.4%	113
PBT before Exceptional Items	106	407	-74.0%	178	-40.6%	1,399
Exceptional Items						91
PBT after Exceptional Items	106	407	-74.0%	178	-40.6%	1,307
Taxes	33	104	-68.3%	51	-36.0%	342
PAT	73	303	-76.0%	126	-42.4%	965
PAT Margin %	0.9%	4.7%	-378bps	1.8%	-94bps	3.6%

Consolidated Balance Sheet



HERITAGE FOODS LIMITED

Particulars (in INR Mn)	March 2022	March 2021
EQUITY AND LIABILITY		
Equity Share Capital	232	232
Reserve and Surplus	6,344	5,726
Shareholders Fund	6,576	5,958
Minority Interest	0	5
Total Equity	6,576	5,963
Non-Current Liabilities		
Long-term Borrowings	80	340
Deferred tax liabilities (net)	239	241
Other long term liabilities	305	162
Total non-current liabilities	624	743
Current Liabilities		
Short-term Borrowings	38	299
Trade payables	519	355
Other financial liabilities	1,035	1,194
Other current liabilities	234	231
Total current liabilities	1,826	2,079
Total Equity and Liability	9,026	8,785

Particulars in INR Mn	March 2022	March 2021
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	5,705	5,714
Capital WIP	74	157
Investment Property	44	45
Intangible assets under development	44	39
Other intangible assets	6	26
Investment in Associate & Joint Venture	174	129
Financial assets	67	58
Other non-current assets	4	22
Total non-current assets	6,118	6,191
Current Assets		
Inventories	2,058	1,983
Investments	0.03	0.04
Trade Receivables	185	152
Cash & Bank Balances	356	236
Loans	1	9
Other Financial Assets	37	32
Other Current Assets	271	184
Total Current Assets	2,908	2,595
Total Assets	9,026	8,785

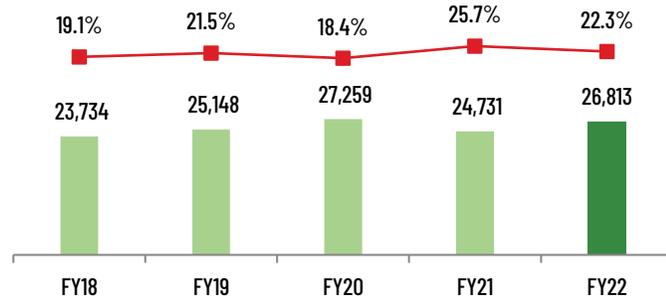
Consolidated Financial Summary



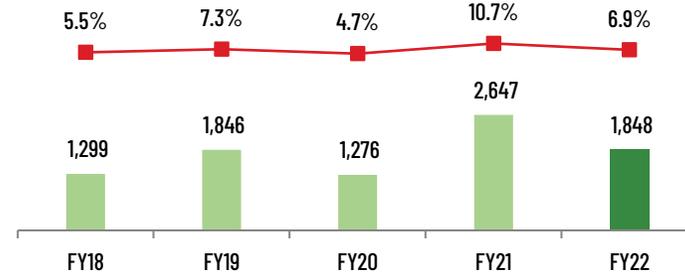
HERITAGE FOODS LIMITED

INR in Mn

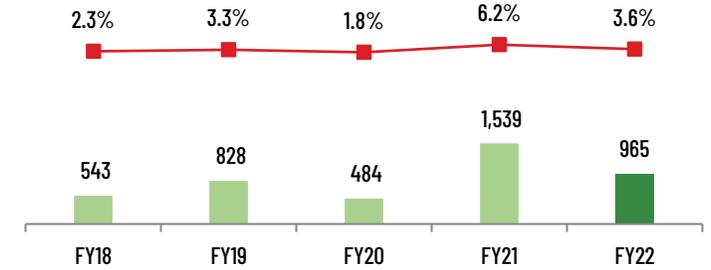
Revenues & Gross Margin (%)



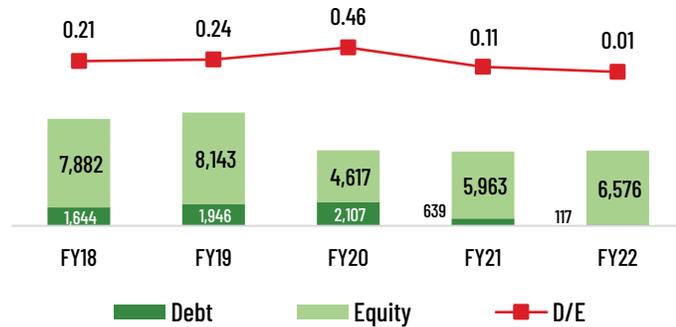
EBITDA & EBITDA Margin (%)



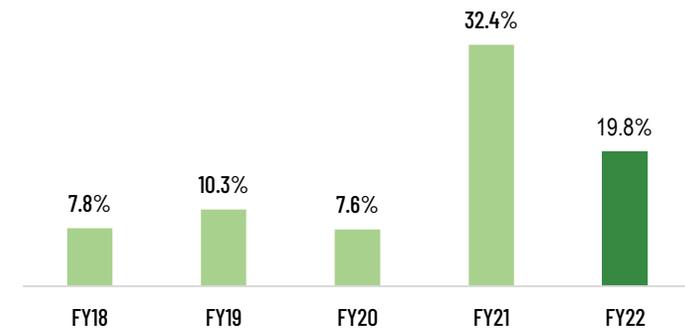
^PAT & PAT Margin (%)



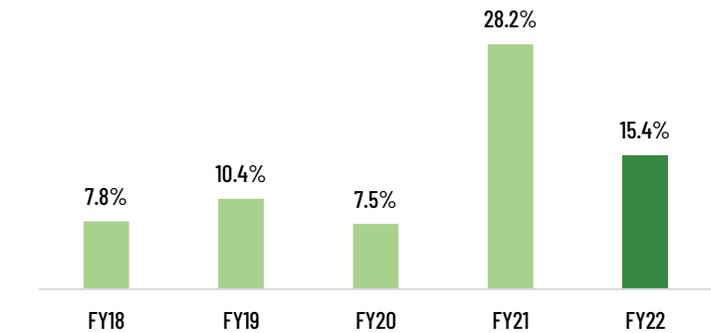
Leverage Analysis



Return on Capital Employed (ROCE)



Return on Equity (ROE)



■ Debt ■ Equity ■ D/E

Shareholding Structure



HERITAGE FOODS LIMITED

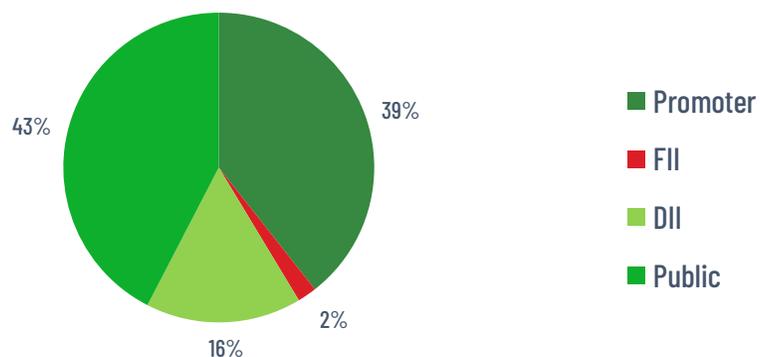
Prominent Investors – 30th June 2022 (% Holding)

UTI – Value Opportunity Fund	4.59
Kotak Small Cap Fund	3.74
L&T Mutual Fund	2.11
Sundaram Mutual Fund	2.02
Aditya Birla Sun Life Trustee Private Limited	1.37
IDFC Emerging Business Fund	0.70

Market Data as on 28th July 2022

Market capitalization (INR. Mn)	13,200.2
Price (INR Mn)	281.8
No of shares outstanding (Mn)	46.4
Face Value (INR)	5.0
52-week High-Low (INR)	565.0-250

Shareholding Pattern



Share Price Performance





HERITAGE FOODS LIMITED

CHAPTER 02

Company Snapshot



Heritage Foods Ltd.

Amongst the leading private players in the Dairy Industry



HERITAGE FOODS LIMITED

Overview

- **30 years of legacy** and domain expertise in dairy industry backed with strong product portfolio and brands **servicing +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 2.65 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 Q1 FY23

2.08 MLPD

Milk Chilling Capacity

+1.5 million

Households in 11 states.

2.65 MLPD

Milk Processing Capacity

18 State-of-the-art

Milk processing facilities

1.66 MLPD [^]

Milk Packaging Capacity

198 Boil cooler, mini chilling and chilling centres

742 MTPD [^]

Curd Packaging Capacity

+0.3 million

Dairy Farmers

1 Wholly Owned Subsidiary
Heritage Nutrivet Ltd.

1 JV Co
Heritage Novandie Foods Pvt. Ltd.

*Adj. PAT (Continuing Operations) excludes exceptional items

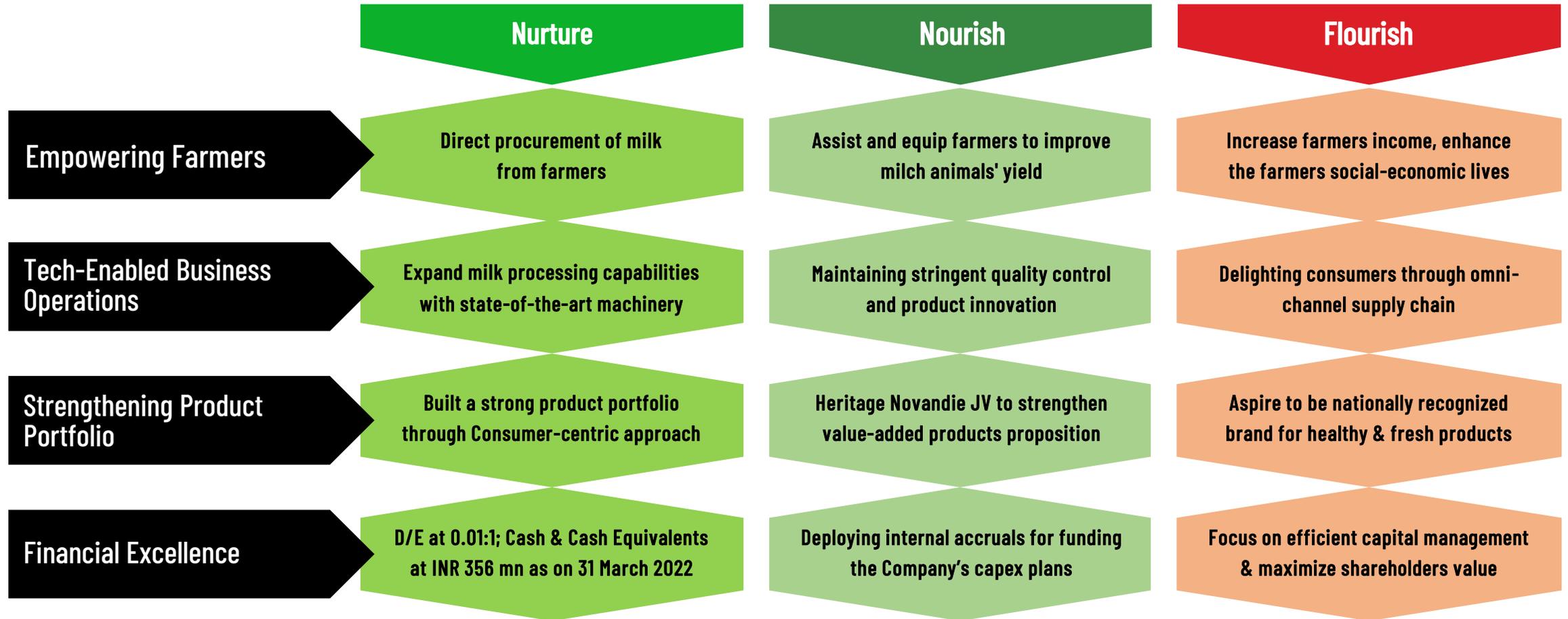
[^]Metric Tons Per Day, MPPL- Million Litre Per Day

Nurture. Nourish. Flourish

Decoding our growth mantra



HERITAGE FOODS LIMITED



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

Technology enabled 'Grass to Glass' Approach

'Tech' it to the next level



HERITAGE FOODS LIMITED

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

Satiate tastebuds & 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

Maintaining stringent quality check across the 'Milk-Value Chain' ensuring purity

Presence across the value chain

Concentrated focus at every stage



HERITAGE FOODS LIMITED

Cattle Feed, Nutrition & Animal Health

- Through wholly-owned subsidiary company Heritage Nutrivet
- 2 modern manufacturing facilities with an installed capacity of 12,000 MT per month

Procurement from milk farmers

- 1.46 MLPD milk procurement
- 0.3 million milk farmers base in 8 states
- 11,378 procurement representatives
- 275 Heritage Procurement Centres



Milk Chilling Centres

- 2.08 MLPD milk chilling capacity
- 198 Bulk Coolers, Mini Chilling & Chilling Centres



Dairy Processing

- 18 state-of-the art plants
- 2.65 MLPD processing capacity
- 1.66 MLPD packaging capacity
- 742 MTPD Curd Packaging Capacity



Sale of Dairy & Value Added Products

- 1.1 MLPD milk & 0.5 MLPD/KgPD Value added products sold in 11 States
- 2 Brands namely Heritage & Dairy Pure
- Omnichannel presence
 - 0.13 million Retail Outlets
 - 121 Heritage Distribution Centres
 - 859 Heritage Parlours
 - 16 e-Commerce websites
 - 27 Organized Retail Chains/MRFs

Creating a sustainable business model through 'Connecting the dots' approach



HERITAGE FOODS LIMITED

CHAPTER 03

The Heritage Advantage



Increasing Value-Added Products Share

Delighting Consumers with 'more the merrier' Approach



HERITAGE FOODS LIMITED

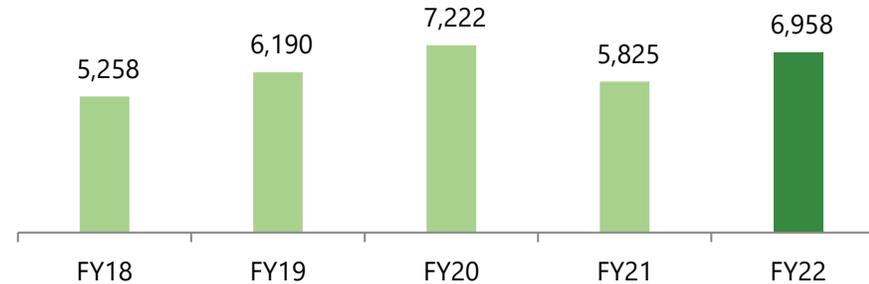
Diverse Product Portfolio

Milk	Fresh Milk, A2 Milk and UHT Milk
Value Added Products	Curd, Paneer, Tikka Paneer, 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 5.76%, during FY18-22.

Business Dynamics of Value-Added Products



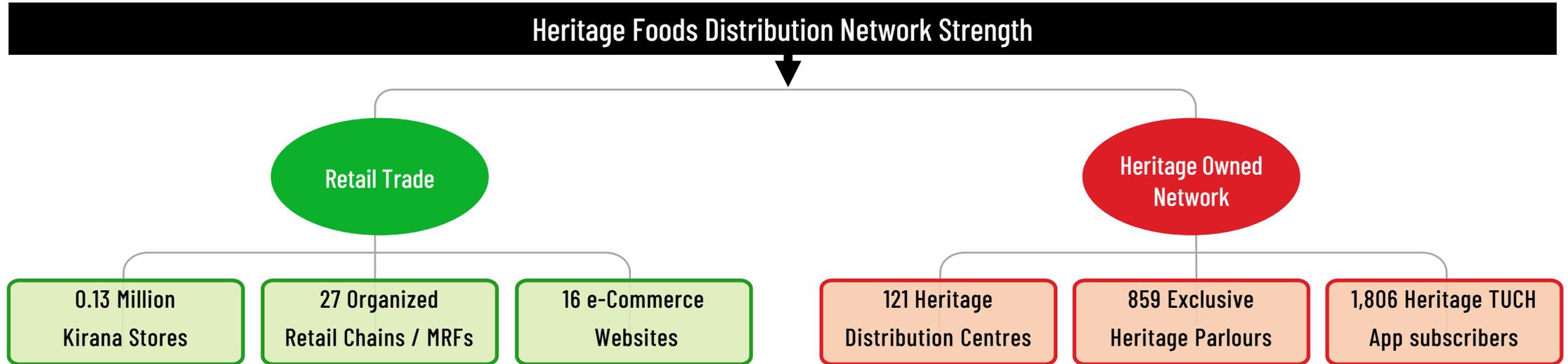
Riding on Value-Added Products for sustainable growth and enhanced margins

Robust Supply Chain Network

Seasoned 'Dairy Products FMCG' player



HERITAGE FOODS LIMITED



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

Strengthening the brand through omnichannel presence

Technology Enabled Operations

Raising the operational efficiency quotient



HERITAGE FOODS LIMITED

Technology @ work

Consumer-centric Approach

Deploy state-of-the-art technology

Continuous product/process innovation

Meet consumer expectations & enhance consumer delight

Technology Integrated Network

11,378
Milk Procurement Representatives

112
Bulk Coolers

86
Chilling Plants

18
Processing Plants

1,935
Vehicles

6,517
Distributors/Agents

Heritage TUCH App



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



Harnessing technology for the next wave of growth

Steady operating cash flows fueled capex plans

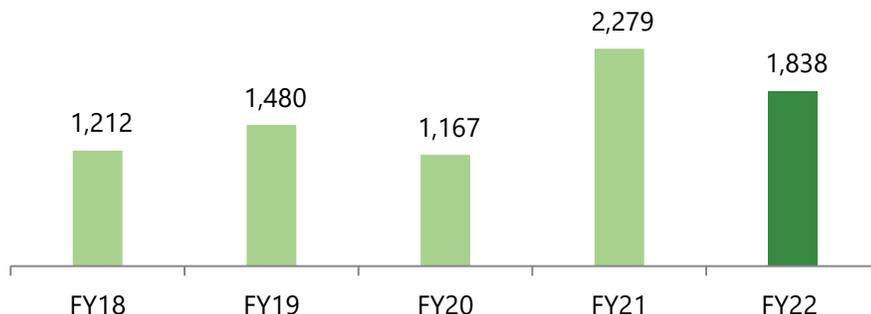
On a sound footing



HERITAGE FOODS LIMITED

INR in Mn

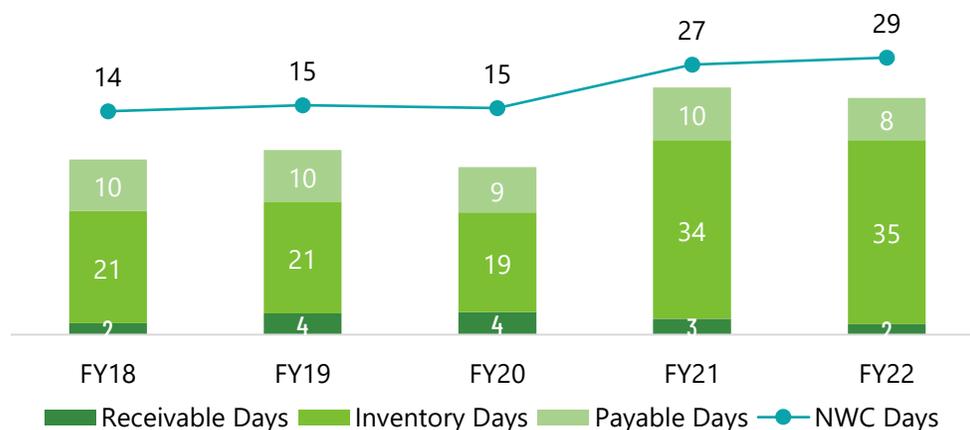
Cash Generated from Operating Activities



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

Working Capital Analysis *



* Revenues excludes revenue from discontinued operations

Banking on financial prudence for propelling growth

Heritage Nutrivet: Build on a strong foundation

Ready to add meaningful contribution



HERITAGE FOODS LIMITED

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:** Dairy Cattle Feed(Power, Milk rich, Supreme, Gomitra, Gomitra Plus, Milk Magic), HeritaMin, HeritaVit, HeritaCal, HeritaLiv, Amaze, Heritage supreme sinking fish feed.
- **Supporting Farmers with Technical Knowledge:** Provide technical support and build awareness amongst dairy farmers for improving milk productivity and profitability



Enhancing socio-economic harmony by boosting cattle productive & profitability

Heritage Nutrivet: Built on a strong foundation

Ready to add meaningful contribution

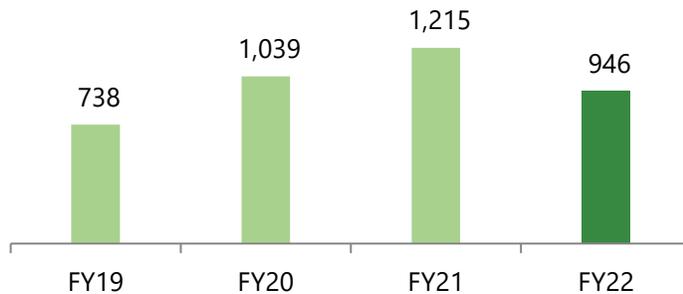


HERITAGE FOODS LIMITED

INR in Mn

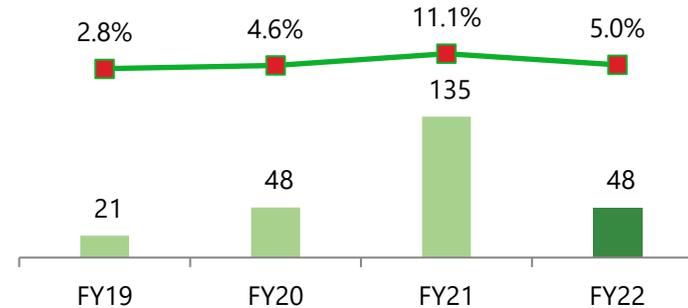
Revenue from Operations

CAGR: 6.4%



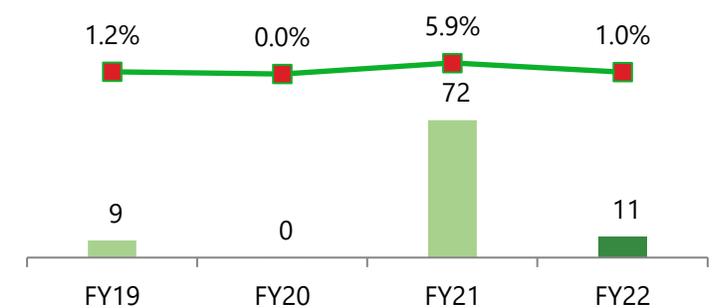
EBITDA & EBITDA Margin

CAGR: 22.96%



PAT & PAT Margin

CAGR: 2.6%



Performance Highlights

- During FY22, the Company's revenue stood at INR 946 Mn as against INR 1215 Mn in FY21. EBITDA stood at INR 48Mn as against Rs. 135 MN in FY21. PAT stood at INR 72 Mn. In FY21. PAT of FY22 is INR 11 Mn as against INR 72 Mn in FY21

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
- Mr. Upendra Pandey appointed as CEO of HNL is a step towards Heritage's increased focus towards cattle/fish feed and nutrition business

All set to reap the benefits of being an organized player

Forging meaningful partnership

Partnering to fortify the value proposition



HERITAGE FOODS LIMITED

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

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

Ready to conquer the uncharted path

Heritage Foods: The Road Ahead

Nutrition to Nation



HERITAGE FOODS LIMITED

Increase Milk Procurement

Invest prudently in village level milk collection infrastructure, bulk coolers, chilling centres and processing capacity

Expand the Product Portfolio

Continuously innovate and expand the product portfolio and delight customers through agile and flexible supply chain

Four-Pronged Growth Strategy

Penetrate New Geographies

Leverage the strong distribution network for entering in new geographies and strengthen the existing ones through brand building initiatives

Create Value for Stakeholders

Optimize operations and efficiencies across the value chain and create value for the stakeholders

Designing a roadmap for seizing opportunities in the evolving dairy industry

Enhancing the Product Portfolio



HERITAGE FOODS LIMITED



Launched in August 2021



Launched in June 2022

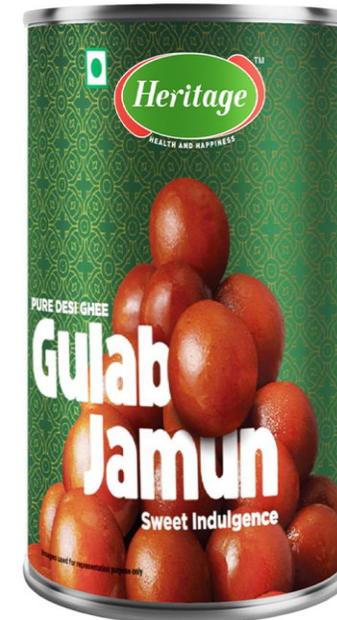


Launched in June 2022



Launched in August 2021

Launched in March 2022



Investor Rationale



Integrated Play

Integrated play, backed with strong procurement model, smooth farmer relation leads to good control over the supply chain.



Sustainable Qualitative growth

Strong financial performance and robust numbers gives encouraging growth outlook leads to strengthen the balance sheet and create wealth for the stakeholders and providing consistent return ratios



Long term Industry growth

Increasing urbanization, health consciousness, and high demand of premium products leading to long-term industry growth

Marketing Campaigns – Strengthening out Market Presence



Opportunities & Challenges

- Rising Income Level
- Increased Health awareness
- Rising young working population
- Increased Urbanization
- Demand for Premium dairy products
- Improve delivery infrastructure
- Experimental buyer dynamics

Opportunities

Challenges

- Increased competition from local and international players
- Small and dispersed farmers
- Rapidly changing customer preference
- Extensive/cross-breeding and productivity increase tactics
- Climate change



HERITAGE FOODS LIMITED

CHAPTER 04

Annexures



Product Portfolio

Reason to celebrate for every season



HERITAGE FOODS LIMITED

Milk



Toned Milk



Double-Toned Milk



Full Cream Milk



Standardised Milk



A2 Full Cream Milk



Cow Milk



Slim Milk



UHT Milk

Value Added Products



Butter Milk



Flavoured Milk



Curd



Sweet & Sabja Lassi



Sweet & Sabja Lassi



Cold Coffee



Immunity Milk



Tikka Paneer



Paneer



Malai Paneer Fresh



Cheese



Sweets



Heritage Kesar Shrikhand



Heritage Amrakhand



Badam Charger

Creating consumer-delight with diversified product portfolio

Product Portfolio

Reason to celebrate for every season



HERITAGE FOODS LIMITED

Ice-Creams



Cups



Bars



Cones

Fat Products



Cow Ghee



Buffalo Ghee



Hi Aroma Ghee



Kulfi (Anjeer & Malai)



Tubs



Family Packs



Cooking Butter



Table Butter



Fresh Cream

Creating consumer-delight with diversified product portfolio

Marketing and Consumer Connect Initiatives

Empowering the brand



HERITAGE FOODS LIMITED

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.



Nutritious Ghee: More Than Just a Fat

Blogs, Heritage Bytes

Ghee is a staple of Indian cooking, no matter which part of the country you hail from. It is the perfect ingredient to supplement your food and cooking with.

[Read more](#)



Milkshakes: Delicious, Refreshing, and Healthy Summertime Treats

Blogs, Heritage Bytes

Milkshakes—we all love them. They're creamy, rich, and delicious, and are an excellent way of getting your daily intake of milk in the summer without drinking hot beverages.

[Read more](#)

Other Omnichannel Consumer Connect Initiatives



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

Engaging & enthralling the consumers with meaningful conversations

Awards & Accolades

Excellence seldom gets unnoticed



HERITAGE FOODS LIMITED



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

FY22: Highlights

CII National Energy Conservation Awards for FY 2020-21.

- 1st Prize won by Gokul Plant, Charndragiri (M), Chittoor Dist-517101, Andhra Pradesh, India.
- 2nd Prize won by Bayyavaram Plant, Bayyavaram(V), Visakhapatnam District-531031, Andhra Pradesh, India.
- Certificate of Merit to Bengaluru Plant, Yadavanhalli (V), Anekal Taluk, Bengaluru South-562107, Karnataka,

IndiaCII National Award in Food Safety for the Year 2021.

- 1st Prize won by B. Kothakota Plant, Kothakota (M), Chittoor Dist-517370, Andhra Pradesh, India.

Inspiring us to chase excellence in our business endeavours



Thank You!

For Further Queries



Mr. Umakanta Barik

Company Secretary & Compliance Officer - Heritage Foods

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Contact No.: 040 23391221 Extn.: 9231

www.heritagefoods.in

DICKENSON

Ms. Sonam Raghuvanshi/Mr. Chintan Mehta

IR Consultants - Dickenson World

Email: heritagefoods@dickensonworld.com

Contact No.: +91 8591190903 / 9892183389