



Ref: SECT: STOC: 86-22

19th October, 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

Dear Sir / Madam,

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/half year ended September 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

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



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





Earnings Presentation

Q2 / H1-FY23



Rich Legacy of 30 Years



Fully Integrated Dairy Business



Wide Presence Across 11 States



Highly Qualified and Experienced Leadership Team and Independent Board



Strong Distribution Network with Omni Channel Presence



Strong Corporate Governance Standards



+1.5 Mn Households Served Daily



Net Debt Free



18 State-of-the-art Milk Processing Plants



10 Year CAGR:
Revenue - 7%
PAT – 26%



2.65 MLPD Milk Processing Capacity



21,452 Farmers Benefited through Community Development Activities



3,000+ employees on rolls

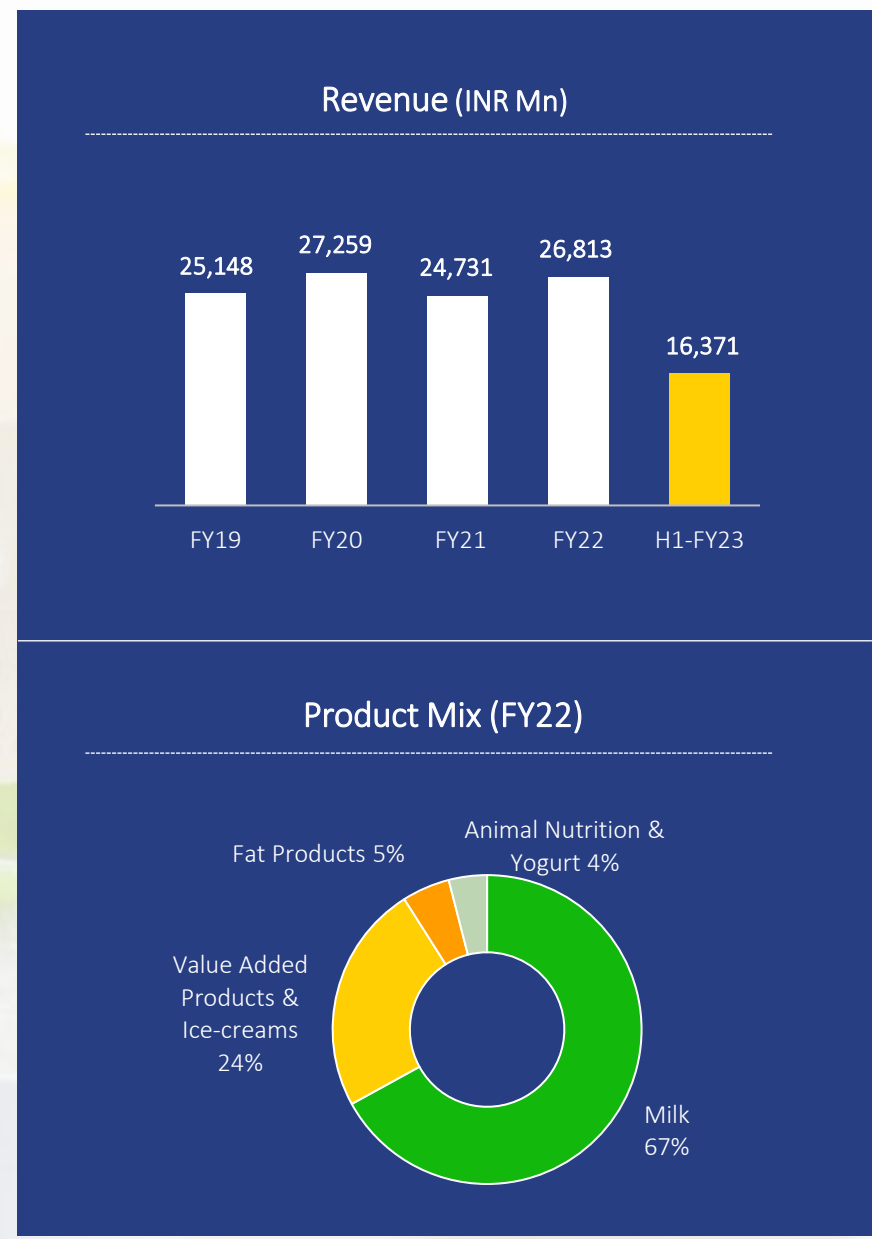


INR A+ (LT), A1 (ST) Credit Rating CRISIL



Company Overview

- Founded in 1992 with the objective to serve the farming community in India, Heritage Foods is today India's one of the leading Dairy companies.
- Over the span of 3 decades, Heritage Foods has not only stayed true its values and mission but also created a diversified product portfolio, which includes milk and many milk based value added products.
- The company has a highly qualified and experienced leadership team with decades of experience spanning across business functions and is guided by a strong and eminent independent board of directors.
- Over the years, the company has created strong long-lasting relationships with 300,000+ dairy farmers for milk procurement across 8 states in India.
- The company has 18 State-of-the-art milk processing facilities with a total processing capacity of 2.65 Mn litres per day (MLPD), and 198 Bulk Coolers, Mini Chilling & Chilling Units with 2.08 MLPD milk chilling capacity.
- Heritage Foods has created deeply entrenched distribution network with products sold across 11 States in India and including 121 Heritage Distribution Centres, 130,000+ Retail Outlets, 27 organized retail chains across India and 859 Heritage Parlours. It also has a strong presence across 16 E-Commerce websites.
- Heritage adopts a technology integrated network enabled by 11,300+ Milk Procurement Representatives & 1,900+ distribution vehicles across 11 states on the back of 6,500+ distributors who deliver Heritage products daily at doorsteps.
- The company has a technologically advanced R&D infrastructure with stringent quality control for the benefit of consumers.



Product Portfolio



Milk (67%)



Value Added Products (23%)



Fat Products (5%)



Animal Nutrition (4%)
Heritage Nutrivet – Subsidiary



Ice-creams (1%)



Yogurt - Mamie Yova (0.1%)
Heritage Novandie – Joint Venture

* Percentage breakup of Revenue share as on FY22

Geographical Footprint

Haryana



Rai

Maharashtra



Sangvi



Manor

Karnataka




Yadavanahalli

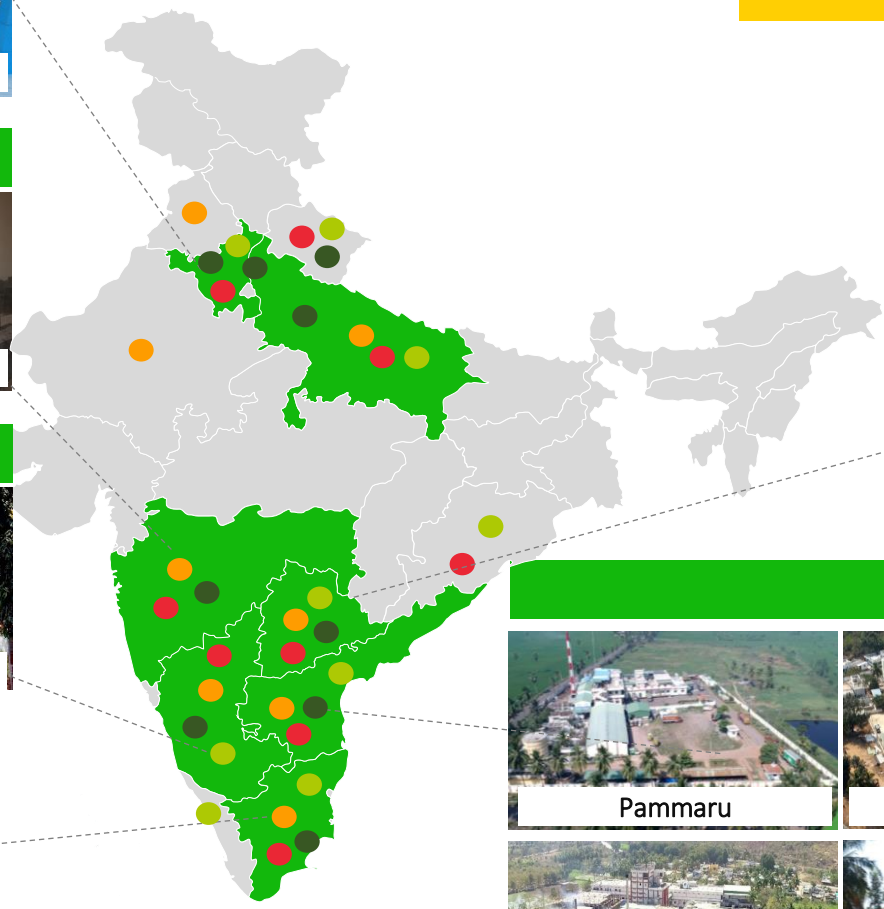


Sindhanur

Tamil Nadu



Vadamadurai



Milk Procurement - 8 States

Milk Products Sales - 11 States

Milk Sales - 11 States

Heritage Distribution Centres - 9 States

Telangana



Kalluru



Narketoally




Uppal




Shamirpet


Andhra Pradesh




Pammaru



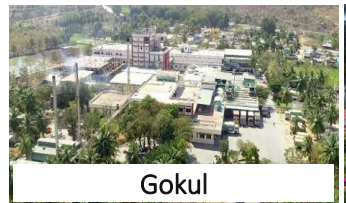
Bayyavaram




B.Kothakota




UHT Bayyavaram




Gokul



Bobbili



Battiprolu



Chittoor

Future Growth Strategy



1 Increase Milk Procurement: By investing prudently in village level milk collection infrastructure, bulk coolers, chilling centers.

5 Aspire to be Nationally recognized brand: For healthy & fresh products while focusing on efficient capital management.

2 Increase the share of Value Added Products: Based on increasing disposable income, demand for convenient products and growing consumer preference for branded healthier & nutritious alternatives.

6 Expand product manufacturing capabilities: With state-of-the-art machinery while maintaining stringent quality control and product innovation.

3 Penetrate New Geographies: By leveraging the strong distribution network for entering in new geographies and strengthen the existing ones through brand building initiatives.

7 Empowering farmers: Through direct procurement of milk from farmers, assisting and equipping farmers to improve milch animals' yield to increase the income of farmers and enhance the socio-economic status of farmers.

4 Expand the Product Portfolio: By continuously innovating and expanding the product portfolio and delight customers through agile and flexible supply chain.

8 Create Value for Stakeholders: By optimizing operations and efficiencies across the value chain.

Q2 / H1-FY23 Financial Overview



Q2 / H1-FY23 Consolidated Financial Highlights

Q2-FY23 Performance

INR 8,162 Mn Operating Income	INR 398 Mn Operating EBITDA	4.88% EBITDA Margins
INR 190 Mn PAT	2.33% PAT Margins	INR 4.10/Share Diluted EPS

H1-FY23 Performance

INR 16,371 Mn Operating Income	INR 638 Mn Operating EBITDA	3.90% EBITDA Margins
INR 263 Mn PAT	1.61% PAT Margins	INR 5.67/Share Diluted EPS

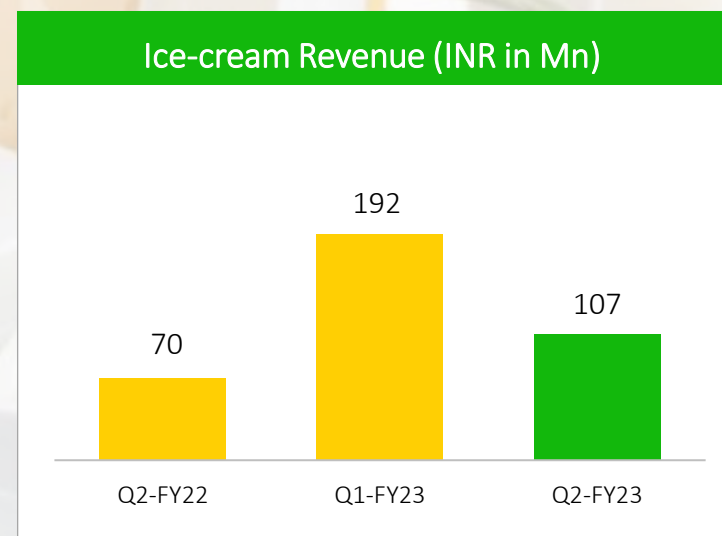
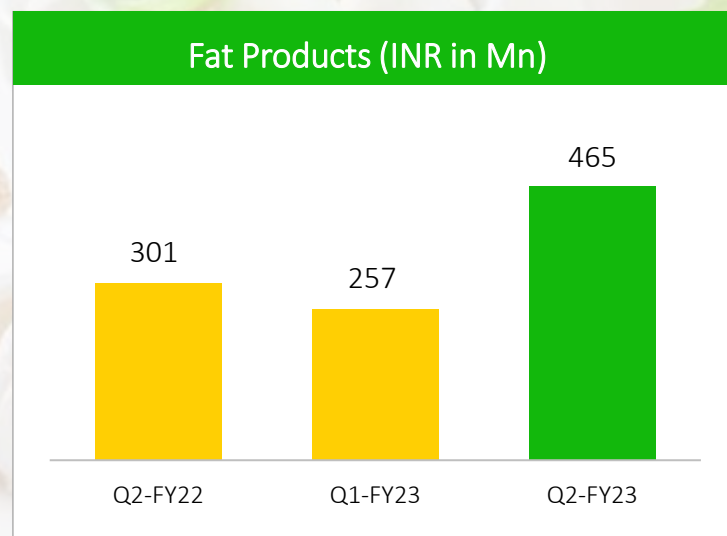
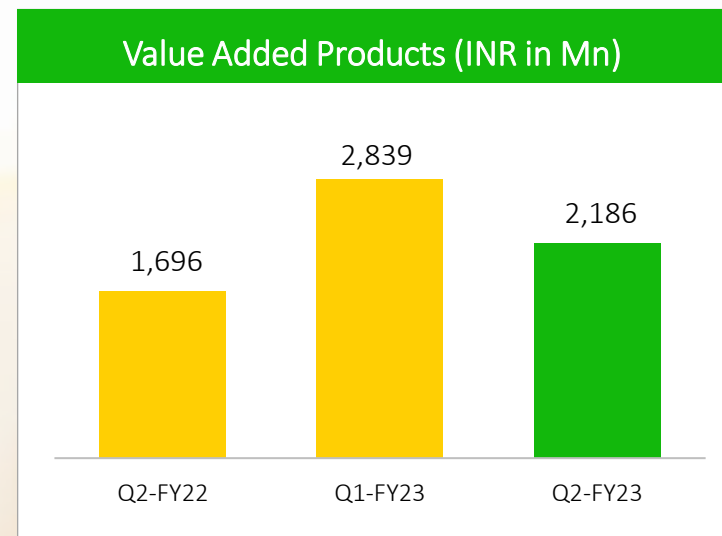
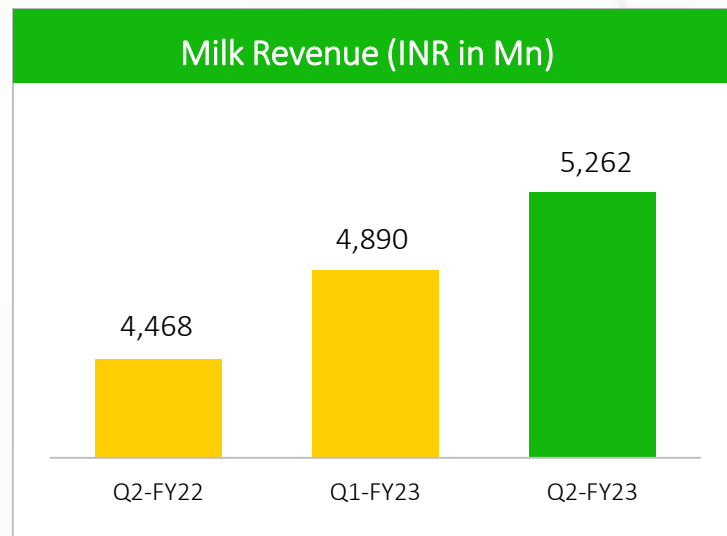
Operational Highlights

- Average milk procurement during Q2-FY23 was at 14.62 lakh litres per day (LLPD), compared to 12.67 LLPD in Q2-FY22; registering a growth of 15.39% YoY
- Average milk sales during Q2-FY23 was 11.24 LLPD compared to 10.37 LLPD in Q2-FY22; recording an increase of 8.39% YoY
- Curd sales during Q2-FY23 were at 326.44 metric tonnes per day (MTPD) compared to 279.74 MTPD in Q2-FY22; registering a growth of 16.69% YoY
- Revenue from Value added products (VAP) grew by 28.86% YoY to INR 2,186 million in Q2-FY23 compared to INR 1,696 million in Q2-FY22.
- VAP contributed 27.03% to the overall dairy revenue during Q2-FY23 against 25.70% in Q2-FY22, up by 133 bps YoY.
- Even though the company undertook multiple price increases throughout the quarter, the increase in raw material cost of 19% on a YoY basis impacted the margins.

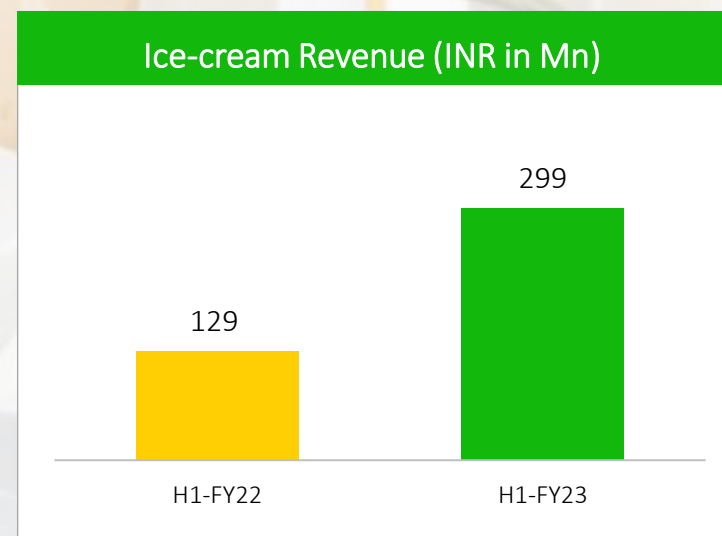
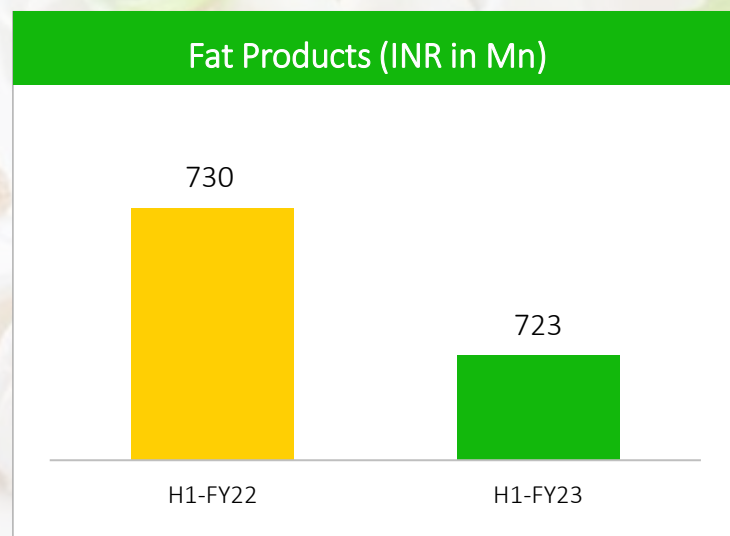
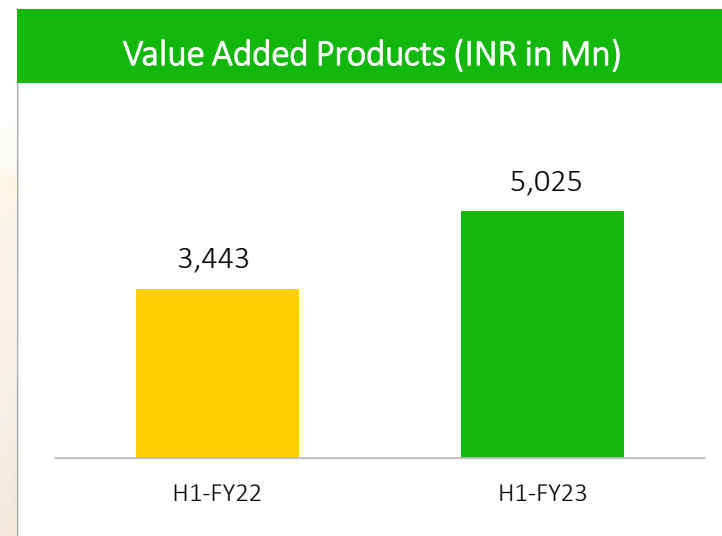
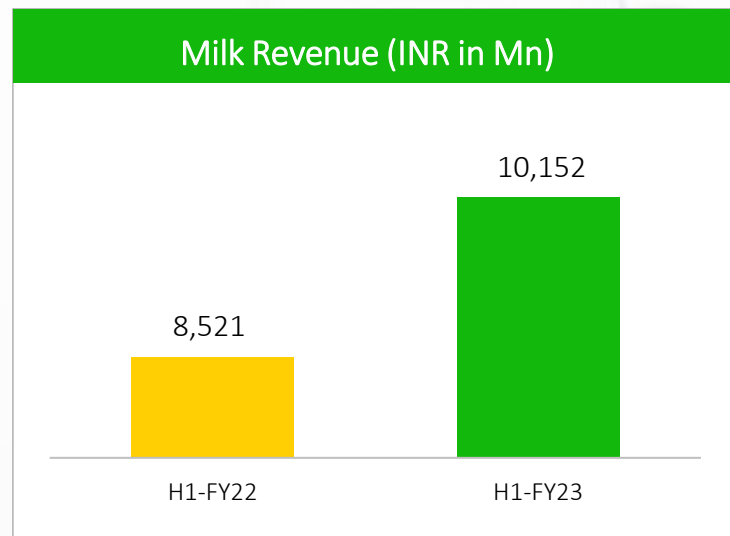
New Value Added Product Launch:



Quarterly Segmental Revenue



Half Yearly Segmental Revenue



Q2-FY23 Digital Campaigns

Ghee Campaign: #MyHeritageMyPride


Ghee is a product that has a strong association with festivities that are around the corner and is a key ingredient for sweets and other traditional recipes. The primary objective of the Ghee campaign is to register "Heritage" in the minds of consumers and simultaneously relate the brand to their roots, their "inheritance". In this fast-paced life we have forgotten the age-old authentic recipes that we enjoyed during the festive period in our childhood. With this campaign, we wish for enlightening the generation of today about our rich culinary Heritage by reviving these lost recipes & instill a sense of pride.

Ecom Reviews: Goodness of Heritage

Ongoing activity till FY23 end.

Objective – to improve the product ratings of key SKUs of Curd, Paneer and Ghee across major ecommerce platforms to 4.2 out of 5 from the current average levels 3.8.

We have nitpicked the target consumers across the geographies to try our range of products – Curd, Ghee and Paneer to rate their opinion to showcase the Goodness on Heritage products on ecommerce platforms like Big basket, Amazon and Flipkart.

Heritage Curd, 1 kg

5 ★


curd is very creamy and too thick. it comes in a small spill proof bucket which can be used easily and last for long time



Heritage Cow Ghee/Neyyi, 500 ml

5 ★ Pure and natural taste


Tasty and pure cow ghee, so nice aroma, liked it very much, no chemicals added, good for kids and adults



Heritage Fresh Paneer - Rich In Protein & Vitamin A, 200 g

5 ★

paneer is good as expected, it's really soft and fresh. texture is also good. price is very low compared to other brands



Heritage Buffalo Ghee, 1000 ml

5 ★ Natural ghee

Liked the fresh taste and aroma of ghee, no chemicals added, we are enjoying the natural taste of ghee

Q2-FY23 Marketing Updates

IDF Exhibition in Greater Noida



Gluco Shakti Orange Launch in Hyderabad



New Milk packets launch in Chennai - POSM



Life Size Modak made of Heritage Vanilla Milk Packs



Festival Arch Gate's Deployment in Hyderabad



Best chef contest among Societies



Quarterly Consolidated Financial Performance



Particulars (INR Mn)	Q2-FY23	Q1-FY23	Q-o-Q	Q2-FY22	Y-o-Y
Operating Income	8,162	8,209	(0.6)%	6,703	21.8%
Expenses	7,764	7,969	(2.6)%	6,053	28.3%
EBIDTA	398	240	65.8%	650	(38.8)%
<i>EBIDTA Margins (%)</i>	<i>4.88%</i>	<i>2.92%</i>	<i>196 Bps</i>	<i>9.70%</i>	<i>(482) Bps</i>
Depreciation	138	134	3.0%	130	6.2%
Finance Cost	3	7	(57.1)%	9	(66.7)%
Other Income	29	26	11.5%	29	NA
Share of Profit/(Loss) of an associate & Joint Venture	(23)	(19)	21.1%	(14)	64.3%
Exceptional Items	-	-	-	(91)	NA
PBT from continuing operations	263	106	148.1%	435	(39.5)%
Tax	73	33	121.2%	107	(31.8)%
PAT from continuing operations	190	73	160.3%	328	(42.1)%
Profit/(Loss) from discontinued operations	-	-	-	(1)	NA
Profit After Tax	190	73	160.3%	327	(41.9)%
<i>PAT Margins (%)</i>	<i>2.33%</i>	<i>0.89%</i>	<i>144 Bps</i>	<i>4.88%</i>	<i>(255) Bps</i>
Other Comprehensive Income	0	0	-	(1)	NA
Total Comprehensive Income	190	73	160.3%	326	(41.7)%
EPS Diluted (INR)	4.10	1.57	161.1%	7.06	(41.9)%

Half Yearly Consolidated Financial Performance



Particulars (INR Mn)	H1-FY23	H1-FY22	Y-o-Y
Operating Income	16,371	13,184	24.2%
Expenses	15,733	12,000	31.1%
EBIDTA	638	1,184	(46.1)%
<i>EBIDTA Margins (%)</i>	<i>3.90%</i>	<i>8.98%</i>	<i>(508) Bps</i>
Depreciation	273	258	5.8%
Finance Cost	10	23	(56.5)%
Other Income	55	57	(3.5)%
Share of Profit/(Loss) of an associate & Joint Venture	(41)	(27)	51.9%
Exceptional Items	-	(91)	NA
PBT from continuing operations	369	842	(56.2)%
Tax	106	211	(49.8)%
PAT from continuing operations	263	631	(58.3)%
Profit/(Loss) from discontinued operations	0	(1)	NA
Profit After Tax	263	630	(58.3)%
<i>PAT Margins (%)</i>	<i>1.61%</i>	<i>4.78%</i>	<i>(317) Bps</i>
Other Comprehensive Income	0	(2)	NA
Total Comprehensive Income	263	628	(58.1)%
EPS Diluted (INR)	5.67	13.59	(58.3)%

Historical Financial Overview



Historical Consolidated Income Statement



Particulars (INR Mn)	FY19	FY20	FY21	FY22	H1-FY23
Operating Income	25,148	27,259	24,731	26,813	16,371
Expenses	23,298	25,974	22,062	24,906	15,733
EBIDTA	1,850	1,284	2,669	1,907	638
EBIDTA Margins (%)	7.36%	4.71%	10.79%	7.11%	3.90%
Depreciation	446	501	462	522	273
Finance Cost	215	226	192	40	10
Fair Value Loss on FVTPL Securities	1,311	5,116	48	-	-
Other Income	90	89	80	113	55
Gain due to changes in fair value of derivative liabilities	1,311	2,945	-	-	-
Share of Profit/(Loss) of an associate & Joint Venture	(4)	(9)	(22)	(60)	(41)
Exceptional Items	-	-	-	(91)	-
PBT from continuing operations	1,275	(1,534)	2,025	1,307	369
Tax	447	153	535	342	106
PAT from continuing operations	828	(1,687)	1,490	965	263
Profit/(Loss) from discontinued operations	2	(7)	(7)	(4)	0
Profit After Tax	826	(1,694)	1,483	961	263
PAT Margins (%)	3.28%	(6.21)%	6.00%	3.58%	1.61%
Other Comprehensive Income	454	(1,712)	(21)	1	0
Total Comprehensive Income	372	(3,406)	1,462	960	263
EPS Diluted (INR)	17.55	(34.55)	32.32	20.81	5.67

Historical Consolidated Balance Sheet

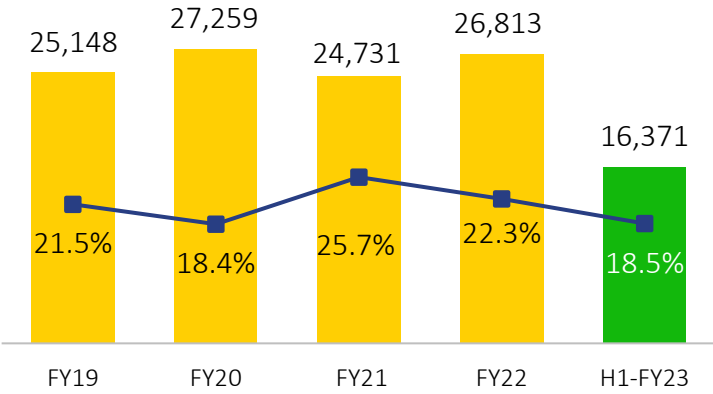


Particulars (INR Mn)	FY21	FY22	H1-FY23
Equity And Liability			
Equity Share Capital	232	232	232
Reserve and Surplus	5,726	6,344	6,491
Shareholders Fund	5,958	6,576	6,723
Minority Interest	5	0	0
Total Equity	5,963	6,576	6,723
Non-Current Liabilities			
Long-term Borrowings	340	80	59
Deferred tax liabilities (net)	241	239	236
Other long term liabilities	162	305	329
Total non-current liabilities	743	624	624
Current Liabilities			
Short-term Borrowings	299	38	36
Trade payables	355	519	781
Other financial liabilities	1,194	1,035	1,089
Other current liabilities	231	234	275
Total current liabilities	2,079	1,826	2,181
Total Equity and Liability	8,785	9,026	9,528

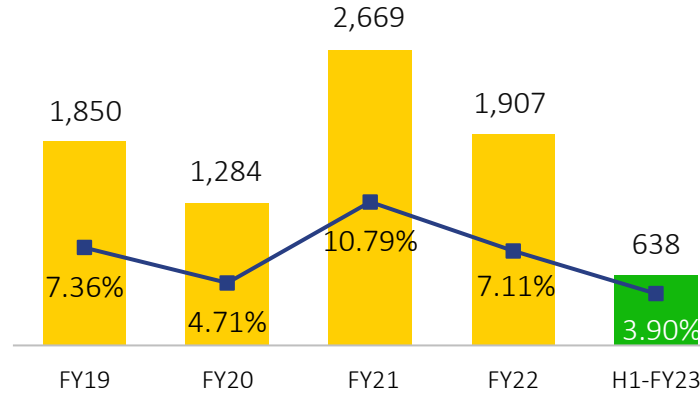
Particulars (INR Mn)	FY21	FY22	H1-FY23
Assets			
Non-Current Assets			
Property, Plant and Equipment	5,714	5,705	5,670
Capital WIP	157	74	175
Investment Property	45	44	44
Other intangible assets	39	44	38
Intangible assets under development	26	6	5
Investment in Associate & Joint Venture	129	174	133
Financial assets	58	67	82
Other non-current assets	22	4	25
Total non-current assets	6,191	6,118	6,172
Current Assets			
Inventories	1,983	2,058	1,144
Investments	0	0	807
Trade Receivables	152	185	380
Cash & Bank Balances	236	356	767
Loans	9	1	2
Other Financial Assets	32	37	35
Other Current Assets	184	271	221
Total Current Assets	2,595	2,908	3,356
Total Assets	8,785	9,026	9,528

Historical Consolidated Financial Performance

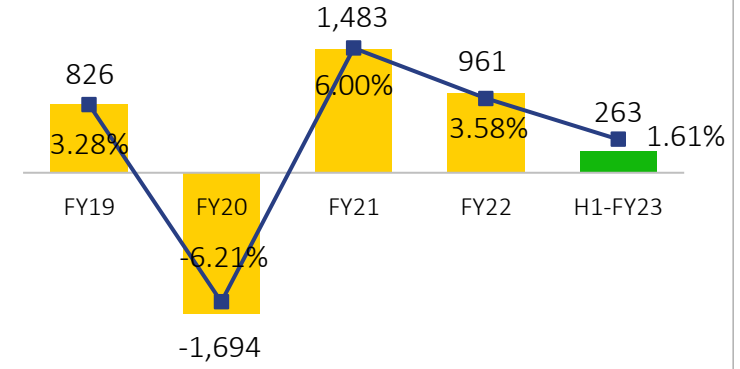
Revenue (INR Mn) & Gross Margins (%)



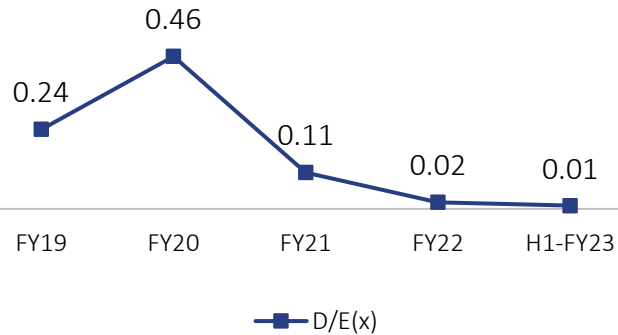
EBITDA (INR Mn) & Margins (%)



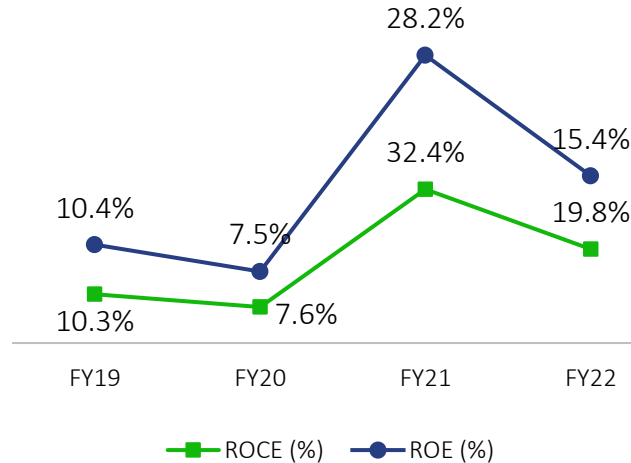
PAT (INR Mn) & Margins (%)



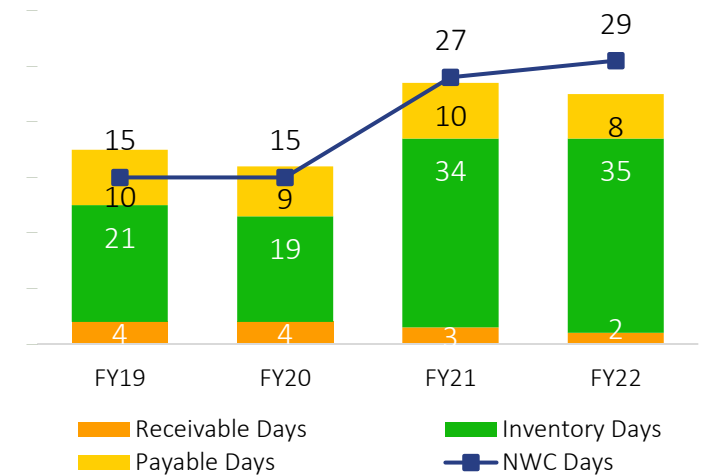
Leverage Ratio (x)



ROE & RoCE (%)

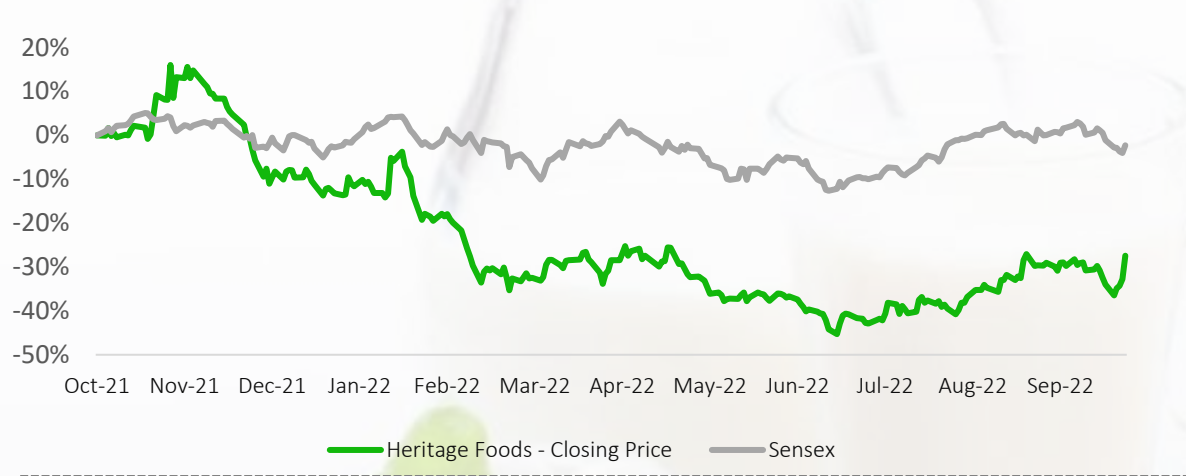


Working Capital Analysis



Capital Market Data

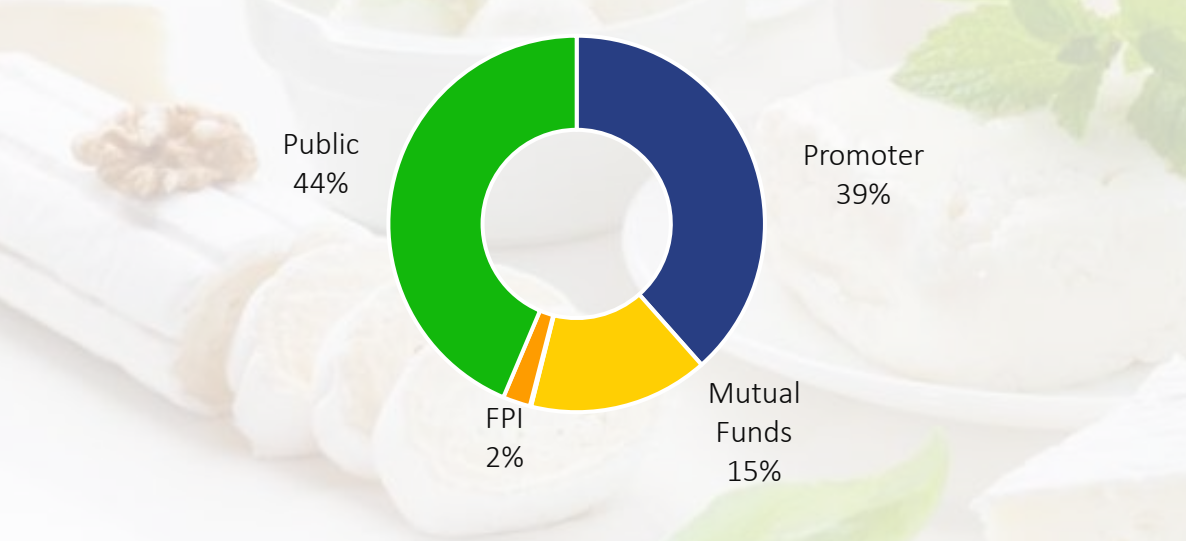
1 Year Stock Performance up to 30th September, 2022



Market Data as on 30th September, 2022

Shareholder	% Shareholding
Face Value	5.0
CMP	335.80
52 Week H/L	565 / 250.3
Market Capitalization (Mn)	15,580.4
Shares O/S (Mn)	46.4

Shareholding Pattern as on 30th September, 2022



Top Marquee Shareholders as on 30th September, 2022

Shareholder	% Shareholding
Kotak Mutual Funds	4.78%
DSP Mutual Fund	3.45%
UTI Mutual Funds	2.76%
L&T Mutual Funds	1.43%
Aditya Birla Sun Life Mutual Funds	1.38%

Disclaimer

Heritage Foods Limited:

The information contained in this presentation is provided by Heritage Foods ("the Company"), to you solely for your reference. This document is being given solely for your information and for your use and may not be retained by you and neither this presentation nor any part thereof may be (i) used or relied upon by any other party or for any other purpose; (ii) copied, photocopied, duplicated or otherwise reproduced in any form or by any means; or (iii) re-circulated, redistributed, passed on, published in any media, website or otherwise disseminated, to any other person, in any form or manner, in part or as a whole, without the prior written consent of the Company. This presentation does not purport to be a complete description of the market conditions or developments referred to in the material. This presentation contains forward-looking statements. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should" and similar expressions are used to identify forward-looking statements. Forward-looking statements are statements that are not historical facts; they include statements about the Company's beliefs and expectations and the assumptions underlying them. These statements are based on plans, estimates and projections as they are currently available to the management of the Company. Forward-looking statements therefore speak only as of the date they are made, and the Company undertakes no obligation to update any of them in light of new information or future events. By their very nature, forward-looking statements involve risks and uncertainties. These statements are based on the management of the Company's current expectations and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking. Actual results may differ from those set forth in the forward-looking statements as a result of various factors (including, but not limited to, future global economic conditions, changed market conditions affecting the automotive industry, intense competition in the markets in which we operate and costs of compliance with applicable laws, regulations and standards, diverse political, legal, economic and other conditions affecting our markets, and other factors beyond our control). This presentation is intended to provide a general overview of the Company's business and does not purport to deal with all aspects and details regarding the Company. Accordingly, neither the Company nor any of its directors, officers, employees or advisers nor any other person makes any representation or warranty, express or implied, as to, and accordingly no reliance should be placed on, the accuracy or completeness of the information contained in the presentation or of the views given or implied. Neither the Company nor any of its directors, officers, employees or advisers nor any other person shall have any liability whatsoever for any errors or omissions or missions in, any information or opinions contained herein, and none of them accept any liability (in negligence, or otherwise) whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith. The material contained in this presentation reflects current legislation and the business and financial affairs of the Company which are subject to change. This presentation is not an offer of securities for sale in any jurisdiction.

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 Representative:



Mr. Anuj Sonpal
Valorem Advisors
Tel: +91-22-49039500
Email: heritage@valoremadvisors.com



Thank You
