



Heritage Foods Limited

Sector : Dairy / FMCG

Wednesday, January 22, 2014

BSE ₹ 243.45

NSE ₹ 241.90

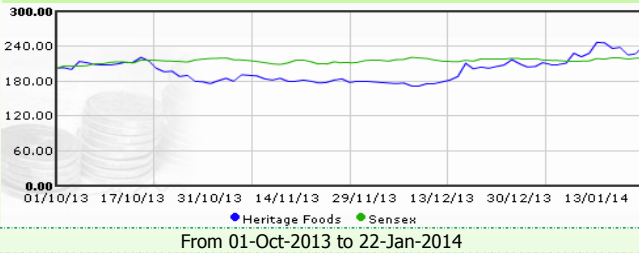
Financial Snapshot

Stock Information

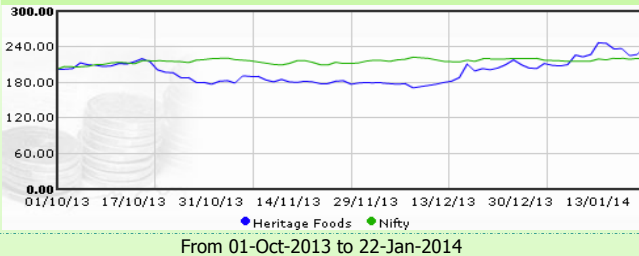
Market Cap (₹)	5173.40mn
52 Week High / Low (BSE)	272.00 / 169.00
52 Week High / Low (NSE)	271.25 / 169.00
Face Value (₹)	10.00
Book Value (₹)	77.69*
Industry P/E	37.03
BSE Code	519552
NSE Code	HERITGFOOD

*post bonus issue

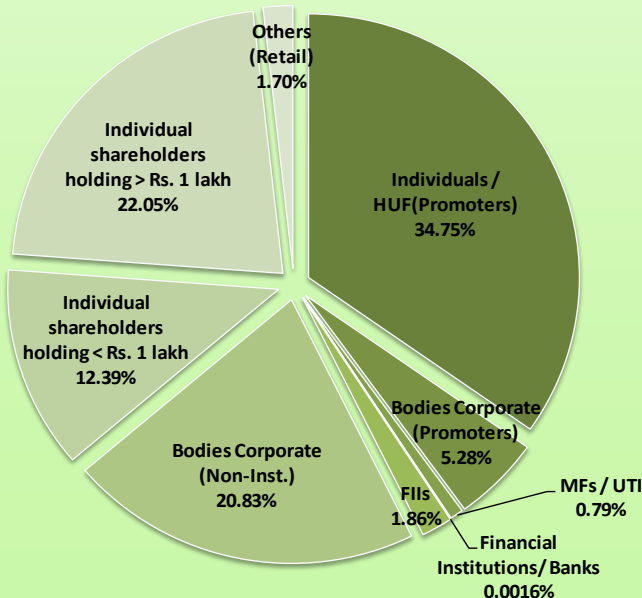
Heritage Foods Ltd vis-à-vis Sensex



Heritage Foods Ltd vis-à-vis Nifty



Shareholding pattern as on 31 Dec, 2013

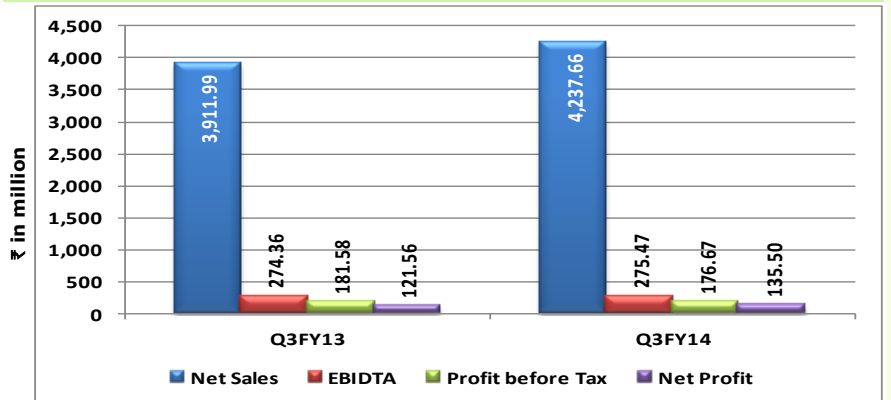


- ⇒ Net Sales was higher at Rs 4,237.66 Mn in Q3FY14 as against Rs 3,911.99 Mn in Q3FY13. Out of turnover Rs 4,237.66 Mn, Dairy division contributed Rs 3,304.20 Mn, Retail division contributed Rs 878.65 Mn, Agri division contributed Rs 182.31 Mn, Bakery division contributed Rs 9.05 Mn and Renewable Energy division contributed Rs 2.31 Mn.
- ⇒ Expenditure in Q3FY14 was at Rs 4,038.26 Mn as against Rs 3,702.43 Mn for the same period in the year before.
- ⇒ Net Profit was at Rs 135.50 Mn in Q3FY14 as against Rs 121.56 Mn in Q3FY13.
- ⇒ On sequential basis, the turnover for Q3FY14 was at Rs 4,237.66 Mn as against its turnover for Q2FY14 at Rs 4,249.53. For the same period the Net Profit was at Rs 135.50 Mn as against Rs 101.58 Mn.

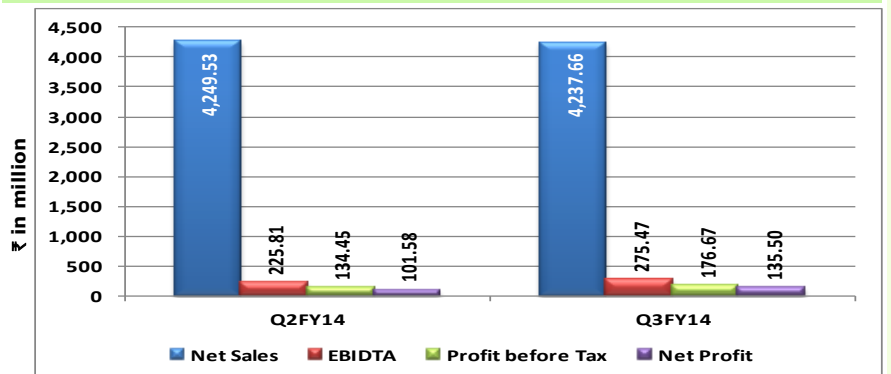
(₹ in million)

Particulars	Q3FY14	Q3FY13	Change (%)	Q2FY14	Change (%)
Net Sales	4,237.66	3,911.99	8.32	4,249.53	-0.28
Other Income	6.92	6.36	8.71	12.61	-45.18
Total Income	4,244.58	3,918.35	8.33	4,262.14	-0.41
Expenditure	3,969.11	3,643.98	8.92	4,036.33	-1.67
EBIDTA	275.47	274.37	0.40	225.81	21.99
Depreciation	69.15	58.44	18.32	59.66	15.91
EBITA	206.32	215.93	-4.45	166.15	24.18
Finance cost	29.66	34.35	-13.67	31.71	-6.47
Profit before Tax	176.67	181.58	-2.71	134.45	31.41
Provision for Taxation	41.16	36.71	12.12	32.87	25.19
Extraordinary Items	0.00	23.30	0.00	0.00	0.00
Net Profit	135.50	121.56	11.47	101.58	33.40
Earning Per Share	5.84	6.28	-7.03	4.38	33.40

Q3FY13 Vs Q3FY14



Q2FY14 Vs Q3FY14





Heritage Foods Limited

Dairy Business - The Cash Cow

Particulars (Rs. in mn)	Quarter Ended		
	31.12.2013	31.12.2012	Growth %
Turnover	3,304.20	3,132.90	5.47
EBITDA	324.50	305.70	6.15
PBT	267.50	251.60	6.32
EBITDA margin	9.82%	9.76%	-
PBT margin	8.10%	8.03%	-

September 29, 2013, under REC mechanism and to meet for the captive energy requirement, this project has been executed under the REC mechanism in a record time of 90 days.

Micro Developments

⇒ Smt. N. Bhuvaneshwari, Vice Chairperson & Managing Director of the Company was named as one of the most powerful business women in India, and placed at 45th Rank in the list of Fortune-50 most powerful business women for the year 2013.

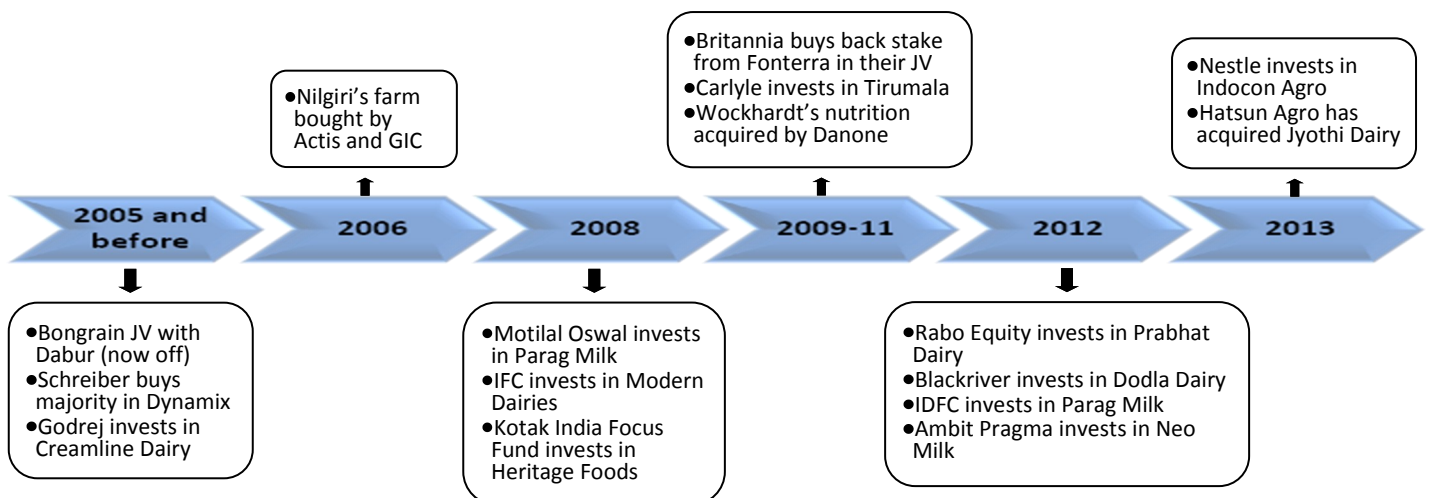
⇒ Heritage Foods Ltd has in association with Mahindra EPC Services Private Limited has commissioned a 2.34 MWP Solar Power Project at IPH, Masjid Adavi Village, Mulugu Mandal, in Medak district near Hyderabad on

Macro Developments

⇒ The country's dairy market will continue to grow at about 13-15% annually till 2019-20, on increasing consumption of value added products and the value chain becoming more and more organised, according to a report by Rabobank. According to the report, Rabobank expects this segment to grow at a CAGR of 13 to 15% until 2019-20. The market share of value-added products is likely to increase to 31% from the current 21% during this time period. The main factors driving growth are increased consumer interest in higher protein diets, greater affordability due to growing disposable incomes and rising awareness and availability of dairy through channels such as organised retail and food service segments, it said. The country's total organised dairy sector is about \$10 billion in 2012-13, comprising cooperatives and private players who control the supply chain linkages.

⇒ India's organised retail sector may have turned the corner in the year ended March, having managed to reduce losses while substantially increasing sales with a focus on costs by pruning poorly performing locations and resorting to more efficient supply management. According to financial statements for 2012-13 filed with the corporate affairs ministry, the food and grocery retailers listed above saw their combined losses shrink to Rs 1,176 crore from Rs 1,277 crore in the previous year, while combined sales jumped 34 per cent to Rs 8,770 crore.

Deals in the Indian Dairy Market



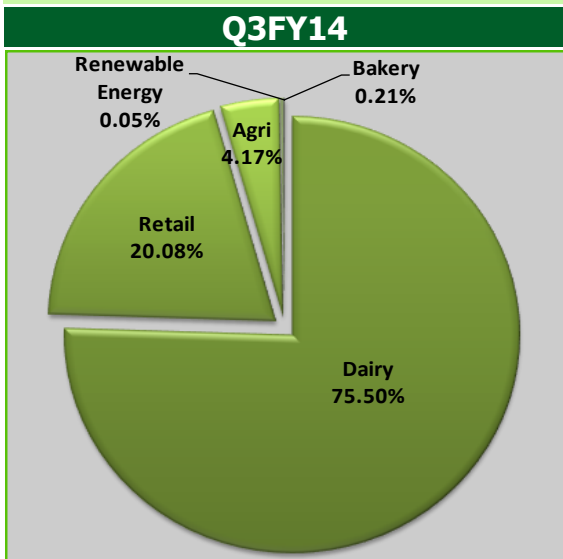


Heritage Foods Limited

Financial performance as on December 31, 2013 (₹ in Million)

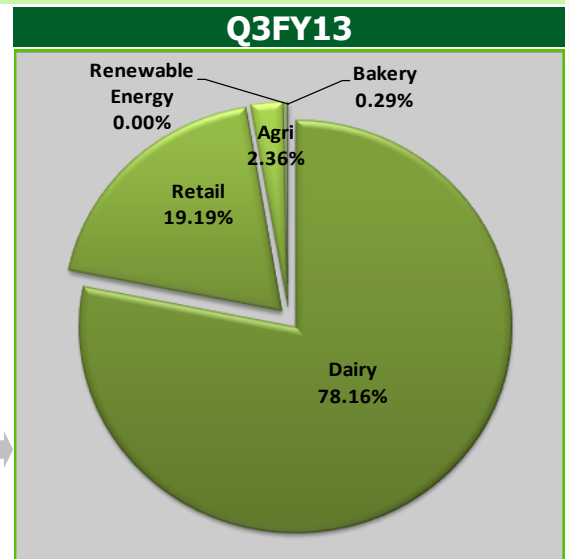
PARTICULARS	Quarter Ended			Year Ended
	31-Dec-13	30-Sep-13	31-Dec-12	31-Mar-13
	Unaudited	Unaudited	Unaudited	Audited
Net Sales/Income from Operations	4,191.04	4,179.23	3,874.82	15,803.00
Other Operating Income	46.62	70.31	37.17	215.13
Total	4,237.66	4,249.53	3,911.99	16,018.13
Cost of materials consumed	2,547.92	2,494.20	2,370.56	9,397.35
Purchase of stock in trade	744.84	795.79	614.32	2,627.46
Changes in inventories of finished goods, work-in-progress and stock in trade	-41.01	12.94	-13.87	344.15
Employees benefit expense	271.66	266.78	218.91	871.83
Depreciation and Amortisation expense	69.15	59.66	58.44	220.20
Other expenses	445.70	466.63	454.08	1,766.45
Total	4,038.26	4,095.99	3,702.43	15,227.44
Profit/(Loss) from operations before other income, finance cost and exceptional items	199.39	153.54	209.56	790.69
Other income	6.92	12.61	6.36	42.00
Profit/(Loss) from ordinary activities before finance cost and exceptional items	206.31	166.16	215.92	832.69
Finance cost	29.66	31.71	34.35	167.02
Profit/(Loss) from ordinary activities after finance cost and before exceptional items	176.65	134.45	181.57	665.67
Exceptional items	0.00	0.00	0.00	0.00
Profit/(Loss) from ordinary activities before tax	176.65	134.45	181.57	665.67
Tax expense	41.16	32.87	36.71	142.75
Profit/(Loss) from ordinary activities after tax	135.50	101.58	144.87	522.92
Extraordinary Items	0.00	0.00	23.31	23.31
Net Profit/(Loss)	135.50	101.58	121.56	499.62
Paid-up Equity Share Capital	231.99	231.99	115.30	116.00
Reserves (excluding revaluation reserve)	0.00	0.00	0.00	1,302.87
Earning Per Share before Extra Ordinary Items				
Basic (₹)	5.84	4.38	6.28	22.60
Diluted (₹)	5.84	4.38	6.28	22.60
Earning Per Share After Extra Ordinary Items				
Basic (₹)	5.84	4.38	5.27	21.59
Diluted (₹)	5.84	4.38	5.27	21.59
Public Share Holding				
Number of equity shares	13,913,454	13,913,654	7,004,427	6,956,827
Percentage of shareholding	59.97	59.98	60.75	59.98

Segment-wise Revenue break-up



Segment	Revenue (mn)
Dairy	3,304.20
Retail	878.65
Agri	182.31
Bakery	9.05
Renewable Energy	2.31

Segment	Revenue (mn)
Dairy	3,132.93
Retail	769.17
Agri	94.61
Bakery	11.69
Renewable Energy	-





Heritage Foods Limited

Shareholding Pattern as on December 31, 2013

Category of Shareholder	No. of Share holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of total No. of Shares		Shares pledged or otherwise encumbered	
				As a % of (A+B)	As a % of (A+B+C)	Number of shares	As a % of Total No. of Shares
(A) Shareholding of Promoter and Promoter Group							
(1) Indian							
Individuals / Hindu Undivided Family	14	8,061,746	8,061,746	34.75	34.75	0	0.00
Bodies Corporate	1	1,223,800	1,223,800	5.28	5.28	0	0.00
Sub Total	15	9,285,546	9,285,546	40.03	40.03	0	0.00
(2) Foreign							
Total shareholding of Promoter and Promoter Group (A)	15	9,285,546	9,285,546	40.03	40.03	0	0.00
(B) Public Shareholding							
(1) Institutions							
Mutual Funds / UTI	9	182,523	164,423	0.79	0.79	0	0.00
Financial Institutions / Banks	2	4,216	4,216	0.0200	0.0200	0	0.00
Foreign Institutional Investors	6	431,195	431,195	1.86	1.86	0	0.00
Sub Total	17	617,934	599,834	2.66	2.66	0	0.00
(2) Non-Institutions							
Bodies Corporate	287	4,895,432	4,881,632	21.10	21.10	0	0.00
Individuals							
Individual shareholders holding nominal share capital up to Rs. 1 lakh	7,729	2,873,650	2,011,706	12.39	12.39	0	0.00
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	64	5,116,496	4,986,096	22.05	22.05	0	0.00
Any Others (Specify)	192	409,942	322,942	1.77	1.77	0	0.00
Non Resident Indians	135	234,714	161,914	1.01	1.01	0	0.00
Overseas Corporate Bodies	2	11,200	0	0.05	0.05	0	0.00
Clearing Members	45	21,026	21,026	0.09	0.09	0	0.00
Employees	10	143,002	140,002	0.62	0.62	0	0.00
Sub Total	8,272	13,295,520	12,202,376	57.31	57.31	0	0.00
Total Public shareholding (B)	8,289	13,913,454	12,802,210	59.97	59.97	0	0.00
Total (A)+(B)	8,304	23,199,000	22,087,756	100.00	100.00	0	0.00
(C) Shares held by Custodians and against which Depository Receipts have been issued							
	0	0	0	0.00	0.00	0	0.00
Total (A)+(B)+(C)	8,304	23,199,000	22,087,756	0.00	100.00	0	0.00

*If you are interested to meet the company's management please do contact us, we shall be glad to facilitate the meeting.
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