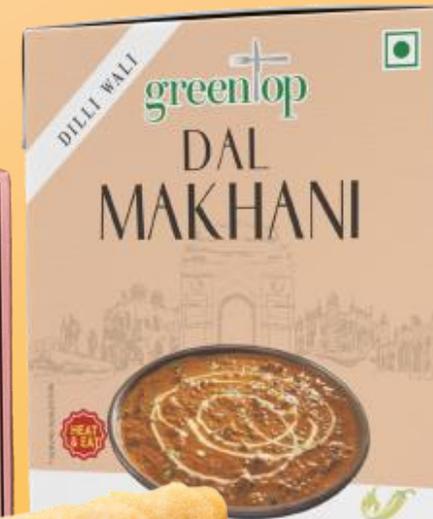




Foods & Inns

Investor Presentation – Aug'23



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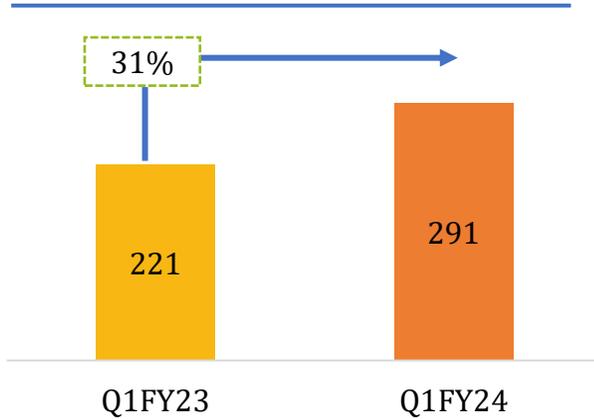
Financials



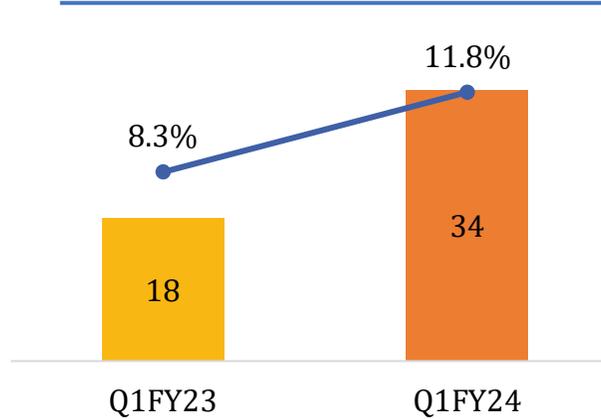
Q1FY24 Highlights

Robust Performance Continued In Q1FY24

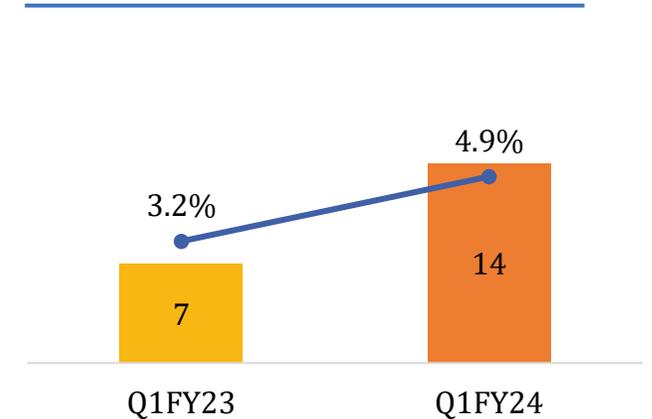
Total Income (Rs Cr)



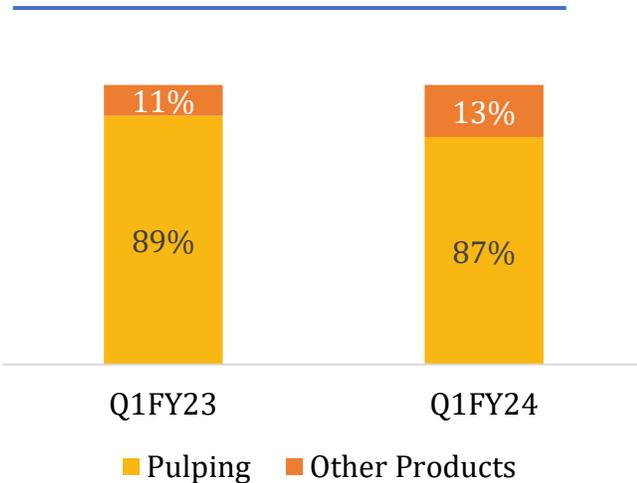
EBITDA (Rs Cr) & Margin (%)



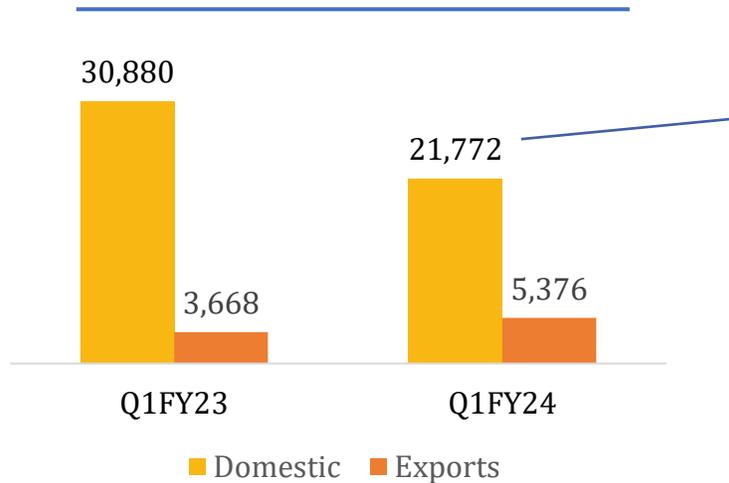
PAT (Rs Cr) & Margin (%)



Revenue Mix (%)



Total Sales (MT)



Domestic sales impacted by unseasonal rains in North India which posed challenges to beverage consumption and led to reduced offtake by the larger brands in Q1FY24

Key Business Updates

- **Received 1st tranche of incentives under the Production Linked Incentive (PLI) scheme for FY22, amounting to Rs 9.71 Cr.** The committed capex has been completed and sales revenue targets have been achieved for FY22 and FY23. The total PLI incentives expected including the 9.71crs already received, is ~Rs 145 Cr.

- **Kusum Spices (Subsidiary Co.):** We have started procuring pesticide-compliant raw materials from certified farmers for the FY24 procurement season. Targeting multiple newer avenues in the export and domestic market to ensure growth in this business.

- **Pulp Processing:** Raw Material prices this mango season were lower for the crop Totapuri and marginally higher for Alphonso. Crushed more than 40% mangoes as compared to the previous season to match the higher order flow this raw material season, thereby resulting in a higher tonnage that is expected to sell in FY24. **The outlook continues to be bullish for the entire season ahead.** Tomato pulp continues to show promising growth & we propose to expand our Tomato Processing capacity in FY24. The current retail market prices of tomatoes don't impact as most of the contracts are cost-plus in nature.

- **Spray Dried:** With the new doubling of capacity which was **commissioned in Mar-23**, we have broad-based our product mix and the audit process with brands is currently on. The new technology is giving us a cost-effective edge in the market.

- **Tetra Recart Facility:** Commissioned the new facility at Vankal (Gujarat) in Mar-23 and the current season production under our brand '**Madhu**' for mango Aamras has been launched in the Gujarat market. Planning to launch 6 SKUs of RTE products under our brand '**Green Top**' by Oct-23.

Profit & Loss Highlights

Consolidated (Rs Cr)	Q1FY24	Q1FY23	YoY	Q4FY23	QoQ	FY23	Y o Y
Revenue from Operations	288	220		331		996	
Other Income	2	1		2		6	
Total Income	291	221	31.5%	334	-12.9%	1,002	56.8%
Raw Material Costs	413	324		152		791	
Changes in inventories	-213	-172		103		-90	
Employee Expenses	11	9		11		40	
Other Operating Expenses	46	42		33		159	
EBITDA	34	18	84.6%	34	-1.4%	102	79.5%
<i>EBITDA Margin (%)</i>	<i>11.7%</i>	<i>8.3%</i>		<i>10.3%</i>		<i>10.2%</i>	
Depreciation	4	4		3		14	
Finance Cost	9	6		9		28	
Profit Before Tax	20	9		22		65	
Tax Expenses	6	2		7		17	
Profit After Tax	14	7	101.1%	15	-6.3%	48	210.1%
<i>PAT Margin (%)</i>	<i>5.0%</i>	<i>3.2%</i>		<i>4.6%</i>		<i>4.7%</i>	

Key Focus Area For Growth

01

Core Business of *Pulping*

Continued focus on capitalizing on the growing demand for existing products – *Mango Pulp*

Improve Asset utilization during Mango off-season by adding *Other Pulpy Products*

02

Restructured Brand Portfolio

Focus on growing brand sales in each of the segments, with innovative packaging (**Tetra Recart**)

Pulping: **'Madhu'**
Frozen Foods: **'Green Top'**
Spices: **'Kusum'**

03

Market Expansion

Continuously adding **newer geographies, newer value-added products** and general product offering

04

Sustainability

The Pectin Project:
Investing in setting up a manufacturing facility that will **process fruit waste including mango waste and manufacture Pectin, Oils and Butter.**

Wide usage in industries like **F&B, Pharma, Personal Care & Cosmetics.**

Company Overview

Pioneer In High-quality Food Processing

Foods and Inns is recognized as one of India's largest processor and exporter of processed fruit & vegetable products. We primarily manufacture and sell a variety of processed tropical Fruit & Vegetable Pulp, Purees, Spices, Spray Dried Powders, Frozen Food, and other value-additive foods to some of the best food & beverage brands worldwide.



Pulp & Puree: Fruits & Vegetables



Spray Dried Powders



Frozen Foods (RTC and RTE)



Spices (Kusum Masala)

Further Expanding into Pectin/Tetra Recart/Branded Products/Compound Lines

50+ Years

of Rich Experience & Expertise

50+ Countries

Served

30+ Variety of Products

Processed

7 Processing Units

& Two Logistics Centers

500+ Full-time Employees

Strength

Our Growth Story

1980

Acquisition of fruit canning line in Valsad, Gujarat from Coca-Cola India.

2000

First company to introduce mono block PLC and multi-tube sterilizers for high flavor products, increased processing capacity.

2019

Acquisition of branded spice company Kusum Masala, foray into B2C business including frozen products, tetra-cart & others.

2023

New Tetra Recart facility in Gujarat
Doubled Spray Drying facility in Gonde, Nashik to 1,050 MTPA from 500 MTPA



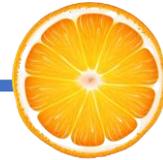
1970

Commissioned the first production line supplying spray-drying egg powder



1990

Investment in aseptic fruit processing technologies in Chittoor, Andhra Pradesh - Acquisition of frozen food manufacturing unit in Nashik, Maharashtra.



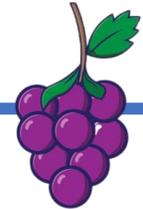
2010

Focus on sustainability and community development, first company to certify farmers under various programs; strong efforts on waste management and building circular manufacturing facilities. Increased exposure to food service business.



2022

- Disclosing our carbon footprint on the CDP platform

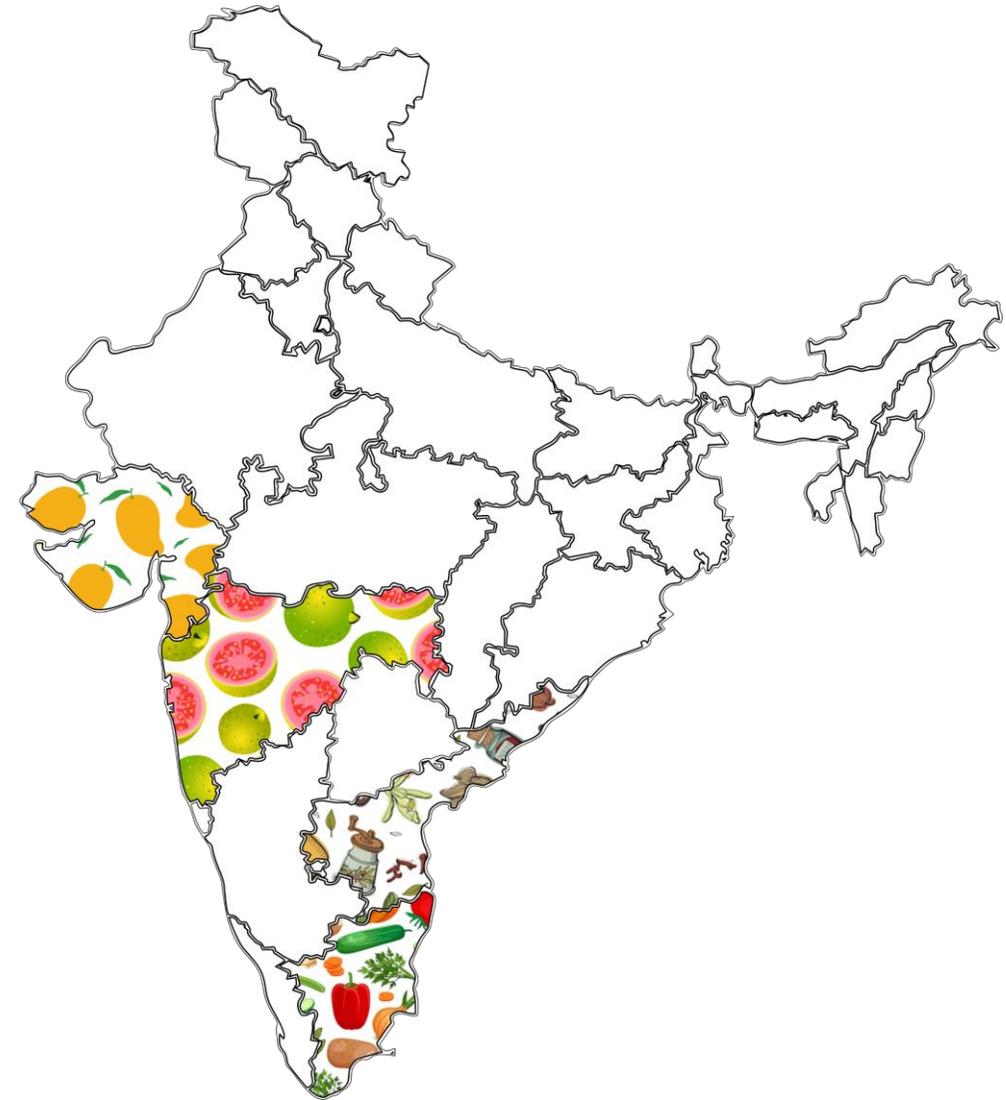


7 State-of-the-Art Self Owned Facilities

State	District/City	Product Line
Maharashtra (2 owned + 1 leased)	Gonde, Nashik*	Aseptic Spray Drying Spices
	Sinnar, Nashik	Frozen Foods
	Ahmednagar (leased)	Aseptic Concentrate
Gujarat (2 owned units)	Valsad	Aseptic Canning
	Vankal	Aseptic Tetra Recart Frozen Foods
Andra Pradesh (3 owned units)	Chittoor	Aseptic Canning
2 Logistics Centres in Mumbai & Chennai		

Greenfield Project; Tetra Recart facility commissioned in Mar-23

* Installed Solar Panels which generated 6.39 lacs units of electricity in FY23, resultant saving of Rs 5.16 Mn in power cost



Product-wise Capacity Details

State	Location	Product Line	Capacity (MT/Hr)
Maharashtra	Nashik - Gonde	Aseptic	8
		Spray Drying	0.25
		Spice Plant:	
		Blending	1.50
		Grinding	1.00
		ETO	0.50
	Nashik - Sinnar	Frozen Vegetables	0.7
		Frozen Snacks	0.5
		Frozen Breads	0.25
		Frozen Puree	2
Ahmednagar (Leased plant)	Aseptic	4	
	Concentrate	2	
Gujarat	Valsad	Aseptic	4
		Canning	5
	Vankal	Aseptic	6
		Tetra Recart	3
		IQF	0.8
		Tetra Recart	2
		Plate Freezer	2
Blast Freezer	1.3		
Andhra Pradesh, Chittoor	APP	Aseptic	5
	FPP1	Aseptic	18
	FPP2	Aseptic	4
	FPP2	Canning	2

■ Greenfield Project; Tetra Recart facility commissioned in Mar-23

■ Brownfield expansion; All greenfield and brownfield are part of the PLI Scheme

Upcoming Facility to Manufacture Pectin – Beyond Mango

Pectin is used extensively in beverages, jellies, smoothies, jams etc. as a product/acid stabiliser. When Pectin is heated, along with a liquid, it expands and forms a thick gel. Key industries that use pectin include like Food & Beverages, Pharma, Personal Care & Cosmetics.

The Pectin Project (Beyond Mango): F&I is setting up a manufacturing unit which will process fruit waste including mango waste and manufacture Pectin, Oils and Butter. The total cost estimated is approximately Rs 8 to 10 Cr and the facility is expected to be ready by Sep-23.

Sector Opportunities:



Currently 95% of India’s Pectin requirement is imported from Brazil, China and Mexico. Pectin has a huge potential in India since they are plant and fruit based i.e. making them vegetarian as compared to Gelatin which is a similar product made from animal fat.



Excellent thickener and gelling agent that is used in a variety of industries like food & beverages, Pharmaceutical and Personal Care & Cosmetics.



Safe and harmless to human bodies and has been approved by the World Health Organisation. Pectin is considered one of the safest and most harmless food additives.



Indian market for Pectin is around 2500 MT or ~ 300crs. The global size of the pectin market is expected to reach around Rs.7500 by 2027.

Source: <https://www.industryarc.com/Report/15977/pectin-market.html>



Site Pictures

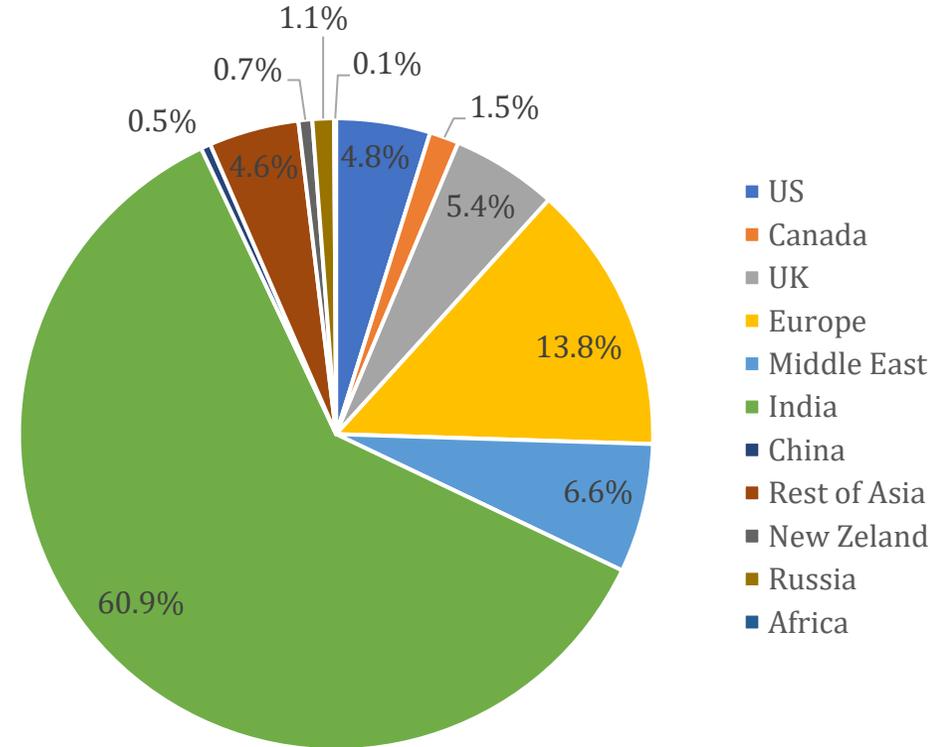
Quality Control Certifications And Processes Act As Entry Barriers



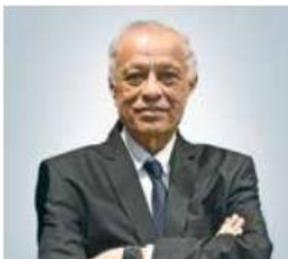
Marquee Customers and Well-Diversified Market Presence



Market-Wise Revenue share in FY23



Experience Management With Oversight By Strong Board



Mr. Bhupendra Dalal
Chairman Non-Executive, Non-Independent Director

Holds a degree of B.Com & L.L.B. worked towards acquisition of fruit canning plant at Valsad built by Coca-Cola Corporation. F&I changed its course to become a major force in fruit processing.



Mr. Milan Dalal
Promoter and Managing Director

Holds a degree of B.Com. His experience in entrepreneurship sprawls across sectors of Agricultural commodities processing, printing, retail, broking and real estate.



Mr. Moloy Saha
Chief Executive Officer

Cost Accountant by qualification and a seasoned Finance & Operations professional. Has extensive expertise across the Food & Beverages Sector since 2003.



Mr. Anand Krishnan
Chief Financial Officer

Chartered Accountant with 10+ yrs of work experience. Expertise lies in Corporate Finance, Accountancy, Management, Business Strategy, Treasury, Valuations, Acquisitions as well as IR.



Mr. Raymond Simkins
Non-Executive Director
Non-Independent Director



Mr. Hormazdiyaar Vakil
Non-Executive,
Independent Director



Mr. V.K. Beswal
Non-Executive,
Independent Director



Mrs. Kamlini Maniar
Woman Non-Executive,
Independent Director



Mrs. Pallavi Dhupelia
Promoter of Foods
& Inns Limited

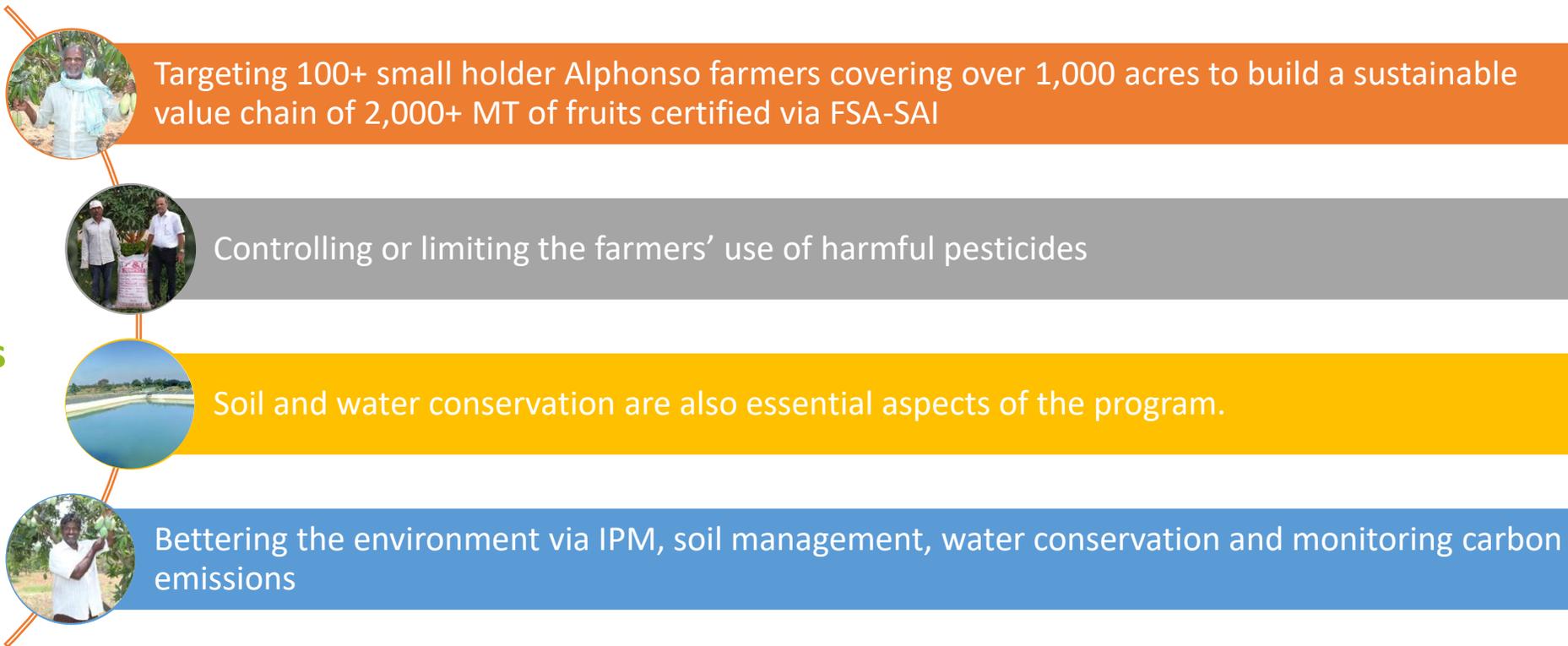


Mr. Maneck Davar
Non Executive,
Independent Director

Sustainability Agricultural Initiative

Sustainable agriculture entails environmental protection, responsible farm management and human and workplace rights. We have run programs with the IDH (Sustainable Trade Initiative) of the Netherlands to help smallholder mango farmers produce more sustainably and to drive responsible mango sourcing in the region of Ratnagiri and Konkan for ~10 villages. The project addresses environmental issues such as climate impact, pesticide management, and crop traceability as well as social aspects, and will run over the course of two years.

Key Objectives



Assisting the farmer community

The Nisarg Cyclone devastated the northern part of Ratnagiri and the southern part of the Raigad districts in the Konkan region of Maharashtra. The cyclone destroyed mango crops, plantations, orchards, agriculture, and human settlements in the area. The people were left helpless as their livelihoods depended on the cultivation of Alphonso mango.

Initiatives by Foods & Inns :

- ➔ Provided food packets for over 120 villagers in 6-7 villages.

- ➔ Offered our agricultural expertise to train and assist in rebuilding damaged orchards and plantations using effective pruning techniques.

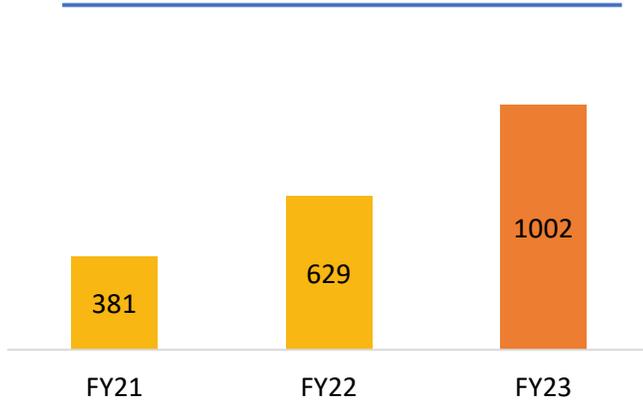
- ➔ Guided on high and ultra-high-density plantations, including slope and aspect direction, and advised what to plant, how, and where.

- ➔ Helped the villagers to source suitable planting materials at affordable prices.

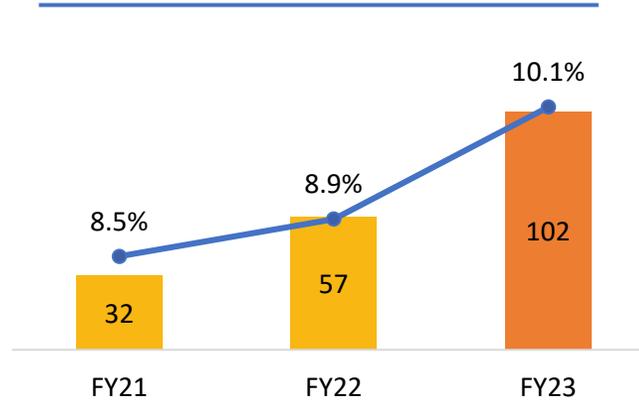
- ➔ Training sessions on applying manure and fertilizer led to better soil quality and saving money by avoiding buying expensive manure from the market.

Consistent Growth In Revenue And Profitability

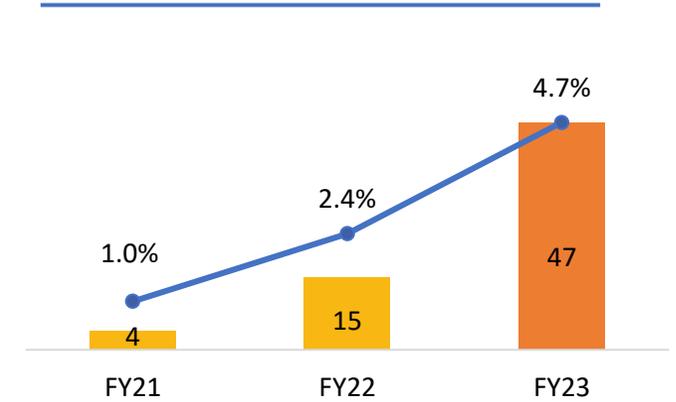
Total Income (Rs Cr)



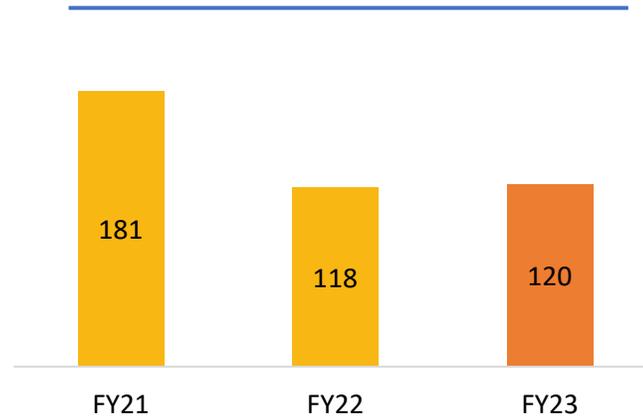
EBITDA (Rs Cr)



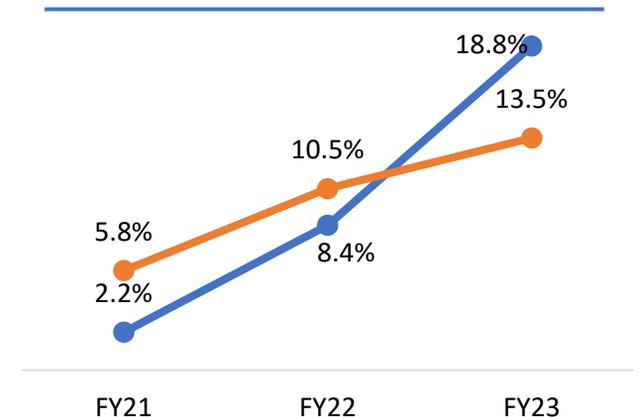
Profit After Tax (Rs Cr)



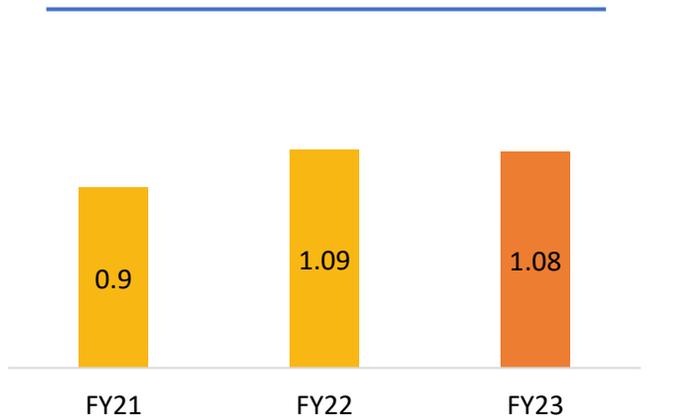
Working Capital (Days)



ROE & ROCE (%)



Debt/Equity (times)



Business Verticals

Fruits And Vegetable Pulping

- **Mango Pulp is the mainstay of the Company – contributing to over 82% of Revenues in FY23**
 - Well established business with processing a **wide variety of mangoes** like Alphonso, Kesar, Totapuri etc. extending the pulping season
 - Caters to the needs of the largest Fortune 500 Beverage manufacturers, globally with **Coca Cola being our largest customer**
- **To improve asset utilization during the mango off-season, we expanded into other fruits and vegetables in the last few years.**
 - With minimal modifications to the existing machinery and with the help of mobile equipment, added other products like **Guava, Tomato, Chilly, Papaya, Banana, Tamarind, Ginger, Garlic** etc., which contribute ~10% of overall revenues.



Mango Pulp - 82% share



Guava Pulp – 2.7% share



Tomato Pulp – 5.5% share



Other Pulp – 0.8% share

Tailwinds

- Coca-Cola is investing around ~\$1 bn to expand its capacity by up to 40% and expand its addressable market in the country by targeting occasions, innovation & culture and is increasing spending to sustain the growth momentum in the non-summer months in India.

Read Article : [Click Here](#)



Launched In-House Brand

- Launched our in-house brand “**Madhu**” that is available in retail and online stores and is exported too.



Value Addition – Beyond Mango

- Setting up a pectin project to help process Mango Pulp waste from which gelatin can be extracted and sold. This is expected to be margin accretive apart from adding to revenues.

Spray Drying

What we do: Conversion of fruits & vegetables from Liquid form to high-quality Powder form, having low moisture content, enhancing shelf life.

Doubled capacity in Mar-23; Expecting robust demand

Customers: B2B (mainly Domestic)



Vegetable Powders



Fruit Powders



Natural Color



Dairy Powders



Specialty Powders

Typical Usage

- Used to add Flavor to various Food Products
- Variety of products across the value chain cater to different requirements
- This process results in good quality, low water activity, easier handling, and increased shelf-life

Market Tailwinds

- Heightening demand for ready-to-eat snack foods
- Strong demand from bakery and confectionary segments
- Export Demand due to supply disruption on account of escalating energy prices in Europe

Growth Strategy

- **Doubled Capacity in March 2023 to 1,100 MT**
- **Commissioned 2nd Unit in Mar-23; expecting robust demand**
- **Added value-added products like Honey Powder**

Frozen Food

What we do: Ingredients are contract grown, washed, sorted, cut, blanched and frozen by IQF, Spiral Freezers or Blast Freezers

Business Model: Export Oriented

Customers: Food Service, Retailers, Private Labels

Individually Quick Frozen (IQF)



Innovation



Frozen Foods & Snacks



Typical Usage

- Shelf stable for 24 months from date of manufacture – perfect for modern retail
- Used for HORECA and home use as a replacement for fresh ingredients

Market Tailwinds

- Global Frozen Food market is estimated at \$268 Bn and expected to grow at a CAGR of ~6.2% to ~\$392 Bn by 2028.
- This growth is on the back of urbanization, rising consumer purchasing power, expanding F&B industry, convenience food products like ready-to-eat, technological innovation, and rising consumption of frozen bakery and snacks, globally.

Growth Strategy

- **Strong R&D - innovated some novel items that are co-packed for some Canadian retailers.**
- **Installed new state-of-the-art cold room in our Gonde, Nashik plant**
- **Entered Domestic Market under the brand “GreenTop”**



Kusum Spices: Legacy of over 50 years of selling Indian Spices and operates on four strong pillars of strength- Purity, Quality, Innovation and Service

Business Model: Domestic + Export

Customers: B2B / B2B2C / B2C



70+ Products in Ground, Whole and Blended Spices categories

Usage / Specifications

- Sold in three categories. Ground – powdered form of spice; Blended – In-house expertise to create base for well-known dishes; Whole – quality spices.

Market Tailwinds

- In 2018, the global Spices market size stood at \$8.4 bn and likely to grow at a CAGR of ~4.8% over 2019-25
- Shift from unorganized to branded play domestically.
- Massive growth globally because of newer cuisines using spices introduced to people of different ethnicities

Growth Strategy

- **Our spice business is housed under the brand Kusum Spices which is a 50+ year old brand.**
- **Renewed packaging and expanded retail footprint**
- **US FDA Approved Products – currently exporting to 12 countries worldwide including United States, United Kingdom, Oman, UAE.**

B2C: Via Restructured Brands

- Consolidated our strategy and will market our consumer division products under the brand Greentop, Kusum, and Madhu to house an interesting range of products in the vertical of frozen food, plant-based high-protein foods, fruit and vegetable pulps, and ready-to-eat meal combos.



Tetra Recart: Reimagining Packaging

- Tetra Recart is a sustainable carton packaging offering an alternative to canning. It is environment-friendly and helps maximize the products' potential while generating new business opportunities. Tetra Recart has lower carbon emissions than steel cans and juice jars.
- The capex incurred under this division is also a part of the committed capex under PLI.**

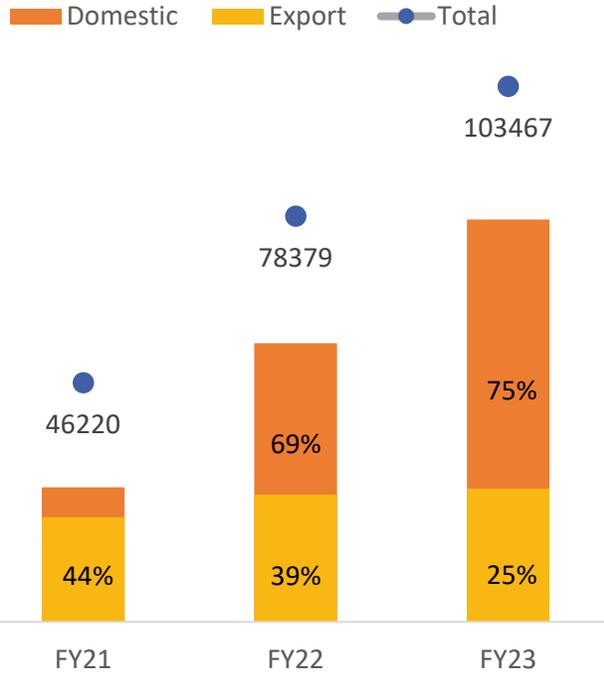
Pectin Project: Sustainable Waste Management

- Pectin is a vegetarian alternative to gelatin with 95% of India's requirement of Pectin being imported from Brazil, China, and the US. Used as a thickening agent and widely used in jams, jellies, frozen foods, and more recently as a fat/sugar replacer.
- Setting up Pectin manufacturing facility in Chittoor, Andhra Pradesh, which is the largest Mango Pulping belt in India. The lab test results of the Pectin produced by our Company has already been approved by some large MNCs and Indian companies.
- When pulped, 50% of a mango gets wasted and has to be disposed off in the form of skins and kernels. Managing waste comes with a cost. With this initiative, we have created a significant value-added segment that will help us manage our waste and ensure sustainability**

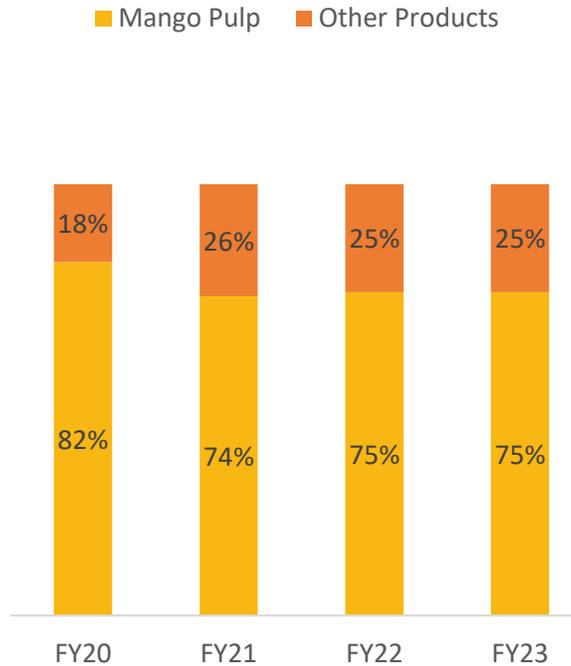
Annual Financials

Operational Highlights

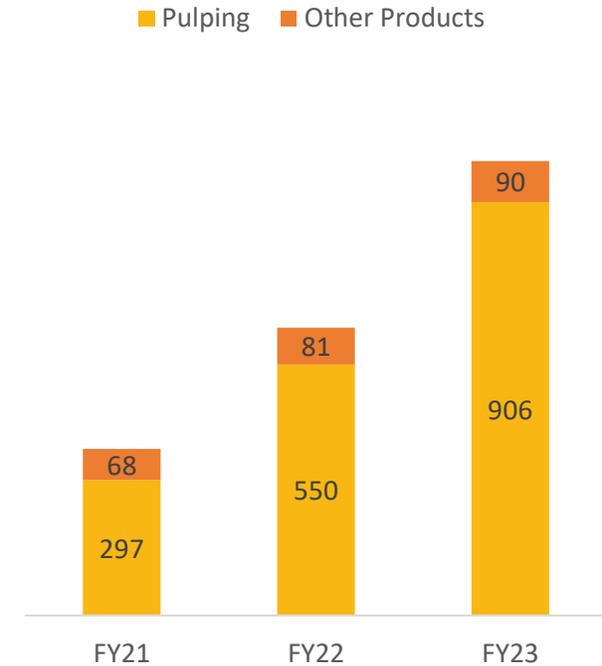
Total Sales (MT)



Total Sales Mix (MT)



Revenue Break-up (Rs Cr)



Robust growth in the core and well-established Pulping Business, along with consistently growing Other Products which includes in-house Brand Sales

Profit & Loss Highlights

Consolidated (Rs Cr)	FY21	FY22	FY23	2 YR CAGR (%)
Revenue from Operations	371	632	996	
Other Income	11	6	6	
Total Income	381	639	1,002	62%
Raw Material Costs	227	481	791	
Changes in inventories	16	-69	-90	
Purchases of Stock-in-Trade	1	0	0	
Employee Expenses	23	31	40	
Other Operating Expenses	81	139	159	
EBITDA	32	57	102	77%
<i>EBITDA Margin (%)</i>	<i>8.50%</i>	<i>8.87%</i>	<i>10.15%</i>	
Depreciation	12	13	14	
Finance Cost	14	19	28	
Share of Profit of Joint Venture & Associate	0	-1	-1	
Exceptional Item	0	0	5	
Profit Before Tax	5	24	65	243%
Tax Expenses	2	8	17	
Profit After Tax	4	15	48	247%
<i>PAT Margin (%)</i>	<i>1.03%</i>	<i>2.40%</i>	<i>4.74%</i>	

Balance Sheet Highlights

Liabilities (Rs Cr)	Mar-21	Mar-22	Mar-23
Total Equity	182	197	312
Share Capital	5	5	5
Other Equity	177	192	307
Non-Current Liabilities	13	51	59
Borrowings	13	51	57
Provisions	0	1	1
Deferred tax liabilities	0	0	2
Current Liabilities	232	326	440
Borrowings	151	171	282
Lease Liability	0	1	4
Trade Payables	63	130	124
Provisions	1	1	2
Other Financial Liabilities	6	9	23
Current tax liabilities	0	4	1
Other Current Liabilities	10	9	4
Total Liabilities	427	574	811

Assets (Rs Cr)	Mar-21	Mar-22	Mar-23
Non-Current Assets	160	211	256
Plant, Property & Equipment	113	111	156
Right of use of Assets	0	8	5
Capital WIP	18	55	61
Intangible Assets	13	13	13
Financial Assets	5	8	14
Deffered Tax Assets	9	10	0
Other Non-Current Assets	2	5	8
Current Assets	267	363	555
Inventories	133	209	333
Financial Assets	111	120	187
Current Tax Assets	4	4	9
Other Current Assets	19	30	27
Total Assets	427	574	811

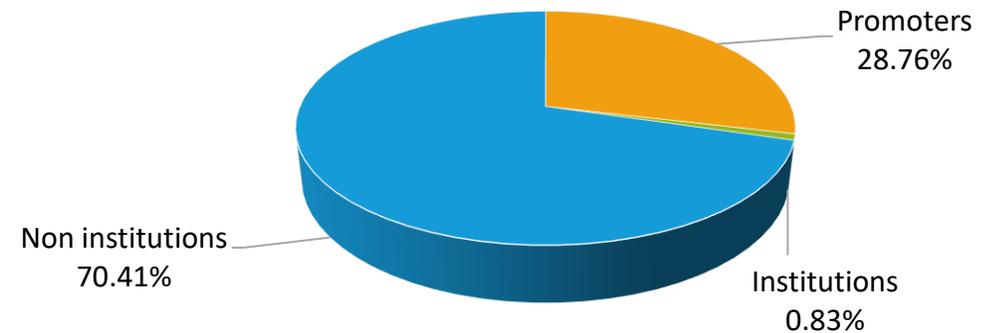
Share Price Information



Capital Market Information (as on 14-Aug-23)

BSE/NSE Code	507552 INE976E01023
CMP (Rs)	178
Market Cap (Rs Cr)	956
Shares (#)	53,597,013
Face Value (Rs)	1.00

Shareholding Pattern (as on 30-June-23)



Let's Connect



Foods & Inns



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