

# KRBL Ltd.

## Investor Presentation

### Q2 & H1 FY2023

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*India ki Puraani Aadat*



# India Gate: World's No.1\* Basmati Rice Brand

India Gate has been recognized as World's No.1 Basmati Rice Brand in a recent market study

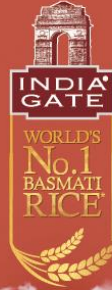
India Gate has  
been recognized  
as World's No.1\*  
Basmati Rice Brand

#1

Exported to 90+  
Countries

90+

SEVEN CONTINENTS.  
ONE CHOICE.



Packs  
sold annually

8cr+

Dealers &  
Distributors  
across India

500+

\*As per Secondary Market Research Report, MAT Jun'22

# Unmatched Strengths

India's largest exporter of branded basmati rice with footprint in > 90 countries



#1

India Gate is recognized as the world's no. 1 basmati rice brand



#1

Integrated operations with world's largest rice milling capacity and the world's largest plant in Punjab, India



#1

#1

KRBL has largest contact farming network coverage for rice



Strong financial position; healthy internal accruals and liquidity with low reliance on debt



Dealer and Distributors across India

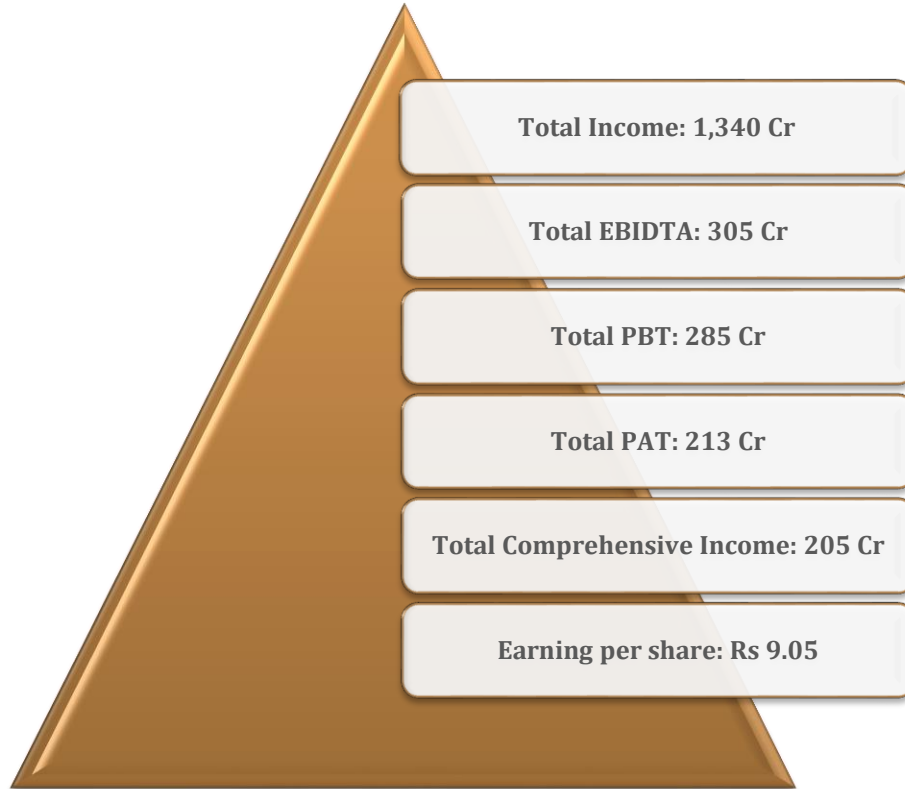


500+

# Q2 FY23- Highlights



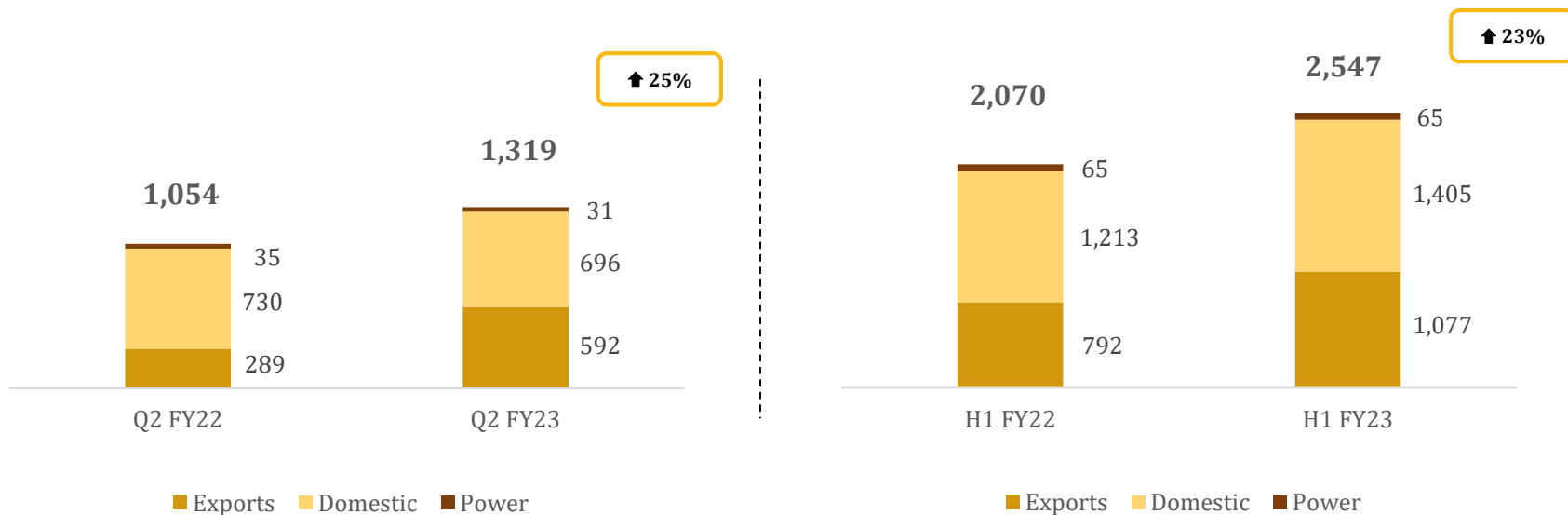
**Highest Ever Quarterly**



## Q2 FY23 standalone performance highlights

Total Income	Gross Profit	EBITDA	PAT
1,340	463	305	213
1,596	(1,596)	4,346	2,054
Cash & Bank balance*	Net Bank Borrowings	Net worth	Total Inventory

# Continuing momentum in Revenue

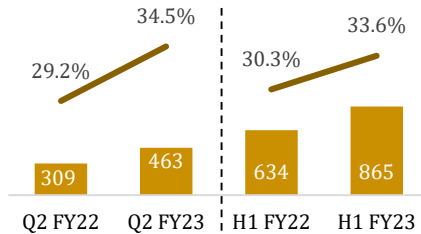


- Q2FY23 revenue growth mainly driven by Export Sales – 105% y-o-y growth.
- H1FY23 revenue growth driven by both Domestic & Export Sales with y-o-y growth of 16% & 36% respectively.

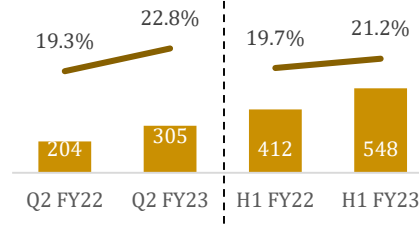
*All figures in Rs. crore*  
*All figures are based on standalone financials*

# Profitability metrics for Q2 & H1 FY23

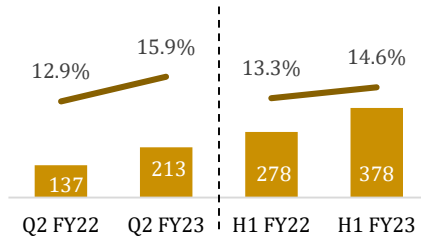
## Gross Profit (Rs. Crore)



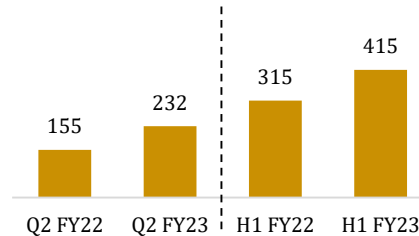
## EBITDA (Rs. Crore)



## Profit After Tax (Rs. Crore)



## Cash Profit (Rs. Crore)



- **Strong Q2FY23 Gross Profit margin & EBITDA margin at 34.5% and 22.8% respectively**
- Q2FY23: Basmati realization increase (42% over Q2FY22) partially offset by 27% increase in rice input cost over the same period, resulting in improvement in Gross Margin.
- Q2FY23: EBITDA Margin improvement reflects Gross Margin trend partially offset by higher logistics and advertising costs.
- Q2FY23: PAT trend a reflection of EBITDA improvement.

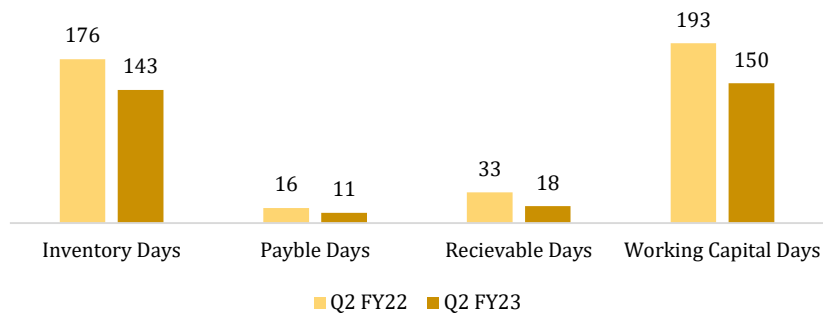
# Superior balance sheet matrix

## Current Ratio (%)

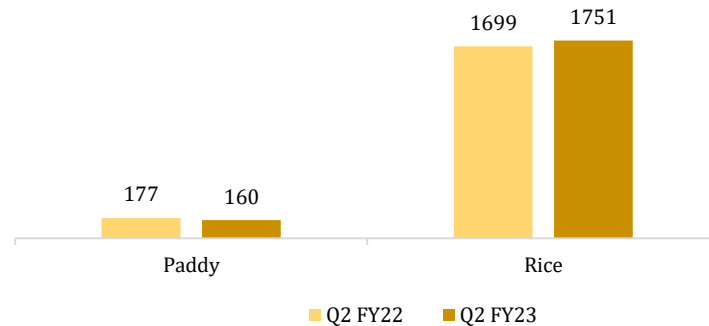


- Healthy liquidity position.
- Continued efficiency in working capital management.
- Total inventory as on 30<sup>th</sup> Sep'22 is 2,054 Cr.

## Working Capital Days



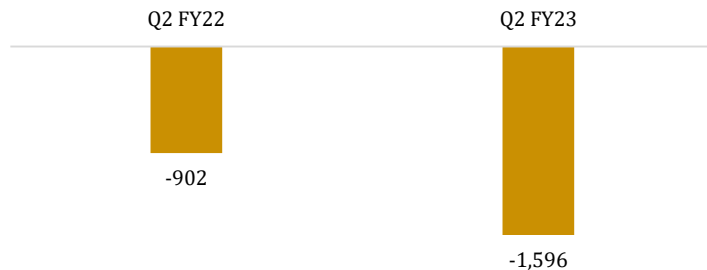
## Inventory Position (Rs. Crore)



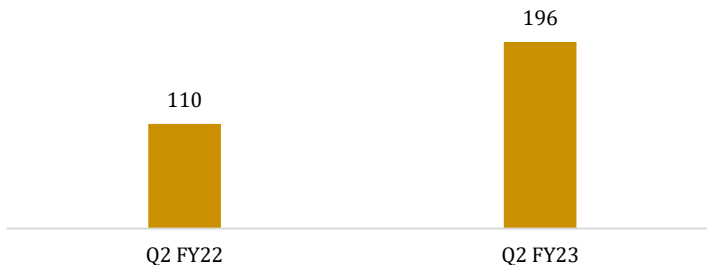
All figures are based on standalone financials

# Superior balance sheet matrix

## Net Bank Borrowing (Rs. Crore)



## Interest Coverage Ratio

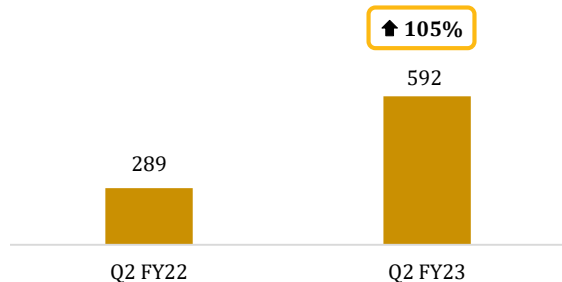


- Healthy internal accruals leading to further strengthening the balance sheet position
- Strong debt protection metrics
- Financial strength reflected in Strong Credit Rating: [ICRA] A1+; CARE A1+

*All figures are based on standalone financials*

# Key Developments- Q2FY23

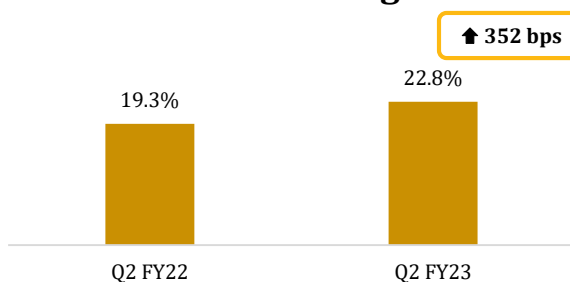
## Export Revenue



### Strong Momentum in Export Sales

- Buoyant sales of Basmati rice in key markets.

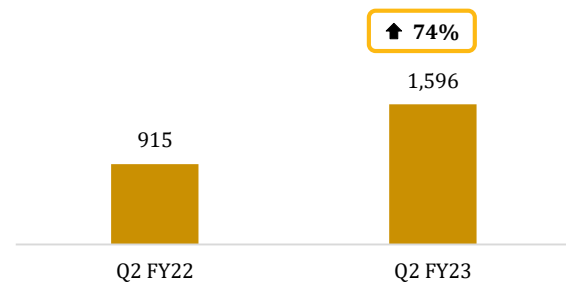
## EBIDTA Margin



### Improvement in EBITDA margin

- Profitability improved on account of improved realization.

## Cash & Bank Balance\*



### Strong Cash Generation

- Healthy internal accruals resulted in higher bank balances.

# Climate Positive Award

## CLIMATE POSITIVE AWARD 2022



IN RECOGNITION AND HONOUR OF ITS EXTRAORDINARY EFFORTS WORLDWIDE TO AVOID,  
PREPARE FOR, OR ADDRESS CONCERNS RELATED TO GLOBAL CHANGE, AS WELL AS ITS  
COORDINATED EFFORTS TO BENEFIT COMMUNITIES AND THE ENVIRONMENT.

THIS RECOGNITION IS GIVEN TO:

**KRBL Ltd.**

THE CLIMATE POSITIVE AWARD 2022'S AREA OF INTEREST CHOSEN IS:

**Energy Transition: Renewable Energies. Energy Efficiency. Fossil  
Replacement.**



**Ruy Campos Dugone**

Executive Director, Green Cross United Kingdom  
London, 7<sup>th</sup> November 2022.

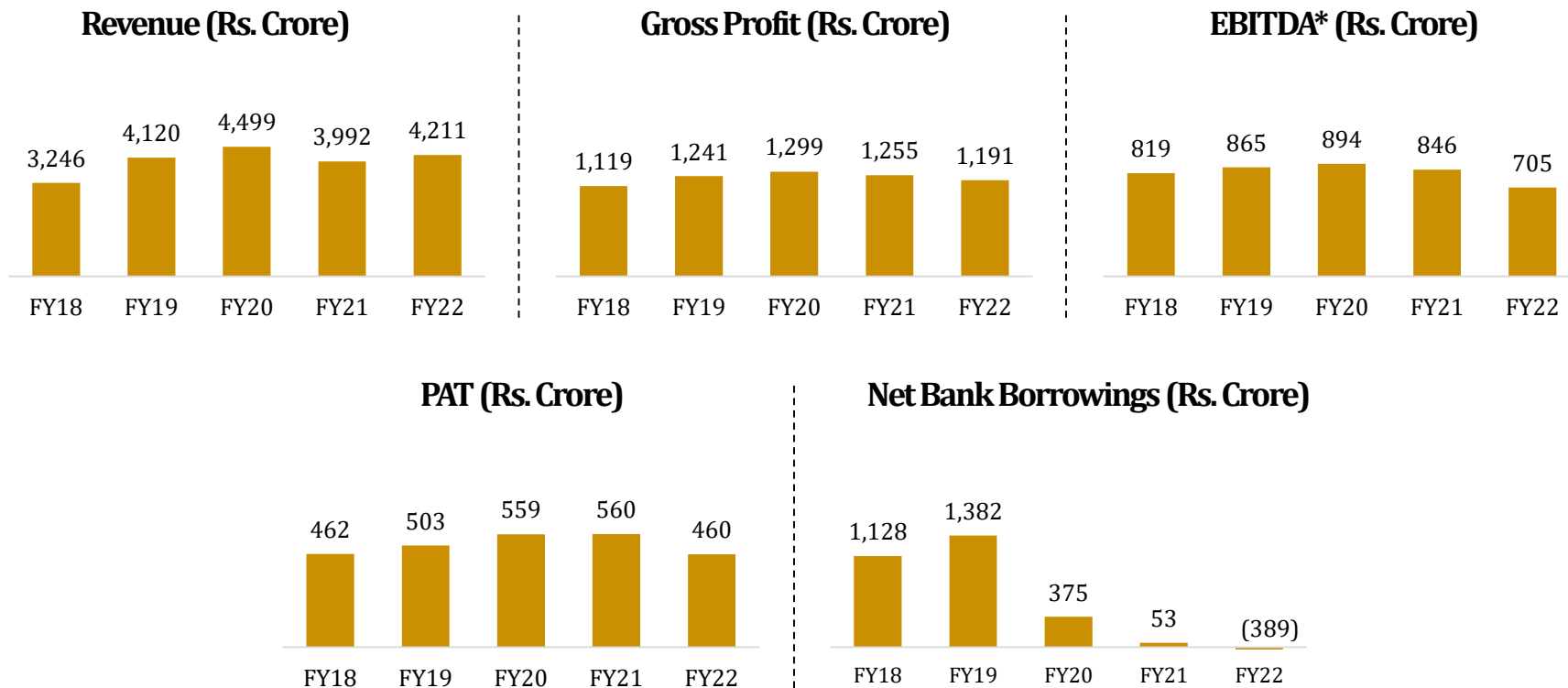
# H1 FY23 standalone performance highlights

Particulars (Rs in Cr. )	H1 FY22	H1 FY23	YOY Growth
Revenue From Operations	2,070	2,547	23.1%
Total Income	2,090	2,579	23.4%
Gross Profit	634	865	36.5%
<i>Gross Profit Margin</i>	<i>30.3%</i>	<i>33.6%</i>	
EBITDA	412	548	32.8%
<i>EBITDA Margin</i>	<i>19.7%</i>	<i>21.2%</i>	
Profit after tax	278	378	36.0%
<i>PAT Margin</i>	<i>13.3%</i>	<i>14.6%</i>	
Cash Profit	315	415	32.0%

- Revenue growth witnessed in both Domestic and Export Segments.
- Better realization resulted in better margins.

*All figures are based on standalone financials*

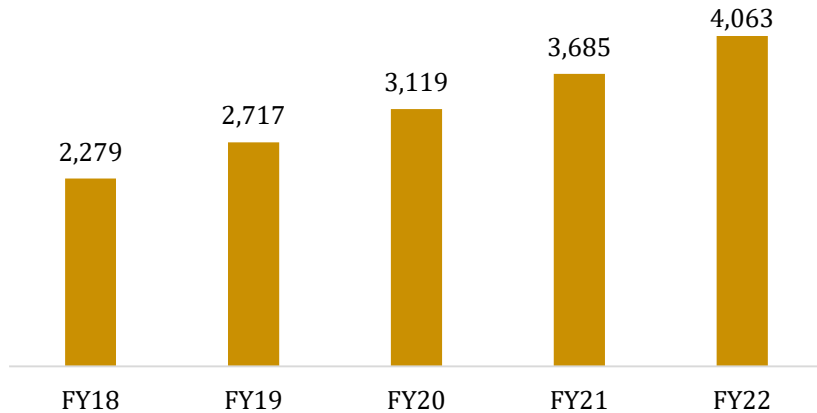
# Financial trends over the years



# Shareholder value creation

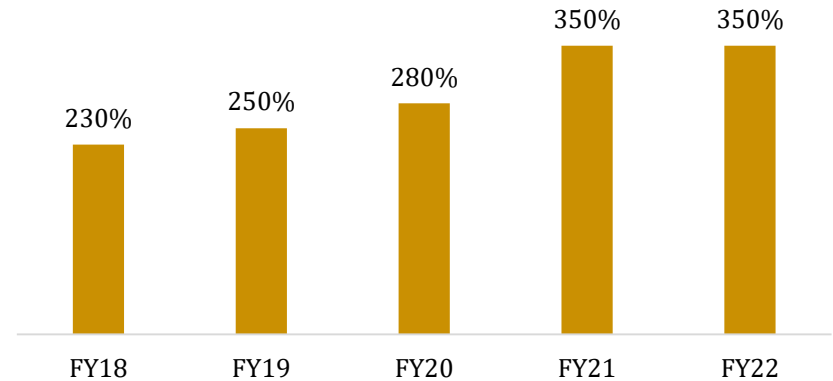
Net worth (Rs. Crore)

↑ 78%  
Over FY18



Dividend as a % of FV

Consistent increase  
over the years



All figures are based on standalone financials

# India Business



*India ki Puraani Aadat*

**KRBL Limited**  
WORLD'S LARGEST RICE MILLERS  
& BASMATI RICE EXPORTERS

# Continuing market leadership

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**696**

Revenue\* in Rs. Crore for Q2 FY23

## Trend in Domestic Business

**(5)%**

Revenue growth Y-o-Y

- Y-o-Y domestic rice sales lower by 5% on account of higher unbranded rice sale in Q2FY22.
- Y-o-Y growth of branded domestic rice sale is 18% .

*\*Excludes Energy*

# India Strategy

## Densifying distribution reach

- Preference for packaged rice has significantly increased
  - KRBL to capitalise this opportunity by strengthening its distribution network
- Aspire to grow the retail distributors over the next five years
- Continue to market Unity brand

## Achievements during FY22

- Secondary sales coverage increased 500 bps from 26% to 31% driving higher throughputs at retail outlets
- Sustained aggression on MT and E-com platform translated into growth of 25% in volume terms

## Increasing Brand Penetration

- Focus on trade marketing to accelerate the already ongoing shift in consumption from unbranded to branded rice

## Achievements during FY22

- Accelerating commodity to branded conversion specially in bulk packs due to better quality and market availability
- Unity brand has grown by 42% in volume and 50% in revenue

## Augmenting Portfolio across all four product segments

- Non-basmati regional rice market largely controlled by localised players, is ready for high quality and aged rice brands
  - KRBL has identified 3 high-potential regional varieties to drive growth in this segment
- New product launches across Heath Foods portfolio
  - Focus on products that are natural extensions of KRBL platform and to emerging consumption trends and fortify the brand image
- New product introductions in value-added portfolio based on higher convenience offering

## Expansion Update

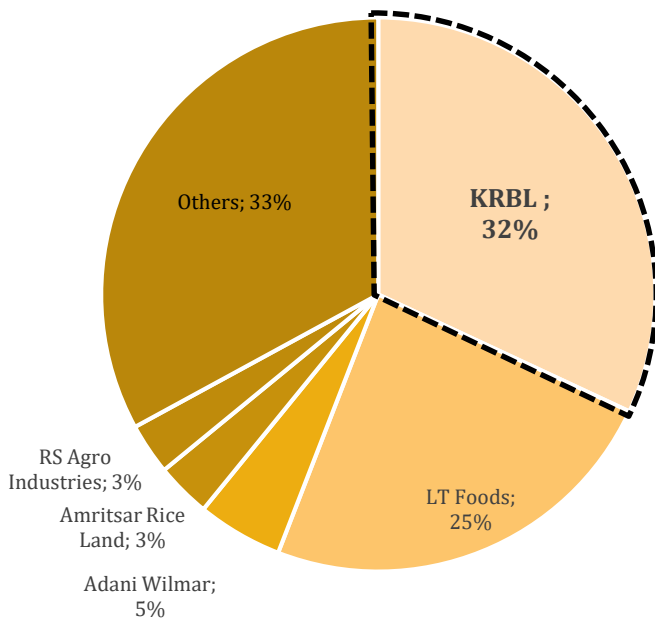
- Facilities being created at Gujarat. Land formalities in process in Karnataka. Land identification in progress in Madhya Pradesh.

# India Brand Portfolio

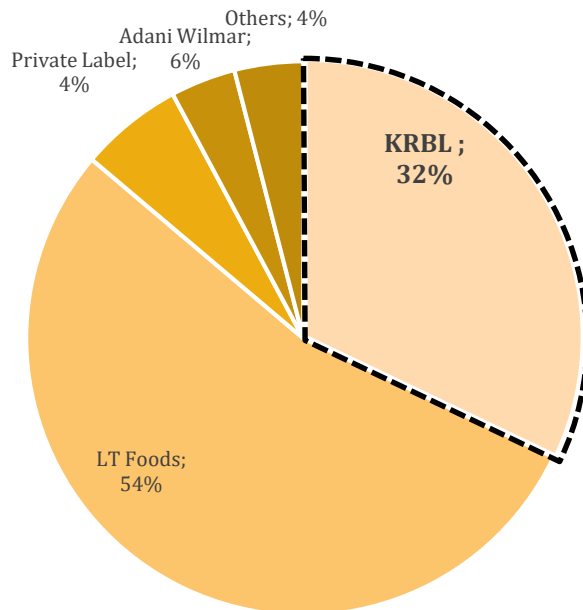


# Strong leadership in Basmati market

**Q2 FY 23 Volume Market Share (India)**  
Packaged Basmati (Traditional Trade)



**Q2 FY23 Volume Market Share (India)**  
Packaged Basmati (Modern Trade)



- Unmatched leader in packaged Basmati in India
- Fragmented supply offers huge opportunity to leverage strengths and expertise of KRBL

Source : AC Nielsen

# Unity: Accelerating shift to branded rice

Indian  
Basmati Rice  
Market- 2.5  
Million  
metric tonnes

Un-Branded  
Basmati rice 1.5 Mn  
MT.



Unity is now a Rs. 500 crore plus brand, **drawing in customers from the un-branded segment**



# Export Business



*India ki Puraani Aadat*

# Leadership beyond India

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**592**

Revenue in Rs. Crore for Q2 FY23

## Trend in Export Business

**105%**

Revenue growth Y-o-Y

- Strong growth from key markets like Saudi Arabia and UAE.

# Exports Brand Portfolio



# Positive trends for Rice export from India

## Global markets offer exciting opportunities for KRBL to drive growth



### Production

- High yielding varieties of rice have led to surplus production in the country
- Adoption of technology in farming have helped spur growth in produce
- Focus on quality has led to increased demand for Basmati globally



### Export Leader

- India is the #1 exporter of rice and has a 65% share of the global basmati market
- Globally, India accounts for ~85% of basmati exports which is expected to rise



### Indian Presence Globally

- Increasing demand for the PUSA basmati variety in the US which was commercialized by KRBL
- Large Indian diaspora abroad to drive rice as both a staple and a restaurant grade item



### Demand from Middle East

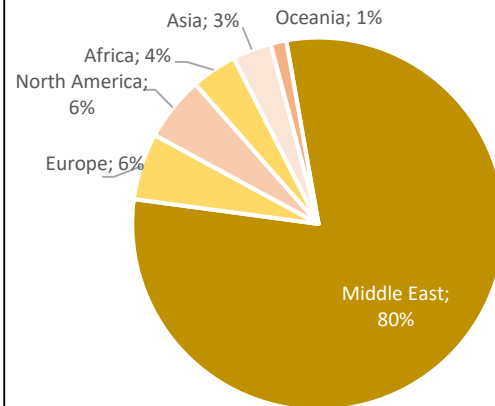
- Excellent quality standards have spurred increase in the demand for Indian basmati rice amongst locals
- Supported by consistent supply, 52% of total rice consumption is Basmati Rice (As per AC Nielsen)



### Shift to Healthier Option

- ~\$10 million of rice exported out of India under private label is Brown Rice
- UK accounts majorly for the import of brown rice with shift to healthier alternatives

## Basmati rice exports from India for FY22 – Volume - (%)



Source: APEDA

# Overall international market position

## Middle East

- KRBL has leadership position in terms of market share in most GCC countries
- India Gate is #1 Indian Basmati rice brand in Qatar, UAE, Bahrain
- India Gate is the only premium Indian Rice brand in GCC
- Nur Jahan is the 2<sup>nd</sup> most popular brand in the region and preferred brand among price conscious consumers

## Europe

- Europe is a growing market for KRBL
- KRBL's growing portfolio of the health food segment to propel growth in the region
- Development of new crop will help in complying pesticide norms and will grow KRBL's presence in the region

## Americas

- KRBL consistently earns substantial premium on realizations.
- India Gate is #1 Indian Basmati rice brand in Canada both in Ethnic and Modern Trade
- Present in the dominant channels of trade
- Popular brand among diaspora, rising local popularity

## RoW

- KRBL has leadership position in Australasia for last 15 years
- India Gate is #1 Indian Basmati rice brand in Australia, New Zealand and Fiji with 26% market share
- Nur Jahan is #1 Indian Basmati rice brand in South Africa with 53% import share
- 32% dominant import share in dominant Northern African markets

# Export Strategy



# Contact Us

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## Safe Harbor

This presentation contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to KRBL Limited and its affiliated companies (“KRBL”) future business developments and economic performance.

While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

KRBL undertakes no obligation to periodically revise any forward-looking statements to reflect future/ likely events or circumstances.



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Thank You



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