

12<sup>th</sup> November 2020

**Foods & Inns Limited (Investor Note – Q2 FY'21 / H1 FY'21)**

**About:**

Foods & Inns (FIL) is a manufacturer and exporter of a range of processed tropical fruits pulps, purees, and vegetables with state-of-the-art factories in Chittor, Valsad, Sinnar and Gonde (Nashik). The company operates in the food processing industry and its principal divisions are Aseptic, Canning, Spray drying, Frozen fruits, IQF (Individually Quick Frozen) vegetables and snacks. Product range includes tropical fruit purees, concentrates of Mango, Guava, Papaya apart from Tomato Paste, Natural Fruit & Vegetable Powders.

The company became a 99.99% partner in Kusum spices (Spice brand established in 1972) from the 2<sup>nd</sup> of October 2019 and has consequently widened its offerings in the foods segment. The Indian spice market is ~ Rs.40,000cr industry (Source: APEDA)

The company owns brands/trademarks such as Madhu - (Fruit Pulp), Green Top - (IQF Vegetables), Kusum Masala – (Spices), Triveni Global - (Frozen food) & Zatpat Zaldee - (QSR)

For more details please visit: [www.foodsandinns.com](http://www.foodsandinns.com) / [www.linkedin.com/company/foodsandinns](http://www.linkedin.com/company/foodsandinns)

**COVID related impact / update:**

As the COVID-19 situation has evolved - safety, hygiene & wellbeing have been our number one priority as a business.

Our production was partially impacted during the peak production season (Apr-June) due to COVID related lockdowns across the country. The Export volumes were down by around 6% in H1 FY'21 and the domestic volumes were down by 61% in H1 FY'21 as April to June also coincide as the peak demand season from local beverage manufacturers.

**Performance:**

A) Foods & Inns:

Performace for Q2 and H1 FY'21							(In Rs. Crs/-)
Particulars	Q2 FY'21	Q2 FY'20	Growth %	H1 - FY'21	H1 - FY'20	Growth %	FY'20
<b>Sales Volume (mt)</b>	8,493	9,202	-8%	15,775	25,634	-38%	54,327
- Export	4,851	5,634	-14%	9,996	10,627	-6%	23,173
- Domestic	3,642	3,568	2%	5,779	15,007	-61%	31,154
<b>Revenue from operation</b>							
- Export (Including Export Incentives)	45.04	51.51	-13%	95.67	92.12	4%	223.09
- Domestic	20.12	20.87	-4%	35.40	78.27	-55%	161.20
<b>- Total</b>	65.16	72.38	-10%	131.07	170.39	-23%	384.29

**Notes:** There was an improvement in realization due to limited production across the Indian mango processing industry. There were lower incentive accruals due to MEIS reducing by 2% since April'20.

B) Kusum Spices:

						(In Rs. Crs/-)
Particulars	Q3 FY'20	Q4 FY'20	FY'20	Q1 FY'21	Q2 FY'21	H1 FY'21
Sales	3.98	4.09	8.07	2.33	3.70	6.03

**Notes:** The FY'20 number shown in the table above is the revenue of Kusum spices since Foods & Inns became a 99.99% partner i.e. Oct'19.

**Overall Business outlook:**

- The company is working towards improving its EBITDA margins on a sustainable basis by:
  - a) Increasing the share of value added and branded products across its food offerings
  - b) Increasing its operating leverage by producing allied products during non-peak season
- Geographical outlook:
  - a) **Export markets:** The company sees good opportunities for growth in the markets of EU, UK, US, Canada, Japan & South Korea for products across its portfolio. The Middle East market has shrunk for the time being. Possibility of lower demand in spices across GCC countries due to return of expats.
  - b) **Domestic markets:** The lockdown during the peak beverage demand season and not yet fully operational HORECA markets in India has impacted the overall demand in Domestic markets during the year for both pulp and spice business. As the lockdown eases and the HORECA segment reopens, we expect steady uptick in volumes.

**Disclaimer:**

This document may contain some statements on the company's business or financials which may be construed as forward looking. The actual results may be materially different from these forward-looking statements.

**Contact:**

- 1) [writetous@foodsandinns.com](mailto:writetous@foodsandinns.com)
- 2) Landline: 022-2353-3102/3103
- 3) Mr. Anand Krishnan, CFO (Ext:222)
- 4) Mrs. Randeep Kaur, Company Secretary (Ext:146)