

PATANJALI FOODS LIMITED

QUARTERLY PERFORMANCE UPDATE

Q3 FY 2023-24 | February 08, 2024

Nurturing Growth. Cultivating Success.

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EXECUTIVE SUMMARY

- **Recovery in Edible Oils segment with modest growth in volumes**
- **Highest quarterly sales in Food & FMCG with steady revenue growth**
- **MS Dhoni ad campaigns went live for edible oil brands – Mahakosh & Sunrich**
- **Strong growth in exports over previous quarter**
- **Continued expansion in Oil Palm Plantation**
- **Secured ‘Great Place to Work’ for third time in a row**

MS Dhoni TVCs went on air



- **Leveraging the mass popularity of MS Dhoni**

- Large outreach through TV commercials for Mahakosh brand (Soyabean Oil and Mustard Oil) and Sunrich brand (Sunflower Oil):
 - Ads running on all major national TV channels
 - Ad campaigns on OTT and Connected TV have also started in the month of January
- Higher premium earned with larger sales volumes post incorporation of the brand ambassador

FINANCIAL INDICATORS

Overall Performance

1. Revenue from operations for Q3FY24 clocked at ₹7,910.7 Cr with a marginal growth of 1.1% over previous quarter
2. Total income, including other income, stood at ₹7,957.3 Cr
3. Company achieved an EBITDA of ₹390.6 Cr
 - i. EBITDA margin (from operations) was 4.9% during Q3 as against 5.3% in Q2 and 5.1% in the same quarter last year
4. Quarterly PAT was ₹216.5 Cr vs ₹254.5 Cr in Q3FY23
 - i. PAT margins were 2.7% vs 3.2% in Q2FY24
5. Achieved export sales of ₹62.1 Cr during the Quarter
 - i. In 9MFY24, revenue from exports was ₹266.2 Cr

FINANCIAL INDICATORS

Segment – Food & FMCG

6. In Q3FY24, the segment sales went up to ₹2,498.6 Cr contributing to 31.6% of revenue from operations of the company vis-à-vis 19.2% contribution in Q3FY23
7. The segment registered a YoY growth of 64.0% compared to Q3FY23
8. In Q3FY24, the segment EBITDA stood at ₹271.0 Cr registering a YoY growth of 60.0%
 - i. Segment recorded an EBITDA margin of 10.8% despite price inflation in certain commodities

Segment – Edible Oils

9. Segment achieved sales of ₹5,482.6 Cr during Q3FY24 vis-à-vis ₹5,421.5 cr in Q2FY24
10. YoY decline in revenue due to further fall in prices during the quarter; while volumes went up by 3.2% on YoY basis and 5.9% on QoQ basis

FINANCIAL INDICATORS

11. Segment EBITDA stood at ₹107.7 Cr; against ₹-27.1 Cr in Q2FY24 and ₹223.2 Cr in Q3FY23
12. Stable cash prices in Q3 vis-à-vis downward price pressure in H1 FY24
13. Natural Hedge through regular churning of positions as per market dynamics

Segment – Windmill

14. Segment achieved revenue of ₹8.9 Cr during Q3FY24 with an EBITDA of ₹4.1 Cr

BUSINESS INDICATORS

FOOD & FMCG Segment

15. Input price inflation exerted pressure on cost structures, presenting challenge to the segment profitability
16. Unexpected seasonal variations, such as delayed winters and the impact of El Nino, also influenced the quarter's performance
17. The Food & FMCG segment growth is aligned with the company's vision of balancing FMCG and Oil businesses
 - i. The segment contributes 31.6% of total revenue from operations this quarter
18. The segment achieved highest quarterly sales of ₹ 2,498.6 Cr in Q3 FY24

Foods Business

19. Revenue during the quarter is ₹1,963.3 Cr with an 87.1% YoY growth over ₹1,049.4 Cr in Q3 FY23

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20. TVCs went on air for key products – Chyawanprash, Honey and Spices



Chyawanprash TVC



Honey TVC



Spices TVC

Biscuits & Confectionary Business

21. Quarterly revenue has grown from ₹337.1 Cr last year to ₹389.0 Cr this year; with 15.4% YoY growth
22. Volumes have increased to 43,200 MT in Q3 and 1.27 lakh MT in 9MFY24, with YoY growth of 29% and 31% respectively
23. In Q3, mass brand 'Doodh Biscuits' and 'Coconut Crunch' continue to grow strongly

BUSINESS INDICATORS

- 24. Direct retail outlets has reached the 1.2 million mark in this quarter; up by 200,000 from previous quarter

Nutraceuticals

- 25. Nutrela Sports and Vitamin and Mineral Supplements (VMS) product range on strong growth path
- 26. Retailer coverage grew to 1.72 lacs retailers Pan India, as against 69,245 retailers in Mar'23
- 27. Active Distributor count has increased to 1,173 in Q3FY24
- 28. 106% YoY growth in eCommerce sales, contributing to 12% of overall business
- 29. Social Media Influencer partner program initiated with more than 1400 influencers

New Product Launches

- 30. Further expansion of millets-based product range under 'Nutrela' after receiving good response to Ragi Choco Cereals;
 - i. Pilot launch of Maxx Millets Oats done in East and South India

BUSINESS INDICATORS

31. Premium launches in biscuits and nuts category are gaining momentum with their pan India distribution
32. The company is planning to expand its offerings in premium product categories, as part of its growth strategy

EDIBLE OILS Segment

33. Cash markets were relatively stable in Q3 as compared to the downward price pressure observed during H1 FY24
34. Price Divergence between Futures and Physical prices:
 - i. No divergence in Palm Oil
 - ii. 14% divergence in Soya Oil mainly due to fall in futures prices

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35. Active Risk Mitigation measures were implemented:
 - i. Conscious reduction in Hedge Ratio;
 - a) 11% average hedge ratio during the quarter
 - ii. Hedging based on fundamental and technical research
 - iii. Natural Hedge through regular churning of positions as per market dynamics

Edible Oils Business

36. Quarterly sales volume increased to 6.4 lakh metric tons, up by 3.2% YoY and 5.9% QoQ
37. 9MFY24 sales volume has grown to 18.6 lakh metric tons by 16.2% as compared to same period in last year
38. MS Dhoni ad campaigns went live for Mahakosh and Sunrich brand

BUSINESS INDICATORS

- 39. Branded sale contributed more than 75% of the total sales value
- 40. Premium Oils sales has grown by 8.8% on a QoQ basis

Oil Palm Plantation

- 41. More than 4,000 Ha of plantations developed pan India during the quarter. Total area under plantation is now 72,500 ha
- 42. Share of young plantation (0-3 years) has increased to 28% of total plantation as against 19% in Mar'23
- 43. 1.35 million seed sprouts imported during the quarter
- 44. 2 New nurseries setup in North-East region, total PEQ (Post Entry Quarantine) certified nurseries are now 37 across India

BUSINESS INDICATORS

45. Lease agreement signed with Assam Industrial Development Corporation Limited (AIDCL) for setting up Palm Oil Mill and Oil Palm Nurseries in Assam
46. Incorporated 35 new Farmer Producer Organizations (FPOs) during Q3; Total 110 FPOs have been incorporated out of total allotted 202 FPOs by Dec'23

Other Key Updates

47. More than 2x increase in advertisement expenses; total ad spend during the quarter was ₹28.53 Cr
 - i. 'Nutrela' brand expanded its digital footprints with social media campaigns – including successful Durga Puja campaign in the East region
48. Company secured “Great Place to Work” for third time in a row

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