KRBL Limited

E: KRBL/BIBHU/STK_EX_2223/33
04 August 2022

	The General Manager **Department of Corporate Services** **BSE Limited** **Floor 25, Phiroze Jeejeebhoy Towers** **Dalal Street** **Mumbai – 400 001** Scrip Code: **530813**	✓	**National Stock Exchange of India Limited** **"Exchange Plaza", C-1, Block-G** **Bandra-Kurla Complex** **Bandra (E)** **Mumbai-400051** **Symbol: KRBL** **Series: Eq.**

Dear Sir/Madam,

Sub: Investor Communication on Unaudited Financial Results of KRBL Limited for the First Quarter (Q1) ended 30 June 2022

Pursuant to the provisions of Regulation 30 read with Para A, Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose herewith the Investor Communication on Unaudited Financial Results of KRBL Limited for the First Quarter (Q1) ended 30 June 2022.

This is for your kind information and record.

Thanking you,

Yours Faithfully,
For KRBL Limited

Raman Sapra
Company Secretary

Encl.: As Above.

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

KRBL Ltd.

Investor Presentation
Q1 FY2023

India ki Puraani Aadat

INDIA GATE

Unmatched Strengths

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

#1

India Gate, well established brand in India; KRBL leading player in branded basmati rice

#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

500+

Dealer and Distributors across India

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

Q1 FY23 standalone performance highlights

Total Income	Gross Profit	EBITDA	PAT
1,239	403	242	164
938	(935)	4,224	2,461
Cash & Bank balance*	Net Bank Borrowings	Net worth	Total Inventory

Highest ever quarterly:
PAT: Rs 164 cr
Earning per share: Rs 6.99

All figures in Rs . crore and are based on standalone financials
**Includes Other Bank balances and Investments (excluding Investment in Equity Shares)*

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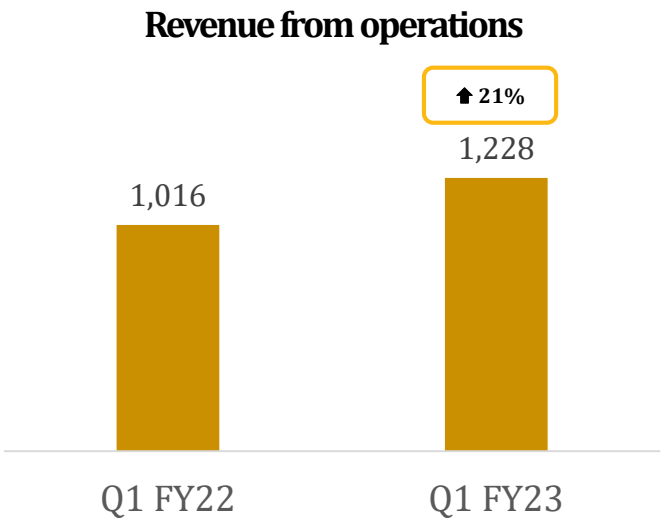
Continuing momentum in sales



- Q1FY23 revenue growth mainly driven by domestic business – 47% y-o-y growth.
- Exports business grew by 73% over preceding quarter.

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

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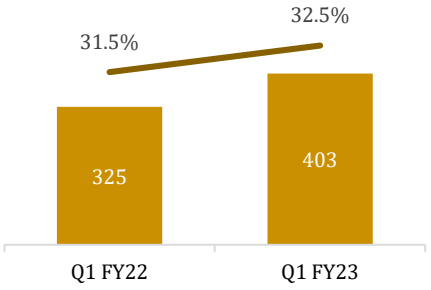
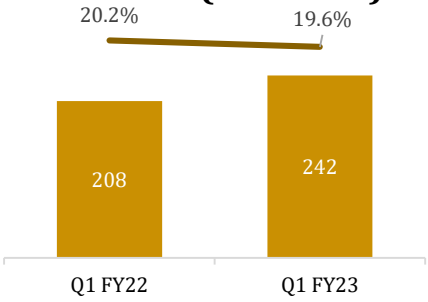
Profitability metrics for Q1 FY23

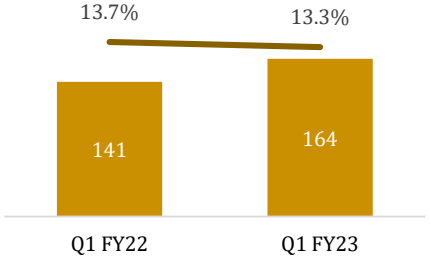
Gross Profit (Rs. Crore)



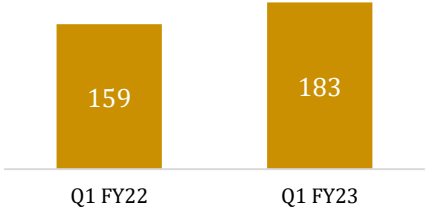
EBITDA* (Rs. Crore)



Profit After Tax (Rs. Crore)



Cash Profit (Rs. Crore)



- Continuing improvement in profitability metrics over Q3 and Q4 FY22.
- Q1 FY23 Gross profit margin improved due to higher avg. realization in basmati rice by 25%. EBITDA Margin affected by higher advertising costs.
- PAT trend a reflection of EBITDA momentum.

*All figures are based on standalone financials * Includes Other Income*

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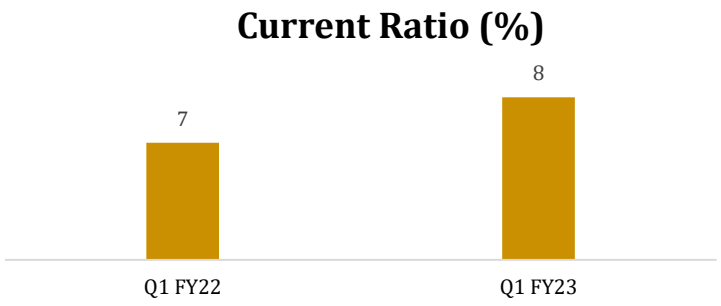
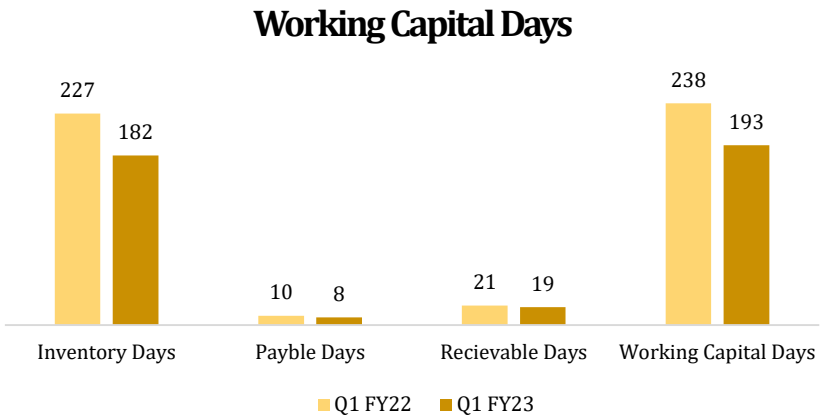
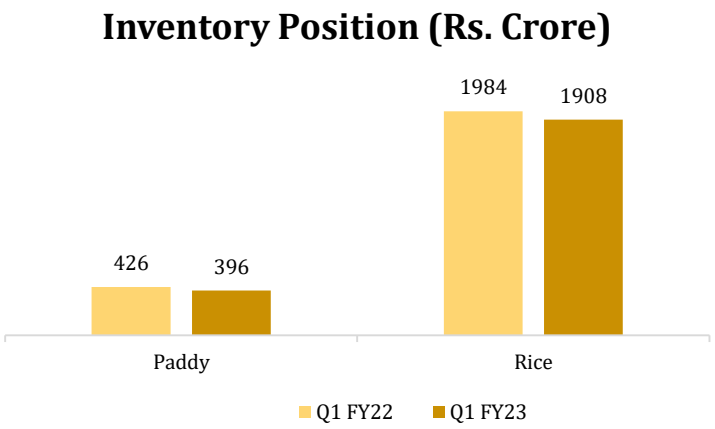
Superior balance sheet matrix



- Healthy liquidity position.
- Continued efficiency in working capital management.
- Lower inventory (Q1 FY23 Rs. 2,461 cr vs. Q1 FY22 Rs. 2,533 cr) on account of lower paddy purchase in last season.





All figures are based on standalone financials

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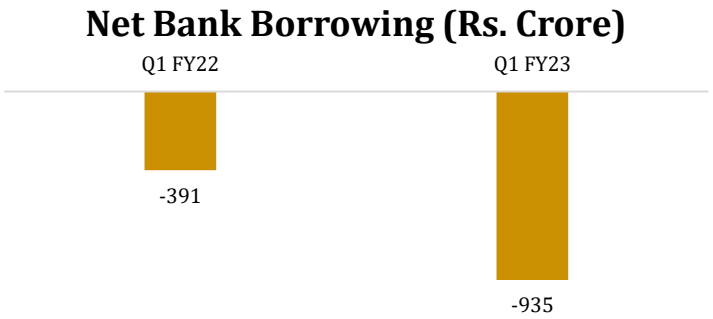
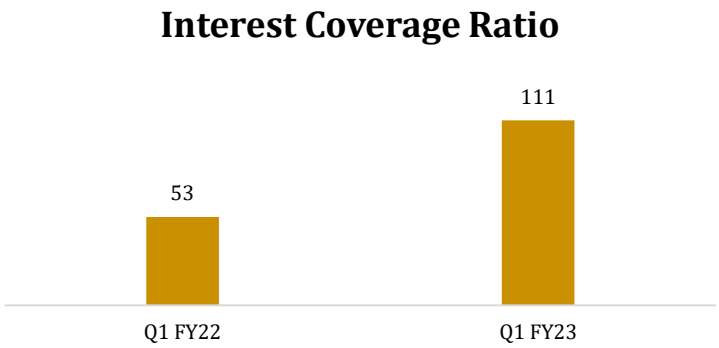
Superior balance sheet matrix





- Lower inventory coupled with 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

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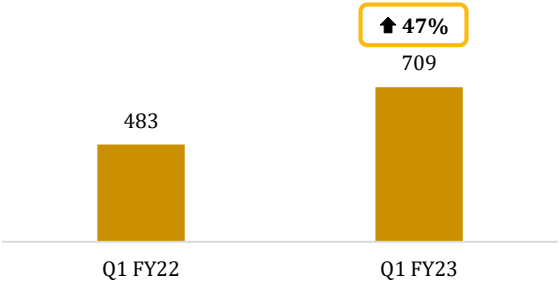
Key Developments

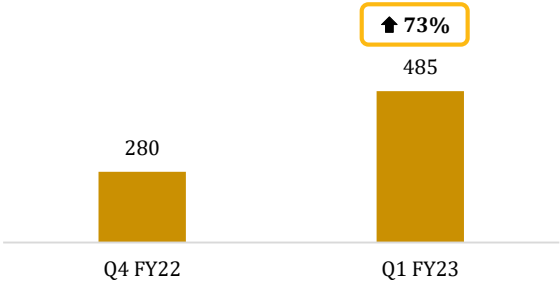
Domestic* Revenues



Continuing momentum in domestic sales

- Sales driven by resurgent demand, price buoyancy and distribution expansion

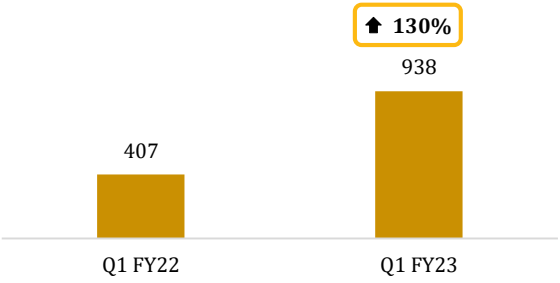
Export Revenues



Revival in export sales

- Buoyant sales of basmati and non-basmati sales over preceding quarter.

Cash & Bank Balance**



Strong Cash Generation

- Lower Inventory and health internal accruals resulted in higher bank balances.

Highest ever quarterly:
PAT: Rs 164 cr
Earning per share: Rs 6.99

**Excludes Energy*

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

***Includes Other Bank balances and Investments (excluding Investment in Equity Shares)*

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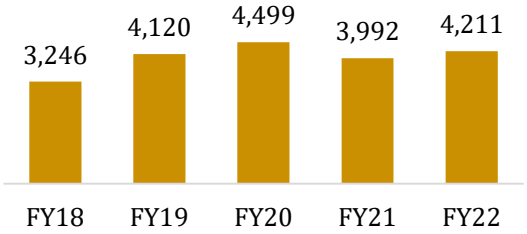
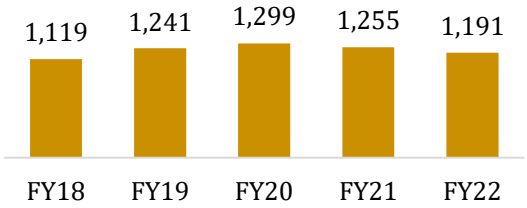
Financial trends over the years

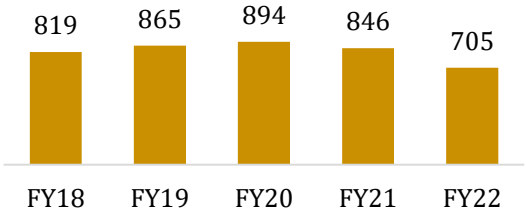
Revenue (Rs. Crore)



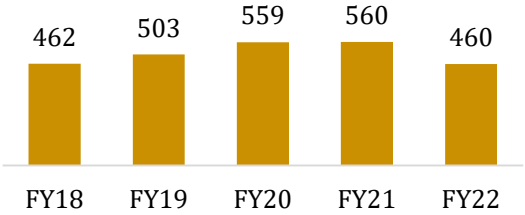
Gross Profit (Rs. Crore)



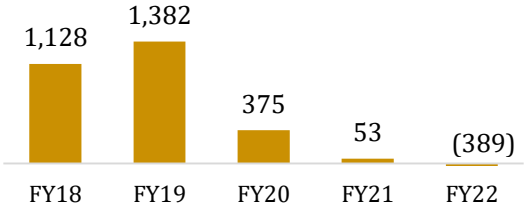
EBITDA* (Rs. Crore)



PAT (Rs. Crore)



Net Bank Borrowings (Rs. Crore)



*All figures are based on standalone financials, *Includes Other Income*

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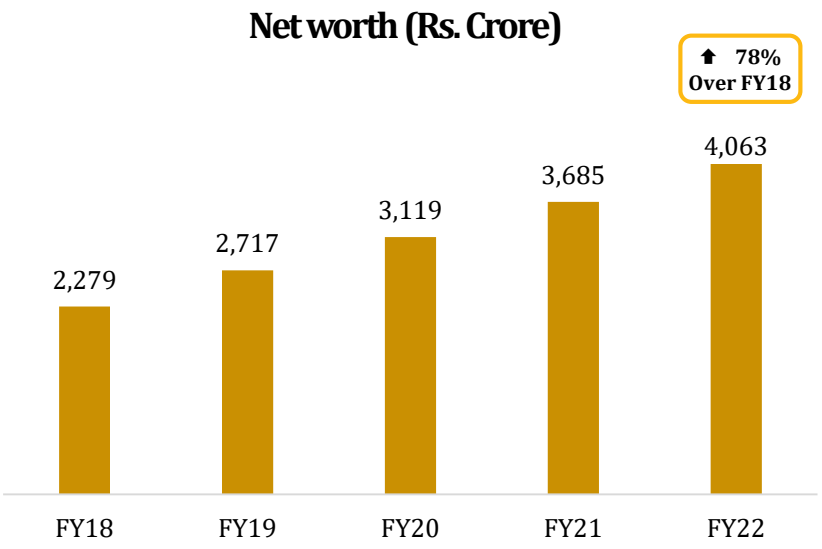
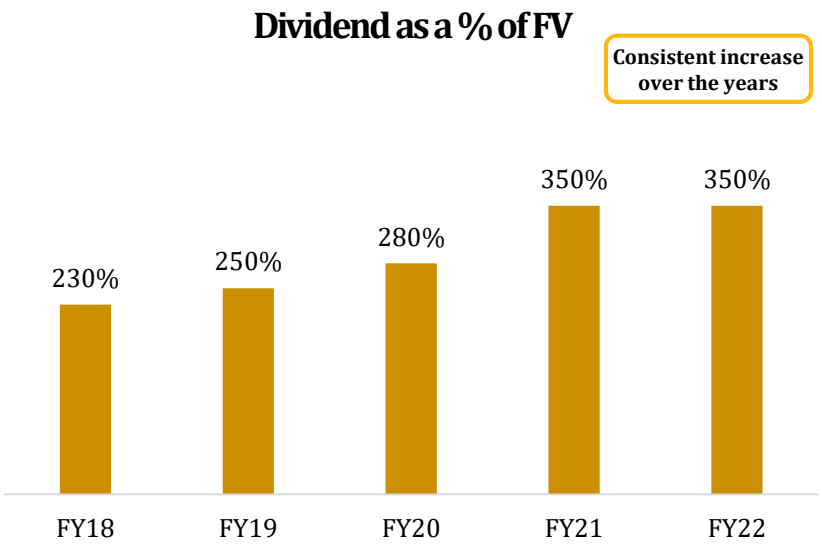
Shareholder value creation





All figures are based on standalone financials

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India Business

India ki Puraani Aadat

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Continuing market leadership

709

Revenue* in Rs. Crore for Q1 FY23

Trend in Domestic Business

47%

Revenue growth Y-o-Y

- Revenue growth driven by continuing volumes gains, complemented by improvement in realization

**Excludes Energy*

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India Brand Portfolio

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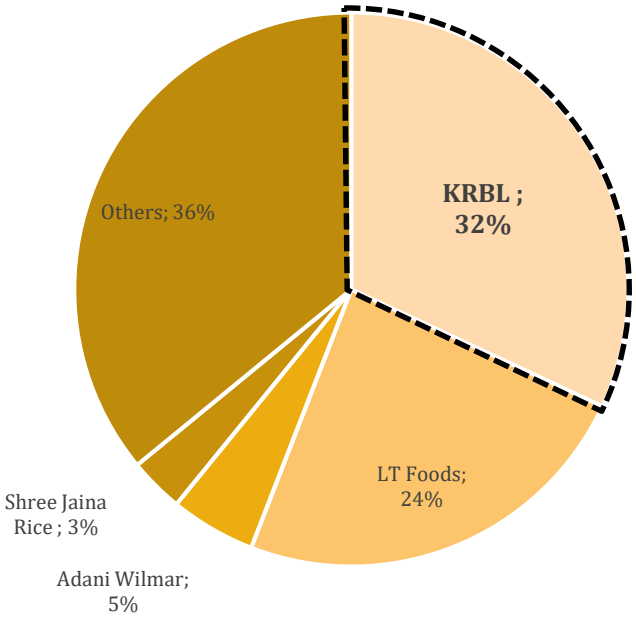
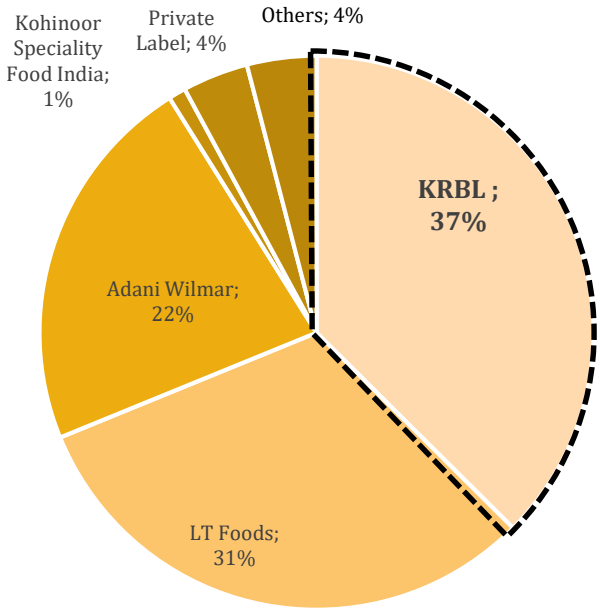
Strong leadership in Basmati market

Q1 FY 23 Volume Market Share (India)
Packaged Basmati (Traditional Trade)



Q1 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

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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

Achievements

- Facilities being created at Gujarat, Karnataka and Madhya Pradesh towards enhancing presence in non-Basmati regional rice

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 brand, **drawing in customers from the un-branded segment**

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Export Business

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Leadership beyond India

485

Revenue in Rs. Crore for Q1 FY23

Trend in Export Business

(4)%

Revenue growth Y-o-Y

- 73% revenue growth over preceding quarter.
- Strong growth from new markets.
- Continuing growth in Saudi offtake over preceding quarter.

Exports Brand Portfolio

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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 aboard to drive rice as both a staple and a restaurant grade item

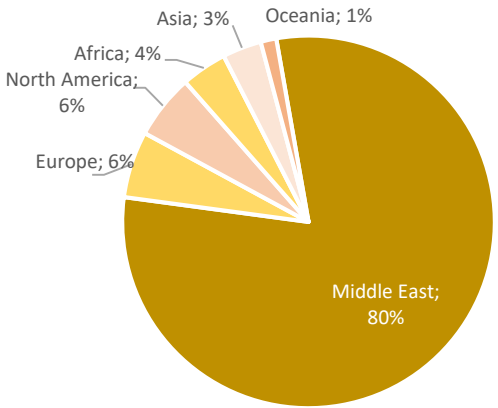
Demand from Middle East

- 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

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Overall export market position

KRBL's dominating presence in the GCC region

India Gate Share to Premium Segment Rice

Kuwait Market Segment	**86%**
Qatar Market Segment	**82%**
UAE Market Segment	**74%**
KSA Market Segment	**86%**

Source: A C Nielsen 2021

Europe

- KRBL has **strong presence in Norway, Sweden and Denmark**

Americas

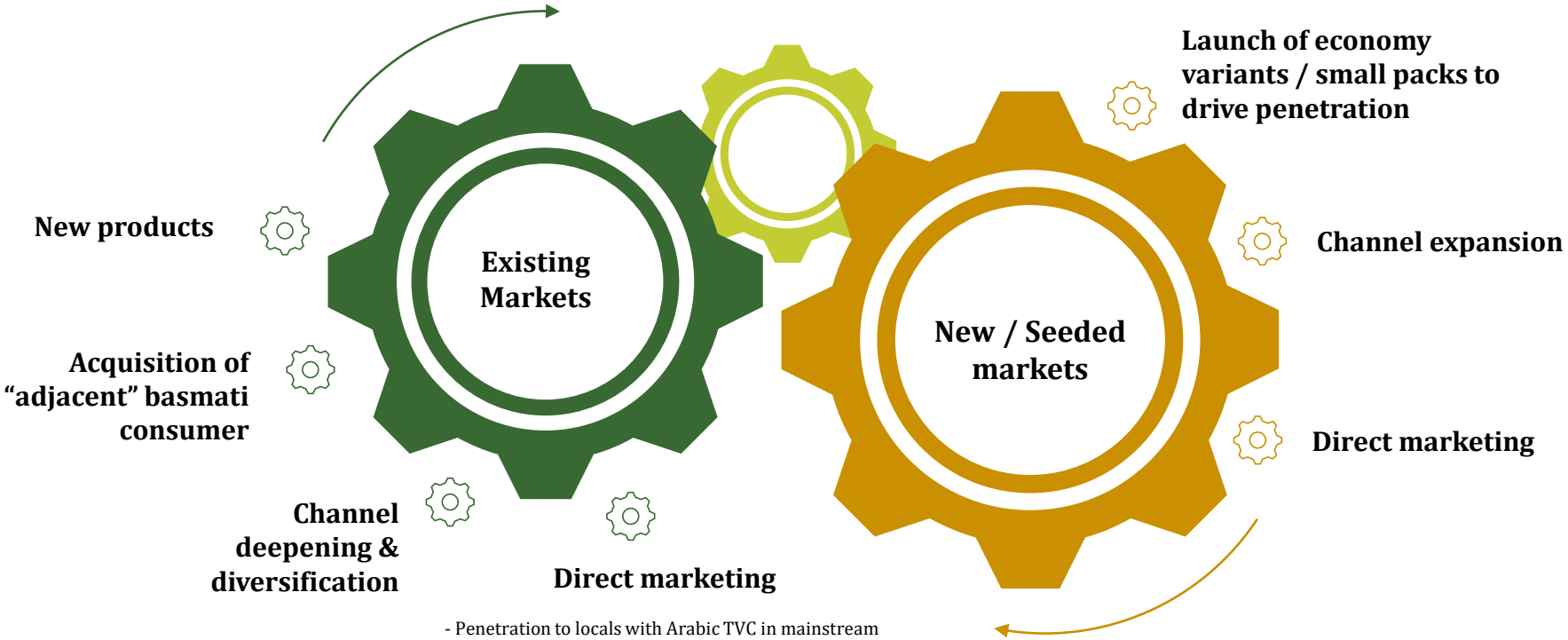
- **#1 in Canada** in premium basmati rice
- KRBL continues to leverage **good organized retail structure in Latin America.**

RoW

KRBL poised to make strong mark

- **#1 in South Africa** in premium basmati rice
- **Growing markets in North Africa** (Algeria, Morocco, Libya etc.)
- **East Africa:** Currently dominated by low quality Pakistani brands, but has potential for KRBL given the large Indian ethnic base
- **#1 in Australia, New Zealand and Fiji** in premium basmati rice

Export Strategy



- Penetration to locals with Arabic TVC in mainstream channels
-Targeting geo-location customers through social media
-Increasing focus on India Gate HORECA line up to target HORECA customers

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Contact Us

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.

Investor Relations Desk

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Thank You

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