KRBL Limited

E:KRBL/BIBHU/STK_EX_2223/14
27 May 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 Audited Financial Results for the Fourth Quarter (Q4) and Financial Year ended 31 March 2022

Pursuant to the provisions of Regulation 30 read with Para A of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are pleased to enclose herewith Investor Communication of the Company on Audited Financial Results for the Fourth Quarter (Q4) and Financial Year ended 31 March 2022.

This is for your 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
Q4 & FY2022

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
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Q4 FY22 standalone performance highlights

Total Income	Gross Profit	EBITDA	PAT
994	308	170	109
395	(389)	4,063	2,816
Cash & Bank balance*	Net Bank Borrowings	Net worth	Total Inventory

All figures in Rs. crore and are based on standalone financials
**Includes investments in Mutual Funds*

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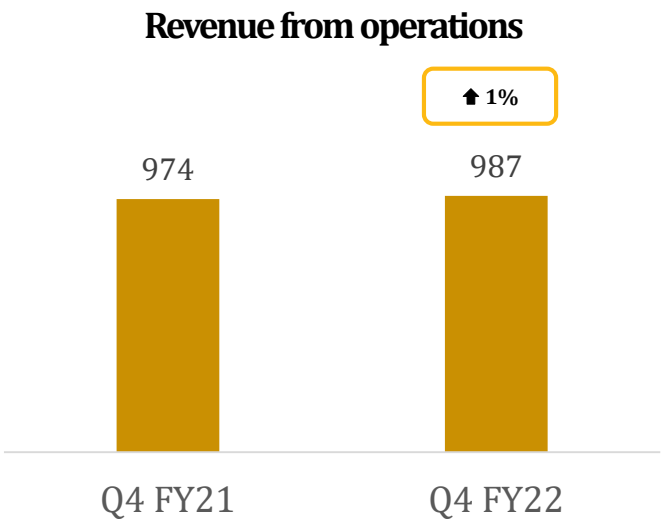
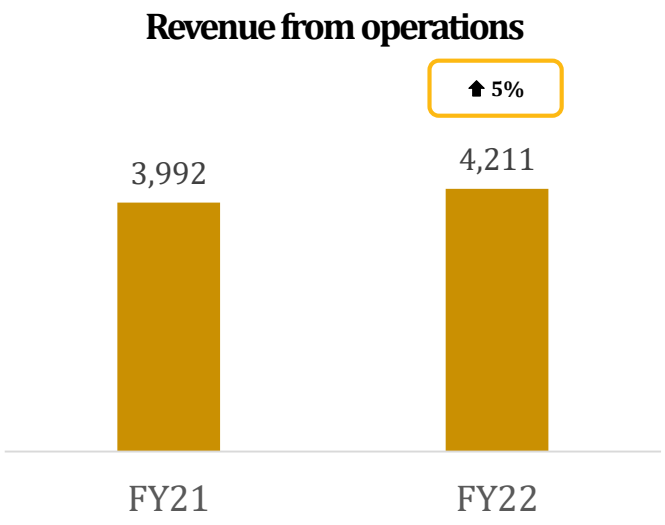
Healthy outcomes in challenging environment





- Q4FY22 and FY2022 revenue growth driven by domestic business - recorded highest ever sales in FY2022

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

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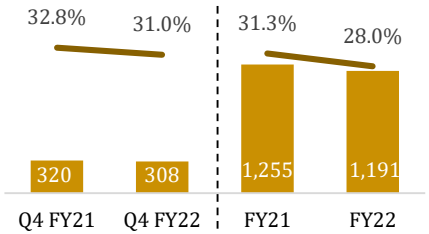
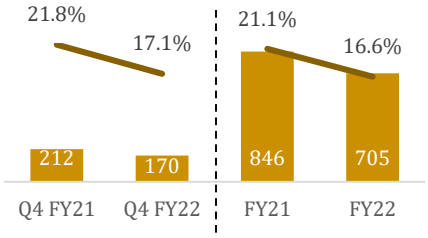
Profitability metrics for Q4 & FY22

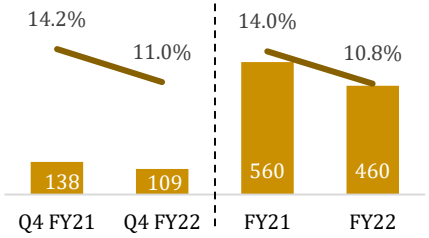
Gross Profit (Rs. Crore)



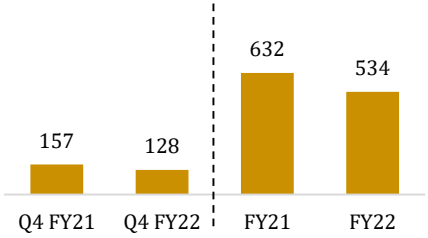
EBITDA (Rs. Crore)



Profit After Tax (Rs. Crore)



Cash Profit (Rs. Crore)



- Q4FY22: Rice realization increase (22% over Q4FY21) offset by 25% increase in rice input cost over the same period, impacting Gross Margin.
- EBITDA Margin contracted owing to compressed Gross Margin trend combined with higher logistics costs (higher freight rates driven by shortage of containers) and advertising costs.
- PAT trend a reflection of operational momentum, although higher other income and lower finance costs supported the trajectory

All figures are based on standalone financials

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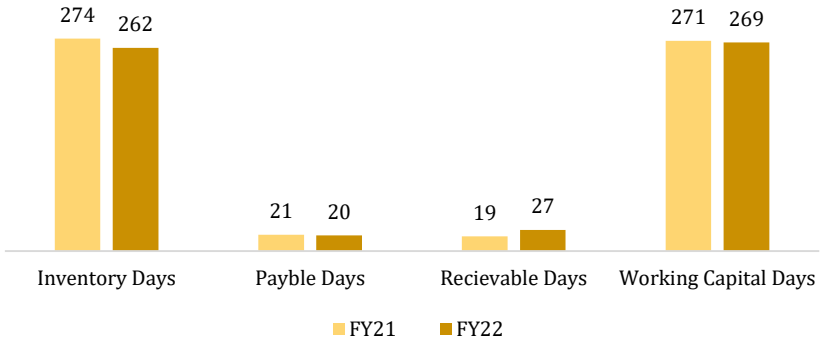
Superior balance sheet matrix

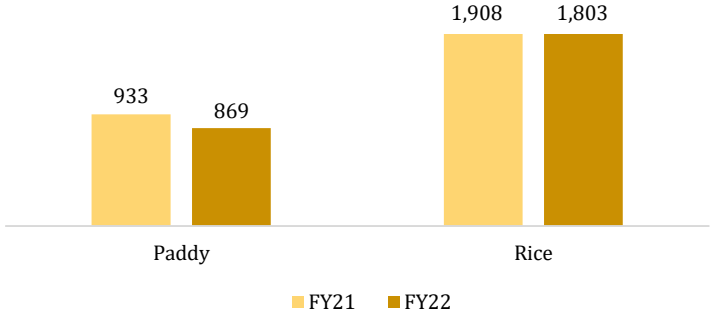
Current Ratio (%)

- Healthy liquidity position
- Continued efficiency in working capital management
- Lower inventory (FY22 Rs. 2,816 cr vs. FY21 Rs. 2,964 cr) on account of lower paddy purchase in Q3 FY22

Working Capital Days



Inventory Position (Rs. Crore)



All figures are based on standalone financials

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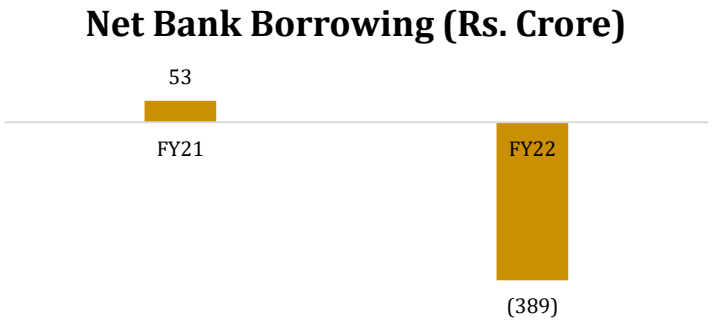
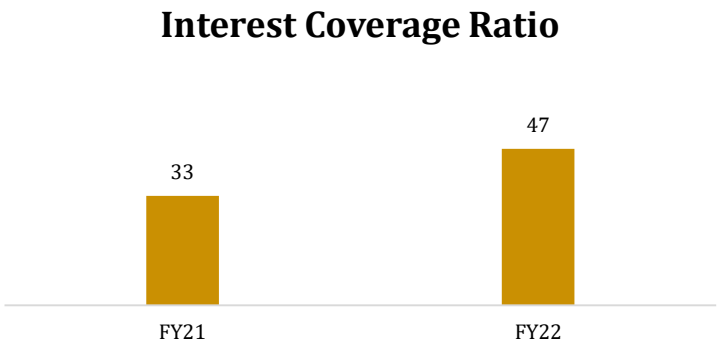
Superior balance sheet matrix





- Lower inventory coupled with healthy internal accruals leading to reduced reliance on debt, 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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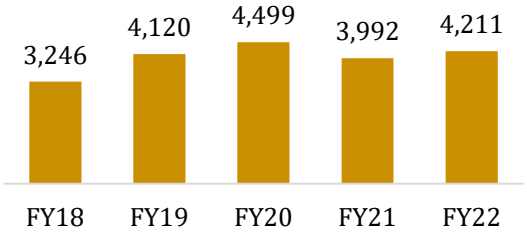
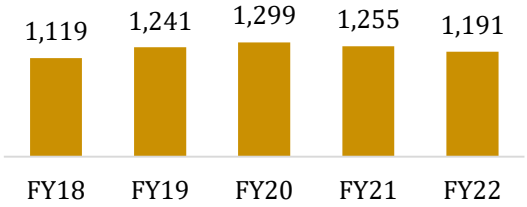
Financial trends over the years

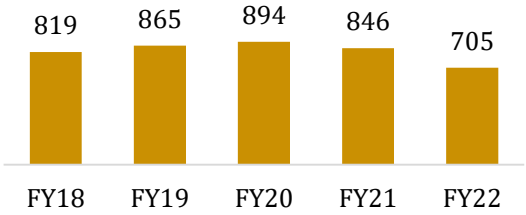
Revenue (Rs. crore)



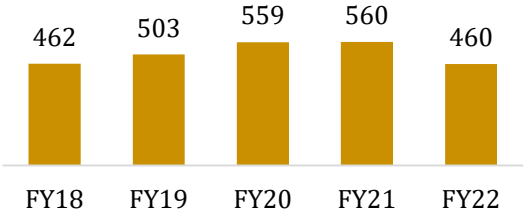
Gross Profit (Rs. crore)



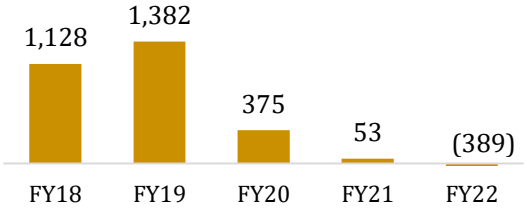
EBITDA* (Rs. crore)



PAT (Rs. crore)



Net Bank Borrowings (Rs. crore)



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

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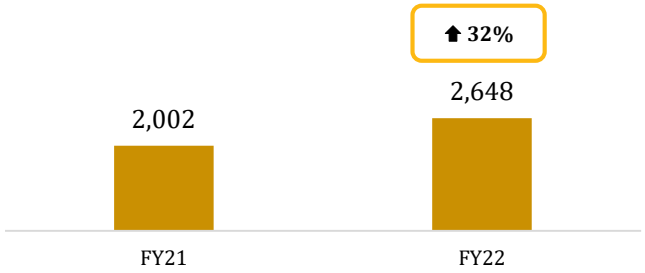
Key Developments

Domestic Revenues (Rs. Crore)



Highest ever revenue in FY22

- Sales driven by resurgent demand, price buoyancy and distribution expansion
  - Secondary sales coverage increased by 26% to 31 resulting in higher throughputs at retail outlets.
- Sustained aggression in MT and E-com platforms - growth of 25% in volume terms
- Unity brand has grown by 42% in volume and 50% in revenue terms.

Update on Greenfield Expansions

- **Three new mfg. facilities planned - Gujarat, Karnataka and Madhya Pradesh.**
- **Exclusive non-basmati focus in Karnataka plant – other will cater to both.**
- **Total Capex: ~Rs. 200 core with total incremental milling (paddy to rice) capacity of 20 MT/ hour and grading and packaging (rice to rice) of 50 MT / hour.**

Once commissioned, these Greenfield plants will significantly enhance the capacity of KRBL and drive sustained expansion in basmati and non-basmati regional rice portfolio

Status
- Gujarat: Plant under construction
- Karnataka: Land purchase formalities in progress
- Madhya Pradesh: Location finalised. Land acquisition in progress.

Go live of Gujarat and Karnataka planned in FY24; MP in FY25

Continued progress on strategic initiatives towards augmenting the product portfolio in domestic business

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Key Developments

KRBL Limited's World's Largest Milling Plant at Dhuri, Punjab was adjudged the Silver Medal Winner at the prestigious National Awards for Manufacturing Competitiveness (NAMC)

- The prestige was bestowed for its non-conventional & advanced approach in manufacturing excellence over the years
- This was instituted by the International Research Institute for Manufacturing (IRIM), which is a global research, management consulting, and training firm dedicated to the manufacturing sector

Appointed new distributor in Saudi Arabia

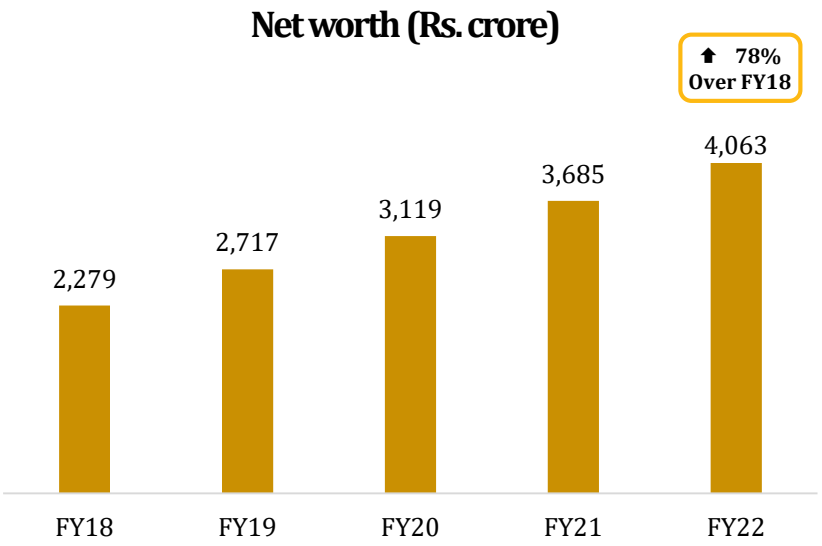
- Saudi Arabia is a key market for Basmati exports from India and KRBL enjoys leadership position in the Basmati rice market in the country
- The New distributor, along with the existing distribution partner, will enable the Company to further strengthen its presence in the country

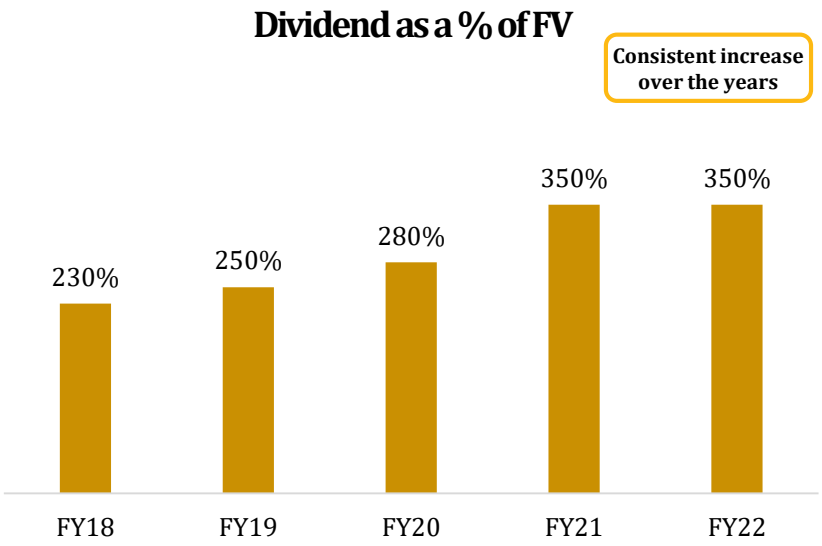
Credit ratings revised by ICRA in Nov 2021

Type of rating	Revised rating
Banking Limits on Long Term Scale	[ICRA] AA- (Stable)
Banking Limits on Short Term Scale	[ICRA] A1+
Commercial Paper	[ICRA] A1+

- ICRA removed the rating from 'Watch with negative implications' and a 'Stable' outlook has been assigned for the long-term rating
- "The Company continues to have a robust business model with adequate internal accruals to drive growth aspirations"

Shareholder value creation





All figures are based on consolidated financials

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India Business

India ki Puraani Aadat

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Continuing market leadership

677

Revenue* in Rs. Crore for Q4 FY22

Trend in Domestic Business

11%

Revenue growth Y-o-Y

- Revenue growth driven by solid volumes gains, complemented by improvement in realization
- Overall performance was premised on executing the growth strategy of densifying the distribution reach, increasing the brand penetration and augmenting product portfolio

**Excludes Energy*

India Brand Portfolio

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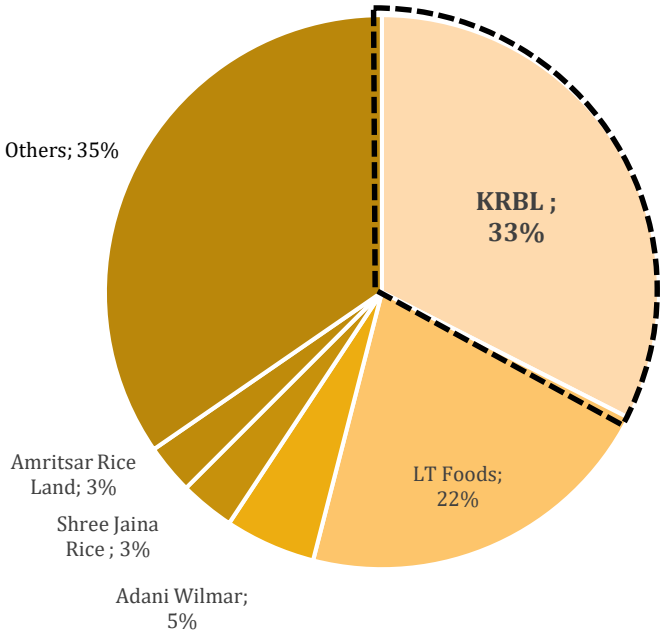
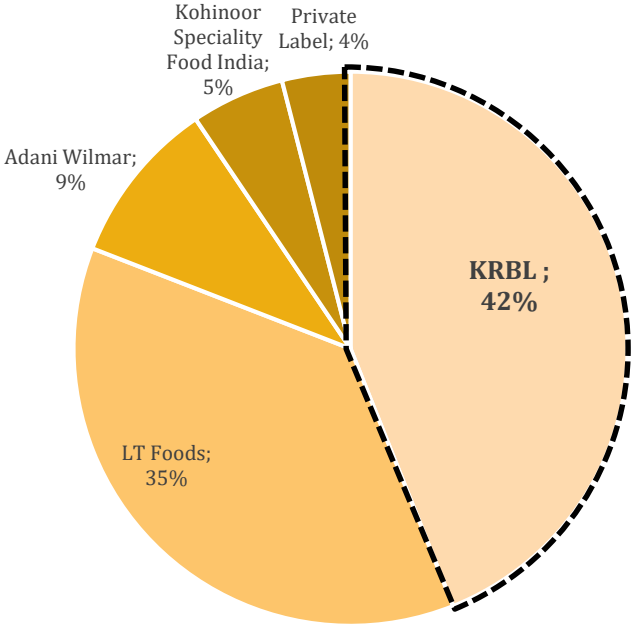
Strong leadership in Basmati market

FY22 Volume Market Share (India)
Packaged Basmati (Traditional Trade)



FY22 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

India ki Puraani Aadat

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Leadership beyond India

280

Revenue in Rs. Crore for Q4 FY22

Trend in Export Business

(19)%

Revenue growth Y-o-Y

- Appointed Distributor in Saudi Arabia; offtake resumption in progress
- Focused implementation of growth strategy by fostering brand initiatives in the existing markets and seeding newer markets

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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

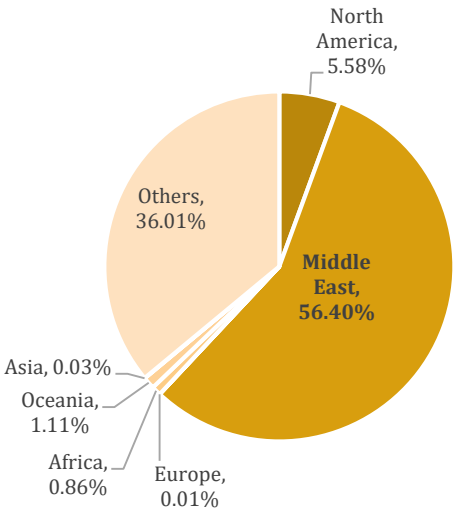
Demand from Middle East

- 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 Nielson)

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 (%)



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%**

Europe

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

Americas

- **#1 in Canada** in premium basmati rice
- KRBL recently launched in Chile; **Latin America has a good organized retail structure**

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

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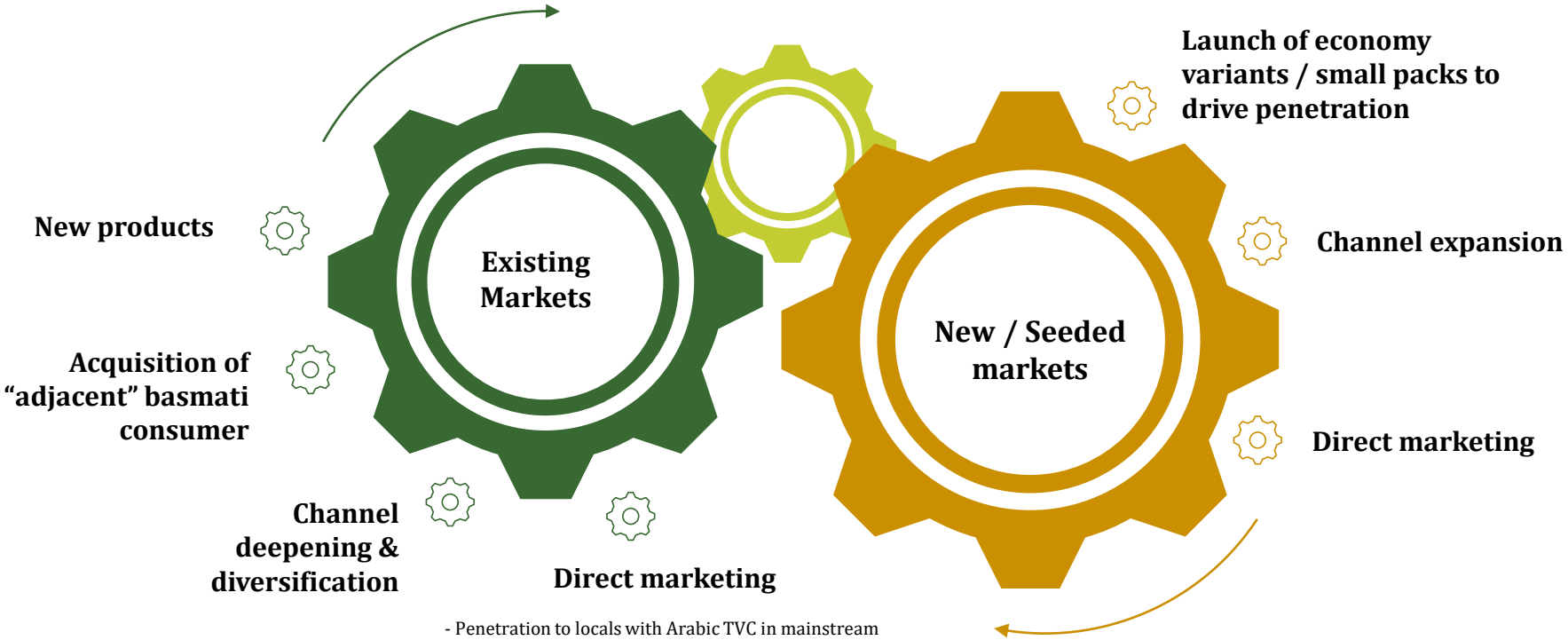
Export Strategy



- 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.

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Thank You

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