Tasty Bite Eatables Limited

The Board of Directors of Tasty Bite Eatables Limited have on November 12th, 2021, announced the results for the second quarter (July – September 2021). Key highlights of the performance and an update on important initiatives that the company has undertaken during this period are provided.

Performance Highlights

- Revenues for the quarter were INR 920 Mn reflecting a revenue drop of 4% over last year. For the first six months of the year, revenues of INR 2,051 Mn reflects 34% growth over the same period last year.

- Consumer Business revenues (exports to US and other markets) have grown 22% in the six-month period. However, in current quarter, Consumer business revenues were lower by 23% over last year due to demand drop on account of inventory built up at US and other markets.

- Food service revenues have grown more than 100% in the six-month period as last year business is significantly impacted on account of nationwide lockdown due to COVID-19. In current quarter Food Service revenues grown by 55%.

- Food Service exports are on increasing trend as we see traction towards speciality vegetarian products in Southeast Asia and Middle East. We expect that the demand for specialty vegetarian products is continuing to increase over time given the quality, variety and cost competitiveness of the Company's products.

- Due to change in government policies, other income primarily export benefits have gone down by 77% in current year six-months period eroding 3.6% of earnings from last year. This is due to discontinuation of Transport and Marketing Assistance Scheme (TMA) and Merchandise Exports from India Scheme (MEIS). A new scheme called Remission of Duties and Taxes over Exported Products (RoDTEP) has been introduced in current year in place of MEIS, however the incentives rate in RoDTEP is only 28% of MEIS rate.

- Material costs for the quarter is at 67.1% of revenues, 760 bps higher than last year (59.5%). This is primarily due to inflation in commodities and packing materials, lower incentives income and inventory provisions.

- EBITDA margins of the business for this quarter and for the six-month period ended September 2021 are 10.1% and 13.2% respectively down from the same periods last year i.e. 18.9% in Q2 FY21 and 15.7% for the six-month period ended September 2020. This is primarily impacted by lower incentives income and higher material costs.

Tasty Bite Eatables Ltd. Pune

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- Board reviewed in detail the status of capital expansion plan in last board meeting. Capex plan will be completed by early 2023. This will ensure modernisation of the plant as well as new building for Tasty Bite Research Centre. This enhanced capacity will take us through for next 3 years thereby securing supplies for our customers.

Safe Harbor Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, projections, financial or otherwise, which are forward looking statements. These forward looking statements are based on our beliefs and assumptions, which in turn are based on currently available information, certain expectations, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. Any of these assumptions/ expectations/ anticipated developments could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. These forward-looking statements speak only as of the date of this document. None of the Company, the promoters, their respective advisors or any of their respective directors, officers, affiliates or associates have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. All forward-looking statements contained herein are expressly qualified in their entirety by reference to these cautionary statements.

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