



QUEEN OF ALL RICES

Investor Presentation

Q3 and 9M FY23



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DISCLAIMER

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, other costs, etc. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



Maharani Rice

ZUBAN SE DIL TAK



Rajeev Setia
JMD and CFO

"We have delivered resilient performance in the quarter with a YoY growth across revenue and profitability. Our revenue is up by 62% YoY to Rs. 354 Cr. for Q3FY23 due to market share expansion in key geographies and further strengthening of our distribution network. Our EBITDA was up by 130% YoY to Rs. 51 Cr., supported by moderation in freight expenses and our efforts towards operational efficiency.

Our 9MFY23 revenue and EBITDA is at record high. The revenue grew by 65% YoY to Rs. 1,030 Cr. and our EBITDA was up by 81% YoY to Rs. 110 Cr. We have already exceeded our FY22 revenue and continue to drive sustained momentum by expansion of market share and focus towards our execution excellence. Given our commercial strength, we are well-positioned to leverage on the growing opportunities."



Q3 FY23 Highlights




Q3 FY23 – Financial Highlights


Sales

 **Rs 353.9 Cr.**
YoY +62%
QoQ +33%


Gross Profit

 **Rs 91.1 Cr.**
YoY +35%
QoQ +27%


EBITDA

 **Rs 51.4 Cr.**
YoY +130%
QoQ +97%


EBITDA Margin

 **14.5%**
YoY +430 bps
QoQ +472 bps


PAT

 **Rs 37.5 Cr.**
YoY +134%
QoQ +85%


PAT Margin

 **10.6%**
YoY +329 bps
QoQ +301 bps

EPS

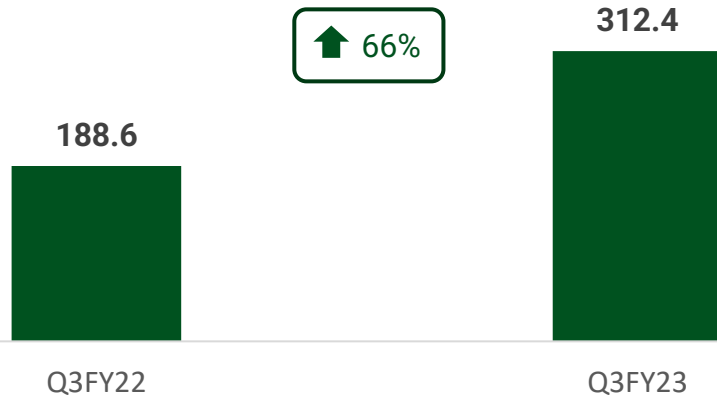
 **Rs 7.2**
YoY +134%
QoQ +85%

Total Inventory

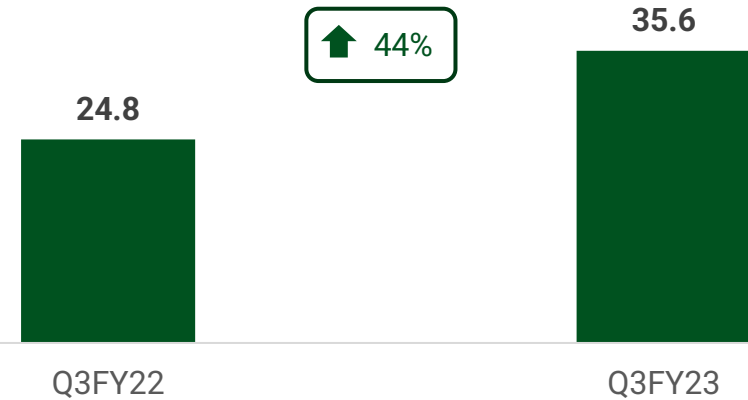
 **Rs 439.0 Cr.**
YoY +30%

Q3 FY23 – Business Highlights

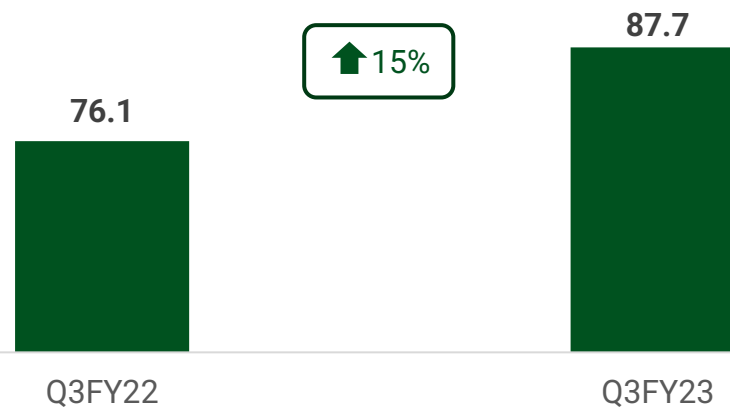
Exports Sales Value (Rs. Cr.)



Export Sales Volume ('000 MT)

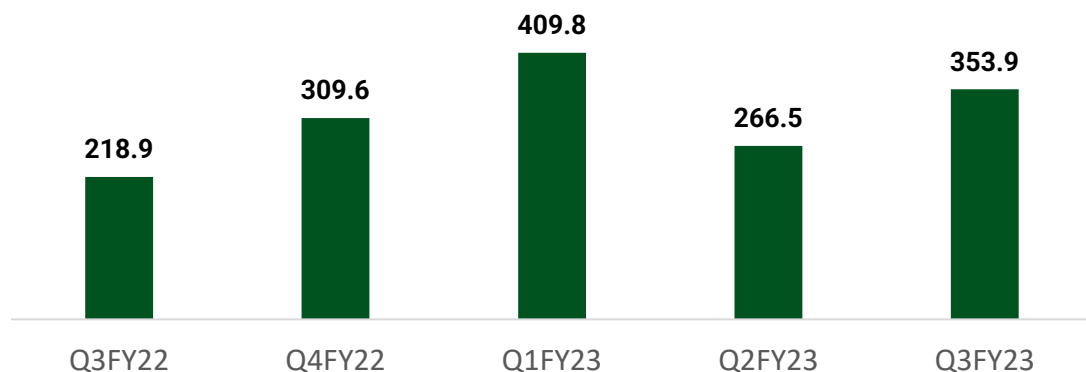


Export Average Realizations (Rs. per kg)

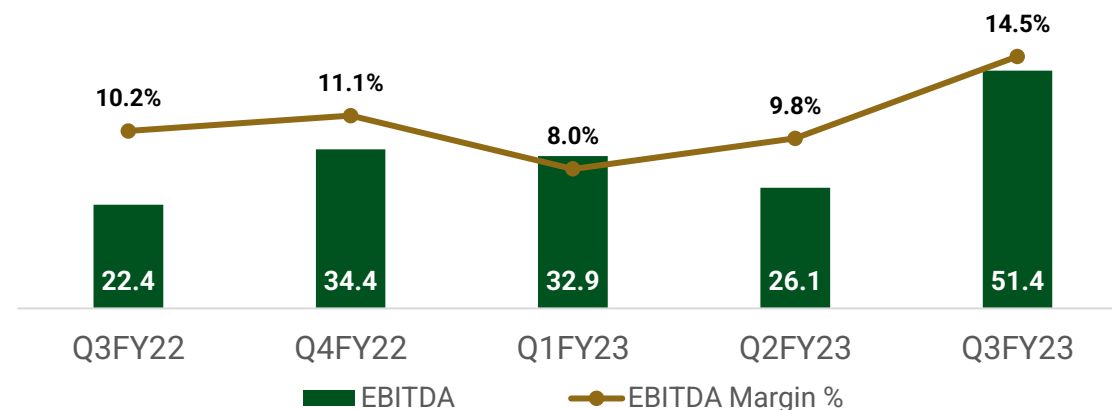


Quarterly Trends

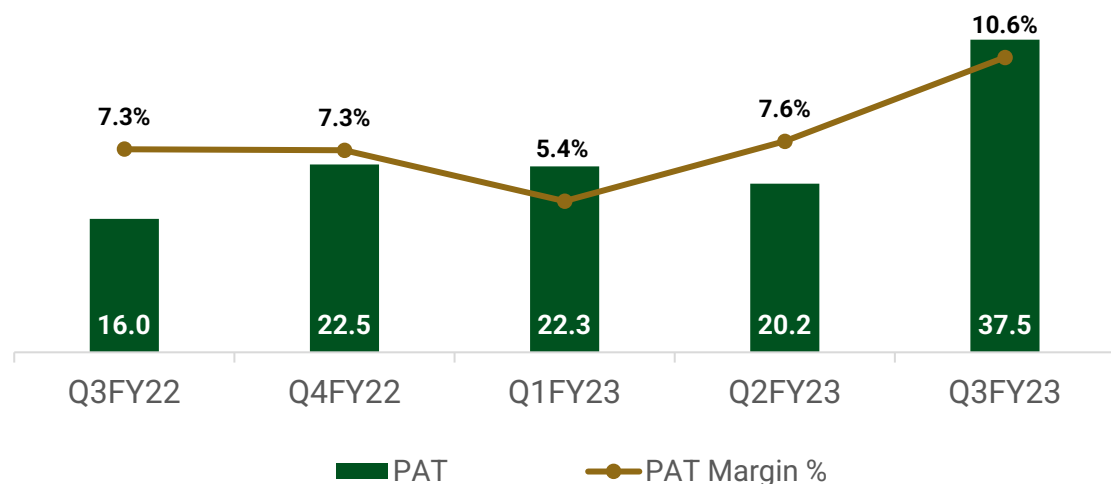
Revenue (Rs. Cr.)



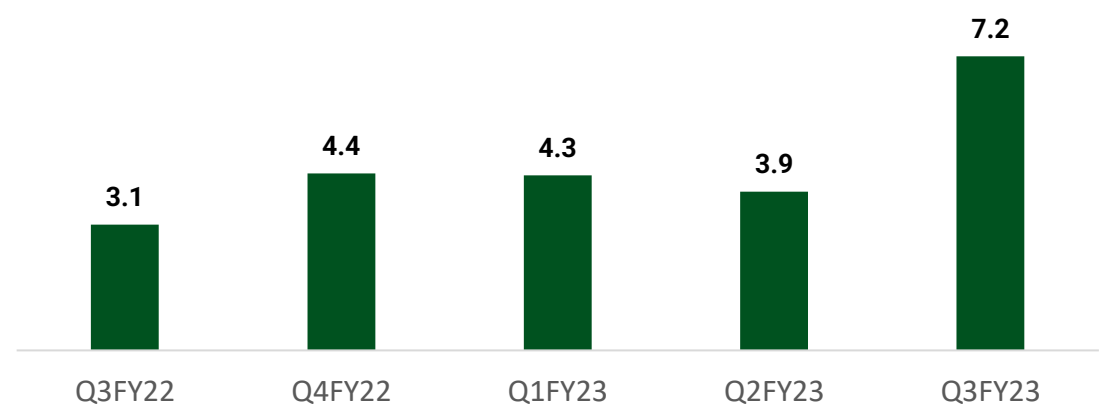
EBITDA (Rs. Cr.) and EBITDA Margin (%)



PAT (Rs. Cr.) and PAT Margin (%)



EPS (Rs.)

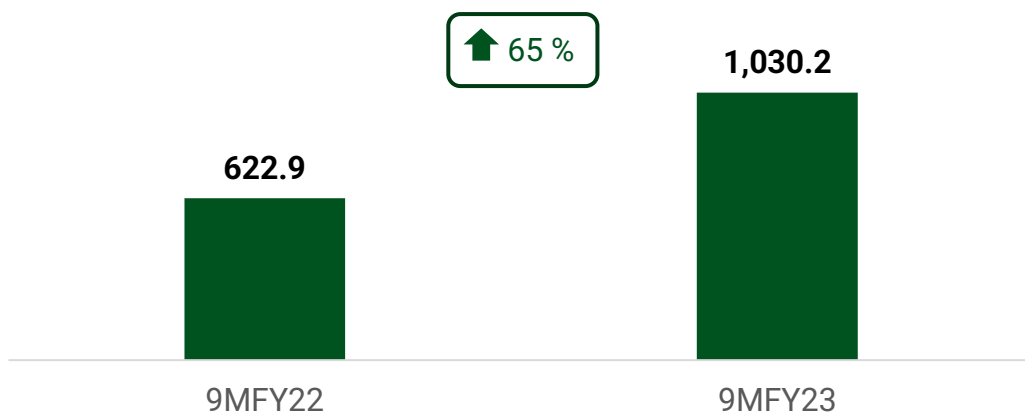


9M FY23 Highlights

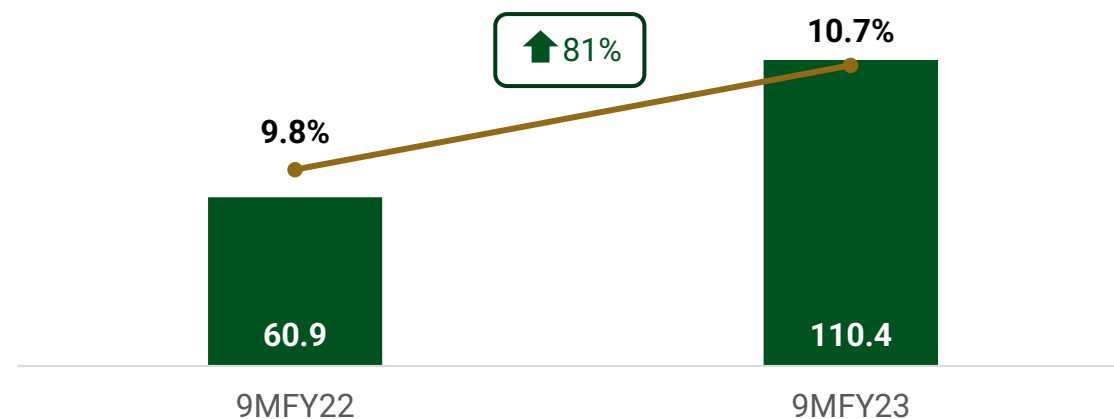


9M FY23 – Financial Performance

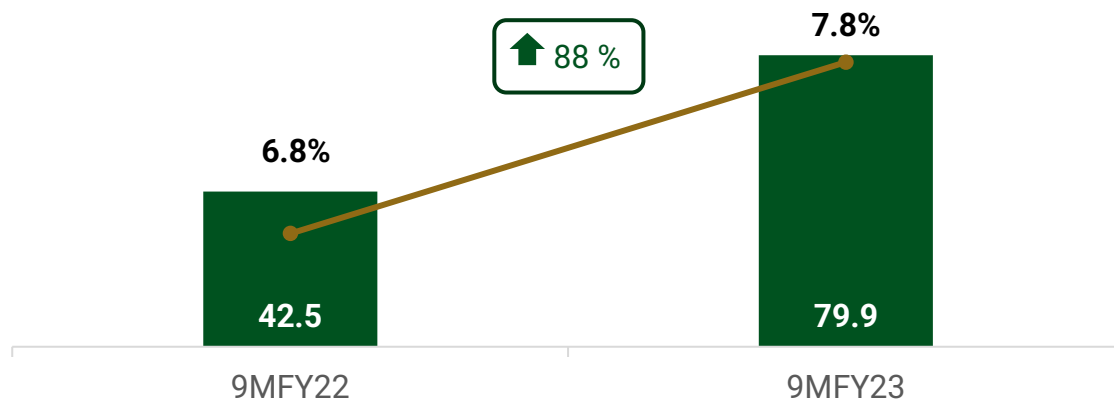
Operating Revenue (Rs. Cr.)



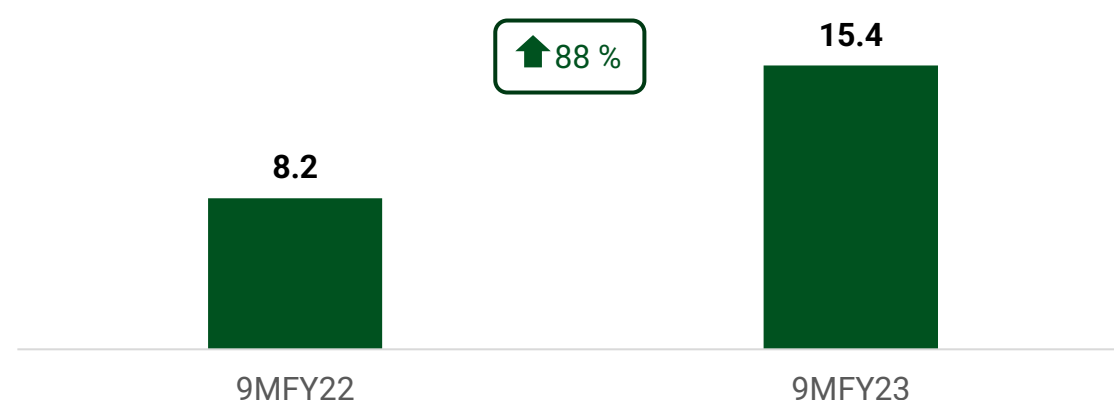
EBITDA (Rs. Cr.) and EBITDA Margin (%)



PAT (Rs. Cr.) and PAT Margin (%)

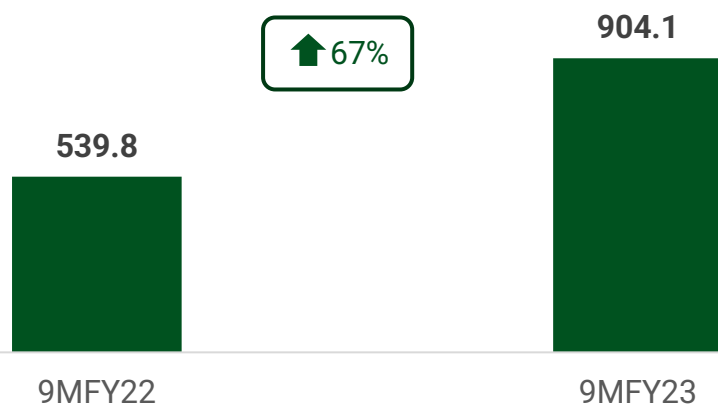


EPS (Rs.)

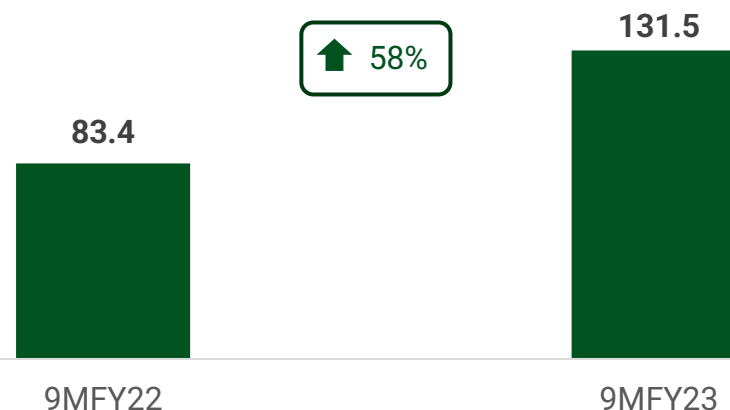


9M FY23 – Business Highlights

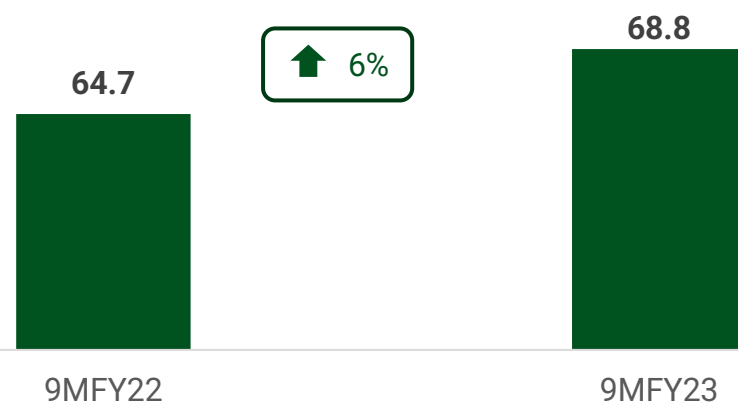
Exports Sales Value (Rs. Cr.)



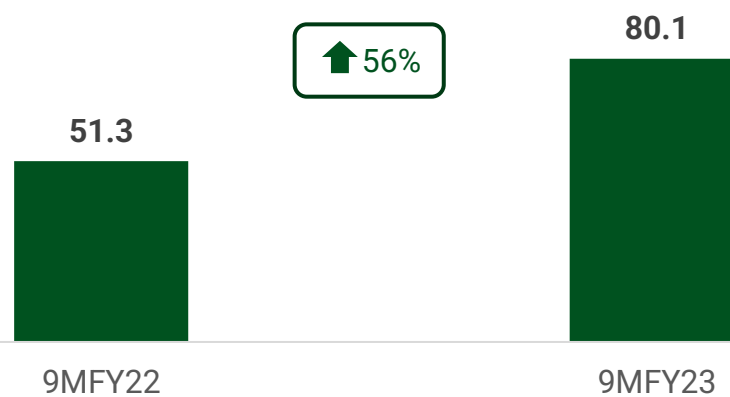
Export Sales Volume ('000 MT)



Export Average Realizations (Rs. per kg)



Top 10 countries* export revenue (USD Mn)



**Top 10 export countries include Canada, Yemen, Israel, Manutius, Egypt, UAE, USA, Malaysia, Saudi Arabia, Singapore in 9MFY23.
Note: Export includes basmati and non-basmati rice.*

Q3 and 9M FY23 Highlights



Business Highlights

- ❖ For Q3FY23, the export volume grew by 44% YoY and export sales grew by 66% YoY to Rs. 312.4 Cr. Average export realization in the period increased by 15% YoY
- ❖ Top 10 countries reported 56% YoY growth in export revenues in 9MFY23
- ❖ We intent to grow our Branded export sales by 15-25% in the coming years
- ❖ The company has considerably increased its presence in Yemen, Israel & Egypt
- ❖ The company has entered new countries in the Central Asian region during 9MFY23



Financial Highlights

- ❖ For Q3FY23, the operating revenue grew by 62% YoY to Rs. 353.9 Cr. from Rs. 218.9 Cr. in Q3FY22 and the operating revenue was at Rs. 1,030.2 Cr. in 9MFY23, up 65% YoY
- ❖ EBITDA was up by 130% YoY to Rs. 51.4 Cr. in Q3FY23, from Rs. 22.4 Cr. in Q3FY22 and up by 97% QoQ
- ❖ EBITDA margin improved by 430 bps YoY from 10.2% in Q3FY22 to 14.5% in Q3FY23 and improved by 472 bps QoQ from 9.8% in Q2FY23
- ❖ 9MFY23 EBITDA was up by 81% YoY to Rs 110.4 Cr
- ❖ Freight expenses in 9MFY23 has reduced significantly as compared to same period last year
- ❖ Profit after tax was up by 134% YoY to Rs. 37.5 Cr. in Q3FY23, from Rs. 16.0 Cr. in Q3FY22 and up by 85% QoQ
- ❖ 9MFY23 PAT was up by 88% YoY to Rs 79.9 Cr.
- ❖ The total inventory as on December 31,2022 was Rs. 439.0 Cr.

Financial Summary – Profit and Loss Statement

Quarter Ended					Profit and Loss Statement (Rs. Cr.)	9M Ended		
Q3FY23	Q2FY23	Q3FY22	QoQ %	YoY %		9MFY23	9MFY22	YoY %
353.9	266.5	218.9	33%	62%	Revenue from operations	1030.2	622.9	65%
2.0	2.6	2.0	-23%	3%	Other Income	4.7	3.7	28%
355.9	269.1	220.9	32%	61%	Total Income	1034.9	626.6	65%
305.8	242.8	199.4	26%	53%	Total Expenses	927.9	569.6	63%
51.4	26.1	22.4	97%	130%	EBITDA	110.4	60.9	81%
1.3	1.1	1.1	23%	19%	Depreciation and amortization expenses	3.6	3.0	18%
50.0	25.0	21.3	100%	135%	EBIT	106.8	57.8	85%
1.9	1.3	1.8	44%	8%	Finance costs	4.5	4.6	-2%
50.1	26.3	21.4	91%	134%	Profit before tax	107.0	56.9	88%
12.7	6.1	5.4	107%	133%	Tax Expenses	27.1	14.5	87%
37.5	20.2	16.0	85%	134%	PAT	79.9	42.5	88%
7.2	3.9	3.1	85%	134%	EPS	15.4	8.2	88%

About the company



CLSEL at a glance



**Reputed
brand**



660 MT/day processing



Largest
private label exporter



3 star
export house



Since 1974
(~48 Years)



Exports to **90+** Countries



16%
(Last 10 years CAGR
sales growth)



80,000 MT warehouse
capacity



35%
Shareholders return in last
10 years

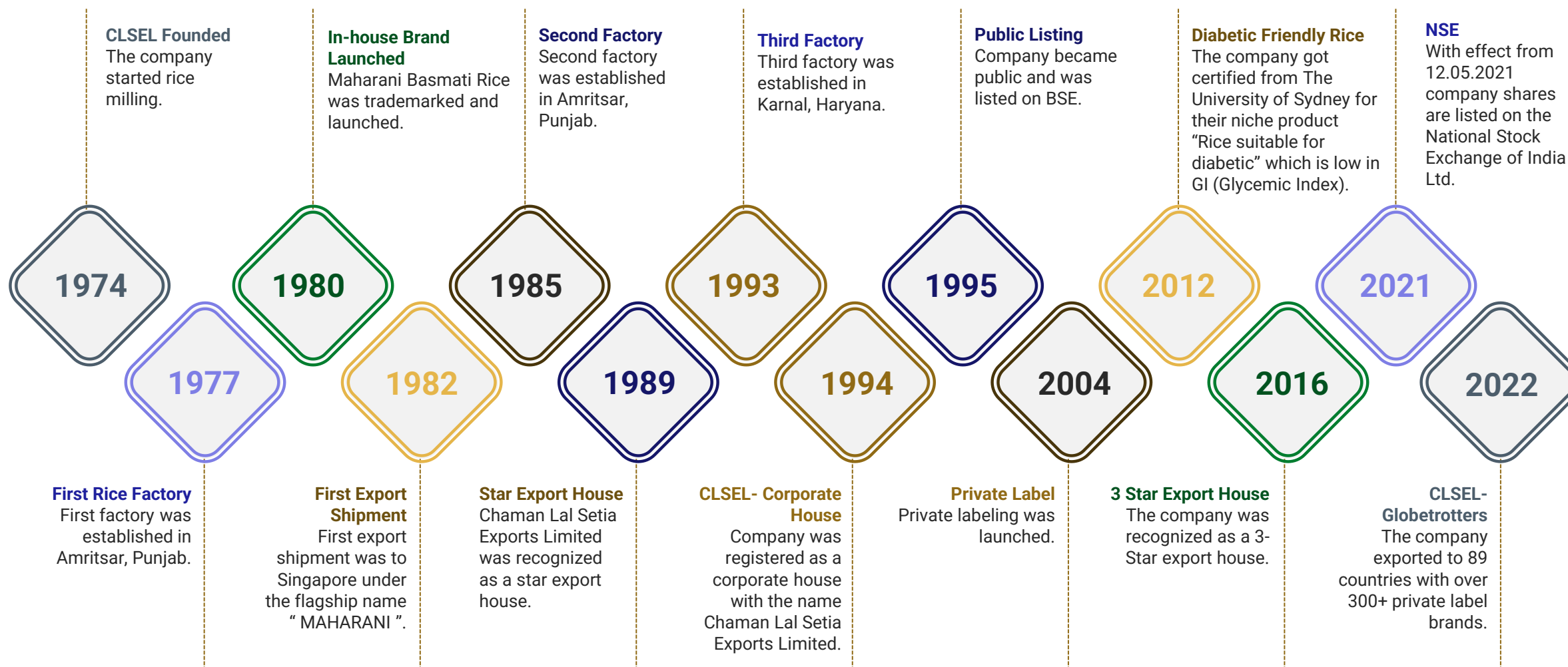


440+ distributors across
globe




300+
Private label brands

Our Journey

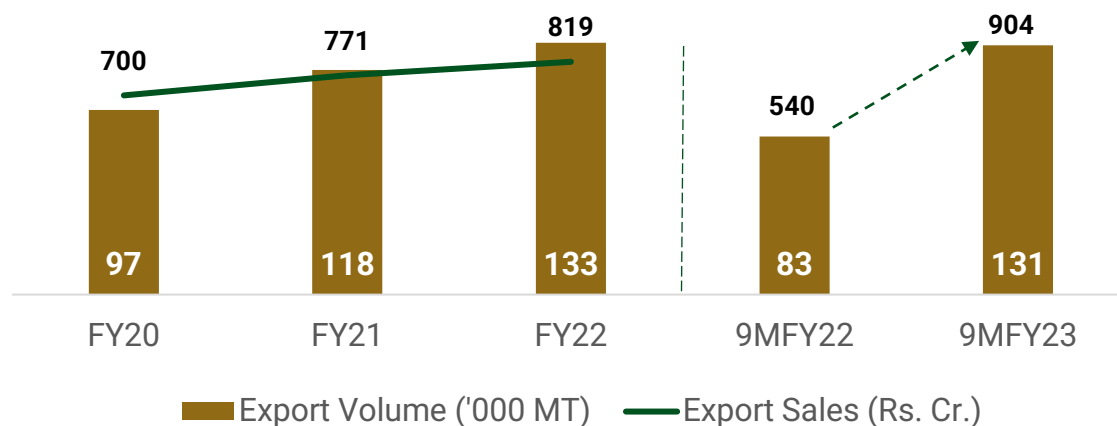


CLSEL: India's leading private label rice exporter

Over 4 decades of experience in rice export business

						
Exports to 90+ countries	Exporting since 1982; Established clientele providing repeat business	Flagship brand 'Maharani' has presence in 40+ countries	Entire exports is insured through ECGC cover	Recognized as a 3 Star Export house	440+ distributors with average relationship of ~15 years	Exports contributed around ~85% of sales

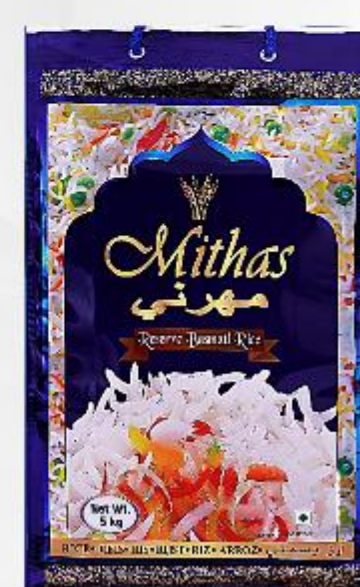
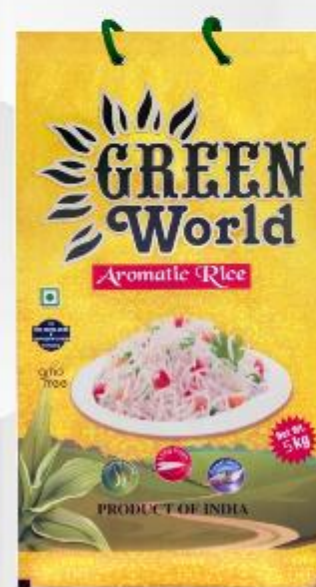
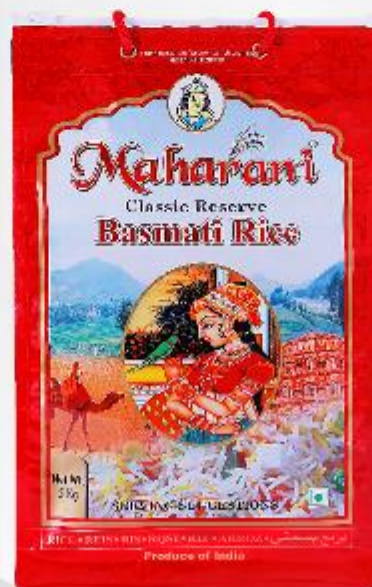
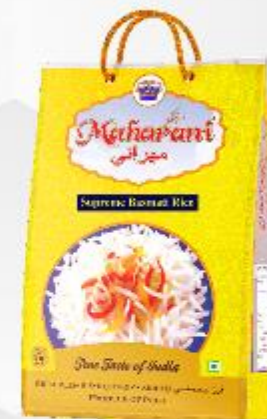
Export sales (Rs. Cr.) and volume ('000 MT)



Private label customers



Portfolio



Business Model



Our sustainable business model

Procurement

- Established procurement network across all mandis in basmati growing areas.
- Strong relationship with commission agents.
- Stringent quality control measures.
- Majority of the procurement is on cash basis in order to avail cash discount.

Quality check

- Stringent quality control systems to ensure superior quality.
- All facilities are certified by internationally acclaimed third-party certification and accreditation bodies.

Distribution

- Exporting to over 90 countries presently through 440+ distributors all over the world.
- Established relationship of over two decades with major customers.



Processing

- State-of the-art processing facilities in Karnal, Haryana and Gandhidham, Gujarat.
- Fully insulated factories with latest technology like aerodynamics technology.
- Over the years, the company has carried out innovations leading to higher productivity and efficiency in the manufacturing process leading to savings in water and energy consumption.

Packaging & Warehousing

- Facility has packaging capacity ranging from 0.5 Kg to 1MT.
- 80,000 MT warehouse capacity in Karnal. New capacity in Gandhidham near Mundra port- Gujarat; facilitating speedy exports.

Processing facilities

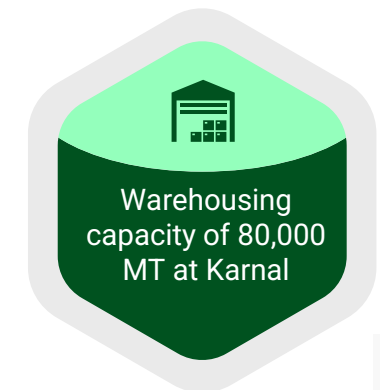
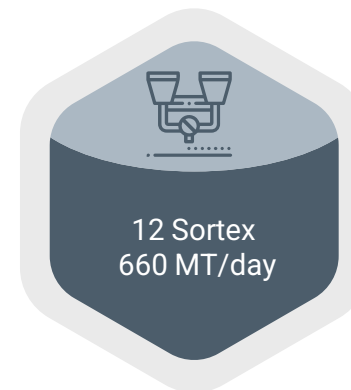
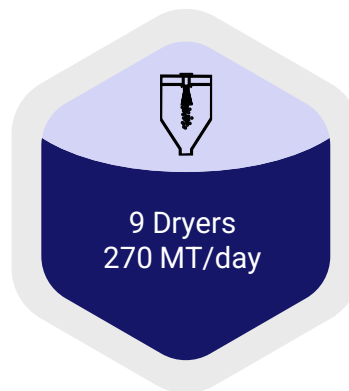


Processing facilities

☞ Karnal facility is nested favorably near to the paddy growing areas, providing access to superior raw materials. Further, Gandhidham facility is near to Mundra port, which help in exports.

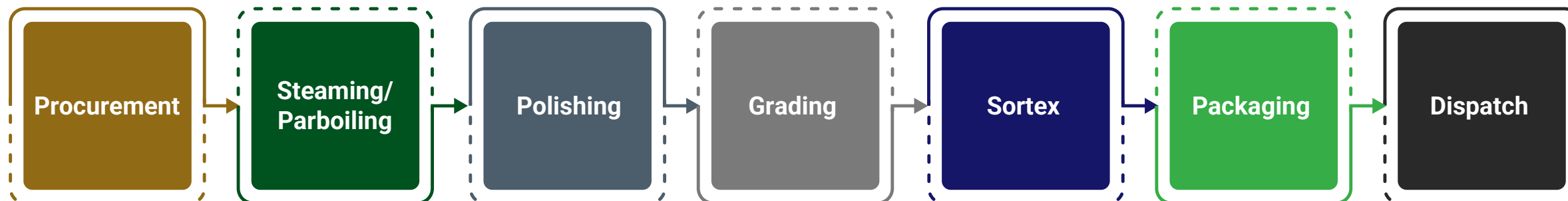
☞ State of the art processing facility in Karnal (Haryana) using latest aerodynamics and Sortex technology. 1 MW captive solar roof top power plant.

☞ Karnal is the hub for agricultural research institutes and the company has tie-ups with many agricultural scientists apart from in-house R&D.

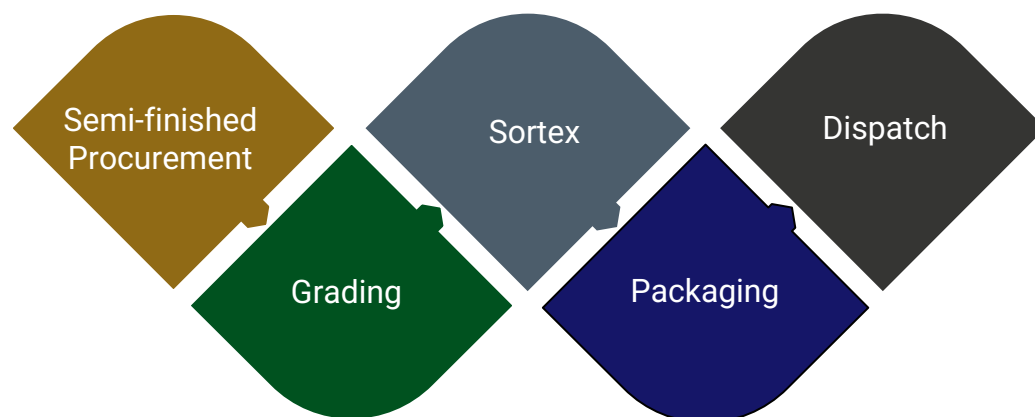


Unit-wise operations and certifications

Karnal (97%* of total sales)



Gandhidham (3%* of total sales)



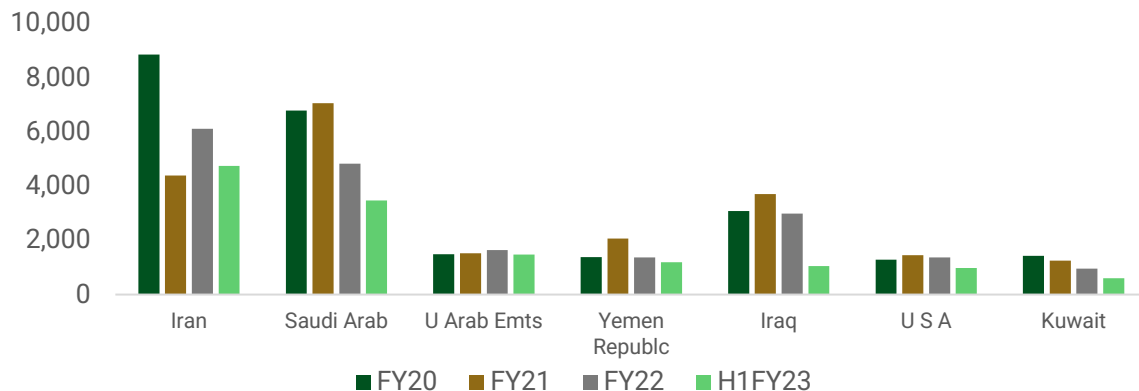
US FDA Certification 	ISO 22000:2018 	Organic products standards 	BRC [British Retails Consortium] Certificate 	USDA Certificate 
Halal India certificate 	FSSAI License 	APEDA certified 	Kosher Certificate 	HACCP Certificate 

Industry Highlights

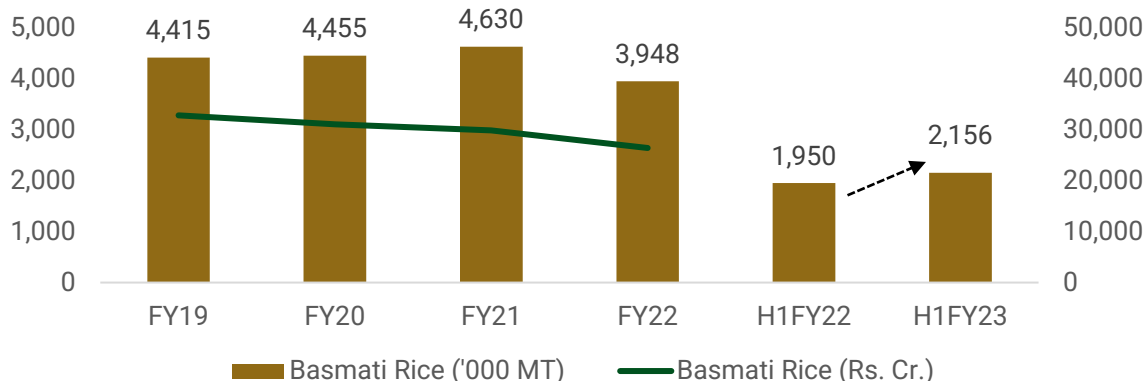


Indian Basmati rice industry

Top importing countries of Indian basmati rice (Rs. Cr.)*



Indian basmati rice exports (Quantity and Value)*

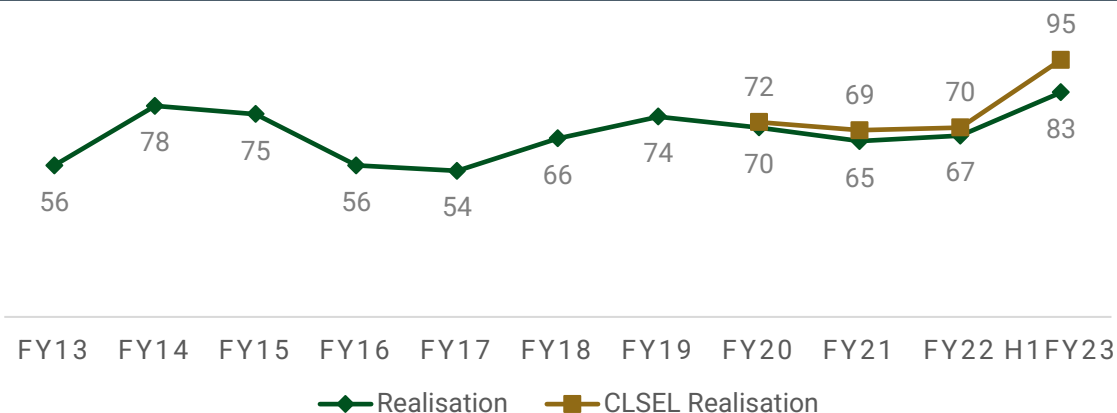


Basmati rice is majorly produced in India, with balance quantity from Pakistan. Indian Basmati rice has got Geographic Indication (GI) recognition.

India has strong dominance in the export of basmati rice (160+ countries) especially to the Middle East. Basmati Rice exports have witnessed a CAGR growth of 5.5% in last 10 fiscals with its export standing at Rs. 17,886 Cr* as on H1 FY2023.

Introduction of higher yielding and shorter duration varieties has supported strong growth in Basmati production in the last two decades. New variety is increasingly adopted by farmers due to shorter growth cycle, lower irrigation requirements and higher yields compared to other traditional varieties.

Basmati rice Industry* and CLSEL basmati realisation (Rs. per kg)



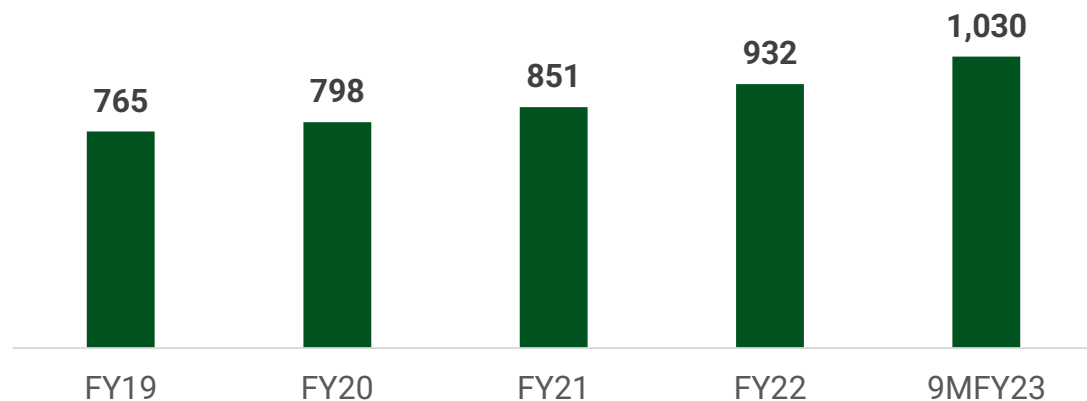
*Source : APEDA

Financial Trends

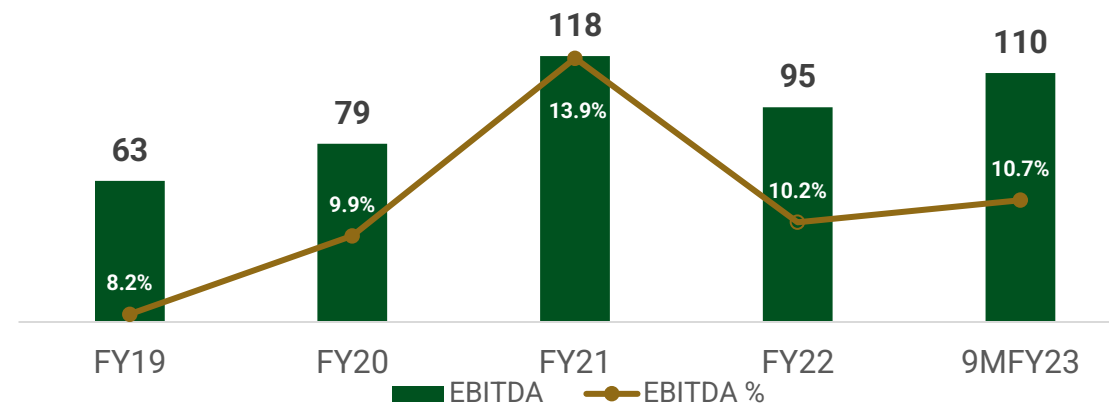


Consistent financial performance

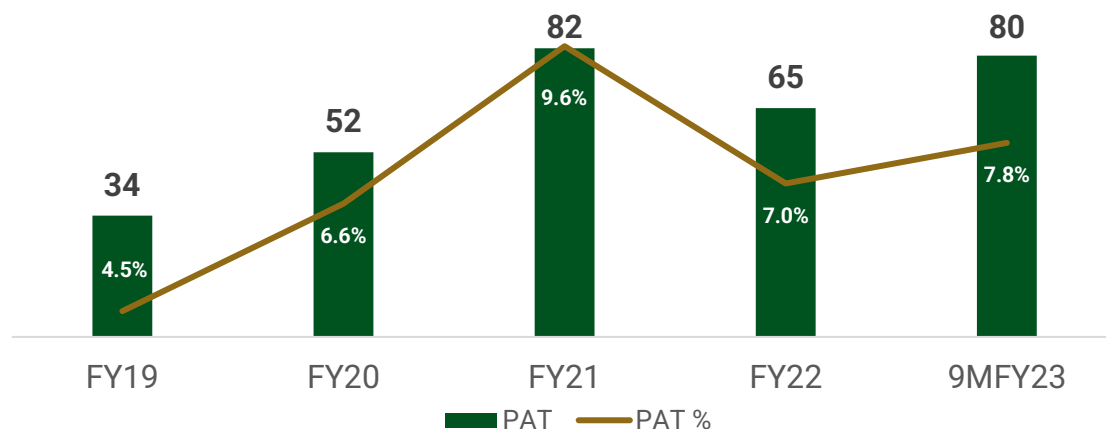
Revenue (Rs. Cr.)



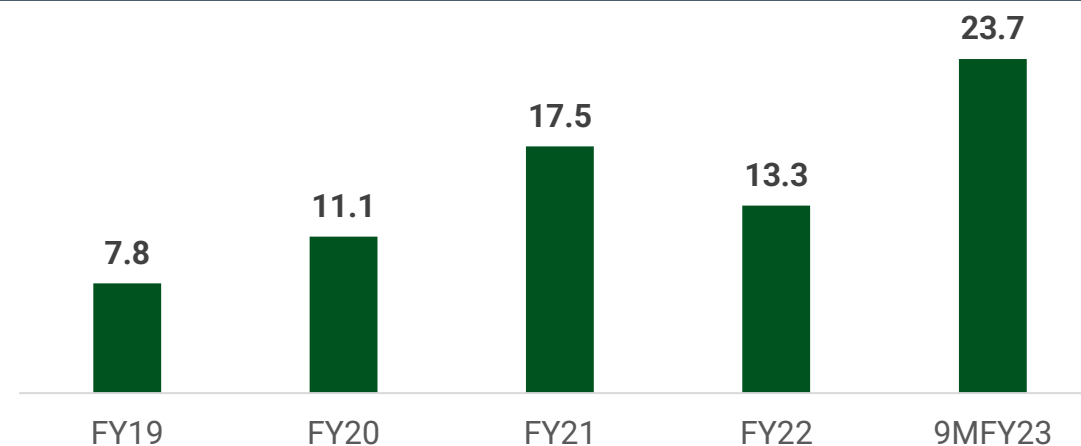
EBITDA (Rs. Cr.) and EBITDA Margin (%)



PAT (Rs. Cr.) and PAT Margin (%)

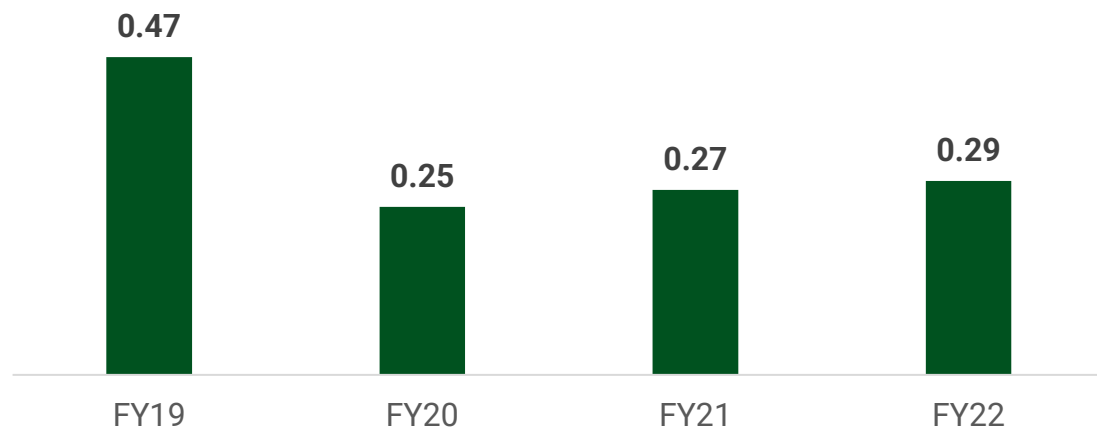


Interest Coverage Ratio (x)

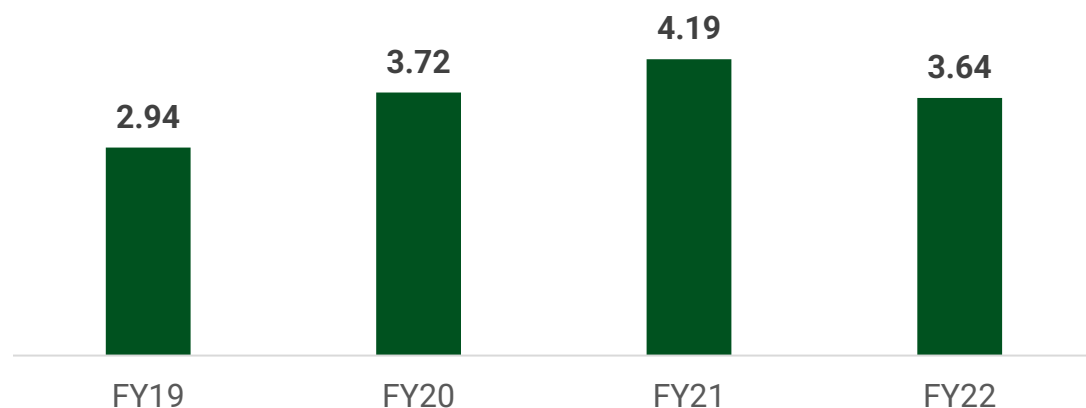


Strong financial indicators

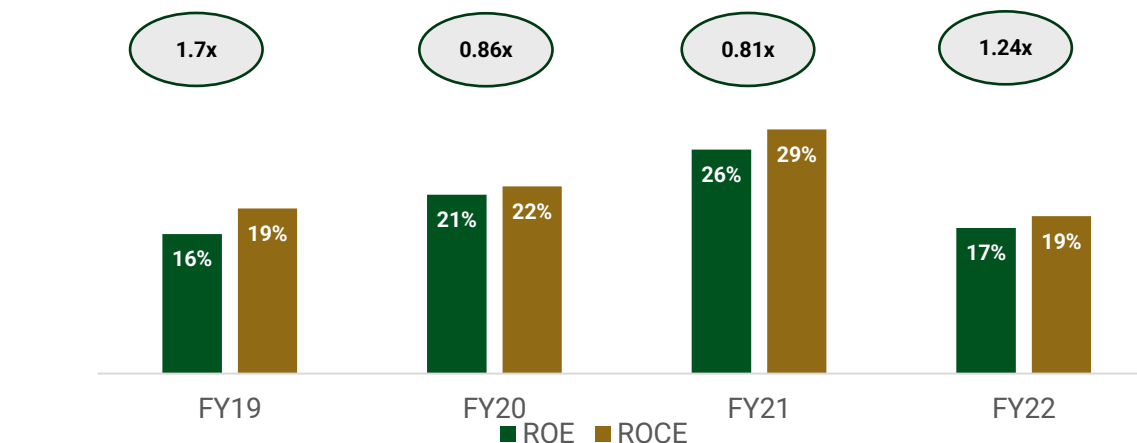
D/E Ratio (x)



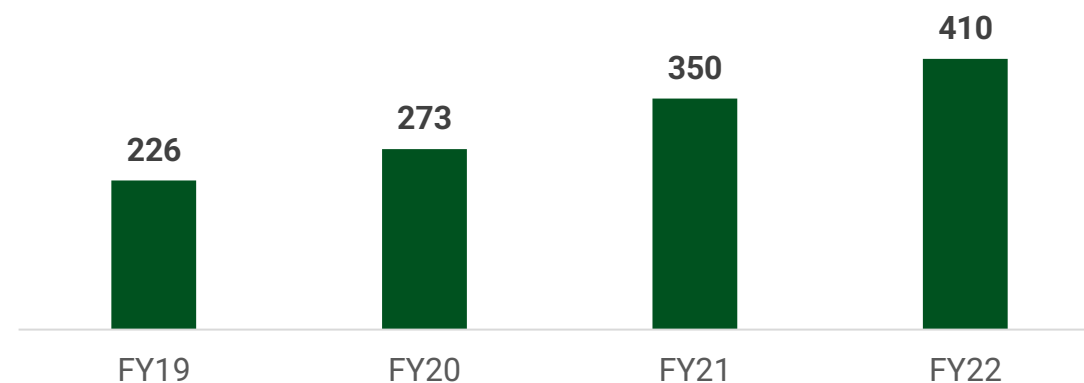
Current Ratio (x)



ROE, ROCE and D/EBITDA



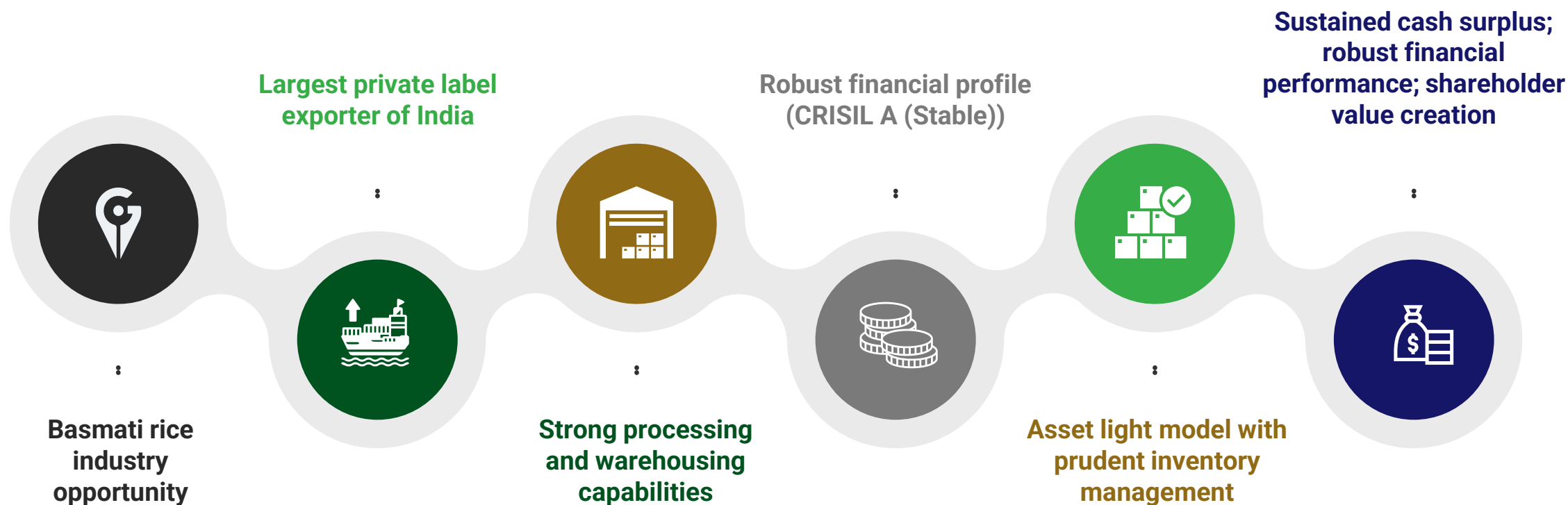
Net Worth (Rs. Cr.)



Investment Highlights

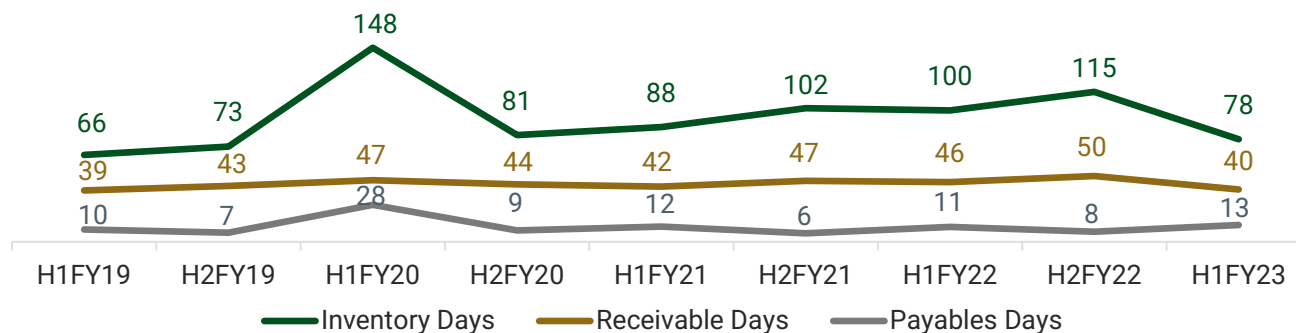


Key investment highlights

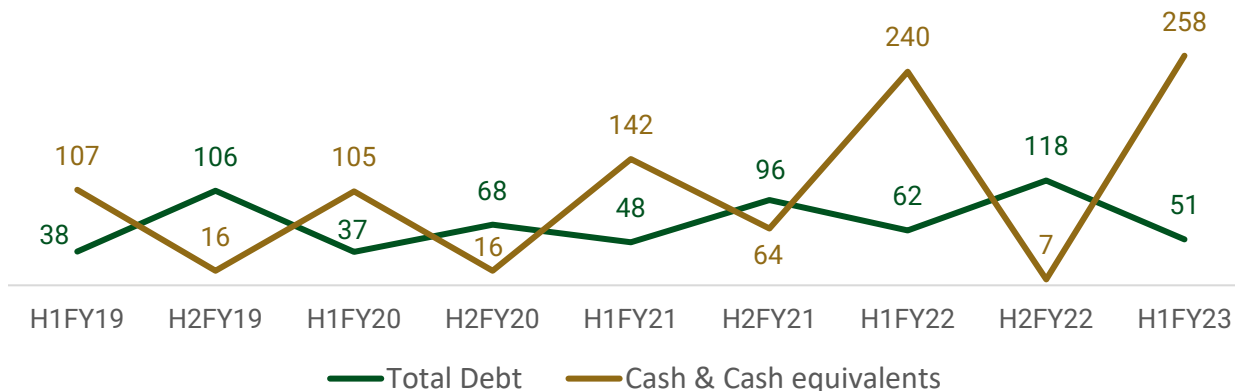


Superior cash conversion; Asset light model

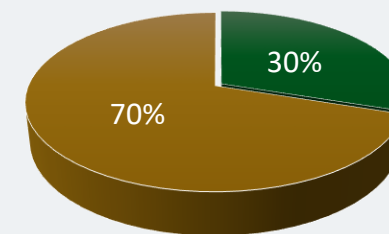
Working Capital Indicators (Days)



Total Debt and Cash (Rs. Cr.)



Almost 30% of the finished rice is through the rice milling process (i.e., paddy to finished rice) with the balance ~70% through procurement of semi-finished rice and conversion to finished rice (majorly requiring Sortex). Thus, the overall processing cycle remains short and the company remains relatively asset light. Further, the inventory days also remains moderate as the company does not engage into inventory ageing and therefore possess lower inventory risk.



■ Paddy to FG ■ Semi-finished to FG

Procurement of Paddy starts in Q3-Q4; this results in increase in inventory from Q3-Q4

Inventory days and receivable days remains moderate at 78 days and 40 days for H1FY2023

Asset Light model with lower inventory risk

Company has Cash on books at Rs. 258 Cr. as on September 30, 2022

Sustained improvement in credit rating

Credit Rating : CRISIL A (Stable)

- This rating reflects adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.

FY2023*	FY2022	FY2021
CRISIL A/Stable	CRISIL A-/Positive	CRISIL A-/Stable

Dun & Bradstreet Rating

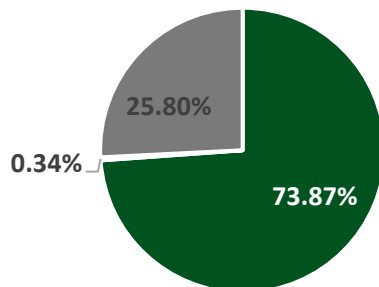
- D&B rating of “5A3” with condition “Fair”.
- D&B Indicative Risk Rating of ‘5A’ implies that the company has a tangible net worth of Rs. 65 Cr. and above. Composite appraisal ‘3’ indicates a ‘Fair’ overall status of the company.



*Rating as on November 17, 2022.

Shareholder value creation

Shareholding Pattern as of December 31, 2022*



■ Promoters ■ FII ■ Others

1-Year Stock Price Movement*



Shareholder Information as on December 31, 2022

530307
BSE Ticker

CLSEL
NSE Symbol

Food Processing
Industry

679
Market Cap (Rs. Cr.)

26.13
% Free- float

5.17
Shares Outstanding (Cr.)

37%
1-Year Stock Price Return

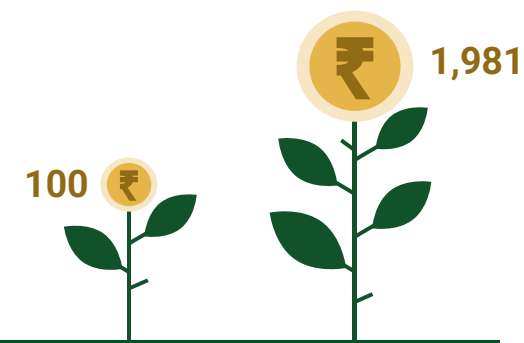
42%
3-Year Stock Price CAGR

#319 of 500

Fortune India FMCG companies 2022

35%

Total shareholder return CAGR over last 10 years



Rs. **100** invested in Chaman Lal Setia Exports Limited in 2012 was worth Rs. **1,981** as on December 31, 2022.

Experienced Management



Key management team



Mr. Vijay Setia
CMD/ Managing Director

Former All India Rice Exporters
Association President



Mr. Rajeev Setia
Joint Managing Director
& CFO



Mr. Ankit Setia
Executive Director



Mr. Sankesh Setia
Executive Director



Mrs. Sweta Setia
Executive Director



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