

Reinventing the GRM Brand

Cultivating the future of rice exports



Q1 FY2019

The GRM Brand today

- A leading exporter of rice to the Gulf region, with a majority of exports concentrated in this region
- Exporting high quality traditional basmati varieties of rice to US, UK and other European countries
- Launched own brands during FY2018 which are sold at large retailers like ASDA (Walmart UK) and T.J. Morris in the UK
- Less than 10% of Revenues come from Value Added Products

Moving towards the next phase of growth...

Reinventing the Business

- Diversifying from traditional basmati rice offerings to high margin own brands, specialized and value added products
- Targeting value added and ready to eat health products in Europe where there is significant demand for such products
- Focus on supplying specialized / rare rice varieties and health oriented ready to eat products with signature recipes



Redefined Value Proposition



Integrated Business Model



Niche Product Market



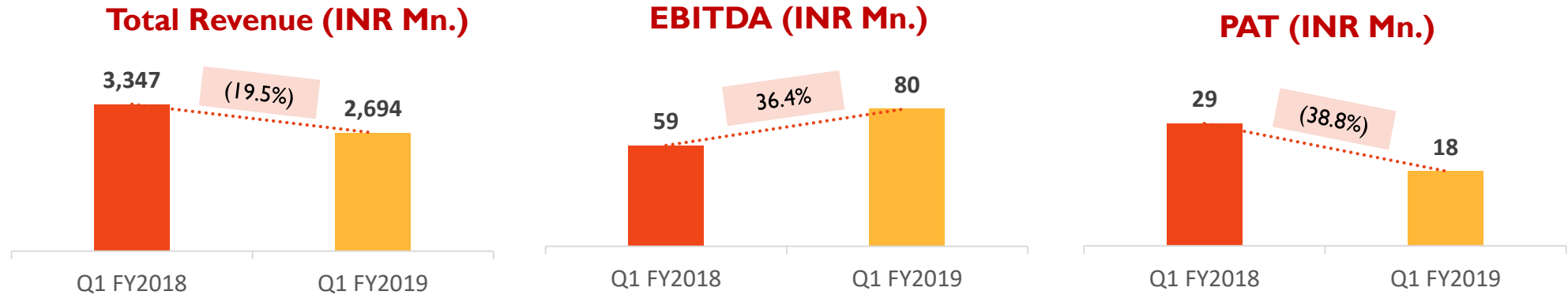
Increasing Market Traction



Enhanced R&D Capabilities

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Commenting on the results and performance, **Mr. Rohit Garg, MD, and Mr. Atul Garg, Joint MD** said:

“During Q1FY2019, GRM saw a decline in sales due to economic slowdown and other geopolitical challenges in the MENA region which led to volatility in commodity prices and has resulted in lower price realisations. However, we believe that these headwinds have a short term impact and we expect sales to stabilize in the near term.

As a part of our strategy, we were focused on improving EBITDA margins and are very pleased with the growth in EBITDA of 36.4% y-o-y. This was primarily driven by a steady increase in sales from own branded products as well as effective cost control measures.

GRM will continue to focus on diversifying the product mix by increasing contribution from high margin own brands, specialized and value-added products. This will further drive our EBITDA margins and result in enhanced profitability.”

Building momentum for the next phase of our growth story...



(INR Million)	Q1 FY2019	Q1 FY2018	Y-o-Y %	FY2018	FY2017	Y-o-Y %
Total Income from Operations	2,694	3,347	(19.5)%	9,442	5,912	59.7%
EBITDA	80	59	36.4%	350	202	73.1%
<i>EBITDA Margin</i>	<i>3.0%</i>	<i>1.8%</i>		<i>3.7%</i>	<i>3.4%</i>	
EBIT	75	54	39.2%	330	183	80.7%
<i>EBIT Margin</i>	<i>2.8%</i>	<i>1.6%</i>		<i>3.5%</i>	<i>3.1%</i>	
Finance Cost	39	13	211.5%	148	98	50.2%
PBT	36	42	(12.5)%	183	85	116.0%
<i>PBT Margin</i>	<i>1.4%</i>	<i>1.2%</i>		<i>1.9%</i>	<i>1.4%</i>	
Tax	19	13	45.6%	64	29	123.3%
PAT	18	29	(38.8)%	119	56	112.2%
<i>PAT Margin</i>	<i>0.7%</i>	<i>0.9%</i>		<i>1.3%</i>	<i>0.9%</i>	
Basic EPS	4.8	7.8	(38.8)%	32.1	15.1	112.2%

Comments

Revenues were impacted due to fluctuation in commodity prices in our export markets, especially MENA region

Improvement in EBITDA margin was attributable to increased sales from own branded products as well as effective cost control measures



- Achieved a new milestone in our 40 year history in FY 2018 by starting supply of own branded products to European retailers
 - Our customers currently include ASDA (Walmart UK), T.J. Morris and B&M in the UK; Albert Heijn in Holland and Metro in Poland
 - GRM has recently entered into an agreement with TESCO UK to place its own brand of basmati rice 'Himalaya River' in TESCO UK stores. Starting September 2018, 'Himalaya River' basmati rice will be available in 5kg and 10 kg pouches in around 220 TESCO stores across the UK
- Our Recent Launches include Tanush, Tanoush, 1121 Cream Sella and Gianna which are premium basmati rice offerings geared at the fast growing health conscious population in particularly Europe / USA / Australia
- Expanded exports to more than 25 new countries.
- Technology tie up with a leading organic products company to develop specialized organic food products

Launching value added products and expanding business to new countries to drive future growth



A Wealth of Experience

Over 40 years in the Rice business with a legacy of supplying products of the highest quality

Export Oriented

Around 90% of our Revenues are generated from exports to the Middle East; we are also focused on exports to US & UK

Global Standards

Stringent proactive quality control procedures in place which are in accordance with International requirements

Moving up the Value Chain

Focused on high quality value added offerings such as branded rice varieties, branded basmati, organic rice products and ready-to-eat

Diversified Basket of Rice Products

A variety of rice offerings catering to a mix of consumer preferences basmati, specialised products and value added products

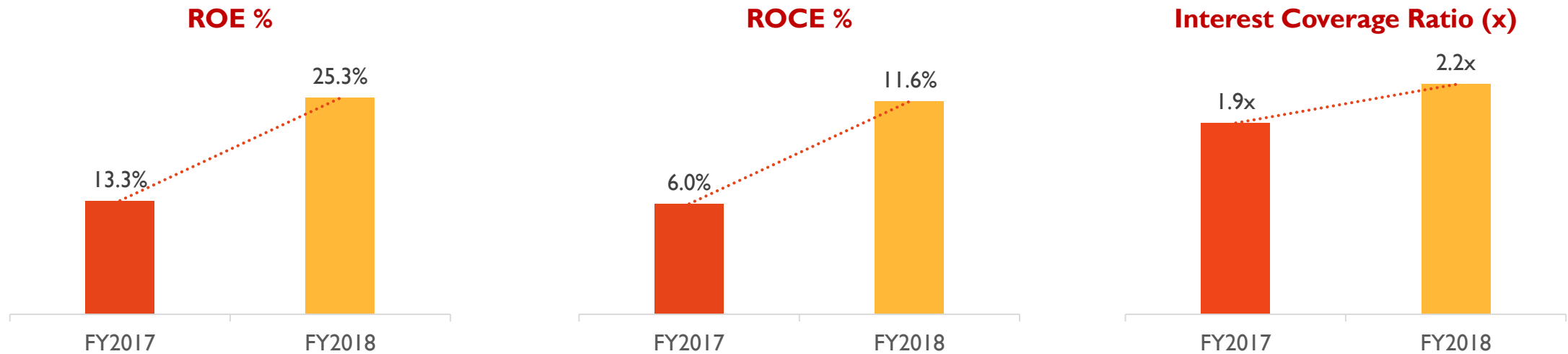
Robust Financial Performance

Revenues of INR 9,442 mn in FY2018, an increase of 60% YoY, Net Profit of INR 119 mn, growth of 112% YoY.

“GRM has always believed in delivering the best. We are constantly focused on raising the standards...”



Continuous focus on enhancing shareholder's return...

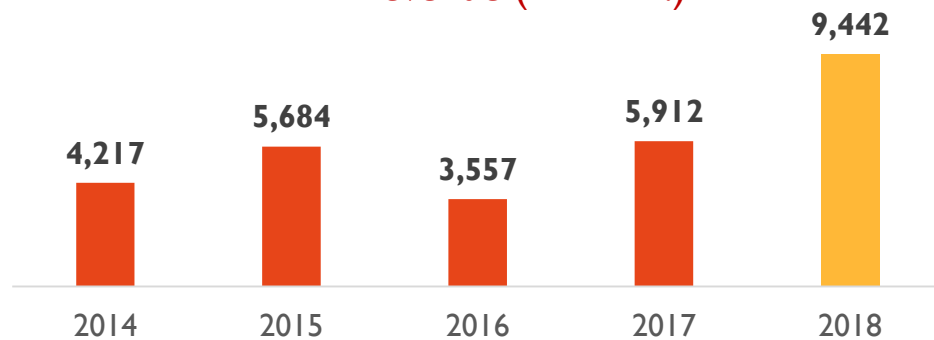


During the year, management continued its focus on penetrating new markets with value added products

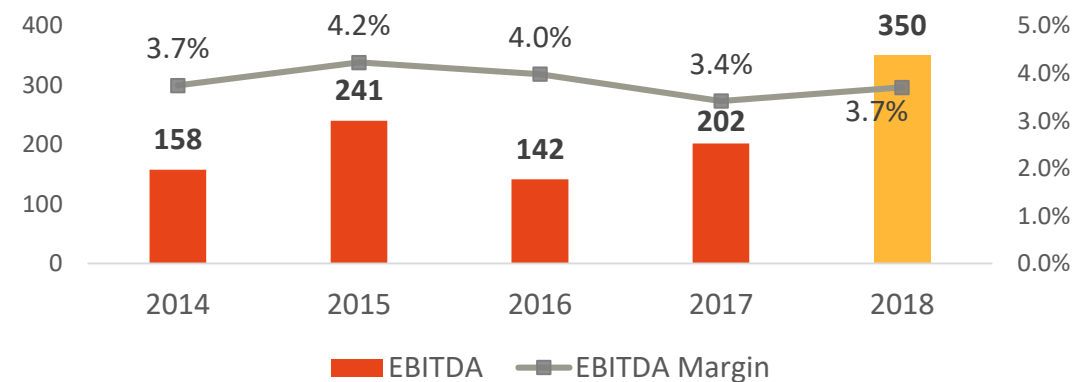
Strong improvement in return ratios



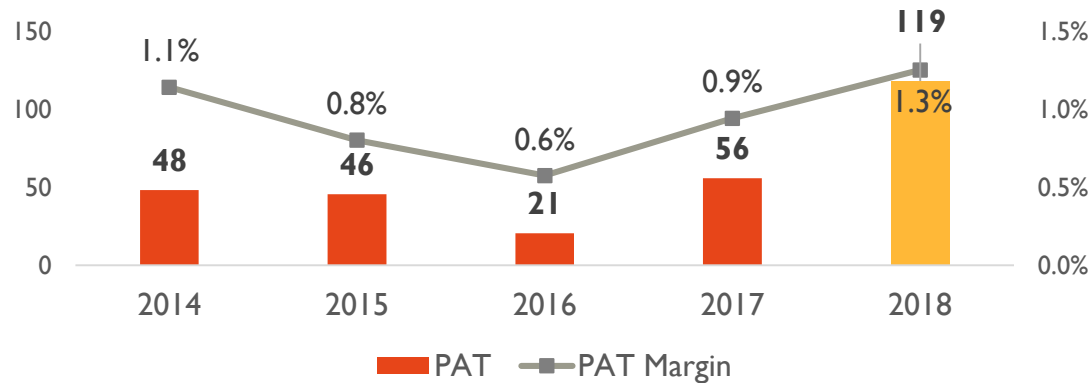
Revenue (INR Mn.)



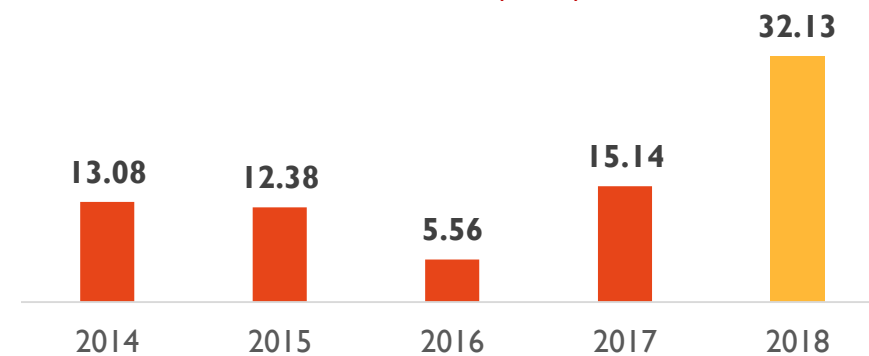
EBITDA (INR Mn.)



PAT (INR Mn.)

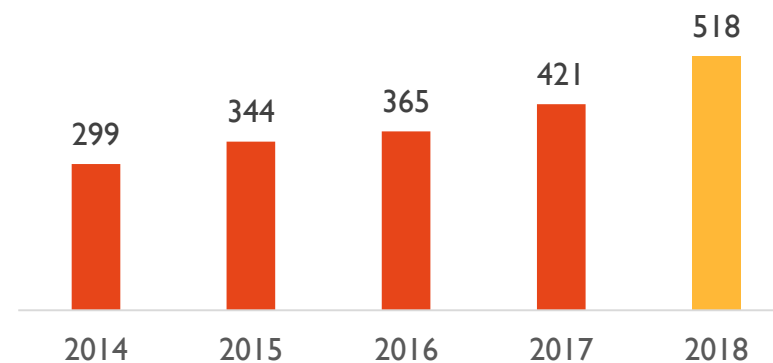


Basic EPS (INR)

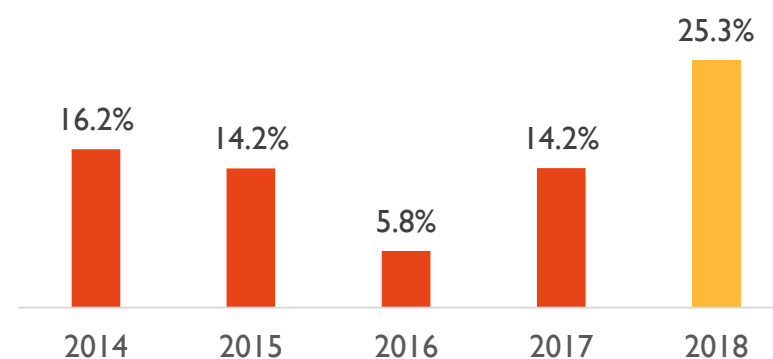


(INR Million)	FY2018	FY2017
Short Term Debt	2,335	1,496
Long Term Debt	583	484
Total Debt	2,918	1,980
Cash and Cash Equivalents	11	18
Net Debt	2,907	1,963
Total Shareholder Equity	518	421
Net Debt to Equity (x)	5.6x	4.7x
Interest Coverage Ratio (x)	2.2x	1.9x

Total Shareholders' Funds (INR Mn.)



Return on Equity (ROE %)



This presentation contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to GRM Overseas’ 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.

GRM Overseas undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

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