



Investor Presentation
August 2019



“ At ADF we believe in maintaining high quality standards, introducing new and innovative products while remaining customer centric ”





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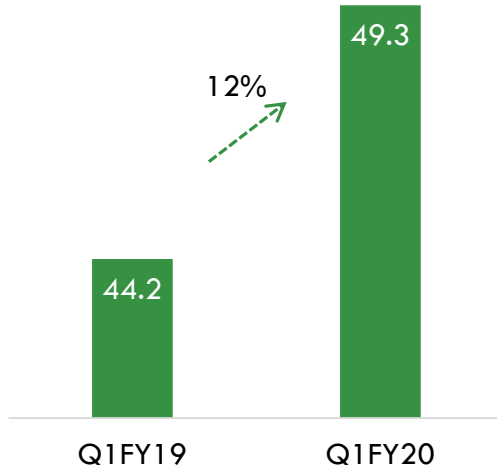


Q1 FY20 highlights

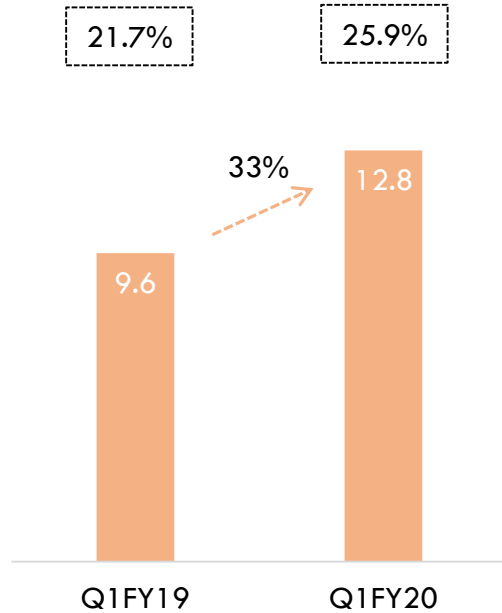
Financial highlights Q1 FY20

Rs in Crs

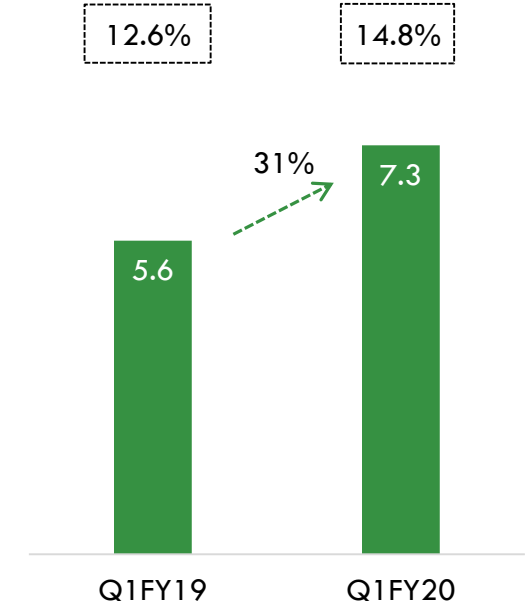
Revenue



EBITDA and EBITDA Margin



PAT and PAT Margin



Exports contribute to more than 95% of revenues

Recent product launches



Profit and loss statement

(Rs Cr)	Standalone			Consolidated		
	Q1FY20	Q1FY19	YoY	Q1FY20	Q1FY19	YoY
Revenue from operations	44.1	40.2	9.6%	65.7	49.0	34.0%
Other income	5.2	4.0	31.0%	5.2	4.0	30.9%
Total Income	49.3	44.2	11.5%	70.9	53.0	33.8%
Cost of material consumed	22.6	29.8	-24.4%	22.6	29.8	-24.4%
Changes in inventories	-4.7	-11.9	-60.7%	-7.2	-14.1	-48.8%
Purchase of stock-in-trade	2.8	2.0	39.1%	20.8	9.6	116.9%
Employee expenses	4.9	4.2	16.5%	5.6	4.9	13.4%
Other expenses	10.9	10.5	4.3%	14.0	12.6	10.5%
Total Operating expenses	36.5	34.6	5.4%	55.8	42.8	30.3%
EBITDA	12.8	9.6	33.4%	15.1	10.1	50.1%
EBITDA margin	25.9%	21.7%		21.3%	19.1%	
Finance cost	0.2	0.1	100.0%	0.2	0.1	100.0%
Depreciation	1.4	1.08	29.6%	1.4	1.09	28.4%
Exceptional item	0.6	-		0.6	-	
PBT	10.6	8.4	26.2%	12.9	9.0	43.1%
PBT margin	21.6%	19.0%		18.2%	16.8%	
Tax Expenses (Credits)	3.4	2.8	19.1%	3.9	2.9	33.3%
PAT	7.3	5.6	29.3%	9.2	6.0	53.4%
PAT margin	14.8%	12.6%		13.0%	11.3%	

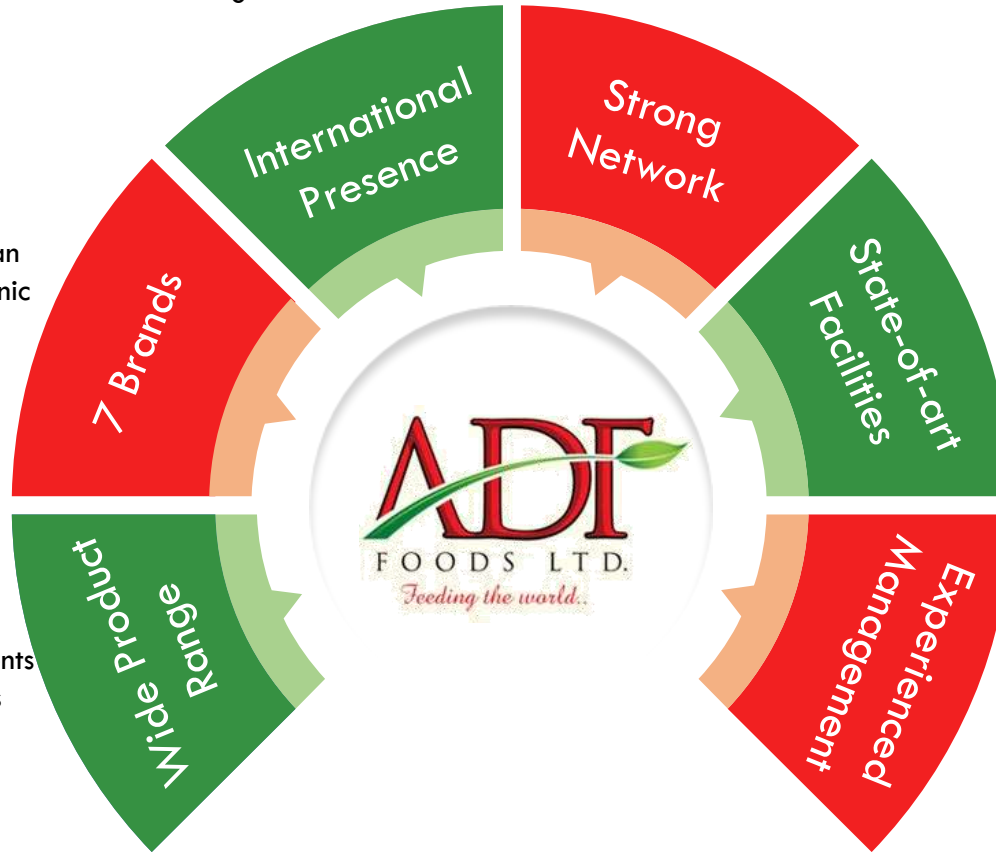


About the company

Wide range of products with established brands & strong distribution

Presence in 50+ countries allowing wide range and coverage

Wide reach across markets with 180+ distributors



- Ashoka
- Aeroplane
- Camel
- Soul

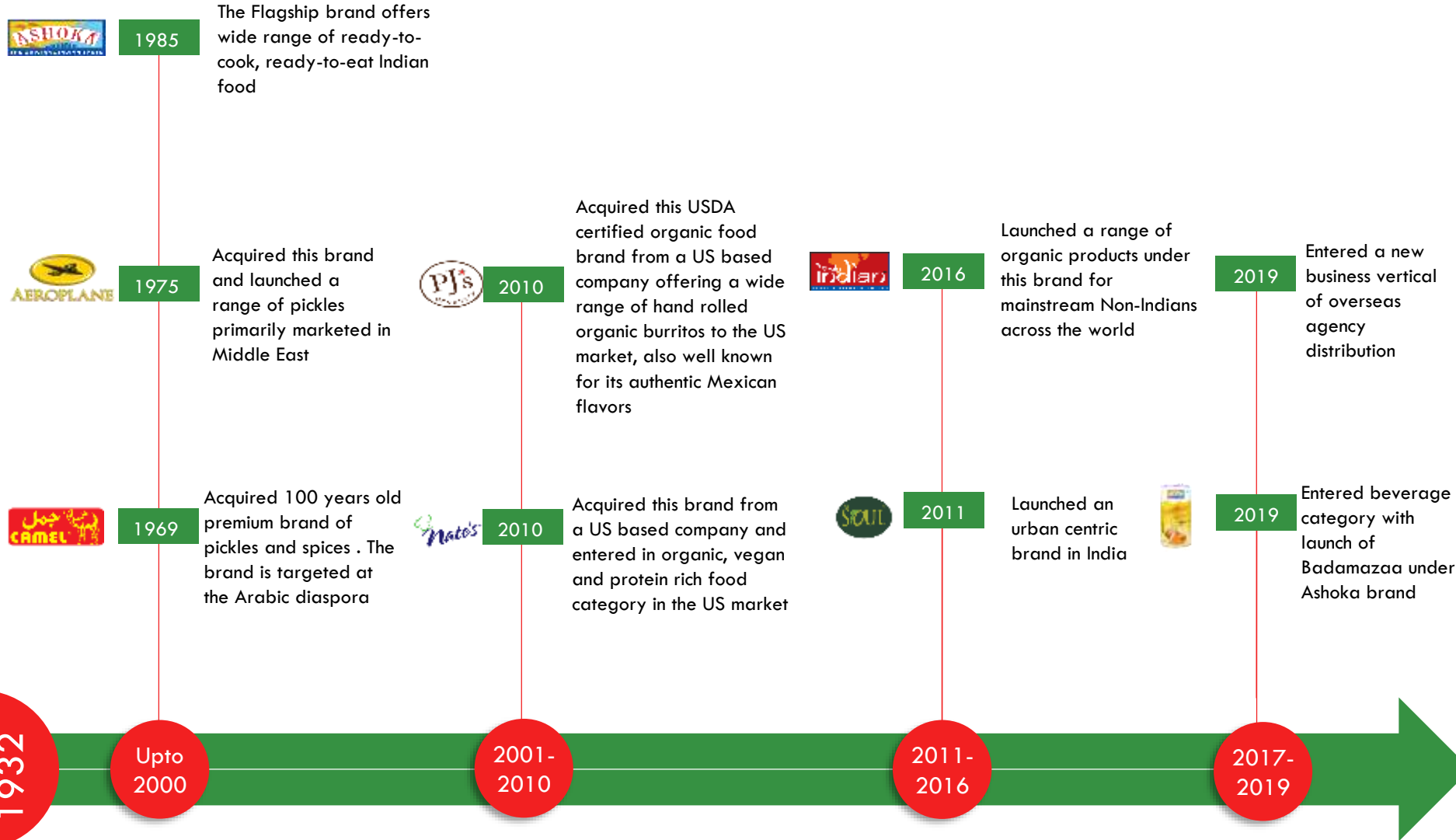
- Truly Indian
- PJ's Organic
- Nate's

Two state-of-art manufacturing facilities at Nashik and Nadiad with total installed capacity of 26,000 TPA

Skilled management with in-depth industry knowledge

- Ready-to-eat
- Ready-to-cook
- Frozen food
- Meal accompaniments
- Pastes, sauces
- Flavored milk

Evolution of the Company



Experienced management



Bimal Thakkar

Chairman, Managing Director
and CEO

- 30+ years of experience in domestic and export management
- Instrumental role in development of Brands and new products, tapping new markets, international acquisitions, setting up of subsidiary companies in U.K. and U.S.A.

Anish Jhaveri

CFO

- 30+ years of experience in corporate finance function for capital intensive companies
- Chartered Accountant and hold a bachelor's degree in commerce

Devang Gandhi

COO

- 30+ years of experience in business management
- Hold a bachelor's degree in commerce

R. R. Singh

VP, Manufacturing

- 30+ years of experience in food industry
- Holds a master's degree in Chemistry and PDG in F&F Technology

Deepak Nachane

GM, Purchase

- 25+ years of experience in procurement, vendor development, inventory control
- Holds engineering degree in production technology & diploma in business & materials management

Maneck Katpitia

VP, International Operations

- 30+ years of experience in international operations
- Holds bachelor's degree in commerce and postgraduate in marketing and sales management

Narayan Kadam

GM, Works (Nasik)

- 15+ years of experience in factory management
- Holds a master's degree in food science and technology

Shalaka Ovalekar

CS & Legal Head

- 15+ years of experience in secretarial and legal functions
- She is a CS, CWA, LLB and holds a bachelor's degree in commerce

Board of directors

Jay Mehta

Non-Executive Director

- 35+ years of rich industrial experience
- He is the Executive Vice Chairman of Gujarat Sidhee Cement Ltd and Saurashtra Cement Ltd and is on the Board of various other private and public limited companies
- Holds a master's degree in business management from IMD LAUSANNE, SWITZERLAND and a bachelor's degree in industrial engineering

Viren Merchant

Independent Director

- 30+ years of experience and expertise in business management and pharmaceutical and healthcare industry
- Currently CEO of Encore Healthcare Pvt Ltd.
- Hold a bachelor's degree in Science

Ravinder Jain

Independent Director

- 45+ years of experience in business management
- Has held various management position like MD of Shaw Wallace, MD of Millennium Alcobev and head of McDowell and Co.
- Has been instrumental in developing several green field businesses in alcohol and beverage industry as well as many well-known brands like McDowell's Whisky, Bagpiper Whisky etc.
- Chemical engineer from IIT, Delhi and post graduate diploma in business administration from IIM, Ahmedabad

Anjali Seth

Independent Director

- 30+ years of experience as a professional lawyer
- Plays a vital role in advising and consulting with banks, financial institutions and corporates as a legal consultant in matters pertaining to M&A, PE Investments, industrial and employees' relations, corporate governance, real estate negotiation, legal matters, statutory issues, etc.
- Holds a bachelors degree in Law

Naresh Kothari

Independent Director

- 25+ years of experience in business building and capital markets
- Has held various management roles including President of Edelweiss Capital, Senior member of Management Committee, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM, and Co-Head of Institutional Equities
- Holds a master's degree from IIM Ahmedabad and a bachelor's degree in computer science

Giving back to stakeholders

Investors

Consistently rewarding shareholders through dividends and buybacks

FY17
Buyback of
Rs 9.6 crore

FY18
Dividend of
25%

FY19
Buyback of
Rs 30 crore

Environment

- Solar power projects to meet ~40% of the total power requirement at the manufacturing plants at Nadiad and 100% power requirement at Nasik
- Invested in waste water treatment, moving towards zero discharge at manufacturing facilities



Society

- Centers for women's education, financial aid towards medical treatment of the underprivileged, residential care expenses for the physically challenged youth, contribution to environment protection by creating awareness for avoiding usage of plastic, animal welfare etc.

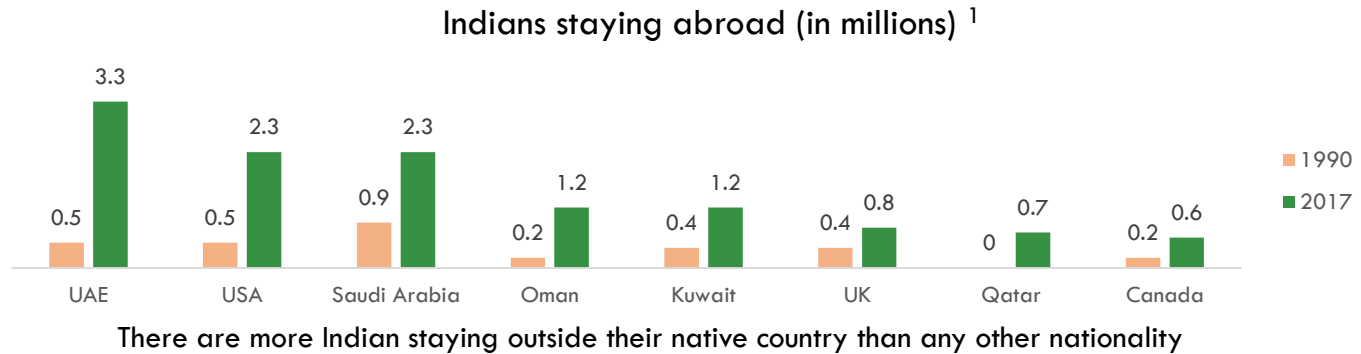




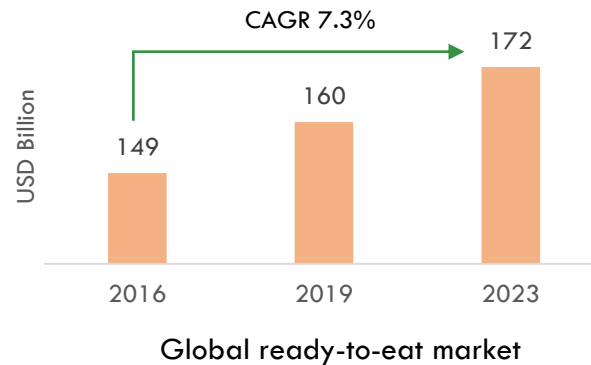
Strengths & drivers

Strong industry fundamentals to drive growth

Indian diaspora driving demand for ethnic RTE food

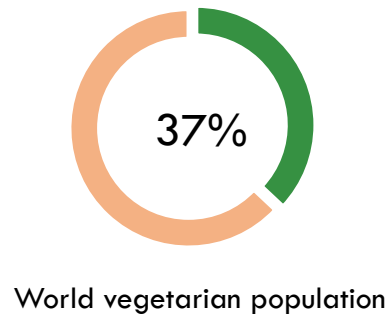


Increasing preference over convenience food



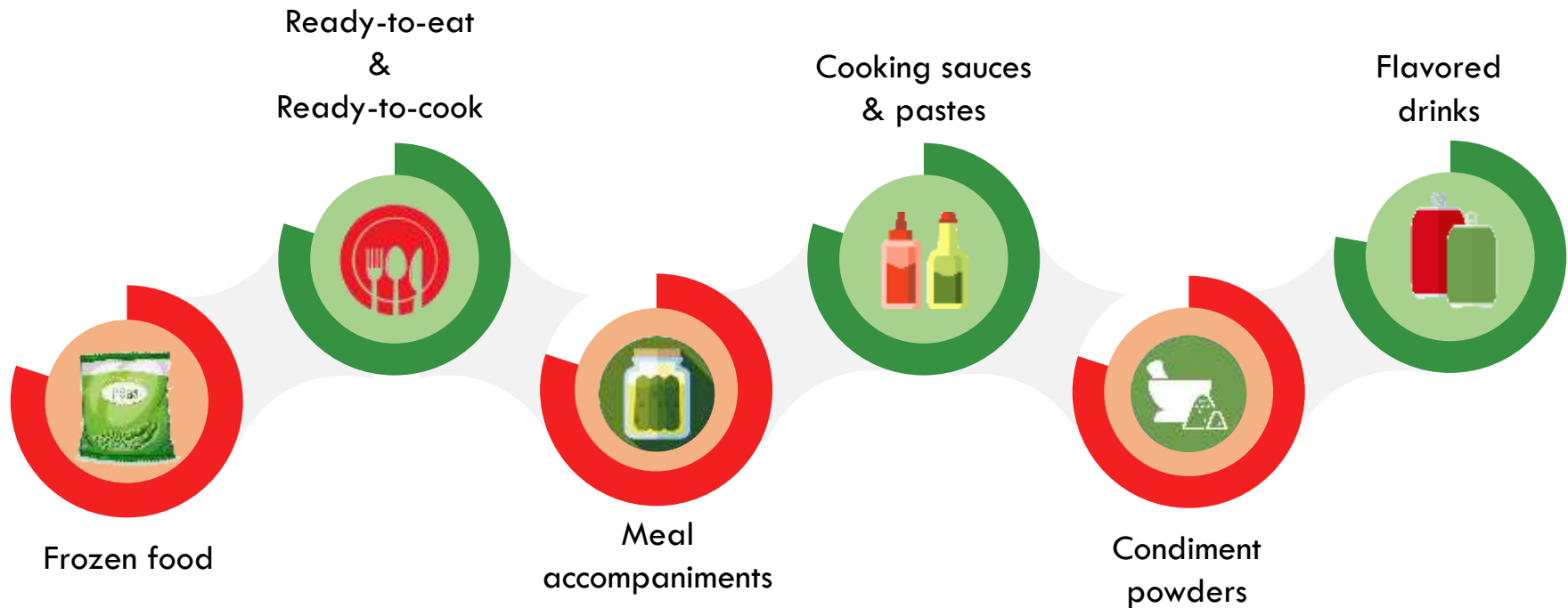
- Millennials prefer convenience and ready to eat food
- The global ready to eat market is expected to grow at a CAGR of 7.3% during 2016-2023²

Eating healthy is the new trend



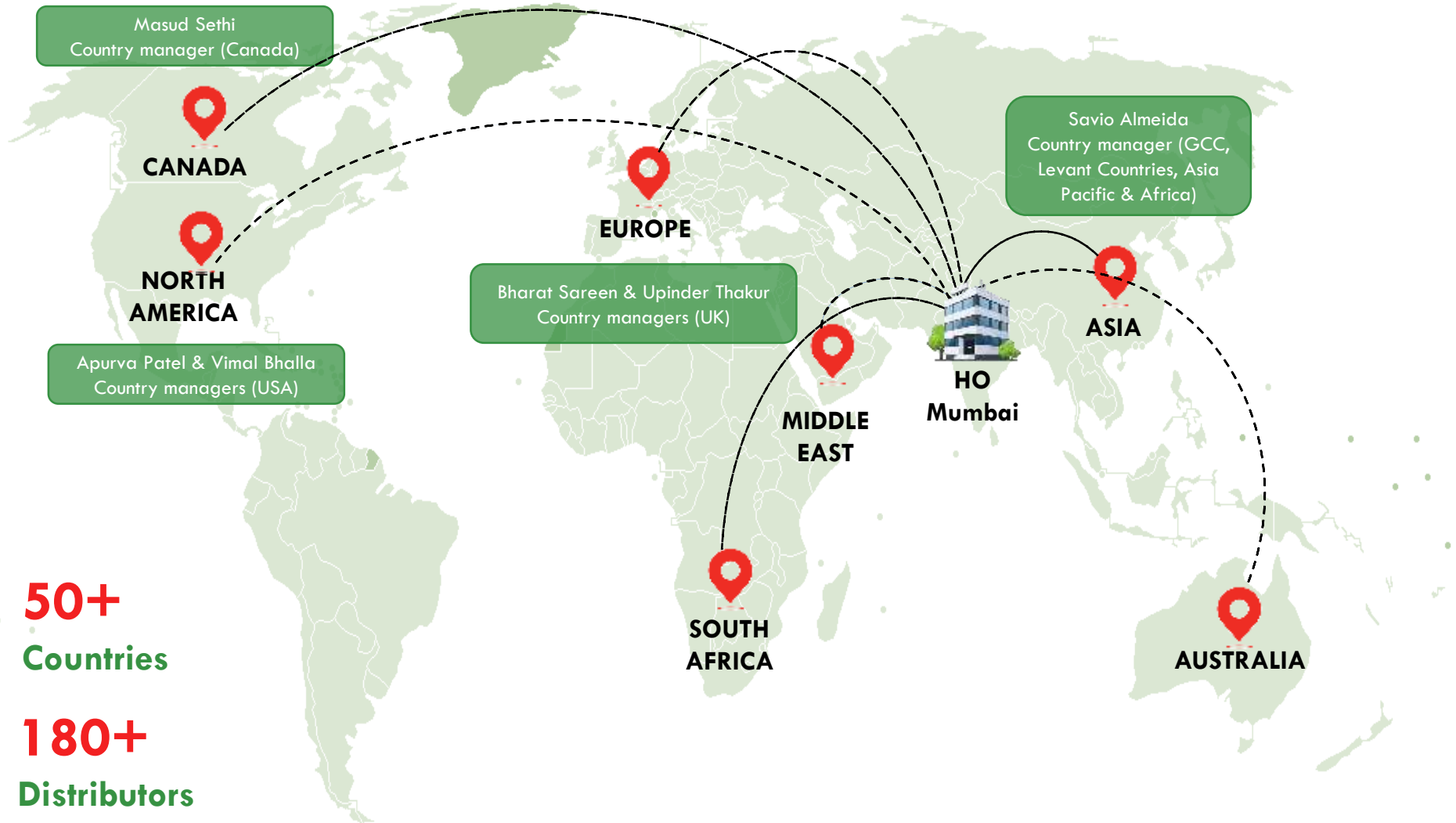
- Consumers across the globe are opting for Gluten free, lactose free, veganism, vegetarianism and nutritional food options
- Veganism has grown 500% since 2014 in the US³
- Amongst the international cuisines, Indian and Mexican cuisines are the most preferred ones. Furthermore, vegans prefer Indian cuisine given the multiple options in Indian dishes

The only company with a presence across all categories



With a view to evolve with consumer preference, the company has been continuously expanding its product basket with new launches every year. In FY19, the company entered a new segment of flavored drinks with the launch of “Badamazza” under its Ashoka brand

Strong distribution network



50+
Countries

180+
Distributors

6
Country managers

Manufacturing units

Nadiad Facility

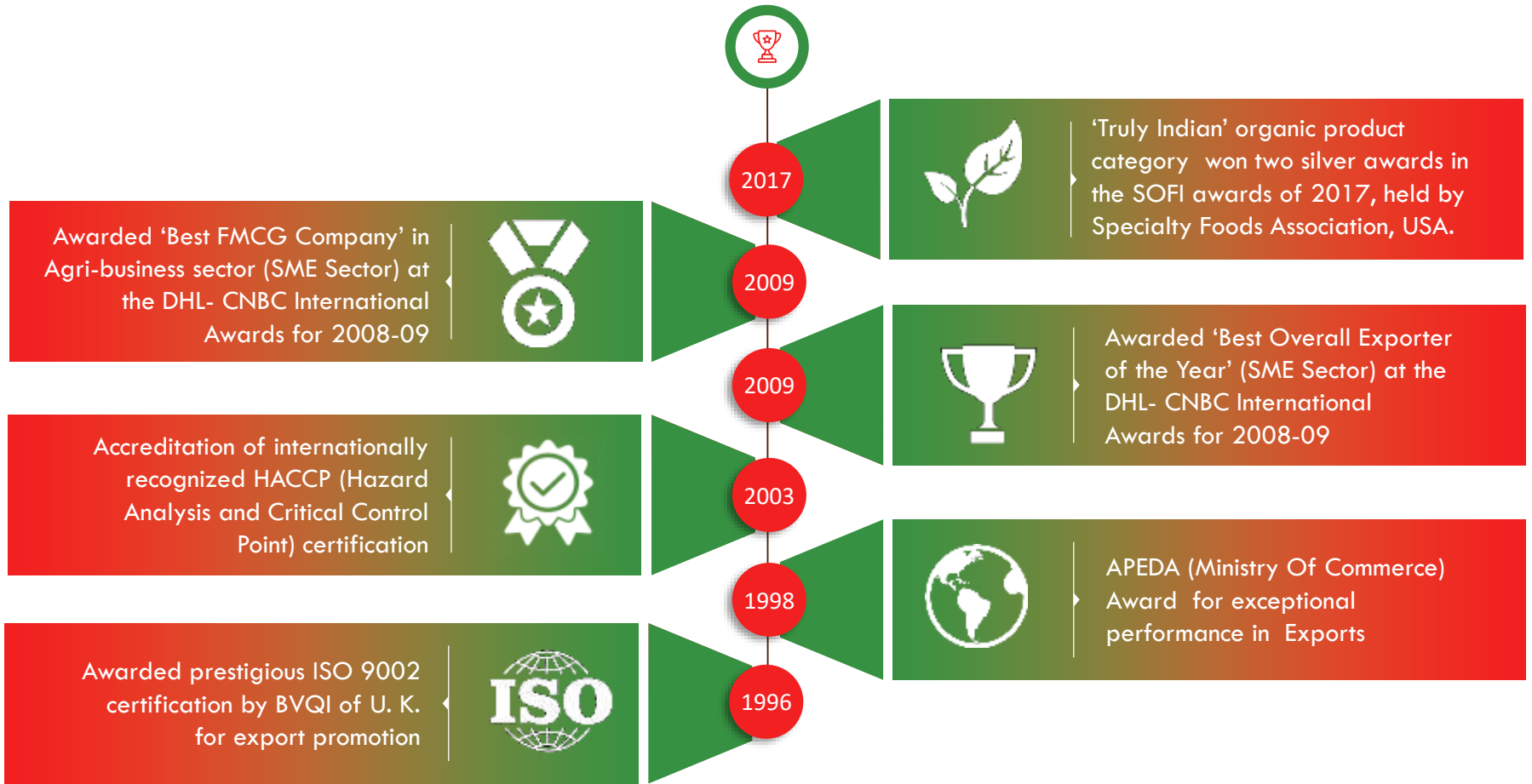


- ❑ The company has two state of the art manufacturing plants located at Nashik spread across 10,100 sq. meters of area and Nadiad with a built-up area of 15,000 sq. meters
- ❑ Both the facilities are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited.
- ❑ The company is also setting up an Effluent Treatment Plant with zero-liquid discharge at Nashik facility and installing solar panels in both the facilities for captive consumption.

Nashik Facility



Awards & recognition



Certifications and accreditations





Growth strategies

Serve changing consumer needs with focus on profitability

- Identify latest consumer trends and preferences and develop products to tap those opportunities
- In-house team of food specialists who are focused on continuous product development



Focus on growing geographies

- Continue to focus export markets of North America, Europe, Australia, Middle East
- Deepen presence in geographies where there is still low penetration of ADF brands

- Diversify and develop new categories to deepen reach to existing consumers
- Entered new category of milk based beverage this year



Premium product focused product mix

- Focus on profitability through changing product mix in favor of higher margin products
- Strong focus on lean balance sheet

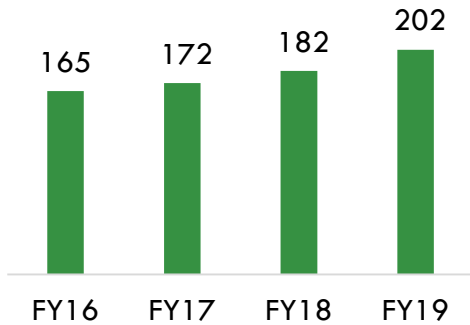


Historical financial overview

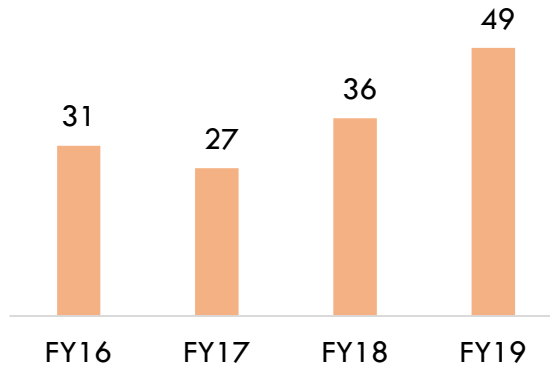
Financial performance

Rs Cr

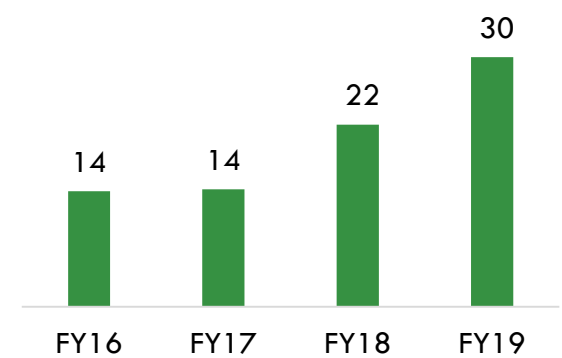
Revenue
7% 3year CAGR



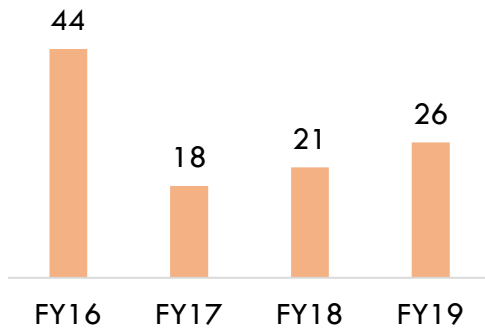
EBIDTA
16% 3year CAGR



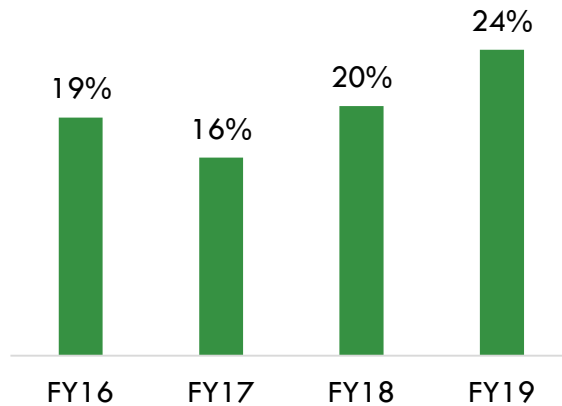
PAT
29% 3year CAGR



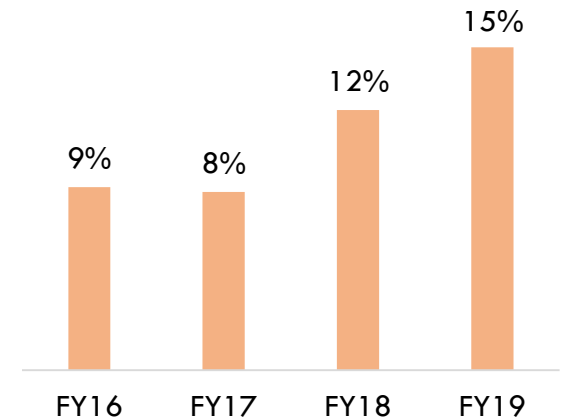
Cash flow from operations



EBIDTA Margins %



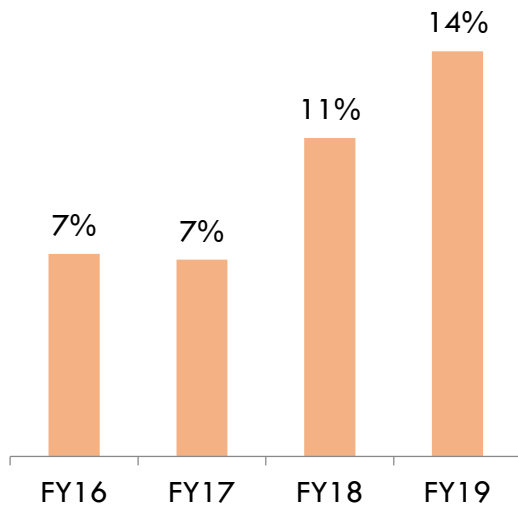
PAT Margins %



Returns ratios

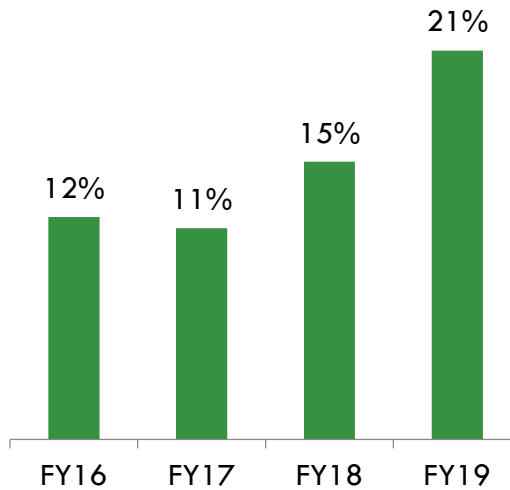
Return on Equity

%



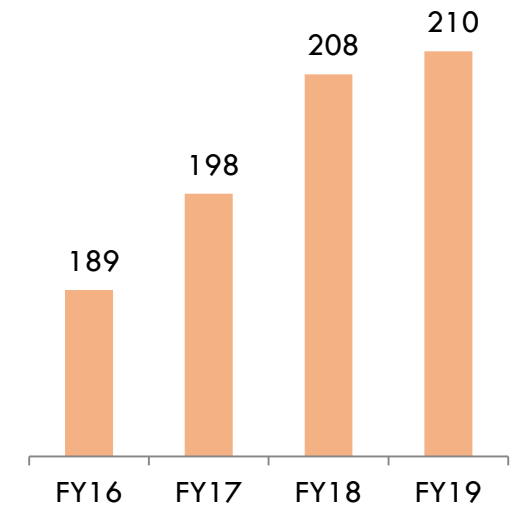
Return on Capital Employed

%



Net Worth

Rs in Cr



Historical profit and loss statement

(Rs Cr)	Standalone		
	FY17	FY18	FY19
Revenue from operations	165.7	163.8	187.5
Other income	5.6	18.6	14.1
Total Income	171.3	182.4	201.5
Cost of material consumed	79.1	78.2	89.3
Changes in inventories	-0.9	2.8	-4.2
Purchase of stock-in-trade	11.4	11.4	6.5
Employee expenses	13.8	13.9	13.4
Other expenses	40.6	39.7	47.3
Total Operating expenses	144.0	146.0	152.3
EBITDA	27.3	36.4	49.2
EBITDA margin	16.0%	20.0%	24.4%
Finance cost	0.9	1.1	0.9
Depreciation	4.4	4.4	4.3
PBT	22.1	30.9	44.0
PBT margin	12.9%	17.0%	21.8%
Tax Expenses (Credits)	7.7	8.6	13.5
PAT	14.3	22.3	30.5
PAT margin	8.4%	12.3%	15.1%

Consolidated		
FY17	FY18	FY19
201.2	201.0	231.4
6.4	18.6	14.1
207.5	219.6	245.5
79.1	78.2	89.3
-0.9	1.5	-11.1
31.2	34.2	42.0
17.4	16.4	16.1
52.5	49.3	56.3
179.3	179.6	192.6
28.2	40.0	52.9
13.6%	18.2%	21.5%
0.9	1.1	0.9
4.6	6.8	14.2
22.7	32.1	37.7
11.0%	14.6%	15.4%
8.2	14.0	12.4
14.6	18.1	25.3
7.0%	8.2%	10.3%

Historical balance sheet - Standalone

Rs in Crs	FY17	FY18	FY19
Share Capital	21.6	21.6	20.4
Reserves	176.1	186.8	190.0
Shareholders' Funds	197.7	208.4	210.4
Secured Loans	0.1	0.03	-
Other liabilities	13.0	9.6	9.9
Total Non-Current Liabilities	210.8	218.0	220.3
Trade Payables	9.0	11.0	11.0
Other Current Liabilities	0.9	3.3	3.6
Current Tax Liabilities	-	2.5	1.8
Other Financial Liabilities	3.0	5.2	1.1
Short Term Borrowings	4.4	1.3	-
Total Current Liabilities	17.4	23.3	17.5
Total Liabilities	228.2	241.3	237.8

Rs in Crs	FY17	FY18	FY19
Fixed Assets incl. CWIP	70.5	70.7	70.1
Income Tax Asset (Net)	2.7	3.0	3.2
Other Financial Assets	64.5	60.3	59.6
Other Non Current Assets	0.4	0.6	3.4
Total Non-Current Assets	138.1	134.6	136.3
Inventories	24.8	22.1	26.2
Sundry Debtors	31.4	39.8	42.2
Cash and Bank	9.4	27.6	16.4
Other Financial Assets	8.2	3.3	8.0
Other Current Assets	16.2	13.8	8.7
Total Current Assets	90.1	106.7	101.5
Total Assets	228.2	241.3	237.8

Historical balance sheet - Consolidated

Rs in Crs	FY17	FY18	FY19
Share Capital	21.6	21.6	20.4
Reserves	145.4	152.8	151.4
Shareholders' Funds	167.0	174.4	171.8
Secured Loans	0.1	0.03	-
Other liabilities	13.5	10.0	10.1
Total Non-Current Liabilities	180.6	184.4	182.0
Trade Payables	10.5	13.8	13.8
Other Current Liabilities	0.9	3.3	2.1
Current Tax Liabilities	0.04	2.5	1.8
Other Financial Liabilities	6.3	7.8	4.6
Short Term Borrowings	4.4	1.3	-
Total Current Liabilities	22.2	28.7	22.3
Total Liabilities	202.8	213.1	204.2

Rs in Crs	FY17	FY18	FY19
Fixed Assets incl. CWIP	82.3	80.2	70.5
Income Tax Asset (Net)	2.7	3.0	3.2
Other Financial Assets	19.0	12.8	12.3
Other Non Current Assets	0.4	0.6	3.4
Total Non-Current Assets	104.4	96.7	89.3
Inventories	25.0	23.6	34.6
Sundry Debtors	34.0	43.0	43.9
Cash and Bank	13.7	31.6	18.4
Other Financial Assets	8.2	4.3	9.0
Other Current Assets	17.5	13.9	9.0
Total Current Assets	98.3	116.5	114.9
Total Assets	202.8	213.1	204.2



Thank You

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