



**Investor Presentation**  
*November 2019*

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





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**Historical financial overview**

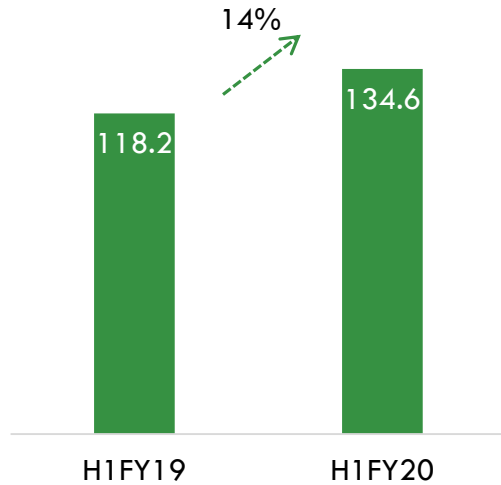


# Q2 & H1FY20 highlights

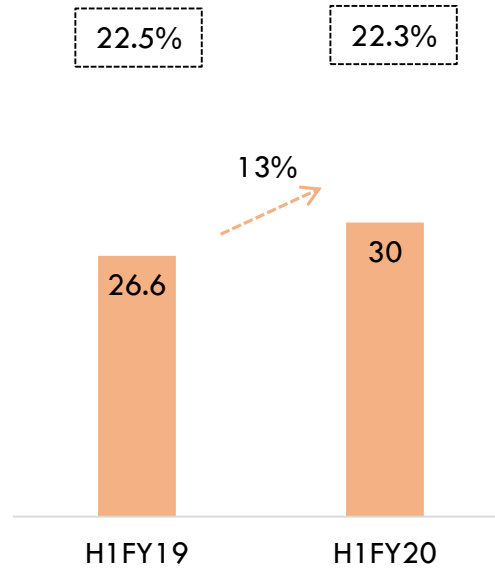
# Consolidated Financial highlights H1FY20

Rs in Crs

## Revenue (Rs Cr)



## EBITDA (Rs Cr) and Margin



## PAT (Rs Cr) and Margin



**Exports contribute to more than 95% of revenues**

# Consolidated profit and loss statement

| (Rs Cr)                    | Q2FY20       | Q2FY19       | YoY           | H1FY20       | H1FY19       | YoY          |
|----------------------------|--------------|--------------|---------------|--------------|--------------|--------------|
| Revenue from operations    | 56.9         | 59.7         |               | 122.7        | 108.7        |              |
| Other income               | 6.7          | 5.5          |               | 11.9         | 9.4          |              |
| <b>Total Income</b>        | <b>63.7</b>  | <b>65.2</b>  | <b>-2.3%</b>  | <b>134.6</b> | <b>118.2</b> | <b>13.9%</b> |
| Cost of material consumed  | 16.1         | 19.9         |               | 38.6         | 49.7         |              |
| Changes in inventories     | 2.0          | 2.9          |               | -5.2         | -11.2        |              |
| Purchase of stock-in-trade | 12.2         | 8.8          |               | 33.0         | 18.4         |              |
| Employee expenses          | 3.9          | 3.5          |               | 9.5          | 8.4          |              |
| Other expenses             | 14.7         | 13.7         |               | 28.7         | 26.3         |              |
| Total Operating expenses   | 48.9         | 48.7         |               | 104.6        | 91.6         |              |
| <b>EBITDA</b>              | <b>14.8</b>  | <b>16.5</b>  | <b>-10.2%</b> | <b>30.0</b>  | <b>26.6</b>  | <b>12.8%</b> |
| <b>EBITDA margin</b>       | <b>23.2%</b> | <b>25.3%</b> |               | <b>22.3%</b> | <b>22.5%</b> |              |
| Finance cost               | 0.3          | 0.2          |               | 0.5          | 0.3          |              |
| Depreciation               | 1.3          | 1.1          |               | 2.7          | 2.2          |              |
| <b>PBT</b>                 | <b>13.1</b>  | <b>15.2</b>  | <b>-13.6%</b> | <b>26.8</b>  | <b>24.1</b>  | <b>11.2%</b> |
| <b>PBT margin</b>          | <b>20.6%</b> | <b>23.3%</b> |               | <b>19.9%</b> | <b>20.4%</b> |              |
| Tax Expenses (Credits)     | 4.0          | 4.8          |               | 7.9          | 7.0          |              |
| Exceptional item           | -0.2         | -            |               | 0.4          | -            |              |
| <b>PAT</b>                 | <b>9.3</b>   | <b>10.4</b>  | <b>-10.4%</b> | <b>18.5</b>  | <b>17.1</b>  | <b>7.8%</b>  |
| <b>PAT margin</b>          | <b>14.6%</b> | <b>15.9%</b> |               | <b>13.7%</b> | <b>14.5%</b> |              |

# Consolidated Balance sheet

| Rs in Crs                            | Sept'19      | Mar'19       |
|--------------------------------------|--------------|--------------|
| Share Capital                        | 20.4         | 20.4         |
| Reserves                             | 170.1        | 151.4        |
| <b>Shareholders' Funds</b>           | <b>190.5</b> | <b>171.8</b> |
| Other liabilities                    | 12.8         | 10.1         |
| <b>Total Non-Current Liabilities</b> | <b>203.3</b> | <b>182.0</b> |
| Trade Payables                       | 11.6         | 12.5         |
| Other Current Liabilities            | 1.6          | 2.1          |
| Current Tax Liabilities              | 1.5          | 1.8          |
| Other Financial Liabilities          | 9.1          | 5.9          |
| Short Term Borrowings                | 17.7         | -            |
| <b>Total Current Liabilities</b>     | <b>41.5</b>  | <b>22.3</b>  |
| <b>Total Liabilities</b>             | <b>244.8</b> | <b>204.2</b> |

| Rs in Crs                       | Sept'19      | Mar'19       |
|---------------------------------|--------------|--------------|
| Fixed Assets incl. CWIP         | 78.9         | 70.5         |
| Income Tax Asset (Net)          | 3.1          | 3.2          |
| Other Financial Assets          | 25.9         | 1.7          |
| Other Non Current Assets        | 10.2         | 13.9         |
| <b>Total Non-Current Assets</b> | <b>118.0</b> | <b>89.3</b>  |
| Inventories                     | 40.5         | 34.6         |
| Sundry Debtors                  | 47.4         | 43.9         |
| Cash and Bank                   | 23.2         | 18.4         |
| Other Financial Assets          | 6.9          | 9.0          |
| Other Current Assets            | 8.8          | 9.0          |
| <b>Total Current Assets</b>     | <b>126.8</b> | <b>114.9</b> |
| <b>Total Assets</b>             | <b>244.8</b> | <b>204.2</b> |



# New product launches in FY20

**Focus on  
changing  
trends**

Flavored  
Milk



Use of Natural Flavors, No Artificial Colors and Essence

Baked  
Snacks



100% Vegetarian, Just Heat & Eat, Microwaveable in 90 seconds

Frozen  
Snacks &  
Chutneys



No Trans Fat, No Cholesterol, Vegan, Ready-to-eat

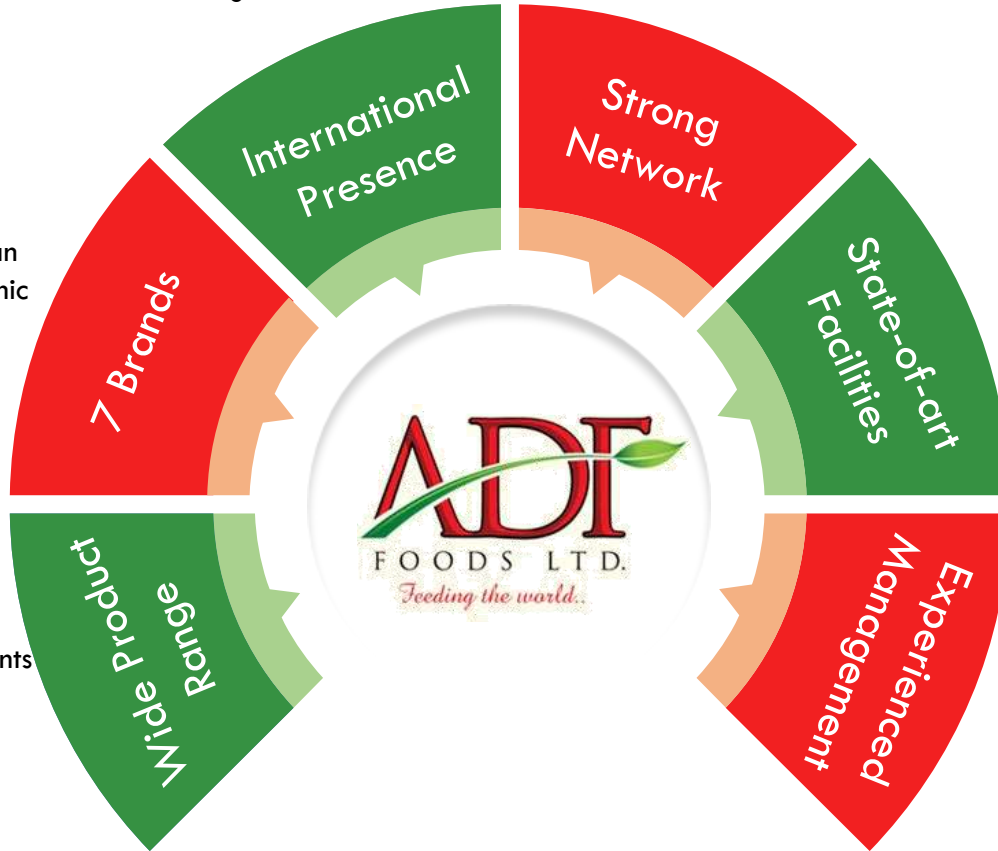


# About the company

# 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

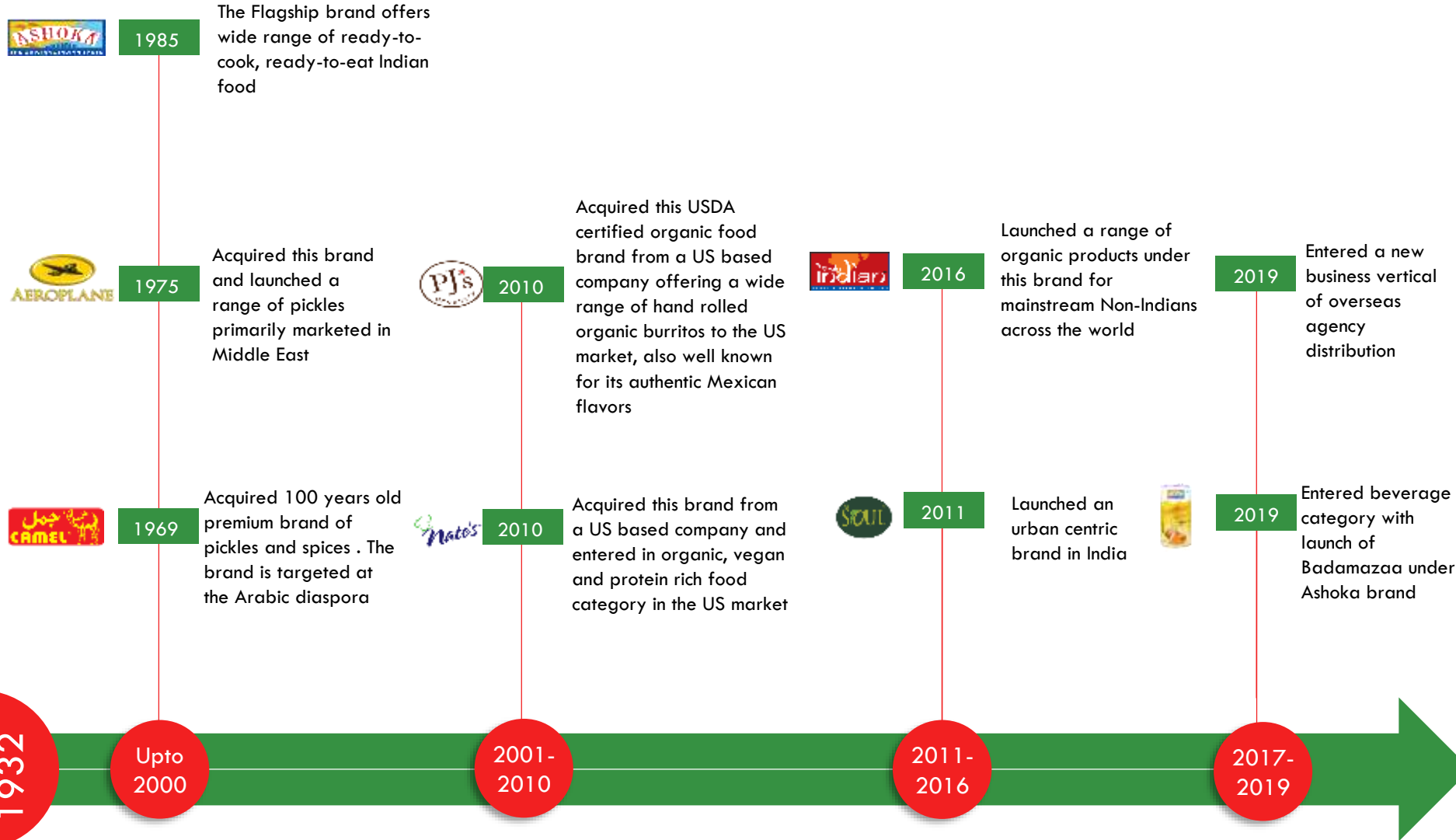
- Truly Indian
- PJ's Organic
- Nate's

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

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- 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

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- 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

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- 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

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- 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

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- 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

H1FY20  
Interim  
dividend of  
15%

## 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.



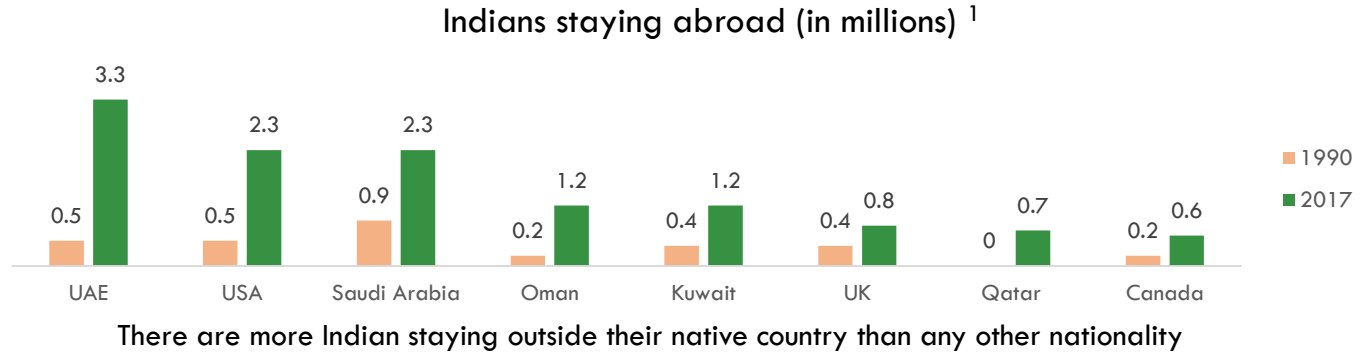


# Strengths & drivers

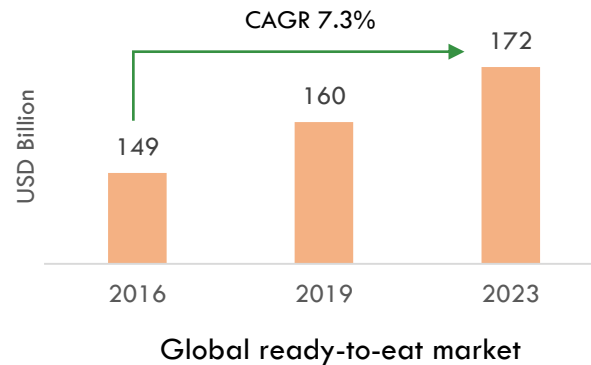


# Strong industry fundamentals to drive growth

Indian diaspora driving demand for ethnic RTE food

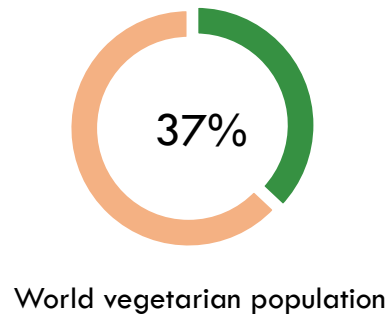


Increasing preference over convenience food



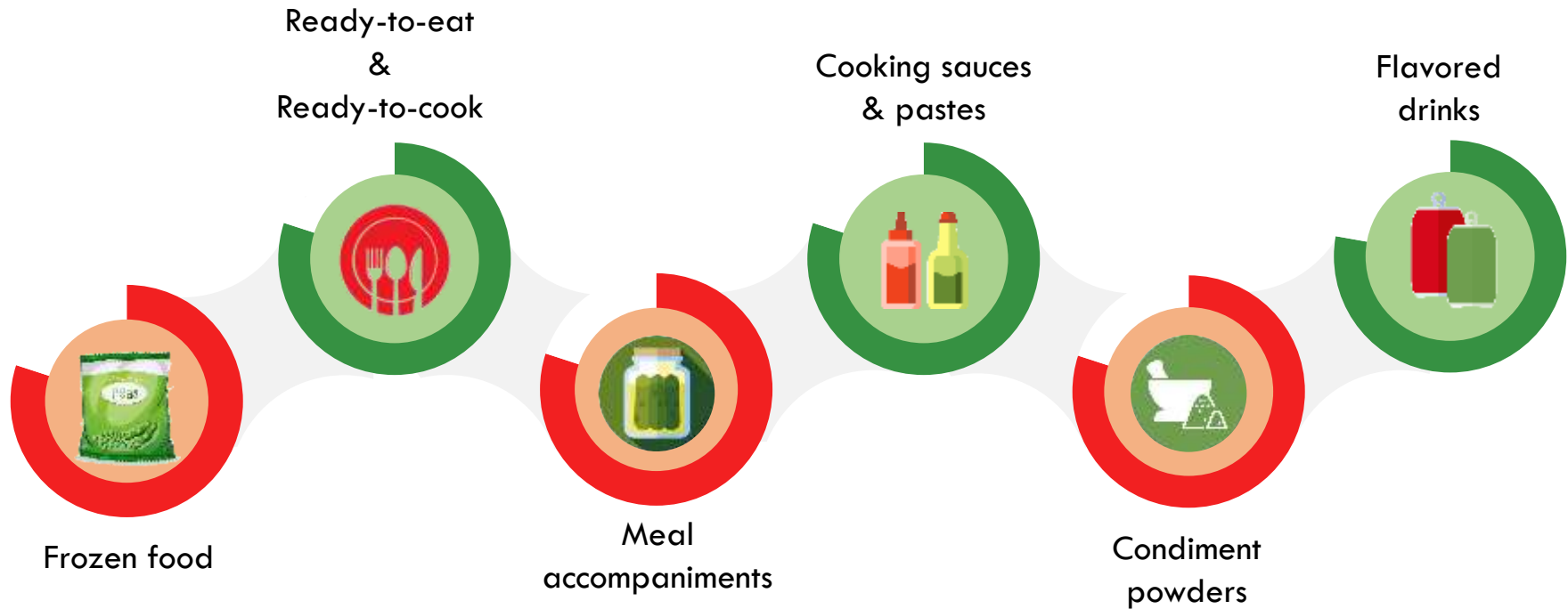
- Millennials prefer convenience and ready to eat food
- The global ready to eat market is expected to grow at a CAGR of 7.3% during 2016-2023<sup>2</sup>

Eating healthy is the new trend



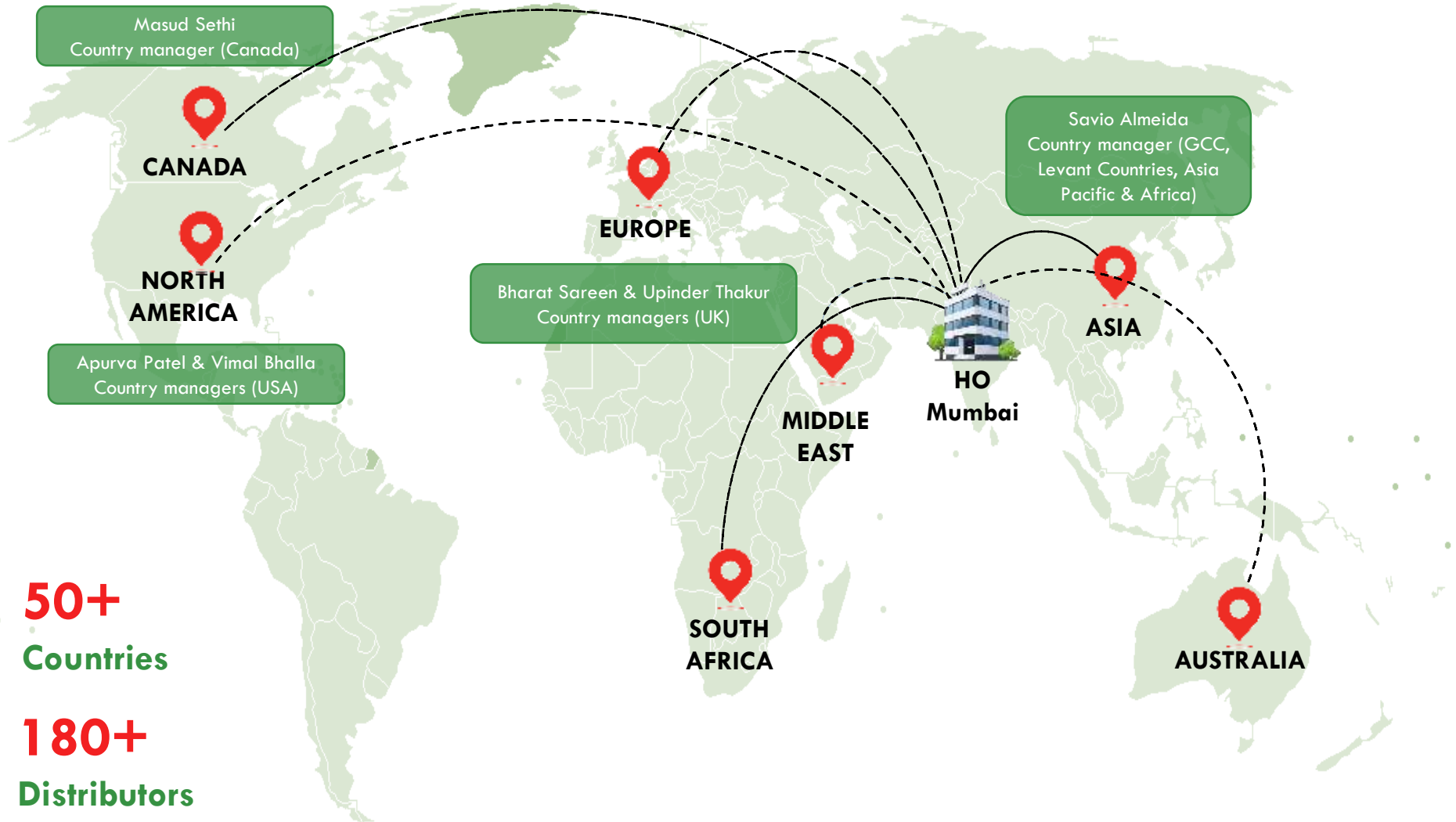
- Consumers across the globe are opting for Gluten free, lactose free, veganism, vegetarianism and nutritional food options
- Veganism has grown 500% since 2014 in the US<sup>3</sup>
- Amongst the international cuisines, Indian and Mexican cuisines are the most preferred ones. Furthermore, vegans prefer 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

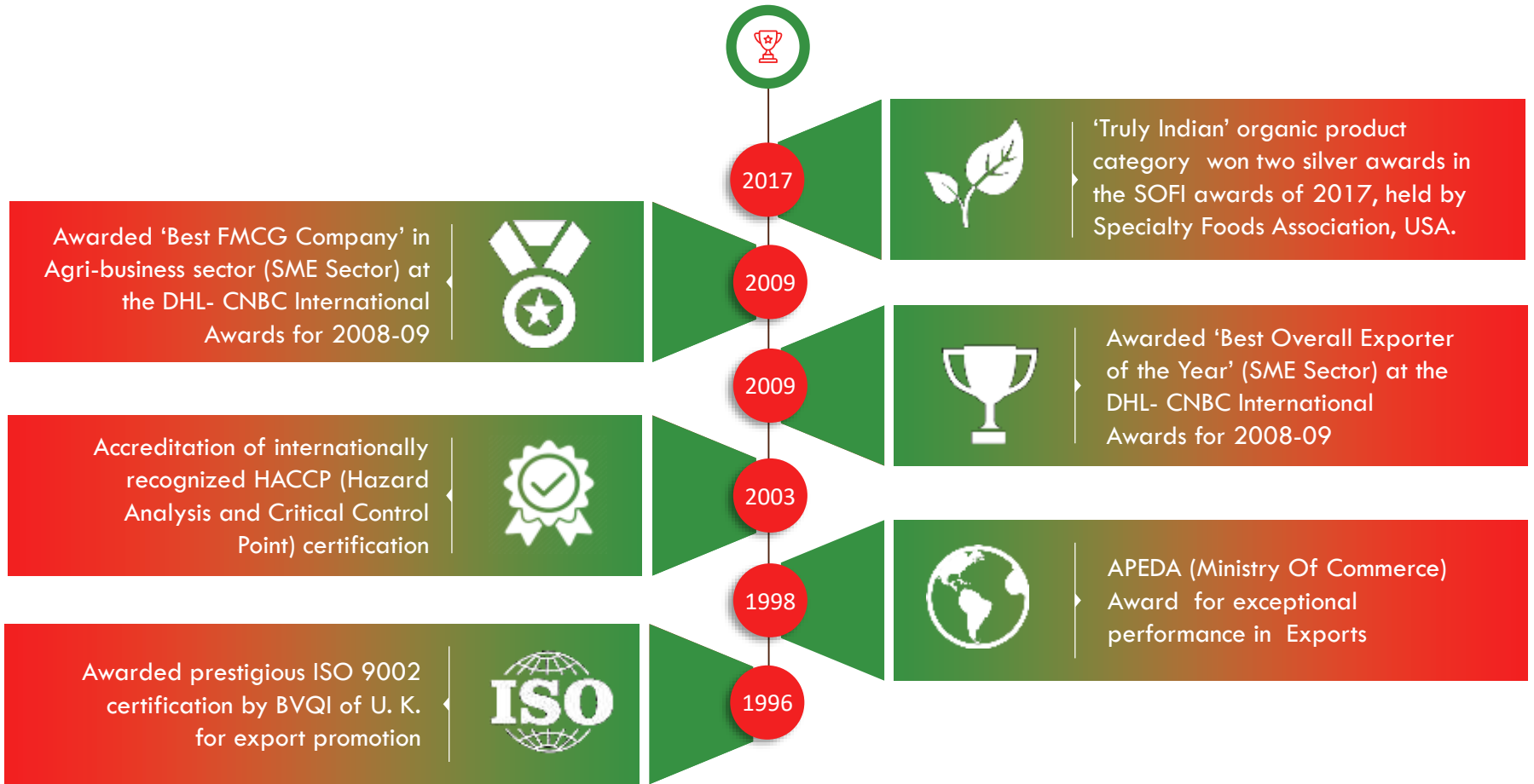


- ❑ 2 state of the art manufacturing plants located at Nashik spread across 10,100 sq. meters of area and Nadiad with a built-up area of 15,000 sq. meters
- ❑ Both the facilities are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited.
- ❑ Successfully commissioned Effluent Treatment Plant with zero-liquid discharge at Nasik facility
- ❑ 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

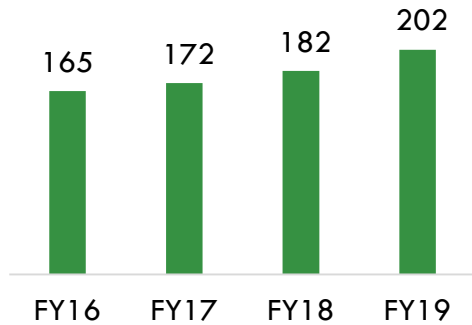


# Financial performance

Rs Cr

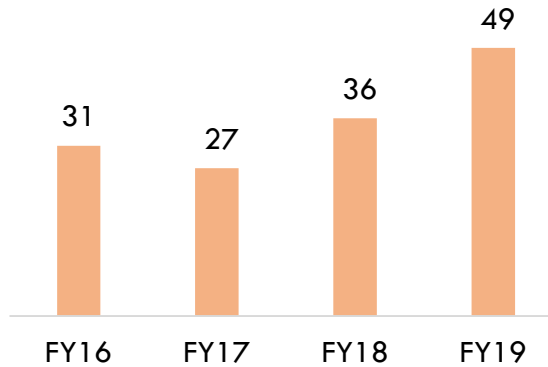
## Revenue

7% 3year CAGR



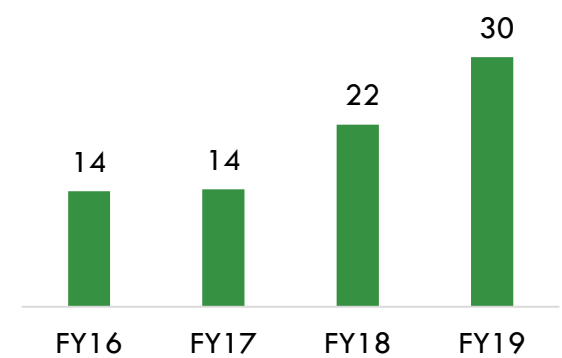
## EBIDTA

16% 3year CAGR

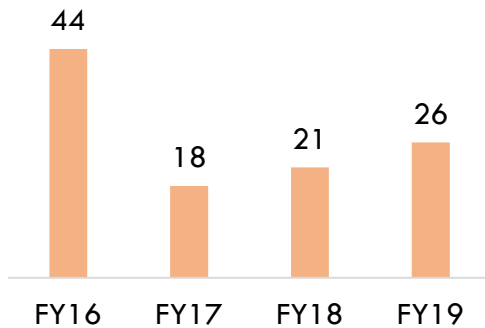


## PAT

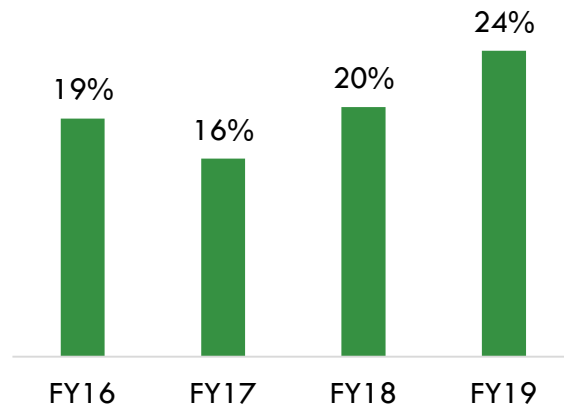
29% 3year CAGR



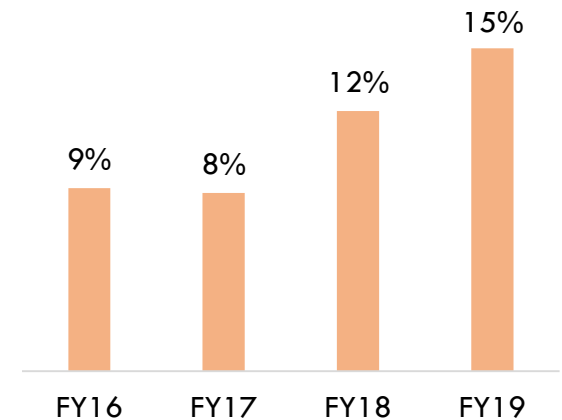
## Cash flow from operations



## EBIDTA Margins %



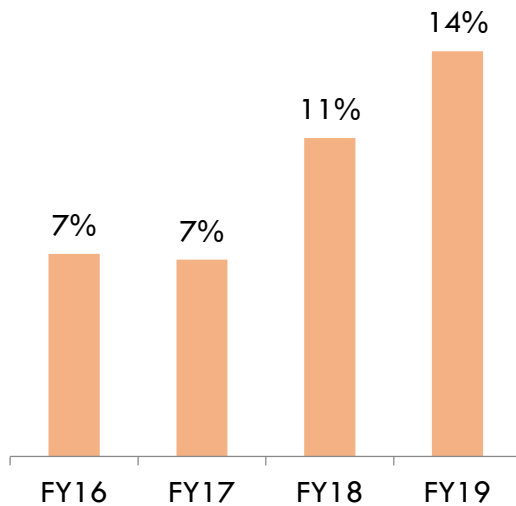
## PAT Margins %



# Returns ratios

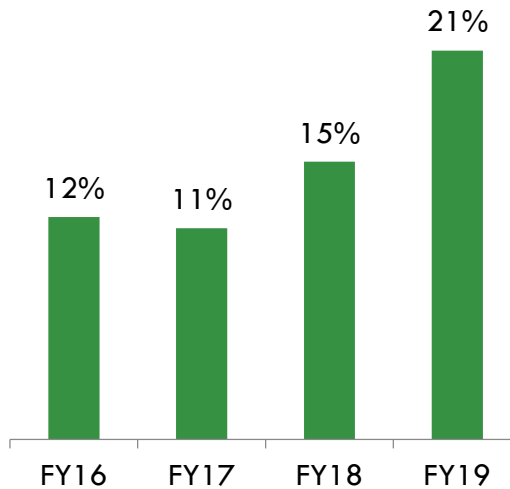
## Return on Equity

%



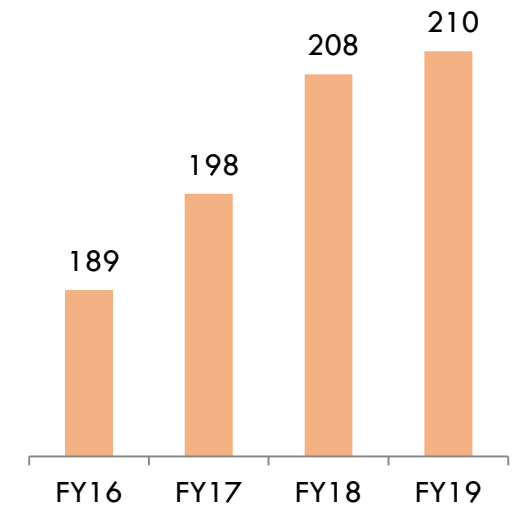
## Return on Capital Employed

%



## Net Worth

Rs in Cr



# Historical profit and loss statement

| (Rs Cr)                    | Standalone   |              |              | Consolidated |              |              |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                            | FY17         | FY18         | FY19         | FY17         | FY18         | FY19         |
| Revenue from operations    | 165.7        | 163.8        | 187.5        | 201.2        | 201.0        | 231.4        |
| Other income               | 5.6          | 18.6         | 14.1         | 6.4          | 18.6         | 14.1         |
| <b>Total Income</b>        | <b>171.3</b> | <b>182.4</b> | <b>201.5</b> | <b>207.5</b> | <b>219.6</b> | <b>245.5</b> |
| Cost of material consumed  | 79.1         | 78.2         | 89.3         | 79.1         | 78.2         | 89.3         |
| Changes in inventories     | -0.9         | 2.8          | -4.2         | -0.9         | 1.5          | -11.1        |
| Purchase of stock-in-trade | 11.4         | 11.4         | 6.5          | 31.2         | 34.2         | 42.0         |
| Employee expenses          | 13.8         | 13.9         | 13.4         | 17.4         | 16.4         | 16.1         |
| Other expenses             | 40.6         | 39.7         | 47.3         | 52.5         | 49.3         | 56.3         |
| Total Operating expenses   | 144.0        | 146.0        | 152.3        | 179.3        | 179.6        | 192.6        |
| <b>EBITDA</b>              | <b>27.3</b>  | <b>36.4</b>  | <b>49.2</b>  | <b>28.2</b>  | <b>40.0</b>  | <b>52.9</b>  |
| <b>EBITDA margin</b>       | <b>16.0%</b> | <b>20.0%</b> | <b>24.4%</b> | <b>13.6%</b> | <b>18.2%</b> | <b>21.5%</b> |
| Finance cost               | 0.9          | 1.1          | 0.9          | 0.9          | 1.1          | 0.9          |
| Depreciation               | 4.4          | 4.4          | 4.3          | 4.6          | 6.8          | 14.2         |
| <b>PBT</b>                 | <b>22.1</b>  | <b>30.9</b>  | <b>44.0</b>  | <b>22.7</b>  | <b>32.1</b>  | <b>37.7</b>  |
| <b>PBT margin</b>          | <b>12.9%</b> | <b>17.0%</b> | <b>21.8%</b> | <b>11.0%</b> | <b>14.6%</b> | <b>15.4%</b> |
| Tax Expenses (Credits)     | 7.7          | 8.6          | 13.5         | 8.2          | 14.0         | 12.4         |
| <b>PAT</b>                 | <b>14.3</b>  | <b>22.3</b>  | <b>30.5</b>  | <b>14.6</b>  | <b>18.1</b>  | <b>25.3</b>  |
| <b>PAT margin</b>          | <b>8.4%</b>  | <b>12.3%</b> | <b>15.1%</b> | <b>7.0%</b>  | <b>8.2%</b>  | <b>10.3%</b> |

# 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        |
| <b>Shareholders' Funds</b>           | <b>197.7</b> | <b>208.4</b> | <b>210.4</b> |
| Secured Loans                        | 0.1          | 0.03         | -            |
| Other liabilities                    | 13.0         | 9.6          | 9.9          |
| <b>Total Non-Current Liabilities</b> | <b>210.8</b> | <b>218.0</b> | <b>220.3</b> |
| 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          | -            |
| <b>Total Current Liabilities</b>     | <b>17.4</b>  | <b>23.3</b>  | <b>17.5</b>  |
| <b>Total Liabilities</b>             | <b>228.2</b> | <b>241.3</b> | <b>237.8</b> |

| 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          |
| <b>Total Non-Current Assets</b> | <b>138.1</b> | <b>134.6</b> | <b>136.3</b> |
| 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          |
| <b>Total Current Assets</b>     | <b>90.1</b>  | <b>106.7</b> | <b>101.5</b> |
| <b>Total Assets</b>             | <b>228.2</b> | <b>241.3</b> | <b>237.8</b> |

# 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        |
| <b>Shareholders' Funds</b>           | <b>167.0</b> | <b>174.4</b> | <b>171.8</b> |
| Secured Loans                        | 0.1          | 0.03         | -            |
| Other liabilities                    | 13.5         | 10.0         | 10.1         |
| <b>Total Non-Current Liabilities</b> | <b>180.6</b> | <b>184.4</b> | <b>182.0</b> |
| 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          | -            |
| <b>Total Current Liabilities</b>     | <b>22.2</b>  | <b>28.7</b>  | <b>22.3</b>  |
| <b>Total Liabilities</b>             | <b>202.8</b> | <b>213.1</b> | <b>204.2</b> |

| 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          |
| <b>Total Non-Current Assets</b> | <b>104.4</b> | <b>96.7</b>  | <b>89.3</b>  |
| 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          |
| <b>Total Current Assets</b>     | <b>98.3</b>  | <b>116.5</b> | <b>114.9</b> |
| <b>Total Assets</b>             | <b>202.8</b> | <b>213.1</b> | <b>204.2</b> |



**Thank You**

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