



Investor Presentation
Q1FY21

Disclaimer

This presentation and the accompanying slides (the “Presentation”), which have been prepared by ADF Foods Limited (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guaranteeing of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.



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





1

Q1FY21 highlights

2

About the Company

3

Strengths & drivers

4

Growth strategies

5

Historical financial overview



Q1FY21 highlights

Consolidate profit & loss statement

(Rs Cr)	Q1FY21	Q1FY20
Revenue from operations	73.9	69.0
Other income	0.6	1.9
Total Income	74.5	70.9
Cost of goods sold	45.0	36.2
Gross Profit	29.5	34.8
Gross margin	39.6%	49.0%
Employee expenses	3.9	5.6
Other expenses	12.5	14.0
Total Operating expenses	16.4	19.5
EBITDA	13.1	15.2
EBITDA margin	17.6%	21.5%
Finance cost	0.3	0.2
Depreciation and Amortization	1.4	1.4
PBT	11.3	13.7
PBT margin	15.2%	19.3%
Exceptional item	-	0.6
Tax Expenses (Credits)	2.7	3.9
PAT	8.7	9.2
PAT margin	11.6%	13.0%

Started operations with COVID-19 precautionary norms

Nasik Plant



Nadiad Plant

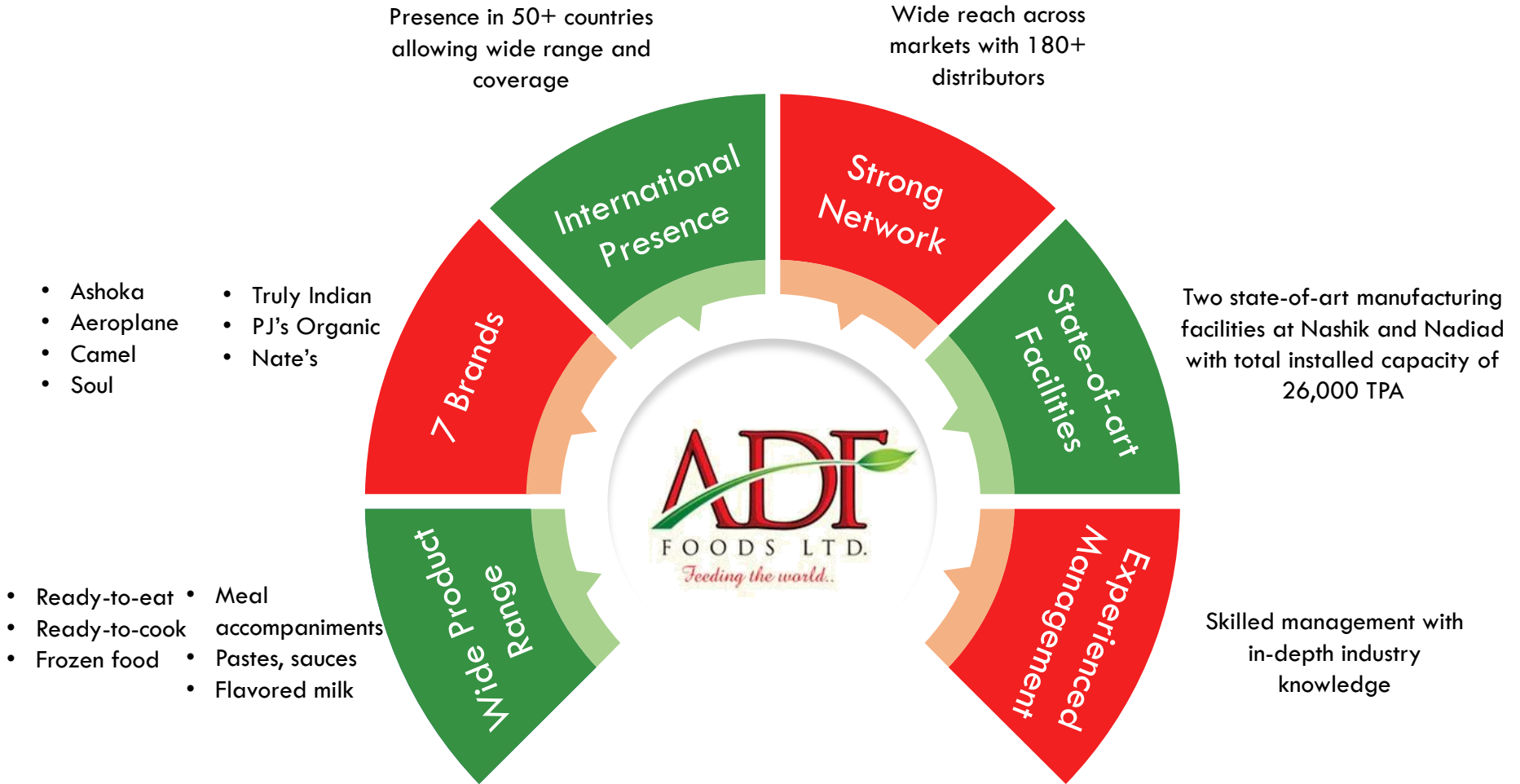


- Strict adherence to Social Distancing norms at the manufacturing plants and in transport vehicles
- Regular cleaning and disinfection of factory premises and machines
- Personal Protection Equipment (masks, gloves, headgears) to the staff and workers

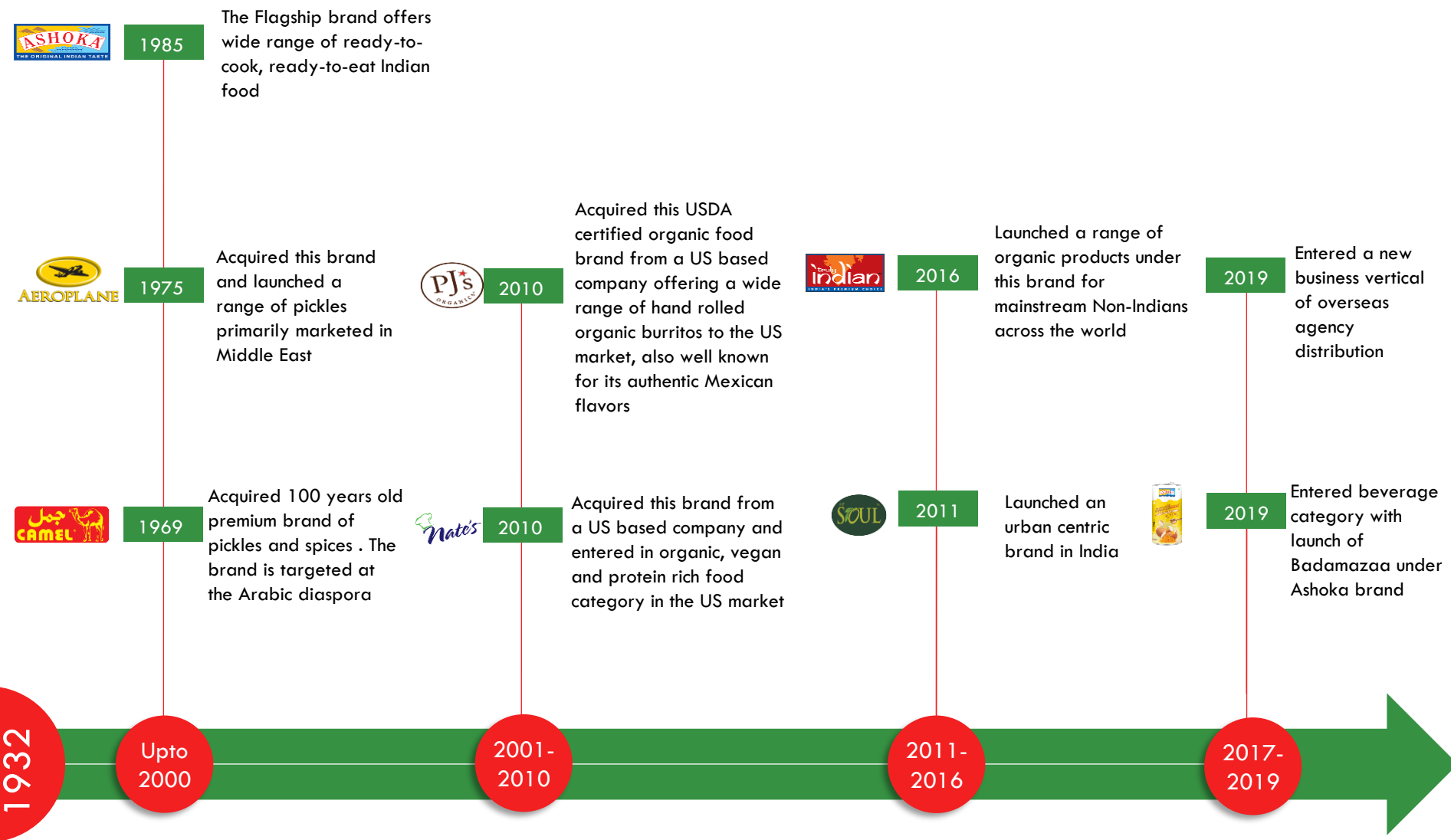


About the company

Wide range of products with established brands & strong distribution



Evolution of the Company and brands



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.

Devang Gandhi

COO

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

Shardul Doshi

CFO

- 20+ years of experience in finance, IR and accounting
- Is a CA, CWA and CS and holds a bachelor's degree in commerce

Shalaka Ovalekar

CS & Legal Head

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

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

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

Board of directors

Jay Mehta

Non-Executive Director

- 35+ years of rich industrial experience
- 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

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.
- Engineer from IIT, Delhi and MBA from IIM, Ahmedabad

Chandir Gidwani

Independent Director

- 45+ years of experience in financial services
- Chairman Emeritus & Founder of Centrum Capital Ltd; also runs a proprietary investing business focused on mid-sized Indian companies. Member of industry associations e.g. FICCI, CII, etc.
- Qualified Chartered Accountant and holds a master degree in commerce

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

Naresh Kothari

Independent Director

- 25+ years of experience in business building and capital markets
- Has held various management roles including President of Edelweiss Capital, 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

Deepa Harris

Independent Director

- 30+ years of expertise in high-end luxury hospitality category
- Currently Independent Director of PVR Limited, Jubilant Foodworks Ltd., Prozone Intu Properties Ltd, Taj Safaris, Concept Hospitality Ltd. and TCPL Packaging Limited.
- Experienced marketing professional with stints in Indian and International markets

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

FY20
Dividend of
30%

Environment

- 525 kw Solar power project already implemented at the manufacturing plant at Nasik. Similar project is proposed at Nadiad plant next year
- Invested in waste water treatment, has moved towards zero discharge at manufacturing facilities



Society

- Centers for education of underprivileged student, women empowerment, financial aid towards medical treatment of the underprivileged, residential care expenses for the physically challenged youth, contribution to environment protection by supporting tree plantation, animal welfare etc.





Strengths & drivers

Strong industry fundamentals to drive growth

➤ Ethnic Indian food market is growing consistently⁽¹⁾



UK
~£650 Mn

Growth
6-7%

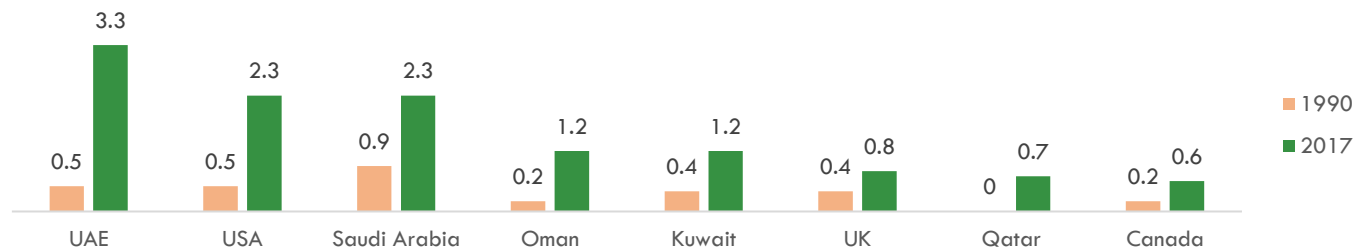


US
~\$350 Mn

Growth
7-8%

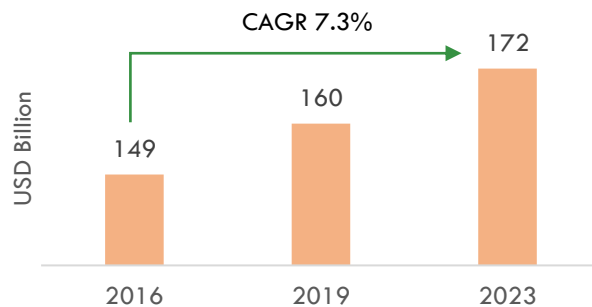
➤ Indian diaspora driving demand for ethnic RTE food

Indians staying abroad (in millions) ⁽²⁾



There are more Indian staying outside their native country than any other nationality

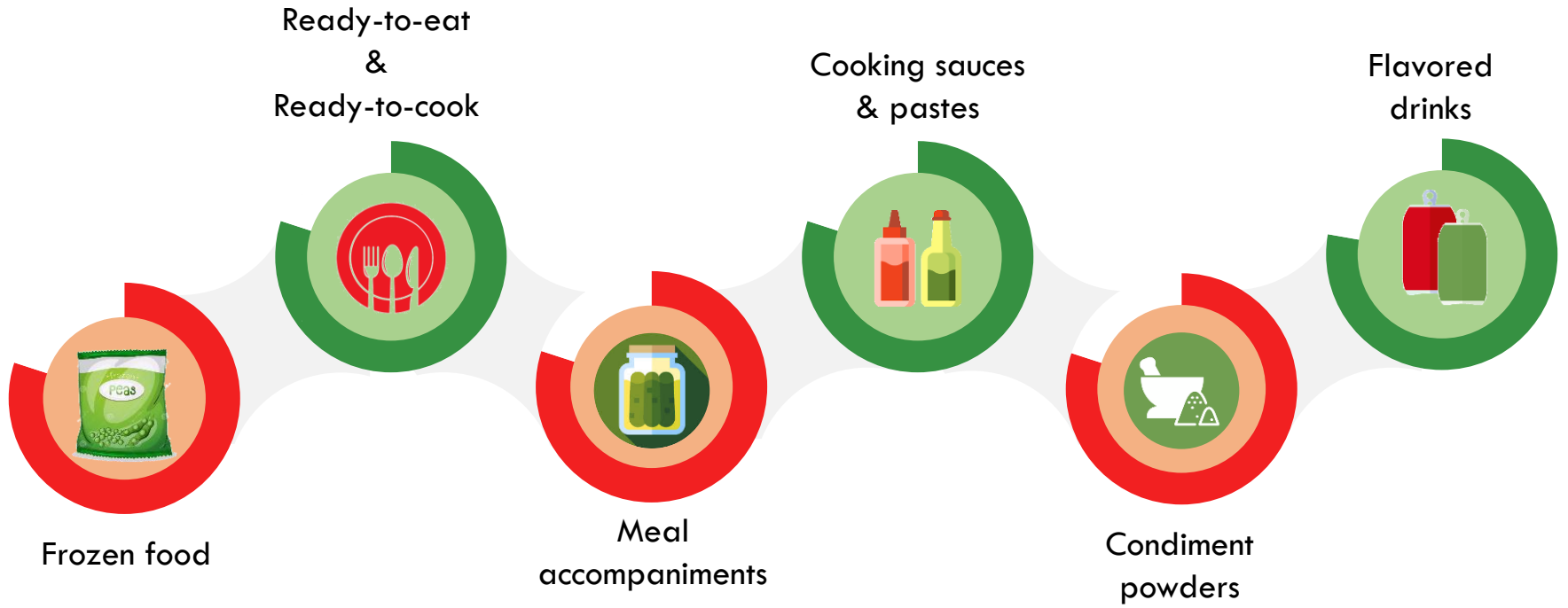
➤ Increasing preference over convenience food



Global ready-to-eat market

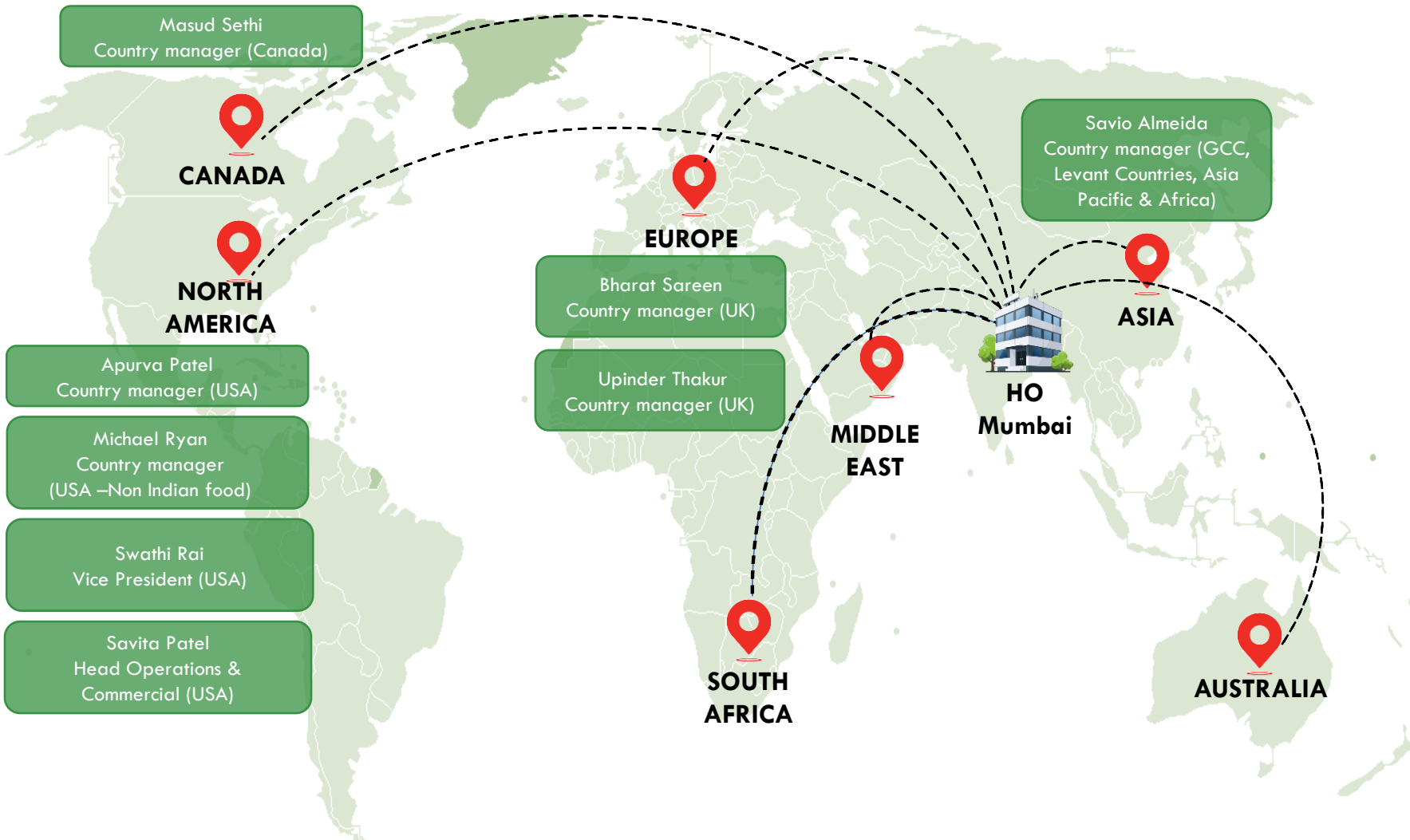
- Millennials prefer convenience and ready to eat food
- The global ready to eat market is expected to grow at a CAGR of 7.3% during 2016-2023⁽³⁾

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

Strong distribution network



50+
Countries

180+
Distributors

6
Country managers

Manufacturing units

Nadiad Facility

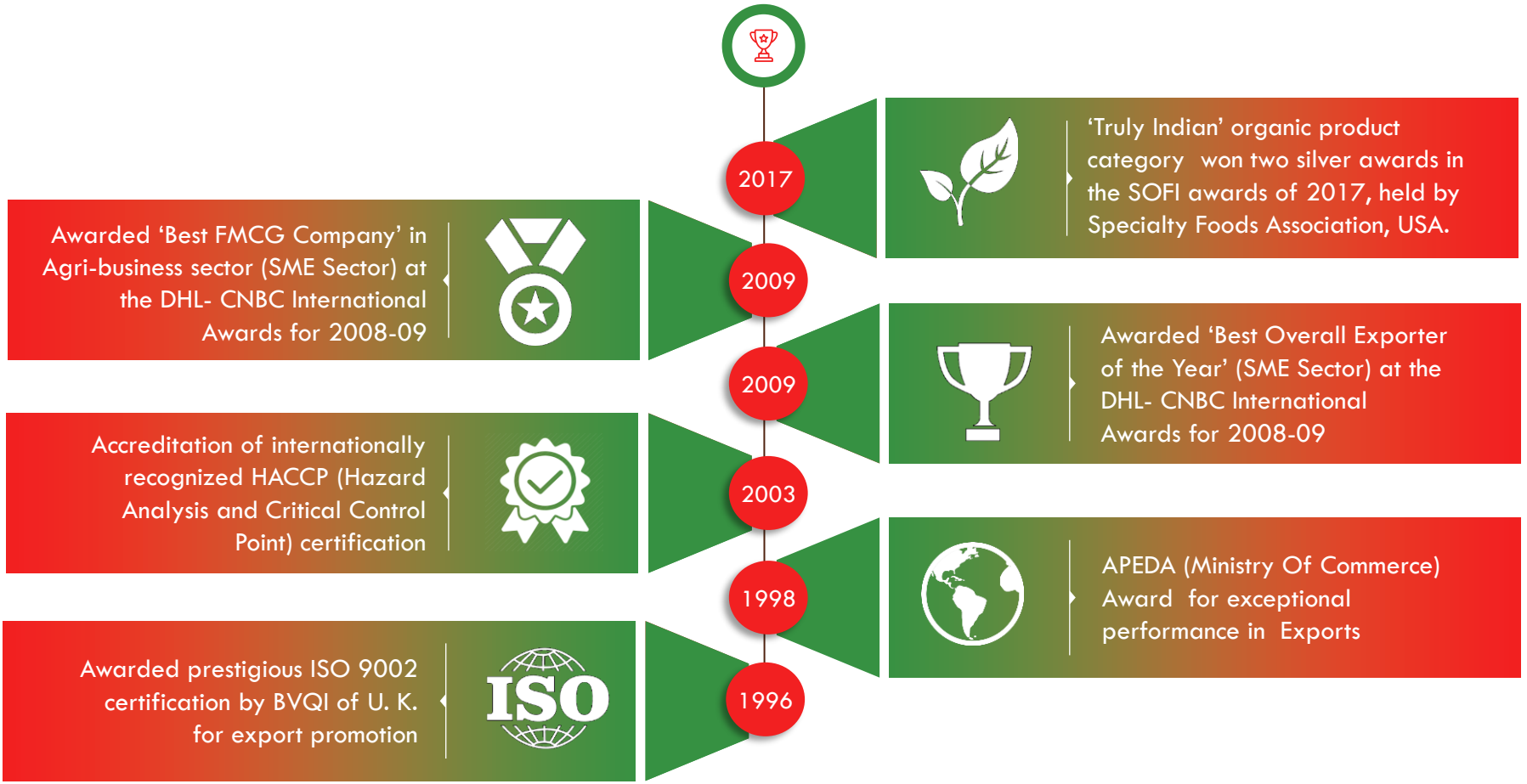


- ❑ 2 state of the art manufacturing plants located at Nasik spread across 10,100 sq. meters of area and Nadiad with a built-up area of 15,000 sq. meters
- ❑ Both the facilities are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited.

Nasik Facility



Awards & recognition



Certifications and accreditations

USDA ORGANIC | BRC CERTIFICATION BODY | BUREAU VERITAS Certification | UKAS MANAGEMENT SYSTEMS



Growth strategies

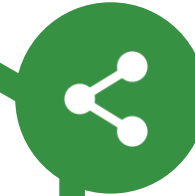
Serve changing consumer needs with focus on profitability

- 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 in FY20



Premium product focused product mix

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



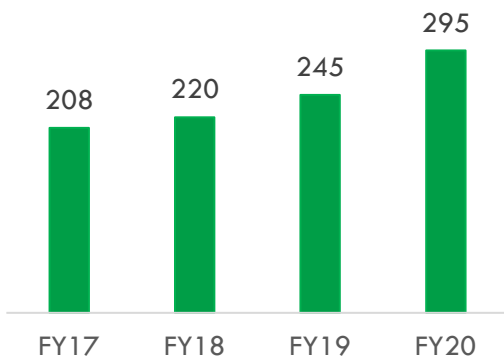


Historical financial overview

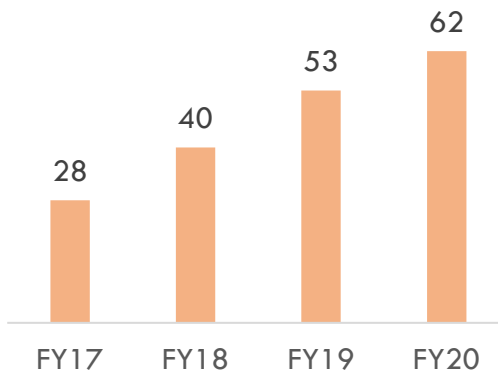
Consolidated financial performance

Rs Cr

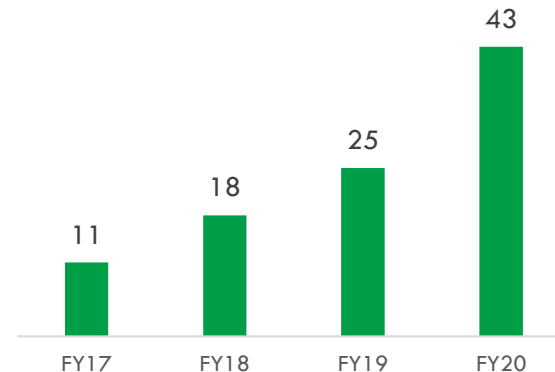
Total Income
9.5% 3year CAGR



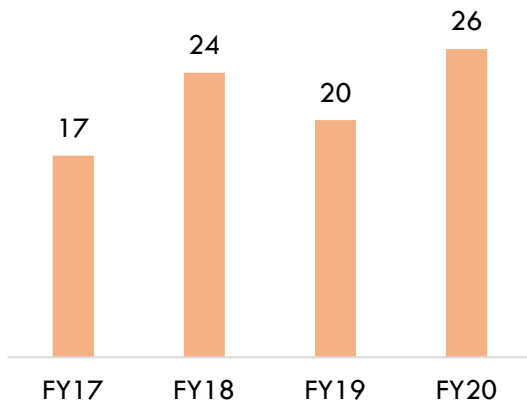
EBIDTA
30% 3year CAGR



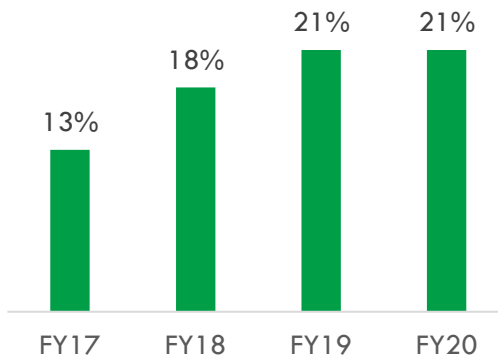
PAT
57% 3year CAGR



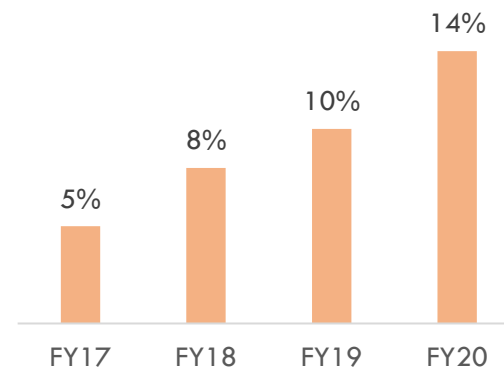
Cash flow from operations



EBIDTA Margins %



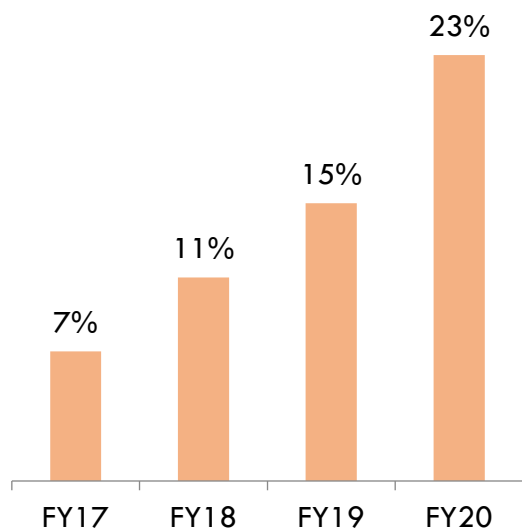
PAT Margins %



Robust returns ratios

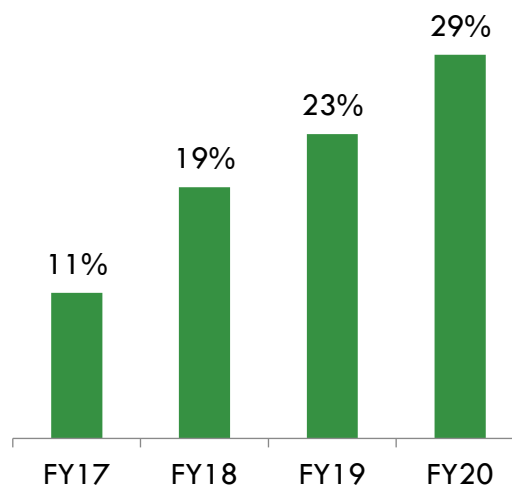
Return on Equity

%



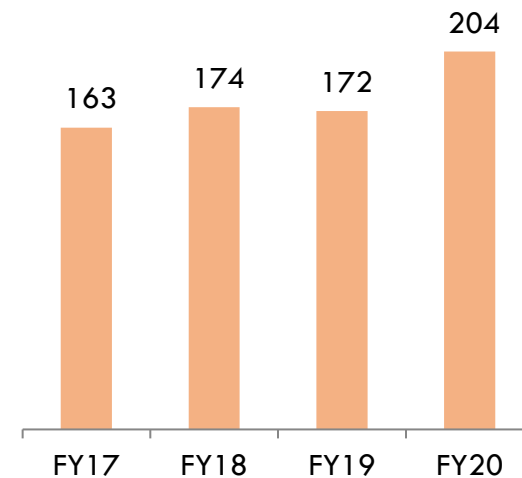
Return on Capital Employed

%



Net Worth

Rs in Cr



Historical profit and loss statement

(Rs Cr)	Standalone			Consolidated		
	FY18	FY19	FY20	FY18	FY19	FY20
Revenue from operations	163.8	187.5	182.1	201.0	231.4	272.8
Other income	18.6	14.1	21.8	18.6	14.1	21.8
Total Income	182.4	201.6	203.8	219.6	245.5	294.6
Cost of material consumed	78.2	89.33	81.81	78.2	89.3	81.8
Changes in inventories	2.8	-4.2	-0.5	1.5	-11.1	-19.2
Purchase of stock-in-trade	11.4	6.6	7.5	34.2	42.0	86.4
Employee expenses	13.9	13.4	15.1	16.4	16.1	17.6
Other expenses	39.7	47.3	52.2	49.3	56.3	65.4
Total Operating expenses	146.0	152.4	156.1	179.6	192.7	232.1
EBITDA	36.4	49.2	47.7	40.0	52.8	62.5
EBITDA margin	20.0%	24.4%	23.4%	18.2%	21.5%	21.2%
Finance cost	1.1	0.9	1.3	1.1	0.9	1.3
Depreciation and Amortization	4.4	4.3	5.5	6.8	14.2	5.9
PBT	30.9	44.0	40.9	32.1	37.7	55.3
PBT margin	17.0%	21.8%	20.0%	14.6%	15.4%	18.8%
Tax Expenses (Credits)	8.6	13.5	9.1	14.0	12.4	12.2
Exceptional Items	-	-	-0.3	-	-	-0.3
PAT	22.3	31.5	30.5	18.1	25.3	42.8
PAT Margin	12.3%	15.4%	15.1%	8.2%	10.3%	14.5%

Depreciation and Amortisation expense in consolidated financials for FY19 includes an amount of Rs. 9.9 cr s on account of impairment of certain brands held in US subsidiary

Historical balance sheet - consolidated

LIABILITIES (Rs in Crs)	FY20	FY19	ASSETS (Rs in Crs)	FY20	FY19
Share Capital	20.4	20.4	Fixed Assets incl. CWIP	58.2	48.8
Reserves	184.0	151.4	Intangible Assets	21.4	21.7
Shareholders' Funds	204.4	171.8	Income Tax Asset (Net)	4.6	3.2
Deferred tax liability	7.1	8.9	Other Financial Assets	9.2	12.3
Other liabilities	1.6	1.2	Other Non Current Assets	1.0	3.4
Total Non-Current Liabilities	213.1	182.0	Total Non-Current Assets	94.4	89.3
Trade Payables	21.3	13.8	Inventories	54.6	34.6
Other Current Liabilities	3.1	2.1	Sundry Debtors	53.1	43.9
Current Tax Liabilities	0.3	1.8	Cash and Bank	36.7	18.4
Other Financial Liabilities	11.0	4.6	Other Financial Assets	25.3	9.3
Short Term Borrowings	23.2	0.0	Other Current Assets	7.7	8.7
Total Current Liabilities	58.8	22.3	Total Current Assets	177.5	114.9
Total Liabilities	271.9	204.2	Total Assets	271.9	204.2



Thank You

Shardul Doshi (CFO)/ Shalaka Ovalekar (CS)

ADF Foods Limited

shardul@adf-foods.com

co_secretary@adf-foods.com

Marathon Innova B2 – G01, G. K. Road
Lower Parel, Mumbai 400 013



Pooja Dokania

Pareto Capital (Investor Relations)

pooja.dokania@paretocapital.in

210, B Wing, Kanakia Wall Street
Andheri East, Mumbai - 400069

