



# Investor Presentation

## Q3 & 9MFY21



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# Agenda

A collage of various spices and herbs. At the top, a wooden spoon holds saffron threads. To its right is a sliced red chili pepper showing seeds. Below these are a whole nutmeg, a bunch of lavender, and a wooden bowl filled with red chili powder. The background is a dark, textured surface with scattered seeds and herbs.

- 01 Q3 & 9MFY21 Highlights
- 02 About the Company
- 03 Industry Drivers & Growth Strategy
- 04 Historical Financial Overview

# Q3 & 9MFY21 Highlights

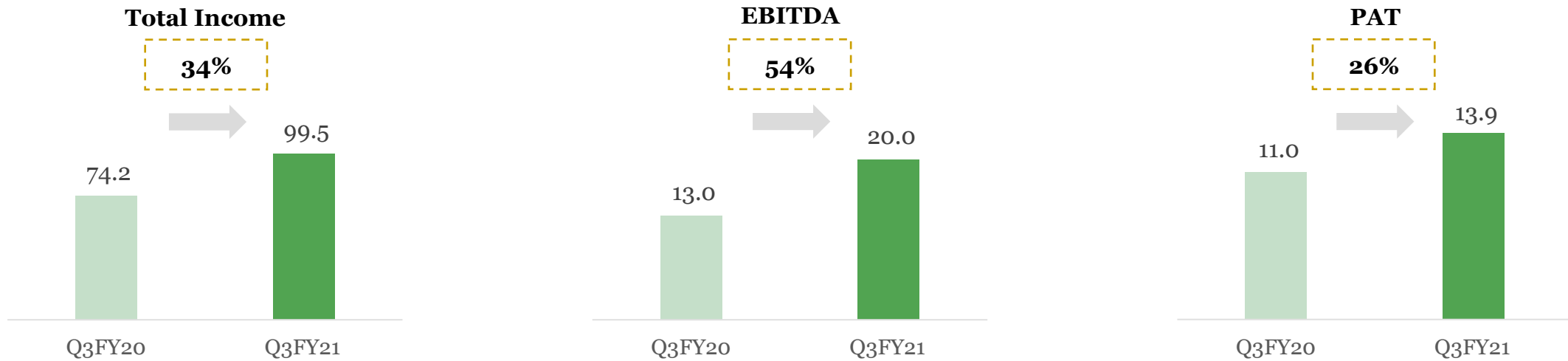
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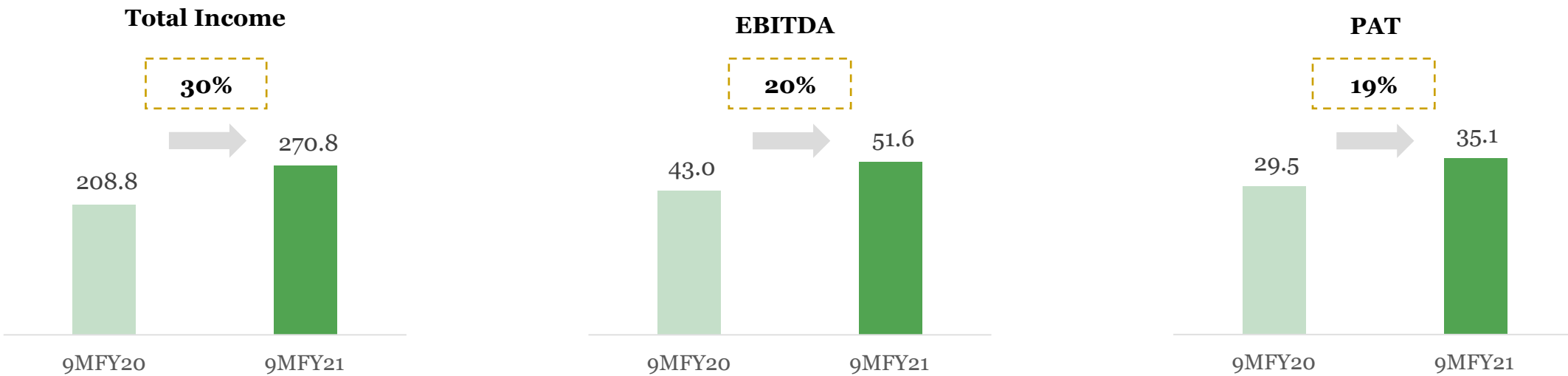
# Q3 & 9MFY21 consolidated result highlights

Financials in Rs. Cr

## Quarter performance



## Nine-Months performance



# Consolidated profit & loss statement

(Rs Cr)	Q3FY21	Q3FY20	YoY	9MFY21	9MFY20	YoY
Revenue from operations	98.6	73.9	<b>33%</b>	266.7	203.0	<b>31%</b>
Other income	0.9	0.3		4.0	5.8	
<b>Total Income</b>	<b>99.5</b>	<b>74.2</b>	<b>34%</b>	<b>270.8</b>	<b>208.8</b>	<b>30%</b>
Cost of material consumed	27.6	19.0		77.1	57.7	
Purchase of stock-in-trade	41.2	17.8		87.6	50.8	
Changes in inventories	-11.5	3.2		-6.6	-2.0	
Employee expenses	4.9	4.0		12.3	13.4	
Other expenses	17.4	17.2		48.7	45.9	
Total Operating expenses	79.5	61.2		219.2	165.8	
<b>EBITDA</b>	<b>20.0</b>	<b>13.0</b>	<b>54%</b>	<b>51.6</b>	<b>43.0</b>	<b>20%</b>
<b>EBITDA margin</b>	<b>20.1%</b>	<b>17.5%</b>		<b>19.1%</b>	<b>20.6%</b>	
Finance cost	0.4	0.4		0.9	0.9	
Depreciation	1.5	1.4		4.4	4.1	
<b>PBT</b>	<b>18.1</b>	<b>11.2</b>	<b>62%</b>	<b>46.3</b>	<b>38.0</b>	<b>22%</b>
<b>PBT margin</b>	<b>18.2%</b>	<b>15.1%</b>		<b>17.1%</b>	<b>18.2%</b>	
Exceptional items	0.0	0.1		0.0	-0.3	
Tax Expenses (Credits)	4.2	0.3		11.2	8.2	
<b>PAT</b>	<b>13.9</b>	<b>11.0</b>	<b>26%</b>	<b>35.1</b>	<b>29.5</b>	<b>19%</b>
<b>PAT margin</b>	<b>14.0%</b>	<b>14.8%</b>		<b>13.0%</b>	<b>14.1%</b>	

## Capacity expansion by taking new unit on lease

- The Company has taken a manufacturing unit in Surat (Gujarat) on lease
- The facility, with a production capacity of 1,950 MTPA, will enable to increase the capacity for frozen food products to cater to the growing demand in the export markets
- The facility is expected to be operational in Q4FY21
- This leasing option saves time and building construction costs, allowing the Company to move forward with its expansion plans more effectively and timely

**Capacity – 1,950 MTPA**

**Total Capex – Rs 2 crores**



# About the Company

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





# Company highlights

## Operational strengths

**7**  
Brands

**55+**  
Countries

**180+**  
Distributors

**2**  
State-of-the-art Facilities

**400+**  
SKU

**26,000**  
MTPA Capacity

## Financial strengths

**Zero**  
Long Term Debt

**21%**  
EBITDA Margin

**14%**  
PAT Margin

**23%**  
Return on Equity

**29%**  
Return on Capital Employed

**Rs 51 cr**  
Returned to shareholders  
in last 4 years

# Our businesses – presence across all categories

## Core business

Export of wide range of **Indian ethnic products** - ready-to-cook, ready-to-eat, frozen, pickles, condiments, etc. - to over 55 countries with significant presence across US, UK and GCC markets

## US subsidiary

Dealing in organic & natural foods in the US in a wide range of authentic **Mexican and Mediterranean flavors**

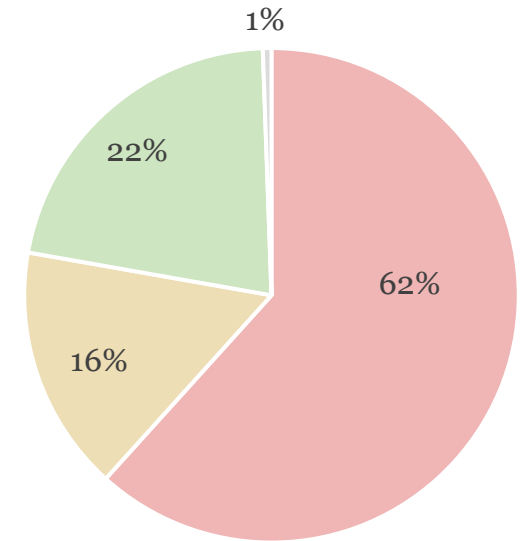
## Agency distribution business

Distribution of consumer products for a Fortune 500 FMCG, in the US and UK markets; the products are synergistic to own products and enables to offer a wide range to distributors

## India business

Healthy & tasty products under the brand 'SOUL' for the urban India; pioneer in some product categories such as olive oil based pickles

Contribution to Revenue  
9MFY21



- Core Business
- US Subsidiary
- Agency Distribution Business
- Indian Business

<b>Positioning</b>	<ul style="list-style-type: none"> <li>• Flagship brand primarily targeted at Indian diaspora worldwide</li> </ul>
<b>Products</b>	<ul style="list-style-type: none"> <li>• Frozen snacks, frozen breads, frozen vegetables, RTE, meal accompaniments, pastes, sauces, spices, milk drinks</li> <li>• 300+ products across categories</li> </ul>
<b>Geographies</b>	<ul style="list-style-type: none"> <li>• USA, Canada, UK and APAC</li> </ul>
<b>Retail channel</b>	<ul style="list-style-type: none"> <li>• 70-90% from ethnic stores* across geographies</li> <li>• Balance from mainstream/ modern trade stores</li> </ul>



\*Ethnic stores are a subcategory of general trade stores



<b>Positioning</b>	<ul style="list-style-type: none"> <li>Primarily targeted at Non-Indian consumers</li> </ul>	<ul style="list-style-type: none"> <li>Premium brand targeted at Arabic diaspora</li> </ul>	<ul style="list-style-type: none"> <li>Economy brand</li> </ul>
<b>Products</b>	<ul style="list-style-type: none"> <li>RTE, meal accompaniments, pastes, sauces</li> </ul>	<ul style="list-style-type: none"> <li>Meal accompaniments, pastes, sauces</li> </ul>	<ul style="list-style-type: none"> <li>Meal accompaniments, pastes, sauces</li> </ul>
<b>Geographies</b>	<ul style="list-style-type: none"> <li>Germany and USA</li> </ul>	<ul style="list-style-type: none"> <li>Middle East</li> </ul>	<ul style="list-style-type: none"> <li>Middle East</li> </ul>
<b>Retail channel</b>	<ul style="list-style-type: none"> <li>100% from mainstream/ modern trade stores</li> </ul>	<ul style="list-style-type: none"> <li>95% from mainstream/ modern trade stores</li> </ul>	<ul style="list-style-type: none"> <li>65% from mainstream/ modern trade stores ; 35% general trade</li> </ul>





<b>Positioning</b>	<ul style="list-style-type: none"> <li>• Organic, made with USDA certified organic ingredients</li> </ul>	<ul style="list-style-type: none"> <li>• Non-GMO, all natural, vegan, vegetarian</li> </ul>
<b>Products</b>	<ul style="list-style-type: none"> <li>• Hand rolled burritos</li> </ul>	<ul style="list-style-type: none"> <li>• Meatless meatballs</li> </ul>
<b>Geographies</b>	<ul style="list-style-type: none"> <li>• USA</li> </ul>	<ul style="list-style-type: none"> <li>• USA</li> </ul>
<b>Retail channel</b>	<ul style="list-style-type: none"> <li>• 100% from mainstream/ modern trade stores</li> </ul>	<ul style="list-style-type: none"> <li>• 100% from mainstream/ modern trade stores</li> </ul>



- Distribution of some products of a global Fortune 500 FMCG in USA and UK markets
- Products are complimentary to existing range of ADF products and offers wide range of products to the distributors
- Focusing on adding more complimentary products of similar nature in product basket as well as adding products of few more companies in newer markets
- Enables the company access to a wider product portfolio to offer the retailers who stock the company's products





## BINDASS KHAO

### Positioning

- Primarily targeting urban Indian customers

### Products

- Wide range of products - pickles, sauces, cooking paste, ready to cook instant masala mix, etc.

### Geographies

- Sold and marketed primarily in Mumbai, India

### Retail channel

- Available in Reliance Retail, Sahakari Bhandar & Haiko; Online Presence in Big Basket and Flipkart



# State of the art manufacturing units

## Facility at Nadiad, Gujarat

- Total Built up factory area - 15,000 Sqm
- Frozen Foods (Samosas, Vegetables, Snacks, Parathas, etc)
- Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)
- Ready to Eat Curries & Canned Vegetables



## Facility at Nasik, Maharashtra

- Total Built up factory area – 10,100 Sqm
- Totally automated spice processing unit by Buhler, Germany
- Meal Accompaniments (Pickles, Chutneys, Pastes, Sauces)
- Ready to Eat Curries & Spices



## Accreditations



The facility at Nasik is USDA Organic accredited, ensuring stringent production norms and sound farming practises



Bureau Veritas accreditation which demonstrates that products, processes and services meet the highest levels of safety, quality and regulatory standards



UKAS accreditation which ensures high standards for managing occupational health and safety



BRC accreditation ensuring both food safety & quality standard best practices are being maintained



# Strong distribution network



**55+**  
Countries

**180+**  
Distributors

**6**  
Country managers

# Branding and advertising engagements in overseas markets



Ashoka was the Associate Sponsor of IPL 2020 for the US and Canada markets on Willow TV



BIG BOSS Sponsorship on Colors TV



Sponsorship of Tarak Mehta Ka Ulta Chashma on Sony SAB



Sponsorship on Aajtak News Channel

## **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

## **Deepa Harris**

Independent Director

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- 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.

## **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.

## **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.

## **Chandir Gidwani**

Independent Director

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- 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.

## **Jay Mehta**

Non-Executive Director

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- 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

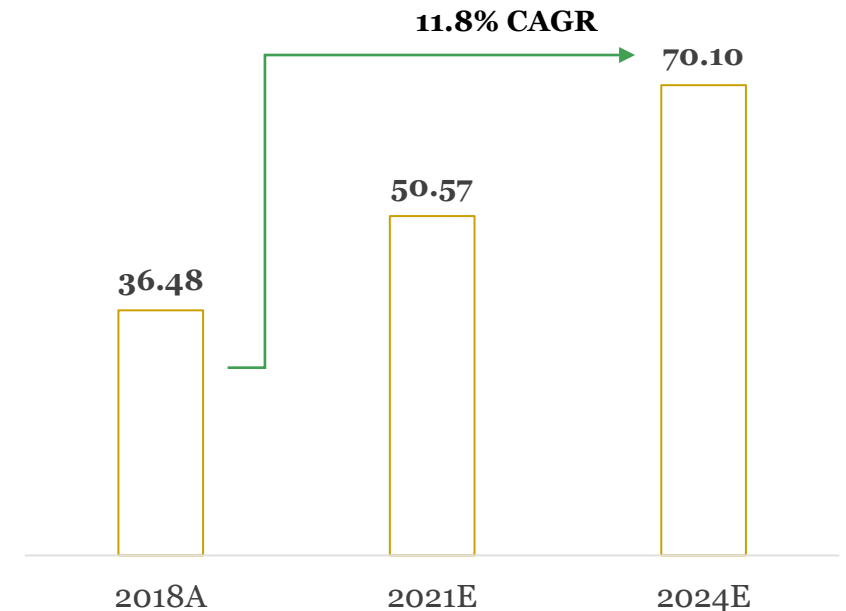
# Industry Drivers & Our Growth Strategy

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## Global Ethnic Food Market

- The global ethnic food market was valued at \$36.48 billion in 2018, and is projected to grow at 11.8% (CAGR) , to reach \$70.10 billion in 2024
- A paradigm shift in taste preference over ethnic food due to increased diaspora, the willingness to experiment with international cuisines and increasing migration among the world population for personal and professional purposes are pioneering the demand
- The consumers are looking for more innovative and experimental food choices which are authentic, convenient, ready to eat as well as healthy
- Amongst the international cuisines, Asian (Indian, Chinese), Middle Eastern and Mexican cuisines are the most preferred ones which are growing faster than market average.
- Indian food remains the largest segment ahead of Chinese in the UK ethnic food market



The global ethnic food market (\$billion)<sup>(1)</sup>

## Evolving Industry Trends

- **Evolving consumer tastes and preferences offering opportunities for innovations:** - Consumers demand healthy and authentic food alternatives with fewer artificial ingredients
- **Strong preference of convenience RTE food by millennials** - The largest living generation, having higher disposable income spend on RTE food products due the ease of consumption
- **Emerging importance of a balanced healthy diet** - Gluten free, lactose free, veganism, vegetarianism and nutritional food are gaining market share as consumers are becoming more health conscious

## COVID Impacting Consumer Behaviour

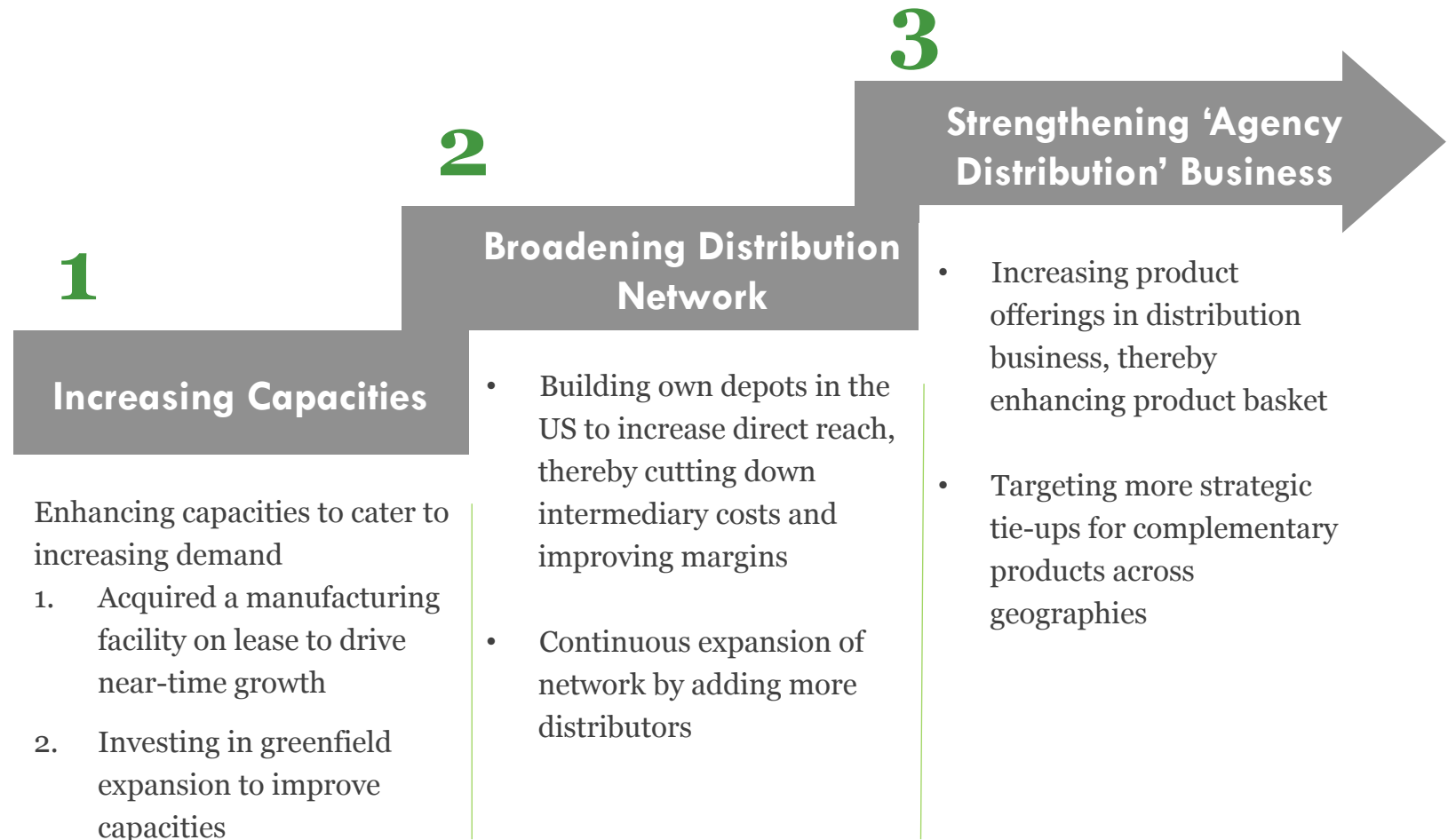
- The COVID outbreak has affected the consumer patterns leading to unprecedented changes in the RTE & RTC foods business
- On the demand side, there has been a rise of people stocking up on food with long shelf-life and preferring to eat home cooked meals are precautionary measures
- With most restaurants being closed and a large number of people working from home, the ready-to-eat market has been witnessing accelerated growth amid the pandemic
- This shift in consumer behavior and preferences is expected to become the new normal

# ADF - Strongly positioned for next phase of growth

## Journey So Far

- 1** Established strong brands in various segments
- 2** Strong global distribution network
- 3** Robust Balance sheet with zero debt
- 4** Strong margins and return ratios
- 5** Distribution of products of a Fortune 500 company

## Journey Ahead





# While generating value for shareholders

Our continued focus lies on improving cash generation and maintaining a robust balance sheet, thereby enabling us to generate strong returns and reward shareholders

**FY17**  
**Rs 9.6 crore**

**Buyback**

**FY18**  
**Rs 5.5 crore**

**Dividend Payout**

**FY19**  
**Rs 30 crore**

**Buyback**

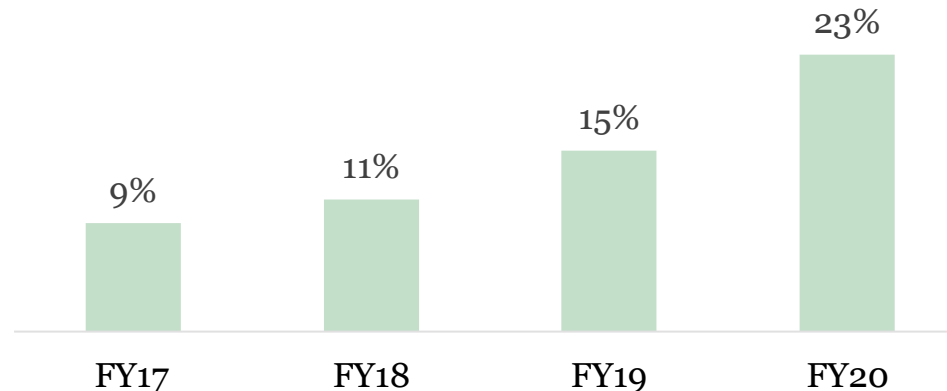
**FY20**  
**Rs 6 crore**

**Dividend Payout**

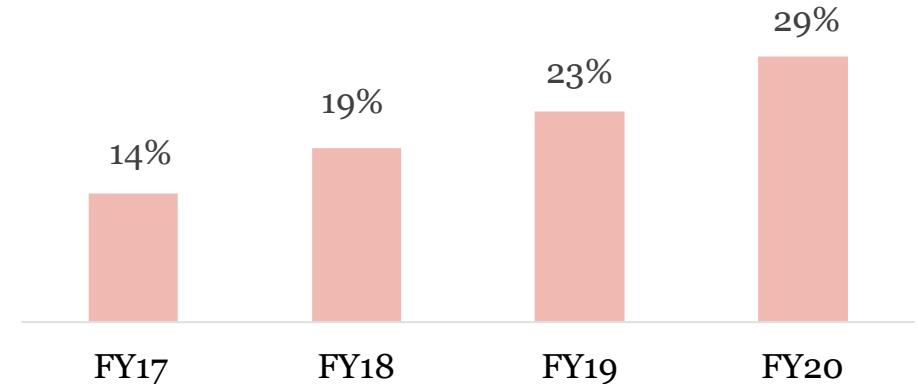
**Rs 51 crores**

Returned to  
shareholders in the  
last 4 years

**Return on Equity %**



**Return on Capital Employed %**



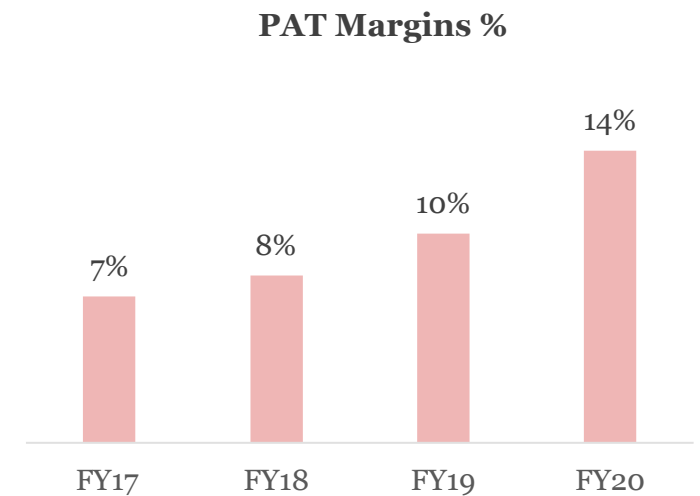
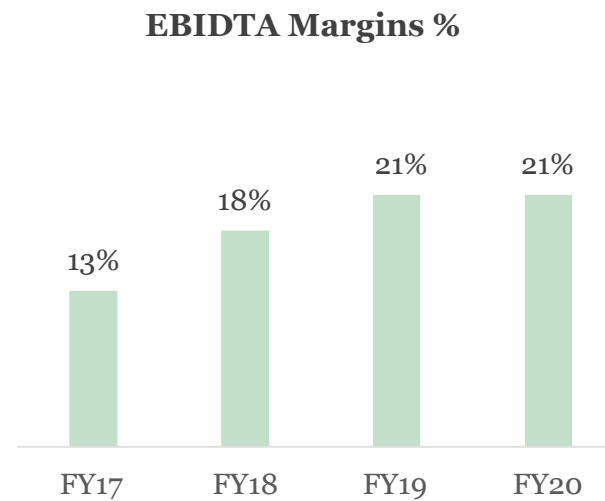
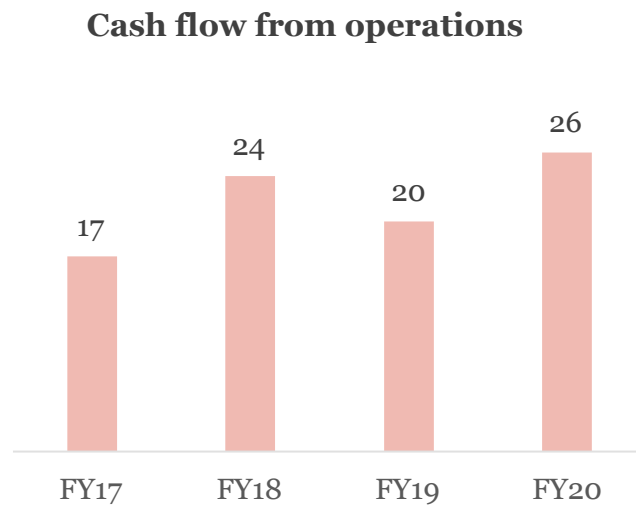
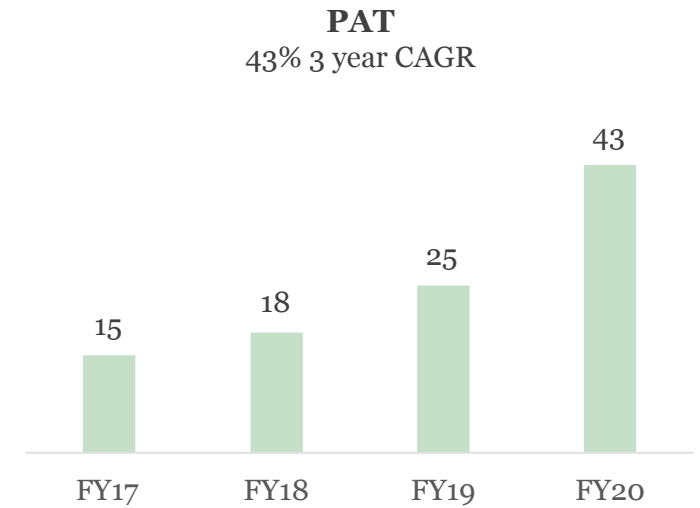
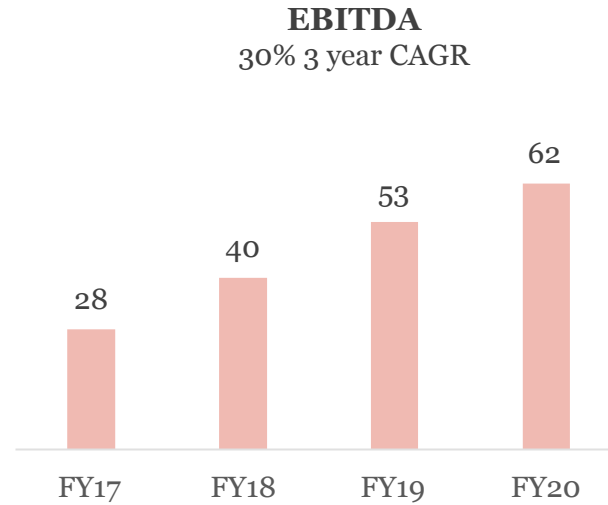
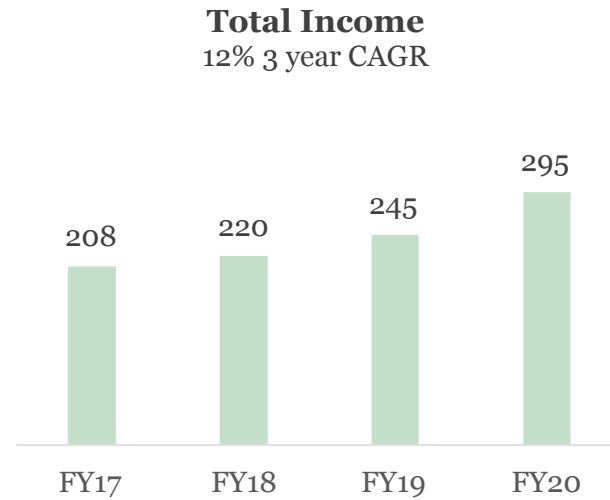
# Historical Financial Overview

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# Consolidated financial performance

Financials in Rs. Cr



# Historical profit and loss statement

(Rs Cr)	Standalone		
	FY18	FY19	FY20
Revenue from operations	163.8	187.5	182.1
Other income	18.6	14.1	21.8
<b>Total Income</b>	<b>182.4</b>	<b>201.6</b>	<b>203.8</b>
Cost of material consumed	78.2	89.33	81.81
Changes in inventories	2.8	-4.2	-0.5
Purchase of stock-in-trade	11.4	6.6	7.5
Employee expenses	13.9	13.4	15.1
Other expenses	39.7	47.3	52.2
Total Operating expenses	146.0	152.4	156.1
<b>EBITDA</b>	<b>36.4</b>	<b>49.2</b>	<b>47.7</b>
<b>EBITDA margin</b>	<b>20.0%</b>	<b>24.4%</b>	<b>23.4%</b>
Finance cost	1.1	0.9	1.3
Depreciation and Amortization	4.4	4.3	5.5
<b>PBT</b>	<b>30.9</b>	<b>44.0</b>	<b>40.9</b>
<b>PBT margin</b>	<b>17.0%</b>	<b>21.8%</b>	<b>20.0%</b>
Tax Expenses (Credits)	8.6	13.5	9.1
Exceptional Items	-	-	-0.3
<b>PAT</b>	<b>22.3</b>	<b>30.5</b>	<b>31.5</b>
<b>PAT Margin</b>	<b>12.3%</b>	<b>15.4%</b>	<b>15.1%</b>

Consolidated		
FY18	FY19	FY20
201.0	231.4	272.8
18.6	14.1	21.8
<b>219.6</b>	<b>245.5</b>	<b>294.6</b>
78.2	89.3	81.8
1.5	-11.1	-19.2
34.2	42.0	86.4
16.4	16.1	17.6
49.3	56.3	65.4
179.6	192.7	232.1
<b>40.0</b>	<b>52.8</b>	<b>62.5</b>
<b>18.2%</b>	<b>21.5%</b>	<b>21.2%</b>
1.1	0.9	1.3
6.8	14.2	5.9
<b>32.1</b>	<b>37.7</b>	<b>55.3</b>
<b>14.6%</b>	<b>15.4%</b>	<b>18.8%</b>
14.0	12.4	12.2
-	-	-0.3
<b>18.1</b>	<b>25.3</b>	<b>42.8</b>
<b>8.2%</b>	<b>10.3%</b>	<b>14.5%</b>

Depreciation and Amortization 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

# Consolidated balance sheet

(Rs Cr)	Sept'20	Mar'20
Share Capital	20.4	20.4
Reserves	206.8	184.0
<b>Shareholders' Funds</b>	<b>227.2</b>	<b>204.4</b>
Other liabilities	0.7	1.6
Deferred tax liability	7.6	7.1
<b>Total Non-Current Liabilities</b>	<b>8.3</b>	<b>8.7</b>
Trade Payables	20.5	21.2
Other Current Liabilities	11.1	11.0
Current Tax Liabilities	0.3	0.3
Other Financial Liabilities	2.1	3.1
Short Term Borrowings	13.0	23.2
<b>Total Current Liabilities</b>	<b>47.0</b>	<b>58.8</b>
<b>Total Liabilities</b>	<b>282.5</b>	<b>271.9</b>

(Rs Cr)	Sept'20	Mar'20
Fixed Assets incl. CWIP	57.2	58.2
Intangible Assets	21.3	21.4
Income Tax Asset (Net)	4.7	4.6
Other Non Current Assets	6.5	10.2
<b>Total Non-Current Assets</b>	<b>89.7</b>	<b>94.4</b>
Inventories	51.2	54.7
Sundry Debtors	55.8	53.1
Cash and Bank	60.1	36.7
Investments	13.9	18.0
Other Financial Assets	5.1	7.3
Other Current Assets	6.7	7.7
<b>Total Current Assets</b>	<b>192.8</b>	<b>177.5</b>
<b>Total Assets</b>	<b>282.5</b>	<b>271.9</b>

# Thank You



**Shardul Doshi (CFO)/ Shalaka Ovalekar (CS)**

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