

# ADF Foods Limited

## Press Release

### ADF Foods reports results for quarter and year ended March 31, 2021

**Total Income for Q4FY21 at Rs. 104.5 Crores, up 22% YoY**

**EBITDA Margin for Q4FY21 at 21%**

**Board recommends final dividend of 30% for the year**

**Mumbai, 24<sup>th</sup> May, 2021:** ADF Foods Limited (BSE: 519183; NSE: ADFFOODS), a leading player in the prepared ethnic food, has reported results for quarter and year ended March 31, 2021.

#### **Consolidated Financial highlights:**

(Rs in Crores)

Consolidated	Q4FY21	Q4FY20	YoY	FY21	FY20	YoY
Total Income	104.5	85.8	21.8%	375.3	294.6	27.4%
EBITDA	22.1	19.5	13.3%	73.8	62.5	18.0%
EBITDA %	21.2%	22.8%		19.7%	21.9%	
PBT	20.4	17.3	17.6%	66.7	55.3	20.6%
PBT %	19.5%	20.2%		17.8%	18.8%	
Reported PAT	14.9	13.3	12.2%	50.1	42.8	17.1%
PAT %	14.3%	15.5%		13.6%	15.0%	

*\*EBITDA includes other income*

#### **Q4FY21 performance:**

- Total income for quarter ended March 31, 2021 stood at Rs 104.5 Cr compared to Rs 85.8 Cr in Q4FY20, a growth of 22% YoY; the growth was driven by the export business as well as agency distribution business
- EBITDA for the quarter was at Rs 22.1 Cr with EBITDA margin of 21.2%
- PBT for the quarter stood at Rs 20.4 Cr, up 17.6% YoY
- Reported Net Profit after Tax of Rs 14.9 Cr for Q4FY21, as compared to Rs. 13.3 Cr in the corresponding quarter of last year. PAT margin for the quarter stood at 14.3%

#### **FY21 performance:**

- Total income for year ended March 31, 2021, stood at Rs. 375.3 Cr, compared to Rs 294.6 Cr in FY20, up 27.4% YoY
- EBITDA for the period was Rs. 73.8 Cr, compared to Rs 62.5 Cr in FY20, up 18% YoY
- EBITDA margin continued to remain robust at 19.7%
- PBT for the year stood at Rs 66.7 Cr, up 20.6% YoY
- Reported Net Profit after Tax for FY21 stood at Rs. 50.1 Cr, up 17% YoY with PAT margin of 13.6%

*Note: Certain statements made in the document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. ADF Foods Ltd will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*

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The Company enjoys Zero total debt as on 31<sup>st</sup> March 2021. Total cash and cash equivalents stood at Rs 81.3 Cr.

The “Agency distribution segment” where the Company acts as distribution agent of food products for a Fortune 500 FMCG global major across the US and UK markets, contributed Rs. 18.4 Cr to revenues in Q4FY21 and Rs 76.2 Cr in FY21. The Company also expanded the product offerings in this business segment by adding wheat flour and soup brands in the mix, thereby enhancing the product basket.

## **New product launches:**

During the year, the Company has launched new product variants under the Ashoka brand like new frozen vegetables - red chilli, chopped methi leaves, coconut slices and amla (gooseberry) slices, additionally three new variants of Kathi rolls - Gobi 65, Hot & Sour and Soya Chaap in the frozen snacks category. It also extended its current product line of Dipping Sauces with a new variant under the ambient range.

## **Capex Update:**

- During the year, the company setup a manufacturing facility in Surat, Gujarat on lease. The facility is expected to increase the production capacity by 1,950 MTPA. The capex of this project was Rs 2 crores. The facility was established in response to the increased demand for the company’s core products- frozen bread, snacks and ready-to-eat products. The facility started commercial production of frozen breads wef. 25th March, 2021
- The Company recently has acquired a land parcel of around 7 acres in Gujarat for a greenfield expansion. A Capex outlay of Rs 60 crores has been announced for Phase 1 which would see an increase in capacity of Frozen Foods, Ready to Eat and Condiment categories, this expansion would bring a potential ~10,000 MTPA addition to the overall manufacturing capacity
- The company additionally acquired 66,000 Sq. Ft of warehouse space on leasehold basis at New Jersey, USA as a dedicated distribution center. This is in line with the company’s goal of expanding the distribution network to ensure uninterrupted product supply with direct reach to the retailers.

The Board has recommended a final dividend of 30% for the year - Rs 3/- per share on face value of Rs. 10/- each, the amount shall be considered total Dividend for the year.

Commenting on the performance, **Mr. Bimal Thakkar, Chairman, Managing Director & CEO, ADF Foods Limited** said, “I’m proud of the performance our company has delivered this year, with total income up 22% in Q4FY21 and 27% in FY21 compared to same period last year. Our operating margins and PAT margins remain robust at 20% and 14%, respectively.

We continue to see robust demand across our product categories and to cater to that we have started investing in increasing our capacities and strengthening distribution. Our new leased facility in Gujarat started commercial production towards the end of the quarter and would see full operations in the coming year. We are pleased to announce a greenfield expansion plan for

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a total estimated capex of Rs 60 crores and have acquired land in Gujarat for the same; we hope to complete and start commercial production in 18 to 24 months. We have also made our distribution network stronger by taking a warehouse in the US to which will help us to ensure uninterrupted supply to customers. We are also delighted with the way our agency distribution business is shaping-up, during the year we added additional products in our product basket and aim to continue growing this segment.

We believe that we are at an inflexion point. With our strong balance sheet and cash flow position, we are rightly positioned to tap the growth opportunities in the sector.”

**About ADF Foods Ltd:** ADF is a consumer-focused company and a leader in prepared ethnic food offering ready-to-eat (RTE) items, ready-to-cook (RTC) items, sauces, pickles, pastes, dips and frozen foods under its 7 Flagship brands. It manufactures, distributes, and markets Indian food along with organic Mexican and natural meat alternative foods. The company’s products are available in over 55+ countries through a strong distribution network across US, Canada, Europe, Australia, Asia and Middle East.

**For more details please visit:** [www.adf-foods.com](http://www.adf-foods.com)

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