

# ADF Foods Limited

## Press Release

### ADF Foods reports results for quarter and half year ended September 30, 2021

**Total Income for Q2FY22 at Rs. 110.3 Crores, up 14% YoY**  
**EBITDA Margin for Q2FY22 at 17.7%**

**Mumbai, 29<sup>th</sup> October, 2021:** ADF Foods Limited (BSE: 519183; NSE: ADFFOODS), a leading player in the prepared ethnic food segment, has reported results for quarter ended September 30, 2021.

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

(Rs in Crores)

Consolidated	Q2FY22	Q2FY21	YoY	H1FY22	H1FY21	YoY
Total Income	110.3	96.8	14%	200.0	171.3	17%
EBITDA	19.5	18.6	5%	35.4	31.7	12%
EBITDA %	17.7%	19.2%		17.7%	18.5%	
PBT	17.7	16.9	5%	32.0	28.2	13%
PBT %	16.0%	17.4%		16.0%	16.5%	
Reported PAT	12.5	12.6	-	23.6	21.2	11%
PAT %	11.3%	13.0%		11.8%	12.4%	

*\*EBITDA includes other income*

#### **Q2FY22 performance:**

- Total income for quarter ended September 30, 2021 stood at Rs 110.3 Cr compared to Rs 96.8 Cr in Q2FY21, a growth of 14% YoY; the growth was driven by good demand and volume offtake
- EBITDA for the quarter was at Rs 19.5 Cr with EBITDA margin of 17.7%
- PBT for the quarter stood at Rs 17.7 Cr, up 5% YoY
- Reported Net Profit after Tax of Rs 12.5 Cr for Q2FY22, with a PAT margin of 11.3%
- Margin compression during the quarter was impacted by the global container shortage, however, despite significant rise in freight costs, profitability was sustained with cost optimizations

#### **H1FY22 performance:**

- Total income for half year ended September 30, 2021, stood at Rs. 200 Cr, compared to Rs 171.3 Cr in H1FY21, up 17% YoY, driven by growth across segments
- EBITDA for the period was Rs.35.4 Cr, compared to Rs 31.7 Cr in H1FY21, up 12% YoY
- EBITDA margin continued to remain robust at 17.7%
- PBT for H1FY22 stood at 32 Cr up 13% YoY
- Reported Net Profit after Tax for H1FY22 stood at Rs. 23.6 Cr, up by 11%

*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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Total debt as on 30<sup>th</sup> Sept 2021 stood at Rs 14.8 Cr, which constitutes short-term borrowings. Total cash and cash equivalents stood at Rs 73.2 Cr.

The “Distribution Business” where the Company acts as a distributor of food products for a Fortune 500 FMCG global player across the US and UK markets, contributed Rs. 22.6 Cr to revenues in Q2FY22.

## **New product launches:**

The Company has launched new product variants across categories. This includes frozen kulchas (Paneer, Amritsari), frozen snacks (corn tikki, beetroot tikki, spiced falafel), ready to eat curries (pav bhaji, chole, rajma, etc) and chutneys (date and tamarind, sandwich, panipuri) under the Ashoka brand. It also extended its current product line of Sauces with a new variant under the ambient range.

## **Investing in strengthening distribution network:**

- The company has acquired a second warehouse in Georgia, USA, on lease, in addition to recently leased warehouse space at New Jersey, USA. Both together have a total area of 100,000 Sq. Ft. These distribution centers ensure uninterrupted product supply and help in fulfilling orders of all sizes to retail stores
- Established a step-down subsidiary (70% stake), which will be a distribution entity. This will enable direct reach to retailers, better push of products and optimization of margins

Commenting on the performance, **Mr. Bimal Thakkar, Chairman, Managing Director & CEO, ADF Foods Limited** said, “This quarter we continued to see good volume offtake despite several challenges on logistics and freight side. Our Processed Foods Business delivered a higher growth during the quarter, leading to a strong total income growth of 14% in Q2FY22. Our operating margins and PAT margins remain robust at 18% and 12%, respectively.

All our facilities are running at nearly full capacity utilization and we are undertaking further debottlenecking efforts to increase capacities in our existing plants. In addition to increasing capacities, we are strongly focused on capturing the larger part of value chain by investing in distribution network. We have leased a second warehouse center in Georgia, in addition to the one in New Jersey, together this will help us ensure uninterrupted product supply. Also, we have set up a distribution subsidiary to increase our direct reach with retailers. All these efforts will help us push our products more, have better control on supply chain, rationalize costs and optimize margins.

We are committed to deliver growth by leveraging our strong products and brands portfolio, operating expertise and robust balance sheet.”

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**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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