

ADF Foods Limited

Press Release

ADF Foods reports results for quarter and nine months ended December 31, 2021

Total Income for Q3FY22 at Rs. 118.7 Crores, up 19% YoY

Mumbai, 31st January, 2022: ADF Foods Limited (BSE: 519183; NSE: ADFFOODS), a leading player in the prepared ethnic food segment, has reported results for quarter ended December 31, 2021.

Consolidated Financial highlights:

(Rs in Crores)

Consolidated	Q3FY22	Q3FY21	YoY	9MFY22	9MFY21	YoY
Total Income	118.7	99.5	19.3%	318.7	270.8	17.7%
Gross Profit	64.6	42.3	52.9%	159.7	112.7	41.7%
GP Margin %	54.5%	42.5%		50.1%	41.6%	
EBITDA	20.0	20.0	0.4%	55.5	51.6	7.4%
EBITDA Margin%	16.9%	20.1%		17.4%	19.1%	
PBT	17.9	18.1	-1.5%	49.8	46.3	7.6%
PBT Margin%	15.0%	18.2%		15.6%	17.1%	
Reported PAT	13.6	13.9	-2.2%	37.2	35.1	6.0%
PAT Margin%	11.5%	14.0%		11.7%	13.0%	

*EBITDA includes other income

Q3FY22 performance:

- Total income for quarter ended December 31, 2021, stood at Rs 118.7 Cr, compared to Rs 99.5 Cr in Q3FY21, a growth of 19.3% YoY; the growth was driven by robust demand and improved realizations
- Better sales mix and price increases led to margin improvement at GP level, GP margins improved sequentially and annually to 54.5% in Q3FY22 compared to 42.5% in Q3FY21
- EBITDA for the quarter was at Rs 20 Cr with EBITDA margin of 17%
- Rising freight costs directly impacted margins; freight cost had increased from Rs 4.0 Cr (4% of revenue) in Q3FY21 to Rs 15.24 Cr (13% of revenue) in Q3FY22
- Reported Net Profit after Tax of Rs 13.6 Cr for Q3FY22, with a PAT margin of 11.5%

9MFY22 performance:

- Total income for nine months ended December 31, 2021, stood at Rs. 318.7 Cr, compared to Rs 270.8 Cr in 9MFY21, up 17.7% YoY, driven by growth across segments
- Gross profits stood at Rs 159.7 Cr up by 41.7% YoY with a margin of 50.1%
- EBITDA for the period was Rs.55.5 Cr, compared to Rs 51.6 Cr in 9MFY21, up 7.4% YoY
- EBITDA margin continued to remain robust at 17.4%
- Freight costs during the year had increased from Rs 8.6 Cr (3% of revenue) in 9MFY21 to Rs 33.1 Cr (10% of revenue) in 9MFY22

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.

ADF Foods Limited

- Reported Net Profit after Tax for 9MFY22 stood at Rs. 37.2 Cr, up 6.0% YoY with a margin of 11.7%

Net cash position as of 31st December 2021 is Rs 48.4 Cr.

The “Distribution Business” where the Company acts as a distributor of food products for global consumer brands across the US and UK markets, contributed Rs. 25.8 Cr to revenues in Q3FY22.

Expanding ‘Distribution Business’ via exclusive agreement with Patanjali

- The company recently signed exclusive distribution rights with Patanjali Ayurved Ltd for the distribution of consumer goods in Western Europe and UK markets
- Patanjali is a rapidly growing Indian multinational consumer goods company based in Uttarakhand, India, that focuses on natural, herbal and ayurvedic products
- This development is in line with the Company’s strategy to widen its product portfolio and offer a complementary range to retailers. ADF already has a strong presence in the UK and European markets through its branded ethnic foods business

Received approval for PLI Scheme

- The company received approval from the Government of India under Category III of the Production Linked Incentive Scheme for Food Processing Industries
- The financial incentive would cover international branding and marketing expenditure for a fixed sum of budgeted outlay (50% of marketing expenditure or 3% of sales, whichever is lower), subject to a maximum incentive of Rs 61.35 Crores during the scheme tenure from FY22 to FY26
- This will help in augmenting export sales through increased branding expenditure

Commenting on the performance, **Mr. Bimal Thakkar, Chairman, Managing Director & CEO, ADF Foods Limited** said, “We are pleased to report continuing strong performance this quarter with a total income growth of 19% YoY. Despite a challenging trade environment in terms of rising freight and other input cost, we have been able to keep up our robust margins on the back of improved realizations and optimized sales mix.

The alliance with Patanjali will offer significant opportunities to our Company to expand our product basket with our retailers. Leveraging our robust distribution network, we can funnel complementary product categories directly in stores thereby offering our consumers a wider range of products at their convenience. This will also enable us to further tap into the growing Indian diaspora market in Europe.

We will continue to invest in our manufacturing and also our distribution infrastructure, to capture the growing opportunities.”

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.

ADF Foods Limited

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

For any further details, please contact:

Shalaka Ovalekar, Company Secretary, ADF Foods Ltd
co_secretary@adf-foods.com

Rishav Das
Pareto Capital Advisors (Investor Relations)
rishav.das@paretocapital.in

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.