

October 29, 2021

DCS-CRD
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

DCS-CRD
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 519183

Symbol: ADFFOODS

Sub: Investor Presentation

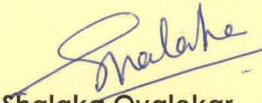
Enclose please find Corporate Presentation of the Company for the Second Quarter and Half Year ended September 30, 2021.

The aforementioned Presentation has been uploaded on the Company's website viz., www.adf-foods.com

You are requested to take the above on your records.

Yours faithfully,

For **ADF Foods Limited**


Shalaka Ovalekar
Company Secretary



Encl: As above



Investor Presentation Q2 & H1FY22



Agenda

A collection of natural ingredients including saffron, chili peppers, nutmeg, and lavender on a dark surface. The background features a dark, textured surface with various spices and herbs. A wooden spoon holds saffron threads, a red chili pepper is sliced open, and a whole nutmeg is visible. There are also some dried red chilies and a small bowl of red powder. The overall theme is natural and organic.

- 01 Q2 & H1FY22 Financial & Operational Highlights
 - 02 About The Company
 - 03 Our Key Strengths and Growth Strategy
 - 04 Historical Financial Overview
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- A decorative green leaf graphic at the bottom of the slide, consisting of a long, thin leaf and a smaller, rounded leaf.

Q2 & H1FY22 Financial & Operational Highlights

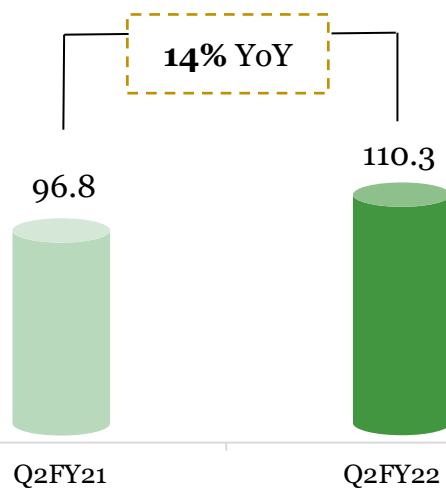


Q2 & H1FY22 consolidated result highlights

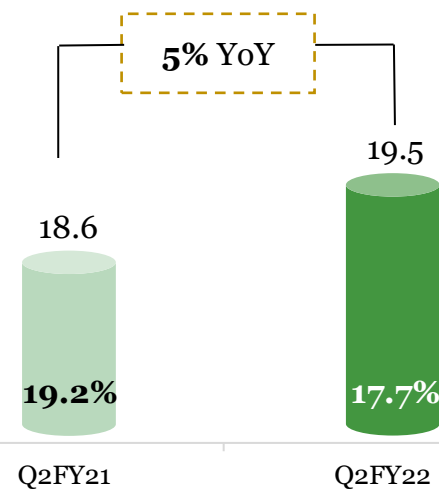
Financials in Rs. Cr

Quarter performance

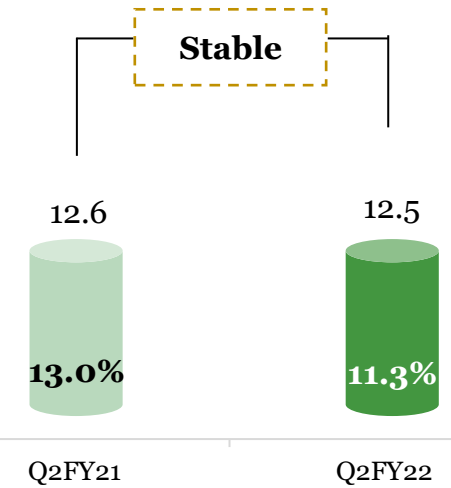
Total Income



EBITDA & Margin

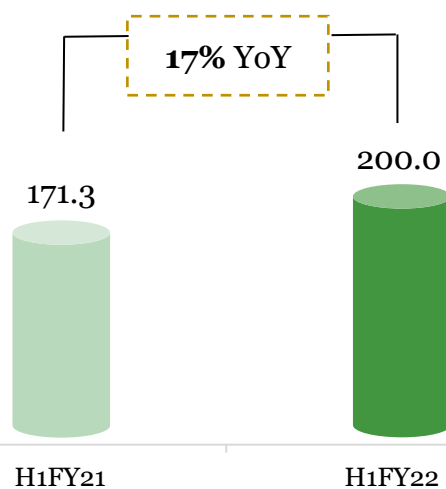


PAT & Margin

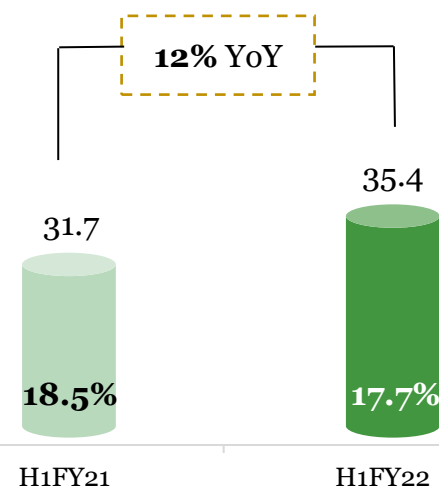


Half-year performance

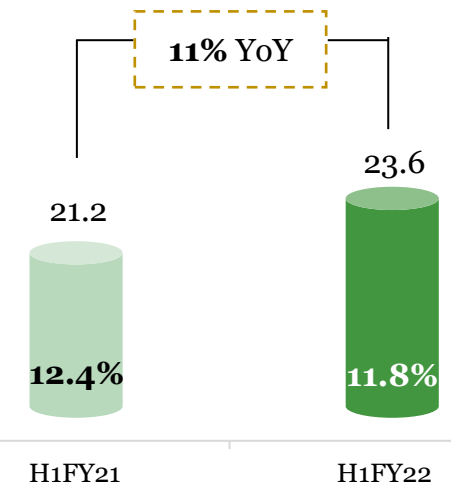
Total Income



EBITDA & Margin



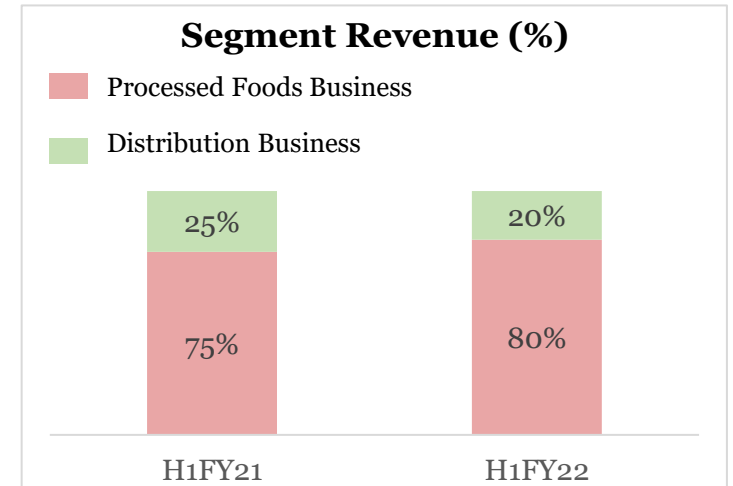
PAT & Margin



Consolidated profit & loss statement

(Rs Cr)	Q2FY22	Q2FY21	YoY	H1FY22	H1FY21	YoY
Revenue from operations	109.4	94.3	16%	195.6	168.2	16%
Other income	0.9	2.5		4.4	3.1	
Total Income	110.3	96.8	14%	200.0	171.3	17%
Cost of material consumed	26.2	27.4		62.8	49.5	
Purchase of stock-in-trade	16.5	23.6		60.4	46.4	
Changes in inventories	13.5	4.9		-18.3	5.0	
Employee expenses	6.0	3.5		10.8	7.4	
Other expenses	28.7	18.8		48.9	31.3	
Total Operating expenses	90.8	78.2		164.6	139.6	
EBITDA	19.5	18.6	5%	35.4	31.7	12%
EBITDA margin	17.7%	19.2%		17.7%	18.5%	
Finance cost	0.2	0.2		0.3	0.6	
Depreciation	1.7	1.5		3.1	2.9	
PBT	17.7	16.9	5%	32.0	28.2	13%
PBT margin	16.0%	17.4%		16.0%	16.5%	
Tax Expenses	5.1	4.3		8.3	7.0	
PAT	12.5	12.6	-	23.6	21.2	11%
PAT margin	11.3%	13.0%		11.8%	12.4%	

- Revenue growth of 16% in Q2 & H1 driven by volume offtake and strong demand
- Margin compression led by global container shortage and rising freight costs
- Freight cost had increased from Rs 2.6 cr (3% of revenue) in Q2FY21 to Rs 11.6 cr (11% of revenue) in Q2FY22
- Despite significant rise in freight costs, profitability was sustained with cost optimizations, price increases and better sales mix



Consolidated balance sheet

(Rs Cr)	Sep'21	Mar'21
Share Capital	20.4	20.4
Reserves	280.0	253.1
Shareholders' Funds	300.4	273.5
Long Term Borrowings	7.4	0.0
Other liabilities	42.0	0.9
Deferred tax liability	7.7	7.6
Total Non-Current Liabilities	57.1	8.4
Trade Payables	39.3	34.8
Other Current Liabilities	15.4	7.8
Current Tax Liabilities	4.6	0.3
Other Financial Liabilities	1.1	2.1
Short Term Borrowings	7.4	0.0
Total Current Liabilities	67.7	45.1
Total Liabilities	425.3	327.0

(Rs Cr)	Sep'21	Mar'21
Fixed Assets incl. CWIP	103.9	56.2
Intangible Assets (inc. goodwill)	45.3	21.3
Income Tax Asset (Net)	7.2	5.0
Other Non Current Assets	7.1	5.7
Total Non-Current Assets	163.5	88.3
Inventories	94.7	72.9
Sundry Debtors	72.2	64.9
Cash and Bank	64.0	64.7
Investments	9.2	16.6
Other Financial Assets	11.4	10.8
Other Current Assets	10.2	8.7
Total Current Assets	261.8	238.7
Total Assets	425.3	327.0

New product launches



Frozen Snacks



Chutneys



Sauces

Dedicated R&D team to develop innovative products and variants to cater to evolving consumer needs

About the Company

“ 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

3
State of the art manufacturing
facilities

2
Warehouse Units

~28,000
MTPA Capacity

Financial strengths

22%
3-year Revenue CAGR

20%
EBITDA Margin

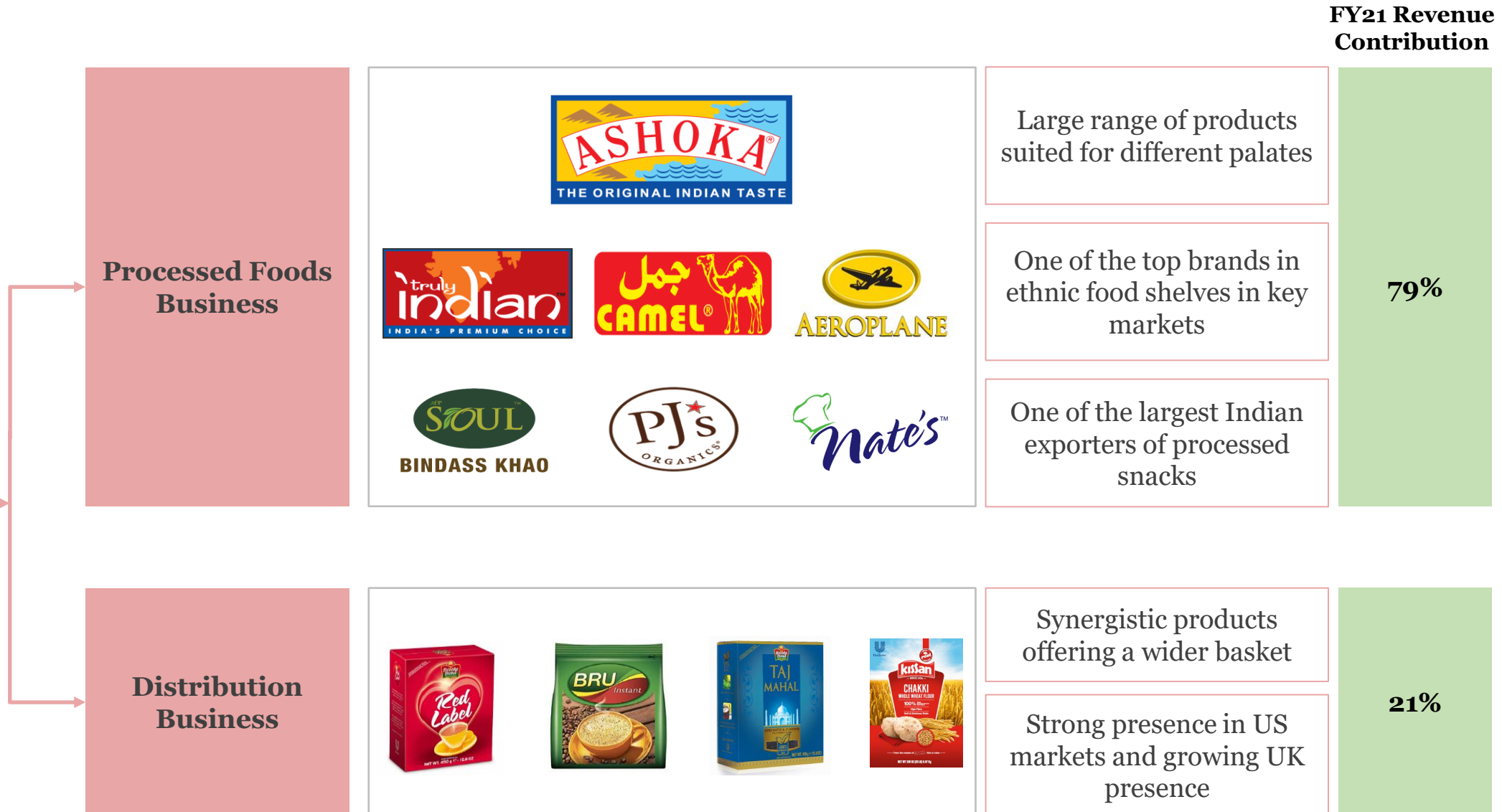
13%
PAT Margin

21%
Return on Equity

27%
Return on Capital Employed

Rs 81 cr
Net Cash & Equivalents

Our businesses – leading processed food company



Processed foods business



Positioning	<ul style="list-style-type: none"> • Flagship brand primarily targeted at Indian diaspora worldwide 	<ul style="list-style-type: none"> • Primarily targeted at Non-Indian consumers
Products	<ul style="list-style-type: none"> • Frozen snacks, frozen breads, frozen vegetables, RTE, meal accompaniments, pastes, sauces, spices, milk drinks • 400+ products across categories 	<ul style="list-style-type: none"> • RTE, meal accompaniments, pastes, sauces
Geographies	<ul style="list-style-type: none"> • USA, Canada, UK and APAC 	<ul style="list-style-type: none"> • Germany and USA
Retail channel	<ul style="list-style-type: none"> • 70-90% from ethnic stores* across geographies • Balance from mainstream/ modern trade stores 	<ul style="list-style-type: none"> • 100% from mainstream/ modern trade stores



*Ethnic stores are a subcategory of general trade stores

Processed foods business



Positioning	<ul style="list-style-type: none"> • Premium brand targeted at Arabic diaspora 	<ul style="list-style-type: none"> • Economy brand 	<ul style="list-style-type: none"> • Primarily targeting urban Indian customers
Products	<ul style="list-style-type: none"> • Meal accompaniments, pastes, sauces 	<ul style="list-style-type: none"> • Meal accompaniments, pastes, sauces 	<ul style="list-style-type: none"> • Meal accompaniments, pastes, sauces
Geographies	<ul style="list-style-type: none"> • Middle East 	<ul style="list-style-type: none"> • Middle East 	<ul style="list-style-type: none"> • Sold and marketed primarily in Mumbai, India
Retail channel	<ul style="list-style-type: none"> • 95% from mainstream/ modern trade stores 	<ul style="list-style-type: none"> • 65% from mainstream/ modern trade stores ; 35% general trade 	<ul style="list-style-type: none"> • Available in Reliance Retail, Sahakari Bhandar & Haiko; and select online platforms



Processed foods business



Frozen Organic Mexican Food



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



Positioning	<ul style="list-style-type: none">• Distribution of synergistic products for a Fortune 500 FMCG that are complimentary to existing range and offer a wider product portfolio for retailers to shelve
Products	<ul style="list-style-type: none">• Indian tea and coffee beverages, soups & wheat flour
Geographies	<ul style="list-style-type: none">• USA and UK
Retail channel	<ul style="list-style-type: none">• Mainstream/ modern trade stores as well as ethnic stores



Our Key Strengths and Growth Strategy



3 State of the art manufacturing units

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



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



Surat, Gujarat

- Leased facility with a capacity of 1,950 MTPA
- Spread over an area of 7 acres in Surat
- Frozen Foods (Breads, Snacks etc)



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

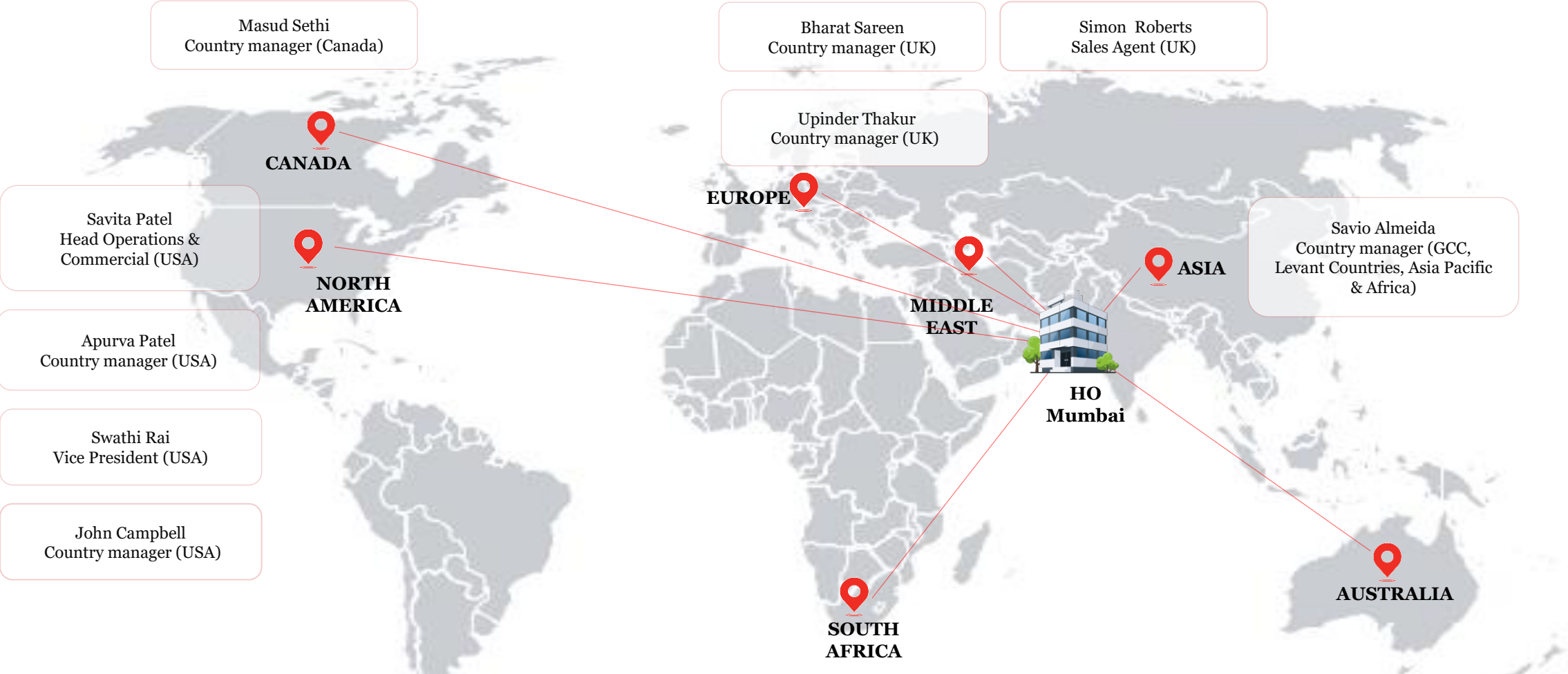


UKAS accreditation which ensures high standards for managing occupational health and safety



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

Robust global distribution network



55+
Countries

180+
Distributors

9
Country
Managers

2
Warehouse
Units

Led by an experienced management team and Board

Management Team

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

Chief Operating Officer

- 30+ years of experience in business management
- Bachelor's degree in commerce

Shardul Doshi

Chief Financial Officer

- 25 years of experience in finance, IR and accounting
- CA, CWA and CS and a Bachelor's degree in commerce

Shalaka Ovalekar

CS & Legal Head

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

Maneck Katpitia

VP, International Operations

- 30+ years of experience in international operations
- Bachelor's degree in commerce and postgraduate in marketing and sales management

Balbir Singh

VP, Manufacturing

- 25+ years of experience in food industry
- Master's degree in food technology

Deepak Nachane

GM, Purchase

- 25+ years of experience in procurement to pay operations
- Engineering degree in production technology & Diploma in business & materials management

Board of Directors

Deepa Harris

Independent Director

- 30+ years of expertise in high-end luxury hospitality category
- Independent Director of PVR Limited, Jubilant Foodworks, Prozone Intu Properties, Taj Safaris, Concept Hospitality and TCPL Packaging

Viren Merchant

Non-Executive Director

- 30+ years of experience and expertise in business management and pharmaceutical and healthcare industry
- Currently CEO of Encore Healthcare Pvt Ltd.

Ravinder Jain

Independent Director

- 45+ years of experience in business management
- Ex - MD of Shaw Wallace, MD of Millennium Alcobev and head of McDowell and Co.

Chandir Gidwani

Independent Director

- 45+ years of experience in financial services
- Chairman Emeritus & Founder of Centrum Capital Ltd; Member of industry associations e.g. FICCI, CII, etc.

Jay Mehta

Non-Executive Director

- 35+ years of rich industrial experience
- Executive Vice Chairman of Gujarat Sidhee Cement Ltd and Saurashtra Cement Ltd

Focused branding and advertising engagements

Media Advertisements



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 Taarak Mehta Ka Ooltah Chashmah on Sony SAB

In-store Promotions

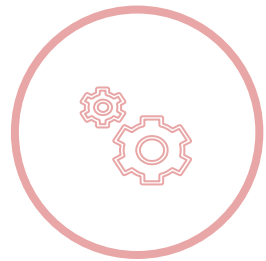


UK Cross promotion - Buy any pack of tea & get Ashoka RTE pack free



Tea sampling promotion

Moving up the value chain through investments in distribution



Manufacturing

- Undertaking brownfield and debottlenecking efforts at existing plants
- Unlock additional capacities of ~20%
- Greenfield expansion plan to increase capacities for frozen food, ready-to-eat, condiments
- Potential to add ~10,000 metric tonnes of capacity in Phase 1



Warehousing

- Leased a second warehouse center in Georgia, USA with an area of 33,000 Sq. Ft
- This along with the first warehouse center in New Jersey, USA, provides a combined leasehold area of 1 Lac Sq. Ft



Distribution

- Established a step-down subsidiary with an existing distributor in New Jersey, USA
- Key benefits:
- Direct reach to retailers
 - Improve supply chain management
 - Retain distributor margins



Retailer



Consumer

Historical Financial Overview

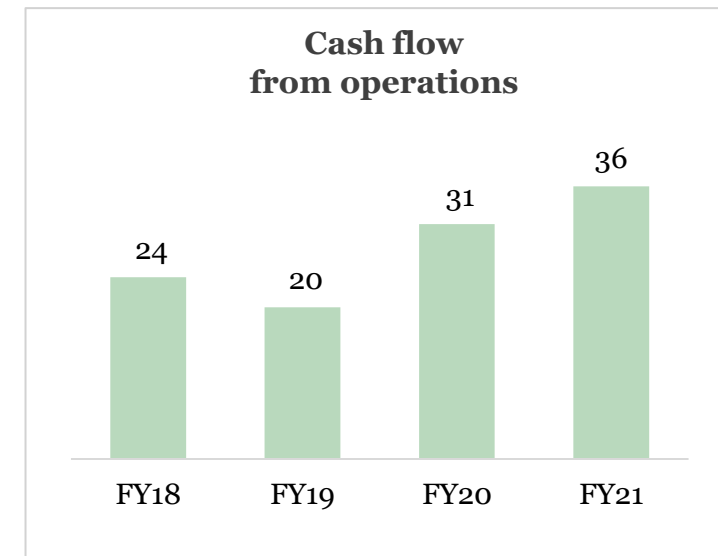
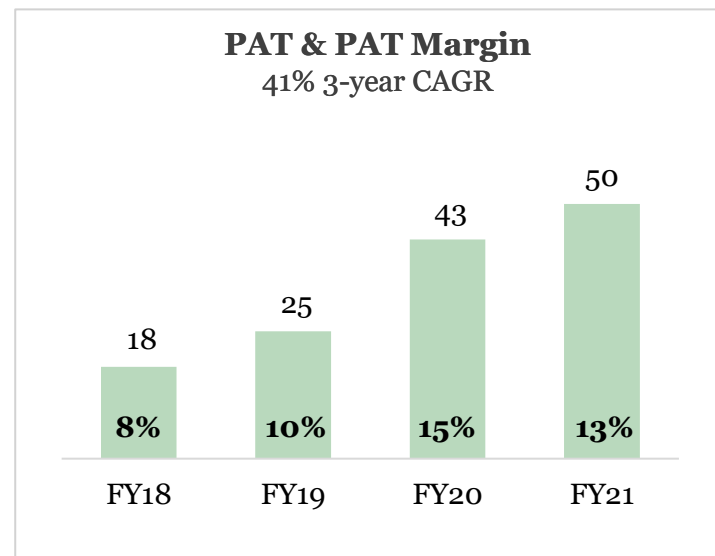
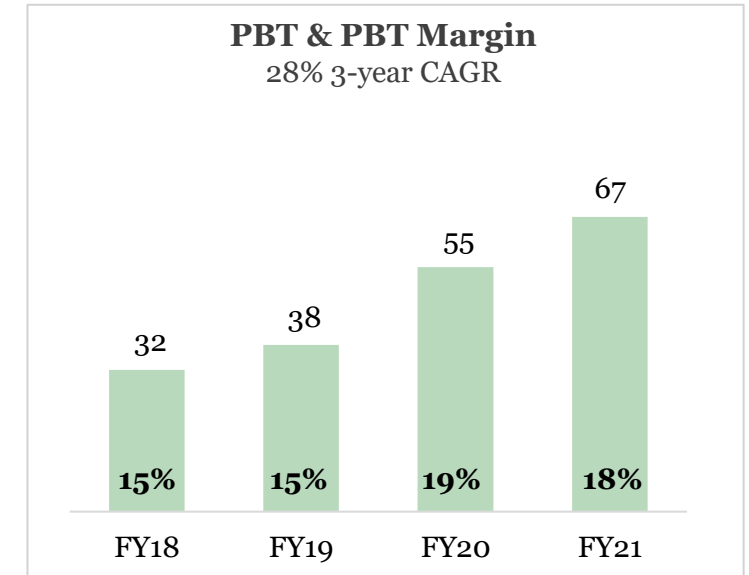
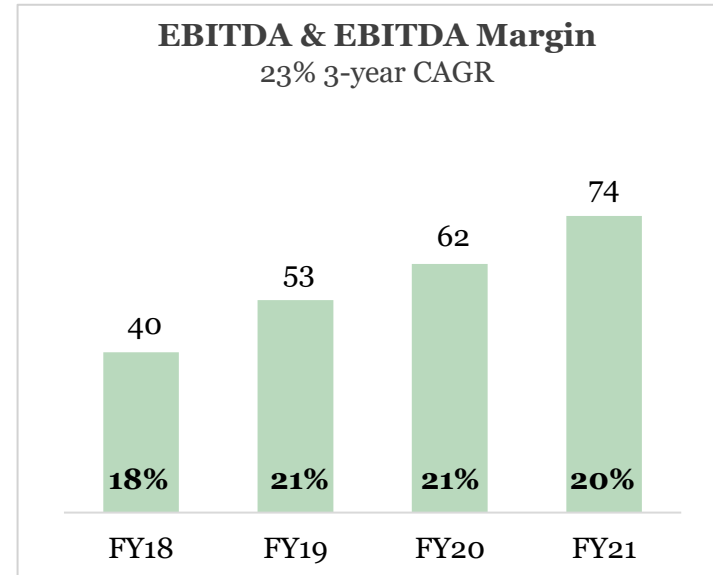
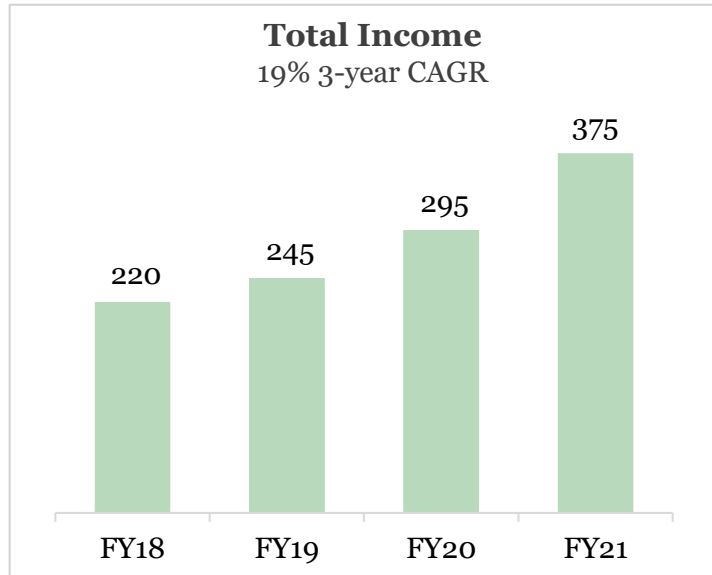


Consolidated profit & loss statement

(Rs Cr)	FY21	FY20	FY19
Revenue from operations	369.3	285.2	231.4
Other income	6.0	9.4	14.1
Total Income	375.3	294.6	245.5
Cost of material consumed	107.3	81.8	89.3
Purchase of stock-in-trade	124.9	86.4	42.0
Changes in inventories	-17.1	-19.2	-11.1
Employee expenses	17.6	17.6	16.1
Other expenses	68.8	65.4	56.3
Total Operating expenses	301.6	232.1	192.6
EBITDA	73.8	62.5	52.9
EBITDA margin	19.7%	21.2%	21.5%
Finance cost	1.2	1.3	0.9
Depreciation	5.9	5.9	14.2
PBT	66.7	55.3	37.7
PBT margin	17.8%	18.8%	15.4%
Exceptional items	0.0	-0.3	0.0
Tax Expenses	16.6	12.2	12.4
PAT	50.1	42.8	25.3
PAT margin	13.3%	14.5%	10.3%

Consolidated financial performance

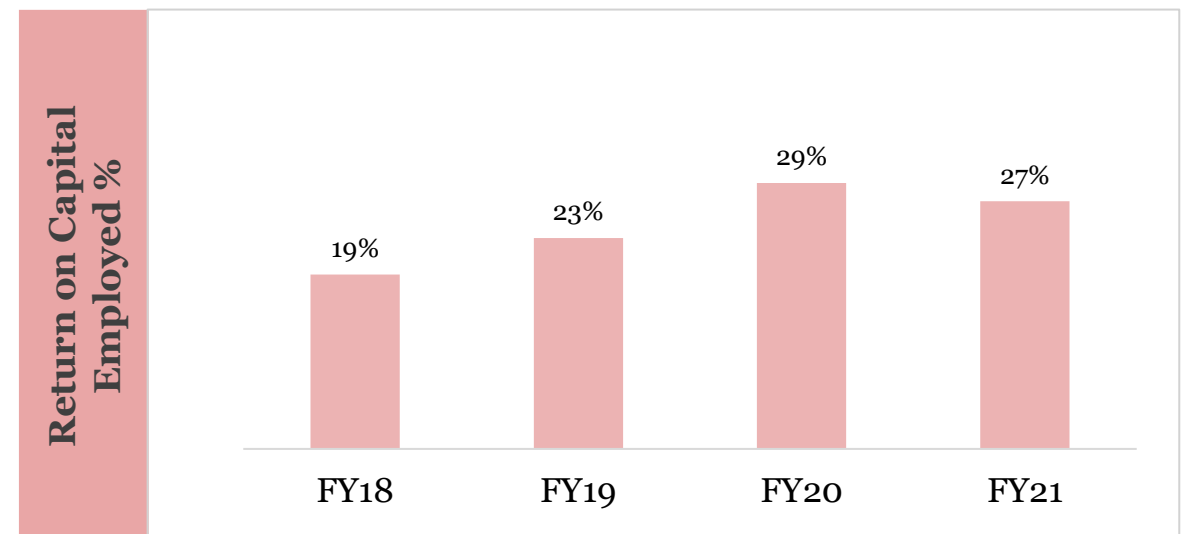
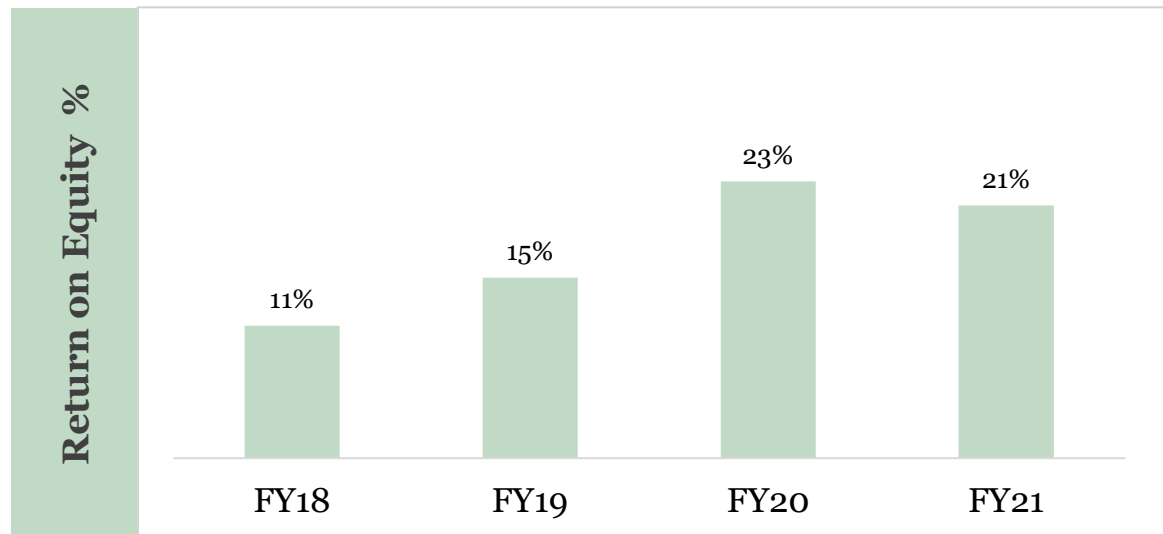
Financials in Rs. Cr



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

<p>FY17 Rs 9.6 crore</p> <p>Buyback</p>	<p>FY18 Rs 5.5 crore</p> <p>Dividend Payout</p>	<p>FY19 Rs 30 crore</p> <p>Buyback</p>	<p>FY20 Rs 6 crore</p> <p>Dividend Payout</p>	<p>FY21 Rs 6 crore</p> <p>Dividend Payout</p>	<p>Rs 57.1 crores</p> <p>Returned to shareholders in the last 5 years</p>
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