

Advanced Enzyme Technologies Ltd.

CIN: L24200MH1989PLC051018

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Email: info@advancedenzymes.com, www.advancedenzymes.com

August 10, 2024

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E) Mumbai- 400 051

Scrip Code-540025

Trading Symbol-ADVENZYMES

Subject: Earnings Presentation

Ref: ISIN: INE837H01020

Dear Sir/Madam,

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is Earnings Presentation for the quarter ended June 30, 2024.

This is for your information and for public at large.

Thanking you,
Yours faithfully,
For Advanced Enzyme Technologies Limited



Sanjay Basantani
Company Secretary and Head – Legal



Encl.: As above



Advanced Enzyme Technologies Limited

Earnings Presentation | August 2024

Safe Harbour Statement

This presentation contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Forward-looking statements are other than statements of historical facts. The words "believe," "expect," "anticipate," "intend," "estimate," "outlook," "will," "may," "continue," "should" and similar expressions identify forward-looking statements.

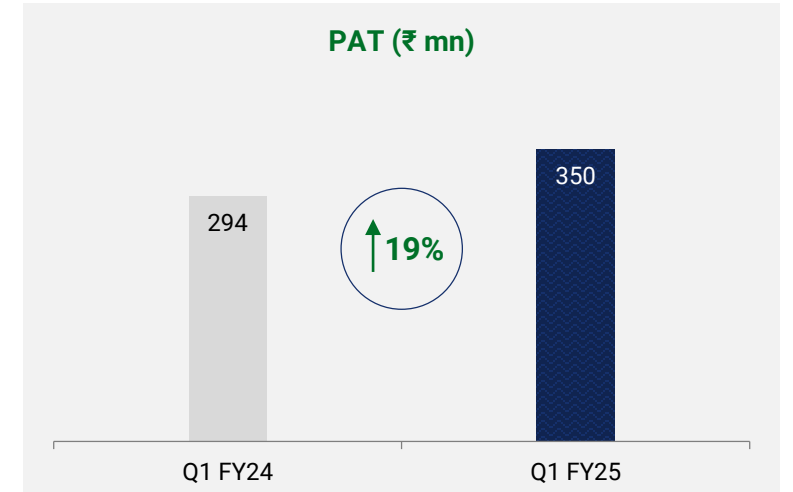
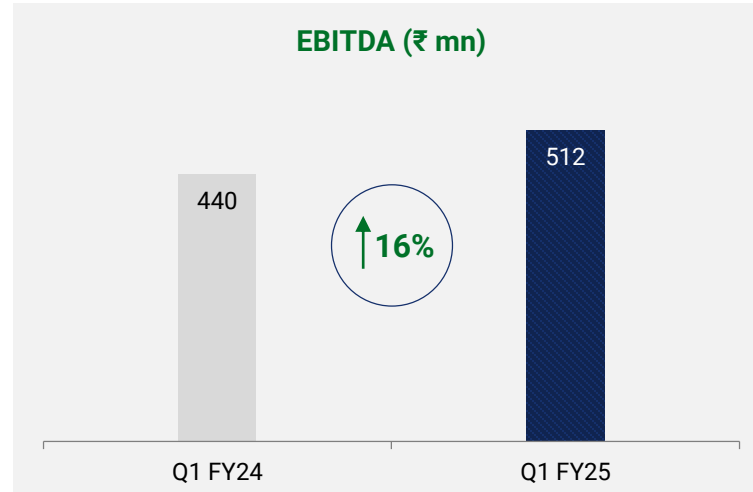
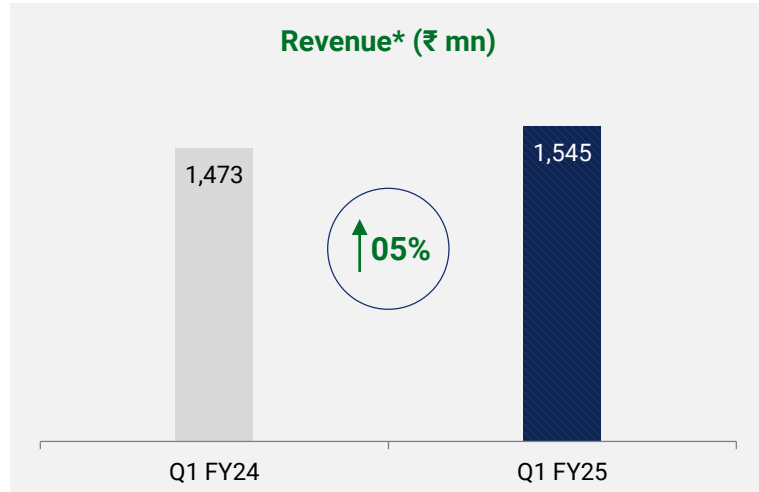
Forward-looking statements include statements regarding objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company's markets; the impact of regulatory initiatives; and the strength of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in records and other data available from third parties.

Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and maybe beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

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Results Summary – Q1 FY25 (Consolidated) Y-o-Y



Revenue grew by 5% on y-o-y basis to ₹ 1,545 million in the Q1 FY25 from ₹ 1,473 million in the Q1 FY24

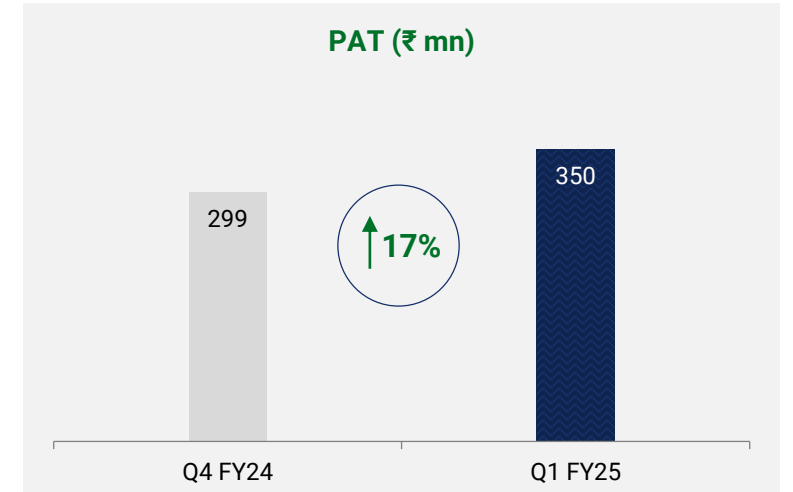
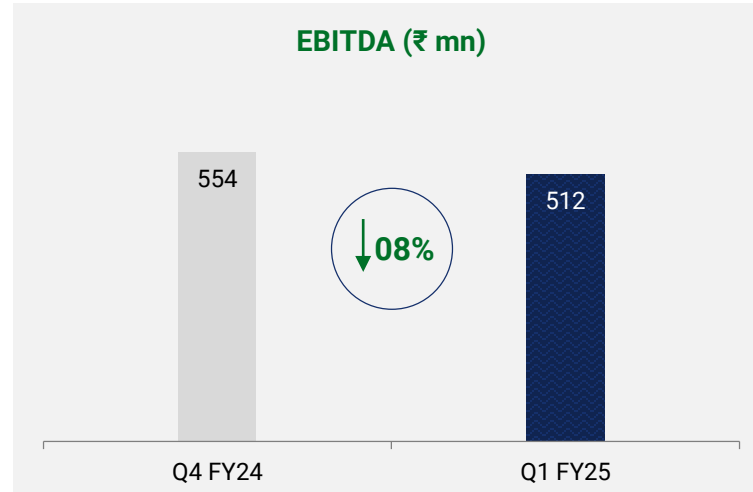
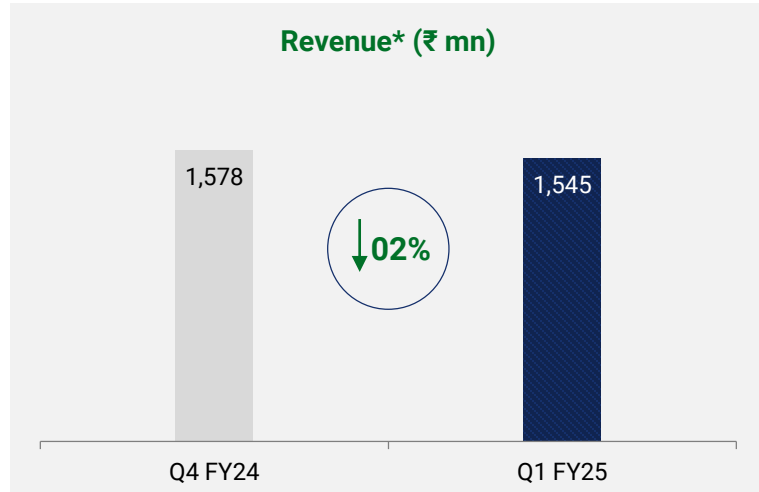
EBITDA grew by 16% to ₹ 512 million in the Q1 FY25 as against ₹ 440 million in Q1 FY24 on y-o-y basis

PAT increased to ₹ 350 million in the Q1 FY25 from ₹ 294 million in the Q1 FY24, an uptick of 19% on y-o-y basis

EBITDA margin and PAT margin during Q1 FY25 stands at 33% and 23% respectively

- Notes:**
1. On Consolidated Basis
 2. PAT is before minority
 3. Ind AS adjustments are carried out on account of commission, discount. And provision for sales return

Results Summary – Q1 FY25 (Consolidated) Q-o-Q



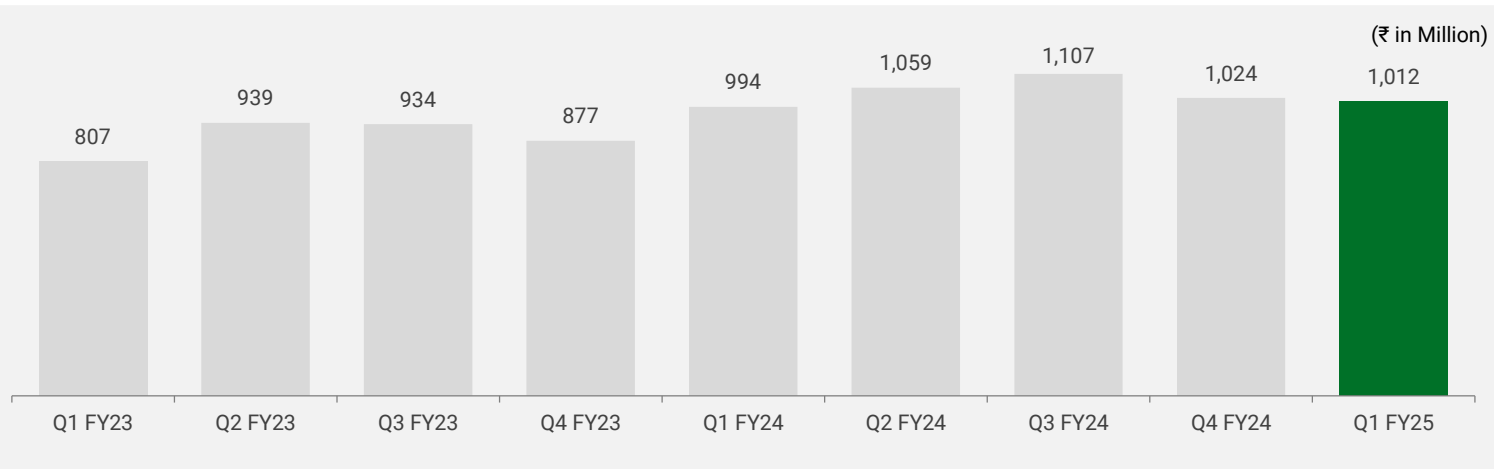
Revenue de-grew by 2% on q-o-q basis to ₹ 1,545 million in the Q1 FY25 from ₹ 1,578 million in the Q4 FY24

EBITDA de-grew by 8 % to ₹ 512 million in the Q1 FY25 as against ₹ 554 million in Q4 FY24 on sequential basis

PAT increased to ₹ 350 million in the Q1 FY25 from ₹ 299 million in the Q4 FY24, a growth of 17% on q-o-q basis

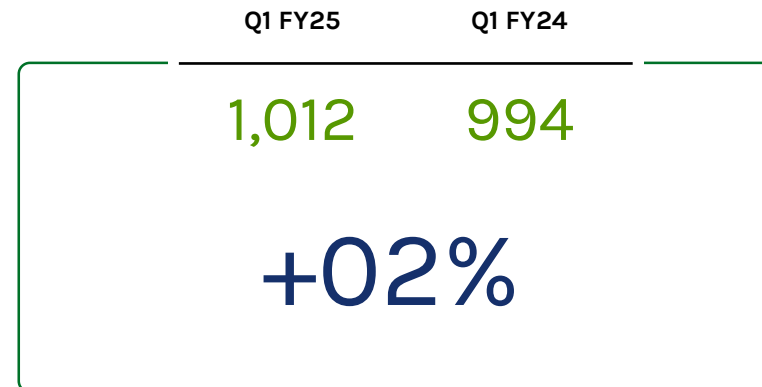
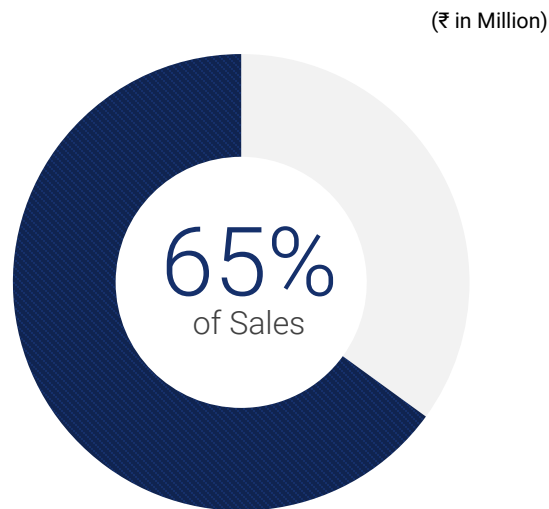
- Notes:**
1. On Consolidated Basis
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 3. Ind AS adjustments are carried out on account of commission, discount. And provision for sales return

Human Nutrition



Commentary:

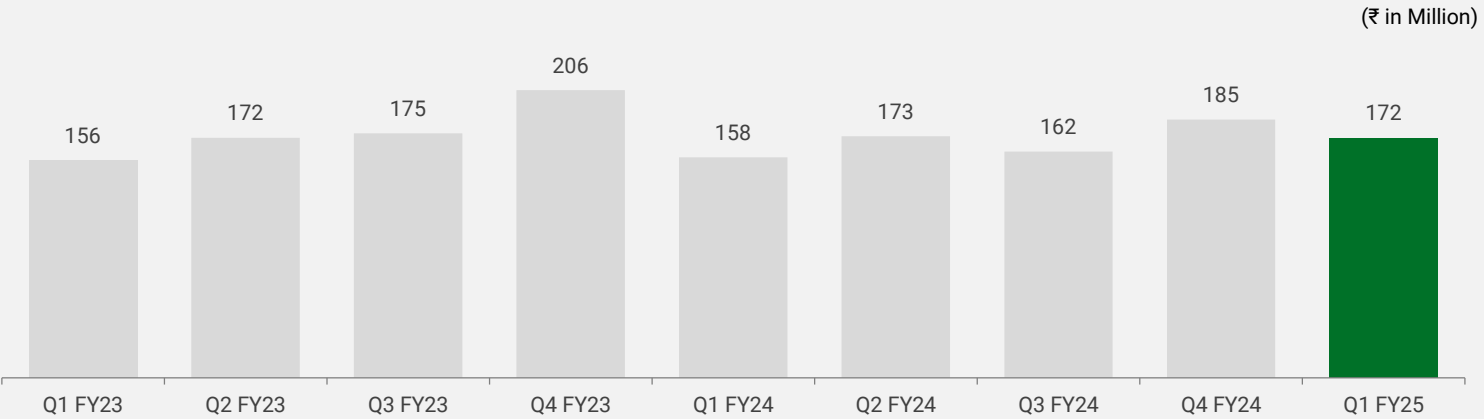
- The human nutrition segment contributed around 65% during the quarter in the total revenue from operations.
- This segment grew by 2% during the quarter from ₹ 994 million in Q1 FY24 to ₹ 1,012 million in Q1 FY25 whereas it de-grew by 1% on sequential basis



Notes: All the decimals are rounded off to their relevant nearest number

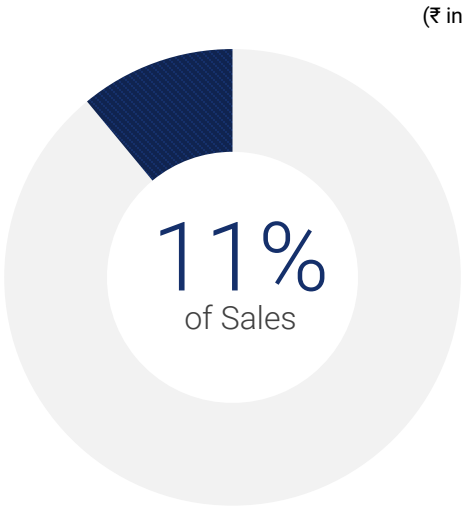


Animal Nutrition



Commentary:

- The Animal nutrition segment contributed about 11% during the quarter in the total revenue from operations
- This segment grew by 9% on y-o-y basis to ₹ 172 million in Q1 FY25 as against ₹ 158 million in Q1 FY24, while it de-grew by 7% on q-o-q basis



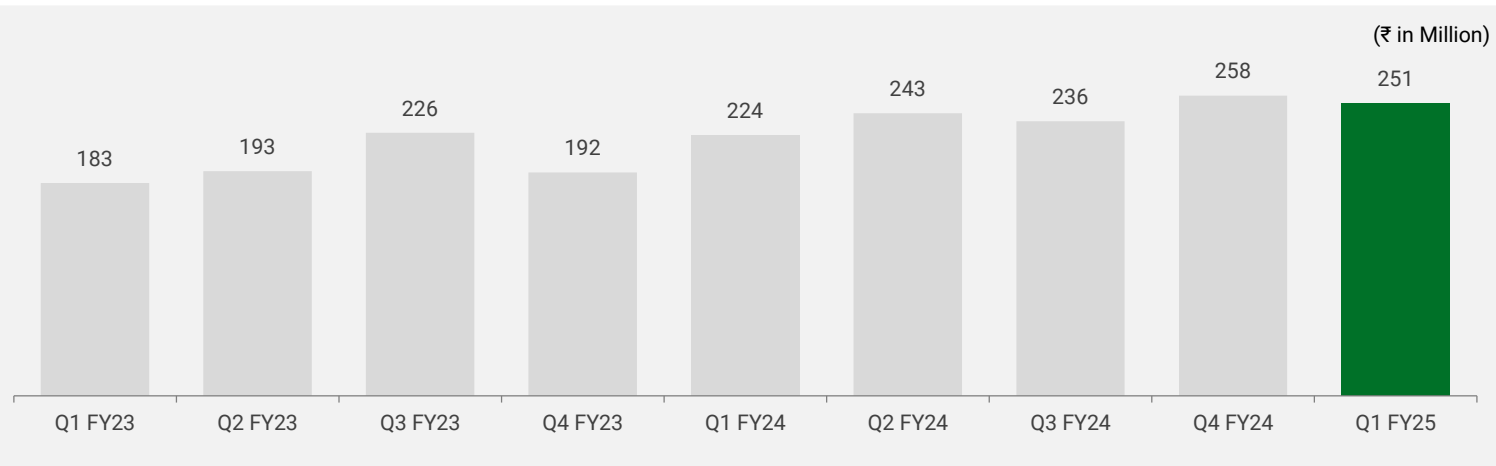
(₹ in Million)

	Q1 FY25	Q1 FY24
Revenue	172	158
Change	+09%	

Notes: All the decimals are rounded off to their relevant nearest number

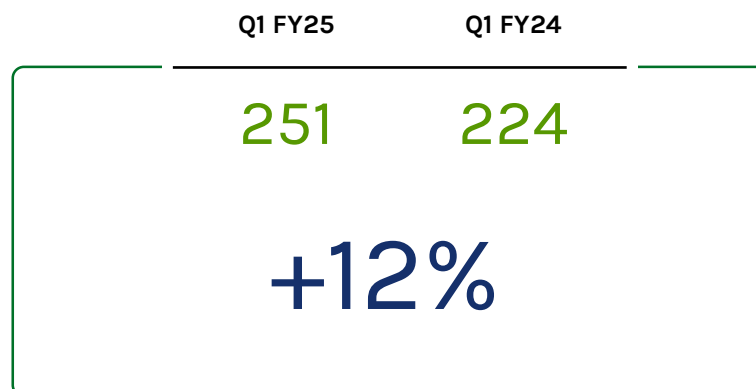
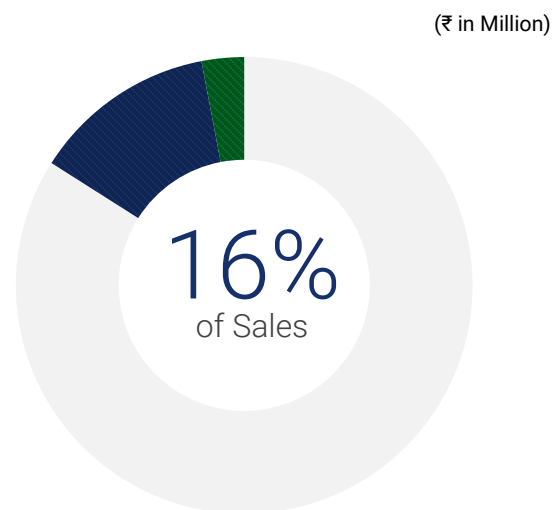


Industrial Bio-processing



Commentary:

- The Industrial Bio-Processing segment contributed around 16% during the quarter in the total revenue from operations
- This segment outperformed by 12% on y-o-y basis to ₹ 251 million in Q1 FY25 from ₹ 224 million in Q1 FY24, and on q-o-q basis it de-grew by 3%
- In this segment, food business grew by 6% to ₹ 196 million on y-o-y basis during Q1 FY25 while it de-grew 1% on sequential basis. The Non-Food business stood at ₹ 55 million during the quarter and it grew by 43% on y-o-y basis while it de-grew by 9% on sequential basis

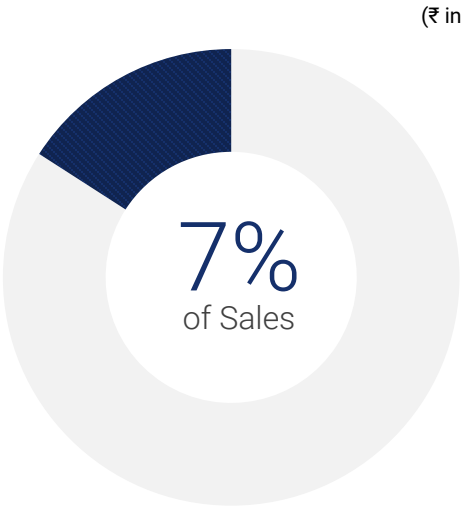
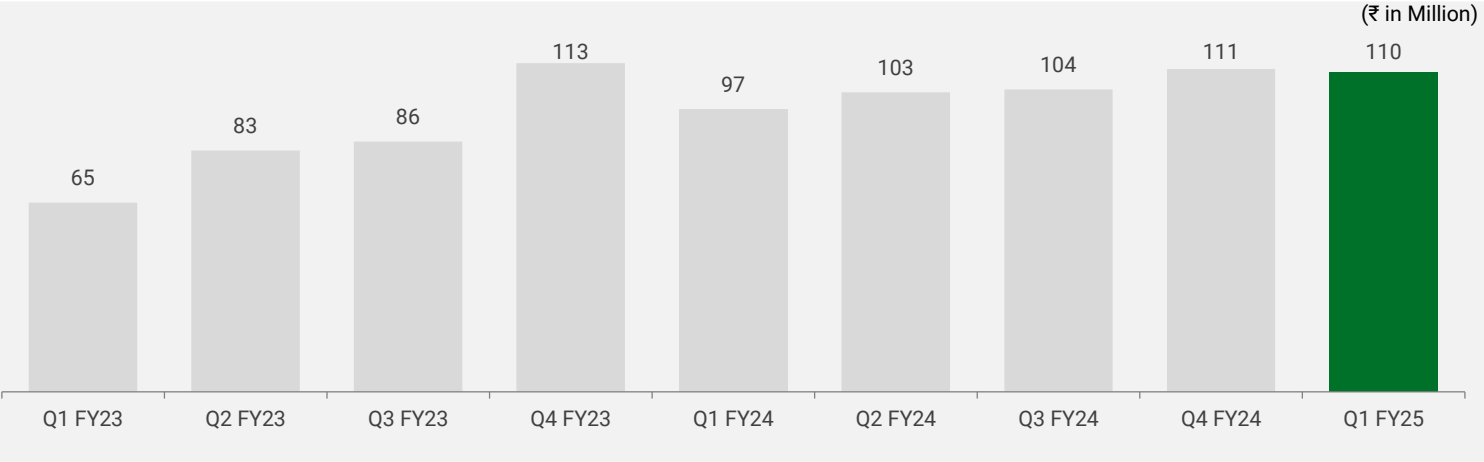


Q1 FY25: 55
Non-Food
03%

Q1 FY25: 196
Food
13%

Notes: All the decimals are rounded off to their relevant nearest number

Specialized Manufacturing



(₹ in Million)

	Q1 FY25	Q1 FY24
Revenue	110	97
Change	+13%	

Commentary:

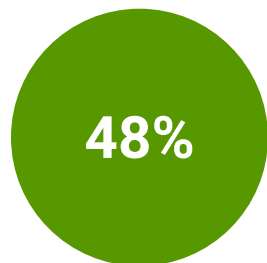
- This segment contributed about 7% during the quarter to the total revenue from operations
- This segment outperformed by 13% on y-o-y basis at ₹ 110 million in Q1 FY25, and on q-o-q basis it remain unchanged



Notes: All the decimals are rounded off to their relevant nearest number

Geographical performance

(₹ in Million)

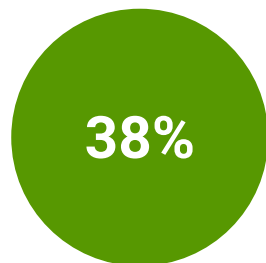


India

+0%

Q1 FY25 740

Q1 FY24 737

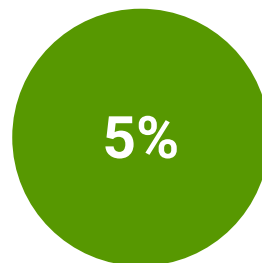


Americas

+27%

Q1 FY25 591

Q1 FY24 467

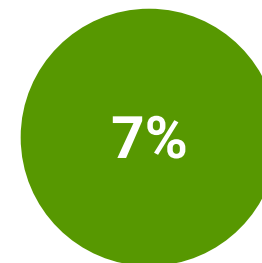


Europe

+13%

Q1 FY25 74

Q1 FY24 66

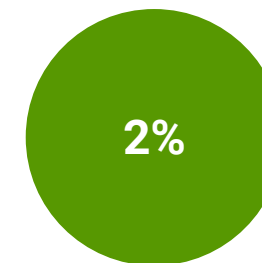


Asia*

-7%

Q1 FY25 111

Q1 FY24 119



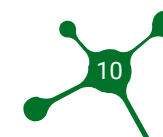
Rest of the World

-65%

Q1 FY25 29

Q1 FY24 84

Notes: 1. All the decimals are rounded off to their relevant nearest number
2. *Asia is excluding India



Profit & Loss (Consolidated) – Q1 FY25



(₹ in Million)

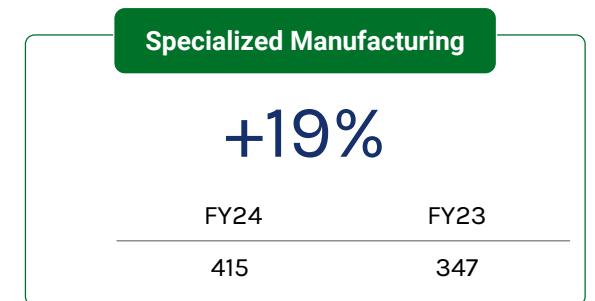
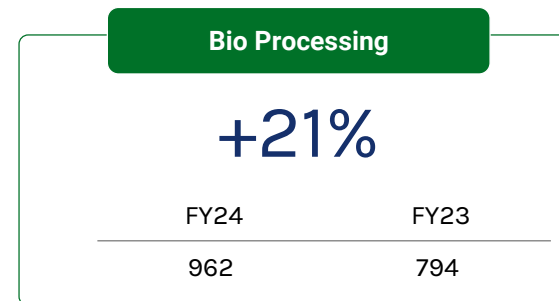
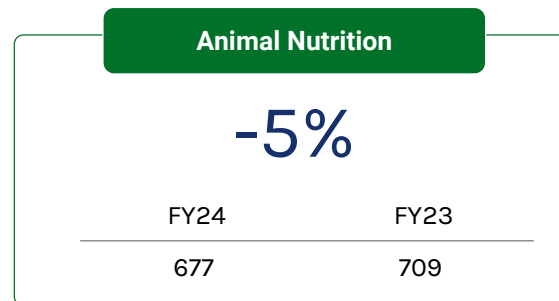
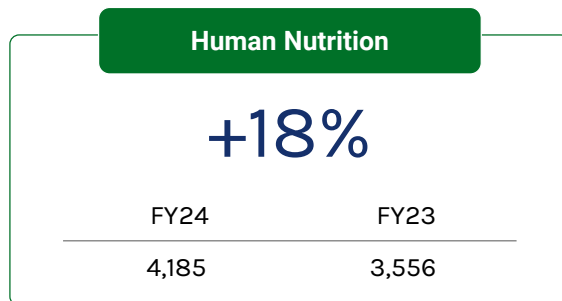
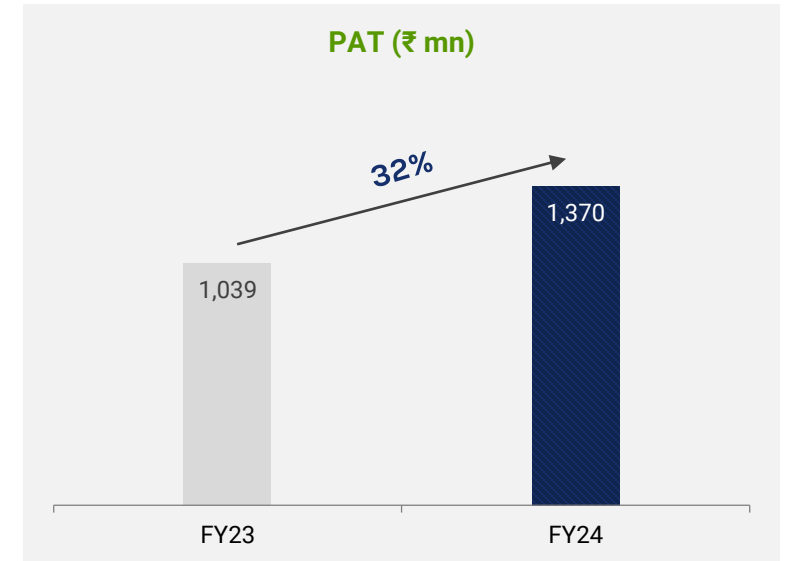
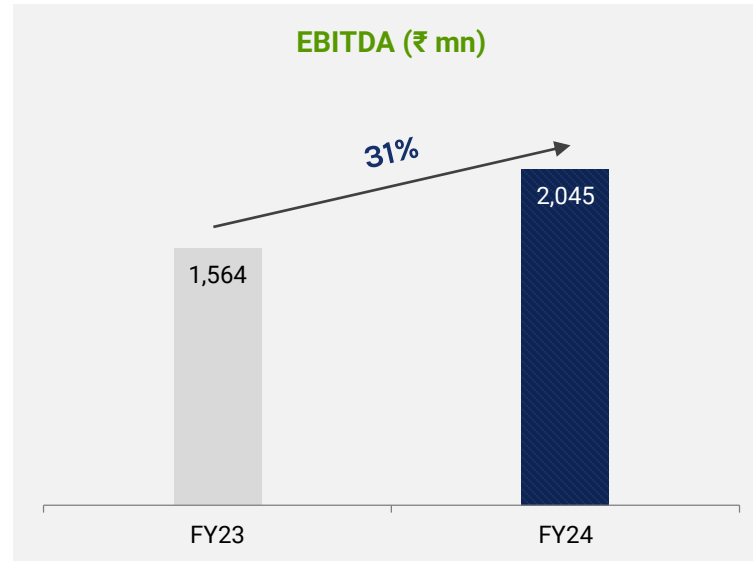
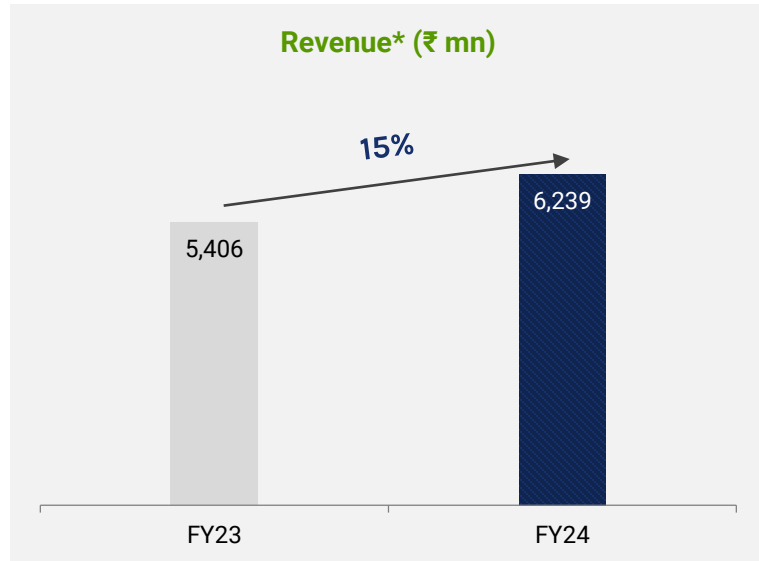
Particulars	Q1 FY25 Un-Audited	Q4 FY24 Audited	Q1 FY24 Un-Audited	Y-o-Y (%)	Q-o-Q (%)	FY24 Audited	FY23 Audited	Y-o-Y (%)
Income from Operations	1,545	1,578	1,473	5%	-2%	6,239	5,406	15%
Expenses	1,120	1,118	1,119	0%	0%	4,547	4,192	8%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	426	460	354	20%	-7%	1,692	1,214	39%
Other Income	70	95	67	4%	-26%	367	255	44%
Profit from ordinary activities before Finance Costs and Exceptional Item	495	555	421	18%	-11%	2,059	1,469	40%
Finance costs	9	8	7	25%	9%	29	24	21%
Profit from ordinary activities before exceptional item and tax	487	547	414	18%	-11%	2,030	1,445	40%
Exceptional Item	-	151	-	-	-100%	151	41	268%
Profit from ordinary activities before tax	487	396	414	18%	23%	1,879	1,404	34%
Tax	137	97	120	14%	41%	509	365	39%
Net Profit for the period	350	299	294	19%	17%	1,370	1,039	32%
Earnings Per Share	3.05	2.53	2.58	19%	21%	11.92	9.45	26%

- *Notes:**
1. On Consolidated Basis
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 3. Ind AS adjustments are carried out on account of commission, discount, and provision for sales return
 4. All the decimals are rounded off to their relevant nearest number



Result summary - FY24 (Consolidated) Y-o-Y

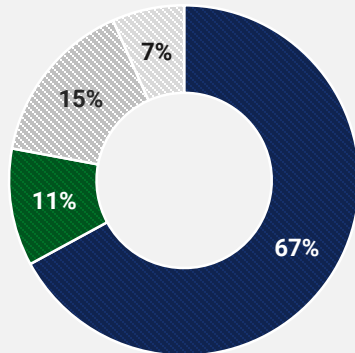
(₹ in Million)



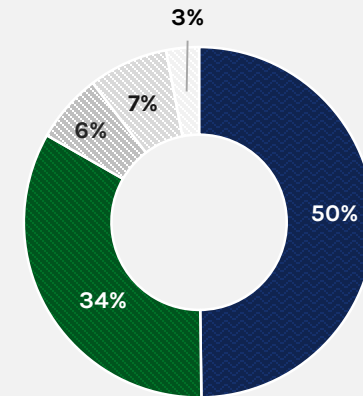
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Revenue Mix – FY24 vs. FY23

FY24

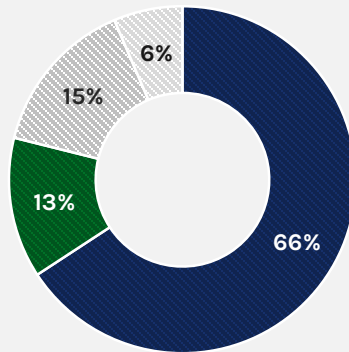


■ Human Nutrition ■ Animal Nutrition ■ Bio-Processing ■ Specialised Manufacturing

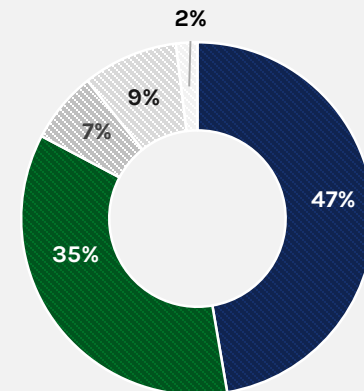


■ India ■ Americas ■ Europe ■ Asia (ex-India) ■ Rest of the World

FY23

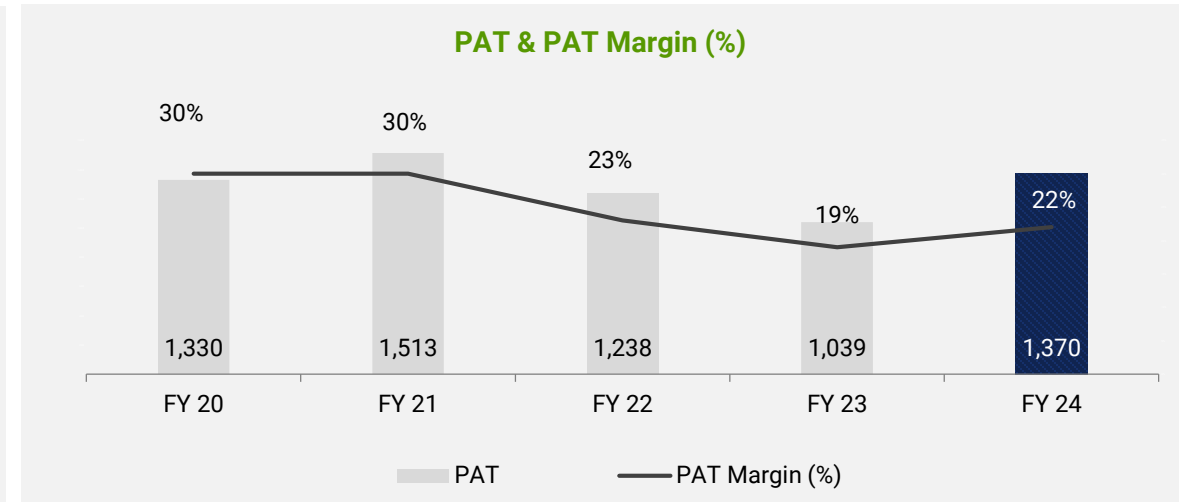
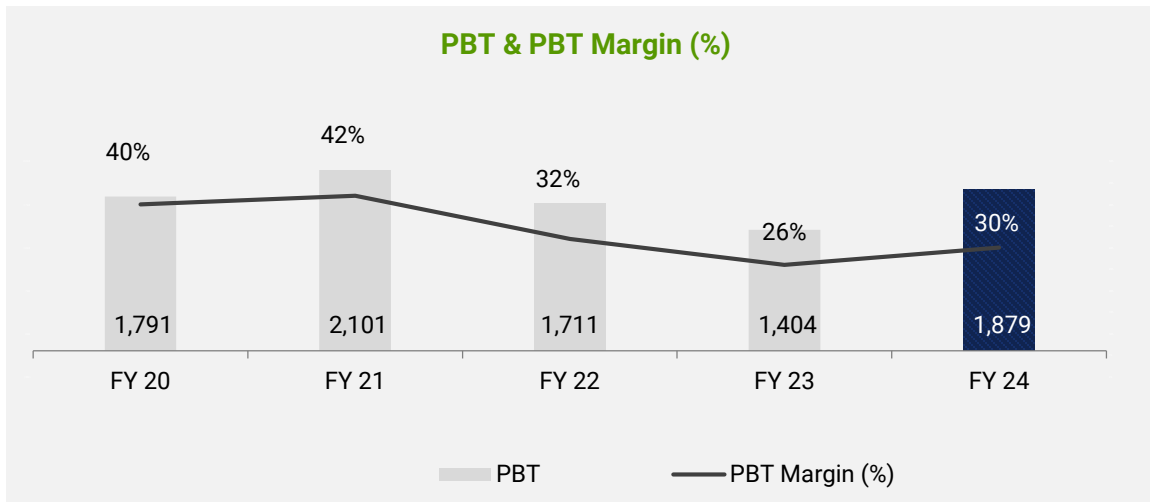
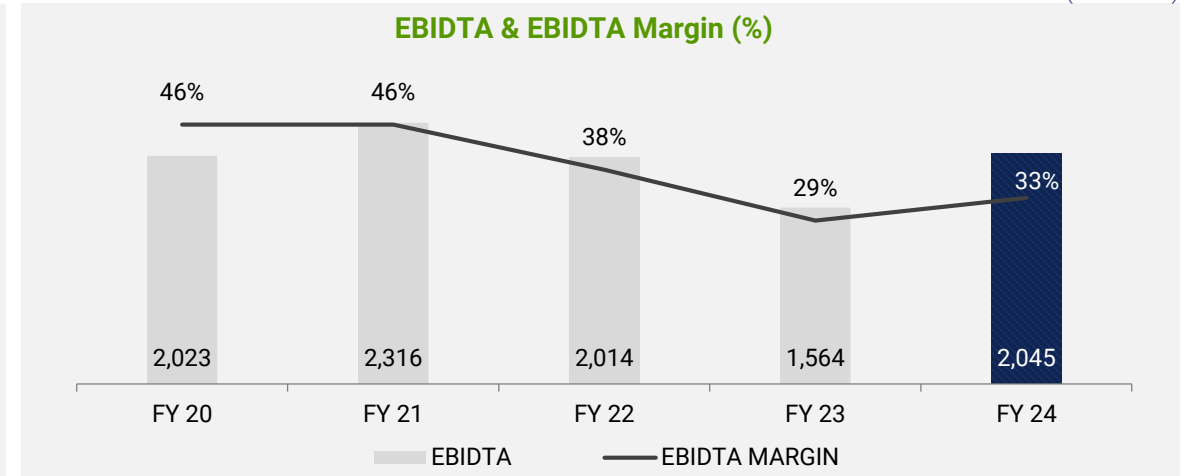
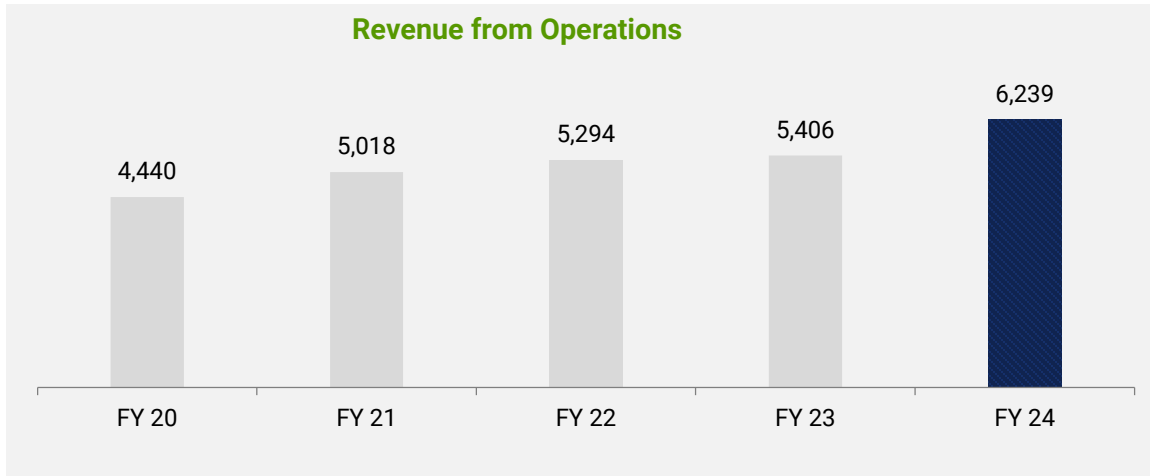


■ Human Nutrition ■ Animal Nutrition ■ Bio-Processing ■ Specialised Manufacturing



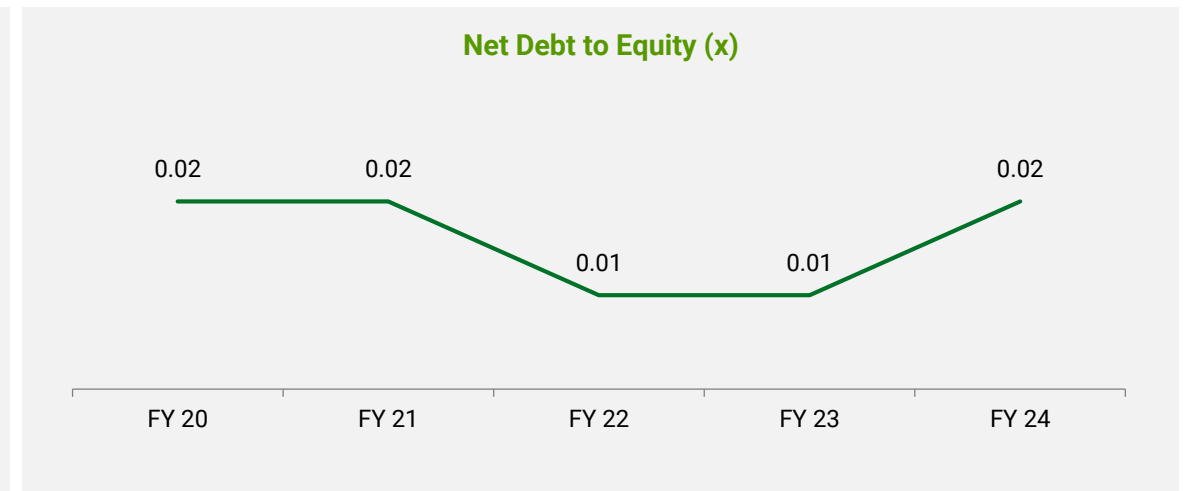
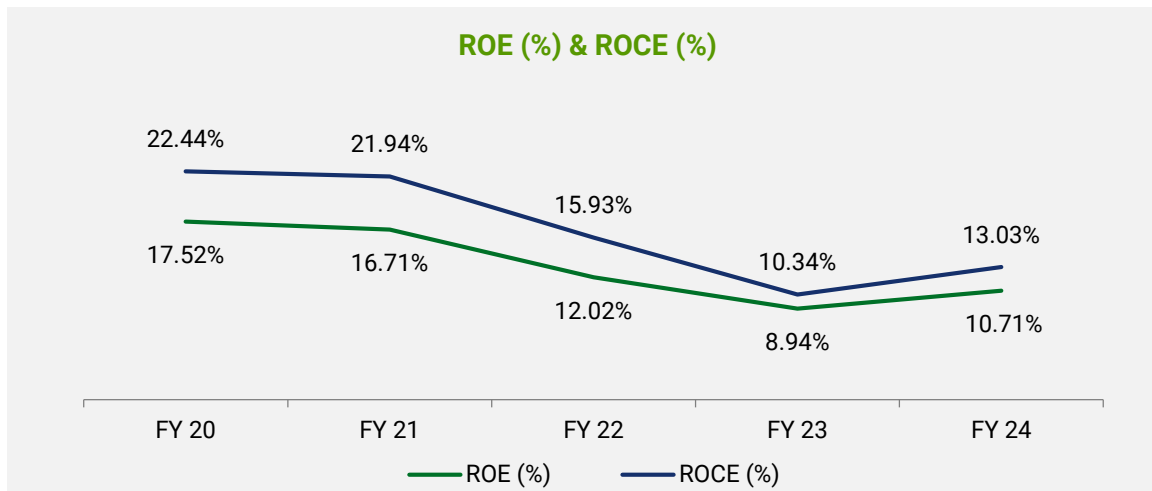
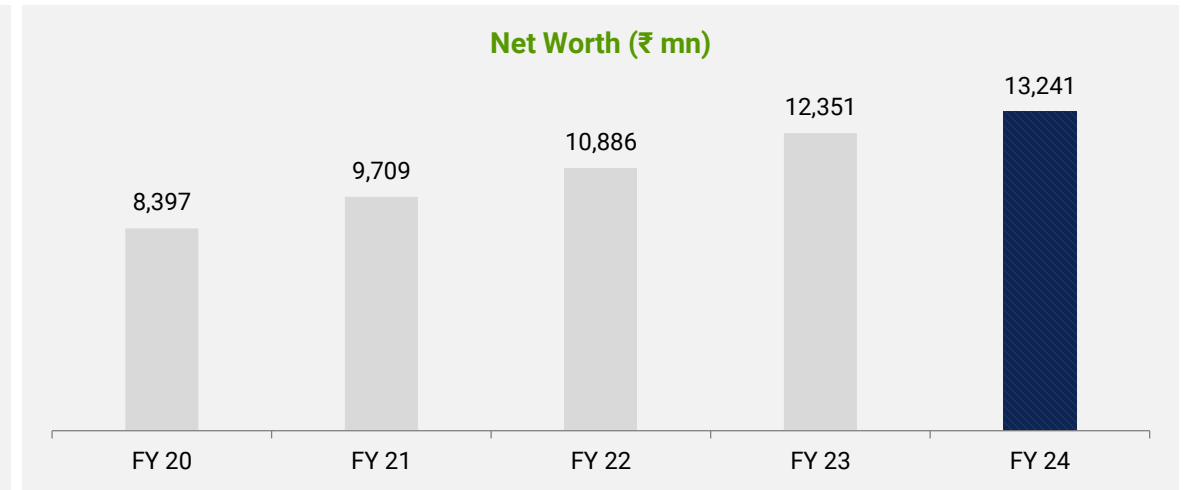
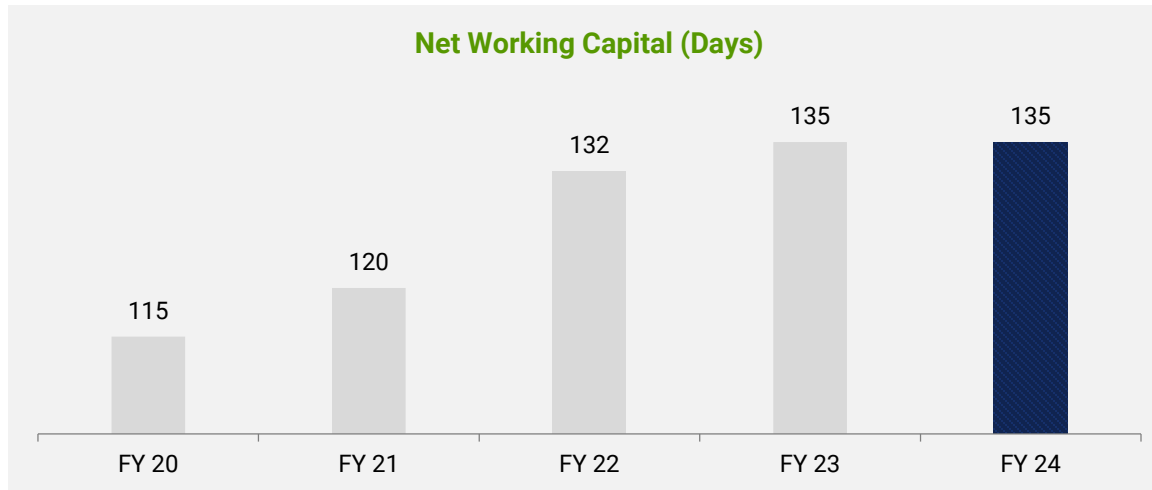
■ India ■ Americas ■ Europe ■ Asia (ex-India) ■ Rest of the World

Strong Financial Performance – FY24



- *Notes:**
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Strong Financial Performance – FY24



Note: All the numbers are as per IndAs

All numbers are on Consolidated basis

Net working capital days = $\frac{\text{Trade receivables} + \text{inventories} - \text{Trade payables}}{\text{Revenue from operations}} \times 365$

Net Debt = Long term debt + short term debt + current maturities of long term debt – Cash & Cash Equivalent

ROE = Profit after tax / Average shareholder equity; ROCE = $\frac{\text{Net Profit before Tax, Exceptional and extraordinary items} + \text{Finance cost}}{\text{Average (Net debt + Networkth)}}$

Balance Sheet (Consolidated)



(₹ in Million)

Particulars	FY24 Audited	FY23 Audited	FY22 Audited
Assets			
Property, plant and equipment	2,765	2,732	2,622
Capital work-in-progress	411	215	151
Intangible assets	479	550	609
Goodwill	3,253	3,209	2,961
Other non-current assets	350	291	289
Current assets	8,098	7,221	6,044
Total Assets	15,356	14,218	12,676
Equity And Liabilities			
Equity share capital	244	224	224
Other equity	13,018	12,127	10,662
Non-controlling interest	470	491	518
Non-current liabilities	580	601	668
Current liabilities	1,064	775	604
Total – Equity and Liabilities	15,356	14,218	12,676

*Notes:
On Consolidated Basis
All the decimals are rounded off to their relevant nearest number



Company Overview

Advanced Enzymes is a research driven company with global leadership in the manufacturing of enzymes and probiotics. We are committed to providing eco-safe solutions to a wide variety of industries like human health care and nutrition, animal nutrition, baking, fruit & vegetable processing, brewing & malting, grain processing, protein modification, dairy processing, speciality applications, textile processing and others. Our aim is to replace traditionally used chemicals with eco-friendly enzymatic solutions.



Mission

It is our mission to see that every human being is able to take advantage of the power of enzymes and probiotics for well-being and leading a healthy life!



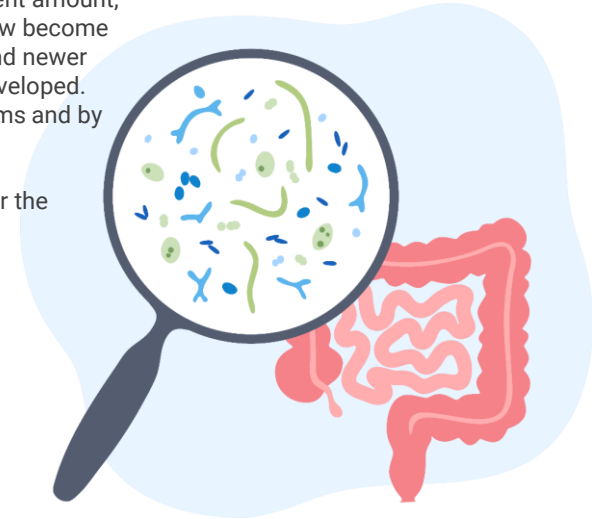
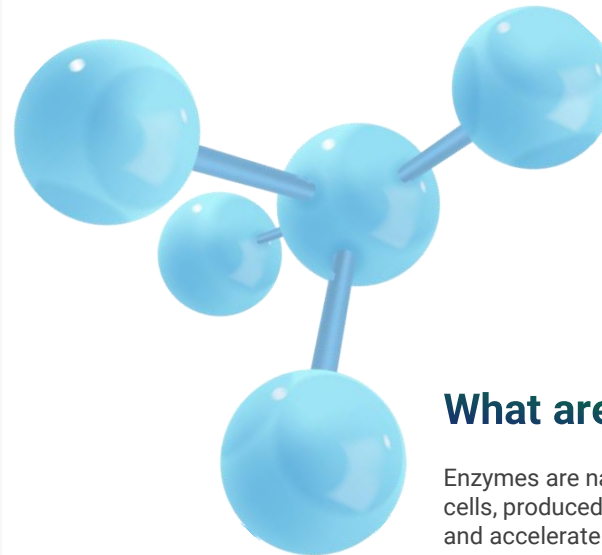
Vision

Our vision at Advanced Enzymes is to become the largest, enzyme and probiotic -based, value provider to consumers and processors globally!

What are Probiotics?

Probiotics are live microorganisms, when administered in sufficient amount, confer health benefits to human and animals. Probiotics have now become an integral part of several therapies for the digestive disorders and newer applications for treatment of several other diseases are being developed. Probiotics act by fighting with the disease causing microorganisms and by secreting beneficial metabolites in the human/animal system.

Advanced Enzymes has developed and upscaled technologies for the



What are enzymes?

Enzymes are natural protein molecules that act as catalysts within living cells, produced by all living organisms. Function as specialized catalysts and accelerate the pace of biochemical reactions.

Advanced uses enzymes to replace chemicals in, and improve efficiency of, a wide variety of industrial processes for its customers.

Advanced Enzyme Technologies Limited – A Rising Global Star



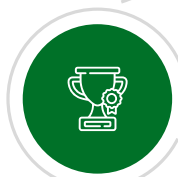
9
Manufacturing
Units
India – 8 | USA - 1



7
R&D Units
India – 5 | USA – 1 |
Germany – 1



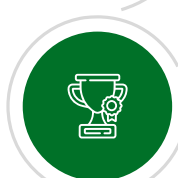
1st
Indian Enzyme
Company



2nd
Highest Market
Share in India



2nd
Listed Integrated
Enzyme Player Globally



Note: Facts & Figures as on 31st March, 2024

* Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 5 are under evaluation

**No question letter received for 7 Dossier & another 1 Dossier is self-affirmed

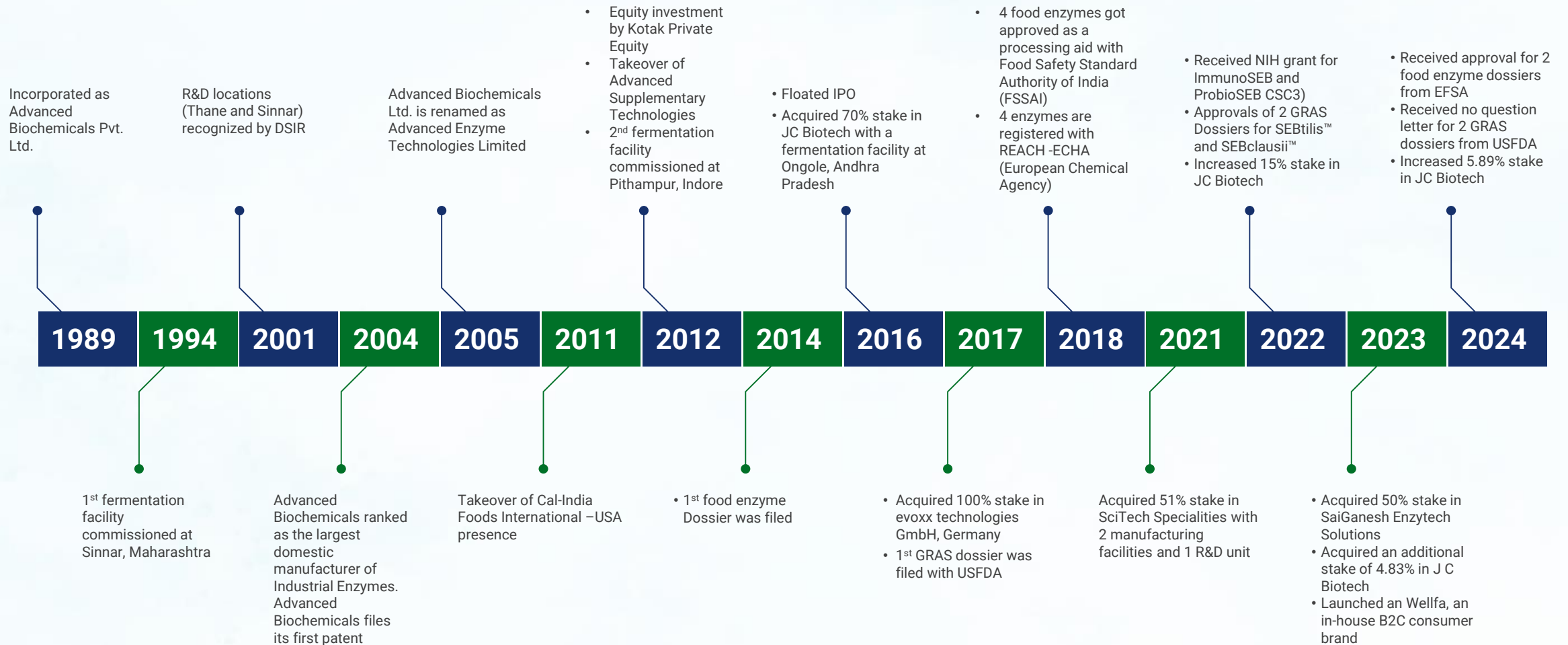
Novel food dossier has been filed with EFSA is under evaluation

All the numbers are as per IndAs

Source: Freedonia



Brief History and Evolution



Board of Directors



Mr. Vasant Rathi
Promoter Chairman and Non-Executive Director



Mr. Mukund M. Kabra
Whole-time Director



Mr. Pramod Kasat
Independent Director



Ms. Rasika Rathi
Non-Executive Director



Mr. Vinod Jajoo
Independent Director



Mr. Sunny Sharma
Non-Executive Director



Ms. Rajshree Patel
Independent Director



Mr. Nitin Deshmukh
Independent Director



Ms. Vandana Tilak
Independent Director

Management Team



Mr. Beni Prasad Rauka
Group Chief Financial Officer



Mr. Dipak Roda
Vice President / Market & Business
Development



Mr. Harshad Doshi
CFO & COO - Advanced Enzymes, USA



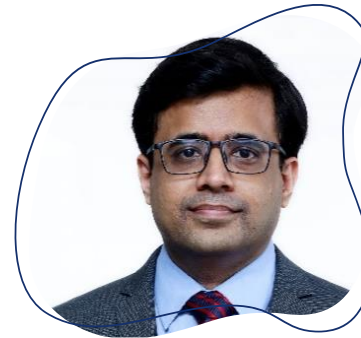
Ms. Martina Doering
Managing Director /Head Of Business
Development - evoxx Technologies, Germany



Ms. Rasika Rathi
General Counsel / Vice President
And Secretary – Advanced Enzymes, USA

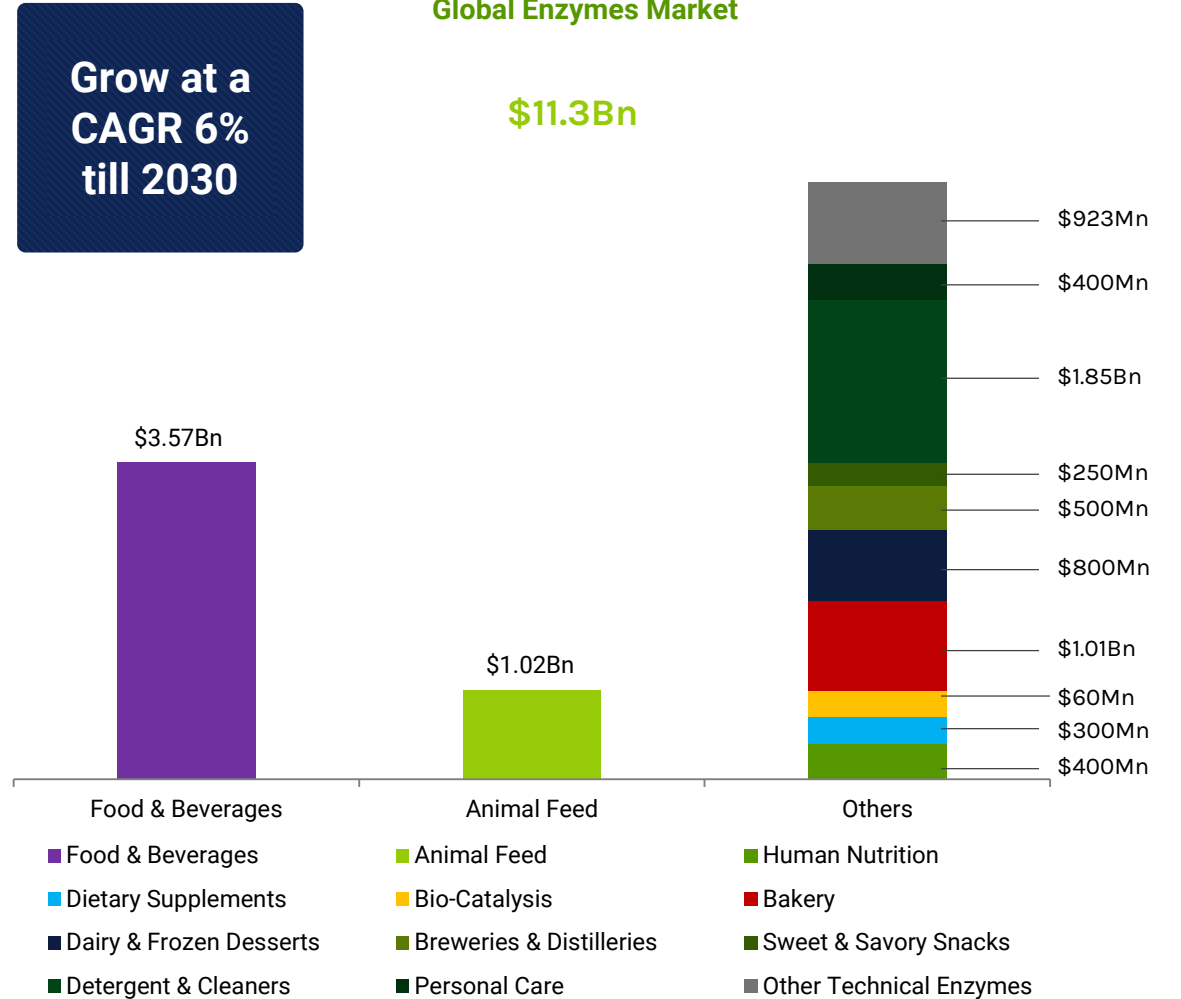
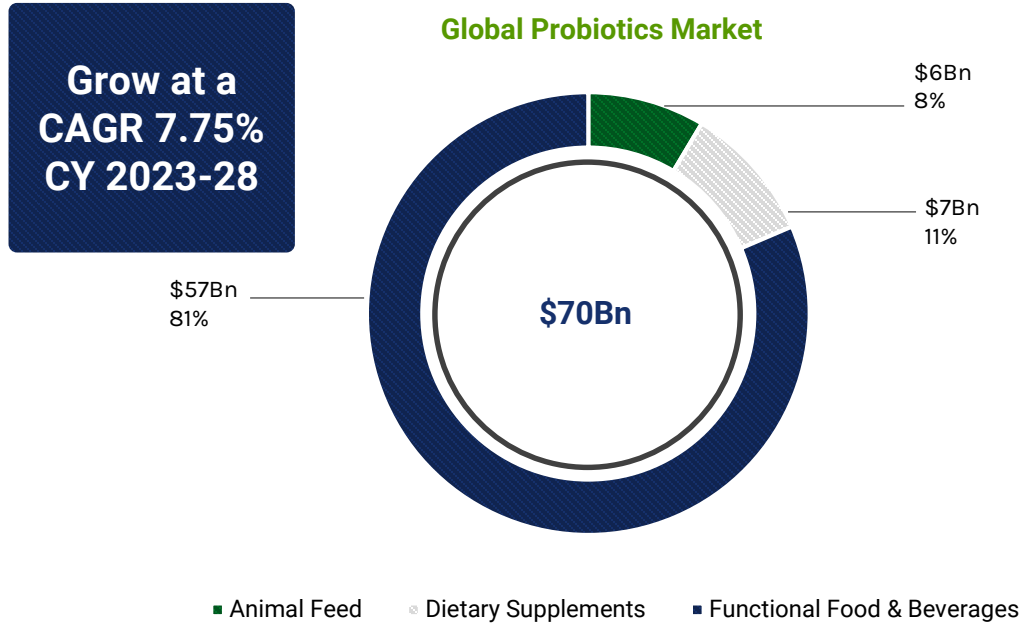


Dr. Michael Puls
Managing Director /Head Of Research and
Development - evoxx Technologies, Germany



Mr. Sanjay Basantani
Company Secretary & Head Legal

How Big is the Opportunity?



Competitive Scenario in the Global Enzymes and Probiotics Markets	
Nutraceutical	DSM, Deerland
Probiotics	Novonesis, Sabinsa, Kerry, ADM, Lallemand, Unique Biotech
Bio-Catalysis	Codexis, Cambrex, Sigma-Aldrich, Biosyntia and other regional players
Animal Nutrition	Novonesis, DSM, Kemin, Novus, Alltech, Cargill, BASF and other regional players
Bio-Processing	Food: AB Enzymes, DSM, Novonesis Non-Food: Novonesis, DuPont

Source: Technavio Market Research, 2023-2028 | Market Research Future, 2019-2030 | ResearchandMarkets Report, 2019-20

What Makes AETL a Unique Investment Case?




Strong Research & Development Capabilities


Inherent Diversification in the Business Model

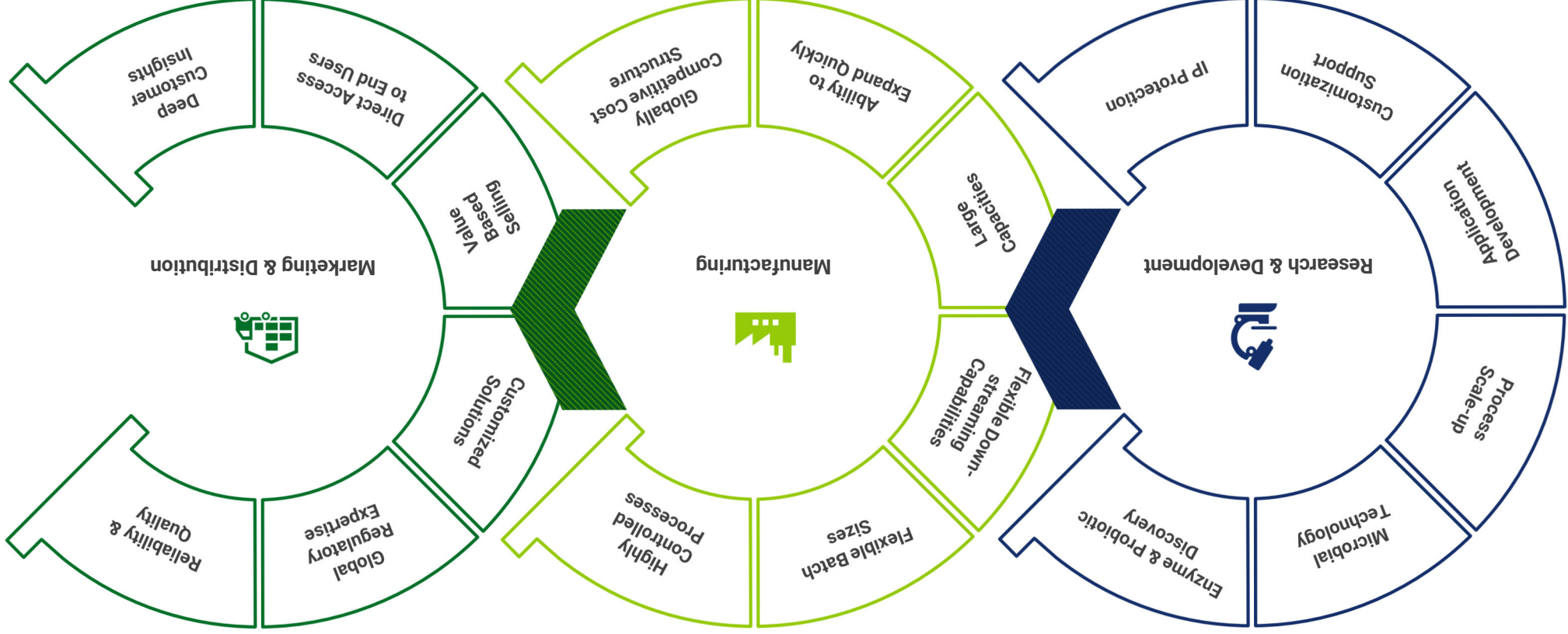

Strong Financial Performance


Specialized Business with High Entry Barriers


Integrated Player with Presence Across the Enzyme Value Chain


Significant Focus on International Markets & Brand Building

Integrated Player with Presence Across the Enzyme Value Chain



What we are Aiming in the Opportunity?

	Focus Area	Opportunity Size	Addressable market for AETL over next 5 years**	AETL's Current Share of Revenue	
				FY24	FY23
	Human Nutrition	\$ 400 mn	\$ 200 mn	\$ 43.5 mn, 58%	\$ 38.8 mn, 58%
	Bio-Catalysis	\$ 60 mn	\$ 30 mn*	\$ 3.3 mn, 4%	\$ 2.9 mn, 4%
	Baking	\$ 300 mn	\$ 30 mn	\$ 9.2 mn, 12%	\$ 7.4 mn, 11%
	Animal Nutrition	\$ 1.02 bn	\$ 40 mn	\$ 8.2 mn, 11%	\$ 8.8 mn, 13%
	Probiotics	\$ 70 bn	Majority of the market is untapped, so this a huge opportunity	\$ 3.7 mn, 5%	\$ 2.5 mn, 4%

**Addressable market is as per Company's own estimates
 *As of now we are considering the India only opportunity for Bio-catalysis
 #Includes other food-processing enzymes
 Source: ResearchandMarkets Report, 2019-20

Specialized Business With High Entry Barriers

Technocrat Promoters



Cumulative experience of 7+ decades in the global enzyme industry

Sustained Research & Development



Consistent Investment into R&D over the past 15+ years

Manufacturing Expertise



Specialized technical expertise in microbial fermentation developed over the last 25+ years

Proven Enzyme Development Capabilities



Proven Expertise in Successfully Developing Enzymes; Journey from only 7 in 1994 to 68+ today



Global Competitiveness

Amongst the Lowest Cost Manufacturers in the World (Benchmarked both in terms of Capex & Opex)



Diverse Product Range & Customer Base

400+ Products, 700+ Customers Worldwide



Credible Market Presence

Presence of more than 3 decades in the industry with prolonged & dedicated "enzyme" focus



Invaluable Experience & Customer Insights

Decades of Experience in Solving Customer Problems, and Invaluable Product & Process Insights

Future Growth Drivers



- Identify Product gaps and Develop new Enzymes, Probiotics & Solutions thereof
- Expand Competencies in Enzymes & Probiotics, Discovery and Genetic Engineering

- Increased focus on high return applications where AETL has strategic advantages
- Build Strategic Partnerships in Key Markets for Focus Segments

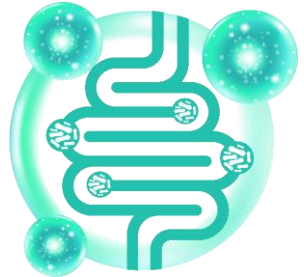
- Acquisition of Key Technologies, Competencies & Skill-sets which Enable Consolidation and/or Entry into New Market Segments
- Acquisition of Client Relationships & Businesses in Key Focus Markets

Focus Areas Going Ahead



Animal Nutrition

- Continuing conduct trials and studies to bring newer and effective nutritional products, which may improve the efficacy of animal feeds
- Registering and introducing more products in the domestic as well as in the international markets.
- Expand its sales and marketing team in USA, MENA and Asian market
- Targeting to strengthen the geographical reach and distribution network by appointing more distributors in the overseas markets



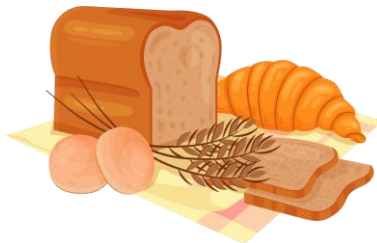
Probiotics

- To introduce more probiotics products in Human Nutrition for the immunity development, active health food, gut health and various nutraceutical applications
- To launch more products on immunity development, digestion improvement, and increase nutritional level of feed in the Animal Nutrition



Bio-Catalysis

- Developing bio catalysis for API manufacturers, providing enzymatic based solutions that are target specific, helping them to save cost of energy, time and use of chemicals
- Couple of products are under the advanced stage of trials at plant level by the API manufacturers
- This is one of the opportunities, where your Company will continue its efforts and focus







Baking

- In Bio-processing division, our focus is on Baking Solutions
- We have got positive response for the products in terms of efficacy and performance
- Confident to expand in Europe, Americas and Rest of World to tap the available opportunities by offering a value based approach in the Baking Industry

Shareholders Information

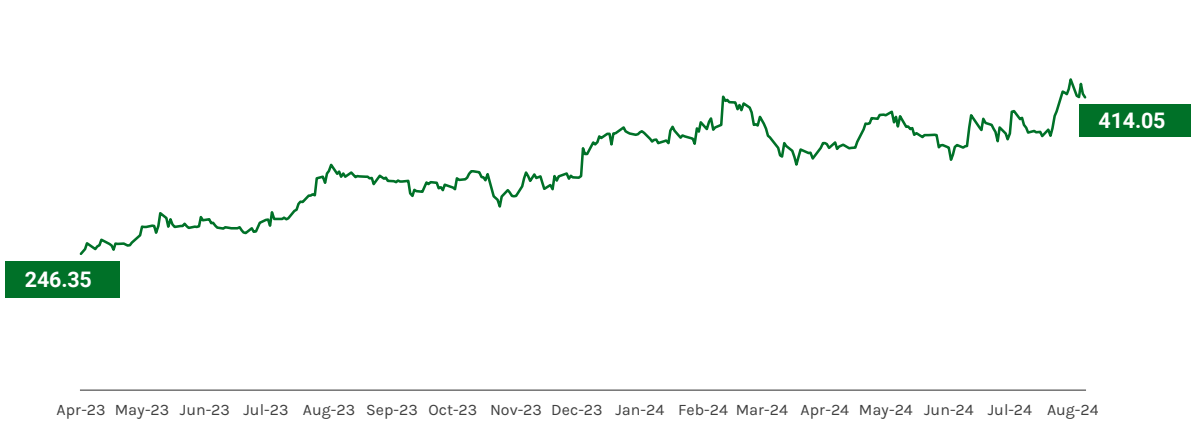
Stock Data (As on 9th Aug 2024)

	Market Capitalization (₹)	46,407 mn
	Shares Outstanding	111.82 mn
	Free Float	41.99%
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

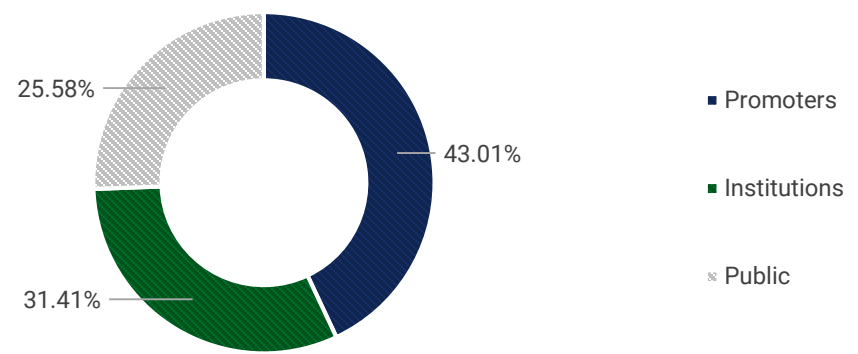
Top Institutional Holders (As on 2nd Aug 2024)

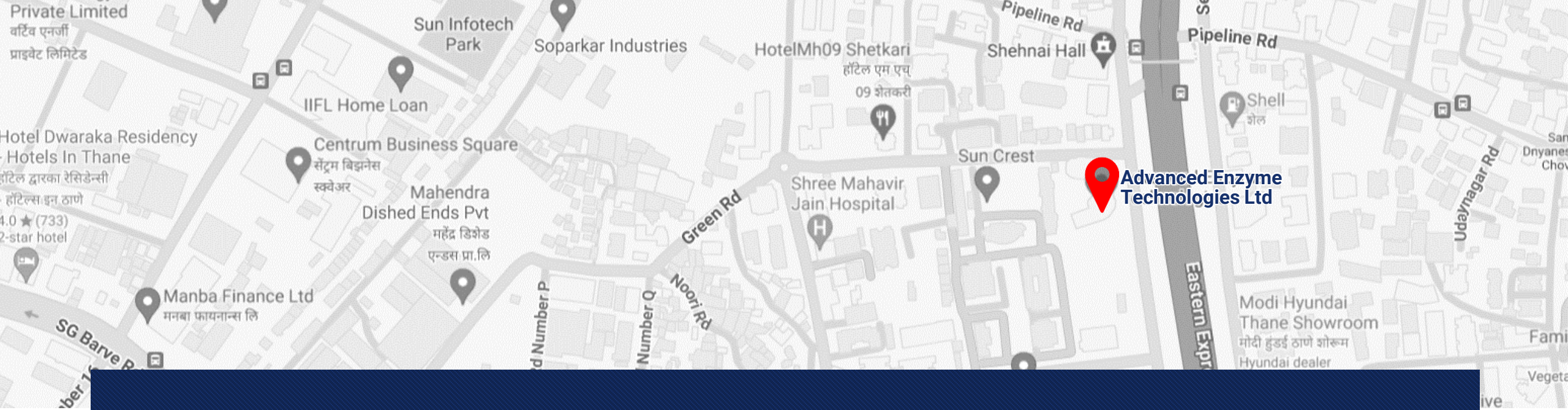
Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.08
NALANDA INDIA EQUITY FUND	8.46
HDFC MF	3.02
CLARUS CAPITAL I	1.80
ICICI PRUDENTIAL MF	1.00
UTI MF	0.90

Stock Chart (As on 9th Aug 2024)



Shareholding Pattern (%)





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Web: www.advancedenzymes.com
CIN No: L24200MH1989PLC051018

Contact:
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Thank you