

January 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

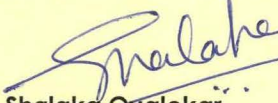
Enclose please find Corporate Presentation of the Company for the Third Quarter and Nine Months ended December 31, 2020.

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 Dvalekar
Company Secretary



Encl: As above



Investor Presentation

Q3 & 9MFY21



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Agenda



- 01 Q3 & 9MFY21 Highlights
- 02 About the Company
- 03 Industry Drivers & Growth Strategy
- 04 Historical Financial Overview

Q3 & 9MFY21 Highlights



Q3 & 9MFY21 consolidated result highlights

Financials in Rs. Cr

Quarter performance

Total Income

34%

74.2

99.5

Q3FY20

Q3FY21

EBITDA

54%

13.0

20.0

Q3FY20

Q3FY21

PAT

26%

11.0

13.9

Q3FY20

Q3FY21

Nine-Months performance

Total Income

30%

208.8

270.8

9MFY20

9MFY21

EBITDA

20%

43.0

51.6

9MFY20

9MFY21

PAT

19%

29.5

35.1

9MFY20

9MFY21

Consolidated profit & loss statement

(Rs Cr)	Q3FY21	Q3FY20	YoY	9MFY21	9MFY20	YoY
Revenue from operations	98.6	73.9	33%	266.7	203.0	31%
Other income	0.9	0.3		4.0	5.8	
Total Income	99.5	74.2	34%	270.8	208.8	30%
Cost of material consumed	27.6	19.0		77.1	57.7	
Purchase of stock-in-trade	41.2	17.8		87.6	50.8	
Changes in inventories	-11.5	3.2		-6.6	-2.0	
Employee expenses	4.9	4.0		12.3	13.4	
Other expenses	17.4	17.2		48.7	45.9	
Total Operating expenses	79.5	61.2		219.2	165.8	
EBITDA	20.0	13.0	54%	51.6	43.0	20%
EBITDA margin	20.1%	17.5%		19.1%	20.6%	
Finance cost	0.4	0.4		0.9	0.9	
Depreciation	1.5	1.4		4.4	4.1	
PBT	18.1	11.2	62%	46.3	38.0	22%
PBT margin	18.2%	15.1%		17.1%	18.2%	
Exceptional items	0.0	0.1		0.0	-0.3	
Tax Expenses (Credits)	4.2	0.3		11.2	8.2	
PAT	13.9	11.0	26%	35.1	29.5	19%
PAT margin	14.0%	14.8%		13.0%	14.1%	

Capacity expansion by taking new unit on lease

- The Company has taken a manufacturing unit in Surat (Gujarat) on lease
- The facility, with a production capacity of 1,950 MTPA, will enable to increase the capacity for frozen food products to cater to the growing demand in the export markets
- The facility is expected to be operational in Q4FY21
- This leasing option saves time and building construction costs, allowing the Company to move forward with its expansion plans more effectively and timely

Capacity – 1,950 MTPA

Total Capex – Rs 2 crores



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

2
State-of-the-art Facilities

400+
SKU

26,000
MTPA Capacity

Financial strengths

Zero
Long Term Debt

21%
EBITDA Margin

14%
PAT Margin

23%
Return on Equity

29%
Return on Capital Employed

Rs 51 cr
Returned to shareholders
in last 4 years

Our businesses – presence across all categories

Core business

Export of wide range of **Indian ethnic products** - ready-to-cook, ready-to-eat, frozen, pickles, condiments, etc. - to over 55 countries with significant presence across US, UK and GCC markets

US subsidiary

Dealing in organic & natural foods in the US in a wide range of authentic **Mexican and Mediterranean flavors**

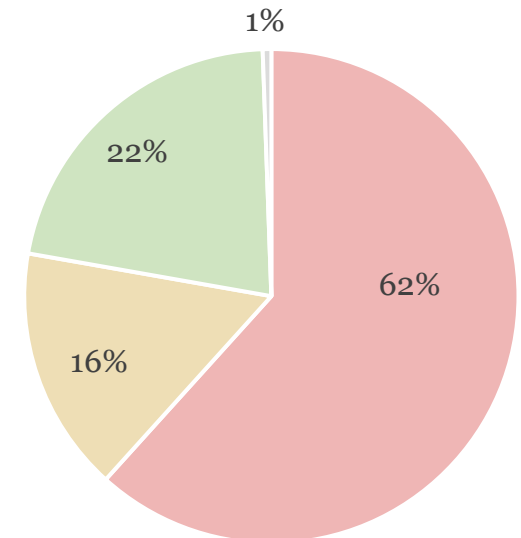
Agency distribution business

Distribution of consumer products for a Fortune 500 FMCG, in the US and UK markets; the products are synergistic to own products and enables to offer a wide range to distributors

India business

Healthy & tasty products under the brand 'SOUL' for the urban India; pioneer in some product categories such as olive oil based pickles

Contribution to Revenue
9MFY21



- Core Business
- US Subsidiary
- Agency Distribution Business
- Indian Business

Positioning	<ul style="list-style-type: none"> • Flagship brand primarily targeted at Indian diaspora worldwide
Products	<ul style="list-style-type: none"> • Frozen snacks, frozen breads, frozen vegetables, RTE, meal accompaniments, pastes, sauces, spices, milk drinks • 300+ products across categories
Geographies	<ul style="list-style-type: none"> • USA, Canada, UK and APAC
Retail channel	<ul style="list-style-type: none"> • 70-90% from ethnic stores* across geographies • Balance from mainstream/ modern trade stores



*Ethnic stores are a subcategory of general trade stores



Positioning	<ul style="list-style-type: none"> Primarily targeted at Non-Indian consumers 	<ul style="list-style-type: none"> Premium brand targeted at Arabic diaspora 	<ul style="list-style-type: none"> Economy brand
Products	<ul style="list-style-type: none"> RTE, 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"> Germany and USA 	<ul style="list-style-type: none"> Middle East 	<ul style="list-style-type: none"> Middle East
Retail channel	<ul style="list-style-type: none"> 100% from mainstream/ modern trade stores 	<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





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



- Distribution of some products of a global Fortune 500 FMCG in USA and UK markets
- Products are complimentary to existing range of ADF products and offers wide range of products to the distributors
- Focusing on adding more complimentary products of similar nature in product basket as well as adding products of few more companies in newer markets
- Enables the company access to a wider product portfolio to offer the retailers who stock the company's products





BINDASS KHAO

Positioning

- Primarily targeting urban Indian customers

Products

- Wide range of products - pickles, sauces, cooking paste, ready to cook instant masala mix, etc.

Geographies

- Sold and marketed primarily in Mumbai, India

Retail channel

- Available in Reliance Retail, Sahakari Bhandar & Haiko; Online Presence in Big Basket and Flipkart



State of the art manufacturing units

Facility at 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



Facility at 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



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

Strong distribution network



55+
Countries

180+
Distributors

6
Country managers

Branding and advertising engagements in overseas markets



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 Tarak Mehta Ka Ulta Chashma on Sony SAB



Sponsorship on Aajtak News Channel

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

COO

- 30+ years of experience in business management
- Hold a bachelor's degree in commerce

Shardul Doshi

CFO

- 20+ years of experience in finance, IR and accounting
- Is a CA, CWA and CS and holds a bachelor's degree in commerce

Shalaka Ovalekar

CS & Legal Head

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

Maneck Katpitia

VP, International Operations

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

R. R. Singh

VP, Manufacturing

- 30+ years of experience in food industry
- Holds a master's degree in Chemistry and PDG in F&F Technology

Deepak Nachane

GM, Purchase

- 25+ years of experience in procurement, vendor development, inventory control
- Holds engineering degree in production technology & diploma in business & materials management

Deepa Harris

Independent Director

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

Ravinder Jain

Independent Director

- 45+ years of experience in business management
- Has held various management position like MD of Shaw Wallace, MD of Millennium Alcobev and head of McDowell and Co.
- Has been instrumental in developing several green field businesses in alcohol and beverage industry as well as many well-known brands like McDowell's Whisky, Bagpiper Whisky etc.

Viren Merchant

Independent Director

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

Chandir Gidwani

Independent Director

- 45+ years of experience in financial services
- Chairman Emeritus & Founder of Centrum Capital Ltd; also runs a proprietary investing business focused on mid-sized Indian companies. Member of industry associations e.g. FICCI, CII, etc.

Jay Mehta

Non-Executive Director

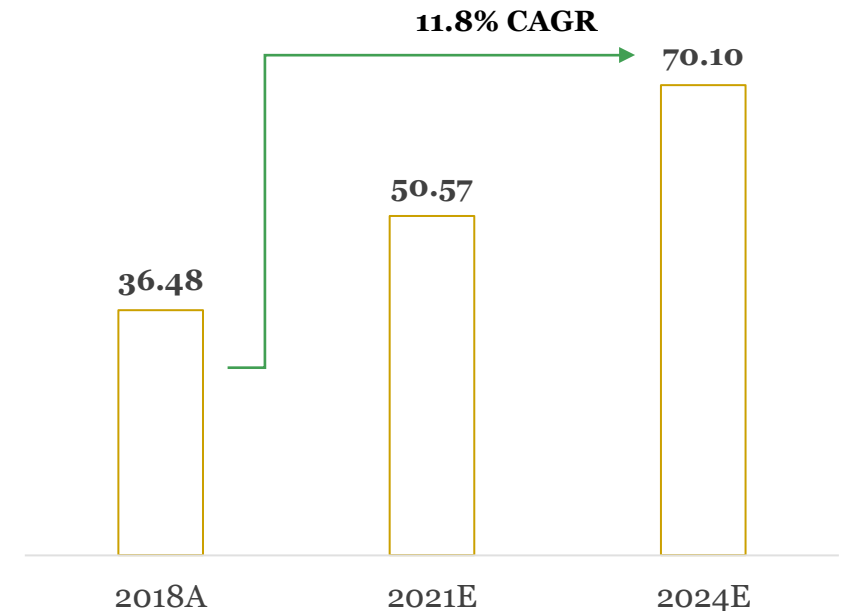
- 35+ years of rich industrial experience
- Executive Vice Chairman of Gujarat Sidhee Cement Ltd and Saurashtra Cement Ltd and is on the Board of various other private and public limited companies

Industry Drivers & Our Growth Strategy



Global Ethnic Food Market

- The global ethnic food market was valued at \$36.48 billion in 2018, and is projected to grow at 11.8% (CAGR) , to reach \$70.10 billion in 2024
- A paradigm shift in taste preference over ethnic food due to increased diaspora, the willingness to experiment with international cuisines and increasing migration among the world population for personal and professional purposes are pioneering the demand
- The consumers are looking for more innovative and experimental food choices which are authentic, convenient, ready to eat as well as healthy
- Amongst the international cuisines, Asian (Indian, Chinese), Middle Eastern and Mexican cuisines are the most preferred ones which are growing faster than market average.
- Indian food remains the largest segment ahead of Chinese in the UK ethnic food market



The global ethnic food market (\$billion)⁽¹⁾

Evolving Industry Trends

- **Evolving consumer tastes and preferences offering opportunities for innovations:** - Consumers demand healthy and authentic food alternatives with fewer artificial ingredients
- **Strong preference of convenience RTE food by millennials** - The largest living generation, having higher disposable income spend on RTE food products due the ease of consumption
- **Emerging importance of a balanced healthy diet** - Gluten free, lactose free, veganism, vegetarianism and nutritional food are gaining market share as consumers are becoming more health conscious

COVID Impacting Consumer Behaviour

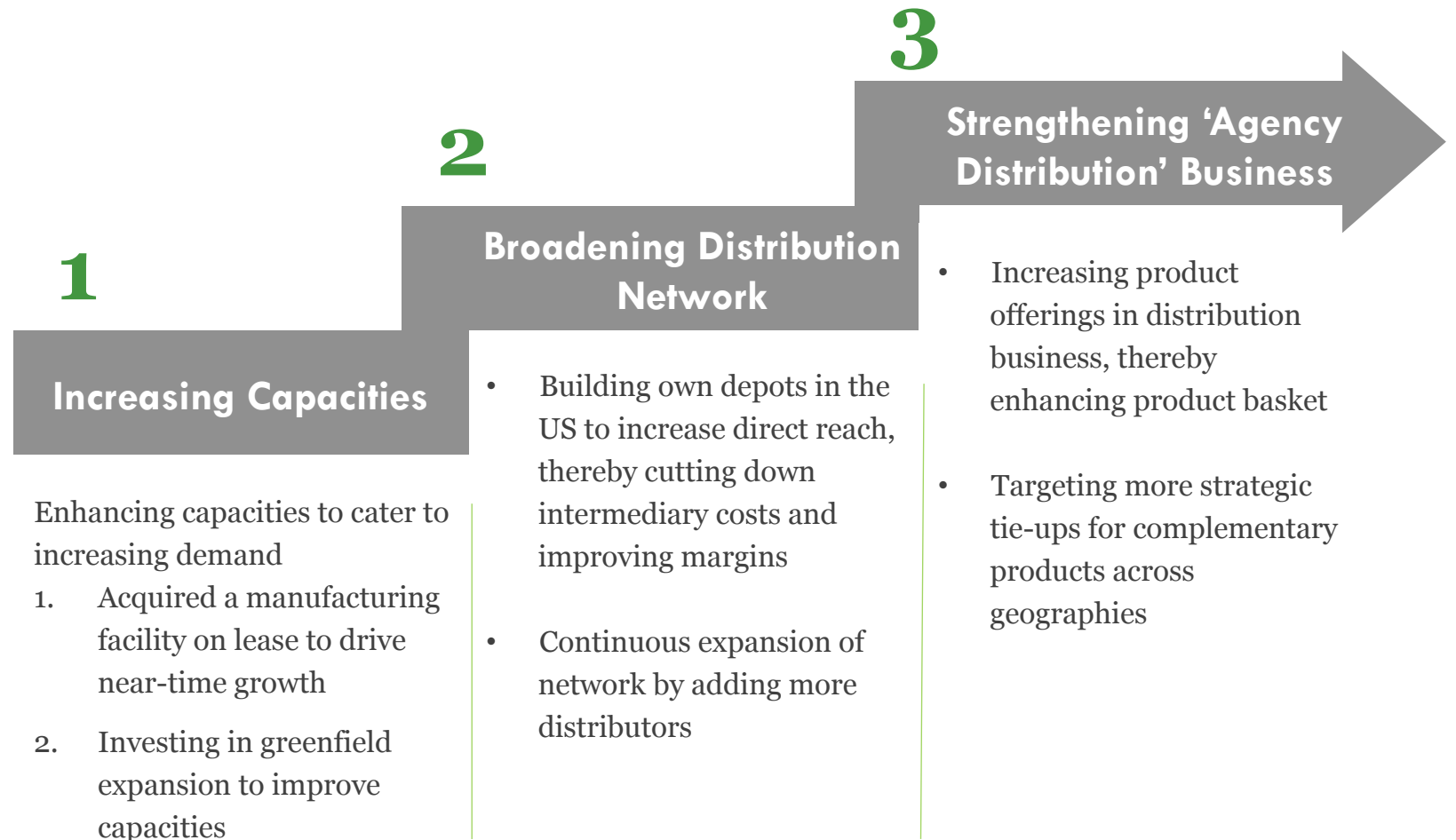
- The COVID outbreak has affected the consumer patterns leading to unprecedented changes in the RTE & RTC foods business
- On the demand side, there has been a rise of people stocking up on food with long shelf-life and preferring to eat home cooked meals are precautionary measures
- With most restaurants being closed and a large number of people working from home, the ready-to-eat market has been witnessing accelerated growth amid the pandemic
- This shift in consumer behavior and preferences is expected to become the new normal

ADF - Strongly positioned for next phase of growth

Journey So Far

- 1** Established strong brands in various segments
- 2** Strong global distribution network
- 3** Robust Balance sheet with zero debt
- 4** Strong margins and return ratios
- 5** Distribution of products of a Fortune 500 company

Journey Ahead



While 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

FY17
Rs 9.6 crore

Buyback

FY18
Rs 5.5 crore

Dividend Payout

FY19
Rs 30 crore

Buyback

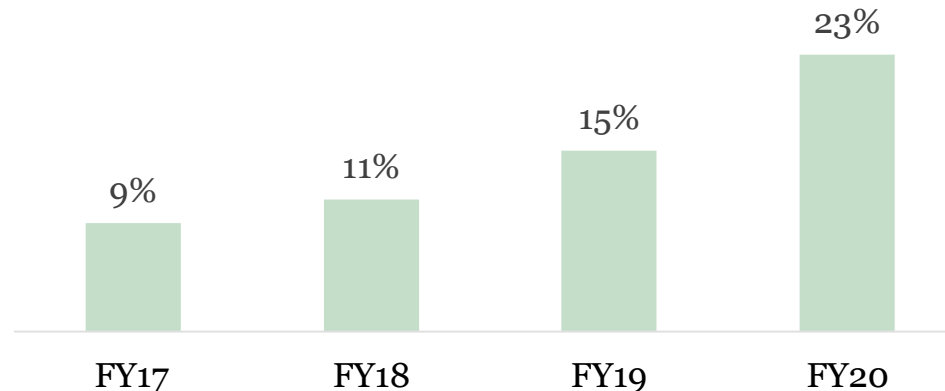
FY20
Rs 6 crore

Dividend Payout

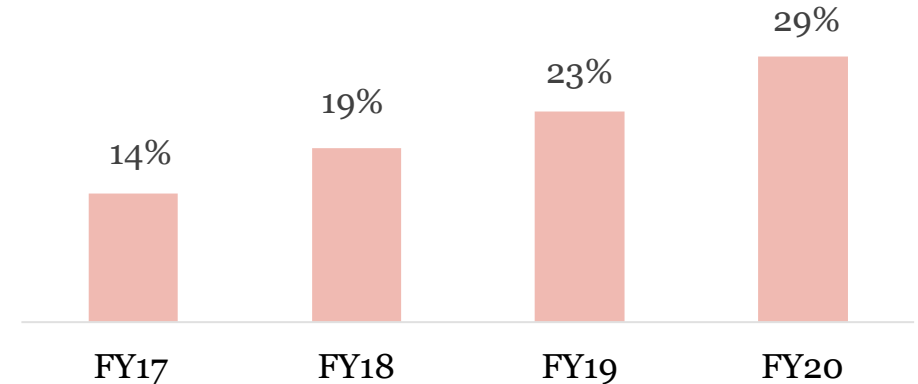
Rs 51 crores

Returned to
shareholders in the
last 4 years

Return on Equity %



Return on Capital Employed %

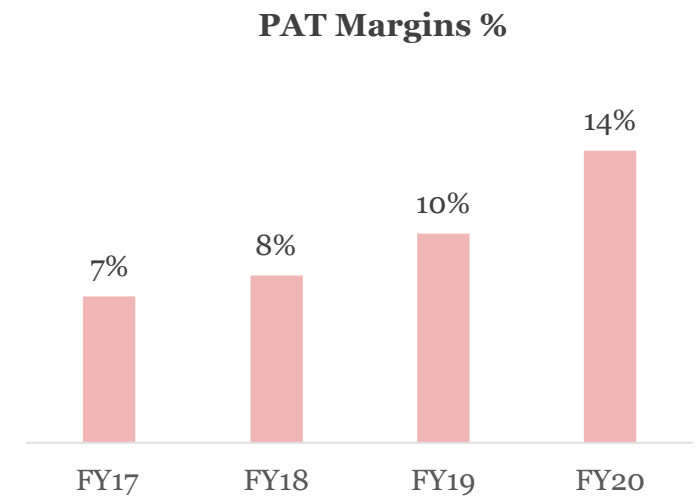
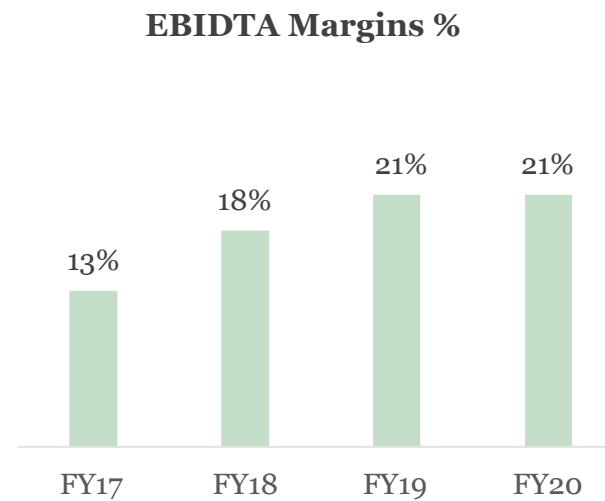
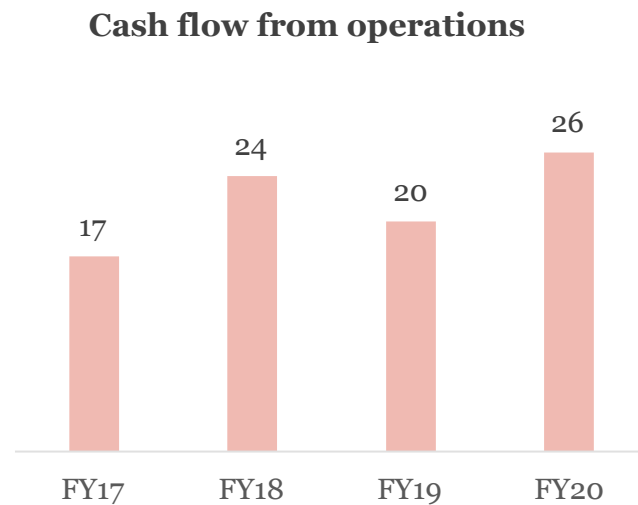
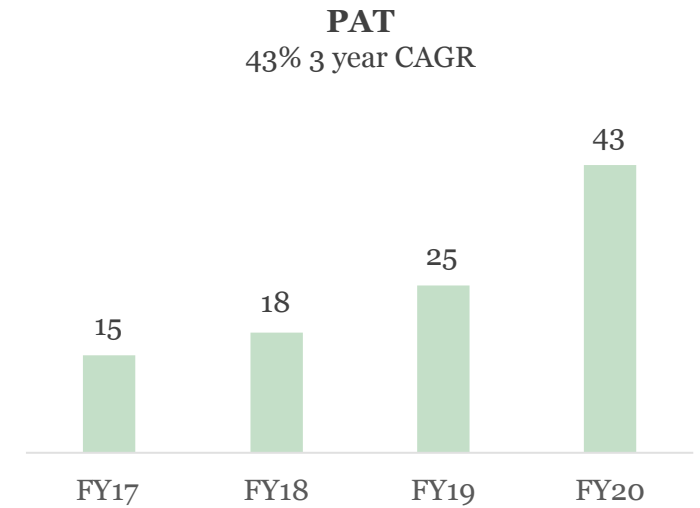
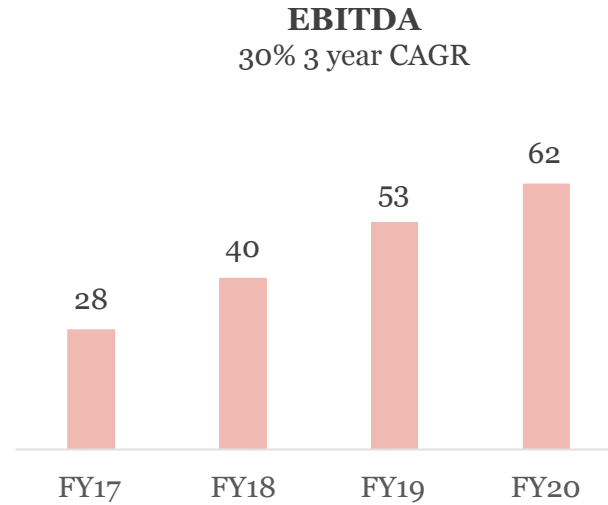
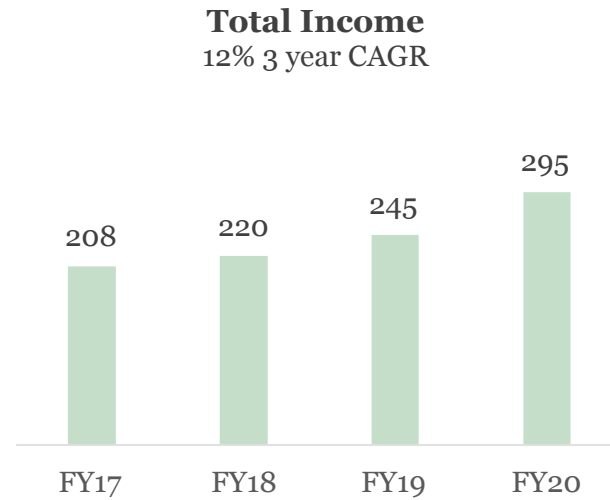


Historical Financial Overview



Consolidated financial performance

Financials in Rs. Cr



Historical profit and loss statement

(Rs Cr)	Standalone		
	FY18	FY19	FY20
Revenue from operations	163.8	187.5	182.1
Other income	18.6	14.1	21.8
Total Income	182.4	201.6	203.8
Cost of material consumed	78.2	89.33	81.81
Changes in inventories	2.8	-4.2	-0.5
Purchase of stock-in-trade	11.4	6.6	7.5
Employee expenses	13.9	13.4	15.1
Other expenses	39.7	47.3	52.2
Total Operating expenses	146.0	152.4	156.1
EBITDA	36.4	49.2	47.7
EBITDA margin	20.0%	24.4%	23.4%
Finance cost	1.1	0.9	1.3
Depreciation and Amortization	4.4	4.3	5.5
PBT	30.9	44.0	40.9
PBT margin	17.0%	21.8%	20.0%
Tax Expenses (Credits)	8.6	13.5	9.1
Exceptional Items	-	-	-0.3
PAT	22.3	30.5	31.5
PAT Margin	12.3%	15.4%	15.1%

Consolidated		
FY18	FY19	FY20
201.0	231.4	272.8
18.6	14.1	21.8
219.6	245.5	294.6
78.2	89.3	81.8
1.5	-11.1	-19.2
34.2	42.0	86.4
16.4	16.1	17.6
49.3	56.3	65.4
179.6	192.7	232.1
40.0	52.8	62.5
18.2%	21.5%	21.2%
1.1	0.9	1.3
6.8	14.2	5.9
32.1	37.7	55.3
14.6%	15.4%	18.8%
14.0	12.4	12.2
-	-	-0.3
18.1	25.3	42.8
8.2%	10.3%	14.5%

Depreciation and Amortization expense in consolidated financials for FY19 includes an amount of Rs. 9.9 cr s on account of impairment of certain brands held in US subsidiary

Consolidated balance sheet

(Rs Cr)	Sept'20	Mar'20
Share Capital	20.4	20.4
Reserves	206.8	184.0
Shareholders' Funds	227.2	204.4
Other liabilities	0.7	1.6
Deferred tax liability	7.6	7.1
Total Non-Current Liabilities	8.3	8.7
Trade Payables	20.5	21.2
Other Current Liabilities	11.1	11.0
Current Tax Liabilities	0.3	0.3
Other Financial Liabilities	2.1	3.1
Short Term Borrowings	13.0	23.2
Total Current Liabilities	47.0	58.8
Total Liabilities	282.5	271.9

(Rs Cr)	Sept'20	Mar'20
Fixed Assets incl. CWIP	57.2	58.2
Intangible Assets	21.3	21.4
Income Tax Asset (Net)	4.7	4.6
Other Non Current Assets	6.5	10.2
Total Non-Current Assets	89.7	94.4
Inventories	51.2	54.7
Sundry Debtors	55.8	53.1
Cash and Bank	60.1	36.7
Investments	13.9	18.0
Other Financial Assets	5.1	7.3
Other Current Assets	6.7	7.7
Total Current Assets	192.8	177.5
Total Assets	282.5	271.9

Thank You



Shardul Doshi (CFO)/ Shalaka Ovalekar (CS)

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