

Advanced Enzyme Technologies Ltd.

CIN: L24200MH1989PLC051018

Sun Magnetica, 'A' wing, 5th Floor, LIC Service Road, Louiswadi, Thane (W)-400 604, India

Tel: +91-22-4170 3200, Fax: +91-22-2583 5159

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

November 07, 2023

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 the Earnings Presentation for the quarter and half year ended September 30, 2023.

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
November 2023

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.

The information, opinions and forward-looking statements contained in this presentation speak only as at the date of this presentation and are subject to change without notice. The Company and its respective agents, employees or advisors do not intend to, and expressly disclaim any duty, undertaking or obligation to, make or disseminate any supplement, amendment, update or revision to any of the information, opinions or forward-looking statements contained in this presentation to reflect any change in events, conditions or circumstances beyond what is required by applicable law or applicable stock exchange rules and regulations.

By viewing this presentation, you acknowledge and agree to be bound by the foregoing limitations and restrictions.



Content

1

Result Summary
Q2 FY24
Page: 04

2

Segmental
Performance
Page: 07

3

Geographical
Performance
Page: 11

4

Result Summary
FY23
Page: 14

5

Unique Investment
Case
Page: 26

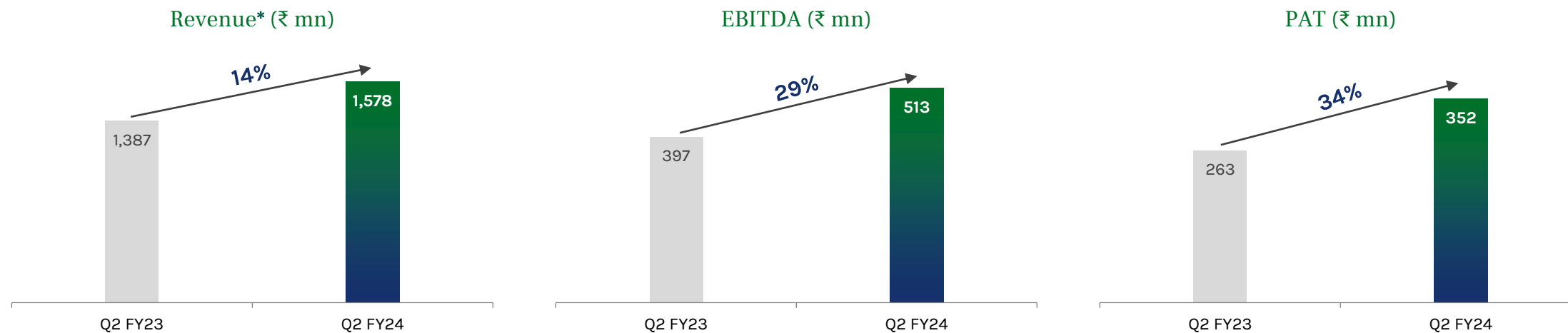
6

Focus Area Going
Ahead
Page: 31

7

Shareholders'
Information
Page: 32

Results Summary – Q2 FY24 (Consolidated) Y-o-Y

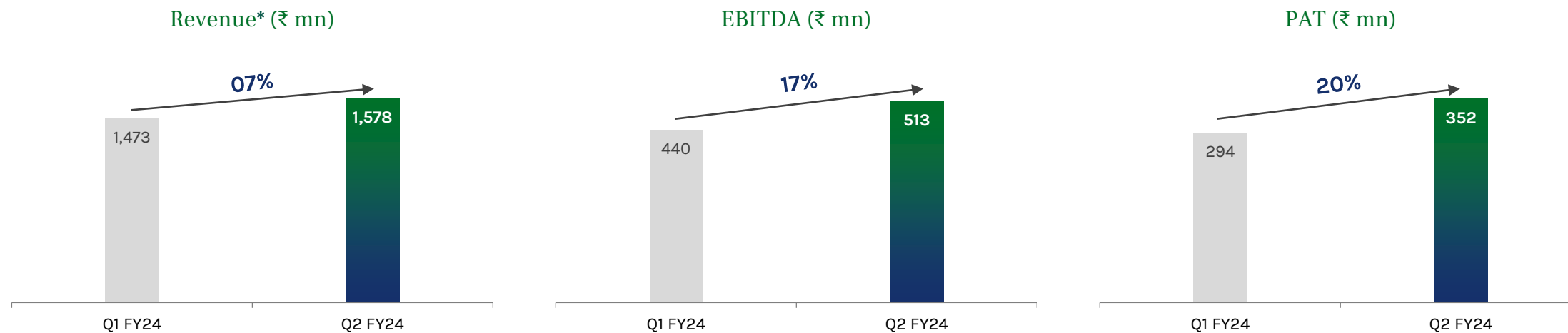


- Revenue grew by 14% on y-o-y basis to ₹ 1,578 million in the Q2 FY24 from ₹ 1,387 million in the Q2 FY23
- EBITDA grew by 29% to ₹ 513 million in the Q2 FY24 as against ₹ 397 million in Q2 FY23 on y-o-y basis
- PAT increased to ₹ 352 million in the Q2 FY24 from ₹ 263 million in the Q2 FY23, a growth of 34% on y-o-y basis
- EBITDA margin and PAT margin during Q2 FY24 stands at 33% and 22% 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 – Q2 FY24 (Consolidated) Q-o-Q

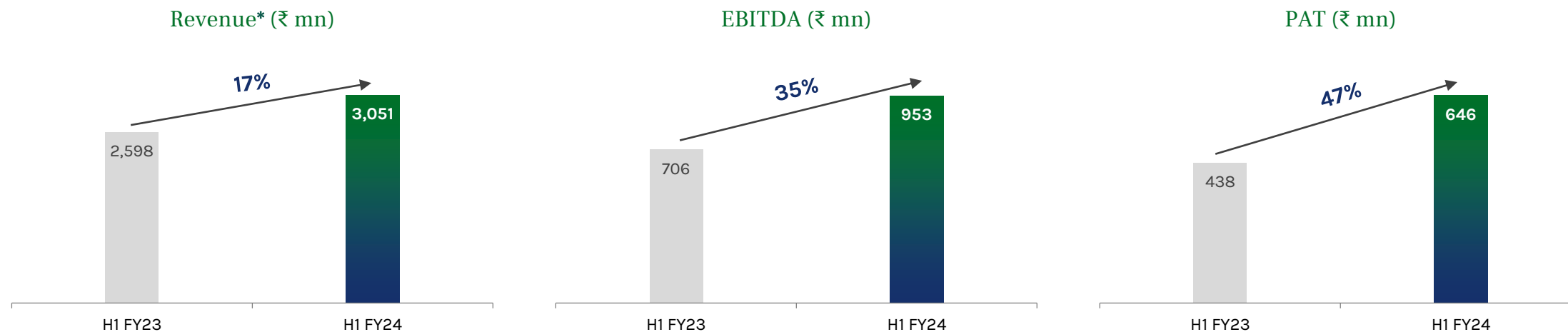


- Revenue grew by 7% on q-o-q basis to ₹ 1,578 million in the Q2 FY24 from ₹ 1,473 million in the Q1 FY24
- EBITDA grew by 17% to ₹ 513 million in the Q2 FY24 as against ₹ 440 million in Q1 FY24 on sequential basis
- PAT appreciated to ₹ 352 million in the Q2 FY24 from ₹ 294 million in the Q1 FY24, a growth of 20% on q-o-q basis

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 – H1 FY24 (Consolidated) Y-o-Y

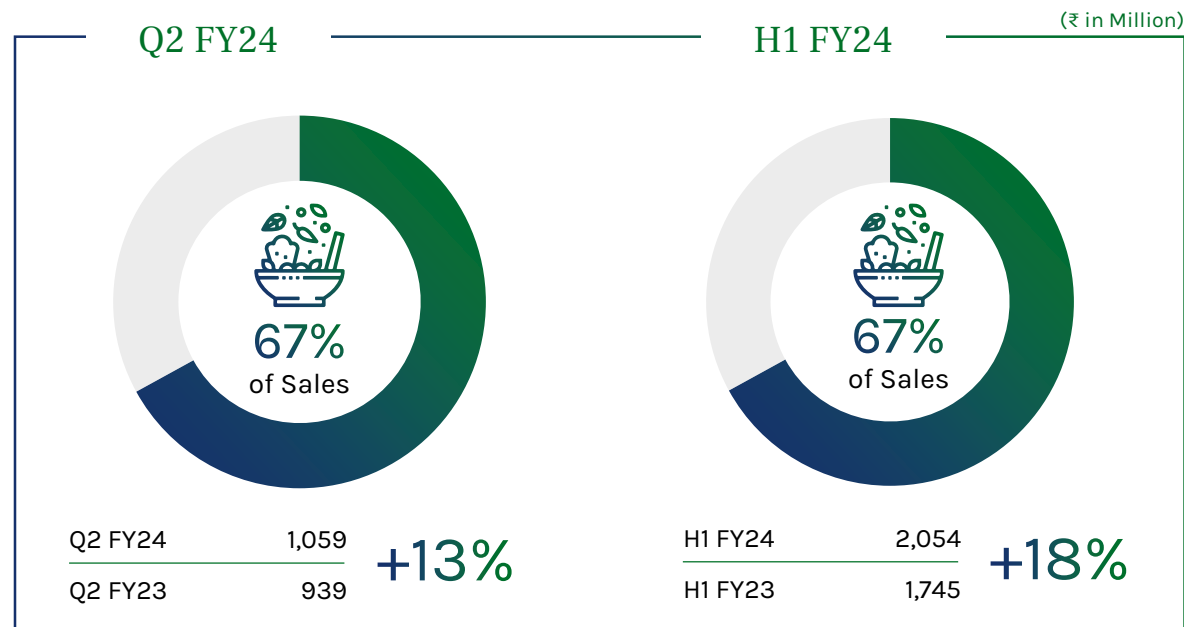


- Revenue grew by 17% on y-o-y basis to ₹ 3,051 million in the H1 FY24 from ₹ 2,598 million in the H1 FY23
- EBITDA grew by 35% to ₹ 953 million in the H1 FY24 as against ₹ 706 million in H1 FY23 on y-o-y basis
- PAT increased to ₹ 646 million in the H1 FY24 from ₹ 438 million in the H1 FY23, an uptick of 47% on y-o-y basis
- EBITDA margin and PAT margin during H1 FY24 stands at 31% and 21% 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

Human Nutrition



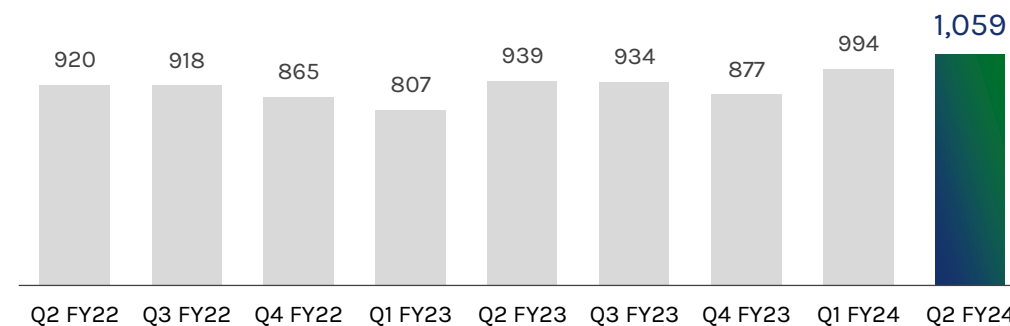
Commentary:

- The human nutrition segment contributed around 67% during the quarter to the total revenue from operations
- This segment grew by 13% during the quarter from ₹ 939 million in Q2 FY23 to ₹ 1,059 million in Q2 FY24 whereas it grew by 7% on sequential basis

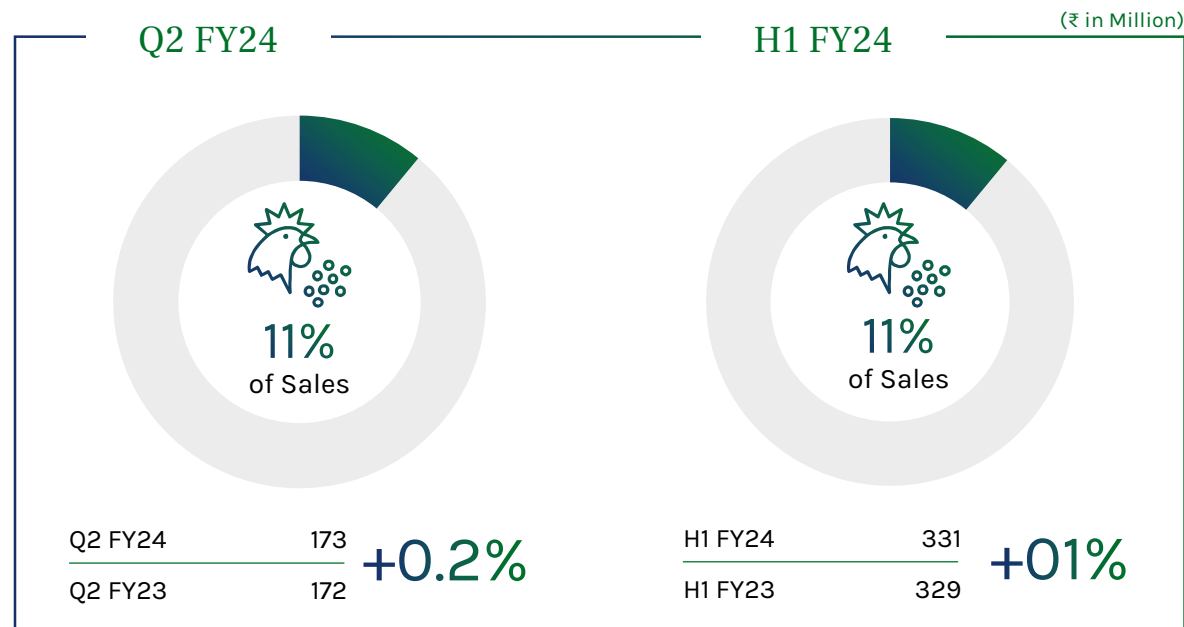
Notes:
All the decimals are rounded off to their relevant nearest number

Commentary:

- The human nutrition segment contributed around 67% during the first half in the total revenue from operations
- This segment grew by 18% during the first half from ₹ 1,745 million in H1 FY23 to ₹ 2,054 million in H1 FY24



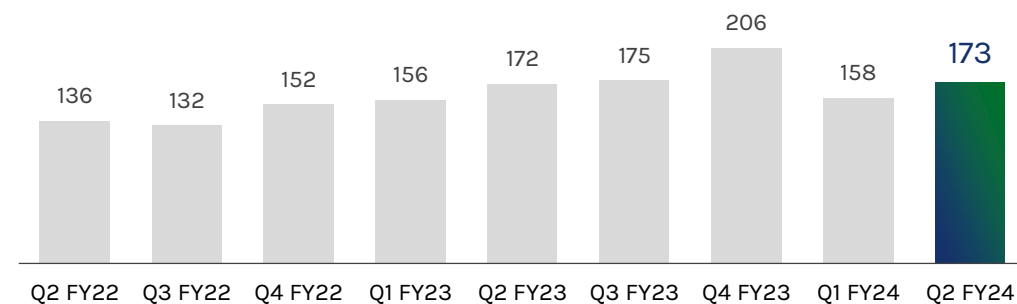
Animal Nutrition



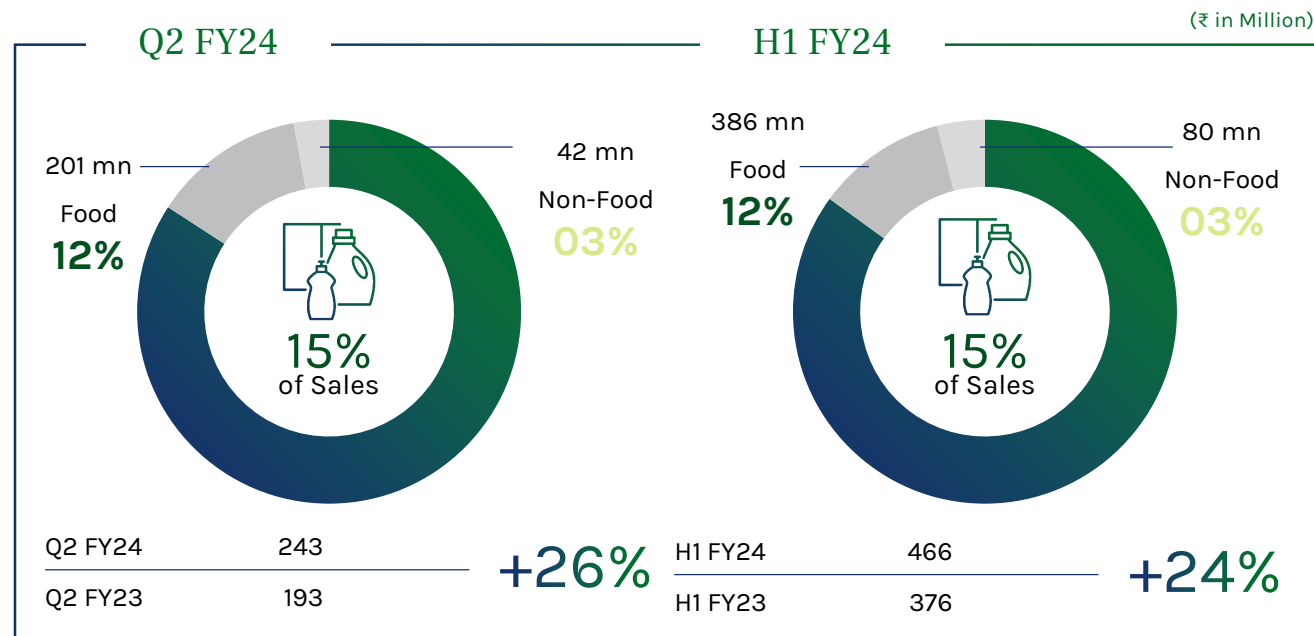
Commentary:

- The animal nutrition segment contributed around 11% during the quarter to the total revenue from operations
- This segment grew remained flat during the quarter from ₹ 172 million in Q2 FY23 to ₹ 173 million in Q2 FY24 whereas it grew by 9% on sequential basis

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



Industrial Bio-Processing



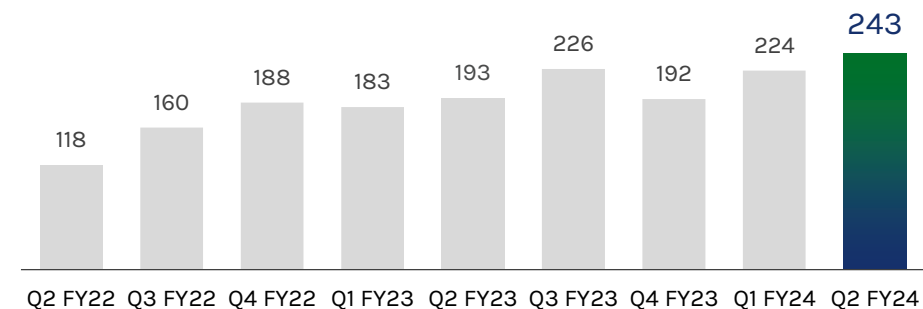
Commentary:

- The Industrial Bio-Processing segment contributed about 15% during the quarter to the total revenue from operations
- This segment grew by 26% on y-o-y basis to ₹ 243 million in Q2 FY24 from ₹ 193 million in Q2 FY23 while it grew by 8% on q-o-q basis
- In this segment, food business contributed 12% to the overall revenue and stood at ₹ 201 million while the Non-Food business contributed 3% and stood at ₹ 42 million during the quarter. The food business increased by 43% and Non-food business registered a de-growth of 21% on y-o-y basis

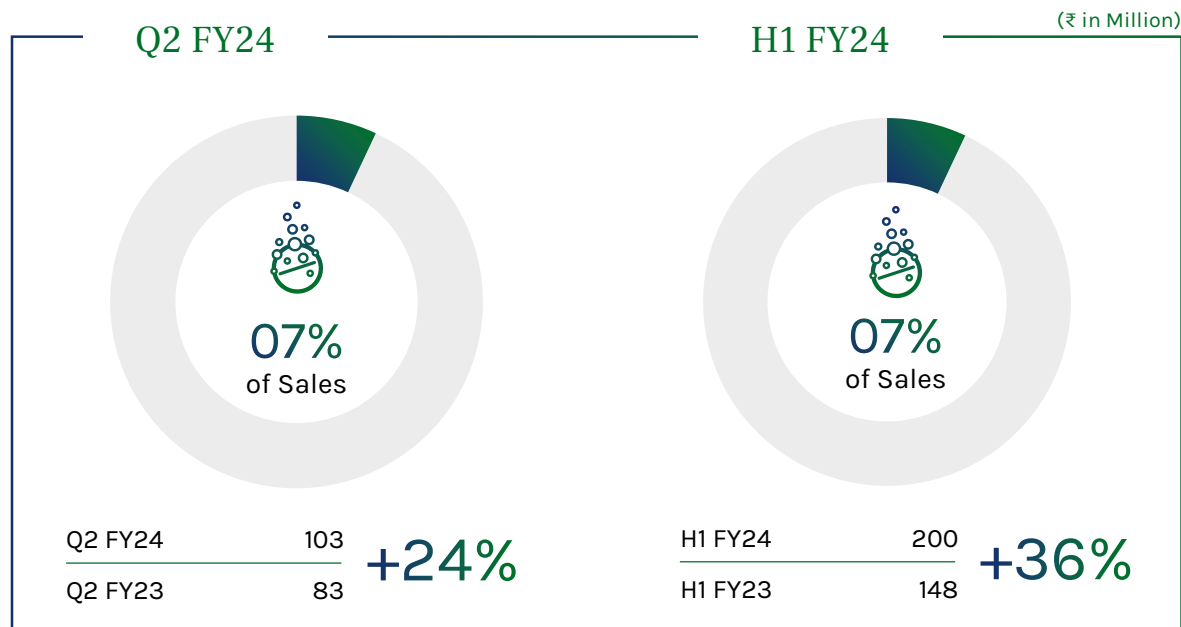
Notes:
All the decimals are rounded off to their relevant nearest number

Commentary:

- The Industrial Bio Processing segment contributed about 15% during the first half in the total revenue from operations which was 14% during the same period last year
- This segment grew by 24% on y-o-y basis to ₹ 466 million in H1 FY24 from ₹ 376 million in H1 FY23
- In this segment, food business contributed 12% to the overall revenue and stood at ₹ 386 million while the Non Food business contributed 3% and stood at ₹ 80 million during the year. The food business grew by 35% while the Non-food business registered a de-growth of 10% on y-o-y basis



Specialized Manufacturing



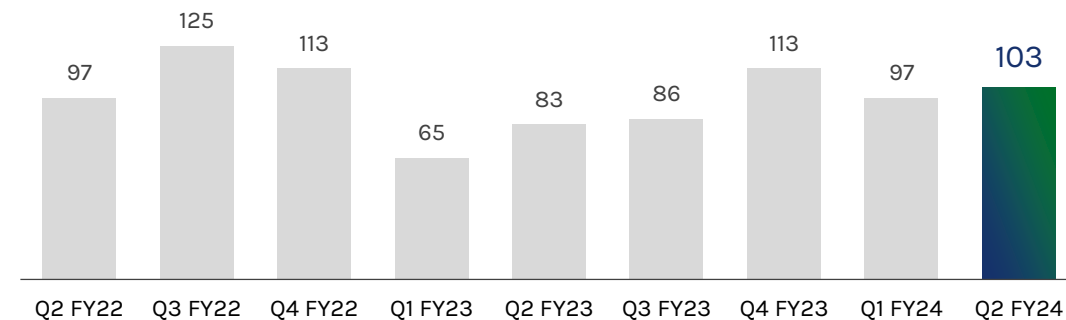
Commentary:

- This segment contributed about 7% during the quarter to the total revenue from operations which was 6% during the same quarter last year
- This segment grew by 24% on y-o-y basis to ₹ 103 million in Q2 FY24, and on q-o-q basis it grew by 6%

Commentary:






- This segment contributed about 7% during the first half in the total revenue from operations which was 6% during the last year
- This segment outperformed by 36% on y-o-y basis to ₹ 200 million in H1 FY24 from ₹ 148 million in H1 FY23

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



Geographical Performance

(₹ in Million)

			Q2 FY24		H1 FY24	
	India	—	52%	+25%	<div>Q2 FY24 828</div> <div>Q2 FY23 662</div>	<div>H1 FY24 1,565</div> <div>H1 FY23 1,212</div>
	Americas	—	30%	-09%	<div>Q2 FY24 470</div> <div>Q2 FY23 517</div>	<div>H1 FY24 937</div> <div>H1 FY23 973</div>
	Europe	—	05%	+02%	<div>Q2 FY24 83</div> <div>Q2 FY23 82</div>	<div>H1 FY24 149</div> <div>H1 FY23 154</div>
	Asia*	—	09%	+43%	<div>Q2 FY24 135</div> <div>Q2 FY23 94</div>	<div>H1 FY24 254</div> <div>H1 FY23 220</div>
	Rest of the World	—	04%	+96%	<div>Q2 FY24 62</div> <div>Q2 FY23 32</div>	<div>H1 FY24 146</div> <div>H1 FY23 39</div>

Notes:

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

Profit & Loss (Consolidated) – Q2 FY24 & H1 FY24

(₹ in Million)

Particulars	Q2 FY24 Un-Audited	Q1 FY24 Un-Audited	Q2 FY23 Un-Audited	Y-o-Y (%)	Q-o-Q (%)	H1 FY24 Un-Audited	H1 FY23 Un-Audited	Y-o-Y (%)
Income from Operations	1,578	1,473	1,387	14%	7%	3,051	2,598	17%
Expenses	1,153	1,119	1,078	7%	3%	2,272	2,067	10%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	425	354	309	38%	20%	779	531	47%
Other Income	61	67	39	56%	-9%	128	59	117%
Profit from ordinary activities before Finance Costs and Exceptional Item	486	421	348	40%	15%	907	590	54%
Finance costs	7	7	6	17%	-	14	12	17%
Profit from ordinary activities before exceptional item and tax	479	414	342	40%	16%	893	578	54%
Profit from ordinary activities before tax	479	414	342	40%	16%	893	578	54%
Tax	127	120	79	61%	6%	247	140	76%
Net Profit for the period	352	294	263	34%	20%	646	438	47%
Earnings Per Share	3.08	2.58	2.34	31%	19%	5.65	3.94	43%

*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
4. All the decimals are rounded off to their relevant nearest number

Balance Sheet (Consolidated) – H1 FY24

(₹ in Million)

Particulars	H1 FY24 Un-Audited	H1 FY23 Un-Audited	H1 FY22 Un-Audited
Assets			
Property, plant and equipment	2,734	2,623	2,407
Capital work-in-progress	220	213	101
Intangible assets	512	559	653
Goodwill	3,235	3,141	2,913
Other non-current assets	372	325	299
Current assets	7,367	6,671	5,445
Total Assets	14,440	13,532	11,818
Equity And Liabilities			
Equity share capital	224	224	224
Other equity	12,259	11,418	10,028
Non-controlling interest	505	516	510
Non-current liabilities	578	649	520
Current liabilities	874	725	536
Total – Equity and Liabilities	14,440	13,532	11,818

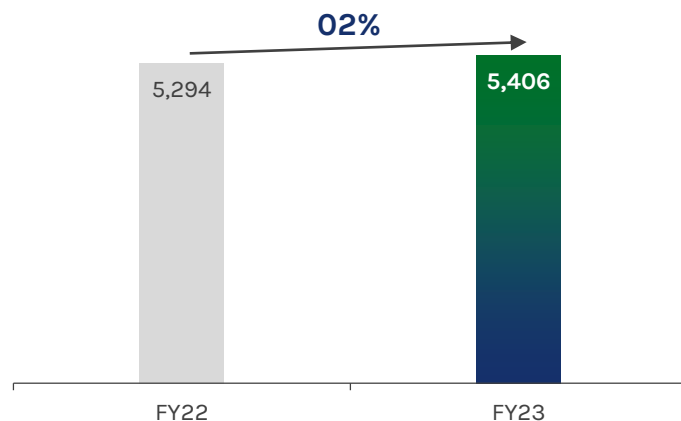
*Notes:

1. On Consolidated Basis
2. All the decimals are rounded off to their relevant nearest number

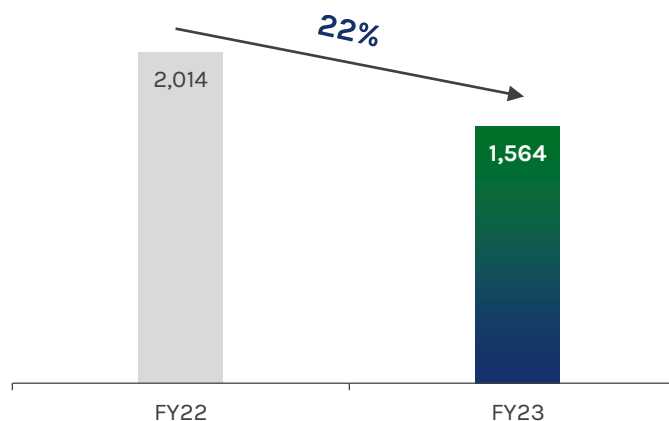
Result summary-FY23 (Consolidated) Y-o-Y

(₹ in Million)

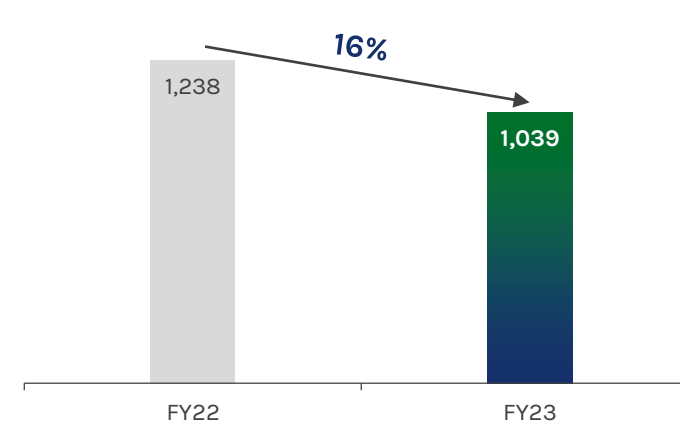
Revenue* (₹ mn)



EBITDA (₹ mn)



PAT (₹ mn)

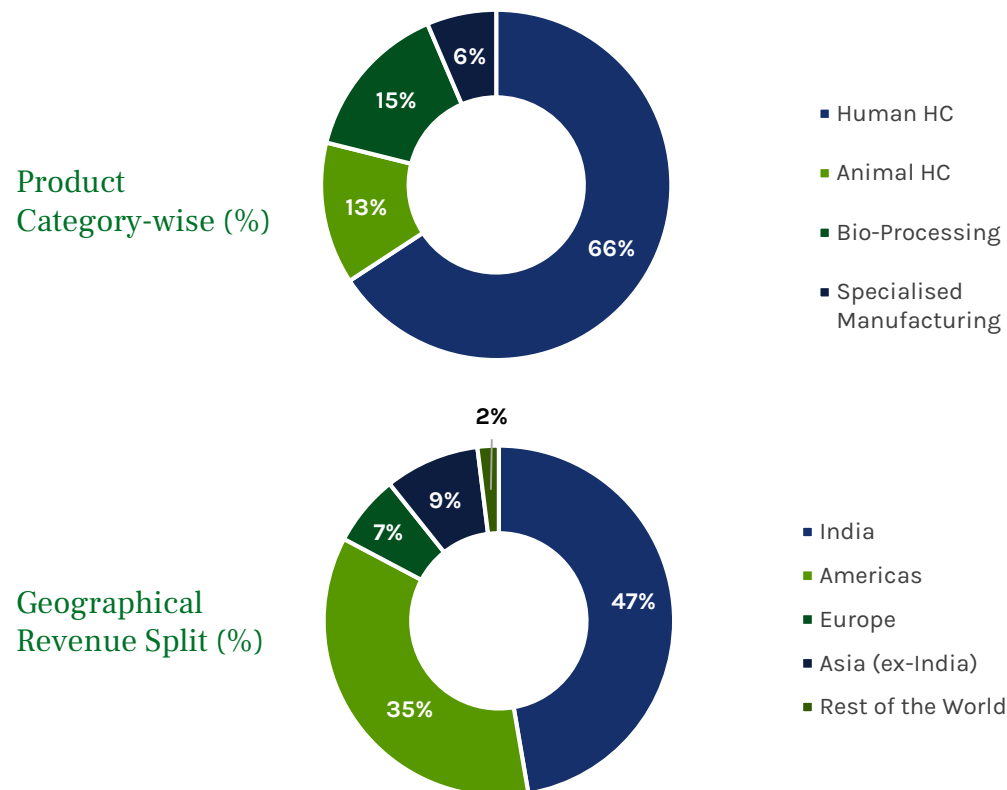


*Notes:

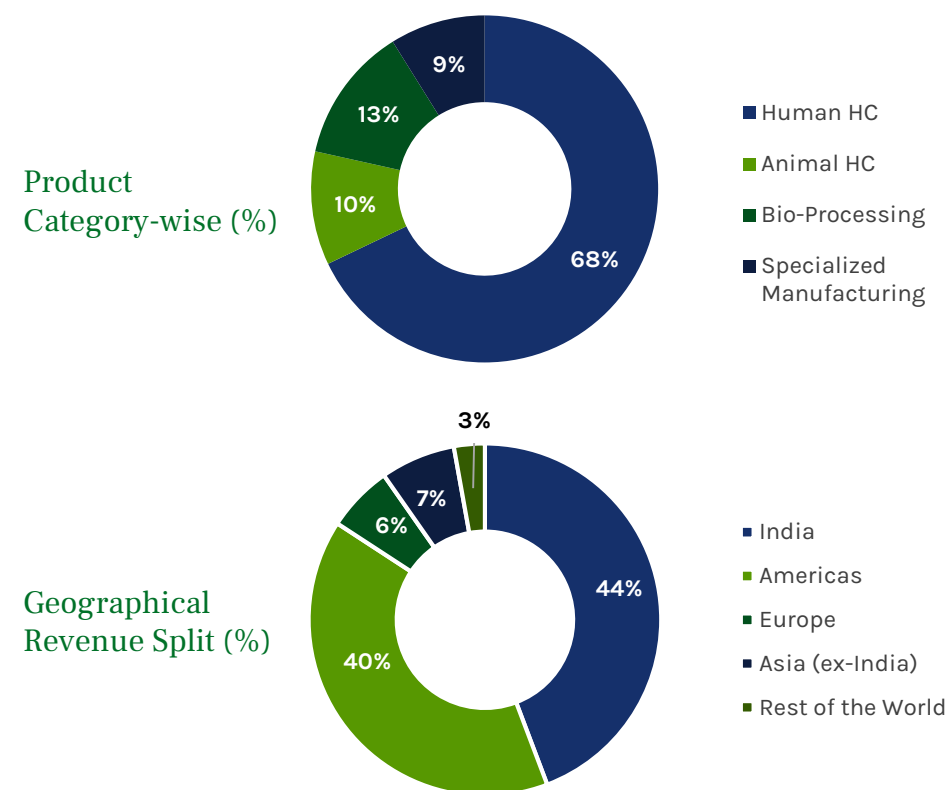
1. On Consolidated Basis
2. PAT is before minority
3. Ind AS adjustments are carried out on account of commission, discount, and provision for sales return
4. All the decimals are rounded off to their relevant nearest number

Revenue Split – FY23 vs. FY22

FY23



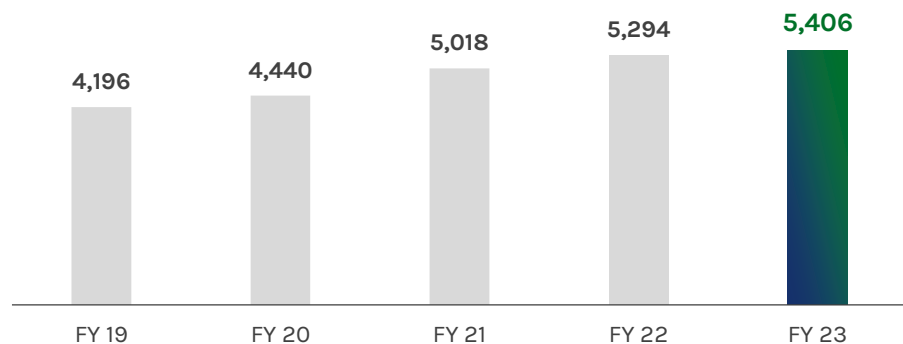
FY22



Strong Financial Performance – FY23

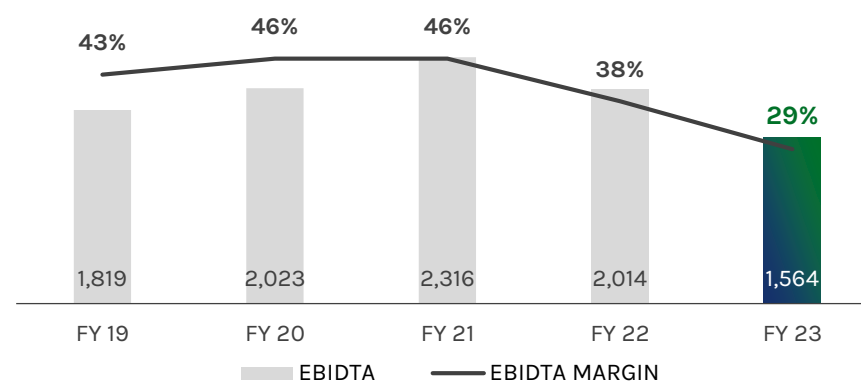
(₹ in Million)

Revenue from Operations



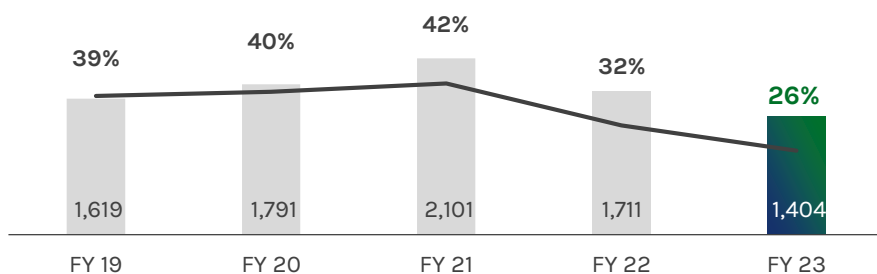
**CAGR
6.54%**

EBIDTA & EBIDTA Margin (%)



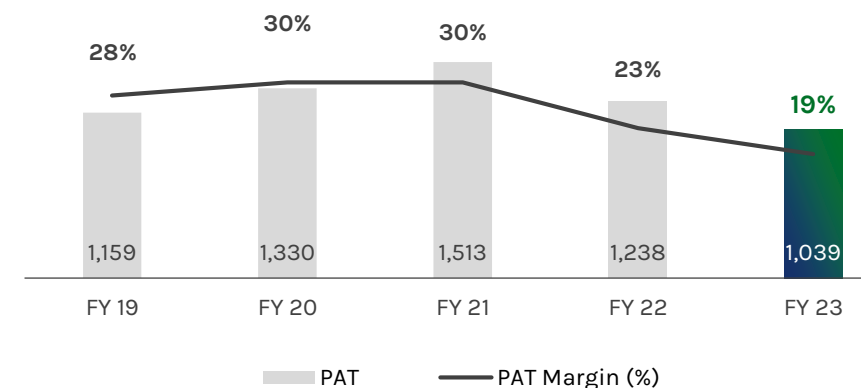
**CAGR
-3.71%**

PBT & PBT Margin (%)



**CAGR
-3.50%**

PAT & PAT Margin (%)



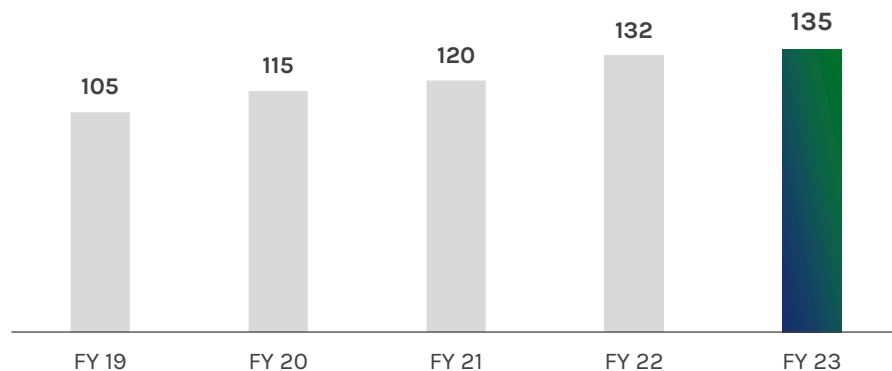
**CAGR
2.70%**

*Notes:

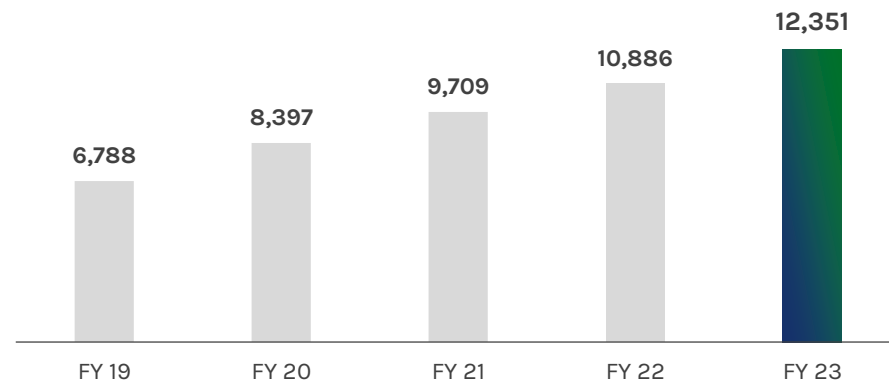
1. On Consolidated Basis
2. PAT is before minority
3. Ind AS adjustments are carried out on account of commission, discount, and provision for sales return
4. All the decimals are rounded off to their relevant nearest number

Strong Financial Performance – FY23

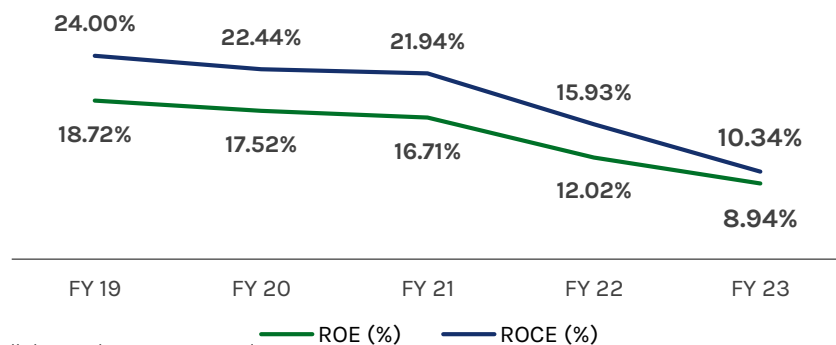
Net Working Capital (Days)



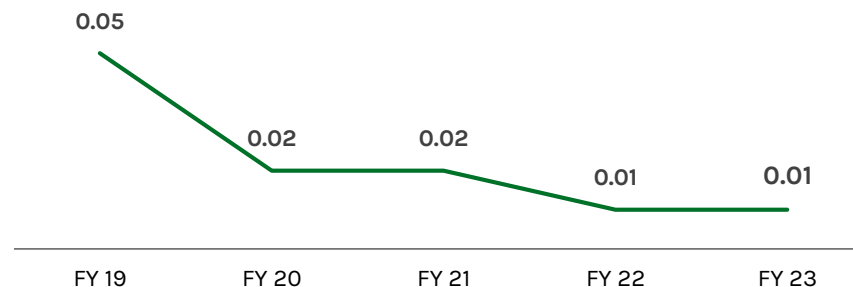
Net Worth (₹ mn)



ROE (%) & ROCE (%)



Net Debt to Equity (x)



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 = (Net Profit before Tax, Exceptional and extraordinary items + Finance cost) / Average (Net debt + Networth)

Balance Sheet (Consolidated)

(₹ in Million)

Particulars	FY23 Audited	FY22 Audited	FY21 Audited
Assets			
Property, plant and equipment	2,732	2,622	2,462
Capital work-in-progress	215	151	102
Intangible assets	550	609	693
Goodwill	3,209	2,961	2,887
Other non-current assets	291	289	258
Current assets	7,221	6,044	5,160
Total Assets	14,218	12,676	11,562
Equity And Liabilities			
Equity share capital	224	224	223
Other equity	12,127	10,662	9,486
Non-controlling interest	491	518	617
Non-current liabilities	601	668	560
Current liabilities	775	604	676
Total – Equity and Liabilities	14,218	12,676	11,562

*Notes:

1. On Consolidated Basis
2. All the decimals are rounded off to their relevant nearest number

Annexure



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 production and application of several important probiotics.

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 - 7 USA - 2

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

68+

Enzymes
& Probiotics



400+

Proprietary
Products



700+

Customers
Worldwide



45+

Countries
Worldwide Presence



750+

Employees



13*

Patents



13#

Food Enzyme
Dossiers
filed with EFSA



7**

GRAS Dossier
evaluated by US FDA



500

m³ Fermentation
Capacity



25+

Years of
Fermentation
Experience



1##

Novel Food Dossier
filed with EFSA



Note: Facts & Figures as on November, 2023

* Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 4 are under evaluation

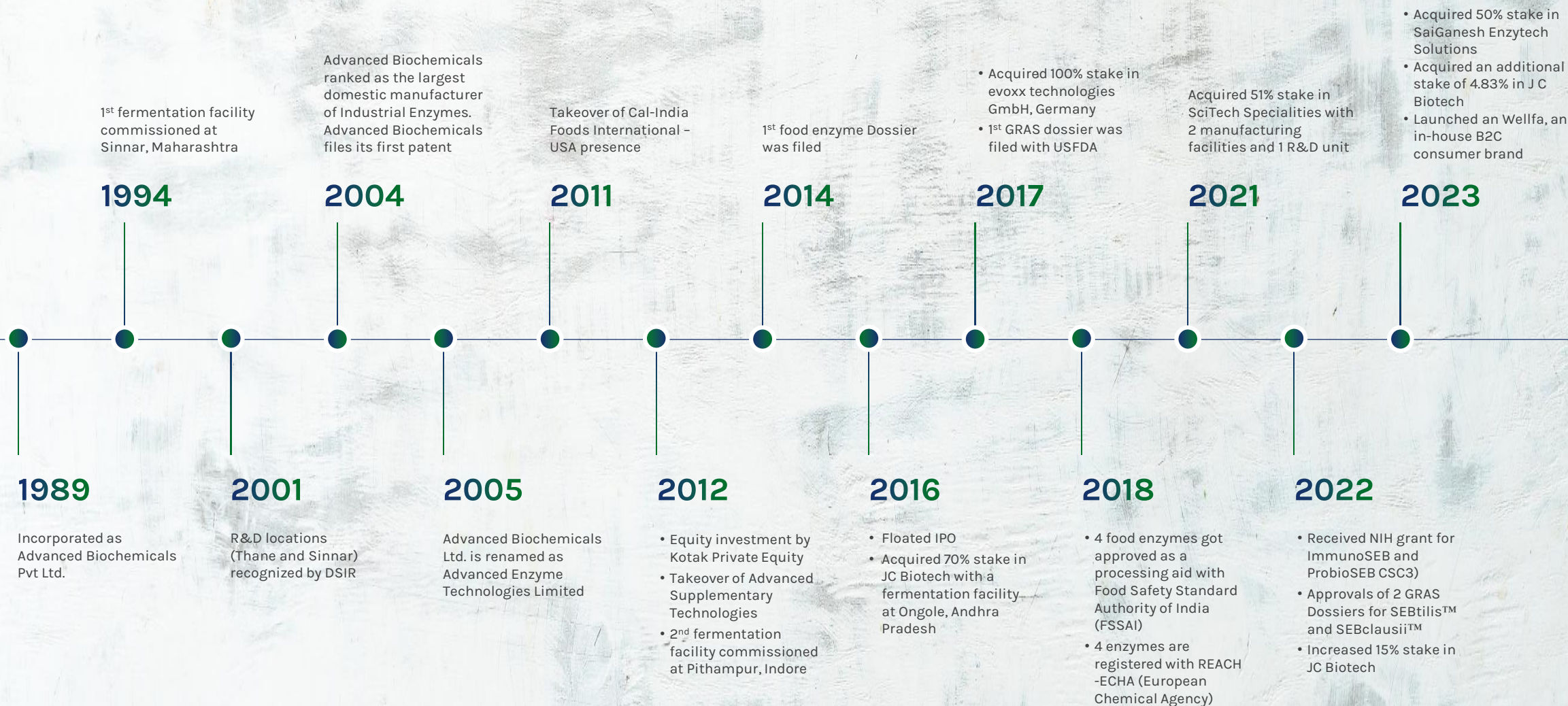
**No question letter received for 5 Dossier, another 2 are under evaluation

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. Kedar Desai
Independent 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

*w.e.f July 01, 2023

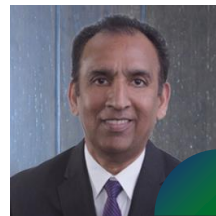
Management Team



Mr. Beni Prasad Rauka
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



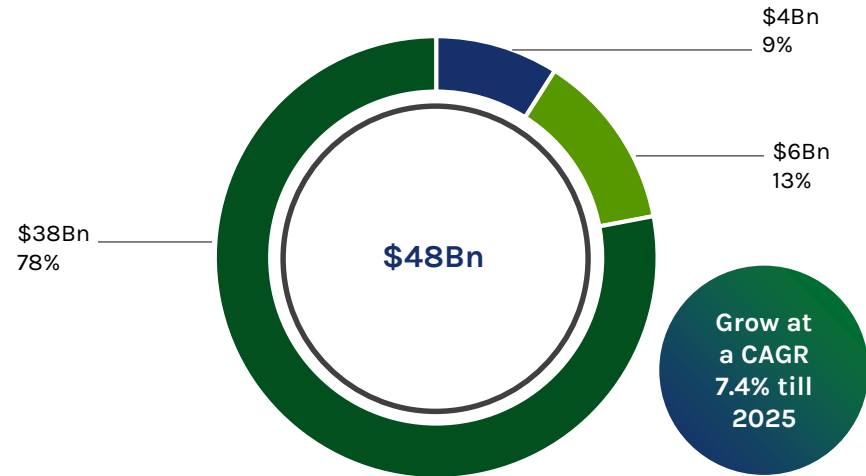
Dr. Michael Puls
Managing Director /Head Of Research and
Development - evoxx Technologies,
Germany



Mr. Sanjay Basantani
Company Secretary & Head Legal

How Big is the Opportunity?

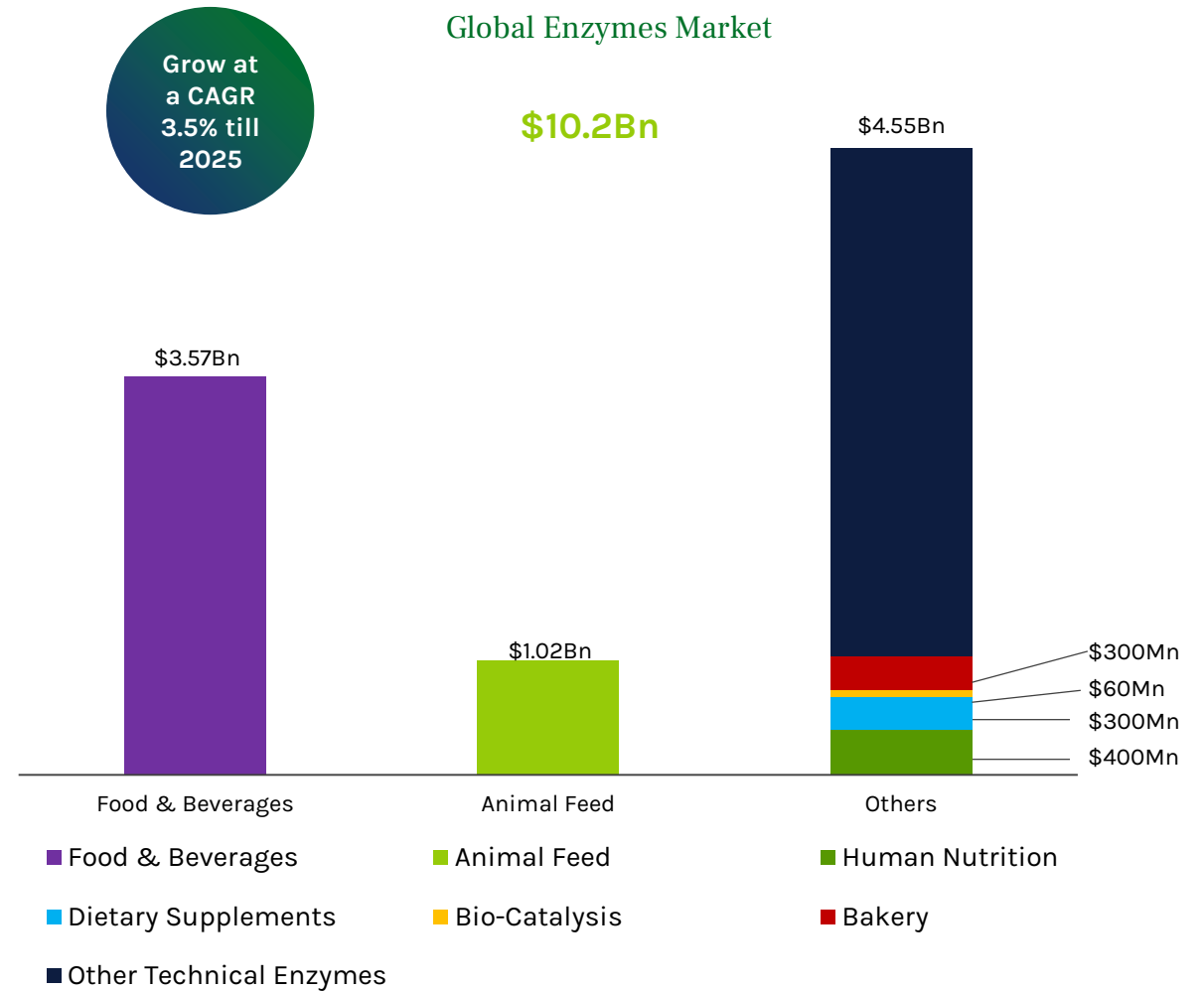
Global Probiotics Market



■ Animal Feed ■ Dietary Supplements ■ Functional Food & Beverages

Competitive Scenario in the Global Enzymes and Probiotics Markets	
Nutraceutical	DSM, Deerland
Probiotics	Chr. Hansen, Sabinsa, Kerry, Unique Biotech
Bio-Catalysis	Codexis, Cambrex
Animal Nutrition	Novozymes, DSM, Kemin, Novus, and other regional players
Bio-Processing	Food: AB Enzymes, DSM, Novozymes Non-Food: Novozymes, DuPont

Global Enzymes Market



What Makes AETL a Unique Investment Case?



UNIQUE INVESTMENT CASE



Specialized Business with High Entry Barriers



Strong Research & Development Capabilities



Integrated Player with Presence Across the Enzyme Value Chain



Inherent Diversification in the Business Model

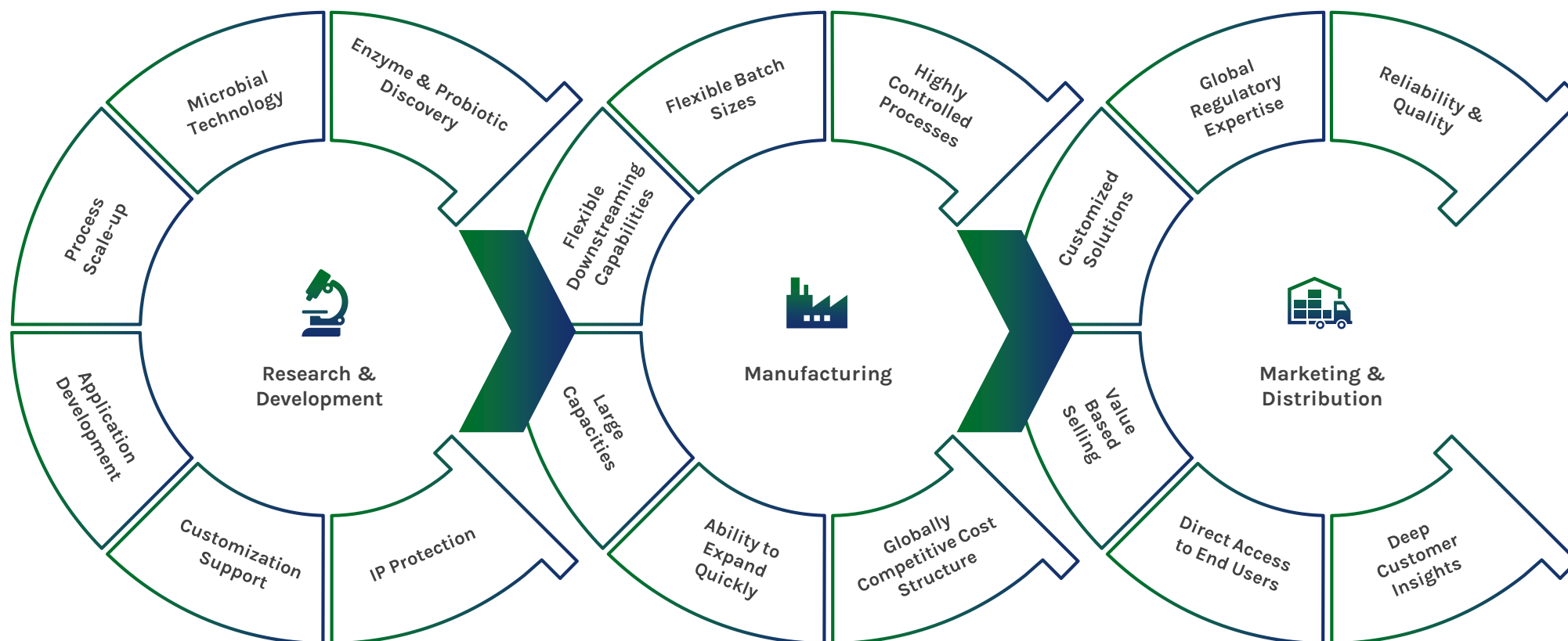


Significant Focus on International Markets & Brand Building



Strong Financial Performance

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	
				FY23	FY22
	Human Nutrition	\$ 400 mn	\$ 200 mn	\$ 38.8 mn, 58%	\$ 41.9 mn, 59%
	Bio-Catalysis	\$ 60 mn	\$ 30 mn*	\$ 2.9 mn, 4%	\$ 3.1 mn, 4%
	Baking	\$ 300 mn	\$ 30 mn	\$ 7.4 mn, 11%	\$ 6.9 mn [#] , 10%
	Animal Nutrition	\$ 1.02 bn	\$ 40 mn	\$ 8.8 mn, 13%	\$ 7.5 mn, 11%
	Probiotics	\$ 48 bn	Majority of the market is untapped, so this a huge opportunity	\$ 2.5 mn, 4%	\$ 3.2 mn, 5%

**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

Global Competitiveness



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

Sustained Research & Development



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

Diverse Product Range & Customer Base



400+ Products, 700+ Customers Worldwide

Manufacturing Expertise



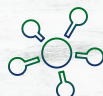
Specialized technical expertise in microbial fermentation developed over the last 25+ years

Credible Market Presence



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

Proven Enzyme Development Capabilities



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

Invaluable Experience & Customer Insights



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

Future Growth Drivers



Continued Investment in R&D

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



Broaden & Deepen Geographical Presence

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



Inorganic Expansion

- 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



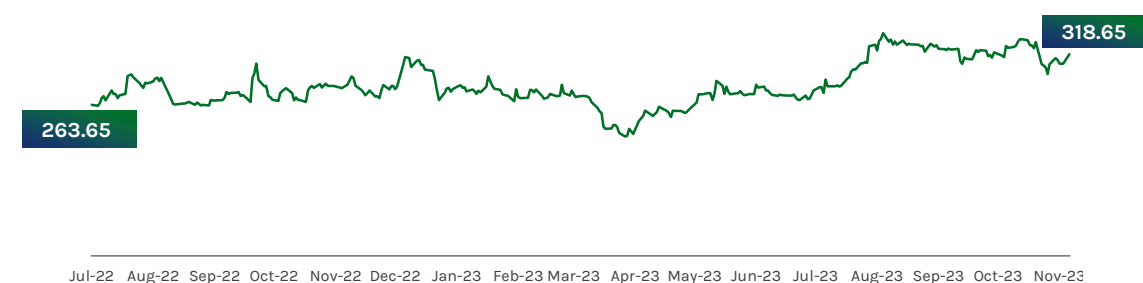
- In Bio-processing division, our focus is on Baking Solutions
- We have got positive response for the products in terms of efficacy and performance
- Confident to expand in Europe, Americas and Rest of World to tap the available opportunities by offering a value based approach in the Baking Industry

Shareholders Information

Stock Data (As on 06th Nov 2023)

	Market Capitalization (₹)	35,688 mn
	Shares Outstanding	111.82 mn
	Free Float	39.48%
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

Stock Chart (As on 06th Nov 2023)

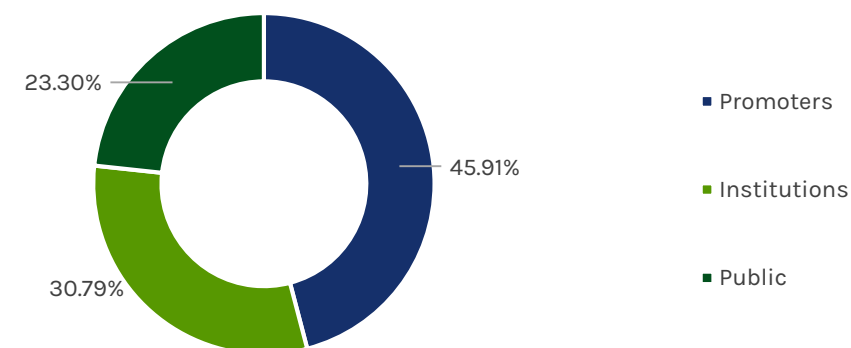


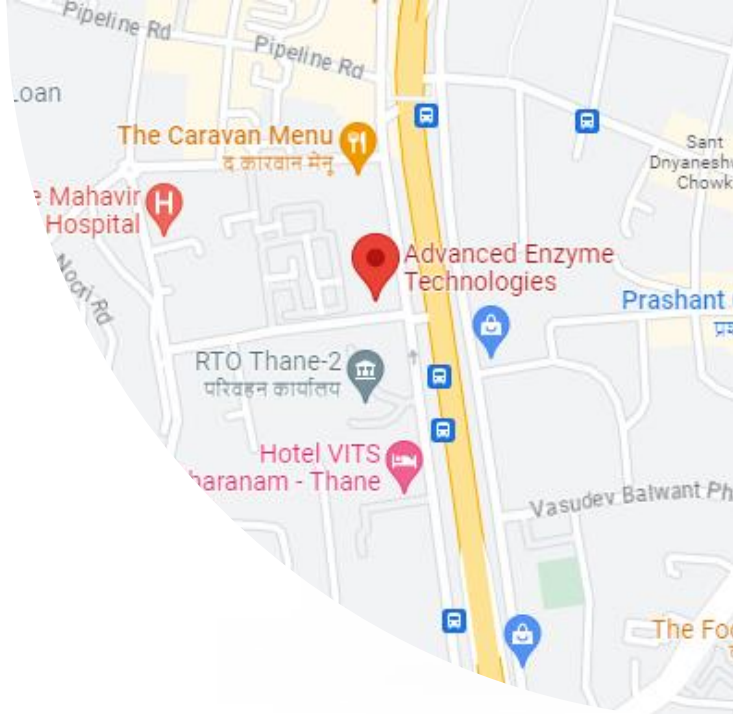
Top 5 Institutional Holders (As on 03rd Nov 2023)

Institutions	OS (%)
ORBIMED ASIA*	12.09
NALANDA INDIA EQUITY FUND	8.91
HDFC AMC	3.47
ICICI PRUDENTIAL MF	2.24
DIMENSIONAL FUND	0.70

*Note: For the ease of representation we have aggregated ORBIMED ASIA III MAURITIUS LIMITED (9.89%) & ORBIMED ASIA III MAURITIUS FVCI LIMITED (2.20)

Shareholding Pattern (%)





Advanced Enzyme Technologies Limited

Address: 5th Floor, 'A' wing,
Sun Magnetica LIC Service Road,
Louiswadi, Thane (W) 400 604, India
Tel: +91-22-4170 3200
Fax: + 91-22-25835159
Web: www.advancedenzymes.com
CIN No: L24200MH1989PLC051018

Contact:

Mr. Ronak Saraf
Manager – Investor Relations
ir@advancedenzymes.com



Thank you