



Advanced Enzyme Technologies Ltd.

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February 11, 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 Earnings Presentation for the quarter and nine months ended December 31, 2022.

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 | February 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.

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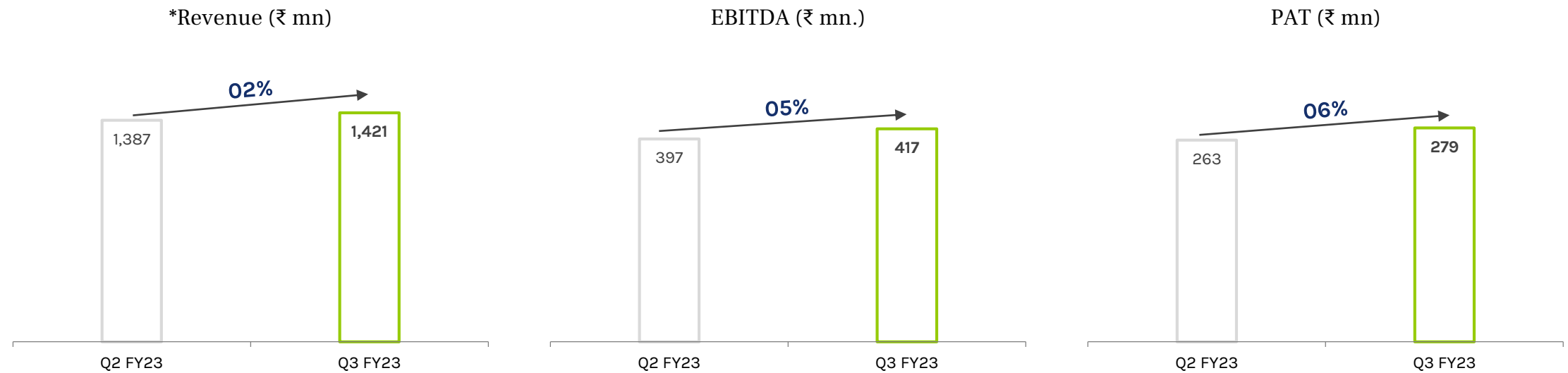
By viewing this presentation, you acknowledge and agree to be bound by the foregoing limitations and restrictions.

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Results Summary – Q3 FY23 (Consolidated) Q-o-Q

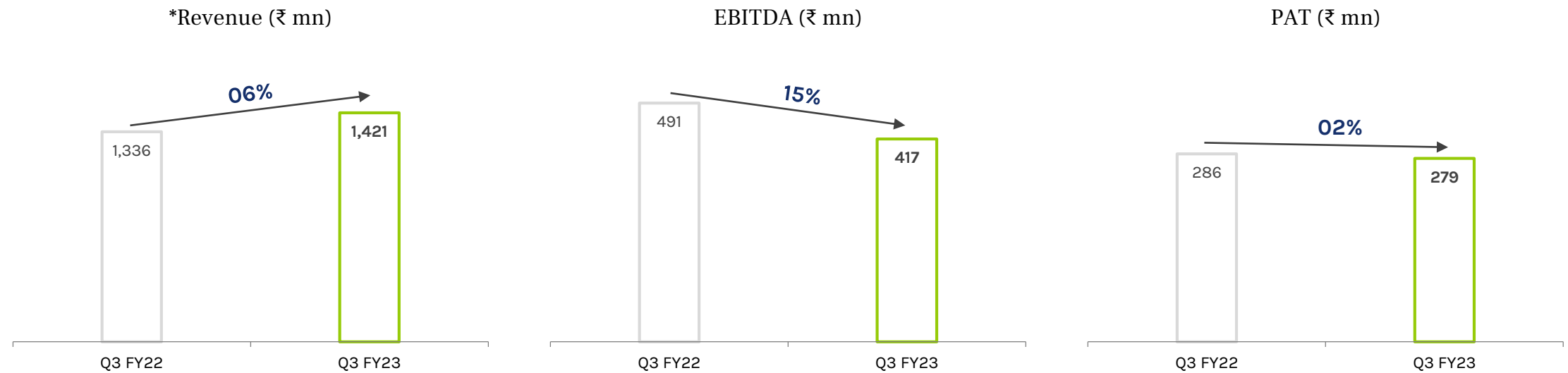


- Revenue grew by 02% on Q-o-Q basis to ₹ 1,421 million in Q3 FY23 from ₹ 1,387 million in Q2 FY23
- EBITDA grew by 05% to ₹ 417 million in Q3 FY23 as against ₹ 397 million in Q2 FY23 on Q-o-Q basis
- PAT increased to ₹ 279 million in Q3 FY23 from ₹ 263 million in Q2 FY23, a growth of 06% on Q-o-Q basis

***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 – Q3 FY23 (Consolidated) Y-o-Y

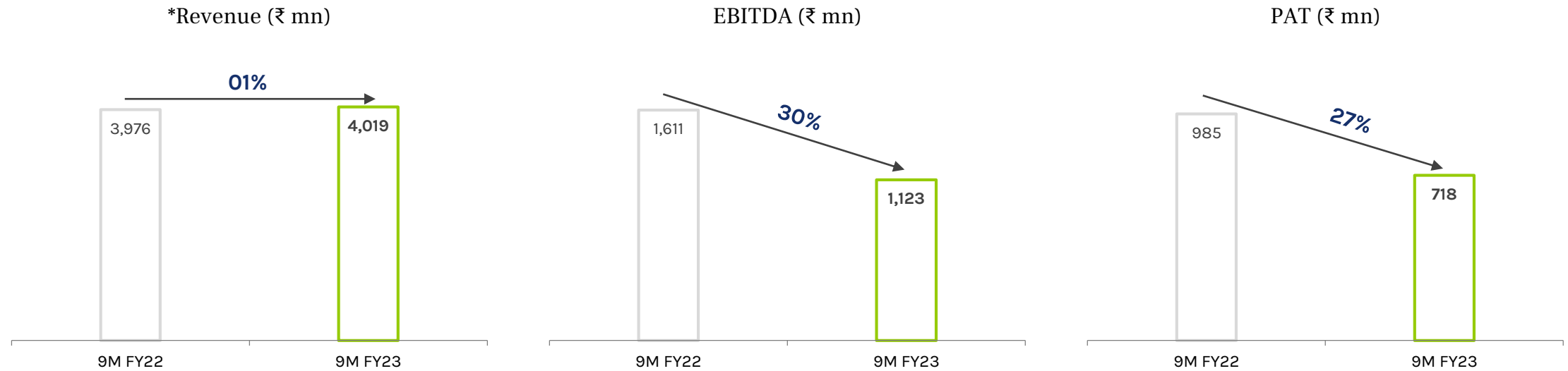


- Revenue grew by 06% on y-o-y basis to ₹ 1,421 million in Q3 FY23 from ₹ 1,336 million in Q3 FY22
- EBITDA de-grew by 15% to ₹ 417 million in Q3 FY23 as against ₹ 491 million in Q3 FY22 on y-o-y basis
- PAT decreased to ₹ 279 million in Q3 FY23 from ₹ 286 million in Q3 FY22, a de-growth of 02% on y-o-y basis
- EBITDA margin and PAT margin during Q3 FY23 stands at 29% and 20% 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 – 9M FY23 (Consolidated) Y-o-Y



- Revenue grew by 01% on y-o-y basis to ₹ 4,019 million in 9M FY23 from ₹ 3,976 million in the 9M FY22
- EBITDA de-grew by 30% to ₹ 1,123 million in 9M FY23 as against ₹ 1,611 million in 9M FY22 on y-o-y basis
- PAT decreased to ₹ 718 million in 9M FY23 from ₹ 985 million in 9M FY22, a decline of 27% on y-o-y basis
- EBITDA margin and PAT margin during 9M FY23 stands at 28% and 18% 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

(₹ in Million)

Q3 FY23

Q3 FY23	934	+02%
Q3 FY22	918	

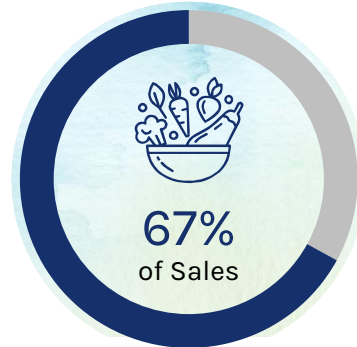


Commentary:

- The human nutrition segment contributed around 66% during the quarter to the total revenue from operations
- This segment grew by 02% during the quarter from ₹ 918 million in Q3 FY22 to ₹ 934 million in Q3 FY23 whereas it declined by 01% on sequential basis

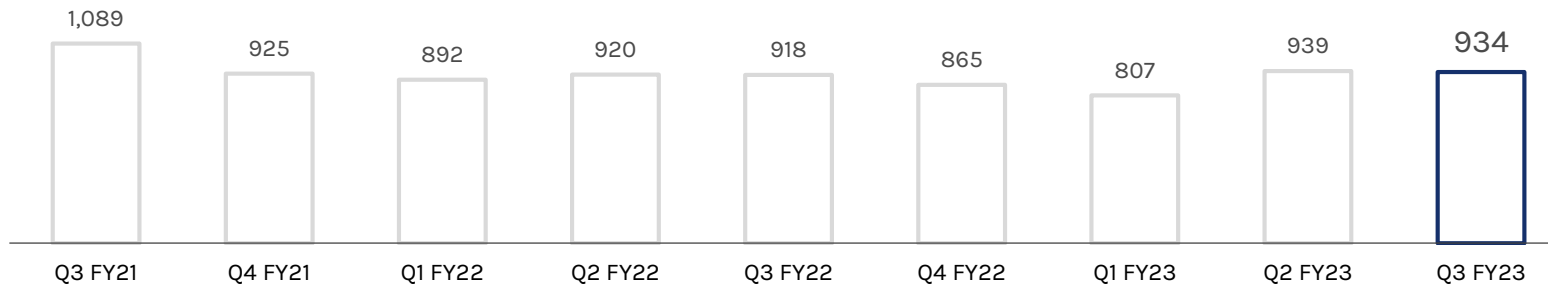
9M FY23

9M FY23	2,679	-02%
9M FY22	2,730	



Commentary:

- The human nutrition segment contributed around 67% during the nine months to the total revenue from operations
- This segment de-grew by 02% during the nine months from ₹ 2,730 million in 9M FY22 to ₹ 2,679 million in 9M FY23



Animal Nutrition

(₹ in Million)

Q3 FY23

Q3 FY23	175	+33%
Q3 FY22	132	



Commentary:

- The Animal nutrition segment contributed about 12% during the quarter to the total revenue from operations
- This segment grew by 33% on y-o-y basis to ₹ 175 million in Q3 FY23 as against ₹ 132 million in Q3 FY22, and it grew by 02% on q-o-q basis

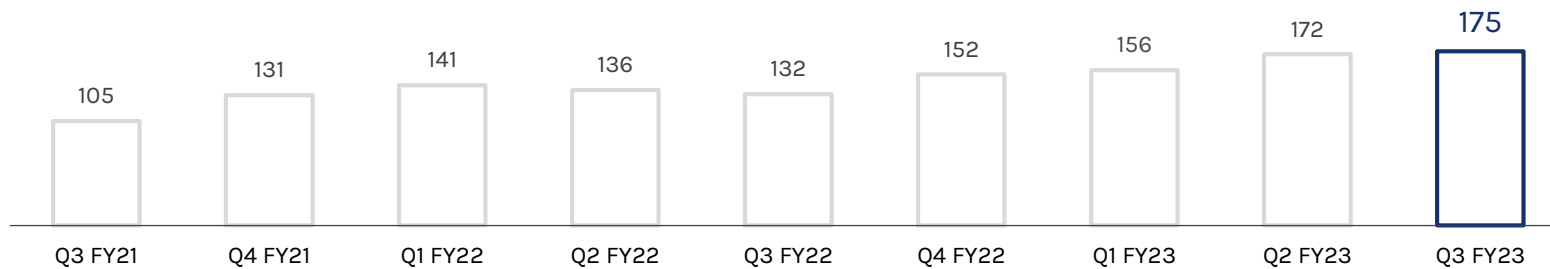
9M FY23

9M FY23	504	+23%
9M FY22	408	



Commentary:

- The Animal nutrition segment contributed about 12% during the nine months to the total revenue from operations
- This segment grew by 23% on y-o-y basis to ₹ 504 million in 9M FY23 as against ₹ 408 million in 9M FY22

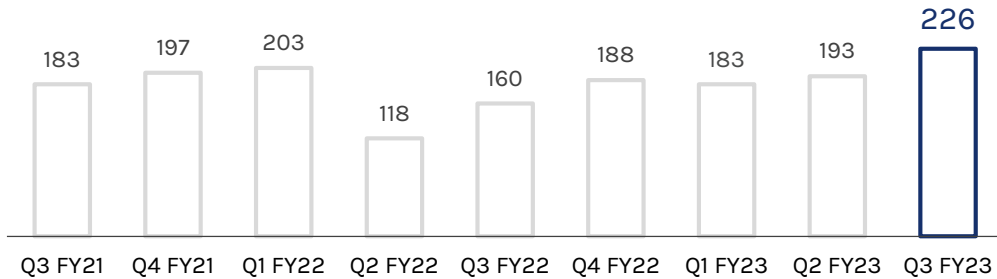


Industrial Bio-Processing

Q3 FY23 226
Q3 FY22 160 **+41%**

9M FY23 602
9M FY22 481 **+25%**

(₹ in Million)

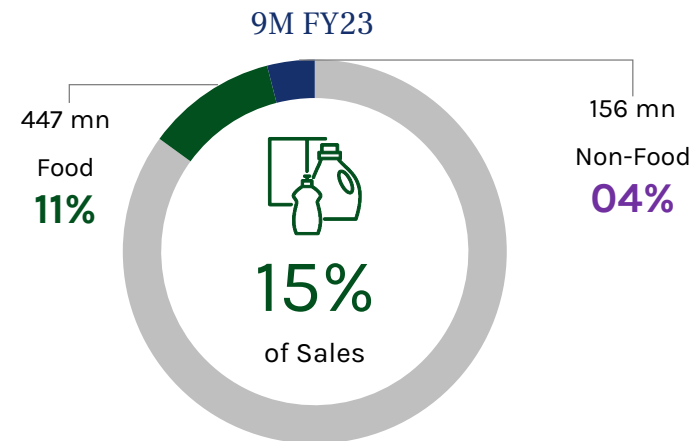
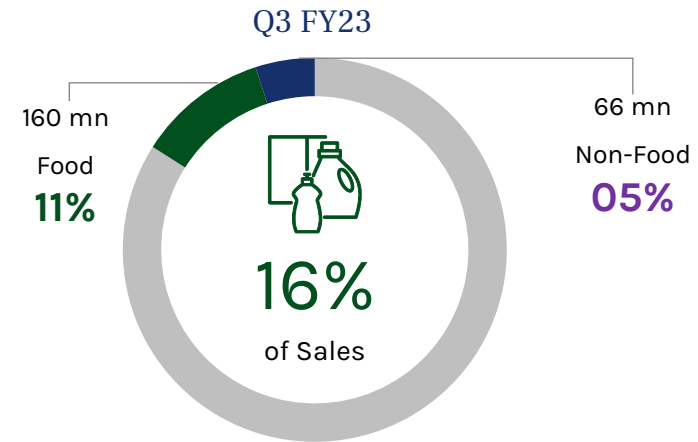


Commentary:

- The Industrial Bio-Processing segment contributed about 16% during the quarter to the total revenue from operations
- This segment outperformed by 41% on y-o-y basis to ₹ 226 million in Q3 FY23 from ₹ 160 million in Q3 FY22 while it grew by 17% on q-o-q basis
- In this segment, food business contributed 11% to the overall revenue and stood at ₹ 160 million while the Non-Food business contributed 05% and stood at ₹ 66 million during the quarter. The food business increased by 38% and Non-food business registered a growth of 49% on y-o-y basis

Commentary:

- The Industrial Bio Processing segment contributed about 15% during the nine month to the total revenue from operations which was 12% during the same period last year
- This segment grew by 25% on y o y basis to ₹ 602 million in 9M FY23 from ₹ 481 million in 9M FY22
- In this segment, food business contributed 11% to the overall revenue and stood at ₹ 447 million while the Non Food business contributed 04% and stood at ₹ 156 million during the nine month. The food business grew by 20% while the Non-food business registered a growth of 42% on y-o-y basis



Specialized Manufacturing

Q3 FY23

Q3 FY23	86	-31%
Q3 FY22	125	



Commentary:

- This segment contributed about 06% during the quarter to the total revenue from operations which was 09% during the same quarter last year
- This segment underperformed by 31% on y-o-y basis to ₹ 86 million in Q3 FY23 from ₹ 125 million in Q3 FY22, and on q-o-q basis it grew by 04%

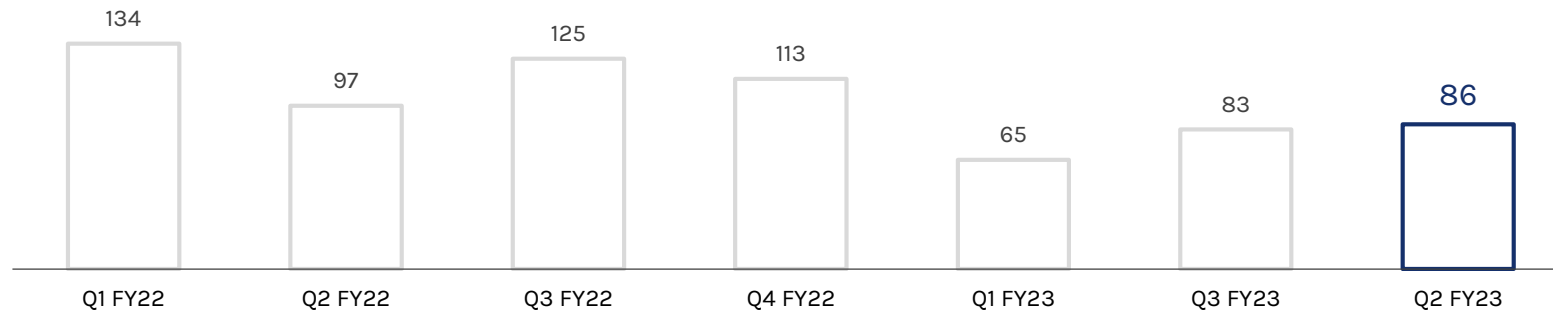
9M FY23

9M FY23	234	-34%
9M FY22	357	



Commentary:

- This segment contributed about 06% during the nine month to the total revenue from operations which was 09% during the same period last year
- This segment underperformed by 34% on y-o-y basis to ₹ 234 million in 9M FY23 from ₹ 357 million in 9M FY22

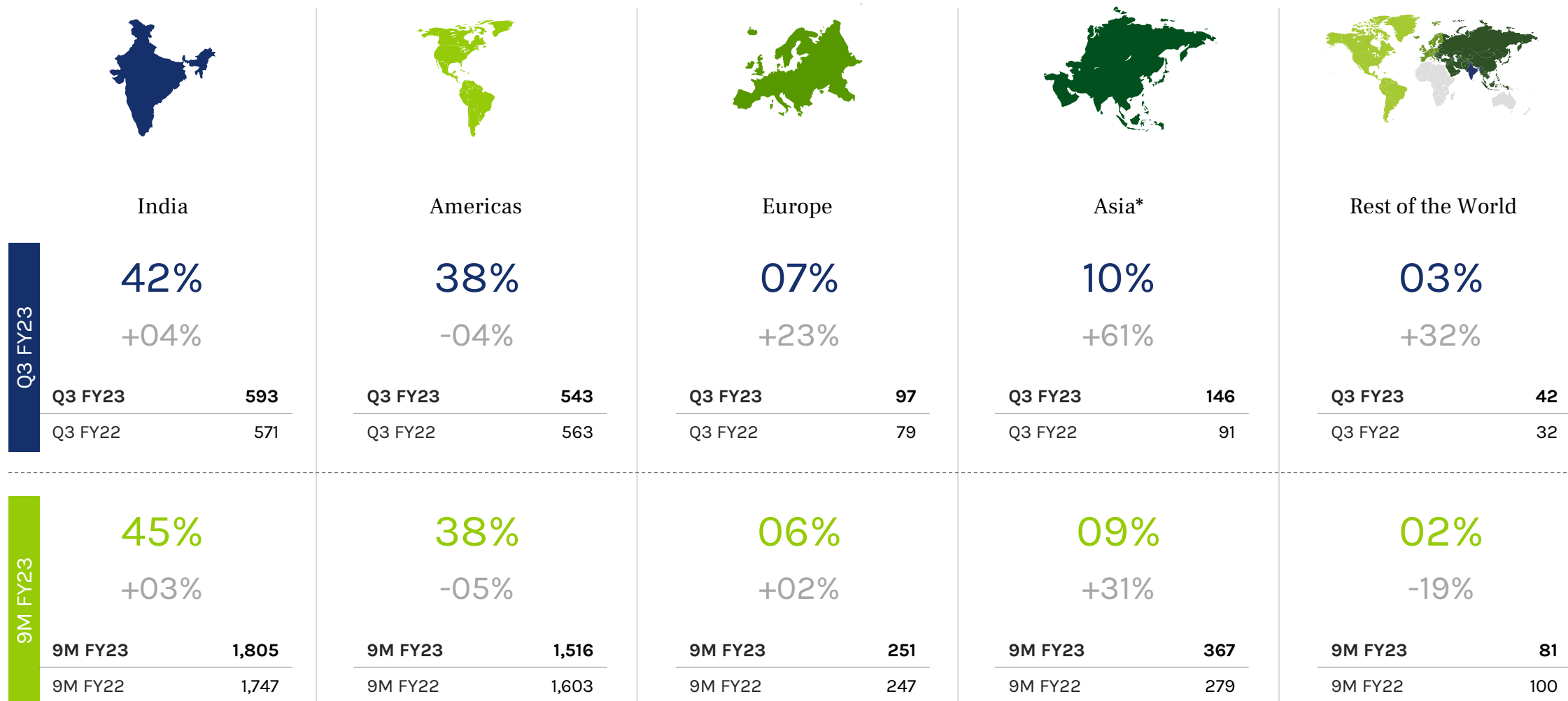


(₹ in Million)



Geographical Performance

(₹ in Million)



*Asia is excluding India

Profit & Loss (Consolidated) – Q3 FY23

(₹ in Million)

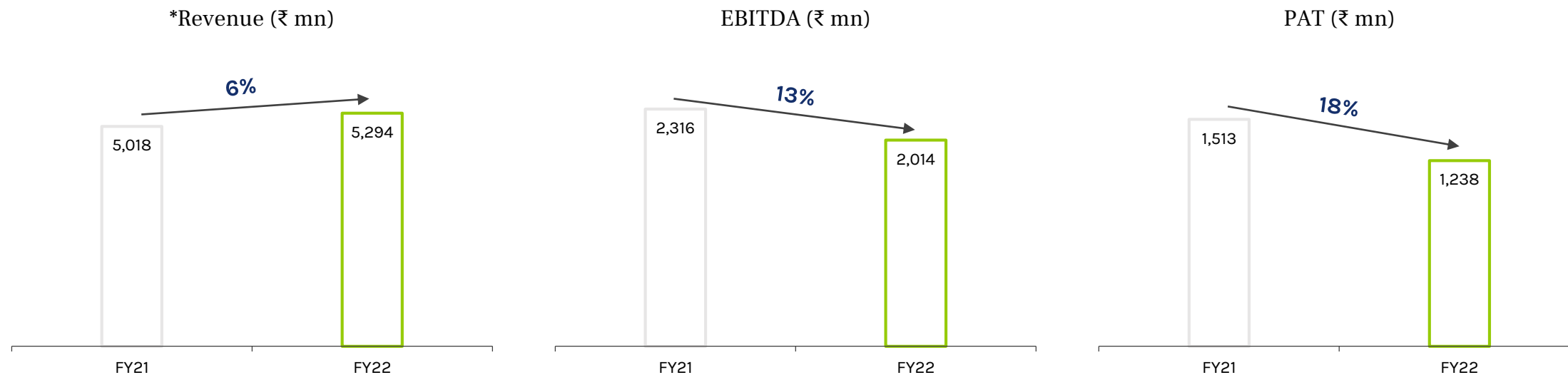
Particulars	Q3 FY23 Un-Audited	Q2 FY23 Un-Audited	Q3 FY22 Un-Audited	Y-o-Y (%)	9M FY23 Un-Audited	9M FY22 Un-Audited	Y-o-Y (%)
Income from Operations	1,421	1,387	1,336	6%	4,019	3,976	1%
Expenses	1,096	1,078	933	17%	3,162	2,624	21%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	325	309	403	-19%	857	1,352	-37%
Other Income	85	39	12	608%	144	30	380%
Profit from ordinary activities before Finance Costs and Exceptional Item	410	348	415	-1%	1,001	1,382	-28%
Finance costs	6	6	3	100%	18	11	64%
Profit from ordinary activities before tax	404	342	412	-2%	983	1,371	-28%
Tax	125	79	126	-1%	265	386	-31%
Net Profit for the period	279	263	286	-2%	718	985	-27%
Earnings Per Share	2.63	2.34	2.46		6.57	8.51	

Balance Sheet (Consolidated) – 9M FY23

(₹ in Million)

Particulars	9M FY23 Un-Audited	9M FY22 Un-Audited	9M FY21 Un-Audited
Assets			
Property, plant and equipment	2,723	2,370	1,993
Capital work-in-progress	104	139	143
Intangible assets	564	626	575
Goodwill	3,208	2,908	2,884
Other non-current assets	353	292	193
Current assets	6,938	5,814	4,833
Assets held for sale	-	-	-
Total Assets	13,890	12,149	10,621
Equity And Liabilities			
Equity share capital	224	224	223
Other equity	11,864	10,299	9,148
Non-controlling interest	487	521	303
Non-current liabilities	629	508	398
Current liabilities	686	597	549
Liabilities classified as held for sale	-	-	-
Total – Equity and Liabilities	13,890	12,149	10,621

Results Summary – FY22 (Consolidated) Y-o-Y



Animal HC

FY22	560
FY21	475

18%



Human HC

FY22	3,594
FY21	3,786

05%



Bio Processing

FY22	669
FY21	678

01%



Specialized Manufacturing

FY22	470
FY21	79*

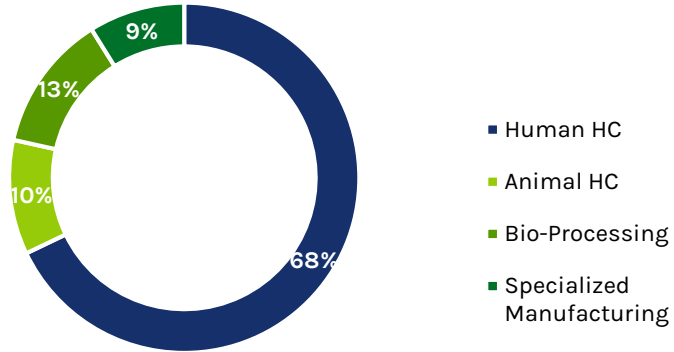
492%

1. On Consolidated Basis
 2. PAT is before minority
 3. Product categorywise revenue does not include other operating income and Ind AS adjustments
 4. Ind AS adjustments are carried out on account of commission and discount.
 *Specialized Manufacturing - FY21 Revenue numbers are from 11 Jan'21 to 31 Mar'21

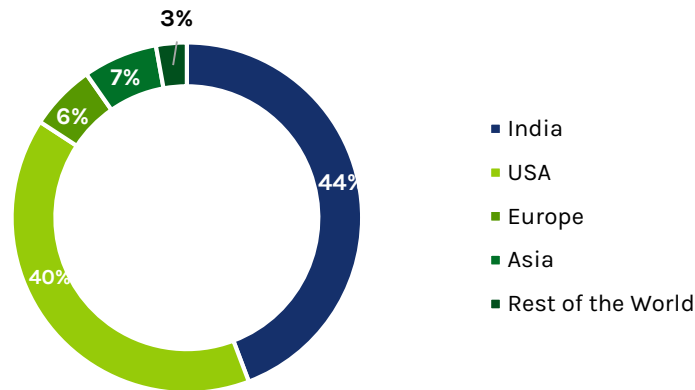
Revenue Split – FY22 vs. FY21

FY22

Product Category-wise (%)

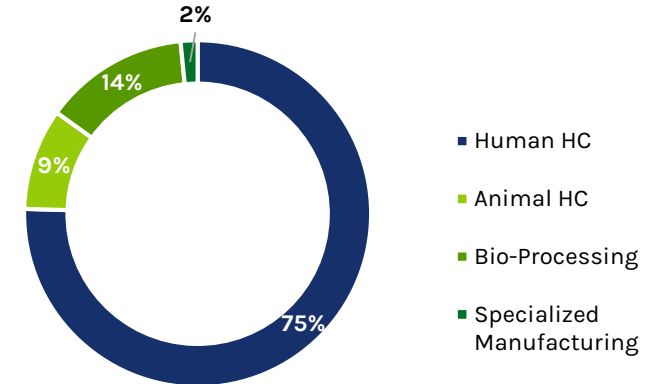


Geographical Revenue Split (%)

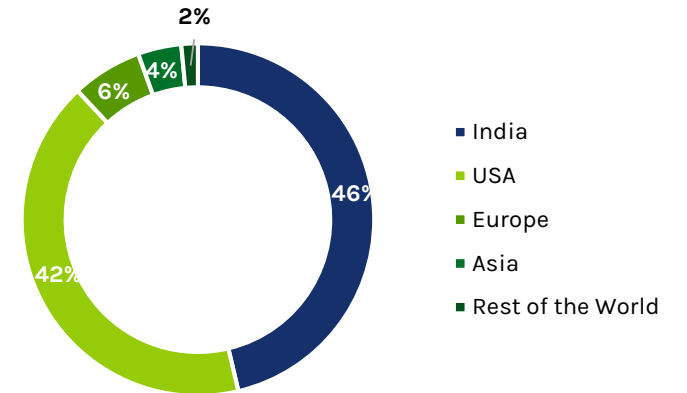


FY21*

Product Category-wise (%)



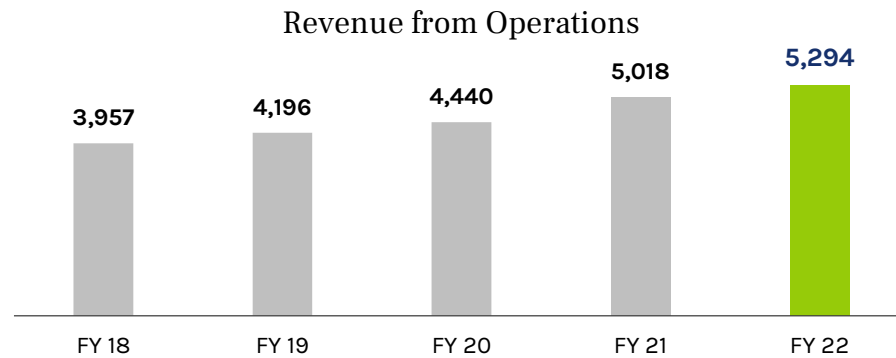
Geographical Revenue Split (%)



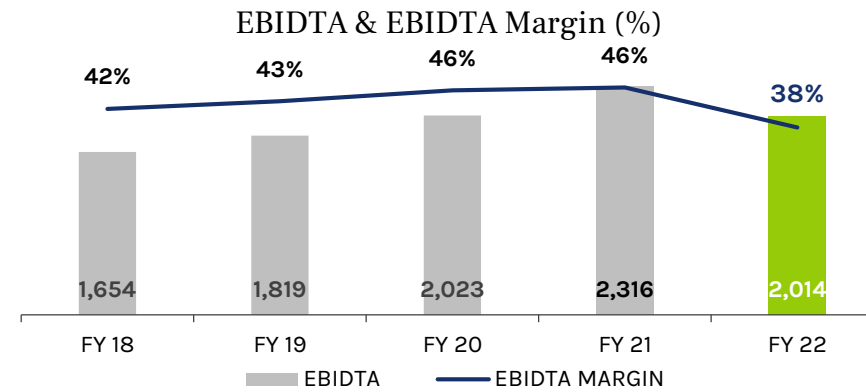
1. On Consolidated Basis
 2. EBIDTA is excluding other income
 3. Segment-wise revenue does not include other operating income
 4. Ind AS adjustments are carried out on account of commission and discount.
 5. *Specialized Manufacturing - FY21 Revenue numbers are from 11 Jan'21 to 31 Mar'21

Strong Financial Performance – FY22

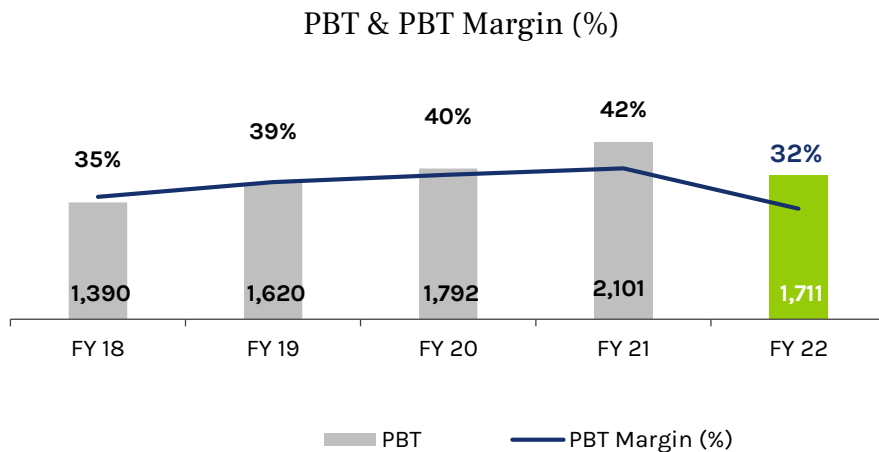
(₹ in Million)



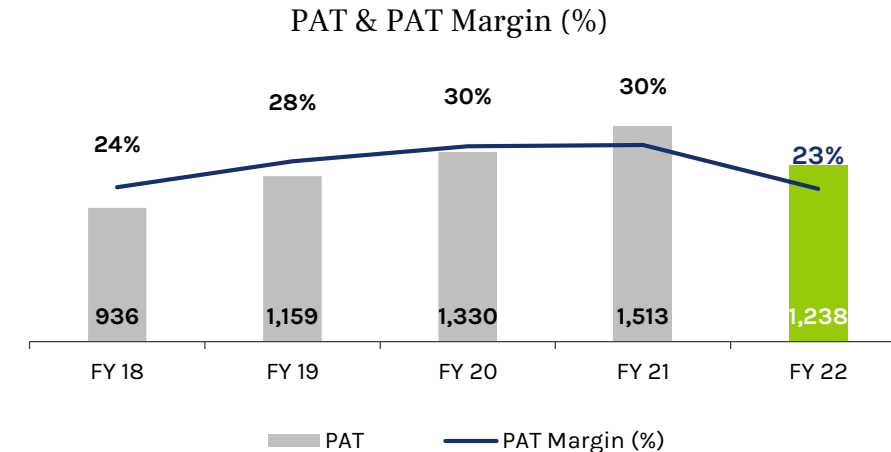
CAGR
7.55%



CAGR
5.05%



CAGR
5.33%

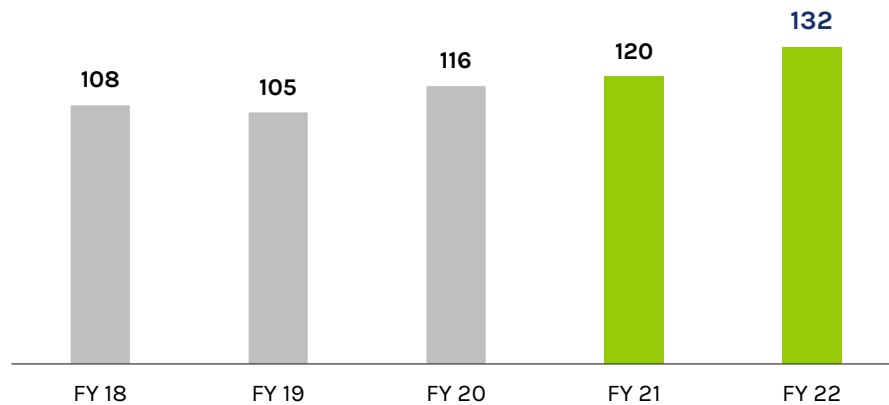


CAGR
7.24%

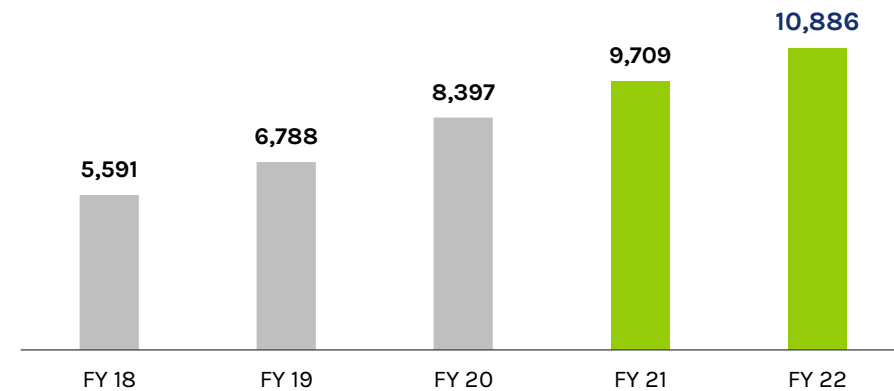
Note: All the numbers are as per IndAs
 All numbers are on Consolidated basis
 ROE = Profit after tax / Average shareholder equity; RoCE = (Net Profit before Tax, Exceptional and extraordinary items + Finance cost) / Average (Net debt + Networkth)

Strong Financial Performance – FY22

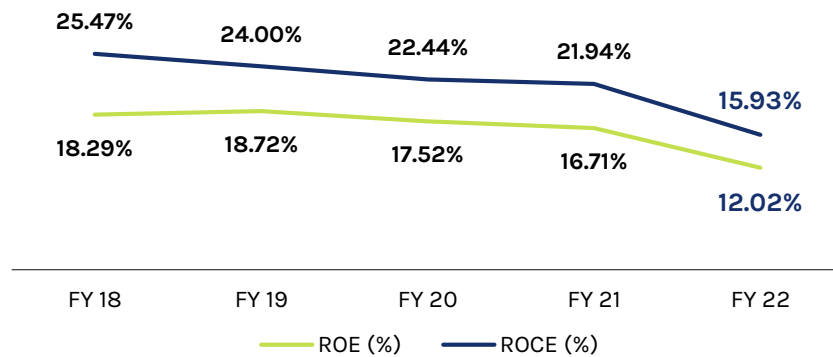
Net Working Capital (Days)



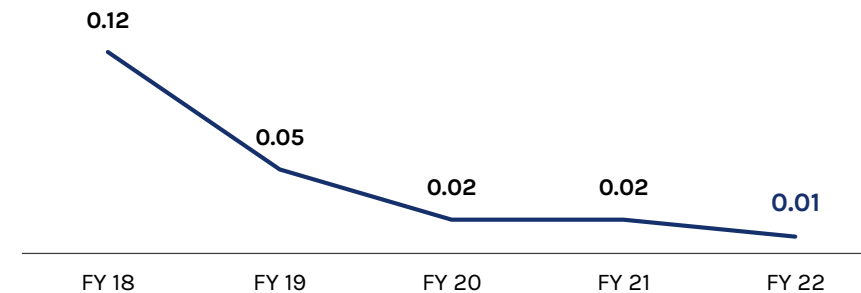
Net Worth (₹ mn)



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 = ((Trade receivables + inventories - Trade payables) / Revenue from operations) * 365
 Net Debt = Long term debt + short term debt + current maturities of long term debt - Cash & Cash Equivalent

Balance Sheet (Consolidated)

(₹ in Million)

Particulars	FY22 Audited	FY21 Audited	FY20 Audited
Assets			
Property, plant and equipment	2,622	2,462	2,096
Capital work-in-progress	151	102	101
Intangible assets	609	693	592
Goodwill	2,961	2,887	2,941
Other non-current assets	289	258	251
Current assets	6,044	5,160	3,757
Assets held for sale	-	-	48
Total Assets	12,676	11,562	9,786
Equity And Liabilities			
Equity share capital	224	223	223
Other equity	10,662	9,486	8,173
Non-controlling interest	518	617	278
Non-current liabilities	668	560	461
Current liabilities	604	676	596
Liabilities classified as held for sale	-	-	55
Total – Equity and Liabilities	12,676	11,562	9,786

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.



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.

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.



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!

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

850+
 Employees

13*
 Patents

12#
 Food Enzyme Dossiers filed with EFSA

7**
 GRAS Dossier evaluated by US FDA

500
 m³ Fermentation Capacity

25+
 Years of Fermentation Experience

Note: Facts & Figures as on September, 2022

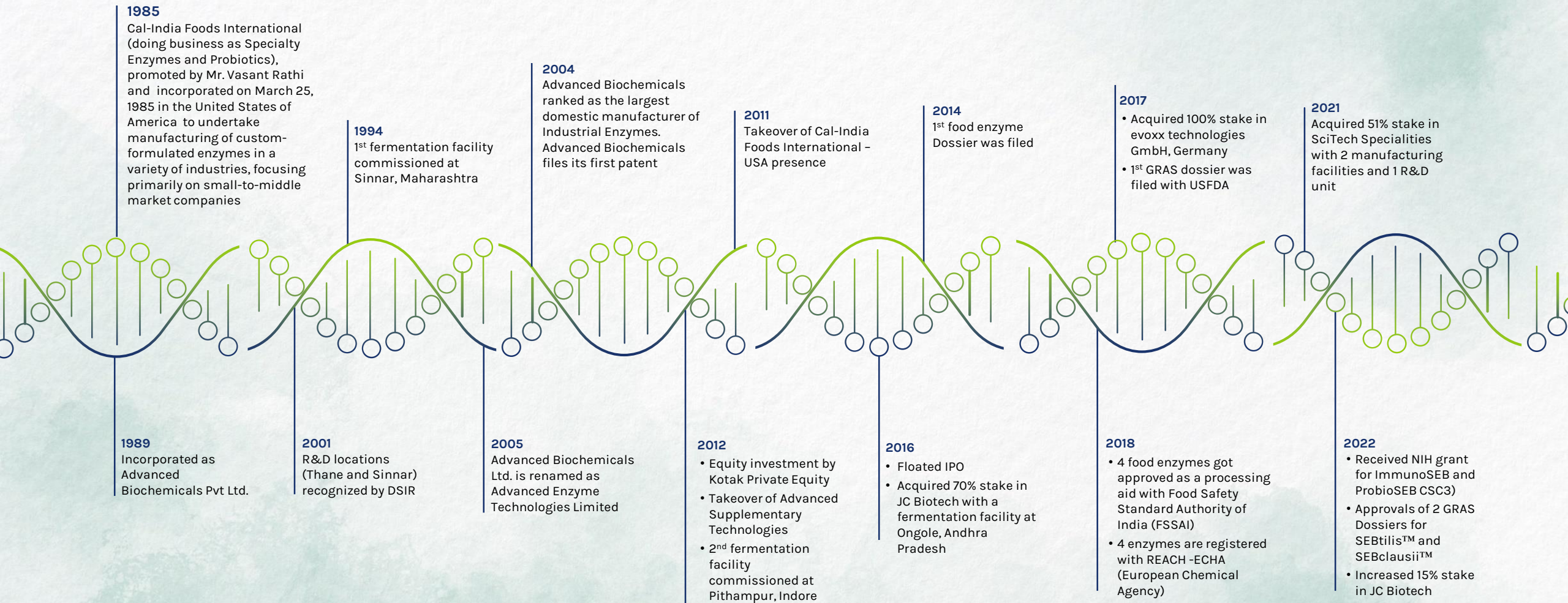
* Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive opinion is received for 4 Dossiers & 8 are under evaluation

**No question letter received for 4 Dossier, another 3 are under evaluation

All the numbers are as per IndAs

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. Rajesh Sharma
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

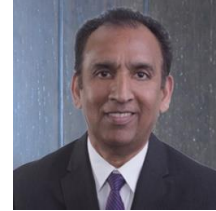
Management Team



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

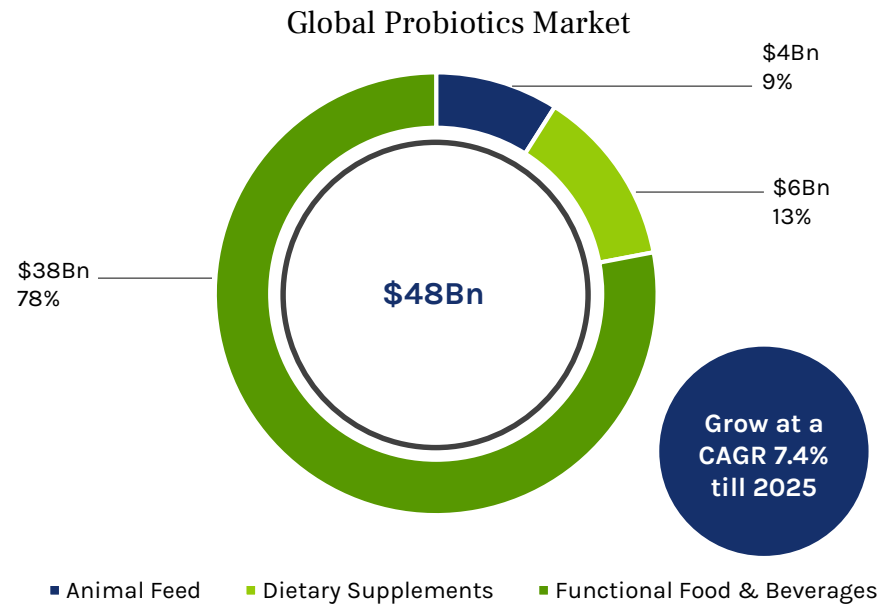


Dr. Michael Puls
Managing Director /Head Of Research and
Development - evoxx Technologies,
Germany

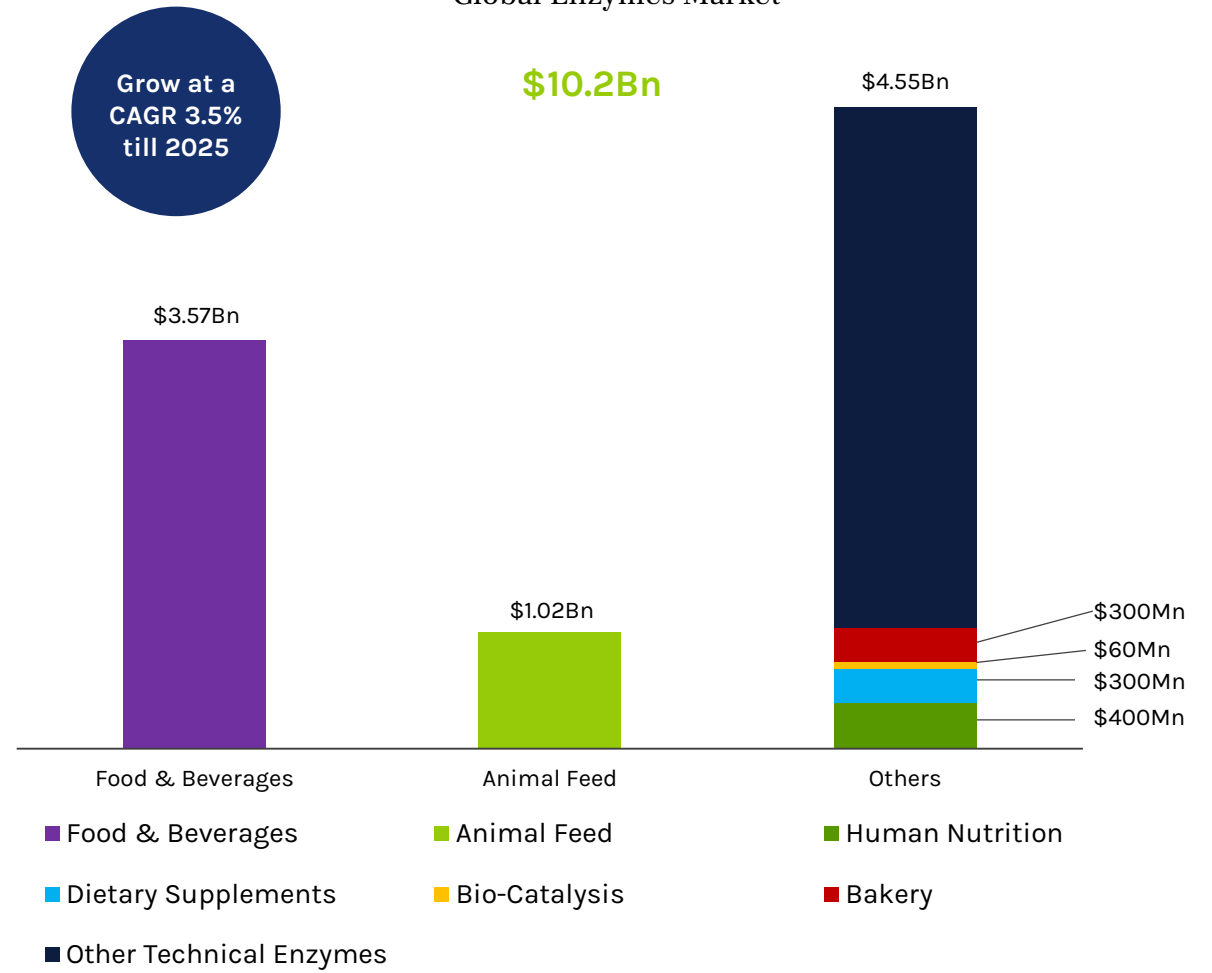


Mr. Sanjay Basantani
Company Secretary & Head Legal

How Big is the Opportunity?



Global Enzymes Market



Competitive Scenario in the Global Enzymes and Probiotics Markets

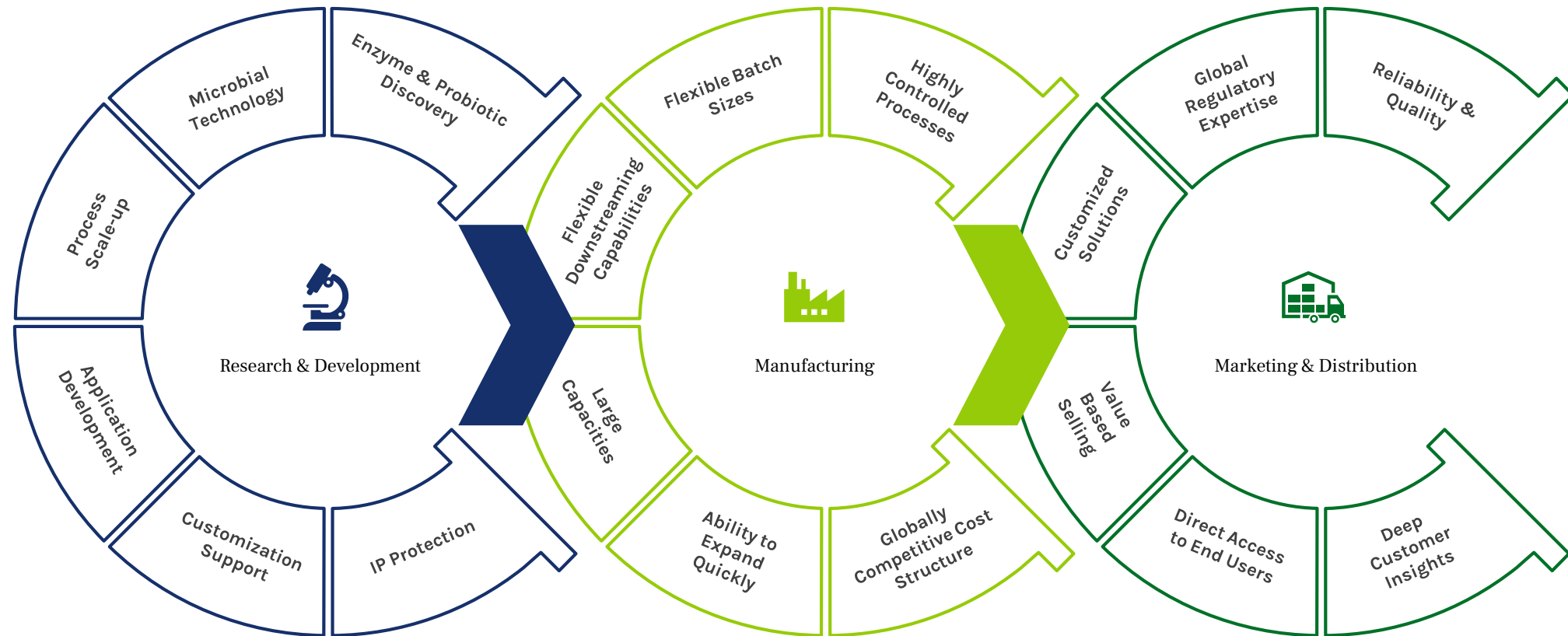
Nutraceutical	DSM, Deerland
Probiotics	Chr. Hansen, Sabinsa, Kerry, Unique Biotech
Bio-Catalysis	Codexis, Cambrex
Animal Nutrition	Novozymes, DSM, Kemin, Novus, and other regional players
Bio-Processing	Food: AB Enzymes, DSM, Novozymes Non-Food: Novozymes, DuPont

Source: ResearchandMarkets Report, 2019-20

What Makes AETL a Unique Investment Case?



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	
				FY22	FY21
	Human Nutrition	\$ 400 mn	\$ 200 mn	\$ 41 mn, 58%	\$ 39 mn, 57%
	Bio-catalysis	\$ 60 mn	\$ 30 mn*	\$ 2.5 mn, 4%	\$ 2.2 mn, 3%
	Baking	\$ 300 mn	\$ 30 mn	\$ 7 mn [#] , 10%	\$ 6.3 mn [#] , 9%
	Animal Nutrition	\$ 1.02 bn	\$ 40 mn	\$ 7.5 mn, 11%	\$ 6.4 mn, 9%
	Probiotics	\$ 48 bn	Majority of the market is untapped, so this a huge opportunity	\$ 4.7 mn, 7%	\$ 9.8 mn, 14%

**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

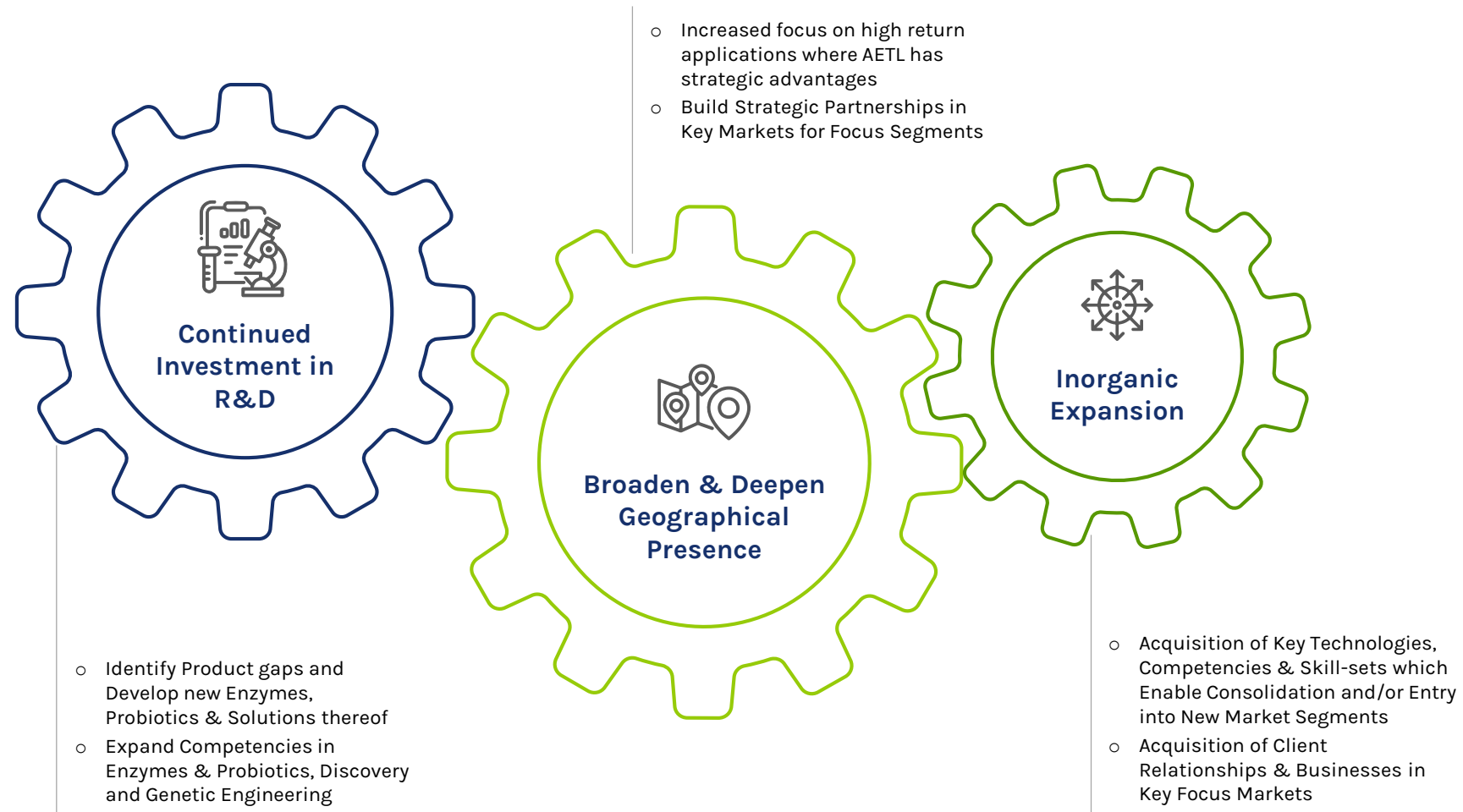


Invaluable Experience & Customer Insights

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

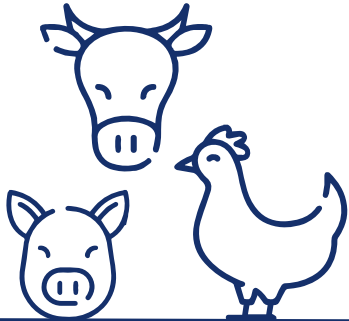


Future Growth Drivers



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 10th Feb 2023)

	Market Capitalization (₹)	31,042 mn
	Shares Outstanding	111.72 mn
	Free Float	11,292 mn
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

Top 5 Institutional Holders (As on 03th Feb 2023)

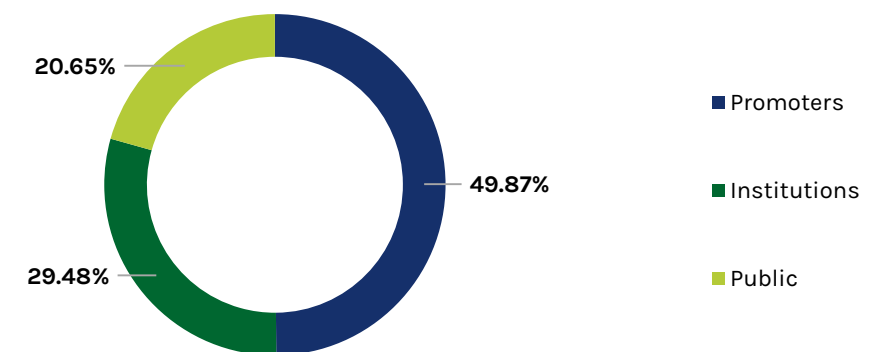
Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
NALANDA INDIA EQUITY FUND	8.91
HDFC AMC	4.21
ICICI PRUDENTIAL MF	1.02
DIMENSIONAL FUND	0.70

Stock Chart (As on 10th Feb 2023)



Source: NSE

Shareholding Pattern (%)



Thank You

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