

Advanced Enzyme Technologies Ltd.

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May 13, 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 year ended March 31, 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
May 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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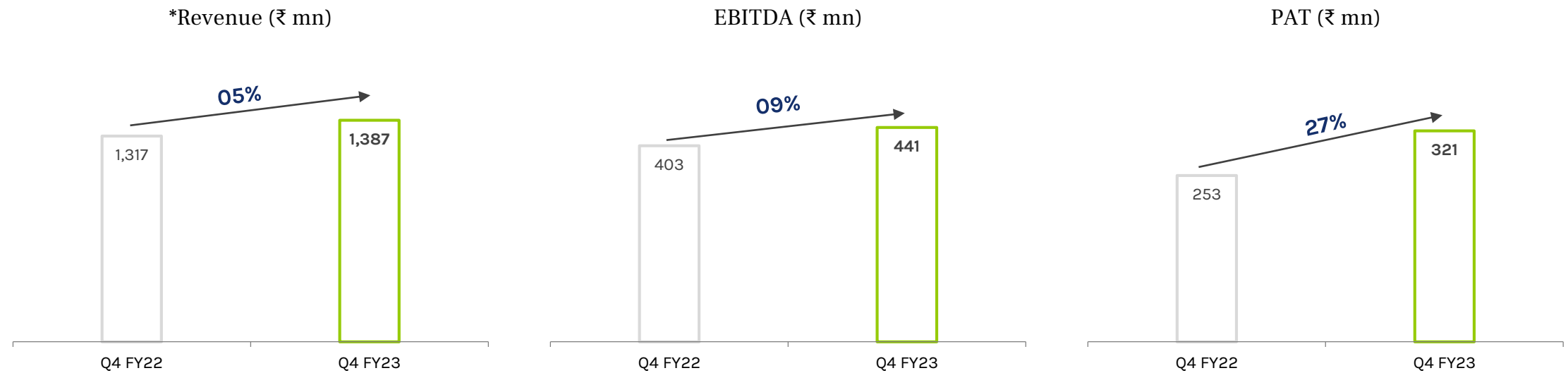
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Results Summary – Q4 FY23 (Consolidated) Y-o-Y

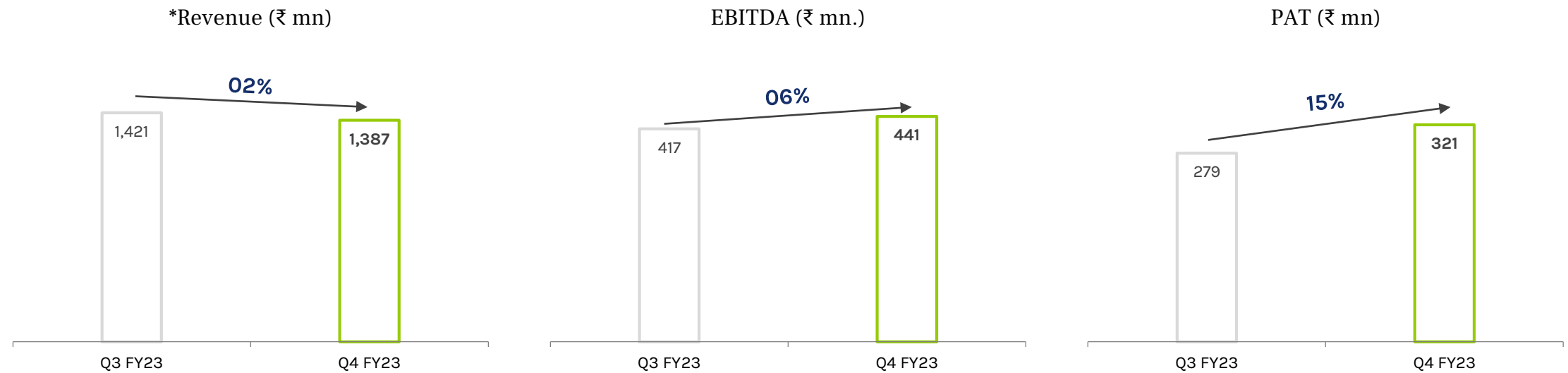


- Revenue grew by 05% on y-o-y basis to ₹ 1,387 million in Q4 FY23 from ₹ 1,317 million in Q4 FY22
- EBITDA grew by 09% to ₹ 441 million in Q4 FY23 as against ₹ 403 million in Q4 FY22 on y-o-y basis
- PAT increased to ₹ 321 million in Q4 FY23 from ₹ 253 million in Q4 FY22, a growth of 27% on y-o-y basis
- EBITDA margin and PAT margin during Q4 FY23 stands at 32% 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
4. All the decimals are rounded off to their relevant nearest number

Results Summary – Q4 FY23 (Consolidated) Q-o-Q

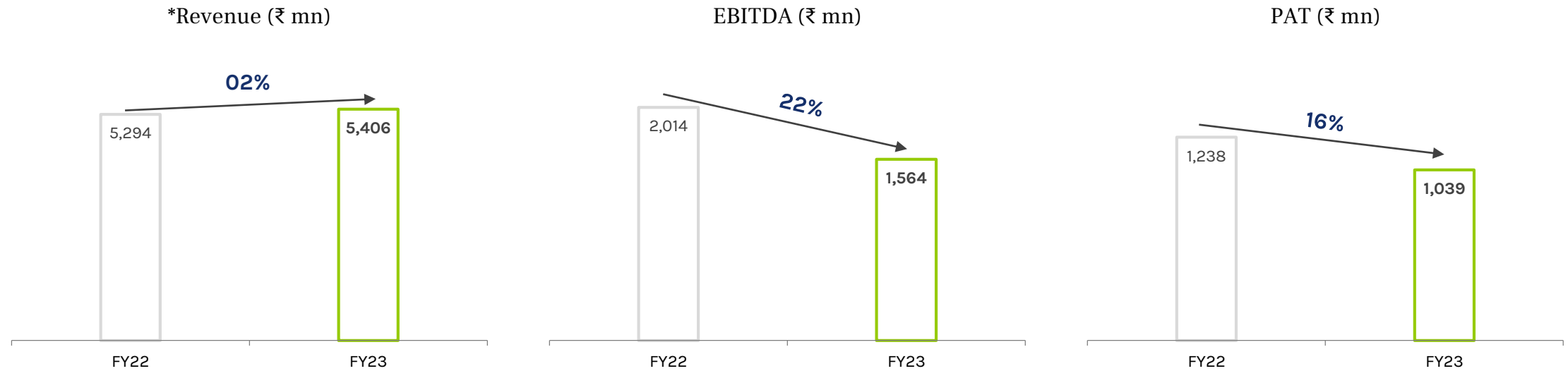


- Revenue de-grew by 02% on Q-o-Q basis to ₹ 1,387 million in Q4 FY23 from ₹ 1,421 million in Q3 FY23
- EBITDA grew by 06% to ₹ 441 million in Q4 FY23 as against ₹ 417 million in Q3 FY23 on Q-o-Q basis
- PAT increased to ₹ 321 million in Q4 FY23 from ₹ 279 million in Q3 FY23, a growth of 15% on Q-o-Q 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
4. All the decimals are rounded off to their relevant nearest number

Results Summary – FY23 (Consolidated) Y-o-Y



- Revenue grew by 02% on y-o-y basis to ₹ 5,406 million in FY23 from ₹ 5,294 million in the FY22
- EBITDA de-grew by 22% to ₹ 1,564 million in FY23 as against ₹ 2,014 million in FY22 on y-o-y basis
- PAT decreased to ₹ 1,039 million in FY23 from ₹ 1,238 million in FY22, a decline of 16% on y-o-y basis
- EBITDA margin and PAT margin during FY23 stands at 29% and 19% 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
4. All the decimals are rounded off to their relevant nearest number

Human Nutrition

(₹ in Million)

Q4 FY23

Q4 FY23	877	+01%
Q4 FY22	865	



Commentary:

- The human nutrition segment contributed around 63% during the quarter to the total revenue from operations
- This segment grew by 01% during the quarter from ₹ 865 million in Q4 FY22 to ₹ 877 million in Q4 FY23 whereas it declined by 06% on sequential basis

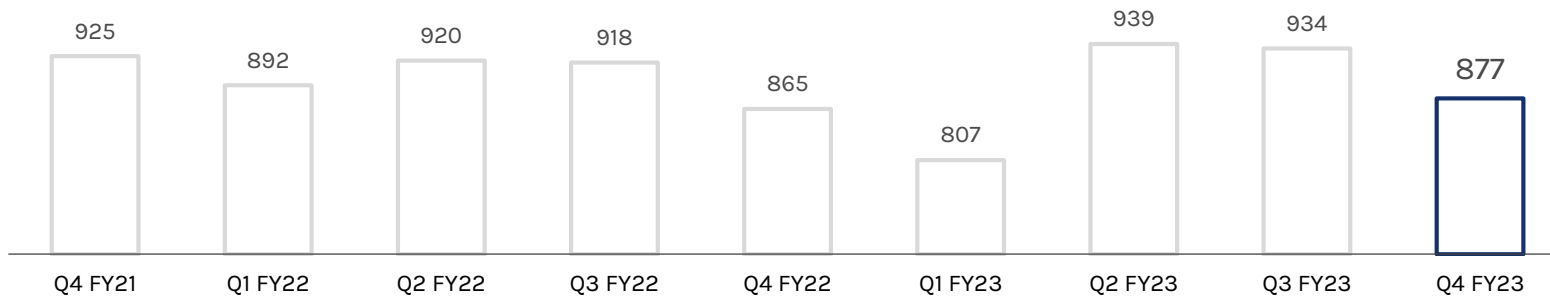
FY23

FY23	3,556	-01%
FY22	3,594	



Commentary:

- The human nutrition segment contributed around 66% during the year to the total revenue from operations
- This segment de-grew by 01% during the year from ₹ 3,594 million in FY22 to ₹ 3,556 million in FY23



Notes:

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



Animal Nutrition

(₹ in Million)

Q4 FY23

Q4 FY23	206	+36%
Q4 FY22	152	



Commentary:

- The Animal nutrition segment contributed about 15% during the quarter to the total revenue from operations
- This segment grew by 36% on y-o-y basis to ₹ 206 million in Q4 FY23 as against ₹ 152 million in Q4 FY22, and it grew by 17% on q-o-q basis

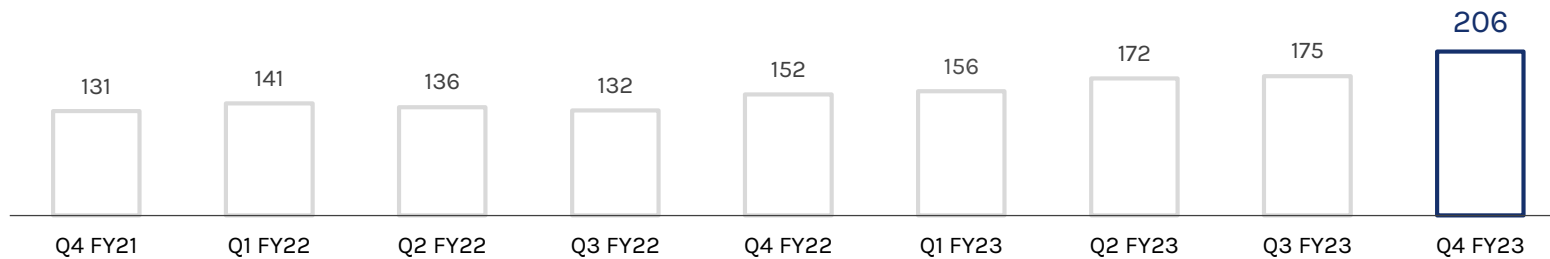
FY23

FY23	709	+27%
FY22	560	



Commentary:

- The Animal nutrition segment contributed about 13% during the year to the total revenue from operations
- This segment grew by 27% on y-o-y basis to ₹ 709 million in FY23 as against ₹ 560 million in FY22



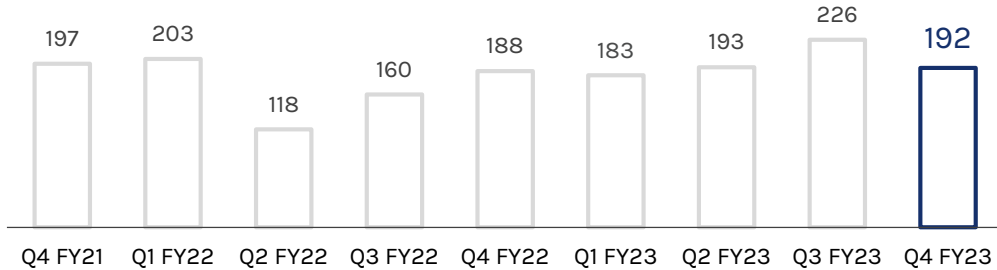
Notes:
1. All the decimals are rounded off to their relevant nearest number

Industrial Bio-Processing

Q4 FY23	192	+02%	FY23	794
Q4 FY22	188		FY22	669

(₹ in Million)

+19%



Commentary:

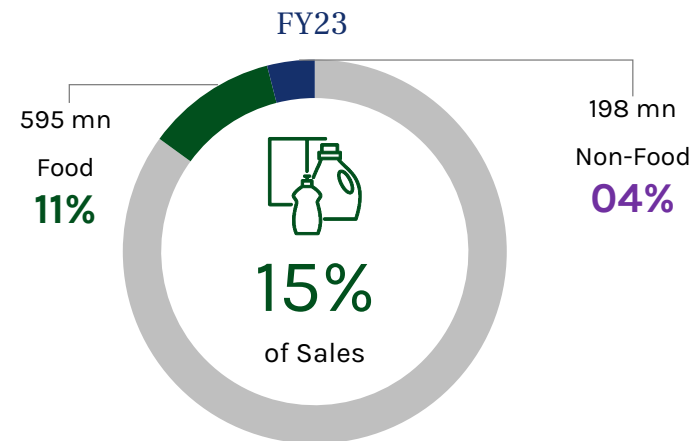
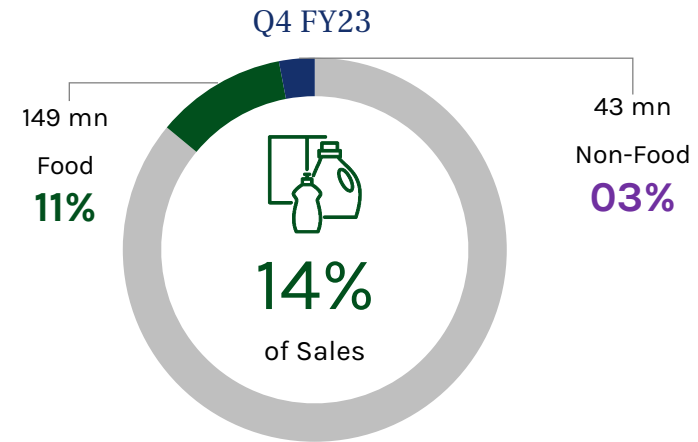
- The Industrial Bio-Processing segment contributed about 14% during the quarter to the total revenue from operations
- This segment grew by 02% on y-o-y basis to ₹ 192 million in Q4 FY23 from ₹ 188 million in Q4 FY22 while it de-grew by 15% on q-o-q basis
- In this segment, food business contributed 11% to the overall revenue and stood at ₹ 149 million while the Non-Food business contributed 03% and stood at ₹ 43 million during the quarter. The food business increased by 02% and Non-food business registered a growth of 01% on y-o-y basis

Commentary:

- The Industrial Bio Processing segment contributed about 15% during the year to the total revenue from operations which was 13% during the last year
- This segment grew by 19% on y-o-y basis to ₹ 794 million in FY23 from ₹ 669 million in FY22
- In this segment, food business contributed 11% to the overall revenue and stood at ₹ 595 million while the Non Food business contributed 04% and stood at ₹ 198 million during the year. The food business grew by 15% while the Non-food business registered a growth of 31% on y-o-y basis

Notes:

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



Specialized Manufacturing

(₹ in Million)

Q4 FY23

Q4 FY23	113	00%
Q4 FY22	113	

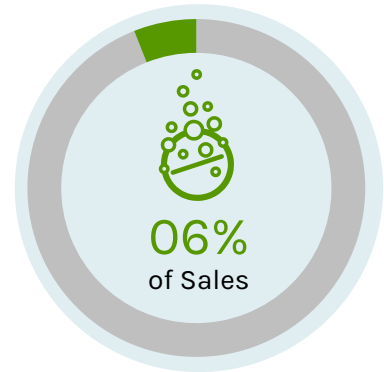


Commentary:

- This segment contributed about 08% during the quarter to the total revenue from operations which was 09% during the same quarter last year
- This segment remained flat on y-o-y basis at ₹ 113 million in Q4 FY23, and on q-o-q basis it grew by 31%

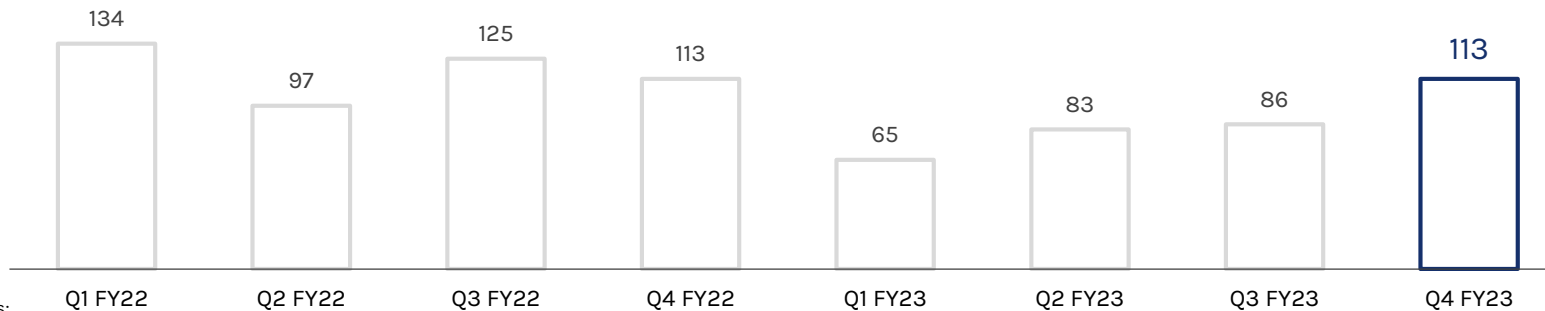
FY23

FY23	347	-26%
FY22	470	



Commentary:

- This segment contributed about 06% during the year to the total revenue from operations which was 09% during the last year
- This segment underperformed by 26% on y-o-y basis to ₹ 347 million in FY23 from ₹ 470 million in FY22

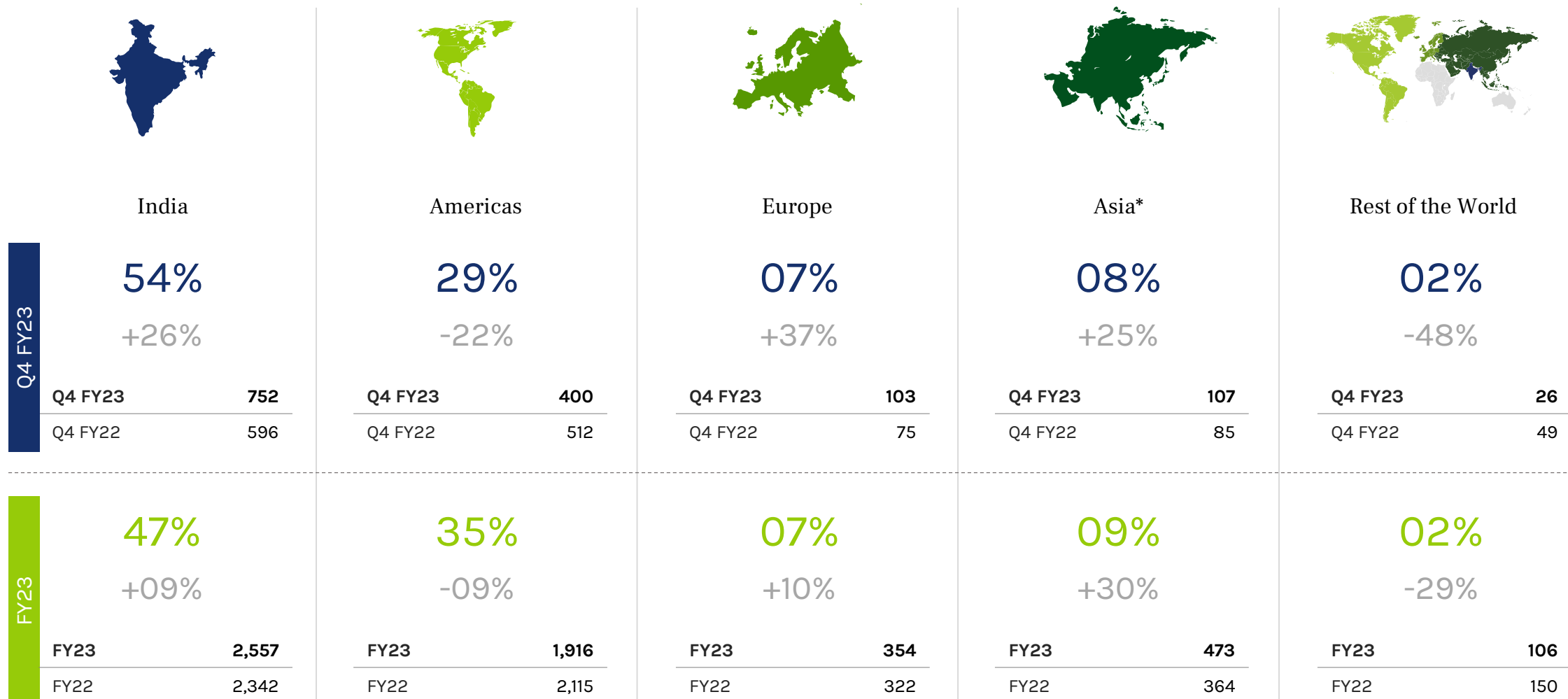


Notes:
1. All the decimals are rounded off to their relevant nearest number



Geographical Performance

(₹ in Million)



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

Profit & Loss (Consolidated) – Q4 FY23

(₹ in Million)

Particulars	Q4 FY23 Audited	Q3 FY23 Un-Audited	Q4 FY22 Audited	Y-o-Y (%)	FY23 Audited	FY22 Audited	Y-o-Y (%)
Income from Operations	1,387	1,421	1,317	5%	5,406	5,294	2%
Expenses	1,030	1,096	1,005	3%	4,192	3,629	16%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	357	325	313	14%	1,214	1,665	-27%
Other Income	111	85	34	226%	255	64	298%
Profit from Ordinary activities before Finance Costs and Exceptional Item	468	410	347	35%	1,469	1,729	-15%
Finance costs	6	6	7	-14%	24	18	33%
Profit from Ordinary activities Before Exceptional Item and Tax	462	404	340	36%	1,445	1,711	-16%
Exceptional Item	41	-	-		41		
Profit from Ordinary activities Before Tax	421	404	340	24%	1,404		-18%
Tax	100	125	87	15%	365	473	-23%
Net Profit for the period	321	279	253	27%	1,039	1,238	-16%
Earnings Per Share	2.87	2.63	2.19		9.45	10.70	

Notes:

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

Balance Sheet (Consolidated) – FY23

(₹ in Million)

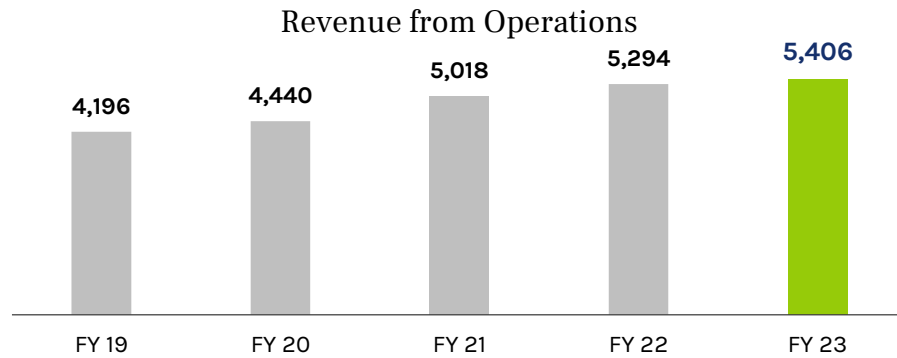
Particulars	FY23 Audited	FY22 Audited	FY21 Audited
Assets			
Property, plant and equipment	2,732	2,622	2,462
Capital work-in-progress	215	151	102
Intangible assets	550	609	693
Goodwill	3,209	2,961	2,887
Other non-current assets	291	289	258
Current assets	7,221	6,044	5,160
Total Assets	14,218	12,676	11,562
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:

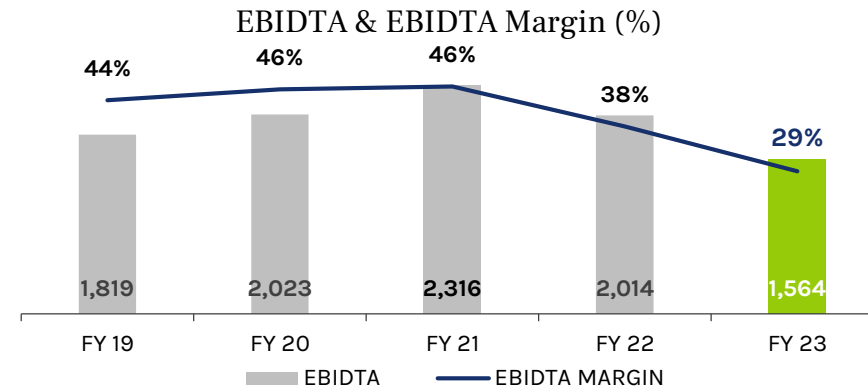
1. All the decimals are rounded off to their relevant nearest number

Strong Financial Performance – FY23

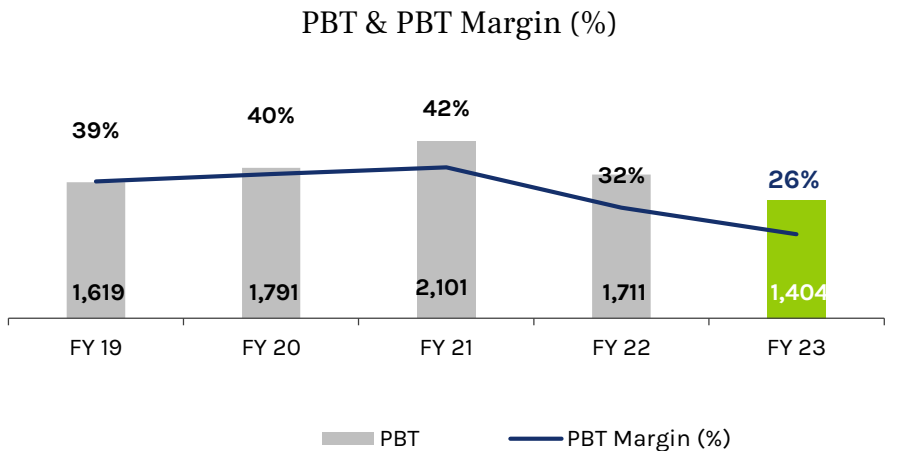
(₹ in Million)



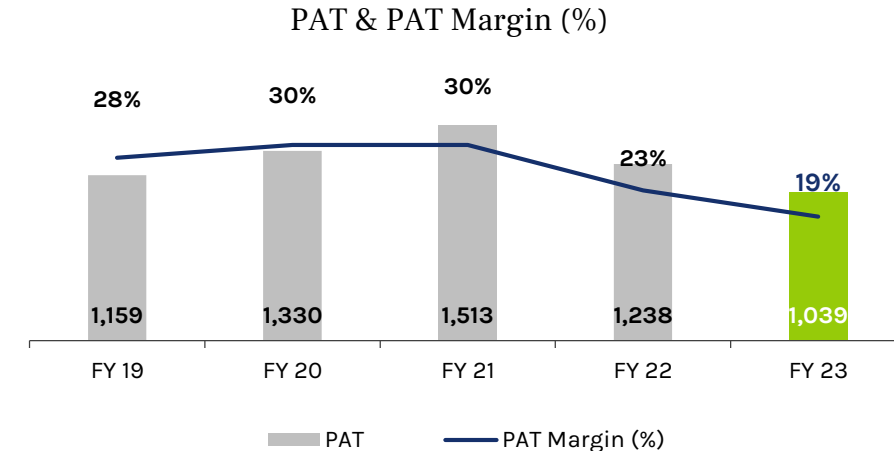
CAGR
6.54%



CAGR
-3.71%



CAGR
-3.50%



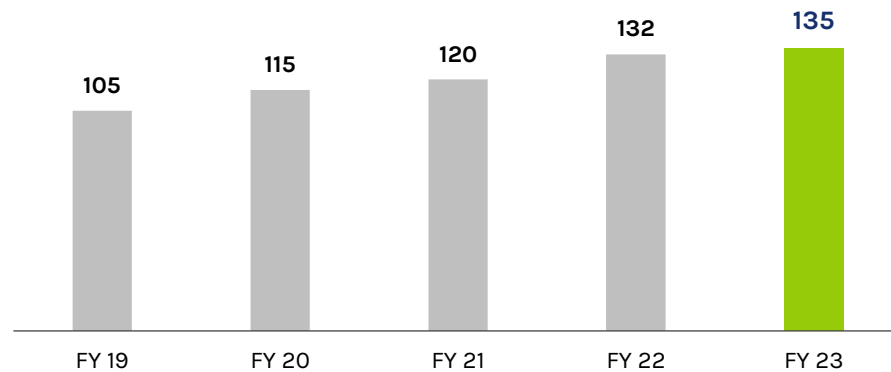
CAGR
2.70%

Note:

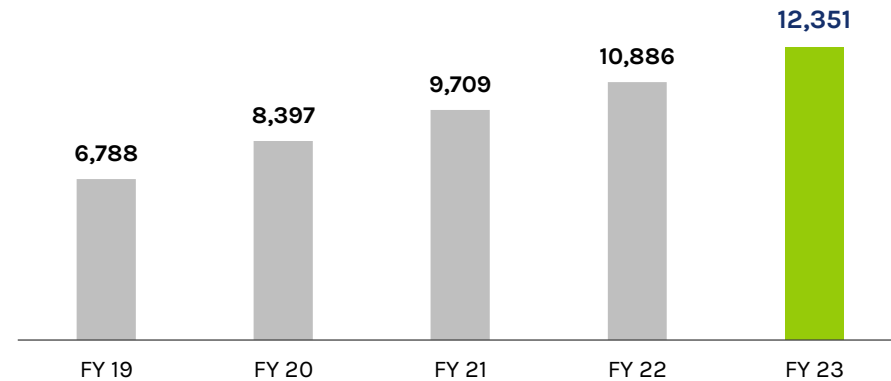
1. All the numbers are as per IndAs
2. All numbers are on Consolidated basis
3. All the decimals are rounded off to their relevant nearest number

Strong Financial Performance – FY23

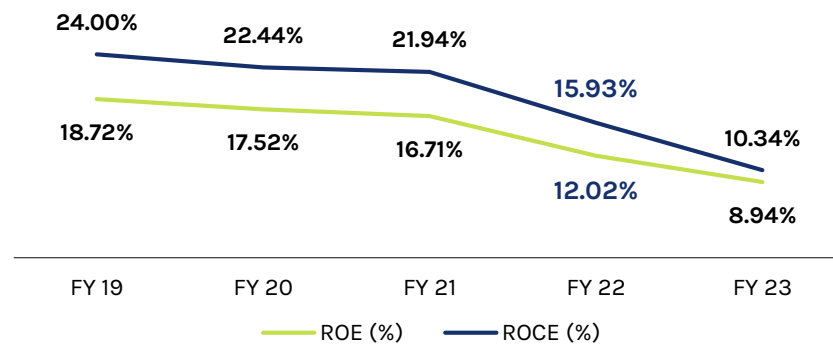
Net Working Capital (Days)



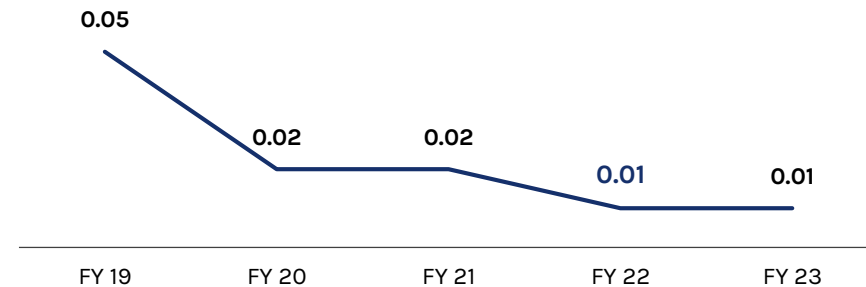
Net Worth (₹ mn)



ROE (%) & ROCE (%)



Net Debt to Equity (x)



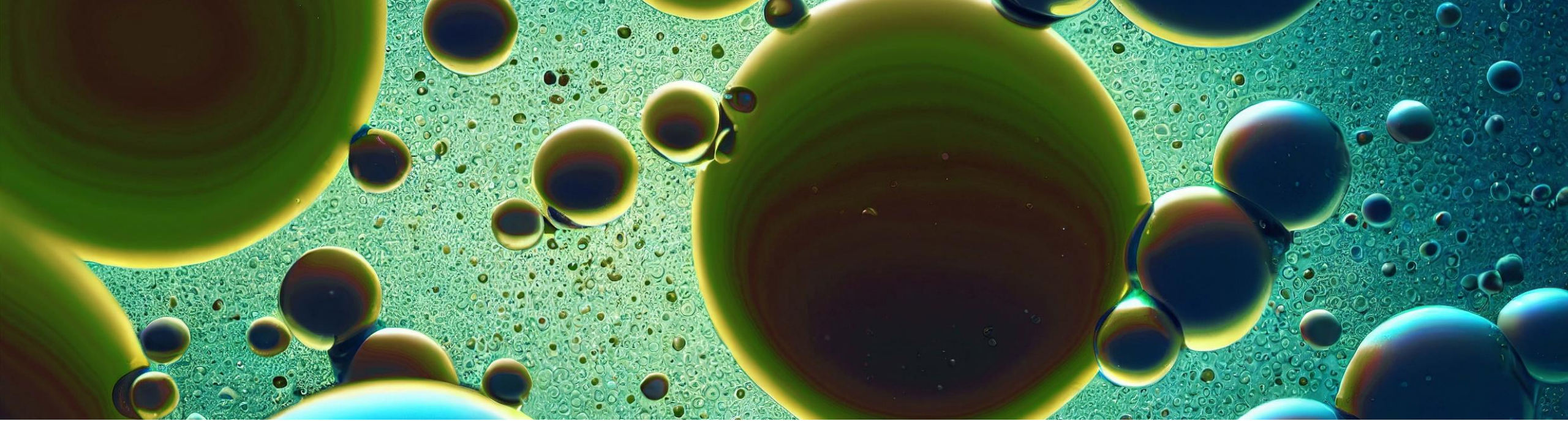
Note: All the numbers are as per IndAs

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 = $\frac{\text{Net Profit before Tax, Exceptional and extraordinary items} + \text{Finance cost}}{\text{Average (Net debt + Networth)}}$



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



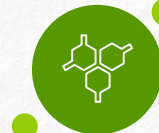
1st
 Indian enzyme company



2nd
 Highest market share in India



2nd
 Listed integrated enzyme player globally



68+
 Enzymes
 & Probiotics



400+
 Proprietary
 Products



700+
 Customers
 Worldwide



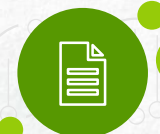
45+
 Countries
 Worldwide Presence



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

1985

Cal-India Foods International (doing business as Specialty Enzymes and Probiotics), promoted by Mr. Vasant Rathi and incorporated on March 25, 1985 in the United States of America to undertake manufacturing of custom-formulated enzymes in a variety of industries, focusing primarily on small-to-middle market companies

1994

1st fermentation facility commissioned at Sinnar, Maharashtra

2004

Advanced Biochemicals ranked as the largest domestic manufacturer of Industrial Enzymes. Advanced Biochemicals files its first patent

2011

Takeover of Cal-India Foods International - USA presence

2014

1st food enzyme Dossier was filed

2017

- Acquired 100% stake in evovx technologies GmbH, Germany
- 1st GRAS dossier was filed with USFDA

2021

Acquired 51% stake in SciTech Specialities with 2 manufacturing facilities and 1 R&D unit

2023

- Acquired 50% stake in SaiGanesh Enzytech Solutions
- Acquired an additional stake of 4.83% in J C Biotech
- Launched an Wellfa, an in-house B2C consumer brand

1989

Incorporated as Advanced Biochemicals Pvt Ltd.

2001

R&D locations (Thane and Sinnar) recognized by DSIR

2005

Advanced Biochemicals Ltd. is renamed as Advanced Enzyme Technologies Limited

2012

- Equity investment by Kotak Private Equity
- Takeover of Advanced Supplementary Technologies
- 2nd fermentation facility commissioned at Pithampur, Indore

2016

- Floated IPO
- Acquired 70% stake in JC Biotech with a fermentation facility at Ongole, Andhra Pradesh

2018

- 4 food enzymes got approved as a processing aid with Food Safety Standard Authority of India (FSSAI)
- 4 enzymes are registered with REACH -ECHA (European Chemical Agency)

2022

- Received NIH grant for ImmunoSEB and ProbioSEB CSC3)
- Approvals of 2 GRAS Dossiers for SEBtilis™ and SEBclausii™
- Increased 15% stake in JC Biotech

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

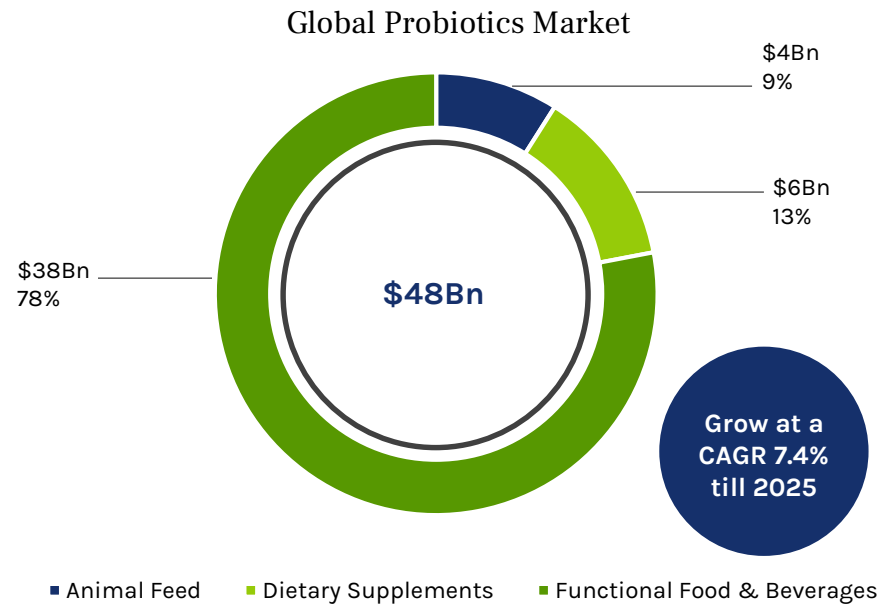


Dr. Michael Puls
Managing Director /Head Of Research and
Development - evoxx Technologies,
Germany

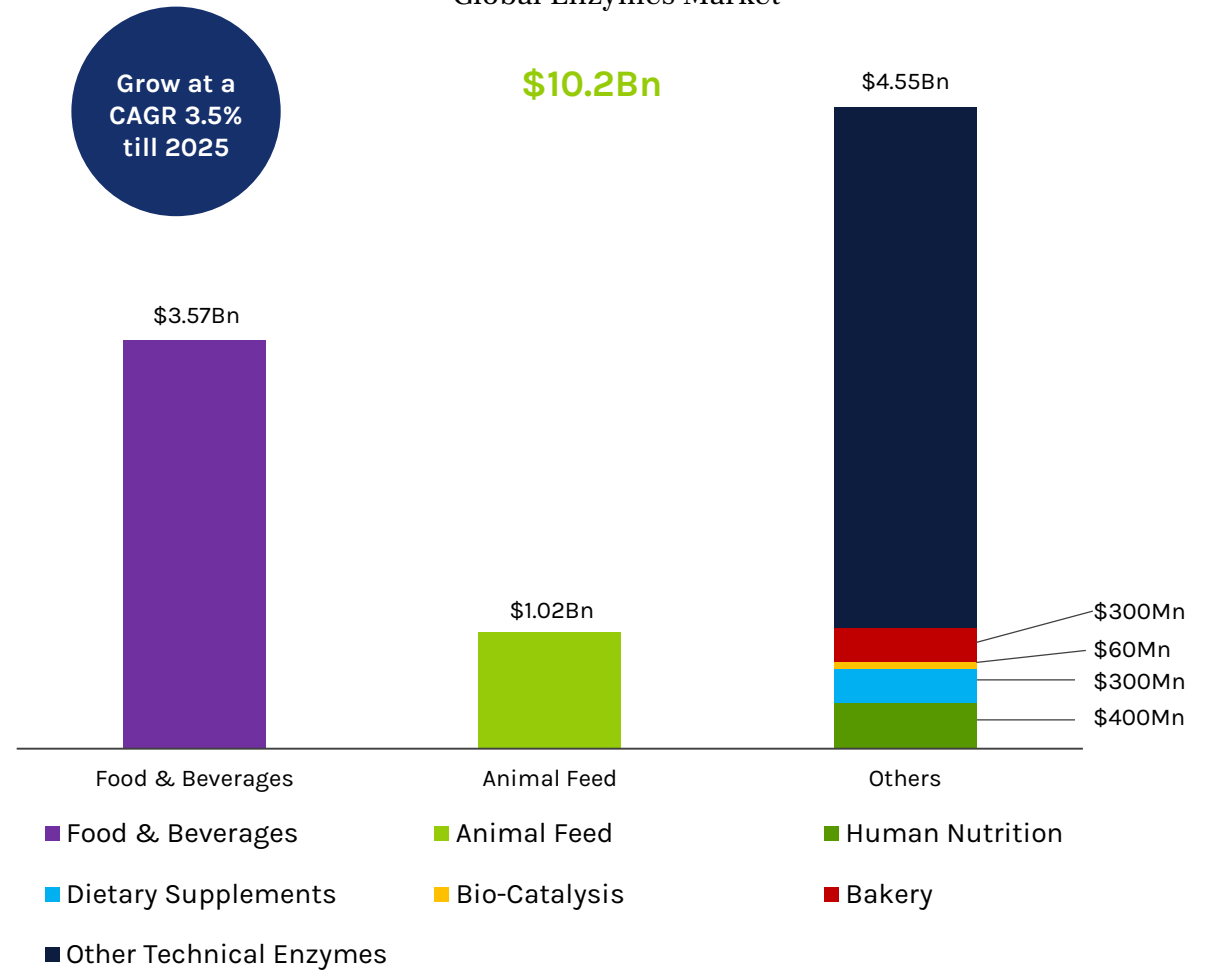


Mr. Sanjay Basantani
Company Secretary & Head Legal

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 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	\$ 40.5 mn, 57%	\$ 41 mn, 58%
	Bio-catalysis	\$ 60 mn	\$ 30 mn*	\$ 2.1 mn, 3%	\$ 2.5 mn, 4%
	Baking	\$ 300 mn	\$ 30 mn	\$ 6.7 mn, 9%	\$ 7 mn#, 10%
	Animal Nutrition	\$ 1.02 bn	\$ 40 mn	\$ 8.8 mn, 12%	\$ 7.5 mn, 11%
	Probiotics	\$ 48 bn	Majority of the market is untapped, so this a huge opportunity	\$ 2.4 mn, 3%	\$ 4.7 mn, 7%

**Addressable market is as per Company's own estimates

*As of now we are considering the India only opportunity for Bio-catalysis

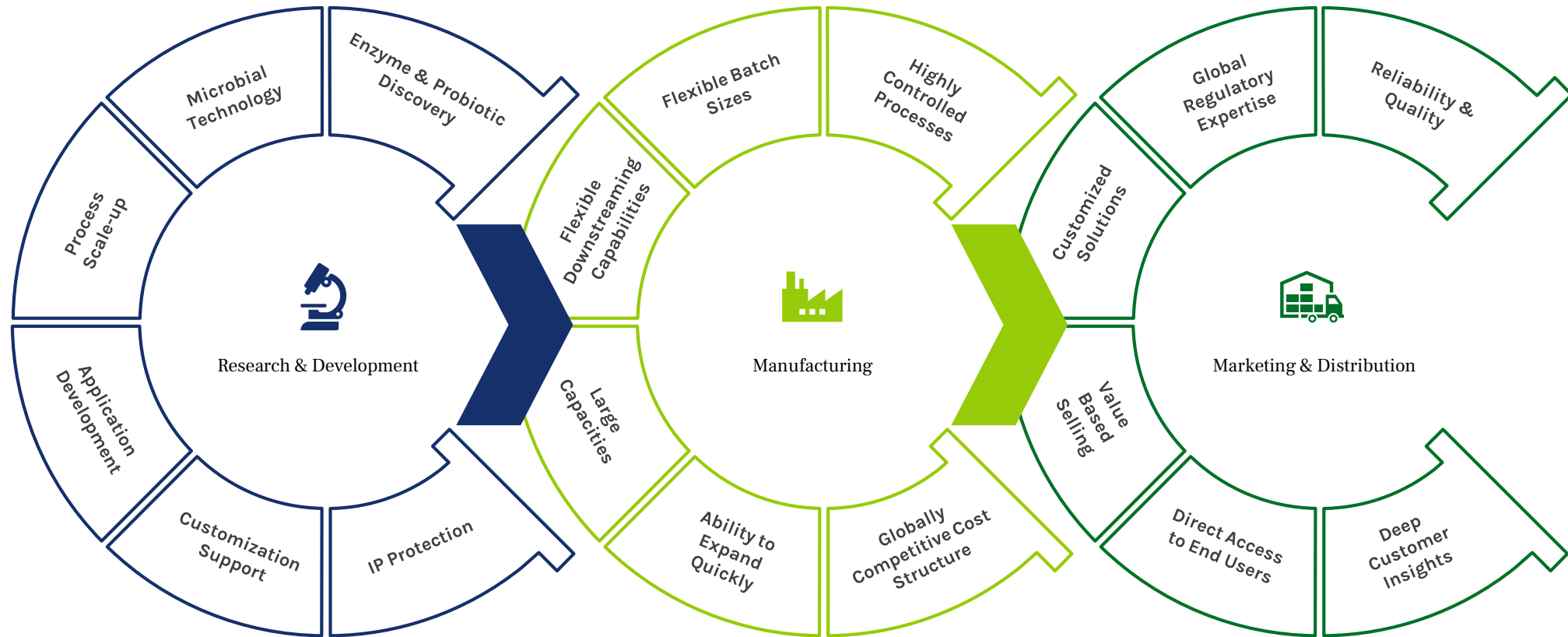
#Includes other food-processing enzymes

Source: ResearchandMarkets Report, 2019-20

What Makes AETL a Unique Investment Case?



Integrated Player with Presence Across the Enzyme Value Chain



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

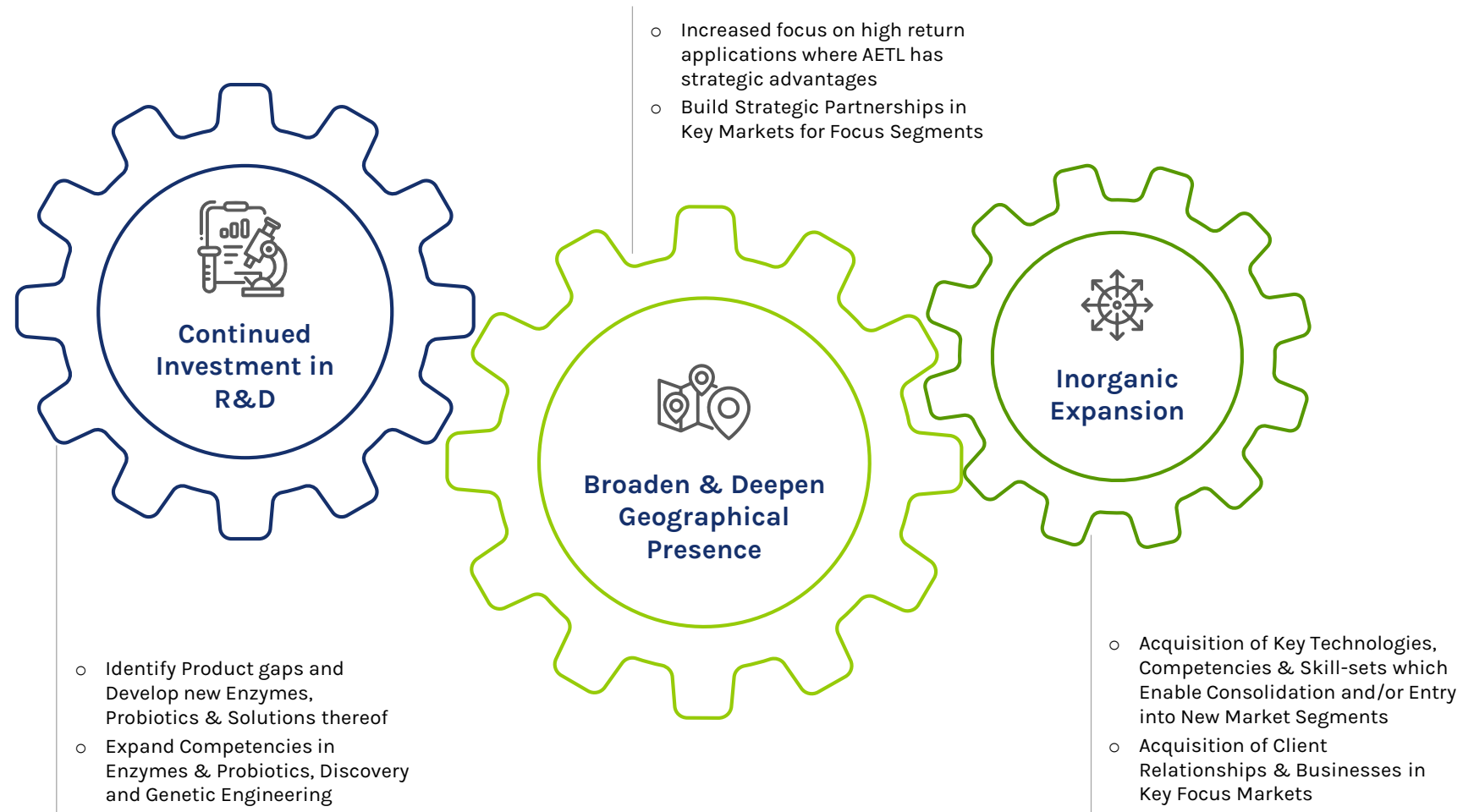


Invaluable Experience & Customer Insights

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

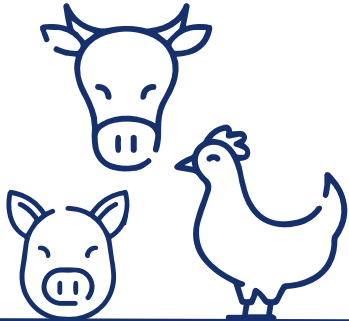


Future Growth Drivers



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 12th May 2023)

	Market Capitalization (₹)	32,205 mn
	Shares Outstanding	111.72 mn
	Free Float	11,292 mn
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

Stock Chart (As on 12th May 2023)

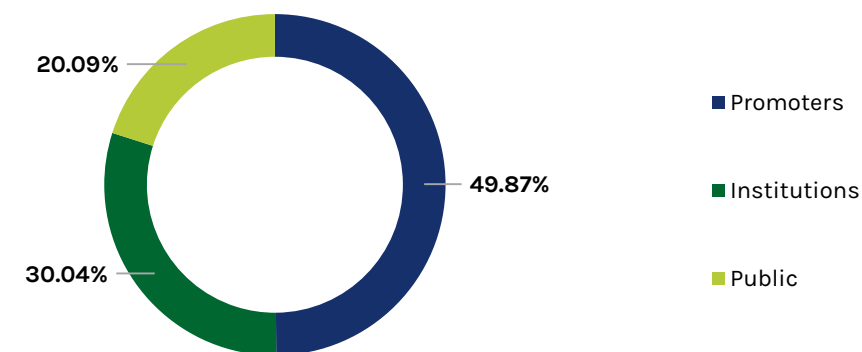


Source: NSE

Top 5 Institutional Holders (As on 05th May 2023)

Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
NALANDA INDIA EQUITY FUND	8.91
HDFC AMC	4.29
ICICI PRUDENTIAL MF	1.79
DIMENSIONAL FUND	0.70

Shareholding Pattern (%)



Thank You

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