



# ADVANCED ENZYME TECHNOLOGIES LIMITED

**Earnings Presentation  
May 2022**



## » 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.

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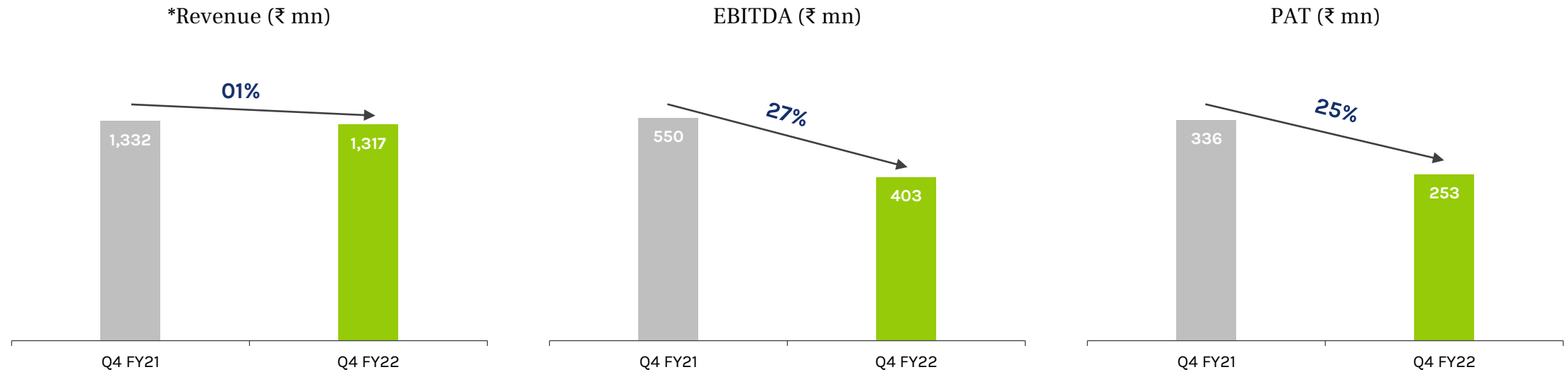
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## » Results Summary – Q4 FY22 (Consolidated) Y-o-Y

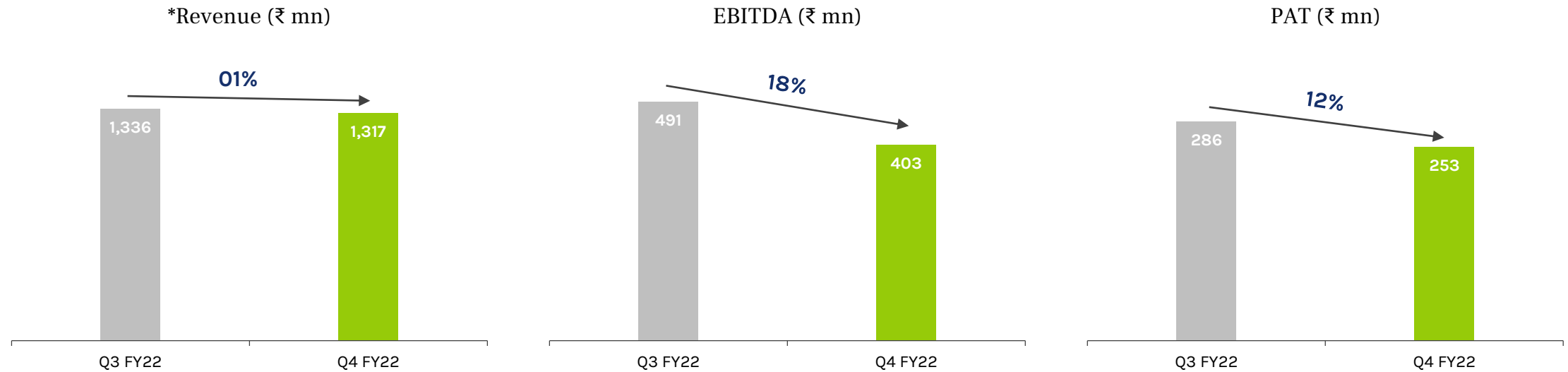


- Revenue de-grew by 01% on y-o-y basis to ₹ 1,317 million in the Q4 FY22 from ₹ 1,332 million in the Q4 FY21
- EBITDA declined by 27% to ₹ 403 million in the Q4 FY22 as against ₹ 550 million in Q4 FY21 on y-o-y basis
- PAT decreased to ₹ 253 million in the Q4 FY22 from ₹ 336 million in the Q4 FY21, a decline of 25% on y-o-y basis
- EBITDA margin and PAT margin during Q4 FY22 stands at 31% 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

## » Results Summary – Q4 FY22 (Consolidated) Q-o-Q

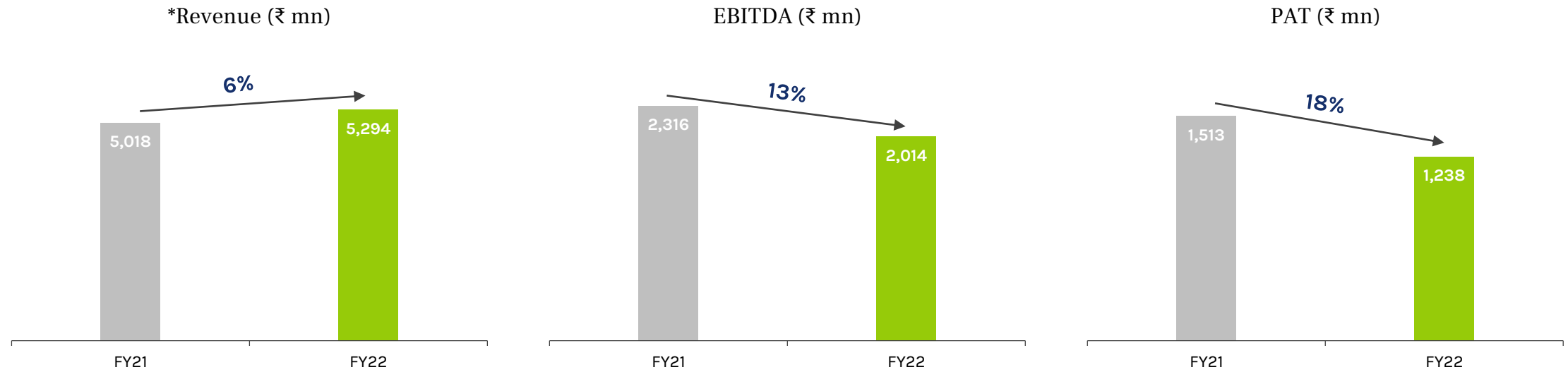


- Revenue de-grew by 01% on Q-o-Q basis to ₹ 1,317 million in the Q4 FY22 from ₹ 1,336 million in the Q3 FY22
- EBITDA declined by 18% to ₹ 403 million in the Q4 FY22 as against ₹ 491 million in Q3 FY22 on Q-o-Q basis
- PAT decreased to ₹ 253 million in the Q4 FY22 from ₹ 286 million in the Q3 FY22, a decline of 12% 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 – FY22 (Consolidated) Y-o-Y



- Revenue grew by 6% on y-o-y basis to ₹ 5,294 million in FY22 from ₹ 5,018 million in FY21
- EBITDA de-grew by 13% to ₹ 2,014 million in the FY22 as against ₹ 2,316 million in FY21 on y-o-y basis
- PAT decreased to ₹ 1,238 million in the FY22 from ₹ 1,513 million in the FY21, a decline of 18% on y-o-y basis
- EBITDA margin and PAT margin during FY22 stands at 38% and 23% respectively

Notes:

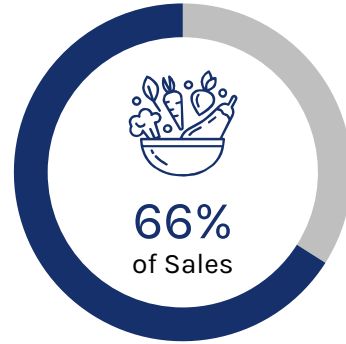
1. On Consolidated Basis
2. PAT is before minority
3. Ind AS adjustments are carried out on account of commission, discount. And provision for sales return

# >> Human Nutrition

(₹ in Million)

## Q4 FY22

Q4 FY22	865	<b>-07%</b>
Q4 FY21	925	

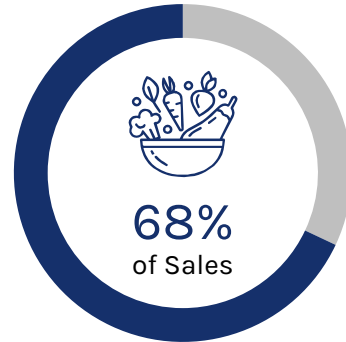


### Commentary:

- The human nutrition segment contributed around 66% during the quarter in the total revenue from operations
- This segment de-grew by 7% during the quarter from ₹ 925 million in Q4 FY21 to ₹ 865 million in Q4 FY22

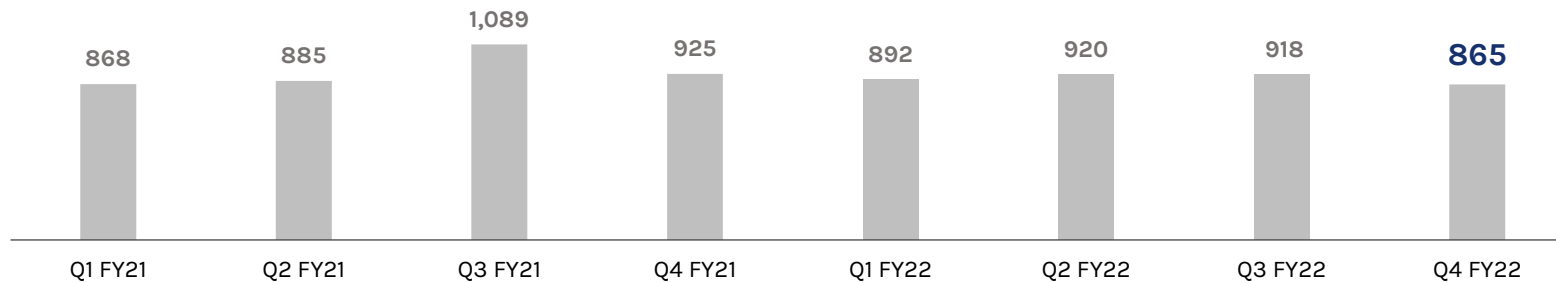
## FY22

FY22	3,594	<b>-05%</b>
FY21	3,786	



### Commentary:

- The human nutrition segment contributed around 68% during the year in the total revenue from operations
- This segment de-grew by 5% during the year from ₹ 3,786 million in FY21 to ₹ 3,594 million in FY22



# >> Animal Nutrition

(₹ in Million)

## Q4 FY22

Q4 FY22	152	<b>+16%</b>
Q4 FY21	131	

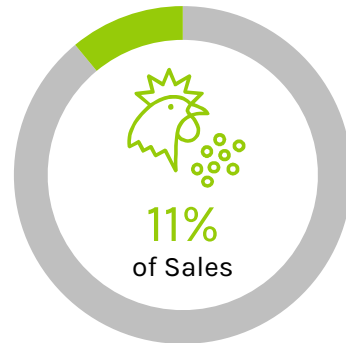


### Commentary:

- The Animal nutrition segment contributed about 12% during the quarter in the total revenue from operations
- This segment grew by 16% on y-o-y basis to ₹ 152 million in Q4 FY22 as against ₹ 131 million in Q4 FY21, and it grew by 15% on q-o-q basis

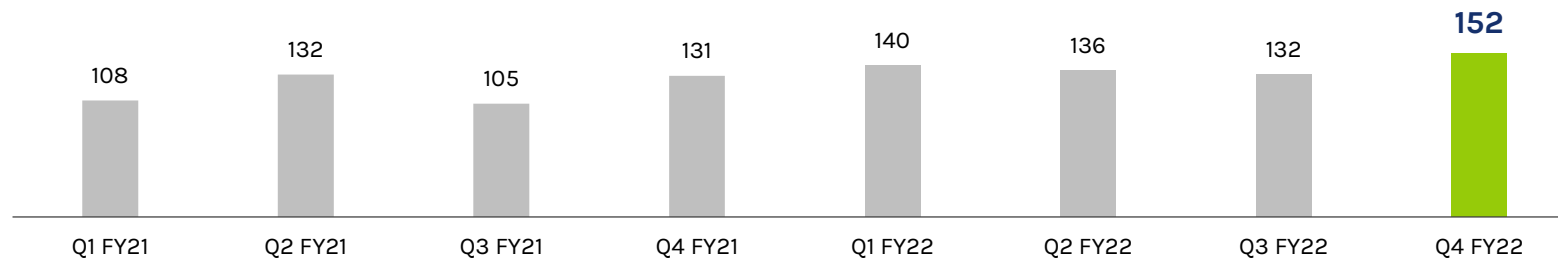
## FY22

FY22	560	<b>+18%</b>
FY21	475	



### Commentary:

- The Animal nutrition segment contributed around 11% during the year in the total revenue from operations
- This segment performed exceptionally well and grew by 18% on y-o-y basis to ₹ 560 million in FY22 as against ₹ 475 million in FY21





# Industrial Bio-Processing

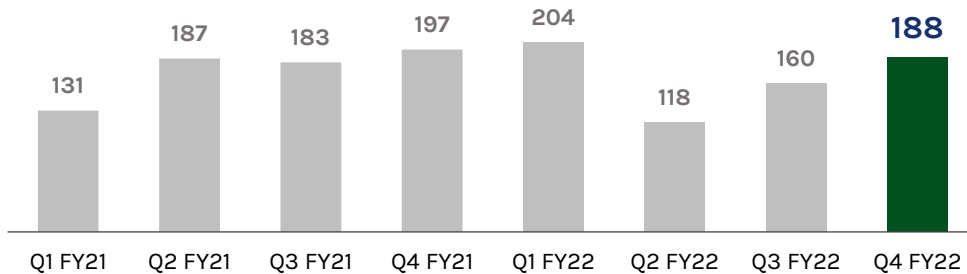
Q4 FY22	188	<b>-04%</b>	FY22	669	<b>-01%</b>
Q4 FY21	197		FY21	678	

### Commentary of Q4 FY22 :

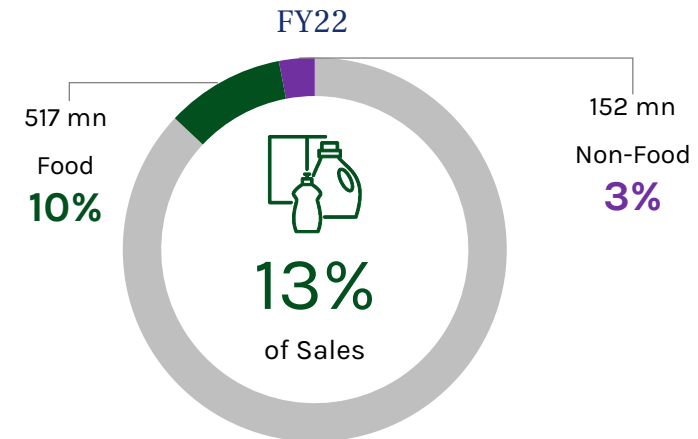
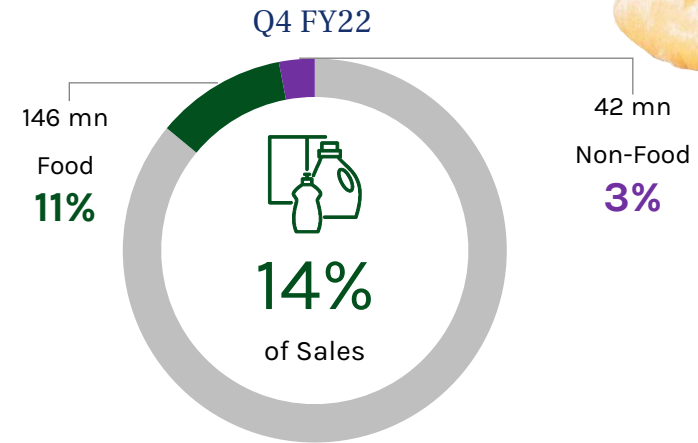
- The Industrial Bio-Processing segment contributed about 14% during the quarter in the total revenue from operations which was 15% during the same quarter last year
- This segment underperformed by 04% on y-o-y basis to ₹ 188 million in Q4 FY22 from ₹ 197 million in Q4 FY21
- In this segment, food business contributed 11% in the overall revenue and stood at ₹ 146 million while the Non-Food business contributed 3% and stood at ₹ 42 million during the quarter

### Commentary of FY22:

- The Industrial Bio-Processing segment contributed about 13% during the year in the total revenue from operations which was 14% during the last year
- This segment de-grew by 01% on y-o-y basis at ₹ 669 million in FY22
- In this segment, food business contributed 10% in the overall revenue and stood at ₹ 517 million while the Non-Food business contributed 3% and stood at ₹ 152 million during the last year



(₹ in Million)



# » Specialized Manufacturing

(₹ in Million)



The Specialized manufacturing segment is newly added to the revenue stream as synergy from the acquisition of SciTech Specialties (SSPL)

In Specialized manufacturing, we manufacture products based on effervescent technology

These effervescent products extends our solutions in Nutraceutical, Pharmaceutical, Bakery, Washing solutions and other Speciality products

This segment contributed approx. 9% during the quarter in the total revenue from operations and stood at ₹ 113 million as against ₹ 79 million in Q4 FY21, a growth of 42% on y-o-y basis

SciTech Specialties will also help us in strengthening our B2C segment

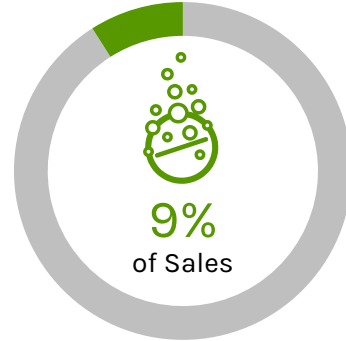
## Q4 FY22

Q4 FY22	113	<b>+42%</b>
Q4 FY21	79	



## FY22

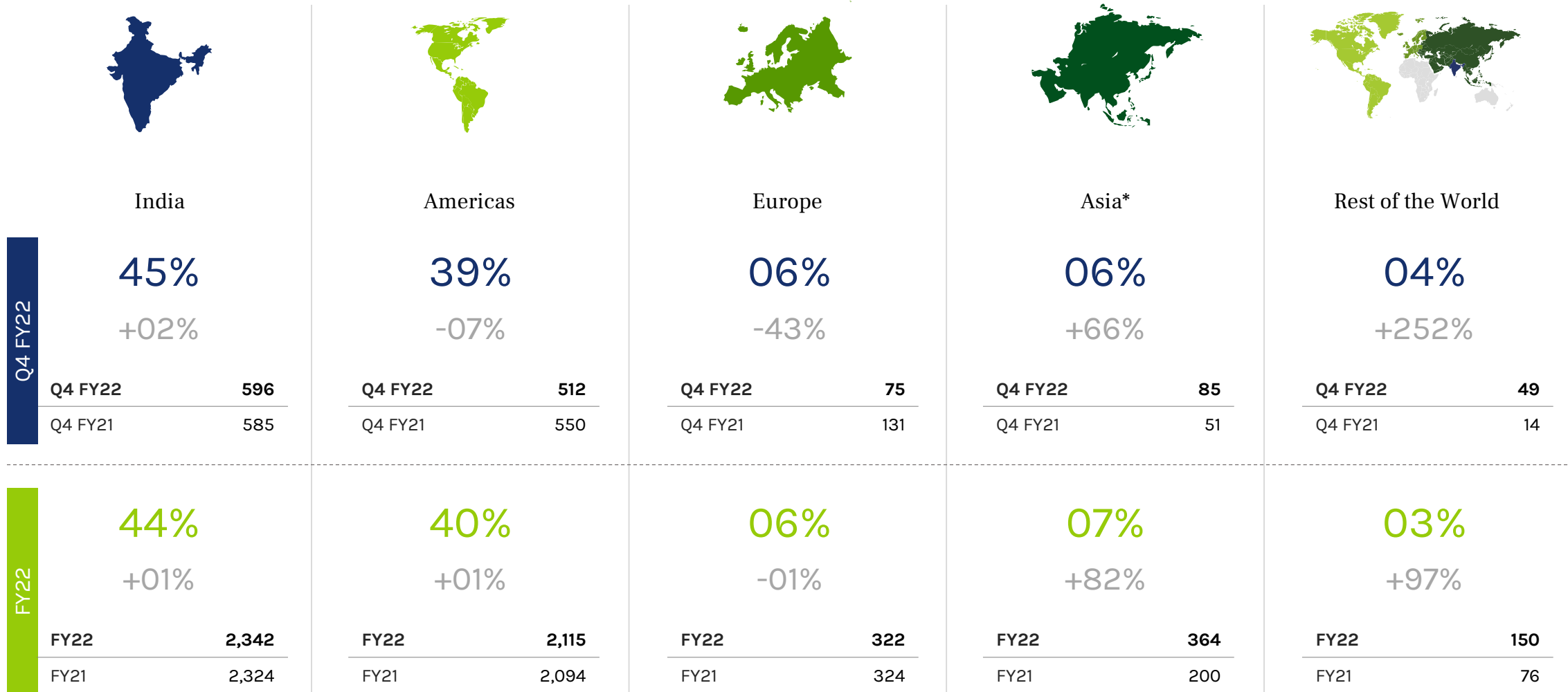
FY22	470	<b>+492%</b>
FY21	79*	



\*Since the acquisition was done on 11<sup>th</sup> January 2021, revenue figure is from January 11, 2021 to March 31, 2021

# » Geographical Performance

(₹ in Million)



\*Asia is excluding India

## Profit & Loss (Consolidated) – Q4 FY22 & FY22

(₹ in Million)

Particulars	Q4 FY22 Audited	Q3 FY22 Un-Audited	Q4 FY21 Audited	Y-o-Y (%)	FY22 Audited	FY21 Audited	Y-o-Y (%)
Income from Operations	1,317	1,336	1,332	-1%	5,294	5,018	6%
Expenses (Ex. Finance cost)	1,005	933	870	15%	3,629	2,989	21%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	313	403	462	-32%	1,665	2,029	-18%
Other Income	34	12	17	100%	64	88	-27%
Profit from ordinary activities before Finance Costs and Exceptional Item	347	415	479	-28%	1,729	2,117	-18%
Finance costs	7	3	4	75%	18	16	13%
Profit from ordinary activities before tax	340	412	475	-29%	1,711	2,101	-19%
Tax	87	126	139	-37%	473	588	-20%
<b>Net Profit for the period</b>	<b>253</b>	<b>286</b>	<b>336</b>	<b>-25%</b>	<b>1,238</b>	<b>1,513</b>	<b>-18%</b>
<b>Earnings Per Share</b>	<b>2.19</b>	<b>2.46</b>	<b>2.81</b>		<b>10.70</b>	<b>13.06</b>	

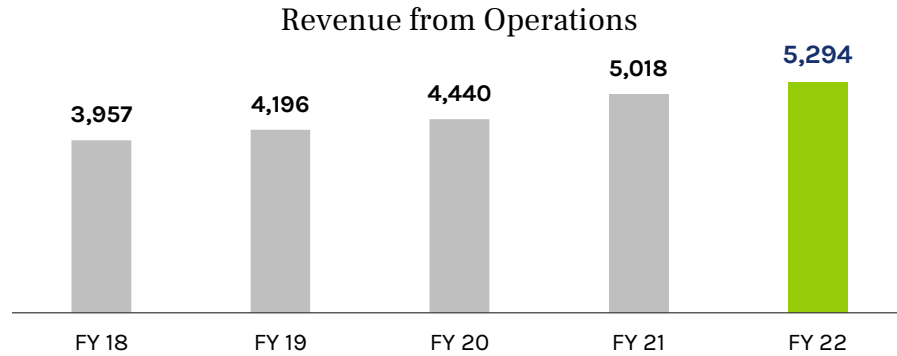
## » Balance Sheet (Consolidated) – FY22

(₹ in Million)

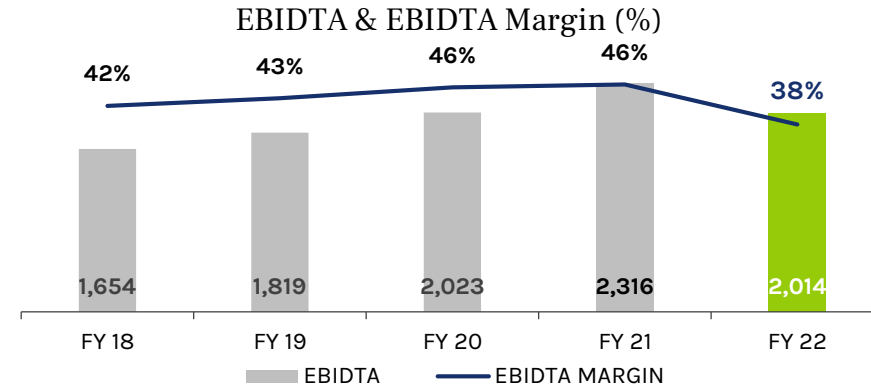
Particulars	FY22 Audited	FY21 Audited	FY20 Audited
<b>ASSETS</b>			
Property, plant and equipment	2,622	2,462	2,096
Capital work-in-progress	151	102	101
Intangible assets	609	693	592
Goodwill	2,961	2,887	2,941
Other non-current assets	289	258	251
Current assets	6,044	5,160	3,757
Assets held for sale	-	-	48
<b>TOTAL- ASSETS</b>	<b>12,676</b>	<b>11,562</b>	<b>9,786</b>
<b>EQUITY AND LIABILITIES</b>			
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
<b>TOTAL- EQUITY AND LIABILITIES</b>	<b>12,676</b>	<b>11,562</b>	<b>9,786</b>

# » Strong Financial Performance – FY22

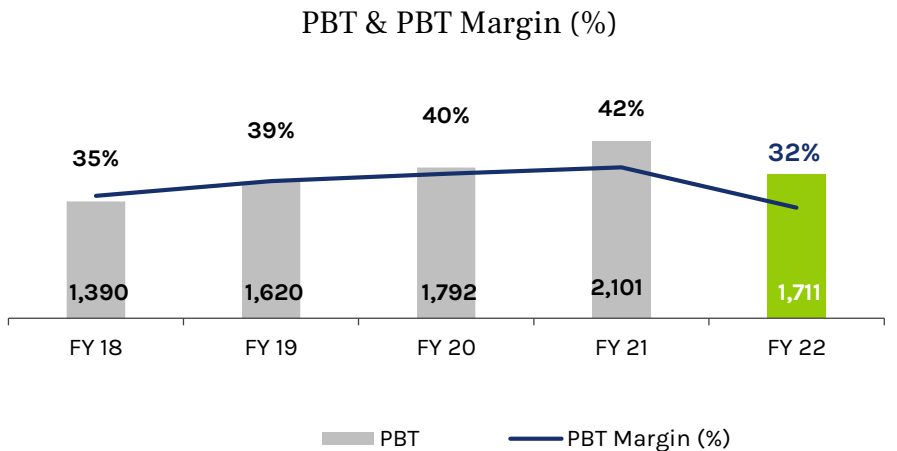
(₹ in Million)



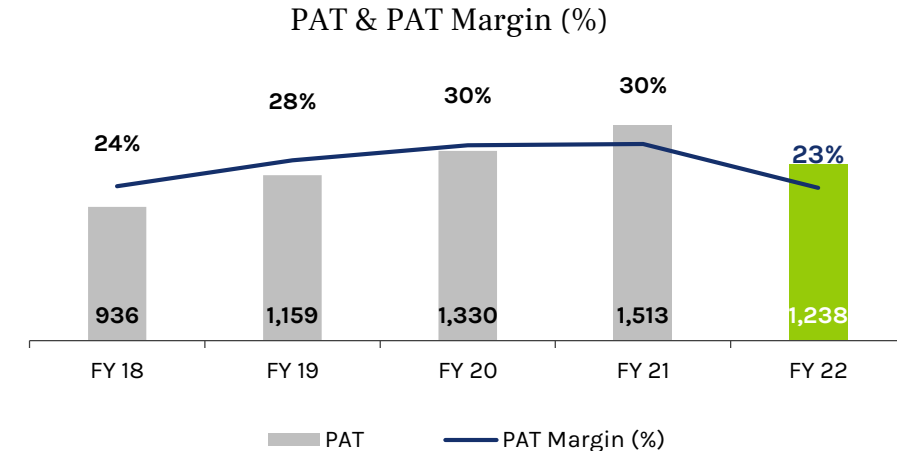
**CAGR  
7.55%**



**CAGR  
5.05%**



**CAGR  
5.33%**

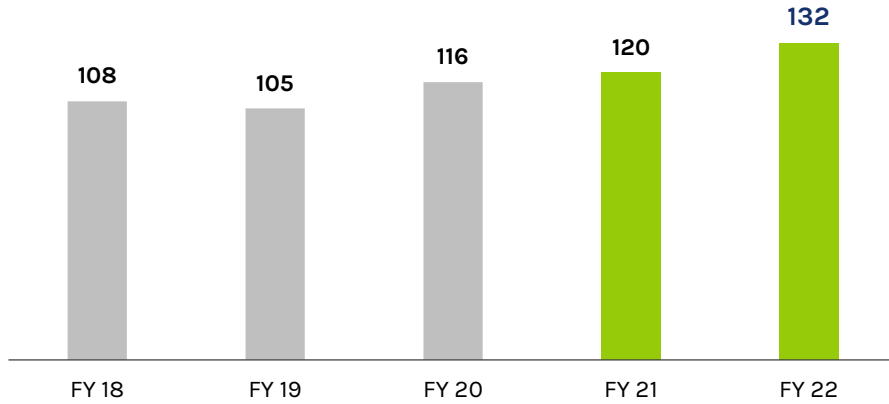


**CAGR  
7.24%**

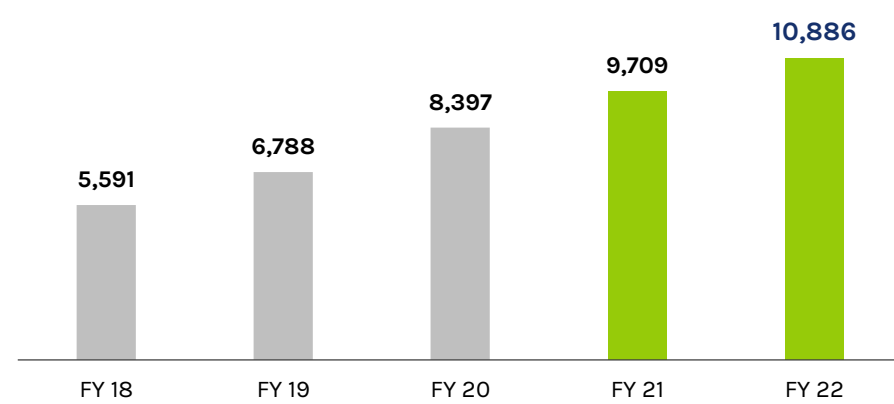
**Note:** All the numbers are as per IndAs  
All numbers are on Consolidated basis  
ROE = Profit after tax / Average shareholder equity; RoCE = (Net Profit before Tax , Exceptional and extraordinary items + Finance cost) / Average (Net debt + Networth)

# » Strong Financial Performance – FY22

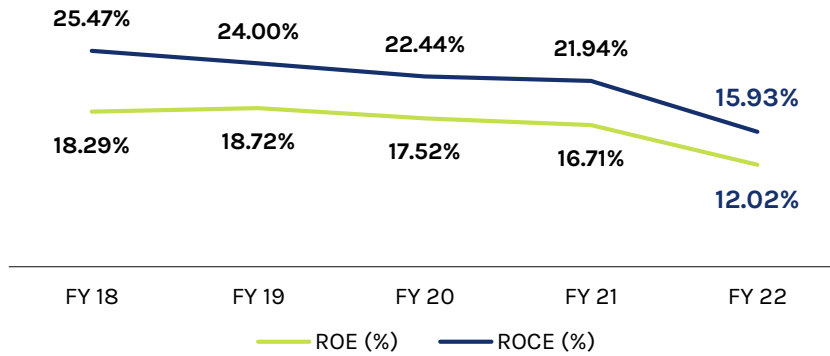
Net Working Capital (Days)



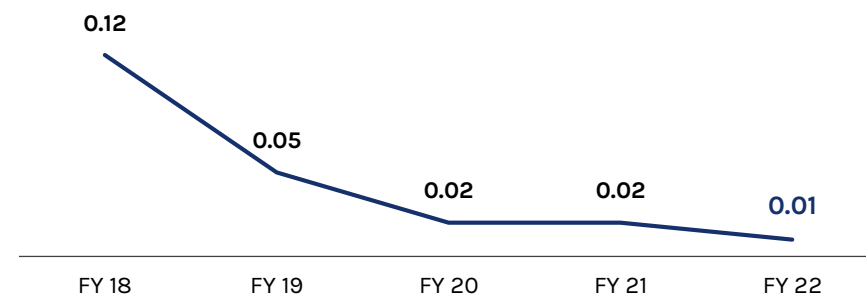
Net Worth (₹ mn)



ROE (%) & ROCE (%)

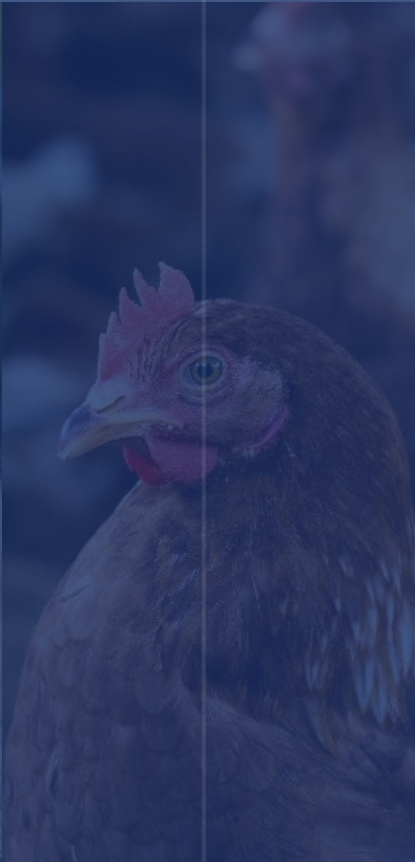


Net Debt to Equity (x)



**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

# 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



**750+**  
Employees



**13\***  
Patents



**12#**  
Food Enzyme Dossiers  
filed with EFSA



**5\*\***  
GRAS Dossier  
evaluated by US FDA



**500**  
m<sup>3</sup> Fermentation  
Capacity



**25+**  
Years of Fermentation  
Experience

**Note:** Facts & Figures as on 31<sup>st</sup> March, 2022

\* Patents includes the filed applications

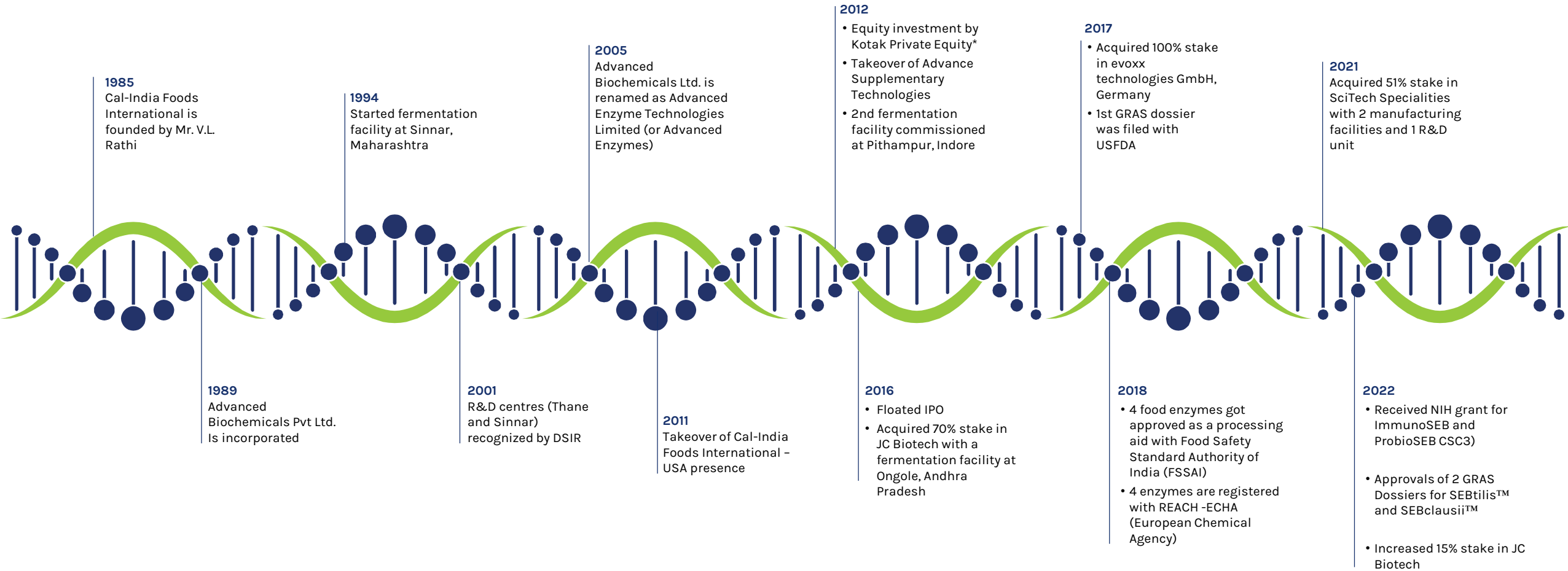
#Food Dossier filed with EFSA, out of which positive R&D Units opinion is received for 4 Dossiers & 8 are under evaluation

\*\*No question letter received for 4 Dossier, another 1 is under evaluation

All the numbers are as per IndAs

Source: Freedonia

# » Brief History and Evolution



Note: \* through Kotak India Venture Fund I, Kotak Employees Investment Trust and Kotak India Venture (Offshore) Fund

## » Board of Directors



**Mr. Vasant Rathi**  
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**  
Additional Director (Independent)\*

\*w.e.f 1<sup>st</sup> July 2022

## » 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

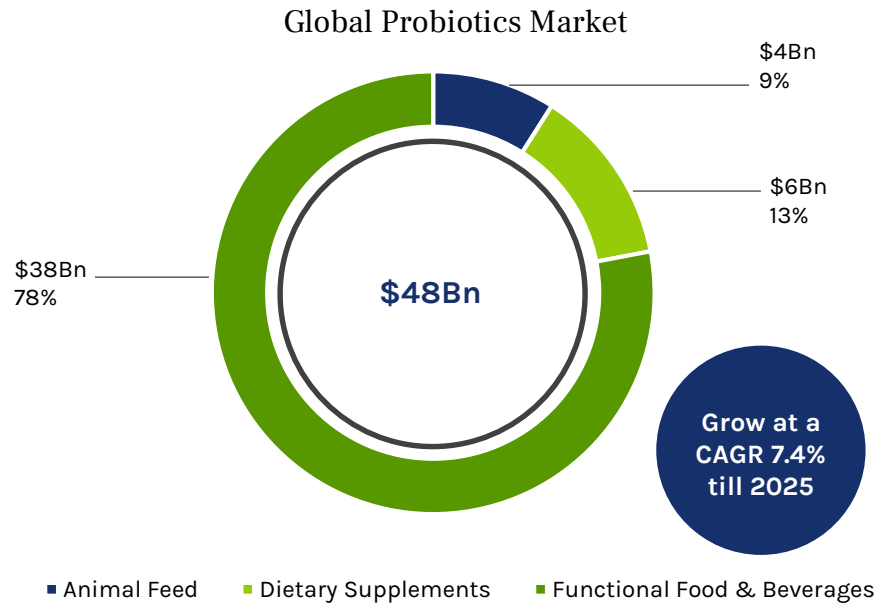


**Dr. Michael Puls**  
Managing Director /Head Of Research and  
Development - Evoxx Technologies,  
Germany



**Mr. Sanjay Basantani**  
Company Secretary & Head Legal

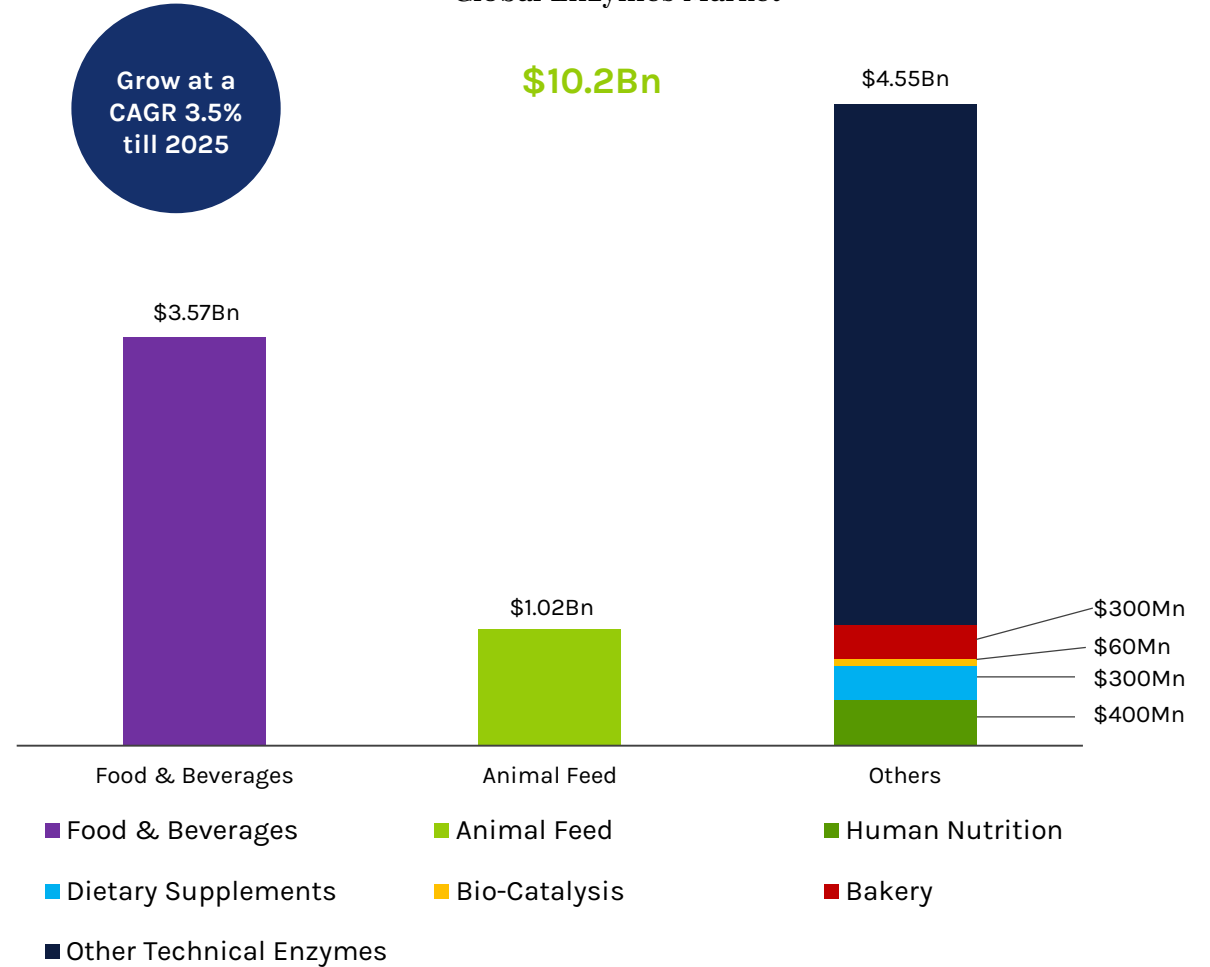
# >> How Big is the Opportunity?



### 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



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	
			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

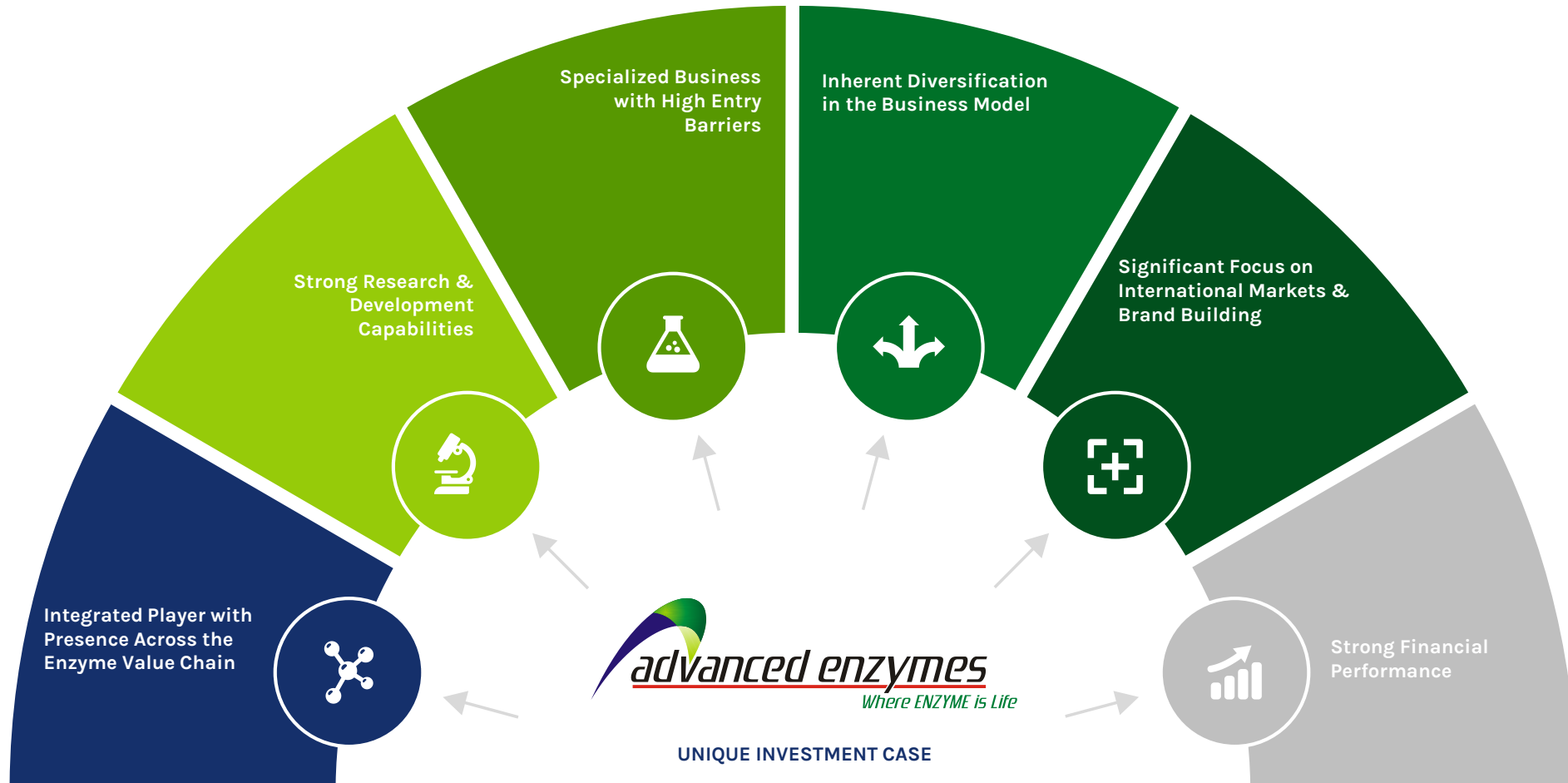
\*As of now we are considering the India only opportunity for Bio-catalysis

#Includes other food-processing enzymes

Source: ResearchandMarkets Report, 2019-20

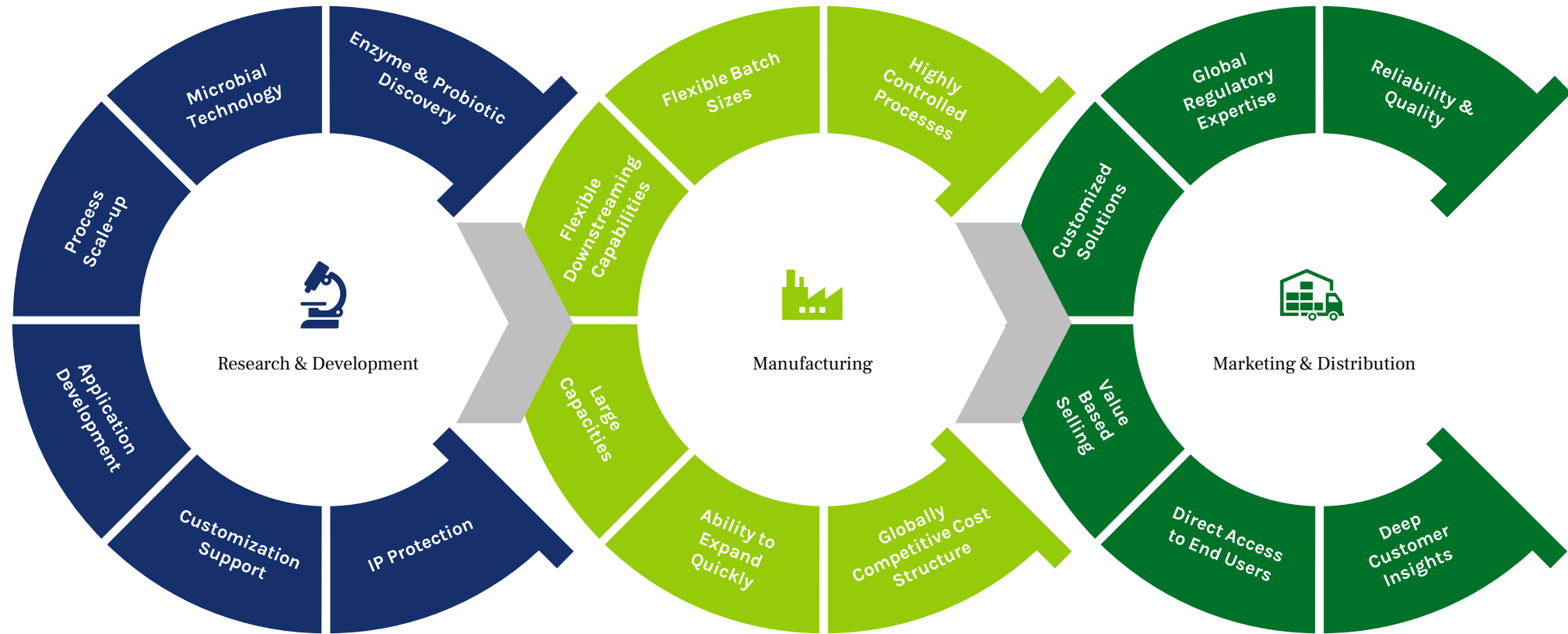


## >> What Makes AETL a Unique Investment Case?





# » 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 (4%-5% of topline) 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, therefore our Gross margin stays in the range of 75%-80% (Benchmarked both in terms of Capex & Opex)



## Diverse Product Range & Customer Base

400+ Products, 700+ Customers Worldwide



## Credible Market Presence

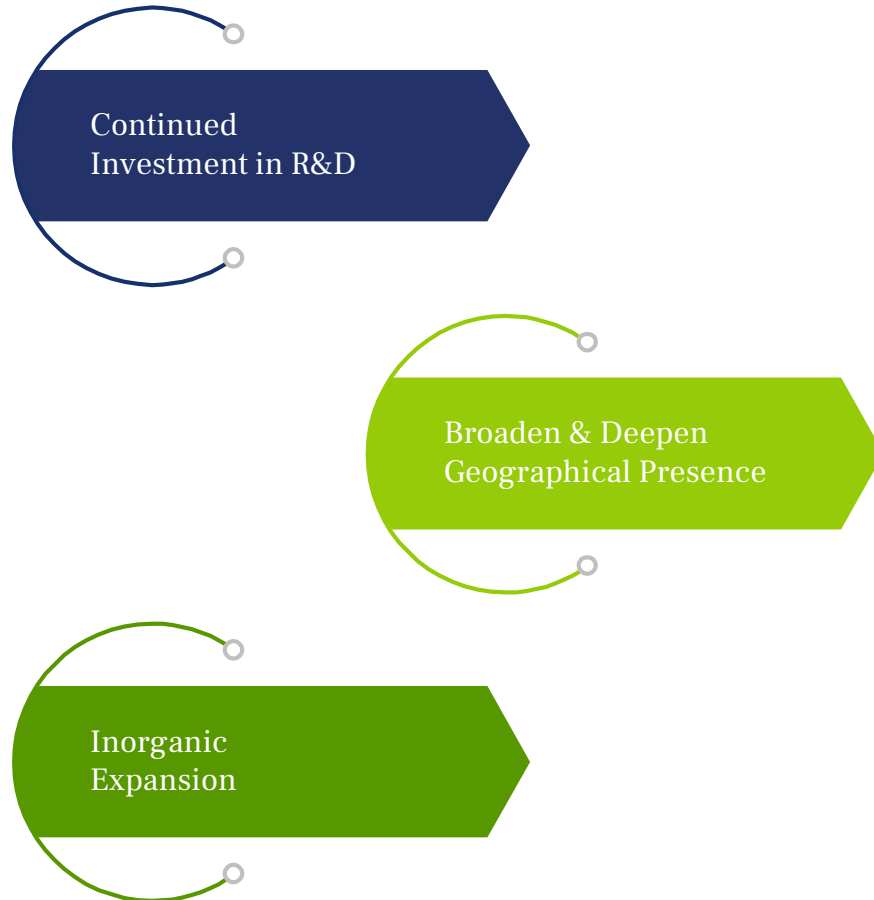
Presence of more than 3 decades in the industry with prolonged & dedicated "enzyme" focus



## Invaluable Experience & Customer Insights

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

## >> Future Growth Drivers



- Identify Product gaps and Develop new Enzymes, Probiotics & Solutions thereof
- Expand Competencies in Enzymes & Probiotics, Discovery and Genetic Engineering
  
- Increased focus on high return applications where AETL has strategic advantages
- Build Strategic Partnerships in Key Markets for Focus Segments
  
- Acquisition of Key Technologies, Competencies & Skill-sets which Enable Consolidation and/or Entry into New Market Segments
- Acquisition of Client Relationships & Businesses in Key Focus Markets

## » Focus Areas Going Ahead



### Animal Nutrition

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



### Probiotics

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



### Bio-Catalysis

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







### Baking

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

# Shareholders Information

## Stock Data (As on 19<sup>th</sup> May 2022)

	Market Capitalization (₹)	<b>31,863 mn</b>
	Shares Outstanding	<b>111.72 mn</b>
	Free Float	<b>10,849 mn</b>
	Symbol (NSE/ BSE)	<b>ADVENZYMES / 540025</b>

## Stock Chart (As on 19<sup>th</sup> May 2022)

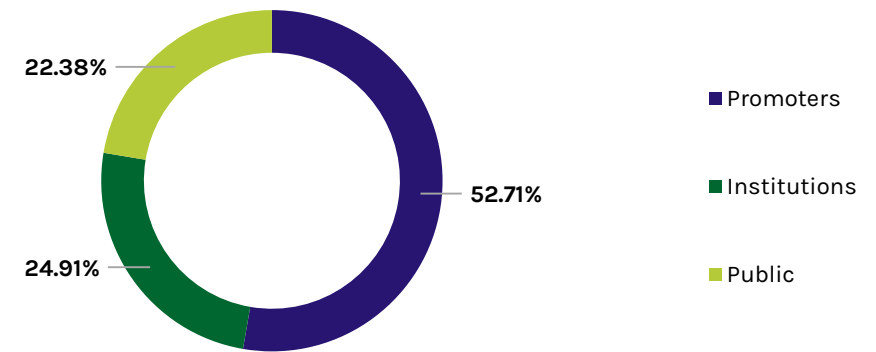


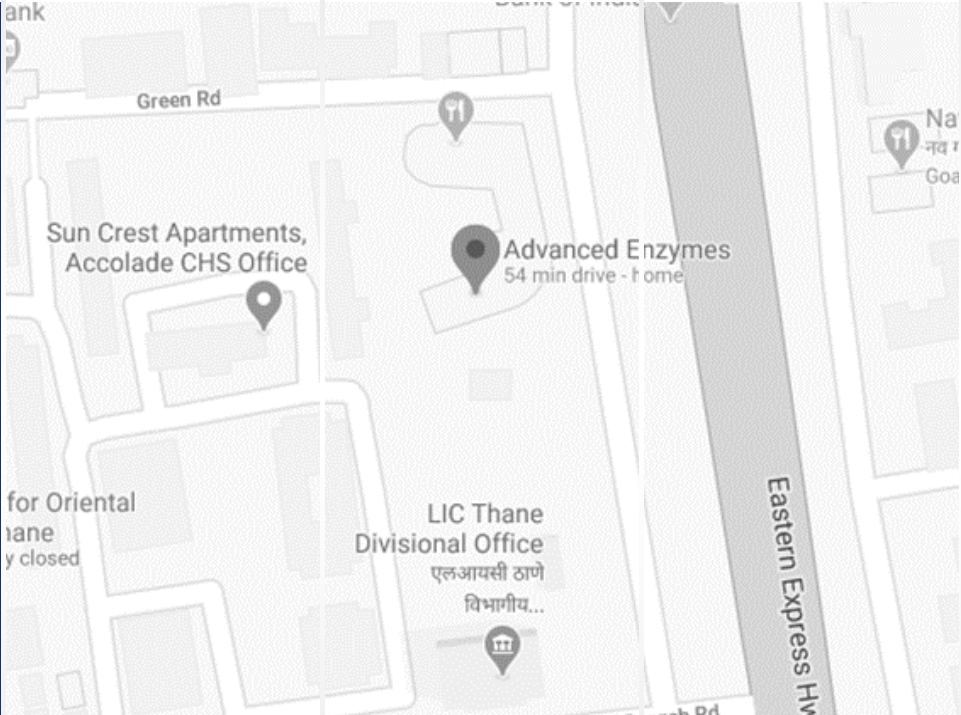
Source: NSE

## Top 5 Institutional Holders (As on 14<sup>th</sup> May 2022)

Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
NALANDA INDIA EQUITY FUND	6.21
HDFC AMC	4.21
ICICI PRUDENTIAL MF	1.17
UTI MF	0.68

## Shareholding Pattern (%) (As on 31<sup>st</sup> Mar 2022)





# Thank You

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