



August 17, 2020

**DCS-CRD**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**DCS-CRD**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza  
Bandra-Kurla Complex  
Bandra (E), Mumbai - 400 051

**Scrip Code: 519183**

**Symbol: ADFFOODS**

**Sub: Investor Presentation**

Enclose please find Corporate Presentation of the Company for the First Quarter ended June 30, 2020.

The aforementioned Presentation has been uploaded on the Company's website viz., [www.adf-foods.com](http://www.adf-foods.com)

You are requested to take the above on your records.

Yours faithfully,

For **ADF Foods Limited**

**Shalaka Ovalekar**  
**Company Secretary**

**Encl:** As above



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**Investor Presentation**  
**Q1FY21**

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“ At ADF we believe in maintaining high quality standards, introducing new and innovative products while remaining customer centric ”







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# Q1FY21 highlights

# Consolidate profit & loss statement

(Rs Cr)	Q1FY21	Q1FY20
Revenue from operations	73.9	69.0
Other income	0.6	1.9
<b>Total Income</b>	<b>74.5</b>	<b>70.9</b>
Cost of goods sold	45.0	36.2
<b>Gross Profit</b>	<b>29.5</b>	<b>34.8</b>
<b>Gross margin</b>	<b>39.6%</b>	<b>49.0%</b>
Employee expenses	3.9	5.6
Other expenses	12.5	14.0
Total Operating expenses	16.4	19.5
<b>EBITDA</b>	<b>13.1</b>	<b>15.2</b>
<b>EBITDA margin</b>	<b>17.6%</b>	<b>21.5%</b>
Finance cost	0.3	0.2
Depreciation and Amortization	1.4	1.4
<b>PBT</b>	<b>11.3</b>	<b>13.7</b>
<b>PBT margin</b>	<b>15.2%</b>	<b>19.3%</b>
Exceptional item	-	0.6
Tax Expenses (Credits)	2.7	3.9
<b>PAT</b>	<b>8.7</b>	<b>9.2</b>
<b>PAT margin</b>	<b>11.6%</b>	<b>13.0%</b>

# Started operations with COVID-19 precautionary norms

## Nasik Plant



## Nadiad Plant



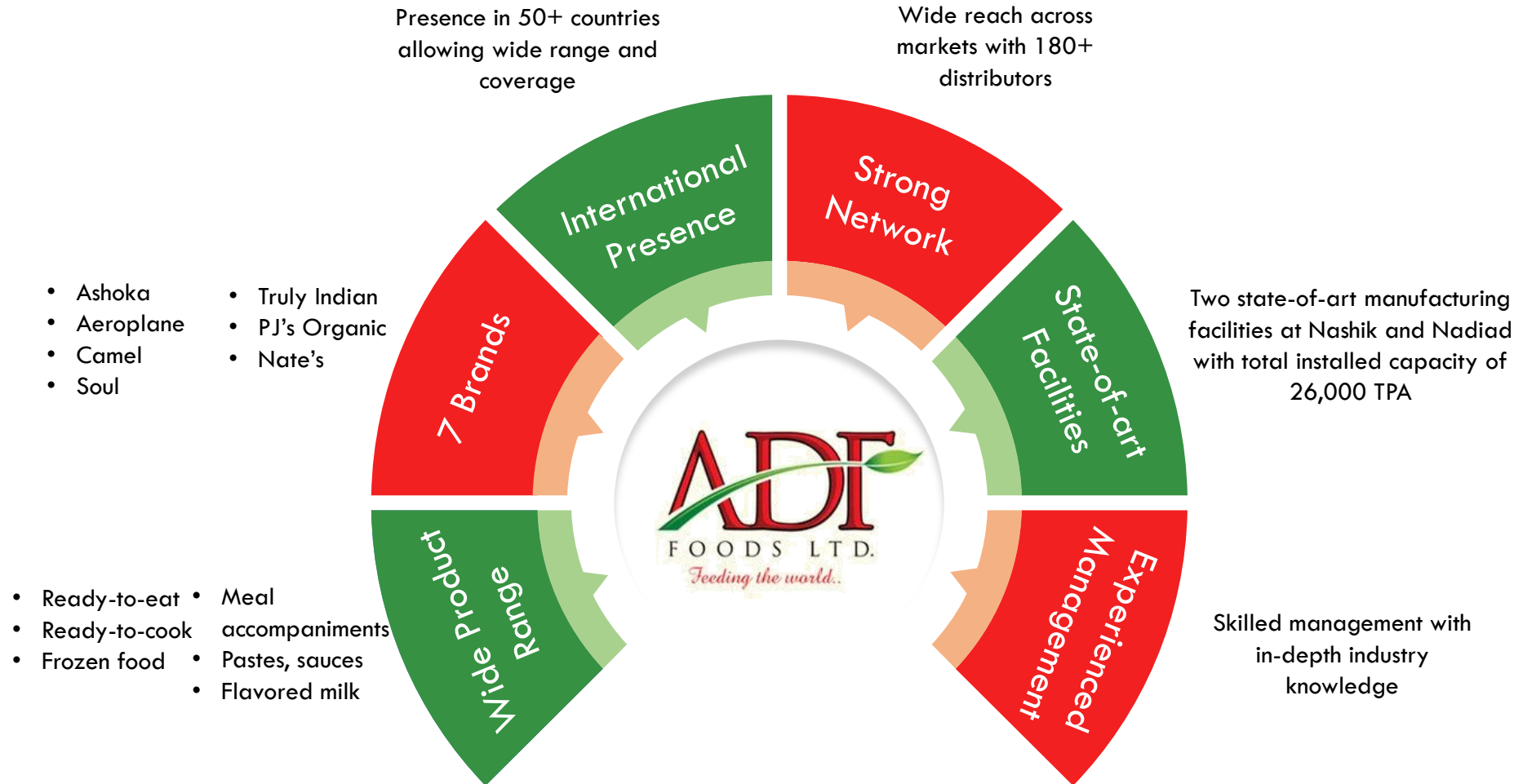
- Strict adherence to Social Distancing norms at the manufacturing plants and in transport vehicles
- Regular cleaning and disinfection of factory premises and machines
- Personal Protection Equipment (masks, gloves, headgears ) to the staff and workers



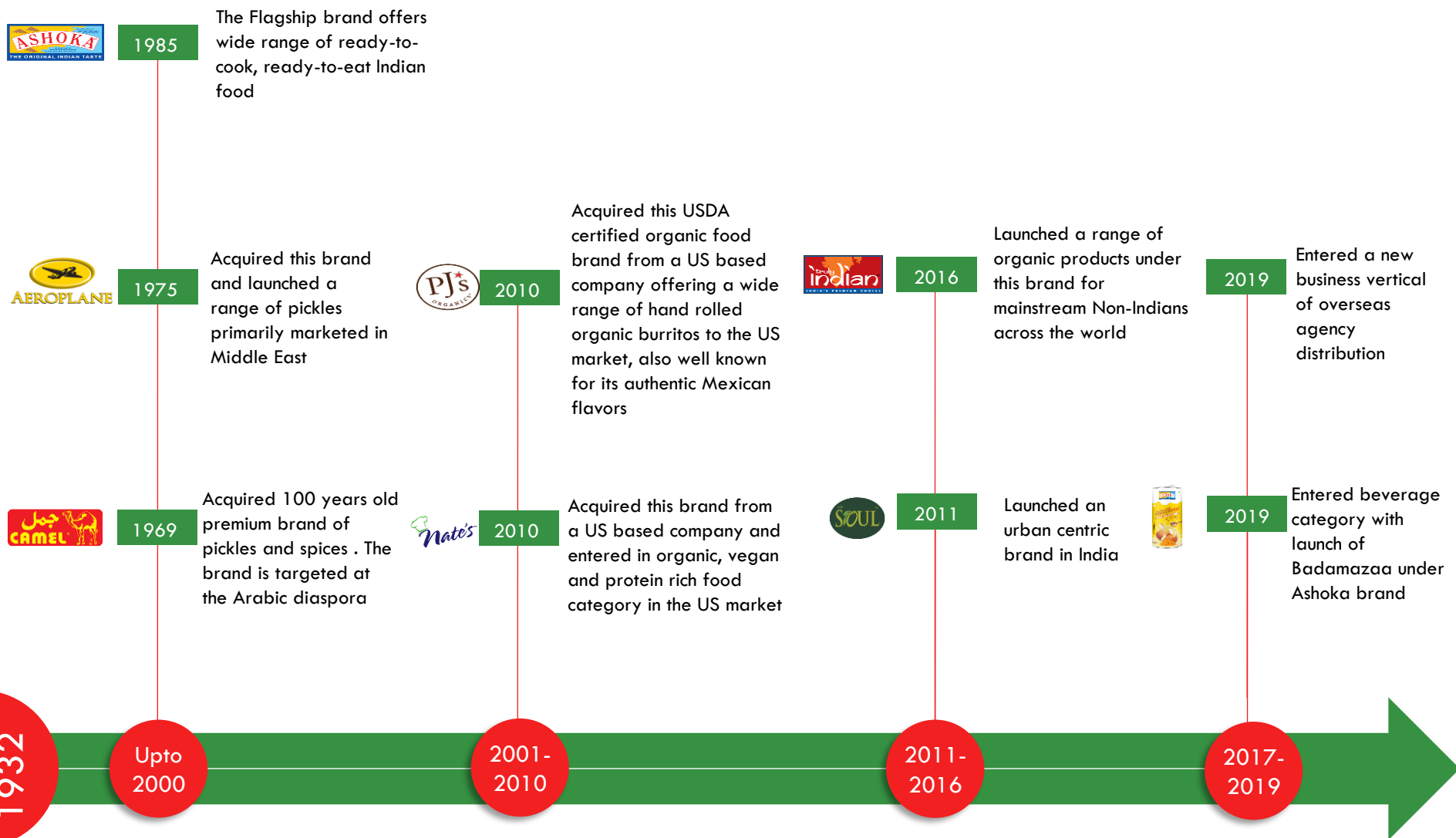


# About the company

# Wide range of products with established brands & strong distribution



# Evolution of the Company and brands



# Experienced management



## Bimal Thakkar

Chairman, Managing Director  
and CEO

- 30+ years of experience in domestic and export management
- Instrumental role in development of Brands and new products, tapping new markets, international acquisitions, setting up of subsidiary companies in U.K. and U.S.A.

### Devang Gandhi

COO

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

### Shardul Doshi

CFO

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

### Shalaka Ovalekar

CS & Legal Head

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

### Maneck Katpitia

VP, International Operations

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

### R. R. Singh

VP, Manufacturing

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

### Deepak Nachane

GM, Purchase

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



# Board of directors

## Jay Mehta

Non-Executive Director

- 35+ years of rich industrial experience
- Executive Vice Chairman of Gujarat Sidhee Cement Ltd and Saurashtra Cement Ltd and is on the Board of various other private and public limited companies
- Holds a master's degree in business management from IMD LAUSANNE, SWITZERLAND and a bachelor's degree in industrial engineering

## Ravinder Jain

Independent Director

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

## Chandir Gidwani

Independent Director

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

## Viren Merchant

Independent Director

- 30+ years of experience and expertise in business management and pharmaceutical and healthcare industry
- Currently CEO of Encore Healthcare Pvt Ltd.
- Hold a bachelor's degree in Science

## Naresh Kothari

Independent Director

- 25+ years of experience in business building and capital markets
- Has held various management roles including President of Edelweiss Capital, Co-Head of Edelweiss Alternative Asset Advisors, Head of Coverage & ECM, and Co-Head of Institutional Equities
- Holds a master's degree from IIM Ahmedabad and a bachelor's degree in computer science

## Deepa Harris

Independent Director

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

# Giving back to stakeholders

## Investors

Consistently rewarding shareholders through dividends and buybacks

FY17  
Buyback of  
Rs 9.6 crore

FY18  
Dividend of  
25%

FY19  
Buyback of  
Rs 30 crore

FY20  
Dividend of  
30%

## Environment

- 525 kw Solar power project already implemented at the manufacturing plant at Nasik. Similar project is proposed at Nadiad plant next year
- Invested in waste water treatment, has moved towards zero discharge at manufacturing facilities



## Society

- Centers for education of underprivileged student, women empowerment, financial aid towards medical treatment of the underprivileged, residential care expenses for the physically challenged youth, contribution to environment protection by supporting tree plantation, animal welfare etc.





# Strengths & drivers

# Strong industry fundamentals to drive growth

➤ Ethnic Indian food market is growing consistently<sup>(1)</sup>



UK  
~£650 Mn

Growth  
6-7%

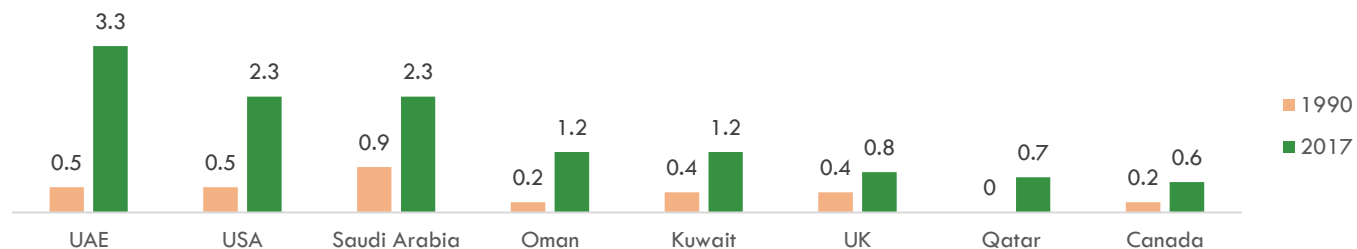


US  
~\$350 Mn

Growth  
7-8%

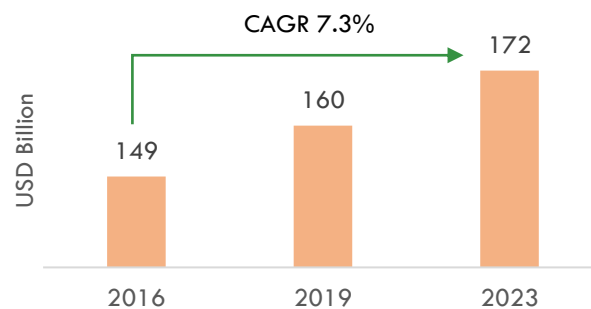
➤ Indian diaspora driving demand for ethnic RTE food

Indians staying abroad (in millions) <sup>(2)</sup>



There are more Indian staying outside their native country than any other nationality

➤ Increasing preference over convenience food

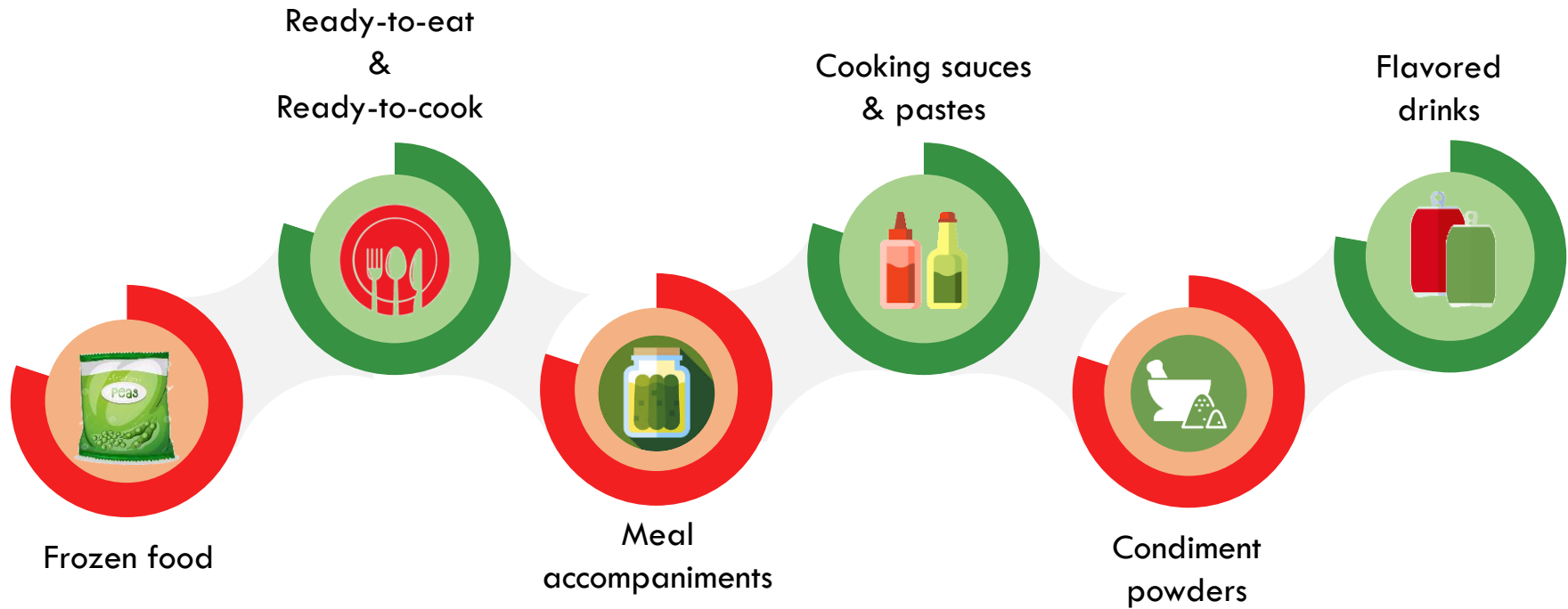


Global ready-to-eat market

- Millennials prefer convenience and ready to eat food
- The global ready to eat market is expected to grow at a CAGR of 7.3% during 2016-2023<sup>(3)</sup>

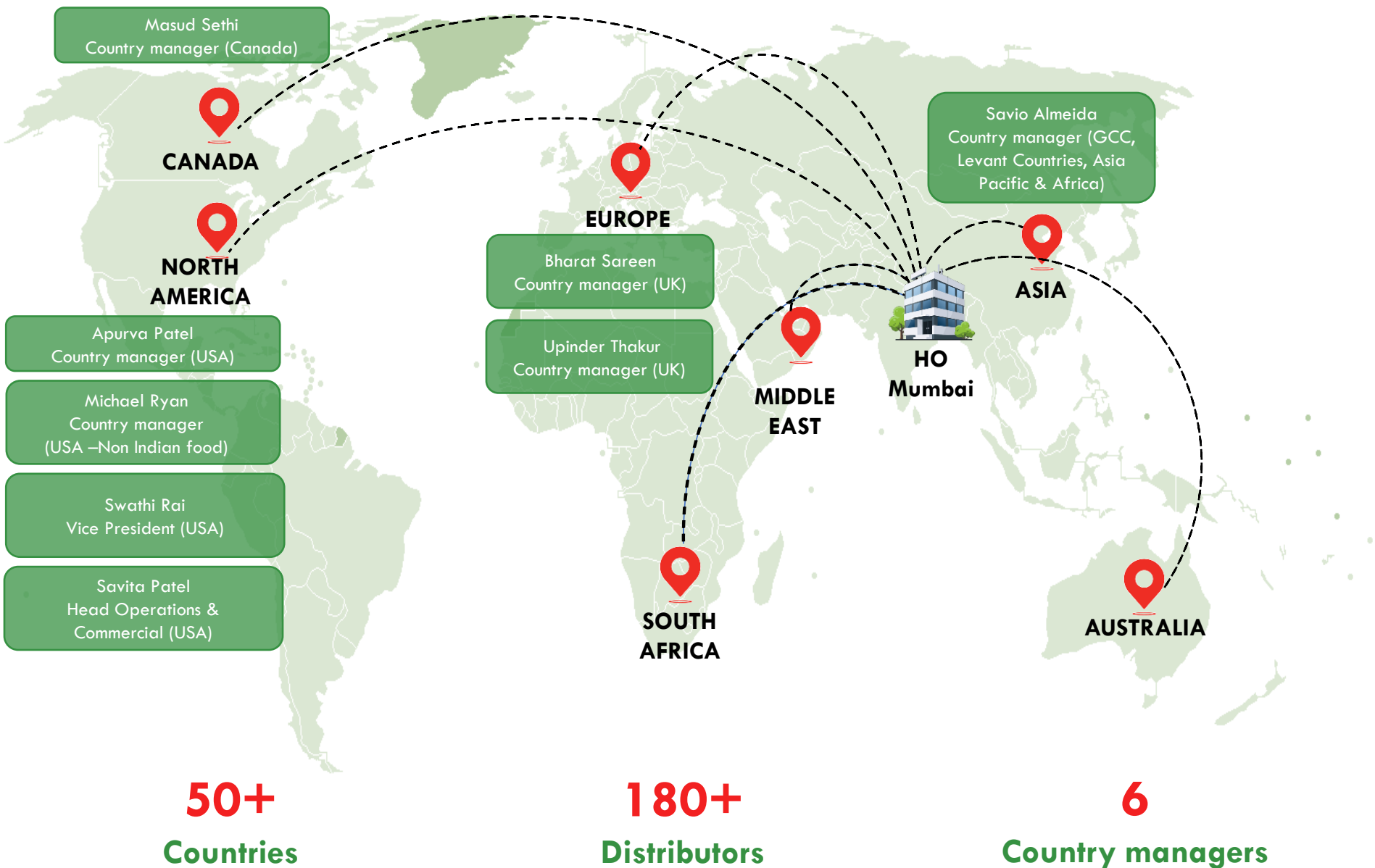


# The only company with a presence across all categories



With a view to evolve with consumer preference, the company has been continuously expanding its product basket with new launches every year

# Strong distribution network



# Manufacturing units

## Nadiad Facility

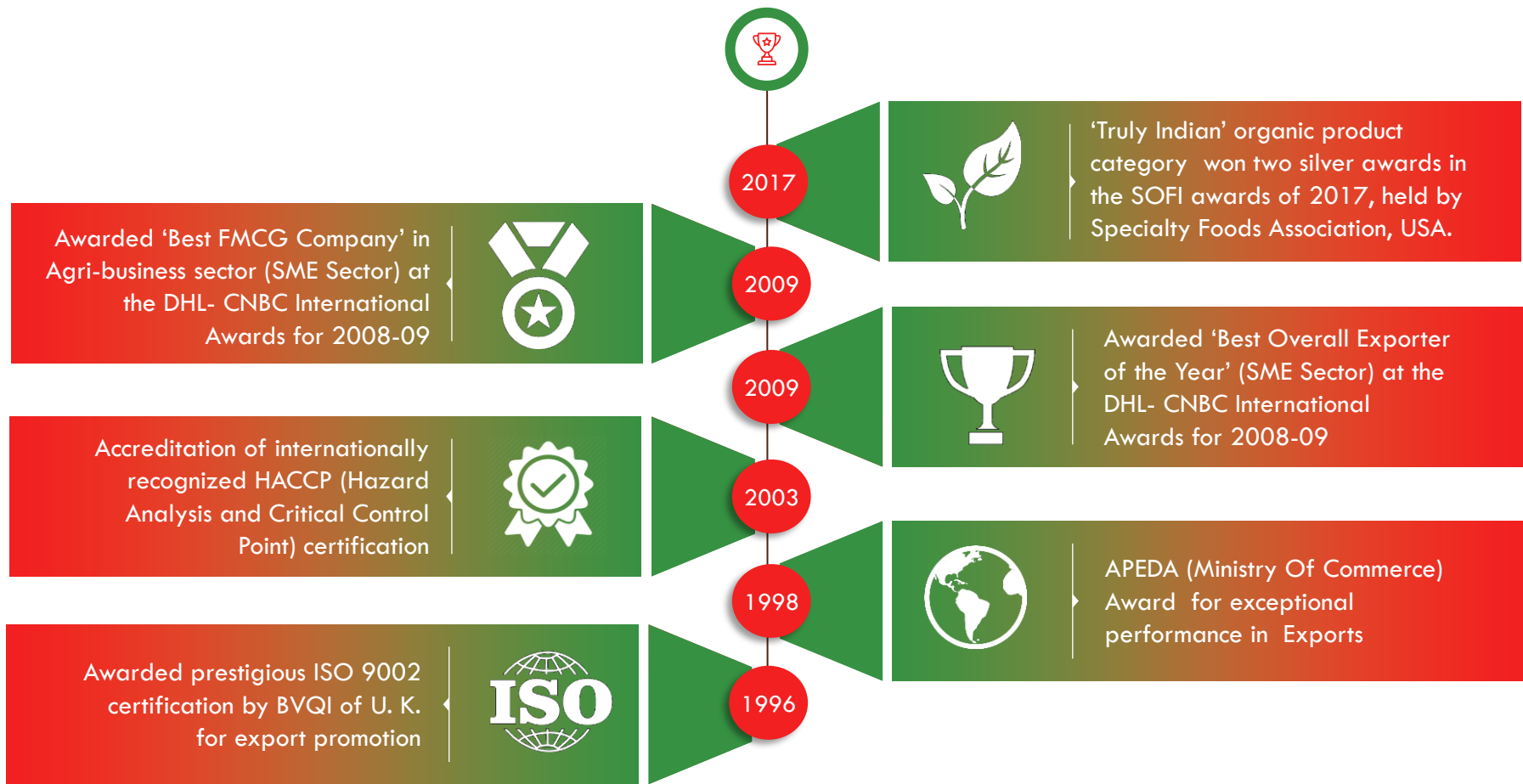


- ❑ 2 state of the art manufacturing plants located at Nasik spread across 10,100 sq. meters of area and Nadiad with a built-up area of 15,000 sq. meters
- ❑ Both the facilities are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited.

## Nasik Facility



# Awards & recognition



## Certifications and accreditations







# Growth strategies

# Serve changing consumer needs with focus on profitability

- Identify latest consumer trends and preferences and develop products to tap those opportunities
- In-house team of food specialists who are focused on continuous product development



- Diversify and develop new categories to deepen reach to existing consumers
- Entered new category of milk based beverage in FY20



## Focus on growing geographies

- Continue to focus export markets of North America, Europe, Australia, Middle East
- Deepen presence in geographies where there is still low penetration of ADF brands



## Premium product focused product mix

- Focus on profitability through changing product mix in favor of higher margin products
- Strong focus on lean balance sheet and strong cash flows



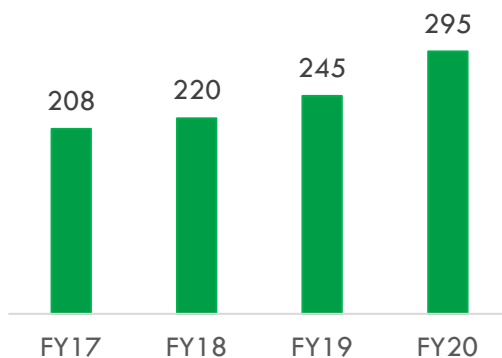


# Historical financial overview

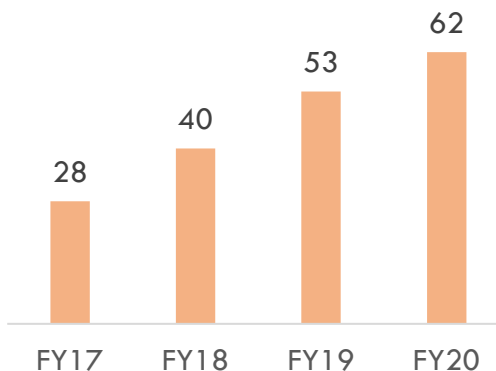
# Consolidated financial performance

Rs Cr

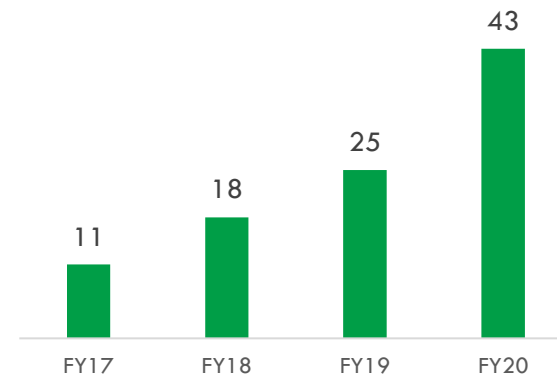
**Total Income**  
9.5% 3year CAGR



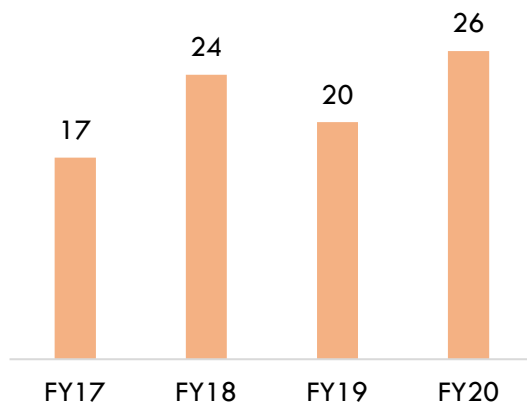
**EBIDTA**  
30% 3year CAGR



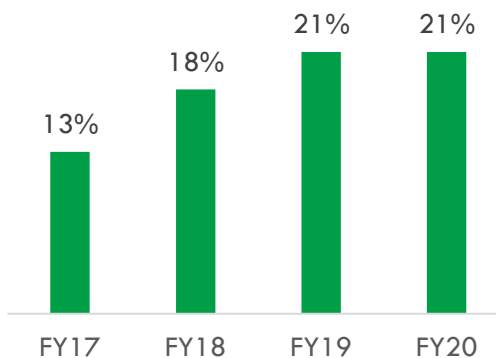
**PAT**  
57% 3year CAGR



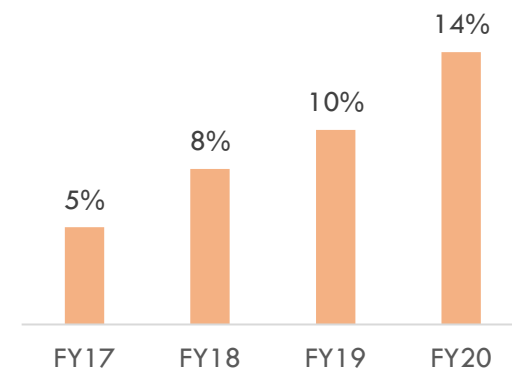
**Cash flow from operations**



**EBIDTA Margins %**



**PAT Margins %**

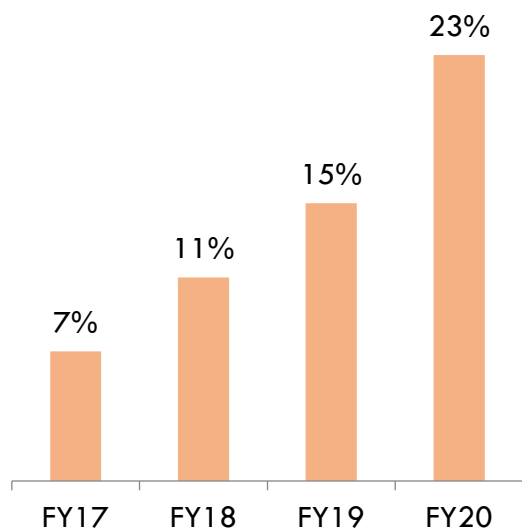




# Robust returns ratios

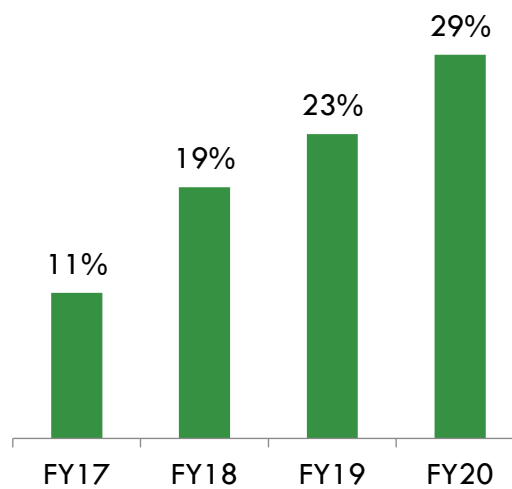
## Return on Equity

%



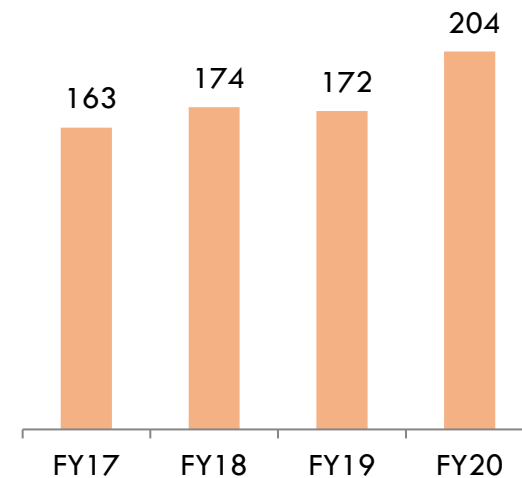
## Return on Capital Employed

%



## Net Worth

Rs in Cr



# Historical profit and loss statement

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

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

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

# Historical balance sheet - consolidated

LIABILITIES (Rs in Crs)	FY20	FY19	ASSETS (Rs in Crs)	FY20	FY19
Share Capital	20.4	20.4	Fixed Assets incl. CWIP	58.2	48.8
Reserves	184.0	151.4	Intangible Assets	21.4	21.7
<b>Shareholders' Funds</b>	<b>204.4</b>	<b>171.8</b>	Income Tax Asset (Net)	4.6	3.2
Deferred tax liability	7.1	8.9	Other Financial Assets	9.2	12.3
Other liabilities	1.6	1.2	Other Non Current Assets	1.0	3.4
<b>Total Non-Current Liabilities</b>	<b>213.1</b>	<b>182.0</b>	<b>Total Non-Current Assets</b>	<b>94.4</b>	<b>89.3</b>
Trade Payables	21.3	13.8	Inventories	54.6	34.6
Other Current Liabilities	3.1	2.1	Sundry Debtors	53.1	43.9
Current Tax Liabilities	0.3	1.8	Cash and Bank	36.7	18.4
Other Financial Liabilities	11.0	4.6	Other Financial Assets	25.3	9.3
Short Term Borrowings	23.2	0.0	Other Current Assets	7.7	8.7
<b>Total Current Liabilities</b>	<b>58.8</b>	<b>22.3</b>	<b>Total Current Assets</b>	<b>177.5</b>	<b>114.9</b>
<b>Total Liabilities</b>	<b>271.9</b>	<b>204.2</b>	<b>Total Assets</b>	<b>271.9</b>	<b>204.2</b>



# Thank You

**Shardul Doshi (CFO)/ Shalaka Ovalekar (CS)**

**ADF Foods Limited**

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