



May 13, 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 Fourth Quarter and Year ended March 31, 2020.

The aforementioned Presentation has been uploaded on the Company's website viz., 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
Q4FY20 and FY20

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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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Q4 & FY20 highlights

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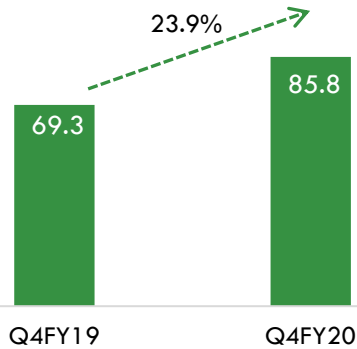
Historical financial overview



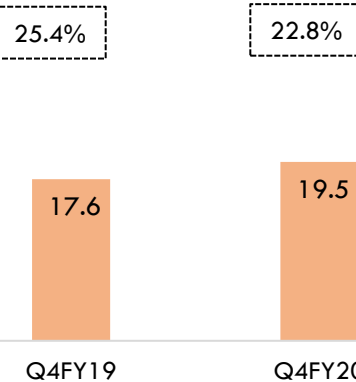
Q4 & FY20 highlights

Consolidated financial highlights Q4FY20 & FY20

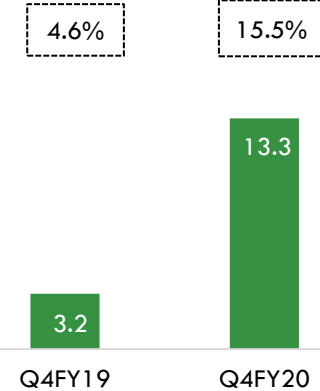
Total income (Rs Cr)



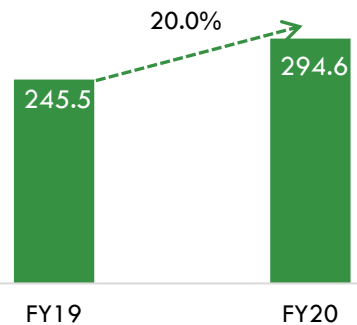
EBITDA (Rs Cr) and Margin



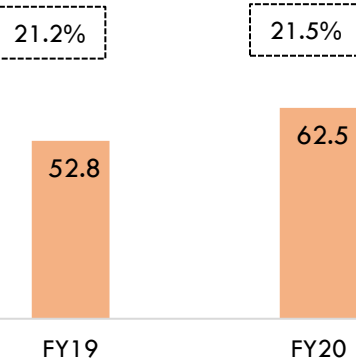
PAT (Rs Cr) and Margin



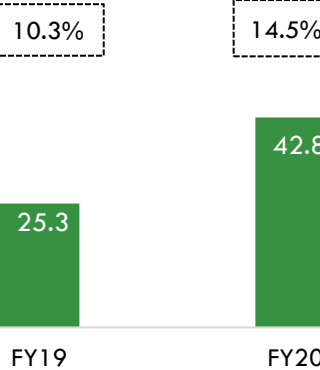
Total income (Rs Cr)



EBITDA (Rs Cr) and Margin



PAT (Rs Cr) and Margin



Exports contribute to more than 95% of revenues

Consolidated profit and loss statement

(Rs Cr)	Q4FY20	Q4FY19	YoY	FY20	FY19	YoY
Revenue from operations	79.7	64.1		272.8	231.4	
Other income	6.1	5.2		21.8	14.1	
Total Income	85.8	69.3	23.9%	294.6	245.5	20.0%
Cost of material consumed	24.2	20.7		81.8	89.3	
Changes in inventories	-17.1	-2.7		-19.2	-11.1	
Purchase of stock-in-trade	35.6	14.0		86.4	42.0	
Employee expenses	4.2	3.8		17.6	16.1	
Other expenses	19.5	15.9		65.4	56.3	
Total Operating expenses	66.3	51.7		232.1	192.7	
EBITDA	19.5	17.6	11.2%	62.5	52.8	18.5%
EBITDA margin	22.8%	25.4%		21.2%	21.5%	
Finance cost	0.4	0.2		1.3	0.9	
Depreciation and Amortization	1.8	10.9		5.9	14.2	
PBT	17.3	6.4	170.6%	55.3	37.7	46.6%
PBT margin	20.2%	9.2%		18.8%	15.4%	
Tax Expenses (Credits)	4.0	3.2		12.2	12.4	
Exceptional Items	0.0	0.0		-0.3	0.0	
PAT	13.3	3.2	320.3%	42.8	25.33	68.8%
PAT margin	15.5%	4.6%		14.5%	10.3%	

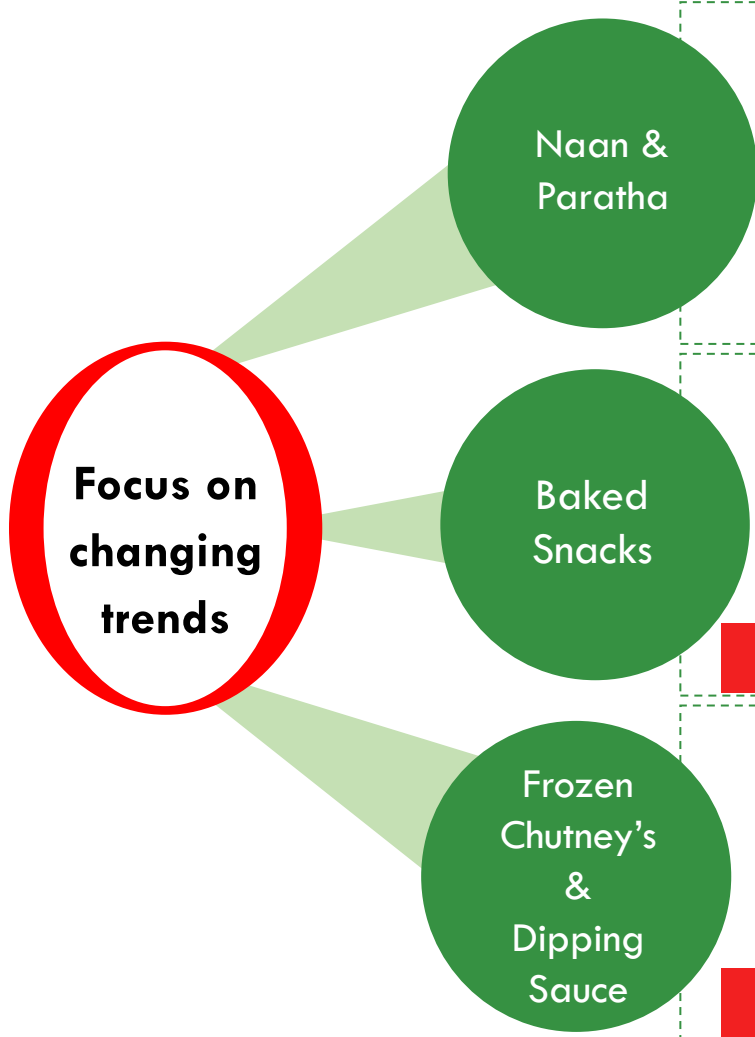
Depreciation and Amortisation expense for the quarter and year ended March 31, 2019, includes an amount of Rs. 9.9 cr s on account of impairment of certain brands held in US subsidiary

- Total income for FY20 grew by 20% YoY
- EBITDA for FY20 grew by 18.5% YoY and EBITDA margin continued to remain robust at 21%
- During Q4FY20, the Company took a maintenance shutdown of its Nadiad plant for 7 days. Also, towards the end of the year, operations were impacted due to the COVID-19 Pandemic as a result of which both the manufacturing plants were shut down w.e.f 24th Mar'20. Had this event not taken place the revenue and operating profitability growth would have been more robust
- As the food products are essential goods, the operations at both the plant were partially restored with limited manpower w.e.f. from 1st April 2020

Consolidated balance sheet

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
Shareholders' Funds	204.4	171.8	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
Total Non-Current Liabilities	213.1	182.0	Total Non-Current Assets	94.4	89.3
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
Total Current Liabilities	58.8	22.3	Total Current Assets	177.5	114.9
Total Liabilities	271.9	204.2	Total Assets	271.9	204.2

New product launches in FY20



Use of Natural Flavors, No Artificial Colors and Essence



100% Vegetarian, Just Heat & Eat, Microwaveable in 90 seconds



No Trans Fat, No Cholesterol, Vegan, Ready-to-eat

Started operations with COVID-19 precautionary norms

Nasik Plant



Nadiad Plant

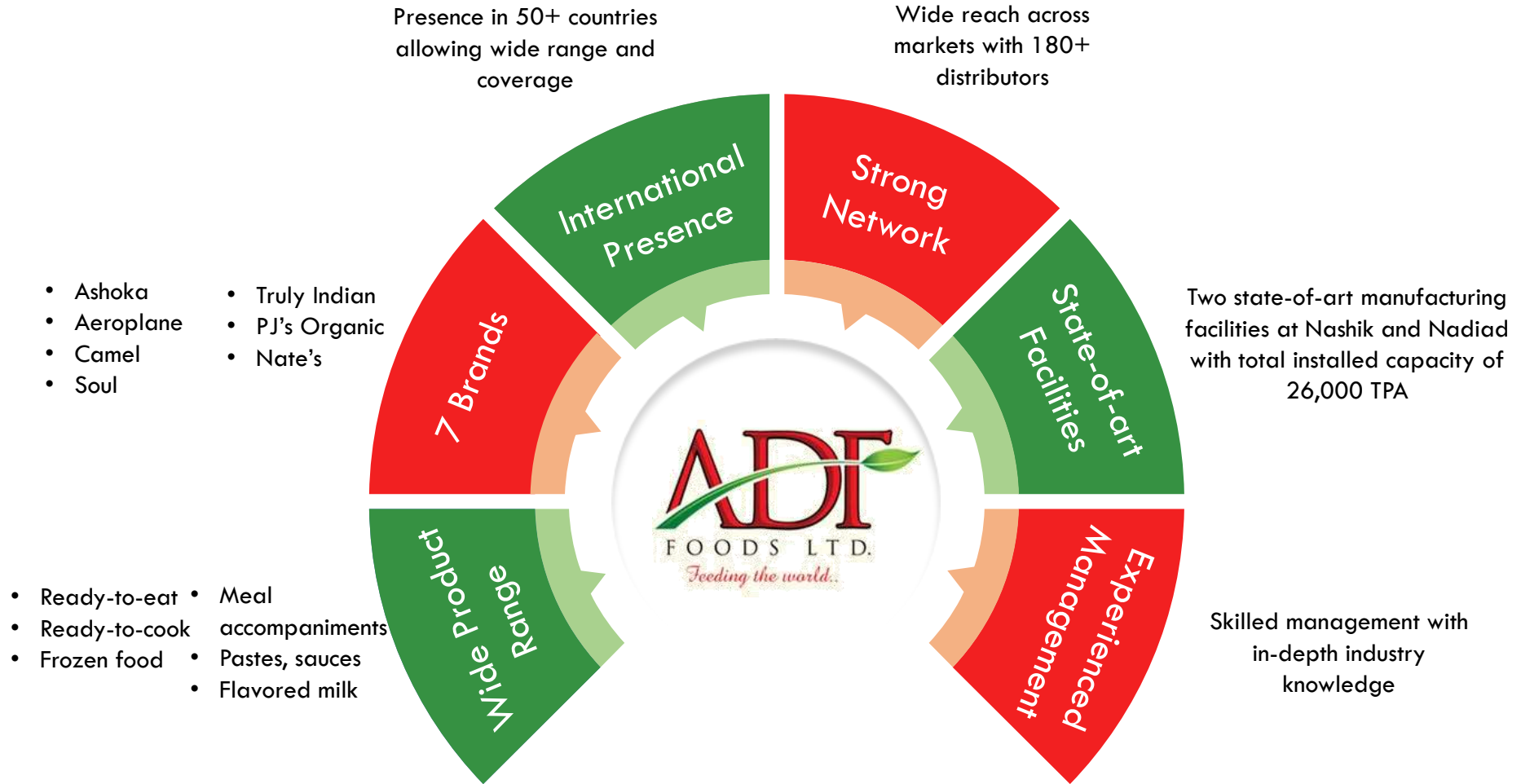


- Strict adherence to Social Distancing norms at the manufacturing plants and in transport vehicles
- Regular cleaning and disinfection of factory premises and machines
- Personal Protection Equipment (masks, gloves, headgears) to the staff and workers

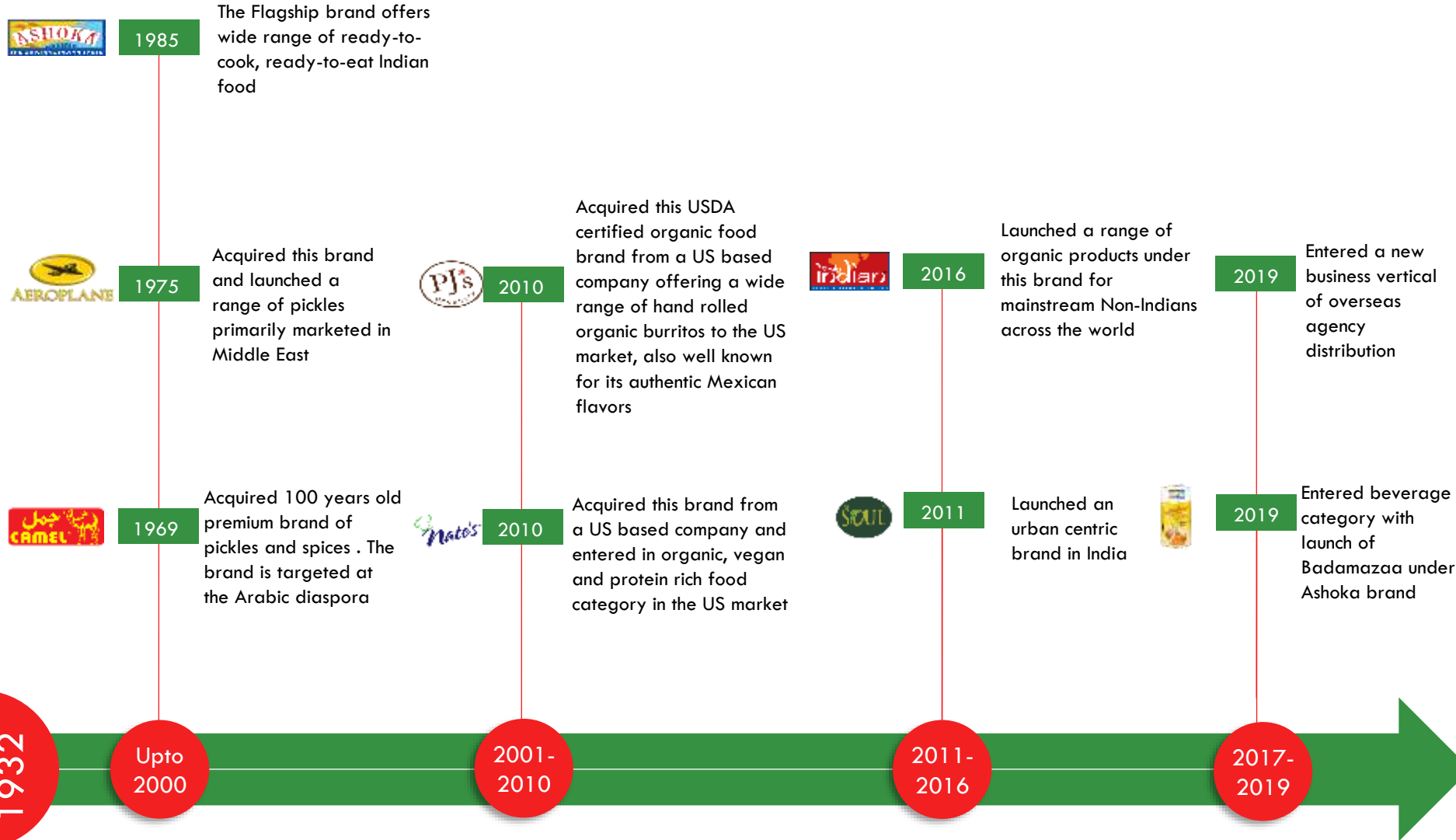


About the company

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

Anish Jhaveri

CFO

- 30+ years of experience in corporate finance function for capital intensive companies
- Chartered Accountant and hold a bachelor's degree in commerce

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

Shalaka Ovalekar

CS & Legal Head

- 15+ years of experience in secretarial and legal functions
- She 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

Narayan Kadam

GM, Works (Nasik)

- 15+ years of experience in factory management
- Holds a master's degree in food science and 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

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

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

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

Strengthened Board in FY20 through new additions

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⁽¹⁾



UK
~£650 Mn

Growth
6-7%

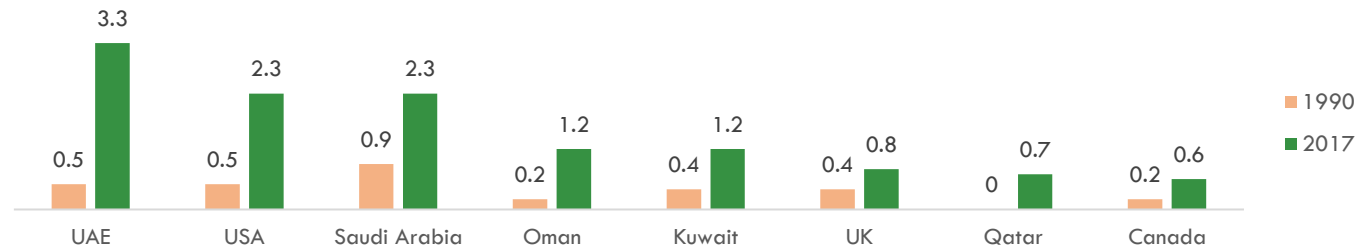


US
~\$350 Mn

Growth
7-8%

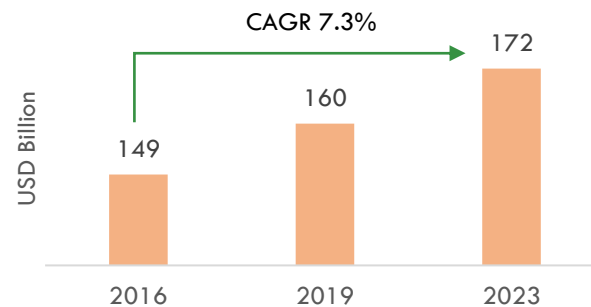
➤ Indian diaspora driving demand for ethnic RTE food

Indians staying abroad (in millions) ⁽²⁾



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

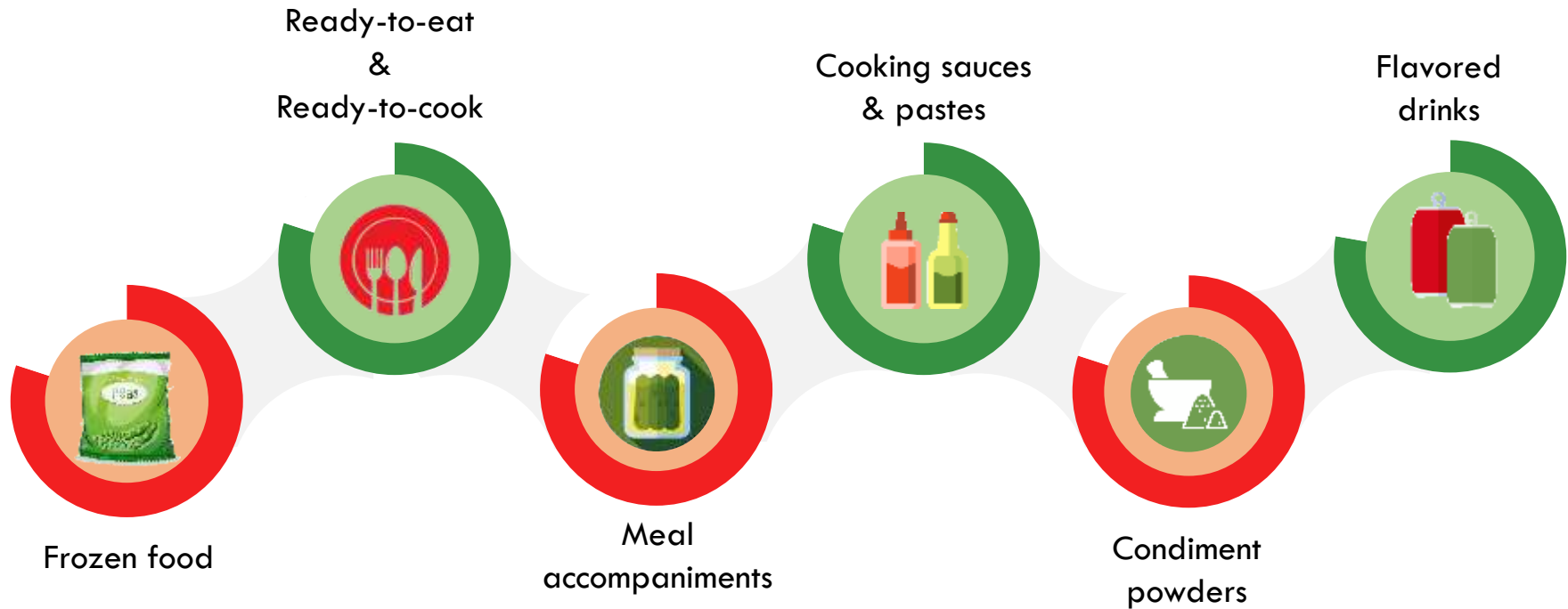
➤ Increasing preference over convenience food



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⁽³⁾

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
 In FY19, the company entered a new segment of flavored drinks with the launch of “Badamazza” under its Ashoka brand

Strong distribution network



50+

Countries

180+

Distributors

7

Country managers

Manufacturing units

Nadiad Facility

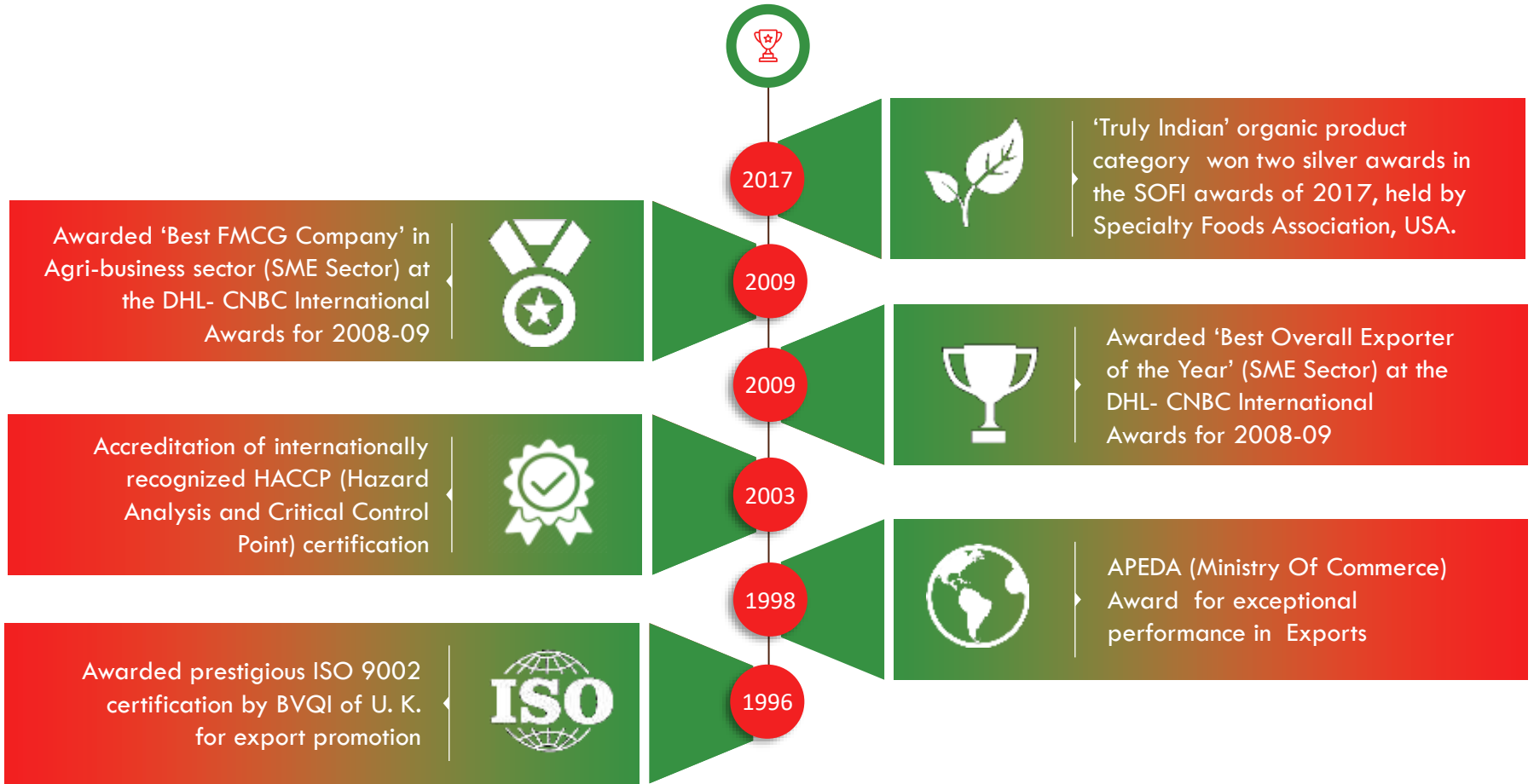


- ❑ 2 state of the art manufacturing plants located at Nasik spread across 10,100 sq. meters of area and Nadiad with a built-up area of 15,000 sq. meters
- ❑ Both the facilities are HACCP (Hazard Analysis and Critical Control Point) and BRC (British Retail Consortium) accredited.

Nasik Facility



Awards & recognition



Certifications and accreditations





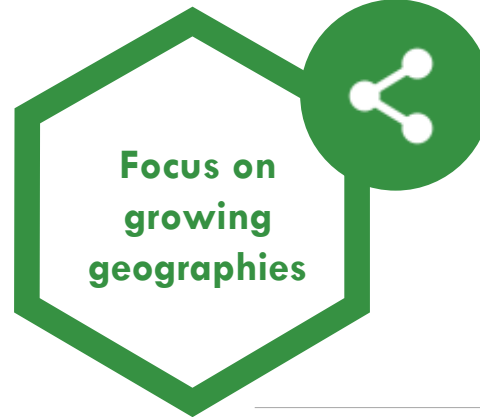
Growth strategies

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



- 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



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



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



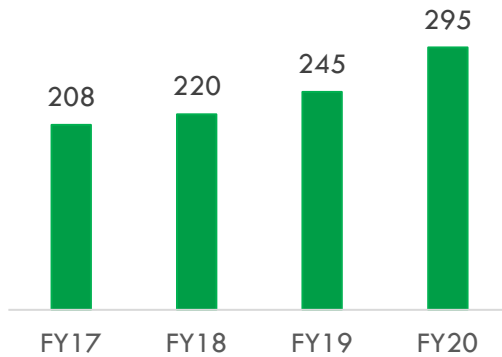


Historical financial overview

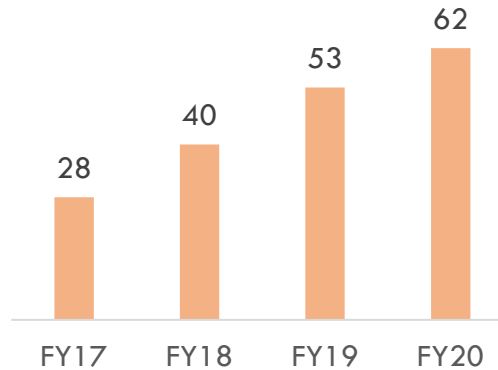
Consolidated financial performance

Rs Cr

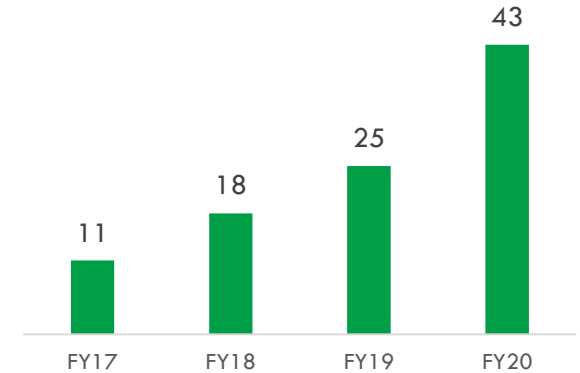
Total Income
9.5% 3year CAGR



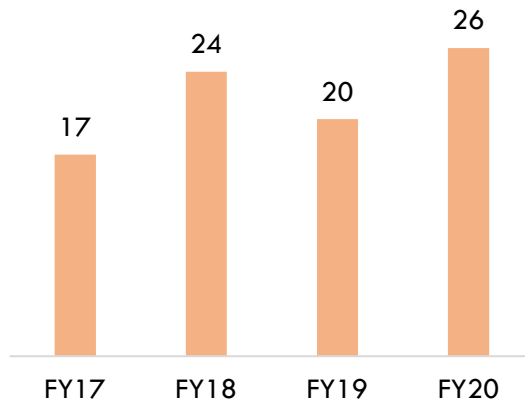
EBIDTA
30% 3year CAGR



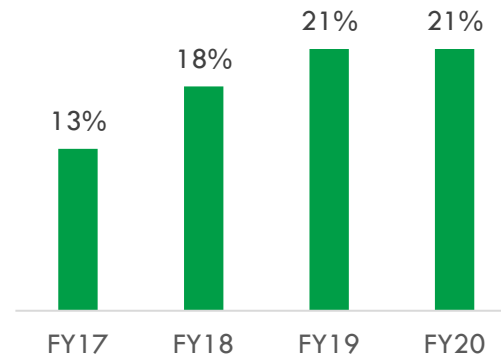
PAT
57% 3year CAGR



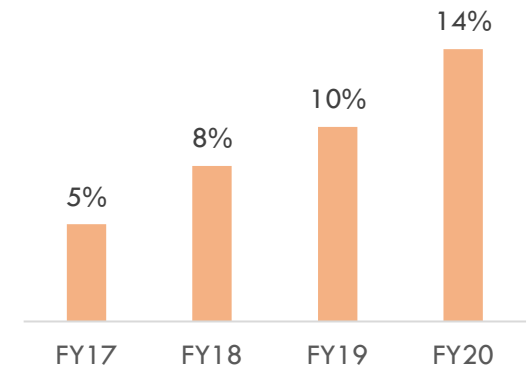
Cash flow from operations



EBIDTA Margins %



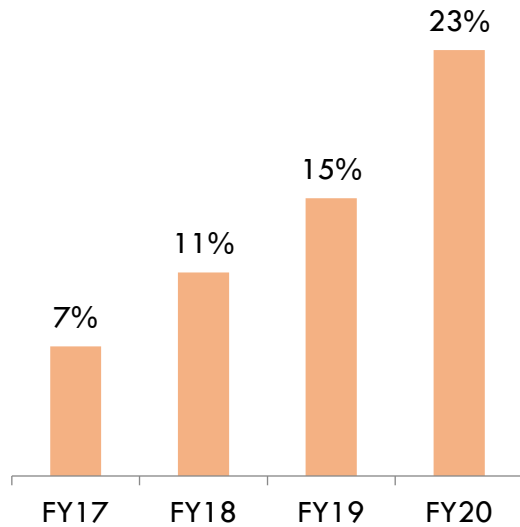
PAT Margins %



Robust returns ratios

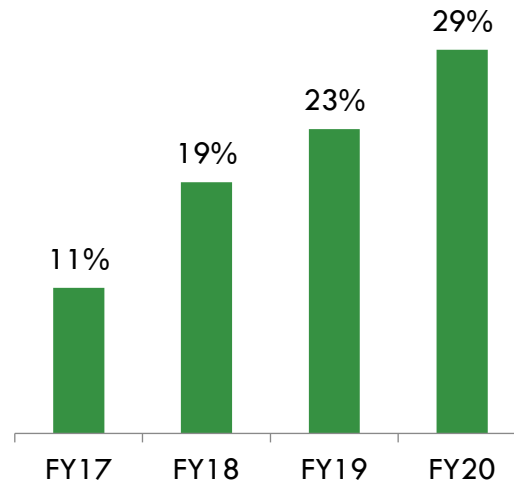
Return on Equity

%



Return on Capital Employed

%



Net Worth

Rs in Cr



Historical profit and loss statement

(Rs Cr)	Standalone			Consolidated		
	FY18	FY19	FY20	FY18	FY19	FY20
Revenue from operations	163.8	187.5	182.1	201.0	231.4	272.8
Other income	18.6	14.1	21.8	18.6	14.1	21.8
Total Income	182.4	201.6	203.8	219.6	245.5	294.6
Cost of material consumed	78.2	89.33	81.81	78.2	89.3	81.8
Changes in inventories	2.8	-4.2	-0.5	1.5	-11.1	-19.2
Purchase of stock-in-trade	11.4	6.6	7.5	34.2	42.0	86.4
Employee expenses	13.9	13.4	15.1	16.4	16.1	17.6
Other expenses	39.7	47.3	52.2	49.3	56.3	65.4
Total Operating expenses	146.0	152.4	156.1	179.6	192.7	232.1
EBITDA	36.4	49.2	47.7	40.0	52.8	62.5
EBITDA margin	20.0%	24.4%	23.4%	18.2%	21.5%	21.2%
Finance cost	1.1	0.9	1.3	1.1	0.9	1.3
Depreciation and Amortization	4.4	4.3	5.5	6.8	14.2	5.9
PBT	30.9	44.0	40.9	32.1	37.7	55.3
PBT margin	17.0%	21.8%	20.0%	14.6%	15.4%	18.8%
Tax Expenses (Credits)	8.6	13.5	9.1	14.0	12.4	12.2
Exceptional Items	-	-	-0.3	-	-	-0.3
PAT	22.3	31.5	30.5	18.1	25.3	42.8
PAT Margin	12.3%	15.4%	15.1%	8.2%	10.3%	14.5%

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 - Standalone

LIABILITIES (Rs in Cr)	FY20	FY19	ASSETS (Rs in Cr)	FY20	FY19
Share Capital	20.4	20.4	Fixed Assets incl. CWIP	58.2	48.7
Reserves	210.9	190.0	Intangible Assets	21.4	21.4
Shareholders' Funds	231.3	210.4	Income Tax Asset (Net)	4.6	3.2
Deferred tax liability	6.8	8.7	Other Financial Assets	68.6	63.0
Other liabilities	1.6	1.2	Other Non Current Assets	3.8	-
Total Non-Current Liabilities	239.7	220.3	Total Non-Current Assets	156.5	136.3
Trade Payables	13.7	11.0	Inventories	27.6	26.2
Other Current Liabilities	2.2	2.1	Sundry Debtors	43.9	42.2
Current Tax Liabilities	0.3	1.8	Cash and Bank	26.7	16.7
Other Financial Liabilities	7.6	2.6	Other Financial Assets	7.1	8.0
Short Term Borrowings	23.2	-	Other Current Assets	24.9	8.4
Total Current Liabilities	47.0	17.5	Total Current Assets	130.2	101.5
Total Liabilities	286.7	237.8	Total Assets	286.7	237.8



Thank You

Anish Jhaveri (CFO)/ Shalaka Ovalekar (CS)

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