



Q1 Earnings Presentation
August 2021

Advanced Enzyme Technologies Limited

» 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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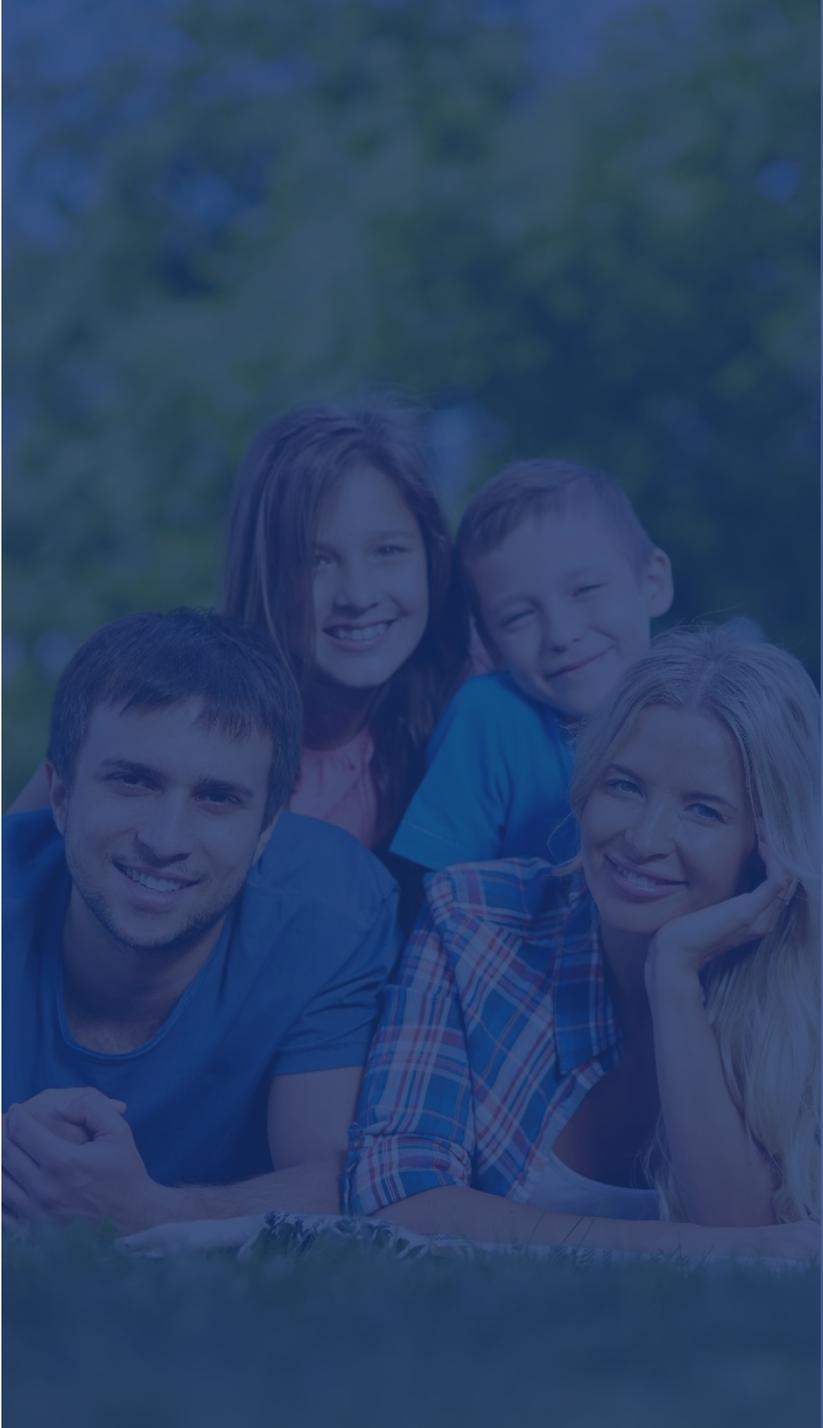
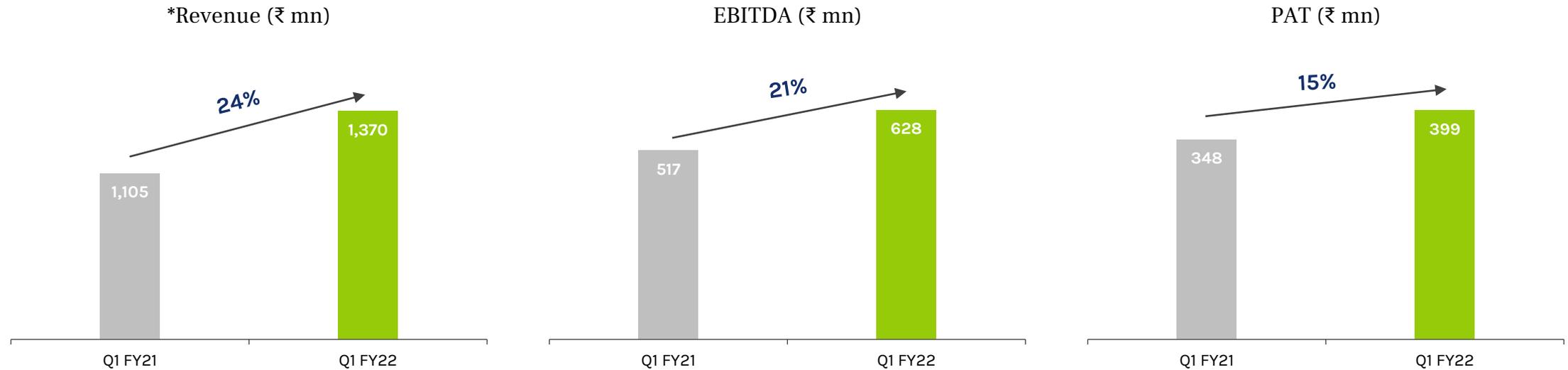


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» Results Summary – Q1 FY22 (Consolidated) Y-o-Y



Despite trailing impact of COVID -19 and panic across globe, we performed exceptionally well and that is quantified below.

- Revenue grew by 24% on y-o-y basis to ₹ 1,370 million in the Q1 FY22 from ₹ 1,105 million in the Q1 FY21 and 3% on sequential basis from ₹ 1,332 million in the Q4 FY21
- EBITDA grew by 21% to ₹ 628 million in the Q1 FY22 as against ₹ 517 million in Q1 FY21 on y-o-y basis and 14% on sequential basis from ₹ 549 million in the Q4 FY21
- PAT increased to ₹ 399 million in the Q1 FY22 from ₹ 348 million in the Q1 FY21, a growth of 15% on y-o-y basis while it grew by 18% on sequential basis from ₹ 338 million in Q1 FY21
- EBITDA margin and PAT margin during Q1 FY22 stands at 46% and 29% respectively

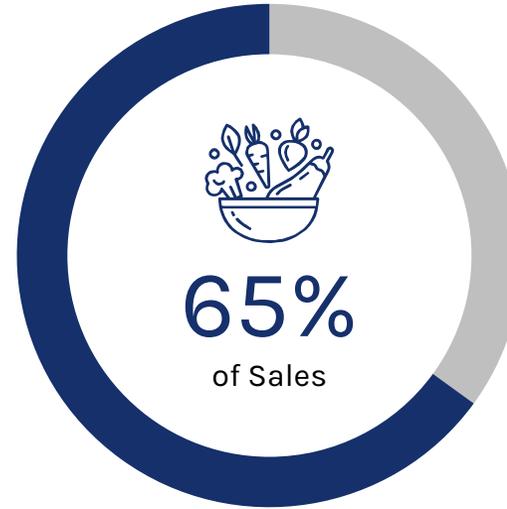
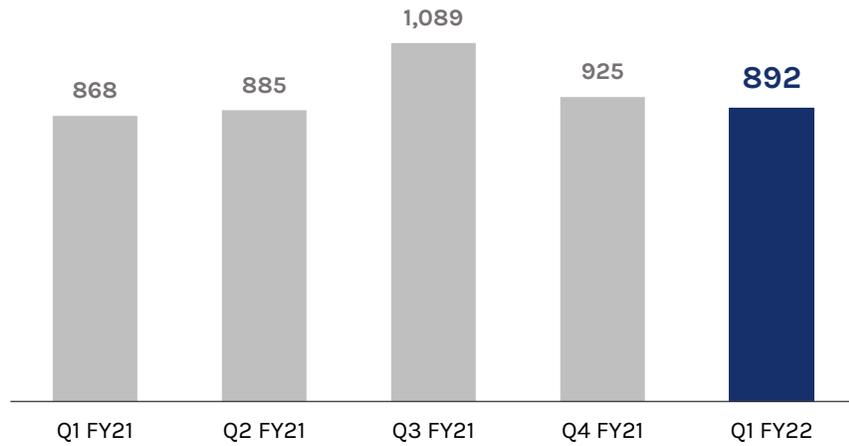
Notes:

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)

Q1 FY22 892
Q1 FY21 868 **+03%**



Commentary:

- The human nutrition segment contributed around 65% during the quarter in the total revenue from operations
- This segment grew by 3% during the quarter from ₹ 868 million in Q1 FY21 to ₹ 892 million in Q1 FY22

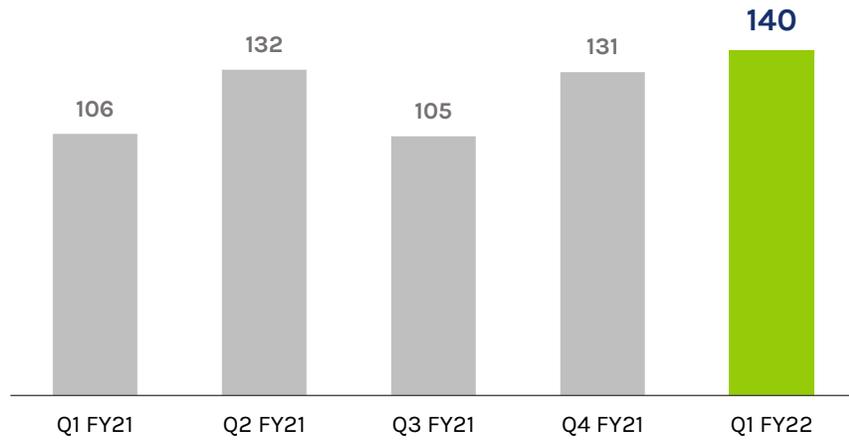


>> Animal Nutrition

(₹ in Million)

Q1 FY22	140
Q1 FY21	106

+32%



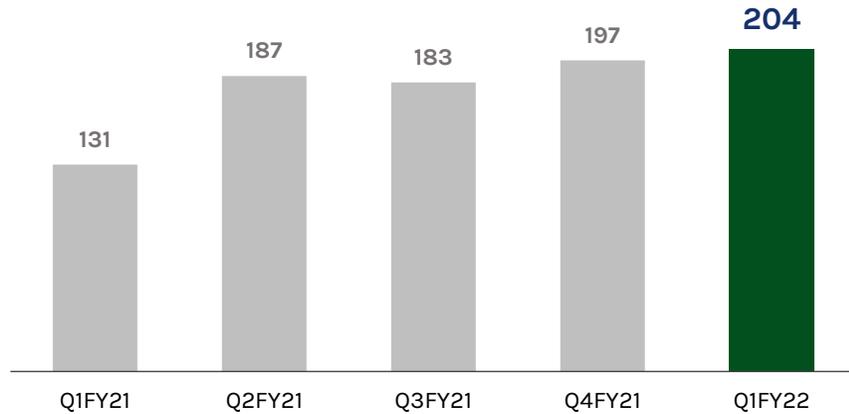
Commentary:

- The Animal nutrition segment contributed about 10% during the quarter in the total revenue from operations
- This segment performed exceptionally well and grew by 32% on y-o-y basis to ₹ 140 million in Q1 FY22 as against ₹ 106 million in Q1 FY21, and it grew by 7% on q-o-q basis

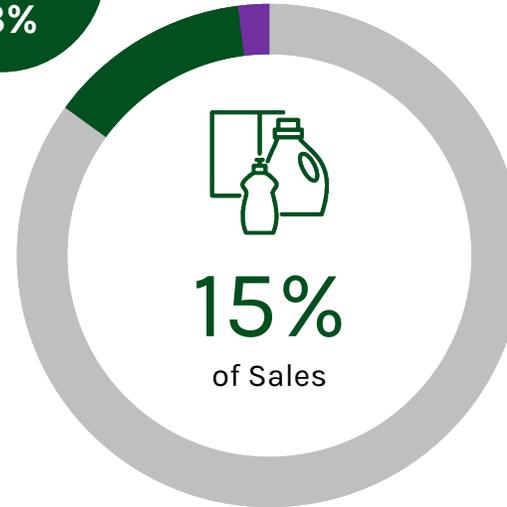


» Industrial Bio-Processing

Q1FY22 204
Q1FY21 131 **+56%**



Q1 FY22: 171
Food
13%



Q1 FY22: 33
Non-Food
2%

(₹ in Million)



Commentary:

- The Industrial Bio-Processing segment contributed about 15% during the quarter in the total revenue from operations which was 12% during the same quarter last year
- This segment outperformed by 56% on y-o-y basis to ₹ 204 million in Q1 FY22 from ₹ 131 million in Q1 FY21, and on q-o-q basis it grew by 3%
- In this segment, food business grew by 101% to ₹ 171 million on y-o-y basis during Q1 FY22 while it grew 34% on sequential basis and the Non-Food business stood at ₹ 33 million during the quarter

» Specialized Manufacturing

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. 10% during the quarter in the total revenue from operations which is ₹ 134 million

SciTech Specialties will also help us in strengthening our B2C segment

(₹ in Million)

Q1FY22	134	+100%
Q1FY21	0	



» Geographical Performance

(₹ in Million)



India

42%

+11%

Q1 FY22	579
Q1 FY21	520



Americas

39%

+10%

Q1 FY22	529
Q1 FY21	480



Europe

08%

+79%

Q1 FY22	116
Q1 FY21	65



Asia*

06%

+158%

Q1 FY22	80
Q1 FY21	31



Rest of the World

05%

+633%

Q1 FY22	66
Q1 FY21	9

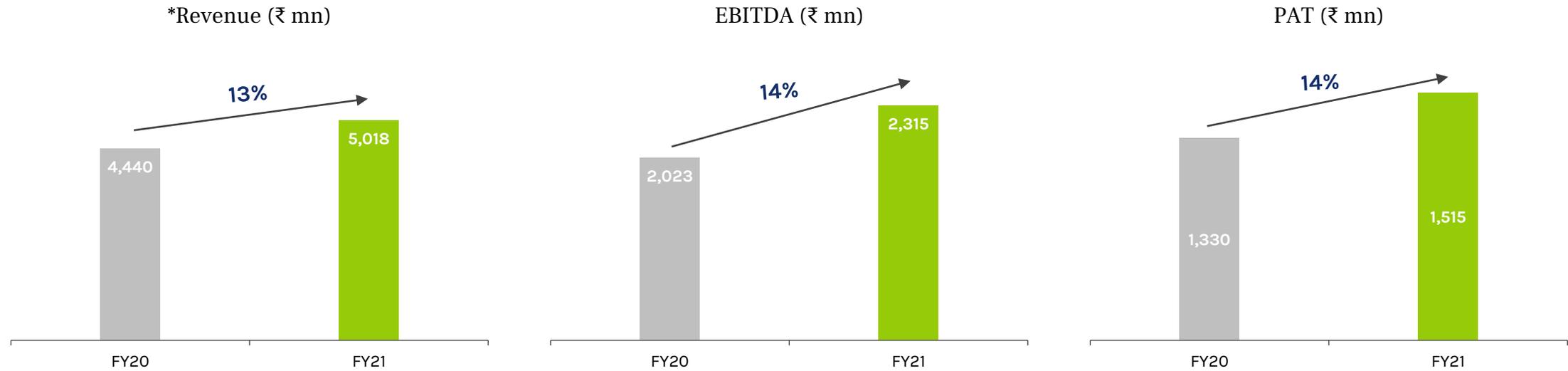
*Asia is excluding India

» Profit & Loss (Consolidated) – Q1FY22

(₹ in Million)

Particulars	Q1FY22 Un-Audited	Q4FY21 Audited	Q1FY21 Un-Audited	Y-o-Y (%)	FY21 Audited	FY20 Audited	Y-o-Y (%)
Income from Operations	1,370	1,332	1,105	+24	5,018	4,440	+13
Expenses	824	867	654	+26	2,986	2,675	+12
Profit from Operations before Other Income, Finance Costs and Exceptional Item	546	465	451	+21	2,032	1,765	+15
Other Income	9	17	52	-83	88	56	+57
Profit from ordinary activities before Finance Costs and Exceptional Item	555	482	503	+10	2,120	1,821	+16
Finance costs	5	4	5	0	16	30	-47
Profit from ordinary activities before tax	550	478	498	+10	2,104	1,791	+17
Tax	151	140	150	+1	589	461	+28
Net Profit for the period	399	338	348	+15	1,515	1,330	+14
Earnings Per Share	3.40	2.84	3.13		13.09	11.58	

» Results Summary – FY21 (Consolidated) Y-o-Y



Animal HC

FY21	475	11%
FY20	536	



Human HC

FY21	3,786	18%
FY20	3,211	



Bio Processing

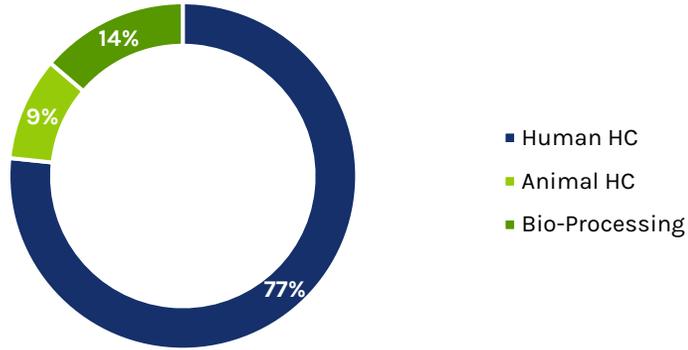
FY21	678	1%
FY20	683	

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.
5. Product categorywise revenue does not include SSPL numbers

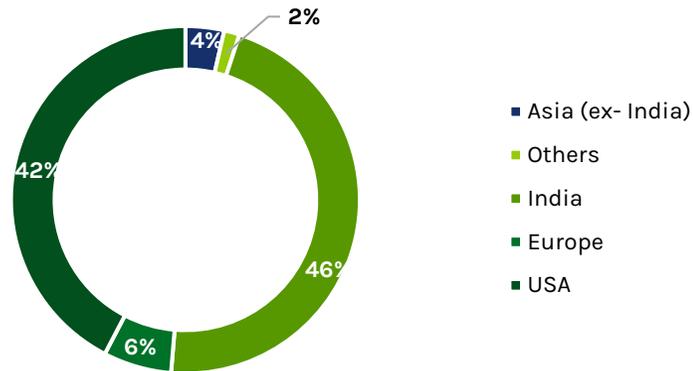
Revenue Split – FY21 vs. FY20

FY21

Product Category-wise (%)

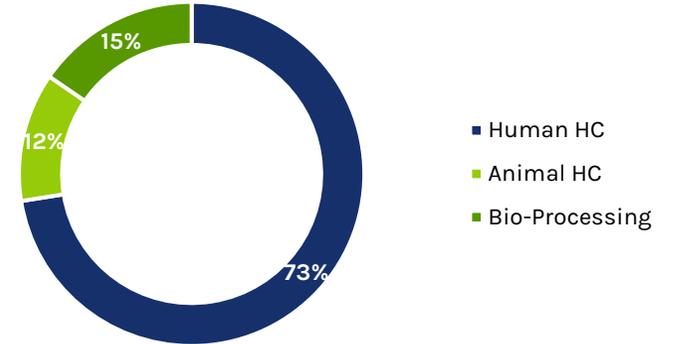


Geographical Revenue Split (%)

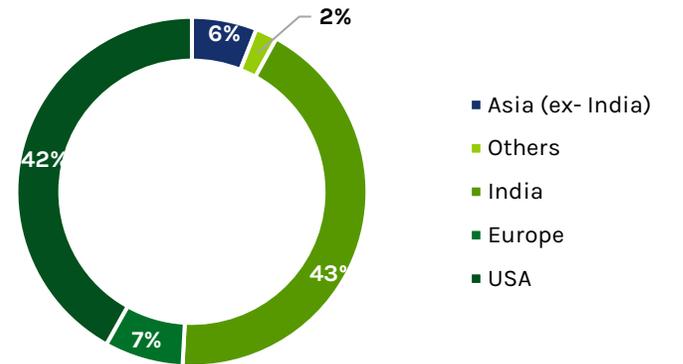


FY20

Product Category-wise (%)



Geographical Revenue Split (%)

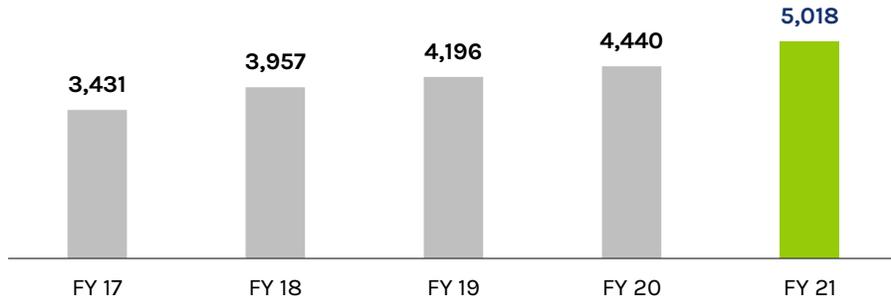


1. On Consolidated Basis
2. EBIDTA is including other income
3. Segment-wise revenue does not include other operating income
4. Ind AS adjustments are carried out on account of commission and discount.
5. Product categorywise revenue does not include SSPL numbers

» Strong Financial Performance – FY21

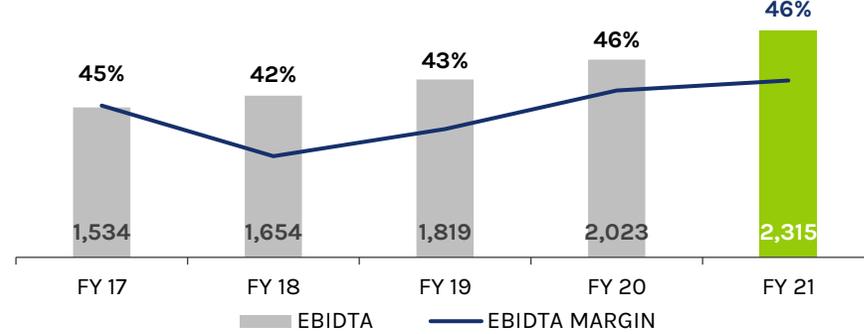
(₹ in Million)

Revenue from Operations



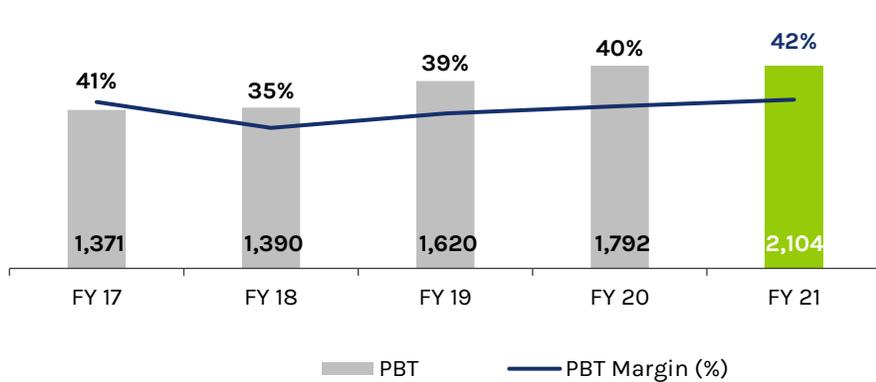
**CAGR
9.97%**

EBIDTA & EBIDTA Margin (%)



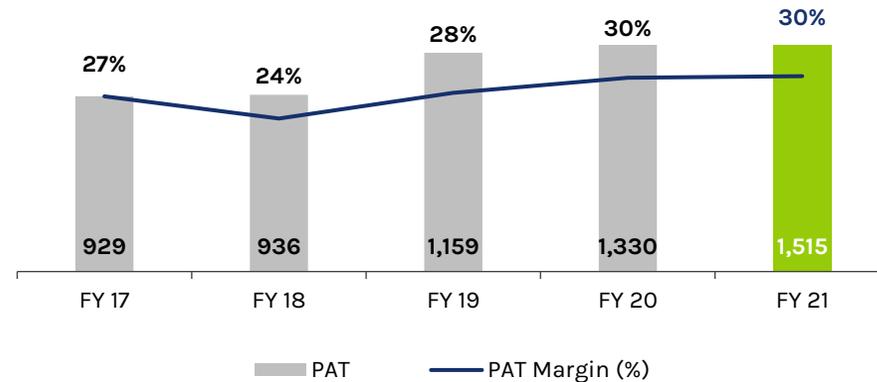
**CAGR
10.84%**

PBT & PBT Margin (%)



**CAGR
11.30%**

PAT & PAT Margin (%)

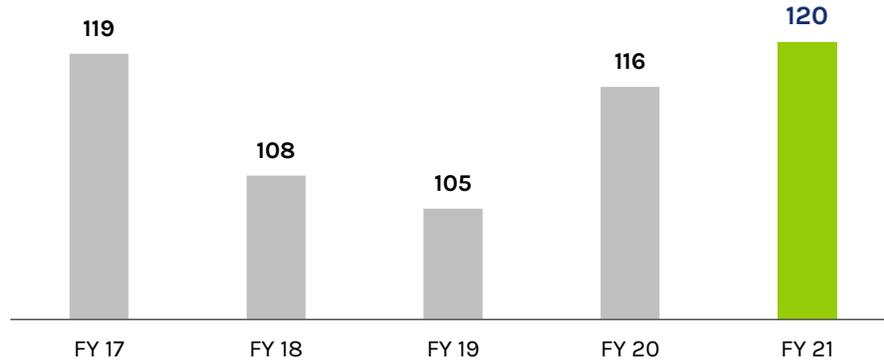


**CAGR
13.01%**

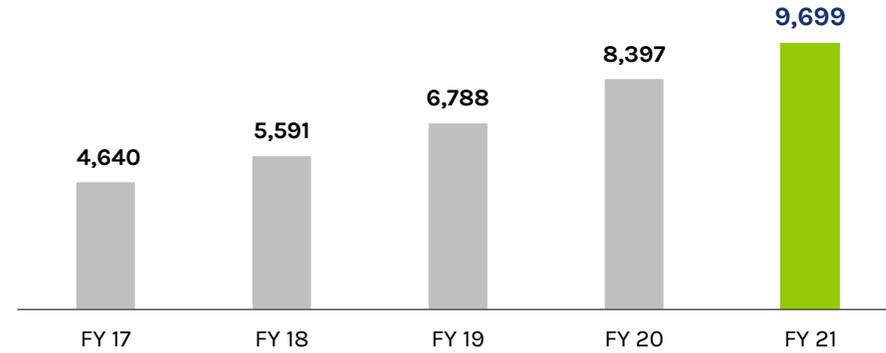
Note: All the numbers are as per IndAs
All numbers are on Consolidated basis
ROE = Profit after tax / Average shareholder equity; RoCE = (Net Profit before Tax, Exceptional and extraordinary items + Finance cost) / Average (Net debt + Networth)

» Strong Financial Performance – FY21

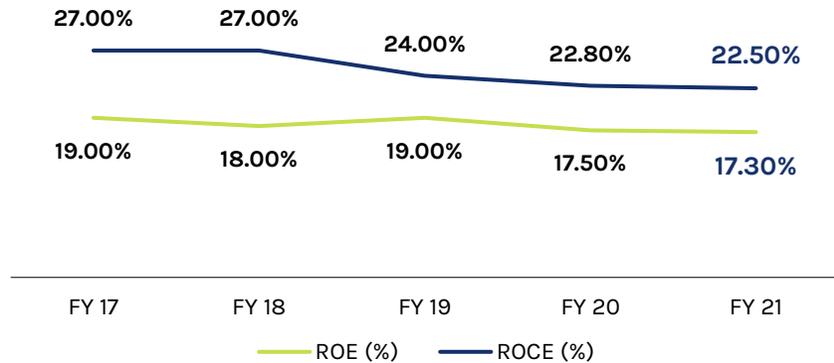
Net Working Capital (Days)



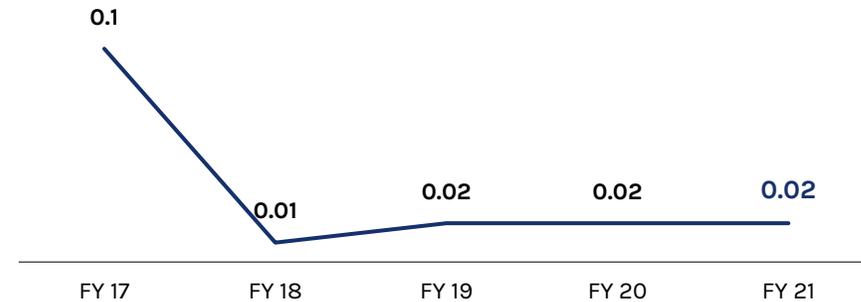
Net Worth (₹ mn)



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	FY21 Audited	FY20 Audited	FY19 Audited
Assets			
Property, plant and equipment	2,382	2,096	1,618
Capital work-in-progress	104	101	105
Intangible assets	725	592	622
Goodwill	2,901	2,941	2,715
Other non-current assets	253	251	183
Current assets	5,162	3,757	2,820
Assets held for sale	0	48	48
Total Assets	11,527	9,786	8,111
Equity And Liabilities			
Equity share capital	223	223	223
Other equity	9,483	8,173	6,565
Non-controlling interest	601	278	260
Non-current liabilities	543	461	358
Current liabilities	677	596	651
Liabilities classified as held for sale	0	55	54
Total – Equity and Liabilities	11,527	9,786	8,111

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
m³ Fermentation
Capacity



25+
Years of Fermentation
Experience

Note: Facts & Figures as on 31st March, 2021

* Patents includes the filed applications

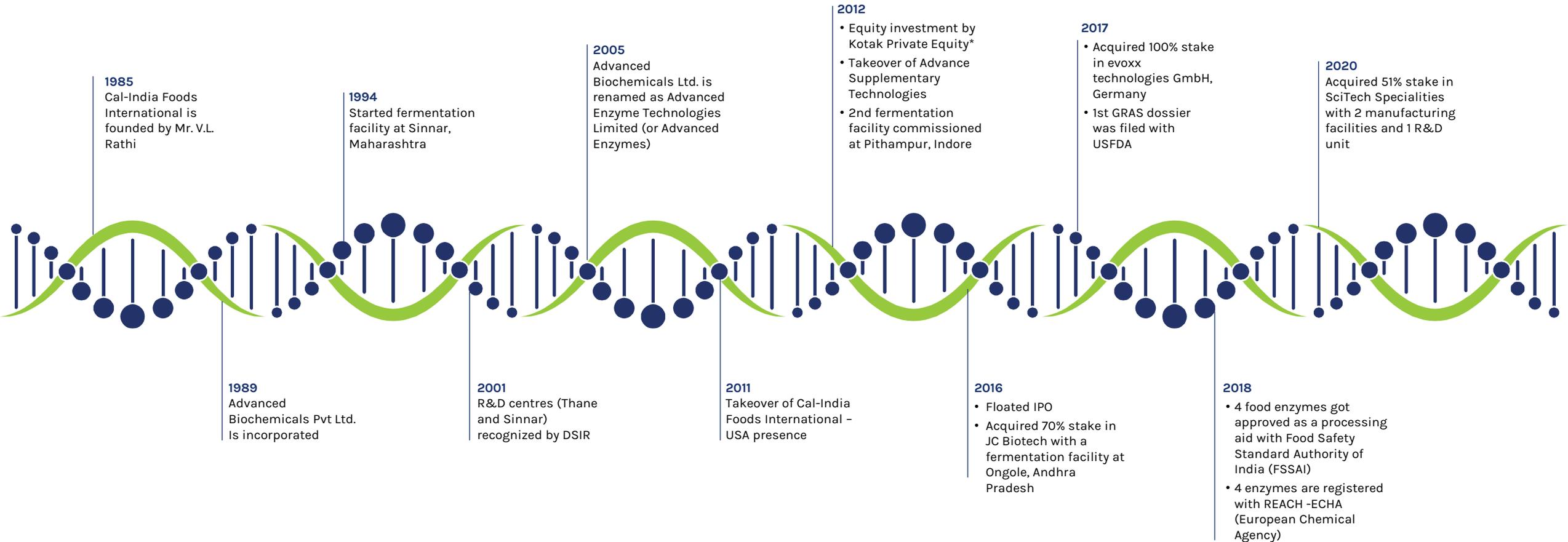
#Food Dossier filed with EFSA, out of which positive R&D Units opinion is received for 4 Dossiers & 8 are under evaluation

**No question letter received for 2 Dossier, another 3 are 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. Vilas Aurangabadkar
Independent Director



Mr. Sunny Sharma
Non-Executive Director



Ms. Rajshree Patel
Independent Director

» Management Team



Dr. Anil Gupta

Vice President / Research & Development



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

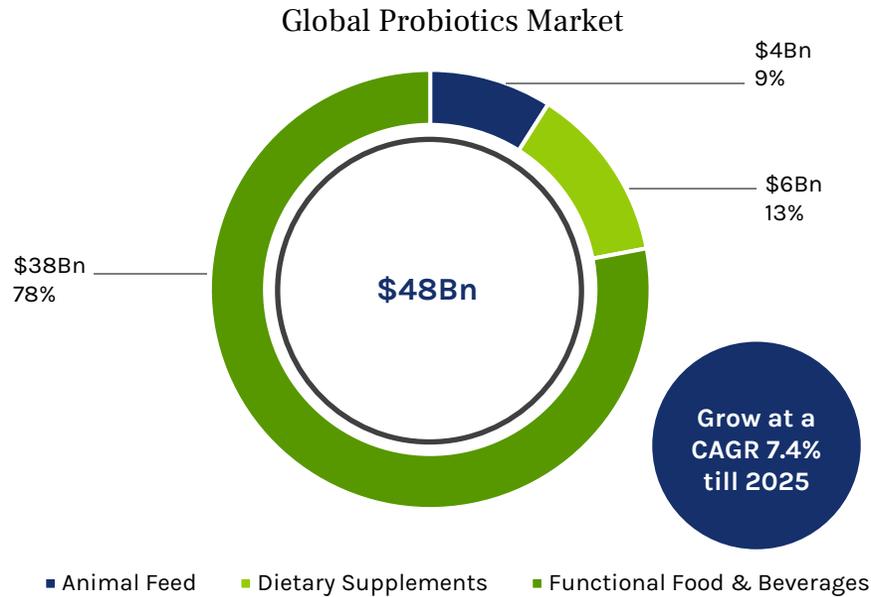
Managing Director /Head Of Research and
Development - Evoxx Technologies,
Germany



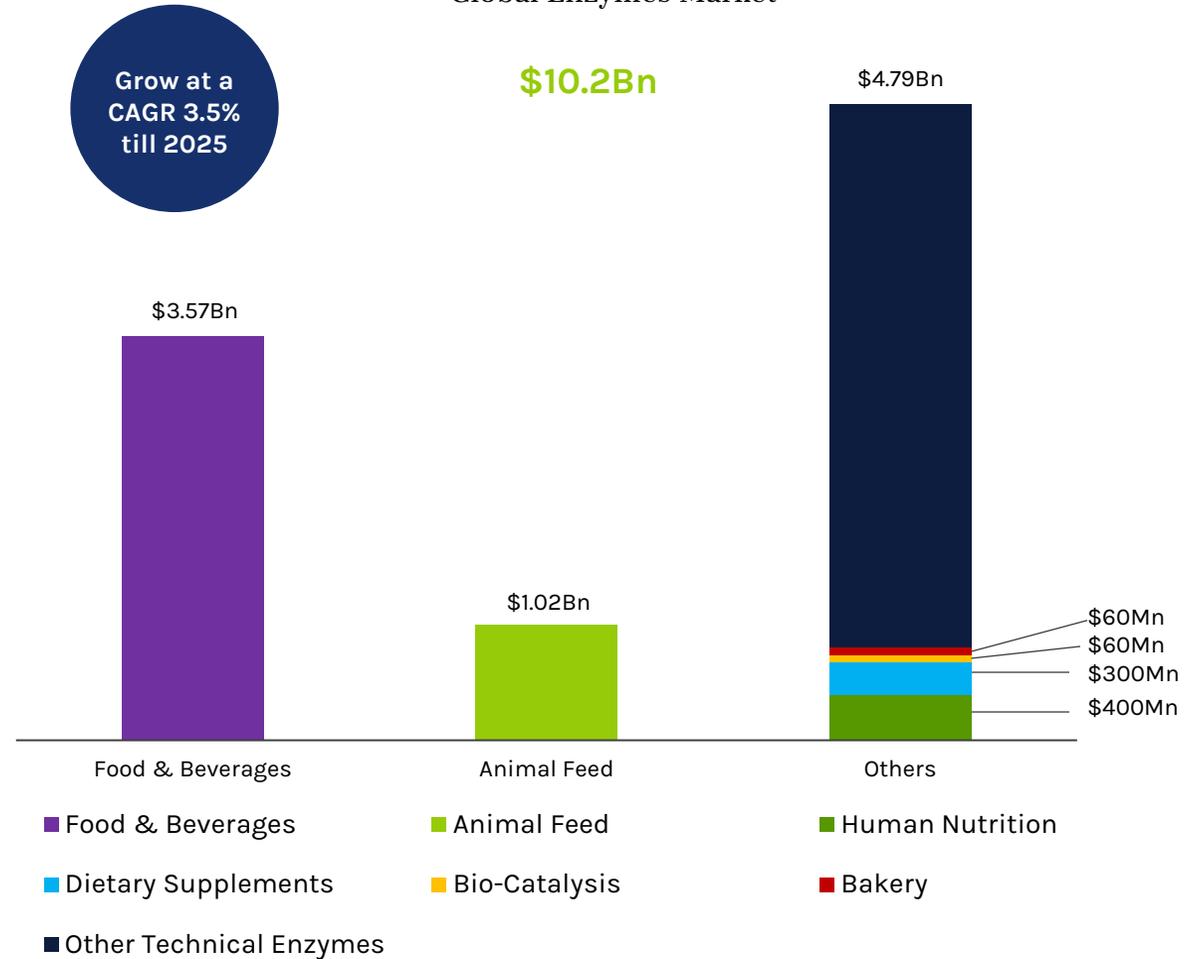
Mr. Sanjay Basantani

Company Secretary & Head Legal

>> How Big is the Opportunity?



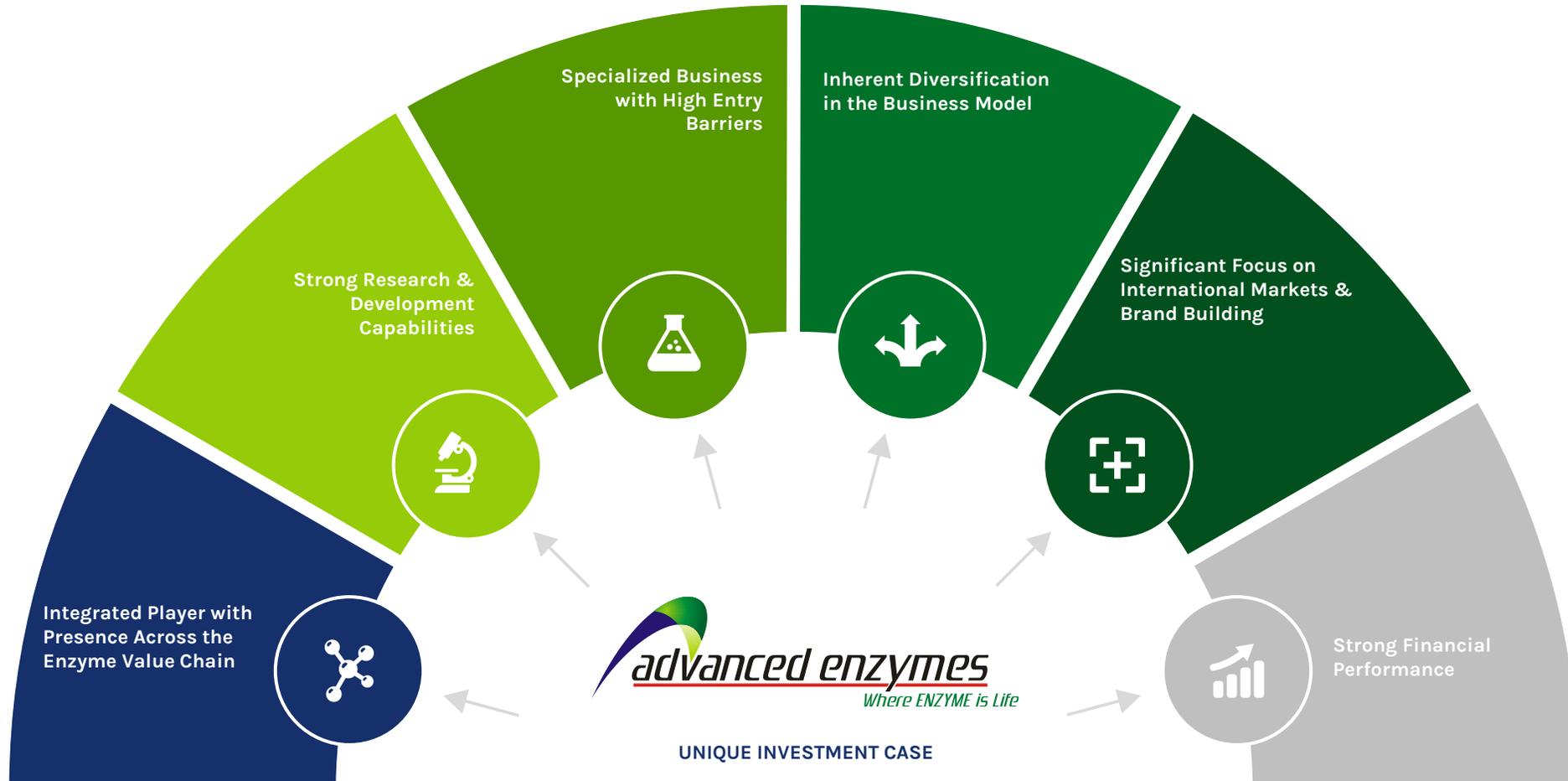
Global Enzymes Market



Focus Area	Addressable market for AETL over next 5 years
Bio-catalysis	\$ 30 mn*
Baking	\$ 30 mn
Animal Nutrition	\$ 40 mn
Probiotics	Majority of the market is untapped, so this a huge opportunity

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

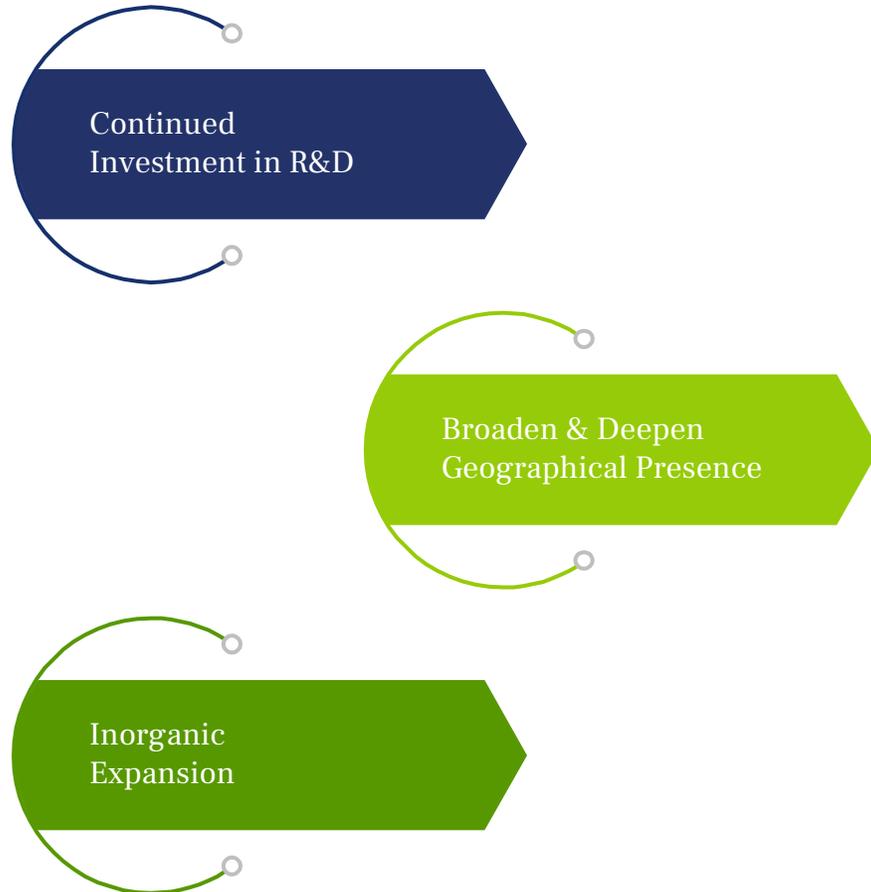
Presence of more than 3 decades in the industry with prolonged & dedicated "enzyme" focus



Invaluable Experience & Customer Insights

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

» Future Growth Drivers



- 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

» Foraying into B2C in India

Post the success of B2C segment in USA, now we are foraying it in India

Advanced Enzymes is performing well into the B2C segment in America, under the name of AST Enzymes and Dynamic Enzymes

We are replicating the same business model in the Indian markets to explore new avenues and accelerate growth

In this segment, we will be focusing on Human nutrition and nutraceuticals business

The Point of Sales (POS) for these products will be our own online platform and through other parallel online sales channels

We are in the advanced stage to launch owned B2C nutraceutical online platform targeting Indian customers

This segment should be the next interesting growth driver for the Company



» 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 06th Aug 2021)

	Market Capitalization (₹)	46,165 mn
	Shares Outstanding	111.72 mn
	Free Float	44.62%
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

Stock Chart (As on 06th Aug 2021)

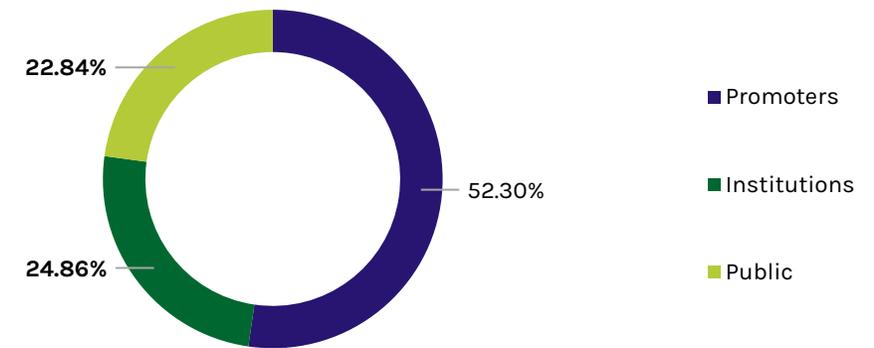


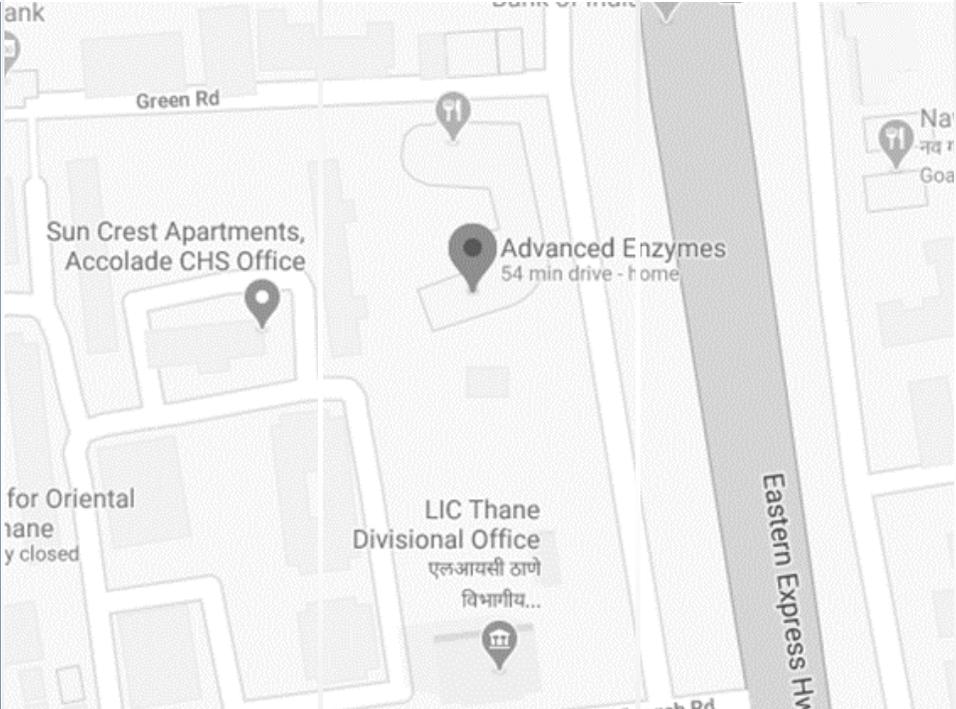
Source: NSE
Note: Data mentioned in above chart is as on 31st March 2021

Top 5 Institutional Holders (As on 30th Jul 2021)

Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
NALANDA INDIA EQUITY FUND	4.74
HDFC AMC	4.21
ICICI PRUDENTIAL MF	2.20
UTI MF	1.55

Shareholding Pattern (%)





Thank You

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Manager - Investor Relations

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