



FOR IMMEDIATE RELEASE

QUARTERLY EARNINGS RELEASE

Mumbai, India: Tuesday, November 02, 2021

Advanced Enzyme Technologies Limited announces Financial Results for Second Quarter and Half Year ended September 2021

Advanced Enzyme Technologies Limited (Advanced Enzymes; NSE: ADVENZYMES; BSE: 540025), a leading specialty biotech company, with global leadership in the manufacturing of enzymes, today announced their unaudited financial results for second quarter and half year ended September 2021.

CONSOLIDATED QUARTERLY FINANCIAL HIGHLIGHTS:

(Amount in INR Mn.)	Q2 FY22	Q1 FY22	Q2 FY21	Change (Y-o-Y %)	Change (Q-o-Q %)	H1 FY22	H1 FY21	Change (Y-o-Y%)
Revenue	1,271	1,370	1,204	+06	-07	2,641	2,309	+14
EBITDA	493	627	585	-16	-21	1,120	1,102	+02
EBITDA Margin (%)	39	46	49			42%	48%	
PAT	303	397	386	-22	-24	700	734	-05
PAT Margin (%)	24	29	32			27%	32	
EPS	2.66	3.40	3.33			6.05	6.40	

CONSOLIDATED QUARTERLY FINANCIAL REVIEW (Y-o-Y basis):

Revenue from Operations:

Revenue from operations on consolidated basis increased to ₹ 1,271 million in the Q2 FY22 from ₹ 1,204 million in the Q2 FY21, showcasing a growth of 6%.

Profit:

Consolidated EBITDA during Q2 FY22 stands at ₹ 493 million as compared to ₹ 585 million during Q2 FY21, decrease of 16%.

Profit before tax stands at ₹ 413 million during Q2 FY22 as against ₹ 520 million in Q1 FY21.

Profit after tax stands at ₹ 303 million during Q2 FY22 as compared to ₹ 386 million during the Q2 FY21.

Margin:

EBITDA margin stands at 39%, PBT margin stands at 32% and PAT margin stands at 24% during the quarter.

Financial Costs:

Financial costs declined by 12% to ₹ 3 million during Q2 FY22 on y-o-y basis

Depreciation and Amortization:

Depreciation and Amortization charge for the Q2 FY22 is ₹ 86 million as compared to ₹ 68 million in the same quarter previous year.

Earnings Per Share:

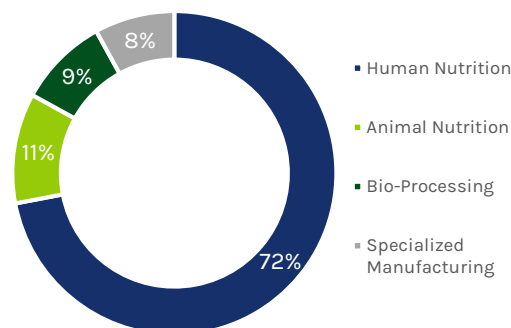
Earnings Per Share during Q2 FY22 stands at ₹ 2.66 as compared to ₹ 3.33 in Q2 FY21.



OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q2 FY22	Q1 FY22	Q2 FY21	Change (%)
Human Nutrition	920	892	885	+4
Animal Nutrition	136	140	132	+3
Bio-Processing	118	204	187	-37
Specialized Manufacturing	97	134	-	+100



The total revenue from operations grew by 6% on y-o-y basis while it de-grew 7% on q-o-q basis.

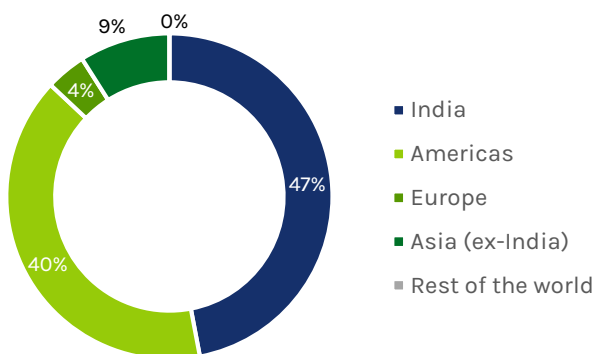
The human nutrition segment maintained its positive streak and grew by 4% to ₹ 920 million in Q2 FY22 as compared to ₹ 885 million in Q2 FY21.

The Animal nutrition delivered a growth of 3% to ₹ 136 million in Q2 FY22 as against ₹ 132 million in Q2 FY21.

The Bio-Processing segment underperformed by 37% during the quarter, it accounted ₹ 118 million in Q2 FY22 as compared to ₹ 187 million in Q2 FY21. In this segment, food business contributed 7% and stood at ₹ 86 million while the Non-Food business contributed 2% and stood at ₹ 32 million during the quarter.

The Specialized manufacturing segment contributed 8% in the pie which ₹ 97 million to the revenue during the quarter.

Geographical Revenue:



The total revenue comprises of International sales amounting to ₹ 676 million in Q2 FY22 as compared to ₹ 700 million in Q2 FY21, slight decline of 3%. The revenue de-grew by 2% in Americas, while it grew by 4% in Europe and strong 18% in Asia (ex-India). The rest of the world remained muted during the quarter.

Domestic sales accounted for ₹ 594 million in Q2 FY22 as compared to ₹ 504 million in Q2 FY21, increase of 18%.

The domestic sales constituted about 47% of revenue from operations during Q2 FY22 as compared to 42% during Q2 FY21. International sales were 53% of revenue from operations as compared to 58% during Q2 FY21.



CONSOLIDATED QUARTERLY FINANCIAL REVIEW (Q-o-Q basis):

Revenue from Operations:

Revenue from operations on consolidated basis decreased to ₹ 1,271 million in the Q2 FY22 from ₹ 1,370 million in the Q1 FY22, showcasing a growth of 7%.

Profit:

Consolidated EBITDA during Q2 FY22 stands at ₹ 493 million as compared to ₹ 627 million during Q1 FY22, decrease of 21%.

Profit before tax stands at ₹ 413 million during Q2 FY22 as against ₹ 547 million in Q1 FY22.

Profit after tax stands at ₹ 303 million during Q2 FY22 as compared to ₹ 397 million during the Q1 FY22.

Financial Costs:

Financial costs declined to ₹ 3 million from ₹ 5 million by 25% on q-o-q basis

Depreciation and Amortization:

Depreciation and Amortization charge for the Q2 FY22 is ₹ 86 million as compared to ₹ 85 million in last quarter.

Earnings Per Share:

Earnings Per Share during Q2 FY22 stands at ₹ 2.66 as compared to ₹ 3.40 in Q1 FY22.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q2 FY22	Q1 FY22	Change (%)
Human Nutrition	920	892	+3
Animal Nutrition	136	140	-3
Bio-Processing	118	204	-42
Specialized Manufacturing	97	134	-28

The human nutrition segment delivered a growth of 3% to ₹ 920 million in Q2 FY22 as compared to ₹ 892 million in Q1 FY22.

The Animal nutrition de- grew by 3 % to ₹ 136 million in Q2 FY22 as against ₹ 140 million in Q1 FY22.

The Bio-Processing segment underperformed by 42% during the quarter, it accounted ₹ 118 million in Q2 FY22 as compared to ₹ 204 million

in Q1 FY22. In this segment, food business stood at ₹ 86 million a decline of 50% while the Non-Food business stood at ₹ 32 million during the quarter and remained flat in comparison to Q1 FY22

The Specialized manufacturing segment decreased by 28% to ₹ 97 million in Q2 FY22 from ₹ 134 million Q1 FY22

Geographical Revenue:

The total revenue comprises of International sales amounting to ₹ 676 million in Q2 FY22 as compared to ₹ 791 million in Q1 FY22, decline of 15%. The revenue de-grew by 3% in Americas, 54% in Europe and strong 37% in Asia (ex-India). The rest of the world declined by 95% on Q-o-Q basis.

Domestic sales accounted for ₹ 594 million in Q2 FY22 as compared to ₹ 579 million in Q1 FY22, increase of 3%.

The domestic sales constituted about 47% of revenue from operations during Q2 FY22 as compared to 42% during Q1 FY22. International sales were 53% of revenue from operations as compared to 58% during Q1 FY22.



CONSOLIDATED HALF YEARLY FINANCIAL REVIEW (Y-o-Y basis):

Revenue from Operations:

Revenue from operations on consolidated basis increased to ₹ 2,641 million in the H1 FY22 from ₹ 2,309 million in the H1 FY21, showcasing a growth of 14%.

Profit:

Consolidated EBITDA during H1 FY22 stands at ₹ 1,120 million as compared to ₹ 1,102 million during H1 FY21, increase of 2%.

Profit before tax stands at ₹ 960 million during H1 FY22 as against ₹ 1,017 million in H1 FY21.

Profit after tax stands at ₹ 700 million during H1 FY22 as compared to ₹ 734 million during the H1 FY21.

Margin:

EBITDA margin stands at 42%, PBT margin stands at 36% and PAT margin stands at 27% during the H1 FY22.

Financial Costs:

Financial costs remained flat at ₹ 8 million during H1 FY22.

Depreciation and Amortization:

Depreciation and Amortization charge for the H1 FY22 is ₹ 171 million as compared to ₹ 135 million in H1 FY21. The increase is on the account of SciTech Specialties Pvt. Ltd. (SSPL) consolidation in H1 FY22 (SSPL was acquired on Jan 11, 2021).

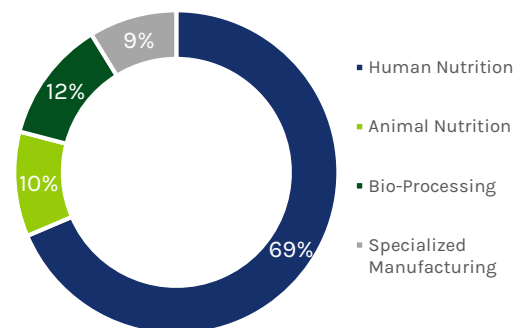
Earnings Per Share:

Earnings Per Share during H1 FY22 stands at ₹ 6.05 as compared to ₹ 6.40 in H1 FY21.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	H1 FY22	H1 FY21	Change (%)
Human Nutrition	1,812	1,765	+3
Animal Nutrition	276	239	+16
Bio-Processing	321	305	+5
Specialized Manufacturing	232	-	+100



The total revenue from operations grew by 14% on y-o-y basis.

The human nutrition segment grew by 3% to ₹ 1,812 million in H1 FY22 as compared to ₹ 1,765 million in H1 FY21.

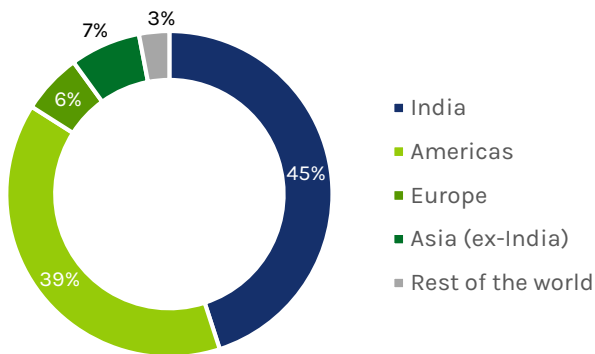
The Animal nutrition had shown a significant improvement and delivered a growth of 16% to ₹ 276 million in H1 FY22 as against ₹ 239 million in H1 FY21.

The Bio-Processing segment grew by 5% during the first half, it accounted ₹ 321 million in H1 FY22 as compared to ₹ 305 million in H1 FY21. In this segment, food business contributed 10% and stood at ₹ 257 million while the Non-Food business contributed 2% and stood at ₹ 64 million during H1 FY22.

The Specialized manufacturing segment is a young contributor to the revenue stream, the segment contributed ₹ 232 million to the revenue during H1 FY22.



Geographical Revenue:



The total revenue comprises of International sales amounting to ₹ 1,470 million in H1 FY22 as compared to ₹ 1,284 million in H1 FY21, growth of 14%. The revenue grew by 4% in Americas, while Europe, Asia (ex-India) and rest of the world showcased a strong growth of 45%, 53% and 60% respectively. Domestic sales accounted for ₹ 1,171 million in H1 FY22 as compared to ₹ 1,024 million in H1 FY21, increase of 14%.

The domestic sales constituted about 45% of revenue from operations during H1 FY22 as compared to 44% during H1 FY21. International sales were 55% of revenue from operations and remained flat as compared to H1 FY21.



OUTLOOK 2021-22

Advanced Enzymes is constantly working towards improving and strengthening its business model, and will continue to focus on all three divisions - Human Nutrition, Animal Nutrition and Bio-Processing including developing, adding and launching more products in the target market of probiotics. The Company is confident that its existing capacities and capital investments would serve well to expand its enzymes and probiotics business.

Human Nutrition:

The Company already have B2C business in USA, which is performing well. The same business model is being replicated by the Company in India to explore avenues and accelerate growth. It will continue its focus and thrust on expanding B2C business in Human Nutrition business, and has recently introduced the immunity building products like ImmunoSeb and Biome Ultra, which are very effective in curing post COVID symptoms of fatigueness.

The Company is in the advanced stage to launch its own B2C nutraceutical online platform targeting Indian customers; this segment should be the next interesting growth driver for the Company. It is also exploring other online avenues for selling the products through parallel online sales channels.

Animal Nutrition:

In the Animal Nutrition, the Company is continuously conducting trials and studies to bring newer and effective nutritional products, which may improve the efficacy of animal feeds. It is working on registering and introducing more products in the domestic as well as in the international markets.

The Company is also looking to expand its sales and marketing team in USA, MENA and Asian market. At the same time, it is targeting to strengthen the geographical reach and distribution network by appointing more distributors in the overseas markets.

Probiotics:

The Company is in the process to introduce more probiotics products in Human Nutrition for the immunity development, active health food, gut health and various nutraceutical applications. In the Animal Nutrition, the

Company is determined to launch more products on immunity development, digestion improvement, and increase nutritional level of feed.

Bio Catalysis:

The Company has made significant progress on developing bio catalases 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 it will continue its efforts and focus.

Baking:

The Company has several enzymes for the food processing segment, have filed 12 dossiers with European Food Safety Authority (EFSA) and got positive news for 4 of the product dossiers. The product line is equally good in terms of efficacy and performance as compared to existing market players. The Company has seen some uptick but in the last 15 months due to the pandemic, no further progress could be made. It is 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.

R&D:

The Company is making significant investments in developing state-of-the-art R&D facilities and intends to set trends in the R&D areas mainly for the formulation of new applications and shall continue to significantly invest to build its portfolio with focus on applications and industries. It is also looking to expand and strengthen the R&D team.

Inorganic expansion:

The Company has a robust record of accomplishment of growing inorganically. In the past 5 years, the Company has made 3 successful acquisitions through internal accruals maintaining its record of being zero debt company. It may keep looking for strategical acquisitions that may further strengthen its front-end marketing capabilities, geographical reach, product portfolio and B2C business.



RESULTS CONFERENCE CALL DETAILS

Advanced Enzymes will hold an earnings conference call on 03rd November 2021, Wednesday at 16:00 Hours IST to discuss quarterly and half yearly performance. The transcript of the call will be available later in the Investor Relations section on the Company's website, www.advancedenzymes.com

Please dial the numbers at least 5-10 minutes prior to the conference schedule to ensure that you are connected on time.

Conference Call Primary Number: +91 22 6280 1403 / +91 22 7115 8304

[Pre-registration link](#)

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ABOUT ADVANCED ENZYME TECHNOLOGIES LIMITED

Advanced Enzyme Technologies Limited, incorporated in 1989, 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, specialty applications, textile processing and others. Our aim is to replace traditionally used chemicals with eco-friendly enzymatic solutions.

Equipped with state-of-the-art 9 manufacturing facilities and 7 research & development locations across India, Germany and US, Advanced Enzymes exports to 45+ countries across 6 continents, and provides customized & effective enzyme solutions coupled with the best in technical advice & superior service.

Advanced Enzymes has received the Bio-Excellence award for being the Best Industrial Biotech Company at Bangalore India Bio in 2010 as well as 2014. In 2013, Advanced Enzymes has also been recognised by Inc. India, as one of the top 500 fastest-growing mid-sized companies in India, Excellence in R&D at UBM India Pharma Awards 2018. Advanced Enzymes has also been recipient of the Emerging India Award in 2010, in the Life Sciences category, by CNBC TV18 and ICICI Bank. Advanced Enzymes has also been awarded for Best IPO at IR Society Awards 2017, by Investor Relation Society of India in association with BSE, KPMG India and Bloomberg.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to Advanced Enzyme Technologies' future (financial) performance and position. Such statements are based on current expectations, estimates and information currently available to the company.

Advanced Enzyme Technologies Limited cautions readers that such statements involve certain risks and uncertainties that are difficult to predict and therefore it should be understood that many factors can cause actual performance and position to differ materially from these statements. The company has no obligation to update the statements contained in this press release, unless required by law.