



# ADVANCED ENZYME TECHNOLOGIES LIMITED

**Earnings Presentation  
August 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.

Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and maybe beyond our control. Such risks, uncertainties, contingencies and other important factors could cause the actual results of the Company or the industry to differ materially from those results expressed or implied in this presentation by such forward-looking statements.

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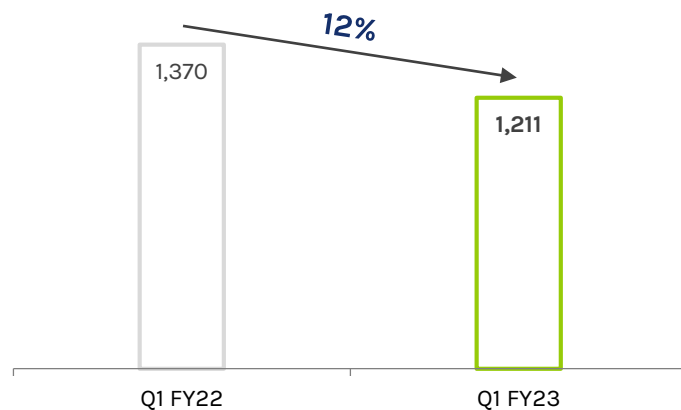


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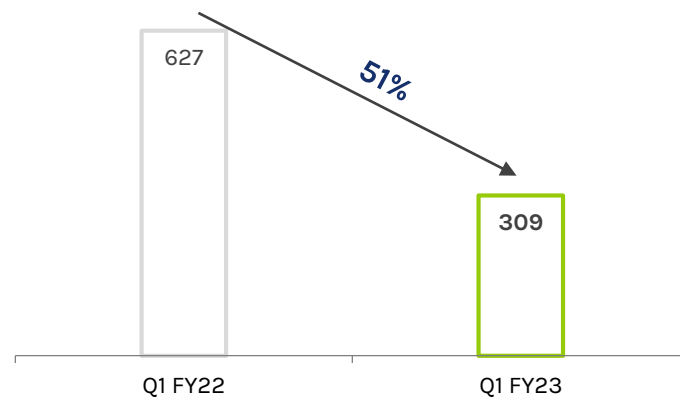
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# Results Summary – Q1 FY23 (Consolidated) Y-o-Y

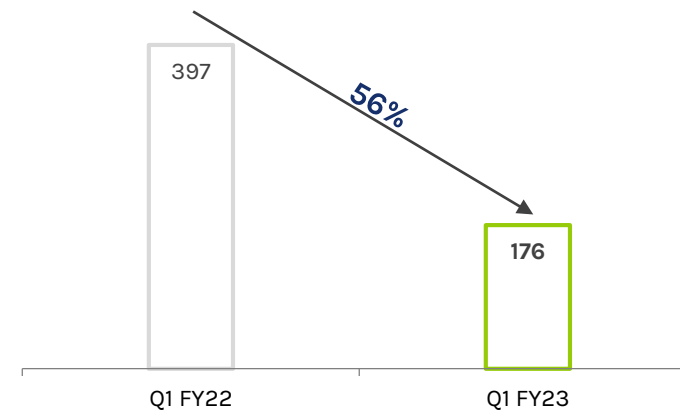
\*Revenue (₹ mn)



EBITDA (₹ mn)



PAT (₹ mn)



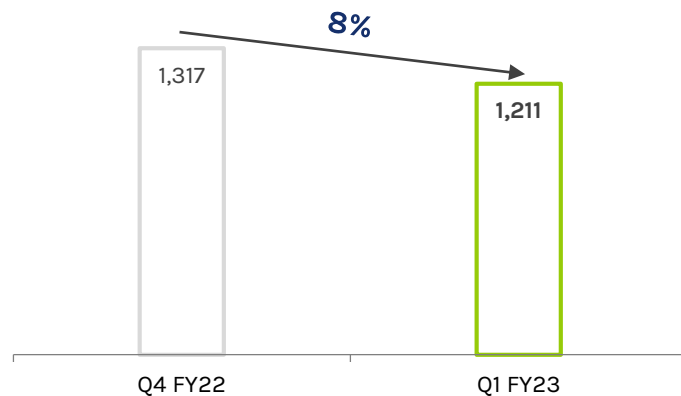
- Revenue de-grew by 12% on y-o-y basis to ₹ 1,211 million in the Q1 FY23 from ₹ 1,370 million in the Q1 FY22
- EBITDA de-grew by 51% to ₹ 309 million in the Q1 FY23 as against ₹ 627 million in Q1 FY22 on y-o-y basis
- PAT decreased to ₹ 176 million in the Q1 FY23 from ₹ 397 million in the Q1 FY22, a de-growth of 56% on y-o-y basis
- EBITDA margin and PAT margin during Q1 FY23 stands at 26% and 15% respectively

## Notes:

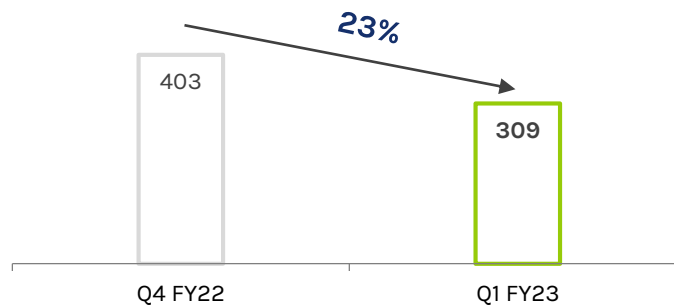
1. On Consolidated Basis
2. PAT is before minority
3. Ind AS adjustments are carried out on account of commission, discount. And provision for sales return

# Results Summary – Q1 FY23 (Consolidated) Q-o-Q

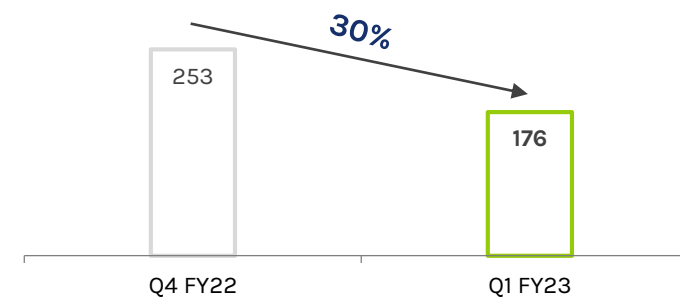
\*Revenue (₹ mn)



EBITDA (₹ mn)



PAT (₹ mn)



- Revenue de-grew by 8% on Q-o-Q basis to ₹ 1,211 million in the Q1 FY23 from ₹ 1,317 million in the Q4 FY22
- EBITDA declined by 23% to ₹ 309 million in the Q1 FY23 as against ₹ 403 million in Q4 FY22 on Q-o-Q basis
- PAT decreased to ₹ 176 million in the Q1 FY23 from ₹ 253 million in the Q4 FY22, a decline of 30% 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



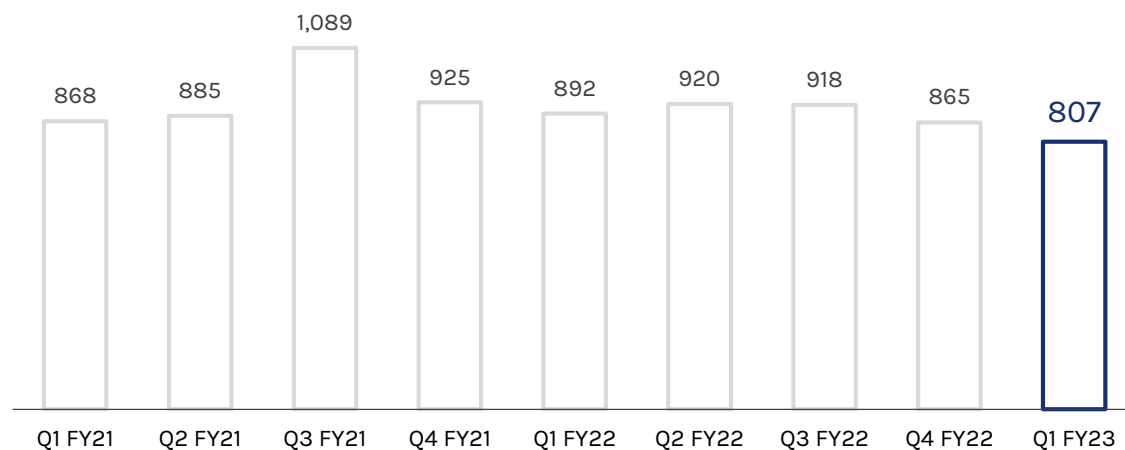
# Human Nutrition



(₹ in Million)

Q1 FY23	807
Q1 FY22	892

**-10%**



## Commentary:

- The human nutrition segment contributed around 67% during the quarter in the total revenue from operations
- This segment de-grew by 10% during the quarter from ₹ 892 million in Q1 FY22 to ₹ 807 million in Q1 FY23 whereas it declined by 7% on sequential basis

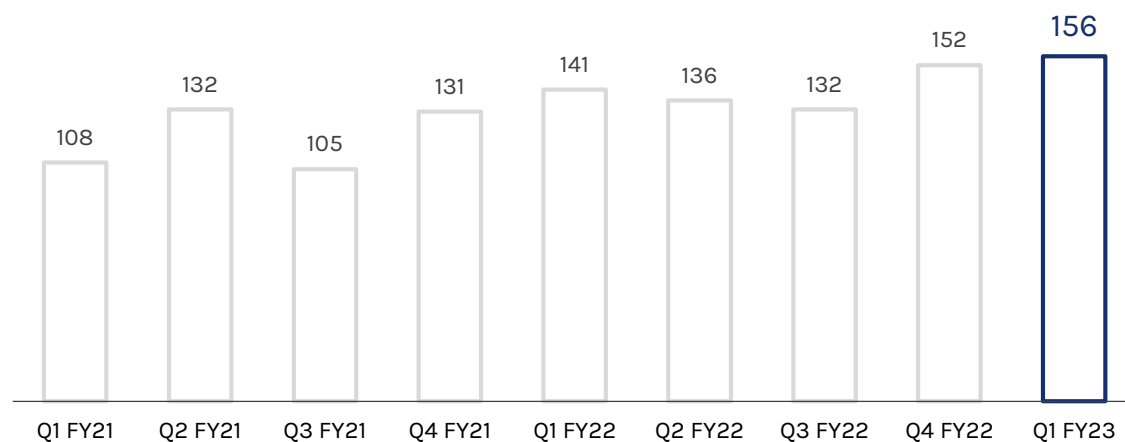
## Notes:

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

# Animal Nutrition

Q1 FY23	156
Q1 FY22	141

**+11%**



## Commentary:

- The Animal nutrition segment contributed about 13% during the quarter in the total revenue from operations
- This segment grew by 11% on y-o-y basis to ₹ 156 million in Q1 FY23 as against ₹ 141 million in Q1 FY22, and it grew by 3% on q-o-q basis



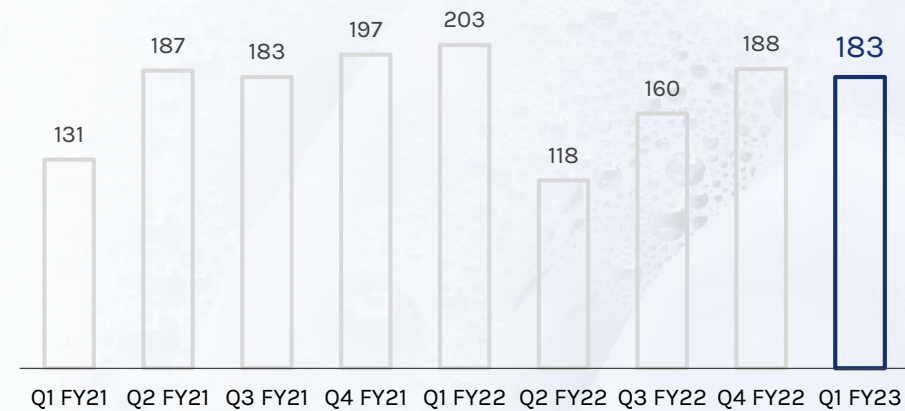
(₹ in Million)





# Industrial Bio-Processing

Q1 FY23	183	<b>-10%</b>
Q1 FY22	203	



## Commentary:

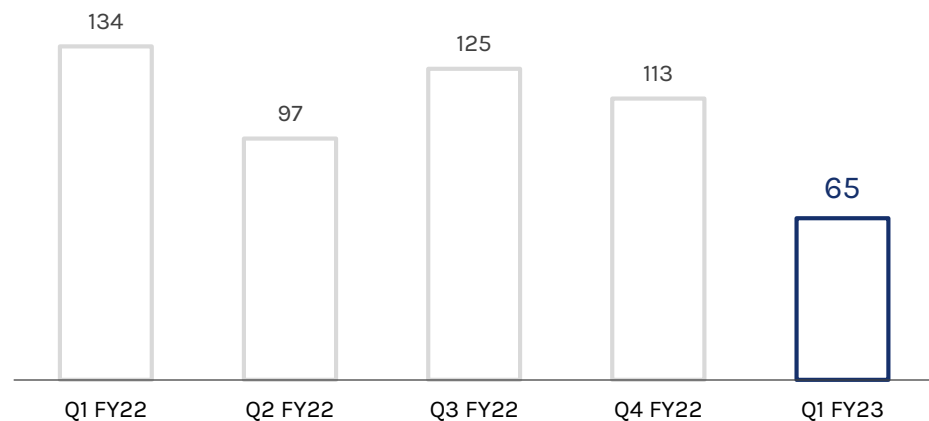
- The Industrial Bio-Processing segment contributed about 15% during the quarter in the total revenue from operations
- This segment underperformed by 10% on y-o-y basis to ₹ 183 million in Q1 FY23 from ₹ 203 million in Q1 FY22 while it remained flat with a slight decline of 3% on q-o-q basis
- In this segment, food business contributed 12% in the overall revenue and stood at ₹ 147 million while the Non-Food business contributed 3% and stood at ₹ 37 million during the quarter. The food business saw a decline of 14% and Non-food business registered a growth of 13% on y-o-y basis





# Specialized Manufacturing

Q1 FY23	65	<b>-52%</b>
Q1 FY22	134	



## Commentary:

- The Specialized manufacturing segment recorded lowest ever sales during a quarter since acquisition
- This segment contributed about 5% during the quarter in the total revenue from operations which was 10% during the same quarter last year
- This segment underperformed by 52% on y-o-y basis to ₹ 65 million in Q1 FY23 from ₹ 134 million in Q1 FY22, and on q-o-q basis it de-grew by 42%



# Geographical Performance

(₹ in Million)



\*Asia is excluding India



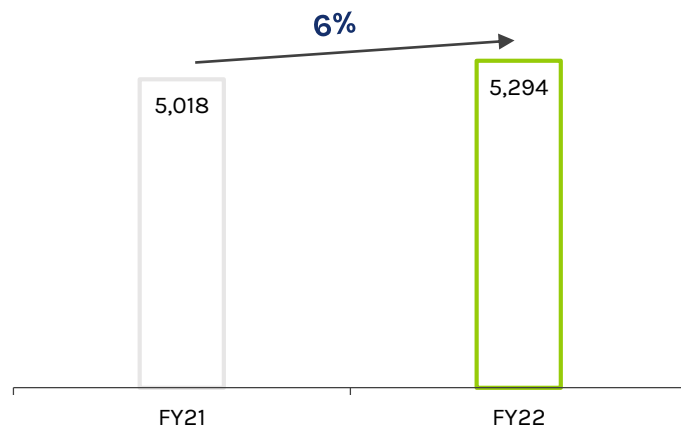
# Profit & Loss (Consolidated) – Q1 FY23

(₹ in Million)

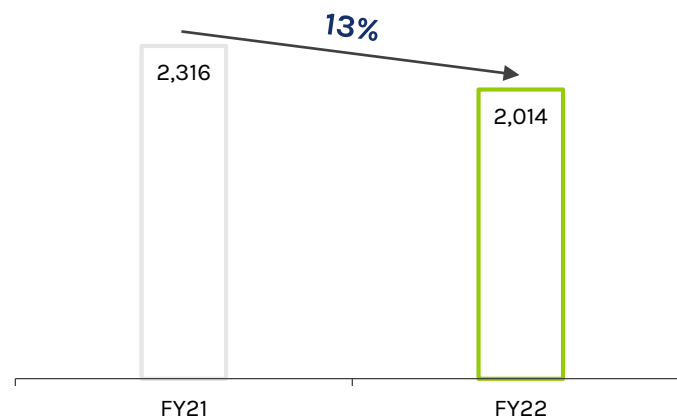
Particulars	Q1 FY23 Un-Audited	Q4 FY22 Audited	Q1 FY22 Un-Audited	Y-o-Y (%)	FY22 Audited	FY21 Audited	Y-o-Y (%)
Income from Operations	1,211	1,317	1,370	-12%	5,294	5,018	6%
Expenses	988	1,005	827	19%	3,629	2,989	21%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	223	313	543	-59%	1,665	2,029	-18%
Other Income	20	34	9	122%	64	88	-27%
Profit from ordinary activities before Finance Costs and Exceptional Item	243	347	552	-56%	1,729	2,117	-18%
Finance costs	6	7	5	20%	18	16	13%
Profit from ordinary activities before tax	237	340	547	-57%	1,711	2,101	-19%
Tax	61	87	150	-59%	473	588	-20%
Net Profit for the period	176	253	397	-56%	1,238	1,513	-18%
Earnings Per Share	1.60	2.19	3.40		10.70	13.06	

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

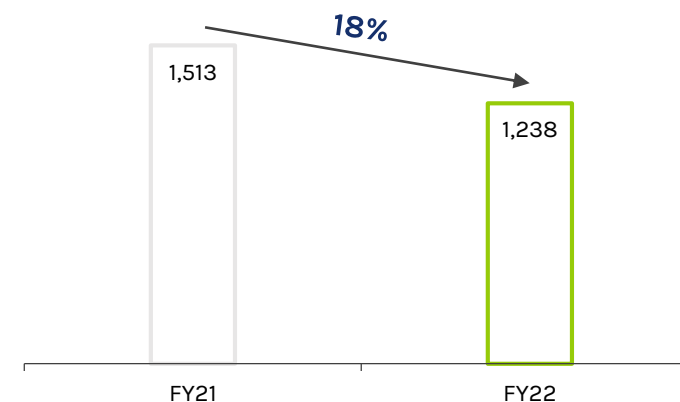
\*Revenue (₹ mn)



EBITDA (₹ mn)



PAT (₹ mn)



Animal HC

	FY22	FY21
Revenue	560	475

18%



Human HC

	FY22	FY21
Revenue	3,594	3,786

05%



Bio Processing

	FY22	FY21
Revenue	669	678

01%



Specialized Manufacturing

	FY22	FY21
Revenue	470	79*

492%

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.

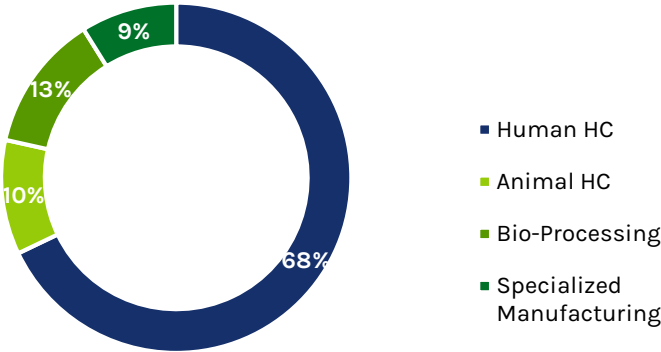
\*Specialized Manufacturing - FY21 Revenue numbers are from 11 Jan'21 to 31 Mar'21



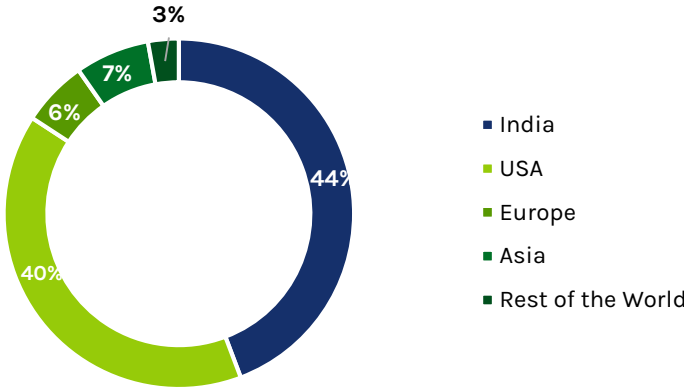
# Revenue Split – FY22 vs. FY21

FY22

Product  
Category-wise (%)

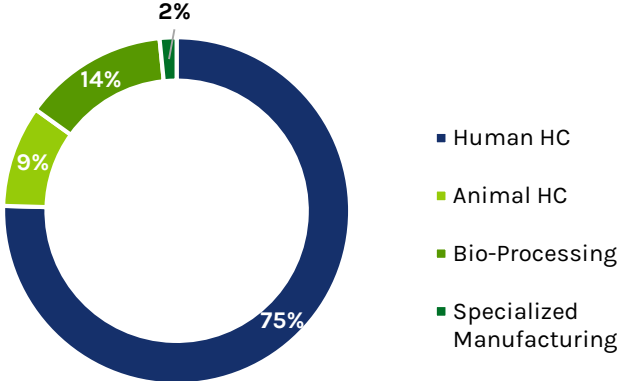


Geographical  
Revenue Split (%)

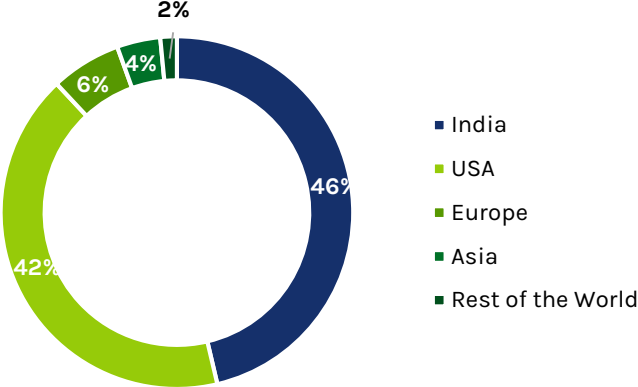


FY21\*

Product  
Category-wise (%)



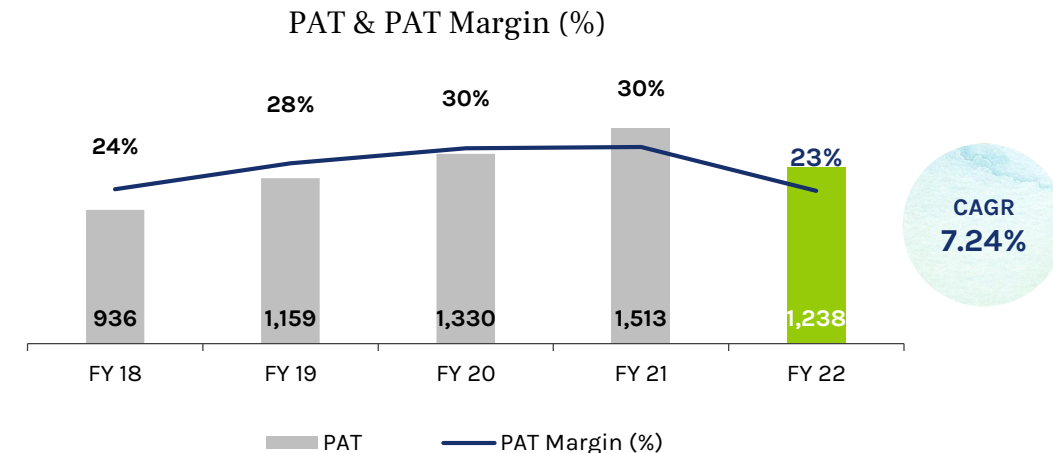
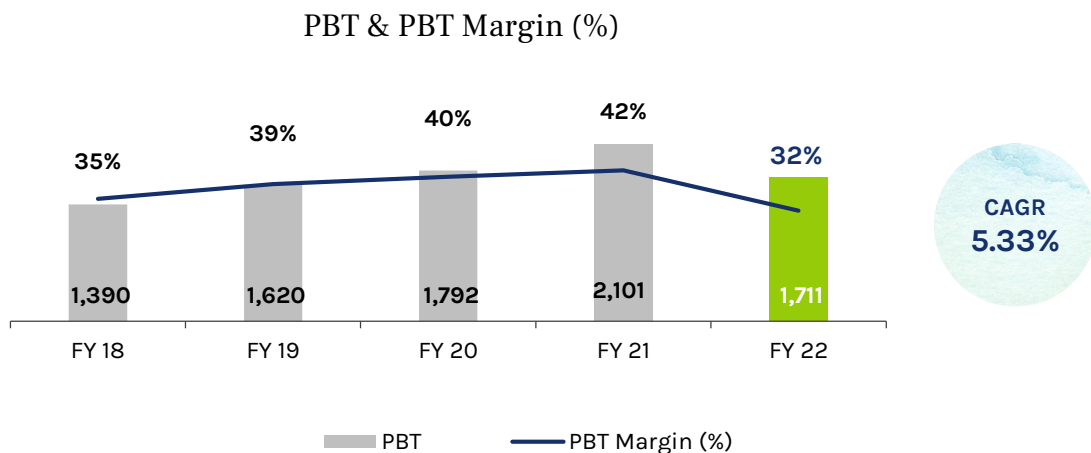
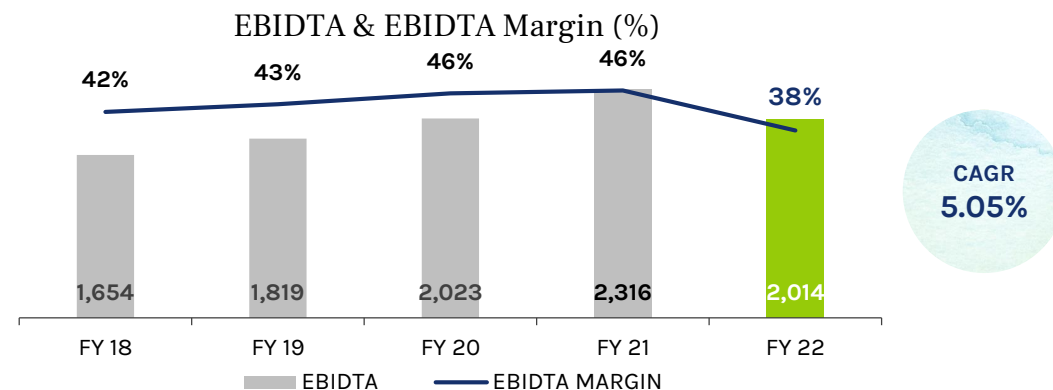
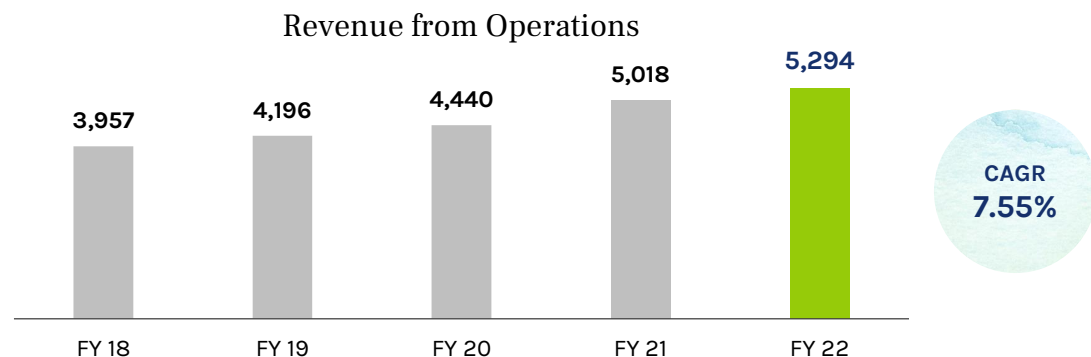
Geographical  
Revenue Split (%)



1. On Consolidated Basis  
 2. EBIDTA is excluding 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. \*Specialized Manufacturing - FY21 Revenue numbers are from 11 Jan'21 to 31 Mar'21

# Strong Financial Performance – FY22

(₹ in Million)



**Note:** All the numbers are as per IndAs

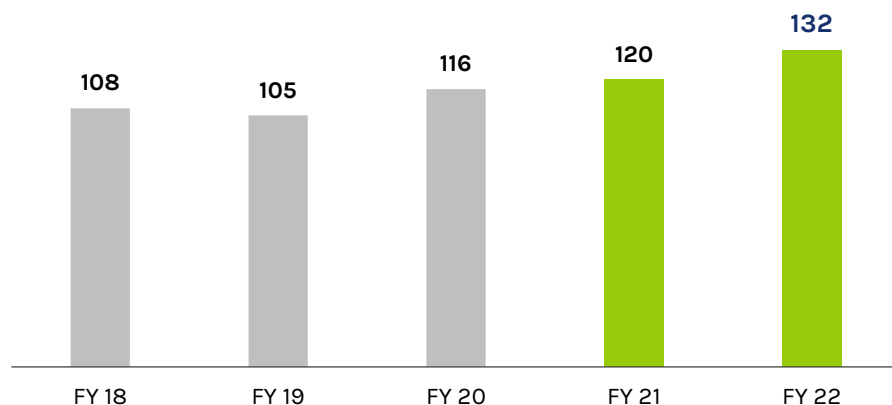
All numbers are on Consolidated basis

ROE = Profit after tax / Average shareholder equity; RoCE = (Net Profit before Tax, Exceptional and extraordinary items + Finance cost) / Average (Net debt + Networkth)

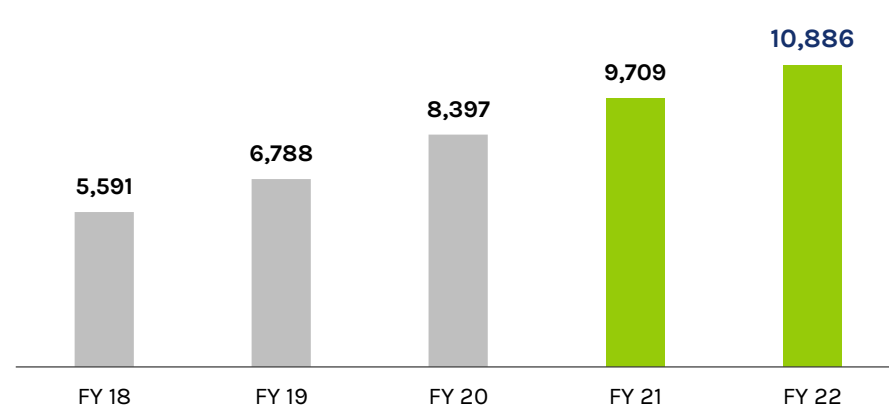


# Strong Financial Performance – FY22

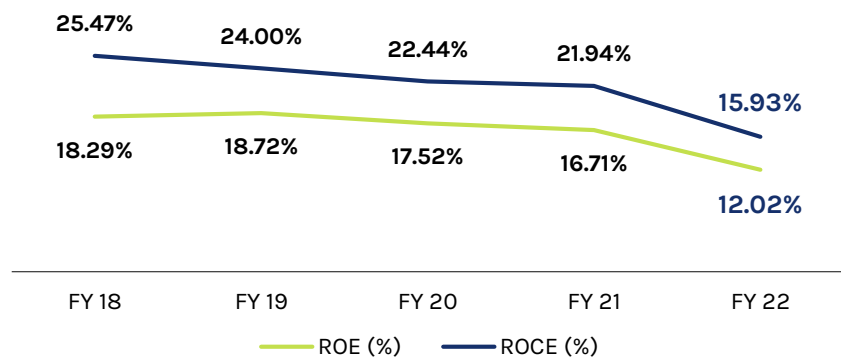
Net Working Capital (Days)



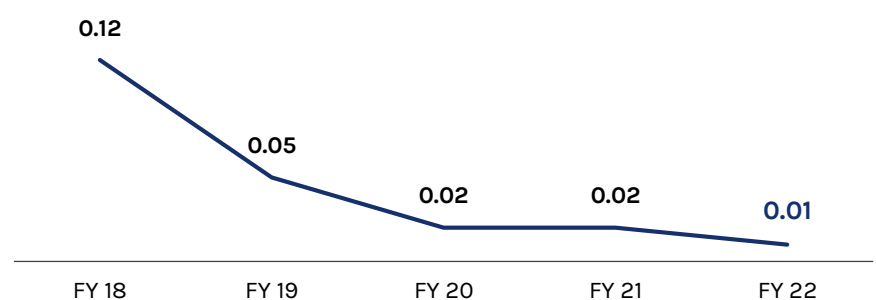
Net Worth (₹ mn)



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

# Balance Sheet (Consolidated)

(₹ 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>

## 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



1<sup>st</sup>

Indian enzyme company



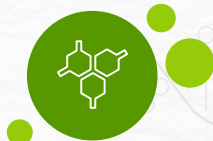
2<sup>nd</sup>

Highest market share in India



2<sup>nd</sup>

Listed integrated enzyme player globally



68+

Enzymes  
& Probiotics



400+

Proprietary  
Products



700+

Customers  
Worldwide



45+

Countries  
Worldwide Presence



750+

Employees



13\*

Patents



12<sup>#</sup>

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, 2021

\* Patents includes the filed applications

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

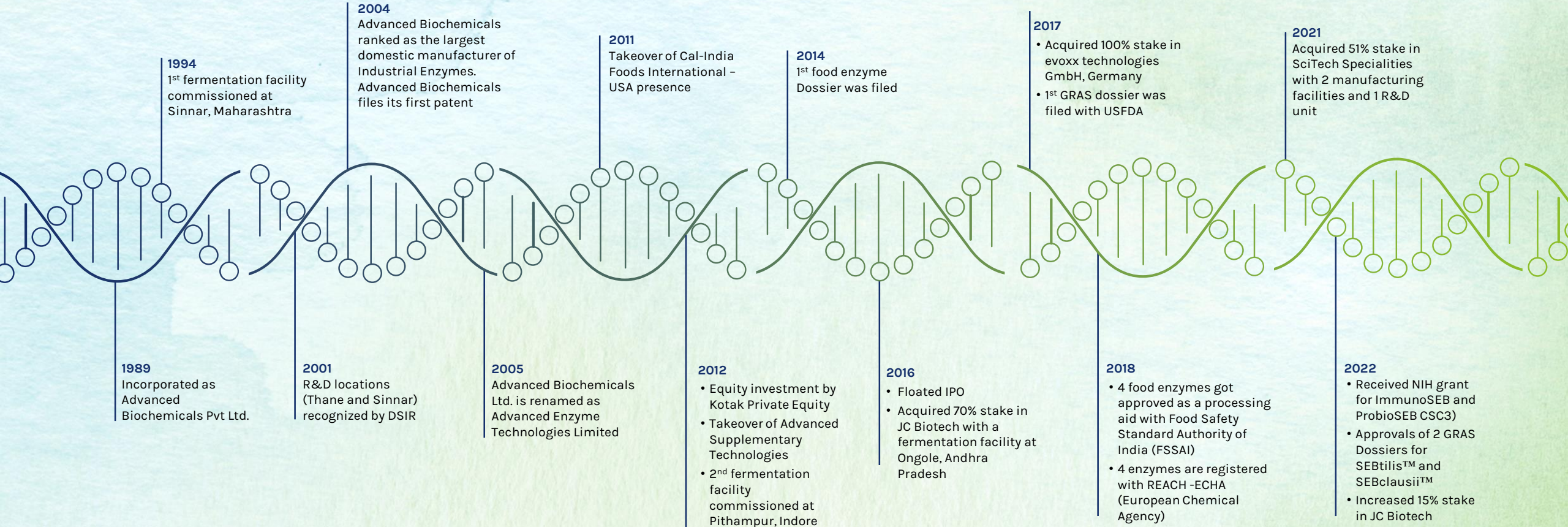
<sup>\*\*</sup>No question letter received for 2 Dossier, another 3 are under evaluation

All the numbers are as per IndAs

Source: Freedonia



# Brief History and Evolution





# Board of Directors



**Mr. Vasant Rathi**  
Promoter 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



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**Mr. Beni Prasad Rauka**  
Chief Financial Officer



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**Mr. Dipak Roda**  
Vice President / Market & Business  
Development



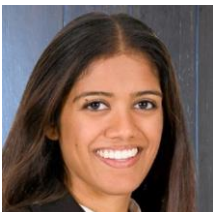
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**Mr. Harshad Doshi**  
CFO & COO - Advanced Enzymes, USA



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**Ms. Martina Doering**  
Managing Director /Head Of Business  
Development - evoxx Technologies,  
Germany



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**Ms. Rasika Rathi**  
General Counsel / Vice President  
And Secretary - Advanced Enzymes, USA



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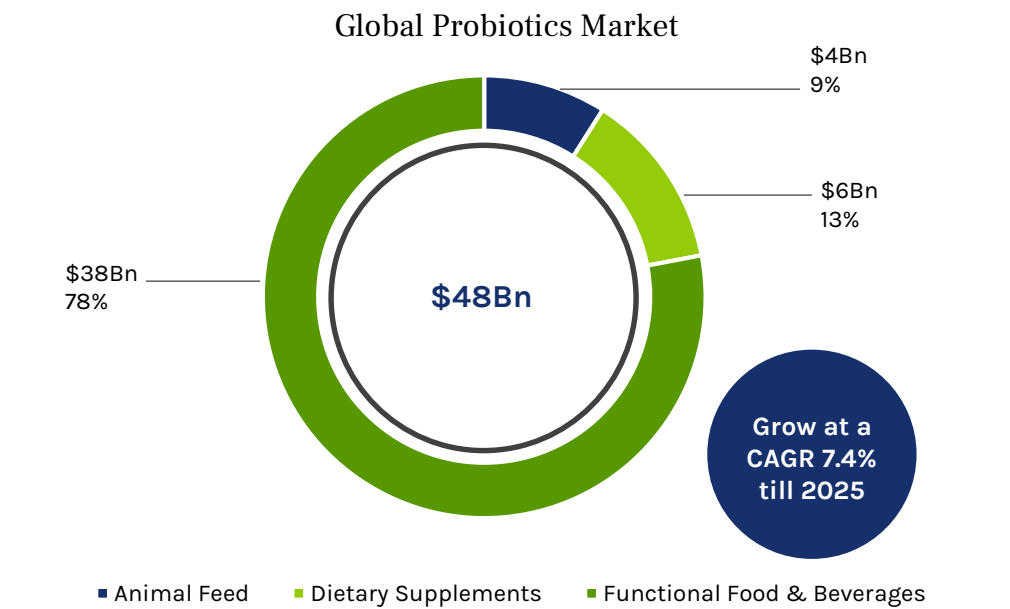
**Dr. Michael Puls**  
Managing Director /Head Of Research and  
Development - evoxx Technologies,  
Germany



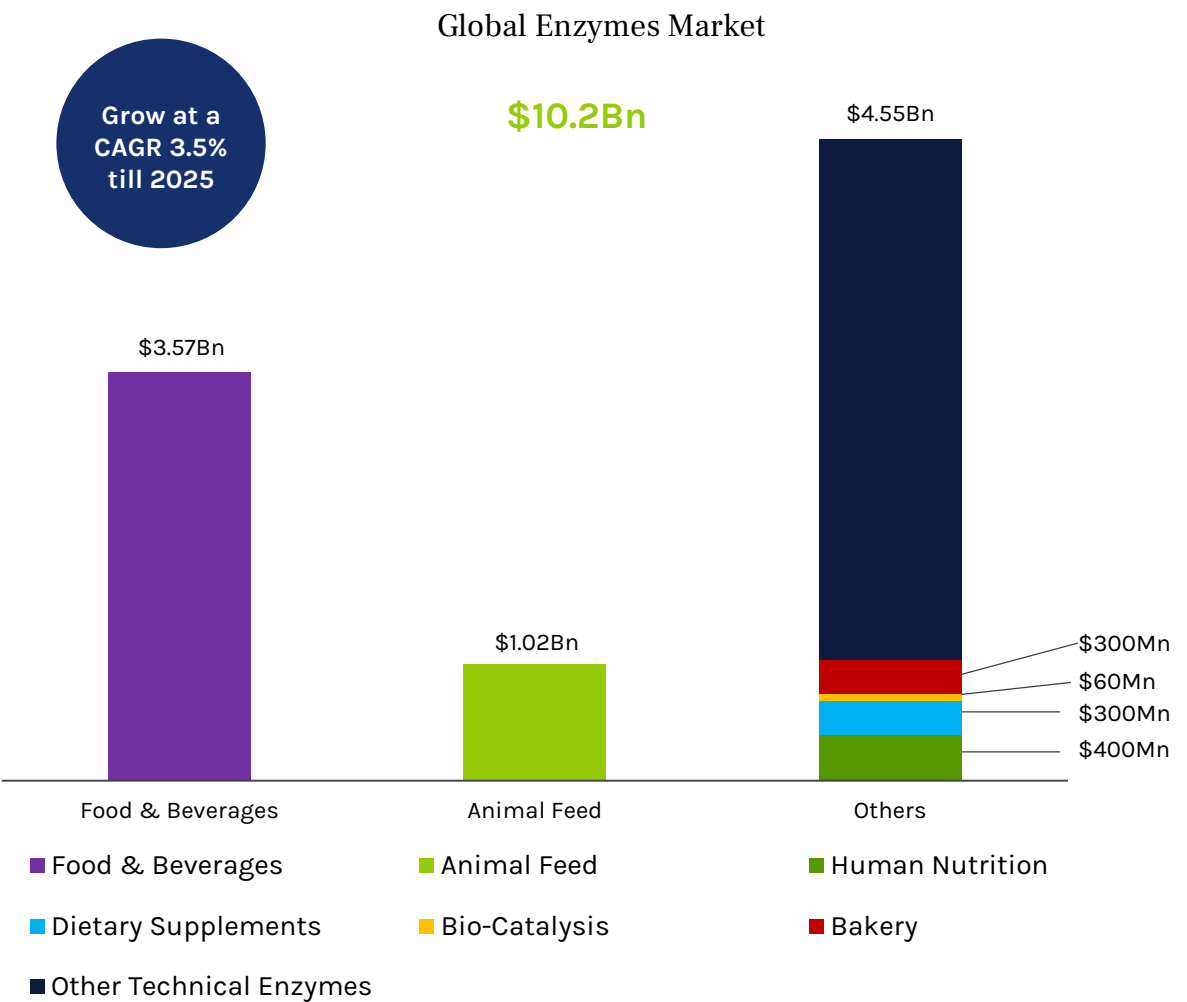
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**Mr. Sanjay Basantani**  
Company Secretary & Head Legal

# 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



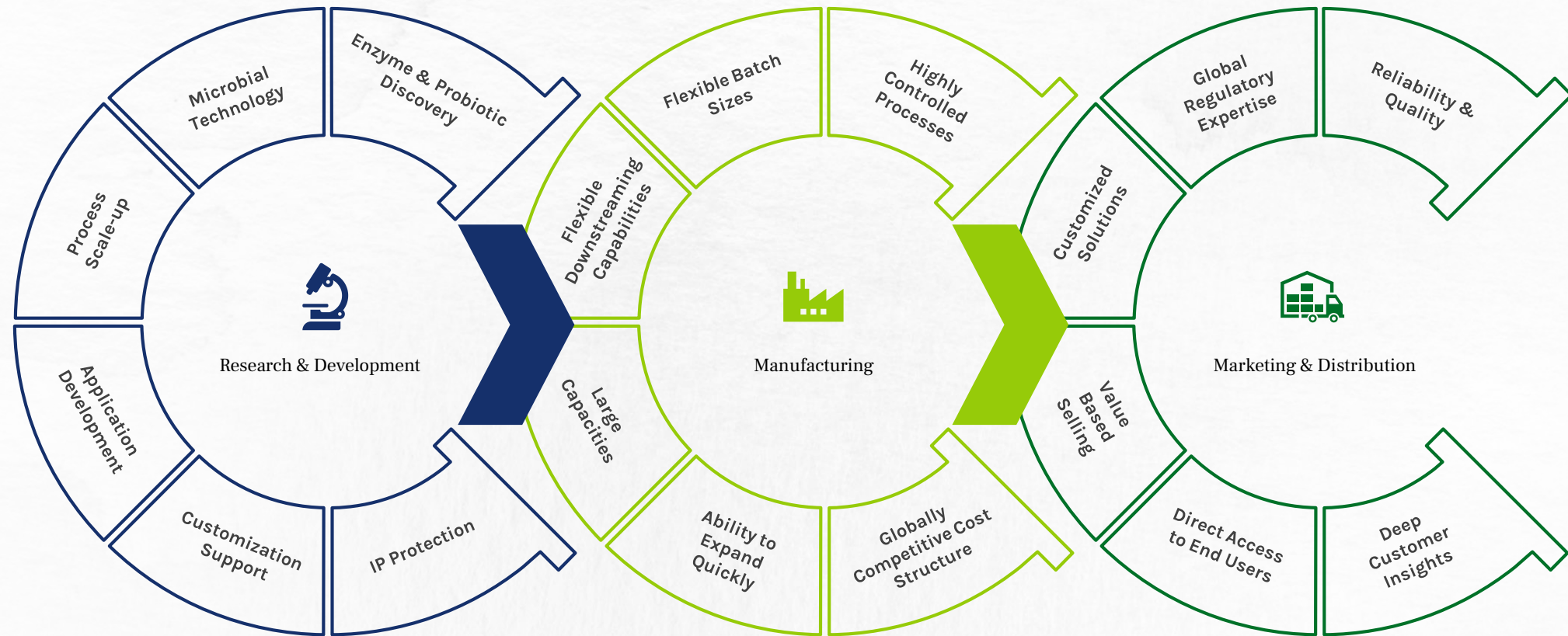
Source: ResearchandMarkets Report, 2019-20



# What Makes AETL a Unique Investment Case?



# Integrated Player with Presence Across the Enzyme Value Chain



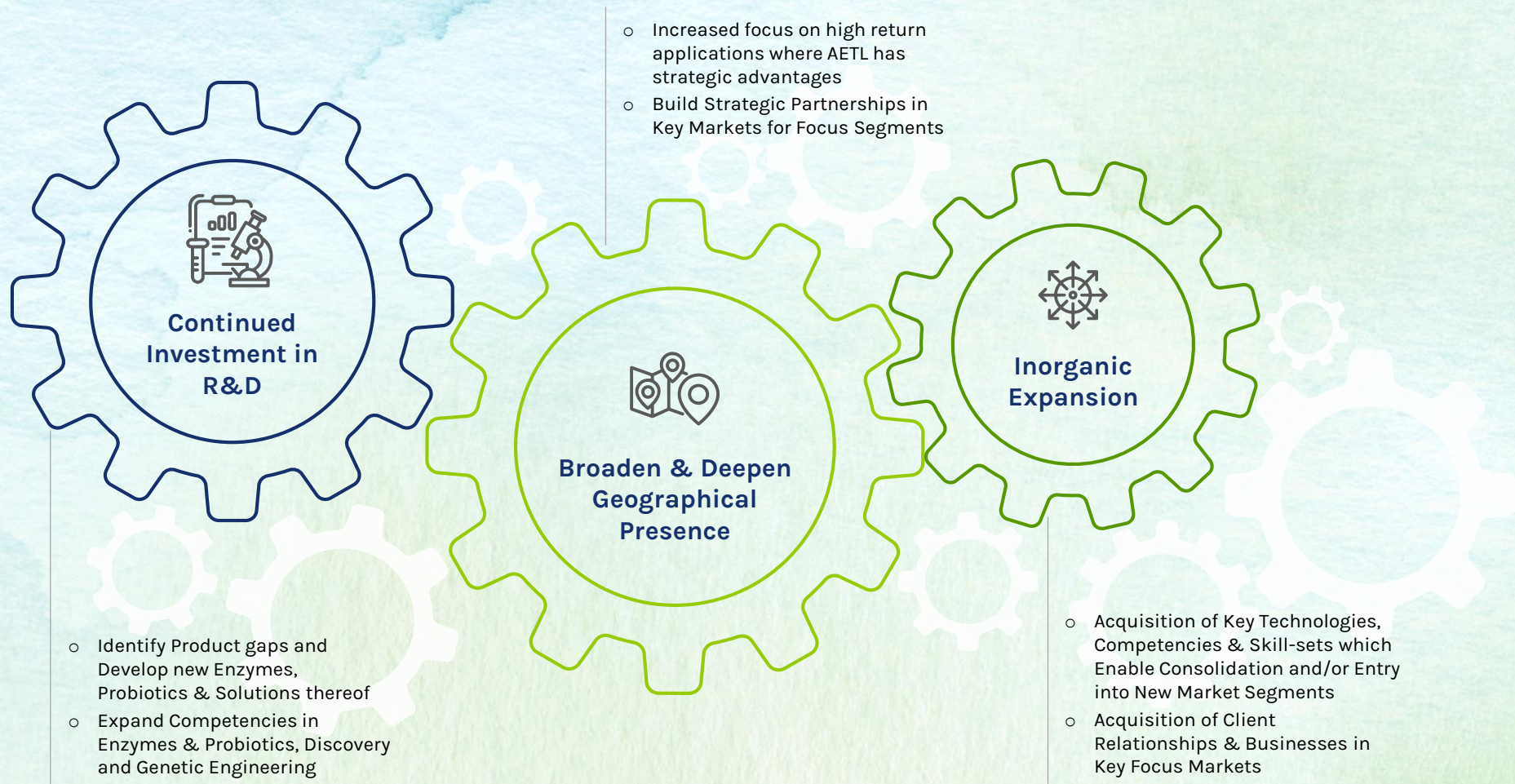


# Specialized Business With High Entry Barriers



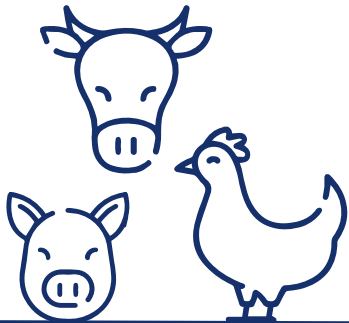


# Future Growth Drivers



# 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 05<sup>th</sup> Aug 2022)

	Market Capitalization (₹)	32,779 mn
	Shares Outstanding	111.72 mn
	Free Float	10,817 mn
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

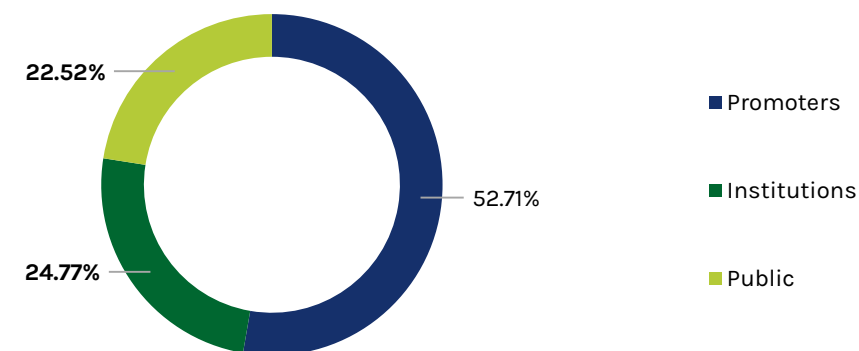
## Stock Chart (As on 05<sup>th</sup> Aug 2022)



## Top 5 Institutional Holders (As on 30<sup>th</sup> Jul 2021)

Institutions	OS (%)
ORBIMED ASIA III MAURITIUS	12.09
NALANDA INDIA EQUITY FUND	6.23
HDFC AMC	4.21
ICICI PRUDENTIAL MF	1.17
DIMENSIONAL FUND	0.69

## Shareholding Pattern (%)







# Thank You

## Advanced Enzyme Technologies Limited

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**Fax:** + 91-22-25835159

**Web:** [www.advancedenzymes.com](http://www.advancedenzymes.com)

**CIN No:** L24200MH1989PLC051018

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### Investor Relations Contact:

**Ronak Saraf**

Manager - Investor Relations

✉ [ir@advancedenzymes.com](mailto:ir@advancedenzymes.com)

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