

FOR IMMEDIATE RELEASE

QUARTERLY EARNINGS RELEASE

Thane, India: Saturday, August 06, 2022

Advanced Enzyme Technologies Limited announces Financial Results for First Quarter ended June 2022

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 first quarter ended June 2022.

CONSOLIDATED QUARTERLY FINANCIAL HIGHLIGHTS:

(Amount in INR Mn.)	Q1 FY23	Q4 FY22	Q1 FY22	Change (Y-o-Y %)	Change (Q-o-Q %)	FY22	FY21	Change (%)
Revenue	1,211	1,317	1,370	-12	-8	5,294	5,018	6
EBITDA	309	403	627	-51	-23	2,014	2,316	-13
EBITDA Margin (%)	26	31	46			38	46	
PAT	176	253	397	-56	-30	1,238	1,513	-18
PAT Margin (%)	15	19	29			23	30	
EPS	1.60	2.19	3.40			10.70	13.06	

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

Revenue from Operations:

Revenue from operations on consolidated basis decreased to ₹ 1,211 million in the Q1 FY23 from ₹ 1,370 million in the Q1 FY22, showcasing a slight decline of 12%.

Profit:

Consolidated EBITDA during Q1 FY23 stands at ₹ 309 million as compared to ₹ 627 million during Q1 FY22, decrease of 51%.

Profit before tax stands at ₹ 237 million during Q1 FY23 as against ₹ 547 million in Q1 FY22, decline of 57%.

Profit after tax de-grew by 56% and stands at ₹ 176 million during Q1 FY23 as compared to ₹ 397 million during the Q1 FY22.

Margin:

EBITDA margin stands at 26%, PBT margin stands at 20% and PAT margin stands at 15% during the quarter.

Financial Costs:

Financial costs stood at ₹ 6 million during Q1 FY23 as against ₹ 5 million in Q1 FY22

Depreciation and Amortization:

Depreciation and Amortization charge for the Q1 FY23 is ₹ 86 million as compared to ₹ 85 million in the same quarter previous year.

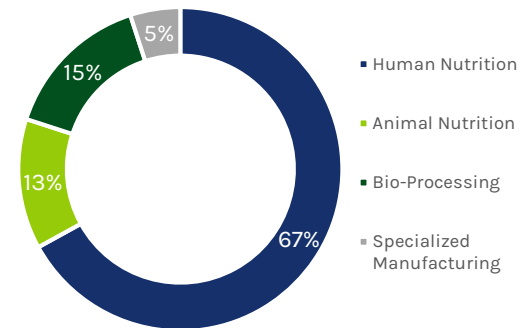
Earnings Per Share:

Earnings Per Share during Q1 FY23 stands at ₹ 1.60 as compared to ₹ 3.40 in Q1 FY22.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q1 FY23	Q1 FY22	Change (%)
Human Nutrition	807	892	-10
Animal Nutrition	156	141	11
Bio-Processing	183	203	-10
Specialized Manufacturing	65	134	-52



The total revenue from operations de-grew by 12% on y-o-y basis and 8% on q-o-q basis.

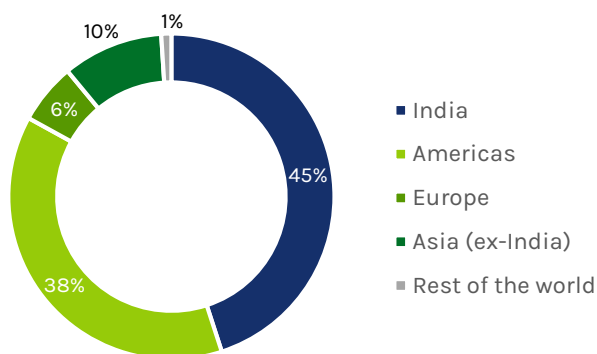
The revenue from human nutrition segment declined by 10% to ₹ 807 million in Q1 FY23 as compared to ₹ 892 million in Q1 FY22. This decline is accounted on behave of Probiotics and Bio-catalysis division.

The Animal nutrition had shown an improvement and delivered a growth of 11% to ₹ 156 million in Q1 FY23 as against ₹ 141 million in Q1 FY22.

The Bio-Processing segment underperformed by ~10% during the quarter, it accounted for ₹ 183 million in Q1 FY23 as compared to ₹ 203 million in Q1 FY22. In this segment, food business de-grew by 14% to ₹ 147 million on y-o-y basis during Q1 FY23. The Non-Food business grew by 13% to stood at ₹ 37 million during the quarter.

The Specialized manufacturing segment contributed 5% in the pie which is ₹ 65 million to the revenue during the quarter, a decline of 52% on y-o-y basis.

Geographical Revenue:



compared to 42% during Q1 FY22. International sales were 55% of revenue from operations during Q1 FY23 as compared to 58% during Q1 FY22.

The total revenue comprises of International sales amounting to ₹ 662 million in Q1 FY23 as compared to ₹ 793 million in Q1 FY22, a decline of 17%. The revenue declined by 14% in Americas, 37% in Europe, 90% in rest of the world while it registered a strong growth of 57% in Asia (ex-India).

Domestic sales accounted for ₹ 550 million in Q1 FY23 as compared to ₹ 577 million in Q1 FY22, it de-grew by 5%.

The domestic sales constituted about 45% of revenue from operations during Q1 FY23 as

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

Revenue from Operations:

Revenue from operations on consolidated basis decreased to ₹ 1,211 million in the Q1 FY23 from ₹ 1,317 million in the Q4 FY22, a de-growth of 8%.

Profit:

Consolidated EBITDA during Q1 FY23 stands at ₹ 309 million as compared to ₹ 403 million during Q4 FY22, decrease of 23%.

Profit before tax stands at ₹ 237 million during Q1 FY23 as against ₹ 340 million in Q4 FY22, decline of 30%

Profit after tax de-grew by 30% and stands at

₹ 176 million during Q1 FY23 as compared to ₹ 253 million during the Q4 FY22.

Financial Costs:

Financial costs stood at ₹ 6 million during Q1 FY23 as against ₹ 7 million during the Q4 FY22

Depreciation and Amortization:

Depreciation and Amortization charge for the Q1 FY23 is ₹ 86 million as compared to ₹ 91 million in the last quarter.

Earnings Per Share:

Earnings Per Share during Q1 FY23 stands at ₹ 1.60 as compared to ₹ 2.19 in Q4 FY22.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q1 FY23	Q4 FY22	Change (%)
Human Nutrition	807	865	-7
Animal Nutrition	156	152	3
Bio-Processing	183	188	-3
Specialized Manufacturing	65	113	-42

The human nutrition segment declined by 7% to ₹ 807 million in Q1 FY23 as compared to ₹ 865 million in Q4 FY22.

The Animal nutrition grew by 3 % to ₹ 156 million in Q1 FY23 as against ₹ 152 million in Q4 FY22.

The Bio-Processing segment outperformed by 3% during the quarter, it accounted ₹ 183 million in Q1 FY23 as compared to ₹ 188 million

in Q4 FY22. In this segment, the food business remained flat at ₹ 147 million, while the Non-Food business stood at ₹ 37 million, during the quarter and de-grew by 13% in comparison to Q4 FY22

The Specialized manufacturing segment de-grew by 42% to ₹ 65 million in Q1 FY23 from ₹ 113 million in Q4 FY22

Geographical Revenue:

The total revenue comprises of International sales amounting to ₹ 662 million in Q1 FY23 as compared to ₹ 722 million in Q4 FY22, a decline of 8%. The revenue de-grew by 11% in Americas, 3% in Europe, 85% in rest of the world while it grew by 48% in Asia (ex-India).

Domestic sales accounted for ₹ 550 million in Q1 FY23 as compared to ₹ 596 million in Q4 FY22, a de-growth of 8%.

The domestic and international sales remained unchanged during the quarter as compared to Q4 FY22, it constituted 45% and 55% respectively.

OUTLOOK 2022-23

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 06th August 2022, Saturday at 16:00 Hours IST to discuss quarterly 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.