

Date: November 11, 2022

BSE Limited

P. J. Towers,
Dalal Street,
Mumbai- 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (E) Mumbai- 400 051

Scrip Code-540025

Trading Symbol-ADVENZYMES

Subject: Press Release

Ref: ISIN: INE837H01020

Dear Sir/Madam,

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is Press Release dated November 11, 2022, titled "Quarterly Earnings Release dated November 11, 2022"

This is for your information and for public at large.

Thanking you,

Yours faithfully,

For Advanced Enzyme Technologies Limited

Sanjay Basantani

Company Secretary and Head – Legal

Encl.: As above

FOR IMMEDIATE RELEASE

QUARTERLY EARNINGS RELEASE

Thane, India: Friday, November 11, 2022

Advanced Enzyme Technologies Limited announces Financial Results for Second Quarter and Half Year ended September 2022

Advanced Enzyme Technologies Limited (Advanced Enzymes; NSE: ADVENZYMES; BSE: 540025), a leading specialty biotech company, with global leadership in the manufacturing of enzymes & Probiotics, today announced their unaudited financial results for second quarter and half year ended September 2022.

CONSOLIDATED QUARTERLY FINANCIAL HIGHLIGHTS:

(Amount in INR Mn.)	Q2 FY23	Q1 FY23	Q2 FY22	Change (Y-o-Y %)	Change (Q-o-Q %)	H1 FY23	H1 FY22	Change (%)
Revenue	1,387	1,211	1,271	09	15	2,598	2,641	-2
EBITDA	397	309	493	-20	28	706	1,120	-37
EBITDA Margin (%)	29	26	39			27	42	
PAT	263	176	303	-13	49	438	700	-37
PAT Margin (%)	19	15	24			17	27	
EPS	2.34	1.60	2.66			3.94	6.05	

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

Revenue from Operations:

Revenue from operations on consolidated basis climbed to ₹ 1,387 million in the Q2 FY23 from ₹ 1,211 million in the Q1 FY23, a growth of 15%.

Profit:

Consolidated EBITDA during Q2 FY23 stands at ₹ 397 million as compared to ₹ 309 million during Q1 FY23, increase of 28%.

Profit before tax stands at ₹ 342 million during Q2 FY23 as against ₹ 237 million in Q1 FY23, growth of 44%

Profit after tax grew by 49% and stands at

₹ 263 million during Q2 FY23 as compared to ₹ 176 million during the Q2 FY22.

Financial Costs:

Financial costs remained flat to stand at ₹ 06 million during Q2 FY23

Depreciation and Amortization:

Depreciation and Amortization charge for the Q2 FY23 is ₹ 88 million as compared to ₹ 86 million in the last quarter.

Earnings Per Share:

Earnings Per Share during Q2 FY23 stands at ₹ 2.34 as compared to ₹ 1.60 in Q1 FY23.



OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q2 FY23	Q1 FY23	Change (%)
Human Nutrition	939	807	16
Animal Nutrition	172	156	10
Bio-Processing	193	183	05
Specialized Manufacturing	83	65	28

The human nutrition segment recorded growth of 16% to ₹ 939 million in Q2 FY23 as compared to ₹ 807 million in Q1 FY23.

The Animal nutrition grew by 10 % to ₹ 172 million in Q2 FY23 as against ₹ 156 million in Q1 FY23.

The Bio-Processing segment grew by 05% during the quarter, it accounted ₹ 193 million in

Q2 FY23 as compared to ₹ 183 million in Q1 FY23. In this segment, the food business de-grew by 04% at ₹ 140 million, while the Non-Food business stood at ₹ 53 million, during the quarter, growing significantly by 43% in comparison to Q1 FY23.

The Specialized manufacturing segment grew by 28% to ₹ 83 million in Q2 FY23 from ₹ 65 million in Q1 FY23.

Geographical Revenue

The total revenue comprises of International sales amounting to ₹ 725 million in Q2 FY23 as compared to ₹ 662 million in Q1 FY23, a growth of 10%. The revenue grew by 13% in Americas, 12% in Europe, 342% in rest of the world while it de-grew by 25% in Asia (ex-India).

Domestic sales accounted for ₹ 662 million in

Q2 FY23 as compared to ₹ 550 million in Q1 FY23, an uptick of 20%.

The domestic sales constituted about 48% of revenue from operations during Q2 FY23 as compared to 45% during Q1 FY23. International sales were 52% of revenue from operations during Q2 FY23 as compared to 55% during Q1 FY23.

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

Revenue from Operations:

Revenue from operations on consolidated basis increased to ₹ 1,387 million in the Q2 FY23 from ₹ 1,271 million in the Q2 FY22, recording a growth of 09%.

Profit:

Consolidated EBITDA during Q2 FY23 stands at ₹ 397 million as compared to ₹ 493 million during Q2 FY22, decrease of 20%.

Profit before tax stands at ₹ 342 million during Q2 FY23 as against ₹ 413 million in Q2 FY22, decline of 17%.

Profit after tax de-grew by 13% and stands at ₹ 263 million during Q2 FY23 as compared to ₹ 303 million during the Q2 FY22.

Margin:

EBITDA margin stands at 29%, PBT margin stands at 25% and PAT margin stands at 19% during the quarter.

Financial Costs:

Financial costs stood at ₹ 06 million during Q2 FY23 as against ₹ 03 million in Q2 FY22

Depreciation and Amortization:

Depreciation and Amortization charge for the Q2 FY23 is ₹ 88 million as compared to ₹ 86 million in the same quarter previous year.

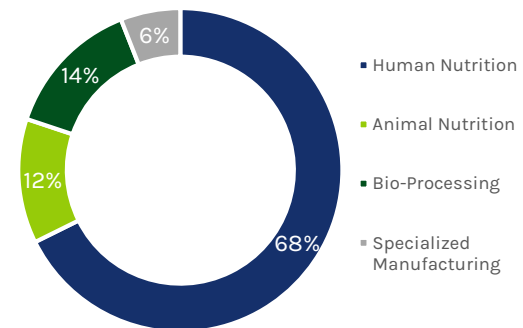
Earnings Per Share:

Earnings Per Share during Q2 FY23 stands at ₹ 2.34 as compared to ₹ 2.66 in Q2 FY22.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	Q2 FY23	Q2 FY22	Change (%)
Human Nutrition	939	920	02
Animal Nutrition	172	136	27
Bio-Processing	193	118	63
Specialized Manufacturing	83	97	-14



The total revenue from operations grew by 09% on y-o-y basis and 15% on q-o-q basis.

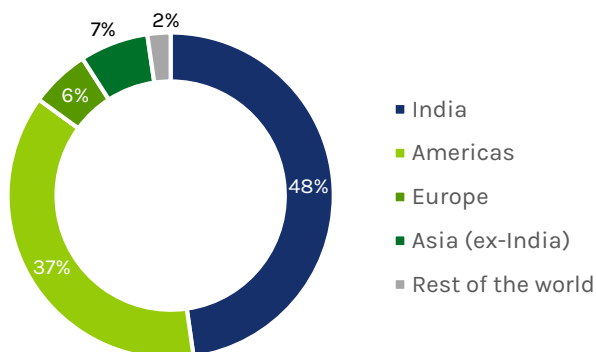
The revenue from human nutrition segment grew by 02% to ₹ 939 million in Q2 FY23 as compared to ₹ 920 million in Q2 FY22. This growth is essentially driven by Pharma API.

The Animal nutrition segment performed well and surged by 27% to ₹ 172 million in Q2 FY23 as against ₹ 136 million in Q2 FY22.

The Bio-Processing segment outperformed by 63% during the quarter, it accounted for ₹ 193 million in Q2 FY23 as compared to ₹ 118 million in Q2 FY22. In this segment, food business grew by 64% to ₹ 140 million whereas the Non-Food business grew by 61% to ₹ 53 million on y-o-y basis during Q2 FY23.

The Specialized manufacturing segment contributed 06% which is ₹ 83 million to the revenue during the quarter, registering a decline of 14% on y-o-y basis.

Geographical Revenue:



The total revenue comprises of International sales amounting to ₹ 725 million in Q2 FY23 as compared to ₹ 676 million in Q2 FY22, recording growth of 07%. The revenue grew by 01% in Americas, strong growth of 54% in Europe and 939% in rest of the world. It registered a slump of 14% in Asia (ex-India).

Domestic sales accounted for ₹ 662 million in Q2 FY23 as compared to ₹ 594 million in Q2 FY22, it grew by 11%.

The domestic sales constituted about 48% of revenue from operations during Q2 FY23 as compared to 47% during Q2 FY22. International sales were 52% of revenue from operations during Q2 FY23 as compared to 53% during Q2 FY22.

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

Revenue from Operations:

Revenue from operations on consolidated basis increased to ₹ 2,598 million in the H1 FY23 from ₹ 2,641 million in the H1 FY22, reported a decline of 2%.

Profit:

Consolidated EBITDA during H1 FY23 stands at ₹ 706 million as compared to ₹ 1,120 million during H1 FY22, decline of 37%.

Profit before tax stands at ₹ 578 million during H1 FY23 as against ₹ 960 million in H1 FY22.

Profit after tax stands at ₹ 438 million during H1 FY23 as compared to ₹ 700 million during the H1 FY22.

Margin:

EBITDA margin stands at 27%, PBT margin stands at 22% and PAT margin stands at 17% during the H1 FY23.

Financial Costs:

Financial costs stood at ₹ 12 million during H1 FY23 as against ₹ 08 million in H1 FY22

Depreciation and Amortization:

Depreciation and Amortization charge for the H1 FY23 is ₹ 175 million as compared to ₹ 171 million in H1 FY22.

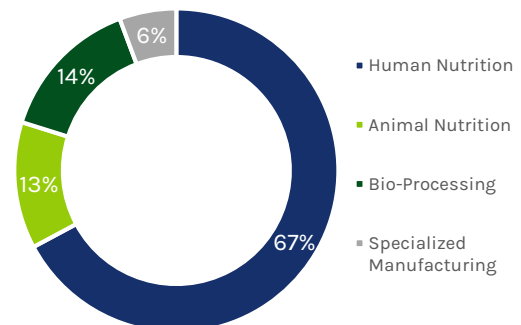
Earnings Per Share:

Earnings Per Share during H1 FY23 stands at ₹ 3.94 as compared to ₹ 6.05 in H1 FY22.

OPERATIONAL PERFORMANCE REVIEW:

Segmental Revenue:

(Amount in INR Mn.)	H1 FY23	H1 FY22	Change (%)
Human Nutrition	1,745	1,812	-04
Animal Nutrition	329	276	19
Bio-Processing	376	321	17
Specialized Manufacturing	148	232	-36



The total revenue from operations de-grew by 02% on y-o-y basis.

The human nutrition segment declined by 04% to ₹ 1,745 million in H1 FY23 as compared to ₹ 1,812 million in H1 FY22.

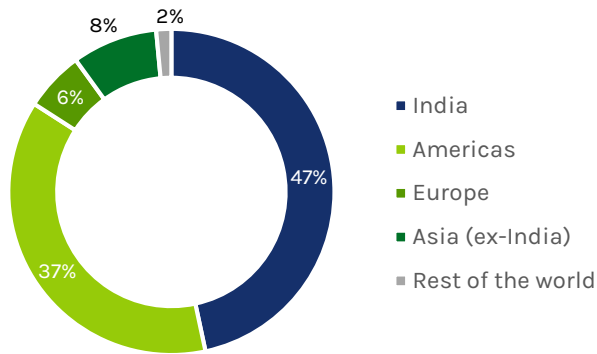
The Animal nutrition segment delivered a significant growth of 19% to ₹ 329 million in H1 FY23 as against ₹ 276 million in H1 FY22.

The Bio-Processing segment grew by 17% during the first half, it accounted for ₹ 376 million in H1

FY23 as compared to ₹ 321 million in H1 FY22. In this segment, food business contributed 11% and stood at ₹ 287 million while the Non-Food business contributed 03% and stood at ₹ 89 million delivering a growth of 12% & 40% respectively, during H1 FY23.

The Specialized manufacturing segment is a young contributor sharing 06% to the revenue stream. This segment de-grew by 36% to stood at ₹ 148 million to the revenue during H1 FY23.

Geographical Revenue:



as compared to 44% during H1 FY22. International sales were 53% of revenue from operations as compared to 56% during H1 FY22.

The total revenue comprises of International sales amounting to ₹ 1,386 million in H1 FY23 as compared to ₹ 1,470 million in H1 FY22, de-growth of 06%. The revenue declined by 06% in Americas, 08% in Europe and 46% in rest of the world while Asia (ex-India) registered a growth of 16%.

Domestic sales accounted for ₹ 1,212 million in H1 FY23 as compared to ₹ 1,171 million in H1 FY22, increase of 03%.

The domestic sales constituted about 47% of the revenue from operations during H1 FY23

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 15th November 2022, Tuesday 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](#)

For further information, please contact:

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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.