

Advanced Enzyme Technologies Ltd.

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May 11, 2024

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: Earnings Presentation

Ref: ISIN: INE837H01020

Dear Sir/Madam,

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed is Earnings Presentation for the quarter and year ended March 31, 2024.

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



Advanced Enzyme Technologies Limited



Earnings Presentation
May 2024



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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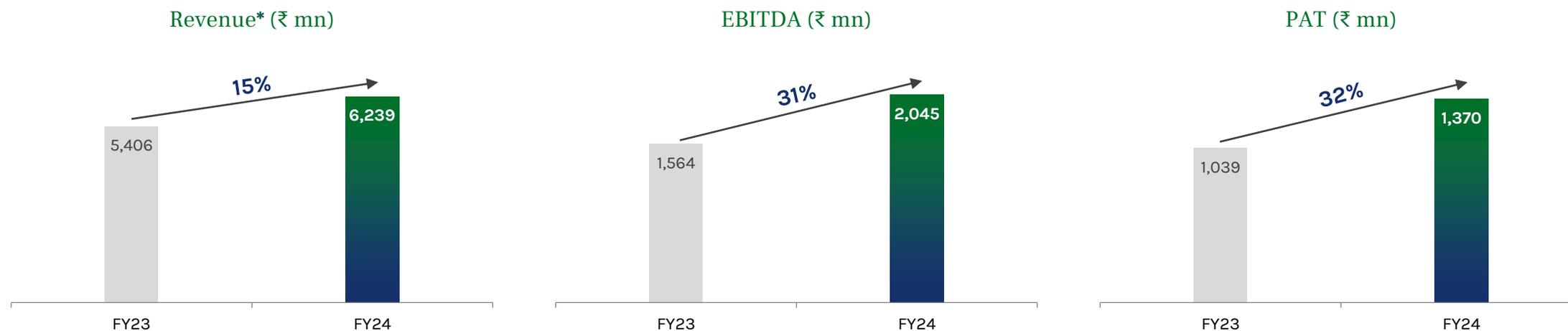
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Results Summary – FY24 (Consolidated) Y-o-Y

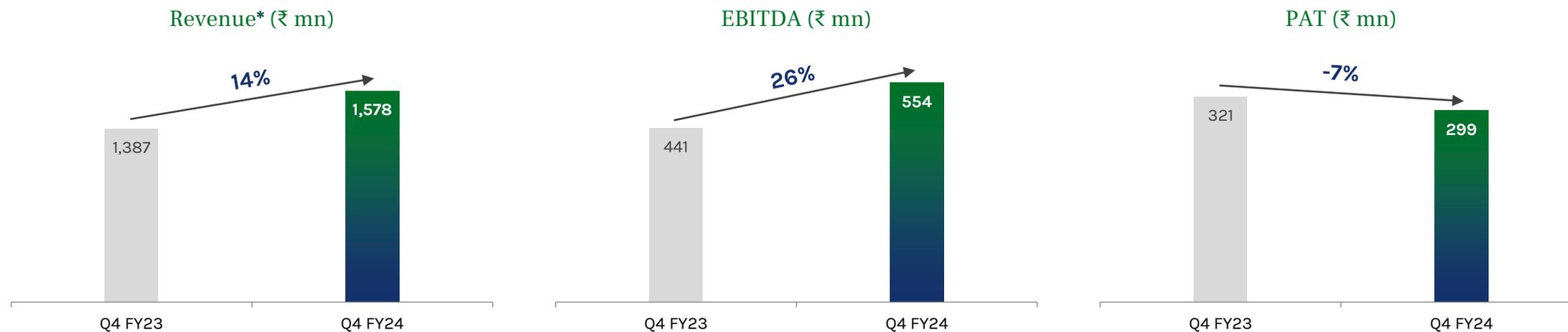


- Revenue grew by 15% on y-o-y basis to ₹ 6,239 million in the FY24 from ₹ 5,406 million in the FY23
- EBITDA grew by 31% to ₹ 2,045 million in the FY24 as against ₹ 1,564 million in FY23 on y-o-y basis
- PAT increased to ₹ 1,370 million in the FY24 from ₹ 1,039 million in the FY23, an uptick of 32% on y-o-y basis
- EBITDA margin and PAT margin during FY24 stands at 33% and 22% 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 – Q4 FY24 (Consolidated) Y-o-Y

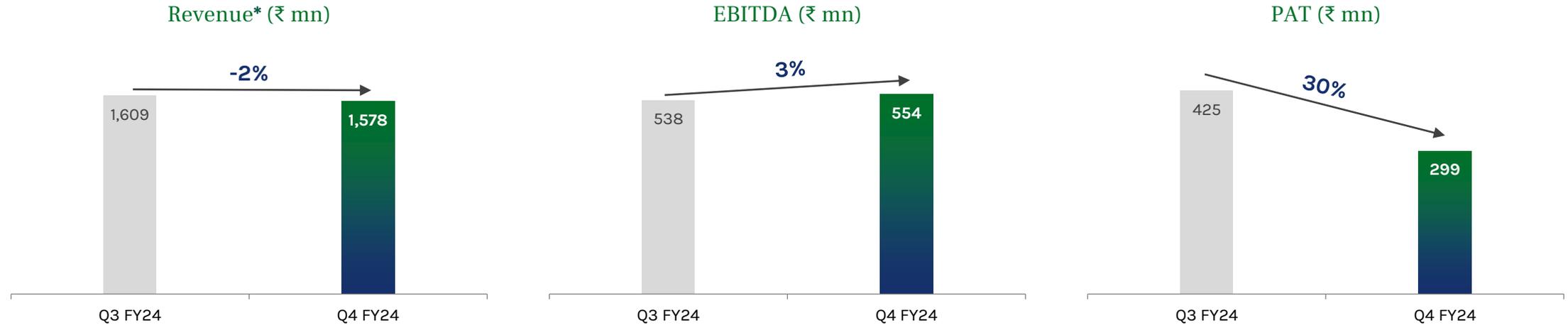


- Revenue grew by 14% on y-o-y basis to ₹ 1,578 million in the Q4 FY24 from ₹ 1,387 million in the Q4 FY23
- EBITDA grew by 26% to ₹ 554 million in the Q4 FY24 as against ₹ 441 million in Q4 FY23 on y-o-y basis
- PAT decreased to ₹ 299 million in the Q4 FY24 from ₹ 321 million in the Q4 FY23, a de-growth of 7% on y-o-y basis
- EBITDA margin and PAT margin during Q4 FY24 stands at 35% and 19% 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 – Q4 FY24 (Consolidated) Q-o-Q

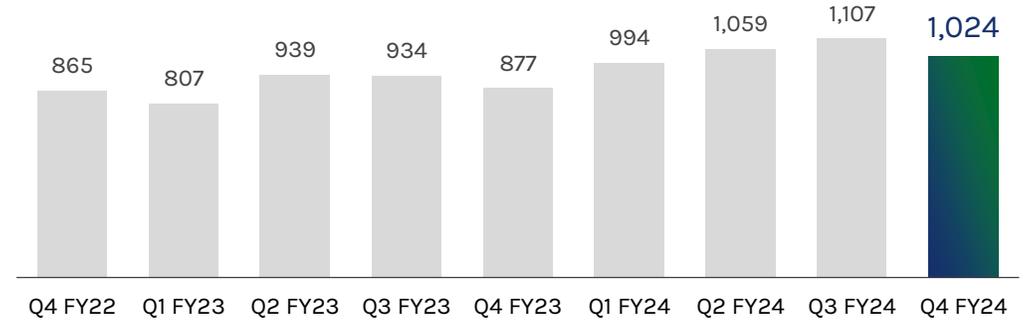
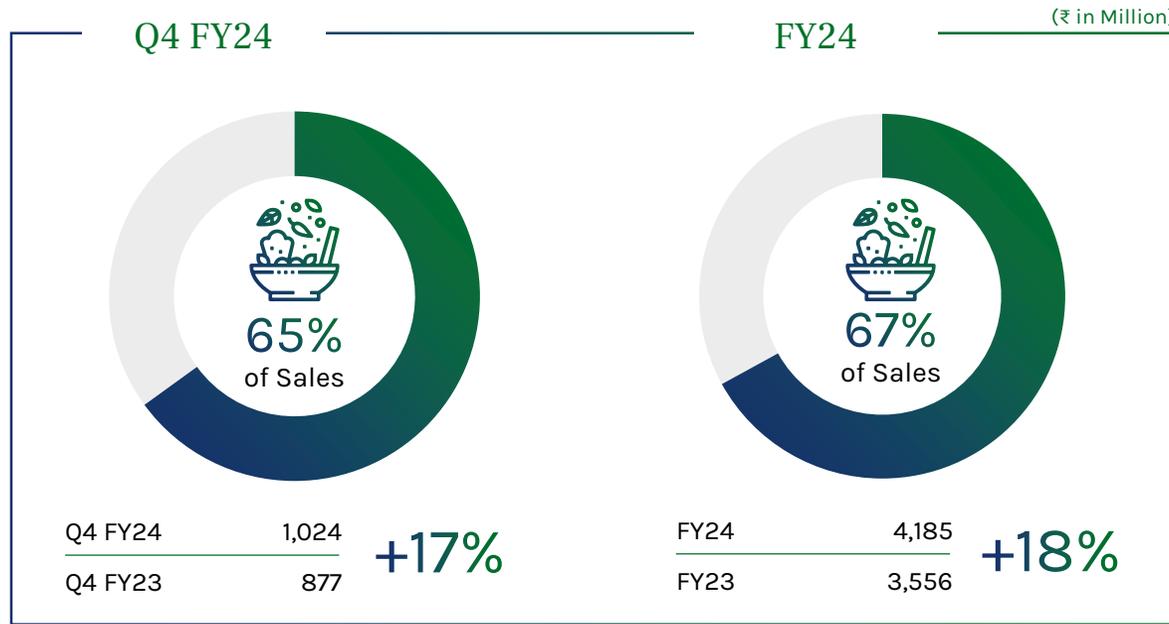


- Revenue de-grew by 2% on q-o-q basis to ₹ 1,578 million in the Q4 FY24 from ₹ 1,609 million in the Q3 FY24
- EBITDA grew by 3% to ₹ 554 million in the Q4 FY24 as against ₹ 538 million in Q3 FY24 on sequential basis
- PAT depreciated to ₹ 299 million in the Q4 FY24 from ₹ 425 million in the Q3 FY24, a de-growth 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



Commentary:

- The human nutrition segment contributed around 65% during the quarter to the total revenue from operations
- This segment grew by 17% during the quarter from ₹ 877 million in Q4 FY23 to ₹ 1,024 million in Q4 FY24 whereas it de-grew by 7% on sequential basis

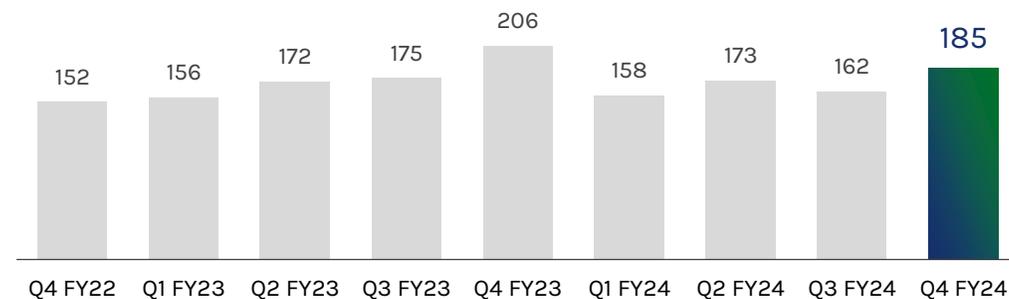
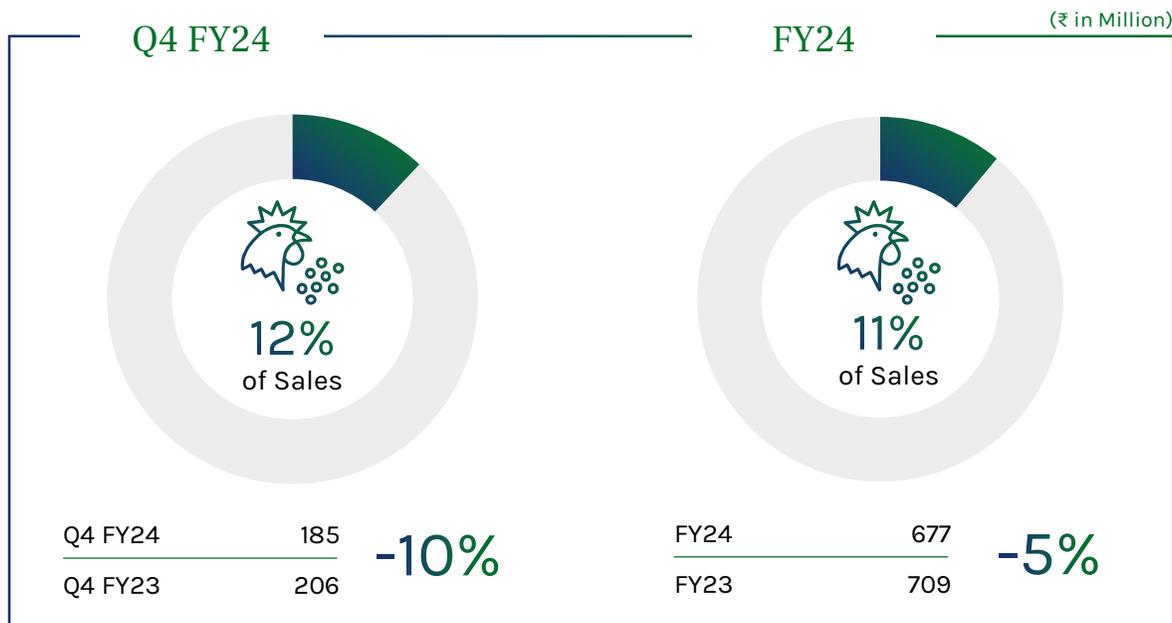
Commentary:

- The human nutrition segment contributed around 67% during the year in the total revenue from operations
- This segment grew by 18% during the year from ₹ 3,556 million in FY23 to ₹ 4,185 million in FY24

Notes:
All the decimals are rounded off to their relevant nearest number



Animal Nutrition



Commentary:

- The animal nutrition segment contributed around 12% during the quarter to the total revenue from operations
- This segment de-grew by 10% during the quarter from ₹ 206 million in Q4 FY23 to ₹ 185 million in Q4 FY24 whereas it grew by 14% on sequential basis

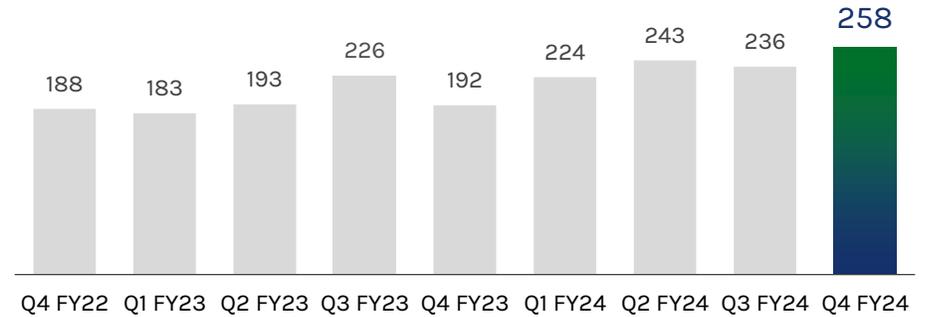
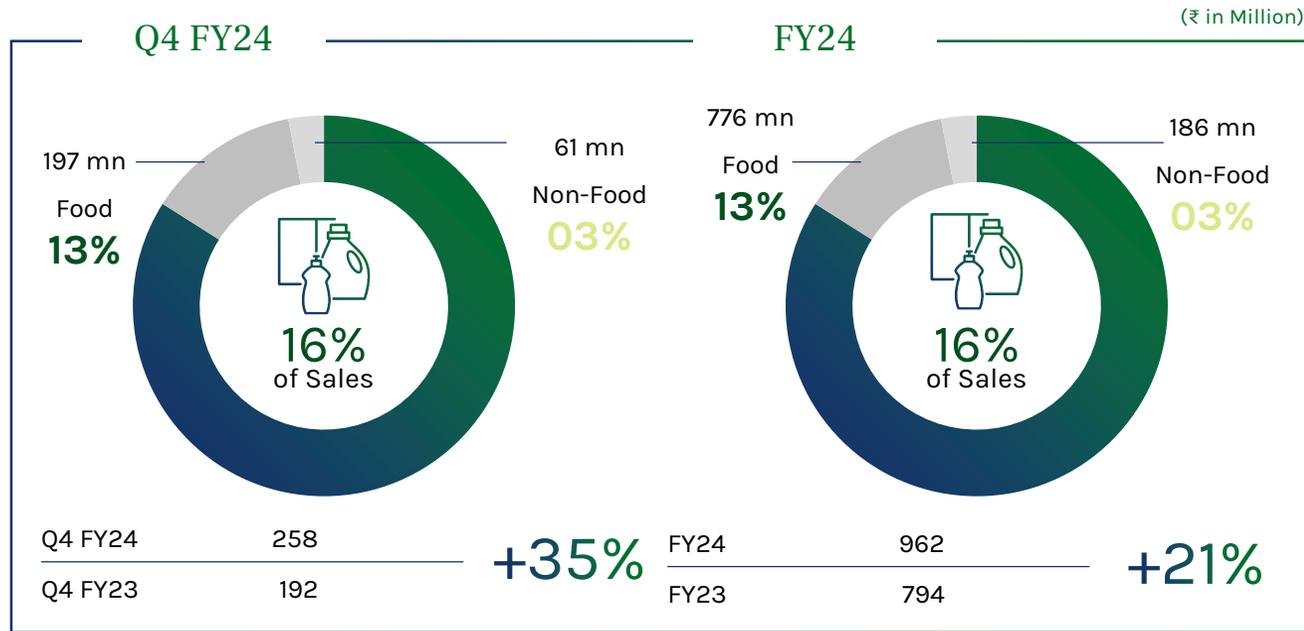
Commentary:

- The animal nutrition segment contributed around 11% during the year in the total revenue from operations
- This segment de-grew by 5% on y-o-y basis to ₹ 677 million in FY24 as against ₹ 709 million in FY23

Notes:
All the decimals are rounded off to their relevant nearest number



Industrial Bio-Processing



Commentary:

- The Industrial Bio-Processing segment contributed about 16% during the quarter to the total revenue from operations
- This segment grew by 35% on y-o-y basis to ₹ 258 million in Q4 FY24 from ₹ 192 million in Q4 FY23 while it grew by 9% on q-o-q basis
- In this segment, food business contributed 13% to the overall revenue and stood at ₹ 197 million while the Non-Food business contributed 3% and stood at ₹ 61 million during the quarter. The food business increased by 33% and Non-food business registered a growth of 43% on y-o-y basis

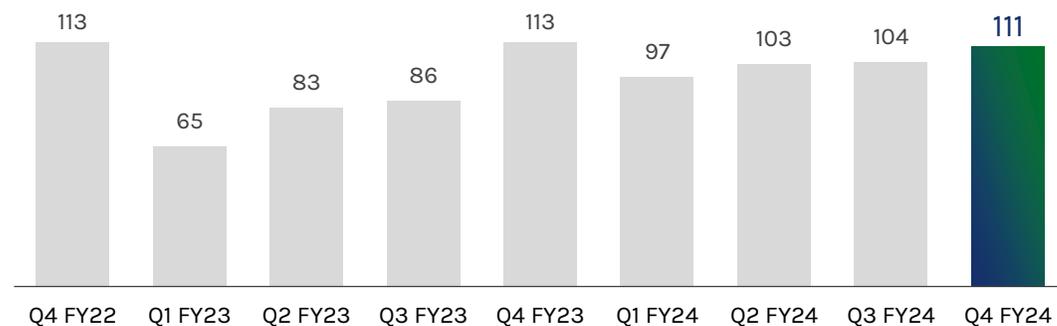
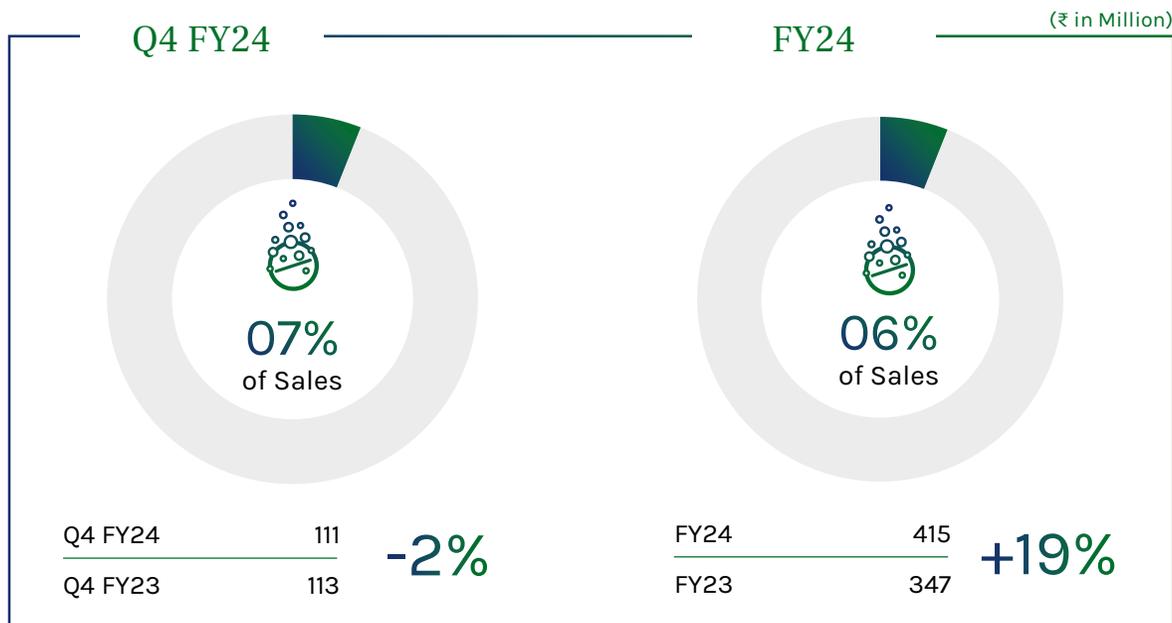
Commentary:

- The Industrial Bio Processing segment contributed about 16% during the year in the total revenue from operations
- This segment grew by 21% on y-o-y basis to ₹ 962 million in FY24 from ₹ 794 million in FY23
- In this segment, food business contributed 13% to the overall revenue and stood at ₹ 776 million while the Non-Food business contributed 3% and stood at ₹ 186 million during the year. The food business grew by 30% while the Non-food business registered a de-growth of 6% on y-o-y basis

Notes:
All the decimals are rounded off to their relevant nearest number



Specialized Manufacturing



Commentary:

- This segment contributed about 7% during the quarter to the total revenue from operations
- This segment de-grew by 2% on y-o-y basis to ₹ 111 million in Q4 FY24, and on q-o-q basis it grew by 7%

Commentary:

- This segment contributed about 6% during the year in the total revenue from Operations
- This segment outperformed by 19% on y-o-y basis to ₹ 415 million in FY24 from ₹ 347 million in FY23

Notes:
All the decimals are rounded off to their relevant nearest number



Geographical Performance

(₹ in Million)

		Q4 FY24			FY24		
	India	49%	+3%	Q4 FY24 774	Q4 FY23 752	FY24 3,106	FY23 2,557
	Americas	33%	+32%	Q4 FY24 528	Q4 FY23 400	FY24 2,088	FY23 1,916
	Europe	9%	+31%	Q4 FY24 135	Q4 FY23 103	FY24 397	FY23 354
	Asia*	8%	+14%	Q4 FY24 122	Q4 FY23 107	FY24 458	FY23 473
	Rest of the World	1%	-29%	Q4 FY24 18	Q4 FY23 26	FY24 189	FY23 106

Notes:

1. All the decimals are rounded off to their relevant nearest number
2. *Asia is excluding India

Profit & Loss (Consolidated) – Q4 FY24 & FY24

(₹ in Million)

Particulars	Q4 FY24 Audited	Q3 FY24 Un-Audited	Q4 FY23 Audited	Y-o-Y (%)	Q-o-Q (%)	FY24 Audited	FY23 Audited	Y-o-Y (%)
Income from Operations	1,578	1,609	1,387	14%	-2%	6,239	5,406	15%
Expenses	1,118	1,157	1,030	9%	-3%	4,547	4,192	8%
Profit from Operations before Other Income, Finance Costs and Exceptional Item	460	452	357	29%	2%	1,692	1,214	39%
Other Income	95	144	111	-14%	-34%	367	255	44%
Profit from ordinary activities before Finance Costs and Exceptional Item	555	596	468	19%	-7%	2,059	1,469	40%
Finance costs	8	7	6	33%	14%	29	24	21%
Profit from ordinary activities before exceptional item and tax	547	589	462	18%	-7%	2,030	1,445	40%
Exceptional item	151	-	41	-	-	151	41	-
Profit from ordinary activities before tax	396	589	421	-6%	-33%	1,879	1,404	34%
Tax	97	164	100	-3%	-41%	509	365	39%
Net Profit for the period	299	425	321	-7%	-30%	1,370	1,039	32%
Earnings Per Share	2.53	3.74	2.87	-12%	-32%	11.92	9.45	26%

*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
4. All the decimals are rounded off to their relevant nearest number

Balance Sheet (Consolidated)

(₹ in Million)

Particulars	FY24 Audited	FY23 Audited	FY22 Audited
Assets			
Property, plant and equipment	2,765	2,732	2,622
Capital work-in-progress	411	215	151
Intangible assets	479	550	609
Goodwill	3,253	3,209	2,961
Other non-current assets	350	291	289
Current assets	8,098	7,221	6,044
Total Assets	15,356	14,218	12,676
Equity And Liabilities			
Equity share capital	244	224	224
Other equity	13,018	12,127	10,662
Non-controlling interest	470	491	518
Non-current liabilities	580	601	668
Current liabilities	1,064	775	604
Total – Equity and Liabilities	15,356	14,218	12,676

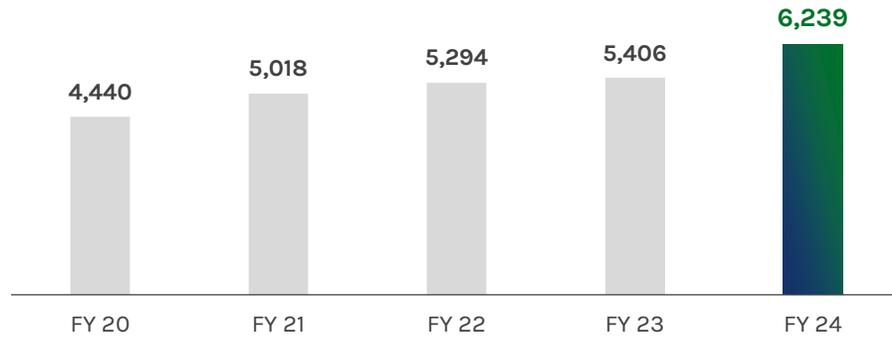
*Notes:

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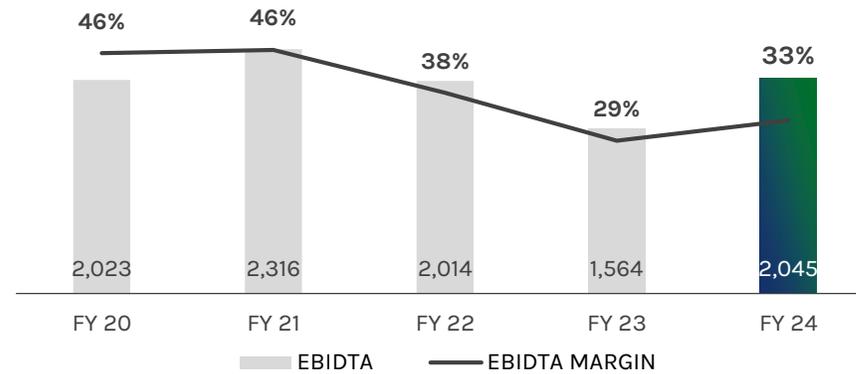
Strong Financial Performance - FY24

(₹ in Million)

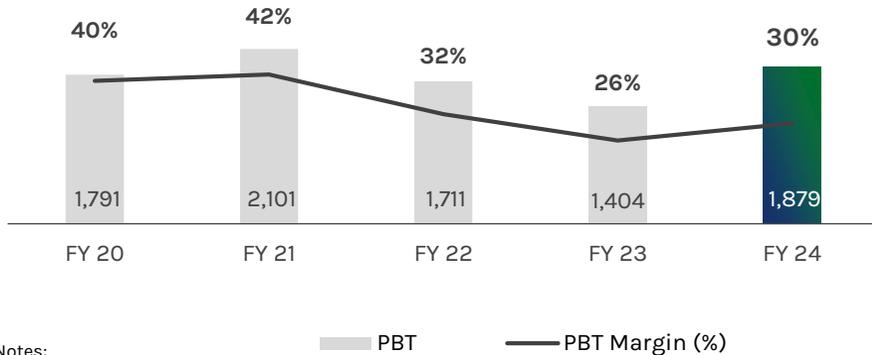
Revenue from Operations



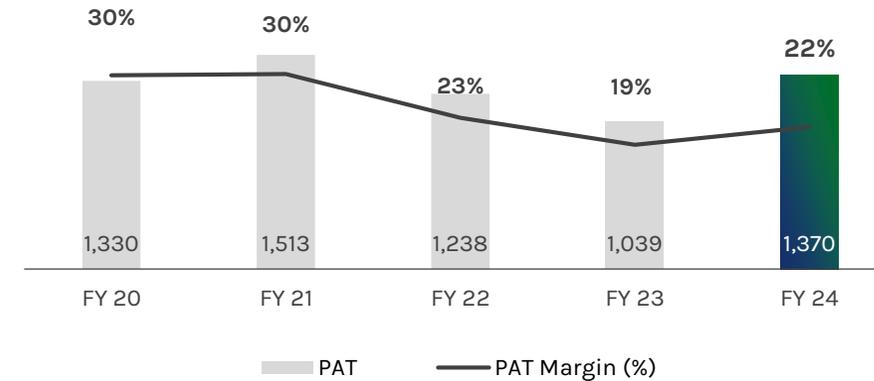
EBIDTA & EBIDTA Margin (%)



PBT & PBT Margin (%)



PAT & PAT Margin (%)

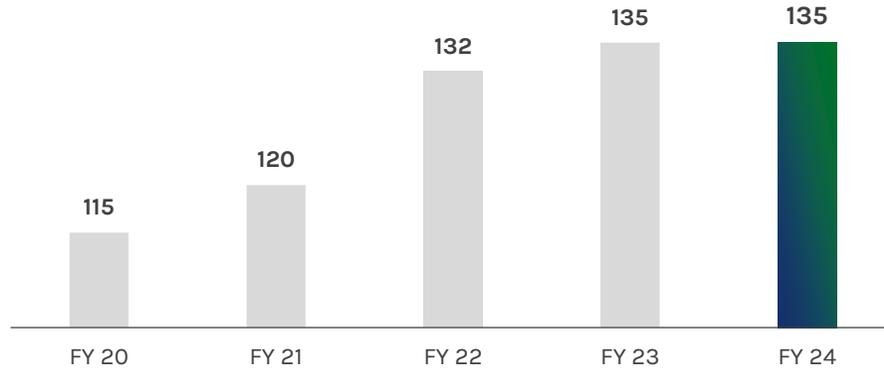


*Notes:

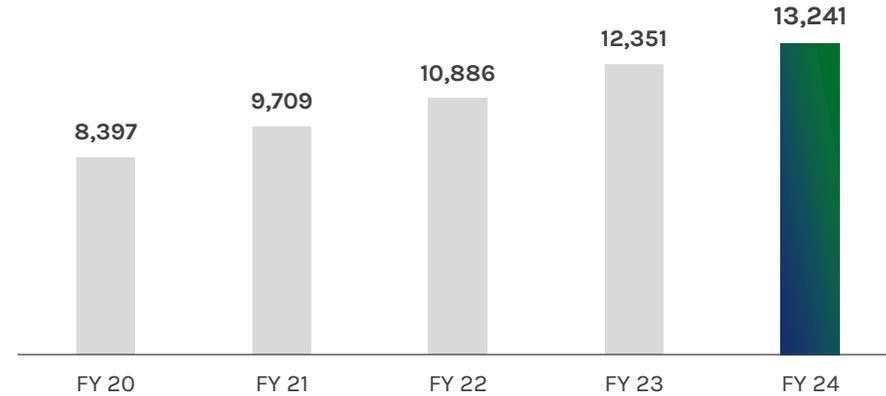
1. On Consolidated Basis
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Strong Financial Performance - FY24

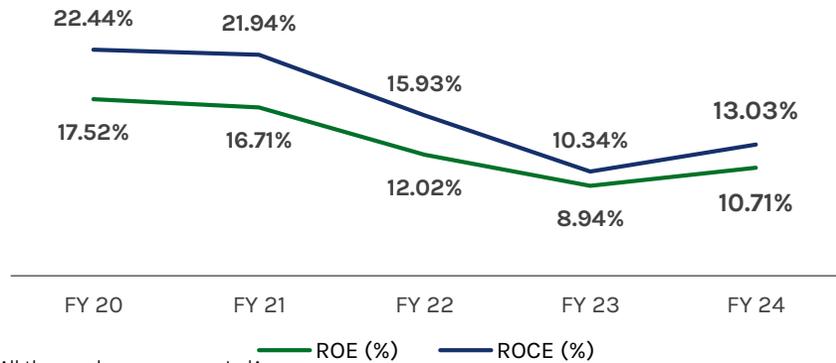
Net Working Capital (Days)



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 = $\frac{\text{Trade receivables} + \text{inventories} - \text{Trade payables}}{\text{Revenue from operations}} \times 365$

Net Debt = Long term debt + short term debt + current maturities of long term debt - Cash & Cash Equivalent

ROE = Profit after tax / Average shareholder equity; ROCE = $\frac{\text{Net Profit before Tax, Exceptional and extraordinary items} + \text{Finance cost}}{\text{Average (Net debt + Network)}}$

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.



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!



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.

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.



Advanced Enzyme Technologies Limited – A Rising Global Star

9 

Manufacturing Units
India - 8 USA - 1

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



14#

Food Enzyme
Dossiers
filed with EFSA



8**

GRAS Dossier
evaluated by US FDA



500

m³ Fermentation
Capacity



25+

Years of
Fermentation
Experience



1##

Novel Food Dossier
filed with EFSA



Note: Facts & Figures as on November, 2023

* Patents includes the filed applications

#Food Dossier filed with EFSA, out of which positive R&D opinion is received for 9 Dossiers & 5 are under evaluation

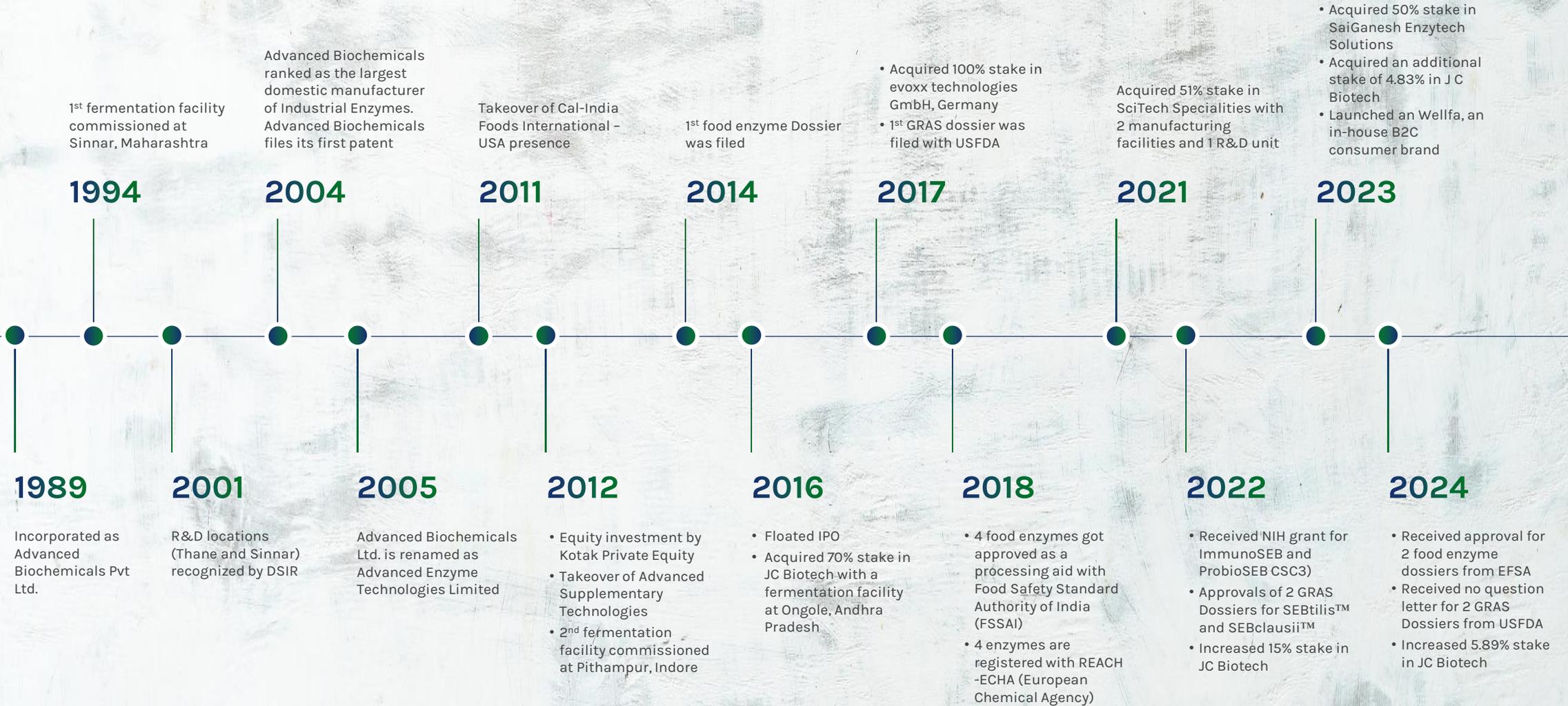
**No question letter received for 7 Dossier & another 1 Dossier is self-affirmed

Novel food dossier has been filed with EFSA is 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. 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
Independent Director



Ms. Vandana Tilak^{*}
Independent Director

*w.e.f July 01, 2023

[#]Ceased to be director from March 31, 2024

Management Team



Mr. Beni Prasad Rauka
Chief Financial Officer



Mr. Dipak Roda
Sr. 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



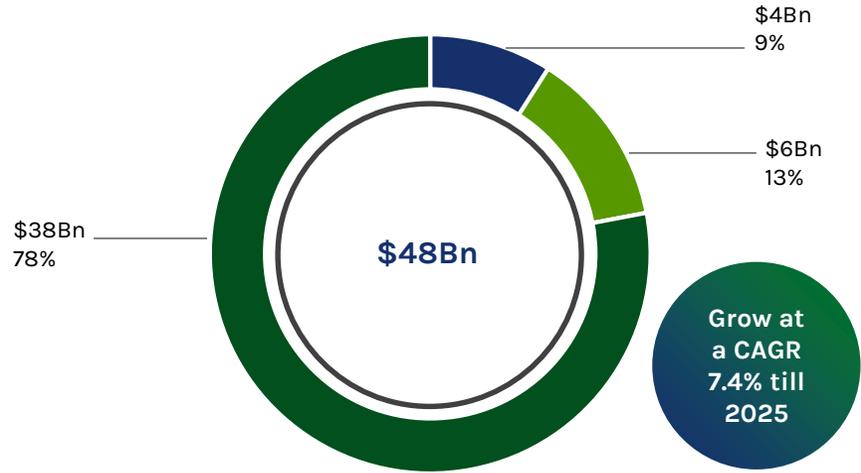
Dr. Michael Puls
Managing Director /Head Of Research and
Development - evoxx Technologies,
Germany



Mr. Sanjay Basantani
Company Secretary & Head Legal

How Big is the Opportunity?

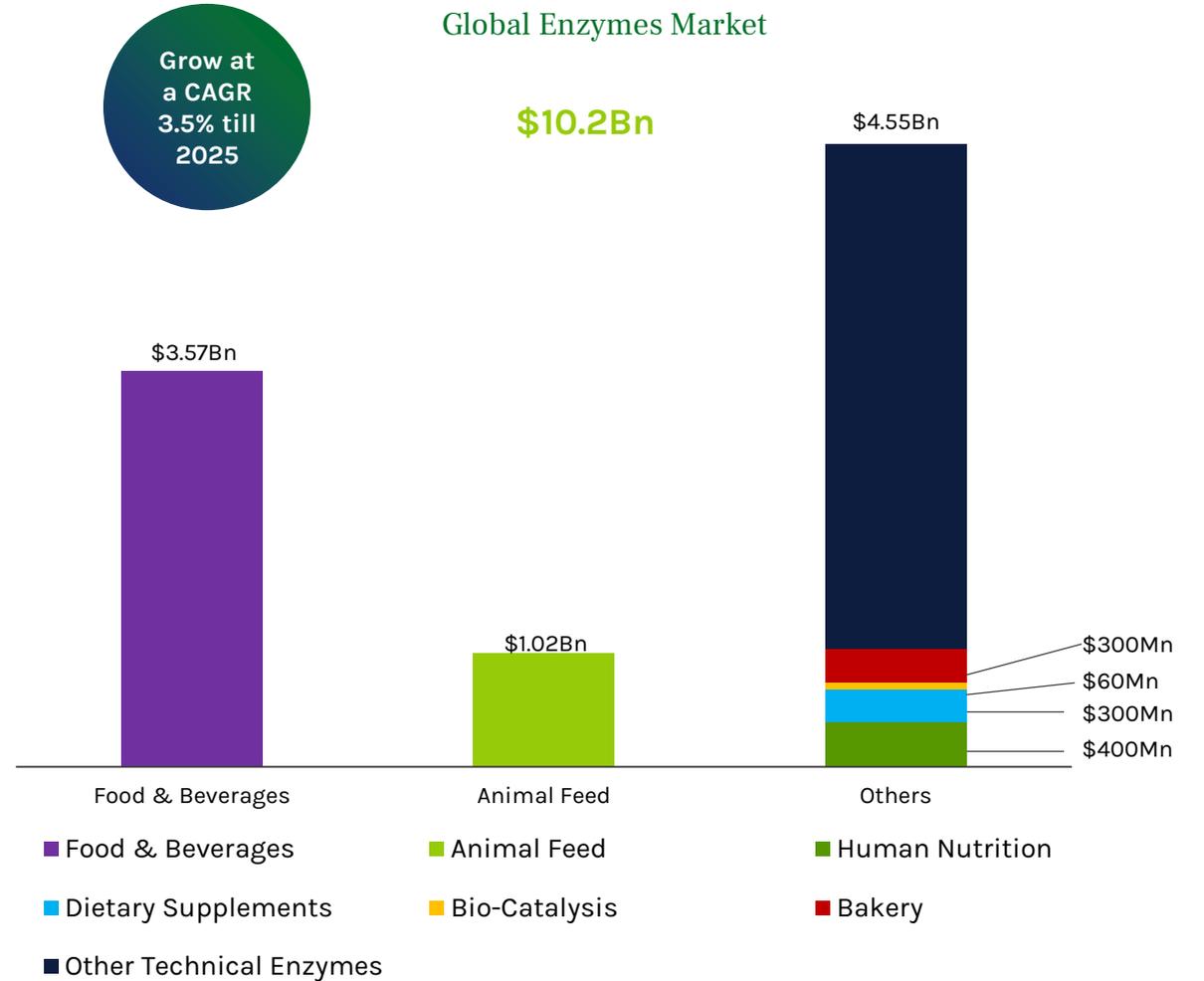
Global Probiotics Market



■ Animal Feed ■ Dietary Supplements ■ Functional Food & Beverages

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

Global Enzymes Market



What Makes AETL a Unique Investment Case?



Specialized Business with High Entry Barriers



Strong Research & Development Capabilities



Integrated Player with Presence Across the Enzyme Value Chain



Inherent Diversification in the Business Model



Significant Focus on International Markets & Brand Building

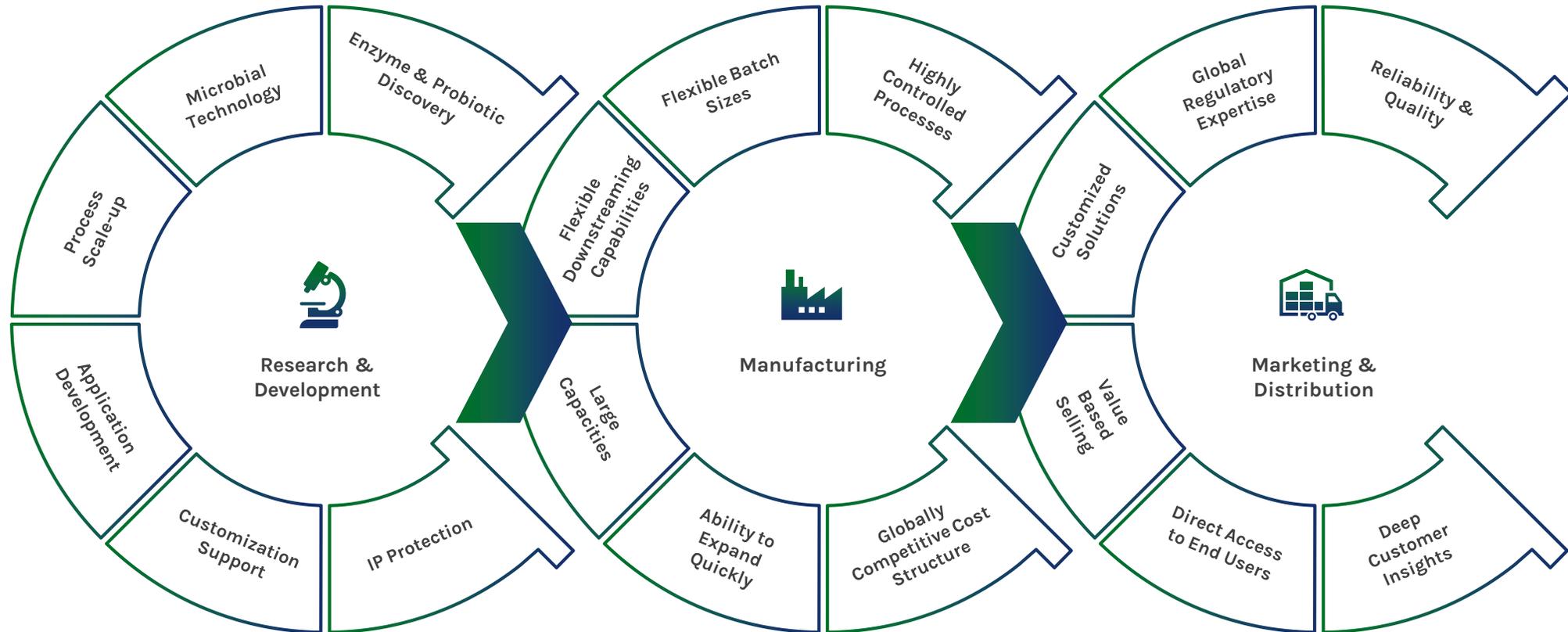


Strong Financial Performance



UNIQUE INVESTMENT CASE

Integrated Player with Presence Across the Enzyme Value Chain



What we are Aiming in the Opportunity?

	Focus Area	Opportunity Size	Addressable market for AETL over next 5 years**	AETL's Current Share of Revenue	
				FY24	FY23
	Human Nutrition	\$ 400 mn	\$ 200 mn	\$ 43.5 mn, 58%	\$ 38.8 mn, 58%
	Bio-Catalysis	\$ 60 mn	\$ 30 mn*	\$ 3.3 mn, 4%	\$ 2.9 mn, 4%
	Baking	\$ 300 mn	\$ 30 mn	\$ 9.2 mn, 12%	\$ 7.4 mn, 11%
	Animal Nutrition	\$ 1.02 bn	\$ 40 mn	\$ 8.2 mn, 11%	\$ 8.8 mn, 13%
	Probiotics	\$ 48 bn	Majority of the market is untapped, so this a huge opportunity	\$ 3.7 mn, 5%	\$ 2.5 mn, 4%

**Addressable market is as per Company's own estimates

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

#Includes other food-processing enzymes

Source: ResearchandMarkets Report, 2019-20

Specialized Business With High Entry Barriers

Technocrat Promoters



Cumulative experience of 7+ decades in the global enzyme industry

Global Competitiveness



Amongst the Lowest Cost Manufacturers in the World (Benchmarked both in terms of Capex & Opex)

Sustained Research & Development



Consistent Investment into R&D over the past 15+ years

Diverse Product Range & Customer Base



400+ Products, 700+ Customers Worldwide

Manufacturing Expertise



Specialized technical expertise in microbial fermentation developed over the last 25+ years

Credible Market Presence



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

Proven Enzyme Development Capabilities



Proven Expertise in Successfully Developing Enzymes; Journey from only 7 in 1994 to 68+ today

Invaluable Experience & Customer Insights



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

Future Growth Drivers



Continued Investment in R&D

- Identify Product gaps and Develop new Enzymes, Probiotics & Solutions thereof
- Expand Competencies in Enzymes & Probiotics, Discovery and Genetic Engineering



Broaden & Deepen Geographical Presence

- Increased focus on high return applications where AETL has strategic advantages
- Build Strategic Partnerships in Key Markets for Focus Segments



Inorganic Expansion

- 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



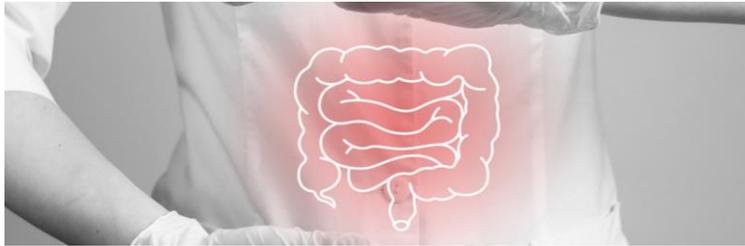
Focus Areas Going Ahead

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



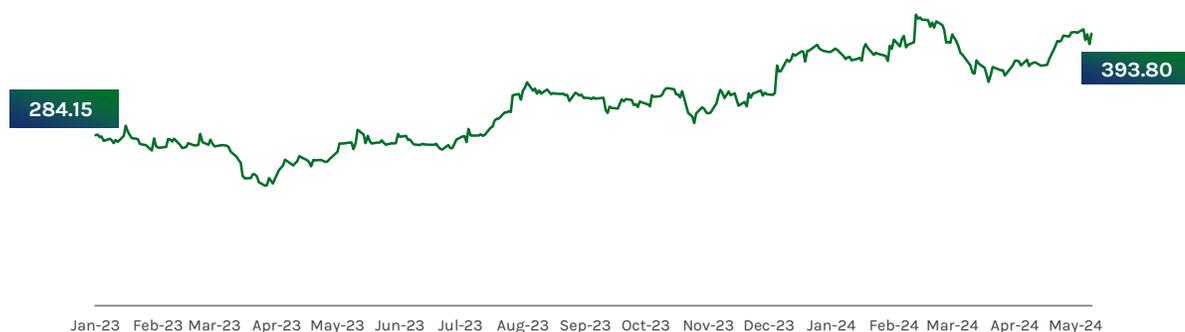
- In Bio-processing division, our focus is on Baking Solutions
- We have got positive response for the products in terms of efficacy and performance
- Confident to expand in Europe, Americas and Rest of World to tap the available opportunities by offering a value based approach in the Baking Industry

Shareholders Information

Stock Data (As on 10th May 2024)

	Market Capitalization (₹)	44,198 mn
	Shares Outstanding	111.82 mn
	Free Float	42.00%
	Symbol (NSE/ BSE)	ADVENZYMES / 540025

Stock Chart (As on 10th May 2024)

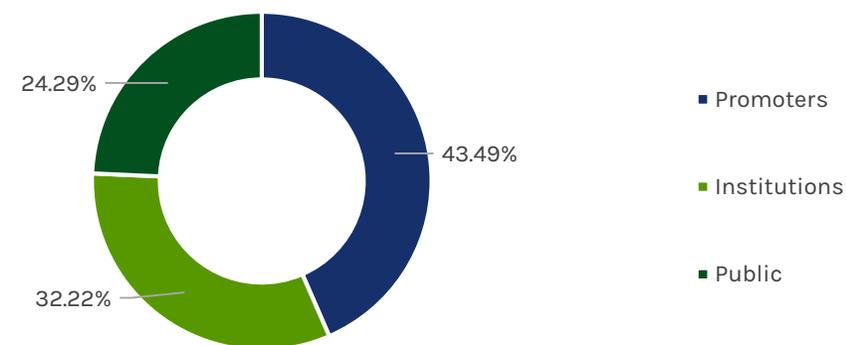


Top 5 Institutional Holders (As on 04th May 2024)

Institutions	OS (%)
ORBIMED ASIA*	12.08
NALANDA INDIA EQUITY FUND	8.91
HDFC AMC	3.60
ICICI PRUDENTIAL MF	1.77
Clarus Capital I	1.28

*Note: For the ease of representation we have aggregated ORBIMED ASIA III MAURITIUS LIMITED (9.88%) & ORBIMED ASIA III MAURITIUS FVCI LIMITED (2.20)

Shareholding Pattern (%)



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Thank you

