

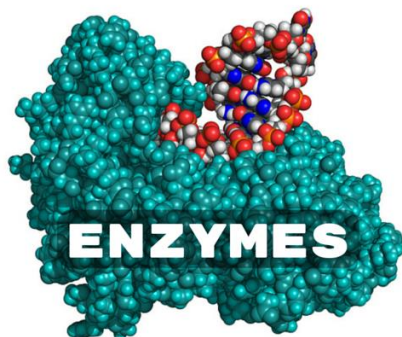
# Where ENZYME is life

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**EARNINGS PRESENTATION**  
**Q4FY17**



This information may contain certain forward-looking statements/details in the current scenario, which is extremely dynamic and increasingly fraught with risks and uncertainties. Actual results, performances, achievements or sequence of events may be materially different from the views expressed herein. Investors/shareholders/public are hence cautioned not to place undue reliance on these statements/details, and are advised to conduct their own investigation and analysis of the information contained or referred to in this section before taking any action with regard to their own specific objectives. Further, the discussion following here in reflects the perceptions on major issues as on date and the opinions expressed here are subject to change without notice. The Company undertakes no obligation to publicly update or revise any of the opinions or forward-looking statements expressed in this section, consequent to new information, future events or otherwise.



## 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.

## Company Overview



Advanced Enzymes is a research driven company with global leadership in the manufacturing of enzymes. 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

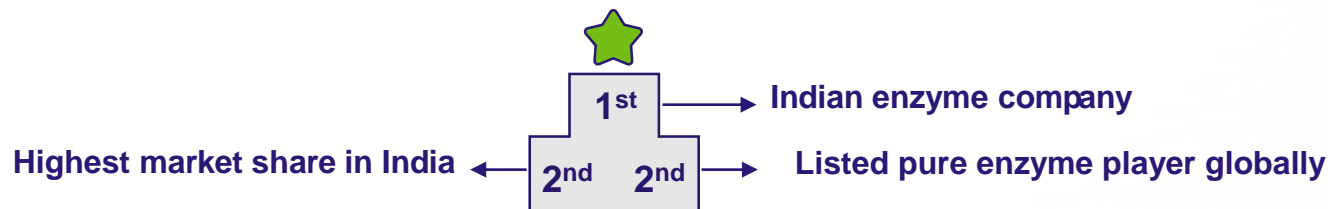


It is our mission to see that every human being is able to take advantage of the power of enzymes for well-being and leading a healthy life!

## Vision



Our vision at Advanced Enzymes is to become the largest, enzyme-based, value provider to consumers and processors globally!



Amongst Top **15** Global Enzyme Companies



**Manufacturing Units – 7**

India - 5      USA - 2



**R&D Units – 5**

India - 4      USA - 1



**65+**

Indigenously  
Developed Enzymes  
& Probiotics



**400+**

Proprietary  
Products



**700+**

Customers  
Worldwide



**45+**

International  
Presence



**22+**

Years of  
Fermentation  
Experience



**13**

Registered  
Patents\*



**11**

Food Enzyme  
Dossiers filed with  
EFSA



**1**

GRAS Dossier  
filed with US FDA



**420**

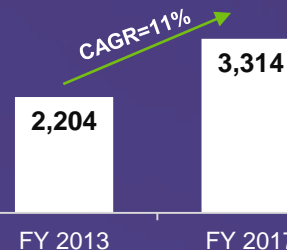
m<sup>3</sup> Fermentation  
Capacity



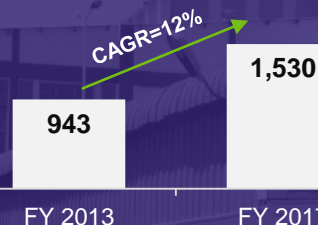
**500+**

Employees

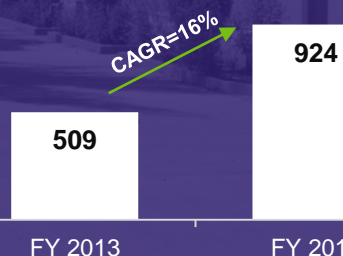
**Revenue (₹ mn)**



**EBIDTA (₹ mn)**



**PAT (₹ mn)**







**Mr. Vasant Rathi**

*Chairman and Non- Executive Director*

Mr. Vasant Laxminarayan Rathi is the Promoter Chairman and Non- Executive Director of our Company. He promoted & incorporated Cal-India in the year 1985 and has been associated with our Company since the year 1993. Mr. Rathi heads our international subsidiaries based in US.



**Mr. C L Rathi**

*Managing Director*

Mr. Chandrakant Laxminarayan Rathi, is the Promoter and Managing Director of our Company. He is currently responsible for the management of the entire operations of the Company and its Indian subsidiaries, including strategic initiatives of our businesses.



**Mrs. Savita Rathi**

*Whole-time Director*

Mrs. Savita Chandrakant Rathi, is the Whole-time Director of our Company. She is responsible for the administration of the Company, management and supervision of Export-Import, Client relationship management and the Human Resource department of the Company.



**Mr. Mukund M. Kabra**

*Whole-time Director*

Mr. Mukund Madhusudan Kabra, is the Whole-time Director of our Company. He is responsible for overlooking the manufacturing operations of the Company at Sinnar and Indore and for optimising the fermentation for existing products, strain improvement, downstream research and analytical research.



**Mr. Kedar Desai**

*Independent Director*

Mr. Kedar Jagdish Desai, is the Independent Director on our Board. He holds a Bachelor's degree in Commerce and Law from the University of Mumbai. He is also a qualified solicitor from the Bombay Incorporated Law Society and has over 19 years of experience in the field of law.



**Mrs. Rupa Vora**

*Independent Director*

Mrs. Rupa Rajul Vora, is a Non-Executive and Independent Director of our Company since November 28, 2015. She was the Chief Financial Officer at Antwerp Diamond Bank N.V., after which she joined IDFC Group as a Group Director and Chief Financial Officer-Alternatives until June 2014. Currently, she serves as an independent director on a few corporate boards.



**Mr. Pramod Kasat**

*Independent Director*

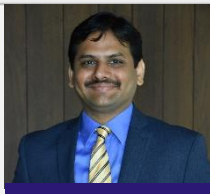
Mr. Pramod Kasat, is a Non-Executive and Independent Director of our Company since December 14, 2016. He is currently the Country Head "Investment banking", Indusind Bank, Mumbai.



**Mr. Ramesh Mehta**

*Independent Director*

Mr. Ramesh Thakorlal Mehta is a Non-Executive and Independent Director of our Company since 1993. He has experience in the business of jewellery designing and manufacturing.



**Piyush Rath**  
*Chief Business Officer*

A double graduate, Piyush first completed his Bachelors in Maths from Mumbai University and then in Finance from Michigan Tech University, USA. Subsequently he completed his MBA from SCMHRD and joined Advanced Enzymes in April 2005. In 2007 and in 2010, Piyush took charge of the Human Nutrition and Bio-Processing businesses respectively, and since 2014, he has also started developing the Animal Nutrition business internationally. Today, as Chief Business Officer, his key responsibility is to oversee the development of the company's business in Europe & Asia. He has also been instrumental in the recent acquisition of JC Biotech.



**Beni Prasad Rauka**  
*Chief Financial Officer*

Mr. Beni Prasad Rauka, a Chartered Accountant and Company Secretary by qualification, brings with him a rich experience of over 24 years in the Finance Industry. Mr. Rauka has worked with Category I Merchant Banking firms and finance companies in his long standing career. Mr Rauka joined Advanced Enzymes in the year 2000 as a consultant. Rauka has been leading the financial innovation in the new business structure and managing the financial activities of all group companies since 2007. As Group CFO, his prime objective today is to ensure that adequate and cost-effective finance is available for the group's strategic plans and investments.



**Dr. Anil Gupta**  
*Vice President - Research & Development*

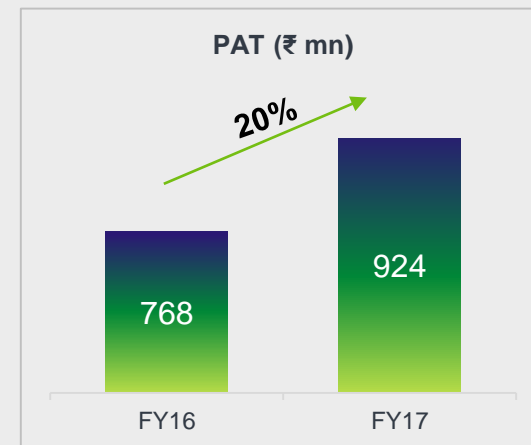
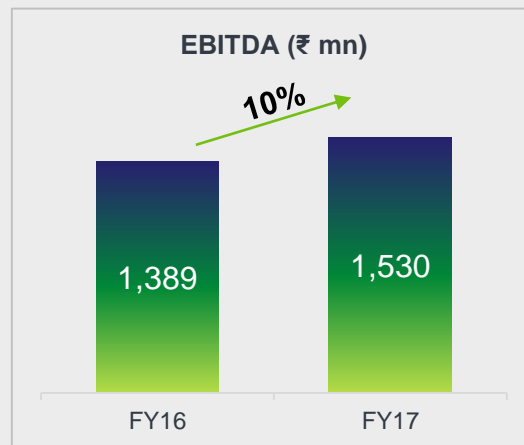
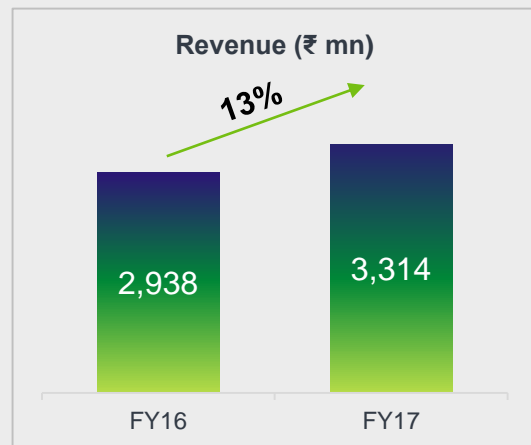
Dr. Anil Gupta is a Ph.D. in Microbiology with over 18 years of experience in Industrial Biotechnology. Prior to his joining Advanced Enzymes, he also received the coveted Young Scientist Award Project from Department of Science & Technology, Govt. Of India and has worked as Principal Investigator in several research projects. Today, as Vice President - Research & Development, General Manager Research & Development, Dr. Gupta heads the process development, proteomics & the applied microbiology labs and leads the research effort in developing several new commercially-viable enzymes every year.



**Dipak Roda**  
*Vice President - Market & Business Development*

After having secured a Chemical Engineering degree from Bharati Vidyapeeth, Pune and a M.Sc Tech in Bioprocess Technology from UDCT, Mr. Dipak Roda began his career with Khandelwal Laboratories in their bio-technology division. Mr. Roda joined Advanced Enzymes in 2005 as a General Manager in Sales & Marketing. He played a key role in aligning the product baskets to the respective industries that they catered to. He led the company's entry into the large and competitive Chinese market through establishment of Advanced Enzyme Far East. Today, his focus is on growing the bio-processing business in the American continents and his key challenge is to build a strong marketing, sales & distribution network there.

# Results Summary – FY17



## Revenue Breakup ₹ in Million

\*YoY Growth

### Animal HC



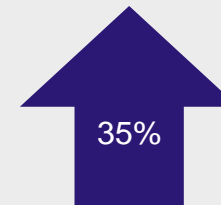
### Human HC



### Food



### Industrial Processing



**FY17**

**512**

**2,386**

**223**

**193**

**FY16**

**474**

**2,137**

**184**

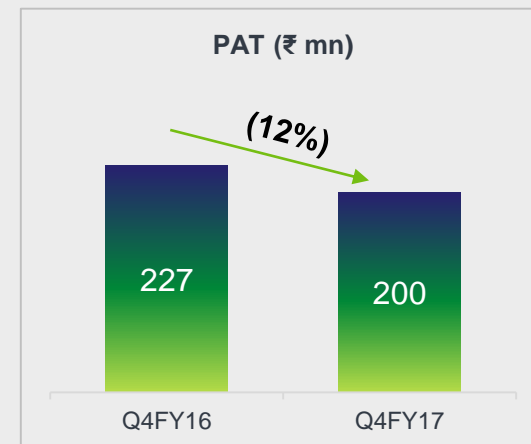
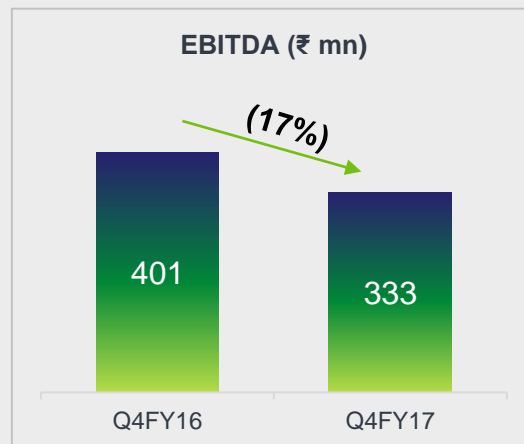
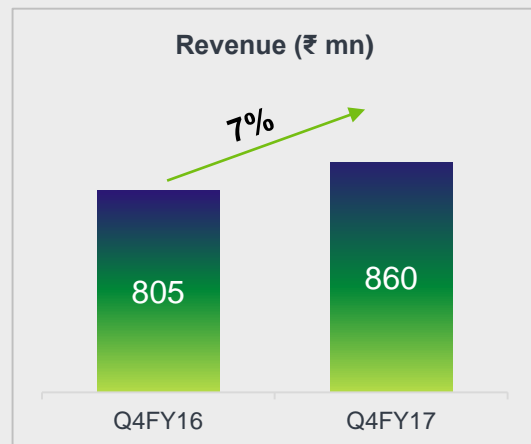
**143**

Note: On Consolidated Basis

EBITDA is including other income

PAT is before minority

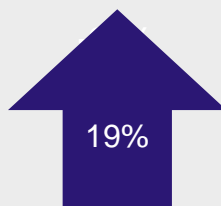
# Results Summary – Q4FY17



## Revenue Breakup ₹ in Million

\*YoY Growth

### Animal HC



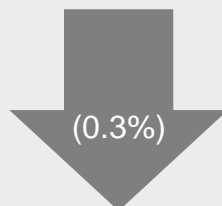
**Q4FY17**

**144**

**Q4FY16**

**121**

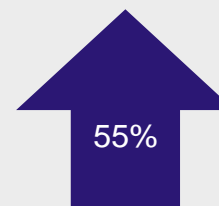
### Human HC



**616**

**618**

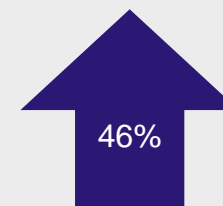
### Food



**59**

**38**

### Industrial Processing



**41**

**28**

Note: On Consolidated Basis

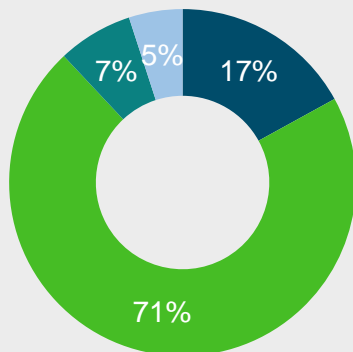
EBITDA is including other income

PAT is before minority



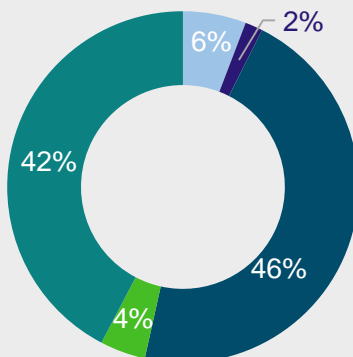
## Q4FY17

### Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Food ■ Industrial Processing

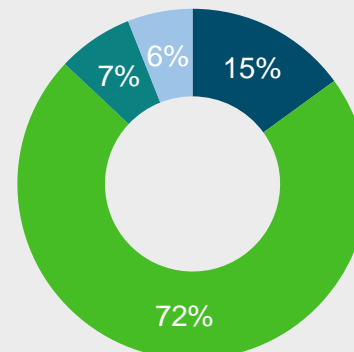
### Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

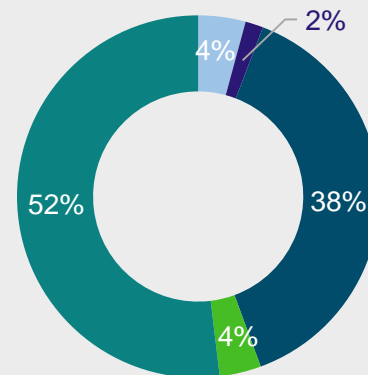
## FY17

### Segmental Revenue Split (%)



■ Animal HC ■ Human HC ■ Food ■ Industrial Processing

### Geographical Revenue Split (%)



■ Asia (ex- India) ■ Others ■ India ■ Europe ■ USA

Note: On Consolidated Basis

# Profit & Loss (Consolidated) – Q4FY17 & FY17

₹ in Million except per share data

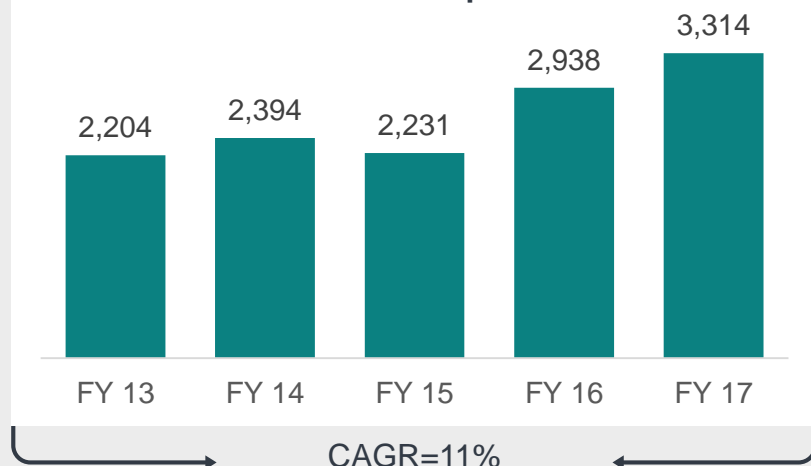
| Particulars  | Q4FY17<br>Unaudited | Q3FY17<br>Unaudited | Q4FY16<br>Unaudited | Y-o-Y (%)    | FY17         | FY16         | Y-o-Y (%)  |
|--|---------------------|---------------------|---------------------|--------------|--------------|--------------|------------|
| <b>Income from Operations</b>  | <b>860</b>          | <b>600</b>          | <b>805</b>          | <b>7%</b>    | <b>3,314</b> | <b>2,938</b> | <b>13%</b> |
| Expenses   | 565                 | 441                 | 432                 | 31%          | 1,929        | 1,649        | 17%        |
| Profit from Operations before Other Income, Finance Costs and Exceptional Item | 295                 | 159                 | 373                 | (21%)        | 1,385        | 1,289        | 7%         |
| Other Income   | 6                   | 7                   | 6                   | 6%           | 23           | 13           | 77%        |
| Profit from ordinary activities before Finance Costs and Exceptional Item      | 301                 | 166                 | 379                 | (21%)        | 1,408        | 1,302        | 8%         |
| Finance costs  | 12                  | 3                   | 17                  | (30%)        | 42           | 79           | (47%)      |
| Profit from ordinary activities before exceptional item and tax                | 289                 | 163                 | 362                 | (20%)        | 1,366        | 1,223        | 12%        |
| Exceptional item   | -                   | -                   | (0.5)               | -            | -            | (41)         | -          |
| Profit from ordinary activities before tax                                     | 289                 | 163                 | 361                 | (20%)        | 1,366        | 1,182        | 16%        |
| Tax  | 89                  | 13                  | 134                 | (34%)        | 442          | 414          | 7%         |
| <b>Net Profit for the period</b>   | <b>200</b>          | <b>150</b>          | <b>227</b>          | <b>(12%)</b> | <b>924</b>   | <b>768</b>   | <b>20%</b> |
| <b>Earnings Per Share</b>  | <b>9</b>            | <b>7</b>            | <b>11</b>           |              | <b>41</b>    | <b>35</b>    |            |

# Balance Sheet (Consolidated) – FY17

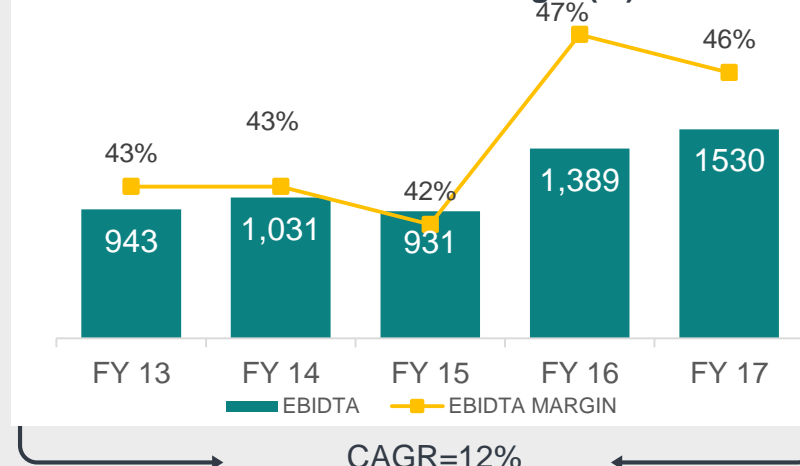
₹ in Million

| Particulars                          | FY17         | FY16         |
|--------------------------------------|--------------|--------------|
| <b>EQUITY AND LIABILITIES</b>        |              |              |
| Share capital                        | 223          | 218          |
| Reserves and surplus                 | 4,332        | 2,563        |
| Minority interest                    | 124          | 54           |
| Long-term borrowings                 | 197          | 388          |
| Other - Non-current liabilities      | 191          | 176          |
| Short-term borrowings                | 265          | 296          |
| Trade payables                       | 110          | 115          |
| Other current liabilities            | 324          | 696          |
| <b>TOTAL- EQUITY AND LIABILITIES</b> | <b>5,766</b> | <b>4,505</b> |
| <b>ASSETS</b>                        |              |              |
| Fixed assets                         | 4,096        | 2,924        |
| Long-term loans and advances         | 191          | 180          |
| Other non-current assets             | 9            | 4            |
| Inventories                          | 685          | 605          |
| Trade receivables                    | 510          | 418          |
| Cash and bank balances               | 79           | 263          |
| Other current assets                 | 196          | 111          |
| <b>TOTAL- ASSETS</b>                 | <b>5,766</b> | <b>4,505</b> |

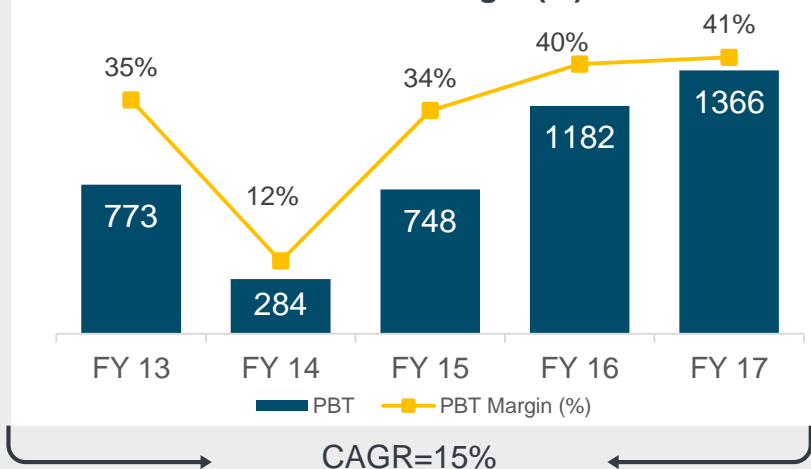
## Revenue from Operations



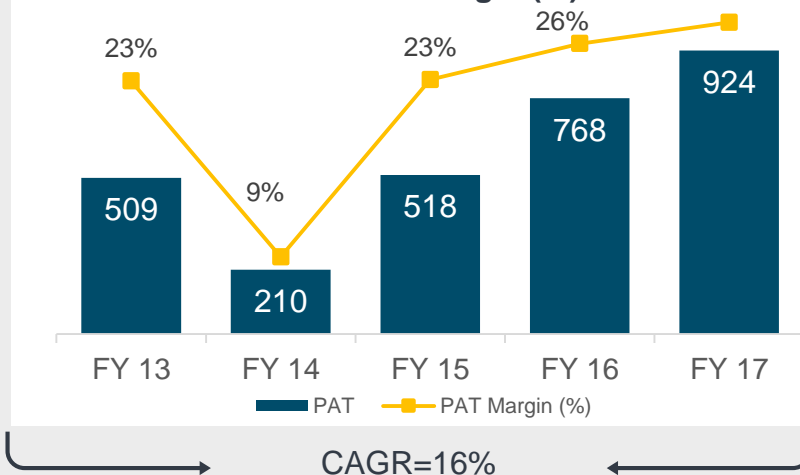
## EBIDTA & EBIDTA Margin (%)



## PBT & PBT Margin (%)



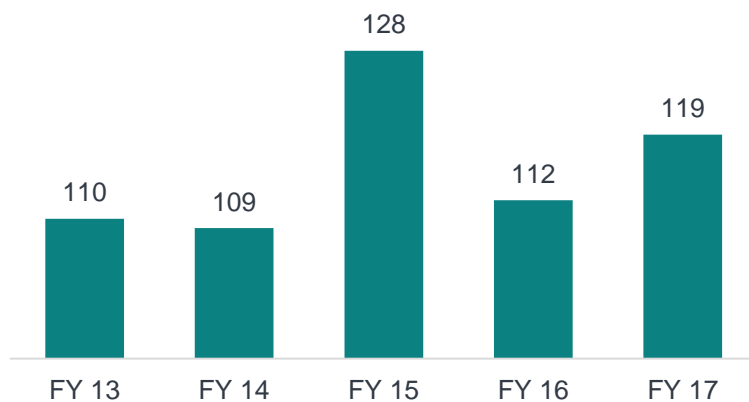
## PAT & PAT Margin (%)



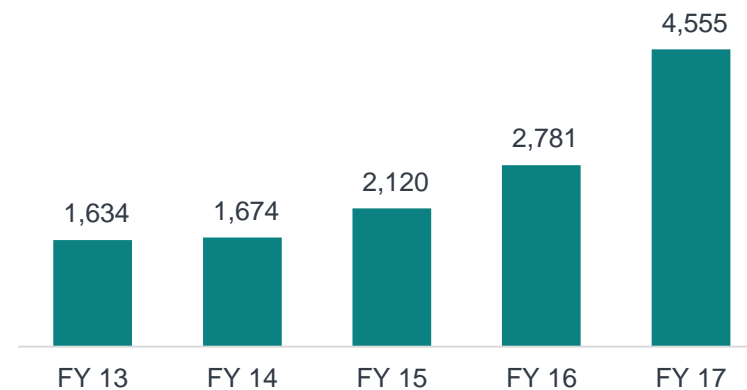
All numbers are on Consolidated basis

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

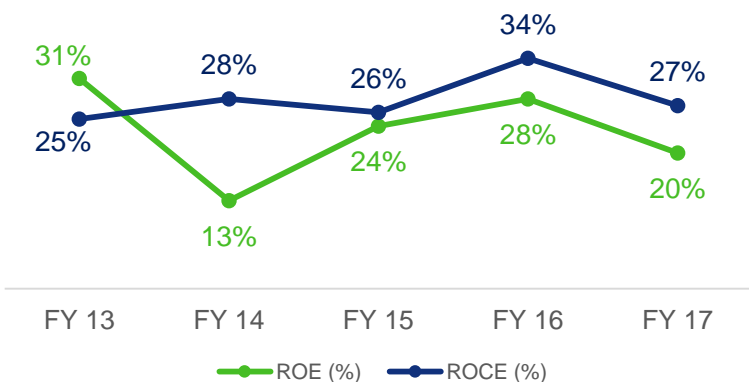
## Net Working Capital (Days)



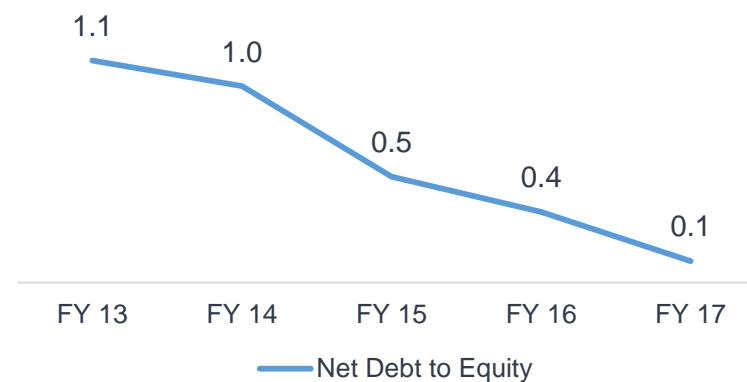
## Net Worth (₹ mn)



## ROE (%) & ROCE (%)



## Net Debt to Equity (x)



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



## Stock Data (As on 31st March 2017)



Market Capitalization (₹)

45,992 mn



Shares Outstanding

22.3 mn



Free Float

6.5 mn



Symbol (NSE/ BSE)

ADVENZYMES / 540025



Average Daily Volume

47,801

Face Value: ₹2/-



Advance Enzyme

NIFTY Pharma

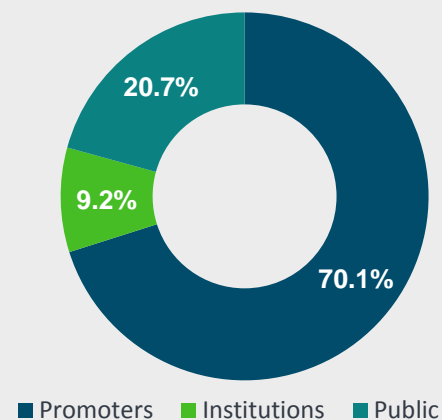
Source: BSE, Bloomberg

Note: Data mentioned in this slide is as on 31<sup>st</sup> March 2017

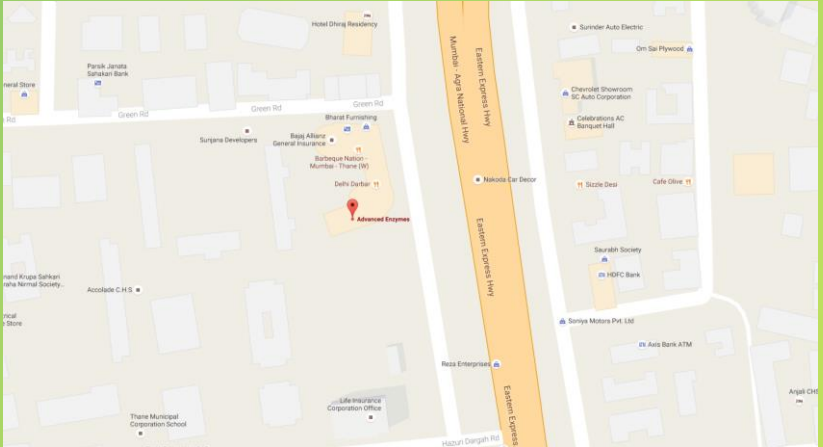
## Top Institutional Holders

| Institutions                            | OS (%) |
|---|--------|
| DSP Blackrock Investment Management Co. | 3.89   |
| Motilal Oswal Asset Management Co. Ltd. | 1.42   |
| Reliance Capital Trustee Co. Ltd        | 1.21   |
| The Nomura Trust And Banking Co. Ltd.   | 1.02   |
| Birla Sun Life Insurance Company Ltd.   | 0.08   |

## Shareholding Pattern (%)



L
E
A



**Advanced Enzymes**  
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Thane (W) 400 604, India  
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Fax: + 91-22-25835159