

Adani Wilmar Limited Investor Presentation – Q2FY23

November 3, 2022



For a healthy growing nation



Safe Harbour Statement

This Release / Communication, except for the historical information, may contain statements, including the words or phrases such as 'expects, anticipates, intends, will, would, undertakes, aims, estimates, contemplates, seeks to, objective, goal, projects, should' and similar expressions or variations of these expressions or negatives of these terms indicating future performance or results, financial or otherwise, which are forward looking statements. These forward looking statements are based on certain expectations, assumptions, anticipated developments and other factors which are not limited to, risk and uncertainties regarding fluctuations in earnings, market growth, intense competition and the pricing environment in the market, consumption level, ability to maintain and manage key customer relationship and supply chain sources and those factors which may affect our ability to implement business strategies successfully, namely changes in regulatory environments, political instability, change in international oil prices and input costs and new or changed priorities of the trade. The Company, therefore, cannot guarantee that the forward-looking statements made herein shall be realized. The Company, based on changes as stated above, may alter, amend, modify or make necessary corrective changes in any manner to any such forward looking statement contained herein or make written or oral forward-looking statements as may be required from time to time on the basis of subsequent developments and events. The Company does not undertake any obligation to update forward looking statements that may be made from time to time by or on behalf of the Company to reflect the events or circumstances after the date hereof.

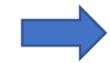
Flow of Presentation



1. Macro Context



2. Business Updates



3. Financial Results

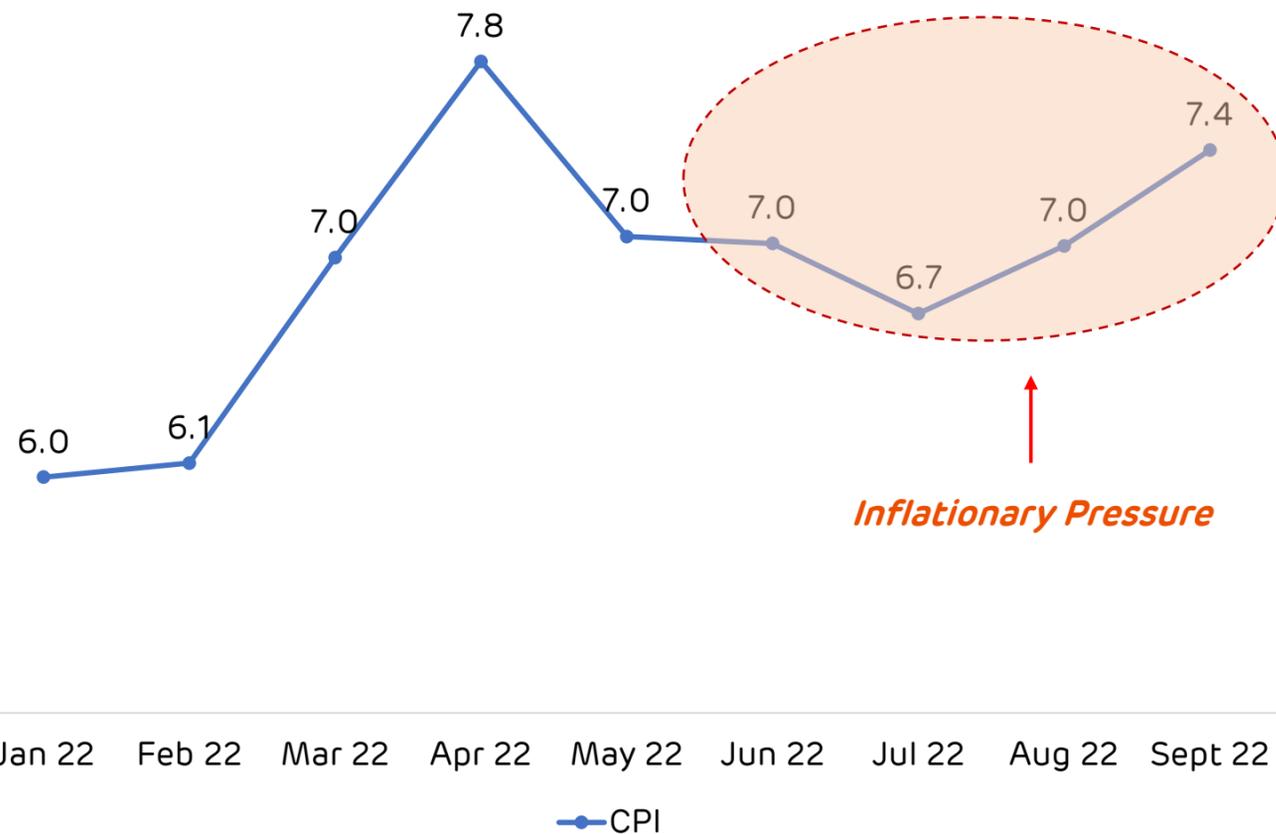


4. Strategy Going Forward

1. Macro Context

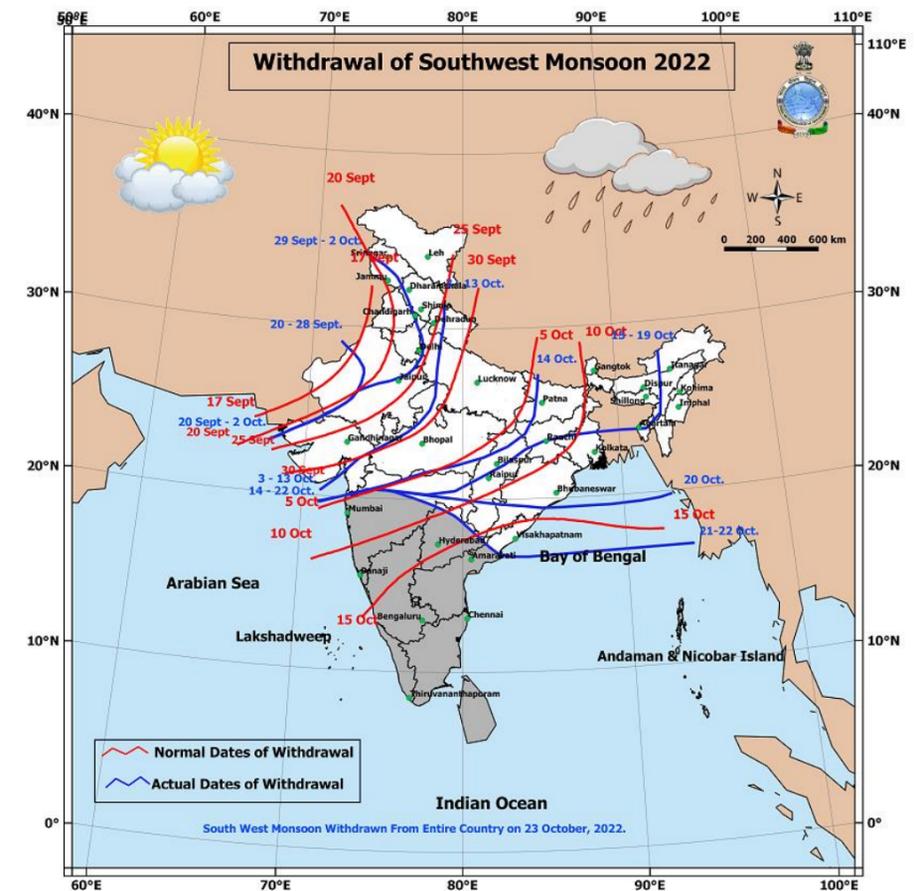


Inflation woes continued...



- Inflation still above RBI's tolerance level of 6%
- Higher inflation is primarily led by food prices (food inflation at 22-month high at 7.7%; food accounts for 45% weightage in CPI)

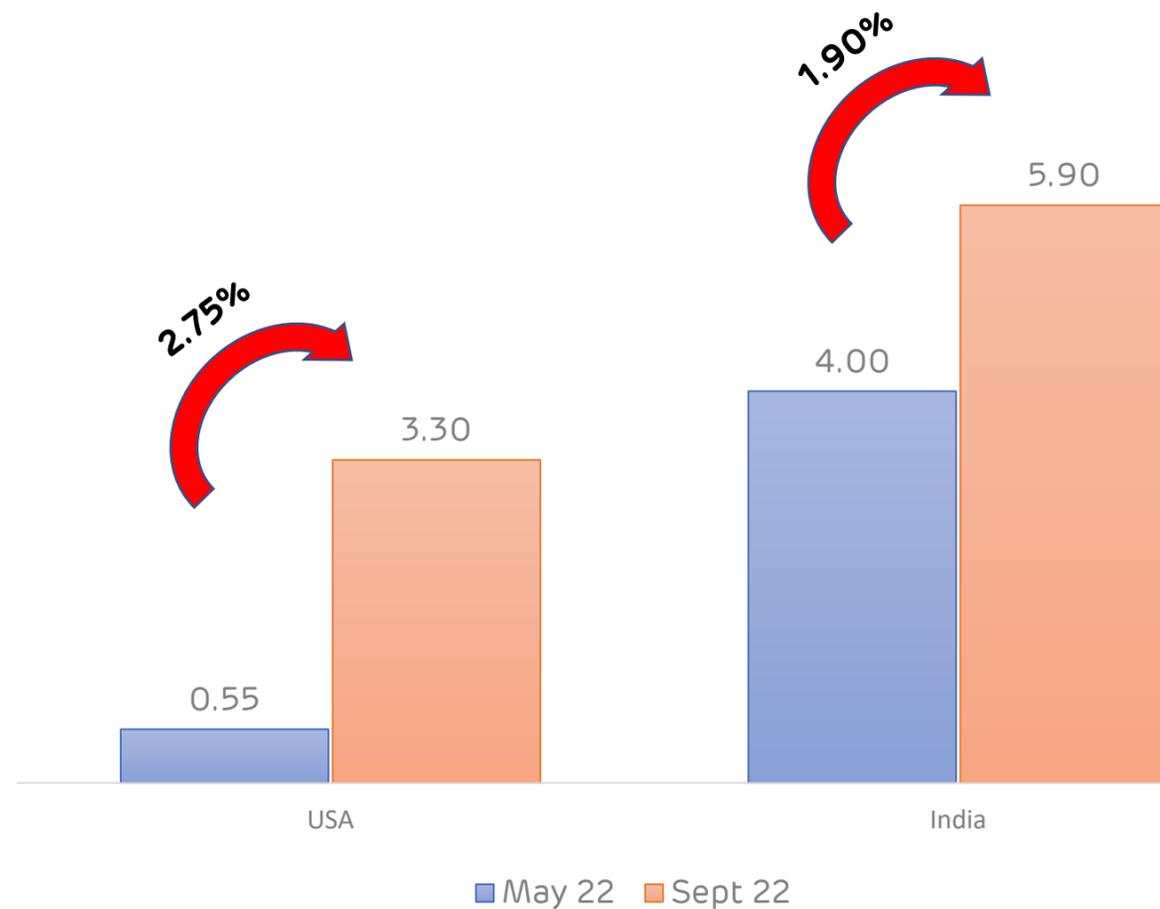
Surplus, but "delayed" Monsoon



- While India saw 6% surplus in FY22, this year's monsoon was characterized with erratic distribution and delayed withdrawal
- Deficient monsoon in key rice producing states of Uttar Pradesh, Bihar, Jharkhand & West Bengal; As per government estimates, this could impact rice output by 7-9%
- Monsoon revived in later half – delayed withdrawal

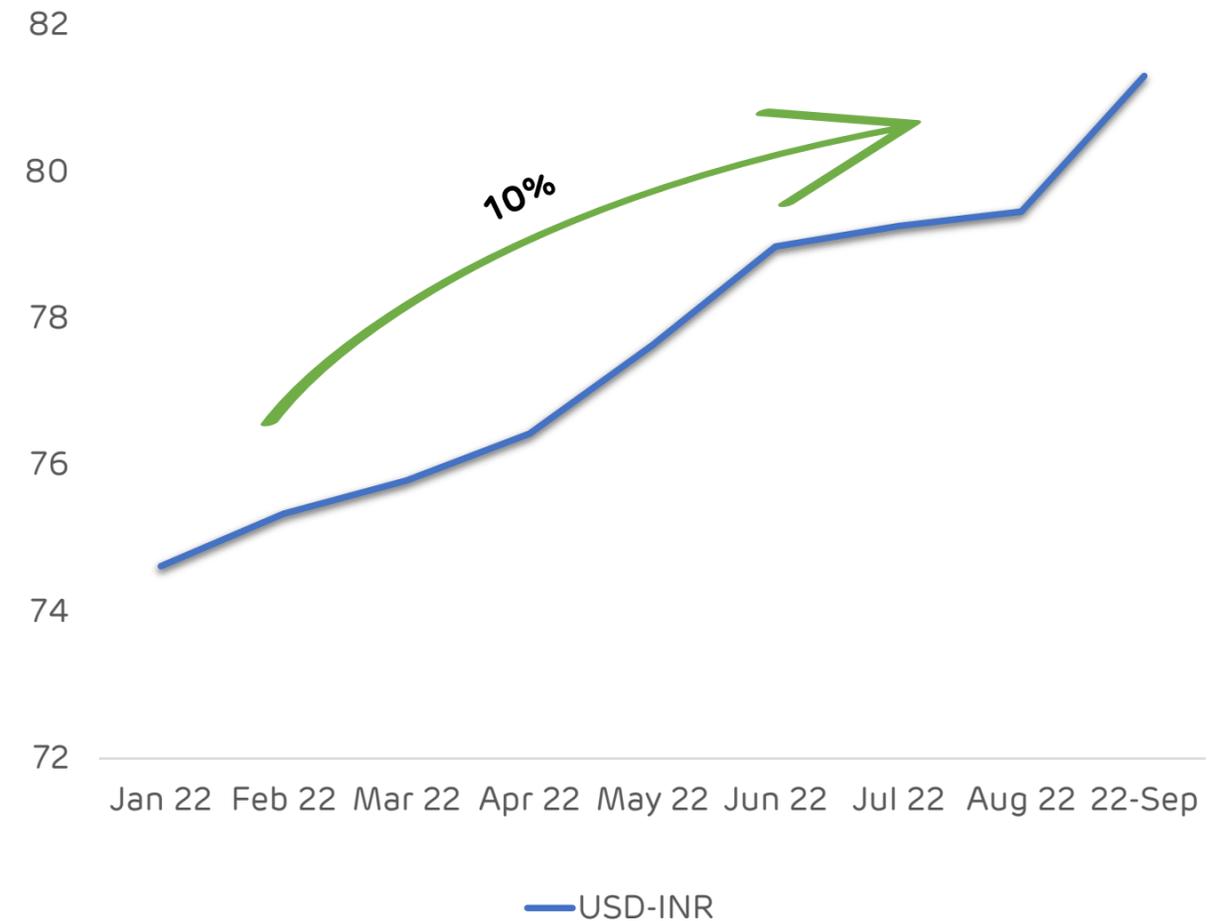
Above average, but erratic monsoon may continue inflationary pressure

Policy rates continue to rise



- Global economies continue to curb inflation with higher policy rates
- US Fed rates expected to rise further; to impact growth over next few quarters

Currency Pressure: Rupee Depreciation

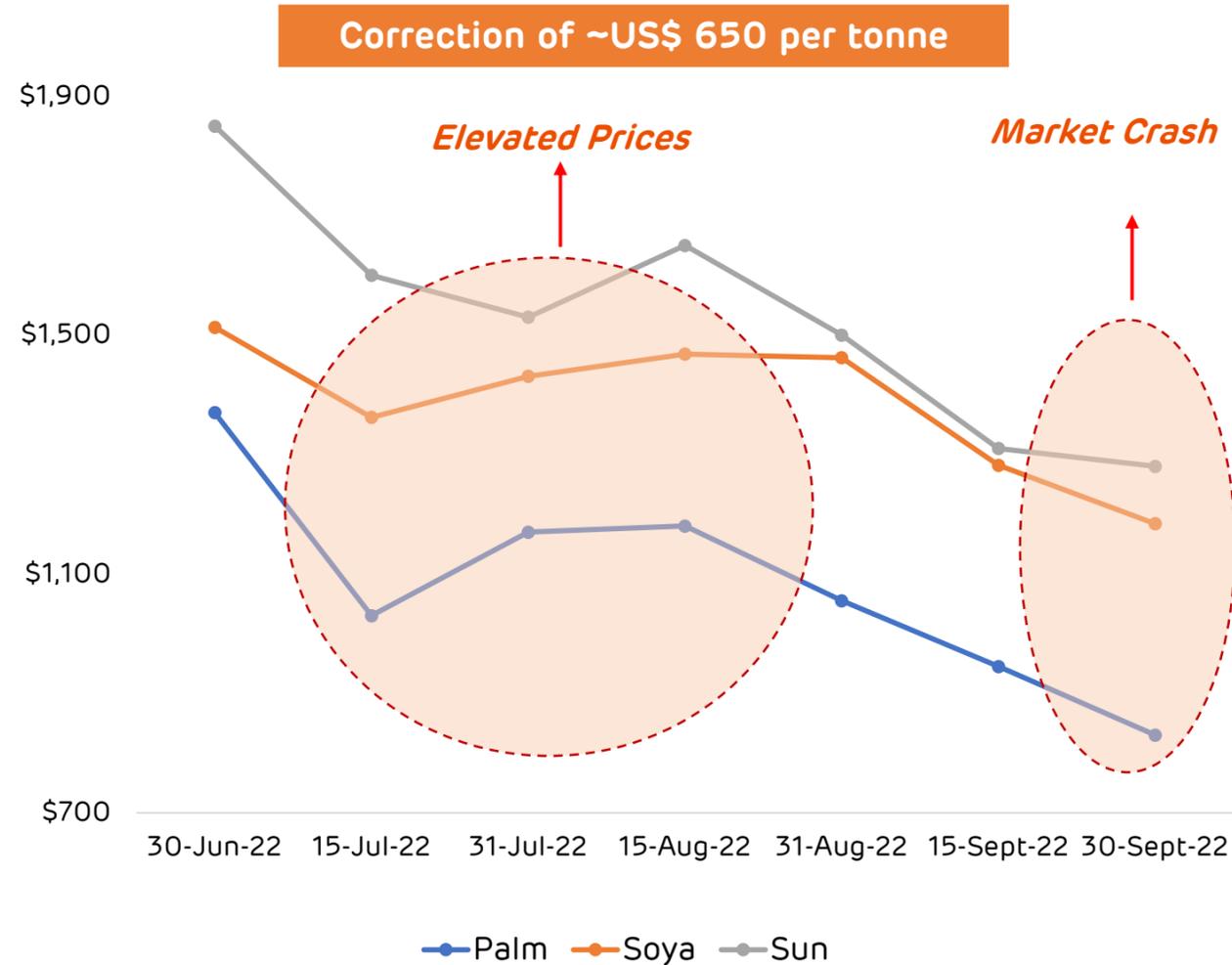


- Rupee plunges to record lows to cross the 82-mark
- Expected to remain under pressure due to high FII outflow & higher import bills

Upward revision in policy rates, coupled with currency depreciation may be a cause of concern

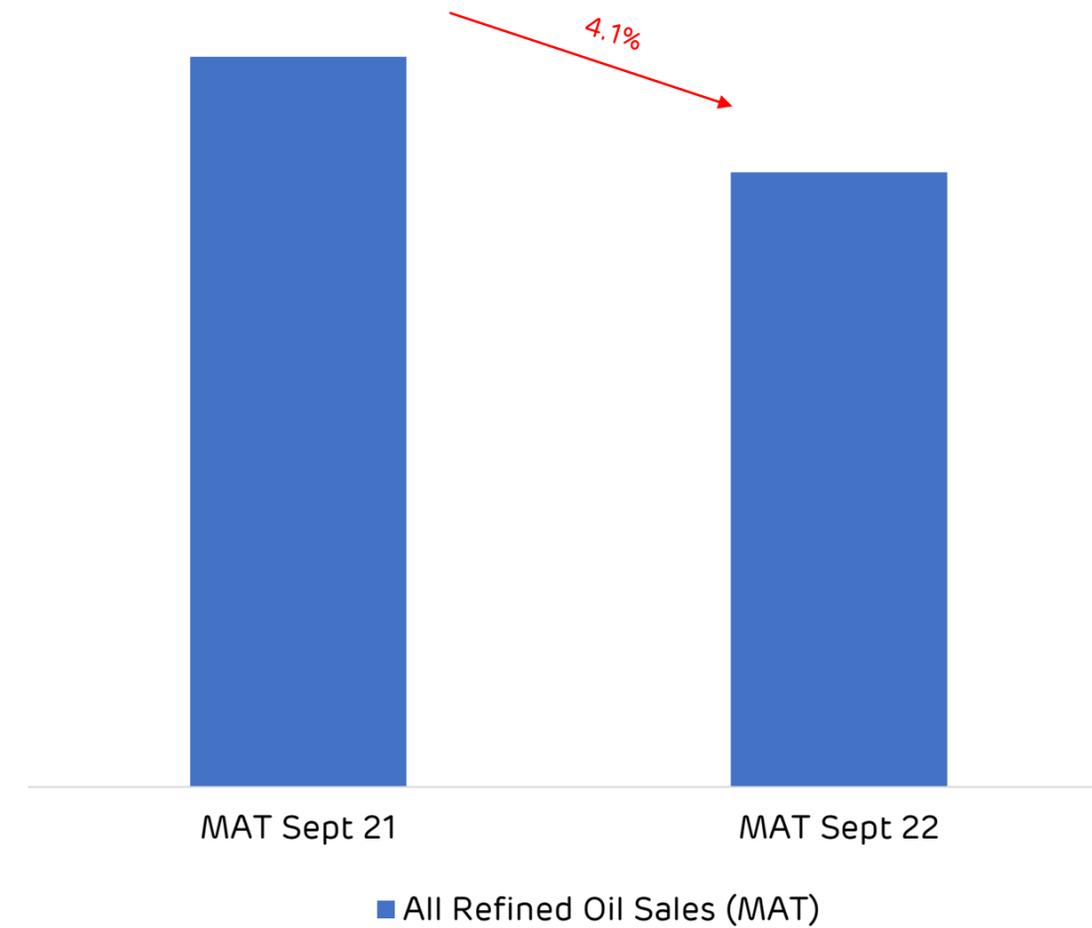
Industry Context

Edible Oil Market Crash



- Q2FY23 experienced dual market shocks of high prices followed by a steep decline in prices

Edible Oil: ROCP Volumes down by 4.1%



- Industry on MAT basis de-grew by 4.1%
- Q2FY23 too saw a slow uptick in demand due to low rural consumption

Edible Oil industry degrew in Q2FY23; softened prices may lead to demand recovery

Positive signs of demand recovery



Record imports in Sept 2022

- Record monthly imports of 1.59 million tonnes of edible oil, against 1.37 million tonnes in August 2022



Strong festive sales post covid outbreak

- Expectation of positive consumer sentiments & festive & wedding celebrations, after 2 years of covid restrictions



Softening of prices

- Recent market crash saw softening of edible oil prices;
- Apart from Edible oils, prices of pulses, corn and industrial commodities like steel, aluminium & lead too have come down from their peaks

2. Business Updates



Strong performance in Food & FMCG

All figures in Million Metric Tonnes (MMT)

Segment Volumes (in MT)	Q2FY23	Q2FY22	%	H1FY23	H1FY22	%
Edible Oils	0.82	0.83	-1%	1.52	1.49	2%
Food & FMCG	0.22	0.16	41%	0.41	0.28	47%
Industry Essentials	0.28	0.23	22%	0.58	0.47	22%
Total	1.32	1.21	9%	2.51	2.24	12%

Key Highlights

- ❑ **Y-o-y Performance (Q2FY23 vs Q2FY22):** Overall growth led by foods
 - ❑ Edible oil remained flat due to slow uptick in semi-urban & rural demand
 - ❑ Price correction in edible oils led to de-stocking at distributor level
 - ❑ Industry essentials saw double digit growth on both volumes & revenues led by capacity expansion in oleochemicals manufacturing unit
- ❑ **Y-o-y Performance (H1FY23 vs H1FY22):** In H1FY23, Food & FMCG now contributes 16% (vs 13% in H1FY22)

Food & FMCG continued its growth trajectory

Edible Oil showing signs of demand recovery on QoQ

All figures in Million Metric Tonnes (MMT)

Segment Volumes (in MT)	Q2FY23	Q1FY23	% Change
Edible Oil	0.82	0.70	17%
Food & FMCG	0.22	0.19	17%
Industry Essentials	0.28	0.30	-8%
Total	1.32	1.19	11%

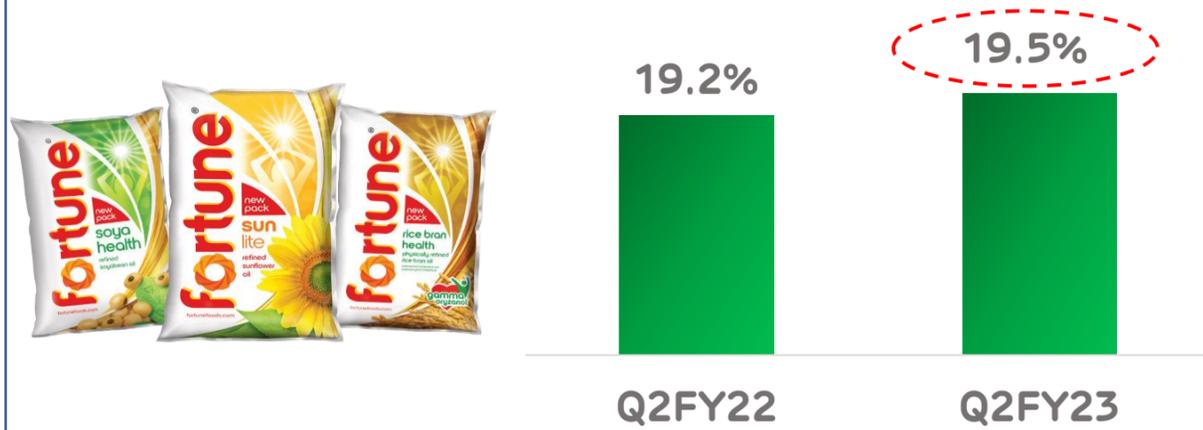
Key Highlights

- ❑ Edible oil showing gradual pick up in demand - grew by 17% on QoQ basis,
- ❑ Industry essentials volumes were impacted on QoQ due to high raw material prices
- ❑ All major products (Rice, Wheat Flour, Besan & Pulses) under Food & FMCG are growing in double digit

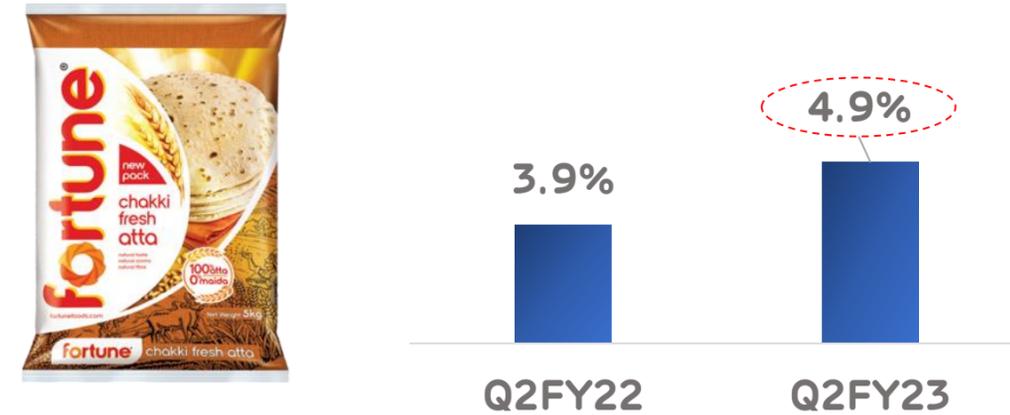
Growth in edible oils indicating gradual resumption in demand

Market share gains continued in the Foods business

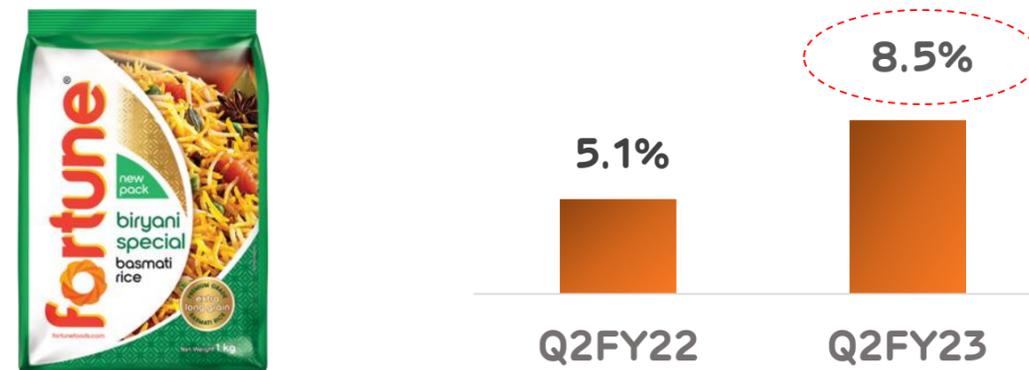
Edible Oil



Wheat Flour



Basmati Rice



➤ Additionally, Kohinoor brand had a MS% of ~1.5% in Q2FY23

Key Highlights

- ❑ Edible oil maintained leadership with market share of 19.5% (including JV share). AWL standalone market share at 18.5%
- ❑ Market share in wheat flour too rose to 4.9%,
- ❑ Combined market share of Fortune & Kohinoor in basmati rice is ~10%

Customer Experience through Fortune Mart stores

Pan-India presence of Fortune Mart

37
No. of outlets



Added 3 new outlets in Q2



Why Fortune Mart?

- ➔ Showcase of Fortune Products
- ➔ Brand Visibility
- ➔ Experience Zone & Consumer Engagement
- ➔ Fulfillment Center for Fortune Online
- ➔ New product trials

D2C gradually picking up well

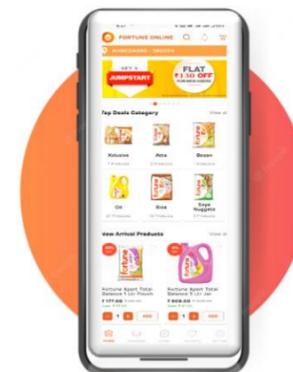
Journey of Fortune Online



Key Milestones achieved



25 Cities



3.4 Lac Downloads



6000+ Avg Monthly Orders

Focusing on international branded business



Target Market:

- GCC, USA, Canada, Singapore, Malaysia
- Fortune launched in U.S.A.



Wilmar distribution advantage:

Africa, Europe, Australia & New Zealand



Distributors:

New distributors being appointed across regions



Product Portfolio:

Edible Oil, wheat flour & rice under Fortune brand



Expand existing international markets

Branded exports to 24 countries



Brand Awareness & Product Visibility

Increasing digital presence

Targeted Ad Campaigns: Edible Oils

Fortune Soyabean: East



Fortune Rice bran health oil campaign



Fortune Sunflower Oil: South



Ganesh Chaturthi Campaign 2022



Building consumer connects with regional & national celebrities

Digital Campaigns

Fortune Sunflower Campaign: South



Fortune Cottonseed Oil Campaign: Gujarat



Fortune KGMO Pickle campaign 2022: North



Fortune Rice bran health oil campaign



Region specific campaigns across categories

New Flour Unit in Bundi, Rajasthan

New wheat flour of 500 Tonnes per day to become operational by Q3FY23



Post expansion, own capacities* will reach 1,380 tonnes per day

**additional capacity from third party units*

3. Financial Results



Financial Results

INR in Cr.

	Q2FY23	Q1FY23	Q2FY22	QoQ	YoY		H1FY23	H1FY22	YoY
Volumes	1.32	1.19	1.21	11%	9%		2.51	2.24	12%
Revenue	14,209	14,776	13,584	-4%	5%		28,986	24,949	16%
Gross Margin	1,407	1,545	1,425	9%	-1%		2,952	2,603	13%
EBITDA	313	495	455	-37%	-31%		808	890	-9%
PBT	60	260	229	-77%	-74%		320	454	-30%
PAT	49	194	182	-75%	-73%		242	358	-32%

Strong volume growth, however profitability impacted by multiple headwinds

Segment Results

INR in Cr.

Segment	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY
Edible Oil						
Revenue	11,221	11,478	-2%	22,733	20,859	9%
Segment Result	66	304	-78%	180	460	-61%
Food & FMCG						
Revenue	1,015	643	58%	1,875	1,161	61%
Segment Result	19	-33	156%	30	-35	183%
Industry Essentials						
Revenue	1,914	1,437	33%	4,267	2,846	50%
Segment Result	43	82	-48%	241	204	18%

Strong volume growth, however profitability impacted by multiple headwinds

4. Outlook for Q3FY23



- ❑ Festivities and weddings expected to drive overall growth.
- ❑ We expect Q3FY23 to see better demand in edible oils.
- ❑ Food & FMCG to continue leading the growth story

#



ruknamat