

Adani Wilmar Limited (AWL) records strong growth in volume and revenues in Q1 of FY2023, on the back of strong performance by FMCG and Foods businesses. Volume grows 15% y-o-y while revenue jumps up 30% y-o-y.

The performance showcases AWL's continued focus on growth of the packaged Food & FMCG basket with key focus on market share consolidation.

Key Financial Highlights in Q1FY23:

- Operating Revenues up 30% y-o-y to **₹14,732 Crore**
- EBITDA up 14% y-o-y to **₹496 Crore**
- PBT up by 16% y-o-y **₹260 Crore**
- PAT up 10% y-o-y to **₹194 Crore**

Key Operational Highlights in Q1FY23:

- Overall volumes up 15% y-o-y to 1.19 MMT
- **Edible Oil:** Volumes grew 6% y-o-y at 0.70 MMT
- **Food & FMCG:** Volumes grew 53% y-o-y to reach 0.19 MMT
- **Industry Essentials:** Volumes grew 22% y-o-y to reach 0.30 MMT
- **Food & FMCG** revenue of **₹860 Crore** for the quarter
- Margin profile improved in line with volume growth

Key Business Trends in Q1FY23:

- **Food & FMCG products have shown promising growth:**
 - Wheat Flour grew by 33% on volumes y-o-y
 - Rice grew by 73% on volumes y-o-y
 - Soya Nuggets & value-added products grew by 21% on volumes y-o-y
 - Besan grew at 24% on volumes y-o-y
- **New channels showing strong growth:** Post covid, there is consistent growth in e-commerce as well as modern trade.
 - E-commerce grew by 23% y-o-y
 - Modern Trade grew at 21% y-o-y

Commenting on the quarterly results, Mr. Angshu Mallick, Managing Director and CEO, Adani Wilmar Limited said, “Adani Wilmar has continued to demonstrate a steady growth on overall volumes, led by an exceptional growth in the foods business. This is despite multiple headwinds that we saw during the quarter with inflation and low consumer offtake being the major concern areas. Our growth has been driven by GTM strategy focused on increased penetration in the semi-urban & rural regions. This increased penetration is also enabling us to grow the foods business at a faster pace. While still majority of staples and FMCG products are sold through general trade, we have seen a double-digit growth in sales through e-commerce and modern trade. Sales of our new products such as Poha, Khichdi, Total Balance Oil, Soya Chunkies etc., have doubled on a year-on-year basis, though on a low base.

There is finally some respite and signs of relief due to the softening of certain commodity prices, which may lead to better demand uptick in the coming quarter. The performance of AWL in the foregoing quarter can be summarized as – consistent and resilient.”

Key Highlights:

❖ **Sustained resilience across business segments with overall volumes growing at 15% y-o-y:**

- Consolidated volume stood at 1.19 MMT in Q1FY23 compared to 1.03 MMT in Q1FY22, registering a growth of 15%.
- **Edible Oil** business stood at 0.70 MMT, registering a growth of 6% y-o-y on volumes and revenues at ₹ 11,519 Crore, registering a growth of 23% on revenues. The moderate growth is despite several headwinds in the edible oil industry. Inflationary pressure was a key concern for the edible oil industry.
- **Food & FMCG** continued to lead the growth and now has a basket of ₹860 Crore for the quarter, registering a growth of 66% on revenues and 53% on volumes.
- **Industry Essentials** revenues stood at ₹2,353 Crore for the quarter, led by castor oil exports and oleo business. Overall volumes up by 22%, whereas revenues up by 67%.

❖ **Volume share of Food & FMCG in Q1FY23 at 16%, up from 12% in Q1FY22**

❖ **Acquisition of Kohinoor brand**

- AWL acquired premium basmati brand "Kohinoor" from McCormick Switzerland GMBH in May 2022.
- The acquisition will help AWL consolidate its market share in the basmati rice segment as well as help in driving premiumisation.

❖ **Market Share:**

- AWL continued its leadership as the No.1 edible oil brand with a market share of 18.7% on a standalone basis and 19.7% along with its joint venture KTV Health Foods in Q1FY23. (Source: Nielsen)

- Fortune Atta (Wheat Flour) continued to be the No. 2 brand in India with a consolidation of market share from 3.8% in Q1FY22 to 4.9% in Q1FY23. (Source: Nielsen)
- Fortune Basmati rice continued to be the No. 3 brand in India with a consolidation of market share from 5.7% in Q1FY22 to 8.4% in Q1FY23. With the acquisition of Kohinoor, the combined market share is 10.6% in Q1FY23. (Source: Nielsen)

❖ **Company paid off entire long-term debt:**

- AWL has paid off the entire portion of its long-term borrowing.
- This move will help in improving credit metrics and ratios, enabling us to explore funds at competitive pricing.

Near-term Outlook:

❖ **Demand outlook**

- We expect uptick in the demand in Q2FY23 on the back of festivities and weddings across the country. We particularly expect growth in demand from rural markets, with expectations of a good monsoon.

❖ **Function / Health Oil categories may continue to grow**

- We expect categories like functional oils / health oils such as ricebran oil, mustard oil and blended oils to grow faster.



About Adani Wilmar Limited

Adani Wilmar Limited (AWL), a joint venture between Adani Group of India and Wilmar Group of Singapore, is one of the largest consumer Food FMCG companies in India. The company has a diversified product portfolio offering most of the primary kitchen essentials including edible oil, wheat flour, rice, pulses, besan and sugar with market leading positions across products. AWL's flagship brand "Fortune" reaches around 113 million households, indicating that more than 1 out of every 3 household consumes a "Fortune" product. Fortune is also the largest selling edible oil brand in India. AWL has 23 plants in India which are strategically located across 10 states, comprising 10 crushing units and 19 refineries. AWL's refinery in Mundra is the largest single location refinery in India with a designed capacity of 5,000 TPD**.

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