

**Ahmedabad, 3<sup>rd</sup> November, 2022**

### **Adani Wilmar continues on strong growth trajectory in Food & FMCG**

**In Q2FY23, Adani Wilmar Limited records 9% volume growth, 5% revenue growth, primarily led by robust growth in Food & FMCG**

**In H1FY23, Company records 12% volume growth, 17% revenue growth led by Food & FMCG demand**

Despite the challenging external environment, Adani Wilmar Ltd. (BSE: [543458](#); NSE: [AWL](#)) has registered strong volume growth in the high single digits in Q2FY23 riding on the growth in the Food & FMCG segment and Industry Essentials.

In the edible oils segment, the quarter that went by saw multiple challenges in consumer demand with several macro headwinds in the form of high inflation, rising interest rates, delayed monsoon and tepid rural demand.

Edible oil volumes remained flat due to sluggish demand in the semi-urban and rural markets. However, sequentially quarter-over-quarter, edible oil grew by 17% on volumes, suggesting uptick in demand in Q2FY23.

The Company witnessed multiple headwinds on the margin front, with the high volatility in edible oil prices, allotment of lower TRQ (Tariff Rate Quota) and inflation impact on our operating expenses.

The Company grew YoY by 9% on volumes and 4% in revenue in Q2FY23. A significant contribution came from Food & FMCG as well as Industry Essentials, which grew robustly at 41% and 22% y-o-y, respectively – thereby driving larger diversification in the revenue base and strengthening the platform for multiple business growth drivers in the future.

Following is a summary of key financial and operational highlights:

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

in INR Crores	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY
<b>Volumes (in MMT)</b>	1.32	1.21	<b>9%</b>	2.51	2.24	<b>12%</b>
<b>Revenue</b>	14,209	13,584	<b>5%</b>	28,986	24,949	<b>16%</b>
<b>EBITDA</b>	313	455	<b>-31%</b>	808	890	<b>-9%</b>
<b>PBT</b>	60	229	<b>-74%</b>	320	454	<b>-30%</b>
<b>PAT</b>	49	182	<b>-73%</b>	242	358	<b>-32%</b>

**Commenting on the results, Mr. Angshu Mallick, MD & CEO, Adani Wilmar Limited said:**

"We have delivered a strong quarter with a volume growth of 9% in the face of a challenging environment. The quarter saw multiple hurdles in the edible oils business. While the volume growth in edible oils was flattish on YoY, it has grown by 17% sequentially on a QoQ basis. The overall performance continues to show an uptrend due to the robust execution of our strategy to grow the Food & FMCG business by driving its penetration through the distribution strength of the edible oil business. During the quarter, the volume share of Food & FMCG has gone up to 16% and we expect to take this to 30% over the next few years. This growth is on the foundation of the strong brand equity that "Fortune" enjoys today. Going forward, we expect H2FY23 to be better with a recovery in consumer demand in edible oils business too."

## Key Highlights:

### ❖ Relaunch of Kohinoor and other brands in Rice segment:

- Post the acquisition of Kohinoor brand in May 2022, the Company relaunched the entire product range to the markets in August 2022.
- The Company is optimistic on the prospects of market share gains in the rice business with the strategy of addressing premium consumer segment through Kohinoor brand and mass segment through brand Charminar, and penetrating the HoReCa segment through the Trophy brand.

### ❖ Market Share: (Nielsen MAT September 2022)

- Market share in Edible Oil grew by 30 basis points to 18.5% on a standalone basis and 19.5% on a consolidated basis.
- **Fortune Atta** continued to gain market share reaching 4.9% share as against 3.9% in the same quarter last year;
- **Fortune Basmati** and **Kohinoor** now has a combined market share of 10%, with Fortune share growing from 5.1% to 8.5%. With the recent relaunch of Kohinoor brand in the market, Company expects further gains in market share.

### ❖ Profitability:

- The quarter witnessed multiple headwinds in the edible oil segment.
- Due to macro factors affecting the demand-supply situation in edible oils, there was a steep decline in prices of palm oil, soyabean oil and sunflower during the quarter. Sharp fall in prices left most of the players with high price inventory in hand. The Company also passed on the benefit of lower prices to the consumers. This coupled with currency depreciation impacted margins during the quarter. However, this is purely cyclical in nature and on account of events that the industry witnessed in the quarter.
- Tariff rate quota (TRQ) announced by the government in July 2022 was a step towards controlling inflation. While this was a welcome move for the

industry and consumers, it put the Company into a disadvantageous position, given that the quota share allocated to us was lower than both our market share and manufacturing capacity. As a result, cost of sourcing of soyabean oil for us was higher than the competition leading to a disparity in the business.

- The inflation impact on operating cost added further pressure on margins in Q2FY23.

❖ **Near-term Outlook:**

- September 2022 witnessed higher edible oil imports of 1.59 MMT against 1.37 MMT in August 2022.
- We see positive signs of recovery going forward in edible oils business for H2FY23, with softening of commodity prices and recent uptick in demand on the back of festivities and weddings.

**For more information, please visit Website - [www.adaniwilmar.com](http://www.adaniwilmar.com)**

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