

Bloomberg Code	ADFL IN
No of share O/S (in crs)	2.00
Market Cap (in Rs. crs)	785
Face Value (in Rs)	10
Dividend Yield (%)	0.77
52 Wk High/Low	417/123

Shareholding (%)	
Promoters	34.95
Public	65.05
Total	100.00

Key Highlights

ADF Foods reported a revenue of Rs. 74 crores in Q1 FY21, marking a growth of 7% on a YoY basis and de-growth of 7.3% on a QoQ basis. The yearly growth was driven by an increase in revenue from the agency distribution segment of the company, which grew by 203% to Rs. 22.56 Crs in Q1FY21 as against Rs. 7.45 Crs in 1QFY20. Total income for 1QFY21 was Rs. 74.50 crores with a YoY growth of 5%. In Q1FY21, the EBITDA was Rs. 12 crores, a decrease of 6.3% on a YoY basis. The EBITDA margin for the same period fell by 240 bps from 19.3% in Q1FY20 to 16.9% in Q1FY21 mainly due to an increase in Raw Material cost, which surged from 52.4% of sales in Q1FY20 to 60.9% of sales in Q1FY21. PAT for Q1 FY21 de-grew by 5.9% on a yearly basis to Rs. 8.65 crores in Q1FY21 from Rs. 9.19 Crs in Q1FY20. In Q1 FY21, the PAT margin has fallen by 160 bps to 11.7% in Q1FY21 from 13.3% in Q1FY20.

Agency distribution segment drives growth

In Q1 FY21, the agency distribution business earned a revenue of Rs. 22.56 crores which is a jump of 203% on a yearly basis and is 30.5% of the total revenue in the quarter. The EBIT Margin from this segment stood at 17% in Q1 FY21.

Processed and preserved foods, which is the main segment of the business, de-grew by 16.7% and generated a revenue of Rs. 51.30 crores in Q1 FY21 from Rs.61.55 crores in Q1FY20. In Q1 FY21, the EBIT Margin from this segment fell by 770bps on a yearly basis to 18.5% from 26.2% in Q1FY20.

Valuation

At the CMP of Rs. 391, the stock is trading at a P/E of 19.6x with an estimated FY21 adjusted EPS of Rs. 19.9 per share.

Financial Summary

On a YoY basis, net sales grew by 7% to Rs. 74 crores in Q1FY21.

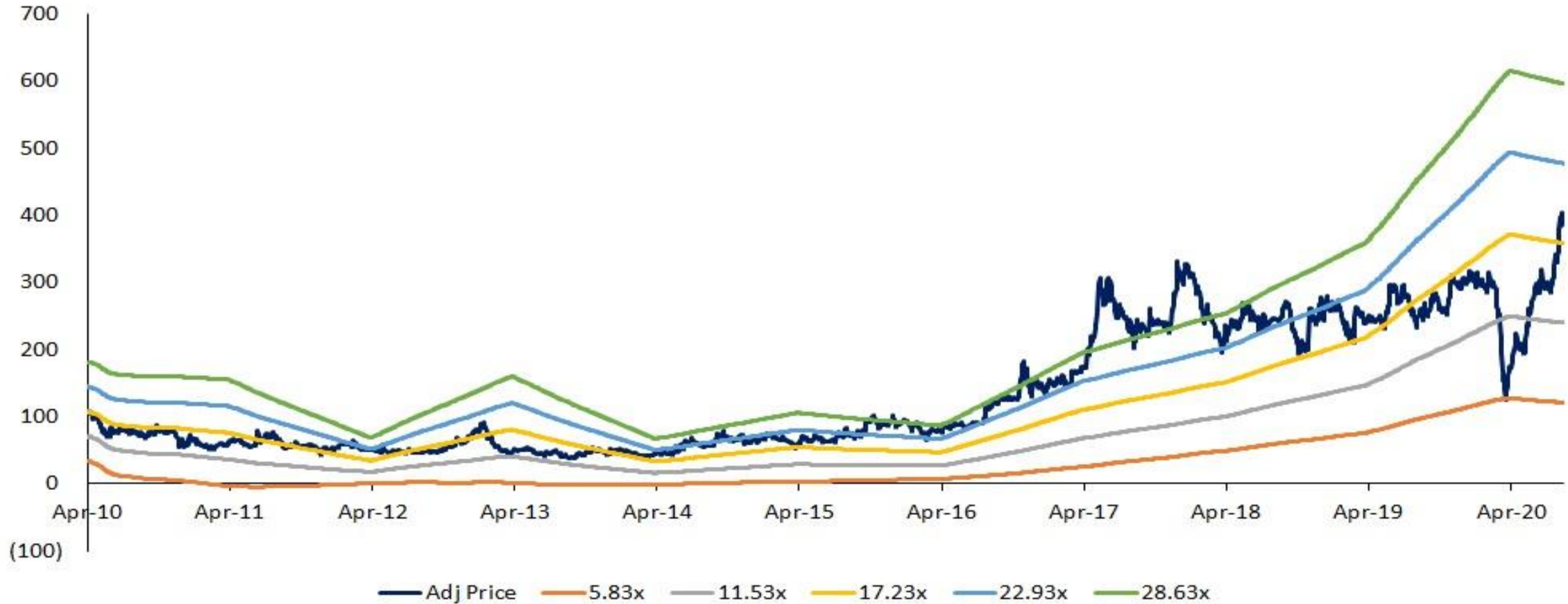
EBITDA Margin declined by 240bps to 16.9% in Q1FY21 from 19.3% as compared to Q1FY20 due to an increase in Raw material cost.

PAT decreased by 5.9% YoY to Rs. 8.65 Crs in Q1FY21 from Rs. 9.19 Crs in Q1FY20.

Figures are in Rs Cr	Q1FY21	Q1FY20	YoY(%)	Q4FY20	QoQ (%)	FY20	FY19	YoY (%)
Net Sales	74	69	7.0%	80	-7.3%	273	231	17.9%
Raw Material Cost	45	36	24.4%	43	5.5%	149	120	23.9%
Raw Material Cost to Sales	60.9%	52.4%		53.5%		54.6%	52.0%	
Employee Cost	4	6	-29.7%	4	-7.3%	18	16	9.8%
Employee Cost to Sales	5.3%	8.1%		5.3%		6.5%	6.9%	
Other Expenses	13	14	-10.4%	19	-35.6%	66	66	-0.7%
Other Expenses to Sales	16.9%	20.3%		24.4%		24.1%	28.6%	
EBITDA	12	13	-6.3%	13	-7.2%	40	29	39.9%
EBITDA M	16.9%	19.3%		16.8%		14.8%	12.5%	
Depreciation	1	1	7.4%	2	-18.5%	6	4	28.3%
Interest	0	0	68.4%	0	-23.8%	1	1	52.9%
Other Income	1	2	-67.4%	6	-89.7%	22	14	55.2%
PBT	11	13	-13.7%	17	-34.7%	55	38	45.7%
Tax Rate	15.3%	19.0%		21.8%		20.2%	16.3%	
Profit After Tax	9	9	-5.9%	13	-35.0%	43	25	68.9%
PAT M	11.7%	13.3%		16.7%		15.7%	10.9%	
Adjusted EPS	4	5	-5.9%	7	-35.0%	21	12	68.8%
Shareholder's Funds						204	172	
Adjusted BVPS						100	84	
Net Debt						-31.6	-18.4	
Net Debt to Equity						-0.2	-0.1	
Net Debt to EBITDA						-0.8	-0.6	
Return on Equity						20.9	14.7	
Return on Capital Employed						11.9	9.6	
P/E Ratio						18.3	31.0	
P/BV Ratio						3.8	4.6	
EV/EBITDA						18.7	26.6	

Particulars	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	FY19	FY20
Segment Revenue Breakup (Rs crs)							
Processed and preserved foods	58.7	54.9	61.5	65.9	51.3	231.4	240.6
Agency distribution business	7.4	2.1	9.0	13.8	22.6	-	32.2
Total Revenue	66.1	56.9	70.4	79.7	73.9	231.4	272.8
Segment Revenue Breakup (%)							
Processed and preserved foods	88.8%	96.4%	87.3%	82.7%	69.5%	100.0%	88.2%
Agency distribution business	11.2%	3.6%	12.7%	17.3%	30.5%	-	11.8%
Total Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Particulars	Q1FY20	Q2FY20	Q3FY20	Q4FY20	Q1FY21	FY19	FY20
EBIT Breakup (Rs crs)							
Processed and preserved foods	17.6	16.6	11.7	14.5	9.5	47.4	59.3
Agency distribution business	1.1	0.4	1.8	4.7	3.8	-	7.9
Total Profit	18.7	17.0	13.5	19.1	13.3	47.4	67.3
EBIT Margin (%)							
Processed and preserved foods	30.0	30.2	19.1	21.9	18.5	20.5	24.6
Agency distribution business	15.0	19.1	19.6	33.9	16.9	-	24.7

1 year forwarded P/E band chart



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