



Ref No: AWL/SECT/2023-24/02

April 6, 2023

**BSE Limited**

Floor 25, P J Towers,  
Dalal Street,  
Mumbai – 400 001

**Scrip Code: 543458**

**National Stock Exchange of India Limited**

Exchange Plaza,  
Bandra Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Scrip Code: AWL**

Dear Sir / Madam,

**Sub: Quarterly Updates- Q4 FY 2022-23.**

Please find attached quarterly updates for Q4 of FY 2022-23.

Thanking You,

Yours faithfully,

**For Adani Wilmar Limited**

**Darshil Lakhia**

**Company Secretary**

**Memb. No: A20217**

Adani Wilmar Ltd.  
Fortune House  
Nr. Navrangpura Railway Crossing  
Ahmedabad – 380 009  
Gujarat, India  
CIN: L15146GJ1999PLC035320

Tel +91 79 2645 5650  
Fax +91 79 2645 5621  
info@adaniwilmar.in  
www.adaniwilmar.com

Registered Office: Fortune House, Nr. Navrangpura Railway Crossing, Ahmedabad 380 009, Gujarat, India



**6<sup>th</sup> April 2023**  
**Ahmedabad**

## Quarterly Update on Business (Q4 FY23)

*This document is a preliminary update on the standalone performance highlighting the key trends and operational updates during the quarter ended March 31, 2023. This shall be followed by a detailed disclosure on financial results and earnings presentation.*

The Company continued its growth story with year-on-year volume growth of close to 14% in FY23, which enabled it to cross INR 55,000 Crores of revenue for the year. The company made good progress in scaling up its operations and gaining market share across food products. The food business is scaling up well in-line with our expectations. We have been making good progress in all enablers like sourcing, manufacturing, distribution, brand building and strengthening the teams for the new products. We closed the financial year 2023 with around INR 3,800 crores of revenue in Food & FMCG segment, registering a strong growth of about 40% YoY in volumes and ~55% YoY in revenue terms, while seeding multiple new avenues of growth during the year.

### Business Context

Supplies of imported edible oils have been smoother during Q4FY23 compared to the earlier part of the year. Prices have cooled off from historically high levels and have been stable, stimulating higher consumer demand, particularly in the rural population strata. Mustard, which is a key domestic oilseed, is expected to harvest a record bumper crop in FY23 at close to ~11 million MT, ~5% higher than the previous year.

In the foods segment, wheat prices started soaring from July 2022 onwards, prompting the Government to release wheat stock in the market to increase supply, which resulted in the normalization of wheat prices.

**Sales performance** of all the 3 business segments for Q4 and FY23 are tabulated as under:

Business Segment	Q4 FY23 - YoY Growth (in %)		FY23 - YoY Growth (in %)	
	Volume	Value	Volume	Value
Edible Oil	Flat	Decline in mid-teens	Low single digit	Flat
Food & FMCG	40%+	60%+	~40%	~55%
Industry Essentials	60%+	Low-teens	30%+	30%+
<b>Total - Standalone</b>	<b>High-teens</b>	<b>Decline in high-single digit</b>	<b>~14%</b>	<b>Mid-single digit</b>



## Edible Oil

Segment's branded sales volume grew by 4% during the quarter, on the back of good consumer demand due to softened edible oil prices. However, overall oil sales volume was dragged down due to lower demand from bakery and frying industry.

Focus on the domestically produced Mustard oil has been showing consistent results and it has been the fastest growing oil for us. 'Fortune' is the only pan-India brand in the Mustard Oil segment and enjoys the leadership position. However, it is a very fragmented market, providing us the opportunity to keep gaining market share.

Improvement in our overall distribution and gaining market share in the under-indexed region will be the key volume levers for the segment.

## Food & FMCG

The Food business is executing well on its long-term plan and scaling up its operations across India, registering a volume growth of more than 40% YoY in Q4FY23, with good growth in both the key categories – Wheat & Rice. We expect the strong growth to continue in both the products for multi-years, given the large headroom in the kitchen essential products.

The wheat business continues to do well with increasing product acceptance by customers and an increase in retail penetration, which is currently below 10% in the total universe of outlets for packaged atta. Competitive intensity was lower during the quarter due to high prices of wheat, as local players reduced operations to limit the risk of stocking high-cost inventory.

In Rice business, 'Kohinoor' business, with premium positioning, has quickly re-established its market presence. The erstwhile distributors and sales team have been smoothly roped in by the Company. Brand has launched its entire range of offerings. 'Trophy' sub-brand is also gaining back the HoReCa customers.

The value-added product in Rice, Kohinoor Hyderabad Biryani Kit in ready-to-cook category was also launched during the quarter. The initial response has been very good. This product will further increase the household penetration of 'Kohinoor' brand.

The company is attuned to the regional preferences of customers across categories and offers hygienic & nutritional products in branded packed form. In pulses segment too, the Company launched 9 different varieties of natural dal (legumes), under 'Fortune' brand, which are sortex-cleaned and unpolished.



The work on building our own manufacturing facilities has been progressing well with the IPO proceeds for capex. To cater to the fast-growing demand, we have currently augmented our manufacturing capacities by another ~10,000 MT per month, by leasing plants on exclusive basis for non-basmati rice, wheat and pulses.

In the personal care category, Soaps & handwash was launched in 2020 under the brand Alife as a forward integration of our oleo-chemical business. The brand has crossed the INR 100+ Crore mark in revenue in FY23, with ~75% YoY growth, riding on the strong pan-India distribution network of the Company.

### **Channels**

Alternate channels (E-commerce, Modern Trade, e-B2B serving GT) have been growing at a faster clip and registered a strong volume growth of ~23% YoY in FY'23, for the combined portfolio of oil & foods. In FY'23, these channels contributed ~INR 2,700 crores of revenue for the Company.

### **GTM**

The company is focusing on bringing more rural towns under direct coverage, while for the existing markets, the priority is to increase retail penetration and improvement in sales productivity. In coming years, we aspire to reach 1 million retail outlets directly, from current reach of ~0.6mn

Our rural (below 100,000 population) saliency is around 30% in both Oil & Foods, wherein more than three-fourth of the population resides. We have aggressively increased our town coverage in terms of direct reach during the year. In the coming years, we aspire to bring most of the 5,000+ population towns under our direct coverage. The increased penetration in rural towns will augur well for us in future as the productivity of the new retail outlets starts increasing.

### **Branding & Marketing**

We continue to sharply target our end consumers and building consumer connects in campaigns centered around regional festivities, togetherness, and traditional cooking practices, while celebrating the 'Ghar ka khana' (home-cooked food).

Following are some of the key highlights of our marketing and branding activities:

- **Consumer engagements on social media**
  - Both 'Fortune' and 'King's' brands ran consumer contests on social media platforms during Holi festival, engaging 30mn+ unique consumers each, significantly higher than industry benchmarks. 'King's' used a short-video platform that is popular in tier-2 & tier-3 towns.



- **Sponsorships and brand associations:**

- 'Fortune' partnered for the 4<sup>th</sup> time with the popular cooking show, 'Masterchef India' 2023, for a targeted marketing to cooking enthusiasts.
- 'Fortune' became the principal sponsor of the Gujarat Giants cricket team in Women's Premier League 2023.

Going forward, the Company plans to invest significantly in the digital channels for marketing.

### Industry Essentials

Our B2B business of selling industrial products for various industry applications has been gaining market share and made progress in the journey of adding value-added products.

Oleochemicals business has been growing well on the back of new capacity of Oleo commissioned in Q3 FY2021 and stable demand. Forward integration of our Oleochemical business into specialty chemicals has progressed well during the year and we received approvals for certain products from a few marquee customers. With the state-of-art R&D and Application laboratory in Mundra, we are focused on innovation and customer centricity.

Despite the decline in export volume of castor oil for the industry, AWL's overall castor business grew in double digits in volume terms in Q4FY23.

Castor is a green product with a wider range of industrial applications. With a strong presence in raw material procurement and global market presence, AWL is well placed in Castor business in long term. We received an award as highest exporter of castor oil from India for the year 2022 during the global castor conference organized by the Solvent Extractor's Association of India in February 2023.

### Outlook

We expect the demand for packaged oils and staple foods to remain healthy despite the various macro-economic and geo-political events. With our expertise in commodities and strong sourcing partnerships, we will continue to navigate the price volatilities and any supply disruptions.

Below are the key monitorable for the commodities supply & prices:

- **El Nino:** Chances of the occurrence of El Nino in May or June 2023, may cause the weakening of the south-west monsoon and could cause heatwave & drought in India, negatively impacting the crops.



- **Soya crop in Argentina:** An unprecedented drought in Argentina in 60 years, world's top exporter of soy and no. 3 for corn, has led to sharp cuts to the soybean and corn harvest forecasts.
- **Biofuel mandates:** Biodiesel mandates by Brazil, Malaysia & Indonesia may impact the crude edible oil prices of soyabean and palm.
- **Wheat Crop:** Recently there have been concerns on wheat crop output over heatwave in February 2023 and untimely rains in March 2023.

### **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" is a household brand reaching over 113 million households, indicating at least 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, 19 refineries and food capacities. AWL's refinery in Mundra is the largest single location refinery in India with a designed capacity of 5,000 Ton Per Day.

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

**For media queries, please contact: Priya Agarwal | [priya.agarwal@adaniwilmar.in](mailto:priya.agarwal@adaniwilmar.in)**

**For Investor Relations, please contact:**

<b>Pulkit Mittal</b>	<b>Abhik Das</b>
Tel: 91-79-2645 9100	Tel: 91-79-2645 8774
<a href="mailto:pulkit.mittal@adaniwilmar.in">pulkit.mittal@adaniwilmar.in</a>	<a href="mailto:abhik.das@adaniwilmar.in">abhik.das@adaniwilmar.in</a>