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KEY INFORMATION

IPO DETAILS

Price Band	Rs 218 to Rs 230
Issue Size	Rs 3600 Cr
Face Value	Rs 1 per share
Market Lot	65 Shares
Listing At	NSE , BSE
Investment Range	Rs 14,170 to Rs 14,950

IPO DATES

IPO Opens	Jan 27, 2022
IPO Closes	Jan 31, 2022
Basis of Allotment Date	Feb 03 , 2022
Refund Initiation	Feb 04, 2022
Shares Credit	Feb 07, 2022
IPO Listing Date	Feb 08, 2022

QUOTA

QIB	50%
NIB	15%
Retail	35%

Share Holding Pattern

	Pre-IPO	Post-IPO
Promoters & P. Group	100 %	87.92 %
Public	-%	12.08%
Total	100%	100%

IPO OBJECTIVE

1. Capital Expenditure (Rs 1900 Cr)
2. Repayment/prepayment of our borrowings (Rs 1058.9 Cr)
3. Funding strategic acquisitions and investments (Rs 450 Cr)
4. General Corporate Purpose (Not defined)

RECOMMENDATION

- Company is Shifting from traditional grains business to value added products which can yield higher margins for the company.
- Adani Willmar's post-issue TTM P/E works out to 37.6x (at the upper price band), which is reasonably priced considering AWL's historical sales and Profit CAGR of ~13%/~39% respectively over FY19-21.
- Company is Looking for Post Issue market Capitalization of Rs 29,900 Cr. AWL has strong brand recall with repetitive TV commercials, wide distribution, better financial track record. Hence, we Assign a subscribe rating for the issue.

ADANI WILMAR LTD_ COMPANY PROFILE



- AWL is one of the few large FMCG food companies in India to offer most of the primary kitchen commodities for Indian consumers, including edible oil, wheat flour, rice, pulses and sugar. Commodities, such as edible oils, wheat flour, rice, pulses and sugar, account for approximately 66% of the spend on primary kitchen commodities in India.
- AWL offer a range of staples such as wheat flour, rice, pulses and sugar. Our products are offered under a diverse range of brands across a broad price spectrum and cater to different customer groups.
- Its portfolio of products spans across three categories: (i) edible oil, (ii) packaged food and FMCG, and (iii) industry essentials. A significant majority of our sales pertain to branded products accounting for approximately 73% of our edible oil and food and FMCG sales volume for the financial year 2021 (excluding industry essentials which were offered on a non-branded basis).
- In recent years, AWL have been placing an increasing focus on value-added products, with an aim to diversify our revenue streams and generate high profit margins. The value-added products launched in recent years include functional edible oil products, such as rice bran health oil, fortified foods, ready-to-cook soya chunks and khichdi, and FMCG.

KEY HIGHLIGHTS

- 22 manufacturing Plants in India
- Single largest location refinery in India
- Focusing on Value Added Products with Margins.

BUSINESS SEGMENT

• Adani Wilmar has 22 plants in India which are strategically located across 10 states, comprising 10 crushing units and 19 refineries. Out of the 19 refineries, ten are port-based to facilitate use of imported crude edible oil and reduce transportation costs, while the remaining are typically located in the hinterland in proximity to raw material production bases to reduce storage costs.

• Its refinery in Mundra is the largest single location refinery in India with a designed capacity of 5,000 MT per day. In addition to the 22 plants AWL own, It also used 36 leased tolling units in India as of September 30, 2021, which provided additional manufacturing capacities. AWL had an average fixed asset turnover ratio of 8.55 for the financial years from 2019 to 2021.

• AWL operate an integrated manufacturing infrastructure to derive cost efficiency across our different business lines. Our integration includes the following means: (i) backward and forward integration. Most of our crushing units are fully integrated with refineries to refine crude oil produce in-house. AWL further derive de-oiled cakes from crushing and use palm stearin derived from palm oil refining to manufacture oleochemical products, such as soap noodles, stearic acid and glycerin, and FMCG, such as soaps and hand wash; (ii) integration of manufacturing capabilities of edible oils and packaged foods at the same locations.

KEY HIGHLIGHTS

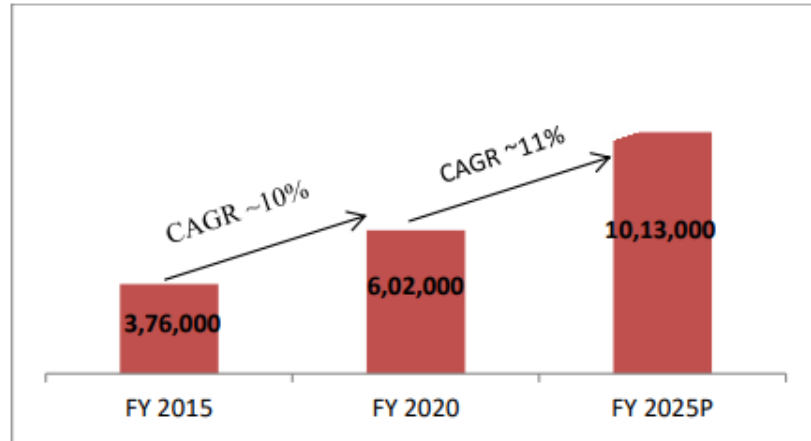


Fig1: Packaged Food Market

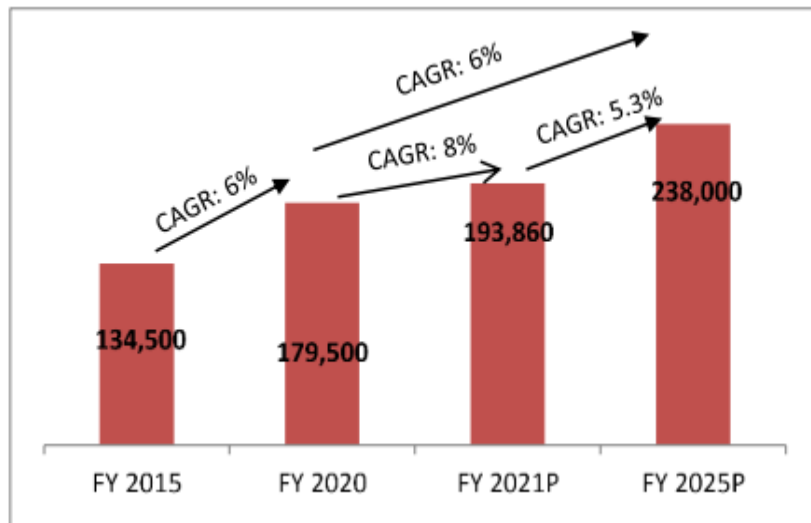


Fig2: Packaged Food Market

INDUSTRY OUTLOOK

•The Indian packaged food retail market, estimated at ~INR 6,00,000 Cr in FY 2020 contributes only 15% to the total food and grocery retail market estimated at INR 39,45,000 Cr in FY 2020. While the Indian food retail remains dominated by unbranded products such as fresh fruits and vegetables, loose staples, fresh unpackaged dairy and meat, the packaged food market is growing at almost double the pace of the overall category and is expected to gain a market share of 17% by FY 2025 from a share of 14% in FY 2015.

•The edible oil retail market is estimated to be ~INR 1,79,500Cr in FY 2020 and is expected to grow at a CAGR of 6% in the coming 5 years. It has been growing steadily at a CAGR of 6% in the last five years. The share of unbranded play is consistently dropping and is estimated to shrink to ~ 10% by FY 2025. The edible oils retail market includes the consumption through HoReCa segment and end consumer, In FY 2021.

STRONG BRAND PRESENCE ACROSS CATEGORY



COMPTITATIVE INTENSITY

• **17% market Share:** AWL holds strong market share in premium to mass appealing edible oil segment.

• Adani Wilmar is the largest player in branded refined soyabean oil having a market share of 28% followed by Ruchi Soya with a share of 11% by value.

• Branded mustard oil market is led by Adani Wilmar with a share of almost 10% and many other regional brands like Saloni and Bail Kolhu. Adani Wilmar's Fortune is the leading brand in mustard oil. Gemini Edibles & Fats, Kaleesuwari and Adani Wilmar are the leading players in branded sunflower oil with a combined market share of 40% by value.

PROFIT AND LOSS STATEMENT

Particulars (Rs Cr)	FY 2019	FY 2020	FY2021
Net sales	28,797	29,657	37,090
Total Expenditure	27666	28348	35765
Raw Material	24119	24451	31518
Admin Expense	207	224	322
Other Expenses	3340	3672	3925
EBITDA	1131	1310	1325
Depriciation & Am.	199	241	267
EBIT	932	1068	1058
Finance Cost	487	569	407
Other Income	122	110	105
PBT	567	609	757
Tax	212	206	104
PAT Pre Asso. Co	355	403	653
Shre in Profit Assoc.	21	58	75
PAT after Asso. Co	376	461	728

BALANCE SHEET

Source of Capital (Rs Cr)	FY 2019	FY 2020	FY2021
Equity Share Capital	114	114	114
Reserves& Surplus	1997	2456	3184
Shareholders Funds	2,111	2,570	3,298
Total Loans	1829	2300	1904
Deferred Tax Liability	383	440	290
Total Liabilities	4324	5311	5492
Application of Funds (Rs Cr)	FY 2019	FY 2020	FY2021
Net Block	3027	3758	3701
Capital Work-in-Progress	570	325	531
Investments	147	206	332
Current Assets	7858	7497	8763
Inventories	4042	3826	4778
Sundry Debtors	1258	921	1515
Cash	1215	1432	1188
Loans & Advances	1116	1152	1150
Other Assets	227	166	132
Current liabilities	7374	6526	7916
Net Current Assets	484	971	847
Deferred Tax Asset	95	51	81
Total Assets	4324	5311	5492

CASH FLOW STATEMENT

Particulars (Rs Cr)	FY 2019	FY 2020	FY2021
Profit Before Tax	567	609	757
Depreciation	199	241	267
Change in Working Capital	837	-495	108
Interest/ Dividend	262	338	260
Direct taxes Paid	-134	-121	-294
Others	-39	209	-172
Cash Flows From Operations	-1693	781	926
(Inc)/Dec in Fixed Assets	-908	-631	-462
(Inc)/Dec in Investments	-26	124	-22
Cash Flows From Investing	-934	-506	-484
Issue of Equity	0	0	0
(Inc)/Dec in Loans	-424	-396	-395
Dividend Paid (incl Tax)	0	0	0
Interest/ Dividend (Net)	-338	-404	-336
Cash Flows From Financing	-762	-8	-731
(Inc)/Dec in Cash	-3	267	-289
Opening Cash Balances	82	79	346
Closing Cash Balances	79	346	57

VALUATIONS

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