

IPO BULLETIN

Name of the Company: Adani Wilmar Ltd

About the Company: Adani Wilmar Ltd is one of the few large FMCG food companies in India to offer most of the essential kitchen commodities for Indian consumers, including edible oil, wheat flour, rice, pulses and sugar. Company offers a range of staples such as wheat flour, rice, pulses and sugar and these products are offered under a diverse range of brands across a broad price spectrum and cater to different customer groups. Company is a joint venture incorporated in 1999 between the Adani Group, which is a multinational diversified business group with significant interests across transport and logistics, and energy and utility sectors; & Wilmar Group, one of Asia's leading agribusiness groups which was ranked among the largest listed companies by market capitalization on the Singapore Exchange. Company is one of the largest basic oleochemical manufacturers in India in terms of revenue, and the largest manufacturer of stearic acid and glycerine in India with a market share of 32% and 23%, respectively. Company was the largest exporter of castor oil and one of the largest exporters of oleochemicals in India as of March 31, 2020.

Adani Wilmar has the largest distribution network among all the branded edible oil companies in India. As of March 31, 2021, company was present in one out of three households in India with a household reach of 90.51 million through the Fortune brand. As of March 31, 2021, company had 5,566 distributors. The distributors are located in 28 states and eight union territories throughout India, catering to over 1.6 million retail outlets. These retail outlets represent approximately 35 % of the retail outlets in India. As of March 31, 2021, company also had 85 depots, with an aggregate storage space of approximately 1.6 million square feet across the country to ensure availability of the products. As of March 31, 2021, the Refined Oil in Consumer Packs ("ROCP") market share of Adani Wilmar branded edible oil was of 18.3%, putting company as the dominant No. 1 edible oil brand in India. "Fortune" flagship brand, is the largest selling edible oil brand in India. Company has recently acquired Bangladesh Edible Oil Ltd, an edible oil manufacturer with market leadership in some edible oil categories in Bangladesh, which will help Adani Wilmar Ltd to expand into the Bangladesh market and further increase the edible oil manufacturing capacity.

Objectives of the Issue:

Fresh Issue: (Rs. 3600 cr)

- Funding capital expenditure for expansion of existing manufacturing facilities and developing new manufacturing facilities ("Capital Expenditure").
- Repayment/prepayment of company's borrowings.
- Funding strategic acquisitions and investments.
- General corporate purposes.

Financials of the Company:

(in Crores)	FY 19	FY 20	FY 21	30th Sept 21
Revenue	28,919.6	29,766.9	37,195.6	24,957.2
Net Profit	375.5	460.8	727.6	357.1

IPO Details:

Details	Info
Issue Opens on	27th January 2022
Issue Closes on:	31st January 2022
Issue Price	Rs.218 – 230
Face Value	Rs.1
Minimum Lot	65 Shares
Minimum Investment	Rs. 14,950
Issue Size	Rs. 3600 cr
Listing at	NSE & BSE

Important Dates:

Finalization of Basis of Allotment	On or Before 3rd February 2022
Initiation of Refunds	On or Before 4th February 2022
Credit of Equity Shares	On or Before 7th February 2022
Listing Date:	On or Before 8th February 2022

IPO Valuation Parameters:

Earnings Per Share (EPS)	Price To Earnings ratio (PE)	Return on Net Worth (RoNW)	Net Asset Value (NAV)	Debt/Equity Ratio
6.37	36.10	22.06%	28.86	0.39

Check IPO Allotment Status

Link InTime <https://linkintime.co.in/PublicIssue/>

BSE IPO Website: <https://www.bseindia.com/IPO/Allotment>

Company Contact Info:



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Conclusion

Current fixed assets stand at Rs. 3,800 cr, with another Rs. 700 cr being capital work-in-progress as of 30th September 21. Company has already capitalized Rs. 2,000 cr fixed assets in last three and half years and has plans to further invest as much over coming 3 years. Its asset turnover ratio is quite high at 10x, providing high revenue growth visibility. Moreover, market shift from unbranded to branded provides huge opportunity in food category supporting bright margin outlook.

On FY22 Estimated PAT of Rs. 800 cr, Adani Wilmar is priced at a market cap of Rs. 30,000 cr, whereas Marico is trading at market cap of Rs. 61,755 cr for Rs. 1,400 cr annual PAT and Tata Consumer at Rs. 67,100 cr for Rs. 1,000 cr PAT. Besides a healthy RoE of 22%, Adani Wilmar's revenue and profit growth has been higher than both these closest peers, despite unbranded products being 30% of revenue. Thus, pricing adequately leaves room for appreciation, as company's growth is superior, although margin is very slim. Ongoing capex supports healthy double-digit growth both on revenue and profit level, which along with attractive pricing, makes the IPO subscribe.