

Agro Tech Foods Limited

21st January 2022

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Codes: BSE Scrip code 500215, Co. code 1311
NSE Symbol ATFL, Series EQ-Rolling Settlement

Dear Sirs,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Further to our earlier letter dated 11th January, 2022 regarding hosting of an analyst call on the unaudited financial results for Q3 and nine months ended December 31, 2021 on Friday, 21st January, 2022, we are enclosing a copy of the presentation proposed to be shared to analysts and investors at the said Call. The presentation would also be placed on the website of the Company.

You are requested to take this on record.

Thanking you,

Yours faithfully
For Agro Tech Foods Limited



Jyoti Chawla
Company Secretary and Compliance Officer
Encl. a/a.

ATFL an affiliate of



Agro Tech Foods Limited

FY'22 Quarter 3 Update



January 21st, 2022

Company Strategic Vision

**The Best Performing
Most Respected
Foods Company in
India**

Quarter 3 – Key Performance Highlights

Strong Foods Growth – High Input Cost Inflation

- Steady Foods Growth in Q3 of 10% with YTD Growth of 17%.
- Commodity inflation in Q3 higher than expected at 15%. Raw Material inflation down but increased Packaging Material inflation.
- YTD Edible Oils GM holding up well at Rs. 55 crore.
- YTD Foods GM lower by Rs. 10.5 crore reflecting:
 - Higher Commodity Prices (-) Rs. 24.5 crore.
 - Price Increases + Rs. 7 crore.
 - Volume Growth + Rs. 7 crore.
- Exit from Crystal w.e.f. November 1st as planned.
- YTD SG&A flat to PY with the exception of higher CSR provisioning and Royalty. Doubtful Debts provision in PY offsets higher travel cost.
- PBT/PAT are -15%/-17% vs PY.

Performance Highlights by Category



1. Ready to Cook Snacks
(Rs. 10,000 crore)



2. Ready to Eat Snacks
(Rs. 35,000 crore)



3. Spreads
(Rs. 2300 crore)



4. Breakfast Cereals
(Rs. 2900 crore)



5. Chocolate Confectionery
(Rs.15,000 crore)



6. Edible Oils
(Rs. 194,000 crore)

Ready to Cook Snacks

RTC	Q1	Q2	Q3	YTD FY'22
Volume	+36%	+11%	+5%	+15%
Value	+39%	+12%	+8%	+18%



- Some softening in RTC Popcorn growth rate in line with expectations. Introduction of Mini Meal Kits well timed to sustain strong growth in FY'23.
- Price increases of up to 40% taken on Sweet Corn with some impact on new customer/consumer acquisition.
- Work underway to address GM% attrition in Popcorn in addition to the already implemented pricing actions.
- Roll out of differentiated Pasta offering supported by retail demos. Very positive acceptance.



Ready to Eat Snacks

RTE	Q1	Q2	Q3	YTD FY'22
Volume	+1%	+18%	+18%	+14%
Value	+9%	+15%	+32%	+20%



- Significant acceleration in growth rate driven by RTE Popcorn – clear leadership at national level in Category.
- GM attrition in Category largely addressed through Price Increases, Grammage Reduction and Packaging Footprint changes.
- Further margin improvement work underway through work on Value Added offerings with Extruded Panned and Protein Chips launch planned for first half of FY'23.
- Learning continues on Potato Chips – business model being developed and work underway to leverage low fat proposition. Flat cut chips Category growing faster than Ridged Chips reflected in recent Lay's launch.

Spreads & Dips

Spreads	Q1	Q2	Q3	YTD FY'22
Volume	+12%	+6%	-3%	+4%
Value	+15%	+7%	-7%	+4%

- Sluggish Volume performance in PB but Pricing actions yielding strong results where implemented.
- Industry data for 2021 indicates 10% Category Growth (similar to 2020) with increase in ATFL Share (c40%):
 - Higher Category Spends have had no impact on Growth Rate.
 - Likely share loss in back half of 2021.
- Share loss also being addressed through new PPA - High Protein Variant, Recipe Based and Value offerings.
- Work underway for actions to enhance Category Growth.
- Address PB Margin through Recipe/Process modifications, Procurement Strategy and Operating Leverage gains.
- Chocolate Spreads gaining momentum.



Breakfast Cereals

Cereals	Q1	Q2	Q3	YTD FY'22
Volume	+82%	+55%	+21%	+45%
Value	+60%	+36%	+9%	+28%



- Continued strong Growth with improved market working. Increased focus on larger Packs - expanding from “Cereal Snacks” into “Breakfast Cereals”.
- Margin improvement plans focused on Volume Growth and Operating Leverage.
- Phased introduction of Oats in Q4, FY'22. Strategic intent includes supporting Sundrop Heart Edible Oils franchise and improved Procurement of Oats.
- On track for a profitable business in FY'23.

Chocolates

Chocolates	Q1	Q2	Q3	YTD FY'22
Volume	+105%	+534%	+153%	+210%
Value	+149%	+768%	+208%	+289%

- Scaling up of business underway. Steady month on month Growth.
- Testing of Peanut Duo commenced.
- Removal of tray initiated in Rs. 10 Coconut Duo bar as part of Margin improvement.
- Further Margin improvement through doubling of Capacity in Sem 1, FY'23 and then again in Sem 2, FY'23.
- TV Advertising in January on a test basis - refine plan to rapidly build a Rs.100 crore business.



Edible Oils

Premium Oils	Q1	Q2	Q3	YTD FY'22
Volume	-12%	+4%	+11%	+1%
Value	+20%	+36%	+35%	+30%

Mass Oils	Q1	Q2	Q3	YTD FY'22
Volume	-71%	-51%	-67%	-63%
Value	-50%	-26%	-54%	-44%



- Premium Oils (Sundrop Heart & Superlite) Volumes deliver a YTD 100+ Index reflecting impact of pricing realignment in FY'21. However, we would still like to see greater consistency across Channels and Quarters.
- Strong Gross Margin performance with YTD GM now at c Rs. 55 crore vs Prior Year Full Year of Rs. 72 crores.
- Mass Oils Volume reflect franchising of Crystal w.e.f. November, 2021 and overall reduction in Mass Oils in line with strategy.

Competitive Update



Snacks: Competition Spends

Rs. Million	F-17	F-18	F-19	FY20	Q1-21	Q2-21	Q3-21	Q4-21	FY21	Q1-22	Q2-22	Oct-21	Nov-21	Dec-21	Q3-22
ACT II	110	74	38	45	13	32	20	30	95	18	31	0	0	11	11
Lays	148	374	252	491	28	83	79	145	335	238	202	55	4	68	127
Kurkure	196	260	396	321	0	61	111	64	237	98	65	53	17		69
Doritos	0	128	150	252	0	0	0	0	0		116	0	0	55	55
Cheetos	0	0	46	34	0	0	0	0	0		0	0	0		
Bingo	683	965	815	954	163	260	680	149	1252	242	261	151	28	83	261
Parle	0	0	0	0	2	13	3	1	20	2	0	0	0		
Crax	58	55	106	139	0	38	39	62	138	20	63	6	20	32	58
Yellow D	248	145	256	139	0	17	23	22	61	14	31	10	10	10	30
Mexitos	65	0	0	0	0	0	0	0	0		0	0	0		
Cornitos	10	1	0	0	0	0	0	0	0		0		0		
Too Yumm	0	146	470	312	0	47	78	36	161	14	99	35	50	8	93
Balaji	0	0	21	201	7	29	1	56	93	2	30	0	11	1	12
Pipo							0	1	1		0	0	0		
Total Tracked Brands	1517	2147	2549	2888	214	580	1033	573	2394	648	897	309	139	266	715

Bingo remains the dominant brand. ACT II spends lower due to October/November.

Spreads: Competition Spends

Rs Million	F-13	F-14	F-15	F-16	F-17	F18	F-19	FY-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Oct'21	Nov'21	Dec'21	Q3-22
Kissan Jam-	254	207	304	381	357	512	704	752	218	218	110	134	679	156	154	51	51	37	138
Kissan PB											101	95	196	109	129	54	65	5	125
Sundrop PB	0	0	42	64	56	30	16	20	8	18	13	18	58	12	18	0	0	6	6
Veeba PB												54	54	1	0	0	0	0	0
Amul Peanut Spread														2	3	0	1	1	2
Pintola PB															4	1	0	0	1
Saffola Honey											117	79	196	19	66	0	60	22	82
Patanjali Honey	0	0	0	102	317	182	95	7	0	1	14	46	62	47	33	11	7	7	25
Dabur Honey	44	69	69	203	134	180	206	131	23	34	228	80	364	24	64	22	8	9	39
Lion Honey	25	18	18	15	9	7	8	20	5	6	12	6	29	6	10	7	7	4	18
Apis Honey	0	0	0	2	16	65	25	8	0	0	4	2	7	0	0	0	0	0	0
Hershey's Spreads	0	0	0	0	54	159	166	59	0	0	22	38	60	3	26	11	1	5	17
Nutralite															7	3	3	4	11
Tracked Brands Total	323	294	433	767	943	1135	1220	996	255	277	621	552	1703	379	514	159	204	100	463

Unilever continues Jam & PB spends. Reduced ATFL presence due to October/November.

Breakfast Cereals: Competition Spends

Rs Million	FY-17	FY-18	FY-19	FY-20	Q1-21	Q2-20	Q3-21	Q4-21	FY-21	Q1-22	Q2- 22	Oct'21	Nov'21	Dec'21	Q3-22
Kellogg Cornflakes	202	265	390	230	7	118	88	142	355	124	124	30	40	39	108
Kellogg Chocos Fills	0	125	203	17	0	0	9	0	9	0	0	0	7	13	20
Kellogg Chocos	310	362	509	329	38	122	76	110	344	111	81	28	26	34	88
Kellogg Muesli	0	118	239	147	30	65	43	40	177	52	40	12	9	13	34
Kellogg Granola	0	0	1	14	14	30	28	18	89	22	17	7	4	6	16
Nestle Koko Krunch	0	0	193	60	52	39	24	7	121	0	0	0	0	0	0
Saffola Oats - Total	322	283	268	448	121	125	101	78	424	145	83	0	37	66	103
Quaker Oats- Total	102	164	110	269	0	98	65	21	184	130	14	0	10	7	16
Cadbury's Bournvita Fills	0	0	0			2	10	9	20	5	0	0	0	0	0
Tata Soulfull				17	0	0	0	0	0	0	2	2	4	7	13
Tracked Brands Total	975	1,317	1,979	1,530	260	598	442	424	1,724	589	361	78	136	183	398

Kellogg starts advertising behind Choco-Fills.

Chocolates: Competition Spends

Final Brand (In Million)	FY- 18	FY- 19	FY-20	Q1	Q2	Q3	Q4	FY-21	Q1-22	Q2-22	Oct- 21	Nov-21	Dec-21	Q3- 22
Cadbury 5 Star	744	482	727	102	192	385	281	960	150	276	216	87	74	377
Cadburys Celebration	138	212	277	0	79	320	0	399		56	230	140	0	370
Dairy Milk	2229	2166	2362	209	915	1082	771	2978	864	1168	514	467	287	1268
Cadburys Fuse	598	407	477	46	217	126	120	509	41	146	35	39	36	109
Cadburys Gems	416	285	389	26	142	145	126	438	115	143	46	39	46	131
Cadburys Perk	321	231	598	55	84	105	226	470	129	133	43	42	61	145
Kinder	484	837	1193	0	0	358	250	608	117		106	82	119	306
Kinder Creamy	0	0	0			85	47	132	24	80				
Ferrero Rocher	0	0	0			144	34	179	44		62	15	0	77
Amul	7	61	139	4	26	23	56	109	26	8	12	5	11	27
Hersheys Kisses	0	42	235	3	82	94	134	314	14	87	27	48	91	166
Hersheys Exotic dark						51	3	54	41		16	58	69	143
Snickers	217	259	201	0	25	6	33	65	5	27		34	61	95
Galaxy	0	0	23	0	6	6	9	21	7	3	1	86	145	231
Nestle Milky Bar	187	146	368	20	97	42	47	206	22	62	13	31	28	72
Nestle Munch	414	604	626	87	178	131	151	547	53	103			93	93
Nestle Kit Kat	597	712	841	137	294	207	305	943	150	175	53	4	80	137
Nestle Bar One										3				
Fabelle	0	23	69	0	8	35	10	53			7			7
CandyMan Fantastik									17	36	37	36	17	90
Brit Treat Stix										15				
Fitsport Bar	0	0	0	0	2	5	3	9	0	0	1	6	1	8
Total tracked brands	6520	6898	9261	697	2530	3483	2905	9615	1835	2523	1417	1221	1219	3857

Mondelez remains dominant spender in the Category.

Edible Oils: Competition Spends

<i>Rs Million</i>	F-12	F-13	F-14	F-15	F-16	F-17	F-18	F-19	FY-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Oct' 21	Nov' 21	Dec' 21	Q3-22
Sundrop Heart	88	94	50	65	46	34	21	0	0	0	0	0	0	0	0	0	0	0	0	0
Saffola	121	212	356	291	338	320	588	544	527	114	145	61	81	400	116	86	30	38	0	68
Fortune	0	203	356	148	319	828	666	543	495	37	208	198	68	510	166	145	29	42	30	102
Emami Ltd.					156	137	1214	647	626	13	371	174	241	799	150	70	48	66	62	175
Oleev						27	41	30	26	4	12	13	11	40	31	29	7	0	15	22
Patanjali					103	354	966	170	20	0	0.7	12	36	49	31	27	10	8	7	24
Gemini										46	29	55	98	228	52	41	13	8	6	27
Tracked Brands Total	209	509	762	504	961	1700	3576	1936	1694	168	643	512	534	2024	546	398	137	161	119	417
Others	722	915	815	1280	1876	2153	1672	1652	2096	362	531	1005	867	2597	537	637	407	386	198	990
Category Total	931	1424	1577	1784	2837	3853	5248	3588	3790	529	1174	1517	1401	4621	1083	1035	544	547	317	1407

Mass Oils continue to be the dominant spenders in the Category.

Noodles: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1- 22	Q2-22	Oct'21	Nov'21	Dec'21	Q3-22
Chings Noodles	17	2	19	20	0	40	0					
Wai Wai	0	0	0	1	17	19	6					
Knorr Soupy Noodles	0	0	140	0	0	140	0					
Sunfeast Yippee noodles	81	168	85	336	57	647	185	155	81	10	29	120
Sunfeast Yippee Saucy/ Mood Masala	0	0	0	0	144	144	3	36				
Saffola Oodles	0	0	0	0	0	0	135	99	5	18	12	35
A&M Twisty Noodles	4	0	5	4	5	13	0					
Maggi Chatpata Tomato Noodles	0	0	0	0	11	11	0					
Maggi Fusian	11	0	0	0	0	0	0					
Maggi Masala Veg Atta	123	38	5	85	62	190	62	47	4		33	37
Maggi Noodles	135	46	141	282	178	648	243	143	57	38	17	112
Maggi Special Masala	5	0	115	6	9	131	0	3				
Maggi veggie masala											34	34
Maggi chicken noodles											3	3
Pran Mr Noodles	4	7	12	9	14	43	6	8	2	2	1	5
1 to 3 Chatpat noodles	0	0	0	4	2	6	0	4		1	1	2
Goldiee Noodles	0	13	3	0	0	17	0					
Trdp Mario Masala Noodles	0	8	3	0	0	11	0		42			42
Total	382	284	528	749	504	2064	648	496	192	73	129	394

Both Nestle & ITC maintain spending momentum.

Pasta: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1- 22	Q2-22	Oct-21	Nov-21	Dec-21	Q3-22
Bambino Pasta	0	0	0	0	0	1	0			0	1	1
Sunfeast Yippee pasta	0	0	90	1	1	93	0	1	2	1	1	4
Keya Italiano Pasta	2	0	0	0	0	0	0			13	0	13
Maggi Pazzta	0	0	0	24	26	50	1					
Maggi Pazzta Cheese Macaroni	0	0	0	47	30	77	2					
Savorit Pasta	4	11	0	2	0	14	0		1			1
Weikfield Pasta	0	0	0	0	24	24	0	4				
TOTAL	6	11	90	75	83	259	3	5	3	14	1	18

Keya invests behind Print Medium.

Soups: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Oct-21	Nov-21	Dec-21	Q3-22
Chings Instant Soups	3	0	37	29	1	66	0	5	25	5	1	31
Eastern Instant Rasam	1	1	8	0	0	9	0	0	0			
Knorr Chicken Delite Soup	8	19	23	42	23	107	8	22	7	34	42	83
Knorr Chinese Manchurian	6	0	51	0	0	51	0	0	0			
Knorr Sweet Corn Veg Soup	5	0	0	0	0	0	0	0	0			
Knorr Cup-A-Soup	13	0	0	0	0	0	0	0	0			
Knorr Hot & Sour Veg Soup	192	65	231	244	191	731	100	143	69	72	117	258
B Natural Soups	0	0	0	0	2	2	0	0	0			
Mtr Minute Rasam	0	0	0	24	0	24	0	0	0			
Total	228	85	350	338	218	989	108	171	102	111	160	373

Knorr remains dominant spender.

Summary & Way Forward

- Premium Edible Oils trending well to PY confirming impact of price reductions in FY'21. Business at a 100+ Index point in Volume.
- Need to ensure that we make the right choices in balancing Growth with short term Profitability. Some A&P cuts done in Q3 but Growth clearly the Priority.
- Continue to focus on addressing the inflationary challenges in RTC Popcorn & Peanut Butter. Address Category Growth/Share challenges in Peanut Butter.
- Close the year in a profitable manner in FY'22 while ensuring building blocks for a Foods growth rate of 20-25% in FY'23.