

Agro Tech Foods Limited

20th October 2022

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BSE Limited,
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Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra-Kurla Complex,
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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 10th October, 2022 regarding hosting of an analyst call on the unaudited financial results for Q2 and half year ended September 30, 2022 on Thursday, 20th October, 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



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CIN: L15142TG1986PLC006957

Agro Tech Foods Limited

FY'23 Quarter 2 Update



October 20th, 2022

Company Strategic Vision

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

Quarter 2 – Key Performance Highlights

Steady Foods Growth – Improving Margins

- Foods Revenues of Rs. 124 crore - growth of 13% vs PY. First time ever to track close to annualized sales of Rs. 500 crore.
- Non RTC businesses drive Total Foods with a 33% revenue growth.
- Foods Gross Margin improves from Q1 Low reflecting softening of commodity prices, impact of Pricing Actions and Volume growth in non RTC business.
- Edible Oils GM of c Rs. 16 cr. within range of desired Rs. 70 cr. (+/-). Continue to balance Volume with Gross Margin in a volatile market.
- Q2 Media marginally below PY. Needs correction going forward.
- Q2 SG&A higher than PY by Rs. 3 crores - largely due to Travel & Secondary Freight.
- PBT & PAT are Rs. 4 crore & Rs. 3 crore respectively.

Performance Highlights by Category



1. *Ready to Cook*
(Rs. 18,000 crore)



2. *Ready to Eat - Western*
(Rs. 28,500 crore)



3. *Spreads*
(Rs. 3400 crore)



4. *Breakfast Cereals*
(Rs. 3500 crore)



5. *Chocolate Confectionery*
(Rs.13,600 crore)



6. *Staples*
(N.A.)

Ready to Cook Snacks

RTC	Q1, FY'23	Q2 FY'23	YTD, FY'23
Volume	-5%	-4%	-4%
Value	-4%	+1%	-1%



- Impact of price increases in Popcorn/Sweet Corn visible in Value vs Volume – Value moves into positive space.
- Non RTC Popcorn business led by Pasta shows steady progression.
- Volume gap vs PY due to Covid19 in base. Greater focus underway to address the gap.
- Commercial production of Pizza and Pasta Sauce underway.
- Development of Plant Meat continues – work underway on texture for the right sensorial experience.



Ready to Eat Snacks

RTE	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	+65%	+32%	+44%
Value	+79%	+50%	+61%



- Strong growth continues with steady strengthening of the RTE Popcorn Business.
- Clear improvement in Margin driven by Price Increases, Grammage Reduction and Packaging Footprint changes.
- Sweet Snacks start to gain momentum – Caramel Bliss/Duo Cruncheez.
- Work underway on Value Added RTE (including Protein).
- Going forward drive increasing share of Sweet & Value Added Snacks to drive Margin Improvement for sustainable growth.



Spreads & Dips

Spreads	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	+28%	+30%	+29%
Value	+10%	+14%	+12%



- Return to strong growth with price realignment in FY'22. Capacity increase work underway.
- Competition forced to replace stock in trade. Impact of ATFL strategy visible in terms of freshness of stock.
- New High Protein Variant “PeAq” introduced in Quarter 2 – Roll Out underway.
- Choco Peanut Spread launched in Q2 to complete the Nut based Chocolate Spreads range – Hazelnut, Almond and Peanuts.
- Commercial production of Salsa underway.

Breakfast Cereals

Cereals	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	+54%	+40%	+45%
Value	+58%	+46%	+51%



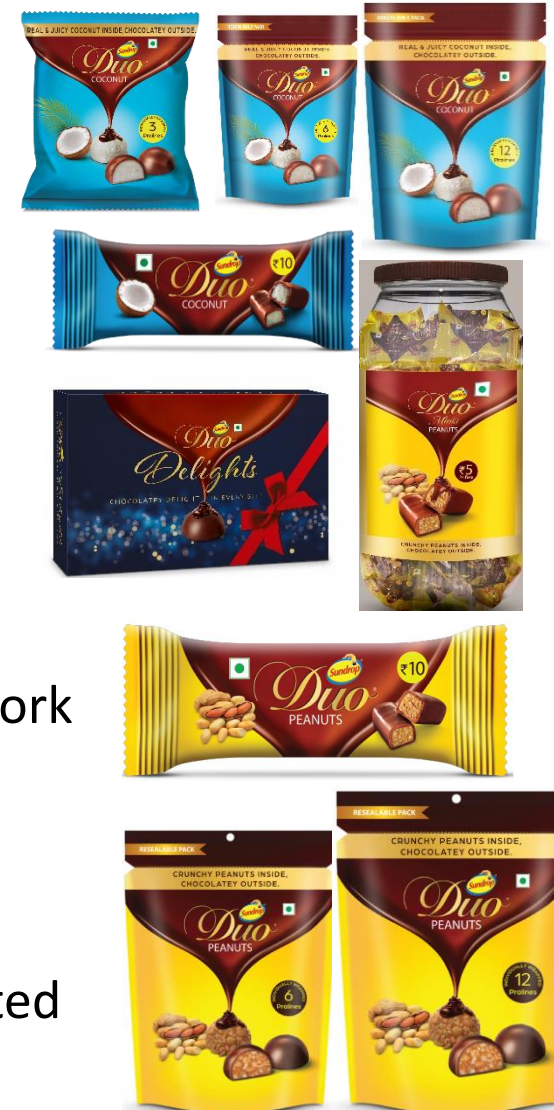
- Steady growth driven by Distribution – Category now nudging the 100,000 store mark.
- Company in a very strong position in “Cereal Snacks” – likely highest distribution of center filled cereals.
- Introduction of the Hazelnut Center Filled Popz very well accepted. Additional variant scheduled for Q3.
- Commercial production started of Value Added Oats.
- Game Plan under development for a bigger and stronger position in the “Breakfast” category:
 - Executing Shelf Presence in the Category.
 - Finding and addressing Unmet Consumer Needs.



Chocolates

Chocolates	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	+218%	+94%	+129%
Value	+252%	+105%	+144%

- Continued strong growth in the Business driven by Distribution – nudging the 100,000 mark.
- Increase in price realization visible in Value vs Volume growth. Consequent improvement in Margin as well.
- First phase of capacity enhancement completed. Work underway for a Rs. 100 crore+ capacity for FY'24.
- Portfolio refinement underway to address multiple consumption occasions and consumer needs.
- Demand creation options being tested for accelerated growth to support FY'24 Plans.



Staples

Premium Staples	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	-12%	-9%	-11%
Value	-8%	-0%	-4%

Mass Staples	Q1 FY'23	Q2 FY'23	YTD FY'23
Volume	-74%	-70%	-72%
Value	-71%	-65%	-67%



- Premium Staples reflects softness in offtake with significantly higher consumer prices relative to PY. Focus on protecting Margin.
- Execution of strategy underway to make Premium Staples more broad based while providing procurement scale to Foods:
 - Roll out of Oats started.
 - Additional Staples items under development.
- Mass Staples reflects largely exit from Crystal in FY'22.

Competitive Update



Snacks: Competition Spends

Rs. Million	F-17	F-18	F-19	FY20	FY21	Q1-22	Q2-22	Q3-22	Q4-22	FY22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
ACT II	110	74	38	45	95	18	31	11	20	80	15	10	11	0	21
Lays	148	374	252	491	335	238	202	127	175	742	333	6	0	299	305
Kurkure	196	260	396	321	237	98	65	70	101	333	78	73	8	0	81
Doritos	0	128	150	252	0	0	116	55	94	265	0	115	42	0	157
Cheetos	0	0	46	34	0	0	0	0	0	0	0	0	0	0	0
Bingo	683	965	815	954	1252	242	261	261	188	952	262	114	35	44	193
Parle	0	0	0	0	20	2	0	0	0	2	0	0	0	0	0
Crax	58	55	106	139	138	20	63	58	71	212	61	33	74	68	175
Yellow D	248	145	256	139	61	14	31	30	31	106	28	9	8	8	25
Mexitos	65	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cornitos	10	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Too Yumm	0	146	470	312	161	14	99	93	33	238	119	14	39	0	53
Balaji	0	0	21	201	93	2	30	21	0	53	0	0	0	0	0
Pipo					1	0	0	0	0	0	0	0	0	0	0
Total Tracked Brands	1517	2147	2549	2888	2394	648	897	725	713	2983	895	374	216	419	1010

Frito-Lay dominates spending. DFM increases Spends.
Act II spends lower than PY.

Spreads: Competition Spends

Rs Million	F-13	F-14	F-15	F-16	F-17	F18	F-19	FY-20	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
Kissan Jam	254	207	304	381	357	512	704	752	679	156	154	138	124	572	133	50	61	60	172
Kissan PB									196	109	129	125	146	508	106	31	50	31	112
Sundrop PB	0	0	42	64	56	30	16	20	58	12	18	6	13	49	10	6	6	6	19
Veeba PB									54	1	0	0	0	1	0	28	28	28	84
Amul PB										2	3	2	2	9	1	0	1	0	1
Pintola PB											4	1	0	4	1	0	0	0	0
Saffola Honey									196	19	66	82	21	188	0	0	0	0	0
Patanjali Honey	0	0	0	102	317	182	95	7	62	47	33	25	31	136	100	0	0	0	0
Dabur Honey	44	69	69	203	134	180	206	131	364	24	64	39	13	140	9	4	5	0	9
Lion Honey	25	18	18	15	9	7	8	20	29	6	10	18	3	38	0	0	1	2	2
Apis Honey	0	0	0	2	16	65	25	8	7	0	0	0	0	0	0	0	0	0	0
Hershey Ch.	0	0	0	0	54	159	166	59	60	3	26	17	33	79	0	1	30	5	37
Nutralite											7	11	11	29	0		0	0	0
Tracked Brands Total	323	294	433	767	943	1135	1220	996	1703	379	514	463	397	1753	359	121	183	132	435

Unilever Q2 spend in line with PY. Veeba spend of Rs. 8 crore.
ATFL spends broadly in line with PY.

Breakfast Cereals: Competition Spends

Rs Million	FY-17	FY-18	FY-19	FY-20	FY-21	Q1-22	Q2- 22	Q3-22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
Kellogg Cornflakes	202	265	390	230	355	124	124	108	171	526	136	61	48	44	152
Kellogg Chocos Fills	0	125	203	17	9	0	0	20	29	49	20	0	11	13	23
Kellogg Chocos	310	362	509	329	344	111	81	88	74	354	60	33	21	26	79
Kellogg Muesli	0	118	239	147	177	52	40	34	62	187	86	31	30	14	75
Kellogg Granola	0	0	1	14	89	22	17	16	19	74	35	14	12	5	31
Nestle Koko Krunch	0	0	193	60	121	0	0	0	0	0	0	0		0	0
Saffola Oats - Total	322	283	268	448	424	145	83	103	142	474	125	32	71	16	119
Quaker Oats- Total	102	164	110	269	184	130	14	16	135	296	12	1	0	81	82
Cadbury's Bournvita Fills	0	0	0		20	5	0	0	0	5	0	0	0	0	0
Tata Soulfull- CHOCOFILLS				17	0	0	44	26	62	131	91	1	0	10	11
Tata soulfull - Muesli														5	5
Parle hide n seek fills												28	0	0	28
Tracked Brands Total	975	1,317	1,979	1,530	1,724	589	361	410	693	2,096	564	172	192	209	573

Kellogg continues broad based support.
Nestle discontinues support.

Chocolates: Competition Spends

Rs Million	FY- 18	FY- 19	FY-20	FY-21	Q1-22	Q2-22	Q3- 22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
Cadbury 5 Star	744	482	727	960	150	276	377	256	1058	153	88	313	60	461
Cadburys Celebration	138	212	277	399		56	370	11	437	7	40	66	0	106
Dairy Milk	2229	2166	2362	2978	864	1168	1268	1083	4384	1300	256	979	419	1654
Cadburys Fuse	598	407	477	509	41	146	109	147	443	83	198	313	36	547
Cadburys Gems	416	285	389	438	115	143	131	158	547	137	51	72	44	166
Cadburys Perk	321	231	598	470	129	133	145	154	562	102	38	87	45	171
Kinder	484	837	1193	608	117	0	306	323	747	100	114	664	200	978
Kinder Creamy	0	0	0	132	24	80	0	0	104	0	0	0	0	0
Ferrero Rocher	0	0	0	179	44	0	77	22	143	0	0	0	0	0
Amul	7	61	139	109	26	8	27	50	111	1	0	129	0	129
Hersheys Kisses	0	42	235	314	14	87	166	156	423	21	52	171	5	228
Hersheys Exotic dark				54	41		143	81	265	0	42	263	9	314
Snickers	217	259	201	65	5	27	95	0	127	11	0	99	2	101
Galaxy	0	0	23	21	7	3	231	8	250	12	0	0	10	10
Nestle Milky Bar	187	146	368	206	22	62	72	49	205	20	18	41	17	76
Nestle Munch	414	604	626	547	53	103	93	149	398	78	75	158	35	269
Nestle Kit Kat	597	712	841	943	150	175	137	115	577	181	112	286	4	402
Fabelle	0	23	69	53	0	0	7	0	7	8	8	4	0	12
CandyMan Fantastik					17	36	90	44	187	44	0	0	0	0
Total tracked brands	6520	6898	9261	9615	1835	2523	3857	2806	11021	2263	1094	3646	886	5635

Major players continue spending consistently.

Edible Oils: Competition Spends

Rs Million	F-12	F-13	F-14	F-15	F-16	F-17	F-18	F-19	FY-20	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
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	400	116	86	68	106	375	62	37	34	0	72
Fortune	0	203	356	148	319	828	666	543	495	510	166	145	102	126	540	121	92	39	82	212
Emami Ltd.					156	137	1214	647	626	799	150	70	175	183	578	121	22	41	19	81
Oleev						27	41	30	26	40	31	29	22	9	91	0	0	6	1	7
Patanjali					103	354	966	170	20	49	31	27	24	27	109	26	0	0	0	0
Gemini										228	52	41	27	13	133	84	0	16	23	40
Tracked Brands Total	209	509	762	504	961	1700	3576	1936	1694	2024	546	398	417	464	1825	415	151	136	124	411
Others	722	915	815	1280	1876	2153	1672	1652	2096	2597	537	637	990	733	2897	601	185	308	251	744
Category Total	931	1424	1577	1784	2837	3853	5248	3588	3790	4621	1083	1035	1407	1197	4722	1016	336	444	375	1155

Mass Oils share of spending further increases.

Noodles: Competition Spends

Rs. Million	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
Chings Noodles	17	2	19	20	0	40	0	0	0	0	0	8	0	0	0	0
Wai Wai	0	0	0	1	17	19	6	0	0	0.2	6	20	0	1	0	1
Knorr Soupy Noodles	0	0	140	0	0	140	0	0	0	0	0	0	0	0	0	0
Sunfeast Yippee noodles	81	168	85	336	57	647	185	155	120	105	565	195	35	11	0	46
Sunfeast Yippee- Masala	0	0	0	0	144	144	3	36	0	1.4	40	9	0	0	0	0
Saffola Oodles	0	0	0	0	0	0	135	99	35	6	275	4	0	2	2	4
A&M Twisty Noodles	4	0	5	4	5	13	0	0	5	0	5	0	0	0	0	0
Maggi Chatpata Tomato	0	0	0	0	11	11	0	0	0	0	0	0	0	0	0	0
Maggi Fusian	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maggi Masala Veg Atta	123	38	5	85	62	190	62	47	37	0	146	64	32	0	77	109
Maggi Noodles	135	46	141	282	178	648	243	143	112	104	601	219	102	98	98	298
Maggi Special Masala	5	0	115	6	9	131	0	3	0	0	4	0	0	0	0	0
Maggi veggio masala		0	0	0	0				34	52	86	36	2	0	16	18
Maggi Chicken noodles		0	0	0	0				3	0	3	0	0	0	0	0
Patanjali Atta Noodles	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
Pran Mr Noodles	4	7	12	9	14	43	6	8	5	0	19	0	0	0	0	0
1 to 3 Chatpat noodles	0	0	0	4	2	6	0	4	2	1	7	3	2	0	0	2
Goldiee Noodles	0	13	3	0	0	17	0	0	0	0.3	1	0	0	0	0	0
Trdp Mario Masala	0	8	3	0	0	11	0	0	42	0	42	0	0	0	68	68
Total	382	284	528	749	504	2065	648	496	394	269	1807	561	174	113	261	548

**Nestle dominates spending.
Other players seek to leverage price gap.**

Pasta: Competition Spends

Rs.Million	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY- 21	Q1-22	Q2-22	Q3-22	Q4-22	FY- 22	Q1- 23	Jul-22	Aug-22	Sept-22	Q2-23
Bambino Pasta	0	0	0	0	0	1	0	0	1	1	2	0	0	0	0	0
Sunfeast Yippee pasta	0	0	90	1	1	93	0	1	4	0	5	1	0	0	1	1
Keya Italiano Pasta	2	0	0	0	0	0	0	0	13	0	13	0	0	0	0	0
Maggi Pazzta	0	0	0	24	26	50	1	0	0	0	1	0	0	0	0	0
Maggi Pazzta Cheese Macaroni	0	0	0	47	30	77	2	0	0	0	2	0	0	0	0	0
Savorit Pasta	4	11	0	2	0	14	0	0	1	0	1	1	4	1	0	5
Weikfield Pasta	0	0	0	0	24	24	0	4	0	0	4	0	0	0	0	0
TOTAL	6	11	90	75	83	259	3	5	18	1	27	2	4	1	1	6

Almost Nil spend on QTD Basis.

Soups: Competition Spends

Rs. Million	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Q2-22	Q3-22	Q4-22	FY-22	Q1-23	Jul-22	Aug-22	Sep-22	Q2-23
Chings Instant Soups	3	0	37	29	1	66	0	5	31	0	36	0	0	0	0	0
Eastern Instant Rasam	1	1	8	0	0	9	0	0	0	0	0	0	0	0	0	0
Knorr Chicken Delite Soup	8	19	23	42	23	107	8	22	83	84	198	77	25	30	26	81
Knorr Chinese Manchurian	6	0	51	0	0	51	0	0	0	0	0	71	36	9	71	200
Knorr Classic Sweet Corn Veg Soup	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Knorr Cup-A-Soup	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Knorr Hot & Sour Veg	192	65	231	244	191	731	100	143	258	84	586	0	36	33	29	98
Knorr Soup					0	0	0	0	0	29	29	0	0	0	0	0
B Natural Soups	0	0	0	0	2	2	0	0	0	0	0	0	0	0	0	0
Mtr Minute Rasam	0	0	0	24	0	24	0	0	0	0	0	0	0	0	0	0
Total	228	85	350	338	216	989	108	171	373	197	849	148	97	72	64	379

Knorr remains dominant spender.

Q2 Summary

- At c Rs. 124 crore of Foods Net Sales, this Quarter is the closest we have ever come to annualized revenues of Rs. 500 crore.
- Margins improve from Q1 Low. Work underway to drive further improvement through Operating Leverage, Portfolio Management & Pricing as appropriate by Category.
- Q2 Foods Revenue provides credibility & confidence for our vision – “The Best Performing Most Respected Foods Company in India.
- Building blocks for the next Rs. 500 crore clearly visible with multiple levers of growth based on innovation across several categories.