

Agro Tech Foods Limited

23rd July 2021

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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 12th July, 2021 regarding hosting of an analyst call on the financial results for Q1 ended June 30, 2021 on Friday 23rd July, 2021, 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



ATFL Business Update

Q1, FY'22 Results
July 23rd, 2021

Company Strategic Vision

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

Quarter 1 – Key Performance Highlights

Strong Foods Growth drives Momentum

- Strong Growth of 31% in Foods drives the business to Rs. 85 crore.
- Clear impact of second wave – higher in home consumption of RTC offsets lower out of home consumption of RTE Snacks & Cereals.
- Foods GM up from Rs. 20 crore to Rs.22 crore driven by Volume Growth. Pricing Actions underway and softening of Palm Oil to help address commodity headwinds.
- Oils GM at Rs. 20 crore lower than PY of Rs. 27 crore (significant elevated demand in Q1, FY'21). However, on running rate basis a strong comparison to FY'21 GM of Rs. 72 crore.
- SG&A flat to PY except CSR provisioning & Royalty (+Rs. 90 lacs).
- PBT/PAT are 38%/40% lower than PY given high base effect of Quarter 1 in FY'21.
- Overall a strong start to FY'22.

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)



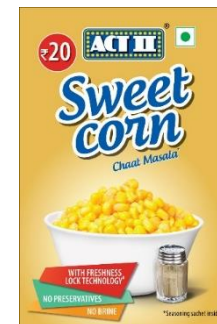
6. Edible Oils
(Rs. 194,000 crore)

Ready to Cook Snacks

Ready To Cook	Q1	YTD FY'22
Volume	+36%	+36%
Value	+39%	+39%



- Stronger than expected Growth in Ready to Cook Popcorn driven by elevated in home consumption (2nd Wave).
- Pricing on Premium Range increased to offset higher commodity prices – Palm Oil, Kernels (visible in Value vs Volume).
- Boosting of Growth rate with steady growth of Sweet Corn.
- Commercial production & Shipments of Pasta & Sauce kit commence in June. Sell in's currently underway and initial feedback to concept positive.
- Pad Thai Kit production scheduled for Q2. Chow Mein Hakka Kit also in an advanced stage.



Ready to Eat Snacks

Ready to Eat	Q1	YTD FY'22
Volume	+1%	+1%
Value	+9%	+9%



- Second wave and consequent lockdowns have a clear negative impact on the business with lower than expected Growth.
- Value Growth reflects stronger performance of Popcorn with higher Net Sales realization and changes in Go To Market in July 2020.
- Higher Palm Oil prices impact Category Margins. Margin challenges being addressed through increased focus on higher end products (e.g. Caramel Bliss) & Packaging Cost Reduction.
- Accelerated development of Value Added offerings for Margin Improvement.
- Learning continues on Potato Chips – business model being developed.

Spreads & Dips

Spreads & Dips	Q1	YTD FY'22
Volume	+12%	+12%
Value	+15%	+15%

- Growth in Peanut Butter less than expected -softness post discontinuation of promotion.
- Lockdowns a likely factor but also some share loss is possible with significant competitive activity between Rs. 100 and Rs 200 packs.
- Actions underway to address this threat – execution starting July.
- Total Category Value Growth ahead of Volume due to higher price realization of Chocolate Spreads & Dips.
- Differentiated Hummus offering well accepted and roll out continues.



Breakfast Cereals

Cereals	Q1	YTD FY'22
Volume	+82%	+82%
Value	+60%	+60%



- Some impact of lockdowns due to Covid19 visible – growth figures are off a small base.
- Value lags Volume due to introduction of Rs. 5 Shells and O's & X's.
- Opportunity of low plant volumes leveraged to refine portfolio in terms of SKU offerings.
- With re-opening of economy we will once again drive distribution of the full range of Cereal offerings.
- Centre Filled Cereals Margin Profile certainly A&P grade and candidate for future A&P support.

Chocolate

Chocolates	Q1	YTD FY'22
Volume	+105%	+105%
Value	+149%	+149%

- Roll out of revised Product Price Architecture underway. Trade acceptance of lower weight Rs. 10 offering (23.5 gm vs 28.6 gm).
- Early signs positive for Rs. 5 offering (9.5 gm).
- Revised architecture of Rs.5/Rs.10 ensures that products are/will be A&P grade.
- Focus now on Scaling Up - Distribution Expansion & Production Streamlining.
- Advertising support dependent on speed of scaling up and overall Company P&L progression.



Edible Oils

Premium Oils	Q1	FY'22
Volume	-12%	-12%
Value	+20%	+20%

Mass Oils	Q1	FY'22
Volume	-71%	-71%
Value	-50%	-50%



- Premium Oils Volume performance to be viewed in context of extremely elevated demand in Q1 of FY'21 (+16% in a declining trend).
- Total Oils absolute GM in Q1 of Rs. 20 crore a strong start relative to FY'21 GM of c Rs. 72 crore.
- Reduction of Mass Oils volume in line with overall planning. However, in Q1 driven more by lower Out of Home than specific Management actions.

Competitive Update



Snacks: Competition Spends

Rs. Million	F-17	F-18	F-19	FY20	Q1-21	Q2-21	Q3-21	Q4-21	FY21	Apr'21	May'21	Jun'21	Q1-22
ACT II	110	74	38	45	13	32	20	30	95	3	5	10	18
Lays	148	374	252	491	28	83	79	145	335	72	107	59	238
Kurkure	196	260	396	321	0	61	111	64	237	40	38	21	98
Doritos	0	128	150	252	0	0	0	0	0	0	0		
Cheetos	0	0	46	34	0	0	0	0	0	0	0		
Bingo	683	965	815	954	163	260	680	149	1252	124	33	85	242
Parle	0	0	0	0	2	13	3	1	20	0	0	2	2
Crax	58	55	106	139	0	38	39	62	138	18	1	1	20
Yellow D	248	145	256	139	0	17	23	22	61	5	6	3	14
Mexitos	65	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	0		14
Balaji	0	0	21	201	7	29	1	56	93	2	0		2
Pipo							0	1	1	0	0		
Total Tracked Brands	1517	2147	2549	2888	214	580	1033	573	2394	279	189	181	648

Category Investments significantly higher than PY.
Consistent ATFL presence.

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	Apr' 21	May' 21	Jun' 21	Q1-22
Kissan Jam-	254	207	304	381	357	512	704	752	218	218	110	134	679	50	55	51	156
Kissan PB											101	95	196	28	36	45	109
Sundrop PB	0	0	42	64	56	30	16	20	8	18	13	18	58	3	3	6	12
Veeba PB												54	54	1	0	0	1
Amul Peanut Spread															1	1	0
Saffola Honey											117	79	196	10	9	0	19
Patanjali Honey	0	0	0	102	317	182	95	7	0	1	14	46	62	11	18	18	47
Dabur Honey	44	69	69	203	134	180	206	131	23	34	228	80	364	11	7	7	24
Lion Honey	25	18	18	15	9	7	8	20	5	6	12	6	29	0	4	2	6
Apis Honey	0	0	0	2	16	65	25	8	0	0	4	2	7	0	0	0	0
Hershey's Spreads	0	0	0	0	54	159	166	59	0	0	22	38	60	0	3	0	3
Tracked Brands Total	323	294	433	767	943	1135	1220	996	255	277	621	552	1703	113	136	130	377

Honey sees significant increase in Spends vs PY. Unilever continues PB. Steady ATFL presence.

Breakfast Cereals: Competition Spends

Rs Million	FY-17	FY-18	FY-19	FY-20	Q1-21	Q2-20	Q3-21	Q4-21	FY-21	Apr' 21	May' 21	Jun' 21	Q1-22
Kelloggs Cornflakes - Total	202	265	390	230	7	118	88	142	355	33	46	45	124
Kelloggs Chocos Fills	0	125	203	17	0	0	9	0	9	0	0	0	0
Kelloggs Chocos - Total	310	362	509	329	38	122	76	110	344	22	43	45	111
Kelloggs Muesli	0	118	239	147	30	65	43	40	177	20	21	11	52
Kelloggs Granola	0	0	1	14	14	30	28	18	89	10	8	4	22
Nestle Koko Krunch	0	0	193	60	52	39	24	7	121	0	0	0	0
Saffola Oats - Total	322	283	268	448	121	125	101	78	424	22	63	60	145
Quaker Oats- Total	102	164	110	269	0	98	65	21	184	30	58	42	130
Cadbury's bournvita fills	0	0	0	0	0	2	10	9	20	4	1	0	5
Soulfull	0	0	0	17	0	0	0	0	0	0	0	0	0
Tracked Brands Total	975	1,317	1,979	1,530	260	598	442	424	1,724	141	241	207	589

Kellogg, Saffola & Quaker continue investments.

Chocolates: Competition Spends

Final Brand (In Million)	FY- 18	FY- 19	FY-20	Q1	Q2	Q3	Q4	FY-21	Apr'21	May'21	Jun'21	Q1-22
Cadbury 5 Star	744	482	727	102	192	385	281	960	66	50	35	150
Cadburys Celebration	138	212	277	0	79	320	0	399				
Dairy Milk	2229	2166	2362	209	915	1082	771	2978	537	237	90	864
Cadburys Fuse	598	407	477	46	217	126	120	509	39	2		41
Cadbury Dark Milk	0	0	375	0	76	83	245	404				
Cadburys Gems	416	285	389	26	142	145	126	438	39	45	31	115
Cadburys Perk	321	231	598	55	84	105	226	470	71	39	20	129
Kinder	484	837	1193	0	0	358	250	608	17	100		117
Kinder Creamy	0	0	0			85	47	132	8	16		24
Ferrero Rocher	0	0	0			144	34	179	5	39		44
Amul	7	61	139	4	26	23	56	109	26			26
Hersheys Kisses	0	42	235	3	82	94	134	314	10	4		14
Hersheys Exotic dark						51	3	54	36	5		41
Snickers	217	259	201	0	25	6	33	65	5			5
Galaxy	0	0	23	0	6	6	9	21	6	1		7
Nestle Milky Bar	187	146	368	20	97	42	47	206	18	4		22
Nestle Munch	414	604	626	87	178	131	151	547	29	1	23	53
Nestle Kit Kat	597	712	841	137	294	207	305	943	81	18	51	150
Priyagold	8	176	209	8	13	14	13	48	7	5	4	15
Fabelle	0	23	69	0	8	35	10	53	0			
CandyMan Choco bar XL									1	12	5	17
Total tracked brands	6520	6898	9261	697	2530	3483	2905	9615	1000	576	259	1835

Mondelez, Nestle, Ferrero remain steady.
ITC shifts focus.

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	Apr' 21	May' 21	Jun' 21	Q1-22
Sundrop Heart	88	94	50	65	46	34	21	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	47	34	34	116
Fortune	0	203	356	148	319	828	666	543	495	37	208	198	68	510	59	75	32	166
Emami Ltd.					156	137	1214	647	626	13	371	174	241	799	54	68	28	150
Oleev						27	41	30	26	4	12	13	11	40	9	11	11	31
Patanjali					103	354	966	170	20	0	0.7	12	36	49	10	11	11	31
Gemini										46	29	55	98	228	10	35	8	52
Tracked Brands Total	209	509	762	504	961	1700	3576	1936	1694	168	643	512	534	2024	188	234	124	546
Others	722	915	815	1280	1876	2153	1672	1652	2096	362	531	1005	867	2597	177	264	96	537
Category Total	931	1424	1577	1784	2837	3853	5248	3588	3790	529	1174	1517	1401	4621	366	498	219	1083

Emami & Adani remain dominant spenders.

Noodles: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Apr'21	May'21	Jun'21	Q1- 22
Chings Noodles	17	2	19	20	0	40	0	0	0	0
Wai Wai	0	0	0	1	17	19	4	2	0	6
Knorr Soupy Noodles	0	0	140	0	0	140	0	0	0	0
Sunfeast Yippee noodles	81	168	85	336	57	647	107	37	41	185
Sunfeast Yippee Saucy Masala	0	0	0	0	144	144	2	0	0	3
Saffola Oodles	0	0	0	0	0	0	51	38	47	135
A&M Twisty Noodles	4	0	5	4	5	13	0	0	0	0
Maggi Chatpata Tomato Noodles	0	0	0	0	11	11	0	0	0	0
Maggi Fusian	11	0	0	0	0	0	0	0	0	0
Maggi Masala Veg Atta	123	38	5	85	62	190	0	0	62	62
Maggi Noodles	135	46	141	282	178	648	5	73	165	243
Maggi Special Masala	5	0	115	6	9	131	0	0	0	0
Pran Mr Noodles	4	7	12	9	14	43	0	2	4	6
1 to 3 Chatpat noodles	0	0	0	4	2	6	0	0	0	0
Goldiee Noodles	0	13	3	0	0	17	0	0	0	0
Trdp Mario Masala Noodles	0	8	3	0	0	11	0	0	0	0
Total	382	284	528	749	504	2064	172	156	320	648

Maggi dominant Spender followed by Sunfeast. Saffola Spends also significant.

Pasta: Competition Spends

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

Category sees almost no spending in Q1, FY'22.

Soups: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Apr'21	May'21	Jun'21	Q1-22
Chings Instant Soups	3	0	37	29	1	66	0			
Eastern Instant Rasam	1	1	8	0	0	9	0			
Knorr Chicken Delite Soup	8	19	23	42	23	107	0		8	8
Knorr Chinese Manchurian	6	0	51	0	0	51	0		33	33
Knorr Sweet Corn Veg Soup	5	0	0	0	0	0	0			
Knorr Cup-A-Soup	13	0	0	0	0	0	0			
Knorr Hot & Sour Veg Soup	192	65	231	244	191	731	18	49		67
B Natural Soups	0	0	0	0	2	2	0			
Mtr Minute Rasam	0	0	0	24	0	24	0			
Total	228	85	350	338	218	989	18	49	41	108

Knorr dominates Category Spends.

Summary & Way Forward

- Strong start to FY'22 with c 30% growth in the Foods business.
- Edible Oils starting to show stability in Gross Margin.
- Robust Snack Foods portfolio significantly improving Go To Market capabilities and attractiveness of business to High Quality Distributors.
- Address Margin Headwinds through careful monitoring of Palm Oil costs, A&P and SG&A.
- Overall, continued steady transformation of the business – in line with Vision – “Best Performing Most Respected Foods Company”.