

Agro Tech Foods Limited

22nd October 2021

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The Manager
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 12th October, 2021 regarding hosting of an analyst call on the unaudited financial results for Q2 and half year ended September 30, 2021 on Friday, 22nd October, 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



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CIN: L15142TG1986PLC006957

ATFL Business Update

Q2, FY'22 Results
October 22d, 2021

Company Strategic Vision

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

Quarter 2 – Key Performance Highlights

Strong Foods Growth – High Commodity Inflation

- Continued strong Foods Growth of 14%. YTD Growth of 21%.
- Reduced Covid19 threat perception helps all Foods categories other than Ready to Cook. Likely share loss in PB being addressed.
- Premium Oils Volumes up 4%, in line with expectations.
- YTD Foods GM lower by Rs. 3 crore reflecting
 - Higher Commodity Prices (-15) crore driven by c 15% input inflation.
 - Price Increases + 4.5 crore.
 - Volume Growth + 7.5 crore.
- Commodity prices are now up 10% vs second half of FY'21. Expect therefore narrowing of inflationary impact plus increase in pricing.
- YTD Oils GM at Rs. 35 crore (-Rs. 9 crore) trending well to PY (72 cr.).
- YTD SG&A largely flat to PY – Higher CSR provisioning/Royalty/Travel offset by lower doubtful debt provisions.
- PBT/PAT are 39%/40% lower than 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

Ready to Cook	Q1	Q2	YTD FY'22
Volume	+36%	+11%	+21%
Value	+39%	+12%	+23%



- Lower Covid19 threat perception reflected in softening of RTC growth rate.
- Price increases executed on Premium Popcorn and Sweet Corn to partially offset higher commodity prices. Full impact in second half of FY'22.
- Differentiated Pasta Offering receives very positive response. Scaling up of production now underway.
- Pad Thai Kit roll out commenced. Chow Mein Hakka Kit in an advanced stage.
- Current focus on Pasta offering – Leverage differentiated offering & retail demo capabilities.



Ready to Eat Snacks

Ready to Eat	Q1	Q2	YTD FY'22
Volume	+1%	+18%	+11%
Value	+9%	+15%	+13%



- Clear recovery with lower Covid19 threat perception.
- YTD Value Growth reflects stronger performance of Popcorn with higher Net Sales realization and changes in Go To Market in July 2020.
- Price increases and Grammage Reduction underway basis Market and Category Assessment. Full impact in second half of FY'22.
- Work underway on Value Added offerings for Margin Improvement.
- Learning continues on Potato Chips – business model being developed.

Spreads & Dips

Spreads & Dips	Q1	Q2	YTD FY'22
Volume	+12%	+6%	+9%
Value	+15%	+7%	+10%

- In market execution to strengthen position in the Rs.100 to Rs. 200 range of Peanut Butter price points underway.
- Monthly trends positive and indicate that actions are yielding expected results.
- Work also underway on Premium Offerings to have a comprehensive presence across need gaps.
- 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	Q2	YTD FY'22
Volume	+82%	+55%	+65%
Value	+60%	+36%	+45%



- With lower Covid19 threat perception and increased market working, renewed focus on the Category to build Distribution and acquire Consumers.
- Leverage strong product range in Extruded and Granola.
- Centre Filled Cereals certainly A&P grade and capable of delivering a double digit EBITDA profile.
- Evaluate A&P support for Category in FY'23 with overall Gross Margin improvement.

Chocolate

Chocolates	Q1	Q2	YTD FY'22
Volume	+105%	+534%	+296%
Value	+149%	+768%	+422%

- Monthly revenues up to a little under Rs. 1 crore – fastest and possibly easiest expansion of distribution for any new product at ATFL.
- All indications that the product can become our lead Distribution SKU – Category Size, Differentiated Offering.
- Focus now on maximizing production including SKU choices.
- A definite candidate for A&P support in FY'23 and Quadrupling of Capacity initiated.



Edible Oils

Premium Oils	Q1	Q2	YTD FY'22
Volume	-12%	+4%	-4%
Value	+20%	+36%	+28%

Mass Oils	Q1	Q2	YTD FY'22
Volume	-71%	-51%	-62%
Value	-50%	-26%	-38%



- Premium Oils up 4% Volume - in line with expectations of a mid single digit performance.
- Reduction of Mass Oils volume in line with overall planning. On track for Crystal franchising in second half of FY'22.
- Total Oils YTD GM of Rs. 35 crore trending well to PY of Rs. 72 crore.

Competitive Update

(As of September 24th)



Snacks: Competition Spends

Rs. Million	F-17	F-18	F-19	FY20	Q1-21	Q2-21	Q3-21	Q4-21	FY21	Q1-22	Jul-21	Aug-21	Sep-21	Q2-22
ACT II	110	74	38	45	13	32	20	30	95	18	10	10	10	30
Lays	148	374	252	491	28	83	79	145	335	238	78	54	40	172
Kurkure	196	260	396	321	0	61	111	64	237	98	15	1	1	18
Doritos	0	128	150	252	0	0	0	0	0		65	50	0	116
Cheetos	0	0	46	34	0	0	0	0	0		0	0	0	0
Bingo	683	965	815	954	163	260	680	149	1252	242	122	56	50	227
Parle	0	0	0	0	2	13	3	1	20	2	0	0	0	0
Crax	58	55	106	139	0	38	39	62	138	20	20	17	23	59
Yellow D	248	145	256	139	0	17	23	22	61	14	11	10	7	28
Mexitos	65	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
Too Yumm	0	146	470	312	0	47	78	36	161	14	82	0	15	97
Balaji	0	0	21	201	7	29	1	56	93	2	26	4	0	30
Pipo							0	1	1		0	0	0	0
Total Tracked Brands	1517	2147	2549	2888	214	580	1033	573	2394	648	428	203	146	776

Frito Lay increases spends to become the largest spender in Q2. Steady ATFL investments.

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	Jul'21	Aug'21	Sep'21	Q2-22
Kissan Jam-	254	207	304	381	357	512	704	752	218	218	110	134	679	156	55	50	47	152
Kissan PB											101	95	196	109	35	29	45	109
Sundrop PB	0	0	42	64	56	30	16	20	8	18	13	18	58	12	6	6	6	18
Veeba PB												54	54	1	0	0	0	0
Amul Peanut Spread														2	1	1	1	3
Saffola Honey											117	79	196	19	19	16	26	61
Patanjali Honey	0	0	0	102	317	182	95	7	0	1	14	46	62	47	16	10	6	32
Dabur Honey	44	69	69	203	134	180	206	131	23	34	228	80	364	24	9	50	6	64
Lion Honey	25	18	18	15	9	7	8	20	5	6	12	6	29	6	4	4	2	10
Apis Honey	0	0	0	2	16	65	25	8	0	0	4	2	7	0	0	0	0	0
Hershey's Spreads	0	0	0	0	54	159	166	59	0	0	22	38	60	3	0	18	6	25
Tracked Brands Total	323	294	433	767	943	1135	1220	996	255	277	621	552	1703	379	144	183	144	472

Unilever continues Jam & PB spends. Increased competitive intensity visible in Honey. 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	Q1-22	Jul' 21	Aug' 21	Sep' 21	Q2-22
Kelloggs Cornflakes - Total	202	265	390	230	7	118	88	142	355	124	42	33	46	121
Kelloggs Chocos Fills	0	125	203	17	0	0	9	0	9	0	0	0	0	0
Kelloggs Chocos - Total	310	362	509	329	38	122	76	110	344	111	25	27	22	75
Kelloggs Muesli	0	118	239	147	30	65	43	40	177	52	13	16	8	36
Kelloggs Granola	0	0	1	14	14	30	28	18	89	22	6	7	3	15
Nestle Koko Krunch	0	0	193	60	52	39	24	7	121	0	0	0	0	0
Saffola Oats - Total	322	283	268	448	121	125	101	78	424	145	26	27	29	81
Quaker Oats- Total	102	164	110	269	0	98	65	21	184	130	4	10	0	14
Cadbury's Bournvita Fills	0	0	0			2	10	9	20	5	0	0	0	0
Tata Soulfull				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	589	115	120	108	342

Category Spends lower than Q1 – possibly as players seek to expand investments in other Categories.

Chocolates: Competition Spends

Final Brand (In Million)	FY- 18	FY- 19	FY-20	Q1	Q2	Q3	Q4	FY-21	Q1-22	Jul-21	Aug-21	Sep-21	Q2-22
Cadbury 5 Star	744	482	727	102	192	385	281	960	150	53	80	113	247
Cadburys Celebration	138	212	277	0	79	320	0	399		0	56	0	56
Dairy Milk	2229	2166	2362	209	915	1082	771	2978	864	275	230	422	926
Cadburys Fuse	598	407	477	46	217	126	120	509	41	53	42	41	136
Cadburys Gems	416	285	389	26	142	145	126	438	115	53	45	35	133
Cadburys Perk	321	231	598	55	84	105	226	470	129	48	35	39	122
Kinder	484	837	1193	0	0	358	250	608	117	0	0	0	0
Kinder Creamy	0	0	0			85	47	132	24	21	3	49	73
Ferrero Rocher	0	0	0			144	34	179	44	0	0	0	0
Amul	7	61	139	4	26	23	56	109	26	5	2	0	8
Hersheys Kisses	0	42	235	3	82	94	134	314	14	23	30	31	84
Hersheys Exotic dark						51	3	54	41	0	0	0	0
Snickers	217	259	201	0	25	6	33	65	5	0	6	20	26
Galaxy	0	0	23	0	6	6	9	21	7	0	3	0	3
Nestle Milky Bar	187	146	368	20	97	42	47	206	22	12	24	17	54
Nestle Munch	414	604	626	87	178	131	151	547	53	60	43	0	103
Nestle Kit Kat	597	712	841	137	294	207	305	943	150	79	15	70	164
Nestle Bar One										2	1	0	3
Fabelle	0	23	69	0	8	35	10	53		0	0	0	0
Candy Man Choco bar XL									17	0	6	23	28
Brit Treat Stix												10	10
Total tracked brands	6520	6898	9261	697	2530	3483	2905	9615	1835	683	624	862	2168

Mondelez the 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	Jul' 21	Aug' 21	Sep' 21	Q2-22
Sundrop Heart	88	94	50	65	46	34	21	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	69	2	0	71
Fortune	0	203	356	148	319	828	666	543	495	37	208	198	68	510	166	41	52	38	130
Emami Ltd.					156	137	1214	647	626	13	371	174	241	799	150	32	27	9	68
Oleev						27	41	30	26	4	12	13	11	40	31	11	15	2	29
Patanjali					103	354	966	170	20	0	0.7	12	36	49	31	11	5	8	25
Gemini										46	29	55	98	228	52	6	7	25	39
Tracked Brands Total	209	509	762	504	961	1700	3576	1936	1694	168	643	512	534	2024	546	171	108	83	361
Others	722	915	815	1280	1876	2153	1672	1652	2096	362	531	1005	867	2597	537	137	216	220	573
Category Total	931	1424	1577	1784	2837	3853	5248	3588	3790	529	1174	1517	1401	4621	1083	308	323	303	934

Fortune becomes the dominant spender in Q2 at almost 2X of Saffola and Emami.

Noodles: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1- 22	Jul'21	Aug'21	Sep'21	Q2-22
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	21	24	36	81
Sunfeast Yippee Saucy/ Mood Masala	0	0	0	0	144	144	3	16	20	31	67
Saffola Oodles	0	0	0	0	0	0	135	27	36	34	97
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	3			
Maggi Noodles	135	46	141	282	178	648	243	2	26	35	63
Maggi Special Masala	5	0	115	6	9	131	0				
Pran Mr Noodles	4	7	12	9	14	43	6	2	4	2	7
1 to 3 Chatpat noodles	0	0	0	4	2	6	0		2	2	3
Goldiee Noodles	0	13	3	0	0	17	0				
Trdp Mario Masala Noodles	0	8	3	0	0	11	0				
Total	382	284	528	749	504	2064	648	72	111	143	325

Category Spends significantly lower than Q1.

Pasta: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1- 22	Jul'21	Aug'21	Sep'21	Q2-22
Bambino Pasta	0	0	0	0	0	1	0	0			
Sunfeast Yippee pasta	0	0	90	1	1	93	0	0	1		1
Keya Italiano Pasta	2	0	0	0	0	0	0	0			
Maggi Pazzta	0	0	0	24	26	50	1	0		85	85
Maggi Pazzta Cheese Macaroni	0	0	0	47	30	77	2	0			
Savorit Pasta	4	11	0	2	0	14	0	0			
Weikfield Pasta	0	0	0	0	24	24	0	4			4
TOTAL	6	11	90	75	83	259	3	4	1	85	89

Heavy spends by Nestle Maggi in Sep'21.

Soups: Competition Spends

Tracked Brands (in Million)	Q4-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21	Q1-22	Jul-21	Aug-21	Sep-21	Q2-22
Chings Instant Soups	3	0	37	29	1	66		3	3		5
Eastern Instant Rasam	1	1	8	0	0	9					
Knorr Chicken Delite Soup	8	19	23	42	23	107	8	8	7	6	21
Knorr Chinese Manchurian	6	0	51	0	0	51	33				
Knorr Sweet Corn Veg Soup	5	0	0	0	0	0					
Knorr Cup-A-Soup	13	0	0	0	0	0					
Knorr Hot & Sour Veg Soup	192	65	231	244	191	731	100	47	43	39	129
B Natural Soups	0	0	0	0	2	2					
Mtr Minute Rasam	0	0	0	24	0	24					
Total	228	85	350	338	218	989	108	58	52	45	156

Knorr remains the dominant spender.

Summary & Way Forward

- Maintaining Strong growth in Foods without being derailed by commodity headwinds clearly the priority.
- Second half expectation of reduced impact of commodity costs, increased Pricing and Volume driven Margin Improvement.
- Edible Oils trending well to PY confirming impact of price reductions in FY'21 – reaching a point of Gross Margin stability.
- Media spends have been maintained in First Half, may have to take different decisions in Second Half – increase in Travel Costs etc.
- On track to deliver Foods Growth in a profitable manner in FY'22.