

Agro Tech Foods Limited

29th November, 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 7th November, 2022 regarding hosting of an analyst and investor meet to be held on 29th November, 2022 at Mumbai, we are enclosing a copy of the presentation proposed to be shared to analysts and investors at the said meet. 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

Encl. a/a.

ATFL an affiliate of



Agro Tech Foods Limited Analyst Meet

November 29th, 2022



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

Today's Agenda

- The Last 12 Months & Next 12 Months – Overall and by Category.
- Building Blocks for the Next Rs. 500 crore of Foods.
- Why ATFL is a compelling bet for a \$ 1 Billion High Quality Snack Foods Company in India.

The Last 12 Months & The Next 12 Months



Overall

The Last 12 Months

- Steady continued growth in Foods – Q2 results of Rs. 124 crore the closest ever to an Annual Revenue Rate of Rs. 500 crore.
- Largely able to navigate through the choppy waters of commodity prices of Q1 with the help of Pricing, Mix, Operating Leverage & softening of input costs post Q1.
- Reduced Total Revenue dependence on Mass Staples (now down to c 5% of the Total Business) in line with Strategy.
- Making clear progress towards becoming “The Best Performing Most Respected Foods Company in India”.

A completely transformed Company post Covid19 –
Foods now the dominant share of Business & Profits.

Overall

The Next 12 Months

- Deliver strong growth in Foods boosted by an improved RTC growth.
- Seek opportunities to improve A&P on Foods with greater stability in in Edible Oils.
- Scale up Spreads to be Rs. 100 crore+ with RTE close behind.
- Build Breakfast Cereals to be an A&P grade business.
- Leverage the Chocolate Opportunity presented by High Quality products supported by a Best in Class Distribution Network.
- Diversify Premium Staples with the objective of creating a less volatile business and greater stability in Margin.
- Maintain Mass Staples at c 5% of Total Revenues.

Accelerated movement towards a Snack Foods Company with low dependence on Oils.

Ready to Cook Snacks

The Last 12 Months

- Post strong Growth in FY'22, RTC Popcorn sees impact of lower WFH with YTD Revenues marginally lower than PY. Impact partly mitigated by distribution expansion. With PY normalization expect to return to historical growth levels.
- Commodity headwinds largely addressed through Pricing & Mix.
- Non Popcorn range expanded with Snacking Aids (Sweet Corn/Pizza & Pasta Sauce) and Snacking Kits (Pasta/Noodles). Both past initial seeding challenges, growing steadily and contributing to c 5% of the RTC category.



Ready to Cook Snacks

The Next 12 Months

- Continue to lead Category Growth with **Ready to Cook Popcorn**. Expand Distribution & continue investing in Media Support.
- Expand the penetration of **Snacking Aids** – Sweet Corn, Pizza & Pasta Sauces etc. Leverage ability to deliver High Quality Snacking Aids at affordable price points.
- Scale up **Snacking Kits** – rely on Consumer Contact as a lever of Growth. Strengthen with non dairy protein i.e. Plant Meats.
- Initiate entry into the baking & beverage areas of Snacking. Keep evaluating opportunities to expand TAM by leveraging capabilities.

Leverage Consumer Contact, Category Building
Capabilities Unique to ATFL.

Ready to Eat Snacks

The Last 12 Months

- End of Work From Home drives strong growth in Out of Home.
- Salty Snacks growth led by RTE Popcorn – biggest beneficiary of OOH.
- Sweet Snacks portfolio expanded with launch of Duo Cruncheez – Sweet now accounting for between 5% and 10% of RTE Snacks.
- Margin headwinds successfully addressed through Grammage Reduction, Packaging Changes & Go To Market.
- Refinement of business model for Potato/Vegetable Chips underway.

← Salty Snacks →

← Sweet Snacks →



Ready to Eat Snacks

The Next 12 Months

- Continue to enhance scale in Salty Snacks categories led by **Ready To Eat Popcorn** while working towards greater efficiencies in Extruded and Tortilla Chips.
- Refine business model for **Potato/Vegetable Chips** – seek to harness smaller but more profitable niches.
- Seek disproportionate growth in **Sweet & Savory Snacks**. Enhance ability to go deeper from existing locations by reducing Packaging Material & Freight.
- Continually refine portfolio to profitably fulfill the category role as the **Conveyor Belt** for ATFL distribution.

Leverage Diversified Portfolio & Distributed
Manufacturing Model.

Spreads & Dips

The Last 12 Months

- Strong Volume Growth and resultant Share Gains in Peanut Butter. Capacity expansion work underway to meet higher demand levels.
- PB extension initiated for a Protein play with the launch of “PeAq” Peanut Butter.
- Expanded Chocolate Spreads Range- Peanut, Almond & Hazelnut.
- Clear leadership in Nut Butters with increasing presence in Chocolate Spreads - In house manufacturing and robust distribution footprint.
- Dips range being extended to include Salsa.



Spreads & Dips

The Next 12 Months

- Continue to build Nut Butters led by recipe based **Peanut Butter** – Distribution Expansion, Media Support and Entry Level Packs.
- Undertake Capacity Expansion and Cost Reduction programs to translate the benefit of higher Volumes into **Margin Improvement**.
- Keep building **Chocolate Spreads** for a reasonable scale. Likely No.3 Player now – Continue scaling up while also undertaking recipe modifications.
- Expand **Dips** (Hummus/Salsa) leveraging ability to deliver high quality products at affordable price points. Dressings currently lower in Priority.

Leverage broadscale Spreads Manufacturing Capability & Retail Coverage to drive penetration.

Breakfast Cereals

The Last 12 Months

- Strong Volume Growth driven by **Center Filled Cereals** with clear product superiority. Increased OOH and Retailing drives Visibility & Distribution.
- **Category Distribution** starts to nudge the 100,000 store mark.
- Continued growth in the **Granola** category driven by product superiority and powerful entry level price points.
- Launch of **Value Added Oats** - expansion of Category Presence and thereby benefits of increased Scale.



Breakfast Cereals

The Next 12 Months

- Continue to drive Category presence with **Center Filled Cereals** - Superior Product Quality & Innovation.
- Together with Distribution Expansion addressing Cereals as a Snack, build On Shelf Presence in the primary **Breakfast Cereals Category** with a complete SKU line up – Low Cash Ring Packs, Resealable Bags, Boxes.
- Expand presence in the **Granola & Muesli** category leveraging credibility built through our current Granola offering.
- Expand distribution of **Value Added Oats** driven by superior Value Proposition.

Leverage advantage in “Cereals as a Snack” to progress towards a No.2 position in Breakfast Cereals.

Chocolates

The Last 12 Months

- Successfully established credibility in the category with the launch of Coconut Duo followed by the introduction of Peanut Duo.
- Category Distribution nudging 100,000 stores – fastest growth in ATFL history.
- Strong Value Proposition combined with Superior Quality drives high level of in store velocity across socio economic groups.
- Broad SKU line created - from Rs. 5 Bars to Rs. 200 Gift Boxes.
- Capacity successfully doubled using a mix of new and used equipment.
- Work underway for additional offerings to increase Revenue/Kg.

← Count Lines →



← Bags →



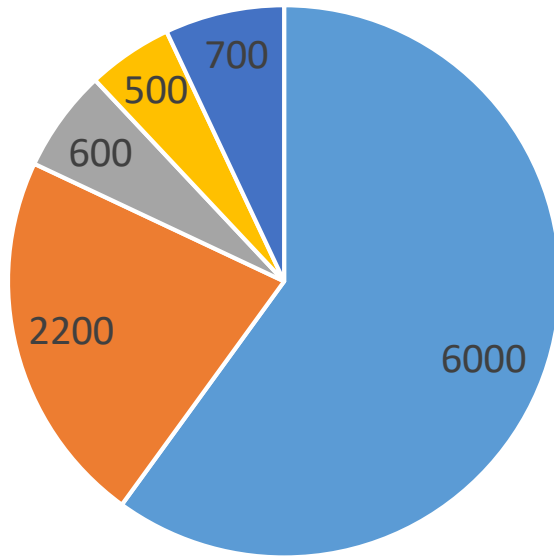
← Gifting →



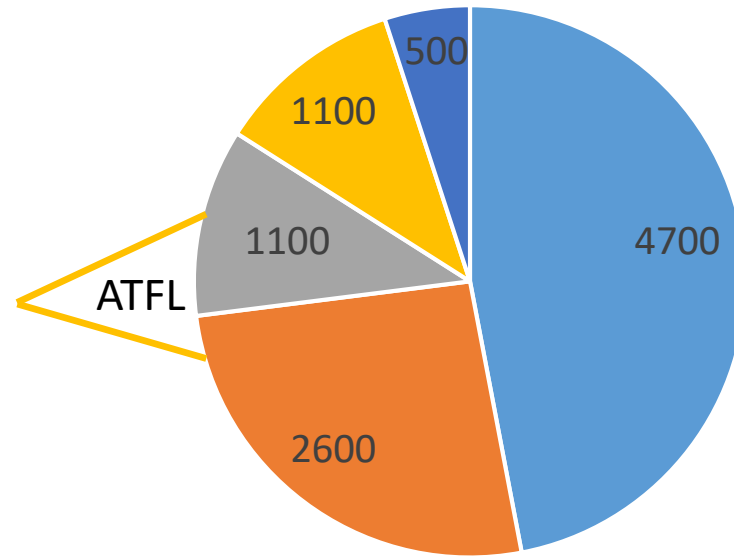
Chocolates

Where to Play – Count Lines & Bags

Sales By Company (Rs. Crore)



Sales By Category (Rs. Crore)



■ Mondelez ■ Nestle ■ Mars ■ Ferrero ■ Others

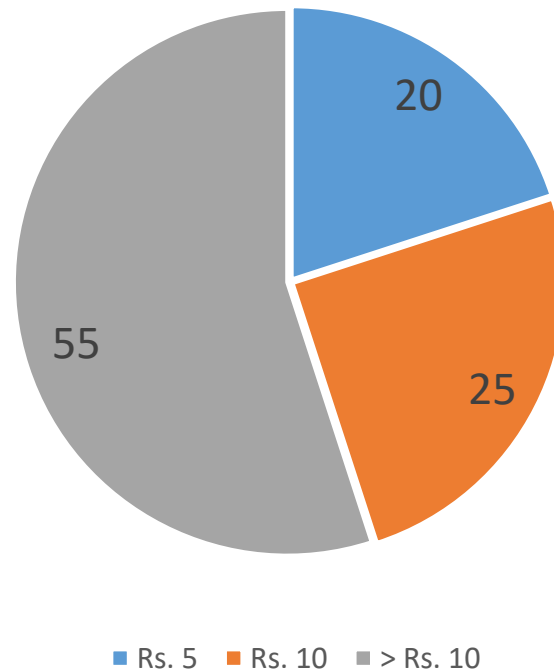
■ Molded ■ Count ■ Bags ■ Toys ■ Assortments

Focus on Count Lines & Bags with Differentiated Products & Right to Win.

Chocolates

How to Win – The Importance of Cash Ring

Sales By Price Point (%)

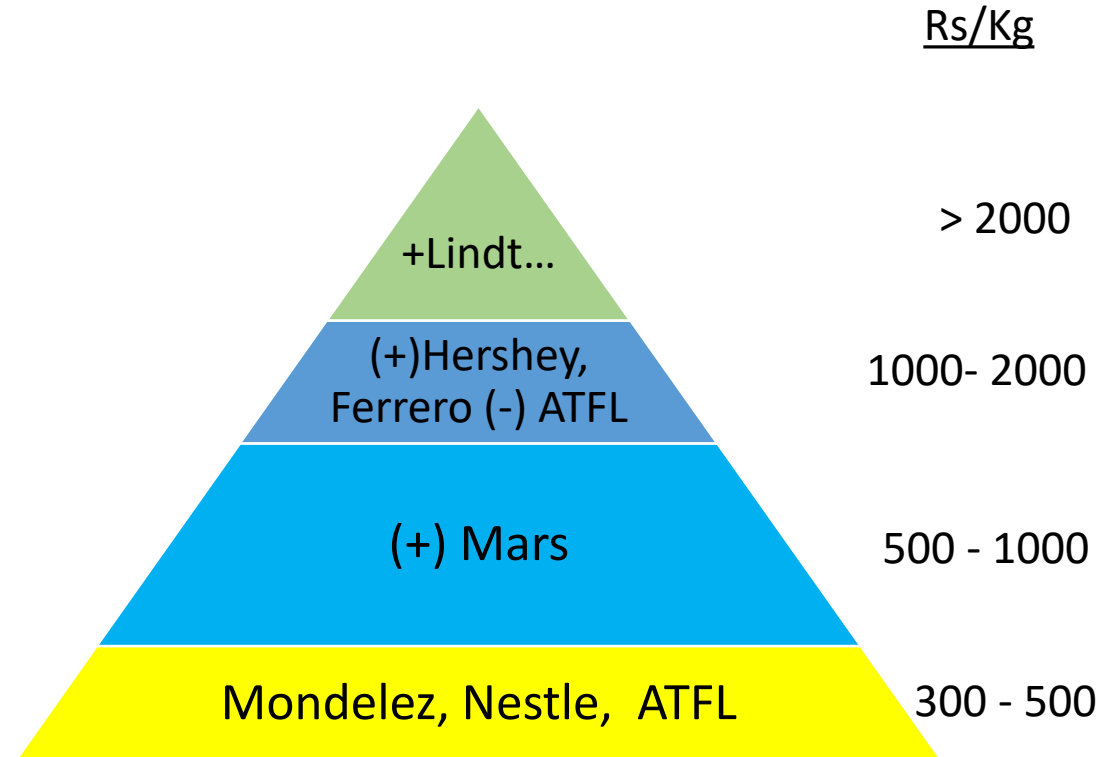


Dominant share of Transactions happening at Rs. 5 /Rs. 10 price points – Key for Scale.

Chocolates

How to Win – The Importance of Price/Kg

<u>Most Competitive</u> <u>SKU/Kg</u>	<u>Rs. 5</u>	<u>Rs. 10</u>
Mondelez - Non Wafer	495	513
Mondelez - Wafer	385	385
Nestle - Non Wafer	500	463
Nestle - Wafer	476	498
ATFL - Peanut Duo	625	488
Mars	X	714



**ATFL has the ability to Win on both dimensions of Price –
(a) Cash Ring and (b) Price/Kg.**

Chocolates

The Next 12 Months – Expectations

- Expand **Distribution** of both Coconut & Peanut Duo products – long runaway for growth.
- Use **In Store Display** as a lever for growth. Test the limits of growth possible through Distribution & Display before investing in Media.
- Expand **Product Offering** to support both Growth and Margin Improvement – increased presence in the Rs. 500-1000/kg price range.
- Modify Grammage and Pack Sizes to further **Improve Margin** and create a profitable self funding business.
- **Build Capacity** for a business with Annual Revenues of Rs. 100 crore +.

Leverage Superior Quality & Strong Value Proposition to drive disproportionate Growth.

Premium & Mass Staples

The Last 12 Months – The Next 12 Months

- The Last 12 Months

- Execution underway to make Premium Staples more broad based while providing procurement scale to Foods e.g. Oats.
- With franchising of Crystal, share of Mass Staples reduced to c 5% of Total Revenues.

- The Next 12 Months

- Continue to make Premium Staples more broad based and support procurement strategy for Foods.
- Hold Mass Staples at c 5% of Total Revenues to support Supply Chain.



The Next Rs. 500 crore



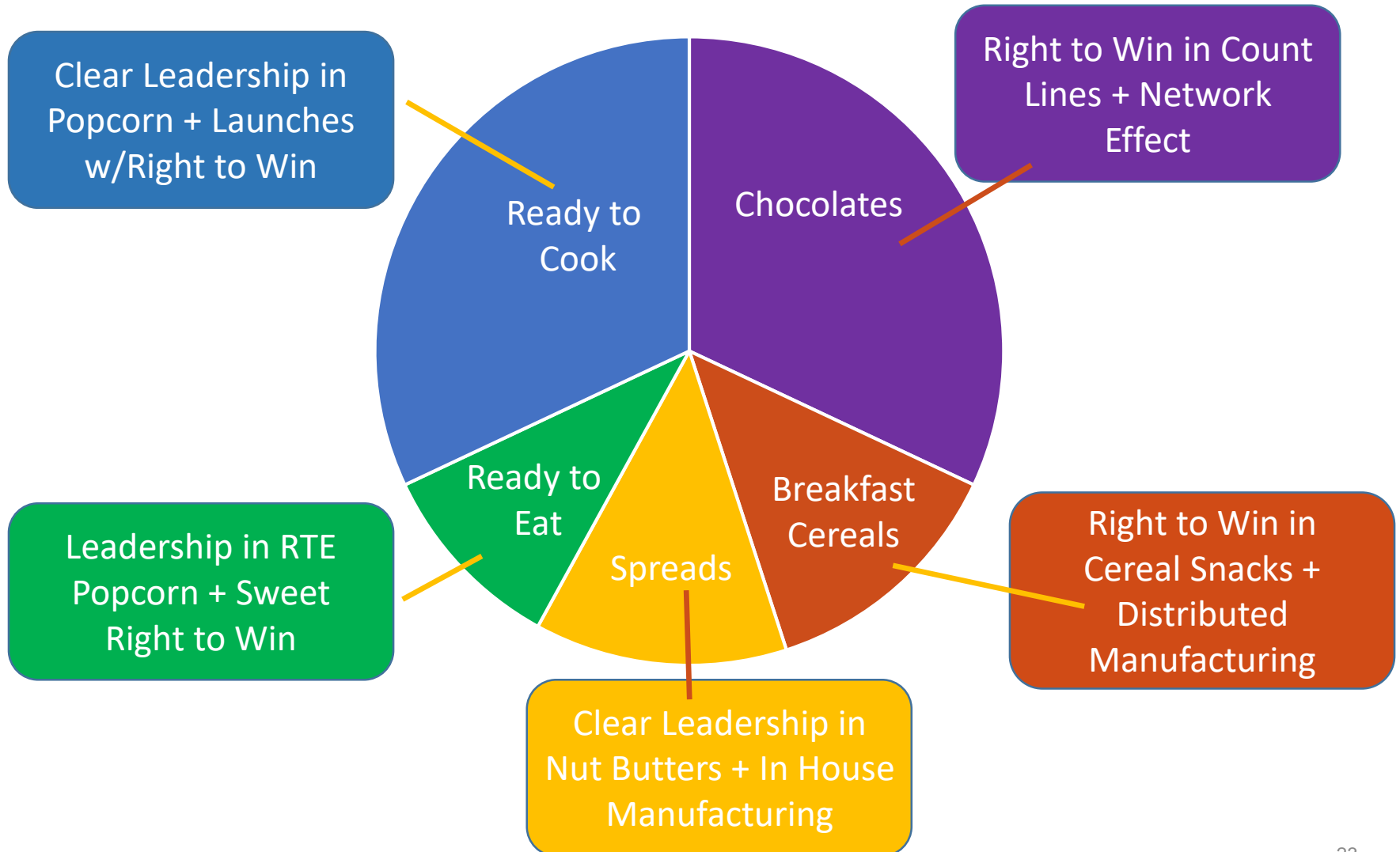
The Next Rs. 500 crore

Source of Growth

- RTC & Chocolates will give the largest incremental Revenues:
 - Ready to Cook is currently our largest business with a strong growth record led by Popcorn.
 - Chocolate Confectionery is a large category & ATFL has clearly demonstrated right to win with the Coconut & Peanut Count Lines.
- RTE, Spreads and Breakfast Cereals will also contribute significantly:
 - Ready to Eat Snacks steadily gaining scale led by RTE Popcorn.
 - Spreads continues to see strong growth led by Peanut Butter.
 - Breakfast Cereals growth powered by Center Filled Cereals.

The Next Rs. 500 crore

Rationale for Expectations



*Broad Estimation of Management Expectations in terms of Source of Growth & Rationale.

**Why ATFL is a compelling bet for a
\$ 1 Billion High Quality Snack
Foods business in India**



Why ATFL is a compelling bet for a High Quality \$ 1 Billion Snack Foods Business in India

- Proven track record of a 19% CAGR in the Snack Foods business over 15 years.
- Profitable Model based on 7-8% A&P spends with demonstrated building of 3 categories already – RTC Popcorn, Peanut Butter & RTE Popcorn.
- Unique Innovation Model which replicates entrepreneurial behavior in a structured environment delivering c 50% of growth.
- Retail Coverage of c 0.5 MM stores at an un-matched cost with resultant SG&A % comparable to businesses already of a \$1 Billion Size.
- Now largely free from the uncertainties of the Edible Oils business which has been used to fund the Snack Foods Growth.

On our Way....

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