

Agro Tech Foods Limited

1st December, 2020

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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 25th November, 2020 regarding hosting of an analyst and investor meet to be held on 1st December, 2020 through video conference, 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.



Investor Presentation

December 1st, 2020

Presentation Structure

- Mission & Vision
- Performance Summary by Category
- Competitive Update
- Current Status
- Strategy by Category
- Summary

Mission & Vision

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

Performance Summary by Category



Ready to Cook Snacks

Ready to Cook	Q4	Q1	Q2	YTD, FY'21
Volume	+26%	+42%	+64%	+55%
Value	+22%	+37%	+60%	+50%



- Rise in In Home consumption gives a clear lift with 50%+ growth in YTD Volumes compared to 26% in Q4.
- Sweet Corn contributes to c 400 bps of YTD Growth of RTC.
- Sustained media presence ensured to (a) Protect Share and (b) Acquire new consumers to support post pandemic Volumes.



Ready to Eat Snacks

Ready to Eat	Q4	Q1	Q2	YTD, FY'21
Volume	-11%	-37%	-14%	-25%
Value	-13%	-36%	-8%	-22%



- Gap vs PY narrowed with improved supplies in Q2.
- Go To Market (GTM) changes fully implemented on Rs.5 packs of Savory Snacks consistent with bottom end market practices:
 - Direct shipments from Plants to Distributors
 - Elimination of Primary Freight & Unloading /Loading at Warehouses.
- Return to Growth with settling in of new GTM and commencement of Chittoor & Unnao Plants (Q2/Q3).

Spreads

Spreads	Q4	Q1	Q2	YTD, FY'21
Volume	+23%	+ 16%	+28%	+23%
Value	+24%	+ 16%	+30%	+24%

- Continued Strong Growth of c 24%:
 - 2000 bps from Base Peanut Butter business
 - 440 bps from Cocoa Nut Chocolate Spread
- Strong acceptance of Sundrop Chocolate Spread – clear Competitive Advantage, Right to Win and Brand Acceptance.
- Steady Growth of Nut Based Spreads means Category will now be the same size as Jams & Preserves.



Breakfast Cereals

Breakfast Cereals	Q4	Q1	Q2	YTD, FY'21
Cont. Foods Growth-bps	+ 320	+ 210	+ 120	+160



- Strong acceptance of both Extruded Center Filled Cereals and Honey Roasted Oats (Granola).
- Significantly outperform major Competitors in the Category in terms of Product Quality - steady month on month Volume growth as we expand Distribution.
- Additional Innovation on track for Q4.
- Leverage Competitive Advantages in Supply Chain to steadily gain share in the Category.

Chocolate Confectionery

Chocolates	Q4	Q1	Q2	YTD, FY'21
Cont. Foods Growth-bps	+174	+60	+40	+50



- Completed 12 Months in the Category.
- Learnings from Summer being incorporated into Product – Price - Architecture and into Supply Chain practices.
- Limited Volumes of Gift Pack also tested over Diwali to understand Assortment Category.
- Strong success of the current Product – well accepted by Consumers.
- Work underway for scaling up of the product in FY'22 in terms of Product – Price - Architecture. Planning for a significant growth driver for ATFL given the large and inherently Profitable Chocolate category.



Edible Oils

Sundrop Oils	Q4	Q1	Q2	YTD, FY'21
Volume	-8%	-10%	-10%	-10%
Value	-6%	-3%	-6%	-5%

Crystal Oils	Q4	Q1	Q2	YTD, FY'21
Volume	-4%	-10%	-9%	-10%
Value	+5%	+2%	+6%	+3%



- Overall Trends on Sundrop Oils not dissimilar to Q4, FY'20.
- Impact of higher Commodity Prices reflected in Margin as reported in Q2 results.
- Crystal Oils reflect significantly lower Out of Home consumption. Value vs Volume difference of 1500 bps in Q2 reflects impact of higher commodity prices (partly true for lower end Sundrop as well).

Competitive Update



Competitive Spends - Snacks

<i>Rs. Million</i>	F-17	F-18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY20	Q1-21	Q2-20	Oct'20
ACT II	125	80	34	11	16	14	0	41	13	32	10
Lays	148	374	252	84	177	189	56	506	28	83	66
Kurkure	202	259	405	74	69	85	72	300	0	61	54
Doritos	0	128	150	51	90	78	33	252	0	0	0
Cheetos	0	0	46	18	16	0	0	34	0	0	0
Bingo	684	964	814	302	201	253	198	955	163	259	199
Parle	0	0	0	0	0	0	0	0	2	13	0
Crax	48	54	106	31	35	43	30	139	0	38	9
Yellow D	248	146	256	36	34	38	31	139	0	17	8
Cornitos	10	1	0	0	0	0	0	0	0	0	0
Too Yumm	0	137	460	136	111	0	65	311	0	47	0
Balaji	0	0	21	21	60	32	89	201	7	29	0
Tracked brands Total	1945	3089	3157	1008	964	978	707	3657	214	579	346

Sustained Media Investment behind Act II Ready to Cook- YTD Spends now > FY'20.

Competitive Spends - Spreads

<i>Rs Million</i>	F-13	F-14	F-15	F-16	F-17	F-18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY-20	Q1-21	Q2-21	Oct'20
Kissan Jam- Total	254	207	304	381	357	512	704	201	235	184	133	752	218	218	52
Kissan PB															41
Sundrop PB	0	0	42	64	56	30	16	5	8	7	0	20	8	18	6
Patanjali Honey	0	0	0	102	317	182	95	7	0	0	0	7	0	1	0
Dabur Honey	44	69	69	203	134	180	206	28	19	57	27	131	23	34	32
Lion Honey	25	18	18	15	9	7	8	0	8	6	6	20	5	6	2
Apis Honey	0	0	0	2	16	65	25	1	3	0	4	8	0	0	3
Hershey's Spreads	0	0	0	0	54	159	166	22	34	3	0	59	0	0	1
Tracked Brands Total	323	294	433	767	943	1135	1220	264	307	256	169	996	255	277	137

Sustained Media Investment behind Sundrop Peanut Butter - YTD Spends now > FY'20.

Competitive Spends – Breakfast Cereals

Rs Million	FY-17	FY-18	FY-19	Q1-20	Q2-20	Q3-20	Q4-20	FY-20	Q1-21	Q2-20	Oct'20
Kelloggs Cornflakes - Total	202	265	390	66	31	4	128	230	7	118	31
Kelloggs Chocos Fills	0	125	203	17	0	0	0	17	0	0	0
Kelloggs Chocos - Total	310	362	509	104	112	31	82	329	38	122	26
Kelloggs Muesli/Granola	0	118	240	71	50	0	41	161	43	95	20
Nestle NesPlus/Koko	0	0	193	0	0	0	59	60	52	39	24
Horlicks Oats	38	61	55	2	0	0	0	2	0	0	0
Saffola Oats - Total	322	283	268	226	76	106	41	448	121	125	7
Patanjali Breakfast Series	1	24	10	5	0	0	0	5	0	0	0
Quaker Oats	102	164	110	89	86	6	88	269	0	98	26
Soulfull	0	0	0	0	17	0	0	17	0	0	0
Tracked Brands Total	975	1,317	1,979	581	371	147	440	1,537	262	596	133

Steady Category Investments by Key Players –
Increased support for Granola & Muesli.

Competitive Spends – Chocolates

<i>Rs. Million</i>	F-17	F-18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY20	Q1-21	Q2-21	Oct'20
5 Star	642	744	482	91	189	227	220	727	102	192	213
Cadbury Celebration	142	138	212	12	135	129	0	277	0	79	165
Dairy Milk	1599	2229	2166	586	844	363	568	2362	209	915	280
Cadbury Fuse	226	598	407	126	117	117	118	477	46	217	40
Cadbury Dark Milk	0	0	0	0	0	223	152	375	0	76	20
Cadbury Gems	282	416	285	154	83	46	106	389	26	142	47
Cadbury Perk	232	321	231	221	188	83	106	598	55	84	29
Kinder	875	484	837	211	502	258	222	1193	0	0	129
Amul	2	7	61	50	21	18	50	139	4	26	11
Brookside Chocolate	73	47	167	0	48	30	0	77	0	0	0
Hersheys Kisses Chocolates	0	0	42	10	57	17	151	235	3	82	10
Snickers	225	217	259	99	54	48	0	201	0	25	6
Nestle Milky Bar	111	187	146	83	133	98	54	368	20	97	26
Nestle Munch	369	414	604	91	253	143	138	626	87	178	90
Kit Kat	376	597	712	192	231	220	198	841	137	294	151
Priyagold	12	8	176	35	126	27	22	209	8	13	4
Fabelle	34	0	23	9	9	17	33	69	0	8	8
Ferrero Rocher Moments	0	0	0	0	0	0	0	0			57
Category Total	5418	6520	6898	1972	3012	2089	2189	9261	697	2530	1291

Steady Category Investments by Key Players.

Competitive Spends - Oils

<i>Rs Million</i>	F-12	F-13	F-14	F-15	F-16	F-17	F-18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY-20	Q1-21	Q2-21	Oct'20
Sundrop Heart	88	94	50	65	46	34	21	0	0	0	0	0	0	0	0	0
Saffola	121	212	356	291	338	320	588	544	248	123	109	48	527	114	145	0
Fortune	0	203	356	148	319	828	666	543	209	193	79	14	495	37	208	92
Emami					156	137	1214	647	207	118	171	129	626	13	371	72
Oleev						27	41	30	9	17	0	0	26	4	12	6
Patanjali					103	354	966	170	18	2	0	0	20	0	1	3
Tracked Brands Total	418	815	1168	860	1346	2055	4104	2478	938	576	469	238	2222	281	788	172
Others	513	609	409	924	1491	1799	1144	1110	187	415	539	427	1568	248	387	334
Category Total	931	1424	1577	1784	2837	3853	5248	3588	1126	991	1008	666	3790	529	1174	506

Spends largely in line with Prior Year.

Current Status & Expectations



What makes ATFL Unique

Proven ability in Category Building.

High quality coverage of c 400 M retail stores.

Unique business model for Profitable Distribution Growth

High level of Innovation driven by unique organization structure.

- One of the few Companies in India that has successfully built two cRs. 500 crore categories in India – Popcorn & Nut Based Spreads.
- Continue to seed and build new categories while leveraging manufacturing capabilities to generate profitable growth from existing large categories.
- ATFL has continually invested in distribution expansion in the last decade up now from 60 M stores to c400 M stores.
- Company in a “Sweet Spot” between the smaller but more Agile Food innovators and less agile but Larger Food Majors.
- Unique blend of Volume Intensive Bagged Snacks with the More Profitable Grocery Profile businesses.
- Ability to have a Distribution Reach well beyond the Foods turnover given ability of Bagged Snacks to support Broadscale Distribution.
- Ability to deliver significantly superior products to competition as visible in recent launches in breakfast cereals.
- Development of products to capture unmet consumer needs in Count Line Chocolates as visible in recent launch of Coconut Duo.

Implications for Stakeholders

One of the fastest Growing Foods businesses in India.

Low A&P model to enable sustained profitable growth.

Customer focused organization to deliver superior results.

Company clearly at an inflexion point – Foods vs Oils.

- Consistent growth –c 15% CAGR in the Foods business over the last 10 years through selective entry into fast growing categories.
- Growth now further increased to 20%+ with portfolio expansion in back half of FY'20.
- Focus on consumer acquisition through strong value for money proposition – lower A&P requirement.
- Value for money proposition enabled by low cost Capital Expenditure and Operating Expenditure.
- Near 100% success rate in launch of new products through continued home visits to test and refine products.
- Consistently amongst the highest customer fill rates reflecting agility and relentless customer focus.
- New strategic plan initiated by the Board in 2007 to drive transformation from Edible Oils into the Foods business.
- Strategic Foods business now accounts for > 50% of total GM.
- Clearly at an inflexion point and dominant share of profits will now come from the fast growing Foods business.

What to expect in the next 12 Months

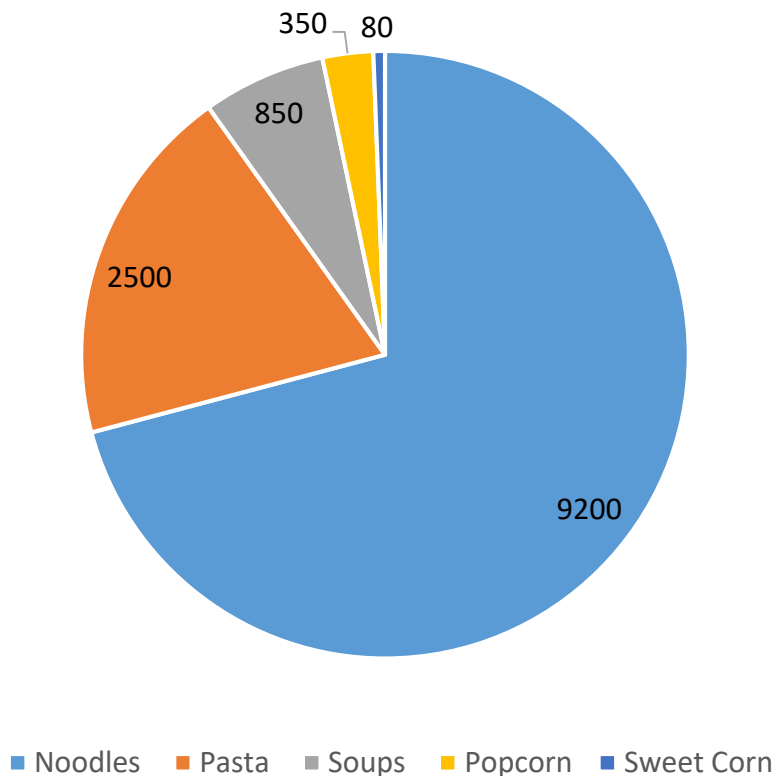
- Continued sustained investments behind Ready to Cook Popcorn & Peanut Butter – seek to minimize the post pandemic changes in demand patterns.
- Restoration of strong growth in the RTE Snacks category with start up of Chittoor and Unnao providing impetus to Coverage Expansion.
- Expand Distribution and gain Scale in new products launched in back half of FY'20 – Chocolate Spreads, Breakfast Cereals, Sweet Corn. Additionally, enter adjacencies with Competitive Advantage.
- Unlock the success formula for Chocolate Confectionery – leverage strong acceptance of Coconut Duo to establish a solid foothold in the category.
- Use many of the actions forced by the pandemic on Operational Costs to identify the possible areas of permanent SG&A reduction.

Strategy by Category Groups



Ready to Cook Foods & Snacks

Ready to Cook Market Rs. 13,000 crore*



Strategy

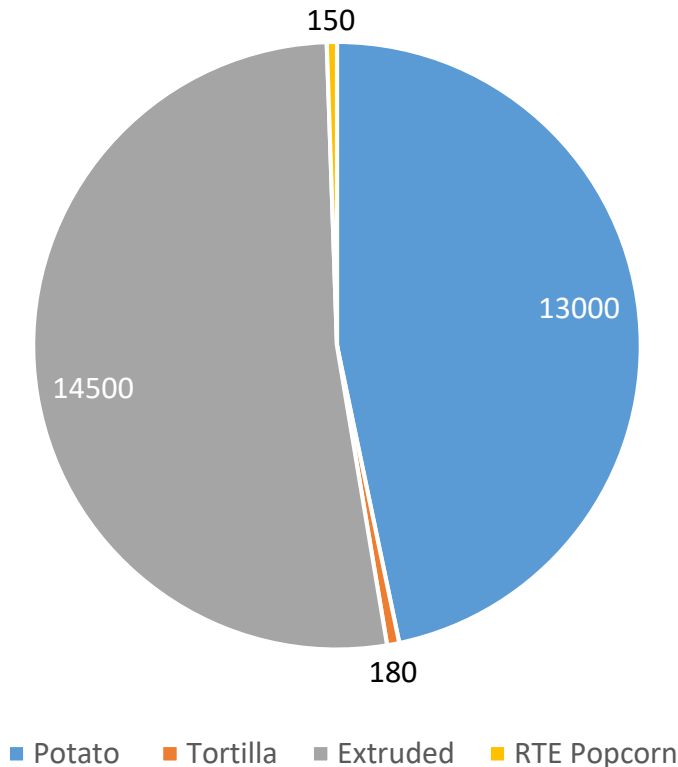
- Continue to invest behind the **Popcorn** category while expanding Distribution.
- Successfully expand the **Sweet Corn** category and thereby gain clear leadership. Leverage Unmet consumer need addressed by current offering to achieve deep country wide penetration.
- Enter the top end of the **Pasta & Noodles** categories by leveraging Competitive Advantages created by Network Effects.
- No entry planned in Soups until discovery of competitive advantage.

* FY'21 Management Estimates at Consumer Price

Ready to Eat Snacks

RTE Western Snacks Market

Rs. 27,000 crore*



Strategy

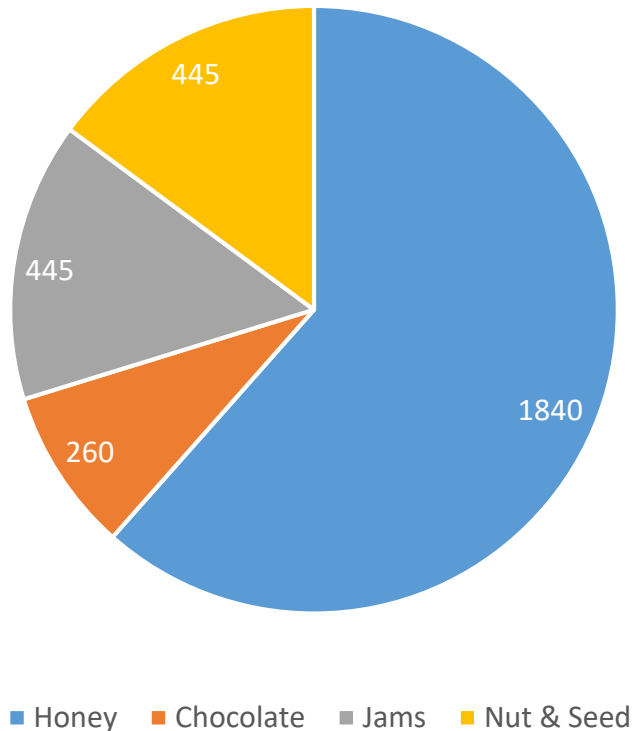
- Continue to improve Supply Chain and lower cost of **Market Access**:
 - Primary role of Category is to be the **Conveyor Belt** of our Distribution System.
 - Lower the Cost of Market Access - Wider our reach and penetration.
- Full Service Western Snacks supplier – **Enabler** for more profitable businesses.
- With 6/7 plants now in place, lower level of Capital Deployment anticipated relative to past years.

* FY'21 Management Estimates at Consumer Price

Spreads & Dips

Shelf Stable Spreads Market

Rs. 3,000 crore*



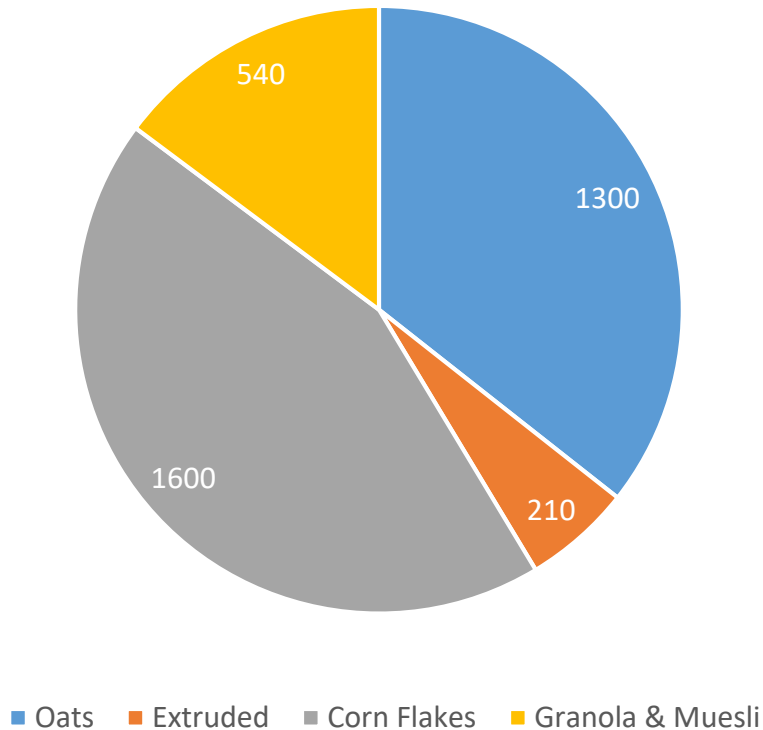
Strategy

- Continue to build the **Nut & Seed based** category – invest behind Peanut Butter and introduce other Nut Variants.
- Strengthen presence in and build the **Chocolate** Spreads category.
- Consider entry into Jams/Honey only on “Discovery” of Unmet consumer needs/competitive advantage.
- Enter and build the nascent **Dips** category (not in chart) - Weak Value Proposition and Limited Distribution of Key Players/Lack of focus by Food Majors.

* FY'21 Management Estimates at Consumer Price

Breakfast Cereals

Breakfast Cereals Market Rs. 3650 crore*



Strategy

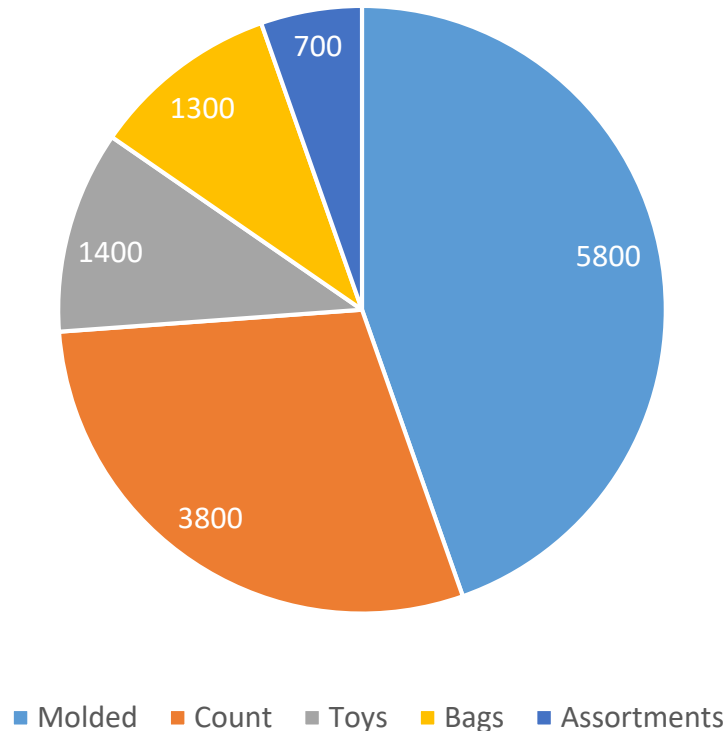
- Expand and drive presence in the **Extruded Cereals** segment leveraging Competitive Advantage.
- Leverage product superiority to gain share in the **Granola & Muesli** segment.
- Expand the business through Distribution until sufficient scale is achieved to sustain A&P investments.
- Evaluate entry into Corn Flakes/Oats only with clear strategic reasons – discover Unmet Consumer Needs, find Competitive Advantage or support Scale.

* FY'21 Management Estimates at Consumer Price

Chocolate Confectionery

Chocolate Confectionery Market

Rs. 13,000 crore*



Strategy

- Expand presence in **Count Line** segment with products which address Unmet Consumer Needs and with Competitive Advantage. Refine offerings.
- Leverage Supply Chain capabilities built through Bagged Snacks to gain share in the **Bags** segment.
- Refine offerings in the **Assortments** segment.
- No entry into the Molded & Toy Segments in absence of competitive advantage.

* FY'21 Management Estimates at Consumer Price

Summary

- ATFL Transformation Journey clearly at an inflexion point – Gross Margin from Foods now exceeds the Gross Margin from Oils.
- Historical CAGR of c 15% in the Foods business (10% from Ready to Cook Popcorn and 500 bps from Peanut Butter/RTE Snacks) ready for further boost.
- FY'21 sees the initial impact of launch of Sweet Corn, Chocolate Spreads and Breakfast Cereals – YTD additional growth of 500 bps + with Total up to 20%+.
- Sufficient growth levers in place for further acceleration, with an entry into Dips, Top End of Pasta/Noodles and Scaling up of Chocolate Confectionery.
- Rapidly transforming into a Profitable, Diversified Foods Company with a low dependence on Edible Oils and significant Competitive Advantage in five distinct Category Groups with tremendous Profitable Growth Potential.

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