

Agro Tech Foods Limited

21st November 2024

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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 14th November 2024 regarding hosting of an analyst and investor meet to be held on 21st November 2024 virtually, we are enclosing a copy of the presentation proposed to be shared to analysts and investors at the said meet. The presentation will 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

Digitally signed by
JYOTI CHAWLA
Date: 2024.11.21
14:41:43 +05'30'

JYOTI CHAWLA
COMPANY SECRETARY

Encl. a/a.

Agro Tech Foods Limited

Investor Presentation

November 2024

Safe harbor

Certain statements in this release concerning our future growth prospects are forward-looking statements, which are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated in such forward-looking statements.

Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, risks and uncertainties regarding the execution of our business strategy, general economic and business conditions in India, our research and development efforts, our growth and expansion plans and technological changes, increased competition for talent, changes in the value of the Rupee and other currencies, economic uncertainties and geo-political situations, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global food industries, increasing competition, expectations concerning our market position, future operations, margins, profitability, liquidity, capital resources and changes in the foreign exchange control regulations in India.

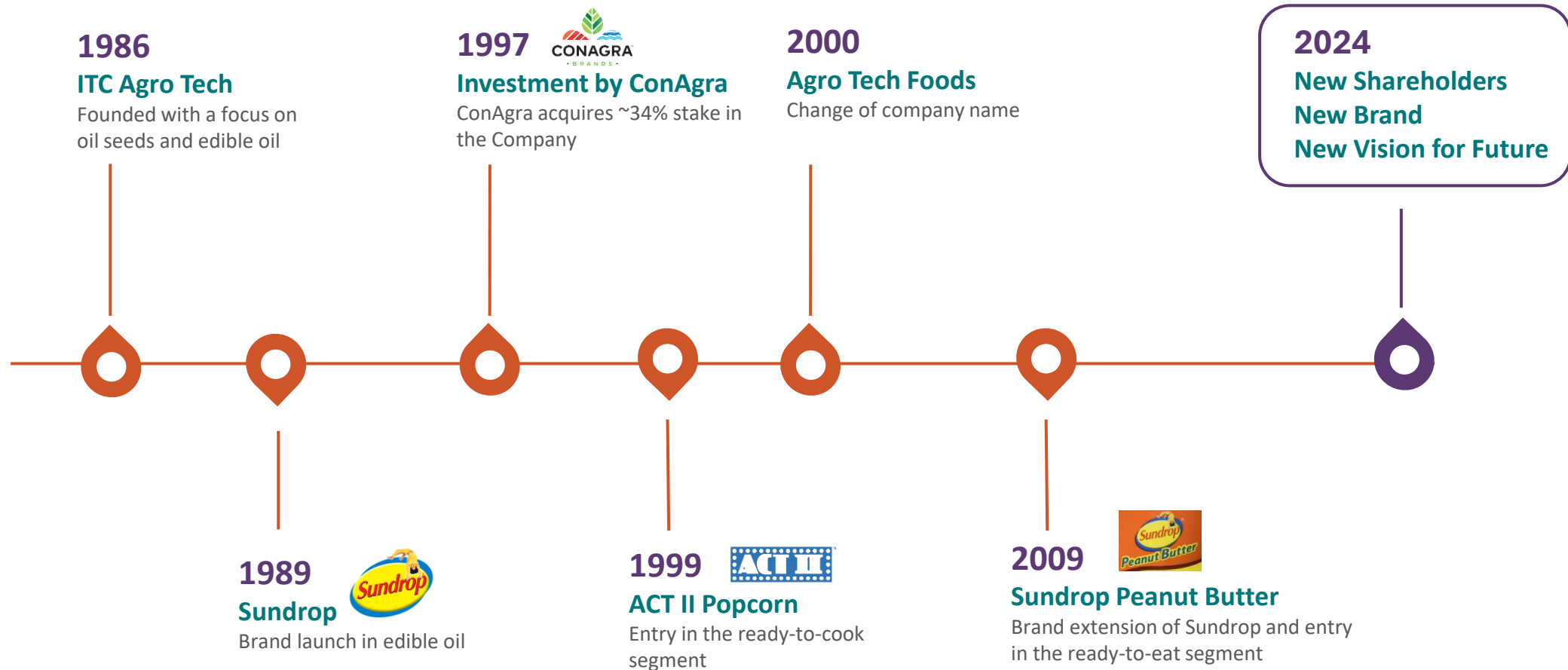
Neither the company, nor its directors and any of the affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after this date or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.



I. Agro Tech Foods – Entering a New Era



Historical timeline for the company – entering a new era



With this transition in ownership, the Company is set to embark on a new journey



Consistent innovation, extensive distribution and diversified manufacturing have set up a strong springboard for a growing food business

Distribution Network



Pan – India retail presence



Listing across online channels



~500,000+ retail coverage¹

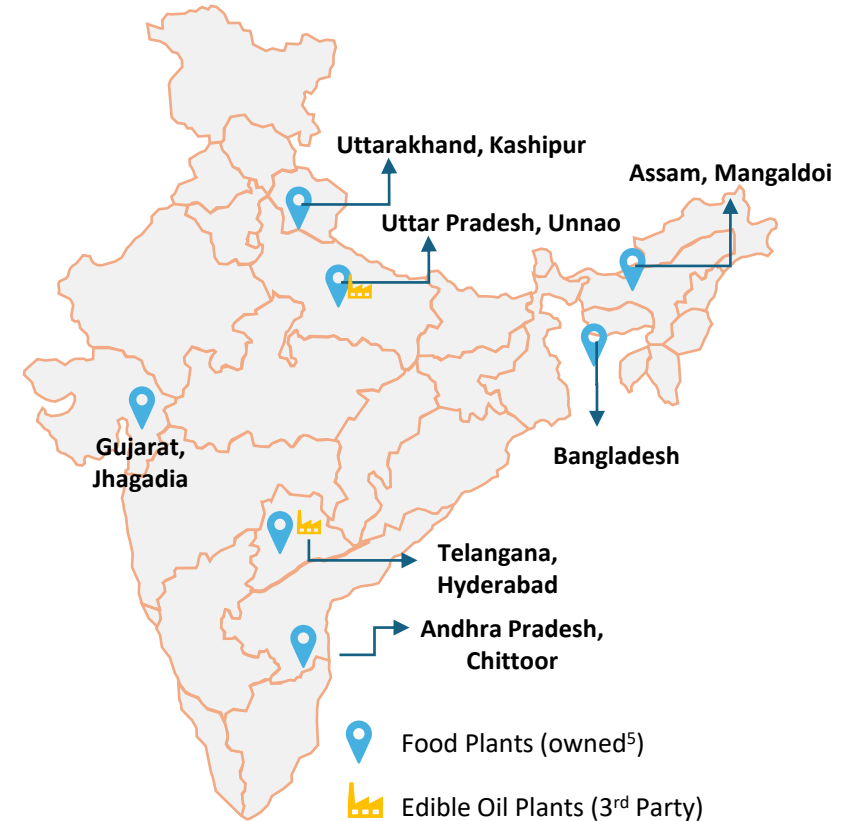


1,200+ distributors²



1,200+ sales personnel³

Production Facilities⁴

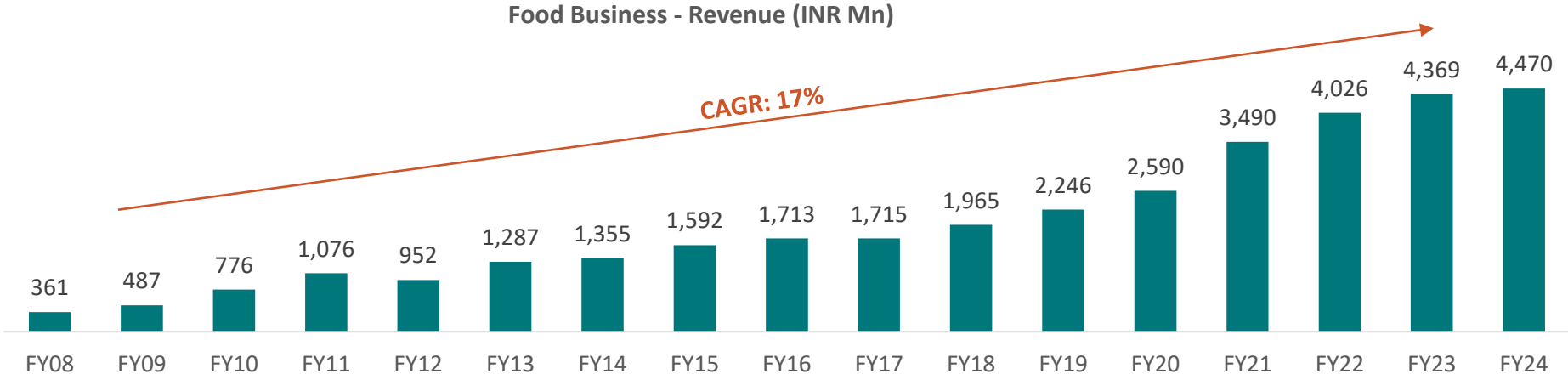


Total 7 food manufacturing facilities
Majority of consumers in India within 300 kms of one of the plants

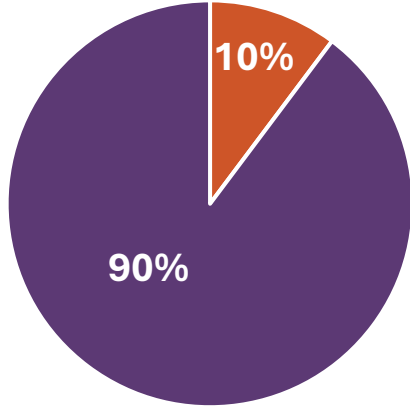


¹ Direct retail coverage; ² Active distributors; ³ Includes sales personnel on distributor rolls; ⁴ India map not to scale and locations are on an indicative basis; ⁵ Except Uttarakhand, which is a lease unit.

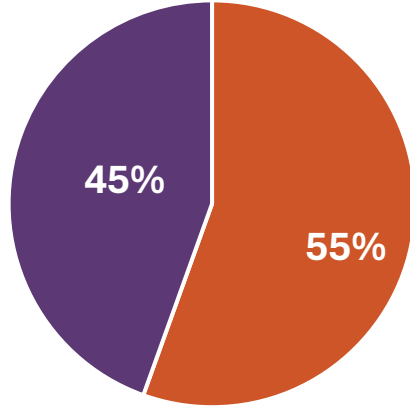
...which is reflected in the rapid growth of the food business



Gross Margin Mix



FY12



FY24

Food Staples

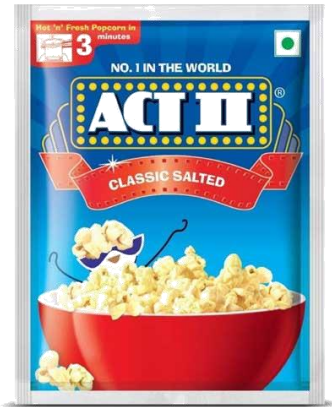
The entire packaged food business has been built through internal accruals



Today the company is a leading player in high growth categories with strong brands

Popcorn

Introduced in 1999



Peanut Butter

Introduced in 2009



Emerging as a scaled food platform, with a strong financial discipline

**Presence in high growth
and high margin
categories**

**Renewed focus on its
core portfolio**

**Increased salience in
fast-growing channels**

**Increased focus on
improving EBITDA and
PAT margins**

**Capital efficient
approach to building
scale**

**Organic + Inorganic
route to own category
leading brands**



New Promoters to back a new vision

Convergent Finance



Founded in 2018, Convergent Finance is a long-term investor committed to identifying and investing in Indian companies that are well positioned to become sector leaders.

Below are Convergent's select investments:



Investment strategy:

- Focus on growth and buyouts
- Strong commitment to value creation and generating superior returns
- Flexible investing across unlisted and listed companies with a private equity approach

Value creation:

- Active involvement through board representation and affirmative voting rights
- Strategy development and access to wide international networks
- Strengthen governance, systems and processes by implementing best practices
- Strong oversight over capital allocation and incentive systems
- Identify and drive potential M&A opportunities

USD 585 Mn
Assets under Management

Samara Capital



Founded in 2007, Samara Capital is a mid-market buyout private equity firm in India having invested across a diverse portfolio of more than 25 companies. Samara Capital stands out for its commitment to partnering with entrepreneurs and management teams to unlock the full potential of businesses. Below are Samara's select investments -



Investment strategy:

- Employs a rigorous, research-driven investment strategy to identify businesses which have potential for transformation and growth
- Identifying and drive roll-ups, creating platforms plays across investments
- Investing across sectors in both unlisted and listed companies, having taken up the role of promoters in its portfolio companies

Value creation:

- Strong on-ground presence, with a deep network of local relationships combined with global experience and network
- Partnering with best-in-class CEOs/CXOs to drive transformative agenda
- Implement best-in-class technology and digital initiatives, and strengthen culture, governance, systems and processes across portfolio by implementing best practices

USD 2 Bn+
Capital invested since inception



New Board of Directors to help the company chart this course (1/2)



Richa Arora

Non-Executive Independent Director

- 30+ years of experience. Currently an Independent Director at Relaxo Footwears and Grihum Housing Finance, a Director at Morphosis Venture Capital.
- Former COO at Tata Group, consultant to McCain Foods, Britannia and Wipro.
- Chevening Scholar (London School of Economics), MBA (IIM Ahmedabad).



Satish Rao

Non-Executive Independent Director

- 33+ years of experience across consumer food and B2B segments in India, USA, and China.
- Expertise in Sales & Marketing, Governance, Strategy.
- Held senior positions at Chairman and MD at Firmenich India (Chairman & MD), Kohinoor Specialities (MD), McCormick & Co Inc (VP).
- MBA and M.Sc. (University of Mumbai).



Rajesh Jain

Non-Executive Independent Director

- 45+ years of experience in India, Malawi, and Zambia.
- 24 years at KPMG India (founding partner). Expertise in audit, consulting, corporate finance.
- Previous roles at BDO, Ernst & Young India, Walker Chandiok & Co.
- Member, Institute of Chartered Accountants of India.



Dr. Om Prakash Manchanda

Non-Executive Independent Director

- 34+ years of experience
- Managing Director at Dr. Lal PathLabs (19 years)
- Previous roles at Ranbaxy, Monsanto and Hindustan Unilever
- MBA (IIM Ahmedabad), Advanced Management Program (Harvard Business School)



New Board of Directors to help the company chart this course (2/2)



Nitish Bajaj

Group Managing Director

- Former CEO of the Consumer Products Division at Piramal Pharma
- Previously worked at CEAT Tyres, Reckitt Benckiser (India), Ranbaxy Global Consumer Healthcare and Heinz India Private Limited.
- MBA (IIM Ahmedabad), B.Tech (IIT BHU)



Harsha Raghavan

Non-Executive Director

- 25+ years in Indian private equity; Founder and Managing Partner of Convergent Finance since 2018.
- Formerly Founding Managing Director of Fairbridge Capital, growing \$2.1 billion to \$5.5 billion in 7 years.
- Previously held senior roles at Candover Investments, Goldman Sachs, and Indocean Chase Capital.
- MBA and M.Sc. (Stanford University), B.A. (UC Berkeley).



Asheesh Kumar Sharma

CEO & Executive Director

- 17 years at Sundrop Brands
- Expertise in marketing, sales, management, consumer goods.
- Held senior marketing roles at Procter & Gamble, Gillette, Marico.
- MMS (SP Jain institute of Management and Research).



Manish Mehta

Non-Executive Director

- Managing Director, Investments & co-CIO at Samara India Advisors since 2010, leading investments in Consumer, Retail, Healthcare, and Business Services.
- Previously at Lehman Brothers Private Equity, Barclays Global Investors, and Grove International Partners.
- MBA (Harvard Business School), M.S. (Massachusetts Institute of Technology), and BE (IIT).



Vision

Bringing joyful food experiences to the modern consumer

Mission

Creating innovative, delicious, and convenient food solutions



...and a new corporate identity



Elevating the corporate brand to the role of a platform, a house of brands

Building on the existing equity of Sundrop, in a way that resonates with the modern consumer



II. Acquisition of Del Monte Foods Private Limited by Sundrop Brands



Del Monte Foods Pvt. Ltd. – a leading food company with a global brand

Leading global brand
Strong brand recall

Comprehensive Portfolio
Pantry + On the table

**Healthy mix of B2C and
Food Services**



**Presence in fast-growing
segments**
Sauces and Italian range

INR 5,427 Mn revenue
(FY24)



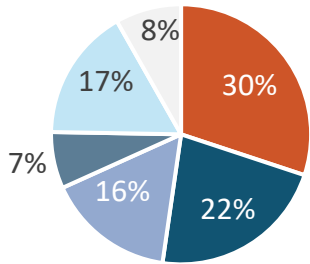
Del Monte Foods – detailed overview

Company Overview

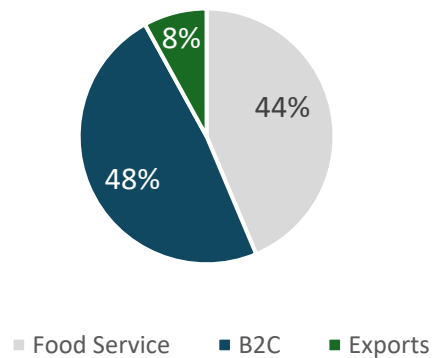
- *Del Monte Foods* is a western cuisine focused packaged food company with a strong presence in the Italian cuisine segment
- **Current Shareholders:** 59:41 joint venture between Bharti Group and Del Monte
- **Brand:** Perpetual & exclusive rights for using the Del Monte brand in India
- **Product Leadership:** Top 3 in ketchup, leading brand in Italian cuisine
- **Distribution:** Company supplies products to both Food Service (leading QSR and 23k+ HORECA outlets) and 85k+ B2C (GT, MT, Ecom) outlets
- **Manufacturing:** 2 owned manufacturing plants

Product & Channel Mix

FY24 Product Mix



FY24 Channel Mix



- Ketchup and Sauces
- Olive Oil
- Packaged Fruits & Veg
- Emulsions
- Pasta
- Beverages

- Food Service
- B2C
- Exports

Summary Financials

Values in INR Mn	FY23	FY24	H1 FY25 ²
Revenue	5,364	5,427	3,000
Gross Contribution	1,634	1,791	-
Gross Contribution %	30.5%	33.0%	-
EBITDA¹	93	222	151
EBITDA %	1.7%	4.1%	5.0%

Manufacturing Facility Overview

- DMFPL has two plants with surplus capacities
- Fully integrated units - R&D, processing, packaging & warehousing



¹ EBITDA is excluding ESOP costs

² Basis unaudited numbers

Del Monte has a well diversified product portfolio across sauces, emulsions and pasta

Core Portfolio



Culinary Portfolio: Tomato Ketchup, and other Western & Chinese sauces



Italian Range: Sauces, Mayo, Pasta, Olives, Olive Oil

Supporting Portfolio



Beverages: Canned Fruit Drinks and Energy Drink (*contract manufacturing*)



Packaged F&V: Canned fruits and vegetables

Leveraging on consumer shift towards taste, convenience and quality



The company will be a combination of three market leading brands



Emerge as a powerhouse of owned and perpetually licensed food brands with strong recall and global affiliation



...which will address all the consumer megatrends that we intend to ride

1 Need for convenience



With lives becoming increasingly busy, consumers are seeking efficiency in what, when and where they consume food and are seeking portable and easy to prepare foods.



4 Shift towards organized



Consumption is shifting towards organized retail and food services, driven by increasing variety & availability, health & hygiene preference, as well as regulatory controls over quality



7 Experiential & Eating Out



With new-age cafes and restaurants investing in creating a luxury / themed experience, consumers want to try out new places, increasing number of occasions of eating out



Strong B2B portfolio across food services and QSR

2 "Better for you"



The modern consumer is shifting towards more natural, less processed, healthy ingredient lists with clean labels and 'free from' products.



5 In-home consumption



Driven by the fast-paced life and remote working of consumers post-covid, in-home snacking has risen this has driven growth in both RTE and RTC snacks



8 Sustainability & concern for environment



New age consumers are also increasingly mindful about provenance and sustainability impact with a growing preference for traditional grains and millets



3 New/Globalized tastes



Consumers are seeking new tastes and are increasingly willing to experiment with their food experiences, driven by global influence and culinary tourism



6 Premiumization and value-added products



Product innovation, introduction of new and exciting snacking formats and premium variants by incumbents has been driving experimentation and trials



9 Rising protein consumption



India's protein consumption (5Kg / capita) lags developing peers (China – 15, Brazil – 40, USA – 50).



A combination of the two companies would help unlock synergies

Growth unlocking



Complementary product portfolio



Drive distribution penetration for Del Monte



Unlock new channels for all three brands



Access to a distributed manufacturing setup

Cost savings



Operational and Supply chain improvement



Sales and distribution network optimization






Scale efficiencies in areas like Procurement, Advertisement



Overheads and Administration cost efficiencies



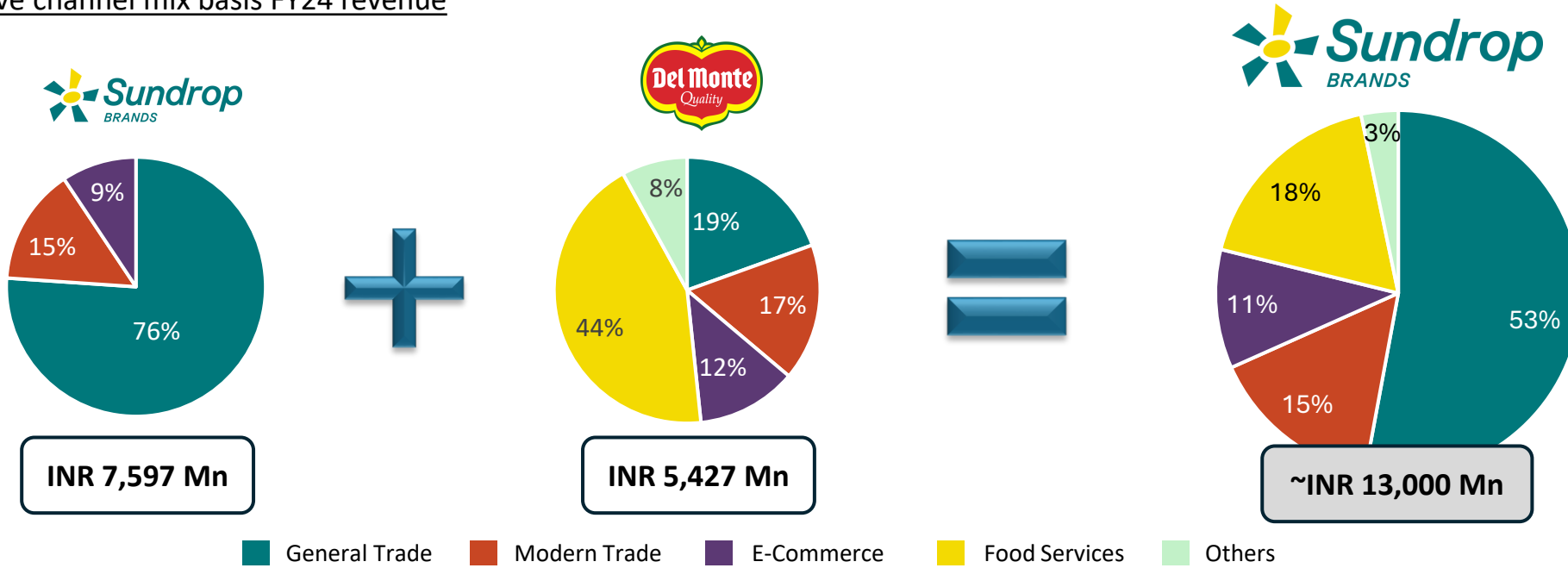
Sundrop Brands will have a complementary set of product categories

			
Popcorn	✓		✓
Peanut Butter & Spreads	✓		✓
RTE Snacks	✓		✓
RTC Products	✓		✓
Breakfast Cereals	✓		✓
Chocolates	✓		✓
Edible Oil	✓		✓
Sauces & Emulsion		✓	✓
Pasta		✓	✓
Olive Oil		✓	✓
Fruit Drinks		✓	✓
Packaged Fruits & Veg		✓	✓



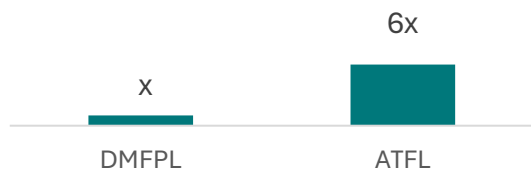
The combination would help strengthen brand footprint across channels

Indicative channel mix basis FY24 revenue



General Trade Unlocking

Direct Outlet Reach



Leverage ATFL general trade reach to increase DMFPL general trade penetration

New-age channels



Increase presence in the fast-growing modern trade and online grocery channels

Unlocking new channels

- Access to ~25k+ food services outlets
- Tie-ups with leading pizza and burger western QSR chains

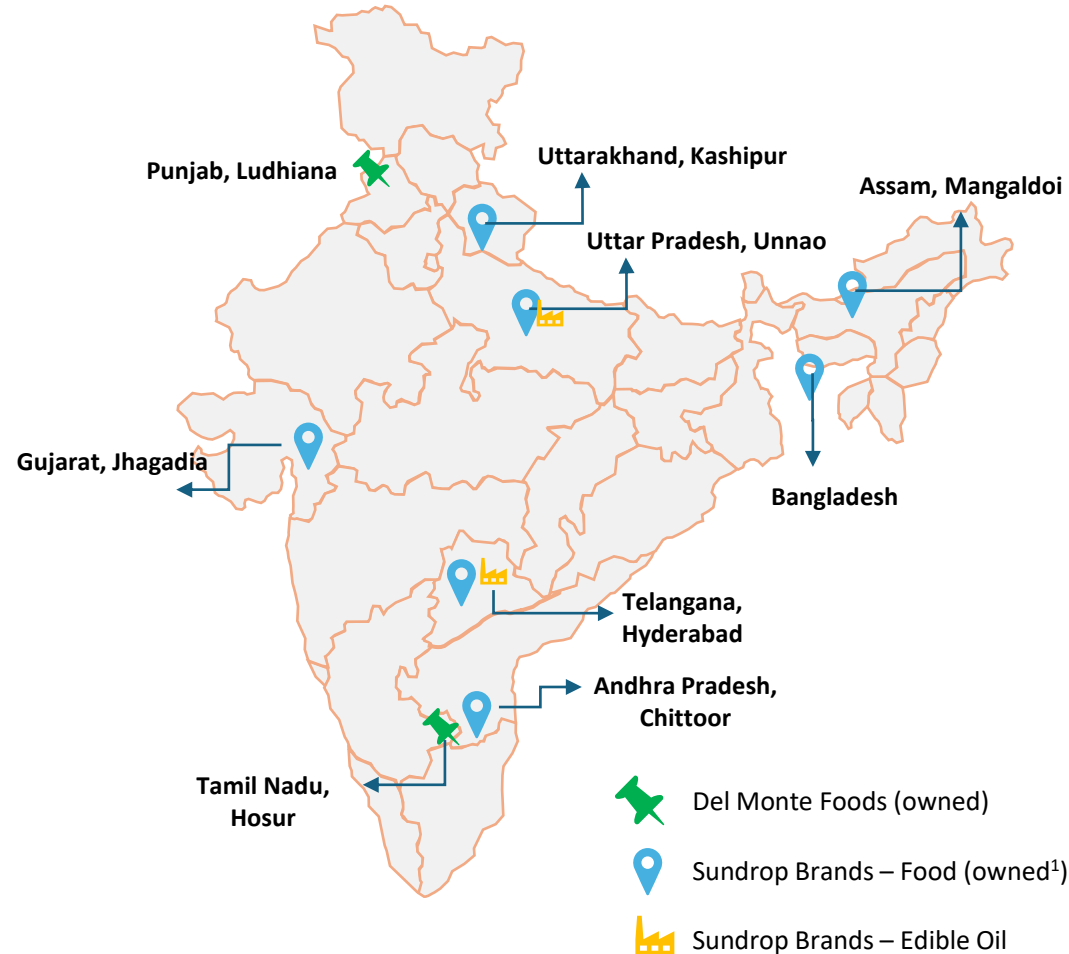
ATFL can benefit of the wide food services distribution and tie-ups which DMFPL has



A distributed manufacturing setup will help serve customers faster, better and cheaper

Sundrop Brands will have a distributed manufacturing setup

Key Benefits



Close proximity to consumers – Understand regional nuances, and customer preferences to serve them better

Cost effective raw material sourcing

Low logistics cost given proximity to end markets




Better real estate capacity utilisation

Outsourced processing units for oil – Capital efficient operation

¹ Except Uttarakhand, which is a lease unit.



Proforma combined financials

FY24		+		=	
Revenue (INR Mn)	7,597		5,427		13,024
EBITDA ¹ (INR Mn)	342		222 ²		564
EBITDA Margin %	4.5%		4.1%		4.3%



¹ Excluding Other Income; ² Excluding ESOP expenses of INR 13.6 Mn.

Transaction overview

Proposed Transaction

- ATFL to acquire 100% stake in Del Monte Foods Private Limited (“DMFPL”) from Del Monte India and Bharti Group in lieu of shares of ATFL through preferential allotment¹
- Post the transaction, ATFL will have a perpetual license for the Del Monte brand in India

Valuation

- DMFPL valued at an equity value of INR 13,001 Mn

Ownership post-transaction

- Bharti Group² to own ~21% and Del Monte India to own ~14% stake in ATFL

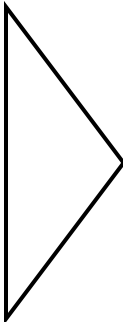
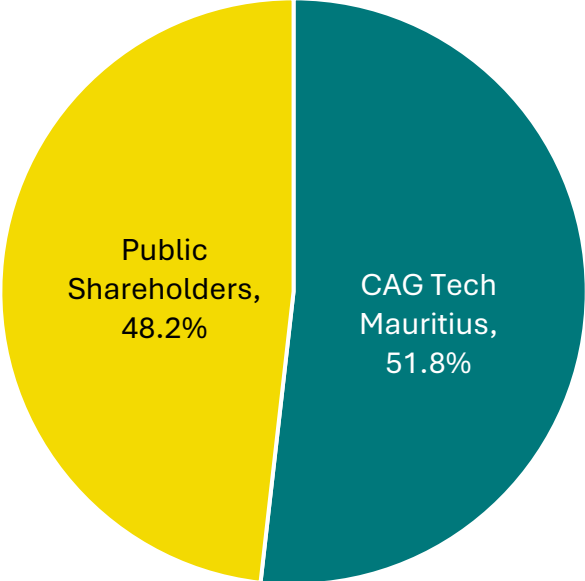
¹ The transaction is subject to regulatory approvals.

² Bharti Group collectively refers to Bharti Enterprises Limited, Bharti (SBM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited, Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust).

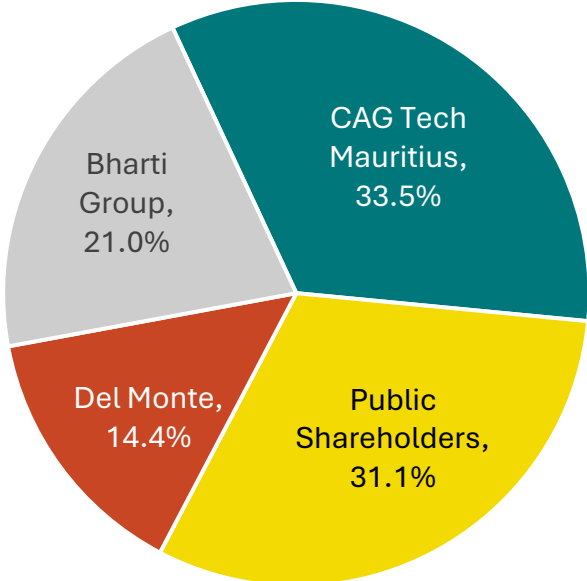


Proforma shareholding post transaction

Shareholding – Current



Shareholding – Post Transaction



Note: Bharti Group collectively refers to Bharti Enterprises Limited, Bharti (SBM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited, Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust)

Summing Up



1

Build platform with stable of Well known Food Brands catering to modern, evolving consumer food choices

2

Ride on Consumer Mega Trends driving consumption of Branded Packaged Foods

3

Presence in high growth, high margin categories with opportunity to expand through organic and inorganic routes

4

Renewed investment focus on core portfolio to drive accelerated growths

5

Leverage complementary channel and manufacturing strengths to drive growth and efficiency

6

Backed by management with strong credentials to drive growth, profitability and value creation



Thank you