

## **Agro Tech Foods Limited**

30<sup>th</sup> April, 2021

The Manager,  
BSE Limited,  
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Dalal Street,  
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The Manager  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, Bandra-Kurla Complex,  
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Ph.No.022- 26598100 / 26598101  
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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 19<sup>th</sup> April, 2021 regarding hosting of an analyst call on the financial results for Q4 and year ended March 31, 2021 on Friday 30<sup>th</sup> April, 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

Encl.....

ATFL an affiliate of



# **Agro Tech Foods Limited**

ATFL an affiliate of



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**Regd. Office:** 31, Sarojini Devi Road, Secunderabad – 500 003, India. Tel: 91-40-66650240, Fax: 91-40-27800947 Web: [www.atfoods.com](http://www.atfoods.com)

CIN: L15142TG1986PLC006957



# ATFL Business Update

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**FY'21 Results**

April 30<sup>th</sup>, 2021

## Company Strategic Vision

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

# FY'21 – Key Performance Highlights

## Strong Foods Growth drives Total P&L

- Robust 35% Growth in Foods – Revenues of Rs. 349 crore, Gross Margin up 400 bps - with a structural EBITDA margin of 15%+.
- New Products deliver 500bps+ of Foods Growth.
- Media investments more than doubled up to c Rs. 16 crore in FY'21. Q4 Media up Rs. 4 crore.
- Price realignment done in Premium Oils – address Volume Trends.
- FY'21 a complex base – impact YOY quarterly comparisons in FY'22:
  - Initial Pre Price-Realignment, Elevated Oils Demand in Q1
  - Doubtful Debt Provisions in Q2/Q3
  - Steep commodity increases in Q3,Q4
  - SG&A controls due to Travel/Wage Costs.
- Profit Before Tax up 7 % vs FY'20.
- Profit After Tax – Comparison with PY reflects impact of Deferred Tax reversal in FY'20 and One Timers in FY'21.

# 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

RTC (FY'21 Revenue Rs. 216 crore)	Q1	Q2	Q3	Q4	FY 21
Volume	+42%	+64%	+59%	+52%	+55%
Value	+37%	+60%	+55%	+48%	+51%



- A record 50%+ growth in FY'21 – First Category to cross Rs. 200 crores in Revenue.
- Enhanced media spends helped to protect share and drive sustainable growth.
- Sweet Corn well established in Category. Differentiated entry into Pasta & Noodles in FY'22.
- Strong Innovation Calendar in place. Further extensions into Soups, Plant Meats and Cocoa/Baking planned for FY'23/24.



# Ready to Eat Snacks

RTE (FY'21 Revenues Rs.43 crore)	Q1	Q2	Q3	Q4	FY'21
Volume	-37%	-14%	-8%	+9%	-13%
Value	-36%	- 8%	-1%	+17%	-8%



- Strong Recovery Post Covid-19. Both RTE Popcorn and Nachoz close at c 100 Volume Index.
- Change in Go To Market and improved Supply Chain with Chittoor and Unnao drive FTL's to 300+ per month. 400+ Customers now taking Full Truck Loads (FTL's) from the Plants every month.
- Low cost learning underway on Potato Chips.
- Strong Q4 Performance sets the base for robust growth in FY'22 leveraging the Unnao & Chittoor plants.
- Work now underway to improve profit profile of category leveraging expertise in other categories e.g. Chocolate in FY'23/24.



# Spreads & Dips

Spreads(FY'21 Revenue Rs.79 crore)	Q1	Q2	Q3	Q4	FY'21
Volume	+16%	+28%	+36%	+38%	+30%
Value	+16%	+30%	+40%	+42%	+33%



- Base Peanut Butter drives continued strong growth.
- Growth further accelerated by successful launch of Chocolate Spreads & Nut Butters.
- Entry into Dips with launch of differentiated Hummus offering in Q4, FY'21. Second product in Dips scheduled for FY'22.
- Despite significant increase in competitive intensity in Peanut Butter, ATFL continues to be in a strong position.
- Strong Growth Momentum as we exit FY'21. Existing portfolio sufficient for strong growth in FY'22. Work underway for entry into adjacencies in FY'23/24.

# Breakfast Cereals

Cereals (FY'21 Revenue Rs. 9 crore)	Q1	Q2	Q3	Q4	FY'21
Cont. Foods Growth-bps	+210	+120	+160	+200	+170

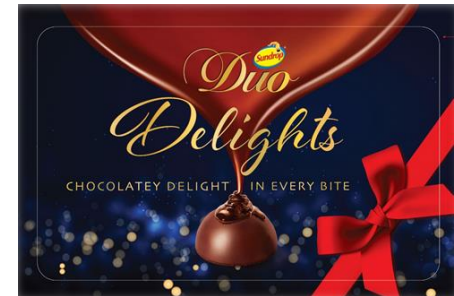
- Significantly superior product offerings/value proposition in both Granola and Extruded Snacks relative to Competition.
- Shells and O's & X's (Fruity) introduced as per Plan in Q4, FY'21 and very well accepted.
- Steadily working our way towards being a strong No.2 in Extruded Cereals & Granola.
- Existing portfolio with adequate coverage across price points sufficient for robust growth in FY'22. Work underway for entry into adjacencies in FY'23/24.



# Chocolate

Chocolates (FY'21 Revenue Rs. 3 crore)	Q1	Q2	Q3	Q4	FY'21
Cont. Foods Growth-bps	+60	+40	+70	-	+40

- Category a Key Growth Driver for Foods in FY'22 – Coconut Filled Centers are amongst the Top 5 Candies in the UK and Top 10 in the US.
- Product Price Architecture work on Coconut Filled Center completed – Rs.5,10,20,40,80 & Gift Pack.
- National Supply Chain under completion.
- Product/SKU Range well placed to address unmet consumer needs – both Center Fill & Portion Control.
- Further extensions in Chocolate Category under Testing for national roll out in FY'23/24.



# Edible Oils

Premium Oils(FY'21 Revenue Rs.303 cr)	Q1	Q2	Q3	Q4	FY'21
Volume	+16%	+6%	+1%	+6%	+7%
Value	+14%	+2%	+9%	+20%	+11%

Mass Oils (FY'21 Revenue Rs.238 cr)	Q1	Q2	Q3	Q4	FY'21
Volume	-23%	-19%	-37%	-57%	-34%
Value	-15%	-9%	-20%	-41%	-21%



- With more competitive pricing, Premium Edible Oils start to hold up in terms of Volume Performance vs PY.
- Pruning of Mass Oils - strong Growth in Foods able to support Supply Chain.
- In FY'22 we will continue to focus on Premium Oils for sustainable Volume & Value Growth and take actions on Mass Oils as appropriate from a Total P&L context.

# Competitive Update



# Snacks: Competition Spends

Rs. Million	F-17	F-18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY20	Q1-21	Q2-21	Q3-21	Q4-21	FY21
ACT II	110	74	38	13	17	15	0	45	13	32	20	30	95
Lays	148	374	252	84	162	189	56	491	28	83	79	145	335
Kurkure	196	260	396	74	90	85	72	321	0	61	111	64	237
Doritos	0	128	150	51	90	78	33	252	0	0	0	0	0
Cheetos	0	0	46	18	16	0	0	34	0	0	0	0	0
Bingo	683	965	815	302	201	254	198	954	163	260	680	149	1252
Parle	0	0	0	0	0	2	1	0	2	13	3	1	20
Crax	58	55	106	31	35	43	30	139	0	38	39	62	138
Yellow D	248	145	256	36	34	38	31	139	0	17	23	22	61
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	136	111	0	65	312	0	47	78	36	161
Balaji	0	0	21	21	59	32	89	201	7	29	1	56	93
<b>Total Tracked Brands</b>	<b>1517</b>	<b>2147</b>	<b>2549</b>	<b>765</b>	<b>815</b>	<b>735</b>	<b>575</b>	<b>2888</b>	<b>214</b>	<b>580</b>	<b>1033</b>	<b>566</b>	<b>2394</b>

ITC (Bingo) becomes the dominant spender. Frito Lay now No.2. ATFL increases Spend.

# Spreads: Competition Spends

Rs Million	F-13	F-14	F-15	F-16	F-17	F18	F-19	Q1-20	Q2-20	Q3-20	Q4-20	FY-20	Q1-21	Q2-21	Q3-21	Q4-21	FY-21
Kissan Jam-Kissan PB	254	207	304	381	357	512	704	201	235	184	133	752	218	218	110	134	679
Sundrop PB	0	0	42	64	56	30	16	5	8	7	0	20	8	18	13	18	58
Veeba PB																54	54
Saffola Honey															117	79	196
Patanjali Honey	0	0	0	102	317	182	95	7	0	0	0	7	0	1	14	46	62
Dabur Honey	44	69	69	203	134	180	206	28	19	57	27	131	23	34	228	80	364
Lion Honey	25	18	18	15	9	7	8	0	8	6	6	20	5	6	12	6	29
Apis Honey	0	0	0	2	16	65	25	1	3	0	4	8	0	0	4	2	7
Hershey's Spreads	0	0	0	0	54	159	166	22	34	3	0	59	0	0	22	38	60
Tracked Brands Total	323	294	433	767	943	1135	1220	264	307	256	169	996	255	277	621	552	1703

Unilever steady. Dabur & ATFL increase Spend. Marico & Unilever invest c. Rs. 20 crore in Honey & PB respectively.

# Breakfast Cereals: Competition Spends

Rs Million	FY-17	FY-18	FY-19	Q1-20	Q2-20	Q3-20	Q4-20	FY-20	Q1-21	Q2-20	Q3-21	Q4-21	FY-21
Kelloggs Cornflakes	202	265	390	66	31	4	128	230	7	118	88	142	355
Kelloggs Chocos Fills	0	125	203	17	0	0	0	17	0	0	9	0	9
Kelloggs Chocos	310	362	509	104	112	31	82	329	38	122	76	110	344
Kelloggs Muesli	0	118	239	71	50	0	27	147	30	65	43	40	177
Kelloggs Granola	0	0	1	0	0	0	14	14	14	30	28	18	89
Nestle Koko Krunch	0	0	193	0	0	0	59	60	52	39	24	7	121
Saffola Oats	322	283	268	226	76	106	41	448	121	125	101	78	424
Quaker Oats	102	164	110	89	86	6	88	269	0	98	65	21	184
Cadbury's B. Fills	0	0	0							2	10	9	20
Soulfull				0	17	0	0	17	0	0	0	0	0
Tracked Brands Total	975	1,317	1,979	574	371	147	439	1,530	260	598	442	424	1,724

Kellogg, Quaker & Saffola remain primary spenders.  
Nestle supports relaunch.



# Chocolates: Competition Spends

Final Brand ( In Million)	FY-17	FY- 18	FY- 19	Q1	Q2	Q3	Q4	FY-20	Q1	Q2	Q3	Q4	FY-21
Cadbury 5 Star	642	744	482	91	189	227	220	727	102	192	385	281	960
Cadburys Celebration	142	138	212	12	135	129	0	277	0	79	320	0	399
Dairy Milk	1599	2229	2166	586	844	363	568	2362	209	915	1082	771	2978
Cadburys Fuse	226	598	407	126	117	117	118	477	46	217	126	120	509
Cadbury Dark Milk	0	0	0	0	0	223	152	375	0	76	83	245	404
Cadburys Gems	282	416	285	154	83	46	106	389	26	142	145	126	438
Cadburys Perk	232	321	231	221	188	83	106	598	55	84	105	226	470
Cadbury Unity Bar	0	0	0	0	15	0	0	15	0	28	0	0	28
Kinder	875	484	837	211	502	258	222	1193	0	0	358	250	608
Kinder Creamy	0	0	0	0	0	0	0	0			85	47	132
Ferrero Rocher Moments	0	0	0	0	0	0	0	0			144	34	179
Amul	2	7	61	50	21	18	50	139	4	26	23	56	109
Hersheys Kisses	0	0	42	10	57	17	151	235	3	82	94	134	314
Hersheys Exotic dark											51	3	54
Snickers	225	217	259	99	54	48	0	201	0	25	6	33	65
Galaxy	0	0	0	0	0	0	23	23	0	6	6	9	21
Nestle Milky Bar	111	187	146	83	133	98	54	368	20	97	42	47	206
Nestle Munch	369	414	604	91	253	143	138	626	87	178	131	151	547
Nestle Kit Kat	376	597	712	192	231	220	198	841	137	294	207	305	943
Priyagold	12	8	176	35	126	27	22	209	8	13	14	13	48
Fabelle	34	0	23	9	9	17	33	69	0	8	35	10	53
<b>Total tracked brands</b>	<b>5418</b>	<b>6520</b>	<b>6898</b>	<b>1972</b>	<b>3012</b>	<b>2089</b>	<b>2189</b>	<b>9261</b>	<b>697</b>	<b>2530</b>	<b>3483</b>	<b>2905</b>	<b>9615</b>

Mondelez, Nestle, Ferrero remain dominant.

# Edible Oils: Competition Spends

<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	Q3-21	Q4-21	FY-21
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	248	123	109	48	527	114	145	61	81	400
Fortune	0	203	356	148	319	828	666	543	209	193	79	14	495	37	208	198	68	510
Emami					156	137	1214	647	207	118	171	129	626	13	371	174	241	799
Oleev						27	41	30	9	17	0	0	26	4	12	13	11	40
Patanjali					103	354	966	170	18	2	0	0	20	0	0.7	12	36	49
Gemini														46	29	55	98	228
Tracked Brands Total	209	509	762	504	961	1700	3576	1936	692	456	360	191	1694	168	643	512	534	2024
Others	722	915	815	1280	1876	2153	1672	1652	434	955	648	475	2096	362	531	1005	867	2597
Category Total	931	1424	1577	1784	2837	3853	5248	3588	1126	1411	1008	666	3790	529	1174	1517	1401	4621

Emami & Adani become dominant spenders. Share of Voice of Premium Oils dips.

# Using Media Spends to Explain Why the “ATFL” Way is today the “Right” way to build a High Quality Foods Business

<i>Management Reporting &amp; Estimates</i> (Rs. Crore)	ATFL Foods (Current Structural)
Net Sales	349
Gross Margin	107
GM%	31%
<i>Advertising</i>	
Category 1	10
Category 2	7
Total Advertising	17
Advertising %	5%
Promotion %	2%
A&P %	7%
Depreciation	5%
GM - A&P + Depreciation	29%
SG&A	13%
EBITDA	16%

- Questions Often Raised:
  - Why not use 3 P for greater speed ?
  - Why not have a higher A&P ?
- In House Manufacturing enables differentiated, superior quality competitively priced products.
- Consequent Innovation & Cost Structure works effectively with a moderate 7-8% A&P spend.
- Questions Going Forward:
  - Using Mix & Operating Leverage for Margin Improvement.
  - Tweaking of A&P rates.
  - SG&A Management

# Summary & Way Forward

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- Transformational Year for ATFL – Foods business close to Rs 350 crore with a structural EBITDA Margin of 15%+:
  - Ready to Cook crosses Rs. 200 crore; Spreads close to Rs. 80 crore.
- Premium Edible Oils price realignment undertaken and margin impact digested – clear Volume Growth visible every Quarter in FY'21.
- Strong Innovation Pipeline across all 5 Foods Categories. Leverage Innovation to deliver steady Foods growth with consequent impact on the P&L. Steadily reduce dependence on Mass Oils.
- Becoming the “Best Performing Most Respected Foods Company” no longer just a rallying cry – structural construct of Foods P&L clearly demonstrative of it becoming a reality.