



PRATAAP SNACKS LIMITED

H1 FY18 - Result Presentation
December -2017



Disclaimer

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prataap Snacks Limited (PSL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

Contents



Company Overview

4

Industry Overview

13

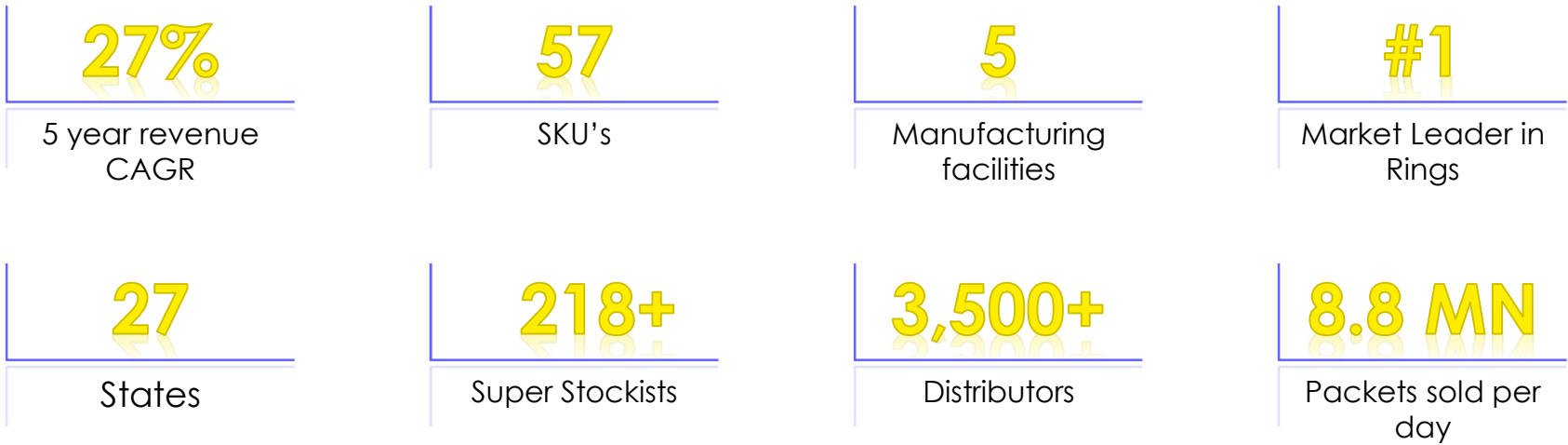
H1 FY18 Results Performance

16



Company Overview







Company Snapshot



- Diverse Product Portfolio
- Focus On Product Innovation
- Pan India Distribution Network
- Core Management With Deep Domain Expertise
- Strategically Located Manufacturing Facilities

Diverse Product Portfolio

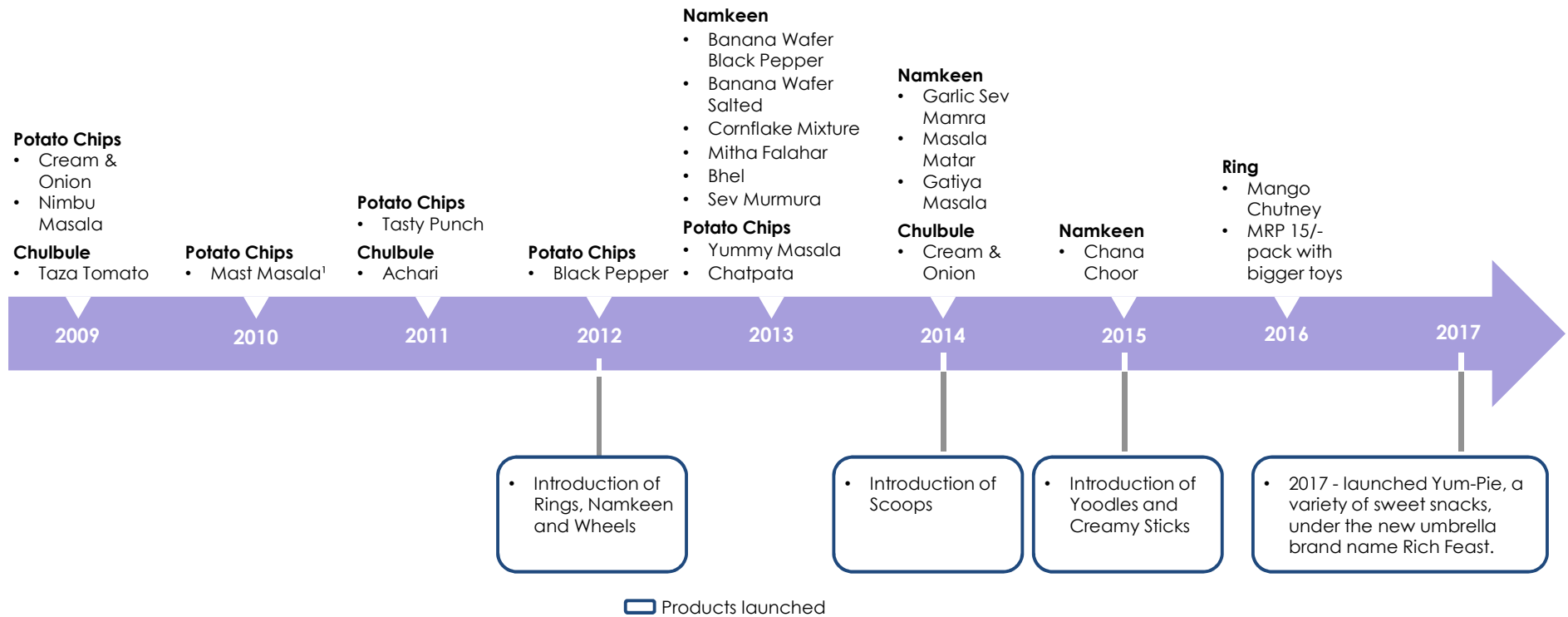


POTATO CHIPS	CHULBULE*	RINGS & PUFF*	NAMKEEN*	PELLET SNACKS	YUM-PIE
					
<ul style="list-style-type: none"> ▪ Potato based snack ▪ SKUs: 9 flavors ▪ Target group: All 	<ul style="list-style-type: none"> ▪ Rice grit & Corn grit based snack ▪ SKUs: 7 flavours ▪ Target group: Youth & Children 	<ul style="list-style-type: none"> ▪ Corn grit based snack ▪ Market leader in Rings ▪ SKUs: 4 flavours ▪ Target group: Children 	<ul style="list-style-type: none"> ▪ Gram based# ▪ SKUs: 23 varieties ▪ Target group: All 	<ul style="list-style-type: none"> ▪ Wheat based ▪ SKUs: 4 flavours ▪ Target group: Children 	<ul style="list-style-type: none"> ▪ Cake with Jam & chocolate ▪ SKUs: 3 flavours ▪ Target group: Children

Diverse product portfolio at strategic price points and pack sizes

*Chulbule – Random extruded corn based snack, *Rings & Puff – Shaped extruded corn based snacks, *Namkeen – Traditional Indian snacks
 # Key component is Gram, however, based on the variants, multiple pulses and other condiments might be used

Focus On Product Innovation

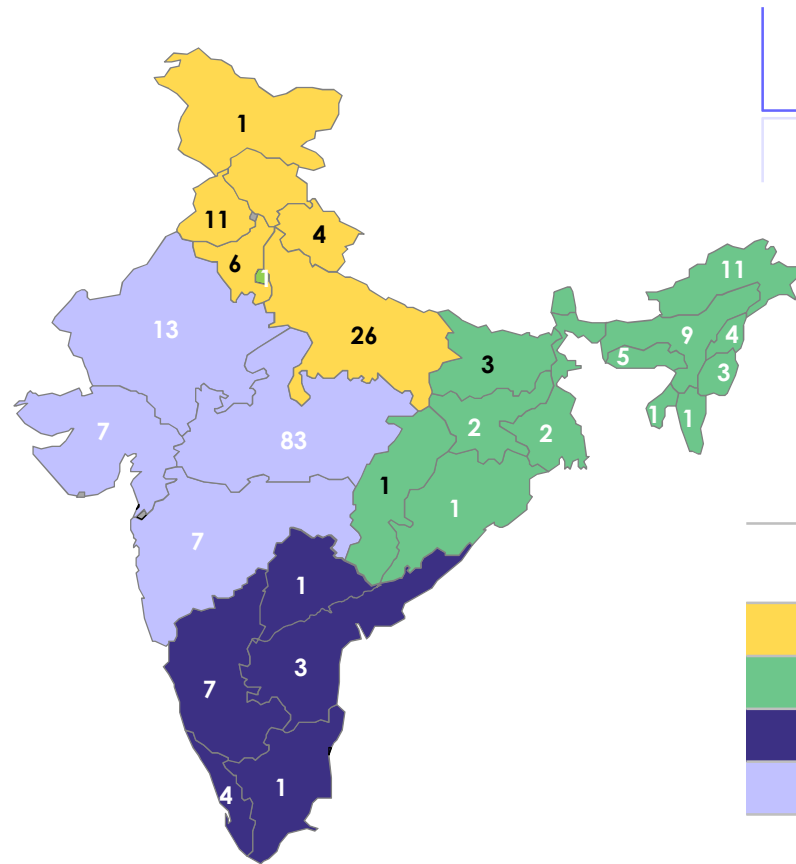


With a series of products and flavours launched over the years, Prataap Snacks has demonstrated the ability to introduce new products, deliver product innovation and redevelop product categories

Note: Data as per fiscal year end (March ending)
 1 Subsequently modified and changed to Chatpata



Pan India Distribution Network



27

States*

218

Super Stockist

3,500+

Distributors

Region	No. of States / UT	No. of Super Stockists
North	6	49
East	12	43
South	5	16
West	4	110

*Includes one Union Territory, Map not to scale



Strategically Located Manufacturing Facilities

Madhya Pradesh



Assam



West Bengal



Karnataka



Distribution benefits

- Caters to the Northern and Western Zones
- Well connected between Mumbai and Delhi which are key distribution hubs for North and West zones

Production benefits

- Indore in MP is a key hub for sourcing quality Potatoes

Cost Benefits

- Benefits from attractive reverse logistics trends given that MP is a major consumer state

- Caters to the Eastern Zone

- Guwahati's location benefits from attractive reverse logistic trends

- The manufacturing facilities at Guwahati are eligible for Income Tax exemption

Contract Manufacturing

- 7%-8% business comes from contract manufacturing
- Kolkata – shared contract manufacturing unit for potato chips to cater East India market
- Bangalore – dedicated contract manufacturing unit for Rings and Pellets to cater South India market

Own facility

Third party facility

Core Management With Deep Domain Expertise



Corporate functions



Arvind Mehta
Chairman & Executive Director

Over 29 years of experience in real estate business along with over 13 years in the snack foods industry and in the financing business



Amit Kumat
Managing Director & CEO

Over 21 years in Snack foods industry
Earlier with Prakash Snacks and Hello Agro Food Products



Apoorva Kumat
President - Operations

Several years in Snack foods industry.
Earlier with Prakash Snacks and Hello Agro Food Products



Subhashis Basu
COO

Around 26 years in the FMCG sector Earlier with Parle, Pepsico India and Mother Dairy



Sumit Sharma
CFO

14 years in Finance & Accounts
Earlier with Crompton Greaves, L&T-Case



Guided By An Accomplished Board Of Directors

Arvind Mehta

Chairman & Executive Director

Over 29 years of experience in real estate business along with over 13 years in the snack foods industry and in the financing business

Amit Kumat

Managing Director & CEO

Over 21 years in the snacks foods industry

G.V. Ravishankar

Nominee Director (Sequoia)

Over 12 years in management consultancy & PE investments

Previously worked with McKinsey & Company

V.T. Bharadwaj

Nominee Director (Sequoia)

Over 15 years in management consultancy & PE investments

Previously worked with McKinsey & Company

Anisha Motwani

Independent Director

Partner (Storm the Norm Ventures)

Earlier with General Motors India & Max Life Insurance Company

Vineet Kumar Kapila

Independent Director

COO (RPC North of United Spirits) & earlier MD (Spencer's Retail)

Dr. Om Prakash Manchanda

Independent Director

CEO & Exe. Director (Dr. Lal Pathlabs) & earlier with Hindustan Lever, Ranbaxy Laboratories Limited

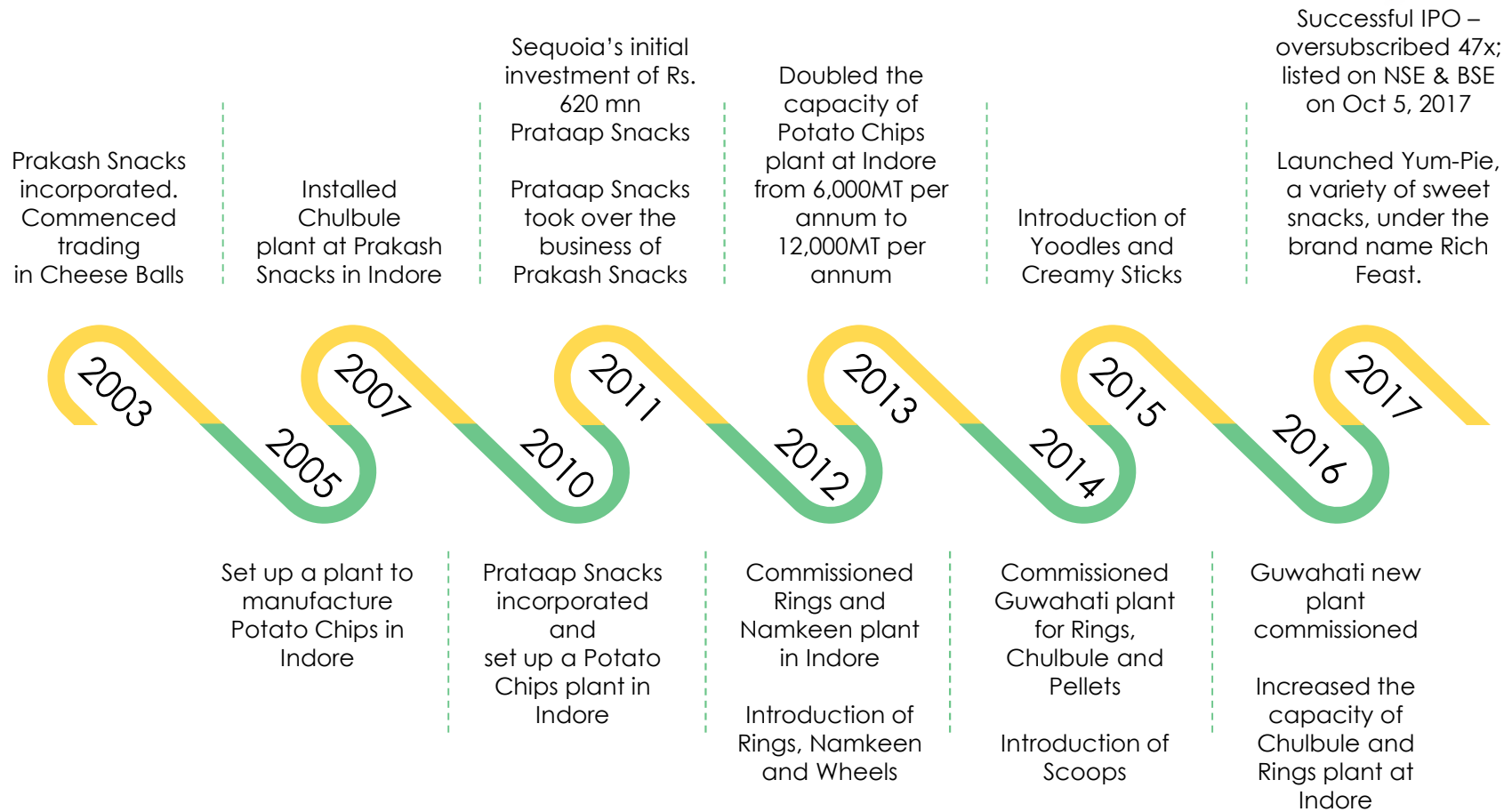
Haresh Chawla

Independent Director

Partner (India Value Fund) & earlier CEO (TV18)

PSL has high standards of Corporate Governance and sound internal control policies

Prataap Snacks' Evolution



Note: Fiscal year ended March



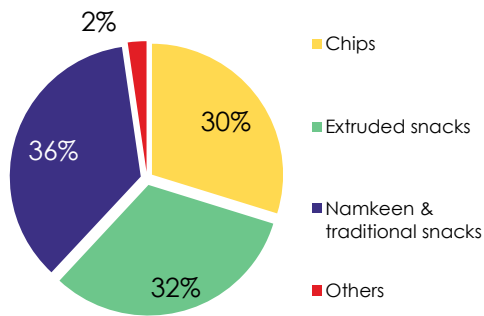
Industry Overview



Trends In The Indian Organised Snacks Market

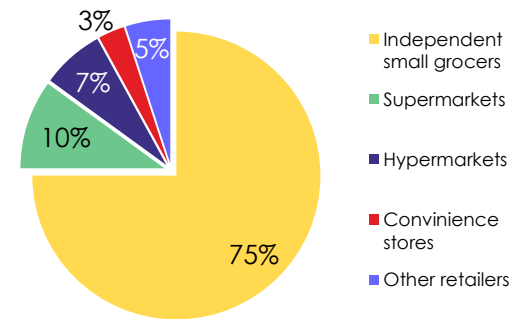
Rs.220 Bn organized snack market, contributes to only ~40% of the Rs.550 Bn total snack market

Category/ product*



- Each of these product segments is relevant and contributes to almost a third of the market

Sales channels*

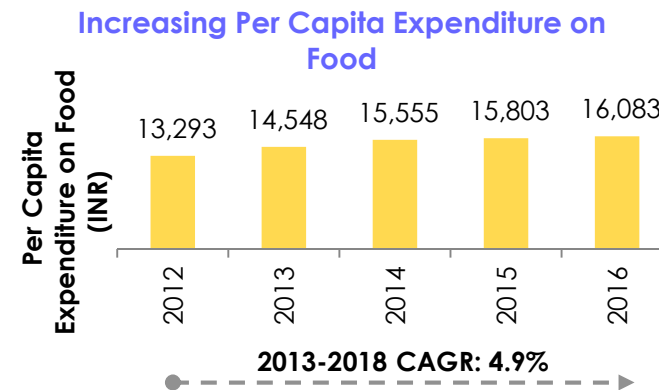
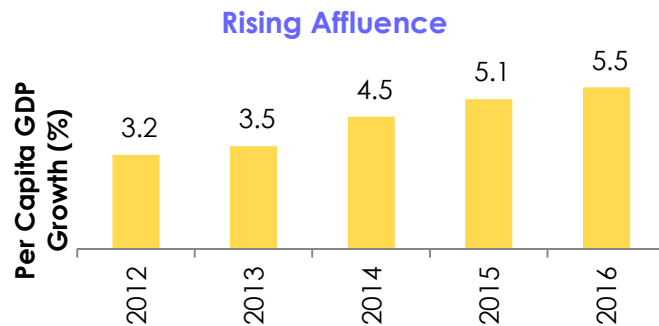
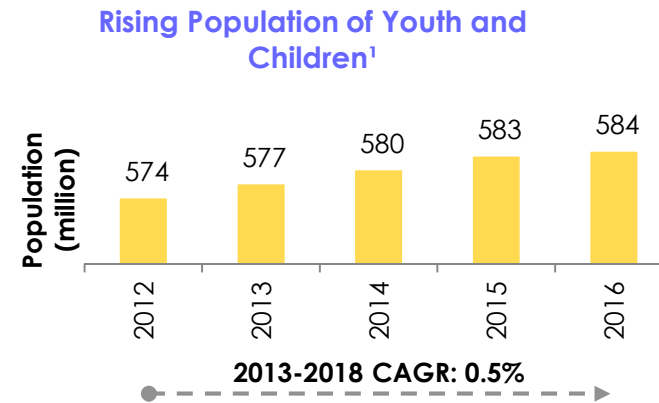
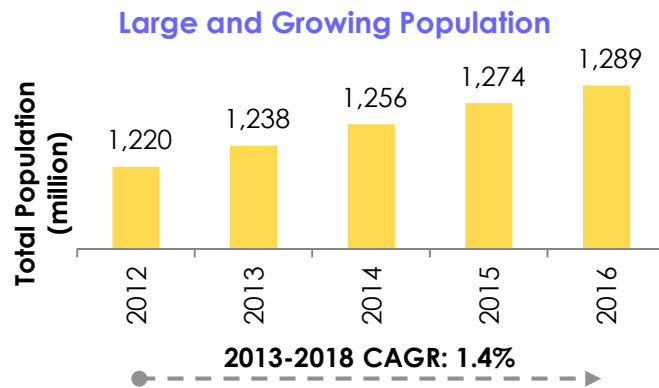


- Large presence of unorganised small grocery stores and petty shops
- Petty shops usually stock the smallest SKU size product
- Domination of small grocery stores expected to continue for the next 5 to 10 years

Source: F&S report 2017

* As of 2016; please refer the Definitions section in the annexure for the zone definitions

Backed By Strong Demographic Tailwinds in India



Source: EIU, Business Monitor International; data as per calendar year ended December
Note: 1 Includes population aged 5-29 years



H1 FY18 Results Performance

CEO's Message



Commenting on H1 FY18 performance, Amit Kumat - Managing Director and Chief Executive Officer, Prataap Snacks Limited said:

"It gives me immense pleasure to share the maiden financial and operating performance of Prataap Snacks as a listed entity. In H1FY18, despite temporary headwinds due to GST implementation, the company has delivered a 15% growth in revenues. We continue to expand our distribution network and range of products. We are in the process of commercialising our entry into sweet snacks, through the launch of Yum-pie, which will complement our offerings in the savoury segment.

Currently, the company is navigating the potato supply crunch and increased duties on inputs (palm oil), but we are hopeful of a recovery to end the financial year on track with our expectations.

I extend a warm welcome to our public shareholders on board with us on this exciting growth journey."

Abridged P&L Statement

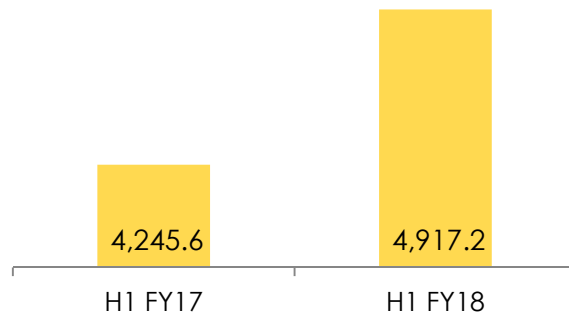


Particulars	H1 FY18	H1 FY17	Y-o-Y Change (%)
Income from Operations	4,917.2	4,245.6	15.8%
Raw Material Cost	3,265.3	3,089.4	5.7%
Gross Profit	1,651.9	1,156.2	42.9%
Gross Margins	33.6%	27.2%	636 bps
EBITDA	460.4	199.0	131.4%
EBITDA Margins	9.3%	4.6%	468bps
Depreciation	141.1	119.4	18.2%
Interest	18.7	31.1	-40.0%
Profit After Tax	225.6	69.8	223.0%
EPS (Diluted) in Rs.	10.85	3.43	216.2%

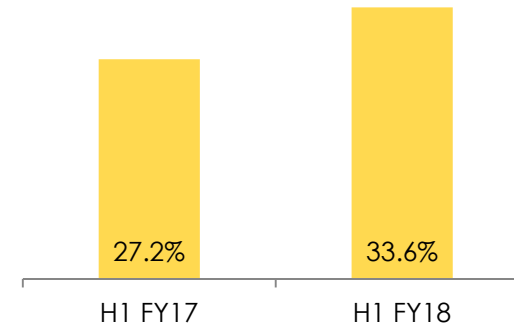


Financials –H1 FY18 Performance

Sales / Income from Operations



Gross Margin (%)

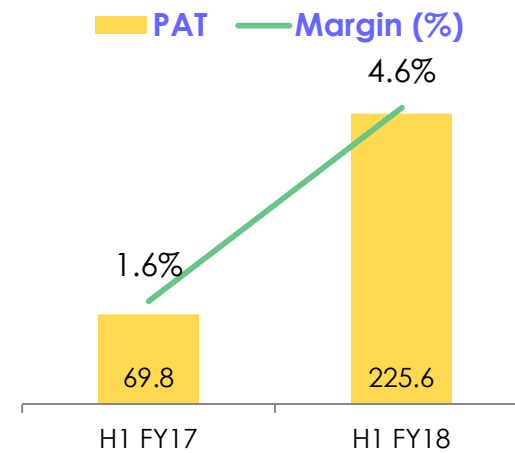
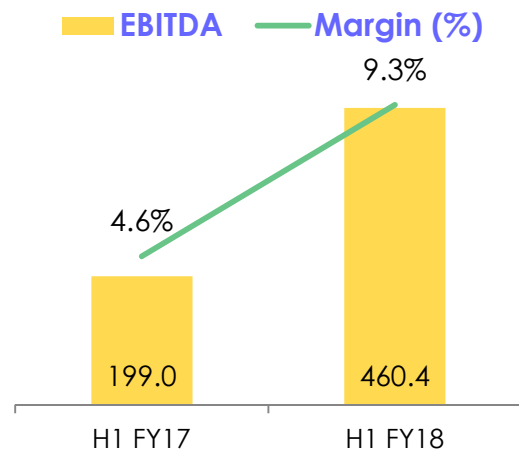


- Income from operations grew by 15.8% yoy to Rs. 4,917 mn
 - Temporary headwinds faced due to impact of GST implementation, especially in East region and wholesale market
- Gross margins expanded by 636 bps to 33.6% on account of -
 - Favourable input cost due to long term buying as compared to spot purchase earlier
 - Better product mix and rationalisation of grammages and trade margins

CONSOLIDATED FINANCIALS, IN RS. MILLION



Financials –H1 FY18 Performance



- EBITDA for H1FY18 was higher by 131.4% yoy at Rs. 460 mn
- PAT grew by 223.0% yoy to Rs. 226 mn on account of growth in EBITDA and lower interest cost

Balance Sheet



Particulars	As at 30.09.2017
I ASSETS	
A. Non-current Assets	
(a) Property, Plant and Equipment	1,976.0
(b) Capital Work-in-Progress	554.7
(c) Intangible Assets	55.1
(d) Intangible Assets under development	0.1
(e) Financial Assets	
(i) Loans	165.7
(ii) Other Financial Assets	55.0
(f) Deferred Tax Assets (Net)	75.4
(g) Other Non-current Assets	61.5
Total Non-Current Assets (A)	2,943.5
B. Current Assets	
(a) Inventories	606.8
(b) Financial Assets	
(i) Trade Receivables	260.1
(ii) Cash and Cash Equivalents	1,232.2
(iii) Bank balances other than (ii) above	56.5
(iv) Loans	157.1
(v) Other Financial Assets	23.2
(c) Other Current Assets	1,504.5
Total Current Assets (B)	3,840.5
TOTAL - ASSETS (A+B)	6,783.9

Particulars	As at 30.09.2017
II EQUITY AND LIABILITIES	
A. Equity	
(a) Equity Share Capital	117.3
(b) Other Equity	4,856.7
Total Equity (A)	4,974.0
B. Liabilities	
Non-current Liabilities	
(a) Provisions	24.4
(b) Other Non-Current Liabilities	35.4
Total Non-current Liabilities	59.9
Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	171.8
(ii) Trade Payables	1,069.3
(iii) Other Financial Liabilities	397.4
(b) Provisions	4.6
(c) Current Tax Liabilities (net)	25.8
(d) Other Current Liabilities	81.2
Total Current Liabilities	1,750.1
Total Liabilities (B)	1,809.9
TOTAL - EQUITY AND LIABILITIES (A+B)	6,783.9

About Prataap Snacks Ltd.

Prataap Snacks Ltd. (PSL) is a leading Indian Snack Foods Company. It offers multiple variants of products across categories of Potato Chips, Extruded Snacks, Namkeen (traditional Indian snacks) under the popular and vibrant Yellow Diamond brand. It has recently launched a range of sweet snacks under the distinctive Rich Feast brand. PSL is focussed on offering deep value to consumers through a variety of pack sizes at attractive price points. Its products are present across 27 states in India and it is one of the fastest growing companies in the organised snacks industry.

Headquartered in Indore, India; PSL operates 5 manufacturing facilities of which 3 facilities (Indore, Assam-1 and Assam-2) are owned and 2 facilities (Kolkata and Bangalore) are on contract manufacturing basis. Its distribution network includes 218 super stockists and more than 3,500 distributors allowing it extensive reach across the country. PSL has a wide presence across the country that is equally spread in metro cities and urban clusters as well as in rural areas and Tier 2 and 3 cities and towns. Its products are available at independent grocers and small retail stores in the lanes and by-lanes of its key markets and it is now building up its presence in supermarkets, hypermarkets and modern trade outlets.

Led by an able and experienced leadership and guided by an accomplished Board of Directors, PSL is a socially responsible corporate citizen with a strong focus on Corporate Governance and Internal controls. Following a successful IPO in September 2017, PSL is now listed on the Bombay Stock Exchange (BSE:540724) and National Stock Exchange (NSE:DIAMONDYD) in India.



Sumit Sharma

Prataap Snacks Ltd

Tel: +91 731 2439 999

Email: sumit@yellowdiamond.in

Mayank Vaswani / Karl Kolah

CDR India

Tel: +91 22 6645 1230 / 1220

Email: mayank@cdr-india.com/
karl@cdr-india.com



Thank You