



PRATAAP SNACKS LIMITED

Q3 & 9MFY19 - Results Presentation

February 2019



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.

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Company Overview

Company Snapshot



23%

5 year revenue
CAGR

100+

SKU's

12

Manufacturing
facilities

#1

Market Leader in
Rings

27+

States

240+

Super Stockists

4,100+

Distributors

11 MN

Packets sold per
day

Diverse Product Portfolio

Focus On Product Innovation

Pan India Distribution Network

Core Management With Deep Domain Expertise

Strategically Located Manufacturing Facilities

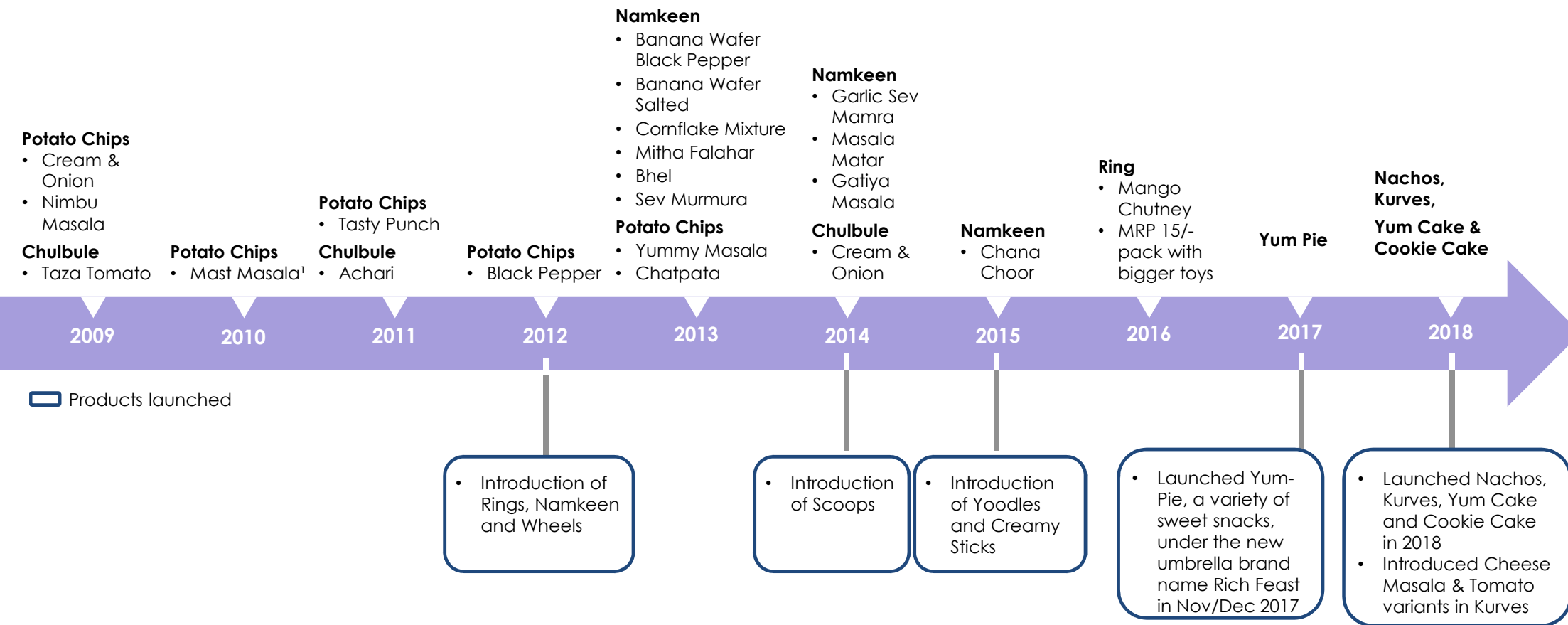
Diverse Product Portfolio

POTATO CHIPS	CHULBULE*	RINGS, KURVES & PUFF*	NAMKEEN*	PELLET SNACKS	NACHOS	YUM CAKE & COOKIE CAKE	NAMKEEN & FRYUMS
<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: 2 flavours ▪ Target group: Children 	<ul style="list-style-type: none"> ▪ Made from corn tortillas ▪ Launched in Q4FY18 ▪ SKUs: 3 flavours ▪ Target group: All 	<ul style="list-style-type: none"> ▪ Cake centre filled with cream and Cake with chocolate ▪ SKUs: 2 flavour ▪ Target group: Children and Youth 	<ul style="list-style-type: none"> ▪ Namkeen and Fryums catering to local tastes ▪ SKUs: 55 varieties ▪ Target group: All

Diverse product portfolio at strategic price points and pack sizes

*Chulbule – Random extruded corn based snack, *Rings, Kurves & 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+

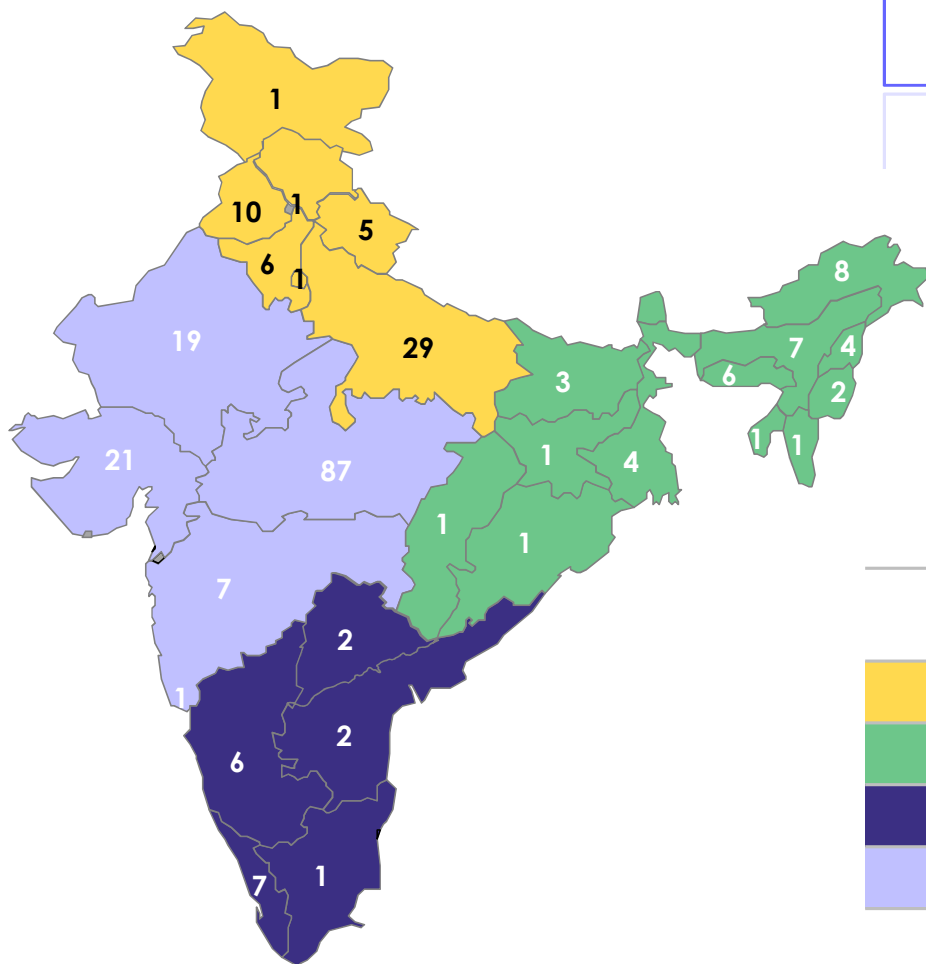
States*

240+

Super Stockist

4,100+

Distributors



Region	No. of States / UT	No. of Super Stockists
North	7	53
East	12	39
South	5	18
West	5	135

*Includes one Union Territory, Map not to scale



Strategically Located Manufacturing Facilities

Madhya Pradesh



Assam



West Bengal



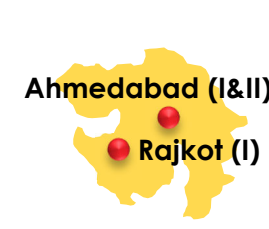
Karnataka



Uttarakhand



Gujarat



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

- 11%-12% 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
- Recently entered into new contracts for third party manufacturing at Ahmedabad, Gujarat, Bengaluru, Karnataka, Kolkata, West Bengal and Kashipur, Uttarakhand for producing potato chips
- Nachos to be manufactured at Ahmedabad

- Prataap Snacks acquires Gujarat based Avadh Snacks
- The manufacturing facility in Rajkot to cater to the target market of Gujarat and also supply to the neighbouring states

Own facility

Third party facility

Rajkot-Subsidiary 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 15 years in the snack foods industry and in the financing business



Amit Kumat

Managing Director & CEO

Over 22 years in Snack foods industry
Earlier with Prakash Snacks and Hello Agro Food Products



Apoorva Kumat

Executive Director (Operations)

Over 22 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

16 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 15 years in the snack foods industry and in the financing business

Amit Kumat

Managing Director & CEO

Over 22 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

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)

Chetan Kumar Mathur

Independent Director

30 years of experience in F&B industry, worked with PepsiCo India for 23 years

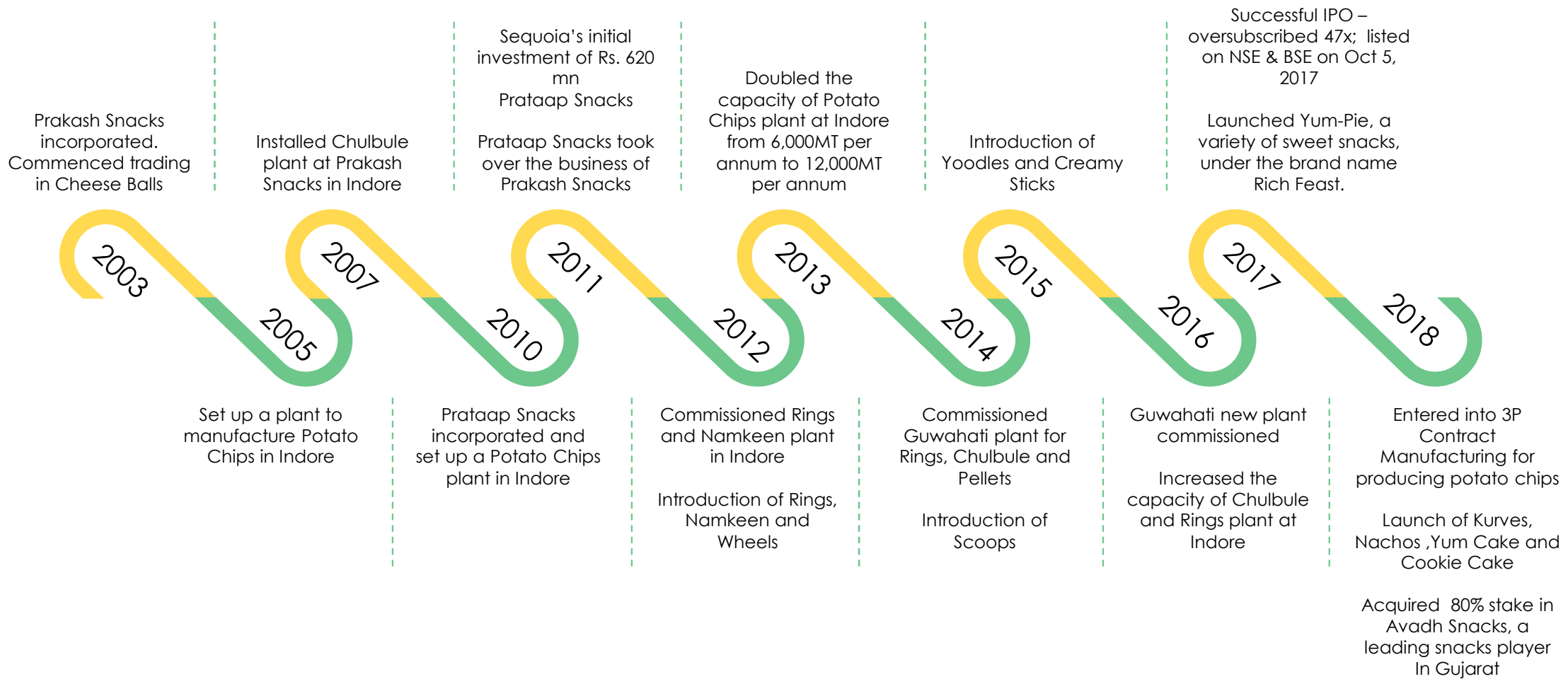
Mr. V.T. Bharadwaj

Non-Executive Director

Over 15 years in management consultancy & PE investments
Previously worked with Sequoia Capital and McKinsey & Company

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

Prataap Snacks' Evolution



Note: Fiscal year ended March



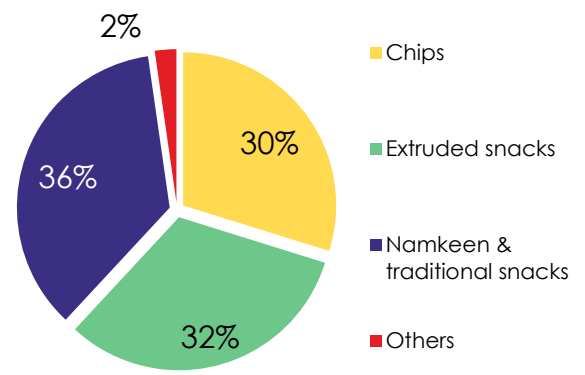
Industry Overview



Trends In The Indian Organised Snacks Market

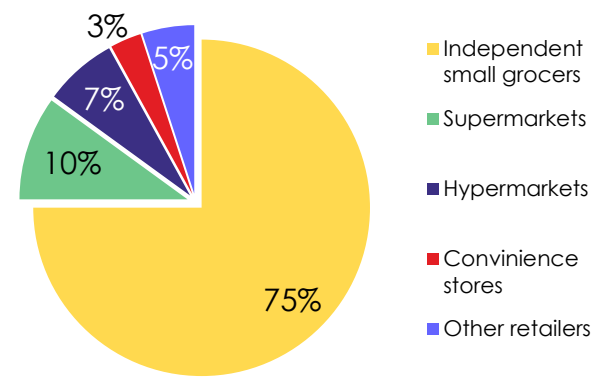
Rs.220 Bn organized snack market, contributes to only ~40% of the Rs.550 Bn total snack market

Category/ product*



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

Sales channels*



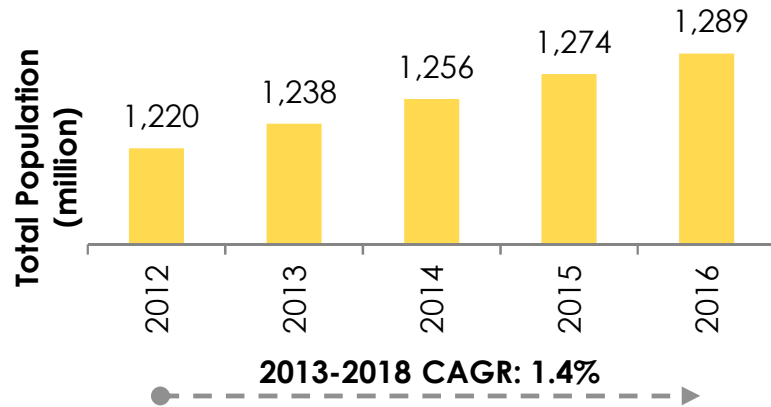
- Large presence of unorganised small grocery stores and petty shops
- Petty shops usually stock the smallest SKU size product
- Domination of small grocery stores expected to continue for the next 5 to 10 years

Source: F&S report 2017
* As of 2016; please refer the Definitions section in the annexure for the zone definitions

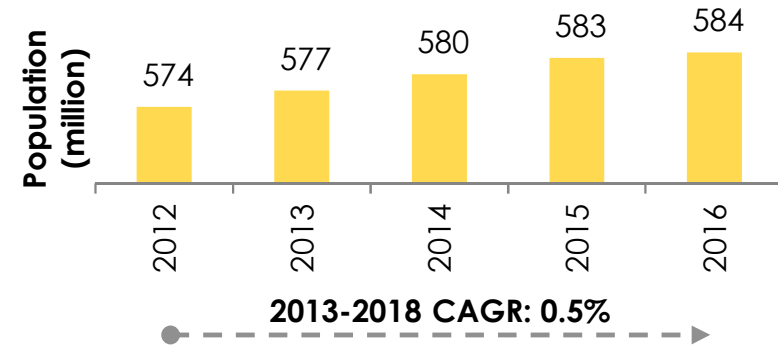
Backed By Strong Demographic Tailwinds in India



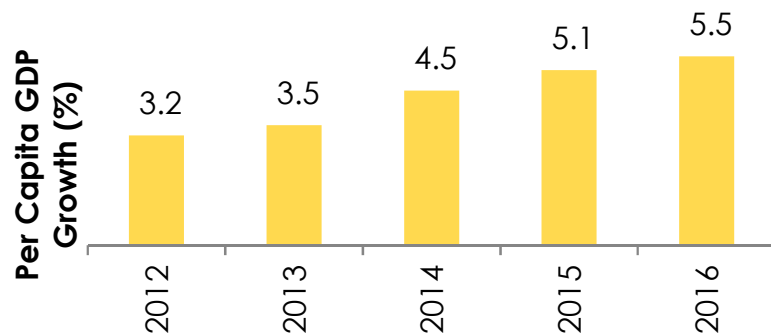
Large and Growing Population



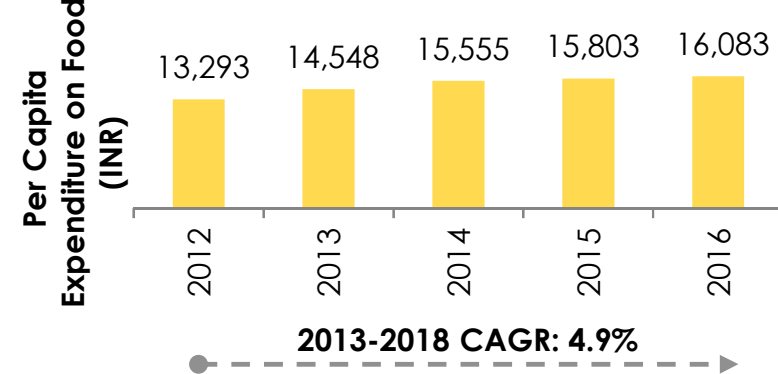
Rising Population of Youth and Children¹



Rising Affluence



Increasing Per Capita Expenditure on Food



Source: EIU, Business Monitor International; data as per calendar year ended December

Note: 1 Includes population aged 5-29 years



Acquisition of Avadh Snacks- Unlocking Synergies



Synergies from Avadh Snacks

- Avadh Snacks delivered a robust performance in topline and profitability for Q3 FY19
- Gujarat is the biggest salty snacks market in the country and an important market for Prataap Snacks to increase its market presence
 - Distribution synergies from Avadh Snacks will help Prataap expand its presence
- Avadh Snacks has helped strengthened the overall portfolio of Prataap Snacks
 - Product portfolio of Prataap Snacks and Avadh Snacks complement each other with a mix of regional and national flavors & variants across categories
- Avadh Snacks will look to penetrate deeper into its home market as well as expand its presence in other neighboring markets

Avadh Snacks to be a strong partner and will help Prataap Snacks in gaining significant distribution synergies across Gujarat market

Avadh Product Portfolio – Namkeen



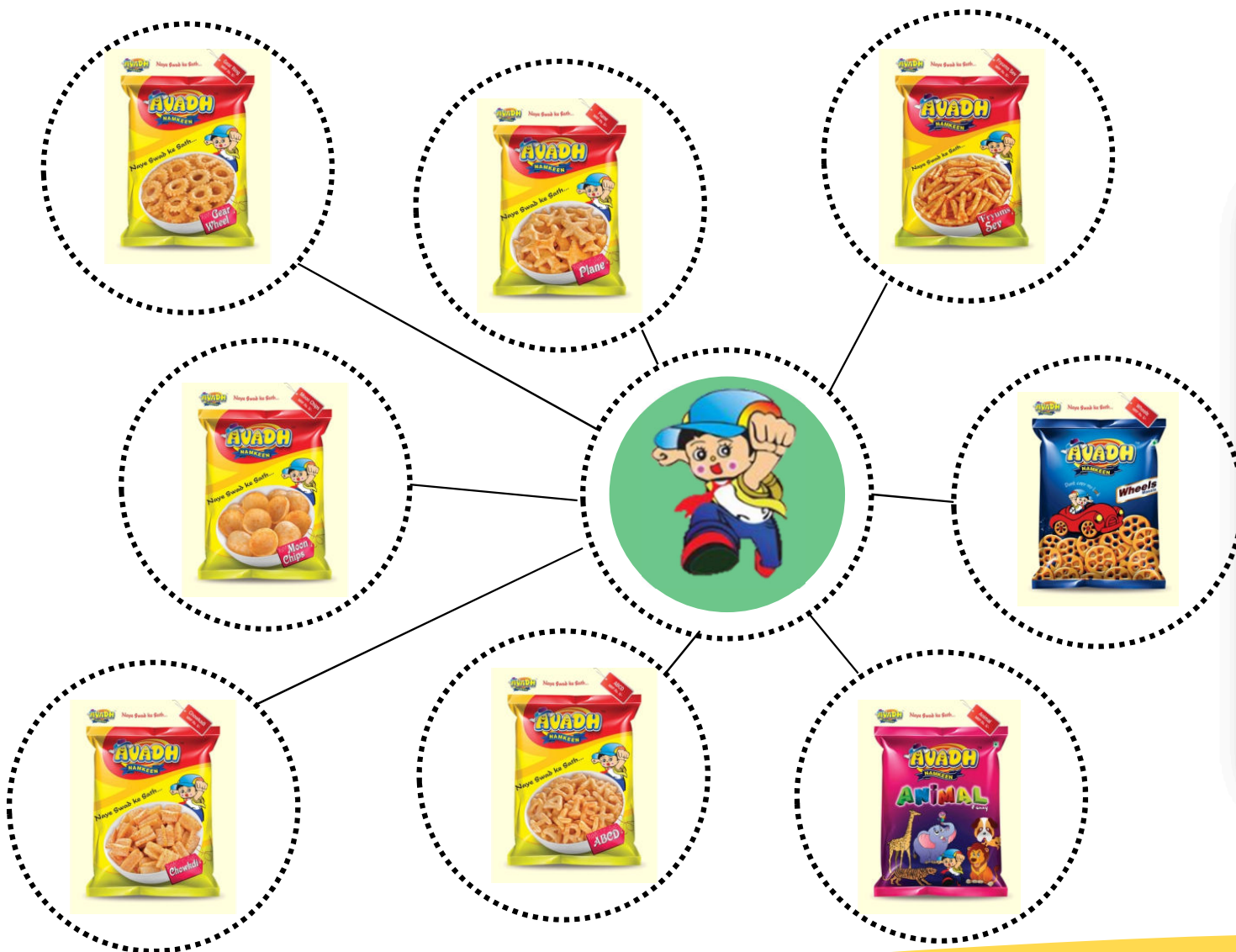
Key Products: Bhavnagri
Gathiya, Sada Mamra,
Papdi Gathiya, Chavanu,
Lasaniya Mamra

Price Point: Rs. 5, 10, 30, 50

SKUs: 34 varieties

Target group: All

Avadh Product Portfolio – Fryums



Key Products: Tomato Cup, Salted reffil, Masala cup, Chiji Noodles, Salli, White crunchy papd

Price Point: Rs. 5, 10,

SKUs: 21 varieties

Target group: Children



Q3 & 9MFY19 Results Performance



Operational Overview

- During the quarter, PSL's continuing business (ex Avadh Snacks acquisition) grew by 4%yoy
- Avadh Snacks also continues to show strong growth during the quarter
- Despite higher prices of raw materials and packaging all businesses posted healthy operational earnings
- The Company is focused on efficiencies and cost containment which will benefit in the ensuing quarters



Financial Overview

In Q3 FY19, PSL reported:

- Revenue of Rs. 3082.5 million, delivered double digit growth of 18.7% yoy
- Operating EBITDA grew by 8.6%yoy to Rs. 220.7 million, translating to a margin of 7.2%
- PAT for the quarter stood at Rs. 80.7 million
- EPS (Diluted) was at Rs. 3.44 per share in Q3FY19
 - PAT and EPS were impacted by enhanced depreciation on intangible assets created due to acquisition of Avadh Snacks
- Cash Profits for the quarter were higher at Rs.210.3 million as compared to Rs. 197 million in Q3FY18

CEO's Message



Commenting on Q3 & 9MFY19 performance, Mr. Amit Kumar - Managing Director, Prataap Snacks Limited said:

"With the Avadh Snacks acquisition we have delivered a positive performance in the quarter and our consolidated revenues for 9M have grown 16.1%. On a stand-alone basis, the performance was muted due to capacity constraints and from headwinds faced in some of our product markets. Production capacity is being enhanced and we expect a positive uptick starting Q1 next year, as incremental volumes come into the market. We are excited about the acceptance and progress of products in the sweet snacks (RichFeast) category and will be undertaking incremental investments towards additional production lines.

Overall, the headwinds arising from crude inflation and higher cost of raw materials were mitigated through multiple initiatives which helped us to arrest the margin decline."



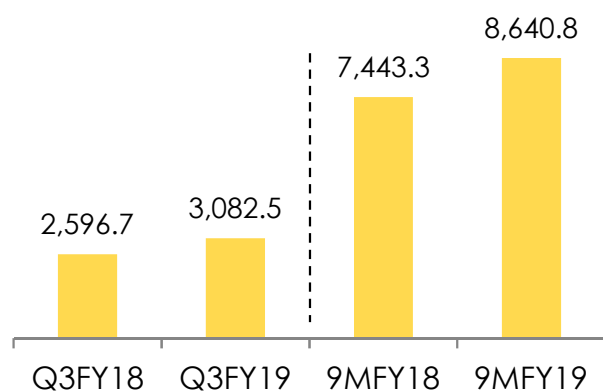
Abridged P&L Statement

Particulars	Q3FY19	Q3FY18	Y-o-Y Change (%)	9MFY19	9MFY18	Y-o-Y Change (%)
Income from Operations	3,082.5	2,596.7	18.7%	8,640.8	7,443.3	16.1%
Raw Material Cost	2,194.8	1,775.3	23.6%	6,027.4	5,040.6	19.6%
Gross Profit	887.7	821.4	8.1%	2,613.4	2,402.7	8.8%
Gross Margins	28.8%	31.6%	(280)Bps	30.2%	32.3%	(210)Bps
EBITDA	220.7	203.2	8.6%	609.3	663.6	(8.2)%
EBITDA Margins	7.2%	7.8%	(60 bps)	7.1%	8.9%	(180 bps)
Depreciation	129.6	82.9	56.3%	284.7	224.1	27.1%
Interest	1.6	6.2	(74.2)%	3.4	24.9	(86.3)%
Profit After Tax	80.7	114.1	(29.3)%	297.2	340.9	(12.8)%
EPS (Diluted) in Rs.	3.44	4.87	(29.4)%	12.67	15.67	(19.1)%

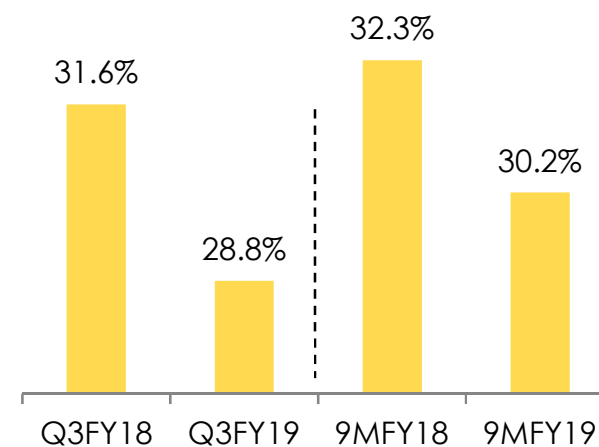
CONSOLIDATED FINANCIALS, IN RS. MILLION EXCEPT AS STATED

Financials – Q3 & 9MFY19 Performance

Sales / Income from Operations



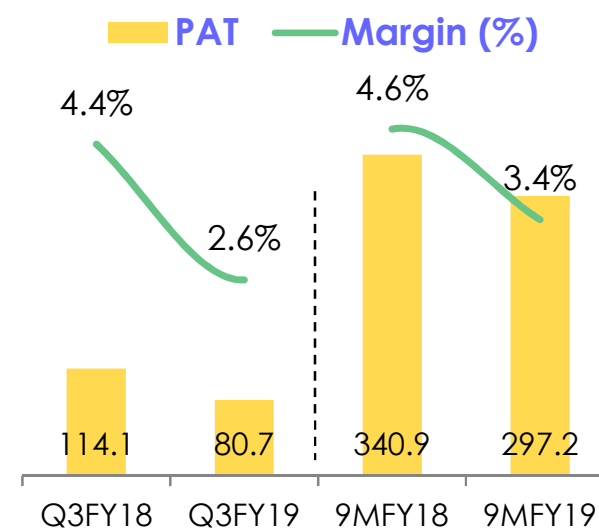
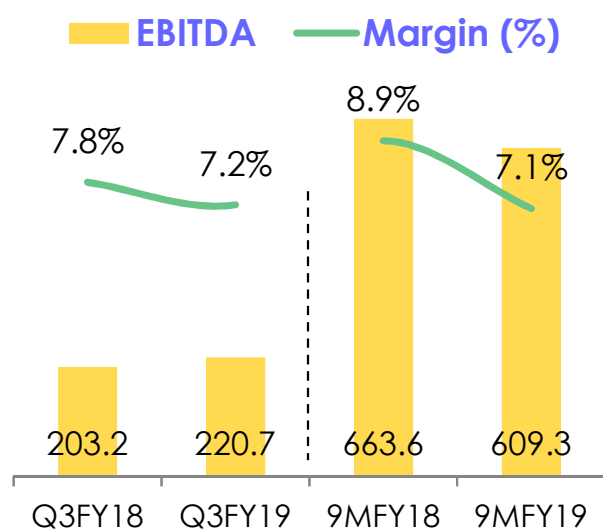
Gross Margin (%)



- Income from operations in Q3FY19 grew by 18.7% yoy to Rs. 3082.5 mn despite capacity constraints in some of our products; In 9M FY19 Income from operations were higher by 16.1% yoy at Rs. 8640.8 mn
- Gross margins were at 28.8% in Q3FY19 due to increase in key raw material costs
 - Partially mitigated the impact of margin pressure through cost optimization initiatives and improving product mix

CONSOLIDATED FINANCIALS, IN RS. MILLION

Financials – Q3 & 9MFY19 Performance



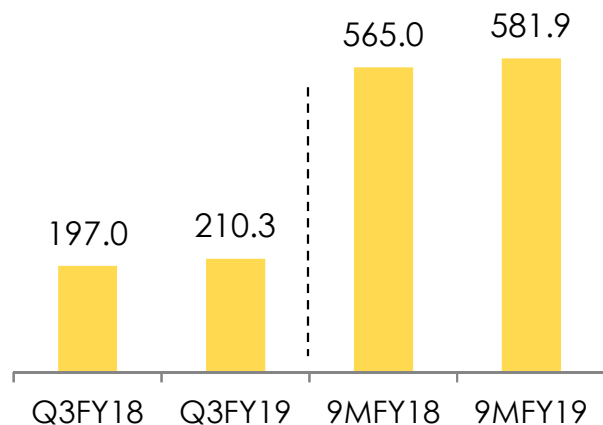
- EBITDA grew by 8.6%yoy to Rs. 220.7 mn , whereas the EBITDA for 9MFY19 was at Rs. 609.3mn
- PAT for the quarter and nine months stood at Rs. 80.7mn and 297.2 mn respectively
 - Adversely impacted by enhanced depreciation on intangible assets created upon acquisition of Avadh Snacks

CONSOLIDATED FINANCIALS, IN RS. MILLION

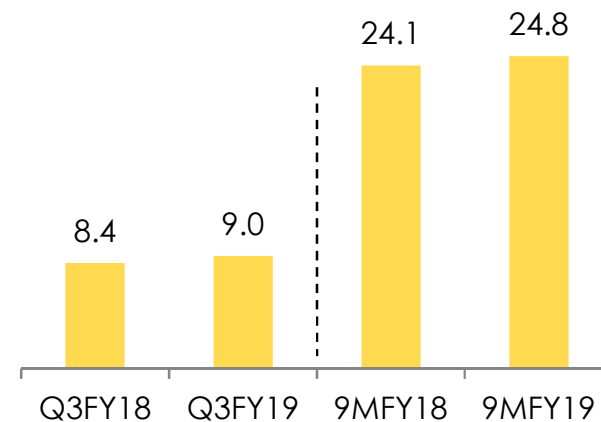


Financials – Q3 & 9MFY19 Performance

Cash Profits



Cash EPS



- The Company follows a conservative accounting policy and is amortizing intangible assets of Avadh Snacks
 - A lateral benefit has been contained tax outflow

CONSOLIDATED FINANCIALS, IN RS. MILLION

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 focused 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 organized snacks industry.

Headquartered in Indore, India; PSL operates 12 manufacturing facilities of which 4 facilities (Indore 1, Indore2, Assam-1 and Assam-2) are owned and 8 facilities (located in Ahmedabad, Kolkata Bangalore and Kashipur) are on contract manufacturing basis. Its distribution network includes more than 240 super stockists and more than 4,100 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.

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Thank You