



PRATAAP SNACKS LIMITED

9M FY18 - Results Presentation

January-2018





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

27%

5 year revenue
CAGR

60+

SKU's

8

Manufacturing
facilities

#1

Market Leader in
Rings

27

States

218+

Super Stockists

3,500+

Distributors

8.6 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



- Potato based snack
- SKUs: 9 flavors
- Target group: All

CHULBULE*



- Rice grit & Corn grit based snack
- SKUs: 7 flavours
- Target group: Youth & Children

RINGS & PUFF*



- Corn grit based snack
- Market leader in Rings
- SKUs: 4 flavours
- Target group: Children

NAMKEEN*



- Gram based#
- SKUs: 23 varieties
- Target group: All

PELLET SNACKS



- Wheat based
- SKUs: 2 flavours
- Target group: Children

YUM-PIE



- Cake with Jam & chocolate
- SKUs: 3 flavours
- Target group: Children

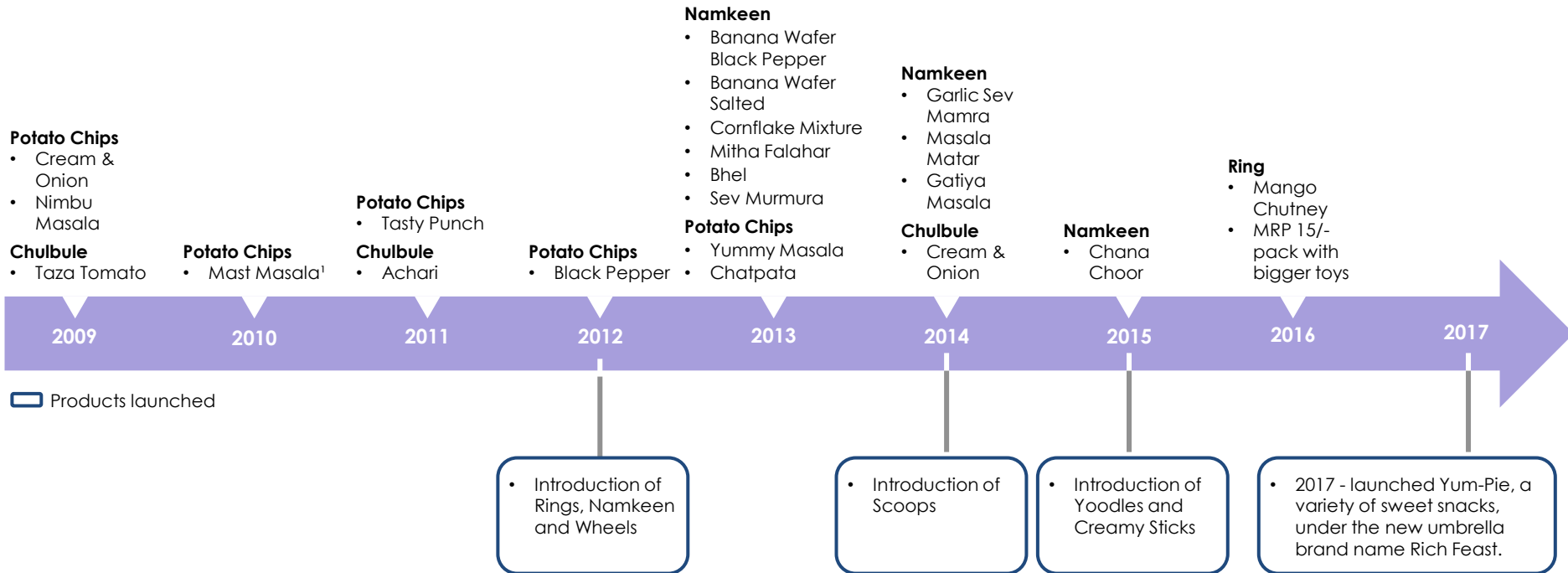
Diverse product portfolio at strategic price points and pack sizes

*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



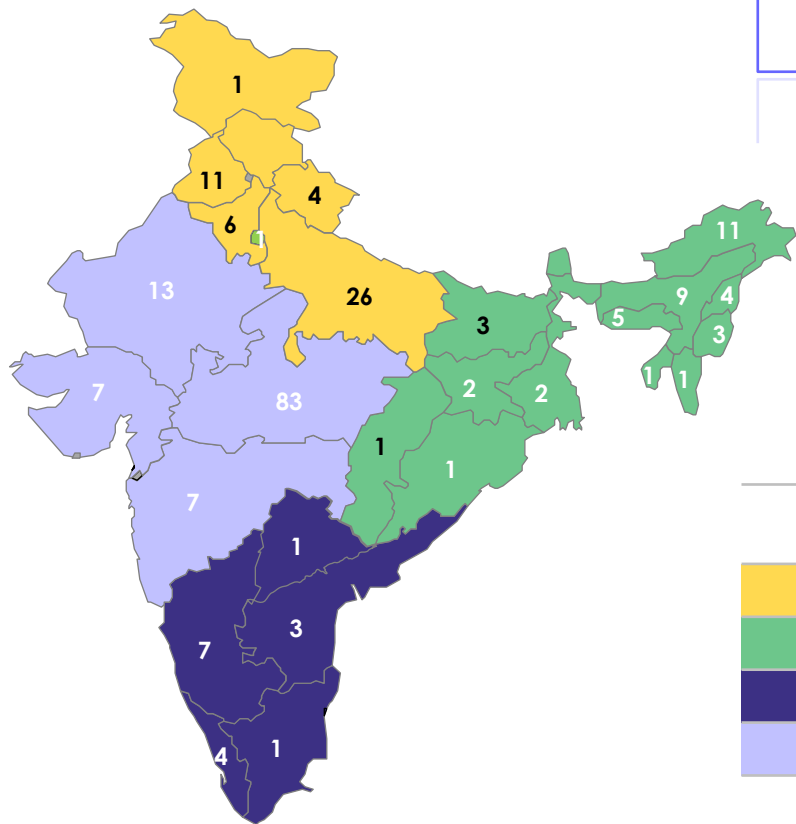
Focus On Product Innovation



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



Indore

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

Assam



Guwahati (I&II)

- 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

West Bengal



Kolkata (I&II)

Contract Manufacturing

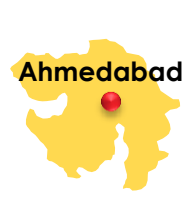
- 7%-8% business comes from contract manufacturing
- Kolkata – shared contract manufacturing unit for potato chips to cater East India market
- Bangalore – dedicated contract manufacturing unit for Rings and Pellets to cater South India market
- Recently entered into new contracts for third party manufacturing at Ahmedabad, Gujarat, Bengaluru, Karnataka and Kolkata, West Bengal for producing potato chips

Karnataka



Bangalore (I&II)

Gujarat



Ahmedabad

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

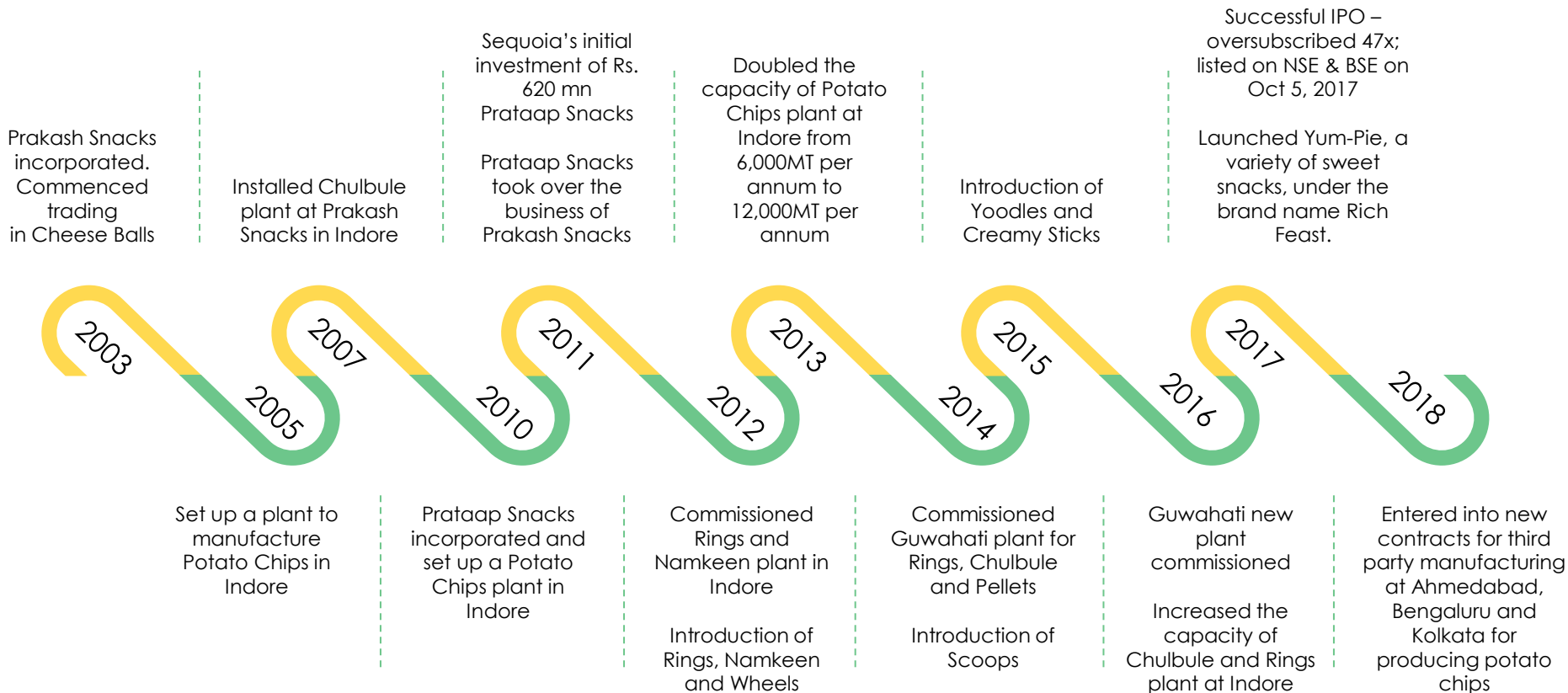
Independent Director

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



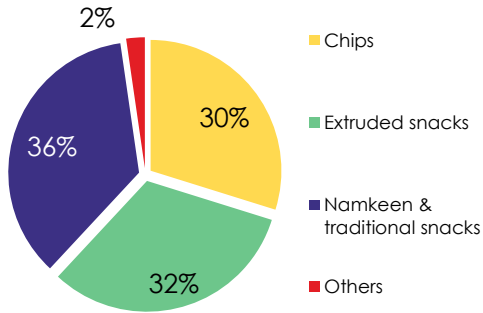
Industry Overview

Trends In The Indian Organised Snacks Market



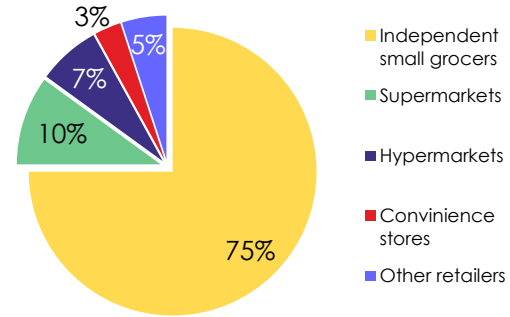
Rs.220 Bn organized snack market, contributes to only ~40% of the Rs.550 Bn total snack market

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

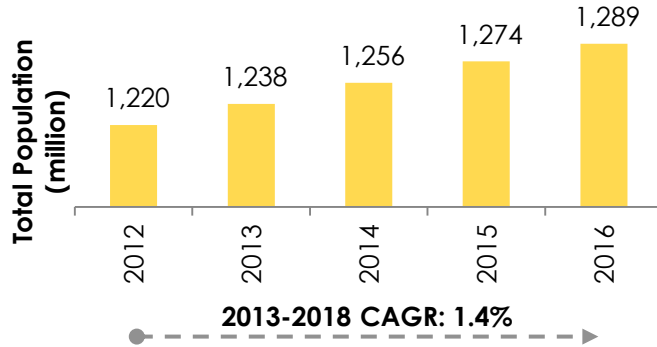
Source: F&S report 2017

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

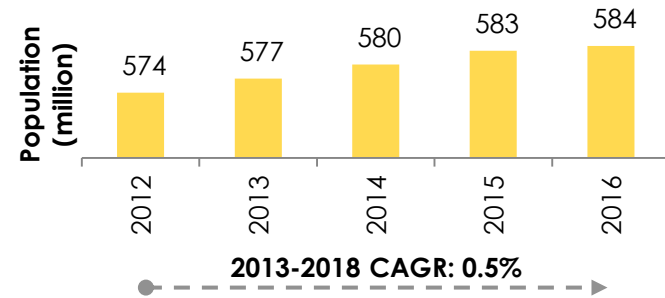
Backed By Strong Demographic Tailwinds in India



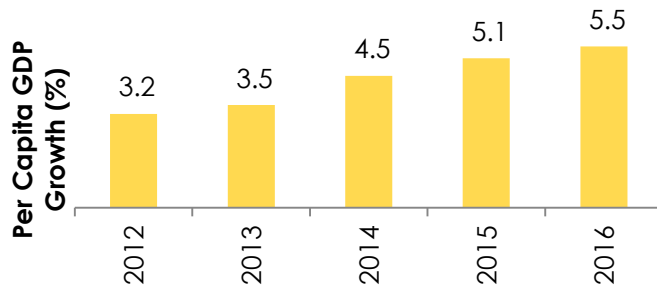
Large and Growing Population



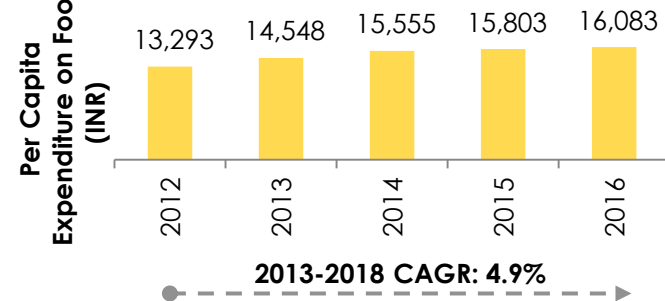
Rising Population of Youth and Children¹



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



9M FY18 Results Performance

CEO's Message



Commenting on 9M FY18 performance, Amit Kumar - Managing Director and Chief Executive Officer, Prataap Snacks Limited said:

“As we had mentioned in the last quarter, there has been potato supply issues in Q3 resulting in muted growth for the quarter. However, we have improved profitability on a YOY basis despite select raw material inflation. With supply issues out of the way, we expect to end H2 of this year in line with the growth that we witnessed in H1”

Abridged P&L Statement

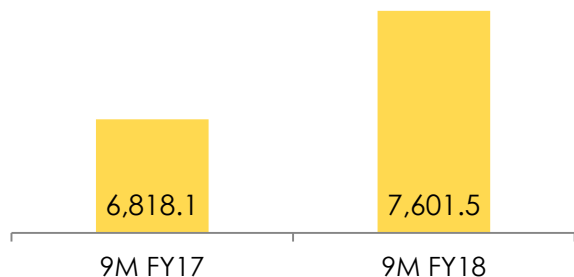


Particulars	9M FY18	9M FY17	Y-o-Y Change (%)
Income from Operations	7,601.5	6,818.1	11%
Raw Material and Packing Material Cost	5,040.6	4,834.9	4%
Gross Profit	2,560.9	1,983.2	29%
Gross Margins	34%	29%	500 bps
EBITDA	663.6	301.6	120%
EBITDA Margins	9%	4%	500 bps
Depreciation	224.1	185.6	21%
Interest	24.9	36.0	-31%
Profit After Tax	340.9	90.6	276%
EPS (Diluted) in Rs.	16	4	258%

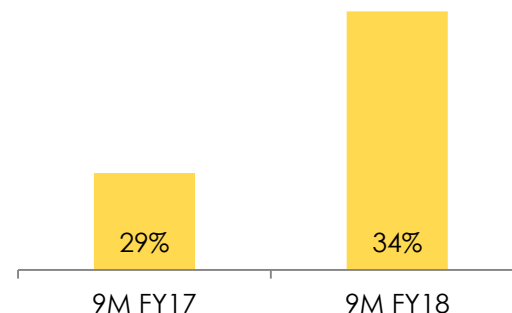


Financials –9M FY18 Performance

Sales / Income from Operations

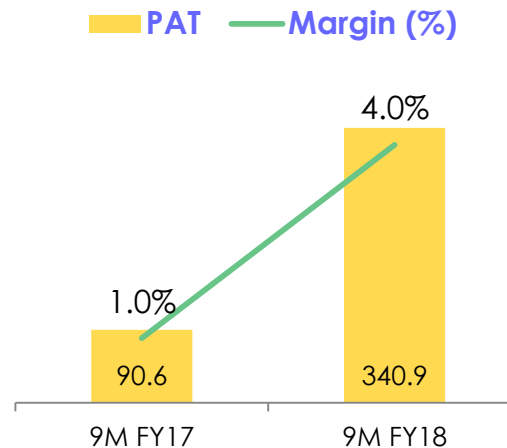
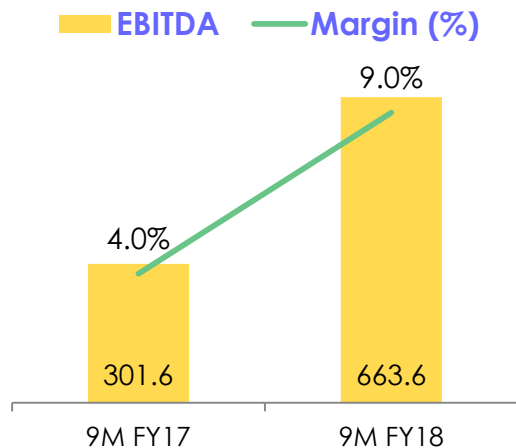


Gross Margin (%)



- Income from operations grew by 11% yoy to Rs. 7,601.5 mn
- Gross margins expanded by 500 bps to 34% in 9MFY18 due to -
 - Favourable input cost due to long term buying as compared to spot purchase earlier
 - Better product mix and rationalisation of grammages and trade margins

Financials –9M FY18 Performance



- EBITDA for 9M FY18 was higher by 120% yoy at Rs. 663.6 mn
- PAT grew by 276% yoy to Rs. 340.9 mn on account of growth in EBITDA and lower interest cost

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.

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Thank You