



# PRATAAP SNACKS LIMITED

FY18 - Results Presentation

May-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

**23%**

5 year revenue  
CAGR

**60+**

SKU's

**9**

Manufacturing  
facilities

**#1**

Market Leader in  
Rings

**27+**

States

**235+**

Super Stockists

**3,800+**

Distributors

**9.0 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, KURVES & 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

## NACHOS



- Made from corn tortillas
- Launched in Q4FY18
- SKUs: 3 flavours
- Target group: All

## YUM-PIE



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

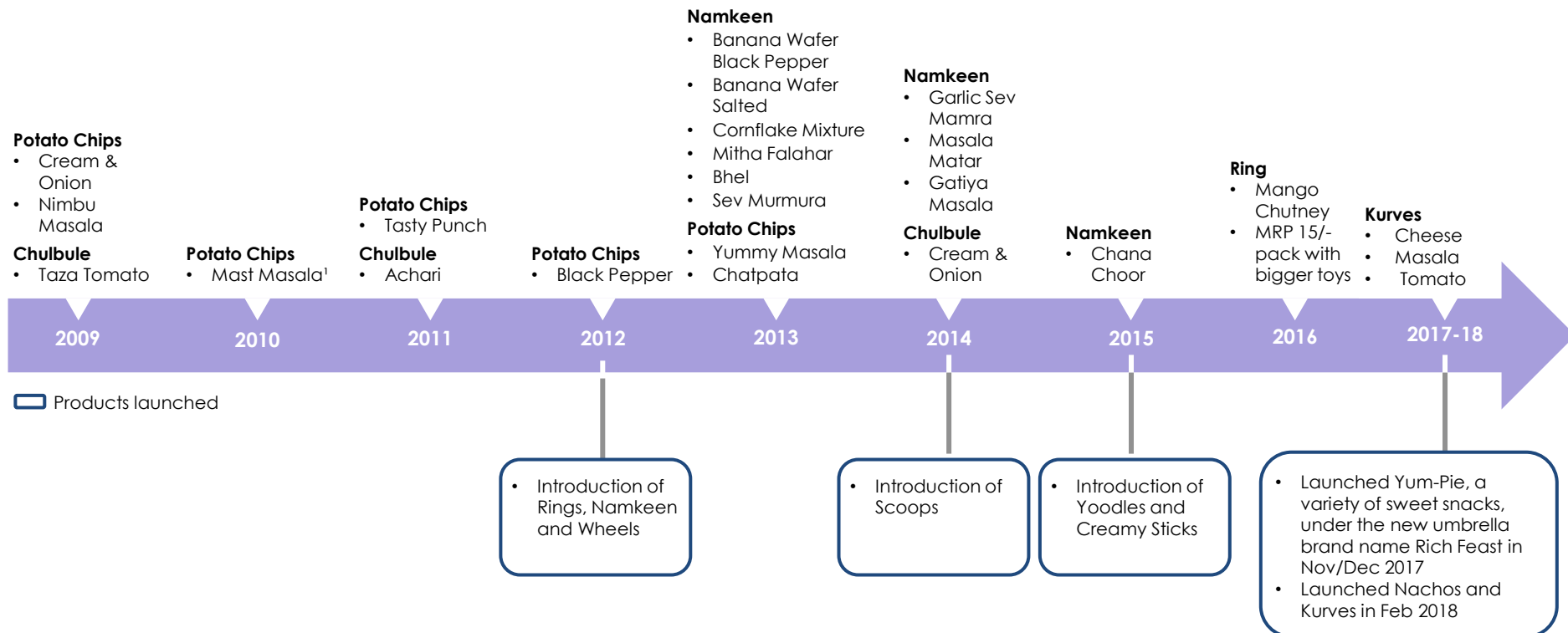
**Diverse product portfolio at strategic price points and pack sizes**

\*Chulbule – Random extruded corn based snack, \*Rings, 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

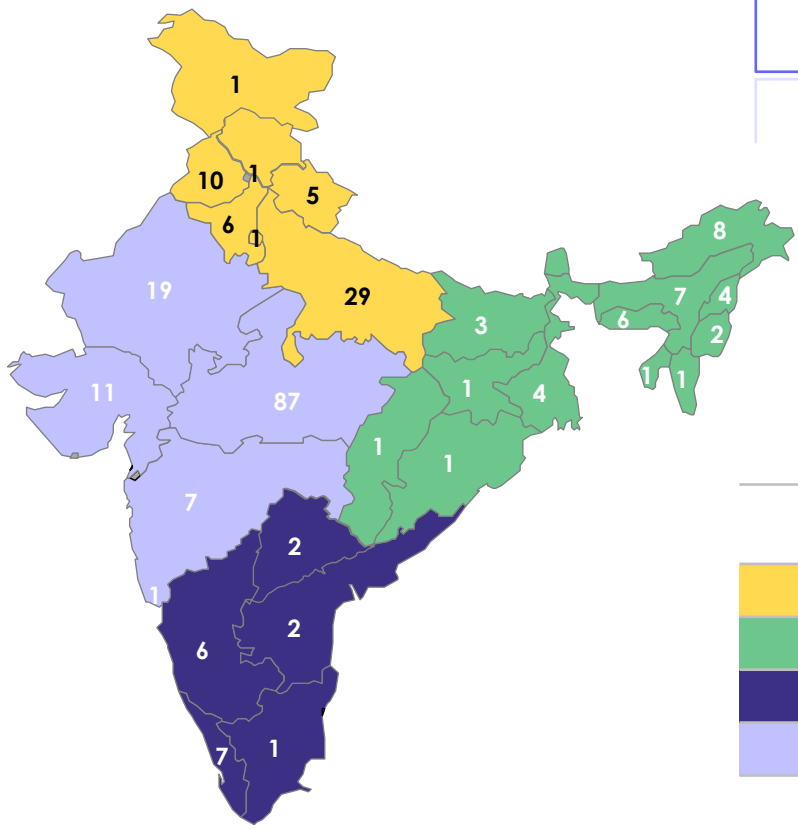


**With a series of products and flavours launched over the years, Prataap Snacks has demonstrated the ability to introduce new products, deliver product innovation and redevelop product categories**

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



# Pan India Distribution Network



**27+**

States\*

**235 +**

Super Stockist

**3,800+**

Distributors

Region	No. of States / UT	No. of Super Stockists
North	7	53
East	12	39
South	5	18
West	5	125

\*Includes one Union Territory, Map not to scale



# Strategically Located Manufacturing Facilities



## Madhya Pradesh



## Assam



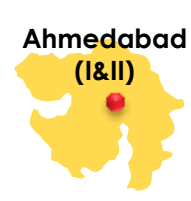
## West Bengal



## Karnataka



## 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

- 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
- Nachos to be manufactured at 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 Kumar**

*Managing Director & CEO*

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



### **Apoorva Kumar**

*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 Kumar**

*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



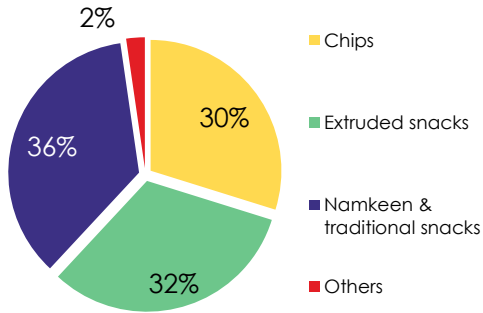
# Industry Overview

# Trends In The Indian Organised Snacks Market



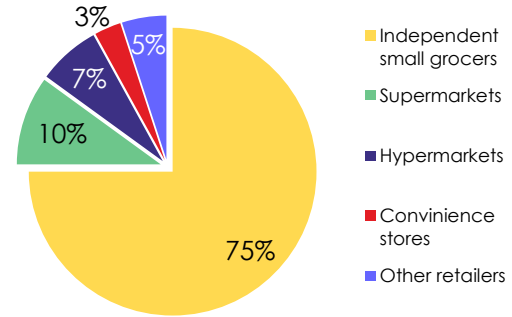
**Rs.220 Bn organized snack market, contributes to only ~40% of the Rs.550 Bn total snack market**

## 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

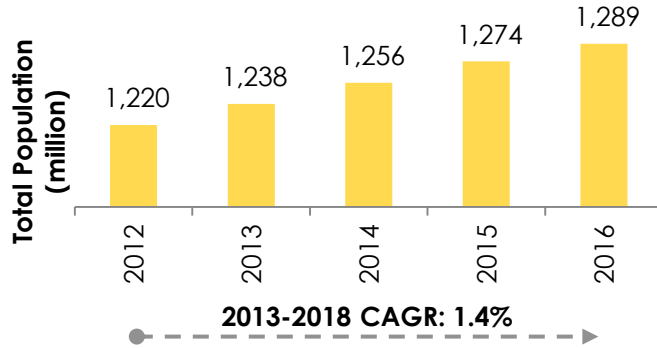
Source: F&S report 2017

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

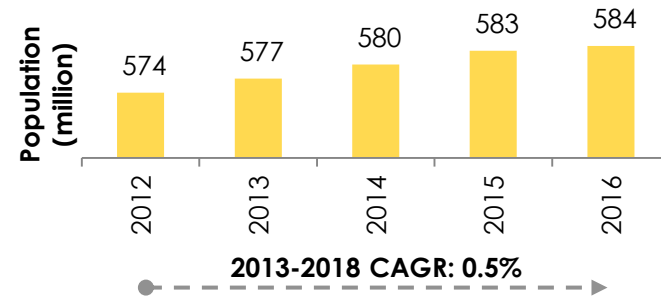
# Backed By Strong Demographic Tailwinds in India



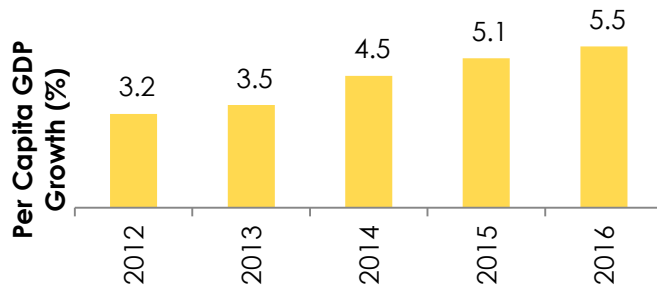
### Large and Growing Population



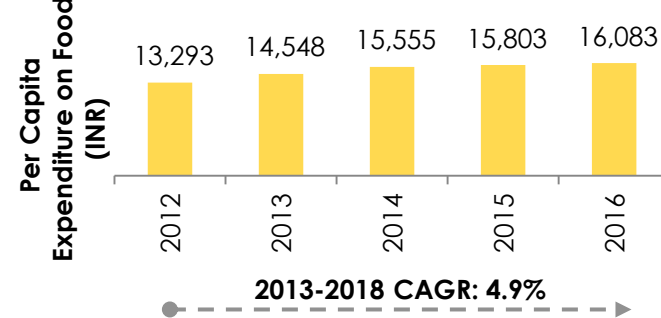
### Rising Population of Youth and Children<sup>1</sup>



### 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



# FY18 Results Performance



# CEO's Message



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

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*"FY18 has been an exciting year for Prataap Snacks Ltd. We surpassed the milestone of 1,000 crore in revenues this year, an important step in our growth journey. We reported full year revenue of Rs. 1,037.7 crore in FY18.*

*This translates into a healthy growth of 15.5% yoy, achieved while managing the challenges faced by the distribution channel during GST transition*

*We are confident of sustaining the growth momentum and continuously gaining the market share."*

# Abridged P&L Statement

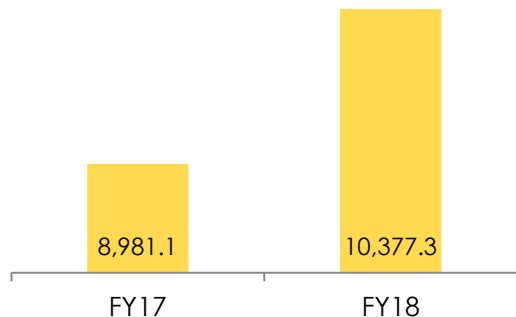


Particulars	FY18	FY17	Y-o-Y Change (%)
<b>Income from Operations</b>	<b>10,377.3</b>	<b>8,981.1</b>	<b>15.5%</b>
Raw Material and Packing Material Cost	6,862.1	6,260.5	9.6%
<b>Gross Profit</b>	<b>3,515.2</b>	<b>2,720.6</b>	<b>29.2%</b>
<i>Gross Margins</i>	33.9%	30.3%	360 bps
<b>Operating EBITDA</b>	<b>869.3</b>	<b>421.6</b>	<b>106.2%</b>
<i>EBITDA Margins</i>	8.4%	4.7%	370bps
Depreciation	304.2	254.7	19.4%
Interest	29.0	45.7	-36.5%
<b>Profit After Tax</b>	<b>441.8</b>	<b>205.8</b>	<b>114.7%</b>
EPS (Diluted) in Rs.	19.90	9.92	100.6%

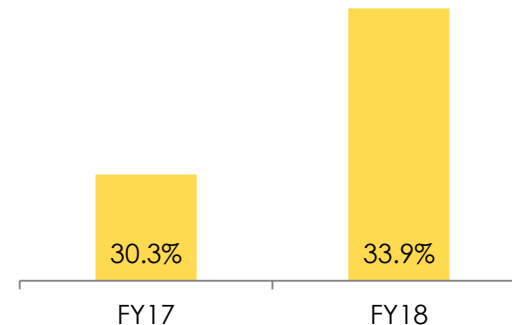


# Financials – FY18 Performance

## Sales / Income from Operations



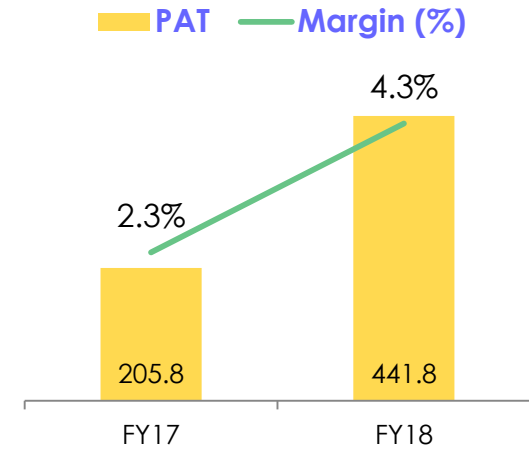
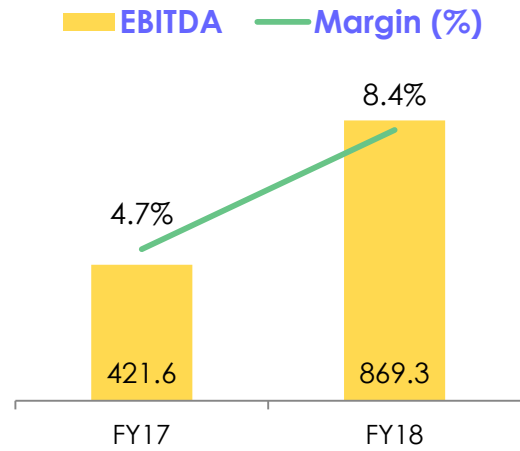
## Gross Margin (%)



- Income from operations grew by 15.5% yoy to Rs. 10,377.3 mn
- Gross margins expanded by 360 bps to 33.9% in FY18 due to -
  - Improving product mix and rationalisation of grammages and trade margins
  - Contain input costs on account of long term contracts as against spot purchase earlier



# Financials – FY18 Performance



- EBITDA for FY18 was higher by 106.2% yoy at Rs. 869.3 mn
- PAT grew by 114.7% yoy to Rs. 441.8 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 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 9 manufacturing facilities of which 3 facilities (Indore, Assam-1 and Assam-2) are owned and 6 facilities (located in Ahmedabad, Kolkata and Bangalore) are on contract manufacturing basis. Its distribution network includes 235+ super stockists and more than 3,800 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