



Ref No.: PSL/2020-21/CS/SE/55

Date: 6<sup>th</sup> November, 2020

To, Listing Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No. C/1, G Block Bandra Kurla Complex Bandra ( E), Mumbai -400 051  Symbol: DIAMONDYD	To, Corporate Relationship Department <b>BSE Limited</b> P.J. Towers, Dalal Street Mumbai- 400 001  Security Code: 540724 Security ID : DIAMONDYD
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**Sub.: Corporate Presentation of the Company for the quarter and half year ended 30<sup>th</sup> September, 2020**

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Corporate Presentation of the Company for the quarter and half year ended 30<sup>th</sup> September, 2020.

The aforesaid presentation is also available on the Company's website [www.yellowdiamond.in](http://www.yellowdiamond.in)

This is for your information and records.

Thanking you,

Yours faithfully,

**For Prataap Snacks Limited**

**Om Prakash Pandey**

Company Secretary & Compliance Officer



Encl: As above

**Prataap Snacks Limited**

(Formerly known as Prataap Snacks Pvt. Ltd.)

Office : Khasra No. 378/2, 378/1/4, Nemawar Road, Near Makrand House, Gram : Palda, Dist. : Indore (M.P.) India  
Phone : ++91-731-2437600, 2437602-10 E-mail : [info@yellowdiamond.in](mailto:info@yellowdiamond.in)

CIN No. L15311MP2009PLC021746

# PRATAAP SNACKS LIMITED

## Q2 & H1 FY21 - Results Presentation



November 2020

# 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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Q2 & H1 FY'21 Results



*Commenting on Q2 & H1 FY'21 performance, Mr. Amit Kumat - Managing Director & CEO, Prataap Snacks Limited said:*

*“With the resumption of activity across the country, we have witnessed a strong recovery in performance in Q2 compared to Q1. In Q2, we have smoothed out all production and supply side disruptions and ramped up operational capacity across all plants. We continue to experience high volatility in the price of Palm oil, a key raw material, and are actively working to mitigate the impact through process re-engineering and cost optimization initiatives.*

*Demand is yet to fully rebound as most schools, colleges and multiplexes remain closed while there is limited traffic at railways stations and highways. We expect further recovery and expect demand to revert to pre-COVID levels in the third quarter.”*

- Improvement in demand witnessed in Q2 FY21 leading to encouraging revenue growth of 67% Q-o-Q
  - Witnessed a sharp rebound in sales as the lockdown restrictions were lifted
  - Distributors and 3P facilities gradually ramped up operations and have reached 85% of Pre-COVID levels
  - Contribution from 3P facilities came in at 22% for the quarter
  
- Slight improvement in Gross Margins as cost saving measures helped to offset the effects of volatile price of key raw materials
  - Persistent fluctuations in key raw materials, such as palm oil continued to affect margins during the quarter
  - The impact was partially mitigated through process re-engineering and cost optimization
  - Maintaining focus on enhancing efficiencies and cost optimisation

# Financial Overview



## *In Q2 FY21 (QoQ basis), PSL reported:*

- Revenue of Rs. 3,267.0 million, registering growth of 66.9% QoQ
- Operating EBITDA of Rs. 233.5 million, higher by 183.4% QoQ
- PAT stood at Rs. 84.4, higher by 241.6% QoQ

## *In Q2 FY21 (YoY basis), PSL reported:*

- Revenue of Rs. 3,267.0 million, registering de-growth of 15.8% yoy
- Operating EBITDA of Rs. 233.5 million, translating to a margin of 7.1%
- PAT stood at Rs. 84.4 million and EPS (Diluted) stood at Rs. 3.60 per share

## *In H1 FY21, PSL reported:*

- Revenue of Rs. 5,224.3 million, registering de-growth of 27.3% yoy
- Operating EBITDA of Rs. 315.9 million, translating to a margin of 6.0%
- PAT stood at Rs. 24.8 million and EPS (Diluted) stood at Rs. 1.06 per share



# Abridged P&L Statement

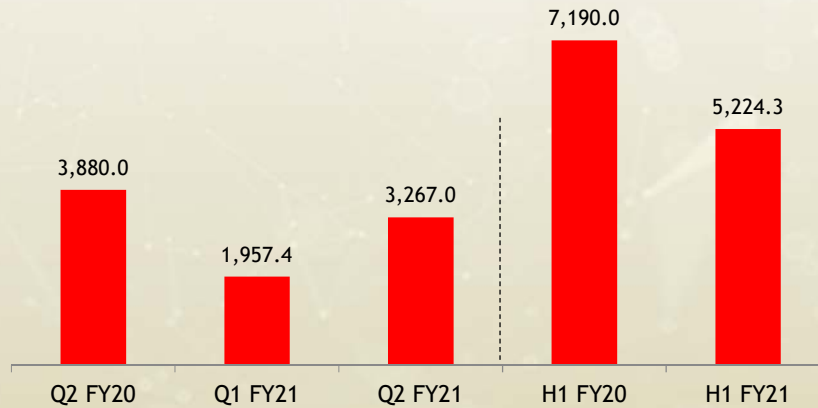


Particulars	Q2 FY'21	Q2 FY'20	Y-o-Y Change (%)	Q1 FY'21	Q-o-Q Change (%)	H1 FY'21	H1 FY'20	Y-o-Y Change (%)
Income from Operations	3,267.0	3,880.0	-15.8	1,957.4	66.9%	5,224.3	7,190.0	-27.3%
Raw Material Cost	2,289.9	2,718.5	-15.8	1,405.2	63.0%	3,695.1	5,052.0	-26.9%
Gross Profit	977.1	1,161.5	-15.9	552.2	77.0%	1,529.2	2,138.0	-28.5%
<i>Gross Margins</i>	29.9%	29.9%	-	28.2%	170 bps	29.3%	29.7%	-47 bps
<b>EBITDA</b>	233.5	<b>311.5</b>	-25.0	<b>82.4</b>	183.4%	315.9	<b>583.6</b>	-45.9%
<i>EBITDA Margins</i>	7.1%	8.0%	-90 bps	4.2%	290 bps	6.0%	8.0%	-200 bps
Depreciation	126.9	158.1	-19.7%	159.5	-20.4%	286.5	310.9	-7.9%
Interest	15.9	20.7	-23.2%	17.4	-8.6%	33.3	41.5	-19.8%
<b>Profit After Tax</b>	84.4	<b>119.9</b>	-29.6%	<b>(59.6)</b>	241.6%	24.8	<b>216.4</b>	-88.5%
EPS (Diluted) in Rs.	3.60	5.11	-29.6%	(2.54)	241.6%	1.06	9.23	-88.5%

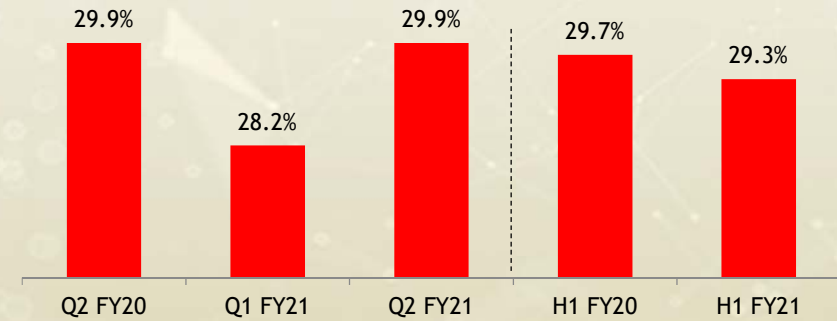
# Financials - Q2 & H1 FY'21 Performance



## INCOME FROM OPERATIONS

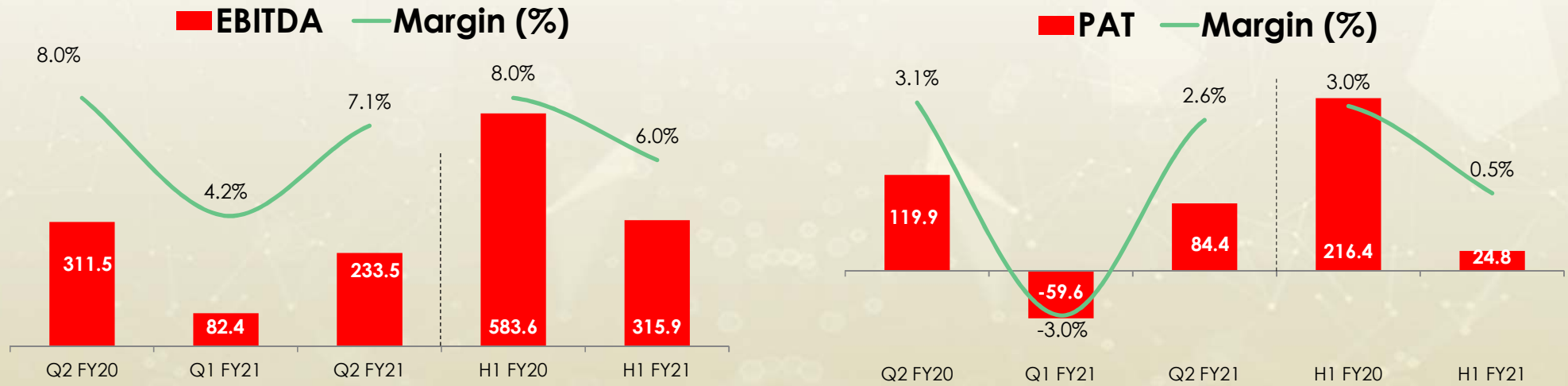


## Gross Margin (%)



- Income from operations in Q2 FY'21 stood at Rs.3,267 mn, rebounding sharply from the lows in Q1FY'21
- Gross margins stood at 29.9% in Q2 FY'21 - slight increase on a QoQ basis
  - Mitigated the impact of higher input prices through cost optimization and process re-engineering initiatives

# Financials - Q2 & H1 FY'21 Performance



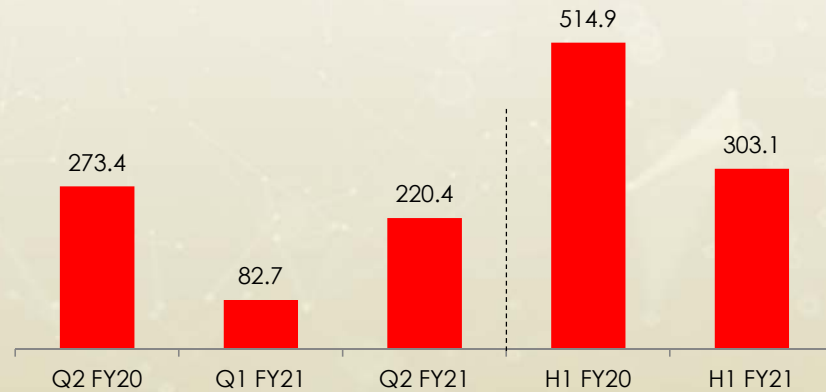
- EBITDA for Q2 FY'21 stood at Rs. 233.5 mn, higher by 183.4% on a QoQ basis
  - With the revival in sales, EBITDA improved sharply on a sequential basis
- Profit after Tax for Q2 FY'21 stood at Rs. 84.4 million at a margin of 2.6%

CONSOLIDATED FINANCIALS, IN RS. MILLION

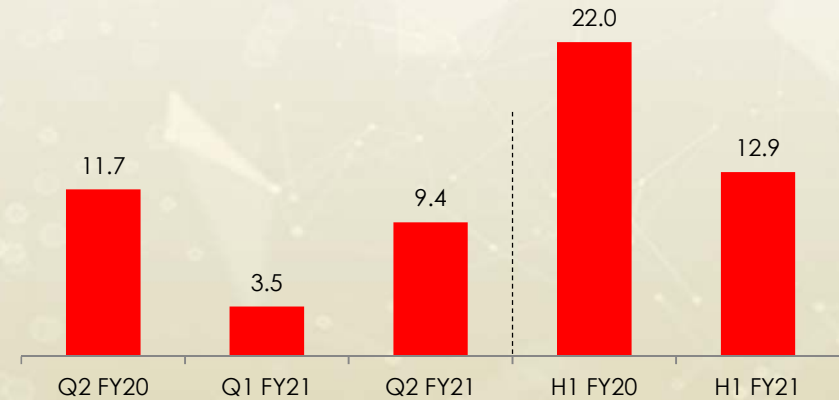
# Financials - Q2 & H1 FY'21 Performance



## Cash Profit



## 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





Impact of COVID-19 and  
Initiatives taken

# Q2 FY'21 - Strong Rebound post Unlocking



## Revival in growth after nationwide reopening begins

- Witnessed a revival in demand and an uptick in sales versus Q1FY21
- Augmented go to market strategy to enhance distribution efficiency
- Average utilization levels increased to 85% in Q2FY21 from an average of 55% in Q1FY21



While demand has recovered to 85% of pre-COVID levels, institutional sales continue to face challenges due to:

- School, Colleges, cinema halls and multiplexes remain shut adversely impacting impulse purchases
- Mass transport services such as rail, road travel and airlines which are operating at significantly reduced capacities affecting the demand for products

**Despite these challenges, expect further recovery in Q3FY21 with demand reverting to pre-COVID-19 levels**



# Focus continues to be on enhancing Profitability



- Various initiatives have been taken to restore production at owned and 3P facilities
  - The operational difficulties that occurred at the beginning of the lockdown have now been mitigated
  - Undertook cost optimization and process re-engineering initiatives to mitigate the effects of volatile palm oil prices
  - Maintaining focus on the 4-pillar growth strategy to return to targeted revenue growth
  - Amidst the turbulence, teams remained committed to continued innovation
    - **Launched Plain Cut Chips as a part of introducing new products in the market**
- The Company enjoys a comfortable financial position with robust liquidity
  - Can quickly scale up capacity headroom to respond to market demand
  - No major CAPEX spends planned other than maintenance CAPEX
  - No immediate requirement for debt or capital infusion



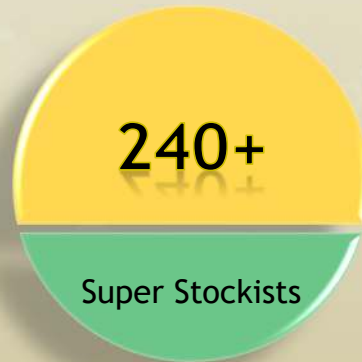
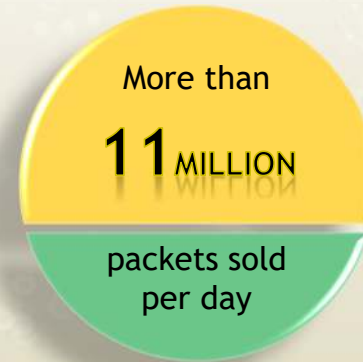




## Company Overview



# Prataap Snacks at a Glance



\*[5 Inhouse plants and 9 contract manufacturing units (3P)]

# Diverse Product Portfolio



POTATO CHIPS

- Potato based snack
- SKUs: 10 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: 11 flavours
- Target group: Children



NAMKEEN

- Gram based
- SKUs: 22 varieties
- Target group: All



PELLET SNACKS

- Wheat based
- SKUs: 5 flavours
- Target group: Children



CUP CAKE, TIFFIN CAKE & SANDWICH CAKE

- Cake variations with Chocolate fillings
- SKUs: 9 flavour
- Target group: Children and Youth



NAMKEEN & FRYUMS

- Namkeen and Fryums catering to local tastes
- SKUs: 55 varieties
- Target group: All

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



Fastest growing and fourth largest snacks player in Gujarat



~6% market share in Gujarat, one of the largest market



22% revenue CAGR over the past 3 years



Avadh Snacks delivered a robust topline performance for FY '20

## 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:** Adults

### Fryums



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

**Price Point:** Rs. 5, 10,

**SKUs:** 21 varieties

**Target group:** Children

# Avadh Snacks - Unique Business model & Expansion plans



## Business Model

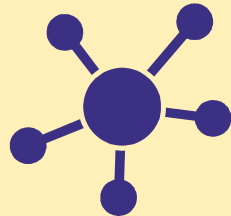


### Avadh has a Unique Business model

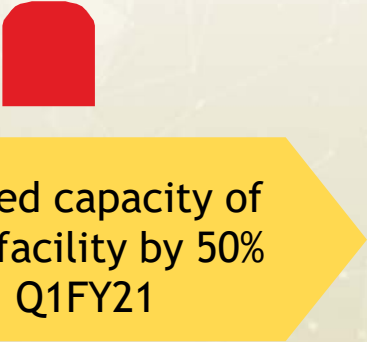
- Super Value Player offering higher value for Money to consumers.

### Direct Distribution model

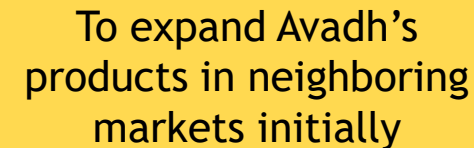
- Manufacturing facility at Rajkot and a well-oiled distribution network in Gujarat
- Established facility in close proximity to markets to reduce distribution costs
- Direct supplies to distributors without any C&F / super stockist



## Expansion plans



Increased capacity of Rajkot facility by 50% in Q1FY21



To expand Avadh's products in neighboring markets initially

Pan India expansion using Prataap's existing distribution



# Sweet Snacks Portfolio



## Cookie-Cake

- SKU's - 3
- Target group - Youth and Children



## Center Filled Cup Cake

- SKU's - 2
- Target group - Youth and Children



## Choco Vanilla Cake

- SKU's - 1
- Target group - Youth and Children



## Yum Cake

- SKU's - 1
- Target group - Youth and Children



## Tiffin Cake

- SKU's - 1
- Target group - Youth and Children



## Sandwich Cake

- SKU's - 3
- Target group - Youth and Children

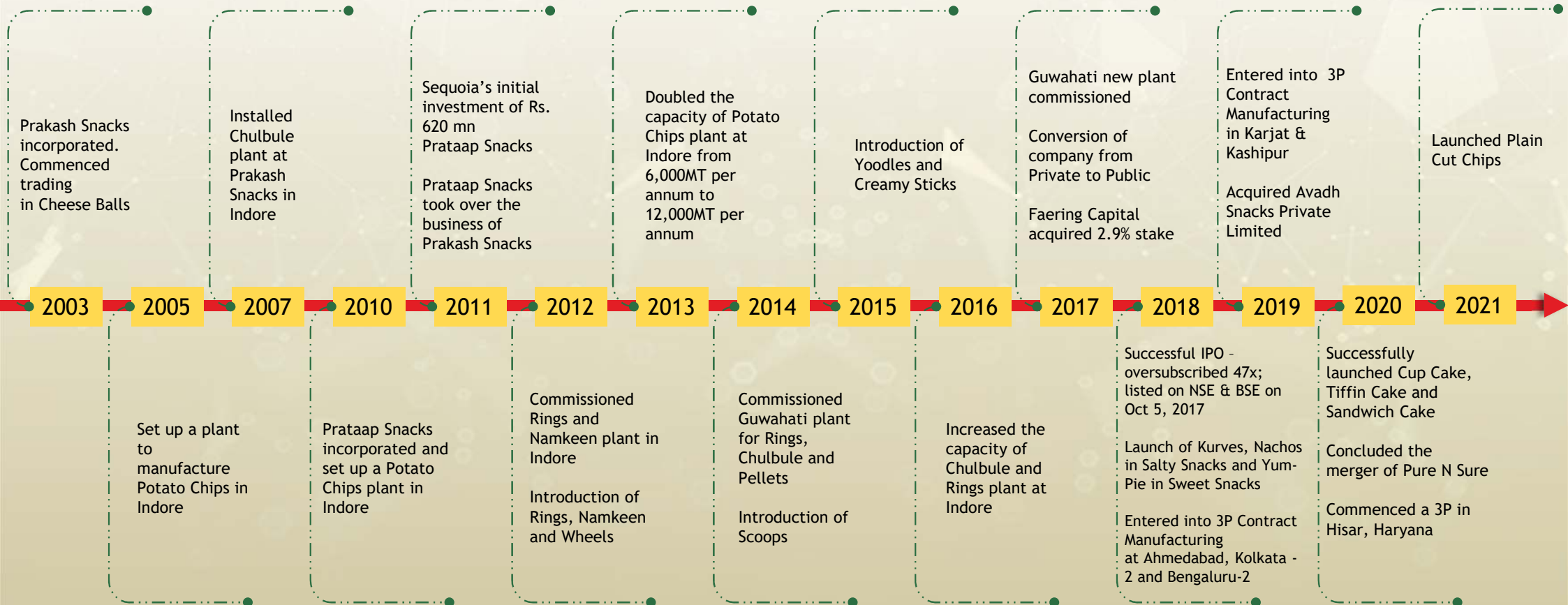
*Diverse product portfolio at strategic price points and pack sizes*

# Track Record of Innovation



**Note:** As per Financial Year

# Key Milestones

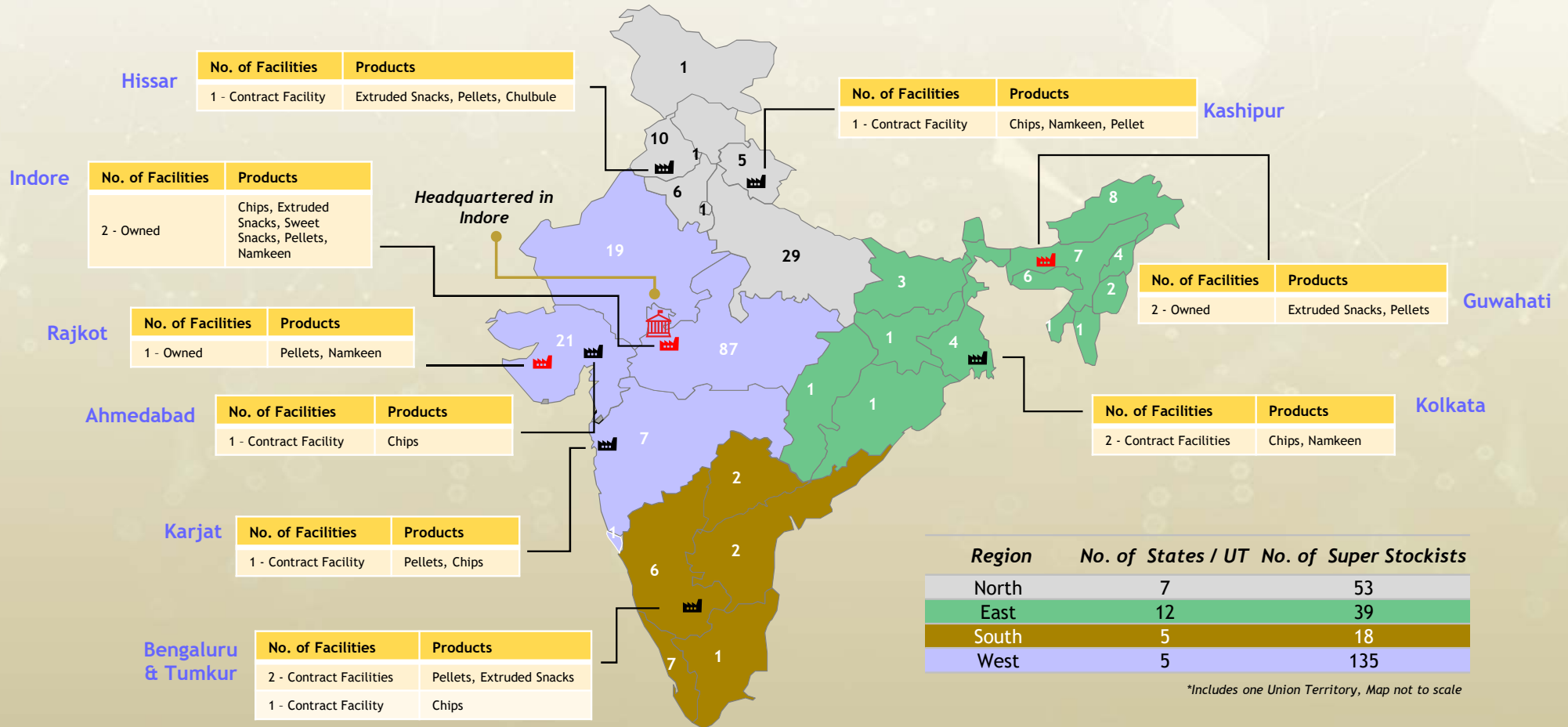


**Note:** As per Financial Year

# Pan India Presence



## Strategically located Manufacturing facilities to cater the regional demand



Hissar

No. of Facilities	Products
1 - Contract Facility	Extruded Snacks, Pellets, Chulbule

No. of Facilities	Products
1 - Contract Facility	Chips, Namkeen, Pellet

Kashipur

Indore

No. of Facilities	Products
2 - Owned	Chips, Extruded Snacks, Sweet Snacks, Pellets, Namkeen

Headquartered in Indore

No. of Facilities	Products
2 - Owned	Extruded Snacks, Pellets

Guwahati

Rajkot

No. of Facilities	Products
1 - Owned	Pellets, Namkeen

No. of Facilities	Products
2 - Contract Facilities	Chips, Namkeen

Kolkata

Ahmedabad

No. of Facilities	Products
1 - Contract Facility	Chips

Karjat

No. of Facilities	Products
1 - Contract Facility	Pellets, Chips

Bengaluru & Tumkur

No. of Facilities	Products
2 - Contract Facilities	Pellets, Extruded Snacks
1 - Contract Facility	Chips



# Guided by an Accomplished Board



**Arvind Mehta**

*Chairman & Executive Director*

Over 31 years of experience in real estate business along with over 17 years in the snacks food industry and in the financing business



**Amit Kumat**

*Managing Director & CEO*

Managing Director and Chief Executive Officer  
Over 24 years in the snacks food industry



**Apoorva Kumat**

*Executive Director (Operations)*

Over 24 years of experience in the snacks food industry



**G.V. Ravishankar**

*Non-Executive Nominee Director  
MD (Sequoia Capital)*

Over 19 years in management consultancy & PE investments. Previously worked at McKinsey & Company and Wipro Technologies



**Vineet Kumar Kapila**

*Independent Director*

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



**Haresh Ram Chawla**

*Independent Director*

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



**Chetan Kumar Mathur**

*Independent Director*

Ex-CFO PepsiCo India (Snacks)  
31 years of experience in F&B industry, worked with PepsiCo India for 23 years



**Mr. V.T. Bharadwaj**

*Independent Director*

General Partner at A91 Partners  
Over 19 years in management consultancy & PE investments. Previously worked with Sequoia Capital and McKinsey & Company



**Anisha Motwani**

*Independent Director*

Partner (Storm the Norm Ventures)  
Earlier with General Motors India & Max Life Insurance Company

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

# Helmed by a Professional Management Team



Corporate functions



**Mr. Arvind Mehta**  
*Chairman & Executive Director*

Over 31 years of experience in real estate business along with over 17 years in the snacks food industry and in the financing business



**Mr. Amit Kumat**  
*Managing Director and Chief Executive Officer*

Over 24 years in the snacks food industry



**Mr. Apoorva Kumat**  
*Executive Director*

Over 24 years of experience in the snacks food industry



**Mr. Sumit Sharma**  
*Chief Financial Officer*

Member of Institute of Chartered Accountants of India. He has over 18 years of experience in accounting, finance, banking and taxation and worked with Crompton Greaves, L&T and New Holland Group

# Helmed by a Professional Management Team



Corporate functions



**Mr. Subhashis Basu**  
*Chief Operating Officer*

He holds bachelor degree in Science (Economics). He has over 28 years of experience in the FMCG industry and worked with Parle, PepsiCo India and Mother Dairy



**Mr. Subhash Bhatt**  
*Vice President - Operations*

He holds bachelor degree in Technology. He has over 24 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Deepak Brahme**  
*Vice President - Operations*

He holds bachelor degree in Science. He has over 24 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. Raj Kumar Kalra**  
*General Manager Sales - North*

He holds bachelor degree in Arts. He has around 32 years of experience in the FMCG industry and worked with Moon Beverages, Aqua Minerals, Super Cassettes and Paras Aqua

# Helmed by a Professional Management Team



Corporate functions



**Mr. Awadh B. Singh**  
*General Manager Sales - East*

He holds bachelor degree in Science. He has over 32 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro



**Mr. Mahesh Purohit**  
*General Manager Sales - West*

He holds bachelor degree in Commerce. He has over 23 years of experience in the FMCG industry and worked with Parke-Davis, BPL Synergy and Candico



**Mr. D.V. Praveen Kumar**  
*General Manager Sales - South*

He holds bachelor degree in Commerce. He has over 32 years of experience in the field of beverages & food, FMCG, dairy, confectionaries, cosmetics and edible and worked with PepsiCo for more than 21 years



**Mr. Om Prakash Pandey**  
*Company Secretary and Compliance Officer*

Fellow Member of the Institute of Company Secretaries of India. He has over 14 years of experience in corporate laws and secretarial matters and worked with NSE, Great Offshore, Avantika Gas and Universal Cables





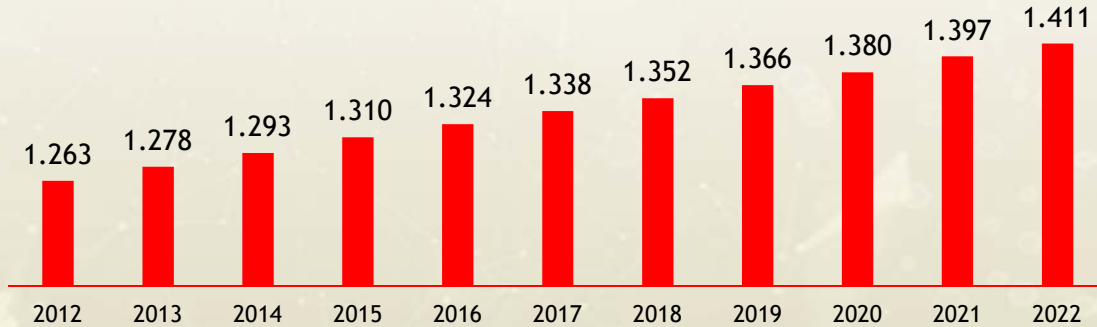
Industry Overview



# Favourable Demographics Supporting Industry Growth

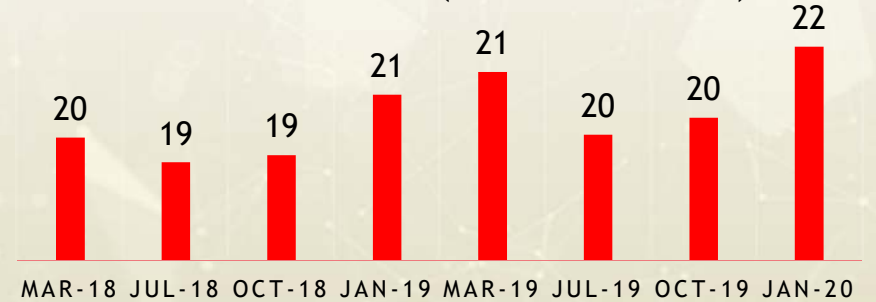


## POPULATION TREND (BILLIONS)



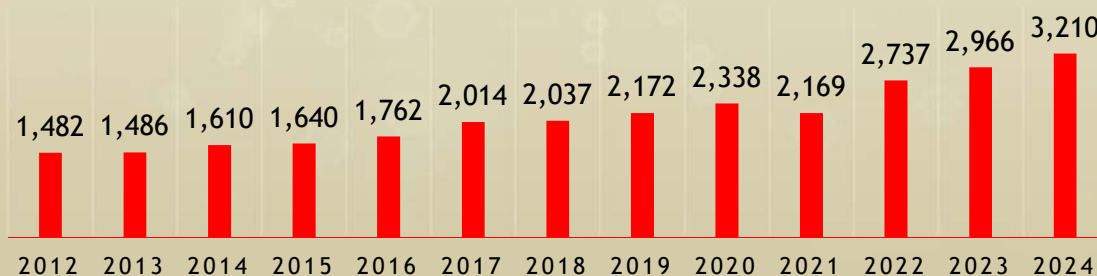
Source: World Population Review

## INDIA'S ANNUAL CONSUMER EXPENDITURE (RS. TRILLION)



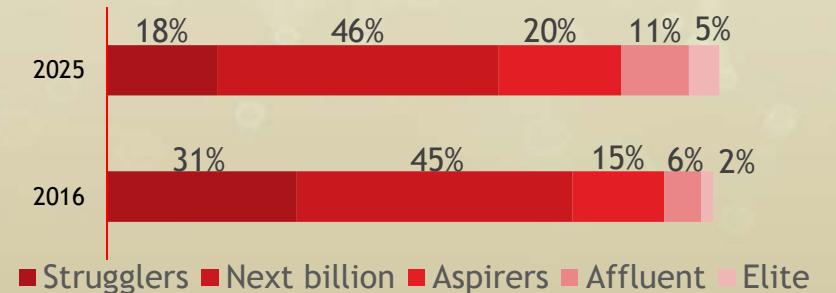
Source: [www.statista.com](http://www.statista.com)

## GDP PER CAPITA AT CURRENT PRICES (US\$)



Source: [www.statista.com](http://www.statista.com)

## RISING AFFLUENCE AND DISPOSABLE INCOME

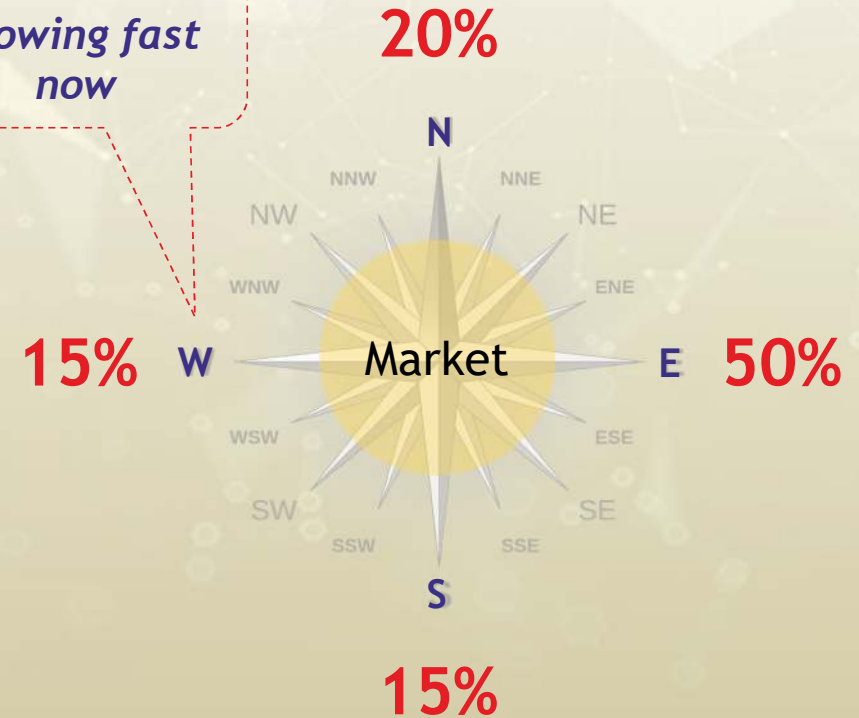


Source: World Economic Forum Report: Future of Consumption in Fast-Growth Consumer Markets - India

# Sweet Snacks Industry - Characteristics



*West is growing fast now*



# 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 14 manufacturing facilities of which 5 facilities (Indore 1&2, Assam 1&2 and Gujarat) are owned and 9 facilities [located in (2) Ahmedabad, (2) Kolkata, (2) Bangalore, Kashipur, Karjat and Hissar) 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 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 bylanes 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

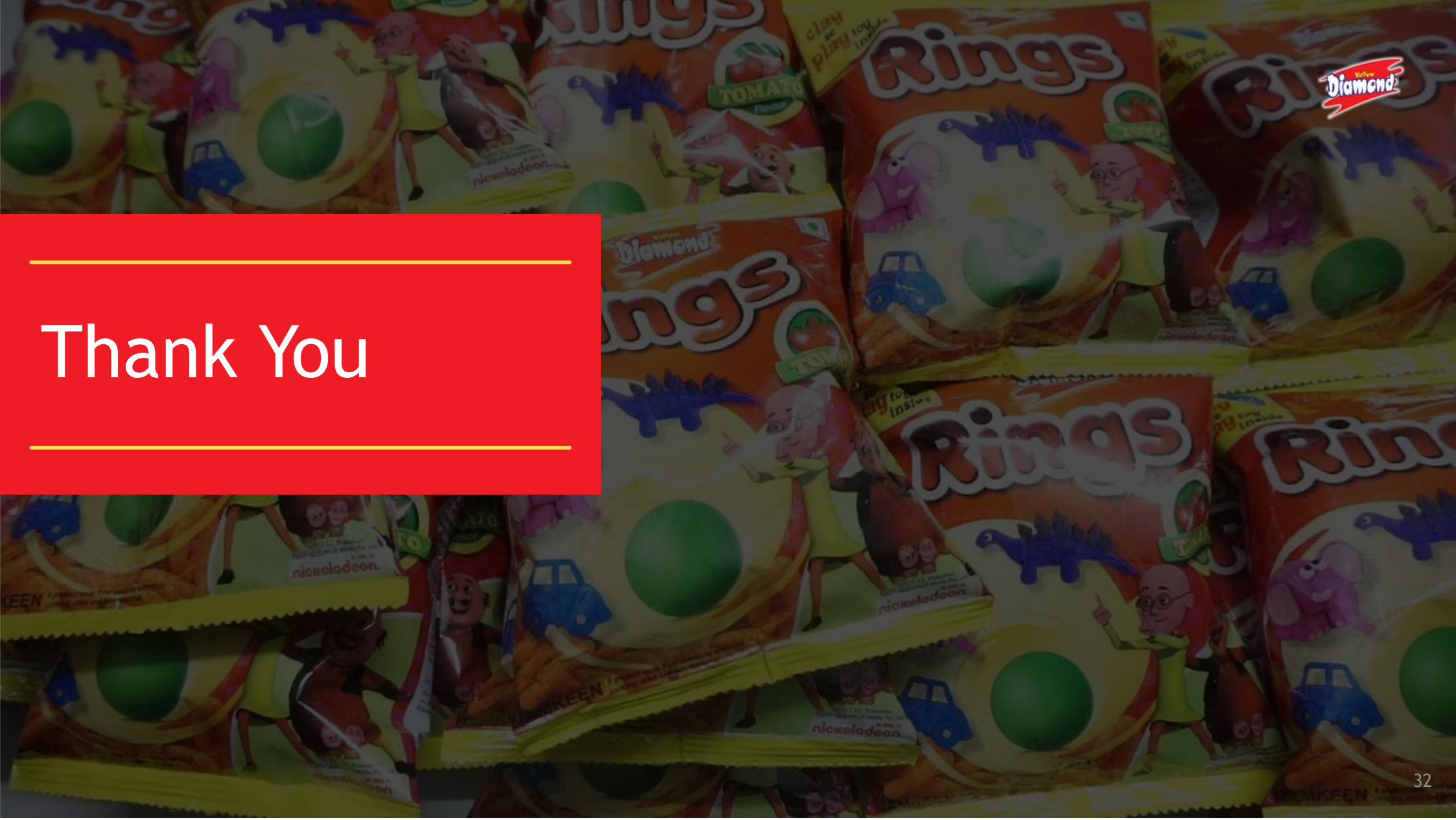
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CDR India

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[karl@cdr-india.com](mailto:karl@cdr-india.com)



Thank You