



Ref. No.: PSL/2023-24/CS/SE/67

Date: 7th February, 2024

To, Listing Department National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 Symbol: DIAMONDYD	To, Corporate Relationship Department BSE Limited P.J. Towers, Dalal Street, Mumbai - 400 001 Security Code: 540724 Security ID: DIAMONDYD
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Subject: Investor Presentation for the quarter and nine months ended 31st December, 2023

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Investor Presentation for the quarter and nine months ended 31st December, 2023.

The aforesaid presentation is also being made available on the Company's website www.yellowdiamond.in

This is for your information and records.

Thanking you,

Yours faithfully,

For **Prataap Snacks Limited**

Amit Kumat
Managing Director and Chief Executive Officer

Encl.: As above

Prataap Snacks Limited

CIN: L15311MP2009PLC021746

Registered Office : Khasra No. 378/2, Nemawar Road, Near Makrand House, Palda, Indore, Madhya Pradesh -452 020, India
Telephone : 91-731-2439999 E-mail : info@yellowdiamond.in Website : www.yellowdiamond.in



PRATAAP SNACKS LIMITED

Q3 FY24 Earnings
Presentation

7 February 2024





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.





THE MAIN INGREDIENTS: *Company Overview*



COMPANY AT A GLANCE



Large, compounding market

INR 438 Bn market
Growing at 14% CAGR⁽¹⁾



Market leadership

Market Leader in Rings and
Extruded Snacks,
Top 5 in Western Savoury Snacks



Significant revenue scale

FY23 Revenue of INR ~ 16.5 Bn
9-year revenue CAGR: 18%⁽²⁾



Diverse product portfolio

Over 125 SKUs across Potato
Chips, Extruded Snacks,
Namkeen and Sweet Snacks



Nationwide manufacturing & distribution footprint

13 manufacturing facilities;
Presence across ~2.2 Mn retail
outlets



Experienced Leadership

Founder-led management
team guided by an able
Board



Source: Nielsen.

(1): As of 2023, CAGR for last 5 years.

(2): Revenue CAGR from FY14 to FY23.



KEY MILESTONES



2003

Company founded

2007

Installed Chulbule plant at Prakash Snacks in Indore

2012

Doubled the capacity of Potato Chips plant at Indore

2016

Guwahati new plant commissioned

2018

Forayed into Sweet Snacks

Entered into 3P Contract Manufacturing

at Kolkata -2 and Bengaluru-2

Acquired Avadh Snacks – a leading regional player in Gujarat

2020

Converted 3P facility to owned in Bengaluru, Karnataka

Commenced 3P manufacturing at Kanpur

2022

Completed restructuring of distribution pyramid

Commissioned facility in Kolkata for Extruded Snacks

Concluded merger with Avadh Snacks

2024

Consolidation of Manufacturing Units in Eastern Region. Shifted machinery from Guwahati-1 Unit to other units

Emerges as market leader in Extruded Snacks category in India

2011

Sequoia's initial investment of Rs. 620 mn Prataap Snacks
Launched Rings, Namkeen and Wheels

2014

Commissioned Guwahati plant for Rings, Chulbule and Pellets
Introduction of Scoops

2017

Successful IPO – oversubscribed 47x; listed on NSE & BSE on Oct 5, 2017

2019

Commenced 3P manufacturing at Hisar

Expanded range in sweet snacks through launch of Cup Cake, Tiffin Cake and Sandwich Cake

2021

Launched Swiss Rolls

Received approval under PLI Scheme of Government of India

2023

Commissioned facility in Kolkata for Extruded Snacks

Concluded merger of Avadh Snacks



Corporate development

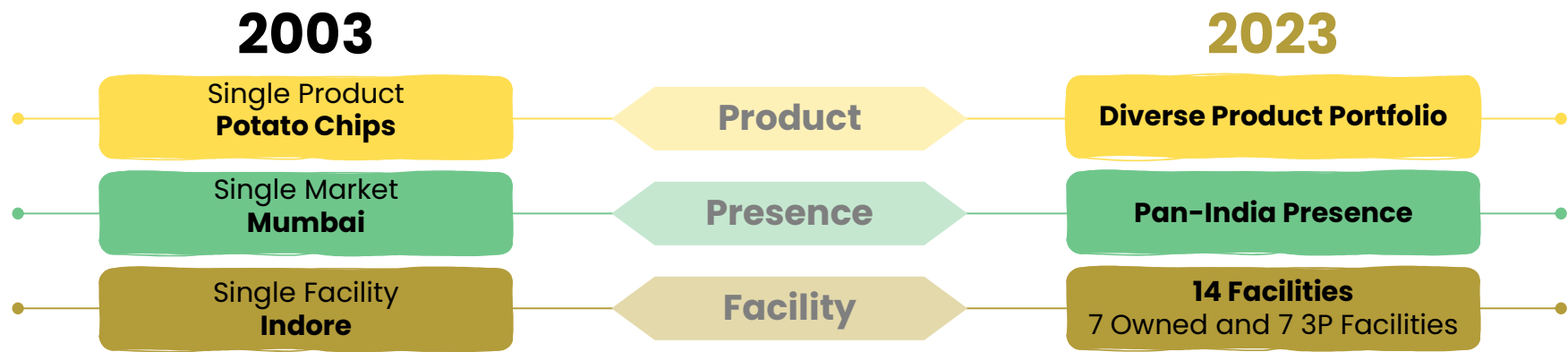


Category expansion



Geographical expansion / Facility Addition

COMPANY EVOLUTION



Snapshot of Recent Growth









2014	2023
Rs. 446 Cr	Rs. 1,653 Cr
40+	125+
3 Facilities	14 Facilities

9 yr Revenue CAGR – 18% despite Covid impact



DIVERSE PRODUCT PORTFOLIO

Appealing to consumers and trade partners

CATEGORIES	% of FY23 Revenue	PRODUCTS
 <p>Extruded Snacks</p>	58%	 <p>Chulbule Rings Wheels Pellets Scoops Puff Stix</p>
 <p>Potato Chips</p>	23%	
 <p>Namkeen</p>	16%	
 <p>Sweet Snacks</p>	3%	 <p>Cookie-Cake Center Filled Cup Cake Choco Vanilla Cake Tiffin Cake Mango Cake Swiss Roll</p>



Market Leader in Rings and Extruded Snacks, Top 5 in Western Savoury Snacks




BRANDING & MARKETING

Brand seen to be energetic and vibrant

Brand Philosophy

Consumer oriented focus

Providing value in multiple ways – great taste, high quality ingredients, vibrant packaging, reasonable price

Dildaar hain
hu♡

Brand tagline encapsulates the philosophy of delivering value to the customer

Current Associations / Brand Ambassadors



Past Associations / Brand Ambassadors



OPERATIONAL EXCELLENCE

Powered by tech and automation



Data Analytics

Experienced Sales Analytics department working with advanced BI Tools

Profitability being regularly monitored and tracked at region as well as SKU level to enable decision making



Production Automation

Complete ERP Solution to manage production processes; Software deployed to manage grammage during packing process

Using advanced WMS software to manage FG inventory



Sales Automation

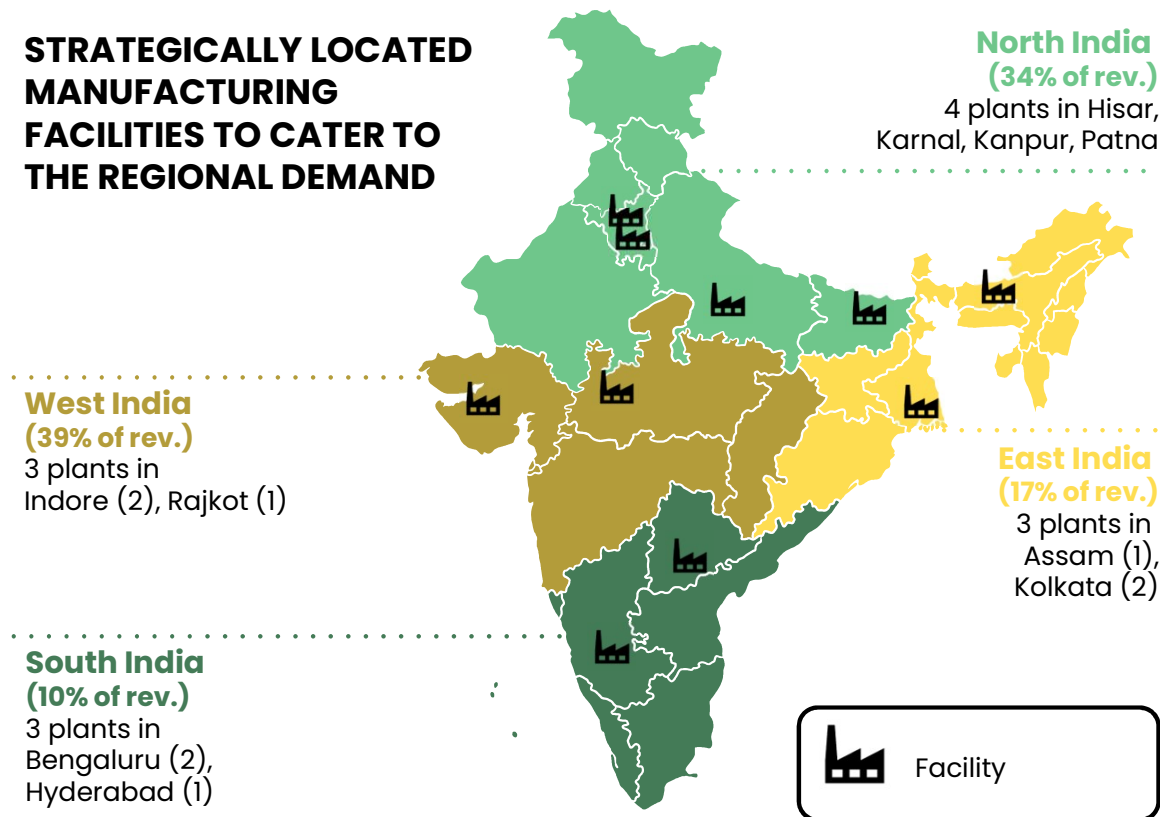
State-of-the-art SFA being used to guide sales team with assisted order taking

To identify gaps in market and optimize sales routes through geotagging of outlets

ESTABLISHED MANUFACTURING NETWORK

Reduced distribution costs; Improved time-to-market; Disciplined investment mindset

STRATEGICALLY LOCATED MANUFACTURING FACILITIES TO CATER TO THE REGIONAL DEMAND



Nationwide manufacturing footprint

- Optimised distribution cost
- Faster time-to-market



Leveraging mix of contracted and owned manufacturing

- Disciplined investment approach: Scale-up after proving market viability

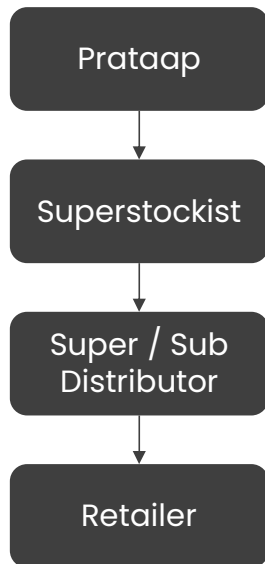


Notes: Revenue by geography based on FY23. Facility in Guwahati (Unit 1) de-commissioned in January 2024 and machineries shifted to other units

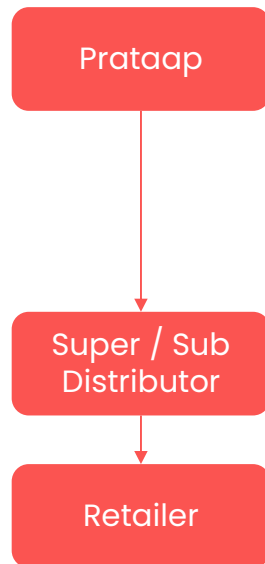
OPTIMISED DISTRIBUTION MODEL

Direct distribution model on a nationwide scale

OLD
DISTRIBUTION
MODEL



DIRECT
DISTRIBUTION
MODEL



Shifted to a direct distribution model upon hitting critical scale

- Decentralized manufacturing footprint allows us to supply directly to distributors
- Reduced distribution costs (realized ~3% improvement in EBITDA margin)

Amongst one of very few Snacks food players in India with a pan-India distribution network

- Supported by over 5,200 super/sub distributors reaching ~2.2M touchpoints across India
- Ability to tap growth across all parts of India

OUR ESG APPROACH

Cornerstones of doing good business




- Actively working in accordance with Uniform Framework for Extended Producers Responsibility (EPR) issued by the Ministry of Environment, Forest, and Climate Change
- We engage in mass collection for processing and disposal of empty packets in collaboration with accredited NGOs in several states.
- We are also exploring development and use of recyclable packaging laminate with our suppliers
- Aligned to the strategy to combat climate change and transition to a low carbon economy, our aim is to reduce our carbon footprint and reduce our energy consumption
- This will be realised through adopting solar energy in factories, increasing the use of non-fossil fuels at manufacturing facilities, incorporating energy efficient building designs, implementing energy efficient devices and implementing automated energy management solutions
- Use of bio-mass briquettes for generating heat for manufacturing process, currently representing over 45% of fuel cost
- Our newly-installed Effluent Treatment Plant (ETP) and Reverse Osmosis unit at Indore plant is helping to recycle the used water from production units which is then reused
- This has led to initial savings in overall water consumption
- We also aim to minimise our freshwater requirements through our rainwater harvesting initiative.

STRONG 'VALUE-FOR-MONEY' BRAND

Appealing to customers across socio-demographic profiles

CATEGORIES



Extruded Snacks



Potato Chips



Namkeen



Sweet Snacks



- Rings, Kurves, Puff, Stix
- Chulbule
- Pellets

Potato Chips

Namkeen

Sweet Snacks

CHILDREN



✓✓
✓✓
✓✓
✓✓
✓✓
✓✓

YOUTH



✓✓
✓✓
✓✓
✓✓
✓✓

ADULTS/FAMILY



✓✓
✓✓

Targeting value for money segment

Guided by an Accomplished Board



Mr. Arvind Mehta
Chairman & Executive
Director



Mr. Amit Kumart
Managing Director and CEO



Mr. Apoorva Kumart
Executive Director
(Operations)



Bharat Singh
Non-executive Nominee Director



Vineet Kumar Kapila
Independent Director



Chetan Kumar Mathur
Independent Director



Mr. V.T. Bharadwaj
Independent Director



Anisha Motwani
Independent Director

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



ESSENTIAL FLAVOURS:

Growth Strategies and Financial Progress

STRATEGIC INITIATIVES

Executing on a clear roadmap for robust and disciplined growth

TOP LINE GROWTH



Expand Namkeen Footprint

~44% of snacks industry (but currently contributes to around 16% of our revenue⁽¹⁾)



Range Selling & Drive mix of larger packs

Increase range selling and volumes of larger pack sizes



Disciplined Product Innovation and Geographical Expansion

Drive SKU Expansion in core categories and continue to add touchpoints in distribution network

BOTTOM-LINE & CASH FLOW FOCUS



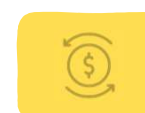
Direct Distribution Model & Channel optimization

Reducing distribution costs and time-to-market



Levers to Improve Margins

Product portfolio pruning, improving productivity, reduction in operational costs and overheads



Working Capital Improvement

Seeking efficiencies to unlock cashflows and improve returns



Source: Nielsen.
(1): Based on FY23 Revenue.

MEASURES TO ENHANCE PROFITABILITY AND RETURNS



Bottom slicing

- Reasons for lesser volumes being identified, and levers are worked on to improve them
- Indirect expenses are being saved by discontinuing less popular products



Capacity expansion

- Selective capacity expansion in target markets
- Leveraging opportunity from PLI scheme to enhance presence in high-potential underpenetrated markets



Compression of distribution structure

- PSL has implemented direct distribution across all regions, ahead of schedule
- This results in savings through lower trade margins and freight optimization



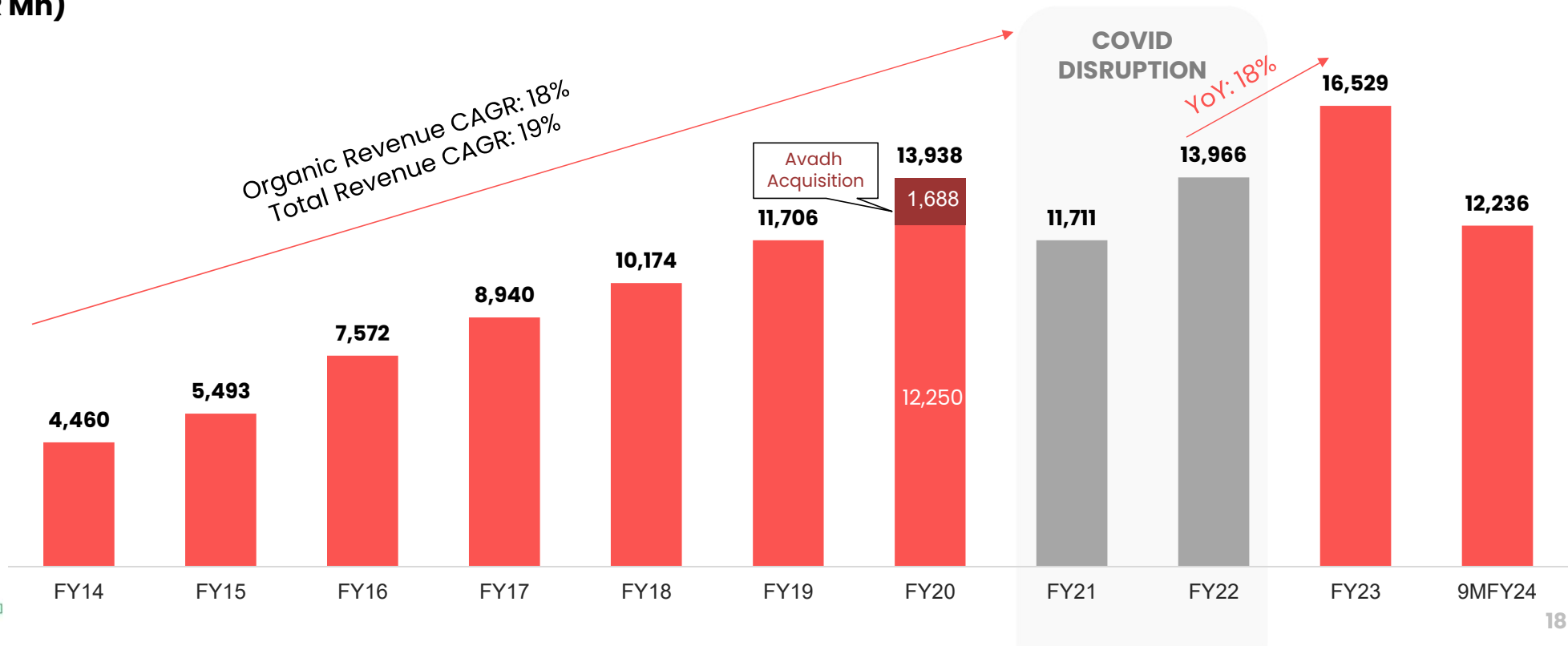
Establishing hubs across India

- PSL has established hubs in all the manufacturing facilities
- These hubs will have the entire product range and cater to proximate markets in order to optimise distribution with cost efficiency

ROBUST REVENUE GROWTH

Consistent execution track record

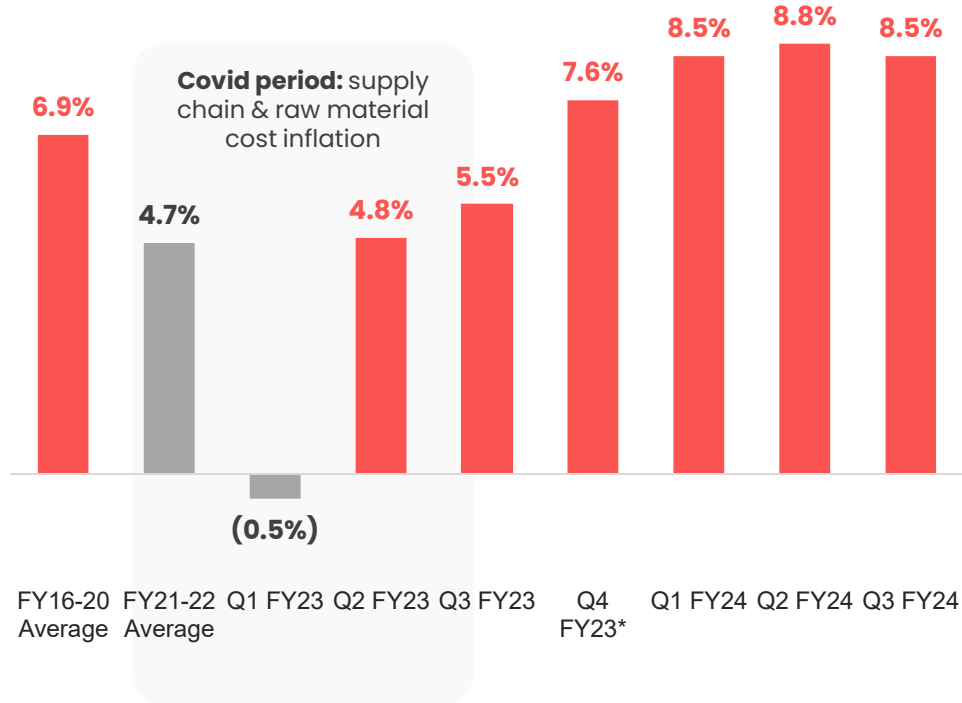
TOTAL REVENUE (INR Mn)



EBITDA MARGIN RECOVERY

On the back of recent stabilization of volatile raw material prices

EBITDA MARGIN (%)



5 year (FY16–FY20) average EBITDA margin was 6.9%.

In FY21–22 and FY22–23, there was impact on margin due to:

- Operating deleverage due to Inflationary trends in the overall environment affected consumer demand
- Sharp increases in raw material prices, especially palm oil & packaging materials

The Company undertook following steps to structurally improve the margins:

- Compression in the overall distribution structure
- Process improvements through automation efforts, portfolio pruning and better average realisation
- Long term contracts to mitigate fluctuations in input prices

On the back of these initiatives' margins have shown significant improvement over last 5 quarters and surpassed pre-COVID levels with scope to improve further

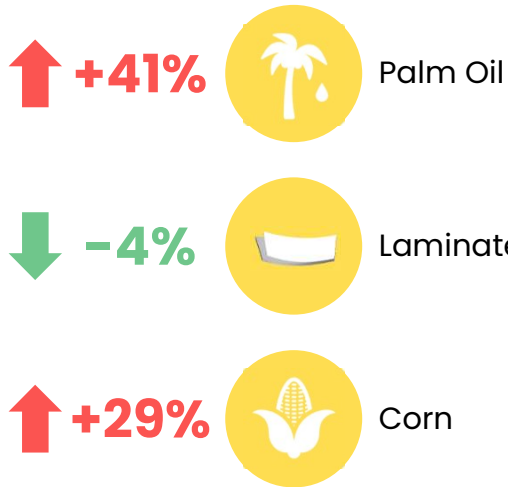


*Adjusted EBITDA represents EBITDA excluding reversal of Production Linked Incentive of Rs. 112.9 million

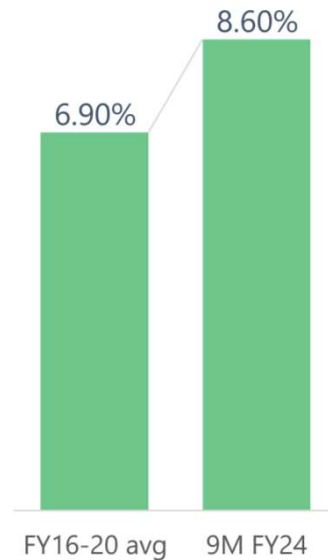
OVERCOMING COST PRESSURES

UNDERTOOK MULTIPLE INITIATIVES TO OVERCOME SHARP RISE IN INPUT PRICES

RM/PM Price Increase from
FY16-20(avg) to 9M FY24



EBITDA MARGIN(%)



There was sharp inflation in RM prices during the period compared to the average during FY16-FY20

In addition to RM prices inflation there has been a significant increase in costs of Power and Fuel as well as overheads

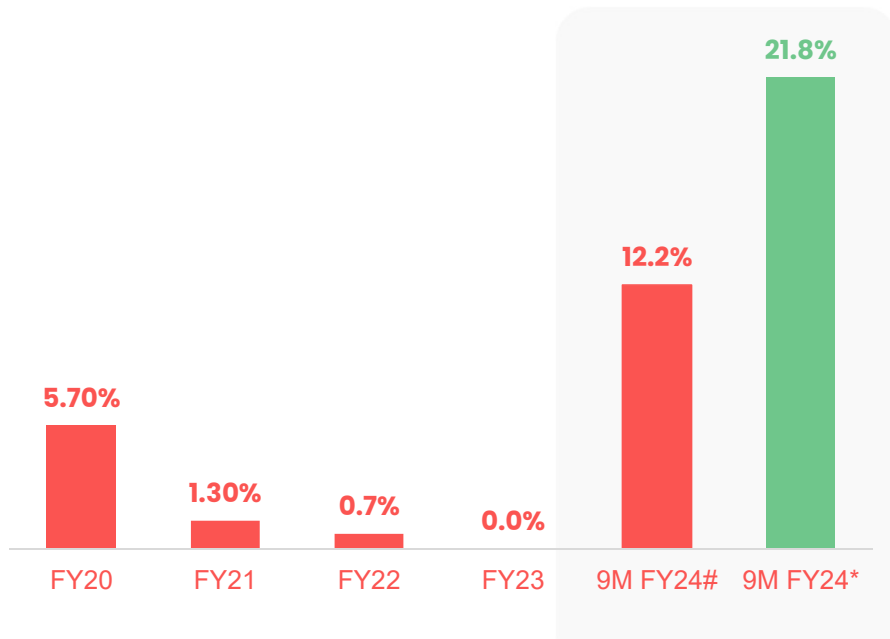
Despite these pressures, the company has demonstrated ability to improve EBITDA margin using the following levers:

- Compressed distribution structure and channel optimization
- Process reengineering and cost optimization measures
- Driven better sales realization through a mix of reduction in trade margin and rationalization of grammages

These initiatives have enabled the company to substantially recoup the impact of RM price inflation by structurally elevating the margin performance

ROCE EXPANSION

SHARP INCREASE IN RETURN RATIO WHICH IS SET TO IMPROVE FURTHER



RoCE on a consolidated basis

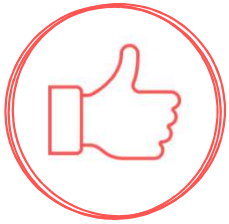
* RoCE calculated by annualising 9M performance, excluding Avadh Snacks, which was acquired in 2018, and the Sweet Snacks business, diversification into which in 2019 led to creation of a new category as well as surplus cash balance

In line with rise in profitability the Company has witnessed a sharp improvement in RoCE

Further improvement in RoCE is expected due to:

- Measures undertaken to increase revenues
- Further improvement in EBITDA margin due to operating leverage
- Moderate incremental capex requirement

APPROVAL UNDER PERFORMANCE LINKED INCENTIVE ('PLI') SCHEME



Received approval under PLI scheme of the Government of India under 'Ready to Eat' segment

All products are covered under the PLI scheme except for Potato Chips

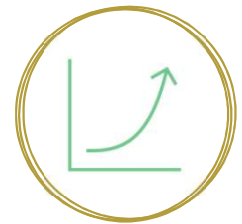


The base year for calculating the PLI benefit on-incremental sale is FY 19-20 for the first 4 years and FY 21-22 and FY 22-23 for the fifth and sixth years respectively



The minimum CAGR for sales for calculating the incentive is 10% with the maximum cap of 13% CAGR for eligible products

- From FY 21-22 to FY 24-25, the incentive rate for eligible products is 7.5% on the incremental sales over base year sales
- The incentive for FY 25-26 is 6.75% and FY 26-27 is 6% calculated on the incremental sales over base year sales



The benefit is available including growth in Avadh sales

The investment commitment aggregates to ~ Rs.105 crore, of which PSL has already invested Rs. 98 crore with purchase orders issued for the balance amount

OUR LONG-TERM TARGET OPERATING MODEL



**CONSISTENT
GROWTH**

~15%

Revenue growth
(faster than industry)



**PROFITABILITY
CENTRIC**

>10%

EBITDA margin



**CAPITAL
EFFICIENCY**

15–20%

RoCE



PROOF OF THE PUDDING:

Q3 FY24 Performance Update



OPERATIONAL OVERVIEW

Reported Sales of Rs. 4,062.4 million in Q3 FY24, emerges as the market leader in Extruded Snacks in India

- In the backdrop of subdued consumer spending and some impact of seasonality, the Company has grown faster than the overall market and have gained market share slightly compared to Q2 this year.
- During the quarter, PSL (Yellow Diamond + Avadh brands combined) has emerged as the market leader across India in the Extruded Snacks category
- Efforts to increase the share of Namkeen category in overall revenue mix is yielding results as the company increased outlet coverage by 20% compared to last year

Delivers EBITDA of Rs. 347.4 Mn during the quarter while maintaining margins of 8.5%

- Initiatives in earlier quarters such as simplification of distribution structure, process improvements and cost optimisation efforts have contributed to improved margin profile. Despite operating deleverage, the Company reported EBITDA of Rs. 347.4 million in Q3FY24.
- The Company has reported EBITDA margin of over 8.5% for last 3 successive quarters
- Enhanced margin profile combined with further efficiency in working capital this quarter has enhanced the cash position and elevated RoCE for the core salty snacks category to 21.8%*

Remain Optimistic on Outlook

- The Company will commission its units in Jammu and Rajkot in the next quarter which will enable it to drive new product categories and new markets while better serving markets proximate to these units.
- Further, it has rationalised its facilities in the Eastern Region of the country by shifting the equipment and effectively the capacity of Guwahati-1 unit to other units to improve operational efficiencies and synergies.
- As the company has successfully improved the EBITDA margin profile, it plans to step up investments in advertising and marketing activities in upcoming quarters in order to drive accelerated growth

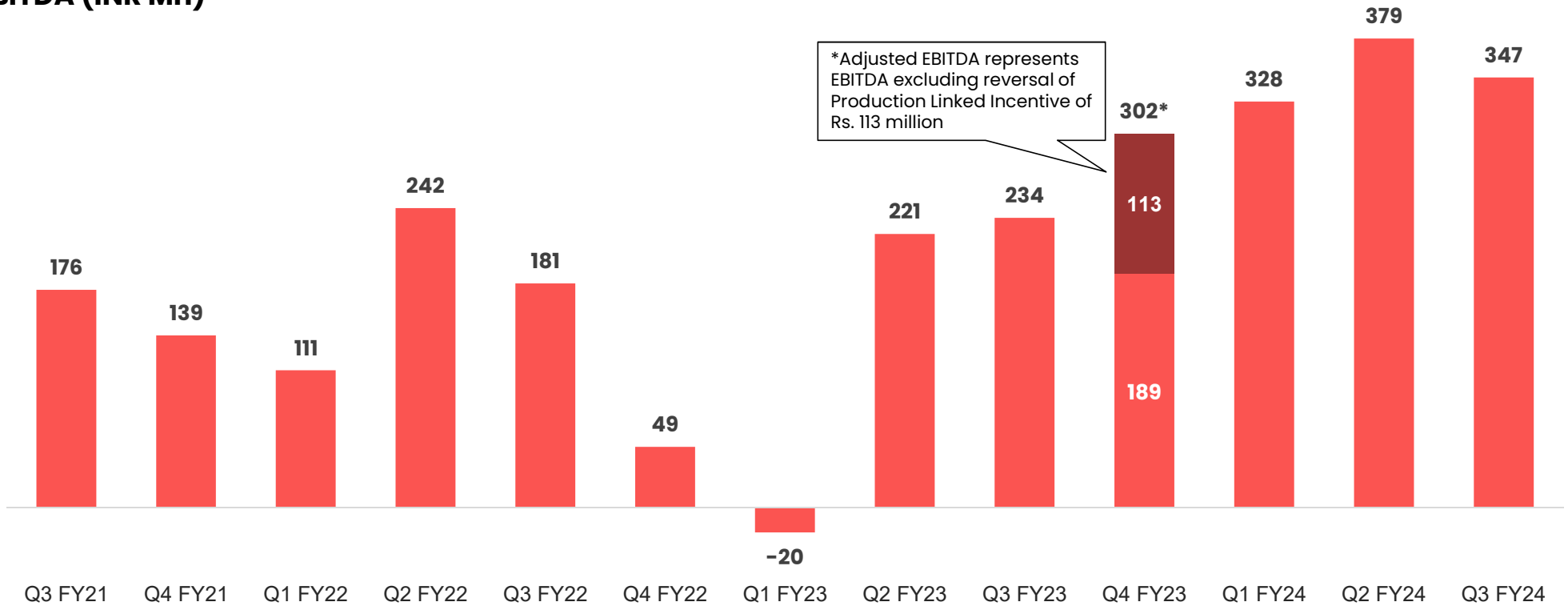


* RoCE calculated excluding Avadh Snacks, which was acquired in 2018, and the Sweet Snacks business, diversification into which in 2019 led to creation of a new category as well as surplus cash balance

IMPROVING EBITDA TRAJECTORY

Reports EBITDA margins of 8.5%+ for third successive quarter

EBITDA (INR Mn)



MD & CEO's Message



Commenting on Q3 & 9M FY24 performance, Mr. Amit Kumar Managing Director & CEO, Prataap Snacks Limited said:

"In the backdrop of subdued consumer spending and some impact of seasonality, we have grown faster than the overall market and have gained market share slightly compared to Q2 this year. Importantly, I am pleased to share that, this quarter, PSL (Yellow Diamond + Avadh brands combined) has emerged as the market leader across India in the Extruded Snacks category.

Further, our strategy to increase the share of Namkeen category products in overall revenues is yielding results as we have been able to increase outlet coverage by 20% compared to last year.

Sustaining the EBITDA margin above 8.5% in a challenging environment and for the last 3 successive quarters reflects the enhanced operational profile. Additionally, there have been efficiencies realized in working capital this quarter enhancing our cash position and elevating RoCE for the core salty snacks category to 21.8%.*

We undertook consolidation of facilities in the Eastern Region, moving surplus capacity and machinery from Guwahati-I unit to other manufacturing units to improve operational efficiencies and synergies. New units in Jammu and Rajkot are scheduled for commissioning in the fourth quarter, adding to capacity and reach while also augmenting our product portfolio.

In light of resilient EBITDA margin trend, we plan to step up investments in advertising and marketing activities to capitalize on these favourable tailwinds and drive accelerated growth."



* RoCE calculated excluding Avadh Snacks, which was acquired in 2018, and the Sweet Snacks business, diversification into which in 2019 led to creation of a new category as well as surplus cash balance

ABRIDGED P&L STATEMENT

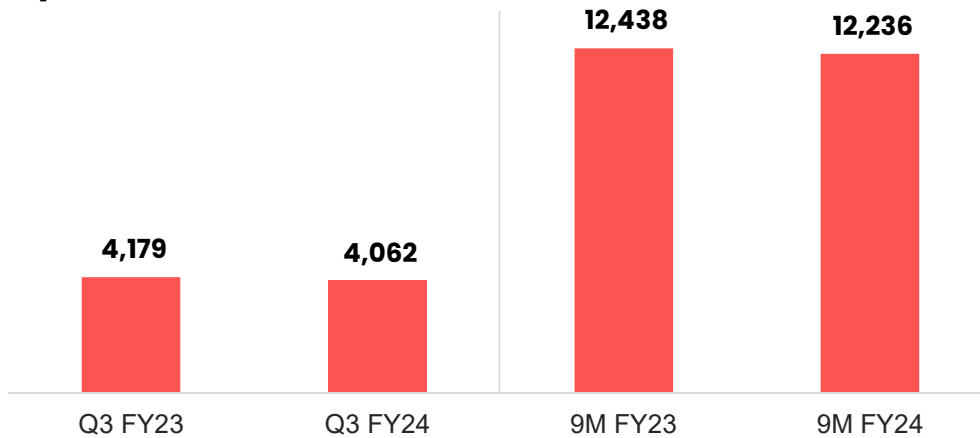
(INR Mn)	Q3 FY'24	Q3 FY'23	Y-o-Y Change (%)	9M FY'24	9M FY'23	Y-o-Y Change (%)
Sales/Income from operations	4,062.4	4,179.4	-2.8%	12,236.2	12,438.0	-1.6%
Other operating Income	20.6	85.1	-75.8%	62.1	225.1	-72.4%
Total Income from Operations	4,083.1	4,264.5	-4.3%	12,298.3	12,663.1	-2.9%
Raw Material Cost	2,733.0	3,027.4	-9.7%	8,179.5	9,271.5	-11.8%
Gross Profit	1,350.1	1,237.1	9.1%	4,118.8	3,391.6	21.4%
Gross Margins	33.1%	29.0%	406 Bps	33.5%	26.8%	671 Bps
EBITDA	347.4	233.9	48.5%	1,055.4	435.2	142.5%
EBITDA margin	8.5%	5.5%	303 Bps	8.6%	3.4%	514 Bps
Depreciation	164.8	150.6	9.4%	472.1	468.5	0.8%
Interest	12.3	15.9	-22.6%	38.4	51.3	-25.2%
Exceptional item	-	-	-	9.6	-	-
Exceptional item post tax	-	-	-	7.7	-	-
Profit after tax	107.9	52.5	105.5%	415.1	(13.0)	NA
Diluted EPS (Rs)	4.52	2.20	105.5%	17.08	(0.54)	NA



1. Consolidated financials, in Rs. Million except as stated.
2. PAT for 9MFY24 is after excluding Exceptional Items of Rs. 9.6 Mn.

FINANCIALS – Q3 & 9M FY'24 PERFORMANCE

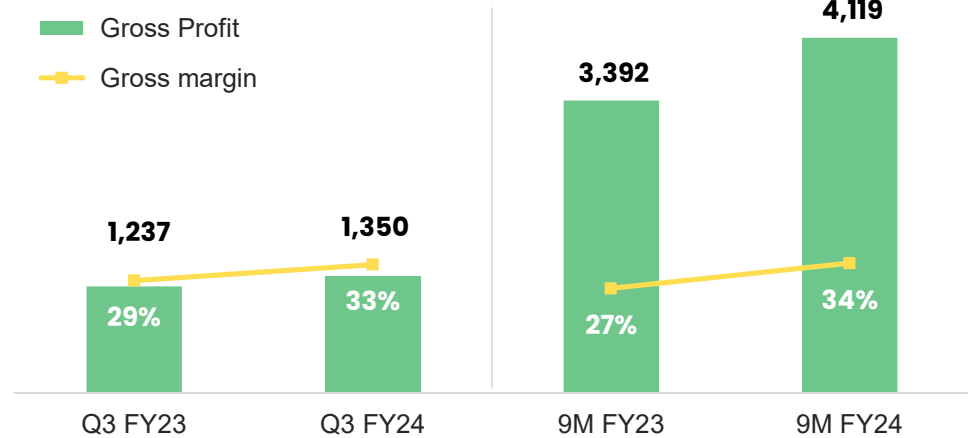
Sales / Income from Operations (INR Mn)



Sales was steady despite sluggish consumer sentiments

- Despite subdued demand, we have grown faster than the overall market and have gained market share slightly on a QoQ basis.
- Strategic focus to grow Namkeen category has yielded results as there was strong growth on YoY basis

Gross Profit (INR Mn)



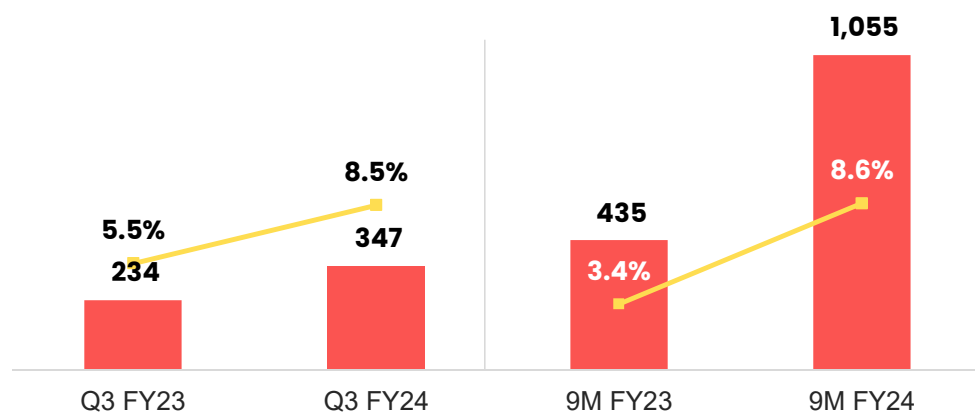
Gross margin improved YoY to 33.1% in Q3 FY24

- Gross margin improved by 406 basis points on a YoY basis, due to process improvements and channel optimisation aided by cooling in input prices.

FINANCIALS – Q3 & 9M FY'24 PERFORMANCE

EBITDA (INR Mn)

■ EBITDA — EBITDA margin

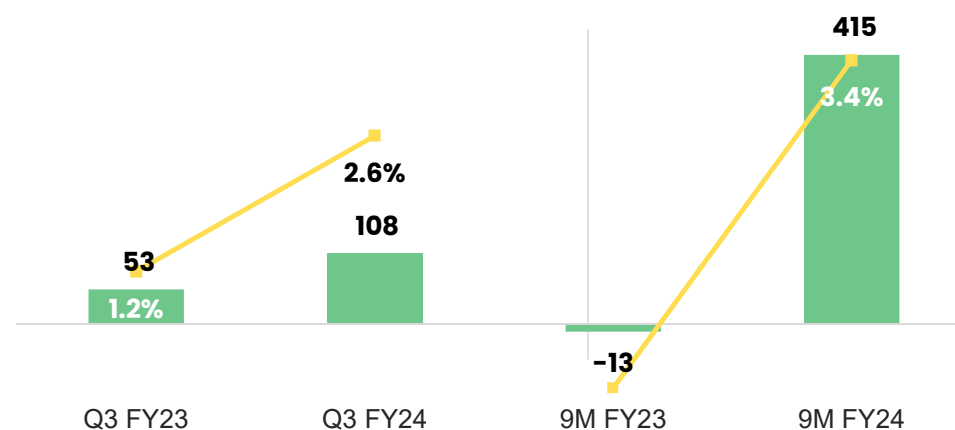


EBITDA margin stood at 8.5% in Q3 FY24

- Efforts to enhance profitability have yielded results with the company reporting EBITDA above Rs. 300 million for the fourth consecutive quarter
- This has also resulted in EBITDA margin sustaining above 8.5% for last 3 quarters

PAT (INR Mn)

■ PAT — PAT margin



PAT margin stood at 2.6% in Q3 FY24

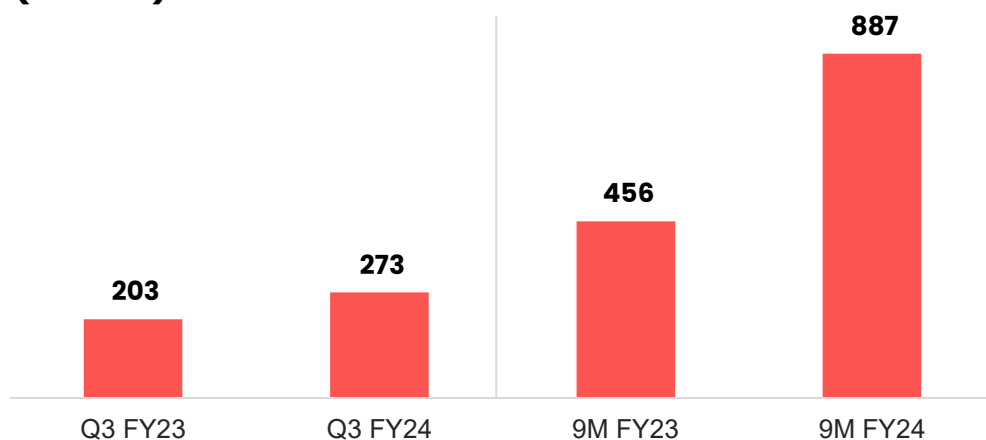
- PAT grew in line with growth in EBITDA
- This has been achieved despite the higher depreciation



1. PAT for 9MFY24 is after excluding Exceptional Items of Rs. 9.5 Mn.

FINANCIALS – Q3 & 9M FY'24 PERFORMANCE

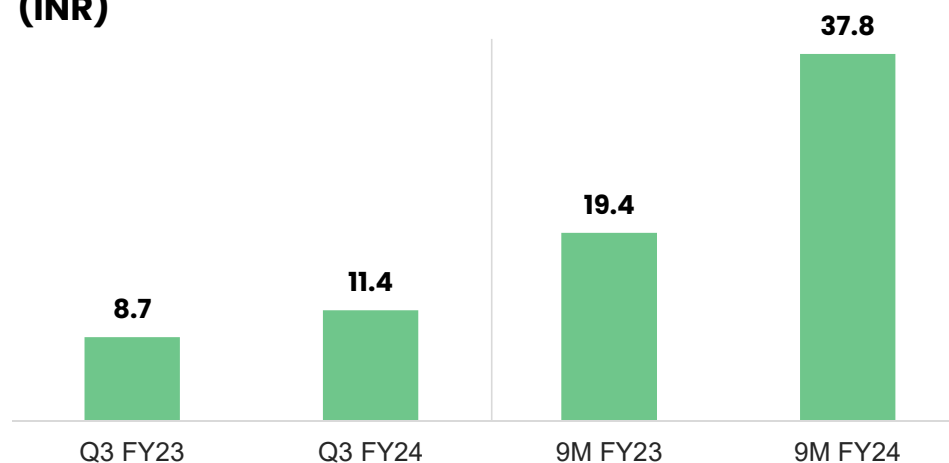
Cash profit (INR Mn)



Generating healthy levels of Cash Profit

- The company continues to generate enhanced level of cash profit
- Cash profit in 9M FY24 is ~2x of cash profit generated in 9M last year, contributing to improved cashflow and enhancing the ability to invest further

Cash EPS (INR)



Cash EPS rebounds strongly

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



Note: Cash Profit = PAT + Depreciation



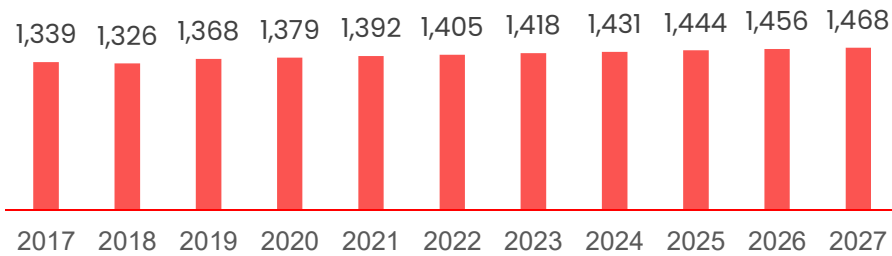
EVOLVING TASTES:

Industry Overview



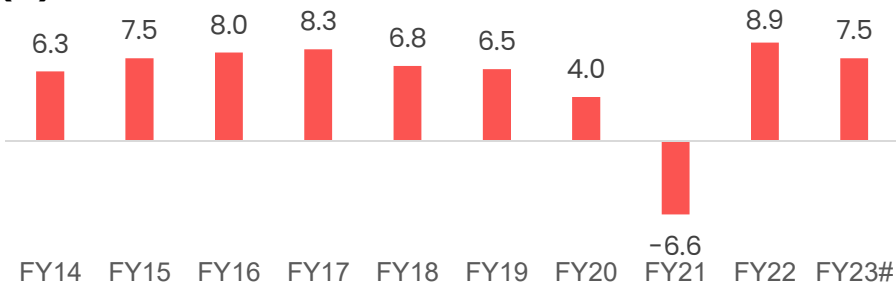
Favourable Demographics Supporting Industry Growth

India Population Trend (Millions)



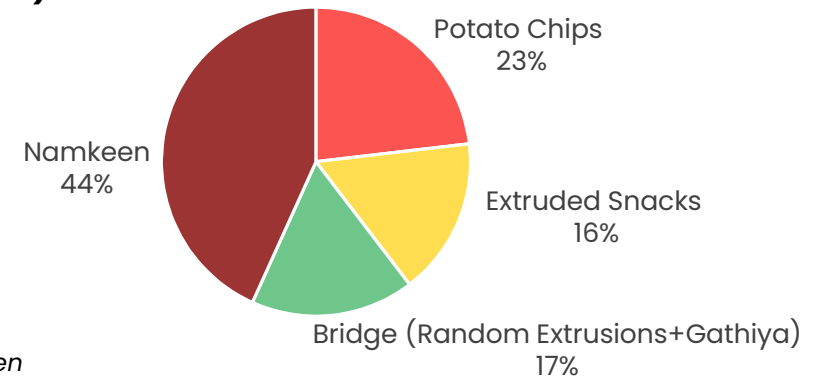
Source: Statista April 2022

India GDP Growth (%)



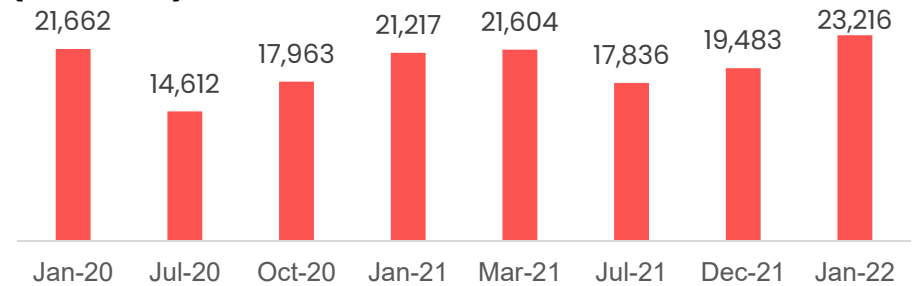
Source: NSO Second Advance Estimates as on 28th Feb 2022
#SPF report by RBI dated 8th April, 2022)

Total Organized Snacks Food Market Size ~43,800 Crores (FY23)



Source: Nielsen

Consumer spending in India (Rs. Billion)



Source: Statista, March 2022





THANK YOU!



Sumit Sharma

Prataap Snacks Ltd

Email: cfo@yellowdiamond.in



Mayank Vaswani / Mit Shah

CDR India

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

