



Ref No.: PSL/2021-22/CS/SE/38

Date: 4<sup>th</sup> August, 2021

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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Dear Sir/Madam,

**Sub.: Corporate Presentation of the Company for the quarter ended 30<sup>th</sup> June, 2021**

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 ended 30<sup>th</sup> June, 2021.

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 and Compliance Officer



Encl: As above

**Prataap Snacks Limited**

CIN : L15311MP2009PLC021746

# PRATAAP SNACKS LIMITED

## Q1 FY22 - Results Presentation



August 2021

# 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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# Q1 FY22 Results

# Financial Overview



## In Q1 FY22 (YoY basis)

- Revenue of Rs. 2,796.2 million, registering growth of 42.9% yoy
- Operating EBITDA of Rs. 110.8 million, higher by 34.5% yoy
- PAT stood at Rs. (15.9) million
- EPS (Diluted) stood at Rs. (0.68) per share

# Operational Overview



- Delivered a robust performance during the quarter despite the severe second wave of the pandemic
  - Witnessed a recovery in revenues driven by actions taken by the Company
  - Used the learnings from last year to be better prepared to face the disruptions and overcame challenges and restrictions to ensure uninterrupted supplies to trade channels despite the disruption due to the second wave
  
- Implementing initiatives to enhance performance and profitability
  - Direct Distribution model will help in delivering better margins on the back of a leaner distribution model
    - Successfully started at initial locations, to steadily increase coverage across the target markets in the coming months
  - Actively undertook Tele calling initiative to enable faster replenishment of stocks and increase volumes
    - This initiative worked efficiently in test markets and the Company will implement across key markets in a phased manner

# Operational Overview



- Creating hubs within close proximity of key markets to facilitate streamlined distribution and enhance cost efficiencies
  - Have set up manufacturing facility in Kolkata which will serve as a hub for the Eastern region
  
- Continuing to face high volatility in key raw materials, especially palm oil which is impacting margins
  - Average cost of palm oil during Q1 FY22 is higher by 65% yoy
  - Impact was significantly mitigated through a mix of cost reduction, increased sales realizations and process improvements
  - Direct Distribution model will aid saving in distribution cost which will optimize realisation and support margins
  
- The Company continues to maintain a steady financial position with robust liquidity
  - Investments already undertaken which will meet existing demand
  - Healthy balance sheet enables the Company to scale up capacity headroom to respond to market demand





## Unlocking of Restrictions

- Key sales points like railway stations, bus stations, markets and highways witnessing subdued activity
- Re-opening of schools, colleges and other institutions, to re-invigorate demand for products which are primarily out-of-home consumption
- Plan to launch Avadh products outside Gujarat markets



## Improved Distribution Reach

- Focusing on tele-calling and leveraging on startups to improve distribution and faster replenishments
- Successful pilot in 2019 which is now converted in a full-fledged program in various regions
- Using a mix of data and analysis, feedback from local sales team and software to identify distribution gaps
- Re-opening of Modern trade to aid distribution reach

# Measures To Enhance Profitability and Returns



## Bottom slicing

- Identified reasons for lower volumes and worked on levers to enhance the same
- Discontinued products that yielded lower margins which will also lead to lower indirect costs

## Expanding 3P tie-ups

- PSL has set up 5 3P facilities in last 3 years
- Contribution of 3P facilities increased from 8% to 24% of sales in last 3 years
- Implementing asset light model



## Compressing of Distribution Structure

- PSL is implementing direct distribution from its various plants across regions
- This results in savings through lower trade margins and freight optimization

## Establishing hubs across India

- PSL has identified facilities at Hisar and Bengaluru for upgradation into hubs
- Establishing Kolkata as a hub to serve the eastern region
- These hubs will have the entire product range and cater to proximate markets in order to optimise distribution with cost efficiency



## *Commenting on Q1 FY22 performance, Mr. Amit Kumat - Managing Director & CEO, Prataap Snacks Limited said:*

*“We have delivered a robust performance despite the severe second wave of the pandemic in India. The learnings of the past year had made us better prepared to face the disruptions and our team responded with agility to overcome challenges and restrictions to ensure uninterrupted supplies to trade channels. This has helped us to post revenue of Rs. 279.6 crore which is higher by 43% on a yoy basis.*

*We have witnessed unprecedented rise in palm oil prices over the same quarter last year, which has exerted significant pressure on profitability. Our continuous steps towards cost rationalisation and process improvements have significantly offset this impact.*

*Even as we work towards fully rebuilding the business back to pre-COVID levels, we are implementing initiatives to enhance performance and profitability. We are implementing our tele-calling to a larger number of territories to improve distribution throughput in the existing channels. We have set up a plant in Kolkata which will serve as a hub and enable us to optimise distribution in the Eastern region with cost efficiency. Further, implementation of our direct distribution model is progressing steadily, leading to structural improvement in profitability.*

*Stability in cases supported by increasing vaccination rates are setting the platform for a full reopening of the economy. Our wide product portfolio, optimised distribution architecture and robust financial position place us favourably for growth as economic activity recovers.”*

# Abridged P&L Statement

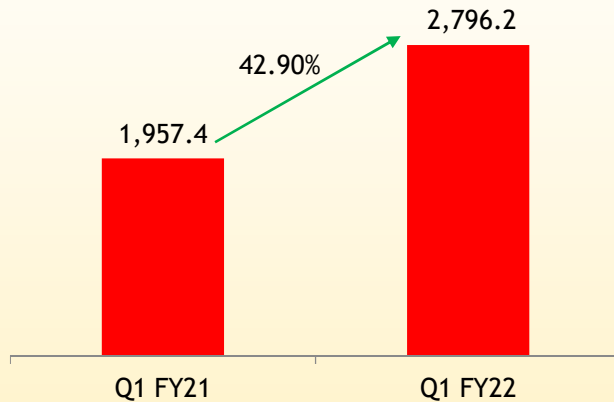


Particulars	Q1 FY'22	Q1 FY'21	Y-o-Y Change (%)
Income from Operations	2,796.2	1,957.4	43%
Raw Material Cost	2,125.4	1,405.2	51%
Gross Profit	670.8	552.2	21%
<i>Gross Margins %</i>	24.0%	28.2%	- 420 Bps
<b>EBITDA</b>	<b>110.8</b>	<b>82.4</b>	<b>34%</b>
<i>EBITDA Margins %</i>	<b>4.0%</b>	<b>4.2%</b>	<b>- 20 Bps</b>
Depreciation	131.1	159.5	-18%
Interest	16.2	17.4	-7%
<b>Profit After Tax</b>	<b>(15.90)</b>	<b>(59.60)</b>	<b>73%</b>
EPS (Diluted) in Rs.	(0.68)	(2.54)	73%

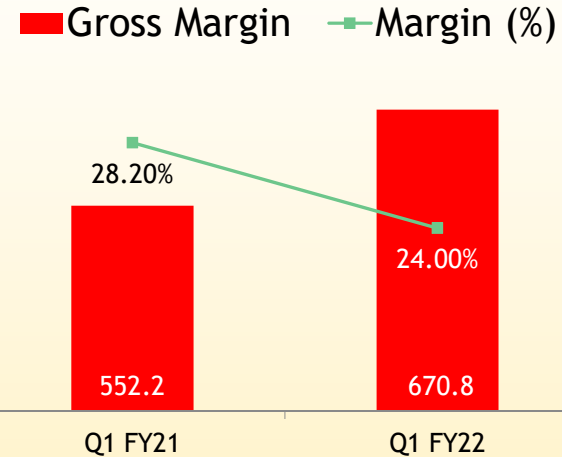
# Financials - Q1 FY22 Performance



## Income From Operations

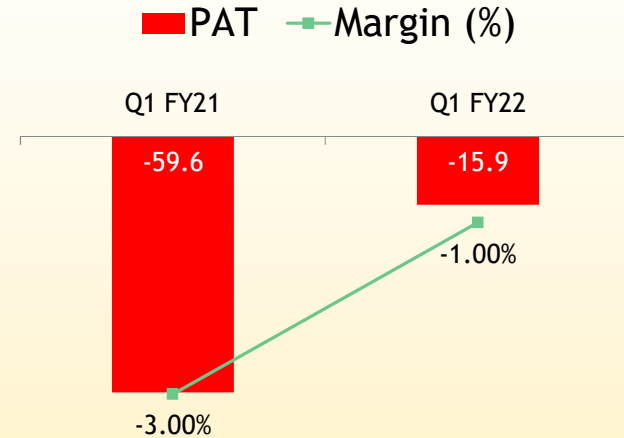
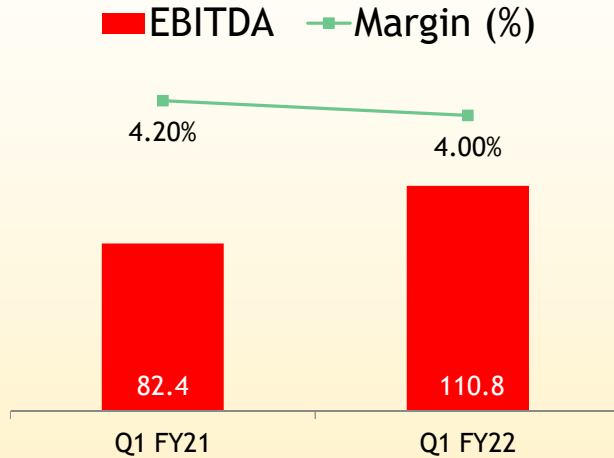


## Gross Margin (%)



- Income from operations in Q1 FY22 grew by 42.9%, stood at Rs.2,796.2 mn,
- Gross margin was resilient at 24.0% in Q1 FY22 despite severe raw material inflation
  - Palm oil which is the major raw material component witnessed sharp increase of 65% YoY
  - Ongoing cost optimization and process re-engineering initiatives, largely mitigated impact of higher palm oil prices

# Financials - Q1 FY22 Performance



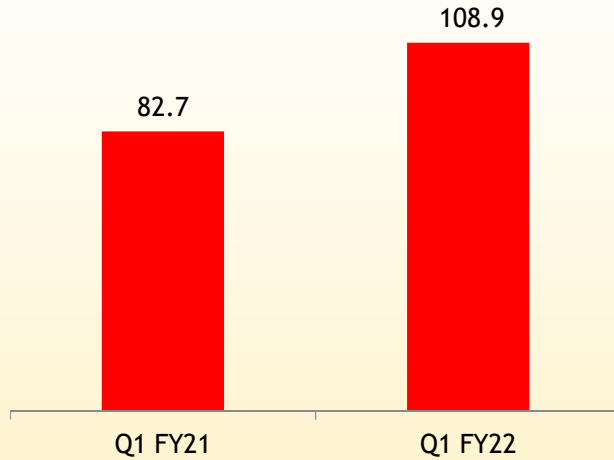
- EBITDA for Q1 FY22 stood at Rs. 110.8 mn, marginal improvement despite pressure in Gross Margin
- Profit after Tax for Q1 FY22 stood at Rs. (15.9) million

CONSOLIDATED FINANCIALS, IN RS. MILLION

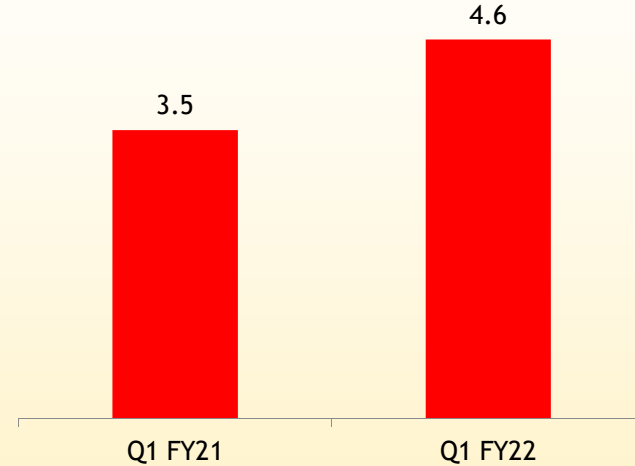
# Financials - Q1 FY22 Performance



### Cash Profit



### Cash EPS (in Rs.)



- The Company follows a conservative accounting policy and is amortizing intangible assets of Avadh Snacks

CONSOLIDATED FINANCIALS, IN RS. MILLION EXCEPT AS STATED



Company Overview



# Prataap Snacks at a Glance



\*[7 Inhouse plants and 6 contract manufacturing units (3P)]

# Diverse Product Portfolio



POTATO CHIPS

- Potato based snack
- SKUs: 10 flavours
- 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 and other lentils 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



25% revenue CAGR over the past 5 years



Avadh Snacks delivered strong double-digit growth in Q1 FY22 yoy

## 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:** All

# Avadh Snacks - Unique Business model & Expansion plans



## Business Model

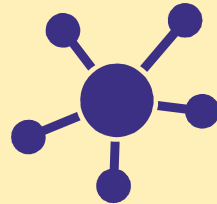


### Avadh has a Unique Business model

- 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 Q1 FY21

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

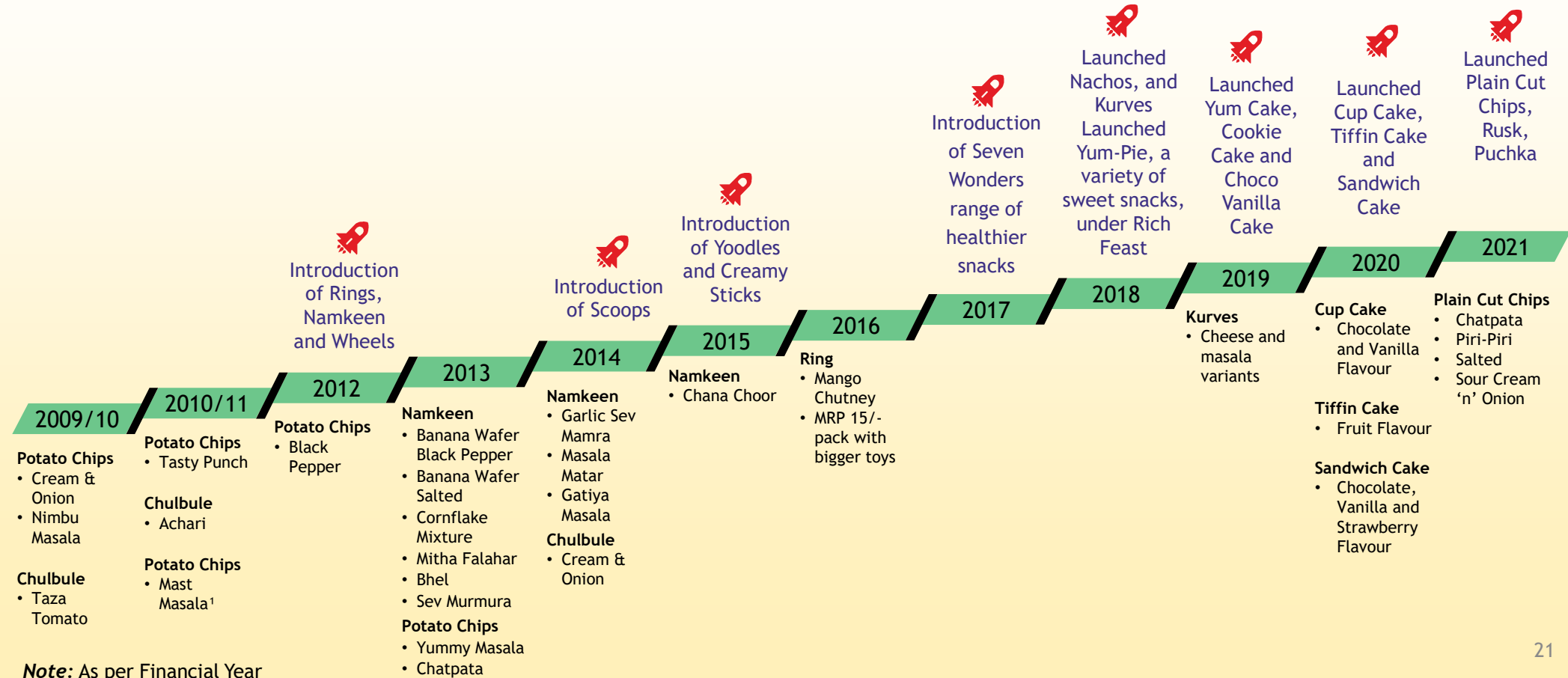


## Sandwich Cake

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

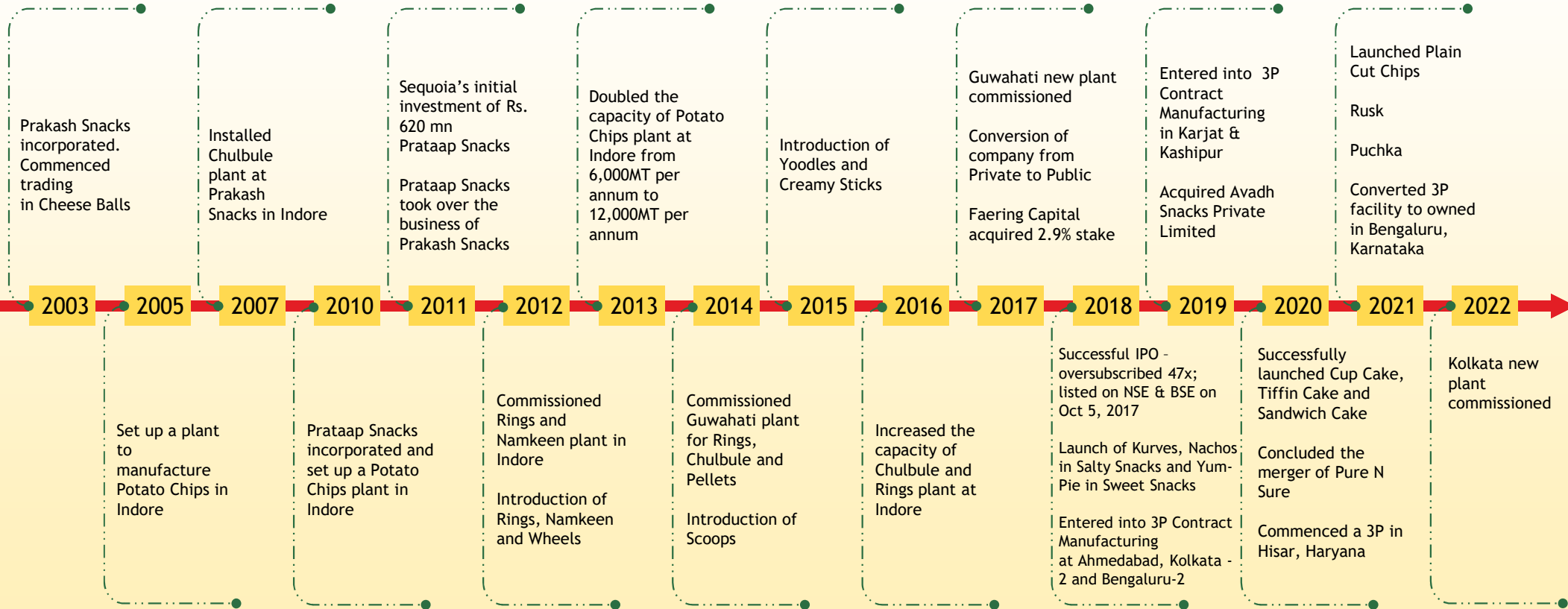
*Diverse product portfolio at strategic price points and pack sizes*

# Track Record of Innovation



**Note:** As per Financial Year

# Key Milestones

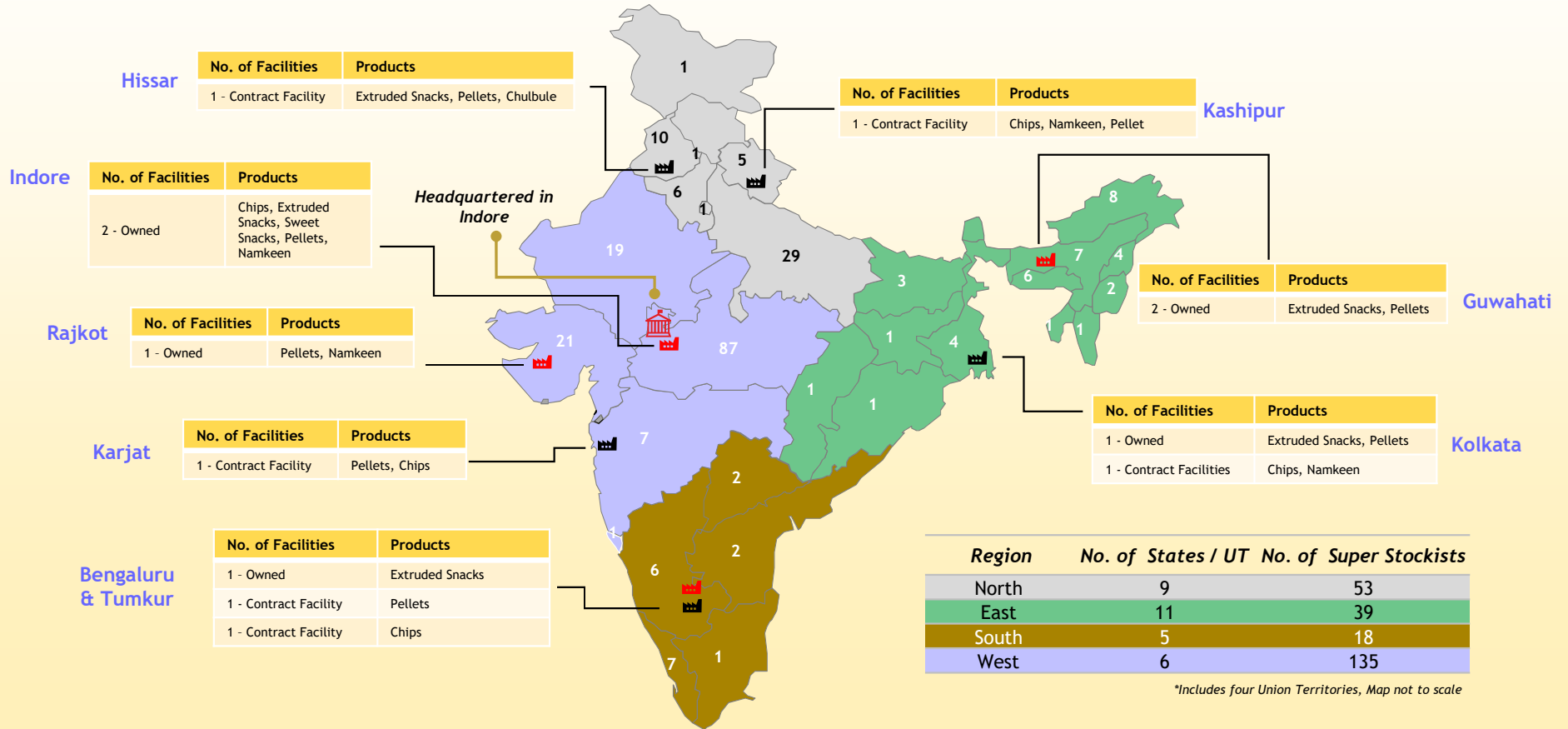


**Note:** As per Financial Year

# 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

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

Guwahati

Rajkot

No. of Facilities	Products
1 - Owned	Pellets, Namkeen

No. of Facilities	Products
1 - Owned	Extruded Snacks, Pellets
1 - Contract Facilities	Chips, Namkeen

Kolkata

Karjat

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

Bengaluru & Tumkur

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



# Guided by an Accomplished Board



## Arvind Mehta

*Chairman & Executive Director*

Over 32 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 25 years in the snacks food industry



## Apoorva Kumat

*Executive Director (Operations)*

Over 25 years of experience in the snacks food industry



## G.V. Ravishankar

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

Over 20 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*

(resigned w.e.f. 15.06.2021)

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



## Chetan Kumar Mathur

*Independent Director*

Ex-CFO PepsiCo India (Snacks)  
32 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 20 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 32 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 25 years in the snacks food industry



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

Over 25 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 19 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 29 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 25 years of experience in the snacks food industry and worked with Prakash Snacks and Hello Agro



**Mr. B. Parameswaran**  
*Production Head*

Qualified from University of Agricultural Sciences, Bangalore. Certified course in Baking & Confectionery. He has 35 years of experience in Biscuit & Cake manufacturing industry and worked with Kwality Biscuits and Anmol Biscuits



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

He holds bachelor degree in Science. He has over 33 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro

# Helmed by a Professional Management Team



Corporate functions



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

He holds bachelor degree in Commerce. He has over 24 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 33 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 15 years of experience in corporate laws and secretarial matters and worked with NSE, Great Offshore, Avantika Gas and Universal Cables

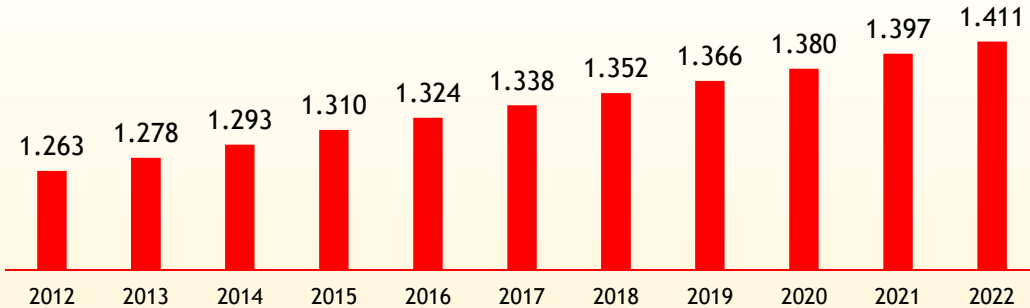


Industry Overview

# Favourable Demographics Supporting Industry Growth

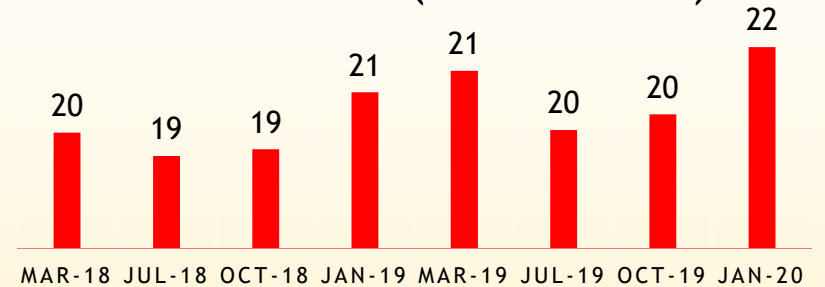


## POPULATION TREND (BILLIONS)



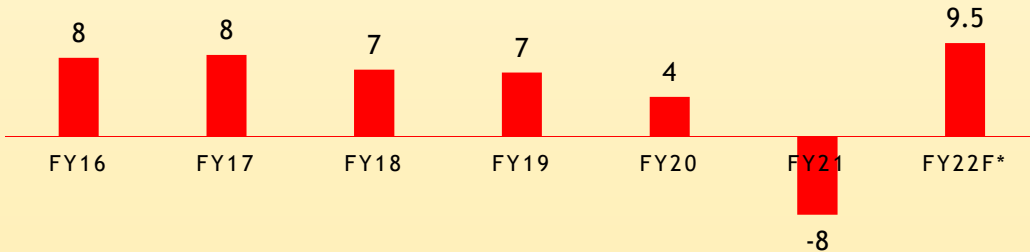
Source: World Population Review

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



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

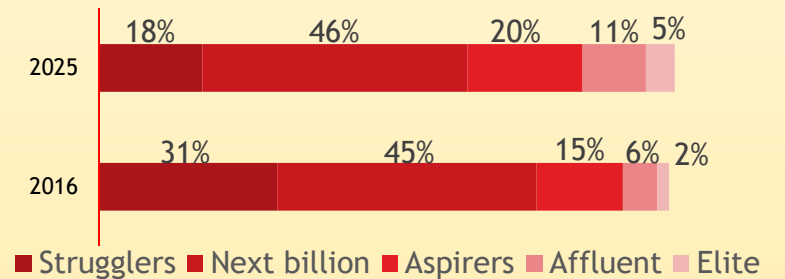
## INDIA GDP GROWTH (%)



Source: National Statistics Office - FY21 Advanced Estimates dated February 26, 2021

\*IMF Estimate, July 2021

## RISING AFFLUENCE AND DISPOSABLE INCOME

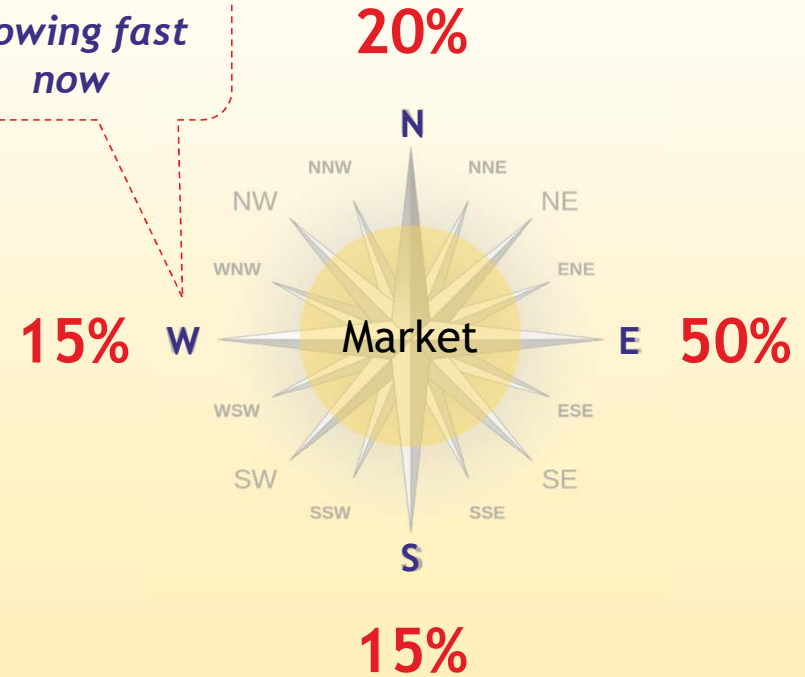


Source: World Economic Forum Report: Future of Consumption in Fast-Growth Consumer Markets - India

# Sweet Snacks Industry - Characteristics



*West is growing fast now*



# About Prataap Snacks Ltd.



Prataap Snacks Limited (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 and 4 union territories in India and it is one of the fastest growing companies in the organized snacks industry.

Headquartered in Indore, India; PSL operates 13 manufacturing facilities of which 7 facilities (Indore 1&2, Assam 1&2, Bangaluru, Rajkot and Kolkata) are owned and 6 facilities (Kolkata, Bangaluru (2), Kashipur, Karjat and Hissar) are on contract manufacturing basis. Its distribution network includes more than 240 super stockists and more than 4,300 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

Email: [cfo@yellowdiamond.in](mailto:cfo@yellowdiamond.in)

**Mayank Vaswani / Karl H Kolah**

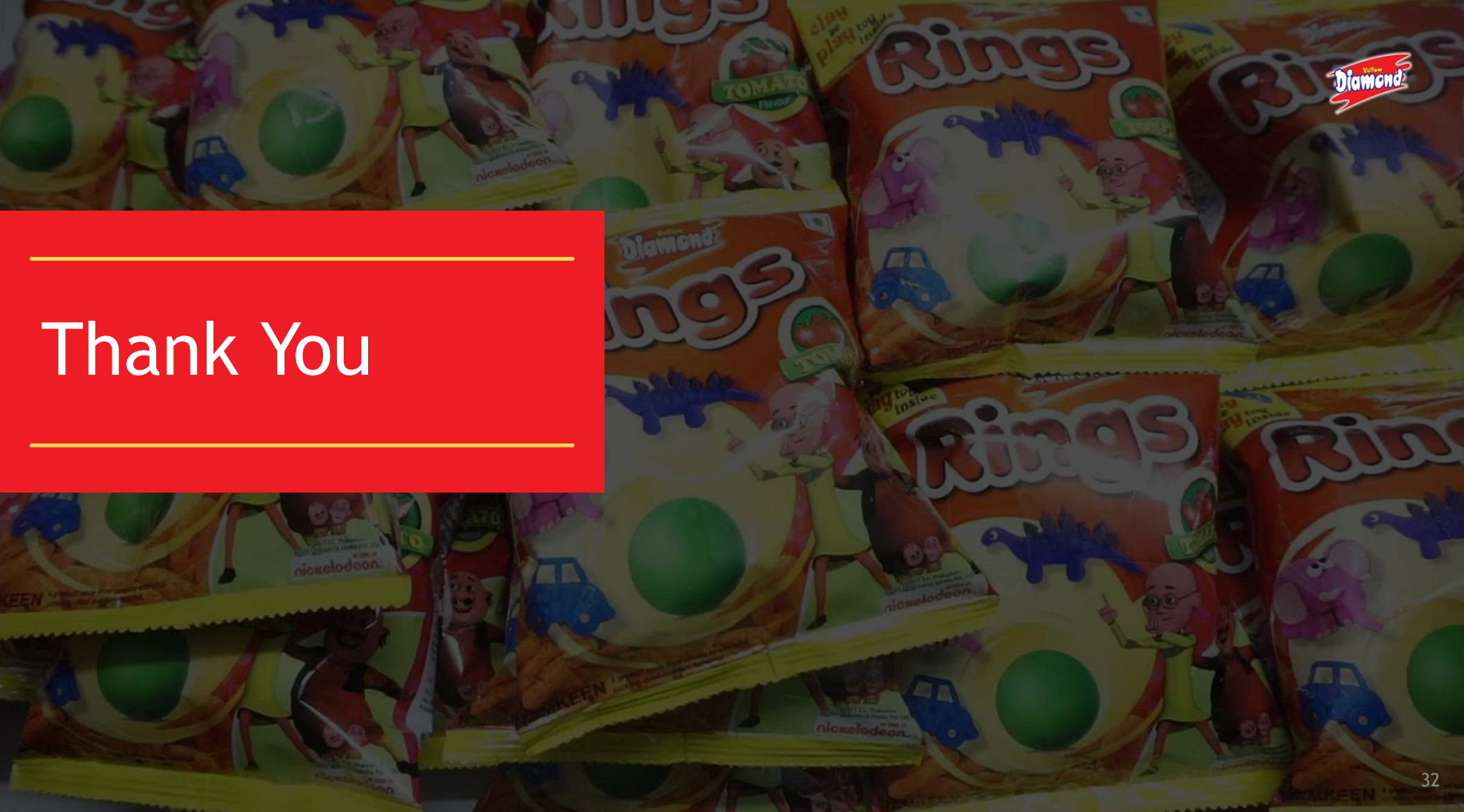
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[karl@cdr-india.com](mailto:karl@cdr-india.com)





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Thank You

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