

MEGASTAR FOODS LTD.

Registered Office : Plot No. 807 Industrial Area Phase-2, Chandigarh-160 002
Works : Kurali-Ropar Road, Village Soikhian-140 108, Distt. Roopnagar, Punjab
Ph. : +91 1881 240401 (6 Lines) E-mail : info@megastarfoods.com



To,

November 21, 2019

Department of Corporate Affairs
BSE Limited
P.J. Towers,
Dalal Street,
Mumbai - 400001

Dear Sir/Madam

Sub: Investor Presentation for the half year ended September 30, 2019.

Ref: Scrip Code/Scrip ID: 541352/MEGASTAR

Our Board of Directors in their meeting held today, approved the Investor Presentation on the financial results for half year ended September 30, 2019. Our Board of Directors could approach institutional investors/investors with the Investor Presentation on Financial Results for the half year ended September 30, 2019.

Pursuant to the Regulation of 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, find herewith enclosed Investor Presentation on Financial Results for half year ended September 30, 2019.

Kindly take on your record.

Thanking You,
Yours Faithfully,

For, Megastar Foods Limited




Robin Kumar
Company Secretary and Compliance Officer



Certified by:



MEGASTAR FOODS LIMITED

Investor Presentation

BSE – 541352 | Bloomberg – MEGASTAR:IN



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Investor Deck

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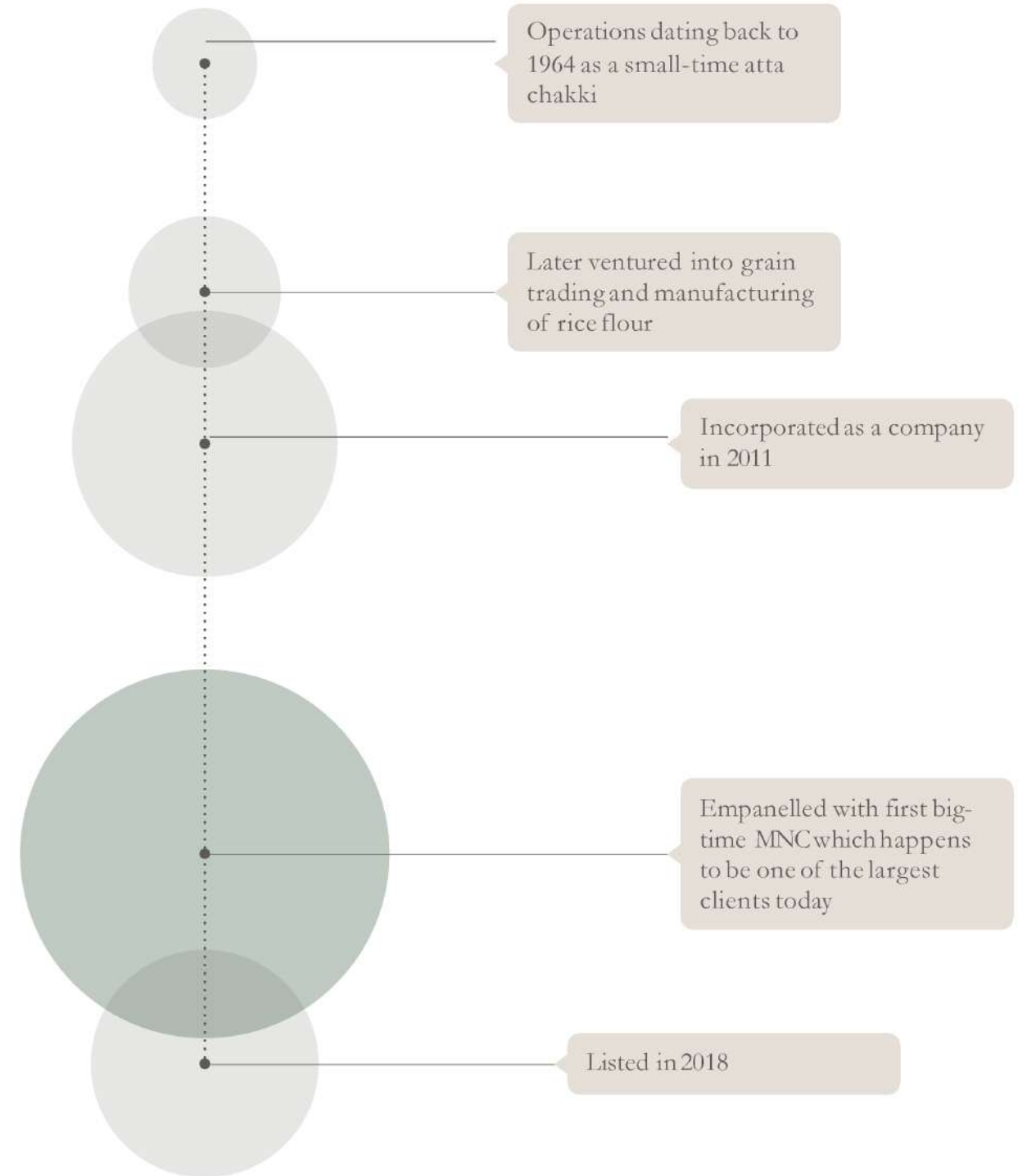
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INTRODUCTION

Megastar Foods Limited is a **specialized wheat flour producer** catering directly to leading Indian and multinational Fast Moving Consumer Goods (FMCG) companies and Quick Service Restaurant chains.

Set-up with the thought-process and objective of meeting the highest quality standards, and all kinds of specialized flour requirements, Megastar has emerged as a **preferred supplier** to some of the **biggest food brands** in the country.

EVOLUTION



MEGASTAR TODAY



Wheat crushing capacity of
290 MT per day



BRC certified factory

/02

**Largest
FMCGs and
QSR chains**

Empanelled with
some of the largest
FMCGs, QSR chains
in the country

Investor Deck

**UNITED
NATIONS**

The only company
from India
**empanelled with the
United Nations to
supply** wheat and
whole-wheat flour at
its missions in Africa.



Team strength of
177+

**QUALITY
CONCIOUS**

Quality conscious company meeting
highest industry standards in product
quality, with an in-house laboratory

MANAGEMENT TEAM

Vikas Goel

Chairman cum
Managing Director



Mr. Goel aged 47 years, has been in this industry for more than 26 years. With his hands-on approach, Mr. Goel has directly overseen the operations of Megastar since its very inception.

He is playing a vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.

Vikas Gupta

Whole-Time
Director



Mr. Gupta aged 43 years, has more than 16 years of experience in this industry.

He holds a degree of Bachelor of Commerce and Inter passed certificate from ICAI. He currently heads production, HR and administration, as well as participates in business development.

Mudit Goyal

Whole-Time
Director



Mr. Mudit Goyal aged 25 years, is the Whole Time Director of the Company. He holds a degree of Master of Business Administration (MBA) from AMITY GLOBAL. He was originally appointed on the Board on March 31, 2018, as Additional Director.

He has joined the company recently in 2018 and looks after the marketing operations of the company.

BUSINESS MODEL

Constantly focused towards shifting product-mix towards specialized flour, as per changing consumption patterns and demands of clients. Currently 20% of the product-mix.

Contract demand with quality-conscious, established FMCG & QSR chains, with secured & timely payments.

Shifting product mix

FMCG & QSR chains

B2B

Direct procurement












Key products

Engaged primarily in B2B business of all-kinds of make-to-order wheat flour

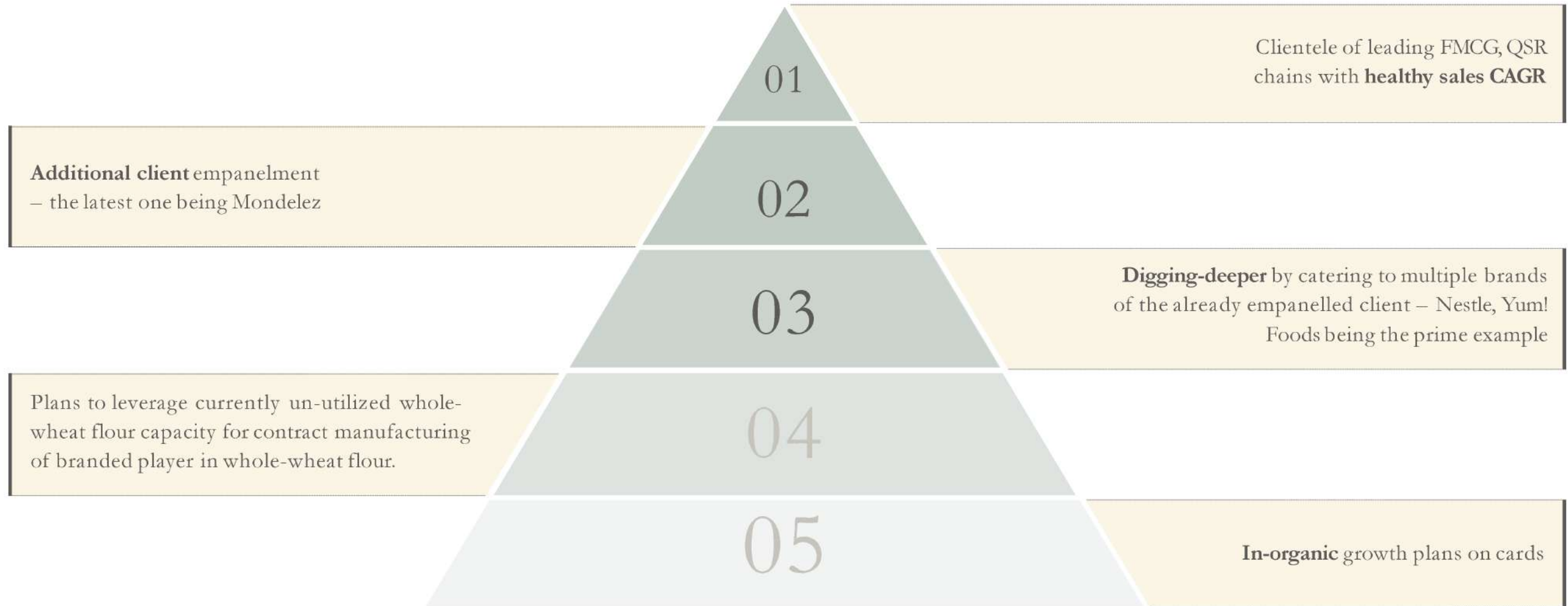
Procurement directly from farmers, grain-market during harvest season and from Food Corporation of India (FCI) for rest of the time

Key product – all kinds of whole-wheat flour.
By-products – Semolina (Suzi), Bran

ESTABLISHED CLIENTELE

No. of years	Key Clients
5+	         
4+	     
Most Recent	 

REVENUE DRIVERS



INFRASTRUCTURE



Megastar has invested heavily in creating an industry-leading, **state of the art manufacturing facility**, intending to meet stringent quality aspirations of leading Indian and multinational FMCGs and QSR chains.

The latest investments in FY19 made primarily in **automation** along with a partial increase in capacity.

Transportation fleet of **16 vehicles**, including 5 bulker trucks.

Spread on 3.5 acres plot

The facility commenced operations in 2013. Spread on 3.5 acres plot at Ropar (40 Km from Chandigarh) in the state of Punjab which is in close proximity to the key raw material i.e. wheat.

Total wheat crushing capacity of **290 MT per day**. Break-up; Wheat Flour of 200 MT per day (currently 78% utilization) and Whole-Wheat Flour of 90 MT per day (currently 20%).

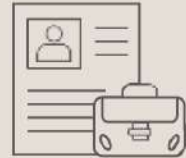


CERTIFICATIONS

- BRC certified
- 1 out of total 2 BRC (British Retail Council) accredited flour manufacturing facility in India and the only one in north-India.
- FSSAI certified
- Apart from accreditations, the facility also meets regular quality-audits conducted by clients.
- ECOCERT certification for producing organic flour



BUSINESS MODEL SUMMARY

01 

Value propositions

Quality-focused product offerings to leading FMCGs and QSRchains.

Products – Wheat Flour, Whole-Wheat Flour

By-products – Semolina (Suzi), Bran

02 **Customer relationships**

Built over a long duration of time, with a constant focus towards manufacturing quality products

03 

Channels

Directly dealing with our clients.

04 **Key activities**

- Procurement
- Production
- Establishing and Maintaining Client Relationships

05 **Customer segment**

- Mainly Large established FMCGs, Food Companies
- A small portion of B2C chakki atta retail consumers

INDUSTRY



The Fast-moving consumer goods (FMCG) sector is the **4th largest** sector in the Indian economy.

While the urban segment has historically been a large contributor to FMCG, recently the rural market has been growing at a much faster pace and is currently estimated to contribute the same as urban areas.

We at Megastar, are in a sweet spot where we are **direct beneficiaries of growing consumption** in areas like - packaged food including biscuits, ready-to-eat noodles, quick-service restaurants (QSR), etc.

We are also directly benefited from the change in consumption patterns towards **healthy and organic products**. As not only do we cater to supplies for the same but also as a result of a conscious strategy adopted from our end to grow in such categories.

Sub-segments we mainly cater to -

Biscuits is one of the fastest-growing categories within FMCG. Even after deep penetration, the per capita consumption of biscuits in India relative to certain developed economies is quite low and offers significant opportunities for category growth.

Quick Service Restaurants (QSRs) holds the largest share in the Indian Food Service Industry and has been a critical segment in this sector.

According to NRAI Food Service Report, 2019, the **organized QSR market** is estimated to be worth **32,880 crores** in FY 2019.

It is expected to grow at **healthy double-digit %** for the foreseeable future.

KEY TRENDS DRIVING GROWTH



Increasing Spending Power

India's per capita income has grown steadily, leading to an increase in disposable incomes. Indian per capita income grew by almost 10% in 2018-19 over the previous year.



Working Population

This growth is expected to be supported by an expansion in the number of working women and youth, strengthening the consumption and food sector growth.



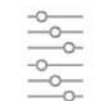
Rural Consumption

Rural consumption has grown fast than rural consumption is the last few years. Their contribution to the fast-moving consumer goods space is now almost equal, as compared to earlier being dominated by the urban sector.



Innovation and Digitalisation

The increased use of social media is accelerating the growth of the organized segment of India's food services sector. Food delivery applications have been a major success in the metros and are gaining popularity in other cities as well.



Changing Preferences

Exposure to multiple cuisines, innovative product offerings, international flavors, increased spending on eating out is expanding the consumption sector.



IN-ORGANIC GROWTH

01

Megastar Foods Limited is exploring opportunities for in-organic growth in the **food-packaging sector**, through the strategic acquisition of an already functioning unit in this space.

02

This decision to foray in food packaging is strengthened by the fact that the company **already possesses established relationships** with some of the biggest food brands in the country. A satisfied clientele would prove to be an important advantage to the company.

03

The company has set up a wholly-owned subsidiary i.e. Megapacific Ventures Private Limited which will venture into this business.

INCOME STATEMENT SUMMARY

(in Crores)

Particulars	H1 FY20	FY19	FY18	FY17	FY16	FY15
Revenue from Operations	77.52	142.33	102.94	97.68	77.81	44.47
Total Income	77.58	142.37	102.98	97.76	78.04	44.50
Total Operating Expenses	72.40	134.85	97.96	93.36	74.47	42.46
EBITDA (Excluding OI)	5.12	7.48	4.98	4.32	3.34	2.01
EBITDA (Excluding OI) %	6.6%	5.3%	4.8%	4.4%	4.3%	4.5%
Interest Cost	1.58	3.11	2.66	2.32	1.98	1.26
Depreciation & Ammortisation	0.59	0.98	0.86	0.71	0.60	0.51
Profit Before Taxes	2.95	3.39	1.46	1.29	0.76	0.24
Profit After Taxes	2.11	2.42	1.30	1.05	0.58	(0.28)
EPS	2.14	2.55	2.16	1.77	0.99	-

4 yr CAGR for revenue from operations- 33.7%

4 yr CAGR for EBITDA (excluding OI)- 33.7%

BALANCE SHEET SUMMARY

(in Crores)

Particulars	H1 FY20	FY19	FY18	FY17	FY16	FY15
Shareholders Fund	20.82	18.70	8.65	7.34	36.65	5.69
Non Current Liabilities	8.89	8.41	8.72	9.05	6.57	4.17
Current Liabilities	37.78	23.27	26.08	15.21	17.98	10.22
Total	67.48	50.40	43.46	31.60	30.81	20.07
Non Current Assets	18.34	15.80	12.38	11.34	10.85	9.58
Current Assets	49.15	34.59	31.08	20.26	19.97	10.43
Total	67.48	50.40	43.46	31.60	30.81	20.07

SWOT ANALYSIS



MARKET STATISTICS



Previous Close – 60.00

52 Week High/Low – 70.80/37.40

Market Capitalization – 59.42 Cr

Symbol (BSE) - 541352

The company intends to migrate to BSE
mainboard in second half of FY21

31.93%
Public
Shareholding



68.07%
Promoter
Shareholding

● Public
● Promoter

CONTACT US

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Safe Harbor

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