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# Executive Summary



During the quarter, consolidated **Revenue** grew by **6.8% Y-o-Y**

**EBITDA** Margin for the quarter was up by **27.8% Y-o-Y**

Our **Net Profit** grew by **43.3% Y-o-Y**

We continue to invest into our brand to drive long term growth. Brand investment has increased by **40% Y-o-Y**

We launched a new product: the **Go milkshake range** with competitive pricing which is receiving a positive market response. Also launched **Pride of Cows Paneer** & **Milko Cheese products**.

Our **HORECA** and **Ecommerce Channels** saw a significant growth

We have added depots & continue to work on **COLD-ROOM Infrastructure** across India

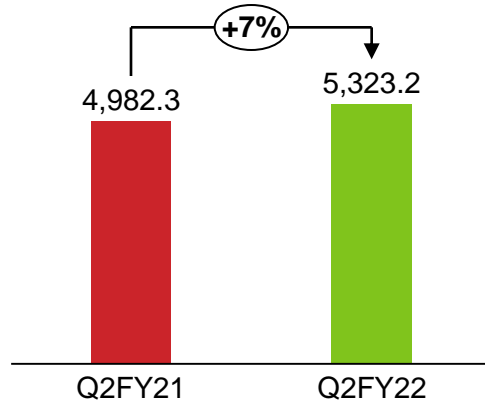


# Financial Performance

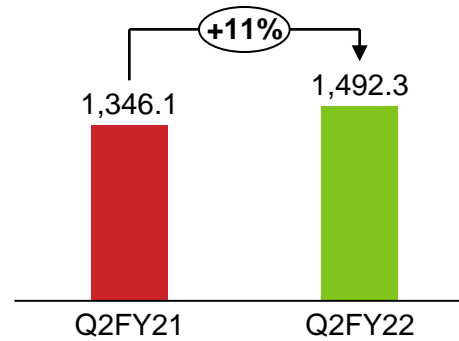


# Q2 FY22 Financial Performance

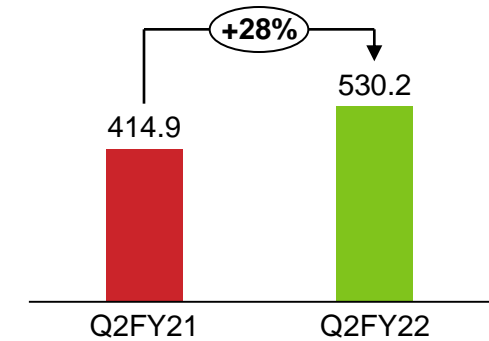
## Revenues (Rs. Mn)



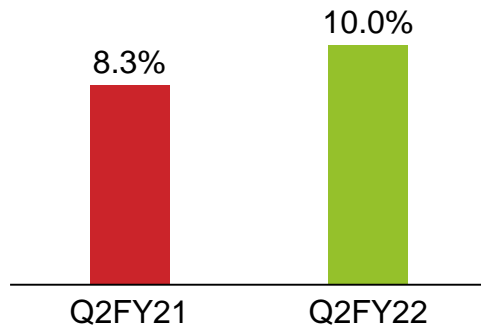
## Gross Profit (Rs. Mn)



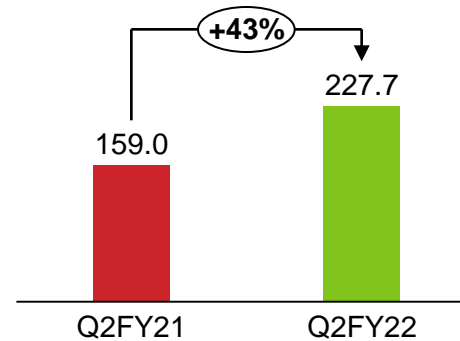
## EBIDTA (Rs. Mn)



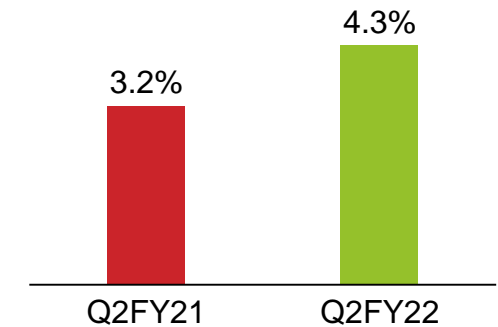
## EBITDA Margins



## PAT (Rs. Mn)



## PAT Margins



# Product Mix



Milk Products



71%



Milk



9%



SMP & Others



20%

# Q2 FY22 Profit & Loss Statement

Particulars (Rs. Mn.)	Q2 FY22	Q2 FY21	Y-o-Y	Q1 FY22	Q-o-Q	H1 FY22	H1 FY21	Y-o-Y
<b>Total Revenue</b>	<b>5,323.2</b>	4,982.3	7%	4,384.5	21%	<b>9,707.7</b>	9,338.3	4%
<b>Gross Profit</b>	<b>1,492.3</b>	1,346.1	11%	1,377.4	8%	<b>2,869.7</b>	2,469.2	16%
<b>Gross Profit Margin(%)</b>	<b>28.0%</b>	27.0%		31.4%		<b>29.6%</b>	26.4%	
<b>EBITDA</b>	<b>530.2</b>	414.9	28%	449.2	18%	<b>979.4</b>	712.0	38%
<b>EBITDA Margin (%)</b>	<b>10.0%</b>	8.33%		10.25%		<b>10.1%</b>	7.6%	
<b>Profit After Tax</b>	<b>227.7</b>	159.0	43%	175.0	30%	<b>402.8</b>	191.3	111%
<b>PAT Margin (%)</b>	<b>4.28%</b>	3.2%		4.0%		<b>4.1%</b>	2.0%	
<b>EPS (As per Profit after Tax)</b>	<b>2.52</b>	1.89		1.94		<b>4.46</b>	2.28	

# H1 FY22 Balance Sheet

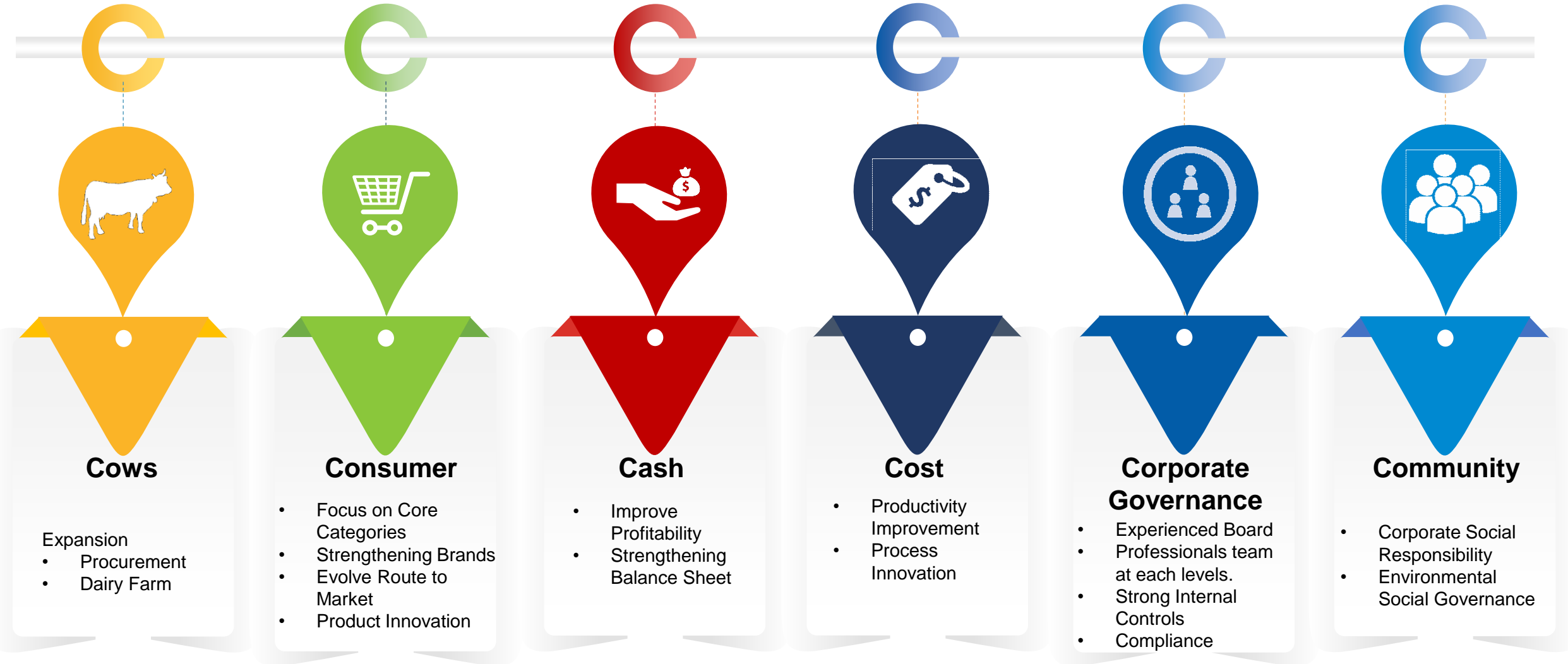
Particulars (Rs. Mn.)	Sep-21	Mar-21
<b>Equity &amp; Liabilities</b>		
Total Equity	11,796.2	9,281.4
Total Non - Current Liabilities	2,173.7	461.1
Total Current Liabilities	5,008.0	7,082.8
<b>Total Equity and Liabilities</b>	<b>18,977.9</b>	<b>16,825.3</b>
<b>ASSETS</b>		
Total Non - Current Assets	4,900.7	4,966.6
Total Current Assets	14,077.2	11,858.7
<b>TOTAL ASSETS</b>	<b>18,977.9</b>	<b>16,825.3</b>



# Strategic Framework



# Our 6C Framework



# Our 6C Framework

## COWS

01

- Expanding geographical coverage (Setting up new collection centres & reaching new districts)
- Better control on Quality with BMC network
- Expanding bouquet of services
- Expansion of Bhagyalaxmi Dairy Farm – Largest & most modern dairy farm in South East Asia
- Focusing to Grow no. of cows by 6X
- Improving milk yield from existing cows to reach 1.4 LLPD

## CONSUMER

02

- Targeting 5% of revenue in brand building initiatives
- Focus on core categories: Ghee, Cheese, Paneer & Proteins - to contribute 75% to total revenue
- Focus on growing niche brands like Pride of Cows & Avvatar. Expansion of portfolio to seed the market
- Focus on key markets with specific high demand products
- Drive depth of distribution with focus on weighted outlets
- Expand distribution outreach with more Depots & improving service to customers
- Continue to be innovative in our focus categories. New products to contribute to double digits growth in next 5 years

## CASH

03

- Improve profitability by change in product Mix, improved efficiencies & scale benefits
- To improve working capital cycle by reducing receivables & inventory
- Right mix of long term plus short-term debt

# Our 6C Framework

## COST

04

- Improve operational efficiencies by automation, modernisation & strict controls
- Improving utilisations and reducing wastages across all levels
- Leveraging vendors with shorter cycles, re-negotiation, quality RM sourcing, office consolidation, supply chain optimisation, cold chain restructuring, alternative energy, etc.
- Targeting further savings in operational efficiencies ~ 2% of revenues
- IT Integration of entire value chain – from procurement to distribution

## CORPORATE GOVERNANCE

05

- Enhance Board with experienced resources
- Professionals for core management functions
- Bring change management with focus on accountability, quality & discipline
- Implementing strong internal controls
- Compliance tool for tracking & monitoring on real time basis

## COMMUNITY

06

- Community services in areas of health, education & animal welfare
- Support farmers in improving their productivity & viability
- Reducing the carbon footprint (energy management, emissions) by 20%, energy & water usage by 10%
- Zero discharge of Effluents
- Renewable energy contributes 35% of total usage.
- Sustainable sourcing of all RM, PM and other requirements





**Progress Under Our Stated  
Strategic Initiatives**



**1.1**  
Million  
liters

Average milk procurement for the quarter

**26.9**  
Per Liter

Average rate of milk procurement for the quarter

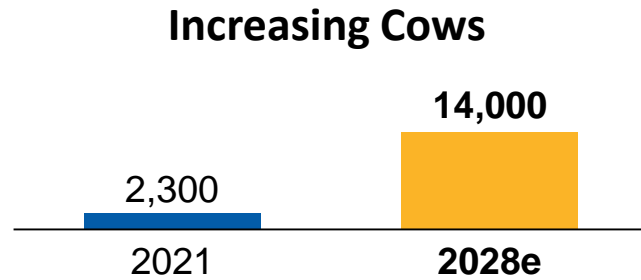
**3rd**  
consecutive  
year

3<sup>rd</sup> consecutive year of good monsoons in the country

Milk availability is good and shall continue backed by good monsoons. Further, with demand stabilizing, milk prices are also starting to inch up and shall remain stable over next season.



## The future of dairy farming



Increasing milk production capacity to **1,40,000 litres by 2028** from the farm

Expanding our product portfolio under our premium offering - **Pride of Cows**

This expansion is aimed at seeding the market with increased milk production

## Expansion of Portfolio



# Consumer – Strengthening the core categories



**Gowardhan Ghee**

Leader & Pioneer in cow Ghee category



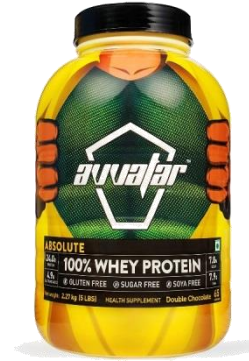
**Gowardhan Paneer**

Pioneers of cow's milk fresh paneer with long shelf life.



**Go Cheese**

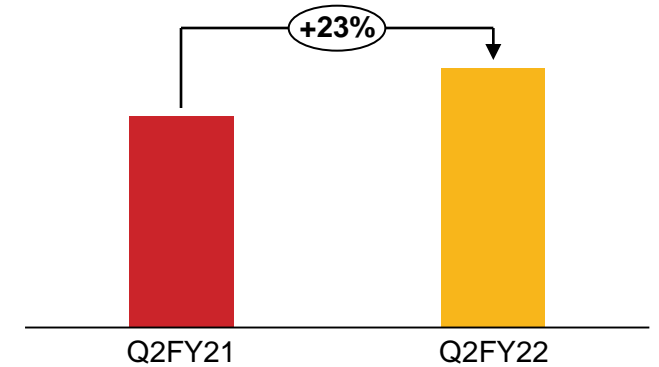
2nd Largest player in cheese category in India with 35% Market share. leader in OOH segment



**Proteins**

Only Indian player high value-add whey portfolio from grass to glass.

## Core Categories



Core category sale has increased 23% YoY (against total growth of 7%)

Other categories are expected to grow in H2.

HoReCa has also returned to pre-pandemic levels and is in fact further growing over that in the last 2 months.

Fresh Milk shall take some time to stabilize

Core categories i.e., Ghee, Paneer, Cheese & Protein are the engines of growth for our company and not just back to pre-pandemic level but has gained over that.





**30%**

Opportunity Markets have grown by 30% Q-o-Q

**8%**

Distribution and increasing depth in weighted outlets has been our key focus: Over the last quarter we have grown by 8% in weighted distribution

**Distribution updates**

We have added another **1** cold storages; **2** new Depots and **17** super stockists

**100%**

In Horeca, we faced challenges earlier due to Covid led lockdown and disruption, resulting in weaker sales reflecting in Q1 results. Post August the recovery has been strong and we have grown by 100% Q-o-Q. It is back to pre-covid levels.

**70%**

Ecommerce continues to grow manifold and has grown at 70% Y-o-Y.

# Consumer – New Product Launched

## GO Milkshake Tetra pack launch



Posters

- Indian Market size 1k Cr in 2019
- We aim to capture 5% of India market till May-2022
- Launched in 4 flavors Coffee, Chocolate, Vanilla & Strawberry
- Under Brand Go
- SKU 180 ML
- MRP 20

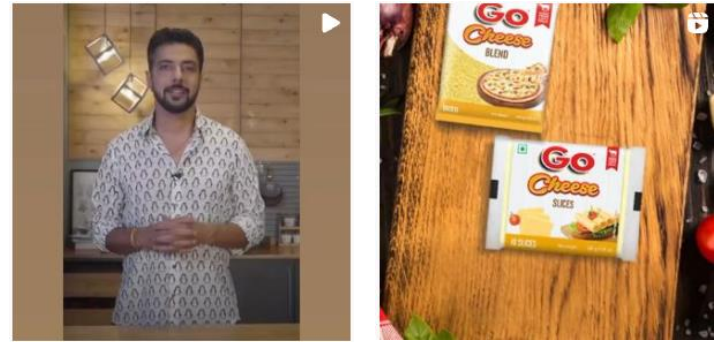
## Milko Cheese Launch

- Indian Market – mirroring trends in developed markets and moving to substitutes
- We aim to target low-income group consumers
- Launched in 3 SKUs Slice 200 GM, Block 200 GM and Angles 160 GM
- Under Brand



## GO Cheese

### Topical post for Social Media





# Consumer – New Product Launch & Marketing Campaigns



## Pride of Cows

### Paneer Launch



Farm to home is good.  
Single origin, farm to home  
is simply better.

Everything that goes into our bottles and packs comes from our own farm.  
The milk comes from our pampered cows. Our technology is cutting edge.  
So what you get is single origin and simply better.

TO SUBSCRIBE:  
Call us on 022-68156815 | WhatsApp us on 9326908210 | Email us on bookings@prideofcows.com  
www.prideofcows.com



### Independence Day Neck



Magenta Line Di  
White Line for P

### Ganpati Neck Tag

FOR REFERENCE



### Rakshabandhan Neck Tag



### Customer Engagement Activity

### Paneer Post Card

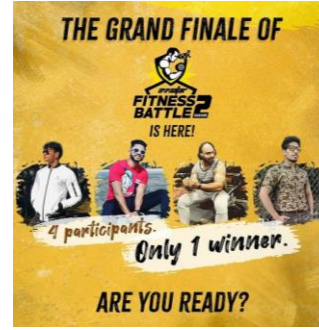
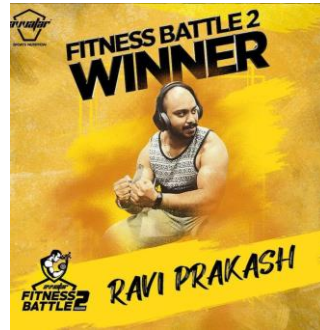


### Various Social Media Posts: New Launch /Reels, 50 Reasons campaign, Teacher's day

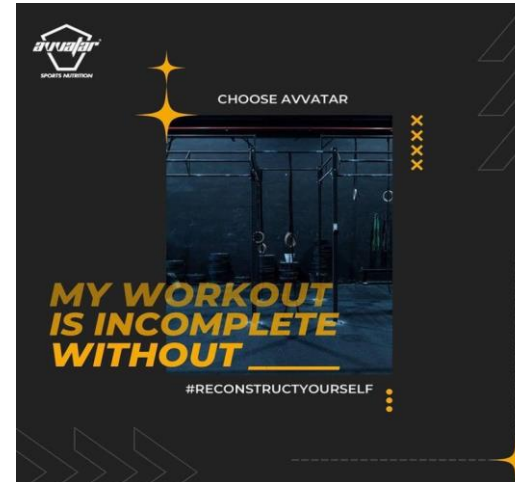
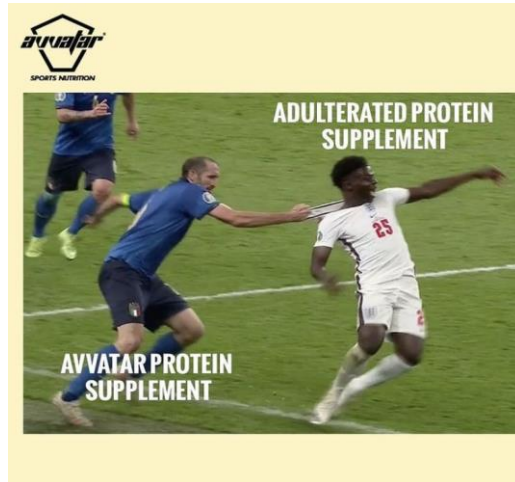


# Consumer – Brand Building & Marketing Campaigns

## Avvatar



We organize a Fitness competition named "Avvatar Fitness Battle 2" continuing the trend of last year.



Current trending topics and festivals were posted, and it was appreciated by the customers



# Consumer – Brand Building & Marketing Campaigns

## Gowardhan



TV Campaign



Regional News Channel



Gold Milk Bournvita OOH Activity in Mumbai



## Debt Reduction

Reduced working capital debt by 1406 Mn

## Overheads

Cutting costs by Leveraging vendors, Re-negotiating, Reverse Auctions, Office consolidation

## Supply Chain Optimization

- Depot & Cold storage Restructuring
- Beat planning in opportunity markets





## Strengthening Board

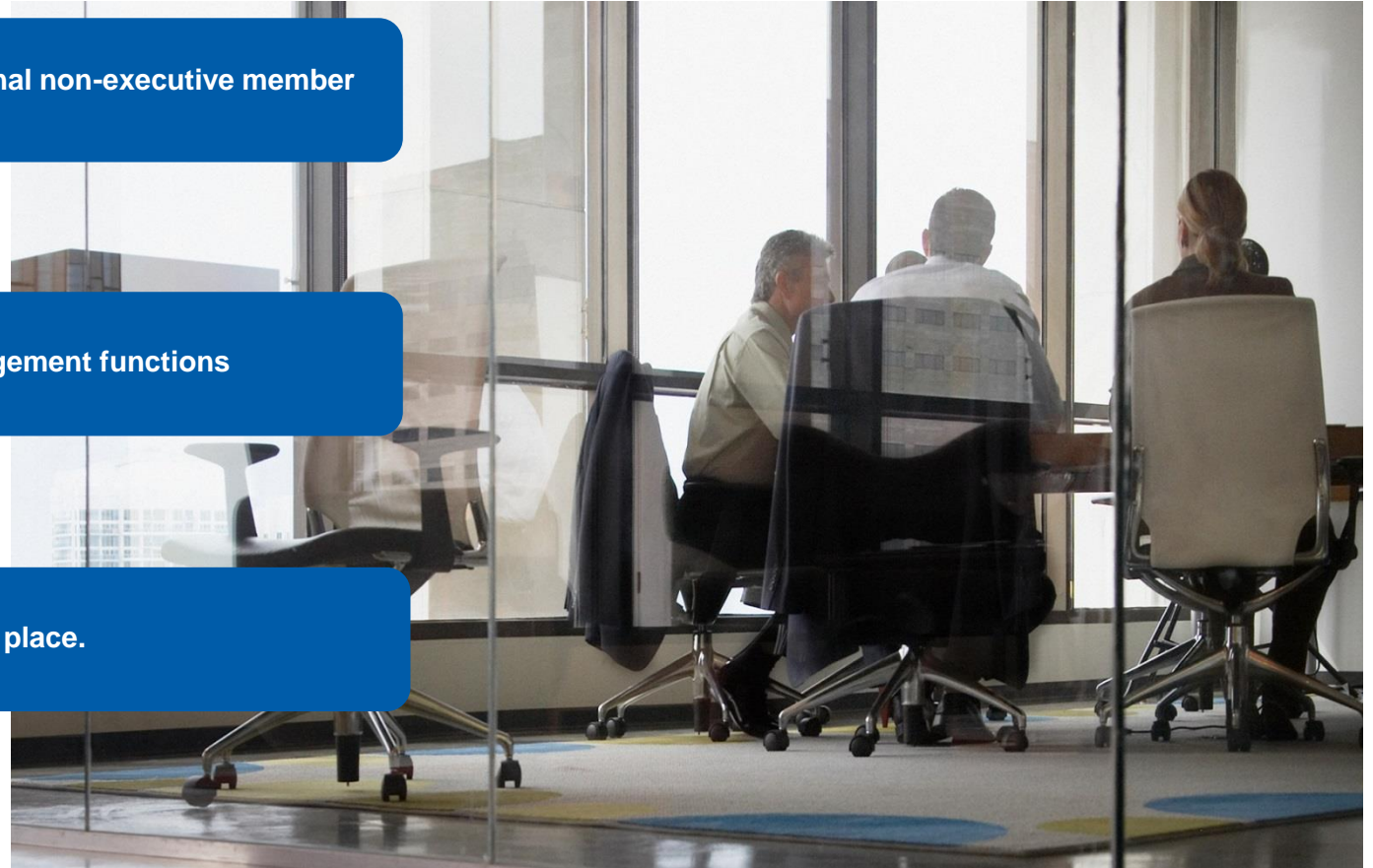
Inducted Nikhil Vora into the board as an additional non-executive member and strengthened the board.

## Core Management

Working on bringing professionals for core management functions

## Compliance

Online compliance software tool & supervision in place.







During the second wave of Covid we continued to work on the following areas

- Food & Water facilities
- Sanitization
- Education
- Animal Welfare

Providing three nutritious meals to Covid Patients and Hospital staff on daily basis



Provided health kit to Corona Warriors on a consistent basis



In - conjunction with state government , developed the JUMBO Covid hospital to provide necessary medical support for local residents



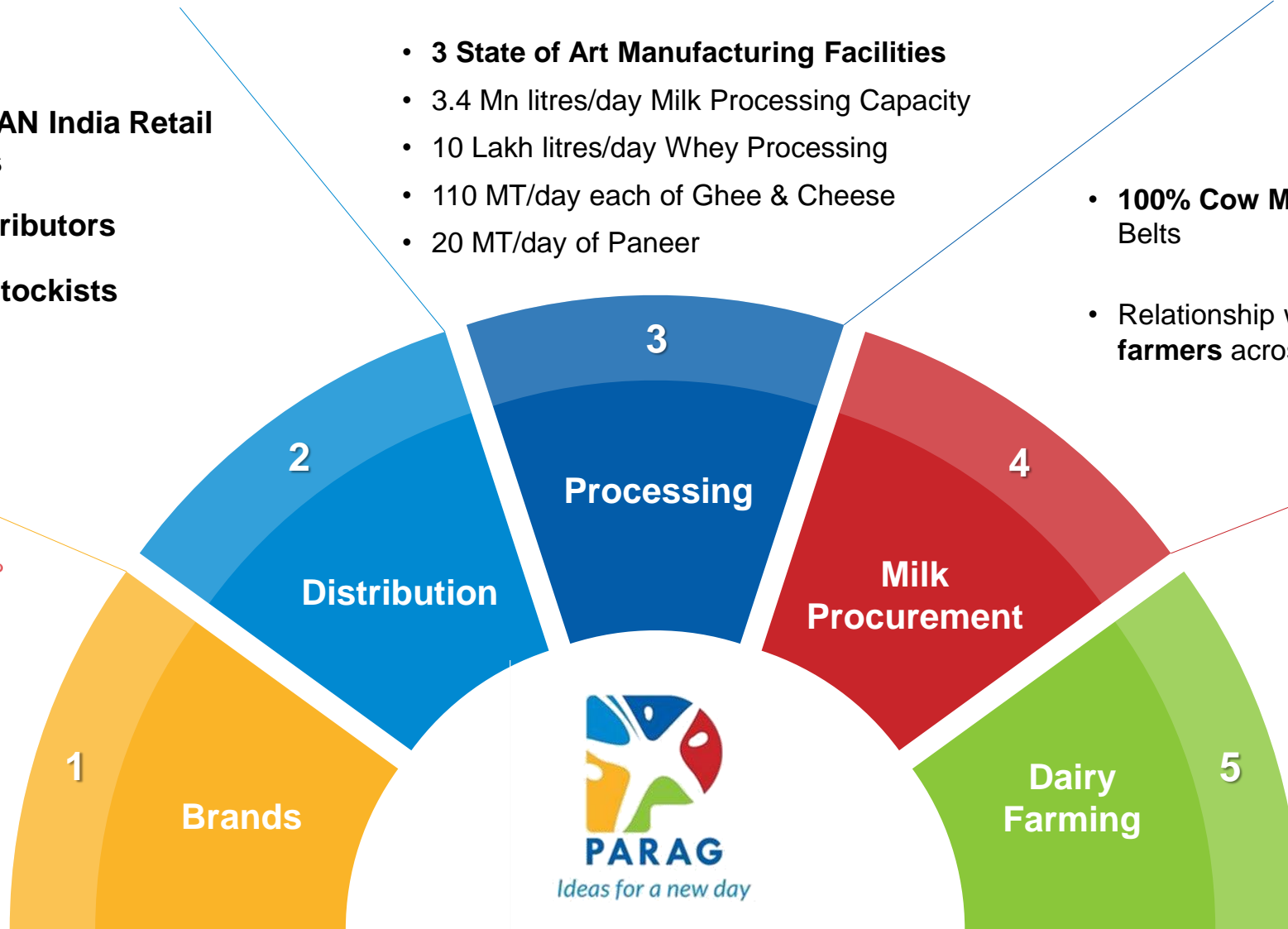
## **PARAG at Glance**

# Integrated Business Model

- **3.5 Lakh** PAN India Retail Touch Points
- **3,000+** Distributors
- **200** Super Stockists
- **21** Depots

- **3 State of Art Manufacturing Facilities**
- 3.4 Mn litres/day Milk Processing Capacity
- 10 Lakh litres/day Whey Processing
- 110 MT/day each of Ghee & Cheese
- 20 MT/day of Paneer

- **100% Cow Milk** from the key Milk Belts
- Relationship with over **2,50,000** farmers across India



- Largest Automated Dairy Farm with **~2,300+** Holstein Friesian Cows
- Customer Base of **1,00,000+** households spread across 4 cities



# Our Journey



1992

Parag Milk Foods was founded by Mr. Devendra Shah. It is strategically located in the milk belt at Manchar, Maharashtra and initially procured mere 20,000 lit milk per day



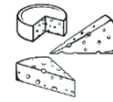
1998

Commissioned Value-added plant at Manchar started production of ghee and butter under 'Gowardhan' brand



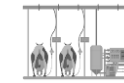
2005

Launched Bhagyalakshmi Dairy Farm, India's most advance farm equipped with state-of-the-art technologies



2008

Commissioned Go Cheese world, India's largest cheese manufacturing plant with capacity of 40mt/day



2010

Palamaner plant was established with world class UHT facility



2011

Launched the brand- Pride of Cows- A first of its kind premium farm to home dairy brand



2014

Realizing the need of market & to add further value, Launched Whey Products for ingredient usage



2015

Launched the Corporate identity PMFL Logo



2016

Parag Milk Foods Limited got listed on the bourses



2017

Entered the consumer business of 100% Whey protein with the brand Avvatar



2018

Established the third manufacturing facility in Sonipat, Haryana, which was acquired from Danone



2020

Expansion of the premium brand offerings – Pride of Cows Ghee and Dahi with the aim to take the brand at the national level. Commissioned Lactose facility with a capacity of 40mt/day.

# Brands - Gowardhan



The first brand launched by PMFL, Gowardhan gained quick recognition for its unique value – 100% cow milk and its quality

Over the years, the category has expanded into ghee, paneer (cottage cheese), curd, butter and dairy whitener



# Brands - GO



A modern manifestation of Gowardhan from where it also derives its name, brand 'Go' caters to consumers looking for a higher degree of comfort and convenience

These products cater to those leading busy lifestyles. It includes Cheese, UHT milk, and beverages



Premium milk for the uber luxury consumer

Pride of Cows is a niche product originating from Bhagyalaxmi Dairy Farms. This is cow milk from India's most modern dairy farm and untouched by human hand right delivered directly to the consumer's doorstep

It is a first-of-its-kind superior farm-to-home product that is growing its influence in a niche consumer category backed by its powerful value proposition

The service is currently available across Mumbai, Pune, Surat and Delhi. The farm has a unique subscription-based model, with delivery monitored through a dedicated app, designed for specific, targeted consumer audiences, maintaining extremely high-quality standards.



# Brands - Avvatar



Avvatar is among PMFL's most rapidly growing brands. The product is a category-first as truly 'made in India' whey protein that is 100% vegetarian

Milked, processed and packaged within 24 hours in the same plant, it is the freshest whey protein available in the market

The product range includes whey protein in variants such as Isorich (Isolate Protein), RAPID (an instant hydration formula), Muscle Gainer and Mass Gainer. It has high protein content and is free of sugar, gluten, and soya



# Distribution Network

**21**

**Depots**

**200**

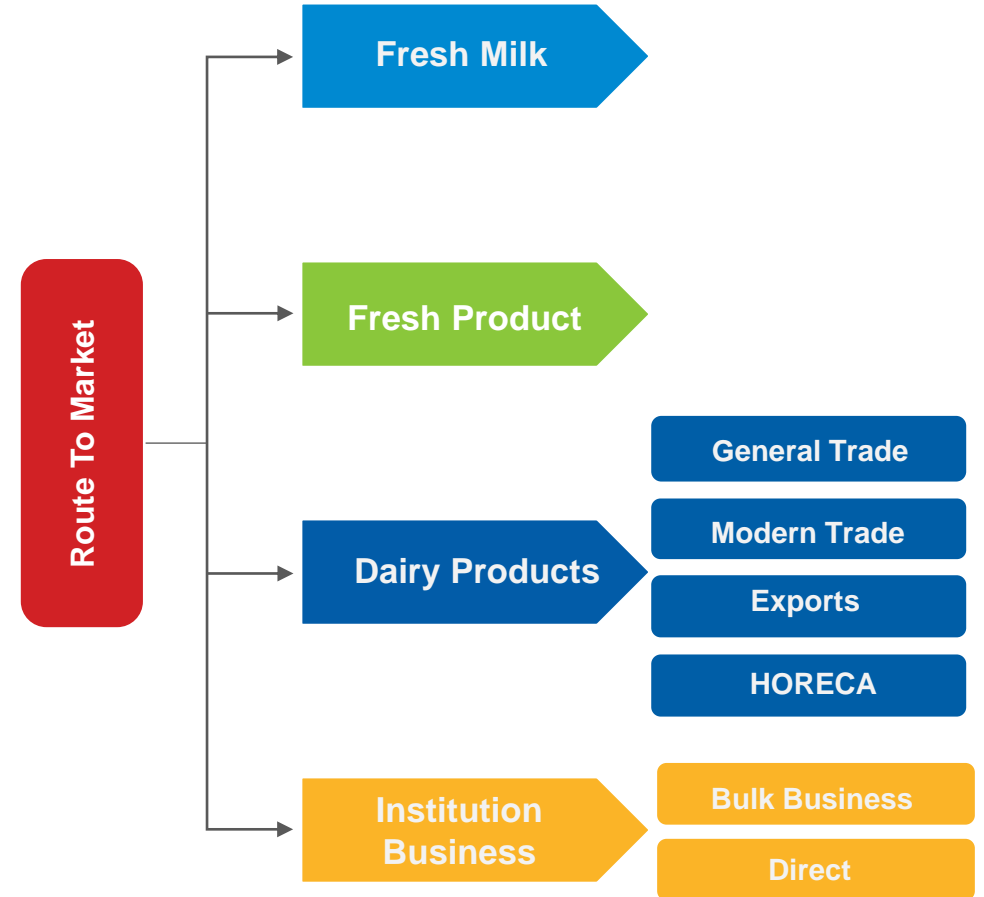
**Super Stockists**

**3000+**

**Distributors**

**3.5 Lakh**

**Retail Touch Points**



**Dedicated Sales and Marketing team comprising of over 800 personnel**

## Plant & Production MIS

- Inventory management & production planning through JIT, lean system, throughput accounting



## Raw Material Management

- Our systems provide real-time analysis of the quality and quantity of milk procured



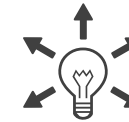
## Business Intelligence & Automation



- Financial analysis
- Profitability analysis
- Segment wise ROI & Fund management

## Supply Chain Management

- Seamless integration of our manufacturing facilities, cold chain and our distribution network of super-stockists & retailers



## Sales Force Automation & Distribution Management System

- It helps to increase productivity and enhance the time spent on driving sales
- Quick resolution of claims



# State of Art Manufacturing Facilities

**3.4**Mn Litres / Day

Milk Processing  
Capacity

**20** MT / Day

Paneer Processing  
Capacity

**110** MT / Day

Ghee & Cheese  
Processing Capacity

**10**Lakh Litres / Day

Whey Processing  
Capacity



Manchar, Pune, Maharashtra



Palamaner, Andhra Pradesh



Sonipat, Haryana



# Bhagalaxmi Dairy Farm - India's most modern dairy farm

Spread over **35 acres** and equipped with the finest international technology

The facility features a well-equipped scientific laboratory, R&D centre and research farm. It is home to **~2,300 Holstein Friesian Cows**

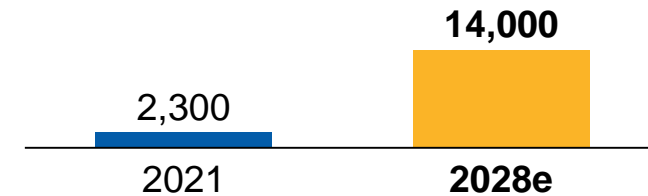
Bhagalaxmi Bioscience Division studies various formulations for quality cattle feed to improve milk yields as well as sustainability. It also ensures waste matter is converted into useful marketable material, such as manure

The facility has its own biogas plant with **600 m3 power generation capacity**, which converts gas fit for captive consumption



## The future of dairy farming

### Increasing Cows



Increasing milk production capacity to **1,40,000 litres by 2028** from the farm

Expanding our product portfolio under our premium offering - **Pride of Cows**

This expansion is aimed at seeding the market with increased milk production

# Procurement Network

**2.5+**  
Lacs Farmers



**2,400+**  
Village Level  
Collection points (VLC)



**250**  
Bulk Milk Coolers



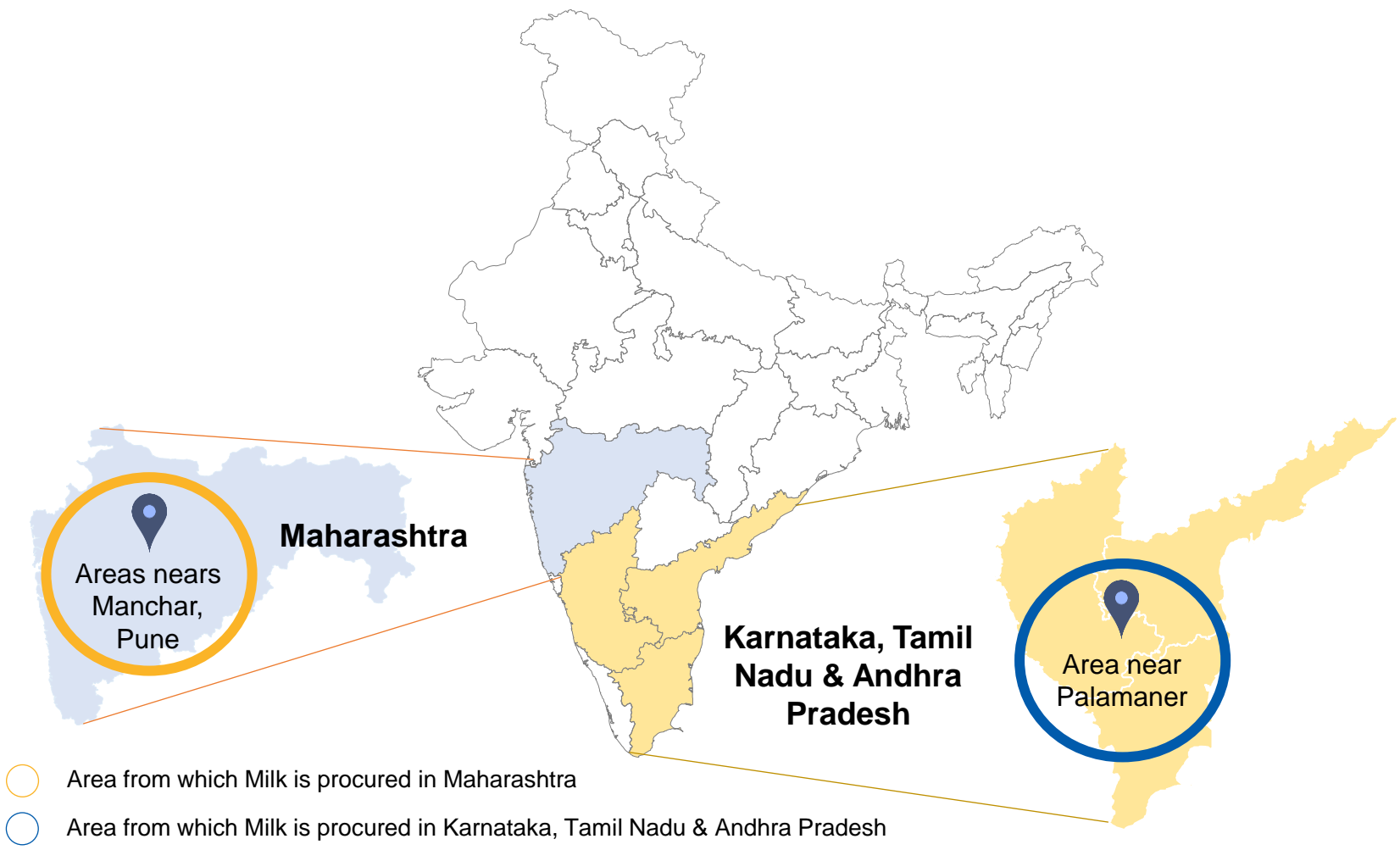
**100+**  
Milk Chillers



**4**  
Integrated  
Processing Plants



## Procurement Network



○ Area from which Milk is procured in Maharashtra

○ Area from which Milk is procured in Karnataka, Tamil Nadu & Andhra Pradesh

# Board of Directors



**Mr. Devendra Shah | Chairman**

PMFL has grown consistently under the leadership of Devendra Shah. He brings enthusiasm and innovation to business and has enhanced the company's revenue exponentially



**Mr. Narendra Ambwani | Independent Director**

He was the Managing Director of Johnson & Johnson's consumer group in India. He has 39 years of experience in the consumer product industry. He works as a strategic partner advising the top management in developing business strategy to drive the next phase of growth of the company.



**Mr. Pritam Shah | Managing Director**

The overall execution strategy of the company and consolidation of company's market presence, fall under the purview of Mr. Pritam Shah. His extensive knowledge and robust understanding of procurement and production process has played a crucial role in improving PMFL's performance.



**Ms. Radhika Dudhat | Independent Director**

Ms. Radhika is a Partner with Shardul Amarchand Mangaldas & Co. She has worked on a wide range of transactional, regulatory and legal risk management advisory. She has been appointed as the Chairperson of the Corporate Law and Governance Sub-Committee of the IMC Chamber of Commerce & Industry.



**Mr. B.M Vyas | Non-Executive Director**

Mr. B.M Vyas has had a long stint in the dairy industry and is the former Managing Director of GCMMF (Amul). He serves as an advisor to the top management and assists in the creation of efficient and effective growth strategies. He is closely involved in monitoring the entire gamut of the business processes from the perspective of sales and distribution.



**Mr. Nitin Dhavalikar | Independent Director**

He is essentially responsible for rendering financial advisory to the organization. He has over 20 years of experience in overall business and corporate finance advisory



**Mr. Ramesh Chandak | Independent Director**

Mr. Chandak is CEO of RDC Business advisory, which provides individualized leadership coaching, strategy, succession planning and management services. Prior to starting advisory practice, he was MD & CEO of KEC International Ltd. He is on the Boards of various listed companies and Non-Profit Organizations.



**Mr. Nikhil Vora | Additional and Non- Executive Director**

Nikhil Vora is the Founder and CEO of Sixth Sense Ventures with 28 years of experience in financial markets and the consumer domain. Nikhil was earlier the Managing Director and Head of Research at IDFC Securities and has been regarded as one of the strongest analytical minds in the country. He has evolved a strategic roadmap for Hindustan Unilever, Aditya Birla Group, Marico, Godrej, etc.





## A solid foundation by adopting ESG Policies

1. Adoption of strong Corporate Governance standards
2. Adoption of ESG Systems
3. Best Practices of Societal improvement through various CSR activities
4. Adoption of practices for food security & climate change under UN Sustainable Development Goals

## Focus Areas

**Environmental** focus centers around reducing the carbon footprint and an optimal waste management.

**Social** Focus on well-being of our milk farmers, employees, distribution partners

**Governance** framework include business governance, talent governance, and sustainability governance.

## Continuous Monitoring

- Well articulated internal ESG policy in adherence to different certifications
- Also abided by IFC's policy framework on ESG

### Our ESG Framework

- Energy conservation efforts – both thermal & Electrical employing host of measures
- Water conservation efforts  
Recycling of 55% of the requirement
- Responsible Effluent and Waste management process
- Marked reduction in the emission levels

### Performance

- Strict adherence and measurement to the conservation norms
- Zero water and land waste norm
- Reduction in CO2 emission levels (Scope 1 +2) of 15% by 2025

### Way Forward

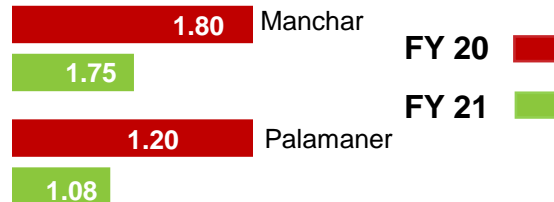
## WATER

### Reduce, Reuse, Recycle

- Water optimization
- Our water consumption per liter of milk handled has reduced
- over a period of time,
- Around 55% of water consumption at our units is from recycled water

### Performance

Water usage (litres) per litre milk



### Plans Ahead

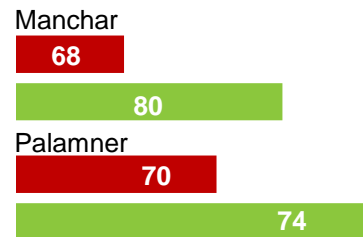
Zero water and land waste norm

## CLIMATE

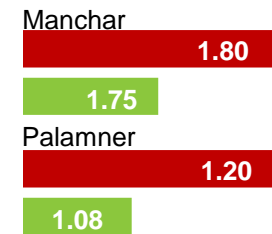
### Focus on reducing Air, Soil, Sound pollutions

- Installation of solid waste digester
- Monitoring and control of excess air in boiler
- Bio-gas generation at Farm is converting cow-dung slurry into organic fertilizers

Boiler Efficiency Levels (%)



Thermal energy usage (Kcal) per litre milk



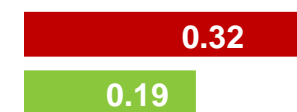
Reduction in CO2 emission levels (Scope 1 +2) of 15% by 2025

## ENERGY

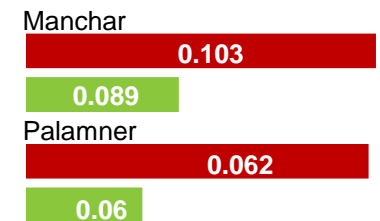
### Emission, Energy Conservation, Focus on Renewables

- Power generation through solar
- Energy generation through solid waste
- Replacement of inefficient pumps
- Technology up-gradation Further Heat recovery system in boiler (Flue gas heat recovery)

Reduction in the CO2 emission / litre of milk handled



Power Usage (KWh/Litre of milk)



Aims to reduce emission levels by 15-20% by 2025

## Feeding Communities

CSR is in our **DNA**, we will continue to enhance value and promote sustainable development of the environment and social welfare society at large.



More than **3,50,000** nutritional food distribution for needy and COVID patients.



# Corporate Social Responsibility

More than **1,500**  
Distribution of COVID-19  
Kits to protect healthcare  
COVID warriors

Regular Sanitization and  
supply of clean drinking  
water  
**6 villages**

More than **400** supply  
of grocery kits Asha workers  
and frontline warriors

More than  
**10,000**  
distribution of Sanitisation  
kits

Provision of Vaccinations  
for more than **600**  
people

Healthcare and cancer  
camps for more than  
**800** people

## Health is Wealth



**150** cows  
are been  
taken care  
by **15-20**  
employees

## Shelter of Protection

## Our shared goodness legacy

More than 300 farmer workshops taken to educate  
them on best dairy farming practices



## Empowering Students



Offering MS CIT  
computer course



Thank you!

### Parag Milk Foods Ltd.



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