



Ideas for a new day

November 17, 2022

Compliance Department, BSE Limited , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai – 400 001 Scrip Code:- 539889	Compliance Department, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex Bandra - (E), Mumbai – 400 051 Scrip Symbol:- PARAGMILK
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Dear Sir/ Madam,

Sub: Investor Presentation on Q2, FY 2022-23

Further to our intimation dated November 14, 2022 regarding approval of Unaudited Financial Results (Standalone & Consolidated) by the Board of Directors of the Company for the quarter and half year ended September 30, 2022, please find enclosed herewith Investor Presentation on the performance of the Company in Q2, FY 2022-23.

This is for your information and further dissemination.

Thanking you.

Yours truly,
For **Parag Milk Foods Limited**

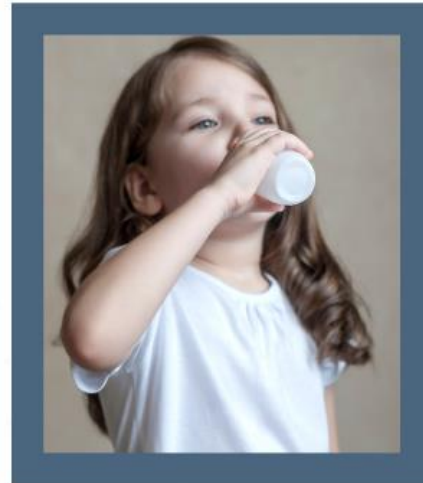
Virendra Varma
Company Secretary and Compliance Officer
FCS No. 10520

Encl: As above.





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**Q2 FY23
INVESTOR PRESENTATION**

SAFE HARBOR



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CHAIRMAN'S MESSAGE



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Mr. Devendra Shah, Chairman

A journey that began with farmers is now aiming to provide complete nutrition to consumers across the globe. The strength of our developed infrastructure, food technology expertise supported by a strong farmer network, and powerful distribution channels have been our strong pillars and have helped us stand out in the industry. The global nutrition industry is growing rapidly with evolving consumer needs and rising awareness of the benefits of a high-protein diet. Being a trustworthy nutrition player we are now geared up to become a health and nutrition company that provides innovative protein solutions across the spectrum.

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EXECUTIVE SUMMARY: Q2 FY 23



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Consolidated 
Revenue grew by
24.9%YOY

The core category
like Ghee, Cheese
has grown at
47.4%YOY

Awatar has posted
strong growth
143%YOY

Pride of Cows (POC)
expanded and entered
Ahmedabad. 
**Strong growth seen in
the value added
segment of POC**

**Impact marketing and
brand building spends done**

Associated with national shows like
KBC for Gowardhan Ghee and
Super Singer for Go Cheese

Commenced 

**Lactose value
added plant**, likely to
reflect in the performance
ahead



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



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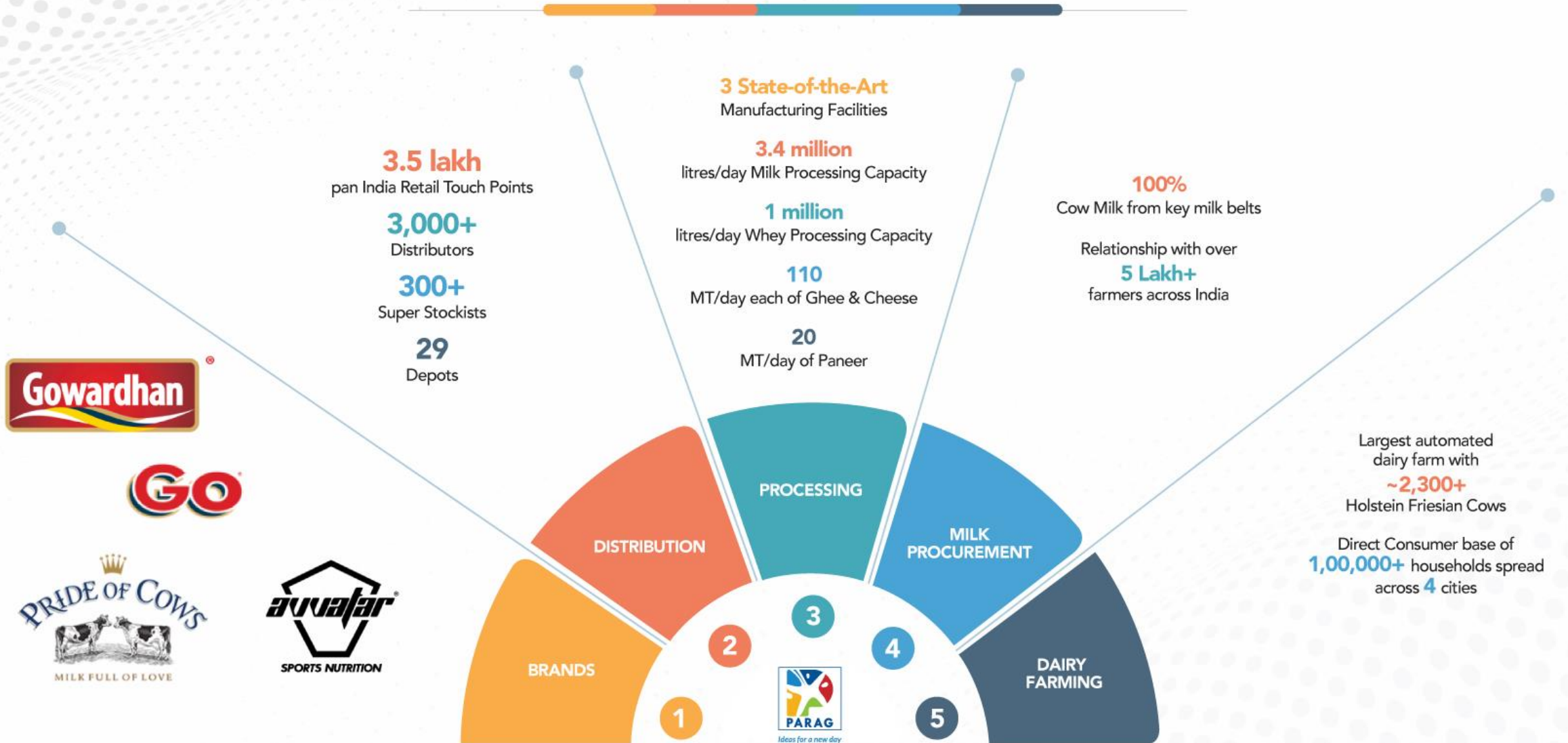
PARAG AT A GLANCE

A horizontal bar with a gradient of colors: orange, red, blue, and dark blue.

PARAG MILK FOODS: A COMPLETE, INTEGRATED BUSINESS MODEL



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FINANCIAL HIGHLIGHTS

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Q2 FY23 FINANCIAL PERFORMANCE



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- Revenue from Operations grew at 24.9% YoY at INR 6648.4 million
- Price of milk & milk products remained high, contributing to commodity inflation

PRODUCT MIX OF Q2FY23



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Milk

8.9%



Value Added Milk Products

68.9%



New Age

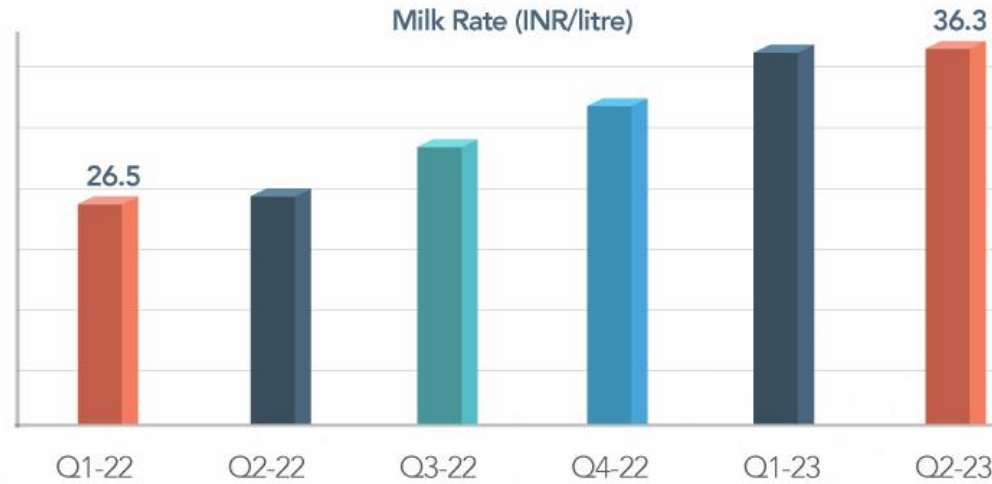
8.6%



SMP

13.6%

INFLATION OF MILK PRICES



The milk prices have seen a tremendous inflation ; The prices have increased by ~37% over last 6 Quarters

THE INDUSTRY WAS IN TURMOIL, PARAG STOOD STRONG



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Reasons for turmoil in the Dairy industries:

- 4 times rise in exports of butter- 19,954 tonnes in FY22 as compared to 4,449 tonnes in FY21
- Exports of skimmed milk power increased to 46,285 tonnes in FY22 a nearly three times of previous year
- Lumpy cow disease results into 8-9% of shortage of milk in certain states
- Heavy monsoon leads to the rise in cost of feed

- Strong network and relationship with 5 lakh farmers and more than 300 BMCs across India helped Parag Stand strong in the fluctuating situation.
- Planned purchase of over 15.5 lakh ltrs raw milk per day.

BUILDING COST EFFICIENCIES THROUGH COMPETITIVENESS



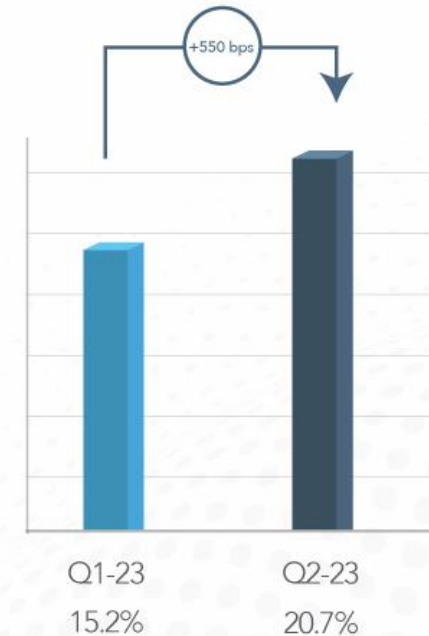
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- Despite rise in milk inflation, the Company had a healthy volume growth.
- As a market leader, the Company actioned price increase ahead of the market.
- Grabbed the opportunity to position ourselves premium to the competition
- We were able to get premium price point in our core categories of Ghee and Cheese.
- We also plough this money to build brand and support our new age businesses.

As a result, our gross margin has
improved by +550 bps QoQ

As an example

	MRP of 1 LTR Pack	Gowardhan % Premium to Competitor
Gowardhan Ghee	Rs 730	
Leading competition 1	Rs 650	11%
Leading competition 2	Rs 560	23%





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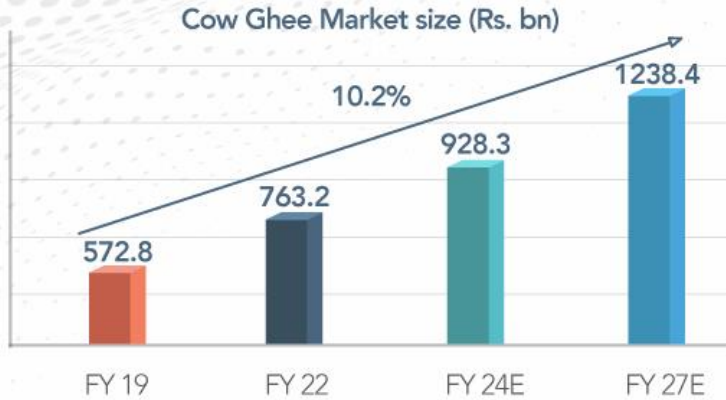
OPPORTUNITY MARKET: HIGH POTENTIAL RUNWAY



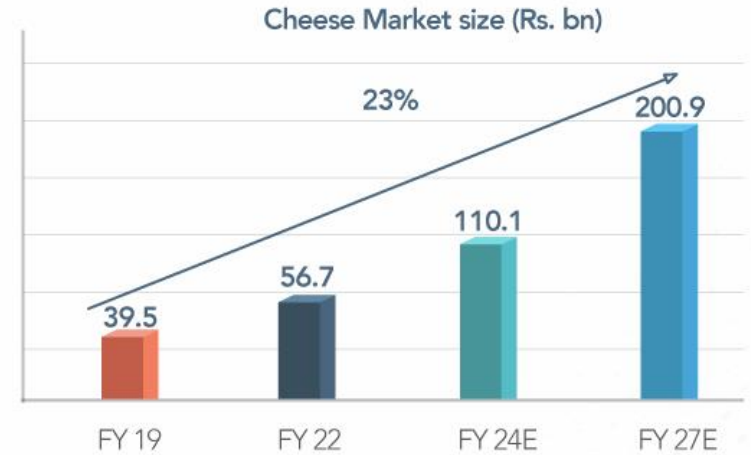
OUR CORE CATEGORIES HAS AN EXCITING FUTURE



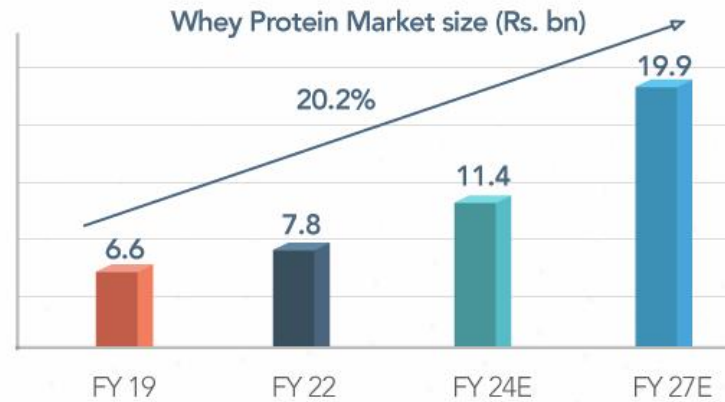
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The cow ghee market size is ~INR 700 billion, and is expected to reach INR 1,238 billion growing at **CAGR of 10.2%** by 2027.



Total market size of Cheese is INR 56.7 billion, and is expected to reach INR 200.9 billion growing at **CAGR of 23%** by 2027.



Total whey market size is INR 6.6 billion and is expected to reach INR 19.9 billion by FY27, Growing at a **CAGR of 20.2%** over FY19-27.



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OUR STRATEGIC PRIORITIES



OUR STRATEGIC PRIORITIES



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To be one of the best performing, most trusted and respected dairy FMCG companies across stakeholders



1. STRENGTHENING & ACCELERATING CATEGORIES



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Ghee, Cheese Growing By 47.4%YOY



GOWARDHAN GHEE

leaders and pioneers of cow ghee category with **20%** market share in cow ghee segment (source IMARC)



GO CHEESE

dominant player in cheese category in India with **35%** market share (source IMARC)



AVATAR

India's only manufacturer of Whey Protein.
Avatar is witnessing healthy growth momentum.

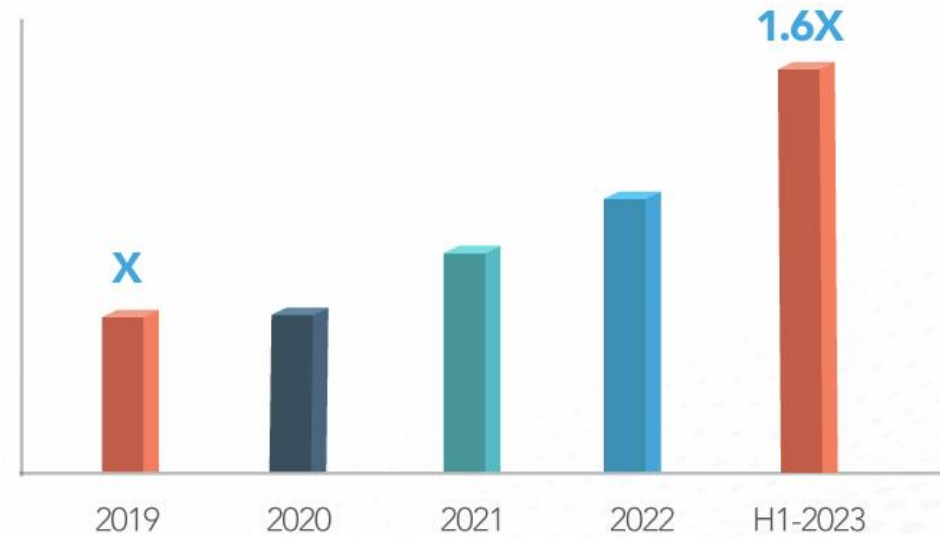
2. CONSISTENT MEDIA SUPPORT



Consistent media support to our brands

Investing **80%** of media spends on AIR

Building brands over new age influencers content strategy



Media spends for last 6 years*

BRAND CAMPAIGN HIGHLIGHTS



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GOWARDHAN

- Associated with Kaun Banega Crorepati by making Rs. 3.20 lakh padav as Gowardhan Ghee padav #GarvseGowardhan (<https://www.youtube.com/watch?v=pijFaBTNLiU>)

GO CHEESE

- Impact marketing through association with Super Singer on national television (<https://www.instagram.com/reel/CgMGcqOpTsR/?igshid=MDJmNzVkmjY=>)

PRIDE OF COWS

- Launched Ahmedabad Market during key festive occasion of Navratri .

AVVATAR

- 100+ influencers association to create brand visibility on social media.

3. BUILT ON THE BACKBONE OF A ROBUST NETWORK



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29
Depots

300
Super Stockists

3000+
Distributors

3.5 Lakh
Retail Touch Points



To reach
5 Lakh
retail touch points
by 2025E

EVOLVING A ROUTE TO MARKET



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Opportunity
markets have grown by
19% YoY



Distribution and increasing
depth in weighted outlets
has been our key focus &
have grown by
16% YoY



In **HORECA**, we have seen significant
growth by
28% YoY



Ecommerce continues to grow manifold and has
grown by **76% YoY**



Distribution & infrastructure update:
We have added

44 super stockists

Expanded the cold room storage
area in Delhi by **70%**

Doubled the warehouse space in UP

3x increase in dedicated refrigerated.
vehicle at Lucknow



4. PROTEIN - THE GLOBAL OPPORTUNITY



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Total whey market size is INR 6.6 billion and is expected to reach INR 19.9 billion

by FY27, Growing at a **CAGR** of **20.2%** over FY19-27.

Parag Milk Foods is the only Indian company to manufacture Whey Protein.

Brand Avatar reaches its consumer in the freshest form. The quality of the Whey Protein sets Avatar apart from the competition.

The category is on a structural uptrend, aided by multiple factor :-

1. As per the industry survey around 65% of Indians are deficient in protein
2. 50%+ of the population in the age bracket of 15-49 years is digitally connected with global trends and looking to improve their lifestyle
3. ~40%+ of the category sells digitally on marketplaces, D2C sites and health stores.

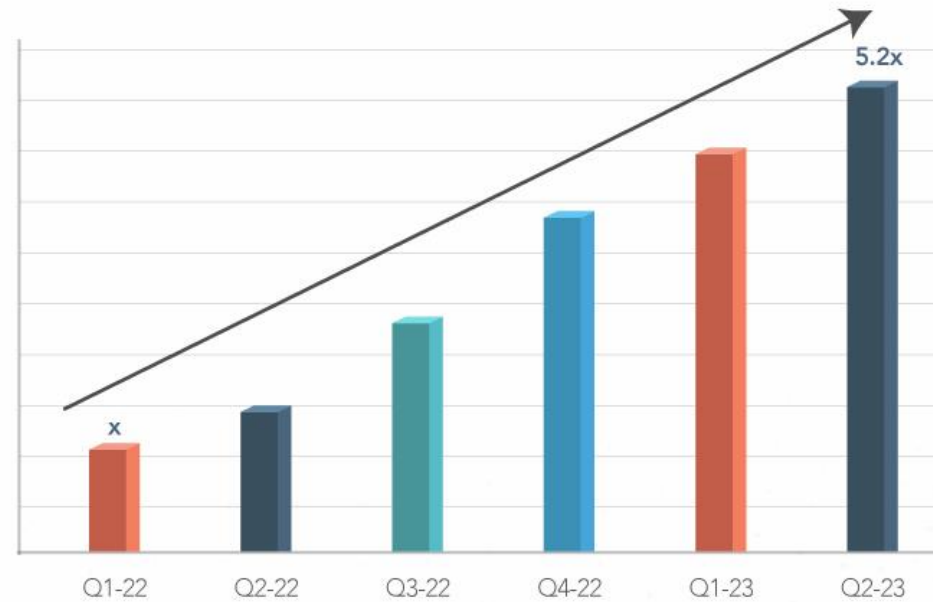


STRONG THRUST ON PROTEIN BUSINESS



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Entered the protein consumer category in 2017; now contributes around 6% to sales



1/3rd
of Avvatar sales
comes from
e-commerce

Sales growth over the last six quarters

Our protein portfolio is witnessing strong growth momentum
Brand "Avvatar" has grown manifold over the years

STRENGTHENING NEW BUSINESS: PRIDE OF COWS



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- Growth strategy: More point of sale; More products ◦

ROUTE TO MARKET



Direct to consumers



Ecommerce



Organized trade channels

Farm fresh, pure, premium dairy range

INCREASING PRODUCT PORTFOLIO



5. OPTIMIZING PRODUCTIVITY TO DRIVE GROWTH



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1

DIGITIZATION/ IT:

PLANNING STAGE FOR SAP HANA IMPLEMENTATION

MORE THAN 70% OF GT BUSINESS HAS BEEN COVERED IN SFA*

2

OVERHEADS:

LEVERAGING VENDORS, RE- NEGOTIATION, REVERSE AUCTIONS

OFFICE CONSOLIDATION

3

SUPPLY CHAIN OPTIMIZATION:

DEPOT & COLD STORAGE RESTRUCTURING

BEAT PLANNING IN OPPORTUNITY MARKETS

* SFA - Sales Force Automation

* DMS - Distribution Management System



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ADDITIONAL INFORMATION

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OUR ESG INITIATIVES



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FOCUS AREAS

ENVIRONMENTAL

focus centers around reducing the carbon footprint & an optimal waste management.

SOCIAL

focus on the well-being of our milk farmers, employees, distribution partners.

GOVERNANCE

framework includes business governance, talent governance, & sustainability governance.

LAYING A SOLID FOUNDATION BY ADOPTING ESG POLICIES

Adoption of strong Corporate Governance standards.

Adoption of ESG Systems.

Best Practices of societal improvement through various CSR activities.

Adoption of practices for food security & climate change under UN Sustainable Development Goals.

CONTINUOUS MONITORING

A 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 a host of measures.

Water conservation efforts: Recycling of 55% of the requirement.

A responsible Effluent & Waste management process.

Marked reduction in emission levels.

PERFORMANCE

Strict adherence to conservation norms.

Zero water & land waste norms.

Reduction in CO2 emission levels (Scope 1 +2) up to 15% by 2025.

WAY FORWARD

GREEN INITIATIVES



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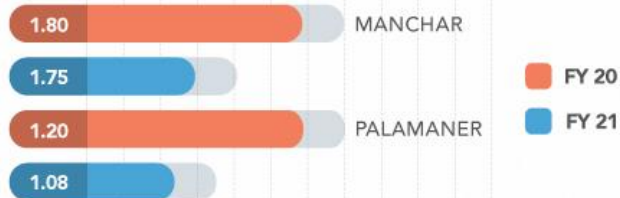
WATER

REDUCE | REUSE | RECYCLE

- Water consumption 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 OF MILK



PLANS AHEAD

ZERO WATER AND LAND WASTE NORMS

CLIMATE

FOCUS ON REDUCING AIR | SOIL | NOISE POLLUTION

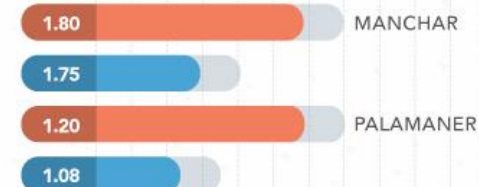
- Installation of solid waste digester.
- Control and monitoring of excess air in boiler.
- Biogas generation at our farm by converting cow-dung slurry into organic fertilizer.

PERFORMANCE

Boiler Efficiency Levels (%)



Thermal energy usage (Kcal)/per litre of milk



PLANS AHEAD

REDUCTION IN CO2 EMISSION LEVELS (SCOPE 1 +2) UP TO 15% BY 2025

ENERGY

EMISSION | ENERGY CONSERVATION | FOCUS ON RENEWABLES

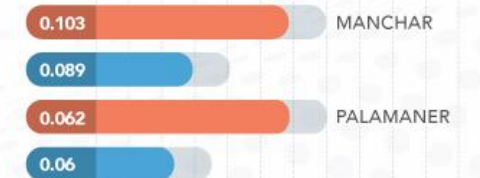
- Power generation through solar energy
- Energy generation through solid waste
- Replacement of inefficient pumps
- Technology upgradation
- Further Heat recovery system in boiler (Flue gas heat recovery)

PERFORMANCE

Reduction in CO2 emission per litre of milk handled



Power Usage (KWh per litre of milk)



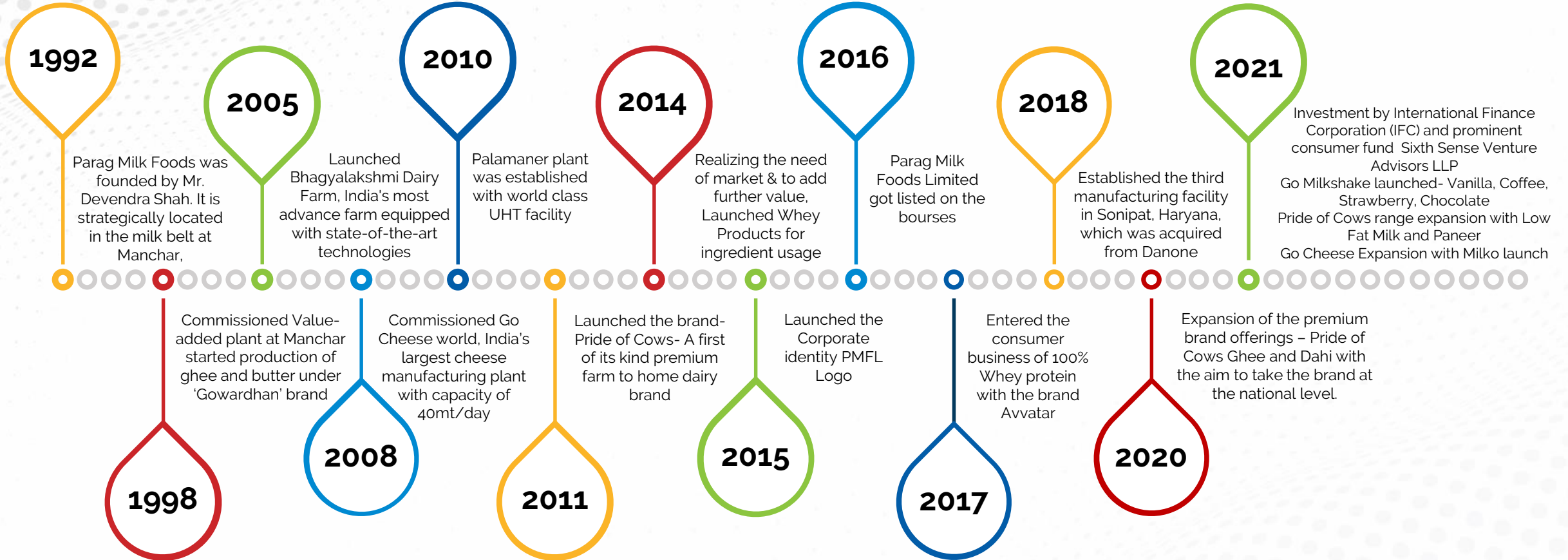
PLANS AHEAD

AIM TO REDUCE EMISSION LEVELS UP TO 20% BY 2025

OUR JOURNEY



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STRENGTHENING THE BOARD- INDUCTION OF INDEPENDENT DIRECTOR



On this association, Dr. Dnyanesh Darshane commented , "There is a tremendous potential in Parag Milk Foods Ltd. (PMFL), as the company has built its business with vision, knowledge and expertise. The strong reason to believe in the future of PMFL is its ability to constantly innovate value-added dairy nutrition products by adoption of modern technology and sustainable practices . The company possesses deeper understanding of the dairy FMCG business and has grown over the years to become a global player".

About Dr. Dnyanesh Darshane:

- He comes with more than 37 years of global experience across continents and companies. He has worked in three continents, Asia, North America & Europe.
- He holds a Ph.D. in Analytical Chemistry from the Institute of Science, India and an M.B.A. from Emory University, USA.
- He has been associated with top companies like The Coca-Cola Company, Nicolas-Piramal, Pepsi Foods, Tata Pharmaceuticals, U.S. Vitamins Pharmaceutical to name a few.
- His diverse, cross-functional background includes Supply Chain, Concentrate & Beverage base Manufacturing, Global Quality, Food Safety, Environmental Sustainability, Immediate Consumption Equipment (ICE), Continuous improvement, Innovation & Product Commercialization, Governance & Regulatory Compliance, Policy & Standards Development, Coaching & Talent Development, Multi-Country Business Plan Development & Deployment, Advanced Laboratory Management& optimization, Bottling Operations, C-GMP, Certifications, and New Technology Adoption.
- He possesses an entrepreneurial mindset and strong business management skills with global exposure, in the Coca-Cola system, both in Operational and Strategic roles.
- He has been an innovative, multifaceted, and result driven Executive Leader possessing visionary leadership.
- Currently, Dr. Darshane is the Managing Director & Partner at FOBE Solutions LLC, USA and holds directorship in Chem Activate Private Ltd & IND Food & Beverage Association.



Dr. Dnyanesh Darshane

BOARD OF DIRECTORS



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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. 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. Akshali Shah | Executive Director *

Ms. Akshali Shah has more than a decade experience with Parag Milk Foods as SR. VP Strategy - Sales & Mktg. She is instrumental for growth of the high value product business like launch of Farm to Home business- Pride of Cows, Sports Nutrition brand- Avvatar (whey protein), and growth of beverages business. She has played an instrumental role in the journey of transformation from being a Dairy to a leading FMCG company with product innovation focusing on health & nutrition. Her vision is to transform Parag Milk Foods into a technology driven FMCG company. She holds MBA degree in Family Managed Business from S. P. Jain Institute of Management

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. 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

Dr. Dnyanesh V. Darshane | Independent Director *

Dr. Dnyaneshwar Darshane comes with more than 37 years of global experience across continents and companies. He has worked in three continents, Asia, North America & Europe. He has been associated with top companies like The Coca-Cola Company, Nicolas-Piramal, Pepsi Foods, Tata Pharmaceuticals, U.S. Vitamins Pharmaceutical to name a few. Dr. Darshane holds a Ph.D. in Analytical Chemistry from the Institute of Science, India and an M.B.A. from Emory University, USA. He has been an innovative, multifaceted, and result-driven Executive Leader possessing visionary leadership.

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. Nikhil Vora | 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.

*Proposed to be appointed on the Board of Directors wef date of shareholders approval



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THANK YOU
