



Ideas for a new day

August 8, 2023

Compliance Department, BSE Limited , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai - 400 001	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 Code:- 539889	Scrip Symbol :- PARAGMILK

Dear Sir/Madam,

Sub: Investor Presentation on Financials Results for Quarter ended June 30, 2023

In continuation of our letter dated August 5, 2023 on Standalone and Consolidated Unaudited Financial Results for the quarter ended June 30, 2023 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Investor Presentation being issued by the Company in this regard.

The above document is also being made available on the Company's website www.paragmilkfoods.com.

Kindly take the same on records.

Thanking you.

For Parag Milk Foods Limited

Virendra Varma
Company Secretary and Compliance Officer
FCS No. 10520

Encl: As above.



Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

Regd. Office: Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital, Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

Corporate Office: 10th floor, Nirmal building, Nariman point, Mumbai - 40021 Tel.: 022-43005555 Fax: 022-43005580

Website: www.paragmilkfoods.com | **email:** investors@paragmilkfoods.com



Q1FY24 INVESTOR PRESENTATION



CHAIRMAN'S MESSAGE

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

The Core Category of Ghee and Cheese has grown by **22.9% YoY**

Consolidated revenue grew by **8.5% YoY**

Brand Avvatar has posted strong growth **116% YoY**

Protein business has grown by **~1.2X YoY**

High Distribution focus **37% YoY**
Growth in outlet reach

Pride of cows posted healthy traction with **21.2% YOY** growth



FINANCIAL HIGHLIGHTS-

Q1FY24



Revenue

INR
749.6
crore;

8.5 %
growth yoy

Gross Profit

INR
160.4
crore;

21.4 %
margin

EBITDA

INR
46.5
crore;

6.2 %
margin

PAT

INR
21.4
crore;

2.9 %
margin

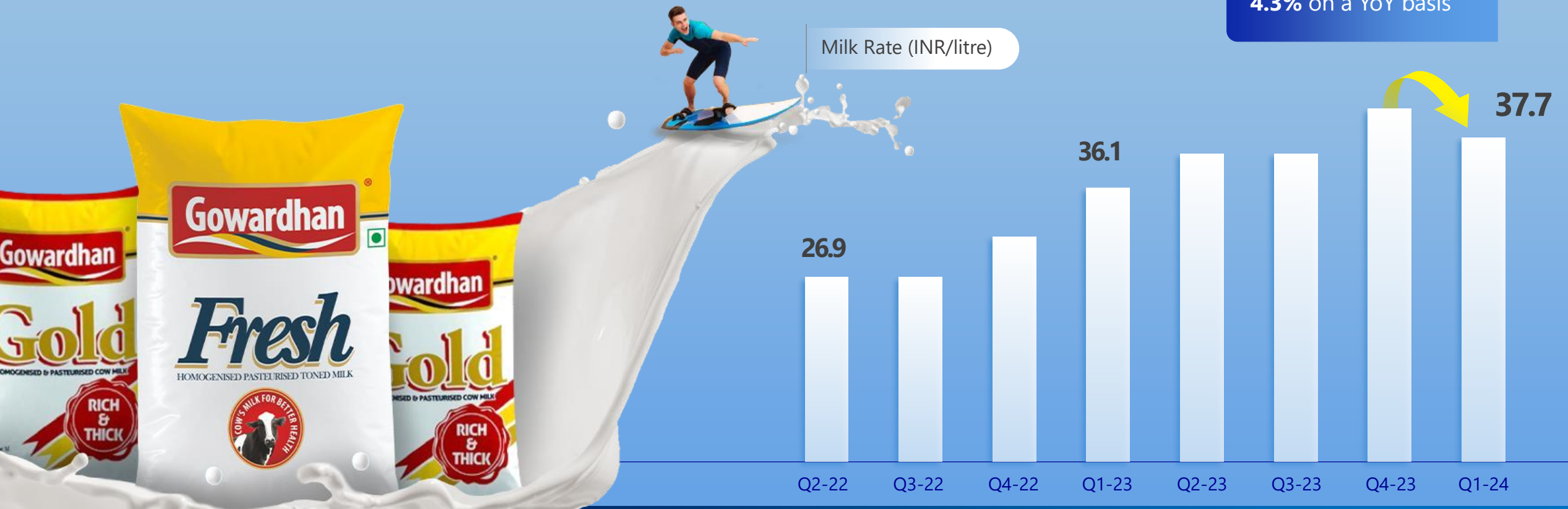
BUSINESS COMPOSITION

Q1FY24



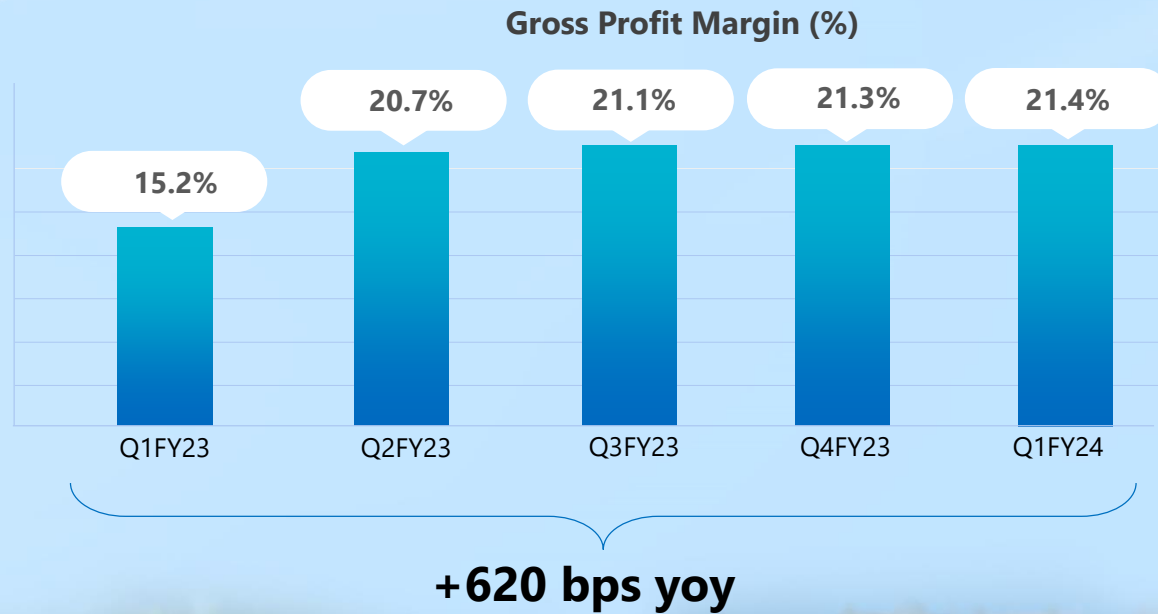
STABLE MILK PRICES

The milk prices are up **4.3%** on a YoY basis



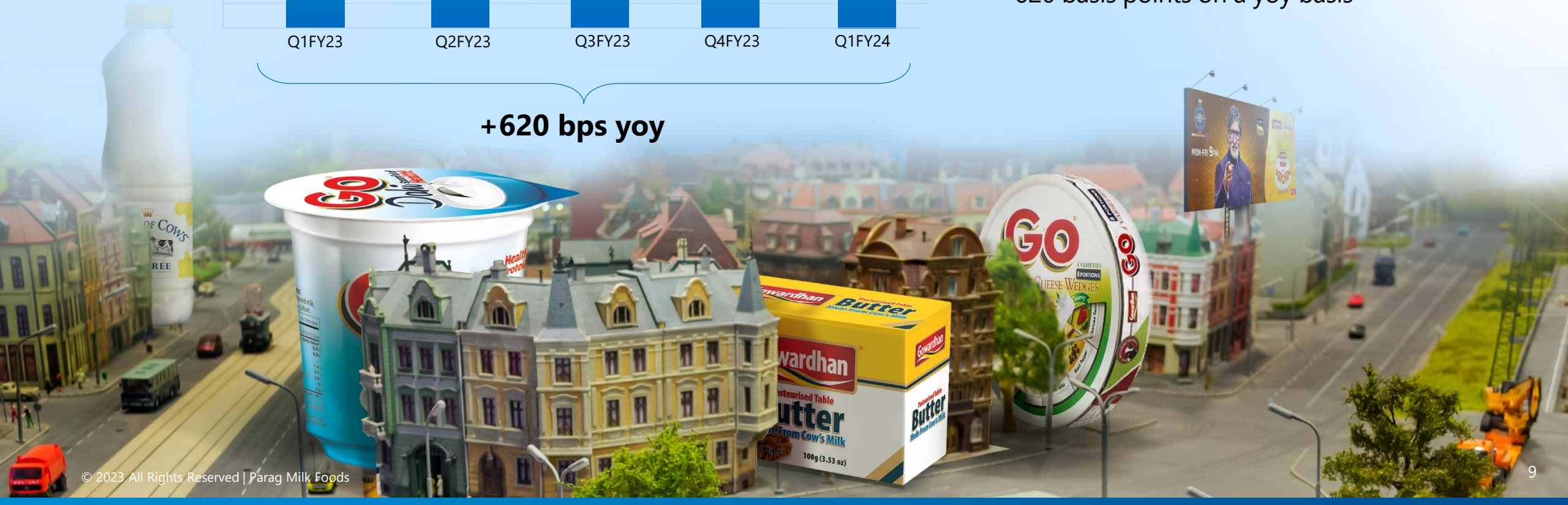
In Q1FY24; our average daily milk procurement reached **15 lakh liters**. Onset of healthy flush season , good monsoon , fading lumpy skin disease and stabilizing global supply are likely to keep prices stable

HEALTHY GROSS MARGIN EXPANSION



The benign raw material prices along with improved product mix led to our Gross margins improvement

The overall Gross margins expanded by 620 basis points on a yoy basis



OUTLOOK AHEAD

Onset of Festivity is likely to accelerate the demand

Stable pricing environment and premium product mix to result in profitability ahead



OUR STRATEGIC PRIORITIES



Strengthening & accelerating the core categories



Brand building & Innovation



Evolve Route to Market



Strengthening new age business



Optimizing productivity to drive growth



STRENGTHENING & ACCELERATING THE CORE CATEGORIES

Leaders and pioneers of cow ghee category with

20%

Market share in cow ghee segment (source IMARC)



Dominant player in cheese category in India with

35%

Market share (source IMARC)



Our protein business is Witnessing Healthy Growth Momentum & is **outgrowing** the industry



**Q1 Growth
(YoY)**

44%

5%

116%

BRAND BUILDING & INNOVATION



Focusing on impact led campaign to create visibility and garner eyeballs.

IPL 2023 | MAY-JUNE '23

TATA PUNCH

GO CHEESE

GO CHEESE SLICES

GO CHEESE

GO PIZZA CHEESE

SONY MAX

CSK	140-7	19.2	D. DHONI	12	9	TO WIN	RUNS	BALLS
VMI	TARGET 156		DJ BRAVO	1	1		16	4

HAR FOUR MEIN GO CHEESE

L-bands and aston bands taken for the entire duration of IPL on Star Sports 12 network channels

5514
exposures

NEW LAUNCHES



NEW FLAVOUR LAUNCH MASALA TADKA CHASS & LASSI POUCH



NEW FLAVOUR LAUNCH IN AVVATAR MANGO RUSH



Expansion of category
through LM & Fresh div.

Launched
3 SKUs in May'23

Expansion into pouch
packaging with pocket
friendly price.

BRAND BUILDING & INNOVATION



Influencer Activation

We activated influencers and invited them to our farm to share awareness about the brand and to give them first hand-farm experience.



These videos were amplified via Reels on



Total views & engagement

1lakh+

BUILT ON THE BACKBONE OF A ROBUST NETWORK

29
Depots

500+
Super Stockists

4500+
Distributors

4.6 Lakh
Retail Touch Points



To reach
13-15 Lakh
 retail touch points
 by 2027E



EVOLVE ROUTE TO MARKET CHANNELS CONSISTENTLY CONTRIBUTING TO GROWTH

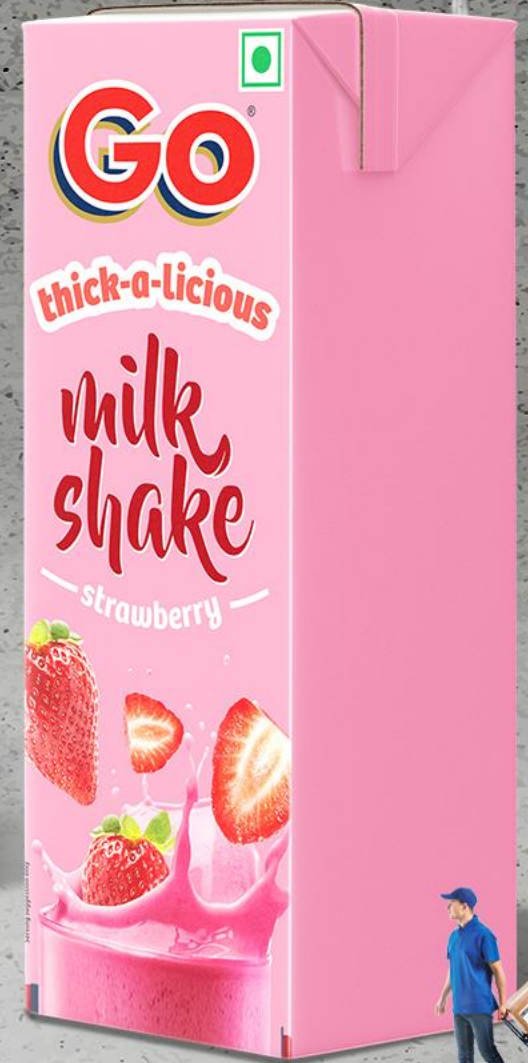


Our modern trade channel has witnessed strong 15% growth YOY

The General trade channel has grown by 38% YOY

Ghee distribution has grown by 37% YOY

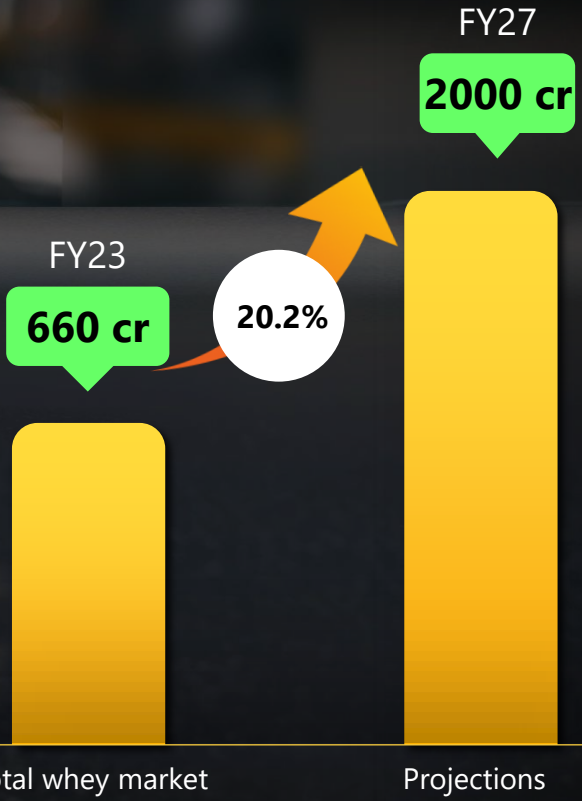
Doubled our reach for cheese distribution



OUR NEW AGE BUSINESS

Whey Protein - Strong runway for growth

INR Market Growth Potential



OUR NEW AGE BUSINESS

India's Only Whey Manufacturing Company



Protein Revenue

Protein business contributes around ~7% to the overall sales



STRENGTHENING NEW AGE BUSINESS

Pride of Cows



ROUTE TO MARKET

Direct to Consumers | E-Commerce | Organised Trade Channels

INCREASING PRODUCT PORTFOLIO

Ghee | Whole Milk | Curd
Fat Free Milk | Ghee

Entered
Bengaluru

Now present across
6 Cities



GROWTH STRATEGY – MORE POINT OF SALE, MORE PRODUCTS

STRENGTHENING NEW AGE BUSINESS

Pride of Cows



INR Crore	Q1FY23	Q1FY24	% yoy
Total Revenue	18.5	22.5	21.2%
EBITDA	0.5	3.2	540.0%
EBITDA margin (%)	2.7%	14.2%	

EXPANSION OF BHAGYALAKSHMI DAIRY FARM



New Project- Swarnabhoomi

Expansion nestled over 500 acres of land.

Aiming to increase our livestock by 5x to 15,000 by 2027

Creating back end to serve the growth in the premium dairy category ahead

OPTIMIZING PRODUCTIVITY

To Drive Growth



DIGITIZATION/ IT

Planning stage for SAP HANA implementation

More than 70% of GT business has been covered in SFA*

* SFA – Sales Force Automation



OVERHEADS

Leveraging vendors, re-negotiation, reverse auctions



SUPPLY CHAIN OPTIMIZATION

Depot & cold storage restructuring

Beat planning in opportunity markets



PARAG MILK FOODS

3 State-of-the-Art Manufacturing Facilities



4.6 Lakh

Pan India Retail Touch Points

4,500+
Distributions



500+

Super Stockists

29

Depots

BRANDS
DISTRIBUTION

100%

Cow Milk from Key Milk Belts

Relationship with over

5 lakh+

Farmers across India

MILK PROCUREMENT

A COMPLETE INTEGRATED BUSINESS MODEL

PROCESSING

DAIRY FARMING

3.4mn

Litres/day Milk Processing Capacity

10 lakh

Litres/day Whey Processing Capacity

110

MT/ day each of Ghee & Cheese

20

MT/ day of paneer

Largest automated dairy farm with **~3000+** Holstein Freisian Cows

Direct Consumer base **1Lakh+** households Spread across **6** Cities

PARAG'S JOURNEY

2008
Go Cheese World

1998
Gowardhan Ghee

1992
Gowardhan Milk

2021
Further extension of
Pride of Cows brand to
paneer, low fat milk

2011
Pride of Cows

2021
Introduced
Milk Shakes

2015
Topp Up

2017
Avvatar

2020
Extending Pride of Cows to value
added products- Ghee, Curd



BRAND POSITIONING



Premium



Mass Affluent



Mass



UNIQUE BUSINESS MODEL CATERS TO



of the consumers' daily dietary needs

Multi/Assorted ▶

MEALS

Break fast | Lunch
Snacks | Dinner

CHANNEL

General Trade
Modern Trade
Online | HORECA

BRANDS

Gowardhan
Go | Pride of Cows
Avvatar

CATEGORY

Ghee | Instant Mixed
Paneer | Cheese
Beverages
Protein Milk Powder

OUR ESG INITIATIVES

ESG

ENVIRONMENTAL

Focus centered 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

Our ESG Framework

A well articulated internal ESG policy in adherence to different certifications.

Also abided by IFC's policy framework on ESG.

Performance

Energy conservation efforts both thermal & electrical; employing host of measures.

Water conservation effort: Recycle of 55% of the requirement

Responsible Effluent & Waste management process.

Marked reduction in emission levels.

Way Forward

Strict adherence and measurement to the conservation norms.

Zero water & land waste norms.

Reduction in CO2 emission levels



GREEN INITIATIVES



WATER

REDUCE | REUSE | RECYCLE

Water optimization.

Our water consumption per liter of milk hand led has reduced over a period of time.

Around 55% of water consumption at our units is from recycled water.



CLIMATE

FOCUS ON REDUCING AIR | SOIL | NOISE POLLUTION

Installation of solid waste digester.

Monitoring and Control of excess air in boiler.

Biogas generation at farm by converting cow-dung slurry into organic fertilizer.



ENERGY

EMISSION | ENERGY CONSERVATION | FOCUS ON RENEWABLES

Power generation through solar

Energy generation through solid waste

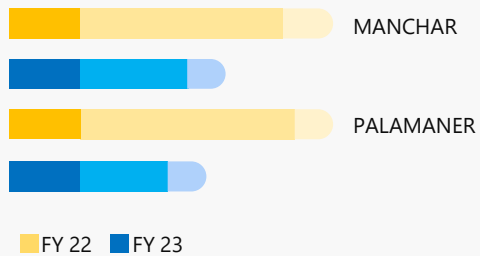
Replacement of inefficient pumps

Technology upgradation

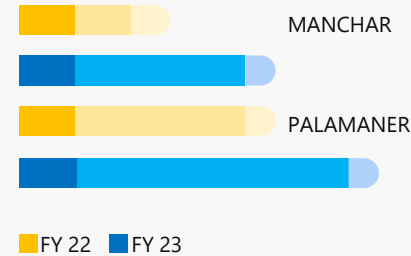
Further Heat recovery system in boiler (Flue gas heat recovery)

PERFORMANCE

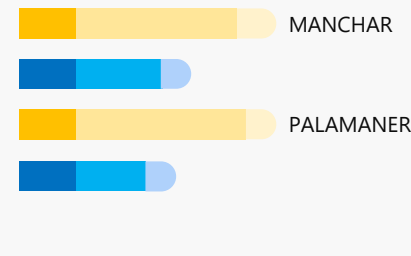
Water usage (litres) per litre of milk



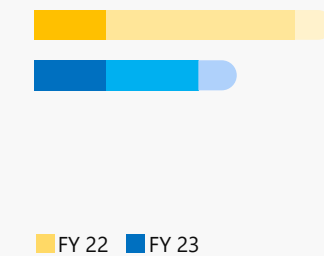
Boiler Efficiency Levels (%)



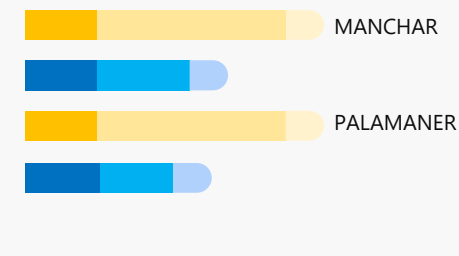
Thermal energy usage Kcal/ Per litre of milk



Reduction In CO2 emission per litre of mi h.anded



Power Usage (KWh per litTe of milk)



PLANS AHEAD

ZERO WATER AND LAND WASTE NORM

IN NEXT 5 YEARS TO INCREASE 20% RECLYING OF WATER BY INVESTING IN ADVANCED WATER TREATMENT & RECYCLING SYSTEMS

IN NEXT 5 YEARS, REDUCE NON RENEWABLE ENERGY CONSUMPTION BY 20% BY INVESTING IN RENEWABLE ENERGY INFRASTRUCTURE SUCH AS BIOGAS & SOLAR PANEL

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. 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. She is instrumental for growth of the high value product business like launch of Farm to Home business- Pride of Cows, Sports Nutrition brand-Awatar (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. 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 financial advisory.

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.

Dr. Dnyanesh V. Darshane Independent Director

Dr. Dnyanesh 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 I MC 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 road map for Hindustan Unilever, Aditya Birla Group, Mari co, Godrej, etc.

SAFE HARBOR

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