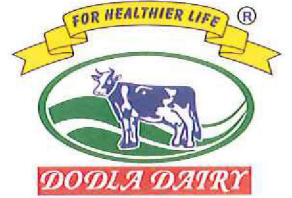


# DODLA DAIRY LIMITED

MILK & MILK PRODUCTS

Corporate Office : # 8-2-293/82/A, Plot No. 270-Q, Road No. 10C,  
Jubilee Hills, Hyderabad - 500033.  
Ph : 040-4546 7777 Fax : 040-4546 7788



Date: 20 January 2022

The General Manager Department of Corporate Services <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalai Street, Fort Mumbai-400 001	The Manager Listing Department <b>National Stock Exchanges of India Limited</b> "Exchange Plaza", 5th Floor, Plot No.C/1, G Block Bandra-Kurla Complex Bandra (East), Mumbai 400051.
<b>Scrip Code : 543306</b>	<b>Scrip Code : DODLA</b>

Dear Sir/Madam,

**Sub: Investor Presentation.**


Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Investor Presentation.

The copy of the disclosure is available on the website of the Company i.e. [www.dodladairy.com](http://www.dodladairy.com)

This is for your information and record.

Thanking you,

Yours Faithfully,  
For Dodla Dairy Limited

  
Surya Prakash M  
Company Secretary



★ An ISO 22000-2005 & 50001 EnMS Certified Company ★



# DODLA DAIRY

## INVESTOR PRESENTATION



JANUARY 2022  
Q3'22



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# Quarterly Highlights



# Management Commentary



**Mr. Dodla Sunil Reddy**

Managing Director

*"I am pleased with the performance of this quarter which was in line with our stated goals. We had a revenue growth of 16% Y-O-Y and our ability to make inroads and penetrate in a new geography which hitherto was untapped is a great testament to our procurement skills. We are extremely pleased to announce that we reached a milestone of 1 lakh litres of daily milk procurement in Maharashtra in the quarter ended 31<sup>st</sup> December 2021.*

*While the outlook for the future remains steady, the onset of the third wave due to Omicron has had some impact in the collections in the current month but the Company is confident of balancing the situation with price increases."*

# Quarterly Operational Highlights

**~12.4 LLPD**

Average milk procurement during Q3FY22 as compared to **10.7 LLPD** in Q3FY21

**9.9 LLPD**

Average milk sales during Q3FY22 as compared to **8.9 LLPD** in Q3FY21

**245.4 MTPD**

Curd sales during Q3FY22 as compared to **200.5 MTPD** in Q3FY21

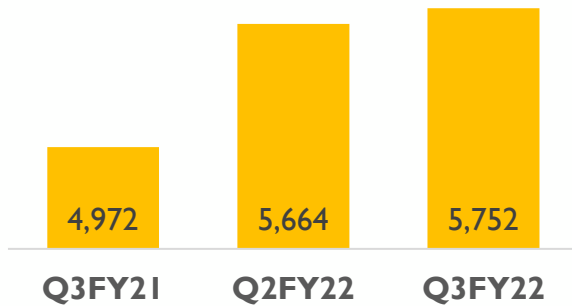
**24.4%**

Revenue from value added products (VAP) and fat & fat-based products was at **₹1,380 Mn** contributed 24.4% to the overall dairy revenue during Q3FY22

# Key Ratio – Quarterly

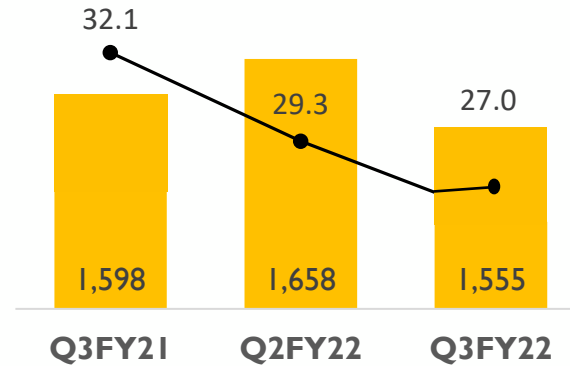
## OPERATING REVENUE

(in ₹ Mn)



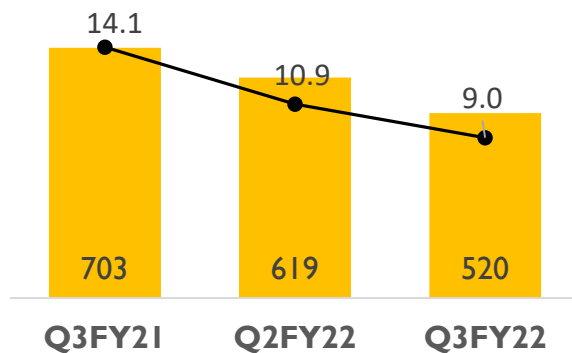
## GROSS PROFIT & GROSS MARGINS

(in ₹ Mn) — (in %)



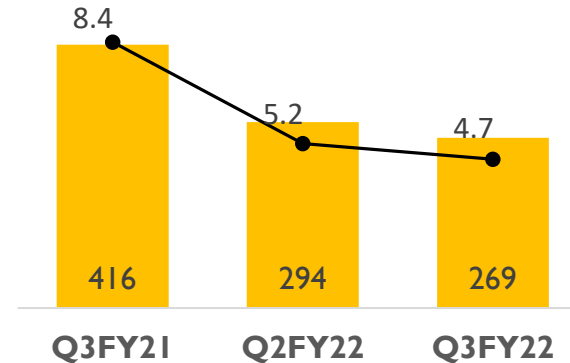
## EBITDA & EBITDA MARGINS

(in ₹ Mn) — (in %)



## PAT & PAT MARGINS

(in ₹ Mn) — (in %)



- Steady Q-o-Q and Y-o-Y increase in quarterly revenue numbers powered by increase in milk volumes and healthy Value-Added Product sales, despite seasonality.
- Increase in raw material prices to be offset by increase in selling prices going forward.

NOTE: All numbers above have been rounded-off to zero decimal excl. percentage. | Percentage have been rounded-off to one decimal

# Full Year Financials

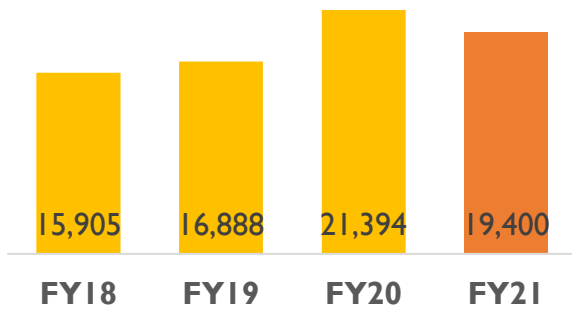




# Key Ratios – Full Year

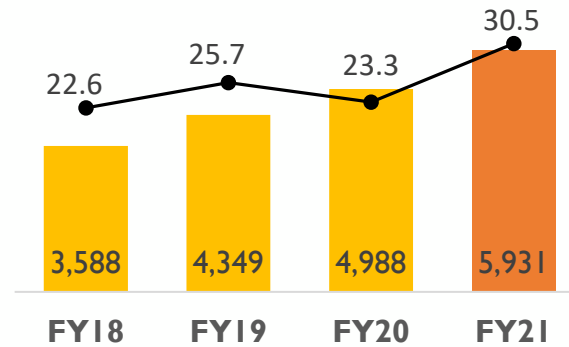
## OPERATING REVENUE

(in ₹ Mn)



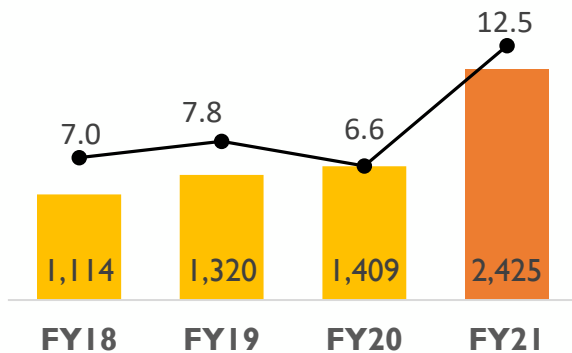
## GROSS PROFIT & GROSS MARGINS

(in ₹ Mn) —●— (in %)



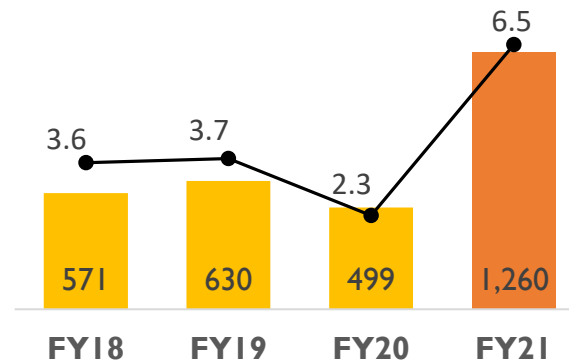
## EBITDA & EBITDA MARGINS

(in ₹ Mn) —●— (in %)



## PAT & PAT MARGINS

(in ₹ Mn) —●— (in %)



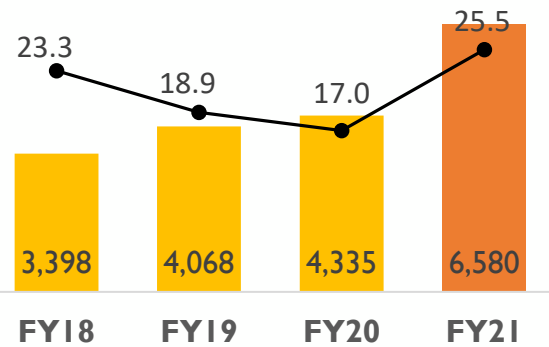
- Revenue impacted due to Covid-19 lockdown, resulting in loss of sales
- Margin improved as against FY20 on account of lower raw materials cost and better sales realization

NOTE: All numbers above have been rounded-off to zero decimal excl. percentage | Percentage have been rounded-off to one decimal

# Key Ratios – Full Year

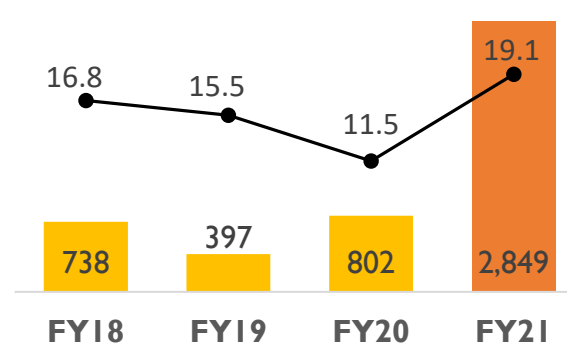
## NETWORTH & ROCE

(in ₹ Mn) —●— ROCE (in %)



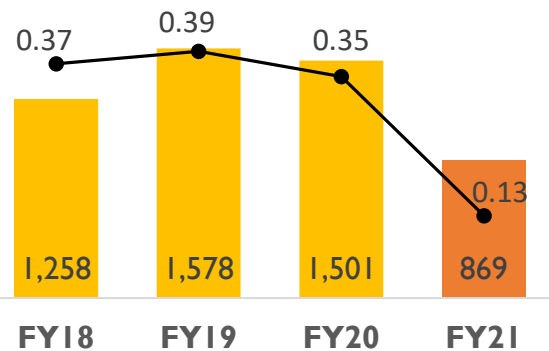
## CASH & CASH EQUIVALENT & ROE

(in ₹ Mn) —●— (ROE in %)



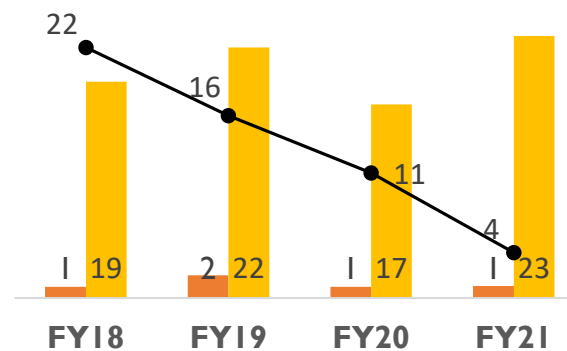
## NET DEBT & DEBT-EQUITY

(in ₹ Mn) —●— (x)



## RECEIVABLE & PAYABLE DAYS & NWC

■ Receivable Days ■ Payable Days —●— NWC



NOTE: All numbers above have been rounded-off to zero decimal excl. percentage & Multiples | Percentage have been rounded-off to one decimal | Multiple have been rounded off to two decimal

- Robust growth and margins leading to high capital efficiency, low debt levels and an efficient working capital cycle

# About Us



# Dodla Dairy Snapshot

Founded in 1995, Dodla Dairy is an integrated dairy company based in South India. Processes and sells milk and produces dairy-based value-added products (“VAPs”)

[+](#) [Read more](#)

**3rd**

highest market presence across 12 states in India\*



**3rd**

largest procurement network (South India)\*



**14**

Processing Plants

**~20**

LLPD aggregate installed capacity

**100+**

Chilling Centers / Plants

**7,500+**

Village Level Collection Centers

Milk Directly procured from farmers

**42**

Sales Office

**546**

Dodla Retail Parlours

**3,100+**

Distribution Agents

**1,718**

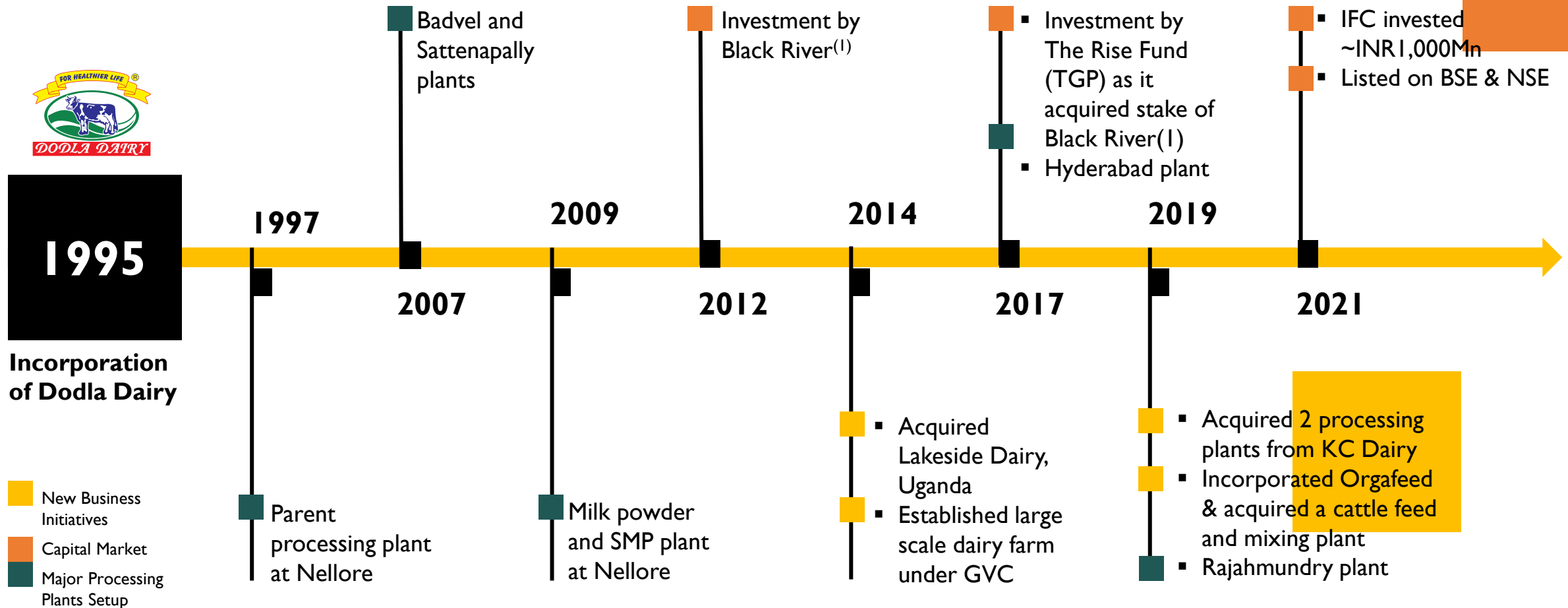
Milk & Milk product distributors



DODLA DAIRY LIMITED

NOTES: \*Data as per CRISIL report

# Our Journey So Far: 25+ years of dairy operations in partnership with marquee investors



NOTE: (1). Black River is the erstwhile name of the private equity fund Proterra which invested through its entity Black River Capital Partners Food Fund Holding (Singapore) Pte Ltd.

# Presence Across Dairy Value Chain

- Procurement of raw milk from ~1.3 lakh farmers across 7,800+ villages through 7,500+ VLCCs
- Raw milk directly procured from farmers
- 42 sales offices, 3,100+ distribution agents
- 1,718 milk & milk products distributors and 546 DRP's



- Transportation from villages through 800+ primary vehicles to 100+ chilling centers/plants
- Total 14 milk processing plants in India & Uganda
- Company regularly incurs capex to upgrade technology, automate lines and bring efficiency in operations

# Few of Our Products

## SOLD IN INDIA



**PASTEURIZED POUCH MILK**  
Full cream, Standardized Milk, Toned



**UHT MILK**  
Toned, Double Toned



**CURD**  
Sachet Curd, Bucket Curd, Cup Curd



**GHEE**  
Cow ghee, White ghee (buffalo ghee) and Premium ghee (full boiled white ghee)



**ICE CREAM**  
Vanilla, Elaichi, Pista, Badam, Chocolate, Strawberry, Pineapple

## SOLD IN AFRICA



**YOGHURT**  
Plain, Strawberry, Vanilla, Chocolate & Mango



**GHEE**



**PANEER**



**MOZZARELLA CHEESE**



**MILK POUCH**

# Orgafeed Private Limited: Built On A Strong Foundation

Orgafeed primarily engaged in farming, breeding, agriculture, horticulture and allied activities such as poultry, dairy and livestock farming. Additionally, it is also in the business of seed crushers, manufacturing and dealing of groundnuts, gingerly, cotton and in the manufacturing of cattle feed.

## KEY HIGHLIGHTS:

- State-of-the-art manufacturing facilities at Kadapa, Andhra Pradesh
- Selling directly to our farmers through our procurement network which is adjusted against the value of the raw milk supplied to us by such farmers
- We have tied up with various veterinarians to provide services to farmers for their milch animals



**80**MTPD

Cattle feed plant capacity

**₹220**MN

Company sales in FY21

**₹38**MN

EBITDA in FY21





# Meet The Executive Team

**MR. DODLA SUNIL REDDY**

*Managing Director*



**MR. VENKAT KRISHNA  
REDDY BUSIREDDY**

*Chief Executive Officer*



**MR. ANJANEYULU GANJI**

*Chief Financial Officer*



# Board of Directors



**Mr. Dodla  
Seshu Reddy**  
*Chairman &  
Non-Executive Director*

**Exp:** 22+ years in Dairy  
**Board Member:** Nelcast Limited



**Mr. Raja Rathinam**  
*Independent Director*

**Exp:** 40+ years in Dairy  
**Previously Associated:** National Dairy Research Institute, Tamil Nadu Dairy Corporation Ltd.



**Mr. Akshay Tanna**  
*Non-Executive  
Nominee Director*

**Exp:** Deutsche Bank and Merrill Lynch  
**Partner:** TPG Growth & Rise Fund  
**Board Member:** Livspace Pte Ltd, Big Tree Entertainment, ESS Kay Fincorp Limited and others



**Mr. Raman Tallam  
Puranam**  
*Independent Director*

**Exp:** SBI Capital Markets Limited, Sundaram AMC Limited



**Mr. Madhusudhana  
Reddy**  
*Whole-time Director*

**Exp:** Imperial Granites Limited, Member of BAR council of Andhra Pradesh



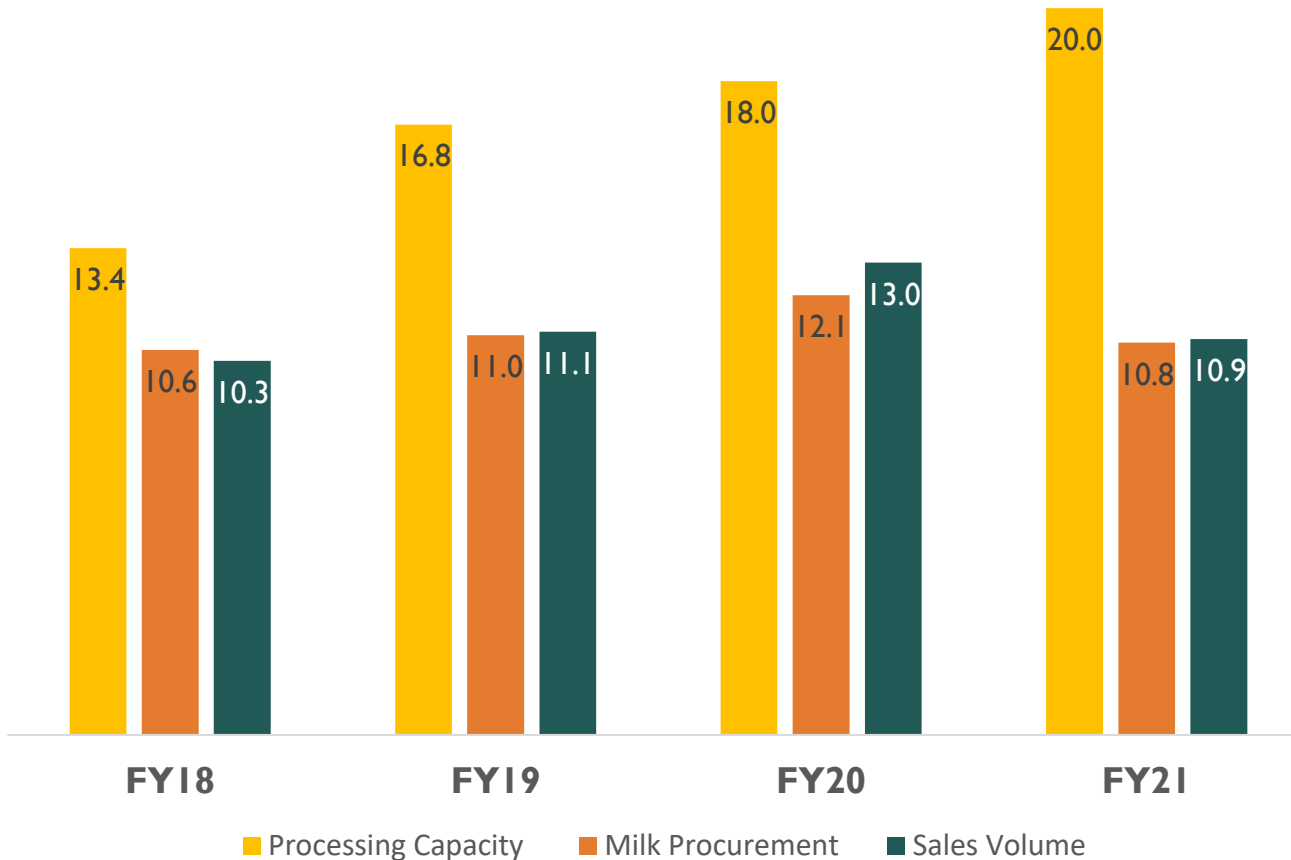
**Mr. Rampraveen  
Swaminathan**  
*Independent Director*

**Exp:** Cummins India Limited, International Paper  
**Board Member:** Mahindra Logistics & Lords Freight

# Company Canvas



# Our strength to deliver competitive advantage



NOTE: All Value have been rounded-off to zero decimal



## PROCESSING CAPACITY

- Best practices to maximize capacity utilization, operating metrics and profitability
- Flexible and agile with continuous improvement mindset



## MILK PROCUREMENT

- All dairy processors have access to the same raw material and equipment; what distinguishes us is our dedicated employees and our strong relationship with farmers

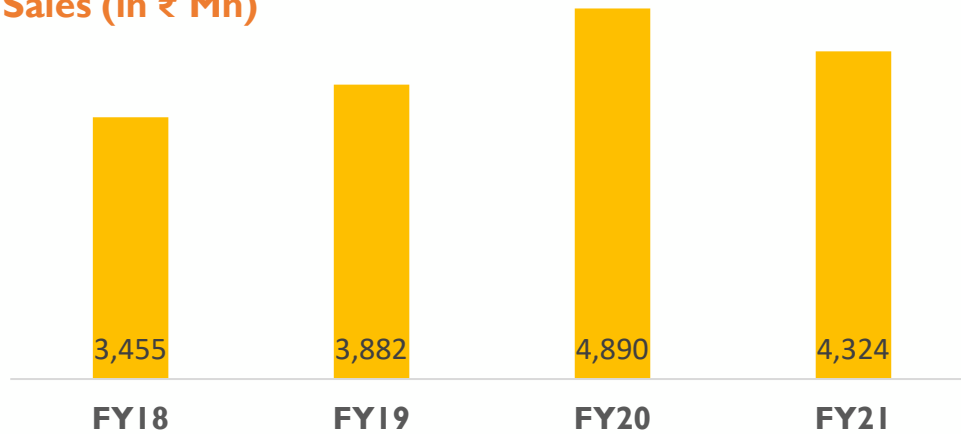


## SALES VOLUME

- Company has comprehensive product offering across different markets and channels
- Company conducts regular Product Outreach Program

# Our Value-added Product (VAP) Investments

VAP Sales (in ₹ Mn)



The company already has a strong distribution network in southern states for milk as well as value added products through which it can roll out existing and upcoming products

## STRONG VAP PORTFOLIO

Dodla Dairy is investing heavily in expanding its range of value-added products, a move that is anticipated to boost margins. The company has been proactive in identifying and responding to customer preferences. It has invested significantly in value-added products such as Curd, Ice Creams, Flavored Milk, Lassi, Butter Milk, Yoghurt to name a few.

NOTE: All Value have been rounded-off to zero decimal

## FACTORS DRIVING THE VAP GROWTH:

- The rapid economic growth and urbanization have resulted in a fundamental shift in consumer preferences and food preferences
- Consumer desire for branded, healthier, and more nutritional alternatives is growing
- Rising disposable incomes driving demand for value added dairy products
- Post COVID-19 pandemic, structural changes occurred in consumer pattern a result of heightened hygiene awareness, which benefits the organized dairy industry

# Our Overseas Presence

Dodla operates in Kenya and Uganda in Africa through its subsidiaries Lakeside Dairy Limited & Dodla Dairy Kenya Limited. Our African product portfolio is marketed under the “Dairy Top” and “Dodla +” brands and includes Milk, yogurt with different flavours, ghee, paneer, cheese and UHT milk.



Dairy player margins are higher due to limited competition and constrained supply of processed milk



Easier milk farming due to abundance of grazing lands for large animal population in Africa



Dodla has Similar Integrated Business model in Africa



East Africa, with its growing population and demand for dairy is attractive market for dairy companies\*

NOTES: \*Data as per CRISIL report



**5%**

contribution of Africa to milk industry





# Strategic Advantages

# Key Strengths

**3<sup>rd</sup>**

largest player in terms of milk procurement (in South India)\*



Global Presence:  
Uganda Kenya



Higher B2C Sales through Strong Branding



An Extensive Product Portfolio (Milk Based Value-Added Products)



**12**

states engaged in our strong distribution network



**14**

Processing Plants



**1**  
Feed Plant





# Stringent Quality Control Procedures

Well Defined Quality and Food Safety Procedures at Various Stages from Procurement to Distribution

## PROCUREMENT STAGE

- VLCCs equipped with GPRS enabled electronic milk analyzers which test for the fat and solid not fat (SNF) content of the raw milk
- Tests conducted at VLCCs for color and smell for segregation of poor quality of raw milk
- Quality checks documented in a quality manual to ensure raw milk meeting standards for further processing is procured



## PROCESSINGS STAGE

- At chilling centers and processing plants, the raw milk undergoes adulteration tests and neutralizer tests to detect contaminants
- FT-I Milko-scanner at Hyderabad – enables conduct of 26 adulterant tests automatically
- Well-defined and documented quality system, monitored at various stages

**QUALITY CERTIFIED PRODUCTS  
AND PROCESSING PLANTS**



**UNBS  
Permits**

# Focused Engagement and Long-Term Relationship with Dairy Farmers

## REGULAR DIRECT PAYMENT

- Money paid directly to farmers in their bank accounts once every 10 to 15 days
- ~81% of total farmers payment covered as of Q3FY22

## TRANSPARENCY IN PROCUREMENT

- Company has VLCCs equipped with GPRS enabled Electronic milk analyzers & Weigh scales
- This Enables testing of quality and quantity of raw milk procured

## SUPPLY CATTLE FEED

- Incorporated Orgafeed Private Limited to help provide cattle feed to farmers through own procurement network
- Payments adjusted against value of raw milk supplied

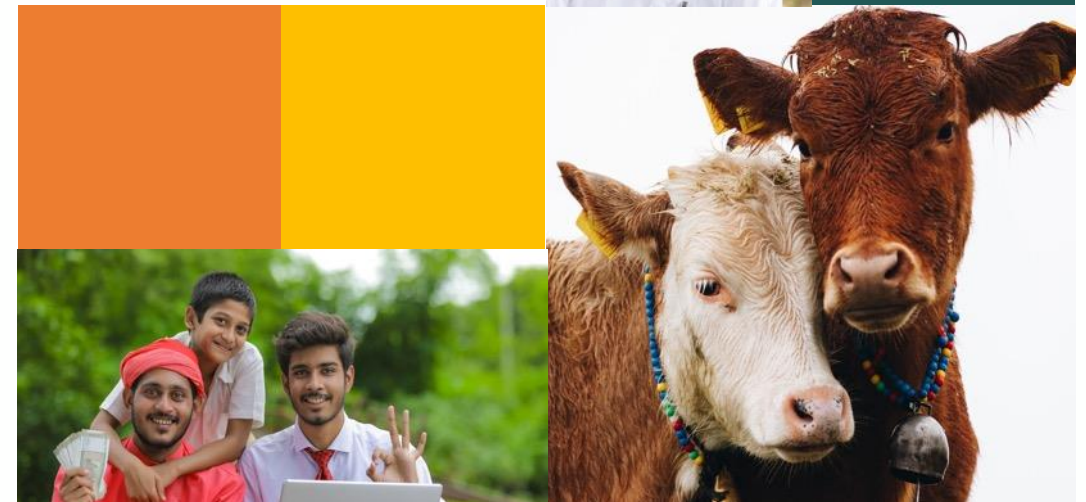


## TIE UP WITH VETERINARIANS

- Organize training camps to educate about ways to prevent common ailments for cattle

## FACILITATE BANK LOANS

- Facilitate sanction of loans from regional banks to invest into cattle

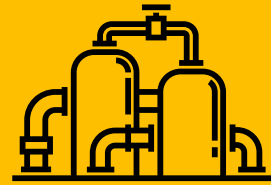


# Investment Rationale



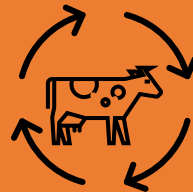
## INTEGRATED SUPPLY CHAIN

Strong Direct procurement model, eliminating middleman, reducing the cost of primary raw material and maintaining relationship with farmers



## AUTOMATED PLANTS

Fully automated plants leading to improved operational efficiencies and reduce operating costs



## BACKWARD INTEGRATED

Presence in cattle feed business through its subsidiary, leveraging existing supply chain resulting in better margin profiles for business



## PROVEN TRACK RECORD

Proven track record of successfully integrating organic and inorganic assets with existing operations leading to substantial growth



## ROBUST BALANCE SHEET

Strong cashflows led to robust balance sheet giving financial flexibility for future growth of company

# Dodla's ESG Commitment



## ENVIRONMENT

- We are dedicated to producing dairy products in a manner that is humane toward people, animals, and the environment, as well as beneficial to our societies
- We believe that preserving and rebuilding the environment is crucial in providing opportunities for future generations



## SOCIAL

- To ensure a sustainable future, we are focused on the development of healthy business model and products
- We are safeguarding people's safety and well-being in workplace, while continue to offer growth opportunities for them, and supporting the communities in which we live and work. This is all part of ensuring dairy plays a role in a sustainable food system



## GOVERNANCE

- We have established a diverse governance structure in order to fully use the resources of all partners in order to maximize synergy and enhance corporate governance
- We are committed to providing our shareholders with accurate, timely, regular and reliable information on the Company's activities, performance, prospects and strategy

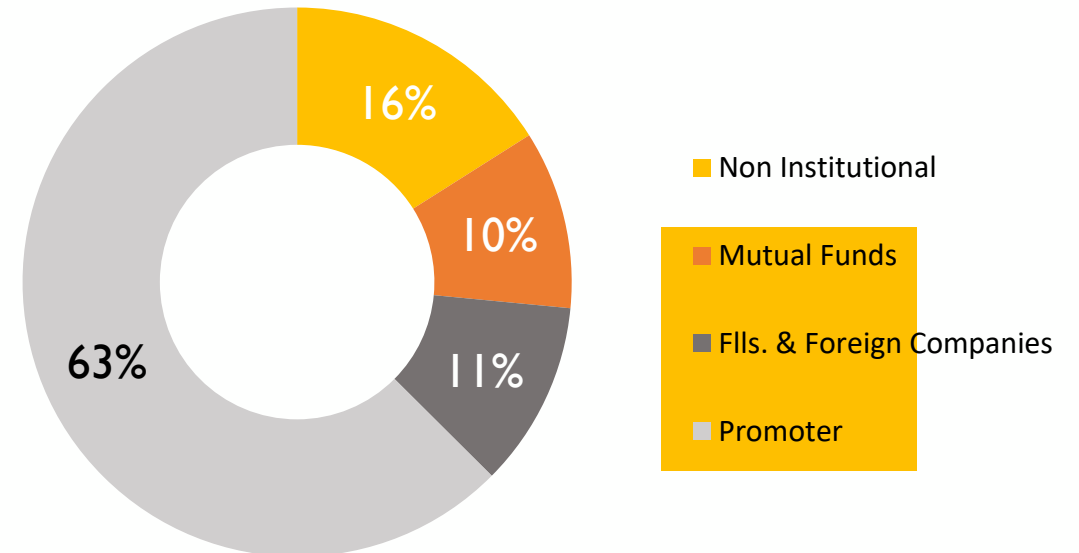
# Capital Market Information



**43,000+**  
Total Shareholders



Few of our Key Investors as on 31 <sup>st</sup> December 2021	(% of Total Equity)
TPG	9.80
SBI MF	7.37
International Finance Corporation	4.46
Ashoka India Opportunities Fund	2.70
Aditya Birla Sun Life Multi-cap Fund	1.56
Valeo Global Fund	1.18
AI – Mehwar Commercial Investments	1.05
DSP Small Cap Fund	1.02



# Contact Us

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# Appendix

# Balance Sheet Summary (Full Year)

Particulars	FY18	FY19	FY20	FY21
<b>ASSETS</b>				
Non-current Assets	3,745	5,374	5,697	5,703
Current Assets	2,263	2,061	2,229	4,019
<b>TOTAL ASSETS</b>	<b>6,008</b>	<b>7,435</b>	<b>7,926</b>	<b>9,722</b>

<b>EQUITY AND LIABILITIES</b>				
Equity	3,398	4,068	4,335	6,580
Non-current Liabilities	516	1,459	1,426	1,197
Current Liabilities	2,094	1,908	2,165	1,946
Total Liabilities	2,610	3,367	3,591	3,143
<b>TOTAL ASSETS</b>	<b>6,008</b>	<b>7,435</b>	<b>7,926</b>	<b>9,722</b>

- Company is steadily expanding its capabilities and capacities which is reflected in our growth of Non-current assets from FY18- FY21
- Rise in Current asset post IPO accounting for increase in cash & cash eq on books



# Safe Harbour

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Dodla Dairy Ltd (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third-party statements and projections.

# Glossary

**LLPD:** Lakhs Liter per day

**MTPD:** Metric Tonnage Per day

**UHT milk:** Ultrahigh Temperature Processed Milk

**VLCC:** Village Level Collection Center

**DRP:** Dodla Retail Parlours

**LPA:** Liters Per Annum

**MT:** Metric Ton

**VAP:** Value-added Product

**FII:** Foreign Institutional Investor