

Safe Harbor



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Executive Summary



Consolidated Q3 FY22
Revenue grew by **13.8%**
Y-o-Y and gM FY22 **Revenue**
grew by **7.3% Y-o-Y**

EBITDA for Q3 FY22 was
up by **39.6% Y-o-Y** and
for gM FY22 was up by
38.2% Y-o-Y

Our **Net Profit** for Q3 FY22
grew by **69.5% Y-o-Y** and
for gM FY22 grew by **95.4%**
Y-o-Y

During the quarter lot of
marketing activities were
undertaken to strengthen our
brand. The response of
recently introduced
products has been
encouraging.

Our **HORECA** and
Ecommerce Channels
saw a significant growth of
36% and **76%** respectively.

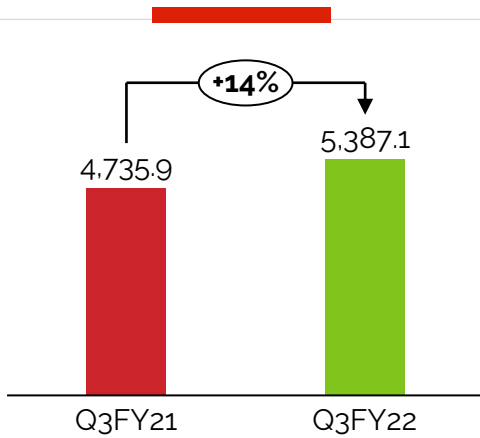
We have added 14 super
stockists & continue our
thrust on **Strengthening**
Infrastructure across
India

Financial Performance

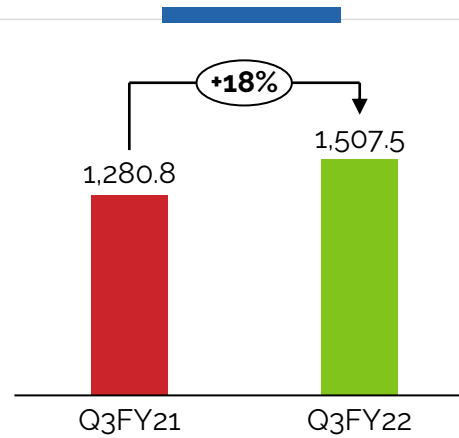


Q3 FY22 Financial Performance

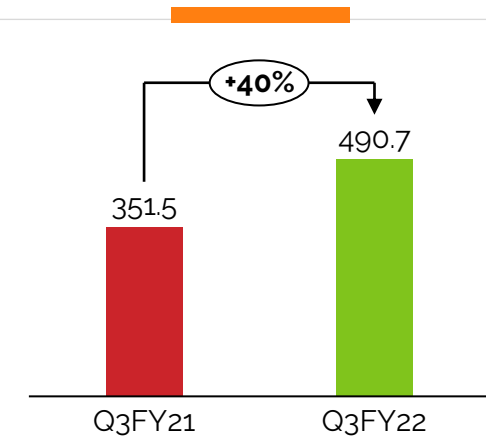
Revenues (Rs. Mn)



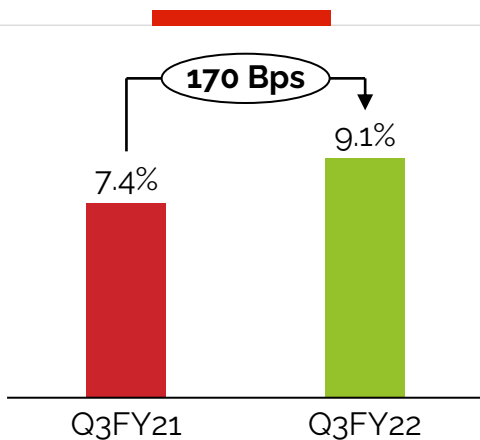
Gross Profit (Rs. Mn)



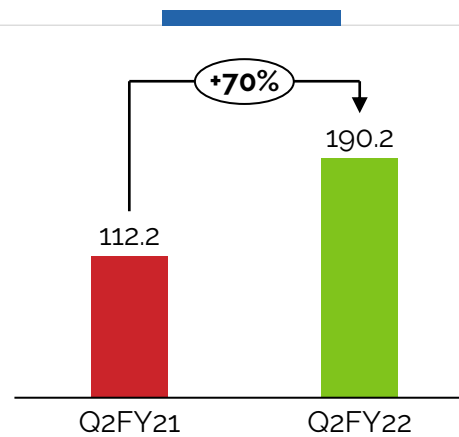
EBIDTA (Rs. Mn)



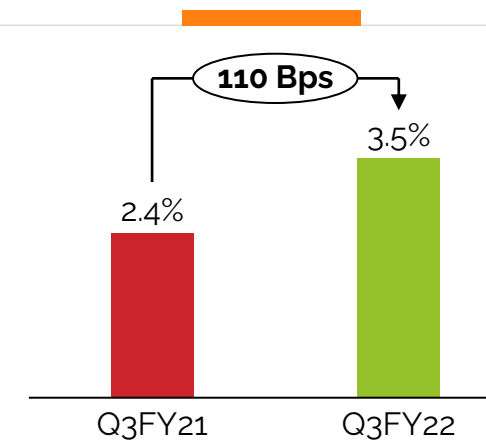
EBITDA Margins



PAT (Rs. Mn)

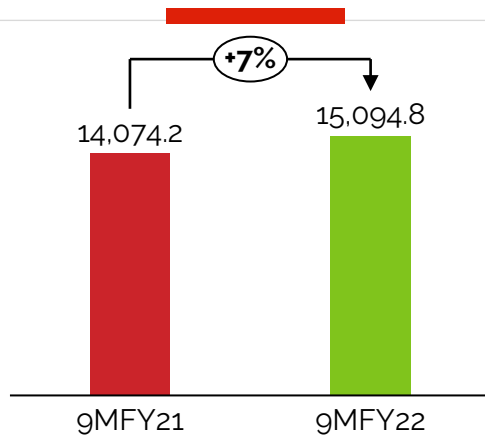


PAT Margins

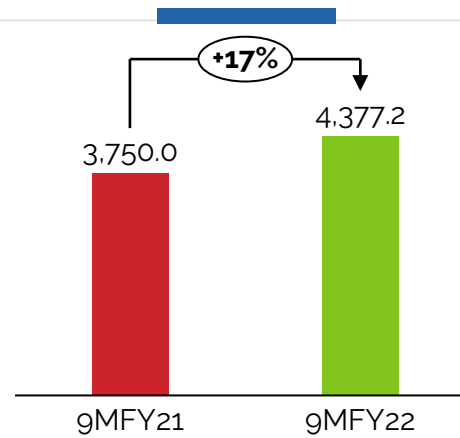


gM FY22 Financial Performance

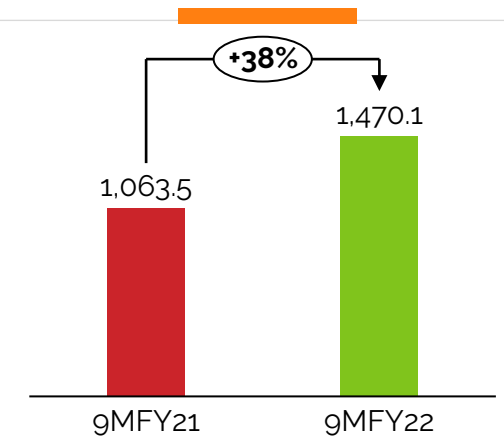
Revenues (Rs. Mn)



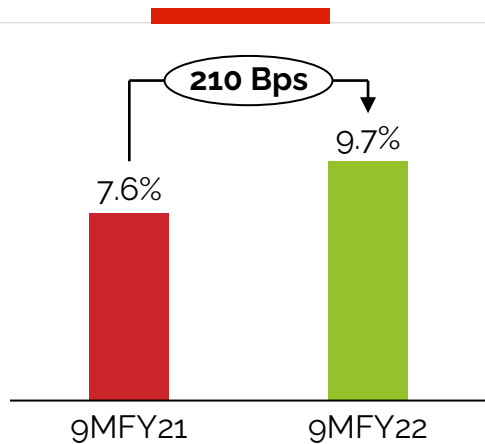
Gross Profit (Rs. Mn)



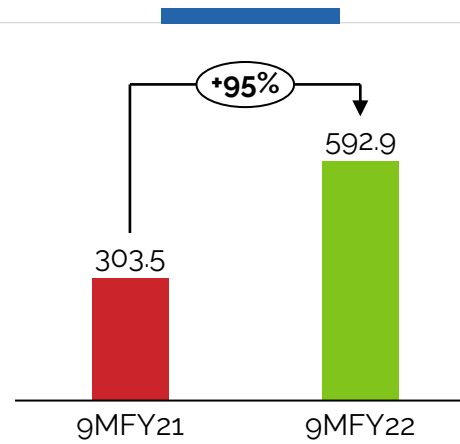
EBIDTA (Rs. Mn)



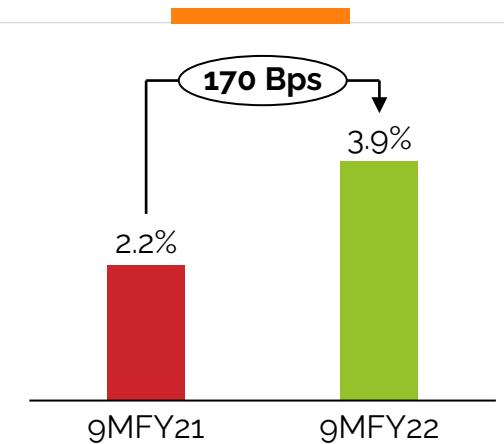
EBITDA Margins



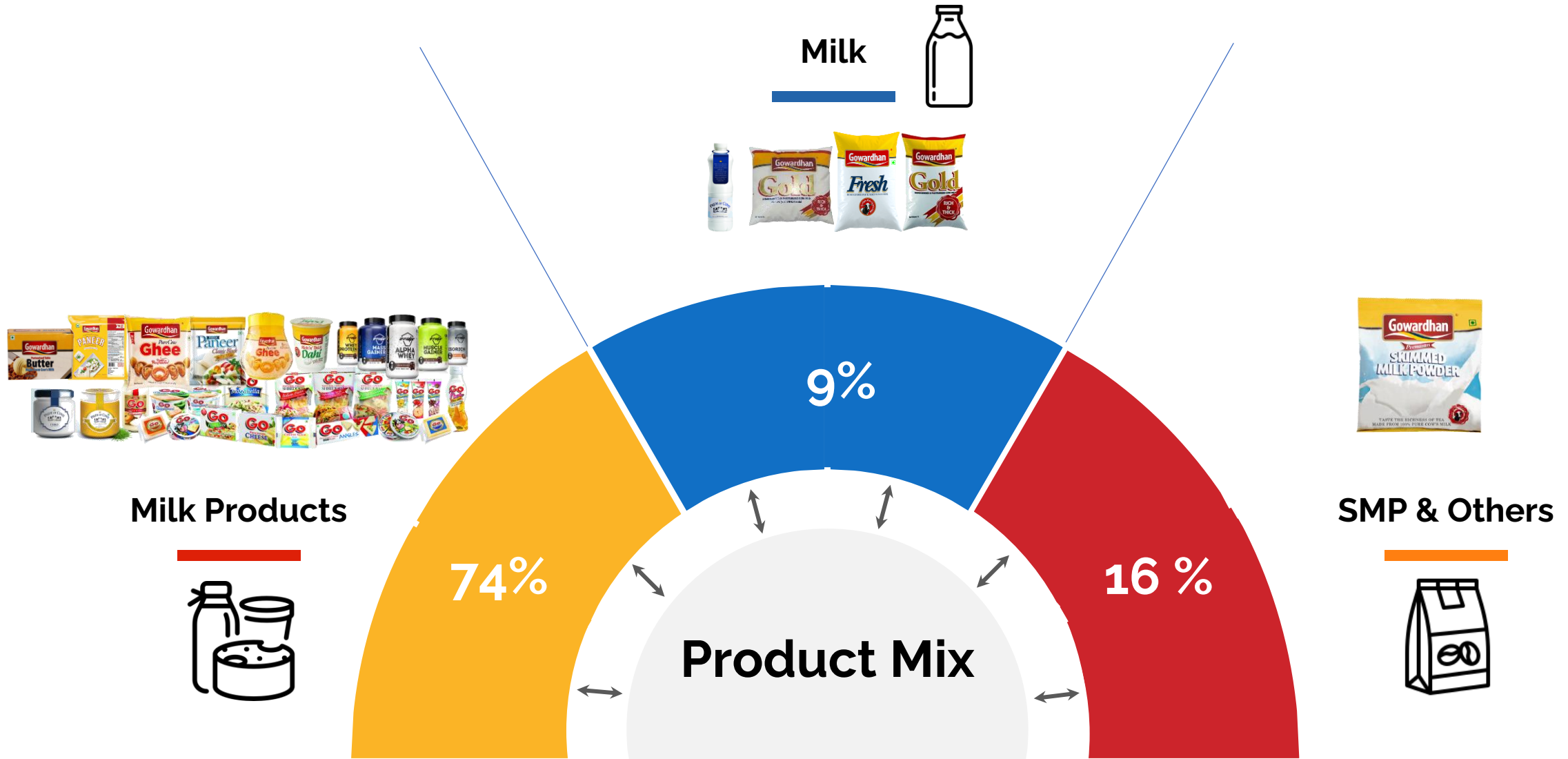
PAT (Rs. Mn)



PAT Margins



Product Mix of Q3FY22

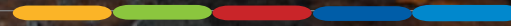


Profit & Loss Statement

Particulars (Rs. Mn.)	Q3 FY22	Q3 FY21	Y-o-Y	Q2 FY22	Q-o-Q	9M FY22	9M FY21	Y-o-Y
Total Revenue	5,387.1	4,735.9	13.8%	5,323.2	1.2%	15,094.8	14,074.2	7.3%
Gross Profit	1,507.5	1,280.8	17.7%	1,492.3	1.0%	4,377.2	3,750.0	16.7%
Gross Profit Margin(%)	28.0%	27.0%		28.0%		29.0%	26.6%	
EBITDA	490.7	351.5	39.6%	530.2	-7.5%	1,470.1	1,063.5	38.2%
EBITDA Margin (%)	9.1%	7.4%		10.0%		9.7%	7.6%	
Profit After Tax	190.2	112.2	69.5%	227.7	-16.5%	592.9	303.5	95.4%
PAT Margin (%)	3.5%	2.4%		4.3%		3.9%	2.2%	



Progress Under Our Stated Strategic Initiatives



COWS

1.04

Million liters
per day
Average milk
procurement
for the quarter

29.0

Per Liter
Average rate
of milk
procurement
for the
quarter

As expected,
inflation
witnessed in
the
procurement
price

Despite milk prices inching up; the overall availability remains comfortable. Further, the prices are on the stabilizing mode, with an upward trajectory



Consumer

Opportunity Markets have grown by **27% Y-o-Y**

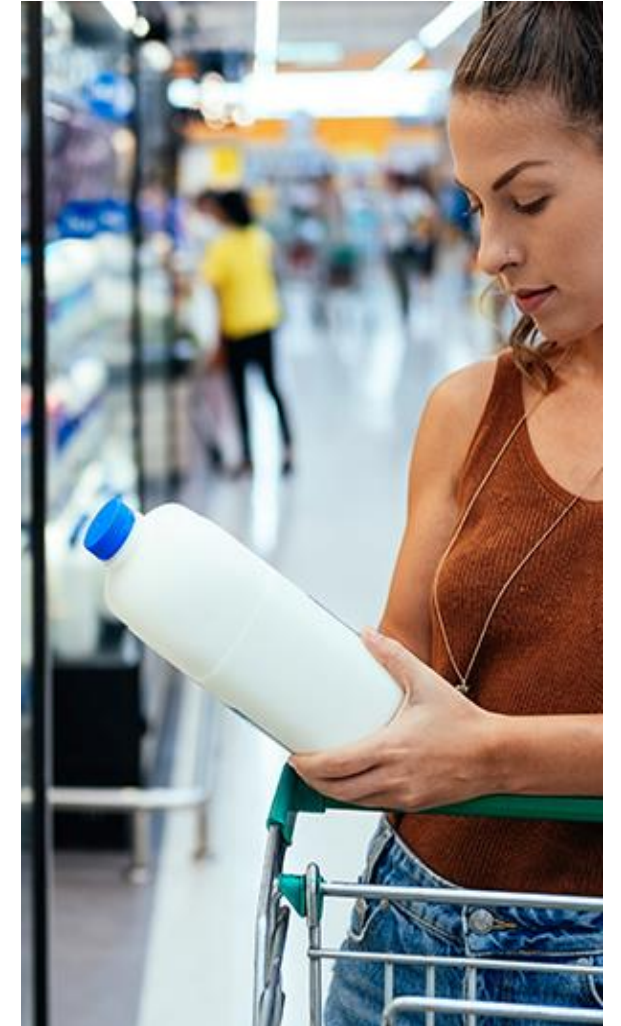
Distribution and increasing depth in weighted outlets has been our key focus: for the quarter, the unique build outlets have increased by **27% Y-o-Y**

Core category sales has increased **8.8% YoY**, while cheese category has grown strong double digit for the quarter and the momentum continues

HORECA business has seen phenomenal come back with business growth of **36%** Y-o-Y and is now much ahead than the pre-covid levels.

Ecommerce continues to grow manifold and has grown at **76% Y-o-Y** and is becoming a new channel of growth

We have expanded our cold storage infrastructure at **2** locations and have added **14** super stockists



Consumer – Brand Building & Marketing Campaigns

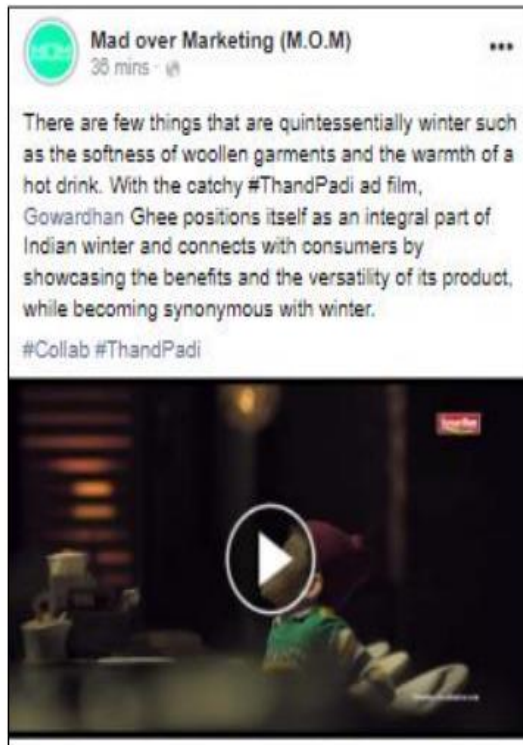
Gowardhan



Times of India promoted Gowardhan Ghee's Winter Film through their spotlight article, focusing on the importance of Ghee & endorsing #Thandpadi

Consumer – Brand Building & Marketing Campaigns

Gowardhan



FACEBOOK & LINKDIN



FACEBOOK

Social Samosa

Winters call for warm fuzzy blankets, steaming cups of chai, and delicious home-cooked food when consumers prepare themselves for a safe and comfortable season. While it is important to keep yourself warm from the outside, it becomes even more crucial to stay warm from the inside through a healthy diet. Leveraging this insight, Gowardhan Ghee from Parag Milk Foods releases its 'Thand Padi' campaign.

Conceptualized and executed by Imili Adrakas, the campaign reiterates the importance of ghee for a healthy body and mind as it forms an integral ingredient in Indian Kitchens during the winters.

Gowardhan Ghee Winter Ad

Also read: [YES BANK launches integrated mass awareness campaign for their family banking initiative](#)

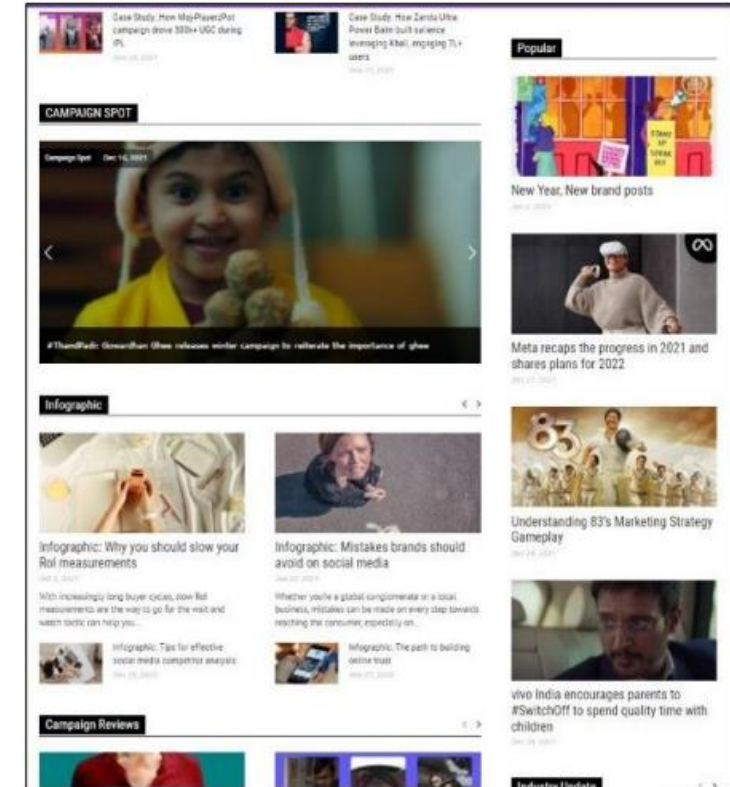
The video takes us through the glimpses of the winter season from the lenses of a young boy. It showcases how everybody in the little boy's family is preparing for the cold – from purchasing thermals to enjoying a hot cup of tea with each other. While the preparations seem to be in full swing, the boy points towards an empty can of Gowardhan Ghee to his grandmother when she tells her son to get one for the home.

Showing sweet delicacies prepared with Gowardhan Ghee, the video ends with a message, prompting the viewers to stay warm from within by consuming a healthy and nutritious diet. #ThandPadi is being promoted across TV, radio, and digital channels for mass reach.

Directed by Nishu Budhkar and shot by Dhananjay Navgire, the campaign spreads awareness around the relevance of pure cow ghee.

Through the campaign, Gowardhan Ghee manages to capture the feeling that winter is in India. It magnified the aspect of preparing for the bitter, cold nights where homemade food – be it gajar ka halwa or a simple dal with ghee tadka – can make up for all that winter stands for.

With an engaging storyline, the brand manages to keep the viewers glued to the screens till the very end and reiterates how Gowardhan Ghee is a winter essential. Gowardhan Ghee's #ThandPadi campaign celebrates winter for its true spirit and meaning. The campaign stands at the cusp of beautiful winter memories and cultural relevance, creating a strong recall for Gowardhan Ghee.



Posted on Social Samosa Pages Facebook, Twitter, LinkedIn & Instagram

Consumer – Brand Building & Marketing Campaigns

Gowardhan



Impact Campaign On Tv



झी मराठी अवॉर्ड्स २०२१

Gowardhan Ghee Campaign on Zee Marathi on 30th Oct'21
Saturday, from 07:30 pm Onwards



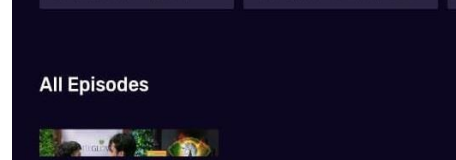
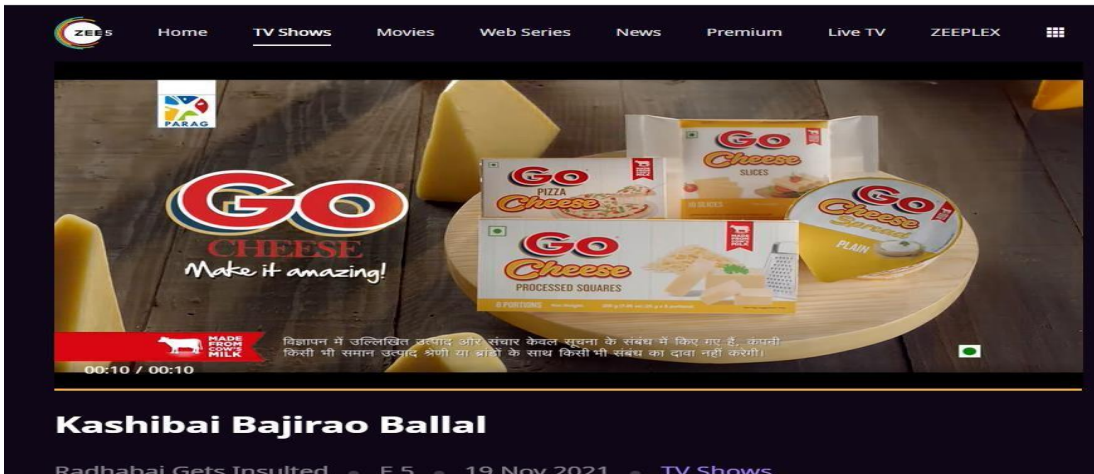
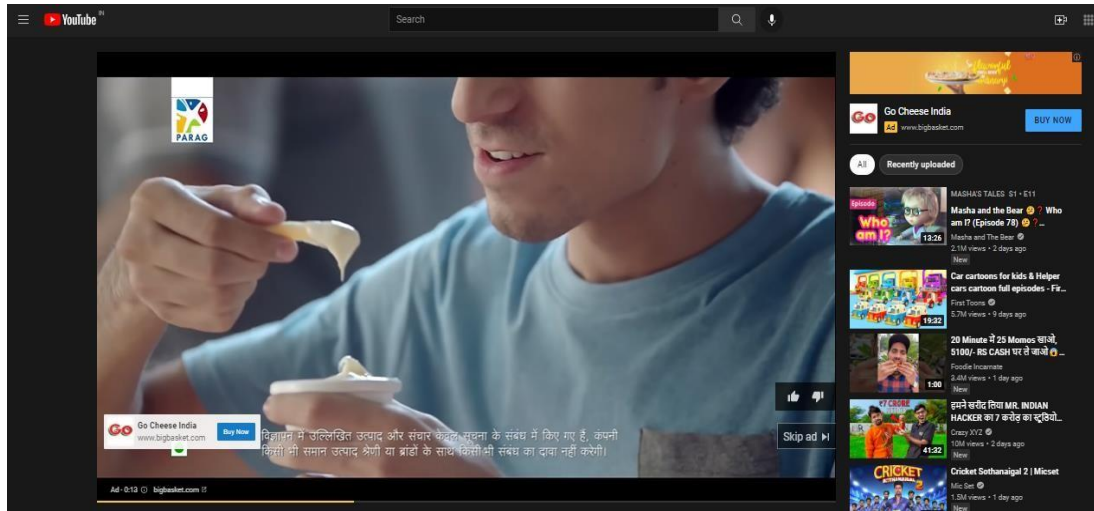
Vasubaras Radio and TV Campaigns



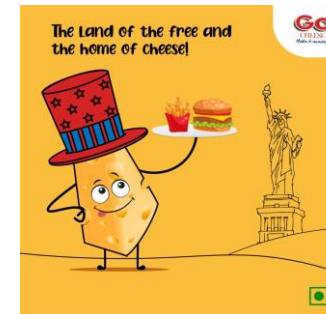
Consumer – Brand Building & Marketing Campaigns



GO Cheese



Topical post for Social Media



Consumer – Brand Building & Marketing Campaigns

Pride of Cows

Celebrated 10th year Anniversary



Dear All,
We are elated to be celebrating our 10th Anniversary on this blissful day.
With your support and love, this has truly been an incredible journey.
Cheers to a decade of togetherness and for being such a wonderful team. Wishing all of you a Happy 10th Anniversary.

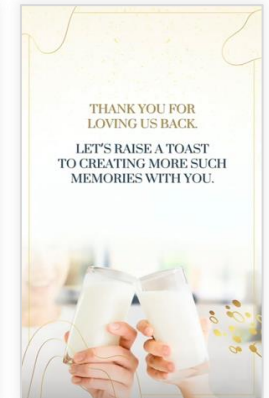
10 Years and counting.
Team Pride of Cows.



Halloween

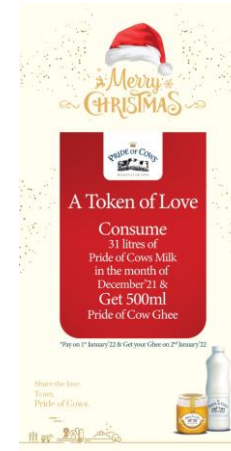


Karva Chauth



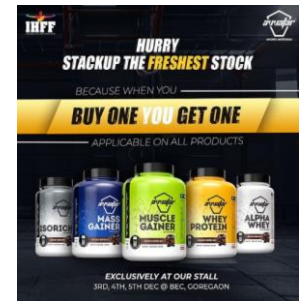
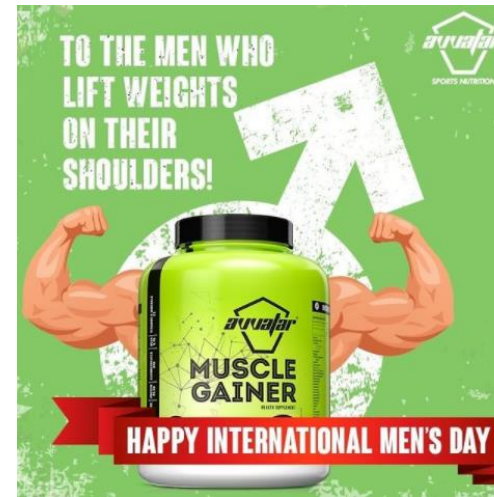
Various Social Media Posts: Repost

Consumer – Brand Building & Marketing Campaigns



Consumer – Brand Building & Marketing Campaigns

Avvatar



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

Cash & Cost

Efforts on cost optimization and productivity enhancement has started yielding results

Despite inflationary impact on power & fuel, freight, logistics and packaging material, we were able to control the other expenses for the quarter

Other expenses for the quarter (ex advertisement and sales promotion) has declined 5.5% on YoY basis

Going forward cutting costs by leveraging vendors, re-negotiating, reverse auctions, office consolidation continues

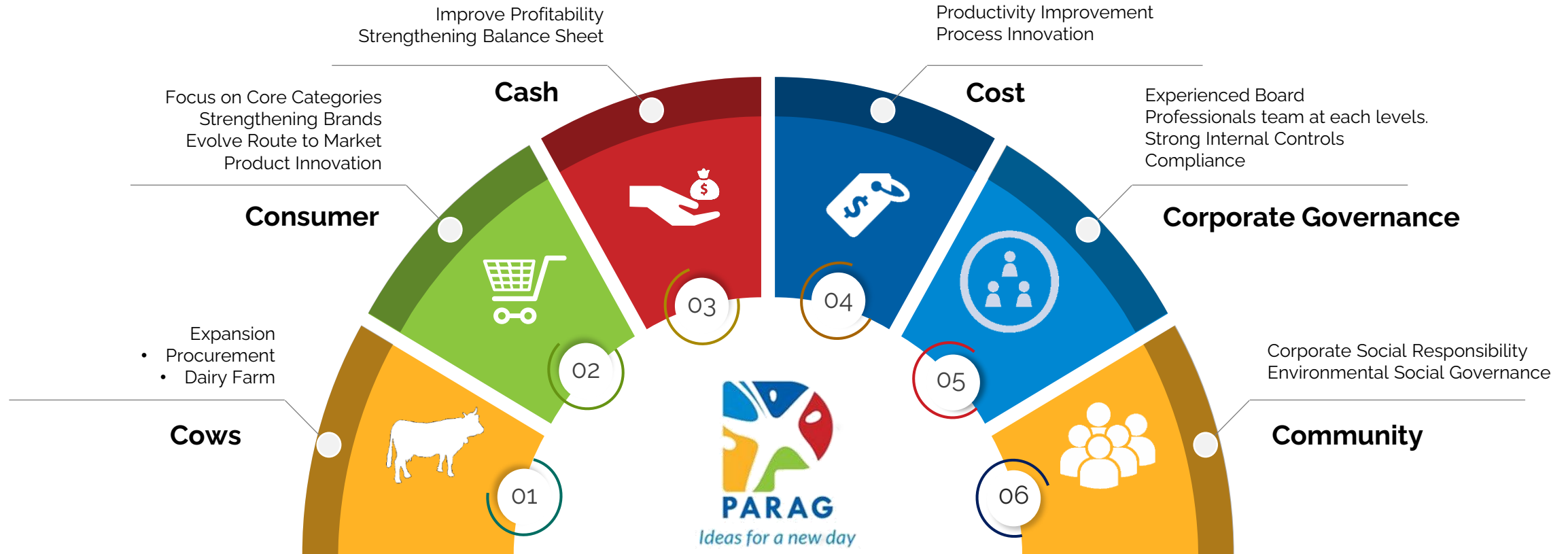
On the supply chain optimization front depot & cold storage restructuring along with beat planning in opportunity markets continues



Strategic Framework



Our 6C Framework



Our 6C Framework

COWS

- Expanding geographical coverage (Setting up new collection centres & reaching new districts)
- Better control on Quality with BMC network
- Expanding bouquet of services
- Expansion of Bhagalaxmi 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

- 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

- 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

- 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

- 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

- 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

PARAG at Glance

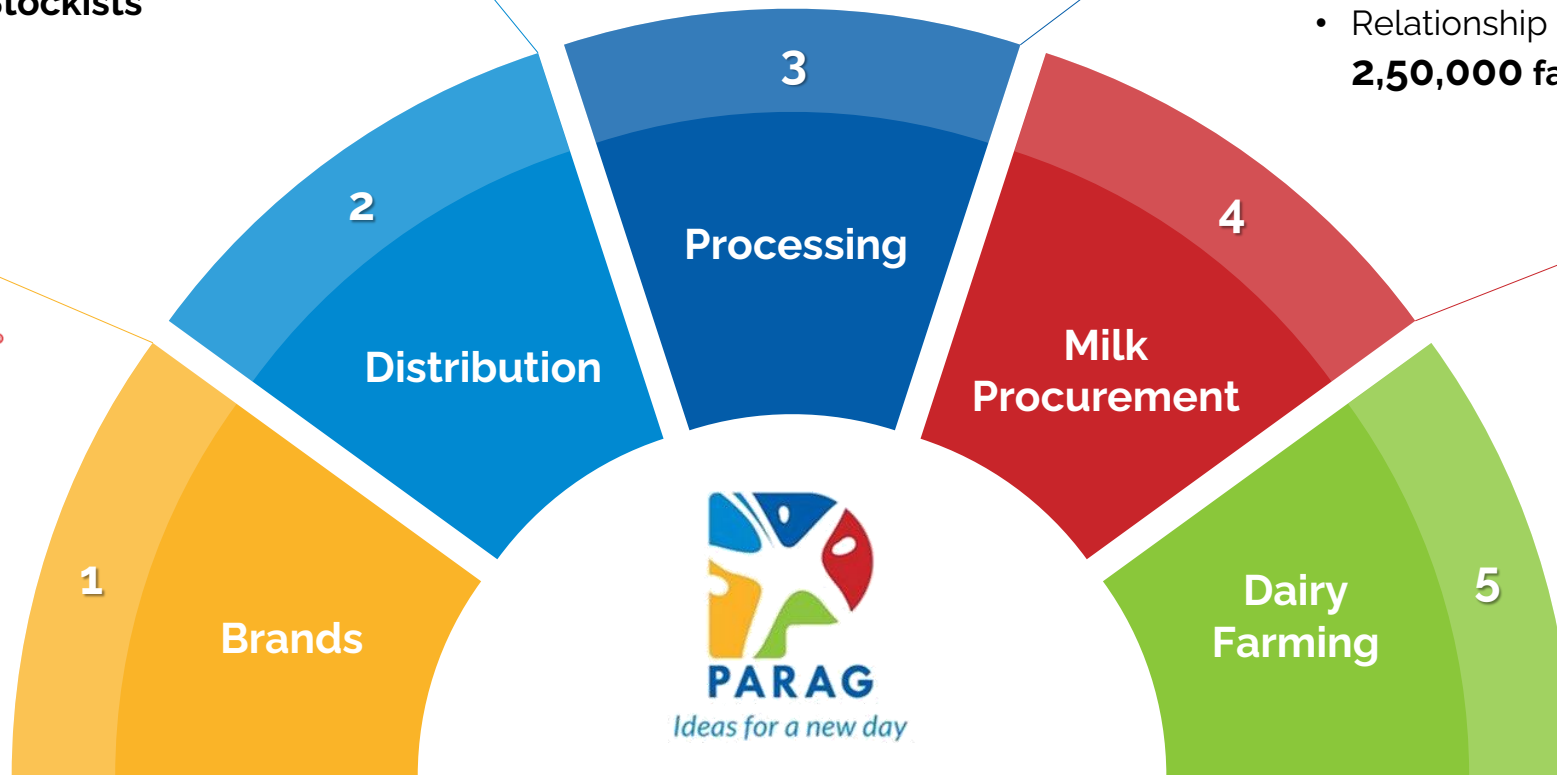


Integrated Business Model

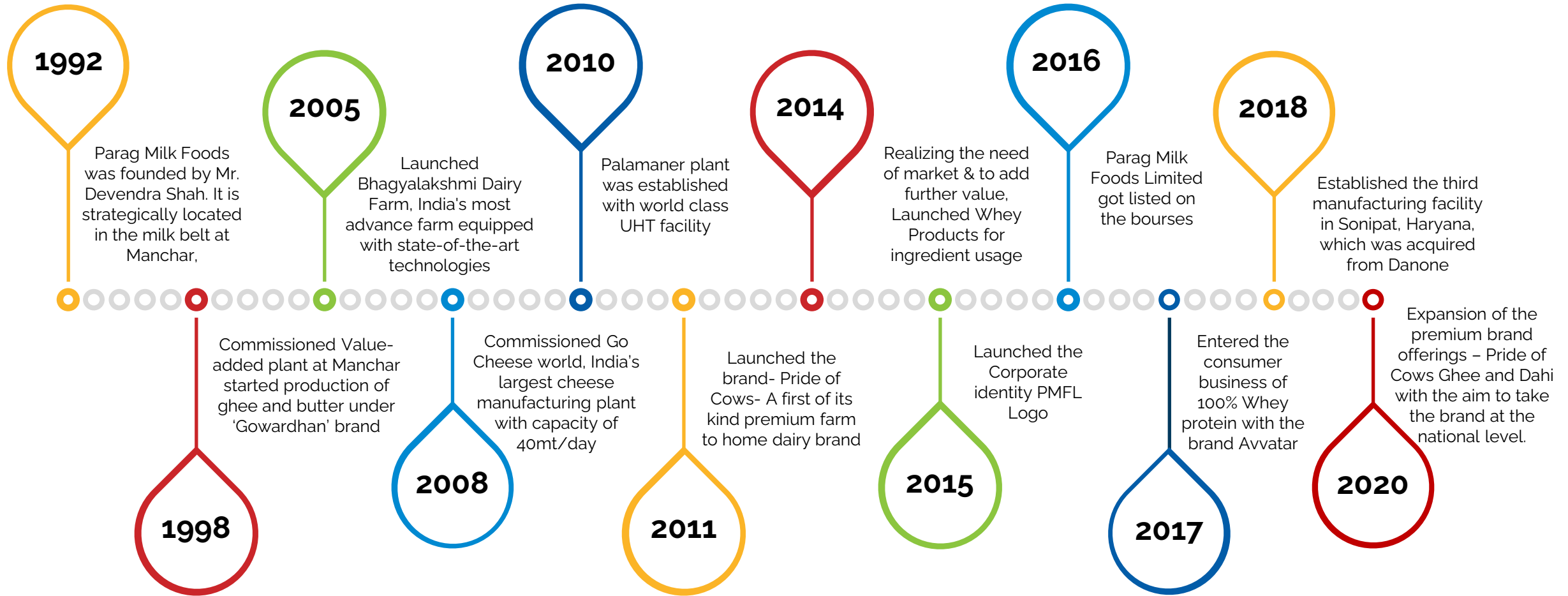
- **3.5 Lakh** PAN India Retail Touch Points
- **3,000+** Distributors
- **200** Super Stockists
- **21** Depots

- **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



Our Journey



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

Brands – Pride of Cows



Premium milk for the uber luxury consumer

Pride of Cows is a niche product originating from Bhagalaxmi 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

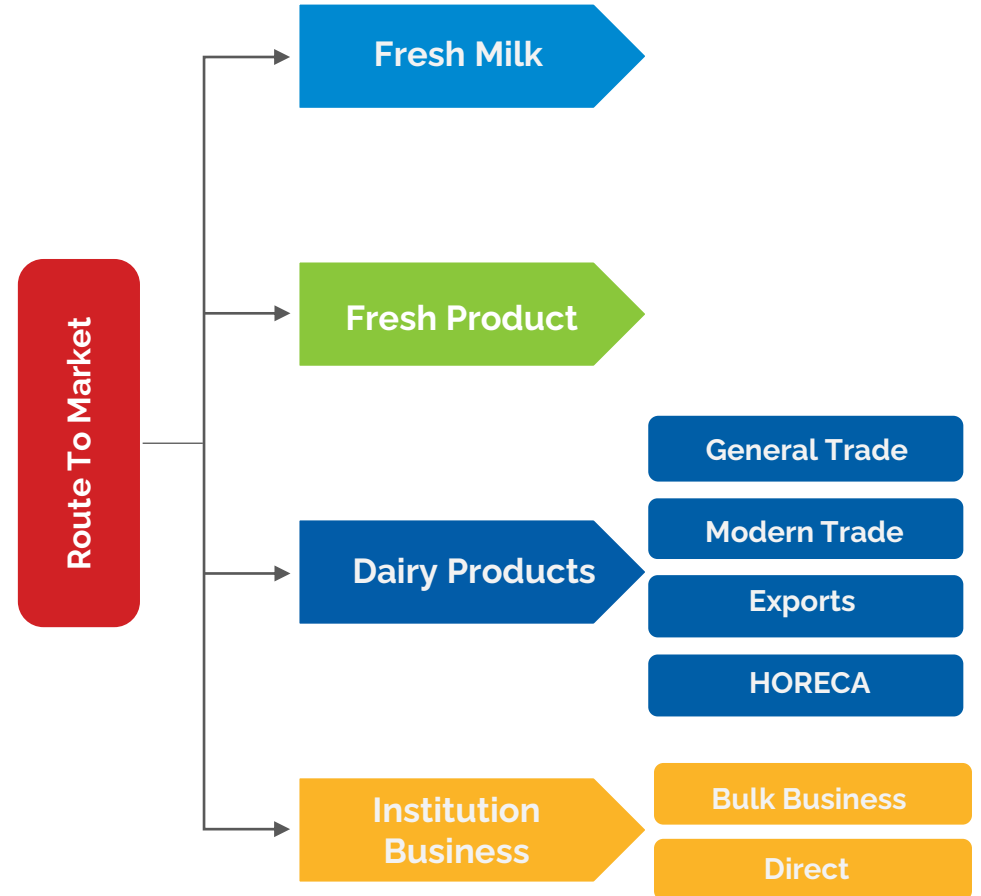
Super Stockists

3000+

Distributors

3.5 Lakh

Retail Touch Points



Dedicated Sales and Marketing team comprising of over 800 personnel

Future Ready Technology

Plant & Production MIS

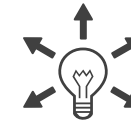
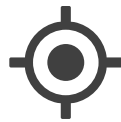
- Inventory management & production planning through JIT, lean system, throughput accounting



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

Raw Material Management

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



Supply Chain Management

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

Business Intelligence & Automation



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



Full integrated Whey to
Lactose plant



Most modern & largest single
location Cheese plant



State of Art UHT
technology



Palamaner, Andhra Pradesh



Specialized Milk powder
drying technology



Fully automated manufacturing
facility for long shelf Paneer



Unique manufacturing for
traditional ghee making



Sonipat, Haryana

Bhagyalaxmi 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**

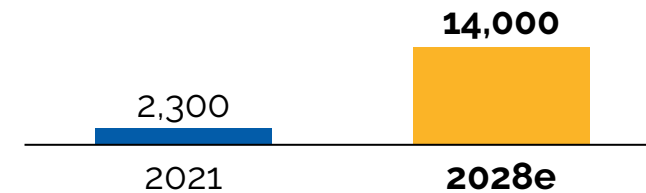
Bhagyalaxmi Bioscience Division studies various formulations for quality cattle feed to improve milk yields as well as sustainability. It also ensures waste matter is converted into useful marketable material, such as manure

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

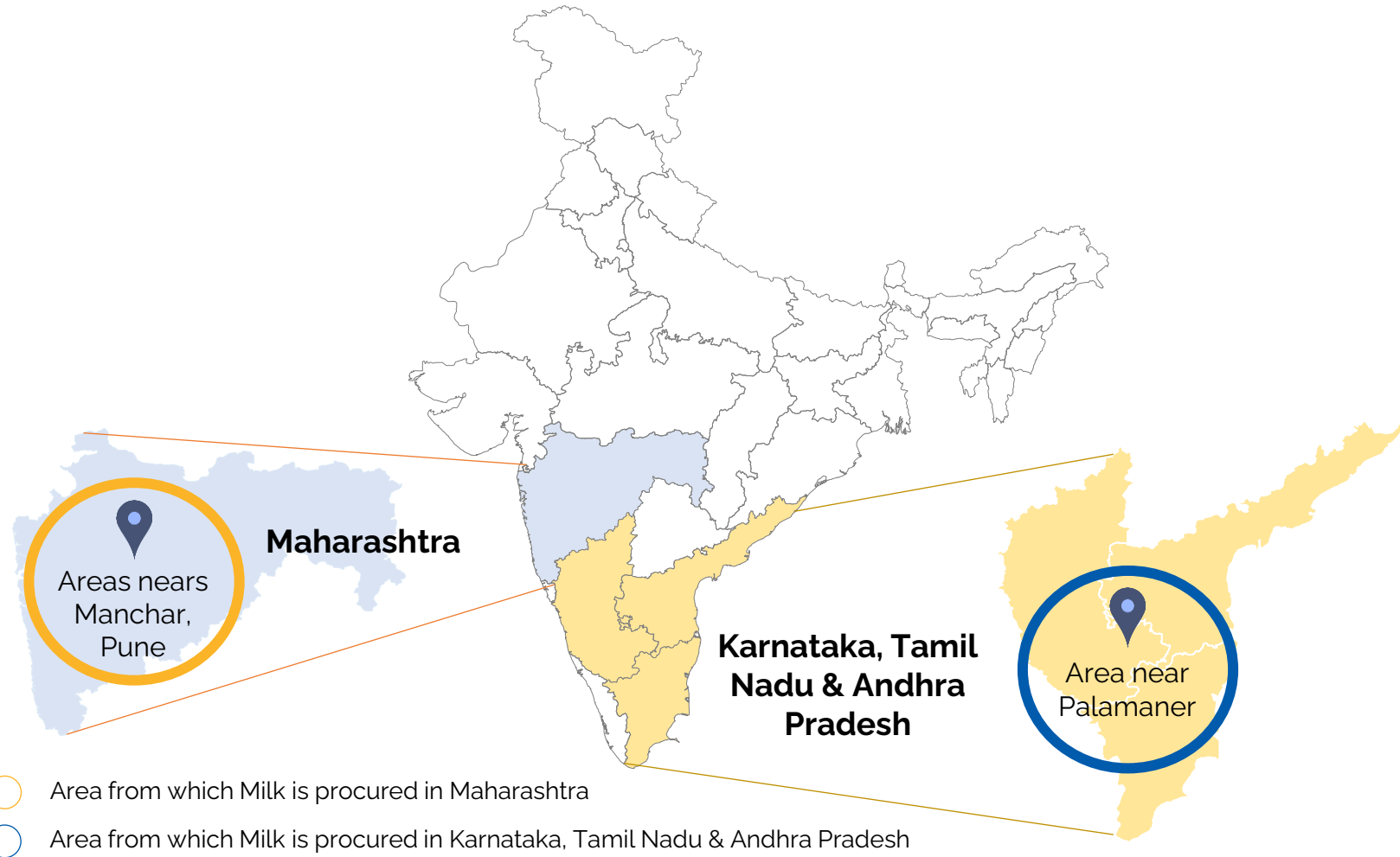


4

Integrated Processing Plants



Procurement Network



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.

ESG Initiatives



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

Environmental Initiatives

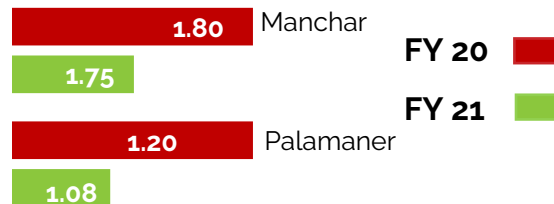
WATER

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

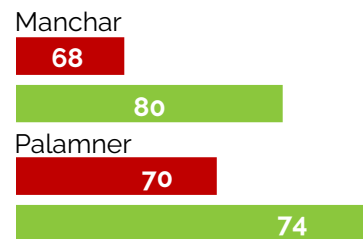
Zero water and land waste norm

CLIMATE

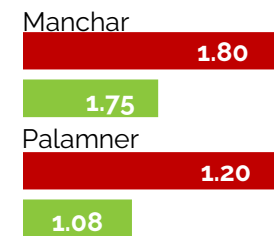
Focus on reducing Air, Soil, Sound pollutions

- 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



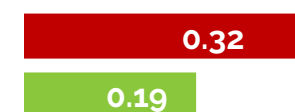
Reduction in CO2 emission levels (Scope 1 +2) of 15% by 2025

ENERGY

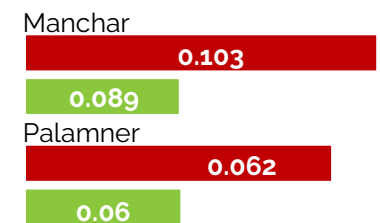
Emission, Energy Conservation, Focus on Renewables

- 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

Corporate Social Responsibility

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

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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