



**PARAG MILK FOODS LIMITED**  
 Investor Presentation  
 June 2020



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1	Q4 & FY20 Financials & Key Developments
2	Company Overview
3	Industry Dynamics
4	Annexures



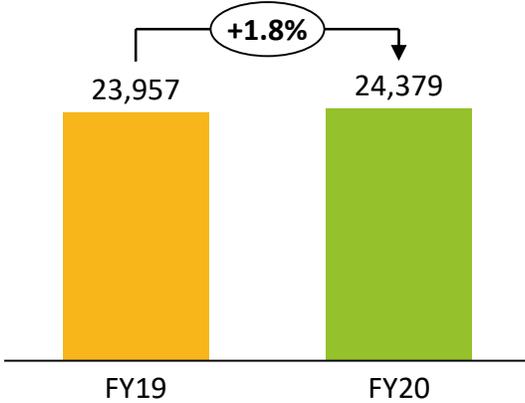
## Q4 & FY20 Financials & Key Developments

# Consolidated Financial Analysis – FY20

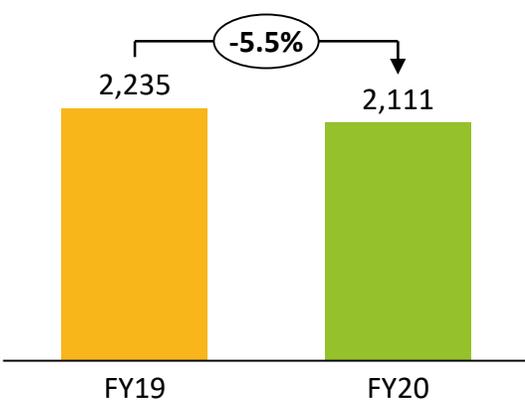


Ideas for a new day

## Revenue (Rs. Mn)



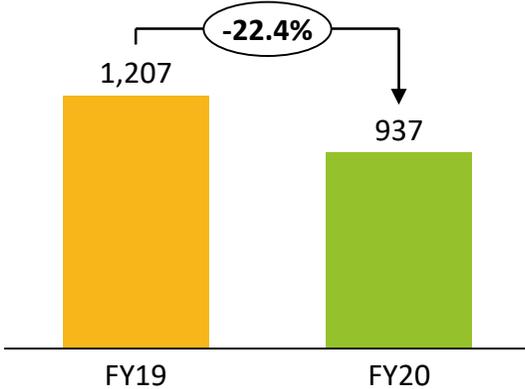
## EBITDA (Rs. Mn)



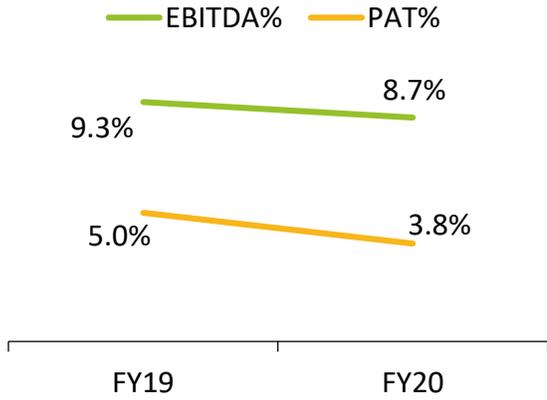
## Product wise Revenue Break-up (Rs. Mn)



## PAT (Rs. Mn)



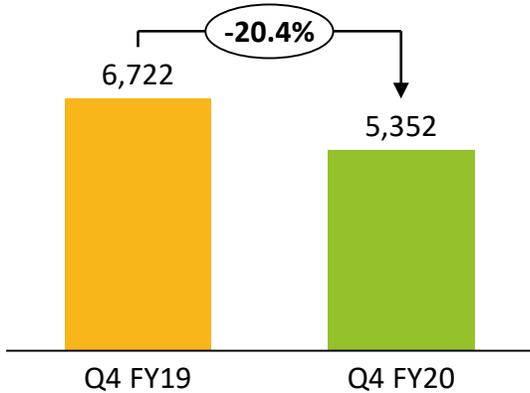
## Margins (%)



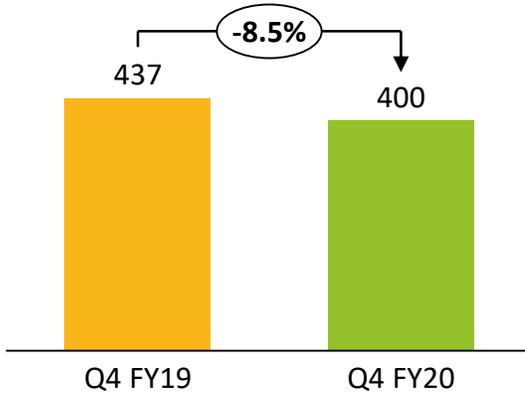
- Skimmed Milk Powder
- Milk Products
- Liquid Milk
- Others

# Consolidated Financial Analysis – Q4 FY20 (YoY)

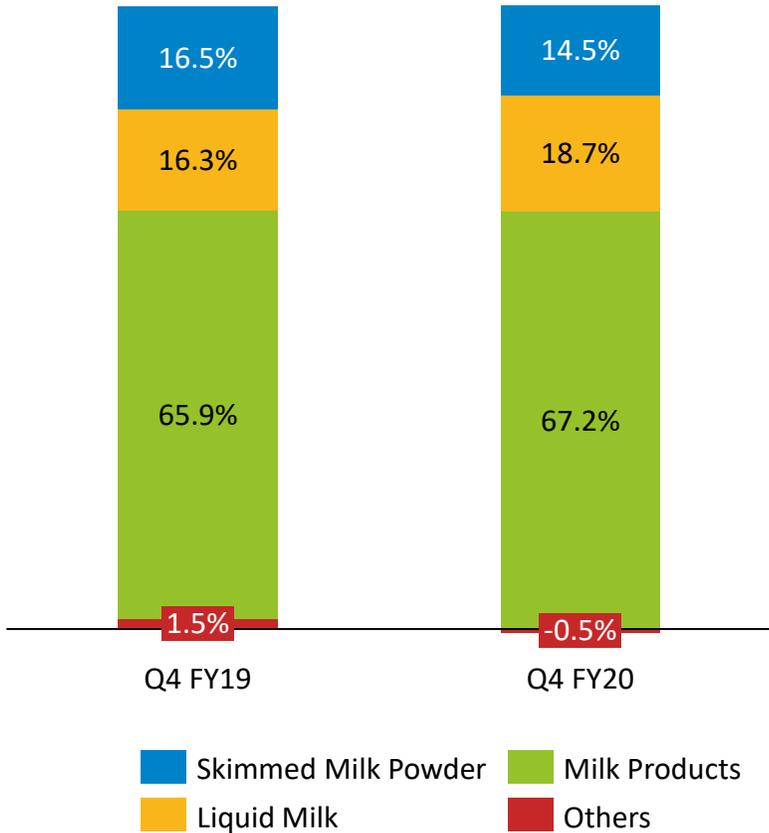
**Revenue (Rs. Mn)**



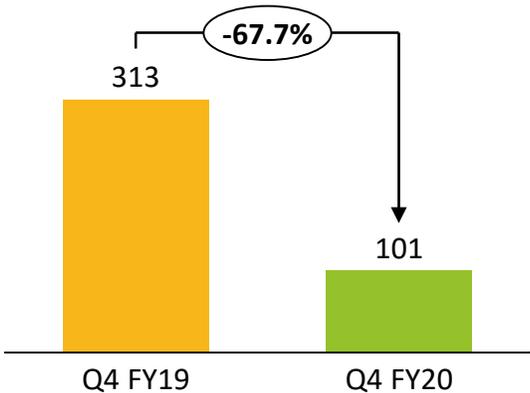
**EBITDA (Rs. Mn)**



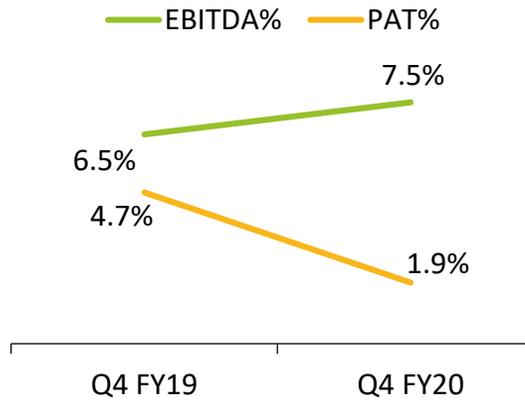
**Product wise Revenue Break-up (Rs. Mn)**



**PAT (Rs. Mn)**



**Margins (%)**



# Key Highlights



Ideas for a new day

## Revenue

- Consolidated Revenue from Operations for FY20 stood at Rs. 24,379 million, a growth of 2% YoY
  - Growth was subdued mainly due to:
    - Lower milk availability & substantially higher raw milk prices leading to drop in volumes
    - Q4 impact in which sales was disrupted on account of CoVID 19 as FMCG sales are skewed towards month-end and with complete lockdown with effect from 22<sup>nd</sup> March, all categories except fluid milk were completely impacted for the rest of the month
    - Higher base of Q4 last year due to commodity exports

## Gross Profit

- Gross Profit for FY20 stood at Rs. 6,232 million as compared to Rs. 7,383 million in FY19
  - Heavy rainfall, non-availability of green fodder and delayed calving affected the flush season, leading to disruptions in availability of milk and causing spiraling milk prices which impacted margins
  - A further 5% increase in raw milk prices during Q4

## EBITDA

- EBITDA for FY20 stood at Rs. 2,111 million as compared to Rs. 2,235 million in FY19
  - EBITDA Margin for FY20 stood at 8.7%
  - In spite of substantial compression in gross margins, we have achieved 8.7% EBITDA margin because of tight spends on A&P, lower other expenses and productivity measures initiated from later part of the year.

## PAT

- PAT for FY20 stood at Rs. 937 million as compared to Rs. 1,207 million in FY19

# Consolidated Profit & Loss Statement



Ideas for a new day

Particulars	Q4 FY20	Q4 FY19	YoY	Q3 FY20	QoQ	FY20	FY19	YoY
<b>Revenue from Operations</b>	<b>5,352.3</b>	<b>6,721.5</b>	<b>-20%</b>	<b>6,329.3</b>	<b>-15%</b>	<b>24,379.2</b>	<b>23,956.6</b>	<b>2%</b>
Raw Material Costs	4,059.1	4,731.2		4,717.6		18,146.9	16,573.6	
<b>GROSS PROFIT</b>	<b>1,293.3</b>	<b>1,990.4</b>	<b>-35%</b>	<b>1,611.7</b>	<b>-20%</b>	<b>6,232.4</b>	<b>7,383.0</b>	<b>-16%</b>
<b>Gross Margins</b>	<b>24.2%</b>	<b>29.6%</b>		<b>25.5%</b>		<b>25.6%</b>	<b>30.8%</b>	
Employee Expenses	191.8	258.9		242.8		961.0	949.9	
Other Expenses	701.4	1,294.3		781.3		3,160.3	4,198.1	
<b>EBITDA</b>	<b>400.1</b>	<b>437.3</b>	<b>-8%</b>	<b>587.6</b>	<b>-32%</b>	<b>2,111.0</b>	<b>2,235.0</b>	<b>-6%</b>
<b>EBITDA Margin %</b>	<b>7.5%</b>	<b>6.5%</b>		<b>9.3%</b>		<b>8.7%</b>	<b>9.3%</b>	
Other Income	9.4	63.3		7.7		76.0	102.6	
Depreciation	137.3	94.2		136.0		536.4	501.9	
<b>EBIT</b>	<b>272.2</b>	<b>406.4</b>	<b>-33%</b>	<b>459.3</b>	<b>-41%</b>	<b>1,650.6</b>	<b>1,835.7</b>	<b>-10%</b>
Finance Cost	89.0	78.1		112.6		381.0	357.9	
Exceptional Items	0.0	0.0		0.0		0.0	0.0	
<b>PBT</b>	<b>183.2</b>	<b>328.4</b>	<b>-44%</b>	<b>346.7</b>	<b>-47%</b>	<b>1,269.6</b>	<b>1,477.9</b>	<b>-14%</b>
Tax Expense	82.1	15.5		70.9		332.7	270.7	
<b>PAT</b>	<b>101.1</b>	<b>312.9</b>	<b>-68%</b>	<b>275.8</b>	<b>-63%</b>	<b>936.9</b>	<b>1,207.2</b>	<b>-22%</b>
<b>PAT Margin %</b>	<b>1.9%</b>	<b>4.7%</b>		<b>4.4%</b>		<b>3.8%</b>	<b>5.0%</b>	
Other Comprehensive Income	2.8	3.2		0.2		3.6	1.0	
<b>Total Comprehensive Income</b>	<b>103.9</b>	<b>316.1</b>		<b>276.0</b>		<b>940.4</b>	<b>1,208.2</b>	

# Consolidated Balance Sheet



Ideas for a new day

Particulars	Mar-20	Mar-19
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,132.9	4,023.4
Capital work-in-progress	70.2	290.3
Other intangible assets	26.5	34.5
Biological assets other than bearer plants	359.7	337.6
Right to use Asset	137.2	0.0
<b>Financial assets</b>		
Investments	5.5	5.3
Loans	4.3	3.5
Other financial assets	121.1	130.0
Deferred tax assets (net)	88.3	166.7
Other non-current assets	187.1	219.2
<b>Sub-total - Non-Current Assets</b>	<b>5,132.9</b>	<b>5,210.4</b>
<b>Current assets</b>		
Inventories	6,328.9	4,628.8
Financial assets		
Trade receivables	3,034.8	2,786.5
Cash and cash equivalents	223.8	73.5
Other Bank balances	54.7	46.9
Other current assets	2,072.0	1,674.3
<b>Sub-total - Current Assets</b>	<b>11,714.1</b>	<b>9,209.9</b>
<b>TOTAL - ASSETS</b>	<b>16,846.9</b>	<b>14,420.4</b>

Particulars	Mar-20	Mar-19
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	839.4	839.4
Other equity	8,272.2	7,432.0
<b>Sub-total - Shareholders' funds</b>	<b>9,111.6</b>	<b>8,271.4</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	481.5	646.2
Lease Liability	112.1	0.0
Provisions	45.1	44.5
Other non-current liabilities	0.0	0.0
<b>Sub-total - Non-current liabilities</b>	<b>638.7</b>	<b>690.7</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	3,215.7	1,497.5
Trade payables	2,940.4	2,971.0
Other financial liabilities	804.3	725.7
Other current liabilities	51.8	75.7
Provisions	4.6	10.2
Current tax liabilities (net)	79.9	178.4
<b>Sub-total - Current liabilities</b>	<b>7,096.6</b>	<b>5,458.3</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>16,846.9</b>	<b>14,420.4</b>

# Marketing Campaigns & Consumer Engagement Initiatives



Ideas for a new day

## GO Cheese



### #PakNahiKuchPaka

Digital Campaign across Instagram, Facebook & Twitter for 'Go' Cheese

- Overall Reach: More than 4.5 lakhs
- Overall Impressions: More than 16 lakhs
- Overall engagement: 1.8 lakhs

## NEW TVC Gowardhan - Raho Sehatmand

Live on Hindi, Marathi and Gujarati News Channels (Total 13 channels)



## Pride of Cows

"Contactless" milk delivery offered to our consumers



## Avvatar

### #KarTohSahiKar Campaign

- Engaging with consumers to kick start their new year resolutions the 'sahi' way with Avvatar Transformation
- A personalised diet plan to lose weight the 'sahi' way. Diet plans exclusively designed by Shivoham.



### Fitness Battle 2020

The Fitness Battle was amongst 10 fighters chosen from 600+ entries. Daily tasks, eliminations, wild card entries and twists helped garner 18 lakh impressions

# New Product Launches



Ideas for a new day

I

**Mozzarella + Cheddar  
Cheese in the form of dices**

(Spreads easily on pizzas)

II

**Combination of Cheddar +  
Monterey Jack +  
Mozzarella + Colby**

(Taste of 4 cheeses in one to  
satisfy cheese cravings)



III

**Go Processed Angles**

IV

**Go Jalapeno Slice**

(Add some twist to your  
sandwich or a Burger with  
our all new Jalapeno  
flavoured cheese slice)



# Impact of COVID-19 (1/4)

The World Health Organisation declared COVID-19 as a pandemic on March 11, 2020 and India has been under a national lockdown since March 22, 2020. Below are the key highlights on the same:

## Manufacturing

- Ensured 100% functionality of all manufacturing facilities during the entire lockdown period with zero downtime while adhering to the highest safety standards and protocols
- Employed limited manpower and adopted productivity measures such as automation techniques and longer shifts at work to ensure that the plants operate at optimum capacities
- Focused on manufacturing high velocity and high throughput SKUs

## Supply Chain & Distribution

- Faced initial operational disruptions over the second half of March 2020 and challenges in distribution due to the unavailability of manpower, transport services, and labour for loading/unloading
- Dealt with challenges in the procurement of packaging material, other raw material, etc. due to disruptions at suppliers' level. However, developed alternative sources and adapted swiftly to the situation at hand.
- Despite products being categorized as "essential goods", witnessed challenges in inter-state movement and other minor hindrances due to limited clarity by regulatory authorities on lockdown regulations. However, quickly procured all relevant approvals and passes for employees to normalize operations at the earliest.
- Our distributors also faced challenges in the movement of stocks as well as availability of manpower during the initial period. However, the challenges were addressed in early April itself.
- Ensured most depots remained operational throughout the lockdown period, except in red/containment zones, with safety protocols
- Maintained healthy levels of Finished goods stocking at depots
- Worked closely with Modern Trade and e-commerce delivery companies to make products available to consumers

## Procurement

- Milk procurement operations were unaffected during the entire period and due to our commitment towards farmers for sourcing their 100% milk, we have procured even higher quantity of milk
- We have seen substantial Increase in milk procurement during the Covid-19 situation due to:
  - Late onset of flush season during March due to higher availability of feed and fodder leading to higher milk production
  - Lower demand for commodities by ingredient users, hotels and restaurants resulting in higher flow towards organised players
  - Our commitment and the inability of smaller milk players to operate
- Milk procurement increased by around 30% compared to prior months
- Raw milk prices subsided by ~20% because of higher availability and lower demand

# Impact of COVID-19 (2/4)

## Financial Performance

- Witnessed an increase in demand across all our core consumer product categories such as ghee, cheese, paneer & UHT due to a significant increase in at-home consumption
- However, we have seen significant impact in sales of commodities and HORECA segments. Sale of impulse categories like flavoured milk were also impacted.
- Reallocated advertising spends between different channels with a greater focus on digital media
- Initiated cost rationalization measures across different verticals to improve profitability
- Adopted a conservative financial approach and included additional provisions in lieu of exposure to the HORECA & QSR segments, and dormancy on unsold inventory due to closure of operations of some institutional partners

## Impact during H1 FY21

- With earlier than expected onset of monsoons and good coverage across India till date, milk production is expected to remain strong going forward
- However raw milk prices are expected to increase by around 5-7% once the situation normalises
- Core consumer products categories like Ghee, Cheese, Paneer, UHT, etc. will continue to do well
- Commodity sales have started picking up with the re-opening of major user industries. However, commodity prices would be subdued due to higher inventory levels across the country
- HORECA outlets have also started opening. However, the focus is on home delivery and takeaway, and with few outlets operating, we expect normalisation to take time in this segment

# Key Initiatives undertaken for our Stakeholders (3/4)

## Consumers

- Developed new and innovative ways of serving consumers by offering direct delivery of products to residences/societies in the form of bulk orders at a discounted price
- Despite several restrictions due to lockdown, frontline employees went out of their way to deliver Pride of Cows to the consumer's doorstep and ensured that not a single day of delivery was missed

## Employees

- Ensured our employees safety foremost across all fronts
- Provided flexible work from home facilities for our employees
- Offered necessary IT and Tech support to employees working from home across the country

## Suppliers

- Provided extended credit
- Re-negotiated contracts

## Community

- Donated several food packets and meals to essential workers like transporters, drivers, etc.
- Also started community kitchens and provided free food to people around our plants & provided support to vulnerable sections of the society
- Assisted local hospitals & their staff (CoVID warriors) by providing them essential equipment & food
- Assisted employees in need by providing financial support



Ideas for a new day

काळजी घ्या, घरी रहा !

प्रशासनाला देऊ साथ...  
कोरोनावर करू मात !



सुझ महाराष्ट्राची साथ  
निरोगी महाराष्ट्र करतोय कोरोनावर मात

अन्नदाते - पराग मिल्क फुड्स लि.



आपल्या महाराष्ट्रात सध्या देशाच्या तुलनेत भयंकर स्थिती आहे . आपल्या आंबेगाव तालुक्यात देखील याचा परिणाम जाणवत आहे ,मंचर परिसर वाडी वस्ती वरील गरीब गरजूंना तसेच जे घरातली चूलदेखील पेटवू शकत नाही अश्या लोकांना अन्न देण्याचा हा उपक्रम म्हणजे एक आदर्श कामच ! म्हणूनच...

पराग मिल्क फुड्स लि.चे चेअरमन **मा.देवेंद्रशेठ शहा** यांच्या वतीने दि.२५ मार्च ते १७ मे २०२० या या कालावधीत घरात चूल न पेटवू शकणाऱ्या गरिबांना मोफत अन्नप्रसाद वाटप होत आहे.

हाच आदर्श घेऊन प्रत्येकाने जमेल तशी मदत गरीब जनता आणि आपल्या परिसरातील बांधवांना करावी हीच आपल्या देशाला कोरोना सारख्या महारोगावर मात करण्यास मदत होईल.

एक हात मदतीचा कोरोनावर करुयात मात... एकमेकांना देऊ मदतीचा हात...

# CSR Activities (4/4)



Daily distribution of food to migrant workers crossing Manchar



Drinking water provided to people on a daily basis



Sanitization of Manchar & nearby villages



~5,000+ families were supported by giving Grocery Kits



~ 3,000 People were given healthy meals prepared in the company aanteen on a daily basis



Sanitisation of Govt. hospitals in Manchar & Ghodegaon



Goodness



Nutrition



Sustainability



Ambition



Innovation

# Company Overview

# Parag at a Glance



Ideas for a new day

## Strong Relationships

Established Strong Relationships with over 2 lakh farmers and over 3.5 lakh retail touch points

## State-of-the-art Facilities

Aggregate milk processing capacity of 2.9 mn litres per day with the largest Cheese production capacity in India of 60 MT / day and a Paneer Capacity of 20MT / day

## Strong Distribution

Pan-India Distribution Network of 19 Depots, over 140 Super Stockists and 3,000+ Distributors

## 170+ SKU's

Diversified product portfolio with 170+ SKU's that cater to a wide range of customers

## 7 Brands

Gowardhan  
Go  
Pride Of Cows  
Topp Up  
Milkrich  
Avvatar  
Slurp

## Ranked #1

Parag Milk Foods was ranked #1 in Fortune India's 'Next 500' from #67 last year



# Evolution of the Company



Ideas for a new day



**1992**

Parag Milk Foods Ltd founded in 1992 with one purpose:  
**To deliver Fresh Milk and Dairy Products**



**1998**

Commissioned Manchar plant and began manufacturing Traditional products like Butter and Ghee under the brand, **'Gowardhan'**



**2005**

Birth of **Bhagalaxmi Dairy Farm** - India's most modern dairy farm with the finest International Equipments



**2008**

Commissioned **"Go Cheese World"** - India's largest cheese manufacturing plant with a capacity of 40 MT per day



**2010**

Palamaner plant was established with a **world-class UHT facility**



**2011**

Birth of **'Pride of Cows'**, a First-of-its-kind premium farm-to-home milk brand



**2014**

Realising the needs of our institutional clients, we launched **B2B Whey Protein**



Ideas for a new day

**2015**

Relaunched the brand **Parag** with a new identity



**2016**

Got listed on the bourses, thus becoming a **Publicly branded** and owned entity



**2017**

Launched a **100% Whey protein** under the brand **Avvatar**



**2018**

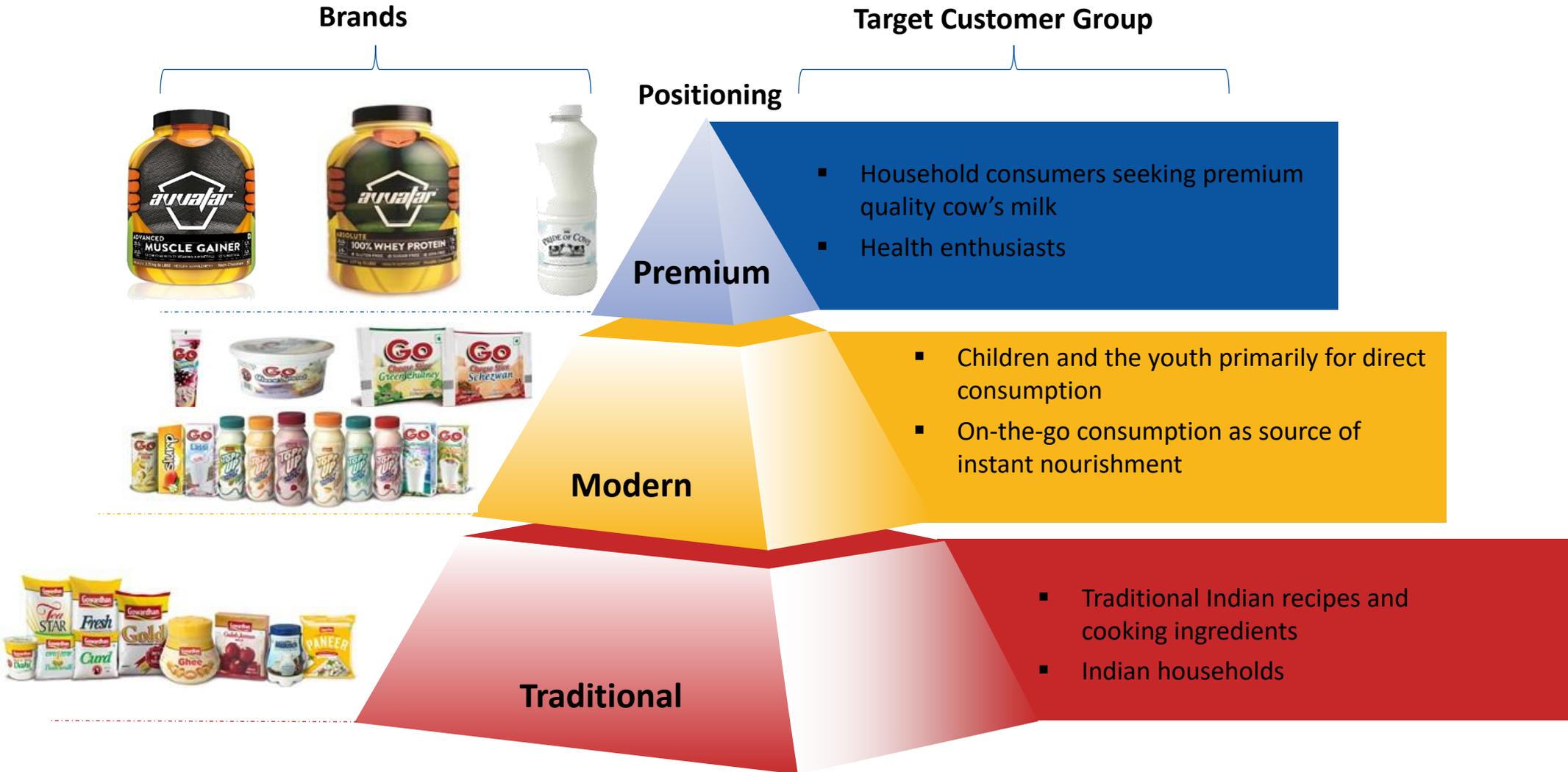
Extended the Health & Nutrition Product Portfolio by adding **Go Protein Power & Avvatar Advance Mass Gainer**



**2018**

Established our **third manufacturing facility** in North India in **Sonipat, Haryana** on acquiring Danone's manufacturing facility

# Our Diverse Product Portfolio catering to all segments of customers



# Our Brand Power



Ideas for a new day

**2<sup>nd</sup> Largest Player in Cheese** in the India with  
35% Market Share

Pioneers of **Fresh Paneer** with a **75 Day Shelf Life**

Leaders & Pioneers of **Cow Ghee** category  
under Brand '**Gowardhan**' Ghee

Own one of the **Largest Cow Farms in India**

**India's First Company to launch** a truly made  
in India B2C **Whey protein powder** under  
Brand '**Avvatar**'

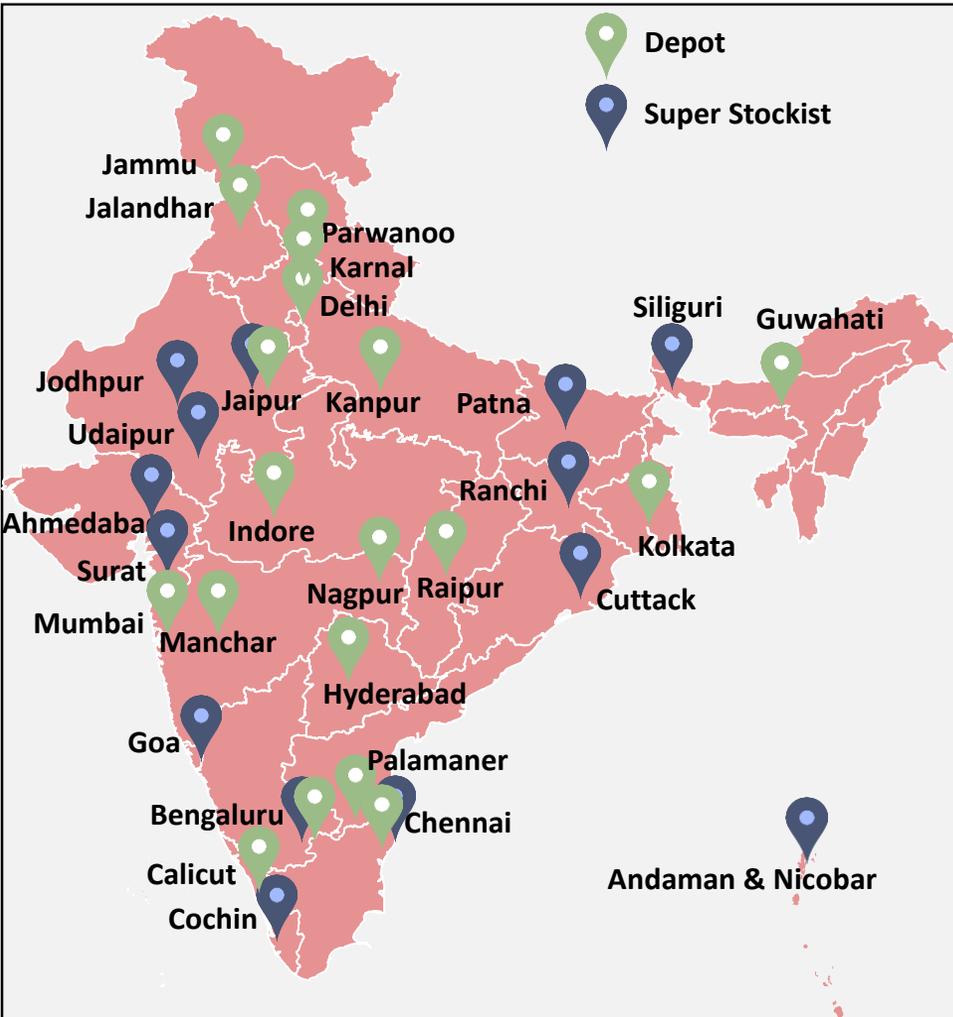
**Leading private player in UHT Category** under the  
Brand '**GO**'

Introduced the concept of **Farm-to-Home**  
milk under the brand '**Pride of Cows**'

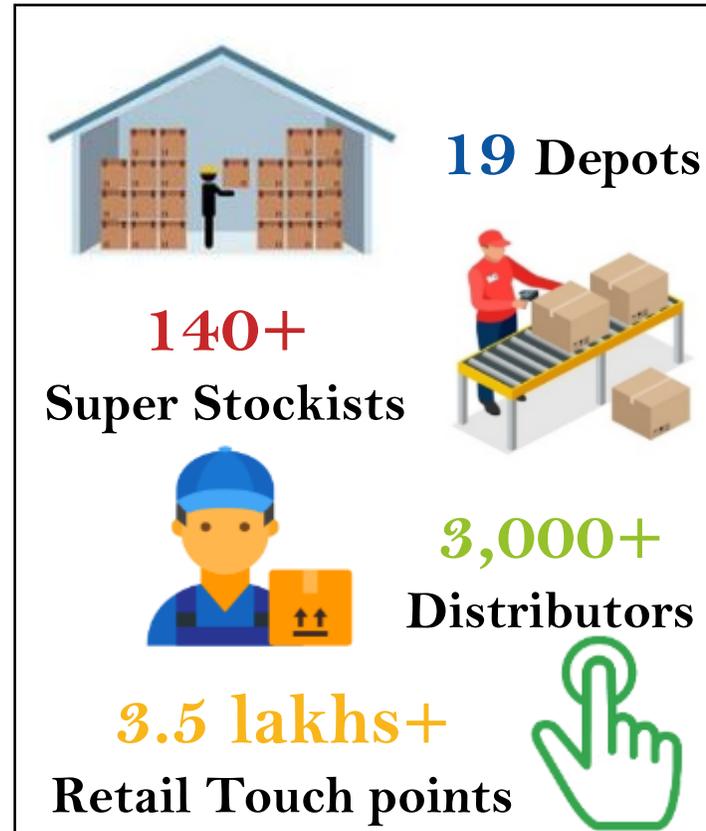
Converted waste into value-added products like  
organic fertilizers from cow manure and urine  
under brand '**Bhagalaxmi Dairy Farms**'

# Last mile availability from 'Farm to Fork'

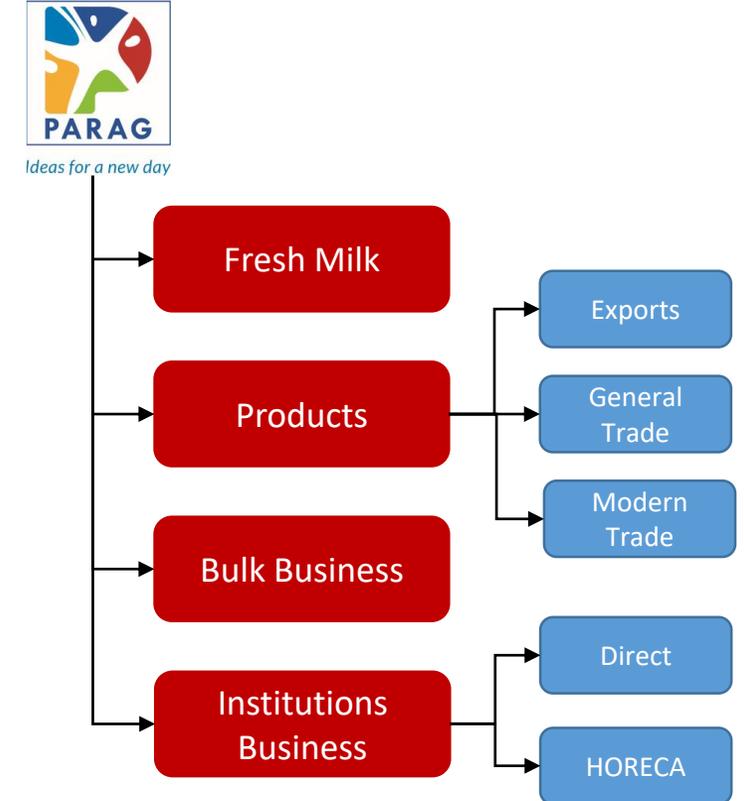
## Pan-India Reach



## Distribution Network



## Route-to-market Strategy



- Dedicated Sales and Marketing team comprising of over 800 personnel
- Sales force Automation –Better visibility of Supply Chain Management

# Partner with Leading Institutions and Quick Service Restaurants



**Interact** with Customers at the **Inception Phase** of the Product and even help them to **curate a menu**

**Customization** of the product **according to the Need**

Maintaining the **Exclusivity of the Product**

**Strong/ Long term Relations** with Customers

## Supplies To:



**Prominent Burger Chains**



**Major FMCG companies**



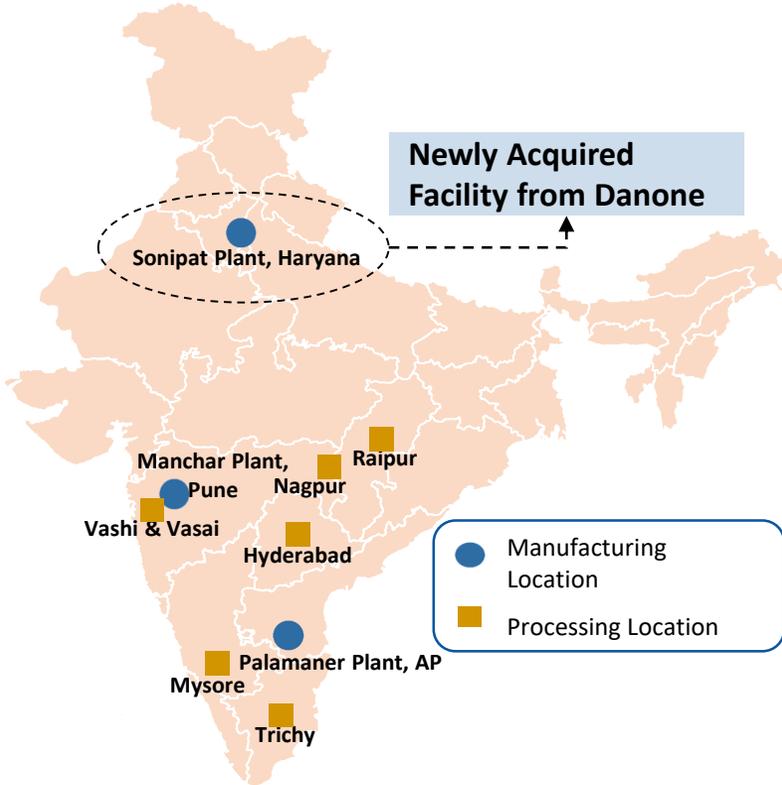
**Leading Pizza Chains**



**Hotels, Restaurants and Food Chains**



# A Pan-India Manufacturing Footprint



## Key Features : Parag's Manufacturing Footprint

- One of the **Largest Cheese Plants** in India
- India's 1st state-of-the-art fully integrated **Whey Protein Plant**
- Fully automated **Paneer Plant**
- World-class **UHT facility**
- India's most **Modern Dairy Farm**
  - ❑ Houses Over **2,500 Holstein Friesian Cows**
  - ❑ With an **Average yield of 20-25 litres per cow** vs India's Average of 4-5 litres per cow
- Newly **Acquired Sonipat Facility** & Infrastructure
  - ❑ Currently has a Milk & Curd Processing Unit
  - ❑ Future Plans to install processing units for pouch milk, flavoured milk, pouch butter milk, cup curd, misthi doi as well as expand the existing yoghurt facility

## State-of-the-art Technology



Key Categories	Capacity
Milk Processing	2.9 mn litres per day
Cheese	60MT per day
Paneer	20MT per day
Ghee	110 MT per day
Whey Processing	6 lakh litres per day



# Farmer Relationship is an Integral part of our Business

## 3-tier Milk Procurement Process

Tier 1

Village collection centres procure milk from over 2 lakh farmers in 29 districts

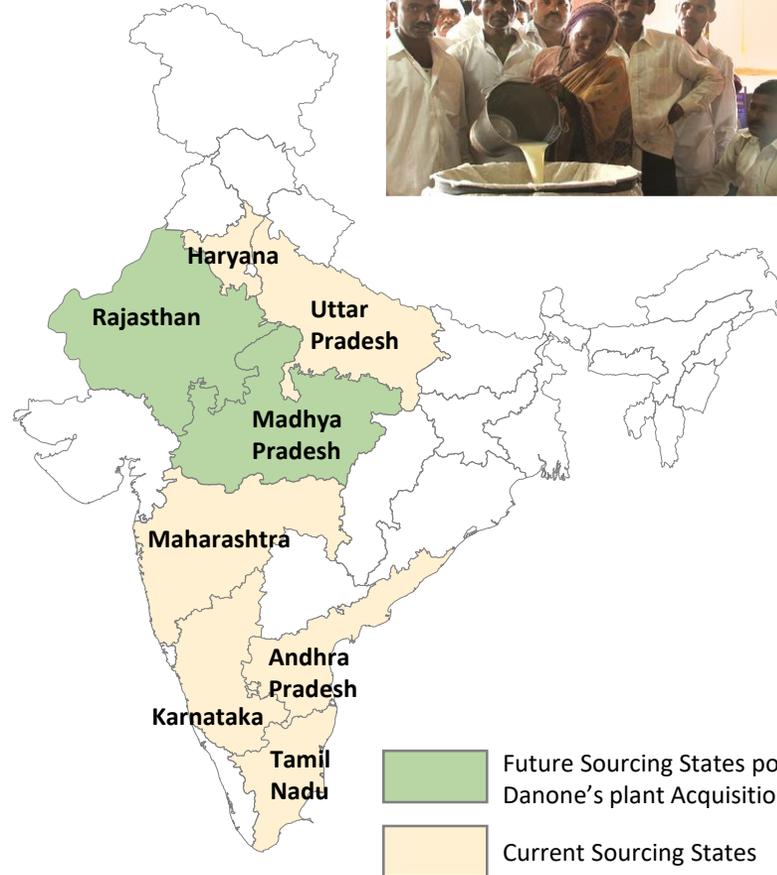
Tier 2

Milk is then transported to nearby Bulk Milk Coolers (BMC) and chilled

Tier 3

The chilled milk is then transported in tanks to our dairy plant

## Procurement Network



## Farmer Services

Never Say No for Milk

Correct Quantity & Quality

Transparent Milk Pricing

Supplying Cattle feed at subsidized rates

Building Relationship with Farmers

Improving the Productivity of Cows

Free Health Camps for Cattles

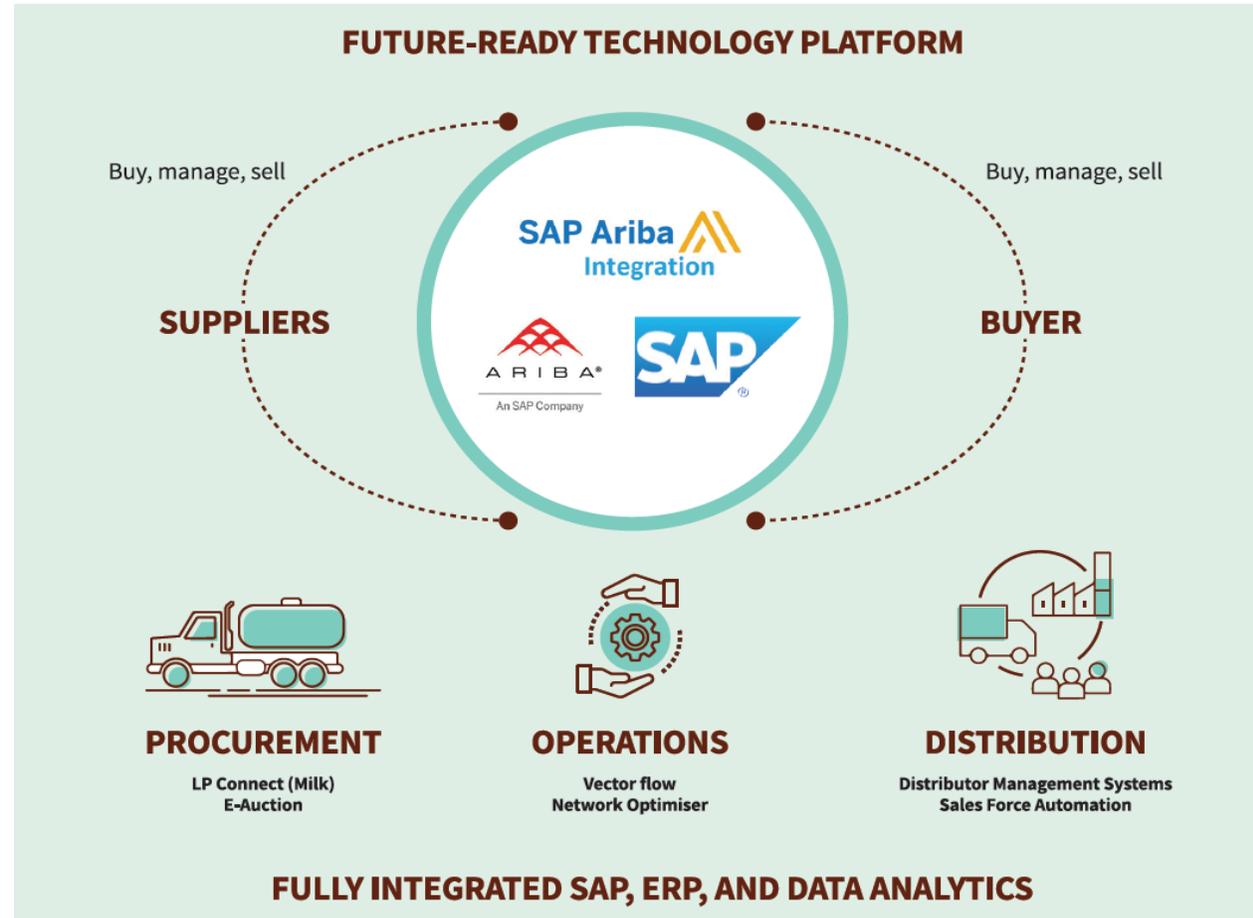
Free Vaccinations for Cattles

# Integration of Technology across all verticals

Business intelligence and Analytics captured through SAP

Theory of Constraints (Vector) Dashboard for live monitoring of order taking and past trends of retailers

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



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

Sales Force Automation helps to increase productivity and enhance the time spent on driving sales

Distribution Management System helps with inventory management and provides us with secondary sales data in real-time

# Our Strategy for Value Creation

## Increase Operational Efficiencies

Leverage in-house technological, R&D capabilities to:

- Maintain strict operational controls
- Enhance customer services levels
- Develop customised systems & processes

## Focus on Health & Nutrition

Introduce healthy & nutritious product variants like

- Whey protein powder for mass consumption and in different formats
- Colostrum products – as daily supplements
- High protein, low fat cheese products

## Strengthen Our Brands

- Enhance brand recall through strategic branding initiatives
- Increase Ad spend on diverse channels including television, newsprint, digital media

## Increase Value-added Product Portfolio

- Offer wider range of farm-to home products under 'Pride of Cows'
- Focus on health & nutritional aspect in developing premium products
- Sell whey protein directly to consumers in the form of a branded product

## Increase Milk Procurement

- Strengthening existing farmer relations
- Offer quality & quantity based incentives
- Set up new collection centres & reach new districts
- To add 75 new bulk coolers, 100 automated collection systems

## Enhance Product Reach

- Strengthen distributor & stockists base to achieve higher retail penetration
- Introduce low unit price products in Tier III cities
- Identify specific states and regions in India to increase sales volumes



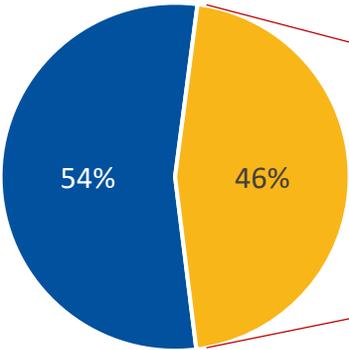


## Industry Dynamics

# Indian Dairy Market

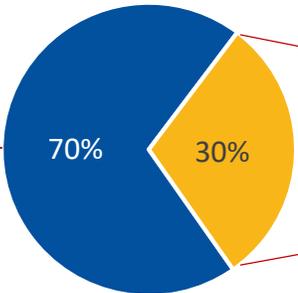


Milk production volume break-up by Marketability



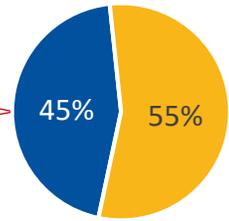
■ Self Consumption ■ Marketable Milk

Marketable Milk volume break-up by Segment



■ Unorganised ■ Organised

Organized Marketable Milk volume break-up by Segment

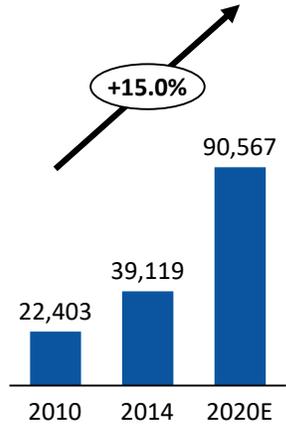


■ Cooperatives ■ Private Players

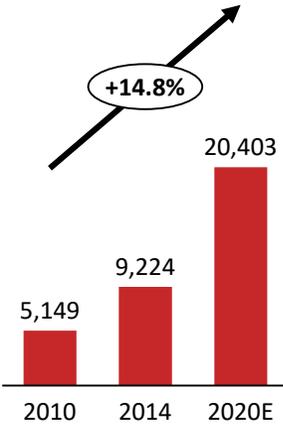
Source: IMARC Report – Industry size is as per market realizations  
 Amounts in US\$ Billion, 1US\$ = INR 67

# Tremendous Growth Potential across Product Segments

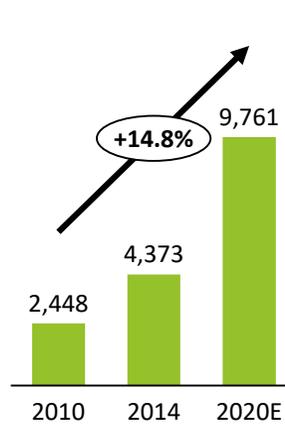
Liquid Milk



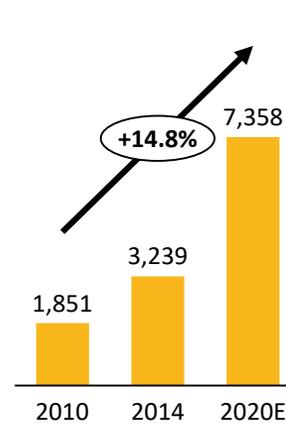
Ghee



Paneer



Curd



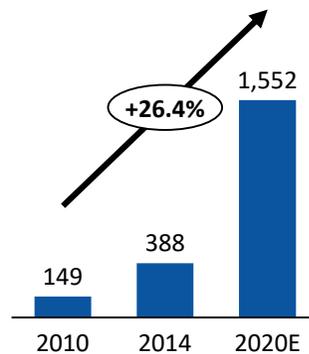
**Traditional Products Growth**

**CAGR of 15%**

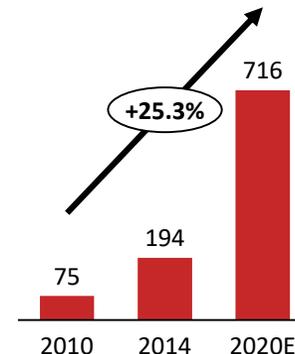
**Modern Products Growth**

**CAGR of 26%**

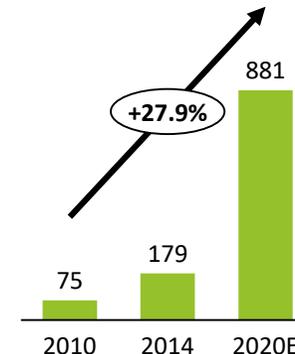
UHT Milk



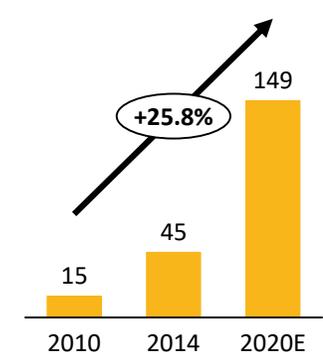
Flavoured Milk



Cheese

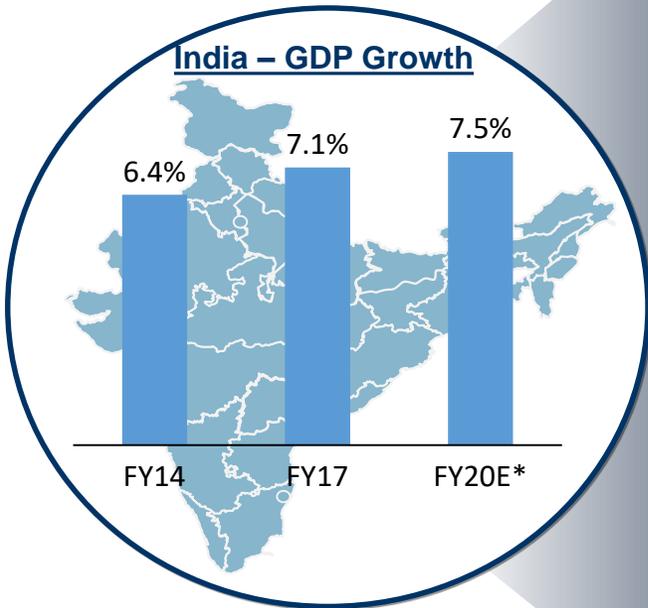


Whey (Powder)



# Annexures

# India's Favourable Dynamics offer Huge Opportunities



## Rising Middle Class Population & Income Levels

- Middle class households to grow from 255 million in 2015 to 586 million in 2025 at a CAGR of 8.7%
- Rising income & disposable income to drive consumption of milk & dairy products

## Urbanisation

- Urban population expected to increase from 31.2% in 2011 to 34.5% in 2021
- Preference for clean, hygienic & ready-to-eat milk & dairy products to boost organised dairy industry

## Changing Dietary Patterns with focus on Milk

- Milk being important source of vital nutrients especially for vegetarians, consumers are shifting away from cereals to milk & dairy products
- 31% Indian population is vegetarian, ensuring continuous demand for milk & dairy products

## Shift to Packaged Food to drive Organised Market

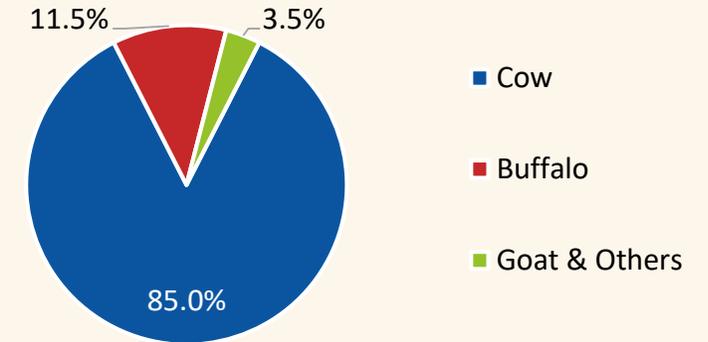
- Increasing quality & safety concerns increasing demand for packaged food, in particular pasteurised packaged milk
- Organised market share to also increase to 26%, in value terms, by 2020

# India Contributes > 20% of Global Milk Production

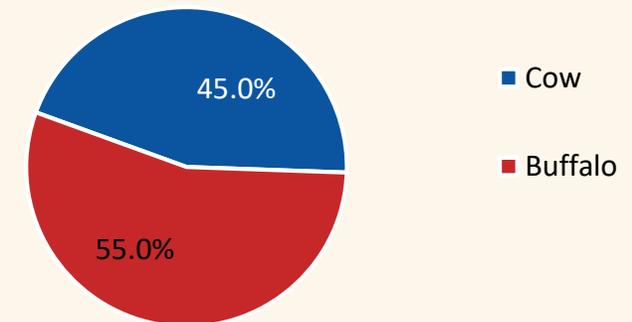
**Top Milk Producing Countries (Million MT)**

Countries	2017	2018	2019	2020E	2027E	CAGR
India	169	174	181	188	244	3.7%
EU – 28	164	167	167	169	177	0.8%
USA	98	98	99	100	105	0.7%
Pakistan	54	56	58	59	70	2.8%
China	40	43	44	45	50	2.3%
Russia	31	31	31	31	31	0.0%
Brazil	29	30	30	31	36	2.1%
New Zealand	21	22	22	23	25	1.5%
<b>World</b>	<b>823</b>	<b>844</b>	<b>859</b>	<b>875</b>	<b>994</b>	<b>1.9%</b>

**Global - Animal Wise Milk Production - 2017**



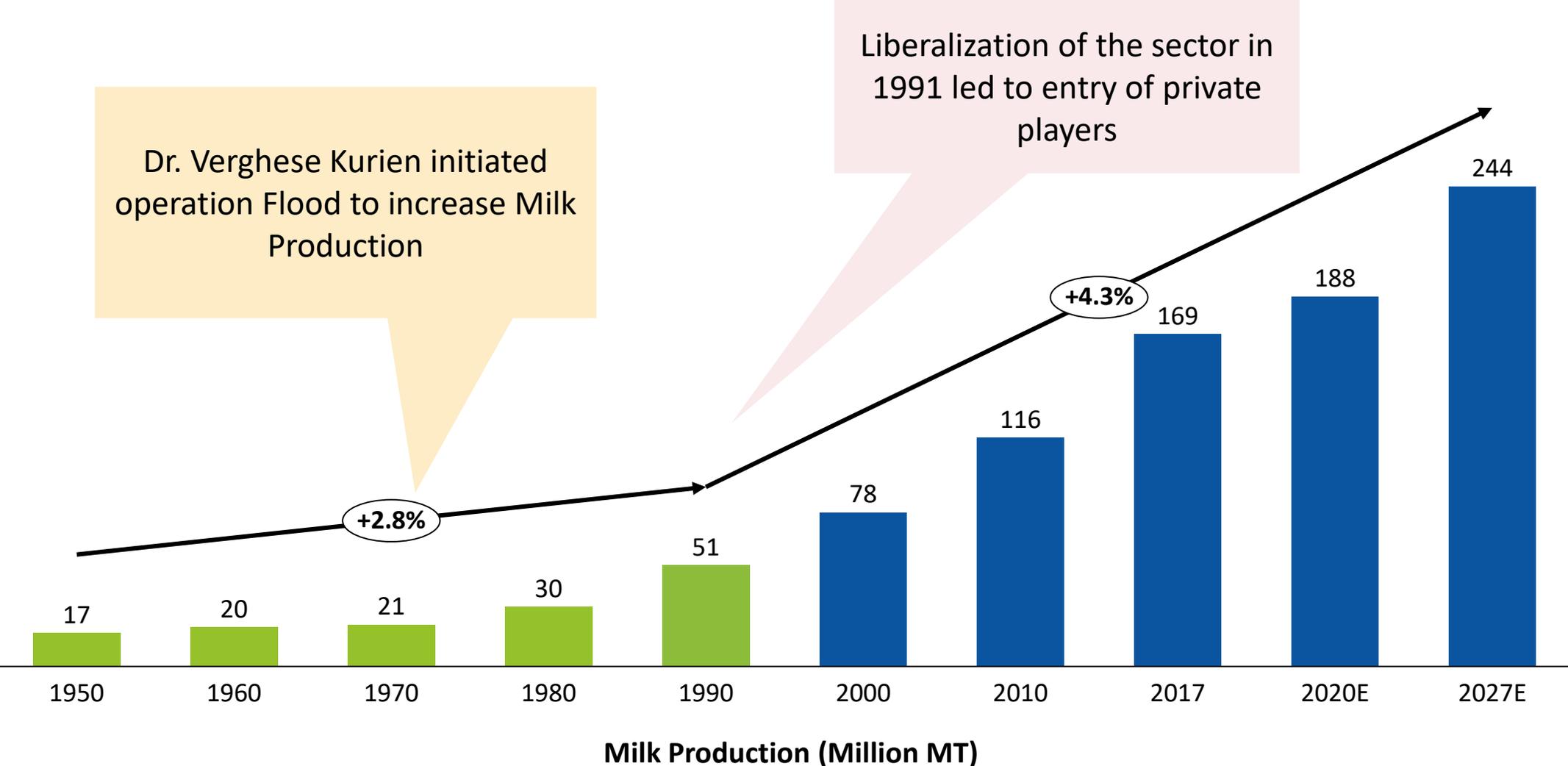
**India - Animal Wise Milk Production - 2017**



# Milk Production in India



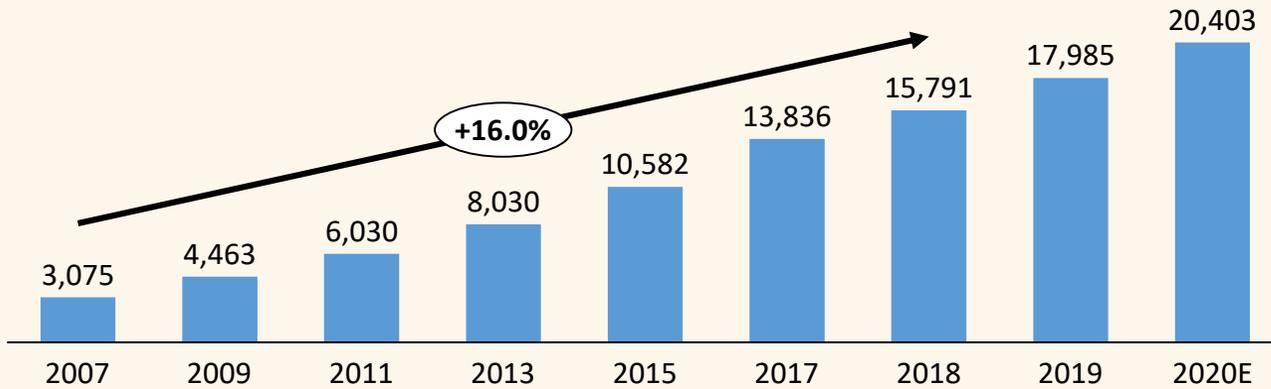
Ideas for a new day



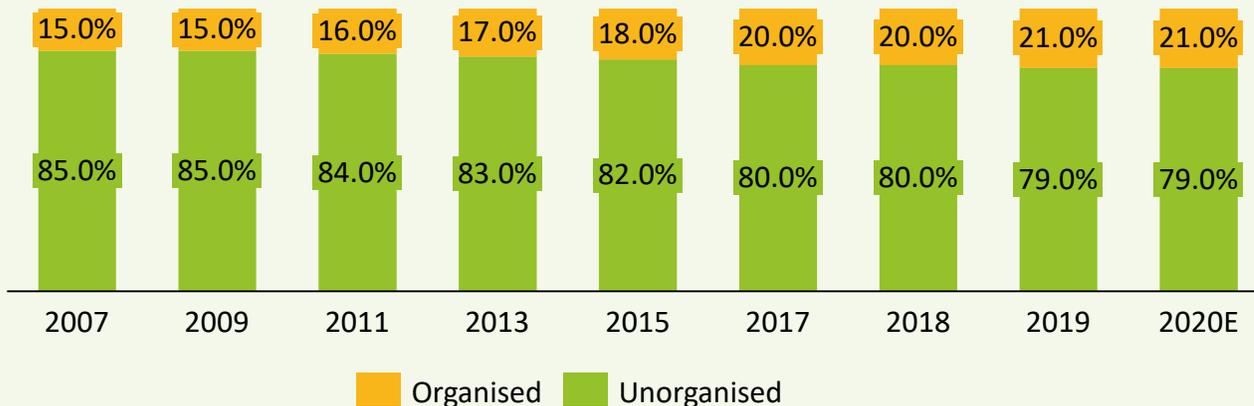
Source: Ministry of Animal Husbandry, Dairy and Fisheries

# Ghee Market (Butter Oil/Cooking Oil/Clarified Butter)

India's Ghee Market Size (in US\$ Million)



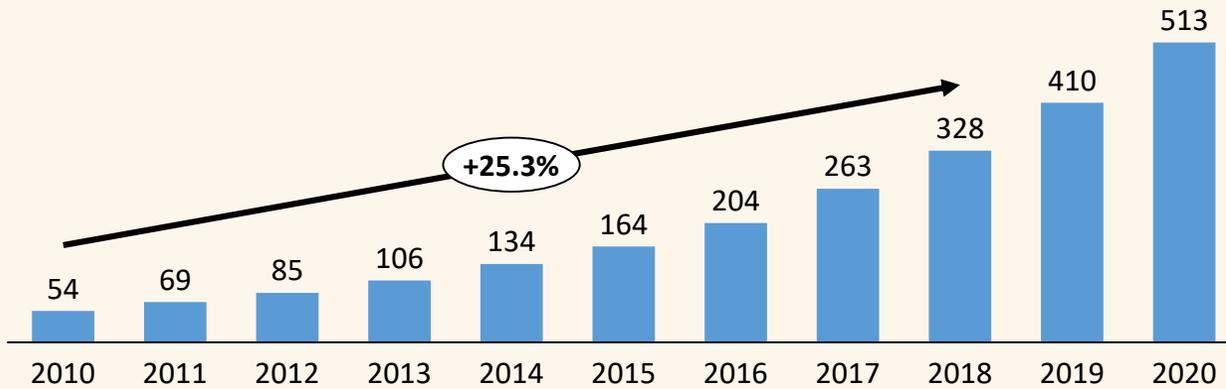
Organized vs Unorganized Sales



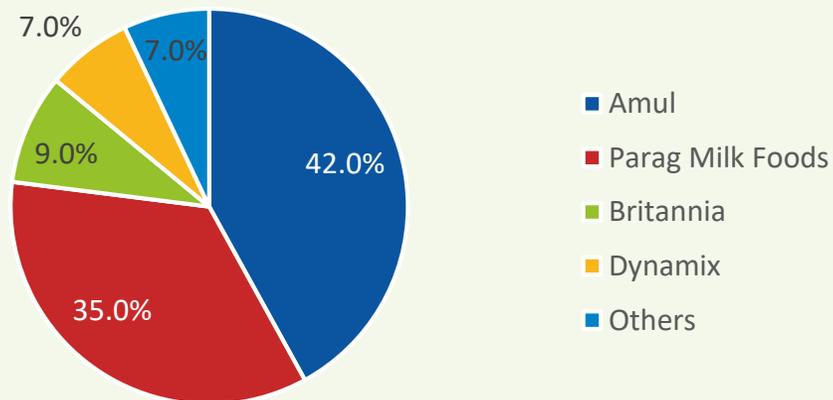
## Key Highlights

- Ghee is traditionally used as cooking oil in Indian households
- It is the 2<sup>nd</sup> largest category in the Indian dairy industry after Liquid Milk
- The organized market is currently 20% of total, and is growing rapidly at a CAGR of 17%
- Parag is present in the “Cow Ghee” category and are not only pioneers of the category but also the most sought after brand in the segment
- The Cow Ghee segment is growing faster than the overall Ghee market and has higher margins

## India's Cheese Market Size (in US\$ Million)



## Cheese - Value Market Share

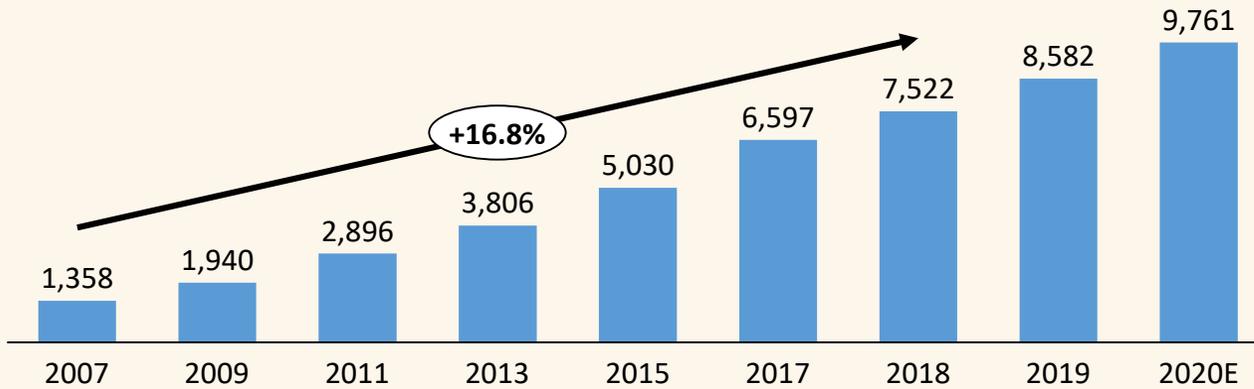


## Key Highlights

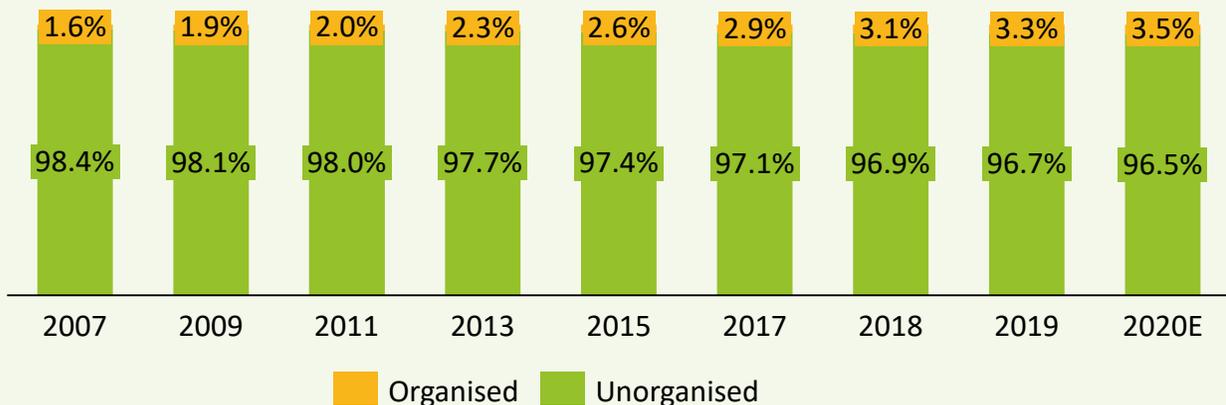
- Cheese is one of the fastest growing segments among dairy products in India
- Rise in food service outlets and changing food habits are major drivers
- Earlier, the cheese market in India was dominated by block cheese, slices and cubes
- Through innovation Parag has achieved a leadership position with a 1/3<sup>rd</sup> market share
- Parag dominates the Institutional & HoReCa segment
- Maharashtra is the biggest market for cheese consumption, followed by Gujarat, Delhi, Tamil Nadu and Uttar Pradesh

# Paneer (Cottage cheese)

India's Paneer Market Size (in US\$ Million)



Organized vs Unorganized Sales



## Key Highlights

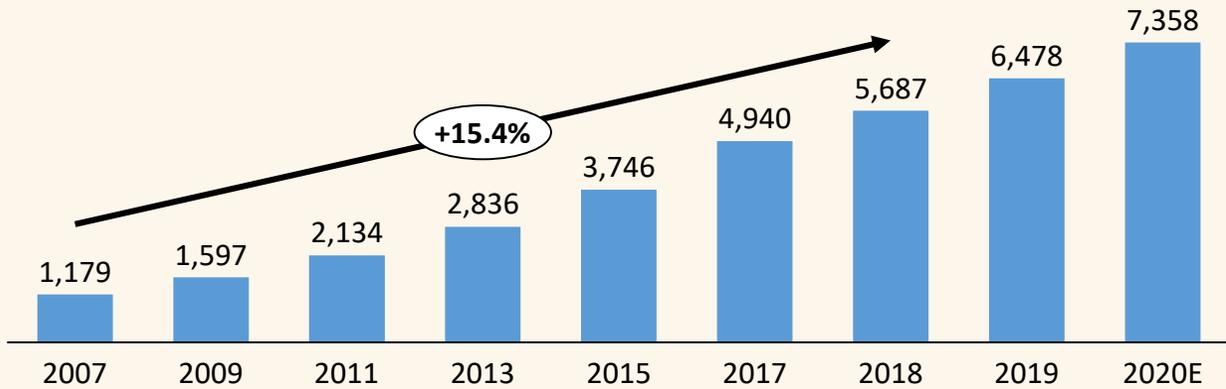
- Paneer is to India what cheese is to the Western world and is an integral part of many Indian recipes
- Paneer is the third largest segment in the milk products category
- Paneer is consumed like vegetables in Indian households and therefore purchased fresh on a daily basis
- With innovation in manufacturing & packaging, Parag has created a long-shelf life Fresh Paneer made from 100% cow milk
- Due to hygiene and consistency in taste, the trend towards branded packaged paneer is gaining momentum

# Curd (Dahi)

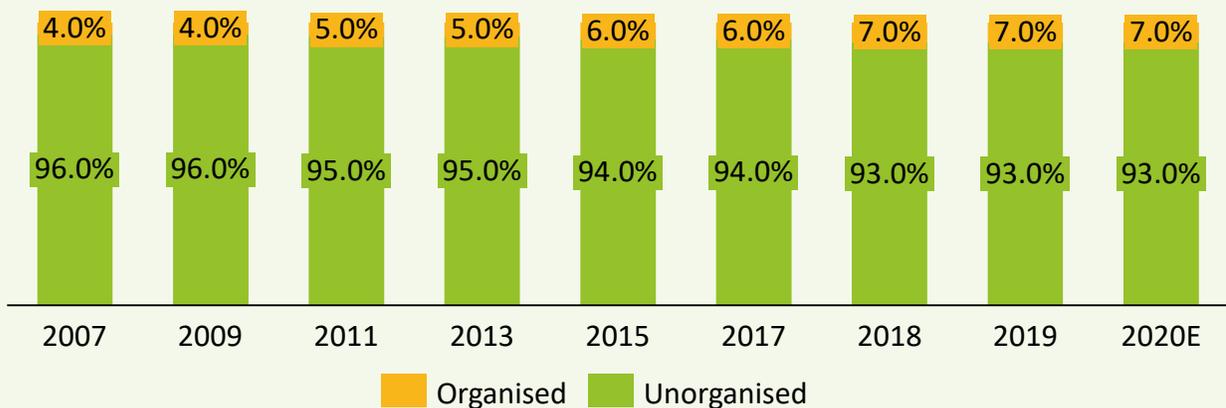


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## India's Curd Market Size (in US\$ Million)



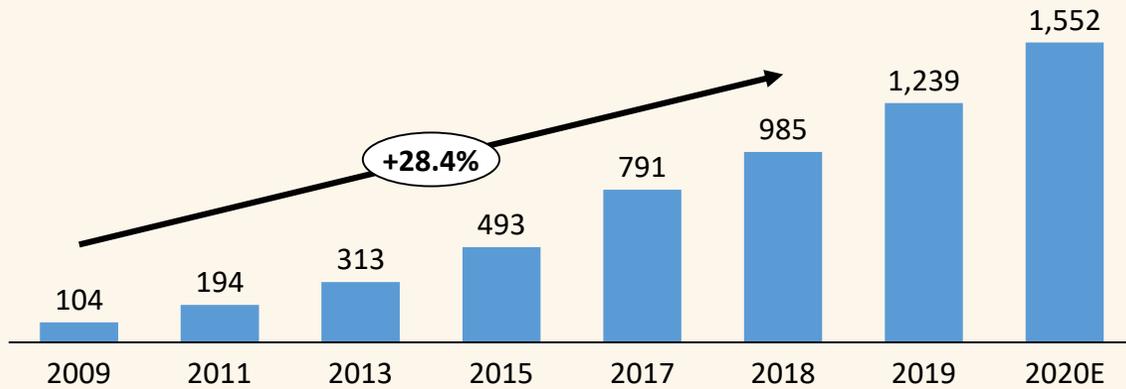
## Organized vs Unorganized Sales



## Key Highlights

- Curd industry has transformed from being a product that was traditionally made at home to a branded & packaged product
- The organized curd market is growing rapidly at a CAGR of 20%+ with even higher growth in metros
- With a distinctive home-made recipe and made of pure Cow milk, our curd is well-positioned to dominate this category in major markets
- Parag has significant presence in major metros like Mumbai, Pune, Nagpur, Hyderabad, Bangalore & Chennai and is now expanding into Delhi NCR and nearby markets of North & East

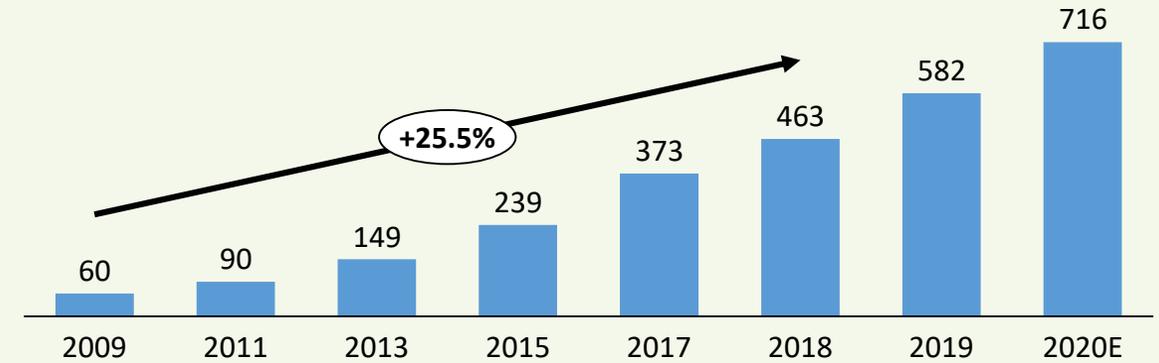
## India's UHT Market Size (in US\$ Million)



### Key Highlights

- In 2014, the UHT milk market accounted for less than 1% of the total milk market and ~5% of the organized milk market
- However, with benefits like safety, convenience and longer shelf life, usage of UHT milk is increasing at a fast pace in major metros
- Milk deficit areas are switching from milk powders to UHT milk
- Parag has established itself as a the largest private player in this segment

## India's Flavoured Milk Beverages Market Size (US\$ Million)



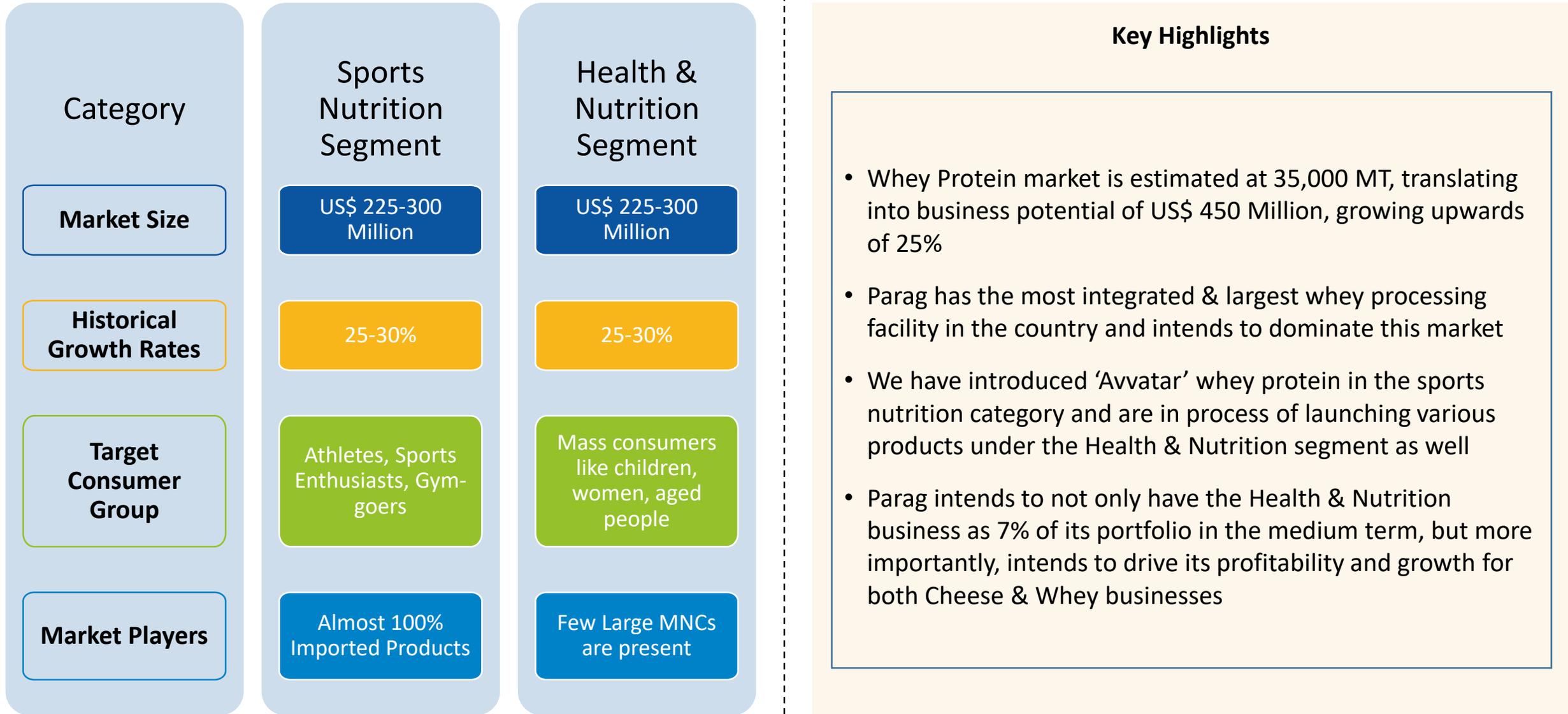
### Key Highlights

- Flavoured milk represents one of the fastest growing segments in the Indian dairy market due to:
  - Indian consumers slowly substituting carbonated soft drinks with healthier options
  - Advent of single serve, re-sealable bottles and tetra packs which has made milk convenient for use and easier to distribute

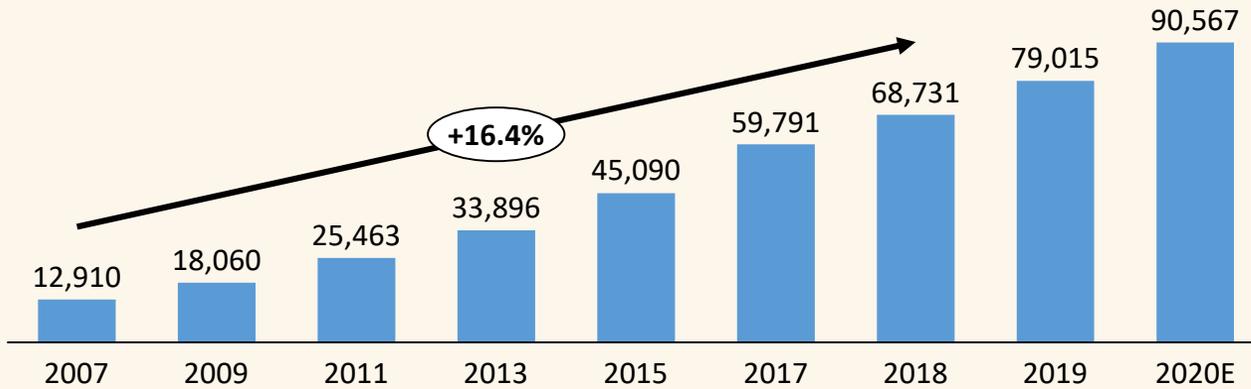
# Whey Protein



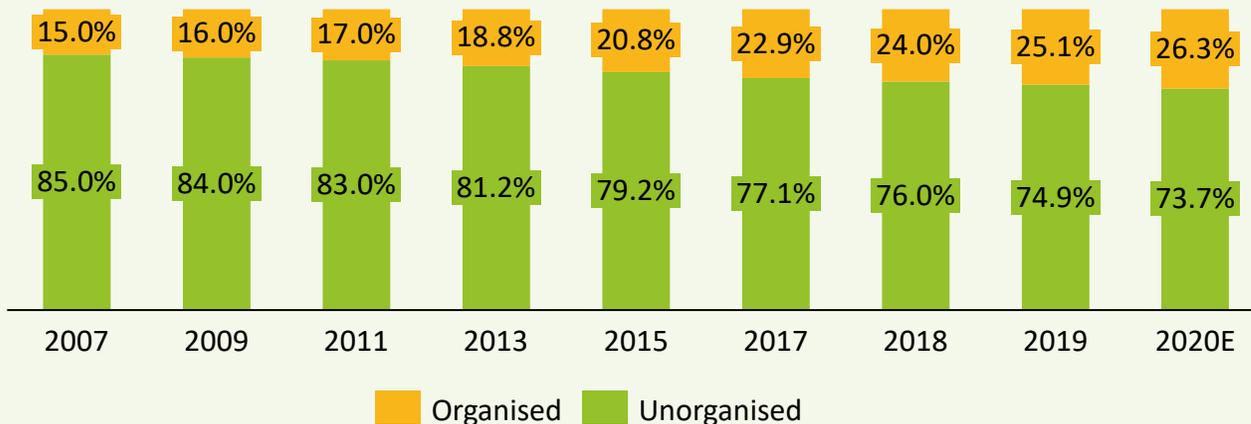
Ideas for a new day



### India's Liquid Milk Market Size (in US\$ Million)



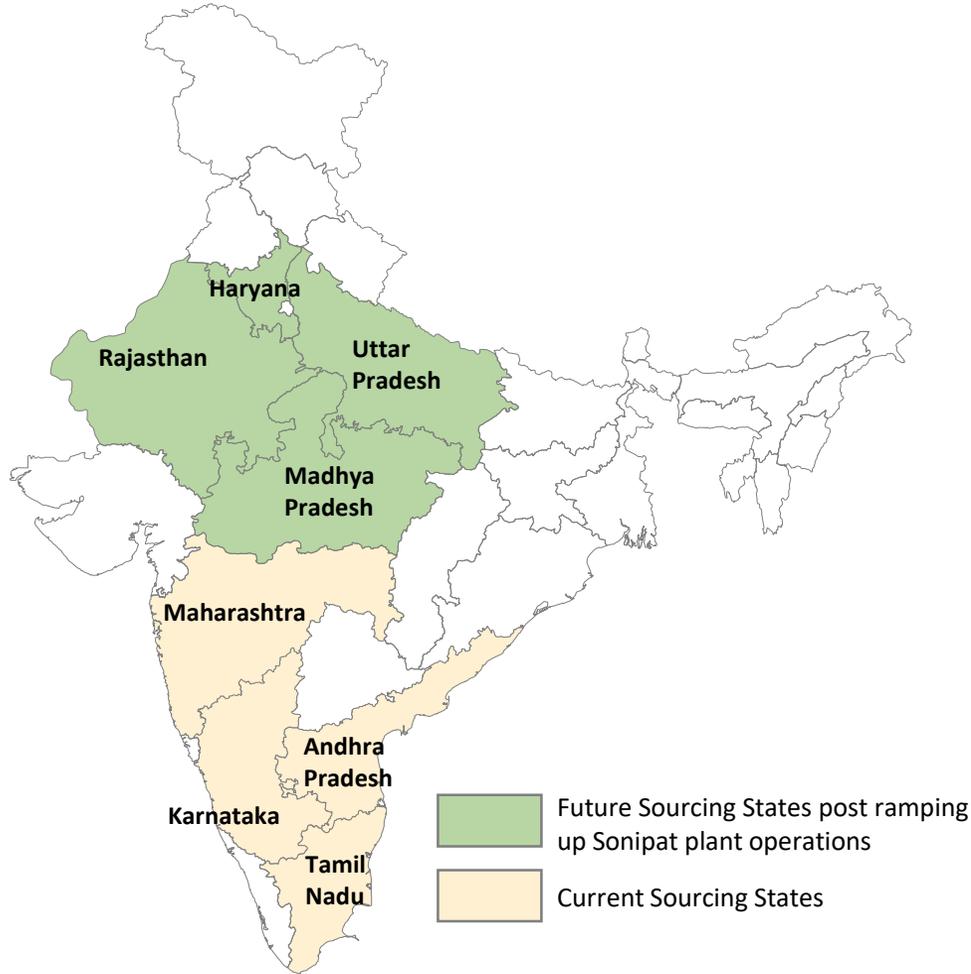
### Organized vs Unorganized Sales



### Key Highlights

- A majority (77%) of the milk sold in India is unorganized and in the form of loose milk sold by milkmen
- The organized sector in liquid milk is highly fragmented with several regional players and co-operatives
- Consumers are shifting from loose liquid milk to branded packaged milk due to safety and quality concerns
- The organized liquid milk market is growing faster than the unorganized market
- Parag has a strong presence in urban parts of West and South India and is currently the largest private player in Mumbai

# We are present in all key Cow milk procuring States



## In Million MT

Sr. No	States	Milk Production (2016-17)	% Share of Total Milk Produced	CAGR for last 2 years	Cow Milk Production (2016-17)	% Share of Cow Milk	CAGR for last 2 years
1	Tamil Nadu	7.6	4.6%	2.9%	7.1	93%	3.1%
2	Karnataka	6.6	4.0%	3.5%	4.6	70%	2.6%
3	Maharashtra	10.4	6.4%	4.4%	6.2	60%	8.2%
4	Bihar	8.7	5.3%	5.8%	5.2	60%	9.2%
5	Madhya Pradesh	13.4	8.2%	11.7%	6.6	49%	14.7%
6	Gujarat	12.8	7.8%	4.6%	5.8	45%	7.7%
7	Rajasthan	19.4	11.9%	6.9%	7.1	37%	7.9%
8	Andhra Pradesh*	16.9	10.3%	12.3%	5.3	31%	12.1%
9	Uttar Pradesh	27.6	16.9%	4.6%	8.6	31%	16.2%
10	Punjab	11.3	6.9%	4.4%	3.2	28%	3.1%
11	Haryana	9.0	5.5%	6.6%	1.7	19%	17.8%
<b>India Total</b>		<b>163.7</b>	<b>100.0%</b>	<b>5.8%</b>	<b>70.2</b>	<b>43%</b>	<b>8.2%</b>

\*Including Telangana

**Disclaimer:** Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

**Source:** Ministry of Animal Husbandry, Dairy and Fisheries



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**CIN: L15204PN1992PLC070209**

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## SGA Strategic Growth Advisors

## Investor Relations Advisors:

**Strategic Growth Advisors Pvt. Ltd.**

**CIN: U74140MH2010PTC204285**

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