



# PARAG MILK FOODS LIMITED

Investor Presentation  
August 2019



This presentation and the accompanying slides (the “Presentation”), which have been prepared by **Parag Milk Foods Limited** (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 what so ever. 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.

1	Q1 FY20 Financials & Key Developments	4	Historical Financial Highlights
2	Company Overview	5	Vision 2020
3	Industry Dynamics	6	Annexures



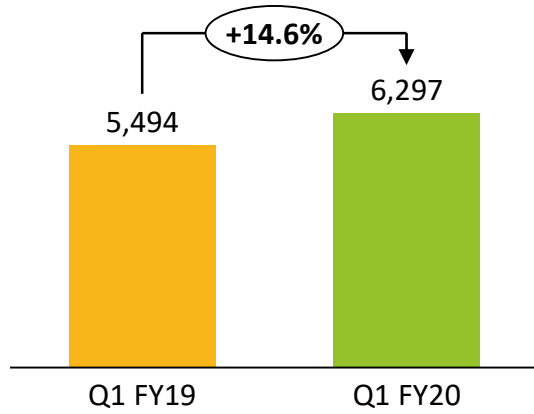
## Q1 FY20 Financials & Key Developments

# Consolidated Financial Analysis – Q1 FY20

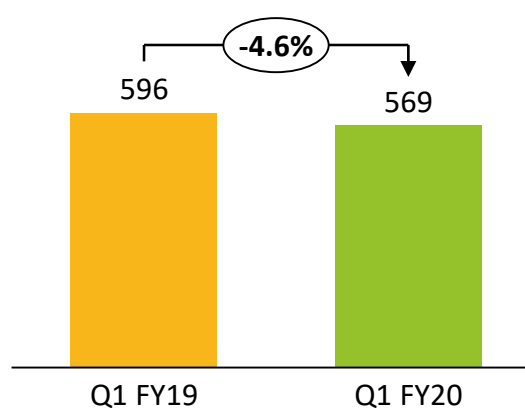


Ideas for a new day

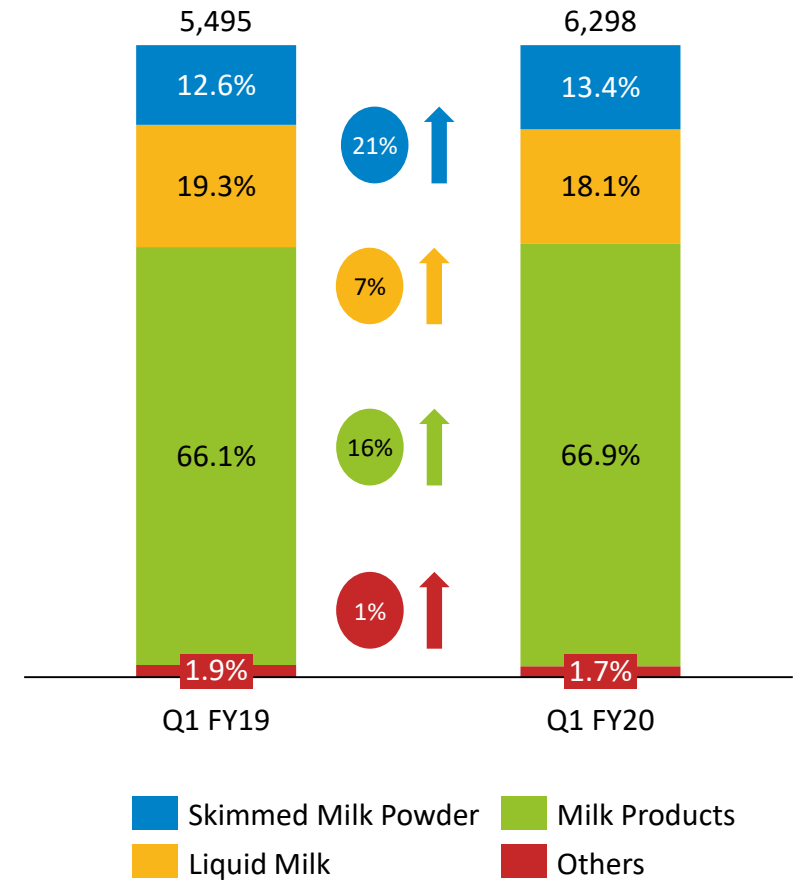
## Revenue (Rs. Mn)



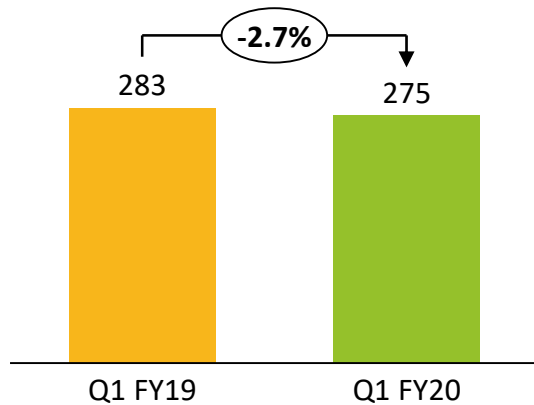
## EBITDA (Rs. Mn)



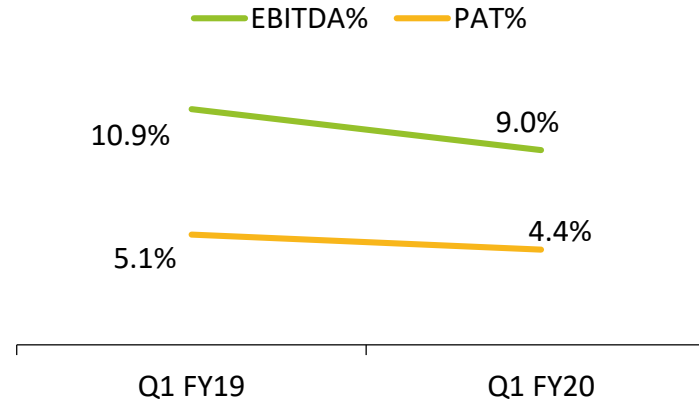
## Product wise Revenue Break-up (Rs. Mn)



## PAT (Rs. Mn)



## Margins (%)



# Key Highlights



Ideas for a new day

## Revenue

- Consolidated Revenue from Operations for Q1 FY20 reported a growth of 14.6% YoY to Rs. 6,297 million as compared to Rs. 5,494 million in Q1 FY19.
- Growth was driven by an increase in revenue from Milk Products by 16% YoY to Rs. 4,211 million.

## Gross Profit

- Gross Profit for Q1 FY20 registered a growth of 1% YoY to Rs. 1,684 million as compared to Rs. 1,668 million in Q1 FY19.
  - ✓ The compression in gross margins was mainly due to increase in milk procurement prices.
  - ✓ Due to drought effect of last year and delayed monsoons, feed availability was severely constrained leading to stress at farmer level. Therefore, raw milk prices paid to farmers increased sequentially during the quarter.
  - ✓ We have already passed on the raw milk price increase by combination of increased consumer prices and reduced trade discounts. The full effect of this correction will come from Q2 FY20.

## EBITDA

- EBITDA for Q1 FY20 de-grew by 4.6% YoY to Rs. 569 million as compared to Rs. 596 million in Q1 FY19.
- EBITDA Margin for Q1 FY20 stood at 9.0% which was impacted mainly due to decline in gross margins.

## PAT

- PAT for Q1 FY20 stood at Rs. 275 million as compared to Rs. 283 million in Q1 FY19. PAT Margin were healthy at 4.4% in Q1 FY20.

# Consolidated Profit & Loss Statement



Ideas for a new day

Particulars	Q1 FY20	Q1 FY19	YoY	Q4 FY19	QoQ
<b>Revenue from Operations</b>	<b>6,297.4</b>	<b>5,494.2</b>	<b>14.6%</b>	<b>6,721.5</b>	<b>-6.3%</b>
Raw Material Costs	4,612.9	3,826.6		4,731.2	
<b>GROSS PROFIT</b>	<b>1,684.5</b>	<b>1,667.7</b>	<b>1.0%</b>	<b>1,990.4</b>	<b>-15.4%</b>
<b>Gross Margins</b>	<b>26.7%</b>	<b>30.4%</b>	<b>-370 bps</b>	<b>29.6%</b>	<b>-290 bps</b>
Employee Expenses	267.1	204.2		258.9	
Other Expenses	848.8	867.2		1,294.3	
<b>EBITDA</b>	<b>568.5</b>	<b>596.2</b>	<b>-4.6%</b>	<b>437.3</b>	<b>30.0%</b>
<b>EBITDA Margin %</b>	<b>9.0%</b>	<b>10.9%</b>	<b>-190 bps</b>	<b>6.5%</b>	<b>+250 bps</b>
Other Income	28.1	17.8		63.3	
Depreciation	132.9	135.5		94.2	
<b>EBIT</b>	<b>463.8</b>	<b>478.5</b>	<b>-3.1%</b>	<b>406.4</b>	<b>14.1%</b>
Finance Cost	93.2	101.4		78.1	
Exceptional Items	-	-		-	
<b>PBT</b>	<b>370.6</b>	<b>377.1</b>	<b>-1.7%</b>	<b>328.4</b>	<b>12.9%</b>
Tax Expense	95.5	94.4		15.5	
<b>PAT</b>	<b>275.1</b>	<b>282.7</b>	<b>-2.7%</b>	<b>312.9</b>	<b>-12.1%</b>
<b>PAT Margin %</b>	<b>4.4%</b>	<b>5.1%</b>	<b>-70 bps</b>	<b>4.7%</b>	<b>-30 bps</b>
Other Comprehensive Income	0.2	-0.4		3.2	
<b>Total Comprehensive Income</b>	<b>275.3</b>	<b>282.3</b>	<b>-2.5%</b>	<b>316.1</b>	<b>-12.9%</b>

# New Product Launch - Avvatar Rapid



Sport Nutrition Whey Protein Market Size –  
**Rs. 1,400 – 1,600 Crs**

Growing at more than **25% CAGR**

**Strengthens our Health and Nutrition Portfolio**

## Product Features –

- Only hydration drink in the category fortified with whey protein
- Makes an ideal intra-workout drink, unlike caffeine-based drinks that tend to dehydrate the body

**149kcal Energy**  
Blend of carbohydrates and sugars for an instant and sustained burst of energy

**5900mg Whey Isolate**  
Fastest absorbed whey protein isolate that helps reduce muscle protein breakdown/catabolism

**123mg Calcium**  
Plays a vital role in muscle contraction and helps build healthy bones

**611mg Electrolytes**  
Quick replenishment of lost electrolytes caused by sweat loss during intense training, thus minimizing cramps

**1300mg BCAA**  
Promotes protein synthesis and speeds up recovery after intense training/workouts

**20mg Vitamin C**  
Acts as an antioxidant that helps fight the damage caused to the body during strenuous workouts



# Launch of Pride of Cows in Singapore



Ideas for a new day



Launched its Farm-to-Home premium milk brand Pride of Cows in Singapore

The company will be airlifting the milk from India's largest dairy farm, located in Manchar, near Pune to Singapore

Singapore enjoys a reputation as a place for the well-heeled and has one of the largest per capita incomes in the world, making it an ideal region to expand the brand



## Future Plans :

- ✓ Aim to **double the Pride of Cows revenue** over the next two years
- ✓ Plan is to expand the product portfolio by introducing new variants under Pride of Cows

# Marketing Campaigns & Consumer Engagement Initiatives



## GO Cheese collaborates with Chhota Bheem



Mall activations were conducted in 5 cities (Mumbai, Bangalore, Chennai, Nashik, Delhi)

Co-branded TVC ran on POGO Channel where GO Cheese collaborated with Chhota Bheem.

## GO Cheese Campaign – Har Tasty Cheez Mein GO Cheese



Go Cheese TVC Campaign - #HarTastyCheezMeinGoCheese

The new campaign is an effort to educate consumers on Go cheese being the key ingredient in their most loved dishes like pizza, fries, burgers and street food, which is being consumed almost every day outside their home at various QSRs & hotel chains

One can check the TVC on YouTube: <https://www.youtube.com/watch?v=R5DoewJqX1g>

## Gowardhan Ghee



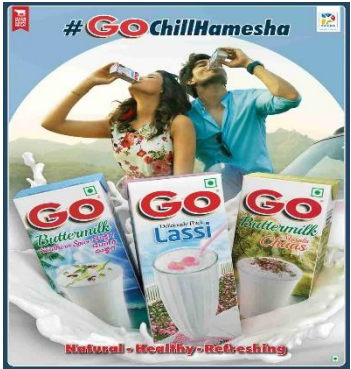
Gowardhan Ghee – Festive Promotions

## Gowardhan Dahi



Gowardhan Dahi being promoted on Digital & Social Media Platforms

## Beverages



Point of Sale Material for Beverages



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**

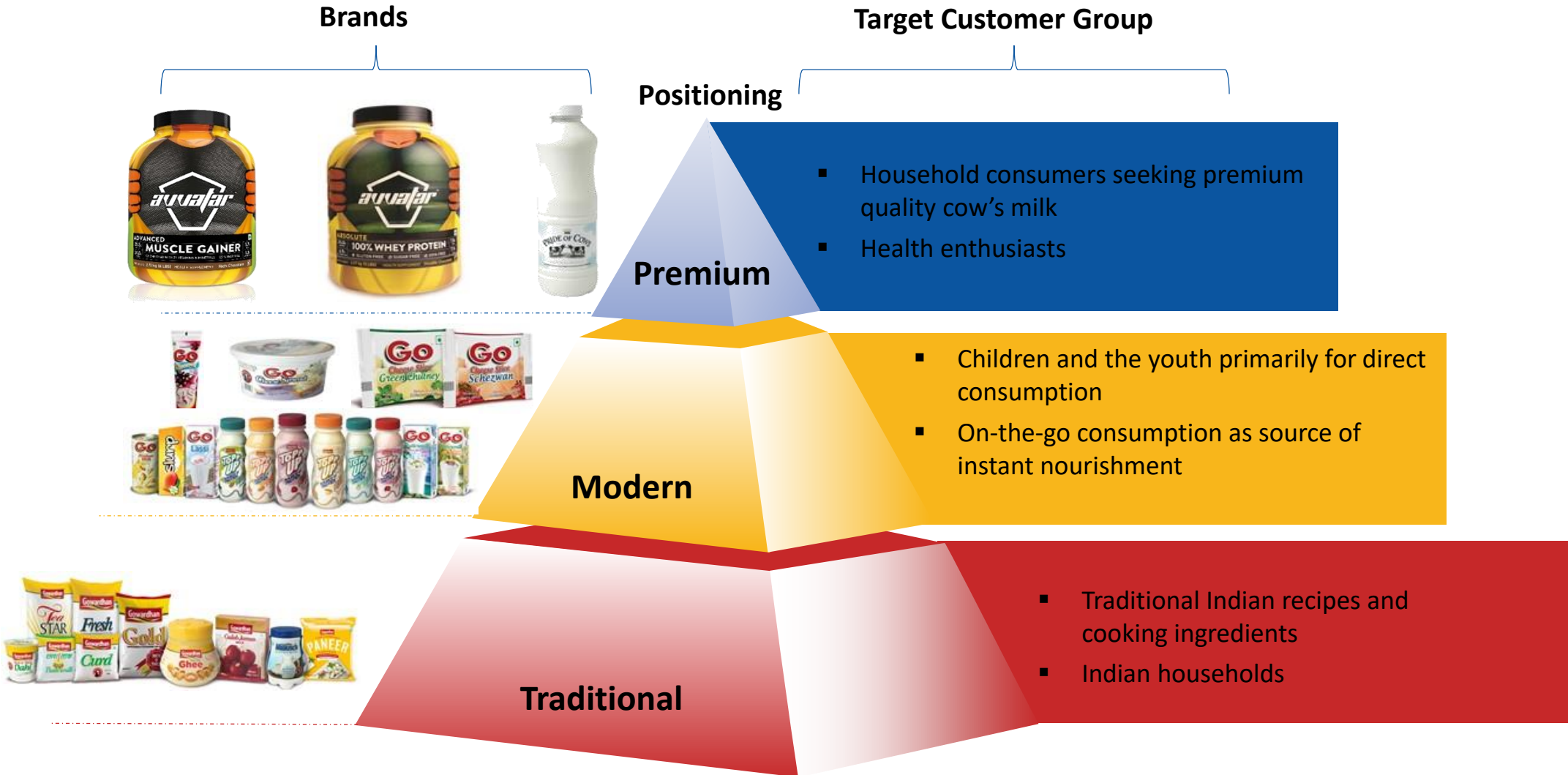
Extended the Health & Nutrition Product Portfolio by adding **Go Protein Power & Avvatar Advance Mass Gainer**



**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**'

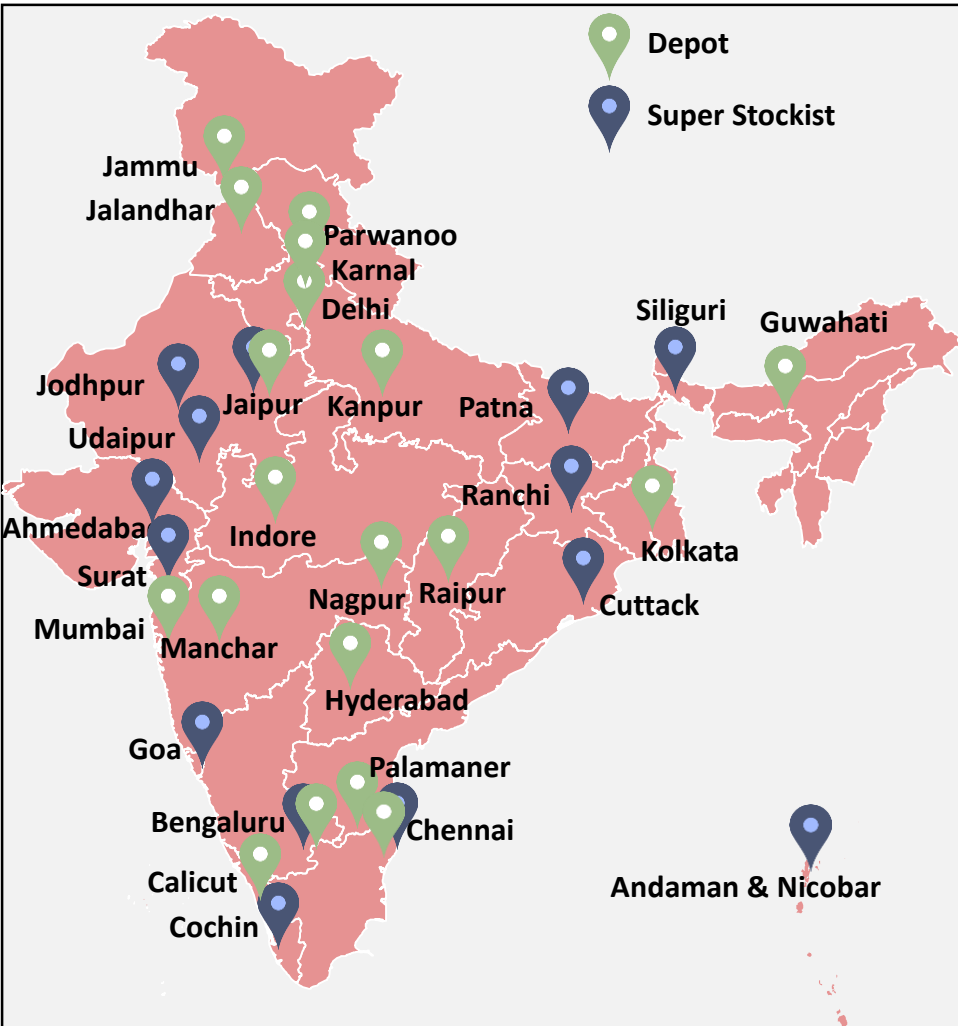
**Leading private player in UHT Category** under the  
Brand '**GO**'

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

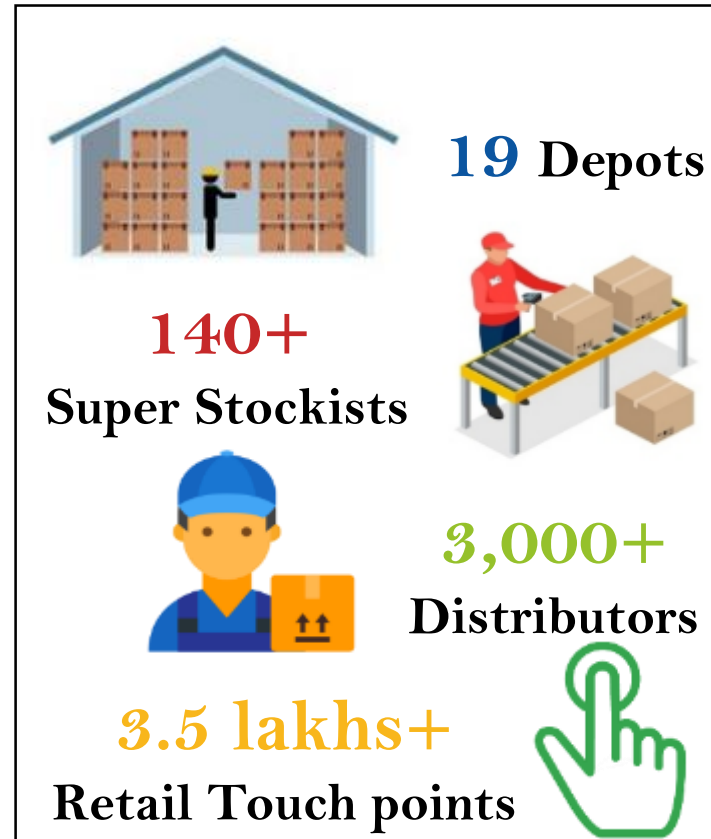
Converted waste into value-added products like  
organic fertilizers from cow manure and urine  
under brand '**Bhagalaxmi Dairy Farms**'

# Last mile availability from 'Farm to Fork'

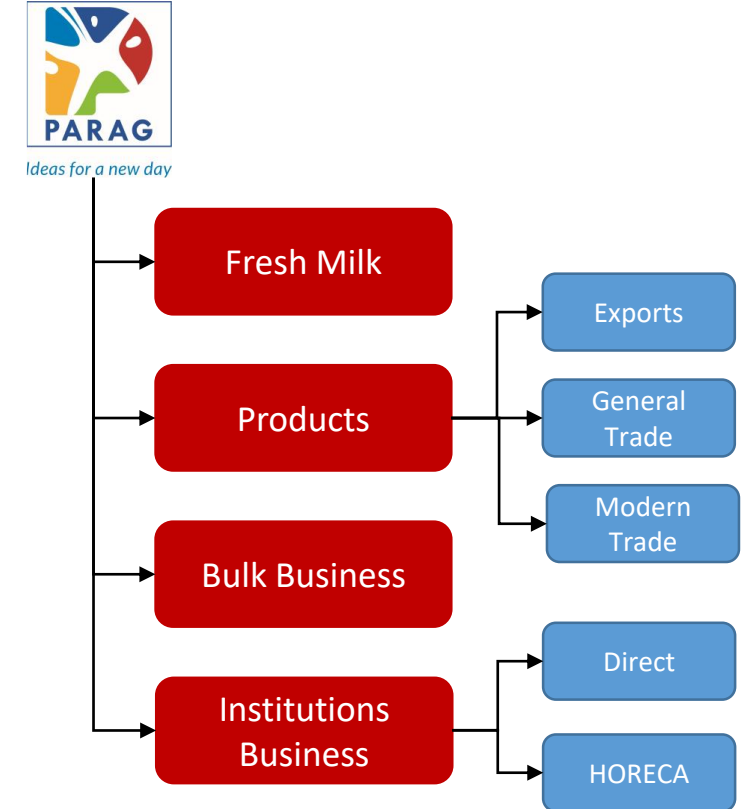
## Pan-India Reach



## 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**



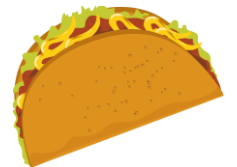
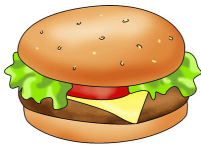
**Major FMCG companies**



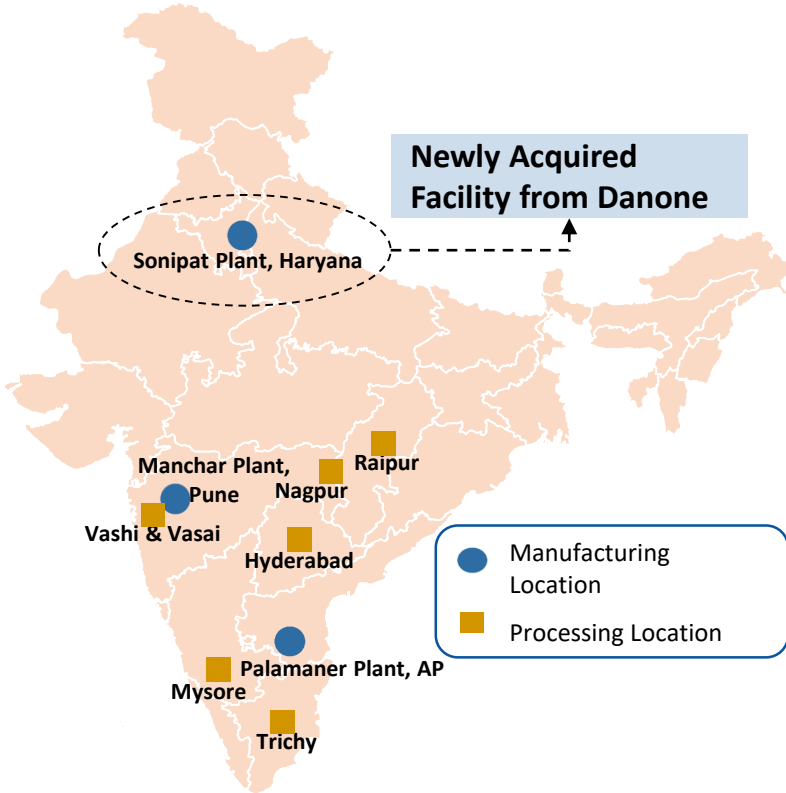
**Leading Pizza Chains**



**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

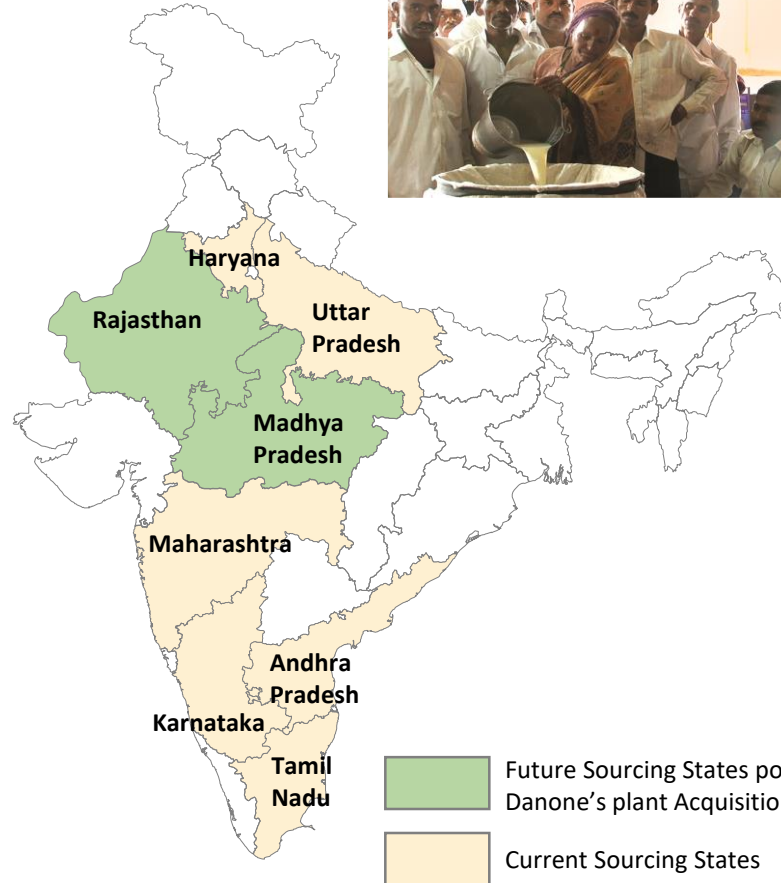
Tier 2

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

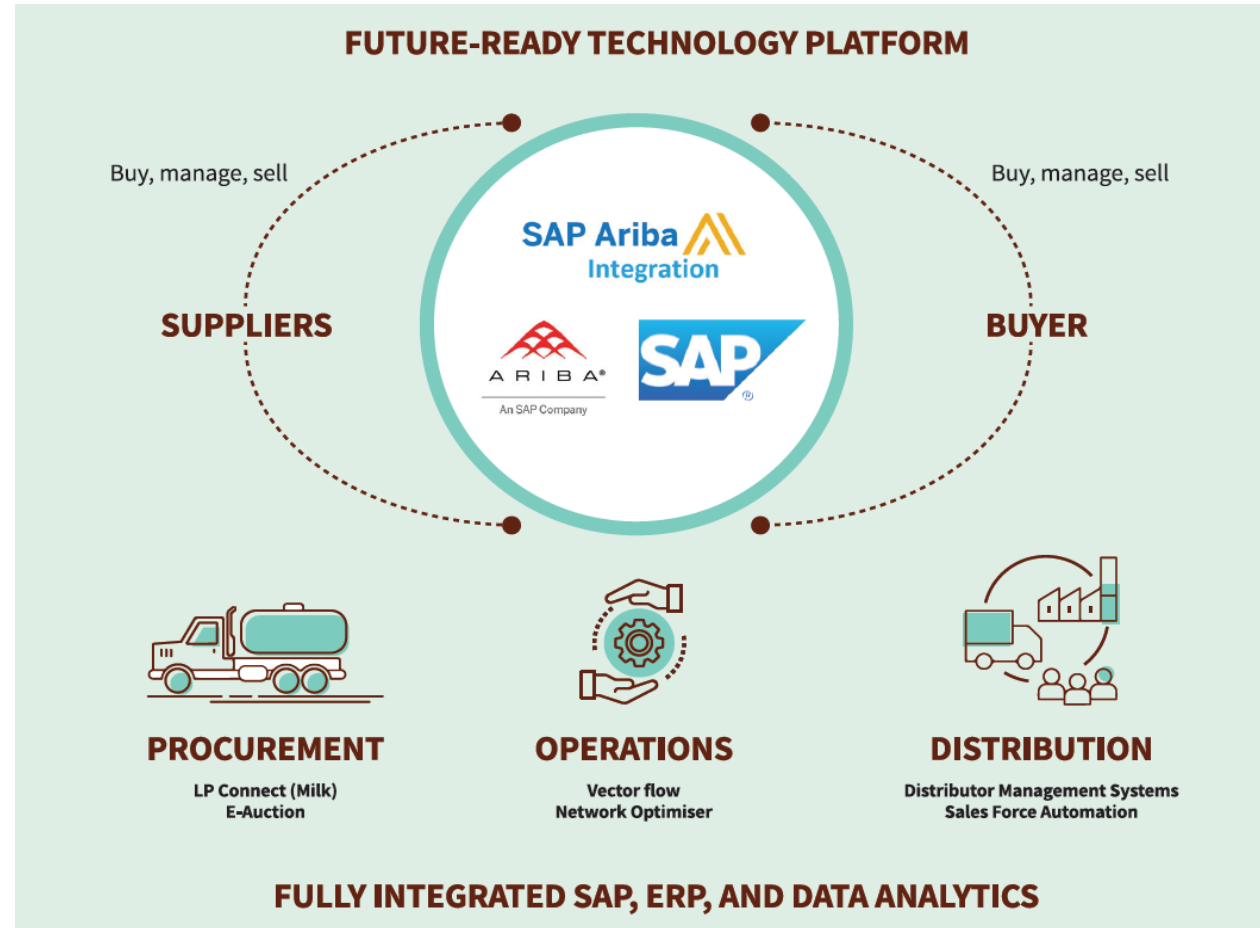
Free Vaccinations for Cattles

# 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

# Board of Directors



Ideas for a new day

Mr. Devendra Shah  
Chairman

Mr. B. M. Vyas  
Director

Mr. Narendra Ambwani  
Independent Director

Mrs. Radhika Pereira  
Independent Director



Mr. Pritam Shah  
Managing Director

Mr. Sunil Goyal  
Independent Director

Mr. Nitin Dhavalikar  
Independent Director

Mr. Ramesh Chandak  
Director

The Board consists of well qualified personnel with a strong understanding on the Procurement & Production Processes with a wide gamut of Industry experience in the Dairy and Consumer Space backed by innovative abilities to make the company a successful Dairy FMCG company.

# Our Management Team



Ideas for a new day

**Mr. Venkat Shankar**  
Chief Executive Officer

He has more than 15+ years of experience in the FMCG (Food) space with his most recent stint with Britannia Industries Ltd as the VP & Head of the Dairy Business. Prior to that he has spent 14 years in Pepsico Sales & Marketing and 9 years in Private Equity across numerous regions of India which has helped him gain the experience of various trade and consumer behaviours. He has also managed multi-functional and P&L responsibilities. He has a PGDM degree from IIM Ahmedabad and an Engineering degree from IIT Kanpur.

**Mr. Shashikant Dalmia**  
Chief Financial Officer

He has been with the group for the last 7 years and has handled various functions which include Direct Taxation, Costing, Treasury & Risk Management, Corporate Finance & Accounts, Budget Planning, and Liaising with Government authorities as well as various accounting functions at Plant level. He is also involved in the strategic initiatives of the Group's International business and Long-range planning. He is a qualified Chartered Accountant.

**Ms. Akshali Shah**  
VP – Strategy (Sales & Marketing)

An MBA in Family Managed Business from S.P. Jain Institute of Management & Research, she is actively involved in branding, marketing & advertising strategy, category intelligence & competitive analysis. She has also played a key role in the revamping the corporate identity of company.

**Mr. H.S. Oberoi**  
President - Cheese Manufacturing

A Mozzarella Cheese manufacturing expert, he has a B. Tech degree and over 52 years of extensive experience in the dairy industry.

**Mrs. Rachana Sanganeria**  
Company Secretary & Compliance Officer

Qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India. She also holds a Bachelor's degree in Commerce and LL.B. degree from the University of Mumbai. She has over 18 years of experience as a Company Secretary.

# 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

Operational Efficiencies

## 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

Health & Nutrition

## Strengthen Our Brands

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

Brands

## 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

Value-added 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

Milk Procurement

## 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

Product Reach

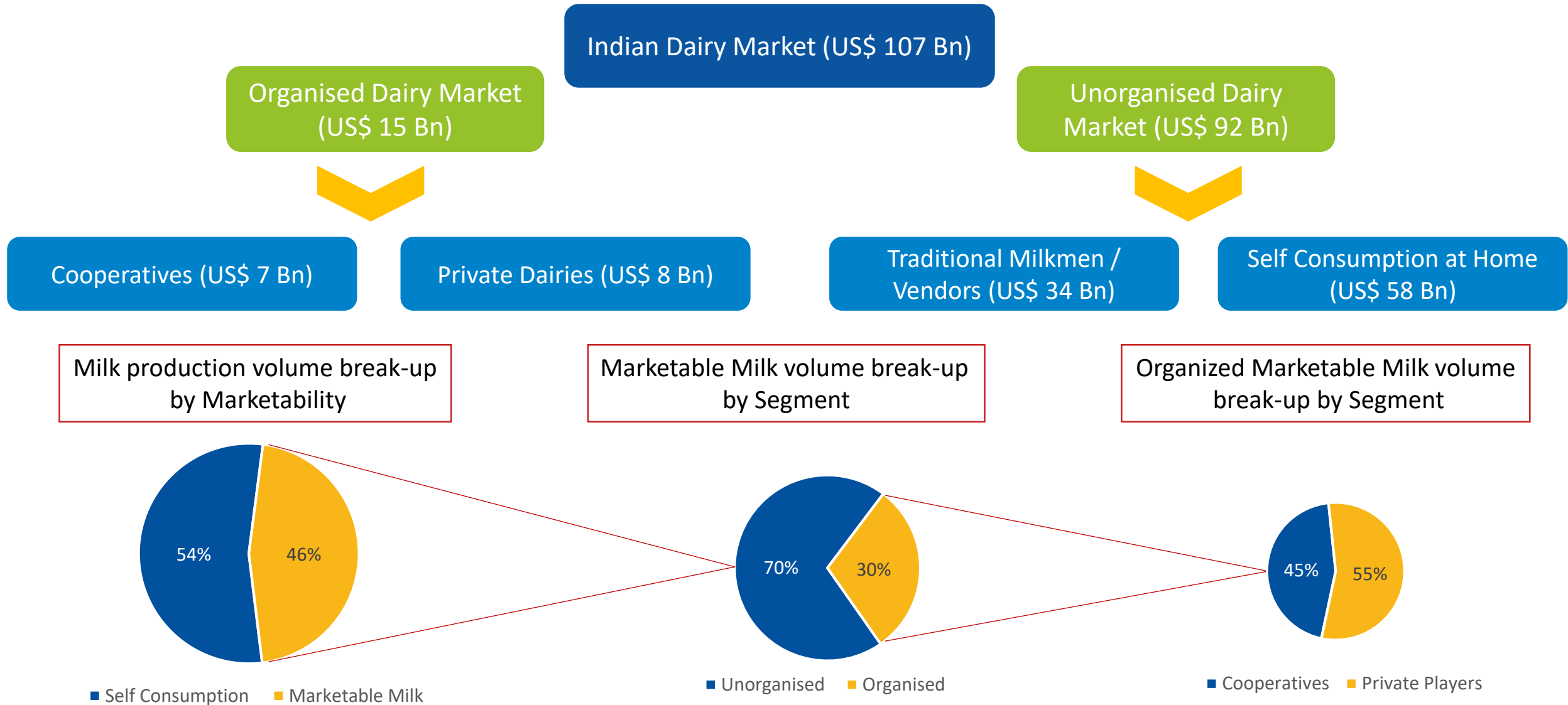




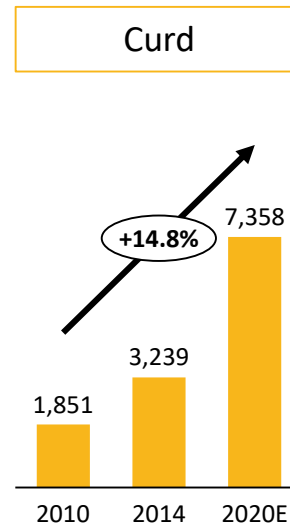
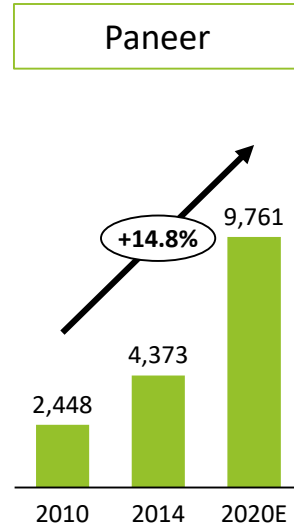
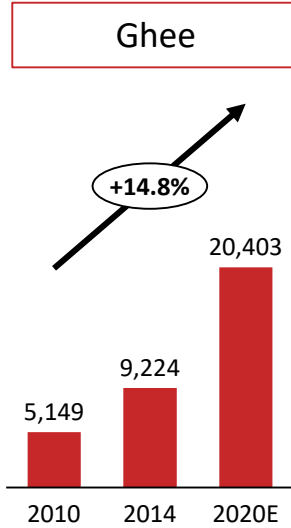
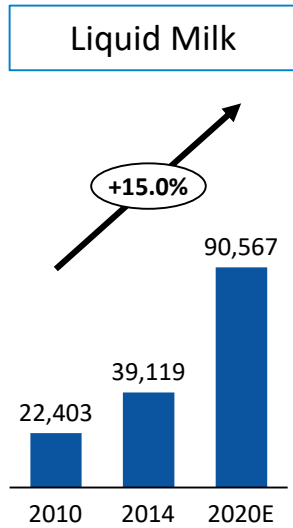
## Industry Dynamics



# Indian Dairy Market



# Tremendous Growth Potential across Product Segments

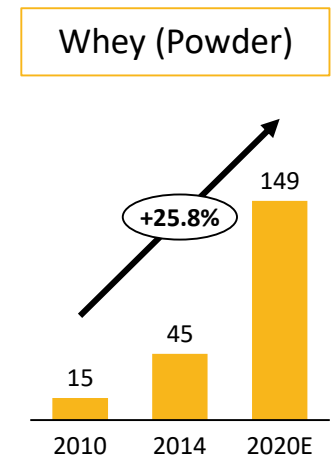
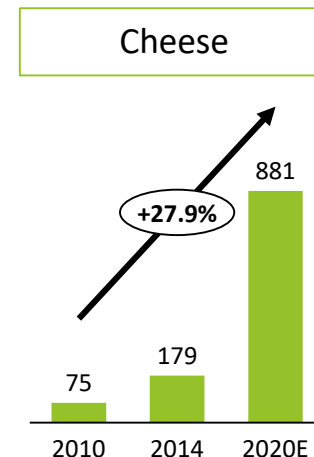
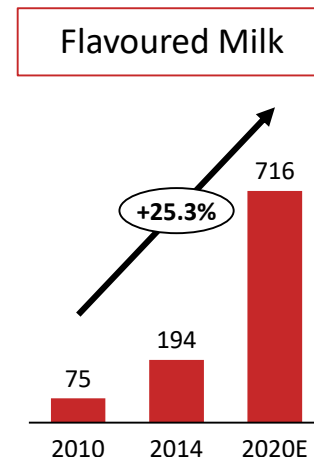
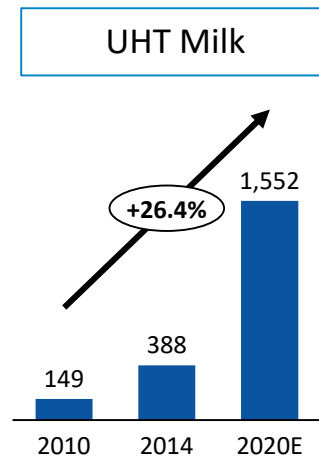


**Traditional Products Growth**

**CAGR of 15%**

**Modern Products Growth**

**CAGR of 26%**



# Historical Financial Highlights

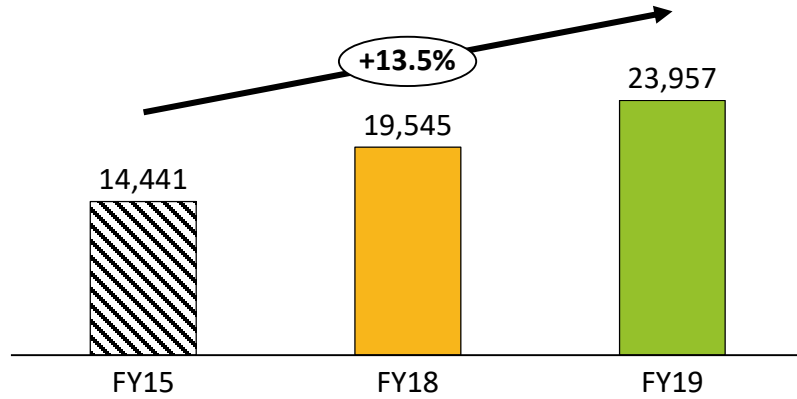


# Key Financial Highlights

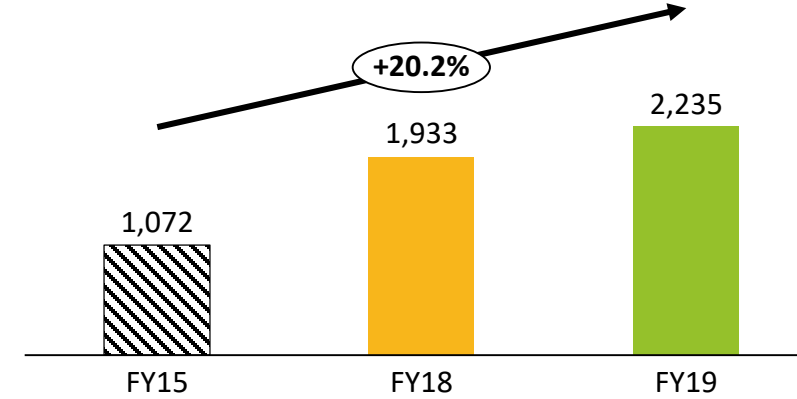


Ideas for a new day

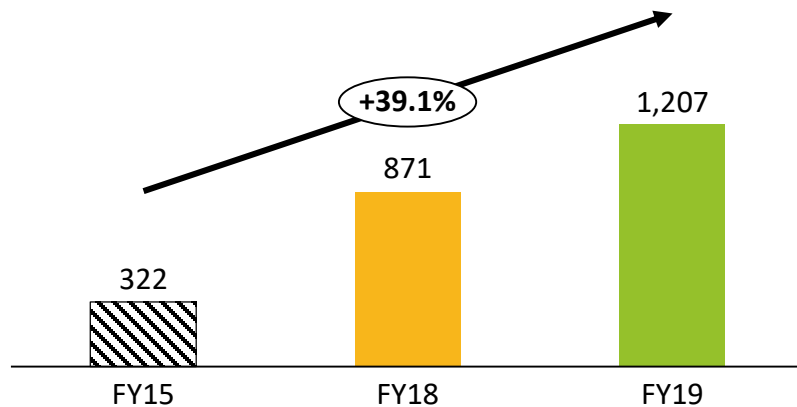
## Revenue (Rs. Mn)



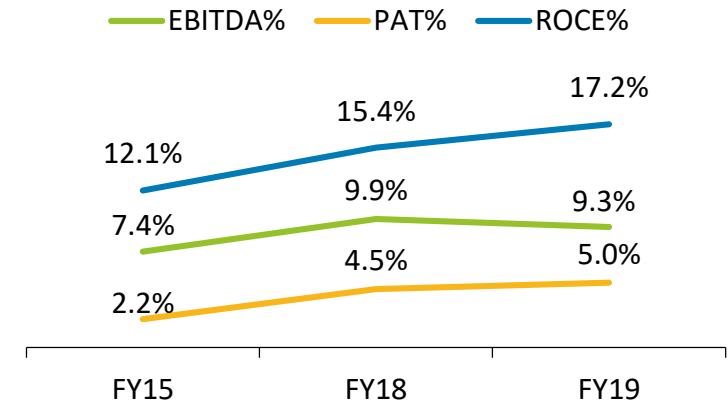
## EBITDA (Rs. Mn)



## PAT (Rs. Mn)



## Margins (%)

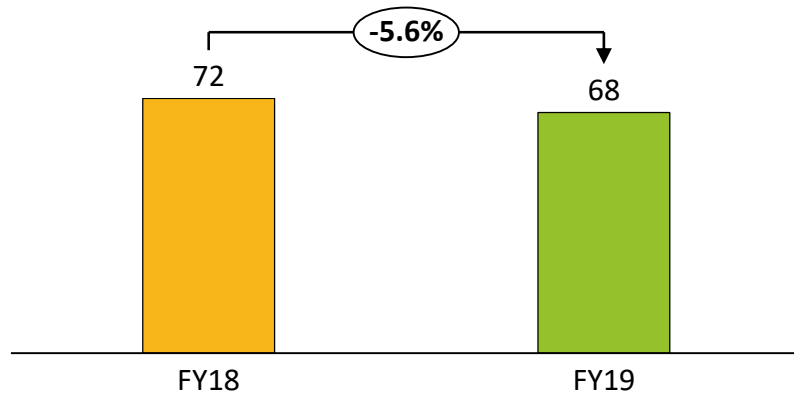


# Key Financial Highlights

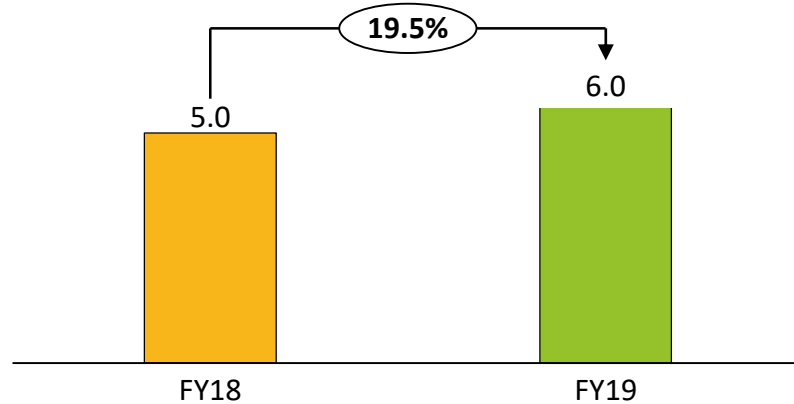


Ideas for a new day

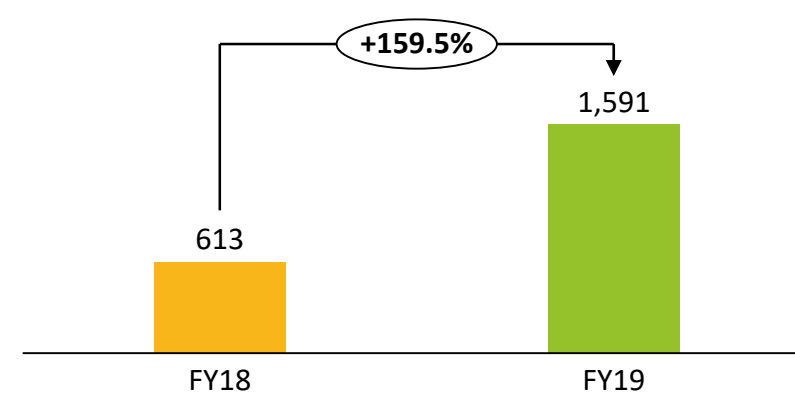
## Working Capital (In Days)



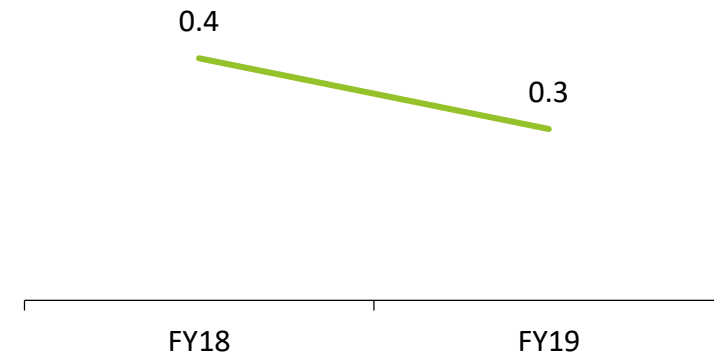
## Fixed Assets Turnover Ratio



## Operating Cash Flows (Rs. Mn)



## Debt to Equity



# Consolidated Profit & Loss Statement



Ideas for a new day

Particulars	FY19	FY18
<b>Revenue from Operations</b>	<b>23,956.6</b>	<b>19,545.1</b>
Raw Material Costs	16,573.6	13,678.9
<b>GROSS PROFIT</b>	<b>7,383.0</b>	<b>5,866.2</b>
<b>Gross Margins</b>	<b>30.8%</b>	<b>30.0%</b>
Employee Expenses	949.9	735.2
Other Expenses	4,198.1	3,198.1
<b>EBITDA</b>	<b>2,235.0</b>	<b>1,932.9</b>
<b>EBITDA Margin %</b>	<b>9.3%</b>	<b>9.9%</b>
Other Income	102.6	120.0
Depreciation	501.9	506.0
<b>EBIT</b>	<b>1,835.7</b>	<b>1,546.9</b>
Finance Cost	357.9	357.3
Exceptional Items	-	-
<b>PBT</b>	<b>1,477.9</b>	<b>1,189.6</b>
Tax Expense	270.7	319.0
<b>PAT</b>	<b>1,207.2</b>	<b>870.56</b>
<b>PAT Margin %</b>	<b>5.0%</b>	<b>4.5%</b>
Other Comprehensive Income	1.0	-3.1
<b>Total Comprehensive Income</b>	<b>1,208.2</b>	<b>867.5</b>

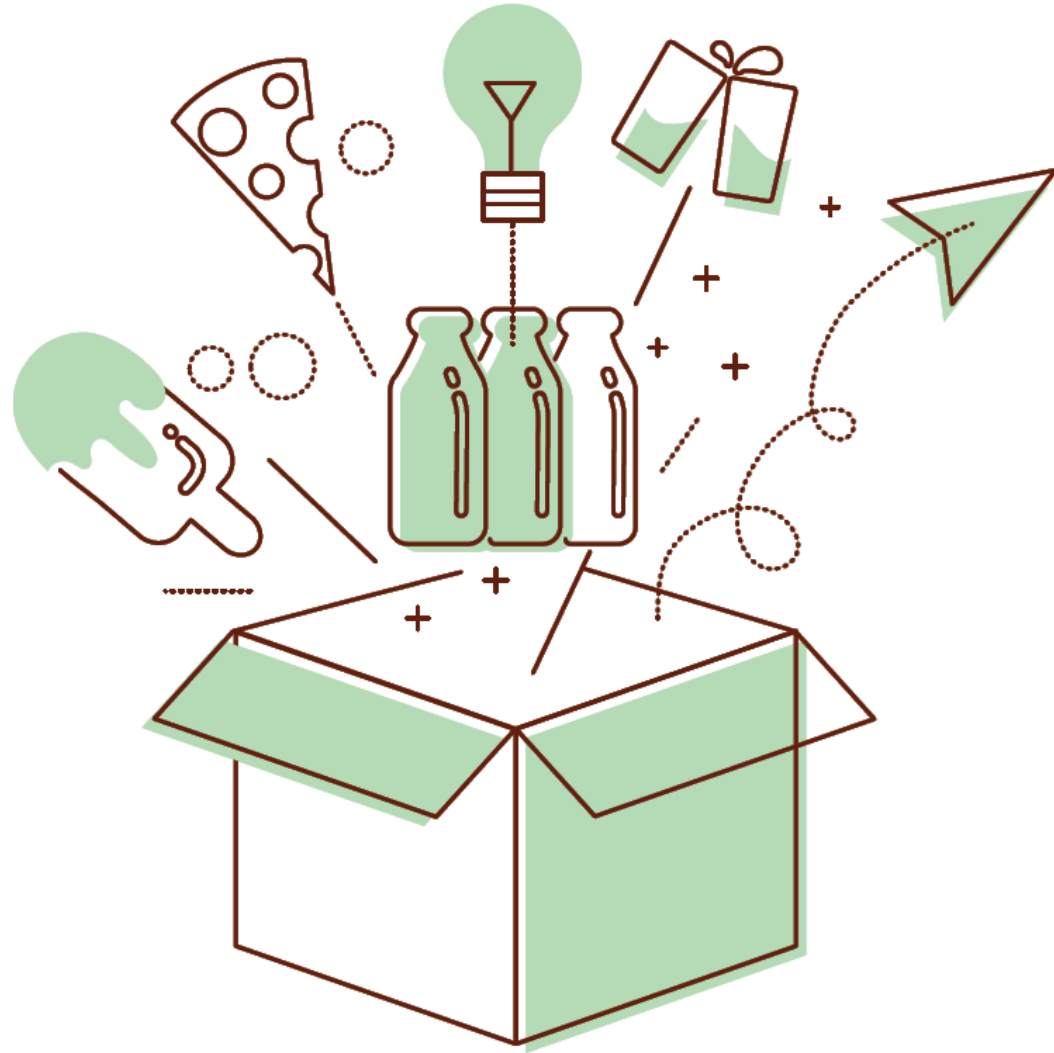
# Consolidated Balance Sheet



Ideas for a new day

Particulars	Mar-19	Mar-18
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4,023.4	3,922.7
Capital work-in-progress	290.3	204.0
Other intangible assets	34.5	47.5
Biological assets other than bearer plants	337.6	290.9
<b>Financial assets</b>		
Investments	5.3	5.1
Loans	3.5	3.5
Other financial assets	130.0	95.6
Deferred tax assets (net)	166.7	75.2
Other non-current assets	219.2	119.7
<b>Sub-total - Non-Current Assets</b>	<b>5,210.4</b>	<b>4,764.0</b>
<b>Current assets</b>		
Inventories	4,628.8	4,379.3
Financial assets		
Trade receivables	2,786.5	2,517.2
Cash and cash equivalents	73.5	310.0
Other Bank balances	46.9	186.0
Other current assets	1,674.3	1,658.7
<b>Sub-total - Current Assets</b>	<b>9,209.9</b>	<b>9,051.3</b>
<b>TOTAL - ASSETS</b>	<b>14,420.4</b>	<b>13,815.3</b>

Particulars	Mar-19	Mar-18
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	839.4	838.9
Other equity	7,432.0	6,282.8
<b>Sub-total - Shareholders' funds</b>	<b>8,271.4</b>	<b>7,121.6</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	646.2	635.2
Provisions	40.8	35.5
Other non-current liabilities	0.0	58.2
<b>Sub-total - Non-current liabilities</b>	<b>799.8</b>	<b>728.8</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	1,497.5	2,001.5
Trade payables	2,971.0	3,032.6
Other financial liabilities	725.7	742.5
Other current liabilities	75.7	113.0
Provisions	13.9	13.8
Current tax liabilities (net)	178.4	61.5
<b>Sub-total - Current liabilities</b>	<b>5,462.0</b>	<b>5,964.8</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>14,420.4</b>	<b>13,815.3</b>



Vision 2020



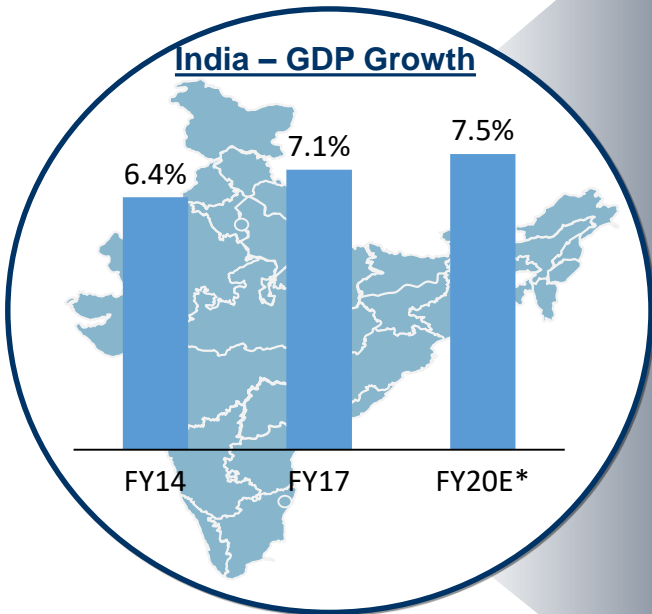
	FY 2018	FY 2020
Revenue	Rs. 1,955 Crs	Rs. 2,700 – 3,000 Crs
EBITDA Margin*	10.5%	11- 12%
ROCE	15.8%	18-20%



\* Includes Other Income

# 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

Source: IMARC Report

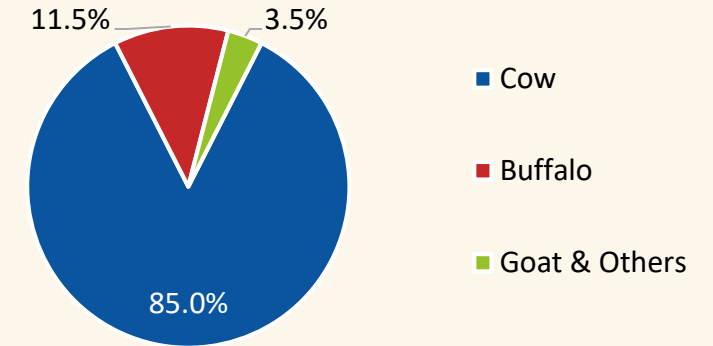
\* As per World Bank report on Global Economic Prospects – January 2018

# India Contributes > 20% of Global Milk Production

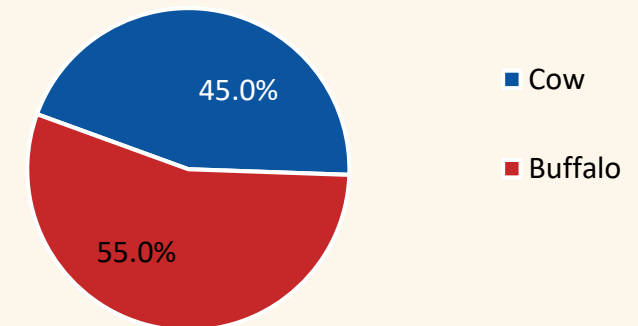
**Top Milk Producing Countries (Million MT)**

Countries	2017	2018E	2019E	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>

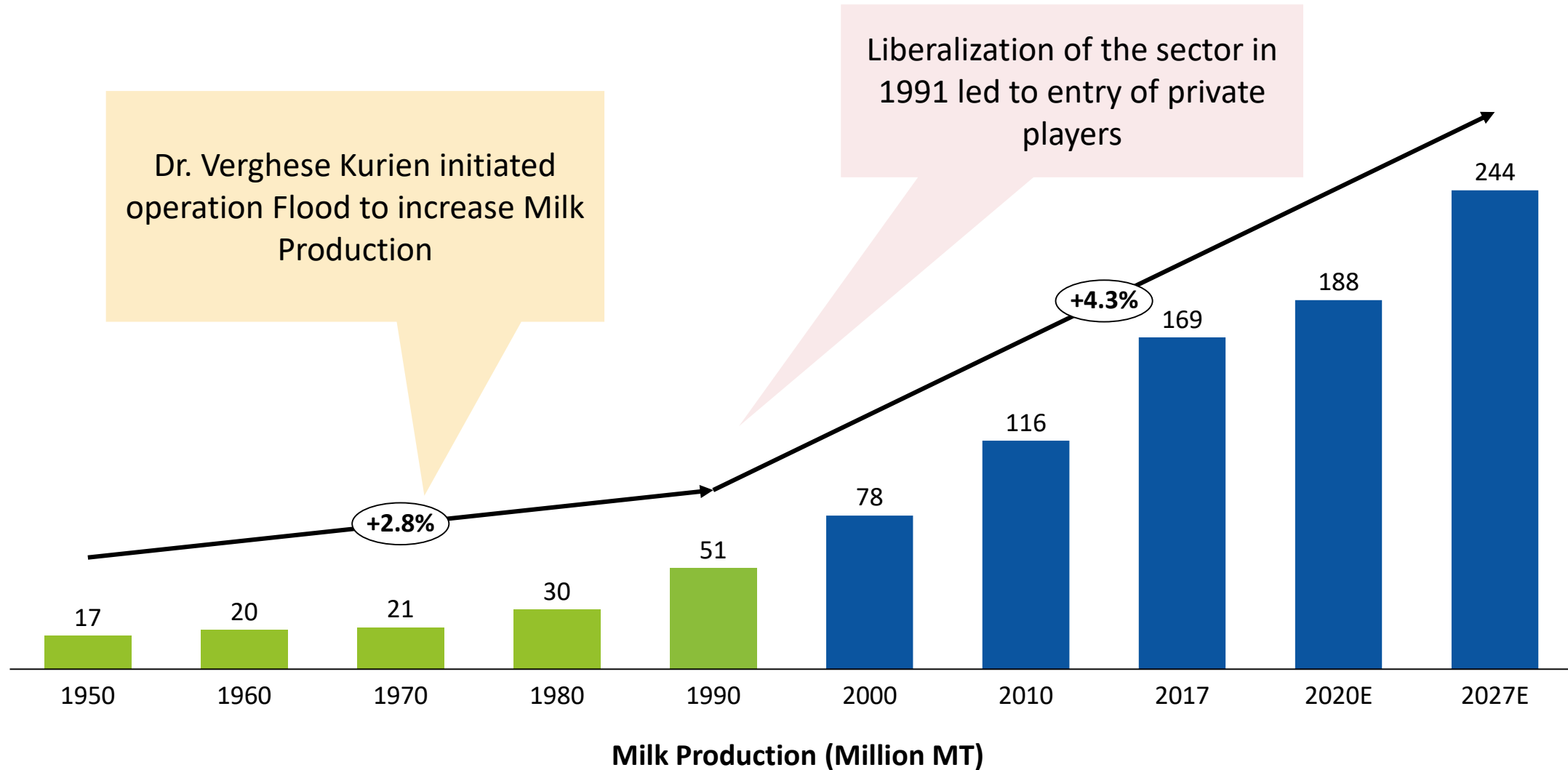
**Global - Animal Wise Milk Production - 2017**



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

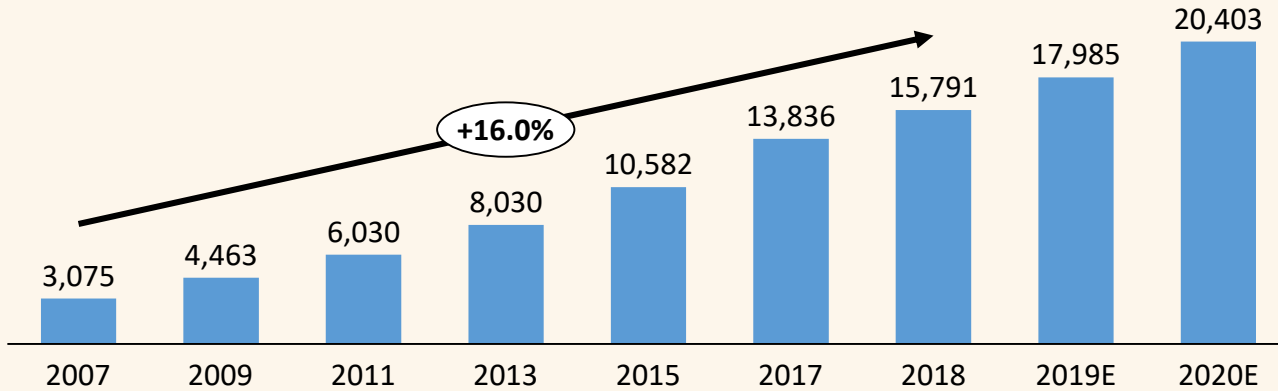


# Milk Production in India

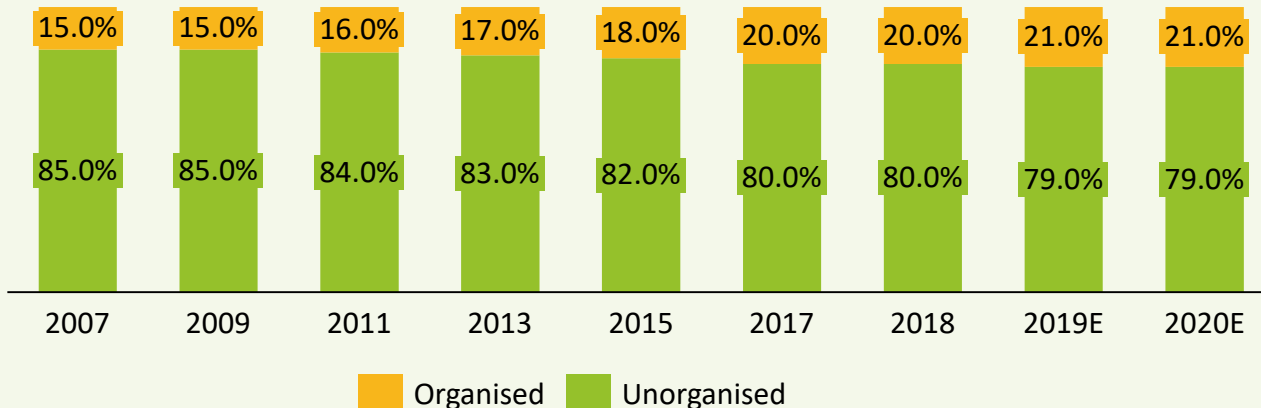


# Ghee Market (Butter Oil/Cooking Oil/Clarified Butter)

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



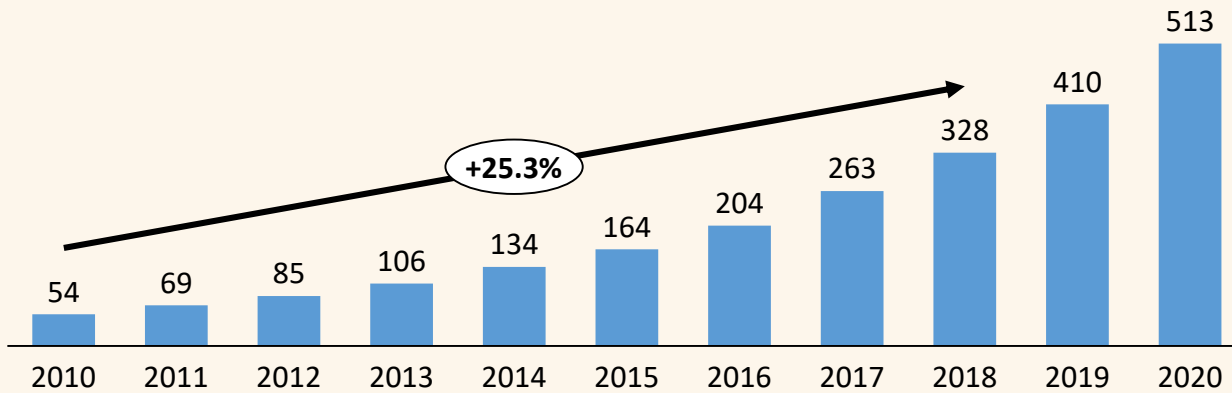
Organized vs Unorganized Sales



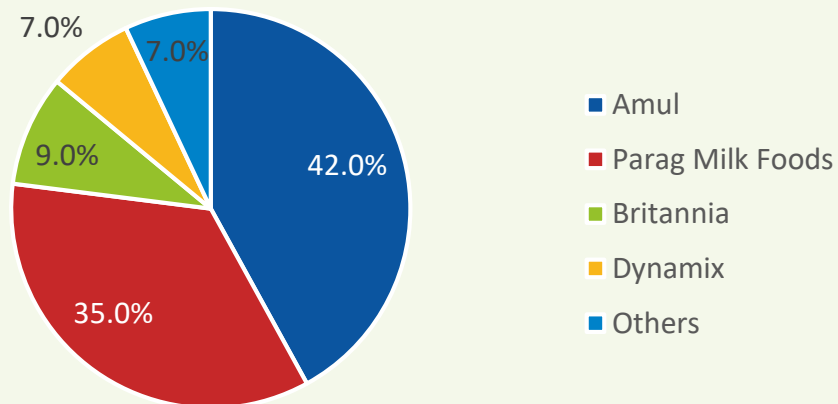
## Key Highlights

- 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

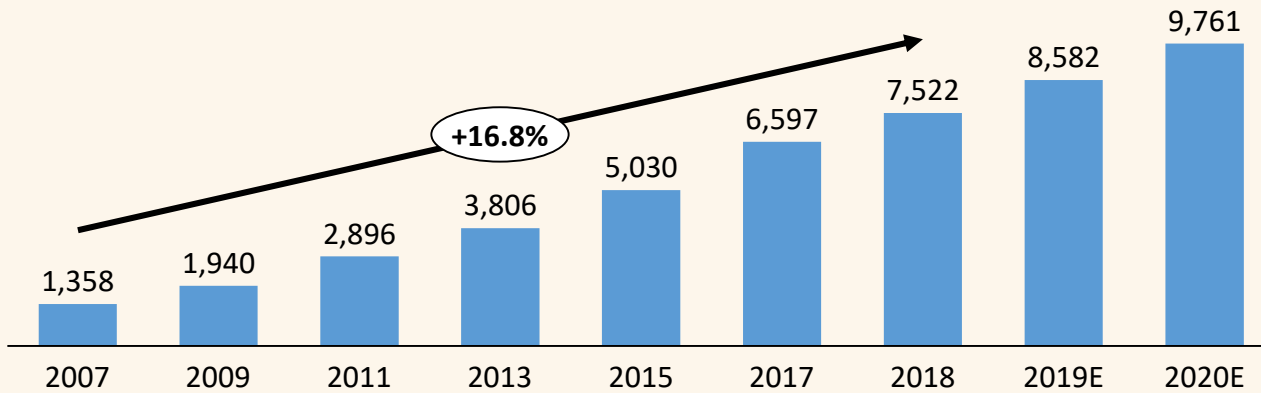


## Key Highlights

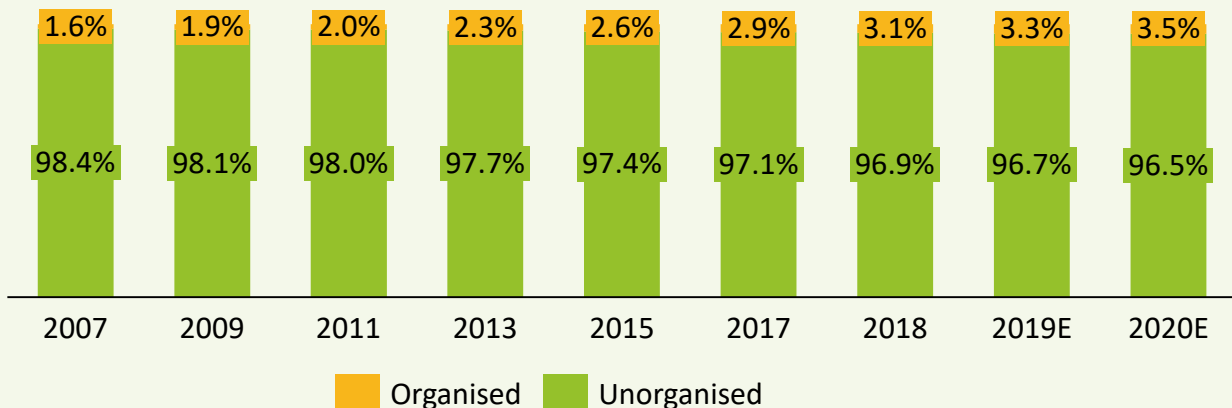
- Cheese is one of the fastest growing segments among dairy products in India
- Rise in food service outlets and changing food habits are major drivers
- Earlier, the cheese market in India was dominated by block cheese, slices and cubes
- Through innovation Parag has achieved a leadership position with 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



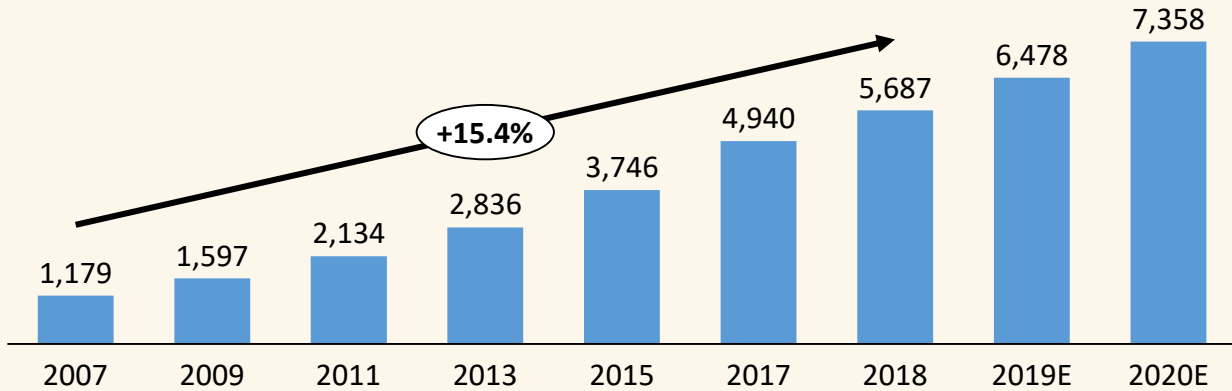
## Key Highlights

- 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

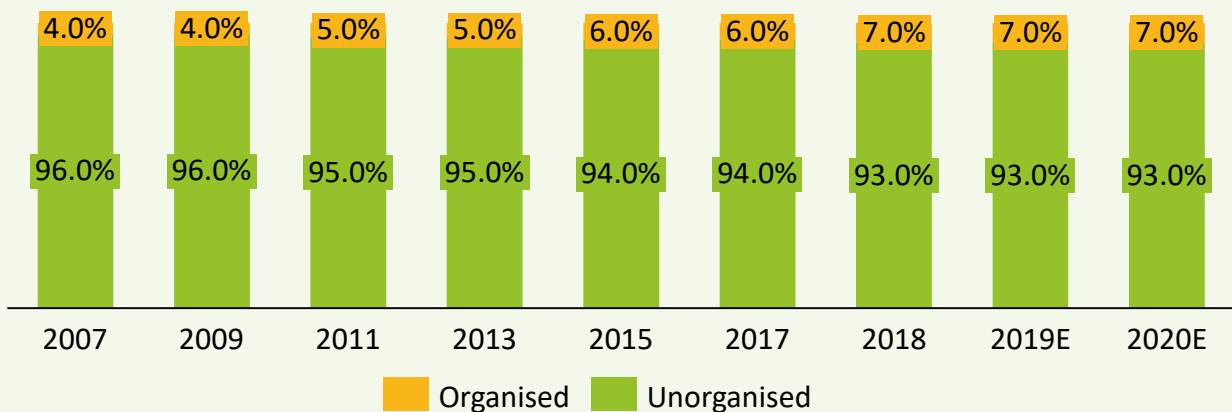


# Curd (Dahi)

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



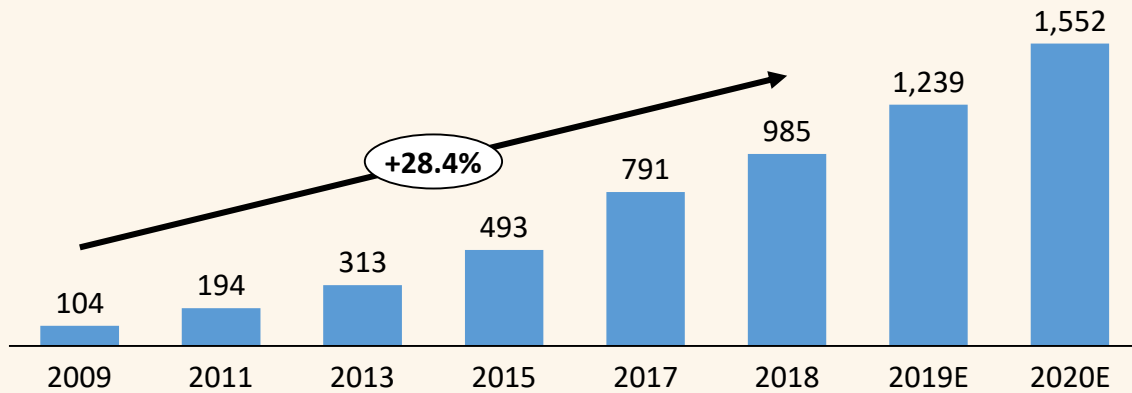
### Organized vs Unorganized Sales



### 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

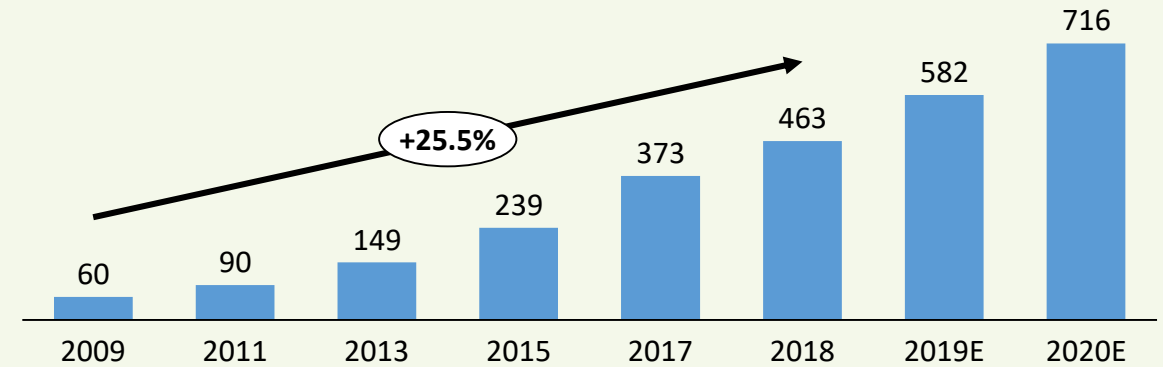
## India's UHT Market Size (in US\$ Million)



### 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)



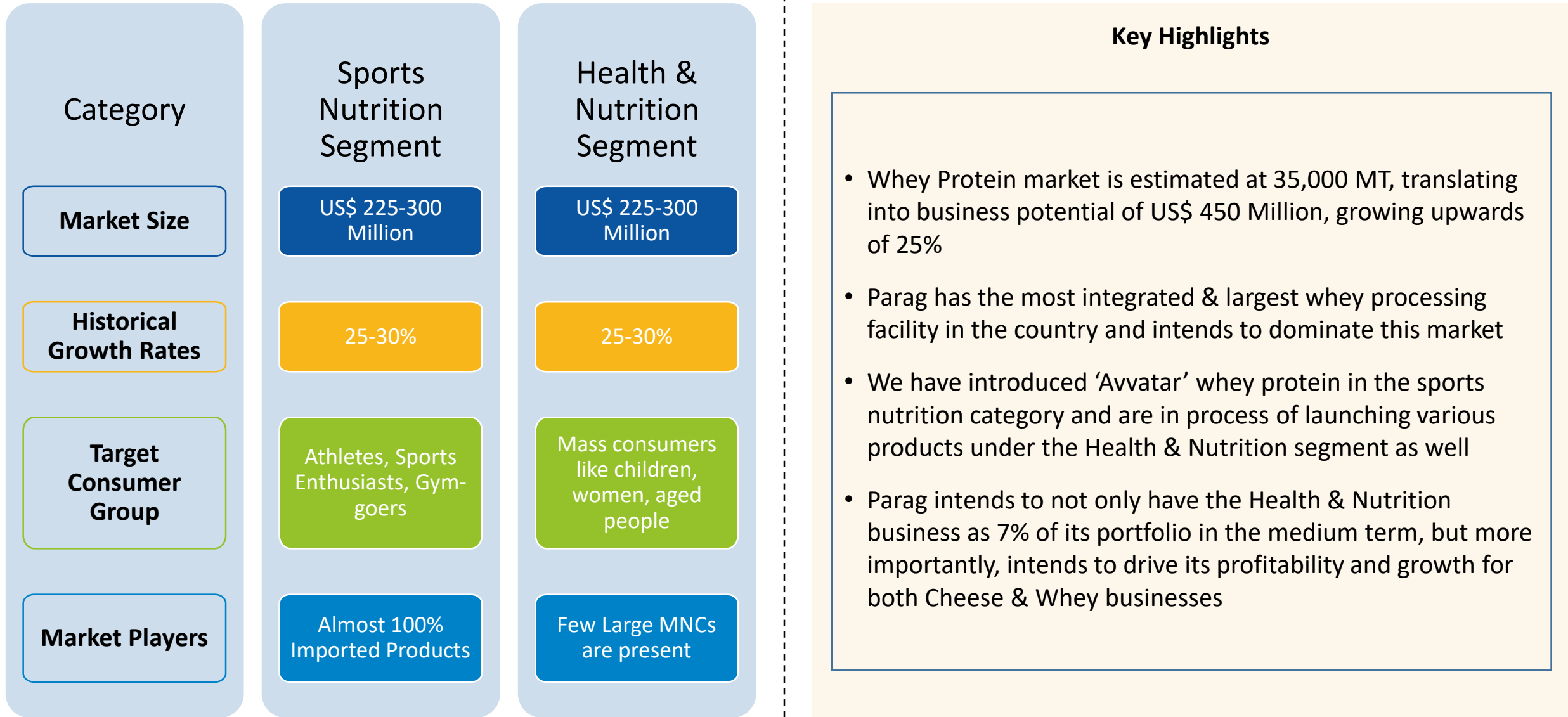
### Key Highlights

- 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

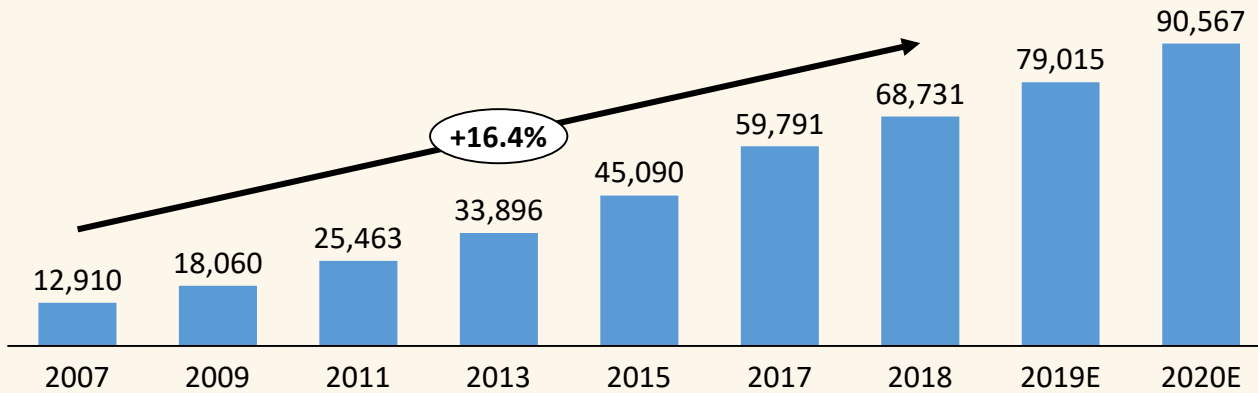
# Whey Protein



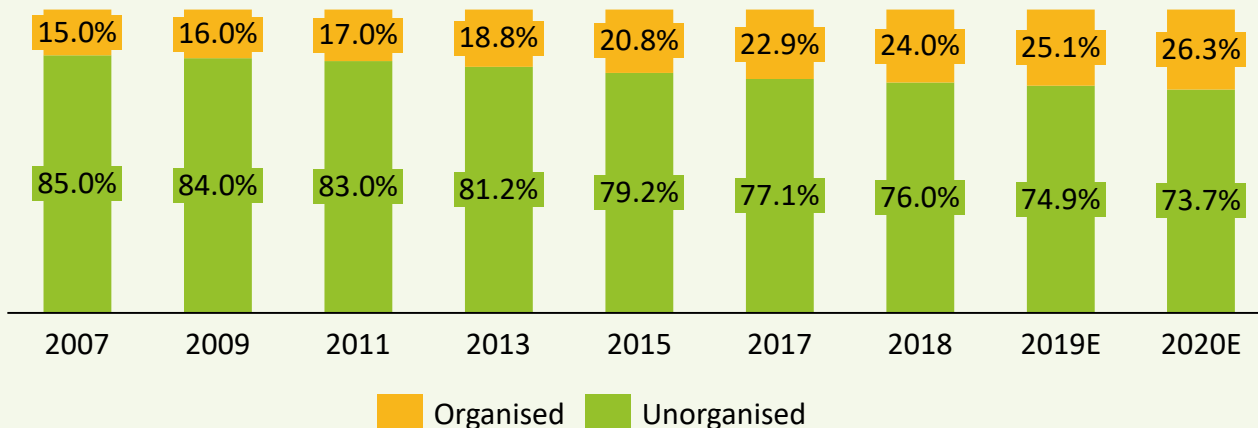
Ideas for a new day



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



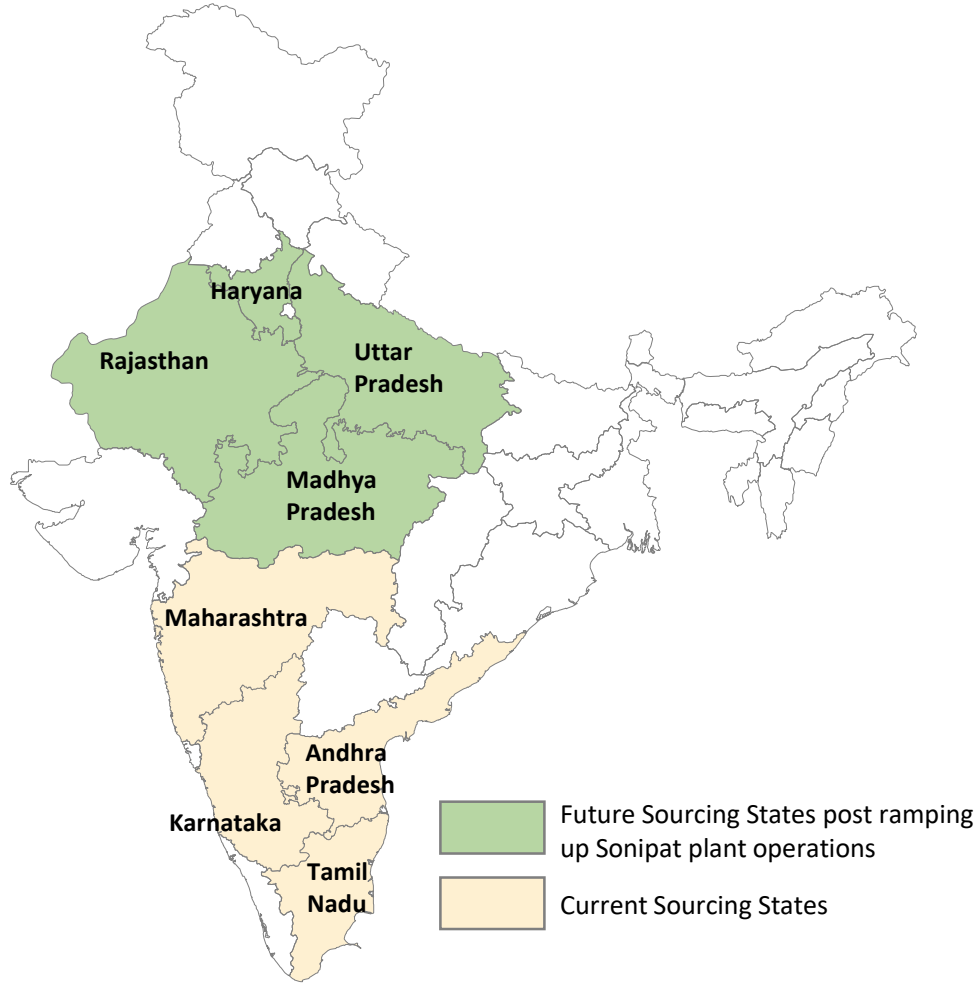
### Organized vs Unorganized Sales



### 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



Ideas for a new day

## SGA Strategic Growth Advisors

### Company :

**Parag Milk Foods Limited**

**CIN: L15204PN1992PLC070209**

Name: Natasha Kedia

Email: [natasha.kedia@paragmilkfoods.com](mailto:natasha.kedia@paragmilkfoods.com)

Phone: +91 22 4300 5555/ Ext: 631

### Investor Relations Advisors:

**Strategic Growth Advisors Pvt. Ltd.**

**CIN: U74140MH2010PTC204285**

Mr. Rohan Adhiya / Mr. Deven Dhruva

[rohan.adhiya@sgapl.net](mailto:rohan.adhiya@sgapl.net) / [deven.dhruva@sgapl.net](mailto:deven.dhruva@sgapl.net)

+91-9833219522 / +91-9833373300