



PARAG MILK FOODS LIMITED

Investor Presentation
November 2020



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- 1 Q2 FY21 Financials & Key Developments
- 2 Company Overview
- 3 Industry Dynamics

- 4 Financial Highlights
- 5 Annexures



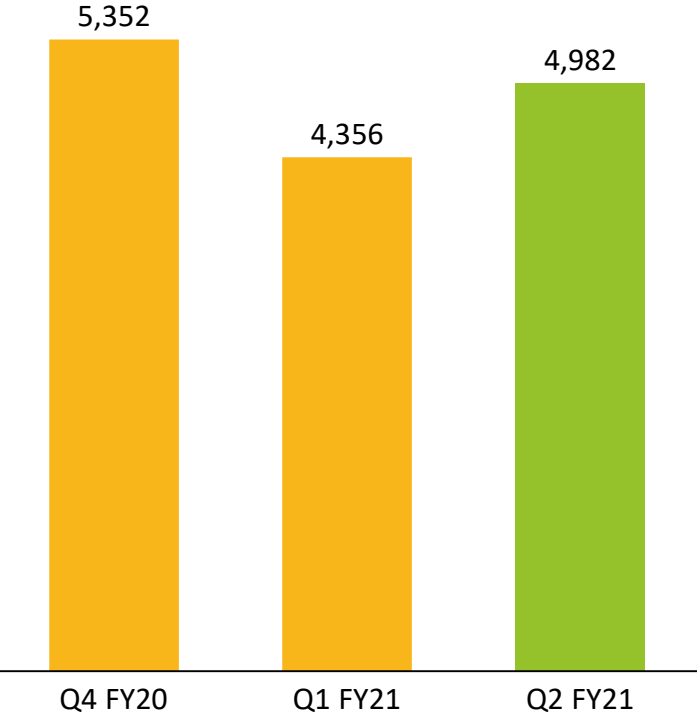
Q2 FY21 Financials & Key Developments

Gradual Improvement in Performance

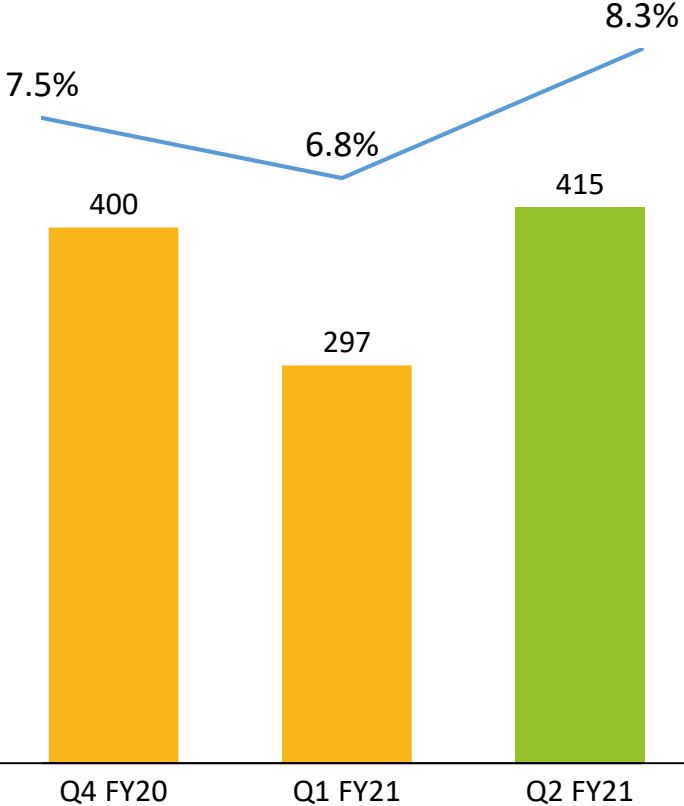


Ideas for a new day

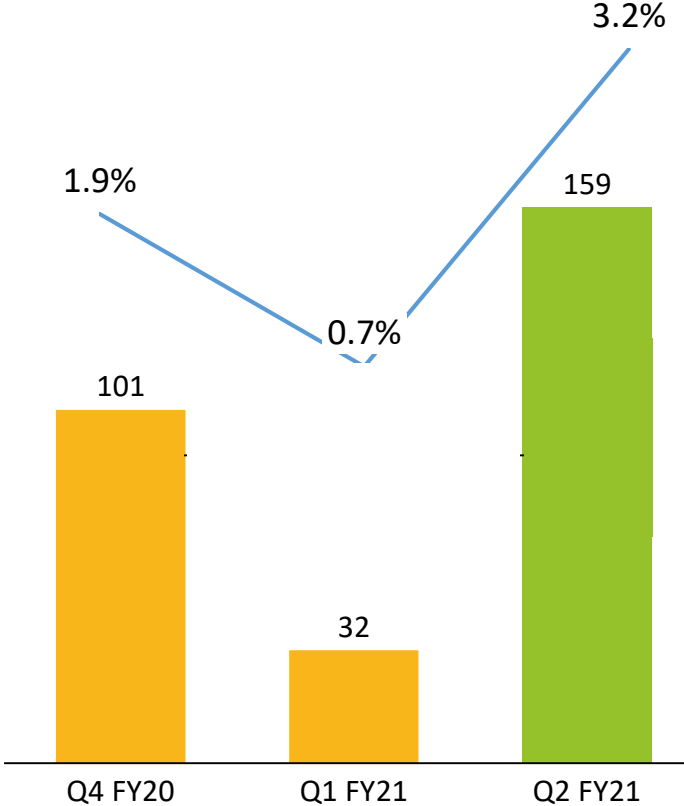
Revenue (Rs. Mn)



EBITDA (Rs. Mn) & EBITDA (%)



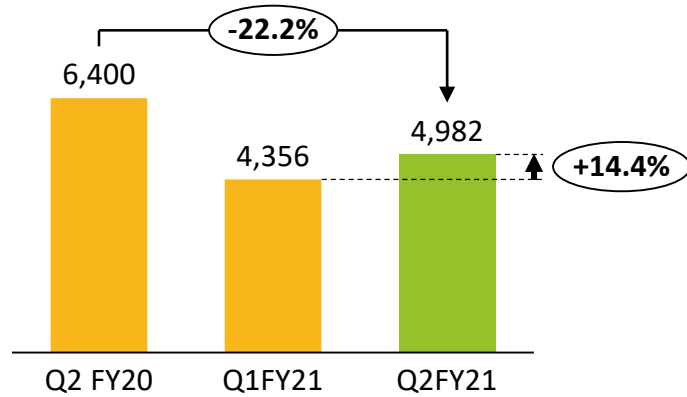
PAT (Rs. Mn) & PAT (%)



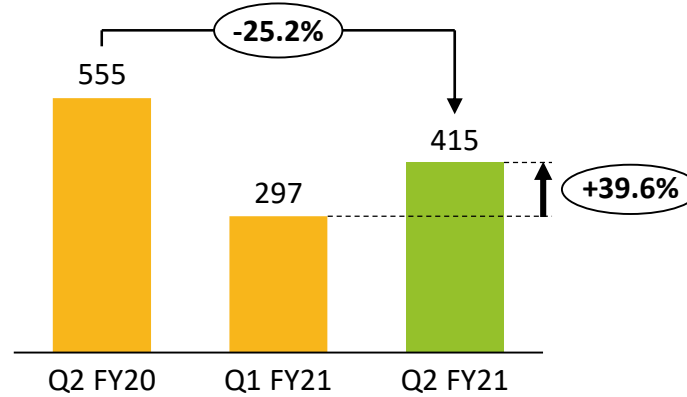
Post the onset of Covid-19, performance has picked up and the subsequent quarters are expected to be better

Consolidated Financial Analysis – Q2 FY21

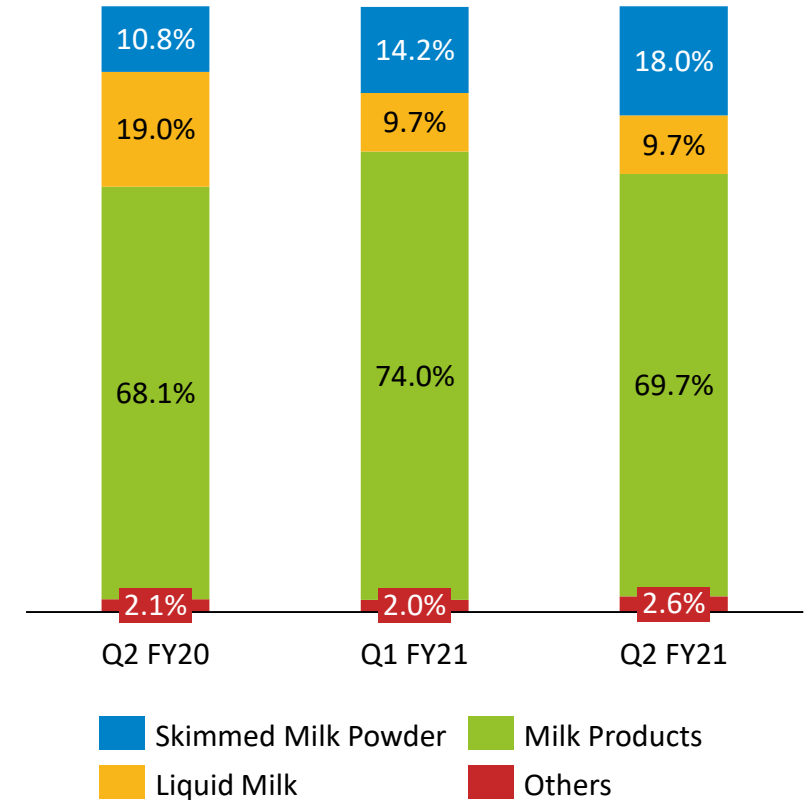
Revenue (Rs. Mn)



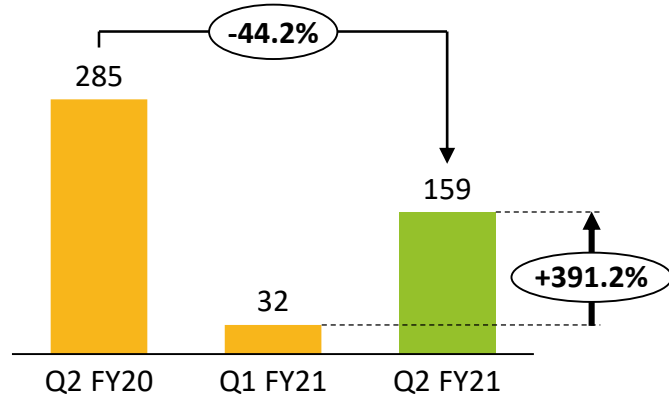
EBITDA (Rs. Mn)



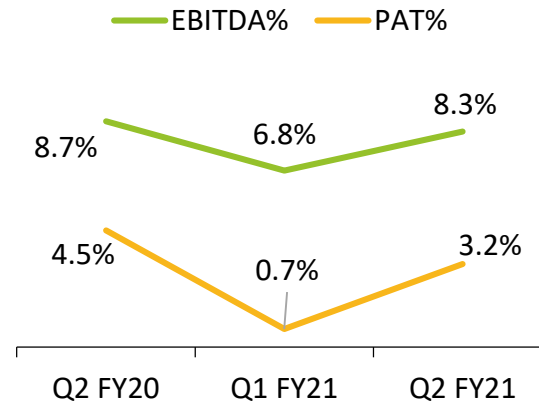
Product wise Revenue Break-up (Rs. Mn)



PAT (Rs. Mn)



Margins (%)



*Due to the impact of Covid-19, YoY figures are not strictly comparable

Key Financial Highlights



Ideas for a new day

Revenue

- **Consolidated Revenue from Operations for Q2 FY21 saw a sequential uptick of 14.4% QoQ to reach Rs. 4,982 million as compared to Rs. 4,356 million in Q1 FY21**

- The Company has ensured uninterrupted milk procurement from our farmer network.
- With the gradual easing of the lockdown restrictions across domestic markets and the reopening of state borders, we witnessed early signs of demand revival. Consumers have become increasingly health-conscious and favour trusted brands during these uncertain times. In-home consumption of our core categories, ghee, butter, paneer and cheese, has seen significant increase in the pandemic period.
- The pandemic has had an impact on the HORECA segment, which has faced an unprecedented disruption. Though there has been a slight uptick this quarter, volumes continued to be subdued in Q2 FY21. However, due to the easing of several restrictions, the HORECA business is gradually picking up.

Gross Profit

- **Gross Profit for Q2 FY21 stood at Rs. 1,346 million, up 19.9% QoQ as compared to Rs. 1,123 million in Q1 FY21**

- Gross margins stood at 27.0% in Q2 FY21, highest in the last six quarters, up 120 bps QoQ as compared to 25.8% in Q1 FY21.
- Milk procurement prices have remained soft during the quarter. Going forward, procurement prices are expected to remain stable with the onset of the flush season, backed by good monsoons and ample availability of water and green fodder.

EBITDA

- **EBITDA for Q2 FY21 stood at Rs. 415 million, an increase of 39.6% QoQ as compared to Rs. 297 million in Q1 FY21**

- EBITDA margins expanded 150 bps QoQ in Q2 FY21 to 8.3% as compared to 6.8% in Q1 FY21
- We continue to focus on cost rationalization and productivity enhancement measures

PAT

- **PAT for Q2 FY21 stood at Rs. 159 million as compared to Rs. 32.4 million in Q1 FY21**

- PAT Margin stood at 3.2% as compared to 0.7% in Q1 FY21

Consolidated Profit & Loss Statement – Q2 & H1 FY21



Ideas for a new day

In Rs. Million

Particulars	Q2 FY21	Q2 FY20	Y-o-Y	Q1 FY21	Q-o-Q	H1 FY21	H1 FY20	Y-o-Y
Revenue from Operations	4,982.3	6,400.3	-22%	4,356.0	14%	9,338.3	12,697.7	
Raw Material Costs	3,636.2	4,757.3		3,232.9		6,869.0	9,370.2	
GROSS PROFIT	1,346.1	1,643.0	-18%	1,123.1	20%	2,469.2	3,327.4	-26%
Gross Margins %	27.0%	25.7%		25.8%		26.4%	26.2%	
Employee Expenses	199.0	259.3		195.7		394.7	526.4	
Other Expenses	732.3	828.9		630.2		1,362.5	1,677.7	
EBITDA	414.9	554.8	-25%	297.2	40%	712.0	1123.3	-37%
EBITDA Margin %	8.3%	8.7%		6.8%		7.6%	8.8%	
Other Income	22.4	30.8		14.6		37.1	58.9	
Depreciation	134.1	130.2		132.3		266.4	263.1	
EBIT	303.2	455.4	-33%	179.5	69%	482.7	919.1	-47%
Finance Cost	110.9	86.3		109.9		220.8	179.5	
Exceptional Items	0.0	0.0		0.0		0.0	0.0	
PBT	192.4	369.0	-48%	69.6	176%	262.0	739.6	-65%
Tax Expense	33.4	84.1		37.3		70.7	179.6	
PAT	159.0	284.9	-44%	32.4	391%	191.3	560.0	-66%
PAT Margin %	3.2%	4.5%		0.7%		2.0%	4.4%	
Other Comprehensive Income	0.0	0.3		-0.4		-0.4	0.5	
Total Comprehensive Income	159.0	285.2	-44%	32.0	397%	191.0	560.5	-66%

Consolidated Balance Sheet Statement



Ideas for a new day

In Rs. Million

Particulars	Sep-20	Mar-20
ASSETS		
Non-current assets		
Property, plant and equipment	3,936.4	4,132.9
Capital work-in-progress	200.0	70.2
Other intangible assets	17.3	26.5
Biological assets other than bearer plants	368.4	359.7
Right to use Asset	119.3	137.2
Financial assets		
Investments	6.9	5.5
Loans	4.3	4.3
Other financial assets	114.6	121.1
Deferred tax assets (net)	89.7	88.3
Other non-current assets	185.4	187.1
Sub-total - Non-Current Assets	5,042.1	5,132.9
Current assets		
Inventories	6,554.7	6,328.9
Financial assets		
Trade receivables	2,960.6	3,034.8
Cash and cash equivalents	115.9	223.8
Other Bank balances	54.8	54.7
Other current assets	2,702.7	2,072.0
Sub-total - Current Assets	12,388.7	11,714.1
TOTAL - ASSETS	17,430.8	16,846.9

Particulars	Sep-20	Mar-20
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	839.4	839.4
Other equity	8,463.3	8,272.2
Sub-total - Shareholders' funds	9,302.7	9,111.6
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	375.2	481.5
Lease Liability	0.0	0.0
Provisions	47.3	45.1
Other non-current liabilities	99.4	112.1
Sub-total - Non-current liabilities	521.9	638.7
Current liabilities		
Financial liabilities		
Borrowings	3,536.4	3,215.7
Trade payables	3,051.0	2,940.4
Other financial liabilities	714.6	804.3
Other current liabilities	78.4	51.8
Provisions	9.5	4.6
Current tax liabilities (net)	216.4	79.9
Sub-total - Current liabilities	7,606.3	7,096.6
TOTAL - EQUITY AND LIABILITIES	17,430.8	16,846.9

Marketing Campaigns & Consumer Engagement Initiatives



Ideas for a new day

Pride of Cows Celebrity Endorsement

- Appointed ace **Bollywood celebrity Kareena Kapoor Khan** for our premium, subscription based, unique farm-to-home offering under the brand '**Pride of Cows**'.
- Collaboration will help enhance the brand's reach and increase awareness amongst consumers that are looking for quality, fresh and pure products.
- Recently expanded the Pride of Cows range through the addition of curd and single-origin ghee, products that are made from 'Pride of Cows' milk 'Full of Love'.



[Link 1 – Click Here](#)
[Link 2 – Click Here](#)

Gowardhan Ghee & Go Cheese

- Campaigns on Hindi, Gujarati, Marathi & Bengali News channels for the festive season.
- Sponsorship on Bappa Majha 2020 during Ganesh Chaturthi with top Marathi News Channel ABP Majha.
- Campaign in Maharashtra on top Marathi regional movie channels such as Zee Talkies SD & HD, during the Zee Talkies Comedy Awards 2020.
- Live Brand integration in the show/skit and an opportunity to see a short audio visual about how the Company has aggressively helped people during this pandemic.



New Launches in Ghee and Curd (Dahi)



Gowardhan Star Dahi (Curd)

- During the quarter, we launched 'Star Cup Dahi' through the Liquid Milk channel in Mumbai & Pune
- We will also be expanding the distribution in Surat, Baroda, Bangalore, Chennai and Delhi.

Pride of Cows (Ghee)



- Pride of Cows single origin ghee is made to achieve the perfect balance of aroma and texture to ensure that our consumers experience all the godness of pure ghee.
- Being single origin makes our ghee differentiated from all other ghee in the market and we are confident that our consumers will enjoy the natural flavour of this premium quality ghee which promises taste that is distinct, texture which is smooth and aroma which is perfect.
- The Pride of Cows brand is targeted towards consumers who believe in leading a healthy lifestyle through the consumption of natural and pure products. The Pride of Cows Single Origin Ghee is available in 1 litre & 500 ml priced at Rs. 1,500/- and Rs. 780/- respectively
- The product would initially be made available to our consumers of Pride of Cows under a subscription model and later rolled out to select outlets as well as e-commerce platforms

Pride of Cows (Curd)



- Pride of Cows curd is made from pure Pride of Cows milk which is unmatched in its quality and freshness, and is derived from the Company's own farm.
- Curd will be delivered to the consumer's doorstep through a completely contact-free process that involves a full automated milking and production system and a cold chain network that maintains a constant temperature throughout in order to retain the curd's flavour and aroma
- 'Pride of Cows Curd – Full of Love' is available in Mumbai, Pune, Delhi and Surat and will be priced at Rs. 80/- for 320 gms. The product would initially be available to Pride of Cows customers under the subscription based model followed by placement in select outlets
- Pride of Cows Curd has a thick and creamy texture, and is high in nutrients such as protein and calcium. Given that it is made from Pride of Cows milk, a first-of-its kind superior, farm-to-home milk, it caters to consumers who believe in consuming healthy and nutritious products that are natural and pure.



Goodness



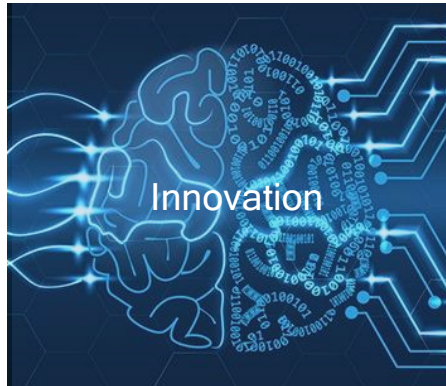
Nutrition



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

4 Brands

Gowardhan
Go
Pride Of Cows
Avvatar

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**



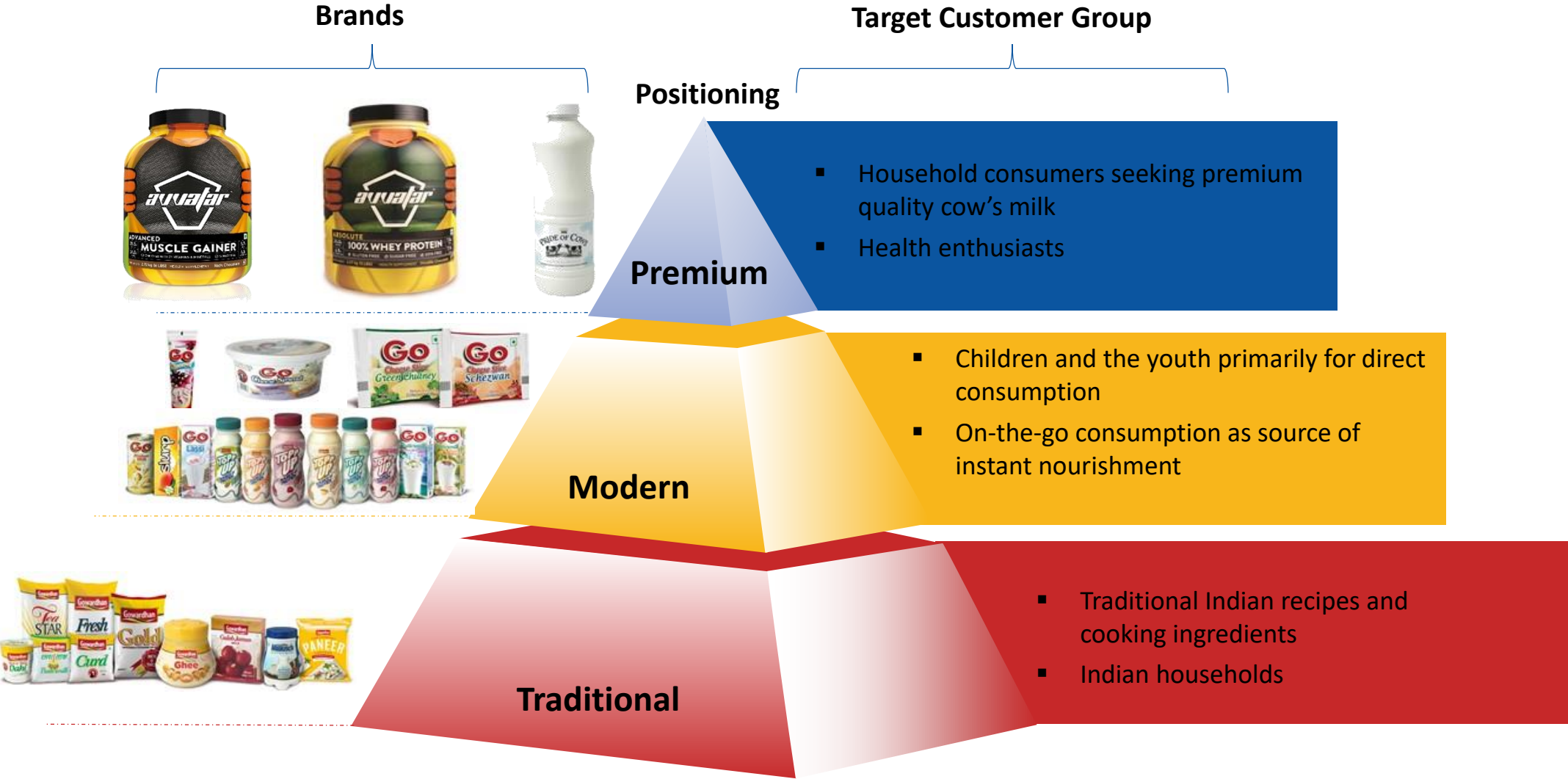
2018

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



Ideas for a new day



Our Brand Power



Ideas for a new day

2nd 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**'

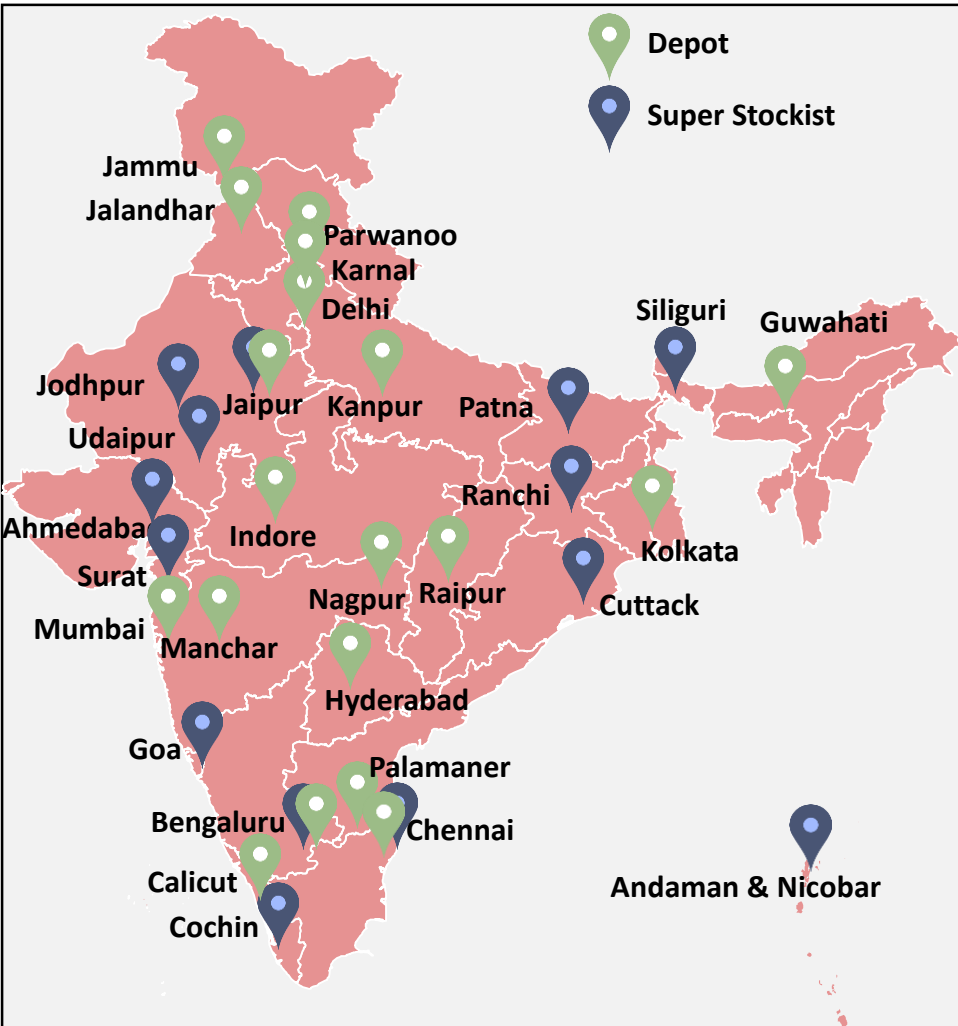
Leading private player in UHT Category under the
Brand '**GO**'

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

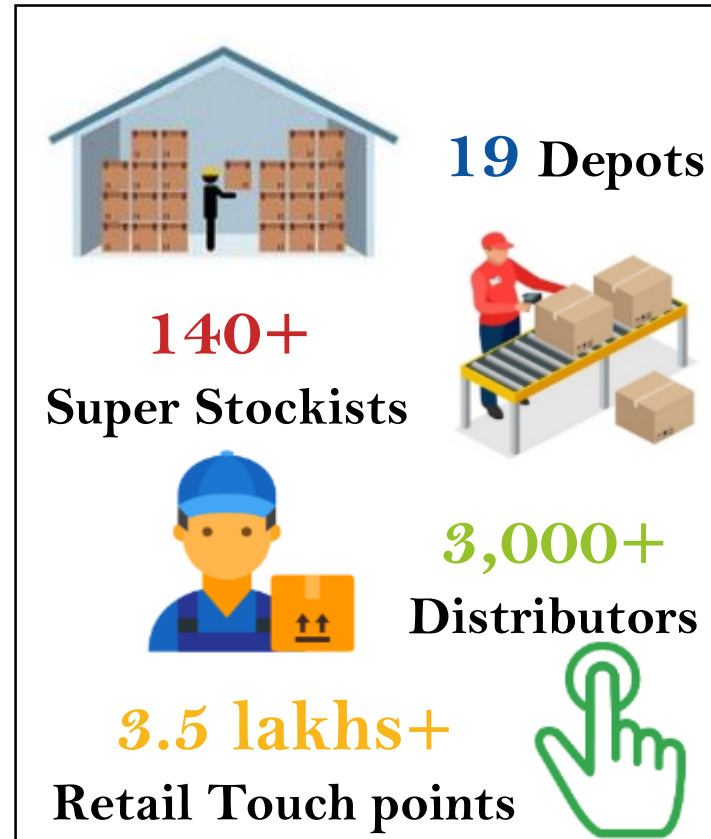
Converted waste into value-added products like
organic fertilizers from cow manure and urine
under brand '**Bhagalaxmi Dairy Farms**'

Last mile availability from 'Farm to Fork'

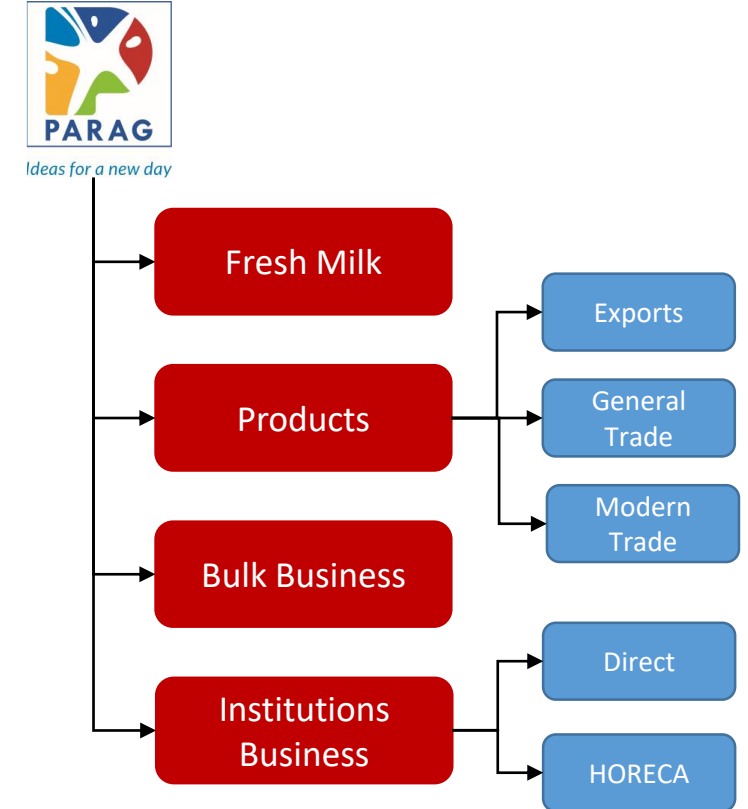
Pan-India Reach



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**

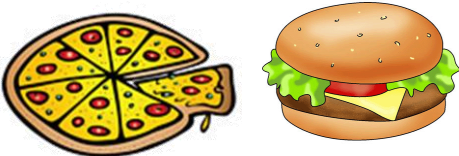
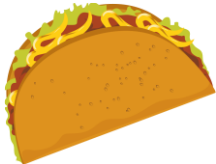
Maintaining the **Exclusivity of the Product**

Strong/ Long term Relations with Customers

Supplies To:

Prominent Burger Chains

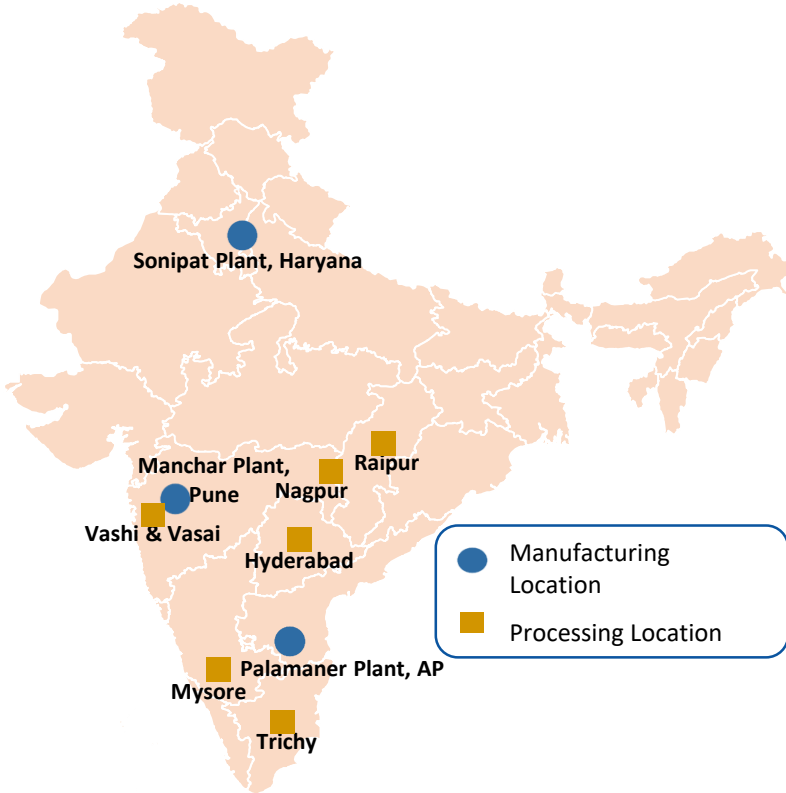
Major FMCG companies



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
- **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

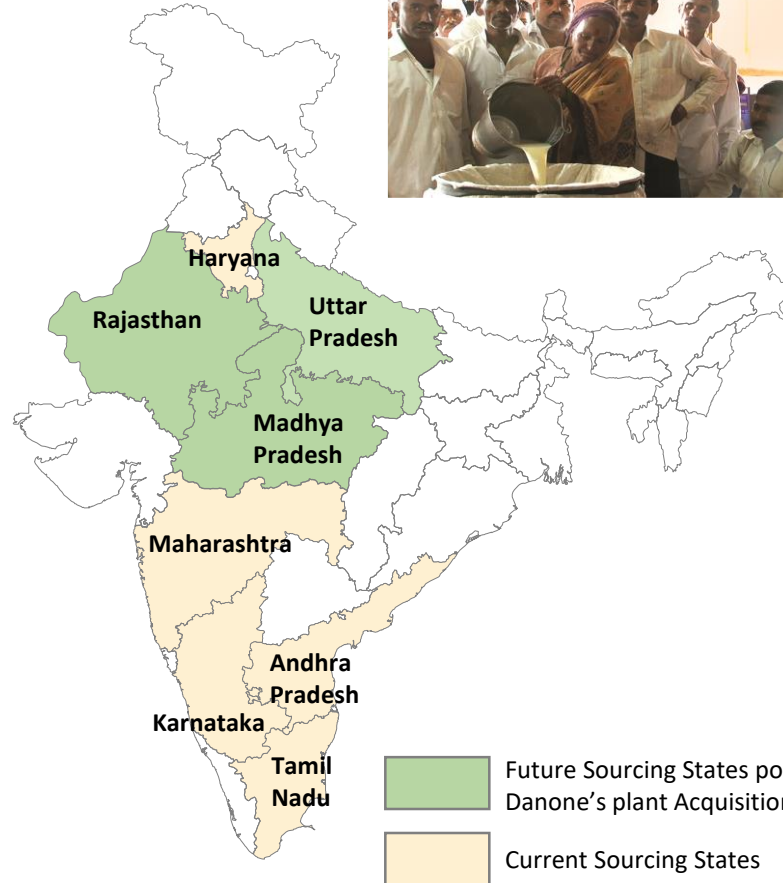
Tier 2

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

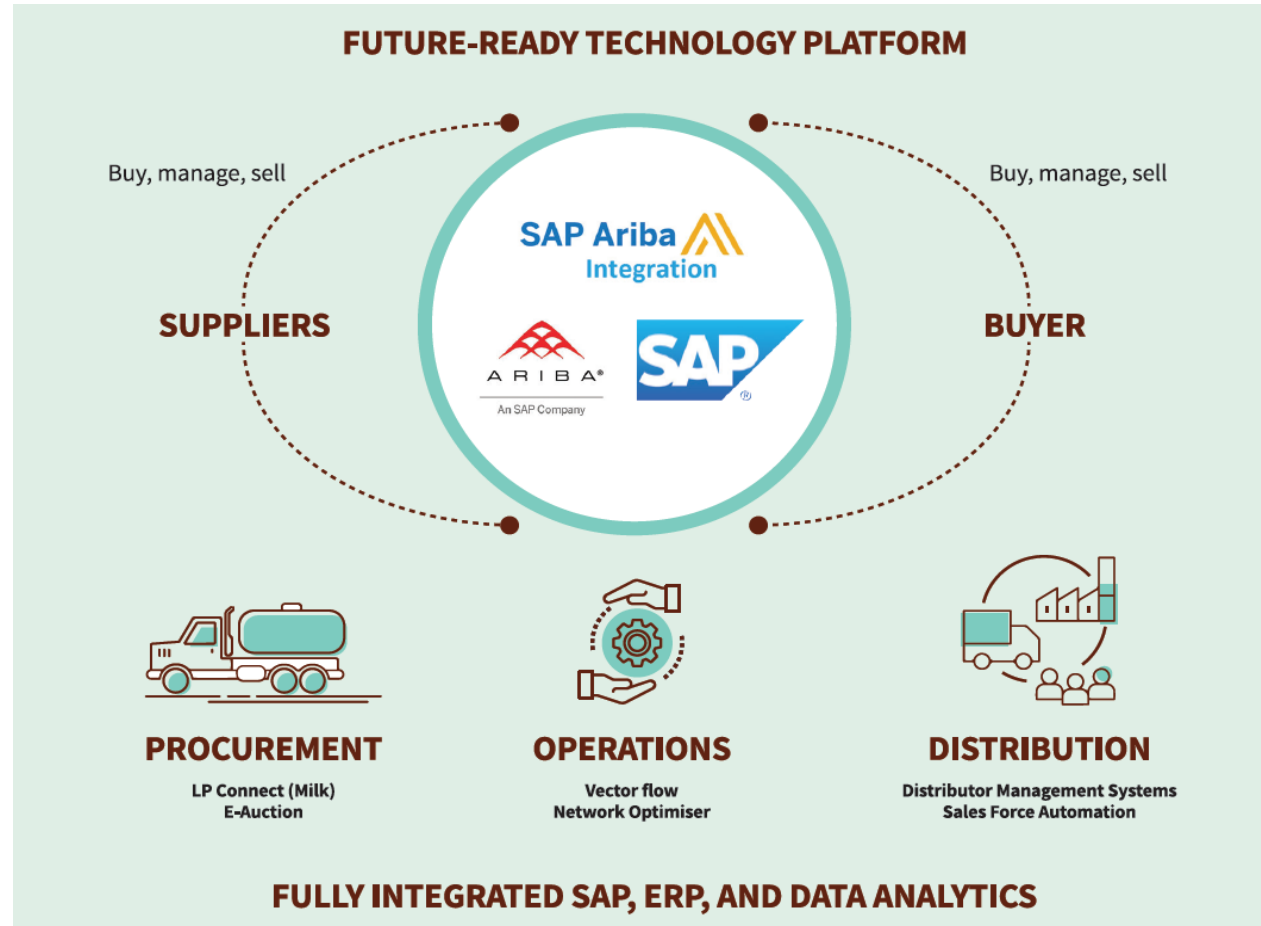
Free Vaccinations for Cattles

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

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 new bulk coolers and 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



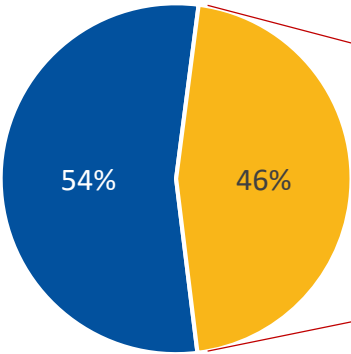


Industry Dynamics

Indian Dairy Market

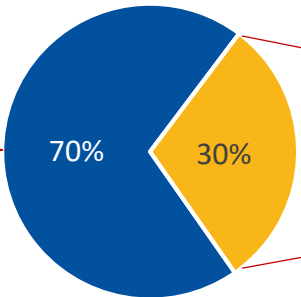


Milk production volume break-up by Marketability



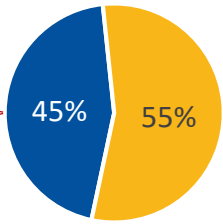
■ Self Consumption ■ Marketable Milk

Marketable Milk volume break-up by Segment



■ Unorganised ■ Organised

Organized Marketable Milk volume break-up by Segment

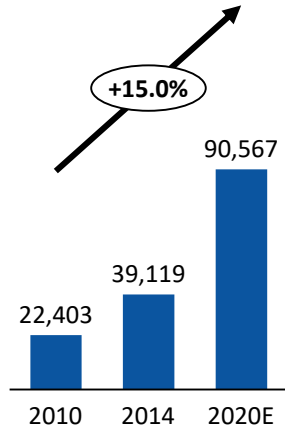


■ Cooperatives ■ Private Players

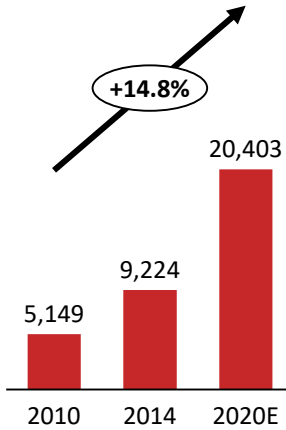
Source: IMARC Report – Industry size is as per market realizations
 Amounts in US\$ Billion, 1US\$ = INR 72

Tremendous Growth Potential across Product Segments

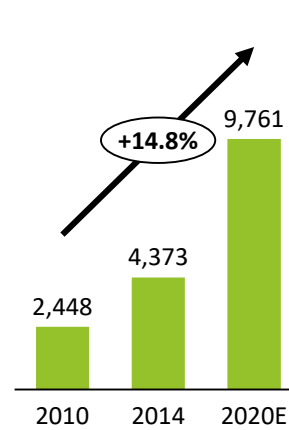
Liquid Milk



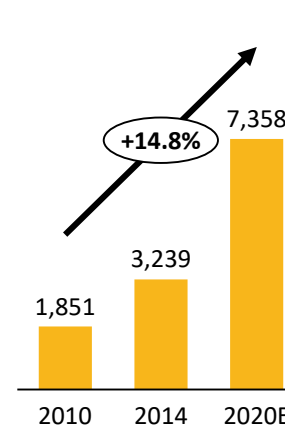
Ghee



Paneer



Curd



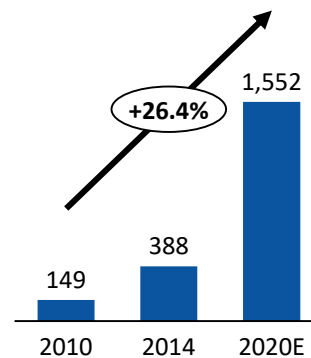
Traditional Products Growth

CAGR of 15%

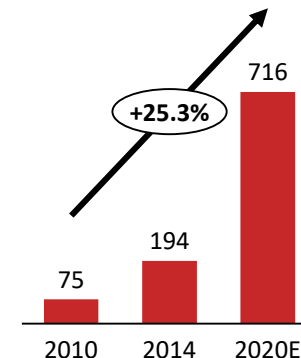
Modern Products Growth

CAGR of 26%

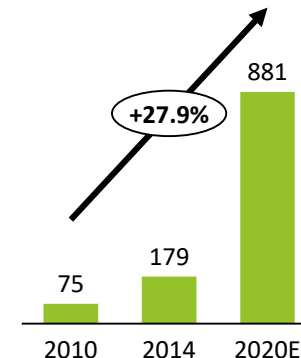
UHT Milk



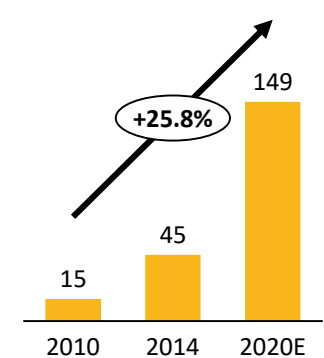
Flavoured Milk



Cheese



Whey (Powder)





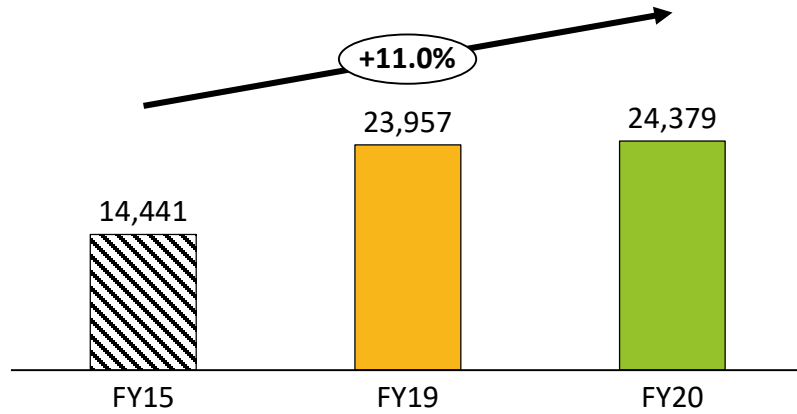
Financial Highlights

Key Financial Highlights

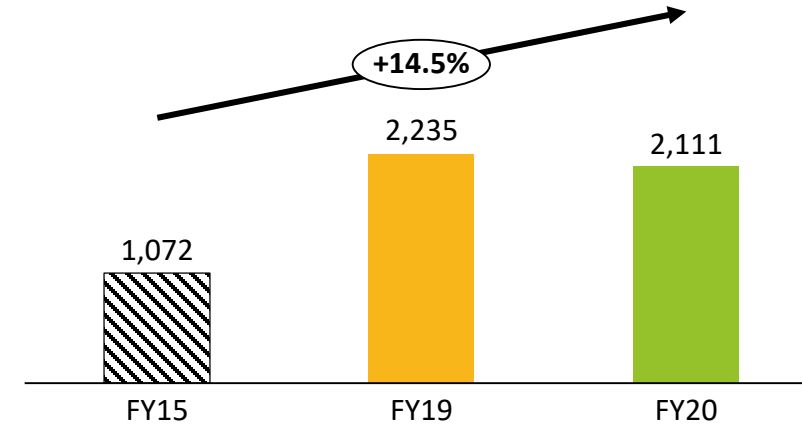


Ideas for a new day

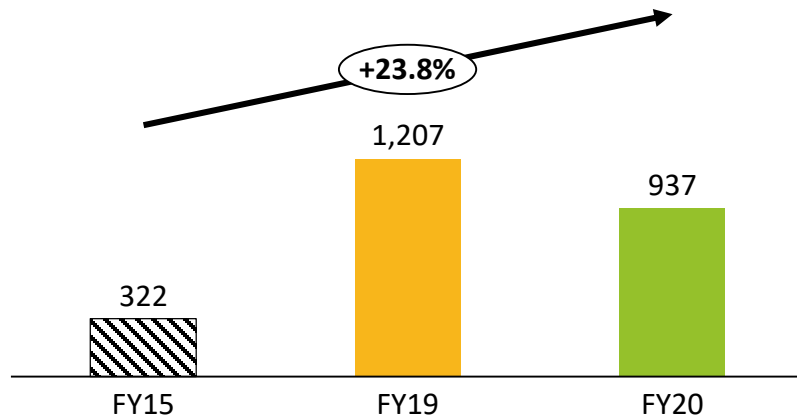
Revenue (Rs. Mn)



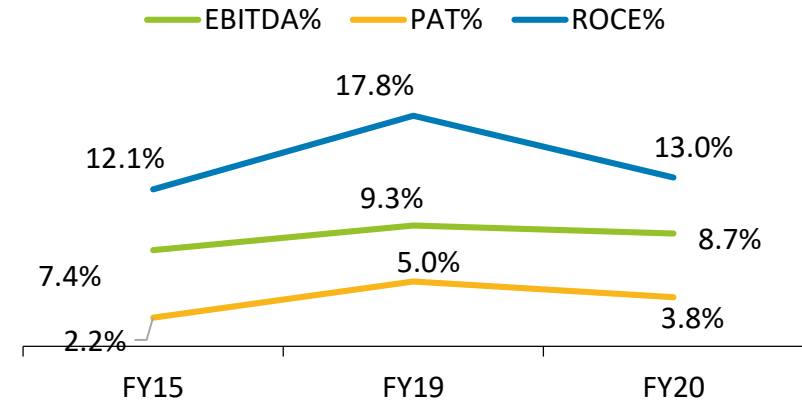
EBITDA (Rs. Mn)



PAT (Rs. Mn)



Margins (%)

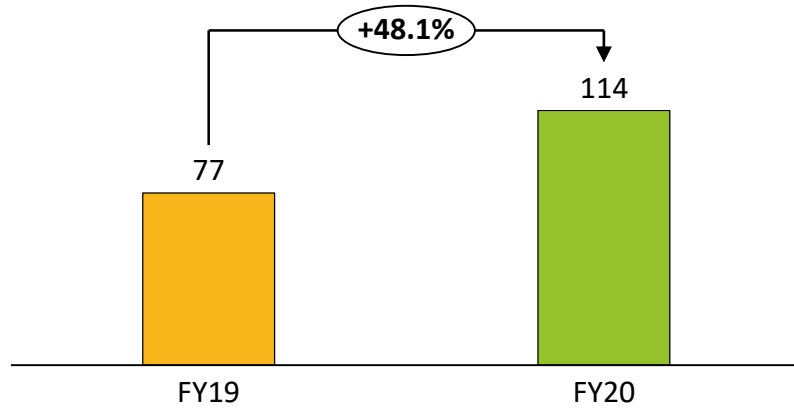


Key Financial Highlights

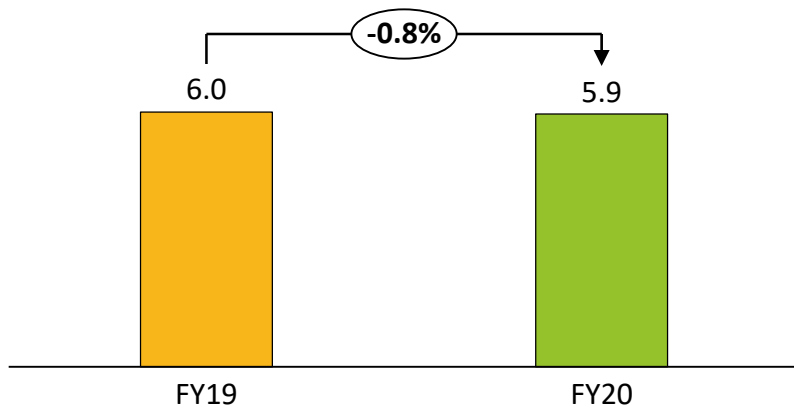


Ideas for a new day

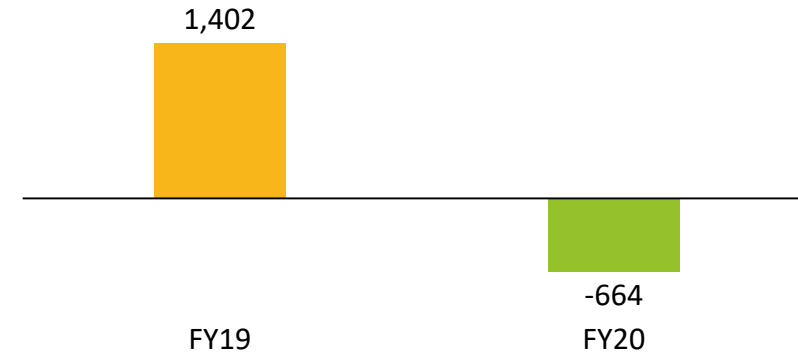
Working Capital (In Days)



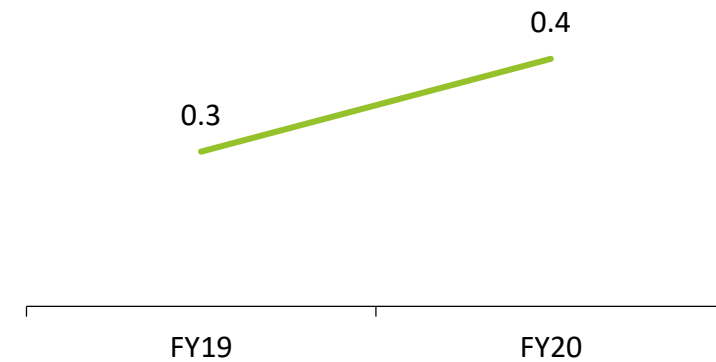
Fixed Assets Turnover Ratio



Operating Cash Flows (Rs. Mn)



Debt to Equity



Consolidated Profit & Loss Statement



Ideas for a new day

Particulars	FY20	FY19	YoY
Revenue from Operations	24,379.2	23,956.6	2%
Raw Material Costs	18,146.9	16,573.6	
GROSS PROFIT	6,232.4	7,383.0	-16%
Gross Margins	25.6%	30.8%	
Employee Expenses	961.0	949.9	
Other Expenses	3,160.3	4,198.1	
EBITDA	2,111.0	2,235.0	-6%
EBITDA Margin %	8.7%	9.3%	
Other Income	76.0	102.6	
Depreciation	536.4	501.9	
EBIT	1,650.6	1,835.7	-10%
Finance Cost	381.0	357.9	
Exceptional Items	0.0	0.0	
PBT	1,269.6	1,477.9	-14%
Tax Expense	332.7	270.7	
PAT	936.9	1,207.2	-22%
PAT Margin %	3.8%	5.0%	
Other Comprehensive Income	3.6	1.0	
Total Comprehensive Income	940.4	1,208.2	

Consolidated Balance Sheet



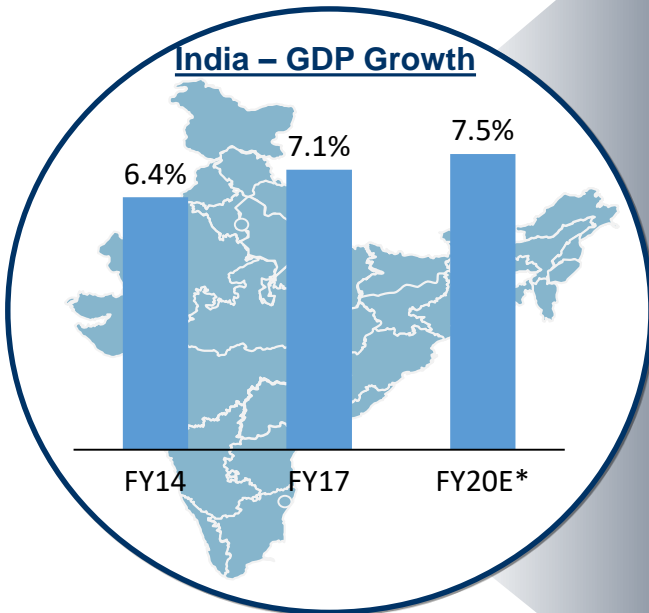
Ideas for a new day

Particulars	Mar-20	Mar-19
ASSETS		
Non-current assets		
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
Financial assets		
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
Sub-total - Non-Current Assets	5,132.9	5,210.4
Current assets		
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
Sub-total - Current Assets	11,714.1	9,209.9
TOTAL - ASSETS	16,846.9	14,420.4

Particulars	Mar-20	Mar-19
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	839.4	839.4
Other equity	8,272.2	7,432.0
Sub-total - Shareholders' funds	9,111.6	8,271.4
LIABILITIES		
Non-current liabilities		
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
Sub-total - Non-current liabilities	638.7	690.7
Current liabilities		
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
Sub-total - Current liabilities	7,096.6	5,458.3
TOTAL - EQUITY AND LIABILITIES	16,846.9	14,420.4

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

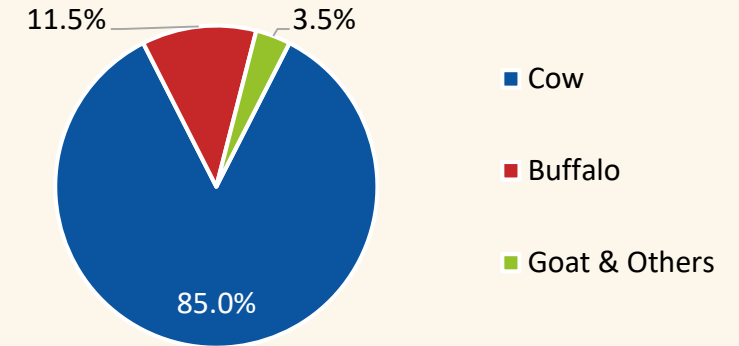
- Increasing quality & safety concerns increasing demand for packaged food, in particular pasteurised packaged milk
- Organised market share to also increase to 26%, in value terms, by 2020

India Contributes > 20% of Global Milk Production

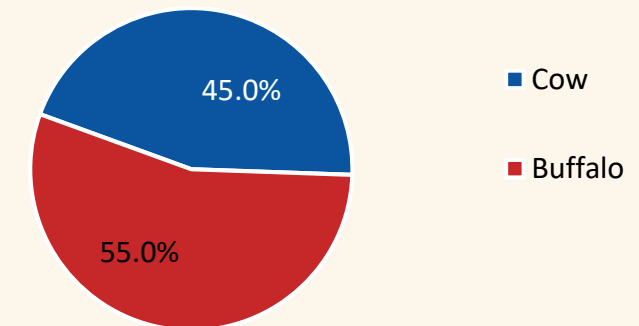
Top Milk Producing Countries (Million MT)

Countries	2017	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%
World	823	844	859	875	994	1.9%

Global - Animal Wise Milk Production - 2017



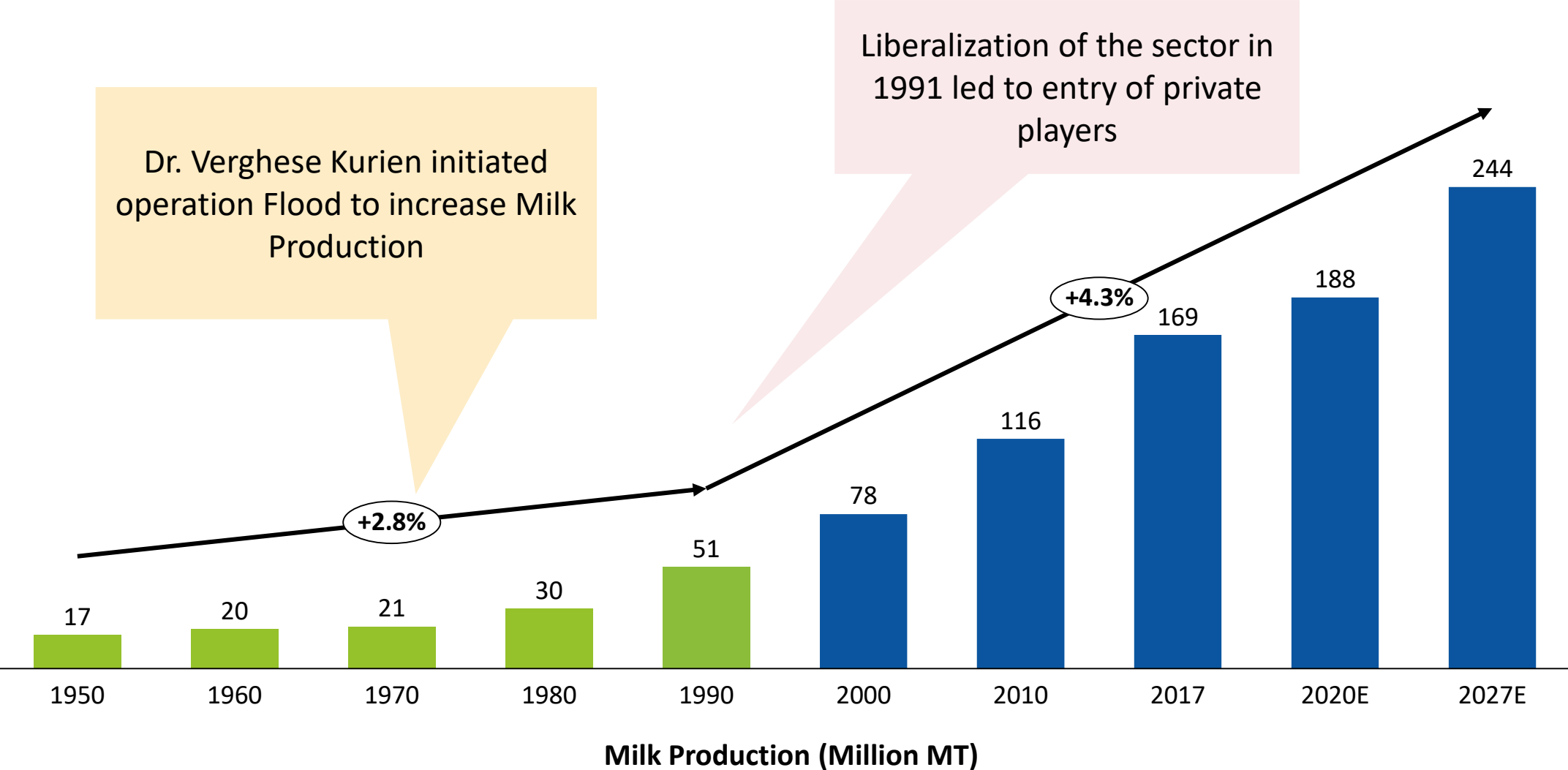
India - Animal Wise Milk Production - 2017



Milk Production in India



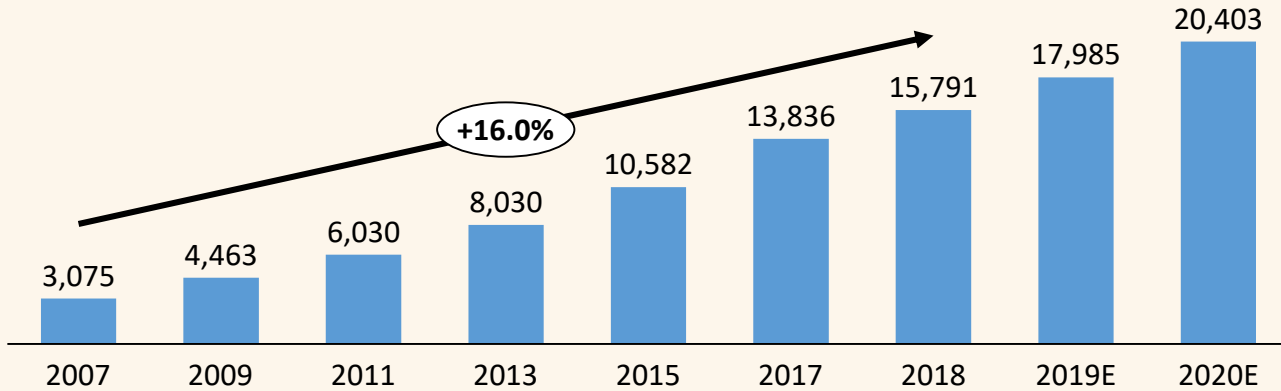
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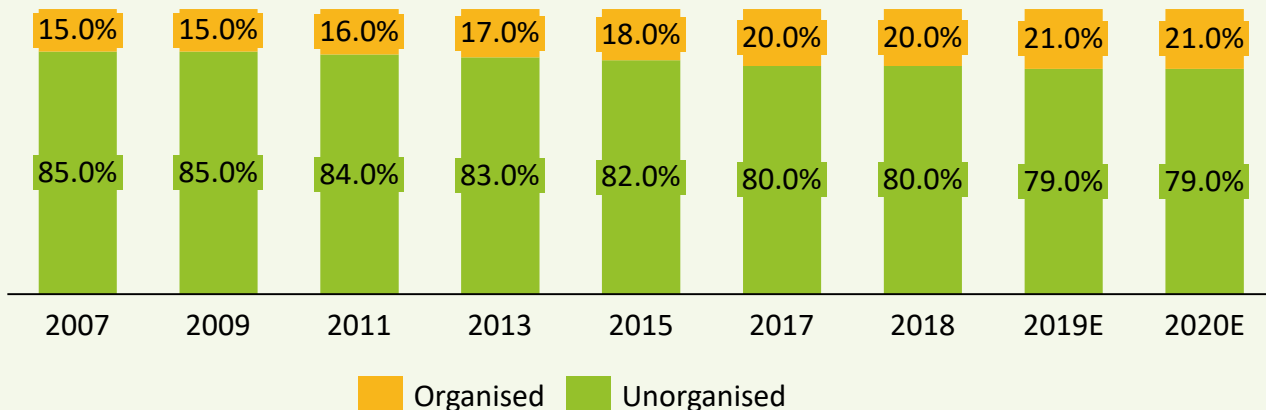
Source: Ministry of Animal Husbandry, Dairy and Fisheries

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

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



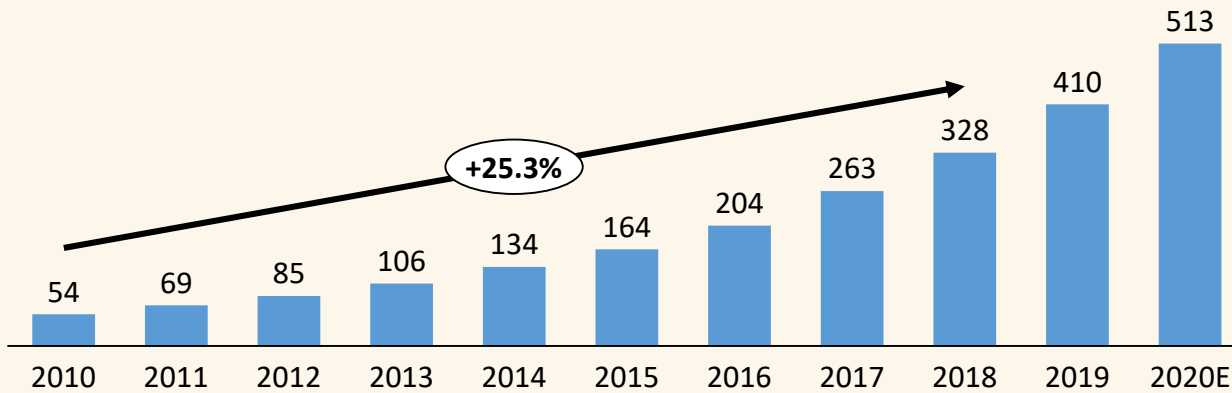
Organized vs Unorganized Sales



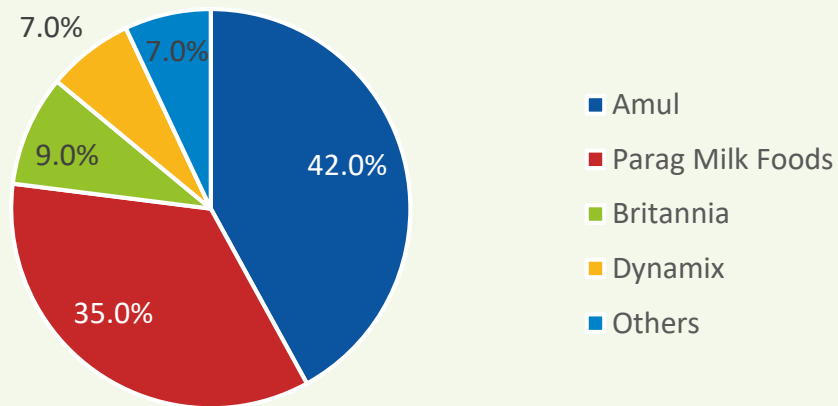
Key Highlights

- Ghee is traditionally used as cooking oil in Indian households
- It is the 2nd 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

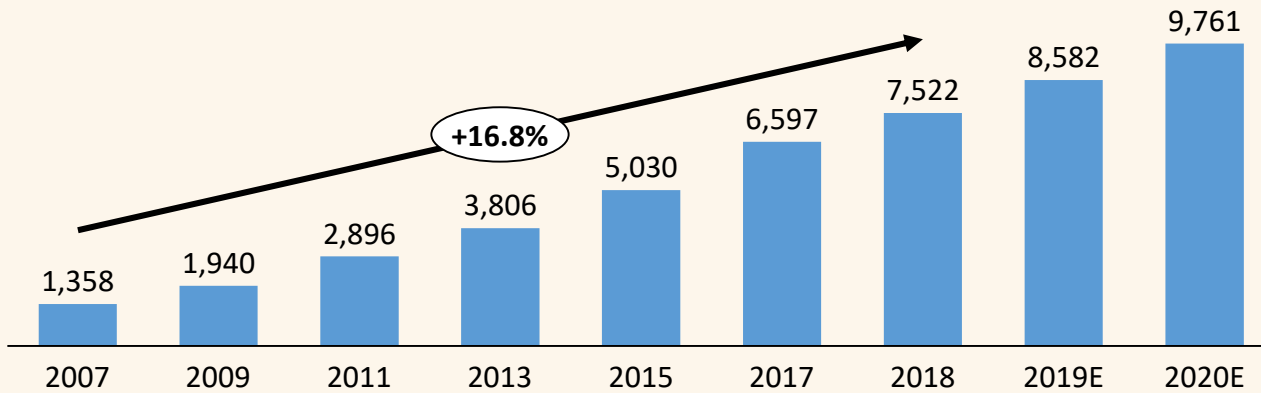


Key Highlights

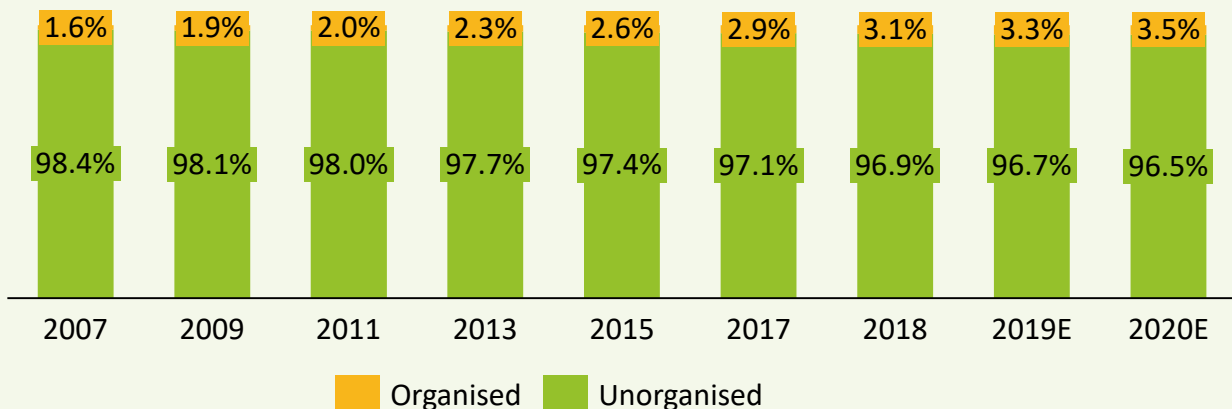
- Cheese is one of the fastest growing segments among dairy products in India
- Rise in food service outlets and changing food habits are major drivers
- Earlier, the cheese market in India was dominated by block cheese, slices and cubes
- Through innovation Parag has achieved a leadership position with a 1/3rd 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

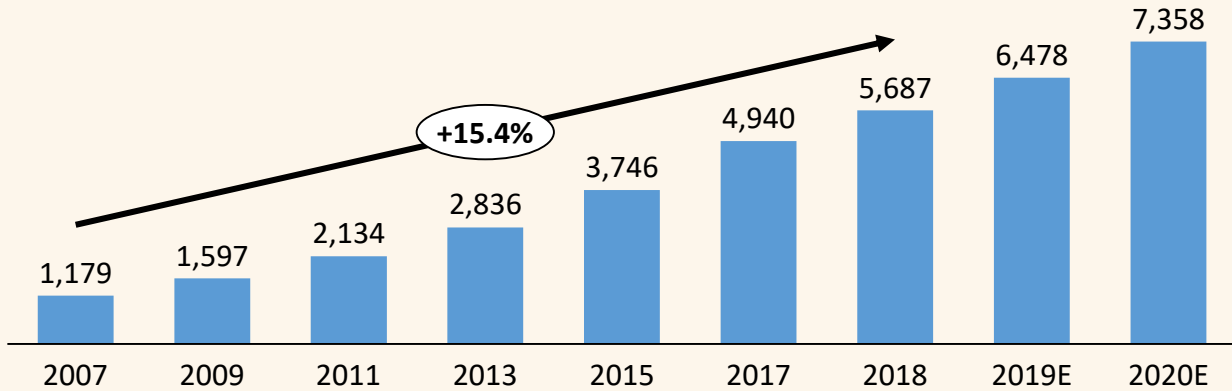


Key Highlights

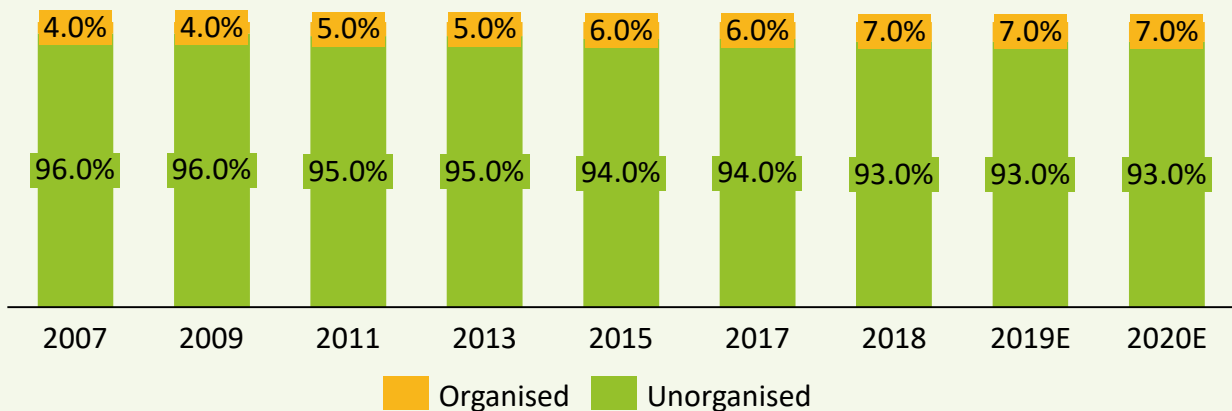
- Paneer is to India what cheese is to the Western world and is an integral part of many Indian recipes
- Paneer is the third largest segment in the milk products category
- Paneer is consumed like vegetables in Indian households and therefore purchased fresh on a daily basis
- With innovation in manufacturing & 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)



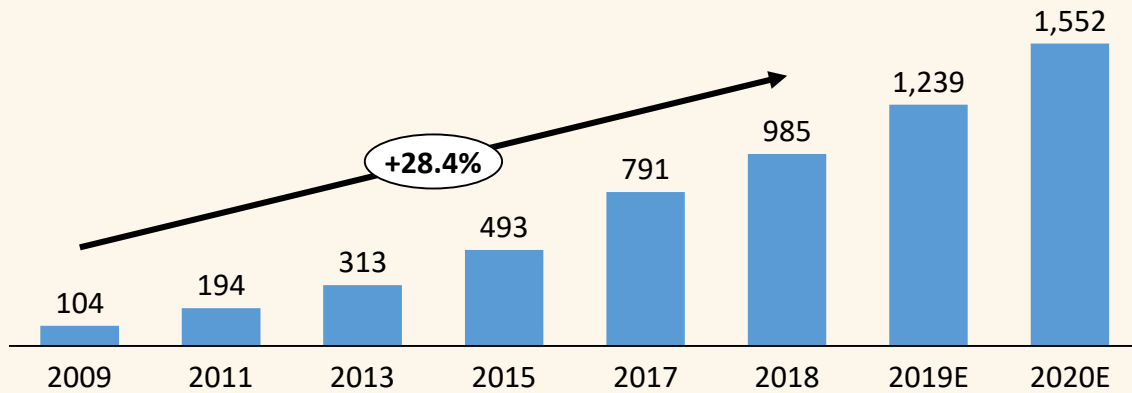
Organized vs Unorganized Sales



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

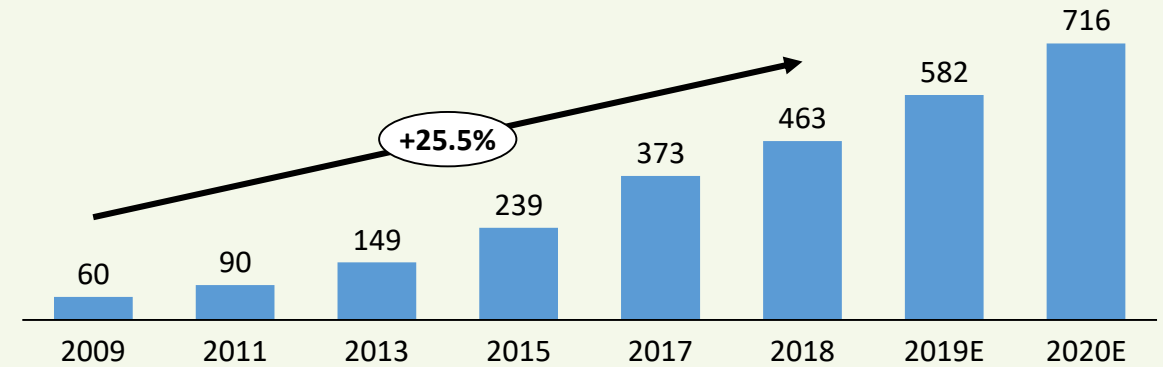
India's UHT Market Size (in US\$ Million)



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)



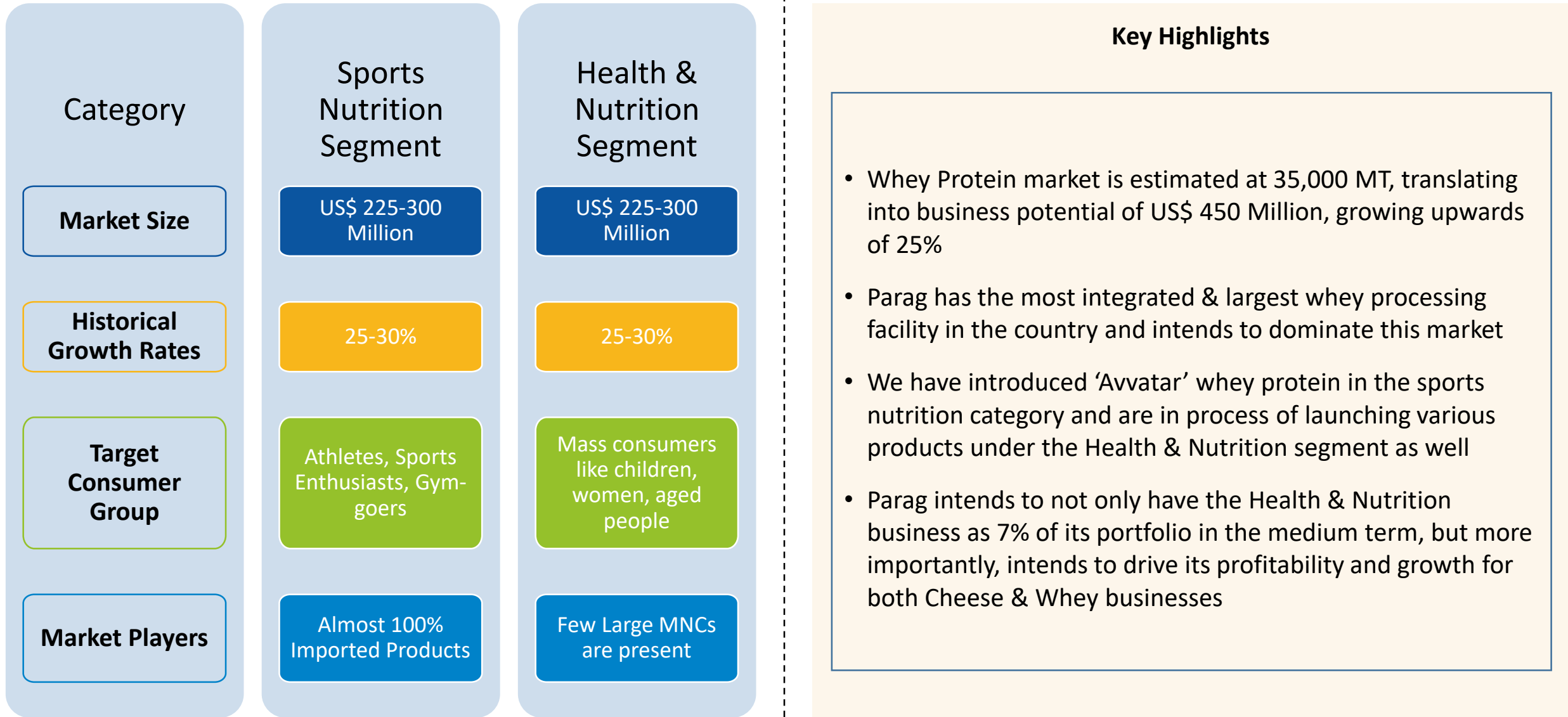
Key Highlights

- 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

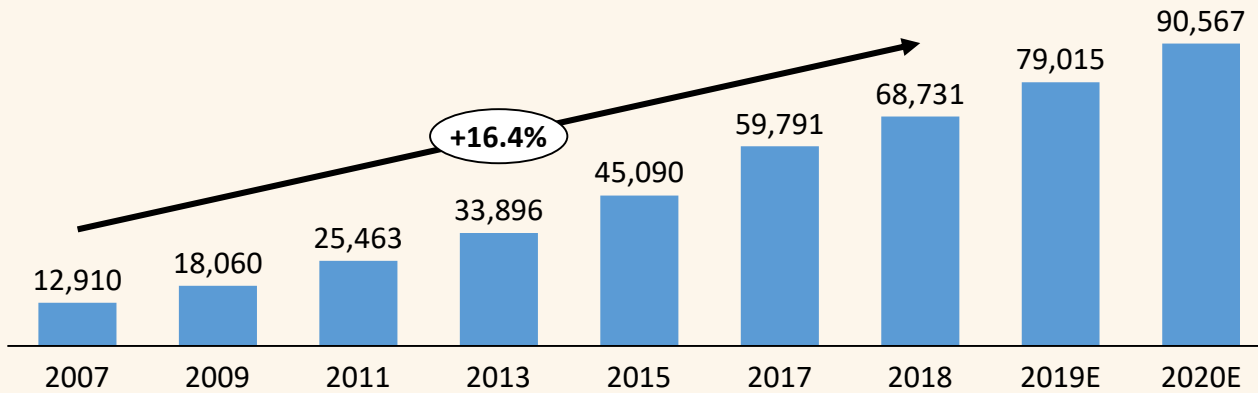
Whey Protein



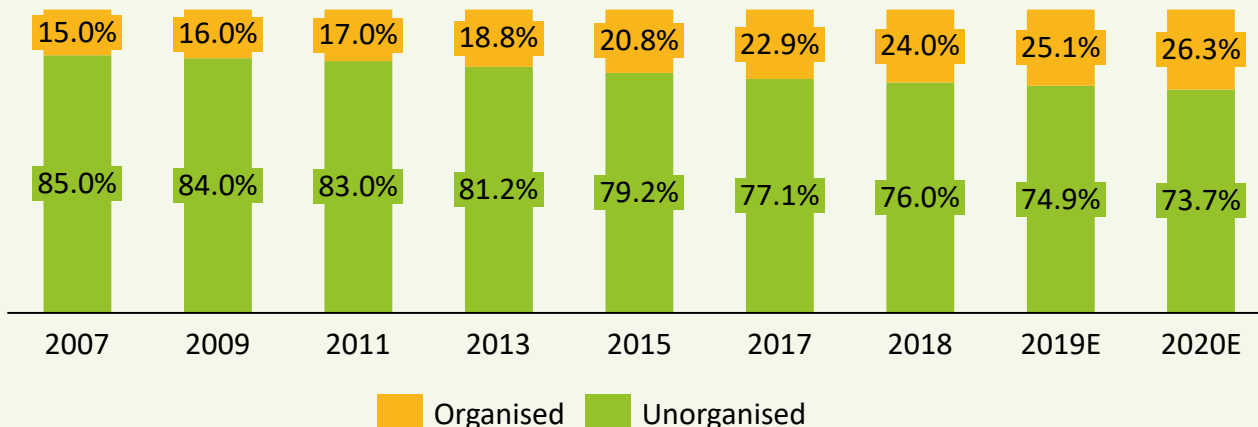
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India's Liquid Milk Market Size (in US\$ Million)



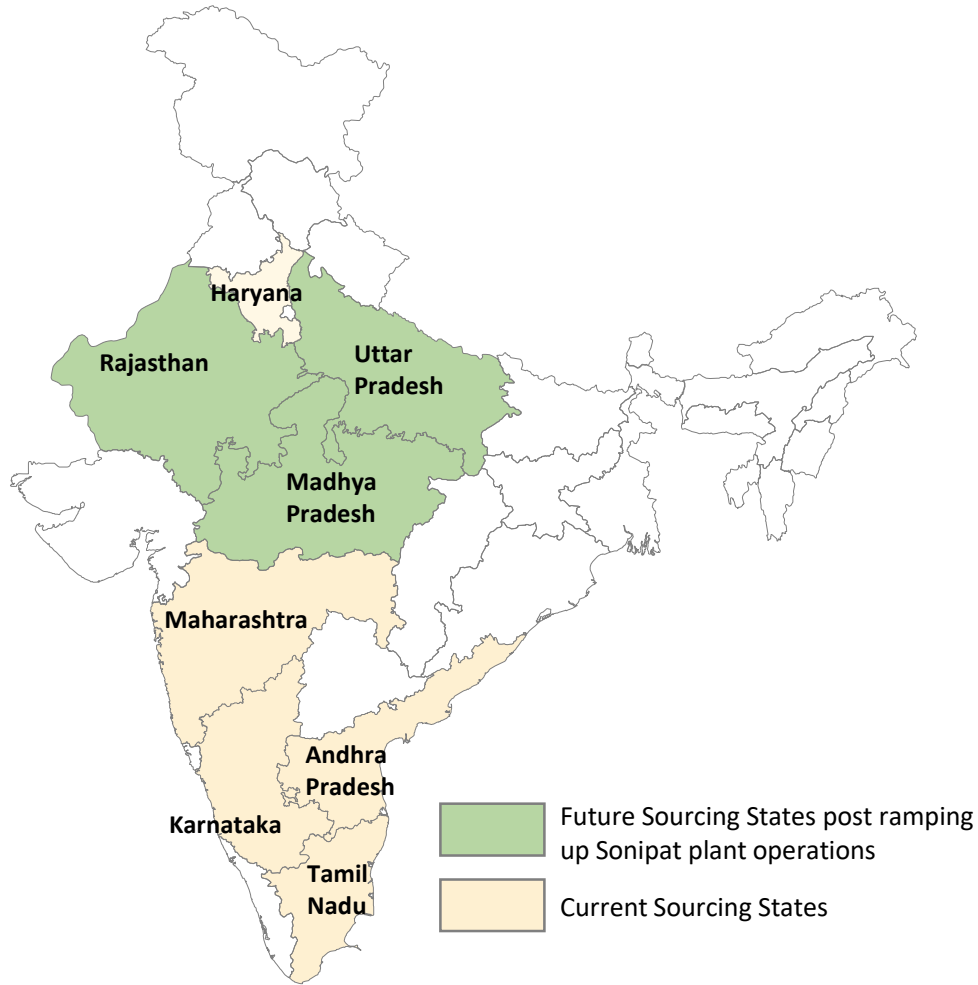
Organized vs Unorganized Sales



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%
India Total		163.7	100.0%	5.8%	70.2	43%	8.2%

*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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