

DODLA DAIRY LIMITED

MILK & MILK PRODUCTS

Corporate Office : # 8-2-293/82/A, Plot No. 270-Q, Road No. 10C,
Jubilee Hills, Hyderabad - 500033.
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Date: 02 August 2022

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

Dear Sir/Madam,

Sub: Investor Presentation.

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith Investor Presentation on Unaudited Financial Results for the quarter ended on 30 June 2022.

The copy of the disclosure is available on the website of the Company i.e. www.dodladairy.com

This is for your information and record.

Thanking you,

Yours Faithfully,
For Dodla Dairy Limited

Surya Prakash M
Company Secretary & Compliance Officer

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



DODLA DAIRY

INVESTOR PRESENTATION



QIFY23
AUGUST 2022



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Quarterly Highlights



Management Commentary



Mr. Dodla Sunil Reddy

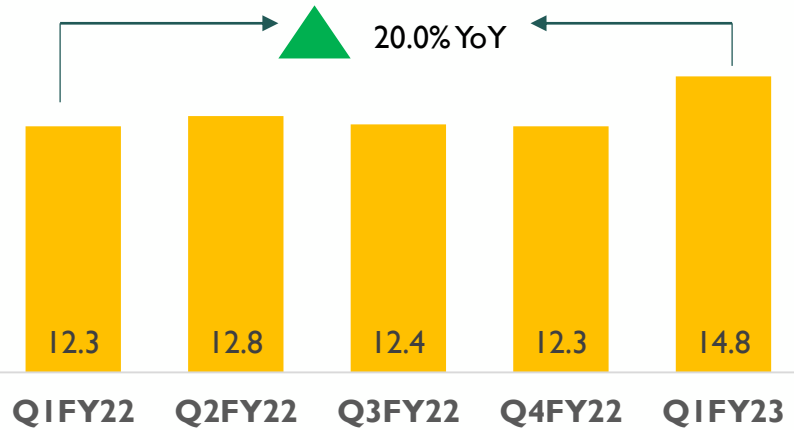
Managing Director

"I am happy to state that Dodla Dairy has reported its highest ever revenues by surpassing INR 7,000 million mark, thereby registering a healthy top-line growth of 40% Y-o-Y in Q1FY23. The Company's robust operational highlights during the quarter are a testimonial of our focus towards the growth roadmap. The integration of Sri Krishna Milks (SKM) is shaping up well and we look forward to strengthen our footprints in Northern Karnataka and Goa markets.

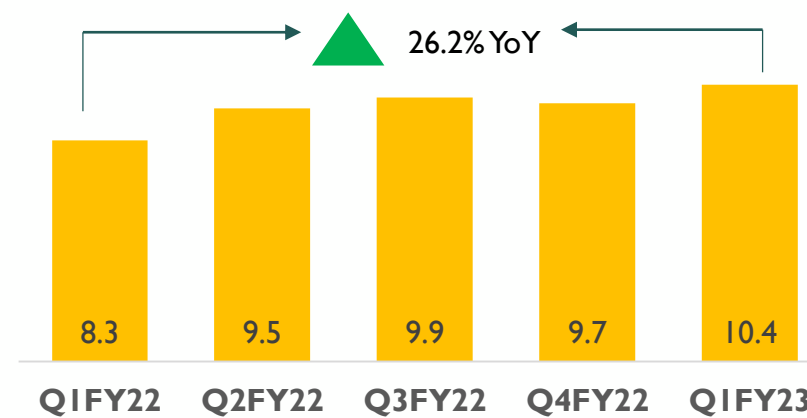
The rise in procurement costs and fuel prices has kept the profitability under check during Q1FY23. However, we are confident to perform better with recovery in demand during the upcoming quarters along with expected softness in the procurement cost as we enter a flush season of milk procurement."

Quarterly Operational Highlights

AVERAGE MILK PROCUREMENT (in LLPD)



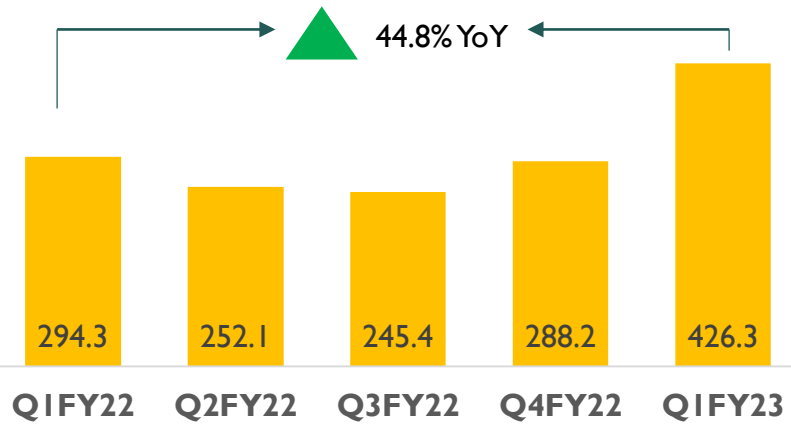
AVERAGE MILK SALES (in LLPD)



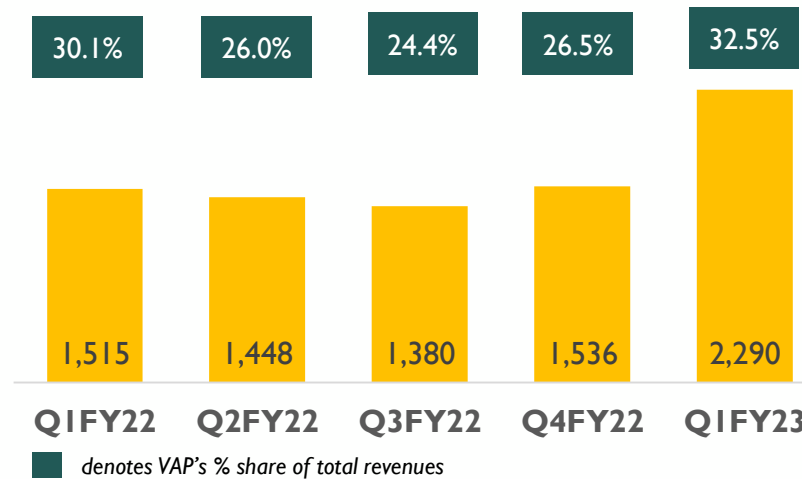
- Demonstrating consistent improvement in the operational metrics
- Average milk procurement during Q1FY23 increased by 20.0% YoY to 14.8 LLPD
- Average milk sales during the quarter grew by 26.2% YoY to 10.4 LLPD

Quarterly Operational Highlights

CURD SALES (in MTPD)



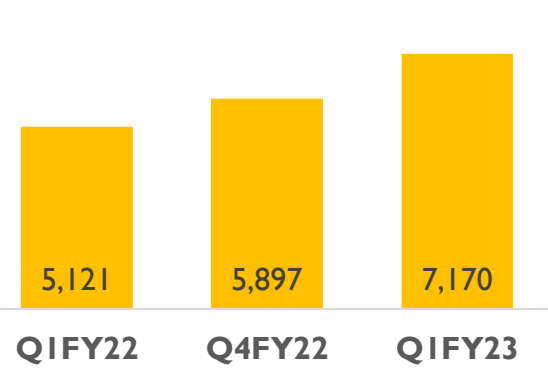
VAP SALES (in INR Mn) and VAP SHARE (in % of TOTAL REVENUES)



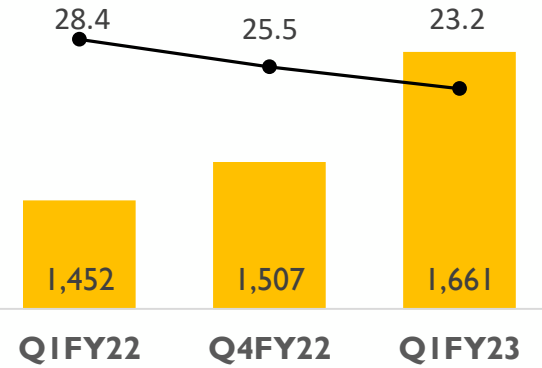
- Robust volume growth in curd and VAP sales including improvement of VAP pie in the overall revenue
- Curd sales surged by 44.8% YoY to 426.3 MTPD in Q1FY23
- Revenue from value added products (VAP) and fat & fat-based products during the quarter grew by 51.1% YoY to ₹2,290 Mn. The VAP share of the overall dairy revenue increased by 238 bps YoY to 32.5% in Q1FY23

Key Financial Metrics (Quarterly)

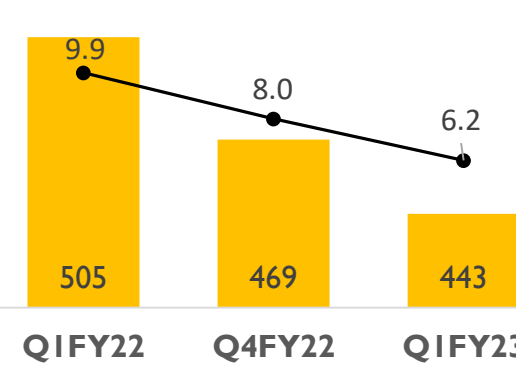
OPERATING REVENUE
(in ₹ Mn)



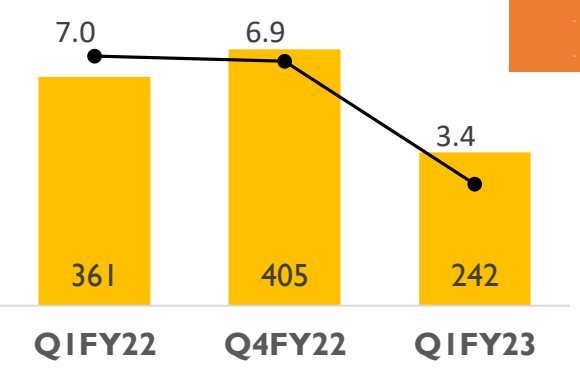
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn) — (in %)



PAT & PAT MARGINS
(in ₹ Mn) — (in %)



- Consistent improvement in quarterly revenues due to increasing milk volumes and healthy Value-Added Product sales, despite seasonality
- Aim to mitigate rising raw material and freight prices with increase in selling prices in the coming quarters

CONSOLIDATED PROFIT & LOSS RESULTS

Particulars (INR in millions)	Q1FY23	Q1FY22	YoY	Q4FY22	QoQ
Revenues	7,170	5,121	40.0%	5,897	21.6%
Cost of Goods Sold	5,509	3,668	50.2%	4,391	25.5%
Gross Profit	1,661	1,452	14.4%	1,507	10.2%
<i>Gross Profit margin</i>	23.2%	28.4%	-520 bps	25.5%	-239 bps
Employee Expenses	283	256	10.7%	260	8.9%
Other Expenses	934	691	35.1%	777	20.2%
EBITDA	443	505	-12.2%	469	-5.5%
<i>EBITDA margin</i>	6.2%	9.9%	-368 bps	8.0%	-177 bps
Depreciation & Amortization	150	129	16.7%	132	14.1%
EBIT	293	376	-22.1%	337	-13.1%
Finance Cost	3	23	-87.8%	3	-3.8%
EBT before Other Income	290	353	-17.9%	334	-13.2%
Other Income	44	26	70.7%	43	3.2%
EBT after Other Income	334	379	-11.9%	377	-11.4%
Tax	93	18	401.9%	-28	N.A.
PAT	242	361	-33.0%	405	-40.3%
<i>PAT margin</i>	3.4%	7.0%	-367 bps	6.9%	-349bps
EPS	4.03	6.12	-34.2%	6.75	-40.3%

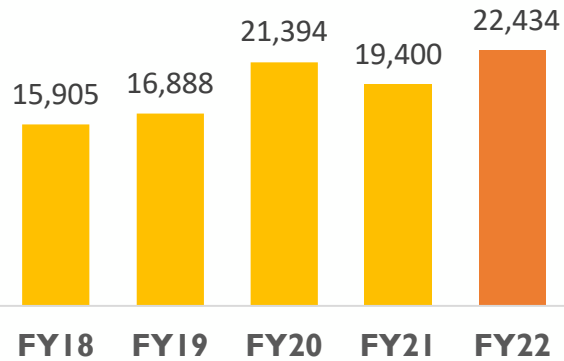
Full Year Financials



Financial Highlights

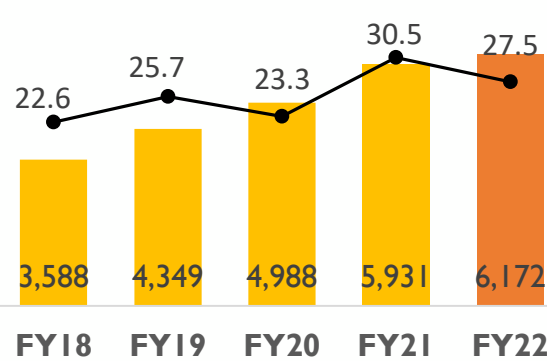
OPERATING REVENUE

(in ₹ Mn)



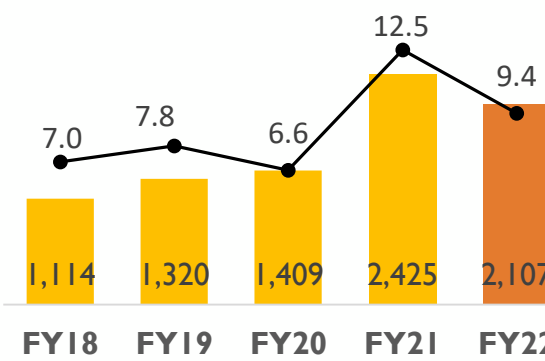
GROSS PROFIT & GROSS MARGINS

(in ₹ Mn) — (in %)



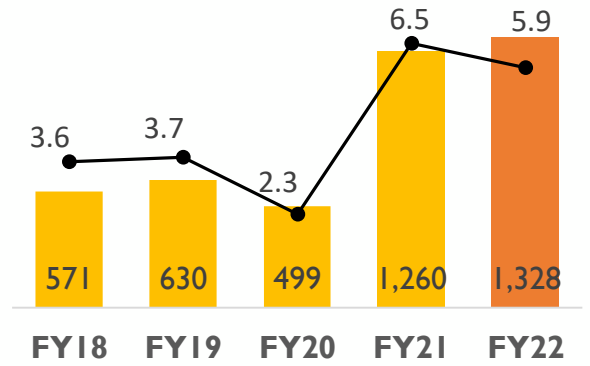
EBITDA & EBITDA MARGINS

(in ₹ Mn) — (in %)



PAT & PAT MARGINS

(in ₹ Mn) — (in %)

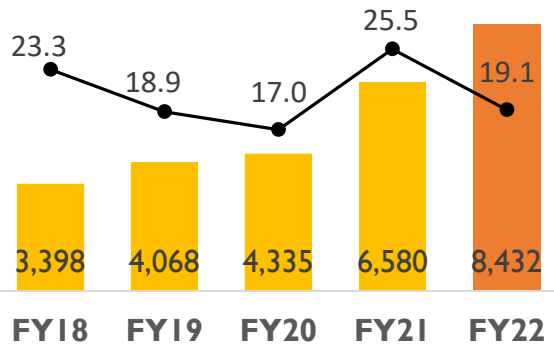


- Saw a healthy 15% Y-o-Y growth in revenue, despite a tumultuous year due to multiple COVID waves.
- Margin were slightly under pressure due to rising raw material and fuel prices, plan to mitigate the same by increasing the selling prices.

Key Ratios – Full Year

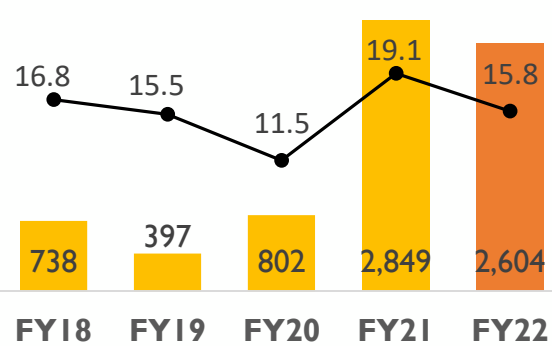
NETWORTH & ROCE

(in ₹ Mn) — ROCE (in %)



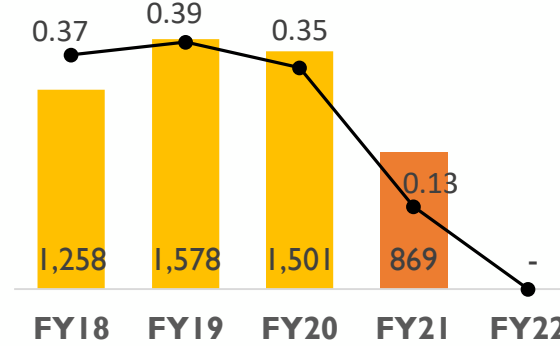
CASH & CASH EQUIVALENT & ROE

(in ₹ Mn) — (ROE in %)



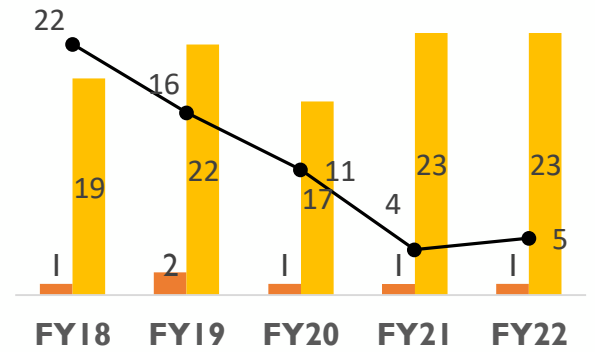
DEBT & DEBT-EQUITY

(in ₹ Mn) — (x)



RECEIVABLE DAYS / PAYABLE DAYS / NWC DAYS

Receivable Days ■ Payable Days — NWC



- Healthy growth leading to high capital efficiency, zero debt levels and helping maintain a healthy working capital cycle.

CONSOLIDATED PROFIT & LOSS (SUMMARY)

Particulars (INR in millions)	FY18	FY19	FY20	FY21	FY22	CAGR FY18-22
Revenues	15,905	16,888	21,394	19,440	22,434	9.0%
Gross Profit	3,588	4,349	4,988	5,931	6,172	14.5%
<i>Gross Profit margin</i>	22.6%	25.7%	23.3%	30.5%	27.5%	
EBITDA	1,114	1,320	1,409	2,425	2,107	17.3%
<i>EBITDA margin</i>	7.0%	7.8%	6.6%	12.5%	9.4%	
Depreciation & Amortization	103	108	492	507	524	
EBIT	1,011	1,212	917	1,917	1,584	
Finance Cost	269	356	161	119	65	
PAT	571	630	499	1,260	1,328	23.5%
<i>PAT margin</i>	3.6%	3.7%	2.3%	6.5%	5.9%	

- Consistent financial performance with Revenues, EBITDA and PAT registering 9.0%, 17.3% and 23.5% CAGR during FY18-22 period

Balance Sheet Summary (Full Year)

Particulars	FY18	FY19	FY20	FY21	FY22
ASSETS					
Non-current Assets	3,745	5,374	5,697	5,703	6,854
Current Assets	2,263	2,061	2,229	4,019	4,031
TOTAL ASSETS	6,008	7,435	7,926	9,722	10,884
EQUITY AND LIABILITIES					
Equity	3,398	4,068	4,335	6,580	8,432
Non-current Liabilities	516	1,459	1,426	1,197	576
Current Liabilities	2,094	1,908	2,165	1,946	1,877
Total Liabilities	2,610	3,367	3,591	3,143	2,453
TOTAL EQUITY AND LIABILITIES	6,008	7,435	7,926	9,722	10,884

- The Company enjoys a debt free status and is steadily expanding its capabilities and capacities which is reflected in our growth of Non-current assets from FY19- FY22

About Us



Dodla Dairy Snapshot

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

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

3rd

highest market presence across 12 states in India*



3rd

largest procurement network (South India)*

15

Processing Plants

~22

LLPD aggregate installed capacity

114

Chilling Centers / Plants

7,900+

Village Level Collection Centers

Milk Directly procured from farmers

40+

Sales Office

558

Dodla Retail Parlours

~3,000

Distribution Agents

~1,700

Milk & Milk product distributors

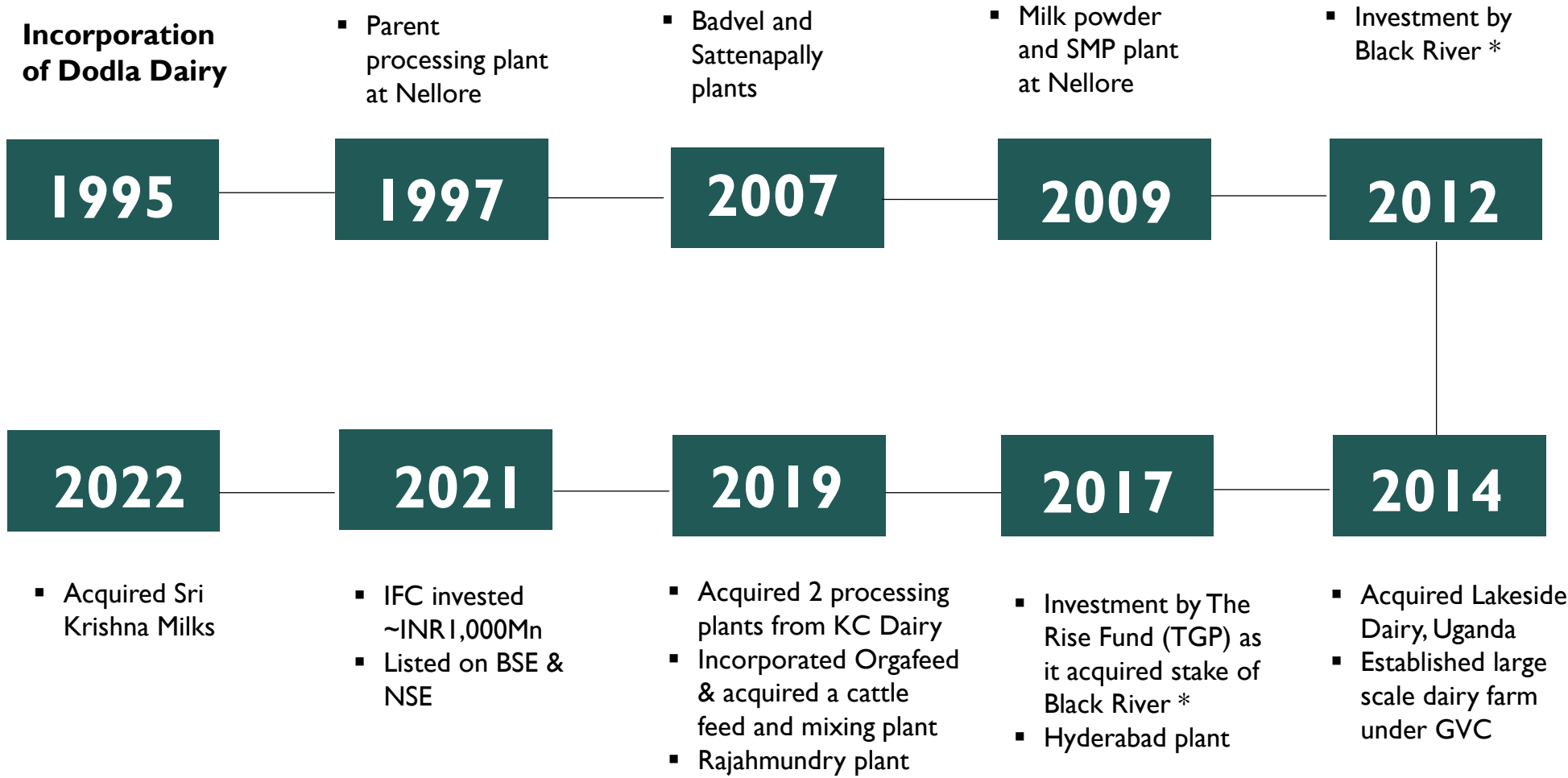


NOTES: *Data as per CRISIL report – Private Sector Dairy

DODLA DAIRY LIMITED

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



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

Presence Across Dairy Value Chain



- Procurement of raw milk from ~1.2 lakh farmers across 8,000+ villages through 7,900+ VLCCs
- Raw milk directly procured from farmers

- 40+ sales offices, ~3,000 distribution agents
- ~1,700 milk & milk products distributors and 558 DRP's

- Total 15 milk processing plants in India & Uganda
- Company regularly incurs capex to upgrade technology, automate lines and bring efficiency in operations

- Transportation from villages through 860 primary vehicles to 114 chilling centers/plants

Few of Our Products

SOLD IN INDIA



PASTEURIZED POUCH MILK

Full cream, Standardized Milk, Toned



UHT MILK

Toned, Double Toned



CURD

Sachet Curd, Bucket Curd, Cup Curd



GHEE

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



ICE CREAM

Vanilla, Elaichi, Pista, Badam, Chocolate, Strawberry, Pineapple

SOLD IN AFRICA



YOGHURT

Plain, Strawberry, Vanilla, Chocolate & Mango



GHEE



PANEER



MOZZARELLA CHEESE



MILK POUCH

Few of Our Products- Sri Krishna Milks

TONED MILK



CURD



NATURAL RICH MILK



GOLD MILK



Orgafeed Private Limited: Built On A Strong Foundation

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



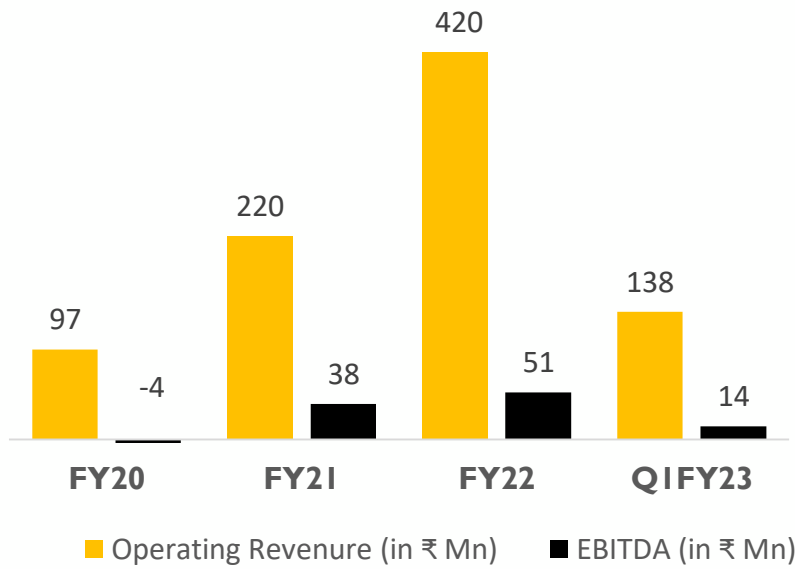
80MTPD
Cattle feed plant capacity

KEY HIGHLIGHTS:

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

<h2>₹138MN</h2> <p>Revenues in Q1FY23</p>	<h2>₹14MN</h2> <p>EBITDA in Q1FY23</p>
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ORGAFEED FINANCIALS



DODLA DAIRY LIMITED

20

Meet The Executive Team

MR. DODLA SUNIL REDDY

Managing Director



**MR. VENKAT KRISHNA
REDDY BUSIREDDY**

Chief Executive Officer



MR. ANJANEYULU GANJI

Chief Financial Officer



Board of Directors



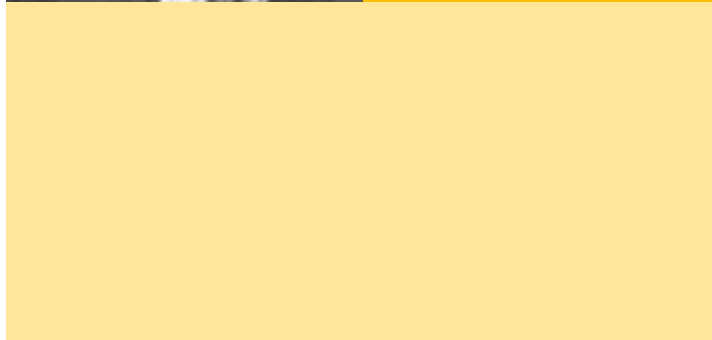
Mr. Dodla Seshu Reddy
Chairman & Non-Executive Director

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



Mr. Raja Rathinam
Independent Director

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



Mr. Akshay Tanna
Non-Executive Nominee Director

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



Mr. Raman Tallam Puranam
Independent Director

Exp: SBI Capital Markets Limited, Sundaram AMC Limited



Mr. Madhusudhana Reddy
Whole-time Director

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



Mr. Rampraveen Swaminathan
Independent Director

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



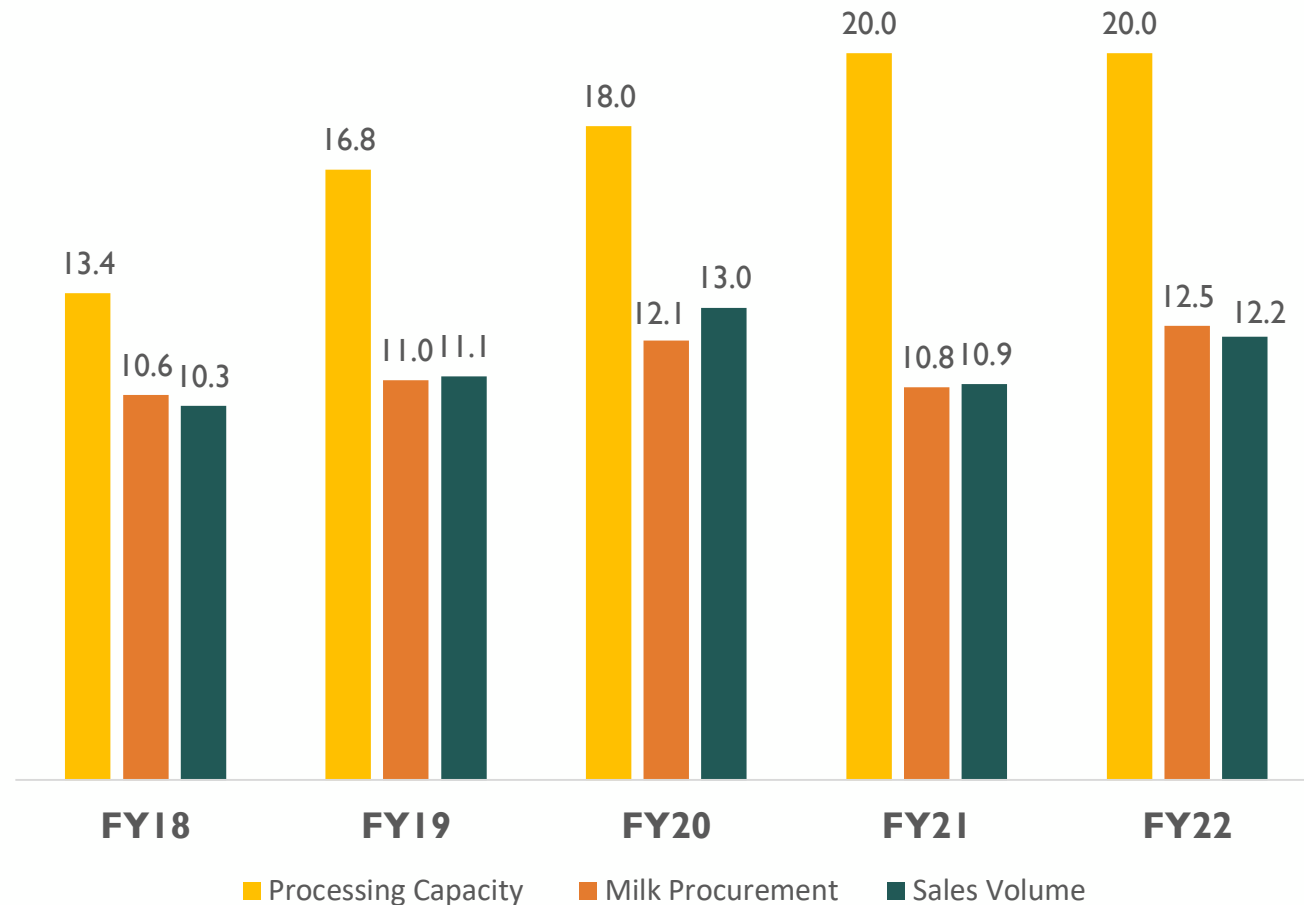
Ms. Vinoda Kailas
Independent Director

Exp: Pravaha Foundation, Deloitte Consulting

Company Canvas



Our strength to deliver competitive advantage



NOTE: All Value have been rounded-off to zero decimal; figures are in lakh litre per day (LLPD).



PROCESSING CAPACITY

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



MILK PROCUREMENT

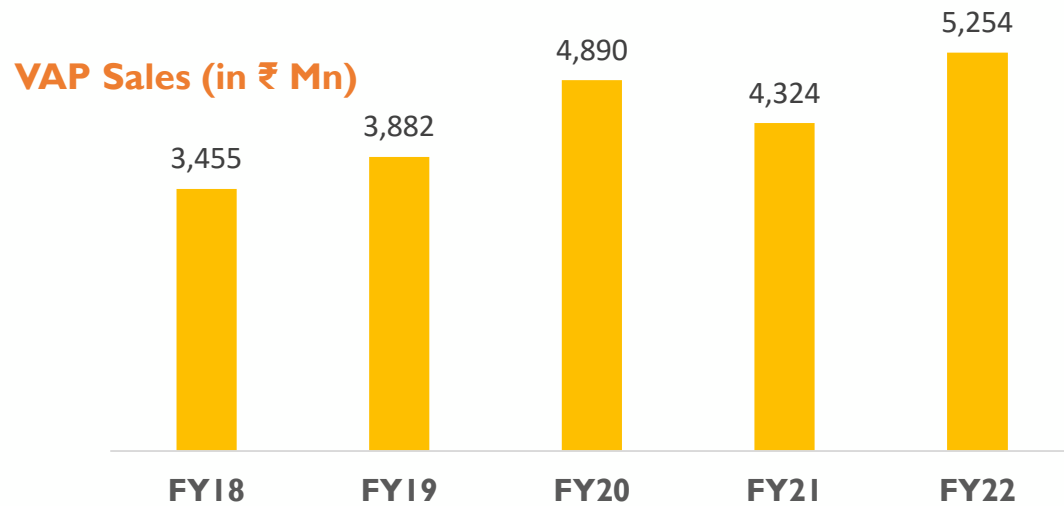
- All dairy processors have access to the same raw material and equipment; what distinguishes us is our dedicated employees and our strong relationship with farmers



SALES VOLUME

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

Our Value-added Product (VAP) Investments



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

STRONG VAP PORTFOLIO

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

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

FACTORS DRIVING THE VAP GROWTH:

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

Our Overseas Presence

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

Salient Features - Overseas Dairy Business



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



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



Dodla has Similar Integrated Business model in Africa



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

NOTES: *Data as per CRISIL report

5%

contribution of Africa to milk industry





Strategic Advantages

Key Strengths

3rd

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



Global Presence:
Uganda Kenya



Higher B2C Sales through Strong Branding



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



12

states engaged in our strong distribution network



15

Processing Plants



1
Feed Plant



Stringent Quality Control Procedures

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

PROCUREMENT STAGE

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



PROCESSINGS STAGE

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

**QUALITY CERTIFIED PRODUCTS
AND PROCESSING PLANTS**



**UNBS
Permits**

Focused Engagement and Long-Term Relationship with Dairy Farmers

REGULAR DIRECT PAYMENT

- Money paid directly to farmers in their bank accounts once every 10 to 15 days
- ~85% of total farmers payment covered as of Q1FY23

TRANSPARENCY IN PROCUREMENT

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

SUPPLY CATTLE FEED

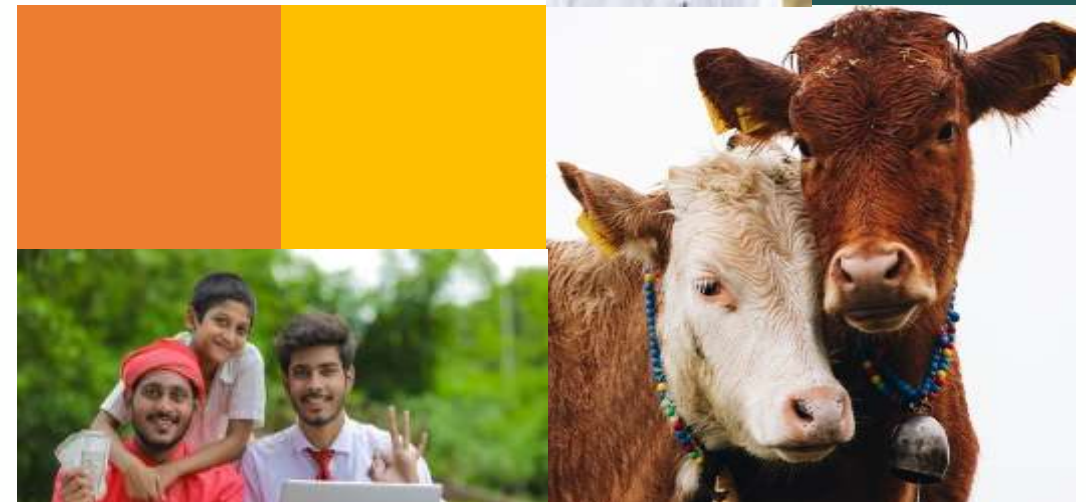
- Incorporated Orgafeed Private Limited to help provide cattle feed to farmers through own procurement network
- Payments adjusted against value of raw milk supplied

TIE UP WITH VETERINARIANS

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

FACILITATE BANK LOANS

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



Investment Rationale



INTEGRATED SUPPLY CHAIN

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



AUTOMATED PLANTS

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



BACKWARD INTEGRATED

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



PROVEN TRACK RECORD

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



ROBUST BALANCE SHEET

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

Dodla's ESG Commitment



ENVIRONMENT

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



SOCIAL

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



GOVERNANCE

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

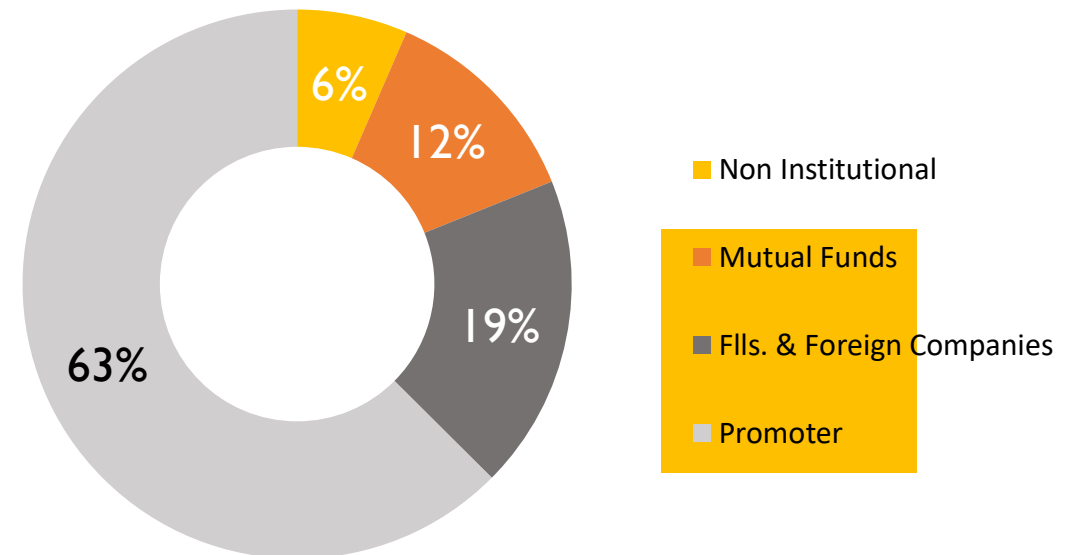
Capital Market Information



42,000+
Total Shareholders



Few of our Key Investors as on 30 th June 2022	(% of Total Equity)
TPG	9.80
SBI MF	9.24
International Finance Corporation	4.46
Ashoka India Opportunities Fund	2.70
Aditya Birla Sun Life Multi-cap Fund	1.56
DSP SMALL CAP FUND	1.03



Contact Us

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Appendix

Safe Harbour

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

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

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

Glossary

LLPD: Lakhs Liter per day

MTPD: Metric Tonnage Per day

UHT milk: Ultrahigh Temperature Processed Milk

VLCC: Village Level Collection Center

DRP: Dodla Retail Parlours

LPA: Liters Per Annum

MT: Metric Ton

VAP: Value-added Product

FII: Foreign Institutional Investor