



Ideas for a new day

PARAG MILK FOODS LIMITED

Investor Presentation


October 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	Q2 & H1 FY20 Financials & Key Developments
2	Company Overview
3	Industry Dynamics



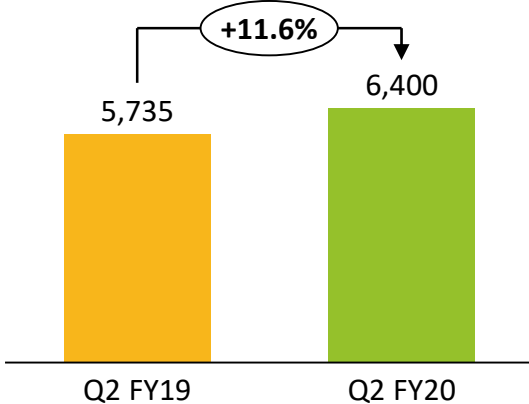
4	Financial Highlights
5	Annexures

Consolidated Financial Analysis – Q2 FY20

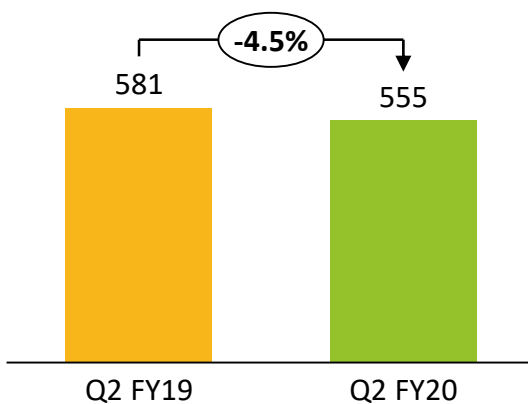


Ideas for a new day

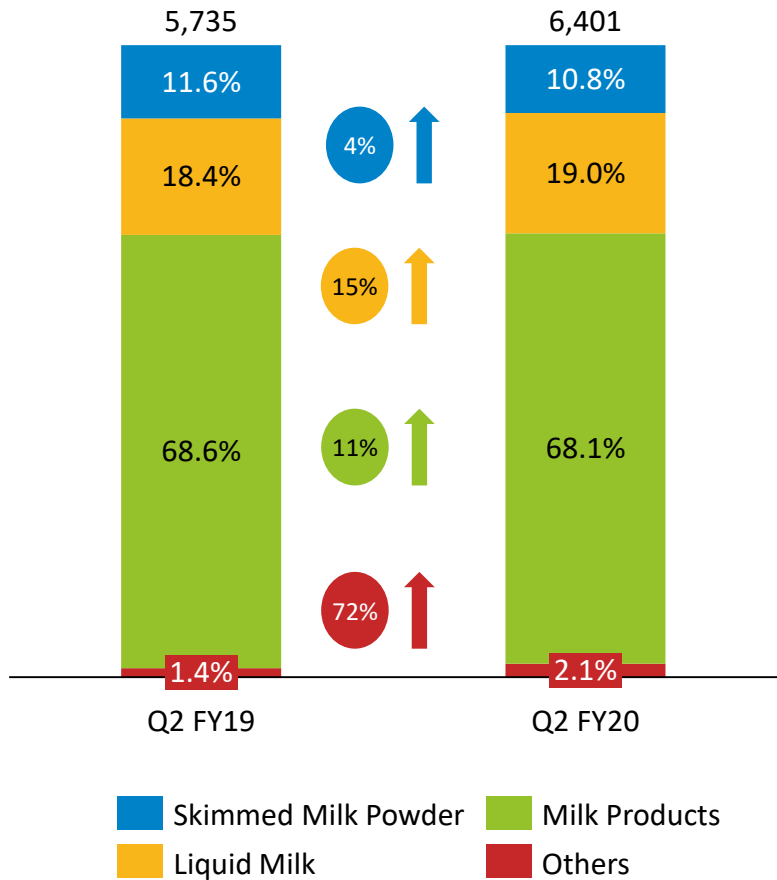
Revenue (Rs. Mn)



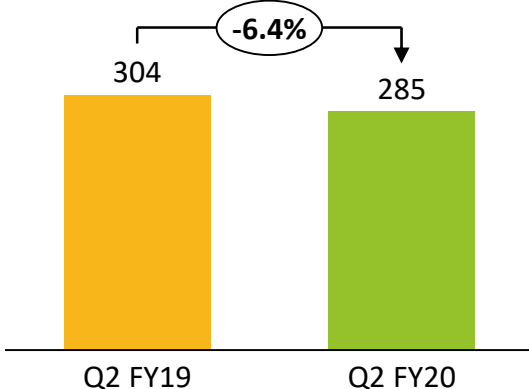
EBITDA (Rs. Mn)



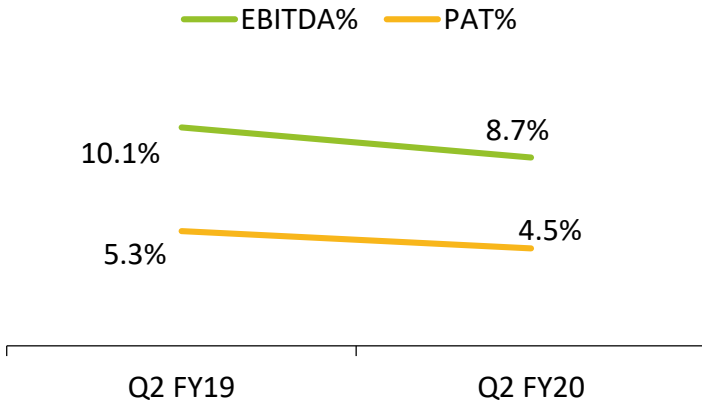
Product wise Revenue Break-up (Rs. Mn)



PAT (Rs. Mn)



Margins (%)

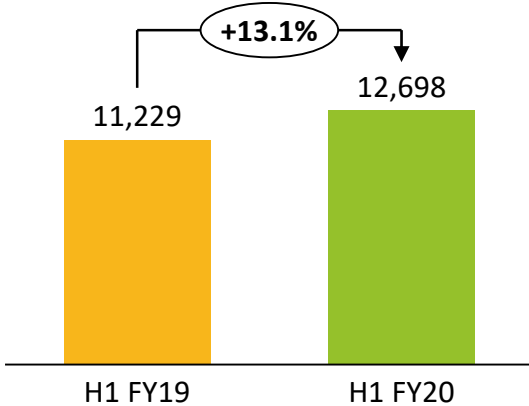


Consolidated Financial Analysis – H1 FY20

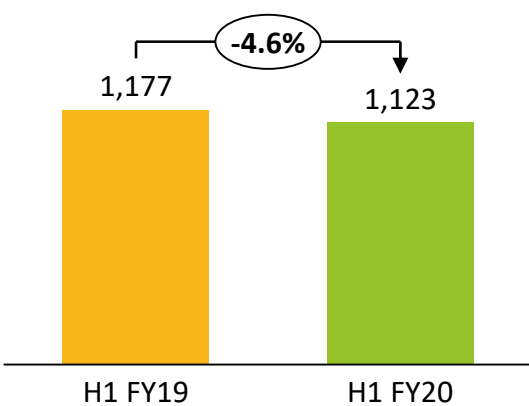


Ideas for a new day

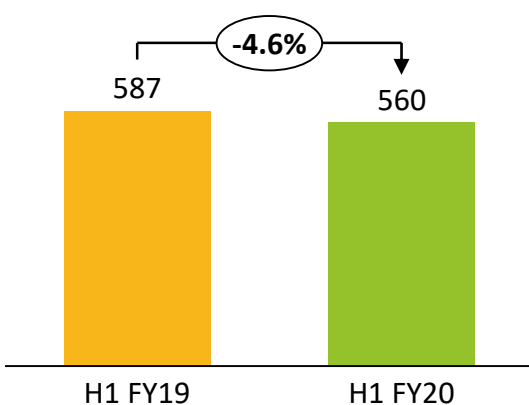
Revenue (Rs. Mn)



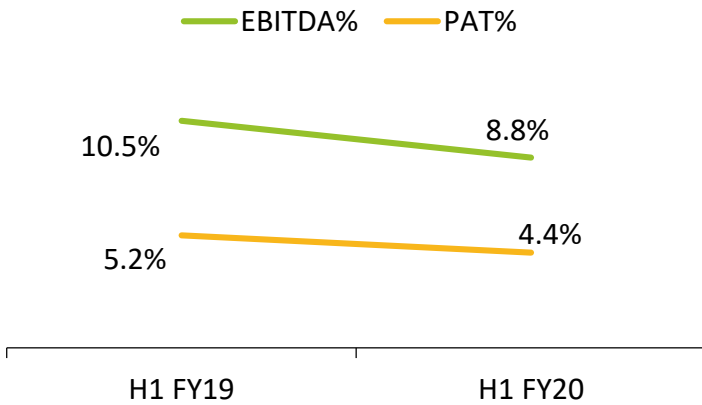
EBITDA (Rs. Mn)



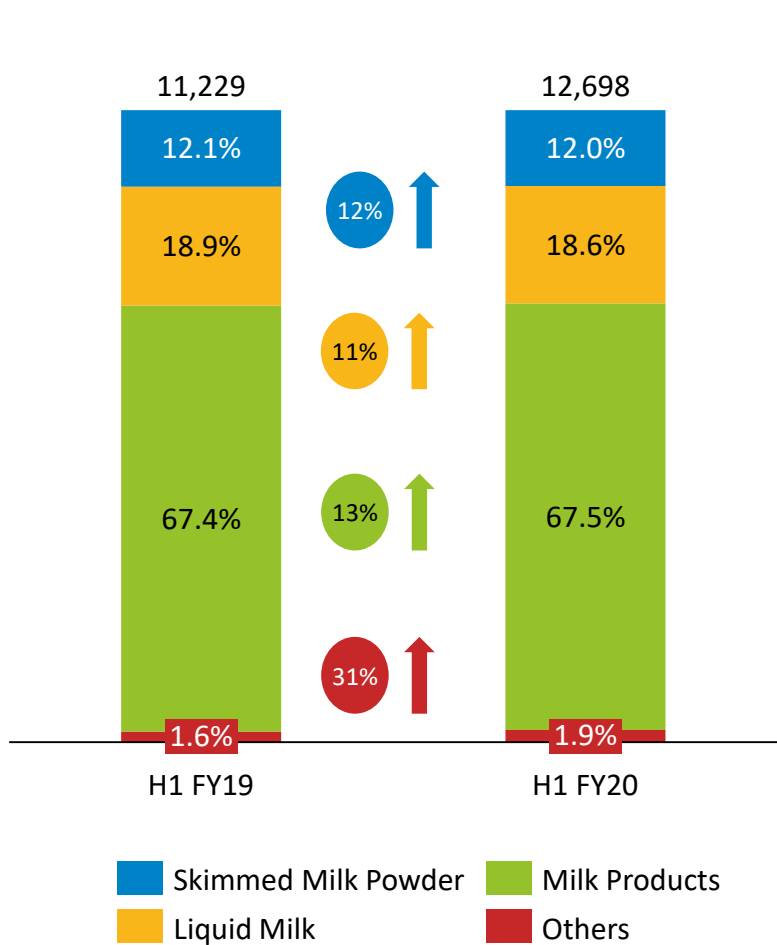
PAT (Rs. Mn)



Margins (%)



Product wise Revenue Break-up (Rs. Mn)



Key Highlights



Ideas for a new day

Revenue

- Consolidated Revenue from Operations for Q2 FY20 stood at Rs. 6,400 million, a growth of 11.6% YoY from Rs. 5,735 million in Q2 FY19.
 - Growth was driven by an increase in revenue from Milk Products by 11% YoY to Rs. 4,360 million

Gross Profit

- Gross Profit for Q2 FY20 stood at Rs. 1,643 million as compared to Rs. 1,768 million in Q2 FY19.
 - Gross margins stood at 25.7% in Q2 FY20 impacted due to disruptions in milk availability caused by prolonged monsoons
 - Substantial improvement in milk availability has been seen since Dusshera with a slight moderation in milk prices

EBITDA

- EBITDA for Q2 FY20 stood at Rs. 555 million as compared to Rs. 581 million in Q2 FY19.
 - EBITDA Margin for Q2 FY20 stood at 8.7% which was impacted mainly due to decline in gross margins

PAT

- PAT for Q2 FY20 stood at Rs. 285 million as compared to Rs. 304 million in Q2 FY19

Consolidated Profit & Loss Statement



Ideas for a new day

Particulars	Q2 FY20	Q2 FY19	YoY	Q1 FY20	QoQ	H1 FY20	H1 FY19	YoY
Revenue from Operations	6,400.3	5,734.8	11.6%	6,297.4	1.6%	12,698.7	11,229.1	13.1%
Raw Material Costs	4,757.3	3,967.1		4,612.9		9,370.2	7,793.7	
GROSS PROFIT	1,643.0	1,767.7	-7.1%	1,684.5	-2.5%	3,327.4	3,435.4	-3.1%
Gross Margins	25.7%	30.8%	-510 bps	26.7%	-100 bps	26.2%	30.6%	-440 bps
Employee Expenses	259.3	232.6		267.1		526.4	436.8	
Other Expenses	828.9	954.0		848.8		1,677.7	1,821.2	
EBITDA	554.8	581.1	-4.5%	568.5	-2.4%	1,123.3	1,177.4	-4.6%
EBITDA Margin %	8.7%	10.1%	-140 bps	9.0%	-30 bps	8.8%	10.5%	-170 bps
Other Income	30.8	14.7		28.1		58.9	32.5	
Depreciation	130.2	133.6		132.9		263.1	269.1	
EBIT	455.4	462.1	-1.5%	463.8	-1.8%	919.1	940.7	-2.3%
Finance Cost	86.3	76.3		93.2		179.5	177.8	
Exceptional Items	0.0	0.0		0.0		0.0	0.0	
PBT	369.0	385.8	-4.3%	370.6	-0.4%	739.6	762.9	-3.1%
Tax Expense	84.1	81.5		95.5		179.6	175.9	
PAT	284.9	304.3	-6.4%	275.1	3.6%	560.0	587.0	-5%
PAT Margin %	4.5%	5.3%	-80 bps	4.4%	10 bps	4.4%	5.2%	-80 bps
Other Comprehensive Income	0.3	-1.1		0.2		0.5	-1.5	
Total Comprehensive Income	285.2	303.2	-5.9%	275.3	3.6%	560.5	585.5	-4.3%

Consolidated Balance Sheet



Ideas for a new day

Particulars	Sep-19	Mar-19
ASSETS		
Non-current assets		
Property, plant and equipment	4,223.2	4,023.4
Capital work-in-progress	54.5	290.3
Other intangible assets	46.0	34.5
Biological assets other than bearer plants	362.9	337.6
Financial assets		
Investments	6.5	5.3
Loans	3.8	3.5
Other financial assets	123.9	130.0
Deferred tax assets (net)	165.1	166.7
Other non-current assets	158.5	219.2
Sub-total - Non-Current Assets	5,144.4	5,210.4
Current assets		
Inventories	4,890.5	4,628.8
Financial assets		
Trade receivables	3,127.3	2,786.5
Cash and cash equivalents	100.2	73.5
Other Bank balances	187.4	46.9
Other current assets	1,584.3	1,674.3
Sub-total - Current Assets	9,889.7	9,209.9
TOTAL - ASSETS	15,034.1	14,420.4

Particulars	Sep-19	Mar-19
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	839.4	839.4
Other equity	7,894.8	7,432.0
Sub-total - Shareholders' funds	8,734.2	8,271.4
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	583.0	646.2
Provisions	12.0	44.5
Other non-current liabilities	48.2	0.0
Sub-total - Non-current liabilities	643.2	690.7
Current liabilities		
Financial liabilities		
Borrowings	1,528.0	1,488.8
Trade payables	2,875.6	2,971.0
Other financial liabilities	745.2	725.7
Other current liabilities	147.2	84.3
Provisions	111.8	10.2
Current tax liabilities (net)	248.9	178.4
Sub-total - Current liabilities	5,656.7	5,458.3
TOTAL - EQUITY AND LIABILITIES	15,034.1	14,420.4

Consolidated Cash Flows Statement



Ideas for a new day

Particulars	H1 FY20	FY19	H1 FY19
Net Profit After Taxes as per Statement of Profit & Loss	739.6	1,477.9	762.9
Operating Profit before Working Capital changes	1,192.6	2,807.9	1,359.3
Cash Generated from Operations	615.9	1,683.0	1,073.3
Direct taxes paid (Net of refund)	-106.4	-272.6	-96.3
Net Cash Flow from Operating Activities (A)	509.6	1,410.4	977.0
Net Cash Flow from Investing Activities (B)	-287.7	-701.4	-547.6
Net Cash Flow from Financing Activities (C)	-195.2	-945.5	-520.9
Net Increase/(decrease) in Cash and Cash Equivalents (A+B+C)	26.7	-236.6	-91.5
Cash and Cash Equivalent at the beginning of the period	73.5	310.0	310.0
Cash and Cash Equivalent at the end of the period	100.2	73.5	218.5

Strong Free Cash Flow Generation of Rs. 33.7 crore in H1 FY20

Marketing Campaigns & Consumer Engagement Initiatives



Ideas for a new day

GO Cheese



GO Cheese TVC ran on POGO (Kids) and Top Marathi Regional Movie Channel Zee Talkies

Gowardhan Ghee



Gowardhan Ghee Campaign on Regional Marathi News Channel ABP Majha

Avatar



Beverages



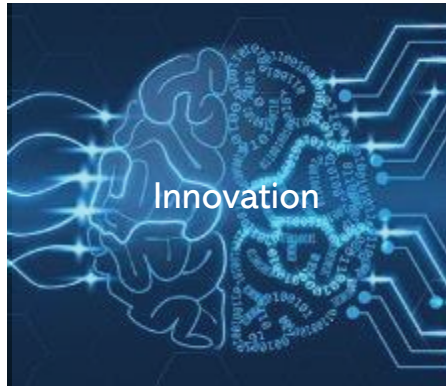
Gowardhan Dahi



Pride of Cows



Digital & Social Media Promotions



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**



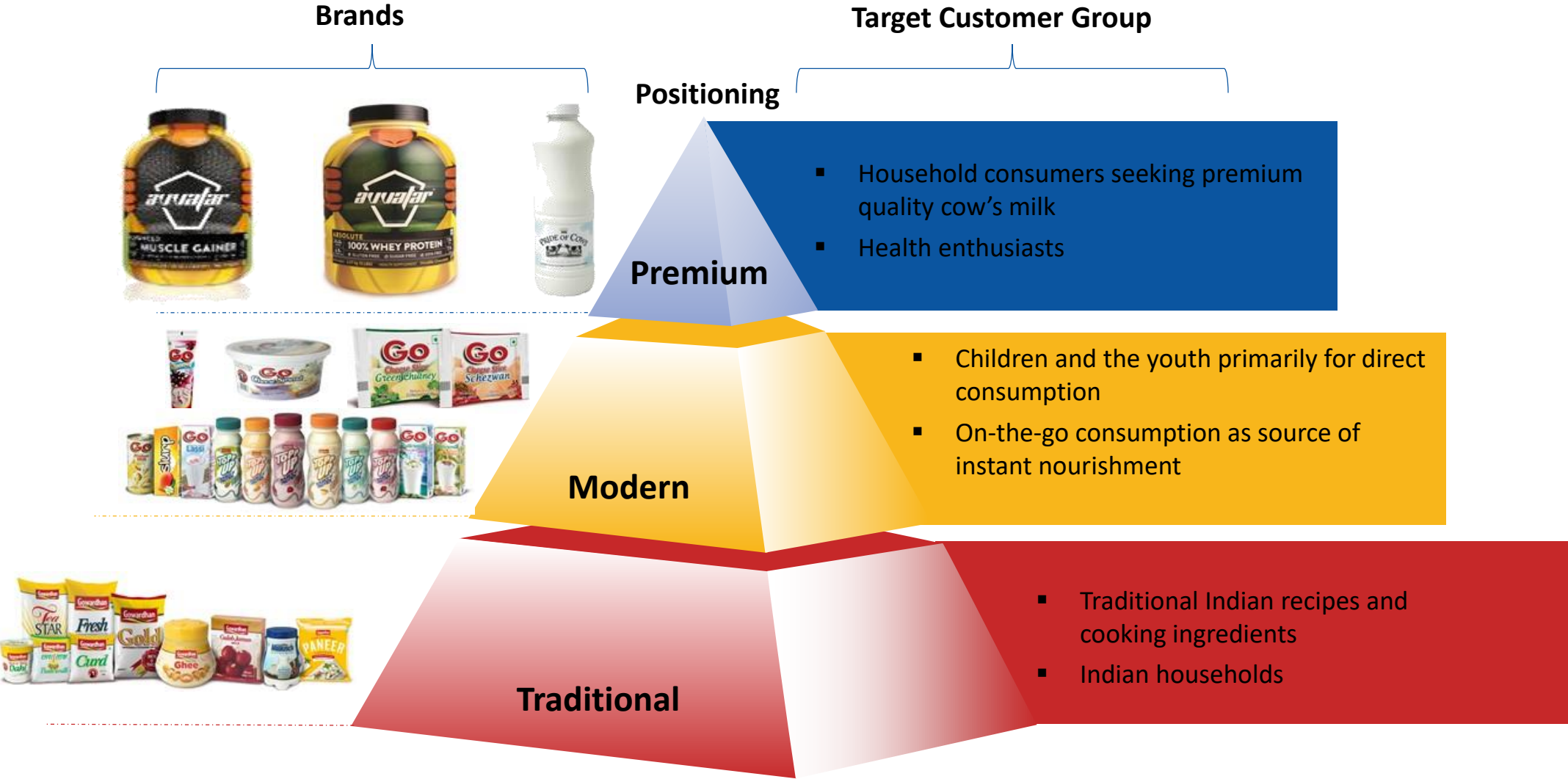
2018

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



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**'

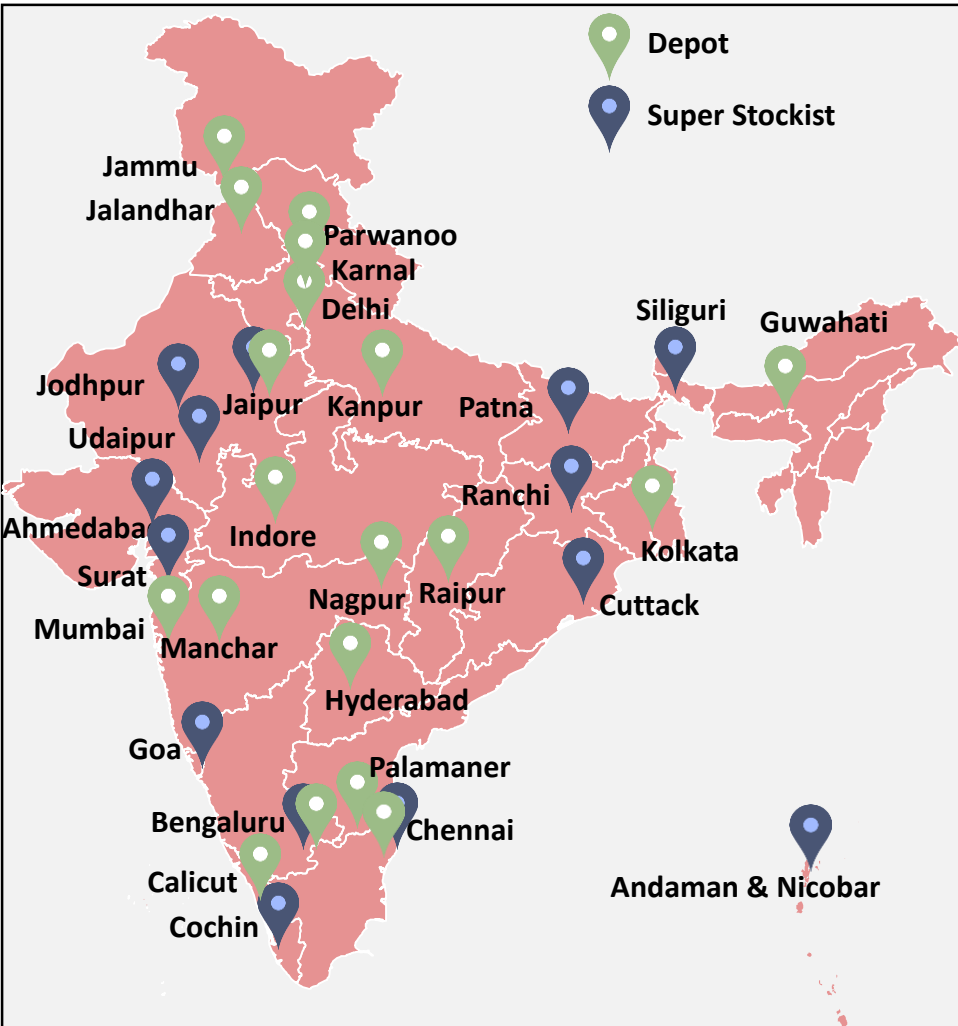
Leading private player in UHT Category under the
Brand '**GO**'

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

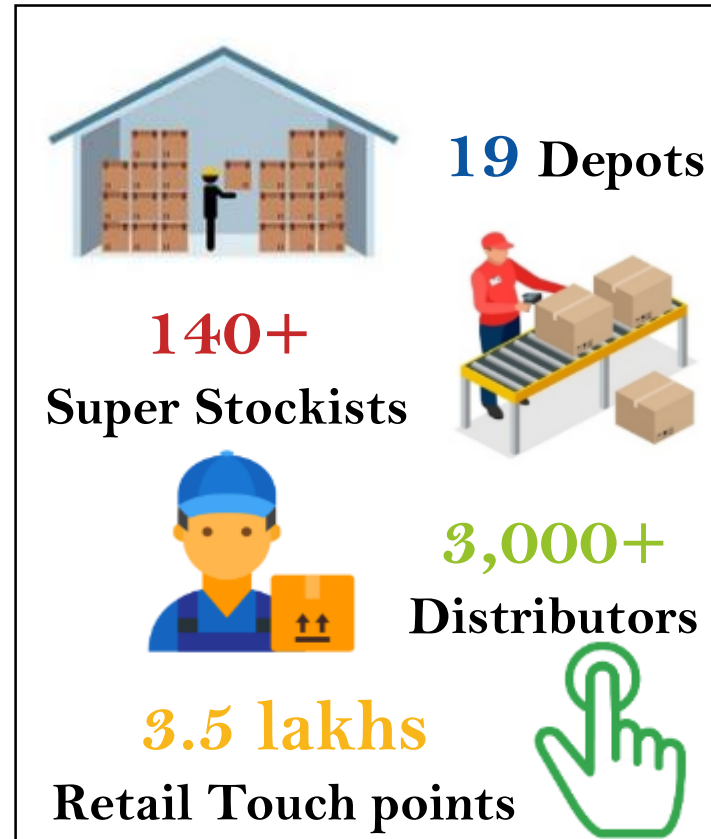
Converted waste into value-added products like
organic fertilizers from cow manure and urine
under brand '**Bhagalaxmi Dairy Farms**'

Last mile availability from 'Farm to Fork'

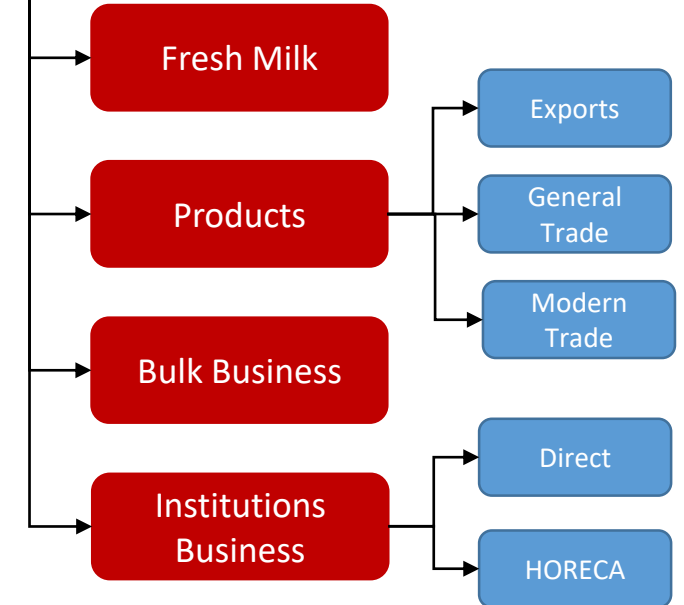
Pan-India Reach



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**

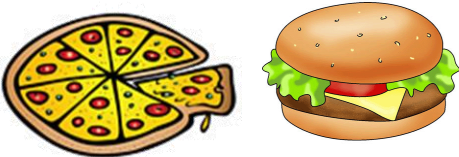
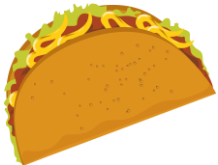
Maintaining the **Exclusivity of the Product**

Strong/ Long term Relations with Customers

Supplies To:

Prominent Burger Chains

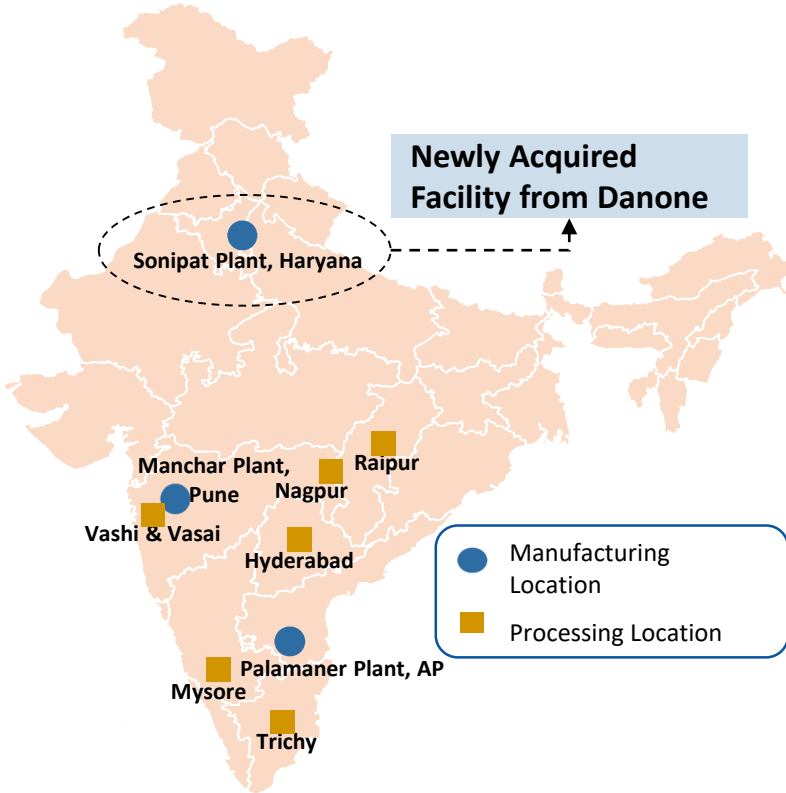
Major FMCG companies



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
- 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

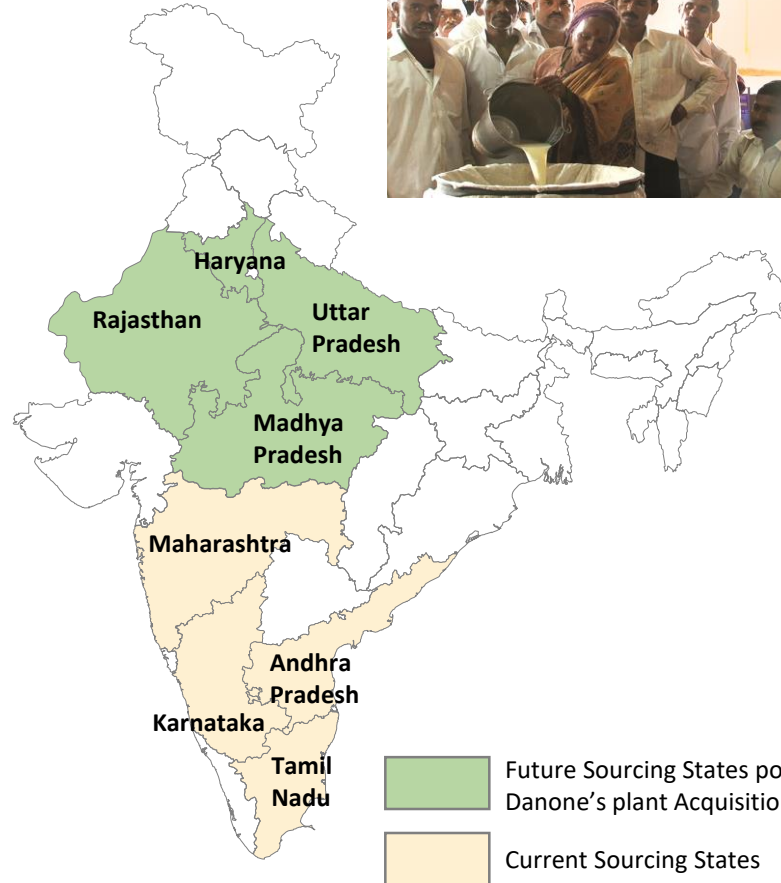
Tier 2

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

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. Shirish Upadhyay
Senior VP Strategy

He has 20+ years of experience in dairy and has spent 12 years with GCOMMFL (Amul). He has been associated with our company since 2010 during which he was responsible for strategic planning & operations. For a brief time, he advised the management on Company strategy and operations, and is joining the Company full-time from July 2019. He has a Bachelor's degree in Science from Sardar Patel University and a Master's degree in Business Administration from Bhavnagar University.

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

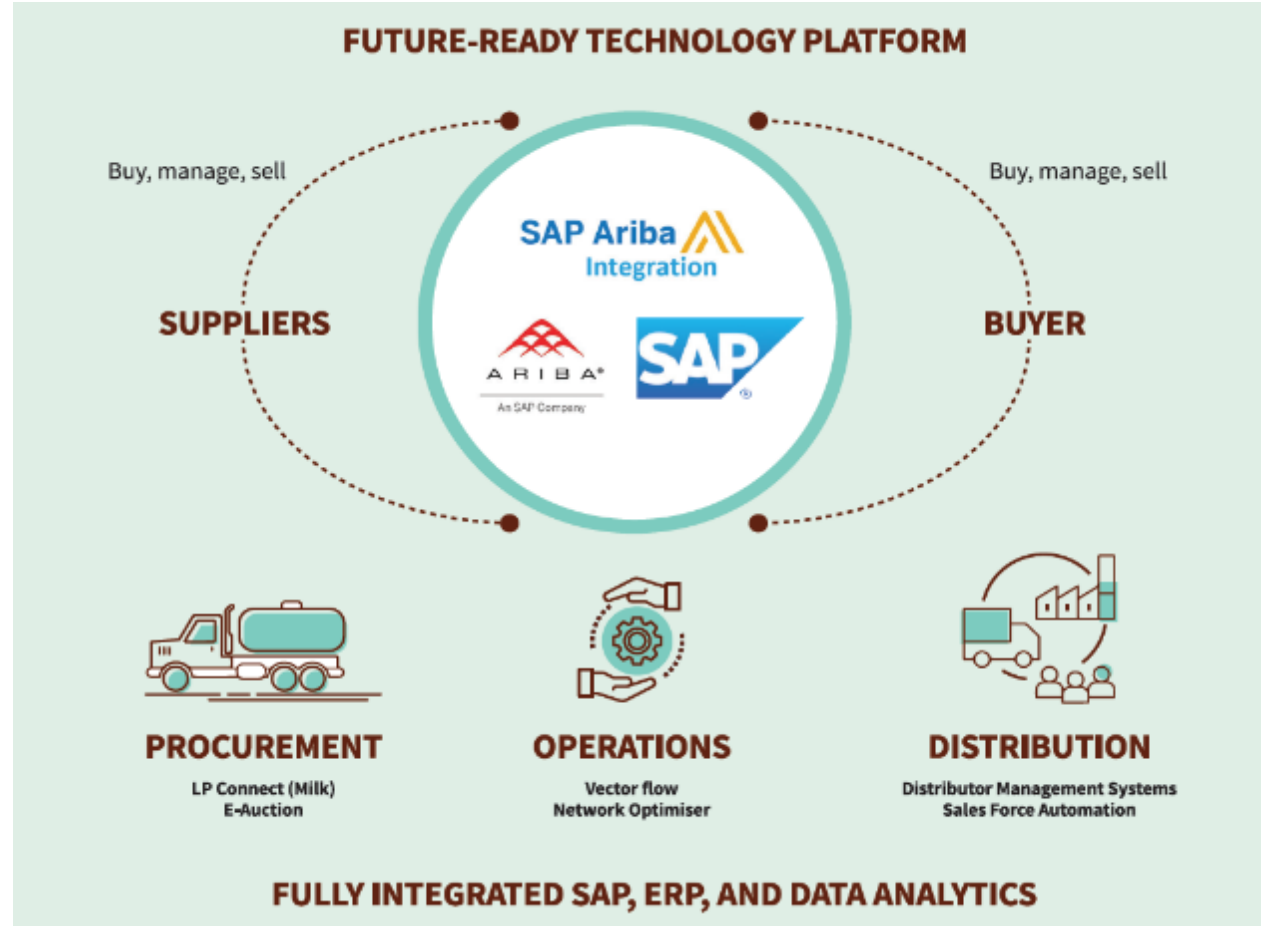
Qualified Company Secretary and an Associate Member of the Institute of Company Secretaries of India. She also holds a Bachelor's degree in Commerce and LL.B. degree from the University of Mumbai. She has over 18 years of experience as a Company Secretary.

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



Ideas for a new day

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

Product
Reach

Enhance Product Reach

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



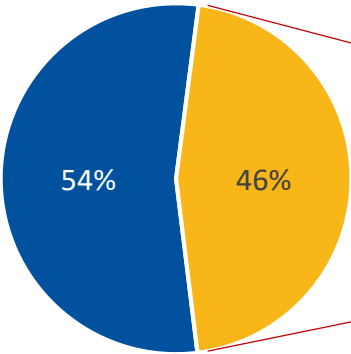


Industry Dynamics

Indian Dairy Market

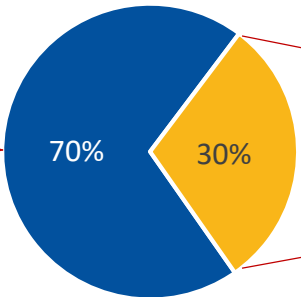


Milk production volume break-up by Marketability



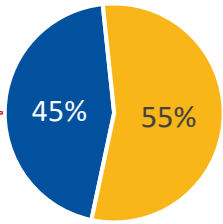
■ Self Consumption ■ Marketable Milk

Marketable Milk volume break-up by Segment



■ Unorganised ■ Organised

Organized Marketable Milk volume break-up by Segment

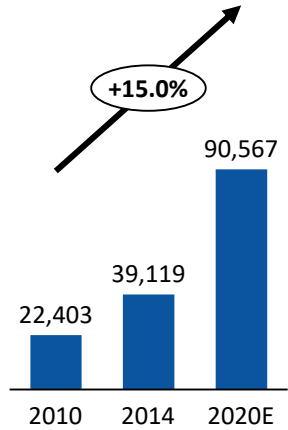


■ Cooperatives ■ Private Players

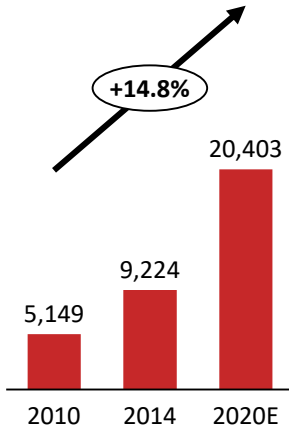
Source: IMARC Report – Industry size is as per market realizations
 Amounts in US\$ Billion, 1US\$ = INR 67

Tremendous Growth Potential across Product Segments

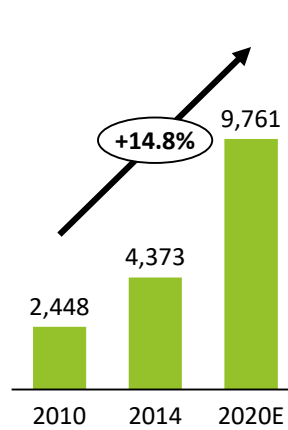
Liquid Milk



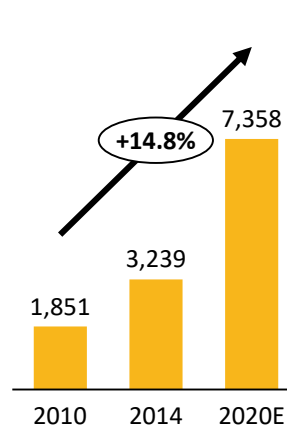
Ghee



Paneer



Curd



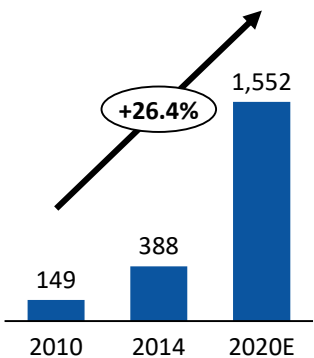
Traditional Products Growth

CAGR of 15%

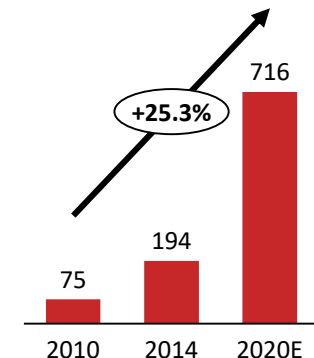
Modern Products Growth

CAGR of 26%

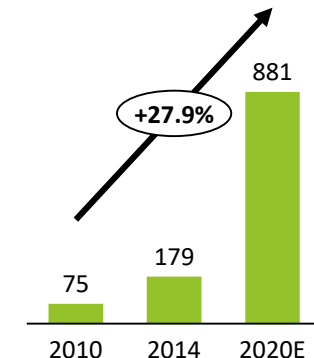
UHT Milk



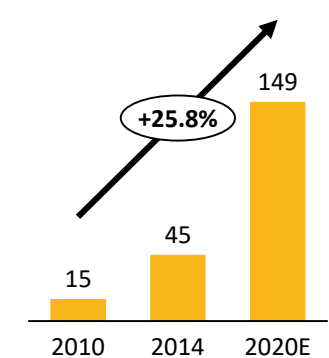
Flavoured Milk



Cheese



Whey (Powder)



Financial Highlights

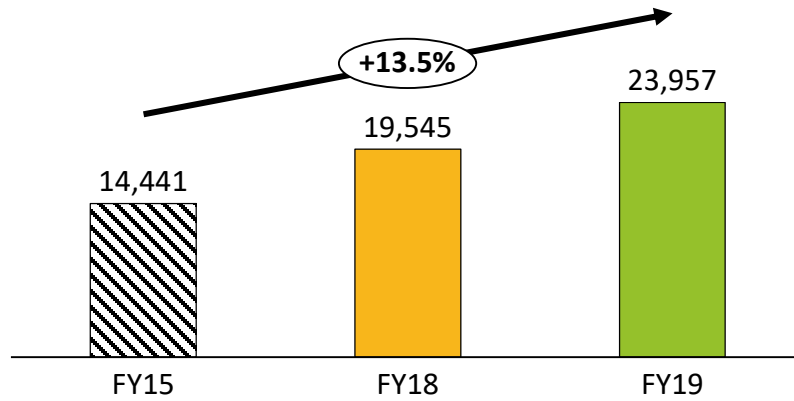


Key Financial Highlights

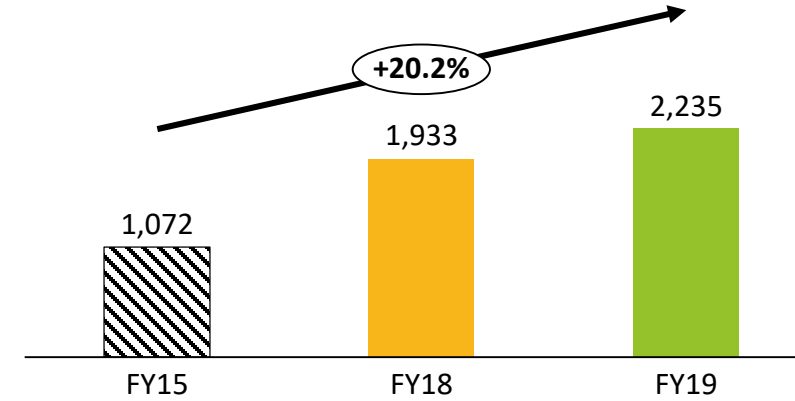


Ideas for a new day

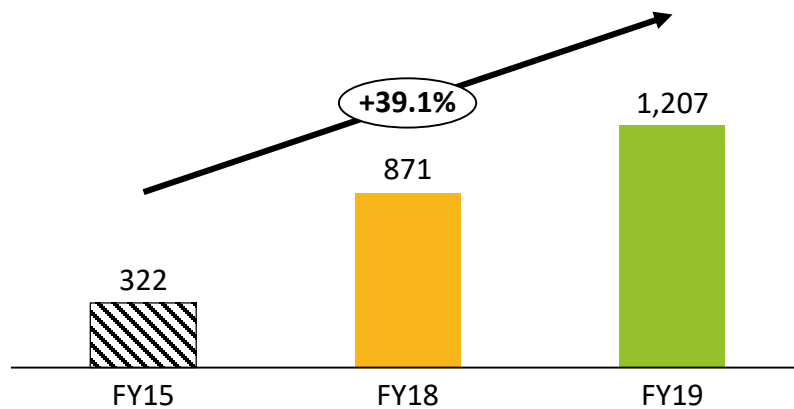
Revenue (Rs. Mn)



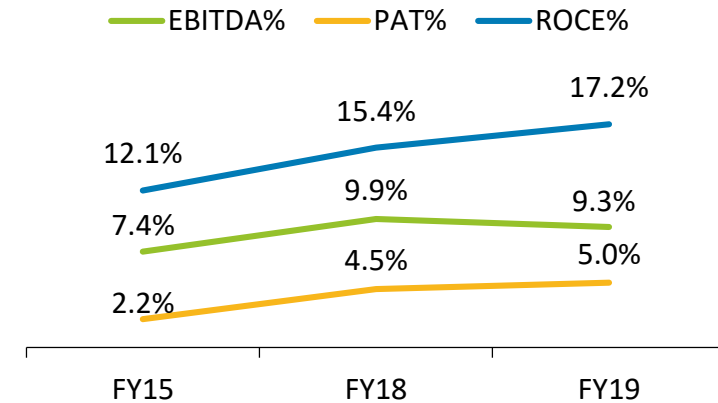
EBITDA (Rs. Mn)



PAT (Rs. Mn)



Margins (%)

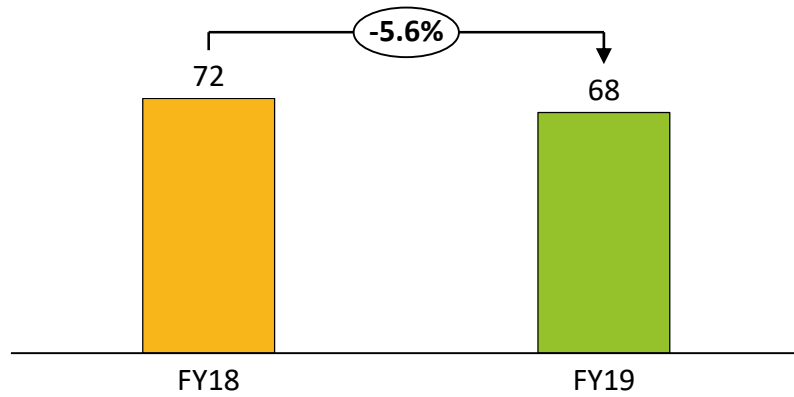


Key Financial Highlights

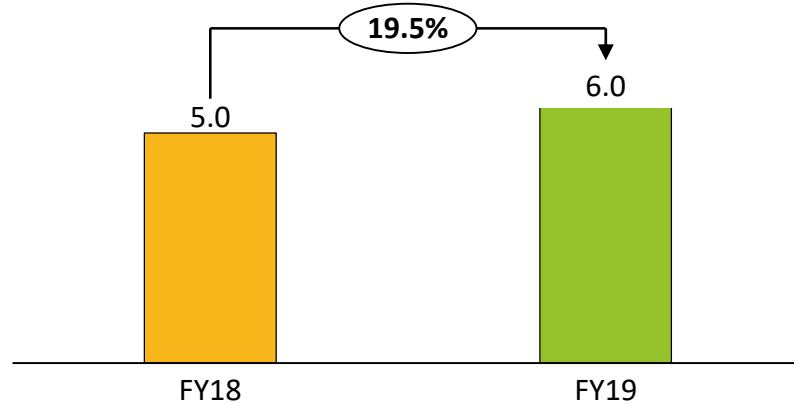


Ideas for a new day

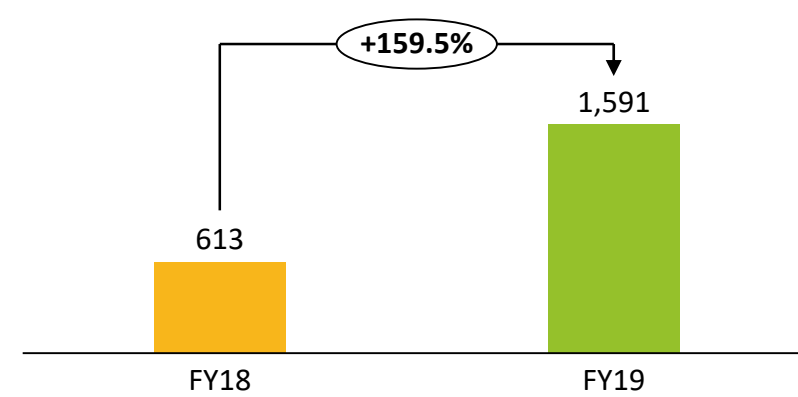
Working Capital (In Days)



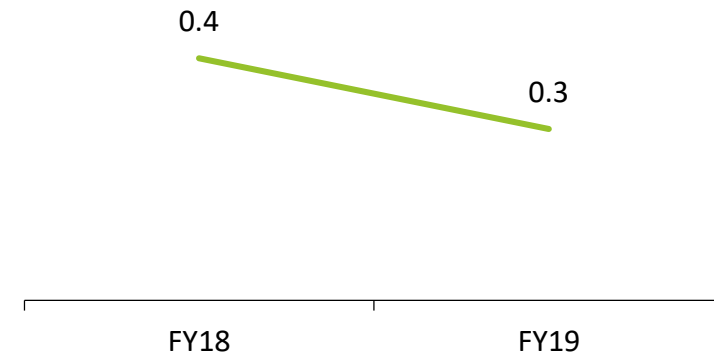
Fixed Assets Turnover Ratio



Operating Cash Flows (Rs. Mn)



Debt to Equity



Consolidated Profit & Loss Statement



Ideas for a new day

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

Consolidated Balance Sheet



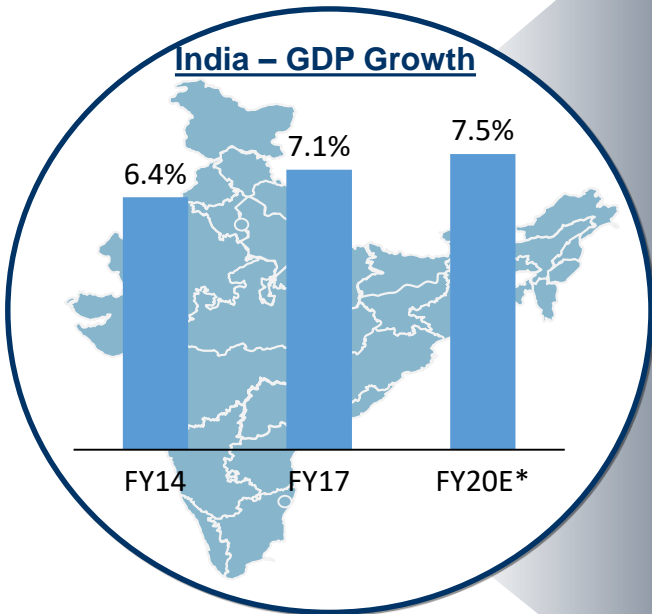
Ideas for a new day

Particulars	Mar-19	Mar-18
ASSETS		
Non-current assets		
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
Financial assets		
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
Sub-total - Non-Current Assets	5,210.4	4,764.0
Current assets		
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
Sub-total - Current Assets	9,209.9	9,051.3
TOTAL - ASSETS	14,420.4	13,815.3

Particulars	Mar-19	Mar-18
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	839.4	838.9
Other equity	7,432.0	6,282.8
Sub-total - Shareholders' funds	8,271.4	7,121.6
LIABILITIES		
Non-current liabilities		
Financial liabilities		
Borrowings	646.2	635.2
Provisions	40.8	35.5
Other non-current liabilities	0.0	58.2
Sub-total - Non-current liabilities	799.8	728.8
Current liabilities		
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
Sub-total - Current liabilities	5,462.0	5,964.8
TOTAL - EQUITY AND LIABILITIES	14,420.4	13,815.3

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

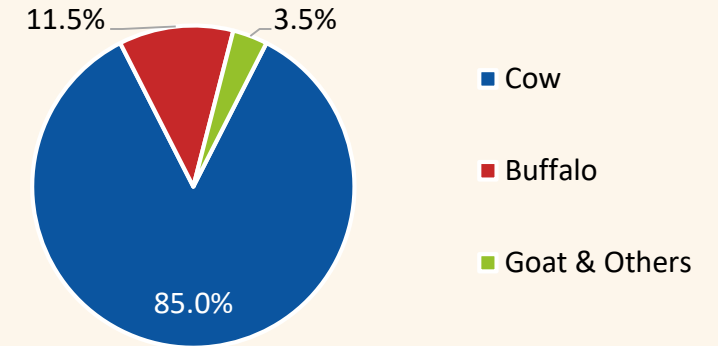
- Increasing quality & safety concerns increasing demand for packaged food, in particular pasteurised packaged milk
- Organised market share to also increase to 26%, in value terms, by 2020

India Contributes > 20% of Global Milk Production

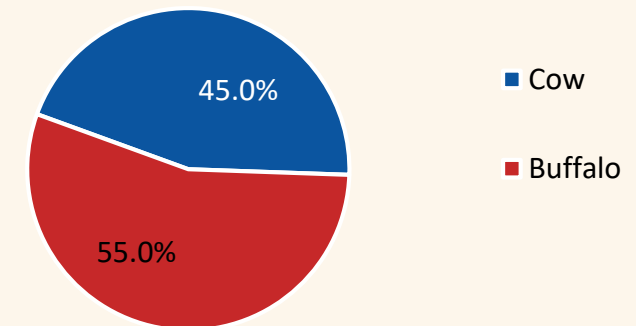
Top Milk Producing Countries (Million MT)

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%

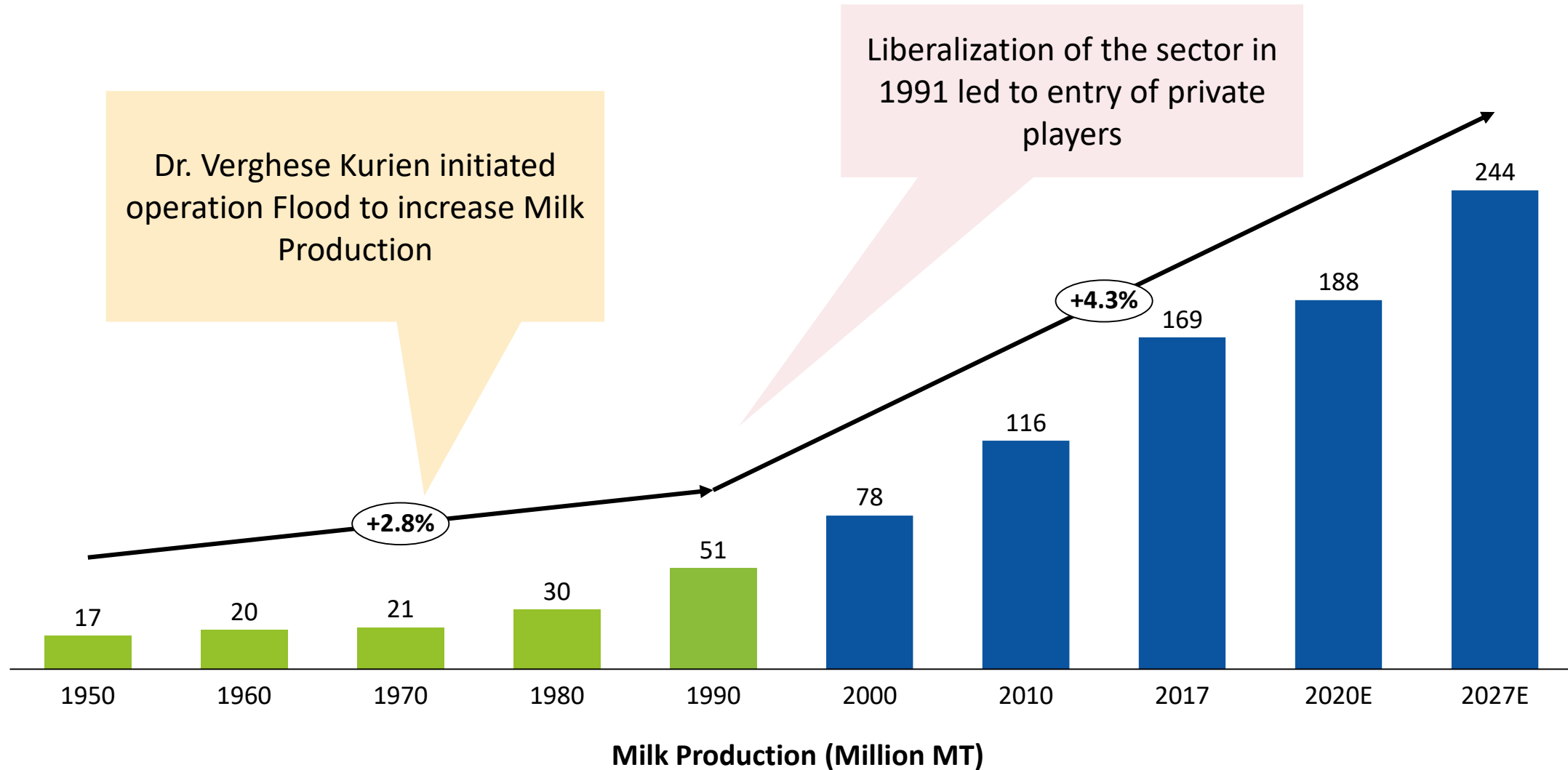
Global - Animal Wise Milk Production - 2017



India - Animal Wise Milk Production - 2017

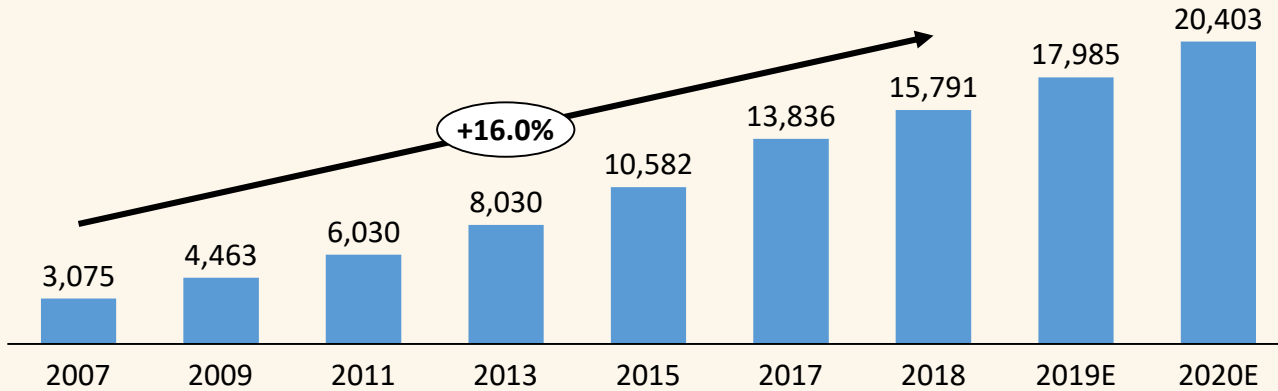


Milk Production in India

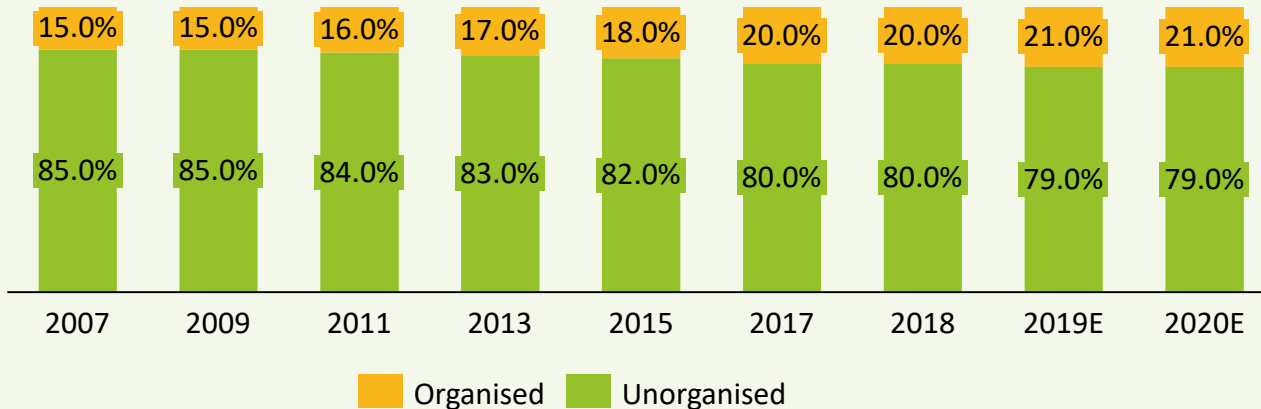


Ghee Market (Butter Oil/Cooking Oil/Clarified Butter)

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



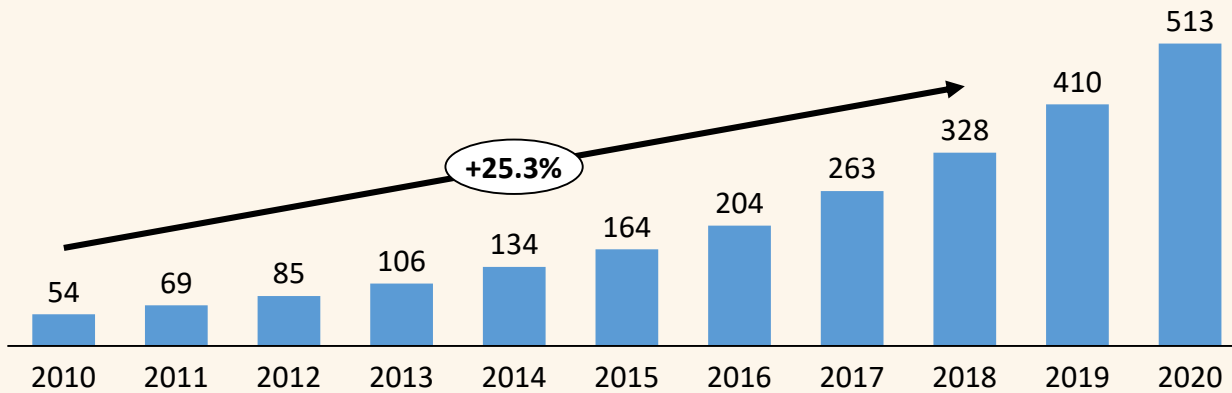
Organized vs Unorganized Sales



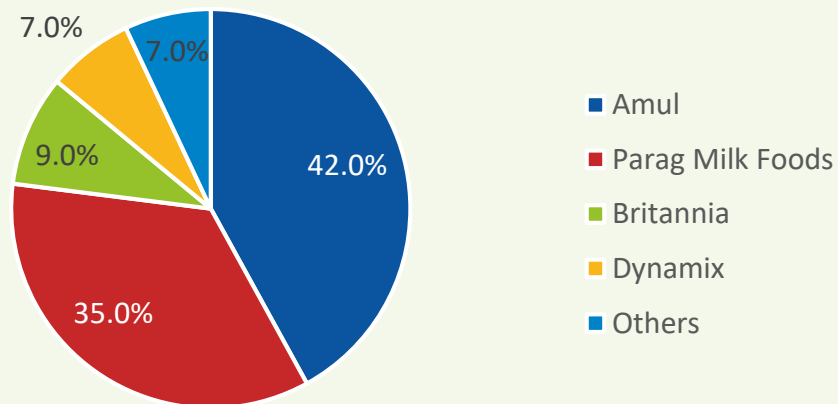
Key Highlights

- 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

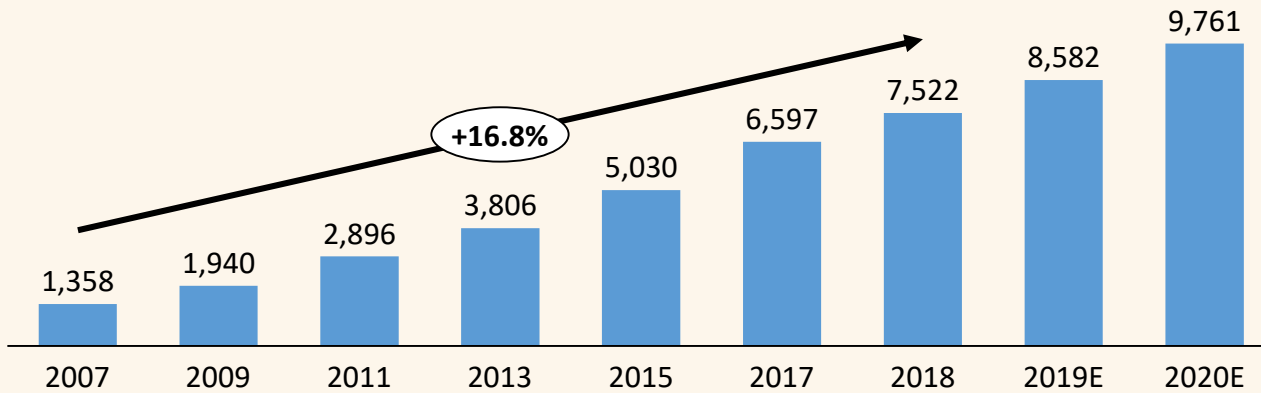


Key Highlights

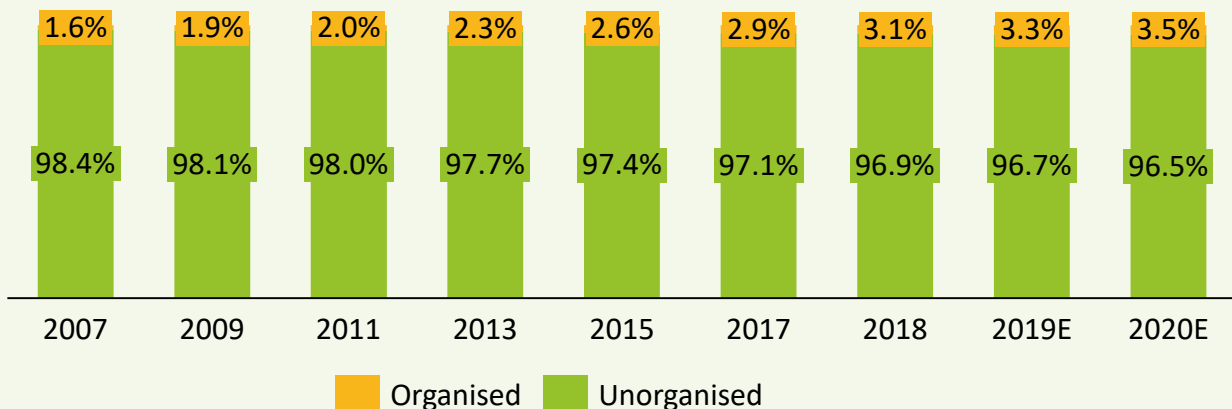
- Cheese is one of the fastest growing segments among dairy products in India
- Rise in food service outlets and changing food habits are major drivers
- Earlier, the cheese market in India was dominated by block cheese, slices and cubes
- Through innovation Parag has achieved a leadership position with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

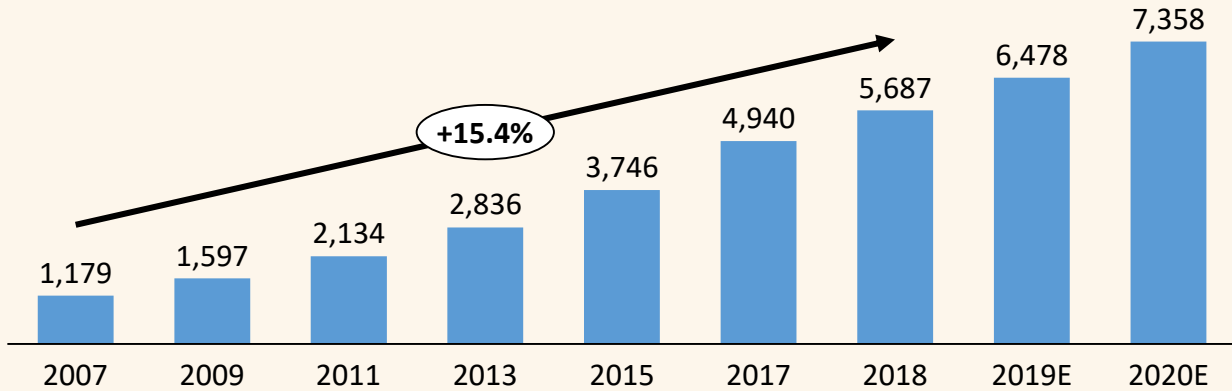


Key Highlights

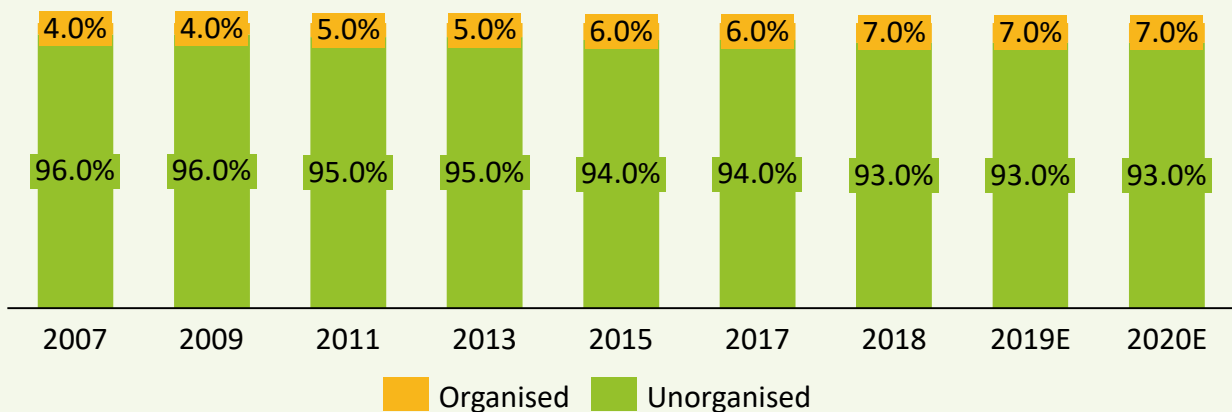
- Paneer is to India what cheese is to the Western world and is an integral part of many Indian recipes
- Paneer is the third largest segment in the milk products category
- Paneer is consumed like vegetables in Indian households and therefore purchased fresh on a daily basis
- With innovation in manufacturing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



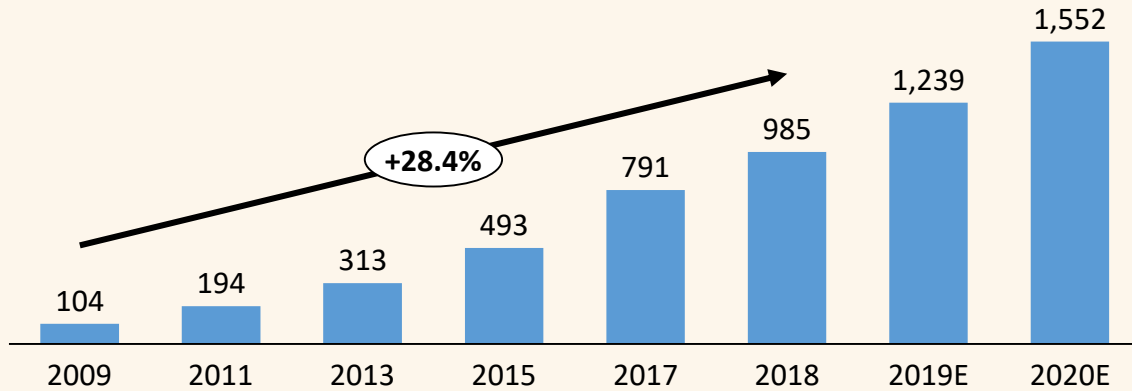
Organized vs Unorganized Sales



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

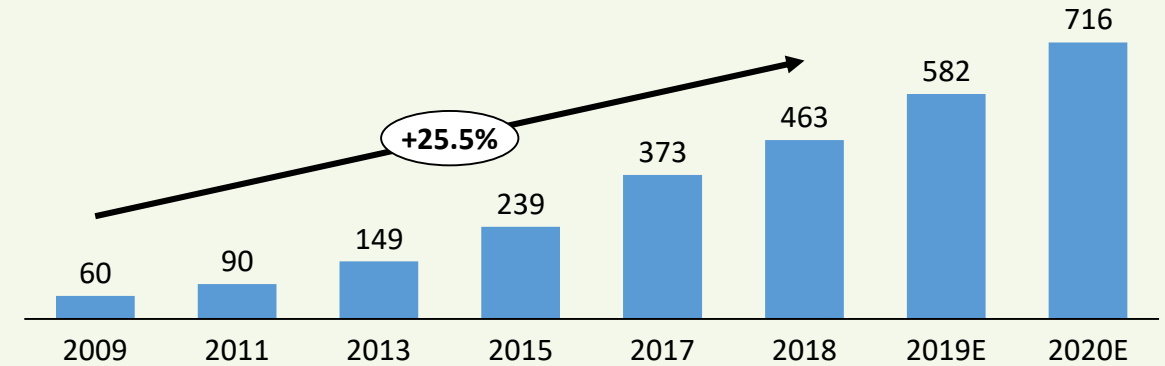
India's UHT Market Size (in US\$ Million)



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)



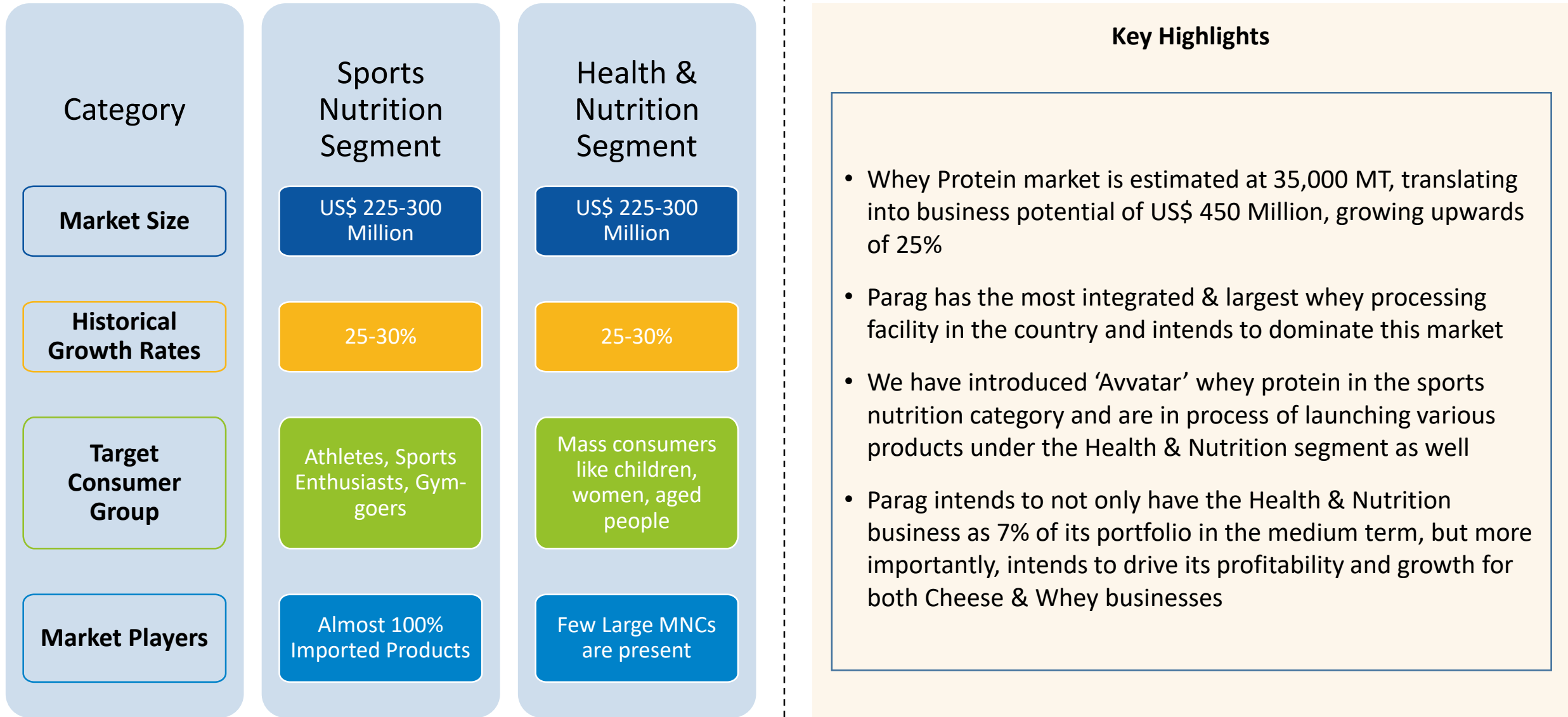
Key Highlights

- 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

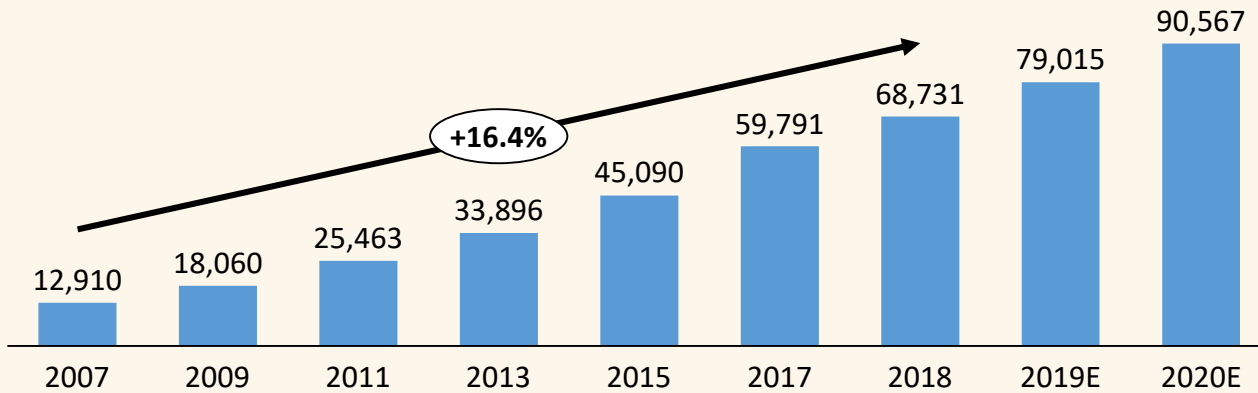
Whey Protein



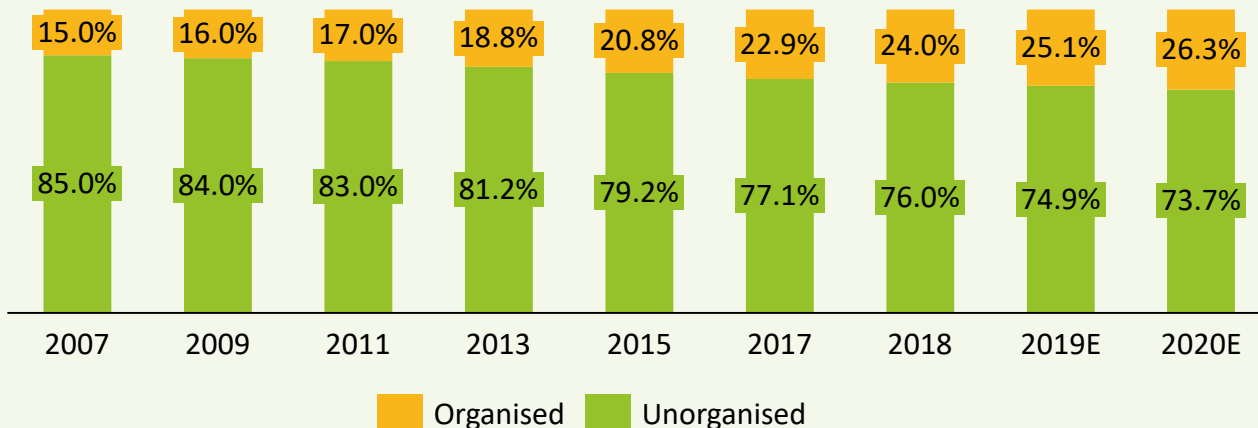
Ideas for a new day



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



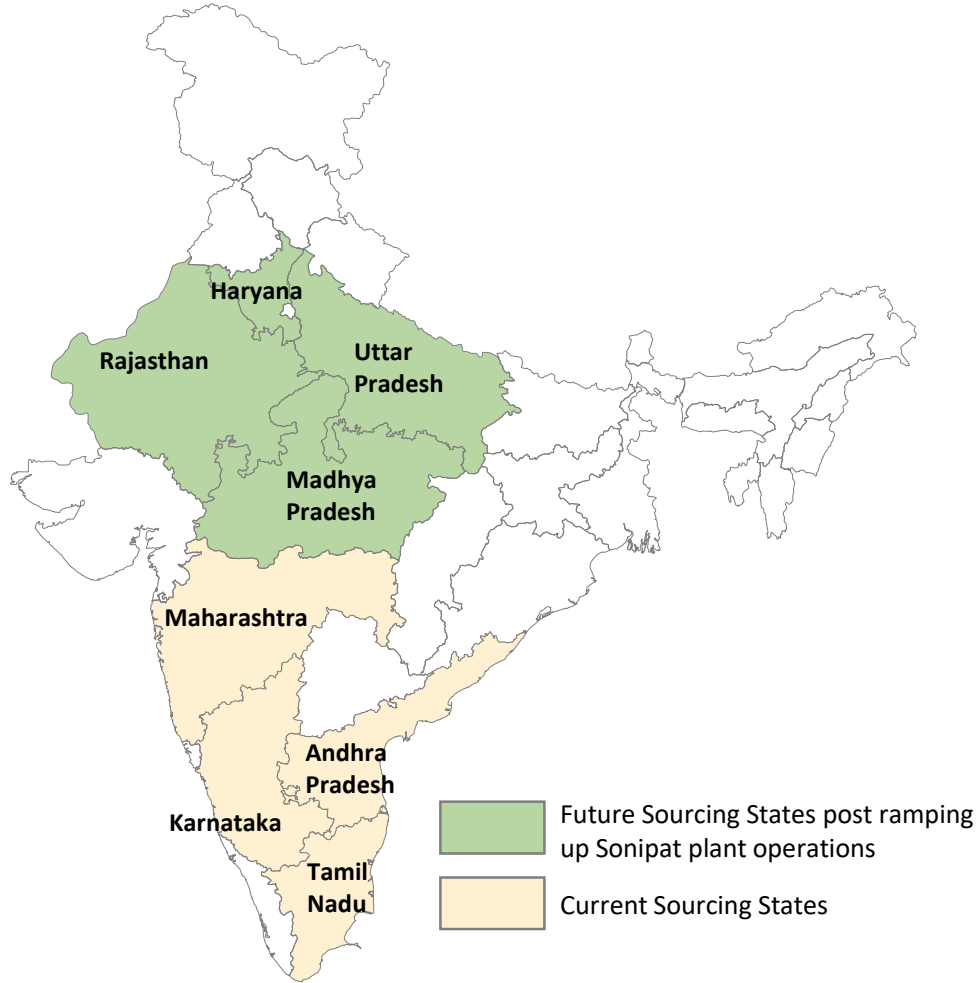
Organized vs Unorganized Sales



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%
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



Ideas for a new day

SGA Strategic Growth Advisors

Company :

Parag Milk Foods Limited

CIN: L15204PN1992PLC070209

Name: Natasha Kedia

Email: natasha.kedia@paragmilkfoods.com

Phone: +91 22 4300 5555/ Ext: 631

Investor Relations Advisors:

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Varun Divadkar / Deven Dhruva

varun.divadkar@sgapl.net / deven.dhruva@sgapl.net

+91-9763702204 / +91-9833373300