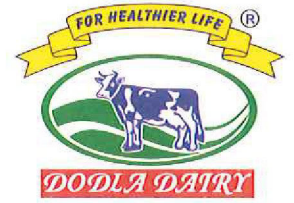


# DODLA DAIRY LIMITED

MILK & MILK PRODUCTS

Corporate Office : # 8-2-293/82/A, Plot No. 270-Q, Road No. 10C,  
Jubilee Hills, Hyderabad - 500033.  
Ph : 040-4546 7777 Fax : 040-4546 7788



Date: 14 July 2021

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

Dear Sir/Madam,

**Sub: Investor Presentation-Reg.**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the Investor Presentation.

The copy of the disclosure is available on the website of the Company i.e. [www.dodladairy.com](http://www.dodladairy.com)

This is for your information and record.

Thanking you,

Yours Faithfully,  
**For Dodla Dairy Limited**

**Ruchita Malpani**  
Company Secretary & Compliance Officer



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

# Investor Presentation

JULY 2021



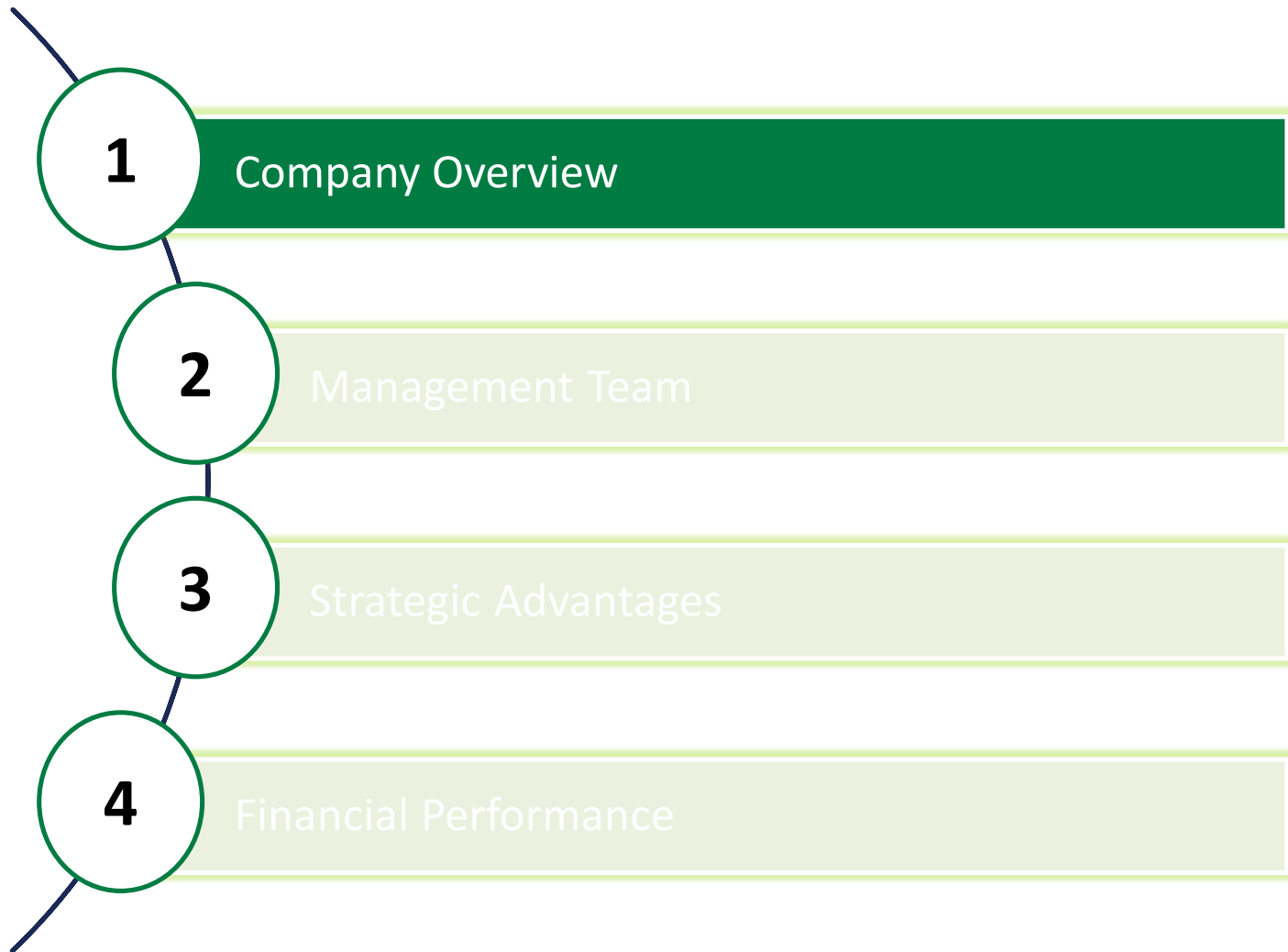
# Table of Content

1 Company Overview

2 Management Team

3 Strategic Advantages

4 Financial Performance





# Dodla Dairy Overview



## Business Overview

- ❑ Founded in 1995, Dodla Dairy is an integrated dairy company based in South India
- ❑ Processes and sells fluid milk and also produces dairy-based value-added products (“VAPs”)
- ❑ Strong relationships with +1 lakh dairy farmers for milk procurement.
- ❑ 3<sup>rd</sup> largest procurement network
- ❑ Geographic presence in India and Africa
- ❑ 2<sup>nd</sup> highest market presence spanning 11 states across India

## Vision

- ❑ To be a world-class dairy company by providing high-quality products and services.

## Mission

- ❑ To supply good and safe milk & milk products consistently through continual improvement of our systems and practices.

## Dodla Dairy in Numbers (FY'21)

- ❑ Milk Processing Capacity: 17 LLPD\*
- ❑ Curd Packing Capacity: 500 MTPD
- ❑ Skim Milk Powder Capacity: 25 MTPD
- ❑ Subsidiaries: Dodla Holdings Pte. Limited,  
Orgafeed Private Limited,  
Lakeside Dairy Limited &  
Dodla Dairy Kenya Limited

## Brand / Product Portfolio

### Key Products

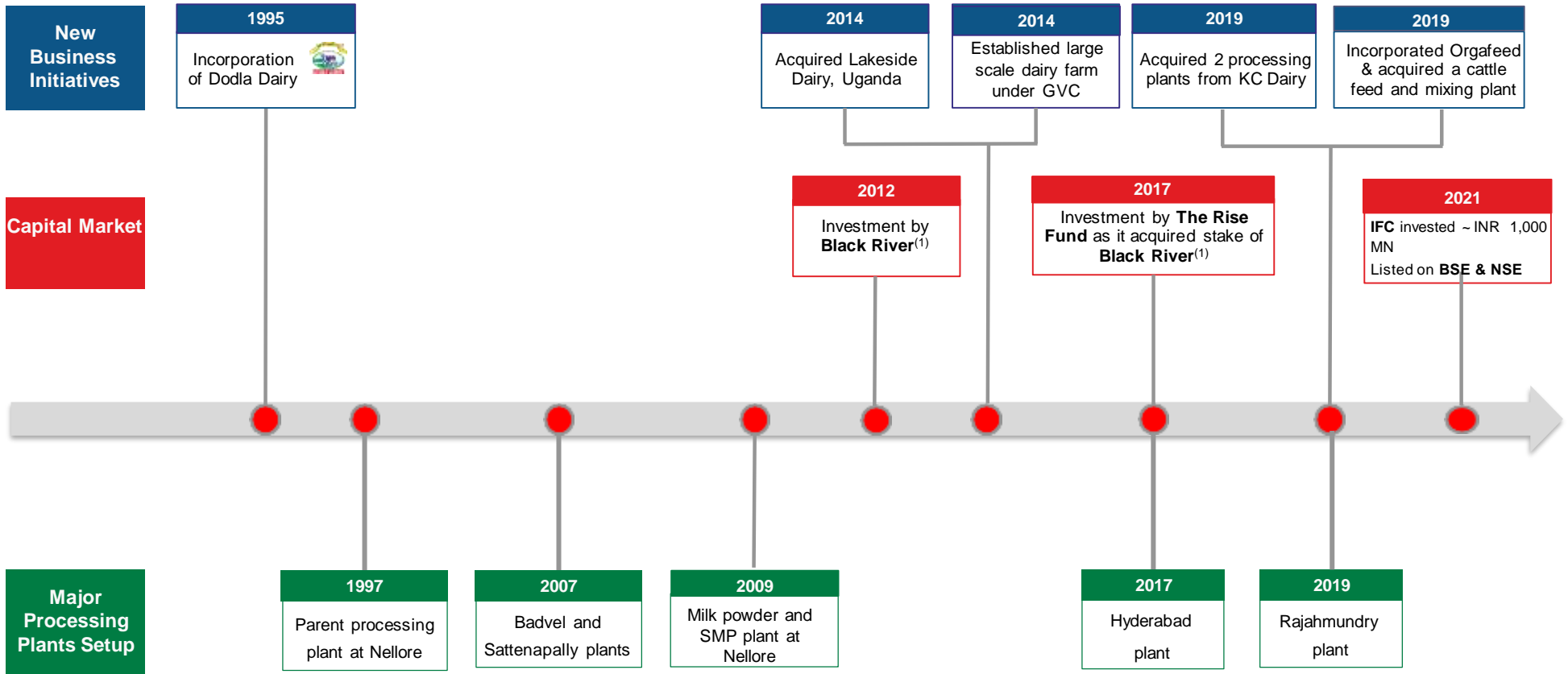
- ❑ Pouch milk
- ❑ UHT milk
- ❑ Curd (Dahi)
- ❑ Yogurt
- ❑ Lassi
- ❑ Ice creams
- ❑ Paneer
- ❑ Ghee

### Key Brands



**South India based integrated dairy company with operations in Africa; wide product portfolio across liquid milk and dairy based value added products**

# Our Journey So Far



25+ years of dairy operations in partnership with marquee investors

# Presence across the value chain



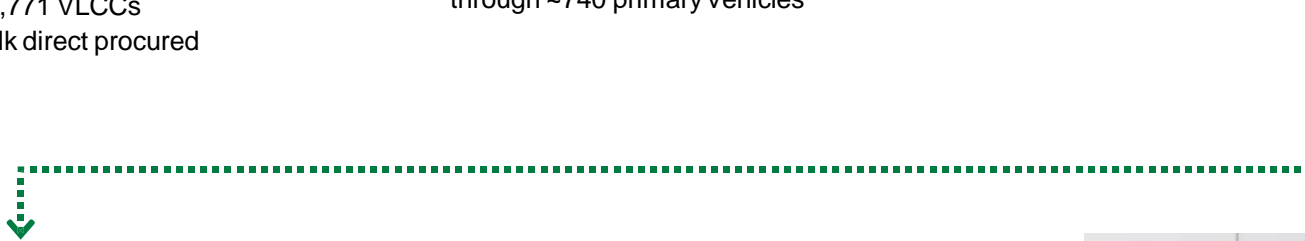
- Procurement of raw milk from ~1,09,670 farmers across 7,003 villages through 6,771 VLCCs
- 92.75% of raw milk direct procured from farmer



- Transportation by village vehicles through ~740 primary vehicles



- Transportation to 94 chilling centers/plants



- Refrigerated tankers transport to processing plants



- 13 processing plants in India and 1 in Uganda
- Regularly incur capex to upgrade technology, automate lines and bring efficiency in operations



- 40 sales offices, 3,285 distribution agents
- 861 milk distributors and 544 milk product distributors and 393 DRP's
- **Uganda:** 23 distributors and 11 DRP's
- **Kenya:** 56 distributors and 43 distribution agents

**3<sup>rd</sup> Largest milk company in terms of procurement<sup>(2)</sup>; 2<sup>nd</sup> Highest market Presence<sup>(2)</sup>**

# Footprint across Dairy Products



Leading Dairy Brand with Strong Consumer Recognition



## Pasteurized pouch milk

Full cream, standardized, toned, double toned



## UHT milk



## Sterilized flavoured milk

Vanilla, elaichi, pista, badam, chocolate, strawberry, pineapple



## Butter milk



## Ghee

Cow ghee, buffalo ghee and premium ghee (full boiled white ghee)



## Curd



## Butter

White/ yellow cooking, yellowsalted



## Lassi



## Paneer



## Ice creams



## Milk based sweets

Doodh peda, gulab jamun, basundhi, junnun

Diverse range of products sold under the "Dodla Dairy", "Dodla", "Dodla+", "Dairy Top" and "KC+" brands



# Orgafeed Private Limited: Build on a strong foundation

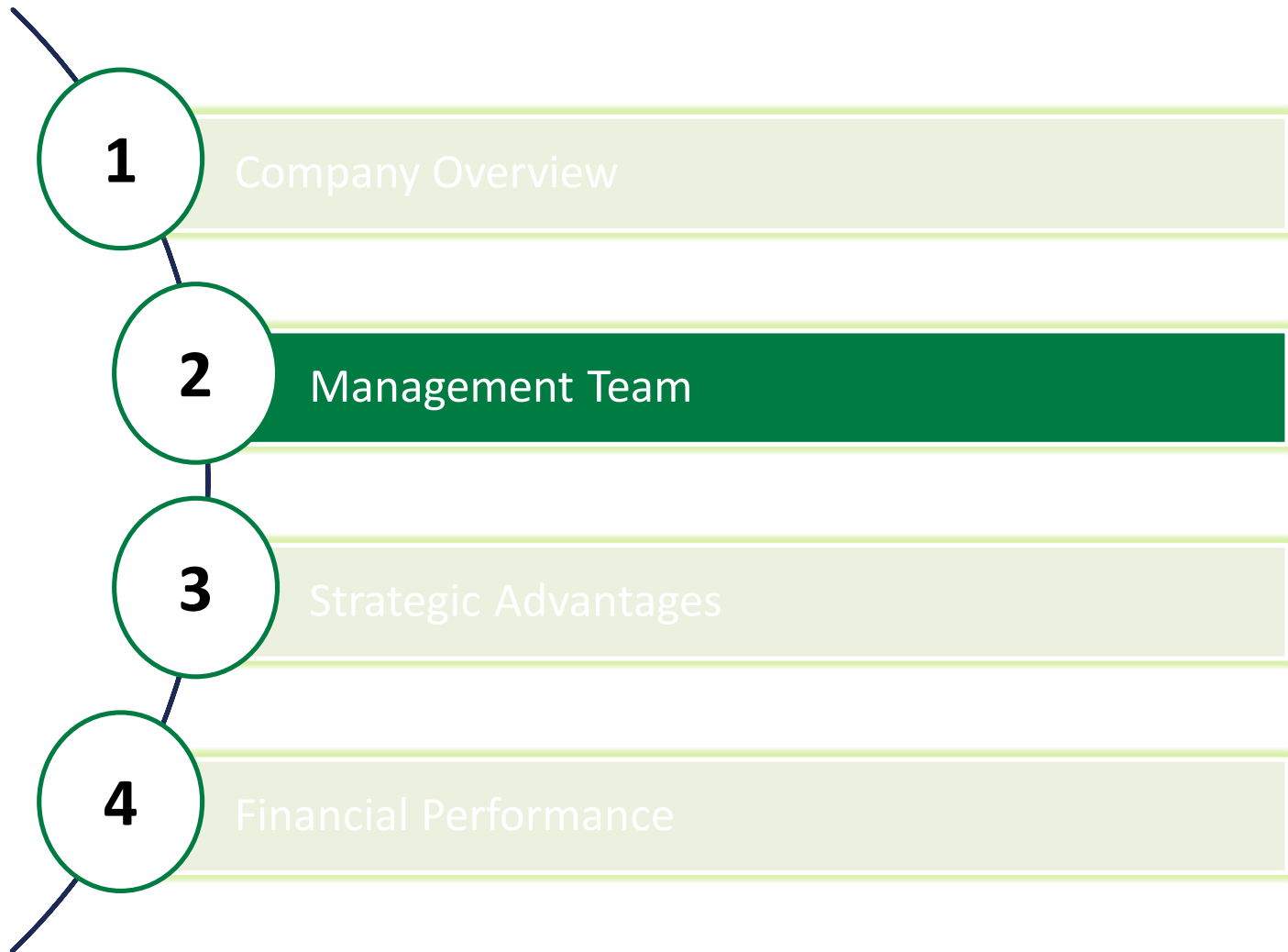
## Orgafeed Private Limited. (Wholly Owned Subsidiary Company catering the cattle feed industry)

Orgafeed Private Limited is 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 of and dealing of groundnuts, gingerly, cotton and in the manufacturing of cattle feed.

- ❑ State-of-the-art manufacturing facilities at Kadapa, Andhra Pradesh
- ❑ Cattle feed plant capacity of 80 MTPD
- ❑ 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.
- ❑ During FY21, the Company's sales is INR 220 Mn, EBITDA INR 38 Mn



**Enhancing socio-economic harmony by boosting cattle productive & profitability**



# Management Team



**Mr. Dodla Sunil Reddy**  
Managing Director

---

25+ years of Dairy Exp



**Mr. Venkat Krishna Reddy Busireddy**  
Chief Executive Officer

---

35+ years of Dairy Exp, 23+yrs with Dodla



**Mr. Anjaneyulu Ganji**  
Chief Financial Officer

---

EX: Tata Cummins Private Ltd &  
Maersk



**Ms. Ruchita Malpani**  
Company Secretary & Compliance Officer

---

7+ years of experience

# Board of Directors



**Mr. Dodla Sessa Reddy**  
Chairman & Non-Executive  
Director

22+ years of Dairy Exp  
Board Member: Nelcast Ltd



**Mr. Madhusudhana Reddy  
Ambavaram**  
Whole-time Director

**EX:** Imperial Granites Limited  
Member of BAR council of Andhra  
Pradesh



**Mr. Akshay Tanna**  
Non-Executive Nominee Director

**EX:** Deutsche Bank and Merrill Lynch  
**Partner** – TPG Growth and Rise Fund  
**Board Member:** Lenskart Solutions, Big Tree  
Entertainment, ESS Kay Fincorp Ltd



**Mr. Raja Rathinam**  
Independent Director

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



**Ms. Ponnawolu Divya**  
Independent Director

**EX:** Deutsche Bank Head of Change Governance  
**Board Member:** Nelcast Ltd, NC Energy  
Limited, Ponnas Infrastructure Pvt Ltd.



**Mr. Rampraveen Swaminathan**  
Independent Director

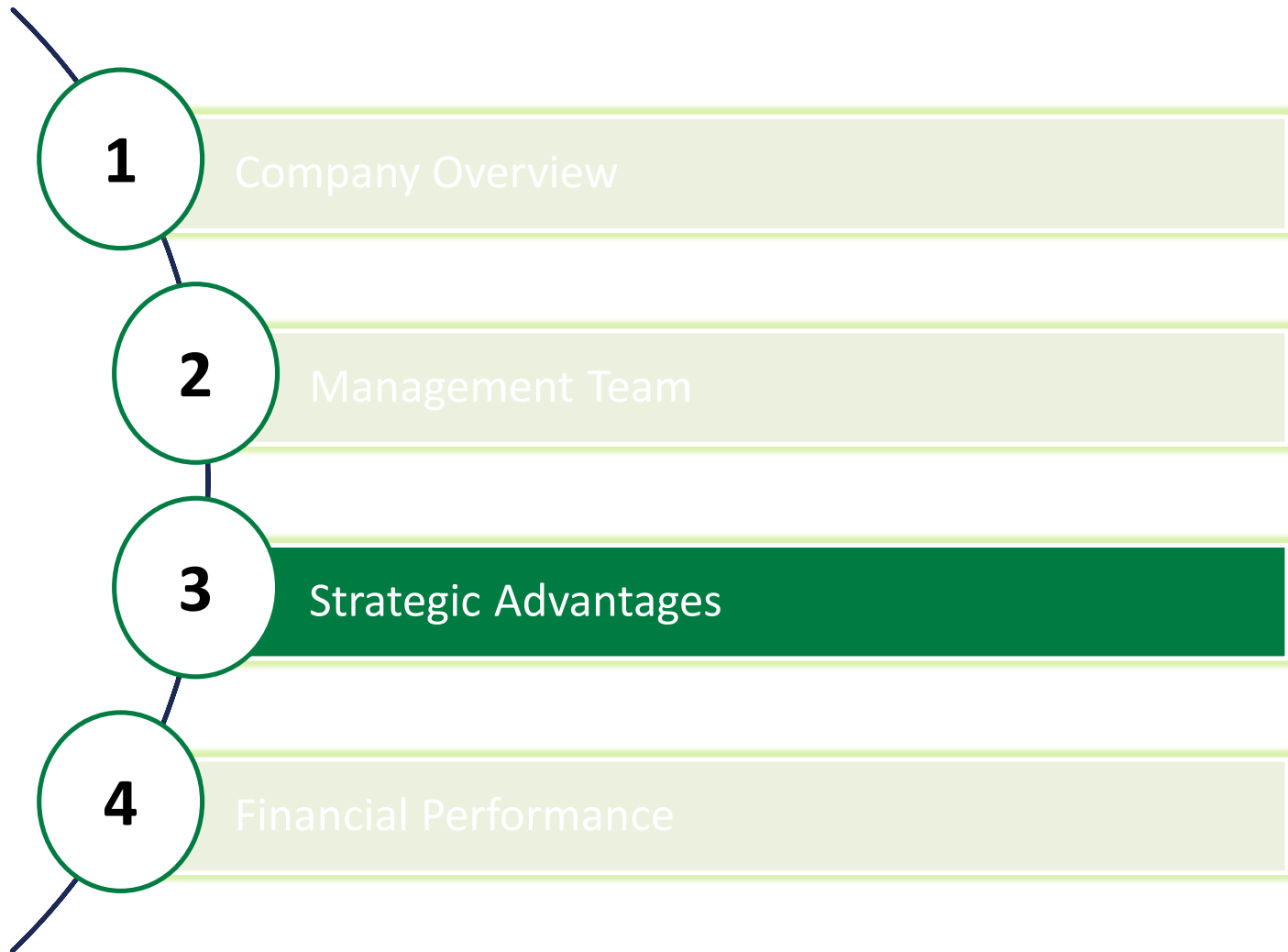
**EX:** Cummins India Limited | International Paper  
(India) Private Limited  
**Board Member:** Mahindra Logistics Limited & Lords  
Freight (India) Pvt Ltd.



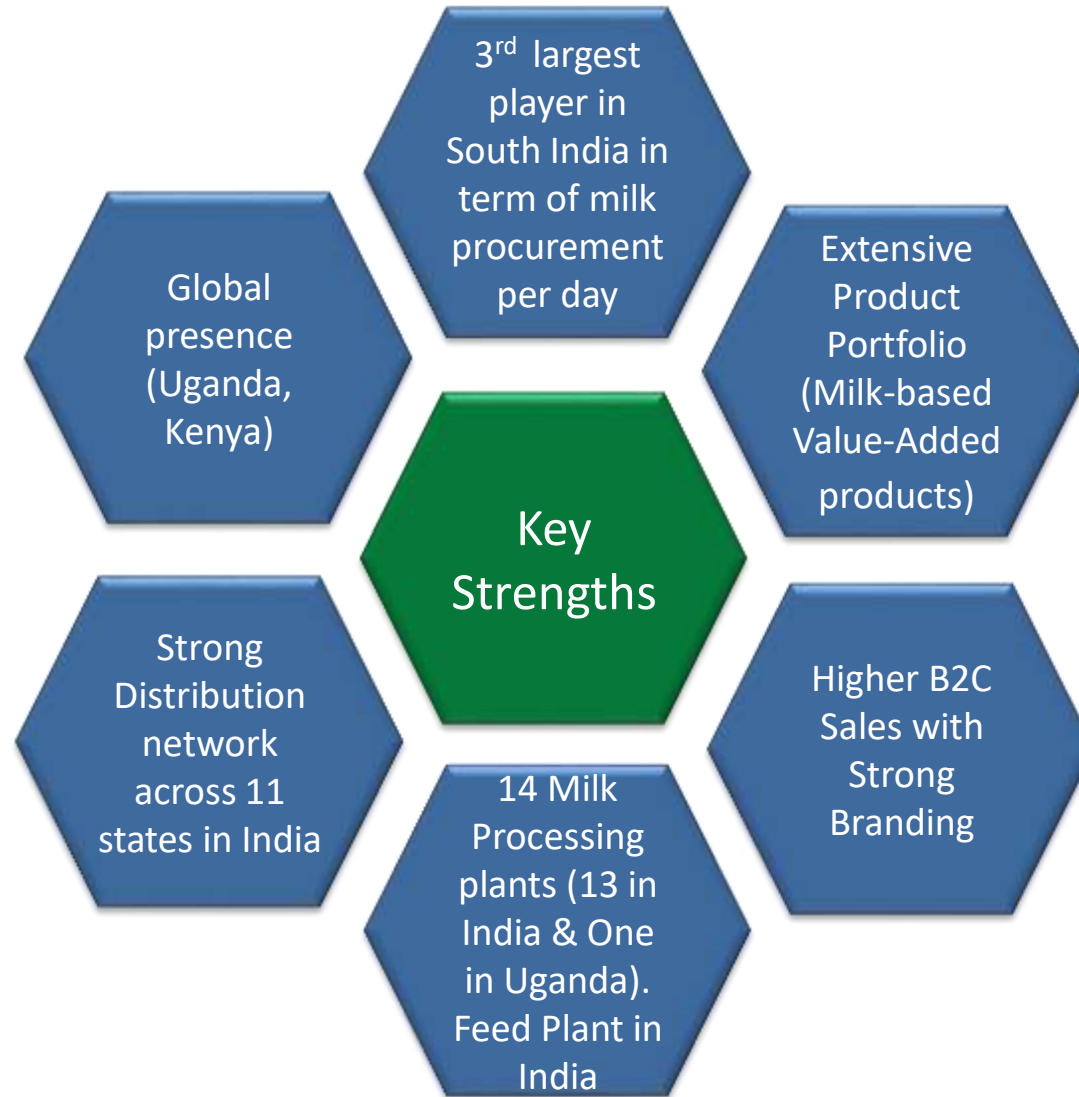
**Mr. Raman Tallam Puranam**  
Independent Director

**EX:** SBI Capital Markets Limited |  
Sundaram Asset Management  
Company Limited, Managing Director &  
CEO for 15+ yrs.





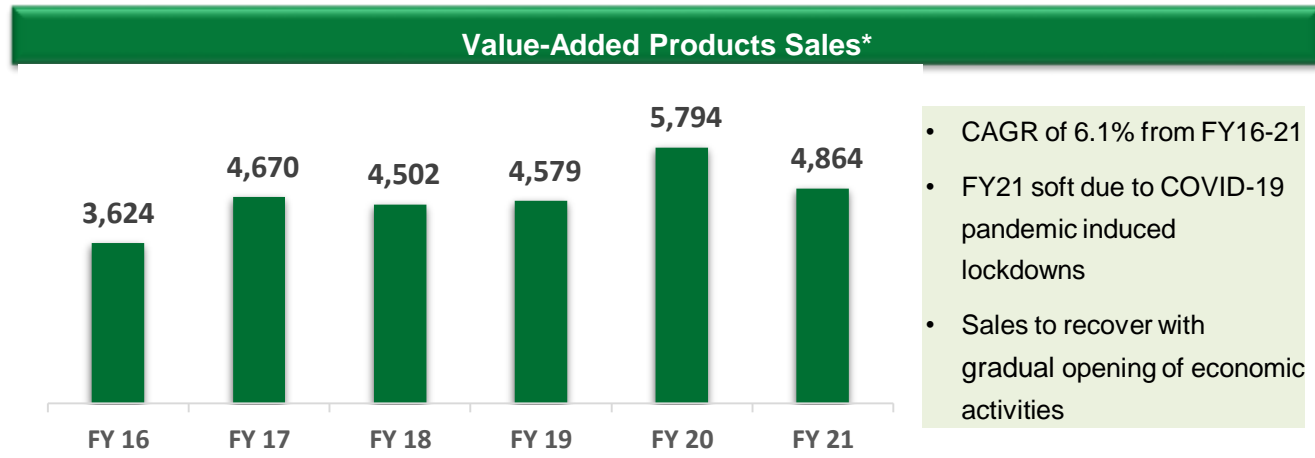
# Key Strengths



# Expanding Value-Added Products Footprint

## Factors driving Value-Added Products Demand

- ❑ The rise of the middle-class population, urbanization have prompted a dramatic shift in lifestyle.
- ❑ Rising disposable incomes driving demand for value added dairy products
- ❑ Consumer desire for branded, healthier, and more nutritional alternatives is growing.



- CAGR of 6.1% from FY16-21
- FY21 soft due to COVID-19 pandemic induced lockdowns
- Sales to recover with gradual opening of economic activities

## Dodla's Winning Edge

**Strong Product Portfolio:** Curd, Paneer, Cheese, Butter Milk, Ghee, Butter, Flavoured Milk, Doodpeda, Gulabjamun, and Ice creams

- Rationale:**
- High Margin in Value Added Products
  - Longer Shelf Life allowing to expand footprint
  - Leverage existing enhanced distribution reach

**Sustainable growth and margin expansion via value-added products**

\* In INR millions

# Stringent Quality Control Procedures

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

Cold Storage Chain from the Procurement Stage up to the Consumer

## Procurement Stage

- VLCCs equipped with **GPRS enabled electronic milk analysers** 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 rawmilk
- Quality checks** documented in a **quality manual** to ensure **raw milk** meeting **standards** for further **processing** is procured

## Processing Stage

- At **chilling centers** and **processing plants**, the raw milk undergoes, **adulteration tests** and **neutralizer tests** to **detect contaminants**
- FT-1 Milko-scanner** at Hyderabad – enables conduct of **26 adulterant tests** automatically
- Well defined** and **documented** quality system, **monitored** at various stages

## Several Quality Certifications in Relation to Products and Processing Plants

Certification



UNBS Permits

Plant(s) with Certification

All products for quality

Nellore, Badvel, Kurnool, Palamaneru, Penumur, Sattenapalli, Vedasandur, Batlagundu, Indragi, Palacode, Kalawakurthi CC & Kambainalliur CC

Nellore & Palamaneru,

Nellore for SMP,

Nellore Plant

Nellore & Hyderabad for producing ghee

Hyderabad & Chandurthi

Uganda Unit

Significant emphasis on quality control




# Focused Engagement and Long Term Relationship with Dairy Farmers




Initiatives For Farmers

**Transparency in Procurement**




- VLCCs equipped with:
  - **GPRS enabled Electronic milk analyzers**
  - **Weigh scales**
- **Enables testing of quality and quantity** of raw milk procured

**Regular Direct Payment**




- **Money paid directly to farmers** in their **bank accounts** once every **10 to 15 days**
- **77%<sup>(1)</sup>** farmers covered as of Q4FY21

**Facilitate Bank Loans**




- Facilitate **sanction of loans** from regional banks to invest in **cattle**

**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**

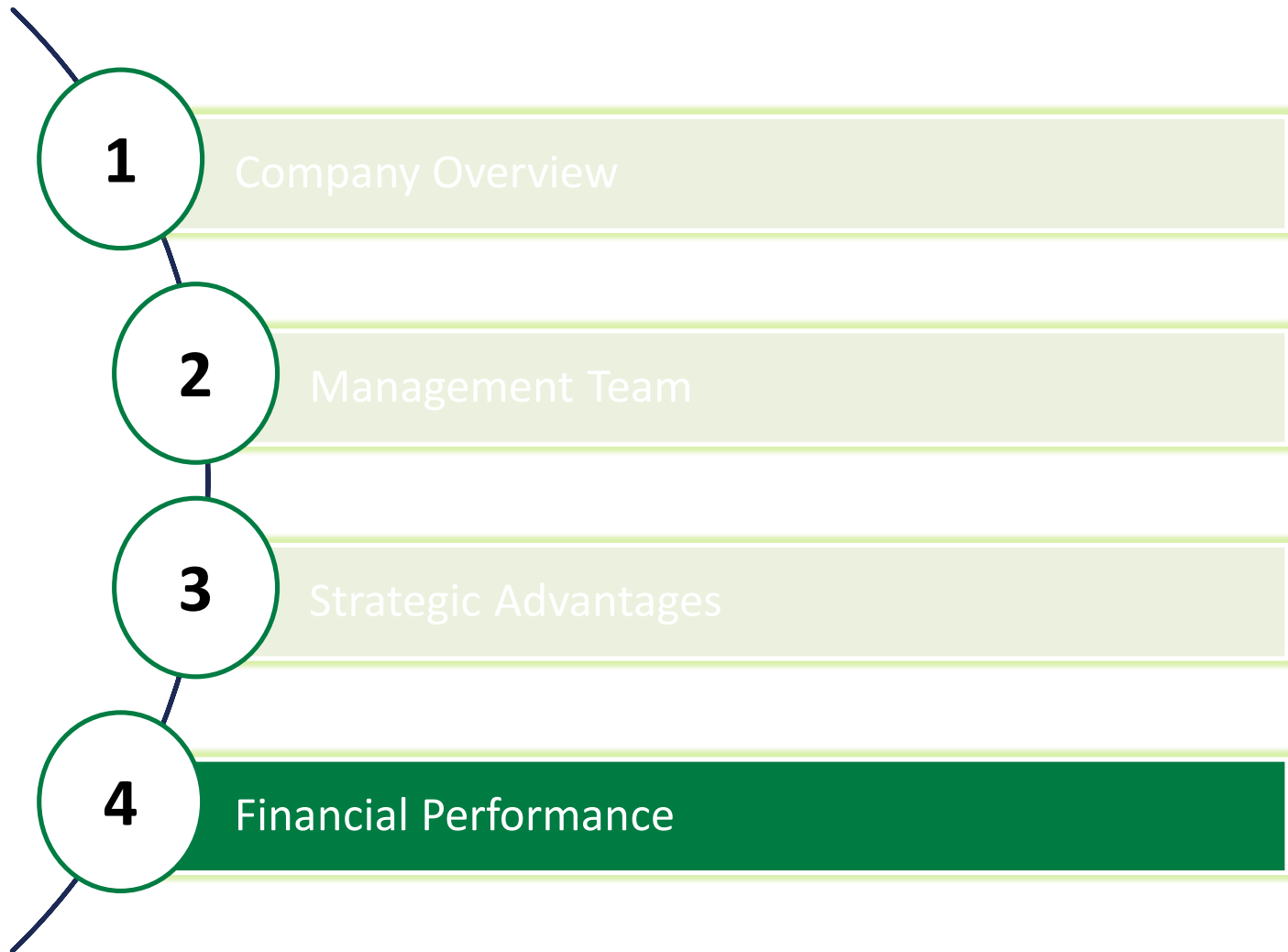


- **Organization of training camps** to **educate** about ways to **prevent common ailments** for cattle

- ✓ **Consistently improved direct procurement** from farmers
- ✓ **Strong procurement network** in regions of operation
- ✓ **Contain costs** and ensure supply of quality raw milk

Strong relationships with farmers strengthening raw milk procurement process

Note: (1) Rounded off to the nearest whole number.





**Mr. Dodla Sunil Reddy**  
**Managing Director**

*“I would like to place on record my heartfelt thanks to all the investors who reposed faith in Dodla by subscribing in the IPO. I am pleased with our performance in the last fiscal with Operating revenue of Rs. 19,440 mn which was impacted due to reduced demand caused by the Covid situation while margins and net profits perked up due to improved sales realisations and cost reductions. Going forward, we expect to continue on this growth path while striving to improve margins continuously.”*

*He also added, “Dodla will continue to focus on our core products including Milk & Curd while looking to expand the offerings to regions in South India where we are currently not established. We continue to work on value added products and we believe that this will further give a fillip to our product and margin profile in the future.”*

# OPERATIONAL HIGHLIGHTS

- ❑ Average milk procurement during Q4FY21 was at 10.85 LLPD compared to 11.20 LLPD in Q4FY20.
- ❑ Average milk sales during Q4FY21 were at 9.22 LLPD compared to 9.67 LLPD in Q4FY20.
- ❑ Curd sales during Q4FY21 was at 249.83 MTPD compared to 253.51 MTPD in Q4FY20.
- ❑ Revenue from Value added products (VAP) at INR 1,415 mn contributed 26.9% to the overall dairy revenue during Q4FY21.



# Appendix: Financial Statements (Restated Consolidated)

## Select Profit & Loss Items



PARTICULARS	Q4 FY'21	Q4 FY'20	FY'21	FY'20
<b>Revenue from Operations</b>	<b>5,305</b>	<b>5,274</b>	<b>19,440</b>	<b>21,394</b>
COGS	3,960	4,186	13,509	16,406
<b>Gross Profit</b>	<b>1,345</b>	<b>1,088</b>	<b>5,931</b>	<b>4,988</b>
<i>Gross Margin</i>	<i>25.4%</i>	<i>20.6%</i>	<i>30.5%</i>	<i>23.3%</i>
Other Expenses	753	726	2,608	2,668
<b>EBITDA</b>	<b>360</b>	<b>141</b>	<b>2,425</b>	<b>1,409</b>
<i>EBITDA Margin</i>	<i>6.8%</i>	<i>2.7%</i>	<i>12.5%</i>	<i>6.6%</i>
Other Income	28	17	64	63
Finance Cost	22	52	119	161
Depreciation & Amortization	125	126	507	492
<b>PBT</b>	<b>241</b>	<b>(19)</b>	<b>1,862</b>	<b>819</b>
<i>PBT Margin</i>	<i>4.5%</i>	<i>-0.4%</i>	<i>9.5%</i>	<i>3.8%</i>
Tax for the Period	145	-	602	320
<b>PAT</b>	<b>96</b>	<b>(19)</b>	<b>1,260</b>	<b>499</b>
<i>PAT Margin</i>	<i>1.8%</i>	<i>-0.4%</i>	<i>6.5%</i>	<i>2.3%</i>
<b>EPS (Diluted)</b>	<b>1.67</b>	<b>(0.35)</b>	<b>22.33</b>	<b>8.96</b>

- **Q4FY21 Results – Consolidated:** Revenue from operations was at INR 5,305 mn as compared to INR 5,274 mn in Q4FY20. EBITDA was at INR 360 mn as compared to INR 141 mn in Q4FY20; registering a growth of 154.3%. EBITDA Margin improved by 410 bps to 6.8% as against 2.7% in Q4FY20 on account of lower raw materials cost. Net Profit was at INR 96 mn as compared to loss of INR (19) mn in Q4FY20.
- **FY21 Results – Consolidated:** Revenue from operations was at INR 19,440 Mn as compared to INR 21,394 mn in FY20. EBITDA was at INR 2,425 mn as compared to INR 1,409 mn in FY20; registered a growth of 72%. EBITDA Margin improved by 589 bps to 12.5% as against 6.6% in FY20 on account of lower raw materials cost. Net Profit was at INR 1,260 Mn as compared to INR 499 Mn in FY20, an increase 153%

# Appendix: Financial Statements (Restated Consolidated)

## Select Balance Sheet Items



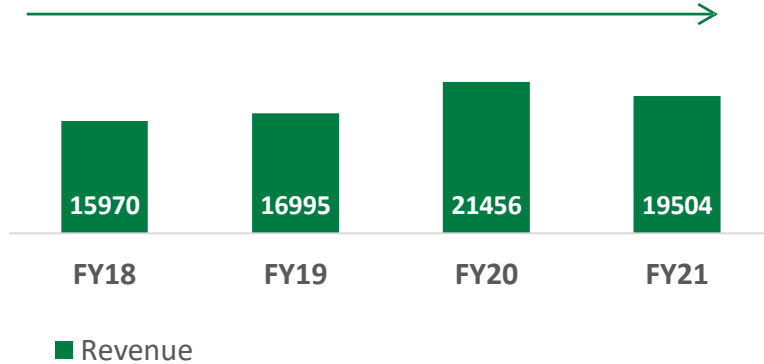
PARTICULARS	FY'20	FY'21
<b>ASSETS</b>		
Non-current assets	5,697	5,703
Current assets	2,229	4,019
Total Assets	7,926	9,722
<b>EQUITY AND LIABILITIES</b>		
Equity	4,335	6,580
Non-current liabilities	1,426	1,197
Current liabilities	2,165	1,946
Total liabilities	3,591	3,143
Total equity and liabilities	7,926	9,722

- ❑ Total Debt at INR 869 Mn as on March 31, 2021. Debt-to-Equity ratio during FY21 stood at 0.13.
- ❑ Cash and cash equivalents & Investments stood at INR 2,849 Mn as on March 31, 2021.

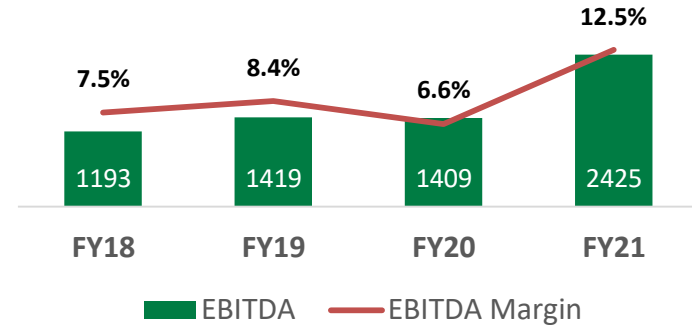
# Robust Financial Growth and Operational Efficiencies

## Revenue

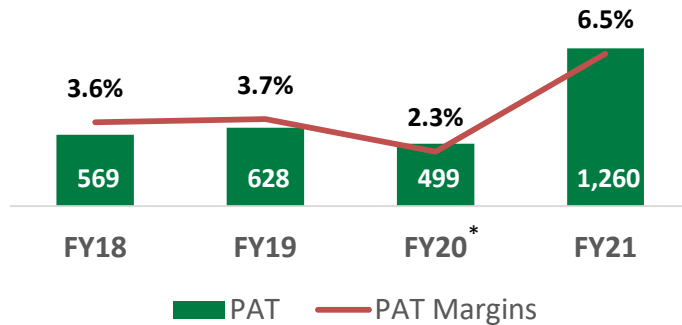
Revenue CAGR (FY18-FY21): 7.7%



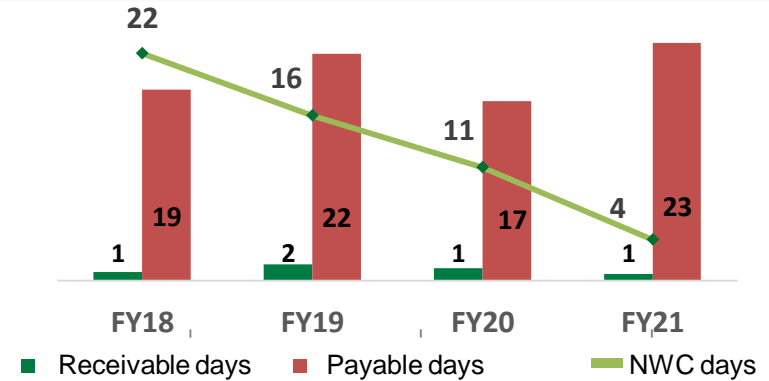
## EBITDA & EBITDA Margin (%)



## \*PAT & PAT Margin (%)



## ...and Efficient Working Capital Cycle

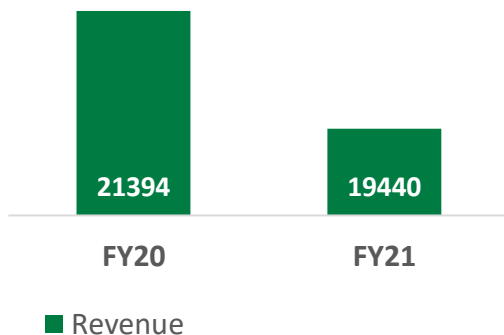


**Robust growth and margins leading to high capital efficiency, low debt levels and an efficient working capital cycle**

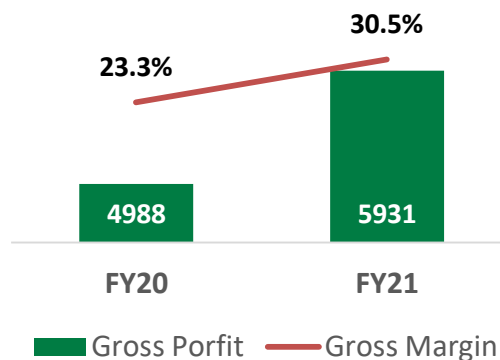
# Consolidated Financial : Key Highlights (Full Year)



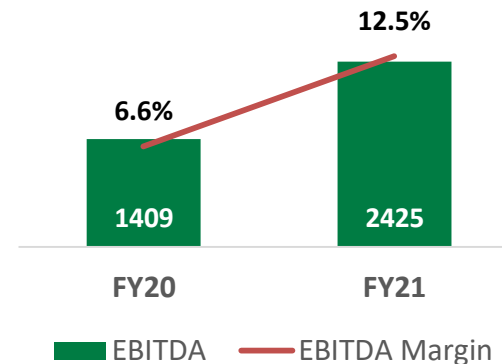
## Operating Revenue



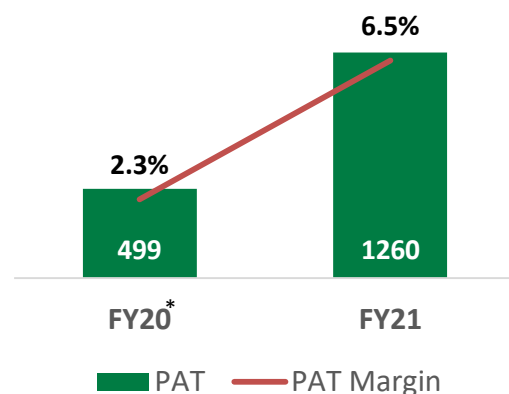
## Gross Profit & Gross Margin (%)



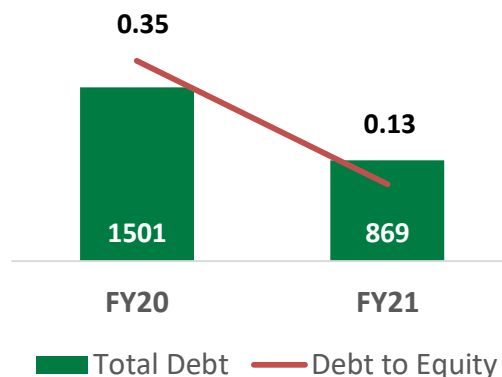
## EBITDA & EBITDA Margin (%)



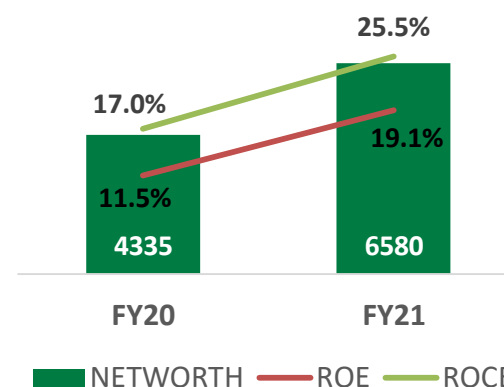
## \*PAT & PAT Margin (%)



## Net Debt & Debt-to-Equity (x)



## Net worth, ROE (%) & ROCE (%)



Note: \*72Mn for IPO Expenses relating to FY18

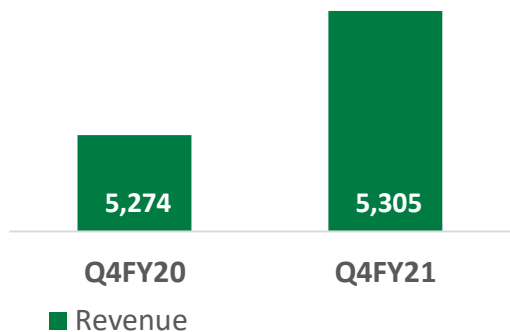
ROCE: Return on Capital Employed | All values in INR Mn; Margins & ROCE in %



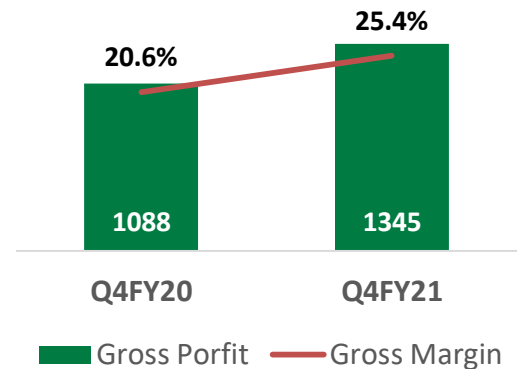
# Consolidated Financial : Key Highlights (Quarterly)



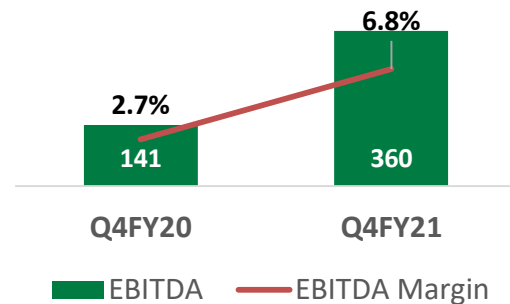
## Operating Revenue



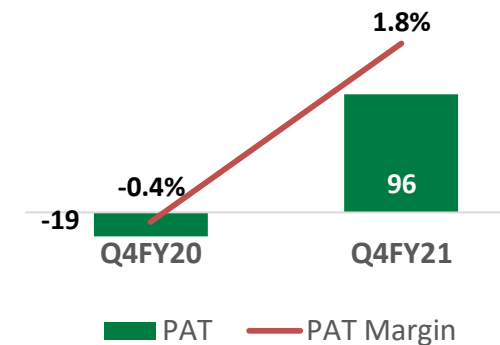
## Gross Profit & Gross Margin (%)



## EBITDA & EBITDA Margin (%)



## \*PAT & PAT Margin (%)



Note: All values in INR Mn & Margins in %

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Tel: +91 40 4546 7777; Fax: +91 40 4546 7788

- ❑ LLPD: Lakhs Liter per day
- ❑ MTPD: Metric Tonnes Per day
- ❑ UHT milk: Ultrahigh Temperature Processed Milk
- ❑ VLCC: Village Level Collection Center.
- ❑ SKUs: Stock Keeping Units
- ❑ SMP: Skimmed Milk Powder
- ❑ DRP: Dodhla Retail Parlours