



Ideas for a new day

November 15, 2023

Compliance Department, <b>BSE Limited</b> , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai - 400 001	Compliance Department, <b>National Stock Exchange of India Ltd.</b> Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex Bandra - (E), Mumbai - 400 051
<b>Scrip Code:- 539889</b>	<b>Scrip Symbol :- PARAGMILK</b>

Dear Sir/Madam,

**Sub: Investor Presentation on Financials Results for Quarter and Half Year ended September 30, 2023**

In continuation of our letter dated November 9, 2023 on Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2023 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Investor Presentation being issued by the Company in this regard.

The above document is also being made available on the Company's website [www.paragmilkfoods.com](http://www.paragmilkfoods.com).

Kindly take the same on records.

Thanking you.

**For Parag Milk Foods Limited**

**Virendra Varma**  
**Company Secretary and Compliance Officer**  
FCS No. 10520

*Encl: As above.*



Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

**Regd. Office:** Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital, Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

**Corporate Office:** 10<sup>th</sup> floor, Nirmal building, Nariman point, Mumbai - 40021 Tel.: 022-43005555 Fax: 022-43005580

**Website:** [www.paragmilkfoods.com](http://www.paragmilkfoods.com) | **email:** [investors@paragmilkfoods.com](mailto:investors@paragmilkfoods.com)



# Investor Presentation

Q2 FY 23-24 & 1HFY23-24



# MESSAGE

A journey that began with farmers is now aiming to provide complete nutrition to consumers across the globe. The strength of our developed infrastructure, food technology expertise supported by a strong farmer network, and powerful distribution channels have been our strong pillars and have helped us stand out in the industry.

The global nutrition industry is growing rapidly with evolving consumer needs and rising awareness of the benefits of a high protein diet. Being a trustworthy nutrition player we are now geared up to become a health and nutrition company that provides innovative protein solutions across the spectrum.



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# EXECUTIVE SUMMARY- Q2FY24

Our impact led marketing campaigns coupled with aggressive distribution drive continue to **strengthen our brand equity**

The Core Categories of Ghee and Cheese have grown by **6.2% YoY**

Consolidated revenue grew by **20.1% YoY**

Brand Avvatar has posted strong growth of **62.7% YoY**

Overall Protein business has grown by **10% YoY**

Expanded Infrastructure  
**Cold storage Depot addition**



# EXECUTIVE SUMMARY- 1HFY24

Our impact led marketing campaigns coupled with aggressive distribution drive continue to **strengthen our brand equity**

The Core Categories of Ghee and Cheese have grown by **13.4% YoY**

Consolidated revenue grew by **14.2% YoY**

Brand Avvatar has posted strong growth **83.1% YoY**

Protein business has grown by **15% YoY**

Strong Cash Flow From Operations **INR 489.3 million**



# CONSOLIDATED FINANCIAL HIGHLIGHTS- Q2HFY24



## Revenue

INR  
**798.2**  
crore;  
**20.1 %**  
growth YoY

## Gross Profit

INR  
**183.4**  
crore;  
**23.0 %**  
margin

## EBITDA

INR  
**58.4** crore;  
**7.3%**  
margin

## PAT

INR  
**25.2** crore;  
**3.2 %**  
margin

# CONSOLIDATED FINANCIAL HIGHLIGHTS- 1HFY24



## Revenue

INR  
**1,547.7**  
crore;  
**14.2 %**  
growth YoY

## Gross Profit

INR  
**343.8**  
crore;  
**22.2 %**  
margin

## EBITDA

INR  
**104.9** crore;  
**6.8%**  
margin

## PAT

INR  
**46.6** crore;  
**3.0 %**  
margin



# Q2FY24: BUSINESS COMPOSITION



# 1HFY24: BUSINESS COMPOSITION



NEW AGE BUSINESS

4.0%

VALUE ADDED BUSINESS

67.4%

LIQUID MILK

9.3%

SMP

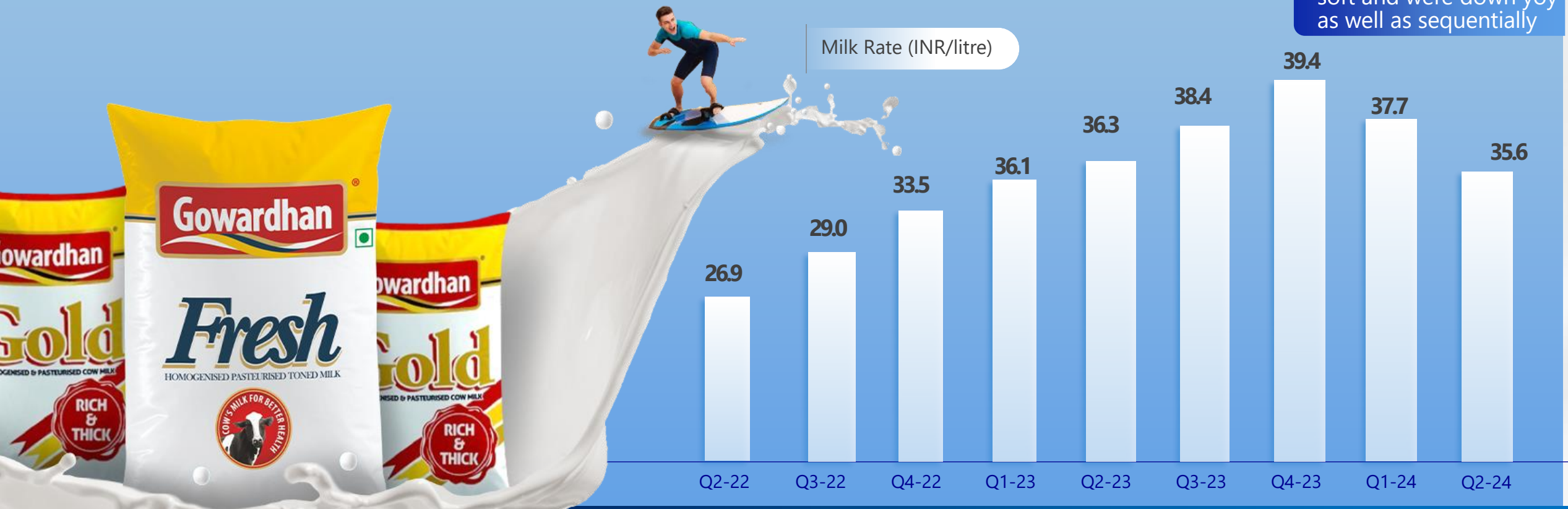
19.4%



# SOFT MILK PRICES



Milk Prices remained soft and were down yoy as well as sequentially

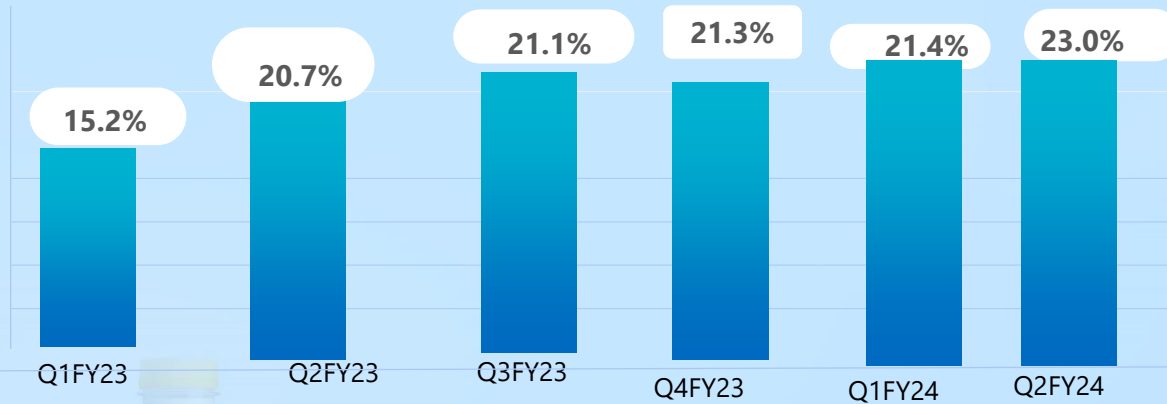


For Q2FY24; our average daily milk procurement reached **15 lakh liters**.

Healthy flush season , fading lumpy skin disease and stabilizing global supply continue to keep prices stable

# GROSS MARGIN EXPANSION CONTINUES

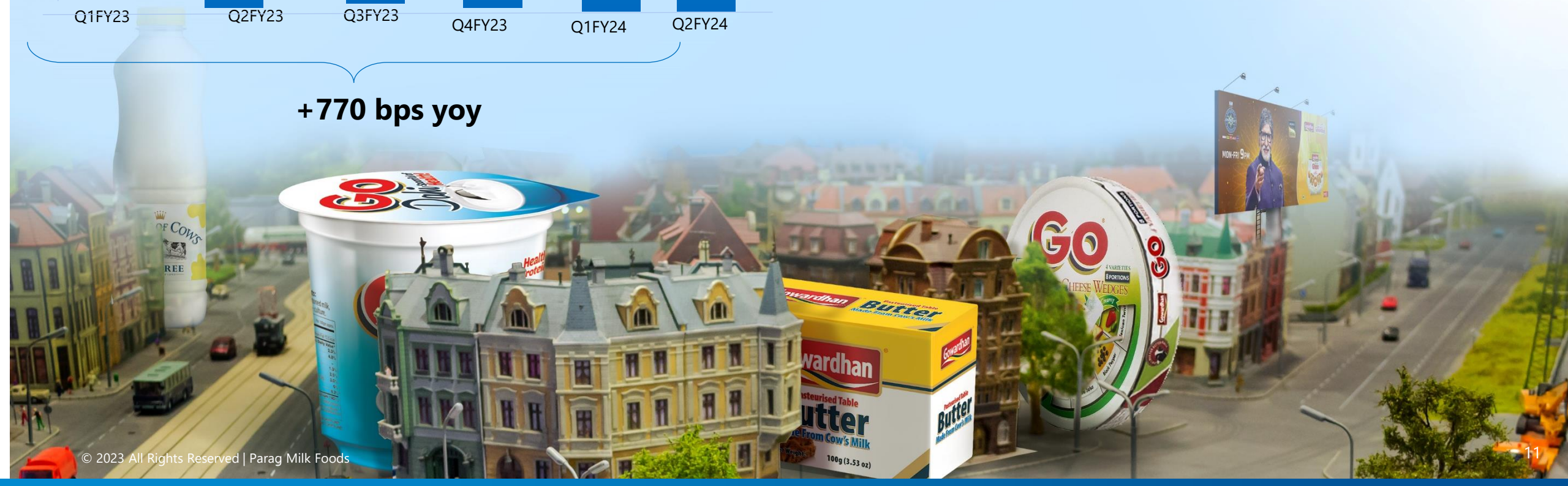
Gross Profit Margin (%)



The benign raw material prices along with improved product mix led to Gross Margins improvement

The overall Gross margins expanded by 770 basis points from Q1FY23 onwards

**+770 bps yoy**



# OUTLOOK AHEAD

Festive led demand traction continues

Pricing continues to remain stable; positively impacting the margins and profitability ahead



# OUR STRATEGIC PRIORITIES



Strengthening & Accelerating  
the Core Categories



Brand Building & Innovation



Evolve Route to Market



Strengthening New Age  
Business



Driving Business Transformation



# STRENGTHENING & ACCELERATING THE CORE CATEGORIES

Leaders and pioneers of cow ghee category with

**20%**

Market share in cow ghee segment (source IMARC)



Dominant player in cheese category in India with

**35%**

Market share (source IMARC)



Our protein business is Witnessing Healthy Growth Momentum & is **outgrowing** the industry



Q2FY24  
Growth  
(YoY)

**8.4%**

**3.1%**

**62.7%**

# STRENGTHENING & ACCELERATING THE CORE CATEGORIES

Leaders and pioneers of cow ghee category with

**20%**

Market share in cow ghee segment (source IMARC)



Dominant player in cheese category in India with

**35%**

Market share (source IMARC)



Our protein business is Witnessing Healthy Growth Momentum & is **outgrowing** the industry



**1HFY24**  
Growth  
(YoY)

**21.7%**

**4.1%**

**83.1%**



# BRAND BUILDING & INNOVATION





## INDIA'S GOT TALENT ON SONY TV

The show with 0.9 TVR delivered 68 GRPs in Q2 with Go Cheese ad. Integration planned along with Go Cheese Amazing Moment playing every week and hampers with brand mention in every episode.

# BRAND BUILDING & INNOVATION



# BRAND BUILDING & INNOVATION





Ideas for a new day

# BRAND BUILDING & INNOVATION



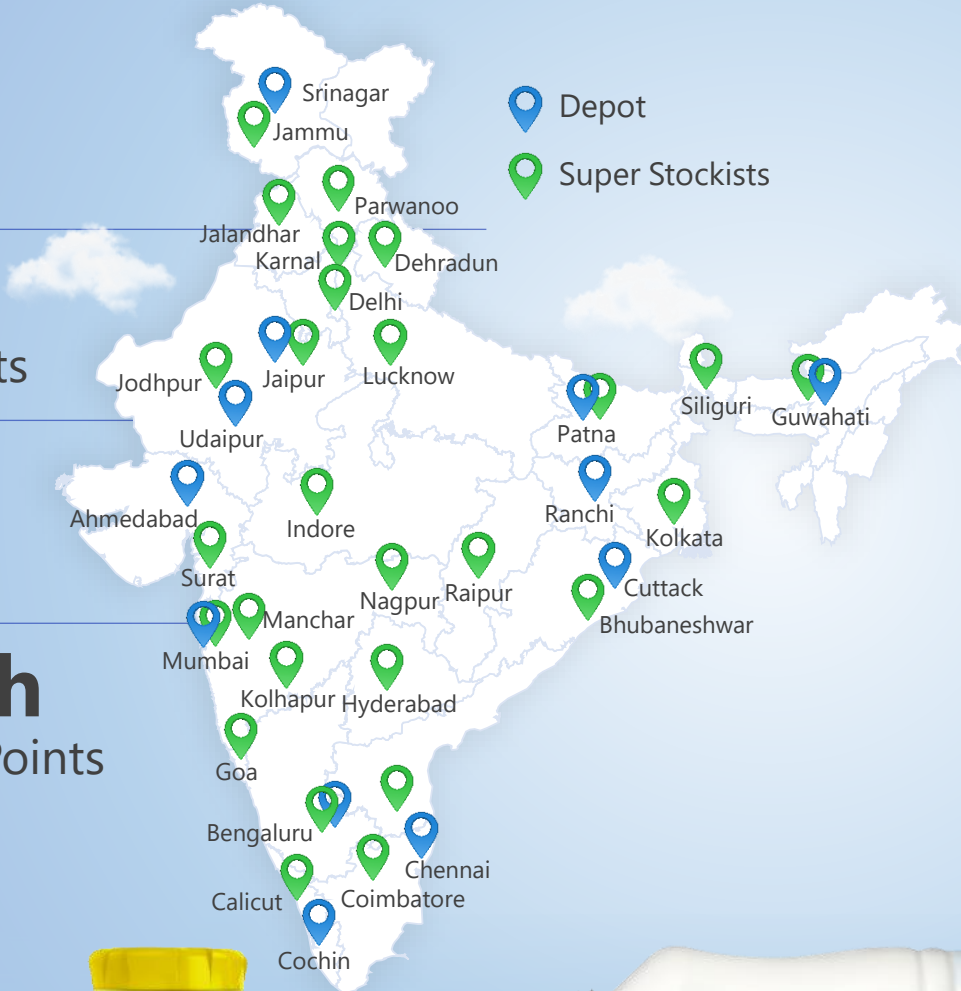
# BUILT ON THE BACKBONE OF A ROBUST NETWORK

**29**  
Depots

**640**  
Super Stockists

**6,034**  
Distributors

**4.6 Lakh**  
Retail Touch Points



To reach  
**13-15 Lakh**  
 retail touch points  
 by 2027E

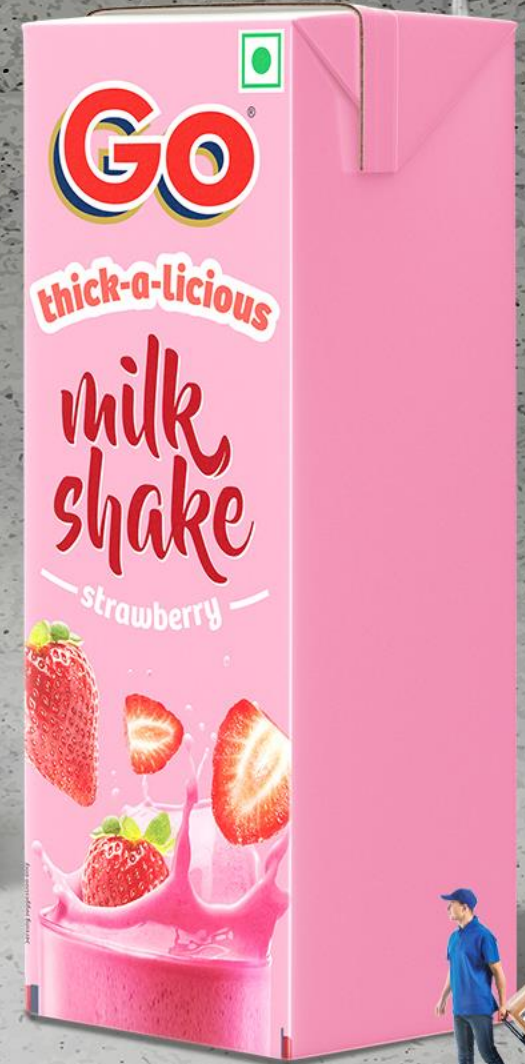


# EVOLVE ROUTE TO MARKET CHANNELS CONSISTENTLY CONTRIBUTING TO GROWTH

For 1HFY24; Our modern trade channel has witnessed strong 12.7% growth YOY

The General trade channel has grown by 15.9% YOY

Ghee distribution has grown by 43% YOY



# STRENGTHENING NEW AGE BUSINESS – GOING TECH FIRST

## Pride of Cows



### Whatsapp Bot

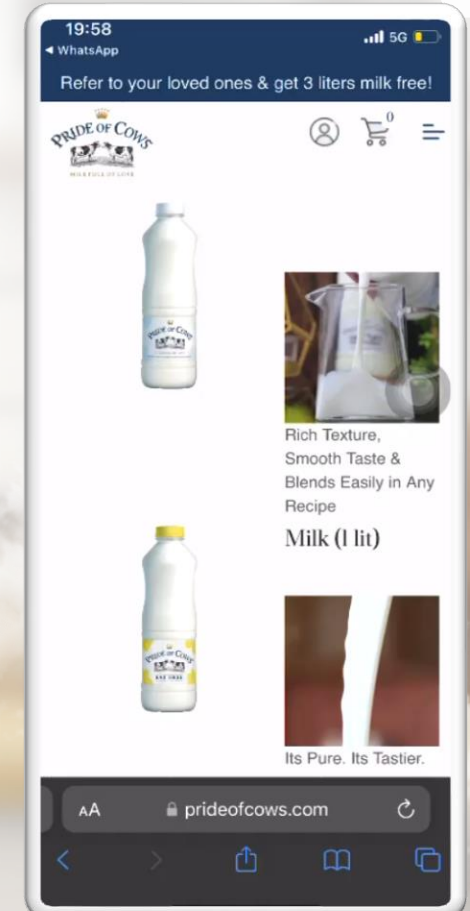
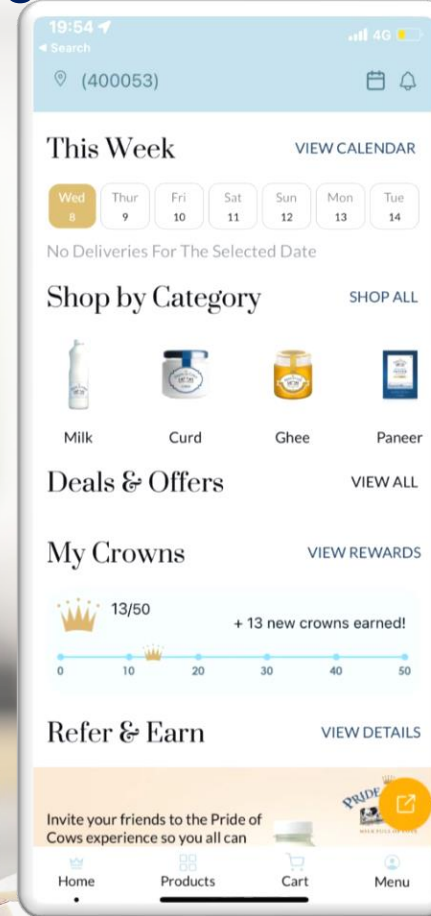
Additional Channel for Sales. New Customer Onboarding

### Pride of Cows App

Renewed App Launch with new modules and functionalities

### Pride of Cows Website

Renewed Website with both Desktop and Mobile functionalities



**GROWTH STRATEGY – Pride of Cows Going Tech First**

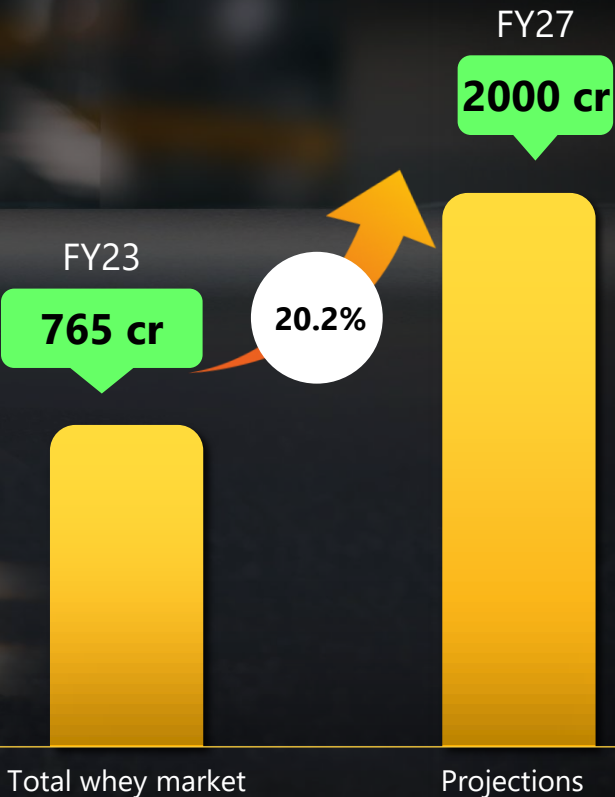


# OUR NEW AGE BUSINESS

## Whey Protein - Strong runway for growth



### INR Market **Growth Potential**



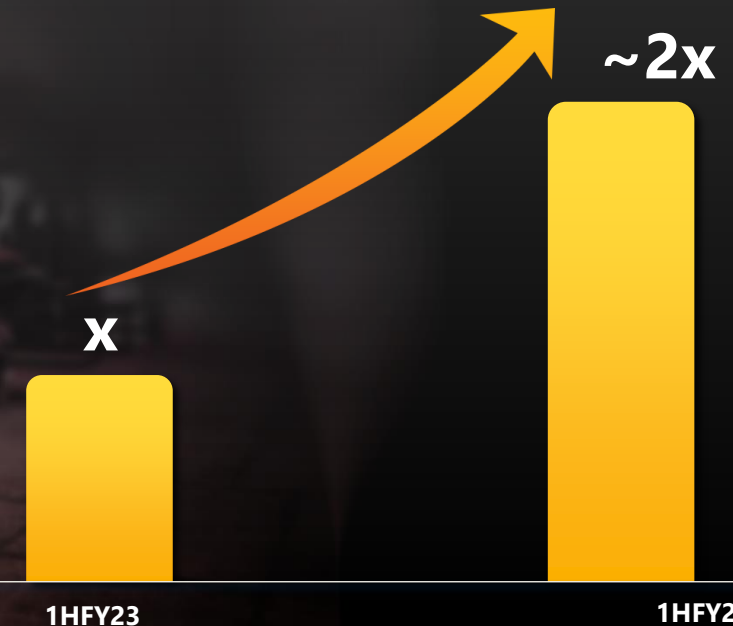
# OUR NEW AGE BUSINESS

## India's Only Whey Manufacturing Company



### Avvatar Revenue

50% of the revenue is through ecommerce



# DRIVING BUSINESS TRANSFORMATION

Cost Optimization



Digitization of Plant & Operations



Data Analytics
















Market Expansion & Penetration



Strengthening the management



# STRENGTHENING THE TEAM

 <p><b>Mr. Rahul Kumar Srivastava</b> Chief Operating Officer</p>	 <p><b>Mr. Bheemanappa Manthale</b> President – Plant Operations</p>	 <p><b>Mr. Binod Das</b> Head of Sales</p>	 <p><b>Mr. Ramin Saherwala</b> President - Marketing</p>	 <p><b>Mr. Biswajit Mishra</b> Sr. VP Finance</p>	 <p><b>Mr. Gajanan Patil</b> CM Operations</p>	 <p><b>Mr. Lakshya Rastogi</b> Head of Modern Trade Business &amp; Avvatar- Whey Protein Business</p>
 <p><b>Mr. Amit Moulík</b> GM Distribution &amp; Channel Development</p>	 <p><b>Mr. Gangadharam C</b> GM – Emerging Markets</p>	 <p><b>Mr. Anand Sharda</b> GM Finance</p>	 <p><b>Mr. Amol Sawant</b> GM Finance</p>	 <p><b>Mr. Abhinav Gupta</b> Head of Strategic Projects</p>	 <p><b>Mr. Vivek Rathod</b> Head of Business Intelligence, Transformation, Analytics &amp; Assurance</p>	

# OUR ESG INITIATIVES

# ESG

## ENVIRONMENTAL

Focus centered around reducing the carbon footprint & an optimal waste management

## SOCIAL

Focus on the well-being of our milk farmers, employees, distribution partners

## GOVERNANCE

Framework includes business governance, talent governance, & sustainability governance

## Laying a solid foundation by adopting ESG Policies



Adoption of strong Corporate Governance standards.



Adoption of ESG Systems.



Best Practices of societal improvement through various CSR activities.



Adoption of practices for food security & climate change under UN Sustainable Development Goals.

## Continuous Monitoring

### Our ESG Framework

A well articulated internal ESG policy in adherence to different certifications.

Also abided by IFC's policy framework on ESG.

### Performance

Energy conservation efforts both thermal & electrical; employing host of measures.

Water conservation effort: Recycle of 55% of the requirement

Responsible Effluent & Waste management process.

Marked reduction in emission levels.

### Way Forward

Strict adherence and measurement to the conservation norms.

Zero water & land waste norms.

Reduction in CO2 emission levels



# GREEN INITIATIVES



## WATER

REDUCE | REUSE | RECYCLE

Water optimization.

Our water consumption per liter of milk hand led has reduced over a period of time.

Around 55% of water consumption at our units is from recycled water.



## CLIMATE

FOCUS ON REDUCING AIR | SOIL | NOISE POLLUTION

Installation of solid waste digester.

Monitoring and Control of excess air in boiler.

Biogas generation at farm by converting cow-dung slurry into organic fertilizer.



## ENERGY

EMISSION | ENERGY CONSERVATION | FOCUS ON RENEWABLES

Power generation through solar

Energy generation through solid waste

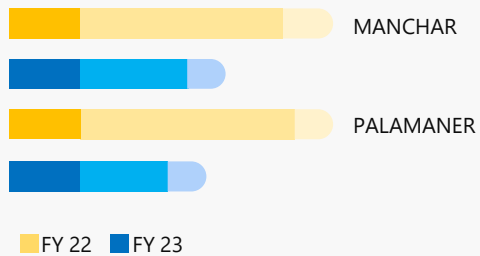
Replacement of inefficient pumps

Technology upgradation

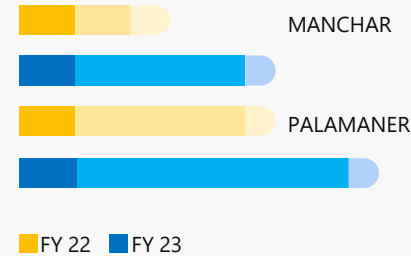
Further Heat recovery system in boiler (Flue gas heat recovery)

PERFORMANCE

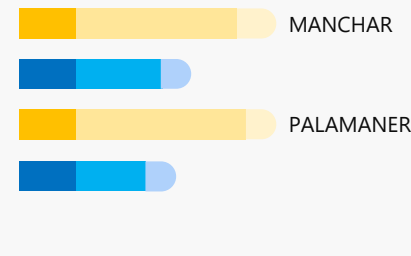
**Water usage (litres) per litre of milk**



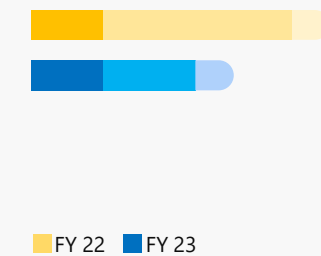
**Boiler Efficiency Levels (%)**



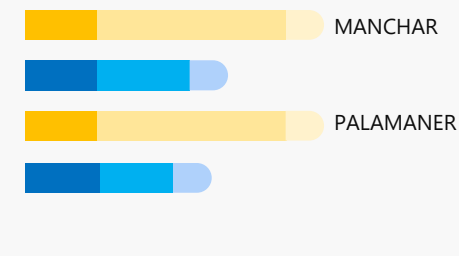
**Thermal energy usage Kcal/ Per litre of milk**



**Reduction In CO2 emission per litre of mi h.andled**



**Power Usage (KWh per litTe of milk)**



PLANS AHEAD

ZERO WATER AND LAND WASTE NORM

IN NEXT 5 YEARS TO INCREASE 20% RECLYING OF WATER BY INVESTING IN ADVANCED WATER TREATMENT & RECYCLING SYSTEMS

IN NEXT 5 YEARS, REDUCE NON RENEWABLE ENERGY CONSUMPTION BY 20% BY INVESTING IN RENEWABLE ENERGY INFRASTRUCTURE SUCH AS BIOGAS & SOLAR PANEL

# PARAG MILK FOODS

**3** State-of-the-Art Manufacturing Facilities



**4.6 Lakh**

Pan India Retail Touch Points

**4,500+**  
Distributions

**500+**

Super Stockists

**29**

Depots

**100%**

Cow Milk from Key Milk Belts

Relationship with over

**5 lakh+**

Farmers across India

**3.4mn**

Litres/day Milk Processing Capacity

**10 lakh**

Litres/day Whey Processing Capacity

**110**

MT/ day each of Ghee & Cheese

**20**

MT/ day of paneer

Largest automated dairy farm with

**~3000+**

Holstein Freisian Cows

Direct Consumer base

**1Lakh+** households

Spread across **6** Cities

**A COMPLETE INTEGRATED BUSINESS MODEL**

BRANDS  
DISTRIBUTION

MILK PROCUREMENT

PROCESSING

DAIRY FARMING



# PARAG'S JOURNEY

**2008**  
Go Cheese World

**1998**  
Gowardhan Ghee

**1992**  
Gowardhan Milk

**2021**  
Further extension of  
Pride of Cows brand to  
paneer, low fat milk

**2011**  
Pride of Cows

**2021**  
Introduced  
Milk Shakes

**2015**  
Topp Up

**2017**  
Avvatar

**2020**  
Extending Pride of Cows to value  
added products- Ghee, Curd





# BRAND POSITIONING



Premium



Mass Affluent



Mass



# UNIQUE BUSINESS MODEL CATERS TO



of the consumers' daily dietary needs

Multi/Assorted

## MEALS

Break fast | Lunch  
Snacks | Dinner

## CHANNEL

General Trade  
Modern Trade  
Online | HORECA

## BRANDS

Gowardhan  
Go | Pride of Cows  
Avvatar

## CATEGORY

Ghee | Instant Mixed  
Paneer | Cheese  
Beverages  
Protein Milk Powder

# BOARD OF DIRECTORS

## Mr. Devendra Shah | Chairman

PMFL has grown consistently under the leadership of Devendra Shah. He brings enthusiasm and innovation to business and has enhanced the company's revenue exponentially.

## Mr. Pritam Shah | Managing Director

The overall execution strategy of the company and consolidation of company's market presence, fall under the purview of Mr. Pritam Shah. His extensive knowledge and robust understanding of procurement and production process has played a crucial role in improving PMFL's performance.

## Ms. Akshali Shah Executive Director

Ms. Akshali Shah has more than a decade experience with Parag Milk Foods. She is instrumental for growth of the high value product business like launch of Farm to Home business- Pride of Cows, Sports Nutrition brand-Awatar (whey protein), and growth of beverages business. She has played an instrumental role in the journey of transformation from being a Dairy to a leading FMCG company with product innovation focusing on health & nutrition. Her vision is to transform Parag Milk Foods into a technology driven FMCG company. She holds MBA degree in Family Managed Business from S. P. Jain Institute of Management

## Mr. Nitin Dhavalikar Independent Director

He is essentially responsible for Rendering financial advisory to the organization. He has over 20 years of experience in overall business and corporate financial advisory

## Mr. Narendra Ambwani Independent Director

He was the Managing Director of Johnson & Johnson's consumer group in India. He has 39 years of experience in the consumer product industry. He works as a strategic partner advising the top management in developing business strategy to drive the next phase of growth of the company.

## Dr. Dnyanesh V. Darshane Independent Director

Dr. Dnyanesh Darshane comes with more than 37 years of global experience across continents and companies. He has worked in three continents, Asia, North America & Europe. He has been associated with top companies like The Coca-Cola Company, Nicolas-Piramal, Pepsi Foods, Tata Pharmaceuticals, U.S. Vitamins Pharmaceutical to name a few. Dr. Darshane holds a Ph.D. in Analytical Chemistry from the Institute of Science, India and an M.B.A. from Emory University, USA. He has been an innovative, multifaceted, and result-driven Executive Leader possessing visionary leadership.

## Ms. Radhika Dudhat Independent Director

Ms. Radhika is a Partner with Shardul Amarchand Mangaldas & Co. She has worked on a wide range of transactional, regulatory and legal risk management advisory. She has been appointed as the Chairperson of the Corporate Law and Governance Sub-Committee of the I MC Chamber of Commerce & Industry.

## Mr. Nikhil Vora Non- Executive Director

Nikhil Vora is the Founder and CEO of Sixth Sense Ventures with 28 years of experience in financial markets and the consumer domain. Nikhil was earlier the Managing Director and Head of Research at IDFC Securities and has been regarded as one of the strongest analytical minds in the country. He has evolved a strategic road map for Hindustan Unilever, Aditya Birla Group, Mari co, Godrej, etc.

# SAFE HARBOR

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# THANK YOU

