



Ideas for a new day

May 2, 2023

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

Dear Sir/Madam,

Sub: Investor Presentation on Financials Results for Quarter & Year ended March 31, 2023

In continuation of our letter dated April 29, 2023 on Standalone and Consolidated Audited Financial Results for the quarter & year ended March 31, 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 documents are also being made available on the Company's website 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.



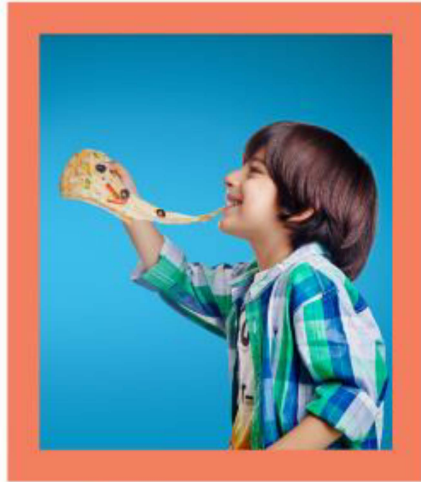
Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

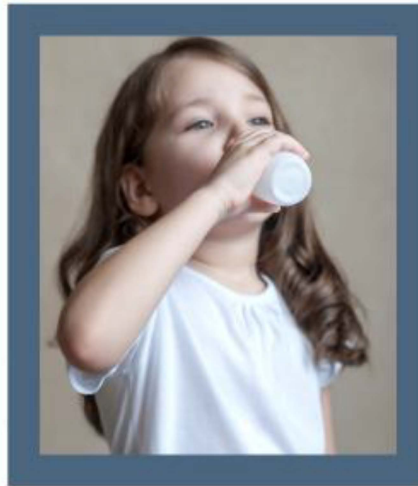
Regd. Office: Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital,
Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

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

Website: www.paragmilkfoods.com | **email:** investors@paragmilkfoods.com



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**Q4 FY23 & FY23
INVESTOR PRESENTATION**

SAFE HARBOR



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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.

CHAIRMAN'S MESSAGE



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Mr. Devendra Shah, Chairman

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: Q4FY23



Consolidated 
Revenue grew by
42.4%YOY

The core category
of Ghee and Cheese
has grown by
42.7%YOY

Brand Awatar has
posted strong growth
126%YOY



Pride of Cows
continues to witness
healthy traction.

Overall protein business
has grown by
130%YOY

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

We are now present
across **4.6 lac** retail
touch points across
PAN India



EXECUTIVE SUMMARY: FY23



Consolidated 
Revenue grew by
39.6%YOY

The core category of Ghee
and Cheese has grown by
43.5%YOY

Brand Awatar has
posted strong growth 
123%YOY

Protein business has
more than **Doubled**
YOY

Our impact- 
led marketing
and brand development
efforts are yielding results

We have strengthened
our infrastructure and
added 800+ distributors. 

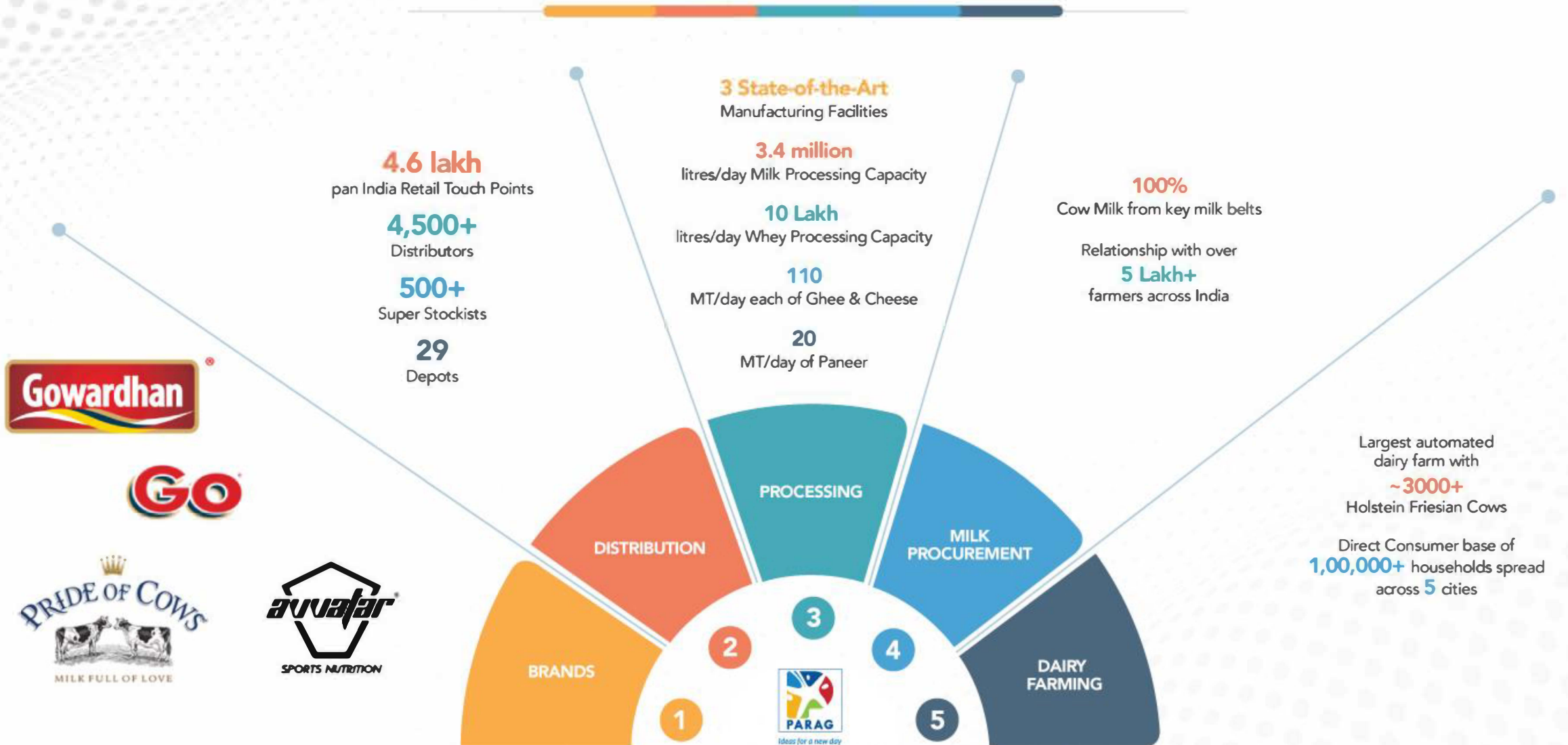


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PARAG AT A GLANCE

A horizontal bar with a gradient of colors: orange, red, blue, and dark blue.

PARAG MILK FOODS: A COMPLETE, INTEGRATED BUSINESS MODEL





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FINANCIAL HIGHLIGHTS



Q4FY23: ROBUST REVENUE GROWTH; MARGIN EXPANDS



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FY23: SOLID ALL-ROUND PERFORMANCE IN A CHALLENGING ENVIRONMENT



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PRODUCT MIX: Q4FY23



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Milk

9.9%



Value Added Milk Products

65.4%



New Age

3.6%



SMP

21.1%

PRODUCT MIX: FY23



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Milk

9.4%



Value Added Milk Products

69.3%



New Age

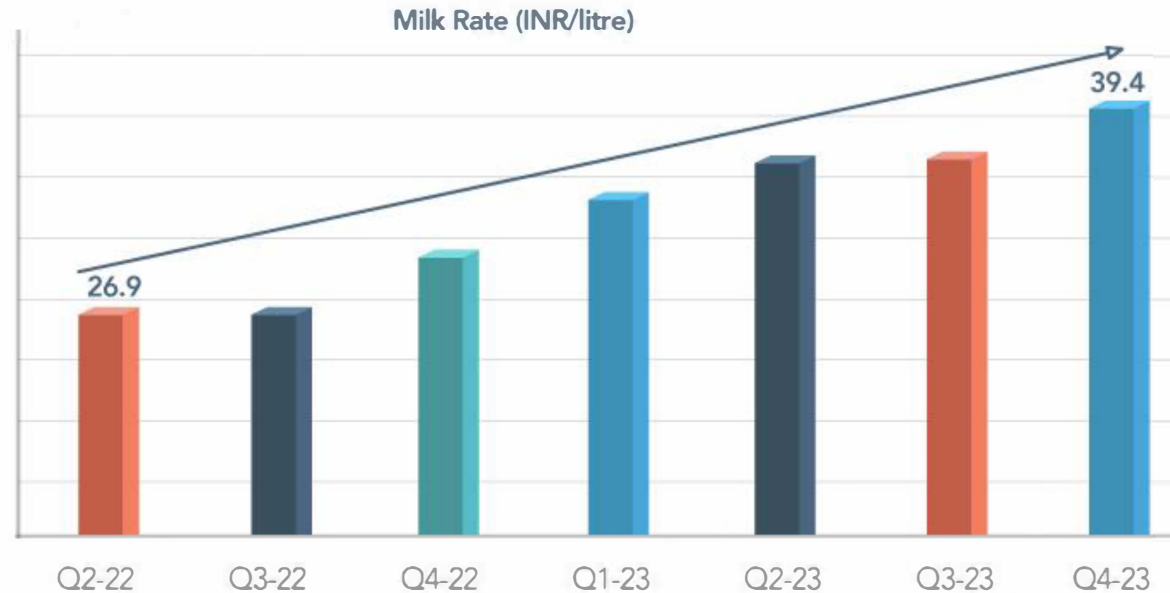
3.3%



SMP

18.0%

INFLATION OF MILK PRICES



The milk price inflation continued its northward trajectory and the procurement prices have increased by 47% over the last six quarters.

GALLOPING INFLATION AND SUPPLY CRUNCH: PARAG STOOD RESILIENT



Milk Inflation has been high at 47% over the last 18 months and was led by -

- Strong demand across categories and segments
- Tight Global supply, demand met by exports
- Elevated energy and logistics prices across the board
- Lumpy Skin Disease in some parts of India; impacted the overall supply

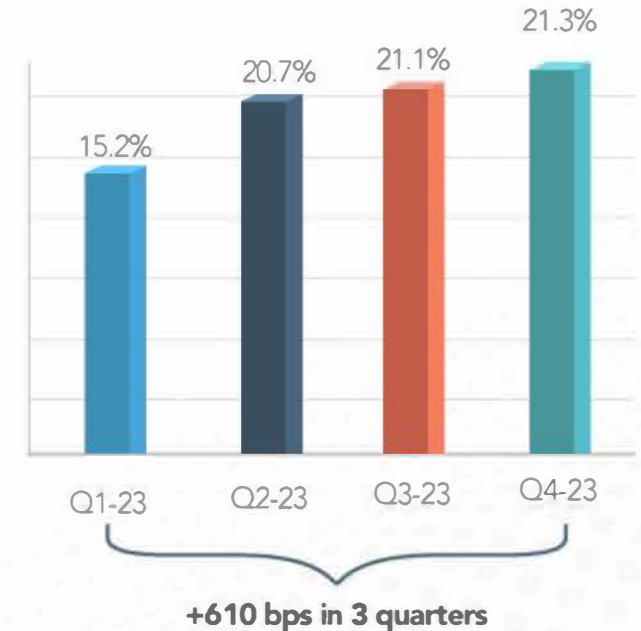
During the year our Plant procurement purchase increased by 20% from 14 lac litres a day to 18 lac litres a day

We continue to grow from strength to strength and have a planned purchase of 20 lac litres day for FY24.

STRONG BRAND PULL WITH ENHANCED DISTRIBUTION AIDED GROWTH WITH MARGIN EXPANSION



- Parag posted industry-leading revenue growth of ~40% YoY in FY23; while volumes registered a double digit growth
- Our content led impact marketing and branding activities across multitude of TVC programming that included shows like "KBC" and "Anupama" aided in strengthening our reach in tier 2 & tier 3 town & cities
- We have undertaken series of price interventions to pass on the rising procurement prices and are now 18-20% premium to competition.
- We have witnessed consistent margin expansion. Over the last three quarters, our gross margins have improved by 610 bps, reflecting our brand pull.



Over the last 3 quarters our margins have
improved by +610 bps.



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OPPORTUNITY MARKET: HIGH POTENTIAL RUNWAY



THE FUTURE OF THE INDUSTRY



Ghee

Cheese

Whey

Current Industry
Market Size

76000cr

5700cr

660cr

Next 3yrs Industry
Market Size

1,23,000cr

20,000cr

2000cr

Source: Industry estimates



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OUR STRATEGIC PRIORITIES



OUR STRATEGIC PRIORITIES



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To be one of the best performing, most trusted and respected dairy FMCG companies in India across stakeholders



1A. STRENGTHENING & ACCELERATING CATEGORIES



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Dominant market share across categories & expanding



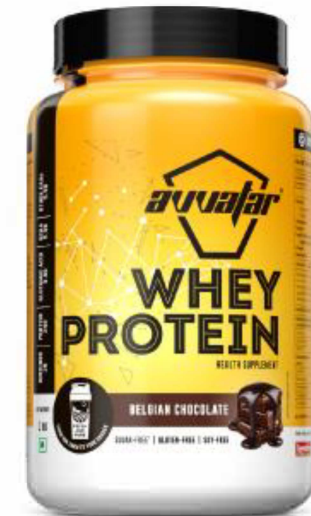
GOWARDHAN GHEE

Leaders and pioneers of cow ghee category with **20%** market share in cow ghee segment (source IMARC)



GO CHEESE

Dominant player in cheese category in India with **35%** market share (source IMARC)



AVVATAR

Our protein business is witnessing healthy growth momentum, and has grown by **130%** in the last 12 months

1B. STRENGTHENING & ACCELERATING CATEGORIES

FY23: Core categories posted strong growth



25%
Volume Growth

48%
Value Growth

19%
Volume Growth

38%
Value Growth

69%
Volume Growth

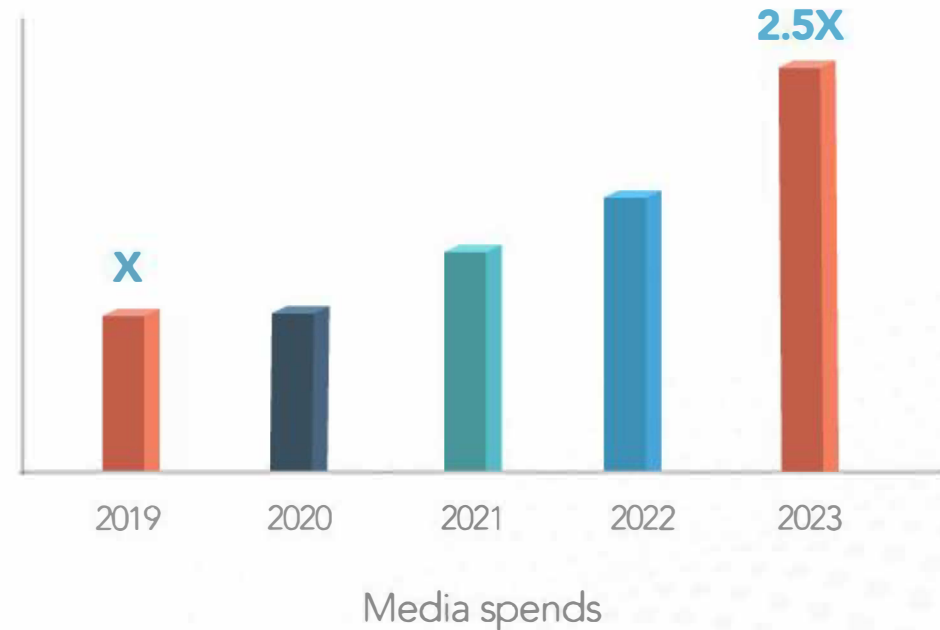
123%
Value Growth

2. CONSISTENT MEDIA SUPPORT

Consistent media support to our brands

Investing **80%** of media spends on AIR

Building brands over new age influencers content strategy

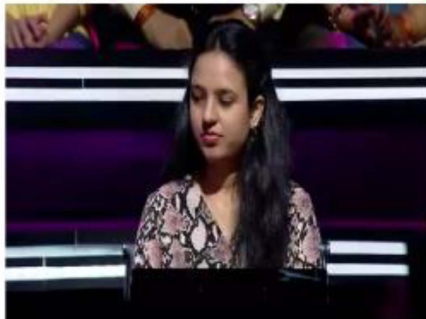


BRAND CAMPAIGN HIGHLIGHTS



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GOWARDHAN



गोवर्धन
गोवर्धन

Gowardhan
Presents
मेवाप्या
मोरिया
Co-Powered By
VILINA

- Participation in the popular shows like "Kaun Banega Crorepati" helped us gain wider reach in tier 1 and tier 2 towns and cities
- Impact led marketing will be "Go to" strategy in future

BRAND CAMPAIGN HIGHLIGHTS



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GO CHEESE



- Employed content led impact marketing campaign by participating in the most popular fiction show "Anupama"
- The branding campaign enabled us to further strengthen our consumer connect

3A. BUILT ON THE BACKBONE OF A ROBUST NETWORK

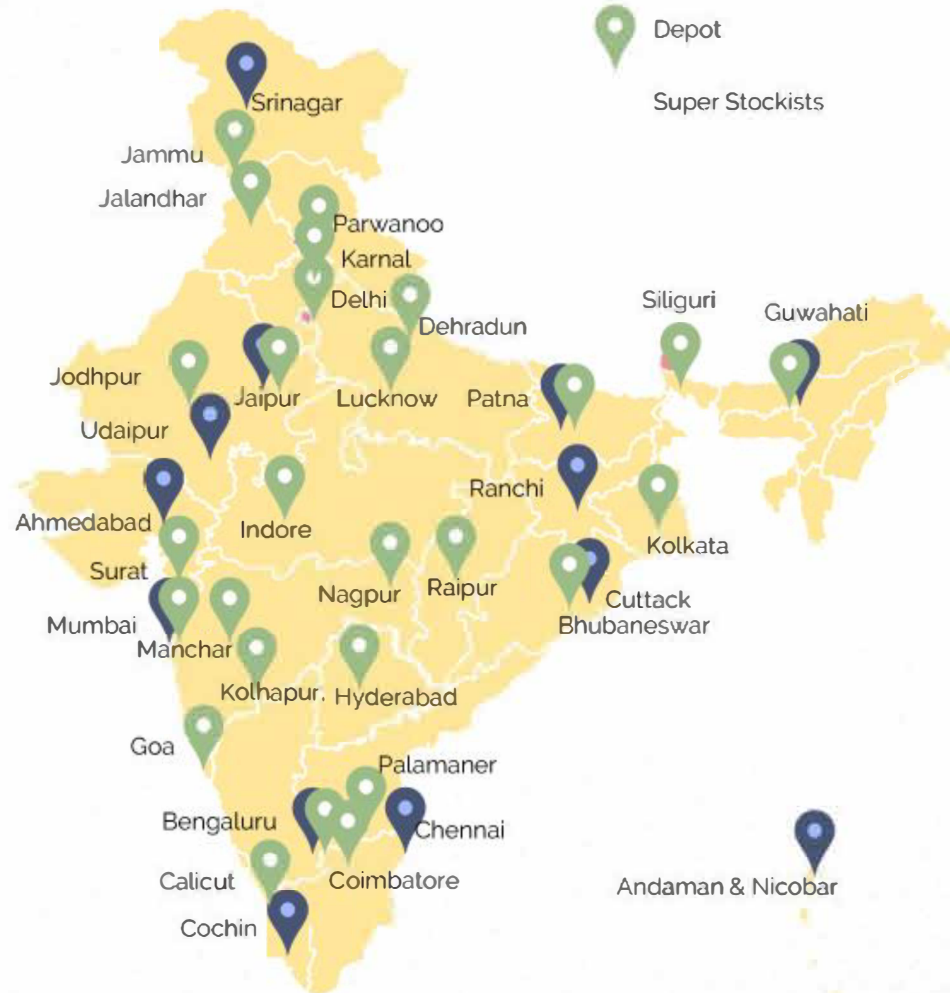


29
Depots

500+
Super Stockists

4500+
Distributors

4.6 Lakh
Retail Touch Points



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

3B. BUILT ON THE BACKBONE OF A ROBUST NETWORK; AND GROWING CONSISTENTLY

- Over the last two years, our distribution network has grown by 2x
- Currently we are present across 4.6 lakh retail touchpoints across India
- We target to expand our distribution footprint by 3x; and reach 13-15 lac retail touch points by FY27

The expansion would be driven by

- Increasing distribution dominance in < 1 lakh towns
- Building Depots and infrastructure across India
- Aggressive outlet expansion



3C. EVOLVING ROUTE TO MARKET



Our total billed outlets have increased by



55% on **YoY** basis in the General Trade category

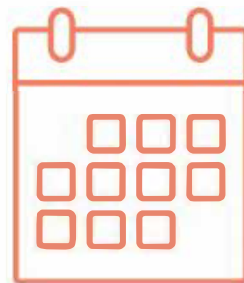
For **FY 23**; our Modern trade business has witnessed strong **42%** growth **YoY**



The **HORECA** business has grown by **35% YOY**; driven by **12%** volume growth



Ecommerce continues strong momentum and has posted **2x** growth on a **YoY** basis



We have strengthened our infrastructure and added **800+** distributors



4A. INDIA'S FIRST WHEY MANUFACTURING COMPANY



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Total whey market size is INR 6.6 billion and is expected to reach INR 19.9 billion

by FY27, Growing at a **CAGR** of **20.2%** over FY19-27.

Parag Milk Foods is the only Indian company to manufacture Whey Protein.

Brand Awatar reaches its consumer in the freshest form. The quality of the Whey Protein sets Awatar apart from the competition.

The category is on a structural uptrend, aided by multiple factor :-

1. As per the industry survey around 65% of Indians are deficient in protein
2. 50%+ of the population in the age bracket of 15-49 years is digitally connected with global trends and looking to improve their lifestyle
3. ~40%+ of the category sells digitally on marketplaces, D2C sites and health stores.

Source: Industry

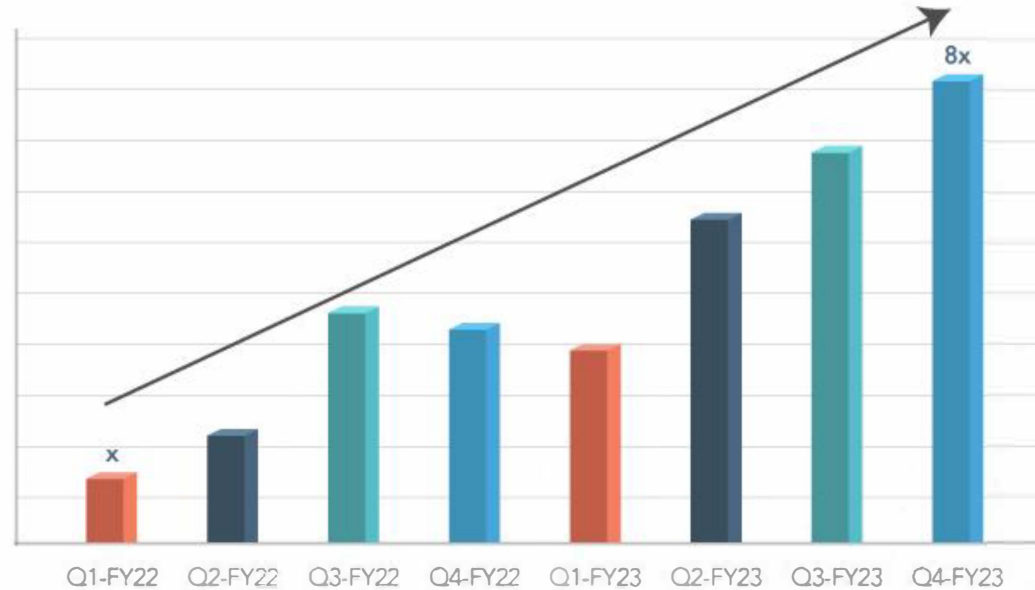


STRONG THRUST ON PROTEIN BUSINESS



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Protein Business Contributes Around ~7% Of Sales



1/3rd
of Avatar sales
comes from
e-commerce

Strong growth is witnessed; over the last 8 quarters, the sales have grown to 8x.

4C. STRENGTHENING NEW BUSINESS: PRIDE OF COWS



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- Growth strategy: More point of sale; More products ◦

ROUTE TO MARKET



Direct to consumers



Ecommerce



Organized trade channels

Farm fresh, pure, premium dairy range

INCREASING PRODUCT PORTFOLIO



5. OPTIMIZING PRODUCTIVITY TO DRIVE GROWTH



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1

DIGITIZATION/ IT:

PLANNING STAGE FOR SAP HANA IMPLEMENTATION

MORE THAN 70% OF GT BUSINESS HAS BEEN COVERED IN SFA*

2

OVERHEADS:

LEVERAGING VENDORS, RE- NEGOTIATION, REVERSE AUCTIONS

OFFICE CONSOLIDATION

3

SUPPLY CHAIN OPTIMIZATION:

DEPOT & COLD STORAGE RESTRUCTURING

BEAT PLANNING IN OPPORTUNITY MARKETS

* SFA - Sales Force Automation



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ADDITIONAL INFORMATION



OUR ESG INITIATIVES



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FOCUS AREAS

ENVIRONMENTAL

focus centers 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

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

Also abided by IFC's policy framework on ESG.

OUR ESG FRAMEWORK

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

Water conservation efforts: Recycling of 55% of the requirement.

Responsible Effluent & Waste management process.

Marked reduction in emission levels.

PERFORMANCE

Strict adherence and measurement to the conservation norms.

Zero water & land waste norms.

Reduction in CO2 emission levels (Scope 1 +2) up to 15% by 2025.

WAY FORWARD

GREEN INITIATIVES



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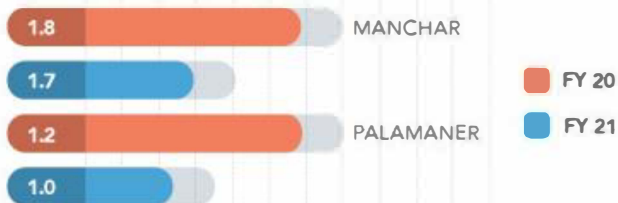
WATER

REDUCE | REUSE | RECYCLE

- Water optimization.
- Our water consumption per liter of milk handled has reduced over a period of time.
- Around 55% of water consumption at our units is from recycled water.

PERFORMANCE

WATER USAGE (LITRES) PER LITRE OF MILK



PLANS AHEAD

ZERO WATER AND LAND WASTE NORM

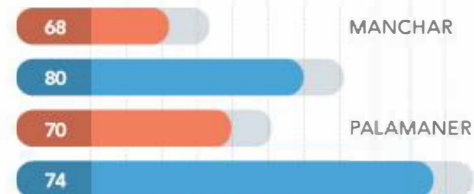
CLIMATE

FOCUS ON REDUCING AIR | SOIL | NOISE POLLUTION

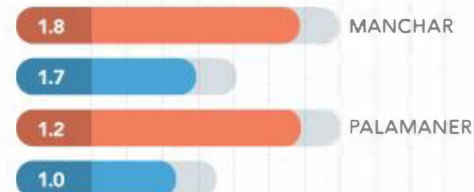
- Installation of solid waste digester.
- Monitoring and Control of excess air in boiler.
- Biogas generation at farm by converting cow-dung slurry into organic fertilizer.

PERFORMANCE

Boiler Efficiency Levels (%)



Thermal energy usage (Kcal)/per litre of milk



PLANS AHEAD

REDUCTION IN CO2 EMISSION LEVELS (SCOPE 1 +2) UP TO 15% BY 2025

ENERGY

EMISSION | ENERGY CONSERVATION | FOCUS ON RENEWABLES

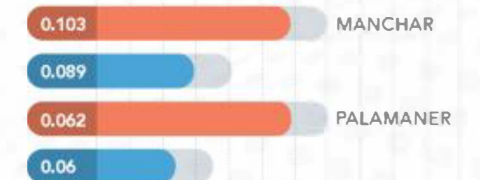
- Power generation through solar
- Energy generation through solid waste
- Replacement of inefficient pumps
- Technology upgradation
- Further Heat recovery system in boiler (Flue gas heat recovery)

PERFORMANCE

Reduction in CO2 emission per litre of milk handled



Power Usage (KWh per litre of milk)



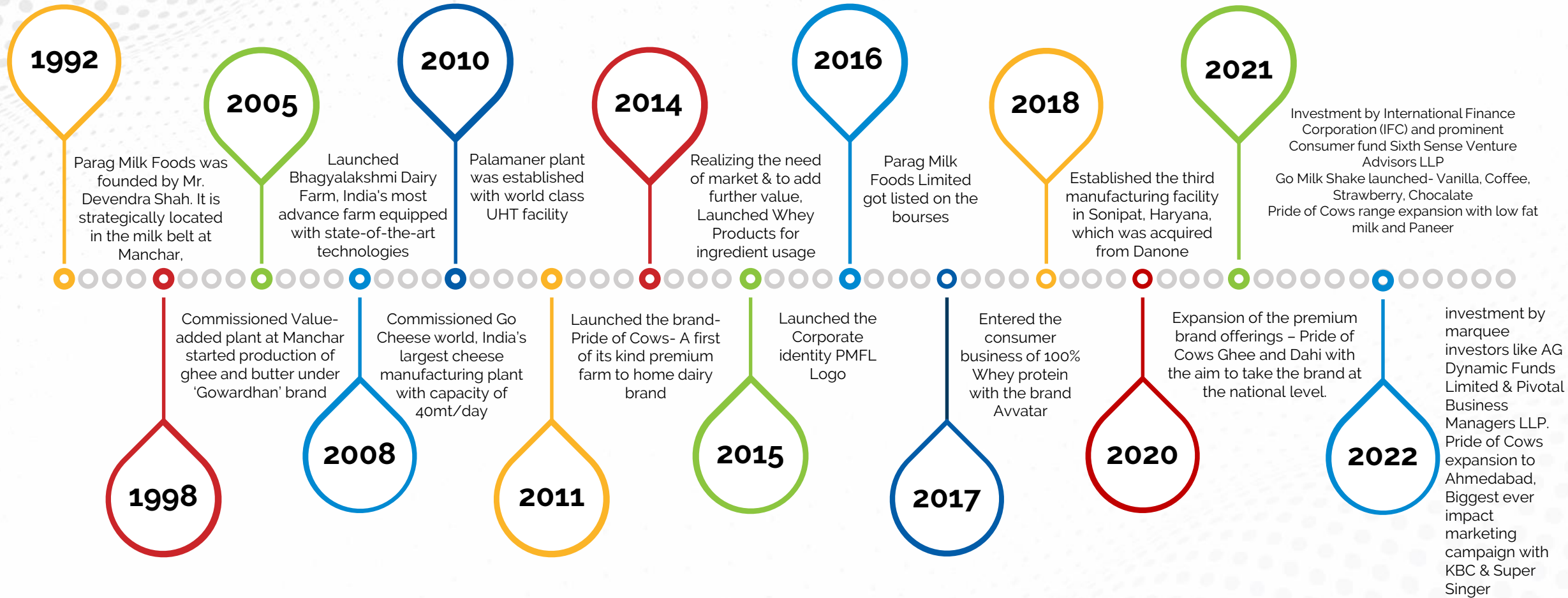
PLANS AHEAD

AIM TO REDUCE EMISSION LEVELS BY 15-20% BY 2025

OUR JOURNEY



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BOARD OF DIRECTORS



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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- Avvatar (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. 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.

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 finance advisory

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 IMC 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 roadmap for Hindustan Unilever, Aditya Birla Group, Marico, Godrej, etc.



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THANK YOU
