



June 28, 2016

The Secretary
BSE Limited
Phizore Jeejeeboy Tower,
Dalal Street,
Mumbai-400023
Stock Code: 539889

The Secretary
National Stock Exchange Limited
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (E),- Mumbai-400051
Stock Code: PARAGMILK

Ref:-Parag Milk Foods Limited ISIN Code- INE88N01014

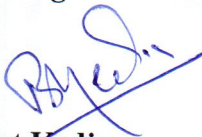
Dear Sir/Madam,

Sub: **Investor Presentation for Q4 and FY 15-16**

We enclose Investor Presentation for Q4 and FY 15-16 of the Company.

Thanking you,

Yours faithfully,
For Parag Milk Foods Limited


Bharat Kedia
Chief Financial Officer



Encl: a/a

Parag Milk Foods Ltd.,
CIN - U15204MH1992PLC070209

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.:(020) 25674761/62/63.

Corporate Office: 20th floor, Nirmal building, Nariman point, Mumbai - 400021 Tel.: 022-43005555 Fax: 022-43005580

Website: www.paragmilkfoods.com



Parag Milk Foods Emerges as Fortune India's 'Next 500' Company



PARAG MILK FOODS LIMITED
Q4 & FY16 RESULTS UPDATE PRESENTATION
JUNE 2016

This presentation and the following discussion may contain “forward looking statements” by Parag Milk Foods Limited (“Parag Milk”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the management of Parag Milk Foods about the business, industry and markets in which it operates.

These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond Parag Milk Foods control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of Parag Milk Foods. In particular, such statements should not be regarded as a projection of future performance of Parag Milk Foods. It should be noted that the actual performance or achievements of the company may vary significantly from such statements.

COMPANY OVERVIEW

Q4 & FY16 RESULTS
HIGHLIGHTS

ANNEXURE



COMPANY OVERVIEW

Q4 & FY16 RESULTS HIGHLIGHTS

ANNEXURE



COMPANY OVERVIEW

ABOUT US: BRIEF PROFILE



BUSINESS OVERVIEW

- Strong Promoter Pedigree with over 2 decades of rich industry experience. Incorporated in 1992, with collection and distribution of milk, we have now developed into a dairy-based branded FMCG company with an integrated business model.
- Diversified product portfolio catering to wide range of customer - Established "4 Brands" - 'Govardhan', 'GO', 'Pride Of Cows' & 'Topp Up', having a large customer base & strong brand recall targeting specific customer segments through strategic positioning.
- Derive all of our products only from cows' milk. Our aggregate milk processing capacity is 2 million litres per day and our cheese plant has the largest production capacity in India, with a raw cheese production capacity of 40 MT per day.

KEY STRENGTHS

- Integrated Business Model Encompassing the entire value chain - procurement, manufacturing, distribution and branding
- Robust brand portfolio with 4 well established brands targeted towards distinct consumer groups - Govardhan, Go, Topp Up, Pride of Cows
 - 'Govardhan' ranked among the top 25 most trusted brands in the food products category
 - 'Go' Cheese was awarded "India's Most Promising Brand 2014-15" in the FMCG category
- World Class Manufacturing with 2 state-of-the-art Manufacturing facilities and Strong R&D capabilities
- Established Strong Relationships at grass root level with farmers, distributors & institutional customers and a large retail customer base.
- Established Pan-India Distribution Network of 15 Depots, 104 Super Stockists and over 3,000+ Distributors

STRONG FINANCIAL PERFORMANCE

- Consolidated Revenues, EBITDA and PAT were Rs 16,451 mn, Rs 1,476 mn and Rs 473 mn in FY16 having grown at CAGR of 17%, 18% and 58% over FY12-FY16
- Improving Share of Value-added Products 39% in FY12 to 79% in FY16
- Significant De-leveraging Efforts have helped improve PAT Margins from 0.9% to 2.9% over FY12-FY16.
- FY16 Debt : Equity was 1.1:1.

COMPANY OVERVIEW

PRODUCT INNOVATION – KEY TO OUR SUCCESS STORY

Strong Thrust On R&D Capabilities To Pioneer Developing Of New Exciting Products



One of a kind premium quality cow milk under “farm-to-home” concept through a Subscription model

“Go Cheezooz” awarded the “Best Children’s Dairy Product” for the product innovation category

Wide & Innovative variety of cheese including gourmet cheese, creamy, jalapeno cheese spread, herb cheese cubes, etc

Only one in India to market Fresh Paneer in retail stores (not frozen Paneer) which has a shelf life of 90 days

Leading Supplier in India of Whey protein powder to NESTLE

2015

- Whey proteins
- Sachet packs of ghee
- Buttermilk in southern spices variant
- Go Badam Milk
- Go Almette Creamed Cottage Cheese in two flavours
- Go Chutney cheese slices

2014

- New flavours in Topp-up of pistachio and butterscotch
- Cheese sandwich slices
- Cheese toppings for pizzas
- Spiced buttermilk in UHT
- Fresh cream in UHT
- Spiced buttermilk in Fino pack

2013

- Emmental cheese
- Consumer packs of mozzarella cheese
- Yogurt in three new flavours of saffron, pink guava and vanilla
- Topp-up in four flavours
- Cheese spread in six flavours
- Parmesan cheese
- Cheezlets
- Vital milk in all markets

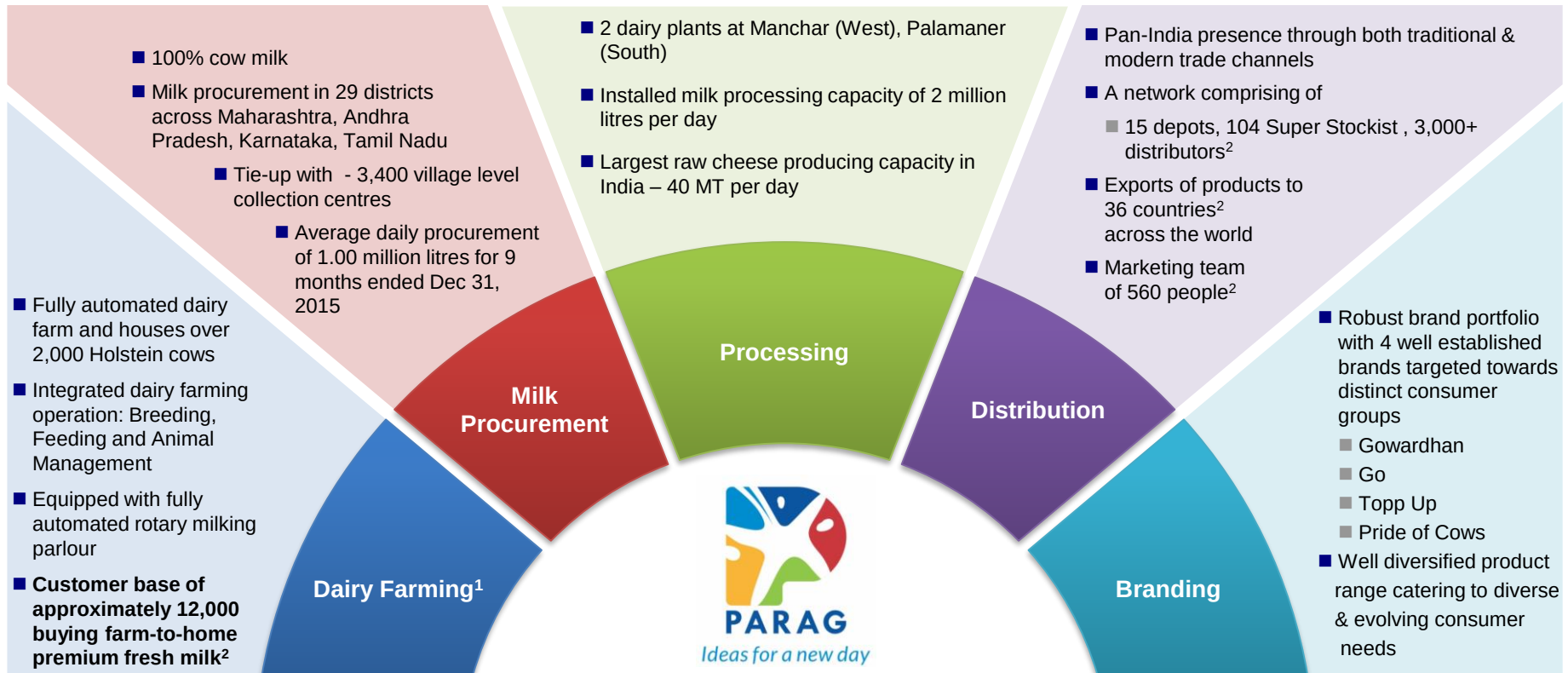
COMPANY OVERVIEW

DIFFERENTIATED BRAND & PRODUCT PORTFOLIO

Brands	Products	Target Customer Group
	 <ul style="list-style-type: none"> ■ Fresh Milk ■ Curd ■ Ghee ■ Paneer ■ Butter ■ Milk powder ■ Whey proteins 	<ul style="list-style-type: none"> ■ Targeted at house-hold consumption and to be used as cooking ingredients
	 <ul style="list-style-type: none"> ■ Cheese Products ■ UHT milk ■ Curd ■ Fruit yoghurts ■ Fresh cream ■ Lassi, Buttermilk, Badam milk 	<ul style="list-style-type: none"> ■ Targeted at children and the youth generation, primarily for direct consumption
	 <ul style="list-style-type: none"> ■ Premium cow milk 	<ul style="list-style-type: none"> ■ Targeted at household consumers seeking premium quality cow's milk.
	 <ul style="list-style-type: none"> ■ Flavoured milk 	<ul style="list-style-type: none"> ■ Targeted at youth generation & travellers as source of instant nourishment

COMPANY OVERVIEW

INTEGRATED BUSINESS MODEL - STRONG RELATIONSHIPS ACROSS THE VALUE CHAIN



Integrated Business Model that encompasses the entire value chain of the dairy based food and beverage business

Notes:

(1) The dairy farming business is housed in Bhagyalaxmi Dairy Farm which is owned and operated by Bhagyalaxmi Dairy Farm Private Limited

(2) As of February 29, 2016

COMPANY OVERVIEW

EXTENSIVE SALES, MARKETING & DISTRIBUTION NETWORK

Well entrenched Pan-India distribution Network

Enormous Potential to grow in India



Pan-India Distribution network 15 depots, 104 super stockists, 3000+ distributors



Dedicated sales and Marketing team comprising of 560 personnel¹ to serve our retail as well as institutional customers



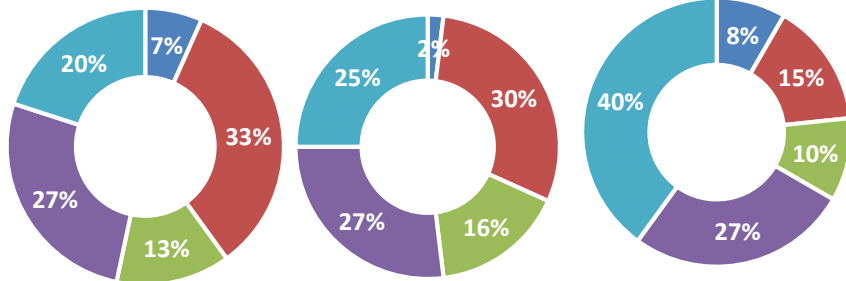
Deploys product specific marketing & distribution strategy

REGION WISE DISTRIBUTION NETWORK IN INDIA

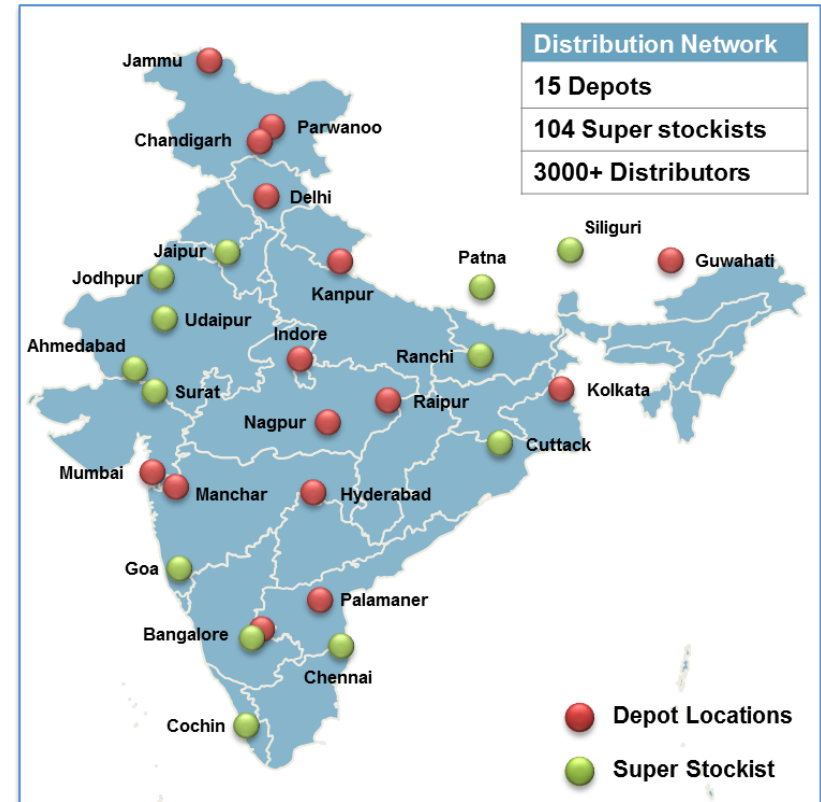
Depots

Super Stockists

Distributors



■ Mumbai ■ North ■ East ■ West ■ South



Note:

(1) As of February 29, 2016

COMPANY OVERVIEW

WORLD CLASS MANUFACTURING FACILITIES

Dairy Farming

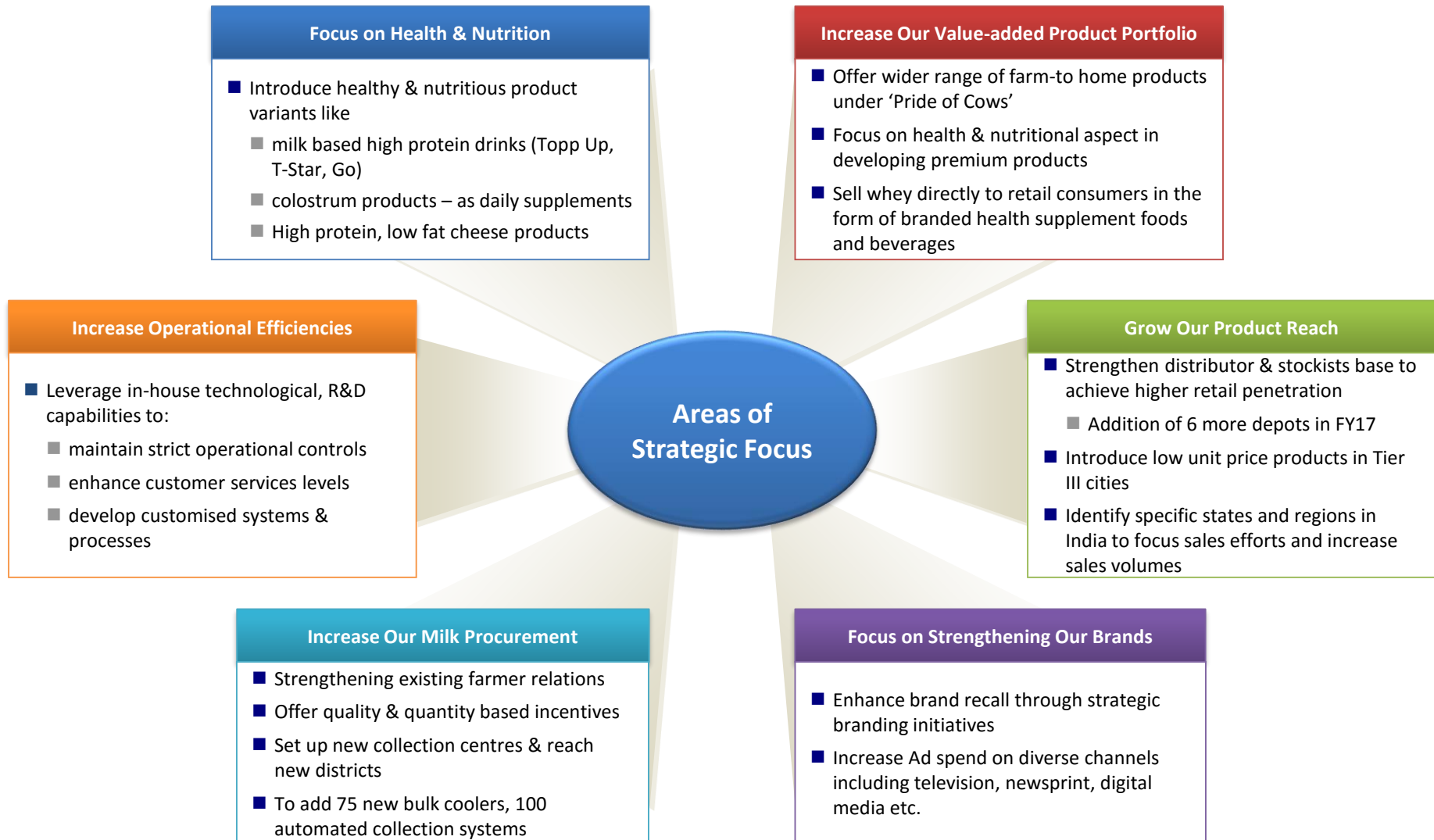


Processing Facilities



COMPANY OVERVIEW

AREAS OF STRATEGIC FOCUS



COMPANY OVERVIEW

SHAREHOLDING SUMMARY

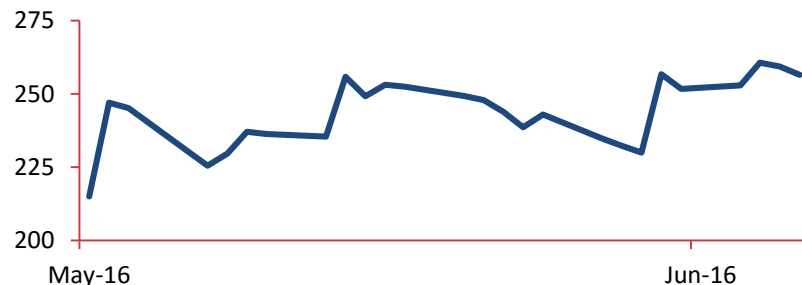


Category (as on 17 th May 2016)	No. Of share holders	% Holding
Promoters	3	28.33%
Promoter Group	8	19.15%
Key Management Personnel	1	0.00%
Independent Directors	-	0.00%
FPIs	29	25.79%
Mutual Funds	9	4.47%
Trusts	1	6.98%
Non Resident Indians	156	0.01%
Bodies Corporates	26	6.38%
High Networth Individuals	20	4.12%
Retail Investors	52,567	4.49%
ESOP Trust	1	0.27%
Total	52,821	100.00%

Source – Company

Key Investors (as on 17 th May 2016)	% Holding
Tata Balanced Fund	4.19%
Macquarie Emerging Markets	3.71%
Nomura India Investment	3.44%
IDFC Spice Fund	2.87%
Quantum (M) Limited	2.33%
Abu Dhabi Investment Authority	1.69%
Government Pension Fund Global	1.69%
Copthall Mauritius Investment Limited	1.68%
Morgan Stanley	1.67%
Pinewood Str	1.45%
Narendra Kumar Agarwal	1.14%
Ashish Kacholia	1.09%

Share Price Performance



Market Data

As on 23rd June 2016

Market Capitalization (Rs mn)	21,613
Price (Rs)	256.95
IPO Price (Rs)	215.00
No. of Shares Outstanding (mn)	84.1
Face Value (Rs)	10.0
52 Week High-Low (Rs)	266.2-202.1

Source – BSE

COMPANY OVERVIEW

Q4 & FY16 RESULTS HIGHLIGHTS

ANNEXURE



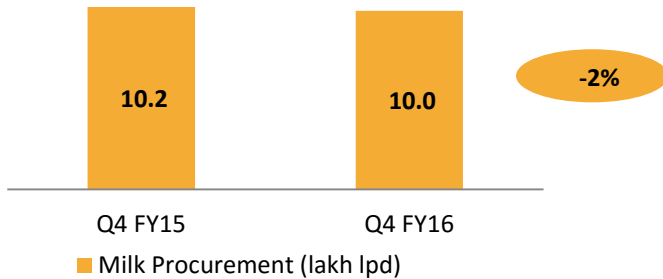
Q4 & FY16 RESULT ANALYSIS

SEGMENT WISE REVENUE MIX

Q4 FY16 YoY ANALYSIS

Milk Procurement

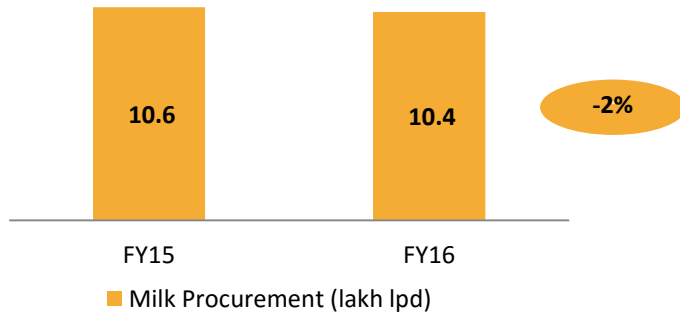
% Growth



FY16 YoY ANALYSIS

Milk Procurement

% Growth

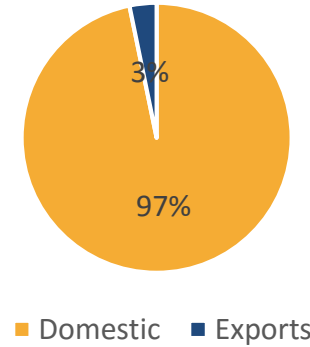


Amounts In Rs Million

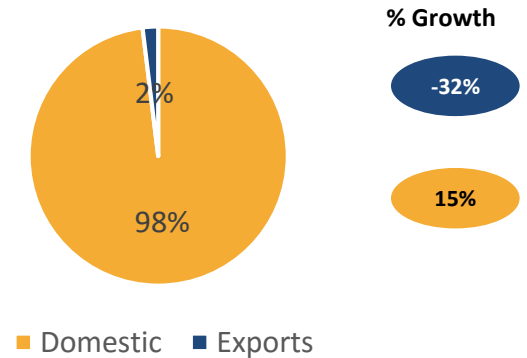
FY16 YoY ANALYSIS

Domestic v/s Exports

FY15



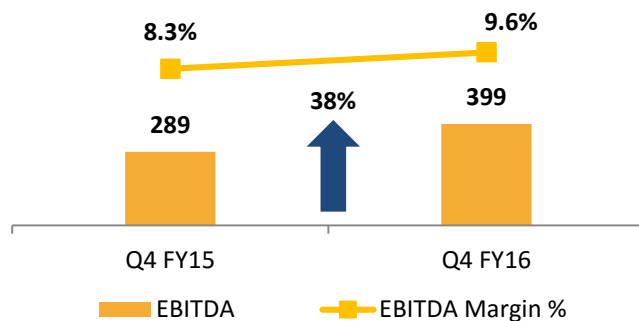
FY16



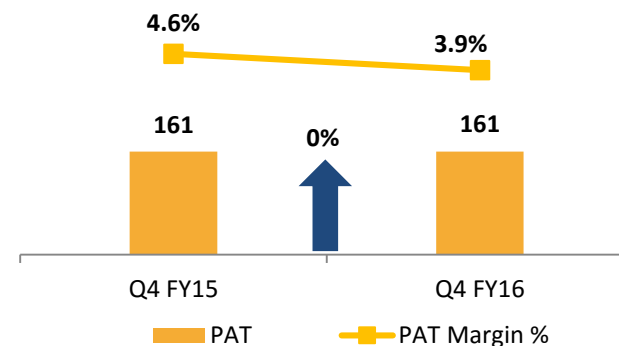
Q4 & FY16 RESULTS: KEY HIGHLIGHTS

Q4 FY16 YoY ANALYSIS

EBITDA & EBITDA MARGIN

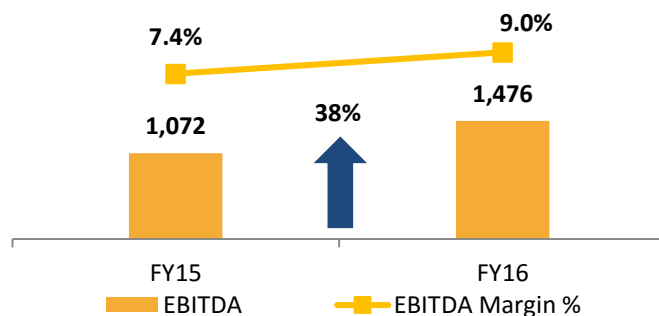


PAT & PAT MARGIN

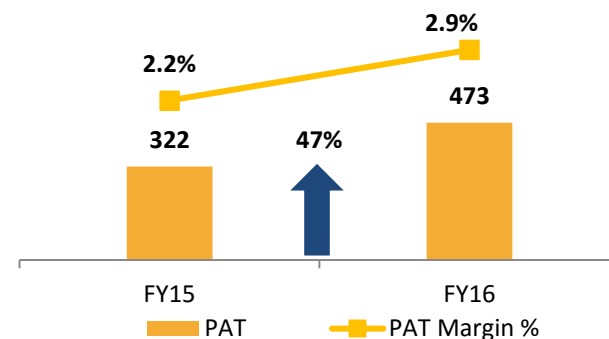


FY16 YoY ANALYSIS

EBITDA & EBITDA MARGIN



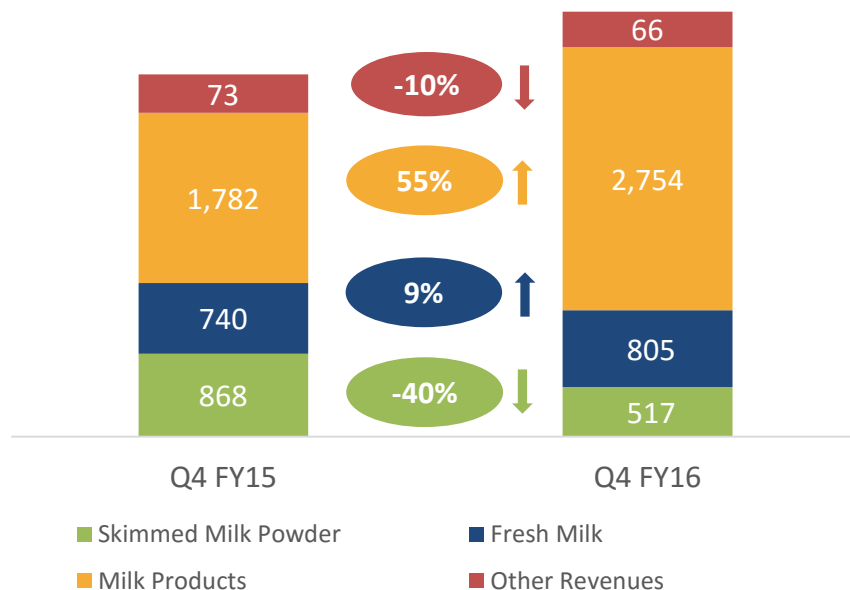
PAT & PAT MARGIN



Amounts In Rs Million

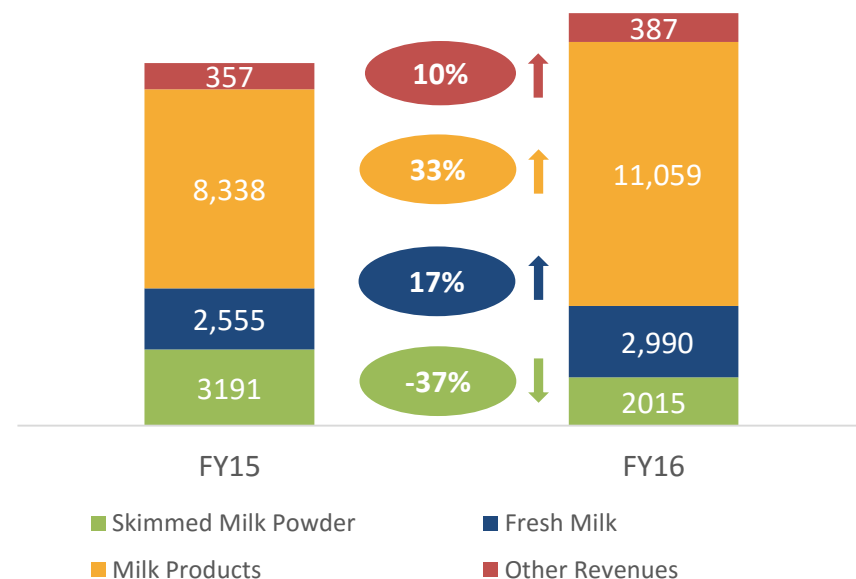
Q4 & FY16 PRODUCT WISE REVENUE BREAK-UP

Q4 FY16 YoY ANALYSIS – REVENUE BREAKUP



% Share	Q4 FY15	Q4 FY16
Skimmed Milk Powder	25%	12%
Fresh Milk	21%	19%
Milk Products	51%	66%
Other Revenues	2%	2%

FY16 YoY ANALYSIS – REVENUE BREAKUP



% Share	FY15	FY16
Skimmed Milk Powder	22%	12%
Fresh Milk	18%	18%
Milk Products	58%	67%
Other Revenues	2%	2%

Amounts In Rs Million Note: Value-Added products are excluding Fresh Milk, Skimmed Milk Powder and Other Revenues.

Q4 & FY16 RESULTS: KEY HIGHLIGHTS

Revenues

Revenues grew by 19.6% YoY from Rs 3,463 mn in Q4 FY15 to Rs 4,142 mn in Q4 FY16

- Growth was largely driven by Milk products as their share in total revenues grew from 51% in Q4 FY15 to 66% in Q4 FY16
- Fresh Milk Revenue witnessed healthy growth during Q4 FY16 as well as FY16 growing by 9% YoY and 17% YoY respectively.

EBITDA

Q4 FY16 EBITDA grew by 38% YoY to Rs 399 mn from Rs 289 mn in Q4 FY15

- Robust growth in EBITDA was primarily driven by higher Top-Line & lower operating expenses
- Focus on increasing share of value-added products resulted in higher gross margins
- Other Expense included one-time IPO charges of Rs 25 mn

PAT

Q4 FY16 remained flat YoY at Rs 161mn compared to Q4 FY15

- PAT remained constant on account of tax adjustments
- Interest expenses were higher due to lower base in Q4 FY15. Going forward, interest expenses are expected come down significantly due to reduction in debt
- Increase in Tax was due to withdrawal of income tax exemption on Subsidy

ROCE

- ROCE improved from 9.1% in FY 14 to 12.3% in FY 15 and 16.2% in FY 16, due to strong growth in Top-line and improving Operating Profitability

Q4 & FY16 RESULT FINANCIALS

CONSOLIDATED PROFIT & LOSS STATEMENT

Particulars (In Rs Mn)	Q4 FY16	Q4 FY15	YoY %	FY16	FY15	YoY%
Revenue from Operations	4,142	3,463	19.6%	16,451	14,441	13.9%
Raw Material Costs	2,840	2,375	19.6%	11,776	10,616	10.9%
Employee Expenses	193	168	15.4%	701	572	22.5%
Other Expenses	710	631	12.5%	2,499	2,181	14.6%
EBITDA	399	289	38.1%	1,476	1,072	37.7%
EBITDA Margin %	9.6%	8.3%	129 bps	9.0%	7.4%	155 bps
Depreciation	97	77	25.7%	334	275	21.3%
Finance Cost	120	76	57.0%	490	469	4.5%
Other Income	4	6	-30.0%	16	15	6.0%
PBT	186	141	31.6%	668	343	94.9%
Tax Expense	25	-20	-	195	21	-
PAT	161	161	-	473	322	42.3%
PAT Margin %	3.9%	4.6%	-76 bps	2.9%	2.2%	65 bps

Q4 FY 15 numbers are unaudited

Q4 & FY16 RESULT FINANCIALS

CONSOLIDATED BALANCE SHEET

Particulars (In Rs Mn)	FY16	FY15
Equities & Liabilities		
Share Capital	704	160
Reserves & Surplus	2,915	1,079
Shareholder's Funds	3,619	1,239
Non-Current Liabilities		
Long-Term Borrowings	1,529	2,974
Deferred Tax Liability	110	60
Long-term Provisions	176	166
Total Non-Current Liabilities	1,814	3,200
Current Liabilities		
Short-term Borrowings	2369	2,525
Trade Payables	1,678	1,931
Other Current Liabilities	388	340
Short-term Provisions	42	5
Total Current Liabilities	4,477	4,801
Total Equity & Liabilities	9,910	9,239

Particulars (In Rs Mn)	FY16	FY15
Assets		
Non-Current Assets		
Fixed Assets	3,726	3,194
Tangible assets	3,444	2,907
Intangible assets	3	4
CWIP	233	236
Intangible assets under development	46	47
Non-Current Investments	0	3
Other Non-Current Assets	168	684
Total Non-Current Assets	3,894	3,881
Current Assets		
Inventories	2,724	2,119
Trade Receivables	2,360	1,709
Cash & Bank Balance	77	53
Short-term Loans & Advances	455	974
Other Current Assets	400	504
Total Current Assets	6,016	5,359
Total Assets	9,910	9,239

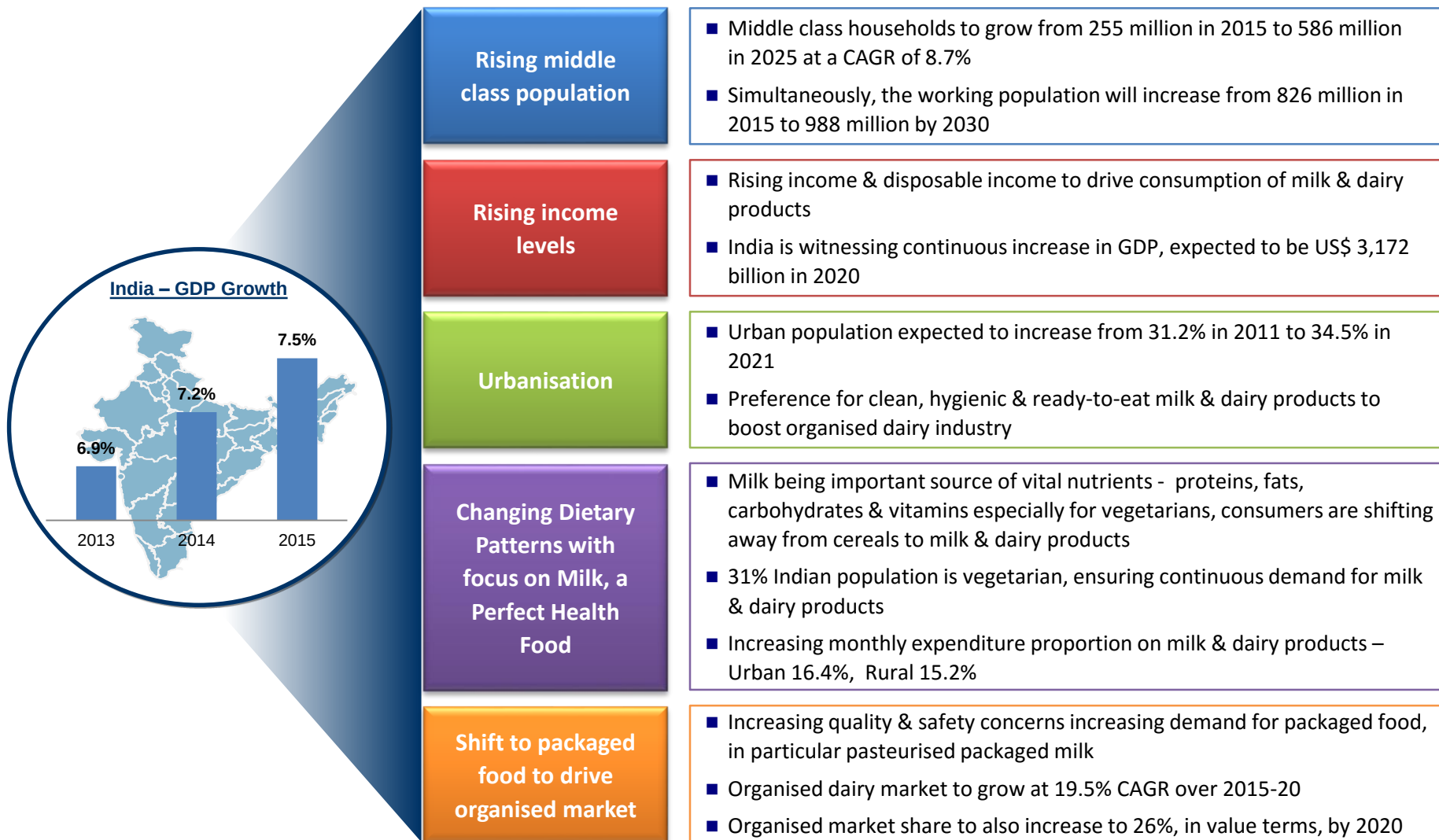
Q4 & FY16 RESULTS HIGHLIGHTS

COMPANY OVERVIEW

ANNEXURE



India's Favourable Dynamics Offer Huge Opportunities



THANK YOU



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