

Investor Presentation

JULY 2021



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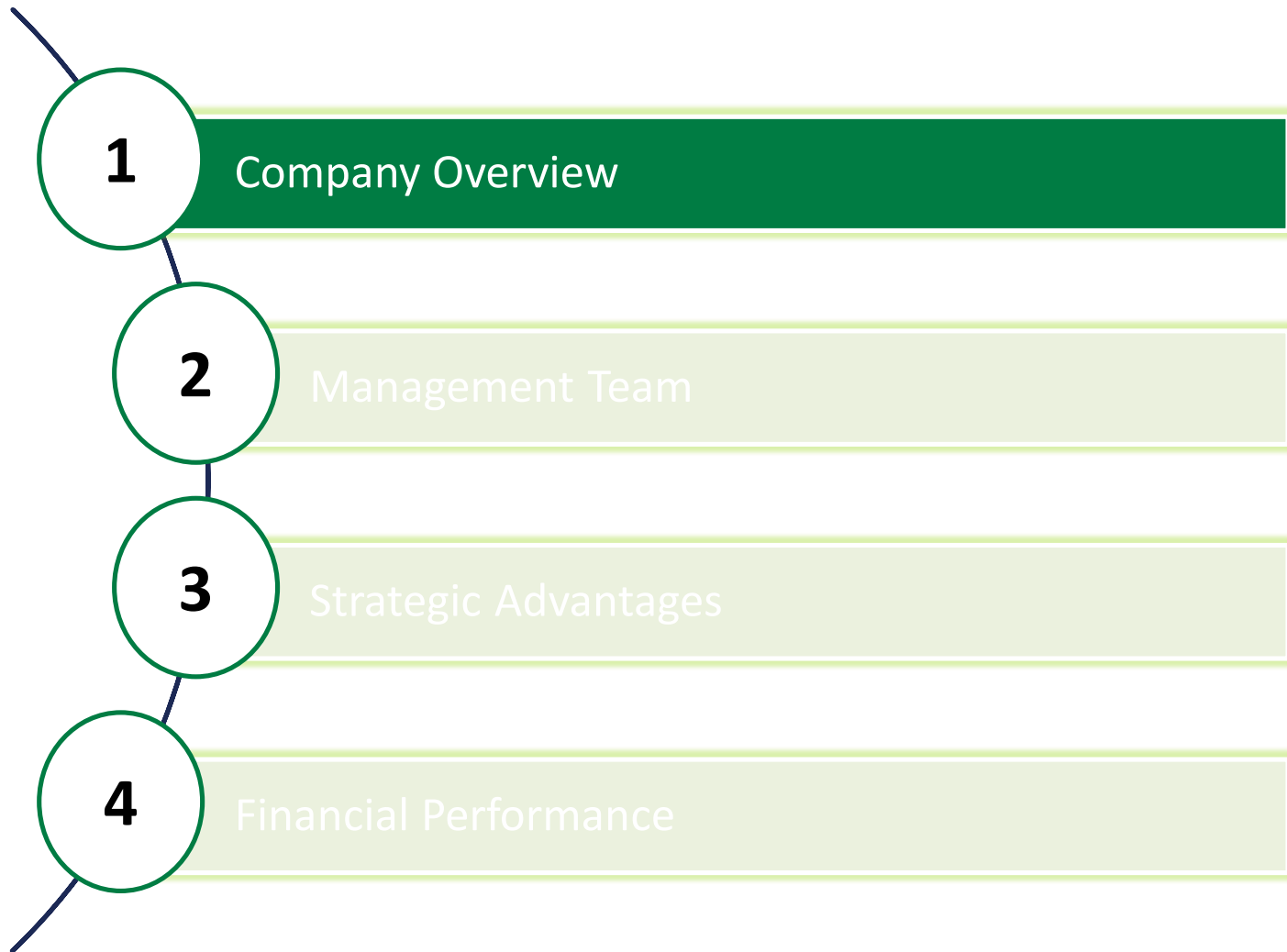
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Dodla Dairy Overview



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.
- ❑ 3rd largest procurement network
- ❑ Geographic presence in India and Africa
- ❑ 2nd 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

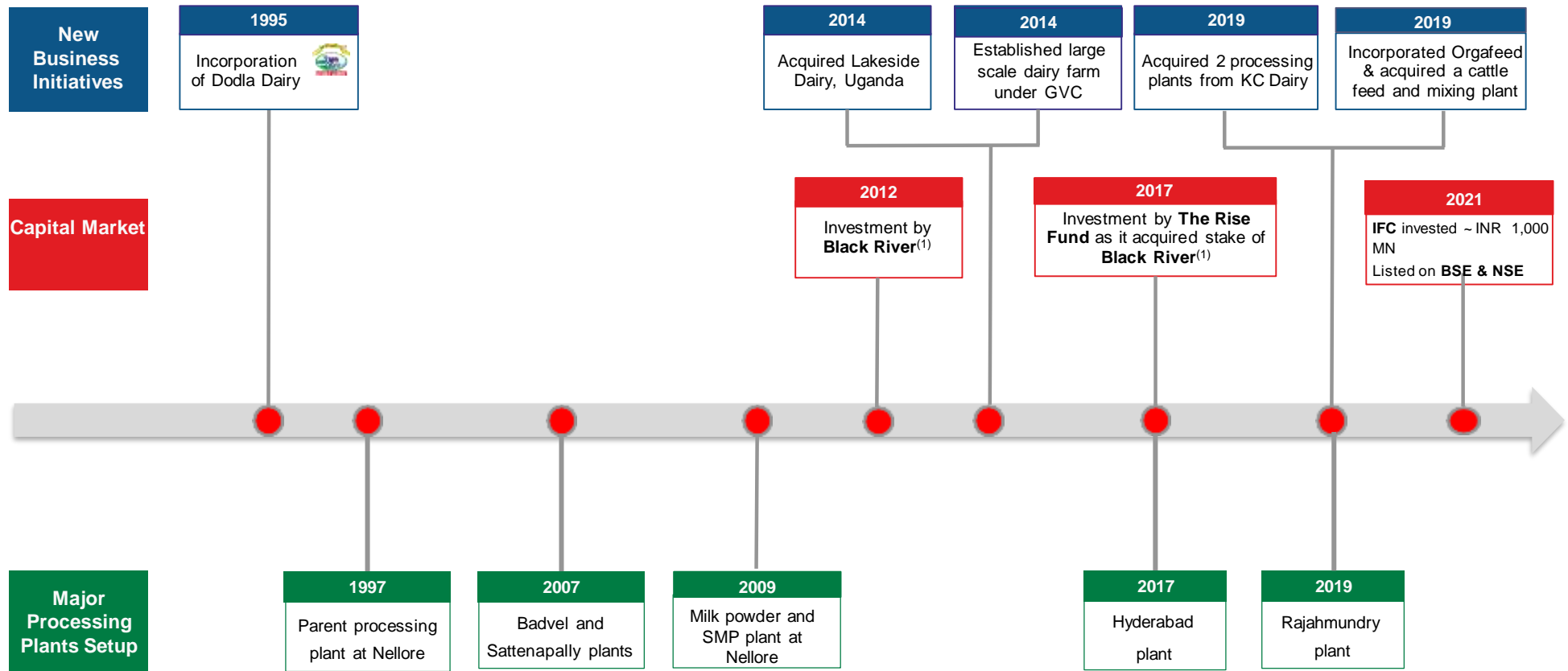
- ❑ Pouch milk
- ❑ UHT milk
- ❑ Curd (Dahi)
- ❑ Yogurt
- ❑ Lassi
- ❑ Ice creams
- ❑ Paneer
- ❑ Ghee

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

3rd Largest milk company in terms of procurement⁽²⁾; 2nd Highest market Presence⁽²⁾

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, junnu

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

Orgafeed Private Limited: Build on a strong foundation



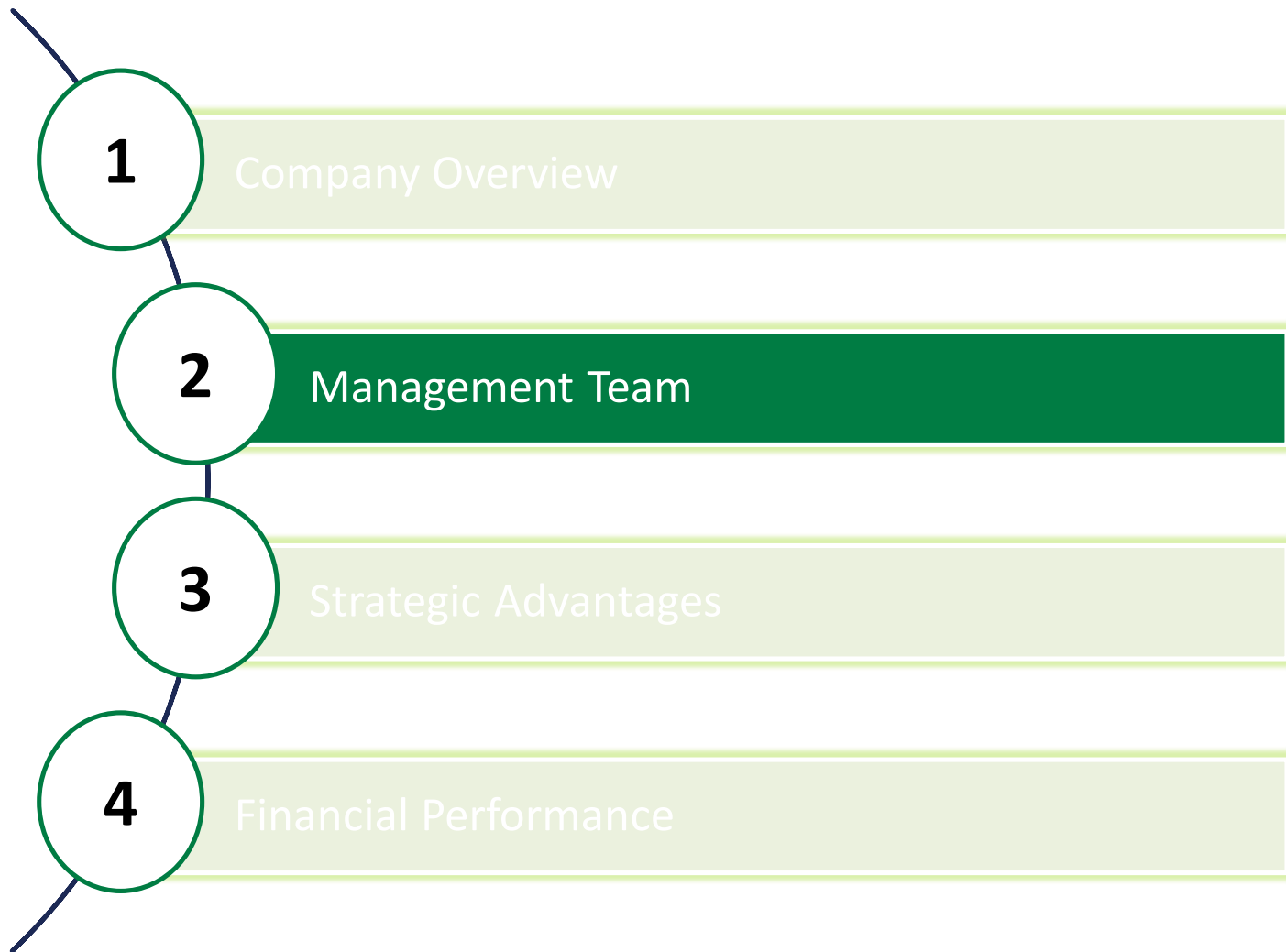
Orgafeed Private Limited. (Wholly Owned Subsidiary Company catering the cattle feed industry)

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. Ponnnavolu Divya
Independent Director

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



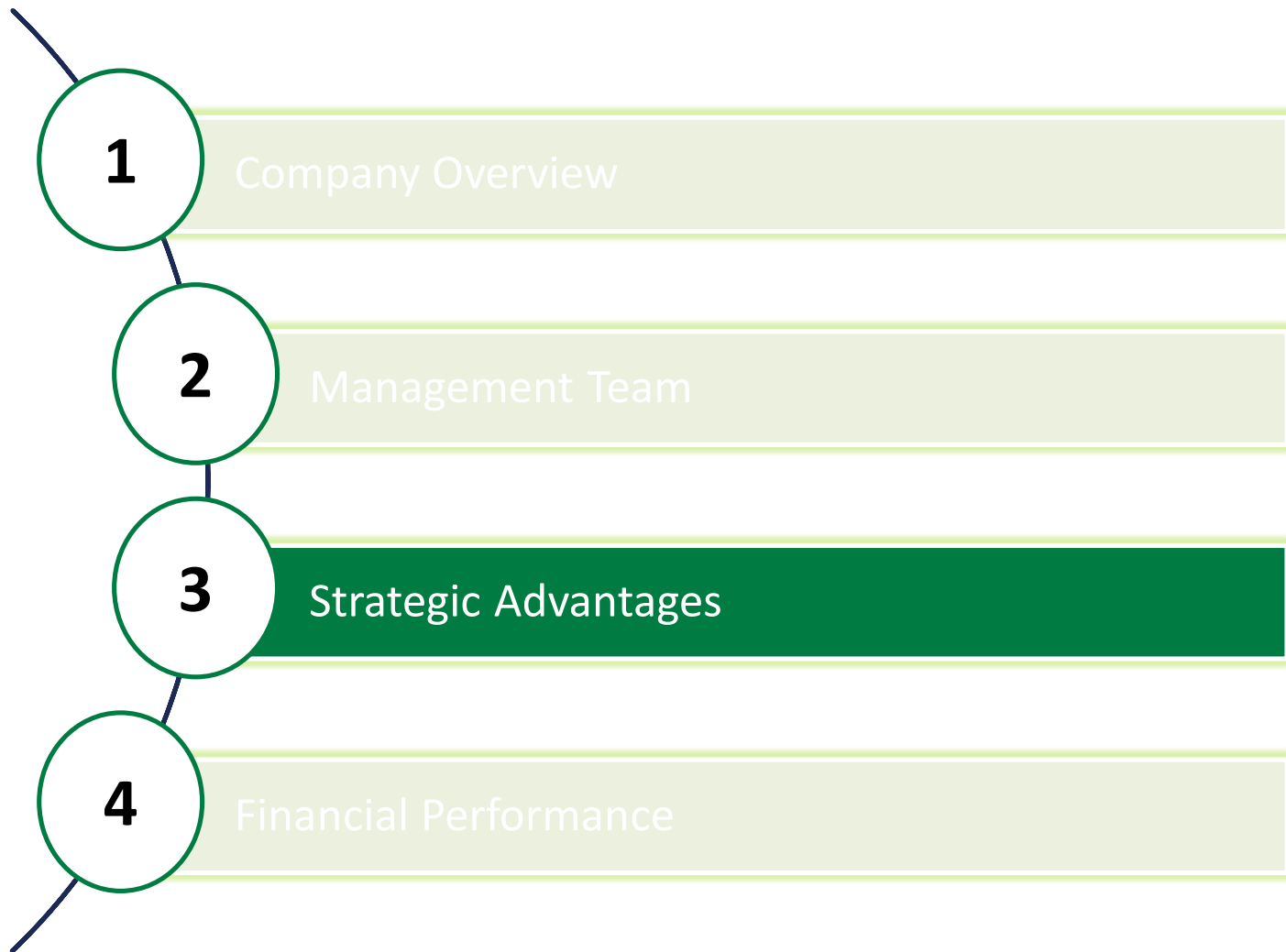
Mr. Rampraveen Swaminathan
Independent Director

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

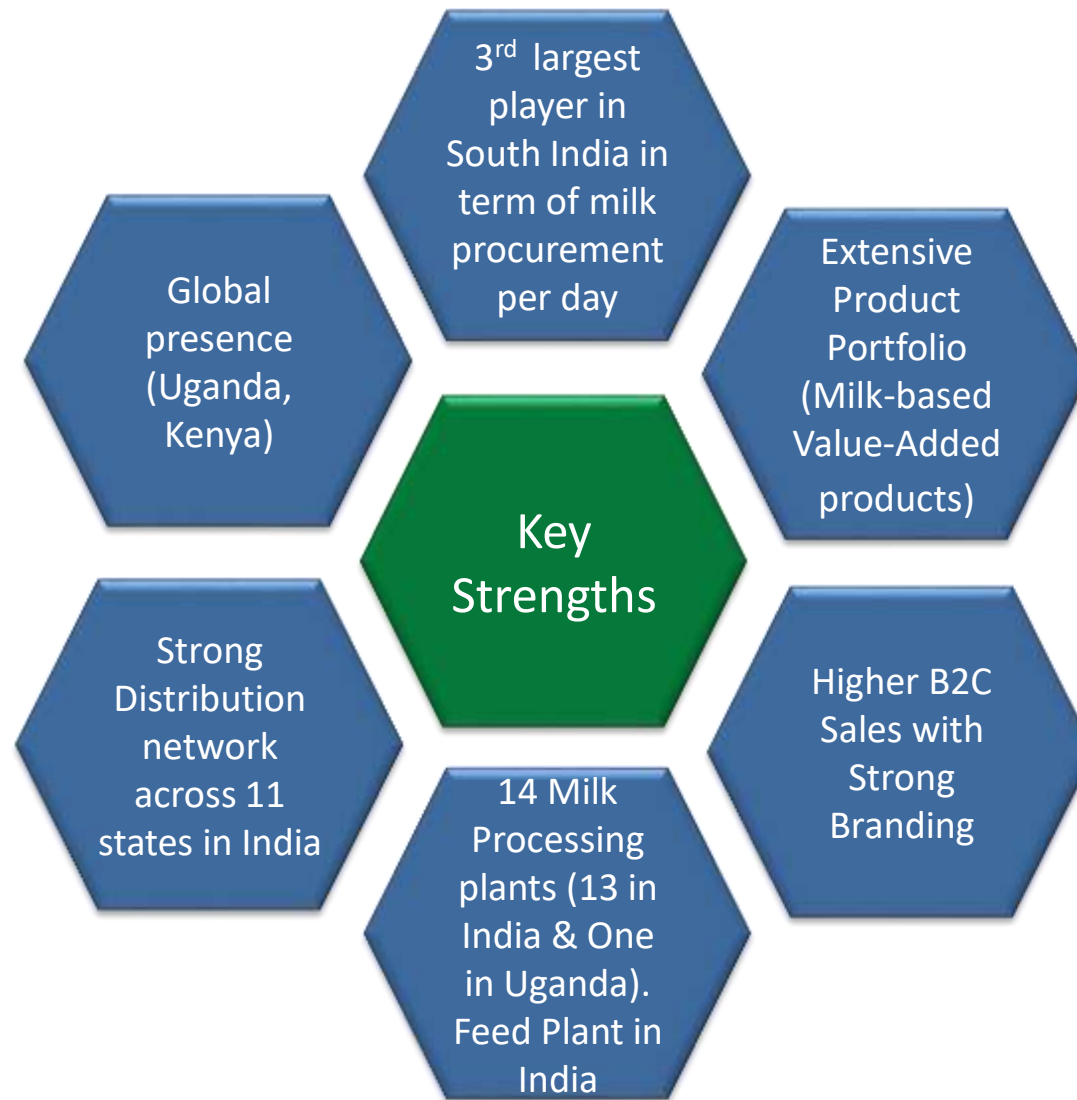


Mr. Raman Tallam Puranam
Independent Director

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



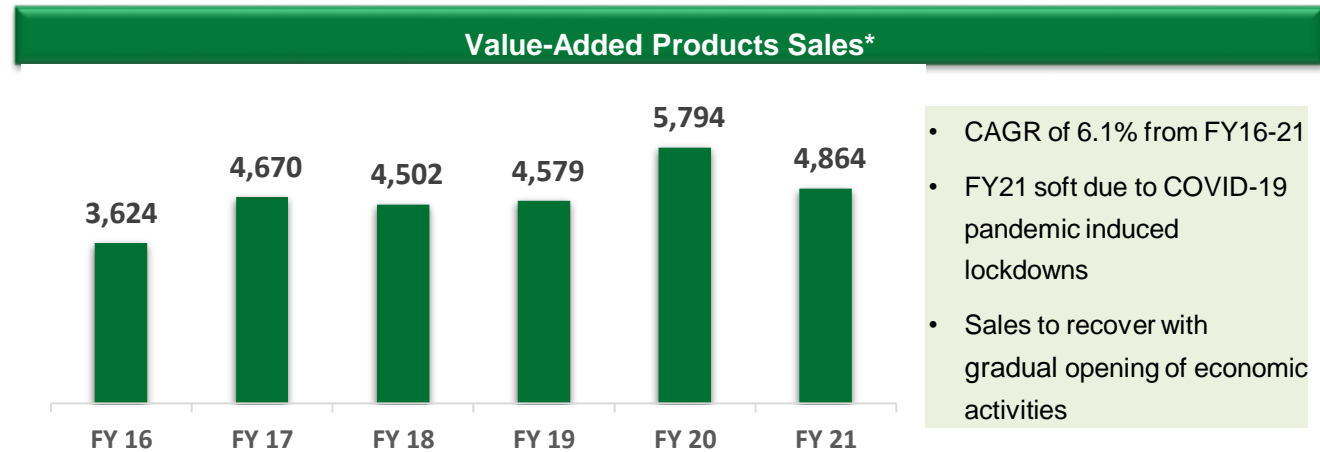
Key Strengths



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.



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

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 raw milk
- 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 & Kambainallur CC

Nellore & Palamaneru,

Nellore for SMP,

Nellore Plant

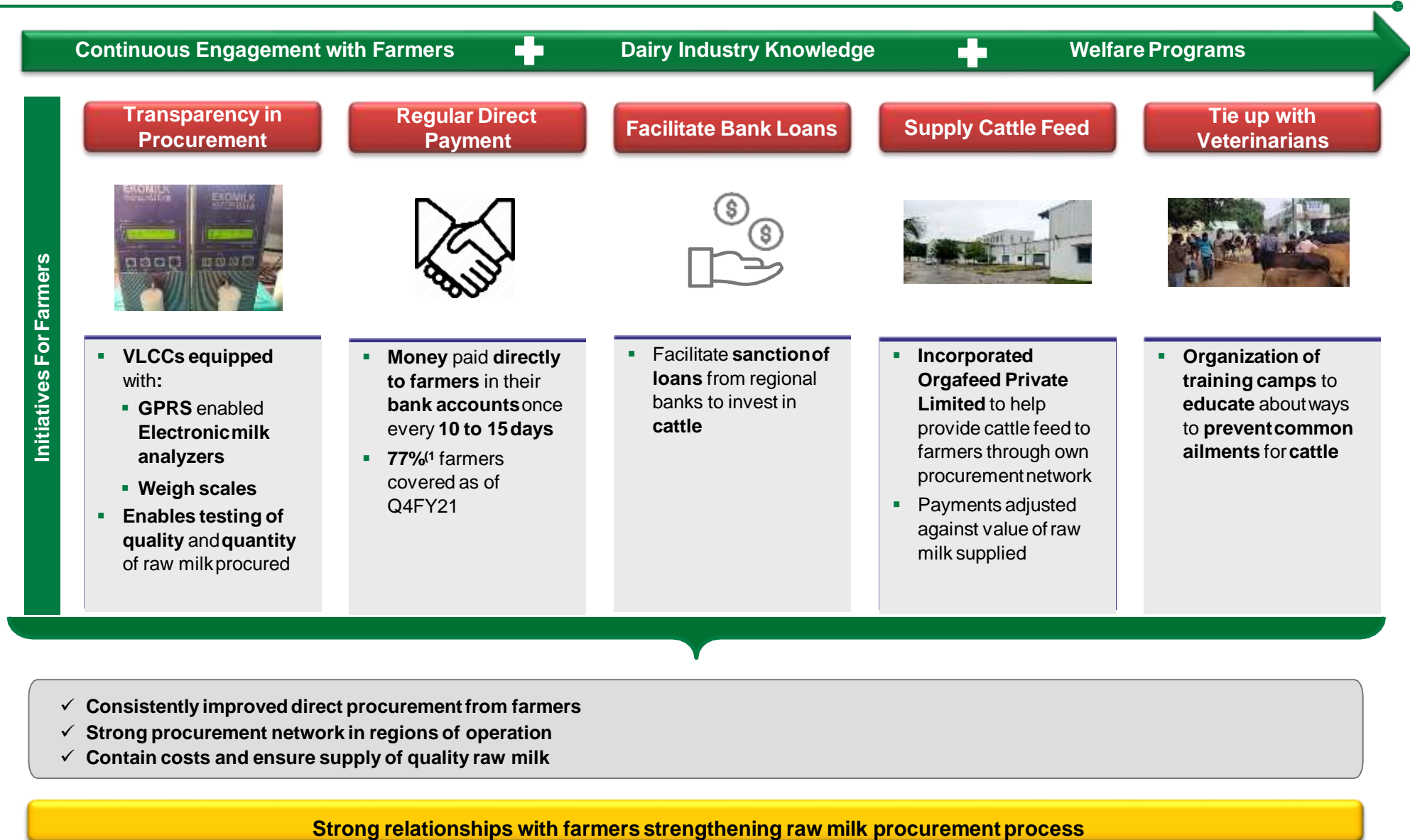
Nellore & Hyderabad for producing ghee

Hyderabad & Chandurthi

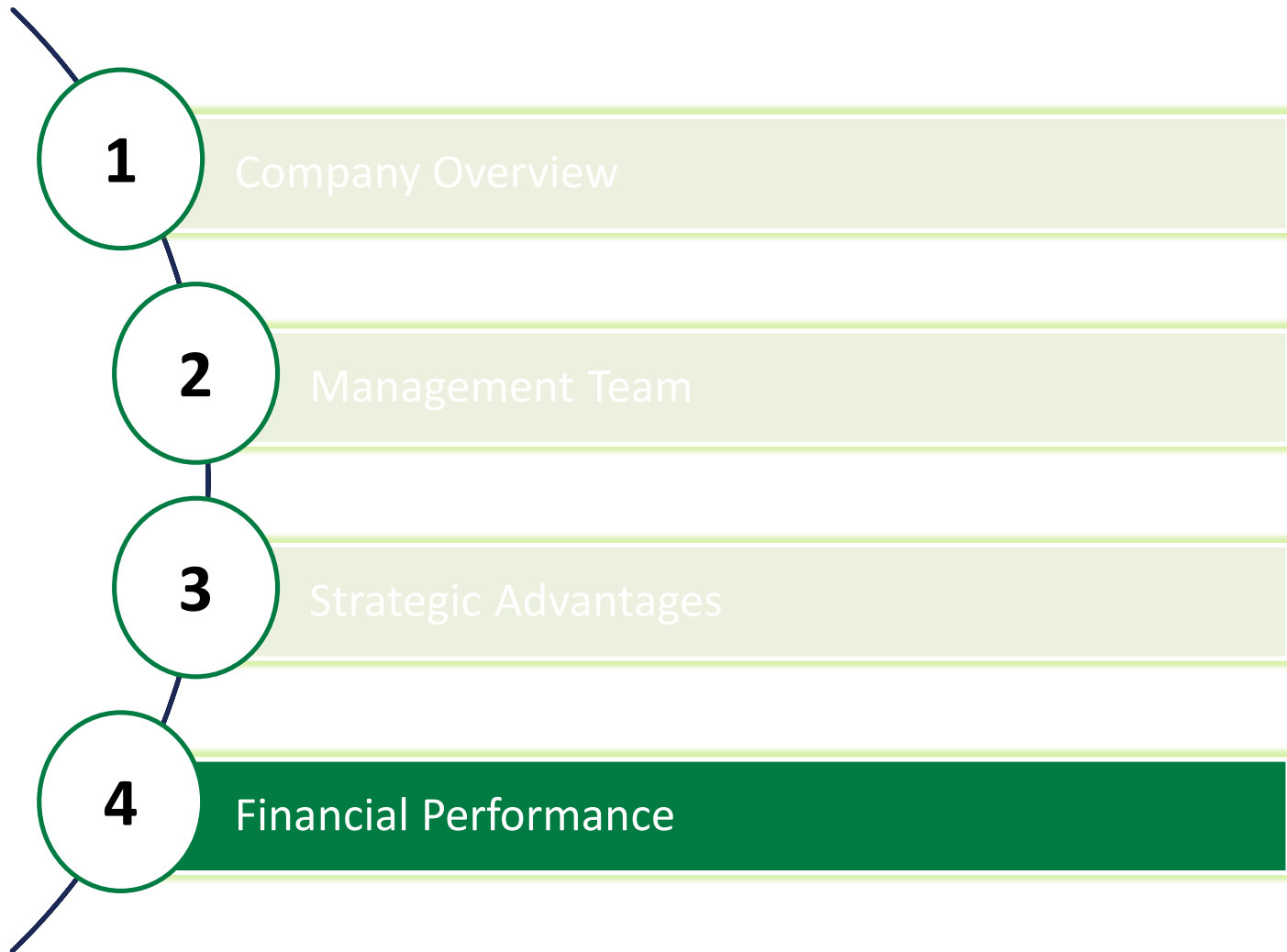
Uganda Unit

Significant emphasis on quality control

Focused Engagement and Long Term Relationship with Dairy Farmers



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
Revenue from Operations	5,305	5,274	19,440	21,394
COGS	3,960	4,186	13,509	16,406
Gross Profit	1,345	1,088	5,931	4,988
<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
EBITDA	360	141	2,425	1,409
<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
PBT	241	(19)	1,862	819
<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
PAT	96	(19)	1,260	499
<i>PAT Margin</i>	<i>1.8%</i>	<i>-0.4%</i>	<i>6.5%</i>	<i>2.3%</i>
EPS (Diluted)	1.67	(0.35)	22.33	8.96

- ❑ **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
ASSETS		
Non-current assets	5,697	5,703
Current assets	2,229	4,019
Total Assets	7,926	9,722
EQUITY AND LIABILITIES		
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

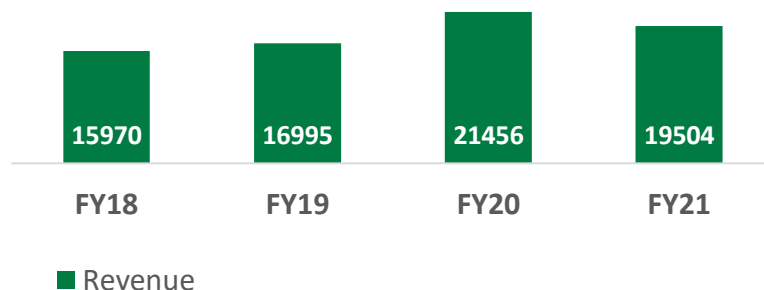
- ❑ Total Debt at INR 869 Mn as on March 31, 2021. Debt-to-Equity ratio during FY21 stood at 0.13.
- ❑ Cash and cash equivalents & Investments stood at INR 2,849 Mn as on March 31, 2021.

Robust Financial Growth and Operational Efficiencies

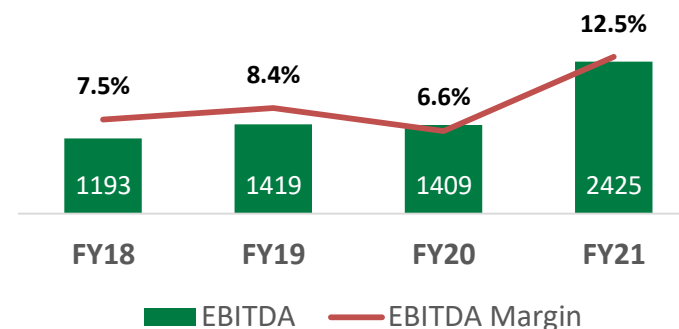


Revenue

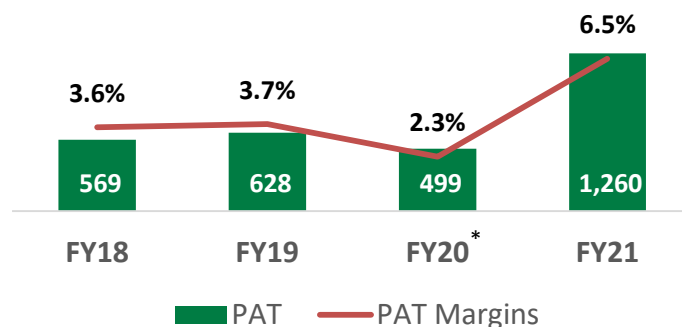
Revenue CAGR (FY18-FY21): 7.7%



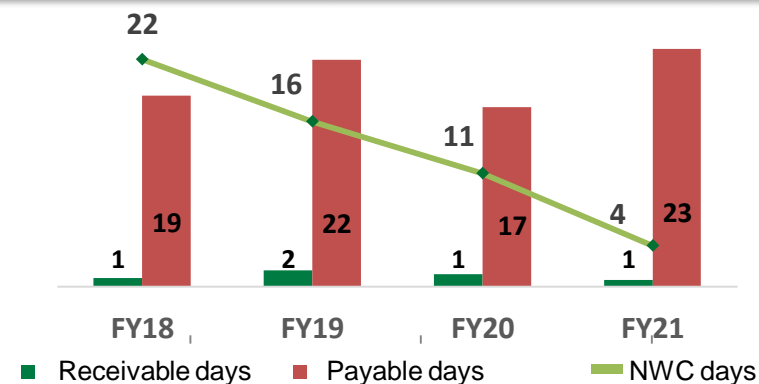
EBITDA & EBITDA Margin (%)



*PAT & PAT Margin (%)



...and Efficient Working Capital Cycle

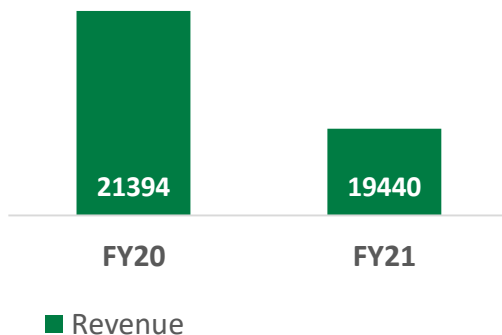


Robust growth and margins leading to high capital efficiency, low debt levels and an efficient working capital cycle

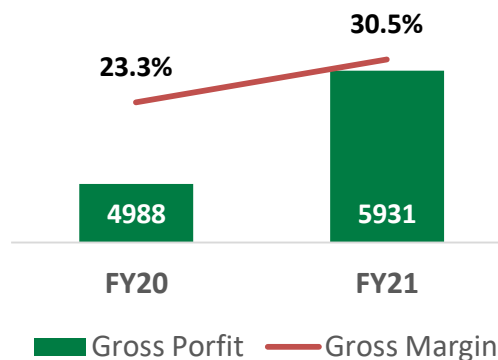
Consolidated Financial : Key Highlights (Full Year)



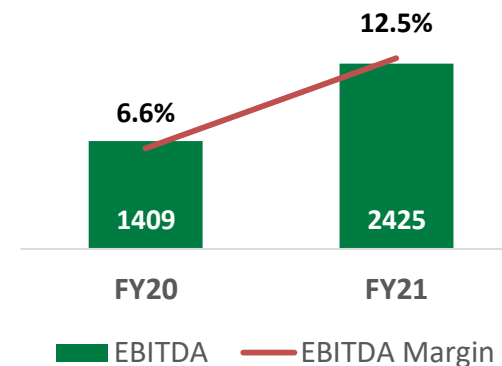
Operating Revenue



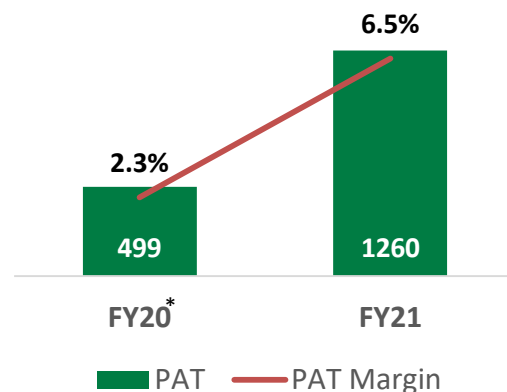
Gross Profit & Gross Margin (%)



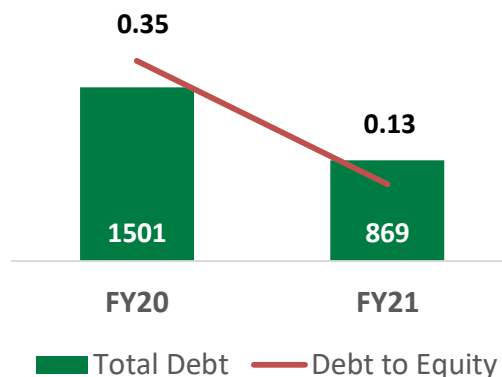
EBITDA & EBITDA Margin (%)



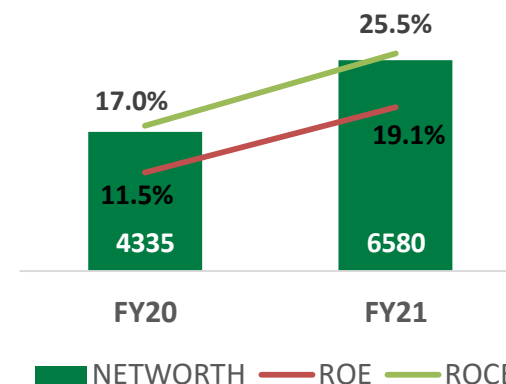
*PAT & PAT Margin (%)



Net Debt & Debt-to-Equity (x)



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



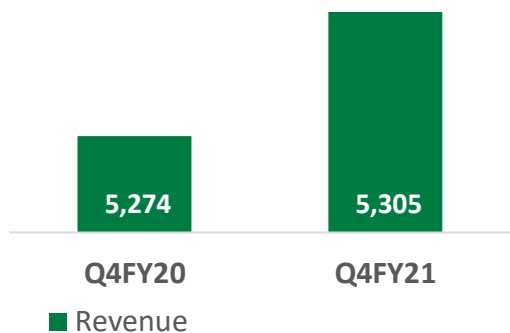
Note: *72Mn for IPO Expenses relating to FY18

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

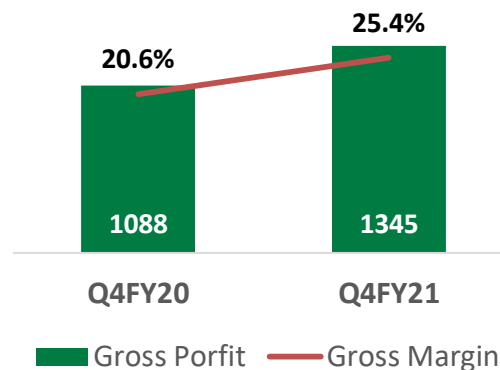
Consolidated Financial : Key Highlights (Quarterly)



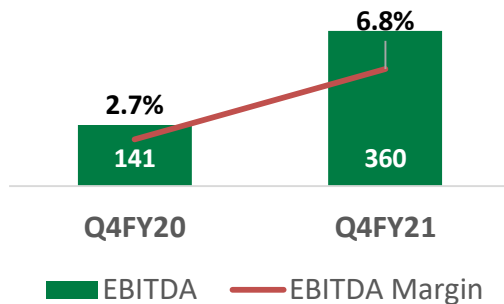
Operating Revenue



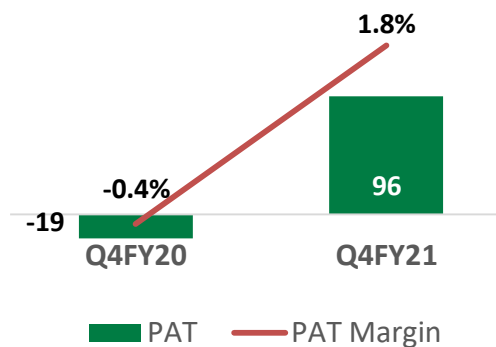
Gross Profit & Gross Margin (%)



EBITDA & EBITDA Margin (%)



*PAT & PAT Margin (%)



Note: All values in INR Mn & Margins in %

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- ❑ 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