

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
E-mail : mail@dodladairy.com



Date: 22 October 2022

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

Dear Sir/Madam,

Sub: Investor Presentation.

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclosed herewith Investor Presentation on Unaudited Financial Results for the quarter and half year ended on 30 September 2022.

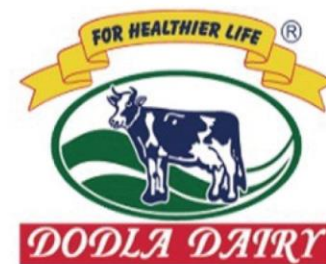
The copy of the disclosure is available on the website of the Company i.e. www.dodladairy.com

This is for your information and record.

Thanking you,
Yours Faithfully,
For Dodla Dairy Limited

Surya Prakash M
Company Secretary & Compliance Officer

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



DODLA DAIRY

• INVESTOR PRESENTATION •
OCTOBER 2022 | Q2 & H1FY23



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Strategic Advantages

Quarterly Highlights





Mr. Dodla Sunil Reddy

Managing Director

“Dodla Dairy’s operating revenue grew by 22.8% YoY to INR 6,953 Mn supported by gradual rise in the selling prices coupled with strong demand of milk and value-added products during the festive season. The Company successfully navigated multiple sectoral headwinds including Lumpy Skin Diseases (LSD) outbreak amongst cattle impacting the milk procurement, rise in material & packaging cost and inflationary economic trend.

Dodla Dairy remains committed to strengthen its procurement network in its existing states, continue to scout for organic and inorganic growth opportunities without compromising its existing Balance Sheet strength and create long-term value for the esteemed stakeholders.”

A

~14.3 LLPD

Average milk procurement during Q2FY23 as compared to **12.8 LLPD** in Q2FY22

▲ 11.2% YoY

B

10.9 LLPD

Average milk sales during Q2FY23 as compared to **9.5 LLPD** in Q2FY22

▲ 14.7% YoY

C

292.4 MTPD

Curd sales during Q2FY23 as compared to **252.1 MTPD** in Q2FY22

▲ 16.0% YoY

D

25.3%

Revenue from value added products (VAP) and fat & fat-based products was at **₹1,727 Mn** of the overall dairy revenue during Q2FY23 as compared to VAP and fat & fat-based products revenue of **₹1,448 Mn** contributing 26.1% share of the overall dairy revenue in Q2FY22

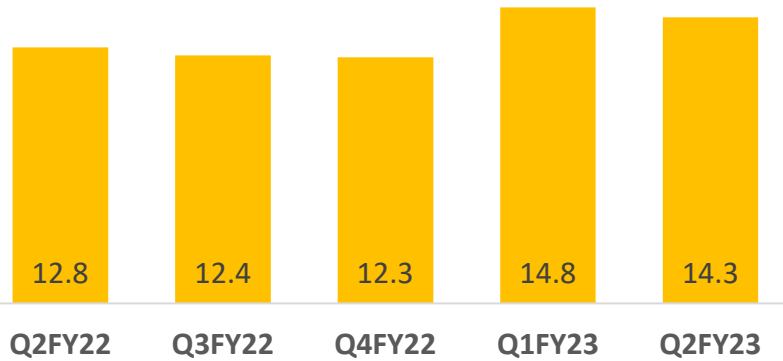


Quarter-wise Historical Operational Highlights



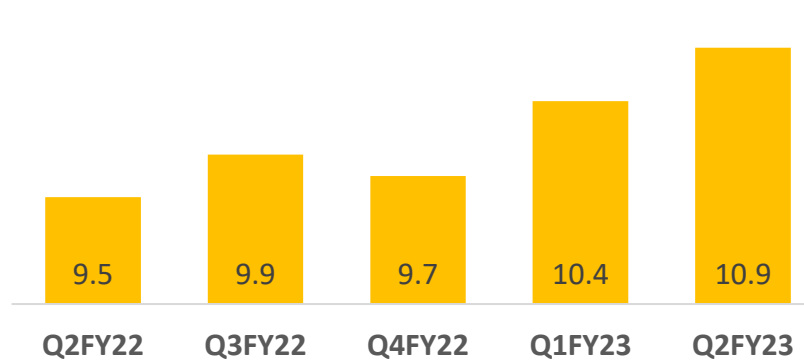
AVERAGE MILK PROCUREMENT (in LLPD)

▲ 11.2% YoY



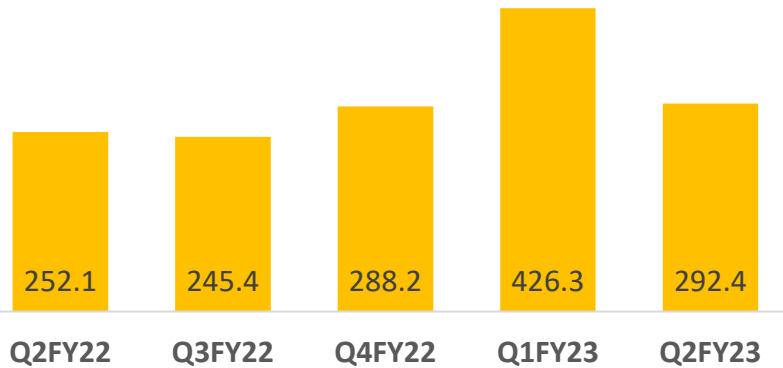
AVERAGE MILK SALES (in LLPD)

▲ 14.7% YoY

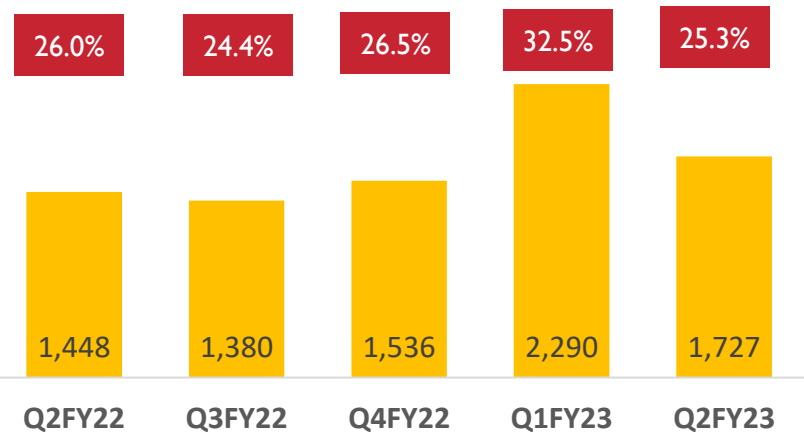


CURD SALES (in MTPD)

▲ 16.0% YoY



VAP SALES (in INR Mn) and VAP SHARE (in % of TOTAL REVENUES)



NOTE: All numbers above have been rounded-off to zero decimal excl. percentage. | Percentage have been rounded-off to one decimal

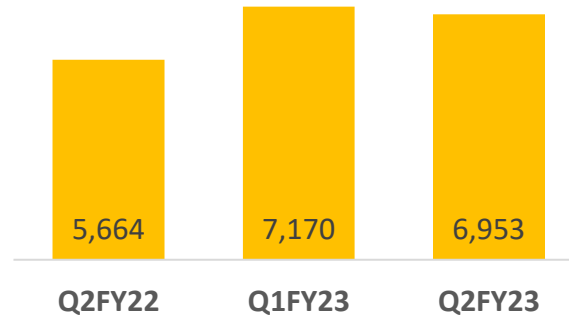
Key Financial Metrics (Quarterly)

Steady Q-o-Q and Y-o-Y increase in quarterly revenue numbers powered by increase in milk volumes and healthy Value-Added Product sales, despite seasonality.

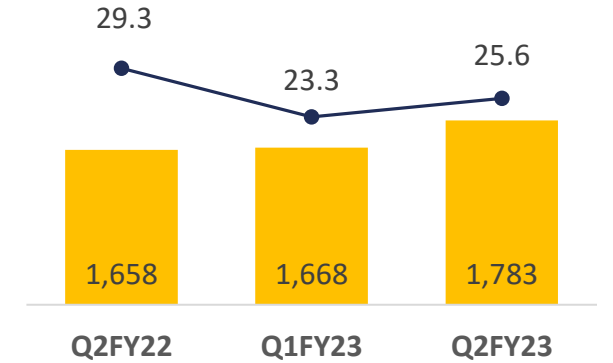
Increase in raw material and freight prices were offset by increase in selling prices



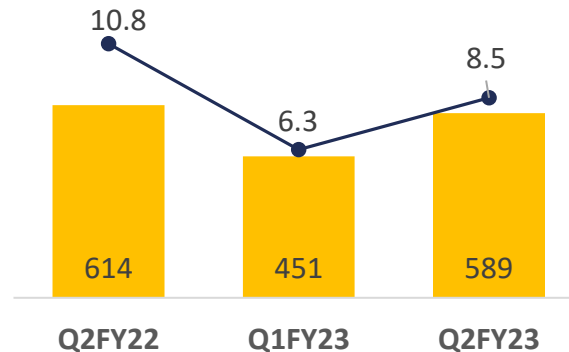
OPERATING REVENUE
(in ₹ Mn)



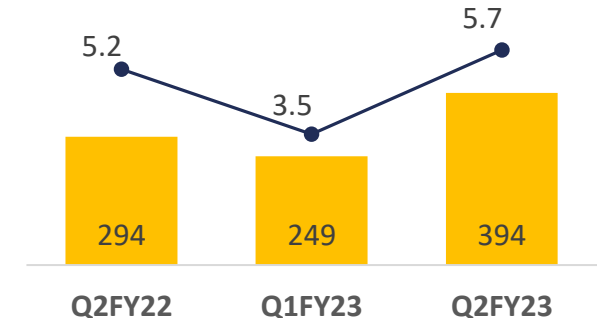
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn)



PAT & PAT MARGINS
(in ₹ Mn)

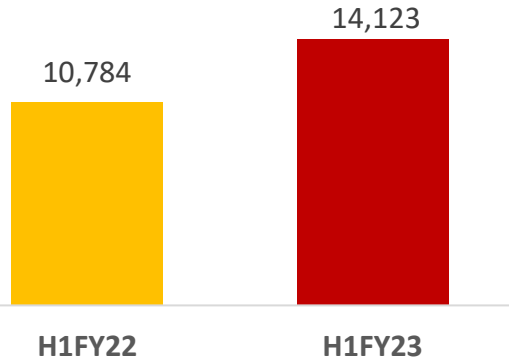


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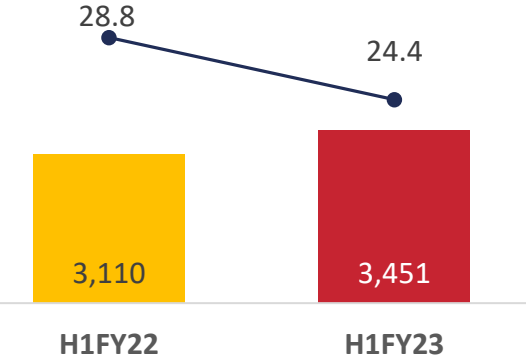
Key Financial Metrics (Half-yearly)



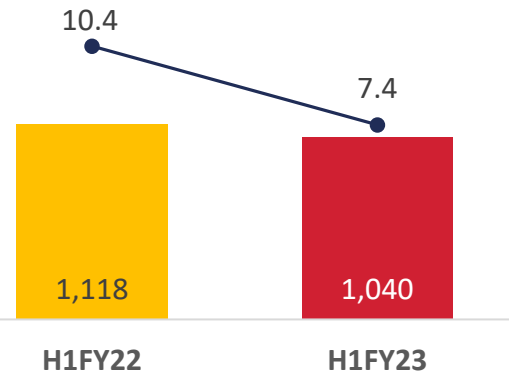
OPERATING REVENUE
(in ₹ Mn)



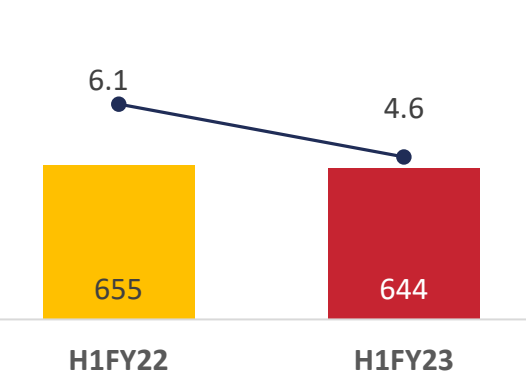
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn)



PAT & PAT MARGINS
(in ₹ Mn)



Revenues grew by 31% Y-o-Y to INR 14,123 Mn in H1FY23 navigating multiple sectoral headwinds like lumpy skin disease, rise in input and packaging cost.

Maintained the PAT at INR 644 Mn during H1FY23 primarily due to decline in finance cost and lower effective tax rate.



NOTE: All numbers above have been rounded-off to zero decimal excl. percentage. | Percentage have been rounded-off to one decimal

Consolidated Profit & Loss Results



Particulars (INR in millions)	Q2FY23	Q2FY22	YoY	H1FY23	H1FY22	YoY	FY22
Revenues	6,953	5,664	22.8%	14,123	10,784	31.0%	22,434
Cost of Goods Sold	5,171	4,006	29.1%	10,672	7,674	39.1%	16,262
Gross Profit	1,783	1,658	7.5%	3,451	3,110	10.9%	6,172
<i>Gross Profit margin</i>	<i>25.6%</i>	<i>29.3%</i>	<i>(364 bps)</i>	<i>24.4%</i>	<i>28.8%</i>	<i>(441 bps)</i>	<i>27.5%</i>
Employee Expenses	294	254	16.0%	578	510	13.4%	1,024
Other Expenses	899	791	13.7%	1,833	1,482	23.7%	3,040
EBITDA	589	614	(4.0%)	1040	1118	(7.0%)	2,107
<i>EBITDA margin</i>	<i>8.5%</i>	<i>10.8%</i>	<i>(236 bps)</i>	<i>7.4%</i>	<i>10.4%</i>	<i>(301 bps)</i>	<i>9.4%</i>
Depreciation & Amortization	156	131	19.1%	306	260	17.9%	524
EBIT	433	483	(10.3%)	734	859	(14.6%)	1,584
Finance Cost	3	37	(91.8%)	6	59	(90.3%)	65
EBT before Other Income	430	446	(3.6%)	728	800	(9.0%)	1,519
Other Income	57	31	83.8%	101	57	77.8%	137
EBT after Other Income	487	477	2.1%	829	856	(3.2%)	1,656
Tax	93	183	(49.4%)	185	202	(8.1%)	327
PAT	394	294	34.2%	644	655	(1.7%)	1,328
<i>PAT margin</i>	<i>5.7%</i>	<i>5.2%</i>	<i>48 bps</i>	<i>4.6%</i>	<i>6.1%</i>	<i>(151 bps)</i>	<i>5.9%</i>
EPS	6.58	4.90	34.3%	10.73	11.01	(2.5%)	22.24

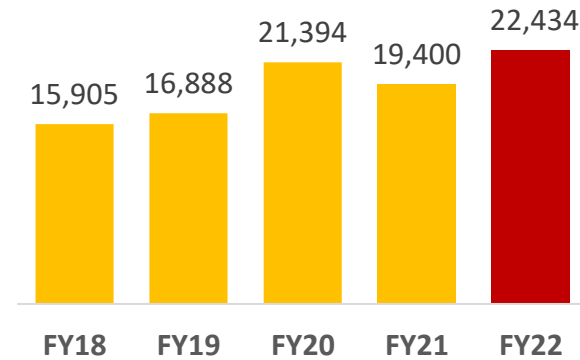
Full Year Financials



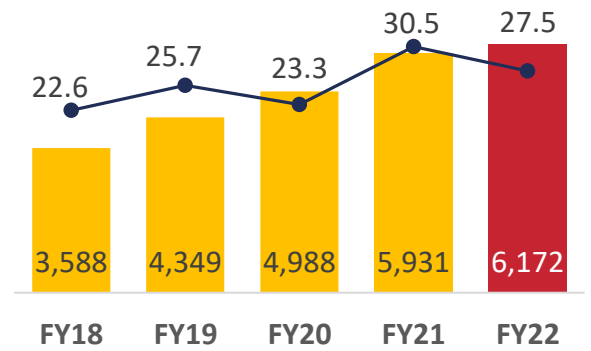
During FY18-22 period, the Company's operating revenues, EBITDA and PAT registered 7%, 14% and 18% CAGR growth



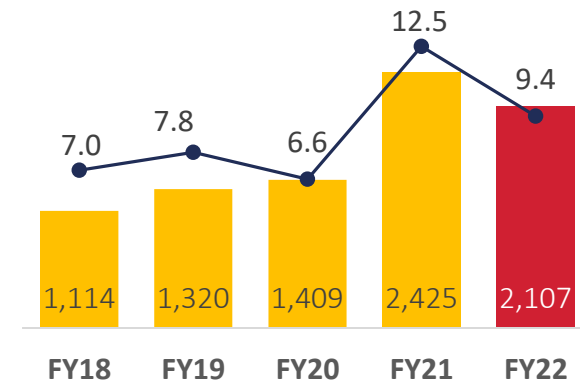
OPERATING REVENUE
(in ₹ Mn)



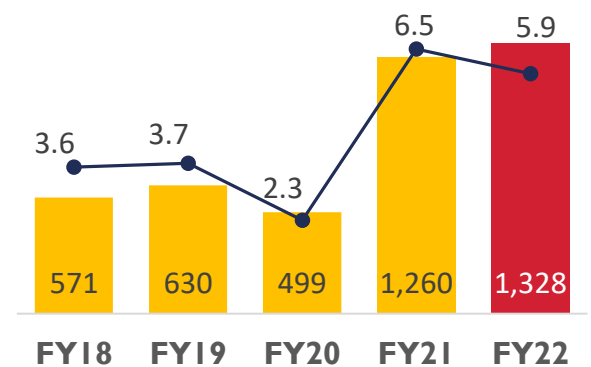
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn)



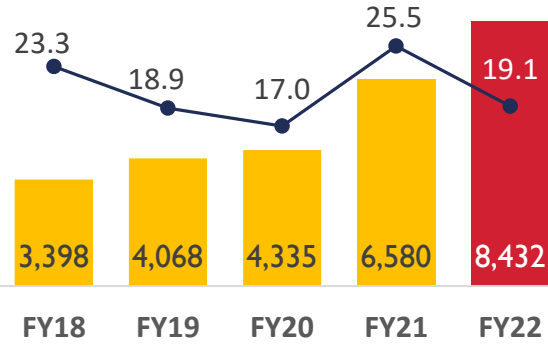
PAT & PAT MARGINS
(in ₹ Mn)



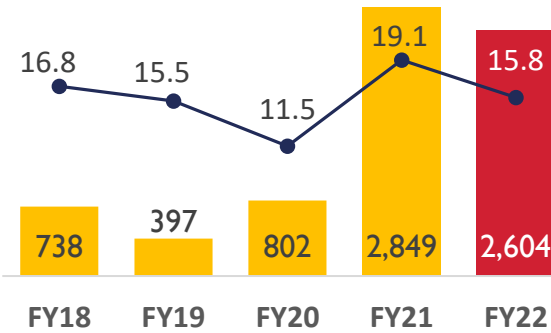
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Key Ratios – Full Year

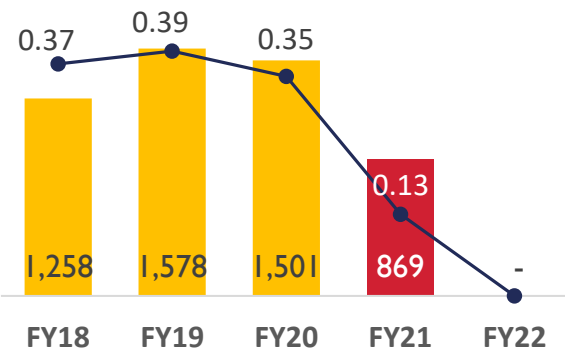
NETWORTH & ROCE
(in ₹ Mn) — ROCE (in %)



CASH & CASH EQUIVALENT & ROE
(in ₹ Mn) — (ROE in %)

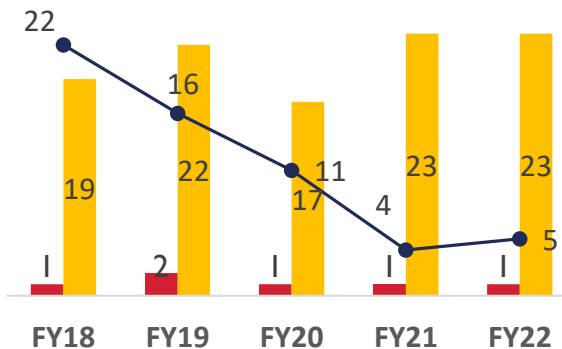


DEBT & DEBT-EQUITY
(in ₹ Mn) — (x)



RECEIVABLE DAYS / PAYABLE DAYS / NWC DAYS

Receivable Days ■ Payable Days — NWC



Healthy growth leading to high capital efficiency, zero debt levels and helping maintain a healthy working capital cycle



Balance Sheet Summary (Full Year)



Particulars	FY19	FY20	FY21	FY22
Equity	4,068	4,335	6,580	8,432
Non-current Liabilities	1,459	1,426	1,197	576
Current Liabilities	1,908	2,165	1,946	1,877
Total Liabilities	3,367	3,591	3,143	2,453
TOTAL EQUITY AND LIABILITIES	7,435	7,926	9,722	10,884

Particulars	FY19	FY20	FY21	FY22
ASSETS				
Non-current Assets	5,374	5,697	35,703	6,854
Current Assets	2,061	2,229	4,019	4,031
TOTAL ASSETS	7,435	7,926	9,722	10,884

The Company enjoys a debt free status and is steadily expanding its capabilities and capacities which is reflected in the growth of Non-current assets from FY19- FY22



About Us



Dodla Dairy Snapshot



Founded in 1995, Dodla Dairy is an integrated dairy company based in South India. Processes and sells milk and produces dairy-based value-added products (“VAPs”)

3rd

highest market presence across 12 states in India*

38+

Sales Office

22+

LLPD aggregate installed capacity

3rd

largest procurement network (South India)*

7,700+

Village Level Collection Centers

555

Dodla Retail Parlours

15

Processing Plants

2,700+

Distribution Agents

93.5%

Milk Directly procured from farmers

113

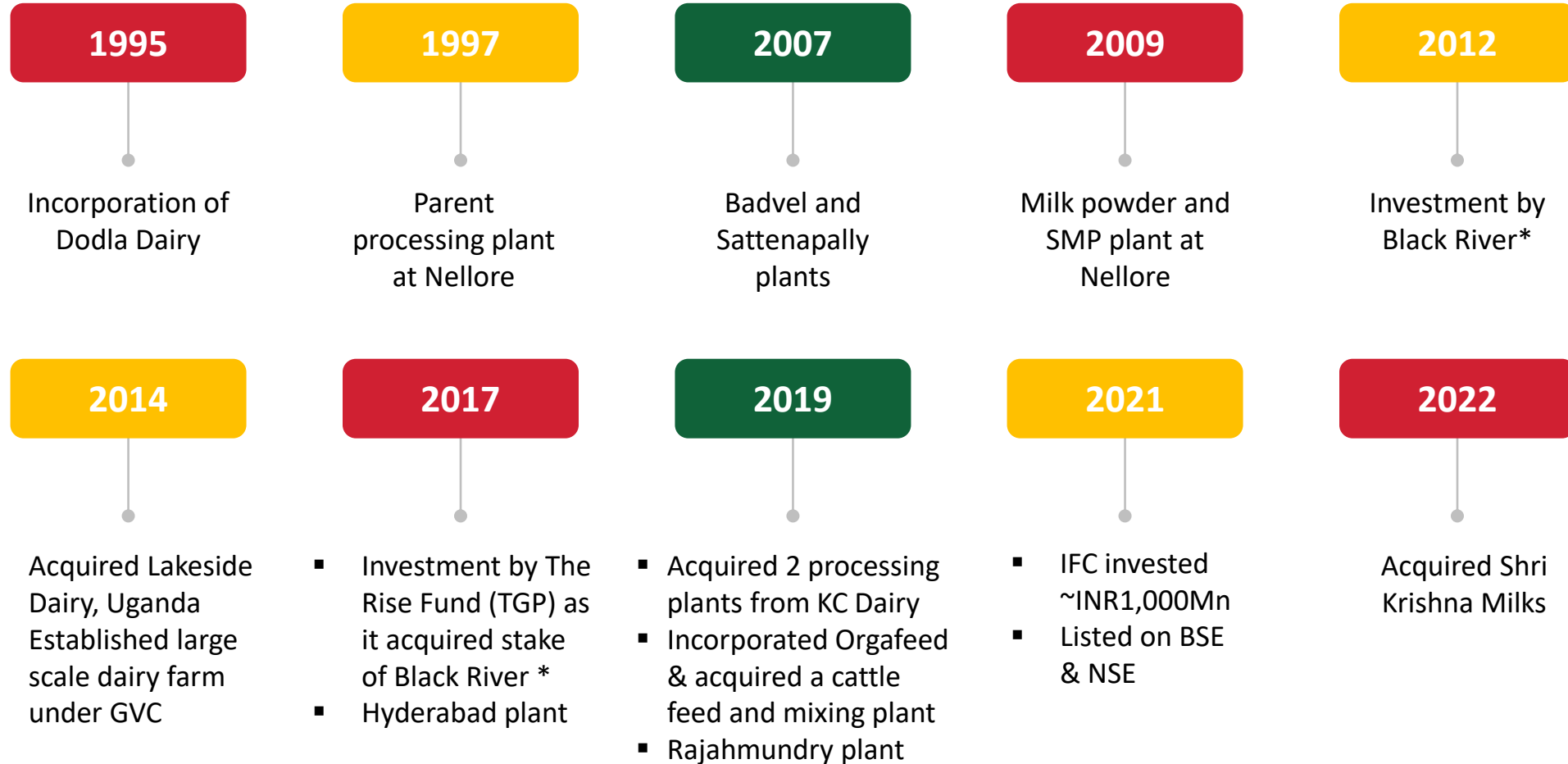
Chilling Centers / Plants

1,300+

Milk & Milk product distributors



Our Journey So Far: 25+ years of dairy operations in partnership with marquee investors



*DENOTES: Black River is the erstwhile name of the private equity fund Proterra which invested through its entity Black River Capital Partners Food Fund Holding (Singapore) Pte Ltd.



DAIRY FARM

Procurement of raw milk from 1.2+ lakh farmers across 8,000+ villages through 7,700+ VLCCs

Raw milk directly procured from farmers



PROCESSING PLANTS

Total 15 milk processing plants in India & Uganda

Company regularly incurs capex to upgrade technology, automate lines and bring efficiency in operations



CHILLING CENTRES

38+ sales offices,
2,700+ distribution agents
1,300+ milk & milk products distributors and 555 DRP's



DISTRIBUTION CENTERS

Transportation from villages through 860 primary vehicles to 113 chilling centers/plants

Few of Our Products



SOLD IN INDIA



PASTEURIZED POUCH MILK

Full cream, Standardized Milk, Toned



UHT MILK

Toned, Double Toned



CURD

Sachet Curd, Bucket Curd, Cup Curd



GHEE

Cow ghee, White ghee (buffalo ghee) and Premium ghee (full boiled white ghee)



ICE CREAM

Vanilla, Elaichi, Pista, Badam, Chocolate, Strawberry, Pineapple

SOLD IN AFRICA



YOGHURT

Plain, Strawberry, Vanilla, Chocolate & Mango



GHEE



PANEER



MOZZARELLA CHEESE



MILK POUCH

Few of Our Products - Shri Krishna Milks

TONED MILK



CURD



NATURAL
RICH MILK



GOLD MILK



Orgafeed Private Limited: Built On A Strong Foundation



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

KEY HIGHLIGHTS:

- State-of-the-art manufacturing facilities at Kadapa, Andhra Pradesh
- 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



80 MTPD

Cattle feed plant capacity

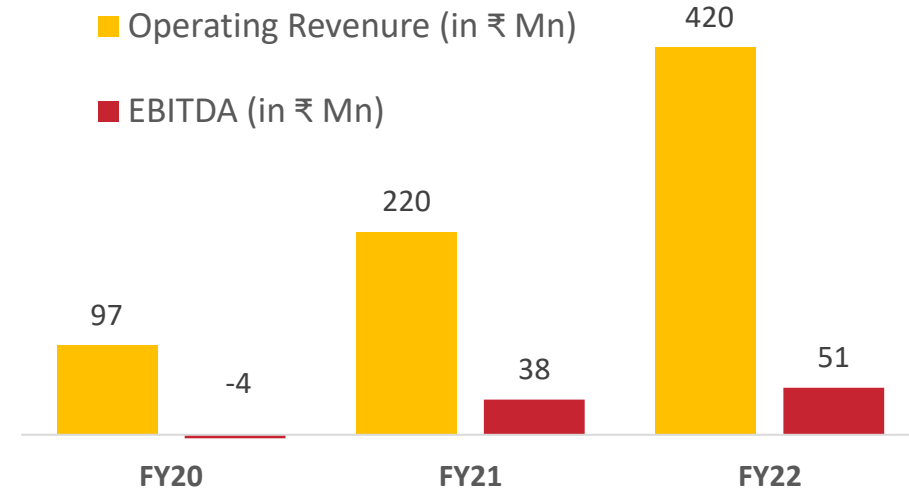
₹282 MN

Company sales in HI FY23

₹27 MN

EBITDA in HI FY23

ORGAFEED FINANCIAL FIGURES



Meet The Executive Team



MR. DODLA SUNIL REDDY
Managing Director



MR. VENKAT KRISHNA REDDY BUSIREDDY
Chief Executive Officer



MR. ANJANEYULU GANJI
Chief Financial Officer



**Mr. Dodla
Sesha Reddy**

Chairman & Non-Executive Director

Exp: 22+ years in Dairy
Board Member:
Nelcast Limited



**Mr. Raman
Tallam Puranam**

Independent Director

Exp: SBI Capital
Markets Limited,
Sundaram AMC Limited



**Mr. Raja
Rathinam**

Independent Director

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



**Mr. Madhusudhana
Reddy**

Independent Director

Exp: Imperial Granites
Limited, Member of
BAR council of Andhra
Pradesh



Ms. Vinoda Kailas

Independent Director

Exp: Pravaha
Foundation, Deloitte
Consulting



Mr. Akshay Tanna

Non-Executive Nominee Director

Exp: Deutsche Bank and Merrill
Lynch
Partner: TPG Growth & Rise
Fund Board Member: Livspace
Pte Ltd, Big Tree Entertainment,
ESS Kay Fincorp Limited and
others.



**Mr. Rampraveen
Swaminathan**

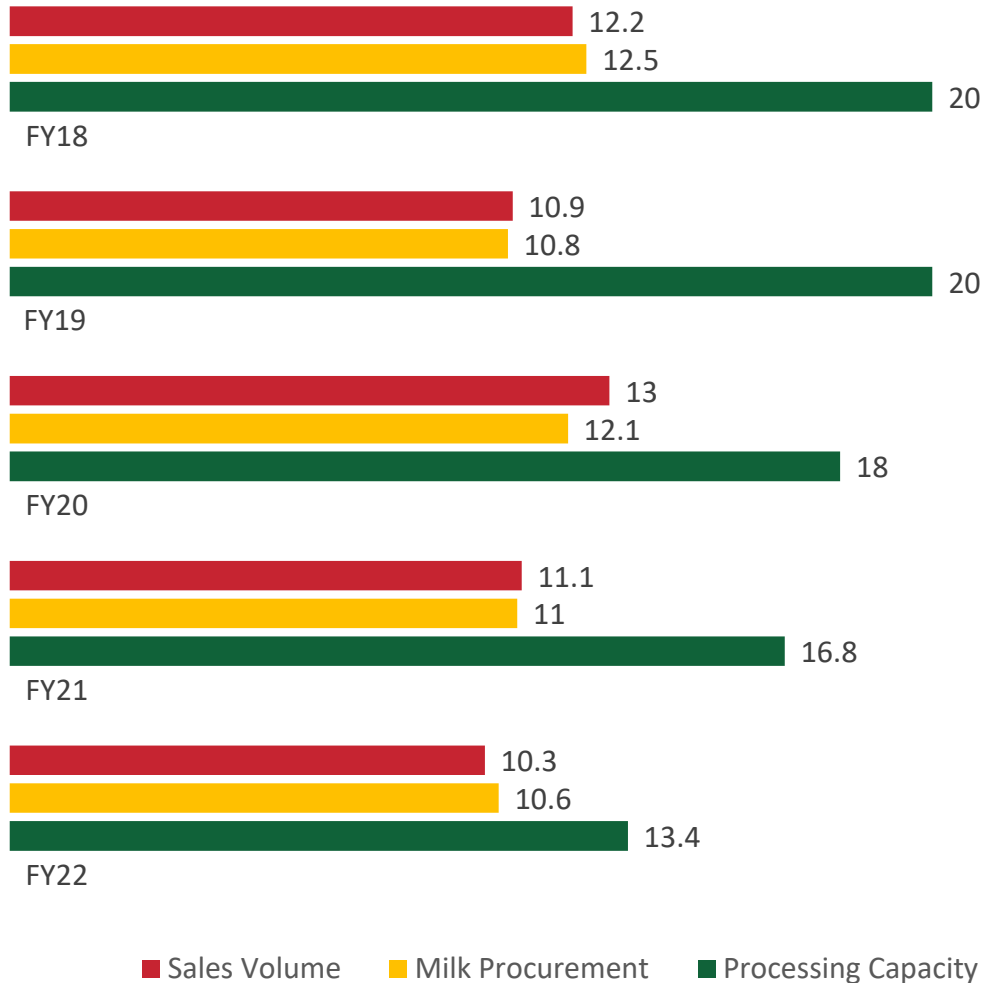
Independent Director

Exp: Cummins India Limited,
International Paper
Board Member: Mahindra
Logistics & Lords Freight

Company Canvas



Our strength to deliver competitive advantage



PROCESSING CAPACITY

- Best practices to maximize capacity utilization, operating metrics and profitability
- Flexible and agile with continuous improvement mindset



MILK PROCUREMENT

- All dairy processors have access to the same raw material and equipment; what distinguishes us is our dedicated employees and our strong relationship with farmers



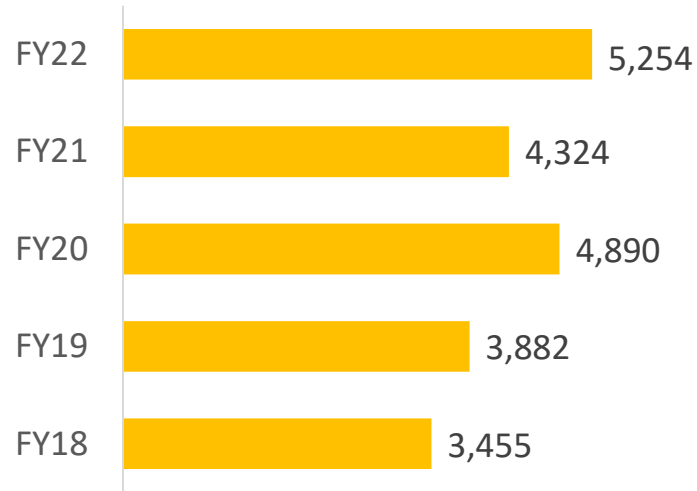
SALES VOLUME

- Company has comprehensive product offering across different markets and channels
- Company conducts regular Product Outreach Program

Value-added Product (VAP) Trajectory



VAP Sales (in ₹ Mn)



The company already has a strong distribution network in southern states for milk as well as value added products through which it can roll out existing and upcoming products

STRONG VAP PORTFOLIO

Dodla Dairy is investing heavily in expanding its range of value-added products, a move that is anticipated to boost margins. The company has been proactive in identifying and responding to customer preferences. It has invested significantly in value-added products such as Curd, Ice Creams, Flavored Milk, Lassi, Butter Milk, Yoghurt to name a few.


FACTORS DRIVING THE VAP GROWTH:

- The rapid economic growth and urbanization have resulted in a fundamental shift in consumer preferences and food preferences
- Consumer desire for branded, healthier, and more nutritional alternatives is growing
- Rising disposable incomes driving demand for value added dairy products
- Post COVID-19 pandemic, structural changes occurred in consumer pattern a result of heightened hygiene awareness, which benefits the organized dairy industry



NOTE: All Value have been rounded-off to zero decimal; figures are in lakh litre per day (LLPD).

Dodla operates in Kenya and Uganda in Africa through its subsidiaries Lakeside Dairy Limited & Dodla Dairy Kenya Limited. Our African product portfolio is marketed under the “Dairy Top” and “Dodla +” brands and includes Milk, yogurt with different flavors, ghee, paneer, cheese and UHT milk.



5% contribution of Africa to milk industry

Salient Features - Overseas Dairy Business

Dairy player margins are higher due to limited competition and constrained supply of processed milk



Easier milk farming due to abundance of grazing lands for large animal population in Africa



Dodla has Similar Integrated Business model in Africa



East Africa, with its growing population and demand for dairy is attractive market for dairy companies*

Strategic Advantages



Key Strengths



3rd largest player in terms of milk procurement (in South India)*

Global Presence: Uganda Kenya

Higher B2C Sales through Strong Branding

12 states engaged in our strong distribution network

An Extensive Product Portfolio (Milk Based Value-Added Products)

15 Processing Plants

1 Feed Plant



Stringent Quality Control Procedures

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



PROCUREMENT STAGE

- VLCCs equipped with GPRS enabled electronic milk analyzers 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



PROCESSINGS 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

QUALITY CERTIFIED PRODUCTS AND
PROCESSING PLANTS



UNBS
Permits

Focused Engagement and Long-Term Relationship with Dairy Farmers

REGULAR DIRECT PAYMENT

- Money paid directly to farmers in their bank accounts once every 10 to 15 days
- ~88% of total farmers payment covered as of Q2 FY23

TRANSPARENCY IN PROCUREMENT

- Company has VLCCs equipped with GPRS enabled Electronic milk analyzers & Weigh scales
- This Enables testing of quality and quantity of raw milk procured

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

- Organize training camps to educate about ways to prevent common ailments for cattle

FACILITATE BANK LOANS

- Facilitate sanction of loans from regional banks to invest into cattle





INTEGRATED SUPPLY CHAIN

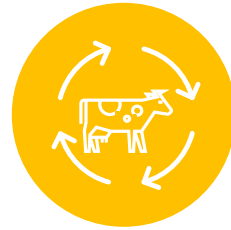
Strong procurement, eliminating middleman, reducing the cost of primary raw material and maintaining relationship with farmers

Direct model, reducing the cost of primary raw material and maintaining relationship with farmers



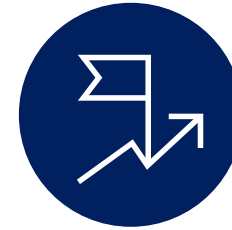
AUTOMATED PLANTS

Fully automated plants leading to improved operational efficiencies and reduce operating costs



BACKWARD INTEGRATED

Presence in cattle feed business through its subsidiary, leveraging existing supply chain resulting in better margin profiles for business



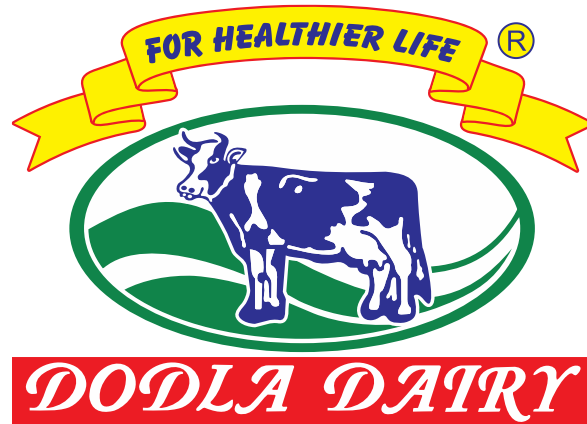
PROVEN TRACK RECORD

Proven track record of successfully integrating organic and inorganic assets with existing operations leading to substantial growth



ROBUST BALANCE SHEET

Strong cashflows led to robust balance sheet giving financial flexibility for future growth of company



ENVIRONMENT

- We are dedicated to producing dairy products in a manner that is humane toward people, animals, and the environment, as well as beneficial to our societies
- We believe that preserving and rebuilding the environment is crucial in providing opportunities for future generations



SOCIAL

- To ensure a sustainable future, we are focused on the development of healthy business model and products
- We are safeguarding people's safety and well-being in workplace, while continue to offer growth opportunities for them, and supporting the communities in which we live and work. This is all part of ensuring dairy plays a role in a sustainable food system



GOVERNANCE

- We have established a diverse governance structure in order to fully use the resources of all partners in order to maximize synergy and enhance corporate governance
- We are committed to providing our shareholders with accurate, timely, regular and reliable information on the Company's activities, performance, prospects and strategy

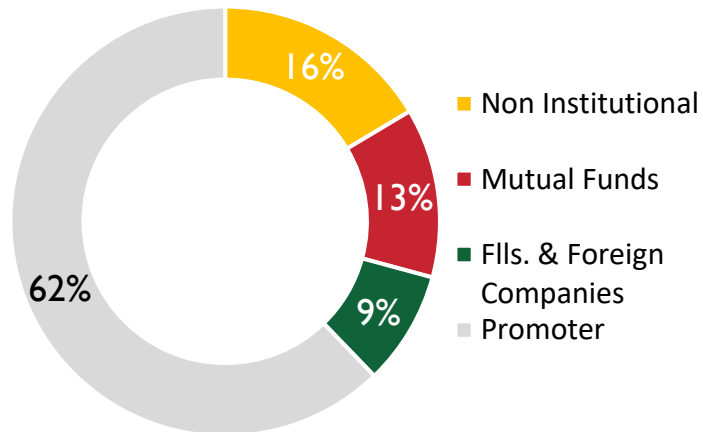
40,000+

Total Shareholders

Few of our Key Investors as on 30th Sep 2022

(% of Total Equity)

SBI MF	9.24
International Finance Corporation	4.46
Bharat Biotech International Ltd.	3.41
Ashoka India Opportunities Fund	2.70
Steinberg India Emerging Opportunities Fund	2.52
Aditya Birla Sun Life Multi-cap Fund	1.61
DSP Small Cap Fund	1.03



Contact Us

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India.
T: +91 40 4546 7777 F: +91 40 4546 7788



Appendix



LLPD: Lakhs Liter per day

MTPD: Metric Tonnage Per day

UHT milk: Ultrahigh Temperature Processed Milk

VLCC: Village Level Collection Center

DRP: Dodla Retail Parlours

LPA: Liters Per Annum

MT: Metric Ton

VAP: Value-added Product

FII: Foreign Institutional Investor

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