

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
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Date: 21 January 2023

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 nine months ended 31 December 2022.

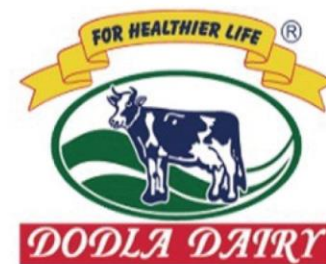
The copy of the disclosure is available on the website of the Company i.e. www.dodladairy.com

This is for your information and record.

Thanking you,
Yours Faithfully,
For Dodla Dairy Limited

Surya Prakash M
Company Secretary and Compliance Officer

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



DODLA DAIRY

• INVESTOR PRESENTATION •
JANUARY 2023 | Q3 & 9MFY23



Table of Content

3

Quarterly Highlights

10

Full Year Financials

14

About Us

23

Company Canvas

27

Strategic Advantages

Quarterly Highlights





Mr. Dodla Sunil Reddy

Managing Director

“Dodla Dairy continued to march towards the journey of operational excellence overcoming the sectoral headwinds. As a result, the operating revenue surged by 17.4% YoY to INR 6,754 Mn in Q3FY23. Thanks to the strong brand recall amongst the consumers, Dodla’s Value Added Products (VAP) sales contributed 23.1% to the top line in Q3FY23. The Company undertook a price hike to partially mitigate the increase in the cost of milk production owing to the rise in fodder prices. Additionally, the extended monsoon in the southern states impacted the flush season for FY23.

It gives me immense pleasure to share that Dodla Dairy bagged ‘CII award for food safety 2022’ award from CII’s Food and Agriculture Centre of Excellence (FACE). Dodla Dairy is geared towards creating value for the esteemed stakeholders with its diversified product portfolio, excellence-driven corporate culture coupled with strong Balance Sheet position.”

A

~12.8 LLPD

Average milk procurement during Q3FY23 as compared to **12.4 LLPD** in Q3FY22

▲ 3.8% YoY

B

10.5 LLPD

Average milk sales during Q3FY23 as compared to **9.9 LLPD** in Q3FY22

▲ 6.7% YoY

C

259.9 MTPD

Curd sales during Q3FY23 as compared to **245.4 MTPD** in Q3FY22

▲ 5.9% YoY

D

23.1%

Revenue from value added products (VAP) and fat & fat-based products was at **₹1,533 Mn** of the overall dairy revenue during Q3FY23

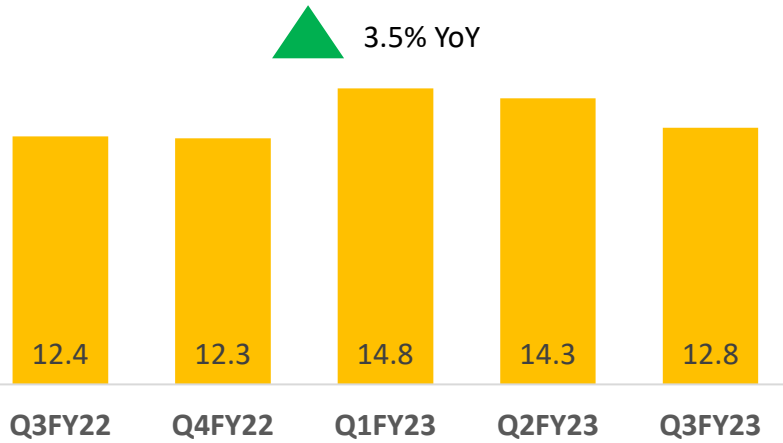
▲ 11.1% YoY



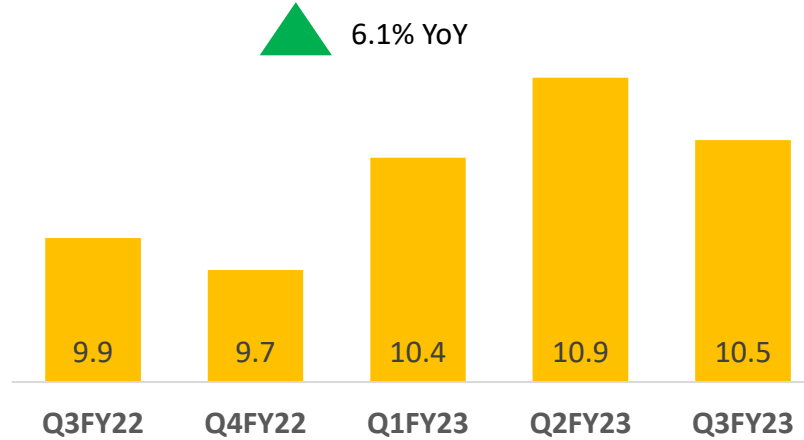
Quarter-wise Historical Operational Highlights



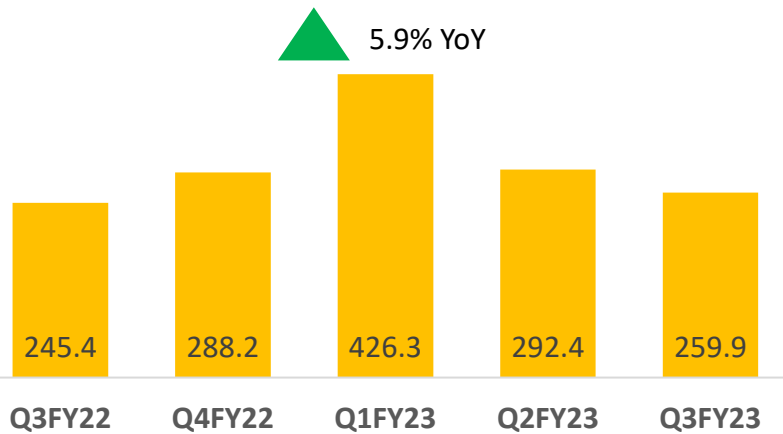
AVERAGE MILK PROCUREMENT (in LLPD)



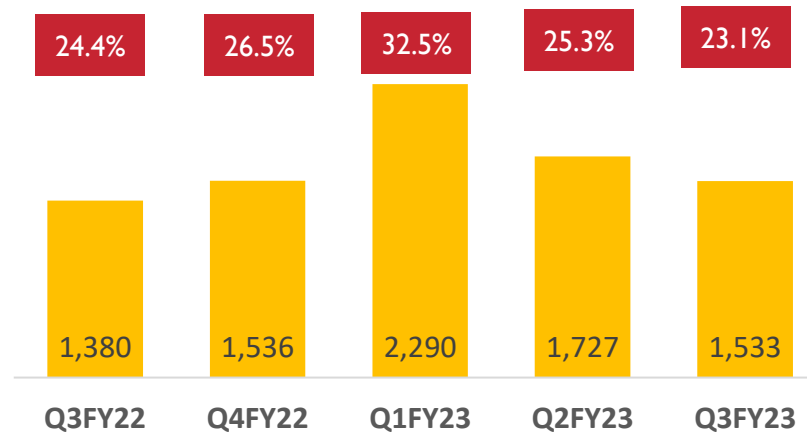
AVERAGE MILK SALES (in LLPD)



CURD SALES (in MTPD)



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)

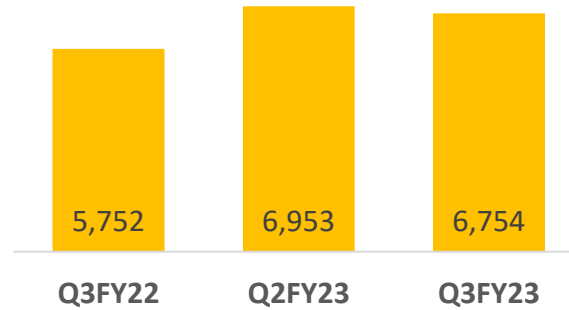


Strong Y-o-Y increase in quarterly revenue numbers powered by increase in milk volumes and healthy Value-Added Product sales, despite seasonality.

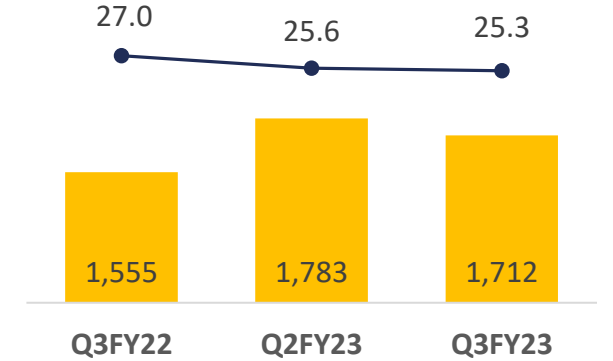
Increase in raw material and freight prices were offset by increase in selling prices



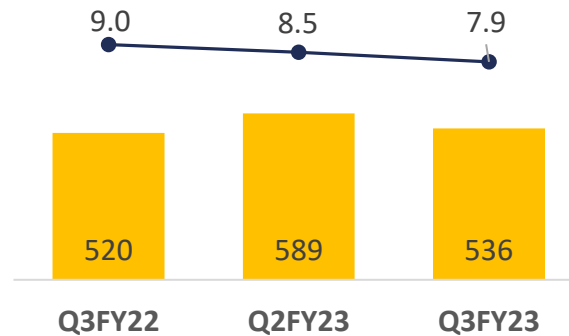
OPERATING REVENUE
(in ₹ Mn)



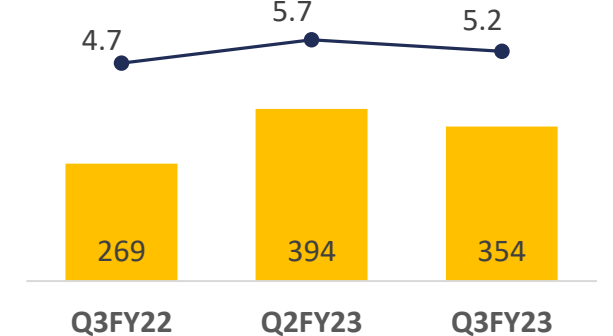
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn)



PAT & PAT MARGINS
(in ₹ Mn)

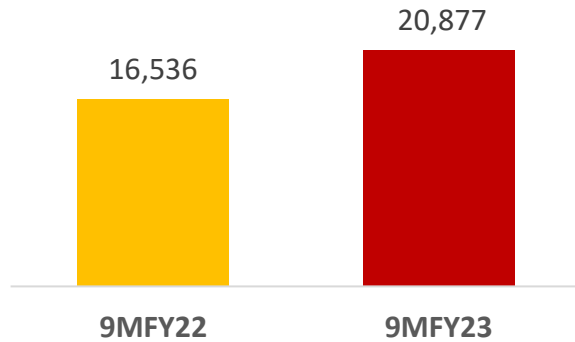


NOTE: All numbers above have been rounded-off to zero decimal excl. percentage. | Percentage have been rounded-off to one decimal

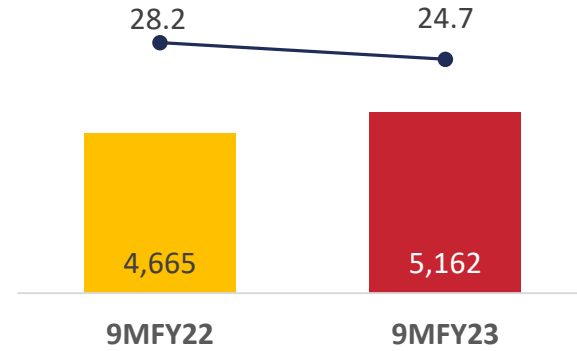
Key Financial Metrics (nine-monthly results)



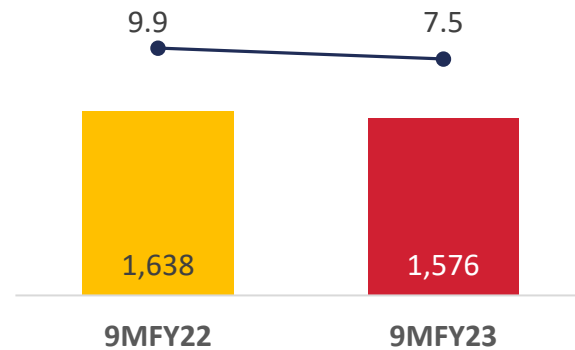
OPERATING REVENUE
(in ₹ Mn)



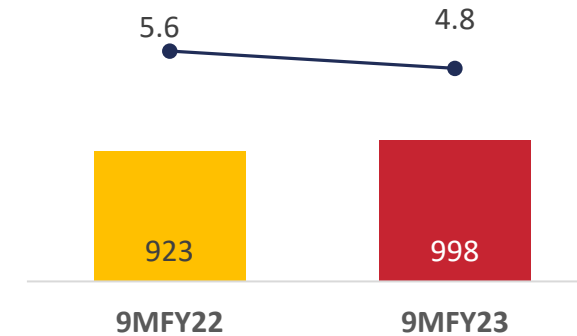
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn) — (in %)



PAT & PAT MARGINS
(in ₹ Mn) — (in %)



Revenues grew by 26% Y-o-Y to INR 20,877 Mn in 9MFY23 navigating multiple sectoral headwinds like lumpy skin disease, rise in input and packaging cost.

PAT grew by 8% YoY to INR 998 Mn during 9MFY23 primarily due to decline in finance cost, higher other income 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)	Q3FY23	Q3FY22	YoY	9MFY23	9MFY22	YoY	FY22
Revenues	6,754	5,752	17.4%	20,877	16,536	26.3%	22,434
Cost of Goods Sold	5,043	4,197	20.2%	15,715	11,871	32.4%	16,262
Gross Profit	1,712	1,555	10.1%	5,162	4,665	10.7%	6,172
<i>Gross Profit margin</i>	<i>25.3%</i>	<i>27.0%</i>	<i>(169 bps)</i>	<i>24.7%</i>	<i>28.2%</i>	<i>(348 bps)</i>	<i>27.5%</i>
Employee Expenses	315	254	23.8%	892	764	16.9%	1,024
Other Expenses	861	781	10.2%	2,694	2,263	19.0%	3,040
EBITDA	536	520	3.1%	1,576	1,638	(3.8%)	2,107
<i>EBITDA margin</i>	<i>7.9%</i>	<i>9.0%</i>	<i>(110 bps)</i>	<i>7.5%</i>	<i>9.9%</i>	<i>(236 bps)</i>	<i>9.4%</i>
Depreciation & Amortization	159	132	20.1%	465	392	18.7%	524
EBIT	377	388	(2.7%)	1,111	1,246	(10.9%)	1,584
Finance Cost	3	3	5.4%	9	62	(85.8%)	65
EBT before Other Income	374	385	(2.7%)	1,102	1,184	(6.9%)	1,519
Other Income	65	37	74.3%	166	94	76.4%	137
EBT after Other Income	439	422	4.1%	1,268	1,278	(0.8%)	1,656
Tax	86	154	(44.3%)	271	355	(23.7%)	327
PAT	354	269	31.7%	998	923	8.0%	1,328
<i>PAT margin</i>	<i>5.2%</i>	<i>4.7%</i>	<i>48 bps</i>	<i>4.8%</i>	<i>5.6%</i>	<i>(81 bps)</i>	<i>5.9%</i>
EPS	5.9	4.48	31.7%	16.63	15.48	7.4%	22.24

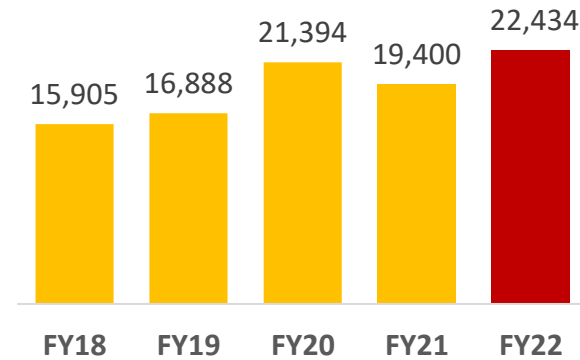
Full Year Financials



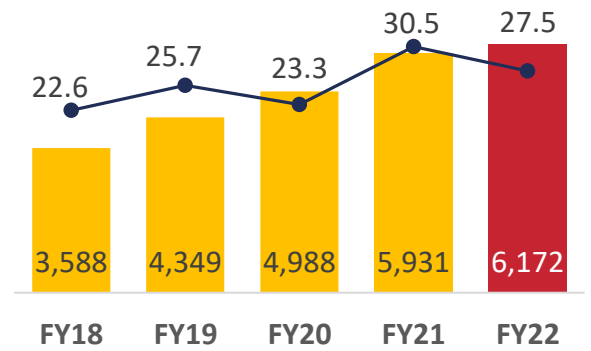
During FY18-22 period, the Company's operating revenues, EBITDA and PAT registered 7%, 14% and 18% CAGR growth



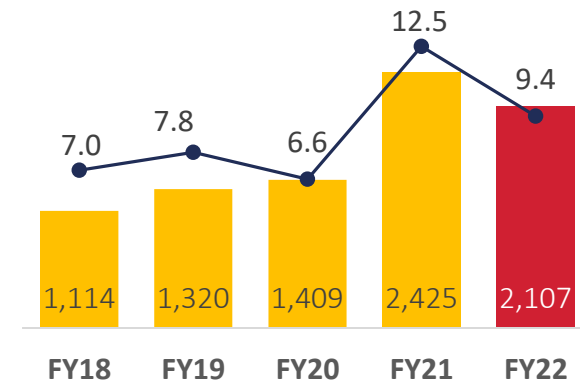
OPERATING REVENUE
(in ₹ Mn)



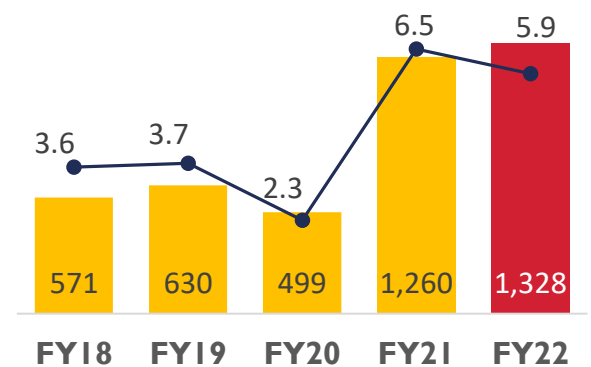
GROSS PROFIT & GROSS MARGINS
(in ₹ Mn) — (in %)



EBITDA & EBITDA MARGINS
(in ₹ Mn)

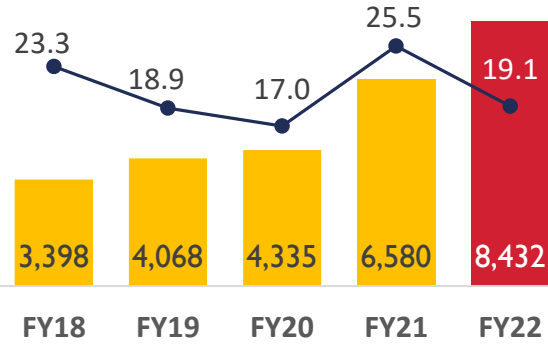


PAT & PAT MARGINS
(in ₹ Mn)

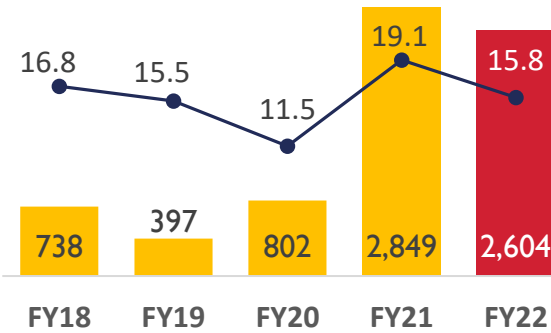


Key Ratios – Full Year

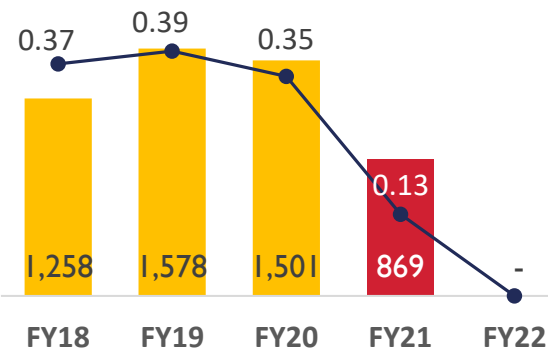
NETWORTH & ROCE
(in ₹ Mn) — ROCE (in %)



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

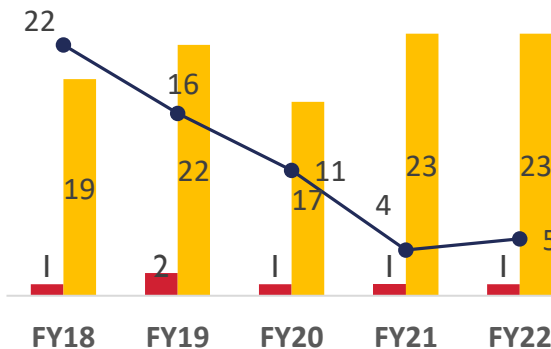


DEBT & DEBT-EQUITY
(in ₹ Mn) — (x)



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 13 states in India*

39

Sales Office

23+

LLPD aggregate installed capacity

3rd

largest procurement network (South India)*

7,500+

Village Level Collection Centers

565

Dodla Retail Parlours

15

Processing Plants

2,700+

Distribution Agents

95.7%

Milk Directly procured from farmers

115

Chilling Centers / Plants

1,600+

Milk & Milk product distributors



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



1995

Incorporation of
Dodla Dairy

1997

Parent
processing plant
at Nellore

2007

Badvel and
Sattenapally
plants

2009

Milk powder and
SMP plant at
Nellore

2012

Investment by
Black River*

2014

- Acquired Lakeside Dairy, Uganda
- Established large scale dairy farm under GVC

2017

- Investment by The Rise Fund (TGP) as it acquired stake of Black River *
- Hyderabad plant

2019

- Acquired 2 processing plants from KC Dairy
- Incorporated Orgafeed & acquired a cattle feed and mixing plant
- Rajahmundry plant

2021

- IFC invested ~INR1,000Mn
- Listed on BSE & NSE

2022

Acquired Shri Krishna Milks

*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 7,800+ villages through 7,500+ 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

39+ sales offices,
2,700+ distribution agents

1,600+ milk & milk products distributors and 565 DRP's



DISTRIBUTION CENTERS

Transportation from villages through 826 primary vehicles to 115 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

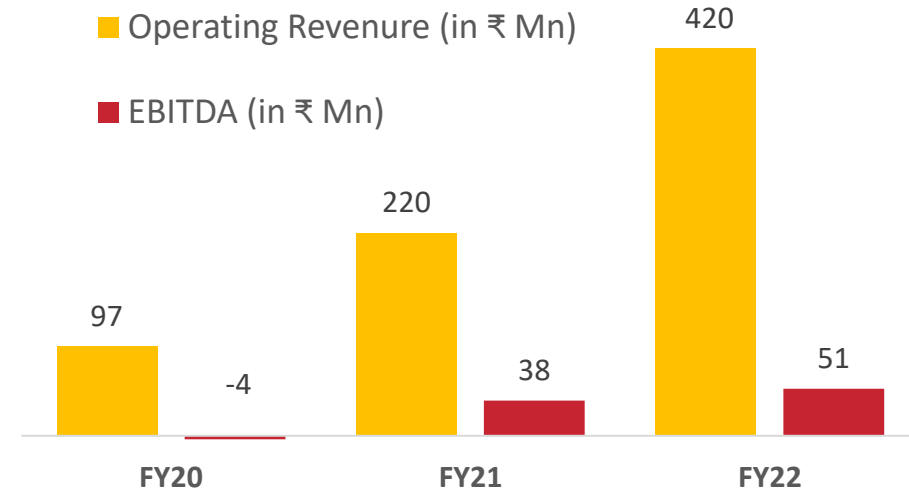
₹426 MN

Company sales in 9M FY23

₹39 MN

EBITDA in 9M FY23

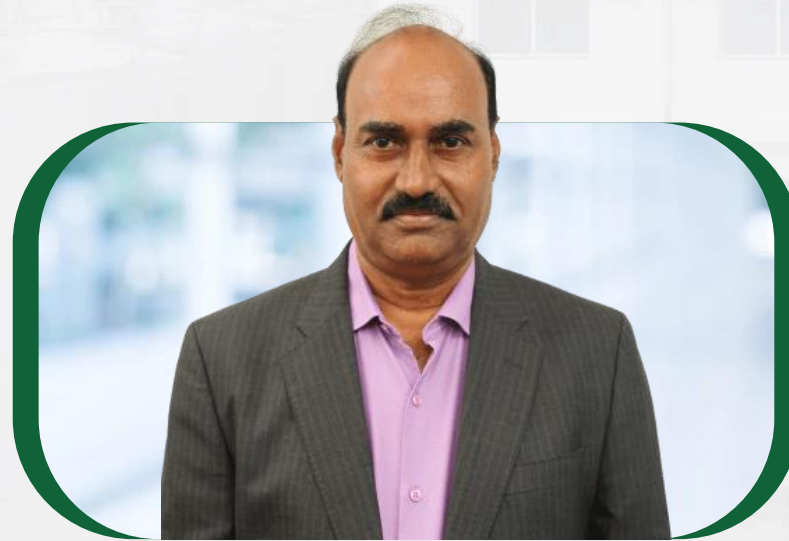
ORGAFEED FINANCIAL FIGURES



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**

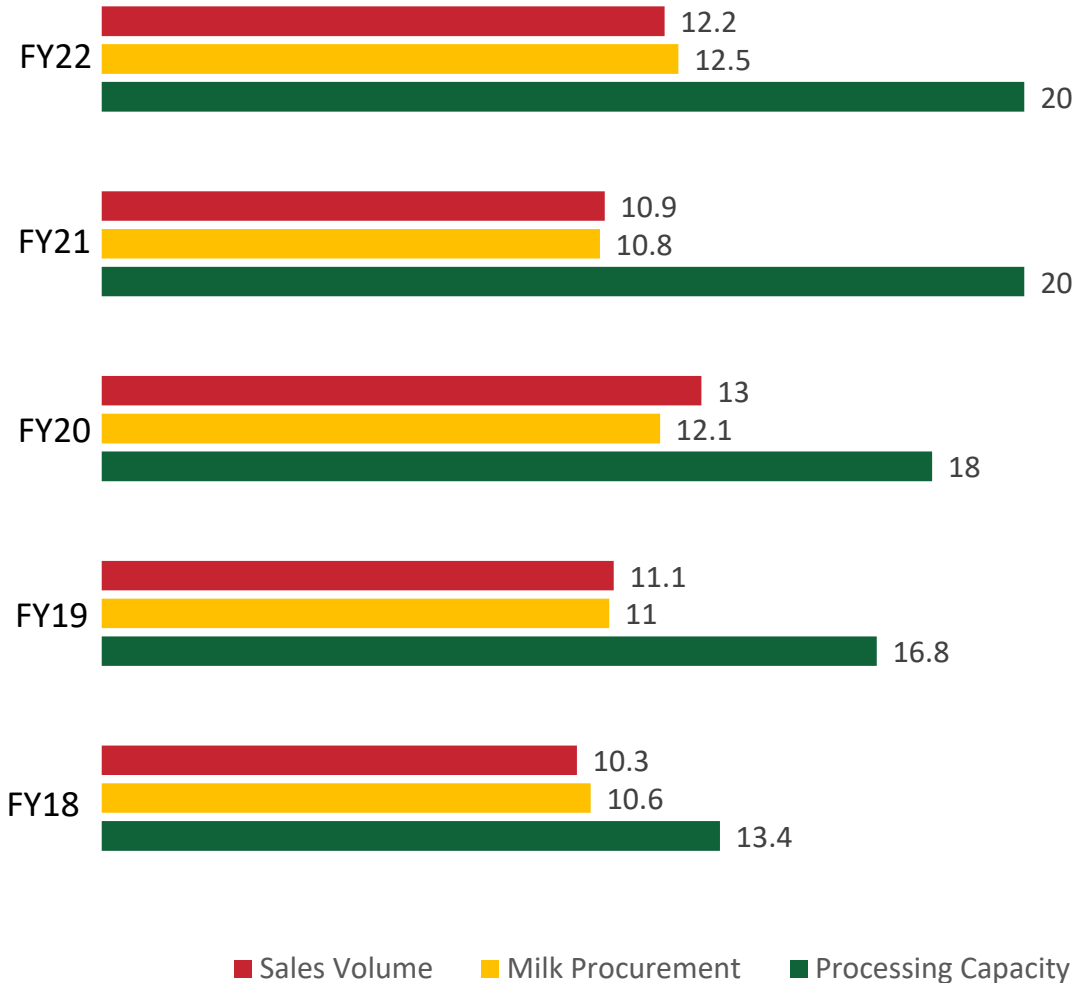
Independent Director

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



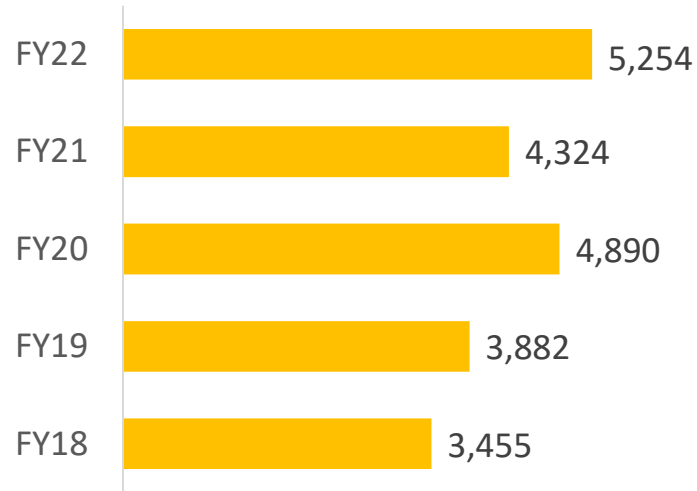
SALES VOLUME

- 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

13 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
- ~86% of total farmers payment covered as of Q3 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

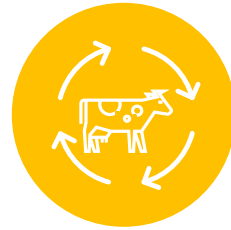
Strong procurement, eliminating middleman, reducing the cost of primary raw material and maintaining relationship with farmers

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



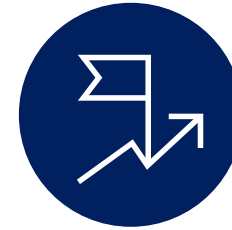
AUTOMATED PLANTS

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



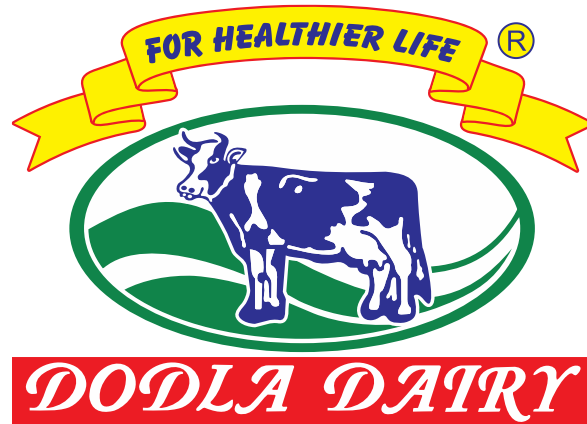
PROVEN TRACK RECORD

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

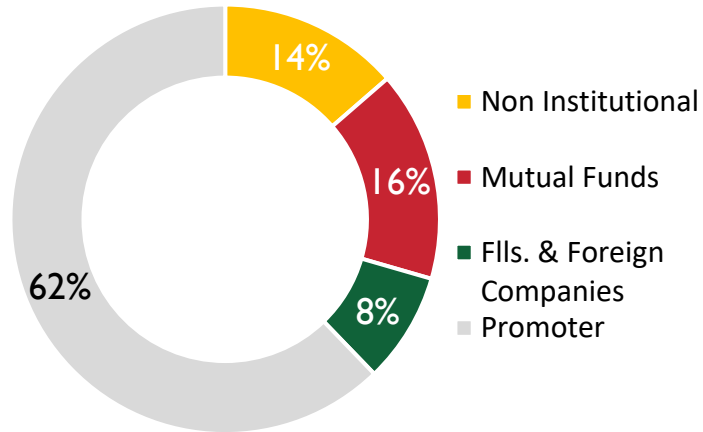
39,000+

Total Shareholders

Few of our Key Investors as on 31st Dec 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
DSP Small Cap Fund	2.45
Aditya Birla Sun Life Multi-cap Fund	1.61



Contact Us

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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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