

Prabhat Dairy Limited



Where Goodness Begins

February 14, 2018

BSE Limited
PhirozeJeejeebhoy Towers
Dalal Street
Mumbai

Ref. Scrip Code : 539351

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
BandraKurla Complex,
Bandra (E)
Mumbai – 400 051

Ref: Symbol - PRABHAT

Sub: Investor Presentation on Un-Audited Financial Results for the quarter and nine months ended December 31, 2017.

Ref.: Regulation 30 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear sir / madam,

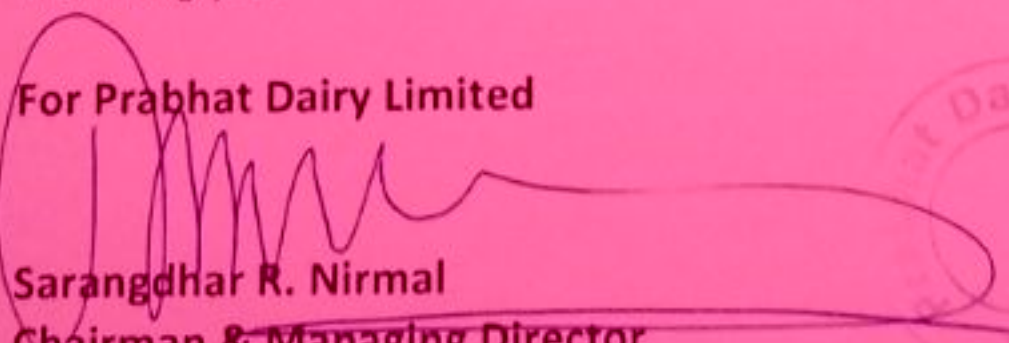
With reference to the captioned regulation, we are herewith enclosing the Investor Presentation on Un-Audited Financial results for the quarter and nine months ended December 31, 2017.

The presentation is also hosted on the website of the Company, at

<http://www.prabhatdairy.in/investor-desk/analyst-corner.html>

Thanking you

For Prabhat Dairy Limited


Sarangdhar R. Nirmal
Chairman & Managing Director
DIN: 00035234



Encl.:A/a



Emerging brand in value added dairy products

PRABHAT DAIRY LIMITED
 Q3 & 9M FY18 Results Presentation
 February 2018



Where Goodness Begins

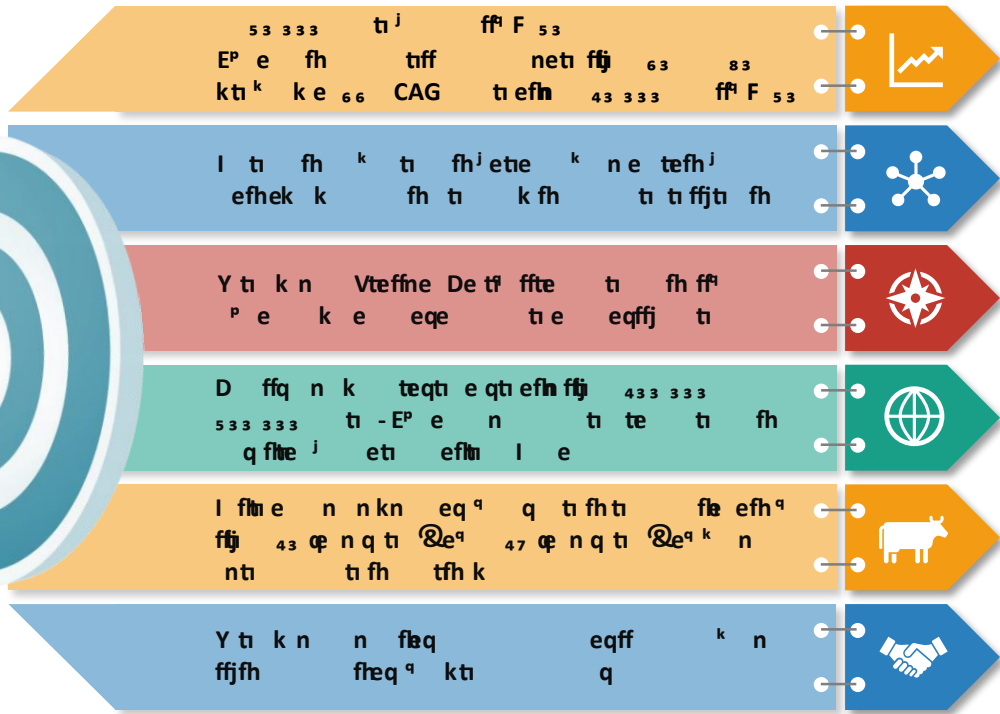
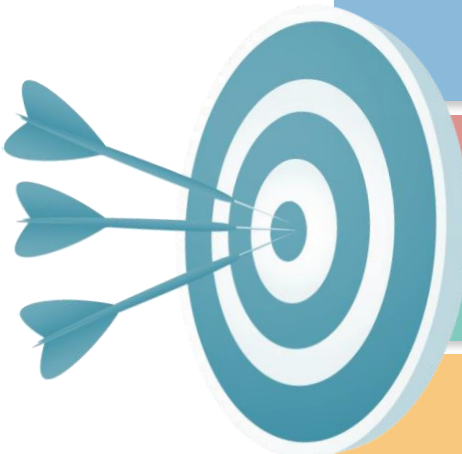
Emerging brand in value added dairy products

DISCUSSION SUMMARY

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- ❖ 6 F 4 EY HIGH IGH Y
- ❖ C VA E IEB
- ❖ C VE I I E AD A AGEY
- ❖ Y A EG



Where Goodness Begins



IYI 5353 AD AV



Where Goodness Begins

To build a strong & vibrant consumer brand and stand out as a milk expert company leveraging our wholesome milk-based value added products portfolio

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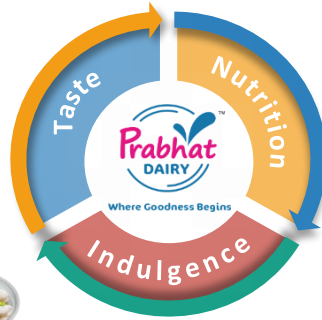


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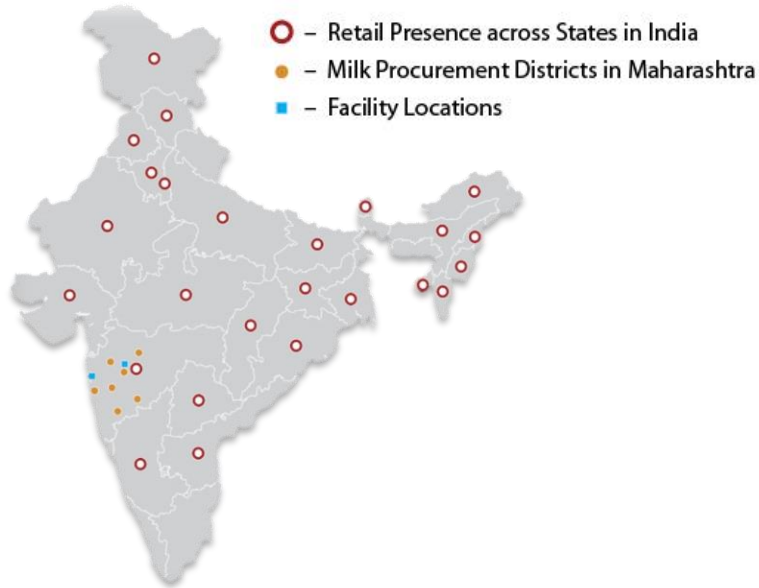


Ce k tī	Vtī fh
H eqn	Milk, Dahi
H eqn Vq	UHT and Fortified products
e	Lassi, Chaas, Paneer, Ghee, Shrikhand
e Vq	Ice creams and Milk Shakes

^k te Vefh etie
 Target incremental revenue of Rs 1,000 mn



Milk Shake in UHT form to be launched soon



- By FY18, firm up presence in various Northern, Eastern, Western and Central Indian markets, focussing on Tier II and Tier III towns with higher disposable incomes.
- Launch a range of value added products in Delhi, Punjab, Himachal Pradesh, Assam and further strengthen its presence in Madhya Pradesh and Maharashtra.
- Prabhat's fresh dairy products like Curd, Shrikhand, Meethi Lassi, Butter Milk, Masala Chaas, Paneer etc. are now creating space in the shelves of India's biggest modern retail chains.
- Double the general retail reach from 100,000 to 200,000 stores
- Internationally, it exports to Bhutan and the plans to commence exports to the SAARC countries.

V ABHA DAI A BI I YE VA YI IYI 5353



Where Goodness Begins

Y E G HE V ABHA B A DV EYE CE AC YY DE ADE



A CHED V CHED I AC YY DE ADE



V ABHA DAI A CHEYE C YI EF A CHIYE E AI E Y HEG D EY E E



n G E

- Prabhat Dairy has launched its exclusive retail store network in Maharashtra branded as 'The Goodness Zone'.
- These stores are operated on 'Franchise Owned – Franchise Operated' model.
- These stores will take Prabhat Dairy's entire range of existing and new products directly to the consumers.
- Prabhat Dairy plans to launch 500 exclusive retail stores in various districts and talukas across Maharashtra by 2020.





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F fh fh e nkn eq^a q tı fh tı k n ntı tı fh q tı fh k



Ye je ee A I je j q

- Work with farmers on animal management practices, objective is to improve the profitability of dairy farmers.
- Tie-up with well qualified animal nutritionists, veterinary surgeons and agriculturists to solve the farmers' problems.
- Prabhat Dairy plans to setup own feed plant to ensure better quality of cattle feed and mineral mixture to the participating dairy farms.
- Prabhat Dairy plans to equip these farms with an individual Bulk Milk Cooler of 500 litres capacity, and also plans to setup four Bulk Milk Coolers of 2,000 litres capacity at four different dairy farms.
- The Company's target is to have a total 400 to 500 litres of milk production per day by the end of third year at these selected dairy farms.

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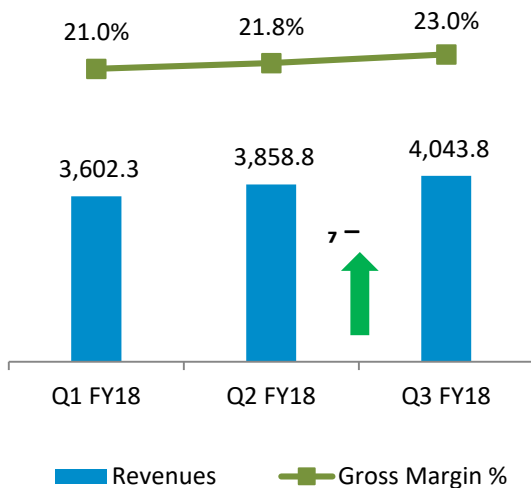
- Commissioned 29 Bulk Milk Chillers in Ahmednagar District and 19 Bulk Milk Chillers in Solapur District
- Total target to commission 50 BMC in Ahmednagar District and 50 in Solapur District.



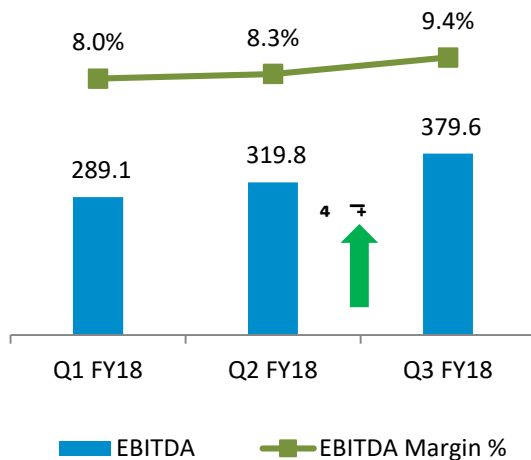


**RESULTS
UPDATE**

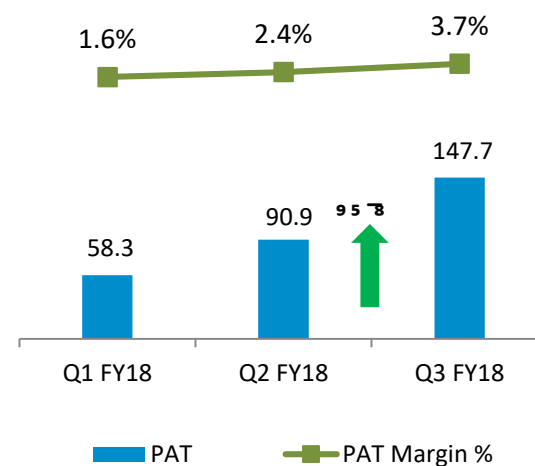
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VA VA A GI



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Revenue from Operations	4,039.1	4,081.0	-1.0%	3,855.6	4.8%	11,490.7	10,326.8	11.3%
Other Income	4.7	2.2	114.6%	3.3	45.6%	14.3	7.6	86.5%
eqL fh	7 3 7 6 -	7 3 6 3	4 3	6 8 -	7 -	4 4 8 3 7 -	4 3 6 6 7 8	4 4 6
COGS	3,113.8	3,301.6	-5.7%	3,019.0	3.1%	8,977.4	8,293.7	8.2%
Gtn Vtn ffj	6 3 3	+ 4 9	4 3	6 -	4 3 7	5 8 5 + 8	5 3 7 3 -	5 6 -
Gross Margin (%)	23.0%	19.1%	386 bps	21.8%	123 bps	22.0%	19.7%	222 bps
Employee Expenses	112.7	87.2	29.3%	111.5	1.1%	327.4	250.7	30.6%
Other Expenses	437.7	315.6	38.7%	408.5	7.1%	1,211.6	812.9	49.0%
EBI DA	6 + 9	6 + -	3 3	6 4 -	4 7	8	++ 3	4 3
EBITDA Margin (%)	9.4%	9.3%	11 bps	8.3%	110 bps	8.6%	9.5%	-86 bps
Finance Costs	84.5	79.2	6.7%	86.0	-1.7%	259.7	218.8	18.7%
Depreciation	125.2	109.5	14.3%	122.8	2.0%	365.1	322.9	13.1%
VB ff ffjti E^p fh eqL	4 9 -	4 3 7	4 3 9	4 4 4 3	8 6 7	6 9 6 7	7 6 8 7	4 9 8
Exceptional Items	-	255.9		-	-	-	189.1	
Taxes	22.2	108.5	-79.5%	20.1	10.5%	66.9	137.3	-51.3%
PAT	147.7	337.5	-56.2%	90.9	62.5%	296.8	487.3	-39.1%
PAT Margin (%)	3.7%	8.3%	-461 bps	2.4%	130 bps	2.6%	4.7%	-213 bps

6 F 4 EY Y E HIGH IGH Y

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 - Revenues declined in value terms on YoY basis due to 14.7% YoY decline in milk prices. There was healthy volume growth across various products, largely driven by increased sale of pouch milk, cheese and curd.
 - Share of value added products and milk was 79% and 21% respectively.
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F 4 e 4 7 6 F 4 + -

 - Milk procurement prices decreased by 9.4% QoQ and 14.7% YoY to Rs 23.2/litre in Q3 FY18.
- 6 F 4 EBI DA kti k ffi 4 7 e k e effq ffe e 6 + 3 -EBI DA etk flti e 7 6 F 4 fh eti
7 5 F 4 e 7 6 F 4 + -

 - To accelerate the company's progress towards its Vision 2020 targets, the company took a conscious decision of re-investing the benefits from improved gross margin in building and expanding its B2C network, accordingly –
 - There was addition in manpower to expand the direct sourcing network. This helped in increasing the avg. per day milk handling from 0.85 mn in Q3 FY17 to 1.01 mn in Q3 FY18.
 - There was an increase in selling & distribution expenses to expand the fresh milk distribution network.
 - Increase in share of B2C sales also led to higher transportation costs as the company is expanding its reach and presence.
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- This will benefit the dairy farmers involved in Animal husbandry.
- The dairy farmers will be able to enhance the yield from animals and get better quality milk. This is expected to result in doubling of farmer income by 2022.
- Higher production of milk will also lead to increase in productivity, which in turn will help in generating higher revenues for dairy companies.
- The Kisan Credit Card facility extended to farmers will lead to stronger cash flow generation, thereby improving their credit worthiness and promoting business growth.



COMPANY
OVERVIEW

B YI EY E IEb

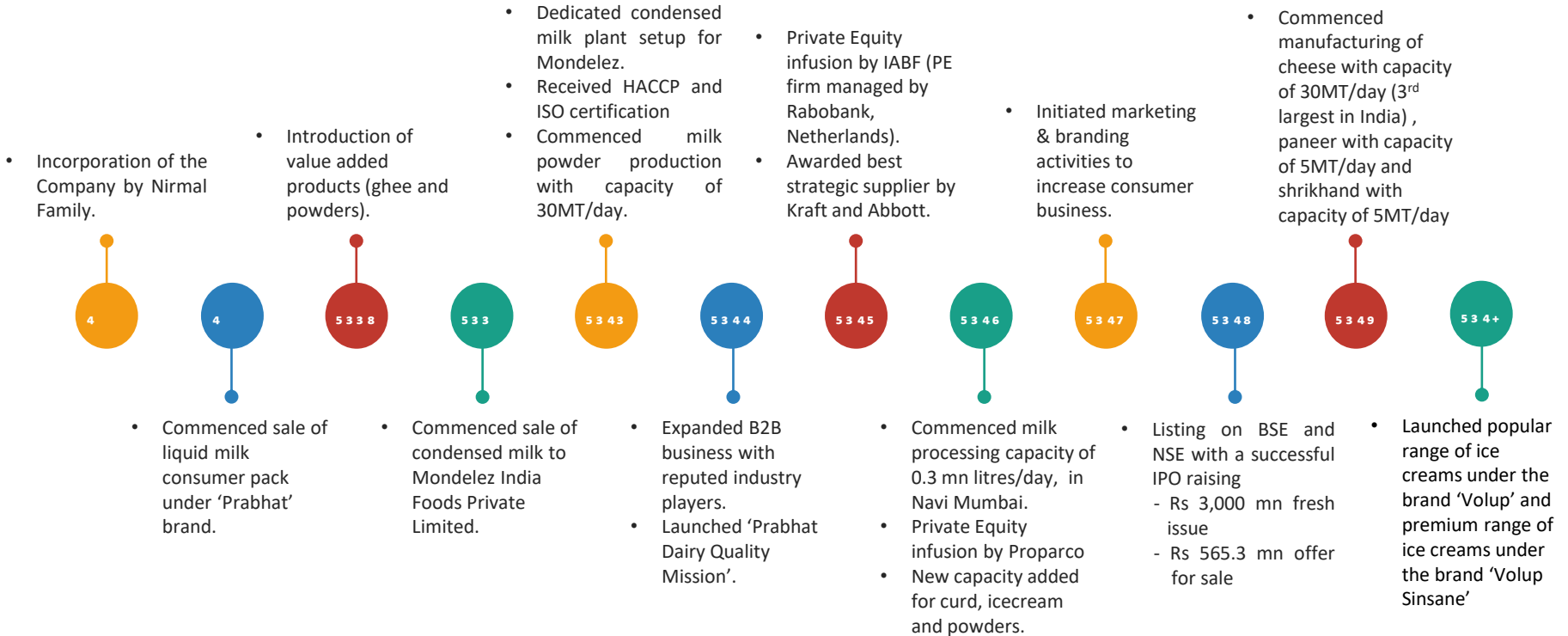
- Incorporated in 1998, Prabhat Dairy Limited has evolved from being an established specialty dairy ingredients company to an emerging brand in milk and dairy products.
- Prabhat sells wide range of value added dairy products under strong & appealing brands – ‘Prabhat’, ‘Prabhat Milk Magic’ and ‘Prabhat Flava’.
- In 2014, Prabhat was awarded as **A e ffj kt k et k fte F CG fh ti** at the WCRC leaders summit.
- It has a strong management team led by Mr. Sarangdhar R Nirmal (18+ years of experience in dairy industry) & Mr. Vivek Nirmal (8+ years of experience in dairy industry).

E Y E GHY

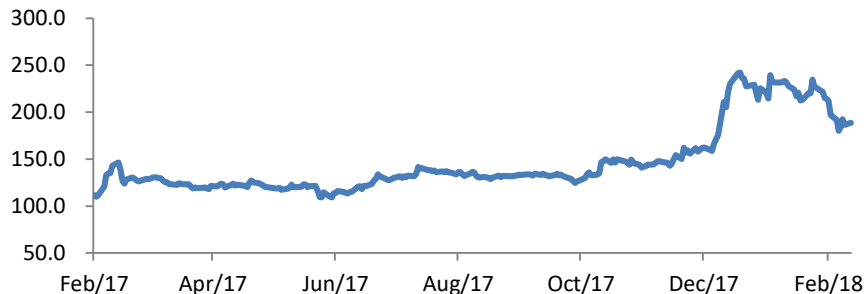
- Integrated business model – robust procurement, state-of-the-art manufacturing, fast-expanding distribution network and brand presence.
- Strong farmer relationships – 70% direct sourcing from more than 100,000 farmers.
- Strategically located manufacturing facilities in Shrirampur (Ahmednagar) and Navi Mumbai .
- Close proximity to milk generating regions and target market for end products.
- Prominent presence across key consumer product categories such as Ghee, Cheese, Pouch Milk and UHT Milk.
- Strong institutional clientele – Mondelez, Abbott, ITC, Britannia, Future Group etc.

FI A CIA E IEb

- Consolidated Revenues, EBITDA and PAT were Rs 14,111.3 mn, Rs 1,280.5 mn and Rs 469.4 mn in FY17.
- D/E ratio has significantly improved from 2.3x in FY12 to 0.3x in FY17 with continued efforts on de-leveraging.



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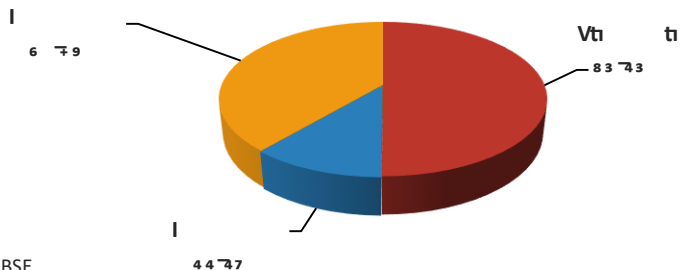


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Market Capitalization (Rs mn.)	18,421.7
Price (Rs.)	188.6
No. of Shares Outstanding (mn.)	9.8
Face Value (Rs.)	10.0
52 Week Low-High (Rs.)	109.3 – 242.3

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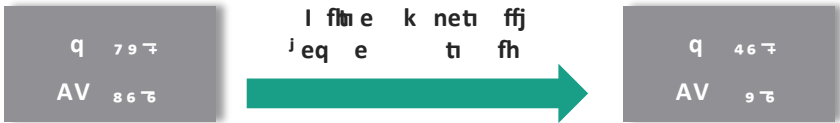
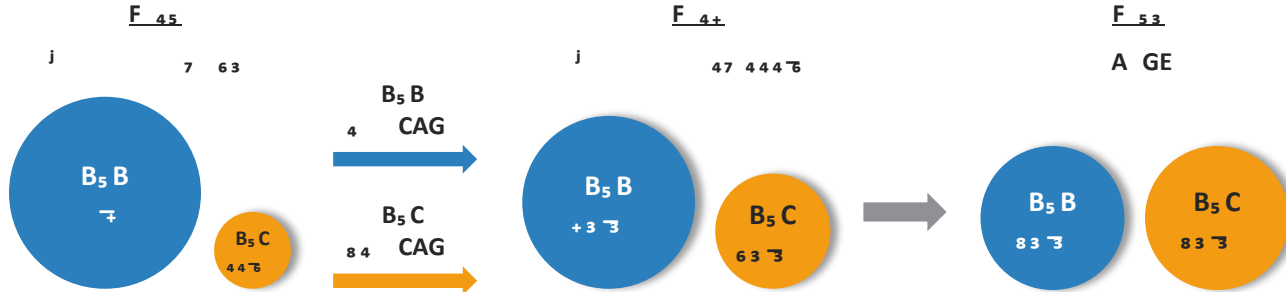
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H DI G

Rabo Equity Advisors	14.37%
Proparco	8.68%
TVS Capital	7.57%
DSP Blackrock Micro Cap Fund	3.39%
Sundaram MF	2.19%
Mondarian Emerging Markets Fund	1.86%
Wasatch Advisors	1.82%
Ontario Pension Board	1.07%

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CHEESE



PANEER



POUCH MILK – PREMIUM, FRESH,
SLIM, RICH



CURD (DAHI)



COW GHEE



MISTI DOI



CHAAS



UHT MILK



LASSI

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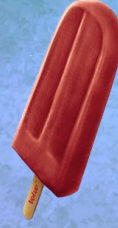
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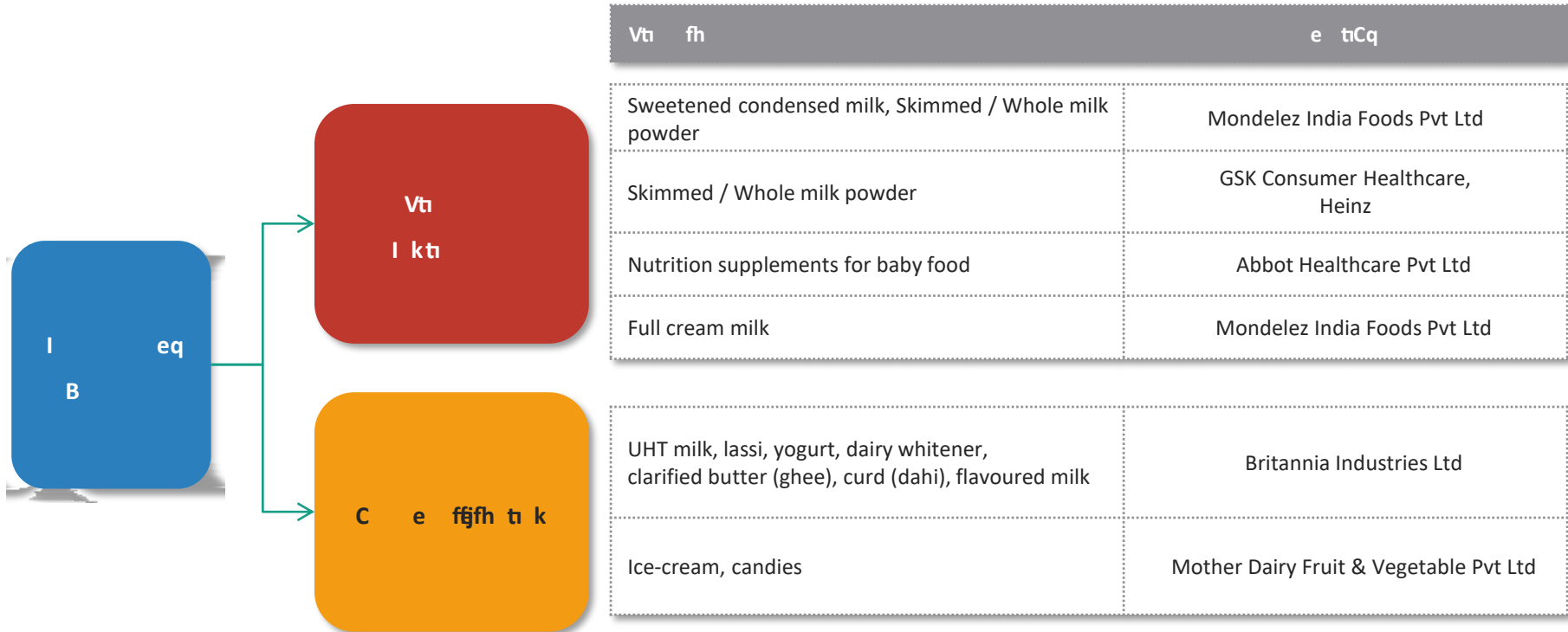


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LOTTE



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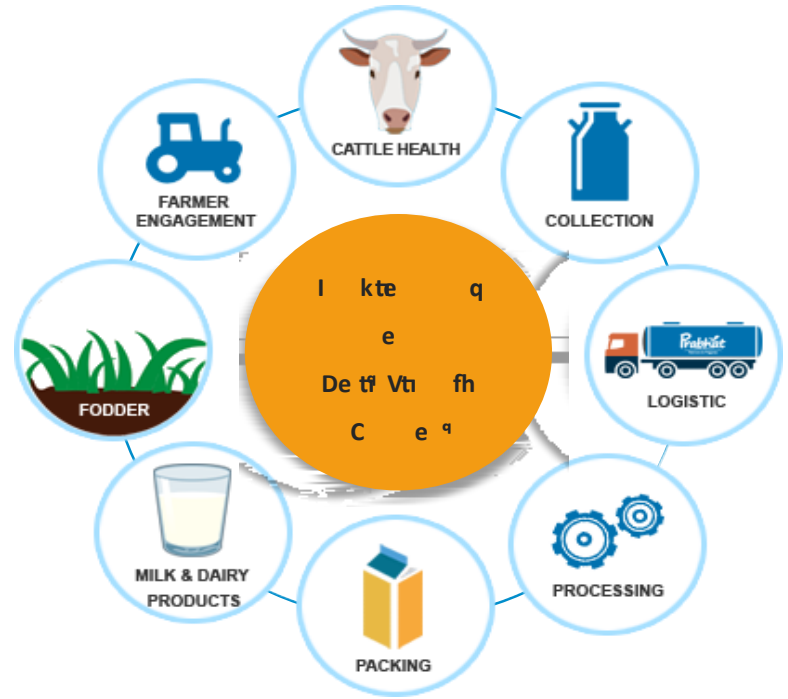




COMPANY
OVERVIEW

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Ce q F B ʃʃti

- Assistance to farmers.
- Ensure cattle nutrition & medication support to improve milk yields.

e q eti k D tiff

- Retail products - Prabhat, Flava, Milk Magic brands, Volup.
- 270+ sales professionals, 1,375 distributors, 150 Prabhat mini stockists.

Eʃʃʃh q Vti fh ti

- Maximise direct milk sourcing from farmers.
- Ensure transparent pricing, farmer relationships, welfare activities.

ʃn q kʳ I I ʃʃje ti fh ti

- Computerized milk testing, advanced ERP systems lead to strict quality control, lower production losses & ability to process large orders.

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- Strategically located in cow milk belt in Maharashtra.
- Close proximity to principal institutional customers and retail consumer markets.

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- Multi-product facilities in Shrirampur & Navi Mumbai, large scale operations result in sharing of manufacturing costs.

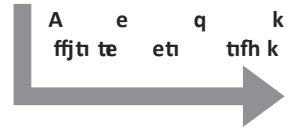
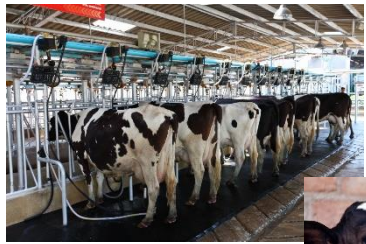
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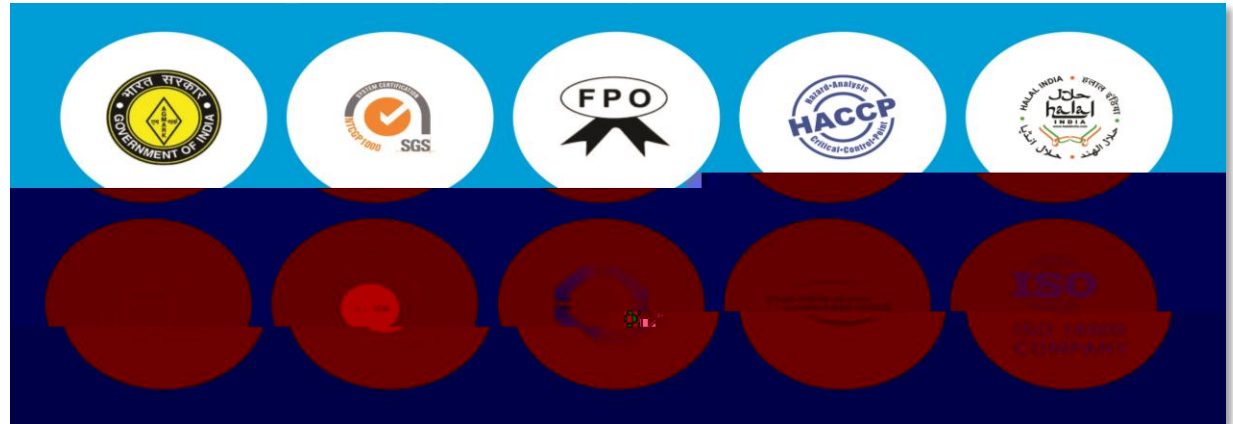
Refer Annexure for Product wise Capacity Details

C V E I I E A D A A G E
Y I G E A I C Y E E I G C Y E E I E E Y



Where Goodness Begins

A I C E I F I C A I Y



E VA D E AI V D C YB YI EY

- Leverage our 'Prabhat' brand and continue to innovate and expand our product offerings.
- Focus on increasing the availability of our products in both existing markets and new markets across India.
- Focus on increasing the share of value added products like cheese, paneer, shrikhand, curd, ice-cream, flavoured & UHT milk.

E E AGEI Y I I A E A I YHIW FFE EV D C Y

- Expand our product offerings to existing institutional customers.
- Leverage our relationships and demonstrated quality standards to add new customers in India and globally.

E F C YA EAY

HIGHE CAVACI I IYA I VE A I GEFICIE C EADI G
HIGHE E A I Y

- Introduce new product lines , effectively utilize dairy by-products and optimize product planning.
- We are in process of setting up captive co-generation power facility thus reducing power & fuel costs.
- Higher capacity utilisation leading to improving return ratios and profitability.

E VA DDI EC I V C E E E B

- Grow direct milk procurement network by increasing the number of Prabhat Mitras (milk procurement partners).
- Increase engagement with farmers by providing additional veterinary services and quality cattle feed.
- This will help us consistently procure high quality milk while lowering our milk procurement costs.

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Y te k^a kt^k fh ff j ti p 5 6^a eti

- Initially focus on selling cheese to HORECA and B2B segments and exports to Gulf countries.
- We have already procured orders from major pizza and burger chains like Dominos, Pizza Hut, Mc Donald's and other QSRs.
- Currently manufactures following types of Cheese –
 - Processed Cheese (Hard, Soft & Pizza)
 - Mozzarella Cheese (Diced & Shredded)
 - Cheddar Cheese
 - Ricotta Cheese
- Cheese sales in HORECA segment have already started in Maharashtra and Gujarat and are planned in South India and North India.

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Prabhat Dairy Limited

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Private Limited

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Dickenson Seagull IR

Dickenson
Private Limited

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Contact No: 7506933892 / 9819289131

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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 Prabhat’s 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 of future performance or achievements of Prabhat. In particular, such statements should not be regarded as a projection of future performance of Prabhat. It should be noted that the actual performance or achievements of Prabhat may vary significantly from such statements.