



Press Release

For Immediate Release

Parag Milk Foods delivers healthy performance Revenue from Operations grew at 24.9% YoY at INR 6648.4 million

Mumbai, 14th November 2022 : Parag Milk Foods Limited, a leading manufacturer and marketer of dairy-based branded products in India announced its unaudited financial results for the quarter and half year ended September 30, 2022

Key Consolidated Financial highlights Q2 FY23 :

- Revenue stood at INR. 6,648.4 million
- EBITDA stood at INR . 379.4 million
- Profit After Tax stood at INR 113.9 million

Business Update :

The festive buoyancy was felt across all product categories, resulting in healthy demand growth. The Company reported a consolidated total income from operations of INR 6,648.4 million registering a growth of 24.9% yoy . The Company reported decent volume growth in core product categories of ghee, cheese and paneer.. The improved consumer sentiment coupled with strategic investment into marketing and brand building is expected to drive the growth momentum ahead.

Core categories: Core categories have seen continuous traction throughout the year and have posted a growth of 47.4% Y-o-Y and 49.2% qoq for Q2FY23.

Sports Nutrition: Sports nutrition brand – Avvatar has posted strong 143.4% growth on a yoy basis and 62.8% growth on a qoq basis . The brand has evolved with the evolving consumer and we will continue to excite the market with the innovative offerings in this high-potential segment. The brand continues to enjoy widespread popularity across platforms, particularly e-commerce.

Expansion of the new age business: The Pride of Cows brand is witnessing healthy growth across the recently introduced categories, with Ghee growing more than 3x for the quarter. The commercial success of Pride of Cows brand has inspired company to further expand and grow. Along with widening product portfolio, the company is also expanding its reach across geographies and has recently entered the Gujarat market.

Ecommerce: E-commerce business has grown by 76% yoy in Q2FY23. It is one of the crucial pillars for our distribution strategy as it helps the company to achieve higher visibility to capture market share.

Procurement update: Commodity inflation remained on the boil on the back of rising inflation in Milk and Milk product pricing. For the quarter, milk procurement prices have increased by 35% yoy.



Financial Performance:

Consolidated Revenue from Operations for Q2FY23 stood at INR 6,648.4 million reporting a growth of 24.9% as compared to INR 5,323.2 million in Q2FY22, driven by robust volume and value growth across categories.

The share of value-added Products for Q2 FY23 is 74.5% of total revenue, while that of liquid milk was 12% and the same for Skimmed Milk Powder was 13.5% respectively.

Gross Profit for Q2 FY23 stood at INR. 1,378.5 million as compared to INR. 1,492.3 million in Q2 FY22.

EBITDA for Q2 FY23 stood at INR. 379.4 million as compared to INR. 530.2 million in Q2 FY22.

Profit After Tax for Q2 FY23 stood at INR. 113.9 million as compared to INR. 227.7 million in Q2 FY22.

Commenting on the Quarter results, Mr. Devendra Shah, Chairman said

“We delivered a steady performance for the quarter led by healthy festive demand, hinging on volume, pricing and mix evolution across our categories, while the high commodity inflation impacted the margins.

We continued to support and strengthen our brands with healthy investments employing impactful marketing. We have collaborated with popular national shows like Kaun Banega Crorepati (KBC) for our flagship brand Gowardhan Ghee and Super Singer for brand Go Cheese, which has enabled the brand to have higher recall and reach the wider audience. I am happy to state that recently we have commenced our Lactose value added plant and we are getting good response from our customers that is likely to reflect in our performance ahead. We would continue to maintain sharp focus on driving penetration and market share gains across our portfolios aided by distribution expansion, and strategic investment in market development and brand building.

We have taken steps towards strengthening and diversifying the board, and in this direction, I am glad to announce that we have appointed Dr. Dnyaneshwar V. Darshane as an Independent Director. He brings global expertise to the company with his strong 37+ years of experience across continents and association with eminent companies like The Coca-Cola Company, Nicolas-Piramal, Pepsi Foods, Tata Pharmaceuticals, U.S. Vitamins Pharmaceutical to name a few. He has been an innovative, multifaceted, and result-driven Executive Leader possessing visionary leadership. I strongly believe that his vision, thoughts and multidimensional experience will be a guiding torch towards taking PMFL to the next orbit of growth.

The recent infusion of funds into the business via preferential allotment and the warrant conversion of the promoters would enable the Company to move quickly and take advantage of the accelerated growth opportunities that is being witnessed across segments. With our integrated business model, strong brand equity, and well-established distribution network, we are well positioned to capitalize on our industry’s promising potential. We are committed to achieving sustainable growth and profitability and creating long term value for our stakeholders.”



About Parag Milk Foods Ltd:

Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a Pan India presence. We have our manufacturing facilities with in-house technology which are strategically located at Manchar in Maharashtra, Palamaner in Andhra Pradesh, and Sonipat in Haryana. We sell 100% cow's milk products that are healthy and nutritious. Our integrated business model and strong R&D capabilities have helped us emerge as the leader in innovation. Our dairy farm, Bhagyalaxmi Dairy Farm Limited house more than 2,500 cows, with a mechanized milking process. Under brand "Gowardhan", we offer traditional products like Ghee, Dahi, Paneer, etc. Under the brand name "Go" we offer products like Cheese, UHT Milk, Buttermilk, Lassi, Yoghurt etc.

"Pride of Cows", the flagship brand of Parag Milk Foods was introduced with a proposition of Farm to Home concept targeted towards customers seeking premium quality dairy products. The Company has also ventured into the B2C segment for Whey Protein with the brand Avvatar – India's 1st 100% vegetarian whey protein, first of its kind manufactured in India. Our goal is to become the largest dairy FMCG Company that emphasizes health and nutrition to consumers through innovation

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