



Corporate Office : 8377, Roshanara Road, Delhi - 110007  
Tel. : 23826445 Fax : 91-11-23822409

9<sup>th</sup> November, 2017

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, <b><u>Mumbai – 400 001</u></b>	National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), <b><u>Mumbai – 400 051</u></b>
Scrip Code: 519588	Scrip Code: DFMFOODS

**Sub:Investor Relesae**

Dear Sirs,

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the second quarter and half year ended 30<sup>th</sup> September, 2017.

Thanking you.

Yours faithfully,  
**For DFM Foods Limited**

  
**(R.S. Tomer)**  
**Company Secretary**

Encl: As above



## INVESTOR RELEASE

# DFM Foods' Q2FY18 PAT up by 149%

### Q2 FY18 HIGHLIGHTS

- Total Sales for the quarter stood at Rs. 106.8 crore, up 20.6%
  - Gross Profit up 27.8% at Rs. 42.80 crore with margins at 40.1%
  - EBITDA up 58% at Rs. 13.7 cr with margin at 12.9%
  - PAT stood at Rs.6.6 crore
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New Delhi, November 09, 2017:

DFM Foods Limited, a pioneer in the Indian snacks food market, today announced its financial results for the second quarter and half year ended September 30<sup>th</sup>, 2017. **Total Sales for H1FY18 stood at Rs. 200.8 crore, a growth of 23.2% over last year. Gross profit was at Rs. 78.6 crores with margins at Rs. 39.1%.**

Employee costs were higher on account of increments, recruitments as well as higher contract labour costs owing to higher production but lower as a percentage of

sales at 9.88%. Other expenses also increased with increasing sales as they are partly variable in nature but were at a similar level as percentage of sales. **EBITDA for the period was at Rs. 21.6 crore, an increase of 37.0%.** Financial costs and depreciation were higher with the capitalization of the brownfield expansion effected in March 17. **Accordingly, Net Profit stood at Rs. 9.2 crore and EPS for the period was Rs. 9.2.**

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said "As you know, the second quarter is seasonally a better quarter with schools reopening and summer abating. This was reflected in our sales which were higher by 13.6% as compared to Q1. When compared with the corresponding quarter, we are extremely pleased to have recorded a growth of 20.6% despite challenging macro-economic conditions. It may be noted that the real growth was still higher at 25% as there has been

a reduction in the sales realization due to the change in tax structure with the implementation of GST. The growth was mainly attributable to the distribution expansion undertaken in recent quarters as well as the successful launch of our new product – Crax Curls.

Sales of Crax Curls which had stabilized towards the latter part of Q1 post launch in March improved during the current quarter with the improvement in season. As for Cheese Balls, the product was launched in Mumbai and Bengaluru post test market and we shall continue to extend it's launch in a staggered manner. In addition, test market for a new flavour variant for Natkhat was also commenced. On the distribution front, we progressed well and expanded our reach through the hub and spoke model to smaller towns as well as deepened penetration in existing markets.

As for GST, the company was able to make a smooth transition. While sales were somewhat affected in July owing to initial confusion among channel partners, things stabilized soon after. As an organization we welcome the introduction of GST as we believe it will add value in the long term for organized players like us by creating a level playing field.

Going forward, we shall continue to drive Rings sales on the back of innovative consumer promotions and advertising as well as build upon the recent new launches. We shall also continue to expand distribution as well as look to develop and introduce new products so as to enhance our product portfolio. By doing so, we hope to sustain the growth momentum seen in the first half of the current year."

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#### **About DFM Foods Ltd.:**

DFM Foods Limited, the initiator of packaged snack foods in the Indian market, is engaged in the business of manufacturing, selling, and marketing of packaged foods and has been a leader in the space for over 25 years. The company is listed both on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), and markets Corn Rings and Wheat Puffs under the 'CRAX' and 'NATKHAT' brand names respectively. It also offers a range of traditional namkeens comprising of 13 distinct product variants, sold through an extensive distribution network; with processing units at Ghaziabad and Greater Noida respectively. With a strong focus on Sales and Distribution and commitment to innovative marketing, the company has grown rapidly in the recent past.

**For further information please contact:**

Mr. Raghavendra Jaipuria

Perfect Relations Pvt. Ltd.

Tel: +91 22 2436 7155 / 7943

Mob: 99676 61549

Fax: +91 22 2438 4564

Email: [rajpuria@perfectrelations.com](mailto:rajpuria@perfectrelations.com)