



Ideas for a new day

November 9, 2023

Compliance Department, BSE Limited , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai – 400 001	Compliance Department, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block, Bandra Kurla Complex Bandra - (E), Mumbai – 400 051
Scrip Code:- 539889	Scrip Symbol :- PARAGMILK

Dear Sir/ Madam,

Sub: Press Release on Unaudited Financials Results for quarter and half year ended September 30, 2023

In continuation of our letter of today's date on Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2023 pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Press Release in this regard.

The above documents are also being made available on the Company's website www.paragmilkfoods.com.

Requesting you to kindly take the same on records.

Thanking you.

For **Parag Milk Foods Limited**

Virendra Varma
Company Secretary and Compliance Officer
FCS No. 10520

Encl: As above.





Parag Milk Foods Q2FY24: Robust growth in Revenue, Margins and Strong Operating Cash Flows

Mumbai, November 9, 2023: Parag Milk Foods Limited (PMFL), a leading manufacturer and marketer of dairy-based branded products in India announced its Unaudited Financial Result for Quarter and Half Year ended 30th September, 2023 today.

Key Highlights Consolidated Q2 FY24:

- Revenue stood at INR. 7,981.6 million; a growth of 20.1 % YoY
- Gross profit stood at INR 1,834.3 million; with a Gross profit margin of 23.0 %
- EBITDA stood at INR 583.8 million; with an EBITDA margin of 7.3%
- Profit After Tax stood at INR 251.9 million; a growth of 121.1% YoY.
- Strong Cash Flow from Operations; at INR 489.3 million

The festive momentum started strong with healthy demand across the segments. The total revenue for the quarter stood at INR 7,981.6 million registering a growth of 20.1% YoY. Despite the high festive base of the last year, the core categories continued to post healthy volume and value growth driven by innovative branding and expanded distribution base.

Stabilising procurement prices, along with improved product mix resulted in 220 basis point expansion in the Gross Profit Margin (GPM); which percolated down to EBITDA margin expansion as well. The EBITDA margin for the quarter expanded by 160 basis point YoY and stood at 7.3%. The overall business health remained strong; with PMFL posting a healthy Cash Flow from Operations of INR 489.3 million.

The innovative brand integration with Kaun Banega Crorepati (KBC) has enabled PMFL to gain strong consumer connect and expand distribution reach. The Company further strengthened the ties, by collaborating for the second time with KBC and is likely to result in better reach in tier 2 & tier 3 towns & cities. As a strategic focus area, PMFL continues to invest in expanding its distribution reach and outlet overage.

Mr. Devendra Shah, Chairman said, *"I am delighted to share a healthy revenue growth of 20.1% YoY to INR 7,981.6 million led by volume growth and our product premiumization drive. This growth is supported by healthy business profitability; wherein our Gross and EBITDA margins have expanded by 220 and 160 basis point respectively. It gives me pleasure in sharing that the business has posted strong Cash Flow from Operations of INR 489.3 million.*

Further, on the back of a softening input cost environment and with good festive demand we expect the growth momentum to accelerate. Given this backdrop, we are confident to show healthy growth in our profitability in the coming quarters as well.

We have also embarked on a business transformation drive by partnering with Boston Consultancy Group (BCG) to aid us unlock new avenues for growth, and streamline our operations for long-term sustainability".

Core categories: Core categories of Ghee and Cheese have seen continuous traction throughout the quarter and have posted a growth of **6.2% Y-o-Y**.

New age business- Brand Avvatar: The Direct to Consumer (D2C) brand Avvatar continued its momentum and recorded robust 62.7% growth YoY, led by 57% volume growth YoY. The overall protein portfolio has continued to record market share gains.

Premium Dairy Business- Pride of Cows (PoC): In line with the Company's premiumization agenda- the brand Pride of Cows continues to witness healthy traction. The brand is expanding its product portfolio as well as distribution footprint.





Distribution reach: The overall business growth was largely broad-based with all channels posting good growth. In line with the targeted initiative of expanding the retail reach and presence; PMFL continues to invest in the sales and distribution (S&D) infrastructure.

Brand building initiatives- The Company has strengthened its brand equity reach by adopting unique content-led impact marketing and branding campaigns. Continuing the momentum on the marketing innovation; the Company continued its effective collaboration with Kaun Banega Crorepati (KBC) for the second time. The association has enabled the Company to increase its consumer connect and strengthened the brand equity.

Procurement: For the quarter, the average milk procurement stood at **15 lac litres** per day; aided by stable global market coupled with good flush season; the milk prices have stabilized. For the quarter the average milk price stood at **INR 35.6** per litre.

About Parag Milk Foods Ltd:

Parag Milk Foods Limited, founded in 1992, is the largest private dairy FMCG Company in India. Our manufacturing plants are ideally positioned in Manchar, Maharashtra; Palamaner, Andhra Pradesh; and Sonipat, Haryana. We sell healthful and nutritious 100% cow's milk products. Our integrated business approach and strong R&D capabilities have helped us establish ourselves as the innovation leader. Our Bhagyalaxmi Dairy Farm is distinguished by its pedigree, perfect cows, state-of-the-art milking, feeding, breeding, and packaging technology.

We pioneered the way with innovation and a robust distribution strategy, and we now have over 5 lakh retail touch points, 29 depots, and 500+ super stockists. We work with over 5 lakh farmers and are growing progressively to strengthen our distribution and procurement networks.

We have renowned brands- Gowardhan, Go, Pride of Cows and Avvatar. Our flagship brand, Gowardhan Ghee has more than 20% market share in the cow ghee category and our young and fun-loving brand- Go cheese has more than 35% market share. We are a leading player in the institutional and HORECA cheese business and are moving very fast into the consumer cheese segment.

“Pride of Cows” 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.

For more information please contact Ms. Sangeeta Tripathi, investors@parag.com, 02243005555

Safe Harbor: Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.

