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24th October, 2019

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

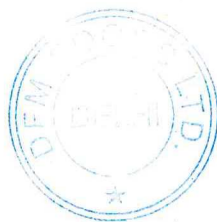
Sub: **Investor Release**

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the first quarter ended 30th September, 2019.

Thanking you.

Yours faithfully,
For DFM Foods Limited


(R.S. Tomer)
Company Secretary



Encl: As above



INVESTOR RELEASE

DFM Foods' Q2 FY20 PAT up by 110%

Q2 FY20 HIGHLIGHTS

- Total Sales for the second quarter stood at Rs. 135.9 crore up 14.8% over the corresponding quarter
 - Gross Profit up by 16.4% to Rs. 56.6 crore with margins at 41.7%
 - EBITDA up by 6% to Rs. 16.3 crore and margin stood at 12%
 - PAT up by 109.5% at Rs.14.7 crore compared to Rs. 7 crores
 - EPS for the period was Rs.2.95
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New Delhi, October 24, 2019:

DFM Foods Limited, a pioneer in the Indian snack food market, today announced its financial results for the second quarter and half year ended September 30th, 2019. **Total Sales for H1 FY20 stood at Rs. 263.6 crores, a growth of 21.4% over last year. Gross Profits increased in line with sales by 22.3% to Rs. 109.2 crores and margins were 41.43%. With the higher sales, EBITDA increased by 18% and stood at Rs. 32.3 crores. EBITDA margins were marginally lower due to higher marketing expenses and stood at 12.3%. After adjusting for the reduction in the effective tax rate, PAT for the half year stood at Rs. 22.4 crores, up 86% over last year. EPS for the period was Rs. 4.47.**

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said, *“For the first half we recorded sales of Rs. 263 crores, a growth of 21.4% over last year. This growth was driven by an increase in the sales of Rings as well as the success of our new product launches. We are pleased to see a great deal of consistency in our sales in recent quarters unlike the past where we have experienced some volatility.*

As for the sales in Q2, while the second quarter is seasonally a strong one for us with schools reopening and summer abating, , the seasonality this year was muted with reports of a general slowness in overall demand. Despite this, we have been able to grow at 15% over the corresponding quarter of last year.

During the quarter, the company continued to build on the traction seen in Fritts with ongoing advertising support and trade marketing to increase penetration in both retail and wholesale. Fritts, that was launched about a year ago, now seems to be cementing its place as a strong brand. Pasta Crunch which is a more recent launch also seems to be doing reasonably well in the market place. During the quarter, the product was extended to the smaller markets where it had not been launched earlier and we hope to grow sales in coming quarters.

On the capacity expansion front, , we were successfully able to commission the new extrusion line at our Greater Noida facility during October which shall augment the installed capacity by 5000 MT per annum. This shall result in an incremental annualized revenue potential of Rs. 100 cr and has come at an investment of Rs. 20 cr.

During the quarter, we also continued to bring about necessary improvements and changes in our distribution model in major markets while simultaneously expanding our reach to newer towns.

Going forward, we shall continue to drive growth on the back of increased marketing spends, distribution expansion and the introduction of new and exciting products.”

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 30 years. The company is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE), and markets its product under the "CRAX", "CURLS" and "NATKHAT" brand names. The product portfolio comprises of Corn Rings, Corn Puffs, Wheat Puffs, Cheese Balls and traditional Namkeens in 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:

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