



August 13, 2022

Compliance Department, BSE Limited , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai- 400001	Compliance Department, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex Bandra-(E), Mumbai-400051
Code No:- 539889	Code No. PARAGMILK

Dear Sir(s)/Madam,

Sub: PRESS RELEASE –Q1 FY23 Performance on Unaudited Financial Results

Pursuant to Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We are pleased to inform that the Company has delivered highest ever Q1 FY23 performance with revenue growth of 57.6%

We are enclosing herewith a copy of the **PRESS RELEASE** for the same.

We request you to kindly take the same on record.

For **Parag Milk Foods Limited**

Rachana Sanganeria
Company Secretary and Compliance Officer
ACS No. 10280

Encl: a/a





Press Release

For Immediate Release

Parag Milk Foods delivers highest ever Q1 FY23 performance with revenue growth of 57.6%

Mumbai, 13th August 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 ended June 30, 2022

Key Highlights Q1 FY23 :

- Revenue stood at Rs. 6,909.3 million
- EBITDA stood at Rs. 407.7 million
- Profit After Tax stood at Rs. 102.5 million
- Beverage category witnessed significant growth

Business Outlook :

FY23 has started on a positive note and we have delivered record revenue in this quarter. Our total income from operations stood at Rs. 6,909.3 million registering a growth of 57.6% Y-o-Y and 22.9% Q-o-Q. The focus on our key categories of ghee, cheese, and Paneer has resulted in healthy revenue performance. Our beverages portfolio that includes flavored milk, Lassi, buttermilk, and the recently launched milkshakes and whey-based energy drink has seen a significant growth. We are continuing to introduce products across price points for our fast-moving beverage segments.

Core categories: Our core categories have seen continuous traction throughout the year and have posted a growth of 34.8% Y-o-Y. Going forward, with the upcoming festive season, we expect the demand momentum to further accelerate as dairy products witness buoyancy.

Sports Nutrition: Over the years, our sports nutrition brand – Avvatar has evolved with the evolving consumer and now with experience and understanding, we will continue to excite the market with our innovative offerings in this high-potential segment. The brand continues to enjoy widespread popularity across platforms, particularly e-commerce, and for the quarter, it has grown 3X with D2C sales contributing one-third to the overall whey protein business.

Ecommerce: Ecommerce Channels saw a significant growth of 107% Y-o-Y. Looking at the healthy performance, fast acceptance, and popularity of this platform; we will continue to invest to reach out to a wider audience.

HORECA: Post Pandemic, our HORECA and out-of-home consumption segment is posting a healthy growth and for the quarter the segment has grown at 82.9% Y-o-Y. The segment is growing strength to strength and has now exceeded its pre-covid run rate.

Export: Our export revenue has grown by 33.1% Y-O-Y. Our products received good recognition in key markets of Middle East, South East Asia, Africa and Indian subcontinents



Procurement: Over the quarters, the procurement pricing has been steadily rising. For Q1 FY23, our milk procurement prices have increased by 36.2% Y-o-Y which impacted our margins.

Financial Performance:

Consolidated Revenue from Operations for Q1FY23 stood at Rs 6,909.3 mn reporting a growth of 57.6% Y-o-Y as compared to Rs.4,384.5 mn in Q1FY22, driven by robust volume and value growth across categories.

The share of value-added Products for Q1 FY23 is 61.8% of total revenue, while that of liquid milk was 12.8% and the same for Skimmed Milk Powder was 25.4%.

Gross Profit for Q1 FY23 stood at Rs.1,218.9 million as compared to Rs.1,408.5 million in Q1 FY22.

EBITDA for Q1 FY23 stood at Rs. 407.7 million as compared to Rs. 480.3 million in Q1 FY22.

Profit After Tax for Q1 FY23 stood at Rs. 102.5 million as compared to Rs. 175.0 million in Q1 FY22.

Commenting on the performance, Mr. Devendra Shah, Chairman said

"I am pleased to share that the last quarter has seen the highest ever performance with a 57.6% increase in revenue and has surpassed our internal growth targets both in terms of volume and value. The overall growth is broad-based and driven by a mix of pricing and volume.

We continued to strengthen our core categories of ghee, cheese, and paneer which enabled us to achieve overall volume growth of over 30% and value growth in the mid-teens. The out-of-home consumption is increasing at an accelerated pace resulting in the strong HORECA performance. Our customized communication and focused distribution approach for the beverage category resulted in a significant growth.

Furthermore, as our growth strategy rests on expanding our reach with wider premium product offerings, we continue to strengthen our new age business- farm to home (Pride of Cows) by expanding our footprints in modern trade, premium outlets, and e-commerce platforms.

The commercial success of our subsidiary Bhagyalaxmi Dairy Farm's "farm to home" concept inspired us to further expand and grow. We aim to increase our cattle herd and production capacity with the intent to seed the market with increased good-quality milk production.

Our whey protein (Avvatar) would enable us to deliver strong performance ahead. We have seen tremendous consumer acceptance with the business growing three times in the quarter. The D2C business which comprises website and e-commerce platforms contributes to one-third of the total whey protein business.



Ideas for a new day

We are optimistic about stronger growth in the coming quarters as we enter festival season and demand momentum will further accelerate as dairy products witness buoyancy. With our end-to-end 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 long-term goals of growth and sustainable profitability and creating long-term value for our stakeholders."

About ██████████ 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, Bhagalaxmi 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, 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

Contact Details

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