



Ideas for a new day

August 05, 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 ended June 30, 2023

In continuation of our letter of today's date on Standalone and Consolidated Unaudited Financial Results for the quarter ended June 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.

Request 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 Ltd.,

CIN-L15204PN1992PLC070209

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Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

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Parag Milk Foods Q1FY24: Total income at INR 7,496 million; PAT grew by 109% YOY

Mumbai, August 5th 2023 : Parag Milk Foods Limited, a leading manufacturer and marketer of dairy-based branded products in India announced its unaudited financial results for the Q1FY24.

Key Highlights Consolidated Q1 FY24:

- Revenue stood at INR. 7496 million; a growth of 8.5% YoY
- Gross profit stood at INR 1,604 million; with a Gross profit margin of 21.4%
- EBITDA stood at INR 465 million; with an EBITDA margin of 6.2%
- Profit After Tax stood at INR 214 million; a growth of 109% YoY.

Business Update:

FY24 started on a positive note with growth across categories and channels. Our Total income from operations stood at INR **7,496** million registering a growth of **8.5% Y-o-Y**. Our focus on our core categories of Ghee, cheese along with our new age business – Avvatar and Pride of Cows remain high and we would continue to invest in our marketing and brand building initiatives.

During the quarter, we collaborated with Starplus for IPL integration, creating a unique impact led branding activity for our brand 'Go Cheese.' Under the activation campaign 'Go Cheese' brand is displayed everytime the batsman played a four with a Aston and L band display " Har Four mein Go Cheese." We believe that with the strong consumer connect that we have built, coupled with the onset of the festive season, the demand momentum is likely to accelerate..

Going forward, we would continue to invest in our extensive distribution reach and outlet coverage, coupled with our innovative offering and portfolio premiumization.

The milk procurement prices are in the stabilization mode led by steady demand and the early onset of the flush season that resulted in the margin expansion for the quarter.

Mr. Devendra Shah, Chairman said, "We have posted decent revenue growth of 8.5% YoY to INR 7496 million led by healthy volume growth. Portfolio optimization efforts coupled with stable procurement pricing enabled us in expansion of our Gross margins by 620 basis point YoY. We are pursuing market share gain across categories and investing in various capabilities and retail network expansion.

Going forward, on the back of a softening input cost environment and with the onset of the festive demand the growth momentum is expected to accelerate and, we expect to deliver healthy profitability".

Core categories: Core categories of Ghee, and cheese have seen continuous traction throughout the quarter and have posted a growth of **22.9% Y-o-Y**.





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New age business- Brand Avvatar: The protein portfolio continued its momentum and recorded robust **116%** growth YoY, led by **62%** volume growth YoY. The protein portfolio 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 aggressively expanding its product portfolio as well as distribution footprint. Recently, the brand entered Bangalore market, and now the brand is present across six cities. The company is expanding its Bhagyalakshmi Dairy Farm (100% subsidiary), which supplies exclusively under "Pride of Cows" brand to over 15,000 cows by 2027. For the Q1FY24, Bhagyalakshmi has posted revenue growth **21.2% YoY** growth ; with **14.5%** EBITDA margin

Distribution reach: The overall business growth was largely broad-based with all channels posting good growth. In line with our targeted initiative of expanding our retail reach and presence; we continued to grow and have expanded our ghee distribution reach by **37% YOY** and have almost doubled our Cheese distribution reach on a YoY basis.

Brand building initiatives- The company has strengthened its brand equity reach by adopting unique content-led impact marketing and branding campaigns. Continuing the momentum of marketing innovation; the company collaborated with Starplus on IPL to enhance visibility and awareness for Go Cheese. Here the brand was displayed everytime the batsman played a four on the Aston and the L band displayed "Har Four mein Go Cheese."

Procurement: The average milk procurement stood at **15 lac litres** per day; a growth of **5%** YoY. Aided by stable global market coupled with early onset of flush; the milk prices have stabilized. For the quarter (Q1FY24) the average milk price stood at INR **37.7** per litre; down by **4.3%** from last quarter (Q4FY23).

New Product launches – the company expanded the Avvatar portfolio with an addition of Mango Flavour - Avvatar Mango Rush. The company has also introduced various new products- Masala Tadka chass, plain and mango lassi in pouches under fresh categories at pocket-friendly price points of INR 10-15 only.

New Announcement- In its endeavour to constantly strengthen its internal policies, processes, and procedures, the company has engaged with Deloitte Touche Tohmatsu India LLP as its internal auditors.

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.





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“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

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.

