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13th November, 2018

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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Sub: Investor Release

Dear Sirs,

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the second quarter and half year ended 30th September, 2018.

Thanking you.

Yours faithfully,
For **DFM Foods Limited**


(R.S. Tomer)
Company Secretary

Encl: As above



INVESTOR RELEASE

DFM Foods' Q2FY19 PAT up by 41%

Q2 FY19 HIGHLIGHTS

- Total Sales for the second quarter stood at Rs. 118.3 crore up 19.9% QoQ
 - Gross Profit up by 19.9% QoQ to Rs. 48.6 crore and margins were at 41.1%
 - EBITDA up by 27.9% QoQ at Rs. 15.4 crore and margin stood at 13%
 - PAT up by 40.7% QoQ at Rs. 7.1 crore compared to Rs. 5 crore
 - EPS for the period was Rs. 1.41
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New Delhi, November 13, 2018:

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 30th, 2018. **Total Sales for H1 FY19 stood at Rs. 217 crore, higher by 8.1% versus last year. Adjusting for the impact of GST, real volume growth was higher at 10%. Gross Profits for H1 FY19 were at Rs. 89.3 crore up 13.8% versus last year and margins stood at 41.1%. The gross margins were improved by 204 basis points despite higher prices of refined oil, crude oil and a depreciating Rupee as the company took necessary steps in the form of grammage rationalization, and other cost saving measures.**

EBITDA for the half year was Rs. 27.5 crore, an increase of 28.4% versus last year. EBITDA margins improved significantly by 200 basis points to 12.65%. Net Profit for H1FY19 was at Rs. 12.1 crore up 31.4% and EPS for the period was Rs. 2.41.

Shareholders approved the sub-division of the Company's equity shares of face value of Rs. 10 each into 5 equity shares of face value of Rs. 2 each.

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said *"The last quarter saw an increasing trend in sales with sales rising month on month from July through to Sep. Sales of Rings improved while sales of curls hit new highs. This is a positive sign as we look forward to Q3.*

During the last quarter our production capacity was also somewhat constrained in the 2nd half owing to a temporary gap in production due to the Ghaziabad upgradation project. The old line was dismantled while the new line had not been installed. The new line was successfully commissioned on the 27th of Sep and shall add 3800 MT per annum of extrusion capacity with an annual revenue generation potential of Rs. 65cr.

With the additional capacity now in place, we shall be able to launch Fritts during Q3. Fritts which had been test marketed starting July has met with encouraging feedback both at the consumer and trade levels and we are excited about its prospects. The product is currently being launched on a Pan-India basis and shall be supported with Television advertising during Nov / Dec.

The quarter gone by also saw a novel and innovative step in the marketing of our Crax Rings brand. With the introduction of a brand mascot named 'RingBling'. This animated Ring shaped character was launched using a TVC across cartoon channels as well as on our pack and shall be an integral part of our communication strategy going forward. This move shall not only differentiate Crax Rings from competition, but also build a further connect and engagement with the core consumers of Crax, the young children.

On the distribution front, we continued to work on deepening penetration using the hub and spoke model in particular in the North but the process was somewhat slow due to the capacity being constrained in the latter part of the quarter. We shall look to be more aggressive on this front in the coming quarters.

With the above initiatives in place and positive trends being observed, we are excited about the growth prospects in the balance half of the year."

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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