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17th July, 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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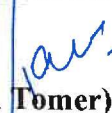
Dear Sirs,

Sub: **Investor Release**

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

Thanking you.

Yours faithfully,
For DFM Foods Limited


(R.S. Tomer)
Company Secretary



Encl: As above



INVESTOR RELEASE

DFM Foods' Q1FY20 PAT up by 52%

Q1 FY20 HIGHLIGHTS

- Total Sales for the first quarter stood at Rs. 127.7 crore up 29.4% QOQ
 - Gross Profit up by 29.5% QOQ to Rs. 52.5 crore and margins were at 41.2%
 - EBITDA up by 33.1% QOQ at Rs. 16 crore and margin stood at 12.6%
 - PAT up by 52.3% QOQ at Rs.7.6 crore
 - EPS for the period was Rs.1.52
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New Delhi, July 17, 2019:

DFM Foods Limited, a pioneer in the Indian snacks food market, today announced its financial results for the first quarter ended June 30th, 2019. **Total Sales for Q1 FY20 stood at Rs. 127.7 crore, a growth of 29.4% over last year. Gross Profit increased in line with sales by 29.5% and was Rs. 52.5crores. Gross margins were at similar levels at 41.17% with higher prices of Corn Meal being offset by lower refined oil prices, grammage rationalization and other cost saving measures implemented by the company. EBITDA for the period was Rs. 16 crores and Net Profits stood at Rs. 7.6 crores, up 52% over last year. EPS for the period was Rs. 1.52.**

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said “*We have started the year on a very positive note with the company having recorded a strong growth of nearly 30% in the first quarter. Like in the previous quarter, the growth was attributable to both an increase in the sales of Rings as well as the success of our new product strategy.*”

Sales of Rings which have shown a great deal of consistency in recent quarters remained strong in Q1 as well. It seems that the continued management focus on the brand and various changes brought about in our marketing and consumer promotion strategy for Rings are now paying off.

On the new product front, Curls continued to grow in Q1 while Fritts which was launched in Q3 of last year , also contributed to the increased revenue.

Fritts has seen good traction in the marketplace in particular the Cream and Onion Flavour and we hope to grow sales in coming quarters with continued advertising support and increased penetration in both retail and wholesale.

As for Pasta crunch which was only recently launched in Mar 19, the general market feedback is positive. Given the lean season in Q1, the product has so far only been launched in retail stores in major markets of the North Zone. During Q2, we intend to activate the wholesale channel as well as extend distribution to smaller cities.

On the capacity expansion front, work continued during the quarter and we are on track to commission our new extrusion line of 5000MTPA by the end of Q2 FY 20. The expansion which is being done at our Gr. Noida facility shall require a capital expenditure of approx.. Rs. 20 crores and result in an incremental revenue potential of approximately Rs. 100 crores per annum. Furthermore, the company has taken an industrial premises on a long term lease also in Gr. Noida, for future expansion.

Going forward, as we move out of the lean season, we are confident of increasing sales further on the back of the momentum seen in Rings, recent new product launches and continued distribution expansion.”

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 products under the brand names of "CRAX", "CURLS", "NATKHAT" and "FRITTS". The product portfolio comprises of Corn Rings, Corn Puffs, Wheat Puffs, Cheese Balls, Corn and Potato Sticks and traditional Namkeens in 13 distinct product variants sold through an extensive distribution network. The company has two state of the art processing units located at Ghaziabad and Greater Noida. With a strong focus on Sales and Distribution, innovative

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