



Corporate Office : 8377, Roshanara Road, Delhi - 110007
Tel. : 23826445 Fax : 91-11-23822409

6th August, 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
--	---

Dear Sirs,

Sub: **Investor Release**

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the first quarter ended 30th June, 2018.

Thanking you.

Yours faithfully,
For DFM Foods Limited

(R.S. Tomer)
Company Secretary



Encl: As above



INVESTOR RELEASE

DFM Foods' Q1FY19 PAT up by 90%

Q1 FY19 HIGHLIGHTS

- Total Sales for the first quarter stood at Rs. 98.7 crore, a comparable growth of 9%
- Gross Margins expanded by 310 bps YOY and stood at 41.1%
- EBITDA up by 60.5% at Rs. 12.1 crore and margin stood at 12.2%
- PAT up by 90.5% and stood at Rs. 5 crore compared to Rs. 2.6 crore

New Delhi, August 6, 2018:

DFM Foods Limited, a pioneer in the Indian snacks food market, today announced its financial results for the first quarter of FY '19. **Total Sales stood at Rs. 98.7 crore against Rs. 93.9 crores in the corresponding quarter, a comparable real volume growth of 9% after adjusting for the impact of GST. Gross Profit was Rs. 40.6 crore up 13.6% versus last year with margins having expanded by 310 bps to 41.1%. With Employee costs and Other expenses in check, the higher sales and gross margins resulted in an EBITDA of Rs. 12 crores, an increase of 60.5%. Net**

Profit increased to Rs. 5 crore, up 90.5% translating into an EPS of Rs. 5.

The board has approved for sub-division of existing 1 Equity Share of Rs.10/- each fully paid up into 5 Equity Shares of Rs. 2/- each fully paid-up.

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said "As you know, the first quarter is a lean period for our business with schools being closed for the most part. Summer too is at its peak resulting in disposable income getting diverted from snacks to cold

drinks and ice creams. Accordingly, sales were marginally lower than the previous quarter but higher by 9% in real volume terms compared to the corresponding quarter.

The quarter also saw the full effect of price increase in refined Palmolene Oil pursuant to the successive increases in import duty imposed by the Government. Despite the same we were able to improve gross margins by taking necessary steps in the form of grammage rationalization and implementation of other cost saving measures.

With the improvement in Gross margins and higher sales, our profitability has improved sharply when compared to the corresponding quarter with PAT nearly doubling.

As part of our effort to expand the customer franchise of Curls, we launched a new flavour towards the end of the quarter – 'Spicy Delight'. This was pursuant to our earlier launch of 'Tomato Treat' and as a result we now have 3 flavours as part of the Curls portfolio. With the increased choice now being offered, we hope to increase both width and depth of consumption.

Furthermore, in keeping with our focus on New Products to drive growth, the company completed all development work for a new and innovative snack – 'CRAX FRITTS'. This product which is made from the delicious combination of Corn and Potato resembles French fries in its shape and is being test marketed in two flavours – 'Masala Mix' and 'Cream & Onion'. Given the positive response being received, we have decided to launch the product across most major markets during August and September.

On the capacity front, work on the upgradation of our oldest extrusion line at the Ghaziabad facility progressed as per plan and we expect the new line to be commissioned by the end of the second quarter. As mentioned earlier, this upgradation shall result in an incremental production

capacity of 3800 MT per annum translating into an additional annual revenue generation potential of Rs. 60 crores.

During the quarter, limited distribution expansion was undertaken owing to the lean season but the same shall be taken up aggressively in the second quarter with particular focus on the North Zone.

Going forward, with our commitment to innovative marketing, the introduction of new flavours in Curls, the launch of FRITTS, and the distribution expansion efforts, we feel confident of continuing the growth momentum seen last year into the current financial 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:

Mr. Raghavendra Jaipuria
Perfect Relations Pvt. Ltd.
Tel: +91 22 2436 7155 / 7943
Mob: 99676 61549
Fax: +91 22 2438 4564
Email: rjaipuria@perfectrelations.com