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9th August, 2017

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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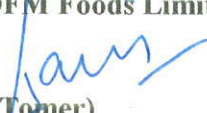
Dear Sirs,

Sub: Investor Release

Please find enclosed herewith an Investor Release on Unaudited Financial Results for the first quarter ended 30th June, 2017.

Thanking you.

Yours faithfully,
For DFM Foods Limited


(R.S. Tomer)
Company Secretary

Encl: As above



INVESTOR RELEASE

DFM Foods' Q1FY18 - Sales up by 26%

Q1 FY18 HIGHLIGHTS

- Total Sales for the first quarter stood at Rs. 94.03 crore up 26.3%
- Gross Profit up by 22.8% to Rs. 35.80 crore and margins at 38.1%
- EBITDA up by 11.3% to Rs. 7.91 crore, margin at 8.4%
- PAT at Rs. 2.58 crore

New Delhi, August 09, 2017:

DFM Foods Limited, a pioneer in the Indian snacks food market, today announced its financial results for the first quarter ended June 30th, 2017. Total Sales for the quarter stood at Rs. 94.03 crore, up 26.3% as compared to the corresponding quarter. Gross margins stood at 38.1%, lower than last year due to *changes in product mix and higher trade schemes (now netted off in Sales as per IND-AS)*. Gross Profit stood at Rs. 35.80 crore up 22.8% versus last year. *Employee costs were higher owing to annual increments, additional recruitment and increased production. As a percentage of sales however, they were lower at 10.30%.* EBITDA

for quarter increased by 11.3% and stood at Rs. 7.91 crore. This quarter saw a significant increase in both financial costs and depreciation charges due to the capitalization cost of the second brownfield expansion at Greater Noida in March. Net Profit stood at Rs. 2.58 crore and EPS for the period was Rs. 2.63.

Commenting on the results, **Mr. Mohit Jain, Managing Director, DFM Foods Ltd.** said "*As we all know by now, the first quarter of the fiscal year is seasonally the leanest quarter with schools being closed, summer being at its peak and a greater portion of disposable income being spent on*

cold drinks and ice creams. Despite this and a challenging macro economic environment the company registered a healthy Sales growth of over 26%. The growth was attributable to the new product launch of 'Crax Curls' and the distribution expansion undertaken in recent quarters. The consumer promotion on 'Crax Rings' was also fairly well received.

'Crax Curls' has seen good acceptance in the market place and sales for the same have stabilized post initial placement in March. In addition, we continued to test market 'Crax Cheese Balls' and shall be launching the product in a staggered manner in select markets. On the distribution front, we progressed well and expanded our reach through the hub and spoke model to smaller towns as well as deepen penetration in existing markets.

The impact of GST on the company shall be largely neutral with the higher tax rate on products being offset by higher Input Tax Credit on material purchases. However, it may be noted that GST implementation shall have a slight downward impact on our turnover with the higher tax being absorbed in the company's pricing. As for the impact in the market place, during the month of June, both channel partners and traders minimized their inventory, especially in markets where the GST rate was higher than the prevailing tax rate. The company used trade schemes to counter the same. As an organization we believe GST will add value in the long term for organized players like us by creating a level playing field.

In the coming quarters, the company will continue to invest behind its brands in the form of advertising and innovative consumer promotions while simultaneously expanding distribution. We shall look to build upon the recently launched 'Crax Curls' and continue to focus on developing other new products. With the above strategy in place we remain optimistic about the future growth prospects of the company."

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 25 years. The company is listed both on the Bombay Stock Exchange (BSE), and National Stock Exchange (NSE). The company markets Corn Rings and Wheat Puffs under the 'CRAX' and 'NATKHAT' brand names respectively. It also offers a range of traditional namkeens comprising of 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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