November 5, 2026

BSE Limited
20th Floor, P.J. Towers
Dalal Street
Mumbai - 400001

Scrip Code: 544868

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 051

Scrip Symbol: MILKYMIST

Dear Sir/Madam,

Subject: Transcript of Q2 2026-27 Analysts/Investors Earnings Conference call held on October 30, 2026

In continuation to our intimation dated October 24, 2026, with respect to the scheduling of a conference call with the analysts/ investors, post results for the quarter and half year ended September 30, 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the transcript of Q2 2026-27 Analysts/Investors Earnings Conference call held on Friday, October 30, 2026.

The above disclosure is also being made available on the website of the Company at https://www.milkymist.com

This is for your information and records.

Thanking You,

For Milky Mist Dairy Food Limited
(formerly Known as Milky Mist Dairy Food Private Limited)

PRAKASH SIVASAMY
Digitally signed by PRAKASH SIVASAMY
Date: 2026.11.05 15:50:10 +05'30'

S Prakash
Company Secretary and Compliance Officer
Membership No: A22495
Encl: a/a

“Milky Mist Dairy Food Limited

Q2 FY27 Earnings Conference Call”

October 30, 2026

E&OE: This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on October 30th 2026, will prevail.

MANAGEMENT: **MR. T. SATHISH KUMAR – CHAIRMAN AND MANAGING DIRECTOR – MILKY MIST DAIRY FOOD LIMITED**
DR. K. RATHNAM – WHOLE-TIME DIRECTOR AND CHIEF EXECUTIVE OFFICER – MILKY MIST DAIRY FOOD LIMITED
MR. BISWAJIT MISHRA – CHIEF FINANCIAL OFFICER – MILKY MIST DAIRY FOOD LIMITED
MR. PARTHIBAN N – BUSINESS DEVELOPMENT, STRATEGY, AND MARKETING – MILKY MIST DAIRY FOOD LIMITED

MODERATOR: **MS. DEVIKA SHAH – ADFACTORS PR**

Moderator: Ladies and gentlemen, good day and welcome to Milky Mist Dairy Food Limited Earnings Conference call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Ms. Devika Shah from Adfactors PR. Thank you, and over to you, ma'am.

Devika Shah: Thank you. Good morning everyone and welcome to the Q2 FY27 and H1 FY27 Earnings Conference call of Milky Mist Dairy Food Limited. Today we have with us Mr. T. Sathish Kumar, Chairman and Managing Director, Dr. K. Rathnam, Whole- Time Director and CEO, Mr. Biswajit Mishra, Chief Financial Officer.

We will begin with the opening remarks from the management followed by a Q&A session. Please note that this call may contain forward-looking statements about the company which are based on the belief, opinion and expectation of the company as on the date of this call. These statements are not the guarantee of future performance and involve risks and uncertainties that are difficult to predict. I now hand over the conference to the management for their opening remarks. Thank you, and over to you, sir.

K. Rathnam: Yes, good morning, Devika and good morning everyone. I welcome you all to our Q2 and H1 FY27 Earnings Conference call. Thank you for your continued interest in and support of Milky Mist, . We had a very, very successful Q2 FY27. We achieved significant milestones with the revenue, EBITDA and margins reaching new peaks during the quarter.

During the quarter, we continue to strengthen Milky Misty value-added product packaged food business, while navigating a dynamic operating environment. Our efforts remained focused on diversifying our portfolio, expanding our market presence and strengthening our operational capabilities to support the next phase of growth.

We continue to balance growth opportunities with operational discipline, keeping our long-term business objectives in focus. Allow me to throw some light on the industry environment that prevailed in the September quarter. During the September quarter 2026, the FMCG sector navigated a challenging demand and cost environment.

Retail inflation rose to 5.54% in September '26, while food inflation accelerated to 7.74%, putting additional pressure on household budgets ahead of the festive season. Industry commentary also pointed to a slower-than-the-expected recovery in festive demand and the possibility of more moderate FMCG growth in H1 FY27.

Input cost pressures also remained significant for food companies. Cattle feed costs were reported to be 15% to 20% higher year-on-year in September, while the milk prices in some markets were around 30% higher than the earlier year. These trends reinforced the importance of efficient procurement and disciplined cost management across the value chain.

At Milky Mist, our strong procurement ecosystem and stable demand of our products allowed us to navigate this situation. Coming to the products in large. Paneer continued to be a large lead category for Milky Mist in the September quarter as well with year-on-year growth of 44%.

The category witnessed greater regulatory scrutiny, especially on the analogue products and increased emphasis on product identification and food safety matters. Milky Mist was a clear beneficiary of this situation. Yes, we are a very clean label products, quality-led, branded paneer player across the country.

Our current paneer production is 100 tons per day with an installed capacity of 150 tons per day. The current capacity utilization stands at close to 65%, but we still have a larger headroom to increase the production within our existing capacity. Our continued priority is to increase capacity utilization by expanding distribution, market expansion and strengthening the brand position.

Next is our protein-focused portfolio. We have been witnessing growing demand and interest in protein-rich foods as consumers become more and more conscious of their nutritional needs. Yes, we know we had introduced high-protein paneer cubes in Q1 FY27, extending our presence in the protein-focused segment.

Cheese and curd segments offer huge opportunities to deepen our presence in the packaged product category. With regard to cheese, it grew at 31% year- on- year and the curd segment grew by 22% year- on- year. Yogurt category has been the fastest growing category in Q2 FY27 with a revenue growth of 168% on a year-on-year basis.

In September 2026, we commissioned our new manufacturing facility to manufacture Skyr and Greek yogurt at Perundurai plant. Built with an investment of INR40 crores, the facility uses latest ultrafiltration technology, increasing the current capacity from 20 tons per day up to 150 tons per day. We strengthened our ability to scale high-protein yogurt portfolio to meet this demand.

Currently, we manufacture about 35 to 40 tons a day. For the convenience of the consumer, we have also introduced like any other markets in Europe and other parts of the country we also introduced a pack of 4 Skyr and Greek yogurt. This gives an option to the consumers to buy 4 packs at one go and take the protein to the level of 42 grams per day consumption.

To augment the protein category, recently we launched a high-protein lactose-free milk in October 2026. The 250 ml pack contains 25 grams of protein. Together with high-protein paneer, high-protein cheddar cheese, high-protein milk and high-protein yogurt category, these products gives us a broader presence in the protein-focused segment.

Protein category had emerged as one of the fastest growing segment as far as Milky Mist is concerned and across the country. And contributed to the overall sales and volume mix to the extent of 12% to 13% of our top-line sales. Yes, you all are aware protein market size in India is currently valued at INR31,000 crores, growing at 18% CAGR, which will reach something like INR150,000 to INR160,000 crores by 2036.

Since Milky Mist has invested well ahead of the time with a capacity of around 150 to 180 tons per day, we are at the sweet spot harnessing this demand with our agile strategic effort. We are also expanding our consumer reach and our distribution network remains a key priority for us.

Our focus goes beyond increasing the number of retail outlets to ensuring wider product availability, improving market penetration, and enhancing the productivity of our distribution network. We continue to implement this approach during the year and now we have close to 4 lakh retail touchpoints across the country, 4,200 distributors supported by over 45,000 Visi coolers and freezers.

Our distribution architecture has general trade as a foundational base. However, quick commerce has emerged as a strong channel and we are focused towards expanding this in a margin building way. Our online channels contributed 21% of revenue in H1 FY27 compared with 11% in H1 FY26, reflecting the growing contribution of digital platforms to our overall business model.

When you are talking about the geographical mix, our South India continue to be our largest market, contributing nearly approximately 70% of our revenue in H1 FY27. Tamil Nadu was the leading state with the sales contribution of approximately 26%, followed by Karnataka, 23%.

While South India remains our core market, we continue to focus on expanding our presence and increasing our contribution from other parts of the country. To increase our penetration in Western and Central India as informed earlier, we have acquired 50 acres of land in Baramati, Maharashtra and we are in the process of designing, development and approval stage to set up a facility which will be operationalized in 3 years from now.

We will continue our efforts to explore other opportunities to further strengthen our ability to serve markets more effectively while aligning our infrastructure, product portfolio and distribution strategy with regional demand. When you are talking about the procurement and manufacturing utilization, our procurement ecosystem remains a very key strength to the company.

During H1 FY27, we procured 246.5 million litres of milk with 31% volume growth from H1 FY26. We are able to maintain the volume growth in spite of unfavorable conditions such as extended summer deficit in rains in certain parts of the country. While that was an disadvantageous situation, Milky Mist continued to expand milk procurement network and we were able to procure more than 30% volume growth during this current financial year of H1 FY27.

As of Q2 FY27, we have a network of over 92,000 plus farmers expanding sourcing network, strengthening our ability to ensure a reliable supply of quality milk and support the growth of our value-added product portfolio. As a value-added food business, our performance is driven by more than milk prices alone.

Volume growth, product mix and realizations across our categories play an important role in our revenue growth and profitability. While we remain mindful of movements in milk price procurement costs, our focus is on calibrated pricing, efficient procurement operations, better utilization of our manufacturing capabilities and strengthening the distribution system to sustain profitable growth going forward.

As we expand, we will continue to strengthen our sourcing network and align procurement, production and distribution to support the growing demand while maintaining product quality,

operational efficiency and profit margins as a whole. When we talk about H1 financial performance, turning to our financial performance, Q2 FY27 delivered a very strong financial performance with revenues growth, gross profit improvement and EBITDA margins reaching their highest ever quarterly levels.

Revenue from operations grew 41.6% year-on-year to INR1,089 crores in Q2 FY27. Gross profit increased by 46.4% to INR368.8 crores, with gross margins improving by approximately 112 basis points to 33.9%. Sales growth during the September quarter was supported by steady demand and increase in consumption across our value-added dairy portfolio.

Paneer, yogurt and ice cream contributed to the sales mix and volume growth. Ice cream revenue increased by 43% year-on-year, benefited from the extended summer conditions. As I told you, yogurt category continued to grow at more than 160% level. EBITDA rose from 53.9% year-on-year to INR165.2 crores, with EBITDA margin increasing to 15.2% from 14% in Q2 FY26.

Increase in EBITDA and EBITDA margin on a year-on-year basis is mainly due to the operational efficiencies, higher volume growth, capacity utilization and product mix. Profit after tax increased threefold to INR77.9 crores compared with INR28.4 crores in Q2 FY26 taking PAT margin to 7.2% from 3.7% in the earlier previous quarter.

The increase in reported PAT is mainly due to EBITDA expansion, repayment of loans and deferred tax offset recognized in accordance with the applicable accounting standard. When we talk about the H1 performance, revenue from operations stood at, INR2,062.9 crores up by 42.5% year-on-year basis.

Gross profit increased to 50.9% to INR701.9 crores, while EBITDA including other income rose 62.9% to INR310 crores. EBITDA margin expanded to 15.03% from 13.2% in H1 FY26. Profit after tax increased to INR142.6 crores from INR34.9 crores, an increase of 308.4% with PAT margin reaching to 6.9% from 2.4% of H1 FY26.

We remain focused on quality of our growth and the efficient utilization of capital. Our ROCE stood at 16.1% annualized basis and ROE at 21.1% in H1 FY27. Net debt stood at INR32.6 crores as of September 30th. The net debt, when I say, the amount of debt we carry on the books and the amount of deposits we carry in the banks post, the realization proceeds of the IPO, the net debt is INR32.62 crores.

Our performance this quarter and H1 also reflected the resilience of our business model. In spite of inflationary pressures, the impact of El Nino and geopolitical uncertainties, we continue to deliver while improving profitability. Our focus on value-added categories, disciplined pricing, capacity utilization and operational efficiencies has helped us navigate these challenges while maintaining a clear focus on a profitable growth.

As you all aware, paneer is the star product as far as Milky Mist is concerned with a value growth of 43% and the volume growth of 28%. We have been growing year-on-year very steadily with increasing the consumption demand from the existing markets as well as penetrating into the newer markets.

This even though we have 150 tons of paneer production capacity per day as on today, with the 100 tons capacity utilization and about 28% volume growth, we see the capacity reaching to the maximum level in a matter of 24 to 30 months' time. In order to augment our capacity, being paneer is the star product, we are exploring the possibilities of putting another 200 tons per day paneer manufacturing facility at our Perundurai plant.

The design developmental activities are under process and together with the additional 200 tons, the manufacturing capacity will be 350 tons, which will take care of the further growth until 2035. With regard to IPO proceeds utilization, we have already taken as we have indicated in the RHP, the utilization of the funds as per the projects identified in the RHP and the work is under progress.We have already issued purchase orders towards this. Since Milky Mist has been growing at 40% plus year-on-year this year and last 5 years at a 30% CAGR, we see a larger opportunity going forward becoming the largest player in the country. This indicates that we need to strategize our growth pattern going forward.

Looking at other manufacturing facilities, both in terms of in either in the form of setting up of our own project at Maharashtra, own factory at Maharashtra where we got already the land or obtaining certain contract manufacturing somewhere else. So with this aim in our mind, looking at the kind of current growth what we have at 40%, we expect the capacity utilization of this Perundurai plant to be fully operational something like by 2030.

So we need a second manufacturing facility with a very moderate investment in Maharashtra. So the work we have already commenced in terms of designing, development and approval activities. We will let you know as and when we commence the actual civil works and placement of purchase orders.

When we talk about the outlook looking ahead, our priorities are very, very clear. Focus on all milk procurement volumes, product categories that means expanding the product categories, increasing utilization of our existing capacities, deepening the consumer reach, expanding our presence in newer markets and building our high-protein range and other value-added products going forward.

We see opportunities in the growing demand for nutritious products, the expansion of quick commerce channels and the continued development of our farmer and retail network. Our investments in manufacturing, product innovation and distribution provide a foundation for pursuing these opportunities going forward.

As we move forward, the emphasis will be on execution, building demand for newer products, improving utilization of our manufacturing facilities and expanding distribution in a disciplined manner. We will continue to balance growth and procurement efficiency, cost management and careful use of capital to maintain the current growth pattern, current margins and the capital utilization going forward. Thank you once again for your continued support and engagement. I look forward to your questions and we will take your questions from now.

Moderator: Thank you very much. We will now begin with the question and answer session. The first question is from the line of Mehul Desai from JM Financial Services Limited. Please go ahead.

Mehul Desai: Hi sir, good morning and congratulations on another stellar quarter. My first question is basically if you could help us with the salience of these three, four protein products that you highlighted. One is high-protein lactose milk, high-protein cheddar cheese, yogurt and high-protein paneer.

These 4 key SKUs, what is the salience right now in 1H and how do you see the salience of these four products over next 2 to 3 years increasing? That's the first question. And also, if you could tell us, how are the margins in these four categories versus your base business? That's my first question?

K. Rathnam: Yes, thanks, Mehul. Good morning. You see, as I told you, protein is the platinum of I wouldn't say it's a gold, it's a platinum today. As you all aware, the protein segment has been growing leaps and bounds with the realization of the consumers with regard to the protein requirement.

As I told you, the protein market in India as on today is INR31,000, which is growing at 18% CAGR. Since Milky Mist has set up the plant well in advance, in after immediately after the COVID and continued expanding this category as you rightly said the launching of the high protein products such as Pro Milk, yogurts, Skyr and high protein paneer.

Today the revenue from these four products, this high protein category, is at 12% of the top line. We see this as one of the strong emerging category in the coming years, at least next 2 to 3 years. And the top line contribution would move from 12%, at least we expect that, to the level of 18% to 20% going forward. This is going to be one of the strongest growing category as far as the Milky Mist is concerned, apart from the strong growth coming from paneer and cheese and other categories. Okay, with regard to gross margins, Biswajit, can you respond to that?

Biswajit Mishra: Hi, Mehul, This is Biswajit. Mehul, we have the highest margin in yogurts and the same margin continues in all the protein categories. So like the yogurt margin, Ice Cream is also have higher than all other products. It is along with ice cream, we have those margin level there.

Mehul Desai: Okay. Second question is basically on the input cost side. If you could highlight in the first half, how has been the milk prices inflation Y-o-Y and how do you see that inflation in second half and what kind of -- would you require any further price hikes? So if you could comment on the milk inflation that has been in first half and how do you see it in second half and your commensurate commentary on the gross margin sustainability for the second half?

K. Rathnam: Okay. See, in the first half of the H1, it means this year, we had the milk input costs increasing by 11%, both in terms of milk as well as the other packaging materials to the level of 11%. We have also taken the price hike up in the similar range. So we have offset whatever the milk prices increase with the calibrated price in certain categories of our products.

And in the second half, if you are looking at it, you see currently earlier we had a kind of , deficit of rains in Tamil Nadu and other parts, but now last 1 month Tamil Nadu has received a good amount of rains more than what is required, the surplus rains. And we see a lot of green fodder, feed and fodder growth, and the water availability.

So as far as Tamil Nadu's procurement is concerned, where we are present more than 85% of the procurement, we don't see much increase in milk prices. And if you look at it in Karnataka,

Karnataka also increases the milk prices, but the milk prices increase currently is a INR42 per litre.

After this INR7 passing on to the consumer, sorry, to the farmers. So we don't see much inflation going further as far as the milk prices are concerned. But at the same time, even if the prices increase to the level of say 3.5% to 5%, we still have a larger headroom to play around and calibrate a price increase in certain categories.

We would continue in order to maintain the profitability on the margins going forward. Growth is anyhow is going to come up, okay? Growth is not an issue at all for us. But in order to sustain and maintain the margins or improve upon the margins, both gross margins as well as EBITDA margins.

We have a high-margin category products contribution like the fastest-growing yogurt category, as Mr. Biswajit rightly said, with more than 50% gross margins and ice creams and paneer. So we would have a focused approach on high-margin categories apart from the other products categories growth.

And increasing our product capacity utilization, deepening our penetration within the existing markets will help us to sustain and improve upon the margins from here on. So we don't see much problems as far as the margins are concerned and we'll be able to sustain and grow further.

Mehul Desai: Got it. And is the understanding correct, obviously, because second half for your categories is typically slightly better than first half for Milky Mist. So is it fair to assume that the growth rates will sustain as well as the 15 - this mid-teens kind of margin also can sustain in second half also?

K. Rathnam: We will be able to sustain the current growth in H1 growth and we will be able to sustain the 15% EBITDA margins also going forward.

Moderator: Sorry to interrupt, Mr. Desai. I'd request you to join back the queue for more follow-up questions.

Mehul Desai: Sure. Thank you so much.

Moderator: The next question is from the line of Pratik Dharamshi from Union Mutual Fund. Please go ahead.

K. Rathnam: Hi, Pratik.

Moderator: Mr. Dharamshi, we are not able to hear you.

Pratik Dharmshi: Am I audible now?

Moderator: Yes, yes, audible.

Pratik Dharmshi: Yes. Many congratulations Ratnam ji, Sathish ji, for stellar set of numbers. My question is a followup from the first participant. For the protein based milk as a new category you have entered into, what sort of distribution strategy you are planning? Will it be more e-com heavy or it'd be broad based modern trade, GT, so what will be your strategy and in milk as you are

entering for the first time, will you restrict yourself to just protein based or more can be potentially come through in terms of flavored milk, etc ?

K. Rathnam: Yes, thanks Pratik. See this food unlike many of the players who are in the protein, high protein milk category, which is of the fresh milk having a limited shelf life of something like 3 days to 5 days or less than a month. And it also requires a refrigerated temperature. In our case, we had the technology.

We used the same technology what we are having it, ultrafiltration technology. We converted milk into a high protein milk without adding anything and subtracting only the lactose and giving 25 grams. And this milk which has got the longer distribution ability and with the 6 months shelf life.

This product is mainly for the A-class outlets, Modern Trade and Quick Comms. Okay. So we see a lot of demand coming from Quick Comms as well as Modern Trade and also A-class outlets. So this product is primarily a fast-moving product as far as Milky Mist is concerned in Quick Comms platforms.

And going forward, we see a larger volume demand for this because in this category there are only very, very limited players with a limited shelf life and the limited reachability. In our case, we will have - a it's a very, very clean label product, good gut health and high nutritious product.

So we see a larger traction coming from this category. And with regard to extending the category, as you rightly asked, yes, this is the base, which is a natural product, just simply a milk. There will be some product category expansion with other variants like it could be a chocolate or any other flavors which would be liked by the masses.

Pratik Dharmshi: Got it. That was very helpful. Thanks a lot and all the best. Thanks.

K. Rathnam: Thank you, Pratik.

Moderator: Thank you. The next question is from the line of Abneesh Roy from Nuvama Wealth Limited. Please go ahead.

Abneesh Roy: Yes, thank you. My first question is on the lactose intolerance product. India has a very large population which has intolerance to lactose, but awareness is very limited and Indians are generally jugaad. So even if they have a problem, they will take it and then they'll manage. So my specific question is how will you create awareness? What is the market size and how is your pricing different versus some of the players because I know this is a very nascent category. If you can throw light why this will succeed given India, the awareness is very low?

K. Rathnam: Yes, thanks, Abneesh. See, yes, you are correct because more than 60% of the Indian population is lactose intolerant, but many people do not know about it. That's number one. And number two, we already have a lactose-free milk in our product portfolio, and there's a growing awareness happening as far as the lactose intolerance is concerned.

It is a continuous process as far as Milky Mist is concerned to educate the consumers through various channels, okay, that we will be doing a complete brand building going forward. And, so, and when it comes to the pricing, our price, we have priced at INR99 for 250 ml pack, as compared to others. And we are much, much better off as far as the margins are concerned in this category.

Abneesh Roy: Sure. Second question is on the regulatory side, two things. One is we are seeing both national regulator and all, most of the state regulators doing very surprise checks on the dark stores of all these QCOM, and they have found obviously lack of cleanliness, lack of refrigeration, also expired product. Specific question here is, how do you really manage that your product doesn't face this issue that, for example, ice cream.

During night time, a lot of the chemists and kirana stores and maybe the dark stores also may switch off, and then the entire configuration and quality issue is there. But this impacts your brand. So I wanted to understand, in your kind of product, this is very, very relevant. So if you can elaborate on that.

And second, analogue paneer, a lot of ban is happening. India rule is always there, execution always is poor. So I wanted to understand, when the media picks it up, then few days the ban is there, but those things come back. So if you can elaborate what is the status on the analogue paneer also.

K. Rathnam: Yes, thanks. See, with regard to the dark stores and the quality, we have a very, very strong system of monitoring our product movement with the platforms on a regular basis. That is number one. We were looking at the current inspections which had happened and the outcome of those inspections, we are also having very regular meetings with the channel partners, the top level, highest level, and we have also given SOPs to all the platforms that what to be followed and what are the temperature conditions or the storage conditions required.

This is a kind of an ongoing process which we will have to work with both mutually together. And the online, the e-comm platforms are more than willing to listen to the players and trying to improve their storage and temperature conditions, etcetera. So this is a continuous process which would not happen overnight, but we will we are taking care of whatever is required as far as Milky Mist products are concerned.

When it comes to analogue paneer, in South there is no paneer known as analogue paneer because everything is a branded paneer, and whatever is getting sold is a branded paneer where we command more than 65% of markets as far as Milky Mist is concerned. When you are talking about other parts of the country, yes, the paneer is getting sold in loose format, unbranded etcetera.

And while this may not be 100% eliminated, as you rightly said, there is a growing demand and growing awareness with regard to the consumers is concerned, thanks to FSSAI and other regulatory authorities. They are making the consumer more aware of the products. So the consumer is becoming more and more conscious, and we see a conversion of consumers from the unbranded loose paneer to the branded and the organized players.

So we expect this the current organized sector paneer is about 10%. We expect this to go up to 25% to 30% in the coming year. And there is a greater opportunities for a player like Milky Mist to take this opportunity and convert that into in a business. So there is yes, you rightly said, yes, public memory is very short, but at the same time, consumers' awareness is going up day by day. That would help Milky Mist and other players to better channelize the opportunities.

Abneesh Roy: Last quick question and I'll end there. Great quarter, but...

Moderator: Sorry to interrupt, Mr. Roy. I'd request you to...

Abneesh Roy: I'll come back. No problem. Thank you.

Moderator: Thank you. The next question is from the line of Harish Advani from Axis Capital Limited. Please go ahead.

Harish Advani: Hi, congrats on a great set of results. My first question was on an earlier comment you made on the price hikes of 10% to 11%. So when have these been taken? Would this have been taken in Q4, or is it something which you've taken recently?

K. Rathnam: No, it was in Q1 and Q2.

Harish Advani: Okay, sir, got it. So then...

K. Rathnam: Let me tell you, let me clarify. Some price hike was happened in Q4 and continued with Q1 and Q2.

Harish Advani: Got it, sir.

Biswajit Mishra: Harish, just to clarify this thing. What we was H1 to H1, that was a comparison between last H1 to this current H1 where we have taken price increase of 11.5%. If you look at our current Q1 to Q2, we have taken price increase in Q2 which is also near to 10%,. But we have not impacted that in Q2 properly. It will be because of time. So in Q3, the price impact will come. The actual impact of price is around 1.5% to 2% in Q2.

Harish Advani: Got it, sir. That was where I was coming to.

Biswajit Mishra: Yes, understood.

Harish Advani: Sir, and my next question is on the cheese capacity that we have. So given that we've put up a pretty sizable capacity on the cheddar cheese side, so can you talk to us about the strategy to absorb this capacity? Are we thinking more retail, HoReCa, or this is something more for the B2B side? That's my second question.

K. Rathnam: Yes. See, the cheddar cheese is an input material to the processed cheese, okay? And we have a capacity of 100 tons per day. The current utilization is 20%. And as the cheese volumes are growing 33% year- on- year sorry, 28% -- 26% volumes and the value growth is of 34%, 35% year- on- year, the capacity utilization will continue to be augmented. Okay, that is number one.

Having 100 tons capacity is also helpful to us because if there is glut of milk and a lot of milk is available, and instead of converting that into a powder and a commodity, we will convert that into a cheese and store it for a longer period for the ripening. So there also we will it will help us to handle the more amount of milk which is coming into the system at a lower price when the milk volumes are very high. This is number 2.

And number 3, yes, we would be improving our cheese sales further, with the not we are not happy with the 33%-34%, but our volume growth, value growth has to be very high, number 1. Number 2, we are also looking for some other variants in the same cheddar cheese, like a snack kind of a thing, which the work is under progress.

So we will be able to make use of this plant going forward. But at the same time, I would like to give you one thing, that all these plants, whatever we have built, including the Cheddar plant, has the residual - has the life cycle of 15 years to 20 years. So considering that 10 years period we have put up this plant, current utilization is 20%, and we see the utilization going up by 50% in the next 2 to 3 years' time.

Harish Advani: Got it, sir. Very clear. And my last question is on the kind of growth rates that we've been doing. So as we move forward, we are also expecting similar kind of growth rates to pan out. But if I were to break it down into a growth chart, how are you thinking about it in terms of volume growth, pricing growth, as well as distribution growth? That was my last question.

K. Rathnam: Yes. As you're right as you rightly said, yes, we have been growing at the 40-plus, and we will be able to sustain this growth going forward in the next quarter also. There's no doubt about it. And this growth is coming from within the existing markets, number one. And we are in a position, and we have been continuously increasing our distribution within the existing markets in a deeper way.

We are also building the newer markets like UP, Bihar, and other parts with our distribution system. So with the larger distribution system, yes, we wanted to become a pan-India brand. Right now, also we are present in most of the states. We would be -- we are, as you rightly and as if you can see, in the Q1 we had only 4,000 distributors in our fold.

Now we have increased the number by another 200. We have added 200 more distributors. We have added about 40,000 retail touch points. So all these activities, the background activities, infrastructure building is a continuous process. And with the volume growth, value growth, we will be able to sustain our growth model.

When it comes to the volume growth and the value growth, as I said, the weighted average of volume growth is, around 28% to 30%, and the value growth is under 42%. So that is the difference between the volume and value. And this volume growth is coming across the categories, not only from yogurt category, but also from paneer, cheese, and ice creams, curd, and beverages category, okay. So we will be able to continue with this kind of growth momentum. Also the product mix as well as the market channel mix. So in all categories, we are growing, the way we have been anticipating and strategized.

Harish Advani: Perfect, sir. Thank you and all the best.

K. Rathnam: Thank you.

Moderator: Thank you. The next question is from the line of Sanjay Manyal from Dam Capital Private Limited. Please go ahead.

Sanjay Manyal: Hi sir, congratulations on a strong set of numbers. Just a few questions, although most of my questions have been answered, but just on the procurement price side that this seems to be a very extended cycle of high procurement prices. So is it possible that this probably because of the El Nino part and the lower monsoon this can extend for another three, four quarters.

And then probably there could be some deceleration as far as the conversion from unbranded to branded, is it a possibility? And also, if I just may add to this, you are planning to sort of set up this plant in Baramati, Maharashtra. So will you be sort of procuring milk in advance over there? And if yes, then, will it be like 12 or 24 months in advance, or how will that work for you?

K. Rathnam: Let me take that. Thanks, Sanjay. Let me take the last question first. We know that we are going to set up the plant in Maharashtra, so in order to do that in the first day itself we would like to have the plant to be utilized at 40% capacity. Considering that, we already initiated the milk procurement activities in Maharashtra.

We have already set up 25 bulk milk chillers in 25 villages, and by end of this year we would be doing about 70 bulk milk chillers together. By end of this year we plan to procure about 1 lakh litres of milk every day. That milk is - currently we are doing about 65,000 liters to 70,000 liters a day. So that milk is now getting chilled, concentrated, and is brought to the Perundurai factory.

We'll continue this and we'll continue to improve the increase the milk volumes to the extent of 2 lakh liters to 3 lakh liters before we commence, commission the plant. So that will take care of our plant utilization when we start operations in Maharashtra. I hope that is clear to you. And, the second one is that, as you know, there is an extended summer and there's a part of El Nino impact also. There's no denial about it.

In some parts of the country there has been a milk deficit like Rajasthan, Gujarat, and parts of Maharashtra as well as Karnataka. But as I see now, there the volumes are now improving slightly better. But at the same time, we see this, continue this volume growth happens in this coming quarter as well as the next quarter because the winter season.

We normally expect the volume, milk volumes to go up, but at the same time, we don't see the softening of the milk prices as on today. We'll have to wait and see one quarter how it is panning out. But at the same time, we are at a position where advantages position where we will be able to sustain our margins.

Sanjay Manyal: Right, sir. Then I have just one question on the I believe, as and when the saliency of the high protein product increases, your B2B, whey protein sales, would be either flattish or coming down. How the margin really differs, and I probably missed the number, what you have mentioned about the high protein product sales, which we have done -- which you're doing, say, in first half, and how the probably just want to add to it how the QCOM saliency has changed

over the last 1 or 2 years because that probably would be driving the growth for these high protein products as well, I believe?

K. Rathnam: See, the e-com, the online platforms growth has been from 11% it has come to 21%. 11%, it was H1 FY26. It has now become 21% of the top line in as far as the H1 FY27 is concerned. So the online platforms growth has been tremendous as far as Milky Mist is concerned. That is because we have a wider range of products and the products are suitable, fast moving as far as the online platforms are concerned.

High protein category is the fastest moving category as far as the Quick Comms are concerned, and we'll continue to meet their demand. Because in fact, some of them are asking for the exclusive arrangements for certain products, but we are respecting all the platforms and providing the services. So that shouldn't be a problem at all. Then, with regard to the contribution of this high protein products category, it's a - currently it's about 12% of the top line, and we expect this to go up to 20% going forward.

Biswajit Mishra: It was 7% last year.

K. Rathnam: It was 7% last year, have gone up to 11% to 12% this year, and we expect this category growing up to 20% at least in next couple of years.

Biswajit Mishra: With good margins.

K. Rathnam: And the margins are 50% plus.

Sanjay Manyal: Okay. Thanks very much, sir. I'll come back in queue.

K. Rathnam: Thank you.

Moderator: Thank you. The next question is from the line of Siddharth Negandhi from CWC Limited. Please go ahead.

Siddharth Negandhi: Hi, congratulations, Sathish sir, Ratnam sir, and Biswajit on a stupendous performance. Three questions. One, could you help us understand the farmer network expansion that you've had, is this from new centers or existing centers? If you could help us with that split. Second, you've spoken - you mentioned about visi coolers that you have from 41,000 to 45,000, but on ice cream, could you give us a sense of how many freezers do you currently have and what kind of throughput per freezer you are seeing? And also, could you help us with your sales growth by channel? And is the fact that there is a stronger modern trade and e-com growth resulting in a slight increase in the receivables there?

K. Rathnam: Okay, thanks Siddharth. See, farmers network increase is one from 75,000 farmers we increased to 92,000 farmers, and with adding new centers and new villages. At the same time, we have also taken a very structured way of bringing the small to moderate farms, like those who are having 5 cows.

And we are financing, tying up with the banks for the finance, may increase in the number of cows to something like from 5 to 7 or 5 to 8 depending on the ability. So the procurement

network increase improvement is one, increasing the procurement area. Number two, increasing the number of centers.

Number three, increasing the number of cows, other milking animals. And number four, of course, a structured way of doing an artificial insemination to help improve the breed as well as the throughput. I hope that is clear as far as the farmer network is concerned. And the second one is you are talking about ice creams particularly.

Yes, on today we have 29,000 freezers as far as ice creams are concerned, right, Parthiban, which has gone up from 16,000. Okay. The current throughput on an annualized basis about INR9,000 to INR10,000 per freezer. And during peak summer, this goes up to something like INR20,000, INR22,000. And we have a target of achieving INR15,000 per freezer per month in the coming years. And that is our target, and we are on a track of this. Okay. Anything else we left?

Siddharth Negandhi: And the sales growth by channel, sir, if you could?

K. Rathnam: Yes, the channel is, you see, the - as I told you, the e-com platforms are contributing 21% of the top line. The modern trade is 22%. In fact, there is a slight degrowth as far as the modern trade is concerned because Quick Comms has taken up. HoReCa segment continued to be at 14% to 15%. General trade is at 28% to 30%. B2B is a very small number, around 8%, and exports contribute about 4% to the top line. This is the channel mix.

Siddharth Negandhi: Got it. Thank you and all the best for H2. Look forward to the continued performance. Thank you.

K. Rathnam: Thanks, Siddharth. Thank you.

Moderator: Thank you. The next question is from the line of Sameer Gupta from India Infoline Limited. Please go ahead.

Sameer Gupta: Hi, good morning, everyone and thanks for taking my question. Congrats on a very good set of numbers. Firstly, looking at the cash flow statement. First half Capex of around INR240 crores. I understand there is a INR40 crores investment on yogurt plant that you have done and called that out?

But excluding that, rest of it, INR200 crores, this in first half would be largely on milk procurement and front end such as -visi coolers and freezers, etcetera. Would this be a fair understanding? And follow-up to this, how should one look at capex for the full year as well as coming years given that you have already reaching 50% plus utilization in most of the categories, and plus there is a Baramati plant that is coming up.

K. Rathnam: Mr. Biswajit, would you like to answer?

Biswajit Mishra: Yes, please. Hi, you are right, in yogurt plant we have done capex of INR40 crores, but we have also seen this is a follow-up capitalization from INR370 crores CWIP which we carried from last year. If you look at our balance sheet last year, we had CWIP for capitalization.

Sameer Gupta: I'm just looking at cash capex, so capitalization would not result in cash capex.

Biswajit Mishra: I don't think there is much on cash Capex here. Even lot of things would actually follow from the CWIP & in INR144 crores, maybe hardly INR50 crores would be cash Capex.

Sameer Gupta: Okay, no worries. Can you tell me about the like future outlook here?

Biswajit Mishra: Yes, in future outlook, I think we are currently having INR70 crores of CWIP & there is no big capitalization planning is there. The spending whatever we have planned, including IPO capex are all going on. So there is no major capex which is planned yet for this year.

Sameer Gupta: And thereafter?

K. Rathnam: And Maharashtra plant also it is all at the designing stage. As you rightly said. Since we have been growing at the 40% plus, we look at -- we don't want to, I mean, so we don't want to be left behind as far as the growth is concerned. We'll continue to maintain our margins, etcetera. So in order to meet this growth in a strategic way, we started planning for Maharashtra, but we have not put any budget as far as at this moment. It's only at the planning stage and approvals.

Biswajit Mishra: Very very basic cash capex we do there. Very small in maybe single digits. That is how we are planned for Maharashtra, very slowly and from internal accrual.

Sameer Gupta: Got it sir. That explains. Second question...

Moderator: Sorry to interrupt, Mr Gupta. I'd request you to join back the queue for more follow up questions. The next question is from the line of Ankush Agrawal from Surge Capital Limited. Please go ahead.

Ankush Agrawal: Yes, hi, I'm audible?

Biswajit Mishra: Yes, very much.

Ankush Agrawal: Yes, yes. So firstly, with the IPO proceeds, are we looking to prepay some of our long-term debt, or will you hold that cash and maybe use it for incremental working capital or capex fund?

K. Rathnam: No, as per the plan, whatever plan was made for repayment of loan, we have already done that in the month of IPO itself. So all the repayment of debt including pre-IPO and IPO, INR750 crores we have done. So whatever money we are carrying in our FD are those for the project, the projects which we have planned for this year, next year, and coming guess whatever the plan we have given. So all the repayment of debt is done.

Ankush Agrawal: Okay. Secondly, sir, currently as we see a decent chunk of our growth is also coming because of the price hikes that we have been because of the increase in raw material prices. So I wanted to understand, maybe in some time in the future when we are on the opposite end of it, when raw material prices are correcting. At that time, how do you see that impacting our growth, overall revenue growth would be would we see something, like a situation wherein we are taking price cuts in our products and like the volume growth is higher but the overall revenue is lower? Do you foresee that kind of a situation?

K. Rathnam: No. You see, the gap between the volume growth and the value growth is around 12%, okay, 10% to 12%, and this will remain as it is and we don't see -- we don't count the price increase as the growth, I mean, as a growth volume. We always look at the volumes as the growth for us. So we will continue to improve and maintain the volume growth.

And some of the product categories are growing much, much faster because we still have a longer, larger headroom as far as ice creams and yogurts and the cheese is concerned. So the volume growth will continue, and if the volume growth happens, the value growth also, the top line growth also will continue to grow and we'll be able to sustain the momentum.

Ankush Agrawal: Right. But in the period of softening raw material prices, we will take price cuts, right? And that would be a fair assumption?

K. Rathnam: Yes. We see in either way, if there is a drastic reduction in procurement prices, say for example if there is a reduction of say INR5 to INR10 a litre, again there will be a downward price of say something like 2% to 5%. Not every that everything will be, but there will be a -- in a very, very calibrated way, there will be a kind of either the offers, margin offers, or the price downward price. In either way it happens, but that does not see - that does not affect much about as far as our the growth is concerned.

Ankush Agrawal: Okay. And lastly, just a clarification, out of this, say 11%, 12% value addition, value growth over volume, a part of it would also be coming from the improved product mix, right? Not just the overall pricing?

K. Rathnam: Yes. You got it rightly.

Ankush Agrawal: Okay, so would it be possible for you to give some sense of how much of that would be based on the improvement in production mix?

Biswajit Mishra: No. If you look at product mix, it will be like around 5% of it. Okay.

Ankush Agrawal: So price increase basically is just 4%-5%. Nothing else?

Biswajit Mishra: Yes.

Ankush Agrawal: So that was very helpful. Thanks.

Biswajit Mishra: Yes.

Moderator: Thank you. The next question is from the line of CA Vijay Jangir from Systematix. Please go ahead.

Vijay Jangir: Yes, hello sir, thanks for the opportunity. My question is on procurement prices. In the industry, many peers have witnessed price inflation, milk procurement price inflation up to mid-teen. So my question is, how much price inflation, milk procurement price inflation, we witness in 2Q 27? And second question is on our channel mix. We are making more than 20% from HoReCa and B2B. So are our EBITDA margins significantly lower than the Modern Trade and e-com platform in B2B and HoReCa segments? Yes, these are my 2 questions?

K. Rathnam: See, as I explained to you earlier, there has been a milk price increase of -- in H1 I'm talking about overall in last 6 months, and Q2 also 11%, 12%. Okay. That we are able to take the price here in a calibrated way. And for others, when you said that you have compared others, there has been a margin percent, other things.

Since we are into 100% value-added products, we are able to sustain the procurement - increase in procurement prices. Even if the prices increase by another 5% also, we'll be able to absorb this. And we have a larger headroom in terms of product mix and the calibrated pricing. So that's one.

When it comes to the channel mix, as I told you, HoReCa contributes 14% to 15% of the top-line sales, and Modern Trade is around 22%-23%, and the Quick Comms is around 21%. There's a slight variation as far as the margins are concerned, but overall margins are maintained 34% gross margins.

Vijay Jangir: And sir, on procurement front, what is mix between buffalo milk and cow milk?

K. Rathnam: So in South, we don't have any buffalo milk. 97%- 98% is cow milk only.

Vijay Jangir: Yes, okay, sir. Thank you so much.

K. Rathnam: Thank you.

Moderator: Thank you. The next line is from Resha Mehta from GreenEdge Wealth Limited. Please go ahead.

Resha Mehta: Yes, thank you and congrats for a very strong set of numbers. I have two questions. The first one being, see, we are growing at such a fast pace, right? And we have very ambitious plans. But at the same time, if I see, I think almost 85% of our procurement is from just one state, which is Tamil Nadu?

So, just from a risk standpoint, how do you all think about this? Let's say, and, if we were to go back in history for the last 20-30 years when there may have been some instance of a super drought, how would we have managed milk procurement back then with a single-state concentration?

And now, of course, that our size is much bigger than what would it have been, say two decades ago. How do we think about this risk? That's the first question. Second is in terms of the channels. So if you could just talk about, which are the 2 top-selling products in HoReCa and B2B channels, and also exports, how are we looking at exports in terms of growth?

K. Rathnam: Yes, thanks. You want to take the question for the procurement?

T. Sathish Kumar: Good morning. I'm Sathish here, MD. This, South, we've started with South and earlier we are only focused on South. Now last two years, if you see, we are covered with Andhra Pradesh, Karnataka, and Maharashtra. So four states we are covering now procurement, and we are getting a good amount of milk now.

K. Rathnam: So, so as you rightly said, since now the plant is in Perundurai near Erode, all our procurement has been centered around it. Now since the volume requirement is more, because for us input milk is more than due to products in nature, as Mr. Satish rightly said, we expanded our procurement activities in Karnataka, Maharashtra, and partly in Andhra Pradesh.

So part of the de-risking has already taken place. And with the going more, more and more procurement in Maharashtra and Karnataka, more than we expect around 30% of the milk coming from these two regions. So further de-risking of the things. And when you talk about the channel contribution, maybe Parthiban, you can respond.

Parthiban N: Yes, good morning. When it comes to the top 2 contribution products, especially the channel mix would be, the e-com and the modern trades. If you see, the daily products will be much, having more behavioural, of the consumers, more of daily products they'll be consuming through the Quick-com platforms, as you all aware. So we see a lot of paneer as a daily product, as well as the yogurt and curd is taking up an advantage in this channel.

K. Rathnam: So, the top 3 products are paneer, yogurts, and, curds, these are the daily users, followed by beverages and chocolates, etc.

Resha Mehta: Sorry, my question was more on the top 2 or 3 selling products on -- in the HoReCa and the B2B channels specifically B2B?

K. Rathnam: In the HoReCa, it is 1kg paneer and Mozzarella cheese as well as curd, okay.

Resha Mehta And in B2B?

K. Rathnam: B2B, so we don't make commodities, the only commodity what we make is whey powder that is coming out from cheese and paneer manufacturing and that is the B2B only, that is the only product, the whey powder we sell in business to business.

Resha Mehta: Alright, thank you.

K. Rathnam: Thank you.

Moderator: Thank you. The next question is from the line of Kaustubh Pawaskar from ICICI Mutual Fund. Please go ahead.

Kaustubh Pawaskar: Yes, good morning sir. Thanks for giving me the opportunity. Congrats for good set of numbers. A couple of questions from my end. So, first question is on the high protein products. So you just mentioned that high protein products is getting traction. There are even large players who are entering into this space. You mentioned that this particular segment has around 50% margin. So with this high -- large players entering this space, do you expect these margins to drop because of the competition, or it is still early to say and there is a lot of opportunity in this space?

K. Rathnam: See, there is -- it's very early to say anything, right now. Number two, even whosoever the players we need to have the right technology and the capacities as well as the product. Okay, that's what we always look at it, because high protein category consumption consumers are completely different than the consumers of normal products.

Okay, so it requires a taste, palatability, and the nutrition, etcetera. So that's one thing. The second thing is that even if the 10 competitor comes, you see, look at what is the population of middle class going to be, something like 600 million. Okay, 600 million to 700 million going forward. And what is the population strata we are serving?

It is not even 1% of the total population we are serving for one for the high-protein products. So there is a lot of -- if everybody say, for example, if more than 15% or 20% of the high-end consumers start demanding this high-protein products, we need Milky Mist in a far, far better position, but we need another 5 to 10 brands like this.

So there's going to be huge opportunity and there's a huge headroom. And, no one company can feed the entire nation. That's what I would put it. The second point is that, yes, you all are aware, whey powder imports into India is something like INR22,000 crores every year. Sorry, 22,000 metric tons of whey powder.

And the protein category, as I told you, it is a INR31,000 crores, the market cap. How much we are selling? 10% of our top line is around -- even if I say INR4,000 crores is INR400 crores. Where is INR31,000 crores and where is INR400 crores? So there's a lot of opportunities available.

So margin would not be a problem at all because these are all the high margin products, even, whosoever comes into the play. So margin would not be a problem. The problem the, the opportunity is that how you are able to tide over the wave and meet the demand of the consumers with a better product, better service, and better availability. That's all.

Kaustubh Pawaskar: Right, sir. And so my second question is on your ice cream category. So this quarter we have seen 43% growth. Normally quarter 2 is seasonally weaker quarter, but this time monsoon was quite less. So I think this growth is because of that. And, does it have any element of distribution expansion also?

K. Rathnam: There are 3 factors. One is ice cream. We always -- we are now driving this ice cream as an everyday product. It is not the product of summer, or it's not the product of a particular season. Even now if you look at it in Europe and Russia, ice cream consumption on a daily basis. I want you to consume 30 litres of ice cream in a year.

That's what I am expecting. I am advising all the consumers. So, so ice cream is not a seasonal product, but at the same time we expanded our market reach. We added, almost 12,000 freezer expansions. That means 10,000-12,000 retail outlets we have increased. We have increased continuous monitoring and increasing the stock pressure.

So for us, as far as the ice creams are concerned, we look at only one season, that is the summer season. In South, there is no winter. So we continue to grow as far as ice creams is concerned, irrespective of the seasons. Of course, the summer season will give a higher growth, but we expect this growth something like some 35% to 40% growth across all the quarters.

Kaustubh Pawaskar: Sure, thanks and all the best for your call.

Moderator: Thank you. Due to interest of time, we take that as the last question from the participants. On behalf of Milk Mist Dairy Food Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.