Midas
Equities and Research

Milky Mist Dairy Food Ltd – IPO Note

India's only 100% value-added dairy (VADP) pure-play - the fastest-growing large packaged-food company in the country, built on farm-to-retailer control, premium pricing and a 25-year brand.

Rating - SUBSCRIBE Long-term perspective

11 Aug 2026

Rs. 133-140 Price band	**Total Offer- Rs. 1,553 Cr** Fresh Issue-(Rs. 1,428 Cr) OFS- (Rs. 125 Cr)	**Rs. 10,777 Cr** Mkt cap at upper band	**~29x** FY26 EV/EBITDA at upper band

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IPO Details

- Milky Mist is an Erode, Tamil Nadu–based manufacturer of value-added dairy products, operating from a single integrated facility at Perundurai. Its portfolio spans 22 product categories and 640 SKUs, led by paneer (29% of revenue), cheese, curd, ghee, butter, yogurt and ice cream, sold under the flagship "Milky Mist" brand alongside SmartChef, Capella, Misty Lite and the acquired Briyas and Asal labels.
- The model is vertically integrated end to end: raw milk is bought directly from 74,654 farmers across 25 districts, processed at Perundurai, and distributed on the company's own cold chain.
- The company is raising up to **Rs. 1,553 Cr** - a **Fresh Issue** of **Rs. 1,428 Cr** plus an Offer for Sale **(OFS)** of **Rs. 125** Cr by the two promoters. Face value Rs. 2.
- Fresh-issue proceeds fund debt repayment (Rs. 497 Cr), the Perundurai plant expansion (Rs. 469 Cr) and visi-cooler / freezer deployment (Rs. 155 Cr); the company receives no OFS proceeds.
- A **Rs. 357 Cr pre-IPO placement** (Temasek, via Jongsong) was completed in Apr-2026 at Rs. 139.76/share.
- Promoters Sathishkumar T and Anitha S together hold ~88.9% pre-offer; stake steps down to ~76% post-issue.

IPO particulars

IPO Listing	BSE & NSE
Retail quota	**Not less than 35%**
NII quota	**Not less than 15%**
QIB quota (Including anchor investor portion)	**Not more than 50%**

Issue Size (Rs. Cr.)	
From OFS	125
From Fresh Issue	1,428
Total Issue Size	**1,553**

Market Cap (Rs. Cr.) Post IPO	
Upper Price-Band	10,778
Lower Price-Band	10,239

Shareholding (no. of shares in cr)

Pre issue	Post issue
66.78	76.98

Objects of the Fresh Issue

Object	From Fresh Issue (Rs. Cr.)
Repayment/ prepayment of borrowings	496.9
Capital expenditure requirements for expansion and modernisation of Perundurai Facility	469.2
Deployment of visi coolers, ice cream freezers and chocolate coolers	155.3
General Corporate Purpose	306.8
Total	**1428.2**

Shareholding % (at upper band)

	Pre issue	Post issue
Promoter & Promoter Group	93%	80%
Public	7%	20%
Total	**100%**	**100%**

IPO timeline

IPO Open Date	Tue, Aug 11, 2026
IPO Close Date	Thu, Aug 13, 2026
Basis of Allotment	Fri, Aug 14, 2026
Refunds	Mon, Aug 17, 2026
Credit to Demat Account	Mon, Aug 17, 2026
IPO Listing Date	Tue, Aug 18, 2026

Application	Lots	Shares	Amount (Rs.)
Retail (Min)	1	107	14,980
Retail (Max)	13	1,391	1,94,740
S-HNI (Min)	14	1,498	2,09,720
S-HNI (Max)	66	7,062	9,88,680
B-HNI (Max)	67	7,169	10,03,660

Source: RHP, Company

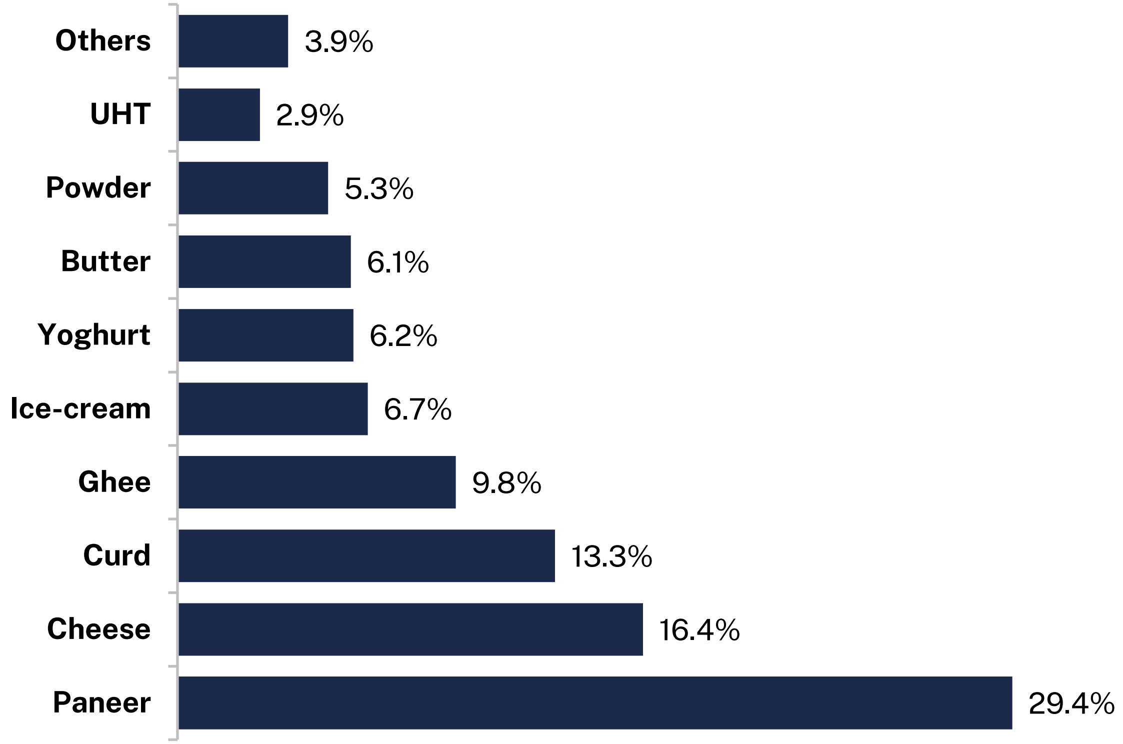
Company Overview (1/3)

A pan-India value-added dairy franchise - breakfast to dessert

Milky Mist engineers premium value-added dairy - paneer, cheese, curd, yogurt, ghee, butter, ice-cream, UHT and powders - on an integrated farm-to-retailer base spanning 22 states and 5 UTs.

1,00,000+ sq. m built-up area	**74,000+** farmers, direct milk	**4,001** distributors, 375+ vehicles
41,000+ visi coolers & freezers	**22 + 5** states + UTs, pan-India	**22** product categories

FY26 revenue by product category - Paneer anchors the portfolio while newer categories scale



One fungible platform. Paneer, cheese and curd are ~59% of revenue, but ice-cream, yogurt and powders are the fastest risers - the same milk, cold chain and distribution flex across a widening basket, dampening single-category risk.

Source: RHP, Company

Company Overview (2/3)

Diversified Valued Added Dairy Products

Category	Products
Basic Needs	Paneer, Butter, Curd, Ghee, UHT Milk
Indulgence Products	Cheese, Khova, Sweetened & Condensed Milk, Cream
Impulse Buying/On The Go Products	Yogurt, Milk shakes, Lassi, Buttermilk, Chocolates
Pleasure/After Meal Products	Ice Cream, Gulab Jamun, Mishti Doi, Shrikhand
Healthy Choices	High protein cheese, Greek Yogurt Natural, Skyr, High Protein Paneer

Meeting Consumer Expectations:

- Breakfast to Dinner Table
- Products for all age groups
- Building strong protein category

Company Overview (3/3)

By product category, FY2024–FY2026 | Capacity in MT; utilisation = actual production as a % of available capacity

Paneer

70,080 MT Installed capacity, FY26 | **47,520** MT Available capacity, FY26

Capacity expansion in FY26 from 26,280 MT, 2.7× since FY24

Capacity Utilisation

FY24	89.47%
FY25	110.49%
FY26	52.44%

Pouch Curd

87,600 MT Installed capacity, FY26 | **55,800** MT Available capacity, FY26

Capacity expansion in FY25 from 43,800 MT, 2.0× since FY24

Capacity Utilisation

FY24	73.52%
FY25	42.12%
FY26	42.27%

Set Curd

175,200 MT Installed capacity, FY26 | **1,11,600** MT Available capacity, FY26

Capacity expansion in FY25 from 87,600 MT, 2.0× since FY24

Capacity Utilisation

FY24	30.33%
FY25	19.25%
FY26	23.25%

Ghee

17,520 MT Installed capacity, FY26 | **11,160** MT Available capacity, FY26

Capacity expansion in FY26 from 8,760 MT, 2.0× since FY24

Capacity Utilisation

FY24	56.83%
FY25	71.76%
FY26	48.75%

Mozzarella Cheese

17,520 MT Installed capacity, FY26 | **11,160** MT Available capacity, FY26

Capacity unchanged since FY24

Capacity Utilisation

FY24	36.29%
FY25	46.93%
FY26	58.91%

Processed Cheese

15,768 MT Installed capacity, FY26 | **10,044** MT Available capacity, FY26

Capacity unchanged since FY24

Capacity Utilisation

FY24	38.86%
FY25	42.53%
FY26	51.48%

Yoghurt

8,760 MT Installed capacity, FY26 | **5,580** MT Available capacity, FY26

Capacity unchanged since FY24

Capacity Utilisation

FY24	37.77%
FY25	54.91%
FY26	61.78%

Cheddar Cheese

5,694 MT Installed capacity, FY26 | **3,627** MT Available capacity, FY26

Capacity unchanged since FY24

Capacity Utilisation

FY24	106.09%
FY25	89.10%
FY26	114.40%

How to read these cards Each bar shows how much of that year's installed capacity was actually used.

FY2024 - lightest shade | FY2025 - mid shade | FY2026 - darkest shade | Running above nameplate capacity | 100% of installed capacity

Bars run on a 0–120% scale, so anything past the dashed line is production above rated capacity.

Capacity utilisation is calculated on installed capacity as at each fiscal year end. Paneer, Pouch Curd and Set Curd added capacity during the period, which resets utilisation lower even where absolute production rose.

Key Strengths (1/5)

Brand-led pricing power - it charges more, and shoppers keep buying

Paneer & curd priced above the market

Index: market-average price of large Indian brands = 100. Milky Mist paneer & curd sell 10–30% higher.

33.0%
FY26 gross margin - FMCG-like

#1
milk realisation vs listed peers

Three reasons the premium sticks

>85% daily-consumption demand

Over 85% of FY26 revenue is everyday products (paneer, curd, yoghurt, ghee, butter) bought routinely by households - sticky, repeat, non-discretionary demand rather than one-off indulgence.

538 new SKUs, Rs. 884 Cr

New products launched between FY22- FY26 contributed Rs. 884 Cr, ~28% of revenue(FY26) - constant innovation keeps the brand fresh and lets it lead on price rather than follow.
New Product Sales Growth: Scaled rapidly at an exceptional CAGR of 74.54% between Fiscals 2024 and 2026

Trust that underwrites the price

US FDA-approved facility with FSSC 22000, ISO 22000 / 45001 / 14001, BIS and Agmark certifications - the credibility premium buyers pay for, and the passport to institutional and export shelves.

Why it matters: Pricing power is the hardest moat to fake - it shows the brand, not the commodity, is doing the selling. It is what lets a mid-sized dairy earn FMCG-like gross margins (~33%) and screen against Britannia and Nestle rather than a liquid-milk co-operative.

Source: RHP, Company

Key Strengths (2/5)

A backward + forward integrated supply chain - owned end-to-end

74,000+
Farmers
Direct milk procurement

1 Mega
Plant
Fully automated, US-FDA approved

4,001
Distributors
375+ owned vehicles

3.75 lakh+
Retail outlets
41,000+ visi coolers & freezers

Highest milk realisation

Owning procurement + processing means the full value-added margin stays in-house - Rs. 77.8/litre vs peers well below.

Cold chain as a barrier

IoT-tracked reefer fleet and 41,000+ chillers at retail put chilled, high-protein products where rivals can't reliably reach.

In-house logistics = lower cost

100% end-to-end owned logistics with reverse-logistics savings; no dependence on third-party distributors.

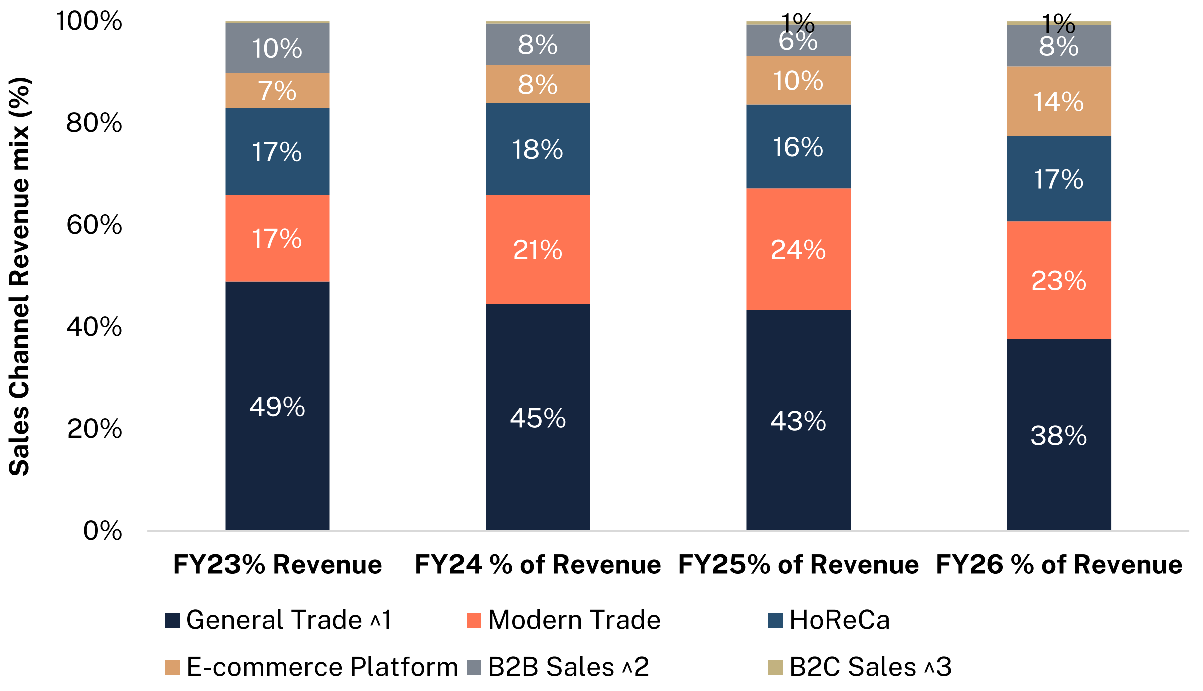
The integration flywheel: control over milk, manufacturing and last-mile cold chain is expensive to build and slow to copy - it underpins both the premium pricing and the ~48-day working-capital cycle.

Source: RHP, Company

Key Strengths (3/5)

From a South-India dairy to a pan-India packaged-food brand

Sales channel mix shifting to modern & online



- ^1 **General Trade** includes sales to local mom-and-pop stores, quick commerce platforms, and export sales.
- ^2 **B2B Sales** represents bulk quantity business-to-business sales, primarily of whey powder (a by-product of paneer and cheese manufacturing) sold to biscuit manufacturers, and cheese sold to fast-food chains.
- ^3 **B2C Sales** covers direct-to-consumer sales generated through Milky Mist exclusive branded parlours and the company's proprietary online platform

18.6% → 26.6%	Revenue from non-South India (FY23 → FY26)
+97%	Growth in distributor count, FY23–26
+206%	Modern-trade revenue growth, FY23–26
+348%	E-commerce platform revenue growth, FY23–26

The de-risking story: As Milky Mist pushes in north and into modern trade and e-commerce, it reduces single-region dependence while riding India's fastest-growing retail channels - both mix-enriching and volume-additive.

Source: RHP, Company

Key Strengths (4/5)

A category creator that climbs the value ladder - and leads where it lands

Climbing the dairy value ladder

Emerging / high-protein VADP

Greek yogurt, Skyr, high-protein paneer & cheese, probiotics, frozen foods

Premium VADP

Cheese, yogurt, ghee, butter, ice-cream, UHT, whey powder

Core VADP base

Packaged paneer, curd, khova - the 25-year foundation

value per litre ↑

Organized-market share leadership (FY26)

35–40%	Greek yogurt (organized, India)
19%	Packaged paneer (organized, India)
13%	Yogurt (organized, India)
12%	Cheese - Southern region (organized)
7%	Curd - Southern India (organized)
5%	Packaged cheese (organized, India)

Why it compounds: Milky Mist doesn't just add products - it creates categories and then leads them, from 25-year-old paneer to newly-built Greek yogurt (~35–40% share). New launches are already ~28% of FY26 revenue (up from 22%), and that leadership is what supports the 10–30% pricing premium.

Source: RHP, Company

Key Strengths (5/5)

Three layers that turn day-to-day dairy operations into decision-ready intelligence - 1) Core Operations 2) Integrated Digital Ecosystem 3) Data Visibility & Analysis

01 Core Operations

The physical value chain of the dairy business - from milk procurement through production, sales, distribution and delivery. This is the operational backbone every other layer is built on.

INCLUDES

- Milk Procurement
- RM & PM Purchase
- Production & QC
- Inventory
- Sales
- Consumer
- D2C
- Retail Dairy Shops
- Distribution
- Transport

VALUE IT ADDS

A single, well-defined set of processes ensures nothing in the farmer-to-consumer journey is missed or run ad hoc.

02 Integrated Digital Ecosystem

A dedicated software platform for each core function - spanning procurement, ERP, inventory, sales, service and logistics - all connected rather than run as isolated tools.

INCLUDES

- Everest & Milkmatic
- Vendomatic
- MS Dynamics 365
- Stockmatic
- Salesmatic
- ZenDesk
- Rodeo
- Retailmatic
- Distomatic
- Trackobox

VALUE IT ADDS

Digitizes every transaction at the source, replacing manual records with clean, structured, connected data.

03 Data Visibility & Analysis

Purpose-built analytics sit on top of every system, converting raw transaction data into ready-to-act insight for management across the value chain.

INCLUDES

- Farmer & Milk Analysis
- Vendor & Purchase Analysis
- Production Planning & Analysis
- Inventory Aging & Analysis
- Primary Sales Analysis
- Consumer Feedback Analysis
- Consumer Trend Analysis
- Tertiary Sales Analysis
- Secondary Sales Analysis
- Vehicles Monitoring

VALUE IT ADDS

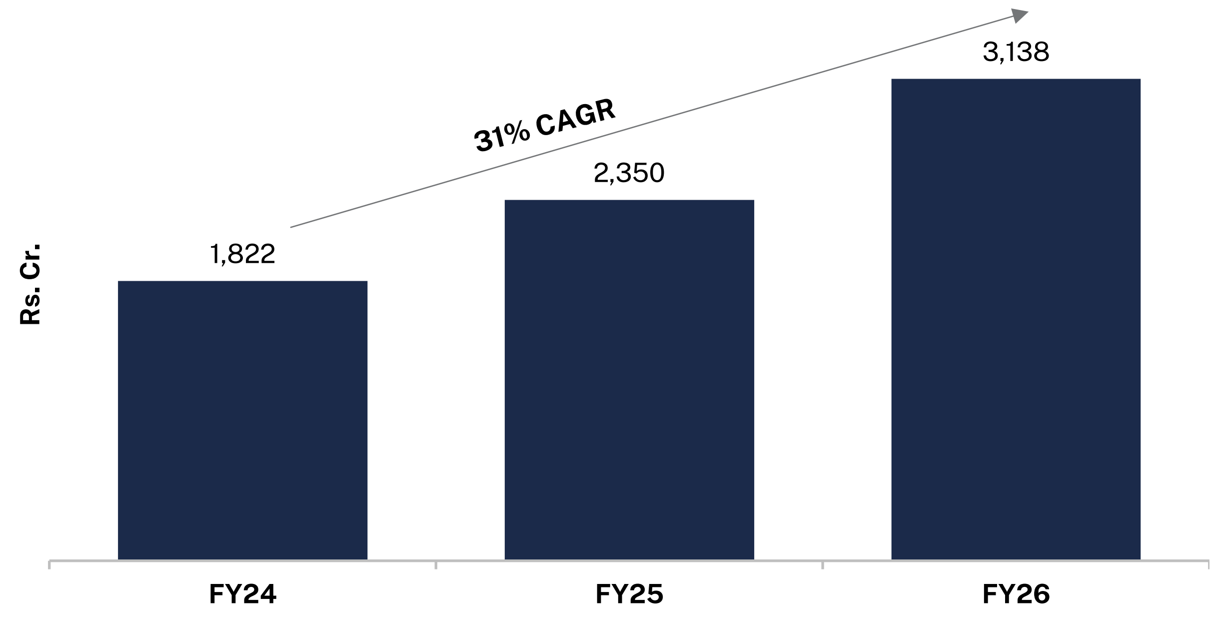
Gives leadership real-time visibility and trend analysis - from farmer payments to consumer sentiment - for faster, sharper decisions.

Source: RHP, Company

Financials vs Peers (1/4): Growth

Growth is the headline - and it is unmatched in the peer set

Revenue has more than doubled in three years, to Rs. 3,138 cr



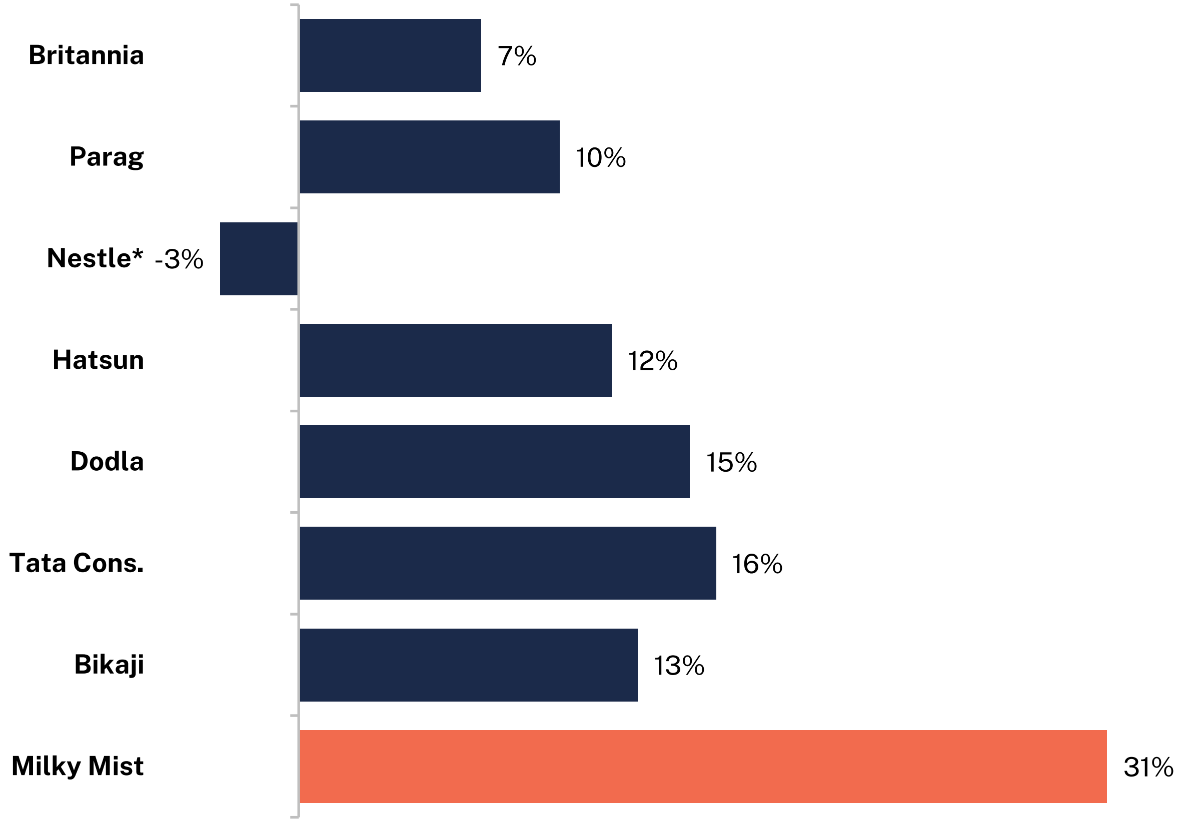
31%

revenue CAGR FY24–26

~1.7x

scale-up in three years

Revenue CAGR (FY24–26) vs peers - Milky Mist grew twice as fast as the fastest-growing peer



Read-through: at ~31%, Milky Mist compounded revenue ~2x the best-growing listed peer and ~2.7x the peer average (~10%) - the single clearest reason the stock screens differently from the dairy pack. Does the profitability keep up? The next slides answer that.

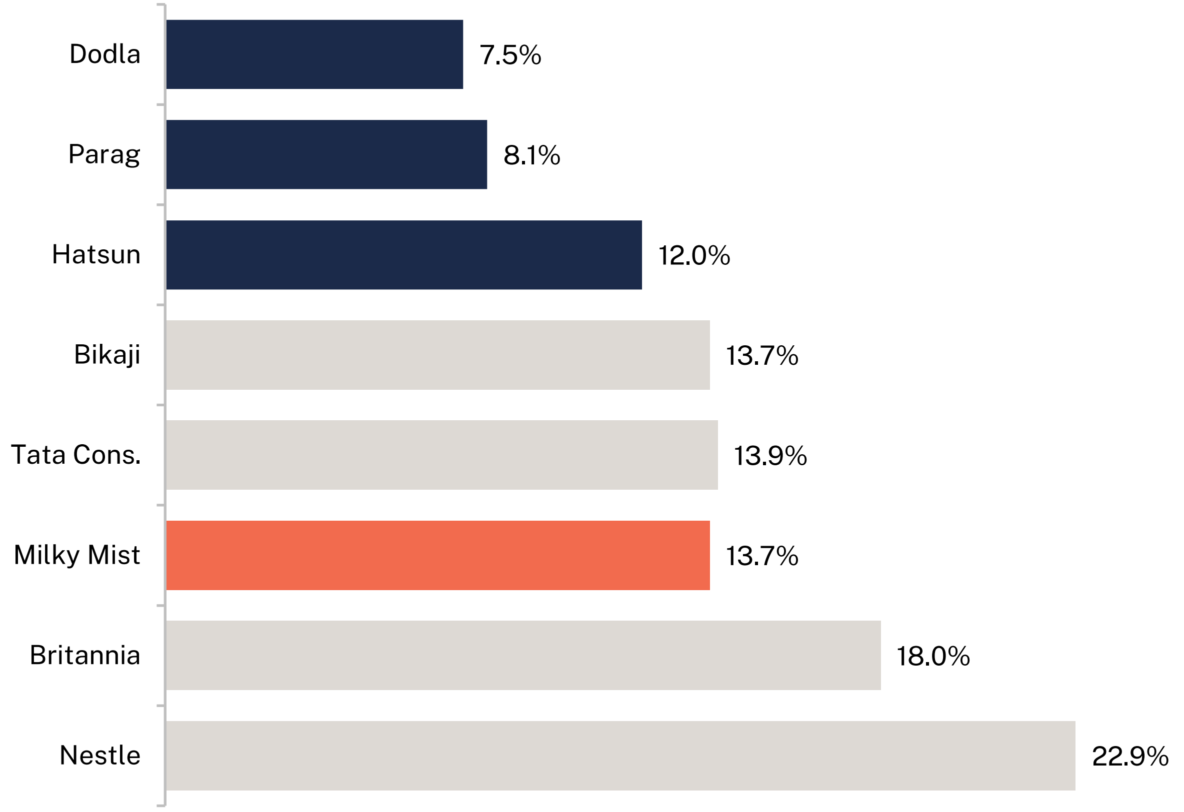
Source: RHP, Company

** The FY24 reported revenue is of 15 months ending 31/3/24*

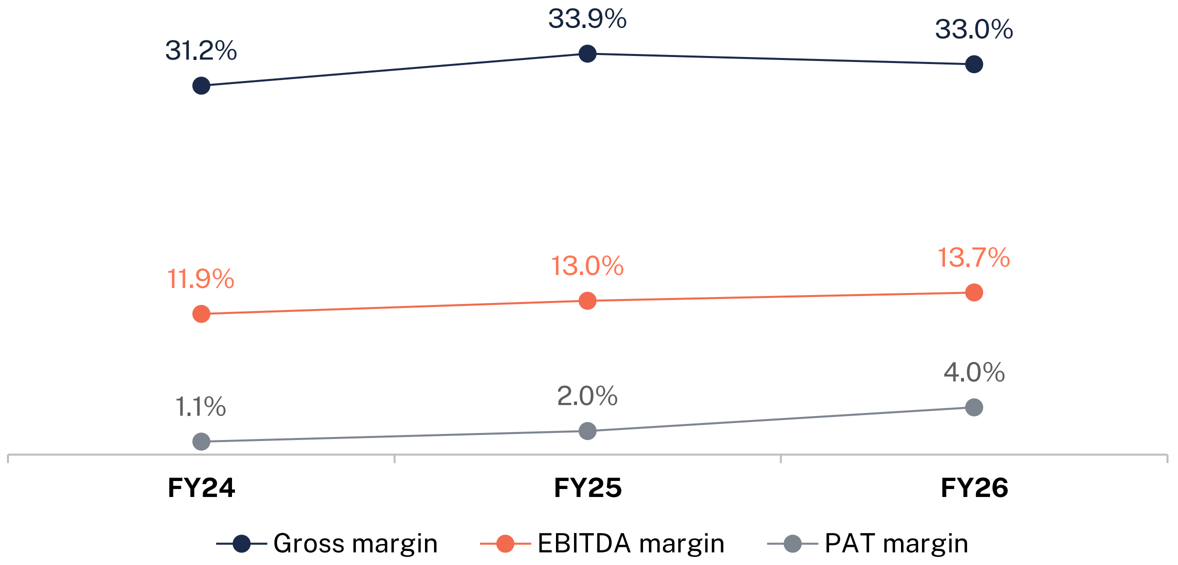
Financials vs Peers (2/4): Profitability

Mid-pack on EBITDA margin, thin on PAT - but both are rising fast

EBITDA margin (FY26) vs peers - Margins beat dairy peers, trail the FMCG majors



Milky Mist margin ladder (%)



+280 bps
PAT margin gain, FY24 to FY26

33.0%
gross margin FY26 (premium mix)

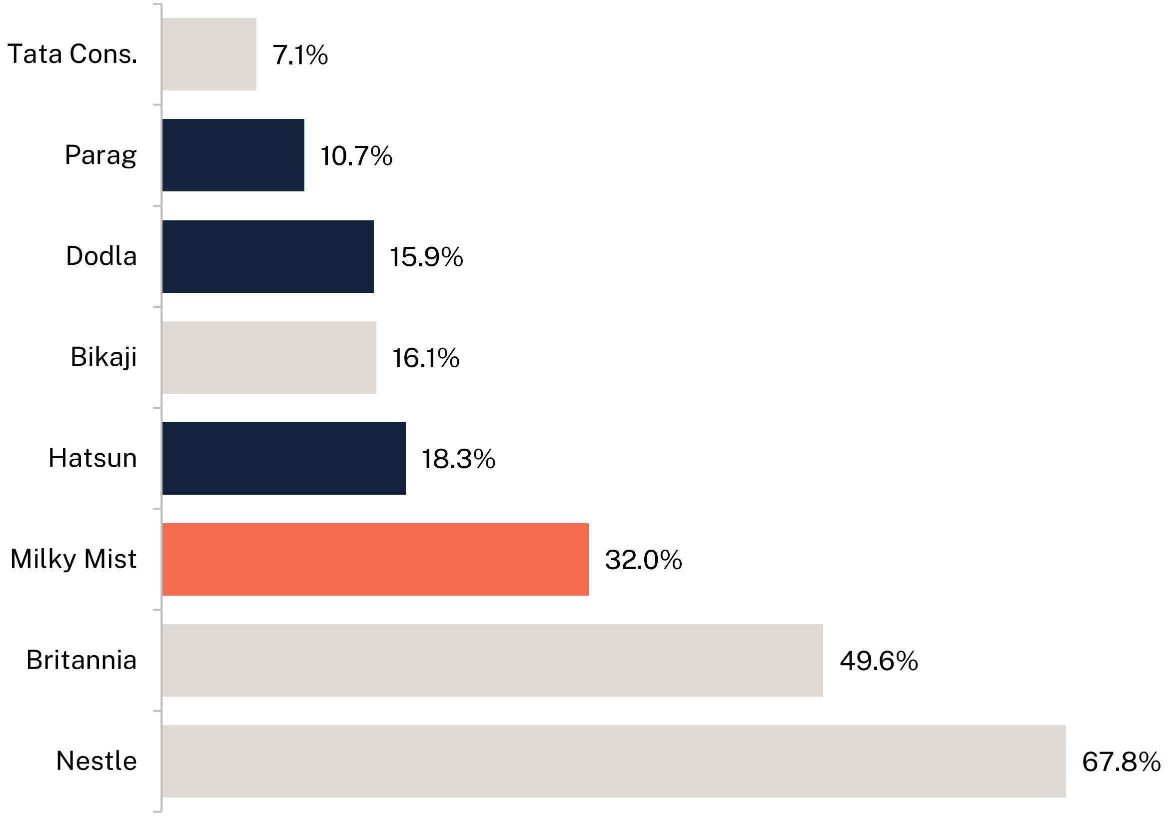
The analytical point: gross margin (~33%) is already FMCG-like, but EBITDA margin sits mid-pack because the brand-building and cold-chain cost base is still scaling. PAT margin is thin (~4%) as depreciation and interest from the mega-plant weigh on it - both should expand as the plant sweats.

Source: RHP, Company

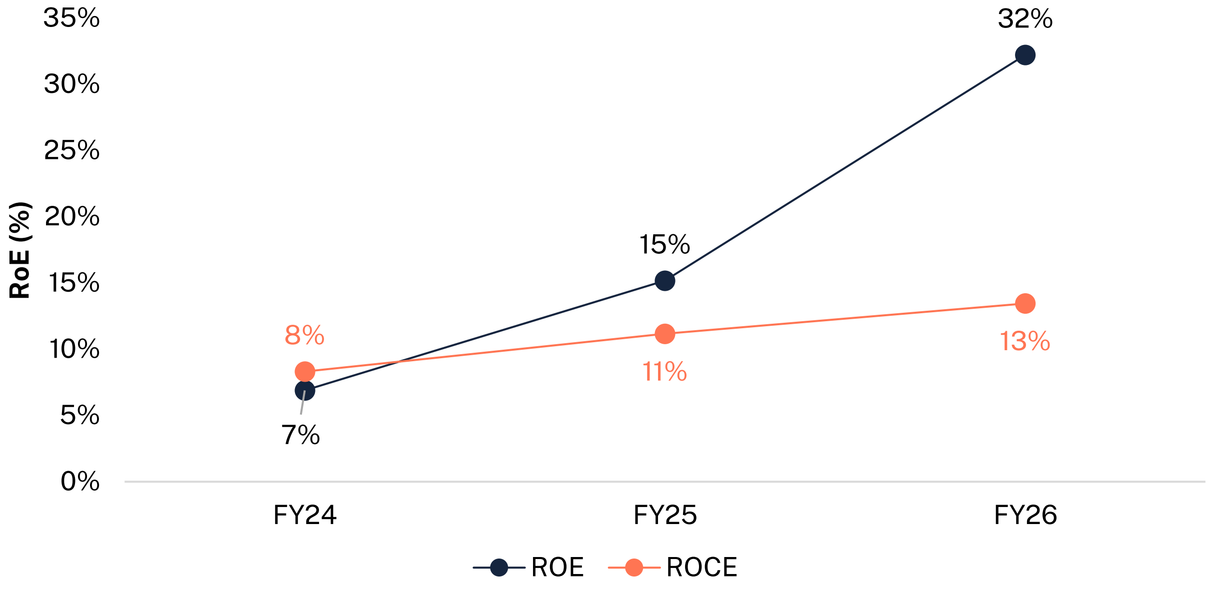
Financials vs Peers (3/4): Returns & Efficiency

Top-quartile returns on equity; capital efficiency still building

ROE (FY26) vs peers



Milky Mist returns



3rd

highest ROE in the peer set

1.3x

fixed-asset turnover FY26 (rising)

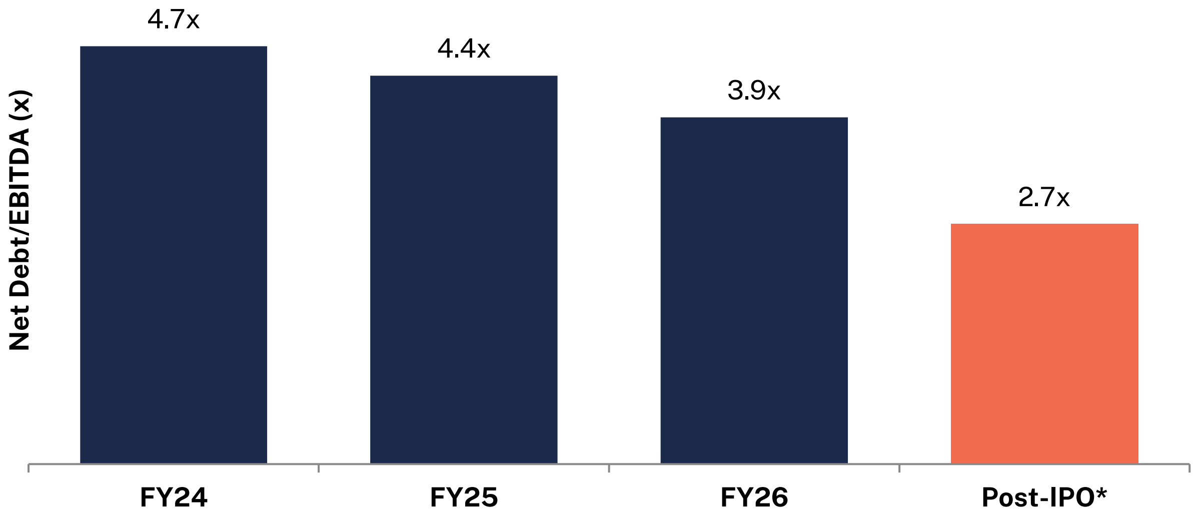
Why the gap between ROE and RoCE: RoE of 32% is the third-highest in the peer set, flattered by high leverage on a small equity base; RoCE of 11.7% is more sober and reflects the capital tied up in the new plant. As debt falls post-IPO and the plant fills, the two should converge upward.

Source: RHP, Company

Financials vs Peers (4/4): Leverage & Cash

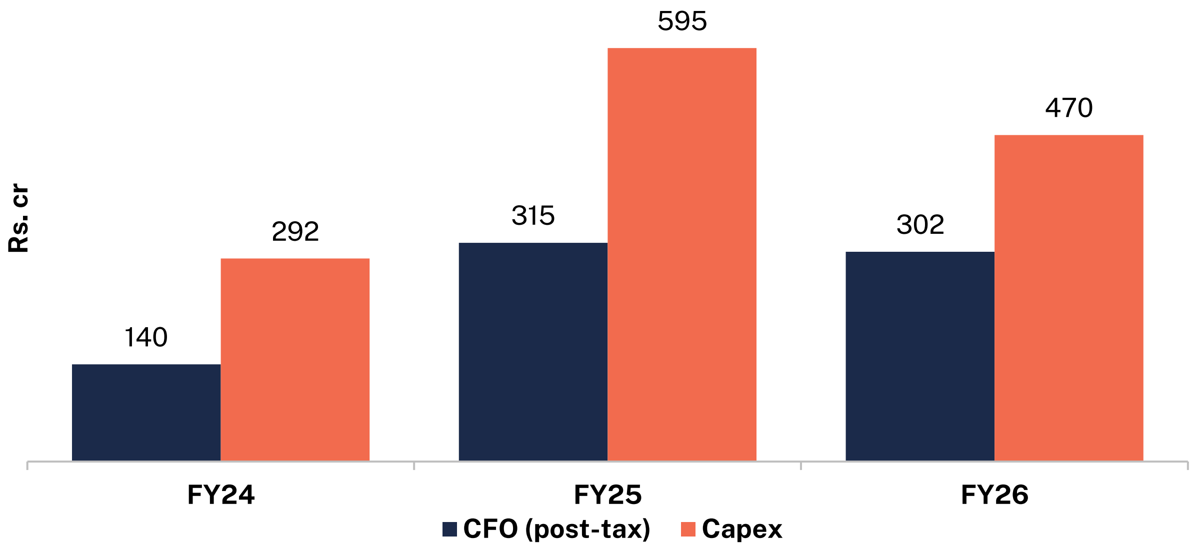
The trade-off for growth: leverage - which the IPO is built to reset

Net debt / EBITDA (x) - peaking, then reset



after Rs. 497 Cr of fresh proceeds repay borrowings.

Operating cash flow vs capex (Rs. Cr)



- Milky Mist benefits from a **3% interest subvention under the AHIDF scheme** for up to **8 years** (including a 2-year moratorium), reducing finance costs by **Rs. 26 Cr in FY26** (Rs. 18 Cr in FY25; Rs. 13 Cr in FY24).
- The subsidy meaningfully lowers borrowing costs and supports profitability and is applicable through FY31.

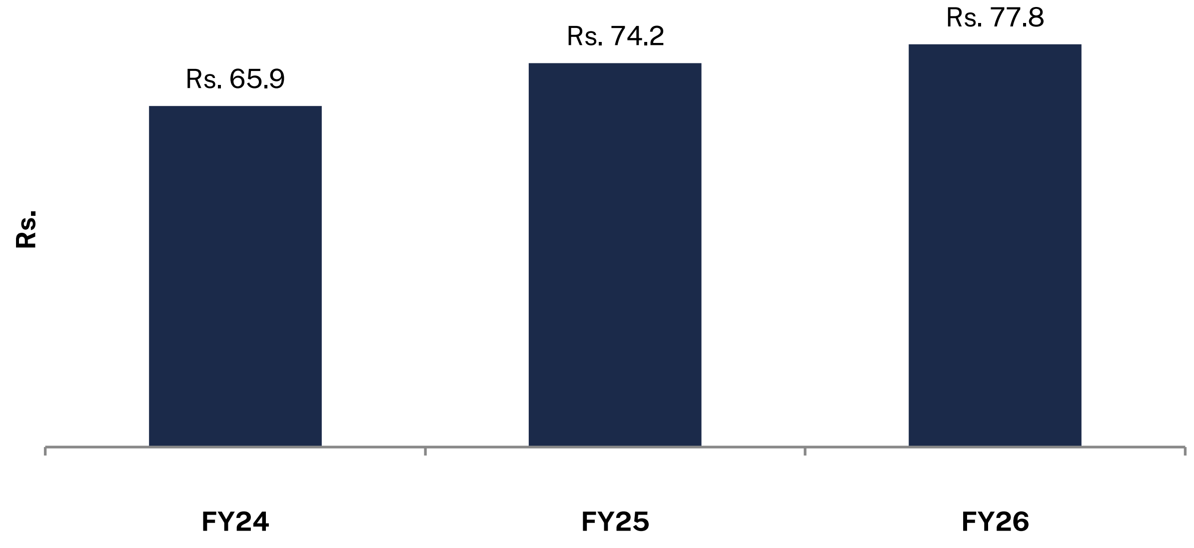
Bottom line: Leverage is the clear cost of Milky Mist's fast, self-built expansion - unlike its net-cash FMCG peers, it funded the plant with debt. Operating cash flow already covers maintenance needs; the fresh issue does the heavy lifting on the balance sheet, taking leverage toward ~2.7x.

Source: RHP, Company

Key Performance Indicators (1/2): Operating

The operating engine - where the premium model shows up

Realisation per litre of milk (Rs.)



Highest among all listed dairy peers. Owning the milk and selling only value-added products converts each litre into premium finished goods.

Volume, reach & efficiency

396 mn L

milk procured FY26 (up from 273 mn in FY24)

4,001

distributors, +56% since FY24 (vs 2,558)

48 days

working-capital cycle - tight for the sector

~28%

of FY26 revenue from launches in last 4 yrs

Read-through: These are the levers behind the financials - rising milk realisation drives the margin mix, the widening distributor base drives reach, and the tight working-capital cycle keeps the capex-heavy model funded. Together they explain how a 31% top-line compounds without the cash cycle blowing out.

Source: RHP, Company

Key Performance Indicators (2/2): Peer Scorecard

One scorecard: how Milky Mist stacks up against the peer set

KPI (FY26)	Milky Mist	Peer average	Peer best	Verdict
Revenue CAGR (FY24–26)	**31.1%**	11.4%	15.1% (Bikaji)	Far ahead
Gross margin	**33.0%**	34%	51%(Nestle)	FMCG-like
EBITDA margin	**13.7%**	13.2%	22.9% (Nestle)	In line / above
Return on net worth	**33.6%**	26.5%	67.8% (Nestle)	Top-3, above avg

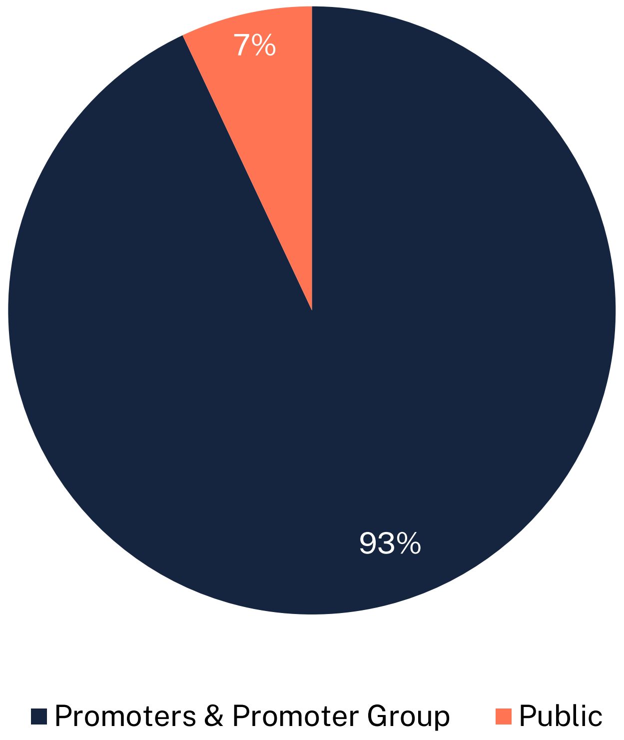
The verdict in one line: Milky Mist wins decisively on growth and returns and holds its own on margins - the two amber flags, leverage and valuation, are exactly what the IPO (deleveraging) and the growth runway (earnings catch-up) are meant to address.

Source: RHP, Company

Capital Structure

Promoter-led cap table; Temasek anchored the pre-IPO round

Ownership - Fully diluted



OFFER STRUCTURE

Rs. 1,553 Cr

total offer at the indicative upper band (Rs. 140)

- Fresh Issue of Rs. 1,428 Cr (primary) - debt repay Rs. 497 Cr, Perundurai capex Rs. 469 Cr, coolers Rs. 155 Cr, balance GCP.
- Offer for Sale of Rs. 125 Cr - Sathishkumar T (Rs. 75 Cr) and Anitha S (Rs. 50 Cr).
- Employee reservation up to Rs. 2 Cr.

≈ **Rs. 10,777 Cr** implied market cap @ Rs. 140

PRE-IPO ENTRY · APR 2026

Rs. 139.76

per share - pre-IPO placement + CCPS price

- Rs. 357 Cr raised in Apr-2026 via 5.44 lakh equity shares + 2.5 cr CCPS.
- Subscriber: Jongsong Investments (indirect Temasek subsidiary).
- CCPS converted 1:1 to equity on 22-Jul-2026.
- Pre-IPO amount was netted off the fresh issue, cutting it to Rs. 1,428 Cr.

Valuation read: At the upper price band of Rs. 140, the offer is valued at an EV/EBITDA multiple of 29x FY26 EBITDA - a growth multiple that leans on the 31%,41% revenue, EBITDA CAGR respectively and 32% RoE.

Source: RHP, Company

Outlook & Rating

IPO RATING

SUBSCRIBE

Long-term perspective

A category creator riding the shift to value-added, high-protein dairy - a quality compounder for patient capital, with balance-sheet repair and margin expansion as the key things to track.

WHY SUBSCRIBE

- **100% VADP pure-play** - the fastest-growing large packaged-food company in India (31% CAGR); FMCG-like economics.
- **Structural moat** - farm-to-retailer integration, highest milk realisation, 41,000+ cold-chain touchpoints and a 25-year brand.
- **Deleveraging + capex-led growth** - fresh proceeds cut net-debt/EBITDA toward ~2.7x while funding the Perundurai expansion.

Financial Snapshot (FY26)

31% Revenue CAGR (FY24–26)	**13.7%** EBITDA margin	**Rs. 127 Cr** PAT 156% CAGR (FY24-26)	**3.9x** Net debt / EBITDA
32% RoE	**13%** RoCE	**Rs. 77.8** Realisation / litre milk	**~2.7x** faster than peer growth

Market backdrop: India's value-added dairy market is ~Rs. 6.1 tn and the dairy market is set to grow from ~Rs. 6.8 tn (FY20) toward ~Rs. 19.6 tn (FY31P), with emerging VADP (Greek yogurt, cheese, whey, high-protein) the fastest sub-segment - exactly Milky Mist's focus.

At ~85x P/E and ~29x EV/EBITDA, the issue is priced above the entire listed peer set (peer average P/E ~52.6x, with the richest, Nestlé India, at ~80x), despite Milky Mist's thinner ~4% PAT margin and higher leverage (net debt/EBITDA ~3.9x). The multiple leaves little margin of safety and effectively prices in flawless execution on growth and margin expansion, so we flag valuation as the key risk to our **SUBSCRIBE** and view it as one for investors with a longer horizon and appetite for post-listing volatility.

Source: RHP, Company

Peer Comparison (FY26)

Benchmarked as an FMCG, not a liquid-milk dairy

Particulars	Milky Mist Ltd			Bikaji foods International Ltd			Britannia Industries Ltd			Dodla Dairy Ltd			Hatsun Agro Product Ltd			Nestle India Ltd			Parag Milk Foods Ltd			Tata Consumer products Ltd		
	FY24	FY26	CAGR	FY24	FY26	CAGR	FY24	FY26	CAGR	FY24	FY26	CAGR	FY24	FY26	CAGR	FY24 (15 M)	FY26	CAGR	FY24	FY26	CAGR	FY24	FY26	CAGR
Revenue (Rs. Cr)	1,822	3,138	31%	2,329	2,994	13%	16,769	19,151	7%	3,126	4,125	15%	7,990	9,959	12%	24,394	23,155	-3%	3,139	3,818	10%	15,206	20,290	16%
EBITDA (Rs. Cr)	217	429	41%	391	411	3%	3,167	3,251	1%	289	309	3%	922	1,177	13%	5,843	5,306	-5%	226	310	17%	2,323	2,815	10%
EBITDA Margin	12%	14%		17%	14%		18%	17%		9%	7%		12%	12%		24%	23%		7%	8%		15%	14%	
RoE	7%	32%		22%	18%		54%	54%		16%	17%		18%	19%		109%	76%		11%	12%		7%	7%	
RoCE	8%	13%		31%	22%		44%	56%		20%	16%		13%	15%		117%	81%		11%	14%		43%	42%	
P/E- TTM		85			56			52			26			58			79			21			66	
EV/EBITDA		29			34			36			18			19			51			11			35	

Growth leader

Milky Mist’s 31% revenue CAGR is more than double every listed peer - the clearest point of differentiation.

Best-in-class RoE

32% RoE trails only Nestle’s and Britannia’s, on a far smaller, faster-scaling base.

Priced for growth

At ~85x, the multiple sits at the top of the peer range - justified only if the growth-and-margin trajectory holds.

Source: RHP, Company, Screener.com

Financial Summary

Particulars (Rs.cr)	FY24	FY25	FY26
Profit & Loss- (Rs. cr)			
Revenue	1,822	2,350	3,138
Gross profit	569	796	1,035
EBITDA	217	305	429
Depreciation	107	136	170
EBIT	110	169	258
Other Income	5	5	7
Interest expense	72	86	106
PBT	43	88	158
NPAT	19	46	127
EPS (Rs.)	0.3	0.6	1.6
Balance Sheet-(Rs. cr)			
Net Worth	282	328	463
Total debt	1,037	1,376	1,672
Lease Liabilities	3	4	4
Other liabilities and provisions	112	137	148
Total Networth and liabilities	1,606	2,151	2,676
Gross Fixed assets	1,563	1,886	2,332
Net fixed assets	1,135	1,326	1,606
Capital work-in-progress	95	243	371
Cash and bank balances	16	21	14
Loans & advances and other assets	319	398	579
Net working capital	147	92	189
Total assets	1,606	2,151	2,676
Capital Employed	1,319	1,704	2,135
Invested Capital (CE - cash - CWIP)	1,208	1,440	1,750
Net debt	1,021	1,355	1,658
Cash Flows – (Rs. cr)			
Cash flows from Operations (Pre-tax)	148	331	330
Cash flows from Operations (post-tax)	140	315	302
Capex	-292	-595	-470
Free cashflows	-152	-280	-168
Free cashflows (post interest costs)	-224	-367	-274
Cash flows from Investing	-290	-545	-470
Cash flows from Financing	152	233	164
Total cash & liquid investments	16	21	14

Particulars(Rs.cr)	FY24	FY25	FY26
Growth ratios (%)			
Revenue	31%	29%	34%
EBITDA	10%	41%	40%
PAT	-29%	137%	176%
Margin ratios (%)			
Gross	31%	34%	33%
EBITDA	12%	13%	14%
PAT	1%	2%	4%
Performance ratios			
OCF/EBITDA	0.6	1.0	0.7
RoE (%)	7%	15%	32%
RoCE (%)	8%	11%	13%
RoIC(%)	8%	10%	12%
Fixed asset turnover (x)	1.2	1.2	1.4
Total asset turnover (x)	1.1	1.1	1.2
Financial stability ratios			
Net Debt to Equity (x)	3.6	4.2	3.6
Net Debt to EBITDA (x)	4.7	4.4	3.9
Interest cover (x)	1.5	2.0	2.4
Working capital days	64	53	51
Valuation metrics			
No. of Shares (Cr)	1.75	63.00	64.23
Market cap (INR Cr) *			10,777
P/E (x) *			85
P/OCF(x)*			35.7
EV (Rs.Cr)*			12,435
EV/ EBITDA (x)*			29
EV/ OCF(x) *			41
Price to BV (x) *			23

Source: RHP, Company
** Based on diluted no. of shares(Post IPO)*
*** Based on RHP*

Key Risks

01

Net debt/EBITDA of 3.9x (FY26) is high; the growth model is capex-heavy and debt-funded. Deleveraging depends on the IPO and on the plant expansion ramping to plan.

02

Milk (the key input) is a pass-through with a lag. Milk-price can compress an already slim bottom line.

03

Promoter & Promoter Group hold ~80% post-issue; there are no long-term customer volume contracts, and a large share of revenue still sits in a handful of core categories.

Also monitor regional concentration (still South-weighted), execution risk on the northward and new-category push, and any delay in the Perundurai capex that defers the margin and deleveraging benefits.

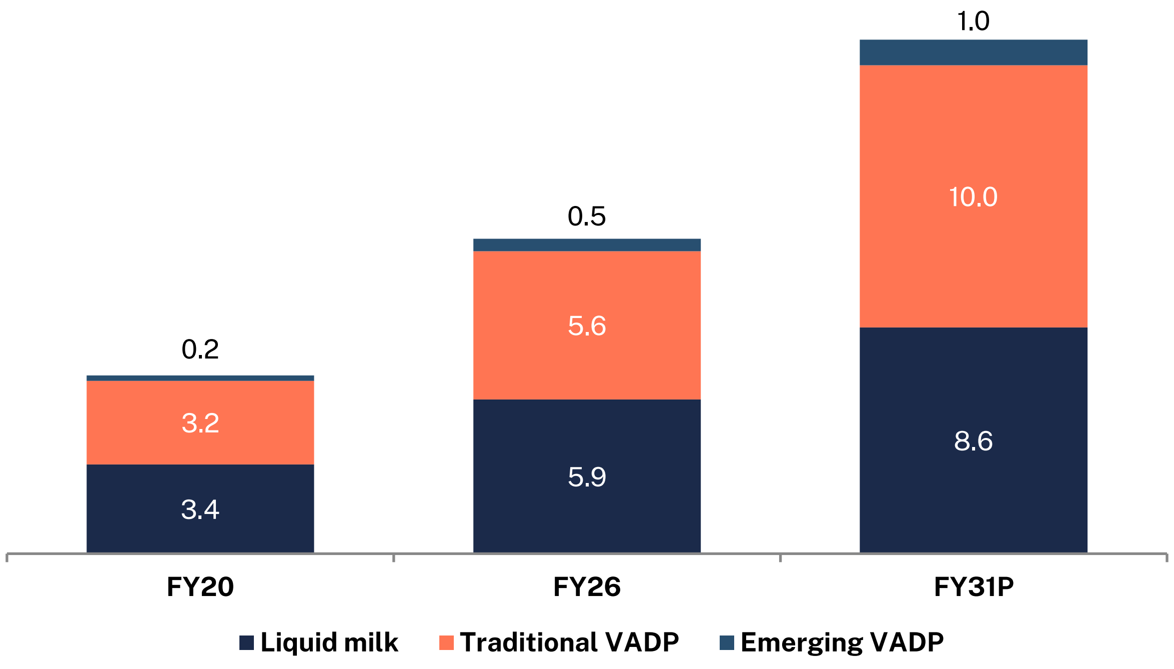
Source: RHP, Company

Annexure

Industry Overview

Value-added dairy is the fast-growing, under-penetrated slice

Indian dairy market shifting to VADP (Rs. Tn)



Total dairy market grows ~Rs. 6.8 tn → 12.0 → 19.6 tn over FY20–FY31P.

Fastest-growing VADP categories (FY26–31P)

Category	Type	FY20 (Rs. B)	FY26 (Rs. B)	FY31P (Rs. B)	CAGR FY26–31P
Cheese	Emerging	39	99	227	**18.0%**
Yogurt (flavoured/frozen)	Emerging	7	15	33	**17.0%**
Paneer	Traditional	420	974	2,136	**17.0%**
Milkshakes	Traditional	43	81	171	**16.0%**
Buttermilk & lassi	Traditional	139	289	582	**15.0%**
Whey & whey products	Emerging	48	95	191	**15.0%**
Curd	Traditional	463	839	1,478	**12.0%**
Khoa & dairy sweets	Traditional	1,086	1,683	2,672	**9.7%**

Why it favours Milky Mist: growth is led by exactly the emerging, high-protein and premium categories - Greek yogurt, cheese, whey, high-protein paneer - where Milky Mist is a category creator and organized-market leader, and where organized penetration is still low.

Source: RHP, Company

Disclaimer (1/2)

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BUY	Stock expected to provide positive returns of >15% over a 1-year horizon	**REDUCE**	Stock expected to provide returns of <5% – -10% over a 1-year horizon
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