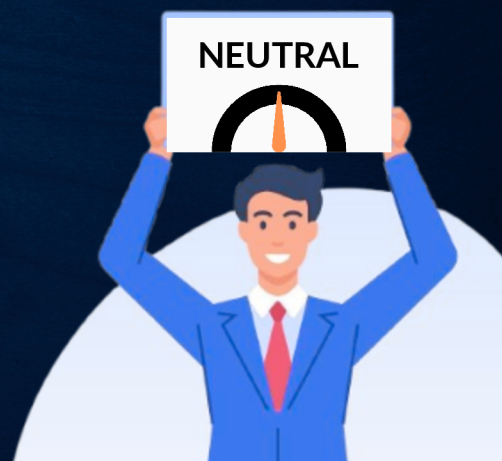


milkymist

IPO NOTE

MILKY MIST DAIRY FOOD LIMITED



Rating:

NEUTRAL



ISSUE OFFER

Issue Opens on	AUG 11, 2026
Issue Close on	AUG 13, 2026
Total IPO size (cr)	₹1,553
Fresh issue (cr)	₹1,428
Offer For Sale (cr)	₹125
Price Band (INR)	₹133-140
Market Lot	107 SHARES
Face Value (INR)	₹2
Listing At	BSE, NSE
Market Cap (Pre IPO)	₹10,777.81 CR.

ISSUE BREAK-UP (%)

QIB Portion	50%
NII Portion	15%
Retail Portion	35%

INDICATIVE TIMETABLE

Basis of Allotment	14-08-2026
Refunds/Unblocking ASBA Fund	17-08-2026
Credit of Share to Demat A/c	17-08-2026
Listing Date	18-08-2026

Founded in 2014, Milky Mist is one of India's fastest-growing premium dairy brands, offering products like cheese, paneer, butter, curd, ghee, ice cream, and ready-to-eat foods.

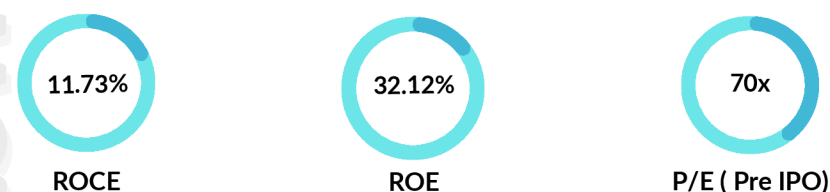
OBJECTS OF THE ISSUE

- Repayment of existing borrowings
- Capex for Perundurai manufacturing facility expansion & modernization
- Deployment of visi coolers, ice cream freezers & chocolate coolers
- General corporate purposes

FINANCIALS (RESTATED CONSOLIDATED)

PARTICULARS (IN CRORE)	FY 2026	FY 2025	FY 2024
Equity Share Capital	128.46	126.00	3.50
Net Worth	377.99	242.77	197.05
Revenue from operations	3,138.36	2,349.50	1,821.61
EBITDA Margin%	13.87%	13.21%	12.21%
Net Profit/Loss of the year	127.01	46.07	19.44

FINANCIAL RATIOS OF FY26



OUTLOOK & VALUATION

- Delivered a 33.6% revenue CAGR, expanding margins, and a 32% RoE, supported by leadership in the value-added dairy segment.
- Milky Mist is valued at ~85x FY26 post-IPO earnings, a premium to the dairy sector average of ~52.5x P/E. However, the premium appears justified given its FMCG-like margins and pure-play value-added dairy business, unlike traditional liquid milk processors such as Hatsun and Heritage.
- Temasek (via Jongsong Investments) invested ₹482 crore in a pre-IPO round (acquiring a ~5.2% stake at ₹139.76 per share), which validates the current valuation and upper price band of ₹140.
- Aggressive investor can apply while a more favourable entry point may emerge post-listing as leverage declines and earnings quality improves.



COMPANY PROFILE

- Milky Mist Dairy Food Limited is a packaged food company engaged in the business of procuring milk and manufacturing a diverse range of value-added dairy products.
- The company's business model is exclusively focused on premium, higher-margin products rather than liquid milk, generating its revenue from the sale of its extensive product portfolio.
- Its offerings include paneer, cheese, curd, butter, ghee, yogurt, ice cream, and UHT long-shelf-life products, marketed under the 'Milky Mist' brand.
- The company has also diversified into adjacent categories like ready-to-cook and ready-to-eat foods.
- All products are produced at its manufacturing facility in Tamil Nadu, which is strategically located in a region with high raw milk availability.
- With a strong market presence in South India, the company concentrates on creating innovative products to meet evolving consumer preferences for value-added dairy items.



COMPETITIVE STRATEGIES

- The Company intends to strengthen its market share in Southern India while selectively expanding into other regions to drive higher sales and revenues.
- The company has consistently invested in capacity expansion, technology upgradation and new product development across its manufacturing facilities.
- Further strengthen the brand visibility and brand equity
- Grow inorganically through strategic acquisitions
- Grow inorganically through strategic acquisitions



KEY CONCERNS

- Business is highly dependent on the "Milky Mist" brand.
- Inability to effectively manage inventory could lead to spoilage and waste.
- Operations are concentrated, with a single manufacturing facility in Tamil Nadu.
- Failure to manage food safety standards and quality could lead to liability.
- High dependence on raw milk supply, subject to price and availability fluctuations.



KEY STRENGTHS

- Exclusively focused on high-margin, value-added dairy products.
- Strong brand recognition and market leadership in South India.
- Extensive and diverse product portfolio catering to varied consumer needs.
- Advanced, large-scale manufacturing and in-house production capabilities.
- Product innovation focus, including health and convenience-driven offerings.

COMPARISON WITH LISTED INDUSTRY PEERS

Name of the Company	EPS (₹ Basic)	P/E	NAV	Revenue (cr.)	RoNW%
Milky Mist Dairy Foods	1.98	70	5.87	3,138.36	33.60%
Peer Group					
Bikaji Foods International Ltd	10.31	62.33	64.03	2,993.86	16.07%
Britannia Industries Ltd	105.18	51.98	212.01	19,151.59	49.61%
Dodla Dairy Ltd	44.26	24.26	277.5	4,125.20	15.95%
Hatsun Agro Product Ltd	15.99	58.2	87.3	9,959.22	18.32%
Nestle India Ltd	18.15	79.76	26.74	23,154.60	67.85%
Parag Milk Foods Ltd	11.06	21.28	93.44	3,817.50	10.73%
Tata Consumer Products Ltd	15.59	70.08	220.02	20,290.43	7.08%
Average of Listed Peers		52.56			



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