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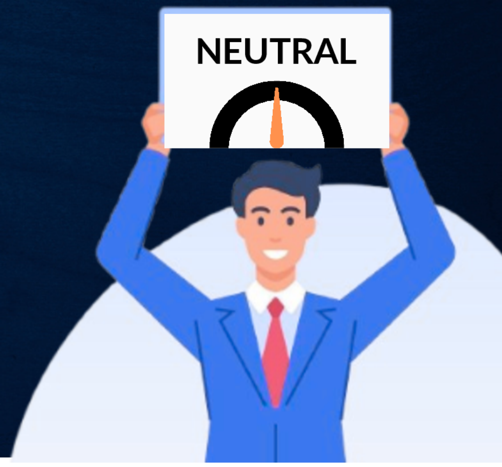

Milky Mist

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

ROCE	ROE	P/E (Pre IPO)
11.73%	32.12%	70x

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
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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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