

Kwality Ltd, reports financial results for the quarter and half year ended September 30, 2016

Net Sales up 8.80% at Rs 15,403 Mn in Q2FY17

Net Profit up by 12.19% at Rs 421 Mn during the same period

Editor Synopsis

Q2FY17 Results (Comparisons with Q2FY16)

- Net Sales at Rs 15,403 Mn vis-a-vis Rs 14,157 Mn
- EBIDTA at Rs 1,033 Mn vis-a-vis Rs 858 Mn
- PBT at Rs 636 Mn vis-à-vis Rs 496 Mn
- PAT at Rs 421 Mn vis-à-vis Rs 375 Mn
- Diluted EPS at Rs 1.77 vis-à-vis Rs. 1.60

H1FY17 Results (all comparisons with H1FY16)

- Net Sales at Rs 30,138 Mn vis-à-vis Rs 28,120 Mn
- EBIDTA at Rs 1,990 Mn vis-a-vis Rs 1,778 Mn
- PBT at Rs 1,271 Mn vis-à-vis Rs 974 Mn
- PAT at Rs 844 Mn vis-à-vis Rs 729 Mn
- Diluted EPS at Rs 3.57 vis-à-vis Rs 3.11

New Delhi, December 12, 2016: Kwality Limited, India's largest private dairy company reported Net Sales of **Rs 15,403 Mn up by 8.80%** for Q2FY17 as against **Rs 14,157 Mn** in the corresponding quarter of last year; Net Profit during the same period stood at **Rs 421 Mn up by 12.19% at as against Rs 375 Mn for the quarter ended 30th September 2015**. The EBIDTA is up **by 20.37% at Rs 1,033 Mn as against Rs 858 Mn** in the corresponding quarter of last year. Diluted EPS in **Q2FY17 stood at Rs 1.77, up by 10.74% as against Rs 1.60 in Q2FY16**.

For the Half Year ended September 30, 2016, the company reported Net Sales of **Rs 30,138 Mn up by 7.17% as against Rs 28,120 Mn** in the corresponding period of last year; Net Profit during the same period stood at **Rs 844 Mn up by 15.65% at as against Rs 729 Mn** for the six months ended 30th September 2015.

The EBIDTA is up **by 11.96% at Rs 1, 990 Mn** in H1FY17 as against **Rs 1,778 mn in H1FY16**.

Diluted EPS for the half year ended September 30, 2016, stood at **Rs 3.57, up by 14.90% compared to Rs. 3.11** for the same period last year.

Commenting on the company's results, Mr. Nawal Sharma - President & Head Business Transformation, Kwality Ltd said, "Our B2C business grew significantly during Q2FY17 registered a growth of 36.03% to reach Rs 6,063 mn as against Rs 4,457 Mn in Q2FY16. For H1FY17, the overall B2C segment stood at Rs 11,986 Mn, up by 33.30% compared to Rs 8,992 Mn same period last year, driven by enhanced focus on consumer business and leveraging on strong position in North India.

*With our persistent focus on B2C segment coupled with new brand campaign and planned product roll-outs of value-added products, we shall continue to witness strong growth in the forthcoming years. We believe favorable demographics such as **Rising disposable income and changing consumer lifestyle** would further support our growth story.*

*Also, during the quarter, we continued our efforts to become best-in-class consumer facing dairy company in India compliant with global standards by stepping up various business functions across the value chain. We increased our procurement network to **3,25,000 farmer families across 4,500 villages in U.P., Haryana, and Rajasthan, incurred capex for capacity augmentation, launched our new brand campaign and products, expanded our sales and distribution network to 1,900 distributors with network of 45,000 touch points, switched to a cloud-based solution for sales automation and channel management, inducted senior professionals, Group Brand Manager and CFO having rich experience in consumer companies, and built world-class quality control systems within the organization. We are confident that our structured and holistic approach would enable seamless execution of our business plans.***

ABOUT KWALITY LIMITED:

Incorporated in 1992, Kwality Limited is amongst largest and fastest growing private dairy companies in India today with **milk processing capacity of 3.4 Mn Litres /Day** through our six state-of-the-art plants strategically located close to key north markets. The company has established procurement network comprising of ca. **325,000 farmer families across ca. 4,500 villages in U.P., Haryana, and Rajasthan** which are amongst the largest milk producing states of India. The product range includes variants of pouched milk, ghee, cow ghee, Livlite 85% less cholesterol ghee, curd, skimmed milk powder, wake up creamer, chaach, lassi and other dairy products, catering to retail and institutional customers through its wide distribution network. The Company is in the process of launching value-added products such as flavored milk, tetra pack milk, cheeses in numerous variants, yoghurts, cream, table butter, amongst others. The aim is to launch multiple variants of such products over a period of time. Kwality Limited was conferred the Dun & Bradstreet Corporate Award 2014 as the top Indian Company under the sector 'Food & Agro Processing'.