ArihantCapital
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IPO Note
11th August 2026

Milky Mist Dairy Food

Neutral

Rating: Neutral

Issue Offer

Total issue size: INR 15,532.05 Mn (110.9 Mn shares) - OFS of INR 1,250 Mn (8.9 Mn shares) and Fresh Issue of INR 14,280 Mn (102 Mn shares).

Issue Summary	
Price Band (INR)	133-140
Face Value (INR)	2
Implied Market Cap (INR mn)	1,07,778.10
Market Lot	107
Issue Opens on	11 August, 2026
Issue Close on	13 August, 2026
No. of share pre-issue	66,78,28,789
No. of share post issue	76,98,43,412
Listing	NSE / BSE

Issue Break-up (%)	
QIB Portion	28.57%
NIB Portion	21.43%
Retail Portion	50.00%

Book Running Lead Managers
JM Financial Ltd

Registrar
Kfin Technologies Ltd

Shareholding Pattern		
	Pre-Issue	Post-Issue
Promoters	93.00%	79.51%
Public & Others	7.00%	20.49%

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Milky Mist Dairy Food Limited is a leading Indian value-added dairy products company, engaged in the procurement and processing of milk and manufacturing a diversified portfolio of premium dairy products. The company offers paneer, cheese, curd, butter, ghee, yogurt, ice cream, cream, UHT products and other value-added offerings under the 'Milky Mist' brand, along with frozen foods, RTE/RTC products and chocolates through its associated brands. With a strong focus on value-added dairy rather than liquid milk, an integrated supply chain, direct farmer procurement and a large manufacturing base in Tamil Nadu, the company has established a strong presence in South India, particularly across paneer, curd and cheese categories.

Investment Rationale:

Strong regional leadership with expanding reach
Milky Mist has a strong presence in Southern India, with regional revenue growing at a 27.2% CAGR during FY24-FY26. The company is expanding into other regions through e-commerce, quick commerce, modern trade and new distributors, supported by 144 exclusive parlours across 8 states/UTs.

Capacity expansion backed by strong procurement network
The company invested INR 4,487 Mn in property, plant and equipment in FY26 to expand and modernise manufacturing capacity. Its direct procurement network of 74,654 farmers across four states ensures reliable milk sourcing, while planned capacity additions across protein concentrate, yogurt and cheese should support growth.

Strong brand with multiple growth levers
Milky Mist is strengthening brand visibility through digital marketing, advertising and influencer-led initiatives. Deployment of 30,000 ice cream freezers, 24,000 visi coolers and 12,000 chocolate coolers should improve retail penetration, while strategic acquisitions and automation provide additional growth and efficiency opportunities.

Valuation & Outlook: Milky Mist Dairy Food Limited is well positioned to capitalize on India's rapidly growing value-added dairy market, supported by its strong brand, leadership in Southern India, diversified premium product portfolio and expanding distribution network. The company's focus on high-margin value-added dairy products, capacity expansion, direct milk procurement and increasing penetration across newer geographies provides a strong platform for sustained revenue and earnings growth. Its investments in manufacturing capacity, retail infrastructure, technology-led automation and strategic acquisitions should further support scale, product innovation and operational efficiency. **At the upper band of INR 140, the issue is valued at around 84.9x P/E based on FY26 earnings. Given the strong growth prospects but premium valuation, we are recommending a "Neutral" rating for the issue.**

Financial Summary:

Particulars (INR Mn)	FY24	FY25	FY26
Revenue	18,268.55	23,547.93	31,450.09
Growth (%YoY)		*29%*	*34%*
EBITDA	2,223.30	3,103.46	4,352.19
Margins	*12%*	*13%*	*14%*
PAT	194.44	460.74	1,270.09
Margins	*1%*	*2%*	*4%*
Debt	10,367.20	13,763.80	16,718.50

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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