Milky Mist Dairy Food (MILMIS)

ICICI Direct

Price Band: ₹ 133-140

UNRATED

August 10, 2026

Leading value-added dairy food player in South India

About the Company: Milky Mist Dairy Foods Ltd. (Mily Mist) is a packaged food company with diversified portfolio of cheese, paneer, curd, ghee, yogurt, ice cream, chocolates, frozen foods, ready-to-eat and ready-to-cook products, marketed under Milky Mist and sub-brands SmartChef, Capella, Misty Lite, and recently acquired Briyas and Asal. The company operates 1 manufacturing facility in Perundurai, TN.

Key triggers/Highlights:

- Milky Mist is one of India's fastest-growing packaged food companies, focused on value-added dairy products. Revenues grew at ~31% CAGR over FY24-26, supported by its leadership in private packaged paneer with 19% share in organised paneer and 12% share in South India packaged cheese. Traditional paneer, cheese and curd contribute ~60% of revenues.
- Established businesses (paneer, cheese, curd and ghee) remains the core revenue driver growing at ~25% CAGR over FY24-26. Their contribution declined to ~75% in FY26 from ~83% in FY24. New premium value-added businesses (yoghurt, ice-cream, Skyr) scaled >5x, with contribution rising to ~13% from ~4%, driving overall revenue CAGR of ~31%.
- Milky Mist is leveraging its strong distribution network and higher advertising spends to expand beyond its core South India market, which contributed ~69% of revenues in FY26. Consequently, Rest of India revenue contribution increased to ~27% in FY26 from ~23% in FY24, providing a meaningful runway for geographic expansion.
- Milky Mist's focus on premium value-added products, alongside the shift in its business mix, has driven ~200bps EBITDA margin expansion to 13.7% in FY26 from 11.9% in FY24. As newer, higher-value categories gain scale, continued premiumisation should remain an important driver of profitability.
- Improved profitability has strengthened operating cash flows over the past 2 years, enabling the company to step up investments in capacity. New capacities are focused on premium products such as sweeteners and whey proteins, which should support category growth while further improving the product mix.
- Milky Mist has nearly doubled capex to Rs.577cr in FY26, expanding whey protein, lactose and cheese capacities at Perundurai. Asset turnover improved from 1.8x to 2.1x, while revenues grew at 31% CAGR over FY24-26, indicating efficient utilisation of its expanding asset base.
- **Jongsong Investments (subsidiary of Temasek) has invested ~Rs.482cr acquiring ~3.45cr shares at Rs.139.76/share** in the pre-IPO round. It has acquired 5.16% stake in Milky Mist.

Our View & Rating: At the upper band of Rs.140, it is valued at ~85x P/E (after accounting for recent issue of shares Jonsong), commanding a premium to most dairy peers, supported by its greater focus on premium value-added products versus their traditional milk-led portfolios. **We assign UNRATED rating to Milky Mist**

Key risk & concerns

- Higher Input cost and Supply chain disruptions such as transport delays, packaging shortages can impact operational costs and margin profile.
- Increasing competition from global and domestic players in the value-added diary product segment.

IPO Review

ICICI Securities – Retail Equity Rese

MilkyMist

IPO Details

Issue Details	
Issue Opens	11th August 2026
Issue Closes	13th August 2026
Issue Size	Rs.1553cr
QIB (Institutional) Share	Not less than 50% of the Offer
Non-Institutional Share	Not less than 35% of the Offer
Retail Share	Not less 15% of the Offer
Issue Type	Fresh Issue (Rs.1,428cr) & OFS (Rs. 125cr)
Price Band (₹/share)	Rs.133-Rs.140
Market Lot	107 shares
Face value (₹/share)	Rs. 2
Listing Market Cap @ Upper price band	~₹10,778cr

Shareholding pattern

	Pre-Issue	Post-Issue
Promoters	93.0	79.5
Public	7.0	20.5
Total	100	100

Objects of the issue

Objects of the issue

The issue is a Fresh issue and OFS wherein Net proceeds from fresh issue (Rs.1,428cr) will be utilized towards repayment of borrowings (Rs.496cr), funding capital expenditure (Rs.469 crore), deployment of visi coolers (Rs.155cr) and rest for general corporate purposes.

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Key Financial Summary

Financial Summary (₹ crore)	FY24	FY25	FY26	FY24-26 CAGR
Revenues	1821.6	2349.5	3138.4	31.3%
EBIDTA	217.1	305.1	428.6	40.5%
EBIDTA Margins (%)	11.9%	13.0%	13.7%	
Reported PAT	19.4	46.1	127.0	155.6%
EPS (Rs.)	0.2	0.6	1.7	
PE (x)	462.5	195.2	70.9	
PE (x) (adj. of recent issue to Jongsong)	554.3	233.9	84.9	
EV to EBIDTA (x)	47.8	35.1	25.7	
RoE (%)	7.1	15.1	32.1	
RoCE (%)	8.1	9.5	11.7	

Source: RHP, ICICI Direct Research

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No view on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long-term investment perspective (>two years)

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