

DSM Fresh Foods About Zappfresh

About the Company

- DSM Fresh Foods Limited (previously known as DSM Fresh Foods Private Limited) was established in 2015 and is headquartered in Gurgaon, Haryana. The company operates under the brand name Zappfresh. It is a leading online brand that focuses on fresh meat and cooked/ready-to-eat products. The company's main goal is to ensure that every product that reaches the end consumer is fresh, healthy and hassle-free.
- The company ensures that the products are produced as per best practices, maintain freshness, and adhere to ethical standards of food safety and sustainability. Zappfresh works as per FSSAI guidelines and is 9001:2008 and Halal certified.
- Zappfresh serves a wide customer base through its online platform, with over 50,000 monthly customers and a reorder rate of 90% record rate. The company's customers include families and individuals looking for high-quality, fresh meat products.

Business Model

- **Local Sourcing and Processing:** They source meat and fish from local farms, process it in their factory, and customize the cuts before delivering it to customers.
- **Transparency from Farm to Table:** They ensure complete transparency on the origin and quality of their meat at various stages, providing fresh, tender and healthy meat products without antibiotics or hormones.
- **Multi-Channel Sales:** They leverage their direct-to-consumer (D2C) online platform and partner with offline retailers to ensure wide product availability.

Products and Services:

Zappfresh offers a wide range of products, including:

- **Fresh Meat:** Chicken, Lamb, Pork, Seafood, Specialty Meats. Ready to cook and eat products: Mutton seekh kebabs, chicken cheese nuggets, masala fish fingers, etc.
- **Cold cuts:** Chicken salami, chicken ham, sausages.
- **Marinated meats:** Chicken methi tikka, masala wings, chicken tikka.

Industry

The meat and seafood market in India is very large, with a current market size of INR 256,000 crore (as of 2023) and is expected to grow at a CAGR of 11% till 2027. There is a huge opportunity for organized players like Zappfresh to enter the largely unorganized market and offer high quality and standardized meat products.

Branches and Subsidiaries

- As of 2024, Zappfresh is present in four states (Delhi, Uttar Pradesh, Haryana, and Karnataka) and plans to expand to four more metros over the next three years
- The company operates eight distribution centres and two processing facilities. It also entered the Bengaluru market through an acquisition in mid-FY24.

Recent Developments:

- **Takeovers:** The first takeover was completed last year – Dr. Sukos Foods Meat. Dr. Meat specialises in providing sustainably grown chicken from the outskirts of Bangalore and has operations in Delhi NCR.
- **Funding:** The company has raised around \$14 million so far, including \$4.3 million from Ah! Ventures, HT Media, and others in November last year.
- **Financial performance:** For the financial year ending March 2023, Zappfresh's operating revenue remained unchanged at Rs 56 crore and profit was Rs 11 crore.

Stock market information

DSM Fresh Foods Limited WILL be listed later this financial year (FY25). The company plans to raise Rs 600 crore through the IPO to support its expansion into new markets and further product development. With this capital infusion, the company expects its revenue to grow fivefold and PAT to quadruple over the next five years. The funds will be used for investments, construction of a new distribution center, and potential acquisitions.

Fundamentals

Fundamentals			
Zappfresh	150 Per Equity Share	Market Cap (in cr.)	262
Unlisted Shares Price		P/E Ratio	33.2
Lot Size	5000 Shares	P/B Ratio	6.69
52 Week High	175	Debt to Equity	0.2
52 Week Low	130	ROE (%)	20.18
Depository	NSDL/CDSL	Book Value	23.93
PAN Number	AAFCD3598N	Face Value	10
ISIN Number	INE0SUM01015		
CIN Number	U52203DL2015PLC280514		
RTA	NA		

Financials (Figures in cr)

Balance Sheet		
Assets	2023	2024
Fixed Assets	125	502
CWIP	0	0
Investments	0	0
Trade Receivables	439	507
Inventory	4.5	401
Other Assets	1434.5	3602
Total Assets	2003	5012
Liabilities	2023	2024
Share Capital	8.48	8.94
FV	10	10
Reserves	1425	3896
Borrowings	207	762
Trade Payables	272	218
Other Liabilities	90.52	127.06
Total Liabilities	2003	5012

P&L Statement		
P&L Statement	2023	2024
Revenue	5612	9044
Cost of Material Consumed	4116	6654
Gross Margins	26.66	26.43
Change in Inventory	-3	-396
Employee Benefit Expenses	99	141
Other Expenses	1109	1556
EBITDA	291	1089
OPM	5.19	12.04
Other Income	3	32
Finance Cost	25	39
D&A	35	116
EBIT	256	973
EBIT Margins	4.56	10.76
PBT	236	965
PBT Margins	4.21	10.67
Tax	-881	177
PAT	1117	788
NPM	19.9	8.71
EPS	1317.22	881.43
Financial Ratios	2023	2024
Operating Profit Margin	5.19	12.04
Net Profit Margin	19.9	8.71
Earning Per Share (Diluted)	1317.22	881.43

Cash-Flow Statement		
Cash- Flow Statement	2023	2024
PBT	236	965
OPBWC	251	1120
Change in Receivables	381	-67
Change in Inventories	-3	-396
Change in Payables	-502	-55
Other Changes	-369	-1901
Working Capital Change	-493	-2419
Cash Generated From Operations	-242	-1299
Tax	0	0
Cash Flow From Operations	-242	-1299
Purchase of PPE	-101	-493
Sale of PPE	0	0
Cash Flow From Investment	-101	-593
Borrowing	120	-555
Divided	0	0
Equity	215	1682.55
Others From Financing	-25	1071.45
Cash Flow from Financing	310	2199
Net Cash Generated	-33	307
Cash at the Start	64	30
Cash at the End	31	337