

### Resilient volume growth; expect price increases

BRIT's Q1FY25 print was in line with our estimates; Consolidated revenue/EBITDA/PAT grew 6.0%/9.4%/16.3%, supported by ~6% volume growth YoY. Despite elevated food inflation, heat wave impacting OOH consumption, and a high base BRIT saw rural market performing better. BRIT has widened gap in market share to *Parles* further. Management alluded growth to, (1) rural (35% sales) outperformed the urban by 1.25x, (2) with 30K rural distributors, direct reach now stands at 2.82mn, largely driven in focus markets, (3) DD growth in MT/E-commerce, and (4) strong traction in international markets led by Nepal (Rs1.8bn). Gross margins inched up to 43.4% (+147bp). Higher employee/other expense +7.2%/+10.5% EBITDA grew to Rs7.5bn (+9.4%) settling EBITDA margins at 17.7% (+56bp) YoY. RTM 2.0 is expected to enhance penetration of high margin adjacencies. BRIT targets high single digit volume growth along with 2-3% increase in pricing in FY25 and increase market share in focus states. We tweak earnings and retain BUY with a revised DCF-based TP Rs6,400 (implying 48.3x avg. FY26/FY27E EPS).

#### Faster growth in rural led by distribution expansion saw 6% growth in value/volume

BRIT's Q1FY25 consolidated revenue grew to Rs42.5bn (+6.0%) led by ~6% volumes growth. Given high base, management alluded growth to, rural (35% sales) outperformed urban by 1.25x. With 30K rural distributors, BRIT's direct reach now stands at 2.82mn. Company saws DD growth in MT/E-commerce, while strong traction in international markets was led by Nepal (Rs1.8bn). We note strategic growth pillars are led by, (1) distribution expansion in rural with sustained marketing investments, (2) lead innovation in non-biscuits and snacking portfolio, (3) maximizing cost efficiencies, and (4) expand adjacent business to deliver consistent profitable growth. In Q1FY25, BRIT launched *Pure Magic Stars*, *50:50 Golmaal Butter Garlic* and *Good Day Butter Jeera*. With 90k direct procurement for milk (total 300k), BRIT remains optimistic on dairy portfolio to clock +Rs7-8bn revenues led by *Cheese block*, *Cubes*, *Cheddar cheese* as it lowered prices to remain competitive.

#### Despite calibrated price cuts/grammage increases, BRIT held its margin profile

Gross margins inched-up to 43.4% (+147bp). Despite higher employee/other expense +7.2%/+10.5%, EBITDA grew to Rs7.5bn (+9.4%) settling EBITDA margins at 17.7% (+56bp) YoY. With PLI incentive included PAT grew 16.3% to Rs5.3bn. Further rising cocoa prices (+34%), Sugar (+8%), Flour (+7%), Milk and Corrugated Boxes (+1%) YoY, Palm Oil/Laminate prices declined by 7%/4%. Management cited with inflationary costs for wheat flour, sugar it may execute 2-3% price increases soon. BRIT expects driving cost efficiencies and rising contribution of high margin NPD to help maintain operating margin at ~18-19%. BRIT received Ultra mega food park status in Apr'24 and it would continue to receive PLI benefits helping sustained margins.

#### Valuation and risks

We had argued in the past, BRIT's strategy driven by balancing growth vs profitability also echoed in Q1FY25 results. We expect *BEL SA JV* to drive drinks/dairy and cheese portfolio. BRIT has grown 1.5x in last 5 years in focus states and expect to narrow the market share gap with the market leader. Though *Parles* lead with 50% share in the *hindi* belt, BRIT generates ~18% sales, hence remain focus area to enhance distribution and reduce gap. Management said to continue to invest in innovation and support NPD with ad-spends, while tech-enabled sales transformation could improve throughput driving HSD volume growth and balancing operating margins. With delayed pricing action we cut our earnings for FY25E/FY26E by 3.5%/4.4% and introduced FY27. We retain BUY, with a revised DCF-based TP Rs6,400 (implying 48.3x avg. FY26/FY27E EPS). Risks – higher input costs, competition, NCD given to group companies.

#### Financial and valuation summary

YE Mar (Rs mn)	1QFY25A	1QFY24A	YoY (%)	4QFY24A	QoQ (%)	FY25E	FY26E	FY27E
Revenues	42,503	40,107	6.0	40,694	4.4	1,87,763	2,11,189	2,37,770
EBITDA	7,537	6,889	9.4	7,875	(4.3)	36,091	40,981	46,349
EBITDA margin (%)	17.7	17.2	56bp	19.4	(162bp)	19.2	19.4	19.5
Adj. Net profit	5,295	4,555	16.3	5,366	(1.3)	25,672	29,653	34,122
Adj. EPS (Rs)	22.0	18.9	16.3	22.3	(1.3)	106.6	123.1	141.7
EPS growth (%)						17.6	15.5	15.1
PE (x)						53.2	46.1	40.0
EV/EBITDA (x)						37.5	32.8	28.7
PBV (x)						28.8	23.5	18.9
RoE (%)						59.2	56.2	52.4
RoCE (%)						42.0	42.8	42.0

Source: Company, Centrum Broking

Please see Disclaimer for analyst certifications and all other important disclosures.

#### Result Update

India | Consumer

05 August, 2024

**BUY**

Price: Rs5,698

Target Price: Rs6,400

Forecast return: 12%

Institutional Research

#### Market Data

Bloomberg:	BRIT IN
52 week H/L:	6,008/4,348
Market cap:	Rs1372.4bn
Shares Outstanding:	240.9mn
Free float:	40.9%
Avg. daily vol. 3mth:	3,80,250
Source: Bloomberg	

#### Changes in the report

Rating:	Unchanged
Target price:	Rs6,400 from Rs5,750
EPS:	FY25E: Rs106.6; Down 3.5% FY26E: Rs123.1; Down 4.4%
Source: Centrum Broking	

#### Shareholding pattern

	Jun-24	Mar-24	Dec-23	Sep-23
Promoter	50.6	50.6	50.6	50.6
FIIs	17.4	18.2	19.0	19.7
DIIIs	16.8	15.8	15.0	14.0
Public/other	15.2	15.5	15.5	15.8
Source: BSE				

#### Centrum estimates vs Actual results

YE Mar (Rs mn)	Centrum Q1FY25	Actual Q1FY25	Variance (%)
Revenue	42,749	42,503	(0.6)
EBITDA	8,132	7,537	(7.3)
EBITDA margin %	19.0	17.7	-129bps
Other Income	561	556	(0.9)
Interest	-477	-290	(39.4)
Depreciation	-793	-739	(6.7)
PBT	7,423	7,064	(4.8)
Tax	(1,967)	(1,762)	(10.4)
Rep. PAT	5,447	5,049	(7.3)
Adj. PAT	5,447	5,295	(2.8)
Source: Bloomberg, Centrum Broking			



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Consumer

# Thesis Snapshot

## Estimate revision

YE Mar (Rs mn)	FY25E New	FY25E Old	% chg	FY26E New	FY26E Old	% chg
Revenue	1,87,763	1,91,316	(1.9)	2,11,189	2,17,208	(2.8)
EBITDA	36,091	37,312	(3.3)	40,981	42,789	(4.2)
EBITDA margin %	19.2	19.5	(28bps)	19.4	19.7	(29bps)
Adj. PAT	25,672	26,594	(3.5)	29,653	31,019	(4.4)
Diluted EPS (Rs)	106.6	110.4	(3.5)	123.1	128.8	(4.4)

Source: Centrum Broking

## Britannia Industries versus NIFTY 50

	1m	6m	1 year
BRIT IN	2.7	11.2	18.7
NIFTY 50	(1.1)	10.5	23.3

Source: Bloomberg, NSE

## Key assumptions

Y/E Mar	FY25E	FY26E
Domestic Volume growth	8.0	9.0
Domestic Price/Mix growth	4.0	3.0
Gross Margin	43.6	43.7
Employee costs as % of Sales	4.0	3.9
Other expenses as % of Sales	19.8	19.7
EBITDA Margin	19.2	19.4

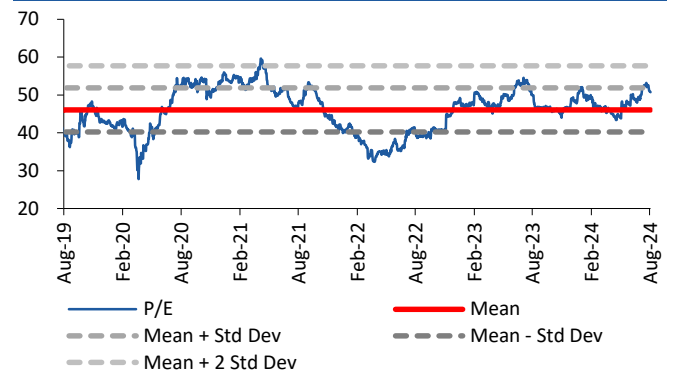
Source: Centrum Broking

## Valuations

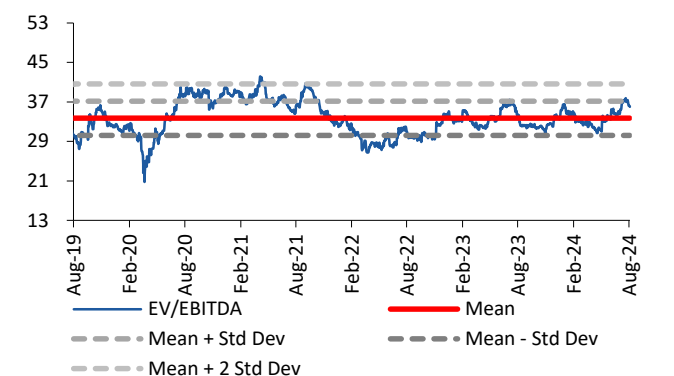
We had argued in the past, BRIT's strategy driven by balancing growth vs profitability also echoed in Q1FY25 results. We expect BEL SA JV to drive drinks/dairy and cheese portfolio. BRIT has grown 1.5x in last 5 years in focus states and expect to narrow the market share gap with the market leader. Though Parles lead with 50% share in the hindi belt, BRIT generates ~18% sales, hence remain focus area to enhance distribution and reduce gap. Management said to continue to invest in innovation and support NPD with ad-spend, while tech-enabled sales transformation could improve throughput driving HSD volume growth and balancing operating margins. With delayed pricing action we cut our earnings for FY25E/FY26E by 3.5%/4.4% and introduced FY27. We retain BUY, with a revised DCF-based TP Rs6,400 (implying 48.3x avg. FY26/FY27E EPS). Risks – higher input costs, competition, NCD given to group companies.

Valuations	Rs/share
DCF-based target price	Rs6,400
WACC (%)	9.0
Terminal growth (%)	6.1

### P/E mean and standard deviation



### EV/EBITDA mean and standard deviation



Source: Bloomberg, Centrum Broking

## Peer comparison

Company	Mkt Cap	CAGR (FY24-26E)			P/E (x)			EV/EBITDA (x)			RoE		
	(Rs bn)	Sales	EBITDA	EPS	FY24	FY25E	FY26E	FY24	FY25E	FY26E	FY24	FY25E	FY26E
HUL	6379.0	8.8	10.1	11.1	63.7	57.7	51.6	41.4	38.0	33.9	20.2	21.9	23.8
<b>Britannia</b>	<b>1365.0</b>	<b>12.2</b>	<b>12.8</b>	<b>16.6</b>	<b>62.6</b>	<b>53.2</b>	<b>46.1</b>	<b>42.3</b>	<b>37.5</b>	<b>32.8</b>	<b>58.4</b>	<b>59.2</b>	<b>56.2</b>
Dabur	1123.0	12.1	18.0	18.4	61.9	51.7	44.1	44.6	37.5	31.5	19.6	21.1	21.9
Colgate	913.6	11.7	12.8	15.3	65.0	55.4	48.9	38.4	34.6	31.0	74.8	79.5	86.5
Emami	326.0	12.6	18.7	21.3	49.7	42.3	35.8	34.9	28.8	24.2	30.7	34.1	36.4
Bajaj Consumer	37.0	14.4	22.0	20.6	22.2	17.1	14.9	21.1	14.2	11.7	19.1	22.8	23.3

Source: Company, Centrum Broking

**Exhibit 1: Centrum Quarterly Monitor**

	Q4FY24	Q1FY25	Our Comments
<b>Demand Environment</b>	Tepid consumption and continued inflationary pressure in foods led to muted demand	The rural market share grew at a faster pace than urban	We believe Britannia will continue to benefit further, the company's focus will remain on increasing its distribution reach in rural
<b>Outlook and Guidance</b>	Management remain optimistic on dairy portfolio leveraging Bel SA brand equity and innovation, BRIT source product from Vietnam; once domestic production commence will give competitive edge	With sales transformation BRIT expects improved throughput to result in high single digit volume growth along with 2-3% price increase in FY25	We expect BRIT to deliver mid-single digit volume growth driven by core biscuit portfolio and non-biscuit growth to be faster in addition to rising contribution of NPD
<b>International Business</b>	International business performed extremely well with robust double-digit growths across key markets	International business showed profitable growth led by robust distribution and innovation; Nepal showed consistent performance and reached at Rs1.8bn	International business would do well for the company in the near future led by Nepal & Middle East
<b>New Products</b>	Newly launched like Fruit & nut <i>Gooday</i> and Bourbon Milkshake getting traction.	Management has launched Pure Magic Stars and 50:50 Golmaal Butter Garlic. Good day Butter Jeera during the quarter	We see the management's focus to grow its new product pipeline to create new winning categories by targeting 4% contribution to the top-line
<b>On Margins and Exceptional Items</b>	Management expect inflationary pressure on wheat/flour post 1QFY25. Yet expects to maintain operating margin at ~19%	BRIT has identified growth pillars to drive top-line, yet its cost initiatives could help to maintain operating margins	The company is taking efforts on cost containment initiative (8x compared to FY17) to maintain margins in the long run while driving the top line, though expect ATL/BTL spends to remain elevated

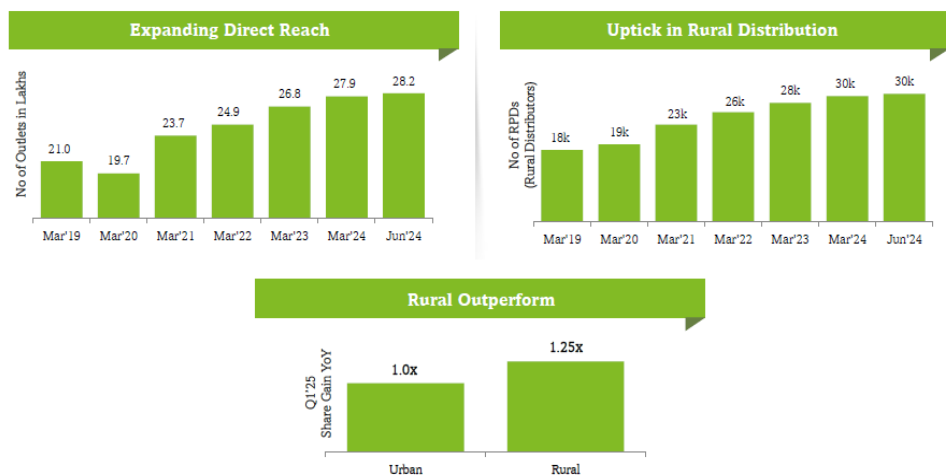
Source: Company Data, Centrum Broking

## Conference call highlights

### Revenue & Distribution

- Britannia Consol. revenues grew 6.0% to Rs42.5bn, on back of ~6% volume growth. Rural growth has started showing improvement on the back of better monsoon and moderate inflation
- Management expects high single digit volume growth along with 2-3% price increase in FY25
- Britannia's focus on expanding its distribution network and enhancing product offerings to match regional preferences has led to faster growth in the rural market compared to urban areas
- Focus market (Hindi belt) performance (15% saliency on sales) has been subdued while the industry has a 35% share in this region and Parle leads with a 50% share, Britannia holds an 18% market share. Britannia has grown 1.5x in last 5 years and expect to narrow the gap with the market leader in the long term

### Exhibit 2: Driving efficiencies in distribution



Source: Company

- Adjacent businesses such as cakes, rusks, and bread have performed well. Cakes have seen improved volume quarter-on-quarter, rusks have experienced double-digit volume growth, and bread has benefited from e-commerce growth
- For the dairy business (Rs7bn category), management has reduced cheese product prices (Rs2.5bn category) to remain competitive & started leveraging the e-com channel to drive profitable growth and double digit growth on drinks portfolio (Rs2bn category)
- Britannia holds lower double digit market share where Amul is the undisputed market leader (6x bigger than Britannia)
- International business showed profitable growth led by robust distribution and innovation; Nepal showed consistent performance and reached at Rs1.8bn
- On raw material cost, Cocoa (+34% YoY), Sugar (+8% YoY), Flour (+7% YoY), Milk and Corrugated Boxes (+1% YoY) prices have increased while Palm Oil (-7% YoY) & Laminates (-4% YoY) have offset the higher cost
- Management has rollbacks promotion and expects 4-5% inflation in FY25 due to higher flour & cocoa prices
- Management has implemented real-time data which helped higher SKUs sales along with better performance by sales person; further management is on pilot stage of the new project with Bain to provide leverage of presence of all SKUs in high potential outlets
- Direct reach stood at 28.2 lakh where rural distribution stood at 30k, Britannia reached 90% on weighted distribution levels
- Alternative channel has performed well and contributes 4% on total sales
- Heat wave impacted biscuit consumption (lower out of home/beverage consumption) where smaller SKUs have witnessed major challenges (Rs5 & Rs10)
- Net margins for cakes, bread, and rusks are in the double-digit range, while products like croissants have a 25% higher gross margin compared to the base category
- Other operating income has increased in Q1 as Ranjangaon plant (being as an ultra-mega plant) got PLI benefits and management expects similar income should continue for other quarters
- Management has introduced Time pass snacks at western region and expects to distribute slowly across Pan India
- Management has clear strategy to boost the topline along with stable margins
- 3P contributes 35% of total capacity which constitutes 73 manufacturing lines out of 154 lines

### New product

- Management has launched Pure Magic Stars and 50:50 Golmaal Butter Garlic during the quarter, targeting regional preferences along with premiumisation

### Exhibit 3: Innovation to fuel next phase of growth

**Fresh launches during the quarter**

- Pure Magic Stars
- 5050 Golmaal Butter Garlic

**In-market launches – Doing consistently well**

- 5050 Golmaal (Base)
- JimJam Pops
- Good Day Butter Jeera

**Robust Innovation Pipeline to cater to Regional preferences & drive Premiumization..**

Source: Company

### Exhibit 4: Adjacent business doing well

**Bakery Adjacency**

- Cake** – Sequential volume growths during the quarter in a challenging consumption scenario
- Rusk** – Volume continues to grow at healthy double-digit despite harsh summer
- Bread** – E-com drives growth in health & variety segment, focus on maintaining profitable growth

**Dairy**

- Cheese** – Focus on building a competitive consumer offering ; Leveraging E-com to drive profitable growth.
- Drinks** – Double-digit growth during summer, enabled by enhanced quality distribution & marketing activities.

**International**

**International Business** witness solid profitable growths, aided by robust Distribution and Innovation.

**Nepal** stays on consistent growth path, both in revenues & profitability.

Source: Company

### Margins

- Gross margin inched up at 43.4% (+147bp) on the back of softer input prices in key commodities though company remained vigilant on commodity prices and evolving geopolitical situation
- EBITDA grew 9.4% to Rs7.5bn, EBITDA margin came in at 17.7% (+56bp), other expenses (+10.5%) and employee cost (+7.2%)
- Consol. APAT grew 16.3% to Rs5.3bn due to higher depreciation (+4.5%), while interest cost decline by 45.4%

### Exhibit 5: Sustained Investments in Brand to drive consumer engagement

**Driving consumption, riding on Passion for Sports beyond Cricket – Across Brands**

**JimJam Pops – Celebrating India WC Victory**

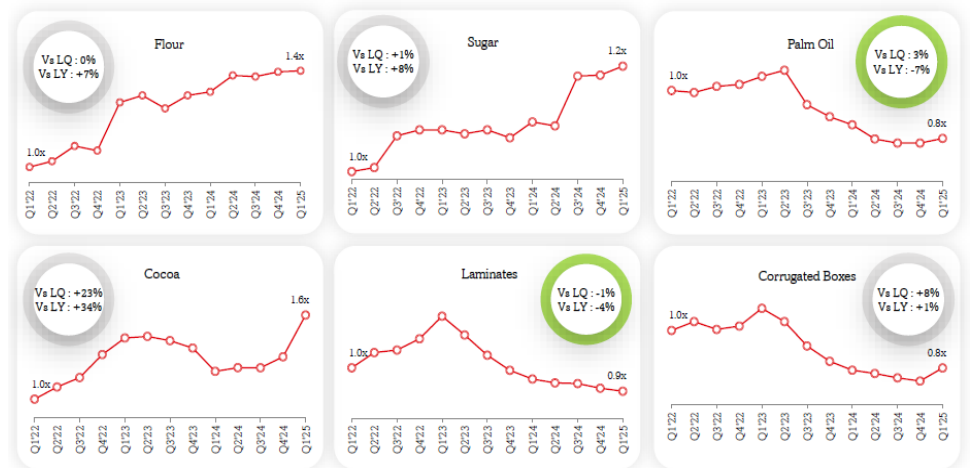
**Good Day – Growing Core**

**Little Hearts – Brand refresh**

**NutriChoice – TVC Campaign**  
The only digestive biscuit with 100% Atta

Source: Company

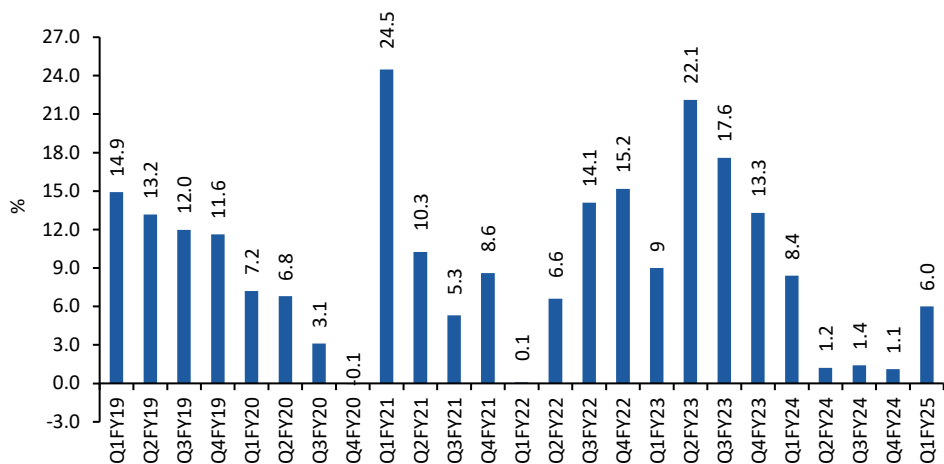
### Exhibit 6: Commodity costs marginally increase this quarter



Source: Company

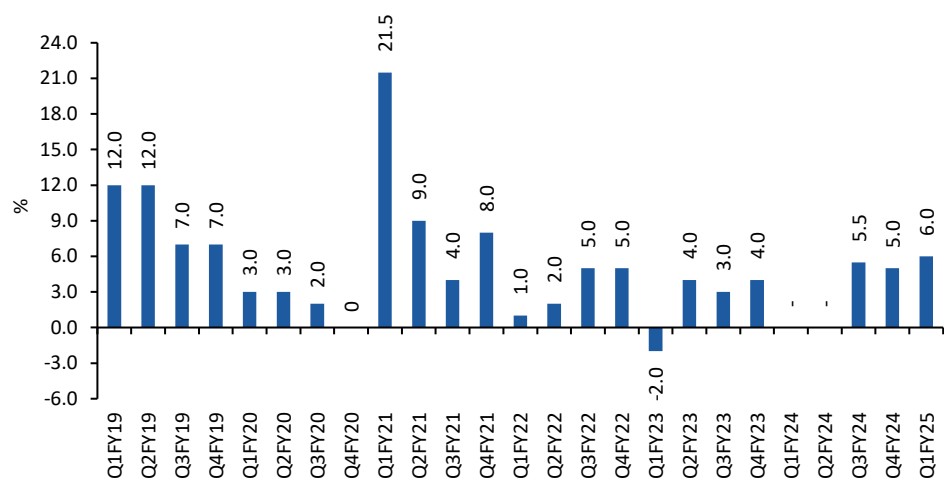


**Exhibit 7: Quarterly Standalone net revenue growth – YoY**



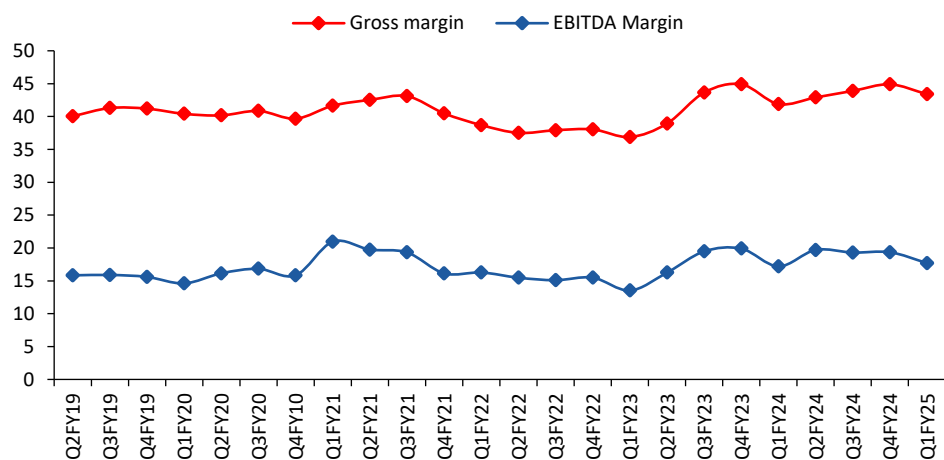
Source: Company Data, Centrum Broking

**Exhibit 8: Quarterly consolidated volume growth – YoY**



Source: Company Data, Centrum Broking

**Exhibit 9: Consolidated gross margin and EBITDA margin trend**



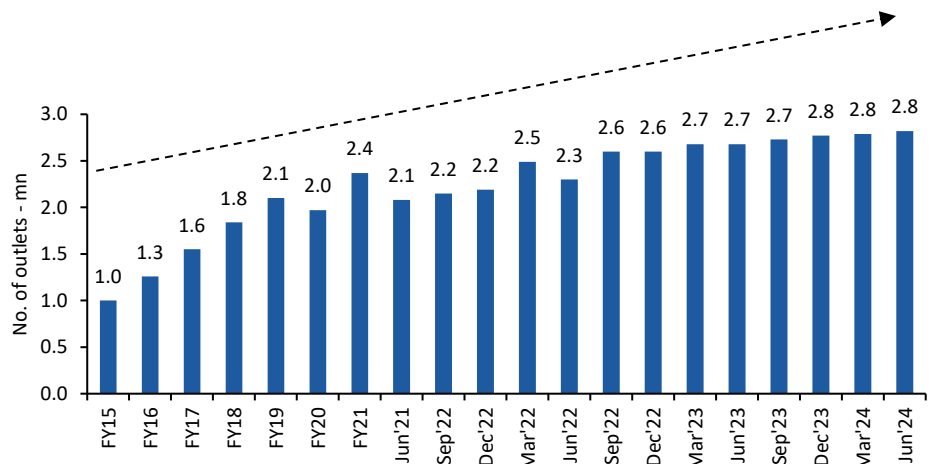
Source: Company Data, Centrum Broking

**Exhibit 10: Consolidated other expenses (% of revenue) trend**



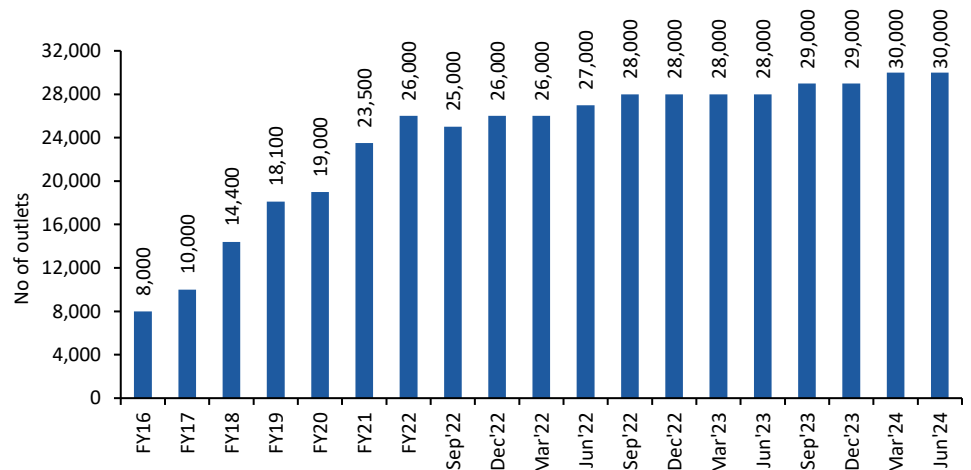
Source: Company Data, Centrum Broking

**Exhibit 11: Direct coverage now reached to 2.76mn outlets**



Source: Company Data, Centrum Broking

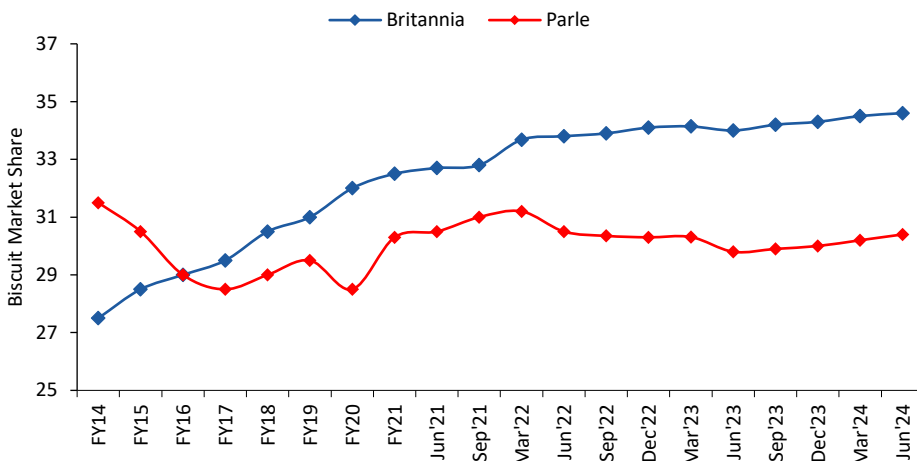
**Exhibit 12: Rural distributor count stood at 30,000**



Source: Company Data, Centrum Broking



**Exhibit 13: Market leadership strengthened further**



Source: Company Data, Centrum Broking

**Exhibit 14: Future outlook**

**COST & PROFITABILITY FRONT**

- Stepped-up investments on brands & innovation
- Actioned measured pricing actions in specific channels to drive market share
- Delivered Cost efficiencies across functions

**OUTLOOK**

- We are closely monitoring commodity situation & assessing its impact
- We remain vigilant of the competitive pricing actions
- Our strategy will remain focused on driving market share while sustaining profits

Source: Company

**Exhibit 15: Quarterly financials**

Particulars (Rs mn)	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25
<b>Net Sales</b>	<b>43,376</b>	<b>41,015</b>	<b>38,920</b>	<b>39,698</b>	<b>43,705</b>	<b>41,918</b>	<b>40,141</b>	<b>41,299</b>
Other Operating Income	420	953	1,311	409	624	645	553	1,204
<b>Total Income</b>	<b>43,796</b>	<b>41,968</b>	<b>40,231</b>	<b>40,107</b>	<b>44,329</b>	<b>42,563</b>	<b>40,694</b>	<b>42,503</b>
Accretion to Stocks in trade & work in progress	(377)	(231)	32	37	(148)	214.7	(67)	(32)
Raw Material Consumed	22,459	20,983	20,232	20,795	22,826	21290	20559	22119
Purchase of Stock-in-Trade	4,663	2,896	1,896	2,456	2,640	2386	1933	1903
Employee Expenses	1,626	1,782	1,706	1,883	1,599	1985	1620	2020
Other Exp	8,308	8,363	8,358	8,048	8,688	8477	8774	8893
<b>Operating Profit (Core EBITDA)</b>	<b>7,117</b>	<b>8,176</b>	<b>8,008</b>	<b>6,889</b>	<b>8,724</b>	<b>8211</b>	<b>7875</b>	<b>7,537</b>
Depreciation	517	580	653	708	717	781	799	739
<b>EBIT</b>	<b>6,600</b>	<b>7,596</b>	<b>7,355</b>	<b>6,181</b>	<b>8,007</b>	<b>7430</b>	<b>7075</b>	<b>6,797</b>
Interest	541	381	349	531	534	311	264	290
Other Income	532	508	564	539	524	506	573	556
Other Excep. Items (restructuring, asset sales etc)	0	3,756	0	0	0	0	0	0
<b>Profit Before Tax</b>	<b>6,591</b>	<b>7,722</b>	<b>7,570</b>	<b>6,190</b>	<b>7,997</b>	<b>7625</b>	<b>7384</b>	<b>7,064</b>
Tax	1,686	2,169	2,035	1,665	2,121	2026	1980	1,762
Tax rate (%)	25.6	28.1	26.9	26.9	26.5	26.6	26.8	24.9%
<b>Profit After Tax</b>	<b>4,905</b>	<b>5,533</b>	<b>5,535</b>	<b>4,525</b>	<b>5,875</b>	<b>5599</b>	<b>5404</b>	<b>5,295</b>
Less: Minority interest in income	0	0	0	0	0	0	0	0
Add/(Less) - Share in the profit/(loss) of associates	(0.6)	14.7	40.1	29.9	(10.40)	(13)	(38)	(7)
Profit/(loss) from discontinued ops	-	0	0	0	0	(29)	0	(246)
<b>PAT attributable to Consolidated Group</b>	<b>4,905</b>	<b>9,324</b>	<b>5,576</b>	<b>4,555</b>	<b>5,865</b>	<b>5557</b>	<b>5366</b>	<b>5049</b>
<b>Adjusted PAT for the group</b>	<b>4,905</b>	<b>5,568</b>	<b>5,576</b>	<b>4,555</b>	<b>5,865</b>	<b>5586</b>	<b>5366</b>	<b>5295</b>
<b>Growth (%)</b>								
Net operating sales	21.4	17.4	13.3	8.4	1.2	1.4	1.1	6.0
EBITDA	27.5	51.5	45.7	37.6	22.6	0.4	(1.7)	9.4
Adj. PAT	27.7	49.6	46.8	35.7	19.6	0.3	(3.8)	16.3
<b>Margin (%)</b>								
Gross Margin	39.3	43.7	44.9	41.9	42.9	43.9	44.9	43.4
EBITDA	16.4	19.5	19.9	17.2	19.7	19.3	19.4	17.4
EBIT	15.1	18.1	18.3	15.4	18.1	17.5	17.4	16.0
PAT (reported before minority interest)	11.2	13.3	13.9	11.4	13.2	13.1	13.2	12.5

Source: Company, Centrum Broking

P&L					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Revenues</b>	<b>1,63,006</b>	<b>1,67,693</b>	<b>1,87,763</b>	<b>2,11,189</b>	<b>2,37,770</b>
Operating Expense	95,913	1,13,398	1,27,398	1,43,045	1,61,104
Employee cost	6,584	7,087	7,654	8,266	8,883
Others	32,200	14,995	16,619	18,896	21,434
<b>EBITDA</b>	<b>28,309</b>	<b>32,212</b>	<b>36,091</b>	<b>40,981</b>	<b>46,349</b>
Depreciation & Amortisation	2,259	3,005	3,305	3,636	2,867
<b>EBIT</b>	<b>26,050</b>	<b>29,208</b>	<b>32,786</b>	<b>37,346</b>	<b>43,482</b>
Interest expenses	1,691	1,640	1,376	1,181	1,076
Other income	2,159	2,142	2,570	3,084	2,982
<b>PBT</b>	<b>26,518</b>	<b>29,709</b>	<b>33,980</b>	<b>39,249</b>	<b>45,388</b>
Taxes	7,165	7,793	8,308	9,597	11,353
Effective tax rate (%)	27.0	26.2	24.4	24.4	25.0
<b>PAT</b>	<b>19,353</b>	<b>21,917</b>	<b>25,672</b>	<b>29,653</b>	<b>34,035</b>
Minority/Associates	0	(88)	0	0	86
<b>Recurring PAT</b>	<b>19,353</b>	<b>21,829</b>	<b>25,672</b>	<b>29,653</b>	<b>34,122</b>
Extraordinary items	3,756	(29)	0	0	0
<b>Reported PAT</b>	<b>23,109</b>	<b>21,800</b>	<b>25,672</b>	<b>29,653</b>	<b>34,122</b>

Ratios					
YE Mar	FY23A	FY24A	FY25E	FY26E	FY27E
<b>Growth (%)</b>					
Revenue	15.3	2.9	12.0	12.5	12.6
EBITDA	28.6	13.8	12.0	13.6	13.1
Adj. EPS	26.8	12.8	17.6	15.5	15.1
<b>Margins (%)</b>					
Gross	41.2	43.4	43.7	43.7	43.7
EBITDA	17.4	19.2	19.2	19.4	19.5
EBIT	16.0	17.4	17.5	17.7	18.3
Adjusted PAT	14.2	13.0	13.7	14.0	14.4
<b>Returns (%)</b>					
ROE	63.5	58.4	59.2	56.2	52.4
ROCE	35.4	36.7	42.0	42.8	42.0
ROIC	43.7	49.9	61.2	67.8	77.5
<b>Turnover (days)</b>					
Gross block turnover ratio (x)	4.1	3.8	4.0	4.1	4.3
Debtors	7	8	8	8	8
Inventory	49	46	41	41	41
Creditors	52	59	57	57	57
Net working capital	46	41	47	55	69
<b>Solvency (x)</b>					
Net debt-equity	0.3	0.0	(0.2)	(0.3)	(0.4)
Interest coverage ratio	16.7	19.6	26.2	34.7	43.1
Net debt/EBITDA	0.4	0.0	(0.2)	(0.4)	(0.7)
<b>Per share (Rs)</b>					
Adjusted EPS	80.3	90.6	106.6	123.1	141.7
BVPS	146.7	163.6	196.7	241.3	299.5
CEPS	89.7	103.1	120.3	138.2	153.6
DPS	56.4	71.9	78.5	83.5	88.5
Dividend payout (%)	58.8	79.5	73.7	67.8	62.5
<b>Valuation (x)</b>					
P/E	70.6	62.6	53.2	46.1	40.0
P/BV	38.6	34.6	28.8	23.5	18.9
EV/EBITDA	48.5	42.3	37.5	32.8	28.7
Dividend yield (%)	1.0	1.3	1.4	1.5	1.6

Source: Company, Centrum Broking

Balance sheet					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Equity share capital	241	241	241	241	241
Reserves & surplus	35,102	39,174	47,142	57,887	71,896
Shareholders fund	35,343	39,415	47,383	58,128	72,137
Minority Interest	302	245	245	245	159
Total debt	29,974	20,650	19,150	17,650	17,437
Non Current Liabilities	858	962	1,078	1,213	1,367
Def tax liab. (net)	19	21	21	21	21
<b>Total liabilities</b>	<b>66,495</b>	<b>61,293</b>	<b>67,876</b>	<b>77,257</b>	<b>91,120</b>
Gross block	39,345	43,657	47,535	51,510	55,039
Less: acc. Depreciation	(14,623)	(17,628)	(20,933)	(24,568)	(27,435)
Net block	24,722	26,029	26,602	26,941	27,604
Capital WIP	1,050	1,875	1,875	1,875	1,875
Net fixed assets	27,196	29,312	29,885	30,224	30,887
Non Current Assets	3,230	1,960	1,960	1,960	1,960
Investments	15,639	10,977	12,075	13,282	13,282
Inventories	11,933	11,812	11,951	14,589	15,122
Sundry debtors	3,289	3,933	4,051	4,814	5,036
Cash & Cash Equivalents	19,990	21,429	26,794	35,089	49,106
Loans & advances	12,251	11,313	12,669	14,263	16,071
Other current assets	0	0	0	0	0
Trade payables	14,488	16,275	16,762	20,362	21,637
Other current liab.	7,410	7,576	8,485	9,552	10,763
Provisions	5,134	5,592	6,263	7,050	7,944
Net current assets	20,430	19,044	23,956	31,790	44,991
<b>Total assets</b>	<b>66,495</b>	<b>61,293</b>	<b>67,876</b>	<b>77,257</b>	<b>91,120</b>

Cashflow					
YE Mar (Rs mn)	FY23A	FY24A	FY25E	FY26E	FY27E
Profit Before Tax	30,274	29,167	33,980	39,249	45,388
Depreciation & Amortisation	2,259	3,005	3,305	3,636	2,867
Net Interest	60	(148)	(242)	(841)	(1,439)
Net Change – WC	4,107	1,611	(302)	598	971
Direct taxes	(7,165)	(7,649)	(8,308)	(9,597)	(11,353)
<b>Net cash from operations</b>	<b>25,262</b>	<b>25,730</b>	<b>28,427</b>	<b>33,041</b>	<b>36,429</b>
Capital expenditure	(7,115)	(5,615)	(3,878)	(3,975)	(3,530)
Acquisitions, net	0	0	0	0	0
Investments	(9,803)	8,668	0	0	1,107
Others	1,747	1,703	1,619	2,021	2,515
<b>Net cash from investing</b>	<b>(15,171)</b>	<b>4,755</b>	<b>(2,259)</b>	<b>(1,954)</b>	<b>92</b>
<b>FCF</b>	<b>10,092</b>	<b>30,485</b>	<b>26,168</b>	<b>31,088</b>	<b>36,521</b>
Issue of share capital	0	0	0	0	0
Increase/(decrease) in debt	12,392	(9,401)	(1,500)	(1,500)	(111)
Dividend paid	(13,592)	(17,325)	(18,908)	(20,113)	(21,317)
Interest paid	(1,964)	(1,582)	(1,376)	(1,181)	(1,076)
Others	0	0	0	0	0
<b>Net cash from financing</b>	<b>(3,164)</b>	<b>(28,308)</b>	<b>(21,785)</b>	<b>(22,793)</b>	<b>(22,504)</b>
Net change in Cash	6,927	2,177	4,384	8,295	14,018

Source: Company, Centrum Broking

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**Britannia Industries Ltd**



Source: Bloomberg

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