

February 7, 2025

RESULT REPORT Q3 FY25 | Sector: Consumer Staples

Britannia Industries Ltd

Cost savings accelerated to protect margins

Britannia Industries Ltd. (BRIT) 3QFY25 base business volume growth of 5.5% YoY (overall volume growth at 6%YoY) was largely in-line with our estimate. Sharp savings in staff cost led by stock depreciation (revaluation of Phantom stocks basis share price) and accelerated cost efficiencies meant that EBITDA margin for the quarter came at 18.4% (~120bps above our estimate) even while there was ~11% commodity inflation (gross margins were down 510bps YoY & 280bps QoQ). Flattish realizations will move into positive territory in the coming quarter led by fresh price actions initiated by BRIT (2% in 3QFY25 & another 2.5% expected in 4QFY25). In the near-term, we expect some impact on volume growth compared to earlier expectations due to grammage changes and impact from pricing actions as BRIT aims to maintain stable margins. While we expect soft earnings for the very near-term, reasonable valuations makes us maintain our ADD rating on a one-year forward basis. We now derive a revised target price (TP) of Rs5,620 (Rs5,770 earlier) targeting ~46.5x (3yr/5yr avg fwd. multiple: ~49x) on our March'27E EPS.

3QFY25 Result Highlights

- **Headline performance:** Consolidated sales was up 6.5% YoY while revenues (including OOI which was up ~100.5% YoY) was up 7.9% YoY to Rs45.9bn (vs est. of Rs46.2bn). EBITDA was up 2.9% YoY to Rs8.4bn (vs est. Rs8.0bn). Adjusted PAT (APAT) was up by 4% YoY to Rs5.8bn (vs est. Rs5.4bn).
- **Standalone** revenue grew by 7.7% YoY to Rs44bn (sales up 6.2% YoY). Volumes grew by 6%, in-line with our estimate. EBITDA margin stood at 18.4% (down 90bps YoY).
- **Consolidated gross margin** was down 510bps YoY to 38.7% (down 280bps QoQ). Sharp cut in overheads: Other overheads down 190bps YoY and Employee cost down 240bps YoY meant that consolidated EBITDA margin was down by just 90bps YoY to 18.4% (vs est. 17.2%).
- **9MFY25:** Revenue, EBITDA & APAT grew by 6.4%, flat & 2.4% YoY, respectively. Gross margin down 180bps YoY to 41.2% while EBITDA margin was down 110bps to 17.6%.

Key Conference Call Highlights

- (1) Phantom stocks being revalued based on share price led to sharp cut in staff costs reversing the impact seen in 2QFY25.
- (2) Price increase of ~2% taken in 3QFY25. BRIT will take further price increase of ~2.5% in 4QFY25 and another round of ~1.5% in 1QFY26.
- (3) Pause in Capex for now: ~Rs1.5-2bn capex expected in FY26.

View & Valuation

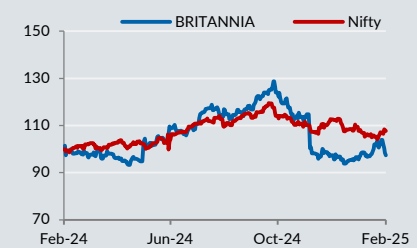
There is 2.3%/1.5%/1.5% downward revision in our FY25E/FY26E/FY27E EPS. Over FY24-27E, we are now building revenue CAGR of 9% driven by volume CAGR of 6.5%. Drivers: (a) Expecting maintenance of decent volume growth, even after baking impact of grammage reductions in near-term, led by rural recovery and benefits from distribution expansion. (b) Better growth expected in adjacent businesses compared to the base business led by company's initiatives will add delta. (c) While innovation led premiumization efforts continues, value growth will be supported by price actions. We build 9.2% EBITDA CAGR over FY24-FY27E (only ~10bps EBITDA margin improvement over FY24-27E but almost 140bps improvement from FY25E levels). We believe company will now looking to prioritize growing topline while maintaining the peak level of margin profile band without cutting on A&SP spends. After recent correction, the stock is now trading at ~53x/44x/40x FY25E/FY26E/FY27E EPS as we build in 11.2% earnings CAGR over FY24-27E (15.9% CAGR over FY25E-27E). While we expect earnings to remain subdued for the very near-term, reasonable valuations makes us maintain our ADD rating on a one-year forward basis. We now derive a revised TP of Rs5,620 (Rs5,770 earlier) targeting ~46.5x (3yr/5yr avg fwd. multiple: ~49x) on our March'27E EPS, due to decent return ratios with improvement over next two years and healthy dividend payout.

| | |
|------------------|------------|
| Reco | : ADD |
| CMP | : Rs 4,871 |
| Target Price | : Rs 5,620 |
| Potential Return | : +15.4% |

Stock data (as on Feb 7, 2025)

| | |
|-------------------------|-----------------|
| Nifty | 23,482 |
| 52 Week h/l (Rs) | 6470 / 4641 |
| Market cap (Rs/USD mn) | 1188119 / 13730 |
| Outstanding Shares (mn) | 241 |
| 6m Avg t/o (Rs mn): | 1,937 |
| Div yield (%): | 1.5 |
| Bloomberg code: | BRIT IN |
| NSE code: | BRITANNIA |

Stock performance



| | 1M | 3M | 1Y |
|-----------------|------|--------|-------|
| Absolute return | 0.8% | -14.4% | -4.1% |

Shareholding pattern (As of Sept'24 end)

| | |
|----------|-------|
| Promoter | 50.6% |
| FII+DII | 34.3% |
| Others | 15.2% |

Δ in stance

| (1-Yr) | New | Old |
|--------------|-------|-------|
| Rating | ADD | ADD |
| Target Price | 5,620 | 5,770 |

Δ in earnings estimates

| | FY25e | FY26e | FY27e |
|-----------|-------|-------|-------|
| EPS (New) | 91.0 | 109.3 | 122.2 |
| EPS (Old) | 93.5 | 111.0 | 124.1 |
| % change | -2.6% | -1.5% | -1.5% |

Financial Summary

| (Rs mn) | FY25E | FY26E | FY27E |
|------------------|---------|---------|---------|
| Revenue | 180,148 | 200,029 | 217,041 |
| YoY Growth (%) | 7.4 | 11.0 | 8.5 |
| EBIDTA | 31,774 | 37,487 | 41,227 |
| Margins (%) | 17.6 | 18.7 | 19.0 |
| PAT | 21,929 | 26,339 | 29,434 |
| EPS | 91.0 | 109.3 | 122.2 |
| YoY Growth (%) | 2.3 | 20.1 | 11.8 |
| Pre-tax RoCE (%) | 46.4 | 53.4 | 56.8 |
| ROE (%) | 52.7 | 57.1 | 58.1 |
| P/E (x) | 53.5 | 44.5 | 39.9 |
| EV/EBITDA (x) | 36.4 | 30.6 | 27.6 |

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Exhibit 1: Actual vs estimate

| Rs mn | Actual | Estimate | | % Variation | |
|-------------------|--------|----------|-----------|-------------|-----------|
| | | YES Sec | Consensus | YES Sec | Consensus |
| Revenue | 45,926 | 46,225 | 45,054 | (0.6) | 1.9 |
| EBITDA | 8,449 | 7,951 | 7,690 | 6.3 | 9.9 |
| EBITDA Margin (%) | 18.4 | 17.2 | 17.1 | 1.2 | 1.3 |
| Adjusted PAT | 5,817 | 5,446 | 5,175 | 6.8 | 12.4 |

Source: Bloomberg, YES Sec

Exhibit 2: Quarterly snapshot (Consolidated)

| Particulars (Rs. Mn) | 3QFY24 | 2QFY25 | 3QFY25 | YoY (%) | QoQ (%) | 9MFY24 | 9MFY25 | YoY (%) |
|----------------------|--------|--------|--------|---------|---------|---------|---------|---------|
| Revenues | 42,563 | 46,676 | 45,926 | 7.9 | -1.6 | 126,999 | 135,105 | 6.4 |
| COGS | 23,891 | 27,294 | 28,143 | 17.8 | 3.1 | 72,495 | 79,491 | 9.7 |
| Gross margin % | 43.9 | 41.5 | 38.7 | -5.1 | -2.8 | 42.9 | 41.2 | -1.8 |
| Employee costs | 1,985 | 2,323 | 1,059 | -46.7 | -54.4 | 5,467 | 5,401 | -1.2 |
| % of sales | 4.7 | 5.0 | 2.3 | -2.4 | -2.7 | 4.3 | 4.0 | -0.3 |
| Other expenses | 8,477 | 9,224 | 8,276 | -2.4 | -10.3 | 25,213 | 26,393 | 4.7 |
| % of sales | 19.9 | 19.8 | 18.0 | -1.9 | -1.7 | 19.9 | 19.5 | -0.3 |
| EBITDA | 8,211 | 7,834 | 8,449 | 2.9 | 7.9 | 23,824 | 23,820 | 0.0 |
| EBITDA margin % | 19.3 | 16.8 | 18.4 | -0.9 | 1.6 | 18.8 | 17.6 | -1.1 |
| Depreciation | 781 | 761 | 824 | 5.5 | 8.3 | 2,205 | 2,324 | 5.4 |
| EBIT | 7,430 | 7,073 | 7,625 | 2.6 | 7.8 | 21,619 | 21,496 | -0.6 |
| EBIT margin % | 17.5 | 15.2 | 16.6 | -0.9 | 1.4 | 17.0 | 15.9 | -1.1 |
| Interest expense | 311 | 346 | 446 | 43.3 | 28.6 | 1,376 | 1,082 | -21.4 |
| Other income | 506 | 460 | 625 | 23.5 | 35.8 | 1,568 | 1,641 | 4.6 |
| Exceptional items | -29 | -2 | 0 | - | - | -29 | -248 | - |
| PBT | 7,596 | 7,186 | 7,804 | 2.7 | 8.6 | 21,782 | 21,807 | 0.1 |
| Tax | 2,026 | 1,836 | 1,961 | -3.2 | 6.8 | 5,812 | 5,559 | -4.4 |
| Effective tax rate % | 26.7 | 25.6 | 25.1 | -1.5 | -0.4 | 26.7 | 25.5 | -1.2 |
| Adj. PAT | 5,593 | 5,316 | 5,817 | 4.0 | 9.4 | 16,044 | 16,436 | 2.4 |
| Adj. PAT margin % | 13.1 | 11.4 | 12.7 | -0.5 | 1.3 | 12.6 | 12.2 | -0.5 |
| EPS | 23.2 | 22.1 | 24.1 | 4.0 | 9.4 | 66.6 | 68.2 | 2.4 |

Source: Company, YES Sec

Exhibit 3: Quarterly snapshot (Standalone)

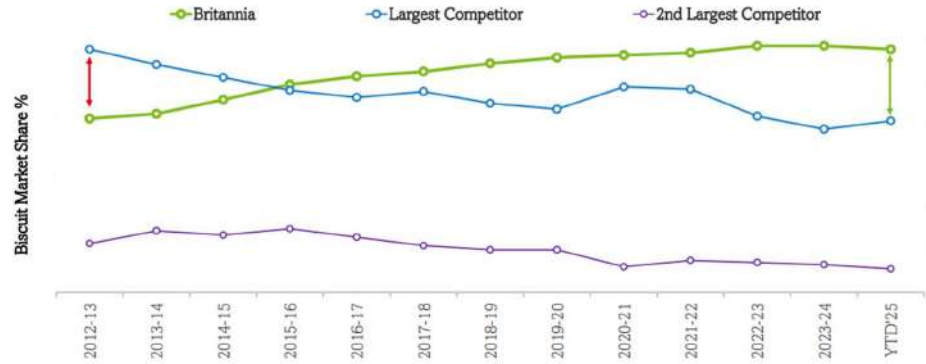
| Particulars (Rs. Mn) | 3QFY24 | 2QFY25 | 3QFY25 | YoY (%) | QoQ (%) | 9MFY24 | 9MFY25 | YoY (%) |
|----------------------|--------|--------|--------|---------|---------|---------|---------|---------|
| Revenues | 41,024 | 45,008 | 44,181 | 7.7 | -1.8 | 122,618 | 130,134 | 6.1 |
| COGS | 23,682 | 27,153 | 27,866 | 17.7 | 2.6 | 72,013 | 78,890 | 9.5 |
| Gross margin % | 42.3 | 39.7 | 36.9 | -5.3 | -2.7 | 41.3 | 39.4 | -1.9 |
| Employee costs | 1,632 | 1,947 | 678 | -58.5 | -65.2 | 4,404 | 4,272 | -3.0 |
| % of sales | 4.0 | 4.3 | 1.5 | -2.4 | -2.8 | 3.6 | 3.3 | -0.3 |
| Other expenses | 7,781 | 8,446 | 7,533 | -3.2 | -10.8 | 23,198 | 24,123 | 4.0 |
| % of sales | 19.0 | 18.8 | 17.1 | -1.9 | -1.7 | 18.9 | 18.5 | -0.4 |
| EBITDA | 7,929 | 7,462 | 8,104 | 2.2 | 8.6 | 23,004 | 22,850 | -0.7 |
| EBITDA margin % | 19.3 | 16.6 | 18.3 | -1.0 | 1.8 | 18.8 | 17.6 | -1.2 |
| EBIT | 7,222 | 6,773 | 7,352 | 1.8 | 8.6 | 21,019 | 20,741 | -1.3 |
| EBIT margin % | 17.6 | 15.0 | 16.6 | -1.0 | 1.6 | 17.1 | 15.9 | -1.2 |
| PBT | 7,454 | 6,952 | 7,509 | 0.7 | 8.0 | 21,342 | 21,710 | 1.7 |
| Adj. PAT | 5,413 | 5,146 | 5,571 | 2.9 | 8.3 | 15,548 | 15,984 | 2.8 |
| Adj. PAT margin % | 13.2 | 11.4 | 12.6 | -0.6 | 1.2 | 12.7 | 12.3 | -0.4 |
| EPS | 22.5 | 21.4 | 23.1 | 2.9 | 8.3 | 64.5 | 66.4 | 2.8 |

Source: Company, YES Sec

KEY TAKEAWAYS FROM Q3FY25 CONFERENCE CALL

- **Outlook:** BRIT is monitoring commodity prices & assessing its impact. It remains vigilant of the competitive pricing actions. PFCE (Private financial consumption expenditure) is expected to increase on a real basis 7.8% and on a 13.7% on a nominal basis.
- **Pricing:** The company took steep price increase in last year and corrected due to deflation. It has now started to take price increase. Total price increase was 2% in 3Q (Rs1bn in absolute terms) and by the end of the FY25 it will be 4.5%. In 1QFY26 it would be 1.5%. So, cumulatively the total price hike would be 6.5%. Pricing actions is always the last priority for the company. If this inflationary trend continues, the company will take higher pricing actions than expected.
- **Inflation:** CFPI was almost double digit in this quarter owing to high inflation in key food items like cereals, oils and fats, vegetable and fruits. RPO and Coco had the highest inflation while wheat prices expected to normalize. The company is of the opinion that inflation is here to stay. The company did some forward buying which enabled lower input cost lower than market prices.
- **Volume growth:** With the impact of price increase in the future, the volume growth will be affected. Core biscuits volume growth was 5.5% in the quarter. Delta between biscuits volumes and overall volume is 0.8-0.9%.
- **Adjacent business:** Croissant and Drink grown in double digits while Rusk continued healthy volume and value growth. BRIT is no hurry to get into more categories but to develop the current categories. Croissant will do Rs2bn ARR next year. Milkshakes has crossed Rs.2bn this year. Some categories have entry strong barriers, and it is difficult for the competition to enter. The company is not looking to enter Salty snacks due to strong competitive intensity and low chances of right to win.
- **Focus states:** The focus state contribution is still very small at 15% to overall revenue growing at 1.3x. BRIT doesn't want to be aggressive in terms of pricing to drive market share gains but wants to grow more sustainably through distribution expansion and right pricing. The focus states are consuming more biscuits, hence seeing better growth. Focus states contributes ~35% to NPDP.
- **Staff costs:** Employee cost in 3Q declined due to higher provisioning of phantom stock option in the base quarter. Decline in stock price from the last year had an impact of Rs750mn. If topline growth is x, staff and overhead cost growth would be 0.75x
- **Profit from operations:** For 11% inflation, the company requires 6.5% price increases along with 2.5% cost savings to maintain absolute profitability.
- **Competition:** The growth is coming through brand strength and distribution expansion despite slowdown in growth for the competitors in the biscuit segment. It is not seeing any signs of worry from the competition in the RTD category.
- **Other operating revenue:** Most of the capex gains are for longer period. The benefits of new plants (Ranjangaon, Bihar and Orissa) will materialize in this year. For FY26, the incentives for PLI are expected to be similar to FY25.
- **Market Share:** Flattish share due to ups and downs in prices. Share in exit of 3Q is looking very positive.
- **Distribution:** Focus states grew 2.6x the rest of India. It will be adopting 2-person sales model to 400k from 250k outlets which will have a good pay back in future. Urban retail is the most profitable channel with 1.3x more profit of the company.
- **Capex:** No major capex planned in the future. For FY26, the capex would be Rs1.5-2bn. Unless the company sees improvement in volume growth, it will not be doing any further capex.
- **E-commerce** channel is growing well for the new products. E-comm contribution is 4% for Biscuits, 17% for croissant, 9% for cakes and 8% for dairy.
- **Cost leadership:** In FY13-14 the cost savings were 0.7% of revenue which is ~2.5% of revenue in FY24-25. Again looking at 2.5% of revenue for FY25-26. The company is confident that it will beat the estimates in future.

Exhibit 4: Market share gap flattish due to volatility in biscuit prices



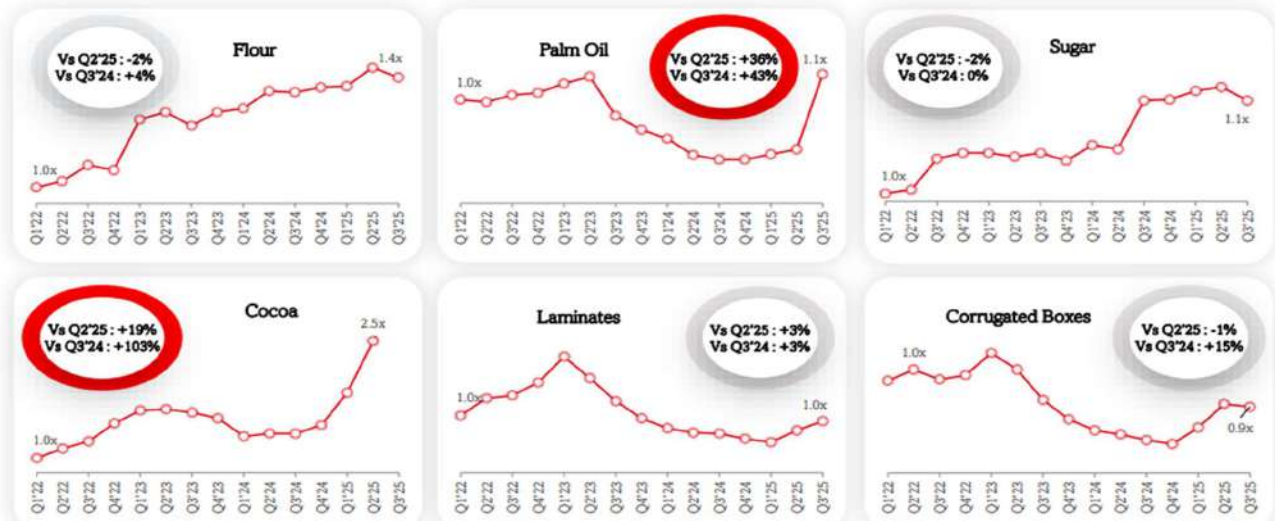
Source: Nielsen, Company, YES Sec

Exhibit 5: Growth in focus states for BRIT were 2.6x the Rest of India



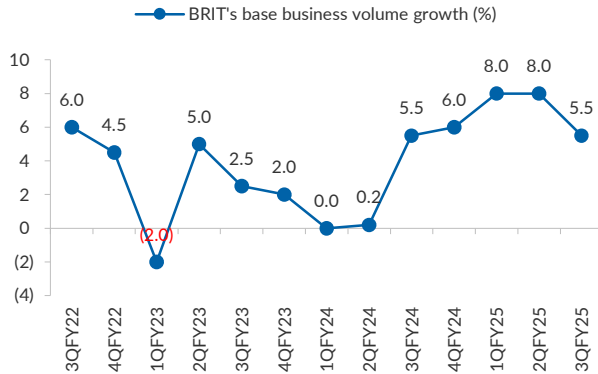
Source: Company, YES Sec

Exhibit 6: Cocoa and Palm oil seen the highest YoY and QoQ impact on input costs



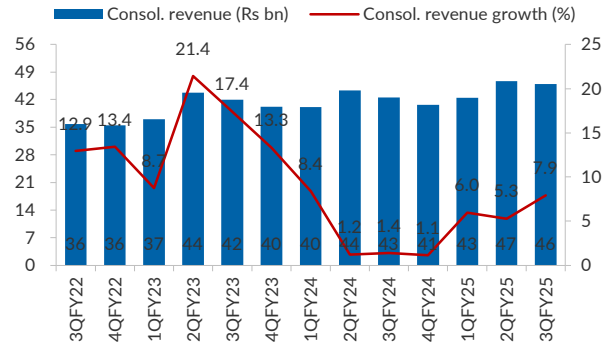
Source: Company, YES Sec; Note: Above values are average actual consumption rates for the quarter

Exhibit 7: Base business volume up 5.5%, overall volume growth up 6% YoY in 3QFY25



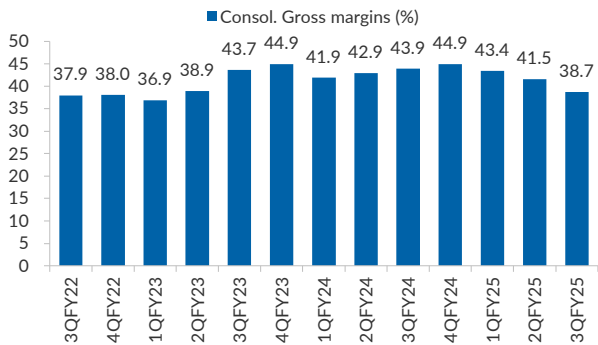
Source: Company, YES Sec

Exhibit 8: Consol. revenue grew 7.9% YoY (consol. sales up 6.5% YoY)



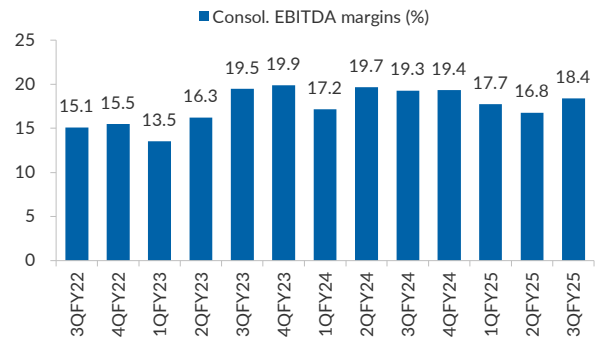
Source: Company, YES Sec

Exhibit 9: Extraordinary inflation led to ~280bps QoQ decline in gross margins (down 510bps YoY)



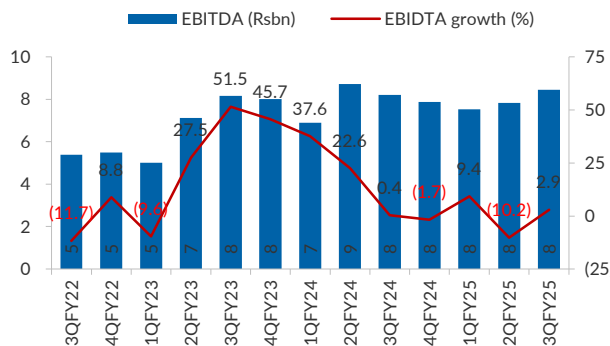
Source: Company, YES Sec

Exhibit 10: EBITDA margin stood at 18.4% (down 90bps YoY) due to sharp cut in overheads



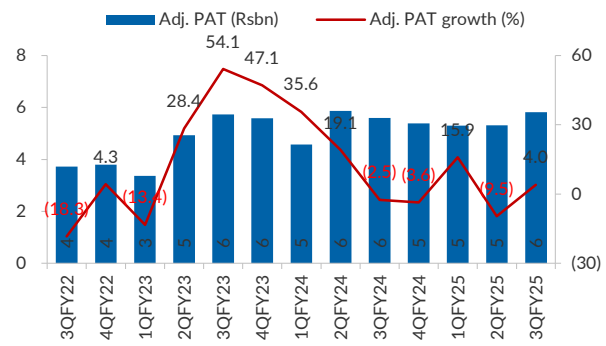
Source: Company, YES Sec

Exhibit 11: EBITDA was thus slightly up by 2.9% YoY in 3QFY25 to Rs8.4bn



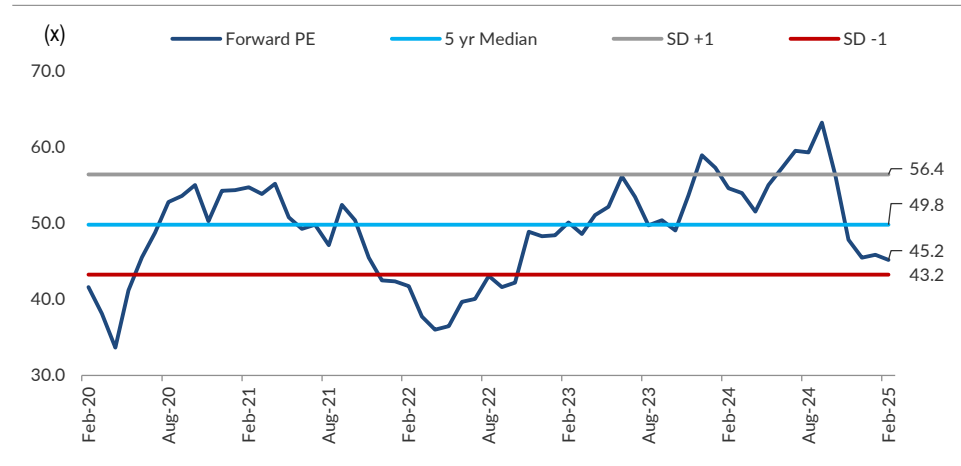
Source: Company, YES Sec

Exhibit 12: APAT was up by 4% YoY to 5.8bn



Source: Company, YES Sec

Exhibit 13: Currently trading at 45x 1yr fwd earnings



Source: Company, YES Sec

FINANCIALS

Exhibit 14: Balance Sheet

| Y/E March (Rsmn) | FY23 | FY24 | FY25E | FY26E | FY27E |
|--|---------------|---------------|---------------|---------------|---------------|
| Share capital | 241 | 241 | 241 | 241 | 241 |
| Reserves | 35,102 | 39,174 | 43,796 | 48,047 | 52,762 |
| Minority Interest | 302 | 245 | 245 | 245 | 245 |
| Net worth | 35,343 | 39,415 | 44,037 | 48,288 | 53,003 |
| Total debt | 29,974 | 20,650 | 18,650 | 16,650 | 14,650 |
| Deferred tax liability | (554) | (418) | (418) | (418) | (418) |
| Total liabilities | 65,065 | 59,892 | 62,513 | 64,764 | 67,479 |
| Gross block | 39,481 | 43,628 | 45,428 | 46,928 | 48,928 |
| Depreciation | 14,210 | 17,215 | 20,398 | 23,677 | 27,080 |
| Net block | 25,271 | 26,413 | 25,029 | 23,251 | 21,848 |
| Intangible assets | 1,282 | 1,298 | 1,298 | 1,298 | 1,298 |
| Capital work-in-progress | 1,050 | 1,875 | 1,875 | 1,875 | 1,875 |
| Investments | 33,242 | 27,667 | 32,129 | 37,502 | 43,376 |
| Inventories | 11,933 | 11,812 | 11,938 | 13,667 | 14,856 |
| Debtors | 3,289 | 3,933 | 4,048 | 4,398 | 4,742 |
| Cash | 1,980 | 4,464 | 4,565 | 5,076 | 5,518 |
| Loans & advances | 13,101 | 11,497 | 13,184 | 12,167 | 11,498 |
| Other current assets | 1,807 | 1,337 | 1,337 | 1,337 | 1,337 |
| Total current assets | 32,110 | 33,043 | 35,071 | 36,646 | 37,951 |
| Creditors | 14,488 | 16,275 | 17,439 | 18,906 | 20,370 |
| Other current liabilities & provisions | 13,402 | 14,130 | 15,451 | 16,903 | 18,500 |
| Total current liabilities | 27,890 | 30,405 | 32,890 | 35,808 | 38,870 |
| Net current assets | 4,220 | 2,638 | 2,182 | 838 | (918) |
| Total assets | 65,065 | 59,892 | 62,513 | 64,764 | 67,479 |

Source: Company, YES Sec

Exhibit 15: Income statement

| Y/E March (Rsmn) | FY23 | FY24 | FY25E | FY26E | FY27E |
|--|-------------|-------------|-------------|-------------|-------------|
| Net Sales | 163,006 | 167,693 | 180,148 | 200,029 | 217,041 |
| % Growth | 15.3 | 2.9 | 7.4 | 11.0 | 8.5 |
| COGS | 95,913 | 94,920 | 106,270 | 114,091 | 122,544 |
| Staff costs | 6,584 | 7,087 | 7,022 | 7,935 | 8,649 |
| Other expenses | 32,200 | 33,987 | 35,081 | 40,516 | 44,620 |
| Total expenses | 134,696 | 135,994 | 148,373 | 162,542 | 175,813 |
| EBITDA | 28,309 | 31,698 | 31,774 | 37,487 | 41,227 |
| % growth | 28.6 | 12.0 | 0.2 | 18.0 | 10.0 |
| EBITDA margin (%) | 17.4 | 18.9 | 17.6 | 18.7 | 19.0 |
| Other income | 2,159 | 2,142 | 2,340 | 2,537 | 2,927 |
| Interest costs | 1,691 | 1,640 | 1,507 | 1,547 | 1,417 |
| Depreciation | 2,259 | 3,005 | 3,184 | 3,279 | 3,403 |
| Profit before tax (before exceptional items) | 26,518 | 29,196 | 29,423 | 35,198 | 39,334 |

| Y/E March (Rsmn) | FY23 | FY24 | FY25E | FY26E | FY27E |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| Exceptional items | 3,590 | 0 | 0 | 0 | 0 |
| Tax | 6,998 | 7,793 | 7,415 | 8,859 | 9,900 |
| Rate of Tax (%) | 26.4 | 26.7 | 25.2 | 25.2 | 25.2 |
| PAT | 23,218 | 21,398 | 21,929 | 26,339 | 29,434 |
| Adj PAT | 19,628 | 21,427 | 21,929 | 26,339 | 29,434 |
| Adj PAT margin (%) | 11.9 | 12.6 | 12.0 | 13.0 | 13.4 |
| % Growth | 28.6 | 9.2 | 2.3 | 20.1 | 11.8 |

Source: Company, YES Sec

Exhibit 16: Cash flow statement

| Y/E March (Rsmn) | FY23 | FY24 | FY25E | FY26E | FY27E |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| PAT | 19,519 | 21,403 | 22,009 | 26,339 | 29,434 |
| Depreciation | 2,259 | 3,005 | 3,184 | 3,279 | 3,403 |
| Other income | 2,159 | 2,142 | 2,340 | 2,537 | 2,927 |
| (Inc.)/dec. in working capital | 4,057 | 1,611 | (443) | 855 | 1,198 |
| Cash flow from operations | 25,262 | 25,730 | 23,917 | 29,483 | 32,525 |
| Capital expenditure (-) | (7,087) | (4,973) | (1,800) | (1,500) | (2,000) |
| Net cash after capex | 18,175 | 20,757 | 22,117 | 27,983 | 30,525 |
| Dividends paid (-) | (13,592) | (17,325) | (17,607) | (22,388) | (25,019) |
| Inc./(dec.) in investments | (10,249) | 5,802 | (3,461) | (4,373) | (4,874) |
| Cash from financial activities | (10,284) | (28,305) | (21,114) | (25,935) | (28,436) |
| Opening cash balance | 1,849 | 1,980 | 4,463 | 4,564 | 5,077 |
| Closing cash balance | 1,980 | 4,463 | 4,564 | 5,077 | 5,518 |
| Change in cash balance | 131 | 2,484 | 101 | 512 | 442 |

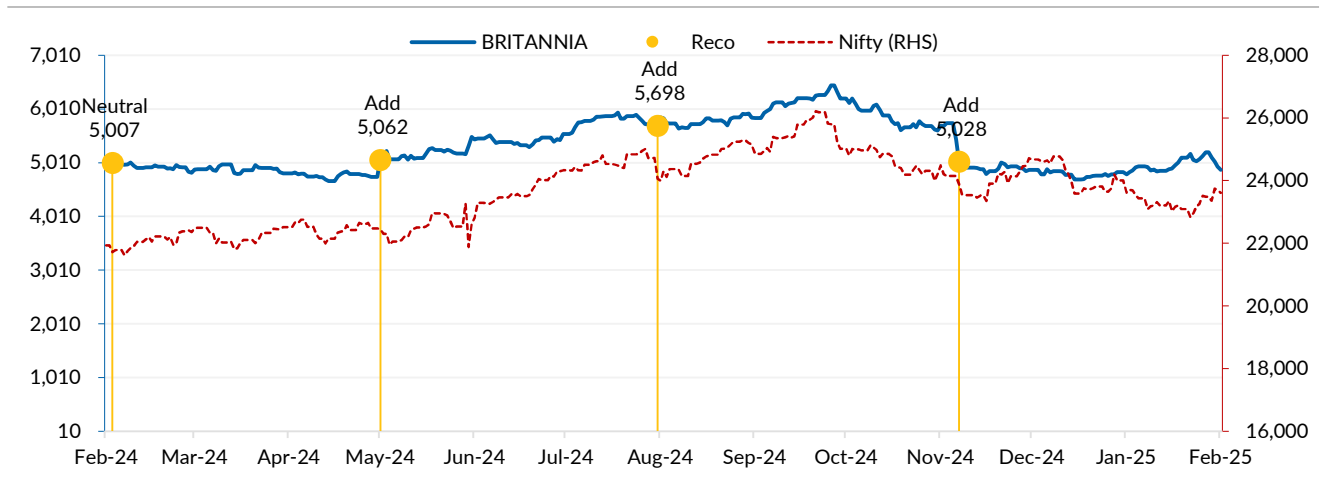
Exhibit 17: Growth and Ratio matrix

| Y/E March | FY23 | FY24 | FY25E | FY26E | FY27E |
|---------------------------------|-------|-------|-------|-------|-------|
| Per share (Rs) | | | | | |
| EPS | 81.5 | 88.9 | 91.0 | 109.3 | 122.2 |
| Book value | 146.7 | 163.6 | 182.8 | 200.4 | 220.0 |
| DPS | 58.3 | 66.6 | 73.1 | 92.9 | 103.9 |
| Valuation (x) | | | | | |
| EV/sales | 7.2 | 6.9 | 6.4 | 5.7 | 5.3 |
| EV/EBITDA | 41.3 | 36.7 | 36.4 | 30.6 | 27.6 |
| P/E | 59.8 | 54.8 | 53.5 | 44.6 | 39.9 |
| P/BV | 33.2 | 29.8 | 26.7 | 24.3 | 22.2 |
| Return ratios (%) | | | | | |
| RoCE* | 44.8 | 45.6 | 46.4 | 53.4 | 56.8 |
| RoE | 64.1 | 57.3 | 52.7 | 57.1 | 58.1 |
| RoIC* | 94.4 | 103.1 | 112.9 | 151.7 | 199.8 |
| Profitability ratios (%) | | | | | |
| Gross margin | 41.2 | 43.4 | 41.0 | 43.0 | 43.5 |
| EBITDA margin | 17.4 | 18.9 | 17.6 | 18.7 | 19.0 |

| Y/E March | FY23 | FY24 | FY25E | FY26E | FY27E |
|--------------------------------|------|------|-------|-------|-------|
| EBIT margin | 16.0 | 17.1 | 15.9 | 17.1 | 17.4 |
| PAT margin | 11.9 | 12.6 | 12.0 | 13.0 | 13.4 |
| Liquidity ratios (%) | | | | | |
| Current ratio | 1.2 | 1.1 | 1.1 | 1.0 | 1.0 |
| Quick ratio | 0.7 | 0.7 | 0.7 | 0.6 | 0.6 |
| Solvency ratio (%) | | | | | |
| Debt to Equity ratio | 0.8 | 0.5 | 0.4 | 0.3 | 0.3 |
| Turnover ratios | | | | | |
| Total asset turnover ratio (x) | 2.5 | 2.8 | 2.9 | 3.1 | 3.2 |
| Fixed asset turnover ratio (x) | 6.2 | 5.9 | 6.7 | 8.0 | 9.1 |
| Inventory days | 49 | 46 | 41 | 41 | 42 |
| Debtors days | 7 | 8 | 8 | 8 | 8 |
| Creditor days | 52 | 59 | 58 | 58 | 58 |

Source: Company, YES Sec; * pre-tax

Recommendation Tracker



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