

Britannia Industries | BUY



Gradual volume recovery & benign RM to aid earnings improvement

Britannia June-Q earnings print was operationally below expectations. Revenue growth was inline although construct was different vs. what we envisaged – Price/mix growth was higher while volume growth at 2% (lower vs. our est. of 3% & vs. 4Q levels) was a disappointment, considering most of the staples companies have seen sequential uptick in volumes in the quarter. Gross margin delivery was below est. as price hikes were not commensurate to input cost inflation, which along with higher staff cost resulted in c.5-6% miss on EBITDA/PAT. Management expects revenue momentum to sustain (although still more price/mix led as volume recovery will be gradual) which along with benign RM led margin improvement should aid overall earnings growth in our view (we are factoring c.12% earnings CAGR over FY25-28E). Our earnings estimates remain largely unchanged; pace of recovery in volume & GM will be key monitorable. We roll forward, maintain BUY with revised TP of INR 6,100 (50x Sep'27 EPS). Any sharp dips should be used as opportunity to add.

- Inline revenue led by higher realisations as volume growth delivery was below estimate:** Britannia's 1QFY26 consolidated sales (excl. other op income) grew 9.8% yoy to INR 45.3bn (broadly inline). Volumes grew c.2% (lower vs. our expectation of +3%) while price-mix growth was higher at c.8% (JMFe: +6%), as price increases were actioned to counter inflation. Management attributed volume impact to grammage reduction in price pointed packs (c.60% of business comes from INR 10/15 SKU) while pack growth was 12%. It expects volume trajectory to gradually improve & volume-value gap of 6-8% to sustain for next 2-3 quarters. Adjacent categories continued to perform well - Croissant grew in mid 20s, Rusk, Wafers and Milkshakes grew in double digits while growth in Cake has been in single digit). In terms of regional performance, Hindi belt saw high-double-digit growth while east region performance was impacted due to distribution restructuring.
- Weak gross margin and higher-than-expected staff cost drove earnings miss:** Consol. gross margin contracted by 260bps yoy (flat qoq) to 39.2% (JMfe:40.3%) – function of inflationary trends in key RM commodities (palm oil/cocoa) on yoy basis and lack of commensurate price hike. Management stated that impact of inflation is now largely covered by adequate prices hikes and no further upward pricing action is necessitated. Going forward, with RM moderating (benefit of palm oil moderation will be seen in Q2), it expects sequential uptick in gross margins. Staff costs remained at elevated levels and grew by 19.8% yoy, due to additional charge on revaluation of SAR (INR c.520mn negative impact in 1Q). This was partially offset by savings in other overheads (-2.8% yoy), as company restricted marketing spends to IPL & digital for Top 4 brands (we note that base quarter had higher than budgeted A&P spends). Resultant EBITDA remained flattish at INR 7.6bn with margin contraction of 155bps to 16.7% (below our estimate of 17.8%). Management remains confident on sustaining or improving EBITDA margins vs. FY25 levels.

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	6,100
Upside/(Downside)	12.9%
Previous Price Target	5,960
Change	2.3%

Key Data – BRIT IN

Current Market Price	INR5,403
Market cap (bn)	INR1,301.3/US\$14.8
Free Float	41%
Shares in issue (mn)	240.9
Diluted share (mn)	240.9
3-mon avg daily val (mn)	INR1,477.9/US\$16.8
52-week range	6,473/4,506
Sensex/Nifty	80,544/24,574
INR/US\$	87.7

Price Performance

%	1M	6M	12M
Absolute	-6.4	9.0	-7.7
Relative*	-3.0	5.4	-9.0

* To the BSE Sensex

Financial Summary

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	165,462	175,350	192,685	210,403	229,934
Sales Growth (%)	3.5	6.0	9.9	9.2	9.3
EBITDA	31,698	31,872	35,219	38,727	42,423
EBITDA Margin (%)	18.9	17.8	17.9	18.1	18.2
Adjusted Net Profit	21,419	21,972	24,749	27,768	30,977
Diluted EPS (INR)	88.9	91.2	102.7	115.3	128.6
Diluted EPS Growth (%)	10.1	2.6	12.6	12.2	11.6
ROIC (%)	86.8	87.6	106.5	131.0	160.0
ROE (%)	57.3	53.0	52.8	50.6	48.0
P/E (x)	60.8	59.2	52.6	46.9	42.0
P/B (x)	33.0	29.9	25.9	21.9	18.7
EV/EBITDA (x)	41.1	40.8	36.7	33.1	30.0
Dividend Yield (%)	1.4	1.4	1.4	1.6	1.8

Source: Company data, JM Financial. Note: Valuations as of 06/Aug/2025

JM Financial Research is also available on:
Bloomberg - JMFR <GO>,
Thomson Publisher & Reuters,
S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

Concall Highlights

■ Operating environment

- In terms of demand trends, management saw uptick in urban as well as rural. **Growth in rural has been in strong double-digit growth while urban saw high single digit growth.** Urban includes sales from General trade, Modern trade and E-commerce including Q-commerce.
- Levers of Rural growth: a) Go direct (efficient supplies with higher lines/outlet) and b) better extraction from existing distribution infrastructure.
- Levers for Urban growth: a) increased focus on high potential outlets – not only for core business (i.e. biscuits) but also for adjacencies, b) revamped sales program in key urban accounts and leverage tailwinds in e-commerce.
- **E-Commerce is doing well and accounts for 4% of its total sales.** This contribution is lower for biscuits and is 8%+ for other products.
- Hindi belt has seen good growth during the quarter with all 4 focus states (UP/MP/Gujarat/Rajasthan) delivering high double-digit growth. Growth from focus states is 2.7x of other states.
- Management did not give a clear indication on recovery in consumption due to persisting geo-political headwinds; however, is hopeful to continue healthy 1Q momentum.

■ Market share and competition

- As far as market share is concerned, it has improved vs. organised players. The company gained share in 5 out of 7 regions. While market share remains flattish as per Nielsen, however, other players have not grown as fast as the company.
- One of the region that witnessed some turmoil is East and the reason is not high competition but internal restructuring done by company. The company is streamlining its distribution and appointing mega distributors in order to have better control. Due to this, local players have gained momentum but management expects to bounce back.
- Management highlighted that regional players gain traction with price disadvantage in select markets and categories post alternating inflationary and deflationary cycles for the industry.
- Management also stated that the margins for biscuit industry are much higher vs. what was seen in the past, resulting into higher number of newer entrants. Some will sustain while majority won't. It is important to understand their strengths and nullify them.

■ RM environment

- In terms of RM environment, commodity prices have been reasonably stable on sequential basis, though turbulent yoy. Prices for flour were up 8% yoy. In palm oil, sequential deflation is seen though was up 45% yoy; however, management stated that the worst is behind. Cocoa also sequentially came down though was up 35% yoy. Laminates/Sugar are within manageable limits.
- Import duty reduction in palm oil was announced in May and partial benefit has come in 1Q. Management expects balance benefit to flow in 2Q.

■ Volume trends and pricing actions

- The company has adequately covered inflation through commensurate price increases and does not expect any further pricing actions. In the near term, the management does not expect to pass on the pricing benefit to consumers due to moderating inflation; however, some actions may be taken if necessitated by competitive intensity in certain regions.
- With the kind of inflation seen, pricing growth is bound to be higher vs. volume growth. However, 60% of business comes from small packs at INR 5/10 price points,

so company tracks transaction growth (i.e. how many consumers are interacting with its brands) which grew 12% during the quarter.

- Management highlighted that the **delta between revenue and volume will be 6-8% for the coming 2-3 quarters, thereby implying low-single-digit volume growth.**

■ Margin performance

- Inflation seen in 1Q was similar to previous quarters and was not mitigated entirely through price increases, which has now been achieved in this quarter. With input costs moderating qoq, management expects gross margins to improve going ahead.
- Staff cost was higher due to INR 520mn negative impact of SAR revaluation. Management stated that employee cost ex-SAR will be in the ballpark range of c.190crs for the next 3 quarters and if stock price remains stable there will be no further charge on revaluation of SAR and total impact will remain at these levels on full year basis.
- During the quarter, company rationalized its A&P spends in 1Q and largely focused on IPL and digital. Company did not go all out across brands and focused on top 4 brands. It is now reverted back to its normal A&P trend.

■ Distribution and channel expansion

- Company is witnessing growth in e-commerce largely driven by Q-commerce (contributes to 75% of sales in e-commerce). Therefore, a lot of innovations are built through digital commerce and company will continue to focus on this.
- It expects Q-commerce to augment overall Omni-channel growth. The strategy is to grow this market place in a way that it does not create pressure over another trade channels but boosts overall growth. Profitability in this space depends on superior product mix with higher saliency in premium. It will focus to drive gross margins with better mix.

■ Adjacent business

- Within Adjacencies, Rusk has been growing in high double-digits with dramatic improvement in profitability.
- Croissant registered mid 20s growth and has achieved break-even even after the marketing spends done as product has good GMs.
- Wafers grew at c.30% with market share moving up. Despite being a late entrant to this category, company has gained momentum quickly.
- Dairy is doing very well and grew c.40% in GT. It is doing on the e-commerce side too but company is yet to stabilize its MT for this segment due to pricing issues. Company expects sustainable growth as far as GT is considered in this category as it is now price competitive (products at 25-30% premium vs. largest competitor).
- While, every company has reported a decline in Drinks, the company has reported DD growth despite seasonal headwinds, which is a key positive.
- Breads are not margin accretive but still at decent levels vs. company. Overall growth has been pretty good despite being north centric. The company is now expanding product availability across India.
- Cakes is not doing well and growing in single digits. There has been margin issues in cakes, company increased prices from INR 10 to INR 15 leading to moderation in growth. Hence it is reassessing the pricing strategy.

■ Guidance

- Management's agenda is to sustain margins while being competitive.
- Management does not see high volatility in commodity prices from here on. **They alluded that gross margins will improve on sequential basis and expects to sustain or improve EBITDA margins vs. FY25 levels.**

- In base quarter, the other operating income was higher vs. current levels; going forward, growth in other operating income will be linear and will not fluctuate any longer.
- On the Capex front, there are no heavy expansions planned and increase in production capacity will be only where it is necessary. **Management expects capex of INR 1bn for FY26 (lower vs. intensity seen in recent years).**

■ Premiumisation

- Company is in the process of launching new and innovative premium products – a) Pure Magic choco tarts in chocolate & Hazelnut and b) Healthier option in nutri-choice – 100% millet with no added sugar. Management is positive that these products will be blockbusters.
- The company has increased its premium products saliency by 310bps since FY22 driven by innovations.

Exhibit 1. 1Q result snapshot – Revenue broadly inline; weaker GM and higher staff costs drive earnings miss

INR mn	CONSOLIDATED					PARENT		
	1QFY26	1QFY25	YoY growth	1QFY26E	% var	1QFY26	1QFY25	YoY growth
Net Sales	45,349	41,299	9.8%	45,016	0.7%	43,576	39,674	9.8%
Other Operating Income	874	1,204	-27.4%	900	-2.9%	951	1,271	-25.2%
Gross Profit	18,631	18,449	1.0%	19,034	-2.1%	17,160	17,074	0.5%
Gross Profit Margin - % of Net Sales	39.2%	41.8%	-260 bps	40.3%	-113 bps	37.2%	39.8%	-264 bps
Staff Cost	2,419	2,020	19.8%	1,876	28.9%	2,037	1,647	23.7%
Other Expenses	8,642	8,893	-2.8%	9,163	-5.7%	7,917	8,144	-2.8%
EBITDA	7,571	7,537	0.4%	7,996	-5.3%	7,207	7,283	-1.0%
EBITDA margin - % of Net Sales	16.7%	18.2%	-155 bps	17.8%	-107 bps	16.5%	18.4%	-182 bps
Depreciation	820	739	11.0%	833	-1.5%	749	667	12.2%
EBIT	6,750	6,797	-0.7%	7,163	-5.8%	6,458	6,616	-2.4%
Interest Expense	262	290	-9.7%	300	-12.8%	257	286	-10.1%
Other Income	570	556	2.5%	608	-6.2%	541	673	-19.6%
PBT	7,059	7,064	-0.1%	7,471	-5.5%	6,742	7,003	-3.7%
Reported Net Profit	5,207	5,056	3.0%	5,529	-5.8%	4,983	5,021	-0.8%
Adjusted Net Profit	5,207	5,241	-0.6%	5,529	-5.8%	4,983	5,267	-5.4%

Source: Company, JM Financial

Exhibit 2. Quarterly financial performance – consolidated basis

INR mn	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Volume growth	3.0%	1.0%	0.0%	0.2%	5.5%	6.0%	8.0%	8.0%	6.0%	3.5%	2.0%
Sales	41,015	38,920	39,698	43,705	41,918	40,141	41,299	45,662	44,633	43,756	45,349
YoY	16.2%	10.9%	8.6%	0.8%	2.2%	3.1%	4.0%	4.5%	6.5%	9.0%	9.8%
Other Op Inc	953	1,312	409	624	645	553	1,204	1,013	1,293	566	874
Total sales	41,968	40,232	40,107	44,329	42,563	40,694	42,503	46,676	45,926	44,322	46,222
YoY	17.4%	13.3%	8.4%	1.2%	1.4%	1.1%	6.0%	5.3%	7.9%	8.9%	8.8%
Gross Profit	18,321	18,073	16,820	19,011	18,673	18,269	18,449	19,381	17,784	17,773	18,631
Staff cost	1,782	1,706	1,883	1,599	1,985	1,620	2,020	2,323	1,059	1,645	2,419
Other expenses	8,363	8,358	8,048	8,688	8,477	8,774	8,893	9,224	8,276	8,076	8,642
EBITDA	8,176	8,009	6,889	8,724	8,211	7,874	7,537	7,834	8,449	8,052	7,571
YoY	51.5%	45.7%	37.6%	22.6%	0.4%	-1.7%	9.4%	-10.2%	2.9%	2.3%	0.4%
Depreciation	580	653	708	717	781	799	739	761	824	810	820
Interest	381	349	531	534	311	264	290	346	446	307	262
Other income	508	564	539	524	506	573	556	460	625	630	570
PBT	7,722	7,571	6,190	7,997	7,625	7,384	7,064	7,187	7,804	7,566	7,059
YoY	52.3%	45.9%	33.6%	21.3%	-1.3%	-2.5%	14.1%	-10.1%	2.4%	2.5%	-0.1%
Tax	2,169	2,035	1,665	2,121	2,026	1,980	1,762	1,836	1,961	1,928	1,809
PAT after exceptional item	9,309	5,536	4,525	5,875	5,570	5,404	5,055	5,350	5,843	5,638	5,250
Share of profit of associates	15	40	30	-10	-13	-38	-7	-34	-20	-47	-49
Minority Interest	0	-11	-21	-11	-7	-17	-8	1	6	-8	-6
PAT	9,324	5,587	4,576	5,876	5,564	5,383	5,056	5,315	5,817	5,600	5,207
YoY	151.2%	47.1%	35.6%	19.1%	-40.3%	-3.6%	10.5%	-9.6%	4.5%	4.0%	3.0%
Adjusted PAT	5,568	5,587	4,576	5,876	5,586	5,383	5,241	5,316	5,817	5,600	5,207
YoY	49.6%	47.1%	35.6%	19.1%	0.3%	-3.6%	14.5%	-9.5%	4.1%	4.0%	-0.6%
% to sales	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Gross margin (ex-other operating income)	42.3%	43.1%	41.3%	42.1%	43.0%	44.1%	41.8%	40.2%	36.9%	39.3%	39.2%
Staff cost	4.3%	4.4%	4.7%	3.7%	4.7%	4.0%	4.9%	5.1%	2.4%	3.8%	5.3%
Other expenses	20.4%	21.5%	20.3%	19.9%	20.2%	21.9%	21.5%	20.2%	18.5%	18.5%	19.1%
EBITDA margin	19.9%	20.6%	17.4%	20.0%	19.6%	19.6%	18.2%	17.2%	18.9%	18.4%	16.7%
EBITDA margin (incl. other operating income)	19.5%	19.9%	17.2%	19.7%	19.3%	19.4%	17.7%	16.8%	18.4%	18.2%	16.4%

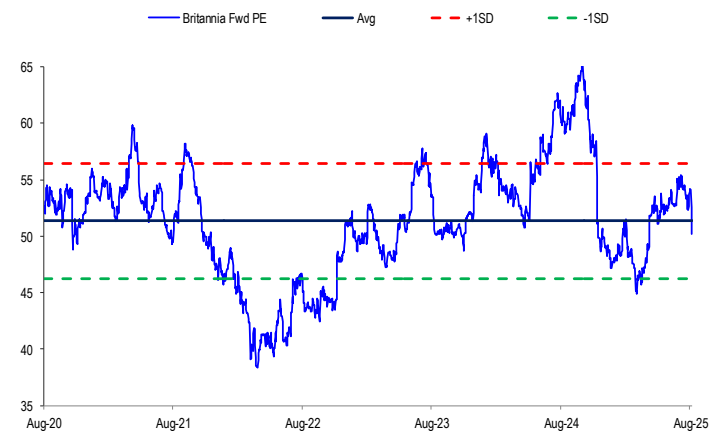
Source: Company, JM Financial

Exhibit 3. Quarterly financial performance – standalone basis

INR mn	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Sales	39,114	37,587	38,243	42,203	40,314	38,629	39,674	43,919	42,811	42,189	43,576
YoY	17.6%	14.3%	10.2%	1.8%	3.1%	2.8%	3.7%	4.1%	6.2%	9.2%	9.8%
Other operating Income	998	1,360	464	686	710	613	1,271	1,090	1,371	636	951
Total sales	40,112	38,947	38,706	42,889	41,024	39,242	40,944	45,008	44,181	42,825	44,527
YoY	18.9%	16.7%	9.9%	2.3%	2.3%	0.8%	5.8%	4.9%	7.7%	9.1%	8.8%
Gross profit	16,922	16,789	15,567	17,698	17,341	16,974	17,074	17,855	16,315	16,377	17,160
Staff cost	1,415	1,365	1,522	1,251	1,632	1,249	1,647	1,947	678	1,275	2,037
Other expenses	7,609	7,477	7,379	8,038	7,781	8,021	8,144	8,446	7,533	7,314	7,917
EBITDA	7,898	7,947	6,666	8,409	7,929	7,704	7,283	7,462	8,104	7,787	7,207
YoY	54.1%	52.2%	41.9%	22.3%	0.4%	-3.1%	9.2%	-11.3%	2.2%	1.1%	-1.0%
Depreciation	500	575	634	644	707	727	667	689	752	738	749
Interest	354	296	484	480	292	258	286	343	441	301	257
Other income	484	532	522	532	496	552	673	520	598	716	541
PBT	7,528	7,608	6,071	7,817	7,425	7,270	7,003	6,950	7,509	7,464	6,742
YoY	54.1%	38.2%	37.8%	18.8%	-1.4%	-4.4%	15.4%	-11.1%	1.1%	2.7%	-3.7%
Tax	2,137	2,027	1,640	2,113	2,013	1,969	1,736	1,804	1,938	1,893	1,759
PAT	7,669	5,582	4,431	5,705	5,384	5,302	5,021	5,144	5,571	5,571	4,983
YoY	115.1%	35.0%	37.7%	15.8%	-29.8%	-5.0%	13.3%	-9.8%	3.5%	5.1%	-0.8%
% to sales	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Gross margin (ex-other operating income)	40.7%	41.0%	39.5%	40.3%	41.3%	42.4%	39.8%	38.2%	34.9%	37.3%	37.2%
Staff cost	3.6%	3.6%	4.0%	3.0%	4.0%	3.2%	4.2%	4.4%	1.6%	3.0%	4.7%
Other expenses	19.5%	19.9%	19.3%	19.0%	19.3%	20.8%	20.5%	19.2%	17.6%	17.3%	18.2%
EBITDA margin	20.2%	21.1%	17.4%	19.9%	19.7%	19.9%	18.4%	17.0%	18.9%	18.5%	16.5%
EBITDA margin (incl. other operating income)	19.7%	20.4%	17.2%	19.6%	19.3%	19.6%	17.8%	16.6%	18.3%	18.2%	16.2%

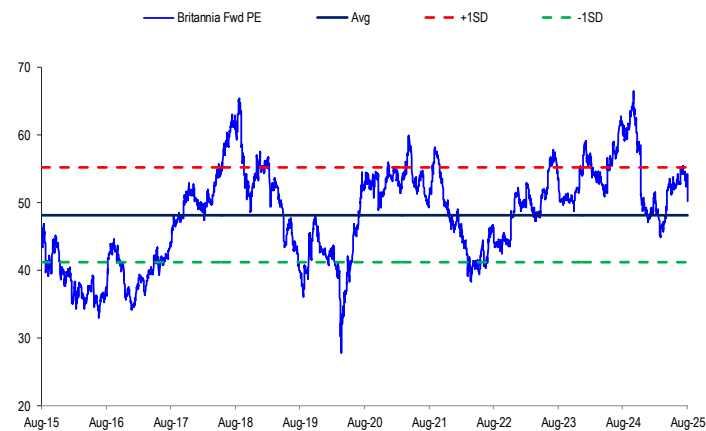
Source: Company, JM Financial

Exhibit 4. Britannia's 5yr avg. PE Band



Source: Bloomberg, Company, JM Financial

Exhibit 5. Britannia's 10yr avg. PE Band



Source: Bloomberg, Company, JM Financial

Exhibit 6. Revision in estimates

INR mn	Revised			Earlier			Change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	192,685	210,403	229,934	191,696	210,166	230,436	0.5%	0.1%	-0.2%
EBITDA	35,219	38,727	42,423	35,392	38,788	42,546	-0.5%	-0.2%	-0.3%
PAT	24,749	27,768	30,977	24,861	27,822	31,142	-0.5%	-0.2%	-0.5%
EPS	102.7	115.3	128.6	103.2	115.5	129.3	-0.5%	-0.2%	-0.5%

Source: Company, JM Financial

Financial Tables (Consolidated)

Income Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	165,462	175,350	192,685	210,403	229,934
Sales Growth	3.5%	6.0%	9.9%	9.2%	9.3%
Other Operating Income	2,231	4,077	3,565	3,472	3,495
Total Revenue	167,693	179,427	196,249	213,875	233,429
Cost of Goods Sold/Op. Exp	94,920	106,041	115,325	124,649	136,095
Personnel Cost	7,087	7,046	8,189	8,879	9,634
Other Expenses	33,987	34,469	37,516	41,620	45,276
EBITDA	31,698	31,872	35,219	38,727	42,423
EBITDA Margin	18.9%	17.8%	17.9%	18.1%	18.2%
EBITDA Growth	12.0%	0.5%	10.5%	10.0%	9.5%
Depn. & Amort.	3,005	3,133	3,405	3,544	3,696
EBIT	28,694	28,738	31,813	35,183	38,727
Other Income	2,142	2,271	2,414	3,075	3,833
Finance Cost	1,640	1,388	928	916	904
PBT before Excep. & Forex	29,196	29,621	33,299	37,342	41,656
Excep. & Forex Inc./Loss(-)	-29	-248	0	0	0
PBT	29,167	29,373	33,299	37,342	41,656
Taxes	7,793	7,487	8,488	9,518	10,618
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-24	99	63	56	61
Reported Net Profit	21,398	21,787	24,749	27,768	30,977
Adjusted Net Profit	21,419	21,972	24,749	27,768	30,977
Net Margin	12.8%	12.2%	12.6%	13.0%	13.3%
Diluted Share Cap. (mn)	240.9	240.9	240.9	240.9	240.9
Diluted EPS (INR)	88.9	91.2	102.7	115.3	128.6
Diluted EPS Growth	10.1%	2.6%	12.6%	12.2%	11.6%
Total Dividend + Tax	17,706	18,068	18,562	20,826	23,233
Dividend Per Share (INR)	73.5	75.0	77.1	86.5	96.4

Source: Company, JM Financial

Cash Flow Statement (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	29,196	29,621	33,299	37,342	41,656
Depn. & Amort.	3,005	3,133	3,405	3,544	3,696
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	1,611	-42	805	258	321
Others	-433	-1,014	-1,486	-2,160	-2,929
Taxes Paid	-7,649	-6,892	-8,243	-9,259	-10,337
Operating Cash Flow	25,730	24,807	27,780	29,725	32,407
Capex	-4,970	-3,703	-1,927	-2,104	-2,299
Free Cash Flow	20,760	21,104	25,854	27,621	30,108
Inc (-) / Dec in Investments	5,802	-256	-1,470	-1,544	-1,621
Others	3,923	4,802	2,341	3,008	3,760
Investing Cash Flow	4,755	844	-1,056	-640	-161
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-17,325	-17,675	-18,068	-18,562	-20,826
Inc / Dec (-) in Loans	-9,402	-8,208	0	0	0
Others	-1,578	-1,735	-922	-910	-898
Financing Cash Flow	-28,305	-27,619	-18,989	-19,471	-21,724
Inc / Dec (-) in Cash	2,180	-1,969	7,735	9,614	10,523
Opening Cash Balance	2,284	5,093	3,125	10,860	20,474
Closing Cash Balance	4,463	3,125	10,860	20,474	30,997

Source: Company, JM Financial

Balance Sheet (INR mn)					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	39,415	43,557	50,239	59,445	69,596
Share Capital	241	241	241	241	241
Reserves & Surplus	39,174	43,316	49,998	59,204	69,355
Preference Share Capital	0	0	0	0	0
Minority Interest	245	256	246	235	223
Total Loans	20,412	12,248	12,248	12,248	12,248
Def. Tax Liab. / Assets (-)	-418	-348	-268	-179	-79
Total - Equity & Liab.	59,654	55,713	62,464	71,749	81,987
Net Fixed Assets	29,580	29,915	28,437	26,997	25,600
Gross Fixed Assets	45,554	49,715	51,642	53,746	56,046
Intangible Assets	0	0	0	0	0
Less: Depn. & Amort.	17,849	20,692	24,097	27,642	31,338
Capital WIP	1,875	892	892	892	892
Investments	30,267	29,404	30,875	32,418	34,039
Current Assets	30,443	28,685	38,338	50,406	63,629
Inventories	11,812	12,365	13,060	14,260	15,584
Sundry Debtors	3,933	4,486	4,930	5,383	5,883
Cash & Bank Balances	4,464	3,125	10,860	20,474	30,997
Loans & Advances	8,246	7,049	7,746	8,458	9,243
Other Current Assets	1,988	1,660	1,743	1,830	1,922
Current Liab. & Prov.	30,636	32,292	35,185	38,072	41,281
Current Liabilities	23,809	24,688	26,929	29,278	31,915
Provisions & Others	6,827	7,604	8,256	8,794	9,365
Net Current Assets	-193	-3,607	3,153	12,334	22,348
Total - Assets	59,654	55,713	62,464	71,749	81,987

Source: Company, JM Financial

Dupont Analysis					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	12.8%	12.2%	12.6%	13.0%	13.3%
Asset Turnover (x)	2.4	2.8	2.9	2.8	2.7
Leverage Factor (x)	1.8	1.6	1.4	1.4	1.3
RoE	57.3%	53.0%	52.8%	50.6%	48.0%

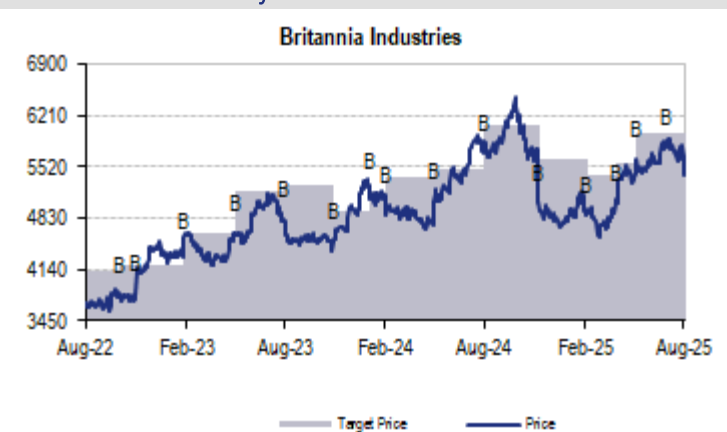
Key Ratios					
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	163.6	180.8	208.5	246.8	288.9
ROIC	86.8%	87.6%	106.5%	131.0%	160.0%
ROE	57.3%	53.0%	52.8%	50.6%	48.0%
Net Debt/Equity (x)	0.0	0.0	-0.2	-0.3	-0.5
P/E (x)	60.8	59.2	52.6	46.9	42.0
P/B (x)	33.0	29.9	25.9	21.9	18.7
EV/EBITDA (x)	41.1	40.8	36.7	33.1	30.0
EV/Sales (x)	7.8	7.2	6.6	6.0	5.4
Debtor days	9	9	9	9	9
Inventory days	26	25	24	24	24
Creditor days	63	61	61	61	61

Source: Company, JM Financial

History of Recommendation and Target Price

Date	Recommendation	Target Price	% Chg.
31-Jul-21	Buy	3,830	
8-Nov-21	Buy	3,980	3.9
29-Jan-22	Buy	3,850	-3.3
3-May-22	Buy	3,850	0.0
5-Aug-22	Buy	4,120	7.0
7-Oct-22	Buy	4,200	1.9
5-Nov-22	Buy	4,210	0.2
1-Feb-23	Buy	4,620	9.7
6-May-23	Buy	5,190	12.3
4-Aug-23	Buy	5,270	1.5
2-Nov-23	Buy	4,925	-6.5
8-Jan-24	Buy	5,190	5.4
6-Feb-24	Buy	5,380	3.7
6-May-24	Buy	5,475	1.8
5-Aug-24	Buy	6,070	10.9
12-Nov-24	Buy	5,610	-7.6
7-Feb-25	Buy	5,410	-3.6
4-Apr-25	Buy	5,575	3.0
12-May-25	Buy	5,960	6.9
4-Jul-25	Buy	5,960	0.0

Recommendation History



APPENDIX I

JM Financial Institutional Securities Limited

Corporate Identity Number: U67100MH2017PLC296081

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Rating	Meaning
Buy	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
Hold	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
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* REITs refers to Real Estate Investment Trusts.

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