AWL AGRI BUSINESS

NUVAMA FLASH

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	265
12 month price target (INR)	397
52 Week High/Low	353/232
Market cap (INR bn/USD bn)	345/3.9
Free float (%)	9.2
Avg. daily value traded (INR mn)	1,395.6

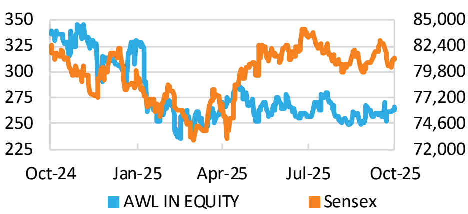
SHAREHOLDING PATTERN

	Jun-25	Mar-25	Dec-24
Promoter	74.36%	74.36%	87.88%
FII	4.61%	4.31%	1.16%
DII	8.62%	8.90%	0.05%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Revenue	5,12,616	6,36,722	6,94,240	7,41,851
EBITDA	11,353	24,817	23,951	26,558
Adjusted profit	2,015	12,258	12,446	15,470
Diluted EPS (INR)	1.6	9.5	9.6	11.9
EPS growth (%)	(65.4)	510.4	1.5	24.3
RoAE (%)	2.4	13.8	12.4	13.5
P/E (x)	172.2	28.2	27.8	22.4
EV/EBITDA (x)	31.6	14.4	14.5	12.7
Dividend yield (%)	0	0	0	0

PRICE PERFORMANCE



Volumes bounce back after Q1 dip

AWL Agri's Q2FY26 business update exceeds our initial expectations on both the pricing and volume front. Based on this update, we now reckon revenue shall surge 24% YoY and volumes shall grow 5% YoY (down -5% in Q1). Edible Oil volume/revenue shall increase 4% YoY/29% YoY, faster than Marico's Saffola Oils (flat volumes; high teen sales growth YoY). Branded products volume shall grow ~1% affected by low single-digit decrease in both Palm Oil and Mustard Oil.

Industry Essentials volume/revenue shall increase 22% YoY/21% YoY on a soft base of -15%/-9%. Food and FMCG reported volumes shall decline 8% YoY/inch up 1% YoY ex-G2G (G2G business discontinued Q4FY25 onwards); maintain 'BUY' with a TP of INR397.

Decent growth in Edible Oil and Industry Essentials segment

Edible Oil: We reckon volume/value growth of 4%/29% YoY with a healthy 2Y CAGR of 11%/21%. Branded products volume shall grow ~1% affected by low single-digit decline in Palm Oil and Mustard Oil. Consumers switched from mustard oil to soya oil as mustard prices rose much more sharply. Palm oil sales to improve after two weak quarters, but have not normalised yet. **In response to grammage wars in soya oil, the company launched a 750ml pack, which has reported strong traction.**

Food and FMCG: We estimate volume/revenue growth shall decrease 8%/6% YoY due to **declines in non-branded rice exports and weak wheat flour demand**. Ex-G2G, volume inched up 1% YoY while revenue to remain flat YoY. Wheat flour revenue shall grow in mid-single digit YoY. Basmati Rice shall deliver revenue growth of 20+% in Q2. Pulses, Besan, Sugar and Poha (double-digit volume growth) shall reach its highest quarterly volumes.

Industry Essentials: We expect volume/value shall grow 22%/21% YoY led by strong growth in oleochemicals and de-oiled cake business.

GD Foods: For H1FY26, we reckon revenue shall grow in mid-single-digit YoY despite intense competition post-acquisition, GST transition related challenges and heavy rains affecting core markets.

Q2FY26E preview

We now reckon revenue shall grow 24% YoY in Q2FY26E (20.4% YoY in Q1FY26; 17.9% YoY in Q2FY25). We forecast overall volumes shall grow ~5% YoY (down 5% YoY in Q1FY26; 12% YoY in Q2FY25). For Edible Oils, we anticipate volume/value to grow 4%/29% YoY (down 4%/up 26% YoY in Q1FY26; 17%/21% YoY in Q2FY25). For Foods and FMCG, we anticipate volume/value to decrease 8%/6% YoY (down 20%/8% YoY in Q1FY26; down 33%/34% YoY in Q2FY25). Ex G2G, volume shall grow 1% YoY while revenue shall remain flat YoY. For Industry Essentials, we forecast volume/value shall grow 22%/21% YoY (6%/12% YoY in Q1FY26; down 15%/9% YoY in Q2FY25). EBITDA to decline 8.2% YoY (down 40.9% YoY in Q1FY26; 294% YoY in Q2FY25). We forecast gross/EBITDA margin shall decrease 225bp/102bp YoY to 10%/2.9% in Q2FY26E.

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