India Equity Research | Consumer Staples | November 4, 2025

AWL AGRI BUSINESS

nuvama institutional equities

RESULT UPDATE

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	277
12 month price target (INR)	386
52 Week High/Low	349/232
Market cap (INR bn/USD bn)	360/4.1
Free float (%)	9.2
Avg. daily value traded (INR mn)	604.9

SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
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%

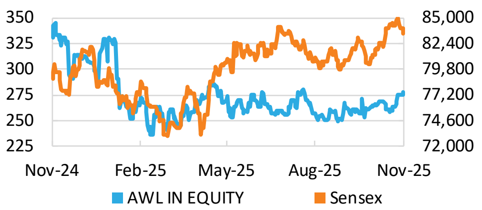
FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	6,36,722	6,94,240	7,41,851	7,93,339
EBITDA	24,817	23,257	26,187	28,402
Adjusted profit	12,258	11,939	14,786	17,253
Diluted EPS (INR)	9.5	9.2	11.4	13.3
EPS growth (%)	510.4	(2.6)	23.8	16.7
RoAE (%)	13.8	11.9	13.0	13.3
P/E (x)	29.2	29.9	24.2	20.7
EV/EBITDA (x)	14.2	14.7	12.7	11.3
Dividend yield (%)	0	0	0	0

CHANGE IN ESTIMATES

	Revised estimates		% Revision	
Year to March	FY26E	FY27E	FY26E	FY27E
Revenue	6,94,240	7,41,851	0%	0%
EBITDA	23,257	26,187	-2.9%	-1.4%
Adjusted profit	11,939	15,169	-4.1%	-4.4%
Diluted EPS (INR)	9.2	11.7	-4.1%	-4.4%

PRICE PERFORMANCE



Foods and FMCG drag performance

AWL Agri Business (AWL) reported revenue/EBITDA growth of 21.7%/21.5% YoY mainly led by edible oil (up 26% YoY) and Industry Essentials (up 19% YoY). Overall volumes grew 2% YoY on a base of 12% impacted by inflation in edible oil prices and muted showing in Food and FMCG due to rice (volume down 10% YoY). Gross margin declined 61bp YoY, whereas EBITDA margin stayed flat YoY.

Given the underperformance in Food and FMCG segment (volume down 15% YoY in H1) and the impact from low-cost imports from Nepal under duty differential (market share loss of 2.5–3% in soyabean oil). We are, hence, cutting FY26E/27E EBITDA by 3%/1%, yielding an SotP-based TP of INR386 (earlier INR397); maintain 'BUY'.

Edible Oil and Industry Essentials drive growth

What we like: The Edible Oil segment reported value growth of 26% YoY. Industry Essentials posted a strong performance with volume/value growth of 20% YoY (8-quarter high)/ 19% YoY (13-quarter high) driven by growth in Oleochemicals and de-oiled cake business. The segment recoded highest PBT of INR1.3bn in last 13 quarters. The Food and FMCG segment (ex-G2G) sales grew 4% YoY. Standalone branded sales rose 7% YoY and volume by 5% YoY. Within the rice portfolio, branded basmati rice business revenue jumped 20%-plus YoY in both Q2 and H1. Branded poha and sugar sales grew in double digits. GD Foods revenue/volume increased 4%/8% YoY. Gross/EBITDA margin improved sequentially by 224bp/176bp. Q-com volume surged 86% YoY. Direct rural reach expanded to 9,00,000 outlets (8,70,000 in Q1FY26) and rural town coverage expanded to 58,000 towns (55,000 in Q1FY26).

What we do not like: In the Food and FMCG segment, volume/value decreased 10% YoY /2% YoY impacted by lower rice exports and weak wheat flour demand. Ex-G2G, volumes inched down 1% YoY. Edible oil volume grew 2% YoY impacted by inflationary edible oil prices, leading to soft consumer demand.

Q2FY26 conference call highlights: AWL expects gross profit of INR11,000/ton and EBITDA of INR3,500/ton in H2FY26. Aims edible oil volume shall grow in mid-single digit going forward. It also expects palm prices to remain at normalised level in H2FY26. Reiterated guidance to scale up the Food and FMCG segment to INR100bn by FY27E. Imports from Nepal of edible oil are at nil duty (SAFTA agreement) versus 16.5% import duty on India's general import, implying a pricing advantage to Nepal. ~90% of oil exported from Nepal is soyabean oil. Nepal has close proximity to states of UP, Bihar, Bengal and Jharkhand—wherein AWL market share is 50%-plus, which are impacted by low-cost edible oil imports from Nepal.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	1,76,046	1,44,605	21.7	1,70,587	3.2
EBITDA	6,882	5,662	21.5	3,659	88.1
Adjusted Profit	2,449	3,110	(21.3)	2,379	2.9
Diluted EPS (INR)	1.9	2.4	(21.3)	1.8	2.9

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	6,36,722	6,94,240	7,41,851	7,93,339
Gross profit	75,348	79,491	85,684	92,027
Employee costs	5,660	5,554	6,677	7,140
Other expenses	21,712	24,993	27,448	29,354
EBITDA	24,817	23,257	26,187	28,402
Depreciation	3,951	4,626	5,061	5,495
Less: Interest expense	7,241	5,142	3,768	2,718
Add: Other income	2,380	2,318	2,348	2,897
Profit before tax	16,006	15,807	19,707	23,086
Prov for tax	4,374	4,268	5,321	6,233
Less: Other adj	0	0	0	0
Reported profit	12,258	11,939	14,786	17,253
Less: Excp.item (net)	0	0	0	0
Adjusted profit	12,258	11,939	14,786	17,253
Diluted shares o/s	1,295	1,295	1,295	1,295
Adjusted diluted EPS	9.5	9.2	11.4	13.3
DPS (INR)	0	0	0	0
Tax rate (%)	27.3	27.0	27.0	27.0

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	1,295	1,295	1,295	1,295
Reserves	92,943	1,04,882	1,19,667	1,36,920
Shareholders funds	94,238	1,06,177	1,20,963	1,38,215
Minority interest	1	0	0	0
Borrowings	17,118	12,264	9,264	6,264
Trade payables	86,879	85,897	91,684	97,991
Other liabs & prov	18,649	18,649	18,649	18,649
Total liabilities	2,24,375	2,30,476	2,48,049	2,68,609
Net block	49,694	51,760	54,477	56,843
Intangible assets	5,145	5,352	5,474	5,512
Capital WIP	10,563	10,563	10,563	10,563
Total fixed assets	65,402	67,675	70,514	72,919
Non current inv	3,737	4,137	4,537	4,937
Cash/cash equivalent	23,251	26,842	33,710	43,341
Sundry debtors	24,156	22,824	24,390	26,082
Loans & advances	35	35	35	35
Other assets	99,199	1,00,367	1,06,267	1,12,699
Total assets	2,24,375	2,30,476	2,48,049	2,68,609

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Gross margin (%)	11.8	11.5	11.6	11.6
Staff cost (% of rev)	0.9	0.8	0.9	0.9
A&P as % of sales	0.6	0.7	0.6	0.6
EBITDA margin (%)	3.9	3.4	3.5	3.6
Net profit margin (%)	1.9	1.7	2.0	2.2
Revenue growth (% YoY)	24.2	9.0	6.9	6.9
EBITDA growth (% YoY)	118.6	(6.3)	12.6	8.5
Adj. profit growth (%)	508.3	(2.6)	23.8	16.7

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	12,258	11,939	14,786	17,253
Add: Depreciation	3,951	4,626	5,061	5,495
Interest (net of tax)	7,241	5,142	3,768	2,718
Others	6,237	1,550	2,573	2,936
Less: Changes in WC	(3,816)	(820)	(1,679)	(1,816)
Operating cash flow	21,497	18,170	19,188	20,352
Less: Capex	(11,461)	(6,900)	(7,900)	(7,900)
Free cash flow	10,036	11,270	11,288	12,452

Assumptions (%)

Year to March	FY25A	FY26E	FY27E	FY28E
GDP (YoY %)	7.0	7.0	7.0	7.0
Repo rate (%)	5.3	5.3	5.3	5.3
USD/INR (average)	87.0	90.0	91.0	91.0
Vol growth Edible Oil	9.6	4.7	5.1	5.1
Vol growth Food	27.0	15.0	13.0	13.0
Vol growth Ind essen	(4.0)	(1.0)	(1.0)	(1.0)
Freight as % of sales	3.0	3.0	2.8	2.8
COGS % of consol rev	88.2	88.6	88.5	88.4
Other exp (% of rev)	3.4	3.6	3.7	3.7

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	13.8	11.9	13.0	13.3
RoCE (%)	21.3	18.2	18.9	18.8
Inventory days	52	52	50	50
Receivable days	12	12	12	12
Payable days	51	51	49	49
Working cap (% sales)	3.4	3.2	3.2	3.2
Gross debt/equity (x)	0.2	0.1	0.1	0
Net debt/equity (x)	(0.1)	(0.1)	(0.2)	(0.3)
Interest coverage (x)	2.9	3.6	5.6	8.4

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	29.2	29.9	24.2	20.7
Price/BV (x)	3.8	3.4	3.0	2.6
EV/EBITDA (x)	14.2	14.7	12.7	11.3
Dividend yield (%)	0	0	0	0

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	510.4	(2.6)	23.8	16.7
RoE (%)	13.8	11.9	13.0	13.3
EBITDA growth (%)	118.6	(6.3)	12.6	8.5
Payout ratio (%)	0	0	0	0

Source: Company and Nuvama estimates

Exhibit 1: Trends at a glance

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Revenue (INR mn)	1,29,281	1,22,672	1,28,284	1,32,380	1,41,686	1,44,605	1,68,593	1,82,296	1,70,587	1,76,046
EBITDA (INR mn)	1,304	1,437	5,042	3,570	6,189	5,662	7,916	4,483	3,659	6,882
PAT (INR mn)	-597	-772	2,009	1,567	3,132	3,110	4,109	1,907	2,379	2,449
Revenue growth (%)	-12.2	-13.3	-16.6	-4.6	9.6	17.9	31.4	37.7	20.4	21.7
EBITDA growth (%)	-70.6	-43.4	13.1	-0.5	374.6	294.0	57.0	25.6	-40.9	21.5
Overall volume growth (%)	25.0	11.0	5.0	3.0	12.0	12.0	5.0	8.0	-5.0	2
Gross Margin (%)	9.1	10.0	12.9	13.5	12.8	12.3	13.3	9.6	9.4	11.6
EBITDA Margin (%)	1.0	1.2	3.9	2.7	4.4	3.9	4.7	2.5	2.1	3.9
									-5	5
Edible oil										
Revenue growth %	-14.5	-19.5	-22.8	-5.5	8.2	21	38	45	26	26
Volume (MMT)	0.89	0.85	0.94	0.98	1.00	1.00	0.98	1.04	0.96	1.00
Volume growth %	27	4	-2	11	12	17	4	7	-4	2
Food & FMCG										
Revenue growth %	27.6	26.4	24.9	15.7	39.7	34.0	22.0	9.0	-8.0	-2.0
Volume (MMT)	0.23	0.26	0.26	0.28	0.33	0.35	0.31	0.30	0.26	0.35
Volume growth %	21	19	17	9	42	33	23	10	-20.0	-10
Industry essentials										
Revenue growth %	-15.6	1.7	0.4	-11.5	0.0	-9.0	4.0	17.0	12.0	19.0
Volume (MMT)	0.36	0.34	0.34	0.28	0.34	0.29	0.32	0.30	0.36	0.29
Volume growth %	21	25	17	-22	-6	-15	-3	8	6	20.0

Source: Company, Nuvama Research

Exhibit 2: Consolidated segmental performance (INR mn)

Year to March - Net Revenues (INR mn)	Q2FY26	Q2FY25	% growth YoY	Q1FY26	% growth QoQ
Edible oil	1,38,277	1,09,660	26.1	1,34,147	3.1
Foods	16,811	17,182	-2.2	14,151	18.8
Industry essentials	20,958	17,657	18.7	22,299	-6.0
EBIT (INR mn)					
Edible oil	1,712	3,788	-54.8	1,909	-10.3
Foods	565	28	1,909.3	754	-25.2
Industry essentials	1,308	556	135.3	1,001.5	30.6
EBIT margin %	Q2FY26	Q2FY25	bps exp y-o-y	Q1FY26	% growth QoQ
Edible oil	1.2	3.5	-222	1.4	-18
Foods	3.4	0.2	319	5.3	-197
Industry essentials	6.2	3.1	309	4.5	175

Source: Company, Nuvama Research

Exhibit 3: Key commentary – outlook

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• Expects double-digit growth in edible oils	• Edible oil business volume to grow at 8–9% YoY	• FY26 edible oil volume to grow ~7-8% YoY	• In Edible oil segment, the company expects volume growth of 5–6% with an absolute EBITDA range of INR3.8bn to INR4bn for coming quarters	• Expects mid-single digit volume growth in edible oil going forward.
• FMCG FY26/FY27 revenue guided at INR 6bn/10bn	• Food & FMCG segment will grow 20% YoY	• Normalized EBITDA per ton of INR3,500–3,600	• Food and FMCG segment to scale to INR100bn by FY27E	• Management reiterated that Food and FMCG segment to scale to INR100bn by FY27E.
• For Bangladesh operations, it expects improvement from FY26	• FY27 direct retail outlet to grow from 0.82mn to 1mn	• FY26 expected tax rate is 25%	• FY26 Capex of INR5–6bn	• H2FY26 shall be better than H1FY26
• Food segment margins are expected to improve as inflation normalizes	• Food segment is expected to remain EBITDA neutral until FY28	• FY26 revenue from alternative channels to grow 35–40%	• The company guides for EBITDA/ton of INR3,600–4,000 for FY26.	• Gross profit of INR11,000/ton and EBITDA of INR3,500/ton.
			• Targets to become the third-largest player in branded domestic rice market (Kohinoor + Fortune)	

Source: Company, Nuvama Research

Exhibit 4: Key commentary – Edible oil segment

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• Volumes grew 17% YoY and revenue driven primarily by soybean, sunflower and mustard oil	• Volumes grew 4% YoY driven by soya, sun and mustard oil	• Edible Oil volume grew 7% YoY	• Volumes declined 4% YoY due to higher raw material prices	Volume grew 2% YoY impacted by inflationary edible oil prices
• Market share increased at 16.2%	• Market share slightly declined at 18.1%	• Normalized EBITDA margins of INR3,500-3,600 per tonne	•The company's market share declined by 45bp due to market share loss of 135bp in the Palm oil category	Market share dipped ~50 bps YoY due to increased refined oil imports
	• Normalized EBITDA margins are around INR3,750–3,800 per metric ton	• If prices remain stable, AWL expects better margins in FY26	• Raw-material prices in Q1FY26 were about 30% higher than the base quarter	

Source: Company, Nuvama Research

Exhibit 5: Key commentary – Industry Essentials

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• Revenue declined 9% YoY primarily due to lower oil seed and de-oiled cake business in soya bean and mustard	• Overall Volume declined 3% YoY	• Revenue/Volume grew 17%/8% YoY	• Oleochemicals/Castor Oil volumes remained flat	• Volume grew 20% YoY led by oleochemicals and de-oiled cake
• Segment results remained flat YoY at 560mn	• Oleochemicals volume grew double-digit YoY	• Oleochemicals/Castor volume grew Low/mid-single digit	• Improved market share from 25% to 26.8%.	• Export market share improved from 25.8% to 26.3%

Source: Company, Nuvama Research

Exhibit 6: Key commentary – Food and FMCG segment

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• This segment volume grew 35% YoY	• Segment growing at 20% YoY	• This segment will remain a focused area for the company; it is growing at a rate of 20% YoY.	The Food & FMCG business witnessed highest-ever PBT in Q1, i.e. INR750mn, with PBT margin of 5.3%.	This segment revenue/volume declined 2%/10% YoY in Q2 impacted by weak performance in rice
• Branded rice sales were weak due to decline in Basmati rice prices over the past year	• Company has the largest soya manufacturing capacity at 6,000 tons per month.	• Looking forward to the operation of Gohana plant; AWL aims to deliver 18–20% revenue growth for the segment.	While the overall food segment has typically delivered 18–20% annual volume growth, the recent performance suffered on account of discontinuation of the G2G rice business.	Ex G2G business, revenue was up 4% YoY and volume inched down 1% YoY
• Wheat flour business market share at 5.3%	• Basmati rice market share at 6.1%	• Soya nuggets and poha have an accretive margin profile with GM of 30% and EBITDA margin of 15%.	• Wheat flour market improved to 5.5%. Wheat flour sales continued to outpace industry growth on an LTM basis.	• This segment currently remains EBITDA neutral, with management expecting it to start contributing meaningfully to the bottom line by FY28
• Rice business performance was impacted by G2G sales of lower-priced rice varieties	• Wheat flour business market share at 5.8%	• Besan prices are low, and the company has added two more factories.	• Acquired Kohinoor in May 2022. Post-acquisition, Kohinoor's volumes increased from ~38,000 tons to ~45,000 tons per annum	Standalone Branded sales revenue grew 7% YoY and volume grew 5% YoY
	• New integrated facility at Gohana for rice processing and wheat flour.			

Source: Company, Nuvama Research

Exhibit 7: Key commentary – Channel performance

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• Retail outlet coverage at ~0.77mn	• Retail outlet coverage at ~0.8mn outlets	• Reached ~0.86mn retail outlets in FY25	• Reached ~0.87mn outlets. Urban/Rural outlets grew 11%/26% YoY	• Reached 0.90mn outlets. Urban/rural outlets grew 11%/19% YoY
• Alternate channels grew 14% YoY overall with E-comm/ Q-comm growing 27%/46% YoY	• Alternate channels grew 16% with E-comm/ Q-comm growing 41%/81% YoY	• Q-comm grew 113% YoY	• In Q-comm, 35-40% market share in oils	• Q-comm volume grew 86% YoY
• HORECA channel grew 40% YoY		• Modern trade and e-commerce at 60% annual growth rate		

Source: Company, Nuvama Research

Q2FY26 conference call takeaways

Outlook

- Company expects H2FY26 to be better than H1FY26 due to lower commodity prices, GST-led demand recovery and seasonally higher consumption.
- Aims mid-single-digit volume growth in edible oil segment going forward.
- Gross Profit is expected to sustain at the current run rate of INR11,000/ton and EBITDA at INR3,500/ton in H2FY26.
- Company maintained its guidance to scale up the Food and FMCG segment to ~INR100bn by FY27E.
- Target direct retail reach to ~100,000 outlets (9,00,000 in Q2FY26).
- Company expects palm oil prices to remain at normalized level in H2FY26. Sunflower oil prices are expected to ease post November as harvest seasons begins.
- The decline in soya nuggets volume seen in September due to the GST 2.0 announcement is expected to be fully recovered in Q3.
- GD Foods is expected to grow in double digits in H2, benefiting from reduction of GST rate from 18% to 5%.
- Nepal low cost oil imports is expected to continue in H2. However, trade body has requested the government to implement canalizing agencies to restrict quality and value addition, but little progress has been made

Key financial highlights

- Overall volume inched down 1% YoY in H1FY26 impacted by inflation in edible oil prices and decline in non-branded rice sales.
- Revenue grew 21% YoY in H1FY26.
- Working capital was at elevated levels in Q2FY26 and are expected to normalize from Q3FY26.

Nepal

- Imports from Nepal have risen sharply and now contribute ~12% of overall edible oil imports.
- ~90% of oil exported from Nepal is soybean oil.
- The Nepal imports mainly come in 600-700 gram pouches which directly competes with the highest-selling SKUs of Indian packed players.
- Nepal's exports attract 0% duty, while Indian imports are subject to 16.5% import duty, giving Nepal a significant pricing advantage over domestic refiners.
- The impacted markets are the bordering areas of Nepal, specifically UP, Bihar, Bengal, and Jharkhand.
- AWL is the largest player in these areas with more than 50% market share in these areas.
- The cheaper Nepalese oil (overall market share of 2-3% in India) is consumed by roadside stalls, hotels and dhabas.
- These imported oil from Nepal are ~INR15/litre cheaper than Indian oils.
- Resulted in 2.5–3% market share loss in soybean oil for company.

Edible oil

- The segment revenue/Volume grew 26%/2% YoY in Q2.
- Branded volumes declined in low single digits, impacted by lower sales in Palm oil and Mustard oil categories.
- Palm oil volumes improved sequentially after several weak quarters, aided by the narrowing price spread with Soya oil, though not yet fully normalized.
- Mustard oil witnessed pressure as sharp price inflation vs Soya oil constrained demand, despite AWL's strong market position.
- Market share dipped ~50 bps YoY due to increased refined oil imports.

Food and FMCG

- This segment revenue/volume declined 2%/10% YoY in Q2 impacted by weak performance in rice.
- Ex G2G business, revenue was up 4% YoY and volume inched down 1% YoY.
- Standalone Branded sales revenue grew 7% YoY and volume grew 5% YoY driven by strong double-digit growth in Basmati Rice, Sugar and Poha.
- The segment currently remains EBITDA neutral, with management expecting it to start contributing meaningfully to the bottom line by FY28.
- Branded Basmati Rice revenue grew more than 20% in Q2 and H1 driven by growth in alternate channels and GT, in both 'Kohinoor' as well as 'Fortune' brands.
- Branded Pulses & Besan sales continued to grow at healthy rate.
- Branded Soya nuggets, Sugar, Poha o Branded Soya nuggets volume declined marginally in Q2.
- Branded poha and sugar sales grew in double-digits in Q2.

Wheat business

- Branded revenue grew in mid-single digits, while volumes remained flat.
- Q2 volumes were impacted by soft consumer demand, and increased local competition.
- Fortune Atta bundling initiatives led to 3mn+ pack trials during the quarter across key staples and condiments categories.

Industry Essentials

- This segment revenue/volume grew 19%/20% YoY driven by strong oleochemicals and de-oiled cake performance.
- Castor oil posted low single-digit growth, impacted by a 20% decline in India's castor seed crop and a 10% drop in castor oil export volumes from India.
- Export market share improved from 25.8% to 26.3%.
- Direct procurement of castor seed from farmers increased 25% YoY in H1.

Channel performance

- Alternate channel revenue exceeded INR44bn on LTM basis.
- Q-comm volumes rose sharply 86% YoY in Q2 and 88% YoY on LTM basis.

- Branded exports registered robust performance with 37% YoY volume growth on LTM basis.
- Direct reach expanded to 9,00,000 outlets in Q2.
- Urban towns grew 11% YoY.
- Rural outlets grew 19% YoY to 58000 rural towns.

GD Foods

- GD Foods revenue grew 4% YoY and volumes grew 8% YoY.
- The GST rate has reduced to 5% from 18% earlier.
- Product gross margins remained stable, though realizations were impacted by an adverse product-mix.
- Tomato ketchup delivered double-digit growth, while instant noodles witnessed strong traction.
- Faced heightened competition in pickles, which was countered through expansion of mass SKUs.
- Added 20,000 outlets in H1 and expanded presence by ~300 towns.
- Relaunched ginger-garlic paste and is developing new products across categories.

Bangladesh

- Revenue grew 13% YoY while volumes declined 10% YoY.
- Branded volumes grew in double digits, offset by a decline in non-branded sales.
- Bangladesh's foreign exchange reserves rose to USD27bn (vs USD16bn a year ago), while the exchange rate remained stable in recent months.

Raw material

- Palm oil prices have fallen below soya oil levels; however, the price differential between the two remains narrow.

Others

- H2 typically accounts for ~60% of annual consumption, while H1 forms ~40%, implying a seasonally stronger second half.
- Historically, E-comm margins were significantly higher than GT. However, increased competition and higher promotional spends to maintain visibility have narrowed the margin gap.
- Presently, E-comm margins remain slightly better than GT, but are now largely on a par.
- Institutional sales form ~20% of total edible oil volumes. Key clients include Parle, Britannia, Nestlé, Mondelez, KFC, Haldiram, Bikaji, and Balaji, mainly for frying oils, bakery fats and value-added sunflower and soybean oils.

Exhibit 8: Consolidated financial snapshot (INR mn)

Year to March	Q2FY26	Q2FY25	% change	Q1FY26	% change
Total Income	1,76,046	1,44,605	21.7	1,70,587	3.2
Cost of goods sold	1,55,551	1,26,889	22.6	1,54,551	0.6
Gross profit	20,495	17,716	15.7	16,035	27.8
Staff costs	1,477	1,136	30.1	1,498	(1.4)
Other expenditure	12,136	10,918	11.2	10,878	11.6
Total expenditure	13,613	12,054	12.9	12,376	10.0
EBITDA	6,882	5,662	21.5	3,659	88.1
Depreciation	1,070	924	15.8	1,028	4.2
EBIT	5,812	4,738	22.7	2,631	120.9
Other income	(790)	1,049	(175.3)	2,061	(138.3)
Interest and financial charges	1,893	1,767	7.1	1,586	19.3
PBT	3,129	4,019	(22.1)	3,106	0.7
Provision for taxation	854	1,200	(28.8)	788	8.3
Core Profit	2,276	2,819	(19.3)	2,318	(1.8)
Share in JV	173	291	(40.5)	62	179.9
Reported PAT	2,449	3,110	(21.3)	2,379	2.9
Adjusted PAT	2,449	3,110	(21.3)	2,379	2.9
Number of shares	1,295	1,300	(0.3)	1,295	0.0
EPS	1.9	2.4	(21.0)	1.8	2.9
as % of net sales					
COGS	88.4	87.7	61	90.6	(224)
Staff costs	0.8	0.8	5	0.9	(4)
Other expenditure	6.9	7.6	(66)	6.4	52
EBITDA	3.9	3.9	(1)	2.1	176
EBIT	3.3	3.3	2	1.5	176
PBT	1.8	2.8	(100)	1.8	(4)
Net profit	1.3	1.9	(66)	1.4	(7)
Tax rate	27.3	29.8	(257)	25.4	190

Source: Company, Nuvama Research

Exhibit 9: SotP valuation

	Valuation Methodology	Target multiple	Per share contribution
Edible oil	EV/EBITDA	12	170
Industry essentials	EV/EBITDA	10	32
Foods	EV/Sales	3	163
EV			366
Net Cash			21
Value of the share			386

Source: Nuvama Research

Company Description

AWL Agri Business is one of the largest FMCG food companies in India offering essential kitchen commodities to Indian consumers, including edible oil, wheat flour, rice, pulses and sugar.

The company is engaged in the manufacture of packaged food, edible oils, bakery & lauric products, personal care products and industry essentials (including oleochemicals, castor oil and its derivatives and de-oiled cakes).

Its operations are diversified into value-added edible oil products such as rice bran health oil, fortified foods, ready-to-cook soya chunks, khichdi and other fast-moving consumer goods. AWL Agri Business boasts the widest pan-India distribution network among branded edible oil companies.

Investment Rationale

Branded products in India are growing faster than unorganised players and loose products in all major segments of essentials, thereby increasing as a share of the overall grocery segment. AWL Agri Business, being a player in branded products, is expected to benefit from it.

In the edible oils segment, low per capita consumption and emergence of exotic oils indicate huge headroom for growth. A number of packaged food categories have witnessed a significant increase in the overall branded product usage.

AWL Agri Business has significant presence in in edible oil (number 1 player), wheat flour (number 2) and basmati rice (number 3). Further, AWL Agri Business is working towards transitioning itself into a foods company, and for increasing the salience of Food & FMCG.

Key Risks

- Fluctuating prices of commodities can impact company’s profitability
- Reliability on edible oil vertical
- Lack of long-term agreements with raw material supplier

Additional Data

Management

Chairman	Mr. Dorab Erach Mistry
MD	Mr. Anghu Mallick
CFO	Mr. Shrikant Kanhere
Exe. Director	Mr. Ravindra Kumar Singh
Auditor	SRBC & Co LLP

Holdings – Top 10*

	% Holding		% Holding
Mirae Asset Fin	2.19	IDFC Mutual Fun	0.69
ICICI Prudentia	2.11	Blackrock Inc	0.49
Nippon Life Ind	1.77	Franklin resour	0.40
Quant Money Man	1.14	Jupiter Fund Ma	0.37
Vanguard group/	1.03	Mahindra Manuli	0.29

**Latest public data*

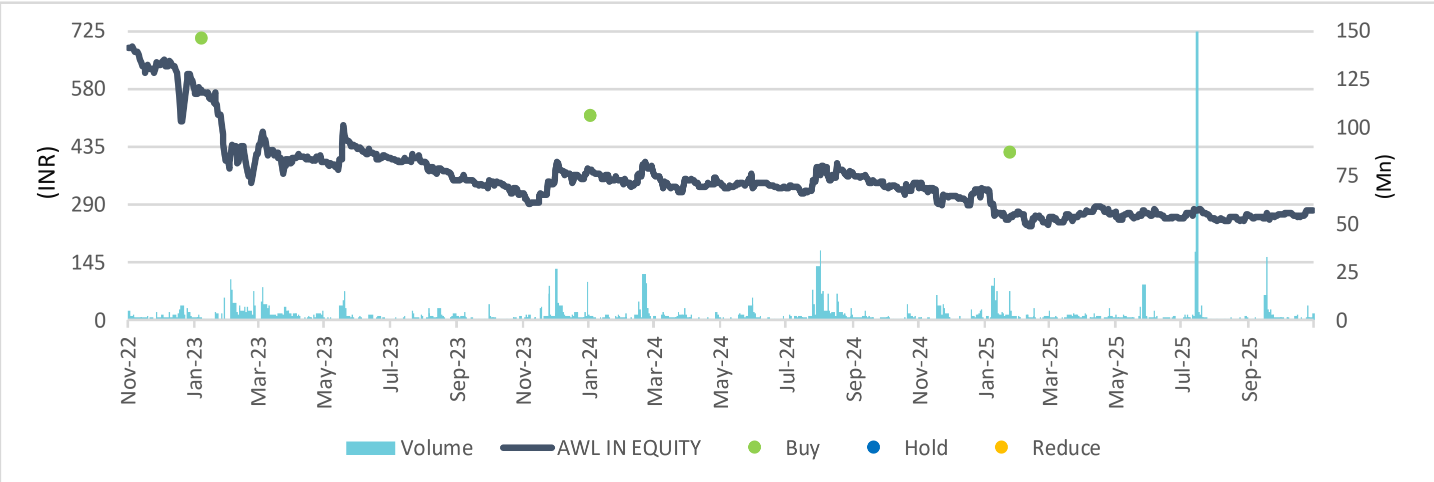
Recent Company Research

Date	Title	Price	Reco
03-Nov-25	Beat in EBITDA; *Oven fresh*	275	Buy
06-Oct-25	Volumes bounce back after Q1 dip; *Nuvama Flash*	265	Buy
15-Jul-25	Weak Q1 but outlook improving; *Result Update*	263	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
03-Nov-25	Tata Consumer Products	Blistering growth is back; *Result Update*
31-Oct-25	Godrej Consumer	Soap volumes to recover soon; *Result Update*
30-Oct-25	ITC	Agri dampens overall performance; *Result Update*

Rating and Daily Volume Interpretation



Source: Bloomberg, Nuvama research

Rating Rationale & Distribution: Nuvama Research

Rating	Expected absolute returns over 12 months	Rating Distribution
Buy	15%	205
Hold	<15% and >-5%	68
Reduce	<-5%	37

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