BRITANNIA INDUSTRIES

RESULT UPDATE

KEY DATA

Rating	**BUY**
Sector relative	Neutral
Price (INR)	6,014
12 month price target (INR)	7,530
52 Week High/Low	6,337/4,506
Market cap (INR bn/USD bn)	1,448/16.3
Free float (%)	49.4
Avg. daily value traded (INR mn)	2,172.0

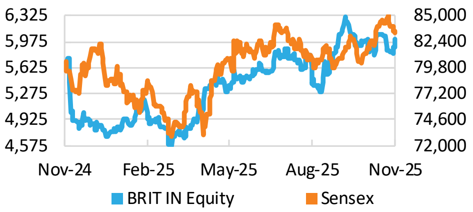
SHAREHOLDING PATTERN

	Sep-25	Jun-25	Mar-25
Promoter	50.55%	50.55%	50.55%
FII	15.02%	15.58%	15.72%
DII	19.39%	18.65%	18.26%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Revenue	1,79,427	1,96,854	2,19,125	2,44,371
EBITDA	31,872	36,014	40,737	46,710
Adjusted profit	22,035	25,877	30,532	35,447
Diluted EPS (INR)	91.5	107.4	126.7	147.1
EPS growth (%)	2.8	17.4	18.0	16.1
RoAE (%)	53.1	55.0	55.4	54.5
P/E (x)	66.7	56.8	48.2	41.5
EV/EBITDA (x)	33.2	29.1	25.4	21.9
Dividend yield (%)	1.2	1.3	1.5	1.7

PRICE PERFORMANCE



Lull before storm; massive tailwinds coming

Britannia posted strong EBITDA growth of 21.8% YoY in Q2FY26, primarily led by lower staff costs (down 22% YoY). Unorganised players (~15–18% share) earlier gained from GST non-compliance. The rate cut to 5% removed this edge, formalising the market and bolstering Britannia's competitive position. Revenue grew 3.7% YoY; ex-GST transition impact grew ~6% YoY. GM of 40.6% was at five-quarter high.

Management expects a volume-led double-digit growth soon. Eastern states were a drag on H1 performance, but distribution has almost normalised and recovery in volumes and revenue is likely Q3 onwards. We are keeping estimates unchanged and roll forward, yielding a target price of INR7,530 (earlier INR6,970); maintain 'BUY'.

Strong outlook—volume-led double digit revenue growth

What we like: Adjacent bakery continued its momentum with double-digit growth in Rusk, Wafers and Croissant for consecutive quarters, led by strong growth in e-commerce channel. International operations scaled up with strong traction in Africa and growing momentum in Kenya JV. All four-focus states (Hindi belt) have grown well. Pricing growth was 7–8% in Q2, which will moderate as GST changes normalise, replaced by volume growth. Gross margin of 40.6%, was at a five-quarter high. EBITDA margin of 19.7% expanded 293bp YoY/334bp QoQ.

What we do not like: Due to distribution-led disruptions in East India, the company lost sales and market share in East, similar to Q1. Southern market, which is a mature one for the company, is growing slower than expectations. Dairy business is performing below expectations, but the company is positive on growing faster there.

Q2FY26 conference call key takeaways: Staff costs sharply decreased due to lower SAR provisioning of INR50mn versus INR500mn in Q2FY25. Rural is still growing faster than Urban. Potentially, a slight margin haircut in the short term for volume growth and regional competitiveness. Ad spends have normalised (~4% of revenue) and shall remain at this level. Relaunch of *Tiger Doodh Glucose* as a value brand to fight in mass/rural segments. Some national players are getting aggressive in the MT channel. Total 65% portfolio saw grammage hikes at the end of October; remaining portfolio shall report grammage increases by mid-November. Planning to enter RTD-protein segment, but has no intentions to enter Whey protein powder. Apart from this, the company shall not enter more segments, but consolidate and grow its current portfolio. Price cuts and grammage hikes taken have factored in Inverted duty structure issues. Cheese as a category has slowed down and MT is seeing heightened competitive intensity.

Financials

Year to March	Q2FY26	Q2FY25	% Change	Q1FY26	% Change
Net Revenue	48,406	46,676	3.7	46,222	4.7
EBITDA	9,545	7,834	21.8	7,571	26.1
Adjusted Profit	6,545	5,318	23.1	5,207	25.7
Diluted EPS (INR)	27.2	22.1	23.1	21.6	25.7

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Financial Statements

Income Statement (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Total operating income	1,79,427	1,96,854	2,19,125	2,44,371
Gross profit	73,386	82,492	91,674	1,03,150
Employee costs	7,046	9,064	9,887	11,048
Other expenses	22,099	20,828	22,782	25,218
EBITDA	31,872	36,014	40,737	46,710
Depreciation	3,133	3,278	3,301	3,387
Less: Interest expense	1,388	967	829	765
Add: Other income	2,271	2,279	3,565	5,149
Profit before tax	29,514	34,050	40,174	47,709
Prov for tax	7,487	8,171	9,641	12,261
Less: Other adj	0	0	0	0
Reported profit	22,035	25,877	30,532	35,447
Less: Excp.item (net)	0	0	0	0
Adjusted profit	22,035	25,877	30,532	35,447
Diluted shares o/s	241	241	241	241
Adjusted diluted EPS	91.5	107.4	126.7	147.1
DPS (INR)	75.0	78.4	88.7	103.0
Tax rate (%)	25.4	24.0	24.0	25.7

Balance Sheet (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Share capital	241	241	241	241
Reserves	43,316	50,303	59,463	70,097
Shareholders funds	43,557	50,544	59,704	70,338
Minority interest	256	254	252	250
Borrowings	12,248	10,500	9,000	9,000
Trade payables	17,522	18,173	20,252	22,440
Other liabs & prov	13,560	13,560	13,560	13,560
Total liabilities	88,386	94,273	1,04,010	1,16,831
Net block	27,635	25,357	23,256	21,269
Intangible assets	1,403	1,403	1,403	1,403
Capital WIP	892	892	892	892
Total fixed assets	29,930	27,652	25,551	23,564
Non current inv	17,538	17,538	17,538	17,538
Cash/cash equivalent	14,241	22,283	32,179	44,892
Sundry debtors	4,486	4,755	5,300	5,922
Loans & advances	1,915	1,915	1,915	1,915
Other assets	20,275	20,130	21,528	23,000
Total assets	88,386	94,273	1,04,010	1,16,831

Important Ratios (%)

Year to March	FY25A	FY26E	FY27E	FY28E
Gross margin (%)	40.9	41.9	41.8	42.2
A&P (% of rev)	3.2	4.2	4.2	4.1
Other exp (% of rev)	8.1	6.5	6.4	6.3
EBITDA margin (%)	17.8	18.3	18.6	19.1
Net profit margin (%)	12.3	13.1	13.9	14.5
Revenue growth (% YoY)	6.0	10.0	11.4	11.7
EBITDA growth (% YoY)	0.5	13.0	13.1	14.7
Adj. profit growth (%)	2.8	17.4	18.0	16.1

Free Cash Flow (INR mn)

Year to March	FY25A	FY26E	FY27E	FY28E
Reported profit	21,787	25,877	30,532	35,447
Add: Depreciation	3,133	3,278	3,301	3,387
Interest (net of tax)	(883)	(1,312)	(2,736)	(4,384)
Others	0	0	0	0
Less: Changes in WC	(3,933)	(527)	(137)	(94)
Operating cash flow	24,807	28,368	31,232	34,543
Less: Capex	4,464	1,000	1,200	1,400
Free cash flow	20,342	27,368	30,032	33,143

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	92.0	92.0
Biscuits	4.5	10.5	12.0	12.0
Bread	2.0	12.0	11.0	14.0
Cake and rusk	2.0	9.0	8.0	8.0
Dairy	7.0	8.0	7.0	7.0
Int business	7.0	8.0	7.0	7.0
COGS % of sales	60.5	59.3	59.3	58.8

Key Ratios

Year to March	FY25A	FY26E	FY27E	FY28E
RoE (%)	53.1	55.0	55.4	54.5
RoCE (%)	53.4	59.7	63.0	65.3
Inventory days	42	39	37	37
Receivable days	9	9	8	8
Payable days	58	57	55	55
Working cap (% sales)	5.4	8.8	12.5	16.4
Gross debt/equity (x)	0.3	0.2	0.2	0.1
Net debt/equity (x)	0	(0.2)	(0.4)	(0.5)
Interest coverage (x)	20.7	33.9	45.2	56.6

Valuation Metrics

Year to March	FY25A	FY26E	FY27E	FY28E
Diluted P/E (x)	66.7	56.8	48.2	41.5
Price/BV (x)	33.8	29.1	24.6	20.9
EV/EBITDA (x)	33.2	29.1	25.4	21.9
Dividend yield (%)	1.2	1.3	1.5	1.7

Source: Company and Nuvama estimates

Valuation Drivers

Year to March	FY25A	FY26E	FY27E	FY28E
EPS growth (%)	2.8	17.4	18.0	16.1
RoE (%)	53.1	55.0	55.4	54.5
EBITDA growth (%)	0.5	13.0	13.1	14.7
Payout ratio (%)	82.0	73.0	70.0	70.0

Exhibit 1: Trends at a glance

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
Consolidated										
Revenue (INR Mn)	40,107	44,329	42,563	40,694	42,500	46,700	45,926	44,322	46,222	48,406
EBITDA (INR Mn)	6,889	8,724	8,211	7,875	7,500	7,800	8,449	8,052	7,571	9,545
PAT (INR Mn)	4,576	5,876	5,593	5,383	5,000	5,300	5,817	5,600	5,207	6,545
Revenue growth (%)	8.4	1.2	1.4	1.1	6.0	5.3	7.9	8.9	8.8	3.7
EBITDA growth (%)	37.6	22.6	0.4	(1.7)	8.9	(10.6)	2.9	2.3	0.9	22.4
Gross margin (%)	41.3	42.1	43.0	44.1	41.8	40.2	36.9	39.3	39.2	40.6
EBITDA margin (%)	17.2	19.7	19.3	19.4	17.6	16.7	18.4	18.2	16.4	19.7
Employee expenses (% of sales)	4.7	3.7	4.7	4.0	4.9	5.1	2.4	3.8	5.3	3.8
Other expenses (% of sales)	20.3	19.9	20.2	21.9	21.5	20.2	18.5	18.5	19.1	18.6
Volume growth (%)	0.0	0.2	5.5	7.0	8.0	8.0	6.0	3.0	2.0	NA
Standalone										
Revenue (INR Mn)	38,706	42,889	41,024	39,242	40,944	45,008	44,181	42,825	44,527	46,645
EBITDA (INR Mn)	6,666	8,409	7,929	7,704	7,283	7,462	8,104	7,787	7,206	9,143
Revenue growth (%)	9.9	2.3	2.3	0.8	5.8	4.9	7.7	9.1	8.7	3.6
EBITDA growth (%)	41.9	22.3	0.4	(3.1)	9.2	(11.3)	2.2	1.1	(1.1)	22.5
Gross margin (%)	40.2	41.3	42.3	43.3	43.1	39.7	36.9	38.2	38.5	39.9
EBITDA margin (%)	17.2	19.6	19.3	19.6	17.8	16.6	18.3	18.2	16.2	19.6
Employee expenses (% of sales)	3.9	2.9	4.0	3.2	4.0	4.3	1.5	3.0	4.6	3.1
Other expenses (% of sales)	19.1	18.7	19.0	20.4	19.9	18.8	17.1	17.1	17.8	17.3

Source: Company, Nuvama Research

Exhibit 2: CAGR Trends (%)

Particulars	Q2FY21	Q2FY22	Q2FY23	Q2FY24	Q2FY25	Q2FY26	2-year CAGR (%)	3-year CAGR (%)	4-year CAGR (%)	5-year CAGR (%)
Revenue (INR bn)	34.2	36.1	43.4	44.3	46.7	48.4	4.5	3.7	7.6	7.2
EBITDA (INR bn)	6.8	5.6	7.1	8.7	7.8	9.5	4.6	10.3	14.3	7.2
PAT (INR bn)	5.0	3.8	4.9	5.9	5.3	6.5	5.5	9.9	14.4	5.7
Volume growth(%)	9.0	2.0	4.0	0.2	8.0	NA	NA	NA	NA	NA

Source: Company, Nuvama Research

Exhibit 3: Key management commentary - Outlook

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
•Tough demand scenario and high inflation, with CPI at 5.5% and food inflation at 9.2%. • Rural growth is showing signs of recovery at high single digits, performing better than urban areas. • Management remains confident about long-term prospects despite near-term challenges.	• EBITDA margins to be in the range of 17-18% after taking calibrated price hikes. • A 6-6.5% price increase to counter 11% commodity inflation, with 2% already taken in Q3, 2.5% planned for Q4FY25, and 1.5% in Q1FY26. • Capital expenditure will be reduced to INR1.5-2bn next year as the company has completed major plant expansions. • There is significant opportunity for premiumisation in cookies.	• Management is reasonably optimistic about recovery continuing but gradual rather than a sharp upturn. • Volume and value growth to be ,maintained with pricing expected to contribute ~5.5% growth differential vs volume. • The growth rate for non-biscuit categories to be 1–1.5x higher than biscuits categories over the next five years. • Over long term, BRIT aims for double-digit revenue growth, and for profitability growth to be higher than revenue growth. • Gradual FMCG recovery expected, aiming for sustained volume and value growth toward double digits.	• Management expects commodity prices to stabilize, moving away from the wide fluctuations seen in recent years. • Necessary price increases completed, ensuring a strong competitive position. • Revenue growth shall outperform volume growth. Value-volume gap shall remain at 6–8% for coming quarters. • Duty cut: Some benefit has accrued in Q1FY26, but largely the benefit shall come in Q2FY26. • Despite confidence in margin stability, international uncertainties pose risks.	• Normalised A&P spends to continue in Q3 and Q4. • It is likely to sustain healthy margins in the near term, with cost pressures in palm oil to remain neutralised. • Reduction in GST rates from 18% to 5% is likely to benefit organised national players versus small regional players who may not have been fully tax compliant

Source: Company, Nuvama Research

Exhibit 4: Key management commentary - Pricing, margins and key launches

Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26
• BRITS plans to implement a 4-5% price increase across their portfolio over the next two quarters. • Price increases will be implemented gradually through December-January, with immediate direct price increases where possible. • Strategic price adjustments by channel and brand, targeting SKUs without recent increases. • Inflation lead to price increases, particularly in palm oil (45% increase) and flour.	• The 11% commodity inflation requires a 6.5% price increase to maintain absolute profitability, with cost efficiencies helping bridge the gap. • Initially hesitant on price hikes amid deflation/inflation uncertainty, the company now acts decisively as inflation persists.	•There was a 5.5% gap between revenue growth and volume growth, indicating the impact of price increases. • Significant price increases in Q4 due to high inflation across key raw materials, including:- 12% YoY inflation in flour- 54% YoY inflation in palm oil- 83% YoY inflation in cocoa- 21% YoY inflation in milk. • In FY26,price hike expected in the first two months, but no further increases if commodities stay stable . • Competitors are not expected to cut prices despite some commodity corrections, since inflation has been high and price increases were implemented late in the year.	• Price increases implemented to cover most of their inflation costs. • Currently there is about 7.5-8% pricing in the system, volume growth lagging revenue growth by 6-8% expected for next few quarters. • Current price levels to be maintained despite commodity cost deflation. • Tactical pricing adjustments will be taken in specific territories if needed to remain competitive.	• It took price reductions on large packs and increased grammages on small packs in response to GST rate changes • For INR5 and INR10 products (65% of portfolio), they marked prices at INR4.50 and INR9, respectively, though actual retail prices remained at INR5 and INR10 • Pricing growth was approximately 7-8% in Q2 • The company provided minimal trade support during GST transition compared to competitors
EBIDTA margins were 16.8%. Gross Margins were 40.2%.	• Ebidta Margins at 18.4%., declined 89bps YoY. • Gross margins contracted 600bps to 36.9% due to commodity inflation. • Urban retail channel provides 1.3x the company average profit margins.	• Ebidta Margins were 18.2% ,declined 118bps YoY. • Gross Margins were 39.3% .	• Ebidta Margins at 16.4% declined 135bps YoY , Gross Margins were at 39.2%. • Margins to improve going forward as commodity prices have stabilized. • Industry margins have significantly improved over the past 14 years from 3-4% to teens, which has attracted more competitors.	•EBIDTA margins at 19.7%. • Gross margin at 40.6%
• Milk Bikis Wafer Rolls, Layer Cake – Jam & Cream, Tiger Coconut Biscuit, 50-50-Golmaal Butter	• Britannia Cake Layerz (Starwberry Cheese), Toastie – Rusk(Rs 5 pack)	•Britannia Cake Gobbles , Britannia Grow(Milk for kids), Strengthened the 'Chai' association for Good Day in partnership with Chai Point at the Maha Kumbh.	• Pure Magic –Chocostars ,Chocoframe(Harry Potters), Goodday- Butter Jeera, Nutrichoice-100% Millets, Marie Gold Her Startup Show – Season 2	• It launched several new products under the Pure Magic brand, including Choco Tarts, Choco Stars, and Choco Frames with a Harry Potter theme • They introduced NutriChoice 100% millet cookies with no maida, palm oil or added sugar • Tiger Glucose was relaunched as Tiger Doodh Glucose with a recipe change

Source: Company, Nuvama Research

Q2FY26 conference call: Key takeaways

Outlook

- The company expects a volume-led double-digit growth soon.
- Reduction in GST rates from 18% to 5% is likely to benefit organised national players versus small regional players who may not have been fully tax compliant.
- Normalised A&P spends (4%) to continue in Q3 and Q4.
- It is likely to sustain healthy margins in the near term with cost pressures in palm oil to remain neutralised.
- East India trade disruption to be completely normalised in Q3.
- Focus remains on volume-led growth through regional innovation, product renovation, and efficient distribution.
- Reinvestment behind innovation and brand equity likely to support long-term earnings momentum and share gains.
- Likely entry into protein drinks segment in RTD format.
- Transitionary impact likely to normalise gradually Q3FY26 onwards as secondary offtake improves.

GST transition

- ~85% of portfolio affected by GST rate revision effective September 22, 2025.
- Short-term volume disruption observed due to destocking and delayed buying by trade partners.
- It reported a ~2–2.5% negative impact on sales due to GST transition impact.
- Large packs reported pricing reductions, whereas small packs posted grammage additions.
- Organised players control most of the market, with the top three companies having 70% share and regional players another 10–12%, leaving 15–18% for small value players.

Key highlights

- Revenue was INR47,520mn, up 4.1% YoY led by steady demand across key categories.
- EBITDA rose 22.9% YoY to INR8,690mn, supported by cost optimisation and efficiency programmes.
- PAT surged 23.1% YoY to INR6,540mn, aided by healthy margin expansion.
- Pricing growth was ~7–8%.
- Employee cost reported a drop due to lower provisioning related to SAR.

Market share

- Leadership position in the biscuit category maintained with sustained gap versus organised peers.
- Marginal share loss recorded as regional and local players gained traction in value packs.
- All four-focus states (Hindi belt) have grown well.
- Efforts underway to regain momentum through portfolio renovation, stronger brand activation, and wider rural distribution.

Commodity price trend

- Key input materials remained largely range-bound and under control.
- Refined palm oil fell 9% QoQ/but rose 29% YoY.
- Cocoa increased 5% QoQ/9% YoY
- Milk prices dropped 3% QoQ/rose 13% YoY.
- Sugar increased 1% QoQ and 3% YoY.
- Wheat flour rose 2% QoQ and 6% YoY.
- Laminates increased 2% QoQ and 1% YoY.

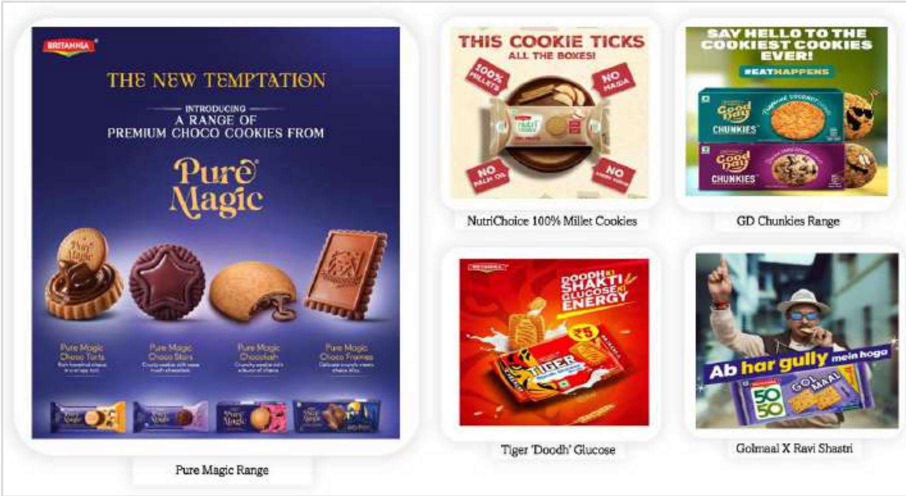
New CEO

- Mr Rakshit Hargave will join in December and will handle the entire business.
- Varun Berry's role will be to help him and ensure a smooth transition, but he will not directly handle any specific portfolio.

Adjacency business

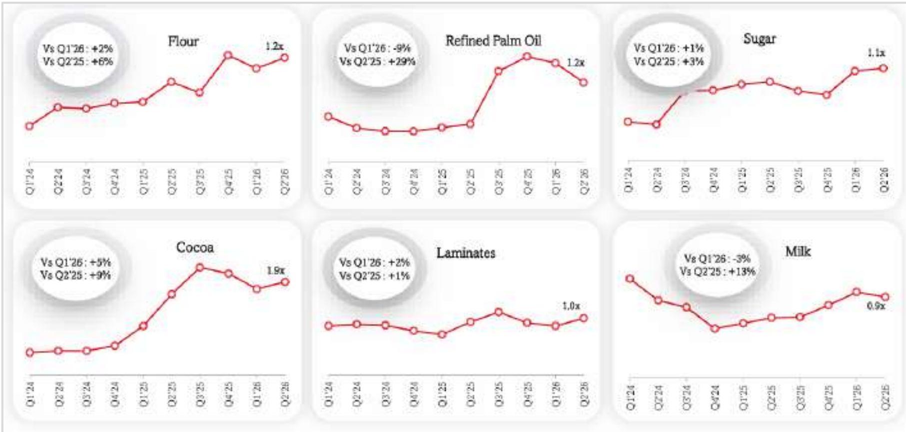
- Adjacent bakery continued its momentum with double-digit growth in Rusk, Wafers and Croissant for consecutive quarters, led by strong growth in e-commerce channel.
- Wafers continued their fifth straight quarter of double-digit growth, aided by added capacity in North India.
- International operations scaled up with strong traction in Africa and growing momentum in Kenya JV.
- Cheese and cake segments reported sequential share gains and higher contribution from modern trade and e-commerce.

Exhibit 5: New launches and innovations



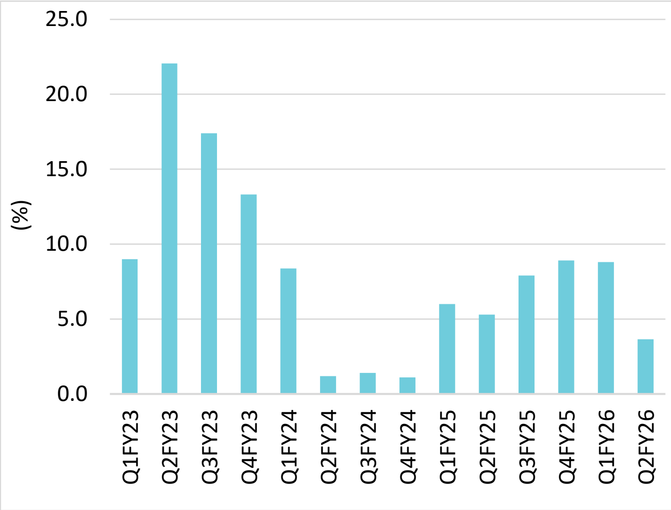
Source: Company, Nuvama Research

Exhibit 6: Commodity price trend



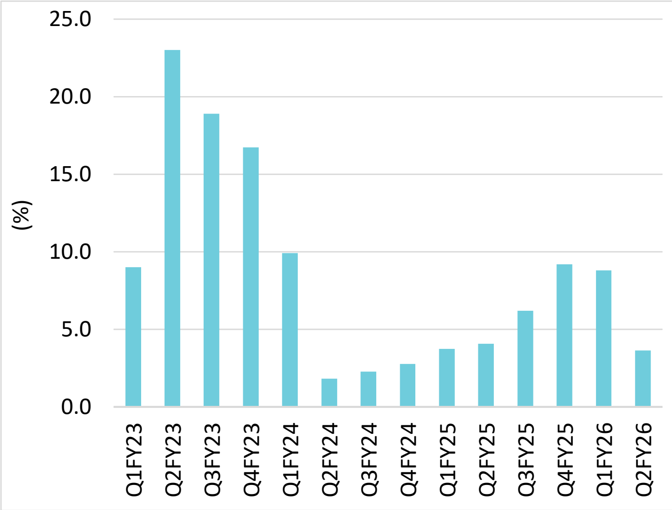
Source: Company, Nuvama Research

Exhibit 7: Consolidated sales growth (%)



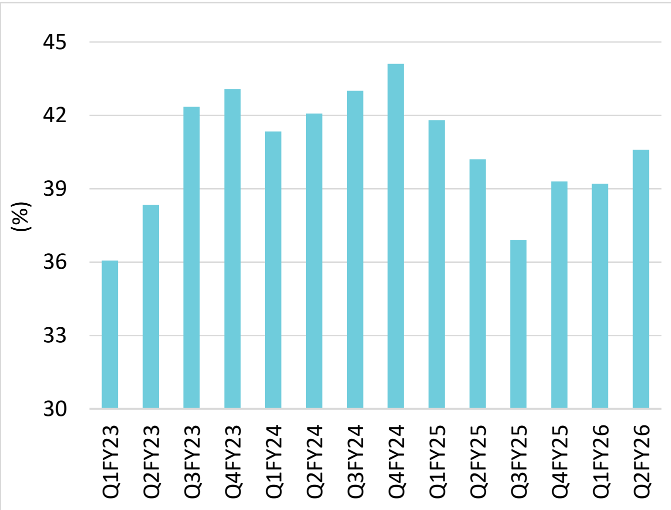
Source: Company, Nuvama Research

Exhibit 8: Standalone sales growth (%)



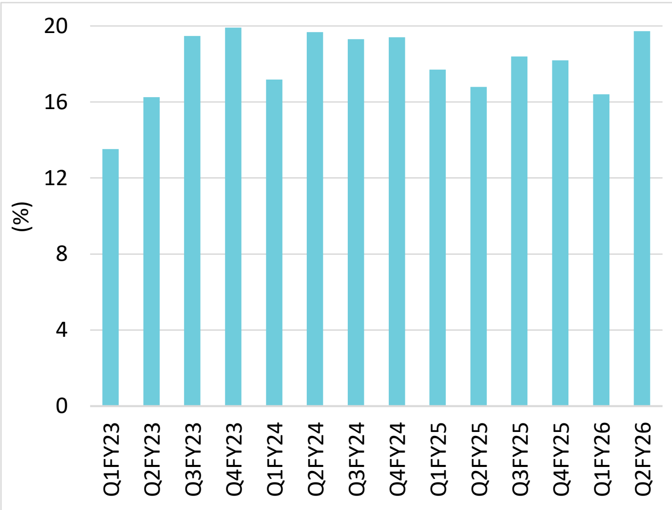
Source: Company, Nuvama Research

Exhibit 9: Gross margin trend



Source: Company, Nuvama Research

Exhibit 10: EBITDA margin trend



Source: Company, Nuvama Research

Exhibit 11: Standalone financial snapshot (INR mn)

Year to march	Q2FY26	Q2FY25	% change	Q1FY26	% change
Net Sales	45,678	43,919	4.0	43,576	4.8
Other Op. Income	968	1,090	(11.2)	951	1.7
Total	46,645	45,008	3.6	44,527	4.8
Expenses					
Purchase of stock	4,847	5,142	(5.7)	5,064	(4.3)
(Inc)/Dec in stock	188	(635)	NA	(201)	NA
Consumption of Raw material	22,984	22,647	1.5	22,505	2.1
Employee cost	1,433	1,947	(26.4)	2,037	(29.6)
Conversion and other charges	-	-	-	-	-
Ad and sales promotion	-	-	-	-	-
Other Expenditure	8,051	8,446	(4.7)	7,917	1.7
Total	37,502	37,546	(0.1)	37,321	0.5
EBITDA	9,143	7,462	22.5	7,206	26.9
Depreciation	775	689	12.5	749	3.5
EBIT	8,368	6,773	23.5	6,457	29.6
Other inc	1,101	520	111.9	541	103.6
Interest net	342	343	(0.4)	257	32.9
Exceptional item	-	2	NA	-	NA
PBT	9,128	6,952	31.3	6,741	35.4
Tax	2,228	1,804	23.5	1,759	26.7
PAT	6,900	5,147	34.0	4,982	38.5
Equity Shares (FV- INR1)	241	241	(0)	241	(0)
EPS	28.6	21.4	34.1	20.7	38.6
as % of net revenues					
COGS	60.1	60.3	(26)	61.5	(140)
Employee	3.1	4.3	(125)	4.6	(150)
Conversion and other charges	-	-	-	-	-
Ad and sales promotion	-	-	-	-	-
Other expenditure	17.3	18.8	(151)	17.8	(52)
EBITDA	19.6	16.6	302	16.2	342
PAT	14.8	11.4	336	11.2	360
Tax Rate	24.4	26.0	(155)	26.1	(169)

Source: Company, Nuvama Research

Exhibit 12: Consolidated financial snapshot (INR mn)

Year to march	Q2FY26	Q2FY25	% change	Q1FY26	% change
Net sales	47,522	45,662	4.1	45,349	4.8
Other operating Income	885	1,013	(12.7)	874	1.3
Total Income	48,406	46,676	3.7	46,222	4.7
Cost of materials	28,229	27,294	3.4	27,591	2.3
Employee cost	1,811	2,323	(22.0)	2,419	(25.1)
Other Expenditure	8,821	9,224	(4.4)	8,642	2.1
EBITDA	9,545	7,834	21.8	7,571	26.1
Depreciation	851	761	11.8	820	3.7
EBIT	8,695	7,073	22.9	6,750	28.8
Other inc	521	460	13.3	570	(8.6)
Interest net	347	346	0.1	262	32.6
Profit Before Tax	8,869	7,186	23.4	7,059	25.6
Provision for Tax	2,286	1,836	24.5	1,809	26.4
Minority Interest	6	(1)	NM	(6)	NM
Add: Share of profit from associates	(33)	(34)	NM	(49)	NM
Exceptional Items (Net of Tax)	-	(2)	NM	-	NM
Reported Profit	6,545	5,317	23.1	5,207	25.7
Adjusted Profit	6,545	5,318	23.1	5,207	25.7
No. of Shares outstanding (mn)	241	241	(0.0)	241	-
Adjusted Diluted EPS	27.2	22.1	23.1	21.6	25.7
As % of net revenues					
Cost of materials	59.4	59.8	(37)	60.8	(144)
Employee cost	3.7	5.0	(124)	5.2	(149)
Other Expenditure	18.2	19.8	(154)	18.7	(47)
EBITDA	19.7	16.8	293	16.4	334
Net profit	13.5	11.4	213	11.3	225
Tax Rate	25.8	25.6	22	25.6	14

Source: Company, Nuvama Research

Company Description

Britannia is the value leader in the biscuit category and one of the oldest brands in India. Britannia has a presence in the biscuit, bread, cakes, rusk and dairy segment. In biscuits, the company has brands like Good Day, Crackers, Nutrichoice, Marie Gold, Tiger, Milk Bikis, Jim Jam, Bourbon, Little Hearts, Pure Magic and Nice Time. Britannia is focused on driving growth through its power brands - GoodDay, Tiger, Marie, Milk Bikis, 50:50, Treat and Nutri Choice. Britannia is present in dairy with value added products like cheese, yogurt, flavoured milk, butter etc and plans to go for full integration of this business. Apart from this, the company is also present in cakes and rusks which remain a key focus area. On the international front Britannia exports to many countries and has international subsidiary in Middle East.

Investment Theme

Britannia is expected to outperform the industry growth led by strong innovation pipeline and distribution expansion. The company is focusing on reducing the gap with Parle and is driving inroads in the market where it is weak i.e. the hinterland. Britannia is not only launching new products but also relaunching its key brands (like GoodDay, Milk BIkis and Tiger) which are yield good results. The company is soon going to commission its R&D facility, which will also give a boost to innovation. Company's cost saving initiatives will also aid its margins.

Key Risks

- Increased competitive intensity: Rising competitive intensity (especially from players like Patanjali) can potentially result in volume pressures. Also, it can result in increased A&P spends and investments towards the brand resulting in margin pressure. Maintaining market share becomes challenging in such a scenario.

- Raw material prices: Rise in the raw material prices like wheat, flour, RPO, milk can lead to pressure on the gross margins. Inability to pass on the pricing pressure to consumers due to higher competition can result in further pressure. Rural slowdown: Biscuit is a highly penetrated category and slowdown, particularly in rural areas, will lead to slowing of the category growth rates.

- Failure in new innovation and segments: Britannia has a strong pipeline of new innovations and it also plans to solidify its hold in the dairy, cake, rusk and international markets. However, a risk of failure of new launches and disappointing entry in new segments cannot be ruled out completely.

Additional Data

Management

MD	Varun Berry
CFO	Mr. N Venkataraman
Non-Executive Director	Mr. Ness N. Wadia
CS	Mr. T.V. Thulsidass
Auditor	Walker Chandiok & Co LLP

Holdings – Top 10*

	% Holding		% Holding
Life Insurance	6.57	Quant Money Man	0.99
ICICI Prudentia	2.10	Kotak mahindra	0.84
Vanguard group	2.08	ICICI Prudentia	0.77
BlackRock Inc	1.91	HDFC Asset mana	0.59
SBI Funds manag	1.91	Norges bank	0.47

**Latest public data*

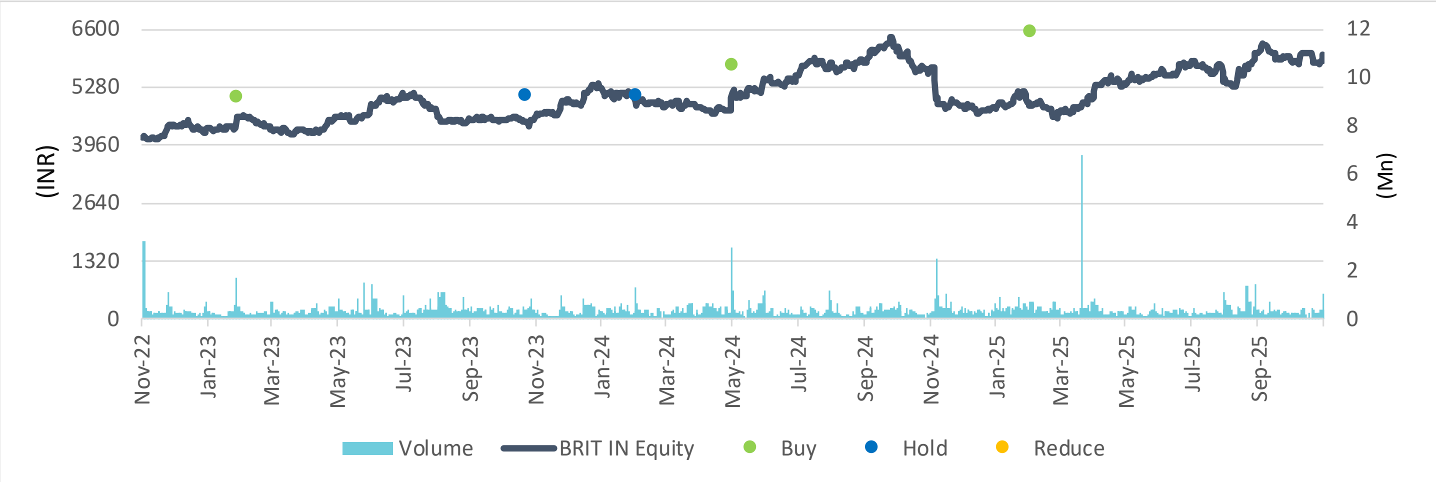
Recent Company Research

Date	Title	Price	Reco
05-Nov-25	Strong cost optimisation in Q2; *Oven fresh*	5,892	Buy
06-Aug-25	Impressive sales and transaction growth; *Result Update*	5,402	Buy
05-Aug-25	SAR impact weighs on EBITDA; *Oven fresh*	5,635	Buy

Recent Sector Research

Date	Name of Co./Sector	Title
06-Nov-25	CCL Products	Strong volume growth; *Result Update*
05-Nov-25	CCL Products	Impressive show; *Oven fresh*
04-Nov-25	AWL Agri Business	Foods and FMCG drag 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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