




Britannia Industries Limited

BUY

Sector: FMCG

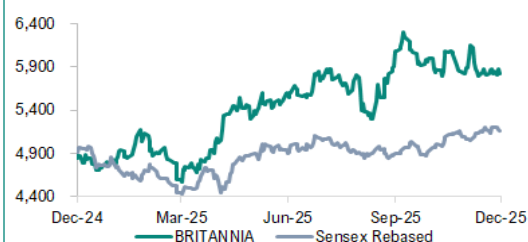
05th December, 2025

Key Changes		Target 	Rating 	Earnings 		Target	Rs. 6,465
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	CMP	Rs. 5,874
Large Cap	BRIT:IN	85,265	BRITANNIA	500825	12 Months	Return	+10%

Data as of: 04-Dec-2025, 18:00 hrs

Company Data			
Market Cap (Rs.cr)	141,491		
52 Week High — Low (Rs.)	6,337 - 4,507		
Enterprise Value (Rs. cr)	143,299		
Outstanding Shares (cr)	24.1		
Free Float (%)	48.8		
Dividend Yield (%)	1.3		
6m average volume (lacs)	3.6		
Beta	0.5		
Face value (Rs.)	1.0		
Shareholding (%)	Q4FY25	Q1FY26	Q2FY26
Promoters	50.6	50.6	50.6
FII's	15.7	15.6	15.0
MFs/Institutions	18.3	18.7	19.4
Public	14.4	14.2	14.0
Others	1.1	1.0	1.0
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	-3.4%	6.0%	21.1%
Absolute Sensex	5.6%	5.3%	5.3%
Relative Return	-9.1%	0.7%	15.8%

*over or under performance to benchmark index



Y.E March (Rs.cr)	FY25A	FY26E	FY27E
Sales	17,535	19,201	21,217
Growth (%)	6.0	9.5	10.5
EBITDA	3,187	3,592	4,085
EBITDA Margin (%)	18.2	18.7	19.3
PAT Adjusted	2,204	2,520	2,878
Growth (%)	2.8	14.4	14.2
Adjusted EPS	91.5	104.6	119.5
Growth (%)	2.8	14.4	14.2
P/E	54.0	56.1	49.2
P/B	27.3	27.9	23.7
EV/EBITDA	37.6	39.9	35.1
ROE (%)	50.0	49.7	48.2
D/E	0.3	0.4	0.4

GST rate revision boosts competitiveness

Britannia Industries is a leading India-based food products company, with a large portfolio of confectionary brands. The products are sold in India as well as globally.

- Britannia's Q2FY26 revenue rose 4.1% YoY to Rs. 4,752cr, owing to a steady performance in biscuits and double-digit adjacency growth (croissant and rusk).
- However, the goods and services tax (GST) rate revision led to distributor de-stocking in September, which reduced the company's Q2FY26 topline 2-2.5% as sales in September fell 6-7% due to disruption caused by the transition.
- EBITDA rose 21.8% YoY to Rs. 955cr, while EBITDA margin expanded 290bps to 20.1%, on account of lower cost growth and declining expenses.
- Reported PAT rose 23.2% YoY to Rs. 655cr owing to strong EBITDA growth, lower employee costs from minimal ESOP provisioning and continued cost efficiencies supporting overall profitability.
- The company's product innovation pipeline saw multiple launches—Pure Magic variants, Choco Tarts, ChocoStars, Choco Frames (Harry Potter), NutriChoice millet cookies, Tiger Doodh relaunch and Chunkies extensions to broaden relevance.

Outlook & Valuation

Britannia's performance was steady owing to resilient brand traction, stable demand and sustained momentum across core categories and adjacencies. The management commentary highlights a sharper focus on regional competitiveness, innovation-led refreshes and stronger execution in rural markets, supported by an expanding pipeline of biscuits, dairy and value-added adjacencies. Emphasis on distribution efficiency, premium offerings, channel-specific launches and cost discipline is expected to result in steady but moderated growth as the company navigates a more competitive landscape post-GST revision. Therefore, **we reiterate a BUY rating on the stock, with a revised target price of Rs. 6,465, based on 54x FY27E adjusted earnings-per-share (EPS).**

Quarterly Financial Consol.

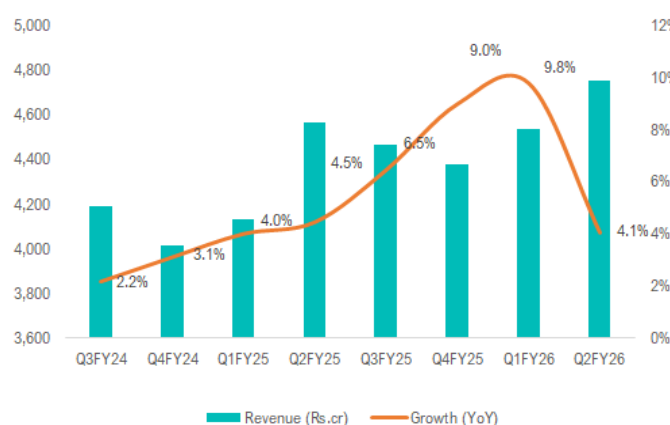
Rs.cr	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	H1FY26	H1FY25	YoY (%)
Sales	4,752	4,566	4.1	4,535	4.8	9,287	8,696	6.8
EBITDA	955	783	21.8	757	26.1	1,712	1,537	11.4
Margin (%)	20.1	17.2	290bps	16.7	340bps	18.4	17.7	70bps
EBIT	869	707	22.9	675	28.8	1,544	1,387	11.3
PBT	884	715	23.6	701	26.0	1,585	1,396	13.5
Rep. PAT	655	532	23.2	520	25.9	1,175	1,036	13.4
Adj PAT	654	531	23.1	521	25.7	1,175	1,062	10.7
Adj. EPS (Rs)	27.2	22.1	23.1	21.6	25.7	48.8	44.1	10.7



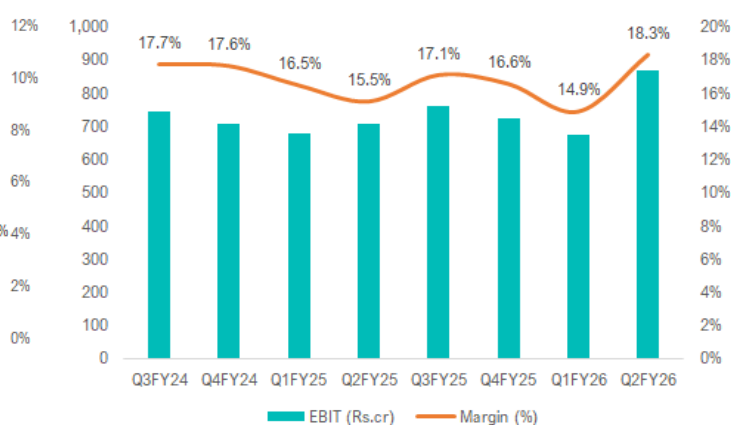
Key concall highlights

- The management highlighted grammage increases of 10-13% across packs in the Rs. 5 and Rs. 10 categories, covering ~65% of the portfolio, by October and 100% by mid-November, which is expected to drive volume-led growth.
- Britannia plans sharper expansion in rural markets, as they are currently outpacing urban ones, supported by direct distribution redesign and GST-led affordability gains, with new grammages in ~65% of its portfolio.
- Britannia's adjacent categories, croissant and rusk, delivered high double-digit growth in Q2FY26, while wafers marked the fifth consecutive double-digit growth quarter helped by added manufacturing capacity in North India.
- International business remains a growth pillar with Africa performing strongly and the Kenya joint-venture shaping up well, supported by localized portfolios and rising acceptance in biscuits and cakes categories.
- Britannia plans to explore ready-to-drink protein beverages, but not whey powders due to the current raw material constraints, making the company's approach to expanding its dairy and beverages portfolio more selective.
- Commodity trends indicate stability, with Q2FY26 sequential movements—flour +2%, sugar +1%, cocoa +5%, milk inflation seasonal and palm oil -9%—enabling favorable cost conditions and, in turn, supporting competitive pricing across regions.

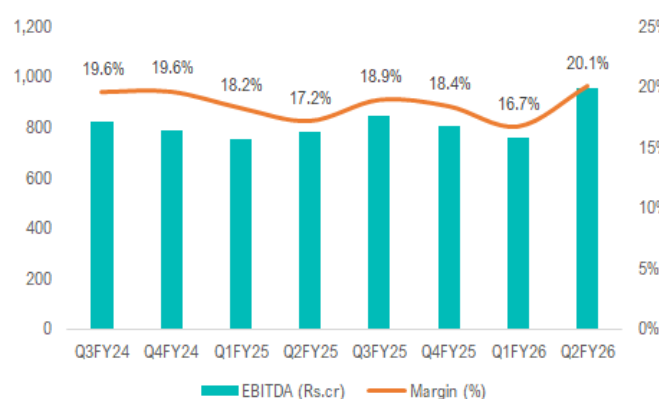
Revenue



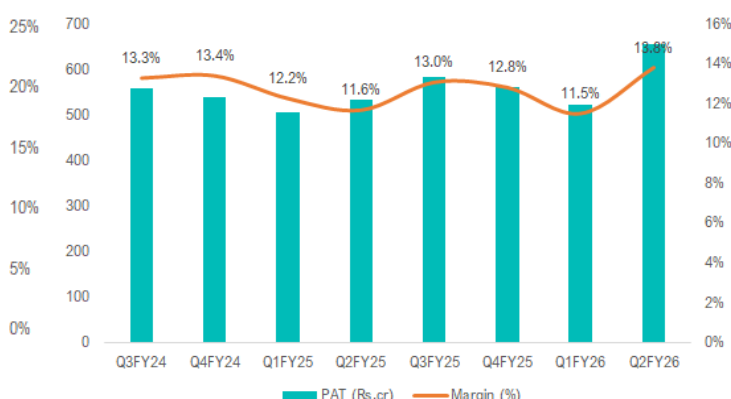
EBIT



EBITDA



PAT



Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	19,148	21,025	19,201	21,217	0.3	0.9
EBITDA	3,573	4,015	3,592	4,085	0.5	1.7
Margins (%)	18.7	19.1	18.7	19.3	0bps	20bps
Adj. PAT	2,516	2,849	2,520	2,878	0.2	1.0
EPS	104.5	118.3	104.6	119.5	0.2	1.0



Consolidated Financials

Profit & Loss

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Sales	15,985	16,546	17,535	19,201	21,217
% change	14.6	3.5	6.0	9.5	10.5
EBITDA	2,831	3,170	3,187	3,592	4,085
% change	28.6	12.0	0.5	12.7	13.7
Depreciation	226	300	313	329	347
EBIT	2,605	2,869	2,874	3,263	3,737
Interest	169	164	139	142	149
Other Income	597	208	192	238	247
PBT	3,033	2,913	2,927	3,359	3,835
% change	45.9	-3.9	0.4	14.8	14.2
Tax	716	779	749	840	959
Tax Rate (%)	23.6	26.7	25.6	25.0	25.0
Reported PAT	2,316	2,134	2,178	2,519	2,876
PAT att. to common shareholders	2,322	2,140	2,179	2,520	2,878
Adj.*	-376	3	25	-	-
Adj. PAT	1,946	2,143	2,204	2,520	2,878
% change	27.6	10.1	2.8	14.4	14.2
No. of shares (cr)	24.1	24.1	24.1	24.1	24.1
Adj EPS (Rs.)	80.8	89.0	91.5	104.6	119.5
% change	27.6	10.1	2.8	14.4	14.2
DPS (Rs.)	72.0	73.5	75.0	82.0	90.0

Cashflow

Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Net inc. + Depn.	2,542	2,435	2,491	2,849	3,224
Non-cash adj.	-194	189	97	-326	-78
Other adjustments	-	-	-	-	-
Changes in W.C	178	-51	-108	-1,036	-298
C.F. Operation	2,526	2,573	2,481	1,487	2,848
Capital exp.	-633	-488	-370	-480	-552
Change in inv.	-1,117	580	-26	19	-213
Other invest.CF	233	392	480	-	-
C.F - Investment	-1,517	484	84	-461	-765
Issue of equity	-	-	-	-	-
Issue/repay debt	515	-943	-825	968	42
Dividends paid	-1,359	-1,732	-1,768	-1,807	-1,975
Other finance.CF	-184	-164	-169	1	1
C.F - Finance	-1,028	-2,839	-2,762	-838	-1,932
Chg. in cash	-19	218	-197	188	151
Closing Cash	198	446	312	501	651

Balance Sheet

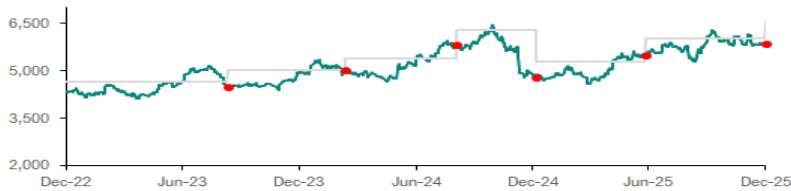
Y.E March (Rs. Cr)	FY23A	FY24A	FY25A	FY26E	FY27E
Cash	198	446	312	501	651
Accts. Receivable	329	393	449	501	562
Inventories	1,193	1,181	1,237	2,220	2,457
Other Cur. Assets	3,026	2,828	1,916	2,443	2,893
Investments	1,564	1,098	1,783	1,708	1,803
Gross Fixed As-sets	3,623	4,111	4,481	4,961	5,513
Net Fixed Assets	2,472	2,603	2,735	2,886	3,090
CWIP	105	188	89	98	108
Intangible Assets	142	141	140	141	142
Def. Tax -Net	57	44	37	46	48
Other Assets	266	152	141	144	146
Total Assets	9,353	9,074	8,839	10,687	11,900
Current Liabilities	2,706	2,948	3,106	3,270	3,538
Provisions	26	31	33	35	36
Debt Funds	3,055	2,127	1,316	2,284	2,326
Other Liabilities	2	2	2	3	5
Equity Capital	24	24	24	24	24
Res. & Surplus	3,510	3,917	4,332	5,046	5,948
Shareholder Funds	3,534	3,942	4,356	5,070	5,972
Minority Interest	30	25	26	25	23
Total Liabilities	9,353	9,074	8,839	10,687	11,900
BVPS	147	164	181	210	248

Ratios

Y.E March	FY23A	FY24A	FY25A	FY26E	FY27E
Profitab. & Return					
EBITDA margin (%)	17.7	19.2	18.2	18.7	19.3
EBIT margin (%)	16.3	17.3	16.4	17.0	17.6
Net profit mgn.(%)	14.5	12.9	12.4	13.1	13.6
ROE (%)	65.5	54.1	50.0	49.7	48.2
ROCE (%)	39.4	47.1	50.4	44.2	44.9
W.C & Liquidity					
Receivables (days)	7.5	8.7	9.3	9.5	9.7
Inventory (days)	45.4	45.4	42.6	71.8	71.2
Payables (days)	55.1	62.6	60.3	61.4	62.1
Current ratio (x)	1.1	1.2	1.1	1.2	1.3
Quick ratio (x)	0.6	0.6	0.5	0.4	0.5
Turnover & Leverage					
Gross asset T.O (x)	4.8	4.3	4.1	4.1	4.1
Total asset T.O (x)	1.9	1.8	2.0	2.0	1.9
Int. covge. ratio (x)	15.4	17.5	20.7	23.0	25.0
Adj. debt/equity (x)	0.9	0.5	0.3	0.4	0.4
Valuation					
EV/Sales (x)	9.0	7.3	6.8	7.5	6.7
EV/EBITDA (x)	50.9	37.9	37.6	39.9	35.1
P/E (x)	72.6	55.2	54.0	56.1	49.2
P/BV (x)	40.0	30.0	27.3	27.9	23.7



Recommendation Summary (Last 3 years)



Dates	Rating	Target
19-May-22	BUY	3,890
14-Nov-22	BUY	4,670
14-Aug-23	BUY	5,020
14-Feb-24	HOLD	5,380
07-Aug-24	HOLD	6,310
10-Dec-24	BUY	5,290
29-May-25	BUY	6,030
05-Dec-25	BUY	6,465




Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

Not rated/Neutral

Definition:

Buy: Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

Symbols definition:  Upgrade  No Change  Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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Not rated/Neutral- The analyst has no investment opinion on the stock under review.

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