

Britannia Industries | BUY

Strong margin delivery; pace of acceleration in volume will be key



Britannia Dec-Q revenue performance was tad below our est. but gross margin surprise (aided by price hikes and stable to benign input cost) led to beat on adj. EBITDA/PAT. Volume growth in Q3 (especially Nov/Dec) didn't see benefit of channel filling. While Britannia was first one to transition to INR 5/10 SKU (with higher grammage) other national/regional players are still transitioning which would have benefitted the competition in Q3. New MD & CEO Rakshit Hargave in his maiden investor call articulated broader strategy with focus on a) driving sales/supply chain efficiency, b)step up brand investment; elevate brand experience, c)create category of functional foods and d) develop composite portfolio through combination of organic and inorganic opportunities. With pricing in LUPs stabilising for industry, revenue trajectory (more volume led as price hikes anniversaries from 4Q) should gradually improve (visible in Nov/Dec sales growth of 12%) going ahead. This along with stable to benign input costs, we believe, will allow higher brand investments as well as help sustain high teen margins. Maintain BUY rating with TP of INR 7,000 (55x Sep'27 EPS). Pace of acceleration in volume growth and impact of likely reduction in fiscal incentive (c.1.7-2% of consol. sales) will be key monitorable.

- Revenue growth led by balanced mix of volume and pricing; Nov/Dec trend point to gradual volume recovery as pricing stabilises:** Britannia's consol. net sales (ex-other op income) grew by 9.5% YoY to INR 48.9bn (c.2% below our estimate), led by momentum across both the biscuits and adjacent categories (grew in double digits). Management highlighted that pricing is stabilising for biscuit industry post the GST rate reduction and the business grew by c.12% in November & December - driven by sustained investments behind brand, enhancement of its product portfolio through innovations. Standalone sales growth of 9.4% YoY and 12% growth seen in Nov/Dec were driven equally by volume and pricing growth. Our checks suggest double digit growth momentum has sustained in January month too. Other operating income declined by 35% YoY resulting in overall consol sales increasing by 8.2% YoY to INR 49.7bn.
- Gross margin surprises positively driving beat on adj. EBITDA:** Britannia's consol. gross margin (ex-other op income) saw sharp increase of 533bps YoY to 42.3% (JMFe: 40.6%), aided by relatively stable input costs and benefit of price hikes. However, staff cost increased sharply by c.103% YoY (including INR 485.6mn new labour code related expense) – we note that base quarter had reversal of INR 750mn due to revaluation of phantom stocks basis the declining stock price movement during Sep'24-Dec'24. Other expenses grew 15.4% YoY (base quarter had lower A&P). Resultant EBITDA grew by 16% YoY to INR 9.8bn, with margin expansion of 113bps YoY to 20.1%. Adjusting for labor code related expenses, EBITDA grew 22% YoY to INR 10.3bn with margins at 21.7%, much better than our and consensus forecast. Reported PAT rose c.17% YoY to INR 6.8bn, supported by lower finance cost (down 25.4% YoY) and depreciation expenses (+2% YoY).
- Standalone performance:** Standalone net sales (ex-other op income) also grew at a similar rate of 9.4% YoY to INR 46.8bn with sharp margin expansion of 544bps to 40.3%. However, staff cost increased significantly by 156% YoY (includes INR 464.6mn new labour code related expense), while other overheads rose 16% YoY. As a result, EBITDA grew c.15% YoY to INR 8.1bn, with margin expansion of c.100bps to 20%. Net profit grew 23.5% YoY to INR 6.9bn, aided by higher other income (including INR 345mn dividend income from a subsidiary) and lower interest expense (down c.26% YoY).

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Recommendation and Price Target

Current Reco.	BUY
Previous Reco.	BUY
Current Price Target (12M)	7,000
Upside/(Downside)	16.3%
Previous Price Target	6,995
Change	0.1%

Key Data – BRIT IN

Current Market Price	INR6,019
Market cap (bn)	INR1,449.8/US\$16.0
Free Float	43%
Shares in issue (mn)	240.9
Diluted share (mn)	240.9
3-mon avg daily val (mn)	INR2,108.9/US\$23.2
52-week range	6,337/4,506
Sensex/Nifty	84,234/25,954
INR/US\$	90.7

Price Performance

%	1M	6M	12M
Absolute	0.7	11.8	22.7
Relative*	-0.1	7.0	11.2

* To the BSE Sensex

Financial Summary

(INR mn)

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Sales	165,462	175,350	189,827	211,502	232,492
Sales Growth (%)	3.5	6.0	8.3	11.4	9.9
EBITDA	31,698	31,872	36,975	40,652	44,610
EBITDA Margin (%)	18.9	17.8	19.2	19.0	19.0
Adjusted Net Profit	21,419	21,972	25,666	28,958	32,389
Diluted EPS (INR)	88.9	91.2	106.5	120.2	134.4
Diluted EPS Growth (%)	10.1	2.6	16.8	12.8	11.8
ROIC (%)	90.5	91.4	111.3	135.5	165.7
ROE (%)	57.3	53.0	54.4	51.9	49.0
P/E (x)	67.7	66.0	56.5	50.1	44.8
P/B (x)	36.8	33.3	28.5	23.9	20.3
EV/EBITDA (x)	45.7	45.5	39.0	35.2	31.8
Dividend Yield (%)	1.2	1.2	1.3	1.5	1.7

Source: Company data, JM Financial. Note: Valuations as of 11/Feb/2026

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

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

3QFY26 concall highlights

■ Operating environment

- **Commodity basket remains largely stable** — wheat flour down marginally in Q3, RPO (edible oil) easing, sugar stable, cocoa and laminate softer; milk remains to be watched going ahead. Management expects commodity prices to stay stable going ahead.
- October was a transition month where company saw a marginal dip, while business delivered 12% growth in November–December strength with split roughly **50:50 between volume and realization growth**.
- **GST rate cut / packaging transition created a temporary disruption**. Initially the LUPs at INR 4.5/9 were introduced. Some competitors are still undergoing a staggered transition to INR 5/10 (with grammage increases) while Britannia was first one to restore INR 5/10 price point. Also despite price reduction to INR 4.5/9 for LUPs, the consumer sale was happening at INR 5/10 and the benefit was landing with retailers. This possibly led to tactical gains for competition. Management expects pricing to stabilize in LUPs by end of 4QFY26.

■ Market share and regional competition

- Britannia reports it is **holding/gaining share versus national peers** over a 2-year horizon but pockets of **regional competition** persist (East is a hotbed of competition; other clusters also have local challengers)
- To address against regional players, company will follow targeted, startup-style micro-plays with enterprising plan — focused investment (incl. e-commerce), quicker local flavour adoption and tactical pricing. This will be part of company's strategic priority going forward.

■ Distribution, e-commerce and go-to-market strategy

- E-commerce / quick commerce adoption is rising: **cake, rusk, croissant and wafers have c.3x contribution vs biscuits** on e-commerce. Management will treat **e-commerce as a business unit** (incubate digital-first brands, innovation, new developments; synchronize TV/digital/ platform activations to deliver complete 360 experience to consumer).
- Current e-commerce (including quick commerce) salience is high-single digit as % of sales with an ambition to move into the low teens in FY27.
- In terms of profitability on e-com/quick commerce, biscuits, rusk and cake have more or less similar level of profitability as compared to GT.
- One of the key strategic priorities is to continue driving efficiency in sales, distribution and supply chain. Another is to elevate brand experience and make investments across brands.

■ Adjacent business/New Product Launches

- **New launches and NPd**: Cheese and caramel Dip (50-50), Doodh Marie (in select markets), vegetarian fudge and layer cake variants, plus re-launch of Sattvam cow ghee.
- Adjacencies (Croissant, rusk, cake and wafers) are delivering **double-digit growth** and strong e-commerce traction.
- In dairy, cheese witnessed a marginal growth while other business such as Ghee, Milk Drinks, Dairy Whitener grew faster.
- **Cheese** has underperformed expectations; company is taking corrective steps — new head for dairy business, JV collaboration with Bel Group, focused innovation and modern-trade initiatives to make cheese portfolio more attractive. Management claims it is already **#2 in sliced cheese** category and will push pricing/innovation/MT listings to revive growth.
- Company is running a new **NutriChoice** campaign featuring **Aamir Khan** and has ramped brand spends behind premium and adjacency SKUs to drive discoverability and conversion online and offline
- As part of key driving strategic priorities, company will drive innovations in adjacencies/future platforms and will increase brand investment behind resident jewels (e.g., Little Hearts) for q-commerce / e-com conversion.

■ Other highlights

- A new CMO (Mr Puneet Das) has been hired, for all business except dairy and international business, to led unified brand work across mainline & adjacencies, drive synergies, more relevance and to present company in a new modern way.
- A one-time state incentive (Bihar) accrued this quarter (INR 65 Cr). This was largely offset by INR 48 Cr labor code impact in this quarter.
- **On PLI, management highlighted that discussion is ongoing with state authorities and company is hopeful of alternate forms of relief.**
- On inorganic strategy, the management agreed that not everything can be built from scratch and Britannia is open to evaluate attractive opportunity to make a composite portfolio.

Exhibit 1. 3Q result snapshot (Consol.) – Revenue tad below estimates; margin delivery surprises positively

INR mn	CONSOLIDATED					PARENT		
	3QFY26	3QFY25	YoY growth	3QFY26E	% variance	3QFY26	3QFY25	YoY growth
Net Sales	48,852	44,633	9.5%	49,798	-1.9%	46,817	42,811	9.4%
Other Operating Income	846	1,293	-34.6%	800	5.7%	938	1,371	-31.5%
Gross Profit	21,500	17,784	20.9%	21,027	2.2%	19,827	16,315	21.5%
Gross Profit Margin - % of Net Sales	42.3%	36.9%	533 bps	40.6%	166 bps	40.3%	34.9%	544 bps
Staff Cost	2,147	1,059	102.9%	2,042	5.2%	1,735	678	156.1%
Other Expenses	9,553	8,276	15.4%	9,141	4.5%	8,747	7,533	16.1%
EBITDA	9,800	8,449	16.0%	9,844	-0.5%	9,345	8,104	15.3%
EBITDA margin - % of Net Sales	20.1%	18.9%	113 bps	19.8%	29 bps	20.0%	18.9%	103 bps
Depreciation	845	824	2.6%	921	-8.3%	761	752	1.2%
EBIT	8,955	7,625	17.4%	8,923	0.4%	8,585	7,352	16.8%
Interest Expense	333	446	-25.4%	400	-16.9%	328	441	-25.7%
Other Income	595	625	-4.8%	647	-8.2%	932	598	55.7%
PBT (before exceptional)	9,217	7,804	18.1%	9,171	0.5%	9,188	7,509	22.4%
PBT (after exceptional)	9,217	7,558	22.0%	9,171	0.5%	9,188	7,509	22.4%
Reported Net Profit	6,800	5,797	17.3%	6,796	0.1%	6,880	5,571	23.5%
Adjusted Net Profit	6,800	5,817	16.9%	6,796	0.1%	6,880	5,571	23.5%

Source: Company, JM Financial

Exhibit 2. Quarterly financial performance – consolidated basis

INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Volume growth	0.0%	0.2%	5.5%	6.0%	8.0%	8.0%	6.0%	3.5%	2.0%	-2.0%	4.5%
Sales	39,698	43,705	41,918	40,141	41,299	45,662	44,633	43,756	45,349	47,522	48,852
YoY	8.6%	0.8%	2.2%	3.1%	4.0%	4.5%	6.5%	9.0%	9.8%	4.1%	9.5%
Other operating income	409	624	645	553	1,204	1,013	1,293	566	874	885	846
Total sales	40,107	44,329	42,563	40,694	42,503	46,676	45,926	44,322	46,222	48,406	49,698
YoY	8.4%	1.2%	1.4%	1.1%	6.0%	5.3%	7.9%	8.9%	8.8%	3.7%	8.2%
Gross Profit	16,820	19,011	18,673	18,269	18,449	19,381	17,784	17,773	18,631	20,177	21,500
Staff cost	1,883	1,599	1,985	1,620	2,020	2,323	1,059	1,645	2,419	1,811	2,147
Other expenses	8,048	8,688	8,477	8,774	8,893	9,224	8,276	8,076	8,642	8,821	9,553
EBITDA	6,889	8,724	8,211	7,874	7,537	7,834	8,449	8,052	7,571	9,545	9,800
YoY	37.6%	22.6%	0.4%	-1.7%	9.4%	-10.2%	2.9%	2.3%	0.4%	21.8%	16.0%
Depreciation	708	717	781	799	739	761	824	810	820	851	845
Interest	531	534	311	264	290	346	446	307	262	347	333
Other income	539	524	506	573	556	460	625	630	570	521	595
PBT	6,190	7,997	7,625	7,384	7,064	7,187	7,804	7,566	7,059	8,869	9,217
YoY	33.6%	21.3%	-1.3%	-2.5%	14.1%	-10.1%	2.4%	2.5%	-0.1%	23.4%	18.1%
Tax	1,665	2,121	2,026	1,980	1,762	1,836	1,961	1,928	1,809	2,286	2,369
PAT after exceptional item	4,525	5,875	5,570	5,404	5,055	5,350	5,843	5,638	5,250	6,583	6,848
Share of profit of associates	30	-10	-13	-38	-7	-34	-20	-47	-49	-33	-27
Minority Interest	-21	-11	-7	-17	-8	1	6	-8	-6	6	22
PAT	4,576	5,876	5,564	5,383	5,056	5,315	5,817	5,600	5,207	6,545	6,800
YoY	35.6%	19.1%	-40.3%	-3.6%	10.5%	-9.6%	4.5%	4.0%	3.0%	23.1%	16.9%
Adjusted PAT	4,576	5,876	5,586	5,383	5,241	5,316	5,817	5,600	5,207	6,545	6,800
YoY	35.6%	19.1%	0.3%	-3.6%	14.5%	-9.5%	4.1%	4.0%	-0.6%	23.1%	16.9%
% to sales	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Gross margin (ex-other operating income)	41.3%	42.1%	43.0%	44.1%	41.8%	40.2%	36.9%	39.3%	39.2%	40.6%	42.3%
Staff cost	4.7%	3.7%	4.7%	4.0%	4.9%	5.1%	2.4%	3.8%	5.3%	3.8%	4.4%
Other expenses	20.3%	19.9%	20.2%	21.9%	21.5%	20.2%	18.5%	18.5%	19.1%	18.6%	19.6%
EBITDA margin	17.4%	20.0%	19.6%	19.6%	18.2%	17.2%	18.9%	18.4%	16.7%	20.1%	20.1%
EBITDA margin (incl. other operating income)	17.2%	19.7%	19.3%	19.4%	17.7%	16.8%	18.4%	18.2%	16.4%	19.7%	19.7%

Source: Company, JM Financial.

Exhibit 3. Quarterly financial performance – standalone basis

INR mn	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Sales	38,243	42,203	40,314	38,629	39,674	43,919	42,811	42,189	43,576	45,678	46,817
YoY	10.2%	1.8%	3.1%	2.8%	3.7%	4.1%	6.2%	9.2%	9.8%	4.0%	9.4%
Other operating Income	464	686	710	613	1,271	1,090	1,371	636	951	968	938
Total sales	38,706	42,889	41,024	39,242	40,944	45,008	44,181	42,825	44,527	46,645	47,755
YoY	9.9%	2.3%	2.3%	0.8%	5.8%	4.9%	7.7%	9.1%	8.8%	3.6%	8.1%
Gross profit	15,567	17,698	17,341	16,974	17,074	17,855	16,315	16,377	17,160	18,627	19,827
Staff cost	1,522	1,251	1,632	1,249	1,647	1,947	678	1,275	2,037	1,433	1,735
Other expenses	7,379	8,038	7,781	8,021	8,144	8,446	7,533	7,314	7,917	8,051	8,747
EBITDA	6,666	8,409	7,929	7,704	7,283	7,462	8,104	7,787	7,207	9,143	9,345
YoY	41.9%	22.3%	0.4%	-3.1%	9.2%	-11.3%	2.2%	1.1%	-1.0%	22.5%	15.3%
Depreciation	634	644	707	727	667	689	752	738	749	775	761
Interest	484	480	292	258	286	343	441	301	257	342	328
Other income	522	532	496	552	673	520	598	716	541	1,101	932
PBT	6,071	7,817	7,425	7,270	7,003	6,950	7,509	7,464	6,742	9,128	9,188
YoY	37.8%	18.8%	-1.4%	-4.4%	15.4%	-11.1%	1.1%	2.7%	-3.7%	31.3%	22.4%
Tax	1,640	2,113	2,013	1,969	1,736	1,804	1,938	1,893	1,759	2,228	2,308
PAT	4,431	5,705	5,384	5,302	5,021	5,144	5,571	5,571	4,983	6,900	6,880
YoY	37.7%	15.8%	-29.8%	-5.0%	13.3%	-9.8%	3.5%	5.1%	-0.8%	34.1%	23.5%
% to sales	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Gross margin (ex-other operating income)	39.5%	40.3%	41.3%	42.4%	39.8%	38.2%	34.9%	37.3%	37.2%	38.7%	40.3%
Staff cost	4.0%	3.0%	4.0%	3.2%	4.2%	4.4%	1.6%	3.0%	4.7%	3.1%	3.7%
Other expenses	19.3%	19.0%	19.3%	20.8%	20.5%	19.2%	17.6%	17.3%	18.2%	17.6%	18.7%
EBITDA margin	17.4%	19.9%	19.7%	19.9%	18.4%	17.0%	18.9%	18.5%	16.5%	20.0%	20.0%
EBITDA margin (incl. other operating income)	17.2%	19.6%	19.3%	19.6%	17.8%	16.6%	18.3%	18.2%	16.2%	19.6%	19.6%

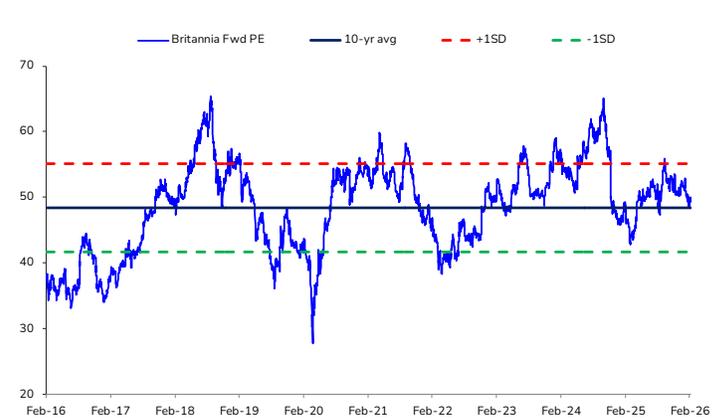
Source: Company, JM Financial

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



Source: Company, JM Financial

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



Source: Company, JM Financial

Exhibit 6. Revision in estimates

INR mn	Revised			Earlier			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	1,89,827	2,11,502	2,32,492	1,92,791	2,16,034	2,36,279	-1.5%	-2.1%	-1.6%
EBITDA	36,975	40,652	44,610	37,113	40,747	44,625	-0.4%	-0.2%	0.0%
PAT	25,666	28,958	32,389	25,785	28,949	32,314	-0.5%	0.0%	0.2%
EPS	106.5	120.2	134.4	107.0	120.2	134.1	-0.5%	0.0%	0.2%

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	189,827	211,502	232,492
Sales Growth	3.5%	6.0%	8.3%	11.4%	9.9%
Other Operating Income	2,231	4,077	3,189	2,961	2,906
Total Revenue	167,693	179,427	193,016	214,463	235,399
Cost of Goods Sold/Op. Exp	94,920	106,041	111,986	124,157	136,469
Personnel Cost	7,087	7,046	7,792	8,640	9,474
Other Expenses	33,987	34,469	36,262	41,015	44,845
EBITDA	31,698	31,872	36,975	40,652	44,610
EBITDA Margin	18.9%	17.8%	19.2%	19.0%	19.0%
EBITDA Growth	12.0%	0.5%	16.0%	9.9%	9.7%
Deprn. & Amort.	3,005	3,133	3,375	3,512	3,664
EBIT	28,694	28,738	33,600	37,140	40,946
Other Income	2,142	2,271	2,302	3,193	3,694
Finance Cost	1,640	1,388	1,259	1,363	1,056
PBT before Excep. & Forex	29,196	29,621	34,644	38,970	43,584
Excep. & Forex Inc./Loss(-)	-29	-248	-486	0	0
PBT	29,167	29,373	34,158	38,970	43,584
Taxes	7,793	7,487	8,707	9,933	11,110
Extraordinary Inc./Loss(-)	0	0	0	0	0
Assoc. Profit/Min. Int.(-)	-24	99	148	79	86
Reported Net Profit	21,398	21,787	25,304	28,958	32,389
Adjusted Net Profit	21,419	21,972	25,666	28,958	32,389
Net Margin	12.8%	12.2%	13.3%	13.5%	13.8%
Diluted Share Cap. (mn)	240.9	240.9	240.9	240.9	240.9
Diluted EPS (INR)	88.9	91.2	106.5	120.2	134.4
Diluted EPS Growth	10.1%	2.6%	16.8%	12.8%	11.8%
Total Dividend + Tax	17,706	18,068	18,978	21,718	24,292
Dividend Per Share (INR)	73.5	75.0	78.8	90.2	100.8

Source: Company, JM Financial

Cash Flow Statement			(INR mn)		
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Profit before Tax	29,196	29,621	34,644	38,970	43,584
Deprn. & Amort.	3,005	3,133	3,375	3,512	3,664
Net Interest Exp. / Inc. (-)	0	0	0	0	0
Inc (-) / Dec in WCap.	1,611	-42	322	350	319
Others	-433	-1,014	-1,529	-1,830	-2,638
Taxes Paid	-7,649	-6,892	-8,424	-9,638	-10,812
Operating Cash Flow	25,730	24,807	28,387	31,363	34,118
Capex	-4,970	-3,703	-1,898	-2,115	-2,325
Free Cash Flow	20,760	21,104	26,489	29,248	31,793
Inc (-) / Dec in Investments	5,802	-256	-1,470	-1,544	-1,621
Others	3,923	4,802	2,165	3,126	3,620
Investing Cash Flow	4,755	844	-1,204	-533	-325
Inc / Dec (-) in Capital	0	0	0	0	0
Dividend + Tax thereon	-17,325	-17,675	-18,068	-18,978	-21,718
Inc / Dec (-) in Loans	-9,402	-8,208	7,835	-5,000	-3,000
Others	-1,578	-1,735	-1,253	-1,357	-1,049
Financing Cash Flow	-28,305	-27,619	-11,486	-25,335	-25,768
Inc / Dec (-) in Cash	2,180	-1,969	15,698	5,495	8,025
Opening Cash Balance	2,284	5,093	3,125	18,823	24,318
Closing Cash Balance	4,463	3,125	18,823	24,318	32,343

Source: Company, JM Financial

Balance Sheet			(INR mn)		
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Shareholders' Fund	39,415	43,557	50,793	60,773	71,444
Share Capital	241	241	241	241	241
Reserves & Surplus	39,174	43,316	50,553	60,532	71,203
Preference Share Capital	0	0	0	0	0
Minority Interest	245	256	266	278	291
Total Loans	20,412	12,248	20,082	15,082	12,082
Def. Tax Liab. / Assets (-)	-418	-348	-266	-173	-69
Total - Equity & Liab.	59,654	55,713	70,876	75,960	83,748
Net Fixed Assets	29,580	29,915	28,439	27,042	25,703
Gross Fixed Assets	45,554	49,715	51,614	53,729	56,054
Intangible Assets	0	0	0	0	0
Less: Deprn. & Amort.	17,849	20,692	24,067	27,579	31,242
Capital WIP	1,875	892	892	892	892
Investments	32,267	29,404	30,875	32,418	34,039
Current Assets	28,443	28,685	45,919	54,397	65,317
Inventories	11,812	12,365	12,866	14,335	15,758
Sundry Debtors	3,933	4,486	4,856	5,411	5,948
Cash & Bank Balances	4,464	3,125	18,823	24,318	32,343
Loans & Advances	6,246	7,049	7,631	8,502	9,346
Other Current Assets	1,988	1,660	1,743	1,830	1,922
Current Liab. & Prov.	30,636	32,292	34,357	37,897	41,311
Current Liabilities	23,809	24,688	26,101	29,056	31,879
Provisions & Others	6,827	7,604	8,256	8,841	9,431
Net Current Assets	-2,193	-3,607	11,562	16,500	24,006
Total - Assets	59,654	55,713	70,876	75,960	83,748

Source: Company, JM Financial

Dupont Analysis

Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
Net Margin	12.8%	12.2%	13.3%	13.5%	13.8%
Asset Turnover (x)	2.4	2.8	2.7	2.6	2.6
Leverage Factor (x)	1.8	1.6	1.5	1.5	1.3
RoE	57.3%	53.0%	54.4%	51.9%	49.0%

Key Ratios

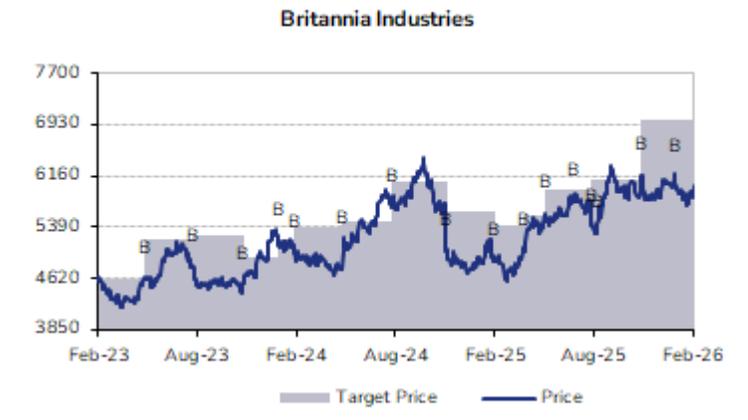
Y/E March	FY24A	FY25A	FY26E	FY27E	FY28E
BV/Share (INR)	163.6	180.8	210.8	252.3	296.6
ROIC	90.5%	91.4%	111.3%	135.5%	165.7%
ROE	57.3%	53.0%	54.4%	51.9%	49.0%
Net Debt/Equity (x)	0.0	0.0	-0.2	-0.4	-0.5
P/E (x)	67.7	66.0	56.5	50.1	44.8
P/B (x)	36.8	33.3	28.5	23.9	20.3
EV/EBITDA (x)	45.7	45.5	39.0	35.2	31.8
EV/Sales (x)	8.6	8.1	7.5	6.7	6.0
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.
5-Aug-22	Buy	4,120	
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
6-Aug-25	Buy	6,100	2.3
17-Aug-25	Buy	6,100	0.0
7-Nov-25	Buy	6,995	14.7
6-Jan-26	Buy	6,995	0.0

Recommendation History



APPENDIX I

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

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Rating	Meaning
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SELL	Expected return $<$ -10% over the next twelve months.

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