

About the Stock: Due to the company's continued market share expansion and solid traction in both core and NPD, its revenue increased by 16% YoY (or 3-4% volume growth). Its gross margins considerably above expectations and were 42.3%, up 521 basis points year over year, thanks to decreased input costs, including softened palm oil prices and forward wheat contracts. EBITDA margins then increased to 19.9% (up 465bps YoY), driven mostly by higher-than-anticipated gross margins. The management emphasized that because it has used up all of its low-priced wheat forward contracts and the current wheat price is still high, the margins in the future are expected to remain consistent at lower levels. But it anticipates a decline in domestic wheat prices when the harvest season gets underway.

Important con call highlights

- An expansion in rural distribution contributed to volume growth in the low single digits.
- Wheat's reduced price, which is anticipated to return to normal in 4thQ, was advantageous for GM.
- Because of the decline in palm oil prices, inflation has decreased Q-o-Q,
- Once inflation levels off, price reductions may be considered for specific brands, SKUs, and goods.
- The contribution of non-biscuit sales is currently at 23% and is projected to increase to 35% over the next few years.
- In a few marketplaces, fresh products including plum cake, tic tac toe, and paneer were introduced.
- The dairy industry, which presently generates INR 5–6 billion, has a INR 20–billion potentials in the medium term.
- The expansion of the dairy industry will be aided by the gathering of 150k LPD of milk.
- The dairy industry's estimated medium-term contribution to total sales is 8% to 10%, possibly without degradation of margins.
- During the Q3, ad spending reached pre-COVID levels.
- Disruptive cheese packaging, such as triangle-shaped servings and sachets, will be introduced.
- Prices for cheese products will be set to be competitive at the high end of the market. 13) Capex at Rs. 7.5/2.5 billion for FY23/24.

BRITANNIA

Particulars	Values
Market Capitalization	₹1,05,505.13 Cr
Enterprise Value	₹1,08,554 Cr
Cash	₹580.77 Cr
Total Debt	₹2,465.54 Cr
Shares O/s	24,08,68,296
Face Value (Rs)	1.00
52 Week L/H	₹ 4,680 / 3,050

Share Holding

	Mar-22	Jun-22	Sep-22	Dec-22
Promoters	50.55	50.55	50.55	50.55
FII's	17.17	16.65	17.18	18.46
DII's	7.94	8.74	16.12	15.08
Public	24.35	24.06	16.14	15.9

NSE vs Brit vs NIFTY



Risk

- Sustained weakness in consumption demand.
- Exposure to intense competition in the FMCG industry.
- Susceptibility to fluctuations in raw material prices

Financial Data

Quarters

Report Date	Dec-22	Sep-22	Q-o-Q%	Dec-21	Y-o-Y%
Sales	₹ 4,196.80	₹ 4,379.61	-4.17%	₹ 3,574.98	17.39%
Expenses	₹ 3,379.22	₹ 3,667.91	-7.87%	₹ 3,035.97	11.31%
Other Income	₹ 427.82	₹ 53.30	702.66%	₹ 54.15	690.06%
Depreciation	₹ 57.96	₹ 51.66	12.20%	₹ 50.38	15.05%
Interest	₹ 38.13	₹ 54.14	-29.57%	₹ 37.38	2.01%
Profit before tax	₹ 1,149.31	₹ 659.20	74.35%	₹ 505.40	127.41%
Tax	₹ 216.91	₹ 168.62	28.64%	₹ 136.22	59.24%
Net profit	₹ 932.39	₹ 493.28	89.02%	₹ 371.18	151.20%
Operating Profit	₹ 817.58	₹ 711.70	14.88%	₹ 539.01	51.68%
EBITDA	₹ 1,245.39	₹ 767.70	62.22%	₹ 595.16	109.25%

Historical Financial Statement - BRITANNIA INDUSTRIES LTD											
Years	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	LTM
Income Statement											
Sales	₹ 6,185.4	₹ 6,912.7	₹ 7,858.4	₹ 8,397.2	₹ 9,054.1	₹ 9,914.0	₹ 11,054.7	₹ 11,599.6	₹ 13,136.1	₹ 14,136.3	₹ 15,827.8
Sales Growth	-	11.76%	13.68%	6.86%	7.82%	9.50%	11.51%	4.93%	13.25%	7.61%	11.97%
COGS	₹ 4,646.8	₹ 5,054.4	₹ 5,652.9	₹ 5,959.4	₹ 6,555.5	₹ 7,125.1	₹ 7,799.8	₹ 8,202.5	₹ 9,008.0	₹ 10,272.5	₹ 13,248.3
COGS % Sales	75.12%	73.12%	71.93%	70.97%	72.40%	71.87%	70.56%	70.71%	68.57%	72.67%	83.70%
Gross Profit	₹ 1,538.63	₹ 1,858.36	₹ 2,205.53	₹ 2,437.84	₹ 2,498.59	₹ 2,788.87	₹ 3,254.90	₹ 3,397.01	₹ 4,128.16	₹ 3,863.73	₹ 2,579.55
Gross Margins	24.88%	26.88%	28.07%	29.03%	27.60%	28.13%	29.44%	29.29%	31.43%	27.33%	16.30%
Selling & General Expenses	₹ 1,117.99	₹ 1,231.16	₹ 1,335.21	₹ 1,214.27	₹ 1,220.41	₹ 1,287.40	₹ 1,522.45	₹ 1,553.83	₹ 1,618.87	₹ 1,662.42	
S&G Exp % Sales	18.07%	17.81%	16.99%	14.46%	13.48%	12.99%	13.77%	13.40%	12.32%	11.76%	0.00%
EBITDA	₹ 420.64	₹ 627.20	₹ 870.32	₹ 1,223.57	₹ 1,278.18	₹ 1,501.47	₹ 1,732.45	₹ 1,843.18	₹ 2,509.29	₹ 2,201.31	₹ 3,176.39
EBITDA Margins	6.80%	9.07%	11.07%	14.57%	14.12%	15.14%	15.67%	15.89%	19.10%	15.57%	20.07%
Interest	₹ 41.30	₹ 8.29	₹ 3.86	₹ 4.87	₹ 5.45	₹ 7.59	₹ 9.09	₹ 76.90	₹ 110.90	₹ 144.29	₹ 167.99
Interest % Sales	0.67%	0.12%	0.05%	0.06%	0.06%	0.08%	0.08%	0.66%	0.84%	1.02%	1.06%
Depreciation	₹ 73.15	₹ 83.18	₹ 144.48	₹ 113.41	₹ 119.27	₹ 142.07	₹ 161.88	₹ 184.81	₹ 197.85	₹ 200.54	₹ 211.51
Depreciation % Sales	1.18%	1.20%	1.84%	1.35%	1.32%	1.43%	1.46%	1.59%	1.51%	1.42%	1.34%
Earnings Before Tax	₹ 306.19	₹ 535.73	₹ 721.98	₹ 1,105.29	₹ 1,153.46	₹ 1,351.81	₹ 1,561.5	₹ 1,581.5	₹ 2,200.5	₹ 1,856.5	₹ 2,796.9
EBT % Sales	4.95%	7.75%	9.19%	13.16%	12.74%	13.64%	14.13%	13.63%	16.75%	13.13%	17.67%
Tax	₹ 98.6	₹ 173.6	₹ 261.1	₹ 396.1	₹ 419.7	₹ 514.2	₹ 612.5	₹ 450.7	₹ 663.0	₹ 562.4	₹ 653.9
Effective Tax Rate	32.19%	32.40%	36.17%	35.84%	36.38%	38.04%	39.22%	28.50%	30.13%	30.29%	23.38%
Net Profit	₹ 207.6	₹ 362.2	₹ 460.9	₹ 709.2	₹ 733.8	₹ 837.6	₹ 949.0	₹ 1,130.8	₹ 1,537.5	₹ 1,294.1	₹ 2,143.0
Net Margins	3.36%	5.24%	5.86%	8.45%	8.10%	8.45%	8.58%	9.75%	11.70%	9.15%	13.54%
No of Equity Shares	23.91	23.99	23.99	24	24	24.01	24.03	24.05	24.09	24.09	24.09
Earnings per Share	₹ 8.68	₹ 15.10	₹ 19.21	₹ 29.55	₹ 30.57	₹ 34.89	₹ 39.49	₹ 47.02	₹ 63.82	₹ 53.72	₹ 88.96
EPS Growth %		73.83%	27.26%	53.82%	3.47%	14.10%	13.21%	19.05%	35.75%	-15.83%	65.59%
Dividend per Share	₹ 4.3	₹ 6.0	₹ 8.0	₹ 10.0	₹ 11.0	₹ 12.5	₹ 15.0	₹ 35.0	₹ 157.5	₹ 56.5	-
Dividend payout ratio	48.94%	39.75%	41.64%	33.84%	35.98%	35.83%	37.98%	74.44%	246.77%	105.17%	0.00%
Retained Earnings	51.06%	60.25%	58.36%	66.16%	64.02%	64.17%	62.02%	25.56%	0.00%	0.00%	100.00%

Balance Sheet	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Equity Share Capital	₹ 23.9	₹ 24.0	₹ 24.0	₹ 24.0	₹ 24.0	₹ 24.0	₹ 24.0	₹ 24.1	₹ 24.1	₹ 24.1
Reserves	₹ 534.0	₹ 774.1	₹ 1,221.1	₹ 2,067.7	₹ 2,672.4	₹ 3,382.2	₹ 4,229.2	₹ 4,378.8	₹ 3,523.6	₹ 2,534.0
Borrowings	₹ 380.0	₹ 149.8	₹ 145.1	₹ 131.1	₹ 124.6	₹ 200.7	₹ 156.0	₹ 1,537.6	₹ 2,121.5	₹ 2,481.2
Other Liabilities	₹ 945.6	₹ 1,159.0	₹ 1,403.2	₹ 1,271.2	₹ 1,287.8	₹ 1,581.0	₹ 1,828.7	₹ 1,889.1	₹ 2,330.9	₹ 2,475.4
Total Liabilities	₹ 1,883.5	₹ 2,106.9	₹ 2,793.4	₹ 3,493.9	₹ 4,108.8	₹ 5,187.9	₹ 6,238.0	₹ 7,829.5	₹ 8,000.1	₹ 7,514.7
Fixed Assets Net Block	₹ 736.8	₹ 847.6	₹ 844.1	₹ 950.2	₹ 1,160.0	₹ 1,345.6	₹ 1,688.3	₹ 1,878.2	₹ 1,793.0	₹ 1,753.2
Capital Work in Progress	₹ 147.3	₹ 107.1	₹ 48.4	₹ 90.1	₹ 30.1	₹ 202.8	₹ 101.2	₹ 39.6	₹ 116.5	₹ 535.7
Investments	₹ 108.2	₹ 197.9	₹ 517.9	₹ 788.4	₹ 486.9	₹ 1,079.3	₹ 1,476.3	₹ 2,893.2	₹ 2,780.9	₹ 1,762.4
Other Assets	₹ 290.8	₹ 316.3	₹ 616.8	₹ 966.3	₹ 1,470.5	₹ 1,416.4	₹ 1,686.7	₹ 1,834.4	₹ 1,749.6	₹ 1,579.1
Total Non Current Assets	₹ 1,283.1	₹ 1,468.8	₹ 2,027.2	₹ 2,795.0	₹ 3,147.4	₹ 4,044.1	₹ 4,952.5	₹ 6,645.4	₹ 6,440.0	₹ 5,630.4
Receivables	₹ 122.8	₹ 108.7	₹ 135.8	₹ 170.6	₹ 179.2	₹ 304.6	₹ 394.2	₹ 320.4	₹ 257.3	₹ 331.9
Inventory	₹ 374.7	₹ 420.3	₹ 404.0	₹ 440.7	₹ 661.5	₹ 652.8	₹ 781.4	₹ 741.0	₹ 1,091.5	₹ 1,367.5
Cash & Bank	₹ 102.9	₹ 109.1	₹ 226.3	₹ 87.7	₹ 120.8	₹ 186.4	₹ 109.8	₹ 122.9	₹ 211.3	₹ 184.9
Total Current Assets	₹ 600.4	₹ 638.0	₹ 766.2	₹ 698.9	₹ 961.4	₹ 1,143.8	₹ 1,285.4	₹ 1,184.2	₹ 1,560.1	₹ 1,884.3
Total Assets	₹ 1,883.5	₹ 2,106.9	₹ 2,793.4	₹ 3,493.9	₹ 4,108.8	₹ 5,187.9	₹ 6,238.0	₹ 7,829.5	₹ 8,000.1	₹ 7,514.7

Cash Flow Statements	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22
Cash from Operating Activities	₹ 319.8	₹ 671.5	₹ 584.5	₹ 959.2	₹ 441.3	₹ 1,248.8	₹ 1,155.8	₹ 1,484.5	₹ 1,875.5	₹ 1,299.5
Cash from Investing Activities	₹ 28.2	(₹ 245.6)	(₹ 450.3)	(₹ 705.2)	(₹ 149.9)	(₹ 956.5)	(₹ 852.2)	(₹ 1,525.9)	₹ 433.2	₹ 914.2
Cash from Financing Activities	(₹ 378.2)	(₹ 357.3)	(₹ 181.4)	(₹ 246.2)	(₹ 295.1)	(₹ 231.8)	(₹ 352.7)	₹ 57.9	(₹ 2,242.5)	(₹ 2,245.8)
Net Cash Flow	(₹ 30.2)	₹ 68.5	(₹ 47.2)	₹ 7.8	(₹ 3.7)	₹ 60.5	(₹ 49.1)	₹ 16.5	₹ 66.2	(₹ 32.1)

Financial Ratios

Britannia Inds.	EV	Market Cap	Cash	Debt
	₹ 1,08,554.00	₹ 1,05,698.00	₹ 580.77	2465.54
	EV/Sales	EV/EBITDA	EV/EBIT	P/E
LTM	6.858 x	42.075 x	36.686 x	57.600
2022	7.650 x	39.017 x	41.245 x	56.400
2023	7.445 x	41.519 x	40.177 x	67.639
2024	7.029 x	38.336 x	37.064 x	62.670
2025	6.656 x	35.607 x	34.398 x	58.053
2026	6.321 x	33.240 x	32.090 x	54.069

Ratio Analysis of - BRITANNIA INDUSTRIES LTD													
Years	Mar-13	Mar-14	Mar-15	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Trends	Mean	Median
SalesGrowth	-	11.76%	13.68%	6.86%	7.82%	9.50%	11.51%	4.93%	13.25%	7.61%		9.66%	9.50%
GrossMargin	24.88%	26.88%	28.07%	29.03%	27.60%	28.13%	29.44%	29.29%	31.43%	27.33%		28.58%	28.10%
EBITDA Growth	49.11%	38.76%	40.59%	4.46%	17.47%	15.38%	6.39%	36.14%	-12.27%	-12.27%		21.78%	17.47%
EBIT Growth	74.97%	34.77%	53.09%	4.36%	17.20%	15.51%	1.28%	39.15%	-15.64%	-15.64%		24.96%	17.20%
Net Profit Growth	74.41%	27.26%	53.88%	3.47%	14.15%	13.30%	19.15%	35.97%	-15.83%	-15.83%		25.08%	19.15%
Dividend Growth	41.17%	33.33%	25.00%	10.00%	13.63%	20.00%	133.33%	350.00%	-64.13%	-64.13%		62.48%	25.00%
Gross Margin	24.88%	26.88%	28.07%	29.03%	27.60%	28.13%	29.44%	29.29%	31.43%	27.33%		28.21%	28.10%
EBITDA Margin	6.80%	9.07%	11.07%	14.57%	14.12%	15.14%	15.67%	15.89%	19.10%	15.57%		13.70%	14.86%
EBIT Margin	0.00%	5.62%	7.87%	9.24%	13.22%	12.80%	13.71%	14.21%	14.30%	17.60%		10.86%	13.01%
EBT Margin	4.95%	7.75%	9.19%	13.16%	12.74%	13.64%	14.13%	13.63%	16.75%	13.13%		11.91%	13.15%
Net Profit Margin	3.36%	5.24%	5.86%	8.45%	8.10%	8.45%	8.58%	9.75%	11.70%	9.15%		7.87%	8.45%
SalesExpenses%Sales	18.07%	17.81%	16.99%	14.46%	13.48%	12.99%	13.77%	13.40%	12.32%	11.76%		14.51%	13.63%
Depreciation%Sales	1.18%	1.20%	1.84%	1.35%	1.32%	1.43%	1.46%	1.59%	1.51%	1.42%		1.43%	1.43%
OperatingIncome%Sales	0.00%	5.62%	7.87%	9.24%	13.22%	12.80%	13.71%	14.21%	14.30%	17.60%		10.86%	13.01%
Return on Capital Employed	37.05%	57.39%	52.21%	49.95%	41.08%	37.69%	35.62%	27.92%	40.77%	39.70%		41.94%	40.24%
Retained Earnings%	51.06%	60.25%	58.36%	66.16%	64.02%	64.17%	62.02%	25.56%	0.00%	0.00%		45.16%	59.31%
Return on Equity%	37.22%	45.38%	37.01%	33.91%	27.21%	24.59%	22.31%	25.68%	43.34%	50.59%		34.72%	35.46%
Self Sustained Growth Rate	19.00%	27.34%	21.60%	22.43%	17.42%	15.78%	13.84%	6.56%	0.00%	0.00%		14.40%	16.60%
Interest Coverage Ratio	8.41x	65.62x	188.04x	227.96x	212.64x	179.10x	172.78x	21.57x	20.84x	13.87x		111.08x	119.20x
Debtor Turnover Ratio	50.37x	63.59x	57.86x	49.22x	50.54x	32.55x	28.04x	36.21x	51.06x	42.59x		46.20x	49.79x
Creditor Turnover Ratio	6.54x	5.96x	5.60x	6.61x	7.03x	6.27x	6.05x	6.14x	5.64x	5.71x		6.15x	6.09x
Inventory Turnover	16.51x	16.45x	19.45x	19.06x	13.69x	15.19x	14.15x	15.65x	12.04x	10.34x		15.25x	15.42x
Fixed Asset Turnover	8.39x	8.16x	9.31x	8.84x	7.81x	7.37x	6.55x	6.18x	7.33x	8.06x		7.80x	7.93x
Capital Turnover Ratio	11.09x	8.66x	6.31x	4.01x	3.36x	2.91x	2.60x	2.63x	3.70x	5.53x		5.08x	3.86x
Debtor Days	7.25 Days	5.74 Days	6.31 Days	7.42 Days	7.22 Days	11.21 Days	13.02 Days	10.08 Days	7.15 Days	8.57 Days		8.40 Days	7.33 Days
Payable Days	55.80 Days	61.20 Days	65.17 Days	55.25 Days	51.92 Days	58.21 Days	60.38 Days	59.44 Days	64.77 Days	63.92 Days		59.61 Days	59.91 Days
Inventory Days	22.11 Days	22.19 Days	18.77 Days	19.15 Days	26.67 Days	24.03 Days	25.80 Days	23.32 Days	30.33 Days	35.31 Days		24.77 Days	23.67 Days
Cash Conversion Cycle	-26.44 Days	-33.27 Days	-40.10 Days	-28.68 Days	-18.03 Days	-22.96 Days	-21.56 Days	-26.05 Days	-27.29 Days	-20.04 Days		-26.44 Days	-26.25 Days
CFO/Sales	5.17%	9.71%	7.44%	11.42%	4.87%	12.60%	10.46%	12.80%	14.28%	9.19%		9.79%	10.08%
CFO/Total Assets	16.98%	31.87%	20.92%	27.45%	10.74%	24.07%	18.53%	18.96%	23.44%	17.29%		21.03%	19.94%
CFO/Total Debt	84.16%	448.37%	402.88%	731.96%	354.27%	622.21%	740.79%	96.55%	88.40%	52.37%		362.20%	378.58%

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