

Britannia Industries

| | |
|-----------------|---|
| Estimate change | ↔ |
| TP change | ↔ |
| Rating change | ↔ |

| | |
|-----------------------|---------------|
| Bloomberg | BRIT IN |
| Equity Shares (m) | 241 |
| M.Cap.(INRb)/(USDb) | 1301.3 / 14.8 |
| 52-Week Range (INR) | 6473 / 4506 |
| 1, 6, 12 Rel. Per (%) | -3/5/-10 |
| 12M Avg Val (INR M) | 1968 |

Financials & Valuations (INR b)

| Y/E March | 2026E | 2027E | 2028E |
|-----------------|-------|-------|-------|
| Sales | 197.7 | 216.2 | 237.4 |
| Sales Gr. (%) | 10.2 | 9.4 | 9.8 |
| EBITDA | 35.6 | 39.3 | 44.2 |
| EBITDA mrg. (%) | 18.0 | 18.2 | 18.6 |
| Adj. PAT | 25.0 | 28.0 | 31.7 |
| Adj. EPS (INR) | 104.0 | 116.4 | 131.7 |
| EPS Gr. (%) | 13.2 | 12.0 | 13.2 |
| BV/Sh.(INR) | 207.3 | 244.3 | 294.6 |

Ratios

| | | | |
|------------|------|------|------|
| RoE (%) | 53.6 | 51.6 | 48.9 |
| RoCE (%) | 41.2 | 41.5 | 41.1 |
| Payout (%) | 74.1 | 67.9 | 61.5 |

Valuation

| | | | |
|----------------|------|------|------|
| P/E (x) | 51.8 | 46.3 | 40.9 |
| P/BV (x) | 26.0 | 22.1 | 18.3 |
| EV/EBITDA (x) | 35.8 | 32.1 | 28.3 |
| Div. Yield (%) | 1.4 | 1.5 | 1.5 |

Shareholding Pattern (%)

| As On | Jun-25 | Mar-25 | Jun-24 |
|----------|--------|--------|--------|
| Promoter | 50.6 | 50.6 | 50.6 |
| DII | 18.7 | 18.3 | 16.8 |
| FII | 15.6 | 15.7 | 17.4 |
| Others | 15.2 | 15.5 | 15.2 |

FII includes depository receipts

CMP: INR5,403 TP: INR5,850 (+8%) Neutral

Pricing leads to revenue growth; pressure on margin sustains

- Britannia Industries (BRIT) posted consolidated revenue growth of 10% YoY in 1QFY26 (in line). Volume growth was ~2% (est. 3%), while transaction growth stood at 12%. The 6-8% gap between revenue and volume growth is expected to persist over the next two quarters. Rural markets posted strong double-digit growth, outpacing the high single-digit growth seen in urban areas.
- GM contracted 310bp YoY to 40.3%, impacted by elevated commodity prices on a YoY basis, although prices remained stable sequentially (refer to Exhibit 3). The benefit of the palm oil duty reduction was partially reflected in 1QFY26 and is expected to fully flow through from 2QFY26. Employee expenses rose 20% YoY on account of SAR revaluation, which added INR520m to costs. Other expenses declined 3% YoY. EBITDA margin contracted 140bp YoY to 16.4% (est. of 17.3%), while EBITDA remained flat YoY at INR7.6b. Management indicated that the company remains open to implementing price cuts, if necessary, to stay competitive. We model an EBITDA margin of 18-18.5% for FY26-28.
- BRIT's focus on innovation, distribution expansion, marketing, pricing actions, RTM 2.0, and dairy capacity expansion is expected to drive growth. With key raw material prices softening and competitive intensity remaining stable in the organized space, BRIT's profitability could see a recovery, similar to the previous inflationary cycle. However, we await a stable demand recovery in core categories. **We reiterate our Neutral rating with a TP of INR5,850 (premised on 50x Jun'27E EPS).**

In-line performance; volume growth at ~2%

- **Volume growth at ~2%:** BRIT's consolidated net sales (excluding other operating income) rose 10% YoY to INR45.3b (est. INR44.8b) in 1Q. Other operating income declined 27% YoY to INR0.9b (on a high base). Consolidated total revenue rose 9% YoY to INR46.2b (est. INR45.8b). The company delivered ~2% volume growth in 1Q (est. 3%, 3% in 4QFY25).
- **Commodity pressure on margin:** Consolidated gross margin contracted 310bp YoY to 40.3% (est. 40.8%) due to a rise in commodity prices. Employee expenses rose 20% YoY, while other expenses declined 3% YoY, leading to EBITDA margin contraction of 140bp YoY to 16.4% (est. of 17.3%).
- **Muted profitability:** EBITDA remained flat YoY at INR7.6b (est. INR7.9b). APAT declined 2% YoY to INR5.2b (est. INR5.5b).

Highlights from the management commentary

- In 1QFY26, five out of seven regions gained market shares compared to FY25. The only region that saw a decline was the East, primarily due to the internal restructuring of the distribution network, where a mega distribution model is being implemented. During this transition, local players gained share; however, the situation has since normalized.

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- Overall market share remained largely flat, as regional players gained traction due to pricing advantages in certain markets and categories, especially amid alternating inflationary and deflationary cycles in the industry.
- E-commerce contributes 4% to the overall business, with quick commerce accounting for 75% of total e-commerce sales.
- The company has guided for a capex of INR1b in FY26, lower than the levels seen in the past few years.

Valuation and view

- We largely maintain our EPS estimates for FY26/FY27.
- BRIT's focus on innovation, distribution expansion, marketing, pricing actions, RTM 2.0, and dairy capacity expansion is expected to drive growth. With key raw material prices softening and competitive intensity remaining stable in the organized space, BRIT's profitability is expected to see a recovery, similar to the previous inflationary cycle. However, we await a stable demand recovery in core categories. **We reiterate our Neutral rating with a TP of INR5,850 (premised on 50x Jun'27E EPS).**

Consol. Quarterly Performance

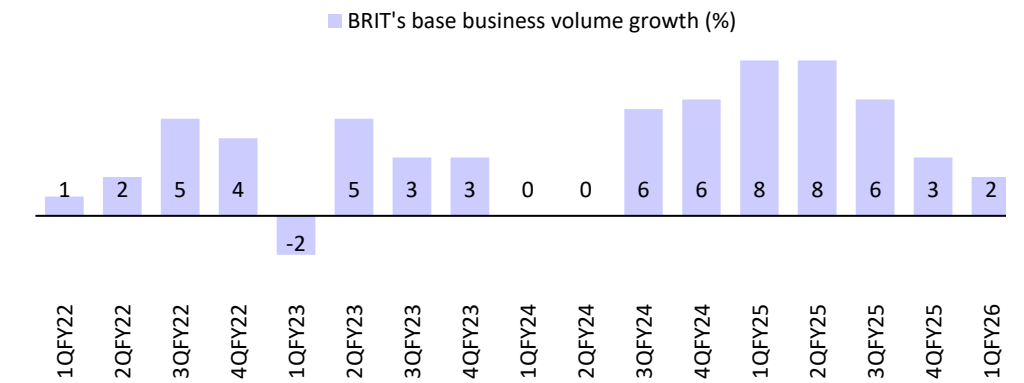
(INR m)

| Y/E March | FY25 | | | | FY26E | | | | FY25 | FY26E | FY26 | Var. |
|---------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|----------|----------|--------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2QE | 3QE | 4QE | | | 1QE | (%) |
| Base business volume growth (%) | 8.0 | 8.0 | 6.0 | 3.0 | 2.0 | 4.0 | 5.0 | 5.5 | 6.3 | 4.1 | 3.0 | |
| Net Revenue | 41,299 | 45,662 | 44,633 | 43,756 | 45,349 | 50,457 | 49,319 | 48,436 | 1,75,350 | 1,93,561 | 44,810 | 1.2 |
| YoY change (%) | 4.0 | 4.5 | 6.5 | 9.0 | 9.8 | 10.5 | 10.5 | 10.7 | 6.0 | 10.4 | 8.5 | |
| Other operating income | 1,204 | 1,013 | 1,293 | 566 | 874 | 1,013 | 1,035 | 1,207 | 4,077 | 4,129 | 1,023 | (14.6) |
| YoY change (%) | 194.6 | 62.4 | 100.5 | 2.4 | -27.4 | 0.0 | -20.0 | 113.2 | 82.8 | 1.3 | -15.0 | |
| Total Revenue | 42,503 | 46,676 | 45,926 | 44,322 | 46,222 | 51,470 | 50,354 | 49,644 | 1,79,427 | 1,97,690 | 45,833 | 0.8 |
| YoY change (%) | 6.0 | 5.3 | 7.9 | 8.9 | 8.8 | 10.3 | 9.6 | 12.0 | 7.0 | 10.2 | 7.8 | |
| Gross Profit | 18,449 | 19,381 | 17,784 | 17,773 | 18,631 | 21,000 | 20,796 | 20,626 | 73,386 | 81,053 | 18,700 | (0.4) |
| Margins (%) | 43.4 | 41.5 | 38.7 | 40.1 | 40.3 | 40.8 | 41.3 | 41.5 | 40.9 | 41.0 | 40.8 | |
| EBITDA | 7,537 | 7,834 | 8,449 | 8,052 | 7,571 | 9,013 | 9,744 | 9,257 | 31,872 | 35,584 | 7,929 | (4.5) |
| Margins (%) | 17.7 | 16.8 | 18.4 | 18.2 | 16.4 | 17.5 | 19.4 | 18.6 | 17.8 | 18.0 | 17.3 | |
| YoY growth (%) | 9.4 | -10.2 | 2.9 | 2.3 | 0.4 | 15.0 | 15.3 | 15.0 | 0.5 | 11.6 | 5.2 | |
| Depreciation | 739 | 761 | 824 | 810 | 820 | 837 | 850 | 850 | 3,133 | 3,357 | 828 | |
| Interest | 290 | 346 | 446 | 307 | 262 | 300 | 300 | 326 | 1,388 | 1,187 | 300 | |
| Other Income | 556 | 460 | 625 | 630 | 570 | 600 | 625 | 640 | 2,271 | 2,435 | 625 | |
| PBT | 7,064 | 7,187 | 7,804 | 7,566 | 7,059 | 8,476 | 9,219 | 8,721 | 29,621 | 33,475 | 7,426 | (4.9) |
| Tax | 1,762 | 1,836 | 1,961 | 1,928 | 1,809 | 2,136 | 2,323 | 2,158 | 7,487 | 8,426 | 1,871 | |
| Rate (%) | 24.9 | 25.5 | 25.1 | 25.5 | 25.6 | 25.2 | 25.2 | 24.7 | 25.3 | 25.2 | 25.2 | |
| Adjusted PAT | 5,295 | 5,317 | 5,823 | 5,591 | 5,201 | 6,313 | 6,867 | 6,560 | 22,027 | 24,942 | 5,532 | (6.0) |
| YoY change (%) | 16.3 | -9.3 | 4.3 | 4.2 | -1.8 | 18.7 | 17.9 | 17.3 | 3.1 | 13.2 | 4.5 | |

E: MOFSL Estimates

Key exhibits

Exhibit 1: Volume growth (pack) stood at 2% YoY in 1QFY26



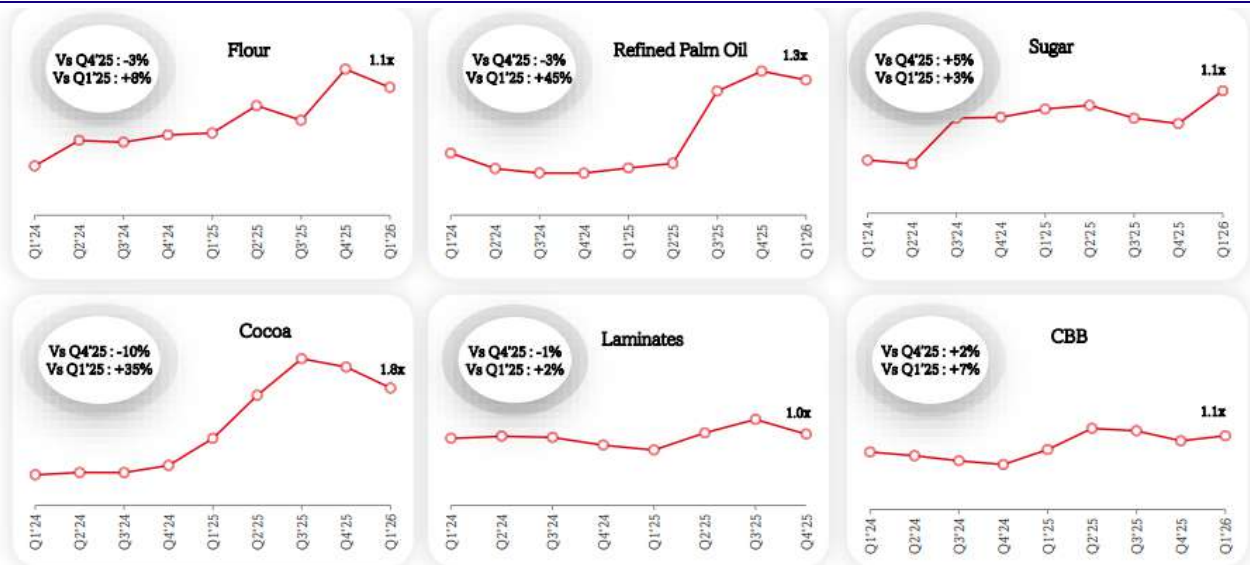
Source: Company, MOFSL

Exhibit 2: New innovation fueling premiumization



Source: Company presentation

Exhibit 3: Overall commodity prices stabilized in 1QFY26



Source: Company presentation



Key takeaways from the management commentary

Business environment and performance

- The company has improved its relative market share compared to organized players over the past three years.
- In 1QFY26, five out of seven regions gained market share compared to FY25.
- The only region that saw a decline was the East, primarily due to the internal restructuring of the distribution network, where a mega distribution model is being implemented. During this transition, local players gained share; however, the situation has since normalized.
- **The company reported 2% volume growth in 1QFY26. Transaction growth stood at 12%.**
- Approximately 60% of revenue comes from price-led packs.
- A 6-8% gap between revenue and volume growth is expected to continue over the next two quarters.
- Overall market share remained largely flat, as regional players gained traction due to pricing advantages in certain markets and categories, especially amid alternating inflationary and deflationary cycles in the industry.
- Distribution expanded in both rural and urban markets.
- **Rural markets delivered double-digit growth, while urban markets saw high single-digit growth.**
- All four key focus states—Uttar Pradesh, Madhya Pradesh, Gujarat, and Rajasthan—grew at double-digit rates in 1QFY26, recording growth 2.7x higher than the rest of the states.
- E-commerce contributes 4% to the overall business, with quick commerce accounting for 75% of total e-commerce sales.
- Biscuits hold the lowest share in e-commerce, while other product categories each contribute over 8%.
- The company holds a 500bp higher market share in the e-commerce channel compared to offline. Profitability in e-commerce remains strong, driven by a higher mix of premium products.
- Premium product salience has increased 310bp since FY22.
- The company has guided for a capex of INR1b in FY26, lower than the levels seen over the past few years.
- **The company remains open to implementing price cuts in select territories to remain competitive, if required.**

Adjacent categories

- The rusk category posted double-digit growth across all channels, driven by strong distribution.
- The croissant segment registered its fourth consecutive quarter of mid-20s growth and has now reached breakeven profitability.
- The wafer segment grew approximately 30%, achieving 2.7x the growth of biscuits during the quarter, and gained 190bp in market share over the past two years.
- In the dairy segment, cheese grew 40% in General Trade; this growth is now sustainable following its relaunch and price alignment with competitors, compared to a previous premium of 25-30% over the largest competitor.
- In the beverages segment, milkshakes delivered double-digit growth despite seasonal headwinds.
- The cake category reported single-digit growth during the quarter, with margin pressures continuing to persist. The company attempted a strategic shift in price

points from INR10 to INR15, assuming that UPI-led micro-payments would ease consumer resistance; however, price sensitivity remains a key challenge, prompting a reassessment of this strategy.

Cost and margins

- 1QFY26 was a stable commodity quarter; flour costs increased 8%, palm oil deflated sequentially but rose 45% YoY, cocoa prices declined 10% sequentially but rose 35% YoY, and sugar inflation was 3% YoY.
- If commodity prices remain stable, margins are expected to improve.
- The benefit of palm oil duty reduction began to reflect partially in 1QFY26 and is expected to fully benefit the business from 2QFY26.
- A&P spend was rationalized during the quarter, with a focused investment in IPL-related digital campaigns; digital marketing is becoming increasingly important for the company.
- Other operating income was higher in the base quarter (1QFY25) due to government incentives received on investments made in Ranjangaon; going forward, this income is expected to remain more stable.
- The impact of SAR revaluation was INR520m this quarter.

Valuation and view

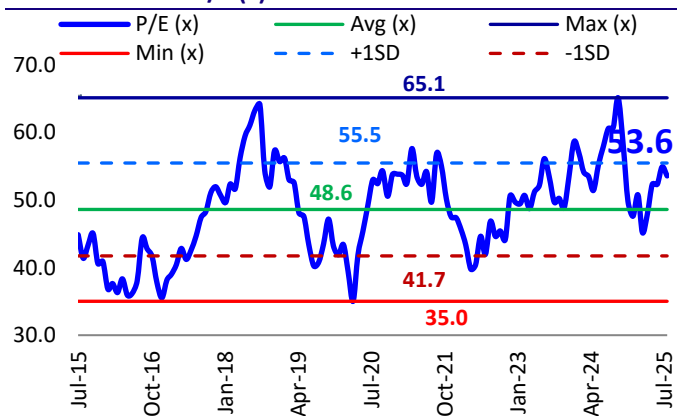
- We largely maintain our EPS estimates for FY26/FY27.
- BRIT's focus on innovation, distribution expansion, marketing, pricing actions, RTM 2.0, and dairy capacity expansion is expected to drive growth. With key raw material prices softening and competitive intensity remaining stable in the organized space, BRIT's profitability is likely to see a recovery, similar to the previous inflationary cycle. However, we await a stable demand recovery in core categories. **We reiterate our Neutral rating with a TP of INR5,850 (premised on 50x Jun'27E EPS).**

Exhibit 4: No material changes in our EPS estimates for FY26/FY27

| (INR b) | New | | Old | | Change (%) | |
|--------------|-------|-------|-------|-------|------------|-------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Net Sales | 197.7 | 216.2 | 195.9 | 214.3 | 0.9 | 0.9 |
| EBITDA | 35.6 | 39.3 | 35.1 | 39.7 | 1.3 | -0.9 |
| Adjusted PAT | 25.0 | 28.0 | 24.8 | 28.4 | 0.9 | -1.3 |

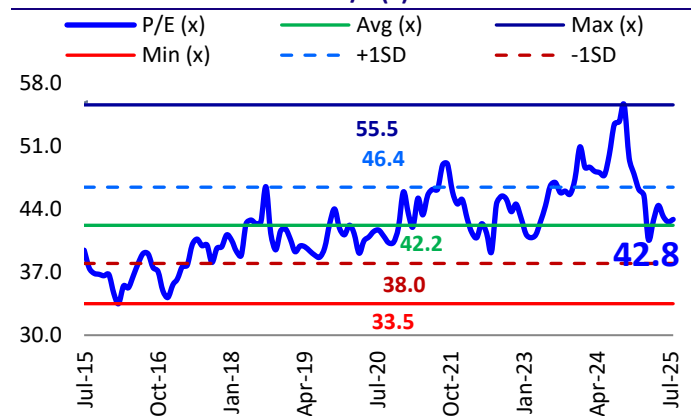
Source: Company, MOFSL

Exhibit 5: BRIT's P/E (x)



Source: MOFSL

Exhibit 6: Consumer sector's P/E (x)



Source: MOFSL

Financials and valuations

| Income Statement | | | | | | | | | | (INR b) |
|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
| Net Revenues | 110.5 | 116.0 | 131.4 | 141.4 | 163.0 | 167.7 | 179.4 | 197.7 | 216.2 | 237.4 |
| Change (%) | 11.5 | 4.9 | 13.2 | 7.6 | 15.3 | 2.9 | 7.0 | 10.2 | 9.4 | 9.8 |
| Gross Profit | 44.9 | 46.7 | 55.1 | 53.8 | 67.1 | 72.8 | 73.4 | 81.1 | 89.1 | 98.8 |
| Margin (%) | 40.6 | 40.3 | 41.9 | 38.0 | 41.2 | 43.4 | 40.9 | 41.0 | 41.2 | 41.6 |
| Other Expenditure | 22.6 | 23.5 | 25.5 | 27.6 | 32.0 | 34.1 | 35.9 | 37.6 | 41.1 | 45.1 |
| EBITDA | 17.3 | 18.4 | 25.1 | 22.0 | 28.3 | 31.7 | 31.9 | 35.6 | 39.3 | 44.2 |
| Change (%) | 15.4 | 6.3 | 36.1 | -12.3 | 28.6 | 12.0 | 0.5 | 11.6 | 10.6 | 12.2 |
| Margin (%) | 15.7 | 15.9 | 19.1 | 15.6 | 17.4 | 18.9 | 17.8 | 18.0 | 18.2 | 18.6 |
| Depreciation | 1.6 | 1.8 | 2.0 | 2.0 | 2.3 | 3.0 | 3.1 | 3.4 | 3.5 | 3.7 |
| Int. and Fin. Charges | 0.1 | 0.8 | 1.1 | 1.4 | 1.7 | 1.6 | 1.4 | 1.2 | 1.0 | 0.8 |
| Financial Other Income | 2.1 | 2.8 | 3.1 | 2.2 | 2.2 | 2.1 | 2.3 | 2.4 | 2.7 | 2.8 |
| PBT | 17.7 | 18.6 | 25.1 | 20.8 | 26.5 | 29.2 | 29.6 | 33.5 | 37.5 | 42.4 |
| Tax | 6.0 | 4.5 | 6.6 | 6.1 | 7.2 | 7.7 | 7.4 | 8.4 | 9.4 | 10.7 |
| Deferred Tax | 0.1 | 0.0 | 0.1 | -0.5 | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 |
| Tax Rate (%) | 34.6 | 24.2 | 26.4 | 27.0 | 27.0 | 26.7 | 25.3 | 25.2 | 25.2 | 25.2 |
| PAT | 11.6 | 14.1 | 18.5 | 15.2 | 19.4 | 21.4 | 22.1 | 25.0 | 28.0 | 31.7 |
| Change (%) | 15.2 | 21.9 | 31.2 | -18.0 | 27.9 | 10.1 | 3.6 | 13.2 | 12.0 | 13.2 |
| Margin (%) | 10.5 | 12.2 | 14.1 | 10.7 | 11.9 | 12.7 | 12.3 | 12.7 | 13.0 | 13.4 |
| Non-rec. (Exp.)/Income | 0.0 | -0.2 | 0.0 | 0.0 | 3.8 | 0.0 | -0.2 | 0.0 | 0.0 | 0.0 |
| Reported PAT | 11.6 | 13.9 | 18.5 | 15.2 | 23.2 | 21.4 | 21.8 | 24.9 | 27.9 | 31.6 |

| Balance Sheet | | | | | | | | | | (INR b) |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
| Share Capital | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Reserves | 42.3 | 43.8 | 35.2 | 25.3 | 35.1 | 39.2 | 43.3 | 49.7 | 58.6 | 70.7 |
| Networth | 42.5 | 44.0 | 35.5 | 25.6 | 35.3 | 39.4 | 43.6 | 49.9 | 58.9 | 71.0 |
| Minority Interest | 0.3 | 0.4 | 0.4 | 0.3 | 0.3 | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 |
| Loans | 1.4 | 15.1 | 20.9 | 25.3 | 29.8 | 20.4 | 12.2 | 10.7 | 9.2 | 7.7 |
| Capital Employed | 44.2 | 59.5 | 56.7 | 51.2 | 65.5 | 60.1 | 56.1 | 61.0 | 68.4 | 79.0 |
| Gross Block | 20.6 | 24.8 | 26.2 | 28.1 | 39.5 | 44.3 | 48.4 | 50.9 | 53.4 | 55.9 |
| Less: Accum. Depn. | -5.0 | -7.4 | -9.6 | -12.0 | -14.2 | -17.9 | -20.7 | 24.6 | 28.1 | 31.8 |
| Net Fixed Assets | 15.6 | 17.4 | 16.6 | 16.1 | 25.3 | 26.4 | 27.7 | 27.0 | 26.2 | 25.2 |
| Goodwill on consolidation | 1.3 | 1.4 | 1.4 | 1.4 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 |
| Capital WIP | 1.0 | 0.4 | 1.2 | 5.4 | 1.1 | 1.9 | 0.9 | 0.9 | 0.9 | 0.9 |
| Investments | 14.8 | 28.9 | 27.8 | 17.6 | 33.2 | 27.7 | 28.8 | 29.0 | 34.0 | 39.0 |
| Current | 7.5 | 10.1 | 13.9 | 8.3 | 18.0 | 17.0 | 11.1 | 16.1 | 21.1 | 26.1 |
| Non-current | 7.3 | 18.8 | 13.9 | 9.3 | 15.2 | 10.7 | 17.7 | 12.9 | 12.9 | 12.9 |
| Deferred Liability | -0.1 | -0.1 | 0.0 | -0.5 | -0.6 | -0.4 | -0.4 | -0.4 | -0.4 | -0.4 |
| Current Assets | 29.6 | 30.1 | 33.1 | 34.1 | 32.1 | 33.0 | 29.2 | 35.9 | 42.6 | 53.2 |
| Inventory | 7.8 | 7.4 | 10.9 | 13.7 | 11.9 | 11.8 | 12.4 | 13.6 | 14.9 | 16.4 |
| Account Receivables | 3.9 | 3.2 | 2.6 | 3.3 | 3.3 | 3.9 | 4.5 | 4.9 | 5.4 | 5.9 |
| Cash and Bank Balance | 1.1 | 1.2 | 2.4 | 1.8 | 2.0 | 4.5 | 3.1 | 7.2 | 11.3 | 18.7 |
| Others | 16.8 | 18.3 | 17.2 | 15.3 | 14.9 | 12.8 | 9.2 | 10.1 | 11.1 | 12.1 |
| Curr. Liab. & Prov. | 18.1 | 18.8 | 23.3 | 24.0 | 28.1 | 30.6 | 32.3 | 33.7 | 37.1 | 41.1 |
| Account Payables | 11.4 | 11.2 | 13.1 | 12.9 | 14.5 | 16.3 | 17.5 | 17.2 | 18.8 | 20.7 |
| Other Liabilities | 3.9 | 5.1 | 5.5 | 6.2 | 8.2 | 8.5 | 8.4 | 9.3 | 10.2 | 11.2 |
| Net Current Assets | 11.5 | 11.3 | 9.8 | 10.2 | 4.1 | 2.4 | -3.1 | 2.3 | 5.5 | 12.1 |
| Net Assets | 44.2 | 59.5 | 56.7 | 51.2 | 65.5 | 60.1 | 56.1 | 61.0 | 68.4 | 79.0 |

E: MOFSL Estimates

Financials and valuations

Ratios

| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Basic (INR) | | | | | | | | | | |
| EPS | 48.1 | 58.6 | 76.8 | 63.0 | 80.6 | 88.7 | 91.9 | 104.0 | 116.4 | 131.7 |
| BV/Share | 177.0 | 183.1 | 147.3 | 106.2 | 146.7 | 163.6 | 180.8 | 207.3 | 244.3 | 294.6 |
| DPS | 15.0 | 35.0 | 62.0 | 56.5 | 72.0 | 73.5 | 75.0 | 77.0 | 79.0 | 81.0 |
| Payout (%) | 31.2 | 59.7 | 80.7 | 89.7 | 89.4 | 82.9 | 81.6 | 74.1 | 67.9 | 61.5 |
| Valuation (x) | | | | | | | | | | |
| P/E | 112.0 | 91.9 | 70.2 | 85.6 | 66.9 | 60.8 | 58.7 | 51.8 | 46.3 | 40.9 |
| EV/Sales | 11.6 | 11.0 | 9.8 | 9.2 | 7.9 | 7.7 | 7.1 | 6.4 | 5.8 | 5.3 |
| EV/EBITDA | 73.9 | 69.5 | 51.4 | 59.2 | 45.7 | 40.6 | 40.1 | 35.8 | 32.1 | 28.3 |
| P/BV | 30.5 | 29.4 | 36.6 | 50.8 | 36.7 | 32.9 | 29.8 | 26.0 | 22.1 | 18.3 |
| Dividend Yield | 0.3 | 0.6 | 1.2 | 1.0 | 1.3 | 1.4 | 1.4 | 1.4 | 1.5 | 1.5 |
| Return Ratios (%) | | | | | | | | | | |
| RoE | 30.2 | 32.6 | 46.5 | 49.7 | 63.7 | 57.2 | 53.4 | 53.6 | 51.6 | 48.9 |
| RoCE | 25.6 | 24.2 | 29.3 | 27.1 | 32.6 | 33.5 | 37.0 | 41.2 | 41.5 | 41.1 |
| RoIC | 42.2 | 44.6 | 62.6 | 56.4 | 68.5 | 76.2 | 87.2 | 102.5 | 116.4 | 142.3 |
| Working Capital Ratios | | | | | | | | | | |
| Debtor (Days) | 13 | 10 | 7 | 9 | 7 | 9 | 9 | 9 | 9 | 9 |
| Asset Turnover (x) | 2.5 | 1.9 | 2.3 | 2.8 | 2.5 | 2.8 | 3.2 | 3.2 | 3.2 | 3.0 |
| Leverage Ratio | | | | | | | | | | |
| Debt/Equity (x) | 0.0 | 0.3 | 0.6 | 1.0 | 0.8 | 0.5 | 0.3 | 0.2 | 0.2 | 0.1 |

Cash Flow Statement

| Y/E March | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026E | 2027E | 2028E |
|------------------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| OP Profit | 17.7 | 18.4 | 25.1 | 20.8 | 30.3 | 29.2 | 29.4 | 33.5 | 37.5 | 42.4 |
| Dep | 1.6 | 1.8 | 2.0 | 2.0 | 2.3 | 3.0 | 3.1 | 3.4 | 3.5 | 3.7 |
| Financial Other Income | -0.5 | -0.7 | -0.5 | -0.3 | -4.1 | -0.3 | -0.8 | 0.0 | 0.0 | 0.0 |
| Net Interest Paid | 1.3 | 1.0 | 1.2 | 0.4 | -0.1 | 0.1 | -0.1 | -1.2 | -1.0 | -0.8 |
| Direct Taxes Paid | 6.0 | 5.0 | 6.3 | 5.9 | 7.3 | 7.6 | 6.9 | 8.4 | 9.4 | 10.7 |
| Inc in WC | 0.0 | -1.3 | 0.6 | 3.3 | -4.1 | -1.6 | 0.0 | 1.3 | -0.8 | -0.8 |
| CF from Operations | 11.6 | 14.8 | 18.5 | 13.0 | 25.3 | 25.7 | 24.8 | 28.3 | 33.3 | 37.1 |
| (Inc)/Dec in FA | -4.0 | -2.4 | -2.4 | -5.5 | -6.3 | -5.0 | -3.7 | -2.5 | -2.5 | -2.5 |
| Free Cash Flow | 7.6 | 12.4 | 16.1 | 7.5 | 18.9 | 20.8 | 21.1 | 25.8 | 30.8 | 34.6 |
| (Pur.)/Sale of Investments | -3.3 | -13.3 | 1.8 | 10.5 | -11.2 | 5.8 | -0.3 | -0.2 | -5.0 | -5.0 |
| Other Non Rec Exp | -1.5 | 0.4 | 5.7 | 3.9 | 2.7 | 4.2 | 5.4 | -0.3 | -0.3 | -0.3 |
| CF from Investments | -8.8 | -15.3 | 5.1 | 8.9 | -14.8 | 5.1 | 1.5 | -3.0 | -7.8 | -7.8 |
| Issue of Shares | 0.5 | 0.4 | 1.2 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Inc in Debt | -0.4 | 4.9 | 5.6 | 3.2 | 5.3 | -9.3 | -1.3 | -1.5 | -1.5 | -1.5 |
| Dividend Paid | 3.5 | 4.3 | 28.2 | 24.8 | 13.6 | 17.3 | 17.7 | 18.5 | 19.0 | 19.5 |
| Other Item | 0.1 | 0.4 | 1.0 | 0.8 | 2.0 | 1.6 | 8.7 | 1.2 | 1.0 | 0.8 |
| CF from Fin. Activity | -3.5 | 0.6 | -22.4 | -22.5 | -10.3 | -28.3 | -27.6 | -21.2 | -21.5 | -21.9 |
| Inc/Dec of Cash | -0.8 | 0.1 | 1.1 | -0.5 | 0.1 | 2.5 | -1.3 | 4.1 | 4.0 | 7.5 |
| Add: Beginning Balance | 1.9 | 1.1 | 1.2 | 2.4 | 1.8 | 2.0 | 4.5 | 3.1 | 7.2 | 11.3 |
| Closing Balance | 1.1 | 1.2 | 2.4 | 1.8 | 2.0 | 4.5 | 3.1 | 7.2 | 11.3 | 18.7 |

E: MOFSL Estimates

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| Explanation of Investment Rating | |
|----------------------------------|--|
| Investment Rating | Expected return (over 12-month) |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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