

RATING: BUY | CMP: 6012 | TARGET: 6719 | TIME FRAME: 9-12 MONTHS

Sector: FMCG

Why BRITANNIA is a BUY for Investment:

Britannia Industries is one of India's leading food companies with a 100 year legacy and annual revenues in excess of Rs. 16000 Cr. Britannia is among the most trusted food brands, and manufactures India's favorite brands like Good Day, Tiger, NutriChoice, Milk Bikis and Marie Gold which are household names in India. Britannia's product portfolio includes Biscuits, Bread, Cakes, Rusk, and Dairy products including Cheese, Beverages, Milk and Yoghurt.

Britannia Industries belongs to the Wadia Group, a reputed Indian Business house who has presence in wide range of business segments like Airlines (Go Air), Realty (Bombay Realty), Textiles (Bombay Dyeing) and Plantations and other business (Bombay Burmah trading Corporation which is also the Ultimate holding company of Britannia Industries)

Market Leader in the Biscuit segment (80% of the revenue):

Britannia is one of the leading players in the business segment with a leading market share in the Indian biscuit segment. The company has a wide range of Biscuits portfolio across various categories like glucose, Marie, cookies, crackers, cream, milk, and health. The company sells products under various Iconic brands like Good Day, Tiger, Marie, NutriChoice Milk Bikis, and many more.

A global giant:

The company derives 5.5% of its revenue from the global Markets, exports its products to 80 countries, and has manufacturing units in UAE and Oman. It is also the number 2 biscuit player in UAE with a strong contention to leadership and has a similarly strong market position in the other GCC countries. Recently, the company has also started a greenfield manufacturing plant in Nepal

Key Financial trends:

1. Britannia has shown year-on-year revenue and profitability expansion in recent periods.
2. Quarterly earnings have been above estimates, especially in Q2 FY26, driven by improved demand and pricing.
3. Operating margins have been under pressure due to higher raw material expenses (e.g., cocoa, flour, palm oil), though pricing actions helped protect profits.
4. Net profit margin ($\approx 12\%$) shows the company retains healthy profits from its sales.

5. Gross margin (~38%) and operating margin (~32%) indicate efficient operations relative to revenue.
6. Return on Equity (ROE) around ~50% and Return on Assets (ROA) ~25% show strong return generation on capital and assets.
7. The company shows a net cash position after adjusting cash and debt, indicating low financial risk from borrowings.

Scale & Reach of the company:

Distribution Network FY24:

1. No. Of Rural Distributors - 30,000
2. No. of Outlets - ~28 lakh

Geographical Revenue Split FY23:

1. Exports :5.5%
2. Domestic :94.5%

Why to invest in BRITANNIA:

Market Leadership & Strong Brand Equity: Britannia is one of India's most trusted and widely distributed food brands, especially in the branded biscuits segment — with a leadership position and household recognition. Its products (like Good Day, Marie Gold, Tiger, Bourbon) are staples across urban and rural markets.

Diversified Product Portfolio: Britannia isn't just biscuits anymore — it has expanded into bread, dairy, cakes, snacks, milkshakes and healthier variants. This diversification aims to reduce dependence on one category and capture more of the growing Indian FMCG demand.

Strong Financial Health: Britannia has consistent revenue and profit growth, along with strong operational performance even during macro headwinds. For example, recent quarter results showed revenue and profit growth, with market share gains in adjacent product categories.

Investing through SIP helps investors benefit from rupee cost averaging, while gradually building exposure to a stable, innovative, and fundamentally strong business. It's an ideal pick for those looking to tap into India's growing consumption story through a trusted name.

Long term growth potential:

1. Expansion in high-growth categories and premium products
2. Greater rural penetration
3. Rising demand for convenient packaged foods in India's growing economy

KEY FINANCIALS OF THE COMPANY:**Consolidated Quarterly Results:**

| | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Sales | 4433 | 4256 | 4069 | 4250 | 4668 | 4,593 | 4,432 | 4,622 |
| Expenses | 3,562 | 3,437 | 3,286 | 3,497 | 3,888 | 3,750 | 3,632 | 3,870 |
| Operating Profit | 871 | 820 | 784 | 753 | 780 | 843 | 801 | 752 |
| OPM % | 20% | 19% | 19% | 18% | 17% | 18% | 18% | 16% |
| Other Income | 52 | 48 | 57 | 31 | 46 | 62 | 63 | 57 |
| Interest | 53 | 31 | 26 | 29 | 35 | 45 | 31 | 26 |
| Depreciation | 72 | 78 | 80 | 74 | 76 | 82 | 81 | 82 |
| Profit before tax | 799 | 758 | 735 | 681 | 715 | 778 | 752 | 701 |
| Tax % | 27% | 27% | 27% | 26% | 26% | 25% | 26% | 26% |
| Net Profit | 586 | 556 | 537 | 505 | 532 | 582 | 559 | 520 |
| EPS in Rs | 24.39 | 23.1 | 22.35 | 20.99 | 22.06 | 24.15 | 23.25 | 21.62 |

Profit & Loss Statement:

| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Sales | 11,055 | 11,600 | 13,136 | 14,136 | 16,301 | 16,769 | 17,943 |
| Expenses | 9,322 | 9,756 | 10,627 | 11,935 | 13,470 | 13,603 | 14,766 |
| Operating Profit | 1,732 | 1,843 | 2,509 | 2,201 | 2,831 | 3,167 | 3,176 |
| OPM % | 16% | 16% | 19% | 16% | 17% | 19% | 18% |
| Other Income | 206 | 263 | 313 | 222 | 597 | 211 | 202 |
| Interest | 9 | 77 | 111 | 144 | 169 | 164 | 139 |
| Depreciation | 162 | 185 | 198 | 201 | 226 | 300 | 313 |
| Profit before tax | 1,768 | 1,844 | 2,514 | 2,078 | 3,033 | 2,913 | 2,927 |
| Tax % | 35% | 24% | 26% | 27% | 24% | 27% | 26% |
| Net Profit | 1,155 | 1,394 | 1,851 | 1,516 | 2,316 | 2,134 | 2,178 |
| EPS in Rs | 48.23 | 58.33 | 77.38 | 63.31 | 96.39 | 88.84 | 90.45 |

Balance Sheet:

| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|-------------------|--------|--------|--------|--------|--------|--------|--------|
| Equity Capital | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Reserves | 4,229 | 4,379 | 3,524 | 2,534 | 3,510 | 3,917 | 4,332 |
| Borrowings | 156 | 1,538 | 2,122 | 2,481 | 2,997 | 2,065 | 1,247 |
| Other Liabilities | 1,829 | 1,889 | 2,331 | 2,487 | 2,819 | 3,065 | 3,235 |
| Total Liabilities | 6,238 | 7,830 | 8,000 | 7,527 | 9,351 | 9,072 | 8,837 |
| Fixed Assets | 1,688 | 1,878 | 1,793 | 1,753 | 2,655 | 2,771 | 2,904 |
| CWIP | 101 | 40 | 117 | 536 | 105 | 188 | 89 |
| Investments | 1,476 | 2,893 | 2,781 | 1,762 | 3,324 | 2,767 | 2,865 |
| Other Assets | 2,972 | 3,019 | 3,310 | 3,475 | 3,266 | 3,346 | 2,978 |
| Total Assets | 6,238 | 7,830 | 8,000 | 7,527 | 9,351 | 9,072 | 8,837 |

Key Ratios:

| | Mar-19 | Mar-20 | Mar-21 | Mar-22 | Mar-23 | Mar-24 | Mar-25 |
|----------------|--------|--------|--------|--------|--------|--------|--------|
| Debtor Days | 13 | 10 | 7 | 9 | 7 | 9 | 9 |
| Inventory Days | 43 | 39 | 52 | 57 | 45 | 45 | 43 |
| Days Payable | 63 | 55 | 63 | 55 | 55 | 63 | 60 |
| ROCE % | 44% | 37% | 45% | 41% | 49% | 49% | 53% |

Shareholding Pattern:

| | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 |
|--------------------|----------|----------|----------|----------|----------|----------|----------|
| Promoters | 50.55% | 50.55% | 50.55% | 50.55% | 50.55% | 50.55% | 50.55% |
| FIs | 18.23% | 17.41% | 17.91% | 16.46% | 15.72% | 15.58% | 15.02% |
| DIs | 15.63% | 16.69% | 16.37% | 17.58% | 18.26% | 18.65% | 19.39% |
| Public | 15.57% | 15.36% | 15.18% | 15.41% | 15.48% | 15.20% | 15.03% |
| No of Shareholders | 2,63,623 | 2,54,815 | 2,51,851 | 2,90,306 | 2,92,504 | 2,72,914 | 2,62,139 |

Stock price CAGR:

| Stock Price CAGR | |
|------------------|-----|
| 10 Years: | 15% |
| 5 Years: | 11% |
| 3 Years: | 12% |
| 1 Year: | 26% |

BRITANNIA

Technical View on the Stock:



BRITANNIA has been in the secular bull run from past few months and have given massive run on the daily charts in the last few months and is expected to continue the same. The stock has been in the making higher highs and higher lows on the weekly charts and has closed the previous month high indicating a very strong price volume action. On technical setup, the 14 period RSI is placed near the comfortable region suggesting a sign for bullishness in near future. On the weekly charts the stock is well placed near to its long-term moving averages indicating potential massive breakout on the higher side. The parabolic SAR is trading above its price action on weekly chart reflect up trend in the stock will remain intact in near term. The overall sentiment and the price action seem bullish and many minor corrections will be a good opportunity to add on to the counter.

Conclusion:

BRITANNIA's fundamentals reflect a **financially sound, low-debt, high-potential FMCG company**. While valuation is rich, it is supported by **brand strength, innovation, strong cash flows, and consistent performance**. Ideal for **long-term SIP investors** looking for **steady compounding** with lower risk.

Sources:

www.nseindia.com | www.bseindia.com | www.moneycontrol.com | www.screener.in | www.in.tradingview.com | www.bloomberg.com



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