

BUY

SUHANI ADILABADKAR RESEARCH REPORT

30th September, 2026

Britannia Industries

Q1FY27

CMP

Rs 4810.90

TARGET

Rs 5,795.00

QUARTERLY OUTLOOK & RECOMMENDATION

Market leader in Indian biscuit and bakery market, Britannia Industries reported healthy June Quarter 2026 results. Revenue came in at Rs 49,999 million rising 8.2% YoY in Q1FY27 supported by resilient demand. Revenue growth was supported by strong volume growth of 9% YoY. Earnings before interest, tax depreciation and amortization (EBITDA) margin jumped 42 basis points (bps) in Q1FY27 despite rise in raw material cost. EBITDA margins stood at 18.03% in June quarter 2026 vs 17.61% same period previous year. Margins were impacted by high input costs with rising crude prices amidst US-Iran War. Major headwind for the company is higher commodity and fuel prices which will impact margins in the coming quarters with Brent Crude persistently staying above \$100. Net profit rose 14% YoY to Rs 5934 million in Q1FY27 compared to Rs 5201 million in corresponding quarter previous year.

Britannia has introduced many new product categories over the past few years, such as milkshakes, croissant, salty snacks, wafers to name a few. But its vision of becoming a 'total foods company' is yet to be full-filled laid down ten years ago. Biscuits segment still remains the core revenue generating business constituting 75% of business and the remaining 25% belongs to bread, rusk, cake, dairy products and new products such as cream wafers, croissant, salty snacks etc. The manufacturer of Good Day, Milk Bikis, Marie Gold, Tiger, Treat to name a few is the largest biscuit maker in the country. The company has been driving growth through innovation, expanding its direct reach, uptick in rural distribution and competitive pricing actions.

Britannia has witnessed gradual impact of Goods & services tax (GST) 2.0. Around 60% of Britannia's product portfolio constitutes of low unit packs (LUP) of Rs 5 and Rs 10 where drop in prices are not visible. The company provided GST cut through extra grammage or higher number of units. The company has taken price drops on larger packs, but the contribution of that is minimal. Volume growth has been strong for Britannia Industries in Q1FY27 and the upcoming September quarter is expected to be even better in terms of volume growth with low base of previous year. Q2FY26 reported volume growth of -3% due to GST transition. Though FMCG space is currently under pressure due to volatile crude prices, Britannia Industries is a strong play for medium and long term.

We recommend BUY with a target price of Rs. 5,795 with PE multiple of 41.08x FY27E & 37.25 x FY28E.

INDUSTRY	Packaged Foods		
SCRIP CODE	500825 INE216A01030		
FACE VALUE	Rs. 1.00		
MARKET CAP	Rs. 1153923.05 Million		
52 WEEK HIGH/LOW	Rs. 6,269.90/Rs. 4,799.00		
SHAREHOLDING PATTERN (%)			
PROMOTER		50.55	
PUBLIC		49.45	
OTHERS		-	
TOTAL		100.00	
Rs In Million	Q1FY27	Q1FY26	CHN%
REVENUE	49999.70	46222.20	8.2%
PAT	5933.80	5201.30	14.1%
EBDITA	9015.20	8140.60	10.7%
EPS	24.55	21.62	13.6%
Rs In Million	FY26A	FY27E	FY28E
REVENUE	191515.90	215455.39	231614.54
PAT	25370.10	28212.31	31112.91
EBDITA	37684.60	41446.79	44966.83
EPS	105.18	117.11	129.15
PE	45.74	41.08	37.25

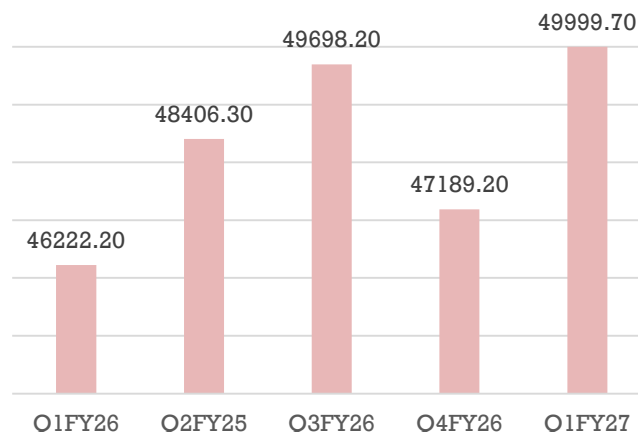
Britannia Industries V/S S&P BSE SENSEX



Croissant Sales Double, Dairy Business Grows In Double-Digits

Strong Revenue Base Supported By Volumes

Rs. In Million

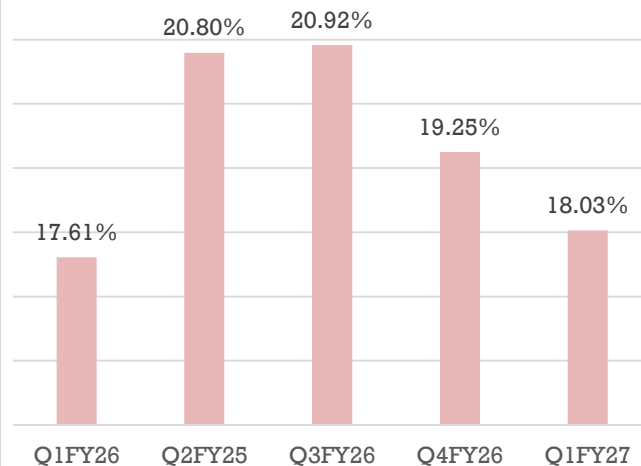


Britannia was able to recover half of commodity inflation impact through price increases in Q1FY27. The remaining 1.5-2% impact will be implemented in the coming quarters through Shrinkflation. The company is required to make packaging and machinery changes to implement Shrinkflation where there is no price change but the consumer gets lower number of units.

To battle regional peers and for product portfolio expansion, many close peers are going out for acquisitions. Britannia, on the other hand is highly focused on self-driven organic growth. The company's adjacency business, cake, rusk, croissant and wafers are growing in double digits supported by strong innovation drive. Recent new launches are Treat Triple Choco Croissant, Dubai Kunafa Croissant, Brownie Fudge Cake, Bourbon Roll and Butter Toastea to name a few. Croissant sales have grown more than 30% YoY in Q1FY27, with its annualized run rate (ARR) doubling to Rs 2 billion.

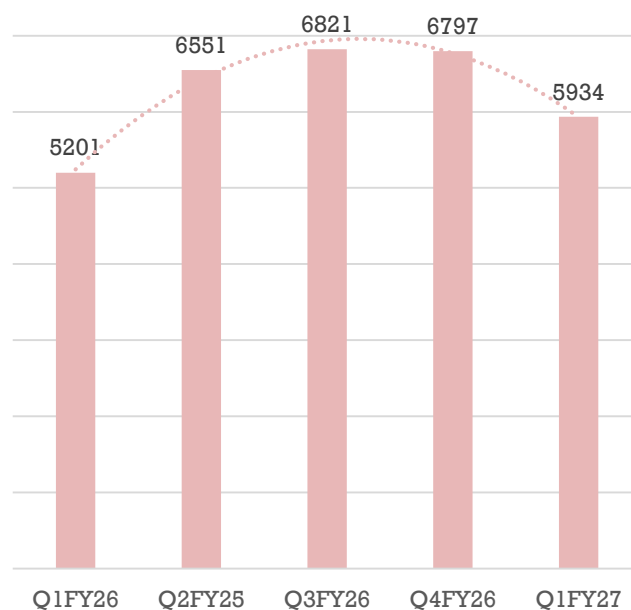
Dairy business is also doing well reporting double-digit growth in Q1FY27 supported by ghee business and Cheese. With strong consumer trends towards healthy snacking, the company is focused on health based portfolio. The company aims to expand its portfolio beyond bakery products with health and wellness as its future platform.

EBITDA Margin Impacted By Commodity Inflation QoQ

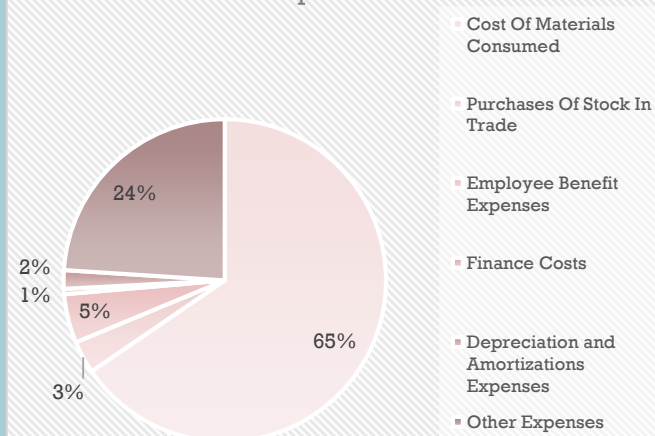


Net Profit Rose 14% YoY In Q1FY27

Rs. In Million

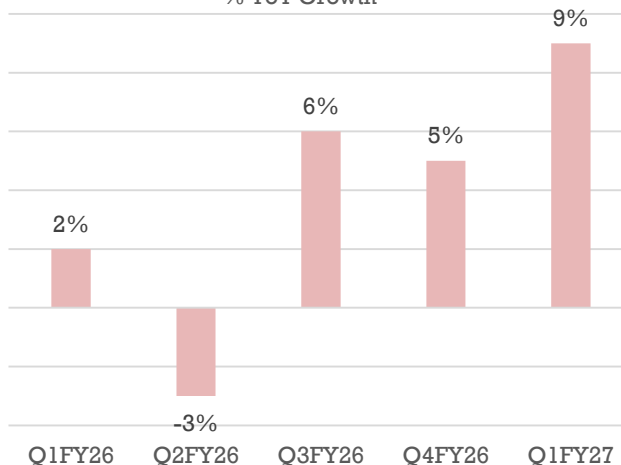


Raw Material Constitutes 65% Of Total Expenditure



Volume Growth Expected To Be Strong In Q2FY27

% YoY Growth

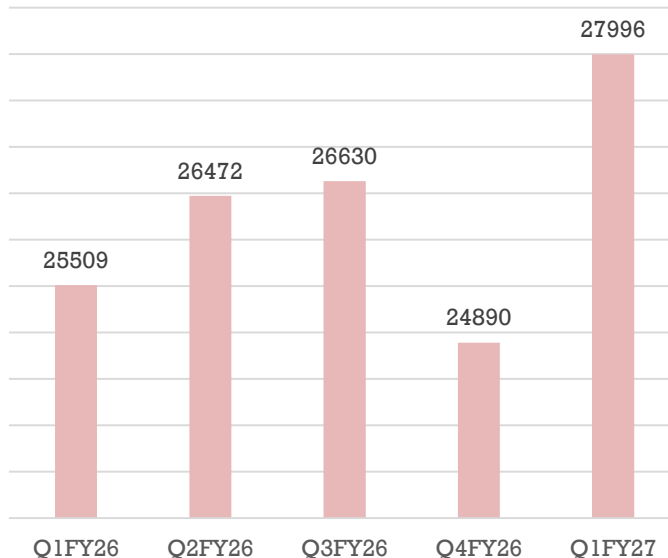


Raw Material Costs Increase Amidst West Asia Crises, Industrial Fuel Major Culprit

Rs. In Million	Q1FY27	Q1FY26	CHG%
Cost Of Materials	27995.60	25508.70	10%
Purchases of Stock In Trade	1396.10	2068.00	-32%
Employee Benefit Expense	2096.00	2418.60	-13%
Finance Costs	228.70	261.50	-13%
Depreciation	795.10	820.40	-3%
Other Expenses	10253.10	8642.10	19%

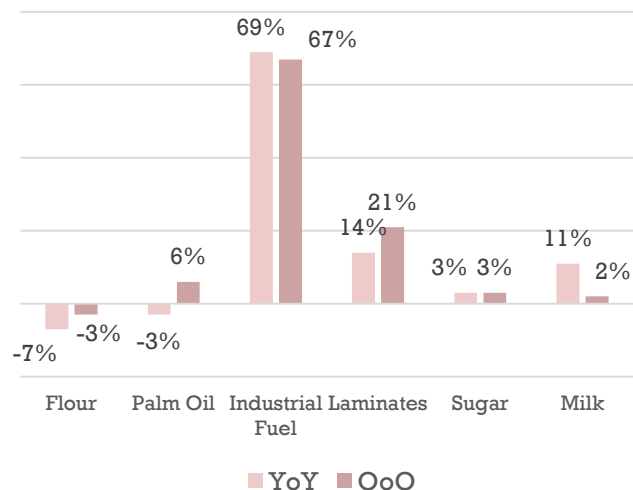
Cost Of Material Rises 12.5% YoY

Rs. In Million

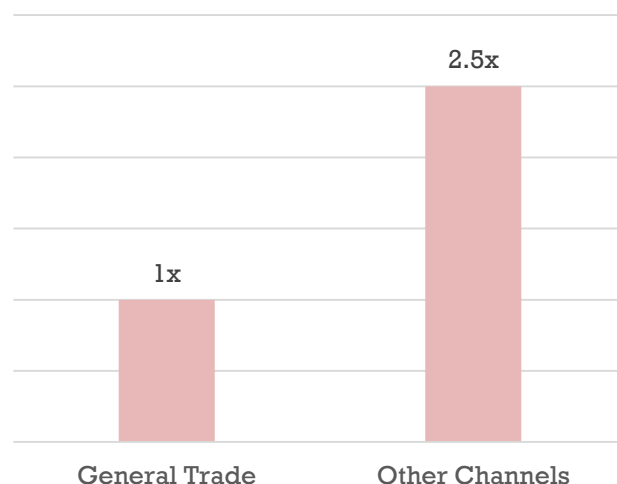


Cost of raw material jumped 10% YoY and just 12.5% QoQ in Q1FY27. Britannia Industries raw material basket consists wheat, sugar, milk, palm oil, cocoa etc. According to the management, major raw material mix is wheat and palm oil 30% each and sugar 20%. Input cost also includes laminates influenced by movement of crude oil pricing. Industrial fuel which is mainly LPG and PNG witnessed higher cost in April and May which later stabilized in June. Wheat prices may also be affected by lower monsoon in various parts of the country due to El Nino effect. With volatile crude price due to US-Iran War, operating margins are expected to remain under pressure with high input costs.

Laminates & Industrial Fuel Costs Rise In Q1FY27



Other Channels Move At A Faster Pace Than General Trade



General Growth Rose 1.5x In Q1FY27



Britannia with a new CEO is focusing on strengthening the adjacency business, product innovation and product portfolio expansion towards health and wellness. Britannia is focusing on all distribution channels to augment volume growth. The company witnessed steady growth in general trade, modern trade, e-commerce and quick commerce. E-Commerce growth was in strong double digits and quick commerce also moving at double-digit pace currently constitutes 80-85% of e-commerce. General trade which underperformed over the past two quarters, is back on growth track.

The company faced dual pricing issues from competitors in the month of April and May, but recovered strongly in June 2026. Close peers priced LUPs at Rs 4.5 lower than Britannia's Rs 5 pack. Despite the dual pricing challenge, Britannia reported double-digit sales growth in June Quarter 2026.

Expenditure Mix (Rs. in Million)	Q1FY27	Q4FY26	CGH%	Q4FY26	Q3FY26	CHG %	Q3FY26	Q2FY26	CHG %	Q2FY26	Q1FY26	CHG %
Cost Of Material Consumed	27995.60	24890.10	12.5%	24890.10	26629.80	-7%	26629.80	26471.60	0.6%	26471.60	25508.70	3.8%
Purchases Of Stock In Trade	1396.10	2076.20	-32.8%	2076.20	2084.60	0%	2084.60	1823.50	14.3%	1823.50	2068.00	-11.8%
Employee Benefit Expenses	2096.00	1861.30	12.6%	1861.30	2147.30	-13%	2147.30	1810.80	18.6%	1810.80	2418.60	-25.1%
Finance Costs	228.70	186.80	22.4%	186.80	332.50	-44%	332.50	346.80	-4.1%	346.80	261.50	32.6%
Depreciation and Amortization Expenses	795.10	852.30	-6.7%	852.30	845.10	1%	845.10	850.50	-0.6%	850.50	820.40	3.7%
Other Expenses	10253.10	9488.60	8.1%	9488.60	9552.80	-0.7%	9552.80	8821.30	8.3%	8821.30	8642.10	2.1%

Corporate Profile

Established in Kolkata in 1892, Britannia Industries is a household name in India, and one of the country’s leading food products companies. The key businesses are in bakery, dairy, and adjacent snacking categories and its operations span over 80 countries in the world. The company plants are located at Kolkata (West Bengal), Rudrapur (Uttarakhand), Hajipur and Bihta (Bihar), Khurda (Odisha), Jhagadia and Mundra (Gujarat), Perundurai and Tirunelveli (Tamil Nadu), Bidadi (Karnataka), Guwahati (Assam), Ranjangaon (Maharashtra) and Barabanki (Uttar Pradesh). Britannia Industries has 20 national plants in India and 4 international plants.

Financial Analysis

QUARTERLY PROFIT & LOSS STATEMENT OF BRITANNIA INDUSTRIES LTD FROM 31st Dec 2025 TO 30th Sep 2026E

VALUE	31-Dec 25	31-March-26	30-June 26	30-Sep 26E
Rs. In Million	3 months	3 months	3 months	3 months
INCOME FROM OPERATIONS	49698.20	47189.20	49999.70	53499.68
OTHER INCOME	594.60	554.50	614.10	675.51
TOTAL INCOME	50292.80	47743.70	50613.80	54175.19
EXPENDITURE	-39898.30	-38660.50	-41598.60	-44510.50
EBDITA	10394.50	9083.20	9015.20	9664.69
DEPRECIATION	-845.10	-852.30	-795.10	-811.00
PROFIT BEFORE INTEREST & TAX	9549.40	8230.90	8220.10	8853.68
INTEREST	-332.50	-186.80	-228.70	-251.57
EXCEPTIONAL ITEM	0.00	0.00	0.00	0.00
PROFIT BEFORE TAX	9216.90	8044.10	7991.40	8602.11
TAX	-2368.90	-1054.30	-2039.70	-2080.49
PROFIT AFTER TAX	6848.00	6989.80	5951.70	6521.62
SHARE OF PROFIT FROM JV AND ASSOCIATES	-26.60	-193.00	-17.90	0.00
NET PROFIT	6821.40	6796.80	5933.80	6521.62
EQUITY CAPITAL	240.90	240.90	240.90	240.90
FACE VALUE	1.00	1.00	1.00	1.00
EPS	28.23	28.16	24.55	27.07

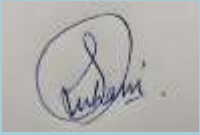
ANNUAL PROFIT & LOSS STATEMENT OF BRITANNIA INDUSTRIES LTD FROM 2024 TO 2028E					
VALUE	31.Mar.24	31.Mar.25	31.Mar.26	31.Mar.27E	31.Mar.28E
Rs. In Million	12 months	12 months	12 months	12 months	12 months
INCOME FROM OPERATIONS	167692.70	179426.70	191515.90	215455.39	231614.54
OTHER INCOME	2141.80	2270.90	2240.30	2352.32	2587.55
TOTAL INCOME	169834.50	181697.60	193756.20	217807.70	234202.09
EXPENDITURE	-135994.30	-147555.20	-156071.60	-176360.91	-189235.25
EBDITA	33840.20	34142.40	37684.60	41446.79	44966.83
DEPRECIATION	-3004.60	-3133.40	-3368.30	-3536.72	-3713.55
PROFIT BEFORE INTEREST & TAX	30835.60	31009.00	34316.30	37910.08	41253.28
INTEREST	-1640.00	-1388.00	-1127.60	-1240.36	-1302.38
EXCEPTIONAL ITEM	-29.00	-247.90	0.00	0.00	0.00
PROFIT BEFORE TAX	29166.60	29373.10	33188.70	36669.72	39950.91
TAX	-7792.50	-7487.10	-7517.70	-8457.41	-8838.00
PROFIT AFTER TAX	21374.10	21886.00	25671.00	28212.31	31112.91
SHARE OF PROFIT FROM JV AND ASSOCIATES	-31.90	-107.40	-300.90	0.00	0.00
NET PROFIT	21342.20	21778.60	25370.10	28212.31	31112.91
EQUITY CAPITAL	240.90	240.90	240.90	240.90	240.90
RESERVES	39174.30	43316.30	50824.70	56415.42	65046.98
FACE VALUE	1.00	1.00	1.00	1.00	1.00
EPS	88.59	90.41	105.18	117.11	129.15

Ratio Analysis

Year	FY24A	FY25A	FY26A	FY27E	FY28E
EPS	88.59	90.41	105.18	117.11	129.15
NPM	12.73%	12.14%	13.25%	13.09%	13.43%
EBDITA MAGIN	20.18%	19.03%	19.68%	19.24%	19.41%
ROE	54.15%	50.00%	49.68%	49.80%	47.65%
BOOK VALUE	163.62	180.81	211.98	235.19	271.02
P/BV	29.40	26.61	22.70	20.46	17.75
PE	54.30	53.21	45.74	41.08	37.25

BALANCE SHEET OF BRITANNIA INDUSTRIES LTD FROM 2024-2028E

CAPITAL & LIABILITIES (Rs. In Million)	2024	2025	2026	2027E	2028E
Share Capital	240.90	240.90	240.90	240.90	240.90
Other Equity	39174.30	43316.30	50824.70	56217.86	65046.98
Equity Attributable To Equity Holders of Parent	39415.20	43557.20	51065.60	56458.76	65287.88
Non Controlling Interest	245.00	256.00	293.20	307.86	323.25
Total Equity	39660.20	43813.20	51358.80	56766.62	65611.13
NON CURRENT LIABILITIES					
Borrowings	9047.20	7129.40	2861.10	2346.10	1994.19
Lease Liabilities	201.30	194.50	193.10	195.03	198.93
Other Financial Liabilities	656.60	722.10	729.50	765.98	811.93
Provisions	20.60	325.70	360.80	396.88	424.66
Deferred Tax Liability	305.60	18.00	16.20	17.82	19.07
TOTAL NON CURRENT LIABILITIES	10231.30	8389.70	4160.70	3721.81	3448.78
CURRENT LIABILITIES					
Borrowings	11364.90	5118.30	10717.20	13074.98	14774.73
Lease Liability	36.20	22.90	31.40	34.54	37.99
Trade Payables	16274.80	17522.30	18964.10	20860.51	22529.35
Other Financial Liabilities	4974.00	4293.40	4428.10	4649.51	4742.50
Other Current Liabilites	1672.90	1947.00	886.70	975.37	1043.65
Provisions	5592.00	6046.60	5945.20	6242.46	6679.43
Current Tax Liabilities	929.30	1232.10	827.20	909.92	1019.11
TOTAL CURRENT LIABILITIES	40844.10	36182.60	41799.90	46747.29	50826.76
TOTAL EQUITY & LIABILITIES	90735.60	88385.50	97319.40	107235.72	119886.67
ASSETS (Rs. In Million)					
NON CURRENT ASSETS					
Property, Plant & Equipment	26029.40	27346.10	26729.80	28333.59	30600.28
Capital Work In Progress	1875.40	892.00	390.40	409.92	438.61
Investment Property	274.80	289.00	279.00	295.74	325.31
Goodwill	1298.20	1327.80	1439.50	1482.69	1541.99
Intangible Assets	109.00	75.10	50.90	51.92	54.51
Investments In Associates & JV	4919.60	4836.20	4535.30	4626.01	4857.31
Investments	5782.50	12701.70	15177.10	17150.12	19208.14
Loan Receivable	0.00	250.00	250.00	255.00	260.10
Other Financial Assets	255.00	281.90	309.90	331.59	351.49
Deferred Tax Assets	438.80	365.90	430.10	481.71	525.07
Tax Assets	679.50	462.60	693.10	762.41	815.78
Other Non Current Assets	586.80	420.40	257.70	270.59	297.64
TOTAL NON CURRENT ASSETS	42249.00	49248.70	50542.80	54451.28	59276.23
CURRENT ASSETS					
Inventories	11812.20	12365.10	13459.30	14401.45	15841.60
Investments	16965.10	11116.40	16385.20	19334.54	23004.11
Trade Receivables	3933.30	4486.10	4692.10	5255.15	5780.67
Cash & Cash Equivalents	3228.00	1327.80	2200.00	2750.00	3492.50
Bank balances Other Than Cash and Cash Equivalents	1235.50	1797.00	1324.40	1655.50	2119.04
Loan Receivable	4600.00	500.00	650.00	715.00	754.33
Other Financial Assets	5311.30	6304.60	6645.30	7110.47	7821.52
Other Current Assets	1337.10	1239.80	1420.30	1562.33	1796.68
Assets Held For Sale	64.10	0.00	0.00	0.00	0.00
TOTAL CURRENT ASSETS	48486.60	39136.80	46776.60	52784.44	60610.44
TOTAL ASSETS	90735.60	88385.50	97319.40	107235.72	119886.67



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