Britannia Industries Ltd.

Q2FY27 Result Update | FMCG

Healthy Growth, Margin Watch

DALAL & BROACHA STOCK BROKING PVT. LTD.

Equity Research Desk

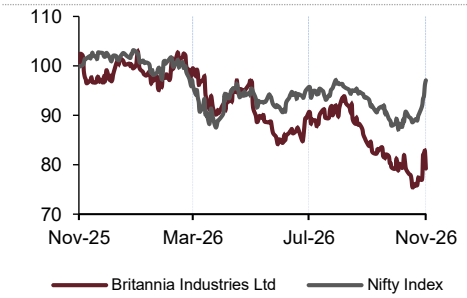
6 November 2026

- Britannia reported net sales of ₹55,416mn in Q2FY27, registering growth of 16.6% YoY, supported by strong volume growth, recovery in general trade and continued traction in adjacent categories and e-commerce. Volume growth stood at 13% during the quarter, taking H1FY27 volume growth to 11%.
- EBITDA increased 7% YoY to ₹10,216mn, while EBITDA margin declined 147bps to 18.25% versus 19.72% in Q2FY26. Margin pressure was primarily due to higher input costs, particularly palm oil, milk and industrial fuel, partly offset by cost-efficiency initiatives and strategic sourcing.
- PAT increased 10.2% YoY to ₹7,210mn. Profit growth remained below revenue growth due to relatively slower EBITDA growth.
- Management highlighted that a 3.5% price increase was implemented during Q2, which only partially offsets input cost inflation. Further pricing actions are planned.
- -General trade continued to recover, while e-commerce contribution increased to around 7% of sales versus 6% in FY26. Adjacent bakery categories grew over 20%, with cakes and croissants performing well; dairy also supported the company's double-digit growth.
- -International business recovered to mid-teens growth across key geographies, although elevated freight and operating costs in the Middle East remain monitorable.

Rating	TP (Rs)	Up/Dn (%)
BUY	**5,980**	**26**
Market data		
Current price	**Rs**	**4,750**
Market Cap (Rs.Bn)	(Rs Bn)	1,148
Market Cap (US$ Mn)	(US$ Mn)	12,154
Face Value	Rs	1
52 Weeks High/Low	Rs	6271 / 4499.9
Average Daily Volume	('000)	340
BSE Code		500825
Bloomberg		BRIT.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Sep-26	Jun-26
Promoters	50.55	50.55
Public	15.13	15.05
Others	34.32	34.40
Total	**100**	**100**

Source: BSE

Financial Summary

Y/E Mar (Rs mı	FY25	FY26	FY27E	FY28E
Net sales	179,427	191,516	210,631	227,301
EBIDTA	31,872	35,444	37,096	41,829
Margins	17.8	18.5	17.6	18.4
PAT (adj)	21,972	25,335	25,973	30,004
growth (%)	2.6	15.3	2.5	15.5
EPS	91	105	108	125
P/E (x)	52.1	45.2	44.1	38.1
P/B (x)	26.3	22.4	20.7	17.0
EV/EBITDA (x)	35.5	31.8	30.7	27.2
RoE (%)	50.4	49.6	47.0	44.7
ROCE (%)	51.3	49.4	41.3	41.7

Source: Dalal and Broacha

Kunal Bhatia
+91 22 67141442
kunal.bhatia@dalal-broacha.com

Aagam Bhansali
+91 22 6621 2189
aagam.bhansali@dalal-broacha.com

Conference Call & other KTA's

Outlook

- Strong volume momentum; margin recovery hinges on further pricing offsetting input inflation without weakening demand.

Volume-led growth

- Q2 volumes +13% YoY versus net sales +16.6% to Rs 55,416mn; H1 volumes +11%.
- General-trade growth is 2.6x FY26's rate; other channels grow at 1.8x general trade. E-commerce contributes ~7% of sales. Management highlighted strong semi-urban/rural demand and Rs 5 packs.

Pricing remains the key earnings lever

- EBITDA excluding other income grew 7% to Rs 10,216.5mn. Margin fell ~147bps to 18.25% on revenue from operations: sales acceleration has not yet translated into margin expansion.
- Management indicated 3.5% pricing is implemented but covers only part of inflation; further increases are being worked on, with 1.5-2 months to implement. Grammage reduction is important at Rs 5/10 price points.
- Palm oil +17%, laminate +18% and milk +16% YoY; flour +9% QoQ. Strategic covers cushion costs. Watch pricing realisation versus volume retention.

Diversification gaining traction

- Adjacent bakery growth >20%; dairy double digits; international mid-teens. Bakery growth covers cake, rusk, wafers and croissant.
- Biscuits remain ~78-80% of revenue. Management's focus is to scale higher-margin adjacencies while strengthening the core; the earnings-mix benefit depends on these businesses gaining size.

Regional breadth

- Key states contribute >50% of domestic revenue, with growth at 2.8x FY26's rate. Other states continue to grow faster, supporting geographic breadth.

Cash allocation

- H1 dividends of Rs 21,722mn exceeded free cash flow after capex of Rs 8,367mn.

Quarterly Financials

Particulars (Rs Mns) Consolidated	Q2FY27	Q2FY26	Growth	Q1FY27	Growth
Net Sales	55415.7	47521.7	*17%*	49643.7	12%
Other Op Income	562.2	884.6	*-36%*	356	58%
Total Op Income	**55977.9**	**48406.3**	***16%***	**49999.7**	**12%**
Add: O. Income	735.1	521.1	*41%*	614.1	20%
TOTAL INCOME	56713	48927.4	*16%*	50613.8	12%
RAW MATERIAL	-33783.4	-28229	*20%*	-29249.5	16%
Employee Cost	-2009.7	-1810.8	*11%*	-2096	-4%
O. Exps	-9968.3	-8821.3	*13%*	-10253.1	-3%
EBIDTA	**10216.5**	**9545.2**	***7%***	**8401.1**	**22%**
				0	
Less Int	-357.6	-346.8	*3%*	-228.7	56%
Less Depn	-785.7	-850.5	*-8%*	-795.1	-1%
Less Exceptional	0	0		0	
PBT Before Exceptional	**9808.3**	**8869.0**	***11%***	**7991.4**	**23%**
Share pft or Loss from Associates	-34.6	-32.8	*5%*	-17.9	93%
				0	
Less Tax	-2513.8	-2285.6	*10%*	-2039.7	23%
PAT	7259.9	6550.6	*11%*	5933.8	22%
Owners Pat	7209.7	6544.7	*10%*	5913.5	22%
Non Controlling	50.2	5.9	*751%*	20.3	147%
Adjusted Owners PAT	**7209.7**	**6544.7**	***10%***	**5913.5**	**22%**
Tax Rate	*-25.6%*	*-25.8%*		*-25.5%*	
Raw Mat to OP Inc	-60.4%	-58.3%	*-2.0%*	-58.5%	-1.9%
Emp Cost to Op Inc	-3.6%	-3.7%		-4.2%	
O.Exps to Op Inc	-17.8%	-18.2%		-20.5%	
OPM	**18.3%**	**19.7%**		**16.8%**	
NPM	**12.7%**	**13.4%**		**11.7%**	

Source: Dalal & Broacha Research, Company

Valuation

Outlook:

Britannia delivered healthy volume growth of 13% in Q2FY27, reflecting improving demand and stronger execution in general trade. Adjacent bakery and dairy categories continued to grow ahead of the core business, while e-commerce gained share. Management remains focused on driving volume-led growth through product innovation, premiumisation and further expansion in adjacent categories. Pricing actions are also being calibrated to support margins amid the changing input cost environment.

Valuation:

Valuation: At ₹4,750, the stock trades at 44x FY27E EPS of ₹108 and 38x FY28E EPS of ₹124.6. Strong volume growth, improving general trade performance and expansion in adjacent categories support the company's growth outlook. **We maintain BUY with a TP of ₹5,980, based on 48x FY28E EPS of ₹124.6, implying ~26% upside.**

Financials

P&L (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Net Operating Income	167,692.7	179,426.7	191,515.9	210,631.1	227,301.3
Raw materials	(94,920.3)	(106,040.5)	(111,328.8)	(125,536.1)	(133,880.5)
Employee costs	(7,087.0)	(7,045.9)	(8,238.0)	(8,402.8)	(9,243.0)
Other Expenses	(33,987.0)	(34,468.8)	(36,504.8)	(39,596.5)	(42,348.7)
Cost of sales	(135,994.3)	(147,555.2)	(156,071.6)	(173,535.4)	(185,472.2)
Operating Profit	**31,698.4**	**31,871.5**	**35,444.3**	**37,095.7**	**41,829.1**
Depreciation	(3,004.6)	(3,133.4)	(3,368.3)	(3,378.0)	(3,556.0)
PBIT	28,693.8	28,738.1	32,076.0	33,717.8	38,273.1
Other income	2,141.8	2,270.9	2,240.3	2,820.2	4,097.8
Interest	(1,640.0)	(1,388.0)	(1,127.6)	(1,479.0)	(1,915.8)
Profit before tax	29,195.6	29,621.0	33,188.7	35,058.9	40,455.0
Extraordinary Items / Exceptional	(29.0)	(248.0)	-	-	-
Profit before tax (post Excep)	29,166.6	29,373.0	33,188.7	35,058.9	40,455.0
Provision for tax	(7,792.5)	(7,487.1)	(7,517.7)	(8,824.3)	(10,182.5)
Reported PAT	**21,374.1**	**21,885.9**	**25,671.0**	**26,234.6**	**30,272.5**
Share of Pft and Loss of Associates and Minority Int	24.0	(98.7)	(336.1)	(262.0)	(268.1)
Adjusted PAT	**21,419.4**	**21,972.0**	**25,334.9**	**25,972.6**	**30,004.4**

Balance Sheet	FY24	FY25	FY26	FY27E	FY28E
Equity capital	240.9	240.9	240.9	240.9	240.9
Reserves	39,174.3	43,316.3	50,824.7	54,995.9	66,932.8
Net worth	**39,415.2**	**43,557.2**	**51,065.6**	**55,236.8**	**67,173.7**
Def. Tax Liab.+Minority Ir	245.0	256.0	293.2	433.2	573.2
Secured loans	9,047.2	7,129.4	2,861.1	1,552.1	1,552.1
Unsecured loans	11,364.9	5,118.3	10,717.2	24,395.2	22,395.2
Total debt	20,412.1	12,247.7	13,578.3	25,947.3	23,947.3
CAPITAL EMPLOYED	**60,072.3**	**56,060.9**	**64,937.1**	**81,617.3**	**91,694.2**
Gross block	47,167.2	51,490.2	53,907.1	56,907.1	59,907.1
Accumulated depreciatio	(15,810.4)	(18,943.8)	(22,312.1)	(25,690.1)	(29,246.1)
Net block	31,356.8	32,546.4	31,595.0	31,217.0	30,661.0
Capital WIP	1,875.4	892.0	390.4	569.6	569.6
Total fixed assets	**33,232.2**	**33,438.4**	**31,985.4**	**31,786.6**	**31,230.6**
Goodwill	1,298.2	1,327.8	1,439.5	1,472.7	1,472.7
Investments	22,723.6	23,818.1	31,562.3	30,790.2	30,790.2
Inventories	11,812.2	12,365.1	13,459.3	15,003.9	16,191.3
Sundry debtors	3,933.3	4,486.1	4,692.1	5,160.4	5,568.8
Cash & bank	4,463.5	3,124.8	3,524.4	21,248.9	31,003.2
Loans & advances	4,600.0	750.0	900.0	250.0	250.0
Other current assets	8,233.8	8,709.3	9,326.3	9,785.4	10,763.9
Sundry creditors	(16,274.8)	(17,522.3)	(18,964.1)	(18,916.4)	(20,173.8)
O. Current Liablities	(8,490.9)	(8,430.0)	(7,112.2)	(8,766.7)	(9,205.0)
Provisions	(5,897.6)	(6,372.3)	(6,306.0)	(6,737.8)	(6,737.8)
Working capital	**2,379.5**	**(2,889.3)**	**(480.2)**	**17,027.7**	**27,660.7**
Deferred Tax Assets	438.8	365.9	430.1	540.0	540.0
Miscellaneous exp.	-	-	-	-	-
CAPITAL DEPLOYED	**60,072.3**	**56,060.9**	**64,937.1**	**81,617.3**	**91,694.2**

Cash Flow St. (Rs. mn)	FY24	FY25	FY26	FY27E	FY28E
Net Profit	21,398.1	21,787.2	25,334.9	25,972.6	30,004.4
Add: Dep. & Amort.	3,004.6	3,133.4	3,368.3	3,378.0	3,556.0
Cash profits	**24,402.7**	**24,920.6**	**28,703.2**	**29,350.6**	**33,560.4**
(Inc)/Dec in					
-Sundry debtors	(643.9)	(552.8)	(206.0)	(468.3)	(408.4)
-Inventories	120.4	(552.9)	(1,094.2)	(1,544.6)	(1,187.5)
-Loans/advances	2,074.5	3,374.5	(767.0)	190.9	(978.5)
-Sundry creditors	1,786.7	1,247.5	1,441.8	(47.7)	1,257.4
-Others	818.2	413.8	(1,384.1)	2,086.3	438.3
Change in working capital	4,155.9	3,930.1	(2,009.5)	216.6	(878.7)
CF from Oper. activities	**28,558.6**	**28,850.7**	**26,693.7**	**29,567.2**	**32,681.7**
CF from Inv. activities	**586.0**	**(4,463.7)**	**(9,771.2)**	**(2,440.3)**	**(3,000.0)**
CF from Fin. activities	**(26,660.9)**	**(25,725.7)**	**(16,522.9)**	**(9,402.3)**	**(19,927.5)**
Cash generated/(utilised)	**2,483.7**	**(1,338.7)**	**399.6**	**17,724.5**	**9,754.2**
Cash at start of the year	1,979.8	4,463.5	3,124.8	3,524.4	21,248.9
Cash at end of the year	4,463.5	3,124.8	3,524.4	21,248.9	31,003.2

Ratios	FY24	FY25	FY26	FY27E	FY28E
OPM	18.9	17.8	18.5	17.6	18.4
NPM	12.6	12.1	13.1	12.2	13.0
Tax rate	(26.7)	(25.5)	(22.7)	(25.2)	(25.2)
Growth Ratios (%)					
Net Sales	2.9	7.0	6.7	10.0	7.9
Operating Profit	12.0	0.5	11.2	4.7	12.8
PAT	9.1	2.6	15.3	2.5	15.5
Per Share (Rs.)					
Net Earnings (EPS)	88.9	91.2	105.2	107.8	124.6
Cash Earnings (CPS)	101	103	119	122	139
Dividend	72.0	73.5	75.0	90.5	75.0
Book Value	163.6	180.8	212.0	229.3	278.8
Free Cash Flow	120.98	101.23	70.25	112.61	123.21
Valuation Ratios					
P/E(x)	**53.4**	**52.1**	**45.2**	**44.1**	**38.1**
P/B(x)	29.0	26.3	22.4	20.7	17.0
EV/EBIDTA(x)	36.0	35.5	31.8	30.7	27.2
Div. Yield(%)	1.5	1.5	1.6	1.9	1.6
FCF Yield(%)	**2.5**	**2.1**	**1.5**	**2.4**	**2.6**
Return Ratios (%)					
ROE	54.3	50.4	49.6	47.0	44.7
ROCE	47.8	51.3	49.4	41.3	41.7

Source: Dalal & Broacha Research, Company

Disclaimer

Dalal & Broacha Stock Broking Pvt Ltd, hereinafter referred to as D&B (CINU67120MH1997PTC111186) was established in 1997 and is an integrated financial services player offering an extensive range of financial solutions and services to a wide spectrum of customers with varied needs ranging from equities to mutual funds to depository services.
D&B is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE). D&B along with its affiliates offers the most comprehensive avenues for investments and is engaged in the securities businesses including stock broking (Institutional and retail), depository participant, portfolio management and services rendered in connection with distribution of primary market issues and financial products like mutual funds, fixed deposits. Details of associates are available on our website i.e. www.dalal-broacha.com
D&B is registered as Research Analyst with SEBI bearing registration Number INH000001246 as per SEBI (Research Analysts) Regulations, 2014.
D&B hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in any time in the past. It has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.
SEBI and Stock Exchanges have conducted the routine inspection and based on their observations have issued advice letters or levied minor penalty on D&B for certain operational deviations in routine course of business.
D&B offers research services to clients as well as prospects. The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

Other disclosures by D&B (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company(s) covered in this report-:

D&B or its associates may have financial interest in the subject company.

D&B or its associates do not have any material conflict of interest in the subject company.

The Research Analyst or Research Entity (D&B) has not been engaged in market making activity for the subject company.

D&B or its associates may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report.

Disclosures in respect of Research Analyst:

Whether Research Analyst or his/her relatives have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report:	No
Whether the Research Analyst or his/her relative's financial interest in the subject company.	No
Whether the research Analyst has served as officer, director or employee of the subject company	No
Whether the Research Analyst has received any compensation from the subject company in the past twelve months	No
Whether the Research Analyst has managed or co-managed public offering of securities for the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
Whether the Research Analyst has received any compensation or other benefits from the subject company or third party in connection with the research report	No

D&B and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that may be inconsistent with the recommendations expressed herein.

In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject D&B or its group companies to any registration or licensing requirement within such jurisdiction. Specifically, this document does not constitute an offer to or solicitation to any U.S. person for the purchase or sale of any financial instrument or as an official confirmation of any transaction to any U.S. person. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. No part of this document may be distributed in Canada or used by private customers in United Kingdom. All material presented in this report, unless specifically indicated otherwise, is under copyright to D&B. None of the material, nor its content, nor any

copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of D&B . All trademarks, service marks and logos used in this report are trademarks or registered trademarks of D&B or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read “Risk Disclosure Document for Capital Market and Derivatives Segments” as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992, 2287 6173, Fax: 91-22-2287 0092

E-mail: equity.research@dalal-broacha.com