RATING BUY | CMP INR 5,404 | TP INR 6,579

Britannia Industries (BRIT IN)

Q1FY27 Result Update

August 07, 2026

☑ Estimate Change | ☑ Target | ■ Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	6,579		6,441	
Sales (INR mn)	212,079	236,297	210,114	234,105
% Chng.	*0.9*	*0.9*		
EBITDA (INR mn)	37,943	43,971	38,323	43,245
% Chng.	*(1.0)*	*1.7*		
EPS (INR)	112.2	131.5	114.1	128.8
% Chng.	*(1.7)*	*2.1*		

Key Data BRIT.BO | BRIT IN

BSE Code	500825
NSE Code	BRITANNIA
52-W High / Low	INR 6,336 / INR 5,035
Face Value	1
Sensex / Nifty	78,955 / 24,636
Market Cap	INR 1,308 bn / $ 13,735 mn
Shares Outstanding	240.87 mn
3M Avg. Daily Value	INR 2,115.80 mn

Shareholding Pattern (%)

Promoters	50.55
FIIs	13.40
Mutual Funds	12.25
Domestic Institutions	8.68
Public & Others	15.12
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	(0.4)	(6.1)	(8.1)	0.5
Relative	(1.3)	(7.3)	(2.8)	2.5

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	179,427	191,516	212,079	236,297
EBITDA (INR mn)	31,872	35,476	37,943	43,971
Margin (%)	*17.8*	*18.5*	*17.9*	*18.6*
PAT (INR mn)	22,027	25,402	27,034	31,698
EV (INR mn)	1,300,109	1,295,786	1,291,161	1,282,282
Total Debt (INR mn)	12,271	13,578	11,662	9,662
C&C Eq. (INR mn)	3,125	3,524	3,605	3,578
EPS (INR)	91.4	105.4	112.2	131.6
Gr. (%)	*3.1*	*15.3*	*6.4*	*17.3*
DPS (INR)	73.5	91.0	95.0	100.0
Yield (%)	*1.4*	*1.7*	*1.8*	*1.9*
RoE (%)	*53.1*	*53.7*	*52.3*	*56.4*
RoCE (%)	*49.7*	*53.3*	*53.6*	*60.2*
EV/Sales (x)	7.2	6.8	6.1	5.4
EV/EBITDA (x)	40.8	36.5	34.0	29.2
PE (x)	59.1	51.2	48.2	41.1
P/BV (x)	29.9	25.5	24.9	21.7

Demand trends healthy, Input cost inflation a concern

Quick Pointers

- 1Q volumes grew by 9%, Non biscuit portfolio grew in double digits. MT, QC, Ecom grew at 2.5x GT
- Input costs of Packaging, Fuel, Milk and Sugar will prevent any significant increase in margins
- Demand outlook is positive as dual pricing issue and IBD disruption is largely behind

We change our FY27/FY28 EPS estimates by -1.7%/2.1%, showing impact of 1) strong demand outlook given 9% volume growth in 1Q27 2) 2.5x growth in MT, Ecom, QC over GT growth with superior mix 3) double digit growth in wafers, rusk and cakes and 30% growth in croissants 4) input cost inflation in sugar, palm oil, milk and fuel costs.

The long-term business moat remains intact, while the success of new launches and healthy traction in impulse-led adjacencies across QC/e-com. BRIT is facing input cost inflation across most ingredients and has been able to pass on only 50% of the cost inflation so far. We expect YoY lower margins in 2Q/3Q given high base of 19.5/19.7 (Writeback of phantom stock options and higher GM) which will curtail near term growth. We expect EPS growth of 5.2%/17.3% in FY27/28 showing impact of lower margins and tax writeback in FY27. BRIT trades at 41.1xFY28 EPS which provides a good entry point for 12-15 months perspective. We value BRIT at 50x FY28 EPS and assign a TP to Rs6,579 (vs. Rs6,441 earlier). Retain BUY.

Consolidated Financials: volumes increased ~9%: Consolidated Revenues grew by 8.2% YoY to Rs50bn(PLe: Rs49.97bn). Gross margins expanded by 119bps YoY to 41.5%.(Ple: 41.0%). EBITDA grew by 11% YoY to Rs8.4bn (PLe:Rs8.74bn); Margins expanded by 42bps YoY to 16.8% (PLe:17.5%). PBT grew by 13.2% YoY to Rs 8bn(PLe: Rs 8.30bn). Adjusted PAT grew by 13.4% YoY to Rs6bn (PLe:Rs6.22bn)

Standalone sales grew by 8.6% YoY to Rs48.3bn(PLe: Rs48.09bn). Gross margins expanded by 104bps YoY to 39.6%.(Ple: 39.0%). EBITDA grew by 12.8% YoY to Rs8.1bn (PLe:Rs8.27bn); Margins expanded by 63bps YoY to 16.8% (PLe:17.2%). PBT grew by 15.5% YoY to Rs 7.8bn(PLe: Rs 7.97bn). Adjusted PAT grew by 15.7% YoY to Rs5.8bn (PLe:Rs5.94bn). BRIT witnessed mid teens revenue growth in end of 1Q.

Quarter Summary

Y/e Mar	Q1'27E	Q1'27A	% Var.	Q1'26A	YoY gr. (%)
Net Sales (INR mn)	49,966	50,000	*0.1*	46,222	*8.2*
EBITDA (INR mn)	8,744	8,401	*-3.9*	7,571	*11.0*
Margin (%)	*17.5*	*16.8*	*-70 bps*	*16.4*	*42 bps*
PAT (INR mn)	6,224	5,952	*-4.4*	5,250	*13.4*

Source: Company, PL

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Conference Call Highlights

- Volumes have grown by 9% due to elimination of dual pricing and demand holding up well, there is no impact of channel filling during the quarter.
- Demand momentum remained healthy across key markets, supported by broad-based consumption trends.
- Impact of dual pricing continued till mid-May, with pricing environment improving meaningfully from June onwards.
- BRIT has booked any PLI incentives in 1Q27 as threshold production levels could not be achieved.
- GT continued to perform well (grew 1.5x faster than FY26 in 1Q27), while other channels (MT+Ecom+QC) grew at 2.5x the rate of GT. QC has better mix due to more premium products and large packs selling in this channel.
- International business reported flat sales due to west Asia impact; however sales are likely to turn positive from 2Q27
- BRIT is witnessing RM inflation in Milk, Sugar, palm and Industrial fuel, it will aim for balance between volume, value and margins. LPG prices were up 150% in 1Q, now they are up 50% YoY.
- Non-biscuit (Cakes, rusks, wafers and dairy) portfolio registered double digit growth, croissants grew by 30% YoY on success of new variants. Cake, rusk and wafers grew sales in double digits
- As against flat realization in 1Q27, 2Q is likely to show 1.5-2% positive trend due to price hikes taken during the quarter. However, in small packs of Rs5/10, there will be grammage reduction.
- BRIT indicated ad spends growing ahead of revenue growth with marketing investments stepped up during the quarter
- Eastern India continued to deliver double digit growth, with Bihar maintaining healthy momentum with Doodh Marie recently launched in the market

Exhibit 1: Quarterly Estimates

(INR mn)	1QFY27	*YoY gr. (%)*	2QFY27E	*YoY gr. (%)*	3QFY27E	*YoY gr. (%)*	4QFY27E	*YoY gr. (%)*
Net Sales	50,000	*8.2*	54,215	*12.0*	55,165	*11.0*	52,699	*11.7*
EBITDA	8,401	*11.0*	9,650	*1.1*	10,206	*4.1*	9,686	*13.6*
Margins (%)	*16.8*	*42 bps*	*17.8*	*-192 bps*	*18.5*	*-122 bps*	*18.4*	*31 bps*
Adj. PAT	5,952	*13.4*	6,927	*5.2*	7,260	*6.0*	6,895	*-1.4*

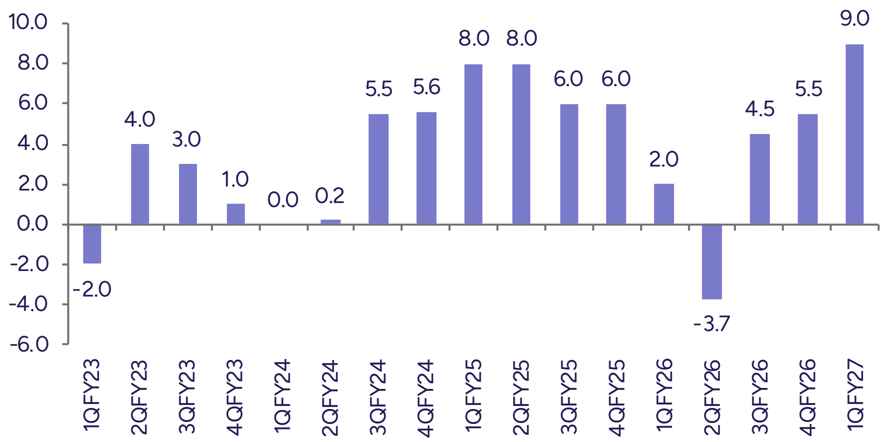
Source: Company, PL

Exhibit 2: Consolidated Revenues grew by 8.2%, while GM increased by 119bps YoY to 41.5%

Consolidated (INR mn)	1QFY27	1QFY26	YoY gr. (%)	1QFY27E	% Var.	4QFY26	FY27E	FY26	YoY gr. (%)
Net Sales	**50,000**	**46,222**	***8.2***	**49,966**	***0.1***	**47,189**	**2,12,079**	**1,91,516**	***10.7***
Gross Profit	20,750	18,631	*11.4*	20,486	*1.3*	19,879	88,428	80,187	*10.3*
Margins (%)	*41.5*	*40.3*	*1.2*	*41.0*	*0.5*	*42.1*	*41.7*	*41.9*	*-0.2*
Other Exp	12,349	11,061	*11.6*	11,742	*5.2*	11,350	50,485	44,742	*12.8*
% of Sales	*24.7*	*23.9*	*0.8*	*23.5*	*1.2*	*24.1*	*23.8*	*23.4*	*0.4*
EBITDA	**8,401**	**7,570**	***11.0***	**8,744**	***(3.9)***	**8,529**	**37,943**	**35,445**	***7.0***
Margins (%)	*16.8*	*16.4*	*0.4*	*17.5*	*-0.7*	*18.1*	*17.9*	*18.5*	*-0.6*
Depreciation	795	820	*(3.1)*	860	*(7.5)*	852	3,496	3,368	*3.8*
Interest	229	262	*(12.5)*	185	*23.6*	187	1,144	1,128	*1.4*
Other Income	614	570	*7.7*	600	*2.4*	555	2,557	2,240	*14.1*
PBT	**7,991**	**7,059**	***13.2***	**8,299**	***(3.7)***	**8,044**	**35,860**	**33,189**	***8.0***
Tax	2,040	1,809	*12.8*	2,075	*(1.7)*	1,054	8,825	7,518	*17.4*
Rate (%)	*25.5*	*25.6*	*-0.1*	*25.0*	*0.5*	*13.1*	*24.6*	*22.7*	*2.0*
Adjusted PAT	**5,952**	**5,250**	***13.4***	**6,224**	***(4.4)***	**6,990**	**27,034**	**25,672**	***5.3***

Source: Company, PL

Exhibit 3: Volumes grew by ~9% in 1Q



Source: Company, PL

Exhibit 4: BRIT is improving distribution in rural markets

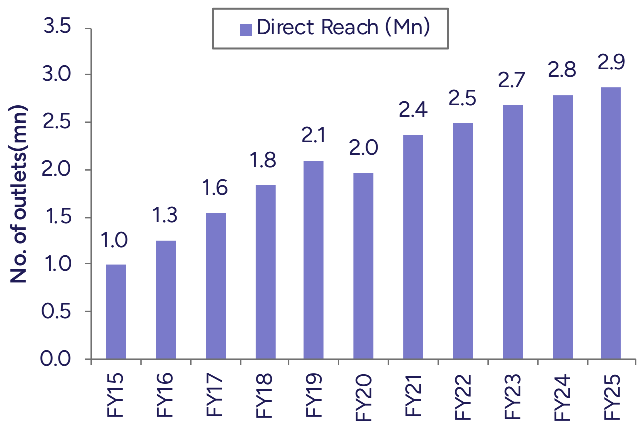
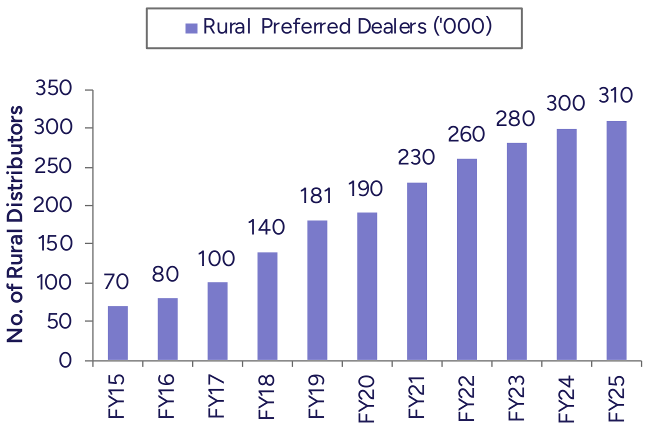


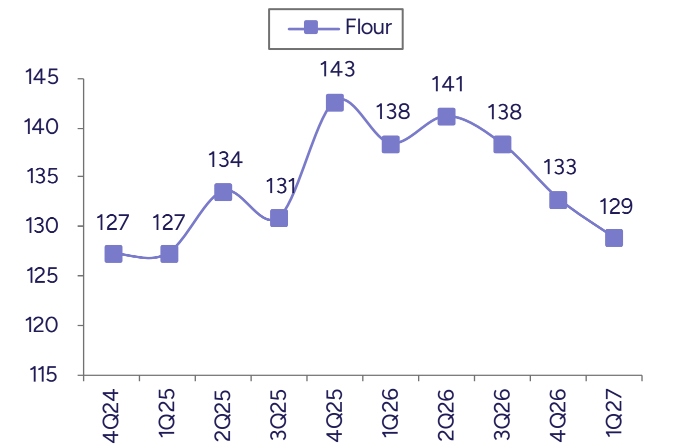
Exhibit 5: Rural preferred dealers continue to expand



Source: Company, PL

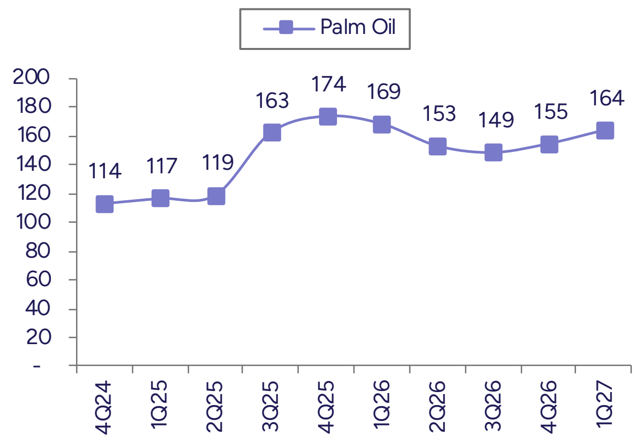
Source: Company, PL

Exhibit 6: Flour prices down 3% QoQ and 7% YoY



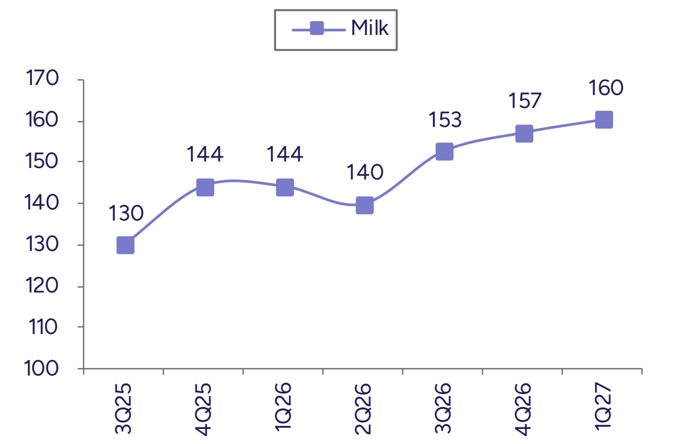
Source: Company, PL

Exhibit 7: Palm Oil prices up 6% QoQ and down 3% YoY



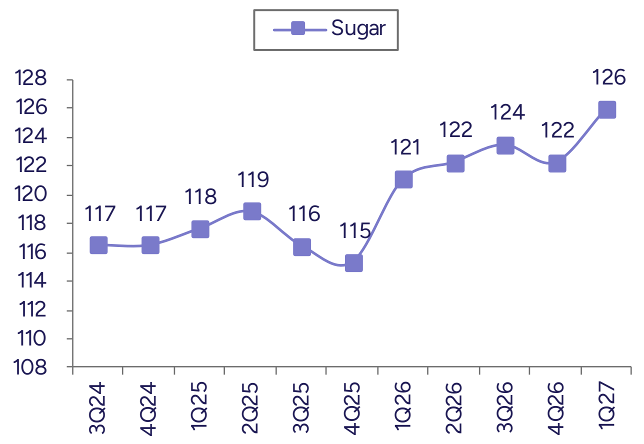
Source: Company, PL

Exhibit 8: Milk prices up 2% QoQ and 11% YoY



Source: Company, PL

Exhibit 9: Sugar prices up 3% QoQ and YoY respectively



Source: Company, PL

Exhibit 10: Non biscuit segment growing in double digits; IBD witnessed flat growth

Source: Company, PL

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	**179,427**	**191,516**	**212,079**	**236,297**
YoY gr. (%)	*7.0*	*6.7*	*10.7*	*11.4*
Cost of Goods Sold	106,041	111,301	123,651	136,846
Gross Profit	73,386	80,215	88,428	99,451
Margin (%)	*40.9*	*41.9*	*41.7*	*42.1*
Employee Cost	7,046	8,238	9,119	9,924
Other Expenses	1,213	1,245	1,485	1,583
EBITDA	**31,872**	**35,476**	**37,943**	**43,971**
YoY gr. (%)	*0.5*	*11.3*	*7.0*	*15.9*
Margin (%)	*17.8*	*18.5*	*17.9*	*18.6*
Depreciation and Amortization	3,133	3,368	3,496	3,676
EBIT	**28,738**	**32,108**	**34,447**	**40,294**
Margin (%)	*16.0*	*16.8*	*16.2*	*17.1*
Net Interest	1,388	1,128	1,144	998
Other Income	2,271	2,240	2,557	3,080
Profit Before Tax	**29,621**	**33,221**	**35,860**	**42,376**
Margin (%)	*16.5*	*17.3*	*16.9*	*17.9*
Total Tax	7,487	7,518	8,825	10,678
Effective Tax Rate (%)	*25.3*	*22.6*	*24.6*	*25.2*
Profit After Tax	**22,134**	**25,703**	**27,034**	**31,698**
Minority Interest	-	-	-	-
Share Profit from Associate	(107)	(301)	-	-
Adjusted PAT	**22,027**	**25,402**	**27,034**	**31,698**
YoY gr. (%)	*3.1*	*15.3*	*6.4*	*17.3*
Margin (%)	*12.3*	*13.3*	*12.7*	*13.4*
Extra Ord. Income / (Exp)	(248)	-	-	-
Reported PAT	**21,779**	**25,402**	**27,034**	**31,698**
YoY gr. (%)	*2.0*	*16.6*	*6.4*	*17.3*
Margin (%)	*12.1*	*13.3*	*12.7*	*13.4*
Other Comprehensive Income	63	241	-	-
Total Comprehensive Income	21,841	25,643	27,034	31,698
Equity Shares O/s (mn)	**241**	**241**	**241**	**241**
EPS (INR)	**91.4**	**105.4**	**112.2**	**131.6**

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	**49,735**	**52,262**	**53,398**	**56,088**
Tangibles	48,033	50,735	51,576	54,206
Intangibles	1,702	1,527	1,822	1,882
Acc: Dep / Amortization	**20,697**	**23,763**	**27,223**	**30,859**
Tangibles	20,398	23,726	27,183	30,816
Intangibles	299	37	40	43
Net Fixed Assets	**29,038**	**28,499**	**26,175**	**25,229**
Tangibles	27,635	27,009	24,393	23,390
Intangibles	1,403	1,490	1,782	1,839
Capital Work In Progress	892	390	892	892
Goodwill	-	-	-	-
Non-Current Investments	18,070	20,272	20,299	20,330
Net Deferred Tax Assets	348	414	435	456
Other Non-Current Assets	883	951	1,252	1,349
Current Assets				
Investments	11,116	16,385	19,087	25,993
Inventories	12,365	13,459	14,906	16,497
Trade Receivables	4,486	4,692	5,174	5,609
Cash & Bank Balance	3,125	3,524	3,605	3,578
Other Current Assets	1,240	1,420	1,485	1,654
Total Assets	**88,386**	**97,319**	**101,250**	**110,376**
Equity				
Equity Share Capital	241	241	241	241
Other Equity	43,316	50,825	52,103	59,880
Total Networth	**43,557**	**51,066**	**52,344**	**60,121**
Non-Current Liabilities				
Long Term Borrowings	7,129	2,861	5,479	5,479
Provisions	326	361	361	361
Other Non Current Liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	5,141	10,717	6,182	4,182
Trade Payables	17,522	18,996	20,233	22,148
Other Current Liabilities	13,519	12,087	15,250	16,582
Total Equity & Liabilities	**88,386**	**97,319**	**101,249**	**110,375**

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	29,621	33,221	35,860	42,376
Add. Depreciation	2,814	3,365	3,459	3,636
Add. Interest	1,388	1,128	1,144	998
Less Financial Other Income	2,271	2,240	2,557	3,080
Add. Other	(2,015)	(2,361)	(2,813)	(3,128)
Op. Profit before WC Changes	31,808	35,353	37,649	43,883
Net Changes-WC	3,761	(1,930)	1,780	204
Direct Tax	(7,487)	(7,518)	(8,825)	(10,678)
Net Cash from Op. Activities	**28,082**	**25,905**	**30,604**	**33,409**
Capital Expenditures	(3,050)	(2,024)	(1,636)	(2,690)
Interest / Dividend Income	2,271	2,240	2,557	3,080
Others	(1,095)	(7,744)	(2,702)	(6,906)
Net Cash from Invt. Activities	**(1,874)**	**(7,528)**	**(1,782)**	**(6,516)**
Issue of Share Cap. / Premium	(638)	(454)	(3,879)	(1,036)
Debt Changes	(8,178)	1,308	(1,917)	(2,000)
Dividend Paid	(17,343)	(17,704)	(21,801)	(22,886)
Interest Paid	(1,388)	(1,128)	(1,144)	(998)
Others	-	-	-	-
Net Cash from Fin. Activities	**(27,547)**	**(17,977)**	**(28,741)**	**(26,920)**
Net Change in Cash	**(1,339)**	**399**	**81**	**(27)**
Free Cash Flow	25,032	23,881	28,967	30,718

Source: Company, PL

Quarterly Financials (INR mn)

Y/e Mar	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Net Revenues	**48,406**	**49,698**	**47,189**	**50,000**
YoY gr. (%)	*3.7*	*8.2*	*6.5*	*8.2*
Raw Material Expenses	28,229	28,198	27,311	29,250
Gross Profit	20,177	21,500	19,879	20,750
Margin (%)	*41.7*	*43.3*	*42.1*	*41.5*
EBITDA	**9,546**	**9,800**	**8,529**	**8,401**
YoY gr. (%)	*21.8*	*16.0*	*5.9*	*11.0*
Margin (%)	*19.7*	*19.7*	*18.1*	*16.8*
Depreciation / Depletion	851	845	852	795
EBIT	**8,695**	**8,955**	**7,676**	**7,606**
Margin (%)	*18.0*	*18.0*	*16.3*	*15.2*
Net Interest	347	333	187	229
Other Income	521	595	555	614
Profit before Tax	**8,870**	**9,217**	**8,044**	**7,991**
Margin (%)	*18.3*	*18.5*	*17.0*	*16.0*
Total Tax	2,286	2,369	1,054	2,040
Effective Tax Rate (%)	*25.8*	*25.7*	*13.1*	*25.5*
Profit After Tax	**6,584**	**6,848**	**6,990**	**5,952**
Minority Interest	-	-	-	-
Share Profit from Associate	(33)	(27)	(193)	(18)
Adjusted PAT	**6,584**	**6,848**	**6,990**	**5,952**
YoY gr. (%)	*23.0*	*17.2*	*24.0*	*13.4*
Margin (%)	*13.6*	*13.8*	*14.8*	*11.9*
Extra Ord. Income / (Exp)	83	41	107	58
Reported PAT	**6,634**	**6,862**	**6,904**	**5,992**
YoY gr. (%)	*24.5*	*16.6*	*24.1*	*15.0*
Margin (%)	*13.7*	*13.8*	*14.6*	*12.0*
Other Comprehensive Income	-	-	-	1
Total Comprehensive Income	**6,634**	**6,862**	**6,904**	**5,993**
Avg. Shares O/s (mn)	241	241	241	241
EPS (INR)	**27.4**	**28.5**	**29.1**	**24.7**

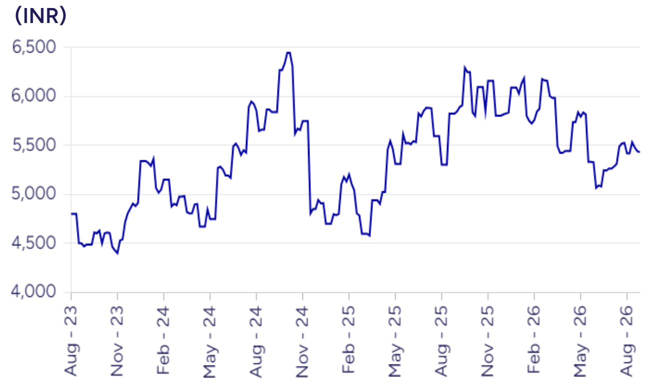
Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	91.4	105.4	112.2	131.6
CEPS	104.4	119.4	126.7	146.8
BVPS	180.8	212.0	217.3	249.6
FCF	103.9	99.1	120.2	127.5
DPS	73.5	91.0	95.0	100.0
Return Ratio (%)				
RoCE	49.7	53.3	53.6	60.2
ROIC	38.8	41.5	43.8	49.9
RoE	53.1	53.7	52.3	56.4
Balance Sheet				
Net Debt : Equity (x)	-	-	-	-
Net Working Capital (Days)	(1)	(2)	-	-
Valuation (x)				
PER	59.1	51.2	48.1	41.0
P/B	29.8	25.4	24.8	21.6
P/CEPS	51.7	45.2	42.6	36.8
EV/EBITDA	40.7	36.5	34.0	29.1
EV/Sales	7.2	6.7	6.0	5.4
Dividend Yield (%)	1.3	1.6	1.7	1.8
FCFF Yield (%)	1.9	1.8	2.2	2.3
PEG Ratio	19.2	3.3	7.4	2.3

Source: Company, PL

Price Chart



Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	08-Jul-26	BUY	6441	5452
2	08-May-26	Buy	6441	5520
3	09-Apr-26	BUY	6792	5475
4	11-Feb-26	BUY	6972	6019
5	08-Jan-26	BUY	6761	6185
6	07-Nov-25	BUY	6761	6158
7	08-Oct-25	BUY	6484	5897
8	06-Aug-25	BUY	6223	5403
9	09-Jul-25	BUY	5941	5839
10	12-May-25	BUY	5941	5613

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	Asian Paints	HOLD	2720	2758
2	Avenue Supermarts	HOLD	4000	3847
3	Britannia Industries	BUY	6441	5452
4	Colgate Palmolive	HOLD	2242	2166
5	Dabur India	HOLD	492	434
6	Emami	HOLD	443	392
7	Hindustan Unilever	Accumulate	2320	2023
8	ITC	HOLD	291	281
9	Jubilant FoodWorks	BUY	576	455
10	Marico	Accumulate	940	875
11	Metro Brands	HOLD	1034	1005
12	Nestle India	Accumulate	1606	1520
13	Pidilite Industries	Accumulate	1739	1665
14	Restaurant Brands Asia	Accumulate	93	71
15	Titan Company	BUY	5209	4604
16	Westlife Foodworld	Accumulate	543	487

PL's Recommendation Nomenclature (Absolute Performance)

BUY : > 15%
Accumulate : 5% to 15%
Hold : +5% to -5%
Reduce : -5% to -15%
Sell : < -15%
Not Rated (NR) : No specific call on the stock
Under Review (UR) : Rating likely to change shortly

ANALYST CERTIFICATION

Indian Clients

We/I Mr. Amnish Aggarwal MBA, CFA, Mr. Vishwa Solanki PGDM - Finance, Mr. Parth Thakker BFM, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

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