

Valuation Model of Britannia Industries Ltd



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Inputs and Assumptions for Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

General Assumptions

Company	Britannia Industries Ltd
Current Share Price	4,777.0
52 Week High	6,473.0
52 Week Low	4,641.0
Shares Outstanding	24.1
Financial Reporting Units	Crores
Currency	INR
Valuation Date	18-12-2024
Last FYE Before Valuation Date	31-03-2024
Next FYE After Valuation Date	31-03-2025

Valuation Assumptions

Risk Free Rate	6.0%
Country Risk Premium	1.5%
Company Risk Premium	
Target Capital Structure (% Debt)	2.0%
Tax Rate	25.2%
Terminal Value EBITDA Multiple	30.0x
Long-Term Growth Rate	6.0%

Toggles and Controls

Comparable & Precedent Valuation Multiple		EV/EBITDA
Scenario:		Bull
Base	Based on Estimates or Historical Analysis	1
Bull	Base (+) 10%.	2
Bear	Base (-) 10%.	3
Bull	Base (+) 10%.	2

Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

Model Running: Bull Case Drivers

Company Overview						

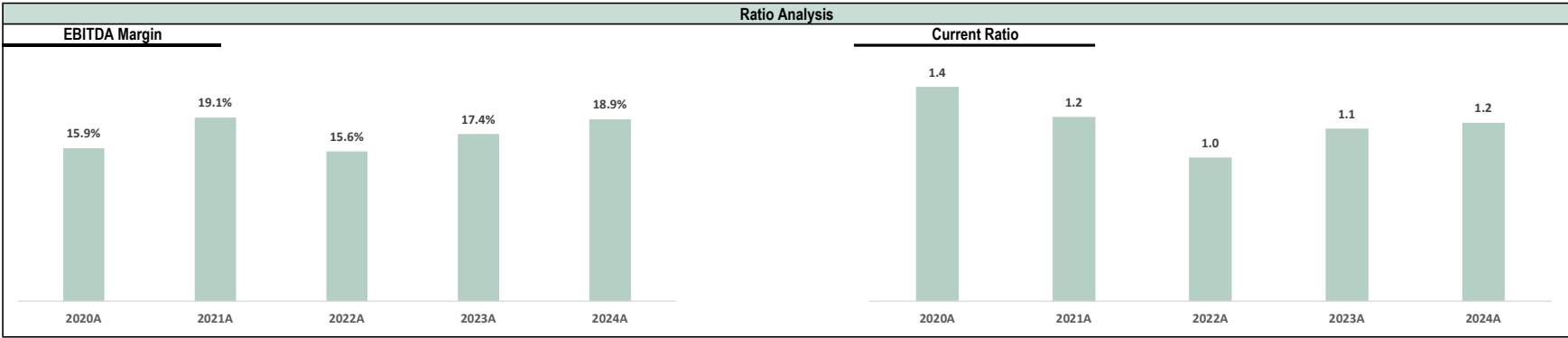
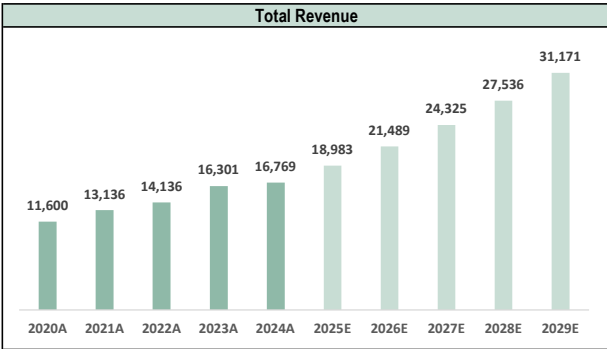
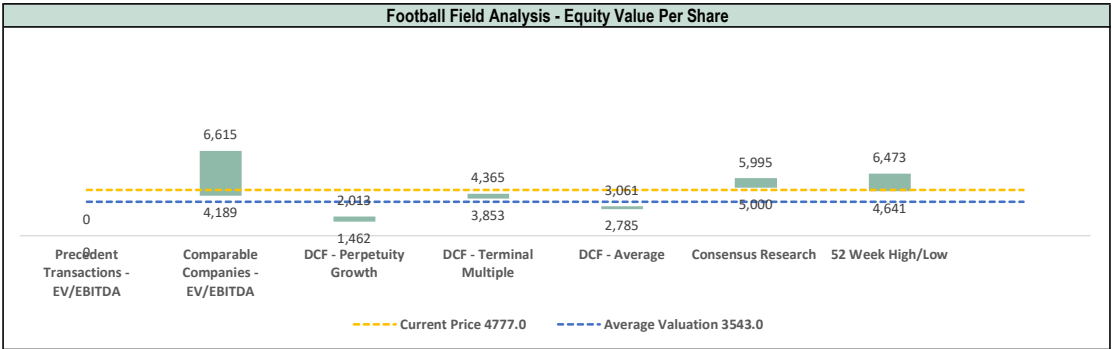
Current Capitalization	
Current Price (Rs)	4777.0
Shares OS	24.1
52 week High (Rs)	6473.0
52 week Low (Rs)	4641.0
Market Capitalization	115062.8
Debt	2065.0
Cash	322.8
Enterprise Value	116804.9

Key Financial Metrics	2020A	2021A	2022A	2023A	2024A
Total Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Growth (%)		13.2%	7.6%	15.3%	2.9%
EBITDA	1843.2	2509.3	2201.5	2830.9	3169.8
Margin (%)	15.9%	19.1%	15.6%	17.4%	18.9%
PAT	1393.2	1850.9	1516.2	2316.6	2135.2
Margin (%)	12.0%	14.1%	10.7%	14.2%	12.7%
EPS	58.0	76.9	62.9	96.2	88.6
Growth (%)		32.7%	-18.1%	52.8%	-7.8%

Valuation Summary						
Valuation Method	Current Price	Equity Value Per Share	Equity Value	Enterprise Value	Discount / Premium	Discount / Premium (%)
Precedent Transactions - EV/EBITDA	4777.0				Discount	
Comparable Companies - EV/EBITDA	4777.0	4640.7	111780.2	113522.4	Premium	2.9%
DCF - Perpetuity Growth	4777.0	1726.9	41595.0	43337.2	Premium	176.6%
DCF - Terminal Multiple	4777.0	4109.3	98979.0	100721.2	Premium	16.2%
DCF - Average	4777.0	2918.1	70287.0	72029.2	Premium	63.7%

Five-Year Performance Summary		
	5-Yr Average	Trend
Revenue	14388.4	
COGS	8479.4	
Expenses	3398.0	
Net Profit	1842.4	

Key Financial Ratios	2020A	2021A	2022A	2023A	2024A
ROE (%)	31.4%	51.6%	58.6%	65.0%	53.8%
ROA (%)	17.8%	23.1%	20.2%	24.8%	23.5%
Debt / Equity (x)	0.3x	0.6x	1.0x	0.8x	0.5x
Interest Coverage Ratio	21.6x	20.8x	13.9x	15.4x	17.5x
Dividend Payout Ratio (0.7%	3.2%	3.2%	1.3%	1.5%
P/ E (x)	46.4x	47.1x	50.9x	44.9x	55.4x
EV/ EBITDA (x)	35.8x	35.6x	36.2x	37.8x	37.9x
P/ BV (x)	14.6x	24.3x	29.9x	29.2x	29.8x
EV/ Sales (x)	5.7x	6.8x	5.6x	6.6x	7.2x



Financials of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

	2020A	2021A	Historical 2022A	2023A	2024A
Balance Sheet Check	ok	ok	ok	ok	ok
End of Period	31-03-2020	31-03-2021	31-03-2022	31-03-2023	31-03-2024
Days in Period	366	365	365	365	366
Fraction of Year	1.0	1.0	1.0	1.0	1.0

Income Statement	2020A	2021A	2022A	2023A	2024A
Revenue From Operations	11444.0	12883.0	13944.7	15984.9	16546.2
Other Operating Revenue	155.6	253.1	191.6	315.7	223.1
Total Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Cost Of Goods Sold	6927.5	7626.1	8760.3	9591.3	9492.0
Gross Profit	4672.1	5510.0	5376.0	6709.3	7277.2
Employee benefits expense	486.7	527.4	542.3	658.4	708.7
Selling, General & Administrative Expenses	2342.2	2473.4	2632.2	3220.0	3398.7
Other Expenses	0.0	0.0	0.0	0.0	
Total Operating Expenses	2828.9	3000.8	3174.5	3878.3	4107.4
Earnings Before Interest,Tax, And Deprecistion & Amortization	1843.2	2509.3	2201.5	2830.9	3169.8
Depreciation of PP&E	178.0	189.6	190.9	216.0	289.1
Amortization of Intangibles	2.9	2.8	4.2	3.9	3.9
Amortization of ROU	4.3	5.2	5.2	5.8	6.5
Total Depreciation And Amortisation Expenses	185.3	197.6	200.3	225.7	299.5
Earnings Before Interest & Tax	1657.9	2311.7	2001.2	2605.3	2870.4
Interest Expenses	76.9	110.9	144.3	169.1	164.0
Other Income (Including Interest Income)	279.4	312.9	222.8	215.9	214.2
Profit Before Share In Associates, Joint Ventures & Exceptional	1860.4	2513.7	2079.8	2652.0	2920.5
Share Of Profit Of Associates	0.4	0.8	-0.2	5.4	-3.2
Share Of Profit Joint Ventures	0.0	0.0	0.0	0.0	0.0
Exceptional Items (Net)	17.0	0.6	1.0	-375.6	2.9
Earnings Before Tax	1843.9	2513.9	2078.6	3033.0	2914.5
Current Tax	447.7	657.1	612.2	721.0	765.7
Deferred Tax	3.0	5.9	-49.9	-4.5	13.6
Total Tax	450.7	663.0	562.4	716.5	779.3
Profit After Tax	1393.2	1850.9	1516.2	2316.6	2135.2
Weighted-Average Shares used in Computation of Earnings per Share:					
Basic	24.0	24.1	24.1	24.1	24.1
Diluted	24.0	24.1	24.1	24.1	24.1
Earnings Per Share					
Basic	58.0	76.9	62.9	96.2	88.6
Diluted	57.9	76.9	62.9	96.2	88.6
Dividends	432.5	2823.8	2484.9	1359.2	1732.5
Price Per Share	2689.0	3625.1	3206.4	4322.2	4911.3

Balance Sheet	2020A	2021A	2022A	2023A	2024A
ASSETS					
Non-Current Assets					
Property, Plant And Equipment	1524.2	1439.7	1394.8	2275.7	2404.2
Capital Work-In-Progress	39.6	116.5	535.7	105.0	187.5
Right-Of-Use Assets	192.2	194.6	189.3	196.5	198.8
Intangible Assets	8.4	8.5	15.6	14.2	10.9
Intangible Assets Under Development	139.0	135.9	139.6	128.2	129.8
Goodwill	1884.5	1387.7	928.6	1523.3	1070.2
Investments	14.5	14.2	14.0	40.6	27.5
Investment Property	0.0	0.0	0.0	0.0	0.0
Other Non-Current Assets	365.1	292.2	327.6	323.0	196.0
Total Non-Current Assets	4167.3	3589.3	3545.1	4606.5	4224.9
Current Assets					
Investments	1008.8	1393.3	833.7	1801.0	1696.5
Cash And Cash Equivalents	81.2	142.7	118.0	102.4	322.8
Inventories	741.0	1091.5	1367.5	1193.3	1181.2
Trade Receivables	320.4	257.3	331.9	328.9	393.3
Other Bank Balances	41.6	68.6	66.9	95.6	123.6
Other Current Assets	1482.0	1466.1	1252.4	1225.1	1131.3
Total Current Assets	3675.0	4419.5	3970.4	4746.2	4848.7
Total Assets	7842.2	8008.8	7515.5	9352.7	9073.6
EQUITY AND LIABILITIES					
EQUITY					
Equity Share Capital	24.1	24.1	24.1	24.1	24.1
Retained Earnings	3162.8	2187.0	2091.1	3225.7	3629.5
Other Equity	1216.0	1336.6	443.0	284.5	287.9
Equity Attributable To Owners Of The Company	4402.8	3547.7	2558.1	3534.3	3941.5
Non Controlling Interest	35.7	36.3	27.5	30.2	24.5
Total Equity	4438.5	3584.0	2585.6	3564.5	3966.0
LIABILITIES					
Non-Current Liabilities					
Borrowings	766.1	747.2	707.0	1551.8	904.7
Lease Liabilities	0.0	15.2	13.8	14.4	20.1
Provisions	0.0	0.0	0.0	25.6	30.6
Deferred Tax Liabilities (Net)	12.7	8.7	0.8	1.9	2.1
Other Financial Liabilities	46.5	44.9	52.6	60.2	65.7
Other Non-Current Liabilities					
Total Non-Current Liabilities	825.3	815.9	774.2	1653.8	1023.1
Current Liabilities					
Borrowings	748.0	1357.2	1758.6	1428.7	1136.5
Lease Liabilities	0.0	2.0	1.9	2.5	3.6
Trade Payables	1047.0	1313.2	1285.2	1448.8	1627.5
Provisions	273.7	387.5	485.1	513.4	559.2
Current Tax Liabilities (Net)	47.8	76.1	74.6	68.4	92.9
Other Current Liabilities	462.0	473.0	550.4	672.6	664.7
Total Current Liabilities	2578.5	3608.9	4155.7	4134.4	4084.4
Total Liabilities	3403.8	4424.8	4929.9	5788.2	5107.5
Total Equity And Liabilities	7842.2	8008.8	7515.5	9352.7	9073.6
Net Working Capital	754.5	633.8	623.4	139.7	-115.0

Check

Yes

Yes

Yes

Yes

Yes

Cash Flow Statement	2020A	2021A	2022A	2023A	2024A
Cash Flow From Operating Activities					
Profit before tax	1843.9	2512.8	2078.5	3027.4	2916.7
Adjustments For:					
Depreciation And Amortisation Expenses	184.8	197.9	200.5	225.9	300.5
Finance Costs	76.9	110.9	144.3	169.1	164.0
Share Based Expenses	21.6	18.9	4.8	0.0	0.0
Deferred Tax					
Other Operating Activities	-266.8	-300.5	-214.5	-576.1	-204.4
Change in NWC	127.4	-31.7	-327.3	405.7	161.1
Change in Other Long-Term Assets					
Change in Other Long-Term Liabilities					
Cash Generated From Operating Activities	1987.8	2508.3	1886.4	3252.0	3337.9
Direct Taxes Paid	-503.3	-632.8	-586.9	-725.8	-764.9
Net Cash From Operating Activities	1484.5	1875.5	1299.5	2526.2	2573.0
Cash Flow From Investing Activities					
Capital Expenditures	-244.2	-240.5	-550.2	-711.5	-561.5
Net Investment	-1415.8	467.5	1249.5	-890.0	830.2
Other Investing Activities	128.4	208.6	211.6	84.4	206.8
Net Cash From/(Used In) Investing Activities	-1531.6	435.6	910.9	-1517.1	475.5
Cash Flow From Financing Activities					
Total Borrowings Issued (Repaid)	492.5	569.0	359.9	518.2	-940.2
Total Lease Liabilities Issued (Repaid)	-2.0	-2.6	-1.6	-2.8	-2.0
Equity Issued (Repurchased)	24.0	103.2	0.0	0.0	0.0
Dividend Paid	-432.5	-2823.8	-2484.9	-1359.2	-1732.5
Finance Cost Paid	-36.0	-102.3	-119.3	-196.3	-164.9
Other Financing Activities	12.0	14.0	0.0	11.7	9.1
Net Cash From/(Used In) Financing Activities	57.9	-2242.5	-2245.8	-1028.4	-2830.5
Net Increase/(Decrease) In Cash And Cash Equivalents	10.8	68.6	-35.4	-19.2	218.0
Cash And Cash Equivalents At The Beginning Of The Year	64.4	72.8	144.8	119.4	101.5
Cash And Cash Equivalents At The End Of The Year	75.3	141.5	109.3	100.2	319.5

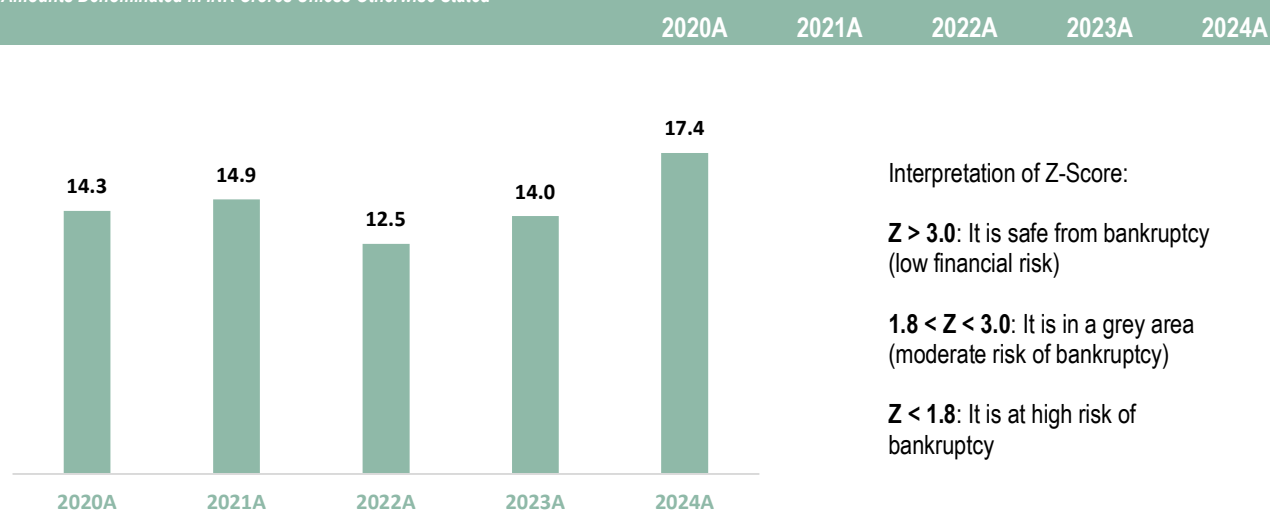
Ratio Analysis of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

	2020A	2021A	2022A	2023A	2024A	Trend	Mean	Median
Growth Ratios								
Sales Growth		13.2%	7.6%	15.3%	2.9%		9.8%	10.4%
EBITDA Growth		36.1%	-12.3%	28.6%	12.0%		16.1%	20.3%
EBIT Growth		39.4%	-13.4%	30.2%	10.2%		16.6%	20.2%
Net Profit Growth		32.9%	-18.1%	52.8%	-7.8%		14.9%	12.5%
Dividend Growth		552.8%	-12.0%	-45.3%	27.5%		130.8%	7.7%
Earnings Per Share Growth		32.7%	-18.1%	52.8%	-7.8%		14.9%	12.4%
Profitability Ratios								
Gross Margin	40.3%	41.9%	38.0%	41.2%	43.4%		41.0%	41.2%
EBITDA Margin	15.9%	19.1%	15.6%	17.4%	18.9%		17.4%	17.4%
EBIT Margin	14.3%	17.6%	14.2%	16.0%	17.1%		15.8%	16.0%
EBT Margin	15.9%	19.1%	14.7%	18.6%	17.4%		17.1%	17.4%
Net Profit Margin	12.0%	14.1%	10.7%	14.2%	12.7%		12.8%	12.7%
Return on Assets (ROA)	17.8%	23.1%	20.2%	24.8%	23.5%		21.9%	23.1%
Return on Equity (ROE)	31.4%	51.6%	58.6%	65.0%	53.8%		52.1%	53.8%
Return on Capital Employed (ROCE)	31.5%	52.5%	59.6%	49.9%	57.5%		50.2%	52.5%
Liquidity Ratios								
Current Ratio	1.4	1.2	1.0	1.1	1.2		1.2	1.2
Quick Ratio (Acid-Test Ratio)	1.1	0.9	0.6	0.9	0.9		0.9	0.9
Cash Ratio	0.0	0.0	0.0	0.0	0.1		0.0	0.0
Leverage Ratios								
Interest %	5.1%	6.1%	6.3%	6.2%	6.5%		6.0%	6.2%
Debt-to-Equity Ratio	0.3x	0.6x	1.0x	0.8x	0.5x		0.7x	0.6x
Debt-to-Assets Ratio	0.2x	0.3x	0.3x	0.3x	0.2x		0.3x	0.3x
Debt-to-EBITDA	0.8x	0.8x	1.1x	1.1x	0.7x		0.9x	0.8x
Interest Coverage Ratio	21.6x	20.8x	13.9x	15.4x	17.5x		17.8x	17.5x
Financial Leverage Ratio	1.8x	2.2x	2.9x	2.6x	2.3x		2.4x	2.3x
Efficiency Ratios								
Asset Turnover Ratio	1.5x	1.7x	1.8x	1.9x	1.8x		1.7x	1.8x
PP&E Turnover Ratio	7.6x	8.9x	10.0x	8.9x	7.2x		8.5x	8.9x
Intangibles Turnover Ratio	1385.8x	1553.7x	1171.2x	1092.5x	1334.1x		1307.5x	1334.1x
ROU Turnover Ratio	60.4x	67.9x	73.7x	84.5x	84.9x		74.3x	73.7x
Working Capital Turnover Ratio	10.6x	13.8x	45.2x	76.4x	24.4x		34.1x	24.4x
Inventory Turnover Ratio	9.3x	8.3x	7.1x	7.5x	8.0x		8.1x	8.0x
Receivables Turnover Ratio	36.2x	45.5x	48.0x	49.3x	46.4x		45.1x	46.4x
Payables Turnover Ratio	6.6x	6.5x	6.7x	7.0x	6.2x		6.6x	6.6x
Inventory Days	39 Days	44 Days	51 Days	49 Days	46 Days		46 Days	46 Days
Debtor Days	10 Days	8 Days	8 Days	7 Days	8 Days		8 Days	8 Days
Payable Days	55 Days	56 Days	54 Days	52 Days	59 Days		55 Days	55 Days
Cash Conversion Cycle Days	-6 Days	-5 Days	5 Days	4 Days	-6 Days		-2 Days	-5 Days
Valuation Ratios								
Price-to-Earnings (P/E) Ratio	46.4	47.1	50.9	44.9	55.4		49.0	47.1
Price-to-Book (P/B) Ratio	14.6	24.3	29.9	29.2	29.8		25.6	29.2
Price-to-Sales (P/S) Ratio	5.6	6.6	5.5	6.4	7.1		6.2	6.4
Enterprise Value-to-EBITDA (EV/EBITDA)	35.8	35.6	36.2	37.8	37.9		36.6	36.2
Enterprise Value-to-Sales (EV/Sales)	5.7	6.8	5.6	6.6	7.2		6.4	6.6
Enterprise Value-to-Free Cash Flow (EV/FCF)								
Dividend Yield	0.0	0.0	0.0	0.0	0.0		0.0	0.0
Dividend Payout Ratio	0.3	1.5	1.6	0.6	0.8		1.0	0.8
Earnings Yield	0.0	0.0	0.0	0.0	0.0		0.0	0.0
PEG Ratio (Price-to-Earnings Growth)		144.3	-280.9	85.1	-707.6		-189.8	-97.9
Cash Flow Ratios								
CFO/Sales	0.1	0.1	0.1	0.2	0.2		0.1	0.1
CFO/Total Assets	0.2	0.2	0.2	0.3	0.3		0.2	0.2
CFO/Total Debt	1.0	0.9	0.5	0.8	1.2		0.9	0.9

Altman's Z Score Analysis of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated



Working Capital	1096.5	810.6	-185.3	611.8	764.3
Total Assets	7842.2	8008.8	7515.5	9352.7	9073.6
Working Capital / Total Assets (A)	14.0%	10.1%	-2.5%	6.5%	8.4%

Retained Earnings	3162.8	2187.0	2091.1	3225.7	3629.5
Total Assets	7842.2	8008.8	7515.5	9352.7	9073.6
Retained Earnings / Total Assets (B)	40.3%	27.3%	27.8%	34.5%	40.0%

EBIT	1657.9	2311.7	2001.2	2605.3	2870.4
Total Assets	7842.2	8008.8	7515.5	9352.7	9073.6
EBIT / Total Assets (C)	21.1%	28.9%	26.6%	27.9%	31.6%

Market Cap	64636.8	87261.0	77232.0	104106.9	118296.4
Total Liabilities	3403.8	4424.8	4929.9	5788.2	5107.5
Market Cap / Total Liabilities (D)	1899.0%	1972.1%	1566.6%	1798.6%	2316.1%

Sales	11599.6	13136.1	14136.3	16300.6	16769.3
Total Assets	7842.2	8008.8	7515.5	9352.7	9073.6
Sales / Total Assets (E)	147.9%	164.0%	188.1%	174.3%	184.8%

Altman's Z Score

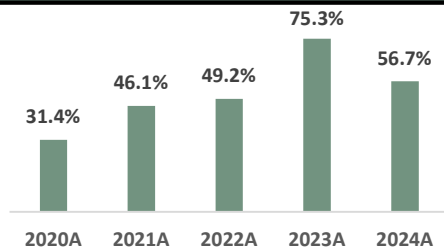
Final Score	14.3	14.9	12.5	14.0	17.4
Financial Stability	Strong	Strong	Strong	Strong	Strong

DuPont Analysis of Britannia Industries Ltd

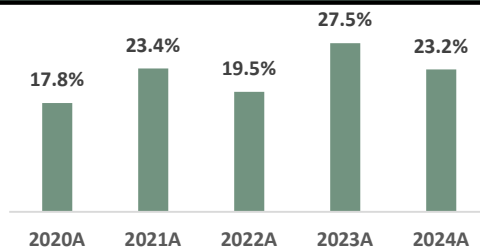
All Amounts Denominated in INR Crores Unless Otherwise Stated

2020A 2021A 2022A 2023A 2024A

Return on Equity (ROE)



Return on Asset (ROA)



Return on Equity (ROE)	2020A	2021A	2022A	2023A	2024A
Net Profit	1393.2	1850.9	1516.2	2316.6	2135.2
Average Shareholder Equity	4438.5	4011.2	3084.8	3075.1	3765.3
Return on Equity	31.4%	46.1%	49.2%	75.3%	56.7%

ROE - Dupont Equation

Net Profit	1393.2	1850.9	1516.2	2316.6	2135.2
Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Net Profit Margin (A)	12.0%	14.1%	10.7%	14.2%	12.7%
Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Average Total Asset	7842.2	7925.5	7762.2	8434.1	9213.1
Asset Turnover Ratio (B)	1.5x	1.7x	1.8x	1.9x	1.8x
Average Total Asset	7842.2	7925.5	7762.2	8434.1	9213.1
Average Shareholder Equity	4438.5	4011.2	3084.8	3075.1	3765.3
Equity Multiplier (C)	1.8x	2.0x	2.5x	2.7x	2.4x
Return on Equity (A*B*C)	31.4%	46.1%	49.2%	75.3%	56.7%

Return on Asset	2020A	2021A	2022A	2023A	2024A
Net Profit	1393.2	1850.9	1516.2	2316.6	2135.2
Average Total Asset	7842.2	7925.5	7762.2	8434.1	9213.1
Return on Asset	17.8%	23.4%	19.5%	27.5%	23.2%

ROA - Dupont Equation

Net Profit	1393.2	1850.9	1516.2	2316.6	2135.2
Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Net Profit Margin (A)	12.0%	14.1%	10.7%	14.2%	12.7%
Revenue	11599.6	13136.1	14136.3	16300.6	16769.3
Average Total Asset	7842.2	7925.5	7762.2	8434.1	9213.1
Asset Turnover Ratio (B)	1.5x	1.7x	1.8x	1.9x	1.8x
Return on Asset (A*B)	17.8%	23.4%	19.5%	27.5%	23.2%

Weighted-Average Cost of Capital (WACC) of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

Peer Comps

Name of the Comp	Country	Total Debt	Total Equity	Tax Rate ¹	Debt / Equity	Debt / Capital	Levered Beta ²	Unlevered Beta ³
Hindustan Unilever Ltd	India	1484	51218	25.2%	0.03	0.03	0.52	0.51
Nestle India Ltd	India	345	3340	25.2%	0.10	0.09	0.42	0.39
Varun Beverages Ltd	India	6761	8578	25.2%	0.79	0.44	0.64	0.40
Godrej Consumer Products Ltd	India	3222	12598	25.2%	0.26	0.20	0.53	0.44
Dabur India Ltd	India	1365	9866	25.2%	0.14	0.12	0.52	0.47
Colgate-Palmolive (India) Ltd	India	72	1874	25.2%	0.04	0.04	0.64	0.63
Procter & Gamble Hygiene and Health Care Ltd	India	4	946	25.2%	0.00	0.00	0.23	0.23

Average	25.2%	0.19	0.13	0.50	0.44
Median	25.2%	0.10	0.09	0.52	0.44

Levered Beta

Comps Median Unlevered Beta	0.4
Target Debt / Equity	2.0%
Tax Rate	25.2%
Levered Beta	0.5

Cost of Equity

Risk Free Rate	6.0%
Return on Market ⁷	16.8%
Equity Risk Premium	10.8%
Levered Beta ⁴	0.5
Cost of Equity	10.9%

Capital Structure

		Current	Target
Total Debt	2065.0	1.8%	2.0%
Market Capit	115062.8	98.2%	98.0%
Total Capital	117127.7	100.0%	100.0%
Debt / Equity		0.02	0.02

Cost of Debt

Pre-Tax Cost of Debt	6.2%
Tax Rate	25.2%
Post Tax Cost of Debt	4.6%

Weighted Average Cost of Capital

	Total Cost	Total Weight
Debt	4.6%	2.0%
Equity	10.9%	98.0%
Weighted Average Cost of Capital		10.7%

1. Tax rate considered as marginal tax rate for the country.
2. Levered beta is based on 5 year monthly data.
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) * Debt/Equity)
4. Levered Beta = Unlevered Beta * (1 + (1 - Tax Rate) * Debt/Equity)
5. India 10-Year Bond Yield
6. Source: Aswanth Damodran
7. NIFTY Returns

Intrinsic Growth of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

	2020A	2021A	2022A	2023A	2024A	Mean	Median
Calculation of Return on Invested Capital (ROIC)	2020A	2021A	2022A	2023A	2024A	Mean	Median
Total Debt	1514.1	2121.5	2481.2	2997.4	2065.0	2235.8	2121.5
Total Equity	4402.8	3547.7	2558.1	3534.3	3941.5	3596.9	3547.7
Non-Current Investment	14.5	14.2	14.0	40.6	27.5	22.1	14.5
Current Investments	1008.8	1393.3	833.7	1801.0	1696.5	1346.7	1393.3
Cash And Cash Equivalents	81.2	142.7	118.0	102.4	322.8	153.4	118.0
Invested Capital	4812.4	4119.0	4073.6	4587.6	3959.7	4310.5	4119.0
EBIT	1657.9	2311.7	2001.2	2605.3	2870.4	2289.3	2311.7
Return on Invested Capital (ROIC)	34.5%	56.1%	49.1%	56.8%	72.5%	53.8%	56.1%

Calculation of Reinvestment Rate	2020A	2021A	2022A	2023A	2024A	Mean	Median
Net Capex	244.2	240.5	550.2	711.5	561.5	461.6	550.2
Change in Net Working Capital		-120.7	-10.3	-483.8	-254.6	-217.4	-187.7
Reinvestment		119.8	539.8	227.7	306.9	298.6	267.3
EBIT	1657.9	2311.7	2001.2	2605.3	2870.4	2289.3	2311.7
Marginal Tax Rate	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%	25.2%
EBIT(1-T)		1729.8	1497.5	1949.5	2147.9	1831.2	1839.7
Reinvestment Rate		6.9%	36.0%	11.7%	14.3%	17.2%	13.0%

Calculation of Growth Rate	2020A	2021A	2022A	2023A	2024A	Mean	Median
ROIC		56.1%	49.1%	56.8%	72.5%	58.6%	56.5%
Reinvestment Rate		6.9%	36.0%	11.7%	14.3%	17.2%	13.0%
Intrinsic Growth		3.9%	17.7%	6.6%	10.4%	9.6%	8.5%

FCF Assuptions of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

	2020A	2021A	2022A	2023A	2024A	2025E	2026E	Model Running: Bull Case Drivers		
								2027E	2028E	2029E
Total Revenue	11599.6	13136.1	14136.3	16300.6	16769.3	18982.8	21488.5	24325.0	27535.9	31170.7
Total Revenue Growth		13.2%	7.6%	15.3%	2.9%	13.2%	13.2%	13.2%	13.2%	13.2%
					Base	12.0%	12.0%	12.0%	12.0%	12.0%
					Bull	13.2%	13.2%	13.2%	13.2%	13.2%
					Bear	10.8%	10.8%	10.8%	10.8%	10.8%
EBIT	1657.9	2311.7	2001.2	2605.3	2870.4	3236.6	3663.8	4147.4	4694.9	5314.6
EBIT Margin	14.3%	17.6%	14.2%	16.0%	17.1%	17.1%	17.1%	17.1%	17.1%	17.1%
					Base	15.5%	15.5%	15.5%	15.5%	15.5%
					Bull	17.1%	17.1%	17.1%	17.1%	17.1%
					Bear	14.0%	14.0%	14.0%	14.0%	14.0%
Net Capex	244.2	240.5	550.2	711.5	561.5	854.2	967.0	1094.6	1239.1	1402.7
Net Capex as a % of Total Revenue	2.1%	1.8%	3.9%	4.4%	3.3%	4.5%	4.5%	4.5%	4.5%	4.5%
					Base	5.0%	5.0%	5.0%	5.0%	5.0%
					Bull	4.5%	4.5%	4.5%	4.5%	4.5%
					Bear	5.5%	5.5%	5.5%	5.5%	5.5%
Change in NWC	754.5	-120.7	-10.3	-483.8	-254.6	34.2	38.7	43.8	49.6	56.1
Change in NWC as a % of Total Revenue	6.5%	-0.9%	-0.1%	-3.0%	-1.5%	0.2%	0.2%	0.2%	0.2%	0.2%
					Base	0.2%	0.2%	0.2%	0.2%	0.2%
					Bull	0.2%	0.2%	0.2%	0.2%	0.2%
					Bear	0.2%	0.2%	0.2%	0.2%	0.2%
D&A Expenses	185.3	197.6	200.3	225.7	299.5	222.1	251.4	284.6	322.2	364.7
D&A Expenses as a % of Total Revenue	1.6%	1.5%	1.4%	1.4%	1.8%	1.2%	1.2%	1.2%	1.2%	1.2%
					Base	1.3%	1.3%	1.3%	1.3%	1.3%
					Bull	1.2%	1.2%	1.2%	1.2%	1.2%
					Bear	1.4%	1.4%	1.4%	1.4%	1.4%

Discounted Cash Flow (DCF) Analysis of Britannia Industries Ltd - Perpetuity Growth

All Amounts Denominated in INR Crores Unless Otherwise Stated

Model Running: Bull Case Drivers

Free Cash Flow to Firm (FCFF)	2024A	2025E	2026E	2027E	2028E	2029E	
Date	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029	
Mid Year Convention	0	0.5	1.5	2.5	3.5	4.5	
EBIT		3236.6	3663.8	4147.4	4694.9	5314.6	
NOPAT @ 25.2% Tax Rate		2421.9	2741.6	3103.5	3513.2	3976.9	
Plus: D&A		222.1	251.4	284.6	322.2	364.7	
EBITDA		3458.7	3915.2	4432.0	5017.0	5679.3	
Less: CapEx		854.2	967.0	1094.6	1239.1	1402.7	Terminal
Less: Changes in NWC		34.2	38.7	43.8	49.6	56.1	Value
Unlevered FCF		1755.6	1987.4	2249.7	2546.7	2882.8	64603.6
IRR FCFF	-116804.9	1755.6	1987.4	2249.7	2546.7	2882.8	64603.6

Calculation of Equity Value Per Share

Perpetuity Growth Rate	6.0%
WACC	10.7%
Enterprise Value	43337.2
Less: Total Debt	2065.0
Add: Cash	322.8
Equity Value	41595.0
Shares Outstanding	24.1
Equity Value Per Share	1726.9

Sensitivity Analysis of Equity Value Per Share

		WACC				
		8.7%	9.7%	10.7%	11.7%	12.7%
Perpetuity Growth Rate	5.0%	2330.5	1803.4	1461.6	1222.4	1045.8
	5.5%	2657.4	1991.4	1581.6	1304.3	1104.6
	6.0%	3103.9	2229.9	1726.9	1400.6	1172.2
	6.5%	3750.7	2542.1	1906.5	1515.3	1250.6
	6.8%	4196.6	2737.5	2013.3	1581.3	1294.7

Implied Price Vs Current Price

Current Price	4777.0
Premium/(Discount)	176.6%
IRR	-7%

Discounted Cash Flow (DCF) Analysis of Britannia Industries Ltd - Terminal Multiple

All Amounts Denominated in INR Crores Unless Otherwise Stated

Model Running: Bull Case Drivers

Free Cash Flow to Firm (FCFF)	2024A	2025E	2026E	2027E	2028E	2029E	
Date	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029	
Mid Year Convention	0	0.5	1.5	2.5	3.5	4.5	
EBIT		3236.6	3663.8	4147.4	4694.9	5314.6	
NOPAT @ 25.2% Tax Rate		2421.9	2741.6	3103.5	3513.2	3976.9	
Plus: D&A		222.1	251.4	284.6	322.2	364.7	
EBITDA		3458.7	3915.2	4432.0	5017.0	5679.3	
Less: CapEx		854.2	967.0	1094.6	1239.1	1402.7	Terminal
Less: Changes in NWC		34.2	38.7	43.8	49.6	56.1	Value
Unlevered FCF		1755.6	1987.4	2249.7	2546.7	2882.8	170378.9
IRR FCFF	-116804.9	1755.6	1987.4	2249.7	2546.7	2882.8	170378.9

Calculation of Equity Value Per Share

EBITDA Multiple	30.0x
WACC	10.7%
Enterprise Value	100721.2
Less: Total Debt	2065.0
Add: Cash	322.8
Equity Value	98979.0
Shares Outstanding	24.1
Equity Value Per Share	4109.3

Sensitivity Analysis of Equity Value Per Share

		WACC				
		8.7%	9.7%	10.7%	11.7%	12.7%
EBITDA Multiple	28.0x	4287.1	4063.5	3853.4	3656.1	3470.5
	29.0x	4429.8	4198.5	3981.3	3777.3	3585.4
	30.0x	4572.5	4333.6	4109.3	3898.5	3700.3
	31.0x	4715.2	4468.7	4237.2	4019.7	3815.2
	32.0x	4857.9	4603.7	4365.1	4140.9	3930.1

Implied Price Vs Current Price

Current Price	4777.0
Premium/(Discount)	16.2%
IRR	8%

Discounted Cash Flow (DCF) Analysis of Britannia Industries Ltd - Average

All Amounts Denominated in INR Crores Unless Otherwise Stated

Model Running: Bull Case Drivers

Free Cash Flow to Firm (FCFF)	2024A	2025E	2026E	2027E	2028E	2029E	
Date	31-03-2024	31-03-2025	31-03-2026	31-03-2027	31-03-2028	31-03-2029	
Mid Year Convention	0	0.5	1.5	2.5	3.5	4.5	
EBIT		3236.6	3663.8	4147.4	4694.9	5314.6	
NOPAT @ 25.2% Tax Rate		2421.9	2741.6	3103.5	3513.2	3976.9	
Plus: D&A		222.1	251.4	284.6	322.2	364.7	
EBITDA		3458.7	3915.2	4432.0	5017.0	5679.3	
Less: CapEx		854.2	967.0	1094.6	1239.1	1402.7	Terminal
Less: Changes in NWC		34.2	38.7	43.8	49.6	56.1	Value
Unlevered FCF		1755.6	1987.4	2249.7	2546.7	2882.8	117491.3
IRR FCFF	-116804.9	1755.6	1987.4	2249.7	2546.7	2882.8	117491.3

Calculation of Equity Value Per Share

Terminal Value - Perpetuity	64603.6
Terminal Value - Exit Multiple	170378.9
EBITDA Multiple	30.0x
Perpetuity Growth Rate	6.0%
WACC	10.7%
Enterprise Value	72029.2
Less: Total Debt	2065.0
Add: Cash	322.8
Equity Value	70287.0
Shares Outstanding	24.1
Equity Value Per Share	2918.1

Sensitivity Analysis of Equity Value Per Share

		EBITDA Multiple				
		28.0x	29.0x	30.0x	31.0x	32.0x
Perpetuity Growth Rate	5.0%	2657.5	2721.5	2785.4	2849.4	2913.4
	5.5%	2717.5	2781.5	2845.4	2909.4	2973.3
	6.0%	2790.2	2854.1	2918.1	2982.0	3046.0
	6.5%	2880.0	2943.9	3007.9	3071.9	3135.8
	6.8%	2933.4	2997.3	3061.3	3125.2	3189.2

Implied Price Vs Current Price

Current Price	4777.0
Premium/(Discount)	63.7%
IRR	2%

Comparable Transaction Valuation of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

Company Name	Country	Current Capitalization				Financial Estimates			Trading Multiples		
		Market Capitalization	Total Debt	Cash	Enterprise Value	Revenue	EBITDA	Net Income	EV/Revenue	EV/EBITDA	P/E ¹
Britannia Industries Ltd	India	115062.8	2065.0	322.8	116804.9	16769.3	3169.8	2135.2	7.0x	36.8x	53.9x
Hindustan Unilever Ltd	India	558063.2	1484.0	7559.0	551988.2	61896.0	15875.0	10282.0	8.9x	34.8x	54.3x
Nestle India Ltd	India	213126.9	345.0	778.9	212693.1	24393.9	6350.9	3932.8	8.7x	33.5x	54.2x
Varun Beverages Ltd	India	217157.9	6761.0	459.9	223459.1	16042.6	4397.7	2101.8	13.9x	50.8x	103.3x
Godrej Consumer Products Ltd	India	112571.8	3222.0	546.9	115246.8	14096.1	3198.3	-560.6	8.2x	36.0x	-200.8x
Dabur India Ltd	India	89936.1	1365.0	666.4	90634.8	12404.0	2798.9	1811.3	7.3x	32.4x	49.7x
Colgate-Palmolive (India) Ltd	India	75527.7	72.0	1373.8	74225.9	5680.4	2072.6	1323.7	13.1x	35.8x	57.1x
Procter & Gamble Hygiene and Health Care Ltd	India	50723.2	4.0	588.2	50139.0	4205.7	1032.3	675.0	11.9x	48.6x	75.1x

High	13.9x	50.8x	103.3x
75th Percentile	12.5x	42.3x	66.1x
Average	10.3x	38.8x	27.5x
Median	8.9x	35.8x	54.3x
25th Percentile	8.4x	34.1x	51.9x
Low	7.3x	32.4x	-200.8x

Valuation Multiple EV/EBITDA	Latest EBITDA	Implied Multiple Range			Implied Enterprise Value		
		Low	Mid	High	Low	Mid	High
Britannia Industries Ltd	3169.8	32.4x	35.8x	50.8x	102645.5	113522.4	161070.0
Plus: Cash					322.8	322.8	322.8
Less: Debt					2065.0	2065.0	2065.0
Equity Value					100903.4	111780.2	159327.8
Shares Outstanding					24.1	24.1	24.1
Implied Equity Value per Share					4189.2	4640.7	6614.7

Overvalued Overvalued Undervalued

Source: Screener.in

1. Calculated as Market Cap divided by Net Income

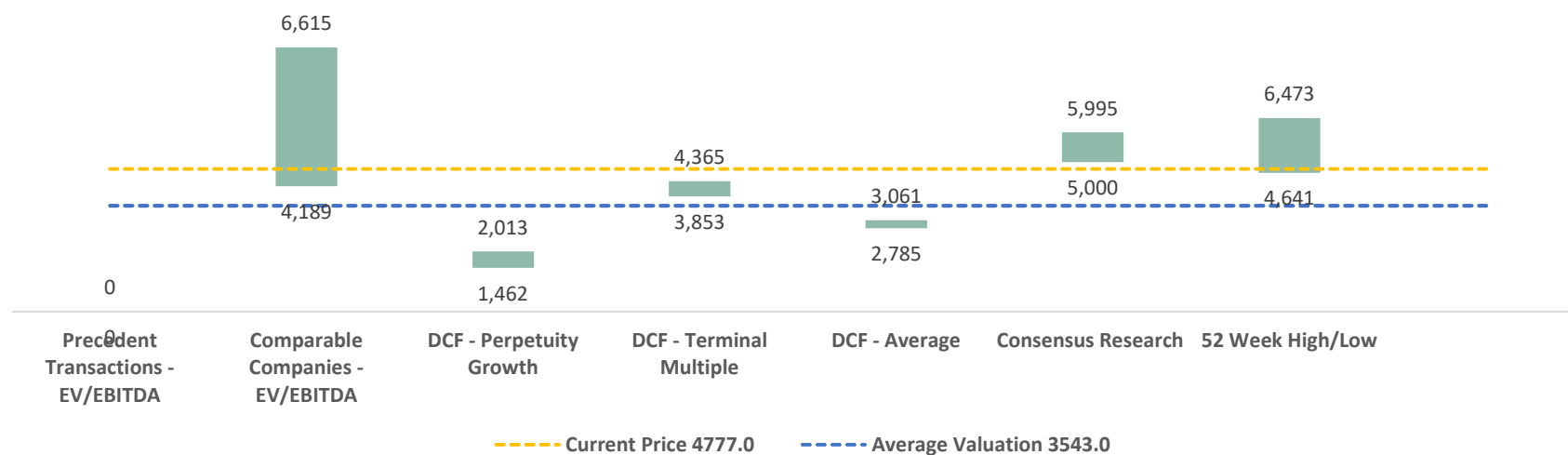
Equity Analyst Coverage of Britannia Industries Ltd

All Amounts Denominated in INR Crores Unless Otherwise Stated

#	Effective Date	Research Contributor	Action	Target Price Per Share	Recommendation
1	10-12-2024	Geojit BNP Paribas		5290	Buy
2	14-11-2024	KRChoksey		5601	Accumulate
3	13-11-2024	Axis Direct		5000	Hold
4	13-11-2024	Emkay		5200	Sell
5	12-11-2024	Motilal Oswal		5500	Hold
6	12-11-2024	BOB Capital Markets Ltd.		5832	Buy
7	12-11-2024	Sharekhan		5995	Buy
8					
9					
10					
Low				5000	
Average				5488	
Median				5500	
High				5995	

Football Field Analysis of Britannia Industries Ltd

Model Running: Bull Case Drivers



Football Field	Low	Mid	High
Precedent Transactions - EV/EBITDA			
Comparable Companies - EV/EBITDA	4189.2	4640.7	6614.7
DCF - Perpetuity Growth	1461.6	551.7	2013.3
DCF - Terminal Multiple	3853.4	511.7	4365.1
DCF - Average	2785.4	275.8	3061.3
Consensus Research	5000.0	995.0	5995.0
52 Week High/Low	4641.0	1832.0	6473.0