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*Quarterly Result Update*

# BRITANNIA INDUSTRIES LIMITED

***August 16, 2019***

**Current Price: ₹ 2480.85**

## STOCK DATA

| | |
|---|---|
| BSE Code | 500825 |
| NSE Symbol | BRITANNIA |
| Reuters | BRIT.BO |
| Bloomberg | BRIT IN |

## VALUE PARAMETERS

| | |
|---|---|
| 52 W H/L(Rs) | 3472.05/2470.00 |
| Mkt. Cap.(Rs Cr) | 59619.36 |
| Latest Equity (Subscribed) | 24.03 |
| Latest Reserve | 4229.22 |
| Latest EPS -Unit Curr. | 48.34 |
| Latest P/E Ratio | 51.32 |
| Latest Bookvalue -Unit Curr. | 176.98 |
| Latest P/BV | 14.02 |
| Dividend Yield -% | 0.60 |
| Face Value | 1 |

## SHARE HOLDING PATTERN (%)

| Description as on | % of Holding (AS ON 30 Jun 2019) |
|---|---|
| Foreign | 17.09 |
| Institutions | 13.12 |
| Non Promoter Corp. Hold. | 2.18 |
| Promoters | 50.66 |
| Public & Others | 16.97 |

## Consolidated Financial Results

**In Cr.**

| | Qtr Ending Mar.2019 | Qtr Ending Mar. 2018 | Var. (%) |
|---|---|---|---|
| Sales | 2700.35 | 2543.83 | 6 |
| OPM (%) | 14.00 | 15.30 | |
| OP | 379.05 | 389.37 | -3 |
| Other inc. | 67.45 | 42.01 | 61 |
| PBIDT | 446.50 | 431.38 | 4 |
| Interest | 10.10 | 2.44 | 314 |
| PBDT | 436.40 | 428.94 | 2 |
| Dep. | 44.78 | 35.64 | 26 |
| PBT | 391.62 | 393.30 | 0 |
| EO | 0.00 | 0.00 | 100 |
| PBT after EO | 391.62 | 393.30 | 0 |
| Total Tax | 143.00 | 135.18 | 6 |
| PAT | 248.62 | 258.12 | -4 |
| Share of P/L of JV | 0.02 | -0.04 | LP |
| MI | -2.39 | -0.14 | 1607 |
| Net profit | 251.03 | 258.22 | -3 |
| EPS (Rs) | 10.85 | 10.75 | |

*Note: Effective 1 April 2019, the Company has adopted Ind AS 116, Leases (which replaces the earlier Lease standard) under the modified retrospective method. There is no material impact on transition to Ind AS 116 on retained earnings as on 1 April 2019 and the unaudited financial results for the quarter ended 30 June 2019.*

**The management of the company believes that it can increase its market share despite a depressed sentiment. It will be pushing for introducing new categories apart from pushing for dominance in markets where it has lesser presence.**

For the quarter ended June 2019, consolidated sales grew 6% to Rs 2700.35 crore. OPM fell 130 basis points to 14.0% which took OP down 3% to Rs 379.05 crore. Other income grew 61% to Rs 67.45 crore and interest cost grew 314% to Rs 10.10 core. As depreciation grew 26% to Rs 44.78 crore, PBT stagnated at Rs 391.62 crore. Tax rose 6% to Rs 143.00 crore after which PAT went down 4% to Rs 248.62 crore.

Share of profit/loss of JV stood at a positive 2 lakh against a negative 4 lakh and minority interest jumped from negative Rs 14 lakh to Rs negative 2.39 crore. Finally net profit fell 3% to Rs 251.03 crore.

**Management comments**

Commenting on the performance, Varun Berry, Managing Director, said, "We outpaced the market and strengthened our market position during this phase of sluggish demand. Our journey to become a "Total Foods Company" is progressing well with good response to our new products viz. "Treat Wafers" and "Winkin Cow Milkshakes". We are redefining bakery with the launch of "baked salted snacks" and "Croissant". Some of our recent innovative product launches viz. Open Sandwich biscuit "Treat Stars" and Democratized centre filled biscuit "Treat Burst" are gaining traction and redefining the biscuit space. Our priority now is to scale up the recent product launches and achieve profitable growth.

On the cost front, we witnessed moderate inflation in the prices of key raw materials for the bakery business. However, the inordinate increase in milk prices impacted profitability of our Dairy business adversely. We strengthened our brand equity through focused campaigns and invested in building capabilities & structures for both our base business & strategic business units to drive future growth. In this context, I am happy to inform that Britannia has been ranked amongst the top 15 Best Employers by Forbes – Aon Hewitt Survey'2019. Further, with a focus on tightening our belt in this phase of low growths, we have accelerated the cost efficiency initiatives to maintain the shape of business.

As we move forward, we are quite hopeful that the Government will take requisite measures to boost the economy & get it back on a high growth trajectory."

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