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Quarterly Result Update

BRITANNIA INDUSTRIES LIMITED

October 20, 2020

Current Price: ₹ 3773.80

STOCK DATA

BSE Code	500825.00
NSE Symbol	BRITANNIA
Reuters	BRIT.BO
Bloomberg	BRIT IN

VALUE PARAMETERS

52 W H/L(Rs)	4015.00/2100.55
Mkt. Cap.(Rs Cr)	90845.04
Latest Equity(Subscribed)	24.07
Latest Reserve (cons.)	2650.4
Latest EPS (cons.) -Unit Curr.	74.44
Latest P/E Ratio -cons	50.7
Latest Bookvalue (cons.) -Unit Curr.	111.10
Latest P/BV - cons	33.97
Dividend Yield -%	0.93
Face Value	1.00

SHARE HOLDING PATTERN (%)

Description as on	% of Holding 30/09/2020
Foreign	17.42
Institutions	11.47
Non Promoter Corp. Hold.	0.68
Promoters	50.58
Public & Others	19.86

Financial Results

In Cr.

Particulars	Qtr Ending Sept. 20	Qtr Ending Sept. 19	Var. (%)
Total Income	3419.11	3048.84	12
OPM (%)	19.74	16.11	
OP	674.87	491.08	37
Other income	73.61	68.16	8
PBIDT	748.48	559.24	34
Net Finance Charges	29.81	16.14	85
PBDT	718.67	543.10	32
Depreciation	48.49	44.86	8
PBT before EO	670.18	498.24	35
EO	-0.38	-0.89	-57
PBT after EO	670.56	499.13	34
Tax expense	174.98	95.51	83
PAT	495.58	403.62	23
Minority Interest	-2.93	-1.49	97
Share of Profit of Associates	0.00	0.00	
Profit after Minority Interest and Share of profit of Associates	498.15	404.26	23
EPS (Rs)	20.71	16.86	

Britannia Q2 profit jumps 23% to Rs 498 crore, EBITDA margin beats estimates

Britannia Industries, India's leading food company, has reported a 23.2% year-on-year growth in consolidated profit at Rs 498.15 crore for the quarter ended September 2020, driven by normalcy in all segments. However, an 83% increase in tax expenses impacted profitability. The company's consolidated revenue grew by 12% year-on-year to Rs 3,419.11 crore in the July-September quarter.

The OPM increased 363 bps to 19.74%. Thus the operating profit went up by 37% to Rs 674.87 crore. Other income up 8% to Rs 73.61 crore in Q1FY'21 compared to Rs 68.16 crore in Q1FY'20 while interest cost was up by 85% to Rs 29.81 crore. Depreciation increased 8% to Rs 48.49 crore. PBT after EO stood at Rs 670.56 crore as against Rs.499.13 crore during the corresponding quarter last year.

Management Comments

Mr. Varun Berry, Managing Director, said: "Covid-19 has brought about a situation whereby we are witnessing tectonic shifts in economic growths & consumer behaviour across the world. While the Government ended the lockdown, it appears that it will take a while for the situation to normalize. These times have re-enforced the importance of giving back to the society & community at large and we are making headways into creating a business which cojoins sustainability & profitability.

In this quarter, we got our full range of products to the market, focussed on efficiency in distribution, followed continuous replenishment system of distribution, improved the health of our distributors and inched closer to normalcy in advertisement & promotions. The nimble culture & the hard work put in by the team helped deliver a resilient performance in these challenging times. All the adjacent businesses too delivered a healthy profitable growth.

On the cost front, we witnessed moderate inflation in the prices of key raw materials and expect the prices to be stable going forward given the positive outlook on monsoon & harvest. We sustained a large part of the efficiency gains that we witnessed in the previous quarter viz., supply chain efficiencies, reduction in wastages and fixed costs leverage. These measures helped us sequentially sustain the shape of our business and record a massive 390 bps increase in operating profit during the quarter vs. last year.

We are keeping a close watch on macro-economic factors, changes in laws, evolving consumer behaviour and are framing our medium-term strategy laying out scenarios to deal with this dynamic environment. We are confident of performing well in these tough times with the agility in our action and passion of the team."

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