

Britannia Industries

Tiger Zor

Britannia Industries (Britannia) is a dominant player in the Indian biscuits market with ~35% market share. The company has a balanced portfolio with seven super brands namely *Tiger*, *Milk Bikis*, *Good Day*, *Treat*, *Marie Gold*, *50-50* and *NutriChoice*. The stock currently trades at 0.8x its FY2013E EV/sales, which is at ~27% discount to its five-year average EV/Sales of ~1.1x and hence, is attractive.

We Initiate Coverage on the stock with a Buy recommendation and a target price of ₹458, based on 22x P/E FY2013E EPS (1x EV/Sales).

Revenue of Britannia on strong wicket, driven by higher volumes: We expect Britannia to register a ~14% CAGR in its top line, aided by high volumes and improving sales mix (Britannia has recently introduced premium products in the health and wellness space). The company has made significant efforts to provide premium biscuits under its brands *Tiger* and *Treat* at lower price points (₹5 for a three-piece pack of cream biscuits). We believe this move will give consumers a choice to up trade from plain glucose variants as well as maintain affordability of biscuits for mass consumption. Hence, we expect volume growth for Britannia to be in line with the industry at ~6% over FY2011–13E, driven by low-price, value-added products.

Margins to improve on the back of cooling raw-material prices: Over the past one year, raw-material prices have been trending high, putting significant margin pressure on Britannia. However, prices of major commodities such as sugar and wheat have shown some signs of cooling in the past one month. While we have limited visibility on raw-material prices over the longer term, with the onset of normal monsoons, we do not expect a significant rise in the prices of these commodities going ahead. Moreover, we believe Britannia's various cost-rationalisation methods and improving sales mix will aid operating margins from the current level of ~5% to 5.6% in FY2012E and 7% in FY2013E.

Key financials

Y/E March (₹ cr)	FY2010	FY2011E	FY2012E	FY2013E
Net sale	3,425	4,150	4,763	5,415
% chg	9.0	21.2	14.8	13.7
Net profit	116.5	124.9	170.7	248.3
% chg	(35.4)	7.2	36.6	45.5
EBITDA (%)	4.8	4.6	5.6	7.0
EPS (₹)	9.8	10.5	14.3	20.8
P/E (x)	38.7	36.1	26.4	18.1
P/BV (x)	11.4	10.0	8.9	7.4
RoE (%)	27.7	29.6	35.7	44.5
RoCE (%)	15.0	17.1	23.9	41.6
EV/Sales (x)	1.3	1.1	0.9	0.8
EV/EBITDA (x)	26.7	23.3	16.6	11.6

Source: Company, Angel Research

BUY

CMP	₹377
Target Price	₹458

Investment Period	12 months
-------------------	-----------

Stock Info	
Sector	FMCG
Market Cap (₹ cr)	4,506
Beta	0.3
52 Week High / Low	535/322
Avg. Daily Volume	19,793
Face Value (₹)	2.0
BSE Sensex	19,091
Nifty	5,729
Reuters Code	BRIT.BO
Bloomberg Code	BRIT@IN

Shareholding Pattern (%)	
Promoters	51.0
MF / Banks / Indian Fls	20.0
FII / NRIs / OCBs	10.3
Indian Public / Others	18.7

Abs. (%)	3m	1yr	3yr
Sensex	0.0	8.5	14.0
Britannia	5.7	14.4	45.5

Chitrangda Kapur

022-39357800 Extn: 6822

chitrangda.kapur@angelbroking.com

Sreekanth P.V.S

022-39357800 Extn: 6841

sreekanth.s@angelbroking.com

Initiate Coverage with Buy and a target price of ₹458

We estimate operating margins to improve to 7% in FY2013E

We have factored in CAGR of 14.2%, 41.2%, and 41% in top line, EBITDA and earnings, respectively, for Britannia over FY2011–13E. The company has issued 8.25% coupon rate redeemable, non-convertible bonus debentures of face value ₹170 each, which will be redeemed in full on March 22, 2013. We do not expect the company to take any further debt and, hence, have factored in the same in our numbers. We expect Britannia's cash balance to dwindle to ~₹14cr in FY2013 as the company sells part of its investments to repay the bonus debentures in full at the end of FY2013.

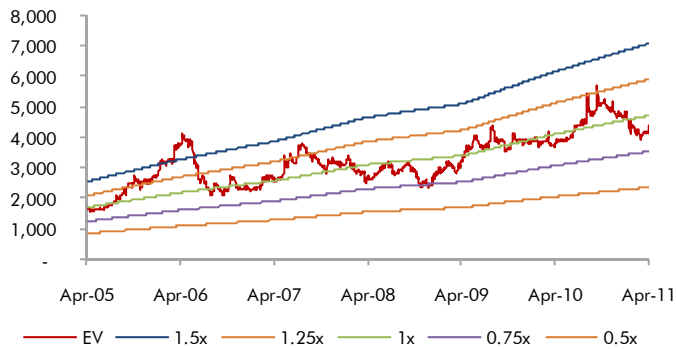
Exhibit 1: Consensus vs. Angel estimates

(₹ cr)	FY2012E	FY2013E
Top line		
Angel	4,763	5,415
Consensus	4,983	5,840
Diff (%)	(4.4)	(7.3)
Net profit		
Angel	171	248
Consensus	216	277
Diff (%)	(20.8)	(10.5)

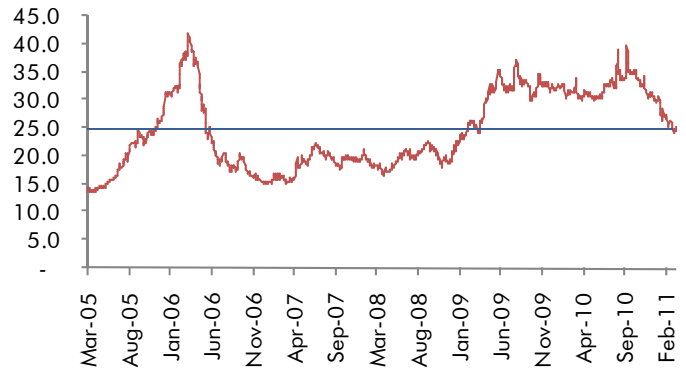
Source: Bloomberg, Angel Research

TP based on 22x P/E FY2013E EPS, 12% discount to 5-year avg.

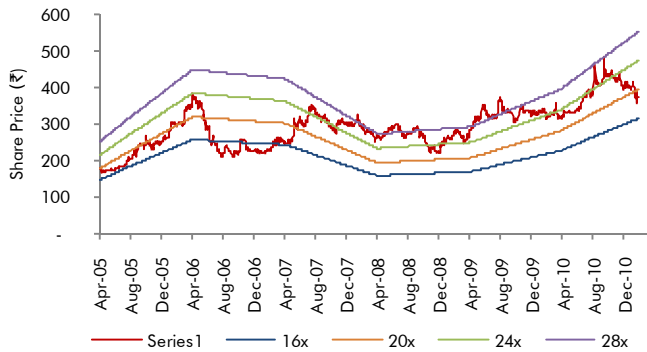
We Initiate Coverage on Britannia with a Buy recommendation and a target price of ₹458, based on 22x FY2013E EPS of ₹20.8 (1x EV/sales). Britannia trades at 64% premium to Sensex (which is lower as compared to average three-year premium to Sensex of 82%), and in-line to its average five-year P/E of ~25x. Moreover, the stock is available at 0.8x FY2013E EV/sales, which is at ~27% discount to its five-year average EV/Sales of ~1.1x and, hence, is attractive. We value the stock at ~12% discount to its five-year average P/E to build a margin of safety from raw-material price pressures and arrive at a target price of ₹458, resulting in an upside of 21% from the current level.

Exhibit 2: Trading at attractive 0.8x FY2013E EV/sales


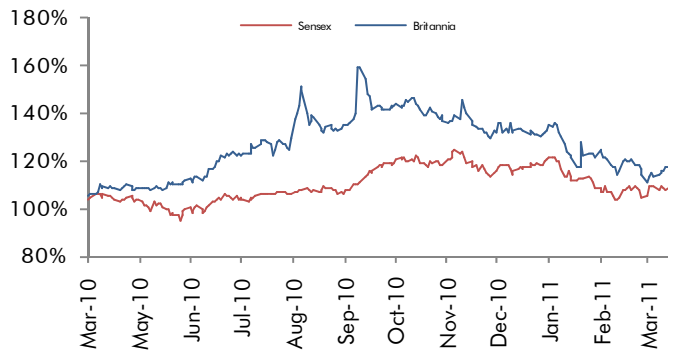
Source: Company, Angel Research

Exhibit 3: FY2012E P/E in line with its 5 yr avg. P/E


Source: Company, Angel Research; Note: Blue line denotes its 5-yr avg. P/E

Exhibit 4: One-year forward P/E band


Source: Company, Angel Research

Exhibit 5: Britannia's one-year return to the Sensex


Source: Company, Angel Research

Exhibit 6: Relative Valuation

Company	Reco	M.cap (₹ cr)	CMP (₹)	TP (₹)	Upside (%)	P/E (x)		EV/Sales (x)		RoE (%)		#CAGR	
						FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	Sale	EPS
Asian Paints	Accumulate	24,710	2,576	2,767	7.4	24.6	20.5	2.7	2.2	39.9	37.6	17.1	19.7
Britannia	Buy	4,506	377	458	21.4	26.4	18.1	0.9	0.8	35.7	44.5	14.2	41.0
Colgate	Reduce	11,991	882	837	(5.1)	26.0	23.2	4.5	4.0	100.1	87.2	13.5	11.8
Dabur	Buy	17,952	103	123	19.2	23.0	20.1	3.3	2.8	53.1	46.4	23.2	24.8
GSKCHL	Reduce	9,552	2,271	2,144	(5.6)	27.4	23.3	3.1	2.6	32.6	31.5	17.4	17.0
GCPL	Buy	11,824	365	431	17.9	21.3	18.7	3.1	2.8	35.1	26.2	15.2	23.0
HUL	Accumulate	61,153	280	304	8.5	24.7	21.2	2.6	2.3	75.9	77.9	13.2	16.1
ITC	Accumulate	146,986	190	205	8.1	25.1	22.2	5.7	5.0	31.9	30.6	13.5	14.2
Marico	Neutral	8,386	137	145	5.9	28.1	21.7	2.6	2.2	35.9	29.6	11.9	26.0
Nestle	Reduce	35,963	3,730	3,490	(6.4)	36.8	31.0	4.9	4.2	107.1	107.4	16.0	20.4

Source: Angel Research; Note: # CAGR (%) over FY2011-13E; In case of Neutral recommendation TP=fair value

Investment arguments

Revenue growth to be aided by higher volumes

Category growth indicates higher per capita biscuit consumption

Biscuit industry is the fastest growing FMCG category, witnessing double-digit value growth and increased per capita consumption

The biscuit industry, which has been steadily recording double-digit value growth over FY2008–11, is the largest and the fastest growing FMCG category in India. The industry stands at ~₹10,782cr in value and has recorded a 9.2% CAGR over FY2006–11. Biscuit volume growth is estimated to be at ~6% yoy in FY2011E (refer Exhibit 9), despite no significant change in distribution network (refer Exhibit 7), implying that the key reason for increased biscuit volumes is higher per capita consumption of biscuits to ~2.1kg/year (1.8kg/year in FY2009), with a 55% penetration level in the rural market and 85% penetration in the urban market.

Exhibit 7: Sale of small grocery retailers in FY2010 increased by 40bp yoy, implying increased impulse buying

Sale of biscuits by distribution format (%)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011E
Small grocery retailers	80.8	80.4	79.9	80.5	80.9	80.9
Other grocery retailers	12.9	12.8	12.8	11.1	11.1	10.6
Supermarkets/Hypermarkets	6.3	6.8	7.3	8.4	8.0	8.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International, Angel Research

Britannia is a dominant player in the Indian biscuits market with a ~35% market share and a balanced portfolio with seven super brands namely *Tiger*, *Milk Bikis*, *Good Day*, *Treat*, *Marie Gold*, *50-50* and *NutriChoice*.

Exhibit 8: Britannia leads the pack in terms of brand market share

(%)	FY2007	FY2008	FY2009	FY2010
Britannia	36.0	36.2	35.5	34.9
Parle	32.5	31.4	31.2	33.0
ITC (<i>Sunfeast</i>)	7.9	10.0	11.8	11.5
Surya Foods & Agro Pvt. Ltd. (<i>Priyagold</i>)	2.0	2.0	2.2	2.3
Cadbury India (<i>Bytes</i>)	0.9	1.1	1.3	1.4
GSKCHL (<i>Horlicks</i>)	1.0	0.8	0.8	0.7
Others	19.7	18.5	17.2	16.2

Source: Euromonitor International, Angel Research

Despite high cost of commodities such as sugar, milk and palm oil in FY2010–11 (refer Exhibit 11), Britannia was able to maintain its market leadership on account of its ability to distribute to rural areas as well as maintain minimal price increases (Britannia took a price increase of 5–10% across its portfolio in 1QFY2011).

Low-price, value-added products aid Britannia's volume growth

Britannia has made significant efforts to provide premium biscuits under its brands *Tiger* and *Treat* at lower price points (₹5 for a three-piece pack of cream biscuits). This move in our opinion will give consumers a choice to up trade from plain glucose variants as well as maintain affordability of biscuits for mass consumption. Hence, we expect volume growth for Britannia to be in line with the industry at ~6% over FY2011–13E, driven by low-price, value-added products.

Britannia reaching to the bottom of the pyramid to fuel volume growth

Exhibit 9: 'On-the-go consumption' mantra to fuel volume growth, likely to grow in line with the industry

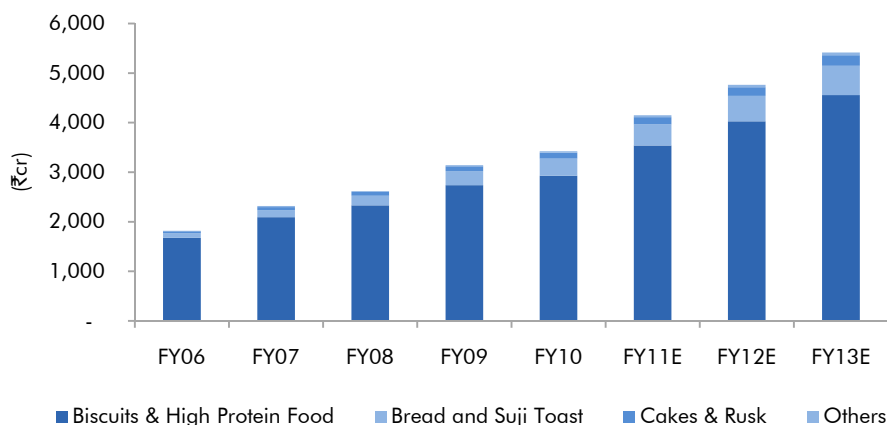
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011E	FY2012E	FY2013E	# FY2006-11	#FY2011-13E
Biscuit volume (Industry)	850	916	1,048	1,167	1,244	1,321	1,398	1,476	9.2	5.7
Growth (% yoy)		7.8	14.4	11.4	6.6	6.2	5.8	5.6		
Biscuit volume (Britannia)	347	430	442	477	478	520	553	582	8.4	5.8
Growth (% yoy)		24.0	2.8	7.9	0.2	8.9	6.3	5.3		
Biscuit value (Industry)	6,101	6,653	7,494	8,770	9,746	10,782	11,159	11,674	12.1	4.1
Growth (% yoy)		9.0	12.7	17.0	11.1	10.6	3.5	4.6		
Biscuit value (Britannia)	1,676	2,091	2,330	2,738	2,928	3,539	4,027	4,558	16.1	13.5
Growth (% yoy)		24.8	11.4	17.5	6.9	20.9	13.8	13.2		

Source: Euromonitor International, Company, Angel Research; Note: Volume growth is measured in '000tonnes and value growth in ₹cr, # represents CAGR

Focus on niche product categories will command high realisations

New product launches and diverse product mix to improve realisations

We expect Britannia to register a ~14% CAGR in its top line, aided by improving sales mix (Britannia has recently introduced premium products in the health and wellness space). Further, we have modeled in the 5–6% increase in the company's realisation on the back of recent price hikes (price hikes of 5-10% taken in 1QFY2011, further price hikes cannot be ruled out). We expect consumers' up trading to value-added biscuits (positioned in the health and wellness space) from plain glucose variant of biscuits to support value growth.

Exhibit 10: Gross revenue breakup of Britannia


Source: Company, Angel Research

Margins to improve on the back of cooling raw-material prices

Cooling raw-material prices to drive EBITDA margin expansion to 7% in FY2013

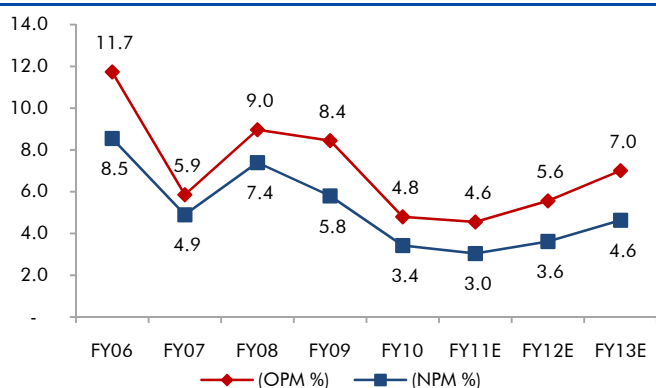
Over the past one year, raw-material prices have been trending high, putting significant margin pressure on Britannia. However, prices of major commodities such as sugar and wheat have shown some signs of cooling in the past one month. While we have limited visibility on raw-material prices over the longer term, with the onset of normal monsoons, we do not expect a significant rise in the prices of these commodities going ahead. Moreover, we believe the company's various cost rationalisation methods and improving sales mix will aid operating margins from the current level of ~5% to 5.6% in FY2012E and 7% in FY2013E.

Exhibit 11: CMP of key raw materials below 4Q prices

	1QFY2011	2QFY2011	3QFY2011	4QFY2011	#CMP
Palm oil (MYR/tonne)	2,529	2,639	3,268	3,713	3,415
% qoq (palm oil)	(1.5)	4.3	23.8	13.6	(8.0)
Wheat (₹/quintal)	1,173	1,230	1,281	1,316	1,211
% qoq (wheat)	(11.5)	4.9	4.1	2.7	(8.0)
Sugar (₹/100kg)	2,856	2,749	3,006	2,999	2,890
% qoq (sugar)	(21.4)	(3.8)	9.3	(0.2)	(3.6)

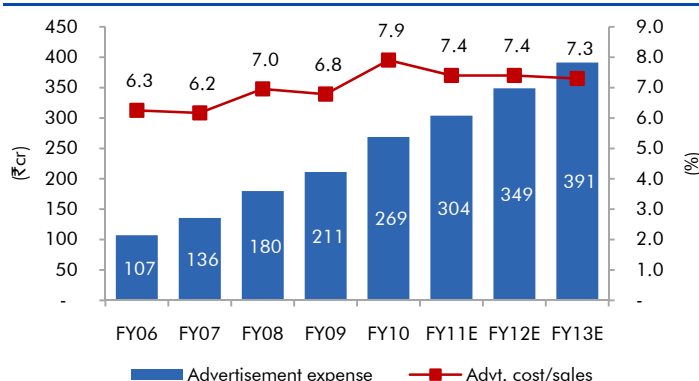
Source: Bloomberg, Angel Research; Note: #Price as on April 7, 2011, MYR=Malaysia Ringgit

Exhibit 12: Lower raw-material prices to improve OPM



Source: Company, Angel Research

Exhibit 13: Expect investments on brands to continue



Source: Company, Angel Research

Financial outlook

Higher volumes and realisation to aid top line

During FY2011–13E, we expect Britannia to report strong top-line growth of 14.2%, driven largely by increased volumes and a 5–6% increase in realisations on account of absorption of the recent rate hikes. We expect Britannia to register volume growth in line with the industry at ~6% over the same period, driven largely by low-price, value-added products. While, we have factored a decrease in raw material price as % of sales as we do not expect the raw material to spike tremendously on account of onset of normal monsoons (forecasted), we still factor the raw material costs as % of sales almost in-line with FY2010 levels.

Exhibit 14: Revenue Assumption

	FY09	FY10	FY11E	FY12E	FY13E	*FY11-13E	Key Growth Drivers
Biscuits & High Protein Food							
Revenue	2,738	2,928	3,539	4,027	4,558	13.5	Rate hike absorption and introduction of premium niche products
Growth (%)	17.5	6.9	20.9	13.8	13.2		
Volume	477	478	520	553	582	5.8	low price value added products to encourage up-trading from plain glucose variant biscuits
Growth (%)	7.9	0.2	8.9	6.3	5.3		
Bread and Suji Toast							
Revenue	284	347	426	512	592	17.8	on the go consumption and relevant consumer activation is likely to drive growth
Growth (%)	45.0	22.3	22.9	20.1	15.5		
Volume	105	117	131	145	159	10.0	
Growth (%)	24.4	11.6	12.2	10.0	10.0		
Cakes & Rusk							
Revenue	99	119	144	174	212	21.2	increase in rusk throughput by way of both brownfield and greenfield projects
Growth (%)	28.0	21.1	21.1	20.8	21.7		
Volume	9	11	13	15	18	17.7	
Growth (%)	12.0	19.3	16.4	17.3	18.1		
Others							
							Largely income from dairy business
Revenue	23	30	39	49	54	17.3	Incremental growth from national launch of Actimind, Tiger Zor, and Healthy Start
Growth (%)	49.9	32.9	30.0	25.0	10.0		
Gross Sales Total	3,143	3,425	4,150	4,763	5,415	14.2	

Source: Company, Angel Research; Note: # CAGR (%), Volume growth in '000s tonnes and value growth in ₹cr

Exhibit 15: Expenditure Assumption

(₹cr)	FY09	FY10	FY11E	FY12E	FY13E	*FY11-13E	
Raw material	1,910	2,169	2,663	3,017	3,385	12.7	Expect cooling of raw material going ahead, with the onset of normal monsoons
% of sales	61.4	63.8	64.8	64.0	63.1		
Staff cost	96	100	116	132	150	13.8	
% of sales	3.1	2.9	2.8	2.8	2.8		
SG&A expenses	822	947	1,113	1,271	1,413	12.6	Modeling 13% CAGR to support new product launches. Expect brand investments to sustain
% of sales	26.4	27.9	27.1	27.0	26.4		
Power cost	21	22	29	33	38	14.2	Modeled flat as a % of sales
% of sales	0.7	0.7	0.7	0.7	0.7		
EBITDA	263	163	187	262	376	41.7	
OPM (%)	8.4	4.8	4.6	5.6	7.0		
Interest Expense	16	8	41	41	41	(0.2)	Increased due to issue of bonus debenture (8.25% coupon rate)
Reported PAT	180	117	125	171	248	41.0	

Source: Company, Angel Research; Note: # CAGR (%)

Key concerns

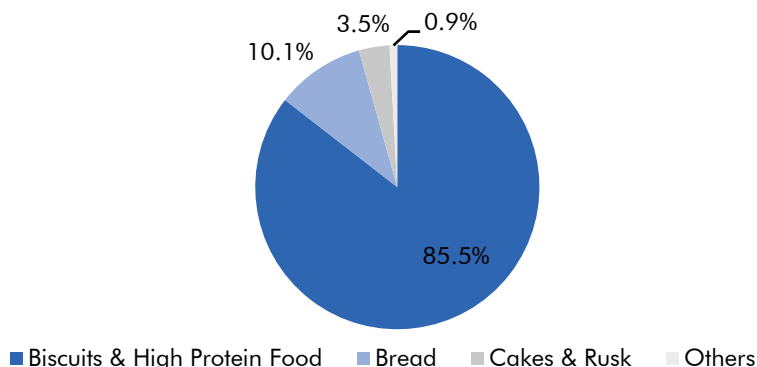
- **Volatility in agri-based commodities:** We have modeled in an improvement in the company's EBITDA margins to 7% in FY2013E, on the backdrop of cooling agri-based commodities. However, the extreme volatile nature of agri-based commodities can act as a bottleneck in Britannia's margin expansion and growth.
- **Economic growth:** Any slowdown in India's economic growth story could lead to down trading of products such as biscuits (not a primary food item). This could lead to loss of sales and further affect margins as Britannia has many premium products in its basket. Higher food inflation is also a major concern for the company.
- **New product launches:** Britannia's foray into breakfast cereals and other premium products could lead to tighter margins as new products demand lot of efforts on the marketing front. Higher ad spends and other promotional activities can pull down margins.

Company background

Britannia is one of the foremost food companies in India, with presence in biscuits, dairy products, breads and has recently forayed into breakfast cereals category with the launch of *Healthy Start*. The company derives ~85% of its revenues from biscuits and have formidable brands such as *Tiger* (glucose biscuits), *Treat* (cream biscuits), *50-50* (crackers), *Good Day* (premium cookies and its highest selling brand) and *Nutrigo* (premium high fiber biscuits).

Britannia forayed into dairy business in 2002 through its subsidiary Britannia New Zealand foods Pvt. Ltd. (BNZF), which was run as a JV with Fonterra, world's second largest dairy company. In 2009, Britannia acquired Fonterra's 49% stake and BNZF was renamed as Britannia Dairy Pvt. Ltd. (BDPL), which became a wholly owned subsidiary of Britannia. BDPL offers dairy products, including cheese, dairy whitener, yoghurt, butter and ghee. The company marked its presence in retail bakery business with 51% acquisition of Bangalore based food retailer, *Daily-Bread*.

Exhibit 16: Britannia's FY2010 sales mix



Source: Company, Angel Research

Profit and Loss Statement

Y/E March (₹ cr)	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Gross sales	3,143	3,425	4,150	4,763	5,415
Less: Excise duty	31	23	41	48	54
Net Sales	3,112	3,401	4,108	4,715	5,361
Total operating income	3,112	3,401	4,108	4,715	5,361
% chg	20.4	9.3	20.8	14.8	13.7
Total Expenditure	2,849	3,238	3,921	4,453	4,986
Cost of Materials	1,910	2,169	2,663	3,017	3,385
Advertising Exp (Incl Prom)	211	269	304	349	391
Personnel	96	100	116	132	150
Others	632	701	838	955	1,059
EBITDA	263	163	187	262	376
% chg	13.4	(37.8)	14.5	40.2	43.3
(% of Net Sales)	8.4	4.8	4.6	5.6	7.0
Depreciation & Amort	33	38	42	47	52
EBIT	229	126	145	215	323
% chg	13.1	(45.2)	15.0	48.9	50.1
(% of Net Sales)	7.4	3.7	3.5	4.6	6.0
Interest & other Charges	16	8	41	41	41
Other Income	40	56	66	57	54
(% of PBT)	15.8	32.3	38.9	24.5	16.0
Share in profit of Asso	-	-	-	-	-
Recurring PBT	253	174	169	231	336
% chg	4.1	(31.4)	(2.8)	36.6	45.5
Prior Period & Extra Exp/(Inc.)	20.63	52.87	-	-	-
PBT (reported)	233	121	169	231	336
Tax	52	4	44	60	87
(% of PBT)	20.6	2.5	26.0	26.0	26.0
PAT (reported)	201	169	125	171	248
Add: Share of earnings of ass	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-
PAT after MI (reported)	201	169	125	171	248
ADJ. PAT	180	117	125	171	248
% chg	(5.6)	(35.4)	7.2	36.6	45.5
(% of Net Sales)	5.8	3.4	3.0	3.6	4.6
Basic EPS (₹)	15.1	9.8	10.5	14.3	20.8
Fully Diluted EPS (₹)	15.1	9.8	10.5	14.3	20.8
% chg	(5.6)	(35.4)	7.2	36.6	45.5

Balance sheet

Y/E March (₹ cr)	FY2009	FY2010	FY2011E	FY2012E	FY2013E
SOURCES OF FUNDS					
Equity Share Capital	24	24	24	24	24
Share Capital suspense account	-	-	-	-	-
Reserves & Surplus	801	372	425	483	584
Shareholders' Funds	825	396	449	507	608
Minority Interest	-	-	-	-	-
Total Loans	25	430	429	429	23
Deferred Tax Liability	10	(7)	(7)	(7)	(7)
Total Liabilities	860	819	871	929	623
APPLICATION OF FUNDS					
Gross Block	512	548	642	720	806
Less: Acc. Depreciation	234	266	309	355	408
Net Block	278	282	333	364	398
Capital Work-in-Progress	6	12	13	15	17
Goodwill	-	-	-	-	-
Investments	423	491	431	431	161
Current Assets	539	521	674	808	842
Cash	41	23	27	72	14
Loans & Advances	195	190	226	252	279
Other	14	14	20	25	35
Current liabilities	413	486	580	688	795
Net Current Assets	126	36	93	119	48
Mis. Exp. not written off	27	-	-	-	-
Total Assets	860	819	871	929	623

Cash flow statement

Y/E March (₹ cr)	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Profit before tax	233	121	169	231	336
Depreciation	33	38	42	47	52
Change in Working Capital	0.5	108	9	25	18
Interest / Dividend (Net)	(5)	(25)	2	4	16
Direct taxes paid	52	73	44	60	87
Payment of VRS	(3)	27	-	-	-
Profit on sale of invst/FA (Net)	7	12	9	-	-
Others	35	(4)	(53)	(34)	(31)
Cash Flow from Operations	233	179	116	212	303
(Inc.)/ Dec. in Fixed Assets	(55)	(42)	(96)	(80)	(88)
(Inc.)/ Dec. in Investments	(42)	(68)	60	-	270
Cash Flow from Investing	(97)	(109)	(36)	(80)	182
Inc./(Dec.) in loans	(81)	(2)	(1)	-	(406)
Dividend Paid (Incl. Tax)	59	105	70	78	117
Interest/Dividend paid (Net)	(1)	(21)	6	8	20
Cash Flow from Financing	(139)	(87)	(77)	(87)	(543)
Inc./(Dec.) in Cash	(3)	(17)	3	46	(58)
Opening Cash balances	44	41	23	27	72
Closing Cash balances	41	23	27	72	14

Key Ratios

Y/E March	FY2009	FY2010	FY2011E	FY2012E	FY2013E
Valuation Ratio (x)					
P/E (on FDEPS)	25.0	38.7	36.1	26.4	18.1
P/CEPS	19.2	21.8	26.9	20.7	15.0
P/BV	5.5	11.4	10.0	8.9	7.4
Dividend yield (%)	1.4	1.3	1.1	0.9	0.8
EV/Sales	1.4	1.3	1.1	0.9	0.8
EV/EBITDA	16.6	26.7	23.3	16.6	11.6
EV / Total Assets	5.1	5.3	5.0	4.7	7.0
Per Share Data (₹)					
EPS (Basic)	15.1	9.8	10.5	14.3	20.8
EPS (fully diluted)	15.1	9.8	10.5	14.3	20.8
Cash EPS	19.6	17.3	14.0	18.2	25.2
DPS	8.0	5.0	5.2	8.0	10.6
Book Value	69.0	33.2	37.5	42.5	50.9
Returns (%)					
RoCE	26.7	15.0	17.1	23.9	41.6
Angel ROIC (Pre-tax)	22.3	15.2	13.1	18.7	32.6
RoE	25.4	27.7	29.6	35.7	44.5
Turnover ratios (x)					
Asset Turnover (Gross Block)	6.1	6.2	6.4	6.6	6.7
Inventory / Sales (days)	30	29	33	33	33
Receivables (days)	6	4	4	4	4
Payables (days)	31	34	36	35	35
Wrkg cap cycle (ex-cash) (days)	19	7	9	9	8

Research Team Tel: 022 - 39357800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.

Disclosure of Interest Statement

Britannia

1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

Note: We have not considered any Exposure below ₹1 lakh for Angel, its Group companies and Directors

Ratings (Returns):	Buy (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to 15%)	Sell (< -15%)	

6th Floor, Ackruti Star, Central Road, MIDC, Andheri (E), Mumbai- 400 093.

Tel: (022) 39357800

Research Team

Fundamental:

Sarabjit Kour Nangra	VP-Research, Pharmaceutical	sarabjit@angelbroking.com
Vaibhav Agrawal	VP-Research, Banking	vaibhav.agrawal@angelbroking.com
Shailesh Kanani	Infrastructure	shailesh.kanani@angelbroking.com
Sageraj Bariya	Fertiliser, Mid-cap	sageraj.bariya@angelbroking.com
Srishti Anand	IT, Telecom	srishti.anand@angelbroking.com
Bhavesht Chauhan	Metals, Mining	bhavesht.chauhan@angelbroking.com
Jai Sharda	Mid-cap	jai.sharda@angelbroking.com
Sharan Lillaney	Mid-cap	sharanb.lillaney@angelbroking.com
Naitik Mody	Mid-cap	naitik.mody@angelbroking.com
Chitrangda Kapur	FMCG, Media	chitrangda.kapur@angelbroking.com
Amit Vora	Research Associate (Oil & Gas)	amit.vora@angelbroking.com
V Srinivasan	Research Associate (Cement, Power)	v.srinivasan@angelbroking.com
Mihir Salot	Research Associate (Logistics, Shipping)	mihir.salot@angelbroking.com
Pooja Jain	Research Associate (Metals & Mining)	pooja.j@angelbroking.com
Yaresh Kothari	Research Associate (Automobile)	yareshb.kothari@angelbroking.com
Shrinivas Bhutda	Research Associate (Banking)	shrinivas.bhutda@angelbroking.com
Sreekanth P.V.S	Research Associate (FMCG, Media)	sreekanth.s@angelbroking.com
Hemang Thaker	Research Associate (Capital Goods)	hemang.thaker@angelbroking.com
Nitin Arora	Research Associate (Infra, Real Estate)	nitin.arora@angelbroking.com
Ankita Somani	Research Associate (IT, Telecom)	ankita.somani@angelbroking.com
Varun Varma	Research Associate (Banking)	varun.varma@angelbroking.com
Vasant Lohiya	Research Associate (Banking)	vasant.lohiya@angelbroking.com
Poonam Sanghvi	Research Associate (Pharma)	poonam.sanghvi@angelbroking.com

Technical:

Shardul Kulkarni	Sr. Technical Analyst	shardul.kulkarni@angelbroking.com
Mileen Vasudeo	Technical Analyst	vasudeo.kamalakant@angelbroking.com

Derivatives:

Siddarth Bhamre	Head - Derivatives	siddarth.bhamre@angelbroking.com
Jaya Agarwal	Derivative Analyst	jaya.agarwal@angelbroking.com

Institutional Sales Team:

Mayuresh Joshi	VP - Institutional Sales	mayuresh.joshi@angelbroking.com
Abhimanyu Sofat	AVP - Institutional Sales	abhimanyu.sofat@angelbroking.com
Pranav Modi	Sr. Manager	pranav.modi@angelbroking.com
Jay Harsora	Manager	jayr.harsora@angelbroking.com
Meenakshi Chavan	Dealer	meenakshis.chavan@angelbroking.com
Gaurang Tisani	Dealer	gaurangp.tisani@angelbroking.com

Production Team:

Simran Kaur	Research Editor	simran.kaur@angelbroking.com
Bharat Patil	Production	bharat.patil@angelbroking.com
Dilip Patel	Production	dilipm.patel@angelbroking.com