

IPO Note

28th October 2025

Company Overview

Orkla India Limited is a well-established, multi-category Indian food manufacturer with a legacy spanning several decades and a diversified product portfolio that caters to all meal occasions, from breakfast and main meals to snacks, beverages, and desserts. As per the Technopak Report, in FY24, the company ranked among the top four players in terms of revenue from operations within the spices and convenience foods segment, reflecting its strong market positioning. The company's offerings are marketed under its flagship brands MTR and Eastern, both of which hold strong consumer equity and are deeply rooted in South Indian culinary traditions. Its product mix is broadly categorized into spices (including blended and pure spices) and convenience foods (comprising ready to cook, ready to eat, and vermicelli products). Within the spices segment, key products include popular blends such as Sambar Masala, Chicken Masala, Puliogare Masala, Rasam Masala, and Meat Masala, as well as pure spices like Chilli, Kashmiri Chilli, Turmeric, Coriander, and Cumin. The convenience foods segment addresses the growing consumer preference for easy-to-prepare meals, offering products such as Rava Idli Mix, Dosa Mix, 3-Minute Poha, and Gulab Jamun Mix. As of June 30, 2025, the company's extensive portfolio comprised around 400 SKUs, with an impressive average daily sale of approximately 2.3 million units, underscoring its robust distribution reach and brand strength. Overall, the company's heritage, diversified product range, and strong presence in the fast growing convenience foods and spice categories position it well for sustainable growth in the Indian packaged foods market.

Objects of the issue

The company will not receive any proceeds from the offer.

Investment Rationale

Demonstrates strong capabilities in building and scaling household food brands driven by deep understanding of local consumer preferences and taste profiles

The company has established a strong foothold in the packaged spices market of South India, supported by leading brands with significant market shares. Its success stems from robust brand equity and a deep understanding of regional consumer preferences. The company's product strategy effectively differentiates between vegetarian and non-vegetarian cuisines through its two flagship brands, MTR, which focuses on vegetarian spice blends, and Eastern, which primarily caters to non-vegetarian preparations. The company's regionalized approach enables it to align product offerings closely with local tastes. For instance, it offers Puliogare and Bisi Belebhath mixes for Karnataka, Chicken Porichathu and Assal Kayam Sambar Masala for Kerala, and Podi and Masala Karam for Andhra Pradesh. Moreover, even similar dishes are customized to regional flavor profiles, such as MTR Sambar Masala tailored to Karnataka consumers, MTR Spicy Sambar Powder for Andhra Pradesh, and Eastern Assal Kayam Sambar Powder designed for Kerala. This granular localization strategy underlines the company's strong consumer insight, brand adaptability, and ability to sustain market leadership across diverse regional segments within South India.

Operates as a diversified, multi-category food player with a strong emphasis on continuous product innovation to address evolving consumer preferences and expand market presence

The company demonstrates a consistent focus on innovation to address evolving consumer preferences and enhance convenience across its portfolio. Product development efforts span recipe enhancement, format diversification, and novel preparation methods. Recent launches illustrate this strategy, including MTR minute fresh batters, which build on the existing dry mix range to offer greater convenience; a Ready to Eat sweets portfolio, extending the sweet mix category; and the 3-minute breakfast line, expanding the company's reach within the convenience foods segment. In addition, the company is strategically broadening its cuisine portfolio beyond traditional Indian categories, as seen with the "Wok N Roll" brand introduced in January 2025, targeting the growing Pan-Asian cuisine segment through a range of blended spices and cooking pastes. This innovation led approach positions the company to capture emerging consumer trends and sustain long term growth across multiple food categories. The company's ability to curate a diverse product portfolio tailored to region-

Issue Details

Offer Period	29th Oct. 2025 - 31st Oct. 2025
Price Band	Rs. 695 to Rs. 730
Bid Lot	20
Listing	BSE & NSE
Issue Size (no. of shares in crores)	2.3
Issue Size (Rs. in crores)	1,667.5
Face Value (Rs.)	1

Issue Structure

QIB	50%
NIB	15%
Retail	35%

BRLM	ICICI Securities Ltd., Citigroup Global Markets India Pvt Ltd., J.P.Morgan Pvt Ltd., Kotak Mahindra Capital Company Ltd.
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Registrar	KFin Technologies Ltd.
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Particulars	Pre Issue %	Post Issue %
Promoter & Promoter Group	90.0%	75.0%
Public	10.0%	25.0%
Total	100.0%	100.0%

(Assuming issue subscribed at higher band)

Research Team - 022-61596138

Orkla India Ltd.

al tastes is underpinned by a structured and research-driven innovation framework. This is enabled through its Cuisine Centres of Excellence (CoEs) located in Bengaluru and Kochi, which serve as hubs for culinary research and product development. These CoEs focus on market relevant cuisines, where inhouse chefs undertake extensive culinary immersion to study regional dishes, traditions, and flavor profiles, ensuring authentic and locally resonant product formulations.

Valuation

Orkla India Limited is a well-established, multi-category food manufacturer with a strong legacy spanning several decades. The company offers a diversified portfolio that caters to every meal occasion from breakfast and main meals to snacks, beverages, and desserts. It holds a leading position in the packaged spices segment across key southern markets, including Karnataka, Kerala, Andhra Pradesh, and Telangana. The Indian spices market has expanded at a robust CAGR of 11.5%, reaching approximately Rs. 1,230 billion in FY24, and is expected to grow further to Rs. 2,080 billion by FY29. This strong growth momentum is supported by multiple structural drivers such as rising disposable incomes, growing urbanization, increasing adoption of e-commerce and quick-commerce platforms, the need for convenience, and the rising awareness of spices' medicinal and functional benefits. Similarly, India's packaged food market is projected to grow at a CAGR of 11.0%, reaching Rs. 17,120 billion by FY29, driven by evolving consumer lifestyles, a higher share of nuclear families, growing female workforce participation, and increasing affordability. As part of its growth strategy, Orkla India has been expanding its international presence, with a key focus on strengthening its footprint across GCC countries. On the financial front, the company has demonstrated strong and consistent performance, with an EBIT margin of 14% in FY25, the highest among peers. The company delivered Sales/EBITDA/PBT CAGR of 5.0%/12.9%/22.9%, respectively, while adj. PAT declined from Rs. 338 crores in FY23 to Rs 289 crores in FY25 due to tax reversal in FY23. **At the upper price band of Rs. 730, Orkla India Ltd. is valued at a P/E multiple of 39.0x based on FY25 earnings. Given the company's historical growth track record, expanding margins, scalable business model and industry growth potential, we believe the valuation is justified. Thus, we recommend a "SUBSCRIBE" rating for this issue with a medium to long-term investment horizon.**

Key Risks:

- ⇒ The company's operations remain exposed to fluctuations in the prices of key raw materials and packaging inputs. Given the high dependency on agricultural commodities and packaging materials, any sharp volatility or supply disruption could impact procurement costs and gross margins. Inability to secure these inputs at competitive prices may exert pressure on profitability, cash flows, and overall financial performance.
- ⇒ The improper processing or storage of products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in products or raw materials, could subject the company to regulatory action, damage the company's reputation and have an adverse effect on its business, financial condition, cash flows and results of operations.
- ⇒ Any slowdown or interruption to the company's manufacturing operations or under-utilization of their existing or future manufacturing facilities may have an adverse impact on its business and financial performance.

Orkla India Ltd.

Income Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Revenue				
Revenue from operations	2,172	2,356	2,395	597
Total revenue	2,172	2,356	2,395	597
Expenses				
Cost of material consumed	1,194	1,310	1,174	265
Changes in inventory of finished goods, stock in trade and work in progress	15	(14)	3	4
Purchase of stock in trade	59	68	144	56
Employee benefit expenses	224	232	246	63
Other expenses	369	419	431	98
Total operating expenses	1,861	2,015	1,998	485
EBITDA	311	341	397	112
Depreciation & amortization expenses	55	62	62	12
EBIT	256	279	335	99
Finance costs	27	7	7	2
Other Income	29	32	61	8
PBT, exceptional items and joint ventures	258	305	389	106
Exceptional items	(2)	0	(34)	0
PBT and associates and joint ventures	256	305	355	106
Share of profit/(loss) from associate and joint venture	1	2	(0)	(0)
PBT	257	307	355	106
Tax expense				
Current tax	6	64	87	24
Deferred tax	(88)	16	14	3
Adjustments for earlier periods	(0)	1	(1)	0
Total tax	(82)	81	99	27
Net Profit	339	226	256	79
Diluted EPS	26	17	19	6

Source: RHP, BP Equities Research

Cash Flow Statement (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
Cash Flow from/(used in) operating activities	190	196	392	(56)
Cash flow from/(used in) investing activities	(165)	(237)	(263)	(11)
Net cash flows (used in) / from financing activities	(15)	(45)	(613)	(3)
Net increase/(decrease) in cash and cash equivalents	10	15	42	(70)
Cash and cash equivalents at the beginning of the period	14	25	40	81
Cash and cash equivalents at the end of the period*	25	40	81	11

Source: RHP, BP Equities Research

*NOTE : Cash at the end of the period of Q1FY26 includes Bank OD of 2.3 crores

Orkla India Ltd.

Balance Sheet (Rs. in crores)

Particulars	FY23	FY24	FY25	Q1FY26
ASSETS				
Property, plant and equipment	362	406	349	340
Right of use assets	46	45	39	51
Capital work-in-progress	74	4	8	12
Goodwill	1,012	1,012	1,012	1,012
Other Intangible assets	593	592	581	580
Investments accounted for using equity method	20	28	28	28
Financial Assets				
(i) Investments	0	0	0	0
(ii) Loans	6	1	0	1
(iii) Other financial assets	9	7	8	8
Other Non-Current Assets	7	9	4	8
Income tax assets (net)	81	102	115	112
Deferred tax assets (net)	0	0	0	0
Total Non-current Assets	2,210	2,206	2,143	2,152
Current Assets				
Inventories	350	297	309	309
Financial Assets				
(i) Investments	235	297	147	184
(ii) Trade Receivables	116	169	163	180
(iii) Cash and cash equivalents	25	40	81	13
(iv) Bank balances other than cash	50	75	109	111
(v) Loans	2	8	2	2
(vi) Other financial assets	53	199	100	90
Other current assets	62	85	88	87
Total Current Assets	892	1,169	999	978
Assets held for sale	0	0	29	29
Total Assets	3,102	3,375	3,171	3,158
Equity and Liabilities				
Equity Share Capital	12	13	14	14
Instrument entirely equity in nature	0	0	0	0
Other Equity	2,227	2,793	2,446	2,524
Total Equity	2,240	2,807	2,460	2,537
Non-Current Liabilities				
Borrowings	4	4	0	0
Lease Liabilities	53	51	45	58
Other financial liabilities	6	8	14	9
Government Grants	1	1	0	0
Deferred Tax Liabilities (Net)	72	91	104	106
Provisions	0	0	0	0
Other Non-Current liabilities	1	1	0	0
Total Non-Current Liabilities	137	156	163	173
Current Liabilities				
Financial Liabilities				
(i) Borrowings	31	0	0	2
(ii) Trade Payables	182	232	270	220
(iii) Lease Liabilities	7	8	9	8
Government grants	0	0	0	0
Provisions	25	19	28	31
Other financial liabilities	465	131	166	159
Other current liabilities	16	18	76	20
Current tax liabilities (Net)	0	5	0	7
Total Current liabilities	726	412	549	448
Total Liabilities	862	568	712	621
Total Equity and Liabilities	3,102	3,375	3,171	3,158

Source: RHP, BP Equities Research

Disclaimer Appendix

Analyst (s) holding in the Stock : Nil**Analyst (s) Certification:**

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