

October 28, 2025

## Taste of South India...

**About the Company:** Orkla India (OIL) is a diversified Indian food company offering spices and convenience foods under the "MTR" and "Eastern" catering to diverse meal occasions across India. The company operates in 2 categories such as Spices which contributes ~67% and Convenience foods which contributes ~33% to its revenues. Orkla India's brands operate primarily in South India and also serves to 45 countries in the international market.

### Key triggers/Highlights:

- OIL is a diversified Indian food company offering spices and convenience foods. It is a subsidiary of Orkla ASA, a Norway based listed investment company focusing on brands and consumer-oriented companies.
- The company has strong presence in India and selected international markets. As of FY25, India business contributed ~80% to revenues while international business contributed ~20%.
- It holds strong regional leadership in South India with 31.2% market share in Karnataka, 41.8% in Kerala, and 15.2% combined in Andhra Pradesh and Telangana, with MTR focused on vegetarian and Eastern on non-vegetarian cuisines.
- It operates 9 manufacturing units (capacity: 1,82,270 tonnes p.a.) across key its core demand areas, 2 centralised distribution centres, and multiple regional warehouses ensuring efficient and responsive supply.
- The company is planning to outsource its low-value products to improve asset productivity and margins in long run. Additionally, as a part of its strategy it is expanding into higher-margin convenience food by launching newer product ranges targeting diverse customer base.
- OIL has recorded 5% CAGR revenue growth across FY23-25. Slower revenue growth was witnessed in FY25 due to deflation in key spices such as chilli leading to lower price realisations. EBITDA margins have improved by over ~200bps over FY23-25.
- Efficient working management aided Orkla to generate consistent cash flows. Its OCF improved to Rs392cr in FY25 from Rs190cr in FY23. It has strong return profile with RoCE standing at 33% in FY25.
- The company has paid a dividend of Rs.600cr in FY25. Future Dividends will be recommended by Board of Directors and with approval of Shareholders at their discretion as per the Dividend policy.

**Our View & Rating:** Orkla is focusing on improving household penetration of its brands through innovation and distribution expansion in the coming years. Margin expansion will be function of improving operating leverage and efficiencies.

At upper price band of ₹730, the company is valued at ~39x FY25 P/E and ~25x FY25 EV/EBITDA. We assign UNRATED rating of Orkla

### Key risk & concerns

- Volatility in key input prices and packaging materials can impact on profitability.
- Any Non-compliance to Food Safety standards or observations by regulatory authorities can lead to adverse impact on brand image affecting future growth.

### Key Financial Summary

Key Financials ( ₹ Crore)	FY23	FY24	FY25	Q1FY26	CAGR (FY23-25)
Revenues	2172.5	2356.0	2394.7	597.0	5.0%
EBIDTA	311.3	341.4	396.8	111.8	12.9%
EBIDTA Margins(%)	14.3%	14.5%	16.6%	18.7%	
Reported PAT	339.1	226.3	255.7	78.9	-13.2%
EPS (Rs.)	26.2	16.9	18.7	5.8	
PE (x)	27.9	43.2	39.0	33.6*	
EV to EBITDA (x)	33.0	28.7	24.9	24.4*	
RoE (%)	15.2	10.3	13.8	N/A	
RoCE (%)	32.1	20.7	32.7	N/A	

Source: RHP, ICICI Direct Research;

\*Q1FY26 valuations on TTM basis.



### IPO Details

Issue Details	
Issue opens	29th October 2025
Issue closes	31st October 2025
Issue size	₹1667.54cr
QIB (Institutional) Share	Not more than 50% of the Offer
Non Institutional Share	Not less than 15% of the Offer
Retail share	Not less than 35% of the Offer
Issue Type	Offer for sale
Price band (₹/share)	₹695-₹730
Market Lot	20 shares
Face value	1
Bid lot	20 shares
Listing Market Cap @ Upper Price Band	₹10,000cr

### Shareholding pattern

	Pre-Issue (%)	Post-Issue (%)
Promoters	90.0	75.0
Public	10.0	25.0
Total	100	100

### Objects of the issue

**Objects of this issue**  
To carry out Offer for sale (OFS) of up to 22,843,004 equity shares bearing face value of ₹1 each aggregating to ₹1667.5cr and also to enhance the visibility and brand image of the company, provide liquidity and a public market for equity shares.

### Research Analyst

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Subscribe: Apply for the IPO

Avoid: Do not apply for the IPO

Unrated: No view on applying for the IPO

Subscribe only for long term: Apply for the IPO only from a long term investment perspective (>two years)



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