

Rating: Subscribe for long term

Issue Offer

Offer for sale of 22,843,004 Equity share amounting to INR 16,675 Mn.

Issue Summary

Price Band (INR)	665-730
Face Value (INR)	1
Implied Market Cap (INR Mn)	100,002
Market Lot	20
Issue Opens on	October 29, 2025
Issue Close on	October 31, 2025
No. of share pre-issue	136,989,230
No. of share post issue	136,989,230
Listing	NSE , BSE

Issue Break-up (%)

QIB Portion	≤50
NII Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

ICICI Securities Ltd.
Citigroup Global Markets India Pvt. Ltd.
JP Morgan India Pvt. Ltd.
Kotak Mahindra Capital Co.Ltd.

Registrar

Kfin Technologies Ltd.

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	90.0%	73.33%
Public & Others	10%	26.67%

Objects of the issue

Fees and commissions payable to the Book Running Lead Managers,
Advertising and marketing expenses for the Offer,
Fees payable to the Registrar to the Offer,
Commission/processing fee for SCSBs, Sponsor Bank(s) and Bankers to the Offer. Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs,
Printing and distribution of Offer stationery,
Other expenses including, listing fees, SEBI filing fees, BSE and NSE processing fees, book building software fees and other regulatory expenses,
Fee payable to legal counsels,
Fees payable to other intermediaries to the Offer, including but not limited to Statutory Auditor, independent chartered accountant, practicing company secretary and industry data provider,
Miscellaneous.

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Orkla India Limited is a prominent packaged food company in India, offering a diverse portfolio of trusted brands (MTR and Eastern) and operating across South India's core markets. The company has built significant expertise in catering to local palates and has expanded internationally, leveraging robust distribution, product innovation, and operational efficiency. As of June 30, 2025, Orkla India recorded revenue from operations of INR 23,947 Mn, with an adjusted EBITDA margin of 16.6%, positioning it among the strongest peers in the sector with a high PAT margin (10.7%) and efficient capital deployment (ROCE 32.7%).

Investment Rationale

Consistent Growth, Operational Efficiency, and Premium Brand Strength- Orkla India has demonstrated consistent revenue growth, with a CAGR of 9.2% between FY22 and FY25, alongside enhanced profitability—EBITDA margin improved from 14.4% in FY23 to 16.6% in FY25. High premium pricing and cost control reflect Orkla's deep local consumer understanding, strong brand equity, and scale. PAT margin rose to 10.7% in FY25 from 9.6% in FY24, outpacing most industry peers. Working capital days improved to 21, indicating disciplined operational management. ROCE stands at 32.7% for FY25, demonstrating capital-efficient growth and healthy returns.

Strategic Position in a Defensible Market- Orkla India is a category leader in spices and convenience foods, holding dominant market shares in Karnataka, Kerala, Andhra Pradesh, and Telangana. The brands (MTR for vegetarian, Eastern for non-vegetarian cuisine) are household names with a presence in over two-thirds of retail outlets for blended spices in core states—much above industry average. A balanced distribution strategy straddles general trade, modern retail, and e-commerce/quick commerce, with a direct reach to over 686,000 retail touchpoints. Post acquisition of Eastern, household penetration for Orkla's products has increased substantially in target geographies, and Eastern has maintained its leadership among Indian branded spice exporters for 24 years. 20.6% of FY25 revenue comes from exports, with sales to 45 countries (special focus on GCC, USA, and Canada, catering to the Indian diaspora).

Valuation and View- Orkla India, the leading multi-category branded food and spice company, stands as a dominant player in the Indian packaged food sector. Backed by the global Orkla ASA and operating marquee brands like MTR and Eastern, the company leverages deep regional penetration, robust distribution, and a premium brand portfolio. As of FY25, Orkla India recorded revenue of INR 23,947 Mn, adjusted EBITDA of INR 3,964 Mn (margin: 16.6%), and PAT at INR 2,557 Mn (margin: 10.7%). Return ratios remain best-in-class, with ROCE at 32.7%—significantly ahead of sector peers. The company's business is capital-efficient and virtually debt-free, supporting consistent cash flow generation and high margins.

At the upper end of the price band, Orkla India is valued at a P/E of 31.68x FY25 earnings, reflecting its category leadership, high-margin economics, and long-term growth visibility. We recommend a "Subscribe for long term" stance.

Particulars (INR Mn)	FY23	FY24	FY25
Revenue	21,724.8	23,560.1	23,947.1
Growth (% YoY)	18.2%	8.4%	1.6%
EBITDA	3,124.4	3,436.1	3,964.4
Margins	14.4%	14.6%	16.6%
PAT	3,391.3	2,263.3	2,556.9
Margins	15.6%	9.6%	10.7%

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Absolute Return

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