

ADANI WILMAR

NUVAMA FLASH



KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	270
12 month price target (INR)	424
52 Week High/Low	404/232
Market cap (INR bn/USD bn)	351/4.1
Free float (%)	9.2
Avg. daily value traded (INR mn)	902.0

SHAREHOLDING PATTERN

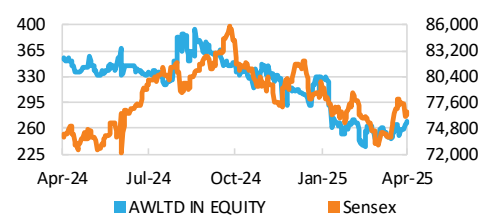
	Dec-24	Sep-24	Jun-24
Promoter	87.88%	87.88%	87.88%
FII	1.16%	0.95%	0.73%
DII	0.05%	0.07%	0.25%
Pledge	0%	0%	0%

FINANCIALS

(INR mn)

Year to March	FY24A	FY25E	FY26E	FY27E
Revenue	5,12,616	6,16,380	6,48,663	6,83,251
EBITDA	11,353	20,649	24,974	26,510
Adjusted profit	2,015	11,125	12,951	14,242
Diluted EPS (INR)	1.6	8.6	10.0	11.0
EPS growth (%)	(65.4)	452.1	16.4	10.0
RoAE (%)	2.4	12.5	12.9	12.5
P/E (x)	174.2	31.5	27.1	24.6
EV/EBITDA (x)	40.5	21.8	17.8	16.4
Dividend yield (%)	0	0	0	0

PRICE PERFORMANCE



Another strong quarter

Adani Wilmar released a strong Q4FY25 business update ahead of our initial expectations. We now expect revenue to grow 36% YoY versus our initial estimate of 19% YoY growth (31.4% in Q3FY25 on a base of 16.9% decline; 4.6% fall in Q4FY24). We anticipate overall volumes to grow ~7% YoY versus our initial expectation of 5% YoY growth (up 5% in Q3FY25; 3% in Q4FY24). EBITDA shall grow 61% YoY mainly due to higher realisations in oil business. Gross margin shall decrease 100bp YoY to 12.5% while EBITDA margins shall expand 48bp YoY to 3.2%.

For FY25, volume shall grow 10% YoY with edible oils volumes contributing 10% YoY increase and Food & FMCG sectors clocking a robust 28% YoY volume growth; retain 'BUY' with TP of INR424.

Strong showing led by pricing growth

Demand trends: AWL logged better growth in rural towns versus urban markets, especially in the Foods category, driven by expanded reach and market penetration.

Segment performance: For Edible Oils, we anticipate volume/value growth of ~6%/44% YoY. Higher raw material prices led to higher realisations, contributing to higher revenue growth for the quarter. For Foods and FMCG, we anticipate volume/value growth of ~9%/11% YoY. Smaller categories, including pulses, sugar and poha, continued their strong momentum. For Industry Essentials, we forecast volume/value shall grow 7%/15% YoY.

Channel performance: Q-com volumes reported exceptional growth, marking the best quarter in two years with a more than 100% YoY surge in Q4FY25. This growth reflects AWL's focus on operational improvements—particularly in product assortment, availability and promotions and advertisements, allowing it to tap into the rapidly expanding Q-com channel. MT channel growth was driven by an uptick in omni-channel sales. Overall, revenue from alternate channels—MT, E-Com, Q-com, and e-B2B—has crossed INR36bn in FY25.

Distribution: The company extended its reach to 50,000 rural towns through the addition of distributors, sub-distributors, and an expanded rural sales force. This represents a ten-fold increase over three years, up from 5,000 rural towns in FY22. Specifically, the south region clocked a 25% YoY growth in branded edible oils and foods in FY25, with the region's share of overall branded sales surpassing 10%.

Q4FY25E updated preview

We now reckon revenue shall grow 36% YoY versus our initial expectation of 19% YoY growth (31.4% in Q3FY25 on a base of 16.9% decline; 4.6% decline in Q4FY24). We forecast overall volumes shall increase ~7% YoY versus our initial expectation of 5% YoY growth (up 5% in Q3FY25; 3% in Q4FY24).

EBITDA shall grow 61% YoY—this came in significantly ahead of our initial expectation of 40% YoY growth (up 57% in Q3FY25 on a base of 16.7% decline; 0.5% decrease in Q4FY24—due to higher realisations in the Edible Oil business.

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