IPO Note – Orkla India Ltd (28th October 2025)

Angel One

Company Overview

- Orkla India Limited, incorporated in 1996, is a leading Indian food company offering a comprehensive portfolio spanning breakfast, lunch, dinner, snacks, beverages and desserts. The company manages a portfolio of iconic Indian heritage brands, including MTR Foods, Eastern Condiments and Rasoi Magic. Its flagship brand MTR Foods encompasses instant mixes, ready-to-eat meals, masalas and snacks, while Eastern Condiments focuses on a wide range of spices and convenience foods.

- Orkla India markets over 400 products and sells an average of 2.3 million units daily, reflecting strong product penetration and consumer trust. The company's distribution network comprises 834 distributors and 1,888 sub-distributors across 28 states and 6 union territories, ensuring deep market reach. With nine manufacturing facilities in India and additional contract manufacturing in the UAE, Thailand and Malaysia, it has a combined installed capacity of 182,270 TPA.

- The company also exports its products to 42 countries, including major markets such as the GCC nations, the United States and Canada, reinforcing its position as a key player in the Indian packaged food industry.

Sector Outlook

- The Indian packaged food sector continues to exhibit robust growth, with the market estimated at ₹10,18,000 crores in fiscal 2024, expanding at a healthy CAGR of 10.8% since fiscal 2019. The segment benefits from consistent, year-round demand as consumption is driven by daily-use categories rather than seasonal trends.

- Within this broader space, the packaged spices segment stands out, accounting for 40% of the domestic spices market and valued at ₹34,500 crores in fiscal 2024. Expected to reach ₹61,500 crores by fiscal 2029, the packaged spices market is poised to capture a 45% share, driven by premiumization, brand trust and growing consumer preference for hygiene and convenience.

Orkla India Ltd

₹ 695 - 730 **Price Band**	**₹ 1667.54 Cr** Issue Size
29th-31st October Subscription Days	**31st October 2025** Listing date

Subscribe

Particulars	IPO Details
No of Shares under IPO (Cr.)	2.2843
Post Issue MCap (Cr.)	**₹ 10,000.21**
QIB (Cr.)	1.1422
NIB (Cr.)	0.3426
Retail (Cr.)	**0.7995**

Shareholding Pattern	Pre Issue (%)	Post Issue (%)
Promoter	90.01%	75.00%
Others	9.99%	25.00%
Total	**100.00%**	**100.00%**

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Company Outlook

- Orkla India Limited reported a net profit of ₹255.7 crore on revenues of ₹2,455.2 crore for fiscal 2025, reflecting year-on-year growth in both profitability and topline performance and marking a significant milestone for the company and its parent group.
- The company is raising ₹1,667.54 crore through an offer for sale of 2.28 crore shares, with the primary objective being to provide an exit opportunity and liquidity to existing shareholders rather than raising fresh capital for the business.
- At the upper band price of ₹730, Orkla India is valued at a post-IPO P/E of 31.68x, which appears fairly priced considering its diversified product portfolio, strong market presence across key FMCG categories, resilient financial performance and long-term growth visibility; thus, we recommend a ‘Subscribe’ rating.

Key Risks

- Orkla India faces key risks from volatility in the pricing of raw and packaging materials. Additionally, operational risks such as supply chain interruptions, underutilization of manufacturing plants, labour shortages and climate-related challenges could adversely affect its financial and operating performance.

Particulars	FY23	FY24	FY25
Revenue (Rs. Cr)	2,172.5	2,356.0	2,394.7
Revenue Growth %		*8.45%*	*1.64%*
EBITDA (Rs. Cr)	312.4	343.6	396.4
EBITDA Growth %		*9.98%*	*15.37%*
EBITDA Margin %	**14.38%**	**14.58%**	**16.55%**
PAT (Rs. Cr)	339.1	226.3	255.7
ROE %	**32.10%**	**20.70%**	**32.70%**

Key Metric	Orkla India	Tata Consumer Products
Revenue from Operations	2,394.7	17,618.3
EBITDA Margin (%)	16.6%	13.5%
PAT Margin (%)	10.7%	7.3%
ROCE (%)	32.7%	24.6%
P/E (x)	31.7x	90.1x
RoNW (%)	13.8%	6.4%
P/BV Ratio	5.4x	5.8x

Disclaimer

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In case of any grievances please write to: support@angelone.in, Compliance Officer Details: Name : Bineet Jha, Tel No. –08657864228, Email id - compliance@angelone.in
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