



# AWL Agri Business Ltd Q2FY26



**AWL Agri Business Ltd.**
**Sequential recovery; festive demand to drive H2 rebound.**

<b>CMP</b> INR 271	<b>Target</b> INR 274	<b>Potential Upside</b> 1.1%	<b>Market Cap (INR Mn)</b> 3,50,945	<b>Recommendation</b> HOLD	<b>Sector</b> Consumer
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**Result highlights**

In Q2FY26, AWL delivered strong sequential momentum, with overall volumes increasing 7% QoQ (Q2 versus Q1). The company observed a sequential recovery in demand as edible oil prices began moving toward a normalized level, with crude edible oil price trends showing palm oil sitting at the lowest level.

**Revenue:** Consolidated revenue stood at INR 176,046 Mn (+3.2% QoQ / +21.7% YoY), marginally above Q1 levels, driven by higher realizations in edible oils and robust growth in Industry Essentials, partially offset by lower rice sales in the Food & FMCG segment.

**Margin and Profitability:** EBITDA came in at INR 6,882 Mn (+88.1% QoQ / 11.8% YoY), as profitability moderated due to a high base and elevated input costs, while per-ton EBITDA remained stable at INR 3,621. Net profit stood at INR 2,450 Mn (+3.6% QoQ / -21.3% YoY), reflecting strong sequential improvement but lower YoY performance owing to higher interest cost and normalization in margins from an exceptionally strong base quarter. The EBITDA margin stood at 3.9%, down 35 bps YoY.

**Verticals/Segments:** Edible Oils: The segment reported a robust 26.0% YoY growth to INR 1,38,280 Mn. (+3.1% QoQ), led by higher realizations across key oil variants, despite subdued volume growth of +2% YoY. Branded oil volumes were impacted by weak rural demand, higher imports from neighboring countries under FTA, and a narrower price differential between palm and soya oil, resulting in a marginal 50 bps market share loss. Mustard and sunflower oils remained resilient, each contributing over 15% to branded mix.

**Foods & FMCG:** Revenue stood at INR 16,810 Mn., up 4.0% YoY (ex-G2G rice base), driven by strong performance in branded Basmati rice, sugar, and poha, while overall growth was muted by the discontinuation of the government-to-government rice business and consolidation of regional rice units. Branded staples such as pulses, besan, and soya nuggets maintained mid-teens volume growth supported by expanding Q-commerce traction and improved retail penetration.

**Industry Essentials:** The segment delivered 19.0% YoY growth to INR 20,960 Mn., backed by record-high volumes in oleochemicals and de-oiled cake, and strong profitability in the glycerine and soap noodles sub-segments. PBT rose sharply by 135% YoY to INR 1,310 Mn., marking the highest quarterly profit in 13 quarters.

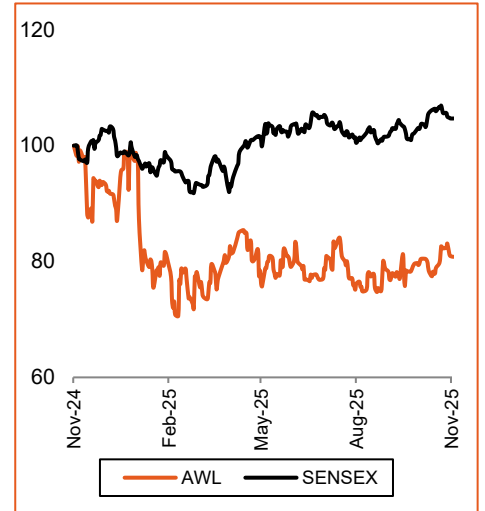
**Valuation:** Management expects demand recovery in H2FY26, supported by festive consumption, rural improvement, and easing input costs. Volume growth should be led by soft oils and sustained Industry Essentials strength, with margins around INR 3,500/tonne and steady profitability despite higher marketing spends.

We have roll forwarded our valuation basis to Sept'27 estimates. We value AWL at 28.0x Sept-27 EPS, implying a target price of INR 274. We reiterate our "HOLD" rating on AWL stock, factoring in normalized edible oil margins, steady Industry Essentials performance, and improving Foods & FMCG momentum in H2FY26.

**KEY FINANCIALS**

Particulars (INR Mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	5,12,251	6,36,722	7,10,120	7,48,413	7,92,371
EBITDA	11,353	24,817	23,410	25,453	25,909
EBITDA Margin	2.2%	3.9%	3.3%	3.4%	3.3%
Adj. PAT	2,015	12,251	11,131	12,386	12,674
PAT Margin	0.4%	1.9%	1.6%	1.7%	1.6%
Adj. EPS	1.6	9.5	8.6	9.6	9.8

Source: Company, DevenChoksey Research

**SHARE PRICE PERFORMANCE**

**MARKET DATA**

Shares outs (Mn)	1,295
Mkt Cap (INR Mn)	3,50,945
52 Week H/L (INR)	348/ 232

\*Based on the previous closing  
 Note: All the market data is as of the previous closing

**SHARE HOLDING PATTERN (%)**

Particulars (%)	Sept-25	Jun-25	Mar-25
Promoters	63.9	74.4	74.4
FIIIs	14.1	4.6	4.3
DIIIs	8.8	8.6	8.9
Others	13.2	12.4	12.4
Total	100.0	100.0	100.0

**8.4%**

 Revenue CAGR  
 between FY25-FY27E

**0.6%**

 Adj. PAT CAGR  
 between FY25-FY27E

## AWL Agri Business Ltd.

### Conference Call Highlights

#### Revenue growth supported by pricing, despite volume softness

- AWL reported sequential recovery with Q2FY26 revenue of INR 176,046 Mn (+3.2% QoQ / +21.7% YoY), driven by higher realizations in edible oils and improved performance in Industry Essentials.
- Volume stood at 1.68 Mn MT, registering +2% YoY growth, reflecting normalization in demand post softness in Q1. Management indicated that the edible oil price normalization is driving recovery in retail consumption.

#### Margins impacted by high input cost; profitability steady

- EBITDA came in at INR 6,882 Mn (+88.1% QoQ / 11.8% YoY), impacted by a high base and raw material inflation. Per-ton EBITDA remained strong at ~INR 3,500, reflecting stable operational efficiency.
- Sequential PAT improved to INR 2,450 Mn (+3.0% QoQ), with management highlighting that working capital normalization and inventory utilization will support margins in Q3.

#### Edible oils see recovery and steady margins

- The segment delivered 2% YoY volume growth and 26% YoY revenue growth, aided by improved realizations despite soft edible oil demand. Mustard and sunflower oils remained resilient contributors (>15% each to branded mix).
- Overall industry growth in edible oil has been subdued for the last few quarters, and consumer demand remains below expectations, with consumers managing rising costs by reducing quantity or downtrading to smaller or more affordable packs.
- Management noted that edible oil prices are now getting to a normalized level, with palm oil sitting at the lowest level and being the cheapest oil today.

#### Food & FMCG faced transient headwinds; medium-term outlook positive

- Volume declined 10% YoY, primarily due to the absence of the government-to-government (G2G) rice export business in the base quarter. Excluding that, volumes were flat YoY. Basmati rice and sugar segments reported healthy growth, while atta (wheat flour) faced heightened competition from regional players.
- Management expects recovery in H2 driven by improved distribution, festive demand, and GST rate normalization benefits in value-added products such as soya nuggets. Other food categories such as pulses, besan, soya nuggets, poha, and sugar recorded robust high-teens volume growth.

#### Industry essentials achieved record revenue and profitability

- Volume grew 20% YoY, with strong performance in oleochemicals, glycerine, and soap noodles. The segment delivered its highest quarterly profit in 13 quarters, benefiting from favorable commodity cycles.
- Management reiterated its leadership in the castor oil and Oleo value chain and guided for normalized profitability to sustain into Q3.

#### Alternate channels and rural expansion driving growth

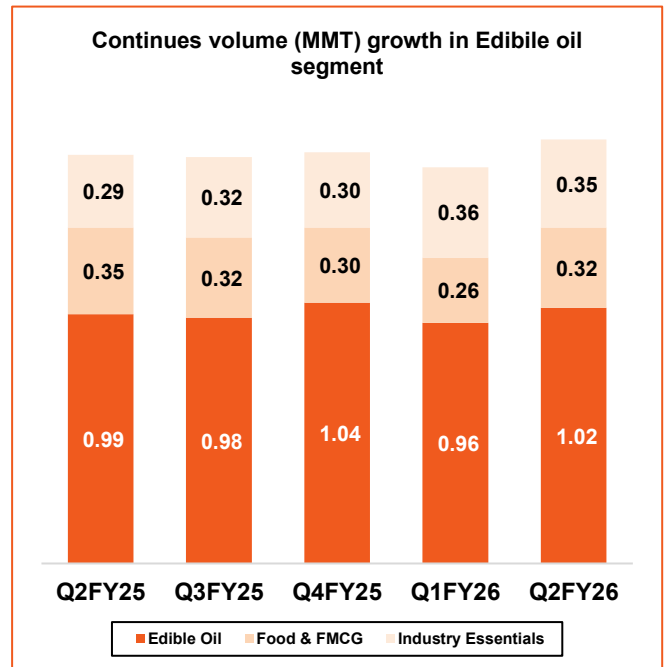
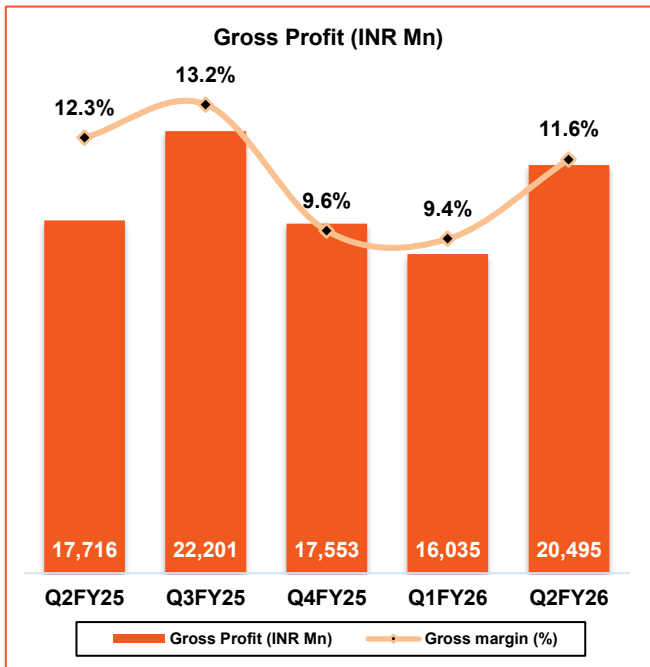
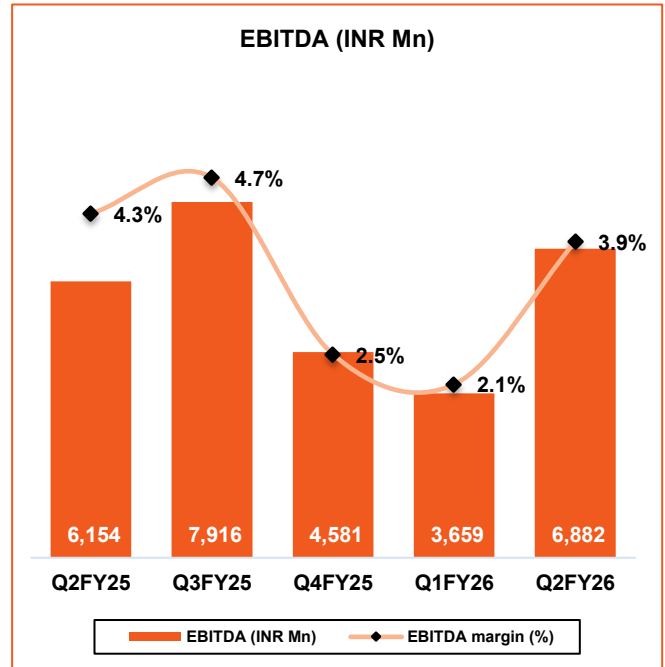
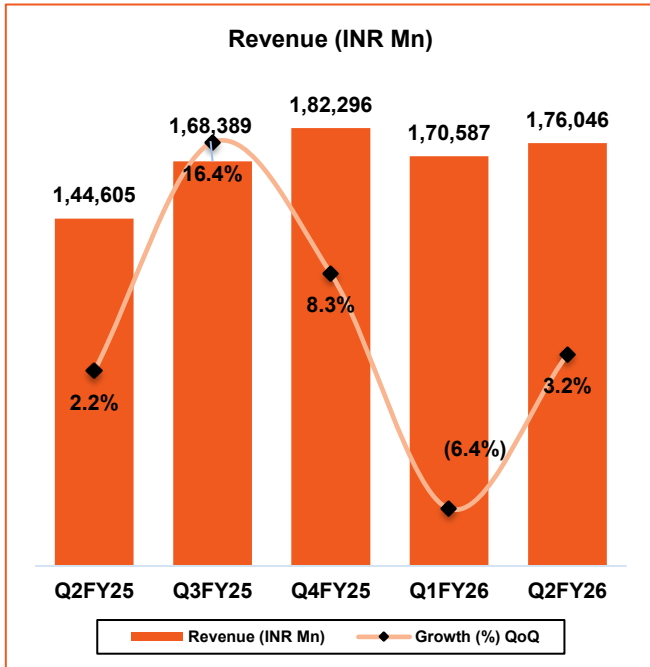
- Alternate channel revenue (Q-commerce, E-commerce, Modern Trade) grew 35% YoY, with Quick Commerce up 86% YoY. Rural reach expanded to 58,000 towns (+8,000 vs. March 2025) and total outlet coverage neared 900,000, with 100% coverage of towns above 1 lakh population.
- The company continues to invest in expanding rural and alternate channel distribution and is leveraging its existing supply chain to drive product penetration, such as making wheat flour the 2nd most distributed product after edible oils in its system

#### Acquisition integration progressing well

- The recently acquired GD Foods business grew 8% in volume and 4% in revenue during the quarter.
- AWL supported the acquired business through distribution and promotional efforts. Initiatives included increasing product trials by implementing consumer promotions with Fortune Atta, such as combo offers including Tops products like sauces and jams. AWL also added 20,000 outlets in H1 for the subsidiary and expanded the network by around 300 towns, while leveraging AWL's depots to rationalize distribution costs
- Management expects double-digit growth in H2FY26 as demand revives post-GST rate cuts from 18% to 5%.

#### International operations stable; Bangladesh showing turnaround

- Bangladesh operations reported recovery after two difficult years, aided by an improving business environment, higher FX reserves, and strategic shift toward branded volumes.
- Profitability turned positive during the quarter, and management expects continued improvement in FY26.

**AWL Agri Business Ltd.**
**STORY IN CHARTS**


Source: Company, DevenChoksey Research

## AWL Agri Business Ltd.

### RESULT SNAPSHOT

Particulars (INR Mn)	Q2FY26	Q1FY26	Q2FY25	QoQ	YoY
<b>Total Operating Revenue</b>	<b>1,76,046</b>	<b>1,70,587</b>	<b>1,44,605</b>	<b>3.2%</b>	<b>21.7%</b>
Total Expenditure	1,69,164	1,66,928	1,38,451	1.3%	22.2%
Cost of Raw Materials	1,52,399	1,49,513	1,23,644	1.9%	23.3%
Purchase of Stock	8,367	8,395	5,893	(0.3%)	42.0%
Changes in Inventories	(5,215)	(3,357)	(2,648)	(55.4%)	96.9%
Employee Cost	1,477	1,498	1,136	(1.4%)	30.1%
Other Expenses	12,136	10,878	10,426	11.6%	16.4%
<b>EBITDA</b>	<b>6,882</b>	<b>3,659</b>	<b>6,154</b>	<b>88.1%</b>	<b>11.8%</b>
<b>EBITDA Margin (%)</b>	<b>3.9%</b>	<b>2.1%</b>	<b>4.3%</b>	<b>176 bps</b>	<b>(35 bps)</b>
Depreciation	1,070	1,028	924	4.2%	15.8%
EBIT	5,812	2,631	5,229	120.9%	11.1%
Interest Expense	1,893	1,586	1,767	19.3%	7.1%
Other Income	(790)	2,061	557	(138.3%)	(241.9%)
PBT	3,129	3,106	4,019	0.7%	(22.1%)
Exceptional Items	0	0	0	NA	NA
Tax	854	788	1,200	8.3%	(28.8%)
Share of Profit & MI	173	62	291	179.9%	(40.5%)
Minority interest	1	15	(0)	(91.4%)	(1400.0%)
<b>PAT</b>	<b>2,447</b>	<b>2,364</b>	<b>3,110</b>	<b>3.5%</b>	<b>(21.3%)</b>
<b>EPS</b>	<b>1.9</b>	<b>1.8</b>	<b>2.4</b>	<b>3.5%</b>	<b>(21.1%)</b>

Source: Company, DevenChoksey Research

## AWL Agri Business Ltd.

### KEY FINANCIALS

#### Exhibit 1: Profit & Loss Statement

INR Mn	FY25	FY26E	FY27E	FY28E
<b>Revenue</b>	<b>6,36,722</b>	<b>7,10,120</b>	<b>7,48,413</b>	<b>7,92,371</b>
COGS	5,61,374	6,33,789	6,67,691	7,07,715
<b>Gross profit</b>	<b>75,348</b>	<b>76,331</b>	<b>80,722</b>	<b>84,656</b>
Employee cost	5,660	6,644	7,371	8,036
Other expenses	44,871	46,277	47,898	50,712
<b>EBITDA</b>	<b>24,817</b>	<b>23,410</b>	<b>25,453</b>	<b>25,909</b>
EBITDA Margin	3.9%	3.3%	3.4%	3.3%
D&A	3,951	4,201	4,642	5,031
<b>EBIT</b>	<b>20,866</b>	<b>19,209</b>	<b>20,811</b>	<b>20,878</b>
Interest expense	7,241	7,222	7,745	7,812
Other income	2,380	2,199	2,468	2,794
PBT	2,380	2,199	2,468	2,794
Tax	4,374	3,629	3,884	3,965
Share of profit of associates	626	592	735	779
PAT	12,251	11,131	12,386	12,674
<b>Adj. PAT</b>	<b>12,251</b>	<b>11,131</b>	<b>12,386</b>	<b>12,674</b>
EPS (INR)	9.5	8.6	9.6	9.8
<b>Adj. EPS</b>	<b>9.5</b>	<b>8.6</b>	<b>9.6</b>	<b>9.8</b>

#### Exhibit 3: Cash Flow Statement

INR Mn	FY25	FY26E	FY27E	FY28E
FFFO	21,497	17,377	20,162	20,330
CFFI	(2,704)	(9,276)	(10,100)	(10,889)
CFFF	(15,437)	(5,222)	(6,745)	(6,812)
<b>Net Inc/Dec in cash</b>	<b>3,356</b>	<b>2,879</b>	<b>3,316</b>	<b>2,628</b>
Opening Cash	(254)	3,022	8,315	11,631
<b>Closing Cash</b>	<b>3,022</b>	<b>8,315</b>	<b>11,631</b>	<b>14,259</b>

#### Exhibit 4: Key Ratios

Key Ratio	FY25	FY26E	FY27E	FY28E
Gross Margin (%)	11.8%	10.7%	10.8%	10.7%
EBITDA Margin (%)	3.9%	3.3%	3.4%	3.3%
RoE (%)	13.8%	11.2%	11.2%	10.4%
RoCE (%)	19.5%	16.3%	16.1%	14.8%
EV/EBITDA	13.3x	14.8x	13.5x	13.2x
P/E	27.3x	31.5x	28.3x	27.7x

Source: Company, DevenChoksey Research

#### Exhibit 2: Balance Sheet

INR Mn	FY25	FY26E	FY27E	FY28E
<b>Equity</b>				
Equity Capital	1,295	1,295	1,295	1,295
Other Equity	92,943	1,03,498	1,15,149	1,27,044
<b>Total Equity</b>	<b>94,238</b>	<b>1,04,794</b>	<b>1,16,444</b>	<b>1,28,340</b>
<b>Non-Current Liabilities</b>				
Provisions	5,709	5,709	5,709	5,709
Lease liabilities	1,780	1,780	1,780	1,780
Other Current Liabilities	5,378	5,378	5,378	5,378
<b>Total Non-Current Liabilities</b>	<b>12,866</b>	<b>12,866</b>	<b>12,866</b>	<b>12,866</b>
<b>Current Liabilities</b>				
Borrowings	15,256	17,256	18,256	19,256
Lease Liabilities	475	475	475	475
Trade Payables	86,879	98,086	1,03,333	1,09,527
Other current liabilities	14,660	14,660	14,660	14,660
<b>Total Current Liabilities</b>	<b>1,17,270</b>	<b>1,30,477</b>	<b>1,36,723</b>	<b>1,43,918</b>
<b>Total Liabilities</b>	<b>1,30,136</b>	<b>1,43,343</b>	<b>1,49,590</b>	<b>1,56,784</b>
<b>Non-Current Assets</b>				
PPE	49,694	56,202	63,284	71,003
Investments	3,737	4,111	4,522	4,974
Other current assets	24,554	24,645	24,742	24,848
<b>Total Non-Current Assets</b>	<b>77,985</b>	<b>84,958</b>	<b>92,549</b>	<b>1,00,825</b>
<b>Current Assets</b>				
Inventories	86,413	97,239	1,02,440	1,08,581
Trade Receivables	24,156	26,940	28,393	30,060
Investments	2,503	2,803	3,139	3,516
Cash and Bank	5,437	8,315	11,631	14,259
Other current assets	27,882	27,882	27,882	27,882
<b>Total Current Assets</b>	<b>1,46,390</b>	<b>1,63,179</b>	<b>1,73,486</b>	<b>1,84,299</b>
<b>Total Assets</b>	<b>2,24,375</b>	<b>2,48,136</b>	<b>2,66,034</b>	<b>2,85,123</b>

## AWL Agri Business Ltd.

Adani Wilmar Ltd.			
Date	CMP (INR)	TP(INR)	Recommendation
10-Nov-25	271	274	HOLD
17-July-25	262	265	HOLD
2-May-25	269	265	REDUCE
29-Jan-25	261	297	ACCUMULATE
29-Oct-24	325	373	ACCUMULATE
07-May-24	338	357	ACCUMULATE
02-Feb-24	350	412	BUY

Rating Legend (Expected over a 12-month period)	
Our Rating	Upside
<b>Buy</b>	More than 15%
<b>Accumulate</b>	5% – 15%
<b>Hold</b>	0 – 5%
<b>Reduce</b>	-5% – 0
<b>Sell</b>	Less than – 5%

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