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Adani Wilmar Limited



For a healthy growing nation

About Company

Recommendation: Subscribe

Adani Wilmar Ltd (AWL) is one of the fastest growing FMCG and packaged food companies in India offering key essential kitchen commodities for Indian consumers, including edible oil, wheat flour, rice, pulses and sugar under the flagship brand "Fortune", which is the largest selling edible oil brand in India. The company's product portfolio is categorized into (i) Edible oil, (ii) Packaged food and FMCG, and (iii) industry essentials. AWL also offers a diverse range of industry essentials, including oleo chemicals, castor oil and its derivatives, and de-oiled cakes. AWL is formed by joint venture between the Adani Group, a Indian multinational diversified business group with significant interests across transport and logistics, and energy and utility sectors, and the Wilmar Group, one of Asia's leading an agribusiness group based out of Singapore which was ranked among the largest listed companies by market capitalization on the Singapore Exchange. Currently, AWL has 22 plants which are strategically located across 10 states in India, comprising 10 crushing units and 19 refineries and Mundra refinery is the one of the largest single location refineries in India with a designed capacity of 5,000 MT per day. AWL has the largest distribution network among all the branded edible oil companies in India with 5,590 distributors located in 28 states and 8 union territories throughout India, catering to over 1.6 million retail outlets represent approximately 35 % of the retail outlets in India.

Price Band	: Rs. 218 to 230 per share
Face Value	: Rs. 1
Bid Lot size	: 65 Shares
Issue size	: Rs. 3600 Cr
Issue Opens	: January 27 th 2022, Thursday
Issue Closes	: January 31 st 2022, Monday
Min App Amount	: Rs. 14,950/- at upper band

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View & Recommendation:

We believe Adani Wilmar Ltd IPO gives investors a unique opportunity to invest in India's fastest growing FMCG and Packaged Food Company focused on essential kitchen commodities for Indian consumers. We like Adani Wilmar packaged foods story with Backward and Forward Integration business model to derive cost efficiency across all the business segments. The demand for packaged foods in India is experiencing a rapid growth and its under-penetration in India compared to the United States and China. With changing lifestyles and increasing preference for branded and packaged foods, Adani Wilmar is well placed to tap the growth in organized retail. **On valuations parse at upper price band (Rs 230/-), the issue is asking for market cap Rs 29,900 Cr and seeking PE 44x (on annualize FY22e), which seems the issue is reasonably priced well below the average industry of ~65x price earnings given investors new investors a room for decent listing gain. Hence, considering its diversified product portfolio, Strong brand recall and Strong parentage support we advise investors to "SUBSCRIBE" Adani Wilmar Ltd IPO with medium to long term perspective as market always rewards a player who has the high visibility and growth potential.**

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BASIC FINANCIAL DETAILS				As at Sep'30	
Particulars Rs (in Cr)	2019	2020	2021	2021 (06)	2020(06)
Equity Share Capital	114.30	114.30	114.30	114.30	114.30
Reserves as stated	1,996	2,456	3,183	3537	2744
Net worth as stated	2111	2570	3298	3651	2858
Revenue from Operations	28,797	29,657	37,090	24874	16188
Revenue Growth (%)	-	2.98%	25.06%	53.65%	-
EBITDA as stated	1,253	1,419	1,430	889	743
Profit Before Tax	567	609	756	454	382
Net Profit for the period	375	460	727	357	288
EPS (Rs)	3.29	4.03	6.37	3.12 [^]	2.53 [^]
RONW%	17.79%	17.93%	22.06%	9.78% [^]	10.10% [^]
NAV (₹)	18.47	22.49	28.87	31.92	25.01

Source: Company RHP

COMPARISON WITH LISTED INDUSTRY PEERS Rs (in Cr)							
Companies	MCap	FV	Revenue	EPS	NAV	P/E	RoNW
Adani Wilmar Ltd	29900	1	37195	6.37	28.87	44.01x	22.06%
Hindustan Unilever Ltd	546984	1	47028	34.04	202.99	69.93x	16.8%
Britannia Industries Ltd	85502	1	13136	77.40	148.80	46.79x	51.6%
Tata Consumer Products Ltd	65218	1	11602	9.30	169.57	78.65x	6.00%
Dabur India Ltd	96029	1	9561	9.58	43.57	59.05x	22.00%
Marico Ltd	60418	1	8048	9.08	25.23	54.03x	36.8%
Nestle India Ltd	181215	10	13350	215.98	209.44	89.73x	103.10%

Data as on 31st March 2021

Source: Company RHP/Cline



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