

## Britannia net profit likely to surge in Q4

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Britannia, one of the leading fast moving consumer goods companies in the country, will announce its financial results for the fourth quarter ended March 31, 2016 on May 20.

IIFL estimates the company's net profit to be at Rs.230 crore, which constitutes 10.8% rise qoq and 37.4% yoy.

As per IIFL's forecast, the company is expected to register a net revenue of Rs.2,340 crore, growing at 4.4% qoq and 13.4% yoy.

Operating profit margin of the company is likely to be at 13.5%, growing 127 bps yoy, but dropping 84 bps qoq.

According to IIFL, 2015 had been a challenging year for most of the FMCG companies with volume growth moderating significantly, owing to a weak macro environment, sluggish rural demand (led by two consecutive monsoons and unseasonal rainfall), lukewarm urban recovery and pricing headwinds in select categories.

Bottomline growth of FMCG sector estimated at 12.3% yoy on the back of marginal volume uptick, premiumisation, some pick up in rural growth, lower commodity prices and base effect in certain cases.

Other key quarterly results on May 20 include Allcargo Logistics, Ashoka Buildcon, Balrampur Chini, Bombay Rayon, Cox & Kings, DB Corp, Eclerx, Gabriel India, ITC, Jamna Auto, Just Dial, Karnataka Bank, Munjal Showa, Praj Industries, Ramco Cement, Timken India, Unichem Lab, and Whirlpool.

Our preview coverage universe of 374 companies, representing ~75% of India's equity market cap is expected to report 4.2% yoy drop in net profit in Q4 FY16. On a qoq basis, profits will rise by 17% on account of low base of preceding two quarters, which had witnessed sequential PAT declines