

IPO Note: Orkla India Ltd.

Industry: FMCG

Date: October 28, 2025

Issue Snapshot	
Company Name	Orkla India Ltd.
Issue Opens	October 29, 2025 to October 31, 2025
Price Band	Rs. 695 – Rs. 730
Bid Lot	20 Equity Shares and in multiples thereof.
The Offer	Public issue of 2,28,43,004 Equity shares of Face value Rs. 1 each, (Comprising of Offer for Sale by Selling Shareholder).
Issue Size	Rs. 1587.6 – 1667.5 Crores
IPO Process	100% Book Building
Face Value	Rs. 1.00
Exchanges	NSE & BSE
BRLM	ICICI Securities Ltd., Citigroup Global Markets India Pvt. Ltd., J.P. Morgan India Pvt. Ltd., Kotak Mahindra Capital Co. Ltd.
Registrar	Kfin Technologies Ltd.

Issue Break up		
QIB ex Anchor	20%	45,62,601
Anchor Investor	30%	68,43,901
HNI<Rs. 10 Lakhs	5%	11,40,650
HNI>Rs. 10 Lakhs	10%	22,81,300
RII	35%	79,84,551
Total Public	100%	2,28,13,004
Employee Reservation		30,000
Total		2,28,43,004

Equity Share Pre Issue (Nos. Cr.)	13.7
OFS Share (Nos. Cr.)	2.3
Equity Share Post Issue (Nos. Cr.)	13.7
Market Cap (Rs. Cr.)	10,000.2
Stake Sale by OFS	16.7%

Objects of the Offer

Offer for Sale

The Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders. (up to 20,560,768 equity shares by Orkla Asia Pacific Pte. Ltd., up to 1,141,118 equity shares by Navas Meeran and up to 1,141,118 equity shares by Feroz Meeran)

Company Highlights

- Orkla India Limited is a leading multi-category Indian food company with a strong presence in spices and convenience foods. Its products span every meal occasion from breakfast and lunch to dinner, snacks, beverages, and desserts under its flagship brands MTR and Eastern, both deeply rooted in South Indian culinary traditions.
- The key product categories the company offers are Spices (comprising blended and pure spices), and Convenience Foods (comprising ready-to-cook ("RTC"), ready-to-eat ("RTE") foods and Vermicelli, among others). In Spices, the company's key products include: (a) Sambar Masala, Chicken Masala, Puliogare Masala, Rasam Masala and Meat Masala, among others, in blended spices; and (b) Chilli, Kashmiri Chilli, Turmeric, Coriander and Cumin, among others, in pure spices.
- According to the Technopak Report, Orkla India was among the top four companies by revenue in FY24 among leading Indian spices and convenience food peers. Its portfolio comprises about 400 products across blended and pure spices, ready-to-cook (RTC), ready-to-eat (RTE) foods, vermicelli, and other categories. The company sold an average of 2.3 million units daily as of June 30, 2025.
- MTR and Eastern hold dominant positions in South India, with 31.2% market share in Karnataka, 41.8% in Kerala, and 15.2% in Andhra Pradesh and Telangana in the packaged spices segment. Eastern has also remained India's largest exporter of branded spices for 24 consecutive years. Exports contributed 20.6% of total sales in Fiscal 2025, with products reaching 45 countries, including the GCC, US, and Canada.

- The company operates nine owned manufacturing facilities across India, with a total installed capacity of 182,270 tonnes per annum, and partners with 21 contract manufacturers for scalable, capital-efficient production. Facilities are strategically located near key raw material sources and certified under BRCGS and ISO 22000 for global food safety standards.
- Its distribution network spans 834 distributors and 1,888 sub-distributors across 28 states and six union territories, supported by 42 modern trade partners and six e-commerce and quick commerce channels. MTR and Eastern together have retail presence in over 67% of spice outlets in Karnataka and 70% in Kerala, far exceeding industry averages.
- Orkla India is a subsidiary of Orkla ASA, a Norway-listed industrial investment company with a market capitalization of US\$ 11 billion and a legacy of over 370 years. The parent provides access to global expertise through centres of excellence in innovation, food safety, marketing, procurement, and sustainability, enhancing Orkla India's operational standards.

View

- Orkla India is a leading packaged food company in South India, backed by strong brands MTR and Eastern that enjoy deep consumer trust and regional relevance. Its dual-brand strategy enables the company to effectively cater to both vegetarian and non-vegetarian consumers while maintaining the distinct identity and local heritage of each brand.
- The company's strength lies in its deep understanding of local cuisines and ability to tailor products to regional tastes, supported by a wide portfolio spanning spices, convenience foods, and blended masalas. Its successful integration of Eastern demonstrates strong brand-building and operational execution, aided by insights from local markets and best practices that drive efficiency and margin expansion.
- Innovation remains central to growth, supported by Cuisine Centres of Excellence in Bengaluru and Kochi and a repository of over 4,000 recipes. Recent launches such as MTR 3-Minute Breakfast, Ready-to-Eat Sweets, and Wok N Roll Asian Blends reflect the company's focus on convenience-led, higher-margin categories that align with changing consumer preferences.
- A robust and digitally enabled distribution network, comprising over 834 distributors, 1,888 sub-distributors, and presence across modern, e-commerce, and quick-commerce channels, strengthens market reach. The use of tools like the Distribution Management System (DMS) and Suggestive Order Module (SOM) enhances visibility, efficiency, and predictive selling.
- The company's export business, contributing over one-fifth of revenues, is set to expand under its structured "seed-grow-commit" model across key diaspora markets such as the GCC, the US, and Canada. Backed by Orkla ASA's global expertise in innovation, sustainability, and governance, Orkla India is well-positioned to sustain profitable growth and capture rising demand for authentic, high-quality, and convenient Indian food products.
- The company intends to continue expanding and enhancing its product portfolio, emphasising developing and launching new innovative offerings. The company is focused on increasing the penetration of convenience food products to capitalise on the rising demand for convenient meals driven by changing consumer lifestyles and preferences. The company also intends to focus on short shelf-life products that provide a more natural eating experience, such as Fresh Idli, Dosa Batters, Malabar Parotas, and Akki Rottis to ensure freshness and superior taste.
- The company constantly works to optimise its value chain to improve operational efficiencies and enhance margins. As one of the initiatives, the company is focused on driving a product mix change towards more value-added product categories. By expanding its sales in the value-added categories of blended spices, RTC and RTE foods, the company aims to improve its overall profitability.
- In terms of the valuations, on the higher price band, Orkla India demands P/E multiple of 31.7x on Q1FY26 annualized EPS.

Channel-wise Revenue Contribution

	FY23	FY24	FY25	Q1FY25	Q1FY26
General trade	1,499.5	1,558.5	1,484.0	359.8	361.3
Modern trade	198.2	225.0	247.9	58.0	67.0
E-Commerce & quick commerce	70.0	95.7	140.3	29.5	40.1

Key Performance Indicator

	FY23	FY24	FY25	Q1FY25	Q1FY26
Revenue from operations	2172.5	2356.0	2394.7	563.5	597.0
Revenue from operations growth (Y-o-Y) (%)	18.2	8.4	1.6	NA	5.9
Consolidated volume growth (only tonnage)(%)	1.8	1.5	3.5	NA	8.5
Revenue by product categories					
Spices	1,438.81	1,591.29	1,571.25	380.41	389.91
Convenience foods	698.92	731.1	787.07	175.64	198.18
Revenue - Domestic & Exports					
- India (%)	82.7	80.9	79.4	80.4	79.6
- Export (%)	17.3	19.1	20.6	19.6	20.4
Adjusted EBITDA	312.4	343.6	396.4	102.4	111.8
Adjusted EBITDA margin (%)	14.4	14.6	16.6	18.2	18.7
Adjusted EBIT	257.0	281.5	334.7	87.2	99.4
Adjusted EBIT margin (%)	11.8	11.9	14.0	15.5	16.6
PAT	339.1	226.3	255.7	71.9	78.9
PAT margin (%)	15.6	9.6	10.7	12.8	13.2
Retail touch points (absolute)	NA	NA	686729	NA	673379
Trade working capital days	36.3	30.7	21.4	31.1	22.0
ROCE (%)	32.1	20.7	32.7	6.1	8.9
Cash conversion (%)	85.0	109.9	124.8	62.3	-37.1

Manufacturing Capacity

	FY23	FY24	FY25	Q1FY25	Q1FY26
Installed Capacity (TPA)	1,55,950	1,61,345	1,82,270	1,82,270	1,82,270
Actual Production (TPA)	75,896	77,012	83,596	20,743	20,975
Capacity Utilization (%)	48.7%	47.7%	45.9%	45.5%	46.0%

Bifurcation of Production

	FY23	FY24	FY25	Q1FY25	Q1FY26
Own Manufacturing	75,896	77,012	83,596	20,743	20,975
Contract Manufacturing	10,905	10,145	12,870	2,421	4,412
Total	86,801	87,157	96,466	22,894	25,387

Financial Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Share Capital	12.3	13.4	13.7	13.4	13.7
Net Worth	2239.6	2807.1	2459.5	2879.9	2537.3
Long Term Borrowings	3.8	3.8	0.0	3.8	0.0
Other Long Term Liabilities	133.0	152.4	162.8	151.3	172.6
Short-term borrowings	31.2	0.0	0.0	0.0	2.3
Other Current Liabilities	694.4	412.0	549.0	370.8	446.0
Fixed Assets	2086.7	2058.6	1988.4	2045.8	1995.0
Non Current Assets	1616.7	147.3	154.4	142.3	156.5
Current Assets	892.3	1169.2	999.5	1217.7	977.6
Total Assets	3102.0	3375.2	3171.3	3405.7	3158.2
Revenue from Operations	2172.5	2356.0	2394.7	563.5	597.0
Revenue Growth (%)		8.4	1.6		5.9
EBITDA	311.3	341.4	396.8	101.7	111.8
EBITDA Margin (%)	14.3	14.5	16.6	18.1	18.7
Net Profit	339.1	226.3	255.7	71.9	78.9
Net Profit Margin (%)	15.6	9.6	10.7	12.8	13.2
Earnings Per Share (Rs.)	26.2	16.9	18.7	5.2	5.8
Return on Networth (%)	15.2	10.3	13.8	3.2	4.1
Net Asset Value per Share (Rs.)	181.5	160.7	135.3	166.0	141.0

Source: RHP, Ashika Research

Cash Flow Statement

(In Rs. Cr)	FY23	FY24	FY25	Q1FY25	Q1FY26
Cash flow from Operations Activities	190.4	296.4	391.7	47.0	(55.8)
Cash flow from Investing Activities	(165.1)	(236.5)	262.9	(53.3)	(11.3)
Cash flow from Financing Activities	(15.1)	(44.9)	(612.9)	(3.2)	(3.2)
Net increase/(decrease) in cash and cash equivalents	10.2	15.0	41.7	(9.4)	(70.2)
Cash and cash equivalents at the beginning of the year	14.4	24.6	39.6	39.6	81.3
Cash and cash equivalents at the end of the year	24.6	39.6	81.3	30.2	11.1

Source: RHP

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