

Bikaji Foods International Ltd. (BIKAJI)

Initiating Coverage

Rating: BUY (Target Price: ₹ 775)



*Strong headroom for
distribution and improving
utilisation*



Bikaji Foods International (BIKAJI:IN)

Strong headroom for distribution and improving utilisation

We initiate coverage of Bikaji Foods International (BIKAJI) with a "BUY" recommendation and a target price of Rs 775. The company is well entrenched in its core geographies and has a huge headroom to grow in its 'focus' and 'other' states. Focus on enhancing distribution and brand reach in 'focus' states is leading to market share gains. The company has a high share of family pack sales, pointing to customer loyalty. The company is now also expanding its business, to include frozen foods and entering into QSR and also deepening its focus on the western snacks segment.

Headroom to expand distribution

BIKAJI has been focusing on continuous expansion of its distribution reach, which has grown by ~78% since Q1FY24. The company aspires to take the total reach to 13 lakh outlets (from 11.5 lakh) over the medium term. It will add 50,000 direct outlets each year, which will take the FY26E direct coverage to 3.5 lakh outlets. Outlet growth in Focus states will be 1.5x of Core states.

Market share gains in 'focus' states

In terms of market share, Core states enjoy mid 40% kind of market share. Focus markets have a low market share of 1.8% (<2%) at an aggregate level, which BIKAJI aims to double in the next 3 years, taking it to 4.5%. In the next 3 years, company aims to add at least one or two states from Focus into the Core category. Growth in focus states is targeted to be 1.5x the Core states growth, and these focus states will see healthy distribution expansion and branding activities.

Capex cycle largely completed

The company has invested significantly in expanding its manufacturing footprint over the past few years, in order to cater to rising demand across core and focus states and export markets as well as to benefit from the government's PLI scheme for the sector. The company is now operating at lower capacity utilisation of 45%, with the aim to take it close to 70% in the next 3-4 years. This will lead to cost efficiencies, improving return ratios and strong free cash flow generation, as capex requirement going ahead will not be significant.

Improving margins and return ratios

The company has started seeing the benefit of PLI accruals in its margins since Q4FY24. Additionally, better capacity utilisation levels will lead to cost rationalisation, contributing to higher margins. EBITDA is expected to grow at a CAGR of 29.9% over FY25E-27E, with revenue growth expected at 16.6% over the same period. Improving fixed asset turnover will also aide return ratios.

Valuation and Outlook –

We expect a revenue/EBITDA/ PAT CAGR of 16.6/29.9/37.4% over FY25-27E, owing to strong volume growth, judicious price hikes, operating leverage and stagnating depreciation. We believe the company will continue to see strong volume growth in the medium term due to available capacity and focus on distribution expansion. With a strong footing in 3 states in the country, it is now eyeing the 2nd line of identified states to expand its presence and market shares. Strong brand equity in core states gives confidence that there is scope of replicating the same in other states over time. **The stock price is currently trading at 52.9/42.7x FY26/27E EPS. This is at a premium to other players in the food processing industry, owing to the strong growth potential coupled with brand strength and customer loyalty. We assign a multiple of 52x to FY27E EPS of Rs 14.9 to arrive at a price target of Rs 775. With an upside potential of 22.2%, we assign a 'BUY' rating on the shares of Bikaji Foods International Ltd.** Key risks are raw material inflation and any slowdown in distribution ramp up.

YE March, Rs mn	FY23	FY24	FY25E	FY26E	FY27E
Revenue	19,661	23,293	26,182	30,337	35,626
Growth (%)	22.0	18.5	12.4	15.9	17.4
EBITDA	2,133	3,897	3,221	4,504	5,433
EBITDA (%)	10.8	16.7	12.3	14.8	15.2
Adj. PAT	1,372	2,657	1,968	2,999	3,716
Adj. EPS	5.5	10.6	7.9	12.0	14.9
Adj. EPS Growth (%)	74.2	93.5	-25.9	52.4	23.9
ROE (%)	15.5	24.5	15.1	19.7	20.5
ROCE (%)	16.8	27.8	17.0	21.9	23.3
P/E (x)	115.5	59.7	80.6	52.9	42.7

Source: Company, ACMIIL Research

BUY

Target: Rs 775

Key Data

Bloomberg code:	BIKAJI:IN
Target price (₹)	775
CMP (₹)	634
Upside/ (Downside) (%)	22.2
Rating:	BUY
Shares outstanding (mn):	250
Mcap (Rs bn) :	160
52-week H/L (Rs):	1,008/476

Price Performance (%)

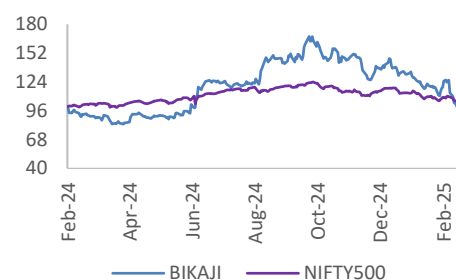
1 month	(1.5)
3 months	(20.9)
12 months	22.5

Shareholding Pattern (%)

	Jun'24	Sep'24	Dec'24
Promoter	75.1	75.0	75.0
FII's	7.5	7.5	7.7
DII's	13.3	12.8	12.0
Public/other	4.1	4.7	5.3
Pledge	-	-	-

Source: BSE

Performance vs. Nifty 500



Source: NSE

Analyst

Mrunmayee Jogalekar, CFA

M: +91-22-2858 3741

E: mruneeyee.jogalekar@acm.co.in

Bikaji Foods International (BIKAJI:IN)

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Bikaji Foods International (BIKAJI:IN)

Company Overview

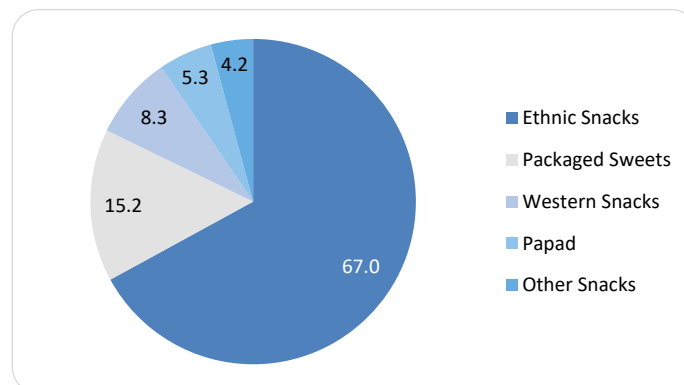
- BIKAJI was initially set up in the 1980s as 'Shivdeep Industries Ltd.' by Shiv Ratan Agarwal, who left Haldiram's (family business) to create an identity of his own.
- It is the third largest ethnic snacks company in India and is the second fastest growing company (20% revenue CAGR from FY20 to FY24) in the Indian organised snacks market. It also is the largest producer of Bhujia in India. Its international footprint includes over 33 countries. Their exports reach to North America, Asia Pacific, Middle East, European Union, Africa and the United Kingdom and contribute about 3% to the consolidated revenues.
- Its product range includes six principal categories: Bhujia, namkeen snacks, packaged sweets, Papad, western snacks and other snacks which primarily include gift packs, frozen food, mathri range and cookies.
- It operates 8 manufacturing facilities, 5 of which are located in Rajasthan and the rest 3 in Assam, Karnataka and Maharashtra, respectively. They also have 4 contract manufacturing units.
- BIKAJI has a reach of 11.5 lakh outlets, 25% of which are directly covered. It has a strong presence in its 'Core states' and its 'Focus states' are seeing rapid ramp up of distribution and presence.

Apart from being the third largest ethnic snacks brand, BIKAJI is the largest producer of Bhujia in India.

Product Portfolio

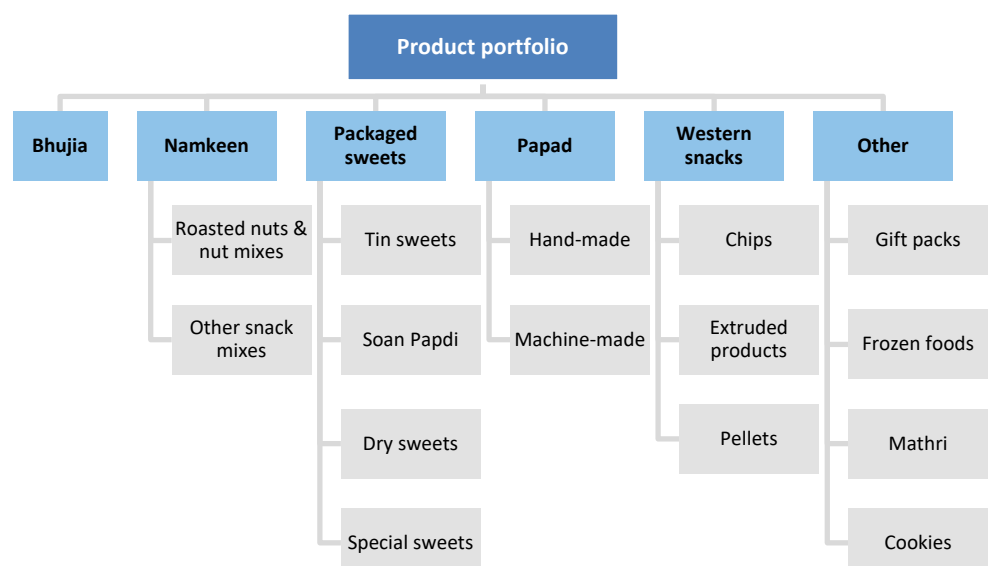
While it operates in the single business segment of manufacturing and selling snacks and sweets, they have classified each product into one of the 6 primary categories of offerings namely, Bhujia, Namkeen, Packaged sweets, Papad, Western snacks and Other snacks (which includes gift packs (assortment), frozen food, mathri range and cookies). Their catalogue consists more than 300 SKUs across domestic and international offerings.

Exhibit 1: 9MFY25 revenue contribution from each of the 6 categories



Source: Company, ACMIIL Research

Exhibit 2: Product portfolio



Source: Company, ACMIIL Research

BIKAJI has a product portfolio spread across 6 different categories and 300+ SKUs.

Bikaji Foods International (BIKAI:IN)

Ethnic snacks segment includes both, Bhujia and Namkeen categories, and accounts for 74% of the consolidated revenues. They collectively have more than 80 different offerings in their catalogue

Key inputs for ethnic snacks include Dew beans (Moth Dal), Channa dal (split chickpea lentils), cottonseed oil, palm oil, spices, pulses, gram flour noodles, puffed rice, nuts and dry fruits. Palm oil and pulses contribute 25% each to the overall RM basket.

1. Ethnic snacks

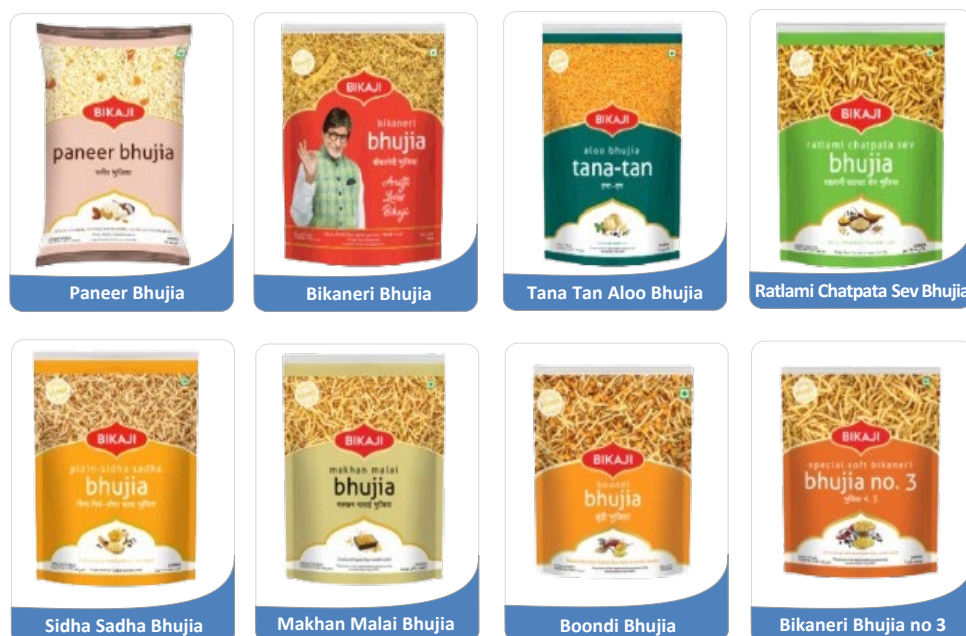
This category contributed about 67% to the 9MFY25 consolidated revenue from operations and includes the traditional Bhujia and Namkeen product line which BIKAJI later diversified into.

a. Bhujia

BIKAJI is the largest producer of Bhujia in India. It is a fried and crispy snack in the shade of red and yellow originally made in Bikaner, Rajasthan in India. Key ingredients used are Dew beans (Moth Dal), Channa dal (split chickpea lentils), cottonseed oil, palm oil and spices. Shiv Ratan Agarwal (Founder) set up the country's first Bhujia factory with latest machines and started exporting to foreign countries like UAE and Australia.

The company offers various products in this category right from the flagship 'Bikaneri Bhujia' and Plain Bhujia to Aloo, Paneer and Ratlami sev Bhujia amongst more than 14 other varieties.

Exhibit 3: Some of the product offerings under the Bhujia category

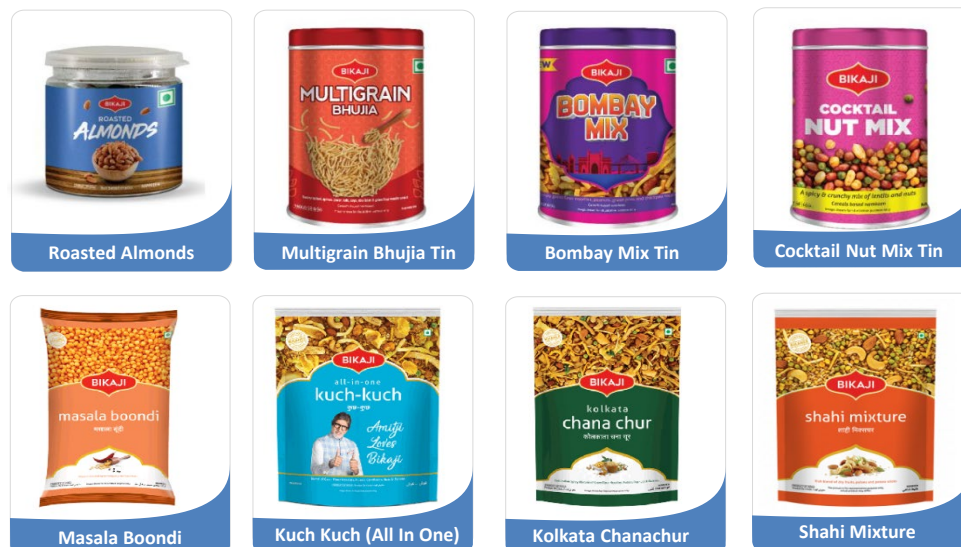


Source: Company, ACMIIL Research

b. Namkeen

This category consists of more than 66 varieties of roasted nuts and nut mixes, fried snacks and other snack mixes that are made of pulses, gram flour noodles, puffed rice, nuts and dry fruits. It also includes Falahari snacks and chips which are consumed when fasting and are usually made of potato and rock salt.

Exhibit 4: Some of the product offerings under the Namkeen category



Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

BIKAJI is one of the largest manufacturers of packaged Rasgullas, Gulab Jamuns and Soan Papdi.

3. Packaged sweets

This category includes dry sweets like Atta and Besan Ladoos, Petha, and Gujiya; tinned sweets like Rasgulla, Gulab Jamun and Cham Cham alongside Soan Papdi and 'Special' sweets like Burfees, Chikkis and Kaju Katli. It contributes more than 8% to the topline and has more than 43 different offerings. BIKAJI is one of the largest manufacturers of packaged Rasgullas, Gulab Jamuns and Soan Papdi.

Exhibit 5: Some of the product offerings under the packaged sweets category



Source: Company, ACMIIL Research

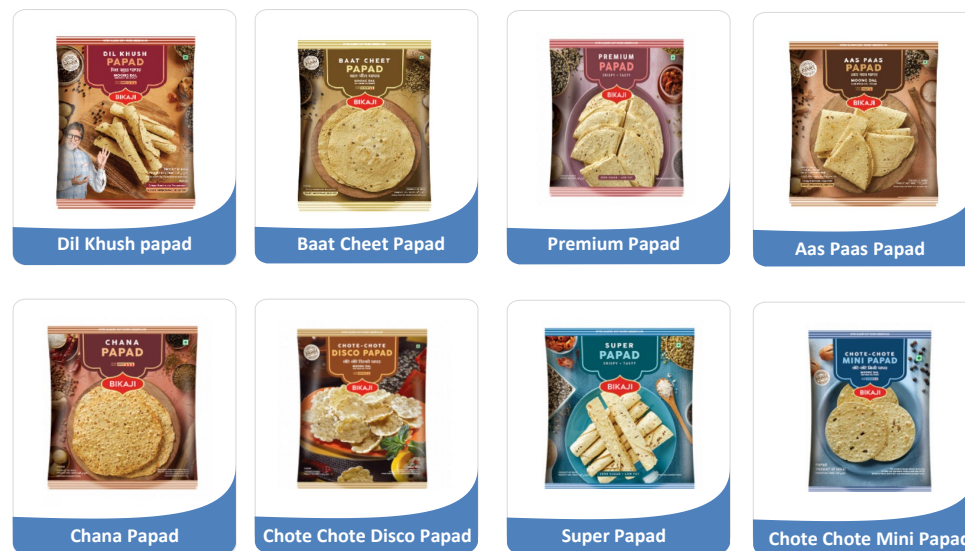
Bikaji Foods International (BIKAJI:IN)

BIKAJI is the second largest producer of handmade Papad in India, tying with Agarwal 420 after the leader-Lijjat.

4. Papad

BIKAJI is the second largest producer of handmade Papad in India after Lijjat. The company produces a diverse range of papads ranging in size from small disco papads of 1.5 inch to big 9-inch popular ones. This category contributed about 5.3% to the 9MFY25 consolidated revenues for the company.

Exhibit 6: Some of the product offerings under the Papad category



Source: Company, ACMIIL Research

5. Western snacks

This category primarily sells chips, extruded products and pellets and contributes about 8.3% to the 9MFY25 consolidated topline. Their 'FUNKEEN' brand includes french fries, pasta snacks, corn puffs, cheese balls, moon chips and corn rings, etc.

Exhibit 7: Some of the product offerings under the western snacks category



Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

6. Other snacks

This category is a latest addition to the product portfolio and comprises frozen foods, gift packs (assortments), mathri and cookies. This category has been added to mainly address the export demand for the Indian diaspora. While gift packs cater to the festive demand, frozen foods is poised to be a significant growth driver in future and will contribute to exports and their QSR initiative. The company has also acquired Ariba Foods and The Hazelnut Factory this year to aid the growth of this category.

This category has been added to mainly address the export demand for the Indian diaspora.

Exhibit 8: Some of the product offerings under the 'other' snacks category



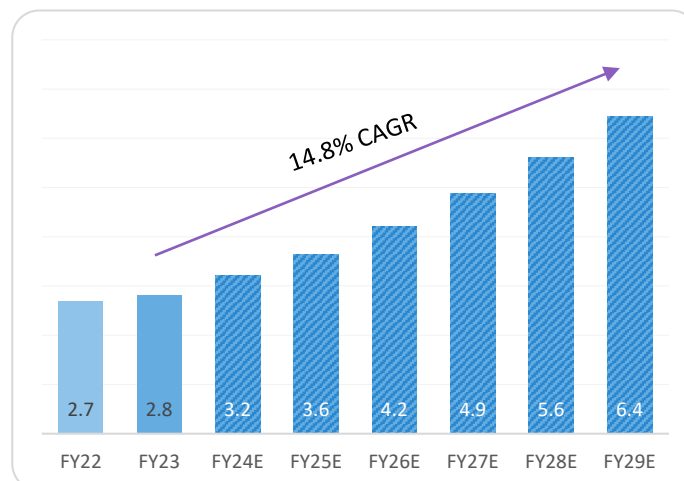
Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Industry Overview

- Packaged food sector in India, according to Statista was valued at about USD 2.8 bn in FY23 and is likely to reach USD 6.4 bn by FY29E growing at a CAGR of 14.8%. This is being driven by consumers increasingly opting for packaged over loose snacks, increasing urbanization, higher disposable incomes, and changing lifestyles.

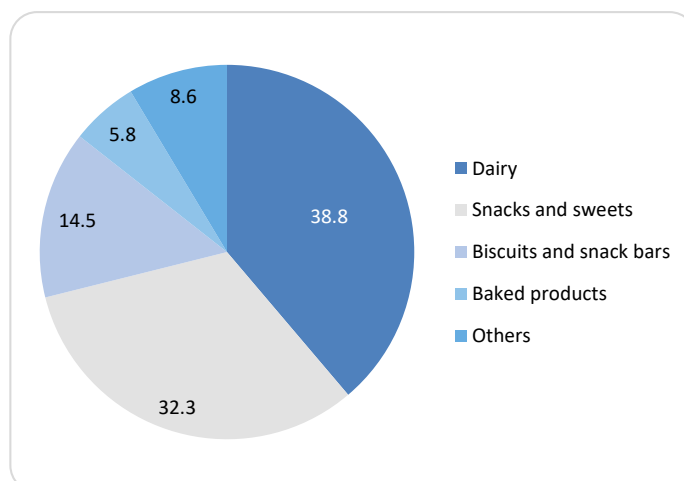
Exhibit 9: The Indian packaged food sector is expected to grow at about 2x growth of the country's GDP from FY23 to FY29E (in USD Bn)



Source: Statista, ACMIIL Research

- Within the packaged food sector, dairy segment, being the largest, has a share of 38.8% followed by snacks and sweets segment having a share of 32.3% and remaining is contributed by biscuits, baked products and others.

Exhibit 10: Snacks and sweets segment accounts for the second largest share in the Indian packaged food sector as of 2022



Source: Company, ACMIIL Research

The Indian packaged food sector is expected to grow at ~2x of the country's GDP from FY23 to FY29E.

Snacks and sweets segment accounts for the second largest share in the Indian packaged food sector.

Bikaji Foods International (BIKAJI:IN)

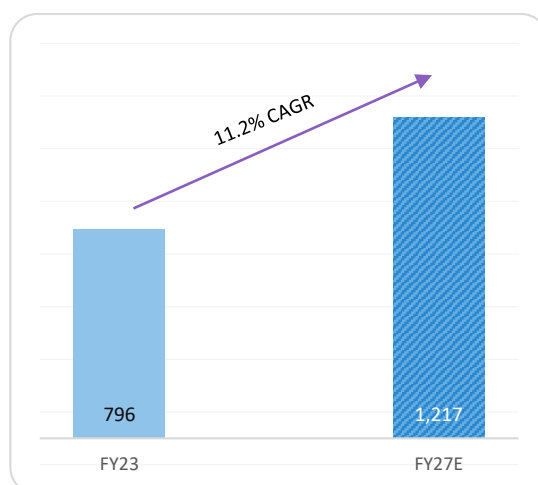
The growing young population, influence of western eating habits and the expanding number of e-commerce brands and distribution channels are key factors driving the packaged savoury snacks market growth.

Ethnic snacks (Namkeen and Bhujia) combined account for 42.8% of the savoury snacks market.

1. Packaged savoury snacks

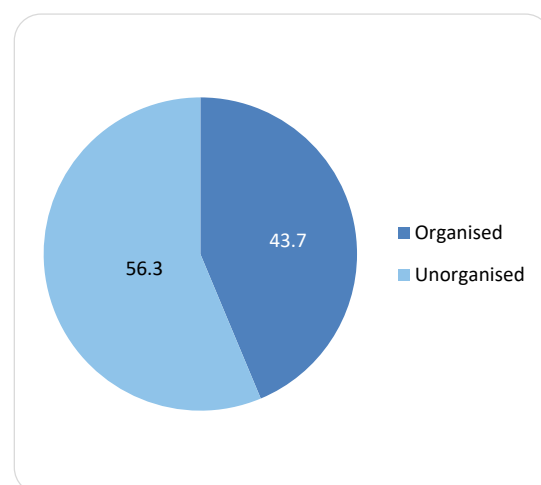
- The Indian packaged savoury snacks market is valued at Rs 796 bn as of FY23 and is anticipated to reach a value of Rs 1,217 bn by FY27E, according to a Frost and Sullivan report. The growing young population and the influence of western eating habits have been boosting the demand for convenient, ready-to-eat snacking options, and the expanding number of e-commerce brands and distribution channels are key factors driving growth.
- Within this market, the unorganised section has a slightly higher share at 56.3% while the organised section lags at 43.7% share. Western snacks (chips, bridges and extruders) hold the dominant position within the organised section contributing about 57%, followed by Ethnic Namkeen (dry samosa, chakli, etc) and Bhujia at 26.9% and 15.9%, respectively.

Exhibit 11: Urban population's need for convenience to drive Indian packaged savoury snacks market growth



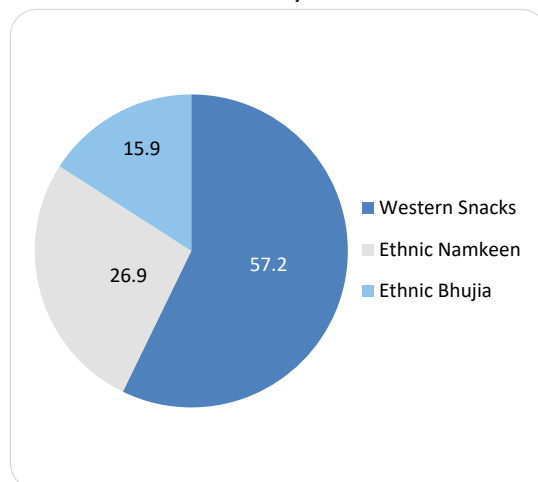
Source: Company, ACMIIL Research

Exhibit 12: Within packaged savoury, the organised market lags at 43.7% share against the unorganised market at 56.3%



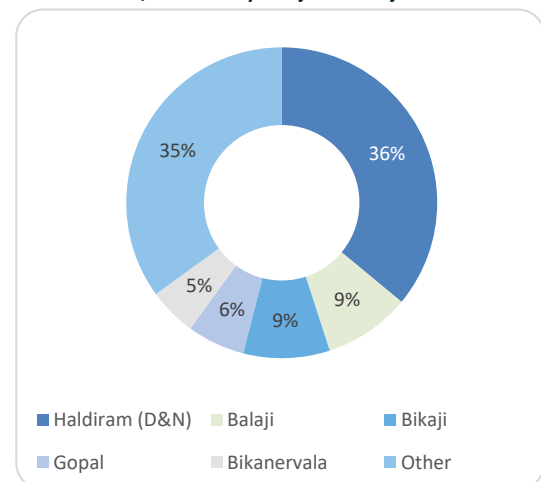
Source: Company, ACMIIL Research

Exhibit 13: Ethnic snacks (Namkeen and Bhujia) combined account for 42.8% of the savoury snacks market



Source: Company, ACMIIL Research

Exhibit 14: Haldiram leads the Ethnic organised savoury snacks market, followed by Balaji and Bikaji



Source: Company, ACMIIL Research

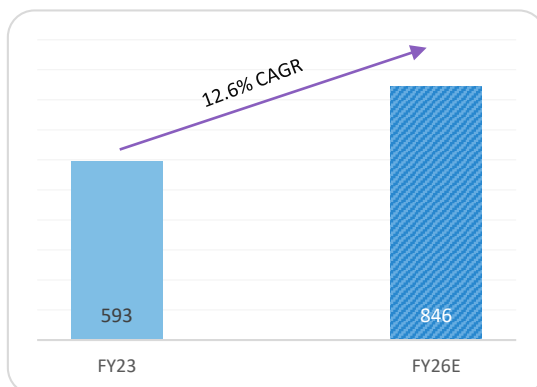
Bikaji Foods International (BIKAJI:IN)

Indian packaged sweets market is anticipated to grow at 12.6% CAGR from FY23 to FY26E, however, more than 90% of the market remains unorganised till date.

2. Packaged sweets

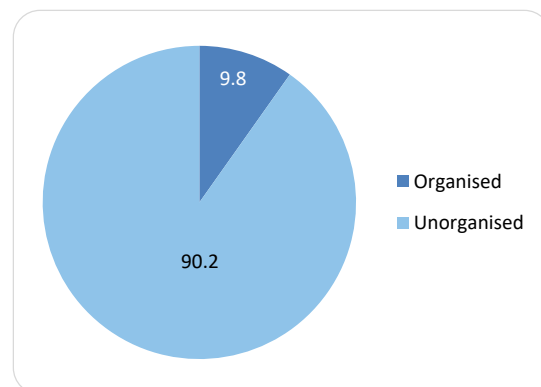
- The Indian packaged sweets market is valued at Rs 593 bn as of FY23 and is anticipated to reach a value of Rs 846 bn by FY26E. The unorganised market share stands at a staggering 90.2% while organised share stands at 9.8%.

Exhibit 15: Indian packaged sweets market is expected to grow at 12.6% CAGR from FY23 to FY26E.



Source: Company, ACMIIL Research

Exhibit 16: Even today, packaged sweets market is largely unorganised

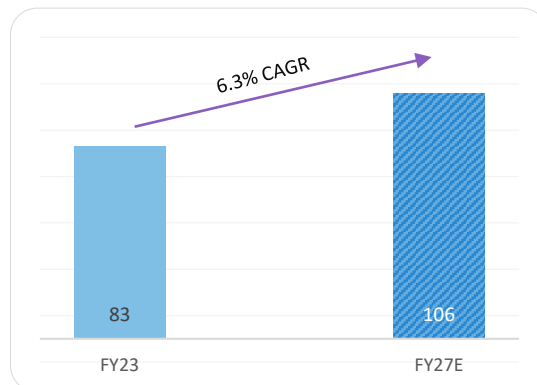


Source: Company, ACMIIL Research

3. Papad

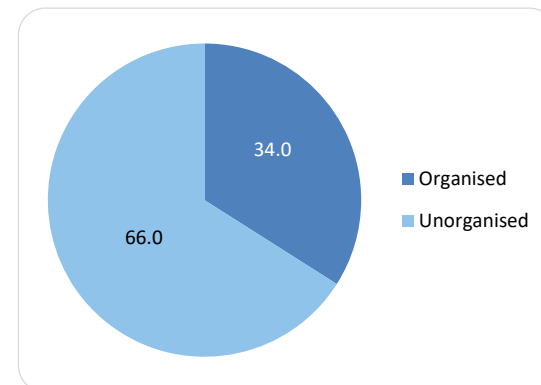
- The Indian Papad market is valued at Rs 83 bn as of FY23 and is anticipated to reach a market size of Rs 106 bn by FY27E. Lijjat Papad remains a dominant player in this segment with greater than 50% share. The unorganised section accounts for 66% while the remaining 34% is accounted for by the organised section.

Exhibit 17: Indian Papad market is expected to grow at 6.3% CAGR from FY23 to FY26E



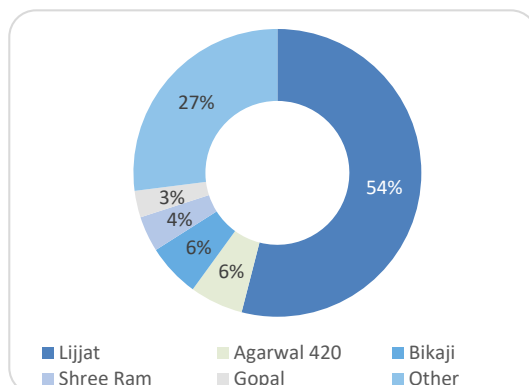
Source: Company, ACMIIL Research

Exhibit 18: Organised players have adequate room for growth with the advent of machine made papad



Source: Company, ACMIIL Research

Exhibit 19: Key players in the organised Papad market



Source: Company, ACMIIL Research

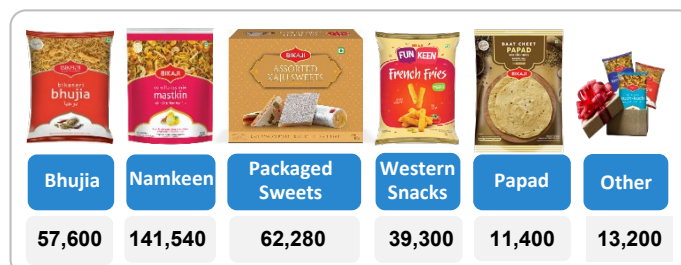
There is a lot of room for the organised Papad industry to grow, being at just 34% of the market currently.

Bikaji Foods International (BIKAJI:IN)

Manufacturing capabilities

BIKAJI has 8 owned, 2 subsidiary and 4 contract manufacturing units that are spread across 8 states in India, with total capacity standing at 3,25,320 tonnes. Namkeen, western snacks and other snacks segments have seen major capacity additions

Exhibit 20: Manufacturing Capacity (in tonnes) as on 9MFY25



In FY24, BIKAJI expanded capacity by adding 3 new facilities in Patna, Bikaner and Durg.

Source: Company, ACMIIL Research

Exhibit 21: Manufacturing capacities are strategically located to optimize operations

Manufacturing facilities	Locations
Owned:	
Karni, Bikaner	Rajasthan
Bichhwal I, Bikaner	Rajasthan
Bichhwal II, Bikaner	Rajasthan
Bichhwal III, Bikaner	Rajasthan
Bikaner (Frozen foods)	Rajasthan
Kamrup	Assam
Mumbai	Maharashtra
Tumkur	Karnataka
Subsidiary:	
Petunt Food Processors Pvt. Ltd.	Tumkur, Karnataka
Vindhyawasini Sales Pvt. Ltd.	Muzaffarpur, Bihar
Contract:	
Kolkata	West Bengal
Durg	Chhattisgarh
Patna	Bihar
Kanpur	Uttar Pradesh

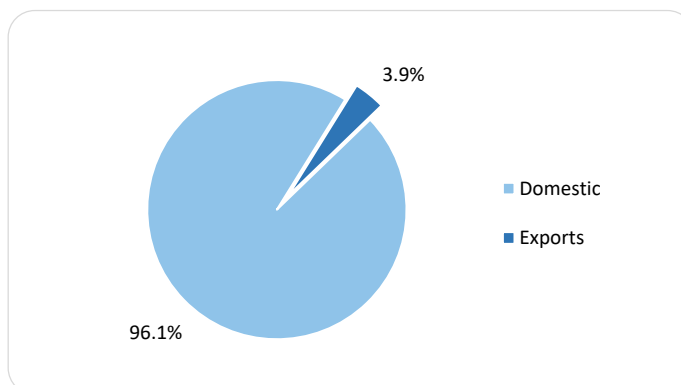
Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Distribution

- BIKAJI has a large pan-India distribution of 11.5 lakh outlets located across 28 states and 8 union territories, of which, around 2.88 lakh outlets are being addressed directly by the company. These include general as well as modern trade channels.
- Its international footprint spreads over 33 countries. Their exports reach to North America, Asia Pacific, Middle East, European Union, Africa and the United Kingdom and contribute about 3% to the consolidated revenues.
- The company also has a 'Core and Focus states' strategy in place within which 'Core states' include markets where the brand already enjoys high brand recall, market leadership, and well-established distribution networks. These include Rajasthan, Assam and Bihar. On the other hand, 'Focus states' are markets where the brand sees significant growth potential due to untapped demand but where its current presence is relatively modest. These include Uttar Pradesh, Haryana, Punjab, Delhi, Chhattisgarh and Karnataka.

Exhibit 22: Revenue breakup based on geography



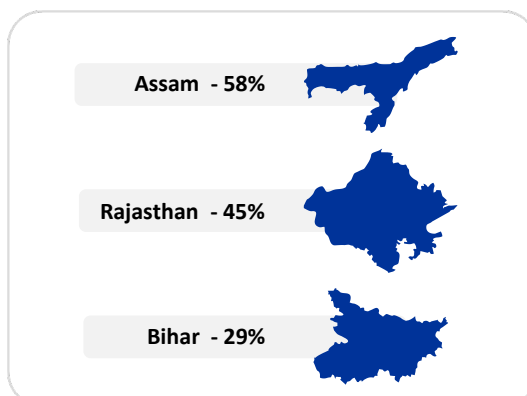
Source: Company, ACMIIL Research

Market Share

In terms of market share, Core states enjoy mid 40% kind of market share which, according to management is difficult to grow while, Focus markets have a market share of 1.8% (<2%) at an aggregate level, which BIKAJI aims to double in the next 3 years, taking it to 4.5%. In the next 3 years, company aims to add at least one or two states from Focus into the Core category.

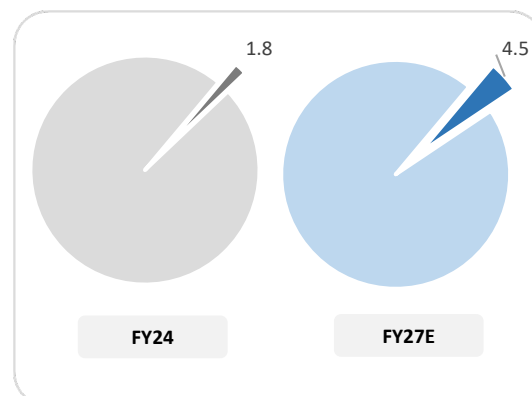
Chhattisgarh was added in the list of Focus states in FY24 as it performed very well and BIKAJI now enjoys a market share of around 5% in this state.

Exhibit 23: BIKAJI enjoys a significant market share and leader position in its Core states



Source: Company, ACMIIL Research

Exhibit 24: Targeting mid single-digit market share on aggregate basis in Focus states



Source: Company, ACMIIL Research

In the next 3 years, company aims to add at least one or two states from Focus into the Core category.

Bikaji Foods International (BIKAJI:IN)

PLI Scheme

- The government of India introduced a PLI scheme for the food processing industry in FY22 which had a capital outlay of Rs 1,09,000 mn. This scheme had a tenure of 5 years starting FY22.
- BIKAJI became eligible for Rs 2,614 million of maximum incentive, for which it committed close to Rs 4,517 million in spending.
- By the end of FY24, the Rs 4,517 mn commitment went through and company started accruing PLI benefit under 'Other operating income' as follows:

Exhibit 25: PLI scheme financial inflow

Financial Year	Incentive Amount (Rs Mn)	Status
FY22	198	Realised
FY23	286	Realised
FY24	452	Realised
FY25E	600	Due
FY26E	480	Due
FY27E	598	Due
Total	2,614	

Source: Company, ACMIIL Research

- The company received a total of Rs 936 mn in benefits for the FY22-FY24 period which was collectively accrued in FY24's P&L statement but FY25E onwards PLI benefits are being accrued on a quarterly basis.
- It will receive an additional Rs 230 mn for promoting its brand and marketing initiatives in the overseas markets with a mandatory minimum investment of Rs 460 mn.
- All things considered, BIKAJI's expansion strategy receives a substantial financial lift from the PLI scheme. The business can generate significant revenue in the upcoming years by meeting the investment and revenue growth requirements. PLI incentives currently account for about 2% of the consolidated revenues from operations.

Bikaji Foods International (BIKAJI:IN)

Subsidiaries and Associate

The company has 7 subsidiaries, of which 3 are wholly owned while in the remaining it has a majority stake.

More than 98% of the consolidated revenue comes from the standalone operations.

The subsidiaries are:

1. **Vindhyawasini Sales Pvt. Ltd. (VSPL)** – It's was a wholly owned subsidiary of BIKAJI as of FY24 and is involved in stocking, distribution and marketing of FMCG items and business of agency and manufacturer's representative. In July 2024, it was merged into the parent company.
2. **Bikaji Foods International USA Corp (Bikaji USA)**– It's a wholly owned subsidiary incorporated in FY24 in New Jersey, USA. It is engaged in the business of wholesale trading, selling and distribution of all kinds of snacks, namkeen, bread, biscuits, bakery products, confectionery and other foods products. It's objective is better expansion of the business, increasing export and further strengthen the distribution network of the company in the USA Territory.
3. **Bikaji Foods Retail Ltd.** - It's a wholly owned subsidiary of BIKAJI incorporated in September 2024. It'll be dedicated towards new ventures in areas of café, quick service restaurants (QSRs), restaurants, tavern, food catering services, snacks catering services, ice cream catering services, food chain, travel catering, kiosk, mobile food station, canteens, opening outlets, etc. and investment thereto.
4. **Ariba Foods Pvt. Ltd.** – BIKAJI acquired 55% stake in this subsidiary and is in the business of manufacturing and selling of snacks under the brand name of 'InDine', and also undertakes contract manufacturing for various third parties. It was also honored by the Hon'ble Chief Minister of Madhya Pradesh with 'Start Up of the year' award in 2017, in recognition of its excellence.
5. **Petunt Food Processors Pvt. Ltd. (PFPPL)** – With a 51.2% stake held by BIKAJI, Petunt is in the business of manufacturing, processing, preparing, preserving, refining, buying, selling, packing, re-packing, labeling, sorting, grading directly or sub-contracting in all type of food and related products.
6. **Bikaji Maa Vindhyawasini Sales Pvt. Ltd. (BMVSPL)** – With a 51% stake held, BMVSPL is a wholesale trader, seller, stockist, C&F agent and importer and exporter of all types and kinds of snacks, namkeen, bread, biscuits, bakery products, confectionery and other foods products.
7. **Bikaji Mega Food Park Pvt. Ltd. (BMFPPL)** – During FY24, 51% equity stake was acquired in this subsidiary and is primarily involved in development, design, construction, marketing and operation and maintenance of the food processing park.

The associate is:

1. **Bhujialalji Pvt. Ltd. (BPL)** – During FY24, BIKAJI acquired 49% stake in BPL. Its in the business of manufacturing and trading of Bhujia, namkeen and snacks under the brand name of "BHUJIALALJI" and has presence in India in leading modern trade, e-commerce and q-commerce channels.

Bikaji Foods International (BIKAJI:IN)

Exhibit 26: The Hazelnut Factory (THF) is the latest addition in the list of subsidiaries and associates

Sr. no.	Subsidiary/Associate	% holding by BIKAJI	Revenue FY24 (Rs mn)	% share in consolidated revenue	PAT FY24 (Rs mn)	% share in consolidated PAT
1	Vindhyawasini Sales Pvt. Ltd.	100.0	182	0.7	(17)	(0.6)
2	Bikaji Foods International USA Corp	100.0	91	0.4	(6)	(0.2)
3	Bikaji Foods Retail Ltd.	100.0	0	0	0	0
4	Ariba Foods Pvt. Ltd. *	55.0	384	0.9	(5)	(0.1)
5	Petunt Food Processors Pvt. Ltd.	51.2	427	0.9	(31)	(0.6)
6	Bikaji Maa Vindhyawasini Sales Pvt. Ltd.	51.0	0	0	0	0
7	Bikaji Mega Food Park Pvt. Ltd.	51.0	0	0	0	0
8	Bhujialalji Pvt. Ltd.	49.0	216	0.5	(19)	(0.4)
9	The Hazelnut Factory Food Products Pvt. Ltd. *	40.4	449	0.8	24.6	0.4

* - Acquired in Q2FY25, so % share in consol revenues and PAT just shown to illustrate the relative size however did not contribute to FY24 consolidated results

Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Investment Rationale

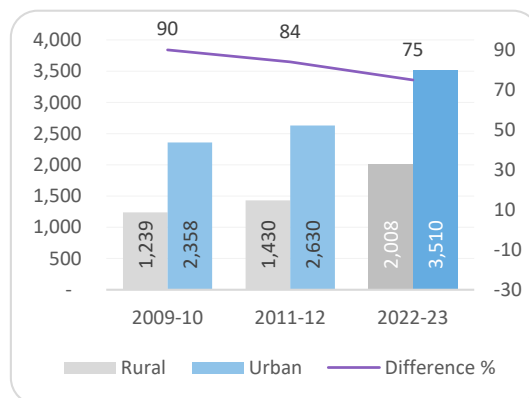
1) Increasing processed/packaged food consumption

India has witnessed a notable increase in per capita consumption of processed foods (Exhibit xx), driven by urbanization, changing dietary habits, and rising disposable incomes. This trend is evident in both urban and rural areas, reflecting a significant shift in the country's food consumption patterns.

- Urban consumption trends:** As per data by Euromonitor, the per capita sales of packaged and processed foods nearly doubled in urban India increasing from USD 31.3 in 2012 to USD 57.7 in 2018, at constant 2018 prices. The monthly per capita consumption (MPCE) in urban India has grown by 33.5% in FY23 vs FY12 (based on FY12 prices). This surge indicates a growing preference for convenience-oriented food products among city dwellers. Factors such as hectic lifestyles, increased female workforce participation, and exposure to global food cultures have contributed to this rise. Additionally, there has been a noticeable shift from traditional staples to processed and ready-to-eat foods, aligning with the modern urban lifestyle.
- Rural Consumption Dynamics:** Rural India, home to nearly two-thirds of the country's population, is also experiencing a significant transformation in food consumption. Recent Government of India data indicates that rural monthly per capita consumption (MPCE) has grown by 40.4% in FY23 vs FY12 (based on FY12 prices). This growth suggests an increasing adoption of packaged foods in rural regions, driven by improved infrastructure, greater market accessibility, and rising aspirations. Moreover, the MPCE gap between urban and rural has reduced from 90% in FY10 to 84% in FY12, and further to 75% in FY23 (based on FY12 prices). The narrowing consumption gap between rural and urban areas highlights the expanding reach of packaged food products beyond metropolitan centers.
- Shift in Household Expenditure:** The composition of household expenditure in India has evolved, with a declining share allocated to traditional food items and an increasing portion directed towards processed and packaged foods. In FY23, beverages and processed foods accounted for 10.6%/9.6% of urban/rural MPCE vs. 9.0%/7.9% respectively in FY12. This shift reflects changing consumer preferences and a move towards diversified diets that incorporate a variety of packaged food products.
- Implications and Future Outlook:** For food producers and retailers, India's rising per capita consumption of packaged goods offers significant prospects. To meet the changing tastes and preferences of Indian consumers, businesses are putting more of an emphasis on developing new products, improving the quality of existing ones, and growing their distribution networks. However, as greater intake of processed foods may affect nutritional outcomes, this development also calls for attention to the health consequences. In order to shape the future of India's packaged food business, it will be imperative to strike a balance between convenience and health concerns.

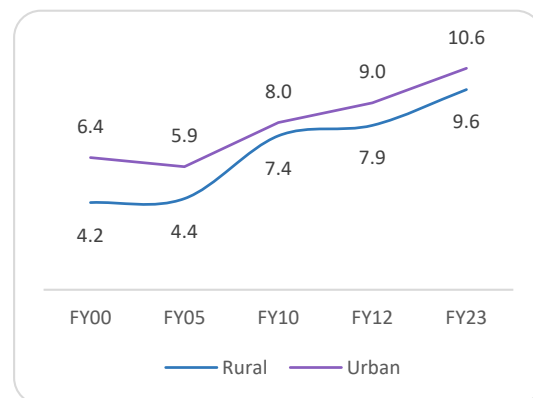
As of 2022-23, processed foods, including packaged items, beverages, and purchased cooked meals, accounted for 10.6%/9.6% of urban/rural Monthly Per Capita Consumption Expenditure (MPCE) in India. This has grown compared to 9.0%/7.9% respectively in FY12.

Exhibit 27: Average MPCE (Rs.) at 2011-12 prices inching up, gap between urban and rural narrowing



Source: Household Consumption Expenditure Survey 2023-24, ACMIIL Research

Exhibit 28: Rising share of beverages and processed foods in MPCE (%)



Source: Household Consumption Expenditure Survey 2023-24, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

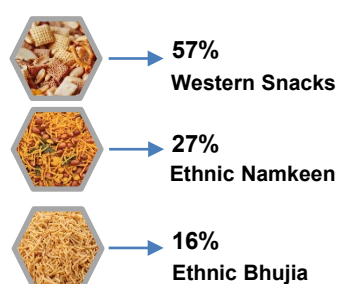
Emerging regional players like Haldiram's, Balaji Wafers and Bikaji alongside global FMCG behemoths like ITC, PepsiCo are investing heavily in branding and advertising in lieu of establishing brand equity.

2) Increasing formalisation in the savoury snacks and sweets markets

Historically, the Indian savory snacks market has been dominated by small-scale, regional players operating in unorganized formats. However, the past decade has seen a transition towards greater formalisation driven by several factors:

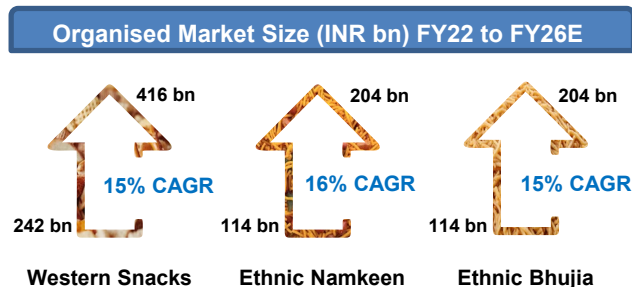
- **Rising consumer demand for packaged branded snacks** - Customers are drawn to branded snacks because of its perceived accessibility, consistency, and hygiene as a result of urbanization, rising disposable incomes, and changing lifestyles. More and more people believe that branded snacks are superior to loose, unpackaged goods from neighborhood sellers in terms of safety and quality.
- **Entry of large players** – Emerging regional players like Haldiram's, Balaji Wafers and Bikaji alongside global FMCG behemoths like ITC, PepsiCo are investing heavily in branding and advertising, establishing extensive distribution capabilities while venturing into new geographies and covering both rural and urban consumers eventually boosting the organised share
- **Regulations** - Enhanced focus on food safety and compliance with FSSAI norms has encouraged the growth of organized players, as they are better equipped to meet these standards. GST implementation has also adversely affected the unorganised sector.
- **Modern retail growth and technology** – The evolution of e-commerce and quick commerce has provided organized players with greater access to consumers nationwide. Digital sales and marketing have also accelerated formalisation. Large retail chains and supermarkets equivalently contribute in driving demand for branded products, offering shelf space primarily to established players.

Exhibit 29: Indian savoury snacks market breakup



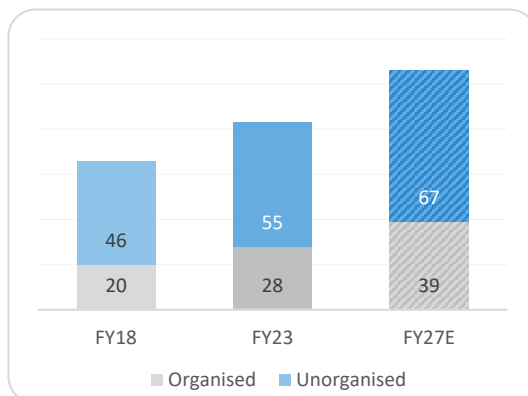
Source: Frost and Sullivan, ACMIIL Research

Exhibit 30: Indian savoury snacks market to see rapid formalisation



Source: Frost and Sullivan, ACMIIL Research

Exhibit 31: Indian organised Papad market to see high single digit growth and increased share (Rs Bn)



Source: Frost and Sullivan, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

In terms of contribution to sales for 9MFY25, Core states lead with about 69% of sales, while Focus states and 'Others' contribute 15% and 12% respectively. The remaining share comes from the export markets.

Core states strategy will aim to maintain the leadership position while focus state strategy will have higher impetus on expanding reach and gaining market share.

3) 'Core' and 'Focus' states strategy

- BIKAJI has a 'Core and Focus' states strategy in place within which 'Core states' include markets where the brand already enjoys high brand recall, market leadership, and well-established distribution networks. These include Rajasthan, Assam and Bihar, where Bikaji has a strong cultural and historical association with traditional snacks.
- On the other hand, 'Focus states' are markets where the brand sees significant growth potential due to untapped demand for branded ethnic snacks but where its current presence is relatively modest. These include Uttar Pradesh, Haryana, Punjab, and Delhi in the north, Chhattisgarh in central India and Karnataka in the south of India. The rest of the states in India come under the 'others' category where the company has presence, but its not very strong and the company is not actively trying to strengthen it.
- In terms of contribution to sales for 9MFY25, Core states lead with about 69% of sales, while Focus states and 'Others' contribute 15% and 12% respectively. The remaining share comes from the export markets.
- Chhattisgarh was added in the Focus market category in FY24 after the company saw strong growth in the state and a market share that grew in excess of 5%. The management expects about Rs 200 mn of topline in FY25E from the state.
- For the Focus markets, the firm is aiming a growth that is 1.5x the Core states growth and these states will see healthy distribution expansion and branding activities. Focus states, at aggregate level, would have about 1.8% (<2%) market share, which the company aims to double in the next 3 year's time to achieve a market share in the range of 4.5% (25%+ CAGR) and position themselves within the top 2 players in the respective states. About 55% of the company's direct coverage is in the Focus markets.

a) Core market strategy:

- The company enjoys well-established brand, strong distribution, and high consumer loyalty in these states so the focus would revolve around deepening market penetration, product diversification and enhancing operational efficiency.
- Market penetration will deepen by growing reach in smaller towns and rural areas while enhancing retailer engagement through loyalty programs, credit support and frequent restocking and diversification will aid in introducing complementary products like sweets, papads, and seasonal offerings to boost cross-selling and festive sales.
- Streamlining supply chains further to cut logistics costs, improve delivery timelines and leveraging economies of scale will help to maintain competitive pricing.

b) Focus market strategy:

- These states are the ones that have large populations with evolving consumption patterns, increasing disposable incomes, and rising preference for branded snacks. Certain urban centres also have a growing network of supermarkets and e-commerce platforms that are ideal for branded snack players. But at the same time, these states have distinct taste preferences, requiring localised product customization. The target here would be to introduce localised product offerings, widespread distribution expansion and building brand awareness.
- Introducing snacks tailored to local tastes, alongside core products, would be key in making consumers notice the brand. Offering smaller SKUs to cater to price-sensitive consumers in rural and semi-urban areas will aid in greater consumption and higher demand for the product portfolio.
- Setting up new distribution hubs and partnering with local distributors is necessary to enable product availability for consumers especially in markets where the company is not amongst the top players. Urban markets can be penetrated efficiently by leveraging e-commerce and quick commerce platforms like Flipkart, Amazon, Zepto and Blinkit, etc.
- Brand awareness can be created by running targeted campaigns to introduce the brand to new consumers, often highlighting its heritage and product quality and may also include sampling campaigns and retailer discounts to build initial traction in the new regions. Collaborating with regional retailers and modern trade outlets for greater shelf space may increase visibility.

Bikaji Foods International (BIKAJI:IN)

BIKAJI applies a phased approach to expand in the focus states by targeting urban centers first before venturing into smaller towns thereby minimizing risk. The company aims to include atleast one or two states from Focus into their Core markets. From profitability perspective, margins in Focus markets are about 1.5% lower than in the Core markets to ease growth.

The interplay between Core and Focus markets will ensure balanced upward trajectory.

- **Revenue Stability:** Core states provide steady revenue streams, acting as cash cows that fund expansion into focus states.
- **Learning and Customization:** Insights gained from core states, such as consumer behaviour and product preferences, help in forming strategies in focus states and vice versa.
- **Brand Awareness:** National campaigns originating in core states bolster awareness in focus states, especially when amplified by digital channels.

The "core and focus states" strategy is a balanced approach that enables Bikaji Foods to maintain its stronghold in established markets while tapping into the immense growth potential of underpenetrated regions. By tailoring its product offerings, expanding distribution networks, and leveraging its heritage, Bikaji is well-positioned to grow its market share across India while mitigating the risks associated with regional expansion.

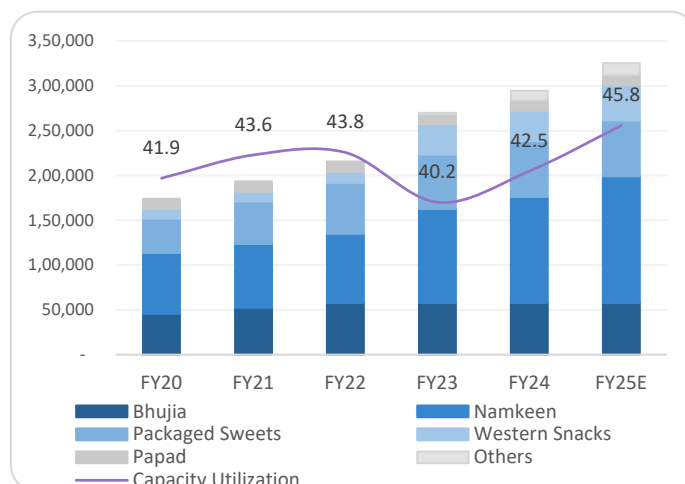
4) Increasing utilisations and completion of capex will lead to enhanced return ratios and improving free cash flow going ahead

BIKAJI's production facilities are strategically situated close to its core and focus markets, as well as suppliers of raw materials ensuring effective procurement. As a result, lead times to its service markets are shortened, freight costs are optimised, and fresh items with improved taste and quality are delivered.

The company has invested significantly in modernising and expanding its manufacturing infrastructure over the years to cater to rising demand across core and focus states and export markets. Aggressive marketing and advertising campaigns have significantly boosted brand recall, leading to higher sales volumes and sustained production. The company has adapted its production processes to handle multiple product lines, allowing for better utilisation even during seasonal demand fluctuations.

Its capacities are operating at about 45% utilisation levels on blended basis and the aim is to take it close to 70% in the next three to four years. Cost efficiencies achieved through this higher utilisation will allow Bikaji to maintain competitive pricing, especially in price-sensitive markets like India. ROE and ROCE were close to 21% and 31% respectively in FY24 and are poised to improve as minimum capex will be required going forward. Its currently at close to 3,00,000 metric tons of capacity which can comfortably generate double the existing turnover.

Exhibit 32: Category-wise capacity breakup (MT). BIKAJI saw 14.7% CAGR growth in capex from FY22 to 9MFY25.



Source: Company, ACMIIL Research

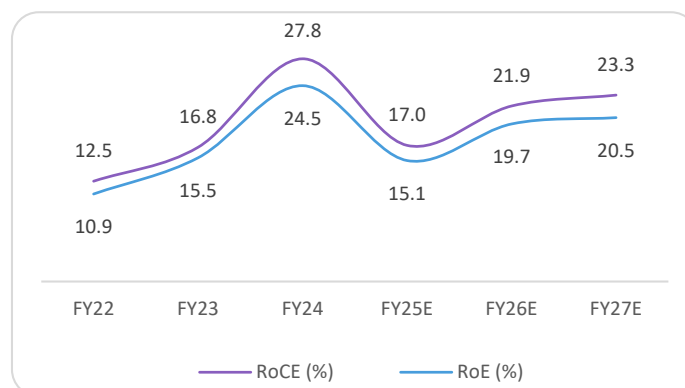
Exhibit 33: Improving FCF due to improved profitability and lower capex outlays in the next two years

(Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
FCF	195	428	(516)	800	1,164	462	1,943	3,272

Source: Company, ACMIIL Research

Its capacities are operating at about 45% levels on blended basis and the aim is to take it close to 70% in the next three to four years.

Bikaji Foods International (BIKAJI:IN)

Exhibit 34: Increasing utilisations and completion of capex will lead to enhanced return ratios

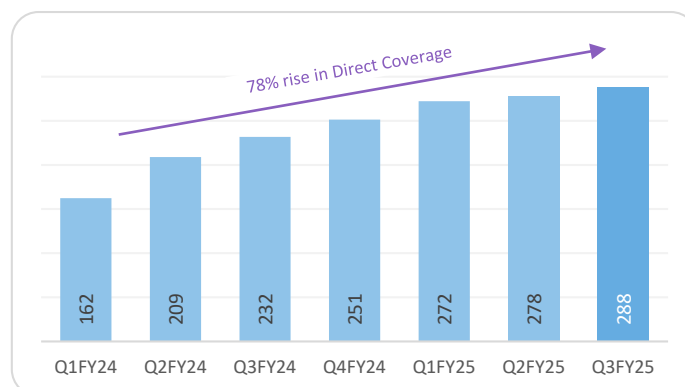
Source: Company, ACMIIL Research

BIKAJI's return ratios are poised to improve as minimum capex will be required going forward

5) Distribution and reach

- BIKAJI has a large pan-India distribution of 11.5 lakh outlets located across 28 states and 8 union territories, of which, around 2.88 lakh outlets are being serviced directly by the company. These include general as well as modern trade channels.

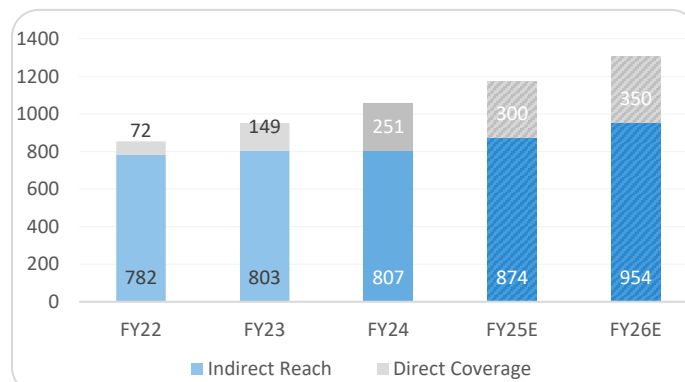
About a quarter of the total reach of 11.5 lakh outlets is being addressed by BIKAJI directly.

Exhibit 35: Outlets in 000's. Direct coverage saw 78% rise since Q1FY24.

Source: Company, ACMIIL Research

- The company aspires to take the total reach to 13 lakh outlets over the medium term. It will add 50,000 direct outlets each year, which will take the FY26E direct coverage to 3.5 lakh outlets.
 - In 9MFY25, they've successfully added about 37,000 outlets in their direct reach thus, they're well on track to achieve the targets stated previously.
 - Management has guided that growth in Focus states' outlets will be 1.5x of Core states' outlet growth.

About a quarter of the total reach of 11.5 lakh outlets is being addressed by BIKAJI directly. In 9MFY25, they have already added 37,000 outlets and are well on track to achieve 50,000 outlets addition this year, taking direct coverage to 3 lakh.

Exhibit 36: BIKAJI aspires to add 50,000 outlets each year till FY26E

Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

- They have also set up an e-commerce platform titled 'www.bikaji.com' and own shopping app 'Bikaji Online' along with other popular e-commerce platforms to expand their online footprint, solidify market presence amongst the youth and tap into new consumer segments. They have strategically added canteen stores, railways and institutional sales in their basket of channels.
- They export to about 43 countries across the world with prominence in USA, Canada and U.K. due to higher Indian diaspora and operates via two models - trading and C&FA. The product profile contains a plethora of offerings with very low sales concentration.
- Bikaji has an outlet running in Malad, Mumbai since 2008 named 'Bikaji Food Junxon' which was set up as a QSR pilot.
- The company aims to strengthen its modern trade channels with increased spends on digital platforms and partnerships with quick and e-commerce giants, all while focusing on enhanced distribution in export markets.

6) High family pack salience

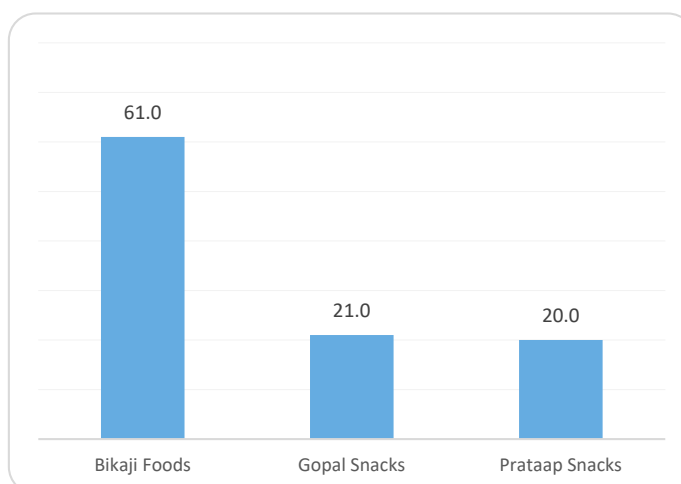
Family packs have emerged as a significant growth driver for BIKAJI, contributing substantially to its overall revenue (about 60%) and volume. In contrast to single-use or impulsive purchases, family packs are larger product offerings intended for regular consumption in homes. The company offers family packs across its broad product categories, including Bhujia, Namkeen, Papad, and sweets. The use of these packs is especially prevalent in BIKAJI's flagship items, such as 'Kuch Kuch' Namkeen, Aloo Bhujia, and Bikaneri Bhujia. In both core and focus states, family packs play a significant role, particularly in areas like North and West India where household sizes are bigger or snack consumption is higher.

- These products, being traditional staples, are regularly consumed in bulk in Indian households and these packs have longer shelf lives, making them suitable for storage and regular consumption.
- They are priced more economically on a per gram basis compared to impulse packs making them appealing to price sensitive consumers, including those who are already familiar with the brand.
- Family packs are particularly popular in international markets due to their longer shelf life and bulk utility, catering to the Indian diaspora.
- During festivals and weddings as well, family packs see heightened demand for gifting and bulk purchases.

Due to the reasons stated above, family packs act as a volume driver increasing the total sales volume for BIKAJI. This benefits the company due to economies of scale and consistent revenue growth. They also lead to margin enhancement as higher production efficiencies in family pack manufacturing improve per-unit margins.

The company has strategically expanded its retail network, ensuring family packs are available in a sizeable number of supermarkets, hypermarkets, and kirana stores. Its marketing campaigns have also effectively highlighted family packs as cost-effective, hygienic, and suitable for everyday snacking, strengthening their appeal. Looking ahead, management aims to sustain the 60:40 ratio of family packs to impulse packs.

Exhibit 37: BIKAJI has highest family pack salience amongst peers of about 61% of sales



Source: Company, ACMIIL Research

High salience of family packs has supported BIKAJI's margins in adverse business scenarios and the current 60% contribution of family packs to sales is expected to sustain.

Bikaji Foods International (BIKAJI:IN)

Investment Rationale

7) Frozen foods addition in portfolio

BIKAJI's foray into the frozen foods segment marks a strategic expansion of its product portfolio, especially in the exports category. The addition of frozen foods is aligned with its broader vision to tap into emerging consumer trends while leveraging the established brand and distribution network. The company commissioned its frozen foods capacity in Karni, Bikaner in November, 2023 and mainly addresses the (seasonal) demand from the Indian diaspora.

Synergies with existing product lines:

- BIKAJI's expertise in Indian ethnic snacks positions them well to develop frozen variants of traditional dishes, such as samosas, kebabs, or regional specialties.
- The frozen category allows them to extend their brand into new consumption occasions like main meals and party appetizers.

Products in focus:

1. Indian ethnic frozen foods:

- Traditional offerings such as frozen samosas, kachoris, and parathas.
- Ready-to-cook versions of regional favourites like biryanis, dal baati churma, and stuffed kulchas and naans.

2. Quick snacks:

- Bite-sized snacks like frozen nuggets, spring rolls, and cutlets.
- Fusion snacks combining Indian flavors with global formats (e.g., masala fries, tikka pockets).

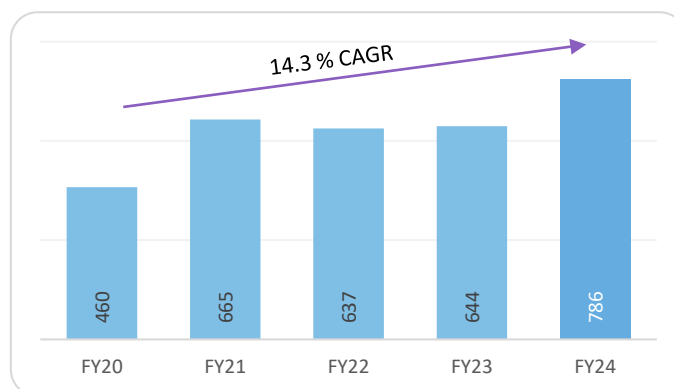
3. Meal accompaniments: items that compliment their existing snack portfolio.

The company is competing with established giants like ITC, McCain Foods and Godrej Yummiez in this snack category but the differentiating factor for the company is their ethnic frozen snacks offerings. Furthermore, consumer perception about frozen foods not being "fresh" will require targeted marketing efforts.

Two key business areas that are major beneficiaries of frozen foods venture are:

a. Exports present a promising future:

Exhibit 38: Exports had a mid-teen CAGR growth since last 5 years



Source: Company, ACMIIL Research

- Exports have grown at a CAGR of 14.3% from FY20 to FY24 and frozen foods contribute about 25% to the export revenues. BIKAJI focuses on nations with expanding Indian communities abroad, among which are the United States, Canada, and the United Kingdom.
- The portfolio is wide, with no product bearing a concentration of more than 10% and the company.
- The business operates under two models, one being trading via 3P vendors and another being semi-C&F agent, having its own distribution network. All the necessary permits and approvals for exporting are in place. The company endeavors to increase its market share in existing geographies.
- Exports in the 9MFY25 period grew by 21% YoY and the company anticipates to continue growing at a similar pace.

Exports and QSR chains will be benefitted with the addition of Frozen foods to the portfolio, thus becoming a key growth driver.

Bikaji Foods International (BIKAJI:IN)

Investment Rationale

b. QSR chains business a key beneficiary of frozen foods venture:

Exhibit 39: QSR pilot in Malad, Mumbai opened in 2008



Source: ACMIIL Research

Management cited that within two to three years, Frozen foods category has the potential to attain revenues of Rs 2,000 mn and they will look to introduce premium products as well enhancing margins.

- The QSR pilot shown above clocks about Rs 200 mn in revenues annually. The company has targeted two more QSR outlets in Sikar, Rajasthan within the current fiscal and plans to gradually expand this category to 5-6 stores in the next 18 months. Frozen foods category's scale-up will aid BIKAJI in meeting these aspirations. Haldiram and Bikanervala are prime examples of players who have multiple outlets operating across markets successfully since many years.
- Additionally, the company acquired 55% stake in Ariba Foods, which sells snacks under the 'InDine' brand, complementing the existing frozen foods category and QSR initiative. It will also act as a backend and enhance the frozen foods exports business of the company.
- The company also acquired 40.4% stake in The Hazelnut Factory (THF), which is majorly into artisanal sweets, bakeries and coffee and will complement the QSR business. It is highly profitable with margins better than BIKAJI's and the management anticipates it to clock about Rs 1,000 mn revenue by FY26E.
- According to the management, within two to three years, Frozen foods category has the potential to attain revenues of Rs 2,000 mn and they will look to introduce premium products as well enhancing margins.

Bikaji Foods International (BIKAJI:IN)

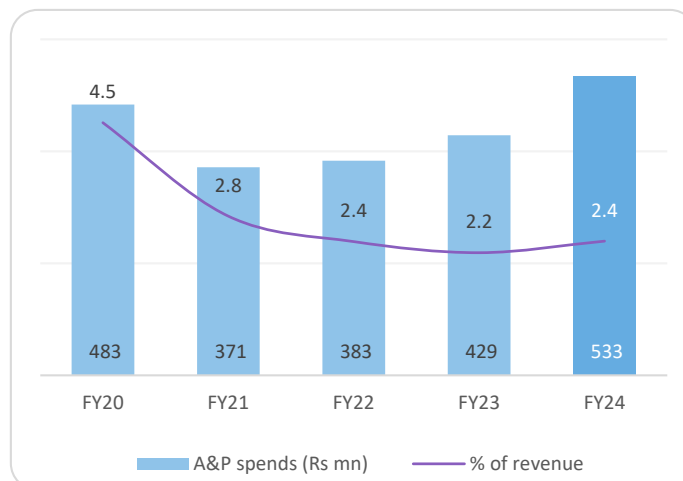
BIKAJI has deployed funds heavily in strengthening the brand recall and consumer goodwill of the brand, enabling it to expand its market share, command premium pricing, and establish itself as a household name.

Investment Rationale

8) Strengthening brand equity in the Indian snack market

- BIKAJI has deployed funds heavily in strengthening the brand recall and consumer goodwill of the brand, enabling it to expand its market share, command premium pricing, and establish itself as a household name.
- The company's brand identity is deeply tied to its Rajasthani roots, particularly in the Bhujia and Namkeen segments. The company's origin in Bikaner, a city synonymous with premium quality snacks, gives it a natural advantage in terms of authenticity and trust among consumers. Unlike unbranded local competitors, Bikaji has successfully positioned itself as the torchbearer of traditional Indian snacks with modern packaging and quality assurance, helping it win both urban and rural consumers.
- The company's branding efforts emphasize this heritage by highlighting its 30+ years of expertise, the legacy of its founder (a descendant of the Haldiram family), and its commitment to maintaining traditional recipes. This has helped BIKAJI carve out a niche where its products are seen as both premium and nostalgic, reinforcing consumer loyalty.
- The company roped in Bollywood superstar Amitabh Bachchan as its brand ambassador, a move that significantly strengthened its national appeal. Bachchan's credibility and mass connect have played a crucial role in elevating BIKAJI's perception from a regional snack brand to a mainstream FMCG player. The company has launched Bikaji Café and Bikaji Funkeen brands to promote its western snack segment.
- Moreover, it has a plethora of marketing initiatives underway that include ATL and BTL marketing, social media influencer campaigns, and festive offers. These campaigns include regional ads, radio ads, popular influencer reviews, print media coverages and grand exhibitions. The 'Bikaji Khao London Jao' mega consumer offer also gained significant traction.
- One of its most successful brand-building initiatives has been its focus on premium packaging. Unlike many regional competitors that still rely on traditional bulk packaging, Bikaji has adopted modern, vibrant, and resealable packaging that enhances product shelf life and consumer convenience. This has positioned it as a premium yet accessible alternative to local brands.
- It also acquired a 49% stake in 'Bhujialalji' for Rs 5 mn. This brand has a high share of modern trade and e-commerce which will aid BIKAJI in increasing its viewership and impressions online and cross sell its core product offerings. It will also be used to try product prototypes in regional markets and counter competition.
- The brand's continued investments in brand-building initiatives—including heritage-based storytelling, strategic endorsements, modern packaging, and an expanding distribution network—position it as a strong player in India's fast-growing packaged food sector. With increasing consumer preference for branded, hygienic, and packaged snacks, BIKAJI's strong brand recall gives it a competitive edge over unorganized players. Given its growth trajectory and brand-led pricing power, Bikaji presents a compelling investment opportunity in the Indian FMCG space.

Exhibit 40: Absolute A&P spends will continue to increase



Source: ACMIIL Research

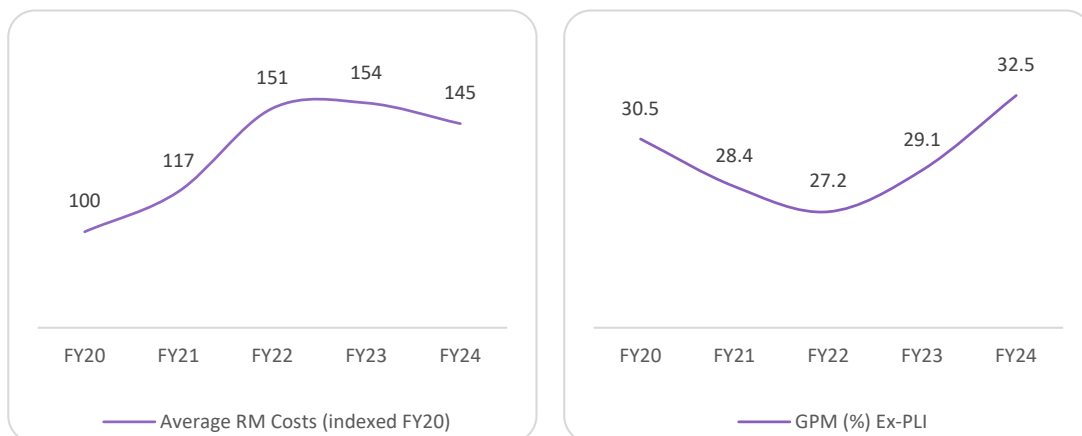
Bikaji Foods International (BIKAJI:IN)

Key risks to our estimates

1) Raw material price risk

The company's production is dependent on commodities such as edible oil, spices, and pulses. Any fluctuations in the prices of these inputs may lead to requirement of pricing actions. Lag in passing on hiker costs through price increases has an impact on margins. On the other hand, in a deflationary cost environment, any lag in passing on the benefit may lead to loss of market share.

Exhibit 41: Input costs' impact on company's margins



Source: ACMIIL Research

2) Geographical concentration risk

Since over 70% of BIKAJI'S revenue comes from its core markets—Rajasthan, Assam, and Bihar—the company is susceptible to disruptions in these areas, such as natural disasters, political unrest, or economic turmoil. Such occurrences necessitate adjustment in investments and strategy, which could impair financial success. Bhujia contributes to around 1/3rd of company's revenues and its production concentration in Bikaner elevates the risk further.

3) Health concerns

The company's products, like many processed snacks, may pose health risks if consumed excessively. Elevated levels of fat, sugar, and sodium are common worries since they can cause problems like diabetes, heart disease, obesity, and high blood pressure. Artificial additives and preservatives may increase the hazards to one's health. These snacks are inappropriate as dietary staples since they also lack essential nutrients. Change in consumer preferences towards healthier lifestyles and eating habits may be a risk to the current product profile.

4) Competition from regional and local players

In core, focus as well as other markets, Bikaji is up against intense competition from regional and local players. These rivals frequently enjoy economic advantages because of localised production and delivery, strong ties to local customers, and a thorough awareness of regional taste palates. It can be challenging for Bikaji to gain dominance because of these factors, which allow them to sell items at competitive pricing. Furthermore, regional players could develop new products fast to meet local needs or launch specialised products that appeal to certain dietary or cultural preferences.

5) Focus markets expansion risk

Even while it holds a strong position in its core markets, it may be challenging to duplicate this success in focus states, which would hinder future expansion. It will have to adapt products to diverse regional taste preferences, invest in targeted marketing to combat established local and national brands, and ensure regulatory compliance while maintaining competitive pricing and robust supply chain and distribution.

Bikaji Foods International (BIKAJI:IN)

Corporate Governance

Promoter shareholding:

The promoters and promoter group hold 75.0% stake in Bikaji Foods International Ltd. as of 31st Sept 2024 out of which 34.2% is held by Shiv Ratan Agarwal, followed by his HUF at 24.4%, Deepak Agarwal (MD) at 14.8% and Sushila Agarwal at 1.5%. They have not pledged any portion of their share.

Board of directors:

As of 30th December 2024, the strength of board of directors is 9, out of which 3 are executive directors and remaining are non-executive directors (incl. two women director). Out of total non-executive directors 4 are Independent Directors. The chairman of the board is a whole-time director. The detailed designations, qualification and experience of the directors are as follows:

Shiv Ratan Agarwal – Serving as the chairman, he has over 31 years of distinguished expertise in the food industry, especially in the realm of ethnic snacks and sweets, and has played a key role in guiding the business toward prosperity. His ability to deftly handle complicated problems with skill and strategic insight has greatly improved operational sustainability.

Deepak Agarwal – He currently serves as the managing director of the company and holds a PGDM ((Family Managed Business) from S.P. Jain Institute, Mumbai. He has over 21 years of extensive experience in the food industry and proficiently manages day-to-day operations and oversees the operations of our various plants, including subsidiaries. His vision and passion for innovation have driven the successful launch of several new products.

Shweta Agarwal – She has been with the company since 2006 and serves as the whole-time director with over 17 years of extensive experience in the food industry. She holds both a BA and MA(English) from MDS University, Ajmer and excels in market development, brand management and product innovation.

Sachin Kumar Bhartiya – With the company since 2014, he brings a wealth of expertise and strategic vision serving as the non-executive, non independent director. He holds a B.Com degree from the University of Calcutta and is a member of the Institute of Chartered Accountants of India (ICAI), having over 14 years of profound experience in private equity and portfolio management. He is the co-founder of Lighthouse Advisors (India) as well.

Nikhil Kishorechandra Vora - Serving as a non-executive, independent director since 2021, he is a distinguished financial expert with a deep industry background and holds a Bachelor's degree in Commerce from R A Podar College of Commerce & Economics and has qualified the Institute of Cost & Works Accountants of India exam. With over 28 years of experience spanning financial markets and consumer sector, he is the founder and CEO of Sixth Sense Ventures Advisors LLP. He previously served as MD and Head of Research at IDFC Securities.

Pulkit Anilkumar Bachhawat - He is a non-executive, independent director since 2021, bringing wealth of expertise in finance and investment. He holds a B.Com (Mumbai University) and is a member of the ICAI. In addition, he has cleared all three levels of Chartered Financial Analyst (CFA) program. With over 8 years of experience in investment banking, specialising in private equity and venture capital, he founded Right Pillar Advisors Pvt Ltd.

Richa Manoj Goyal - She is a non-executive, independent director of the company since 2021 and brings over 21 years of specialised experience in trademark, patent, copyright and other allied laws, being a certified trademark agent and the proprietor of a Law Firm - Richa Goyal and Associates. Her current directorships include Ami Organics Limited, Shahlon Silk Industries Limited, Waaree Energies Limited, etc.

Siraj Azmat Chaudhry - With the company since 2021, Siraj brings over 25 years of rich experience in the agriculture and food processing industries serving as the non-executive, non independent director. He holds a B.Com (Hons) degree from Delhi University and Master's in International Business from IIFT, Delhi. He also holds directorships at various notable companies, including Tata Consumer Products Limited, Dhanuka Agritech Limited, Jubilant Ingrevia Limited, Triveni Engineering and Industries Limited, etc.

Sunil Sethi – Serving as the non-executive, independent director since 2023, Sunil brings over 30 years of experience in the FMCG and alcoholic beverages industries. He holds a B.Com degree from Delhi University alongside an MMS degree from Mumbai University and PGD in Marketing from IMM, Delhi. He has previously held notable positions served as the Chairman of Government Relations on the Board of the Indian CEO Forum in Sri Lanka and AMCHAM FMCG Committee in Malaysia.

Bikaji Foods International (BIKAJI:IN)

Corporate Governance

Key management team:

Manoj Verma, COO – Manoj Verma has been associated with BIKAJI since 2021. He holds a bachelor's degree in arts from Agra University and a diploma in marketing management from NIS Sparta Ltd, New Delhi. He is responsible for providing leadership and strategic vision along with formulating operational, managerial, and administrative procedures, reporting structures, and operation controls for the company in order to achieve short-term and long-term objectives.

Rishabh Jain, CFO – He is associated with BIKAJI since 2015 and is a member of ICAI with robust skill set that includes Corporate Finance, Private Equity, Investment Banking, Deal Sourcing, Valuation and more. He holds a bachelor's degree in commerce from the Veer Narmad South Gujarat University, Surat. He is accountable for the Company's financial strategy and executions, financial forecasting, budget, expansion and capex, managing cash flows, fund raising, and risk management. He has previously worked with Intensive Fiscal Services Private Limited in the capacity of manager of the investment banking department. He has over 14 years of experience in the field of finance.

Shambhu Dayal Gupta, President- Corporate Affairs and Finance – He is with BIKAJI since 1992 and has over 26 years of experience in handling the corporate and financial affairs of the company. He holds a B.Com and M.Com from Rajasthan University. He is responsible for liaising with various government bodies and authorities, managing statutory approvals and permissions, building strategic relationships with key stakeholders, banking, accounting & treasury operations and leading CSR initiatives.

Rahul Joshi, Head - Legal and Company Secretary – With Bikaji since 2022, Rahul holds BBA degree from Vinayaka Missions University, Tamil Nadu and also has LLB from Rajasthan University. He is also a member of ICSI and is responsible for corporate secretarial matters, board governance practices and policies, shareholders' relationship, regulatory compliances including those relating to the regulatory bodies. He was previously associated with Mayur Uniquoters Limited and Modern India Limited in various capacities. He has over nine years of experience in secretarial matters.

Other managerial executives:

Bhupender Singh Sohal, VP (Sales)

Deepshikha Thakur, Chief People Officer

Neha Rao, VP (Marketing)

Vaibhav Arora, VP (Retail)

Shivraj Chaudhary, VP (Engg and Project)

Bikaji Foods International (BIKAJI:IN)

Q3FY25 performance highlights

Y/E March (Rs in mn)	Q3FY25	Q3FY24	YoY (%)	Q2FY25	QoQ (%)	Consensus Est.	Var%
Net Revenue from operations	7,149	6,241	14.5	7,212	(0.9)	6,945	2.9
Expenses:							
Total Raw Material Cost	5,079	4,274	18.8	4,805	5.7		
Employee Cost	439	333	31.9	397	10.5		
Other Expenses	1,076	885	21.6	942	14.2		
Total Operating Cost	6,594	5,492	20.1	6,144	7.3		
EBITDA	554	750	(26.0)	1,068	(48.1)	792	(30.0)
EBITDA (%)	7.8	12.0	-425bps	14.8	-705bps	11.4	-365bps
Depreciation	205	157	30.5	186	10.5		
EBIT	349	592	(41.1)	882	(60.4)		
Other income	79	58	35.7	79	(0.5)		
Interest expense	43	29	50.7	30	43.4		
Extraordinary Items	0	0	NA	0	NA		
PBT	385	622	(38.1)	931	(58.7)		
Tax	107	162	(33.7)	245	(56.2)		
Effective Tax Rate (%)	27.9	26.0	187bps	26.3	160bps		
Minority interest	(8)	(6)	25.3	(6)	(36.1)		
RPAT	285	466	(38.8)	692	(58.8)		
APAT	285	466	(38.8)	692	(58.8)	457	(37.6)
APAT (%)	4.0	7.5	-348bps	9.6	-560bps	6.6	-259bps
REPS	1.14	1.86	(38.71)	2.76	(58.70)		
Adj. EPS (diluted) (Rs)	1.14	1.86	(38.79)	2.77	(58.76)		

Source: Company, Bloomberg, ACMIIL research

- Bikaji Foods's Q3FY25 results:** The reported results were a mixed bag. While revenues were 3% higher than estimated, EBITDA and PAT were lower than consensus by 30.0% and 37.6% respectively. Net sales grew by 14.5% YoY/ flat QoQ to Rs 7,149 mn, driven by 3% volume growth and 12% value growth. EBITDA margin saw a contraction of significant 425 bps YoY/ 705 bps QoQ standing at 7.8%, 365 bps lower than estimated, impacted by inflationary pressures in edible oil, potato and besan. EBITDA shrunk by 26.0% YoY/ 48.1% QoQ to Rs 554 mn. Net Profit of Rs 285 mn fell by 38.8% YoY/58.8% QoQ. Rs 140 mn of PLI benefit was booked this quarter.
- Category-wise performance:** Ethnic snacks, packaged sweets and Papad categories saw low-double-digit growth in revenues on a YoY basis, while 'other snacks' category grew by about 53% due to its small base. Western snacks, however, was flat YoY.
- Western snacks:** Western snacks was flat YoY as it was a conscious call to reduce production due to significant inflation in potato and oil prices. However, BIKAJI has now started production at peak capacity as potato prices have moderated and Q4 is poised to perform better.
- Input cost inflation and price hikes:** Gross margins were impacted due to a surge in oil prices and sudden rise in palm oil taxes from the government. Potato prices were also inflated however some softening has been observed in potato and most other key commodities for BIKAJI except palm oil which is anticipated to stay the course. Price hike of 2.0%-2.5% was taken in Q3 of this fiscal and about 1.0%-1.5% more will be taken within the upcoming quarter. Q4FY25E ASP growth is expect to be 10-11% on a YoY basis.
- Margin Guidance:** Management aims to return to 30% gross margin levels by Q1 of next year and employee costs and other expenses, which saw a surge this time around, are expected to normalise and grow in line with the revenues.
- Acquisition:** The Hazelnut Factory, which was acquired in Q2FY25, has margins that are better than Bikaji and is expected to clock Rs 900-1000 mn topline in FY26. No major acquisition in view in the coming year and plan to grow organically.
- Distribution and reach:** They have expanded their reach to 11.5 lakh outlets of which, direct coverage stands at 2.88 lakh outlets. Within these, about 15,000-20,000 outlets in UP and 6,000 outlets in Rajasthan were added in the last 12 months.

Bikaji Foods International (BIKAJI:IN)

Trailing quarterly performance:

Y/E March (Rs mn)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Net Sales	5,077	4,623	4,821	6,087	6,241	6,144	5,722	7,212	7,149
Raw Material Cost	3,541	3,043	3,239	4,084	4,274	3,487	3,779	4,805	5,079
Employee Cost	269	257	264	311	333	260	340	397	439
Other Expenses	716	704	660	814	885	786	686	942	1,076
Total Expenses	4,526	4,004	4,163	5,210	5,492	4,532	4,806	6,144	6,594
EBITDA	550	618	658	877	750	1,612	916	1,068	554
EBITDA (%)	10.8	13.4	13.6	14.4	12.0	26.2	16.0	14.8	7.8
Depreciation	131	124	134	156	157	154	179	186	205
EBIT	419	495	524	721	592	1,458	737	882	349
EBIT (%)	8.3	10.7	10.9	11.8	9.5	23.7	12.9	12.2	4.9
Finance Cost	26	26	22	29	29	26	28	30	43
Other Income	123	46	57	60	58	115	73	79	79
PBT before Exceptional Items	516	514	559	752	622	1,547	781	931	385
Exceptional Items	0	0	0	0	0	0	0	0	0
PBT	516	514	559	752	622	1,547	781	931	385
Tax	116	127	144	154	162	385	200	245	107
Tax Rate (%)	22.6	24.8	25.8	20.5	26.0	24.9	25.6	26.3	27.9
Minority interest	(7)	6	(2)	(14)	(6)	0	(5)	(6)	(8)
Rep. PAT	407	381	417	612	466	1,162	586	692	285
PAT (%)	8.0	8.2	8.6	10.1	7.5	18.9	10.2	9.6	4.0
Reported EPS (Rs)	1.63	1.53	1.67	2.45	1.86	4.64	2.34	2.76	1.14
Adj. PAT	407	381	417	612	466	1,162	586	692	285
Adj. PAT (%)	8.0	8.2	8.6	10.1	7.5	18.9	10.2	9.6	4.0
Adj. EPS (Rs)	1.6	1.5	1.7	2.4	1.9	4.6	2.3	2.8	1.1
No. of Shares	250	250	250	250	250	250	250	250	250

Source: Company, ACMIIL Research

YoY Growth (%)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	15.6	15.5	15.0	5.5	22.9	32.9	18.7	18.5	14.5
EBITDA	126.8	52.2	113.0	36.7	36.2	160.7	39.2	21.7	(26.0)
Adj. PAT	265.0	53.0	154.8	47.5	14.5	204.9	40.6	13.1	(38.8)
Adj. EPS	269.5	51.8	154.7	47.4	14.5	204.8	40.6	13.1	(38.8)

Source: Company, ACMIIL Research

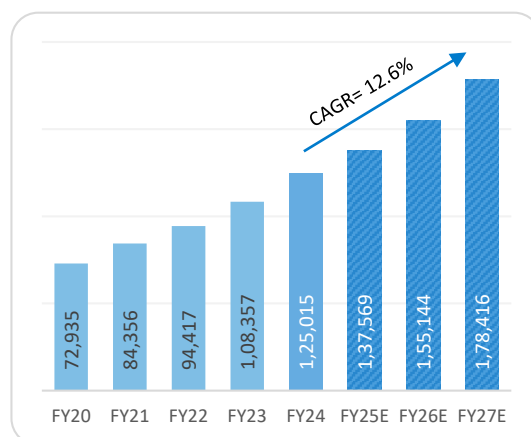
QoQ Growth(%)	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
Revenue	(12.0)	(8.9)	4.3	26.3	2.5	(1.6)	(6.9)	4.0	4.2
EBITDA	(14.2)	12.3	6.4	33.3	(14.5)	115.0	(43.2)	16.6	(48.1)
Adj. PAT	(1.9)	(6.4)	9.3	46.9	(23.8)	149.3	(49.6)	18.1	(58.8)
Adj. EPS	(1.9)	(6.4)	9.3	46.9	(23.8)	149.3	(49.6)	18.1	(58.8)

Source: Company, ACMIIL Research

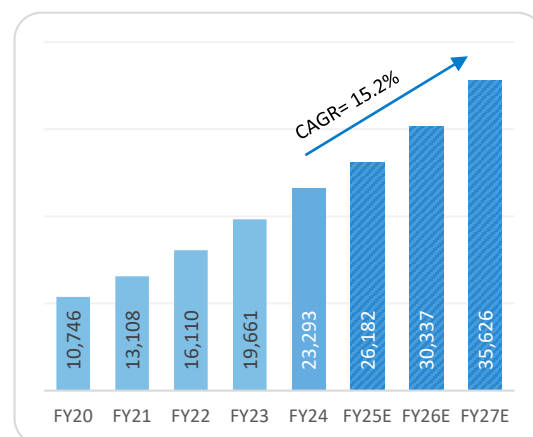
Bikaji Foods International (BIKAJI:IN)

Segment-wise growth assumptions

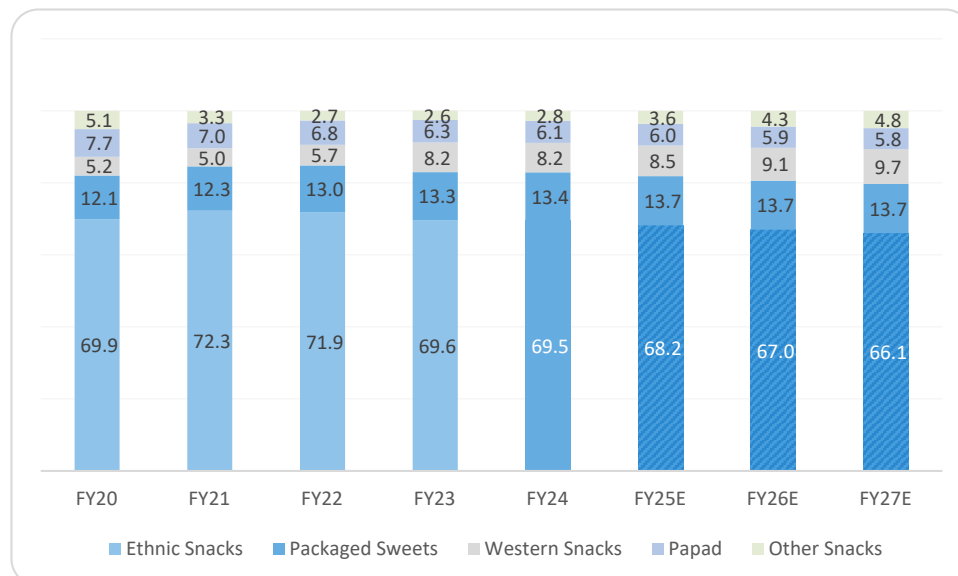
- Namkeen and western snacks categories have seen capacity additions at CAGR of 22% and 47% respectively since FY22 and 'other' snacks capacity saw 3.3x growth since FY23 while Bhujia and Papad capacity remained steady. Packaged sweets saw a moderate increase in capacity addition. Therefore we anticipate higher revenue growth (CAGR) for Namkeens, western snacks and 'other' snacks category while Bhujia, papad and packaged sweets see relatively lower growth, albeit a mid to high-teen CAGR.
- As a result of the above, we expect slight changes in revenue contribution from each product category over the FY24 to FY27E period. 'Other' snacks and western snacks are expected to see 200 bps and 150 bps rise in contribution to sales, while ethnic snacks and Papad's contribution is expected to moderate by about 340 bps and 30 bps respectively. Packaged sweets contribution shall remain constant.
- We may also see some margin dilution due to the higher share of western snacks as there is largely a 3% gap in ethnic and western snacks because impulse pack contribution is higher in western snacks. However, the dilution will be more than offset by operating leverage as capacity utilisations increase and volume growth occurs across categories.

Exhibit 42: We expect a volume (MT) CAGR of 12.6% over FY24-27E, led by utilisation and distribution expansion

Source: Company, ACMIIL Research

Exhibit 43: Revenue from operation (Rs mn) growth to be supported by strong double-digit volume growth and some ASP uptick

Source: Company, ACMIIL Research

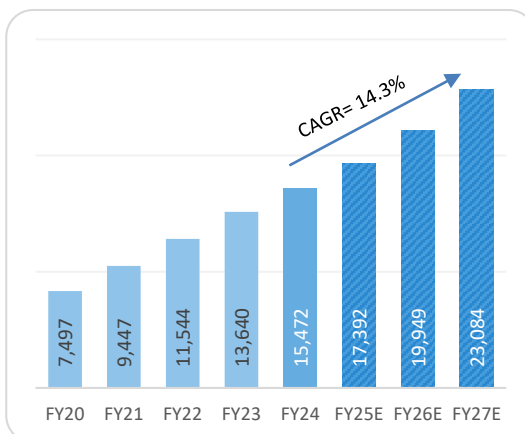
Exhibit 44: Share of revenue of categories expected to change slightly in the coming years

Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

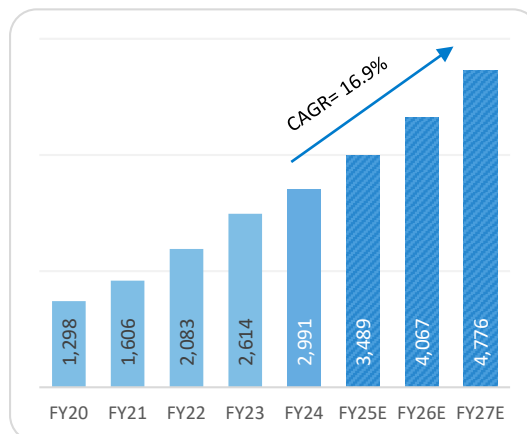
Story in charts:

Exhibit 45: Ethnic snacks revenue (Rs mn) growth to be led by namkeens, followed by bhujia



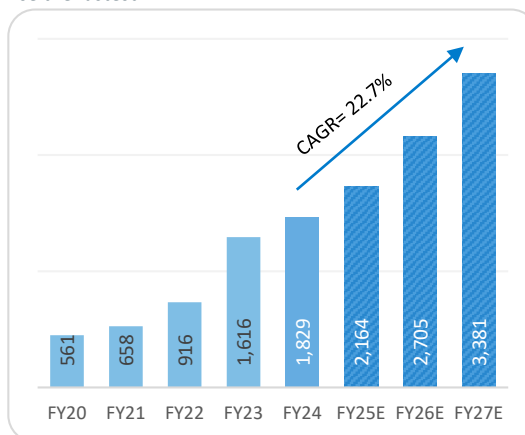
Source: Company, ACMIIL Research

Exhibit 46: Other states account for the highest packaged sweets consumption and this shall continue



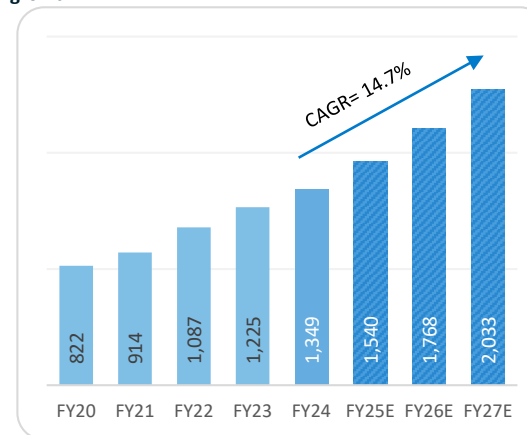
Source: Company, ACMIIL Research

Exhibit 47: Western snacks revenue (Rs mn) is expected to rise the fastest



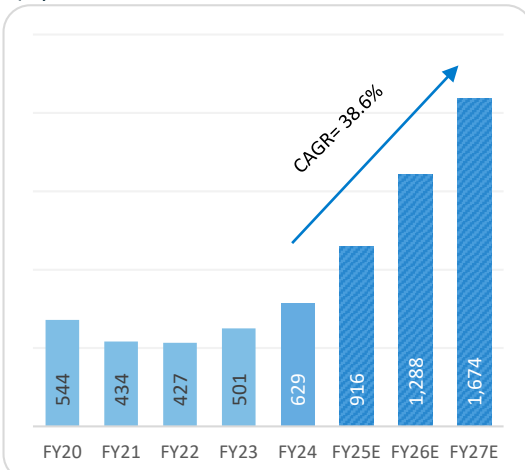
Source: Company, ACMIIL Research

Exhibit 48: Papad revenue (Rs mn) is expected to see steady growth



Source: Company, ACMIIL Research

Exhibit 49: Other snacks revenue (Rs mn) uptick driven by QSR, frozen foods

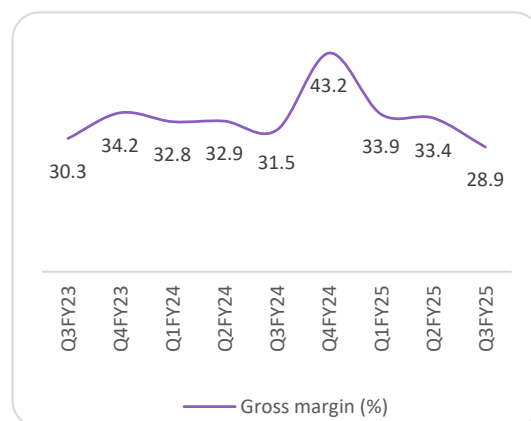


Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

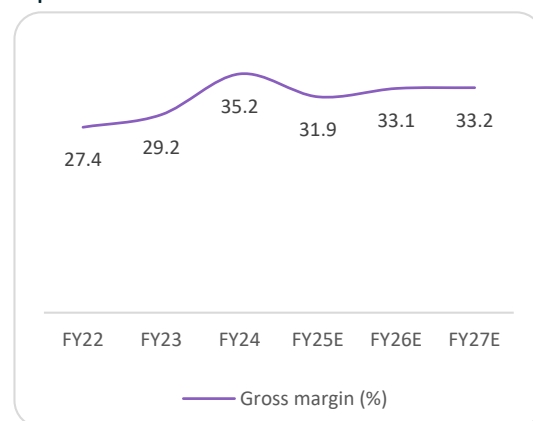
Story in charts:

Exhibit 50: Gross margin saw a sharp uptick in Q4FY24 due to PLI benefit accrued for the previous 3 years



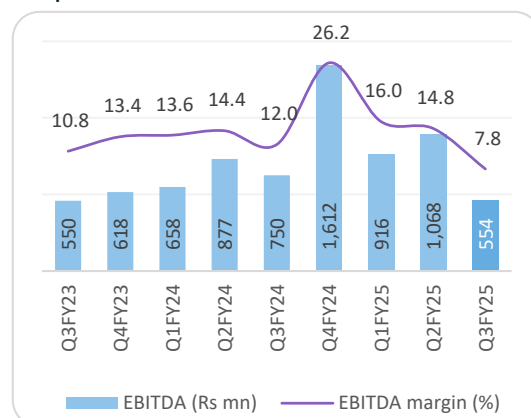
Source: Company, ACMIIL Research

Exhibit 51: Gross margin (incl. PLI) impacted in H2FY25E due to sharp rise in input costs; to inch up in FY26E due to price hikes



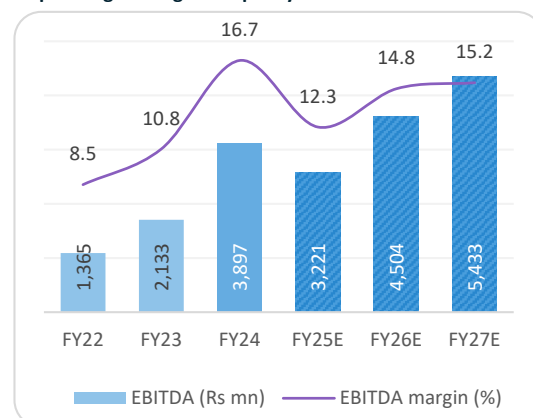
Source: Company, ACMIIL Research

Exhibit 52: Profitability dipped in Q3FY25 due to sharp uptick in input costs



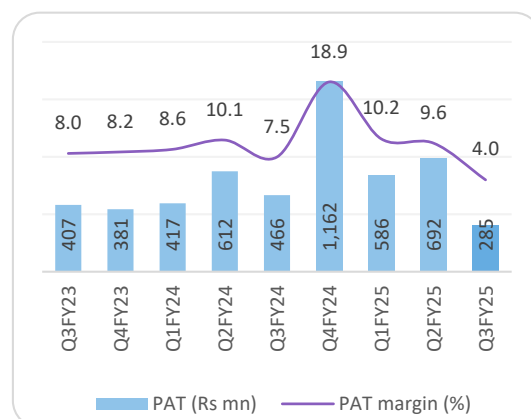
Source: Company, ACMIIL Research

Exhibit 53: EBITDA margin to be boosted by improving operating leverage as capacity utilisation rises



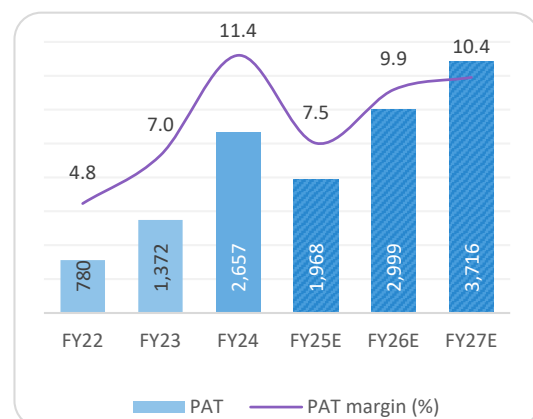
Source: Company, ACMIIL Research

Exhibit 54: Profitability dipped in Q3FY25 due to sharp uptick in input costs



Source: Company, ACMIIL Research

Exhibit 55: Significant uptick in PAT margins due to rising operating margins and stagnating depreciation costs

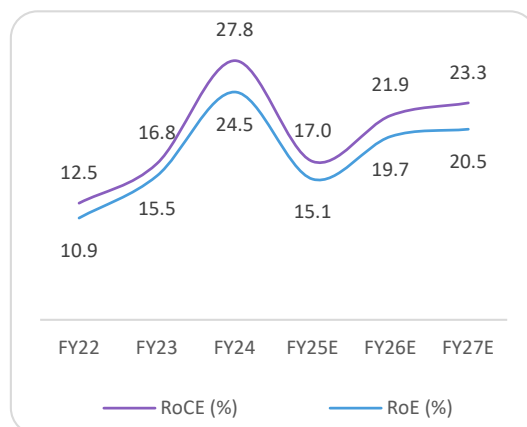


Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

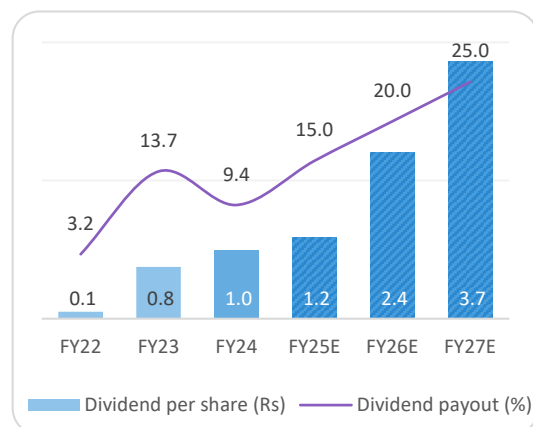
Story in charts:

Exhibit 56: Return ratios to rise based on improving margins and asset utilisations; FY24 exceptionally higher due to chunky PLI receipts



Source: Company, ACMIIL Research

Exhibit 57: Uptick in dividend payout ratio due to strong cash generation, and only maintenance capex outlay for the next few years



Source: Company, ACMIIL Research

Exhibit 58: Low utilisation levels in several categories due to a recent round of capex. Utilisation is expected to improve due to aggressive distribution expansion, which will lead to improving returns

Revenue segment	Capacity utilisation as of FY24
Ethnic snacks	49.4
Bhujia	72.6
Namkeen	38.1
Packaged Sweets	24.5
Western Snacks	30.2
Papad	67.8
Others	44.8
Total	42.5

Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Peer Comparison

For Bikaji, Gopal snacks and Prataap snacks can be considered like-to-like peers in the listed market, as all three of them are in the organised snacking segment. These are also in the ballpark of BIKAJI when it comes to the business size. Britannia can be seen as a peer from an overall food processing industry view, although it is a much larger player with a strong pan-India penetration and brand recall.

Between the 3 snacking players, Bikaji and Gopal snacks have their portfolio tilted towards ethnic snacks, while Prataap snacks is focused largely on western snacks. Within Ethnic snacks, Bikaji is the 3rd largest player in India with 9% organised market share while Gopal snacks is the 4th largest player with a 6% share. Prataap snacks holds a organised market share of 9% in western snacks, holding the 4th position in the segment.

BIKAJI enjoys a premium vs. Gopal snacks and Prataap snacks due to stronger revenue CAGR in last 5 years, superior EBITDA margin profile (despite higher ad spends), and strong share of larger pack sales, which points to customer loyalty. At a state level, Bikaji has gained strong leadership in 3 states- Rajasthan, Bihar and Assam, while Gopal snacks is a leader in just one- Gujarat. Prataap has a more broader pan-India presence rather than having any core states. While Gopal snacks has better retrain ratios owing to its high fixed asset t/o, execution in terms of consistent revenue growth remains to be seen.

Exhibit 59: Bikaji trades at a premium due to strong growth and margin improvement

	Market cap (Rs mn)	P/E			
		FY24	FY25E	FY26E	FY27E
Bikaji Foods International Ltd	1,69,083	60.4x	81.6x	53.5x	43.2x
Britannia Industries Ltd	11,63,852	54.4x	54.0x	47.3x	42.2x
Gopal Snacks Ltd	37,637	36.7x	36.4x	24.2x	18.1x
Prataap Snacks Ltd	25,442	49.5x	N/A	47.5x	27.4x

Source: Bloomberg, ACMIIL Research

Exhibit 60: Bikaji is expected to see a strong growth and margin expansion trajectory going ahead

	Revenue (Rs mn)			CAGR % (FY25-27E)	EBITDA (Rs mn)			CAGR % (FY25-27E)	PAT (Rs mn)			CAGR % (FY25-27E)
	FY25E	FY26E	FY27E		FY25E	FY26E	FY27E		FY25E	FY26E	FY27E	
Bikaji Foods International Ltd	25,501	29,777	34,948	17.1	3,221	4,504	5,433	29.9	1,968	2,999	3,716	37.4
Britannia Industries Ltd	1,78,532	1,95,816	2,14,717	9.7	31,175	34,834	39,041	11.9	21,455	24,492	27,571	13.4
Gopal Snacks Ltd	15,558	18,353	21,244	16.9	1,626	2,215	2,773	30.6	970	1,446	1,880	39.2
Prataap Snacks Ltd	17,378	19,632	22,257	13.2	527	1,460	2,044	97.0	(298)	549	950	NA

Source: Bloomberg, ACMIIL Research

Exhibit 61: Improving return ratios for Bikaji

	ROE (%)		
	FY25E	FY26E	FY27E
Bikaji Foods International Ltd	15.1	19.7	20.5
Britannia Industries Ltd	51.6	51.0	51.2
Gopal Snacks Ltd	16.3	24.9	27.8
Prataap Snacks Ltd	-0.5	7.4	11.5

Source: Bloomberg, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Valuation and View

BIKAJI is well entrenched in its core geographies and has a huge headroom to grow in its 'focus' and 'other' states. Focus on enhancing distribution and brand reach in 'focus' states is leading to market share gains. The company has a high share of family pack sales, pointing to customer loyalty. The company is now also expanding its business, to include frozen foods and entering into QSR and also deepening its focus on the western snacks segment.

BIKAJI has been focusing on continuous expansion of its distribution reach, which has grown by ~78% since Q1FY24. The company aspires to take the total reach to 13 lakh outlets (from 11.5 lakh) over the medium term. It will add 50,000 direct outlets each year, which will take the FY26E direct coverage to 3.5 lakh outlets. Outlet growth in Focus states will be 1.5x of Core states.

In terms of market share, Core states enjoy mid 40% kind of market share. Focus markets have a low market share of 1.8% (<2%) at an aggregate level, which BIKAJI aims to double in the next 3 years, taking it to 4.5%. In the next 3 years, company aims to add at least one or two states from Focus into the Core category. Growth in focus states is targeted to be 1.5x the Core states growth, and these focus states will see healthy distribution expansion and branding activities.

The company has invested significantly in expanding its manufacturing footprint over the past few years, in order to cater to rising demand across core and focus states and export markets as well as to benefit from the government's PLI scheme for the sector. The company is now operating at lower capacity utilisation of 45%, with the aim to take it close to 70% in the next 3-4 years. This will lead to cost efficiencies, improving return ratios and strong free cash flow generation, as capex requirement going ahead will not be significant.

We expect a revenue/EBITDA/ PAT CAGR of 16.6/29.9/37.4% over FY25-27E, owing to strong volume growth, judicious price hikes, operating leverage and stagnating depreciation. We believe the company will continue to see strong volume growth in the medium term due to available capacity and focus on distribution expansion. With a strong footing in 3 states in the country, it is now eyeing the 2nd line of identified states to expand its presence and market shares. Strong brand equity in core states gives confidence that there is scope of replicating the same in other states over time.

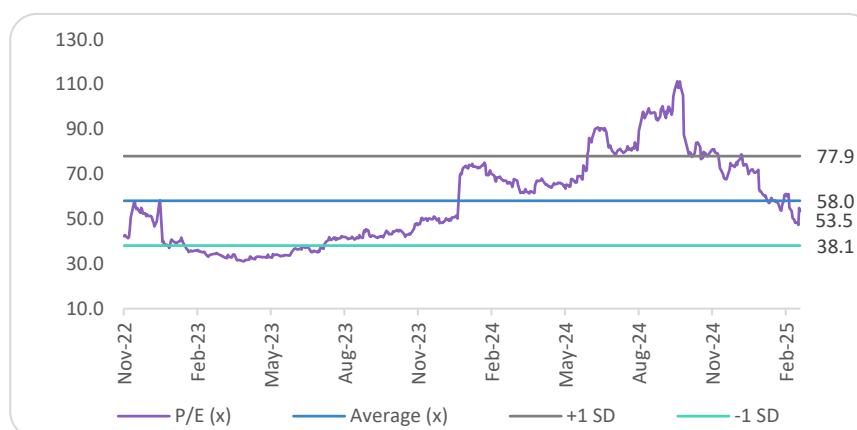
The stock price is currently trading at 52.9/42.7x FY26/27E EPS. This is at a premium to other players in the food processing industry, owing to the strong growth potential coupled with brand strength and customer loyalty. We assign a multiple of 52x to FY27E EPS of Rs 14.9 to arrive at a price target of Rs 775. With an upside potential of 22.2%, we assign a 'BUY' rating on the shares of Bikaji Foods International Ltd. Key risks are raw material inflation and any slowdown in distribution ramp up.

Exhibit 62: Valuation Summary

Valuation	Rs
Adj. EPS (FY27E)	14.9
P/E (x)	52
Target price	775
CMP	634
Upside potential (%)	22.2
Rating	BUY

Source: Company, ACMIIL Research

Exhibit 63: 1-year forward P/E (impacted by PLI payments starting Q4FY24)



Source: Company, ACMIIL Research

Bikaji Foods International (BIKAJI:IN)

Financial (Consolidated)

Income Statement

YE March (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Revenue from operations	19,661	23,293	26,182	30,337	35,626
Growth (%)	22.0	18.5	12.4	15.9	17.4
RM cost	13,918	15,085	17,842	20,299	23,798
Employee cost	1,039	1,167	1,560	1,775	2,050
Other expenses	2,572	3,145	3,559	3,759	4,345
Total expenses	17,529	19,397	22,961	25,833	30,193
EBITDA	2,133	3,897	3,221	4,504	5,433
Growth (%)	56.2	82.7	-17.3	39.8	20.6
EBITDA margin (%)	10.8	16.7	12.3	14.8	15.2
Depreciation	485	601	784	821	865
EBIT	1,647	3,296	2,437	3,684	4,567
EBIT margin (%)	8.4	14.2	9.3	12.1	12.8
Other income	228	290	321	352	412
Interest expense	106	106	121	64	58
PBT before exceptional items	1,769	3,479	2,637	3,971	4,922
Exceptional items	0	0	0	0	0
PBT	1,769	3,479	2,637	3,971	4,922
Tax	410	845	688	993	1,230
Effective tax rate (%)	23.2	24.3	26.1	25.0	25.0
Minority interest	(13)	(22)	(19)	(21)	(24)
Rep. PAT	1,372	2,657	1,968	2,999	3,716
Rep. PAT Growth (%)	75.8	93.6	(25.9)	52.4	23.9
Rep. PAT Margin (%)	7.0	11.4	7.5	9.9	10.4
Adj. PAT	1,372	2,657	1,968	2,999	3,716
Adj. PAT Growth (%)	75.8	93.6	-25.9	52.4	23.9
Adj. PAT Margin (%)	7.0	11.4	7.5	9.9	10.4

Source: Company, ACMIL Research

Cash Flow

YE March (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
PBT	1,769	3,479	2,637	3,971	4,922
Add: Depreciation	485	601	784	821	865
Add: Interest	106	106	121	64	58
Other adjustments	(13)	(222)	(321)	(352)	(412)
Chg in working cap	(164)	(761)	(153)	(1,023)	(289)
Tax	(467)	(757)	(688)	(993)	(1,230)
Operating Cash flow	1,711	2,447	2,380	2,489	3,913
Capex	(926)	(1,290)	(1,918)	(546)	(641)
Free Cash Flow	785	1,157	462	1,943	3,272
Investments	(424)	(884)	0	0	0
Interest/ dividend income	119	185	321	352	412
Investing Cash flow	(1,231)	(1,988)	(1,598)	(194)	(229)
Equity Capital	0	128	0	0	0
Debt	92	(351)	530	(100)	(100)
Dividend paid	(25)	(187)	(250)	(295)	(600)
Interest paid	(116)	(129)	(121)	(64)	(58)
Others	0	0	0	0	0
Financing Cash flow	(49)	(539)	178	(439)	(734)
Net chg in cash	432	(81)	961	1,856	2,951
Opening cash position	(283)	149	68	1,029	2,885
Exchange difference on translation of foreign operations	0	(0)	0	0	0
Closing cash (before bank O/D and other facilities)	149	68	1,029	2,885	5,836
Bank O/D and other facilities	19	18	18	18	18
Closing cash position	168	87	1,047	2,903	5,854

Source: Company, ACMIL Research

Balance Sheet

YE March (Rs mn)	FY23	FY24	FY25E	FY26E	FY27E
Equity share capital	250	250	250	250	250
Reserves & surplus	9,307	11,933	13,651	16,355	19,471
Net Worth	9,543	12,161	13,879	16,583	19,699
Non-current borrowings (incl. lease liabilities)	657	519	554	454	354
Other financial liabilities	0	0	495	495	495
Other non-current liabilities	314	481	559	559	559
Non current liabilities	971	1,000	1,608	1,508	1,408
Borrowings	961	1,003	1,174	374	374
Trade payables	534	589	697	793	930
Lease liabilities	77	142	142	142	142
Other current financial liabilities	176	182	337	337	337
Other current liabilities	461	259	427	427	427
Current liabilities	2,209	2,174	2,776	2,072	2,209
Equity & liabilities	12,723	15,335	18,263	20,163	23,316
Net PPE	6,007	7,276	7,802	7,527	7,303
CWIP	697	123	408	408	408
Intangible assets	8	50	375	375	375
RoU assets	541	732	732	732	732
Financial assets	948	1,692	1,952	1,952	1,952
Other non current assets	333	499	499	499	499
Non current assets	8,534	10,372	11,767	11,493	11,269
Inventories	784	821	972	1,105	1,296
Investments	0	0	0	0	0
Trade receivables	792	1,035	1,164	1,349	1,584
Cash	168	87	1,047	2,903	5,854
Bank balances	790	1,687	1,001	1,001	1,001
Other financial assets	998	310	1,291	1,291	1,291
Other current assets	656	1,021	1,021	1,021	1,021
Current assets	4,189	4,963	6,496	8,671	12,047
Total assets	12,723	15,335	18,263	20,163	23,316

Source: Company, ACMIL Research

Key Ratios

YE March (Rs)	FY23	FY24	FY25E	FY26E	FY27E
EPS	5.5	10.6	7.9	12.0	14.9
CEPS	6.8	9.8	9.5	10.0	15.7
BVPS	38.2	48.6	55.5	66.3	78.8
DPS	0.8	1.0	1.2	2.4	3.7
Valuations (x)					
P/E	115.5	59.7	80.6	52.9	42.7
P/BV	16.6	13.0	11.4	9.6	8.0
EV/Sales	8.1	6.8	6.1	5.3	4.5
EV/EBITDA	74.8	40.9	49.5	35.4	29.3
Dividend Yield (%)	0.1	0.2	0.2	0.4	0.6
Return Ratio (%)					
RoCE	16.8	27.8	17.0	21.9	23.3
RoE	15.5	24.5	15.1	19.7	20.5
Gearing Ratio (x)					
Net Debt/Equity	0.1x	0.1x	0.0x	-0.1x	-0.3x
Net Debt/EBITDA	0.6x	0.3x	0.1x	-0.5x	-1.0x
Working Cap Cycle (days)	21.3	21.8	21.8	21.8	21.8
Profitability (%)					
EBITDA Margin	10.8	16.7	12.3	14.8	15.2
EBIT Margin	8.4	14.2	9.3	12.1	12.8
Adj. PAT Margin	7.0	11.4	7.5	9.9	10.4

Source: Company, ACMIL Research

Bikaji Foods International (BIKAJI:IN)

Explanation of Investment Rating

Investment Rating	Expected return (over 12-month)
BUY	$\geq 15\%$
SELL	$< -10\%$
HOLD	$> -10\%$ to 15%

Institutional Research Desk:

Email: instresearch@acm.co.in

Research Analyst Registration Number:

INH000016940

CIN: U65990MH1993PLC075388

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