BIKAJI FOODS

RESULT FLASH

Margins recovery remains on track

Bikaji Foods Q1FY26 revenue (ex PLI) at INR6.4bn (up 14.8% YoY) was marginally ahead of our estimates. EBITDA (ex PLI) at INR807mn grew 8.3% YoY was in line with our estimates. Overall volumes grew 7.5% YoY – broadly in line with our estimates. Ethnic snacks grew 11.2% YoY. Western snack grew 4.2% YoY while packaged sweets grew 3.1% YoY. Papad grew 5.8% YoY. In Q1FY26, Bikaji booked PLI income of ~INR156mn and increased direct coverage by 15,000 outlets. Focus states grew 11.5% YoY in Q1FY26. GMs (ex PLI) of 33.4% expanded 152bp YoY/207bp QoQ. Staff cost grew 31.6% YoY/9.2% QoQ.

We will revisit our estimates and target price post the earnings call. Retain 'BUY'

KEY DATA

Rating	BUY
Sector relative	Neutral
Price (INR)	765
12 month price target (INR)	885
52 Week High/Low	1,008/520
Market cap (INR bn/USD bn)	192/2.2
Free float (%)	0.0
Avg. daily value traded (INR mn)	199.7

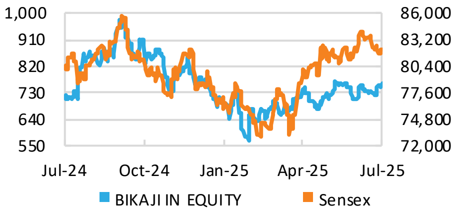
SHAREHOLDING PATTERN

	Jun-25	Mar-25	Decr-24
Promoter	74.92%	74.92%	74.98%
FII	6.64%	7.33%	7.70%
DII	13.37%	12.21%	11.96%
Pledge	0%	0%	0%

FINANCIALS (INR mn)

Year to March	FY24A	FY25A	FY26E	FY27E
Revenue	23,293	26,219	30,460	36,174
EBITDA	3,913	3,282	4,417	5,607
Adjusted profit	2,657	2,008	3,244	4,130
Diluted EPS (INR)	10.6	8.0	12.9	16.5
EPS growth (%)	93.0	(24.5)	61.5	27.3
RoAE (%)	24.4	15.4	21.6	23.2
P/E (x)	74.4	98.4	60.9	47.8
EV/EBITDA (x)	50.5	60.6	45.0	35.1
Dividend yield (%)	0.1	0.1	0.5	0.6

PRICE PERFORMANCE



Decent show overall; margins continue to recover steadily

Category highlights: Ethnic Snacks, which make up ~75.3% of overall revenue, saw growth of 11.2% YoY. Western Snacks grew by 4.2% YoY and account for 9.2% of the total revenue. Papad contributed about 5.8% to overall revenue with a 5.8% YoY growth. Packaged Sweets, comprising 6.6% of the revenue, grew mere 3.1% YoY. Retail business clocked sales of INR212mn in Q1FY26.

Bikaji announced **JV with CG Foods Nepal limited**, which aims to manufacture, trade and market snacks in Nepal. Bikaji and CG Foods will each hold a 50% stake in the JV. The JV will use the brand names 'BIKAJI' and 'CG'. Bikaji also entered into a loan agreement (tenure of 60 months) of INR50mn with 'Bikaji Bakes' to meet the working capital requirements. Bikaji incorporated a NPO called 'Bikaji Foundation'.

Including-PLI performance: The including PLI revenue growth was 14% YoY while EBITDA grew 5% in Q1FY26. EBITDA margin (including PLI) stood at 14.8%.

More details are awaited on the call which is hosted on 24th July at 12:00 pm IST @ 02262801268. [Diamond pass registration link]

What to ask?

- Bikaji has been expanding its footprint. What are the key markets or regions you are targeting for growth in FY26?
- How do you perceive Bikaji is positioning in the competitive landscape? Are there any significant shifts in consumer preferences that you have observed, and how is the company adapting?
- Are there any major capital expenditures or investments planned for the next fiscal year? How are you planning to allocate capital to drive long-term growth?

Quick Take (ex PLI):

INR mn	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ	Q1FY26E	Deviation
Net Sales	6,371	5,551	14.8%	5,969	6.7%	6,245	2%
EBITDA	807	745	8.3%	576	40%	804	0.3%
PAT	443	412	7.4%	280	58%	489	-16%

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Exhibit 1: Trends at a glance

Particulars*	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Revenue	4,817	6,087	6,241	5,208	5,716	7,212	7,149	6,110	6,527
Gross profit	1,582	2,002	1,967	1,721	1,937	2,406	2,070	2,028	2,282
EBITDA	658	877	750	676	916	1,067	555	741	963
PAT	416	598	460	1,162	583	692	286	447	599
Revenue growth%	14.9	5.5	22.9	12.7	18.7	18.5	14.5	17.3	14.2
EBITDA growth %	114	37	42	9	39.3	21.6	-26.0	9.6	5.1
Volume growth %	15.2	5.1	29.5	14.5	16.2	15.0	3.0	8.9	7.5
Gross margin %	32.8	32.9	31.5	33.0	33.9	33.4	29.0	33.2	35.0
EBITDA margin %	13.7	14.4	12.0	13.0	16.0	14.8	7.8	12.1	14.8
Category growth%									
Ethnic snacks	16.0	10.0	15.4	10.5	16.0	10.5	10.5	11.4	11.2
Packaged Sweets	22.9	-12.6	82.8	14.0	12.3	22.0	11.2	-1.4	3.1
Western Snacks	19.4	9.0	9.8	14.1	26.0	23.2	0.8	21.5	4.2
Papad	1.0	-6.0	8.9	23.1	14.0	26.2	9.6	5.0	5.8

Source: Company, Nuvama Research

**The above figures are including PLI*

Exhibit 2: Salience to sales

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
Category contribution to sales									
Ethnic Snacks	74.4	68.4	62.7	62.0	75.3	65.5	62.1	71.3	75.3
Packaged sweets	7.2	17.0	18.2	7.0	7.9	18.0	18.1	7.2	6.6
Western snacks	8.9	8.0	7.5	7.3	9.8	8.5	6.8	9.1	9.2
Papad	6.1	3.8	6.1	7.2	6.1	4.2	6.0	7.8	5.8
Pack size contribution to sales									
Family Packs	55.6	59.1	61.7	58.7	56.7	62.3	61.5	58.3	57.8
Impulse Packs	43.2	39.5	35.1	41.1	42.8	36.4	35.4	39.2	40.6
Others	1.2	1.4	3.2	0.2	0.5	1.3	3.1	2.5	1.6
Market contribution to sales									
Core market	74.3	71.0	67.5	74.4	74.1	67.8	66.6	71.5	72.4
Focus market	15.2	14.1	15.0	12.9	13.3	15.4	16.2	15.6	13.3
Exports	3.6	4.0	3.6	2.9	3.3	4.1	4.2	3.3	4.9
Others	6.9	10.9	13.9	9.8	9.3	12.6	13.0	9.7	9.4

Source: Company, Nuvama Research

Exhibit 3: Consolidated financial snapshot (ex PLI)

Year to March	Q1FY26	Q1FY25	% change	Q4FY25	% change
Total revenue	6,371	5,546	14.9	5,943	7.2
Cost of goods sold	4,244	3,779	12.3	4,082	4.0
Gross profit	2,126	1,767	20.4	1,861	14.3
Staff cost	448	340	31.6	410	9.2
Advert. & sales promotion					
Other expenditure	872	681	28.1	877	(0.6)
Total expenditure excl COGS	1,320	1,021	29.3	1,287	2.5
EBITDA	807	746	8.2	574	40.6
Depreciation & Amortization	230	179	28.3	245	(6.3)
EBIT	577	567	1.8	329	75.6
Add: Other income	100	70	42.6	100	(0.5)
Less: Interest	47	26	79.7	48	(2.4)
Add: Exceptional items	0	0		0	
Profit before tax	630	610	3.1	381	65.4
Less: Minority interest	(14)	(5)		(46)	
Less: Provision for tax	200	203		147	
Reported net profit	443	412	7.4	280	58.1
Adjusted Profit	443	412	7.4	280	58.1
Equity capital (FV INR 10)	251	250		251	
No. of shares (mn)	251	250		251	
EPS (INR)	1.8	1.6	7.3	1.1	58.1
as % of net revenues					
COGS	66.6	68.1	(152)	68.7	(207)
Staff expenses	7.0	6.1	89	6.9	13
Other expenditure	13.7	12.3	141	14.8	(107)
EBITDA	12.7	13.4	(78)	9.7	301
Net profit	7.0	7.4	(48)	4.7	224
Tax rate	31.8	33.3	(144)	38.6	(678)

Source: Company, Nuvama Research

Exhibit 4: Consolidated financial snapshot (including PLI)

Year to March	Q1FY26	Q1FY25	% change	Q4FY25	% change
Total revenue	6,527	5,716	14.2	6,110	6.8
Cost of goods sold	4,244	3,779	12.3	4,082	4.0
Gross profit	2,282	1,937	17.8	2,028	12.6
Staff cost	448	340	31.6	410	9.2
Advert. & sales promotion					
Other expenditure	872	681	28.1	877	(0.6)
Total expenditure excl COGS	1,320	1,021	29.3	1,287	2.5
EBITDA	963	916	5.1	741	29.9
Depreciation & Amortization	230	179	28.3	245	(6.3)
EBIT	733	737	(0.5)	496	47.9
Add: Other income	100	70	42.6	100	(0.5)
Less: Interest	47	26	79.7	48	(2.4)
Add: Exceptional items	0	0		0	
Profit before tax	786	781	0.6	548	43.4
Less: Minority interest	(14)	(5)		(46)	
Less: Provision for tax	200	203		147	
Reported net profit	599	583	2.8	447	33.9
Adjusted Profit	599	583	2.8	447	33.9
Equity capital (FV INR 10)	251	250		251	
No. of shares (mn)	251	250		251	
EPS (INR)	2.4	2.3	2.7	1.8	33.9
as % of net revenues					
COGS	65.0	66.1	(109)	66.8	(178)
Staff expenses	6.9	5.9	91	6.7	15
Other expenditure	13.4	11.9	145	14.4	(99)
EBITDA	14.8	16.0	(127)	12.1	262
Net profit	9.2	10.2	(101)	7.3	186
Tax rate	25.5	26.0	(50)	26.8	(133)

Source: Company, Nuvama Research

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