This report is intended for Team White Marque Solutions (team.emkay@whitemarquesolutions

BUY

Bikaji Foods International

2Q impacted by festive shift and margin pressure

Emkay
Your success is our success

Consumer Goods ▸ Result Update ▸ **November 08, 2026**

CMP (Rs): 477 | TP (Rs): 650

Bikaji's 2QFY27 was a mixed bag, with revenue broadly in line with consensus' estimates, EBITDA 4% above expectations, and Adj PAT 2% below estimate. Revenue grew 13% yoy, with 5% volume growth, as the shift of Diwali to 3Q weighed on packaged sweets and gifting; snacking grew ~22% (volume: >15%), with Ethnic/Western snacks up ~20%/44%. Gross margin (ex-PLI) declined by 50bps yoy as the company maintained prices through the festive season despite commodity inflation; EBITDA margin (ex-PLI) contracted by 260bps on higher A&P spends and opex. Management now expects >17% revenue growth in FY27 (vs >15% estimated earlier), implying ~20% growth in 2H. Also, it plans ~3% price hikes from mid-Nov; 3Q margins should remain under pressure before normalizing in 4Q (EBITDA margin: 13-13.5%). We lower FY27-29E earnings by 4-7% due to lower assumptions for margin; also, we cut our valuation multiple by ~15% to factor in the rising uncertainty from macro headwinds (El Niño, rising inflation, etc). We expect sales/earnings CAGR of 14%/24% over FY26-29E and maintain BUY while cutting our TP by ~19% to Rs650 from Rs800 (43x Sep-28E EPS).

2QFY27 result summary

Revenue grew 13% yoy, broadly in line with consensus' estimate, on 5% volume growth; the shift of Diwali to 3Q impacted packaged sweets and gifting. Ethnic/Western snacks grew ~20%/44% yoy, while packaged sweets declined 11% (festive timing) and Papad declined 6% (supply issues in handmade papad). Core/focus/export markets grew ~18%/8%/10% yoy, while other markets declined 13%; the retail business grew 58%. Gross margin declined by 60bps yoy to ~34.4% (ex-PLI: -50bps to ~33.5%) owing to inflation across key commodities. EBITDA declined 7% yoy (ex-PLI: -8%), 4% above estimate; EBITDA margin fell by 280bps yoy to ~12.6% (ex-PLI: -260bps to ~11.3%), due to higher opex (+190bps, largely A&P) and staff costs (+30bps). Adj PAT declined 11% yoy, 2% below expectations, due to higher finance costs and lower other income.

Earnings call highlights

1) Snacking grew ~22% in value (>15% volume); overall volume growth was 5% due to the shift of sweets and gifting to 3Q. 2) Management now expects >17% revenue growth for FY27 (vs >15% earlier), implying ~20% growth in 2H; October grew >50% yoy. 3) Focus markets should grow 20-23% in 2H; sweets salience in focus states is ~25% (vs ~12.5% for the company). 4) Bikaji upheld prices through the festive season despite inflation (standalone GM hit of ~1.7-2%); a ~3-3.5% price hike (incl ~1gm grammage cut in Rs5/10 packs) from 15-Nov should suffice till March. 5) 3Q margins to remain under pressure; 4Q EBITDA margin seen at 13-13.5%, aided by softening edible oil and packaging costs along with the new pulse crop. 6) A&P budgeted at ~2% of sales; standalone ad spends up by ~70bps yoy. 7) Retail grew 58% (64% in 1H); THF revenue expected at Rs1.6-1.7bn in FY27 (FY26: Rs1bn), with 6-8% same-store growth. 8) Impulse packs (Rs5/10) grew >20%, aided by a Paytm cashback campaign at no cost to Bikaji; ~20,000 outlets added in 2Q.

Target Price – 12M	Sep-27
Change in TP (%)	**(18.8)**
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	36.3

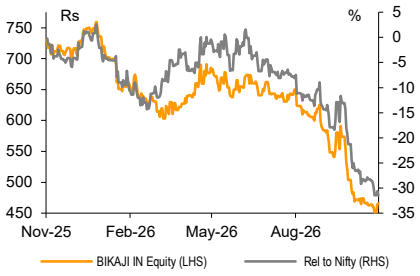
Stock Data	**BIKAJI IN**
52-week High (Rs)	769
52-week Low (Rs)	446
Shares outstanding (mn)	250.7
Market-cap (Rs bn)	120
Market-cap (USD mn)	1,274
Net-debt, FY27E (Rs mn)	979.6
ADTV-3M (mn shares)	0.3
ADTV-3M (Rs mn)	176.2
ADTV-3M (USD mn)	1.9
Free float (%)	25.0
Nifty-50	25,030.3
INR/USD	93.9

Shareholding,Sep-26	
Promoters (%)	73.9
FPIs/MFs (%)	4.7/17.3

Price Performance

(%)	1M	3M	12M
Absolute	(0.9)	(23.6)	(34.3)
Rel. to Nifty	(9.8)	(24.8)	(33.1)

1-Year share price trend (Rs)



Bikaji Foods International: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	26,168	29,939	34,364	39,626	45,456
EBITDA	3,283	4,106	4,428	5,241	6,184
Adj. PAT	2,007	2,583	2,771	3,399	4,225
Adj. EPS (Rs)	8.0	10.3	11.1	13.6	16.9
EBITDA margin (%)	12.5	13.7	12.9	13.2	13.6
EBITDA growth (%)	(16.1)	25.1	7.9	18.3	18.0
Adj. EPS growth (%)	(24.4)	28.7	7.3	22.6	24.3
RoE (%)	15.4	17.6	16.0	17.1	18.4
RoIC (%)	15.2	16.8	17.1	20.0	23.6
P/E (x)	59.5	46.2	43.1	35.1	28.3
EV/EBITDA (x)	36.7	29.3	27.2	23.0	19.1
P/B (x)	8.6	7.4	6.5	5.6	4.9
FCFF yield (%)	(1.3)	0.9	1.6	1.7	2.4

Source: Company, Emkay Research

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Exhibit 1: Bikaji – Quarterly trend in key financials

(Rs mn)	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27	yoy (%)	qoq (%)
Revenue	**8,303**	**7,900**	**7,209**	**7,343**	**9,385**	**13.0**	**27.8**
Cost of goods	5,397	5,160	4,644	4,721	6,154	14.0	30.3
Gross profit	**2,906**	**2,740**	**2,565**	**2,621**	**3,231**	**11.2**	**23.3**
Gross margin (%)	**35.0**	**34.7**	**35.6**	**35.7**	**34.4**	**-60bps**	**-130bps**
Gross margin ex-PLI (%)	**34.0**	**33.6**	**34.4**	**34.6**	**33.5**	**-50bps**	**-100bps**
Employee expenses	526	518	491	536	625	18.7	16.6
Other expenses	1,098	1,238	1,197	1,095	1,419	29.3	29.6
EBITDA	**1,282**	**984**	**877**	**990**	**1,187**	**-7.4**	**19.9**
EBITDA margin (%)	**15.4**	**12.5**	**12.2**	**13.5**	**12.6**	**-280bps**	**-80bps**
EBITDA margin ex-PLI (%)	**13.9**	**10.9**	**10.4**	**11.8**	**11.3**	**-260bps**	**-50bps**
Depreciation	237	240	243	262	275	16.0	4.9
EBIT	**1,045**	**743**	**634**	**728**	**912**	**-12.7**	**25.3**
EBIT margin (%)	**12.6**	**9.4**	**8.8**	**9.9**	**9.7**	**-290bps**	**-20bps**
Interest cost	51	41	39	52	70	37.4	36.4
Other income	123	113	178	131	87	-29.0	-33.5
PBT	**1,117**	**816**	**773**	**808**	**929**	**-16.8**	**15.0**
Tax	296	194	220	213	239	-19.3	12.5
Tax rate (%)	26.5	23.8	28.4	26.3	25.8	-80bps	-60bps
Non-recurring items	44	0	0	0	0	nm	nm
Minority interest (%)	-21	0	-4	-7	-18	nm	nm
PAT	**820**	**622**	**553**	**595**	**690**	**-15.9**	**15.9**
Adj Profit	**798**	**622**	**557**	**602**	**708**	**-11.3**	**17.7**
Net profit margin (%)	9.6	7.9	7.7	8.2	7.5	-210bps	-70bps

Source: Company, Emkay Research

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Earnings call takeaways

1) Performance and guidance

- Revenue grew ~13% in 2Q; Diwali shifted to 3Q this year (2Q last year), so sweets and gifting performance should be read for 2Q and 3Q combined.
- Snacking value growth ~22%; volume growth >15% vs overall volume growth of 5%.
- Management now expects >17% revenue growth for FY27 (vs >15% earlier), implying ~20% growth in 2H; October grew >50% yoy.
- Sweets and gifting (2Q and 3Q combined) is expected to grow >10% vs 9% last year.

2) Category and pack performance

- Ethnic Snacks grew 19.7% and Western Snacks 44%; Bhujia grew ~20%.
- Impulse packs (Rs5/Rs10) grew >20%, aided by a Paytm cashback campaign across 33 SKUs (Sep-Mar), where redemption is covered by Paytm; family packs grew slower due to the sweets and gifting shift.
- Out-of-home consumption was not impacted by the heat wave.
- A mother depot has been set up to hold inventory in case of supply disruptions; Bhujia made outside Bikaner cannot be labelled 'Bikaneri' under the GI tag.

3) Geography and distribution

- Core markets grew 17.5% and focus markets 7.6%, while other markets declined; in snacking, core grew >20% and focus >35%.
- Sweets contribute ~12.5% of company sales, ~25% in focus states, and even more in other states, which explains the weaker focus/other market growth; Management said there was no loss to competition.
- Focus markets are expected to grow 20-23% in 2H.
- Bikaji added ~20,000 outlets in 2Q; expects to exceed its annual outlet addition target.

4) Costs, pricing, and margins

- Standalone gross margin saw a ~1.7-2% hit due to price increases across key raw materials (pulses on a bad crop, edible oil); festive MRPs were locked in Jul-Aug, so no price hikes were taken in Sep-Oct.
- A ~3-3.5% price hike (incl ~1gm grammage cut, ~3-4% weighted, in Rs5/Rs10 packs) effective 15-Nov; no further price hikes are expected till March unless costs rise further.
- Edible oil and packaging costs are softening, and the new pulse crop arrives in December; 3Q margins will remain under pressure, while 4Q EBITDA margin should normalize at 13-13.5%, with higher margins in FY28.
- Manufacturing, fuel, and logistics costs rose; standalone ad spends increased by ~70bps yoy, while A&P is budgeted at ~2% of sales for FY27 (new Amitabh Bachchan TVCs, Pankaj Tripathi tie-up, KBC presence).

5) Retail (THF)

- The retail business grew 58% in 2Q (64% in 1H); Bikaji has ~34 stores and expects ~40 by FY27-end.
- THF revenue expected at Rs1.6-1.7bn in FY27 (FY26: Rs1bn), and Management believes THF can grow 50-60% annually over the next 3-4 years; same-store growth is 6-8%.

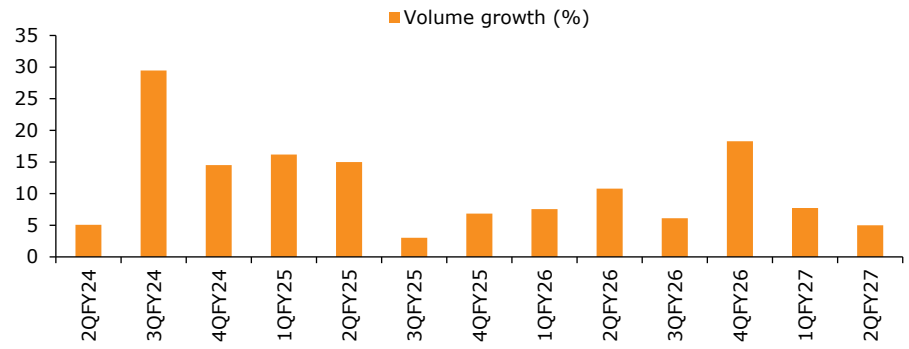
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- THF is testing smaller 600-800sqft formats for malls and a premium experiential 'Foundry by THF' store in Gurgaon, with focus on premium sweets and gifting; brand ambassadors will be onboarded next year.

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Snacking value growth was ~22%, with core/focus markets up >20%/>35% in snacking

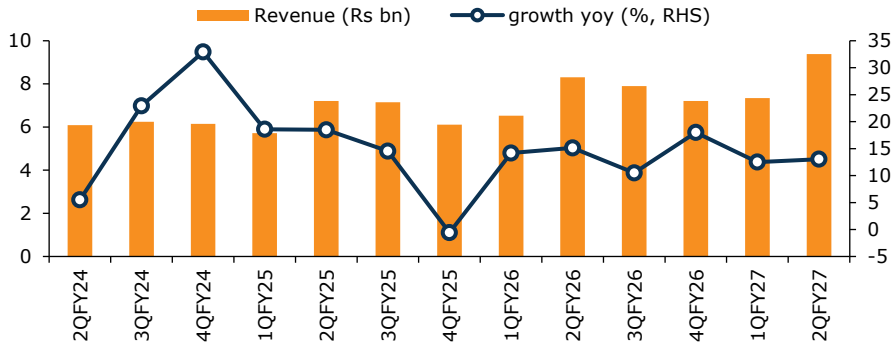
Exhibit 2: Volume growth moderated to 5% due to the shift of Diwali to 3Q; snacking volume grew >15%



Source: Company, Emkay Research

Management now expects >17% revenue growth for FY27, implying ~20% growth in 2H; October saw >50% yoy growth

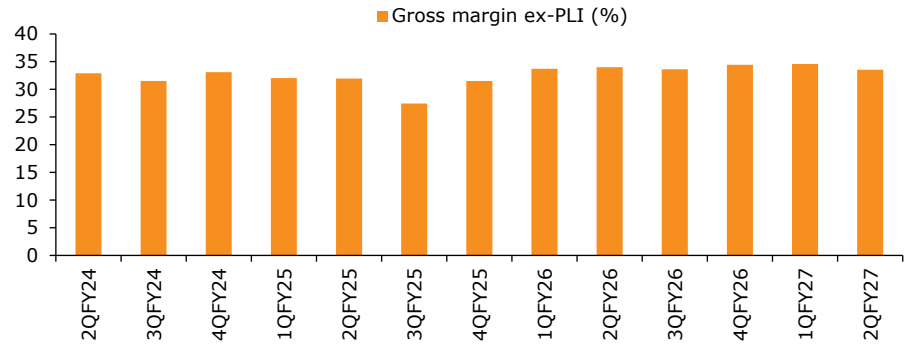
Exhibit 3: Revenue grew 13% yoy, broadly in line with consensus' estimate



Source: Company, Emkay Research

Bikaji did not raise prices in Sep-Oct as festive MRPs were locked in Jul-Aug; a ~3-3.5% price hike takes effect from 15-Nov

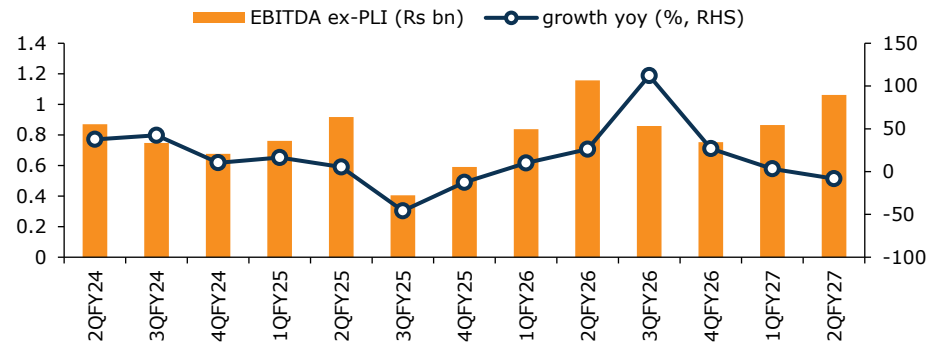
Exhibit 4: Gross margin (ex-PLI) declined by 50bps yoy (by 100bps qoq) to ~33.5% on commodity inflation



Source: Company, Emkay Research

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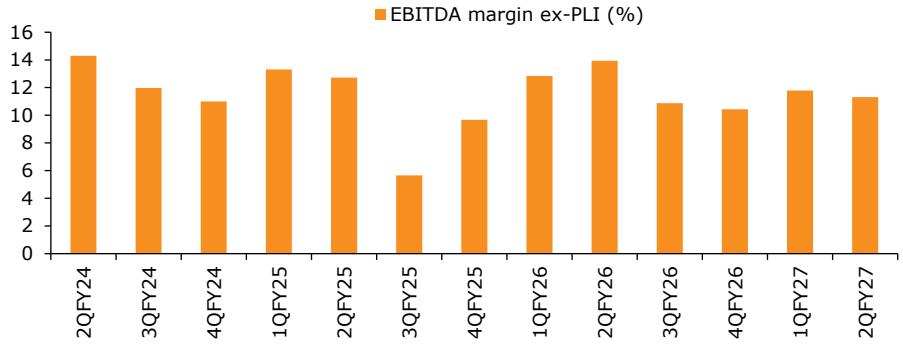
Exhibit 5: EBITDA declined 7% yoy (ex-PLI: -8%), 4% above expectations



Source: Company, Emkay Research

Management expects 3Q margins to remain under pressure, with 4Q EBITDA margin normalizing at 13-13.5%

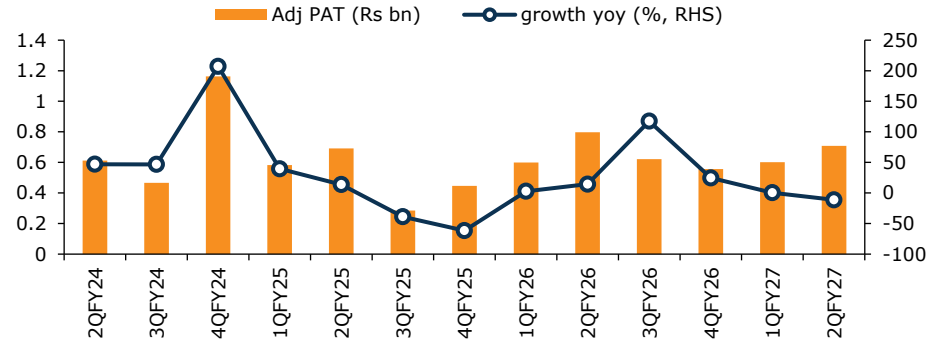
Exhibit 6: EBITDA margin (ex-PLI) declined by 260bps yoy to ~11.3% led by higher opex (+190bps, largely A&P) and staff costs (+30bps)



Source: Company, Emkay Research

Effective tax rate declined 80bps yoy to 25.8%

Exhibit 7: Adj PAT declined 11% yoy, 2% below expectations, on higher finance costs and lower other income



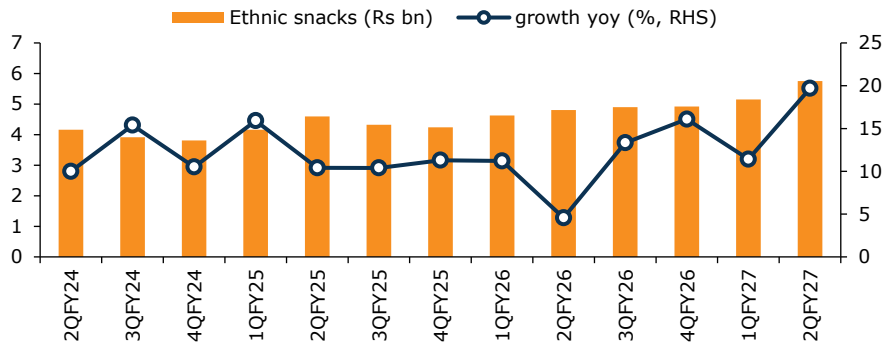
Source: Company, Emkay Research

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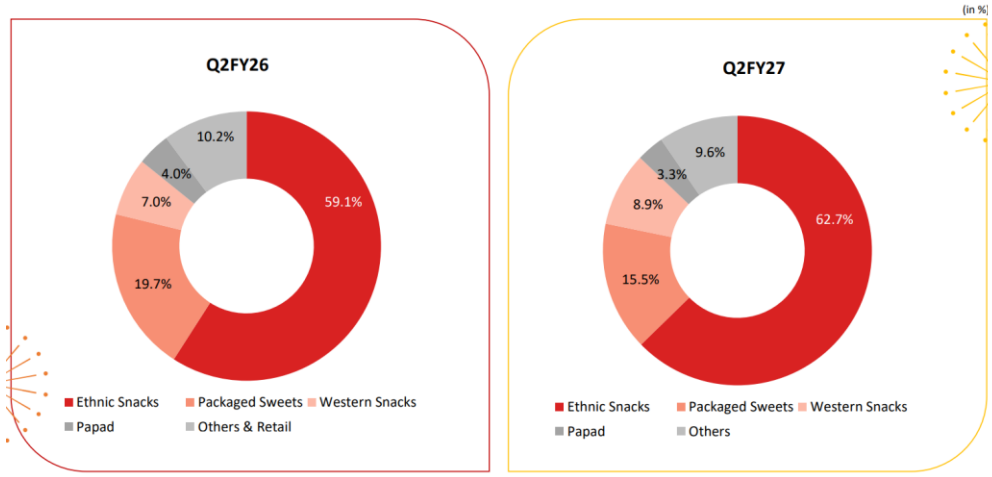
Impulse packs (Rs5/Rs10) grew >20%, aided by a Paytm cashback campaign whose redemption cost is borne by Paytm

Exhibit 8: Ethnic snacks grew ~20% yoy and Western snacks 44%, while packaged sweets declined 11% due to the shift in festive timing



Source: Company, Emkay Research

Exhibit 9: Papad declined 6% yoy due to supply-chain issues in handmade papad; sweets and gifting should be read for 2Q and 3Q combined (>10% growth expected)



Source: Company, Emkay Research

Sweets and gifting salience is highest in other and focus states (~25% in focus vs ~12.5% overall); focus markets are expected to grow 20-23% in 2H

Exhibit 10: Core/focus/export markets grew ~18%/8%/10% yoy, while other markets declined 13%



Source: Company, Emkay Research

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Exhibit 11: Changes in estimates

Rs mn	New estimates			Old estimates			Change in estimate		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	34,364	39,626	45,456	34,424	39,172	44,520	0%	1%	2%
EBITDA	3,928	5,241	6,184	4,116	5,370	6,436	-5%	-2%	-4%
EBITDA margin (%)	11.4%	13.2%	13.6%	12.0%	13.7%	14.5%	-52bps	-48bps	-85bps
EBITDA margin, ex-PLI (%)	11.6%	13.2%	13.6%	12.1%	13.7%	14.5%	-53bps	-48bps	-85bps
Adj PAT	2,399	3,399	4,225	2,579	3,531	4,412	-7%	-4%	-4%
EPS (Rs)	9.6	13.6	16.9	10.3	14.1	17.6	-7%	-4%	-4%

Source: Company, Emkay Research

Exhibit 12: Emkay vs Consensus estimates

Rs mn	Emkay estimates			Consensus estimates			Emkay vs Consensus estimates		
	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Revenue	34,364	39,626	45,456	34,354	39,101	44,762	0%	1%	2%
EBITDA	4,428	5,241	6,184	4,668	5,283	6,265	-5%	-1%	-1%
EBITDA margin (%)	12.9%	13.2%	13.6%	13.6%	13.5%	14.0%	-70bps	-29bps	-39bps
Adj PAT	2,771	3,399	4,225	2,998	3,497	4,280	-8%	-3%	-1%
EPS (Rs)	11.1	13.6	16.9	11.9	14.0	17.1	-7%	-3%	-1%

Source: Company, Emkay Research

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Bikaji Foods International: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**26,168**	**29,939**	**34,364**	**39,626**	**45,456**
Revenue growth (%)	12.3	14.4	14.8	15.3	14.7
EBITDA	**3,283**	**4,106**	**4,428**	**5,241**	**6,184**
EBITDA growth (%)	(16.1)	25.1	7.9	18.3	18.0
Depreciation & Amortization	815	950	1,086	1,137	1,073
EBIT	**2,468**	**3,155**	**3,342**	**4,104**	**5,111**
EBIT growth (%)	(25.5)	27.9	5.9	22.8	24.5
Other operating income	684	591	581	90	99
Other income	322	514	566	650	748
Financial expense	144	178	188	162	150
PBT	**2,645**	**3,491**	**3,720**	**4,593**	**5,710**
Extraordinary items	3	(45)	0	0	0
Taxes	705	902	949	1,194	1,484
Minority interest	65	39	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	**2,007**	**2,583**	**2,771**	**3,399**	**4,225**
PAT growth (%)	(24.4)	28.7	7.3	22.6	24.3
Adjusted PAT	**2,007**	**2,583**	**2,771**	**3,399**	**4,225**
Diluted EPS (Rs)	**8.0**	**10.3**	**11.1**	**13.6**	**16.9**
Diluted EPS growth (%)	(24.4)	28.7	7.3	22.6	24.3
DPS (Rs)	**1.0**	**1.3**	**1.5**	**2.0**	**4.0**
Dividend payout (%)	**12.5**	**12.1**	**13.5**	**14.7**	**23.7**
EBITDA margin (%)	12.5	13.7	12.9	13.2	13.6
EBIT margin (%)	9.4	10.5	9.7	10.4	11.2
Effective tax rate (%)	26.7	25.8	25.5	26.0	26.0
NOPLAT (pre-IndAS)	**1,809**	**2,340**	**2,490**	**3,037**	**3,782**
Shares outstanding (mn)	250	250	250	250	250

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	251	251	251	251	251
Reserves & Surplus	13,580	15,819	18,215	21,113	24,337
Net worth	**13,831**	**16,070**	**18,466**	**21,364**	**24,588**
Minority interests	974	1,004	1,004	1,004	1,004
Non-current liab. & prov.	0	0	0	0	0
Total debt	**3,343**	**4,042**	**4,051**	**4,103**	**3,979**
Total liabilities & equity	**18,148**	**21,116**	**23,521**	**26,471**	**29,570**
Net tangible fixed assets	9,865	10,336	10,450	10,513	10,577
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	978	1,511	1,511	1,511	1,511
Goodwill	-	-	-	-	-
Investments [JV/Associates]	862	918	2,918	4,918	6,918
Cash & equivalents	**2,191**	**3,165**	**3,072**	**3,214**	**5,009**
Current assets (ex-cash)	4,902	5,256	6,016	7,041	8,077
Current Liab. & Prov.	1,193	1,280	1,655	1,935	2,220
NWC (ex-cash)	**3,709**	**3,977**	**4,361**	**5,105**	**5,857**
Total assets	**18,148**	**21,116**	**23,521**	**26,471**	**31,082**
Net debt	1,152	877	980	889	(1,031)
Capital employed	18,148	21,116	23,521	26,471	29,570
Invested capital	**13,574**	**14,312**	**14,811**	**15,618**	**16,434**
BVPS (Rs)	55.3	64.2	73.8	85.4	98.2
Net Debt/Equity (x)	0.1	0.1	0.1	-	-
Net Debt/EBITDA (x)	0.4	0.2	0.2	0.2	(0.2)
Interest coverage (x)	19.3	20.6	20.8	29.4	39.2
RoCE (%)	**17.2**	**18.7**	**17.5**	**19.0**	**20.9**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	2,323	2,977	3,154	3,942	4,962
Others (non-cash items)	-	-	-	-	-
Taxes paid	(646)	(934)	(949)	(1,194)	(1,484)
Change in NWC	(1,550)	(268)	(385)	(744)	(752)
Operating cash flow	**1,928**	**3,041**	**3,095**	**3,302**	**3,948**
Capital expenditure	(3,477)	(1,955)	(1,200)	(1,200)	(1,136)
Acquisition of business	202	(56)	(2,000)	(2,000)	(2,000)
Interest & dividend income	-	-	-	-	-
Investing cash flow	**(1,306)**	**(2,893)**	**(2,634)**	**(2,550)**	**(2,388)**
Equity raised/(repaid)	94	65	0	0	0
Debt raised/(repaid)	(410)	(191)	(200)	(200)	(200)
Payment of lease liabilities	0	0	0	0	0
Interest paid	(144)	(178)	(188)	(162)	(150)
Dividend paid (incl tax)	(250)	(251)	(375)	(501)	(1,001)
Others	160	560	0	0	0
Financing cash flow	**(551)**	**5**	**(764)**	**(862)**	**(1,351)**
Net chg in Cash	71	152	(303)	(110)	209
OCF	1,928	3,041	3,095	3,302	3,948
Adj. OCF (w/o NWC chg.)	3,478	3,309	3,480	4,047	4,700
FCFF	(1,549)	1,086	1,895	2,102	2,812
FCFE	(1,693)	908	1,707	1,941	2,662
OCF/EBITDA (%)	58.7	74.1	69.9	63.0	63.8
FCFE/PAT (%)	(84.4)	35.1	61.6	57.1	63.0
FCFF/NOPLAT (%)	**(85.6)**	**46.4**	**76.1**	**69.2**	**74.3**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	59.5	46.2	43.1	35.1	28.3
EV/CE(x)	6.6	5.7	5.1	4.5	4.0
P/B (x)	8.6	7.4	6.5	5.6	4.9
EV/Sales (x)	4.7	4.1	3.6	3.0	2.6
EV/EBITDA (x)	36.7	29.3	27.2	23.0	19.1
EV/EBIT(x)	48.9	38.1	36.0	29.3	23.2
EV/IC (x)	8.9	8.4	8.1	7.7	7.2
FCFF yield (%)	(1.3)	0.9	1.6	1.7	2.4
FCFE yield (%)	(1.4)	0.8	1.4	1.6	2.2
Dividend yield (%)	0.2	0.3	0.3	0.4	0.8
DuPont-RoE split					
Net profit margin (%)	7.7	8.8	8.1	8.6	9.3
Total asset turnover (x)	1.6	1.5	1.5	1.6	1.6
Assets/Equity (x)	1.2	1.3	1.3	1.3	1.3
RoE (%)	**15.4**	**17.6**	**16.0**	**17.1**	**18.4**
DuPont-RoIC					
NOPLAT margin (%)	6.9	7.8	7.2	7.7	8.3
IC turnover (x)	2.2	2.1	2.4	2.6	2.8
RoIC (%)	**15.2**	**16.8**	**17.1**	**20.0**	**23.6**
Operating metrics					
Core NWC days	51.7	48.5	46.3	47.0	47.0
Total NWC days	**51.7**	**48.5**	**46.3**	**47.0**	**47.0**
Fixed asset turnover	2.1	2.1	2.2	2.4	2.5
Opex-to-revenue (%)	19.6	21.3	22.0	20.9	20.5

Source: Company, Emkay Research

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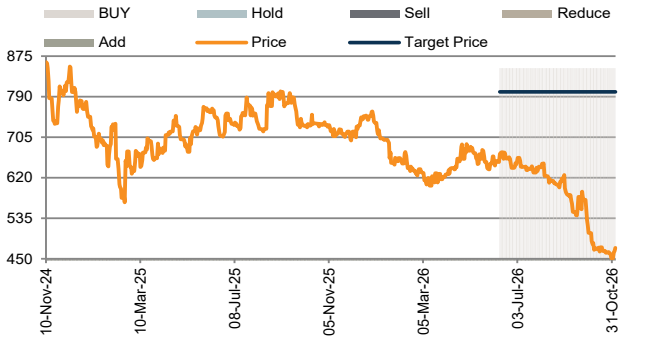
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RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
07-Aug-26	624	800	Buy	Rajesh Kumar
05-Jul-26	662	800	Buy	Rajesh Kumar
10-Jun-26	670	800	Buy	Rajesh Kumar

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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BUY	>15% upside
ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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