

Mrs Bectors Food Specialities

India | FMCG | Result Update



2 June 2025

Margin blip in the near-term

Mrs Bectors Food Specialities' (BECTORS IN) Q4 revenue grew 9.8% due to slower growth in the export business. BECTORS continues to focus on product innovation and has added capacities and capabilities to expand its product offering in the frozen and health segments. New manufacturing facilities will enable it to improve its service beyond markets in North India and reduce distribution cost. While near-term sales growth remains moderate, the long-term outlook is intact as we pencil in a 17% revenue CAGR forecast for FY25-28E. We maintain Accumulate with TP at INR 1,572 (unchanged) based on 45x FY27E P/E (unchanged).

Bakery segment outperforms; Biscuits sees moderate growth: Q4 net sales rose 9.8% YoY to INR 4.5bn (3% below our estimates), impacted by continued urban slowdown and slower growth momentum due to higher-end prices to consumers. Sales growth was led by growth in the Bakery segment (+18.5% YoY), while the Biscuits segment posted a slower growth of 7.1% YoY. In the Biscuits segment, the domestic business saw a positive trend since Q4, aiding mid-single digit value growth in FY25, while the exports business reported a slower growth amid higher base and exponential growth in the past 3-4 years. For FY25, BECTORS recorded high single-digit volume growth. The management expects this to improve to double-digit volume growth in FY26. Within Biscuits, domestic and export segments are projected to grow in low teens and mid-teens, respectively. The Bakery segment is expected to grow in mid-to-high teens in FY26.

Capacity expansion on track; launch of new brands to drive innovation: BECTORS plans to expand its capacity by ~15% in the Biscuits and Bakery segments. The newly commissioned Dhar facility, which became operational in May 2025, is expected to enhance serviceability in the western and central regions, reduce freight costs, and unlock significant potential for new product development (NPD). Further, the company has launched a new clean label brand 'Nature Baked', aimed at offering healthier and differentiated products.

Aims to return 13-14% EBITDA margin by Q3FY26: Q4 EBITDA margin contracted 198bps YoY/flat QoQ to 12.5% (versus our estimates of 12%) as gross margin loss of 345bps YoY was partly offset by lower employee cost (-79bps YoY) and other expenses (-69bps YoY). However, BECTORS aims to return to 13-14% EBITDA by the end of Q3FY26 on the back of: 1) recent import duty cut from 20% to 10% in palm oil (17-20% of raw material basket), 2) calibrated price increases; 3) cost efficiency programs and 4. commodity deflation.

Maintain Accumulate with TP retained at INR 1,572: We cut our earnings estimates by 2.6% for FY26E while largely maintaining FY27E estimates to factor in lower revenue. So, we maintain our TP at INR 1,572 (unchanged) on 45x (unchanged) FY27E P/E. We remain positive on long-term growth prospects, especially in the Bakery segment. We introduce FY28 estimates.

Key Financials

YE March	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	16,239	18,739	21,511	25,339	29,742
YoY (%)	19.2	15.4	14.8	17.8	17.4
EBITDA (INR mn)	2,424	2,515	2,974	3,760	4,571
EBITDA margin (%)	14.9	13.4	13.8	14.8	15.4
Adj PAT (INR mn)	1,403	1,431	1,672	2,153	2,727
YoY (%)	55.2	2.0	16.8	28.8	26.7
Fully DEPS (INR)	23.9	23.3	27.3	35.1	44.5
RoE (%)	23.2	15.7	13.4	14.9	16.2
RoCE (%)	23.3	16.1	14.9	17.5	19.4
P/E (x)	61.9	63.3	54.2	42.1	33.2
EV/EBITDA (x)	36.4	35.1	29.7	23.5	19.3

Note: Pricing as on 02 June 2025; Source: Company, Elara Securities Estimate

Rating: [Accumulate](#)

Target Price: [INR 1,572](#)

Upside: [6%](#)

CMP: [INR 1,478](#)

As on 02 June 2025

Key data

Bloomberg	BECTORS IN
Reuters Code	MRSB.NS
Shares outstanding (mn)	61
Market cap (INR bn/USD mn)	91/1,062
EV (INR bn/USD mn)	88/1,033
ADTV 3M (INR mn/USD mn)	122/1
52 week high/low	2,200/1,201
Free float (%)	51

Note: as on 02 June 2025; Source: Bloomberg

Price chart



Source: Bloomberg

	Q1 FY25	Q2 FY25	Q3 FY25	Q4 FY25
Shareholding (%)				
Promoter	51.2	49.0	49.0	49.0
% Pledge	0.0	0.0	0.0	0.0
FII	8.2	13.1	15.6	15.9
DII	20.9	21.1	19.7	19.6
Others	19.7	16.8	15.7	15.5

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	11.7	1.8	9.7
Mrs Bectors Food Specialities	11.9	(18.7)	16.8
NSE Mid-cap	16.2	0.7	9.0
NSE Small-cap	22.5	(5.0)	8.5

Source: Bloomberg

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Financials (YE March)

Income Statement (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	16,239	18,739	21,511	25,339	29,742
Gross Profit	7,578	8,653	9,868	11,776	14,031
EBITDA	2,424	2,515	2,974	3,760	4,571
EBIT	1,810	1,756	2,024	2,660	3,421
Interest expense	118	129	100	110	110
Other income	190	290	320	340	350
PBT	1,882	1,917	2,244	2,890	3,661
Tax	479	485	572	737	933
Tax	479	485	572	737	933
Reported PAT	1,403	1,431	1,672	2,153	2,727
Adjusted PAT	1,403	1,431	1,672	2,153	2,727
Balance Sheet (INR mn)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	13,258	23,316	26,659	30,966	36,420
Trade Payables	1,067	1,054	1,238	1,458	1,711
Provisions & Other Current Liabilities	726	1,009	915	1,062	1,231
Total Borrowings	2,246	1,313	813	813	813
Other long term liabilities	336	625	633	633	633
Total liabilities & equity	11,003	15,659	16,928	19,448	22,598
Net Fixed Assets	12,361	17,212	12,755	10,755	8,855
Goodwill	4	4	4	4	4
Business Investments / other NC assets	41	41	-	-	-
Cash, Bank Balances & treasury investments	1,271	2,882	6,460	9,241	12,604
Inventories	1,037	1,371	1,441	1,726	1,940
Sundry Debtors	1,331	1,350	1,550	1,826	2,143
Other Current Assets	1,139	1,400	1,092	1,270	1,475
Total Assets	11,003	15,654	16,924	19,444	22,594
Cash Flow Statement	FY24	FY25	FY26E	FY27E	FY28E
Cashflow from Operations	1,361	1,550	2,439	2,541	3,213
Capital expenditure	(2,048)	(3,184)	1,278	(100)	(200)
Other Business cashflow	259	290	361	340	350
Free Cash Flow	(428)	(1,345)	4,078	2,781	3,363
Cashflow from Financing	881	2,956	(500)	-	0
Net Change in Cash / treasury investments	454	1,611	3,578	2,781	3,363
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share	3.3	6.0	5.5	7.0	8.9
Book value per share	112.8	190.0	217.3	252.4	296.8
RoCE (Pre-tax)	23.3	16.1	14.9	17.5	19.4
ROIC (Pre-tax)	26.9	19.8	22.8	36.1	50.8
ROE%	23.2	15.7	13.4	14.9	16.2
Asset Turnover	3.0	2.5	2.9	4.3	6.1
Net Debt to Equity (x)	0.1	(0.1)	(0.4)	(0.5)	(0.6)
Net Debt to EBITDA (x)	0.4	(0.6)	(1.9)	(2.2)	(2.6)
Interest cover (x) (EBITDA/ int exp)	20.5	19.5	29.7	34.2	41.6
Total Working capital days (WC/rev)	73.0	103.1	152.2	179.9	201.7
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	61.9	63.3	54.2	42.1	33.2
P/Sales (x)	5.6	4.8	4.2	3.6	3.1
EV/ EBITDA (x)	36.4	35.1	29.7	23.5	19.3
EV/ OCF (x)	64.8	56.9	36.2	34.7	27.5
FCF Yield	(0.5)	(1.5)	4.6	3.2	3.8
Price to BV (x)	13.1	7.8	6.8	5.9	5.0
Dividend yield (%)	0.2	0.4	0.4	0.5	0.6

We expect sales to see a 17% CAGR in FY25-28E

Note: Pricing as on 02 June 2025; Source: Company, Elara Securities Estimate

Exhibit 1: Quarterly financials

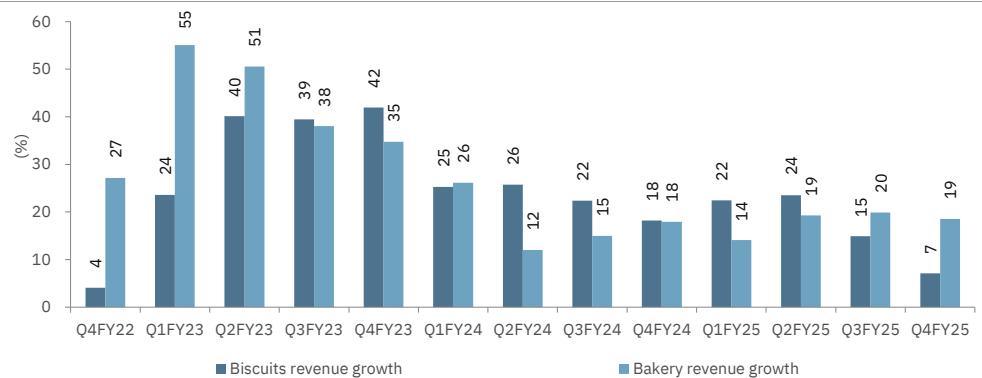
YE March (INR mn)	Q4FY25	Q4FY25	YoY (%)	Q3FY25	QoQ (%)	Q4FY25E	Variance (%)
Net sales	4,461	4,064	9.8	4,921	(9.4)	4,600	(3.0)
Operating expenses	3,905	3,478	12.3	4,307	(9.3)	4,048	(3.5)
% Of sales	87.5	85.6		87.5		88.0	
EBITDA	556	586	(5.3)	614	(9.6)	552	0.7
EBITDA margins (%)	12.5	14.4		12.5		12.0	
Other income	113	66	71.2	70	62.9	78	45.5
Interest	19	37		25		25	
Depreciation	198	164		194	1.9	195	1.4
PBT	452	452	0.1	465	(2.7)	410	10.4
Tax	110	116	(5.3)	119	(7.8)	104	5.0
Effective tax rate (%)	24.3	25.7		25.6		25.5	
Minority interest	(0)	(0.3)		(0.2)		(0.2)	
Reported PAT	343	336	2.0	346	(0.9)	306	12.2
Adjusted PAT	343	336	2.0	346	(0.9)	306	12.2
NPM (%)	7.7	8.3		7.0		6.6	

Source: Company, Elara Securities Estimate

Exhibit 2: Key ratios

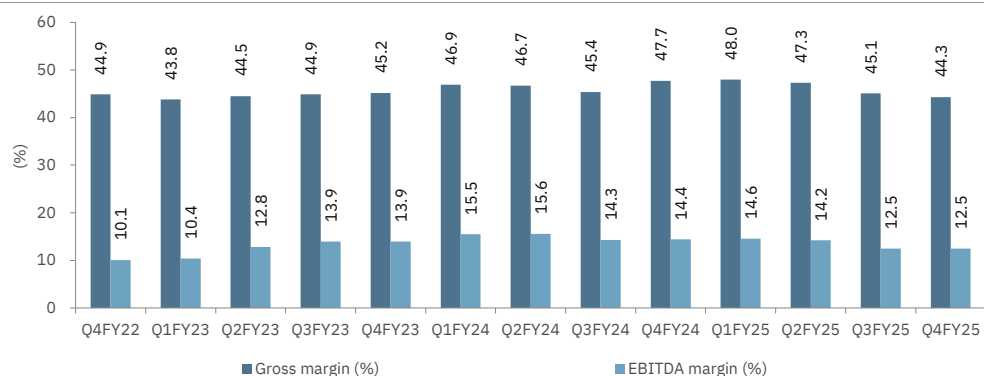
YE March (%)	Q4FY25	Q4FY25	YoY bps chg	Q3FY25	QoQ bps chg	Q4FY25E	bps variance
Raw material cost	55.7	52.3	345	54.9	78	53.2	250
Staff costs	13.4	14.2	(79)	14.0	(54)	14.9	(150)
Other expenses	18.4	19.1	(69)	18.6	(21)	19.9	(146)
Effective tax rate	24.3	25.7	(140)	25.6	(134)	25.5	(124)
Gross margin	44.3	47.7	(345)	45.1	(78)	46.8	(250)
EBITDA margin	12.5	14.4	(198)	12.5	(3)	12.0	46
NPM	7.7	8.3	(59)	7.0	65	6.6	104

Source: Company, Elara Securities Estimate

Exhibit 3: Strong performance in Bakery; muted momentum in Biscuits


Source: Company, Elara Securities Research

Exhibit 4: Margins dragged down by higher input costs



Source: Company, Elara Securities Research

Exhibit 5: BECTORS trades above its three-year average P/E of 43x



Source: Company, Bloomberg, Elara Securities Estimate

Exhibit 6: Valuation summary

(INR)	
EPS – FY26E	27.3
EPS – FY27E	35.1
Target multiple (x)	45
EPS – FY27E	35.1
Target price	1,572

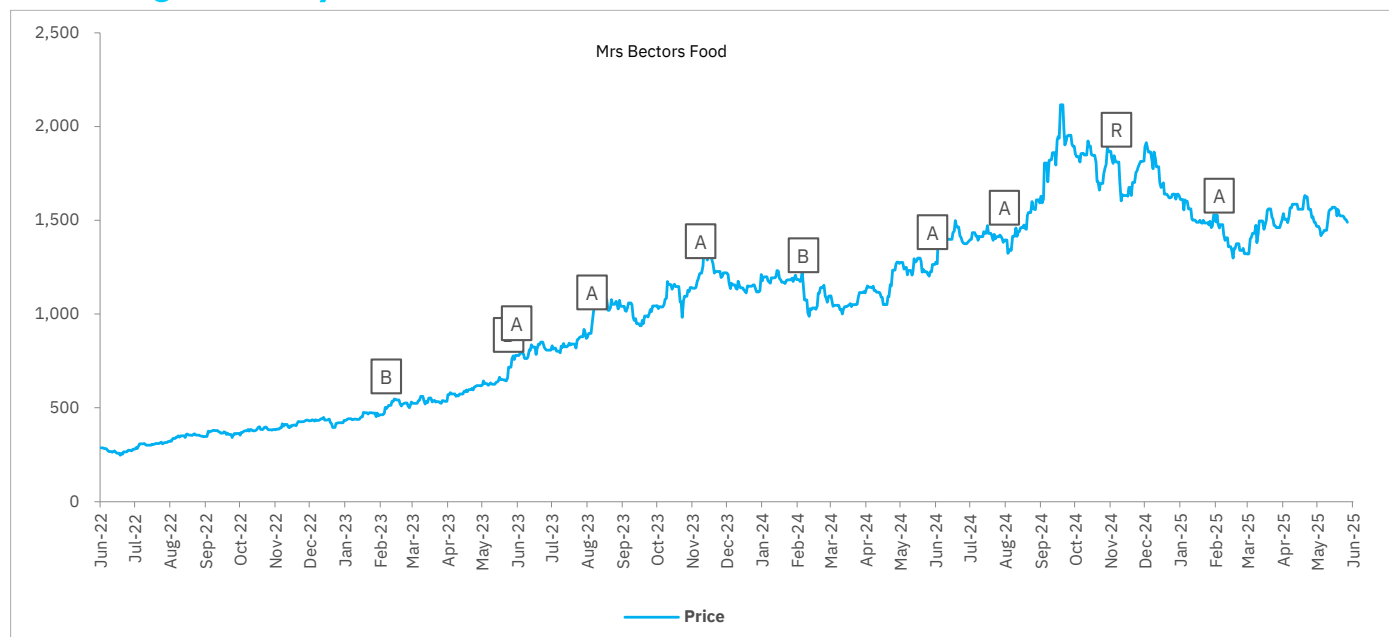
Source: Elara Securities Estimate

Exhibit 7: Change in estimates

(INR mn)	Old Estimates		New Estimates		(%) change		New
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	
Revenue	22,315	26,146	21,511	25,339	(3.6)	(3.1)	29,742
EBITDA	3,166	3,870	2,974	3,760	(6.1)	(2.8)	4,571
EBITDA (%)	14.2	14.8	13.8	14.8	(36)	4	15.4
PAT	1,718	2,145	1,672	2,153	(2.7)	0.4	2,727
EPS (INR)	28.0	34.9	27.3	35.1	(2.6)	0.4	44.5

Source: Elara Securities Estimate

Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
08-Feb-2023	Buy	640	495
26-May-2023	Buy	852	717
02-Jun-2023	Accumulate	852	779
07-Aug-2023	Accumulate	1,106	944
10-Nov-2023	Accumulate	1,414	1,217
08-Feb-2024	Buy	1,414	1,142
31-May-2024	Accumulate	1,414	1,265
02-Aug-2024	Accumulate	1,540	1,395
08-Nov-2024	Reduce	1,731	1,812
06-Feb-2025	Accumulate	1,572	1,460

Guide to Research Rating

BUY (B)	Absolute Return >+20%
ACCUMULATE (A)	Absolute Return +5% to +20%
REDUCE (R)	Absolute Return -5% to +5%
SELL (S)	Absolute Return < -5%

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