

## Margin recovery positive; pushing growth in Core, key ahead

Consumer Goods ▶ Result Update ▶ May 16, 2025

CMP (Rs): 718 | TP (Rs): 775

We maintain **BUY** on **Bikaji** with unchanged **Mar-26E TP of Rs775**, on **60xP/E**, as we continue to believe in the strong growth narrative ahead. With headwinds in the base, we see organic business growth recovering to the low teens, a mid-single-digit revenue contribution from M&A initiatives, and better margin on the horizon. We anticipate robust ~29% adjusted earnings (ex-PLI) growth over FY25-28E. Q4 results logged gradual recovery in growth momentum (core business) to ~11%, revenue contribution of 3% from M&As, and full recovery in gross margin (GM; at 32%, in line with 1H). The mgmt sees volume growth recovery in Core to 12-13%. **Bikaji Retail is set to gain perspective in FY27.**

**Q4 topline in line; volume growth at 8.9%; M&As to drive growth ahead**

Consolidated revenue grew 14.6% to Rs6bn in Q4FY25. Core business growth stood at 11.3% YoY, up from 7.8% in Q3, however lower than the mid-teen growth in 1H. We reckon M&As contributed ~3% to revenue. Volume growth stood at 8.9% (organic business growth at 7-7.5%), up from 3% in Q3, albeit lower than the low-teen aspiration. Core markets (71% of sales) sustained the low double-digit growth momentum, at 10%. Focus states saw 22% growth in the base business, while sales grew 39% (including THF revenue of Rs110mn). The Ethnic portfolio saw 11.4% growth YoY to Rs4.2bn. Western snacks recovered the growth momentum to 21.5% in Q4 vs 1% growth in Q3 (when the company reduced focus on the inflation-hit potato). Packaged sweets (fewer wedding dates) and *papad* delivered a muted show, with -1% and 5% YoY growth.

**Raw material easing heartening; to aid better margins ahead**

Adjusted for PLI, GM in Q4 stood at ~32% in Q4, down by 115bps YoY and up by 435bps QoQ. Such further adjustment for M&As is likely have been ~31%. With CPO prices seeing easing in Q1 (now 17% higher vs Sep-24, when the GoI effected 22% duty hikes), we expect a full GM recovery in FY26. On steady price basis, we see margin benefits for Bikaji ahead, as the 22% duty increases have been offset by the company taking price hikes of 2-2.5% in 2HFY25. Bikaji has effected 0.5% price hikes in Q1FY26. We also see GM accretion from M&As where the margin is over 50%. Adjusted for PLI, EBITDA margin stood at 10%, down by 300bps YoY and up by 415bps QoQ. We believe the recovery in EBITDA margin for the core business is sufficient for absorbing dilution from M&As. With headwinds now behind, we see 29% earnings CAGR over FY25-28E.

**Growth narrative strong; maintain BUY**

Bikaji's growth narrative continues to swiftly improve under its professional management, which has dual focus – of strengthening core operations and enhancing fundamentals through strategic M&A initiatives. Over the medium term, the company is likely to focus on its QSR aspiration under *The Hazelnut Factory*, while thrust on its own Bikaji store will gain focus from FY27. We maintain **BUY** on the stock, with **Mar-26E TP of Rs775** on 60x P/E.

Target Price – 12M	Mar-26
<b>Change in TP (%)</b>	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	7.9

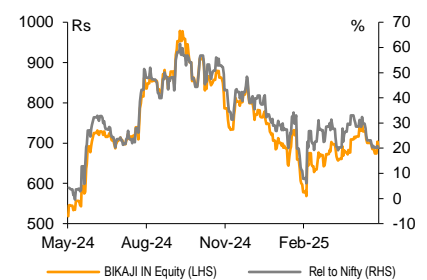
Stock Data	BIKAJI IN
52-week High (Rs)	1,008
52-week Low (Rs)	518
Shares outstanding (mn)	250.6
Market-cap (Rs bn)	180
Market-cap (USD mn)	2,103
Net-debt, FY25E (Rs mn)	(4.6)
ADTV-3M (mn shares)	0
ADTV-3M (Rs mn)	293.8
ADTV-3M (USD mn)	3.4
Free float (%)	25.0
Nifty-50	25,019.8
INR/USD	85.5

**Shareholding, Mar-25**

Promoters (%)	74.9
FPIs/MFs (%)	7.3/12.2

**Price Performance**

(%)	1M	3M	12M
Absolute	0.8	24.2	31.5
Rel. to Nifty	(5.6)	13.8	17.7

**1-Year share price trend (Rs)****Bikaji Foods International: Financial Snapshot (Consolidated)**

Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,293	26,219	30,926	35,744	41,269
EBITDA	3,913	3,282	4,290	5,325	6,197
Adj. PAT	2,657	2,008	2,762	3,573	4,277
Adj. EPS (Rs)	10.6	8.0	11.0	14.3	17.1
EBITDA margin (%)	16.8	12.5	13.9	14.9	15.0
EBITDA growth (%)	83.2	(16.1)	30.7	24.1	16.4
Adj. EPS growth (%)	109.2	(24.4)	37.5	29.4	19.7
RoE (%)	24.5	15.4	18.5	20.4	20.8
RoIC (%)	26.5	15.3	18.9	23.4	25.8
P/E (x)	67.2	88.8	64.6	49.9	41.7
EV/EBITDA (x)	45.7	54.5	41.7	33.6	28.9
P/B (x)	14.6	12.9	11.1	9.4	8.0
FCFF yield (%)	0.7	(0.9)	1.3	1.3	1.5

Source: Company, Emkay Research

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## Quarterly Performance

Exhibit 1: Q4FY25 and FY25 performance

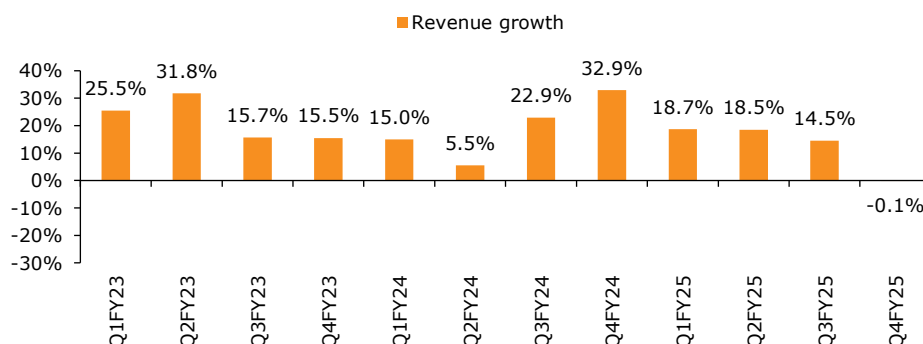
(Rs mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	Emkay est	Var.(%)	FY25	FY24	YoY (%)
<b>Total income</b>	<b>6,136</b>	<b>6,144</b>	<b>0</b>	<b>7,149</b>	<b>-14</b>	<b>6,190</b>	<b>-1</b>	<b>26,219</b>	<b>23,293</b>	<b>13</b>
Cost of goods	4,082	3,487	17	5,079	-20	4,218	-3	17,746	15,085	18
Employee expenses	410	260	58	439	-7	371	10	1,585	1,167	36
Other expenses	901	786	15	1,076	-16	911	-1	3,606	3,145	15
<b>EBITDA</b>	<b>743</b>	<b>1,612</b>	<b>-90</b>	<b>555</b>	<b>28</b>	<b>690</b>	<b>8</b>	<b>3,281</b>	<b>3,897</b>	<b>-56</b>
<b>EBITDA margin (%)</b>	<b>12.1</b>	<b>26.2</b>	<b>-1410bps</b>	<b>7.8</b>	<b>440bps</b>	<b>11.2</b>	<b>100bps</b>	<b>12.5</b>	<b>16.7</b>	<b>-420bps</b>
Depreciation	245	154	60	205	19	212	15	815	601	36
<b>EBIT</b>	<b>498</b>	<b>1,459</b>	<b>-66</b>	<b>349</b>	<b>42</b>	<b>478</b>	<b>4</b>	<b>2,466</b>	<b>3,296</b>	<b>-25</b>
<b>EBIT margin (%)</b>	<b>8.1</b>	<b>23.7</b>	<b>-1560bps</b>	<b>4.9</b>	<b>320bps</b>	<b>7.7</b>	<b>40bps</b>	<b>9.4</b>	<b>14.1</b>	<b>-470bps</b>
Interest cost	50	26	89	43	15	23	113	151	106	42
Other income	100	115	-13	79	26	124	-20	331	290	14
<b>PBT</b>	<b>548</b>	<b>1,547</b>	<b>-169</b>	<b>385</b>	<b>54</b>	<b>579</b>	<b>-5</b>	<b>2,645</b>	<b>3,479</b>	<b>-53</b>
Tax	149	385	-61	107	38	143	4	701	845	-17
Tax rate(%)	27.1	24.9	227bps	27.9	-76bps	24.7	240bps	26.5	24.3	223bps
<b>Adj Profit</b>	<b>399</b>	<b>1,163</b>	<b>-66</b>	<b>278</b>	<b>44</b>	<b>436</b>	<b>-8</b>	<b>1,943</b>	<b>2,634</b>	<b>-26</b>
Net margin (%)	6.5	18.9	-1242bps	3.9	-308.6	7.0	-50bps	7.4	11.3	-390bps
Minorities	-46	0		-8		0		-65	-60	
<b>Profit for shareholders</b>	<b>446</b>	<b>1,162</b>	<b>-62</b>	<b>286</b>	<b>56</b>	<b>436</b>	<b>2</b>	<b>2,008</b>	<b>2,694</b>	<b>-25</b>
<b>EPS (Rs)</b>	<b>1.8</b>	<b>4.6</b>	<b>-61.7</b>	<b>1.1</b>	<b>55.9</b>	<b>1.7</b>	<b>2.2</b>	<b>8.0</b>	<b>10.6</b>	<b>-24.2</b>

Source: Company, Emkay Research

**Organic business grew 11.3% with 7.5% volume growth**

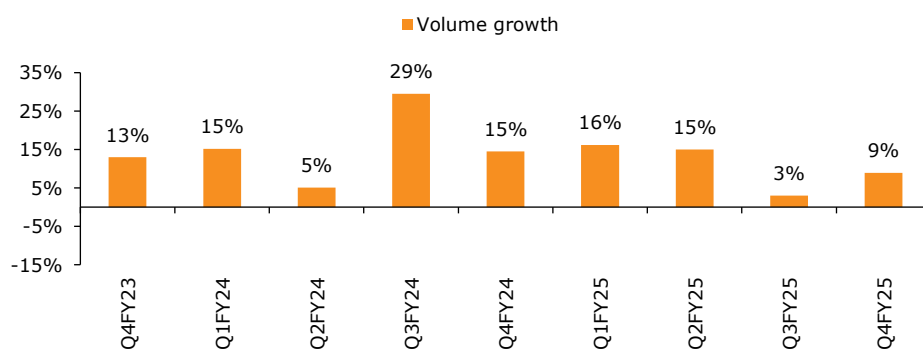
**For organic business, the management aims for 15% growth with 12-13% volume growth. Growth to be driven by a mix of category growth and its share gains (now at ~8.5%)**

Exhibit 2: Revenue growth (YoY)



Source: Company, Emkay Research

Exhibit 3: Volume growth (YoY)

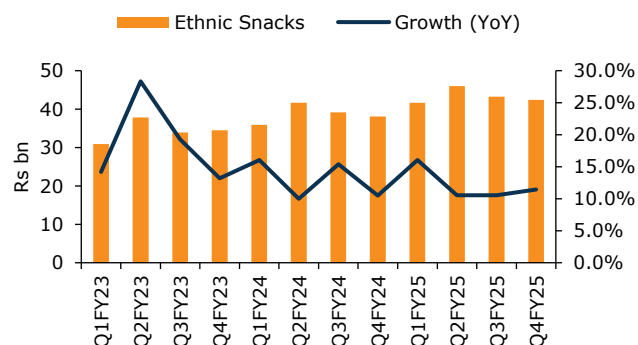


Source: Company, Emkay Research

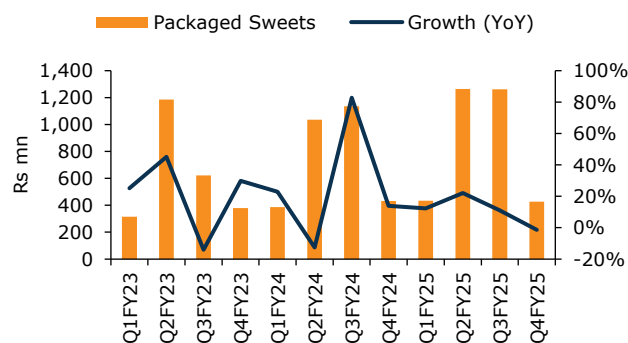
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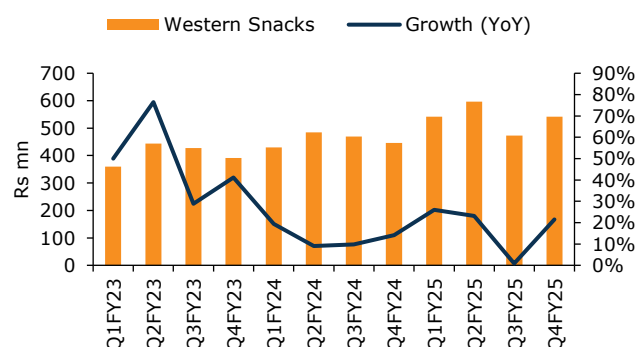
May 16, 2025 | 2

**Exhibit 4: Ethnic Snacks – Revenue and growth trend**

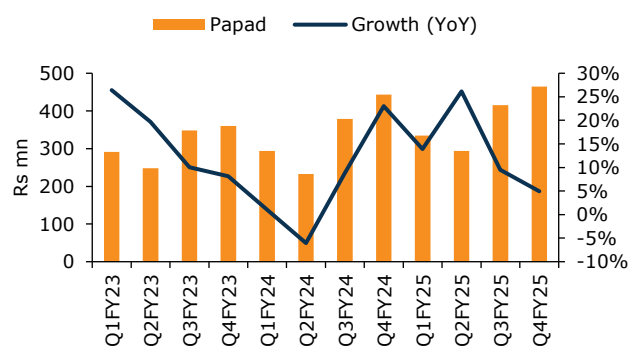
Source: Company, Emkay Research

**Exhibit 5: Packaged Sweets – Revenue and growth trend**

Source: Company, Emkay Research

**Exhibit 6: Western snacks – Revenue and growth trend**

Source: Company, Emkay Research

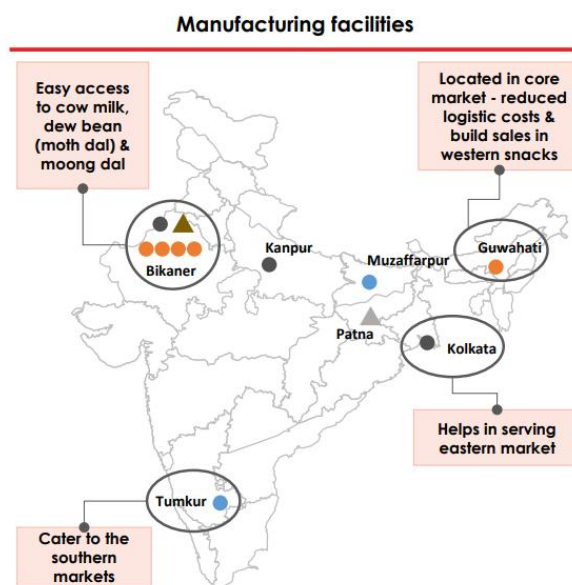
**Exhibit 7: Papad – Revenue and growth trend**

Source: Company, Emkay Research

**Exhibit 8: Manufacturing capacity**

**Focus states saw 39% revenue growth that, adjusted for THF revenue of Rs110mn, saw growth of 22% in Q4**

**In the core markets, Rajasthan revenue grew 12% with 8.5% volume growth in FY25. This was followed by Assam and Bihar, in terms of growth quantum**



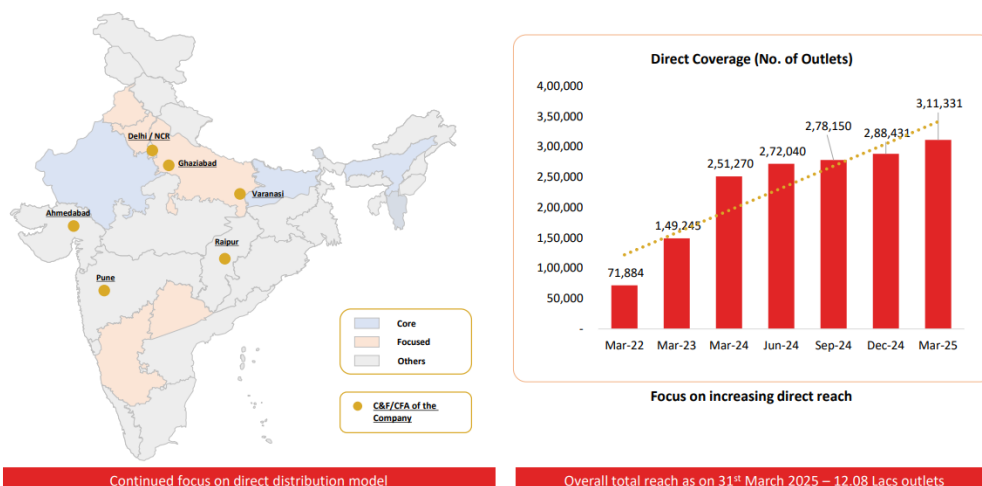
Strategically located manufacturing facilities

Source: Company, Emkay Research

**The company has achieved direct outlet reach of 311k as of Mar-25 vs aspiration of 300k. In the next three years, the company aims to expand direct outlet reach to 450k outlets, with ~50k reach expansion annually**

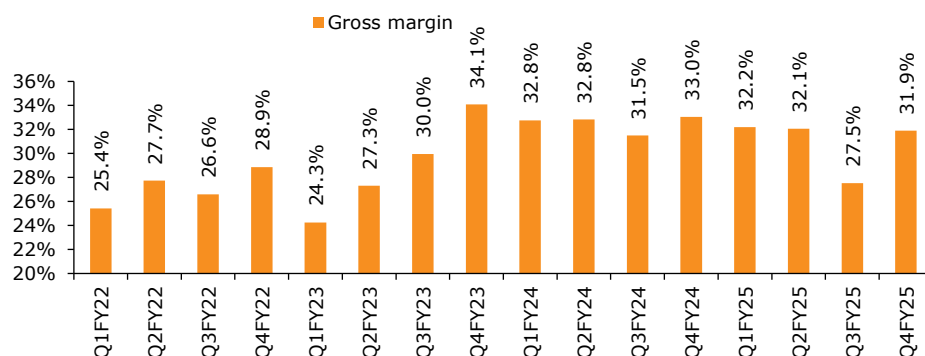
**Bikaji's overall reach stands at ~1.208mn outlets**

Exhibit 9: Distribution



Source: Company, Emkay Research

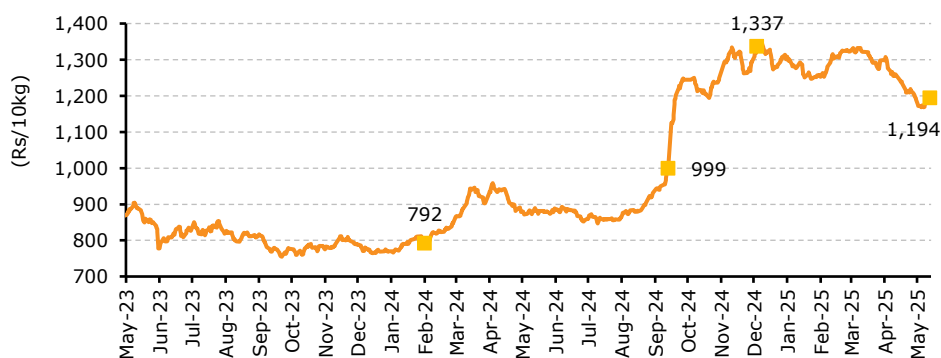
Exhibit 10: Gross margin trend (ex PLI)



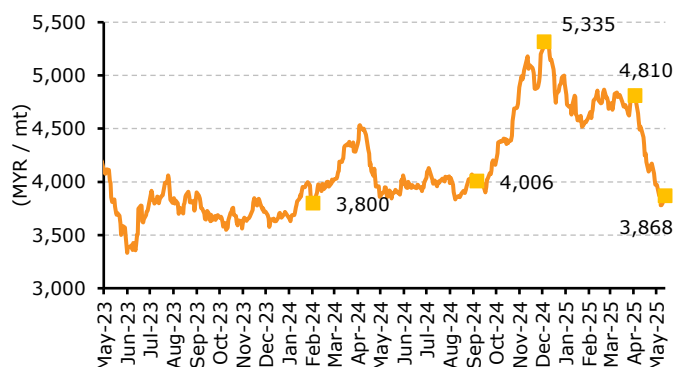
Source: Company, Emkay Research

**Revenue from modern trade and ecommerce stood at 8% and 2%, respectively, for FY25**

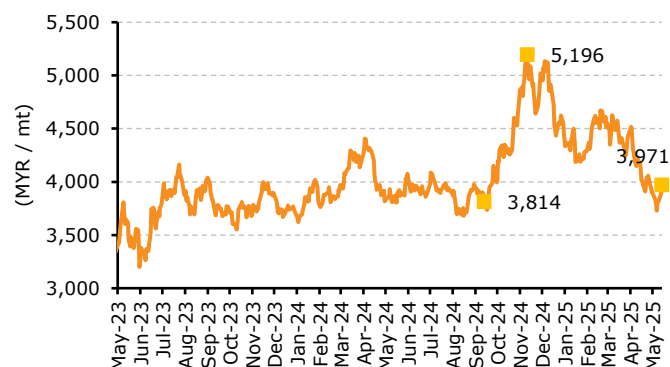
Exhibit 11: Crude palm oil prices at Kandla Port



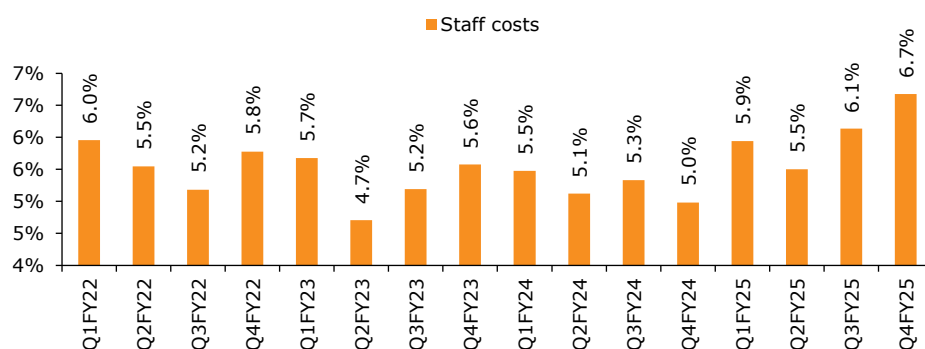
Source: NCDEX, Emkay Research

**Exhibit 12: Crude palm oil spot prices in Malaysia**

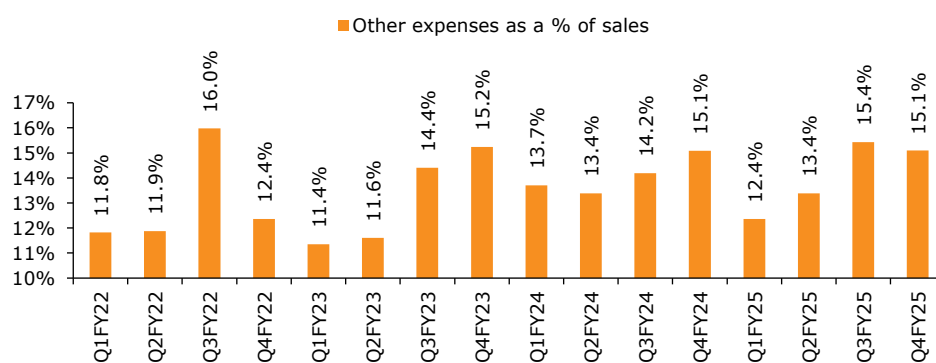
Source: Bloomberg, Emkay Research

**Exhibit 13: Crude palm oil future prices in Malaysia**

Source: Bloomberg, Emkay Research

**Exhibit 14: Staff costs trend**

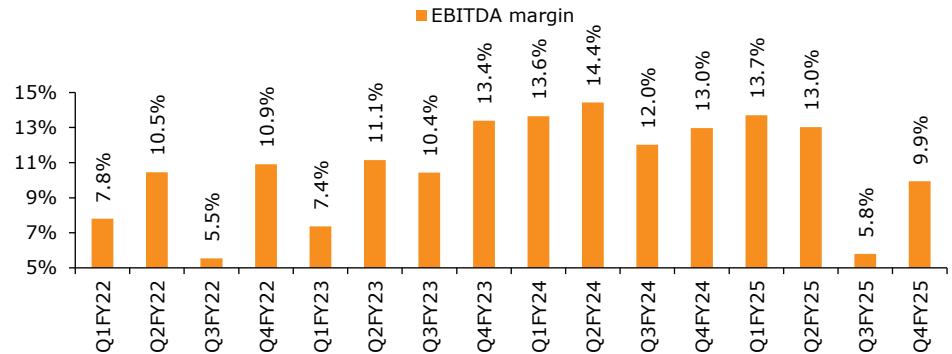
Source: Company, Emkay Research

**Exhibit 15: Other operating expenses trend**

Source: Company, Emkay Research

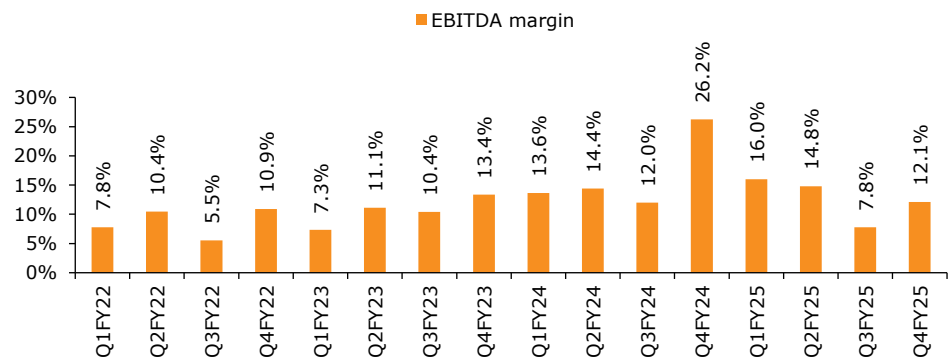
**The management aspires to achieve 15% margin for the next 4-5 years**

**Exhibit 16: EBITDA margin trend (including PLI benefits)**



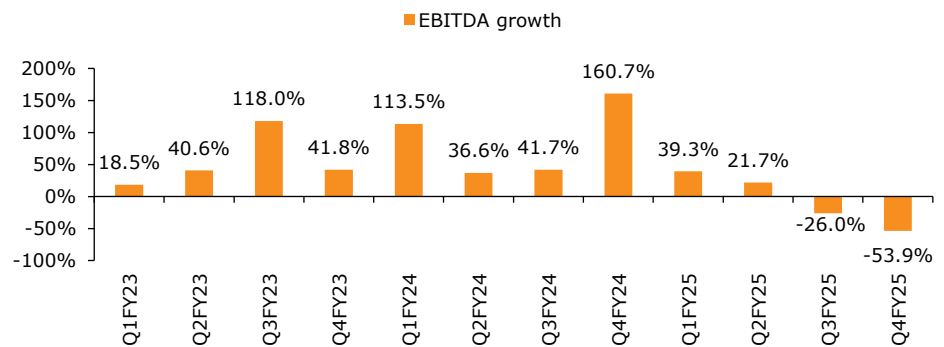
Source: Company, Emkay Research

**Exhibit 17: EBITDA margin trend (ex-PLI benefits)**



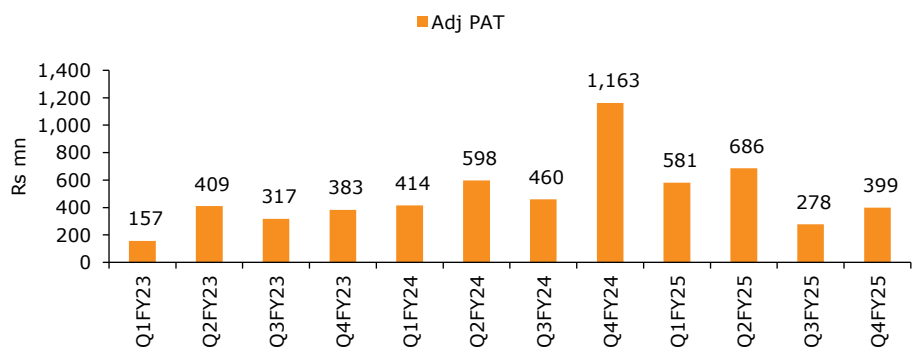
Source: Company, Emkay Research

**Exhibit 18: EBITDA growth (YoY)**



Source: Company, Emkay Research

**Exhibit 19: Adjusted PAT trend**



Source: Company, Emkay Research

## Assessing performance ahead

### Exhibit 20: Bikaji Foods – Revenue breakup

(Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Sale of food products	10,722	13,069	16,023	19,619	22,327	25,516	30,353	35,159	41,132
Sales of services		12	58	15	17	19	20	23	25
Other operating revenue	24	26	29	26	949	684	553	562	112
Revenue from operations	10,746	13,107	16,110	19,661	23,293	26,219	30,926	35,744	41,269
YoY	19.2%	22.0%	22.9%	22.0%	18.5%	12.6%	18.0%	15.6%	15.5%
- Revenue (ex-PLI)	10,746	13,107	16,110	19,661	22,363	25,619	30,466	35,284	41,269
YoY	19.2%	22.0%	22.9%	22.0%	13.7%	14.6%	18.9%	15.8%	17.0%
- Organic	10,746	13,107	16,110	19,661	23,293	25,789	29,151	33,161	37,368
YoY	19.2%	22.0%	22.9%	22.0%	18.5%	10.7%	13.0%	13.8%	12.7%
- Organic (ex-PLI)	10,746	13,107	16,110	19,661	22,363	25,189	28,691	32,701	37,368
YoY	19.2%	22.0%	22.9%	22.0%	13.7%	12.6%	13.9%	14.0%	14.3%

Source: Company, Emkay Research

### Exhibit 21: Bikaji Foods – Gross margin profile assessment

(Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Gross profit</b>	<b>3,296</b>	<b>3,739</b>	<b>4,407</b>	<b>5,709</b>	<b>8,209</b>	<b>8,472</b>	<b>10,576</b>	<b>12,524</b>	<b>14,517</b>
Gross margin	30.7%	28.6%	27.4%	29.1%	36.7%	33.2%	34.8%	35.6%	35.3%
- Gross profit ex-PLI	3,296	3,739	4,407	5,709	7,278	7,872	10,116	12,064	14,517
- - Gross margin	30.7%	28.6%	27.4%	29.1%	32.6%	30.8%	33.3%	34.3%	35.3%
- Organic	3,296	3,739	4,407	5,709	8,209	8,236	9,560	11,013	12,196
- - Gross margin	30.7%	28.5%	27.4%	29.0%	35.2%	31.9%	32.8%	33.2%	32.6%
- Organic ex-PLI	3,296	3,739	4,407	5,709	7,278	7,636	9,100	10,553	12,196
- - Gross margin	30.7%	28.5%	27.4%	29.0%	34.0%	31.1%	32.2%	32.7%	32.6%

Source: Company, Emkay Research

### Exhibit 22: Bikaji Foods – EBITDA margin profile

(Rs mn)	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
EBITDA	946	1,448	1,395	2,136	3,913	3,282	4,290	5,325	6,197
YoY	1.4%	53.0%	-3.6%	53.1%	83.2%	-16.1%	30.7%	24.1%	16.4%
EBITDA margin	8.8%	11.0%	8.7%	10.9%	16.8%	12.5%	13.9%	14.9%	15.0%
- EBITDA ex-PLI	946	1,448	1,395	2,136	2,983	2,682	3,830	4,865	6,197
- YoY	1.4%	53.0%	-3.6%	53.1%	39.6%	-10.1%	42.8%	27.0%	27.4%
- EBITDA margin	8.8%	11.1%	8.7%	10.9%	13.3%	10.5%	12.6%	13.8%	15.1%
- Organic	946	1,448	1,395	2,136	3,913	3,269	4,176	5,088	5,664
- YoY	1.4%	53.0%	-3.6%	53.1%	83.2%	-16.5%	27.7%	21.8%	11.3%
- EBITDA margin	8.8%	11.0%	8.7%	10.9%	16.8%	12.7%	14.3%	15.3%	15.2%
- Organic ex-PLI	946	1,448	1,395	2,136	2,983	2,669	3,716	4,628	5,664
- YoY	1.4%	53.0%	-3.6%	53.1%	83.2%	-10.5%	39.2%	24.5%	22.4%
- EBITDA margin	8.8%	11.0%	8.7%	10.9%	13.3%	10.6%	13.0%	14.2%	15.2%

Source: Company, Emkay Research



Valuations

Take on Bikaji's M&A

BUY

Bikaji Foods International

Enhancing growth narrative maintain BUY

Company Update

Continued interest in April 24, 2025

QoQ (FY24) vs FY23 (FY24)

QoQ (FY24) vs FY23 (FY24)

Bikaji's growth narrative continues to build

management, which has a dual focus—strengthening core operations and enhancing fundamentals through strategic M&A initiatives. Recently, Arka Foods is expected to drive Bikaji's expansion in the frozen snacks category and bolster its branded snack network, while The Himalayan Factor positions the company in the upmarket segment with a focus on QSR. With organic business growth recovering in the low teens, a mid-single-digit revenue contribution from M&A initiatives and with margin improvement on the horizon, we anticipate a robust +10% earnings growth over FY25-27E. We maintain BUY with Mar-28E target price of ₹4775, based on 16x P/E.

Overall an encouraging mid-term organic business growth

With capacities (utilization ~45-46%) in place for spring 3 years and through on distribution, we see low teen growth in the organic business, along with low double-digit volume growth and ~2% price growth. As the format sector is sustaining low double-digit growth, we see management expansion of mid-term growth as reasonable. A sudden dip in QoQ to 8% in Q3FY25 would be expected in coming couple of quarters. About inflation rates in Q3FY25, most commodities have seen a correction in the last round in Q2, while price of price remains elevated. The expected correction in price of price to a mid single digit and a ~2% food price rise are likely to reduce 12% QoQ to Q3FY25. On a low FY25 basis, we see EBITDA CAGR at ~12% in FY25-27E for Bikaji's organic business.

M&A to boost growth outlook

The company has accelerated efforts in the export opportunity and QSR space, with acquisition of Arka Foods and The Himalayan Factor (THF). Acquisition of Arka Foods is focused on centralised capacity for frozen snacks (largely B2B business) and is being seen as a catalyst for Bikaji's brand value (QSR expansion). With 10% utilization, Arka's gross margin is above 50%, though its EBITDA is close to breakeven levels. As Bikaji is looking to enhance utilization, Arka is likely to help profitability from FY26E. Acquisition of THF is a promotional strategy, with the company focusing on outlet expansion, good healthy and experience. THF is expected to drive margin, but EBITDA margin is dilutive now, however, with scale up of the franchise, it is likely to turn EBITDA margin accretive in the long run. With mid-term organic growth for M&A, we see revenue contributions at ~1% for FY26E and FY27E. As regards profitability, at this stage, both entities are margin dilutive but not growth to be accretive in the long term, with scale.

Fundamentals firm, execution aligned with capability, maintain BUY

We believe the word of the company's report is at the low, where organic growth is likely to help Bikaji's margin growth. With the low teen organic business growth, addition of organic, inflation, and recovery in the FY25 margin profile, we see 10% earnings CAGR over FY25-27E. We maintain BUY with Mar-28E TP of ₹4775, on 16x P/E.

Key Metrics

Target Price (₹)

4775

Change in TP (%)

0%

Current Price

307

Price/Fair Value (%)

11.6

Stock Data

12-week High (₹)

308

52-week Low (₹)

200.4

Dividend Yield (%)

0.00

Market Cap (₹ Bn)

1,000

Market Cap (USD Mn)

1,000

Net Debt (₹ Bn)

0.00

Net Debt (USD Mn)

0.00

EBITDA on cost basis

134.3

EBITDA on full cost

134.3

EBITDA on full cost

134.3

Free Cash Flow

23,100.1

Net Profit

89.4

Shareholding, Mar-24

Promoters (%)

72.11

Public (%)

27.89

Price Performance

1Y (%)

126

3Y (%)

126

5Y (%)

126

10Y (%)

126

5-Year share price trend (₹)

Exhibit 23: One year forward P/E (on consensus)

Source: Bloomberg, Emkay Research

Exhibit 24: Key assumptions

	FY23	FY24	FY25	FY26E	FY27E	FY28E
Income statement						
Revenue growth	22.0%	18.5%	12.6%	18.0%	15.6%	15.5%
Revenue growth (adj for PLI)	22.0%	13.7%	14.6%	18.9%	15.8%	17.0%
EBITDA growth	53.1%	83.2%	-16.1%	30.7%	24.1%	16.4%
EBITDA growth (adj for PLI)	53.1%	39.6%	-10.1%	42.8%	27.0%	27.4%
EBIT growth	64.5%	98.9%	-25.5%	39.9%	28.2%	18.2%
PBT growth	62.5%	103.9%	-24.0%	40.2%	29.4%	19.7%
Adjusted PAT growth	66.5%	109.9%	-24.4%	37.5%	29.4%	19.7%
Adjusted PAT growth (adj for PLI)	66.5%	54.2%	-19.7%	54.3%	33.5%	32.4%
Gross margin	29.0%	35.2%	32.3%	34.2%	35.0%	35.2%
Gross margin (adj for PLI)	28.9%	31.2%	29.7%	32.4%	33.5%	35.0%
EBITDA margin	10.9%	16.8%	12.5%	13.9%	14.9%	15.0%
EBITDA margin (adj for PLI)	10.9%	13.3%	10.5%	12.6%	13.8%	15.0%
Balance sheet						
Inventory days (no of)	15	13	15	15	15	15
Receivable days (no of)	15	17	14	15	15	17
Payable days (no of)	10	10	10	10	10	10
Fixed Assets Turnover Ratio (x)	2	2	2	2	2	3
Avg ROE	14.3%	24.5%	15.4%	18.5%	20.4%	20.8%
Avg ROCE	11.4%	19.4%	11.2%	13.3%	15.1%	15.6%
Avg ROIC	17.0%	27.7%	16.3%	20.6%	25.8%	28.9%

Source: Company, Emkay Research

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May 16, 2025 | 8



## Exhibit 25: Changes to our estimates

	New estimates			Old estimates			Changes to estimates		
(Rs mn)	FY25A	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Net sales	25,534	30,373	35,182	25,583	30,385	35,190	0%	0%	0%
Growth	14%	19%	16%	14%	19%	16%			
Gross margin	32%	34%	35%	32%	34%	35%	38bps	8bps	8bps
Gross margin (ex-PLI)	30%	32%	33%	29%	32%	34%	40bps	-4bps	-4bps
EBITDA	3,282	4,290	5,325	3,228	4,295	5,279	2%	0%	1%
Growth	-16%	31%	24%	-18%	33%	23%			
EBITDA margin	12.9%	14.1%	15.1%	12.6%	14.1%	15.0%	24bps	-1bps	14bps
EBITDA Margin (ex-PLI)	10.5%	12.6%	13.8%	10.1%	12.6%	13.7%	37bps	-3bps	12bps
Adj PAT	2,008	2,762	3,573	1,980	2,797	3,562	1%	-1%	0%
Growth	-24%	38%	29%	-25%	41%	27%			
EPS (Rs)	8.0	11.0	14.3	7.9	11.2	14.2	1%	-1%	0%
<b>Segment revenue</b>									
Ethnic snacks	17,332	19,543	22,094	17,288	19,543	22,094	0%	0%	0%
Sweets	3,388	3,896	4,481	3,440	3,956	4,549	-2%	-2%	-2%
Papad	1,509	1,735	1,996	1,524	1,753	2,016	-1%	-1%	-1%
Western Snacks	2,153	2,630	3,156	2,122	2,547	3,056	1%	3%	3%
Others	1,134	2,548	3,433	1,190	2,567	3,453	-5%	-1%	-1%

Source: Emkay Research

## Exhibit 26: Emkay estimates vs consensus estimates

	Emkay estimates			Consensus estimates			Emkay estimate vs consensus		
(Rs mn)	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E	FY25E	FY26E	FY27E
Revenue from operations	26,219	30,926	35,744	26,395	30,804	35,932	-1%	0%	-1%
growth	12.6%	18.0%	15.6%	13.3%	16.7%	16.6%			
EBITDA	3,282	4,290	5,325	3,305	4,240	5,249	-1%	1%	1%
growth	-16.1%	30.7%	24.1%	-15.6%	28.3%	23.8%			
EBITDA margin	12.5%	13.9%	14.9%	12.5%	13.8%	14.6%			
Adj PAT	2,008	2,762	3,573	2,133	2,885	3,707	-6%	-4%	-4%
growth	-24.4%	37.5%	29.4%	-19.7%	35.2%	28.5%			
EPS (Rs)	8.0	11.0	14.3	8.5	11.5	14.8	-6%	-4%	-4%

Source: Company, Emkay Research

Bikaji Foods International: Consolidated Financials and Valuations

Profit & Loss					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Revenue	23,293	26,219	30,926	35,744	41,269
Revenue growth (%)	18.5	12.6	18.0	15.6	15.5
EBITDA	3,913	3,282	4,290	5,325	6,197
EBITDA growth (%)	83.2	(16.1)	30.7	24.1	16.4
Depreciation & Amortization	601	815	839	903	972
EBIT	3,313	2,467	3,450	4,422	5,225
EBIT growth (%)	98.9	(25.5)	39.9	28.2	18.2
Other operating income	949	684	553	562	112
Other income	273	329	411	514	643
Financial expense	107	151	155	141	127
PBT	3,479	2,645	3,707	4,796	5,741
Extraordinary items	0	0	0	0	0
Taxes	845	701	945	1,223	1,464
Minority interest	22	65	0	0	0
Income from JV/Associates	-	-	-	-	-
Reported PAT	2,657	2,008	2,762	3,573	4,277
PAT growth (%)	109.9	(24.4)	37.5	29.4	19.7
Adjusted PAT	2,657	2,008	2,762	3,573	4,277
Diluted EPS (Rs)	10.6	8.0	11.0	14.3	17.1
Diluted EPS growth (%)	109.2	(24.4)	37.5	29.4	19.7
DPS (Rs)	1.0	1.0	2.0	3.0	4.0
Dividend payout (%)	9.4	12.5	18.1	21.0	23.4
EBITDA margin (%)	16.8	12.5	13.9	14.9	15.0
EBIT margin (%)	14.2	9.4	11.2	12.4	12.7
Effective tax rate (%)	24.3	26.5	25.5	25.5	25.5
NOPLAT (pre-IndAS)	2,508	1,813	2,571	3,294	3,892
Shares outstanding (mn)	250	250	250	250	250

Source: Company, Emkay Research

Balance Sheet					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
Share capital	250	251	251	251	251
Reserves & Surplus	11,933	13,581	15,842	18,664	21,940
Net worth	12,184	13,832	16,093	18,915	22,190
Minority interests	(22)	974	974	974	974
Non-current liab. & prov.	0	0	0	0	0
Total debt	2,144	3,327	3,331	3,375	3,469
Total liabilities & equity	14,305	18,133	20,398	23,264	26,633
Net tangible fixed assets	8,058	9,865	10,015	10,252	10,440
Net intangible assets	-	-	-	-	-
Net ROU assets	-	-	-	-	-
Capital WIP	123	978	978	978	978
Goodwill	-	-	-	-	-
Investments [JV/Associates]	1,065	862	2,362	4,362	6,362
Cash & equivalents	1,774	2,191	2,804	2,852	4,063
Current assets (ex-cash)	3,189	4,902	5,405	6,261	7,550
Current Liab. & Prov.	1,030	1,234	1,737	2,011	2,352
NWC (ex-cash)	2,159	3,668	3,669	4,250	5,198
Total assets	14,305	18,133	20,398	23,264	27,611
Net debt	370	1,137	527	523	(594)
Capital employed	14,305	18,133	20,398	23,264	26,633
Invested capital	10,217	13,533	13,684	14,502	15,639
BVPS (Rs)	48.7	55.3	64.3	75.6	88.7
Net Debt/Equity (x)	-	0.1	-	-	-
Net Debt/EBITDA (x)	0.1	0.3	0.1	0.1	(0.1)
Interest coverage (x)	33.7	18.5	25.0	35.1	46.3
RoCE (%)	27.8	17.2	20.0	22.6	23.5

Source: Company, Emkay Research

Cash flows					
Y/E March (Rs mn)	FY24	FY25	FY26E	FY27E	FY28E
PBT (ex-other income)	3,206	2,316	3,296	4,281	5,098
Others (non-cash items)	-	-	-	-	-
Taxes paid	(757)	(646)	(945)	(1,223)	(1,464)
Change in NWC	(304)	(1,509)	-	(581)	(949)
Operating cash flow	2,447	1,935	3,344	3,521	3,784
Capital expenditure	(1,229)	(3,477)	(990)	(1,140)	(1,160)
Acquisition of business	(861)	202	(1,500)	(2,000)	(2,000)
Interest & dividend income	-	-	-	-	-
Investing cash flow	(1,988)	(1,306)	(2,079)	(2,626)	(2,517)
Equity raised/(repaid)	128	-	0	0	0
Debt raised/(repaid)	(351)	1,184	4	44	93
Payment of lease liabilities	0	0	0	0	0
Interest paid	(97)	(151)	(155)	(141)	(127)
Dividend paid (incl tax)	(187)	(250)	(501)	(751)	(1,001)
Others	(32)	160	0	0	0
Financing cash flow	(539)	942	(652)	(847)	(1,035)
Net chg in Cash	(81)	1,570	614	48	232
OCF	2,447	1,935	3,344	3,521	3,784
Adj. OCF (w/o NWC chg.)	2,751	3,444	3,344	4,102	4,733
FCFF	1,218	(1,542)	2,354	2,381	2,624
FCFE	1,111	(1,693)	2,199	2,241	2,498
OCF/EBITDA (%)	62.5	58.9	78.0	66.1	61.1
FCFE/PAT (%)	41.8	(84.3)	79.6	62.7	58.4
FCFF/NOPLAT (%)	48.5	(85.1)	91.6	72.3	67.4

Source: Company, Emkay Research

Valuations and key Ratios					
Y/E March	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	67.2	88.8	64.6	49.9	41.7
EV/CE(x)	12.5	9.9	8.8	7.7	6.7
P/B (x)	14.6	12.9	11.1	9.4	8.0
EV/Sales (x)	8.0	7.0	5.9	5.1	4.3
EV/EBITDA (x)	45.7	54.5	41.7	33.6	28.9
EV/EBIT(x)	54.0	72.5	51.8	40.4	34.2
EV/IC (x)	17.5	13.2	13.1	12.3	11.4
FCFF yield (%)	0.7	(0.9)	1.3	1.3	1.5
FCFE yield (%)	0.6	(0.9)	1.2	1.3	1.4
Dividend yield (%)	0.1	0.1	0.3	0.4	0.6
DuPont-RoE split					
Net profit margin (%)	11.4	7.7	8.9	10.0	10.4
Total asset turnover (x)	1.8	1.6	1.6	1.6	1.6
Assets/Equity (x)	1.2	1.2	1.3	1.2	1.2
RoE (%)	24.5	15.4	18.5	20.4	20.8
DuPont-RoIC					
NOPLAT margin (%)	10.8	6.9	8.3	9.2	9.4
IC turnover (x)	2.5	2.2	2.3	2.5	2.7
RoIC (%)	26.5	15.3	18.9	23.4	25.8
Operating metrics					
Core NWC days	33.8	51.1	43.3	43.4	46.0
Total NWC days	33.8	51.1	43.3	43.4	46.0
Fixed asset turnover	2.3	2.2	2.2	2.4	2.5
Opex-to-revenue (%)	18.4	19.8	20.3	20.1	20.2

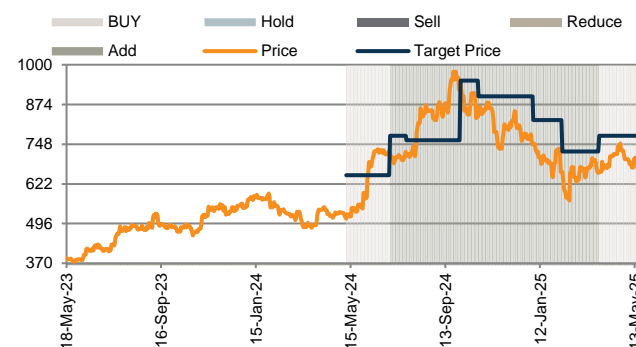
Source: Company, Emkay Research

## RECOMMENDATION HISTORY – DETAILS

Date	Closing Price (INR)	TP (INR)	Rating	Analyst
24-Apr-25	750	775	Buy	Nitin Gupta
04-Apr-25	677	775	Buy	Nitin Gupta
28-Mar-25	661	775	Buy	Nitin Gupta
21-Mar-25	697	725	Add	Nitin Gupta
17-Mar-25	683	725	Add	Nitin Gupta
26-Feb-25	642	725	Add	Nitin Gupta
18-Feb-25	569	725	Add	Nitin Gupta
09-Feb-25	659	725	Add	Nitin Gupta
02-Feb-25	727	825	Add	Nitin Gupta
03-Jan-25	748	825	Add	Nitin Gupta
25-Oct-24	866	900	Add	Nitin Gupta
02-Oct-24	945	950	Add	Nitin Gupta
25-Jul-24	711	760	Add	Nitin Gupta
24-Jul-24	724	775	Add	Nitin Gupta
04-Jul-24	715	775	Add	Nitin Gupta
26-Jun-24	729	650	Buy	Nitin Gupta
04-Jun-24	579	650	Buy	Nitin Gupta
24-May-24	556	650	Buy	Nitin Gupta
09-May-24	511	650	Buy	Nitin Gupta

Source: Company, Emkay Research

## RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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