Result Update

Q1 FY27

Mrs Bectors Food Specialities Ltd.

Institutional Research

Mrs Bectors Food Specialities Ltd.

BP WEALTH

FMCG | Q1FY27 Result Update **10th August 2026**

Strong Topline Growth and Margin Expansion Drive Robust Q1FY27 Performance; Operational Momentum Remains Intact

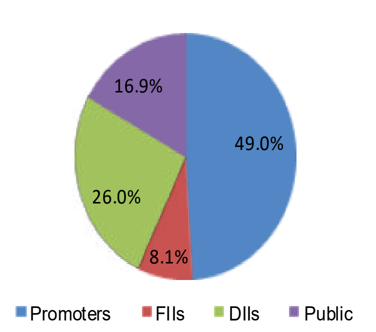
Mrs Bectors Food Specialities Ltd. delivered a strong operational and financial performance in Q1FY27, reporting consolidated revenue from operations of Rs. 549 crores, representing a growth of 16.0% YoY and 12.9% QoQ, driven by steady demand across domestic and export markets, premiumization, and expanding distribution channels. Gross profit for the quarter increased 20.0% YoY to Rs. 259 crores, with gross margins expanding 160 bps YoY to 47.2% from 45.6% in Q1FY26, supported by an improved product mix and disciplined cost management. EBITDA grew 23.8% YoY to Rs. 72 crores, with EBITDA margins expanding 80 bps YoY to 13.1% (compared to 12.3% in Q1FY26 and 12.7% in Q4FY26), as operational efficiencies under Project IMPACT and calibrated pricing actions helped mitigate elevated input costs and supply chain disruptions. Profit After Tax (PAT) stood at Rs. 39 crores, up 25.5% YoY and 9.5% QoQ, with PAT margins improving 60 bps YoY to 7.1%. Segmentally, the Biscuits business generated revenue of Rs. 325 crores, registering a growth of 16.0% YoY, propelled by brand investments behind core categories (Coconut, Bourbon, Digestive) and expansion into premium cookies, shortbread, and value-added offerings. The Bakery segment revenue grew 17.5% YoY to Rs. 215.0 crores (up 40% over Q1FY25 levels), supported by double-digit growth in retail bakery under English Oven, a meaningful recovery in the QSR/institutional B2B segment, and encouraging traction in newly launched clean-label health brand NaturBaked, which crossed a monthly run-rate of Rs. 1 crore. Topline growth was further aided by rapid momentum in Quick Commerce (up 58% YoY), a strong volume-led recovery in export markets, particularly in the U.S. via SKU expansion and production ramp-ups at the newly commissioned Kolkata and Khopoli facilities, establishing a strong operational foundation for West and East India expansion.

Valuation and Outlook

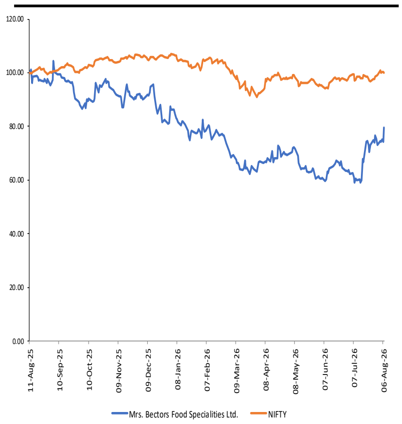
Mrs. Bectors Food Specialities Ltd. continues to execute effectively on its growth strategy, solidifying its leadership across both the biscuits (Cremica) and bakery (English Oven) segments. Building on the landmark milestone of crossing Rs. 2,000 crores in revenue in FY26, management has set a clear long-term target of reaching Rs. 4,000 crores by FY30. Growth momentum is well-anchored by strong demand in domestic and export markets, expanding contribution from quick commerce (up 58% YoY), rapid scale-up of the clean-label health brand NaturBaked (Rs. 1 crore monthly run-rate), and double-digit growth recovery in the QSR/institutional B2B segment. Management has maintained its full-year revenue growth guidance of mid-teens for FY27, backed by expected low-teens growth in biscuits, low-teens growth in bakery, and mid-teens growth in exports. To support this ambitious expansion, the company's current operational network, complemented by the newly commissioned facilities in Kolkata and Khopoli (Maharashtra) and the upcoming Bangalore expansion, provides a revenue potential of Rs. 3,400-3,500 crores. West India is emerging as a crucial growth driver, with Khopoli positioning the company for high double-digit growth across Maharashtra. Additionally, domestic biscuit distribution is being expanded aggressively, targeting the addition of 40,000 productive outlets in FY27 (12-13% increase). On the margin front, despite cost pressures from commodity inflation, freight, and packaging, management reiterated its target to achieve a 14% EBITDA margin in Q4FY27 (up from 13.1% in Q1FY27), while targeting 15-16% EBITDA margins by FY30. This margin recovery will be driven by 40-50 bps of savings from Project IMPACT, 2.0-2.5% cumulative pricing actions, higher operating leverage, and increasing premiumization. Key near-term monitorables include Q2 commodity cost inflation, execution of price pass-throughs, ramp-up of the Khopoli plant, export volume momentum, and progress on the Bangalore capex. **Thus, we expect Mrs. Bectors Foods Specialities Ltd. to generate stable revenues over the long term and is trading at a PE of 38.9x/33.7x on FY27e/FY28e EPS estimates. We value Mrs Bectors Foods Specialities Ltd. at 45x FY27e EPS and have revised the target price to Rs. 270 (up 16%).**

Sector Outlook	Positive
Stock	
CMP (Rs.)	233
Target Price (Rs.)	270
BSE code	543253
NSE Symbol	BECTOR FOOD
Bloomberg	BECTORS IN
Reuters	MRSB.BO
Key Data	
Nifty	24,584
52 Week H/L (Rs,)	310/165
O/s Shares (Cr.)	31
Market Cap (Rs. Cr.)	7,162
Face Value (Rs.)	2
Average Volume	
3 months	55,77,466
6 months	33,31,755
1 year	17,96,695

Share Holding Pattern (%)



Relative Price Chart



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Key Highlights

Particulars (Rs. Cr.)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)
Net Sales	**486**	**446**	**8.9%**	**533**	**-8.9%**
Gross profit	224	198	13.5%	240	-6.6%
Gross margin (%)	**46.2%**	**44.3%**	**186 bps**	**45.0%**	**114 bps**
EBITDA	62	56	11.1%	68	-9.8%
OPM (%)	**12.7%**	**12.5%**	**25 bps**	**12.8%**	**-13 bps**
PAT	35	34	3.3%	38	-7.0%
PAT Margin	**7.3%**	**7.7%**	**-40 bps**	**7.1%**	**15 bps**

Source: Company, BP Equities Research

Key Concall Highlights

Overall Management Outlook

Management remains constructive on FY27, with stable domestic consumption, improving QSR demand, strong export momentum, new capacity in West and East India, and continued premiumization expected to support growth.

The key near-term monitorables are Q2 commodity inflation, ability to pass through price increases, margin recovery, domestic biscuit distribution expansion, Khopoli ramp-up, export momentum and progress on the Bangalore capacity addition.

FY27 Growth Guidance Reiterated

Management maintained its full-year revenue growth guidance of around mid-teens, despite the strong 16% growth delivered in Q1FY27, citing seasonality and the need to remain conservative.

For the individual businesses, management expects low-teens growth in bakery, low-teens growth in biscuits and mid-teens growth in exports, based on the current demand trends.

14% EBITDA Margin Target in Q4FY27

Despite the inflationary environment, management reiterated its target of achieving a 14% EBITDA margin in Q4FY27, versus 13.1% in Q1FY27.

In the medium term, management aims to take EBITDA margin to 15–16% by FY30, although this will be accompanied by significant investments in distribution, marketing and new geographies.

“EBITDA margin is targeted at 14% by Q4FY27, with a medium-term target of 15–16% by FY30.”

Capacity Expansion and Capex

Current capacity, including recently commissioned facilities but excluding Bangalore, is expected to support revenue potential of approximately Rs. 3,400-3,500 crores, while Bangalore capacity will be incremental.

FY27 capex is expected at around Rs. 200 crores, excluding spillover capex from the previous year, while the Bangalore facility is still under finalization.

Management intends to fund incremental capex through a mix of internal accruals and debt, with approximately 60% of this year's additional capex expected to come from internal funds and 40% from borrowings.

“FY27 capex is estimated at Rs. 200 crores, with existing capacity supporting Rs. 3,400-3,500 crores revenue potential and Bangalore providing incremental capacity.”

Long-Term Revenue Ambition

After crossing the Rs. 2,000 crores revenue milestone in FY26, management is targeting the next milestone of Rs. 4,000 crores by FY30, supported by aggressive distribution expansion, marketing investments and entry into new geographies.

The company expects the combination of domestic biscuit share gains, bakery expansion, exports, premiumization and geographic diversification to support this growth trajectory.

"Management targets Rs. 4,000 crores revenue by FY30."

West India Emerging as a Major Growth Opportunity

The Khopoli plant in Maharashtra, commissioned in March 2026, is currently stabilizing, and management plans significant distribution investments across Mumbai, Pune and other parts of Maharashtra.

Management expects West India to deliver very high double-digit growth over the coming years as the company leverages its strong brand positioning and newly added capacity.

"Khopoli capacity and distribution investments are expected to drive very high double-digit growth in West India."

Project Impact to Support Margins

Project Impact is expected to contribute around 40–50 bps of savings during FY27, with cost-saving initiatives expected to accelerate over the coming quarters.

Management expects Q2 to see limited sequential margin improvement due to sharper commodity inflation, while pricing and cost actions are expected to compensate for the impact progressively, with fuller recovery expected in Q3.

Margin Expansion Despite Cost Inflation

Management highlighted that commodity prices, fuel costs, packaging costs, freight and minimum wage increases remain key cost pressures, but proactive pricing actions and Project Impact have substantially neutralized the impact so far.

The company has taken approximately 2-2.5% cumulative price increases, while Q1 inflationary impact was around 1.5%; management expects Q2 to be more challenging as a larger portion of inflation starts flowing through.

"Cumulative price hikes of 2–2.5% and Project Impact are expected to mitigate commodity inflation and support margin recovery."

Domestic Biscuit Growth Strategy

Management identified distribution expansion, higher brand investments and premiumization as the three key growth drivers for the domestic biscuit business. The company plans to add around 40,000 productive outlets during FY27, representing a 12-13% increase over the previous year.

The company is increasing investments behind key brands such as Coconut, Bourbon and Digestive, while also focusing on premium creams, premium cookies, Shortbread and Butter Cookies to improve the premium mix.

The company is also strengthening its presence in MP, Maharashtra and Gujarat, with distribution investments expected to gradually improve the Cremica brand's presence in these markets.

"Project IMPACT continues to deliver cost savings across the value chain and remains a key lever for margin expansion."

Bakery Business Remains a Key Growth Driver

Bakery revenue increased 17.5% YoY to Rs. 215 crores, with growth across both English Oven and the QSR/institutional business. The higher growth in bakery also supported improvement in the overall gross margin mix.

Management highlighted that the QSR business has shown a meaningful recovery after several weak quarters, with the industry now returning to an upswing and B2B bakery delivering double-digit growth in Q1FY27.

"Bakery remains a key growth driver, with 17.5% YoY growth in Q1FY27 and improving QSR/B2B demand."

English Oven – Pan-India Expansion

English Oven is increasingly being expanded beyond its traditional North India stronghold, with Khopoli strengthening the West India presence, Kolkata supporting the East, Hyderabad showing encouraging traction and Bangalore planned as the next major expansion market.

"Management is pursuing pan-India expansion, with West and East India emerging as key growth markets."

Management aims to build English Oven into a strong pan-India bakery brand over the next four years, with West India targeted for very high double-digit growth as capacity and distribution are expanded.

Nature Bake Shows Early Traction

The newly launched Nature Bake clean-label/health-focused bakery brand has reached a monthly revenue run-rate of around Rs. 1 crore, with management expecting the business to scale progressively over the coming quarters.

"The clean-label bakery brand has reached a ~Rs. 1 crore monthly revenue run-rate, with further scaling expected."

The launch is aligned with the company's focus on premium, healthy and clean-label products, which management expects to support consumer engagement and improve the overall product mix.

Exports – Strong Recovery and Healthy Growth Outlook

The export business delivered healthy high double-digit growth in Q1FY27, despite continued vessel availability issues and higher freight and logistics costs. Management indicated that export growth was largely volume-led.

"Export growth remained strong and volume-led, with mid-teens growth expected going forward."

Management clarified that the strong Q1 export performance was not driven by inventory restocking or one-off pipeline refilling, with new product launches and continued customer demand being the key drivers.

The company expects mid-teens export growth going forward, supported by new SKUs, new customers and increasing engagement with global retailers.

The US market has returned to a growth trajectory, with Walmart adding new SKUs and customers remaining optimistic about sourcing from India despite the earlier tariff uncertainty.

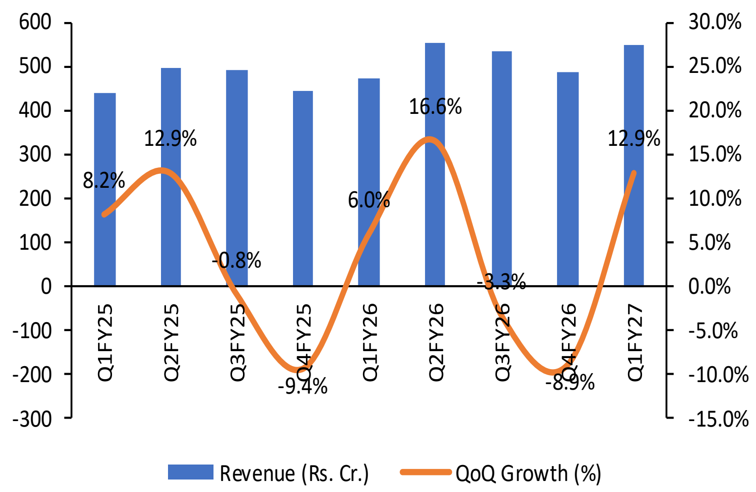
US Business – Positive Customer Sentiment

Management stated that US customers continued working on future projects even during the tariff-related uncertainty, while retailers are visiting India and co-creating products with the company to meet US standards.

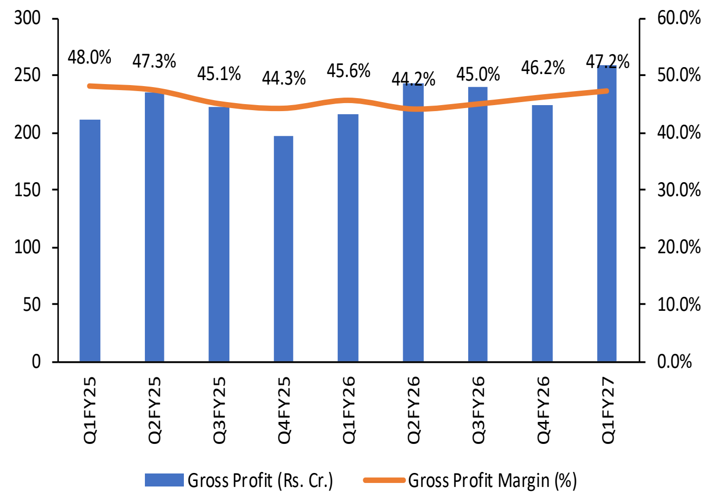
The company is focusing on adding more SKUs with existing customers and converting new customer discussions, providing visibility for sustained export growth.

Quarterly Snapshot

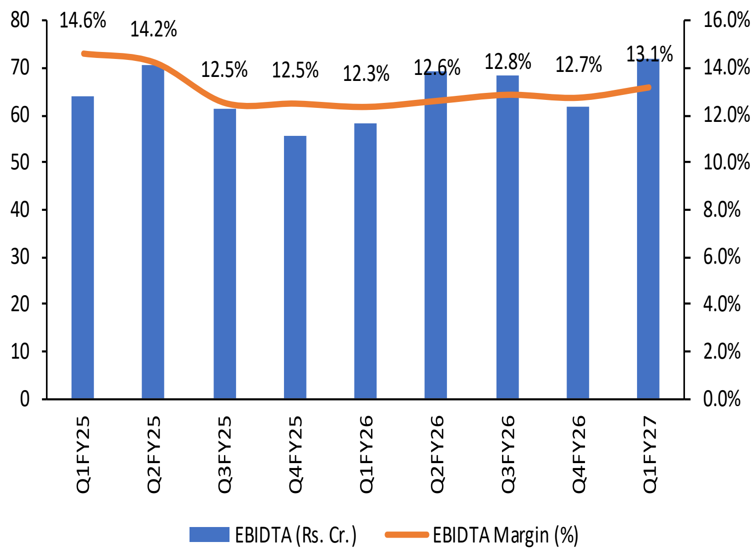
Stable revenue growth on YoY basis



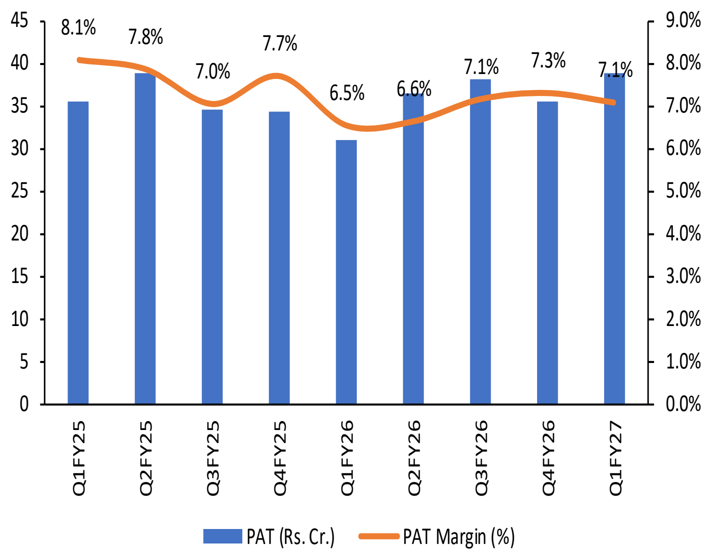
Gross margin improved supported by favourable product mix



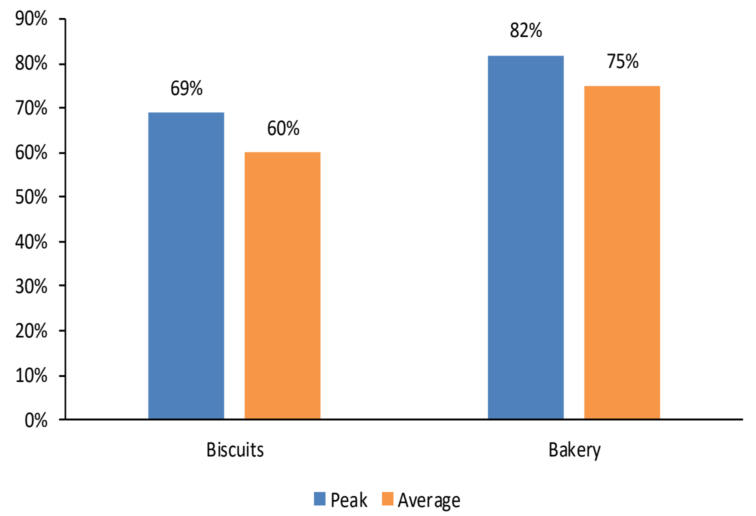
Timely price hikes mitigated elevated input costs



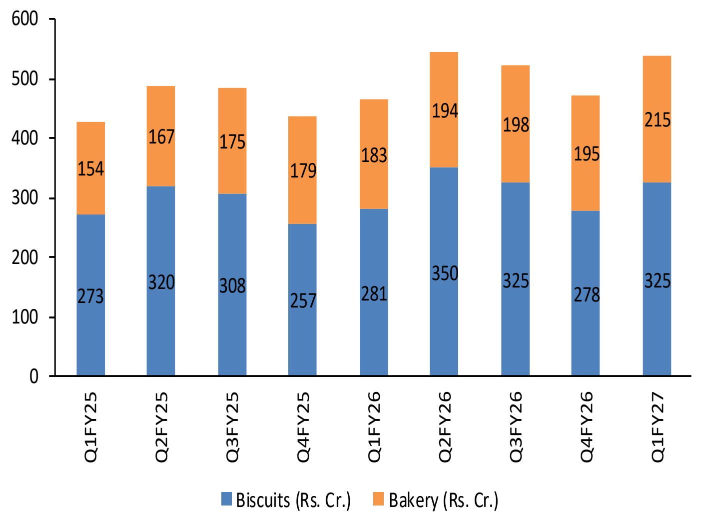
PAT margins expanded on YoY basis



Capacity Utilization at the end of FY26



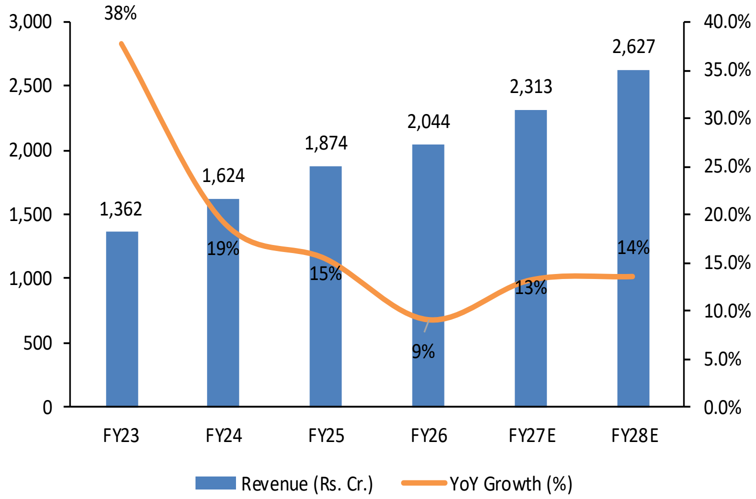
Segment wise revenue split



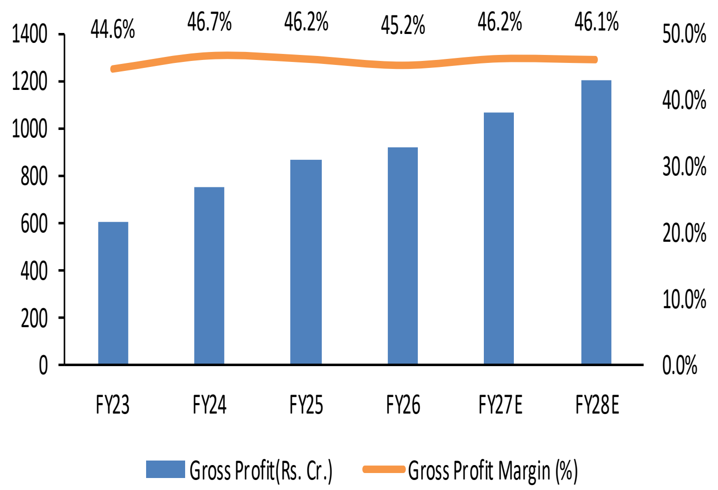
Source: Company, BP Equities

Financial Snapshot

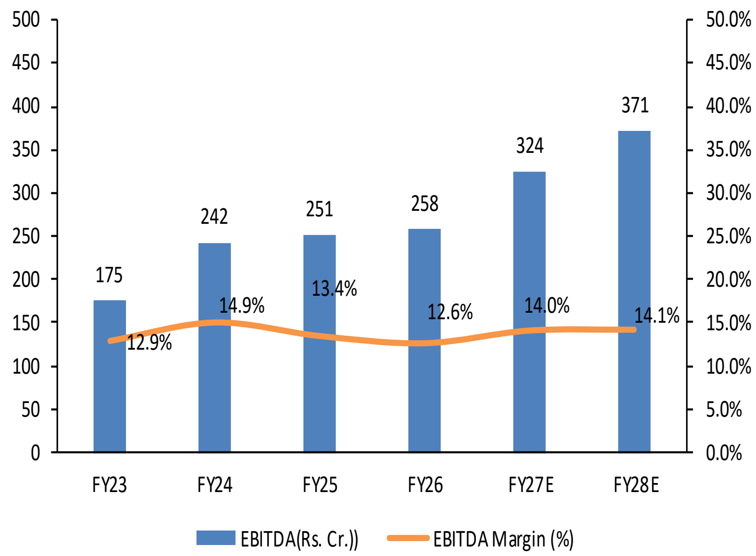
Revenue to grow at a healthy rate



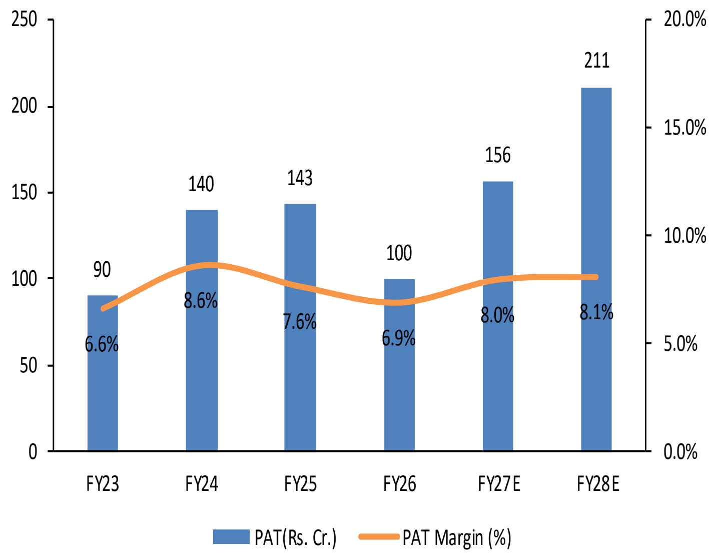
Gross margin to improve in coming years



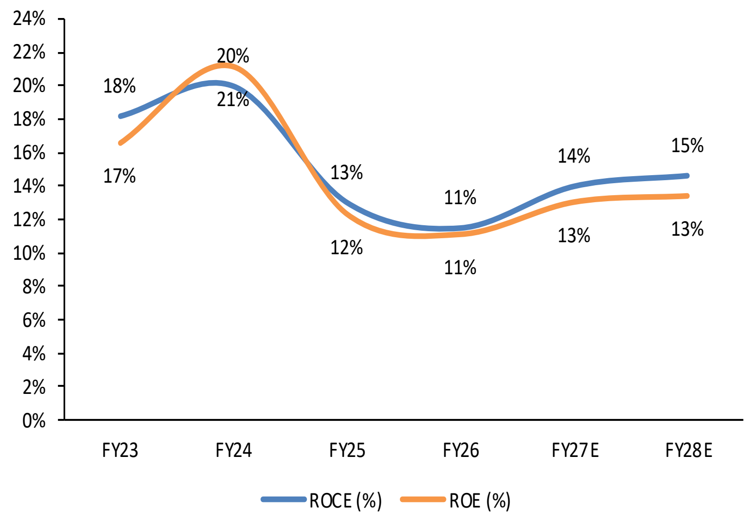
EBITDA margins expected to reach 14% by FY27



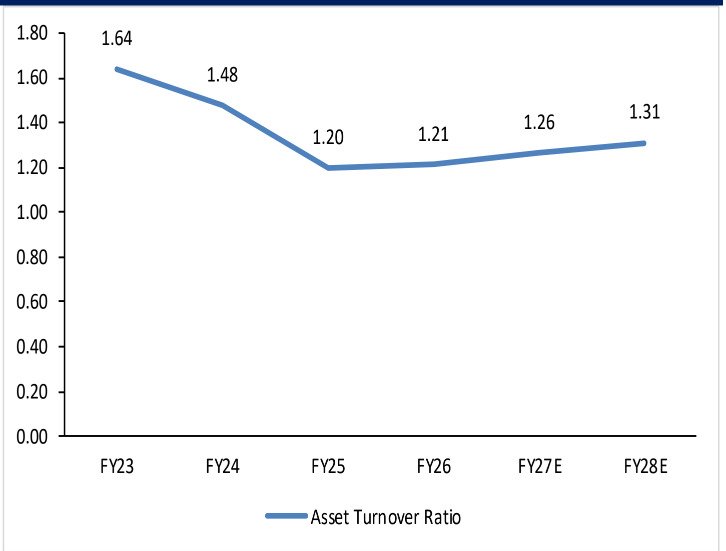
PAT margins expected to improve further



Improving return ratios



Gradual improvement in asset turnover ratio



Source: Company, BP Equities

Balance Sheet (Consolidated)

YE March (Rs. Crores)	FY23	FY24	FY25	FY26	FY27E	FY28E
Equities and Liabilities						
Equity share capital	59	59	61	61	61	61
Reserves & Surplus	486	604	1,104	1,210	1,354	1,526
Non-controlling interest	0	0	0	0	0	0
Total Equity	**544**	**663**	**1,166**	**1,271**	**1,415**	**1,588**
Non-current liabilities						
Financial liability	99	167	110	135	135	135
Provision	5	6	5	5	5	5
Deferred tax liabilities	10	10	9	13	13	13
Other non-current liabilities	8	10	7	5	5	5
Current Liabilities						
Financial Liability	40	117	139	113	102	85
Trade Payables	77	107	105	118	126	144
Other current liabilities	40	16	19	22	22	22
Current tax liabilities	1	0	0	1	1	1
Provision	6	5	6	5	5	5
Total Liabilities	287	437	400	416	414	414
Total Equity & Liabilities	**831**	**1,100**	**1,566**	**1,687**	**1,829**	**2,002**
Assets						
Non-Current Assets						
Fixed Assets	408	492	550	856	901	970
Capital Work-in-progress	49	94	237	90	90	90
Right of use Assets	18	32	63	67	79	92
Goodwill	0	0	0	0	0	0
Financial assets	36	9	15	40	40	40
Other Intangible Assets	0	0	9	8	8	8
Other non-current assets	26	64	72	37	37	37
Current Assets						
Inventories	81	104	137	127	149	170
Trade Receivables	90	133	135	172	174	197
Cash and Cash Equivalents	9	8	86	37	101	148
Financial assets	87	145	219	207	203	203
Other-current assets	26	19	42	46	46	46
Total Assets	**831**	**1,100**	**1,566**	**1,687**	**1,829**	**2,002**

Source: Company Reports, BP Equities Research

Income Statement (Consolidated)

Particulars (Rs. Crores)	FY23	FY24	FY25	FY26	FY27E	FY28E
Income						
Revenue from operations	1,362	1,624	1,874	2,044	2,313	2,627
Less: Excise duty	0	0	0	0	0	0
Net revenue from operation	**1,362**	**1,624**	**1,874**	**2,044**	**2,313**	**2,627**
YoY revenue growth	**37.8%**	**19.2%**	**15.4%**	**9.1%**	**13.2%**	**13.6%**
COGS						
Cost of materials consumed	738	834	983	1,065	1,206	1,377
Purchases of stock-in-trade	24	41	39	51	52	56
Changes in inventories of finished goods. WIP, stock-in-trade	-7	-8	-13	4	-14	-16
COGS	**754**	**866**	**1,009**	**1,120**	**1,244**	**1,417**
Gross Profit	**608**	**758**	**865**	**924**	**1,069**	**1,210**
Employee benefit expense	163	218	259	295	311	343
Other expenses	270	297	355	371	434	497
Total Expenses	**433**	**515**	**614**	**666**	**745**	**839**
EBITDA	**175**	**242**	**251**	**258**	**324**	**371**
Depreciation and amortization expense	53	61	76	90	101	115
EBIT	**122**	**181**	**176**	**168**	**223**	**256**
Finance costs	13	12	13	12	14	14
Other income	12	19	29	31	36	41
EBT before share of profit in associate & exceptional items	**121**	**188**	**192**	**187**	**245**	**283**
Share of Profit in associate	-	-	-	-	-	-
Exceptional items	-	-	-	-	-	-
Profit / Loss before tax	**121**	**188**	**192**	**187**	**245**	**283**
Current tax	31	48	50	43	61	70
Total tax expense	31	48	49	47	61	70
PAT	**90**	**140**	**143**	**141**	**184**	**212**

Source: Company Reports, BP Equities Research

Cash Flow Statement (Consolidated)

Particulars (Rs. Crores)	FY23	FY24	FY25	FY26	FY27E	FY28E
PBT	**121**	**188**	**192**	**187**	**245**	**283**
Add: Depreciation & Amortization	53	61	76	90	101	115
Other	8	0	-3	-7	14	14
Changes in working capital	12	-47	-53	-9	2	-27
Less: Taxes paid	-30	-49	-50	**-43**	**-61**	**-70**
Cash flow from Operating	**164**	**153**	**161**	**218**	**302**	**315**
Cash flow from Investing	**-151**	**-224**	**-331**	**-213**	**-173**	**-197**
Cash flow from Financing	**-37**	**69**	**248**	**-54**	**-64**	**-71**
Net Cash flow	**-23**	**-1**	**79**	**-49**	**64**	**47**
Opening balance	32	9	8	86	37	101
Unrealized exchange loss	0	0	0	0	0	0
Closing balance	**9**	**8**	**86**	**37**	**101**	**148**

Source: Company Reports, BP Equities Research

Key Ratios

Particulars	FY23	FY24	FY25	FY26	FY27E	FY28E
ROCE (%)	18.2%	19.9%	13.0%	11.5%	14.0%	14.6%
ROE (%)	16.5%	21.1%	12.3%	11.1%	13.0%	13.4%
EPS	3.1	4.8	4.7	4.6	6.0	6.9
DPS	3.00	3.25	3.60	1.30	1.30	1.30
P/E	76.2x	48.9x	49.9x	50.8x	38.9x	33.7x
P/BV	25.4x	10.6x	6.1x	5.6x	5.1x	4.5x
Inventory days	21	21	23	24	24	24
Receivable days	22.1	25.1	26.1	27.4	27.4	27.4
Payable days	18	21	21	20	20	20
Operating cycle days	25	25	29	31	31	31
Debt to Equity ratio	0.2	0.3	0.1	0.1	0.1	0.1
Interest coverage ratio	9.4	15.3	13.6	14.4	16.2	18.5

Source: Company Reports, BP Equities Research

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