



Bikaji Foods International Limited
Initial Public Offering (IPO)

Bikaji Foods IPO Details

IPO Date	November 3, 2022 to November 7, 2022
Listing Date	November 16, 2022
Face Value	₹ 1 Per share
Price	₹285 to ₹300 per share
Lot Size	50 shares
Issue Size	29,373,984 shares of ₹1 (aggregating up to ₹881.22 Cr)
Offer For Sale	29,373,984 shares of ₹1 (aggregating up to ₹881.22 Cr)
Employee Discount	₹15
Listing At	BSE, NSE
Issue Type	Book Build Issue IPO
QIB Shares Offered	Not more than 50% of the Net Offer
NII Share Offered	Not less than 15% of the Net Offer
Retail Shares Offered	Not less than 35% of the Net Offer
Company Promoter	Shiv Ratan Agarwal, Deepak Agarwal, Shiv Ratan Agarwal (HUF) and Deepak Agarwal (HUF) are the company promoters.

Bikaji Food Preliminary Timetable

Event	Tentative Date
Opening Date	November 3, 2022
Closing Date	November 7, 2022
Basis of Allotment	November 11, 2022
Initiation of Refunds	November 14, 2022
Credit of Shares to Demat	November 15, 2022
Listing Date	November 16, 2022

Bikaji

Promoter Holding

Pre Issue Holding	77.97%
Post Issue Holdings	75.96%

The promoter holding post IPO remains more than 75% which further shows promoters confidence in the company.

About

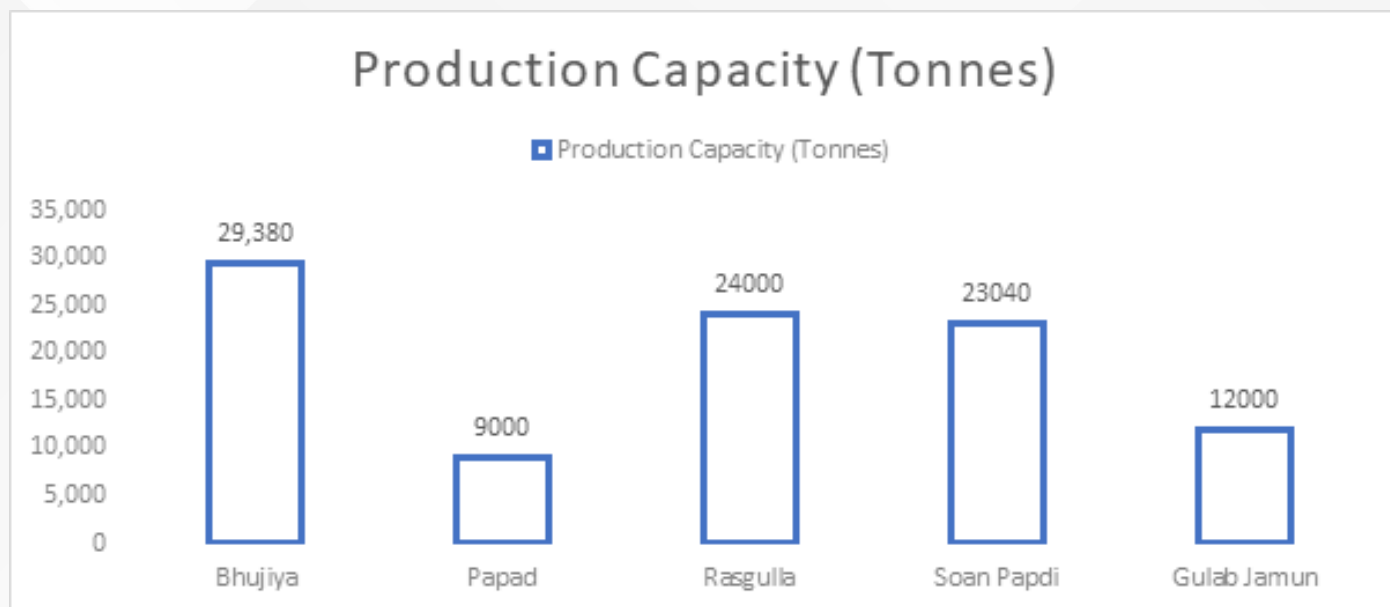
The Company

Bikaji is one of India's largest fast-moving consumer goods ("FMCG") brands with an international footprint. It is engaged in selling Indian snacks and sweets and is among the fastest-growing companies in the Indian organized snacks market. The company's product range includes six principal categories: bhujia, namkeen, packaged sweets, papad, western snacks as well as other snacks which primarily include gift packs (assortment), frozen food, mathri range and cookies. The company has over the years established market leadership in the core states of Rajasthan, Assam and Bihar with an extensive reach. It has gradually expanded its footprint across India, with operations across 23 states and three union territories as of June 30, 2022. In the six months ended June 30, 2022, the company has exported the products to 21 international countries, including North America, Europe, the Middle East, Africa, and Asia Pacific, representing 3.20% of sales of food products in such period.

Product

Portfolios

Company is the largest manufacturer of Bikaneri bhujia with an annual production of 29,380 tonnes additionally it is also second largest manufacturer of handmade papad with an annual production capacity of 9,000 tonnes. Company is also taking care of the sweet taste palette by being one of the largest manufacturers of packaged rasgulla with an annual capacity of 24,000 tonnes and one of the largest manufacturers of soan papdi and gulab jamun with an annual capacity of 23,040 tonnes and 12,000 tonnes respectively.



Distribution of products in

Term of amount & percentage of food sales

Category	Fiscal						Six Months Ended September 30, 2021	
	2019		2020		2021		Amount (₹ Million)	Percentage of Sale of Food Products
	Amount (₹ Million)	Percentage of Sale of Food Products	Amount (₹ Million)	Percentage of Sale of Food Products	Amount (₹ Million)	Percentage of Sale of Food Products		
Bhujiya	2962.36	32.99%	3479.96	32.46%	4641.10	35.51%	2794.23	36.43%
Namkeen	3337.10	37.16%	4016.94	37.47%	4805.66	36.77%	2767.92	36.08%
Packed Sweets	1125.09	12.53%	1297.84	12.10%	1605.82	12.29%	1028.14	13.40%
Papad	698.82	7.78%	822.36	7.67%	914.12	6.99%	429.80	5.60%
Western Snacks	402.88	4.49%	561.28	5.23%	657.69	5.03%	399.17	5.20%
Other Snacks	250.43	2.79%	330.63	3.08%	295.61	2.26%	154.64	2.02%
Other	204.15	2.27%	212.80	1.98%	149.10	1.14%	96.71	1.26%
Total	8980.82	100%	10721.80	100%	13069.10	100%	7670.61	100%

Financial Highlight

Key Performance Indicators

	2019	2020	2021	6 months ended Sept, 2021	CAGR 2019 to 2021
Revenue from Operations	9,013.62	10,745.51	13,107.49	7,717.32	20.59%
Gross Profit ⁽³⁾	2,570.28	3,296.35	3,738.54	2,073.11	20.60%
Gross Margin ⁽⁴⁾	28.52%	30.68%	28.52%	26.86%	NA
EBITDA ⁽⁵⁾	932.71	946.00	1,447.65	716.72	24.58%
EBITDA Margin ⁽⁶⁾	10.35%	8.80%	11.04%	9.29%	NA
Profit After Tax for the Year / Period	509.29	563.71	903.36	409.30	33.18 %
PAT Margin ⁽⁷⁾	5.65%	5.25%	6.89%	5.30%	NA
ROE ⁽⁸⁾	10.84%	10.65%	14.89%	5.26%	NA
ROCE ⁽⁹⁾	16.55%	12.79%	20.88%	7.98%	NA
Debt / Equity ⁽¹⁰⁾	0.15	0.10	0.14	0.13	NA

Notes:

- (1) Western snacks include extruded products, pellets and chips.
- (2) Other snacks include gift packs (assortment), frozen food, mathri range and cookies.
- (3) Gross Profit is calculated as revenues from operations less cost of goods sold.
- (4) Gross margin is calculated as revenue from operation less cost of goods sold divided by revenues from operations.
- (5) EBITDA means Earnings before interest, taxes, depreciation and amortisation expense, which has been arrived at by obtaining the profit before tax/ (loss) for the year / period and adding back finance costs, total tax expense, depreciation, and amortisation and impairment expense and reducing other income.
- (6) EBITDA Margin is calculated as EBITDA as a percentage of revenue from operations.
- (7) PAT Margin is calculated as restated profit after tax for the year / period as a percentage of revenue from operations.
- (8) ROE is calculated as Net profit after tax, as restated, attributable to the owners of the Company for the year/ period divided by total equity (total equity excludes non-controlling interest). The ROE is not annualised for the six months ended September 30, 2021.
- (9) ROCE is calculated as EBIT divided by capital employed (capital employed calculated as total assets minus current liabilities, cash and cash equivalents, bank balances other than cash and cash equivalents, and bank deposits). The ROCE is not annualised for six months ended September 30, 2021.
- (10) Debt consist of total borrowings including short term and long term borrowings and equity excludes non-controlling interest.

Source: DHRP

Peer Comparison

Name of the Company	Revenue from operations (₹ in million)	Face Value (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	NAV per share (₹)
Bikaji Foods International Limited	13,107.49	1.00	NA	3.71	14.93	24.85
Peer Group						
Prataap Snacks Limited	11,710.89	5.00	122.8	6.04	2.3	265.69
DFM Foods Limited	5,240.60	2.00	49.3	5.72	17.7	35.42
Nestle India Limited	1,33,500.30	10.00	83.2	215.98	105.8	209.44
Britannia Industries Limited	1,31,361.40	1.00	44.9	77.43	46.6	147.29

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis (except DFM Foods Limited and Nestle India Limited which are on standalone) and is sourced from the filings made with stock exchanges available on www.bseindia.com for the Financial Year ending March 2021 (except Nestle India Limited which is for the Financial Year ending December 2020).

Source for Bikaji Foods International Limited: Based on the Audited Consolidated Financial Statements for the year ended March 31, 2021.

Source: DHRP

Strengths of The Company

1. The company has a well-established brand name along with a strong pan-India presence.
2. The company has a diversified product portfolio that includes more than 250 products across all our product segments.
3. The company has strategically located, large scale sophisticated manufacturing facilities with stringent quality standards.
4. The company has made an extensive distribution network in India over the years and has also established strategic arrangements with retail chains in domestic and international markets.
5. The company is led by experienced promoters and a management team.
6. Significant multi-product export sales.
7. Growing e-commerce channel.

Weakness of The Company

1. The revenue of the company is significantly dependent on the sale of its Bhujia products. Any changes can impact their business. Haldirams will act as a major competitor in Bhujia.
2. The company requires raw materials for production. Any changes in the procurement or prices of raw materials can affect the business.
3. The company is also dependent on its external distribution network. Any disputes with these parties can hinder their supply chain.

Grey Market Premium

The shares of Bikaji Foods International traded at a premium of 23.67% in the grey market on November 2nd, 2022. The shares traded at Rs 371. This gives it a premium of Rs 71 per share over the cap price of Rs 300.

**This research has been done by the
Core Fundamental Research Team of InvAsset PMS Desk.**

Anirudh Garg
anirudhgarg@invasset.com

Harshal Dasani
harshaldasani@invasset.com

Disclaimer: This report has been prepared by the research department of Invasset, is for information purposes only. This report is not construed as an offer to sell or the solicitation of an offer to buy or sell any security in any jurisdiction where such an offer or solicitation would be illegal. Invasset have exercised due diligence in checking the correctness and authenticity of the information contained herein, so far as it relates to current and historical information, but do not guarantee its accuracy or completeness. The opinions expressed are our current opinions as of the date appearing in the material and may be subject to change from time to time. Prospective investors are cautioned that any forward looking statement are not predictions and are subject to change without prior notice. Recipients of this material should rely on their own investigations and take their own professional advice. Invasset or any of its affiliates or employees shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Invasset. or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. Invasset and/or its affiliates and/or employees may have interests/ positions, financial or otherwise in the securities mentioned in this report. Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavour to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so. This report is not directed to or intended for display, downloading, printing, reproducing or for distribution to or use by any person in any locality, state and country or other jurisdiction where such distribution, publication or use would be contrary to the law or regulation or would subject to Invasset or any of its affiliates to any registration or licensing requirement within such jurisdiction. Invasset may or may not hold any securities discussed in the article in its portfolios. Invasset may or may not take decisions based on the information contained in the article while curating portfolios for its clients.