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Bikaji Foods International Limited (“Bikaji”)

BIKAJI

About Company

Recommendation: Subscribe for Listing Gains

Incorporated in 1995, Rajasthan based Bikaji Foods International Limited (“**Bikaji**”) led by Shiv Ratan Agarwal, the grandson of the founder of Haldiram brand. Bikaji is India’s 3rd largest ethnic snack company with an international footprint and 2nd fastest growing company in the organized snacks market. It is the largest manufacturer of ‘Bikaneri bhujia’(contributes 35% of total revenue) with an annual production of 29380 tonnes. Company’s product range includes 6 principal categories: Bhujia, namkeen, packaged sweets, papad, western snacks as well as other snacks which primarily includes gift packs (assortment). It has 7 operational manufacturing facilities, with 4 facilities located in Bikaner, 1 in Guwahati, 1 in Tumakuru and 1 in Muzaffarpur. Bikaji has developed a large Pan-India distribution network with 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors located across 23 states and 4 union territories in India. Bikaji’s core market includes Rajasthan, Assam and Bihar with the market share of 45%, 58% and 29% respectively.

Price Band	: Rs 285 to 300/- per share
Bid Lot size	: 50 Shares
Issue size	: Rs 882 Cr
Face Value	: Rs 1/-
Min App Amount	: Rs 14720/- at upper band
Issue Period	: 2 nd November to 07 th November 2022
Indicative credit of equity shares	: 14-11-2022
Indicative listing date	: 16-11-2022

Important Note: All retail applications compulsory in UPI mode*. Currently IPO through UPI Mechanism in Retail Category is available only on BHIM App. Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Msearch View & Recommendation: We believe that Bikaji is well known food and snack brand in India with an essence of legacy traditional Bhujia maker. The company is looking forward to enhance production and distribution in family gift packs and western snacks keeping the core product as ‘Bhujia’. The company is present in highly competitive FMCG and snacks markets enjoying the dominant position in some of domestic and international parts. On the valuations part, considering the FY23 annualized earnings P/E at 119x which is very high when compared to listed FMCG peers. In terms of revenue, Bikaji Foods is placed higher among smaller companies (Prataap and DFM) but is well below Nestle and Britannia. The stiff competition is from promoted by family backed ‘Haldiram brands’ followed by Balaji Wafers. Considering all the factors like high valuations, low margins business, established competitors and complete OFS., we recommend investors to **“SUBSCRIBE FOR LISTING GAINS”** only.



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BASIC FINANCIAL DETAILS

Particulars Rs (in Cr)	2020	2021	2022	Jun'30 2022 (03)
Equity Share Capital	24.31	24.31	24.95	24.95
Reserves as stated	504.86	579.79	794.31	809.85
Net worth as stated	529.17	604.10	819.26	834.80
Revenue from Operations	1074.55	1310.75	1610.96	419.16
Revenue Growth (%)	-	21.98%	22.90%	25.48%
EBITDA as stated	94.60	144.77	139.54	30.79
Profit Before Tax	63.64	120.11	105.01	21.79
Net Profit for the period	56.37	90.34	76.03	15.70
EPS (Rs)	2.32	3.71	3.15	0.65
RONW%	10.65%	14.93%	9.51%	1.94%
NAV (Rs)	21.76	24.85	32.83	33.46

Data as on 31st March 2022

Source: Company RHP

COMPARISON WITH LISTED INDUSTRY PEERS Rs (in Cr)

Companies	MCap	FV	Total Revenue FY 2022 (in Cr)	EPS	NAV	P/E	P/Bv	RoNW
Bikaji Foods International Ltd	7485	1	1610.96	3.15	32.83	95.23	9.13	9.51%
Prataap Snacks Ltd	2131	5	1396.62	1.24	266.17	748.91	3.43	0.47%
DFM Foods	1891	2	554.45	(4.93)	30.38	-	12.39	(16.21%)
Nestle India Ltd	198529	10	14709.41	222.46	216.20	86.85	85.27	102.90%
Britannia Industries Ltd	89822	1	14136.26	63.31	105.37	59.75	37.96	60.08%

Data as on 31st March 2022, Mcap: Cline, P/E, P/BV calculated as on 31st March 2022



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Msearch's Recommendation (Absolute Performance) Buy: > 20% within the next 12 Months

Accumulate: 5% to 20% within the next 12 Months Sell : < -20% within the next 12 Months

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