



IPO DETAILS

#IPOlogy

Bikaji Foods International Limited



BIKAJI

Issue Opens

3rd November 22, Thu

Issue Closes

7th November 22, Mon

Min. Lot Size

50 Shares

Issue Price Band

₹285 - ₹300

Industry

FMCG

Issue size

Fresh Issue:
NIL

OFS:

29.37 Mn Eq Shares
(₹8,812.20 Mn)

Face Value

₹1

Listing at

NSE, BSE

Objectives of the Issue

To achieve the benefits of listing the equity shares on the stock exchanges

To carry out the offer for sale of up to 293,73,984 equity shares by the selling shareholders

Rationale

Considering the TTM (Jun-22) EPS of Rs.3.27 on a post issue basis, the company is going to list at a P/E of 91.74x with a market cap of Rs.74,853 Mn whereas its peers namely Prataap Snacks Ltd. and Nestle India Ltd. are trading at P/E of 306x and 83x

We assign "Subscribe (With Caution)" rating to this IPO as the company is the third largest ethnic snacks company in India with an international footprint. However, the IPO is richly priced and company will have to continue growing its business at high growth rate in order to justify its valuation which keeps us cautious from a long-term perspective.

Rating

SUBSCRIBE
(With Caution)

APPLY (WITH CAUTION)



Bikaji Foods International Limited

Company Overview

Bikaji Foods International Ltd is the third largest ethnic snacks company in India with an international footprint, selling Indian snacks and sweets, and are the second fastest growing company in the Indian organized snacks market.

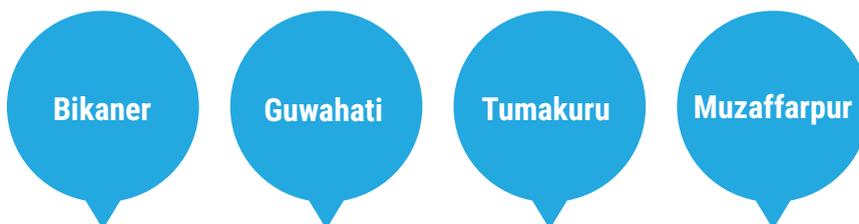
Product Range



Annual Production Capacity



Manufacturing Facilities



Market Leadership

Bikaji has established market leadership in the ethnic snacks market in the states of Rajasthan, Assam and Bihar with extensive reach, and has footprint across India, with operations across 23 states and four union territories as of June 30, 2022.



Market Share

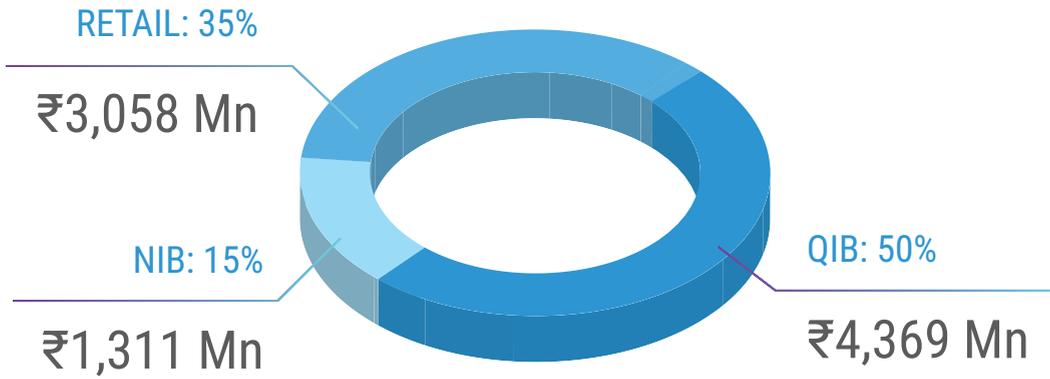
In the core markets of Rajasthan, Assam and Bihar, the company has established deep penetration and enjoy approximately 45%, approximately 58% and approximately 29% respectively (FY22), of the market share of total organized Indian ethnic snack category in such states.



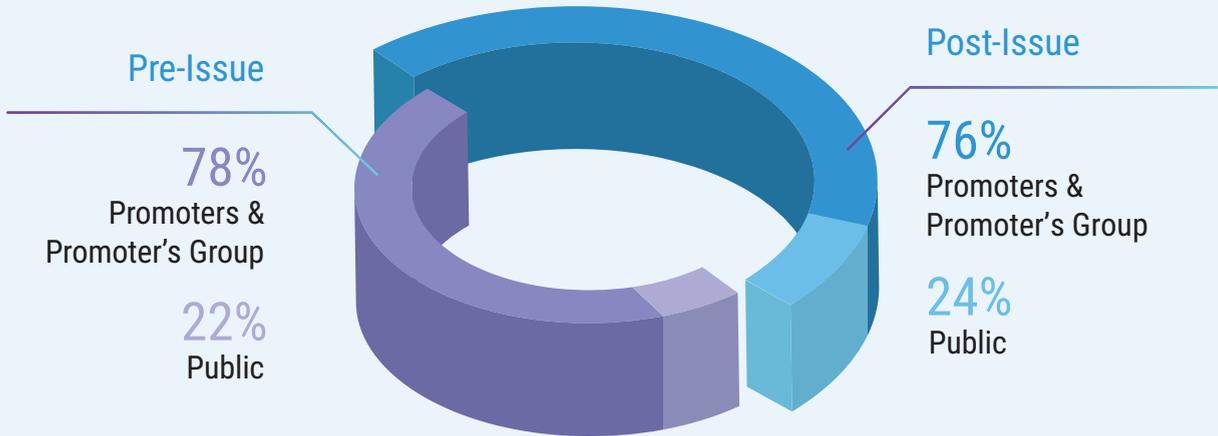
Bikaji Foods International Limited

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



300 Mn

Authorized Equity Share Capital



250 Mn

Paid-Up Capital (Pre-Offer)



250 Mn

Paid-Up Capital (Post-Offer)



Bikaji Foods International Limited

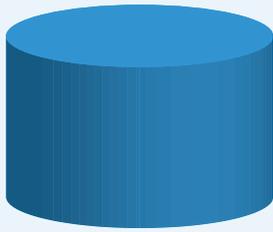
Valuations and Peer Comparison

Market Cap
₹74,853 Mn

Market Cap
₹21,540 Mn

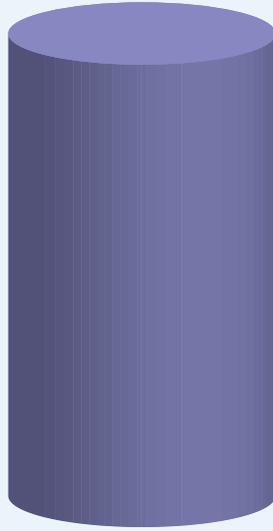
Market Cap
₹1,963,890 Mn

P/E Ratio



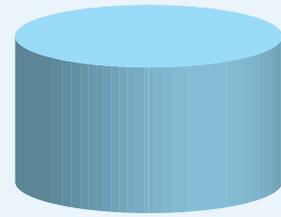
91.74x

Bikaji Foods International Ltd.



306x

Prataap Snacks Ltd.



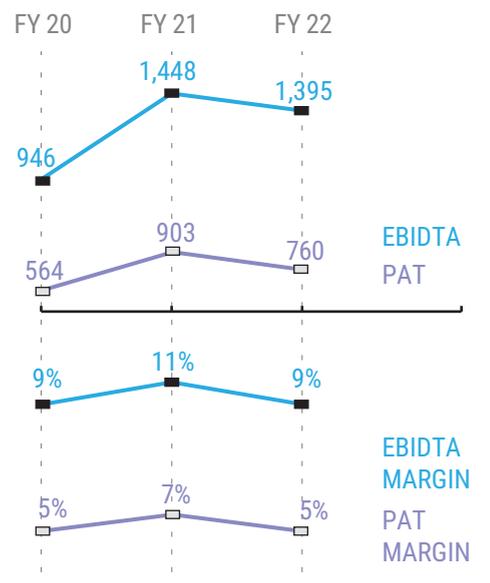
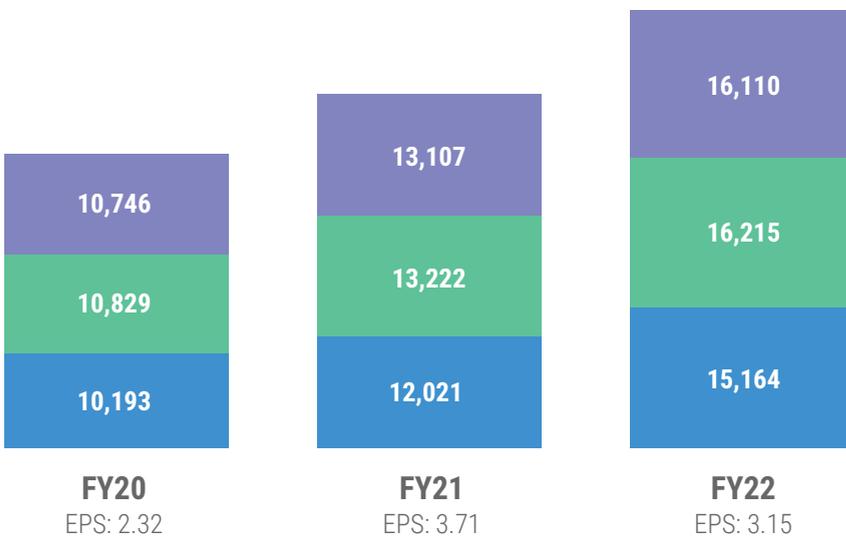
83x

Nestle India Ltd.

Market Cap data of listed securities as on November 2, 2022

Financial Snapshot (in ₹ Mn)

- Revenue
- Total Income
- Total Expenses





Bikaji Foods International Limited

Business Insights



Competitive Strengths

- Well-established brand with pan-India recognition
- Diversified product portfolio focused on various consumer segments and markets
- Strategically located, large scale sophisticated manufacturing facilities with stringent quality standards
- Extensive pan-India and global distribution network, arrangements with reputed retail chains and growing ecommerce and exports channel
- Consistent financial performance
- Experienced Promoters and management team



Business Strategy

- Implement distinctive growth strategies for the core markets (Rajasthan, Bihar, Assam), focus markets and other markets
- Establish strategically located new manufacturing facilities to pursue growth in the focus and other markets
- Continue to use advanced technology to further optimize operations
- Further strengthen brand



Risks

- The company derives a significant portion of its revenues from the core markets of Rajasthan, Assam and Bihar. These markets contributed 74.70% to the total revenues for three months period ending June 30, 2022.
- The company operates in a competitive market and any increase in competition may adversely affect its business and financial condition.

Promoters and Management Details

Shiv Ratan Agarwal - Chairman and Whole-time Director

Deepak Agarwal - Managing Director

Shweta Agarwal - Whole-time Director