MBFSL/CS/2026-27 **13th August, 2026**

To, **Department of Corporate Relations,** **BSE Limited,** **Phiroze Jeejeebhoy Towers,** **Dalal Street, Mumbai – 400001**	**To,** **National Stock Exchange of India Ltd,** **Exchange Plaza, C- 1, Block G,** **Bandra Kurla Complex, Bandra (East),** **Mumbai– 400051**
Scrip Code: 543253	**Scrip Symbol: BECTORFOOD**

Dear Sir/Madam,

SUBJECT: TRANSCRIPT OF EARNINGS CONFERENCE CALL – Q1 FY27 UNDER THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015

Pursuant to the provisions of Regulation 30 read with Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the earnings conference call of the Company held on 7th August, 2026 to discuss Q1 FY27 results.

We Request you to kindly take the same on record.

Thanking You,

Yours faithfully,

For **Mrs. Bectors Food Specialities Limited**

ATUL SUD

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Date: 2026.08.13 14:16:50 +05'30'

Atul Sud
Company Secretary and Compliance Officer
M.No. F10412
Encl. as above

"Mrs. Bectors Food Specialities Limited
Q1 FY27 Earnings Conference Call"
August 07, 2026

MANAGEMENT: **MR. ANOOP BECTOR – MANAGING DIRECTOR AND PROMOTER – MRS. BECTORS FOOD SPECIALITIES LIMITED**
MR. MANU TALWAR – CHIEF EXECUTIVE OFFICER – MRS. BECTORS FOOD SPECIALITIES LIMITED
MR. ISHAAN BECTOR – WHOLE-TIME DIRECTOR – MRS. BECTORS FOOD SPECIALITIES LIMITED
MR. SUVIR BECTOR – WHOLE-TIME DIRECTOR – MRS. BECTORS FOOD SPECIALITIES LIMITED
MR. PARVEEN KUMAR GOEL – WHOLE-TIME DIRECTOR – MRS. BECTORS FOOD SPECIALITIES LIMITED
MR. ANSHUL RASTOGI – CHIEF FINANCIAL OFFICER – MRS. BECTORS FOOD SPECIALITIES LIMITED
MUFG INTIME – INVESTOR RELATIONS ADVISOR

Moderator: Ladies and gentlemen, good day, and welcome to the Mrs. Bectors Food Specialities Limited Q1 FY27 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Anoop Bector, Managing Director and Promoter. Thank you, and over to you, sir.

Anoop Bector: Thank you so much, and good evening, everyone. On behalf of Mrs. Bector Food Specialities Limited, I extend a very warm welcome to all participants on our quarter 1 financial year 2027 earnings call. Joining me on the call today are Mr. Manu Talwar, our Chief Executive Officer; Mr. Ishaan Bector, Whole-Time Director; Mr. Suvir Bector, Whole-Time Director; and Mr. Parveen Kumar Goel, Whole-Time Director. I would also like to take a moment to welcome Mr. Anshul Rastogi, who joins us as our Chief Financial Officer. He brings with him extensive experience in finance leadership roles at multinational consumer companies.

We also have with us our Investor Relations Advisors from MUFG Intime. I hope everyone has had an opportunity to review our investor deck and press release, which has been uploaded on the Stock Exchanges as well as on our company website. FY26 was the year in which we crossed the INR2,000 crores revenue mark. Quarter 1 of the financial year 2027 is, in many ways, the first test of whether the foundations we've built over the last few years can carry us at a faster pace. And we are pleased with how the quarter has turned out.

The company reported revenue from operations of INR548.7 crores, a growth of 16% year-on-year and 12.9% over the preceding quarter. Importantly, the growth was accompanied by margin expansion. EBITDA at INR72.1 crores grew 23.8% year-on-year with the EBITDA margin at 13.1%, an improvement of 80 basis points over quarter 1 of financial year 2026. On a 24-month view, revenue is up 25%, delivering both growth and margin in a quarter that carried the full weight of inflation and the West Asia disruption is, we believe, the more meaningful takeaway of this performance.

On the demand side, consumption trends have held up better than we had feared at the time of our last call. Domestic demand remained healthy across both retail and institutional channels, and our export order book strengthened materially despite vessel availability yet to normalize fully after the disruption in this quarter.

Barring a further escalation in the West Asia conflict or a sharper turn in food inflation, we remain optimistic on both businesses, underpinned by stable consumption, a continued focus on premiumization and a sustained investment in brand building.

Our Biscuit business reported a revenue of INR325 crores, registering a growth of 15.7% year-on-year and 19% growth compared to Q1 FY25. Our Bakery business continued its strong growth momentum, delivering revenues of INR215 crores, up 17.5% year-on-year and 40% higher than Q1 FY25. The launch of Naturbaked reflects our commitment to addressing emerging consumer trends around healthy and clean label proposition. With our focused efforts, Naturbaked has crossed a monthly revenue rate of INR1 crore.

Our innovation pipeline continues to strengthen the portfolio with premium value-added offerings that enhance consumer engagement, improve mix, and support long-term profitable growth. On the marketing front, we stepped up our brand investments in a deliberate way, and this will continue to be an area of committed investment as we build long-term brand equity for Cremica and English Oven.

Quick commerce continues to be of strategic significance for us and grew 58% year-on-year. Our Kolkata bakery unit commissioned in quarter 4 of financial year 2026 is now servicing East markets, and the market has responded encouragingly. Khopoli plant in Maharashtra was commissioned in March 2026 and facility is stabilizing well and is expected to scale towards full capacities over coming quarters, strengthening our West footprint.

Mumbai remains a high focus market for English Oven, where we intend to lead with a high-quality premium product offering. On the international business, quarter 1 marked a defensive recovery even as the shipping environment remained difficult. Vessel availability has not yet normalized and freight and logistic costs have risen further.

Despite this, our export business delivered healthy high-double-digit growth. Importantly, the U.S. market is back on a growth trajectory for us. And we have backed this recovery with new product launches, including peanut butter, where we are confident of a strong ramp-up in the quarters ahead. The company has steadily strengthened its international business through disciplined calibrated expansion in the last few years with a focused approach on markets that offer structural profitability and high growth potential, and this quarter is a validation of that approach.

Before I turn to numbers, let me spend a moment on the operating environment. India's growth story remains resilient, but the benign inflation of the early part of the last year has clearly reversed. Headline consumer inflation has climbed steadily through the year to around 4.4% in June 2026. And the input cost inflation has been defining feature of the quarter for us. The West Asia conflict has been an important contributor, though not the only one and the pressure reached us on 3 fronts: inflation in raw material and packaging materials; escalation in fuel cost; and the consequent impact of the minimum wage hike.

Against this, the mitigation measures we had initiated on a war footing, calibrated price increases and our institutionalized cost optimization mindset under Project IMPACT. In other words, the quarter's inflation was very substantially neutralized, leaving only a marginal residual impact. This is the discipline we intend to carry through the balance of the year, and we expect recovery to be progressively exceed the impact as the prices increase annualized and the Project IMPACT interventions mature.

Financial performance. Moving to our financial performance for the quarter. The consolidated revenues for the current quarter stood at INR548.7 crores versus INR473 crores in Q1 FY26, thus registering a growth of 16% on a year-on-year basis and 12.9% on a sequential basis. Gross profit for the quarter stood at INR258.9 crores, growth of 20% with gross margin at 47.2% against 45.6% in Q1 FY26, reflecting the benefit of price action and cost optimization. EBITDA stood at INR72.1 crores, registering a growth of 23.8%. The EBITDA margin for the quarter stood at 13.1%, an expansion of 80 basis points in Q1 FY26. PAT stood at INR38.8 crores for the quarter, registering a 25.5% on a year-on-year basis. PAT margin for Q1 FY27 stood at 7.1%.

With this, I request you to open the floor for question and answer. Thank you so much.

Moderator: Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Siddhesh Deshmukh from IIFL Capital.

Percy Panthaki: Hi, sir, this is Percy Panthaki here. I just wanted to understand what is the domestic biscuit sales growth for this quarter, please? Hello, am I audible?

Moderator: Yes, you're audible.

Anoop Bector: Hello, can you hear me?

Percy Panthaki: Sir, I did not -- yes, yes. I just wanted to know the domestic biscuit sales growth for the quarter?

Anoop Bector: It has been high-single digits.

Percy Panthaki: Okay. And is it largely volume driven? Or is there any pricing element in the domestic biscuits?

Anoop Bector: It is pricing and volume both in this.

Percy Panthaki: Understood. Secondly, just wanted to talk about the overall margins for the company. I mean, what is the likely margin that you're looking at for this year, given where the commodity prices are currently? And how are you thinking about what it would be in the next couple of years, given whatever your cost saving plans or scale leverage, etcetera?

Manu Talwar: Let me brief a little bit in detail on this to you. So first thing is, obviously, as the Managing Director's speech also said, there has been inflationary trend on account of war, on account of commodity prices going up on account of a few -- so that impact, but we have been trying to take proactive actions, both on the pricing side and the cost side to cover it as much as possible. Quarter 1, we have been able to cover up to the maximum extent.

Quarter 2, again, the impact seems to be rather larger on account of commodity price increase, and we have already initiated actions. So quarter 2 could be a quarter where we will be able to cover most of it, not entirely, but quarter 3, again, we will be fully covered. On the margin side, if you would have noticed that we have been improving quarter-on-quarter for past 2, 3 quarters, and so have we done in this quarter.

And so our target still remains that by quarter 4 of this financial year, we get to our 14% EBITDA target. So that's the journey plan we have in spite of the fact that we have quite a fair amount of inflationary trend on account of commodity prices and the fuel impact as well as the minimum wage impact. But the pricing action and the cost -- the IMPACT program also, which we started about 2 years back, that's running well. And we expect this year to deliver almost close to 0.4% to 0.5% coming out of our cost impact program. I hope this takes care of your query.

Percy Panthaki: Yes, yes. Understood, sir. On the exports part, just wanted to understand this quarter, was there any kind of pipeline refill, which has happened because the growth would have sort of got affected earlier. So therefore, would it be fair to say that we should not extrapolate this quarter's export growth going ahead?

Suvir Bector: So what I would say is that we had a couple of projects that had slowed down during the U.S. tariffs, but they are now back on track. Like our MD also mentioned that we've launched Peanut Butter Cracker as a variety. So we've successfully added another SKU with the biggest retailer in the U.S. like Walmart, right?

And that is a consistent business that we aim to grow. So -- and our objective is that we're going to keep adding SKUs with the existing partners and keep adding new ones. So what we are anticipating is that the growth momentum is always going to be there.

And we are already engaging with clients who we've been talking to since a year back, and their projects have started converting now. So the growth momentum will always be there for exports, right? And it's not only for the U.S., all the other territories as well. Sorry, I lost your voice. What were you saying?

Percy Panthaki: Yes, I'm saying there is nothing sort of exceptional this quarter in terms of restocking from the earlier sort of slowdown that we have seen. This quarter growth is all sort of something which is pertaining to this quarter's demand only. Is that the case? Or is there some restocking which has happened this quarter?

Suvir Bector: No, . It's there's no restocking as such. This is all the growth that's pertaining to this quarter and some new innovations that we've launched have started clicking with retailers. So there's no restocking as a thing that's happened with us.

Percy Panthaki: Okay. Okay. Because like March month would have been sort of affected for exports, right? You would not have been able to export because of the geopolitical tensions in March. So those shipments would have spilled into this quarter, which would have propped up this quarter's exports growth or that's not the case?

Suvir Bector: So June, we like again, the MD mentioned, because of the geopolitical crisis, we had shipments on delay for the June month as well, right? So it all sort of balances out towards the end, where we didn't see any refilling or restocking as an impact from March to June right now.

Percy Panthaki: Okay. So for the rest of the year also, like a high teens growth for the company overall, which we have done this quarter, that same kind of growth can continue because there's no one-off as such this quarter. That understanding is correct, right?

Manu Talwar: Percy, our full year projection continues that we are targeting to hit around mid-teens kind of growth. There is a seasonality also which makes a difference. So we still stick to our projections of mid-teens 17-19

Moderator: The next question is from the line of Harit Kapoor from Investec.

Harit Kapoor: Just a few things from my end. First was on again, on the margins. So if you look at the sequential improvement, not only in your EBITDA, but in your gross margin also, there has been an improvement here from about 46-odd to 47-odd percent. What do you attribute that to given the fact that inflationary trends have only accelerated from Q4 to Q1?

I know you did speak about mitigation, but there has actually been an acceleration. So is this Q1 specifically a product category mix differential also that plays out? That's the first. And the second question was on the opex side of things. This quarter, you have seen a bump up in the other expenses.

Would you attribute that largely to, say, the freight cost challenges as well as the marketing initiatives that you have -- the brand investments that you have done? Would these be the 2 key factors driving up the opex growth? These are my first 2 questions.

Manu Talwar: Yes, Harit. So yes, on the gross margin, primarily the impact is on account of improvement in both sides, Biscuit, Bakery, but there is also a role of a business mix. And there's a slight improvement in the Bakery business mix because of the higher growth, if you look at that, and that has also added to that bit of margin improvement, which is reflecting there in gross margin.

Yes, opex, you're absolutely right. It is on account of 2 items, which is freight and fuel. So freight on the onward side and the fuel on the -- large part is on the fuel, which is basically the plant consumption for the manufacturing. And second, yes, we have upped our marketing investments.

Anoop Bector: And the freight cost is there.

Manu Talwar: Yes. Freight cost, yes.

Harit Kapoor: Got it. Got it. And second bit was on breads. You just mentioned product mix improvement, etcetera. The growth has also been quite strong this quarter. Any -- is there a significant difference between how the retail business under English Oven and Naturbaked has done versus the institutional business?

Because institutional also would have seen some pickup given what's happening on the QSR side. So I just wanted to get a color if you -- even if you can't give exact numbers on how that mix has shifted in the 17% growth?

Manu Talwar: No, no. So first is that overall bakery has done well, right? Yes. That's why you see the bakery growth -- overall Bakery growth percentage is higher than the overall Biscuit growth. So that was a mix I was referring to. Yes, both English Oven and the QSR business have grown well. So the good news is, Harit, that we're clearly seeing very positive trends after many quarters on the QSR business and very, very confident these are trends are here to continue now. So clearly, the industry is now back on an upswing.

Harit Kapoor: Got it. And my last question was on breads. You added capex in Calcutta, and you said the offtakes have been quite encouraging. Would this be on retail as well as institutional or the Calcutta foray is only in 1 of the 2 segments. Just one clarification. Those are my questions.

Manu Talwar: So Harit it is both segments. So both have started moving well for us. both on the English Oven side as well as the QSR side, and we are in the process of buildup. What the speech of MD referred to that we are delighted that the strength of English Oven as a brand and the quality of the product is clearly reflecting in our very newer market of East through the consumers, right? So English Oven is very well accepted and appreciated on English Oven ,on our bakery product side and it is reflecting good trend. Yes, it is on the both sides, English Oven as well as QSR.

Moderator: The next question is from the line of Binay Shukla from PhillipCapital India.

Binay Shukla: My question is on the EBITDA margin front. So could you please provide some sense of the EBITDA margin profile across all the four business segments? So I'm not looking for the exact margin, but could you indicate whether our EBITDA margin for each segment is above or below the company average?

Because in our view, the domestic biscuit margin is operating at a very significantly lower side versus our company's average. So could you please just let us know if our understanding is broadly correct? Or is there any significant deviation in our view?

Manu Talwar: Yes. So as we have said earlier also, our Bakery business EBITDA is above our company average and our Biscuit business EBITDA is slightly below our company average. That's how the EBITDA margins of both the businesses stand out.

Binay Shukla: Any idea of what kind of margins we are making in domestic biscuits?

Manu Talwar: We don't share that. We can separately discuss in the meeting. But as of now, as a principle, we haven't shared that.

Binay Shukla: Understood, sir. Secondly, on the domestic biscuits since we aspire to grow in mid-teens sort of growth for domestic biscuits. So just wanted to know what structural initiative are we undertaking in the domestic biscuit business, specifically on on-ground execution front to achieve this target? Yes, this is on the domestic biscuits.

Manu Talwar: So there are 3 drivers to that. One, obviously, distribution. As we have briefed that this year, we have taken a target of adding 40,000 billed outlets above INR200 per outlet. So that target -- that's almost increase in billed outlets by 12%, 13% over the previous year. Second is that we are focusing largely in a 400 kilometer from our manufacturing in Punjab. So that area is being invested and driven more. Third is that, as I said, that we have upped our marketing investment. So we're investing behind the brand.

And while 3 of our lead variety brands, which are Coconut, which is becoming a clear cut leader in the industry with the high growth, continued high growth, then we have Bourbon, which continues to be in the second number in the industry, and Digestive which again continues to be leading in the category. Over and above this, we are investing behind our premium creams and premium cookies, right, to drive our premium contribution in the business.

So these two are being invested behind both on the distribution as well as on the marketing side to build that business over the next few quarters to come. Alongside we'll be investing in some of the high premium products like short bread, which is growing on e-commerce continuously quarter-on-quarter in a very healthy rate and similarly, butter cookies and some other varieties. So this is how the levers of the -- or I can say these are the levers of revenue growth for the Cremica Biscuits .

Binay Shukla: Understood. Sir, we have opened a new plant in MP. But on the other hand, Britannia and Parle are remain very aggressive in Hindi-speaking market, if I call it MP, UP, Gujarat, Rajasthan. So what is our right to win in this market? Are we going to offer a tactical additional trade input to the retailers or how we are going to attract new distributors and new retailers?

Manu Talwar: So first thing, just to clarify that MP plant, which has been opened, has been opened for both exports because it brought it closer to the port, plus we had a fiscal incentive supported by the government. So we've been manufacturing there largely export as of now, but we have started investing in the central market, which is MP and some part of Maharashtra and Gujarat.

And this journey of investing in these new -- these markets is in the distribution side, largely on the distribution side as of now. And we're very confident over the next few quarters, we should start -- there will not be any instant large results coming in out of that, but it will be continuous investment over the next few quarters, we can start seeing some good movement of Cremica brand in these territories.

Binay Shukla: Okay. Sir, just looking for 2 data points. One is for domestic business. So what is our current revenue contribution is coming from the non-Upper North market when we compare with 3 years ago? And second is what kind of growth -- what kind of contribution is coming from the existing clients for export business?

Manu Talwar: What is the second question?

Binay Shukla: What kind of percentage contribution coming from your existing customer in export market?

Manu Talwar: Okay. So Suvir will answer the second one. On the first one, we have now almost reached 50% our general trade business, 50% comes from Upper North, 50% comes from Rest of India. Suvir, please if you can answer on that.

Suvir Bector: Yes. So more than 95% or 98% business would be the existing. But the thing is that the existing customers, we are consistently and continuously adding newer SKUs to them in the form of innovation to grow their share in the market. I hope that answers the question.

Binay Shukla: So but 2%, 3% is coming from the newer clients. So what efforts are we taking to increase this share to near double digit over the next 3, 4 years?

Suvir Bector: The teams -- so we have a very wide team who are consistently traveling across the world, wherever the markets are. We are analyzing data. We are in touch with top-tier retailers as well as distributors to start engaging with our products. And hopefully, we'll start seeing conversions as well. But this is a general trend that keeps on going because for a retailer to materialize, the conversion time is a bit longer, but we are in active discussions with a lot.

Moderator: The next question is from the line of Amit Purohit from Elara Capital.

Amit Purohit: Congrats on good margins. So, I wanted to know on the price increase that you would have taken, one, whenever the input inflation goes up, what was the input inflation? Does the price increase in the institution's bakery side of the business as well as export, is it an easy pass-through? And what was the price increase in domestic bakery as well as domestic biscuits, if you could highlight that?

Manu Talwar: So, impact on account of inflation has been around 1-odd percent over the last year, 1% to 2% approximately. And the price increase, which we have taken, where the partial impact would have come in first quarter and the balance will come in the quarter 2 because price increase happened during the quarter. The price increase has been on overall as a company around 2% to 3%. So, you can say in the consumer side of the business, which is English Oven and Cremica, about 2%.

Amit Purohit: 2% to 3% is the total price increase taken or it is -- in this quarter, it is effective 2% to 3%?

Manu Talwar: No, no, no. Total price increase taken so is around 2%, 2.5% in the consumer business, which is English Oven and Cremica. And this quarter has seen a partial impact of that because the price increase was taken during the quarter.

Amit Purohit: Okay. And inflation -- cost inflation was just 1% on a Y-o-Y basis?

Manu Talwar: About 1.5% approximately was the inflationary impact for this quarter, the next quarter is higher. So, the quarter 2 is much higher. You see the large part of the inflationary impact started coming towards the end of this quarter. So, the more challenging quarter is quarter 2.

Amit Purohit: Okay. Okay. So just on the freight cost part, I mean, I understand we have now a facility in MP, which will cater to both the export as well as the domestic market. Would you be able to quantify the savings because, I mean, earlier, you were kind of transporting from the north to JNPT or the export ports.

Manu Talwar: Yes. We will be definitely able to quantify the freight difference between Punjab versus there of our export shipment. Amit, what I would request that we will definitely get back to you over the mail on this information. I won't have ready information as of now.

Amit Purohit: Sure, sure. And sir, just to get an idea, I mean, you indicated 14% margin. I could not understand that. That is you are saying by the end of the quarter, it will be closer to 14% or you were referring to 14% margin for the full year of FY27?

Manu Talwar: No, what I was referring to, Amit, like we have delivered 13.1% EBITDA in this quarter. And so although the inflation of commodity prices and packaging material has been pretty steep and the large impact is coming in quarter 2, but our endeavor will be to keep improving. Endeavor is that by the quarter 4, we should get to 14% EBITDA, right? So quarter 4 target is to kind of achieve 14% EBITDA for that quarter.

Amit Purohit: Got it. Got it. Got it. And over a medium term...

Moderator: Sorry to interrupt, Mr. Amit, could you please rejoin the queue for any follow-up questions? The next question is from the line of Shirish Pardeshi from Motilal Oswal Financial Services Limited.

Shirish Pardeshi: I have two questions. The first question in the export market, what is our contribution as on date in the U.S. and Europe separately? And what was that number 1 year before?

Manu Talwar: So we are today touching close to 23%, 25% in U.S., right? And it has built over the last 3, 4 years. I won't have last 1 year number as of now ready with me. But yes, it has grown over the last 4 years.

Anoop Bector: In fact, I have the number. So I mean, I think the contribution in last year Q1, if it has actually doubled, I mean, than our last quarter. Last quarter '26, this quarter '27, we have actually doubled.

Shirish Pardeshi: Okay. The reason Anoop sir, the reason why I was asking, last 1 year, we have seen a lot of tariff issues in the U.S. So actually, you're saying our business has doubled. So I'm not sure...

Anoop Bector: **Doubled as in** at the percentage, what we are doing, right, at the percentage. So U.S. doesn't happen to be our biggest market.

Shirish Pardeshi: Okay.

Anoop Bector: Yes. So it'sfrom what we were doing, now what we are doing is double.

Shirish Pardeshi: So just one quick check on this. How the U.S. customers are now reacting because I heard Suvir is talking about we are introducing new products and new segments. But then is there any indication in the current context is the customers because you mentioned Walmart has also picked up some product. So I'm just checking what is the customers giving you feedback in terms of demand? Obviously, the tariff issue will get settled over a period of time.

Suvir Bector: Customers are very optimistic from buying from India. The great part is that even when the tariffs were there, none of the customers stopped working with us on future capabilities and future projects, right? So they've put an immense faith in our organization, looking at our capabilities and the technology that we have. So retailers are still coming down to India. They are visiting us and a few retailers are co-creating products with us, which are as per the U.S. standard. So from my point of view, all the major customers, distributors are very optimistic from buying from India.

Shirish Pardeshi: Okay. That's helpful. My second and last question, we heard in the morning, the market leader has rejuvenated the efforts in terms of key states and other states in terms of advertising and in terms of sales restructuring also. In that context, how this competition is behaving in our key states like Upper North and maybe you can say, Punjab and other places?

Manu Talwar: So competition continues to be very intense on the biscuit side and in Upper North, especially. And so yes, from a competition intensity point of view, competition continues to be intense in the North India.

Shirish Pardeshi: Okay. No, I just wanted to check, Manu sir, is that require our spend also has to go up in line to maintain the share of voice?

Manu Talwar: Yes, we did that. That's why I said, if you remember when I asked to Mr. Harit that our other expenses have gone up and our marketing investments have gone up. So yes, we have done that, both on our trade promotion side as well as marketing side.

Moderator: The next question is from the line of Aachal from Monarch Networth.

Aachal Pal: So my first question is, what is our geography-wise revenue contribution? And how do you expect this to evolve going forward?

Manu Talwar: So our large part of revenues in general trade comes from North India only, right? And we expect that contribution of North India should continue to, as of now, remain in the -- for the next few quarters, I don't see any change. So North India, especially the 400 kilometers from our Punjab plant, will continue to be the high focus area for us for driving the growth. And thus, so contribution of North India, which is about 85odd percent will continue to be around that.

Anoop Bector: I think we need to speak about the bakery side because bakery, we've invested heavily in.

Manu Talwar: Sorry, sorry. So in the English Oven side, , again, as of now, revenue is about approximately 80% from North India. In the North India also, I would like to highlight one thing. So in the North India, about 3, 4 years back, our almost 75%, 80% of the revenue used to come from NCR, right, Delhi NCR.

We started investing in the upcountry, which was Haryana, Rajasthan, UP. And I'm glad to share that our continuous effort over the last 3 years to 4 years, investing in the upper -- in the upcountry territory, our revenues have now become almost equal in the NCR as well as upcountry.

So upcountry continues as a growth engine. Now in the North India, we are investing in Punjab, right? And we're very confident that Punjab being one of the very large bakery markets for North India, we should be able to see good gains there over the next few years to come. Now coming to the West India. The West India, our brand was always a preferred brand, a strong brand, but we were short on our capacities, right? And now we invested in a new plant in Khopoli, which is a state-of-the-art plant and which has been, as said in the speech, has been commissioned in the last -- in the March of the last quarter, and it is in a stabilization stage.

So we will be doing huge amount of investment on distribution in Bombay, Pune, and some other parts of Maharashtra, and it will be a speedy growth for us over the next few years. So we literally want to grow at a very-high-double digit, and we will be growing at a very-high-double digit in the years to come in the western side of India, right?

And then next comes our investment in Bangalore. So we've shortlisted the plant location, which is getting ready. And we will be investing in Bangalore in the new lines because there, again, we were very, very short on capacity. So the Karnataka market and from Bangalore, the Chennai market, right, will become a good source of growth.

We launched in the last quarter in Hyderabad, which is also kind of moving well. And as briefed in the speech also, Calcutta market, where we launched and we have started ramping up there on our English Oven brand as well as on the QSR business. So yes, we see over the next 4 years, there should be substantial buildup of our business, which is non-North on English Oven side.

And we have a clear-cut aspiration to become a pan-India strong English Oven brand, and we'll be working in that direction. And that's why we're launching in new cities. We added more capacity, a new plant in Bombay. We will be adding in Bangalore, Calcutta started.

So over the next few years, definitely, we will be a pan-India very strong bakery brand in English Oven. Alongside what happened, and which was again expressed by MD in the speech, we launched a clean label health brand called Naturbaked. Naturbaked has started ramping up very, very well. We've just touched a run rate of INR1 crores revenue per month, and we expect that also to ramp up in quarter after quarter and to become a very strong clean label bakery product brand over the next few years' time. So I thought I'd just take the opportunity to brief in it there.

Aachal Pal: Yes. Okay, sir. Helpful. Sir, but from the export side, U.S. is our biggest market. Is the understanding correct?

Suvir Bector: It is one of the largest markets, with U.S., South America, and Africa would be our 3 largest territories.

Aachal Pal: Okay. And what would be the contribution coming from South Africa?

Suvir Bector: I meant Africa. So the split would be somewhere around- all the three markets would be around 20%, 25-odd percent.

Aachal Pal: But.

Suvir Bector: No, 3 years 20%.

Aachal Pal: Okay. Okay. Okay. And sir what would be the volume at...

Moderator: Sorry to interrupt. Ms. Aachal, could you please fall back in the queue for any follow-up questions?

Aachal Pal: This is my second question, ma'am. So, can I continue with this?

Moderator: Please go ahead.

Aachal Pal: Yes. So, what would be the volume and value growth for the overall and segment-wise?

Manu Talwar: Suvir, I'll just take it. So, the revenue growth and the volume growth has been in this quarter, high-double digits. And the whole growth has been largely led by volumes in exports.

Moderator: The next question is from the line of Deepak from Unifi Capital.

Deepak: So, my first question was on the revenue side. Firstly, the B2B business, we've not done fairly well in the last 2 years. So, if you can touch upon the issue that we faced in the last 2 years? And what have we done recently in the current quarter or the past 2 quarters to correct it is that we are seeing an uptick in revenues.

The second thing, sir, in B2C biscuits, a 9% growth on a fairly low base. Is it -- is that a run rate that we should be working with for the full year? Or you see an improvement given your efforts on distribution to become -- the growth rate to become better going forward? And sir, on the export side, although you had so many challenges, you've done a fairly good job. So I mean, I just wanted to understand how the momentum is shaping up for the next few quarters.

Manu Talwar: Yes. The first question was on the revenue side, right?

Deepak: Yes, the B2B bakery, B2C biscuits, and export side.

Manu Talwar: B2B business, basically B2B Bakery business is a QSR business. And we all know that QSR across all the QSRs were on a lower growth trajectory. But the good news was that these -- all the QSRs were very bullish of investing in India and they continue to invest in new stores and keep opening. It looks like the tide has turned.

And in this quarter, there has been a good double-digit growth in the B2B segment, and we are very confident this trend to continue in the coming quarters, right? That's on the revenue side. On a Biscuit side, yes, our clearcut aim for this full year is to deliver a low-teens kind of growth.

And we are confident that on a 4-quarter basis, on a full year basis, we should be able to deliver a low-double digit kind of growth on the biscuit side, right? On export side, I'll request Suvir to take on, on the momentum.

Suvir Bector: So on the momentum, what we're anticipating is a good growth within this quarter as well in the future quarters, where like we've been seeing it in the past, we are anticipating a mid-teen growth coming in.

Deepak: Okay. Sure. So I'm assuming that the bakery business and the export business is order book linked and hence, we are confident of growing these 2 at a high growth rate. Is that assumption right?

Manu Talwar: Sorry, come again?

Deepak: Sir, I'm assuming that the B2B business, both on the bakery side and the biscuit exports are order book linked. So the assumptions of growth that we spoke about are sanguine and could continue for the full year, right?

Manu Talwar: No, no. So just to clarify to you, we -- in both these businesses, we don't have any long order book. We get orders on a month-to-month basis, right? So it's not that like projects and other things where you get 6 months or 9 months orders, it's nothing like that. It's a month-on-month order we get.

And based on we deliver, we are talking based on the trends. And so we're confident based on the trend that these trends should be here to continue. And both are in Bakery business, we should deliver some low-teens kind of growth and export, we should deliver close to mid-teens kind of growth.

Deepak: Sure. Sir, my last question is on the margin profile. So you have done well in this quarter despite the raw material issue, but you're calling out the sequential improvement in the next 3 quarters. So -- but you're also sounding out on the impact that you'll see in the Q2.

So I just wanted to understand how the sequential improvement is being forecasted for the company despite having freight issue, despite having the need to do more marketing, there's a raw material inflation in terms of the crude packaging cost and general freight costs. So just wanted to understand, despite all these headwinds, how are we looking at sequential improvement in margins?

Manu Talwar: Okay. So as I said, that quarter 2 impact on commodity prices has been -- is much sharper, but we have taken action and we are taking actions on the pricing as well as cost side, and I had earlier referred to the Project IMPACT also, right, where also the cost savings would kind of accelerate over the coming quarters.

So based on that, so we may not see a major improvement in the quarter 2 because the heavy impact coming and the actions which we have taken will compensate partially in the next quarter and fully in the quarter 3. So based on these projections and the actions taken by us, we're very confident that in the quarter 4, we want to get to and we should get to delivering 14% in the quarter 4.

Deepak: Okay. So, you announced the Bangalore capex. So how big could that capex be in any size that you could share? And also, sir, can you call out the capex amount that we invested for the Calcutta, Maharashtra, and the Indore plant? And what kind of asset turns and what kind of scoping in terms of revenue is possible from the recent capex that you've done?

Manu Talwar: Okay. So in terms of capex, which we have invested or investing this year can -- on current price levels, can cover us up to approximately INR3,400 crores, INR3,500 crores, right? That is it. B, our Calcutta was a small investment, which plant was commissioned last year. So, it was a small investment approximately, which I remember around INR20-odd crores, right?

See, you asked me how much is the total investment. So, one is a spillover of investment of last year into this year. So, capitalization is happening this year. And there is some bit of new investment, which is coming up in this year to build up our -- ramp up our capacities.

Deepak: Okay. So, if you could just share the amount for this year, the capex that was pending from last year, that is one. And the Bangalore one, how big are we planning the capex amount for the Bangalore facility?

Manu Talwar: So Bangalore capex is still under finalization, right, in terms of final ordering machines and all that. But this year, our approximate investment should be -- other than the spillover of last year, this should be close to INR200 crores.

Deepak: Okay. Got it. Sir, also one last question because we are quite focused on...

Moderator: Sorry to interrupt, Mr. Deepak, could you please fall back in the queue for any follow-up questions? The next question is from the line of Yash Sonthaliya from Edelweiss Public Alts.

Yash Sonthaliya: Congratulations on a good set of numbers. So, I have two questions. So, my first question is on a very similar line for domestic biscuit business. So, what I want to understand is basically, we always talk about growing in mid-teens volume for the business. But how internally we break this down between gaining market share and growing with the industry? And what is our assumed industry growth when we are assuming mid-teens growth for the domestic biscuit volumes?

Manu Talwar: So just come again, what are you asking? How do we breakdown between...

Yash Sonthaliya: So basically, how we think -- when we say mid-teens volume growth in the domestic biscuit, how we break it down between gaining market share and growing with the industry?

Manu Talwar: Okay. So first thing is that we are talking this year to deliver low-teens growth. And over the 4-year period till 2030, we want to deliver mid-teens kind of growth. So that's a. In terms of growth, so we're confident that because the industry is growing at high-single digit and we are planning to achieve a low-teens kind of growth, it should definitely reflect in an improvement in our market share in North India.

Yash Sonthaliya: Got it. Got it. And sir, my second question is like basically, we are talking about ending our EBITDA margin at 14% as end of this year. But from a medium- to long-term perspective, for whatever initiatives we are taking and the revenue mix changing for next 2 to 3 years, how we see all this translating into our EBITDA margin gains?

Manu Talwar: So over a period of next 3 to 4 years, say, by 2030 financial year, we want to hit EBITDA closer to 16%. That's the aim as of now. So somewhere between 15% to 16%. You see only thing which we need to keep in mind that over the next 4 years' time, we are also targeting a very aggressive growth in the next 4 financial years, leaving aside this financial year, we're targeting a growth -- aggressive growth, and we want to hit a next milestone, like we hit a milestone of INR2,000 crores this year.

We want to hit the next milestone of INR4,000 crores, right? So there's a fair amount of investment, which will also go in expanding our distribution, in marketing, opening up new geographies, right, there. On a long-term basis, that getting closer to 16% over next 4 years' time would be there.

Yash Sonthaliya: Got it, sir. And sir, just one last follow-up on the same. When we are saying we are seeing a huge growth -- aggressive growth for next 3 to 4 years, ideally, how should we see or how should we keep a tab on it from basically domestic biscuit perspective? What things should we track distribution reach or what you think will lead to this growth?

Manu Talwar: You see, as I explained earlier, the driver will be 3, the triangular approach. One is distribution. Second is marketing investments or making Cremica brand stronger. And just to update, we are in the process of finalizing our brand study also. Third is driving the premium category, where we are investing now behind premium creams and premium cookies. So these 3 are the levers which will be a driver of revenue growth over the next few years to come.

Moderator: The next question is from the line of Navin from ithoughtPMS.

Navin: Congratulations on a great set. Just a couple of questions. So just regarding the excise duty situation that you had discussed over the past couple of quarters, right? So we were getting some input -- I mean, not input, sorry, we were getting some rebates and they were taken out. So what's the situation there? And in general, as like an extension to that question, could you also discuss like the key markets, what kind of excise duty situation we have currently going on?

Manu Talwar: Sorry, just clarify your question once again, you're talking about regarding some of our export incentives or...

Navin: Yes. So my understanding is that we used to have some incentives that we don't pay more, and we were looking for ways to remedy that. As an extension to that question, I just wanted you to maybe give me a little more details on like the key sort of U.S., EU and, Africa in general, right? So what the duty structure there is like and how you are getting this incentive or you used to get it?

Anoop Bector: So, the incentives are still not happening. And -- so I mean, nothing on the incentive side from the government yet. And can you repeat your second question, please?

Navin: No, I just wanted to understand what kind of duties you're paying for each market.

Anoop Bector: So, we don't pay duties. The duties are being paid by the importer, right? So -- and currently, with the FTAs happening, so New Zealand is a market for us. FTA has just happened there. U.K. is turning out to be a good market for us. So, we are there, now we are looking at bigger gains. So, wherever FTAs are happening and otherwise, we are not -- the importer has to pay the duties. So, we will actually not know exactly what duties each of the countries are paying.

Navin: Got it. Got it. Yes. And one more thing that I just wanted to clarify is, so a couple of calls back or even in the last call, we discussed the capex cycle, right? So we were supposed to be with one big capex cycle and the investments were supposed to moderate. So maybe long-term view, next 5 years.

So, I understand that our current revenue potential with the capacity that we have and we are going to add is around INR3,500 crores, right? But we aspire to do, let's just say, something around INR4,000 crores by FY30. So, considering the addition of some small capacity in the future, what should we expect the capex run rate to be? Like where will the funding come from? Any clarity on that would be great.

Manu Talwar: So, in terms of capacity, the capacity which I shared with you will take us, that's on the current prices, right? So, we know every year, there is some bit of price increase. Second, it doesn't include Bangalore, right? So that will get added to that. And so, these 2 will be additional. Plus as our business is growing, looks like there'll be definitely need to invest in some more capacities to grow in those respective territories, right? We are in the process of working out.

So, in terms of adding -- and in terms of cash flow side, if you would have looked at our debt equity ratio is more than comfortable. We normally do a bridge between borrowing and investing our own money even in this year, the additional capex, which we are planning to do in this particular year, it will be almost 60% -- 60% coming out of our own funds and 40% would be borrowed funds. So that -- we do a mix. But as you can see, our debt equity ratio continues to be healthy and comfortable.

Navin: Got it. Maybe just one bookkeeping question, if I can squeeze it in.

Moderator: Sorry to interrupt. Could you please fall back in the queue for any follow-up? The next question is from the line of Bhavya Gandhi from Bajaj Alternate Investment Management Limited.

Bhavya Gandhi: Sir, just wanted to understand what would be the contract manufacturing mix in the overall top line on a full year basis, if you can provide some number? And on the export side, what would be the mix?

Manu Talwar: So, our contract manufacturing as our business -- our focus has been growing our business. So it's just about 1%, 1.5% now. right? And as far as export contribution is concerned, export contribution now is kind of touching almost close to 35-odd percent.

Bhavya Gandhi: Okay. And sir, just your thoughts instead of focusing on in-house manufacturing, wouldn't it make more sense to invest more on the brand side because that Cremica and English Oven are known brands increase the distribution, use the capital more efficiently on the branding side. Any thoughts on that side?

Manu Talwar: So first thing, should we invest more on brand? 100%, we should. And if you look at our trajectory over the last 4 years, we have more than doubled our investment on brands and objective is to keep enhancing that, right? We on our consumer brand, approximately, if I remember a number, we're now almost touching 4% on our consumer businesses of Cremica and English Oven and objective is to keep further strengthening and moving up.

Coming to the manufacturing, yes, we do use some bit of contract manufacturing, not much. In future, should we be using a little more than what we are doing today? Maybe yes. But I think that one very important thing to understand from us and right yesterday also, I was in market, somewhere in upcountry of North India, where both English Oven and Cremica were there. And one thing which creates a differentiation for us is quality of our products.

The quality of our product is the biggest driver. Like I was giving you example of Calcutta. So Calcutta, nobody knows our brand English Oven, right? We launched it. Consumers are trying it. Consumers are loving it.

I did a Calcutta market 30 days back, and same is the response on the Quick Commerce side, right? So yes, we are very conscious of quality and the standard we deliver to our consumers because that's been the forte and that's a driver of growth for us. But should we leverage contract manufacturing more? Definitely, we are planning that.

Moderator: Thank you. Ladies and gentlemen, due to time constraints, that was the last question for today. I now hand over to the management for closing remarks. Over to you.

Anoop Bector: Thank you, everyone, for joining us. I hope we have been able to answer all your queries. In case you require any further details, you may please contact us or MUFG Intime, our Investor Relations partners. Thank you so much.

Moderator: On behalf of Mrs. Bectors Food Specialities Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.