Mrs. Bectors Food Specialities Ltd

Steady Q3; growth outlook intact

Reco/View: **POSITIVE**	CMP: **Rs. 220**	Upside Potential: **25%**

Quick Snapshot

- Q3FY26 consolidated revenue grew 8.4% y-o-y, OPM rose 35 bps y-o-y to 12.8% and PAT increased by 10.1% y-o-y.
- Management eyes low-to-mid-teens growth in FY27, driven by mid-high teens growth in exports and bakery and low teens growth in QSR and domestic biscuits.
- OPM to reach 14% by H1FY27 led by a better mix, operating efficiencies and optimization of raw material imports to offset impact of suspended export incentives, with slight improvement expected in gross margins as well.
- Stock trades at 47x/36x/29x its FY26E/FY27E/FY28E EPS, respectively. We stay Positive on the stock with an upside of 25% in 12 months.

Result overview

- Revenue grew 8.4% y-o-y to Rs. 533 crore, driven by 13.1% y-o-y growth in the bakery segment to Rs. 198 crore led by English Oven brand, while biscuits segment delivered 5.5% y-o-y growth to Rs. 325 crore impacted by GST 2.0 transition as well as continued uncertainty due to punitive tariffs. Revenue missed our expectation of Rs. 564 crore.
- Gross margins were flat y-o-y at 45%, while OPM rose by 35 bps y-o-y to 12.8% led by better mix and operating efficiencies.
- Operating profit increased 11.4% y-o-y to Rs. 68 crore. However, higher depreciation charges (up 16% y-o-y) led to just 10.1% y-o-y growth in PAT to Rs. 38 crore.
- 9MFY26 revenue grew 9.1% y-o-y to Rs. 1,558 crore, OPM declined by 113 bps y-o-y to 12.6% and adjusted PAT fell by 3.1% y-o-y to Rs. 106 crore.
- Board declared an interim dividend of Rs. 0.6 per share for FY26.

Our Call

MBFSL plans to grow its biscuit business with a focus on transforming itself into a pan-India biscuits player and gain market share in key domestic and global markets, while bakery business will focus on expanding its retail as well as B2B presence. MBFSL aims to sustain its double-digit revenue growth trajectory through its multi-pronged strategy and capacity additions across businesses, while Project Impact 1.0 will aid margins rise in the coming years. The stock trades at 47x/36x/29x its FY26E/FY27E/FY28E earnings, respectively. We maintain Positive view on the stock with a potential upside of 25% over the next 12 months.

Key Risks

Stiff competition from top players or new entrants in the space and a significant rise in raw material prices would be key risks to earnings estimates.

Valuation (Consolidated) — Rs cr

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	1,624	1,874	2,056	2,349	2,696
OPM (%)	14.9	13.4	12.8	14.2	14.8
Adjusted PAT	140	143	143	187	236
Adjusted EPS (Rs.)	4.8	4.7	4.7	6.1	7.7
P/E (x)	46.0	47.0	47.1	36.0	28.6
P/B (x)	9.7	5.8	5.3	4.7	4.1
EV/EBIDTA (x)	27.1	26.3	25.2	19.5	16.0
RoNW (%)	23.2	15.7	11.7	13.8	15.3
RoCE (%)	24.7	17.8	14.1	16.7	19.1

Source: Company; Mirae Asset Sharekhan estimates

VIEWPOINT

Result Update - Q3FY2026

SECTOR

Consumer Goods

COMPANY DETAILS

Market cap:	Rs. 6,743 cr
52-week high/low:	Rs. 355/209
NSE volume: (No of shares)	3.2 lakh
BSE code:	543253
NSE code:	BECTORFOOD
Free float: (No of shares)	15.6 cr

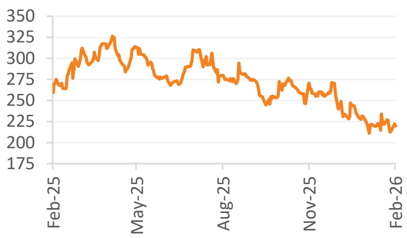
Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	49.0
FII	13.4
DII	23.6
Others	14.0

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	-0.7	-18.9	-21.6	-15.4
Relative to Sensex	-1.3	-17.8	-24.6	-25.6

Source: Mirae Asset Sharekhan Research, Bloomberg

Concall highlights

- **Biscuits**
  - Segment performed well during Diwali with its gifting portfolio growing 20% driven by the introduction and scaling up of Golden Bites, Fruit and Nut, and Pista Almond Cookies.
  - MBFSL successfully collaborated with Blinkit during Christmas where in its flagship Danish Butter Cookie tins penetrated over 3 lakh households and generated brand goodwill.
  - To compete in domestic biscuits, MBFSL plans deeper penetration within 400km of its Punjab and Indore plants, investing in distribution, and launching differentiated premium products.
  - Significant spike in commodity prices, including palm oil, in late 2024, negatively impacted domestic biscuit profitability and margins.
  - In FY27, biscuit exports are expected to deliver mid-high teens growth driven by new trade agreements and product capabilities, while the domestic biscuit business aims for low teens growth with sequential improvement expected as GST impacts turn positive.
- **Bakery**
  - Expanded English Oven brand in Hyderabad, marking a strategic entry into a key growth region.
  - Quick commerce (q-com) is a competitive platform, but MBFSL has an early start and a strong share, with English Oven contributing 33-34% of revenues and doubling its contribution over the last 12 months.
  - It launched Aloo Kulcha and Truly clean Natur-Baked- Italian sourdough bread.
  - MBFSL will focus on scaling up its ready-to-eat-desserts under the frozen range to enable English Oven to participate beyond breakfast and snacking. The company has new key launches in pipeline for the coming quarters.
  - English Oven to continue its robust, high-teens growth trajectory, with plans to add one or two more cities in FY27 and achieve pan India presence within two years.
- Exports and Bakery B2B together contribute 45-47% of total revenue.
- MBFSL did not benefit from lower raw material prices in Q3FY26 due to hedging until March.
- Suspended export incentives hit overall revenues by ~1%. To offset the impact of suspended export incentives, MBFSL plans to import duty-free raw materials for its exports. The optimization of these raw material imports is expected to take four to five months.
- Management indicated that GST 2.0 reforms led to transitional inventory impact, but the company passed on full benefits to consumers through MRP reductions and increased grammages, enhancing value for consumers.
- Reduction in punitive tariffs from 50% to 18% in the proposed India-US trade agreement would enable MBFSL to regain momentum, strengthen exports, and add significant value to the business.
- **Capacity addition**
  - Kolkata plant was commissioned in January 2026, marking MBFSL's entry in the east.
  - Khopoli plant, targeted for commissioning in the next few months, will have a capacity of ~132,000 breads per day and 1 million buns per day, with asset turnover expected to reach 2x-2.5x in two to three years.
  - MBFSL is investing in an expanded new plant in Bangalore in FY27 to address capacity constraints and service new customers in the South.
  - These capacity additions would aid in strengthening market presence, improve supply chain efficiencies and support sustained growth through deeper regional penetration.

Results (Consolidated) Rs cr

Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Net revenue	**533.3**	**492.1**	**8.4**	**551.4**	**-3.3**
Raw materials	293.3	270.3	8.5	307.8	-4.7
Employee costs	75.2	68.7	9.4	76.9	-2.3
Other expenditure	96.5	91.7	5.2	97.4	-0.9
Total expenditure	464.9	430.7	7.9	482.1	-3.6
Operating profit	**68.4**	**61.4**	**11.4**	**69.3**	**-1.3**
Other income	6.9	7.0	-0.7	6.6	4.8
Interest expenses	2.3	2.5	-8.9	3.3	-31.0
Depreciation	22.6	19.4	16.2	23.7	-4.8
Profit Before Tax	**50.5**	**46.5**	**8.6**	**48.9**	**3.3**
Tax	12.4	11.9	4.4	12.3	0.7
Reported PAT	**38.1**	**34.6**	**10.1**	**36.6**	**4.2**
Adjusted EPS (Rs)	6.2	5.6	10.1	6.0	4.2
			bps		**bps**
GPM (%)	45.0	45.1	-6	44.2	83
OPM (%)	12.8	12.5	35	12.6	26
NPM (%)	7.1	7.0	11	6.6	51
Tax rate (%)	24.6	25.6	-101	25.2	-64

Source: Company; Mirae Asset Sharekhan Research

Segment-wise revenue Rs cr

Particulars	Q3FY26	Q3FY25	Y-o-Y %	Q2FY26	Q-o-Q %
Biscuit segment	325.0	308.0	5.5	350	-7.1
Bakery segment	198.0	175.0	13.1	194	2.1
Others	10.0	9.1	9.7	7.4	34.8
Total revenue	**533.3**	**492.1**	**8.3**	**551.4**	**-3.3**

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Canara Robeco AMC Ltd.	4.34
2	Axis AMC Ltd.	3.49
3	SBI Funds Management Ltd.	3.26
4	Aditya Birla Sun Life AMC Ltd.	3.06
5	Invesco Asset Management India Pvt. Ltd.	2.55
6	Vanguard Group Inc.	2.08
7	Republic of Singapore	1.66
8	Emirate of Abhu Dhabi United Arab Emirates	1.52
9	PGIM India Asset Management Pvt. Ltd.	1.33
10	Prudential PLC	1.26

Source: Bloomberg

Key management personnel

Name	Designation
Ashish Agarwal	Chairman
Anoop Bector	Managing Director
Ishaan Bector	Whole Time Director
Manu Talwar	Chief Executive Officer
Atul Sud	Company Secretary and Compliance Officer

Source: Company Website

SOMIL RAMESH MEHTA
Digitally signed by SOMIL RAMESH MEHTA
Date: 2026.02.18 18:09:58 +05'30'

DISCLAIMER

This research report ("Report") has been issued by Sharekhan Limited ("**Mirae Asset Sharekhan**"), and is intended for use only by the person or entity to which it is addressed to. This Report may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited unless specifically permitted by Mirae Asset Sharekhan. This Report is subject to change without prior notice.

Recommendation in reports is based on technical and derivatives analysis and based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/ documents focused on technical and derivatives research and shall not apply to reports/ documents/ information focused on fundamental research.

This Report does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same without discrimination, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers only by virtue of their receiving this Report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavor to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("**Affiliates**") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This Report is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this Report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this Report should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this Report (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of, and/ or other individual analysts employed by Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this Report. The reports may reflect different assumptions, views and analytical methods of the analysts who prepared them. Mirae Asset Sharekhan may make investment or other decisions that are inconsistent with the opinions and views expressed in this Report. The views and opinions expressed in this Report may vary from or contradict with the report, views, estimates, rating, and target price if any provided/ issued by entity(ies) within or outside the group or other team(s) within Mirae Asset Sharekhan basis various factors including but not limited to rating criteria, valuation methodologies, assumptions, accounting methodologies, etc.

This Report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this Report accurately reflect his or her personal views about the subject company or companies and its or their securities. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan or their associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the Report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan and their associates have not served as officers, directors or employees of the subject company. The analyst and Mirae Asset Sharekhan or its associates may have managed or co-managed the public offerings of the company. Mirae Asset Sharekhan, or its associates, or analysts may have received compensation for investment banking, merchant banking, brokerage services or received compensation for products or services other than investment banking, merchant banking or brokerage services from the subject company or from a third party in the past twelve months in connection with the Report, or received any other compensation or benefits from the subject company or other third party in connection with this Report. Mirae Asset Sharekhan or its associates have not been debarred/ suspended by the Securities and Exchange Board of India ("**SEBI**") or any other regulatory authority for accessing/ dealing in securities market. Mirae Asset Sharekhan or its associates or research analyst or his/her relatives may have financial interest or any other material conflict of interest in the subject company of this research report at the time of publication of the research report or at the time of public appearance. Further, please note that Mirae Asset Sharekhan or its research analysts or their associate(s) have not used artificial intelligence tools in providing research services.

Either Mirae Asset Sharekhan or its Affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities of the subject company or related securities referred to in this Report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Mirae Asset Sharekhan and its Affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/ investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market is subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asia money Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges on www.sharekhan.com

Most Important Terms and Conditions (MITC) for MASK research services can be viewed on Sharekhan website under

https://www.sharekhan.com/MediaGalary/Common/MITC_Sharekhan.pdf

---

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address: Gigaplex IT Park, Unit No 1001, 10th Floor, Building No. 9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai – 400708. Tel: 022 61169000 / 61150000, Fax No. 61169699.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE – 748, NSE – 10733, MCX – 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200 / 022-61151111.