PRIVATE CLIENT GROUP | kotak Securities

Dated: 17th November 2025

Bector's Foods Specialties (BECTORS) - ADD

Q2FY26 Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.1233	**Rs.1400**

Rationale:

- Bector's continues to report strong growth in revenue in a tough operating environment.
- Led by distribution expansion in existing and new markets with broad-based growth across biscuits and bakery segment.
- Both Gross and EBIDTA margins were weak during the quarter.
- Focus of the management going forward is distribution expansion.
- Management intend to push volume growth while retaining profitability.
- We value the stock at 38x FY28E EPS to arrive at our TP of Rs 1400.Reiterate ADD.
- We expect earnings to grow 24.3% in FY27E and grow by 18.4% in FY28E.
- Stock is trading at 35.4x FY28E earnings.

Positives:

- Bectors aiming for double-digit volume growth (and pricing growth).
- Company has started construction of building in Khopoli, Mumbai.

Negatives:

- Growth may moderate in near term due to competition.
- Gross Margins were reported at 44.2% (-140 bps yoy).
- Company reported PAT of Rs 36.4 cr below our expectation of Rs 42 cr.

Holding Period: 12 Months

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	**Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
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NA	–	**Not Available or Not Applicable.** The information is not available for display or is not applicable
NM	–	**Not Meaningful.** The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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