MBFSL/CS/2026-27 **12th NOVEMBER, 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 – Q2 AND H1 FY2027 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 6th November, 2026 to discuss Q2 and H1 FY2027 results.

We Request you to kindly take the same on record.

Thanking You,

Yours faithfully,

For **Mrs. Bectors Food Specialities Limited**

ATUL SUD Digitally signed by ATUL SUD Date: 2026.11.12 16:53:18 +05'30'

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

"Mrs. Bectors Food Specialities Limited

Q2 and H1 FY2027 Earnings Conference Call"

November 06, 2026

MANAGEMENT: **MR. ANOOP BECTOR – 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 SPECIALTIES LIMITED
MR. SUVIR BECTOR – WHOLE TIME DIRECTOR – MRS. BECTORS FOOD SPECIALTIES 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 – MRS. BECTORS FOOD SPECIALITIES LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Mrs. Bectors Food Specialities Limited Q2 and H1 FY2027 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 the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note, this conference is being recorded.

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

Anoop Bector: Thank you so much, and good afternoon, everyone. On behalf of Mrs. Bectors Food Specialities Limited, I extend a very warm welcome to all participants on our quarter two and half year 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, Mr. Parveen Kumar Goel, Whole-Time Director, and Mr. Anshul Rastogi, our Chief Financial Officer.

We also have with us our Investor Relations Advisor from MUFG Intime. I hope everyone has had an opportunity to review our investor deck and press release, which have been uploaded on the Stock Exchanges as well on our company website.

On our last call, we had indicated that quarter two would carry a larger inflationary impact than quarter one, and that our endeavor would be to protect margins while continuing to invest behind growth. We are pleased to share that the quarter has delivered on both counts. The company reported revenue from operations of INR630.5 crores, our highest-ever quarterly revenue, a growth of 14.3% year-on-year, and 14.9% over the preceding quarter.

EBITDA at INR82.5 crores grew 19.1% year-on-year, with the EBITDA margin at 13.1%, an improvement of 50 basis points over quarter two of the financial year 2026, and held at the quarter one level despite a visible steeper cost environment. PAT grew 25.2% to INR45.7 crores. On a 24-month view, revenue is up 27%.

For the first half as a whole, revenue stood at INR1,179.3 crores, up 15.1%, while EBITDA grew 21.2% and PAT grew 25.4%. With profits growing meaningfully faster than revenue, sustaining this through two consecutive quarters of rising inflation, we believe the clearest evidence that the pricing discipline and cost culture we have built are now part of how company operates.

In Q2, our biscuit business, both domestic and exports, grew in the low teens, excluding agencies, while our bakery business sustained its strong momentum with high-teens growth. The quarter was more challenging than we had anticipating. A below-normal monsoon weighed on rural sentiment, while sharp food inflation squeezed household budgets. Despite this, domestic demand remained resilient, led by our premium and value-added portfolio, modern trade, quick commerce, and a continued recovery in the institutional business.

Barring a further escalation in the West Asia conflict or a sharper turn in food inflation, we remain optimistic about the second half, supported by the festive season, our innovation pipeline, and sustained brand investments. Internationally, shipping conditions became more difficult during the quarter. The West Asia situation sharply impacted vessel availability and freight rates,

adding to pressure on margins. Even so, exports continued to grow, and the U.S. market sustained its momentum.

Helped by new launches such as peanut butter crackers with leading retailers, we will continue our disciplined, calibrated approach, focusing on markets with structural profitability and high growth potential. Innovation remained central to our portfolio. English Oven entered the pav segment in Mumbai with Zero Maida Pav and added a peanut butter on-the-go brownie. NaturBaked launched pre-sliced whole wheat sourdough, and Cremica launched coconut cream. These premium launches improved our mix and support profitable growth.

We continue to invest in our brands. Cremica ran its School Shuru Back to School campaign on TV and on ground, ascended the “Crunch Khol, Sach Bol” campaign and held a Dal Lake activation in Kashmir. For festivals, we ran Rakhi campaign, and English Oven took part in Dahi Handi and Ganesh Chaturthi in Mumbai. Brand building remains a key investment.

Our new Kolkata and Khopoli bakeries units are scaling up well, strengthening our presence in East and the West. Mumbai remains a key market for English Oven, where we will lead with premium products. Before I turn to the numbers, a brief word on the operating environment. India's growth remains resilient with real GDP growth of 7.6% in the financial year 2026.

However, headline consumer inflation rose from around 4.4% in June to 5.5% in September 2026, the highest in nearly two years, driven by edible oils, sugar, and cereals. Crude oil at a multi-year high has also pushed up inflation, freight, and packaging cost. In Q2, our price increases and cost savings under Project IMPACT offset most, but not all, of this impact.

As a result, gross margin dipped from Q1, and our other expenses rose with higher freight and fuel costs. These pressures have continued into Q3, and we expect margins to remain under pressure in the near term. We will continue to take calibrated pricing and cost actions and expect recovery to build progressively as price increases annualize 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 INR630.5 crores versus INR551.4 crores in Q2 FY2026, thus registering a growth of 14.3% on a year-on-year basis and 14.9% on a sequential basis. EBITDA stood at INR82.5 crores, registering a growth of 19.1%. The EBITDA margin for the quarter stood at 13.1%, an expansion of 50 basis points over Q2 FY2026. PAT stood at INR45.7 crores for the quarter, registered a growth of 25.3% on a year-on-year basis. PAT margin for Q2 FY2027 stood at 7.3%, against 6.6% in Q2 FY2026.

Moving to the half-year performance, the consolidated revenues of H1 FY2027 stood at INR1,179.3 crores versus INR1,024.4 crores in H1 FY2026, registering a growth of 15.1% on a year-on-year basis. EBITDA stood at INR154.6 crores, registering a growth of 21.2%.

The EBITDA margin for the half year stood at 13.1% and an expansion of 70 basis points over H1 FY2026. PAT stood at INR84.5 crores for the half year, registering a growth of 25.4% on a year-on-year basis. PAT margins for H1 FY2027 stood at 7.2%, against 6.6% in H1 FY2026. With this, I request you to open the flow for questions and answers. Thank you so much.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Binay Shukla from PhillipCapital India. Please go ahead.

Binay Shukla: Hi, sir. Thanks for the opportunity. The question is on the biscuit category. Since domestic biscuit has been close to at parity, just wanted to understand how is the competition intensity in your lower North and Central India market? Given the core market for Parle is who's planning for the IPO, and also for Britannia is a key focus market. Just wanted to understand how is the competition intensity in the lower north and central India?

Manu Talwar: Yes, the intensity in the biscuit in the north part of India has been high, and rightfully, as you said, that likely are one of the large players going for IPO. Otherwise also, the large player intensity along with the regional players continues to be high. But I will take this opportunity on briefing on some of the strengthening of the foundations for the growth of the business.

As start of the year, we clearly said that we have brought more aggressive focus in the expansion of the distribution within 400 to 500 km of our Rajpura plant, right? I am happy to share that in terms of distribution expansion; we had taken a target of 40,000 build outlets of INR245 and above billing. We have moved well. We are added over 30,000 outlets already.

We are close to 345,000 outlets, which we have added in the defined geography. The distribution effort continues to be. We had taken our 40,000, and we were very clear we need to maximize addition in the H1, and we have added almost 30 out of 40,000. We are around 345,000 outlets there. That's on the distribution side.

Secondly, we have also added almost 10%-15% additional distributors to ramp up our kind of distribution effort. Thirdly, as we briefed you last time, we had launched some of our premium variety on the quick commerce. Just post my call, I'll take help of Suvir to elaborate on that, and there is a very aggressive plan to build that journey further to drive the premiumization.

Our domestic biscuit business has, on the biscuit side, done a low teens kind of growth, and we expect this journey to only build further and get to towards a mid-teens kind of growth. I would request, Suvir, if you can brief further on the premiumization, new launches, likely new launches.

Suvir Bector: Yes. Hi. On quick commerce, like we briefed before, we had launched shortbread as a new variety, which was with 25% butter and no palm oil. That has been a great success for us. We continue to drive growth on that particular product. On the health space, we had also launched a Zero Maida coconut biscuit. These two products are the two largest contributors on the quick commerce platform for our organization. That signals that customers were looking for a change within the space.

With the growth that we are getting from that segment, and particularly those categories, we are now about to launch three new products, which will be innovation on quick commerce. We are also launching two new seasonal collaborations, again, on quick commerce platforms, which we are planning to do at a national level for your Christmas celebrations.

Again, this is at a national level with one of the leading quick commerce platforms. The growth is going to be very aggressive for us, and what we've realized is that innovation and premiumization is a way to succeed in this channel. Hope that answers it.

Manu Talwar: Yes, Binay, , I will just comment that. I will take this opportunity as Q&A starts, on behalf of entire Bector senior leadership who is present, wishing you and all of you who are present on the call a very, very happy Dhanteras and Diwali festival, and to you and your families. We can Yes.

Binay Shukla: Yes. Happy Diwali to you and entire Bector team, sir. Just a second on the succession plan, sir, because there is a lot of charter about retirement plan, like your retirement plan. Can you give some clarification about how the succession plan is going to be there going forward?

Anoop Bector: I will take this. I mean, Mrs. Bectors has always looking at building the business stronger, and we are currently in the situation where our CFO has also just joined us, and we have also Hello?

Binay Shukla: Yes, sir.

Anoop Bector: Hello?

Binay Shukla: You are audible.

Anoop Bector: Am I audible? Yes, there was some disturbance. We are in the position of building up the organization, and what currently we have not yet taken a call on succession planning, but what we are now currently seeing is that there is enough intervention happening from the team which is currently available, and to drive the business very, very strongly.

Whenever there's a chance when Manu-Ji, the CEO position opens out, he will still be with the company for a long enough time as a support. Currently, we have not taken up anything on this, but we continue to build up our organization wherever we feel there's a need.

Manu Talwar: With the permission of Managing Director, I will just add one more thing. You see, we have two large verticals of business. We have bakery, which is English Oven, and then B2B side, and we have, on the biscuit, we have exports, and we have Indian Cremica biscuit business, right.

So, in terms of leadership, we have Ishaan Bector, who leads the bakery side, both English Oven and the bakery. On the biscuit side, Suvir Bector was leading the international export business.

Whether English Oven or export, we have seen a very remarkable growth over the past few years. The domestic biscuit business also now will be overseen by Suvir Bector, right.So, Suvir will now mentor both the export as well as this business. We kind of further strengthening the leadership for both the businesses, both the segments in the four businesses. And we have done it also over the past few months' time. And we have more to share with you in the next quarterly call.

Binay Shukla: Sure, sir. A last question from my end, sir. Just first thing, given the first half growth was close to 15% with EBITDA margin of 13.1%. So, just wanted to understand the second half or outflow from the revenue, as well as from EBITDA margin side.

Manu Talwar: On the growth side, I think our growth momentum will continue. We should end this year in a mid-teen kind of growth, right, for the full year. On the EBITDA margin side, again, as we briefed in the last quarter also, that although because of commodity volatility is very, very tough and challenging

As all of us know, but through our pricing effort and a cost effort, the IMPACT program, we have been able to manage, improve the EBITDA margins over past year and maintain it equal to quarter one. The target is absolutely similar in the quarter three, where the blunt of commodity impact is probably the steepest. But our aim is the same, that we maintain our EBITDA margins.

And for quarter four, rather, we are planning that we should be able to improve our EBITDA margin, as we said in the start of the year, and try and get closer to 13.5%, 14%. Although the situation had got tougher, but our aim remains the same.

Binay Shukla: Understood, sir. I have one more question, if moderator will allow, can I ask? That is on export business.

Moderator: Sir, should you have a follow-up question, please be kind with you.

Binay Shukla: Sure. Thank you.

Moderator: Next question is from the line of Harit Kapoor from Investec. Please go ahead.

Harit Kapoor: Yes. Hi, good afternoon, and congratulations on good numbers. Just two questions from my end. First was, if you know, same way that you explained the shape of biscuits growth, that it has been early teens on domestic. Could you just help us understand the shape of the breads growth also?

This 22% number is exceptionally strong. I understand that QSR has picked up, so insti business also would have done well. If you could just help us understand the shape of insti and retail business on breads both, how they have kind of shaped up, both quantitatively and qualitatively. That is my first question. Thank you.

Manu Talwar: Okay. On English Oven side, it has been a very, very robust growth, both in volume and value. Even the volumes have grown in mid-teens, and the value has grown in a very high teens, right, for English Oven. Institutional bakery, again, it has grown in volume in a mid to high teens, and so has value grown in mid to high teens in the quarter two over same period last year. Bakery, English Oven, I would say that has been on this momentum for last many years, five, six, seven years.

Even if I look at CAGR of English Oven, has been high teens for last five years' time. It continues that journey, and I would take a minute after finishing this. Yes, institutional bakery has kindly changed the trend in this financial year, and we see that progress to happen. On English Oven, as Harit, you asked, I would request Ishaan Bector to kind of elaborate little more.

Ishaan Bector: Harit, basically both, I would say, English Oven and institutional businesses have grown pretty much as par. I think what is working for us is distribution expansion that we are sort of doing.

Like I have always been saying, I think English Oven has a lot of room to grow, as we are still young in the market. The Q-com boom is also sort of helping us grow English Oven stronger. I think NaturBaked as a brand has picked up very well.

In fact, we are now doing about INR1 crores-INR1.5 crores a month with NaturBaked started as a new brand. Our frozen business, albeit small, again, Q-com driven, is showing very promising signs. I think from English Oven, it is a matter of distribution expansion in GT, though GT is under pressure from Q-com.

But we are, I would say, still weak as compared to our potential in GT. Q-com is rapidly growing, and also we are looking into categories, like I said, frozen, sourdough, which is going to be our next big bet. I don't think sourdough will really add in terms of value so much, as the market is still young, but it will create English Oven as a very future-ready organization in the bakery space. On the B2B front, I think things are looking very promising.

As far as we understand from all our partners, everyone seems very bullish on store expansion. Same-store growth is a matter I think they can comment on better as to sort of what the coming quarters will say. But what we see is that the number of stores, or let's say the value of sort of CapEx coming in to open new stores is not going down. So, which seems promising for the business.

Anoop Bector: And another thing is that, actually, our bakery business is double the size of institutional business as of now. So we are growing much faster in the bakery business than the institutional business.

Harit Kapoor: Great. The second question was on exports. So, it seems like this quarter has been slightly lower on the growth side because domestic seems to have done a little bit better. I just wanted to understand, after a strong pickup in quarter one, has there been any constraint this quarter?

Is it largely on account of the fact that freight has been a challenge or shipping product has been a challenge? And just in terms of relationships with customers, those remain intact. Just some flavor on why the growth has been a little lower this time, and how are you kind of thinking about it going forward?

Suvir Bector: Yes. Hi, Harit. Growth has sort of been intact, but yes, there has been a couple of challenges. One is due to the Middle East crisis, so our business towards the Middle East, although it was a small contributor, has been impacted. When you look at the freight, the freight had skyrocketed in the middle. Now they are showing a little signs of easing out. We had the orders in hand, but that ended up delaying the order cycles in terms of we were working on FOB booking.

The customers picking up the containers, there was a slight delay there. When you talk about the relationships with the customers, I think they are more stronger than ever before. We are regularly in touch. We are meeting our customers very regularly, whether it be at trade shows or visiting the local markets as well.

Our relationships are very strong, and we will continue to drive and build those relationships even further by adding new SKUs with a lot of our existing customers. Also, we have a focus on trying to add newer and newer customers. We have a pipeline. Our teams are working very

aggressively on them. It is just due to this crisis, I think, that the growth has tapered off a bit. We are actively working on building it as a very strong business for us.

Anoop Bector: Our outlook for the year still is in mid-teens for exports, right?

Suvir Bector: Yes, correct.

Harit Kapoor: Okay, that is very clear. And one short one, if I may, was just on pricing, at an overall level. I mean, even the first half, it seems like volume in both breads and biscuits has driven the growth. I just wanted to understand, could we see H2 having a higher pricing component, given the inflation on both the categories?

And in that context, could you see a slightly elevated revenue growth, versus maybe the mid-teen number that you are kind of looking at? Just some thoughts on that, and that is my last question. Thank you.

Anoop Bector: As of now, our forecast, it is still about mid-to-high teens kind of growth in H2. And because somewhat of price increase we took in Q2 towards the end of the quarter two, and there is only the partial one which is going to Q3 now. So as of now, mid-to-high teens is the forecast from our side, in terms of growth.

Harit Kapoor: Okay. Wish you all the best, and wish you a very happy Diwali as well. Thank you.

Anoop Bector: Thank you.

Suvir Bector: Thank you very much.

Moderator: Next question is from the line of Aachal Pal from Monarch Networth Capital Limited. Please go ahead.

Aachal Pal: Yes. Hi. Good afternoon, all. My question is related to last question. How much price increase was implemented during the quarter, and how much it is expected for the full year?

Anoop Bector: So in the quarter two, our price increase was approximately 3% on our over the Q1 quarter.

Aachal Pal: Okay. For the full year, how much we are expecting?

Anoop Bector: On a full year basis, it should be, say, around 5%-6% price increase, around six-ish, as of now.

Aachal Pal: Okay, got it. Sir, on the distribution front, I just wanted to understand how many retail outlets do we currently cover across biscuits and bakery business, and what is our target for expanding this reach over next two to three years?

Manu Talwar: I will start with bakery first. Bakery, first thing I just wanted to clarify one thing. The reach definition has changed a lot. Distribution is all about the reach, and we must all understand that especially in the bakery side, quick commerce has become the largest driver of the reach for the bakery products. Just to give you a perspective that

Every quarter, the contribution of quick commerce has been growing, and now contribution of organized trade in bakery segment is sitting at 43%-44% for the quarter two, right? And it has been rising quarter-on-quarter. Alongside, on the both the B2C businesses also, the contribution has been going up, and now the contribution quick commerce to both the B2C businesses, bakery and biscuit together, is sitting about 22%, right, as of now.

First is that, just to be clear that today, in today's time, there is a large driver of distribution is quick commerce, not only the general. Let me come on the general trade side. On the general trade side, as I said, some time back, that we had taken a target that our outlet over INR245 per outlet for the month.

We will add 40,000 more outlets, and we have already added 30,000 outlets in the quarter, right. And on the English Oven side also, over the last one year, we have added close to 12,000-13,000 outlets, right. And which is a very aggressive increase of almost 20%-22% in terms of outlet addition. Where do we want to reach? On a numeric region biscuit, as per AC Nielsen, we are almost 7 lakh outlets and above.

And bakery doesn't have that equivalent number on that side. We are around 45,000-50,000 outlets reach which we have. Where do we want to reach over by 2030? In a biscuit on the numeric reach, definitely we want to get closer to 900,000 to 1 million outlets. And on the bakery side, large part of that reach, again, I will say, is being driven by quick commerce.

We are opening new cities. As we opened Kolkata, we opened Hyderabad last year. Now, this year, our Khopoli plant has got commissioned. There will be lot of drive in terms of driving distribution in Maharashtra and adding large number of outlets there. Distribution will continue to remain a very high focus, and as the number that I shared with you are the reflection of that.

Aachal Pal: Okay, helpful, sir. A last question is on volume. What kind of volume we saw this quarter, and specifically in the domestic business?

Manu Talwar: On a domestic biscuit side in the quarter two, our volume growth was just about very low single-digit kind of number. It was around, sorry, it is about 4%-5% kind of growth, which was mid-single-digit kind of number on the domestic biscuit side.

Aachal Pal: Okay, understood. Thank you so much, and wishing you a happy Diwali to all.

Manu Talwar: Thank you.

Moderator: Next question is from the line of Sandeep from LKP Securities. Please go ahead.

Sandeep: Yes, thanks for taking my question. Congratulations on the good set of numbers. My first question is on the gross margin dip, which we have seen from 47.2% in Q1 to this quarter around 46%. Just wanted to have an idea about the breakup. Is it largely on the raw material side, or is it more on the packaging side?

Manu Talwar: It is both on the RM and PM side, right? Because we had seen a spike in the packaging costs also. Yes, there has been hike in the It is a mix of both, which is there. Basically, as the

commodity prices were going, our recovery to price was 1% short, which is showing to you in a 1% gap which has come versus Q1 to Q2 in our gross margins.

Sandeep: Okay, so this gross margin will continue around these levels during Q3 and Q4, or do we expect further downside?

Manu Talwar: We should be able to maintain at the current levels.

Sandeep: Okay. Your EBITDA margin guidance was last quarter around 14% at the exit of Q4 FY2027. Do you still maintain 14% EBITDA margin guidance moving forward to FY2028?

Manu Talwar: The guidance for definitely quarter four, we had given 14%, but we have seen a very unprecedented commodity growths in quarter one, and it is also in quarter two. Yes, that made the whole scenario very, very challenging. Good news is that we still improved our margin over last year, and we have been able to maintain margin in quarter two, also equivalent to quarter one, and that is the same objective for quarter three. As I said earlier, target is to move up from 13.1% to somewhere 13.5%, and maybe closer to 14% in quarter four, and we are targeting for the same.

Sandeep: Okay. Sir, my last question was on the price hikes which you are planning. These price hikes are largely coming in which of the categories, or what is the mix of your de-grammage cuts versus price hikes? How are you managing the current raw material pricing scenario? If you can just give me breakup on both bakery as well as on the biscuit side of the portfolio.

Manu Talwar: Okay. So biscuit side, as we know for us and industry, contribution in five and 10 category is almost 70% odd. So in this five and 10, there is no other way to recover your higher material cost other than de-grammage. So we have to do de-grammage, and that is what industry also does. So their large part of…

Sandeep: What would be the ballpark number for grammage cuts?

Manu Talwar: Ballpark number or what?

Sandeep: Grammage cuts in terms of percentage-wise, how much are you doing?

Manu Talwar: I do not have a ready number on this, but I would request Sanchar to get back to you on that number.

Sandeep: Okay.

Manu Talwar: As far as English Oven is concerned, the increase is passed through the price increase, the MRP increase in the bakery products by us and the industry both. So there, entirely goes towards an increase in the price.

Sandeep: Okay. Thank you so much. That is it from my side, and wishing everyone a happy Diwali, and thank you so much. Take care.

Manu Talwar: Thank you. Happy Diwali to you.

Moderator: Thank you. Next question is from the line of Amit Purohit from Elara. Please go ahead.

Amit Purohit: Hi, sir. Thank you for the opportunity. Sir, just on this bakery side, which you highlighted quick commerce as a larger dominance, how is the margins in this segment, especially on the quick commerce? Does that mean that over a, say, medium-term period, the overall margins of bakery could be better because of quick commerce, or it is margin neutral in that case?

Manu Talwar: Ishaan, would you like to take it?

Ishaan Bector: Yes, for us, margins are better in Q-com because of efficiency that comes in. I think our biggest cost is cost of replacement, which we sell in the market and comes back. I think Q-com as a channel is able to plan procurement far better using technology. So I think that inefficiency brings in a lot of benefit to us.

And I think also from a freight perspective, it is better. So, as of now, Q-com is better in terms of, higher in terms of margins. But I don't know going forward how that would be, because we continue to invest also very actively behind our brand. And I think that is also helping us grow the brand bigger in Q-com.

Amit Purohit: Sure. Over a medium term, given this scenario and the capacity, bakery business can continue to grow at 20% plus, right?

Ishaan Bector: See, I think capacity will We will have to sort of focus on both outsourcing and creating capacity in-house as well, primarily because we are a B2B and a B2C company. What we have seen is, via third party, we prefer to not have our core products being outsourced primarily on terms of quality control. I think in Mumbai, we should be good to continue to grow strongly for a couple of years.

But there would be where we certain pockets, like I would say Punjab could be a place where we might have to add capacities in the future. So, I think that is, we will have to do a mix of outsourcing as well as capacity expansion to continue to grow at 20%. Because you must understand, bakery is a very regional business, right. So, if you are doing well in one market, having capacity in another market is not really going to help you.

Amit Purohit: Sure. Sir, just on the biscuit, you indicated volume growth of under close to about mid-single digits for this quarter. So, the price increase, is it a fair assumption of taking 7%-8% kind of a price increase, and you are saying much more, some more price increase is yet to be taken, right? That is how it is, right?

Manu Talwar: Yes, there will be, Amit, some price increase being taken in October month. Definitely, because the kind of spike we had in commodities. So we will have some, most of the price increase coming in October, and maybe some partially in November.

Amit Purohit: And you think that the demand environment is still okay, and your initiatives on distribution and all, that will ensure that the growth momentum in the biscuit part, the domestic will continue, and export will come back as because of the deferment of shipments?

Manu Talwar: Correct.

Amit Purohit: Sure, sure. Thank you. Thanks a lot. And lastly, sorry, I missed one. On the medium term, that 14%-15% EBITDA margin guidance should hold good, right? Next year or maybe year after that. That's the…

Manu Talwar: Yes. That remains.

Amit Purohit: Thank you, sir. Thank you. All the best, sir. And happy Diwali.

Manu Talwar: Thank you.

Moderator: Thank you. Next question is from the line of Saurabh from Sameeksha Capital. Please go ahead.

Saurabh: Yes, hi. Thanks for the opportunity. First of all, my question was, I just wanted to understand the geographic expansion dynamics which we have in place. Predominantly, we are present in the north, but if we plan to expand in, say, other regions, we just have a new plant in Khopoli. What is the mix that we are targeting in the near or mid-term based on revenue contribution, geographic-wise, if we talk of the domestic markets?

Manu Talwar: So, I think you're asking relating to English Oven?

Saurabh: Yes, yes, correct.

Manu Talwar: Right? Yes, yes. I'll request Ishaan to take that.

Ishaan Bector: Sorry, I just lost your voice for a second. Can you say again, please?

Saurabh: I just wanted to know from a Hello?

Ishaan Bector: Yes, yes.

Saurabh: From a geographic expansion point of view, what contribution mix we are planning in the mid-term to, say, near-term, in terms of revenue coming from the west or revenue coming from the north, given we are trying to expand into other regions?

Ishaan Bector: See, north, like I said, Punjab is also a very big market. We have just started another partner unit in Lucknow, right Again, so that again I'm considering to be north. I think between north and rest of the country, it will still be about 75-25 or 80-20. It will continue like that because even in north, right now, we were, let's say, sending product from Delhi into Lucknow.

Now we have a partner unit in Lucknow, which is going to grow further markets into that area. I would see a lot of growth continuously coming from the north, and obviously north has a higher base. I would assume still it should be around 80-20 in the future.

Saurabh: And then secondly, that helps. Secondly, on the pricing point of view, if I say, we see a lot of inflationary pressure which is building up, and also our English Oven brand is slightly on a premium side. What I've seen at the ground level is that people usually trend to down trade when

it comes to consumption of bread or other products. We have peers like Britannia or other local manufacturers. Do we see the impact of this on our volume demand per se?

Ishaan Bector: No. We are definitely a premium player, but I think with times changing, I think we ourselves are also adapting. Today, English Oven has products which are at the INR10 price point, INR20 price point, INR25, INR30, and then you get into the more premium varieties which are sitting at INR60 bucks, INR70 bucks, and then the sourdoughs that sort of come in.

So, wherever our trade channel needs support in terms of the right SKU and mix of products, we are providing that. I think that has changed over the past few years, that wherever support is required, like with Q-com, I think what we are seeing is a lot of premium product is moving into Q-com, right? So, to support GT, we are being very conscious of providing that value product as well.

Saurabh: Perfect. Just one last question. From a margin point of view, as already I talked of inflation, and given the expansion which we are planning, a lot of ad spend needs to be done across. Do you think the current ad spend which we are doing, the same level is expected to sustain over time?

Because if you plan to increase on the marketing side, I guess there would be some pressure on the EBITDA margin. Do you think the 14%-15% target remains sustainable over time, given the inflationary and the expansion plans which we have in place?

Manu Talwar: So, I think the 14%-15% EBITDA very much remains as our target to get there, right? The first milestone is always 14% and then move it to 15. So, I think we are very firm and committed as per our plan that we need to move to those EBITDA percentage levels over the next coming years.

Saurabh: Perfect. Okay. Thank you,. And happy Diwali. happy Dhanteras to you and your team. Thanks.

Manu Talwar: Happy Diwali. Thank you.

Moderator: Next question is from the line of Navin from iThought PMS. Please go ahead.

Navin: Yes, am I audible? Hello?

Moderator: Yes, you are.

Navin: Yes, yes. Congratulations on a set of great numbers, sir. I just want to understand one question. It is more of an extension of a previous participant regarding the pricing in the bakery segment. My understanding is that over the years, the perception of English Oven brands are slightly premium, and we have added recently to our bakery portfolio on the B2C side on the premium end as well.

Just want to understand how you have seen pricing as a lever in this market across maybe the last decade and a half. How easy was it or has it been for you guys to raise prices before, and if it has become any easier?

Let us just say maybe if you can recount one or two episodes from the past where inflation has been very high, how you have seen price hikes play out and how you expect it to play out, considering you are seeing inflation go up in commodities?

Anoop Bector: While price inflation is very unfortunate, it hits everyone. There are no random price rises which are taken. Price rises are taken for any of our businesses very carefully, very thoughtfully, and minimal, right? So that it does not impact our customer. In fact, being in a food processing manufacturer, we are able to give better efficiencies to a customer.

I mean, if relatively they see how the inflation is hitting the kitchen and how the inflation is going to hit the bread and biscuits, it is always going to be lower because we bring in a lot of efficiencies to the system. Effectively, we have been taking price rises during extreme situations, and that is a moment when customer is already adapted itself and understands that this has happened, and moreover, the complete trade is also aligned towards it. Everybody understands it.

We really don't face such difficulties which are there on demand or anything like that on price rise.

Navin: Oh.

Anoop Bector: Yes.

Navin: My small follow-up with my first question would be, is it right to interpret the statement as we take price hikes whenever we see inflation, but when inflation goes down, we don't necessarily need to pass everything back to the-

Anoop Bector: Inflation, if you look at trends, inflation, Yes. In the case, I mean, no. In case there are, like when the GST reduction happened, we passed down the benefit, right? When there was inflation, we decreased our pack sizes, we increased our prices. But as and as the GST came in, we promptly gave back to the customer. It is something which you can't

Our pricing is very carefully taken, depending on the pricing of the raw materials. It is not that if there is a reduction of price, we will not give back. I mean, if there's a reduction of raw material, you have to adapt back and give some offers, give something else to the customer, back to the customer.

Navin: Got it, sir. My next and final question would be regarding our new product portfolio in the bakery segment itself and quick commerce. Sir just mentioned earlier in the call regarding how the returns are better with respect to quick commerce. Is my understanding right that the margins in quick commerce are actually better than GT?

Anoop Bector: Exactly. Yes.

Navin: Second part to that question would be, would that help us be a little more aggressive in terms of what kind of innovation we can do and what kind of premiumization we can do on that channel?

Anoop Bector: I will quickly answer the first part, and then Ishaan will take over. Our margins are better in quick commerce. Our marketing investments are much higher in quick commerce versus the general trade channel. In terms of premiumization, new product, I would request Ishaan to take it up.

Ishaan Bector: On premiumization, like I said, we have already been doing a lot, right? We launched NaturBaked, which is again, like a clean label brand. We have gotten into frozen, and all of our products are over INR100 in the frozen category. We have launched sourdough. Definitely that premiumization journey is happening, and I think with Q-com being there, I think what works for us is that we have a strong market share, right?

What works is, it is the best place to grow premiumization today, right? I think we have an immense opportunity to expand premiumization in the coming years, as long as we stay relevant and continue to grow with Q-com. We will definitely see that premiumization journey coming in from there.

Navin: A small follow-up. Is there any product in the pipeline you can just maybe highlight or anything you aspire to do on quick commerce? Anything at all?

Ishaan Bector: I think we have our hands full. We have NaturBaked, we have sourdough, and we have frozen. It is three things that we are working on simultaneously. I think what you will get to see is product introductions in these, because like I said, our product, we have just entered, right? In frozen, we are just doing four or five SKUs in terms of frozen products, right?

How can we expand that range? I think from a bakery perspective, I would say probably what you have when you go to a good bakery in a metro city, you can today, industry can bring out those kind of product experiences through Q-com as well, right?

I think premiumization, on one side we used to think is that selling a multigrain bread is premiumization, which it is, but today you can go beyond that, right. Just from that perspective.

Navin: Yes. Thanks a lot, sir. Hope you have an amazing festive season ahead and obviously a great year ahead. Thank you.

Moderator: Thank you. Next question is from the line of Yash from Edelweiss Public Alternatives. Please go ahead.

Yash: Hi, team. Thank you for taking my question. Just two quick questions. First on bakery, like you said, quick commerce has been good for us. I wanted to understand, like right now everyone in the industry is trying to focus a lot on bakery, and also some new players are entering into the space.

Have you seen any impact of that competitiveness on our numbers or the growth? Or how should we see this competition going on our numbers or maybe growth of the business?

Ishaan Bector: No, I think competition has been aggressive even in the past. Yes, I would say we are definitely seeing startups coming into Q-com because it helps solve a distribution problem. But let's say NaturBaked was a response to competition coming in and offering cleaner label products, right?

I think as long as we are able to adapt, as long as we are able to innovate, I don't see a challenge there. I think the equal fight is constantly there in general trade where we are also doing a lot of hard work.

As in fact, I feel like a lot more hard work happens in general trade. That's where we don't see new players coming in. That's where the sort of legacy players are more fighting for market share. But on the Q-com bit, I think as long as the organization is willing to adapt, to innovate, I think which is what I have been talking about, right, with frozen, with sourdough, with NaturBaked, I think we can fight out the newer players, so.

Yash: Makes sense. And second, on the biscuit side, like now in the domestic biscuit, the price parity is somewhere or the other there. So I want to understand, like how to see this 5%-6% volume growth going ahead, or maybe end of the quarter, how it has been when the price parity was there in the market. So how should we see the volume growth going ahead in the H2?

Manu Talwar: So, okay. There is almost a price parity now, right? Our prices are fairly close to the best of the competition. In terms of volume growth, we will be around close to 5%. Objective is to keep growing this to a high single digit and get close to double digit.

That is a journey we are on, and that is why investing both in brands, distribution aggressively, and also on premiumization. Yes. So objective is that this 4%-5% volume growth should get to a high single digit and then cross over to double digit over the next few quarters.

Yash: Got it. Sir, but just my question was more from a sense of now we have seen price parity, so any early signals of that high single digit already coming in into the picture for the biscuit business?

Manu Talwar: Sorry, I didn't get you. Would you just repeat it?

Yash: No, what I am saying is basically mid of the quarter or maybe end of the quarter, we were already seeing some pricing parity in the biscuit side. Have we also seen then the volume growth coming back into the picture of high single digit, what we are estimating going ahead?

Manu Talwar: It is a volume parity. Price parity has been there. It is only the price increase which is coming in now again in Q2 and Q3 because of commodity price increase, right. The volume increase largely is led by the distribution expansion, right. That is a key driver of the volume growth, which is expanding distribution and throughput per outlet.

Our focus is also on our bigger outlet, which we call Cremica Preferred Outlet, and they contribute as of now 13%-14%, and we want to take it to 20%. These are the two key drivers of volume growth. There we are aggressively working and investing behind, and we will keep moving up the volume growth, as I told you, from 5% towards the high single digit.

Yash: Thanks a lot. That is all from my end. Happy Diwali and happy Dussehra to the team.

Manu Talwar: Thank you. Happy Diwali.

Moderator: Thank you. Due to interest of time, that will be the last question for today. I now hand the conference over to the management for closing comments.

Manu Talwar: Thank you, everyone, for joining us. I wish everyone a very happy Diwali and a happy New Year. 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 Partner. Thank you so much.

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