

Business Updates

- The current quarter saw signing of a brand ambassador for the first time in the history of the company with Kareena Kapoor being roped in

Participants

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QnA

- There has been no price increase in H1FY24 in either the biscuits or bakery business
- The outsourcing business as a percentage of total revenue is not growing and the focus is not on expanding the contract manufacturing business which the company is currently doing only for Mondelez
- There has been investment in two lines at Rajpura, which got commissioned, in current quarter. In Indore the biscuit plant will get commissioned in FY25. On the bakery side investments have happened in NCR and capacity will commission in Q3FY24
- The bakery plant in Khopoli will get commissioned in FY25
- The growth is being led by deeper distribution and the management is backing it up with higher marketing spends
- The export business too is growing well not only with existing customers but also with newer customers
- The ad spends in H1FY24 were around 8% of sales for the B2C business and focus is to increase the ATL spends more
- The endeavor is to maintain EBITDA margins between a range of 14-15% and try and keep it consistently at this number
- There has been a reclassification of some other expenses which are now shown under employee expenses so there is a shift between these expenditures
- The aspiration is to consistently achieve growth in the mid teens for the coming few years
- The aspiration will be to continue to keep gaining market share which currently stands at around 4.4% and has increased from 4.1%
- The large part of distribution expansion is happening in the regions below NCR more towards central part of India with increasing the number of districts and towns

- On the QSR front growth has been lower than what was expected but this should be transitory and the customers are bullish on store expansion front and the QSR ecosystem over the long term should continue to become bigger
- This year has been the first year of working with Walmart which is the largest retailer in America with a store count of over 5000 and talks are ongoing with them to establish a much stronger partnership with them for the years to come
- 70% of growth is coming from existing outlets which existed before March 2023 and balance growth is coming from the newer outlets
- As of now the distribution is mostly urban apart from Punjab and Himachal where distribution is evenly spread between rural and urban. As distribution deepens the focus will be to enter semi urban and rural markets as well
- Not facing any capacity constraint right now but investments are being done for the growth in the future coming over the years
- The capex will be funded via debt and equity in ratio of 65:35 in terms of any new investment that is happening
- There would be further analytics which will be built on the recently installed distribution management system and based on findings will take further course of action