

Cremica Food Industries Ltd

Overview/Executive summary

- Founded in 1978 by Mrs. Rajni Bector, Cremica Food Industries (Cremica) is a leading Indian condiments player with over 85 SKUs across mayonnaise, ketchups, spreads, and sauces, holding the position of the largest manufacturer of small portion packs in India.
- **Broad Product Portfolio:** Offers 85+ SKUs across 8 categories including Mayonnaise, Tomato Ketchup, Specialty/Hot Sauces, Indian Chutneys, Salad Dressings, Jam/Crushes, Syrups, and Opera Potato Chips. It is the largest manufacturer of small portion packs in India.
- **The company maintains long-standing B2B partnerships** - including a 29-year relationship with McDonald's. The company serves over 19,000 cafes and fast-food chains alongside a retail network of more than 550,000 outlets.
- **Has the right to use the Cremica brand across a wide range of products:** Part of the family settlement in 2012, Cremica Foods has the right to use the Cremica brand name for many products including sauces & condiments, except for Biscuits and bakery items. This allows the company to launch a broad range of products using the Cremica brand name.
- **Strong relationships with leading QSR brands on back of premium quality products**
 - Cremica Holds an estimated 70% wallet share in liquid condiments with McDonald's, 55% with Subway and ~40% estimated wallet share with KFC.
 - QSR players like KFC looking to expand their existing relationship with Cremica for Indian markets while expanding their relationship for export markets.
 - **Share of QSR segment to increase to 24% of revenues by FY29E from 19% in FY26.**
- **Retail to be another key growth driver for the company:** Cremica has a limited presence in the retail segment which accounted for 10% of FY26 revenues. *Contribution of retail to increase to 24% of revenue by FY29E from 10% currently as the company expands its retail & geographical footprint.*

Financial Summary

- **Improving revenue growth trajectory:** revenue from operations to register strong growth of *30.3% CAGR between FY26-FY28E driven by scale up in QSR (51.5% CAGR) and retail segments (86.0% CAGR).*
- **Improving EBITDA margins on back of premiumization and operating leverage:** *EBITDA margins to improve from 12.6% in FY26 to 15.2% by FY28E which will drive PAT CAGR of 89% between FY26-28E to 67.5 Cr.*
- **New initiatives to diversify revenue stream:** Focus on product and channel expansion by introducing new lines such as fruit crushes, bhujia, frozen patties, dry blends, pickles, and CSD alongside deeper retail entrenchment.
- **Significant discount to listed peers provides margin of safety:** *At an indicative post-money equity valuation of ~₹ 1,090 Cr Cremica is available at P/E multiples of 26.1x FY27E earnings as compared to peer group average of 59.2x FY27E.*

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Summary Financial Projections:

(₹ Cr)	FY27 (E)	FY28 (E)	FY29 (E)
INCOME			
Net Revenues	457	591	827
EXPENSES			
Total Expenses	396	501	695
Operating EBITDA	61	90	131
<i>EBITDA Margin (%)</i>	<i>13.3%</i>	<i>15.2%</i>	<i>15.9%</i>
Profit Before Tax (PBT)	54	88.9	133.7
Profit After Tax (PAT)	41.6	67.5	94.8
<i>PAT Margin (%)</i>	<i>9.1%</i>	<i>11.4%</i>	<i>11.5%</i>
Fully Diluted EPS (₹)	6.7	10.9	15.3
P/E Multiple (x)	26.1	16.1	11.5

Source: Industry sources, Company

Comparative valuations:

(FY2027E)	CMP ₹ #	EPS (₹)	BVPS (₹)	RoE (%)	P/E (x)	P/BV (x)
Cremica Food Industries	175	6.7	37.3	17.9%	26.1	4.7
Bikaji Foods	607	11.9	75.5	16.9%	50.9	8.1
CCL Products	1,113	37.9	206.5	19.8%	29.4	5.5
Gopal Snacks	283	6.3	43.9	15.2%	44.6	6.2
Mrs. Bector foods	268	5.6	46.0	12.5%	47.6	5.3
Prataap Snacks	1,175	9.5	302.2	3.2%	123.7	3.9
Average (ex of Cremica Foods)		14.3	134.8	13.5%	59.2	5.8

Source: Bloomberg, Industry sources, company. # Cremica prices are assumed at Rs. 175 (only for comparative analysis. Final prices may vary based on market conditions). All listed stocks prices as of 20.08.26.

Management Team

- **Mr. Akshay Bector (Managing Director & Chairman):** Engineering degree in industrial and production from Manipal University with 30+ years of experience in the food business; started career in 1987, founded and scaled CFIL, and established multiple strategic JVs including McDonald's, Quaker Oats, and EBI Foods UK.
- **Mrs. Geeta Bector (Whole Time Director):** Key promoter board member involved in the governance and strategic oversight of the company.
- **Mr. Sudhir Barik (Chief Financial Officer):** Finance professional with 31+ years of industry experience; previously worked in leadership positions across organizations including Relaxo, Intex, and BPL.
- **Mr. Vivek Kaushal (GM – Supply Chain):** Operations professional with 26+ years of industry experience, having spent 26 years dedicated to scaling Cremica's supply chain network.
- **Mr. Amit Sharma (GM):** Senior management executive with 22+ years of industry experience, having served 22 years at Cremica driving key corporate initiatives.

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Share Holding Summary:

Strategic Investors	
Promoter (Akshay Bector & family)	~90%
Public	~10%

Industry overview

- The Indian condiments market is projected to reach ₹72 Bn by FY28P growing at a 6.4% CAGR.
- The non-ketchup segment is expected to grow at a 9.0% CAGR (from ₹27 Bn in FY25 to ₹35 Bn in FY28E), achieving near parity with ketchup (₹36 Bn in FY28E). Within non-ketchup, mayonnaise segment is expected to grow at a 12% CAGR (From ₹10 Bn in FY25 to ₹14 Bn in FY28E).
- The distribution landscape is transitioning sharply; traditional retail is projected to decline from 70% in FY24 to 62% in FY30, while modern retail increases from 20% to 27%, and HoReCa & QSR moves from 8% to 9%.

About the Company:

- **Channel Mix:** HoReCa (70%), QSR (19%), Retail (10%), and Exports (1%) in FY26.
- Cremica Foods commands a 14% national market share in Mayonnaise (FY25), trailing Dr. Oetker (25%) and Veeba (20%).
- **High Brand Exposure:** Generates 500 million+ annual positive consumer touchpoints, driving zero-cost brand awareness.
- **Small Portion Packs (SPP) Leadership Volume Growth:** SPP sales volume increased from 350 million pieces in FY21 to 622 million pieces in FY25 at a 15.5% CAGR accounting for approximately 18% of overall company revenue, with over 90% of SPP sales originating from the ketchup segment.
- **Production Capacity:** Features a production capacity of 4 million pieces per day, delivering around 5 million kg of liquid condiments annually via SPPs.
- **Geographical Distribution of Revenues:** Concentrated primarily in Northern India (55%) and Western India (28%), with Southern India (10%), Eastern India (6%), and Exports (1%) forming the rest.
- **New products and Ketchup to drive growth:** As of FY2026 Mayo was the biggest contributor to revenues at 52% followed by Ketchup (19%), Sauces (22%) and Others (7%). Going forward Sauces, Syrups and Ketchup are going to be the key growth drivers while Mayo will grow at slower than company growth rate largely due to the high base effect.

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Consolidated Profit & Loss Statement

Particulars	FY24A	FY25A	FY26A
Rs. Cr.	Actuals	Actuals	Actuals
Total Net Revenue	309	345	331
<i>Growth yoy (%)</i>	-	11.7%	-3.9%
RM/PM Cost	165	185	156
Change in Inventories	-6.7	-8.4	-7.3
Gross Profit	151	168	183
<i>Gross Profit Margin</i>	48.8%	48.0%	54.0%
Employee Expenses	51.8	56.2	58.8
Distribution Costs	37.3	42.5	53.8
Marketing & Advertising	12.6	8.4	1.4
Other Expenses	28.4	30.9	26.9
EBITDA	20.6	30.0	41.6
<i>EBITDA Margin</i>	6.7%	8.7%	12.6%
Depreciation	10.2	9.7	9.1
Finance Cost	10.3	12.5	15.5
Other Income	14.9	4.5	8.8
Profit Before Tax	14.9	12.3	25.8
Tax Expenses	-1.4	4.1	6.9
Prior Period Expenses	-	-	-
Profit After Tax	16.3	8.2	18.9
<i>PAT Margin</i>	5.3%	2.4%	5.7%

Source: Company, industry sources

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Consolidated Balance Sheet

Particulars	FY24A	FY25A	FY26A
Rs. Cr	Actuals	Actuals	Actuals
Share Capital	7.3	7.3	8.0
Reserves and Surplus	101	109	132
Shareholders' Fund	108	116	140
Long-term borrowings	23	52	69
Short-term borrowings	61	65	67
Total Debt	84	116	137
Long-term provisions	4	4	4
Other non-current liabilities	11	13	13
Deferred tax liabilities	-	-	-
Other Non Current Liabilities	14	18	17
TOTAL SOURCES OF FUNDS	206	250	293
Tangible Assets	140	140	139
Intangible Assets	1	0	0
Capital work in progress	-	4	7
Total Fixed Assets	140	145	147
Goodwill on consolidation	3	3	3
Non-current investments	6	6	6
Deferred tax assets (net)	15	14	11
Long-term loans and advances	-	-	-
Other non-current assets	27	23	21
Non-current Assets	51	46	40
Inventories	46	64	96
Trade receivables	35	47	53
Cash and cash equivalents	1	2	1
Short-term loans and advances	0	-	-
Other current assets	32	29	48
Current Assets	114	142	197
Trade payables	82	66	73
Other current liabilities	16	16	17
Short-term provisions	1	1	1
Current Liabilities	99	83	91
Net Current Assets	15	59	106
TOTAL APPLICATION OF FUNDS	206	250	293

Source: Company, industry sources