

### Weak revenues, healthy margin; soft commentary!

- Trent's Q1FY26 revenues were weak for 4<sup>th</sup> quarter partly offset by healthy margins on lower opex. Standalone Q1FY26 Rev/GP/EBITDA/APAT grew by 20/17/37/24% YoY.
- Trent continues to deliver a compelling growth story, led by Westside and strong traction of Zudio. Its consistent execution, efficient supply chain, and curated merchandise highlight a strong competitive edge, while calibrated forays into adjacencies like Star provide optionality for future growth, positioning it as a long-term compounder. However, rising competition, consumption slowdown, cannibalization in key metros and expansion in Tier II and III cities is moderating growth. Rich valuations leave limited room to err.
- We maintain our estimates and factor Revenue/EBITDA/APAT CAGR of 24/30/27% over FY25-27E. Reiterate 'Accumulate' rating with unchanged SOTP-based TP of Rs 5,825 (75x FY27E standalone EPS, Zara at 20x EV/E and Star at 5x EV/S). Trent trades at ~46/37x FY26/27E standalone EV/E and 87/69x PE (adj. for Star / Zara).

### Operating performance weak.....

Trent's standalone Q1FY26 Rev/GP/EBITDA/APAT grew by 20/17/37/24% YoY. Revenue growth was below expectations for 3<sup>rd</sup> time in four quarters, impacted by the early onset of monsoons and geopolitics. L2L growth was in low single digits. Computed revenue/sqft was -13% YoY, a key negative.

### .....Costs mgmt. saves the day

Trent's GP margin (-100bps YoY on high base) declined for the 4<sup>th</sup> quarter, likely due to high base, adverse mix, higher discounts or provisions, but the impact was limited. Yet, EBITDA growth was strong at 37% YoY, aided by well-controlled employee costs (-7%) and moderate rent increases (+7%).

### Mgmt. commentary soft - 20-25% revenue growth new normal?

Mgmt. highlighted that its focus remains on expanding material reach and increasing its revenue share across key markets. Thus, as per mgmt. it is appropriate to compare revenue growth across comparable micro-markets rather than solely relying on comparative stores. As the company continues expanding into newer cities, particularly in tier 2/3 markets, many of which are still emerging in terms of adoption of fashion trends and density of consumption; it expects these markets to evolve over differing time horizons. Thus, revenue profile and growth trajectory of stores in newer markets may not be comparable to those in metro cities. In our view, mgmt. is pointing towards revenue growth may trail behind store/area additions. **We believe 20-25% revenue growth as a new normal, which on a higher base is still enticing but for high expectations and rich valuations. We estimate 24% Rev CAGR over FY25-27 (23% avg. area CAGR and 1% rev/sqft).**

#### Key Data

Nifty	24,650
Equity / FV	Rs 356mn / Rs 1
Market Cap	Rs 1,904bn
	USD 21.7bn
52-Week High/Low	Rs 8,345/ 4,605
Avg. Volume (no)	1,236,690
Bloom Code	TRENT IN

	Current	Previous
Rating	Accumulate	Accumulate
Target Price	5,825	5,825

#### Change in Estimates

(Rs.bn)	Current		Chg (%)/bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	208	257	(1.8)	(2.5)
EBITDA	38	47	6.8	0.9
EBITDA (%)	18.1	18.2	145	62
APAT	20	25	6.8	(0.2)
EPS (Rs)	57.3	71.7	6.8	(0.2)

#### Valuation (x)

	FY25A	FY26E	FY27E
P/E	120.9	93.5	74.7
EV/EBITDA	70.0	50.7	40.6
ROE (%)	30.4	30.3	29.7
RoACE (%)	22.7	23.2	23.6

#### Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	47,813	19.8	16.4
Total Expense	39,435	16.6	14.3
EBITDA	8,377	37.2	27.6
Depreciation	2,839	61.3	7.9
EBIT	5,539	27.4	40.8
Other Income	409	(11.4)	(57.9)
Interest	395	26.9	6.6
EBT	5,552	23.5	22.5
Tax	1,326	23.4	28.3
RPAT	4,226	23.5	20.8
APAT	4,226	23.5	20.8
		(bps)	(bps)
Gross Margin	45.1	(108)	252
EBITDA (%)	17.5	223	154
NPM (%)	8.8	27	32
Tax Rate (%)	23.9	(1)	109
EBIT (%)	11.6	70	201

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### Exhibit 1: Actual vs. Estimates

Particulars (Rs mn)	Actual	Estimate	Variance (%/bps)	Remarks
Revenue	47,813	47,901	(0.2)	EBITDA significantly higher led by lower opex especially employee costs and other expenses.
Gross Profit	21,587	20,920	3.2	
GP Margin (%)	45.1	43.7	148 bps	
EBITDA	8,377	7,267	15.3	
EBITDA Margin (%)	17.5	15.2	236 bps	
APAT	4,226	3,669	15.2	
APAT Margin (%)	8.8	7.7	118 bps	
AEPS (Rs)	11.9	10.3	15.2	

Source: Company, Dolat Capital

### Exhibit 2: Change in Estimates (Standalone)

Particulars (Rs mn)	FY26E			FY27E			Remarks
	Old	New	Chg.%/ bps	Old	New	Chg.%/ bps	
Revenue	2,11,334	2,07,588	(1.8)	2,63,291	2,56,672	(2.5)	Broadly maintain estimates. Lower revenues partly offset by lower cost
Gross Profit	91,028	92,709	1.8	1,14,261	1,13,545	(0.6)	
EBITDA	35,247	37,638	6.8	46,197	46,617	0.9	
APAT	19,079	20,375	6.8	25,534	25,474	(0.2)	
AEPS (Rs)	53.7	57.3	6.8	71.8	71.7	(0.2)	
<b>Margin (%)</b>							
GP Margin (%)	43.1	44.7	157 bps	43.4	44.2	84 bps	
EBITDA Margin (%)	16.7	18.1	144 bps	17.5	18.2	67 bps	
APAT Margin (%)	9.0	9.8	82 bps	9.7	9.9	23 bps	
<b>Operating KPIs</b>							
Stores (No)	1,221	1,206	(1.2)	1,398	1,375	(1.6)	
Area (Mn Sq ft)	16.1	16.0	(0.8)	18.6	18.3	(1.4)	
Avg Per Sq Ft (Rs)							
Revenue	14,418	14,231	(1.3)	15,172	14,964	(1.4)	
Gross Profit	6,210	6,356	2.3	6,584	6,620	0.5	
EBITDA	2,405	2,580	7.3	2,662	2,718	2.1	
Net Profit	1,302	1,397	7.3	1,471	1,485	1.0	

Source: Company, Dolat Capital

### Exhibit 3: Standalone Cash Flow Trend

Particulars (Rs Mn)	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
PBT	1,094	1,103	1,716	1,896	2,456	(658)	3,362	7,105	13,300	20,766
Adjustments	(117)	189	472	523	3,149	3,661	2,933	4,099	5,851	6,410
WC change	280	(336)	(668)	(1,356)	(1,112)	1,131	(4,020)	(2,707)	(2,725)	-5,579
Tax paid	(189)	(313)	(491)	(781)	(807)	(1)	(782)	(1,869)	(2,942)	-4,915
<b>OCF</b>	<b>1,068</b>	<b>643</b>	<b>1,028</b>	<b>282</b>	<b>3,686</b>	<b>4,133</b>	<b>1,492</b>	<b>6,628</b>	<b>13,484</b>	<b>16,683</b>
Capex*	(1,342)	(675)	(1,296)	(1,859)	(1,050)	(808)	(1,979)	(2,144)	(3,819)	(8,177)
Interest	294	(137)	(140)	(43)	(2,100)	(2,100)	(1,101)	(2,003)	(2,307)	(4,947)
Lease payment	-	-	-	-	(796)	(780)	(552)	(1,202)	(2,566)	(1,335)
<b>Subtotal</b>	<b>(1,048)</b>	<b>(812)</b>	<b>(1,435)</b>	<b>(1,901)</b>	<b>(3,946)</b>	<b>(3,687)</b>	<b>(3,632)</b>	<b>(5,349)</b>	<b>(8,692)</b>	<b>(4,459)</b>
<b>FCFE</b>	<b>20</b>	<b>(170)</b>	<b>(407)</b>	<b>(1,619)</b>	<b>(260)</b>	<b>446</b>	<b>(2,140)</b>	<b>1,279</b>	<b>4,792</b>	<b>2,224</b>

Source: Company, Dolat Capital \*Capex is net of asset sale

**Exhibit 4: Standalone Quarterly P&L**

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (%)	Chg QoQ (%)
<b>Net Sales</b>	<b>39,917</b>	<b>40,356</b>	<b>45,347</b>	<b>41,061</b>	<b>47,813</b>	<b>19.8</b>	<b>16.4</b>
COGS	21,464	22,521	25,074	23,557	26,226	22.2	11.3
<b>Gross Profit</b>	<b>18,454</b>	<b>17,834</b>	<b>20,274</b>	<b>17,504</b>	<b>21,587</b>	<b>17.0</b>	<b>23.3</b>
Employee cost	3,046	2,880	3,010	3,073	2,843	-6.7	-7.5
Rent	4,648	4,040	3,894	3,064	4,984	7.2	62.7
Other Expenses	4,654	4,508	4,993	4,804	5,383	15.7	12.1
<b>Total Opex</b>	<b>12,348</b>	<b>11,428</b>	<b>11,897</b>	<b>10,941</b>	<b>13,210</b>	<b>7.0</b>	<b>20.7</b>
<b>EBITDA</b>	<b>6,106</b>	<b>6,407</b>	<b>8,376</b>	<b>6,564</b>	<b>8,377</b>	<b>37.2</b>	<b>27.6</b>
D&A	1,759	1,915	2,393	2,631	2,839	61.3	7.9
<b>EBIT</b>	<b>4,346</b>	<b>4,492</b>	<b>5,983</b>	<b>3,933</b>	<b>5,539</b>	<b>27.4</b>	<b>40.8</b>
Finance Costs	312	324	363	371	395	26.9	6.6
Other Income	461	1,387	564	970	409	-11.4	-57.9
<b>PBT</b>	<b>4,496</b>	<b>5,554</b>	<b>6,184</b>	<b>4,533</b>	<b>5,552</b>	<b>23.5</b>	<b>22.5</b>
Tax	1,074	1,416	1,490	1,033	1,326	23.4	28.3
<b>APAT</b>	<b>3,422</b>	<b>4,138</b>	<b>4,694</b>	<b>3,499</b>	<b>4,226</b>	<b>23.5</b>	<b>20.8</b>

Source: Company, Dolat Capital

**Exhibit 5: Quarterly Margin Analysis**

As a % of Net Revenue	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (bps)	Chg QoQ (bps)
COGS	53.8	55.8	55.3	57.4	54.9	108	-252
<b>Gross Profit</b>	<b>46.2</b>	<b>44.2</b>	<b>44.7</b>	<b>42.6</b>	<b>45.1</b>	<b>-108</b>	<b>252</b>
Employee cost	7.6	7.1	6.6	7.5	5.9	-168	-154
Other Expenses	11.7	11.2	11.0	11.7	11.3	-40	-44
<b>Total Other Expenses</b>	<b>30.9</b>	<b>28.3</b>	<b>26.2</b>	<b>26.6</b>	<b>27.6</b>	<b>-331</b>	<b>98</b>
<b>EBITDA</b>	<b>15.3</b>	<b>15.9</b>	<b>18.5</b>	<b>16.0</b>	<b>17.5</b>	<b>223</b>	<b>154</b>
D&A	4.4	4.7	5.3	6.4	5.9	153	-47
<b>EBIT</b>	<b>10.9</b>	<b>11.1</b>	<b>13.2</b>	<b>9.6</b>	<b>11.6</b>	<b>70</b>	<b>201</b>
Finance Costs	0.8	0.8	0.8	0.9	0.8	5	-8
Other Income	1.2	3.4	1.2	2.4	0.9	-30	-151
<b>PBT</b>	<b>11.3</b>	<b>13.8</b>	<b>13.6</b>	<b>11.0</b>	<b>11.6</b>	<b>35</b>	<b>57</b>
Tax	2.7	3.5	3.3	2.5	2.8	8	26
EO (Expense)/Income	-	-	-	-	-	-	-
<b>RPAT</b>	<b>8.6</b>	<b>10.3</b>	<b>10.4</b>	<b>8.5</b>	<b>8.8</b>	<b>27</b>	<b>32</b>
<b>APAT</b>	<b>8.6</b>	<b>10.3</b>	<b>10.4</b>	<b>8.5</b>	<b>8.8</b>	<b>27</b>	<b>32</b>
Tax as % of PBT	23.9	25.5	24.1	22.8	23.9	-1	109

Source: Company, Dolat Capital

**Exhibit 6: Star Bazaar Key Operating Highlights**

Particulars	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26
No of cities	10	10	10	10	10	10	10	10	10
No of stores	65	65	67	66	72	74	74	78	77
Retail Area (Mn Sqft)	1.05	1.05	1.07	1.00	1.10	1.18	1.2	1.25	1.23
Area/store (Sqft)	16,154	16,154	15,970	15,152	15,278	15,946	15,946	16,026	16,006
Revenue/Sqft p.a. (Rs)	24,076	26,971	28,566	28,406	31,048	30,899	32,102	28,214	32,078
Revenue (Rs Mn)	6,320	7,080	7,570	7,350	8,150	8,980	9,470	8,570	8,690
LFL Growth (%)	31	29	24	24	22	14	10	2%	0%
Growth YoY %	34	29	26	30	29	27	27	17	7

Source: Company, Dolat Capital

## Exhibit 7: Key Operating Assumptions

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>No of Stores</b>										
Overall	132	189	245	307	433	566	777	1,013	1,206	1,375
- Westside	125	150	165	174	200	214	232	248	265	281
- Zudio	7	39	80	133	233	352	545	765	941	1,094
<b>Chg YoY (%)</b>										
Overall	23.4	43.2	29.6	25.3	41.0	30.7	37.3	30.4	19.1	14.0
- Westside	16.8	20.0	10.0	5.5	14.9	7.0	8.4	6.9	6.9	6.1
- Zudio	-	457.1	105.1	66.3	75.2	51.1	54.8	40.4	23.0	16.3
<b>Net Store Adds</b>										
Overall	25	57	56	62	126	133	211	236	193	169
- Westside	18	25	15	9	26	14	18	16	17	16
- Zudio	7	32	41	53	100	119	193	220	176	153
<b>Area Mn Sq Ft</b>										
Overall	2.2	2.8	3.4	3.9	5.1	6.2	9.5	13.2	16.0	18.3
- Westside	2.2	2.5	2.9	3.0	3.5	3.7	4.5	5.4	5.9	6.3
- Zudio	0.0	0.3	0.5	0.9	1.6	2.5	5.1	7.8	10.1	12.0
<b>Chg YoY (%)</b>										
Overall	19.3	25.0	22.1	14.7	31.2	21.0	53.4	38.9	21.0	14.8
- Westside	16.8	16.0	13.8	5.5	14.9	7.0	19.1	19.4	9.7	7.5
- Zudio	-	457.1	105.1	66.3	88.7	51.1	105.5	56.5	28.8	19.0
<b>Size/Store (Sq Ft)</b>										
Blended	16,917	14,767	13,908	12,735	11,850	10,970	12,260	13,031	13,244	13,329
- Westside	17,500	16,917	17,500	17,500	17,500	17,500	19,233	21,673	22,255	22,556
- Zudio	6,500	6,500	6,500	6,500	7,000	7,000	9,291	10,229	10,707	10,958
<b>Revenue (Rs Mn)</b>										
Overall	20,663	25,317	31,777	20,475	38,807	77,152	119,266	1,66,681	2,07,588	2,56,672
- Westside	19,680	23,026	26,710	16,380	28,601	42,997	52,615	61,559	67,722	75,519
- Zudio	1,440	2,040	5,070	4,095	10,207	34,155	66,651	1,05,122	1,39,867	1,81,153
<b>Chg YoY (%)</b>										
Overall	19.6	22.5	25.5	(35.6)	89.5	98.8	54.6	39.8	24.5	23.6
- Westside	20.0	17.0	16.0	(38.7)	74.6	50.3	22.4	17.4	10.0	11.5
- Zudio	22.0	41.7	148.5	(19.2)	149.2	234.6	95.1	57.3	33.1	29.5
<b>Revenue/Sq Ft (Rs)</b>										
Overall	10,066	10,078	10,253	5,597	8,585	13,607	15,160	14,686	14,231	14,964
- Westside	9,695	9,746	9,847	5,522	8,740	11,869	12,822	12,468	12,015	12,341
- Zudio		13,645	13,109	5,916	8,180	16,682	17,708	16,393	15,626	16,419
<b>Chg YoY (%)</b>										
Overall		0.1	1.7	(45.4)	53.4	58.5	11.6	(3.3)	(3.1)	5.1
- Westside		0.5	1.0	(43.9)	58.3	35.8	7.2	(2.0)	(3.6)	2.7
- Zudio		-	(3.9)	(54.9)	38.3	103.9	7.4	(8.5)	(4.7)	5.1

Source: Company, Dolat Capital

**Exhibit 8: Annual P&L Snapshot and Margin Analysis**

Particulars	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Revenues	20,663	25,317	31,777	20,475	38,807	77,152	119,266	1,66,681	2,07,588	2,56,672
COGS	9,587	12,323	16,037	10,296	19,009	42,156	65,407	92,615	1,14,879	1,43,127
Gross Profit	11,076	12,993	15,739	10,179	19,799	34,996	53,859	74,066	92,709	1,13,545
Employees cost	2,026	2,525	3,131	2,550	3,380	5,801	9,379	12,009	12,904	16,369
Other Expenses	7,037	8,103	6,976	5,591	10,084	18,003	25,210	34,605	42,167	50,559
EBITDA	2,014	2,365	5,632	2,038	6,335	11,193	19,269	27,452	37,638	46,617
D&A Exp	417	465	2,311	2,359	2,894	4,632	5,826	8,699	12,070	14,551
EBIT	1,596	1,901	3,321	(321)	3,441	6,561	13,443	18,754	25,568	32,066
Finance Costs	306	368	2,383	2,380	2,869	3,572	3,094	1,369	1,517	1,208
Other Income	426	363	1,518	2,042	2,790	4,117	3,509	3,382	3,177	3,336
PBT	1,716	1,896	2,455	(658)	3,362	7,105	13,859	20,767	27,228	34,194
Tax	549	643	909	(211)	734	1,559	3,148	5,014	6,853	8,719
APAT	1,167	1,253	1,546	(447)	2,628	5,546	10,711	15,752	20,375	25,474
<b>Common Size (%)</b>										
Revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
COGS	46.4	48.7	50.5	50.3	49.0	54.6	54.8	55.6	55.3	55.8
Gross Profit	53.6	51.3	49.5	49.7	51.0	45.4	45.2	44.4	44.7	44.2
Employees cost	9.8	10.0	9.9	12.5	8.7	7.5	7.9	7.2	6.2	6.4
Other Expenses	34.1	32.0	22.0	27.3	26.0	23.3	21.1	20.8	20.3	19.7
EBITDA	9.7	9.3	17.7	10.0	16.3	14.5	16.2	16.5	18.1	18.2
D&A Exp	2.0	1.8	7.3	11.5	7.5	6.0	4.9	5.2	5.8	5.7
EBIT	7.7	7.5	10.5	(1.6)	8.9	8.5	11.3	11.3	12.3	12.5
Finance Costs	1.5	1.5	7.5	11.6	7.4	4.6	2.6	0.8	0.7	0.5
Other Income	2.1	1.4	4.8	10.0	7.2	5.3	2.9	2.0	1.5	1.3
PBT	8.3	7.5	7.7	(3.2)	8.7	9.2	11.6	12.5	13.1	13.3
Tax	2.7	2.5	2.9	(1.0)	1.9	2.0	2.6	3.0	3.3	3.4
APAT	5.6	4.9	4.9	(2.2)	6.8	7.2	9.0	9.5	9.8	9.9
<b>Chg YoY (%)</b>										
Revenues	19.6	22.5	25.5	(35.6)	89.5	98.8	54.6	39.8	24.5	23.6
COGS	17.7	28.5	30.1	(35.8)	84.6	121.8	55.2	41.6	24.0	24.6
Gross Profit	21.3	17.3	21.1	(35.3)	94.5	76.8	53.9	37.5	25.2	22.5
Employees cost	22.0	24.6	24.0	(18.6)	32.5	71.6	61.7	28.0	7.5	26.9
Other Expenses	12.6	15.2	(13.9)	(19.9)	80.4	78.5	40.0	37.3	21.9	19.9
EBITDA	64.2	17.5	138.1	(63.8)	210.8	76.7	72.2	42.5	37.1	23.9
D&A Exp	10.9	11.4	397.4	2.1	22.7	60.0	25.8	49.3	38.8	20.5
EBIT	87.8	19.0	74.7	(109.7)	(1,173.3)	90.7	104.9	39.5	36.3	25.4
Finance Costs	(9.2)	20.3	548.3	(0.1)	20.6	24.5	(13.4)	(55.8)	10.8	(20.3)
Other Income	(27.9)	(14.7)	318.0	34.6	36.6	47.6	(14.8)	(3.6)	(6.1)	5.0
PBT	55.6	10.5	29.5	(126.8)	(610.9)	111.4	95.1	49.8	31.1	25.6
Tax	94.9	17.1	41.4	(123.2)	(447.4)	112.5	101.9	59.3	36.7	27.2
APAT	42.1	7.4	23.4	(128.9)	(688.2)	111.0	93.1	47.1	30.0	25.0

Source: Company, Dolat Capital

### Exhibit 9: Valuation Snapshot (Current)

Segment	Valuation Method	FY27E (Rs Mn)	Multiple (x)	Enterprise Equity Value (Rs Bn)	Value/ share (Rs)	Mix (%)
Standalone	PE	25,099	75.0	18,82,449	5,295	90.9
Zara*	EV/EBITDA	2,138	20.0	42,754	120	2.1
Star Bazaar**	EV/Sales	29,255	5.0	1,46,274	410	7.0
				<b>20,71,477</b>	<b>5,825</b>	<b>100.0</b>

Source: Dolat Capital \* We ascribe 15% Holdco discount to Zara since the operations are controlled by Inditex; \*\* Star Bazaar is valued at effective 50% stake it being JV

### Exhibit 10: Sensitivity of TP to P/E multiple of Standalone business

P/E Multiple (x)	TP (Rs.)
55	4,567
65	5,284
75	<b>5,825</b>
85	6,718
95	7,435

Source: Dolat Capital



## Financial Performance

### Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Revenue</b>	<b>119,266</b>	<b>166,681</b>	<b>207,588</b>	<b>256,672</b>
<b>Total Expense</b>	<b>99,996</b>	<b>139,229</b>	<b>169,950</b>	<b>210,055</b>
COGS	65,407	92,615	114,879	143,127
Employees Cost	9,379	12,009	12,904	16,369
Other expenses	25,210	34,605	42,167	50,559
<b>EBIDTA</b>	<b>19,269</b>	<b>27,452</b>	<b>37,638</b>	<b>46,617</b>
Depreciation	5,826	8,699	12,070	14,551
<b>EBIT</b>	<b>13,443</b>	<b>18,754</b>	<b>25,568</b>	<b>32,066</b>
Interest	3,094	1,369	1,517	1,208
Other Income	3,509	3,382	3,177	3,336
Exc. / E.O. items	3,648	0	0	0
<b>EBT</b>	<b>17,507</b>	<b>20,767</b>	<b>27,228</b>	<b>34,194</b>
Tax	3,149	5,014	6,853	8,719
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
<b>RPAT</b>	<b>14,358</b>	<b>15,752</b>	<b>20,375</b>	<b>25,474</b>
Adjustments	(3,648)	0	0	0
<b>APAT</b>	<b>10,710</b>	<b>15,752</b>	<b>20,375</b>	<b>25,474</b>

### Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
<b>Sources of Funds</b>				
Equity Capital	356	356	356	356
Minority Interest	0	0	0	0
Reserves & Surplus	44,116	58,789	75,088	95,468
<b>Net Worth</b>	<b>44,472</b>	<b>59,144</b>	<b>75,444</b>	<b>95,823</b>
Total Debt	19,042	24,952	25,154	25,158
Net Deferred Tax Liability	1,642	1,706	2,105	2,581
<b>Total Capital Employed</b>	<b>65,157</b>	<b>85,802</b>	<b>102,703</b>	<b>123,563</b>

### Applications of Funds

Net Block	<b>24,002</b>	<b>36,607</b>	<b>34,584</b>	<b>35,370</b>
CWIP	1,614	1,179	1,197	1,215
Investments	19,390	24,178	25,020	25,910
<b>Current Assets, Loans &amp; Advances</b>	<b>29,574</b>	<b>35,025</b>	<b>57,693</b>	<b>80,433</b>
Current Investments	0	0	0	0
Inventories	15,648	20,284	30,017	37,480
Receivables	0	0	0	0
Cash and Bank Balances	9,064	8,395	20,672	35,222
Loans and Advances	0	0	0	0
Other Current Assets	4,863	6,346	7,003	7,731
<b>Less: Current Liabilities &amp; Provisions</b>	<b>9,424</b>	<b>11,187</b>	<b>15,791</b>	<b>19,364</b>
Payables	7,523	9,299	13,761	17,183
Other Current Liabilities	1,902	1,888	2,029	2,181
<i>sub total</i>				
Net Current Assets	20,150	23,838	41,902	61,069
<b>Total Assets</b>	<b>65,157</b>	<b>85,802</b>	<b>102,703</b>	<b>123,563</b>

E – Estimates

**Important Ratios**

Particulars	FY24A	FY25A	FY26E	FY27E
<b>(A) Margins (%)</b>				
Gross Profit Margin	45.2	44.4	44.7	44.2
EBIDTA Margin	16.2	16.5	18.1	18.2
EBIT Margin	11.3	11.3	12.3	12.5
Tax rate	18.0	24.1	25.2	25.5
Net Profit Margin	12.0	9.5	9.8	9.9
<b>(B) As Percentage of Net Sales (%)</b>				
COGS	54.8	55.6	55.3	55.8
Employee	7.9	7.2	6.2	6.4
Other	21.1	20.8	20.3	19.7
<b>(C) Measure of Financial Status</b>				
Gross Debt / Equity	0.4	0.4	0.3	0.3
Interest Coverage	4.3	13.7	16.9	26.5
Inventory days	48	44	53	53
Debtors days	0	0	0	0
Average Cost of Debt	9.8	6.2	6.1	4.8
Payable days	23	20	24	24
Working Capital days	62	52	74	87
FA T/O	5.0	4.6	6.0	7.3
<b>(D) Measures of Investment</b>				
AEPS (Rs)	30.1	44.3	57.3	71.7
CEPS (Rs)	46.5	68.8	91.3	112.6
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	125.1	166.4	212.2	269.6
RoANW (%)	38.2	30.4	30.3	29.7
RoACE (%)	19.6	22.7	23.2	23.6
RoAIC (%)	21.3	28.1	32.1	37.6
<b>(E) Valuation Ratios</b>				
CMP (Rs)	5357	5357	5357	5357
Mcap (Rs Mn)	1,904,169	1,904,169	1,904,169	1,904,169
EV	1,914,147	1,920,725	1,908,651	1,894,105
MCap/ Sales	16.0	11.4	9.2	7.4
EV/Sales	16.0	11.5	9.2	7.4
P/E	177.8	120.9	93.5	74.7
EV/EBITDA	99.3	70.0	50.7	40.6
P/BV	42.8	32.2	25.2	19.9
Dividend Yield (%)	0.0	0.0	0.0	0.0
<b>(F) Growth Rate (%)</b>				
Revenue	54.6	39.8	24.5	23.6
EBITDA	72.2	42.5	37.1	23.9
EBIT	104.9	39.5	36.3	25.4
PBT	146.4	18.6	31.1	25.6
APAT	93.1	47.1	29.3	25.0
EPS	93.1	47.1	29.3	25.0

E – Estimates



## Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
<b>Profit before tax</b>	<b>13,859</b>	<b>20,767</b>	<b>27,228</b>	<b>34,194</b>
Depreciation & w.o.	5,826	8,699	12,070	14,551
Net Interest Exp	3,094	1,369	1,517	1,208
Direct taxes paid	(3,149)	(5,014)	(6,853)	(8,719)
Change in Working Capital	(1,855)	(4,357)	(5,787)	(4,617)
Non Cash	0	0	0	0
<b>(A) CF from Operating Activities</b>	<b>17,775</b>	<b>21,463</b>	<b>28,175</b>	<b>36,616</b>
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(9,823)	(15,795)	(9,079)	(14,767)
<b>Free Cash Flow</b>	<b>7,952</b>	<b>5,668</b>	<b>19,095</b>	<b>21,849</b>
(Inc.)/ Dec. in Investments	(1,525)	(4,723)	(444)	(414)
Other	0	0	0	0
<b>(B) CF from Investing Activities</b>	<b>(11,348)</b>	<b>(20,519)</b>	<b>(9,523)</b>	<b>(15,181)</b>
Issue of Equity/ Preference	2,962	(1,080)	(4,075)	(5,095)
Inc./(Dec.) in Debt	2,836	3,064	(454)	(387)
Interest exp net	(3,094)	(1,369)	(1,517)	(1,208)
Dividend Paid (Incl. Tax)	0	0	0	0
Other	(5,422)	(2,228)	(329)	(196)
<b>(C) CF from Financing</b>	<b>(2,717)</b>	<b>(1,613)</b>	<b>(6,375)</b>	<b>(6,886)</b>
Net Change in Cash	3,710	(668)	12,277	14,549
<b>Opening Cash balances</b>	<b>5,353</b>	<b>9,064</b>	<b>8,395</b>	<b>20,672</b>
<b>Closing Cash balances</b>	<b>9,064</b>	<b>8,395</b>	<b>20,672</b>	<b>35,222</b>

E – Estimates

## Notes

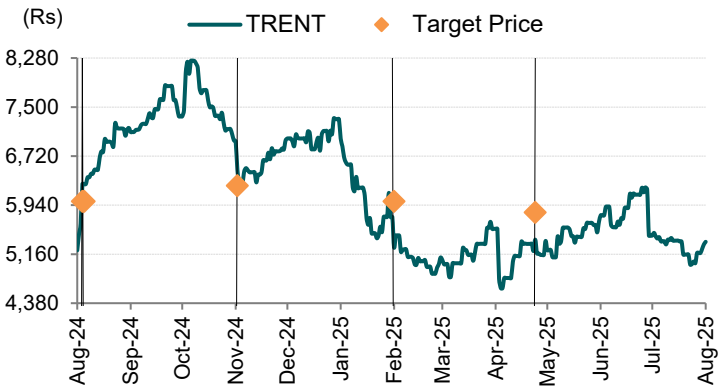
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(2)	3	3
Rel to NIFTY (%)	1	1	0

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	37.0	37.0	37.0
MF/Banks/FIs	15.3	17.2	18.5
FIIIs	21.7	19.7	18.4
Public / Others	26.0	26.1	26.1



Month	Rating	TP (Rs.)	Price (Rs.)
Aug-24	Reduce	6,000	6,275
Aug-24	Reduce	6,000	6,275
Nov-24	Reduce	6,250	6,506
Feb-25	Accumulate	6,000	5,268
Apr-25	Accumulate	5,825	5,392

\*Price as on recommendation date

Notes

### Dolat Rating Matrix

Total Return Expectation (12 Months)

<b>Buy</b>	<b>&gt; 20%</b>
<b>Accumulate</b>	<b>10 to 20%</b>
<b>Reduce</b>	<b>0 to 10%</b>
<b>Sell</b>	<b>&lt; 0%</b>

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