

Retail | Q1FY26 Result Update

CMP: Rs.204 | TP: Rs 185 | Downside 9%

Growth vs. profitability vs. valuations conundrum!

- Nykaa's Q1FY26 operating and financial performance was in-line and healthy. GMV/Revenues/GP/EBITDA grew by 26/23/27/46% YoY. PAT grew by 72% YoY on a low base. Yet, EBITDA was below estimate due to higher marketing expenses and APAT due to higher tax.
- The company is facing a challenge of managing rapid growth along with margin expansion (lack of Oplev/platform play), as multiple segments are under-investment mode (viz. fashion, superstore, GCCs etc), thereby limiting margin expansion. Core BPC margins, too, remain rangebound, restricting platform effect due to higher marketing costs for customer acquisition/retention and due to competition. Growth in Fashion continues to remain weak.
- We broadly maintain our FY26/27E estimates. Reiterate 'SELL' rating with revised TP of Rs 185 @ 4.5x FY27E EV/S (earlier Rs 183 @ 4.5x FY27E EV/S). At CMP, Nykaa trades at ~84/59x FY26/27E EV/E and 303/147x PE. Valuations remain extremely rich.

Beauty remains the growth engine; Fashion trails.....

Nykaa's Q1FY26 was healthy with GMV growth of 26% YoY (BPC/Fashion at 26/25%). Revenue grew by 23% (BPC/Fashion 24/15%). The Fashion segment's growth was modest due to ongoing challenges in customer sentiments, higher returns, margin management, etc.

Improving profitability, but yet trails high expectations

Gross profit rose 27% YoY (BPC/Fashion at 29%/15%) with a 132bps improvement in margins. Contribution grew 26% YoY, led by BPC (+29%), and Fashion at 14%. EBITDA rose 46% YoY, while PAT was +72% YoY. While revenue and GP were marginally better, EBITDA was in-line due to higher marketing investments, a key negative.

BPC steady, other segments resetting

The BPC segment maintained strong growth, despite challenging macros, with stable margins and strategic marketing investments focused on consumer acquisition and brand building. Fashion witnessed muted growth, as the company works on improving unit economics. Superstore by Nykaa continues to grow well but struggles with margins. Nykaa is facing a peculiar challenge of managing higher investor expectations on rich valuations in a long growth runway of BPC industry (but with intermittent bumps), whereas new businesses (Fashion, Superstore and GCC) pulls down profitability.

Key Data

Nifty	24,487
Equity / FV	Rs 2,859mn / Rs 1
Market Cap	Rs 583bn
	USD 6.7bn
52-Week High/Low	Rs 230/ 155
Avg. Volume (no)	8,092,150
Bloom Code	NYKAA IN

	Current	Previous
Rating	SELL	SELL
Target Price	185	183

Change in Estimates

(Rs.bn)	Current		Chg (%) /bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	98	120	1.2	1.5
EBITDA	7	10	(2.4)	1.0
EBITDA (%)	7.2	8.5	(26)	(4)
APAT	2	4	(8.5)	0.9
EPS (Rs)	0.7	1.4	(8.6)	0.8

Valuation (x)

	FY25A	FY26E	FY27E
P/E	791.7	303.2	146.8
EV/EBITDA	125.6	84.4	58.5
ROE (%)	5.7	13.8	23.5
RoACE (%)	4.7	8.3	14.3

Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	21,549	23.4	4.5
Total Expense	20,143	22.1	4.5
EBITDA	1,407	46.4	5.5
Depreciation	761	26.8	4.4
EBIT	645	79.0	6.8
Other Income	93	27.3	4.2
Interest	302	41.5	1.0
EBT	437	98.0	10.5
Tax	192	145.4	(6.1)
RPAT	245	71.8	28.5
APAT	245	71.8	28.5
		(bps)	(bps)
Gross Margin	44.6	132	53
EBITDA (%)	6.5	102	6
NPM (%)	1.1	32	21
Tax Rate (%)	44.0	851	(782)
EBIT (%)	3.0	93	6

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Exhibit 1: Actual vs. Estimates table

Particulars (Rs Mn)	Actual	Estimates	Variance (%)	Remarks
Revenue	21,549	21,709	(0.7)	Operating performance in-line. APAT below estimates due to higher tax.
GP	9,615	9,378	2.5	
GP %	44.6	43.2	143 bps	
EBITDA	1,407	1,416	(0.7)	
Margin %	6.5	6.5	1 bps	
PAT	245	287	(14.7)	

Source: Company, Dolat Capital

Exhibit 2: Change in estimates

Particulars (Rs mn)	FY26E			FY27E			Remarks
	Old	New	Chg %/bps	Old	New	Chg %/bps	
Revenue	97,092	98,229	1.2	1,17,790	1,19,583	1.5	Broadly maintain FY27E
GP	42,543	43,470	2.2	51,873	53,192	2.5	
EBITDA	7,210	7,035	(2.4)	10,018	10,122	1.0	
APAT	2,103	1,924	(8.5)	3,938	3,974	0.9	
AEPS	0.7	0.7	(8.5)	1.4	1.4	0.9	FTY26 EBITDA/APAT lower due to higher S&M spend
Margin %							
GP %	43.8	44.3	45	44.0	44.5	48	
EBITDA %	7.4	7.2	(24)	8.5	8.5	(4)	
APAT %	2.2	2.0	(21)	3.3	3.3	(2)	

Source: Company, Dolat Capital

Earning call KTAs

BPC

- Nykaa's twin objective has been to drive penetration and premiumization.
- Demand environment:** Nykaa management highlighted that we are in strange times and there is uncertainty wrt demand especially in the urban areas. Furthermore, competitive intensity has been high from multiple sources viz. Qcom and other horizontal and specialized beauty players. These have been the scenarios for past several quarters. In the above backdrop, Nykaa's performance has been healthy. Certain pressure shall ease as macros improve and / or competition shake out.
- High marketing, S&D expenses:** In above context, Nykaa's core BPC marketing, S&D spends had been higher YoY and QoQ due to a) lower base b) mix change viz. higher share of revenues from 'House of Nykaa' brands which have higher marketing spend c) higher brand building expenses and d) higher spend on customer acquisitions to drive penetration. The increase in marketing expenses hasn't been due to higher unit customer acquisition costs.
- Even **other expenses grew** in line with BPC revenue growth due to higher web and technology expenses. Oplev did payout in the other components of other expenses, viz. employee and administration costs but offset by higher tech costs.
- BPC margin profile:** The BPC segment comprises of four different sub-segments viz. Online, offline, Private label (House of Nykaa brands) and eB2B. The first three sub-segments remain profitable but with varying degrees. In this backdrop, it is difficult to provide exact margin improvement but shall keep improving modestly as maximum juice remains extracted in the segment.

Fashion

- Challenges in the fashion industry are short-term, with no long-term impact on consumer demand. Nykaa's growth has been moderate for the past few quarters as it focused on getting the unit economics right. With the same behind and as macros improve, it remains confident of growth revival. Mgmt. has thus maintained its guidance of EBITDA break-even in the fashion segment by the end of FY26.

Other highlights

- AOV growth in both the segments is driven by premiumization and mix rather than inflation which has been broadly flattish for past 5-6 quarters
- DOT & KEY strong growth is driven by the category play in which its operate and the market share gains. The EBITDA margin for Dot & Key is in high teens and has room for expansion to 20%+ in-line with other FMCG brand companies.

Exhibit 3: Consolidated Quarterly P&L

Particular (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (%)	Chg QoQ (%)
Revenue	17,461	18,747	22,672	20,618	21,549	23.4	4.5
COGS	9,901	10,537	12,761	11,527	11,934	20.5	3.5
Gross Profit	7,560	8,210	9,911	9,090	9,615	27.2	5.8
Employee costs	1,559	1,615	1,746	1,741	1,820	16.8	4.5
Marketing	2,018	2,365	3,016	2,550	2,694	33.5	5.7
Fulfilment	1,667	1,748	2,092	1,920	2,030	21.8	5.7
S&D	465	493	597	610	586	26.0	-4.0
Other exps	890	953	1,053	936	1,078	21.1	15.2
Total Op. Exps	6,599	7,174	8,504	7,757	8,208	24.4	5.8
EBITDA	961	1,037	1,408	1,334	1,407	46.4	5.5
D&A	601	636	698	729	761	26.8	4.4
EBIT	361	400	710	605	645	79.0	6.8
Finance Costs	213	242	319	299	302	41.5	1.0
Other Income	73	55	55	90	93	27.3	4.2
PBT	221	213	446	396	437	98.0	10.5
Tax	78	78	176	205	192	145.4	-6.1
PAT	142	134	270	191	245	71.8	28.5
AEPS (Rs)	0.3	0.3	0.6	0.4	0.5	71.8	28.5

Source: Company, Dolat Capital

Exhibit 4: Common size statement

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY(bps)	Chg QoQ(bps)
Revenue	100.0	100.0	100.0	100.0	100.0	-	-
COGS	56.7	56.2	56.3	55.9	55.4	(132)	(53)
Gross Profit	43.3	43.8	43.7	44.1	44.6	132	53
Employee costs	8.9	8.6	7.7	8.4	8.4	(48)	0
Marketing	11.6	12.6	13.3	12.4	12.5	95	13
Fulfilment	9.5	9.3	9.2	9.3	9.4	(13)	11
S&D	2.7	2.6	2.6	3.0	2.7	6	(24)
Other exps	5.1	5.1	4.6	4.5	5.0	(9)	47
Total Op. Exps	37.8	38.3	37.5	37.6	38.1	30	47
EBITDA	5.5	5.5	6.2	6.5	6.5	102	6
D&A	3.4	3.4	3.1	3.5	3.5	9	(0)
EBIT	2.1	2.1	3.1	2.9	3.0	93	6
Finance Costs	1.2	1.3	1.4	1.4	1.4	18	(5)
Other Income	0.4	0.3	0.2	0.4	0.4	1	(0)
PBT	1.3	1.1	2.0	1.9	2.0	76	11
Tax	0.4	0.4	0.8	1.0	0.9	44	(10)
PAT	0.8	0.7	1.2	0.9	1.1	32	21
Tax as % of PBT	35.5	36.8	39.5	51.8	44.0	851	(782)

Source: Company, Dolat Capital

Exhibit 5: Segment-wise performance - BPC

Particulars	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY%	Chg QoQ%
GMV (Rs Mn)	25,429	27,833	33,899	30,580	32,080	26.2	4.9
NSV (Rs Mn)	14,695	15,661	18,817	17,570	18,340	24.8	4.4
NSV / GMV (%)	57.8	56.3	55.5	57.5	57.2	(1.1)	(0.5)
Revenue / NSV (%)	108.4	108.7	109.5	107.9	107.7	(0.7)	(0.2)
Revenue (Rs Mn)	15,935	17,029	20,601	18,950	19,750	23.9	4.2
COGS (Rs Mn)	9,607	10,201	12,426	11,160	11,560	20.3	3.6
Gross Profit (Rs Mn)	6,328	6,828	8,175	7,790	8,190	29.4	5.1
Fulfilment (Rs Mn)	1,417	1,488	1,749	1,630	1,700	20.0	4.3
Marketing (Rs Mn)	1,268	1,462	1,897	1,570	1,818	43.4	15.8
S&D (Rs Mn)	413	439	532	550	522	26.3	(5.1)
Contribution (Rs Mn)	3,230	3,439	3,997	4,040	4,150	28.5	2.7
Other expenses (Rs Mn)	1,980		2,350	2,360	2,500	26.3	5.9
EBITDA (Rs Mn)	1,250	3,439	1,647	1,680	1,650	32.0	(1.8)
Ratio as % of Revenue							
COGS	60.3	59.9	60.3	58.9	58.5	(176)	(36)
GP	39.7	40.1	39.7	41.1	41.5	176	36
Fulfilment	8.9	8.7	8.5	8.6	8.6	(28)	1
Marketing	8.0	8.6	9.2	8.3	8.5	50	17
S&D	2.6	2.6	2.6	2.9	2.6	5	(26)
Contribution	20.3	20.2	19.4	21.3	21.0	74	(31)
Other expenses	12.4	-	11.4	12.5	12.7	23	20
EBITDA	7.8	20.2	8.0	8.9	8.4	51	(51)

Source: Company, Dolat Capital

Exhibit 6: Segment-wise performance - Fashion

Particulars	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY%	Chg QoQ%
GMV (Rs Mn)	7,741	8,633	11,299	10,370	9,640	24.5	(7.0)
NSV (Rs Mn)	2,449	2,713	3,295	2,800	2,940	20.0	5.0
NSV / GMV (%)	31.6	31.4	29.2	27.0	30.5	(3.6)	13.0
Revenue / NSV (%)	60.7	61.2	60.4	57.5	58.2	(4.1)	1.2
Revenue (Rs Mn)	1,486	1,661	1,990	1,610	1,710	15.1	6.2
COGS (Rs Mn)	276	313	299	340	320	15.9	(5.9)
Gross Profit (Rs Mn)	1,210	1,348	1,691	1,270	1,390	14.9	9.4
Fulfilment (Rs Mn)	237	248	330	280	330	39.2	17.9
Marketing (Rs Mn)	672	790	1,007	840	766	14.0	(8.8)
S&D (Rs Mn)	52	54	65	60	64	23.3	6.9
Contribution (Rs Mn)	249	256	289	90	230	(7.6)	155.6
Other expenses (Rs Mn)	470		470	380	420	(10.6)	10.5
EBITDA (Rs Mn)	(221)	256	(181)	(290)	(190)	(14.0)	(34.5)
Ratio as % of Revenue							
COGS	18.6	18.8	15.0	21.1	19.1	18.6	18.8
GP	81.4	81.2	85.0	78.9	81.3	81.4	81.2
Fulfilment	15.9	14.9	16.6	17.4	19.3	15.9	14.9
Marketing	45.2	47.6	50.6	52.2	47.7	45.2	47.6
S&D	3.5	3.3	3.3	3.7	3.7	3.5	3.3
Contribution	16.8	15.4	14.5	5.6	13.5	16.8	15.4
Other expenses	31.6	-	23.6	23.6	24.6	31.6	-
EBITDA	(14.9)	15.4	(9.1)	(18.0)	(11.1)	(14.9)	15.4

Source: Company, Dolat Capital

Exhibit 7: Consolidated performance

Particulars	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY%	Chg QoQ%
GMV (Rs Mn)	33,209	36,525	45,279	40,950	41,720	25.6	1.9
NSV (Rs Mn)	17,183	18,432	22,190	20,370	21,280	23.8	4.5
NSV / GMV (%)	51.7	50.5	49.0	49.7	51.0	(1.4)	2.5
Revenue / NSV (%)	101.6	101.7	102.2	101.2	101.3	(0.3)	0.0
Revenue (Rs Mn)	17,461	18,747	22,672	20,618	21,549	23.4	4.5
COGS (Rs Mn)	9,901	10,537	12,761	11,527	11,934	20.5	3.5
Gross Profit (Rs Mn)	7,560	8,210	9,911	9,090	9,615	27.2	5.8
Fulfilment (Rs Mn)	1,667	1,748	2,092	1,920	2,030	21.8	5.7
Marketing (Rs Mn)	2,018	2,365	2,926	2,550	2,694	33.5	5.7
S&D (Rs Mn)	465	493	597	610	586	26.0	(4.0)
Contribution (Rs Mn)	3,410	3,604	4,296	4,010	4,305	26.3	7.4
Other expenses (Rs Mn)	2,449	2,568	2,799	2,677	2,898	18.4	8.3
EBITDA (Rs Mn)	961	1,037	1,408	1,334	1,407	46.4	5.5
Ratio as % of Revenue							
COGS	56.7	56.2	56.3	55.9	55.4	(164)	(51)
GP	43.3	43.8	43.7	44.1	44.6	149	37
Fulfilment	9.5	9.3	9.2	9.3	9.4	(3)	4
Marketing	11.6	12.6	12.9	12.4	12.5	71	(107)
S&D	2.7	2.6	2.6	3.0	2.7	28	33
Contribution	19.5	19.2	18.9	19.5	20.0	55	108
Other expenses	14.0	13.7	12.3	13.0	13.4		
EBITDA	5.5	5.5	6.2	6.5	6.5		

Source: Company, Dolat Capital

Exhibit 8: Assumptions – Operating and Financials

Particulars	FY22	FY23	FY24	FY25	FY26E	FY27E	FY23	FY24	FY25	FY26E	FY27E
							Chg YoY%				
BPC											
Orders (Mn)	27.0	35.8	42.4	54.5	65.0	76.7	32.7	18.4	28.5	19.3	18.0
AOV (Rs)	1,857	1,857	2,000	2,160	2,223	2,252	-	7.7	8.0	2.9	1.3
GMV (Rs Mn)	50,089	66,492	88,541	1,17,741	1,44,529	1,72,816	32.7	33.2	33.0	22.8	19.6
NSV (Rs Mn)	30,822	40,765	51,204	66,743	82,395	99,012	32.3	25.6	30.3	23.5	20.2
Revenue (Rs Mn)	33,997	44,820	58,099	72,515	89,541	1,08,757	31.8	29.6	24.8	23.5	21.5
Contribution (Rs Mn)	6,675	10,796	11,950	14,706	18,632	22,841	61.7	10.7	23.1	26.7	22.6
Contribution (%)	19.6	24.1	20.6	20.3	20.8	21.0	445	(352)	(29)	53	19
Fashion											
Orders (Mn)	5.0	6.0	7.0	7.7	9.2	11.0	20.0	16.7	10.0	19.0	20.0
AOV (Rs)	3,400	3,973	4,705	4,941	5,189	5,365	16.9	18.4	5.0	5.0	3.4
GMV (Rs Mn)	17,516	25,696	33,855	38,043	47,556	59,000	46.7	31.8	12.4	25.0	24.1
NSV (Rs Mn)	5,728	7,445	9,878	11,257	14,043	17,572	30.0	32.7	14.0	24.7	25.1
Revenue (Rs Mn)	3,254	4,348	5,684	6,747	8,366	10,511	33.6	30.7	18.7	24.0	25.6
Contribution (Rs Mn)	165	162	619	884	1,106	1,535	(1.8)	282.1	42.8	25.2	38.7
Contribution (%)	5.1	3.7	10.9	13.1	13.2	14.6	(134)	716	221	12	138
Overall											
Orders (Mn)	32.6	43.2	51.0	62.7	74.2	87.7	32.5	18.0	23.0	18.2	18.2
AOV (Rs)	2,126	2,255	2,401	2,486	2,589	2,643	6.1	6.5	3.5	4.2	2.1
GMV (Rs Mn)	69,332	97,434	1,22,464	1,55,963	1,92,085	2,31,815	40.5	25.7	27.4	23.2	20.7
NSV (Rs Mn)	37,116	50,627	61,138	78,175	96,438	1,16,584	36.4	20.8	27.9	23.4	20.9
Revenue (Rs Mn)	37,738	51,438	63,857	79,498	98,229	1,19,583	36.3	24.1	24.5	23.6	21.7
Contribution (Rs Mn)	6,660	10,476	12,562	15,320	19,449	24,128	57.3	19.9	22.0	27.0	24.1
Contribution (%)	17.6	20.4	19.7	19.3	19.8	20.2	272	(69)	(40)	53	38
Emp. Costs (Rs Mn)	3,264	4,918	5,649	6,661	7,810	8,786	50.7	14.9	17.9	17.2	12.5
Other Exps (Rs Mn)	1,558	2,861	3,338	3,831	4,460	4,995	83.7	16.7	14.8	16.4	12.0
EBITDA (Rs Mn)	1,636	2,559	3,462	4,708	7,144	10,122	56.5	35.3	36.0	51.8	41.7
EBITDA (%)	4.3	5.0	5.4	5.9	7.3	8.5	64	45	50	135	119

Source: Company, Dolat Capital

Exhibit 9: Valuation Snapshot – EV/Sales

Description	FY26E	FY27E
Revenue (Rs Mn)	98,229	1,19,583
EV/Revenue (x)	4.5	4.5
EV (Rs Mn)	4,42,030	5,38,124
Net debt/(cash)	10,085	8,570
Equity Value (Rs Mn)	4,31,945	5,29,554
No of O/s shares (Mn)	2,860	2,860
Target Price (Rs) (A+B+C)	151	185
CMP (Rs)	204	204
Upside/(Downside) %	(26.0)	(9.2)

Source: Company, Dolat Capital

Exhibit 10: Sensitivity of Nykaa's EV/Sales multiple

Revenue (Rs Bn)	FY26E	FY27E
EV/Sales (x)		
3	100	122
4	134	164
5	172	210
6	203	248
7	237	290

Source: Company, Dolat Capital

Exhibit 11: Valuation Snapshot – EV/EBITDA

Description	FY26E	FY27E
EBITDA (Rs Mn)	7,035	10,122
EV/EBITDA (x)	50.0	50.0
EV (Rs Mn)	3,51,739	5,06,088
Net debt/(cash)	10,085	8,570
Equity Value (Rs Mn)	3,41,655	4,97,518
No of O/s shares (Mn)	2,860	2,860
Target Price (Rs) (A+B+C)	119	173
CMP (Rs)	204	204
Upside/(Downside) %	(41.7)	(15.0)

Source: Company, Dolat Capital

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	63,856	79,498	98,229	119,583
Total Expense	60,395	74,759	91,194	109,461
COGS	36,464	44,727	54,758	66,392
Employees Cost	5,649	6,661	7,810	8,786
Other expenses	18,282	23,372	28,626	34,284
EBIDTA	3,461	4,739	7,035	10,122
Depreciation	2,242	2,664	3,162	3,447
EBIT	1,219	2,075	3,873	6,675
Interest	828	1,073	1,180	1,110
Other Income	299	273	328	323
Exc. / E.O. items	0	0	0	0
EBT	690	1,274	3,021	5,887
Tax	253	538	1,097	1,913
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	437	737	1,924	3,974
Adjustments	0	0	0	0
APAT	437	737	1,924	3,974

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	2,856	2,859	2,859	2,859
Minority Interest	188	414	621	931
Reserves & Surplus	9,766	10,154	12,078	16,052
Net Worth	12,622	13,013	14,937	18,911
Total Debt	9,695	13,206	14,078	10,504
Net Deferred Tax Liability	814	1,545	1,564	1,633
Total Capital Employed	23,319	28,178	31,200	31,980

Applications of Funds

Net Block	6,071	7,373	7,222	6,745
CWIP	0	0	0	0
Investments	5,006	5,651	6,624	7,409
Current Assets, Loans & Advances	22,929	26,771	33,679	37,738
Current Investments	0	0	0	0
Inventories	11,920	14,175	15,625	17,573
Receivables	2,416	2,466	3,313	4,111
Cash and Bank Balances	758	1,249	3,994	1,934
Loans and Advances	0	0	0	0
Other Current Assets	7,835	8,880	10,748	14,121
Less: Current Liabilities & Provisions	10,687	11,618	16,325	19,912
Payables	3,867	6,348	6,751	7,918
Other Current Liabilities	6,820	5,269	9,574	11,994
<i>sub total</i>				
Net Current Assets	12,243	15,153	17,354	17,826
Total Assets	23,319	28,178	31,200	31,980

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	42.9	43.7	44.3	44.5
EBIDTA Margin	5.4	6.0	7.2	8.5
EBIT Margin	1.9	2.6	3.9	5.6
Tax rate	36.7	42.2	36.3	32.5
Net Profit Margin	0.7	0.9	2.0	3.3
(B) As Percentage of Net Sales (%)				
COGS	57.1	56.3	55.7	55.5
Employee	8.8	8.4	8.0	7.3
Other	28.6	29.4	29.1	28.7
(C) Measure of Financial Status				
Gross Debt / Equity	0.8	1.0	0.9	0.6
Interest Coverage	1.5	1.9	3.3	6.0
Inventory days	68	65	58	54
Debtors days	14	11	12	13
Average Cost of Debt	9.4	9.4	8.6	9.0
Payable days	22	29	25	24
Working Capital days	70	70	64	54
FA T/O	10.5	10.8	13.6	17.7
(D) Measures of Investment				
AEPS (Rs)	0.2	0.3	0.7	1.4
CEPS (Rs)	0.9	1.2	1.8	2.6
DPS (Rs)	0.0	0.0	0.0	0.0
Dividend Payout (%)	0.0	0.0	0.0	0.0
BVPS (Rs)	4.4	4.5	5.2	6.6
RoANW (%)	3.3	5.7	13.8	23.5
RoACE (%)	3.3	4.7	8.3	14.3
RoAIC (%)	3.4	4.8	9.1	15.7
(E) Valuation Ratios				
CMP (Rs)	204	204	204	204
Mcap (Rs Mn)	583,485	583,485	583,485	583,485
EV	592,422	595,441	593,569	592,055
MCap/ Sales	9.1	7.3	5.9	4.9
EV/Sales	9.3	7.5	6.0	5.0
P/E	1335.1	791.7	303.2	146.8
EV/EBITDA	171.2	125.6	84.4	58.5
P/BV	46.2	44.8	39.1	30.9
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	24.1	24.5	23.6	21.7
EBITDA	35.2	36.9	48.4	43.9
EBIT	47.3	70.2	86.6	72.3
PBT	79.9	84.7	137.1	94.9
APAT	76.4	68.6	161.1	106.5
EPS	76.4	68.6	161.1	106.5

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	690	1,275	3,021	5,887
Depreciation & w.o.	2,242	2,664	3,162	3,447
Net Interest Exp	828	1,073	1,180	1,110
Direct taxes paid	(1,312)	(597)	(1,097)	(1,913)
Change in Working Capital	(2,513)	211	(1,160)	(2,971)
Non Cash	67	41	0	0
(A) CF from Operating Activities	2	4,666	5,106	5,560
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(1,107)	(1,272)	(944)	(595)
Free Cash Flow	(1,105)	3,394	4,162	4,966
(Inc.)/ Dec. in Investments	788	(878)	956	35
Other	218	96	0	0
(B) CF from Investing Activities	(101)	(2,054)	12	(560)
Issue of Equity/ Preference	279	(2,368)	0	0
Inc./(Dec.) in Debt	2,200	2,768	872	(3,574)
Interest exp net	(558)	(724)	(1,180)	(1,110)
Dividend Paid (Incl. Tax)	0	0	0	0
Other	(1,479)	(1,797)	(2,066)	(2,376)
(C) CF from Financing	443	(2,120)	(2,373)	(7,060)
Net Change in Cash	344	492	2,744	(2,060)
Opening Cash balances	413	757	1,249	3,993
Closing Cash balances	757	1,249	3,993	1,933

E – Estimates

Notes

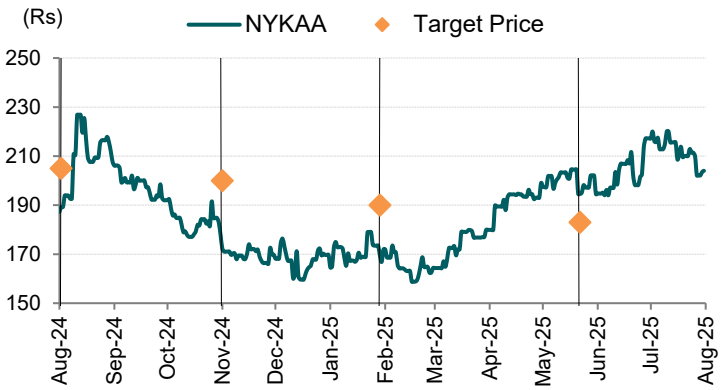
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(6)	3	9
Rel to NIFTY (%)	(3)	4	7

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	52.2	52.2	52.1
MF/Banks/FIs	23.6	25.2	23.7
FIIIs	9.0	8.8	11.6
Public / Others	15.2	13.8	12.6



Month	Rating	TP (Rs.)	Price (Rs.)
Aug-24	Accumulate	205	189
Nov-24	Accumulate	200	172
Feb-25	Accumulate	190	169
Jun-25	Sell	183	195

*Price as on recommendation date

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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