

Shoppers Stop (SHOSTO)

Subdued topline growth...

- Shoppers Stop (SSL) reported disappointing Q4FY17 numbers wherein revenue and profitability were below our estimates
- SSL's Q4FY17 consolidated revenues grew 6% YoY to ₹ 1332.9 crore (I-direct estimate of ₹ 1442.5 crore), mainly driven by a healthy topline growth in HyperCity format of 16% YoY to ₹ 254.3 crore vs. I-direct estimate of ₹ 251.1 crore. However, departmental store reported disappointing revenue growth of 3% YoY to ₹ 910.3 crore
- Consolidated EBITDA fell 16.1% YoY to ₹ 31.2 crore compared to our estimate of ₹ 45.7 crore while operating margins declined 62 bps YoY to 2.3% (I-direct estimate: 3.2%). HyperCity continued to report losses at the EBITDA level. It reported an EBITDA loss of ₹ 20.3 crore vs. ₹ 13.6 crore in Q4FY16. Operating margins for departmental store stayed flat YoY at 5.8% vs. I-direct estimate of 6.1%
- Consolidated net loss was at ₹ 25.4 crore vs. net loss of ₹ 8.9 crore in Q4FY16. This was mainly on account of exceptional loss (one-time provision for investment impairment considered in standalone results for HyperCity and NGIPL)

Weak like to like (LTL) sales growth for departmental stores

SSL's departmental store registered subdued topline growth of 3% YoY to ₹ 910.3 crore vs. ₹ 882.5 crore in Q4FY16. This was mainly on account of negative LTL sales growth of 1.1% and 3.3% decline in LTL volume growth (negative LTL sales growth for the first time since FY12). The management decided to curtail its end of season sales period (EOSS) by 10 days from 65 days to 55 days in Q4FY17, which impacted the topline growth. Also, temporary store closure in Bangalore and Kolkata stores due to renovation of malls and Mumbai (Inorbit) store closure due to metro construction work impacted LTL growth, to a certain extent.

Higher opex continues to dent HyperCity's profitability

HyperCity reported strong topline growth of 16% YoY to ₹ 254.3 crore led by 5.8% LTL sales growth in Q4FY17. However, it continued to register losses at the EBITDA level mainly on account of an increase in store operating expense by 18% YoY to ₹ 60.7 crore.

Decline in private label brands impacts gross margins

Over the years, the company has undertaken several measures to inch up the share of private label brands. However, they have been unsuccessful in doing so. A higher share of private labels helps retailers combat aggressive discounting by brands. Private brand sales declined 5.4% YoY. The share in overall revenues declined 250 bps to 11% in Q4FY17. This has led to a decline in gross margins of the standalone business by 200 bps YoY in Q4FY17.

Negative LTL sales growth impacts quarter; downgrade to HOLD

FY17 has been a rebuilding year for the company on account of aggressive investment in store infrastructure, marketing the brand and developing the omni-channel platform. Going forward, with the rationalising of space in departmental & HyperCity formats, change in the brand positioning of private label brands and better product assortment can lead to traction in LTL sales growth and improvement in EBITDA margins. We would watch the progress on the recent initiatives that will be undertaken by the company. Hence, we have a **HOLD** recommendation on SSL with a target price of ₹ 350 (SOTP based – 0.7x (departmental format) and 0.6x (HyperCity format) FY19E EV/sales).

Rating matrix	
Rating	: Hold
Target	: ₹ 350
Target Period	: 12 months
Potential Upside	: -2%

What's changed?	
Target	Unchanged
EPS FY18E	Changed from ₹ 3.4 to ₹ 0.9
EPS FY19E	Changed from ₹ 5.2 to ₹ 3.9
Rating	Changed from Buy to Hold

Quarterly performance					
	Q4FY17	Q4FY16	YoY (%)	Q3FY17	QoQ (%)
Revenue	1,332.9	1,257.4	6.0	1,542.7	-13.6
EBITDA	31.2	37.2	(16.1)	57.8	-46.0
EBITDA (%)	2.3	3.0	-62 bps	3.7	-140 bps
PAT	(25.4)	(8.9)	NA	15.5	LP

Key financials				
(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	4,432	4,910	5,327	5,868
EBITDA	179	174	210	268
Net Profit	2.4	(37.3)	6.9	32.7
EPS (₹)	0.3	(4.5)	0.8	3.9

Valuation summary				
	FY16	FY17E	FY18E	FY19E
EV/Sales	0.8	0.7	0.7	0.6
Target EV/Sales	0.8	0.7	0.7	0.6
EV / EBITDA	20.2	20.7	17.3	13.7
P/BV	6.1	6.5	6.4	6.0
RoNW (%)	0.5	-7.7	1.4	6.2
RoCE (%)	4.3	2.1	3.7	6.6

Stock data	
Particular	Amount
Market Capitalisation (₹ Crore)	2,978.6
Total Debt (Mar-17) (₹ Crore)	625.0
Cash and Investment (Mar-17) (₹ Crore)	7.6
EV (₹ Crore)	3,595.9
52 week H/L	406/ 265
Equity Capital (₹ Crore)	41.8
Face Value (₹)	5.0

Price performance				
	1M	3M	6M	12M
Shoppers Stop	-3.9	16.1	-0.5	-8.1
Future Lifestyle	5.5	48.7	115.3	212.4
Trent Ltd	-4.7	-2.6	26.3	49.2

Research Analysts	
Bharat Chhoda	bharat.chhoda@icicisecurities.com
Cheragh Sidhwa	cheragh.sidhwa@icicisecurities.com

Variance analysis

	Q4FY17	Q4FY17E	Q4FY16	YoY (%)	Q3FY17	QoQ (%)	Comments
Revenue	1,332.9	1,442.5	1,257.4	6.0	1,542.7	-13.6	Consolidated revenues were below our estimates. HyperCity registered decent LTL sales growth of 5.8% whereas departmental stores registered negative LTL sales growth of -1.1%
Other Operating Income	23.7	41.5	28.5	-16.9	71.0	-66.7	
Raw Material Expense	925.1	1,007.4	856.0	8.1	1,034.9	-10.6	
Gross Profit	384.1	435.1	372.9	3.0	436.8	-12.1	
Gross Profit Margin	28.8	30.2	29.7	-84 bps	28.3	135 bps	
Other Expenses	376.6	389.4	364.3	3.4	425.2	-11.4	
EBITDA	31.2	45.7	37.2	-16.1	57.8	-46.0	
EBITDA Margin (%)	2.3	3.2	3.0	-62 bps	3.7	-140 bps	EBITDA margin was down 62 bps YoY to 2.3% owing to flattish growth in operating margins for the standalone business while HyperCity reported EBITDA margin of -8.0% vs. -6.2% in Q4FY16
Depreciation	35.3	38.1	37.6	-6.2	39.0	-9.4	
Interest	16.3	15.4	16.8	-2.6	13.6	20.1	
Exceptional Income	-12.8		0.0		24.9		
PBT	-33.3	-7.7	-17.2	93.3	5.2	LP	
Tax Outgo	8.7	8.9	7.2	21.1	15.6	-44.5	
Minority Interest	16.6	13.9	15.4	7.4	1.1	1,418.3	
PAT	-25.4	-2.7	-8.9	183.5	15.5	LP	Consolidated net loss was at ₹ 25.4 crore vs. net loss of ₹ 8.9 crore in Q4FY16. This was mainly on account of exceptional loss of ₹ 12.8 crore (one-time provision for investment impairment considered in for NGIPL)

Key Metrics

Departmental Format

Space (Mn sq ft)	4.4	4.6	4.5	-0.1	4.5	-0.2
Like to Like sales growth (%)	-1.1	7.5	5.9	-700 bps	6.4	-50 bps

HyperCity

Space (Mn sq ft)	1.3	1.3	1.3	0.06	1.3	0.0
Like to Like sales growth (%)	5.8	9.2	2.0	380 bps	9.5	-370 bps

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E			Comments
	Old	New	% Change	Old	New	% Change	
Revenue	5,931.5	5,326.5	-10.2	6,424.1	5,867.8	-8.7	We have revised our estimates downwards for revenues and profitability
EBITDA	276.4	210.4	-23.9	321.2	267.6	-16.7	
EBITDA Margin (%)	4.7	4.0	-71 bps	5.0	4.6	-44 bps	
PAT	28.5	6.9	-75.8	44.1	32.7	-25.9	
EPS (₹)	3.4	0.8	-75.8	5.2	3.9	-24.8	

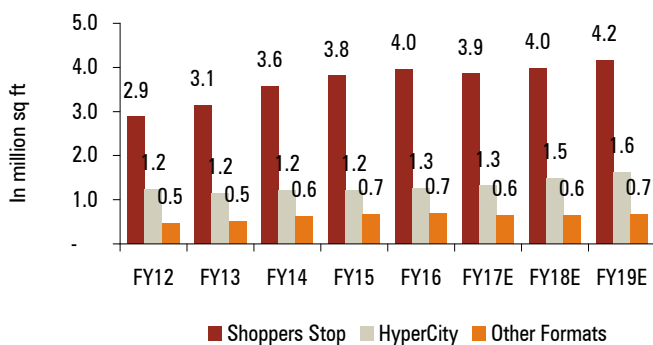
Source: Company, ICICIdirect.com Research

Company Analysis

Restructuring, refurbishing to improve productivity of stores

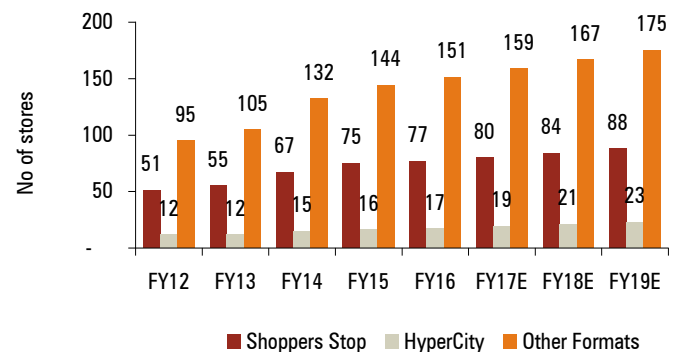
Shoppers Stop (SSL) added one departmental store in Ranchi and closed one at Delhi in Q4FY17. For FY17, the company opened three departmental stores and two HyperCity stores taking the total store count to 80 and 19, respectively. The total operational space was at 5.8 million square feet (sq ft) as on March 31, 2017. The management has indicated it will cut down the size or shut unprofitable stores. The company will be refurbishing four departmental stores and three HyperCity stores in FY18. Refurbishing of loss making stores would enhance operating margins and improve the revenue per sq ft of a store. Going forward, we expect SSL to open four departmental and two HyperCity stores annually. We expect SSL's total operational retail space to touch 6.5 mn sq ft by FY19E.

Exhibit 1: Space addition trend



Source: Company, ICICIdirect.com, Research

Exhibit 2: Number of stores increases from 123 (FY11) to 250 (FY17)



Source: Company, ICICIdirect.com, Research

Exhibit 3: Key operational parameters

Particulars	Q4FY15	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17
Departmental Stores									
Total Space (Mn sq ft)	4.2	4.2	4.2	4.3	4.3	4.4	4.5	4.3	4.2
Revenue per sq ft (₹)	2,176	1,858	2,333	2,319	2,308	1,927	2,370	2,510	2,362
Like to like sales growth									
Blended (%)	4.0	12.7	0.1	17.4	5.9	5.5	2.2	6.4	-1.1
Stores > 5 years (%)	3.3	13.3	-0.4	17.6	5.0	3.0	0.5	2.5	-4.9
Stores < 5 years (%)	5.3	11.6	1.1	17.1	8.3	11.2	5.9	14.8	6.3
(%)	-1.7	10.6	-1.6	15.9	5.4	5.7	-3.1	4.2	-3.3
Average Selling Price (₹)	1,090	1,207	1,011	1,308	1,099	1,205	1,074	1,336	1,143
Transaction Size (₹)	2,808	2,851	2,681	2,869	2,712	2,761	2,709	3,128	2,920
HyperCity									
Total Space (Mn sq ft)	1.2	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.3
Revenue per sq ft (₹)	1,672	2,202	2,150	2,318	1,961	2,139	2,337	2,541	2,073
Like to like sales growth									
Blended (%)	6.0	1.9	0.3	-0.8	2.0	-0.5	3.4	9.5	5.8
Stores > 5 years (%)	5.0	1.0	0.0	-1.7	3.0	-0.8	2.9	9.8	3.9
Stores < 5 years (%)	9.0	4.0	0.8	1.2	0.2	0.7	4.8	8.2	13.9
(%)	-1.0	-6.0	-5.0	0.5	4.3	0.3	2.7	2.2	-0.2
Average Selling Price (₹)	87	88	89	92	87	88	90	97	92
Transaction Size (₹)	1,100	1,158	1,119	1,193	1,097	1,120	1,121	1,170	1,059

Source: Company, ICICIdirect.com Research

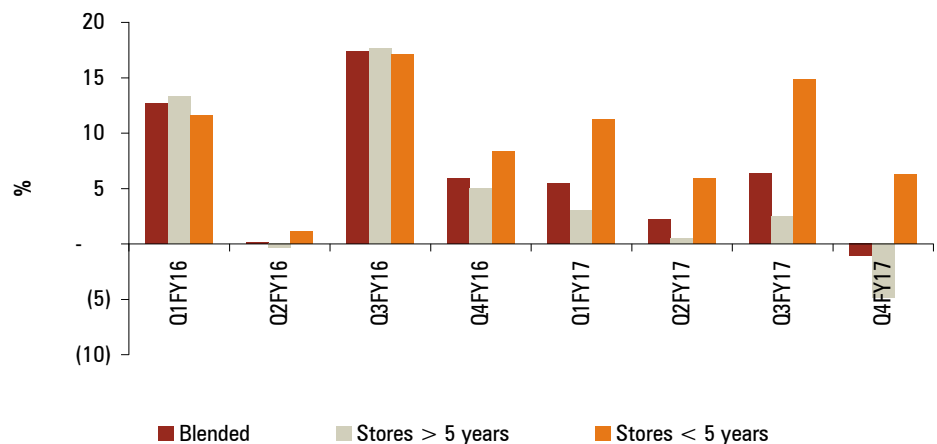
Subdued LTL sales growth impacting performance of SSL

The departmental stores reported a negative LTL sales growth of 1.1% vs. 5.9% in Q4FY16. Sales growth was impacted mainly as the company curtailed the end of season sale (EOSS) period from 65 days to 55 days in Q4FY17. Also, temporary store closure of Bangalore and Kolkata stores due to renovation of malls and Mumbai (Inorbit) store closure due to metro construction work impacted LTL growth, to a certain extent. The LTL sales growth for departmental stores greater than five years was down 4.9% whereas stores that were less than five years old reported a positive LTL sales growth of 6.3%. LTL volume growth was down 3%. SSL is planning to launch a new brand 'Rheson' in Q1FY18, which is an apparel brand by Sonam and Rhea Kapoor.

HyperCity recorded 5.8% LTL growth vs. 2% in Q4FY16. LTL sales growth for HyperCity stores greater than five years was at 3.9% whereas stores that were less than five years old grew 13.9%. However, LTL volume growth was down 0.2%.

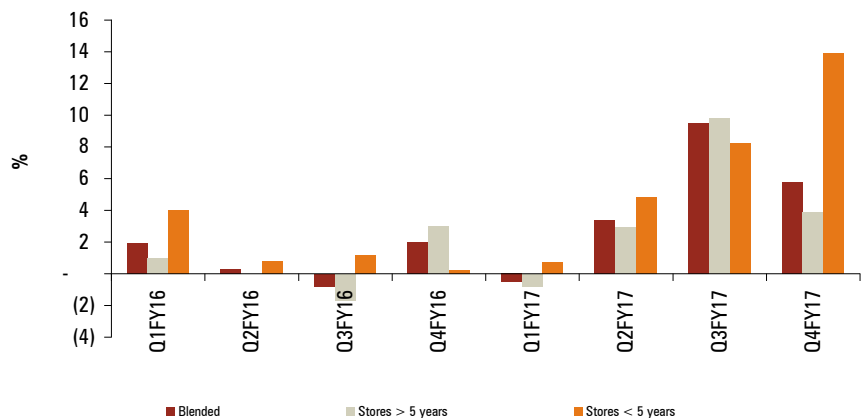
LTL sales growth for both departmental stores and HyperCity stores has remained in single digits in the last five quarters. The company has a large number of fixed overheads. In order to attain the advantage of operating leverage it becomes very crucial to achieve higher LTL sales growth. Going forward, the management expects departmental store to achieve LTL sales growth of 6-7% and in double digit for HyperCity.

Exhibit 4: Like-to-like sales growth (departmental stores)



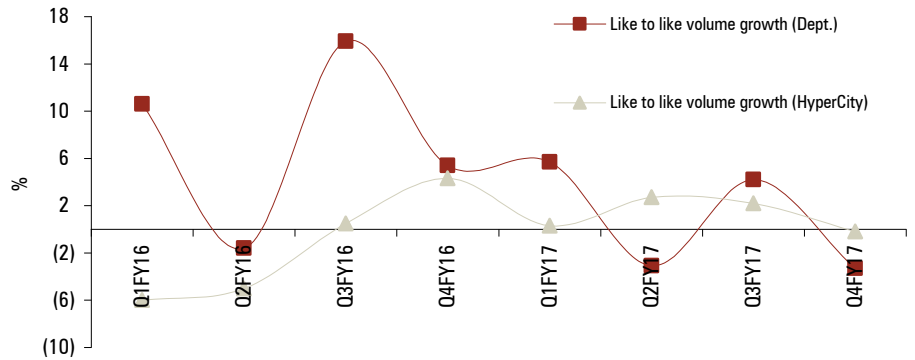
Source: Company, ICICIdirect.com, Research

Exhibit 5: Like-to-like sales growth (HyperCity)



Source: Company, ICICIdirect.com Research

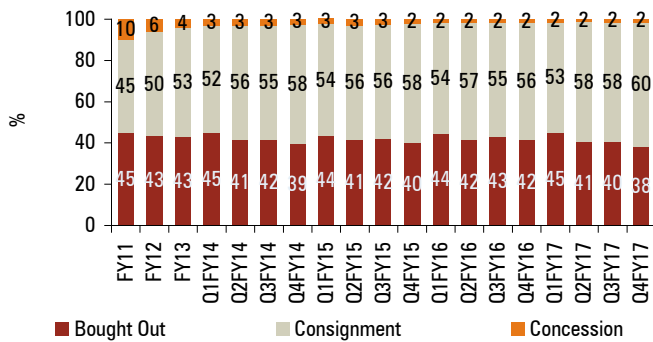
Exhibit 6: Like-to-like volume growth



Source: Company, ICICIdirect.com Research

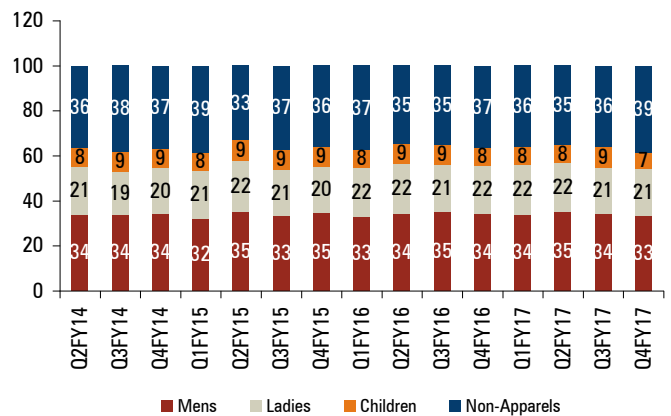
Q4FY17 saw share of non-apparels go up on account of number of new watch brands, leather, jewellery and personal care products.

Exhibit 7: Merchandise buying model



Source: Company, ICICIdirect.com Research

Exhibit 8: Share of apparel & non-apparel in product portfolio (%)



Source: Company, ICICIdirect.com Research

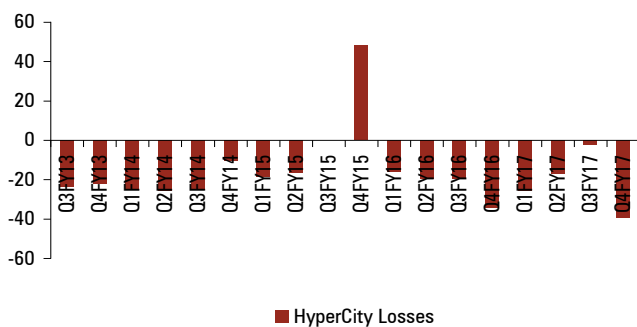
HyperCity expected to break even from Q4FY18

The topline performance of the HyperCity format has been better-than-expected in the last two quarters, with LTL sales growth of ~8.5% in H2FY17. Also, the fashion mix has improved to 16.4% in Q4FY17 vs. 14.8% in Q4FY16. Customer entry increased 10.7% to 46.6 lakh customers with conversion ratio improving 470 bps to 54.1% in Q4FY17.

However, there has been continuous pressure on profitability on account of aggressive investments in store cost, higher employee cost and investments to build on the e-commerce infrastructure. It continued to make losses at the EBITDA level by posting a loss of ₹ 20.3 crore vs. ₹ 13.6 crore in Q4FY16.

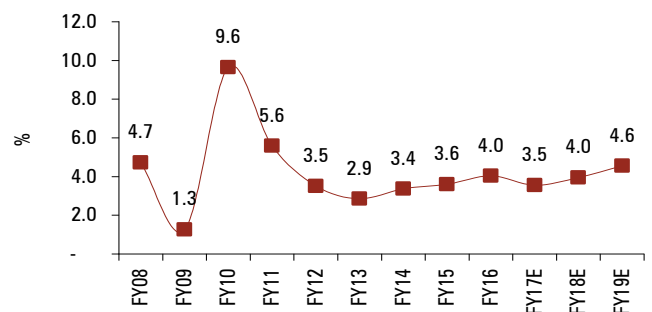
At the standalone level, however, its margins have been in the range of 5.2-6.5% (5.3% in FY17) while HyperCity has been continuously reporting losses at the EBITDA level, negatively impacting margins at the consolidated level (3.6% in FY17). For any substantial recovery on the margin front, at the consolidated level, it is necessary for the HyperCity format to turn profitable. The management is changing the product offering with a higher share of fashion and trying to control costs in a bid to improve operating margins of HyperCity. Also, the company is refurbishing loss making stores by cutting down the size to enhance the productivity per store. The company is planning to increase the fashion share to 22% over the next two to three years from the current share of ~17%, which should enable it to improve the operating margin. Hence, we expect the consolidated operating margin to gradually increase from 3.6% in FY17 to 4.6% in FY19E.

Exhibit 9: HyperCity's PAT trend (₹ crore)



Source: Company, ICICIdirect.com Research

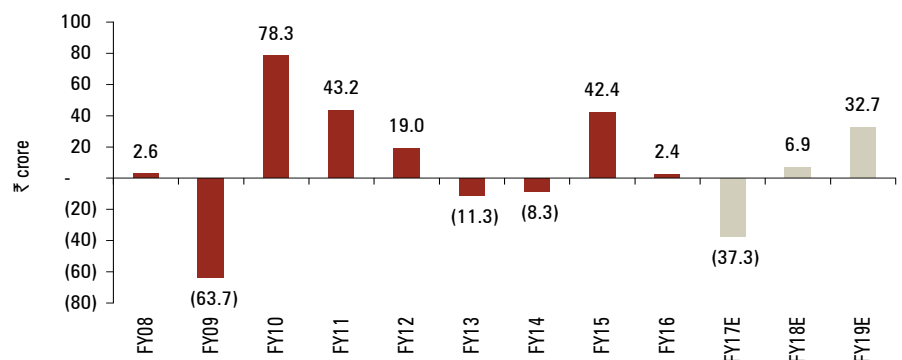
Exhibit 10: SSL Consolidated operating margin



Source: Company, ICICIdirect.com Research

On the HyperCity side, it aims to achieve EBITDA break-even in Q4FY18E. Apart from fashion, other offerings comprise food & grocery, electronics, home furniture & needs, sports, etc. In order to gain customer satisfaction & loyalty, Hyper City has launched a mobile app for home delivery of food & grocery in a few select cities.

Exhibit 11: Consolidated PAT performance



Source: Company, ICICIdirect.com Research

Valuation

SSL is a house of brands with a presence in departmental stores, speciality format stores and hypermarket segments. The company is well positioned to capture the huge growth in the Indian organised retail market. We expect SSL's consolidated revenues to grow at 9.8% CAGR to ₹ 5867.8 crore in FY16-19E driven by the expansion plans and also the stabilisation of stores added in the recent past. With the expected gradual margin expansion on the back of higher share in private labels, cost control and renewed focus on store expansion with stabilisation of the newly added departmental stores and improvement in HyperCity operational performance, we expect SSL to report an improvement in profitability, going forward.

The performance of HyperCity has been a concern with continuous negative EBITDA. However, as per management indications, its performance is likely to break even from FY18E onwards. We believe HyperCity's performance may take longer to improve than anticipated by the management. The departmental format has been able to improve its margin over the last few years. However, a further improvement would depend on an improvement in consumer sentiment and how the company mitigates the impact of online players and competition from offline international speciality retailers who are expanding their presence in India.

FY17 has been a rebuilding year for the company on account of aggressive investment in store infrastructure, marketing the brand and developing the omni-channel platform. Going forward, rationalising of space in departmental & HyperCity formats, change in the brand positioning of private label brands and better product assortment may lead to traction in LTL sales growth and improvement in EBITDA margins. We would watch the progress on the recent initiatives that will be undertaken by the company. Hence, we have a **HOLD** recommendation on SSL with a target price of ₹ 350 (SOTP based – 0.7x (departmental format) and 0.6x (HyperCity format) FY19E EV/sales).

Exhibit 12: Valuations

	Multiple	Equity Value (₹ crore)
Departmental Store(Standalone Business)	0.7x FY19E EV/ Sales	2654
Hyper Market Format	0.6x FY19E EV/Sales	272
Total Equity Value		2926
Per share value(₹)		350

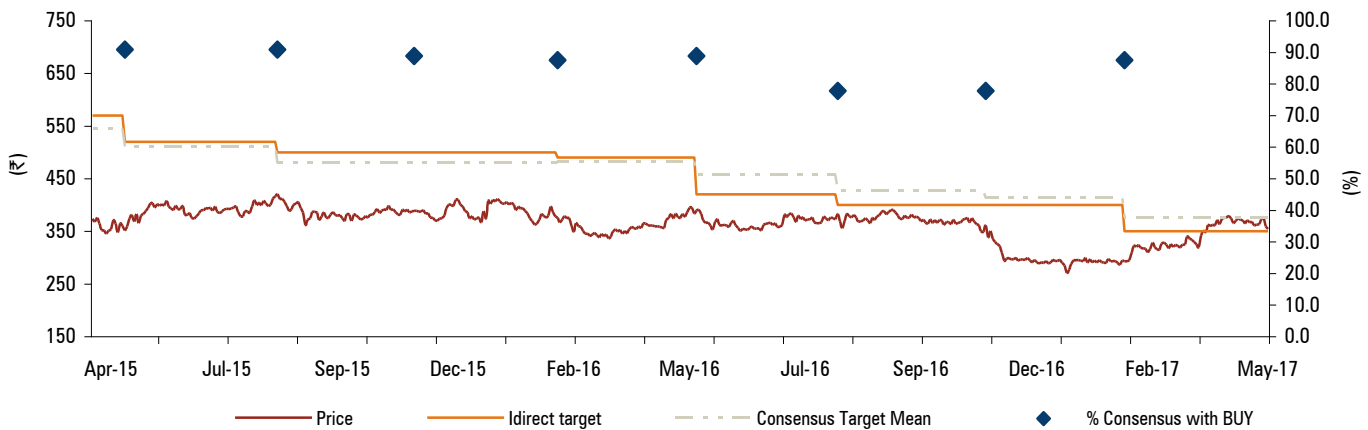
Source: Company, ICICIdirect.com Research

Exhibit 13: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	4432.0	1.4	0.3	NA	1239.8	20.2	0.5	4.3
FY17E	4910.1	10.8	-4.5	NA	NA	20.7	-7.7	2.1
FY18E	5326.5	8.5	0.8	-118.5	434.2	17.3	1.4	3.7
FY19E	5867.8	10.2	3.9	374.5	91.5	13.7	6.2	6.6

Source: Company, ICICIdirect.com Research

Recommendation history vs. consensus estimate



Source: Bloomberg, Company, ICICIdirect.com Research

Key events

Date	Event
Feb-11	While revenue growth was intact, consolidated profitability started to take a hit as HyperCity was a loss making format
Jul-11	Departmental stores cross 2.5 mn sq ft mark (total space - 3.6 mn sq ft), like to like (LTL) sales growth improved and crossed 20% mark
Dec-11	LTL sales growth falls to -1% in Q3FY12 from 22% in Q3FY11, leading to a 50% YoY dip PAT
Mar-12	Departmental stores touch 3.0 mn sq ft (total space - 4.6 mn sq ft), LTL picks up to 10% (against negative growth in Q3FY12)
Oct-12	LTL regains the double digit mark (12.5%), after hitting low single digits in the two preceding quarters
Oct-13	Cost rationalisation effort, mid teen LTL and new store stabilisation aid a revival in standalone operating margin (up 40 bps YoY to 4.9%)
Mar-15	Launches new brand 'WROGN'
Aug-15	Launches exclusive brands like Rocky Star & Desigual
Sep-16	Myntra to sell its own private label brands in Shoppers Stop departmental stores
Dec-16	HyperCity adds new products to its portfolio such as fresh meat, bakery items. It also reported LTL sales growth of 9.5% in Q3FY17
Mar-17	SSL's departmental store report negative LTL growth of 1.1% in Q4FY17 mainly on account of curtailing of EOSS by 10 days

Source: Company, ICICIdirect.com Research

Top 10 Shareholders

Rank	Investor Name	Last Filing Date	%O/S	Position (m)	Change (m)
1	Palm Shelter Estate Development Pvt. Ltd.	31-Dec-16	14.1%	11.8	0.0
2	Raghukool Estate Development Pvt. Ltd.	31-Dec-16	9.9%	8.3	0.0
3	Reliance Nippon Life Asset Management Limited	31-Dec-16	9.8%	8.2	0.0
4	Capstan Trading Pvt. Ltd.	31-Dec-16	9.7%	8.1	0.0
5	Casa Maria Properties Pvt. Ltd.	31-Dec-16	9.5%	7.9	0.0
6	Anbee Construction Pvt. Ltd.	31-Dec-16	7.8%	6.5	0.0
7	Cape Trading Pvt. Ltd.	31-Dec-16	7.5%	6.3	0.0
8	ICICI Prudential Life Insurance Company Ltd.	31-Dec-16	4.5%	3.7	0.7
9	K Raheja Corporation	31-Dec-16	4.1%	3.4	0.0
10	Birla Sun Life Asset Management Company Ltd.	31-Mar-17	4.0%	3.3	0.2

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Promoter	67.2	67.1	67.1	67.1	67.1
FII	3.7	3.4	3.4	3.5	4.2
DII	13.1	13.2	13.3	13.3	13.4
Others	16.2	16.3	16.2	16.1	15.3

Recent Activity

Buys			Sells		
Investor Name	Value	Shares	Investor Name	Value	Shares
ICICI Prudential Life Insurance Company Ltd.	3.16	0.74	Zodiac Clothing Company Ltd	-0.43	-0.10
Birla Sun Life Asset Management Company Ltd.	1.39	0.25	HSBC Global Asset Management (Singapore) Limited	-0.19	-0.04
Stewart Investors	0.47	0.08	Reliance Nippon Life Asset Management Limited	-0.17	-0.04
Shettigar (Jayakar)	0.09	0.02	Canara Robeco Asset Management Company Ltd.	-0.14	-0.03

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Total operating Income	4,432.0	4,910.1	5,326.5	5,867.8	
Growth (%)	1.4	10.8	8.5	10.2	
Cost of Goods Sold	2,863.2	3,189.2	3,195.9	3,491.4	
Gross Margin (%)	35.4	35.0	40.0	40.5	
Employee Expenses	333.0	388.6	308.9	346.2	
Operating & Other Expenses	1,056.6	1,158.1	1,611.3	1,762.7	
Total Operating Expenditure	4,252.9	4,735.9	5,116.1	5,600.3	
EBITDA	179.1	174.3	210.4	267.6	
Growth (%)	13.6	-2.7	20.7	27.2	
Depreciation	129.7	151.0	167.5	188.1	
Interest	84.9	87.4	62.3	65.5	
Other Income	26.0	25.1	34.6	17.0	
PBT (Before extraordinary item)	-9.5	-39.0	15.2	31.1	
Extraordinary item	0.0	-12.8	0.0	0.0	
Total Tax	33.4	20.3	4.6	10.4	
PAT	-42.8	-72.1	10.6	20.7	
Minority Interest/Share of JV	-45.2	-34.8	-3.8	12.0	
PAT (after minority interest)	2.4	-37.3	6.9	32.7	
Growth (%)	NA	NA	LP	374.5	
EPS (₹) (after minority interest)	0.3	-4.5	0.8	3.9	

Source: Company, ICICIdirect.com Research

Balance sheet		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Liabilities					
Equity Capital	41.7	41.8	41.8	41.8	
Reserve and Surplus	472.2	442.7	449.6	482.2	
Total Shareholders funds	513.9	484.4	491.3	524.0	
Total Debt	639.0	625.0	656.2	689.0	
Other LT Liabilities	0.0	0.0	0.0	0.0	
Deferred Tax Liability	-3.6	-4.3	-4.5	-4.7	
Minority Interest / Others	0.0	0.0	0.0	0.0	
Total Liabilities	1,149.2	1,105.1	1,143.0	1,208.3	
Assets					
Gross Block	1,436.0	1,553.6	1,769.8	2,016.9	
Less: Acc Depreciation	601.4	781.4	948.9	1,137.0	
Capital WIP	32.1	14.7	14.7	29.4	
Total Fixed Assets	842.6	844.8	867.6	943.8	
Investments	39.0	19.9	0.1	0.1	
Other Non-current Assets	253.8	262.7	275.8	289.6	
Goodwill on Consolidation	97.7	97.7	107.4	118.2	
Deferred Tax Asset	0.0	0.0	0.0	0.0	
Inventory	579.2	577.6	612.9	643.1	
Debtors	51.9	56.8	87.6	53.1	
Loans and Advances	63.9	110.0	105.5	129.1	
Cash	10.3	7.6	9.1	17.9	
Other Current Assets	89.8	75.1	78.9	82.8	
Total Current Assets	795.1	827.1	893.9	925.9	
Creditors	494.4	490.8	577.9	640.9	
Other Current Liab. & Prov.	384.5	456.3	423.9	428.5	
Total Current Liabilities	878.9	947.1	1,001.8	1,069.4	
Net Current Assets	-83.8	-119.9	-107.9	-143.4	
Application of Funds	1,149.2	1,105.1	1,143.0	1,208.3	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Profit before Tax	-9.5	-39.0	15.2	31.1	
Add: Depreciation	129.7	151.0	167.5	188.1	
(Inc)/dec in Current Assets	77.0	-28.1	-69.9	-87.8	
Inc/(dec) in CL and Provisions	220.1	66.2	64.8	41.8	
Taxes Paid	-33.4	-20.3	-4.6	-10.4	
Others	84.9	87.4	62.3	65.5	
CF from operating activities	468.8	217.2	235.3	228.1	
(Inc)/dec in Investments	-36.9	19.1	19.7	0.0	
(Inc)/dec in Fixed Assets	-124.4	-100.2	-216.2	-261.8	
Others	0.0	77.9	15.3	15.3	
CF from investing activities	-161.2	-3.2	-181.1	-246.4	
Issue/(Buy back) of Equity	0.1	0.0	0.0	0.0	
Inc/(dec) in loan funds	-116.3	-14.0	31.2	32.8	
Dividend paid & dividend tax	0.0	0.0	0.0	-25.8	
Others	-201.0	-202.7	-84.0	20.1	
CF from financing activities	-317.2	-216.7	-52.7	27.1	
Net Cash flow	-9.6	-2.7	1.5	8.8	
Opening Cash	19.9	10.3	7.6	9.1	
Deposits under lien	0.0	0.0	0.0	0.0	
Closing Cash	10.3	7.6	9.1	17.9	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Per share data (₹) (annualised)					
EPS	0.3	-4.5	0.8	3.9	
Cash EPS	15.8	13.6	20.9	26.4	
BV	61.6	58.0	58.8	62.8	
DPS	0.0	0.0	0.0	2.6	
Cash Per Share	1.2	0.9	1.1	2.1	
Operating Ratios					
EBITDA Margin (%)	4.0	3.5	4.0	4.6	
PBT Margin (%)	-0.2	-1.1	0.3	0.5	
PAT Margin (%)	0.1	-0.8	0.1	0.6	
Inventory days	47.7	42.9	42.0	40.0	
Debtor days	4.3	4.2	6.0	3.3	
Creditor days	63.0	56.2	66.0	67.0	
Return Ratios (%)					
RoE	0.5	-7.7	1.4	6.2	
RoCE	4.3	2.1	3.7	6.6	
RoIC	4.6	2.2	3.8	6.8	
Valuation Ratios (x) (annualised)					
P/E	1,239.8	NA	434.2	91.5	
EV / EBITDA	20.2	20.7	17.3	13.7	
EV / Net Sales	0.8	0.7	0.7	0.6	
Market Cap / Sales	0.7	0.6	0.6	0.5	
Price to Book Value	6.1	6.5	6.4	6.0	
Solvency Ratios					
Debt/EBITDA	3.6	3.6	3.1	2.6	
Debt / Equity	1.2	1.3	1.3	1.3	
Current Ratio	0.9	0.9	0.9	0.9	
Quick Ratio	0.2	0.3	0.3	0.3	

Source: Company, ICICIdirect.com Research

ICICIdirect.com coverage universe (Retail)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY16E	FY17E	FY18E	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E	FY16E	FY17E	FY18E
Bata India (BATIND)	581	515	Hold	7,464	17.0	12.0	16.7	28.9	40.8	29.5	22.1	21.7	18.2	16.5	16.4	18.5	18.5	12.2	15.5
Shoppers Stop (SHOSTO)	358	350	Hold	2,979	0.3	-4.5	0.8	1,240	-80.2	434.2	20.2	20.7	17.3	4.3	2.1	3.7	0.5	-7.7	1.4
Titan Company (TITIND)	470	485	Buy	41,782	8.0	9.0	11.4	59.1	52.4	41.1	43.3	32.6	28.3	23.4	26.7	26.6	20.1	19.6	21.2

Source: Company, ICICIdirect.com Research

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Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICIdirect.com Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

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