

Shoppers Stop (SHOSTO)

₹ 350

Advancement of EOSS leading to healthy LTL sales growth...

- SSL's Q1FY18 consolidated revenues grew 13% YoY to ₹ 1323.4 crore, marginally above our estimate of ₹ 1312.5 crore. Growth was mainly driven by strong performance in departmental stores wherein it reported revenue growth of 22% YoY to ₹ 941 crore (I-direct estimate: ₹ 856.1 crore). HyperCity reported revenue growth of ₹ 282.2 crore (I-direct estimate: ₹ 266.2 crore)
- Consolidated EBITDA rose 38.2% YoY to ₹ 27.8 crore compared to our estimate of ₹ 26.5 crore. Consolidated operating margins improved 40 bps YoY to 2.1%. Losses at EBITDA level from HyperCity format narrowed down to ₹ 6.2 crore vs. ₹ 9.1 crore in Q1FY17. On a standalone basis, EBITDA grew 27% YoY to ₹ 30.1 crore (I-direct estimate: ₹ 29.7 crore) with margins expanding marginally by 10 bps YoY to 3.2% (I-direct estimate: 3.5%)
- Consolidated net loss narrowed down to ₹ 17.9 crore vs. ₹ 26.6 crore in Q1FY17. On a standalone basis, net losses narrowed down to ₹ 3.7 crore vs. ₹ 13.6 crore in Q1FY17

EOSS boosts revenue growth for departmental stores

SSL's departmental store clocked robust topline growth of 22% YoY to ₹ 941.1 crore mainly driven by advancement of end of season sale (EOSS). The company clocked one of the highest LTL sales growth of 19.8% with LTL volume growth of 16%. The company had reported healthy double digit sales growth in April & May. Excluding EOSS, growth was at 12% in Q1FY18. Share of private label brands in the revenue mix declined 150 bps YoY to 12.2% mainly due to advancement of EOSS in Q1FY18. Gross margins declined 244 bps YoY on higher EOSS contribution. However, EBITDA margins remained flattish YoY to 3.2% on account of positive operating leverage (employee, rent and other expenses down 69 bps, 110 bps and 77 bps, respectively).

HyperCity reports subdued LTL sales growth

HyperCity reported revenue growth of 8.8% YoY to ₹ 282 crore. Like to like sales growth for the quarter was at 2.4% YoY with LTL volume de-growth of 6% YoY. The revenue growth was impacted due to mall related issues in Vashi and Malad. SSL is in the process of refurbishing and rightsizing of the HyperCity stores. HyperCity reported positive store EBITDA at ₹ 6.9 crore vs. ₹ 2.8 crore in Q1FY17 while loss at the company EBITDA level narrowed down to ₹ 6.2 crore vs. ₹ 9.1 crore in Q1FY17. Going forward, with rationalisation of space and better product assortment, the management believes it will break even at the EBITDA level by Q4FY18.

Margin improvement critical for upgrade; maintain HOLD

The company has over the years undertaken several measures to inch up the share of private label brands. The new brand 'Rehson' witnessed strong traction and is currently available in 12 stores (to be available in 80 stores by FY18) should spur growth in revenues. Also, launch of Omni Channel by September-October can lead to healthy revenue growth as it would enable it to enhance the customer reach. Rationalising of space in HyperCity and higher proportion of fashion would improve EBITDA margins. We have revised our revenue estimates marginally upwards for FY18E and FY19E. We continue to maintain HOLD recommendation on SSL with a revised target price of ₹ 360 (SOTP based – 0.7x (departmental format) and 0.6x (HyperCity format) FY19E EV/sales).

Rating matrix	
Rating	: Hold
Target	: ₹ 360
Target Period	: 12 months
Potential Upside	: 3%

What's changed?	
Target	Changed from ₹ 350 to ₹ 360
EPS FY18E	Changed from ₹ 0.9 to ₹ 3.6
EPS FY19E	Changed from ₹ 3.9 to ₹ 4.9
Rating	Unchanged

Quarterly performance					
	Q1FY18	Q1FY17	YoY (%)	Q4FY17	QoQ (%)
Revenue	1,323.4	1,171.2	13.0	1,332.9	-0.7
EBITDA	27.8	20.1	38.2	31.2	-10.8
EBITDA (%)	2.1	1.7	38 bps	2.3	-24 bps
PAT	(17.9)	(26.6)	NA	(25.4)	NA

Key financials				
(₹ Crore)	FY16	FY17E	FY18E	FY19E
Net Sales	4,677	5,097	5,765	6,391
EBITDA	179	118	229	291
Net Profit	2.4	(37.3)	30.1	41.3
EPS (₹)	0.3	(4.5)	3.6	4.9

Valuation summary				
	FY16	FY17E	FY18E	FY19E
EV/Sales	0.8	0.7	0.6	0.6
Target EV/Sales	0.8	0.7	0.6	0.6
EV / EBITDA	19.8	29.9	15.6	12.3
P/BV	6.1	6.5	6.1	5.7
RoNW (%)	0.5	-7.7	5.9	7.4
RoCE (%)	4.3	(2.9)	5.2	8.3

Stock data	
Particular	Amount
Market Capitalisation (₹ Crore)	2,912.0
Total Debt (Mar-17) (₹ Crore)	625.0
Cash and Investment (Mar-17) (₹ Crore)	7.6
EV (₹ Crore)	3,529.4
52 week H/L	406/ 265
Equity Capital (₹ Crore)	41.8
Face Value (₹)	5.0

Price performance				
	1M	3M	6M	12M
Shoppers Stop	10.3	-4.4	17.9	-8.8
Future Lifestyle	5.0	10.7	84.0	152.2
Trent Ltd	10.4	3.1	6.3	44.1

Research Analysts	
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Variance analysis

	Q1FY18	Q1FY18E	Q1FY17	YoY (%)	Q4FY17	QoQ (%)	Comments
Revenue	1,323.4	1,312.5	1,171.2	13.0	1,332.9	-0.7	Consolidated revenues were above our estimates. Departmental stores reported robust LTL sales growth of 19.8%, while HyperCity reported LTL growth of 2.4%
Other Operating Income	33.6	31.3	35.8	-6.4	23.7	41.7	
Raw Material Expense	890.1	924.9	788.9	12.8	925.1	-3.8	
Gross Profit	399.8	387.6	346.4	15.4	384.1	4.1	
Gross Profit Margin	30.2	29.5	29.6	63 bps	28.8	76 bps	
Other Expenses	405.5	361.2	362.1	12.0	376.6	7.7	
EBITDA	27.8	26.4	20.1	38.2	31.2	-10.8	
EBITDA Margin (%)	2.1	2.0	1.7	38 bps	2.3	-24 bps	Consolidated operating margins improved 40 bps YoY to 2.1%. Losses at EBITDA level from HyperCity format narrowed down to ₹ 6.2 crores vs. ₹ 9.1 crore in Q1FY17.
Depreciation	40.2	37.0	45.0	-10.5	35.3	14.1	
Interest	21.9	16.8	23.0	-5.1	16.3	33.9	
Exceptional Income	0.0		0.0		-12.8		
PBT	-34.3	-27.4	-47.9	-28.4	-20.4	LP	
Tax Outgo	-2.4	0.0	-8.5	-71.2	8.7	-128.1	
Minority Interest	14.0	11.9	12.8	9.1	16.6	-15.7	
PAT	-17.9	-15.5	-26.6	-32.7	-25.4	LP	Consolidated net loss narrowed down to ₹ 17.9 crores vs. ₹ 26.6 crores in Q1FY17. On a standalone basis, net losses narrowed down to ₹ 3.7 crores vs. ₹ 13.6 crores in Q1FY17.

Key Metrics							
Departmental Format	No space addition in Q1FY18						
Space (Mn sq ft)	4.4	4.4	4.7	-0.3	4.4	0.0	
Like to Like sales growth (%)	19.8	11.0	5.5	1430 bps	-1.1	660 bps	
HyperCity							
Space (Mn sq ft)	1.3	1.3	1.4	-0.02	1.3	0.0	
Like to Like sales growth (%)	2.4	5.4	-0.5	290 bps	5.8	-340 bps	

Source: Company, ICICIdirect.com Research

Change in estimates

(₹ Crore)	FY18E			FY19E		
	Old	New	% Change	Old	New	% Change
Revenue	5,326.5	5,765.4	8.2	5,867.0	6,390.8	8.9
EBITDA	210.4	228.9	8.8	267.6	291.4	8.9
EBITDA Margin (%)	4.0	4.0	2 bps	4.6	4.6	0 bps
PAT	6.9	30.1	336.8	32.7	41.3	26.3
EPS (₹)	0.8	3.6	351.2	3.9	4.9	26.8

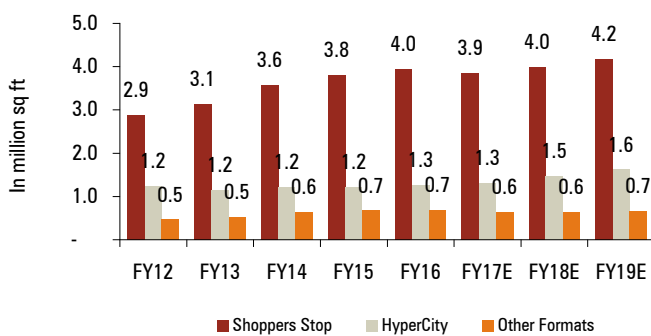
Source: Company, ICICIdirect.com Research

Company Analysis

Rightsizing of HyperCity stores to enhance profitability

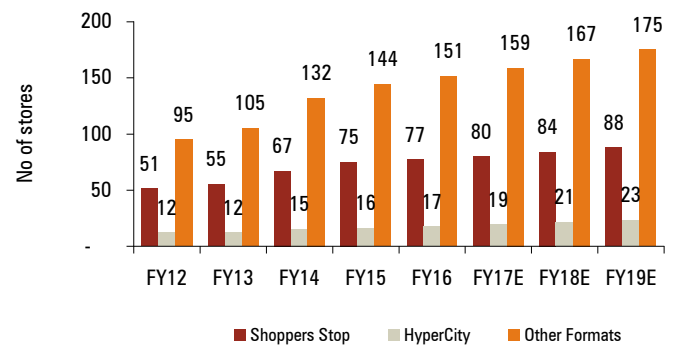
SSL did not open any stores in departmental format or in the HyperCity format for Q1FY18. Going forward, we expect Shoppers stop to open four departmental and two HyperCity stores annually. Also, the company is in the process of refurbishing and downsizing loss making stores. Refurbishing of loss making stores would enhance the operating margins and improve the revenue per sq feet of a store. The company has launched its first 'Smart Store' with an average size of ~1800 sq ft per store at the Infosys Campus in Hyderabad. The opex incurred in such formats will be lower. The company is likely to open four more stores over the next two quarters.

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	Q1FY16	Q2FY16	Q3FY16	Q4FY16	Q1FY17	Q2FY17	Q3FY17	Q4FY17	Q1FY18
Departmental Stores									
Total Space (Mn sq ft)	4.2	4.2	4.3	4.3	4.4	4.5	4.3	4.2	4.2
Revenue per sq ft (₹)	1,858	2,333	2,319	2,308	1,927	2,370	2,510	2,362	2,394
Like to like sales growth									
Blended (%)	12.7	0.1	17.4	5.9	5.5	2.2	6.4	-1.1	19.8
Stores > 5 years (%)	13.3	-0.4	17.6	5.0	3.0	0.5	2.5	-4.9	14.9
Stores < 5 years (%)	11.6	1.1	17.1	8.3	11.2	5.9	14.8	6.3	30.7
(%)	10.6	-1.6	15.9	5.4	5.7	-3.1	4.2	-3.3	16.2
Average Selling Price (₹)	1,207	1,011	1,308	1,099	1,179	1,074	1,336	1,143	1,222
Transaction Size (₹)	2,851	2,681	2,869	2,712	2,818	2,709	3,128	2,920	3,041
HyperCity									
Total Space (Mn sq ft)	1.2	1.2	1.3	1.3	1.4	1.4	1.3	1.3	1.3
Revenue per sq ft (₹)	2,202	2,150	2,318	1,961	2,066	2,337	2,541	2,073	2,235
Like to like sales growth									
Blended (%)	1.9	0.3	-0.8	2.0	-0.5	3.4	9.5	5.8	2.4
Stores > 5 years (%)	1.0	0.0	-1.7	3.0	-0.8	2.9	9.8	3.9	-0.7
Stores < 5 years (%)	4.0	0.8	1.2	0.2	0.7	4.8	8.2	13.9	13.9
(%)	-6.0	-5.0	0.5	4.3	0.3	2.7	2.2	-0.2	-5.8
Average Selling Price (₹)	88	89	92	87	88	90	97	92	95
Transaction Size (₹)	1,158	1,119	1,193	1,097	1,124	1,121	1,170	1,059	1,099

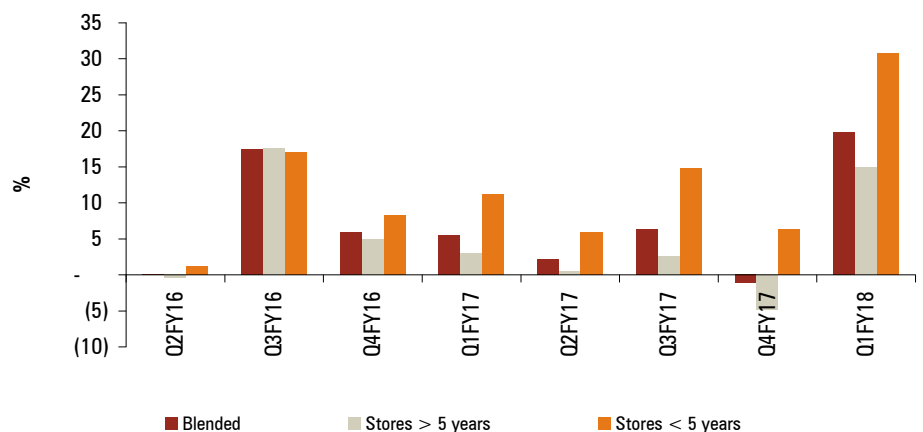
Source: Company, ICICIdirect.com Research

EOSS sales boost LTL sales growth for departmental stores

The departmental stores clocked in one of the highest LTL sales growth of 19.8% with LTL volume growth of 16%. The company had reported healthy double digit sales growth in April & May, while EOSS boosted the revenue growth to the tune of ~8% in June. Excluding EOSS, growth was at 12% in Q1FY18. The LTL sales growth for departmental stores greater than five years was up 14.9% whereas stores that were less than five years old reported robust LTL sales growth of 30.7%. For FY18, the management expects departmental store to achieve LTL sales growth of 7-8%.

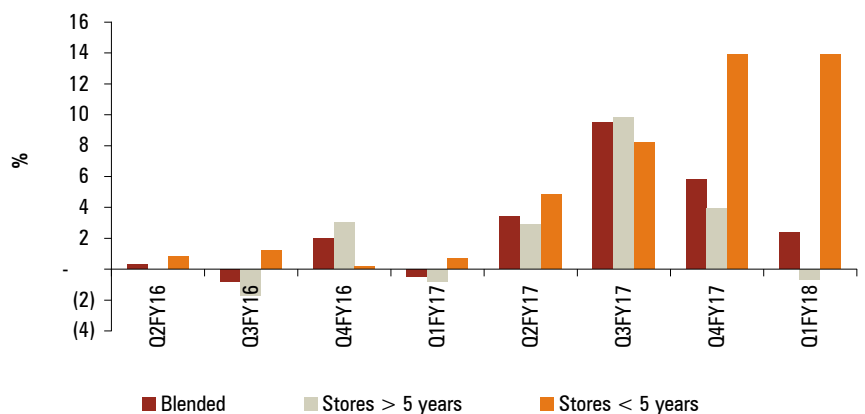
HyperCity recorded like to like sales growth of 2.4% YoY with LTL volume de-growth of 6% YoY. LTL sales growth for HyperCity stores greater than five years was down 1% while stores that were less than five years old grew 14%. LTL sales growth for HyperCity has remained in single digits in the last five 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. Change in brand positioning of private label brands and better product assortment can lead to traction in LTL sales growth.

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



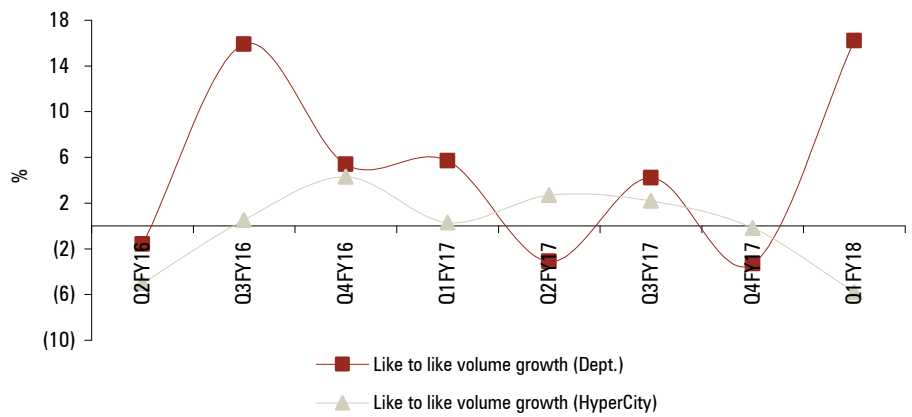
Source: Company, ICICIdirect.com, Research

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



Source: Company, ICICIdirect.com Research

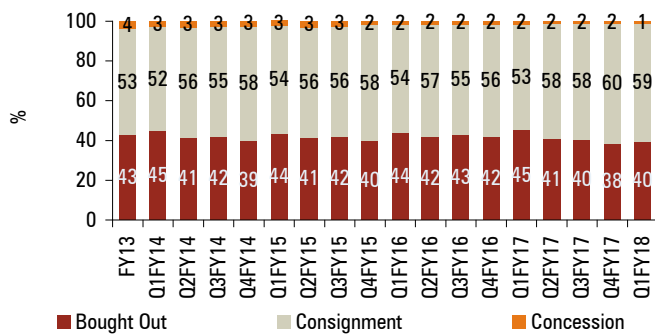
Exhibit 6: Like-to-like volume growth



Source: Company, ICICIdirect.com Research

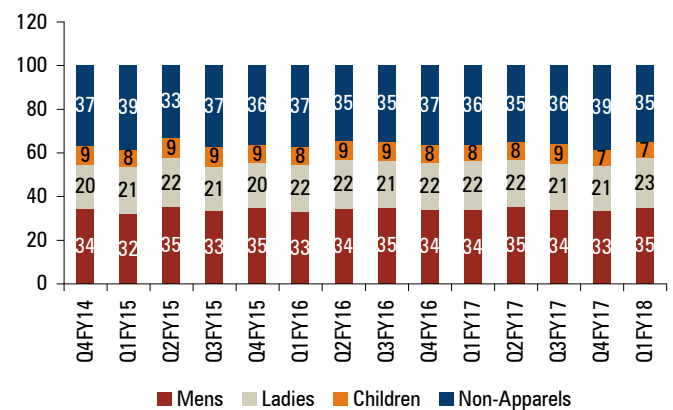
In the apparel category, women's western wear and Denim have been on a high growth revenue trajectory, growing 28% annually.

Exhibit 7: Merchandise buying model



Source: Company, ICICIdirect.com Research

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

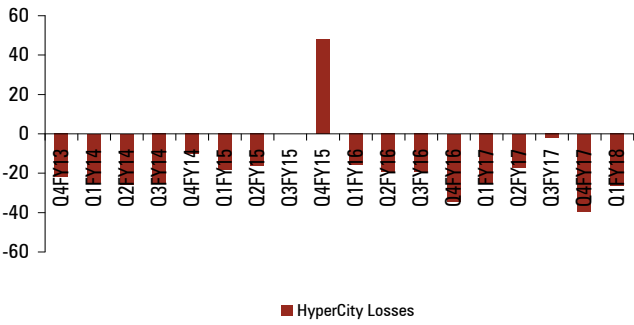


Source: Company, ICICIdirect.com Research

HyperCity expected to break even from Q4FY18

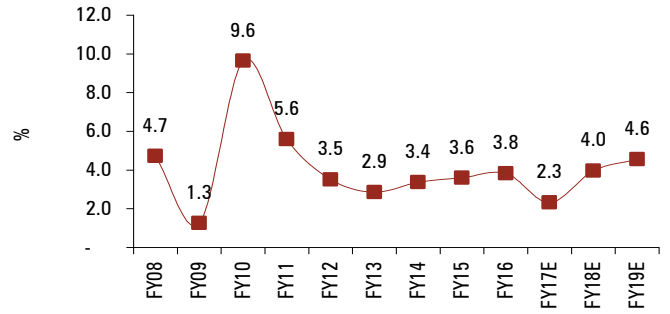
At a standalone level, however, its margins have been in the range of 5-6.5% (5.3% in FY17), while HyperCity has been continuously reporting losses at the EBITDA level, which have negatively impacted margins at the consolidated level (3.6% in FY17). For any substantial recovery on the margin front, at 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 is 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. The above initiatives are expected to aid margins and achieve EBITDA breakeven for HyperCity format by Q4FY18. Hence, we expect the consolidated operating margin to gradually increase from 2.3% in FY17 to 4.6% in FY19E.

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



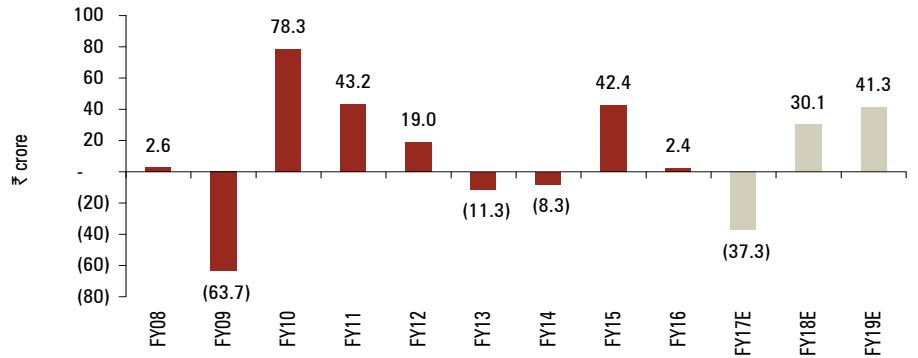
Source: Company, ICICIdirect.com Research

Exhibit 10: SSL Consolidated operating margin



Source: Company, ICICIdirect.com Research

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.

The company has over the years undertaken several measures to inch up the share of private label brands. The new brand 'Rehson' has witnessed strong traction and is currently available in 12 stores (to be available in 80 stores by FY18) should spur growth in revenues. Also, launch of Omni Channel by September-October can lead to healthy revenue growth as it would enable it to enhance the customer reach. Rationalising of space in HyperCity and higher proportion of fashion would improve EBITDA margins. We have revised our revenue estimates marginally upwards for FY18E and FY19E. We continue to maintain **HOLD** recommendation on SSL with a revised target price of ₹ 360 (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	2762
Hyper Market Format	0.6x FY19E EV/Sales	241
Total Equity Value		3003
Per share value(₹)		360

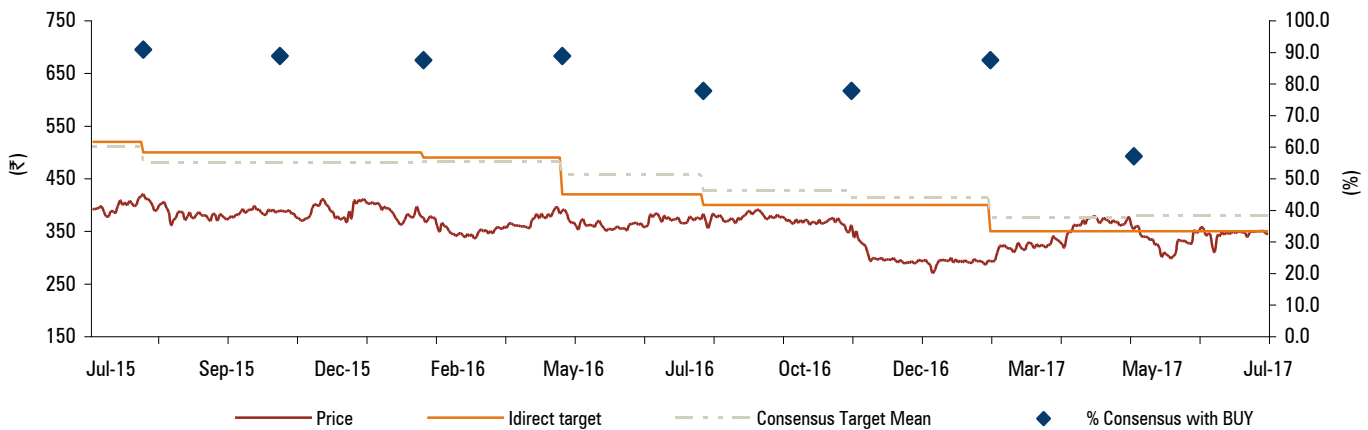
Source: Company, ICICIdirect.com Research

Exhibit 13: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY16	4676.5	7.0	0.3	NA	1212.1	19.8	0.5	4.3
FY17E	5097.4	9.0	-4.5	NA	NA	29.9	-7.7	-2.9
FY18E	5765.4	13.1	3.6	NA	97.0	15.6	5.9	5.2
FY19E	6390.8	10.8	4.9	37.0	70.8	12.3	7.4	8.3

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 added new products to its portfolio such as fresh meat, bakery items. It also reported a LTL sales growth of 9.5% in Q3FY17
Mar-17	SSL's departmental store reported 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-Mar-17	14.1%	11.8	0.0
2	Cape Trading Pvt. Ltd.	31-Mar-17	12.4%	10.4	4.1
3	Anbee Construction Pvt. Ltd.	31-Mar-17	12.4%	10.4	3.9
4	Reliance Nippon Life Asset Management Limited	31-Mar-17	9.3%	7.8	-0.4
5	Raghukool Estate Development Pvt. Ltd.	31-Mar-17	6.7%	5.6	-2.7
6	Capstan Trading Pvt. Ltd.	31-Mar-17	6.5%	5.5	-2.7
7	Casa Maria Properties Pvt. Ltd.	31-Mar-17	6.3%	5.3	-2.7
8	ICICI Prudential Life Insurance Company Ltd.	31-Mar-17	4.5%	3.7	0.0
9	Birla Sun Life Asset Management Company Ltd.	30-Jun-17	4.4%	3.7	0.1
10	K Raheja Corporation	31-Mar-17	4.1%	3.4	0.0

Source: Reuters, ICICIdirect.com Research

Shareholding Pattern

(in %)	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17
Promoter	67.1	67.1	67.1	67.1	67.1
FII	3.4	3.4	3.5	4.2	4.4
DII	13.2	13.3	13.3	13.4	13.5
Others	16.3	16.2	16.1	15.3	15.1

Recent Activity

Buys			Sells		
Investor Name	Value	Shares	Investor Name	Value	Shares
Cape Trading Pvt. Ltd.	23.23	4.13	Raghukool Estate Development Pvt. Ltd.	-15.03	-2.67
Anbee Construction Pvt. Ltd.	21.82	3.87	Capstan Trading Pvt. Ltd.	-15.03	-2.67
Birla Sun Life Asset Management Company Ltd.	0.34	0.06	Casa Maria Properties Pvt. Ltd.	-14.98	-2.66
Shettigar (Jayakar)	0.09	0.02	Reliance Nippon Life Asset Management Limited	-2.34	-0.42
Lombard Odier Darier Hentsch & Cie	0.1	0.0	Zodiac Clothing Company Ltd	-0.86	-0.15

Source: Reuters, ICICIdirect.com Research

Financial summary

Profit and loss statement		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Total operating Income	4,676.5	5,097.4	5,765.4	6,390.8	
Growth (%)	7.0	9.0	13.1	10.8	
Cost of Goods Sold	3,107.8	3,432.4	3,718.7	4,077.3	
Gross Margin (%)	33.5	32.7	35.5	36.2	
Employee Expenses	333.0	388.6	431.3	485.7	
Operating & Other Expenses	1,056.6	1,158.1	1,386.6	1,536.4	
Total Operating Expenditure	4,497.4	4,979.1	5,536.5	6,099.4	
EBITDA	179.1	118.3	228.9	291.4	
Growth (%)	13.6	-33.9	93.5	27.3	
Depreciation	129.7	151.0	167.5	188.1	
Interest	84.9	87.4	91.5	95.8	
Other Income	26.0	25.1	37.5	32.0	
PBT (Before extraordinary item)	-9.5	-95.0	7.3	39.5	
Extraordinary item	0.0	43.1	0.0	0.0	
Total Tax	33.4	20.3	2.2	13.2	
PAT	-42.8	-72.1	5.1	26.3	
Minority Interest/Share of JV	-45.2	-34.8	-25.0	-15.0	
PAT(after minority interest)	2.4	-37.3	30.1	41.3	
Growth (%)	NA	NA	LP	37.0	
EPS (₹) (after minority interest)	0.3	-4.5	3.6	4.9	

Source: Company, ICICIdirect.com Research

Cash flow statement		₹ Crore			
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Profit before Tax	-9.5	-95.0	7.3	39.5	
Add: Depreciation	129.7	151.0	167.5	188.1	
(Inc)/dec in Current Assets	77.0	-28.1	-169.9	-126.7	
Inc/(dec) in CL and Provisions	220.1	66.2	86.1	47.0	
Taxes Paid	-33.4	-20.3	-2.2	-13.2	
Others	84.9	87.4	91.5	95.8	
CF from operating activities	468.8	161.3	180.4	230.5	
(Inc)/dec in Investments	-36.9	19.1	19.7	0.0	
(Inc)/dec in Fixed Assets	-76.9	-153.2	-242.6	-264.3	
Others	0.0	77.9	15.3	15.3	
CF from investing activities	-113.7	-56.2	-207.6	-249.0	
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	-27.2	
Others	-248.5	-93.8	1.1	19.8	
CF from financing activities	-364.7	-107.8	32.4	25.3	
Net Cash flow	-9.6	-2.8	5.2	6.8	
Opening Cash	19.9	10.4	7.6	12.8	
Deposits under lien	0.0	0.0	0.0	0.0	
Closing Cash	10.4	7.6	12.8	19.7	

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	472.1	442.7	472.8	514.1	
Total Shareholders funds	513.9	484.4	514.6	555.9	
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	1,166.3	1,240.2	
Assets					
Gross Block	1,388.5	1,559.1	1,801.7	2,051.4	
Less: Acc Depreciation	578.0	729.0	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	679.2	728.4	
Debtors	51.9	56.8	94.8	57.8	
Loans and Advances	63.9	110.0	114.2	140.6	
Cash	10.3	7.6	12.8	19.7	
Other Current Assets	89.8	75.1	37.6	39.4	
Total Current Assets	795.1	827.1	938.5	985.8	
Creditors	494.4	490.8	550.2	625.6	
Other Current Liab. & Prov.	384.5	456.3	473.0	471.8	
Total Current Liabilities	878.9	947.1	1,023.2	1,097.4	
Net Current Assets	-83.8	-120.0	-84.7	-111.6	
Application of Funds	1,149.2	1,105.1	1,166.3	1,240.2	

Source: Company, ICICIdirect.com Research

Key ratios					
(Year-end March)	FY16	FY17E	FY18E	FY19E	
Per share data (₹) (annualised)					
EPS	0.3	-4.5	3.6	4.9	
Cash EPS	15.8	13.6	23.7	27.5	
BV	61.6	58.0	61.6	66.6	
DPS	0.0	0.0	0.0	2.8	
Cash Per Share	1.2	0.9	1.5	2.4	
Operating Ratios					
EBITDA Margin (%)	3.8	2.3	4.0	4.6	
PBT Margin (%)	-0.2	-1.0	0.1	0.6	
PAT Margin (%)	0.1	-0.7	0.5	0.6	
Inventory days	45.2	41.4	43.0	41.6	
Debtor days	4.0	4.1	6.0	3.3	
Creditor days	58.1	52.2	54.0	56.0	
Return Ratios (%)					
RoE	0.5	-7.7	5.9	7.4	
RoCE	4.3	-2.9	5.2	8.3	
RoIC	4.6	-3.1	5.4	8.6	
Valuation Ratios (x) (annualised)					
P/E	1,212.1	NA	97.0	70.8	
EV / EBITDA	19.8	29.9	15.6	12.3	
EV / Net Sales	0.8	0.7	0.6	0.6	
Market Cap / Sales	0.6	0.6	0.5	0.5	
Price to Book Value	6.1	6.5	6.1	5.7	
Solvency Ratios					
Debt/EBITDA	3.6	5.3	2.9	2.4	
Debt / Equity	1.2	1.3	1.3	1.2	
Current Ratio	0.9	0.9	0.9	0.9	
Quick Ratio	0.2	0.3	0.3	0.2	

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	583	650	Buy	7,513	17.0	12.4	17.0	33.8	46.6	33.8	26.1	24.7	21.1	16.5	16.0	17.8	18.5	12.0	15.2
Shoppers Stop (SHOSTO)	350	360	Hold	2,950	0.3	-4.5	3.6	1,212.1	NA	97.0	19.8	29.9	15.6	4.3	-2.9	5.2	0.5	-7.7	5.9
Titan Company (TITIND)	543	510	Hold	48,044	8.0	8.6	12.0	68.3	63.3	45.2	44.6	34.6	28.5	23.4	25.6	27.9	20.1	17.7	22.2
Trent	285	290	Buy	9,157	1.9	4.3	5.5	150.2	66.7	51.7	65.0	34.8	27.0	7.7	15.0	18.0	4.5	10.1	12.4
ABFRL	170	210	Buy	13,099	0.1	0.7	1.4	NM	NM	118.4	39.4	34.8	28.6	2.4	7.5	9.7	1.3	5.6	10.4

Source: Company, ICICIdirect.com Research

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