

| Rating matrix | |
|----------------------|-------------|
| Rating | : Hold |
| Target | : ₹ 545 |
| Target Period | : 12 months |
| Potential Upside | : 8% |

| What's changed? | |
|------------------------|-------------------------------|
| Target | Changed from ₹ 535 to ₹ 545 |
| EPS FY19E | Changed from ₹ 9.5 to ₹ 10.3 |
| EPS FY20E | Changed from ₹ 11.3 to ₹ 12.9 |
| Rating | Unchanged |

| Quarterly performance | | | | |
|------------------------------|--------|--------|---------|--------|
| | Q3FY19 | Q3FY18 | YoY (%) | Q2FY19 |
| Revenue | 999.1 | 963.2 | 3.7 | 864.5 |
| EBITDA | 97.2 | 79.4 | 22.5 | 54.0 |
| EBITDA (%) | 9.7 | 8.2 | 149 bps | 6.3 |
| PAT | 44.3 | 16.3 | LP | 13.2 |
| | | | | 235.7 |

| Key financials (Standalone) | | | | |
|------------------------------------|--------|-------|-------|-------|
| (₹ Crore) | FY17 | FY18A | FY19E | FY20E |
| Net Sales | 3,648 | 3,591 | 3,610 | 4,007 |
| EBITDA | 193 | 212 | 255 | 303 |
| Net Profit | (19.9) | 11.6 | 91.0 | 113.4 |
| EPS (₹) | (2.4) | 1.3 | 10.3 | 12.9 |

| Valuation summary | | | | |
|--------------------------|------|-------|-------|-------|
| | FY17 | FY18A | FY19E | FY20E |
| EV / EBITDA | 24.9 | 21.4 | 17.7 | 14.8 |
| Target EV/EBITDA | 25.1 | 22.9 | 19.0 | 16.0 |
| EV / Sales | 1.3 | 1.3 | 1.2 | 1.1 |
| P/BV | 5.5 | 4.7 | 4.4 | 4.1 |
| RoNW (%) | -2.6 | 1.2 | 9.0 | 10.4 |
| RoCE (%) | 5.8 | 9.6 | 12.3 | 14.4 |

| Stock data | | | | |
|---------------------------------|----------|--|--|--|
| Particular | Amount | | | |
| Market Capitalisation (₹ Crore) | 4,442.0 | | | |
| Total Debt (Mar-18) (₹ Crore) | 87.4 | | | |
| Cash (Mar-18) (₹ Crore) | 5.2 | | | |
| EV (₹ Crore) | 4,524.1 | | | |
| 52 week H/L | 690/ 452 | | | |
| Equity Capital (₹ Crore) | 44.0 | | | |
| Face Value (₹) | 5.0 | | | |

| Price performance | | | | |
|--------------------------|------|------|------|------|
| | 1M | 3M | 6M | 12M |
| Shoppers Stop | -5.5 | 4.0 | -8.2 | -1.4 |
| Future Lifestyle | 4.7 | 13.1 | 1.7 | 8.5 |
| Trent Ltd | -2.2 | 8.6 | 0.9 | 11.3 |

| Research Analysts | | | | |
|-----------------------------------|--|--|--|--|
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| | | | | |
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| Cheragh Sidhwa | | | | |
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Shoppers Stop (SHOSTO)

₹ 505

Strong festive season aids SSSG...

- Revenues for the quarter grew 3.7% YoY to ₹ 999.1 crore. Adjusting for changes on account of GST and Ind-As-115, revenue growth would have been 9.9% YoY. Growth was mainly driven by healthy SSSG of 8.9% YoY (highest in the last five quarters) owing to strong festive season and low base of Q3FY18
- Gross margin for the quarter rose ~260 bps YoY due to higher share of private label brands (up 150 bps YoY, 10 bps QoQ to 10.4%). However, higher employee cost (up 6.1% YoY), rental expense (up 8.4% YoY) and other expenses (up 7.4% YoY) curtailed the EBITDA margin expansion. Resultant operating margin rose 150 bps YoY to 9.7% (adjusted EBITDA margin up ~100 bps YoY to 9.2%)
- Efforts to improve the balance sheet have resulted in significant debt reduction (cash surplus of ₹ 113 crore as on December 31, 2019). Subsequently, interest cost declined 67% YoY. Resultant PAT came in at ₹ 44.3 crore vs. ₹ 16.3 crore in Q3FY18 (the company had reported one-time exceptional expense to the tune of ₹ 16.7 crore in Q3FY18). Adjusted growth was at ~60% YoY
- The updated FDI norms, which are expected to be effective from February 1, 2019, bars selling of products of any entity in which an e-tailer has an equity stake (Amazon had earlier picked up 5% stake in SSL). The management said it is still awaiting clarity from the government as to the extent of minimum equity holding criteria for enforcement of the new norms. However, if the issue remains inconclusive, it would abide by the law and stop sale of its products on the Amazon platform (e-commerce contributes ~2% of sales)

Management expects to exit FY19E with mid-single digit SSSG

SSL reported healthy SSSG of 8.9% (I-direct estimate: 7%) on account of a strong festive season resulting in uptick in customer footfalls (up 2.9% YoY) along with improvement in conversion ratio (up 90 bps to 28.1%). Growth was witnessed across all categories, with watches and beauty segment registering low double digit growth, whereas Indian wear dominated the apparel category with 21% YoY growth, followed by denim segment, which grew 15% YoY. On the store addition front, the company added five beauty format stores, while opening of four departmental stores were deferred to Q4FY19 due to delay in mall openings. Omni channel sales grew 58% YTD while e-commerce contributes ~2% of revenues. The management maintained its guidance to exit FY19E with ~5% SSSG with EBITDA margin expansion of 70-80 bps YoY (on YTD basis SSL clocked adjusted EBITDA margin of 6.8%).

Sustained enhancement in SSSG- key monitorable; recommend HOLD!

The share of private label brands continues to be one of the lowest compared to its peers (~10-10.5%). To address the same, the management has undertaken several initiatives such as a) setting up a new design studio, testing lab, b) re-jigging its product portfolio and c) hiring a new head of design and new management team. Going forward, an increase in share of private label brands remains the key monitorable for margin expansion and revival in SSSG. Factoring in the strong margin beat of Q3FY19, we revise our earnings estimates upwards for FY19E, FY20E. However, sustainable enhancement in SSSG would be critical for re-rating of the stock. We maintain our **HOLD** recommendation on the stock with a revised target price of ₹ 545 (16.0x FY20E EV/EBITDA).

Variance analysis

| | Q3FY19 | Q3FY19E | Q3FY18 | YoY (%) | Q2FY19 | QoQ (%) | Comments |
|----------------------|--------|---------|--------|---------|--------|----------|---|
| Revenue | 999.1 | 1,050.3 | 963.2 | 3.7 | 864.5 | 15.6 | Adjusted revenue growth: 9.9%. Healthy festive season led to SSSG of 8.9% |
| Other Income | 2.9 | 3.4 | 3.4 | -15.3 | 2.6 | 11.3 | |
| Raw Material Expense | 587.7 | 640.7 | 591.2 | -0.6 | 509.5 | 15.3 | |
| Gross Profit | 411.5 | 409.6 | 372.1 | 10.6 | 355.0 | 15.9 | |
| Gross Profit Margin | 41.2 | 39.0 | 38.6 | 256 bps | 41.1 | -244 bps | Higher gross margins owing to increase in share of private label brands |
| Other Expenses | 134.3 | 138.6 | 125.0 | 7.4 | 130.9 | 2.6 | |
| Rental Expense | 99.7 | 98.7 | 92.0 | 8.4 | 94.3 | 5.7 | |
| Employee Expense | 80.3 | 81.9 | 75.7 | 6.1 | 75.8 | 6.0 | |
| EBITDA | 97.2 | 90.3 | 79.4 | 22.5 | 54.0 | 79.9 | |
| EBITDA Margin (%) | 9.7 | 8.6 | 8.2 | 149 bps | 6.3 | 348 bps | Adjusted EBITDA margin: 9.2%. One of its highest ever EBITDA margin |
| Depreciation | 27.8 | 32.6 | 30.0 | -7.2 | 31.1 | -10.5 | |
| Interest | 3.0 | 2.8 | 9.2 | -67.3 | 2.7 | 12.7 | |
| Exceptional Items | 0.0 | 0.0 | -16.6 | | 0.0 | | Exceptional expense in Q3FY18 pertaining to impairment of investments |
| PBT | 66.4 | 54.9 | 23.6 | 181.5 | 20.3 | 227.0 | |
| Tax Outgo | 24.9 | 23.3 | 10.6 | 134.8 | 9.7 | 157.9 | |
| Minority Interest | 0.0 | 0.0 | 0.0 | | 0.0 | | |
| PAT | 44.3 | 35.0 | 16.3 | 171.3 | 13.2 | 235.7 | Adjusted PAT growth was at ~60% |

Key Metrics

| Total space |
|--|
| Space (Mn sq ft) |
| Like to Like sales growth (%) |
| Source: Company, ICICI Direct Research |

Change in estimates

| ₹ Crore) | FY19E | | | FY20E | | |
|-------------------|---------|---------|----------|---------|---------|----------|
| | Old | New | % Change | Old | New | % Change |
| Revenue | 3,782.9 | 3,610.1 | -4.6 | 4,128.2 | 4,006.8 | -2.9 |
| EBITDA | 242.1 | 255.2 | 5.4 | 284.8 | 302.5 | 6.2 |
| EBITDA Margin (%) | 6.4 | 7.1 | 67 bps | 6.9 | 7.6 | 65 bps |
| PAT | 83.0 | 91.0 | 9.6 | 99.3 | 113.4 | 14.2 |
| EPS (₹) | 9.5 | 10.3 | 9.5 | 11.3 | 12.9 | 14.1 |

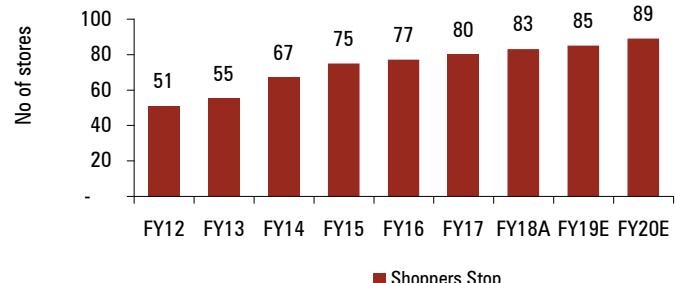
Source: Company, ICICI Direct Research

Company Analysis

Exhibit 1: Space addition trend - Departmental stores



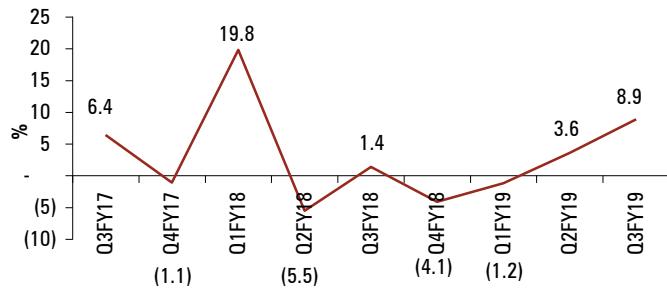
Exhibit 2: Number of stores (Departmental)



Source: Company, ICICI Direct Research

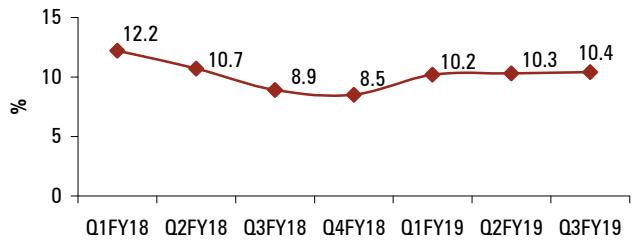
Source: Company, ICICI Direct Research

Exhibit 3: Like to like sales growth



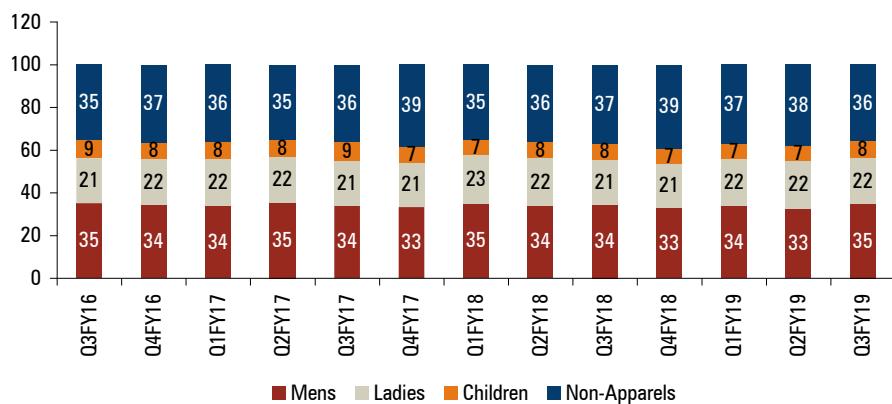
Source: Company, ICICI Direct Research

Exhibit 4: Share of private label brands

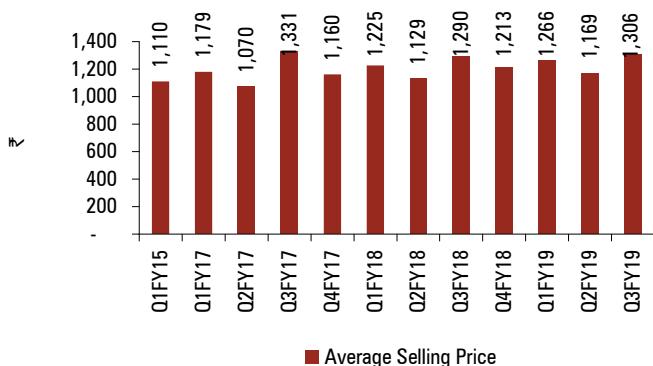


Source: Company, ICICI Direct Research

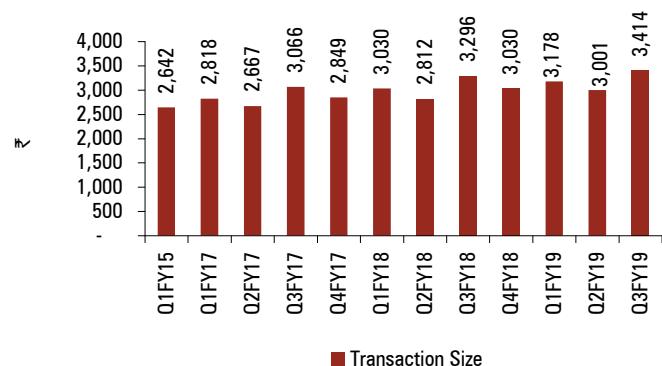
Exhibit 5: Share of apparel and non-apparel mix



Source: Company, ICICI Direct Research

Exhibit 6: Average selling price


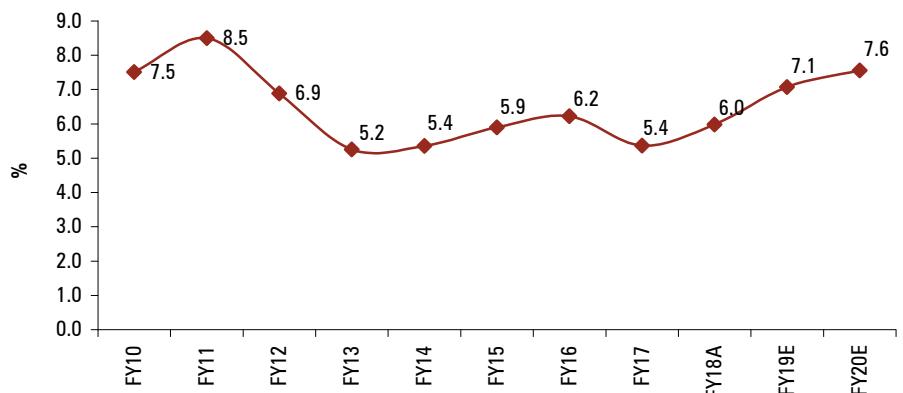
Source: Company, ICICI Direct. Research

Exhibit 7: Average ticket size


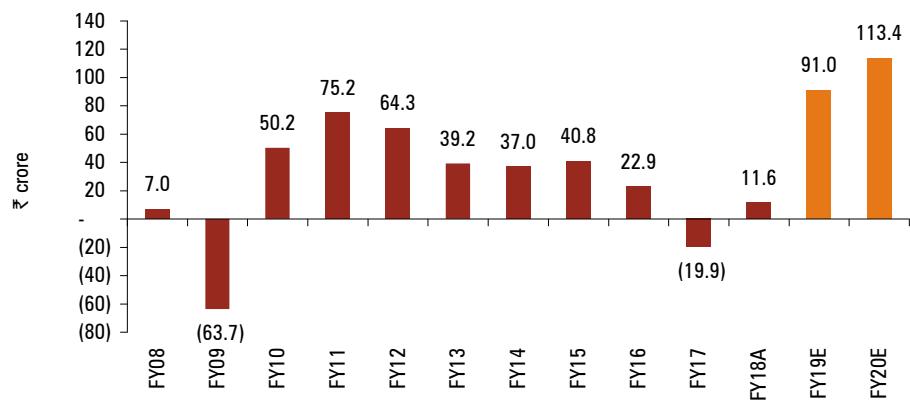
Source: Company, ICICI Direct. Research

Exhibit 8: Revenue and growth trend

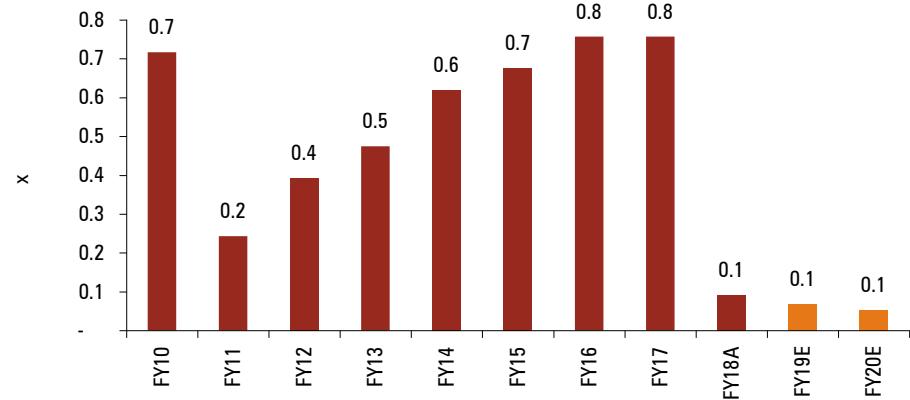

Source: Company, ICICI Direct Research

Exhibit 9: Standalone operating margin


Source: Company, ICICI Direct Research

Exhibit 10: Standalone PAT performance


Source: Company, ICICI Direct Research

Exhibit 11: Debt/equity ratio trend


Source: Company, ICICI Direct Research

Valuation

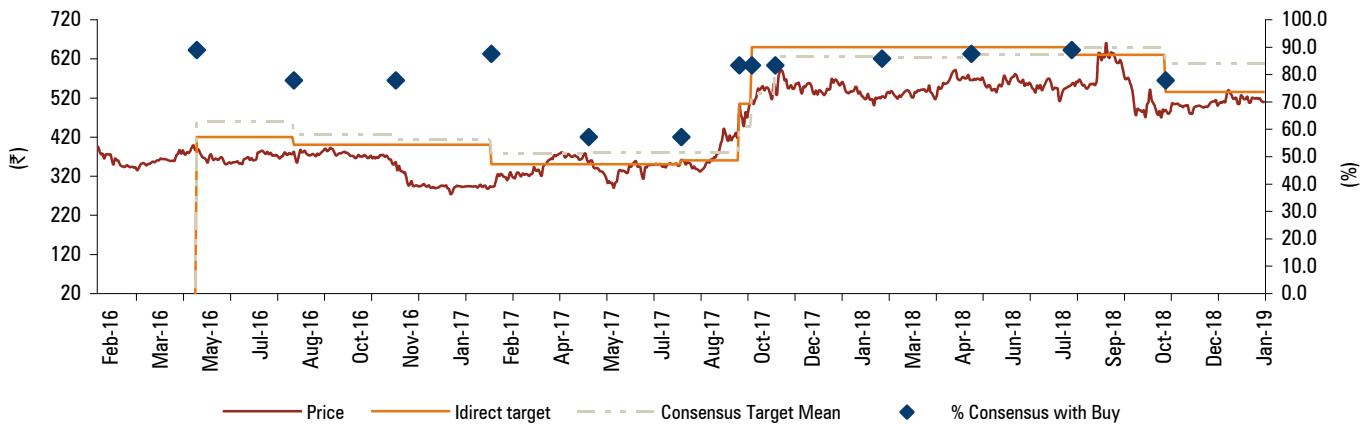
The share of private label brands continues to be one of the lowest compared to its peers (~10-10.5%). To address the same, the management has undertaken several initiatives such as, a) set up a new design studio, testing lab, b) has re-jigged its product portfolio and c) and hired a new head of design and new management team. Going forward, an increase in share of private label brands remains the key monitorable for margin expansion and revival in SSSG. Factoring in the strong margin beat of Q3FY19, we revise our earnings estimates upwards for FY19E, FY20E. However, sustainable enhancement in SSSG would be critical for re-rating of the stock. We maintain our **HOLD** rating on the stock with a revised target price of ₹ 545 (16.0x FY20E EV/EBITDA).

Exhibit 12: Valuations

| | Sales (₹ cr) | Growth (%) | EPS (₹) | Growth (%) | PE (x) | EV/EBITDA (x) | RoCE (%) | RoNW (%) |
|-------|-----------------|---------------|------------|---------------|-----------|------------------|-------------|-------------|
| FY17 | 3648.1 | 8.7 | -2.4 | PL | NA | 24.9 | 5.8 | -2.6 |
| FY18A | 3591.5 | -1.6 | 1.3 | LP | 382.9 | 21.4 | 9.6 | 1.2 |
| FY19E | 3610.1 | 0.5 | 10.3 | 684.3 | 48.8 | 17.7 | 12.3 | 9.0 |
| FY20E | 4006.8 | 11.0 | 12.9 | 24.7 | 39.2 | 14.8 | 14.4 | 10.4 |

Source: Company, ICICI Direct Research

Recommendation history vs. consensus estimate



Source: Bloomberg, Company, ICICI Direct Research

Key events

| Date | Event |
|--------|--|
| 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 | Mynta 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 |
| Sep-17 | SSL issued 4.4 mn shares to Amazon (₹ 178 crore) equivalent to 5% stake |
| Oct-17 | Hypercity stake sale to Future Retail |
| Oct-17 | SSL exits duty-free airport retail business |

Source: Company, ICICI Direct 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-18 | 13.4% | 11.8 | 0.0 |
| 2 | Cape Trading Pvt. Ltd. | 31-Dec-18 | 11.8% | 10.4 | 0.0 |
| 3 | Anbee Construction Pvt. Ltd. | 31-Dec-18 | 11.8% | 10.4 | 0.0 |
| 4 | Raghukool Estate Development Pvt. Ltd. | 31-Dec-18 | 6.4% | 5.6 | 0.0 |
| 5 | Capstan Trading Pvt. Ltd. | 31-Dec-18 | 6.2% | 5.5 | 0.0 |
| 6 | Aditya Birla Sun Life AMC Limited | 31-Dec-18 | 6.1% | 5.4 | 0.2 |
| 7 | Casa Maria Properties Pvt. Ltd. | 31-Dec-18 | 6.0% | 5.3 | 0.0 |
| 8 | Amazon.com NV Investment Holdings LLC | 31-Dec-18 | 5.0% | 4.4 | 0.0 |
| 9 | Reliance Nippon Life Asset Management Limited | 31-Dec-18 | 4.7% | 4.1 | -0.8 |
| 10 | K Raheja Corporation | 31-Dec-18 | 3.8% | 3.4 | 0.0 |

Shareholding Pattern

| (in %) | Dec-17 | Mar-18 | Jun-18 | Sep-18 | Sep-18 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 63.7 | 63.7 | 63.7 | 63.7 | 63.7 |
| FII | 8.1 | 9.3 | 10.2 | 11.9 | 11.8 |
| DII | 14.8 | 14.2 | 13.7 | 12.5 | 12.9 |
| Others | 13.4 | 12.8 | 12.5 | 11.9 | 11.6 |

Source: Reuters, ICICI Direct Research

Recent Activity

| Buys | | | Sells | | |
|-----------------------------------|-------|--------|---|-------|--------|
| Investor Name | Value | Shares | Investor Name | Value | Shares |
| Aditya Birla Sun Life AMC Limited | 1.46 | 0.19 | Reliance Nippon Life Asset Management Limited | -6.37 | -0.82 |
| State Street Global Advisors (US) | 0.05 | 0.01 | Miraj Marketing Co., L.L.P. | -1.46 | -0.19 |
| L&T Investment Management Limited | 0.04 | 0.01 | ICICI Prudential Life Insurance Company Ltd. | -0.24 | -0.03 |
| Shah (Duru Sushil) | 0.03 | 0.00 | Dimensional Fund Advisors, L.P. | -0.13 | -0.02 |
| | | | BlackRock Institutional Trust Company, N.A. | -0.01 | 0.00 |

Source: Reuters, ICICI Direct Research

Financial summary (Standalone)

| Profit and loss statement | | ₹ Crore | | | |
|--|----|---------|---------|---------|---------|
| (Year-end March) | | FY17 | FY18A | FY19E | FY20E |
| Total operating Income | | 3,648.1 | 3,591.5 | 3,610.1 | 4,006.8 |
| Growth (%) | | -1.6 | 0.5 | 11.0 | |
| Cost of Goods Sold | | 2,287.4 | 2,213.4 | 2,123.8 | 2,334.0 |
| Gross Margin (%) | | 37.3 | 38.4 | 41.2 | 41.8 |
| Employee Expenses | | 273.5 | 301.3 | 310.5 | 332.6 |
| Operating & Other Expenses | | 894.6 | 865.1 | 920.6 | 1,037.8 |
| Total Operating Expenditure | | 3,455.5 | 3,379.8 | 3,354.9 | 3,704.3 |
| EBITDA | | 192.5 | 211.6 | 255.2 | 302.5 |
| Growth (%) | | 9.9 | 20.6 | 18.5 | |
| Depreciation | | 115.5 | 111.9 | 122.1 | 137.5 |
| Interest | | 58.5 | 36.2 | 9.4 | 7.7 |
| Other Income | | 29.6 | 16.0 | 16.2 | 18.0 |
| PBT (Before extraordinary item) | | 48.1 | 79.6 | 140.0 | 175.3 |
| Extraordinary item | | -47.8 | -50.4 | 0.0 | 0.0 |
| Total Tax | | 20.3 | 17.6 | 49.0 | 61.9 |
| PAT | | -19.9 | 11.6 | 91.0 | 113.4 |
| Minority Interest/Share of JV | | 0.0 | 0.0 | 0.0 | 0.0 |
| PAT(after minority interest) | | -19.9 | 11.6 | 91.0 | 113.4 |
| Growth (%) | PL | LP | 684.3 | 24.7 | |
| EPS (₹) (after minority interest) | | -2.4 | 1.3 | 10.3 | 12.9 |

Source: Company, ICICI Direct Research

| Cash flow statement | | ₹ Crore | | | |
|-------------------------------------|--|---------|--------|--------|--------|
| (Year-end March) | | FY17 | FY18A | FY19E | FY20E |
| Profit after Tax | | -19.9 | 11.6 | 91.0 | 113.4 |
| Add: Depreciation | | 115.5 | 111.9 | 122.1 | 137.5 |
| (Inc)/dec in Current Assets | | 70.6 | 12.2 | -784.4 | -161.0 |
| Inc/(dec) in CL and Provisions | | -43.0 | 222.7 | 798.7 | 144.4 |
| Others | | 0.0 | 0.0 | 0.0 | 0.0 |
| CF from operating activities | | 123.2 | 358.5 | 227.4 | 234.4 |
| (Inc)/dec in Investments | | -2.6 | 90.4 | -95.0 | -61.9 |
| (Inc)/dec in Fixed Assets | | -100.2 | -122.9 | -83.3 | -105.4 |
| (Inc)/dec in CWIP | | 15.3 | -2.8 | 2.1 | 2.6 |
| Others | | -23.4 | 0.0 | 0.0 | 0.0 |
| CF from investing activities | | -110.9 | -35.3 | -176.2 | -164.6 |
| Issue/(Buy back) of Equity | | 0.0 | 2.2 | 0.0 | 0.0 |
| Inc/(dec) in loan funds | | -13.9 | -488.5 | -18.1 | -12.1 |
| Others | | 1.3 | 163.3 | -32.9 | -40.9 |
| CF from financing activities | | -12.6 | -323.0 | -51.0 | -53.0 |
| Net Cash flow | | -0.2 | 0.2 | 0.1 | 16.8 |
| Opening Cash | | 5.3 | 5.1 | 5.2 | 5.4 |
| Closing Cash | | 5.1 | 5.2 | 5.4 | 22.2 |

Source: Company, ICICI Direct Research

| Balance sheet | | ₹ Crore | | | |
|-----------------------------|--|---------|---------|---------|---------|
| (Year-end March) | | FY17 | FY18A | FY19E | FY20E |
| Liabilities | | | | | |
| Equity Capital | | 41.8 | 44.0 | 44.0 | 44.0 |
| Reserve and Surplus | | 719.0 | 909.4 | 968.4 | 1,042.1 |
| Total Shareholders funds | | 760.7 | 953.4 | 1,012.4 | 1,086.0 |
| Total Debt | | 575.9 | 87.4 | 69.3 | 57.2 |
| Other LT Liabilities | | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred Tax Liability | | -4.3 | -19.8 | -20.8 | -21.8 |
| Minority Interest / Others | | 0.0 | 0.0 | 0.0 | 0.0 |
| Total Liabilities | | 1,332.4 | 1,021.0 | 1,060.9 | 1,121.4 |
| Assets | | | | | |
| Gross Block | | 816.8 | 931.0 | 1,014.3 | 1,119.7 |
| Less: Acc Depreciation | | 177.2 | 280.4 | 402.5 | 540.0 |
| Capital WIP | | 12.6 | 15.3 | 13.2 | 10.6 |
| Total Fixed Assets | | 652.2 | 665.9 | 625.0 | 590.2 |
| Investments | | 408.0 | 317.6 | 412.6 | 474.5 |
| Other Non-current Assets | | 0.0 | 0.0 | 0.0 | 0.0 |
| Inventory | | 352.8 | 328.4 | 1,137.4 | 1,251.4 |
| Debtors | | 35.8 | 43.7 | 41.5 | 45.0 |
| Loans and Advances | | 353.0 | 222.5 | 198.6 | 240.4 |
| Cash | | 5.1 | 5.2 | 5.4 | 22.2 |
| Other Current Assets | | 24.6 | 159.3 | 160.9 | 162.5 |
| Total Current Assets | | 771.2 | 759.2 | 1,543.8 | 1,721.5 |
| Creditors | | 330.2 | 488.6 | 1,285.8 | 1,427.1 |
| Other Current Liab. & Prov. | | 168.9 | 233.2 | 234.7 | 237.8 |
| Total Current Liabilities | | 499.0 | 721.8 | 1,520.5 | 1,664.8 |
| Net Current Assets | | 272.2 | 37.4 | 23.3 | 56.7 |
| Application of Funds | | 1,332.4 | 1,021.0 | 1,060.9 | 1,121.4 |

Source: Company, ICICI Direct Research

| Key ratios | | | | | |
|--|--|------|-------|-------|-------|
| (Year-end March) | | FY17 | FY18A | FY19E | FY20E |
| Per share data (₹) (annualised) | | | | | |
| EPS | | -2.4 | 1.3 | 10.3 | 12.9 |
| Cash EPS | | 11.4 | 14.0 | 24.2 | 28.5 |
| BV | | 91.1 | 108.4 | 115.1 | 123.5 |
| DPS | | 0.0 | 0.7 | 3.1 | 3.9 |
| Cash Per Share | | 0.6 | 0.6 | 0.6 | 2.5 |
| Operating Ratios | | | | | |
| EBITDA Margin (%) | | 5.4 | 6.0 | 7.1 | 7.6 |
| PBT Margin (%) | | 1.3 | 2.2 | 3.9 | 4.4 |
| PAT Margin (%) | | -0.6 | 0.3 | 2.5 | 2.8 |
| Inventory days | | 35.8 | 33.9 | 115.0 | 114.0 |
| Debtor days | | 3.6 | 4.5 | 4.2 | 4.1 |
| Creditor days | | 33.6 | 50.4 | 130.0 | 130.0 |
| Return Ratios (%) | | | | | |
| RoE | | -2.6 | 1.2 | 9.0 | 10.4 |
| RoCE | | 5.8 | 9.6 | 12.3 | 14.4 |
| RoIC | | 8.5 | 14.2 | 20.5 | 25.9 |
| Valuation Ratios (x) (annualised) | | | | | |
| P/E | | NA | 382.9 | 48.8 | 39.2 |
| EV / EBITDA | | 24.9 | 21.4 | 17.7 | 14.8 |
| EV / Net Sales | | 1.3 | 1.3 | 1.2 | 1.1 |
| Market Cap / Sales | | 1.2 | 1.3 | 1.2 | 1.1 |
| Price to Book Value | | 5.5 | 4.7 | 4.4 | 4.1 |
| Solvency Ratios | | | | | |
| Debt/EBITDA | | 3.0 | 0.4 | 0.3 | 0.2 |
| Debt / Equity | | 0.8 | 0.1 | 0.1 | 0.1 |
| Current Ratio | | 1.5 | 1.1 | 1.0 | 1.0 |
| Quick Ratio | | 0.8 | 0.6 | 0.3 | 0.3 |

Source: Company, ICICI Direct Research

ICICI Direct Research coverage universe (Retail)

| Sector / Company | CMP | | Rating | M Cap | | | EPS (₹) | | | P/E (x) | | | EV/EBITDA (x) | | | RoCE (%) | | | RoE (%) | | | |
|------------------------|-------|-------|--------|--------|------|-------|---------|-------|-------|---------|------|-------|---------------|------|-------|----------|------|-------|---------|------|-------|-------|
| | (₹) | TP(₹) | | (₹ Cr) | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E | FY18 | FY19E | FY20E |
| Bata India | 1,100 | 1,160 | Buy | 14,184 | 17.4 | 23.5 | 28.5 | 63.2 | 46.8 | 38.6 | 35.4 | 28.4 | 23.2 | 19.9 | 22.1 | 23.7 | 15.1 | 17.8 | 19.0 | | | |
| Shoppers Stop (SHOSTO) | 505 | 545 | Hold | 4,420 | 1.3 | 10.3 | 12.9 | 382.9 | 48.8 | 39.2 | 21.4 | 17.7 | 14.8 | 9.6 | 12.3 | 14.4 | 1.2 | 9.0 | 10.4 | | | |
| Titan Company (TITIND) | 977 | 1,065 | Buy | 86,657 | 12.7 | 16.2 | 20.8 | 76.8 | 60.2 | 46.9 | 50.3 | 39.2 | 31.0 | 29.3 | 31.5 | 33.5 | 22.2 | 23.4 | 25.1 | | | |
| Trent | 355 | 410 | Buy | 11,828 | 2.6 | 4.8 | 6.9 | 135.5 | 73.4 | 51.7 | 55.8 | 41.8 | 32.9 | 10.0 | 12.0 | 14.7 | 5.5 | 9.5 | 12.5 | | | |
| ABFRL | 210 | 250 | Buy | 16,168 | 1.5 | 2.2 | 3.4 | 137.6 | 97.7 | 62.1 | 34.9 | 27.9 | 22.8 | 8.5 | 11.4 | 13.5 | 10.8 | 13.2 | 17.2 | | | |

Source: Company, ICICI Direct Research

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Buy: >10%/15% for large caps/midcaps, respectively;

Hold: Up to +/-10%;

Sell: -10% or more;



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