

28 May 2020

## Aditya Birla Fashion and Retail

*Covid plays spoilsport; maintaining a Buy*

Covid<sup>19</sup>-related shutdowns hurt an otherwise healthy year for ABFRL. It reported 7.7% revenue growth and a 16% EBITDA drop in FY20. The ₹10bn rights issue as a risk-mitigation strategy would strengthen the balance sheet. The inherently strong brands and otherwise healthy working-capital cycle are its key strengths. The stock price has fallen ~36% since the lockdown with concerns about demand revival uncertainty and mounting debt. On the extended lockdown and higher fixed costs than previously expected, we cut our FY21e/FY22e revenue 6.3%/8.3%, EBITDA 44.5%/25.0%. We maintain our Buy rating with a lower TP of ₹137 based on 18x FY22e EV/EBITDA. We believe the ability to control fixed costs and demand revival are key monitorables.

**In-line revenue, EBITDA lower than anticipated.** Standalone revenue shrank 5.1% y/y to ₹18.2bn due to Covid<sup>19</sup>-related store shutdowns. Unabsorbed factory costs pulled the gross margin down 175bps y/y to 51.3%. Comparable EBITDA loss was ₹569m (vs. a positive ₹1,245m a year ago). The comparable net loss was ₹1,286m (vs ₹2,026m PAT a year ago, higher due to deferred tax adjustment of ₹1,721m).

**Trimming costs to contain losses, debt mounts.** Gross debt at end-FY20 was ₹27.8bn, ₹10.7bn higher y/y, due to higher working capital (cash-conversion cycle up 25 days y/y to 38), and acquisitions during the year. Management expects inventory-conversion-to-sales, lower capex (down 60-70% y/y), cost-cutting, and equity raise to ease liquidity. We believe that the high fixed-cost structure would pile pressure on profitability and debt. The key monitorable would be the extent to which fixed costs are reduced in H1 FY21, which could lead to profitability bouncing back once revenue growth starts picking up in H2 FY21.

**Valuation.** We maintain our Buy rating, with a lower TP of ₹137 (from ₹182), based on 18x FY22e EV/EBITDA. **Risk:** Keen competition cutting into revenue growth.

Key financials (YE Mar)	FY18	FY19	FY20	FY21e	FY22e
Sales (₹ m)	71,721	81,177	87,425	72,668	90,427
Net profit (₹ m)	1,178	3,213	-796	-3,655	773
EPS (₹)	1.5	4.2	-1.0	-4.7	1.0
PE (x)	70.8	26.0	NA	NA	108.2
EV / EBITDA (x)	21.6	18.0	23.3	80.7	17.3
PBV (x)	7.6	5.8	7.7	11.6	10.5
RoE (%)	11.5	25.5	-6.3	-40.5	10.2
RoCE (%)	6.3	8.9	-8.7	-4.3	7.9
Dividend yield (%)	-	-	-	-	-
Net debt / equity (x)	1.6	1.2	2.3	3.7	2.7

Source: Company, Anand Rathi Research

Note: Estimates are on a comparable basis, not adjusted for IND-AS 116

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Rating: **Buy**

Target Price: ₹137

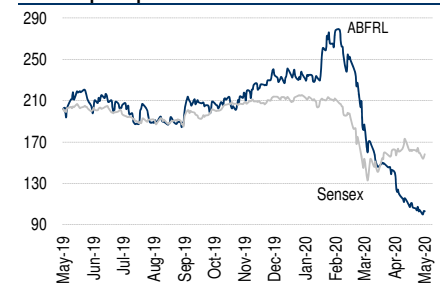
Share Price: ₹108

Key data	ABFRL IN / PNTA.BO
52-week high / low	₹286 / 97
Sensex / Nifty	32054 / 9444
3-m average volume	\$3.1m
Market cap	₹81bn / \$1073.9m
Shares outstanding	774m

Shareholding pattern (%)	Mar'20	Dec'19	Sep'19
Promoters	59.1	59.1	59.1
- of which, Pledged	-	-	-
Free float	40.9	40.9	40.9
- Foreign institutions	8.4	9.4	9.7
- Domestic institutions	21.4	20.5	20.3
- Public	11.2	11.0	10.9

Estimates revision (%)	FY21	FY22
Sales	-6.3	-8.3
EBITDA	(44.5)	(25.0)
EPS	NA	(74.5)

### Relative price performance



Source: Bloomberg

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## Quick Glance – Financials and Valuations

**Fig 1 – Income statement (₹ m) - standalone**

Year-end: Mar	FY18	FY19	FY20	FY21e	FY22e
Net revenues	71,721	81,177	87,425	72,668	90,427
Growth (%)	8.6	13.2	7.7	-16.9	24.4
Direct costs	33,901	39,250	42,058	35,607	43,676
SG&A	33,137	36,387	40,713	35,695	40,705
<b>EBITDA</b>	<b>4,683</b>	<b>5,541</b>	<b>4,655</b>	<b>1,365</b>	<b>6,045</b>
EBITDA margins (%)	6.5	6.8	5.3	1.9	6.7
Depreciation	2,805	2,823	2,488	2,950	3,330
Other income	328	648	522	701	729
Interest expenses	1,716	1,874	2,123	2,771	2,671
PBT	490	1,491	565	-3,655	773
Effective tax rate (%)	-	NA	NA	-	-
+ Associates / (Minorities)	-	-	-	-	-
Net income	1,178	3,213	-796	-3,655	773
Adjusted income	1,178	3,213	-796	-3,655	773
WANS	772	773	774	774	774
FDEPS (₹ / sh)	1.5	4.2	-1.0	-4.7	1.0
FDEPS growth (%)	120.1	172.1	(124.7)	359.4	(121.1)
Gross margins (%)	52.7	51.6	51.9	51.0	51.7

Note: FY20 fig. are on comparable basis, not adjusted for IND-AS 116

**Fig 3 – Cash-flow statement (₹ m) - standalone**

Year-end: Mar	FY18	FY19	FY20P	FY21e	FY22e
PBT (Adj for interest exp & other inc.)	2,103	3,333	4,101	-1,585	2,715
+ Non-cash items	3,098	3,076	8,659	2,950	3,330
Oper. prof. before WC	5,201	6,409	12,760	1,365	6,045
- Incr. / (decr.) in WC	-760	937	6,082	-64	-4,259
Others incl. taxes	10	196	61	-	-
Operating cash-flow	5,951	5,276	6,617	1,429	10,304
- Capex (tang. + intang.)	3,271	2,792	3,075	1,000	3,000
Free cash-flow	2,680	2,484	3,542	429	7,304
Acquisitions	-	-	-1,593	-	-
- Div. (incl. buyback & taxes)	-	-	-	-	-
+ Equity raised	12	9	72	-	-
+ Debt raised	-1,832	-1,576	10,725	-0	-2,000
- Fin investments	-6	-22	1,079	-	-
- Misc. (CFI + CFF)	636	1,094	9,590	2,070	1,942
Net cash-flow	230	-154	2,077	-1,641	3,362

Source: Company, Anand Rathi Research Note: FY20 fig. are on reported basis

**Fig 5 – Price movement**


Source: Bloomberg

**Fig 2 – Balance sheet (₹ m) - standalone**

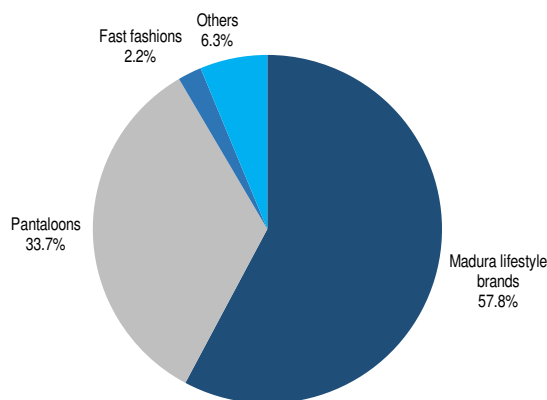
Year-end: Mar	FY18	FY19	FY20P	FY21e	FY22e
Share capital	7,717	7,735	7,740	7,740	7,740
Net worth	10,931	14,289	10,859	7,203	7,976
Debt	18,615	17,029	27,763	27,763	25,763
Minority interest	-	-	-	-	-
DTL / (Assets) *	-688	-2,634	22,724	22,724	22,724
<b>Capital employed</b>	<b>28,857</b>	<b>28,684</b>	<b>61,346</b>	<b>57,690</b>	<b>56,463</b>
Net tangible assets **	6,465	6,364	28,125	26,175	25,845
Net intangible assets	763	595	562	562	562
Goodwill	18,596	18,596	18,596	18,596	18,596
CWIP (tang. & intang.)	459	224	436	436	436
Investments (strategic)	-	-	1,700	1,700	1,700
Investments (financial)	-	-	-	-	-
Current assets (ex cash)	29,643	37,224	42,871	37,827	43,603
Cash	726	574	2,649	1,008	4,369
Current liabilities	27,793	34,893	33,594	28,614	38,648
Working capital	1,850	2,331	9,277	9,214	4,955
<b>Capital deployed</b>	<b>28,857</b>	<b>28,684</b>	<b>61,346</b>	<b>57,690</b>	<b>56,463</b>
Contingent liabilities	-	-	-	-	-

Note: FY20 fig. are on reported basis \*includes lease liabilities \*\*includes right to use assets

**Fig 4 – Ratio analysis**

Year-end: Mar	FY18	FY19	FY20P	FY21e	FY22e
P/E (x)	70.8	26.0	NA	NA	108.2
EV / EBITDA (x)	21.6	18.0	23.3	80.7	17.3
EV / Sales (x)	1.4	1.2	1.2	1.5	1.2
P/B (x)	7.6	5.8	7.7	11.6	10.5
RoE (%)	11.5	25.5	-6.3	-40.5	10.2
RoCE (%) - after tax	6.3	8.9	-8.7	-4.3	7.9
ROIC (%) - after tax	3.5	4.4	-3.8	-1.7	3.0
DPS (₹ / sh)	-	-	-	-	-
Dividend yield (%)	-	-	-	-	-
Dividend payout (%) - incl. DDT	-	-	-	-	-
Net debt / equity (x)	1.6	1.2	2.3	3.7	2.7
Receivables (days)	28	35	35	36	38
Inventory (days)	86	86	98	105	91
Payables (days)	102	108	95	97	103
CFO : PAT %	505	164	-832	-39	1,333

Source: Company, Anand Rathi Research Note: FY20 fig. are on reported basis

**Fig 6 – Revenue break-up, by segment (Q4 FY20)**


Source: Company

## Financial highlights

**Fig 7 – Financial performance (comparable, ie, sans the IND AS 116 impact)**

(₹ m)	Q4 FY20	Q4 FY19	Y/Y (%)	Q3 FY20	Q/Q (%)	FY20	FY19	Y/Y (%)
Revenue	18,174	19,153	(5.1)	25,625	(29.1)	87,425	81,177	7.7
Gross margin (%)	51.3%	53.0%	-175bps	52.0%	-72bps	51.9%	51.6%	24bps
Employee Expenses	2,749	2,351	16.9	2,757	(0.3)	10,584	9,130	15.9
Rent expenses	3,192	2,794	14.2	3,498	(8.8)	12,468	11,104	12.3
Other Expenses	3,948	3,765	4.8	4,910	(19.6)	17,661	16,153	9.3
EBITDA	(569)	1,245	(145.7)	2,158	(126.4)	4,655	5,541	(16.0)
EBITDA margin (%)	-3.1%	6.5%	-963bps	8.4%	-1,156bps	5.3%	6.8%	-150bps
EBIT	(1,162)	516	(325.2)	1,519	(176.5)	2,167	2,718	(20.3)
EBIT margin (%)	-6.4%	2.7%	-908bps	5.9%	-1,232bps	2.5%	3.3%	-87bps
PAT	(1,286)	2,026	(163.5)	(207)	520.8	(796)	3,213	(124.8)
PAT margin (%)	-7.1%	10.6%	-1,766bps	-0.8%	-627bps	-0.9%	4.0%	-487bps

Source: Company

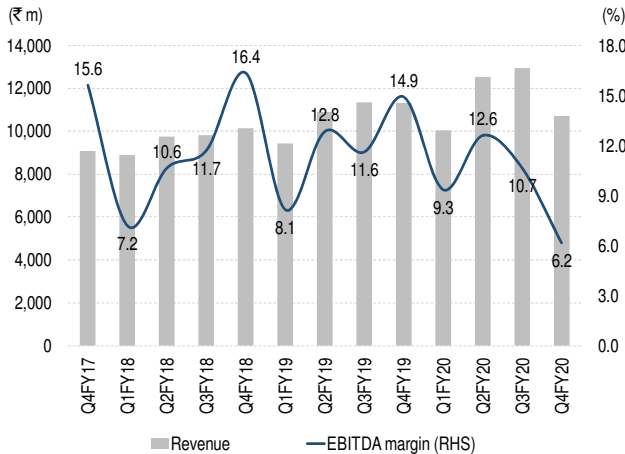
**Fig 8 – Performance, by division (revenue, EBITDA: standalone; EBIT, capital employed: consolidated)**

	Q4 FY20	Q4 FY19	Y/Y (%)	Q3 FY20	Q/Q (%)	FY20	FY19	Y/Y (%)
<b>Division-wise revenue (₹ m)</b>								
Madura	12,290	13,190	(6.8)	15,320	(19.8)	54,340	50,310	8.0
Lifestyle	10,720	11,320	(5.3)	12,950	(17.2)	46,260	43,040	7.5
Fast Fashion	410	800	(48.8)	890	(53.9)	2,850	3,580	(20.4)
Others	1,160	1,070	8.4	1,480	(21.6)	5,230	3,690	41.7
Pantaloons	6,260	6,330	(1.1)	10,830	(42.2)	35,140	31,940	10.0
Elimination	(380)	(380)	-	(520)	(26.9)	(2,050)	(1,080)	89.8
<b>Total revenue</b>	<b>18,170</b>	<b>19,140</b>	<b>(5.1)</b>	<b>25,630</b>	<b>(29.1)</b>	<b>87,430</b>	<b>81,170</b>	<b>7.7</b>
<b>Division-wise EBITDA (₹ m)</b>								
Madura	-	1,400	(100.0)	1,130	(100.0)	3,140	4,020	(21.9)
Lifestyle	660	1,690	(60.9)	1,380	(52.2)	4,560	5,190	(12.1)
Fast Fashion	(340)	(50)	580.0	(40)	750.0	(470)	(320)	46.9
Others	(320)	(240)	33.3	(210)	52.4	(950)	(850)	11.8
Pantaloons	(380)	130	(392.3)	1,090	(134.9)	2,220	2,310	(3.9)
Elimination	(40)	(40)	-	30	(233.3)	(180)	(140)	28.6
<b>Total EBITDA</b>	<b>(420)</b>	<b>1,490</b>	<b>(128.2)</b>	<b>2,250</b>	<b>(118.7)</b>	<b>5,180</b>	<b>6,190</b>	<b>(16.3)</b>
<b>Division-wise EBITDA margins (%)</b>								
Madura	0.0	10.6	-1,061bps	7.4	-738bps	5.8	8.0	-221bps
Lifestyle	6.2	14.9	-877bps	10.7	-450bps	9.9	12.1	-220bps
Fast Fashion	-82.9	-6.3	-7,668bps	-4.5	-7,843bps	-16.5	-8.9	-755bps
Others	-27.6	-22.4	-516bps	-14.2	-1,340bps	-18.2	-23.0	487bps
Pantaloons	-6.1	2.1	-812bps	10.1	-1,613bps	6.3	7.2	-91bps
Elimination	10.5	10.5	bps	-5.8	1,630bps	8.8	13.0	-418bps
<b>Total EBITDA margin (%)</b>	<b>(2.3)</b>	<b>7.8</b>	<b>-1,010bps</b>	<b>8.8</b>	<b>-1,109bps</b>	<b>5.9</b>	<b>7.6</b>	<b>-170bps</b>
<b>Division-wise EBIT (₹ m) - Consol</b>								
Madura Fashion and Lifestyle	(227)	994	(122.8)	947	(124.0)	2,259	2,634	(14.2)
Pantaloons	(394)	(193)	103.8	998	(139.5)	1,845	868	112.6
Less: Deduction	51	49	2.2	(15)	(441.2)	227	154	46.7
<b>Total EBIT</b>	<b>(671)</b>	<b>751</b>	<b>(189.4)</b>	<b>1,960</b>	<b>(134.2)</b>	<b>3,878</b>	<b>3,348</b>	<b>15.8</b>
<b>Division-wise EBIT margins (%) - Consol</b>								
Madura Fashion and Lifestyle	-1.8	7.5	-938bps	6.2	-803bps	4.2	5.2	-108bps
Pantaloons	-6.3	-3.1	-324bps	9.2	-1,550bps	5.3	2.7	253bps
<b>Total EBIT margin (%)</b>	<b>-3.7</b>	<b>3.9</b>	<b>-762bps</b>	<b>7.6</b>	<b>-1,134bps</b>	<b>4.4</b>	<b>4.1</b>	<b>31bps</b>
<b>Division-wise capital employed (₹ m) - Consol</b>								
Madura Fashion and Lifestyle	20,054	21,682	(7.5)	16,183	23.9	20,054	16,183	23.9
Pantaloons	16,516	14,659	12.7	15,071	9.6	16,516	15,071	9.6
Unallocated	(25,097)	(16,597)	51.2	(23,189)	8.2	(25,097)	(16,597)	51.2
Less: inter-segment	(595)	(368)	61.5	(544)	9.3	(595)	(368)	61.5
<b>Total capital employed</b>	<b>12,068</b>	<b>20,113</b>	<b>(40.0)</b>	<b>8,610</b>	<b>40.2</b>	<b>12,068</b>	<b>15,026</b>	<b>(19.7)</b>

Source: Company.

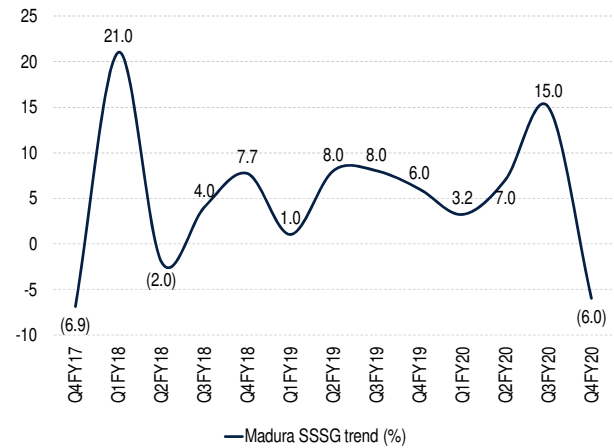
Note: Q4, Q3 FY20 & FY20 figures are on a comparable basis for revenue and EBITDA; EBIT and capital employed are reported fig. which include IND-AS 116 impact and, hence, are not comparable

**Fig 9 – Madura Lifestyle brands' revenue and margin trends**



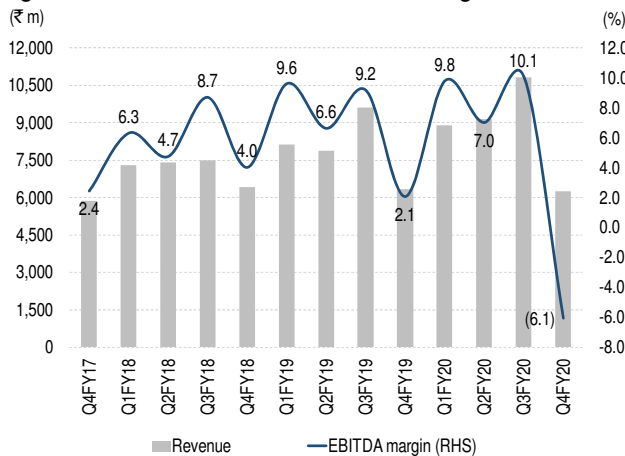
Source: Company

**Fig 10 – Madura SSSG trend**



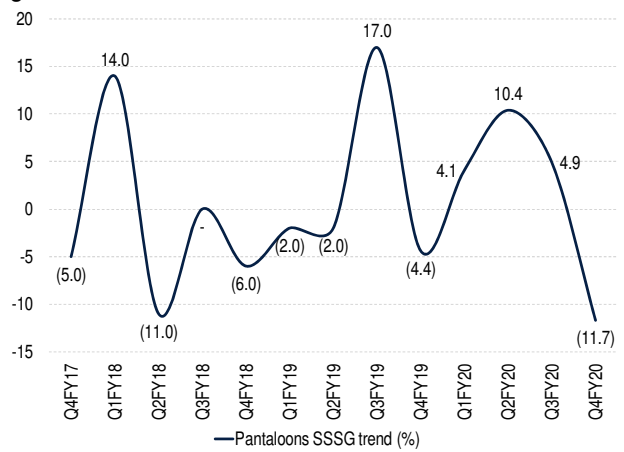
Source: Company

**Fig 11 – Pantaloon's revenue and EBITDA margin trends**



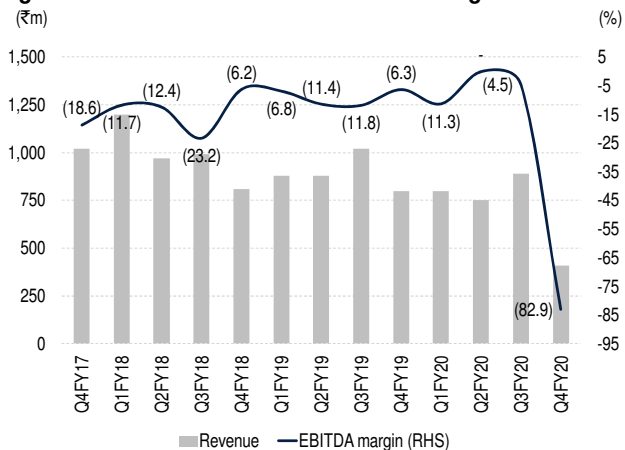
Source: Company

**Fig 12 – Pantaloon's SSSG trend**



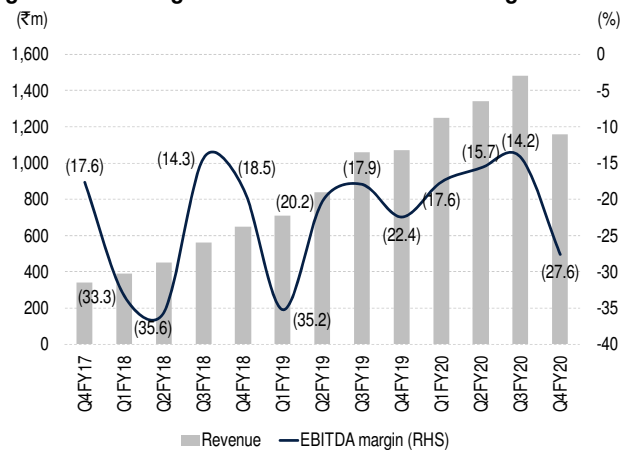
Source: Company

**Fig 13 – Fast Fashion revenue and EBITDA margin trends**



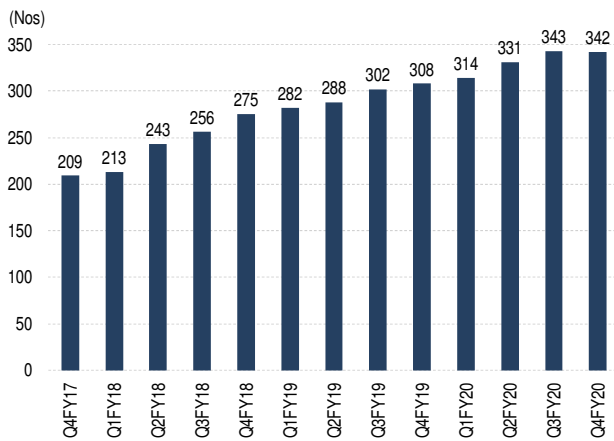
Source: Company

**Fig 14 – Others segment revenue and EBITDA margin trends**



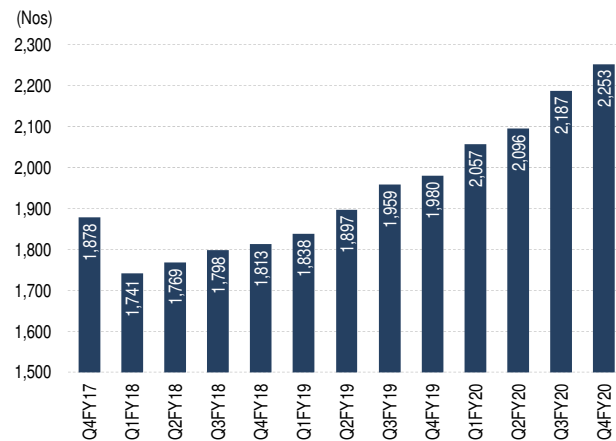
Source: Company

**Fig 15 – Pantaloon’s EBO network in Q4 FY20**



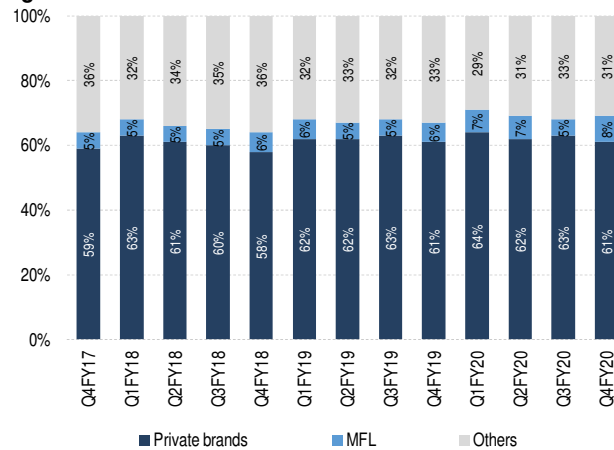
Source: Company

**Fig 16 – Madura EBO network**



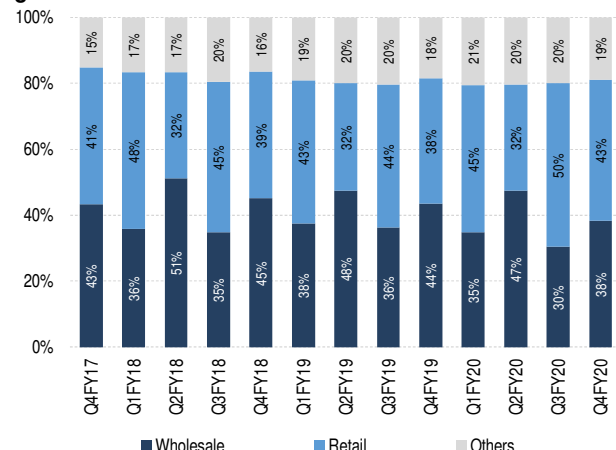
Source: Company

**Fig 17 – Pantaloon’s sales mix**



Source: Company

**Fig 18 – Madura channel-wise sales**



Source: Company

**Other business highlights**

**Madura Lifestyle brands**

- Madura Lifestyle brands reported a 5.3% revenue drop in Q4 to ₹10.7bn due to negative 6% SSSG. They had seen strong growth momentum in Jan and Feb with 10% SSSG and 7% revenue growth. The Covid’19-hit Mar performance, however, weighed on the overall Q4 performance.
- The comparable EBITDA margin, at 6.2%, was down 877bps y/y due to the fixed-cost structure. (Management said, in normal conditions it would have been around 12.7%.)
- For FY20, Lifestyle brands were growing 11% till Feb, with 8% EBITDA growth till Feb’20. Revenue in FY20 grew 7.5% and the EBITDA margin contracted 220bps to 9.9%.
- The store count at end-FY20 was 2,253, a net addition of 273.
- Management says its brands are versatile and flexible. For example, more than half of Louis Philippe revenue arises from casual wear, which, therefore, is suitable for work-from-home.
- Peter England Red crossed the 200-store milestone, with customers responding well to offerings in under-penetrated towns and franchisees

attaining profitability. The company was on course to open another 30 stores, now delayed by the lockdown. It now has operations only in five states (Maharashtra has 50 stores) and is taking a state-by-state approach.

#### **Pantaloons**

- Pantaloons Q4 revenue declined 1.1% y/y to ₹6.3bn (SSSG for the quarter was a negative 11.7%). For Jan and Feb, Pantaloons revenue grew 19% y/y with an LTL of 9.5% boosted by strong EOSS and an encouraging response to SS20 merchandise and launches (the 'People' brand and the Saris category).
- Private brands' revenue contribution for the quarter was a steady 61%, the same as a year ago. Madura brands' revenue contribution increased to 8%, up from 6% a year ago.
- For FY20, Pantaloons revenue grew 10% y/y (LTL at 2.7%) with its EBITDA margin down 91bps y/y to 6.3% on loss of sales in Mar. For the year till Feb, sales grew 14.6% with LTL growth of 6.8% driven by the strong propositions of private labels and improvement in the planning processes, leading to better sell through. The EBITDA margin for the year till Feb was 7.4%.
- The company added 34 stores in FY20, taking the store count to 342. Some store commissionings were delayed by the lockdown.
- Management said that, post-lockdown, ~80 stores have now opened, with some hitting 30%/50%/70% of sales (varying from store to store and day to day). Casual wear as a trend has seen a lift, post-reopening.

#### **Fast Fashion**

- Fast Fashion reported a 48.8% revenue decline y/y to ₹410m and a ₹340m EBITDA loss (vs. a ₹50m EBITDA loss the year prior). In FY20, revenue declined 20.4% y/y, with an EBITDA loss of ₹470m (vs. ₹320m the year prior).
- The transition of the 'People' brand into Pantaloons led to a one-time ₹280m impact.
- Management has started working on restructuring the model to enhance profitability through negotiation/discussions with the new parent and expects to secure a favourable deal.

#### **Other businesses**

- Revenue of other businesses (innerwear, other brands) grew 8.4% to ₹1,160m, while the EBITDA loss increased to ₹320m (from ₹240m a year ago). For FY20, such revenue grew 41.7% y/y.
- Innerwear has reached ~20,000 outlets; its revenue grew ~40% in FY20. The growth in innerwear slowed down in H2 (vs ~70% growth in H1) due to liquidity and cautious channel expansion
- Management expects greater adoption of athleisure-wear, post-Covid'19, and believes it will gain from growth in the category.
- The Collective continues to post strong comparable figures, driven by a consistent performance in the mono-brand range (Hackett, Fred Perry, Ted Baker, etc.).

#### **Ethnic-wear brands**

- Jaypore and Shantanu & Nikhil reported Q4 revenue of ₹140m and an EBITDA loss of ₹80m.

- Management said store opening have been postponed due to the lockdown. It believes that the long-term trend of transitioning to prêt brands will persist, and these brands will continue to gain traction.

### Outlook

- Management expects continuing uncertainty for a few months.
- **Capex.** For FY21, capex is expected to be a significant 60-70% lower y/y (from an average of ₹3.5bn-4bn) and will only be toward any essential spends/at the end of the year, ie, Q4 FY21 until more clarity emerges regarding the present scenario.
- **Rights issue of ₹10bn with a commitment of subscription from promoters (if not fully subscribed).** The company has proposed a rights issue of ₹10bn to be utilised toward repaying debt and interest cost, optimising its capital structure and funding required working-capital. More than 50% of the funds are expected to go toward paying down debt.
- **Debt position.** Debt levels are expected to increase in H1 FY21; H2, however, could see a significant reduction. With proceeds from the rights issue, the company aims to end FY21 with flat debt.
- **Cost-saving steps.** The company is working on making some part of the cost structure variable, or aligned to sales. Rental negotiations are on to align occupancy costs with sales. Other overheads are expected to be optimised, with ad-spends, travel, communications, etc., to shrink 50-75%. Management is moving to more frequent planning cycles and reducing lead times to manage working capital. With eCommerce growing faster, the company will also be looking objectively at unviable stores and shuttering stores with poorer cost structures.
- **Working capital.** With a build-up of inventory which will be carried for the next few months, the company will, to conserve working capital, look critically at purchasing fresh inventory. Management expects the conversion of inventory to sales to release cash.

### Change in estimates

We have reduced our FY21e/FY22e revenue 6.3%/8.3%. The higher fixed-cost structure would compress margins; hence, we cut our FY21e/FY22e EBITDA 44.5%/25.0%. We expect PAT losses to widen in FY21.

**Fig 19 – Change in estimates**

₹m)	Old estimates		New estimates		Change (%)	
	FY21e	FY22e	FY21e	FY22e	FY21e	FY22e
Revenue	77,529	98,665	72,668	90,427	-6.3	-8.3
EBITDA	2,461	8,057	1,365	6,045	(44.5)	(25.0)
PAT	(2,407)	3,034	(3,655)	773	NA	(74.5)
EPS (₹)	(3.1)	3.9	(4.7)	1.0	NA	(74.5)

Source: Anand Rathi Research

Note: Estimates are on comparable basis and not adjusted for IND-AS 116

## Valuation

Its diverse divisions lead us to value the company on a sum-of-parts basis. We assign 17x FY22e EV/EBITDA to its Madura Lifestyle brands, a premium to its peers on account of its mature brands and great brand equity, high RoCE and well-managed working capital. We assign 14x FY22e to its high-growth, value-fashion business, Pantaloons. To the Fast Fashion and other businesses (innerwear, other premium brands), we assign 0.8x FY22e EV/sales.

We maintain our Buy rating, with a lower target price of ₹137 (earlier ₹182) at an EV/EBITDA of 18x FY22e.

**Fig 20 – Sum-of-parts valuation summary**

Business segment	FY22e (₹ m)	Target multiple (x)	EV (₹ m)
Madura (EBITDA)	4,943	17	84,026
Pantaloons (EBITDA)	2,579	14	36,103
Fast Fashion and others (sales)	9,336	0.8	7,002
<b>Sum-of-parts</b>	<b>16,857</b>		<b>127,131</b>
Debt			25,763
Cash			4,369
Net debt			21,394
Shareholder value			105,738
No. of shares (m)			774
<b>TP (₹)</b>			<b>137</b>
CMP (₹)			108
Upside / (downside) %			26

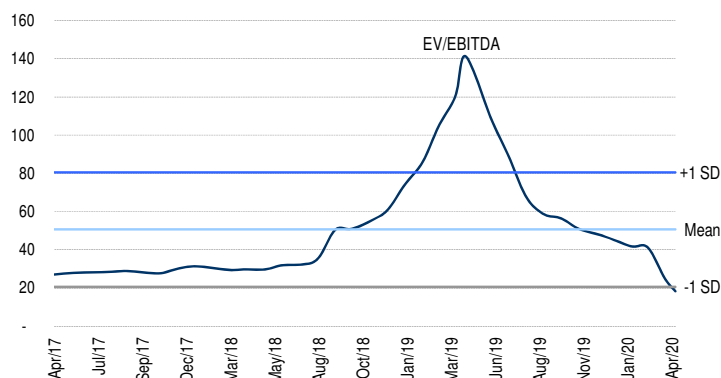
Source: Anand Rathi Research. Note: Estimates are on comparable basis and not adjusted for IND-AS 116

**Fig 21 – Valuation parameters**

	FY18	FY19	FY20	FY21e	FY22e
P/E (x)	70.8	26.0	NA	NA	108.2
EV / EBITDA (x)	21.6	18.0	23.3	80.7	17.3
EV / Sales (x)	1.4	1.2	1.2	1.5	1.2
RoE (%)	11.5	25.5	-6.3	-40.5	10.2
RoCE (%)	6.3	8.9	-8.7	-4.3	7.9

Source: Company, Anand Rathi Research

**Fig 22 – One year forward EV / EBITDA band**



Source: Anand Rathi Research, Ace Equity

### Risks

- Keen competition cutting into revenue growth
- Mounting losses in its Fast Fashion and other businesses, piling pressure on overall profitability.



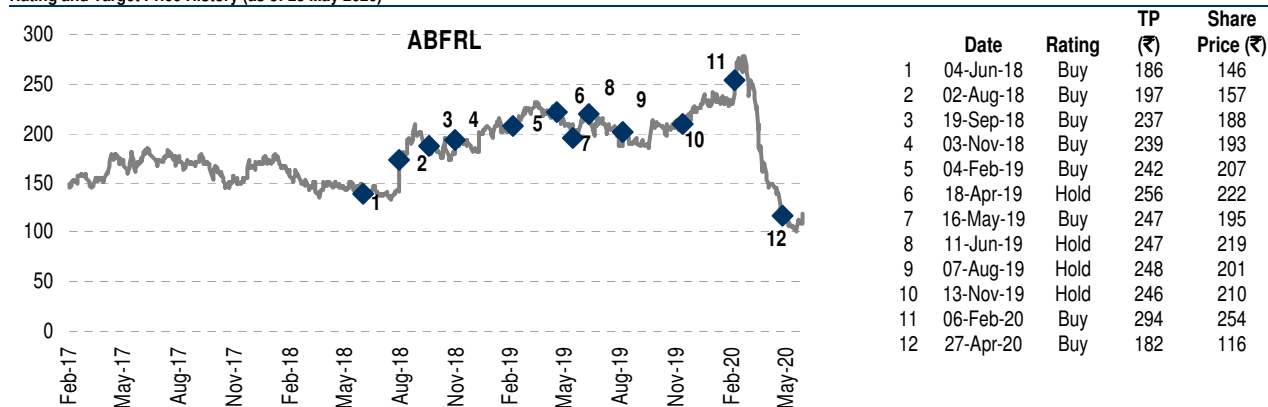
## Appendix

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