

Estimate change

TP change

Rating change



Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USD\$)	439.3 / 5.3
52-Week Range (INR)	1571 / 984
1, 6, 12 Rel. Per (%)	-1/-8/14
12M Avg Val (INR M)	938

## Financials & Valuations Consol (INR b)

Y/E March	FY23E	FY24E	FY25E
Sales	82.9	106.2	132.6
EBITDA	11.4	15.5	19.7
NP	3.2	4.9	7.0
EBITDA Margin (%)	13.8	14.6	14.9
Adj. EPS (INR)	9.0	13.7	19.7
EPS Gr. (%)	652.4	53.5	43.5
BV/Sh. (INR)	80.7	95.4	116.4

## Ratios

Net D:E	1.6	1.6	1.4
RoE (%)	12.6	16.7	19.9
RoCE (%)	8.5	9.8	10.8
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	138.1	89.9	62.6
EV/EBITDA (x)	42.1	31.4	24.9
EV/Sales (x)	6.0	4.7	3.8
Div . Yield (%)	0.0	0.0	0.0
FCF Yield (%)	1.3	1.7	2.3

## Shareholding pattern (%)

As On	Dec-22	Sep-22	Dec-21
Promoter	37.0	37.0	37.0
DII	16.1	15.2	12.5
FII	24.8	25.9	28.9
Others	22.1	21.9	21.6

FII Includes depository receipts

**CMP: INR1,236 TP: INR1,500 (+21%)**

**Buy**

## Stellar growth but lower GM a drag

- Trent's revenue growth remained robust at 61% YoY in 3QFY23, backed by a strong footprint addition and healthy LFL growth of 17% in Westside. But standalone EBITDA grew only 15% (19% miss), dragged down by lower gross margins due to a higher share of low-margin Zudio, the inventory provision reversal in the corresponding quarter and discounting.
- We expect a standalone revenue/EBITDA CAGR of 28%/30% over FY23-25, backed by a strong footprint addition and robust LFL growth across segments. **We retain our Buy rating with a TP of INR1,500**, given the strong growth opportunity.

## EBITDA up only 15% YoY (19% miss) due to lower gross margins

- Standalone revenue grew 61.1% YoY to INR21.7b (in line), aided by a strong footprint addition and healthy LFL growth in Westside.
- Revenue from Westside/Zudio (calc.) stood at INR12.5b/INR9b, up 25%/2.3x YoY, with strong 17% YoY LFL growth in Westside. Westside/Zudio added 11/93 new stores in 9MFY23.
- Gross profit grew 42.7% YoY to INR9.9b (6% miss), with a steep margin contraction of 580bp YoY to 45.4%. A near 200bp decline could be due to a change in the mix toward the low-margin Zudio format, while the rest of the 380bp could be due to higher discounting and the effect of inventory provisioning reversals in the corresponding quarter.
- EBITDA at INR3.4b was up 15% YoY (19% miss), as the strong revenue growth was offset by a sharp GM contraction, while the growth in fixed costs was well managed despite the aggressive growth. EBITDA margins at 15.5% contracted 610bp YoY. Pre-Ind AS EBITDA (calc.) for 3QFY23 stood at ~INR1.8b with margins of 8%.
- Other income grew ~2.5x YoY to INR730m (est INR152m), mainly due to the recognition of IND-AS 116 impact of lease modification/termination and certain other amounts.
- Consequently, PAT rose 21.1% YoY to INR1.6b (in line) on the back of higher other income, offset by the contraction in gross margin.

## Highlights from the management commentary

- Store openings:** TRENT opened 11/93 Westside/Zudio stores in 9MFY23 taking the total store count to 211/326 for Westside/Zudio.
- Online business:** Online revenue through Westside.com and other Tata group platforms contributed over 6% of total Westside revenue. It will continue to invest significantly in resetting the technology stack across the entire value chain in line with the growing scale.
- Growth in new product categories:** Emerging categories (beauty and personal care, innerwear and footwear) contributed to over 18% of standalone revenues.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **JV for lingerie and active wear:** During 3QFY23, TRENT entered into a 50:50 JV with MAS Group of Sri Lanka for designing, development and manufacture of lingerie, activewear and related apparel products.
- **Star business:** With tight footprint stores and a focus on fresh foods & own brands, the business witnessed improved customer traction with growing sales densities. Given the improving store economics and the differentiated & scalable model, TRENT sees the business as a key growth engine.

### Valuation and view

- While the discretionary category is seeing a challenging demand environment, Trent has continued to grow at a healthy pace with steady SSSG. Further, despite the aggressive store addition, it has seen limited balance sheet risk or weakness in operations.
- TRENT's industry-leading revenue growth is majorly driven by: a) strong SSSG and productivity, b) strong footprint additions, and c) Zudio's strong value proposition. It continues to outperform its peers and offers a huge runway for growth over the next three-to-five years.
- We cut our FY23/24 EBITDA estimates by 7%/4%, factoring in a standalone revenue/EBITDA CAGR of 28%/30% over FY23-25, led by a strong 21% footprint addition and healthy SSSG.
- We assign 26x EV/EBITDA to the standalone business (Westside and Zudio; premium over our Retail Universe given its superlative growth), 1x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara on FY25 basis, thereby arriving at a TP of INR1,500. **We maintain our Buy rating.**

### Standalone - Quarterly Perf.

(INR m)

Y/E March	FY22				FY23E				FY22	FY23E	FY23E	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	
<b>Revenue</b>	<b>3,273</b>	<b>10,204</b>	<b>13,478</b>	<b>11,853</b>	<b>16,529</b>	<b>18,136</b>	<b>21,715</b>	<b>20,631</b>	<b>38,807</b>	<b>77,010</b>	<b>21,079</b>	<b>3</b>
YoY Change (%)	239.8	125.7	85.8	53.2	405	77.7	61.1	74.1	89.5	98.4	56.4	
Total Expenditure	3,591	7,991	10,561	10,329	13,488	15,461	18,359	17,704	32,472	65,012	16,926	8
<b>EBITDA</b>	<b>-318</b>	<b>2,213</b>	<b>2,917</b>	<b>1,523</b>	<b>3,041</b>	<b>2,675</b>	<b>3,356</b>	<b>2,927</b>	<b>6,335</b>	<b>11,999</b>	<b>4,152</b>	<b>-19</b>
EBITDA Margin (%)	-9.7	21.7	21.6	12.9	18.4	14.8	15.5	14.2	16.3	15.6	19.7	
Depreciation	622	666	734	809	1,202	1,043	1,106	1,182	2,831	4,533	1,122	-1
Interest	686	726	734	787	925	880	885	974	2,933	3,664	987	-10
Other Income	523	949	296	1,021	415	1,680	730	174	2,790	3,000	152	379
<b>PBT before EO expense</b>	<b>-1,102</b>	<b>1,769</b>	<b>1,746</b>	<b>949</b>	<b>1,330</b>	<b>2,432</b>	<b>2,095</b>	<b>945</b>	<b>3,362</b>	<b>6,802</b>	<b>2,196</b>	<b>-5</b>
Extra-Ord expense	0	-130	0	-2	0	0	0	0	-132	0	0	
<b>PBT</b>	<b>-1,102</b>	<b>1,639</b>	<b>1,746</b>	<b>947</b>	<b>1,330</b>	<b>2,432</b>	<b>2,095</b>	<b>945</b>	<b>3,230</b>	<b>6,802</b>	<b>2,196</b>	<b>-5</b>
Tax	-265	383	417	199	303	574	486	238	734	1,601	553	
<b>Reported PAT</b>	<b>-838</b>	<b>1,256</b>	<b>1,329</b>	<b>749</b>	<b>1,026</b>	<b>1,859</b>	<b>1,610</b>	<b>707</b>	<b>2,496</b>	<b>5,201</b>	<b>1,643</b>	<b>-2</b>
<b>Adj PAT</b>	<b>-838</b>	<b>1,356</b>	<b>1,329</b>	<b>750</b>	<b>1,026</b>	<b>1,859</b>	<b>1,610</b>	<b>707</b>	<b>2,598</b>	<b>5,201</b>	<b>1,643</b>	<b>-2</b>
YoY Change (%)	-39.9	-381.9	66.8	22.1	-222.5	37.1	21.1	-5.7	-658.3	100.2	23.6	

E: MOSL Estimates

### Consolidated performance

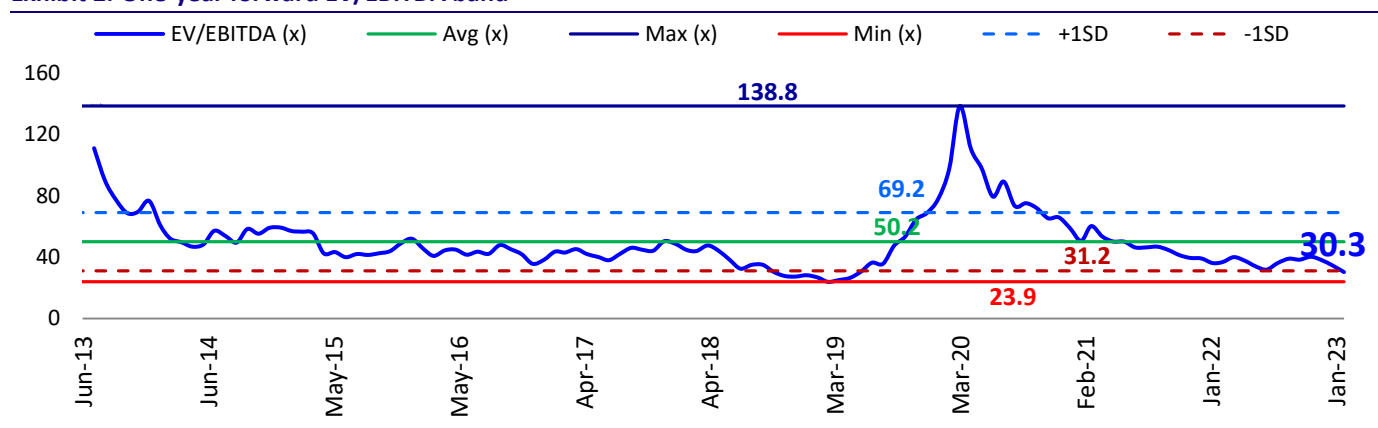
- Consolidated revenues grew by 54% YoY to INR23b. As a result, subsidiary revenue (Calc.) declined 13% YoY to INR1.3b.
- Operating profit rose 19% YoY to INR3.2b, with margins of 14%.
- The company reported a PAT of INR1.4b, which witnessed 21.4% YoY growth.

### Exhibit 1: Valuation based on SoTP

Particulars	Financial metric	Multiple	EBITDA/Sales	Enterprise Value
Westside and Zudio	EBITDA	26	20.3	526
Star	Sales	1	10.0	10
Zara	EBITDA	15	2.7	40
Total Enterprise Value				576
Net Debt				43
Equity Value				533
Shares (m)				355
<b>Target Price</b>				<b>1,500</b>
CMP				1236
Upside				21%

Source: MOFSL, Company

### Exhibit 2: One-year forward EV/EBITDA band



Source: Company, MOFSL

### Exhibit 3: Standalone quarterly performance (INR m)

	3QFY22	1QFY23	3QFY23	YoY%	QoQ%	3QFY23E	v/s est (%)
Revenue	13,478	18,136	21,715	61.1	19.7	21,079	3.0
Raw Material cost	6,572	9,619	11,861	80.5	23.3	10,645	11.4
Gross Profit	6,906	8,517	9,854	42.7	15.7	10,434	-5.6
Gross margin (%)	51.2	47.0	45.4	-586bps	-158bps	49.5	-412bps
Employee Costs	847	1,481	1,600	88.8	8.0	1,602	-0.1
SGA Expenses	3,141	4,361	4,899	56.0	12.3	4,679	4.7
Total Opex	10,561	15,461	18,359	73.8	18.7	16,926	8.5
EBITDA	2,917	2,675	3,356	15.0	25.4	4,152	-19.2
EBITDA margin (%)	21.6	14.8	15.5	-619bps	70bps	19.7	-425bps
Depreciation and amortization	734	1,043	1,106	50.8	6.1	1,122	-1.4
EBIT	2,184	1,632	2,250	3.0	37.8	3,030	-25.8
EBIT margin (%)	16.2	9.0	10.4	-36bps	15bps	14.4	-402bps
Finance Costs	734	880	885	20.6	0.5	987	-10.4
Other income	296	1,680	730	146.6	-56.5	152	379.4
Exceptional item	0	0	0	0.0	0.0	0	NM
Profit before Tax	1,746	2,432	2,095	20.0	-13.9	2,196	-4.6
Tax	417	574	486	16.4	-15.4	553	-12.1
Tax rate (%)	23.9	23.6	23.2	-71bps	-42bps	25.2	-199bps
Profit after Tax	1,329	1,859	1,610	21.1	-13.4	1,643	-2.0
Adj Profit after Tax	1,329	1,859	1,610	21.1	-13.4	1,643	-2.0

Source: MOFSL, Company

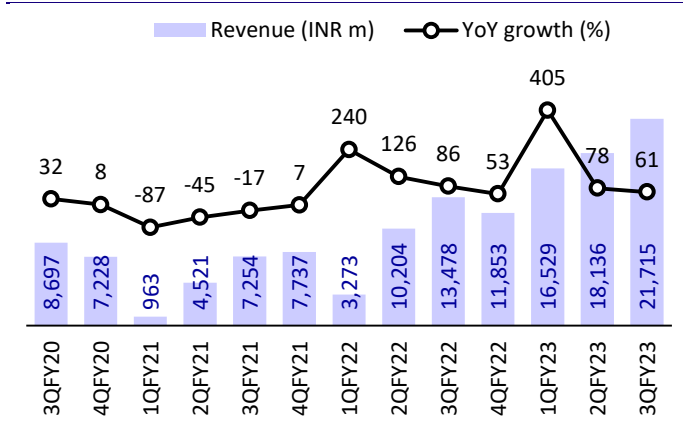
Exhibit 4: Standalone estimate change summary

	FY23E	FY24E
<b>Revenue (INR m)</b>		
Old	76,911	97,122
Actual/New	77,010	1,00,378
Change (%)	0.1	3.4
<b>RM cost (INR m)</b>		
Old	39,966	50,989
Actual/New	40,792	53,451
Change (%)	2.1	4.8
<b>EBITDA (INR m)</b>		
Old	12,949	16,705
Actual/New	11,999	16,111
Change (%)	-7.3	-3.6
<b>EBITDA margin (%)</b>		
Old	16.8	17.2
Actual/New	15.6	16.1
Change (bp)	-126	-115
<b>Depreciation &amp; amortization (INR m)</b>		
Old	4,489	5,066
Actual/New	4,533	5,161
Change (%)	1.0	1.9
<b>Finance cost (INR m)</b>		
Old	3,779	3,847
Actual/New	3,664	3,740
Change (%)	-3.0	-2.8
<b>Net Profit (INR m)</b>		
Old	5,368	6,205
Actual/New	5,201	5,770
Change (%)	-3.1	-7.0
<b>EPS (INR)</b>		
Old	15.10	17.45
Actual/New	14.63	16.23
Change (%)	-3.1	-7.0

Source: MOFSL, Company

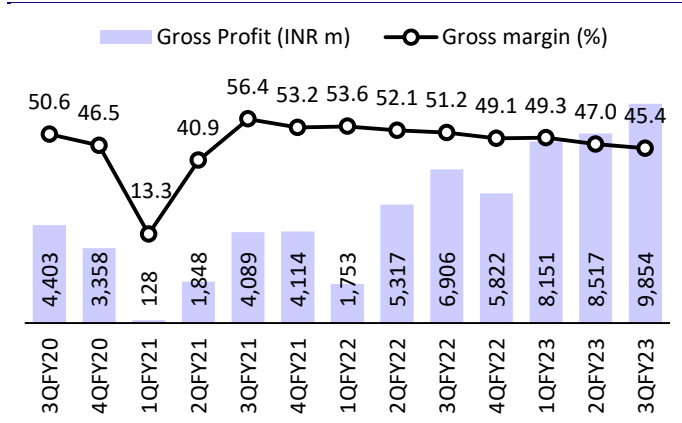
## Story in charts

Exhibit 5: Standalone revenue up 61% YoY

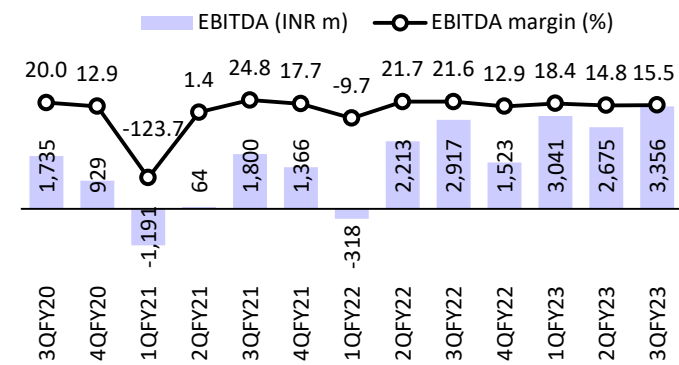


Source: MOFSL, Company

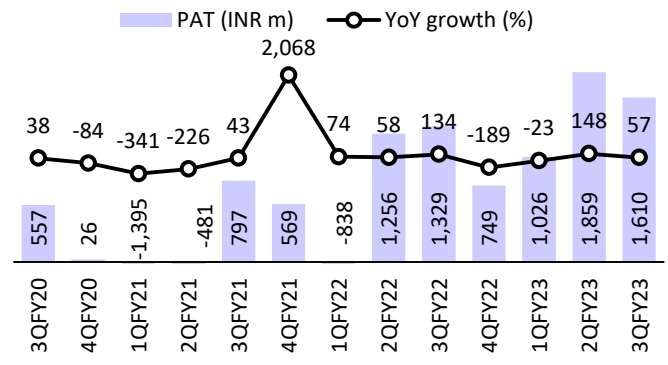
Exhibit 6: Standalone gross margin declined to 45.4%



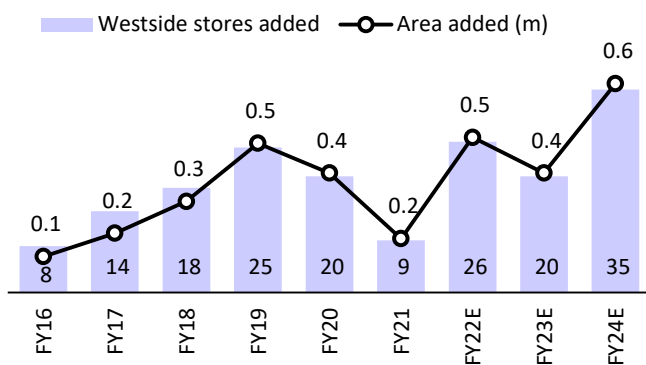
Source: MOFSL, Company

**Exhibit 7: Standalone EBITDA margins at 15.5%**

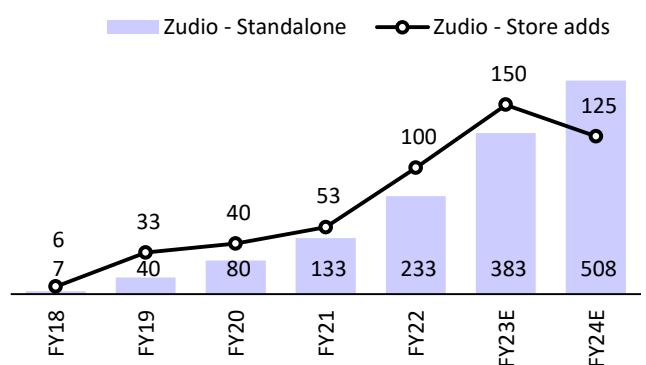
Source: MOFSL, Company

**Exhibit 8: Standalone PAT at INR1.6b**

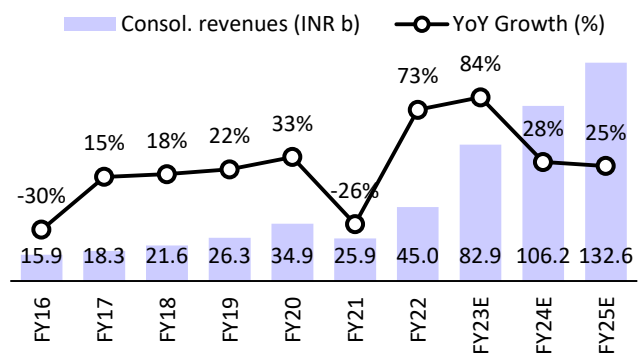
Source: MOFSL, Company

**Exhibit 9: Expect 35 Westside store additions in FY23/FY24**

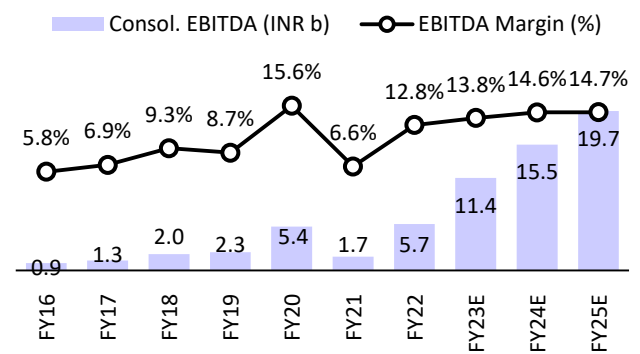
Source: MOFSL, Company

**Exhibit 10: Expect strong Zudio store additions in FY23/FY24**

Source: MOFSL, Company

**Exhibit 11: Expect healthy consolidated revenue CAGR of 26% over FY23-25**

Source: MOFSL, Company

**Exhibit 12: Expect 31% EBITDA CAGR over FY23-25**

## Financials and valuations – standalone

Standalone - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Total Income from Operations</b>	<b>20,663</b>	<b>25,317</b>	<b>31,777</b>	<b>20,475</b>	<b>38,807</b>	<b>77,010</b>	<b>1,00,378</b>	<b>1,26,690</b>
Change (%)	18.9	22.5	25.5	-35.6	89.5	98.4	30.3	26.2
Raw Materials	9,587	12,324	16,037	10,296	19,009	40,792	53,451	67,779
	54%	51%	50%	50%	51%	47%	47%	47%
Employees Cost	2,026	2,524	3,131	2,550	3,379	5,968	7,729	9,628
Rent and lease expenses	2,668	3,179	2,026	0	0	0	0	0
Advertising & Sales Promotion	398	0	0	0	0	0	0	0
Other Expenses	3,970	4,924	4,950	5,591	10,084	18,251	23,087	29,012
<b>Total Expenditure</b>	<b>18,649</b>	<b>22,951</b>	<b>26,145</b>	<b>18,437</b>	<b>32,472</b>	<b>65,012</b>	<b>84,267</b>	<b>1,06,420</b>
% of Sales	90.3	90.7	82.3	90.0	83.7	84.4	84.0	84.0
<b>EBITDA</b>	<b>2,014</b>	<b>2,366</b>	<b>5,632</b>	<b>2,038</b>	<b>6,335</b>	<b>11,999</b>	<b>16,111</b>	<b>20,270</b>
Margin (%)	9.7	9.3	17.7	10.0	16.3	15.6	16.1	16.0
Depreciation	417	465	2,311	2,359	2,831	4,533	5,161	5,794
<b>EBIT</b>	<b>1,596</b>	<b>1,902</b>	<b>3,321</b>	<b>-321</b>	<b>3,505</b>	<b>7,466</b>	<b>10,950</b>	<b>14,476</b>
Int. and Finance Charges	306	368	2,383	2,380	2,933	3,664	3,740	4,065
Other Income	426	363	1,518	2,042	2,790	3,000	500	1,000
<b>PBT bef. EO Exp.</b>	<b>1,716</b>	<b>1,897</b>	<b>2,456</b>	<b>-658</b>	<b>3,362</b>	<b>6,802</b>	<b>7,711</b>	<b>11,411</b>
EO Items	0	-5	0	-63	-132	0	0	0
<b>PBT after EO Exp.</b>	<b>1,716</b>	<b>1,892</b>	<b>2,456</b>	<b>-721</b>	<b>3,230</b>	<b>6,802</b>	<b>7,711</b>	<b>11,411</b>
Total Tax	549	617	909	-211	734	1,601	1,941	2,872
Tax Rate (%)	32.0	32.6	37.0	29.3	22.7	23.5	25.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>1,167</b>	<b>1,276</b>	<b>1,546</b>	<b>-510</b>	<b>2,496</b>	<b>5,201</b>	<b>5,770</b>	<b>8,539</b>
<b>Adjusted PAT</b>	<b>1,167</b>	<b>1,279</b>	<b>1,546</b>	<b>-465</b>	<b>2,598</b>	<b>5,201</b>	<b>5,770</b>	<b>8,539</b>
Change (%)	33.7	9.6	20.9	-130.1	-658.4	100.2	10.9	48.0
Margin (%)	5.6	5.1	4.9	-2.3	6.7	6.8	5.7	6.7

Standalone - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	332	332	355	355	356	356	356	356
Total Reserves	15,839	16,636	24,627	24,803	26,845	32,046	37,816	46,355
<b>Net Worth</b>	<b>16,171</b>	<b>16,968</b>	<b>24,983</b>	<b>25,159</b>	<b>27,200</b>	<b>32,402</b>	<b>38,171</b>	<b>46,711</b>
Total Loans	3,914	3,942	24,468	28,612	45,893	48,851	53,422	58,072
Lease Liability			21,471	25,612	40,835	43,793	43,793	43,793
Deferred Tax Liabilities	-28	-72	-1,070	-1,080	-1,225	-1,225	-1,225	-1,225
<b>Capital Employed</b>	<b>20,057</b>	<b>20,838</b>	<b>48,382</b>	<b>52,690</b>	<b>71,868</b>	<b>80,028</b>	<b>90,368</b>	<b>1,03,558</b>
<b>Net Fixed Assets</b>	<b>5,779</b>	<b>6,271</b>	<b>26,175</b>	<b>29,232</b>	<b>45,083</b>	<b>46,950</b>	<b>50,043</b>	<b>52,589</b>
Right to use assets			19,041	22,265	37,336	36,494	36,494	36,494
Capital WIP	96	850	231	340	448	448	448	448
<b>Total Investments</b>	<b>10,519</b>	<b>9,410</b>	<b>16,068</b>	<b>17,292</b>	<b>17,239</b>	<b>17,239</b>	<b>17,239</b>	<b>17,239</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>6,721</b>	<b>9,001</b>	<b>10,399</b>	<b>9,126</b>	<b>14,126</b>	<b>25,926</b>	<b>36,243</b>	<b>50,351</b>
Inventory	3,391	4,894	5,865	3,946	8,225	12,659	16,500	20,826
Account Receivables	131	141	133	206	163	422	550	694
Cash and Bank Balance	303	509	441	669	744	6,973	7,896	15,228
Loans and Advances	2,896	3,457	3,960	4,306	4,994	5,872	11,297	13,603
<b>Curr. Liability &amp; Prov.</b>	<b>3,057</b>	<b>4,696</b>	<b>4,492</b>	<b>3,301</b>	<b>5,028</b>	<b>10,536</b>	<b>13,605</b>	<b>17,070</b>
Account Payables	1,946	2,289	2,565	2,196	3,142	6,119	7,975	10,066
Other Current Liabilities	929	2,221	1,710	938	1,572	4,104	5,316	6,690
Provisions	182	186	218	167	314	314	314	314
<b>Net Current Assets</b>	<b>3,664</b>	<b>4,306</b>	<b>5,907</b>	<b>5,826</b>	<b>9,098</b>	<b>15,390</b>	<b>22,638</b>	<b>33,281</b>
<b>Appl. of Funds</b>	<b>20,057</b>	<b>20,838</b>	<b>48,381</b>	<b>52,690</b>	<b>71,868</b>	<b>80,028</b>	<b>90,369</b>	<b>1,03,557</b>

E: MOSL Estimates

## Financials and valuations – standalone

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>3.5</b>	<b>3.8</b>	<b>4.3</b>	<b>-1.3</b>	<b>7.3</b>	<b>14.6</b>	<b>16.2</b>	<b>24.0</b>
Cash EPS	4.8	5.2	11.6	5.7	16.3	29.3	32.9	43.1
BV/Share	48.7	51.1	75.2	75.7	81.9	97.5	114.9	140.6
DPS	1.1	1.3	1.0	0.0	1.7	0.0	0.0	0.0
Payout (%)	32.7	40.8	23.0	0.0	24.2	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	351.8	321.1	284.1	-944.1	169.1	84.5	76.1	51.4
Cash P/E	259.2	235.5	106.5	216.9	75.6	42.2	37.6	28.6
P/BV	25.4	24.2	16.4	16.3	15.1	12.7	10.8	8.8
EV/Sales	20.0	16.4	14.6	22.8	12.5	6.2	4.8	3.8
EV/EBITDA	205.7	175.0	82.3	229.2	76.5	40.1	30.1	23.8
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0
FCF per share	-0.8	-4.7	7.4	8.7	-1.4	19.4	11.7	29.2
<b>Return Ratios (%)</b>								
RoE	7.4	7.7	7.4	-1.9	9.9	17.5	16.4	20.1
RoCE	7.0	7.4	8.7	2.4	7.7	10.4	9.9	11.8
RoIC	12.9	13.3	10.0	-0.7	6.2	10.5	13.6	16.0
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.0	3.0	3.2	2.1	3.5	5.3	NA	NA
Asset Turnover (x)	1.0	1.2	0.7	0.4	0.5	1.0	1.1	1.2
Inventory (Days)	60	71	67	70	77	60	60	60
Debtor (Days)	2	2	2	4	2	2	2	2
Creditor (Days)	34	33	29	39	30	29	29	29
<b>Leverage Ratio (x)</b>								
Current Ratio	2.2	1.9	2.3	2.8	2.8	2.5	2.7	2.9
Interest Cover Ratio	5.2	5.2	1.4	-0.1	1.2	2.0	2.9	3.6
Net Debt/Equity	-0.4	-0.4	0.3	0.4	1.0	0.8	0.7	0.5

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	1,716	1,896	2,454	-658	3,362	6,802	7,711	11,411
Depreciation	417	465	2,311	2,359	2,831	4,533	5,161	5,794
Interest & Finance Charges	87	180	2,058	2,084	2,725	3,664	3,740	4,065
Direct Taxes Paid	-491	-781	-807	-1	-782	-1,601	-1,941	-2,872
(Inc)/Dec in WC	-668	-1,356	-1,112	1,131	-4,020	-63	-6,321	-3,316
<b>CF from Operations</b>	<b>1,061</b>	<b>404</b>	<b>4,905</b>	<b>4,915</b>	<b>4,116</b>	<b>13,335</b>	<b>8,349</b>	<b>15,082</b>
Others	-32	-122	-1,220	-782	-2,624	-3,000	-500	-1,000
<b>CF from Operating incl EO</b>	<b>1,029</b>	<b>282</b>	<b>3,685</b>	<b>4,133</b>	<b>1,492</b>	<b>10,335</b>	<b>7,849</b>	<b>14,082</b>
(Inc)/Dec in FA	-1,296	-1,859	-1,050	-1,031	-1,979	-3,442	-3,686	-3,686
<b>Free Cash Flow</b>	<b>-267</b>	<b>-1,577</b>	<b>2,635</b>	<b>3,102</b>	<b>-487</b>	<b>6,893</b>	<b>4,163</b>	<b>10,396</b>
(Pur)/Sale of Investments	881	2,234	-5,870	1,195	2,317	0	0	0
Others	113	-833	-650	-557	-397	3,000	500	1,000
<b>CF from Investments</b>	<b>-302</b>	<b>-457</b>	<b>-7,570</b>	<b>-393</b>	<b>-59</b>	<b>-442</b>	<b>-3,186</b>	<b>-2,686</b>
Issue of Shares	-1,024	0	9,498	0	0	0	0	0
Inc/(Dec) in Debt	1,000	1,061	-2,725	0	1,969	0	0	0
Interest Paid	-317	-220	-2,437	-2,376	-2,350	-3,664	-3,740	-4,065
Dividend Paid	-399	-459	-520	-355	-426	0	0	0
Others	0	0	0	-780	-552	0	0	0
<b>CF from Fin. Activity</b>	<b>-740</b>	<b>382</b>	<b>3,816</b>	<b>-3,512</b>	<b>-1,359</b>	<b>-3,664</b>	<b>-3,740</b>	<b>-4,065</b>
<b>Inc/Dec of Cash</b>	<b>-12</b>	<b>206</b>	<b>-69</b>	<b>229</b>	<b>74</b>	<b>6,229</b>	<b>924</b>	<b>7,331</b>
Opening Balance	316	303	509	441	669	744	6,973	7,896
<b>Closing Balance</b>	<b>303</b>	<b>509</b>	<b>441</b>	<b>669</b>	<b>744</b>	<b>6,973</b>	<b>7,896</b>	<b>15,228</b>



## Financials and valuations – consolidated

Consolidated - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Total Income from Operations</b>	<b>21,575</b>	<b>26,302</b>	<b>34,860</b>	<b>25,930</b>	<b>44,980</b>	<b>82,875</b>	<b>1,06,242</b>	<b>1,32,555</b>
Change (%)	17.6	21.9	32.5	-25.6	73.5	84.2	28.2	24.8
Raw Materials	10,315	13,114	18,818	15,340	24,815	46,235	58,894	73,223
Employees Cost	2,305	2,868	3,585	3,019	3,990	6,731	8,491	10,391
Rent and lease expenses	2,725	3,165	1,935	0	0	0	0	0
Advertising & Sales Promotion	418	0	0	0	0	0	0	0
Other Expenses	3,800	4,878	5,083	5,852	10,437	18,471	23,307	29,232
<b>Total Expenditure</b>	<b>19,563</b>	<b>24,025</b>	<b>29,420</b>	<b>24,211</b>	<b>39,241</b>	<b>71,437</b>	<b>90,693</b>	<b>1,12,845</b>
% of Sales	90.7	91.3	84.4	93.4	87.2	86.2	85.4	85.1
<b>EBITDA</b>	<b>2,012</b>	<b>2,277</b>	<b>5,440</b>	<b>1,719</b>	<b>5,739</b>	<b>11,438</b>	<b>15,549</b>	<b>19,709</b>
Margin (%)	9.3	8.7	15.6	6.6	12.8	13.8	14.6	14.9
Depreciation	455	517	2,472	2,573	3,108	4,458	5,821	6,886
<b>EBIT</b>	<b>1,557</b>	<b>1,761</b>	<b>2,967</b>	<b>-854</b>	<b>2,631</b>	<b>6,980</b>	<b>9,729</b>	<b>12,823</b>
Int. and Finance Charges	306	368	2,458	2,487	3,047	4,486	5,399	6,313
Other Income	442	408	1,445	2,016	1,752	1,752	2,190	2,847
<b>PBT bef. EO Exp.</b>	<b>1,693</b>	<b>1,801</b>	<b>1,954</b>	<b>-1,325</b>	<b>1,335</b>	<b>4,246</b>	<b>6,520</b>	<b>9,357</b>
EO Items	0	0	0	-10	-274	0	0	0
<b>PBT after EO Exp.</b>	<b>1,693</b>	<b>1,802</b>	<b>1,954</b>	<b>-1,335</b>	<b>1,061</b>	<b>4,246</b>	<b>6,520</b>	<b>9,357</b>
Total Tax	596	736	590	-237	766	1,069	1,641	2,355
Tax Rate (%)	35.2	40.9	30.2	17.8	72.2	25.2	25.2	25.2
MI/(Profit)/Loss from Assoc.	227	95	304	714	-51	0	0	0
<b>Reported PAT</b>	<b>870</b>	<b>970</b>	<b>1,060</b>	<b>-1,811</b>	<b>346</b>	<b>3,177</b>	<b>4,879</b>	<b>7,002</b>
<b>Adjusted PAT</b>	<b>870</b>	<b>970</b>	<b>1,060</b>	<b>-1,803</b>	<b>422</b>	<b>3,177</b>	<b>4,879</b>	<b>7,002</b>
Change (%)	29.5	11.6	9.2	-270.1	-123.4	652.4	53.5	43.5
Margin (%)	4.0	3.7	3.0	-7.0	0.9	3.8	4.6	5.3

Consolidated - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
Equity Share Capital	332	332	355	355	355	355	355	355
Eq. Share Warrants & App. Money	0	0	0	0	0	0	0	0
Preference Capital	0	0	0	0	0	0	0	0
Total Reserves	15,621	16,133	23,525	22,775	23,285	26,462	31,341	38,343
<b>Net Worth</b>	<b>15,954</b>	<b>16,465</b>	<b>23,880</b>	<b>23,130</b>	<b>23,640</b>	<b>26,817</b>	<b>31,696</b>	<b>38,698</b>
Minority Interest	8	-29	803	445	459	459	459	459
Total Loans	3,914	3,942	25,260	26,686	47,338	56,071	67,492	78,914
Lease Liabilities			23,188	26,637	42,280	55,986	67,408	78,829
Deferred Tax Liabilities	193	255	-1,104	-746	-969	-969	-969	-969
<b>Capital Employed</b>	<b>20,068</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,469</b>	<b>82,378</b>	<b>98,678</b>	<b>1,17,102</b>
Gross Block	8,341	9,117	32,192	37,078	55,907	73,055	88,163	1,03,271
Less: Accum. Deprn.	2,478	2,757	3,977	7,093	9,591	14,048	19,869	26,755
<b>Net Fixed Assets</b>	<b>5,864</b>	<b>6,360</b>	<b>27,114</b>	<b>30,329</b>	<b>46,491</b>	<b>59,007</b>	<b>68,294</b>	<b>76,516</b>
Right to use assets			<b>19,856</b>	<b>23,185</b>	<b>38,642</b>	48,538	54,890	60,328
Goodwill on Consolidation	261	261	272	272	272	272	272	272
Capital WIP	96	872	231	340	448	448	448	448
<b>Total Investments</b>	<b>10,229</b>	<b>8,828</b>	<b>15,148</b>	<b>15,550</b>	<b>13,541</b>	<b>13,541</b>	<b>13,541</b>	<b>13,541</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>6,904</b>	<b>9,265</b>	<b>11,197</b>	<b>10,000</b>	<b>15,540</b>	<b>19,653</b>	<b>29,902</b>	<b>44,218</b>
Inventory	3,448	4,970	6,078	4,284	8,678	12,870	16,775	21,173
Account Receivables	151	165	171	208	179	341	437	726
Cash and Bank Balance	328	542	614	815	864	-614	4,546	12,515
Loans and Advances	2,977	3,587	4,334	4,694	5,820	7,056	8,144	9,804
<b>Curr. Liability &amp; Prov.</b>	<b>3,286</b>	<b>4,955</b>	<b>5,123</b>	<b>6,976</b>	<b>5,823</b>	<b>10,543</b>	<b>13,779</b>	<b>17,893</b>
Account Payables	2,084	2,450	2,976	2,746	3,780	6,130	8,150	10,895
Other Current Liabilities	997	2,293	1,893	4,026	1,734	4,104	5,320	6,690
Provisions	205	212	254	204	309	309	309	309
<b>Net Current Assets</b>	<b>3,618</b>	<b>4,311</b>	<b>6,074</b>	<b>3,024</b>	<b>9,717</b>	<b>9,110</b>	<b>16,123</b>	<b>26,325</b>
<b>Appl. of Funds</b>	<b>20,068</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,469</b>	<b>82,378</b>	<b>98,678</b>	<b>1,17,102</b>



## Financials and valuations – consolidated

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>2.6</b>	<b>2.9</b>	<b>3.0</b>	<b>-5.1</b>	<b>1.2</b>	<b>9.0</b>	<b>13.7</b>	<b>19.7</b>
Cash EPS	4.0	4.5	10.6	2.3	10.6	23.0	32.2	41.8
BV/Share	48.0	49.5	71.9	69.6	71.1	80.7	95.4	116.4
DPS	1.1	1.3	1.0	0.0	1.7	0.0	0.0	0.0
Payout (%)	43.9	53.7	33.5	0.0	174.6	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	472.2	423.2	414.4	-243.6	1,038.8	138.1	89.9	62.6
Cash P/E	309.9	276.2	116.3	533.3	116.3	53.8	38.4	29.6
P/BV	25.7	24.9	17.2	17.8	17.4	15.3	13.0	10.6
EV/Sales	19.2	15.7	13.3	17.9	10.8	6.0	4.7	3.8
EV/EBITDA	200.8	177.9	82.5	261.5	82.2	42.1	31.4	24.9
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.0
FCF per share	-0.9	-5.2	6.8	8.0	-4.3	17.6	23.6	32.2
<b>Return Ratios (%)</b>								
RoE	5.5	6.0	5.3	-7.7	1.8	12.6	16.7	19.9
RoCE	6.6	6.4	8.9	1.9	2.0	8.5	9.8	10.8
RoIC	11.4	10.5	9.6	-2.1	1.7	8.4	9.8	11.2
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.6	2.9	1.1	0.7	0.8	1.1	1.2	1.3
Asset Turnover (x)	1.1	1.3	0.7	0.5	0.6	1.0	1.1	1.1
Inventory (Days)	58	69	64	60	70	57	58	58
Debtor (Days)	3	2	2	3	1	2	2	2
Creditor (Days)	35	34	31	39	31	27	28	30
<b>Leverage Ratio (x)</b>								
Current Ratio	2.1	1.9	2.2	1.4	2.7	1.9	2.2	2.5
Interest Cover Ratio	5.1	4.8	1.2	-0.3	0.9	1.6	1.8	2.0
Net Debt/Equity	0.2	-0.4	0.7	0.9	1.7	1.6	1.6	1.4

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
OP/(Loss) before Tax	1,467	1,685	1,650	-2,038	1,387	4,246	6,520	9,357
Depreciation	455	517	2,472	2,573	3,108	4,458	5,821	6,886
Interest & Finance Charges	88	165	2,126	2,197	2,814	4,486	5,399	6,313
Direct Taxes Paid	-501	-791	-835	-11	-816	-1,069	-1,641	-2,355
(Inc)/Dec in WC	-643	-1,352	-1,033	1,063	-4,293	-870	-1,853	-2,233
<b>CF from Operations</b>	<b>866</b>	<b>223</b>	<b>4,381</b>	<b>3,783</b>	<b>2,199</b>	<b>11,251</b>	<b>14,245</b>	<b>17,968</b>
Others	-98	-14	-828	-45	-1,615	-1,752	-2,190	-2,847
<b>CF from Operating incl EO</b>	<b>769</b>	<b>210</b>	<b>3,553</b>	<b>3,738</b>	<b>585</b>	<b>9,499</b>	<b>12,055</b>	<b>15,121</b>
(Inc)/Dec in FA	-1,068	-1,953	-1,142	-910	-2,101	-3,268	-3,686	-3,686
<b>Free Cash Flow</b>	<b>-300</b>	<b>-1,743</b>	<b>2,411</b>	<b>2,828</b>	<b>-1,516</b>	<b>6,231</b>	<b>8,369</b>	<b>11,435</b>
(Pur)/Sale of Investments	928	2,253	-6,574	1,400	2,084	0	0	0
Others	100	-670	-382	-308	562	1,752	2,190	2,847
<b>CF from Investments</b>	<b>-40</b>	<b>-370</b>	<b>-8,098</b>	<b>181</b>	<b>544</b>	<b>-1,516</b>	<b>-1,496</b>	<b>-839</b>
Issue of Shares	-1,024	0	9,349	-3	2,504	0	0	0
Inc/(Dec) in Debt	1,000	1,061	-1,773	0	0	700	-700	0
Interest Paid	-317	-227	-2,511	-2,489	-2,463	-4,486	-5,399	-6,313
Dividend Paid	-403	-459	-398	-355	-427	0	0	0
Others	0	0	-50	-872	-694	-4,975	0	0
<b>CF from Fin. Activity</b>	<b>-743</b>	<b>375</b>	<b>4,617</b>	<b>-3,719</b>	<b>-1,080</b>	<b>-8,760</b>	<b>-6,099</b>	<b>-6,313</b>
<b>Inc/Dec of Cash</b>	<b>-15</b>	<b>214</b>	<b>72</b>	<b>201</b>	<b>49</b>	<b>-778</b>	<b>4,460</b>	<b>7,969</b>
Opening Balance	343	328	542	614	815	864	86	4,546
<b>Closing Balance</b>	<b>328</b>	<b>542</b>	<b>614</b>	<b>815</b>	<b>864</b>	<b>86</b>	<b>4,546</b>	<b>12,515</b>

NOTES

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

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