

Estimate change 

TP change 

Rating change 



Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	636.7 / 7.7
52-Week Range (INR)	1806 / 1155
1, 6, 12 Rel. Per (%)	4/24/24
12M Avg Val (INR M)	897

#### Financials & Valuations Consol (INR b)

Y/E March	FY23	FY24E	FY25E
Sales	82.4	117.6	153.1
EBITDA	10.7	15.9	20.7
NP	4.0	7.5	9.9
EBITDA Margin (%)	13.0	13.5	13.5
Adj. EPS (INR)	11.1	21.0	27.8
EPS Gr. (%)	835.7	88.8	32.2
BV/Sh. (INR)	78.1	100.6	130.3
<b>Ratios</b>			
Net D:E	1.3	1.3	1.2
RoE (%)	16.0	25.2	25.7
RoCE (%)	7.9	13.5	13.9
Payout (%)	19.9	0.0	0.0
<b>Valuations</b>			
P/E (x)	161.3	85.4	64.6
EV/EBITDA (x)	62.5	42.9	33.2
EV/Sales (x)	8.3	5.9	4.6
Div. Yield (%)	0.1	0.0	0.0
FCF Yield (%)	0.6	0.8	1.4

#### Shareholding pattern (%)

As On	Jun-23	Mar-23	Jun-22
Promoter	37.0	37.0	37.0
DII	15.8	16.1	14.6
FII	25.0	24.4	26.8
Others	22.2	22.4	21.6

FII Includes depository receipts

**CMP: INR1,795 TP: INR2,070 (+15%)**

**Buy**

### EBITDA miss led by high expenses, GM contraction

- TRENT continued to deliver stellar revenue growth of 54% YoY (in line) in 1QFY24, with 12% growth on LFL basis for Westside. However, with a high mix of Zudio (lower GM segment) and aggressive store adds, gross/EBITDA margin contracted 480bp/ 400bp, leading to a 24% EBITDA miss.
- We largely maintain our EBITDA estimates, building in a 38% CAGR in consolidated revenue/EBITDA over FY23-25, backed by strong footprint addition and robust LFL growth across segments. Star's improving store metrics offer a further opportunity. **We retain our BUY rating with a TP of INR2,070**, given the strong growth opportunity for TRENT.

### Revenue jumps 54% YoY (in line); EBITDA/PAT up 20%/45% YoY

- Standalone revenue reported robust growth of 54% YoY to INR25.4b (in line), led by strong store adds of 35% YoY and healthy LFL growth in Westside.
- Revenue from Westside/Zudio (Calc.) grew 36%/77% YoY to ~INR12.8b/ INR12.5b, with strong 12% YoY LFL growth in Westside and robust store adds. Westside/Zudio added 7/36 net new stores in 1QFY24.
- Gross profit grew 39% YoY to INR11.3b (5% miss). Margin saw a steep decline of 480bp YoY to 44.5%, likely due to a higher Zudio contribution.
- Employee/other expenses grew 61%/46% YoY to INR1.8b (7% higher than est.) and INR5.8b (9% higher than est.), respectively.
- EBITDA at INR3.7b was up 20% YoY (24% miss) as revenue growth was offset by sharp GM contraction and higher expenses. EBITDA margin at 14.4% contracted 400bp YoY. Pre-Ind AS EBITDA (Calc.) stood at ~INR2.5b with margins of ~10% (vs. ~12% in 1QFY23).
- Consequently, PAT grew 45% YoY to INR1.5b (45% miss) due to the EBITDA miss.

### Highlights from the management commentary

- Store openings:** The company opened 7/40 Westside/Zudio stores in 1QFY24 and closed 4 Zudio stores, taking the total store count to 221/388 Westside/Zudio stores.
- Star Bazaar gaining traction:** With store-level economics showing improvement, there is optimism about Star Bazaar's distinctive and scalable model, making it a crucial and supplementary growth driver for the portfolio.
- Online business:** Online revenue through [Westside.com](https://www.westside.com) and other Tata group platforms contributed over 4% of Westside revenues.
- Growth in new product categories:** Emerging categories (beauty and personal care, innerwear and footwear) contributed over 19% of standalone revenue.

**Valuation and view**

- While the discretionary category is seeing a challenging demand environment, with peers seeing a decline in same store sales, TRENT has been a standout with record 12% LFL growth. Further, despite adding stores aggressively, the company has observed limited balance sheet risk or weakness in operations.
- TRENT's industry-leading revenue growth is mainly 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 increase our revenue estimates by 7%/9% for FY24/FY25, but cut EBITDA margin by 130bp/150bp. As a result, we retain our EBITDA estimates, factoring in standalone revenue/EBITDA CAGRs of 38% over FY23-25, led by a strong 28% footprint addition and healthy SSSG.
- We assign 33x 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, and arrive at a TP of INR2,070. **We reiterate our BUY rating on the stock.**

**Standalone - Quarterly Earning Model**

(INR m)

Y/E March	FY23				FY24E				FY23	FY24E	FY24E	Est. Var (%)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>16,529</b>	<b>18,136</b>	<b>21,715</b>	<b>20,772</b>	<b>25,364</b>	<b>26,297</b>	<b>30,401</b>	<b>30,231</b>	<b>77,152</b>	<b>112,294</b>	<b>24,793</b>	<b>2</b>
YoY Change (%)	405.0	77.7	61.1	75.3	53.5	45.0	40.0	45.5	98.8	45.5	50.0	
Total Expenditure	13,488	15,461	18,359	18,652	21,708	22,589	25,659	25,719	65,959	95,675	19,958	9
<b>EBITDA</b>	<b>3,041</b>	<b>2,675</b>	<b>3,356</b>	<b>2,120</b>	<b>3,657</b>	<b>3,708</b>	<b>4,743</b>	<b>4,512</b>	<b>11,193</b>	<b>16,620</b>	<b>4,835</b>	<b>-24</b>
EBITDA Margin (%)	18.4	14.8	15.5	10.2	14.4	14.1	15.6	14.9	14.5	14.8	19.5	
Depreciation	1,202	1,043	1,106	1,281	1,335	1,335	1,335	1,389	4,632	5,393	1,318	1
Interest	925	880	885	883	891	841	841	791	3,572	3,365	830	7
Other Income	415	1,680	730	1,291	498	747	747	1,715	4,117	3,705	926	-46
<b>PBT before EO expense</b>	<b>1,330</b>	<b>2,432</b>	<b>2,095</b>	<b>1,248</b>	<b>1,928</b>	<b>2,278</b>	<b>3,313</b>	<b>4,047</b>	<b>7,105</b>	<b>11,566</b>	<b>3,612</b>	<b>-47</b>
<b>PBT</b>	<b>1,330</b>	<b>2,432</b>	<b>2,095</b>	<b>1,248</b>	<b>1,928</b>	<b>2,278</b>	<b>3,313</b>	<b>4,047</b>	<b>7,105</b>	<b>11,566</b>	<b>3,612</b>	<b>-47</b>
Tax	303	574	486	197	445	573	834	1,059	1,559	2,911	909	
<b>Reported PAT</b>	<b>1,026</b>	<b>1,859</b>	<b>1,610</b>	<b>1,051</b>	<b>1,483</b>	<b>1,705</b>	<b>2,479</b>	<b>2,988</b>	<b>5,546</b>	<b>8,655</b>	<b>2,703</b>	<b>-45</b>
<b>Adj PAT</b>	<b>1,026</b>	<b>1,859</b>	<b>1,610</b>	<b>1,051</b>	<b>1,483</b>	<b>1,705</b>	<b>2,479</b>	<b>2,988</b>	<b>5,546</b>	<b>8,655</b>	<b>2,703</b>	<b>-45</b>
YoY Change (%)	-222.5	37.1	21.1	40.2	44.5	-8.3	54.0	184.3	113.5	56.1	163.4	

E: MOFSL Estimates

**Consolidated performance**

- Consolidated revenues grew by 46% YoY to INR26.3b. As a result, subsidiary revenue (Calc.) declined 39% YoY to INR919m.
- Operating profit of INR3.7b was up 26% YoY with 14% margin.
- Adjusted PAT stood at INR1.7b, up 45% YoY.

**Highlights from the press release**

- Pre-Ind AS EBIT margin stood at 8.8% (vs. 10.2% for Q1FY23).
- The company is sitting on liquid cash and CE of ~INR5.0b.
- Total standalone business stores included 221 Westside, 388 Zudio and 23 stores across other lifestyle concepts.

**Star business**

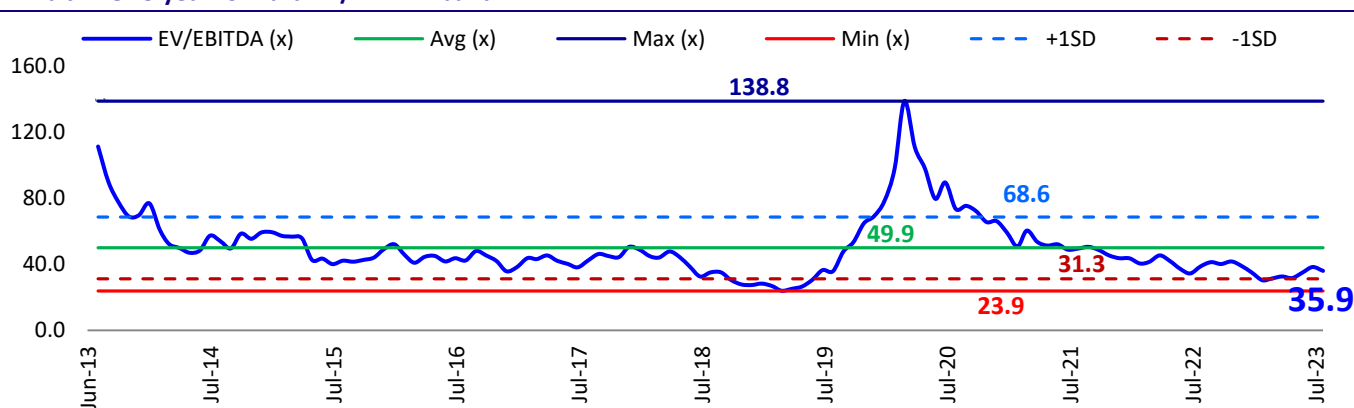
- Added 2 new stores of ~36k sqft, leading to total store count of 65.
- Star reported 33% YoY revenue growth and almost entirely coming from SSSG.
- The company is confident on the Star format and considers it as a key additional growth engine.

- Margin accretive-
- Own brand share increased to 35% in 1QFY24 from 24% in 1QFY23
- Share of GM&A improved to 33% in 1QFY24 from 24% in 1QFY23

**Valuation based on SoTP**

Particulars (INR b)	Financial metric	Multiple	EBITDA/Sales	Value
Westside and Zudio	EBITDA	33	21.4	709
Star	Sales	1	11.4	11
Zara	EBITDA	15	3.1	47
<b>Total Enterprise Value</b>				<b>768</b>
Net Debt				32
<b>Equity Value</b>				<b>736</b>
Shares (m)				356
Target Price				2,070
CMP				1,795
Upside				15%

Source: MOFSL, Company

**Exhibit 1: One-year forward EV/EBITDA band**

Source: Company, MOFSL

**Exhibit 2: Standalone quarterly performance (INR m)**

	1QFY23	4QFY23	1QFY24	YoY%	QoQ%	1QFY24E	v/s est (%)
<b>Revenue</b>	<b>16,529</b>	<b>20,772</b>	<b>25,364</b>	<b>53.5</b>	<b>22.1</b>	<b>24,793</b>	<b>2.3</b>
Raw Material cost	8,377	12,298	14,070	67.9	14.4	12,892	9.1
<b>Gross Profit</b>	<b>8,151</b>	<b>8,474</b>	<b>11,295</b>	<b>38.6</b>	<b>33.3</b>	<b>11,901</b>	<b>-5.1</b>
<b>Gross margin (%)</b>	<b>49.3</b>	<b>40.8</b>	<b>44.5</b>	<b>-479bps</b>	<b>374bps</b>	<b>48.0</b>	<b>-347bps</b>
Employee Costs	1,151	1,569	1,854	61.1	18.2	1,736	6.8
SGA Expenses	3,959	4,784	5,784	46.1	20.9	5,330	8.5
<b>Total Opex</b>	<b>13,488</b>	<b>18,652</b>	<b>21,708</b>	<b>60.9</b>	<b>16.4</b>	<b>19,958</b>	<b>8.8</b>
<b>EBITDA</b>	<b>3,041</b>	<b>2,120</b>	<b>3,657</b>	<b>20.2</b>	<b>72.4</b>	<b>4,835</b>	<b>-24.4</b>
<b>EBITDA margin (%)</b>	<b>18.4</b>	<b>10.2</b>	<b>14.4</b>	<b>-398bps</b>	<b>421bps</b>	<b>19.5</b>	<b>-508bps</b>
Depreciation and amortization	1,202	1,281	1,335	11.1	4.2	1,318	1.3
EBIT	1,839	839	2,322	26.2	176.6	3,516	-34.0
<b>EBIT margin (%)</b>	<b>11.1</b>	<b>4.0</b>	<b>9.2</b>	<b>-18bps</b>	<b>127bps</b>	<b>14.2</b>	<b>-503bps</b>
Finance Costs	925	883	891	-3.6	1.0	830	7.4
Other income	415	1,291	498	19.9	-61.5	926	-46.3
Exceptional item	0	0	0	0.0	0.0	0	NM
<b>Profit before Tax</b>	<b>1,330</b>	<b>1,248</b>	<b>1,928</b>	<b>45.0</b>	<b>54.5</b>	<b>3,612</b>	<b>-46.6</b>
Tax	303	197	445	46.8	126.6	909	-51.0
<b>Tax rate (%)</b>	<b>22.8</b>	<b>15.7</b>	<b>23.1</b>	<b>28bps</b>	<b>735bps</b>	<b>25.2</b>	<b>-207bps</b>
<b>Profit after Tax</b>	<b>1,026</b>	<b>1,051</b>	<b>1,483</b>	<b>44.5</b>	<b>41.0</b>	<b>2,703</b>	<b>-45.1</b>
<b>Adj Profit after Tax</b>	<b>1,026</b>	<b>1,051</b>	<b>1,483</b>	<b>44.5</b>	<b>41.0</b>	<b>2,703</b>	<b>-45.1</b>

Source: MOFSL, Company

**Exhibit 3: Standalone breakup**

	1QFY23	4QFY23	1QFY24	YoY	QoQ
<b>Total Revenue</b>	16,529	20,772	25,364	53%	22%
<b>Westside</b>	9,362	10,443	12,753	36%	22%
<i>mix</i>	56.6%	50.3%	50.3%		
<b>Zudio</b>	7,061	10,214	12,492	77%	22%
<i>mix</i>	42.7%	49.2%	49.2%		
<b>Gross Profit</b>	8,151	8,474	11,295	39%	33%
<i>Margin</i>	49.3%	40.8%	44.5%		
<b>Westside</b>	5,524	5,430	6,887	25%	27%
<i>Margin</i>	59.0%	52.0%	54.0%		
<b>Zudio</b>	2,628	3,043	4,408	68%	45%
<i>Margin</i>	37.2%	29.8%	35.3%		

**Exhibit 4: Standalone estimate change summary**

	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	1,05,357	1,35,573
Actual/New	1,12,294	1,47,868
<i>Change (%)</i>	6.6	9.1
<b>RM cost (INR m)</b>		
Old	56,103	72,532
Actual/New	61,762	82,510
<i>Change (%)</i>	10.1	13.8
<b>EBITDA (INR m)</b>		
Old	16,910	21,692
Actual/New	16,620	21,441
<i>Change (%)</i>	-1.7	-1.2
<b>EBITDA margin (%)</b>		
Old	16.1	16.0
Actual/New	14.8	14.5
<i>Change (bp)</i>	-125	-150
<b>Depreciation &amp; amortization (INR m)</b>		
Old	5,274	5,865
Actual/New	5,393	6,043
<i>Change (%)</i>	2.3	3.0
<b>Finance cost (INR m)</b>		
Old	3,321	3,531
Actual/New	3,365	3,582
<i>Change (%)</i>	1.3	1.5
<b>Net Profit (INR m)</b>		
Old	8,995	11,974
Actual/New	8,655	11,614
<i>Change (%)</i>	-3.8	-3.0
<b>EPS (INR)</b>		
Old	25	34
Actual/New	24.35	32.67
<i>Change (%)</i>	-3.8	-3.0

Source: MOFSL, Company

Story in charts

Exhibit 5: Standalone revenue grew 53% YoY

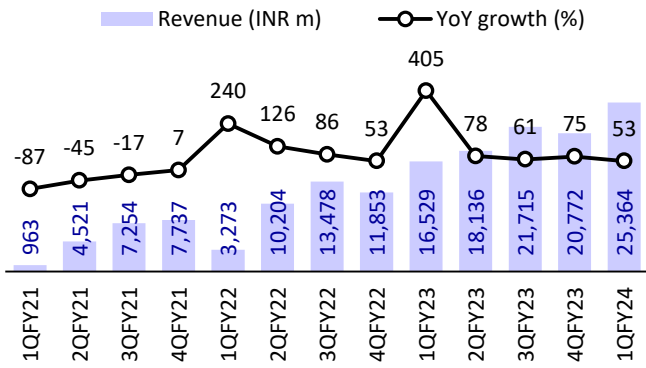


Exhibit 6: Standalone margins declined to 480bp YoY

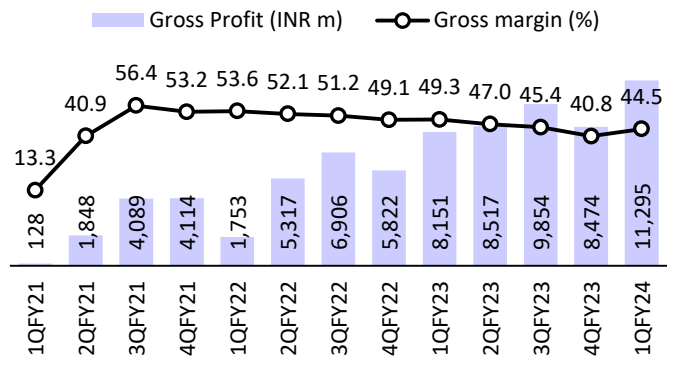


Exhibit 7: Standalone margin declined 400bp YoY

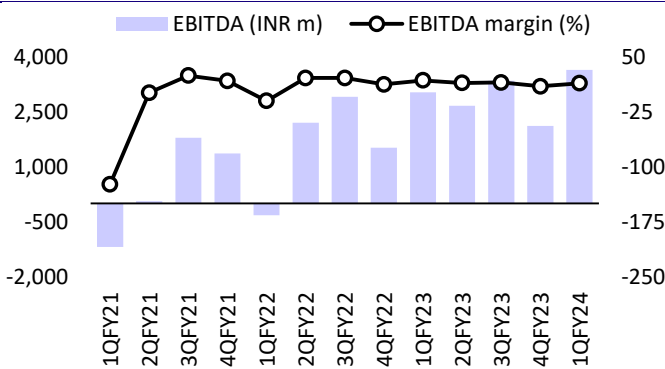


Exhibit 8: Standalone PAT grew 44% YoY

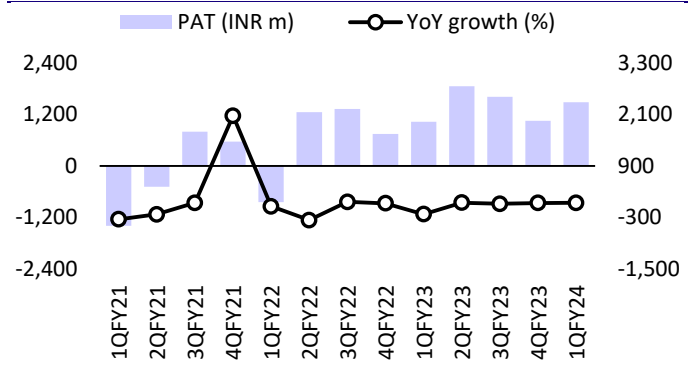


Exhibit 9: Expect 12% CAGR in Westside store in FY23-25

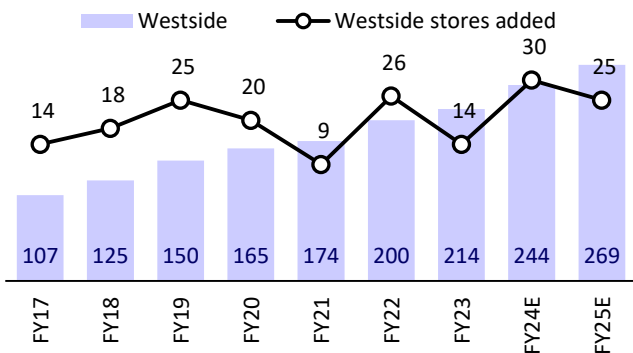


Exhibit 10: Expect strong 36% Zudio store adds in FY23-25

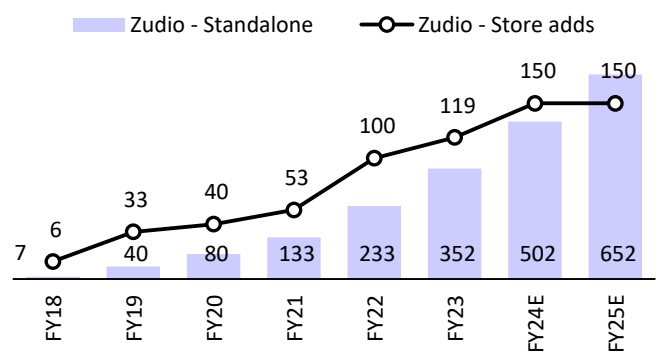


Exhibit 11: Expect 36% revenue CAGR over FY23-25

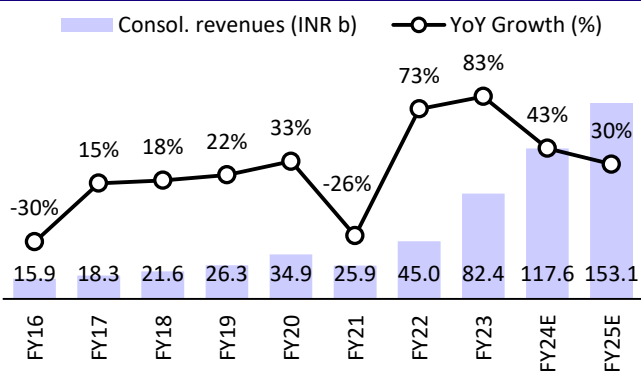
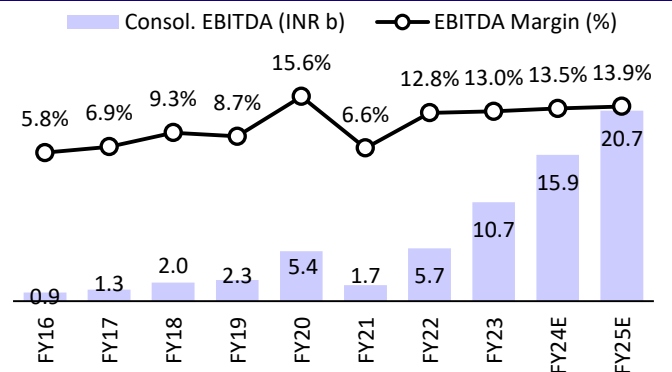


Exhibit 12: Expect 39% EBITDA CAGR over FY23-25



Source: MOFSL, Company

Source: MOFSL, Company

## Financials and valuations – standalone

Standalone - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	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>77,152</b>	<b>1,12,294</b>	<b>1,47,868</b>
Change (%)	18.9	22.5	25.5	-35.6	89.5	98.8	45.5	31.7
Raw Materials	9,587	12,324	16,037	10,296	19,009	42,156	61,762	82,510
	54%	51%	50%	50%	51%	45%	45%	44%
Employees Cost	2,026	2,524	3,131	2,550	3,379	5,801	8,534	10,942
Other Expenses	3,970	4,924	4,950	5,591	10,084	18,003	25,378	32,975
<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>65,959</b>	<b>95,675</b>	<b>1,26,427</b>
% of Sales	90.3	90.7	82.3	90.0	83.7	85.5	85.2	85.5
<b>EBITDA</b>	<b>2,014</b>	<b>2,366</b>	<b>5,632</b>	<b>2,038</b>	<b>6,335</b>	<b>11,193</b>	<b>16,620</b>	<b>21,441</b>
Margin (%)	9.7	9.3	17.7	10.0	16.3	14.5	14.8	14.5
Depreciation	417	465	2,311	2,359	2,831	4,632	5,393	6,043
<b>EBIT</b>	<b>1,596</b>	<b>1,902</b>	<b>3,321</b>	<b>-321</b>	<b>3,505</b>	<b>6,560</b>	<b>11,226</b>	<b>15,398</b>
Int. and Finance Charges	306	368	2,383	2,380	2,933	3,572	3,365	3,582
Other Income	426	363	1,518	2,042	2,790	4,117	3,705	3,705
<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>7,105</b>	<b>11,566</b>	<b>15,521</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>7,105</b>	<b>11,566</b>	<b>15,521</b>
Total Tax	549	617	909	-211	734	1,559	2,911	3,907
Tax Rate (%)	32.0	32.6	37.0	29.3	22.7	21.9	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>5,546</b>	<b>8,655</b>	<b>11,614</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>5,546</b>	<b>8,655</b>	<b>11,614</b>
Change (%)	33.7	9.6	20.9	-130.1	-658.4	113.5	56.1	34.2
Margin (%)	5.6	5.1	4.9	-2.3	6.7	7.2	7.7	7.9

Standalone - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	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	30,444	39,099	50,713
<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>30,799</b>	<b>39,455</b>	<b>51,069</b>
Total Loans	3,914	3,942	24,468	28,612	45,893	43,186	47,393	51,178
Lease Liability			21,471	25,612	40,835	38,206	38,206	38,206
Deferred Tax Liabilities	-28	-72	-1,070	-1,080	-1,225	-1,540	-1,540	-1,540
<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>72,445</b>	<b>85,308</b>	<b>1,00,706</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>43,659</b>	<b>46,553</b>	<b>48,154</b>
Right to use assets			19,041	22,265	37,336	34,346	34,346	34,346
Capital WIP	96	850	231	340	448	415	415	415
<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>16,483</b>	<b>16,483</b>	<b>16,483</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>21,114</b>	<b>34,739</b>	<b>52,338</b>
Inventory	3,391	4,894	5,865	3,946	8,225	13,369	18,459	24,307
Account Receivables	131	141	133	206	163	314	615	810
Cash and Bank Balance	303	509	441	669	744	789	2,399	10,836
Loans and Advances	2,896	3,457	3,960	4,306	4,994	6,642	13,266	16,385
<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>9,226</b>	<b>12,883</b>	<b>16,684</b>
Account Payables	1,946	2,289	2,565	2,196	3,142	6,437	8,922	11,748
Other Current Liabilities	929	2,221	1,710	938	1,572	2,121	3,292	4,267
Provisions	182	186	218	167	314	669	669	669
<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>11,888</b>	<b>21,857</b>	<b>35,654</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>72,445</b>	<b>85,308</b>	<b>1,00,706</b>



## Financials and valuations – standalone

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	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>15.6</b>	<b>24.3</b>	<b>32.7</b>
Cash EPS	4.8	5.2	11.6	5.7	16.3	30.6	42.3	53.1
BV/Share	48.7	51.1	75.2	75.7	81.9	92.7	118.7	153.7
DPS	1.1	1.3	1.0	0.0	1.7	2.2	0.0	0.0
Payout (%)	32.7	40.8	23.0	0.0	24.2	14.1	0.0	0.0
<b>Valuation (x)</b>								
P/E	511.1	466.4	412.7	-1,371.4	245.6	115.1	73.7	54.9
Cash P/E	376.5	342.1	154.6	315.0	109.9	58.6	42.5	33.8
P/BV	36.9	35.2	23.9	23.7	21.9	19.4	15.1	11.7
EV/Sales	29.0	23.7	20.8	32.5	17.6	8.8	6.1	4.6
EV/EBITDA	298.0	253.5	117.6	326.8	107.8	60.8	41.1	31.6
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0
FCF per share	-0.8	-4.7	7.4	8.7	-1.4	12.6	3.6	23.4
<b>Return Ratios (%)</b>								
RoE	7.4	7.7	7.4	-1.9	9.9	19.1	24.6	25.7
RoCE	7.0	7.4	8.7	2.4	7.7	11.3	13.9	15.1
RoIC	12.9	13.3	10.0	-0.7	6.2	9.5	13.9	16.6
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.0	3.0	3.2	2.1	3.5	5.7	NA	NA
Asset Turnover (x)	1.0	1.2	0.7	0.4	0.5	1.1	1.3	1.5
Inventory (Days)	60	71	67	70	77	63	60	60
Debtor (Days)	2	2	2	4	2	1	2	2
Creditor (Days)	34	33	29	39	30	30	29	29
<b>Leverage Ratio (x)</b>								
Current Ratio	2.2	1.9	2.3	2.8	2.8	2.3	2.7	3.1
Interest Cover Ratio	5.2	5.2	1.4	-0.1	1.2	1.8	3.3	4.3
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	FY23	FY24E	FY25E
OP/(Loss) before Tax	1,716	1,896	2,454	-658	3,362	7,105	11,566	15,521
Depreciation	417	465	2,311	2,359	2,831	4,639	5,393	6,043
Interest & Finance Charges	87	180	2,058	2,084	2,725	3,411	3,365	3,582
Direct Taxes Paid	-491	-781	-807	-1	-782	-1,869	-2,911	-3,907
(Inc)/Dec in WC	-668	-1,356	-1,112	1,131	-4,020	-2,707	-8,359	-5,360
<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>10,579</b>	<b>9,055</b>	<b>15,879</b>
Others	-32	-122	-1,220	-782	-2,624	-3,951	-3,705	-3,705
<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>6,628</b>	<b>5,350</b>	<b>12,174</b>
(Inc)/Dec in FA	-1,296	-1,859	-1,050	-1,031	-1,979	-2,144	-4,080	-3,860
<b>Free Cash Flow</b>	<b>-267</b>	<b>-1,577</b>	<b>2,635</b>	<b>3,102</b>	<b>-487</b>	<b>4,485</b>	<b>1,270</b>	<b>8,314</b>
(Pur)/Sale of Investments	881	2,234	-5,870	1,195	2,317	57	0	0
Others	113	-833	-650	-557	-397	657	3,705	3,705
<b>CF from Investments</b>	<b>-302</b>	<b>-457</b>	<b>-7,570</b>	<b>-393</b>	<b>-59</b>	<b>-1,430</b>	<b>-375</b>	<b>-154</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	-1,202	0	0
Interest Paid	-317	-220	-2,437	-2,376	-2,350	-3,557	-3,365	-3,582
Dividend Paid	-399	-459	-520	-355	-426	-394	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>-5,153</b>	<b>-3,365</b>	<b>-3,582</b>
<b>Inc/Dec of Cash</b>	<b>-12</b>	<b>206</b>	<b>-69</b>	<b>229</b>	<b>74</b>	<b>45</b>	<b>1,610</b>	<b>8,437</b>
Opening Balance	316	303	509	441	669	744	789	2,399
<b>Closing Balance</b>	<b>303</b>	<b>509</b>	<b>441</b>	<b>669</b>	<b>744</b>	<b>789</b>	<b>2,399</b>	<b>10,836</b>

## Financials and valuations – consolidated

Consolidated - Income Statement								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	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>82,420</b>	<b>1,17,562</b>	<b>1,53,136</b>
Change (%)	17.6	21.9	32.5	-25.6	73.5	83.2	42.6	30.3
Raw Materials	10,315	13,114	18,818	15,340	24,815	47,197	66,803	87,552
Employees Cost	2,305	2,868	3,585	3,019	3,990	6,552	9,286	11,694
Other Expenses	3,800	4,878	5,083	5,852	10,437	17,934	25,576	33,172
<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>71,684</b>	<b>1,01,665</b>	<b>1,32,418</b>
% of Sales	90.7	91.3	84.4	93.4	87.2	87.0	86.5	86.5
<b>EBITDA</b>	<b>2,012</b>	<b>2,277</b>	<b>5,440</b>	<b>1,719</b>	<b>5,739</b>	<b>10,737</b>	<b>15,897</b>	<b>20,719</b>
Margin (%)	9.3	8.7	15.6	6.6	12.8	13.0	13.5	13.5
Depreciation	455	517	2,472	2,573	3,108	4,937	4,774	6,147
<b>EBIT</b>	<b>1,557</b>	<b>1,761</b>	<b>2,967</b>	<b>-854</b>	<b>2,631</b>	<b>5,800</b>	<b>11,124</b>	<b>14,572</b>
Int. and Finance Charges	306	368	2,458	2,487	3,047	3,692	4,402	5,613
Other Income	442	408	1,445	2,016	1,752	2,609	3,262	4,240
<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>4,717</b>	<b>9,983</b>	<b>13,199</b>
EO Items	0	0	0	-10	-274	-30	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>4,687</b>	<b>9,983</b>	<b>13,199</b>
Total Tax	596	736	590	-237	766	1,584	2,513	3,322
Tax Rate (%)	35.2	40.9	30.2	17.8	72.2	33.8	25.2	25.2
MI/(Profit)/Loss from Assoc.	227	95	304	714	-51	-835	0	0
<b>Reported PAT</b>	<b>870</b>	<b>970</b>	<b>1,060</b>	<b>-1,811</b>	<b>346</b>	<b>3,937</b>	<b>7,470</b>	<b>9,877</b>
<b>Adjusted PAT</b>	<b>870</b>	<b>970</b>	<b>1,060</b>	<b>-1,803</b>	<b>422</b>	<b>3,957</b>	<b>7,470</b>	<b>9,877</b>
Change (%)	29.5	11.6	9.2	-270.1	-123.4	837.0	88.8	32.2
Margin (%)	4.0	3.7	3.0	-7.0	0.9	4.8	6.4	6.4

Consolidated - Balance Sheet								(INR m)
Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
Equity Share Capital	332	332	355	355	355	356	356	356
Total Reserves	15,621	16,133	23,525	22,775	23,285	25,599	33,070	42,946
<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>25,955</b>	<b>33,425</b>	<b>43,302</b>
Minority Interest	8	-29	803	445	459	675	675	675
Total Loans	3,914	3,942	25,260	26,686	47,338	44,722	55,029	70,168
Lease Liabilities			23,188	26,637	42,280	39,662	54,948	70,087
Deferred Tax Liabilities	193	255	-1,104	-746	-1,264	-1,561	-1,561	-1,561
<b>Capital Employed</b>	<b>20,068</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>87,568</b>	<b>1,12,584</b>
Gross Block	8,341	9,117	32,192	37,078	55,887	57,819	77,185	96,184
Less: Accum. Deprn.	2,478	2,757	3,977	7,093	9,571	13,093	17,866	24,013
<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>44,726</b>	<b>59,319</b>	<b>72,171</b>
Right to use assets			<b>19,856</b>	<b>23,185</b>	<b>38,642</b>	<b>35,502</b>	46,716	56,566
Goodwill on Consolidation	261	261	272	272	272	272	272	272
Capital WIP	96	872	231	340	448	1,017	1,017	1,017
<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>11,370</b>	<b>11,370</b>	<b>11,370</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>15,245</b>	<b>21,869</b>	<b>28,492</b>	<b>45,199</b>
Inventory	3,448	4,970	6,078	4,284	8,678	13,612	18,767	24,712
Account Receivables	151	165	171	208	179	344	483	839
Cash and Bank Balance	328	542	614	815	864	863	-46	8,185
Loans and Advances	2,977	3,587	4,334	4,694	5,525	7,051	9,289	11,463
<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>9,464</b>	<b>12,903</b>	<b>17,445</b>
Account Payables	2,084	2,450	2,976	2,746	3,780	6,652	9,018	12,587
Other Current Liabilities	997	2,293	1,893	4,026	1,734	2,098	3,171	4,146
Provisions	205	212	254	204	309	713	713	713
<b>Net Current Assets</b>	<b>3,618</b>	<b>4,311</b>	<b>6,074</b>	<b>3,024</b>	<b>9,422</b>	<b>12,406</b>	<b>15,590</b>	<b>27,753</b>
<b>Appl. of Funds</b>	<b>20,068</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>87,568</b>	<b>1,12,583</b>



## Financials and valuations – consolidated

### Ratios

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	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>11.1</b>	<b>21.0</b>	<b>27.8</b>
Cash EPS	4.0	4.5	10.6	2.3	10.6	26.8	36.8	48.2
BV/Share	48.0	49.5	71.9	69.6	71.1	78.1	100.6	130.3
DPS	1.1	1.3	1.0	0.0	1.7	2.2	0.0	0.0
Payout (%)	43.9	53.7	33.5	0.0	174.6	19.9	0.0	0.0
<b>Valuation (x)</b>								
P/E	685.9	614.8	602.0	-353.9	1,509.0	161.3	85.4	64.6
Cash P/E	450.2	401.2	168.9	774.6	169.0	67.1	48.7	37.2
P/BV	37.4	36.2	25.0	25.8	25.2	23.0	17.8	13.8
EV/Sales	27.8	22.8	19.0	25.6	15.2	8.3	5.9	4.6
EV/EBITDA	293.2	259.6	119.1	377.2	116.8	62.5	42.9	33.2
Dividend Yield (%)	0.1	0.1	0.1	0.0	0.1	0.1	0.0	0.0
FCF per share	-0.9	-5.2	6.8	8.0	-4.3	10.4	14.7	27.0
<b>Return Ratios (%)</b>								
RoE	5.5	6.0	5.3	-7.7	1.8	16.0	25.2	25.7
RoCE	6.6	6.4	8.9	1.9	2.0	7.9	13.5	13.9
RoIC	11.4	10.5	9.6	-2.1	1.7	6.9	12.6	13.0
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.6	2.9	1.1	0.7	0.8	1.4	1.5	1.6
Asset Turnover (x)	1.1	1.3	0.7	0.5	0.6	1.2	1.3	1.4
Inventory (Days)	58	69	64	60	70	60	58	59
Debtor (Days)	3	2	2	3	1	2	2	2
Creditor (Days)	35	34	31	39	31	29	28	30
<b>Leverage Ratio (x)</b>								
Current Ratio	2.1	1.9	2.2	1.4	2.6	2.3	2.2	2.6
Interest Cover Ratio	5.1	4.8	1.2	-0.3	0.9	1.6	2.5	2.6
Net Debt/Equity	0.2	-0.4	0.7	0.9	1.7	1.3	1.3	1.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY18	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E
OP/(Loss) before Tax	1,467	1,685	1,650	-2,038	1,387	5,551	9,983	13,199
Depreciation	455	517	2,472	2,573	3,108	4,937	4,774	6,147
Interest & Finance Charges	88	165	2,126	2,197	2,814	3,524	4,402	5,613
Direct Taxes Paid	-501	-791	-835	-11	-816	-1,910	-2,513	-3,322
(Inc)/Dec in WC	-643	-1,352	-1,033	1,063	-4,293	-2,932	-4,093	-3,932
<b>CF from Operations</b>	<b>866</b>	<b>223</b>	<b>4,381</b>	<b>3,783</b>	<b>2,199</b>	<b>9,170</b>	<b>12,553</b>	<b>17,704</b>
Others	-98	-14	-828	-45	-1,615	-3,222	-3,262	-4,240
<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>5,949</b>	<b>9,291</b>	<b>13,464</b>
(Inc)/Dec in FA	-1,068	-1,953	-1,142	-910	-2,101	-2,235	-4,080	-3,860
<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>3,714</b>	<b>5,211</b>	<b>9,605</b>
(Pur)/Sale of Investments	928	2,253	-6,574	1,400	2,084	65	0	0
Others	100	-670	-382	-308	562	1,135	3,262	4,240
<b>CF from Investments</b>	<b>-40</b>	<b>-370</b>	<b>-8,098</b>	<b>181</b>	<b>544</b>	<b>-1,036</b>	<b>-819</b>	<b>380</b>
Issue of Shares	-1,024	0	9,349	-3	2,504	463	0	0
Inc/(Dec) in Debt	1,000	1,061	-1,773	0	0	0	0	0
Interest Paid	-317	-227	-2,511	-2,489	-2,463	-3,587	-4,402	-5,613
Dividend Paid	-403	-459	-398	-355	-427	-393	0	0
Others	0	0	-50	-872	-694	-1,397	-4,980	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>-4,914</b>	<b>-9,382</b>	<b>-5,613</b>
<b>Inc/Dec of Cash</b>	<b>-15</b>	<b>214</b>	<b>72</b>	<b>201</b>	<b>49</b>	<b>-1</b>	<b>-909</b>	<b>8,231</b>
Opening Balance	343	328	542	614	815	864	863	-46
<b>Closing Balance</b>	<b>328</b>	<b>542</b>	<b>614</b>	<b>815</b>	<b>864</b>	<b>863</b>	<b>-46</b>	<b>8,185</b>

Investment in securities market are subject to market risks. Read all the related documents carefully before investing

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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