

Estimate change 

 TP change 

 Rating change 

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USD\$b)	1533.6 / 18.4
52-Week Range (INR)	4515 / 1368
1, 6, 12 Rel. Per (%)	8/84/190
12M Avg Val (INR M)	2050

Financials & Valuations Consol (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	123.8	169.3	210.9
EBITDA	19.2	25.3	31.7
NP	10.4	13.3	17.1
EBITDA Margin (%)	15.5	14.9	15.0
Adj. EPS (INR)	29.4	37.3	48.1
EPS Gr. (%)	163.7	27.0	29.0
BV/Sh. (INR)	122.4	162.3	213.8

Ratios

Net D:E	0.0	0.3	0.2
RoE (%)	31.3	28.0	27.4
RoCE (%)	18.0	23.4	22.1
Payout (%)	0.0	0.0	0.0

Valuations

P/E (x)	148.0	116.5	90.3
EV/EBITDA (x)	80.4	61.7	49.3
EV/Sales (x)	12.6	9.3	7.5
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.6	0.5	1.1

Shareholding pattern (%)

As On	Mar-24	Dec-23	Mar-23
Promoter	37.0	37.0	37.0
DII	13.9	14.8	16.1
FII	26.8	25.9	24.4
Others	22.3	22.3	22.4

FII Includes depository receipts

CMP: INR4,314
TP: INR4,870 (+13%)
BUY
Stellar performance continues

- TRENT reported strong standalone revenue growth of 53% (in line) in 4QFY24, led by 10% LFL and 37% YoY store additions. Robust revenue growth, along with GM improvement and operating leverage, resulted in 2.3x/2.4x YoY growth in EBITDA/PAT (11%/31% beat).
- Considering strong revenue growth, aggressive store additions, margin tailwinds from moderating RM costs, and operating leverage, we estimate a CAGR of 32%/38% in revenue/PAT over FY24-26. The continued momentum in Star and improving store metrics offer further upside potential. **We reiterate our BUY rating with a revised TP of INR4,870**, given TRENT's strong growth opportunity going forward.

Strong LFL growth and GM margin expansion boost earnings

- Standalone revenue jumped 53% YoY to INR31.9b (in line), led by 37% YoY store addition and +10% LFL growth in fashion concepts.
 - Westside revenue (calc.) grew 27% YoY to ~INR13.3b, led by 10% LFL growth and 8% YoY store adds. TRENT added net five stores, taking the total count to 232 stores.
 - Zudio revenue (calc.) grew 81% YoY to ~INR18.5b, led by robust footprint addition of 55% YoY. The company added net 85 stores, taking the total count to 545 stores.
 - Star revenue jumped 30% YoY to INR7.4b, driven entirely by LFL. It closed net one store, taking the count to 66 stores.
- Gross profit grew 70% YoY to INR14.4b (8% beat) and margin expanded 450bp YoY to 45.3%, possibly due to RM cool-off.
- EBITDA grew 2.3x YoY to INR4.8b (11% beat), led by GM improvement and operating leverage in other expenses. Margins rose 480bp YoY to 15.0% (180bp beat).
- Pre-Ind AS EBITDA (calc.) surged 3.2x to ~INR3.4b with margins expansion of 550bp to ~10.6%.
- Adjusting extraordinary gains (INR5.4b), PAT grew 2.4x YoY to INR2.5b (31% beat), led by strong SSSG, aggressive footprint growth, RM tailwind and operating leverage.
 - For FY24, Revenue/EBITDA/PAT grew 55%/72%/86% YoY.
 - For FY24, OCF grew 2x YoY to INR11b led by EBITDA growth. Strong store addition led to capex up 78% YoY to INR3.8b. FCF post interest cost reported at INR4b (vs INR275m outflow in FY23).
 - This resulted in increase in net cash to INR4.1b in FY24 vs INR370m in FY23

Highlights from the management commentary

- As per the management, standalone pre-Ind AS EBIT margin stood at 8.2% (vs. 13.0% QoQ/2.8% YoY).
- Fashion concept formats registered LFL growth of over 10% YoY in 4Q.

 Research Analyst: **Tanmay Gupta** (Tanmay.Gupta@MotilalOswal.com)

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, Bloomberg, Thomson Reuters, Factset and S&P Capital.

- The portfolio included 232 Westside, 545 Zudio and 34 stores across other lifestyle concepts. In FY24, it net added 18/193/10 stores for Westside/Zudio/other lifestyle concepts.
- Emerging categories, including beauty and personal care, innerwear, and footwear, contributed to over 20% of standalone revenue.

Valuation and view

- TRENT's strong performance with 10% LFL growth and robust footprint additions is an outlier in our retail coverage universe, which is facing a challenging demand environment. Unlike peers that passed on the sharp RM price increases last fiscal, TRENT absorbed the impact, seeing strong customer reception and is now reaping the benefits as RM prices turn benign.
- TRENT's industry-leading revenue growth, driven by: a) healthy SSSG and productivity, b) robust footprint additions, and c) healthy scale-up in Zudio, offers a huge runway for growth over the next three to five years.
- The company's grocery segment, Star, with merely 66 stores and FY24 revenue of INR27.5b, is seeing strong LFL growth. This presents a huge opportunity for growth for TRENT. Its own brand strategy and curated range are witnessing strong customer responses.
- We have broadly kept revenue and EBITDA estimates unchanged; however, owing to the reassessment of lease liability, we have raised our standalone PAT estimates by 9%/7% for FY25/FY26. Over FY24-26, we factor in a CAGR of 32%/30%/38% in standalone revenue/EBITDA/PAT, led by a strong 20% YoY footprint addition and healthy SSSG.
- We assign 50x EV/EBITDA to the standalone business (Westside and Zudio; premium over our retail coverage universe, given its superior growth), 2x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara on FY26E, and arrive at our TP of INR4,870. Adjusting Star and Zara value, the stock is trading at 75x FY26E EPS of the standalone business. **We reiterate our BUY rating on the stock.**

Standalone - Quarterly Earning Model

Y/E March	FY23				FY24E				FY23	FY24	FY24E	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		4QE		(%)
Revenue	16,529	18,136	21,715	20,772	25,364	28,907	33,125	31,869	77,152	1,19,266	32,692	-3
YoY Change (%)	405.0	77.7	61.1	75.3	53.5	59.4	52.5	53.4	98.8	54.6	57.4	
Total Expenditure	13,488	15,461	18,359	18,652	21,708	24,299	26,893	27,097	65,959	99,996	28,394	-5
EBITDA	3,041	2,675	3,356	2,120	3,657	4,609	6,232	4,773	11,193	19,269	4,297	11
EBITDA Margin (%)	18.4	14.8	15.5	10.2	14.4	15.9	18.8	15.0	14.5	16.2	13.1	
Depreciation	1,202	1,043	1,106	1,281	1,335	1,448	1,575	2,027	4,632	6,385	1,678	21
Interest	925	880	885	883	891	923	957	322	3,572	3,094	1,019	-68
Other Income	415	1,680	730	1,291	498	1,511	768	733	4,117	3,509	929	-21
PBT before EO expense	1,330	2,432	2,095	1,248	1,928	3,748	4,467	3,157	7,105	13,300	2,529	25
Extra-Ord expense	0	0	0	0	0	0	0	5,434	0	5,434	0	
PBT	1,330	2,432	2,095	1,248	1,928	3,748	4,467	8,591	7,105	18,733	2,529	240
Tax	303	574	486	197	445	851	1,031	2,048	1,559	4,375	632	
Reported PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	6,543	5,546	14,358	1,897	245
Adj PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	2,477	5,546	10,194	1,897	31
YoY Change (%)	-222.5	37.1	21.1	40.2	44.5	55.9	113.5	135.6	113.5	83.8	80.4	

Consolidated performance

- Consolidated revenue jumped 51% YoY to INR33b.
- Reported EBITDA surged 2.3x YoY to INR4.7b with 14.2% margin (+490bp YoY).
- Adjusted PAT stood at INR2.7b vs. INR500m in 4QFY23.

Valuation based on SoTP on FY26E

Particulars (INR b)	Financial metric	Multiple	EBITDA/Sales	Value
Westside and Zudio	EBITDA	50	32.5	1,626
Star	Sales	2	21.5	43
Zara	EBITDA	15	3.7	56
Total Enterprise Value				1,725
Net Debt				-8
Equity Value				1,732
Shares (m)				356
Target Price				4,870
CMP				4,345
Upside				12%

Source: MOFSL, Company

Exhibit 1: Standalone quarterly performance (INR m)

	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	vs. est (%)
Revenue	20,772	33,125	31,869	53.4	-3.8	32,692	-2.5
Raw material cost	12,298	17,904	17,437	41.8	-2.6	19,279	-9.6
Gross Profit	8,474	15,221	14,433	70.3	-5.2	13,412	7.6
Gross margin (%)	40.8	46.0	45.3	449bps	-66bps	41.0	426bps
Employee costs	1,569	2,441	2,978	89.8	22.0	2,425	22.8
SGA expenses	4,784	6,548	6,682	39.7	2.0	6,690	-0.1
Total Opex	18,652	26,893	27,097	45.3	0.8	28,394	-4.6
EBITDA	2,120	6,232	4,773	125.1	-23.4	4,297	11.1
EBITDA margin (%)	10.2	18.8	15.0	477bps	-384bps	13.1	183bps
Depreciation and amortization	1,281	1,575	2,027	58.2	28.6	1,678	20.8
EBIT	839	4,656	2,746	227.2	-41.0	2,619	4.9
EBIT margin (%)	4.0	14.1	8.6	113bps	-39bps	8.0	61bps
Finance costs	883	957	322	-63.6	-66.4	1,019	-68.4
Other income	1,291	768	733	-43.3	-4.6	929	-21.1
Exceptional item	0	0	5,434	0.0	0.0	0	NM
Profit Before Tax	1,248	4,467	8,591	588.5	92.3	2,529	239.7
Tax	197	1,031	2,048	942.2	98.7	632	223.9
Tax rate (%)	15.7	23.1	23.8	809bps	76bps	25.0	-116bps
Profit After Tax	1,051	3,436	6,543	522.4	90.4	1,897	245.0
Adj. Profit After Tax	1,051	3,436	2,477	135.6	-27.9	1,897	30.6

Source: MOFSL, Company

Standalone quarterly store data

Store and SSSG	4QFY23	3QFY24	4QFY24	YoY%	QoQ%	4QFY24E	v/s est (%)
Fashion concepts SSSG%*	23.0%	10.0%	10.0%			10.2%	-0.2
Westside stores	214	227	232	8.4	2.2	233	-0.4
Store adds	3	5	5			6	
Zudio stores	352	460	545	54.8	18.5	487	11.9
Store adds	26	49	85			27	
Total stores	590	715	811	37.5	13.4	750	8.1
Store adds	29	54	90			33	

*4QFY23 SSSG of 23% is only for Westside

Exhibit 2: Standalone revenue breakup and pre Ind-AS margins

INRm	4QFY23	3QFY24	4QFY24	YoY	QoQ
Total Revenue	20,772	33,125	31,869	53%	-4%
Westside	10,443	15,385	13,287	27%	-14%
mix	50%	46%	42%		
Zudio	10,214	17,621	18,463	81%	5%
mix	49%	53%	58%		
Operating EBIT (pre Ind-AS 116)	582	4,306	2,613	349%	-39%
Margin	2.8%	13.0%	8.2%		
Est. EBITDA (pre Ind-AS 116)	1,055	4,726	3,373	220%	-29%
Margin	5.1%	14.3%	10.6%		

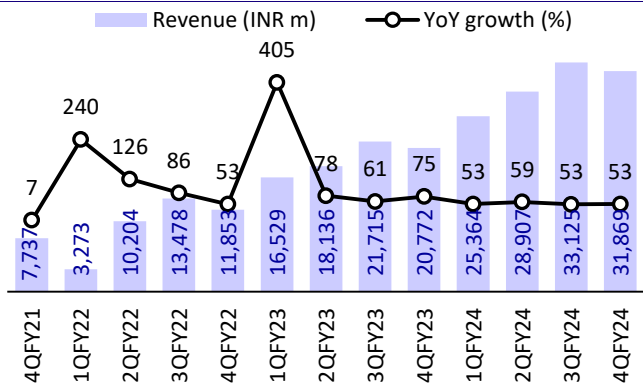
Exhibit 3: Our standalone estimate change summary

	FY25E	FY26E
Revenue (INR m)		
Old	1,61,157	2,03,945
Actual/New	1,64,841	2,06,413
Change (%)	2.3	1.2
RM cost (INR m)		
Old	90,651	1,15,229
Actual/New	92,311	1,16,108
Change (%)	1.8	0.8
EBITDA (INR m)		
Old	25,866	32,427
Actual/New	26,127	32,510
Change (%)	1.0	0.3
EBITDA margin (%)		
Old	16.1	15.9
Actual/New	15.9	15.8
Change (bp)	-20	-15
Depreciation & amortization (INR m)		
Old	6,813	7,599
Actual/New	6,945	7,412
Change (%)	1.9	-2.5
Finance cost (INR m)		
Old	4,036	4,359
Actual/New	2,267	2,721
Change (%)	-43.8	-37.6
Net Profit (INR m)		
Old	14,041	18,090
Actual/New	15,318	19,371
Change (%)	9.1	7.1
EPS (INR)		
Old	39	51
Actual/New	43	54
Change (%)	9.1	7.1

Source: MOFSL, Company

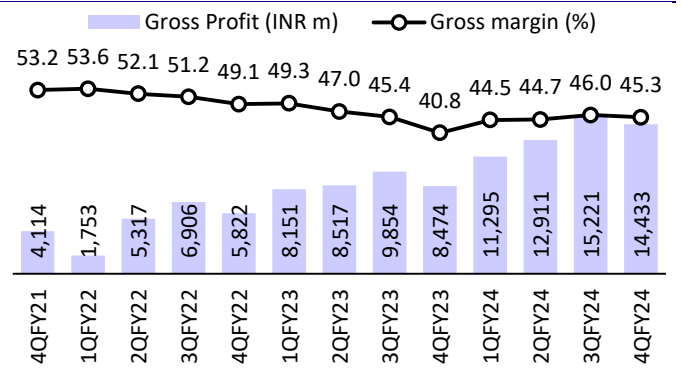
Story in charts

Exhibit 4: Standalone revenue growth led by Zudio and Star



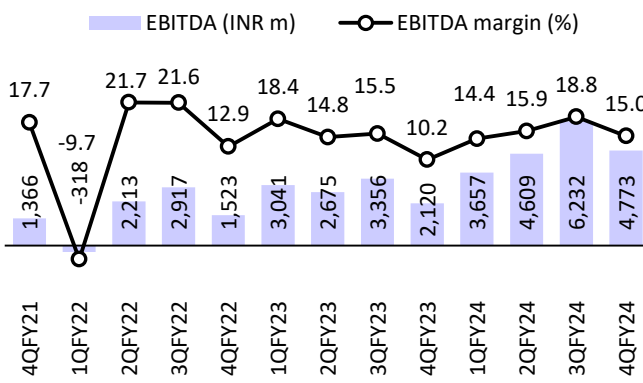
Source: MOFSL, Company

Exhibit 5: Standalone GM improved 350bp YoY



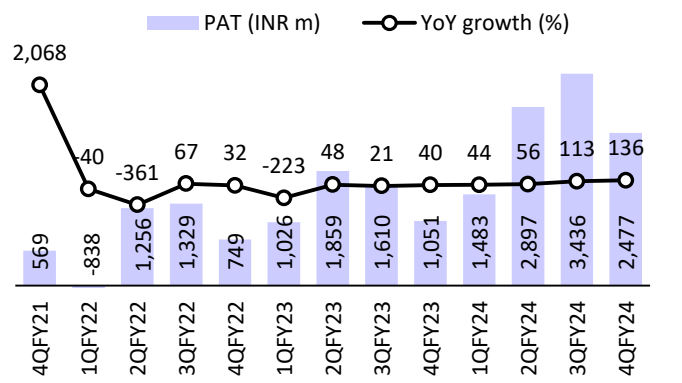
Source: MOFSL, Company

Exhibit 6: Standalone margin improved due to GM and operating leverage



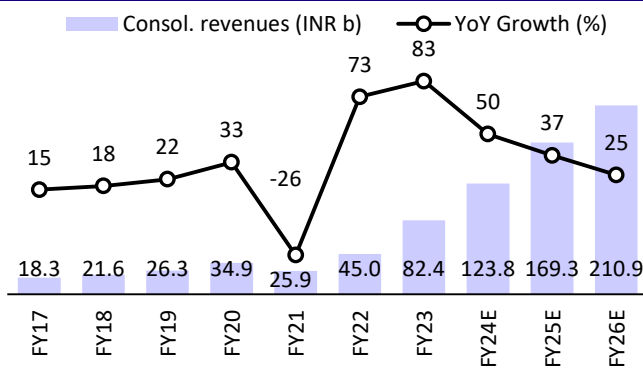
Source: MOFSL, Company

Exhibit 7: Standalone PAT surged 2.4x YoY



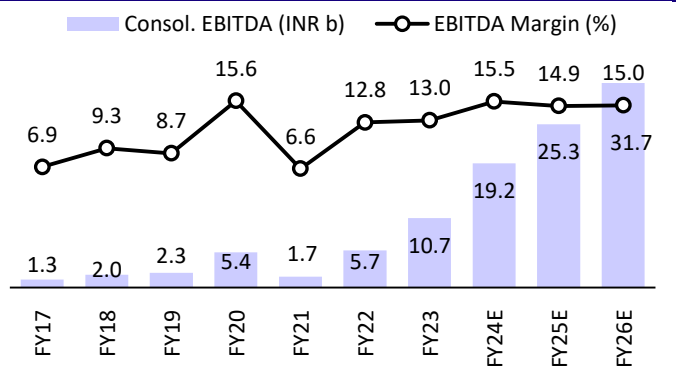
Source: MOFSL, Company

Exhibit 8: Expect 32% consol. revenue CAGR over FY24-26



Source: MOFSL, Company

Exhibit 9: Expect 30% consol. EBITDA CAGR over FY24-26



Source: MOFSL, Company

Financials and valuations – standalone

Standalone - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	25,317	31,777	20,475	38,807	77,152	1,19,266	1,64,841	2,06,413
Change (%)	22.5	25.5	-35.6	89.5	98.8	54.6	38.2	25.2
Raw Materials	12,324	16,037	10,296	19,009	42,156	65,407	92,311	1,16,108
Employees Cost	2,524	3,131	2,550	3,379	5,801	9,379	13,022	15,481
Other Expenses	4,924	4,950	5,591	10,084	18,003	25,210	33,380	42,315
Total Expenditure	22,951	26,145	18,437	32,472	65,959	99,996	1,38,714	1,73,903
% of Sales	90.7	82.3	90.0	83.7	85.5	83.8	84.2	84.3
EBITDA	2,366	5,632	2,038	6,335	11,193	19,269	26,127	32,510
Margin (%)	9.3	17.7	10.0	16.3	14.5	16.2	15.9	15.8
Depreciation	465	2,311	2,359	2,831	4,632	6,385	6,945	7,412
EBIT	1,902	3,321	-321	3,505	6,560	12,884	19,183	25,098
Int. and Finance Charges	368	2,383	2,380	2,933	3,572	3,094	2,267	2,721
Other Income	363	1,518	2,042	2,790	4,117	3,509	3,509	3,509
PBT bef. EO Exp.	1,897	2,456	-658	3,362	7,105	13,300	20,424	25,887
EO Items	-5	0	-63	-132	0	5,434	0	0
PBT after EO Exp.	1,892	2,456	-721	3,230	7,105	18,733	20,424	25,887
Total Tax	617	909	-211	734	1,559	4,375	5,106	6,516
Tax Rate (%)	32.6	37.0	29.3	22.7	21.9	23.4	25.0	25.2
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	1,276	1,546	-510	2,496	5,546	14,358	15,318	19,371
Adjusted PAT	1,279	1,546	-465	2,598	5,546	10,194	15,318	19,371
Change (%)	9.6	20.9	-130.1	-658.4	113.5	83.8	50.3	26.5
Margin (%)	5.1	4.9	-2.3	6.7	7.2	8.5	9.3	9.4

Standalone - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	332	355	355	356	356	356	356	356
Total Reserves	16,636	24,627	24,803	26,845	30,444	44,116	59,435	78,806
Net Worth	16,968	24,983	25,159	27,200	30,799	44,472	59,790	79,161
Total Loans	3,942	24,468	28,612	45,893	43,186	17,383	21,595	25,911
Lease Liability		21,471	25,612	40,835	38,206	12,398	16,609	20,926
Deferred Tax Liabilities	-72	-1,070	-1,080	-1,225	-1,540	-553	-553	-553
Capital Employed	20,838	48,382	52,690	71,868	72,445	61,302	80,832	1,04,519
Net Fixed Assets	6,271	26,175	29,232	45,083	43,659	24,002	32,588	33,859
Right to use assets		19,041	22,265	37,336	34,346	12,021	15,943	15,712
Capital WIP	850	231	340	448	415	1,614	1,614	1,614
Total Investments	9,410	16,068	17,292	17,239	16,483	19,022	19,019	19,022
Curr. Assets, Loans&Adv.	9,001	10,399	9,126	14,126	21,114	29,390	45,289	71,689
Inventory	4,894	5,865	3,946	8,225	13,369	15,648	22,581	28,276
Account Receivables	141	133	206	163	314	786	903	1,131
Cash and Bank Balance	509	441	669	744	789	2,862	8,562	27,217
Loans and Advances	3,457	3,960	4,306	4,994	6,642	10,094	13,243	15,065
Curr. Liability & Prov.	4,696	4,492	3,301	5,028	9,226	12,726	17,679	21,665
Account Payables	2,289	2,565	2,196	3,142	6,437	7,523	11,290	14,138
Other Current Liabilities	2,221	1,710	938	1,572	2,121	3,480	4,665	5,804
Provisions	186	218	167	314	669	1,723	1,723	1,723
Net Current Assets	4,306	5,907	5,826	9,098	11,888	16,664	27,610	50,024
Appl. of Funds	20,838	48,381	52,690	71,868	72,445	61,302	80,832	1,04,519

Financials and valuations – standalone

Ratios								
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	3.8	4.3	-1.3	7.3	15.6	28.7	43.1	54.5
Cash EPS	5.2	11.6	5.7	16.3	30.6	49.9	67.0	80.6
BV/Share	51.1	75.2	75.7	81.9	92.7	133.8	179.9	238.2
DPS	1.3	1.0	0.0	1.7	2.2	0.0	0.0	0.0
Payout (%)	40.8	23.0	0.0	24.2	14.1	0.0	0.0	0.0
Valuation (x)								
P/E	1,129.1	999.0	-3,319.5	594.5	278.5	151.5	100.8	79.7
Cash P/E	828.2	374.3	762.6	266.0	141.9	87.1	64.9	53.9
P/BV	85.1	57.8	57.4	53.1	46.9	32.5	24.1	18.2
EV/Sales	57.2	49.4	76.8	41.0	20.6	13.1	9.4	7.5
EV/EBITDA	611.7	278.5	771.6	250.9	141.8	80.9	59.6	47.5
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	-4.7	7.4	8.7	-1.4	12.6	27.2	32.1	50.3
Return Ratios (%)								
RoE	7.7	7.4	-1.9	9.9	19.1	27.1	29.4	27.9
RoCE	7.4	8.7	2.4	7.7	11.3	18.5	23.8	23.0
RoIC	13.3	10.0	-0.7	6.2	9.5	21.1	31.7	34.7
Working Capital Ratios								
Fixed Asset Turnover (x)	3.0	3.2	2.1	3.5	5.7	NA	NA	NA
Asset Turnover (x)	1.2	0.7	0.4	0.5	1.1	1.9	2.0	2.0
Inventory (Days)	71	67	70	77	63	48	50	50
Debtor (Days)	2	2	4	2	1	2	2	2
Creditor (Days)	33	29	39	30	30	23	25	25
Leverage Ratio (x)								
Current Ratio	1.9	2.3	2.8	2.8	2.3	2.3	2.6	3.3
Interest Cover Ratio	5.2	1.4	-0.1	1.2	1.8	4.2	8.5	9.2
Net Debt/Equity	-0.4	0.3	0.4	1.0	0.8	-0.1	-0.1	-0.3

Standalone - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INR m)								
OP/(Loss) before Tax	1,896	2,454	-658	3,362	7,105	13,300	20,424	25,887
Depreciation	465	2,311	2,359	2,831	4,639	6,392	6,945	7,412
Interest & Finance Charges	180	2,058	2,084	2,725	3,411	2,913	2,267	2,721
Direct Taxes Paid	-781	-807	-1	-782	-1,869	-2,942	-5,106	-6,516
(Inc)/Dec in WC	-1,356	-1,112	1,131	-4,020	-2,707	-2,725	-5,247	-3,759
CF from Operations	404	4,905	4,915	4,116	10,579	16,938	19,284	25,745
Others	-122	-1,220	-782	-2,624	-3,951	-3,455	-3,509	-3,509
CF from Operating incl EO	282	3,685	4,133	1,492	6,628	13,484	15,775	22,236
(Inc)/Dec in FA	-1,859	-1,050	-1,031	-1,979	-2,144	-3,819	-4,369	-4,369
Free Cash Flow	-1,577	2,635	3,102	-487	4,485	9,665	11,405	17,867
(Pur)/Sale of Investments	2,234	-5,870	1,195	2,317	57	-926	0	0
Others	-833	-650	-557	-397	657	-241	3,509	3,509
CF from Investments	-457	-7,570	-393	-59	-1,430	-4,985	-860	-860
Issue of Shares	0	9,498	0	0	0	0	0	0
Inc/(Dec) in Debt	1,061	-2,725	0	1,969	-1,202	-2,566	0	0
Interest Paid	-220	-2,437	-2,376	-2,350	-3,557	-3,076	-2,267	-2,721
Dividend Paid	-459	-520	-355	-426	-394	-783	0	0
Others	0	0	-780	-552	0	0	-6,948	0
CF from Fin. Activity	382	3,816	-3,512	-1,359	-5,153	-6,425	-9,215	-2,721
Inc/Dec of Cash	206	-69	229	74	45	2,074	5,699	18,655
Opening Balance	303	509	441	669	744	789	2,862	8,562
Closing Balance	509	441	669	744	789	2,862	8,562	27,217

Financials and valuations – consolidated

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Total Income from Operations	26,302	34,860	25,930	44,980	82,420	1,23,751	1,69,327	2,10,899
Change (%)	21.9	32.5	-25.6	73.5	83.2	50.1	36.8	24.6
Raw Materials	13,114	18,818	15,340	24,815	47,197	69,589	96,493	1,20,290
Employees Cost	2,868	3,585	3,019	3,990	6,552	10,366	14,010	16,468
Other Expenses	4,878	5,083	5,852	10,437	17,934	24,575	33,549	42,483
Total Expenditure	24,025	29,420	24,211	39,241	71,684	1,04,530	1,44,051	1,79,241
% of Sales	91.3	84.4	93.4	87.2	87.0	84.5	85.1	85.0
EBITDA	2,277	5,440	1,719	5,739	10,737	19,221	25,275	31,658
Margin (%)	8.7	15.6	6.6	12.8	13.0	15.5	14.9	15.0
Depreciation	517	2,472	2,573	3,108	4,937	6,711	6,732	6,407
EBIT	1,761	2,967	-854	2,631	5,800	12,510	18,543	25,251
Int. and Finance Charges	368	2,458	2,487	3,047	3,692	3,191	4,588	7,283
Other Income	408	1,445	2,016	1,752	2,609	2,893	3,761	4,889
PBT bef. EO Exp.	1,801	1,954	-1,325	1,335	4,717	12,212	17,715	22,857
EO Items	0	0	-10	-274	-30	5,761	0	0
PBT after EO Exp.	1,802	1,954	-1,335	1,061	4,687	17,973	17,715	22,857
Total Tax	736	590	-237	766	1,584	4,434	4,459	5,753
Tax Rate (%)	40.9	30.2	17.8	72.2	33.8	24.7	25.2	25.2
MI/(Profit)/Loss from Assoc.	95	304	714	-51	-835	-1,236	0	0
Reported PAT	970	1,060	-1,811	346	3,937	14,775	13,256	17,104
Adjusted PAT	970	1,060	-1,803	422	3,957	10,435	13,256	17,104
Change (%)	11.6	9.2	-270.1	-123.4	837.0	163.7	27.0	29.0
Margin (%)	3.7	3.0	-7.0	0.9	4.8	8.4	7.8	8.1

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	332	355	355	355	356	356	356	356
Total Reserves	16,133	23,525	22,775	23,285	25,599	40,322	53,578	70,683
Net Worth	16,465	23,880	23,130	23,640	25,955	40,677	53,934	71,038
Minority Interest	-29	803	445	459	675	349	349	349
Total Loans	3,942	25,260	26,686	47,338	44,722	17,583	30,588	48,552
Lease Liabilities		23,188	26,637	42,280	39,662	12,544	30,508	48,471
Deferred Tax Liabilities	255	-1,104	-746	-1,264	-1,561	-544	-544	-544
Capital Employed	20,632	48,839	49,515	70,174	69,791	58,065	84,326	1,19,394
Gross Block	9,117	32,192	37,078	55,887	57,819	94,844	67,177	89,509
Less: Accum. Deprn.	2,757	5,078	6,749	9,397	13,093	70,886	25,242	31,648
Net Fixed Assets	6,360	27,114	30,329	46,491	44,726	23,958	41,935	57,861
Right to use assets		19,856	23,185	38,642	35,502	12,021	22,983	35,737
Goodwill on Consolidation	261	272	272	272	272	272	272	272
Capital WIP	872	231	340	448	1,017	2,238	2,238	2,238
Total Investments	8,828	15,148	15,550	13,541	11,370	14,429	14,429	14,429
Curr. Assets, Loans&Adv.	9,265	11,197	10,000	15,245	21,869	30,176	45,759	69,457
Inventory	4,970	6,078	4,284	8,678	13,612	15,827	27,549	34,496
Account Receivables	165	171	208	179	344	817	928	1,156
Cash and Bank Balance	542	614	815	864	863	2,976	2,242	16,600
Loans and Advances	3,587	4,334	4,694	5,525	7,051	10,556	15,040	17,204
Curr. Liability & Prov.	4,955	5,123	6,976	5,823	9,464	13,009	20,307	24,863
Account Payables	2,450	2,976	2,746	3,780	6,652	7,739	13,917	17,334
Other Current Liabilities	2,293	1,893	4,026	1,734	2,098	3,482	4,602	5,741
Provisions	212	254	204	309	713	1,788	1,788	1,788
Net Current Assets	4,311	6,074	3,024	9,422	12,406	17,167	25,452	44,594
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	20,632	48,839	49,515	70,174	69,791	58,064	84,327	1,19,394

Financials and valuations – consolidated

Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Basic (INR)								
EPS	2.9	3.0	-5.1	1.2	11.1	29.4	37.3	48.1
Cash EPS	4.5	10.6	2.3	10.6	26.8	51.6	60.1	70.7
BV/Share	49.5	71.9	69.6	71.1	78.1	122.4	162.3	213.8
DPS	1.3	1.0	0.0	1.7	2.2	0.0	0.0	0.0
Payout (%)	53.7	33.5	0.0	174.6	19.9	0.0	0.0	0.0
Valuation (x)								
P/E	1,488.1	1,457.3	-856.7	3,652.7	390.4	148.0	116.5	90.3
Cash P/E	971.1	408.8	1,875.1	409.0	162.4	84.2	72.2	61.4
P/BV	87.7	60.5	62.4	61.1	55.6	35.5	26.8	20.3
EV/Sales	55.0	45.0	60.6	35.3	19.3	12.6	9.3	7.5
EV/EBITDA	631.7	285.7	904.5	274.5	146.9	80.4	61.7	49.3
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	-5.2	6.8	8.0	-4.3	10.4	26.9	20.9	47.1
Return Ratios (%)								
RoE	6.0	5.3	-7.7	1.8	16.0	31.3	28.0	27.4
RoCE	6.4	8.9	1.9	2.0	7.9	18.0	23.4	22.1
RoIC	10.5	9.6	-2.1	1.7	6.9	19.8	26.7	24.9
Working Capital Ratios								
Fixed Asset Turnover (x)	2.9	1.1	0.7	0.8	1.4	1.3	2.5	2.4
Asset Turnover (x)	1.3	0.7	0.5	0.6	1.2	2.1	2.0	1.8
Inventory (Days)	69	64	60	70	60	47	59	60
Debtor (Days)	2	2	3	1	2	2	2	2
Creditor (Days)	34	31	39	31	29	23	30	30
Leverage Ratio (x)								
Current Ratio	1.9	2.2	1.4	2.6	2.3	2.3	2.3	2.8
Interest Cover Ratio	4.8	1.2	-0.3	0.9	1.6	3.9	4.0	3.5
Net Debt/Equity	-0.4	0.7	0.9	1.7	1.3	0.0	0.3	0.2

Consolidated - Cash Flow Statement

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
(INR m)								
OP/(Loss) before Tax	1,685	1,650	-2,038	1,387	5,551	13,448	17,715	22,857
Depreciation	517	2,472	2,573	3,108	4,937	6,711	6,732	6,407
Interest & Finance Charges	165	2,126	2,197	2,814	3,524	2,988	4,588	7,283
Direct Taxes Paid	-791	-835	-11	-816	-1,910	-2,989	-4,459	-5,753
(Inc)/Dec in WC	-1,352	-1,033	1,063	-4,293	-2,932	-2,715	-9,018	-4,784
CF from Operations	223	4,381	3,783	2,199	9,170	17,443	15,559	26,010
Others	-14	-828	-45	-1,615	-3,222	-3,953	-3,761	-4,889
CF from Operating incl EO	210	3,553	3,738	585	5,949	13,490	11,798	21,121
(Inc)/Dec in FA	-1,953	-1,142	-910	-2,101	-2,235	-3,937	-4,369	-4,369
Free Cash Flow	-1,743	2,411	2,828	-1,516	3,714	9,552	7,429	16,752
(Pur)/Sale of Investments	2,253	-6,574	1,400	2,084	65	-1,299	0	0
Others	-670	-382	-308	562	1,135	154	-3,574	4,889
CF from Investments	-370	-8,098	181	544	-1,036	-5,082	-7,944	520
Issue of Shares	0	9,349	-3	2,504	463	357	0	0
Inc/(Dec) in Debt	1,061	-1,773	0	0	0	0	0	0
Interest Paid	-227	-2,511	-2,489	-2,463	-3,587	-3,094	-4,588	-7,283
Dividend Paid	-459	-398	-355	-427	-393	-783	0	0
Others	0	-50	-872	-694	-1,397	-2,775	0	0
CF from Fin. Activity	375	4,617	-3,719	-1,080	-4,914	-6,295	-4,588	-7,283
Inc/Dec of Cash	214	72	201	49	-1	2,113	-734	14,358
Opening Balance	328	542	614	815	864	863	2,976	2,242
Closing Balance	542	614	815	864	863	2,976	2,242	16,600

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.

Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on www.motilaloswal.com. MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf> MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at www.nseindia.com, www.bseindia.com. Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets Singapore Pte Ltd ("MOCMSPL") (Co. Reg. NO. 201129401Z) which is a holder of a capital markets services license and an exempt financial adviser in Singapore. As per the approved agreement under Paragraph 9 of Third Schedule of Securities and Futures Act (CAP 289) and Paragraph 11 of First Schedule of Financial Advisers Act (CAP 110) provided to MOCMSPL by Monetary Authority of Singapore. Persons in Singapore should contact MOCMSPL in respect of any matter arising from, or in connection with this report/publication/communication. This report is distributed solely to persons who qualify as "Institutional Investors", of which some of whom may consist of "accredited" institutional investors as defined in section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore ("the SFA"). Accordingly, if a Singapore person is not or ceases to be such an institutional investor, such Singapore Person must immediately discontinue any use of this Report and inform MOCMSPL.

Specific Disclosures

- 1 MOFSL, Research Analyst and/or his relatives does not have financial interest in the subject company, as they do not have equity holdings in the subject company.
- 2 MOFSL, Research Analyst and/or his relatives do not have actual/beneficial ownership of 1% or more securities in the subject company
- 3 MOFSL, Research Analyst and/or his relatives have not received compensation/other benefits from the subject company in the past 12 months
- 4 MOFSL, Research Analyst and/or his relatives do not have material conflict of interest in the subject company at the time of publication of research report
- 5 Research Analyst has not served as director/officer/employee in the subject company
- 6 MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- 7 MOFSL has not received compensation for investment banking/ merchant banking/brokerage services from the subject company in the past 12 months
- 8 MOFSL has not received compensation for other than investment banking/merchant banking/brokerage services from the subject company in the past 12 months
- 9 MOFSL has not received any compensation or other benefits from third party in connection with the research report
- 10 MOFSL has not engaged in market making activity for the subject company

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

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

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal,

Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.