

Market Cap.

Rs. 5,965 Cr.

52 Week H/L

Rs. 590/249

CMP

Rs. 420

Target Price

Rs. 677

FMCG

STOCK DATA

BUY

Reuters Code VIPI.BO
Bloomberg Code VIP IN

BSE Code 507880
NSE Symbol VIPIND

Face Value Rs. 2

Shares Outstanding 14.2 Cr.

Avg. Daily Volume (6m) 971,476 Shares

Price Performance (%)

1M	3M	6M
(9)	17	28

200 days EMA Rs. 408

SHARE HOLDING (%)

Promoters 51.7

FII 7.3

FI / MF 13.2

Bodies Corporate 3.3

Public & Others 24.6

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VIP Industries Ltd has recently announced its performance for the quarter ended June 30, 2025. Following are the key financial highlights:

Particulars	Q1FY26	Q1FY25	YoY	Q4FY25	QoQ
Net Sales	566.1	640.9	(11.6%)	498.0	13.7%
EBITDA	29.2	51.4	(43.1%)	10.3	183.5%
EBITDA Margin	5.2%	8.0%	(280 bps)	2.1%	310 bps
Profit (loss) before Tax	(17.0)	3.7	N.A	(32.6)	N.A.
Profit (loss) after Tax	(13.1)	4.0	N.A	(27.4)	N.A.
PAT Margin	N.A.	0.6%	N.A	N.A.	N.A.
EPS	(0.9)	0.3	N.A	(1.9)	N.A.

Highlights from the Quarter (Q1FY26):

- VIP Industries Ltd (VIPIL) reported a net revenue of Rs.566.1cr for Q1FY26, lower by 11.6% YoY, but higher by 13.6% on a QoQ basis. The company reported an EBITDA of Rs.29.2cr for the quarter vs Rs.10.3cr in the preceding quarter. Subsequently, the company posted a net loss of Rs.13.1cr for the quarter. The normalized EBITDA margin, excluding a one-time 5% impact from inventory provision and other expenses, would have been 10.2%.
- The company anticipates a constructive demand outlook, fueled by various travel occasions such as weddings, festivals, and holidays. The company plans to focus on durable products, smart luggage, and e-commerce growth to enhance market share and achieve sustainable development. The VIP brand is venturing into professional backpacks with new lines such as Vogue, Urban, and Legacy. The company is also introducing QR-enabled smart bag tags for select purchases of House of VIP brands to enhance the travel experience.
- The company improved its financial health by reducing inventory from 65 lakh to 38 lakh units. Further, VIPIL has decreased net borrowings by Rs.118cr.
- Improved Bangladesh Operations: The Bangladesh operations reported a profit of Rs.8cr in Q1FY26, a substantial improvement compared to a loss of Rs.11cr in Q1FY25.
- Dilip Piramal and family—including DGP Securities, Kemp & Co, Kiddy Plast, Alcon Finance & Investment, Piramal Vibhuti, etc.—have agreed to sell up to 32% of their shares in VIP Industries, reducing their ownership from ~51.7% to around 19.7%. A consortium led by Multiples Private Equity Fund IV, along with Multiples Gift Fund IV, Samvibhag Securities, and a few individual investors acquired the stake. The bulk stake (32%) is being sold for roughly Rs.1764 cr, at Rs.388 per share.

Y/E Mar	Revenue (Rs. Cr)	EBITDA (Rs. Cr)	EBITDA Margin (%)	PAT (Rs. Cr)	NPM (%)	EPS (Rs.)	P/E (x)	P/S (x)	P/BV (x)
FY25	2,189.4	93.2	4.3%	-76.6	-3.5%	-4.8	-86.7	2.7	9.7
FY26 E	2,408.3	269.7	11.2%	62.0	2.6%	4.4	96.1	2.5	9.9
FY27 E	2,649.1	362.7	13.7%	140.8	5.3%	9.9	42.4	2.3	8.9
FY28 E	2,914.0	460.1	15.8%	223.6	7.7%	15.7	26.7	2.0	7.3

OUTLOOK AND VALUATION

We expect FY28E revenue at Rs.2914.0cr, EBITDA of Rs.460.1cr at an EBITDA margin of 15.8% and PAT of Rs.223.6cr. We estimate FY28E EPS at Rs.15.7, and assign a PE multiple of 43x, arriving at a target price of Rs.677 (upside ~61.2%) from the current market price of Rs.420. We maintain our BUY Rating for VIP Industries Ltd over an investment horizon of 30-36 months.



Earlier Recommendation

Date	Report Type	Reco	Price (Rs.)	Target (Rs.)
27-Feb-24	Initiating Coverage	Buy	560	741
15-May-24	Q4FY24 Update	Buy	510	741
08-Aug-24	Q1FY25 Update	Buy	449	741
30-Oct-24	Q2FY25 Update	Buy	476	741
05-Feb-25	Q3FY25 Update	Buy	388	677
30-May-25	Q4FY25 Update	Buy	360	677

PROFIT & LOSS STATEMENT

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
Revenue	2,189	2,408	2,649	2,914
Raw Material Cost	1185	1180	1272	1352
Employee Cost	225	288	316	342
Other Expenses	686	671	699	760
EBITDA	93	270	363	460
<i>EBITDA Margin (%)</i>	<i>4.3%</i>	<i>11.2%</i>	<i>13.7%</i>	<i>15.8%</i>
Depreciation	119	122	115	110
EBIT	-26	148	248	350
<i>EBIT Margin (%)</i>	<i>-1.2%</i>	<i>6.1%</i>	<i>9.4%</i>	<i>12.0%</i>
Finance Costs	73	65	60	52
Other Income	8	0	0	0
Profit before Tax	-91	83	188	298
Tax Expense	-22	21	47	75
Net Profit	-77	62	141	224
<i>Net Margin (%)</i>	<i>-3.5%</i>	<i>2.6%</i>	<i>5.3%</i>	<i>7.7%</i>
A-EPS	-4.8	4.4	9.9	15.7

BALANCE SHEET

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PP&E (incl. CWIP+intangibles)	213	182	170	174
Right of Use Assets / Investment Property	312	312	312	312
Other Non-Current	96	108	123	142
Inventories	698	517	453	426
Trade Receivables	368	396	435	495
Cash and Bank Balances	38	46	84	101
Other Current Assets	121	141	152	180
Total Assets	1,856	1,712	1,740	1,860
Equity Share Capital	28	28	28	28
Reserves & Surplus	588	576	644	794
Borrowings (LT)	-	-	-	-
Other Non-Current Liabilities	293	293	293	293
Trade Payables	386	388	411	426
Other Financial Liabilities	4	6	6	7
Current Borrowings	415	272	202	148
Other Current Tax Liab & Provisions	142	148	156	164
Total Liabilities	1,856	1,712	1,740	1,860

Source: Company, Sushil Finance Research

CASH FLOW STATEMENT

(Rs. Cr.)

Y/E Mar.	FY25	FY26E	FY27E	FY28E
PBT	(91)	83	188	298
Depreciation	119	122	115	110
Interest	73	65	60	52
CFO before Working Cap chg	101	270	363	460
Chg in Inventories	217	181	64	27
Chg in Trade Receivables	(41)	(28)	(40)	(60)
Chg in Trade Payables	(21)	2	23	15
Chg in Current Assets & Liabilities	74	100	100	100
Income Taxes Paid	22	(21)	(47)	(75)
Cash Flow from Operations	353	504	463	467
Interest Paid	(73)	(65)	(60)	(52)
Dividend Paid	(73)	(73)	(73)	(73)
Other Adjustments	(173)	(252)	(172)	(156)
Cash Flow from Financing	(319)	(390)	(306)	(281)
Capital Expenditure	(109)	(92)	(103)	(114)
Current Investments	1	-	-	-
Other Financial assets	(7)	-	-	(20)
Other Adjustments	(4)	(14)	(16)	(36)
Cash Flow from Investing	(120)	(106)	(120)	(169)
Opening Cash	43	38	46	84
Total Cash Flow	(5)	8	38	17
Closing Cash	38	46	84	101

Source: Company, Sushil Finance Research

FINANCIAL RATIO STATEMENT

Y/E Mar.	FY25	FY26E	FY27E	FY28E
<u>Growth (%)</u>				
Revenue	(3.0%)	10.0%	10.0%	10.0%
EBITDA	(54.6%)	189.4%	34.5%	26.9%
Net Profit	(368.8%)	181.0%	126.9%	58.8%
<u>Profitability (%)</u>				
EBITDA Margin	4.3%	11.2%	13.7%	15.8%
Net Profit Margin	(3.5%)	2.6%	5.3%	7.7%
ROCE	(2.6%)	17.4%	29.3%	37.2%
ROE	(12.4%)	10.3%	21.0%	27.2%
<u>Per Share Data (Rs.)</u>				
EPS	(4.8)	4.4	9.9	15.7
BVPS	43.4	42.6	47.3	57.9
CEPS	3.5	13.0	18.0	23.5
<u>Valuation (x)</u>				
P/E	(86.7)	96.1	42.4	26.7
P/BV	9.7	9.9	8.9	7.3
EV/EBITDA	65.6	22.7	16.9	13.3
P/Sales	2.7	2.5	22.1	16.4
<u>Turnover</u>				
Inventory days	215	160	130	115
Debtor days	61	60	60	62
Creditor days	119	120	118	115
<u>Gearing (x)</u>				
D/E	0.7	0.5	0.3	0.2

Source: Company, Sushil Finance Research

Rating Scale :

This is a guide to the rating system used by our Institutional Research Team. Our rating system comprises of three rating categories.

Total Expected Return Matrix (Rating and Return)	BUY : Over 12%	HOLD : -12% to 12%	SELL : Below -12%
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Analyst Stock Ownership	No
Stock Recommended to Clients	Yes
Remuneration/Benefits received from company in 12 months	No
Merchant Banking Market Making activities / projects	No
Sushil Financial Services Pvt. Ltd and Group Companies Holding	No
Sushil Financial Services Pvt. Ltd and Group Directors Holding	No
Broking Relationship with the company covered	No