

BSE SENSEX 74,068 S&P CNX 22,912

## TRENT LIMITED

A TATA Enterprise

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1196.4 / 12.7
52-Week Range (INR)	6261 / 3340
1, 6, 12 Rel. Per (%)	-5/-23/-30
12M Avg Val (INR M)	5619

### Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	200.0	240.3	284.3
EBITDA	35.5	42.7	50.6
NP	16.6	19.4	22.6
EBITDA Margin (%)	17.8	17.8	17.8
Adj. EPS (INR)	46.7	54.6	63.5
EPS Gr. (%)	8.1	17.0	16.2
BV/Sh. (INR)	207.8	259.8	320.7

### Ratios

Net D:E	0.1	-0.1	-0.2
RoE (%)	26.8	25.0	23.4
RoCE (%)	19.4	19.0	18.7
Payout (%)	11.9	11.0	10.2

### Valuations

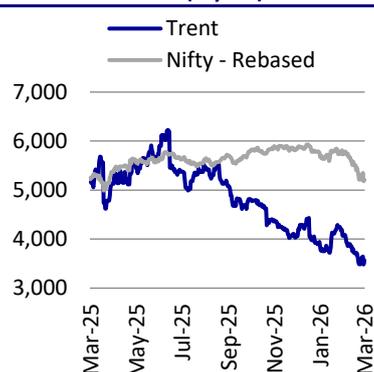
P/E (x)	72.4	61.9	53.3
EV/EBITDA (x)	33.9	28.0	23.3

### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	37.0	37.0	37.0
DII	21.5	20.0	15.3
FII	15.6	16.8	21.7
Others	25.9	26.2	26.0

FII Includes depository receipts

### Stock Performance (1-year)



**CMP: INR3,366 TP: INR4,350 (+29%) Buy**

## Earnings downgrade cycle could continue in near term, to weigh on re-rating

- Trent's revenue growth has decelerated over the past few quarters owing to weak LFL (in non-cluster stores) amid weak discretionary demand, rising competition in metro/tier 1 markets and its entry into lower-tier markets, which take time to reach desired productivity levels.
- Our recent channel checks indicate that cannibalization impact on existing stores is gradually easing, but the growth from reset base remains muted.
- Despite muted productivity and lower gross margin, cost efficiency measures led to ~110bp operating leverage in 9MFY26. However, we believe further margin expansion would depend on recovery in LFL growth.
- With Zudio undergoing the consolidation phase, TRENT might miss the expectations of ~200 net store additions in FY26 (~125 so far), which could lead to the continuation of earnings downgrades in the near term.
- After the recent correction, the stock now trades at ~32x FY28E pre-IND AS EBITDA (significantly below its past history but still at a premium to other Indian fashion retailers). We maintain our Buy rating with a revised TP of INR4,350 (earlier INR5,200), premised on ~40x FY28E pre-IND AS EBITDA.

## Zudio undergoing consolidation; focus rising on tier 2+ towns

- Zudio scaled up aggressively from ~80 stores in FY20 to 765 by FY25 (at ~57% CAGR), driven by its strong value proposition, integrated supply chain and faster replenishment cycle.
- However, with rising base and driven by internal consolidation to strengthen the value proposition, the pace of store additions has moderated to ~125 stores in FY26TD. While store additions are traditionally skewed toward 4Q, we believe the company **might miss the expectations of ~200 net store additions in FY26.**
- In the past two years, Zudio has focused on expanding its presence to tier 2+ towns, with city presence rising to 265 in 9MFY26 (vs. 164 in FY24).
- Further, we note that the share of top seven states in incremental additions has been declining, with 37% net additions in 9MFY26 (vs. 60% in FY23-25).
- The new markets typically take more time to achieve the desired productivity, which weighs on overall company-level productivity (blended SPSF declined ~16% YoY in 9MFY26).

## Westside expansion resumes after a pause with wider assortment

- Trent calibrated the pace of store additions in Westside (~48 net additions, ~7% CAGR over FY22-25) as it was focused on improving the brand's customer proposition, along with product reimagination and select premiumization of its own brands (Utsa, Vark). The company has increased its focus on emerging categories and is ramping up its online presence.

- With the improved customer experience in line with the renewed brand proposition, the company consolidated lower-sized Westside stores into Zudio format while opening larger Westside stores (leading to avg. store area for Westside rising to ~22k sqft from ~16.5ksqft in FY21).
- With the renewed proposition, Trent has again accelerated the pace of Westside store additions in 9MFY26 (with 30 net additions or ~17% YoY).
- Further we note that its focus has shifted to **deepening penetration beyond top seven states** (~47% of 9MFY26 store additions vs. ~94% over FY22-25).
- Going ahead we build in modest ~20-25 annual store additions (~11% area CAGR over FY26-28E) in Westside, which could have upside risks.

#### Densification, rising competition and tier 2 forays hurt store productivity

- The company's focus on increasing store density in select micro-markets has led to cannibalization of sales for existing stores and thereby store productivity (blended monthly SPSF down from ~INR1,247 in FY24 to INR1,125 in 9MFY26).
- Our recent channel checks indicate a **gradual easing in the cannibalization impact**, though sales growth from the reset base remains modest so far.
- With rising competitive intensity in metro/tier 1 markets and typically slower ramp-up and lower productivity in tier 2+ towns, we **do not expect Trent's blended store-level productivity to get back to super normal levels of FY23-24 in the near to medium term**.
- As a gradual easing of the cannibalization impact gets offset by the rising presence in tier 2 markets, we build in a modest ~1-2% YoY reduction in store productivity over FY26-28.

#### Process efficiency-driven margin expansion largely in the base

- Despite near-term growth weakness and reduced store productivity, Trent's profitability improvement has been structural.
- The pre-Ind AS EBITDA margins expanded from 9.3% in FY19 to 12.8% in FY25 (further to 13.7% in 9MFY26), led by process efficiencies and cost rationalization initiatives such as RFID-led manpower reduction, faster billing cycles, tighter inventory control, and a higher mix of variable rentals.
- Combined with a robust supply chain and backend infrastructure, TRENT delivered ~23% YoY growth in 9MFY26 pre-IND AS EBITDA (despite weaker 17.5% revenue growth vs. ~39% YoY area addition).
- However, with the benefits of RFID implementation on manpower costs largely in base, we believe the margin expansion going ahead would be driven by recovery in store productivity; hence, we model **steady standalone pre-IND AS EBITDA margins over FY26-28 at ~13.2%**.

#### Earnings downgrade cycle could continue in the near to medium term

- With Trent's revenue growth decelerating, its consensus FY26 revenue/EBITDA/EPS estimates have been reduced by 11%/5%/16% and FY27 revenue/EBITDA/EPS estimates have been lowered by sharper 16%/11%/25% over the past 12 months.
- Interestingly, Trent's FY27 EPS estimate was upgraded from INR74 at FY25 start to ~INR91 by 1HFY25. However, with revenue growth decelerating since then, the current FY27 consensus EPS estimate stands lower at INR61.

- Despite significant earnings downgrades, we note consensus FY27 EPS estimate is still ~7% ahead of our estimate and could see further downside risks from a) weaker-than-estimate Zudio store additions, and b) higher-than-expected impact from store cannibalization, competition and weaker productivity in lower tier cities.

### Valuation and view

- Trent's growth rate has decelerated materially over the last few quarters due to weak LFL amid a subdued demand environment and self-cannibalization of existing stores to increase its revenue market share in select micro-markets.
- We believe the impact from cannibalization should gradually ease; however, store productivity is unlikely to get back to FY23-25 levels.
- Despite relatively weaker revenue growth, Trent continues to display strong cost controls (especially tech-led reduction in employee costs) and report healthy EBITDA growth.
- With RFID-led benefits largely in the base, SSSG recovery remains the key driver for further margin expansion. We build in stable pre-IND AS EBITDA margins at 13.2% over FY26-28, which could have downside risks if the SSSG trends remain muted.
- We have marginally fine-tuned our FY25-28 estimates. We build in a CAGR of 19%/19%/12% in standalone revenue/pre-IND AS EBITDA/adj. PAT over FY26-28E, driven mainly by retail footprint additions (~20% CAGR). Our pre-IND AS EBITDA margin is stable at ~13% over FY26-28E.
- **Reiterate BUY on Trent with a revised TP of INR4,350** (earlier INR5,200), premised on 40x FY28E EV/pre-IND AS EBITDA for the standalone (Westside and Zudio) business, 2x EV/sales for Star JV, and ~1.5x EV/EBITDA for Zara JV.
- After the recent correction, the stock now trades at ~32x FY28E pre-IND AS EBITDA and ~51x FY28 P/E, which is still at a significant premium to other Indian fashion retailers.
- We continue to like Trent for robust store economics of its retail formats, long runway for growth in Star (presence in just 11 cities), and potential scale-up of emerging categories (Beauty, Innerwear and Footwear). However, revenue growth acceleration remains a key trigger for a re-rating.
- Among our large-cap retail coverage universe, we prefer Lenskart, VMM, and DMart over Trent.

#### Exhibit 1: Ascribe TP of INR4,350 based on SoTP valuation (on Mar'28)

Particulars	Financial metric	Multiple	EBITDA/Sales	EV
Westside and Zudio	Pre-IND AS EBITDA	40	36.9	1,475
Star JV (50% stake)	Sales	2	23	45
Zara	EBITDA	1.5	1	2
<b>Total Enterprise Value</b>				<b>1,522</b>
Net Debt				-24
<b>Equity Value</b>				<b>1,546</b>
Shares (m)				356
<b>Target Price</b>				<b>4,350</b>
CMP				3,366
Upside				29%

**Exhibit 2: Despite correction, Trent's valuation remains elevated compared to its growth outlook**

	FY25-28E CAGR (%)			P/E (X)		EV/EBITDA (x)		EV/Sales (X)		RoE (%)	
	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY25	FY28E
<b>New Age</b>											
Nykaa	16.5	60.2	121.9	161.5	95.2	83.4	57.7	5.6	4.5	5.2	30.4
ETERNAL	70.3	175.3	116.5	109.1	53.1	89.9	42.7	2.1	1.5	2.1	11.9
Cartrade	21.1	47.4	38.5	30.5	22.8	26.3	20.5	8.0	6.7	6.3	12.1
Lenskart	25.1	52.8	39.1	121.3	83.6	62.6	44.8	7.7	6.2	6.5	10.4
Firstcry	14.2	263.9	n/m	235.7	52.8	45.9	21.9	1.2	1.0		4.3
<b>Average</b>				<b>131.6</b>	<b>61.5</b>	<b>61.6</b>	<b>37.5</b>	<b>4.9</b>	<b>4.0</b>	<b>5.0</b>	<b>13.8</b>
<b>Traditional Retailers</b>											
Titan	22.6	27.3	32.3	55.7	46.3	42.6	35.2	4.0	3.5	31.8	31.3
VMM	19.3	25.3	28.4	46.6	37.3	30.4	24.1	3.1	2.5	10.5	14.8
<b>Trent</b>	<b>18.4</b>	<b>18.1</b>	<b>13.7</b>	<b>61.6</b>	<b>53.0</b>	<b>39.9</b>	<b>33.1</b>	<b>5.0</b>	<b>4.2</b>	<b>32.7</b>	<b>23.3</b>
Dmart	16.1	13.6	11.7	72.8	64.8	44.9	39.7	3.1	2.6	12.5	11.7
<b>Average</b>				<b>59.2</b>	<b>50.4</b>	<b>39.5</b>	<b>33.0</b>	<b>3.8</b>	<b>3.2</b>	<b>21.9</b>	<b>20.3</b>

EBITDA implies pre-IND AS EBITDA for all

**Exhibit 3: Our key estimates for Trent standalone**

Key estimates - standalone	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
<b>Westside stores</b>	<b>165</b>	<b>174</b>	<b>200</b>	<b>214</b>	<b>232</b>	<b>248</b>	<b>280</b>	<b>300</b>	<b>325</b>
Net adds	15	9	26	14	18	16	32	20	25
<b>Zudio stores</b>	<b>80</b>	<b>133</b>	<b>233</b>	<b>352</b>	<b>545</b>	<b>765</b>	<b>940</b>	<b>1140</b>	<b>1350</b>
Net adds	40	53	100	119	193	220	175	200	210
Retail area (m sq ft)	3.3	3.8	5.0	6.4	9.6	13.4	16.9	20.4	24.3
<b>Revenue (INR b)</b>	<b>32</b>	<b>20</b>	<b>39</b>	<b>77</b>	<b>119</b>	<b>167</b>	<b>196</b>	<b>236</b>	<b>280</b>
YoY growth (%)		-36	90	99	55	40	18	20	19
<b>Rev/sqft</b>	<b>10,939</b>	<b>5,766</b>	<b>8,801</b>	<b>13,592</b>	<b>14,964</b>	<b>14,521</b>	<b>12,956</b>	<b>12,665</b>	<b>12,537</b>
YoY		-47	53	54	10	-3	-11	-2	-1
<b>Gross margin (%)</b>	<b>49.5</b>	<b>49.7</b>	<b>51.0</b>	<b>45.4</b>	<b>45.2</b>	<b>44.4</b>	<b>44.0</b>	<b>43.7</b>	<b>43.5</b>
EBITDA	6	2	6	11	19	28	35	42	50
EBITDA margin (%)	17.7	10.0	16.3	14.5	16.2	16.5	18.0	18.0	18.0
<b>Pre-IND AS EBITDA</b>	<b>3</b>	<b>-1</b>	<b>3</b>	<b>7</b>	<b>14</b>	<b>21</b>	<b>26</b>	<b>31</b>	<b>37</b>
<b>pre-IND AS EBITDA margin (%)</b>	<b>9.1</b>	<b>-4.1</b>	<b>7.9</b>	<b>8.8</b>	<b>11.7</b>	<b>12.8</b>	<b>13.2</b>	<b>13.2</b>	<b>13.2</b>
PAT	1.5	-0.5	2.6	5.5	10.3	15.8	18.9	20.2	23.5
<b>EPS</b>	<b>4.3</b>	<b>-1.3</b>	<b>7.3</b>	<b>15.6</b>	<b>29.0</b>	<b>44.6</b>	<b>53.1</b>	<b>56.9</b>	<b>66.1</b>

Source: MOFSL, Company

**Exhibit 4: Changes to our standalone estimates**

	FY26E	FY27E	FY28E
<b>Revenue (INR m)</b>			
Old	1,96,304	2,31,369	2,69,662
Actual/New	1,96,250	2,36,353	2,80,191
Change (%)	0.0	2.2	3.9
<b>EBITDA (INR m)</b>			
Old	35,875	42,919	50,697
Actual/New	35,286	42,496	50,378
Change (%)	-1.6	-1.0	-0.6
<b>EBITDA margin (%)</b>			
Old	18.3	18.6	18.8
Actual/New	18.0	18.0	18.0
Change (bp)	-29	-57	-82
<b>Pre-IND AS EBITDA (INR m)</b>			
Old	25,644	30,113	35,184
Actual/New	25,929	31,099	36,934
Change (%)	1.1	3.3	5.0
<b>Pre-IND AS EBITDA margin (%)</b>			
Old	13.1	13.0	13.0
Actual/New	13.2	13.2	13.2
Change (%)	15	14	13
<b>Net Profit (INR m)</b>			
Old	18,866	20,587	24,006
Actual/New	18,664	20,243	23,492
Change (%)	-1.1	-1.7	-2.1
<b>EPS (INR)</b>			
Old	53.1	57.9	67.5
Actual/New	52.5	56.9	66.1
Change (%)	-1.1	-1.7	-2.1

Source: MOFSL, Company

**Exhibit 5: Trent's per-sqft trends and forecasts**

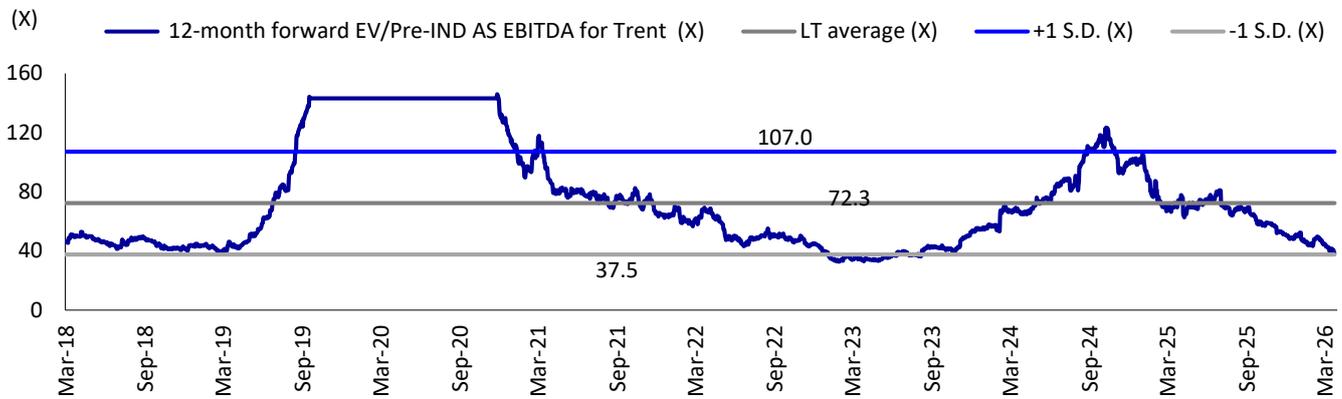
(INR/sqft/month)	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
Area	2.5	3.3	3.8	5.0	6.4	9.6	13.4	16.9	20.4	24.3
YoY		29.6	16.6	30.7	27.3	50.8	39.5	26.5	20.6	19.1
<b>SPSF</b>	<b>942</b>	<b>912</b>	<b>480</b>	<b>733</b>	<b>1,133</b>	<b>1,247</b>	<b>1,210</b>	<b>1,080</b>	<b>1,055</b>	<b>1,045</b>
YoY		(3.2)	(47.3)	52.7	54.4	10.1	(3.0)	(10.8)	(2.2)	(1.0)
<b>Gross margin (%)</b>	<b>51.3</b>	<b>49.5</b>	<b>49.7</b>	<b>51.0</b>	<b>45.4</b>	<b>45.2</b>	<b>44.4</b>	<b>44.0</b>	<b>43.7</b>	<b>43.5</b>
<b>GP</b>	<b>483</b>	<b>452</b>	<b>239</b>	<b>374</b>	<b>514</b>	<b>563</b>	<b>538</b>	<b>475</b>	<b>462</b>	<b>454</b>
Employee	94	90	60	64	85	98	87	68	65	63
Variable rentals	118	58	43	69	104	118	113	94	90	89
Other expenses	183	142	88	121	160	146	138	119	116	115
<b>Reported EBITDA</b>	<b>88</b>	<b>162</b>	<b>48</b>	<b>120</b>	<b>164</b>	<b>201</b>	<b>200</b>	<b>194</b>	<b>190</b>	<b>188</b>
<b>Margin (%)</b>	<b>9.3</b>	<b>17.7</b>	<b>10.0</b>	<b>16.3</b>	<b>14.5</b>	<b>16.2</b>	<b>16.5</b>	<b>18.0</b>	<b>18.0</b>	<b>18.0</b>
Lease rentals	-	79	68	62	65	56	46	51	51	50
<b>Overall rentals</b>	<b>118</b>	<b>137</b>	<b>111</b>	<b>131</b>	<b>169</b>	<b>174</b>	<b>159</b>	<b>145</b>	<b>141</b>	<b>139</b>
<b>Pre-IND AS EBITDA</b>	<b>88</b>	<b>83</b>	<b>(20)</b>	<b>58</b>	<b>99</b>	<b>146</b>	<b>154</b>	<b>143</b>	<b>139</b>	<b>138</b>
<b>Margin (%)</b>	<b>9.3</b>	<b>9.1</b>	<b>(4.1)</b>	<b>7.9</b>	<b>8.8</b>	<b>11.7</b>	<b>12.8</b>	<b>13.2</b>	<b>13.2</b>	<b>13.2</b>

**Exhibit 6: Quarterly per-sqft model for Trent standalone**

(INR/sqft/month)	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Area	9.9	10.3	11.4	13.4	13.6	14.7	15.8
YoY	41.2	33.4	37.1	40.8	37.6	43.1	38.9
<b>SPSF</b>	<b>1,367</b>	<b>1,335</b>	<b>1,396</b>	<b>1,106</b>	<b>1,182</b>	<b>1,113</b>	<b>1,150</b>
YoY	13.2	1.8	1.2	(7.3)	(13.6)	(16.6)	(17.7)
<b>Gross margin (%)</b>	<b>46.2</b>	<b>44.2</b>	<b>44.7</b>	<b>42.6</b>	<b>45.1</b>	<b>43.3</b>	<b>45.0</b>
<b>GP</b>	<b>632</b>	<b>590</b>	<b>624</b>	<b>471</b>	<b>534</b>	<b>482</b>	<b>517</b>
Employee	104	95	93	83	70	68	68
Variable rentals	159	133	118	83	123	95	88
Other expenses	159	149	154	129	133	128	127
<b>Reported EBITDA</b>	<b>209</b>	<b>213</b>	<b>260</b>	<b>177</b>	<b>207</b>	<b>192</b>	<b>235</b>
<b>Margin (%)</b>	<b>15.3</b>	<b>15.9</b>	<b>18.6</b>	<b>16.0</b>	<b>17.5</b>	<b>17.2</b>	<b>20.4</b>
Lease rentals	46	49	54	46	53	56	55
<b>Overall rentals</b>	<b>205</b>	<b>182</b>	<b>172</b>	<b>129</b>	<b>176</b>	<b>151</b>	<b>143</b>
<b>Pre-IND AS EBITDA</b>	<b>164</b>	<b>164</b>	<b>206</b>	<b>130</b>	<b>154</b>	<b>135</b>	<b>180</b>
<b>Margin (%)</b>	<b>12.0</b>	<b>12.3</b>	<b>14.7</b>	<b>11.8</b>	<b>13.0</b>	<b>12.2</b>	<b>15.6</b>
YoY change (bp)					104.7	(11.1)	89.2

Source: MOFSL, Company

**Exhibit 7: Trent is now trading at ~38x 1 year forward EV/Pre-IND AS EBITDA**

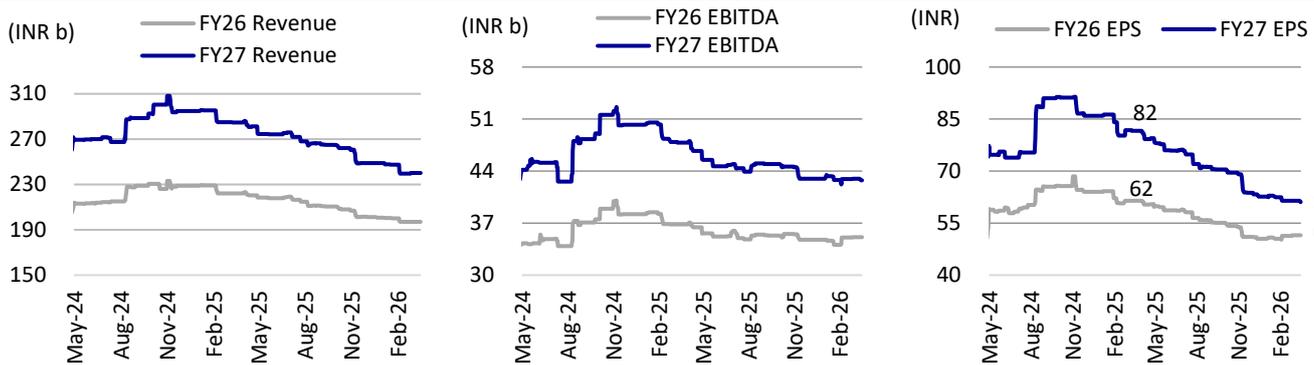


Source: Company, MOFSL

## Sharp cuts in consensus estimates over last 12 months, earnings downgrades could continue in near term

With Trent’s revenue growth rate decelerating over the past few quarters, we note that Trent’s consensus estimates have also been significantly downgraded. Over the last 12 months, Trent’s consensus FY26 revenue/EBITDA/EPS estimates have been cut by 11%/5%/16%, while FY27 revenue/EBITDA/EPS have been cut by 16%/11%/25%. The cut in EBITDA is lower primarily due to the rejig of rental costs below EBITDA, and we believe pre-IND AS EBITDA cuts would have been in the same ballpark. Interestingly, we note that Trent’s FY27E EPS was upgraded from ~INR74 at the start of FY25 to INR91 by 1HFY25 and since then has been sharply revised downwards to INR61 now.

**Exhibit 8: Trent’s FY27 consensus revenue/EBITDA/EPS estimates have been cut by 16%/11%/25% over the last 12 months**



Source: Company, MOFSL

Despite the sharp earnings downgrades, we believe consensus FY27 earnings estimates remain aggressive and are ~7% ahead of our estimate. Further, we note that there could be downside risks to our estimates from weaker-than-expected store additions in Zudio and/or higher-than-expected impact on store-level productivity from the cannibalization, competition and entry into low-tier cities.

**Exhibit 9: We see further downside risks to consensus’ FY27-28E EPS estimates**

	Consensus			MOSL			Difference (%)/bps		
	FY26	FY27	FY28	FY26	FY27	FY28	FY26	FY27	FY28
Revenue (INR b)	197.1	240.2	289.0	196.2	236.4	280.2	(0.4)	(1.6)	(3.0)
YoY %	(99.9)	21.9	20.3	17.7	20.4	18.5	-	-	-
EBITDA (INR b)	35.1	42.8	51.9	35.3	42.5	50.4	0.5	(0.6)	(2.9)
EBITDAM (%)	17.8	17.8	18.0	18.0	18.0	18.0	15.6	17.5	2.9
PAT (INR m)	18,518	21,374	25,935	18,864	20,243	23,492	1.9	(5.3)	(9.4)
EPS	51.5	61.0	73.8	53.1	56.9	66.1	3.0	(6.7)	(10.4)

## Zudio undergoing a consolidation phase currently

- After perfecting the model, Zudio went on an aggressive expansion phase, with its store count rising from 80 in FY20 to 765 in FY25 (~57% CAGR). However, our discussion with management suggests that Zudio is undergoing consolidation phase (for the first time since its inception) and as a result, store additions have moderated (~125 net adds in FY26TD vs. expectations of ~200+ annually).
- In the initial years, Zudio's growth was anchored primarily to its core markets, primarily in tier 1 and metros. However, the latest expansion phase shows a clear shift toward deeper national penetration, with Zudio's city count rising to 265 (vs. 235 as of 1QFY26). While absolute additions remain strong in large markets such as Maharashtra, Karnataka, and Telangana, the contribution of the top seven states has steadily declined (from ~73% in FY20 to 64% in FY25 to ~60% in FY26 YTD), indicating that incremental stores are increasingly coming from Tier 2/3 towns and newer states (share of top seven states in incremental rollout down to ~37% in FY26TD) rather than established clusters.

**Exhibit 10: Share of top 7 states in Zudio's store count as well as net store additions on a declining trend**

Zudio	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD	FY20-25 CAGR (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26TD
	Store count								Net store additions						
MH	13	27	37	60	86	114	122	54	-2	14	10	23	26	28	8
Gujarat	18	28	37	55	82	84	85	36	9	10	9	18	27	2	1
Karnataka	10	27	33	42	58	76	83	50	0	17	6	9	16	18	7
Telangana	9	15	26	34	42	66	72	49	1	6	11	8	8	24	6
UP	0	3	12	20	33	56	69	NA	0	3	9	8	13	23	13
Kerala	3	6	13	25	44	56	62	80	3	3	7	12	19	12	6
Tamil Nadu	5	6	10	17	24	36	41	48	5	1	4	7	7	12	5
Rajasthan	4	7	9	14	21	33	38	53	4	3	2	5	7	12	5
West Bengal	0	1	8	14	23	29	40	NA	0	1	7	6	9	6	11
Punjab	3	5	7	9	15	29	40	57	0	2	2	2	6	14	11
AP	2	2	3	5	18	28	37	70	2	0	1	2	13	10	9
Haryana	0	2	6	8	13	23	32	NA	0	2	4	2	5	10	9
MP	3	7	9	11	15	20	27	46	0	4	2	2	4	5	7
Bihar	2	3	4	7	9	14	18	48	2	1	1	3	2	5	4
Odisha	2	3	3	4	8	13	15	45	0	1	0	1	4	5	2
CG	0	1	5	5	5	6	10	NA	0	1	4	0	0	1	4
Others	6	5	11	22	49	82	97	69	0	-1	6	11	27	33	15
<b>Total</b>	<b>80</b>	<b>148</b>	<b>233</b>	<b>352</b>	<b>545</b>	<b>765</b>	<b>888</b>	<b>57</b>	<b>24</b>	<b>68</b>	<b>85</b>	<b>119</b>	<b>193</b>	<b>220</b>	<b>123</b>
<b>Top 7 states</b>	<b>58</b>	<b>112</b>	<b>168</b>	<b>253</b>	<b>369</b>	<b>488</b>	<b>534</b>	<b>53</b>	<b>16</b>	<b>54</b>	<b>56</b>	<b>85</b>	<b>116</b>	<b>119</b>	<b>46</b>
<b>% Share of top 7 states</b>	<b>73</b>	<b>76</b>	<b>72</b>	<b>72</b>	<b>68</b>	<b>64</b>	<b>60</b>		<b>67</b>	<b>79</b>	<b>66</b>	<b>71</b>	<b>60</b>	<b>54</b>	<b>37</b>

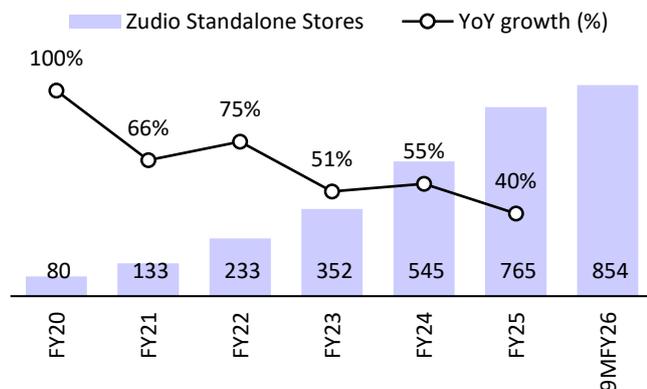
Source: MOFSL, Company

**Exhibit 11: Competition to Zudio emerging in the top cities**

	Zudio	Style Union	Intune	OWND!	Yousta	Easy Buy	Total	City wise Zudio's Sh. %
<b>Mumbai</b>								
MMR	31	1	1		1		34	91.2
Navi Mumbai	10		3		1		14	71.4
Thane / KDMC	8		2	2	3	1	16	50.0
Mumbai Suburbs	1		1	2	1		5	20.0
<b>NCR</b>								
Delhi	39	2			1		42	92.9
Gurgaon	13		2		1		16	81.3
Noida	8		3		2		13	61.5
Faridabad	7		2				9	77.8
Ghaziabad	10	1					11	90.9
Bangalore	59	25	9	8	10	8	119	49.6
Chennai	20	7		4	5	9	45	44.4
Hyderabad	60	26	6	10	6	7	115	52.2
Pune	35	4	1	2	6		48	72.9
Ahmedabad	26	4	3	9	1	2	45	57.8
Surat	20	3	2	4	5	1	35	57.1
<b>Store count in Top Cities</b>	<b>347</b>	<b>73</b>	<b>35</b>	<b>41</b>	<b>43</b>	<b>28</b>	<b>567</b>	<b>61.2</b>
<b>Total Store count</b>	<b>888</b>	<b>149</b>	<b>80</b>	<b>83</b>	<b>114</b>	<b>120</b>	<b>1434</b>	<b>61.9</b>
<b>% store in Top cities</b>	<b>39</b>	<b>49</b>	<b>44</b>	<b>49</b>	<b>38</b>	<b>23</b>	<b>40</b>	

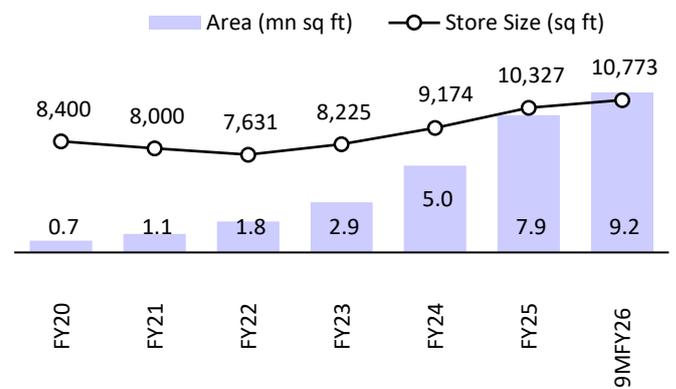
Source: Company, MOFSL

**Exhibit 12: Added 89 (+35% YoY) net Zudio stores in 9MFY26**



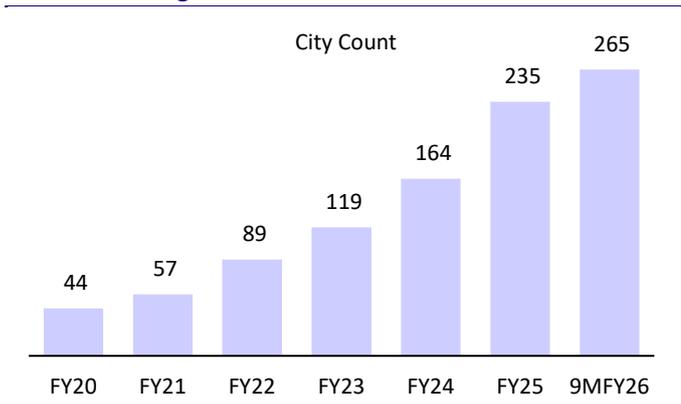
Source: MOFSL, Company

**Exhibit 13: Area addition higher at ~48% YoY, implying opening of larger stores**



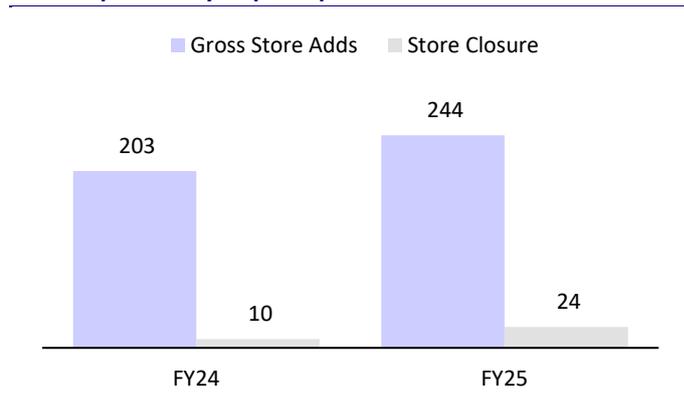
Source: MOFSL, Company

**Exhibit 14: Entering new cities and deepening presence of Zudio in existing cities**



Source: MOFSL, Company

**Exhibit 15: Zudio has been consolidating stores from FY24, but the pace likely to pick up in the near term**



Source: MOFSL, Company

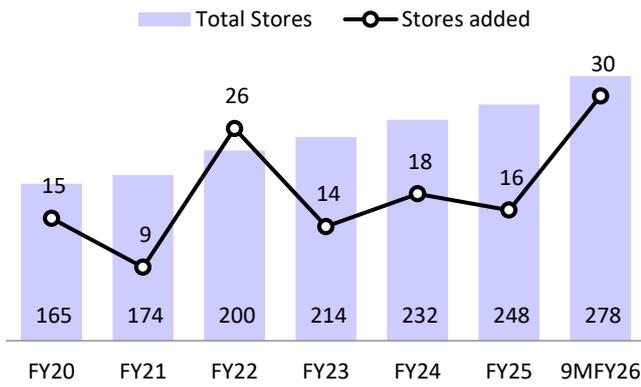
## Westside expansion resumes with superior product proposition

- Trent calibrated the pace of store additions in Westside (~48 net additions, ~7% CAGR over FY22-25) as it focused on improving the brand's customer proposition. The company focused on product reimagination and select premiumization of own brands (Utsa, Vark), increased focus on emerging categories and ramping up its online presence. With the improved customer experience in line with the renewed brand proposition, Trent consolidated lower-sized Westside stores into Zudio format while opening larger Westside stores (leading to avg. store area for Westside rising to ~22k sqft from ~16.5k sqft in FY21).
- With the renewed proposition, Trent has again accelerated the pace of Westside store additions in 9MFY26 (with 30 net additions or ~17% YoY). Further we note that the focus has shifted to deepening penetration beyond top seven states (~47% of 9MFY26 store additions vs. ~94% of additions over FY22-25). Going ahead we build in modest ~20-25 annual store additions (~11% area CAGR over FY26-28E) in Westside, which could have upside risks.

**Exhibit 16: Westside store expansion now increasingly anchored by deepening penetration beyond top seven states**

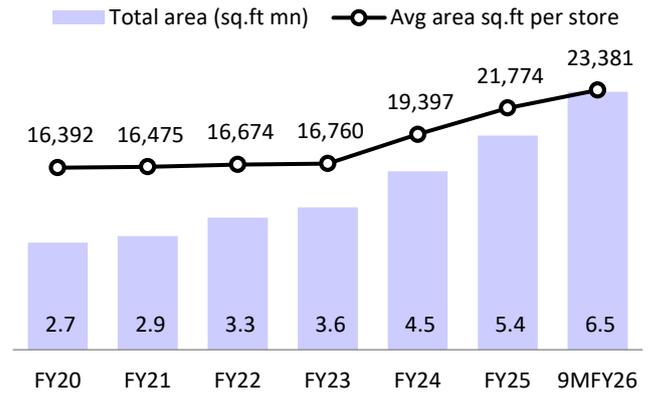
Westside	FY26 FY20-25								FY20 FY21 FY22 FY23 FY24 FY25 FY26						
	FY20	FY21	FY22	FY23	FY24	FY25	Till date	CAGR (%)	FY20	FY21	FY22	FY23	FY24	FY25	FY26 Till date
	Store count								Net Store addition						
Maharashtra	28	31	33	36	39	42	46	8	0	3	2	3	3	3	4
Karnataka	15	23	23	24	26	30	34	15	1	8	0	1	2	4	4
Gujarat	15	18	17	21	27	28	30	13	0	3	-1	4	6	1	2
Telangana	10	13	14	15	19	22	23	17	2	3	1	1	4	3	1
Tamil Nadu	12	13	14	16	17	20	18	11	1	1	1	2	1	3	-2
UP	13	14	13	14	14	16	19	4	6	1	-1	1	0	2	3
Kerala	5	9	10	9	12	11	13	17	0	4	1	-1	3	-1	2
Delhi	7	8	8	8	7	9	10	5	-7	1	0	0	-1	2	1
AP	6	7	6	6	6	8	11	6	2	1	-1	0	0	2	3
Rajasthan	6	6	6	6	7	8	11	6	0	0	0	0	1	1	3
MP	7	7	8	9	9	7	6	-	2	0	1	1	0	-2	-1
West Bengal	7	7	7	7	7	7	8	-	0	0	0	0	0	0	1
Punjab	6	6	6	4	4	6	6	-	0	0	0	-2	0	2	0
Haryana	4	4	4	4	3	6	8	8	3	0	0	0	-1	3	2
Uttarakhand	4	4	4	4	5	4	4	-	1	0	0	0	1	-1	0
Assam	3	4	6	7	7	4	6	6	0	1	2	1	0	-3	2
Chhattisgarh	3	3	3	3	4	4	4	6	1	0	0	0	1	0	0
Bihar	3	3	4	4	4	3	3	-	2	0	1	0	0	-1	0
Others	11	13	14	17	15	13	18	3	1	2	1	3	-2	-2	5
<b>Total</b>	<b>165</b>	<b>193</b>	<b>200</b>	<b>214</b>	<b>232</b>	<b>248</b>	<b>278</b>	<b>8</b>	<b>15</b>	<b>28</b>	<b>7</b>	<b>14</b>	<b>18</b>	<b>16</b>	<b>30</b>
<b>Top 7 states</b>	<b>98</b>	<b>121</b>	<b>124</b>	<b>135</b>	<b>154</b>	<b>169</b>	<b>183</b>	<b>12</b>	<b>10</b>	<b>23</b>	<b>3</b>	<b>11</b>	<b>19</b>	<b>15</b>	<b>14</b>
<b>% Share of top 7 states</b>	<b>59</b>	<b>63</b>	<b>62</b>	<b>63</b>	<b>66</b>	<b>68</b>	<b>66</b>		<b>67</b>	<b>82</b>	<b>43</b>	<b>79</b>	<b>106</b>	<b>94</b>	<b>47</b>

**Exhibit 17: Added 30 net Westside stores in 9MFY26**



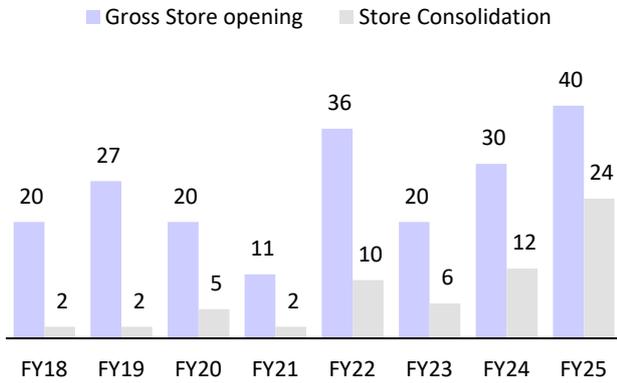
Source: MOFSL, Company

**Exhibit 18: Westside retail area growth higher with emphasis on opening larger stores**



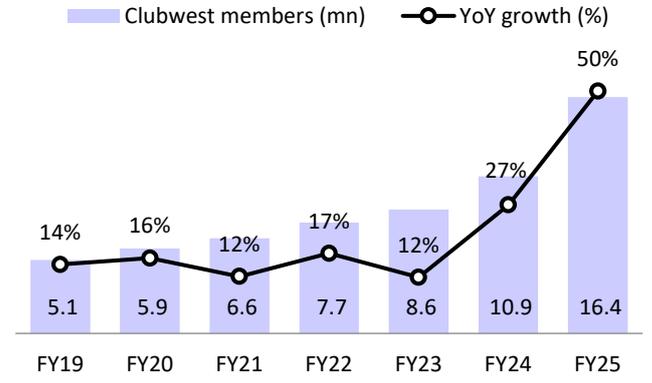
Source: MOFSL, Company

**Exhibit 19: Gross store additions were healthy in FY24-25 as well, but net additions were impacted by consolidations**



Source: MOFSL, Company

**Exhibit 20: ClubWest members account for 90%+ of revenue**



Source: MOFSL, Company

## Takeaways from our recent channel checks

Recently we have performed channel checks in few stores across Mumbai region. A broad summary of our interaction with store managers are given below:

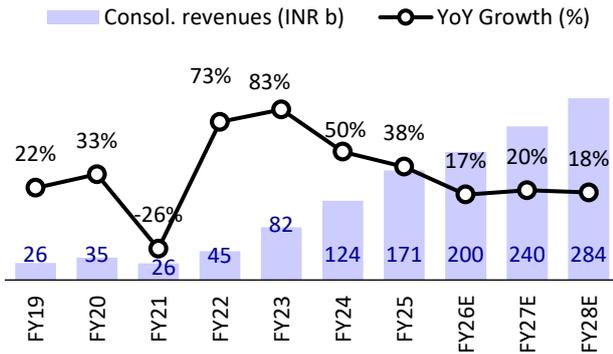
- **Zudio: Cannibalization impact easing out, though growth remains moderate**  
Our channel checks suggest that the adverse impact of cannibalization from newly opened stores in the vicinity now seems to be easing and the store-level sales decline seems to have stopped (vs. as much as ~20% decline earlier). However, growth from the new base remains in low single digits so far at the cannibalized store level, while cluster has seen growth with improved MoM performance for the new stores, leading to increased market share at cluster level. Overall, performance remains largely stable with no sharp acceleration in demand. During the recent EOSS period, key stores saw a slight decline in sales, driven by deeper discounting. However, demand has shown signs of recovery after EOSS, with low single-digit YoY growth. Overall, the trend points to a gradual normalization rather than a strong near-term recovery.
- Store-level feedback indicates that inventory-related disruptions seen earlier, driven by transition issues in inward and outward systems, have now largely normalized with the rollout of the new technology platform, leading to smoother stock flow and improved availability. A key incremental insight from recent channel checks is a structural shift in in-store inventory management, wherein backend inventory holding has been meaningfully reduced, with a larger proportion of stock now moved to the shop floor for display. Replenishment cycles have become tighter, with refilling typically happening within a short turnaround, reflecting improved supply chain responsiveness. This strategic move appears to be aimed at minimizing inventory pile-up at the store level, which earlier led to significant clearance during EOSS, thereby helping reduce markdown-led losses and improve overall inventory efficiency.
- Replenishment trends remain healthy with the continued strengthening of assortment across stores, particularly as new outlets scale up. The key standout performer from our recent channel checks remains the beauty segment, which has emerged as a clear growth driver. Store managers highlighted strong consumer response, with consistently high footfalls and robust offtake in beauty products, making it the best-performing category in-store. In response, management has been proactively increasing shelf space and inventory allocation toward Beauty, indicating a strategic focus on the segment, which is currently acting as a key silver lining supporting overall store performance.
- The **January EOSS** was notably aggressive, with flat 50%+ markdowns and select SKUs priced at INR899/999 being reduced to a flat INR199, which aided in clearing aged and slow-moving inventory. However, the event was less favorable from an employee standpoint, as commissions are linked to sales target achievements, which were slightly higher and could not be achieved.
- There have been no material concerns around footfall at Zudio stores, both currently and historically, supported by strong brand recall and healthy customer acceptance. Management is also rigorously training store staff to drive higher basket sizes through focused cross-selling and upselling initiatives, which should support improvement in store-level throughput and LTL metrics.

### **Westside: Relatively muted growth despite heavy discounting during EOSS**

- Sales performance during the EOSS period remained broadly flat to low single digits despite aggressive discounting (50-70%), with higher footfalls largely translating into inventory liquidation rather than meaningful incremental growth. However, post-EOSS trends in February and March have shown a modest improvement, with stores witnessing low single-digit LFL growth and a relatively better demand environment compared to the subdued EOSS phase, indicating early signs of recovery, albeit not strong or broad-based. The focus on men's wear category seems to have increased over the last few months, based on our recent channel checks.
- The top-performing stores, particularly those located in premium malls and stronger catchments, continue to outperform the network, delivering healthy monthly sales and double-digit LFL growth, supported by superior mall footfall, better accessibility, and higher quality customer traffic.
- Inventory turns remain healthy, with ~95% stock liquidation achieved during the recent EOSS, although this is marginally lower than the ~98% sell-through recorded in the previous EOSS cycle, indicating slightly softer clearance efficiency on a sequential basis.
- Cannibalization impact remains visible in a few Westside stores; however, it has now largely come into the base and is beginning to moderate at the store level. While some individual outlets continue to face pressure, new store additions have driven incremental revenue and strengthened market share at the cluster level, with combined sales improving. Importantly, the majority of stores continue to operate without any meaningful overlap impact, indicating a more balanced network expansion.
- Overall, the brand remains resilient, supported by healthy store-level productivity and stable operating performance.

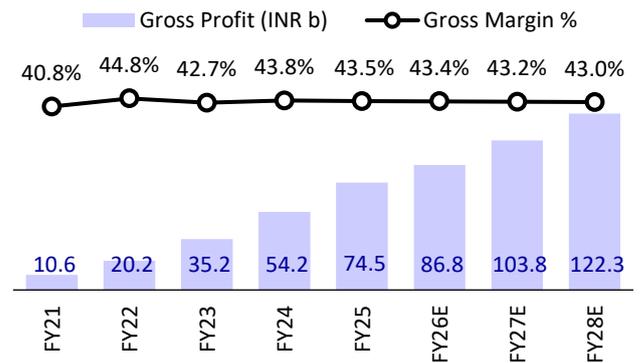
## Story In Charts

**Exhibit 21: Expect 18% consol. revenue CAGR over FY25-28**



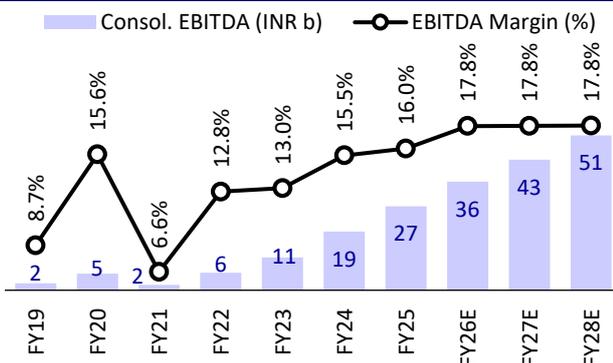
Source: MOFSL, Company

**Exhibit 22: Expect 18% consol. gross profit CAGR : FY25-28**



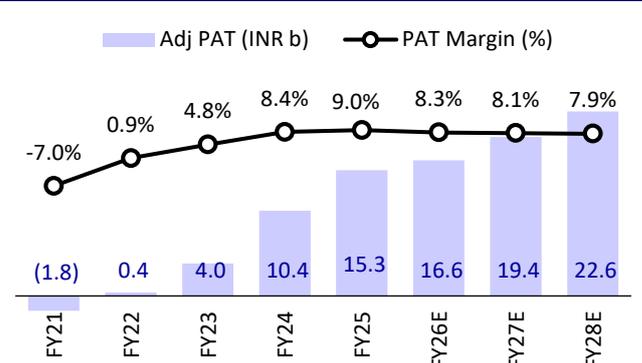
Source: MOFSL, Company

**Exhibit 23: Expect 23% consol. EBITDA CAGR over FY25-28**



Source: MOFSL, Company

**Exhibit 24: PAT to register growth of 14% CAGR : FY25-28**



Source: MOFSL, Company

## Financials and valuations – standalone

### Standalone - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>20,475</b>	<b>38,807</b>	<b>77,152</b>	<b>1,19,266</b>	<b>1,66,681</b>	<b>1,96,250</b>	<b>2,36,353</b>	<b>2,80,191</b>
Change (%)	-35.6	89.5	98.8	54.6	39.8	17.7	20.4	18.5
Raw Materials	10,296	19,009	42,156	65,407	92,616	1,09,939	1,32,996	1,58,364
Employees Cost	2,550	3,379	5,801	9,379	12,009	12,364	14,536	16,811
Other Expenses	5,591	10,084	18,003	25,210	34,517	38,661	46,325	54,637
<b>Total Expenditure</b>	<b>18,437</b>	<b>32,472</b>	<b>65,959</b>	<b>99,996</b>	<b>1,39,141</b>	<b>1,60,964</b>	<b>1,93,857</b>	<b>2,29,813</b>
% of Sales	90.0	83.7	85.5	83.8	83.5	82.0	82.0	82.0
<b>EBITDA</b>	<b>2,038</b>	<b>6,335</b>	<b>11,193</b>	<b>19,269</b>	<b>27,540</b>	<b>35,286</b>	<b>42,496</b>	<b>50,378</b>
Margin (%)	10.0	16.3	14.5	16.2	16.5	18.0	18.0	18.0
Depreciation	2,359	2,831	4,632	6,385	8,699	13,090	16,446	20,097
<b>EBIT</b>	<b>-321</b>	<b>3,505</b>	<b>6,560</b>	<b>12,884</b>	<b>18,841</b>	<b>22,196</b>	<b>26,051</b>	<b>30,281</b>
Int. and Finance Charges	2,380	2,933	3,572	3,094	1,369	1,658	1,862	1,984
Other Income	2,042	2,790	4,117	3,509	3,294	3,788	2,273	2,614
<b>PBT bef. EO Exp.</b>	<b>-658</b>	<b>3,362</b>	<b>7,105</b>	<b>13,300</b>	<b>20,766</b>	<b>24,326</b>	<b>26,461</b>	<b>30,911</b>
EO Items	-63	-132	0	5,434	0	-258	0	0
<b>PBT after EO Exp.</b>	<b>-721</b>	<b>3,230</b>	<b>7,105</b>	<b>18,733</b>	<b>20,766</b>	<b>24,068</b>	<b>26,461</b>	<b>30,911</b>
Total Tax	-211	734	1,559	4,375	4,918	5,403	6,218	7,419
Tax Rate (%)	29.3	22.7	21.9	23.4	23.7	22.5	23.5	24.0
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>-510</b>	<b>2,496</b>	<b>5,546</b>	<b>14,358</b>	<b>15,848</b>	<b>18,664</b>	<b>20,243</b>	<b>23,492</b>
<b>Adjusted PAT</b>	<b>-465</b>	<b>2,598</b>	<b>5,546</b>	<b>10,292</b>	<b>15,848</b>	<b>18,864</b>	<b>20,243</b>	<b>23,492</b>
Change (%)	-130.1	-658.4	113.5	85.6	54.0	19.0	7.3	16.1
Margin (%)	-2.3	6.7	7.2	8.6	9.5	9.6	8.6	8.4

### Standalone - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Equity Share Capital	355	356	356	356	356	356	356	356
Total Reserves	24,803	26,845	30,444	44,116	58,789	75,676	93,963	1,15,323
<b>Net Worth</b>	<b>25,159</b>	<b>27,200</b>	<b>30,799</b>	<b>44,472</b>	<b>59,144</b>	<b>76,031</b>	<b>94,319</b>	<b>1,15,678</b>
Total Loans	28,612	45,893	43,186	17,383	22,059	24,350	24,349	23,430
Lease Liability	25,612	40,835	38,206	12,398	17,067	19,355	19,354	18,435
Deferred Tax Liabilities	-1,080	-1,225	-1,540	-553	-458	-458	-458	-458
<b>Capital Employed</b>	<b>52,690</b>	<b>71,868</b>	<b>72,445</b>	<b>61,302</b>	<b>80,746</b>	<b>99,924</b>	<b>1,18,210</b>	<b>1,38,650</b>
<b>Net Fixed Assets</b>	<b>29,232</b>	<b>45,083</b>	<b>43,659</b>	<b>24,002</b>	<b>36,610</b>	<b>46,299</b>	<b>49,333</b>	<b>50,860</b>
Right to use assets	22,265	37,336	34,346	11,891	16,964	17,891	16,167	12,806
Capital WIP	340	448	415	1,614	1,179	1,179	1,179	1,179
<b>Total Investments</b>	<b>17,292</b>	<b>17,239</b>	<b>16,483</b>	<b>19,022</b>	<b>21,353</b>	<b>21,356</b>	<b>21,356</b>	<b>21,356</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>9,126</b>	<b>14,126</b>	<b>21,114</b>	<b>29,390</b>	<b>37,389</b>	<b>52,319</b>	<b>71,418</b>	<b>94,534</b>
Inventory	3,946	8,225	13,369	15,648	20,284	24,195	29,139	34,544
Account Receivables	206	163	314	786	596	807	971	1,151
Cash and Bank Balance	669	744	789	2,862	3,229	11,185	23,416	39,026
Loans and Advances	4,306	4,994	6,642	10,094	13,280	16,133	17,891	19,813
<b>Curr. Liability &amp; Prov.</b>	<b>3,301</b>	<b>5,028</b>	<b>9,226</b>	<b>12,726</b>	<b>15,785</b>	<b>21,229</b>	<b>25,075</b>	<b>29,279</b>
Account Payables	2,196	3,142	6,437	7,523	9,299	14,786	17,807	21,110
Other Current Liabilities	938	1,572	2,121	3,480	4,635	4,593	5,417	6,317
Provisions	167	314	669	1,723	1,851	1,851	1,851	1,851
<b>Net Current Assets</b>	<b>5,826</b>	<b>9,098</b>	<b>11,888</b>	<b>16,664</b>	<b>21,603</b>	<b>31,090</b>	<b>46,343</b>	<b>65,256</b>
<b>Appl. of Funds</b>	<b>52,690</b>	<b>71,868</b>	<b>72,445</b>	<b>61,302</b>	<b>80,745</b>	<b>99,924</b>	<b>1,18,211</b>	<b>1,38,651</b>

## Financials and valuations – standalone

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>-1.3</b>	<b>7.3</b>	<b>15.6</b>	<b>29.0</b>	<b>44.6</b>	<b>53.1</b>	<b>56.9</b>	<b>66.1</b>
Cash EPS	5.7	16.3	30.6	50.2	73.9	96.2	110.4	131.2
BV/Share	75.7	81.9	92.7	133.8	178.0	228.8	283.8	348.1
DPS	0.0	1.7	2.2	3.2	5.0	5.5	6.0	6.5
Payout (%)	0.0	24.2	14.1	7.9	11.2	10.5	10.5	9.8
<b>Valuation (x)</b>								
P/E	nm	462.5	216.7	116.7	75.8	63.7	59.4	51.1
Cash P/E	593.2	206.9	110.4	67.4	45.8	35.2	30.6	25.8
P/BV	44.6	41.3	36.5	25.3	19.0	14.8	11.9	9.7
EV/Sales	60.0	32.1	16.1	10.2	7.3	6.2	5.1	4.2
EV/EBITDA	603.3	196.8	111.1	63.1	44.3	34.4	28.3	23.5
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2
FCF per share	8.7	-1.4	12.6	27.2	23.9	44.0	66.5	81.3
<b>Return Ratios (%)</b>								
RoE	-1.9	9.9	19.1	27.3	30.6	27.9	23.8	22.4
RoCE	-0.4	4.3	7.0	14.5	20.1	19.0	18.2	17.9
RoIC	-0.7	6.2	9.5	21.1	30.7	28.5	28.8	30.8
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.1	3.5	5.7	NA	NA	NA	NA	NA
Asset Turnover (x)	0.4	0.5	1.1	1.9	2.1	2.0	2.0	2.0
Inventory (Days)	70	77	63	48	44	45	45	45
Debtor (Days)	4	2	1	2	1	2	2	2
Creditor (Days)	39	30	30	23	20	28	28	28
<b>Leverage Ratio (x)</b>								
Current Ratio	2.8	2.8	2.3	2.3	2.4	2.5	2.8	3.2
Interest Cover Ratio	-0.1	1.2	1.8	4.2	13.8	13.4	14.0	15.3
Net Debt/Equity	0.4	1.0	0.8	-0.1	0.0	-0.1	-0.2	-0.3

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-658	3,362	7,105	13,300	20,766	24,326	26,461	30,911
Depreciation	2,359	2,831	4,639	6,392	8,706	13,090	16,446	20,097
Interest & Finance Charges	2,084	2,725	3,411	2,913	1,063	1,658	1,862	1,984
Direct Taxes Paid	-1	-782	-1,869	-2,942	-4,915	-5,403	-6,218	-7,419
(Inc)/Dec in WC	1,131	-4,020	-2,707	-2,725	-5,579	-1,531	-3,022	-3,303
<b>CF from Operations</b>	<b>4,915</b>	<b>4,116</b>	<b>10,579</b>	<b>16,938</b>	<b>20,041</b>	<b>32,140</b>	<b>35,529</b>	<b>42,271</b>
Others	-782	-2,624	-3,951	-3,455	-3,359	-4,046	-2,273	-2,614
<b>CF from Operating incl EO</b>	<b>4,133</b>	<b>1,492</b>	<b>6,628</b>	<b>13,484</b>	<b>16,683</b>	<b>28,094</b>	<b>33,256</b>	<b>39,657</b>
(Inc)/Dec in FA	-1,031	-1,979	-2,144	-3,819	-8,177	-12,470	-9,620	-10,758
<b>Free Cash Flow</b>	<b>3,102</b>	<b>-487</b>	<b>4,485</b>	<b>9,665</b>	<b>8,506</b>	<b>15,624</b>	<b>23,636</b>	<b>28,899</b>
(Pur)/Sale of Investments	1,195	2,317	57	-926	-	-	-	-
Others	-557	-397	657	-241	25	3,788	2,273	2,614
<b>CF from Investments</b>	<b>-393</b>	<b>-59</b>	<b>-1,430</b>	<b>-4,985</b>	<b>-8,152</b>	<b>-8,682</b>	<b>-7,348</b>	<b>-8,144</b>
Issue of Shares	0	0	0	0	-	-	-	-
Inc/(Dec) in Debt	0	1,969	-1,202	-2,566	-5,259	(8,020)	(9,861)	(11,785)
Interest Paid	-2,376	-2,350	-3,557	-3,076	-1,335	(1,658)	(1,862)	(1,984)
Dividend Paid	-355	-426	-394	-783	-1,136	(1,777)	(1,955)	(2,133)
Others	-780	-552	0	0	-	-	-	-
<b>CF from Fin. Activity</b>	<b>-3,512</b>	<b>-1,359</b>	<b>-5,153</b>	<b>-6,425</b>	<b>-7,730</b>	<b>-11,456</b>	<b>-13,678</b>	<b>-15,902</b>
<b>Inc/Dec of Cash</b>	<b>229</b>	<b>74</b>	<b>45</b>	<b>2,074</b>	<b>801</b>	<b>7,956</b>	<b>12,231</b>	<b>15,610</b>
Opening Balance	441	669	744	789	2,849	3,229	11,185	23,416
<b>Closing Balance</b>	<b>669</b>	<b>744</b>	<b>789</b>	<b>2,862</b>	<b>3,651</b>	<b>11,185</b>	<b>23,416</b>	<b>39,026</b>

## Financials and valuations – consolidated

### Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Total Income from Operations</b>	<b>25,930</b>	<b>44,980</b>	<b>82,420</b>	<b>1,23,751</b>	<b>1,71,346</b>	<b>1,99,982</b>	<b>2,40,272</b>	<b>2,84,306</b>
Change (%)	-25.6	73.5	83.2	50.1	38.5	16.7	20.1	18.3
Raw Materials	15,340	24,815	47,197	69,589	96,891	1,13,223	1,36,464	1,62,005
Employees Cost	3,019	3,990	6,552	10,366	13,084	13,680	15,918	18,263
Other Expenses	5,852	10,437	17,934	24,575	33,874	37,542	45,150	53,403
<b>Total Expenditure</b>	<b>24,211</b>	<b>39,241</b>	<b>71,684</b>	<b>1,04,530</b>	<b>1,43,849</b>	<b>1,64,445</b>	<b>1,97,532</b>	<b>2,33,671</b>
% of Sales	93.4	87.2	87.0	84.5	84.0	82.2	82.2	82.2
<b>EBITDA</b>	<b>1,719</b>	<b>5,739</b>	<b>10,737</b>	<b>19,221</b>	<b>27,498</b>	<b>35,537</b>	<b>42,740</b>	<b>50,635</b>
Margin (%)	6.6	12.8	13.0	15.5	16.0	17.8	17.8	17.8
Depreciation	2,573	3,108	4,937	6,711	8,952	13,588	17,200	21,290
<b>EBIT</b>	<b>-854</b>	<b>2,631</b>	<b>5,800</b>	<b>12,510</b>	<b>18,546</b>	<b>21,949</b>	<b>25,541</b>	<b>29,345</b>
Int. and Finance Charges	2,487	3,047	3,692	3,191	1,386	1,686	1,724	1,623
Other Income	2,016	1,752	2,609	2,893	2,274	1,364	1,432	1,647
<b>PBT bef. EO Exp.</b>	<b>-1,325</b>	<b>1,335</b>	<b>4,717</b>	<b>12,212</b>	<b>19,433</b>	<b>21,628</b>	<b>25,249</b>	<b>29,369</b>
EO Items	-10	-274	-30	5,761	0	-261	0	0
<b>PBT after EO Exp.</b>	<b>-1,335</b>	<b>1,061</b>	<b>4,687</b>	<b>17,973</b>	<b>19,433</b>	<b>21,367</b>	<b>25,249</b>	<b>29,369</b>
Total Tax	-237	766	1,584	4,434	4,953	5,192	6,060	7,049
Tax Rate (%)	17.8	72.2	33.8	24.7	25.5	24.3	24.0	24.0
MI/(Profit)/Loss from Assoc.	714	-51	-835	-1,236	-865	-216	-227	-238
<b>Reported PAT</b>	<b>-1,811</b>	<b>346</b>	<b>3,937</b>	<b>14,775</b>	<b>15,345</b>	<b>16,391</b>	<b>19,416</b>	<b>22,559</b>
<b>Adjusted PAT</b>	<b>-1,803</b>	<b>422</b>	<b>3,957</b>	<b>10,387</b>	<b>15,345</b>	<b>16,588</b>	<b>19,416</b>	<b>22,559</b>
Change (%)	-270.1	-123.4	837.0	162.5	47.7	8.1	17.0	16.2
Margin (%)	-7.0	0.9	4.8	8.4	9.0	8.3	8.1	7.9

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
Equity Share Capital	355	355	356	356	356	356	356	356
Total Reserves	22,775	23,285	25,599	40,322	54,262	68,698	85,981	1,06,229
<b>Net Worth</b>	<b>23,130</b>	<b>23,640</b>	<b>25,955</b>	<b>40,677</b>	<b>54,617</b>	<b>69,053</b>	<b>86,337</b>	<b>1,06,585</b>
Minority Interest	445	459	675	349	1,216	1,216	1,216	1,216
Total Loans	26,686	47,338	44,722	17,583	22,837	24,645	23,919	21,796
Lease Liabilities	26,637	42,280	39,662	12,544	17,380	19,185	18,459	16,337
Deferred Tax Liabilities	-746	-1,264	-1,561	-544	-435	-435	-435	-435
<b>Capital Employed</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>58,065</b>	<b>78,236</b>	<b>94,479</b>	<b>1,11,037</b>	<b>1,29,163</b>
Gross Block	37,078	55,887	57,819	34,256	56,704	81,615	1,03,750	1,28,932
Less: Accum. Deprn.	6,749	9,397	13,093	10,298	18,293	31,881	49,080	70,370
<b>Net Fixed Assets</b>	<b>30,329</b>	<b>46,491</b>	<b>44,726</b>	<b>23,958</b>	<b>38,411</b>	<b>49,735</b>	<b>54,670</b>	<b>58,563</b>
Right to use assets	<b>23,185</b>	<b>38,642</b>	<b>35,502</b>	12,021	17,268	18,353	17,216	14,827
Goodwill on Consolidation	272	272	272	272	272	272	272	272
Capital WIP	340	448	1,017	2,238	1,795	1,795	1,795	1,795
<b>Total Investments</b>	<b>15,550</b>	<b>13,541</b>	<b>11,370</b>	<b>14,429</b>	<b>15,071</b>	<b>15,287</b>	<b>15,514</b>	<b>15,753</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>10,000</b>	<b>15,245</b>	<b>21,869</b>	<b>30,176</b>	<b>38,213</b>	<b>48,542</b>	<b>63,796</b>	<b>82,010</b>
Inventory	4,284	8,678	13,612	15,827	20,451	24,195	29,139	34,544
Account Receivables	208	179	344	817	630	685	823	974
Cash and Bank Balance	815	864	863	2,976	3,398	5,740	14,369	25,340
Loans and Advances	4,694	5,525	7,051	10,556	13,735	17,921	19,465	21,152
<b>Curr. Liability &amp; Prov.</b>	<b>6,976</b>	<b>5,823</b>	<b>9,464</b>	<b>13,009</b>	<b>15,526</b>	<b>21,152</b>	<b>25,011</b>	<b>29,230</b>
Account Payables	2,746	3,780	6,652	7,739	9,282	15,067	18,103	21,420
Other Current Liabilities	4,026	1,734	2,098	3,482	4,316	4,156	4,980	5,881
Provisions	204	309	713	1,788	1,929	1,929	1,929	1,929
<b>Net Current Assets</b>	<b>3,024</b>	<b>9,422</b>	<b>12,406</b>	<b>17,167</b>	<b>22,687</b>	<b>27,390</b>	<b>38,785</b>	<b>52,780</b>
Misc Expenditure	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>58,064</b>	<b>78,236</b>	<b>94,479</b>	<b>1,11,037</b>	<b>1,29,163</b>

## Financials and valuations – consolidated

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>-5.1</b>	<b>1.2</b>	<b>11.1</b>	<b>29.2</b>	<b>43.2</b>	<b>46.7</b>	<b>54.6</b>	<b>63.5</b>
Cash EPS	2.3	10.6	26.8	51.5	73.1	90.8	110.2	131.9
BV/Share	69.6	71.1	78.1	122.4	164.4	207.8	259.8	320.7
DPS	0.0	1.7	2.2	3.2	5.0	5.5	6.0	6.5
Payout (%)	0.0	174.6	19.9	7.7	11.6	11.9	11.0	10.2
<b>Valuation (x)</b>								
P/E	nm	2,841.5	303.7	115.7	78.3	72.4	61.9	53.3
Cash P/E	1,458.7	318.2	126.3	65.7	46.2	37.2	30.7	25.6
P/BV	48.6	47.5	43.3	27.6	20.6	16.3	13.0	10.5
EV/Sales	47.3	27.7	15.1	9.8	7.1	6.1	5.0	4.2
EV/EBITDA	705.0	214.8	114.9	62.5	43.9	33.9	28.0	23.3
Dividend Yield (%)	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2
FCF per share	8.0	-4.3	10.4	26.9	22.5	37.9	63.4	78.4
<b>Return Ratios (%)</b>								
RoE	-7.7	1.8	16.0	31.2	32.2	26.8	25.0	23.4
RoCE	-1.4	1.2	5.4	14.6	20.4	19.4	19.0	18.7
RoIC	-2.1	1.7	6.9	19.8	28.7	25.6	25.7	26.9
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	0.7	0.8	1.4	3.6	3.0	2.5	2.3	2.2
Asset Turnover (x)	0.5	0.6	1.2	2.1	2.2	2.1	2.2	2.2
Inventory (Days)	60	70	60	47	44	44	44	44
Debtor (Days)	3	1	2	2	1	1	1	1
Creditor (Days)	39	31	29	23	20	28	28	28
<b>Leverage Ratio (x)</b>								
Current Ratio	1.4	2.6	2.3	2.3	2.5	2.3	2.6	2.8
Interest Cover Ratio	-0.3	0.9	1.6	3.9	13.4	13.0	14.8	18.1
Net Debt/Equity	0.9	1.7	1.3	0.0	0.1	0.1	-0.1	-0.2

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-2,038	1,387	5,551	13,448	20,297	21,367	25,249	29,369
Depreciation	2,573	3,108	4,937	6,711	8,952	13,588	17,200	21,290
Interest & Finance Charges	2,197	2,814	3,524	2,988	1,072	1,686	1,724	1,623
Direct Taxes Paid	-11	-816	-1,910	-2,989	-4,941	-5,192	-6,060	-7,049
(Inc)/Dec in WC	1,063	-4,293	-2,932	-2,715	-5,677	-2,361	-2,766	-3,024
<b>CF from Operations</b>	<b>3,783</b>	<b>2,199</b>	<b>9,170</b>	<b>17,443</b>	<b>19,703</b>	<b>29,086</b>	<b>35,347</b>	<b>42,209</b>
Others	-45	-1,615	-3,222	-3,953	-3,094	-1,364	-1,432	-1,647
<b>CF from Operating incl EO</b>	<b>3,738</b>	<b>585</b>	<b>5,949</b>	<b>13,490</b>	<b>16,609</b>	<b>27,722</b>	<b>33,915</b>	<b>40,562</b>
(Inc)/Dec in FA	-910	-2,101	-2,235	-3,937	-8,617	-14,244	-11,360	-12,705
<b>Free Cash Flow</b>	<b>2,828</b>	<b>-1,516</b>	<b>3,714</b>	<b>9,552</b>	<b>7,992</b>	<b>13,478</b>	<b>22,554</b>	<b>27,858</b>
(Pur)/Sale of Investments	1,400	2,084	65	-1,299	-1,586	0	0	0
Others	-308	562	1,135	154	969	1,364	1,432	1,647
<b>CF from Investments</b>	<b>181</b>	<b>544</b>	<b>-1,036</b>	<b>-5,082</b>	<b>-9,234</b>	<b>-12,880</b>	<b>-9,928</b>	<b>-11,057</b>
Issue of Shares	-3	2,504	463	357	935	0	0	0
Inc/(Dec) in Debt	0	0	0	0	0	3	0	0
Interest Paid	-2,489	-2,463	-3,587	-3,094	-1,339	-1,686	-1,724	-1,623
Dividend Paid	-355	-427	-393	-783	-1,136	-1,955	-2,133	-2,311
Others	-872	-694	-1,397	-2,775	-5,397	-8,862	-11,501	-14,600
<b>CF from Fin. Activity</b>	<b>-3,719</b>	<b>-1,080</b>	<b>-4,914</b>	<b>-6,295</b>	<b>-6,937</b>	<b>-12,500</b>	<b>-15,358</b>	<b>-18,534</b>
<b>Inc/Dec of Cash</b>	<b>201</b>	<b>49</b>	<b>-1</b>	<b>2,113</b>	<b>438</b>	<b>2,342</b>	<b>8,629</b>	<b>10,971</b>
Opening Balance	614	815	864	863	2,960	3,398	5,740	14,369
<b>Closing Balance</b>	<b>815</b>	<b>864</b>	<b>863</b>	<b>2,976</b>	<b>3,398</b>	<b>5,740</b>	<b>14,369</b>	<b>25,340</b>

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

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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