

Trent Ltd.

 05th March 2025

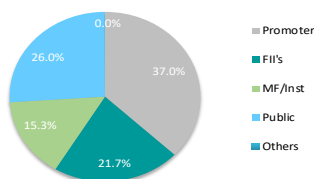
Sector: Retail

LTP	Recommendation	Target	Stop Loss	Return
Rs.4,998	Buy between Rs. 5,000-5,200	Rs. 5,800	Rs. 4,660	+16%
SENSEX	Market Cap	NSE Code	BSE Code	Time Frame
72,990	Rs.1,82,806cr	TRENT	500251	3-6 Months

Data as of: 04-03-2025

52W High	52W Low	F&O Listed	Div. Yield	D/E
Rs.8,346	Rs.3,752	Yes	0.06%	0.4
Standalone. (Rs. cr)		FY24A	FY25E	FY26E
Revenue	11,920	16,937	22,147	
Growth (%)	55	42	31	
EBITDA	1,921	2,713	3,669	
EBITDA Margin(%)	16	16	17	
Adj. PAT	1,039	1,559	2,104	
Growth (%)	87	50	35.0	
EPS	29	44	62	
Growth (%)	87	51	41.0	
RoE (%)	38.2	31.7	32.6	
Valuation		FY24A	FY25E	FY26E
P/E (x)	171	118	84	
Price/Book Value	31.3	31.3	23.6	
EV/EBITDA	102	67	50	
Price Performance		3 Month	6 Month	1 Year
Absolute Return (%)	-27	-30	29.8	
Absolute Sensex (%)	-10	-11	-0.9	

Latest Shareholding Pattern



Fundamental View

Trent Ltd., a subsidiary of the Tata Group, manages a diverse portfolio of retail brands across the Fashion, Lifestyle, and Food & Grocery sectors. Key brands include Westside, Zudio, Star, Booker Wholesale, along with other brands such as Utsa and SAMOH. In the third quarter, Trent expanded its footprint by adding 12 Westside stores and 58 Zudio stores, bringing the total number of stores to 238 and 635, respectively.

- Revenue grew at 37% YoY to Rs.4,535cr in Q3FY25, led by high single-digit LFL (Like-for-Like) growth across fashion concepts, strong store additions in Zudio & Westside, and traction in emerging categories like BPC, innerwear & footwear.
- EBITDA margins declined by 30bps YoY to 18.5% in Q3FY25 due to a change in format mix and aggressive store additions. PAT stood at Rs.469cr, up by 37%YoY.
- The grocery retail business 'Star' (74 stores currently) grew 25% YoY in Q3FY25, driven by 10% LFL performance and strong volume metrics. Operating performance improved, driven by staples, fresh & general merchandise, and a 5% YoY increase in own brand contribution.
- Revenue/EBITDA/PAT are expected to grow at a CAGR of 36%/38%/42%, respectively, over FY24-26E. Rapid store expansions, traction in the grocery business, a foray into new categories like the affordable beauty segment, a fast growing lab-grown diamond category, and global store additions are the key growth catalysts ahead.
- As per Bloomberg consensus, the stock is currently trading at a 1 yr fwd. P/E of 86x, which is lower compared to its 3-year average of 97x and 5-year average of 118.6x.

Technical View

- After recent correction, the stock has approached to the lower band of parallel channel, placed around Rs.4,800-Rs.4,900.
- The analysis of price movement, along with the momentum indicator RSI on the daily chart, indicates a bullish divergence pattern formation on the daily chart.
- The stock has now approached a key support level on the multi-timeframe chart from a mid-term perspective. Hence, a bottom-fishing strategy can be utilized to accumulate the stock for a price target of around Rs. 5,800.

Price Chart



Disclaimer & Disclosure

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