

Aditya Birla Fashion and Retail

CMP: INR84

TP: INR90 (+7%)

Neutral

Estimate changes

TP change

Rating change



Bloomberg	ABFRL IN
Equity Shares (m)	1220
M.Cap.(INRb)/(USDb)	102.7 / 1.2
52-Week Range (INR)	119 / 71
1, 6, 12 Rel. Per (%)	-7/-15/-30
12M Avg Val (INR M)	955

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	81.0	95.4	108.1
EBITDA	6.9	8.4	11.9
Adj. PAT	(6.3)	(6.8)	(5.6)
EBITDA Margin (%)	8.5	8.8	11.0
Adj. EPS (INR)	(5.1)	(5.6)	(4.6)
BV/Sh. (INR)	60.9	54.2	48.7

Ratios

Net D:E	0.2	0.3	0.3
RoE (%)	(9.7)	(11.6)	(10.7)
RoCE (%)	(2.8)	(3.2)	(2.1)

Valuations

P/E (x)	(16.4)	(15.1)	(18.3)
EV/EBITDA (x)	18.5	15.7	11.2
EV/Sales (x)	1.6	1.4	1.2
Div. Yield (%)	81.0	95.4	108.1

Shareholding pattern (%)

As On	Sep-25	Jun-25	Sep-24
Promoter	46.6	46.6	49.3
DII	8.1	12.1	14.8
FII	19.0	18.0	20.1
Others	26.3	23.3	15.9

FII Includes depository receipts

High A&P spends weigh on margins; sustained revival in Pantaloons key to re-rating

- Aditya Birla Fashion and Retail (ABFRL) reported a weak 2Q as higher A&P spends (up 200bp YoY) and losses in TMRW led to a 14% decline in reported EBITDA (37% miss). Pre-Ind AS EBITDA for 1HFY26 declined ~12% YoY.
- Pantaloons delivered 7% LFL growth, driven by the boost from early festive, revamped retail identity and growth in OWND (+43% YoY, on a low base). However, EBITDA margin declined 120bp YoY due to higher A&P spends and continued losses in OWND.
- Ethnic portfolio revenue grew 11% YoY (19% LTL growth in TCNS), with margin expanding 280bp YoY, driven by improved profitability in TCNS. Management expects strong growth and profitability in the Ethnic segment in 2HFY26, driven by wedding demand.
- TMRW grew 27% YoY, but losses remained elevated as the company invested in marketing and ramp-up of offline presence.
- Margin expansion in Pantaloons with the refreshed brand identity, loss reduction in TCNS, and scale-up of TASVA/OWND remain key long-term triggers for ABFRL. However, high marketing spends and investments in TASVA/OWND could drag near-term profitability.
- We cut our FY26-28E EBITDA by 6-11% due to the adverse impact of continued higher marketing spends across segments. We build in a CAGR of 13%/21% in revenue/EBITDA over FY25-28E, though we expect ABFRL to remain in losses over FY25-28E.
- We value ABFRL on SoTP basis. We assign EV/EBITDA multiples of 10x/13x to Pantaloons (inc. OWND!) and designer-led ethnic portfolio. We ascribe EV/sales multiples of 1x/0.9x/1.5x to ABFRL's premium ethnic/TMRW/Luxury Retail portfolio to arrive at our **revised TP of INR90. Reiterate Neutral rating.**

Weak 2Q; margins hurt by higher marketing spends

- Revenue grew **13% YoY** to INR19.8b (**in line**), driven by strong growth in Ethnic (up 11% YoY), Luxury retail (+13% YoY) and TMRW (up 27% YoY).
 - Pantaloons segment grew 6% YoY, aided by strong 7% LFL growth, while Ownd (erstwhile Style up) revenue rose 43% YoY.
 - E-commerce sales grew 20% YoY, with share of digital business in ABFRL's mix crossing 15% in 2Q.
- Gross profit grew 21% YoY to INR11.5b (8% ahead) as **gross margin expanded ~395bp YoY** to 57.9% (~390bp beat).
- Despite better gross margins, a sharp increase in rentals (up 25% YoY) and other expenses (up 30% YoY) adversely impacted the operating profitability.
- EBITDA at ~INR688m (**37% below**) **declined 14% YoY** as EBITDA margin contracted to 3.5% (vs. 4.6% YoY and our est. of 5.6%).

- Pantaloon EBITDA margin declined ~120bp YoY to ~13.7%, due to OWND losses and higher ad spends.
- Ethnic profitability improved ~280bp YoY, driven by improvement in TCNS profitability, though the segment continued to report operating loss.
- TMRW's operating losses grew to INR620m (vs. INR380m YoY, INR630m QoQ).
- Other segments (including Luxury retail) saw sharp margin contraction, which was a major reason for the miss on our estimates.
- Higher A&P spends across ABFRL portfolio impacted profitability by ~200bp.
- Adjusted losses after tax inched up ~6% YoY to ~INR2.95b (vs. ~INR2.8b loss YoY) as lower EBITDA and higher depreciation (up 14% YoY) were offset by increase in other income (up 75% YoY) and lower finance costs (down 12% YoY).
- For 1HFY26, revenue/EBITDA grew by 11%/6%.
- Pre-IND AS operating losses stood at INR3.4b (vs. INR3.9b loss YoY), with margins improving 235bp YoY to -9%.
- Pre-INDAS OCF outflow for 1HFY26 stood at INR7.2b (vs. INR4.9b in 1HFY25), though not strictly comparable as 1HFY25 included ABLBL's cash flows. 1HFY26 FCF outflow stood at INR9.8b.
- Gross borrowings (excluding leases) rose 19% YoY to INR17.2b, while net cash stood at INR4.3b (down from INR9.3b as of Mar'25).
- During 1HFY26, revenue/EBITDA increased by 11%/6%, while losses widened by 49%. For 2H, we estimate revenue/EBITDA growth of 9%/1%.

Key highlights from the management interaction

- **Demand:** The early onset of the Pujo boosted footfalls and conversions, leading to healthy LFL growth across segments. However, heavy monsoons in the East dampened festive momentum.
- **Margins** softened due to a 200bp YoY rise in A&P as the company stepped up brand-building initiatives, especially in Pantaloon. Pantaloon's network-level margins improved ~180bp YoY, though reported margins were hurt by higher marketing spends and losses in OWND.
- **Pantaloon:** ABFRL is refreshing the brand identity in Pantaloon with improved product assortment, enhanced retail experience and reduced inventory in stores. ABFRL plans to open 15 new Pantaloon stores in a revamped format annually (8 closures, 6 openings in 1HFY26) and renovate 8-15 stores annually. ABFRL aims to improve gross margins to over 50% (vs. ~50% currently), raise private label share to 70-75% (from mid-60s), and achieve 25% store-level profitability (15-17% segment level).
- **Capital:** Cash reduced to INR16b (down by INR6b in 1HFY26) due to inventory build-up ahead of the festive and wedding periods. Capex stood at INR2.6b; with plans to spend INR1.0-1.25b in 2H, for scaling up Ownd and Tasva. Management indicated that typically profitability and cash conversion improve in 2H.

Valuation and view

- ABFRL (demerged) provides a diversified play across several high-growth segments in apparel retail. However, over the last few years, ABFRL's profitability and valuations have been hurt by investments in several new business, which are currently in build-out phase and are loss-making.
- Margin expansion in Pantaloon with the refreshed brand identity, loss reduction in TCNS, and scale-up of TASVA/OWND remain key long-term triggers

for ABFRL. However, higher marketing spends and investments in TASVA/OWND could drag down near-term profitability.

- We cut our FY26-28E EBITDA by 6-11%, due to the adverse impact of continued higher marketing spends across segments. We build in a CAGR of 13%/21% in revenue/EBITDA over FY25-28E, though we expect ABFRL to continue to report losses over FY25-28E.
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Consolidated - Quarterly Earnings summary

(INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			2QE	Var (%)
Revenue	16,742	17,605	22,005	17,195	18,315	19,817	24,169	18,724	73,547	81,024	19,619	1.0
YoY Change (%)				9.2	9.4	12.6	9.8	8.9	14.2	10.2		
Total Expenditure	15,847	16,802	18,989	15,146	17,198	19,129	21,059	16,720	66,783	74,105	18,524	3.3
EBITDA	896	803	3,017	2,049	1,117	688	3,110	2,004	6,764	6,919	1,095	-37.2
Change, YoY (%)				486.6	24.7	-14.3	3.1	-2.2	82.8	2.3	-84.2	
Depreciation	2,736	2,862	3,007	3,016	3,156	3,252	3,284	3,163	11,664	12,855	3,188	
Interest	1,321	1,412	1,507	1,434	1,134	1,242	1,261	1,061	5,674	4,698	1,038	
Other Income	337	312	349	959	635	545	671	397	1,957	2,249	411	
PBT before EO expense	-2,824	-3,159	-1,148	-1,442	-2,538	-3,260	-765	-1,823	-8,616	-8,386	-2,720	19.9
Extra-Ord expense	0	1,612	0	0	0	0	0	-1	1,612	0	0	
Share in JV	-3	-32	-89	-54	-58	-70	0	128	-179			
PBT	-2,827	-1,580	-1,238	-1,496	-2,595	-3,331	-765	-1,696	-7,184	-8,386	-2,720	22.5
Tax	-449	-418	-178	113	-258	-380	-193	-1,281	-942	-2,111	-685	
Rate (%)	15.9	26.4	14.4	-7.6	9.9	11.4	25.2	75.5	13.1	25.2	25.2	
Reported PAT	-2,379	-1,162	-1,059	-1,609	-2,337	-2,951	-572	-416	-6,242	-6,275	-2,034	45.1
Adj PAT	-2,379	-2,774	-1,059	-1,609	-2,337	-2,951	-572	-416	-7,853	-6,275	-2,034	45.1
YoY Change (%)									-14.6	-20.1		

E: MOFSL Estimates

Exhibit 1: Valuation: We ascribe a TP of INR90/share to ABFRL

Dec'27	Revenue (INR b)	EBITDA (INR b)	EV/sales (x)	EV/EBITDA (x)	Valuation (INR b)	INR/share
Pantaloon and OWND!		8.9	-	10.0	89	73
Ethnics		3.7		9.6	36	29
Designer (attributable)		3.2	-	13.0	21	17
Premium (attributable)	15.7	-	1.0	-	15	12
TMRW (attributable)	14.9	-	0.9	-	13	10
Luxury	8.5	-	1.5	-	13	11
EV (INR b)					150	123
Net debt / (cash)					40	33
Equity Value					110	90
Nos of shares (in mn)					1,220	
Target Price (INR)					90	

Segment-wise result summary

Pantaloon and OWND (Style Up)

- Revenue grew by 6% YoY (in line) as strong LFL growth of 7% and 43% YoY growth in OWND was offset by 30+ Pantaloon store closures in last 18 months.
- a. Store count declined to 403 store (vs. 405/417 QoQ/YoY), with area of 5.75msqft (-2% YoY, flat QoQ).
- b. OWND (Style Up) revenue grew 43% YoY (vs. 36% YoY in 1Q), led by store additions (10 net stores added during 2Q), bringing the total count to 59 stores (with target of reaching 95 stores by FY26-end).
- **EBITDA** at INR1.6b (3% below) declined 3% YoY with margins contracting ~120bp YoY to 13.7%, due to OWND losses and increased ad spends.

Ethnic

- Revenue grew 11% YoY (4% ahead), as early festive benefits were offset by fewer wedding days in 2Q. Excluding TCNS, growth stood at 34% YoY.
- a. Sabyasachi posted another quarter of INR1b+ revenue, with 60% YoY growth and improving profitability.
- b. Masaba sales grew in double digits, with the beauty brand Love Child reaching ~100 touchpoints.
- c. Tarun Tahiliani revenue grew ~15% YoY with strong double-digit LFL.
- d. Tasva revenue grew 58% YoY, led by 38% LTL (vs. 39% LTL in 1Q) and ~18% YoY store additions to reach 78 stores (added 8 net stores in 2Q and looking to accelerate with 30+ openings in 2H).
- e. TCNS portfolio posted a strong LFL growth of 19%, with margins improving by ~900bp. Jaypore posted 20% growth.
- Segment's profitability improved, driven by improved performance in TCNS. However, operating loss stood at INR10m (vs. loss of 140m YoY), though weaker than our estimates.

TMRW

- Revenue grew 27% YoY to ~INR2.2b (6% miss), with ARR including Wrogn at INR1.05b.
- However, operating losses jumped ~63% YoY to INR620m (though stable QoQ).
- TMRW added 4 new stores in 2Q (10 including Wrogn) and is now available at 29 EBOs (75+ including Wrogn).

Others (Luxury Retail)

- Luxury Retail (TCMB) reported 13% YoY revenue growth, driven by mid-single digit LTL and 20% YoY growth in E-commerce.
- Other segment (primarily Luxury retail and treasury investments) reported ~13% YoY decline in operating profits to INR350m (34% miss), with margins contracting ~730bp to 24.5%.

Exhibit 2: Consolidated performance

ABFRL (INR m)	2QFY25	1QFY26	2QFY26	YoY%	QoQ%	2QFY26E	vs. est
Revenue	17,605	18,315	19,817	12.6	8.2	19,619	1.0
Raw Material cost	8,109	7,812	8,347	2.9	6.8	9,025	-7.5
Gross Profit	9,496	10,502	11,470	20.8	9.2	10,594	8.3
Gross margin (%)	53.9	57.3	57.9	394bps	54bps	54.0	388bps
Employee Costs	2,901	3,031	3,305	13.9	9.0	3,041	8.7
Rent	498	557	620	24.5	11.3	559	10.9
SGA Expenses	5,294	5,797	6,857	29.5	18.3	5,899	16.2
Total	8,693	9,386	10,782	24.0	14.9	9,499	13.5
EBITDA	803	1,117	688	-14.3	-38.4	1,095	-37.2
EBITDA margin (%)	4.6	6.1	3.5	-109bps	-262bps	5.6	-211bps
Depreciation and amortization	2,862	3,156	3,252	13.6	3.0	3,188	2.0
EBIT	-2,059	-2,039	-2,564	24.5	25.7	-2,093	22.5
EBIT margin (%)	-11.7	-11.1	-12.9	-124bps	-180bps	-10.7	-227bps
Finance Costs	1,412	1,134	1,242	-12.1	9.6	1,038	19.7
Other income	312	635	545	74.9	-14.2	411	32.8
Exceptional item	1612	-	-			-	
Profit before Tax	-3,159	-2,538	-3,260	-3.2	-28.5	-2,720	-19.9
Tax	-418	-258	-380	-9.1		-685	-44.6
Tax rate (%)	13.2	10.2	11.6			25.2	
Share in JV	-32.3	-57.5	-70.3				
Profit after Tax	-1,162	-2,337	-2,951	-153.9	-26.3	-2,034	-45.1

Exhibit 3: Segment wise performance

Segments	2QFY25	1QFY26	2QFY26	YoY%	QoQ%	2QFY26E	vs. est
Pantaloon							
Revenue	10,822	10,940	11,417	5.5	4.4	11,374	0.4
EBITDA	1,620	1,870	1,570	-3.1	-16.0	1,621	-3.1
% Margin	15.0	17.1	13.8	-122bps	-334bps	14.3	-50bps
Ethnic							
Revenue	4,540	4,360	5,050	11.2	15.8	4,858	4.0
EBITDA	-140	20	-10	92.9	150.0	24	nm
% Margin	-3.1	0.5	-0.2	289bps	-66bps	0.5	-70bps
TMRW							
Revenue	1,750	1,970	2,220	26.9	12.7	2,363	-6.0
EBITDA	-380	-630	-620	-63.2	1.6	-638	2.8
% Margin	-21.7	-32.0	-27.9	-621bps	405bps	-27.0	-93bps
Others (Luxury Retail)							
Revenue	1,260	1,210	1,430	13.5	18.2	1,323	8.1
EBITDA	400	550	350	-12.5	-36.4	529	-33.9
% Margin	31.7	45.5	24.5	-727bps	-2098bps	40.0	-1552bps

Source: MOFSL, Company

Detailed takeaways from earnings call

- **Demand:** The early onset of the Pujo boosted footfalls and conversions, leading to healthy LFL growth across segments. However, heavy monsoons in the East dampened festive momentum.
- **Margins** softened due to a 200bp YoY rise in A&P as the company stepped up brand-building initiatives, especially in Pantaloons. Pantaloons' network-level margins improved ~180bp YoY, though reported margins were hurt by higher marketing spends and losses in OWND.
- **Pantaloons:** Delivered 7% LFL growth and 6% revenue growth, supported by strong early festive demand. Rain-related store closures in Assam and parts of East India impacted performance.
- **Targets for Pantaloons:** ABFRL is refreshing the brand identity in Pantaloons with improved product assortment, enhanced retail experience and reduced inventory in stores. ABFRL plans to open 15 new Pantaloons stores in a revamped format annually (8 closures, 6 openings in 1HFY26) and renovate 8-15 stores annually. It aims to improve gross margins to over 50% (vs. ~50% currently), raise private label share to 70-75% (from mid-60s), and achieve 25% store-level profitability (15-17% segment level).
- **Capital:** Cash reduced to INR16b (down by INR6b in 1HFY26) due to inventory build-up ahead of the festive and wedding period. Capex stood at INR2.6b; with plans to spend INR1.0-1.25b in 2H, for scaling up Ownd and Tasva. Management indicated that typically profitability and cash conversion improve in 2H.
- **Ethnic Portfolio:** Reported 11% YoY revenue growth, with 20%+ LFL and 200bp EBITDA margin expansion, led by strong execution and improvement in TCNS. Excluding TCNS, the ethnic portfolio grew 34% YoY, reinforcing its leadership from premium to luxury wedding wear.
- **Tasva:** Continued rapid scale-up with 58% YoY revenue growth, 38% LFL, and a network of 78 stores, with a goal to cross 100+ stores by FY26-end.
- **TCNS:** Posted 19% LFL growth and a sharp 900bp margin expansion, driven by improved product strength and better retail execution. While still marginally loss-making, its annual revenue run rate has reached INR10bn. Management expects TCNS to turn profitable and become a key growth engine next year.
- **Ownd:** Gen Z-focused value retail brand delivered 43% YoY revenue growth and expanded to 59 stores, with 30+ more planned in 2H. Growth is being driven by sharper Gen Z positioning, distinctive store designs, and bold investments to differentiate in a competitive value retail landscape.
- **TMRW** posted 27% YoY growth but saw higher losses from elevated marketing and accelerated offline scale-up. Some brands that did not show adequate revenue growth and had the potential received higher marketing investments, which impacted profitability. The revenue-to-advertisement ratio is quite high for few brands.
- **Luxury Portfolio:** The 90k sq. ft. Galeries Lafayette flagship in Mumbai is set to launch in Nov'25. Costs related to pre-opening impacted margins. In contrast, The Collective and its mono brands remain steady performers, delivering 13% YoY growth with double-digit L2L, strong margins, and a 46-store network after adding two stores this quarter.

Key Assumptions	FY24	FY25	FY26E	FY27E	FY28E
Pantaloon					
Stores	417	405	400	405	415
Net Additions	-14	-12	-5	5	10
Area ('000 sq.ft)	5,722	5,713	5,766	5,853	6,003
Revenue/sq.ft	7,566	7,648	7,798	8,403	9,071
Revenue (INR m)	43,283	43,727	44,757	48,815	53,776
EBITDA (INR m)	5,610	7,410	7,282	8,002	9,180
EBITDA margin (%)	13.0	16.9	16.3	16.4	17.1
Ethnic					
Revenue (INR m)	13,110	19,560	22,856	26,826	30,613
EBITDA (INR m)	130	1,020	1,953	2,908	3,997
EBITDA margin (%)	1.0	5.2	8.5	10.8	13.1
TMRW					
Revenue (INR m)	4,210	6,510	8,215	13,032	15,579
EBITDA (INR m)	-1,720	-1,840	-2,341	-3,584	-3,895
EBITDA margin (%)	(40.9)	(28.3)	(28.5)	(27.5)	(25.0)
Luxury Retail					
Revenue (INR m)	4,580	5,170	5,946	7,432	8,918
EBITDA (INR m)	1,510	1,420	1,784	2,230	3,121
EBITDA margin (%)	33.0	27.5	30.0	30.0	35.0

Est Changes

ABFRL	FY26E	FY27E	FY28E
Revenue (INR m)			
Old	84,801	97,000	110,799
Actual/New	81,024	95,365	108,085
Change (%)	-4.5	-1.7	-2.4
EBITDA (INR m)			
Old	7,403	9,496	12,672
Actual/New	6,919	8,414	11,888
Change (%)	-6.5	-11.4	-6.2
EBITDA margin* (%)			
Old	8.7	9.8	11.4
Actual/New	8.5	8.8	11.0
Change (bp)	-19	-97	-44
Pantaloon and OWND!			
Revenue (INR m)			
Old	45,780	50,422	56,577
Actual/New	44,757	48,815	53,776
Change (%)	-2.2	-3.2	-5.0
EBITDA (INR m)			
Old	7,612	8,428	9,741
Actual/New	7,282	8,002	9,180
Change (%)	-4.3	-5.1	-5.8
EBITDA margin (%)			
Old	16.6	16.7	17.2
Actual/New	16.3	16.4	17.1
Change (bp)	-36	-32	-15
Ethnic			
Revenue (INR m)			
Old	23,111	26,853	30,526
Actual/New	22,856	26,826	30,613
Change (%)	-1.1	-0.1	0.3
EBITDA (INR m)			
Old	1,764	2,791	3,950
Actual/New	1,953	2,908	3,997
Change (%)	10.8	4.2	1.2
EBITDA margin (%)			
Old	7.6	10.4	12.9
Actual/New	8.5	10.8	13.1
Change (bp)	91	44	11

Story in charts

Exhibit 4: Revenue grew 13% YoY

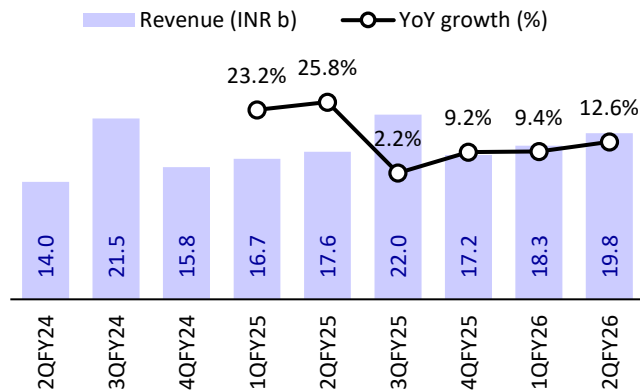


Exhibit 5: EBITDA margins declined ~110 bp YoY

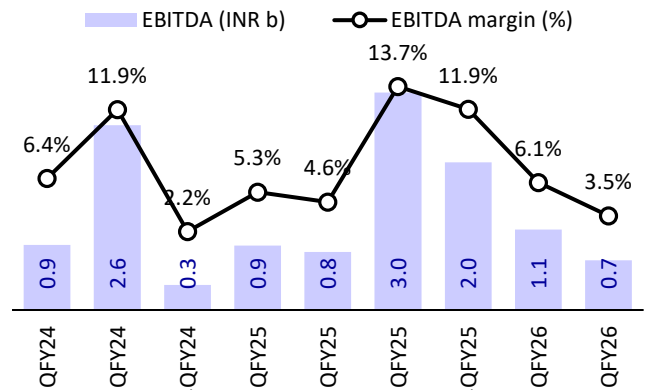


Exhibit 6: Pantaloon delivered ~6% growth YoY, though margins contracted ~120bp YoY

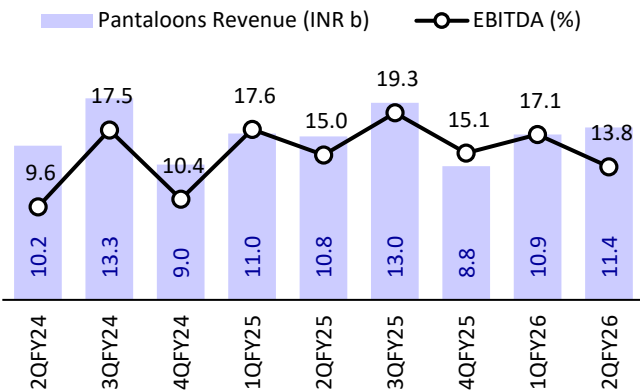


Exhibit 7: Ethnics delivered 11% YoY revenue growth with improved profitability

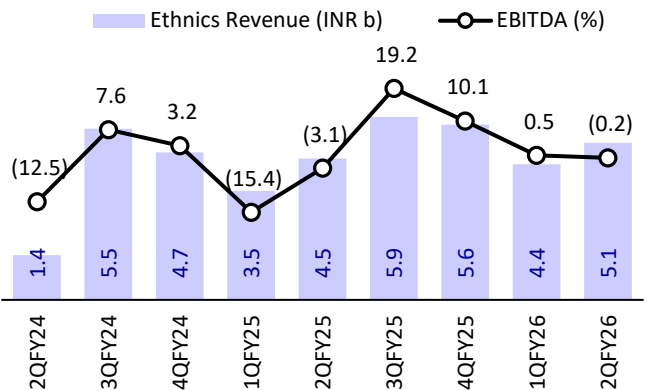
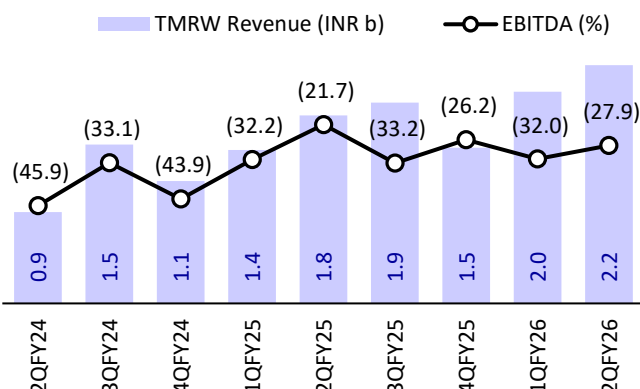
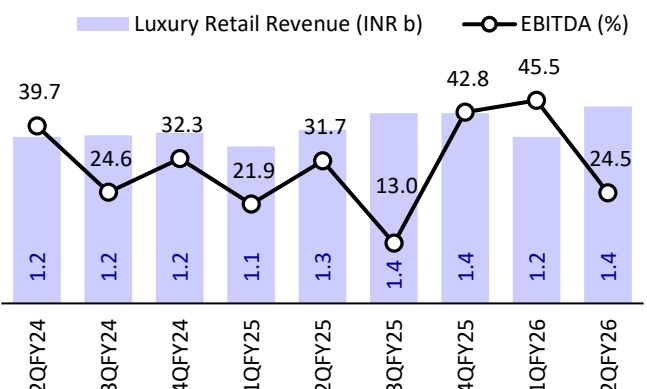


Exhibit 8: TMRW losses remained elevated



Source: Company, MOFSL

Exhibit 9: Luxury Retail delivered ~14% growth YoY though margins remain volatile



Source: Company, MOFSL

Exhibit 10: Expect 14% revenue CAGR over FY25-28

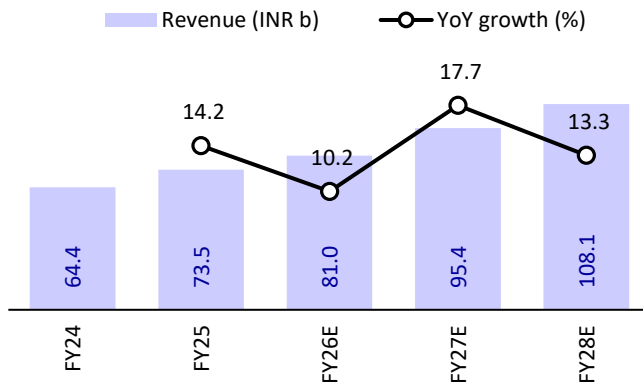


Exhibit 11: Expect ~15% Gross profit CAGR over FY25-28

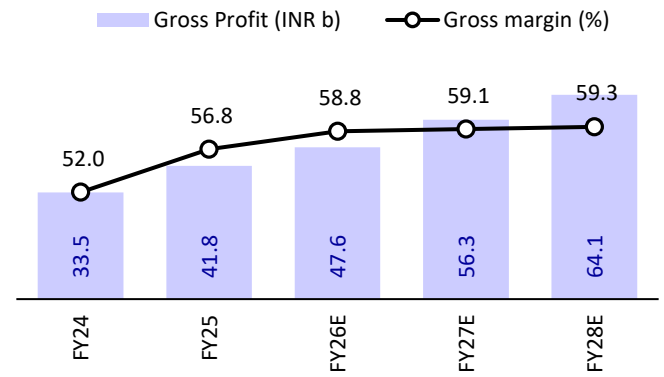


Exhibit 12: Expect ~21% EBITDA CAGR over FY25-28

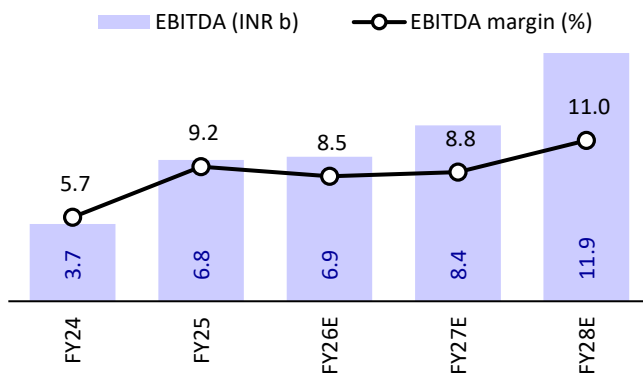
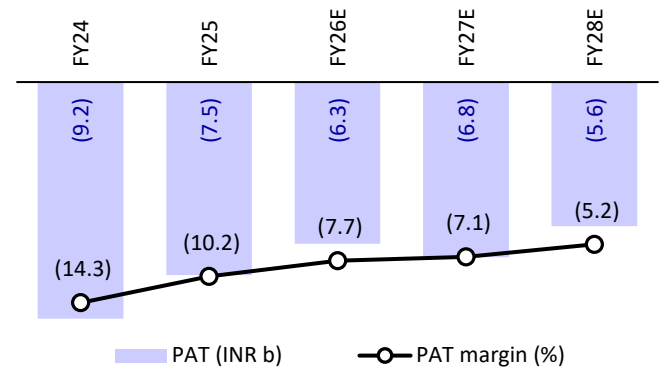


Exhibit 13: Net Loss to narrow over FY25-28E



Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	52,489	81,362	124,179	64,415	73,547	81,024	95,365	108,085
Change (%)	-40.3	55.0	52.6	-48.1	14.2	10.2	17.7	13.3
Raw Materials	25,630	37,202	55,520	30,936	31,771	33,380	39,050	43,988
Employees Cost	8,654	11,585	15,634	10,061	11,422	12,964	14,782	16,645
Rent	107	3,932	8,970	2,312	2,052	2,269	2,575	2,864
Other Expenses	12,552	17,644	29,120	17,406	21,539	25,493	30,545	32,700
Total Expenditure	46,942	70,363	109,243	60,715	66,783	74,105	86,951	96,197
% of Sales	89.4	86.5	88.0	94.3	90.8	91.5	91.2	89.0
EBITDA	5,547	10,999	14,936	3,700	6,764	6,919	8,414	11,888
Margin (%)	10.6	13.5	12.0	5.7	9.2	8.5	8.8	11.0
Depreciation	9,628	9,970	12,270	10,169	11,664	12,855	14,133	15,399
EBIT	-4,080	1,029	2,666	-6,469	-4,900	-5,936	-5,719	-3,511
Int. and Finance Charges	5,026	3,507	4,724	5,517	5,674	4,698	4,943	4,881
Other Income	734	1,006	1,165	1,377	1,957	2,249	1,581	915
PBT bef. EO Exp.	-8,372	-1,473	-893	-10,608	-8,616	-8,386	-9,082	-7,477
EO Items/Share of Associates	0	0	0	128	1,433	0	0	0
PBT after EO Exp.	-8,372	-1,473	-893	-10,481	-7,184	-8,386	-9,082	-7,477
Total Tax	-1,015	-266	-230	-1,411	-942	-2,111	-2,286	-1,882
Tax Rate (%)	12.1	18.0	25.7	13.5	13.1	25.2	25.2	25.2
Reported PAT	-7,357	-1,207	-663	-9,070	-6,242	-6,275	-6,796	-5,595
Adjusted PAT	-7,357	-1,207	-663	-9,181	-7,487	-6,275	-6,796	-5,595
Change (%)	2,136.8	-83.6	-45.1	1,284.5	-18.5	-16.2	8.3	-17.7
Margin (%)	-14.0	-1.5	-0.5	-14.3	-10.2	-7.7	-7.1	-5.2

Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	9,151	9,383	9,488	10,150	12,203	12,203	12,203	12,203
Total Reserves	17,287	18,350	23,945	17,887	55,919	49,644	42,848	37,253
Net Worth	26,763	27,885	33,460	34,909	68,133	61,858	55,062	49,467
Total Loans	18,384	22,080	40,594	38,278	29,747	30,291	30,449	30,811
Lease Liability	24,634	28,681	42,678	33,419	35,782	36,658	37,560	38,167
Deferred Tax Liabilities	-3,339	-3,805	-4,085	1,565	1,543	1,543	1,543	1,543
Capital Employed	66,441	74,841	112,647	108,171	135,206	130,351	124,615	119,988
Net Fixed Assets	5,747	6,312	10,091	8,334	8,360	9,345	8,087	6,496
Capital WIP	376	1,026	1,457	1,143	1,810	1,810	1,810	1,810
Total Investments	4,843	5,317	9,613	5,944	7,382	10,382	12,382	13,882
Curr. Assets, Loans&Adv.	39,026	53,345	71,701	42,501	60,610	57,124	56,022	56,434
Inventory	18,470	29,296	42,144	23,040	24,544	26,638	30,700	34,054
Account Receivables	7,305	7,564	8,864	3,348	3,734	3,996	4,572	5,034
Cash and Bank Balance	2,618	1,205	7,011	3,299	7,731	4,813	566	800
Loans and Advances	10,634	15,280	13,682	12,814	24,601	21,677	20,184	16,545
Curr. Liability & Prov.	31,934	45,420	53,685	27,721	28,735	35,248	40,749	44,888
Account Payables	23,734	34,106	38,461	21,750	22,423	24,418	28,740	31,833
Other Current Liabilities	8,200	11,314	15,224	5,971	6,312	10,830	12,009	13,055
Provisions								
Net Current Assets	7,092	7,925	18,016	14,780	31,875	21,876	15,273	11,546
Appl. of Funds	66,441	74,841	112,643	108,171	135,205	130,351	124,615	119,988

Financials and valuations

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	-6.0	-1.0	-0.5	-7.5	-6.1	-5.1	-5.6	-4.6
Cash EPS	2.5	9.3	12.2	1.0	4.1	6.5	7.2	9.7
BV/Share	29.2	29.7	35.3	34.4	67.1	60.9	54.2	48.7
Valuation (x)								
P/E	-12.4	-75.8	-138.0	-11.2	-13.7	-16.4	-15.1	-18.3
Cash P/E	30.2	8.0	6.1	86.4	20.4	13.0	11.6	8.7
P/BV	2.6	2.5	2.1	2.4	1.3	1.4	1.6	1.7
EV/Sales	1.6	1.1	0.8	1.9	1.7	1.6	1.4	1.2
EV/EBITDA	15.2	8.3	7.0	32.5	18.4	18.5	15.7	11.2
FCF per share	9.8	6.7	-2.2	-24.1	-6.9	-6.0	-6.0	-3.2
Return Ratios (%)								
RoE	-39.1	-4.4	-2.2	-26.9	-14.5	-9.7	-11.6	-10.7
RoCE	-5.3	2.9	4.1	-4.6	-2.4	-2.8	-3.2	-2.1
RoIC	-7.3	1.6	3.3	-6.7	-4.5	-5.1	-5.1	-3.3
Working Capital Ratios								
Fixed Asset Turnover (x)	2.4	3.5	6.1	4.3	4.0	3.4	3.6	3.6
Asset Turnover (x)	0.8	1.1	1.1	0.6	0.5	0.6	0.8	0.9
Inventory (Days)	128	131	124	131	122	120	118	115
Debtor (Days)	51	34	26	19	19	18	18	17
Creditor (Days)	165	153	113	123	111	110	110	108
Leverage Ratio (x)								
Current Ratio	1.2	1.2	1.3	1.5	2.1	1.6	1.4	1.3
Interest Cover Ratio	-0.8	0.3	0.6	-1.2	-0.9	-1.3	-1.2	-0.7
Net Debt/Equity	0.4	0.6	0.7	0.8	0.2	0.2	0.3	0.3

Consolidated - Cash Flow

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-8,375	-1,449	-842	-8,289	-4,874	-8,386	-9,082	-7,477
Depreciation	9,628	9,970	12,270	16,552	18,074	12,855	14,133	15,399
Interest & Finance Charges	4,980	3,390	4,622	8,504	9,325	2,449	3,362	3,965
Direct Taxes Paid	-28	-164	25	-431	-359	2,111	2,286	1,882
(Inc)/Dec in WC	8,528	241	-9,118	-1,673	-2,781	4,227	-194	-121
CF from Operations	14,731	11,988	6,956	14,664	19,385	13,256	10,505	13,649
Others	-3,693	-2,483	-594	-1,250	-2,947	-	-	-
CF from Operating incl EO	11,038	9,505	6,362	13,414	16,439	13,256	10,505	13,649
(Inc)/Dec in FA	-2,101	-3,185	-8,465	-23,565	-8,682	-8,000	-5,000	-4,500
Lease Payments	0	0	-8,910	-14,289	-16,151	-12,590	-12,831	-13,079
Free Cash Flow	8,937	6,321	-2,103	-24,440	-8,394	-7,334	-7,326	-3,930
(Pur)/Sale of Investments	-6,475	-2,422	4,490	-6,615	-7,590	3,188	2,551	4,081
Others	24	92	102	263	155	2,249	1,581	915
CF from Investments	-8,552	-5,515	-12,782	-44,206	-32,268	-15,153	-13,699	-12,582
Issue of Shares	22,388	2,476	7,728	14,360	41,900	-	-	-
Inc/(Dec) in Debt	-16,547	960	9,763	17,873	-18,158	211	158	362
Interest Paid	-4,759	-3,097	-5,327	-3,828	-4,254	-1,232	-1,211	-1,195
CF from Fin. Activity	-2,692	-5,270	12,165	28,405	19,488	-1,021	-1,053	-833
Inc/Dec of Cash	-206	-1,279	5,745	-2,387	3,659	-2,918	-4,247	234
Opening Balance	2,217	2,011	732	7,011	4,072	7,731	4,813	566
Closing Balance	2,011	732	6,477	4,624	7,730	4,813	566	800

*- FY25-27E financials are for ABFRL (demerged) and not strictly comparable with FY20-24 financials

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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 dp@grievances@motilaloswal.com.