BUY Devyani International

SSG revival and merger synergies offer re-rating potential

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Retail ▸ Result Update ▸ **July 30, 2026** | **CMP (Rs): 118 | TP (Rs): 160**

We maintain BUY on DIL and TP of Rs160 (26x Jun-28E EBITDA). DIL outperformed expectations (38% EBITDA growth vs our estimate of ~26%), with high double-digit EBITDA growth across most formats. While macros remain volatile, momentum is being driven by the right strategy finally in place for the on-premise channel. KFC is now offering everyday value (Rs99 meal) for new recruitments and abundant value (BOGO on buckets) on select days, for driving repeat consumption. Interestingly, DIL is also piloting KFC's global initiatives around snacking (boneless), indulgent sauces, and beverages (KWENCH) which should aid a better connect with youth and drive incremental occasions. International momentum (includes Thailand) remains strong, with ~30% EBITDA growth in 1Q, and offers scope for further territory acquisition (Media Report Link). DIL saw muted store additions in 1Q, but reiterated its guidance of opening 110-120 KFC stores and 200-225 overall stores in FY27. Prolonged slowdown and lengthy merger timeline with SAPPHIRE have been a drag on DIL's stock performance, but improving growth profile and potential merger synergies are likely to drive significant rerating.

Topline growth healthy; strategic recalibration in KFC drive dine-in sales

Consol revenue growth was healthy at 16% yoy in 1Q (in-line), led by ~14%/21% growth in the India/international businesses. KFC India saw revenue growth of ~12% yoy, driven by sustained positive SSG (~3%). Encouragingly, momentum has continued in July, with the shift in Shravan month being favorable. Strategic recalibration of promotional offers in favor of the dine-in channel in KFC has led to increase in dine-in mix to 57% (vs 54% yoy; ~18% growth). KFC gross margin (GM) at 69.4% was up by ~230bps yoy, led by better channel mix, price hikes, and lower promotion spend. KFC brand margin rose by ~140bps yoy, as the GM gain was partly offset by higher utility cost (LPG shortage) and wage hikes. International business maintained strong momentum, with revenue up ~21% yoy and brand margin up by ~150bps yoy. Pizza Hut (PH) saw a sluggish growth trend (~2% yoy dip); focus remains on building a sustainable foundation for PH before ramp-up. Consol GM improved by ~90bps to ~69%, leading to ~110bps yoy gain in brand margin to 14.2%. Pre-IndAS EBITDAM expanded by ~150bps yoy to 9.6%, led by flow-through of brand margin and operating leverage on HO cost (down by ~40bps).

BBK turnaround on track; Dine-in and Express format pilots underway

BBK has seen a successful turnaround post-acquisition, reporting ~7% SSG in 1Q and positive brand contribution. DIL's opening 23 BBK Express stores (smaller format and low-capex model) has seen encouraging initial traction, particularly in food courts. DIL is also testing the brand as a dine-in format, which could emerge as a meaningful long-term growth lever as the Indian biryani market is estimated to be huge, at Rs300-400bn. DIL sees significant headroom for standardization and consolidation, and targets scaling up BBK to a Rs10bn brand (vs ~Rs2.5bn at the time of acquisition).

Target Price – 12M	Jun-27
Change in TP (%)	-
Current Reco.	BUY
Previous Reco.	BUY
Upside/(Downside) (%)	35.6

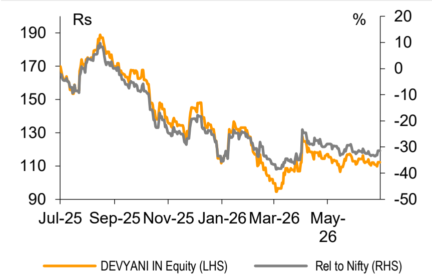
Stock Data	**DEVYANI IN**
52-week High (Rs)	191
52-week Low (Rs)	92
Shares outstanding (mn)	1,232.9
Market-cap (Rs bn)	146
Market-cap (USD mn)	1,526
Net-debt, FY27E (Rs mn)	6,068.4
ADTV-3M (mn shares)	4.4
ADTV-3M (Rs mn)	441.4
ADTV-3M (USD mn)	4.6
Free float (%)	33.0
Nifty-50	24,250.2
INR/USD	95.6

Shareholding,Jun-26	
Promoters (%)	61.4
FPIs/MFs (%)	6.8/18.9

Price Performance

(%)	1M	3M	12M
Absolute	6.6	(7.2)	(29.1)
Rel. to Nifty	5.3	(7.5)	(27.4)

1-Year share price trend (Rs)



Devyani International: Financial Snapshot (Consolidated)

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	49,511	56,115	63,770	71,805	80,708
EBITDA	8,333	8,656	10,164	12,180	14,000
Adj. PAT	95	(166)	266	1,245	2,027
Adj. EPS (Rs)	0.1	(0.1)	0.2	1.0	1.6
EBITDA margin (%)	16.8	15.4	15.9	17.0	17.3
EBITDA growth (%)	27.7	3.9	17.4	19.8	14.9
Adj. EPS growth (%)	(93.7)	0	0	368.0	62.8
RoE (%)	0.9	(1.3)	1.7	7.6	11.3
RoIC (%)	(4.8)	3.9	6.3	9.9	13.0
P/E (x)	1,560.4	(377.8)	548.5	117.2	72.0
EV/EBITDA (x)	18.0	17.9	15.2	12.7	11.0
P/B (x)	13.0	9.5	9.3	8.6	7.7
FCFF yield (%)	2.1	(1.2)	4.4	5.0	5.6

Source: Company, Emkay Research

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Earnings call KTAs

Key priorities of the new leadership team

- A new leadership team is in place at DIL. The turnaround strategy at DIL has started showing results and the company is confident of gaining momentum as the team settles into their respective roles.
- Opening new stores per the guidance, maintaining positive SSSG for the brand portfolio, and improving efficiency and margin structure by way of tech adoption and cost control building an excellent team and organizational structure, and being ready for the merged entity are the key priorities of the new team.

KFC and PH

- The company witnessed food commodity inflation, hike in minimum wages, and annual increments; therefore, to mitigate any impact, it took some price hikes in KFC and PH.
- Marketing spends in KFC were rebalanced toward driving visits in the dine-in channel (vs deep discounting in the online channel).
- ADS is the key driver for improving brand contribution in KFC. ADS crossing Rs105-110k will lead to the company crossing 20% brand contribution (BC) margin. Also, increased focus on the dine-in channel and technology enhancements could have a positive effect on margins going forward.
- The company targets delivering 5-6% SSG for KFC. For PH, the company continues to churn new products/innovative ideas, with increased focus expected post-merger.
- For KFC, the company targets increasing the dine-in channel mix to 59-60% in the near term, and does not foresee any material shift in the channel mix as consumers continue to favor delivery in certain regions.
- While the delivery business was generating incremental sales earlier, as the delivery mix was lower, it is now eroding dine-in sales; hence, the company is making efforts to attract more consumers to the dine-in channel.
- The macro environment seems tough owing to oil prices, rupee-dollar equation, LPG availability, etc; hence, for better guidance than the 5-6% SSG in KFC now, the macro situation needs to be more stable.
- PH as a brand remains attractive and has maintained its #2 position. Multiple brands had entered the category but were unable to materially scale up. The challenge for PH was mainly owing to the structural strategy, per which three entities were involved in decision-making in terms of initiatives, innovations, etc; this will be resolved post-merger.
- Three global initiatives taken in KFC and which can potentially make their way to the domestic market are 1) Kwench (beverages), 2) new range of sauces, and 3) boneless snacking menu. The company has already made good progress in bringing Kwench to India, and will soon start experimenting with the product line in the market.

Others

- The company's merger with Sapphire is on expected timelines, and DIL expects completion by the end of FY27.
- The company aims to complete tech-related changes before completion of the merger.
- The company has strategized to build only the key core team in-house (vs a completely new tech team); it will outsource the entire module it has built to Cognizant Technologies which will lead to faster roll-out.
- Integration of tech systems between Devyani and Sapphire is not a huge challenge.

Story in charts

Exhibit 1: Key metrics – Performance over the past few quarters

Key metrics	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27
KFC India								
Number of stores	**645**	**689**	**696**	**704**	**734**	**788**	**783**	**794**
SSG (%)	**-7**	**-4**	**-6**	**-1**	**-4**	**-3**	**5**	**3**
ADS (Rs)	**96,000**	**96,000**	**83,000**	**98,000**	**89,000**	**90,000**	**84,000**	**98,000**
Revenue (Rs mn)	5,434	5,698	5,109	6,126	5,723	6,032	5,855	6,842
Gross margin (%)	69.0	68.6	68.3	67.1	68.1	69.8	69.5	69.4
Brand contribution margin (%)	16.6	17.2	16.2	15.5	14.1	16.8	17.0	16.9
PH India								
Number of stores	**593**	**644**	**630**	**618**	**621**	**639**	**639**	**626**
SSG (%)	**-6**	**-1**	**1**	**-4**	**-4**	**-9**	**-4**	**-2**
ADS (Rs)	**35,000**	**35,000**	**31,000**	**33,000**	**33,000**	**31,000**	**30,000**	**32,000**
Revenue (Rs mn)	1,848	1,902	1,754	1,873	1,860	1,781	1,692	1,843
Gross margin (%)	76.7	76.2	75.6	74.7	74.7	76.0	76.3	76.3
Brand contribution margin (%)	**3.1**	**2.1**	**0.7**	**-1.1**	**-0.2**	**0.8**	**-1.4**	**-2.0**
Costa Coffee/Other franchise brands								
Number of stores	**207**	**209**	**220**	**222**	**224**	**203**	**198**	**197**
SSG (%)	**9**	**5**	**4**	**5**	**NA**	**NA**	**2**	**10**
ADS (Rs)	**27,000**	**26,000**	**27,000**	**26,000**	**24,000**	**27,000**	**28,000**	**29,000**
Revenue (Rs mn)	490	517	523	519	514	563	537	549
Gross margin (%)	75.1	75.4	76.1	75.1	73.5	75.7	74.9	74.5
Brand contribution margin (%)	**14.5**	**16.8**	**17.6**	**12.9**	**10.5**	**15.6**	**16.0**	**15.1**
India – Others (including Vaango/Biryani By Kilo)								
Revenue (Rs mn)	**502**	**509**	**531**	**549**	**723**	**1,194**	**1,321**	**1,282**
Brand contribution margin (%)	**8.6**	**-0.2**	**5.3**	**10.6**	**8.2**	**0.5**	**6.0**	**5.9**
International (Nepal, Nigeria, Thailand)								
Revenue (Rs mn)	3,940	4,296	4,191	4,329	4,477	4,712	5,003	5,199
Brand contribution margin (%)	**16.0**	**16.6**	**16.2**	**16.7**	**16.7**	**17.2**	**17.8**	**18.3**
Devyani – Consolidated								
Number of stores	**1,921**	**2,032**	**2,039**	**2,145**	**2,184**	**2,271**	**2,256**	**2,255**
Store additions (no of)	**85**	**111**	**7**	**106**	**39**	**87**	**-15**	**-1**
Revenue (Rs mn)	12,221	12,944	12,126	13,570	13,768	14,409	14,369	15,805
Gross margin (%)	**69.3**	**68.7**	**68.5**	**68.2**	**67.8**	**68.9**	**68.8**	**69.1**
Brand contribution margin (%)	**13.6**	**14.3**	**13.8**	**13.1**	**11.7**	**13.9**	**14.1**	**14.2**
Overhead opex/revenue (%)	4.2	4.2	4.9	5.0	4.9	5.3	5.5	4.6
Consolidated EBITDA (Rs mn)	1,143	1,306	1,081	1,095	934	1,240	1,230	1,511
EBITDA margin (%)	**9.4**	**10.1**	**8.9**	**8.1**	**6.8**	**8.6**	**8.6**	**9.6**

Source: Company, Emkay Research

Exhibit 2: Actual vs Emkay estimates by segment (1QFY27)

(Rs mn)	Revenue		Brand EBITDA		Variance	
Brand	**Actual**	**Estimate**	**Actual**	**Estimate**	**Revenue**	**EBITDA**
KFC	6,842	7,011	1,154	1,225	-2.4%	-5.8%
Pizza Hut	1,843	1,860	-36	-27	-0.9%	NA
Costa Coffee/Other franchise brands	549	534	83	85	2.8%	-2.9%
Own brands – India	1,372	1,304	93	78	5.3%	18.9%
International	5,199	4,970	949	845	4.6%	12.3%
Total	**15,805**	**15,679**	**2,243**	**2,206**	**0.8%**	**1.7%**
HO costs			732	831		-11.9%
Total			**1,511**	**1,376**		**9.8%**

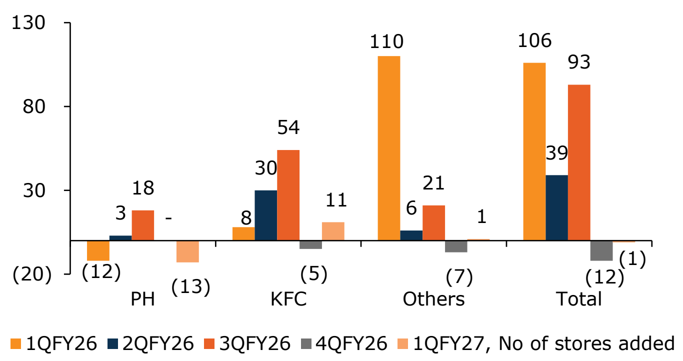
Source: Company, Emkay Research

Exhibit 3: Actual vs Estimates (1QFY27)

(Rs mn)	Actual	Estimates		Variation		Comments
		Emkay	Consensus	Emkay	Consensus	
Net Sales	15,805	15,679	15,745	0.8%	0.4%	Topline was in line with our estimate.
EBITDA	2,548	2,450	2,447	4.0%	4.1%	EBITDA beat led by better gross margins and lower other expenses.
EBITDA margin	16.1%	15.6%	15.5%	49	58	
PAT	146	39	116	276.5%	25.7%	PAT beat led by EBITDA flow-through and higher other income.

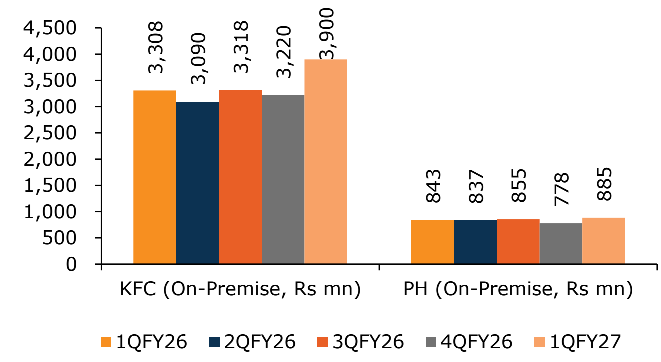
Source: Company, Emkay Research

Exhibit 4: DIL closed 13 net stores for PH; opened 11 net stores for KFC; total store-count at 2,255



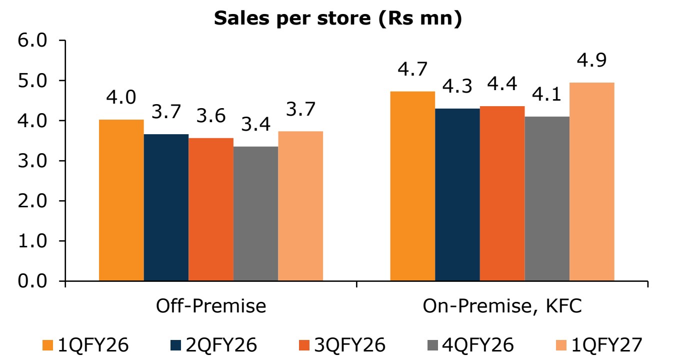
Source: Company, Emkay Research

Exhibit 5: Channel-wise, KFC's/PH's on-premise sales grew ~18%/5% yoy



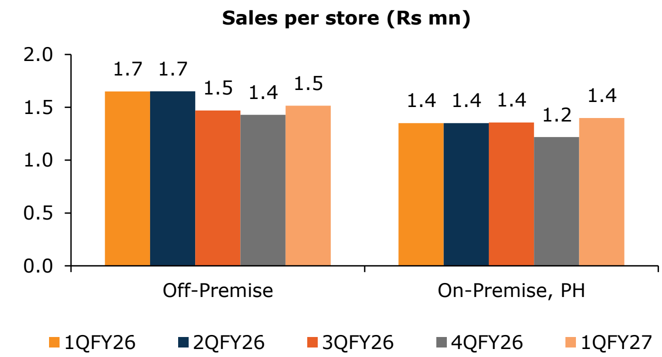
Source: Company, Emkay Research

Exhibit 6: For KFC, on-premise sales per store improved ~5% yoy led by the management's strategic focus on reviving this channel



Source: Company, Emkay Research

Exhibit 7: For PH, on-premise sales per store increased ~3%, whereas off-premise sales declined ~8% yoy



Source: Company, Emkay Research

Exhibit 8: Changes in estimates

(Rs mn)	FY27E			FY28E			FY29E
	Old	New	Change (%)	Old	New	Change (%)	New
Revenue	63,654	63,770	0.2	71,430	71,805	0.5	80,708
EBITDA*	**5,690**	**5,912**	**3.9**	**7,583**	**7,503**	**-1.1**	**8,903**
*EBITDA margin (%)**	8.9	9.3	30 bps	10.6	10.4	-20 bps	11.0
Net profit	139	266	91.2	1,090	1,245	14.3	2,027
EPS (Rs)	0.1	0.2	91.2	0.9	1.0	14.3	1.6

Source: Company, Emkay Research; Note: EBITDA is on pre-IndAS basis

Exhibit 9: Summary of quarterly results

Y/E, March (Rs mn)	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	yoy (%)	qoq (%)	FY26TD	FY27TD	yoy (%)
Revenue	**13,570**	**13,768**	**14,409**	**14,369**	**15,805**	**16.5**	**10.0**	**13,570**	**15,805**	**16.5**
Expenditure	**11,521**	**11,824**	**12,142**	**12,073**	**13,258**	**15.1**	**9.8**	**11,521**	**13,258**	**15.1**
Consumption of RM	4,318	4,438	4,481	4,483	4,890	13.3	9.1	4,318	4,890	13.3
As a % of sales	*31.8%*	*32.2%*	*31.1%*	*31.2%*	*30.9%*			*31.8%*	*30.9%*	
Employee Cost	2,011	2,017	2,175	2,093	2,301	14.4	9.9	2,011	2,301	14.4
As a % of sales	*14.8%*	*14.6%*	*15.1%*	*14.6%*	*14.6%*			*14.8%*	*14.6%*	
Other expenditure	5,192	5,369	5,486	5,498	6,066	16.8	10.3	5,192	6,066	16.8
As a % of sales	*38.3%*	*39.0%*	*38.1%*	*38.3%*	*38.4%*			*38.3%*	*38.4%*	
EBITDA	**2,049**	**1,943**	**2,267**	**2,295**	**2,548**	**24.4**	**11.0**	**2,049**	**2,548**	**24.4**
Depreciation	1,497	1,552	1,666	1,825	1,804	20.5	-1.2	1,497	1,804	20.5
EBIT	**552**	**391**	**601**	**470**	**744**	**34.8**	**58.2**	**552**	**744**	**34.8**
Other Income	135	51	123	141	192	42.1	35.7	135	192	42.1
Interest	668	688	700	701	701	5.0	0.1	668	701	5.0
PBT	**19**	**-246**	**24**	**-89**	**234**	**1,125.5**		**19**	**234**	**1,125.5**
Total Tax	5	-52	-49	-47	58	1,025.3		5	58	
Adjusted PAT	**14**	**-194**	**73**	**-42**	**176**	**1,162.6**		**14**	**176**	**1,162.6**
Extraordinary Items	8	-46	-183	-57	-5			8	-5	
PAT before Minority Interest	**22**	**-239**	**-110**	**-98**	**171**	**666.6**		**22**	**171**	**666.6**
Minority Interest	-15	-21	-6	2	25			-15	25	
PAT after Minority Interest	**37**	**-219**	**-104**	**-100**	**146**	**296.5**		**37**	**146**	**296.5**
EPS (Rs)	**0.0**	**-0.2**	**-0.1**	**-0.1**	**0.1**	**296.2**		**0.0**	**0.1**	**296.2**
(%)	**1QFY26**	**2QFY26**	**3QFY26**	**4QFY26**	**1QFY27**	**(bps)**	**(bps)**	**FY26TD**	**FY27TD**	**(bps)**
EBITDAM	15.1	14.1	15.7	16.0	16.1	100	10	15.1	16.1	100
EBITM	4.1	2.8	4.2	3.3	4.7	60	140	4.1	4.7	60
EBTM	0.1	-1.8	0.2	-0.6	1.5	130	210	0.1	1.5	130
PATM	0.3	-1.6	-0.7	-0.7	0.9	70	160	0.3	0.9	70
Effective Tax Rate	27.0	21.2	-207.2	53.1	24.8	-220	-2830	27.0	24.8	-220

Source: Company, Emkay Research

Exhibit 10: Peer comparison

Company name	CMP (Rs)	Mcap (Rs bn)	Reco	Target Price (Rs)	PER (x)			EV/EBITDA (x) Pre IndAS-116		
					FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
Jubilant Foodworks	441	291	BUY	550	73.4	55.6	43.1	22.4	18.9	15.9
Devyani	**118**	**146**	**BUY**	**160**	**548.5**	**117.2**	**72.0**	**25.7**	**20.3**	**17.1**
Westlife	489	76	ADD	550	621.5	92.7	56.1	33.5	21.9	17.1
Sapphire	193	62	BUY	300	121.3	83.1	66.8	20.3	14.7	12.6

*Source: Company, Emkay Research; Note: *Pre-IndAS-116 EBITDA*

Devyani International: Consolidated Financials and Valuations

Profit & Loss

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**49,511**	**56,115**	**63,770**	**71,805**	**80,708**
Revenue growth (%)	39.2	13.3	13.6	12.6	12.4
EBITDA	**8,333**	**8,656**	**10,164**	**12,180**	**14,000**
EBITDA growth (%)	27.7	3.9	17.4	19.8	14.9
Depreciation & Amortization	5,923	6,698	7,396	7,924	8,534
EBIT	**2,410**	**1,958**	**2,768**	**4,256**	**5,466**
EBIT growth (%)	(7.9)	(18.8)	41.4	53.7	28.4
Other operating income	-	-	-	-	-
Other income	370	451	597	600	600
Financial expense	2,648	2,757	2,876	3,031	3,163
PBT	**131**	**(349)**	**489**	**1,825**	**2,903**
Extraordinary items	(3)	(220)	0	0	0
Taxes	197	(143)	123	460	732
Minority interest	160	39	(100)	(120)	(145)
Income from JV/Associates	-	-	-	-	-
Reported PAT	**92**	**(386)**	**266**	**1,245**	**2,027**
PAT growth (%)	(80.6)	0	0	368.0	62.8
Adjusted PAT	**95**	**(166)**	**266**	**1,245**	**2,027**
Diluted EPS (Rs)	**0.1**	**(0.1)**	**0.2**	**1.0**	**1.6**
Diluted EPS growth (%)	(93.7)	0	0	368.0	62.8
DPS (Rs)	**0**	**0**	**0**	**0**	**0**
Dividend payout (%)	**0**	**0**	**0**	**0**	**0**
EBITDA margin (%)	16.8	15.4	15.9	17.0	17.3
EBIT margin (%)	4.9	3.5	4.3	5.9	6.8
Effective tax rate (%)	150.1	41.1	25.2	25.2	25.2
NOPLAT (pre-IndAS)	**(1,208)**	**1,152**	**2,071**	**3,183**	**4,089**
Shares outstanding (mn)	1,206	1,233	1,233	1,233	1,233

Source: Company, Emkay Research

Balance Sheet

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
Share capital	1,206	1,233	1,233	1,233	1,233
Reserves & Surplus	9,738	14,185	14,451	15,697	17,723
Net worth	**10,944**	**15,418**	**15,684**	**16,930**	**18,956**
Minority interests	3,079	3,434	3,534	3,654	3,799
Non current liab. & prov.	23,305	26,237	29,045	32,682	37,159
Total debt	**9,318**	**13,604**	**11,104**	**7,856**	**4,356**
Total liabilities & equity	**46,645**	**58,693**	**59,367**	**61,122**	**64,271**
Net tangible fixed assets	20,844	27,736	26,737	26,240	25,941
Net intangible assets	1,741	1,804	1,829	1,827	1,801
Net ROU assets	18,799	20,306	21,963	24,337	27,429
Capital WIP	35	78	78	78	78
Goodwill	4,581	6,834	6,834	6,834	6,834
Investments [JV/Associates]	-	-	-	-	-
Cash & equivalents	**1,814**	**4,948**	**5,036**	**5,010**	**5,349**
Current assets (ex-cash)	5,573	5,795	6,636	7,472	8,399
Current Liab. & Prov.	6,740	8,806	9,745	10,677	11,559
NWC (ex-cash)	**(1,167)**	**(3,012)**	**(3,108)**	**(3,205)**	**(3,160)**
Total assets	**46,645**	**58,693**	**59,367**	**61,122**	**64,271**
Net debt	7,504	8,656	6,068	2,846	(992)
Capital employed	46,645	58,693	59,367	61,122	64,271
Invested capital	**25,998**	**33,362**	**32,291**	**31,697**	**31,416**
BVPS (Rs)	9.1	12.5	12.7	13.7	15.4
Net Debt/Equity (x)	0.7	0.6	0.4	0.2	(0.1)
Net Debt/EBITDA (x)	0.9	1.0	0.6	0.2	(0.1)
Interest coverage (x)	0.3	0.1	0.4	0.8	1.0
RoCE (%)	**12.1**	**8.6**	**10.7**	**16.5**	**21.8**

Source: Company, Emkay Research

Cash flows

Y/E March (Rs mn)	FY25	FY26	FY27E	FY28E	FY29E
PBT (ex-other income)	(239)	(800)	(108)	1,225	2,303
Others (non-cash items)	0	0	0	0	0
Taxes paid	(197)	143	(123)	(460)	(732)
Change in NWC	642	2,608	310	329	217
Operating cash flow	**8,778**	**11,407**	**10,351**	**12,049**	**13,486**
Capital expenditure	(5,672)	(13,243)	(3,579)	(4,300)	(4,800)
Acquisition of business	0	0	0	0	0
Interest & dividend income	370	451	597	600	600
Investing cash flow	**(5,302)**	**(12,791)**	**(2,982)**	**(3,700)**	**(4,200)**
Equity raised/(repaid)	27	4,387	0	0	0
Debt raised/(repaid)	216	4,286	(2,500)	(3,248)	(3,500)
Payment of lease liabilities	(3,121)	(3,411)	(4,252)	(4,677)	(5,098)
Interest paid	(589)	(523)	(530)	(450)	(350)
Dividend paid (incl tax)	-	-	-	-	-
Others	0	0	0	0	0
Financing cash flow	**(3,467)**	**4,739**	**(7,282)**	**(8,374)**	**(8,948)**
Net chg in Cash	9	3,354	88	(25)	338
OCF	8,778	11,407	10,351	12,049	13,486
Adj. OCF (w/o NWC chg.)	8,136	8,799	10,041	11,720	13,269
FCFF	3,106	(1,836)	6,772	7,749	8,686
FCFE	2,887	(1,907)	6,839	7,899	8,936
OCF/EBITDA (%)	105.3	131.8	101.8	98.9	96.3
FCFE/PAT (%)	3,155.0	493.8	2,570.5	634.3	440.9
FCFF/NOPLAT (%)	**(257.1)**	**(159.3)**	**327.0**	**243.4**	**212.4**

Source: Company, Emkay Research

Valuations and key Ratios

Y/E March	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	1,560.4	(377.8)	548.5	117.2	72.0
P/CE(x)	38.9	38.2	30.3	24.2	20.4
P/B (x)	13.0	9.5	9.3	8.6	7.7
EV/Sales (x)	3.0	2.8	2.4	2.2	1.9
EV/EBITDA (x)	18.0	17.9	15.2	12.7	11.0
EV/EBIT(x)	62.4	79.0	55.8	36.3	28.3
EV/IC (x)	5.8	4.6	4.8	4.9	4.9
FCFF yield (%)	2.1	(1.2)	4.4	5.0	5.6
FCFE yield (%)	2.0	(1.3)	4.7	5.4	6.1
Dividend yield (%)	0	0	0	0	0
DuPont-RoE split					
Net profit margin (%)	0.2	(0.3)	0.4	1.7	2.5
Total asset turnover (x)	1.8	1.7	1.7	1.9	2.2
Assets/Equity (x)	2.5	2.5	2.4	2.3	2.1
RoE (%)	**0.9**	**(1.3)**	**1.7**	**7.6**	**11.3**
DuPont-RoIC					
NOPLAT margin (%)	(2.4)	2.1	3.2	4.4	5.1
IC turnover (x)	2.0	1.9	1.9	2.2	2.6
RoIC (%)	**(4.8)**	**3.9**	**6.3**	**9.9**	**13.0**
Operating metrics					
Core NWC days	(8.6)	(19.6)	(17.8)	(16.3)	(14.3)
Total NWC days	**(8.6)**	**(19.6)**	**(17.8)**	**(16.3)**	**(14.3)**
Fixed asset turnover	1.2	1.1	1.1	1.1	1.2
Opex-to-revenue (%)	52.1	53.0	53.1	52.1	51.8

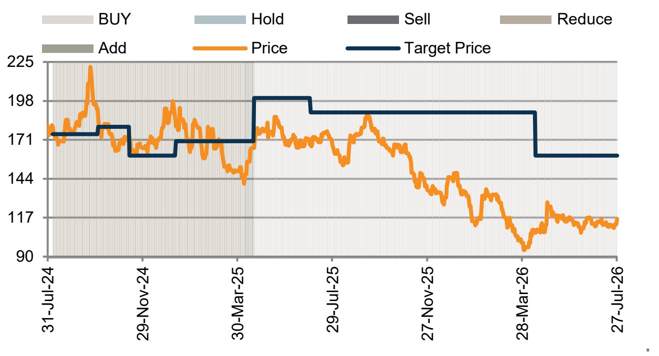
Source: Company, Emkay Research

RECOMMENDATION HISTORY - DETAILS

Date	Closing Price (Rs)	TP (Rs)	Rating	Analyst
07-Jul-26	116	160	Buy	Devanshu Bansal
15-May-26	118	160	Buy	Devanshu Bansal
14-Apr-26	106	160	Buy	Devanshu Bansal
02-Mar-26	123	190	Buy	Devanshu Bansal
05-Feb-26	132	190	Buy	Devanshu Bansal
10-Jan-26	133	190	Buy	Devanshu Bansal
07-Jan-26	139	190	Buy	Devanshu Bansal
02-Jan-26	148	190	Buy	Devanshu Bansal
06-Nov-25	156	190	Buy	Devanshu Bansal
07-Oct-25	166	190	Buy	Devanshu Bansal
02-Oct-25	172	190	Buy	Devanshu Bansal
16-Sep-25	182	190	Buy	Devanshu Bansal
18-Aug-25	155	190	Buy	Devanshu Bansal
14-Aug-25	155	190	Buy	Devanshu Bansal
05-Jul-25	173	190	Buy	Devanshu Bansal
01-Jul-25	169	190	Buy	Devanshu Bansal
25-May-25	180	200	Buy	Devanshu Bansal
20-Apr-25	165	200	Buy	Devanshu Bansal
09-Apr-25	147	170	Add	Devanshu Bansal
07-Apr-25	141	170	Add	Devanshu Bansal

Source: Company, Emkay Research

RECOMMENDATION HISTORY - TREND



Source: Company, Bloomberg, Emkay Research

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ADD	5-15% upside
REDUCE	5% upside to 15% downside
SELL	>15% downside

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