

# Consumer Retail

## Subdued recovery keeps margins in check

Q3FY25 performance was a mixed bag with a strong first half largely on account of (1) festive season, and (2) low base, but a lean second half owing to weaker-than-expected wedding season and delayed winter. Consumption in Tier2/3 towns picked up while that in urban centres remained subdued. In terms of regions, South was the weakest while West was relatively better in terms of overall performance. Operating performance across a majority of companies was weak owing to weak gross margins and impact of negative leverage as SSSG/LTL/Volume growth remained subdued. Commentary of most of the companies suggested that demand patterns remain weak; however, they are not witnessing any further deceleration in demand trends. The income tax cut in the 2025 Union Budget bodes well for discretionary consumption and this could help to trigger a recovery in demand. Given that recovery in demand may come with a lag, we remain selective and prefer Metro Brands, Go Fashion and Sapphire Foods.

- Jewellery and Grocery leads growth; Footwear and apparel key drags:** The aggregate revenue for our coverage universe grew ~18% YoY (~17% organic growth), sharp uptick vs. Q2FY25 and continued to outperform the staples universe, which grew by ~6% YoY. Discretionary outperformance was once again skewed towards jewellery companies, D'Mart, Devyani (Thailand consolidation) and Sapphire as weak demand trends continue to impact growth for the rest. Footwear players like Campus and Metro Brands posted revenue growth of ~9% and 11% respectively. Burger players like RBA and Westlife reported revenue growth of 11% and 6% respectively, largely led by store additions while SSSG growth remained muted. ABFRL and Go Fashion also witnessed subdued growth as both resorted to closure of smaller/non profitable stores. Avenue Supermarts' revenue grew by ~17% YoY despite increase in competitive intensity from e-comm players. Titan's jewellery segment revenue grew by 26% YoY, which led to 23% YoY growth for the company; we note growth in the jewellery segment was aided by ~26% YoY growth in gold prices.
- Operational performance impacted by decline in GM and negative leverage:** The aggregate consumer discretionary EBITDA grew 8% YoY (sharp acceleration QoQ vs. 1% EBITDA decline in Q2FY25 and above the last 12 quarter average of 6% YoY growth). Discretionary segment saw divergent performance, with strong operational performance by footwear players (Bata, Metro and Campus) and ABFRL which witnessed sharp expansion in EBITDA margin led by high cost base and cost control measures. On the other hand, players like DMart and Titan witnessed muted operational performance primarily on account of sharp decline in gross margins. In Titan, gross margin ex-custom duty cut still declined by ~100bps YoY on account of lower studded share YoY. In the QSR segment, Westlife was the only company to witness a 5% YoY decline in EBITDA, while Sapphire and RBA EBITDA grew by 10% YoY. Devyani's EBITDA growth at 35% was aided on account of Thailand consolidation, which was not in the base
- Multiple misses, largely operational led:** On aggregate, revenue growth was a modest miss to our estimates (~1%) but the miss on the operational front was higher (5% miss) with 10 out of 11 companies missing our estimates. Key misses in our coverage were Campus, Devyani, Westlife, Titan, Go Fashion and Avenue Supermarts. ABFRL was the only beat both on operational and PAT fronts as the company prioritised profitability over growth. Avenue Supermarts' miss was largely on account of lower-than-expected GM and high escalation in opex.



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## Exhibit 1. Revenue/EBITDA/PAT for the sector grew 18%/8%/3% YoY; operational miss

	Revenue (INR bn)			EBITDA (INR bn)			Adjusted PAT (INR bn)		
	Reported	YoY (%)	vs. Est (%)	Reported	YoY (%)	vs. Est	Reported	YoY (%)	vs. Est
Bata	9.2	2	(2)	2.0	10	(4)	0.7	17	(4)
Metro Brands	7.0	11	(2)	2.3	13	(1)	1.2	22	(2)
Campus Activewear	5.1	9	(2)	0.8	46	(8)	0.5	87	(9)
Devyani International	12.9	54	(2)	2.1	35	(6)	(0.1)	NM	NM
Sapphire Foods	7.6	14	0	1.3	10	(1)	0.1	29	(11)
Westlife Foodworld	6.5	10	(2)	0.9	(5)	(8)	0.1	(51)	(26)
Restaurant Brands Asia	5.0	11	(0)	0.8	10	(1)	(0.2)	NM	NM
Titan	161.0	23	(0)	15.1	4	(6)	9.9	(5)	(6)
ABFRL	37.4	0	(3)	5.9	6	4	0.3	NM	NM
Go Fashion	2.1	6	(3)	0.7	3	(5)	0.2	4	(11)
Avenue Supermarts	155.7	17	-	12.4	10	(8)	7.8	6	(12)
<b>Discretionary</b>	<b>410</b>	<b>18</b>	<b>(1)</b>	<b>44</b>	<b>8</b>	<b>(5)</b>	<b>21</b>	<b>3</b>	<b>(9)</b>

Source: Company, JM Financial

## Exhibit 2. Strong SSSG growth in Jewellery and Value Apparel; QSR on the path to recovery.

	Q2FY23	Q3FY23	Q4FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25
<b>Jewellery</b>										
Kalyan Jewellers (SSSG)*	NA	NA	NA	15.0	10.0	11.0	17.0	12.0	23.0	24.0
<b>QSR</b>										
Jubilant Foodworks (LFL)*	8.4	0.3	(0.6)	(1.3)	(1.3)	(2.9)	0.1	3.0	2.8	12.5
Westlife Foodworld (SSSG)	40.2	20.0	14.0	7.0	1.0	(9.0)	(5.0)	(6.7)	(6.5)	2.8
KFC - DIL (SSSG)	13.0	3.0	1.9	(0.9)	(3.9)	(4.7)	(7.1)	(7.0)	(7.0)	(4.4)
Pizza Hut - DIL (SSSG)	2.9	(6.1)	(3.2)	(5.3)	(10.4)	(12.6)	(14.0)	(8.6)	(5.7)	(0.8)
KFC - SF (SSSG)	15.0	3.0	2.0	-	-	(2.0)	(3.0)	(6.0)	(8.0)	(3.0)
Pizza Hut - SF (SSSG)	23.0	(4.0)	(4.0)	(9.0)	(20.0)	(19.0)	(15.0)	(7.0)	(3.0)	5.0
Restaurant Brands Asia (SSSG)	27.0	8.6	8.3	3.6	3.5	2.6	1.9	3.1	(3.0)	(0.5)
<b>Apparel</b>										
Page (volume)*	-	(11.4)	(14.8)	(11.2)	(8.3)	4.6	6.2	2.6	6.7	4.7
Style Bazaar (SSSG)*	NA	NA	NA	-1	-29	50	NA	5.0	41.0	(3.0)
Vedant Fashion*	4.1	(8.7)	14.0	(22.4)	(17.7)	(0.0)	(0.0)	(27.2)	17.3	2.6
Go Fashion (SSSG)	30.0	10.0	17.0	2.0	(1.0)	-	1.0	0.2	0.5	-
V2 Retail (SSSG)*	24.0	(3.6)	19.4	19.0	16.0	47.0	40.0	37.0	34.0	25.0
V-Mart (SSSG)*	57.0	1.0	10.0	(2.7)	(6.0)	4.0	6.0	11.0	16.0	10.0
<b>Footwear</b>										
Campus Activewear (volume)	16.0	5.5	(2.1)	0.7	(27.9)	(0.5)	4.0	2.8	36.4	9.7

Source: Company, JM Financial; \*Note – Not under our coverage

## Key trends in discretionary

Discretionary performance in Q3FY25 was a mixed bag as the first half of the quarter remained robust led by low base and the Diwali festival; however, the second half witnessed a sharp slowdown, impacting overall revenue growth for the quarter. Conversations with most companies suggested that demand witnessed an uptick during festive or special occasions, but revenue growth tapered post that. We note that the first half of Q3 also had a favourable base as Shradh (an inauspicious period) appeared in the first 14 days of Q3FY24. Tier 2/3 cities witnessed demand recovery while urban centres were relatively benign. Margin performance remained weak owing to negative leverage. Premium and value segment did well, while mid-mass and mid-premium segments were impacted.

Jewellery, Value apparel retailers and premium/casual footwear retailers did well. The QSR segment has started to exhibit some signs of recovery with transaction growth now flattening vs. decline in earlier periods. Mid-premium apparel retailers were impacted the most due to lower store additions and subdued performance in the wholesale channel. Though DMart's revenue growth was robust, profitability was a sharp miss on sharp escalations in costs

- **Apparel retailers:** Value apparel retailers continued to sustain strong growth rates of ~19%-58% with most of them registering strong SSSG growth of ~10%+ (SSSG for VMart- 10% and V2 Retail at 25%, Style Bazaar SSSG declined 3% YoY due to shift in Pujo-9 month SSSG at 10%). Most of these players also witnessed a sharp uptick in operating performance as well, with Pre-Ind AS EBITDA margins expanding ~220-330bps YoY led by strong revenue growth and SSSG growth rates. Store expansion has also been robust (15-21 stores added in Q3) as they look to expand their reach beyond their core states. Trent revenue grew 37% YoY, with high single-digit SSSG growth in fashion concepts, while operating margins was lower YoY on account of adverse mix. For mid-premium apparel brand and retailers, revenue growth remained relatively soft, with ABFRL, Arvind fashions, Go Fashion, Raymond lifestyle's, Shoppers Stop and Vedant Fashions registering flat to 9% YoY growth. Profitability for most of the players improved YoY, led by (1) better discount management, (2) closure of unprofitable stores and (3) cost-control measures.
- **Innerwear:** Dollar and Lux reported robust revenue growth of 15% and 22% led by volume growth of ~8% and 22% (Vertical-A which forms 2/3<sup>rd</sup> of revenue) respectively. Page registered revenue growth of ~7% YoY led by volume growth ~5%. Rupa's revenue declined by ~1% while volume growth was ~ 1%. Most of the companies witnessed robust margin expansion of ~100-430 bps YoY, primarily due to robust gross margin expansion led by stable cotton prices. Demand in the Athleisure segment, which was a big drag for most of the companies in the last year, is now stabilising.
- **Footwear:** Footwear players' performance was a mixed bag, with premium and casual footwear players like Campus and Metro Brands delivering 9% to 11% revenue growth respectively. On the other players with high saliency in the value segment, revenue decline was seen even on a low base. Relaxo's revenue declined by ~6% YoY, while Bata's revenue grew only by 2% YoY primarily on account of decline in the below INR 500 segment. On the operational front, Campus, Metro brands and Relaxo reported EBITDA margin expansion of 30-400bps YoY primarily on account of high cost base and better mark-down management.
- **QSR:** Revenue growth for the segment witnessed a sharp uptick QoQ, primarily on account of (1) festive quarter, (2) stability in transaction growth vs. decline earlier and (3) pick-up in store openings after a brief hiatus. Westlife's revenue grew only by ~6% YoY as SSSG went up only 2.8% YoY (despite a low base of -9%). On the other hand, RBA's standalone revenue grew by ~11% YoY despite flat SSSG growth largely on account of store additions (added 46 stores QoQ). Jubilant Foodworks outperformed the entire sector with ~12.5% LFL growth and ~19% revenue growth in the India business; however, EBITDA margin (Pre-Ind AS) declined by 150bps YoY as the company prioritised spending towards new customer acquisition and marketing spends. Pre-Ind AS EBITDA margin for Westlife and RBA declined by ~230bps and 60bps YoY respectively on account of negative operating leverage. SSSG in KFC for both Devyani and Sapphire remained

negative and declined by 4.4% and 3% respectively, while SSSG in Pizza Hut (PH) declined by 0.8% for Devyani but went up 5% for Sapphire. Brand contribution margin for Devyani was relatively weaker vs. Sapphire as margin for Devyani in KFC/PH declined by ~170bps/400bps YoY, while for Sapphire margin declined by 190bps YoY in KFC but expanded by 10bps YoY in PH. Store opening in the QSR segment was robust as all the franchises witnessed a pick-up in store expansion across formats.

- **Jewellery** players sustained robust YoY revenue growth of 26-40%, led by a combination of store addition, new customer addition, strong SSSG growth, and ~26% YoY increase in gold prices. EBITDA margins for Titan and Senco declined by ~100bps and 600bps YoY respectively even after adjusting for custom duty cut-led losses; on the other hand, Thangamayil's EBITDA margin expanded ~ 170bps YoY. Kalyan's EBITDA margin is not comparable on account of franchise-led expansion; however, its PBT margin, which is a more comparable measure, expanded by ~ 40bps YoY in standalone. Margins in the jewellery segment are lower in % terms owing to (1) higher sales of gold products, and (2) higher competitive activity from regional players, leading to discounting on making charges.
- **Margins:** Majority of the discretionary players witnessed EBITDA margin contraction in Q3, despite low input prices and cost efficiency measures largely on account of weak demand trends (driving negative leverage) offsetting GM gains. Among segments, QSRs saw negative leverage on EBITDA margin contraction, with jewellery players also witnessing EBITDA margin decline. All the footwear players witnessed margin expansion primarily on account of high cost base. Even all the value apparel players and innerwear players witnessed sharp margin expansion led by benign cotton prices and strong revenue growth. ABFRL witnessed margin expansion led by strong mark-down management and closure of loss-making stores. Arvind Fashions also witnessed strong margin expansion led by flat growth in the low-margin wholesale business and strong LTL growth in the retail business, while Go Fashion and Vedant Fashions saw 210bps and 360bps EBITDA margin contraction YoY primarily on account of negative leverage due to weak SSSG – flat and 2.6% respectively.
- **Store opening** trends were a mixed bag in Q3 as QSR, Jewellery and value retailers witnessing a good uptick in store openings, while Footwear and Apparel players adopted a cautious approach and net store openings were impacted as many players resorted to closing loss-making stores. Many players like Go Fashion, Vedant Fashions and Metro brands have cut down their store opening guidance for FY25, but they expect to resume the normal store addition trajectory from FY26 onwards. ABFRL has maintained a cautious store opening approach in Pantaloons even for FY26, while it expects to pick up store opening in the Lifestyle segment from FY26 onwards. QSR players have largely been on track in terms of store opening guidance for FY25 and expect to maintain the same pace of addition in FY26.

## Exhibit 3. Revenue trends across discretionary space

Revenues (INR mn)	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	YoY (%)	QoQ (%)
<b>Apparel Retailers</b>							
ABFRL	37,534	30,318	31,598	32,698	37,403	-0	14
Arvind Fashion*	11,251	10,939	9,548	12,732	12,028	7	-6
Trent*	33,125	31,869	39,917	40,356	45,347	37	12
Shoppers Stop*	12,068	9,997	10,337	10,681	13,115	9	23
Vedant Fashions*	4,745	3,632	2,398	2,679	5,113	8	91
Vmart*	8,891	6,686	7,861	6,610	10,267	15	55
Go Fashion	2,021	1,817	2,201	2,085	2,147	6	3
V2 Retail*	3,738	2,960	4,150	3,800	5,909	58	56
Style Baazar*	3,332	2,235	2,758	3,109	4,116	24	32
<b>Innerwear</b>							
Page*	12,288	9,925	12,775	12,463	13,131	7	5
Dollar*	3,297	4,884	3,220	4,458	3,778	15	-15
Lux*	4,516	7,083	5,353	6,775	5,526	22	-18
Rupa Company*	3,185	4,005	2,103	2,971	3,164	-1	7
<b>QSR</b>							
JUBI*	13,551	13,313	14,396	14,669	16,111	19	10
Westlife	5,925	5,527	6,136	6,154	6,502	10	6
Burger King (standalone)	4,454	4,391	4,905	4,921	4,954	11	1
Devyani International (India)	7,964	7,516	8,399	8,356	8,726	10	4
Sapphire Foods (India)	5,726	5,473	6,167	5,903	6,378	11	8
<b>Footwear</b>							
Bata	9,035	7,977	9,446	8,371	9,188	2	10
Metro Brands	6,355	5,830	5,761	5,855	7,031	11	20
Relaxo*	7,127	7,472	7,482	6,794	6,669	-6	-2
Campus	4,720	3,639	3,392	3,333	5,148	9	54
<b>Jewellery</b>							
Titan (Std Jewellery)	117,090	89,980	98,790	107,630	146,970	26	37
Kalyan Jewellers*	52,231	45,349	55,355	60,655	72,869	40	20
Thangamayil*	8,946	9,812	12,203	11,781	11,316	26	-4
Senco Gold*	16,522	11,373	14,039	15,005	21,025	27	40
<b>Grocery</b>							
Avenue Supermarts	132,473	123,935	137,119	140,503	155,652	17	11

Source: Company, JM Financial; \*Note – not under coverage

## Exhibit 4. Valuation summary

Company	Rating	Mcap	CMP	TP	Upside	JM EPS (INR)				PE (x)				EV/EBITDA (x)				RoCE (%)			
		(USD bn)	(INR)	(INR)	(%)	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E	FY24	FY25E	FY26E	FY27E
Titan Inds	HOLD	32.7	3,208	3,550	11	40	38	53	64	80	85	60	50	60	58	42	34	27	24	31	34
Avenue Supermarts	HOLD	27.6	3,688	3,880	5	41	45	53	63	90	82	70	59	62	55	47	40	19	18	19	19
Metro Brands Ltd	BUY	3.6	1,159	1,400	21	14	15	20	24	85	79	59	47	64	61	46	36	22	21	24	26
ABFRL	HOLD	3.5	252	289	15	-2	1	3	4	NM	NM	100	67	147	44	30	24	2	1	4	5
Go Fashion	BUY	0.5	830	1,160	40	18	18	23	28	45	45	36	30	32	31	25	21	15	13	14	14
Campus	BUY	1.0	272	340	25	3	4	5	7	88	68	50	40	48	41	32	26	14	16	19	20
Restaurant Brands	HOLD	0.4	69	85	23	-0	-1	-0	-0	NM	NM	NM	NM	44	39	27	22	-0	-0	-0	-0
Bata India	HOLD	1.9	1,257	1,400	11	23	19	25	33	54	67	50	38	39	45	35	27	21	16	20	25
Westlife Food	BUY	1.3	734	830	13	7	4	10	14	112	178	72	52	44	58	35	26	13	9	18	24
Devyani International	BUY	2.3	169	195	16	2	1	2	3	86	130	73	56	55	41	29	23	12	6	11	15
Sapphire Foods India	BUY	1.1	308	400	30	2	2	3	5	125	150	97	61	36	35	26	19	5	3	6	9

Source: Company, JM Financial

## Exhibit 5. Q3FY25 review for Consumer Retail companies

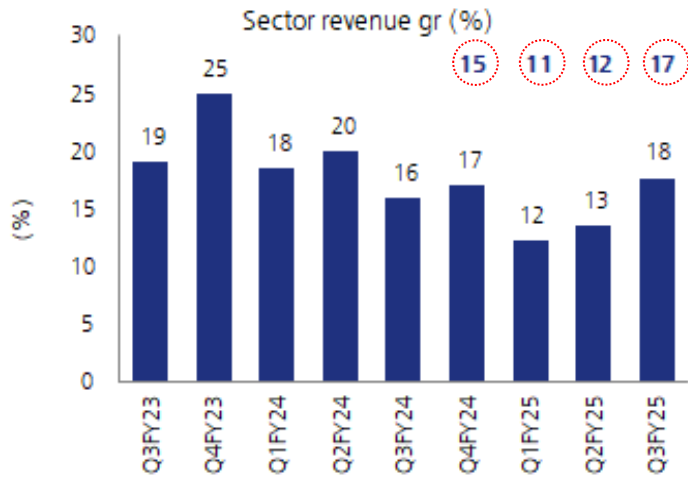
Company	Q3FY24	Q2FY25	Q3FY25	YoY (%)	QoQ (%)	Remarks
<b>Avenue Supermarts (Standalone)</b>						
Revenues	132,473	140,503	155,652	17	11	
Gross margin (%)	14.2	14.2	14.1	-14 bps	-12 bps	Standalone revenue grew 17% YoY led by ~0.4 mn YoY sq. ft addition QoQ (up 13% YoY) to 16.1 mn sq. ft. Revenue/sq. ft was up 3% YoY. EBITDA margin contracted ~50 bps YoY (~70 bps miss) led by GM contraction of ~10 bps YoY (~40 bps miss) and staff cost/ opex were up ~10/20 bps. EBITDA/sq. ft declined 3% YoY to INR 774.
EBITDA	11,209	11,051	12,352	10	12	
EBITDA margin (%)	8.5	7.9	7.9	-53 bps	7 bps	
Net income	7,368	7,104	7,846	6	10	
<b>Titan (Standalone)</b>						
Revenues	130,520	132,150	160,970	23	22	
Gross margin (%)	21.7	19.4	19.2	-254 bps	-22 bps	Jewellery standalone revenue grew ~24% YoY; underlying sales (ex-ingot) grew 26% YoY. Secondary sales grew ~28% YoY. LTL stood at ~22% YoY. EBIT margin (ex-ingot) contracted ~100 bps YoY to 11.2% (JMFe: 11.7%), resulting in EBIT growth of 15%. Watches/Eyewear posted 15%/16% YoY revenue growth and EBIT grew 102/50% YoY as margins expanded ~420/240 bps YoY to 9.8%/10.8%.
EBITDA	14,570	11,330	15,100	4	33	
EBITDA margin (%)	11.2	8.6	9.4	-179 bps	80 bps	
Net income	10,400	7,050	9,900	(5)	40	
<b>Bata (Parent)</b>						
Revenues	9,035	8,371	9,188	2	10	
Gross margin (%)	56.0	56.6	56.2	22 bps	-44 bps	Revenue grew by only 2% YoY (2% miss) despite a low base. EBITDA grew 10% YoY (4% miss) as EBITDA margin expanded ~160bps YoY to 21.7% (~30 bps miss) led by GM expansion of ~20bps YoY to 56.2% (~120 bps beat) and lower employee/other expense by ~10/130 bps YoY. The company closed 2 stores (net) in Q3 QoQ.
EBITDA	1,818	1,746	1,995	10	14	
EBITDA margin (%)	20.1	20.9	21.7	159 bps	85 bps	
Net income	573	520	668	17	28	
<b>Metro Brands (Consol)</b>						
Revenues	6,355	5,855	7,031	11	20	
Gross margin (%)	59.9	55.0	58.6	-125 bps	360 bps	Consolidated revenue grew 11% YoY (2% miss) as store addition was below our estimates to 22 stores in Q3 and sales/sq ft declined ~1% (reported) to INR 5,150. EBITDA grew 13% YoY, as margin expanded ~70 bps YoY to 32% (~40 bps beat) despite GM contraction of ~130 bps YoY to 58.64% (~100 bps miss) due to lower employee/other expense by ~50/150 bps.
EBITDA	1,990	1,548	2,250	13	45	
EBITDA margin (%)	31.3	26.4	32.0	69 bps	556 bps	
Net income	978	696	1,196	22	72	
<b>Campus Activewear (Parent)</b>						
Revenues (INR mn)	4,720	3,333	5,148	9	54	
Gross margin (%)	51.3	52.4	50.8	-44 bps	-151 bps	Revenue grew 9% YoY (2% miss) led by 8/11/7% growth in Trade distribution/D2C online/D2C offline channel. EBITDA grew 46% YoY to INR 822mn as EBITDA margin expanded ~400bps YoY to 16% (JMFe: 17%) despite gross margin contracting by ~40bps YoY to 50.8% (JMFe: 52%) as other expenses contracted ~480bps YoY while employee expense expanded ~30bps YoY
EBITDA (INR mn)	563	382	822	46	115	
EBITDA margin (%)	11.9	11.5	16.0	404 bps	450 bps	
Net income (INR mn)	249	143	465	87	225	
<b>Devyani Intl (Consol)</b>						
Revenues	8,431	12,222	12,944	54	6	
Gross margin (%)	70.6	69.3	68.7	-192 bps	-65 bps	Consolidated revenue grew 54% YoY (2% miss). EBITDA grew 35% YoY (6% miss), as EBITDA margin contracted 230 bps YoY to 16.2% (~70 bps miss) led by GM contraction of ~190 bps YoY to 68.7%. KFC revenue grew 9% YoY (in line) with brand contribution margin at 17.2% (up ~175 bps YoY, 80 bps miss). Pizza Hut (PH) revenue grew 6% YoY (3% miss) and brand contribution margin was at 2.1% (down ~400 bps YoY, ~190 bps miss). Added 44/51 stores QoQ in KFC/PH.
EBITDA	1,561	1,987	2,103	35	6	
EBITDA margin (%)	18.5	16.3	16.2	-227 bps	-2 bps	
Net income	149	(19)	(105)	NM	NM	
<b>Sapphire Foods (Consol)</b>						
Revenues	6,656	6,957	7,565	14	9	
Gross margin (%)	68.9	68.8	68.6	-28 bps	-21 bps	Consolidated revenue grew 14% YoY (largely in line). EBITDA grew 10% YoY to INR 1.3 bn (in line), as EBITDA margin contracted 50 bps YoY to 17.8% (~20 bps miss). KFC revenue grew 12% YoY (in line) with EBITDA margin of 18.2% (down ~190 bps YoY, ~30bps miss). Pizza Hut (PH) revenue grew 10% YoY (4% beat) and reported EBITDA margin of 4.7% (~10bps up YoY; ~70bps beat). Added 35/16 stores QoQ in KFC/PH.
EBITDA	1,217	1,120	1,343	10	20	
EBITDA margin (%)	18.3	16.1	17.8	-54 bps	165 bps	
Net income	98	38	127	29	234	
<b>Restaurant Brands Asia (Parent)</b>						
Revenues (INR mn)	4,454	4,921	4,954	11	1	
Gross margin (%)	67.1	67.5	67.8	71 bps	34 bps	Revenue grew 11% YoY to INR 5bn (in line) led by 46 store additions in 3Q. SSSG declined to -0.5%, while dine in registered positive double digit transaction growth for dine-in. ADS fell 4% YoY to INR 1,14,000 (in line). Reported EBITDA increased 10% YoY to INR 776mn (1% miss) as EBITDA margin contracted ~20bps YoY to 15.7% (JMFe: 15.8%) despite ~70bps YoY GM expansion to 67.8% (JMFe: 67.6%) due to 20/80bps YoY higher employee/other expenses. Pre Ind AS 116 EBITDA margin contracted ~60bps YoY to 6.2%
EBITDA (INR mn)	708	700	776	10	11	
EBITDA margin (%)	15.9	14.2	15.7	-22 bps	144 bps	
Net income (INR mn)	(64)	(166)	(186)	NM	NM	
<b>Westlife Foodworld (Consol)</b>						
Revenues	5,925	6,154	6,502	10	6	
Gross margin (%)	70.3	69.7	70.1	-21 bps	40 bps	Net revenue grew 10% YoY (2% miss) led by SSSG growth of 2.8% YoY and 13 store addition QoQ. Revenue/store declined ~7% YoY to INR 60.7 mn. EBITDA was down 5% YoY as EBITDA margin contracted ~220 bps YoY to 14%, as GM contracted ~20 bps YoY despite ~50bps price hike in 3Q, negative leverage, ~80bps increase in employee cost and ~140bps increase in occupancy and other cost offset by ~40bps lower royalty.
EBITDA	958	783	912	(5)	16	
EBITDA margin (%)	16.2	12.7	14.0	-216 bps	128 bps	
Net income	209	29	103	(51)	251	

Source: Company, JM Financial

Company	Q3FY24	Q2FY25	Q3FY25	YoY (%)	QoQ (%)	Remarks
<b>ABFRL (Parent)</b>						
Revenues	37,534	32,698	37,403	0	14	Revenue remained flat YoY (3% miss), while margins were a shade better due to cost efficiencies and store closures. Lifestyle business revenue was flat YoY (in line) and EBITDA margin was at 19.6% (~30 bps beat, up 40 bps YoY). Pantaloons' revenue declined 2% YoY (2% miss) and EBITDA grew ~8% YoY, as margin expanded by ~180 bps YoY to 19.3% (~130 bps beat).
Gross margin (%)	55.7	55.2	55.9	18 bps	71 bps	
EBITDA	5,687	4,204	5,944	6	41	
EBITDA margin (%)	14.9	12.9	15.9	99 bps	303 bps	
Net income	(160)	(1,115)	281	NM	NM	
<b>Go Fashion (Consol)</b>						
Revenues (INR mn)	2,021	2,085	2,147	6	3	Revenue grew 6% YoY to INR 2.1bn (3% miss). SSSG was flat YoY while SCSG was 4.8% in 3Q; added 20 EBOs QoQ. EBITDA grew 3% YoY to INR 698mn (5% below JMFe) as EBITDA margin contracted ~90bps YoY to 32.5% in 3Q (80bps below JMFe) despite expansion in GM (including subcontracting charges) by ~260bps YoY to 64.1% (160bps beat) due to ~300/50 bps YoY higher employee/other expenses. Pre Ind AS PAT declined ~2% YoY to INR 282 mn.
Gross margin (%)	66.5	68.7	69.6	316 bps	91 bps	
EBITDA (INR mn)	675	636	698	3	10	
EBITDA margin (%)	33.4	30.5	32.5	-91 bps	199 bps	
Net income (INR mn)	234	206	243	4	18	

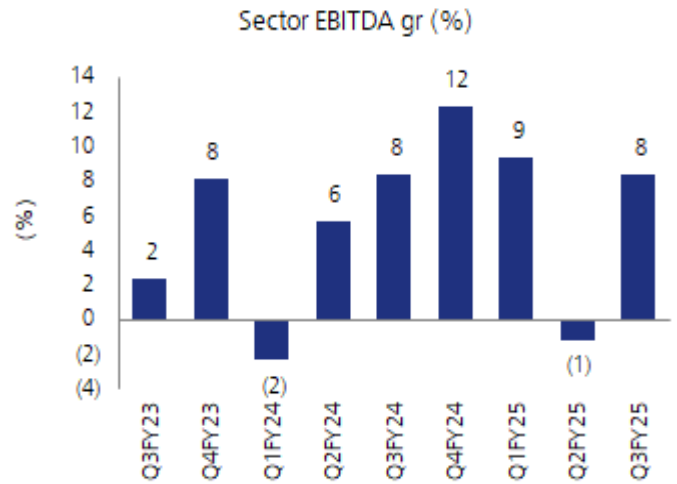
Source: Company, JM Financial

Exhibit 6. Sector revenue grew by 17% YoY (organic)



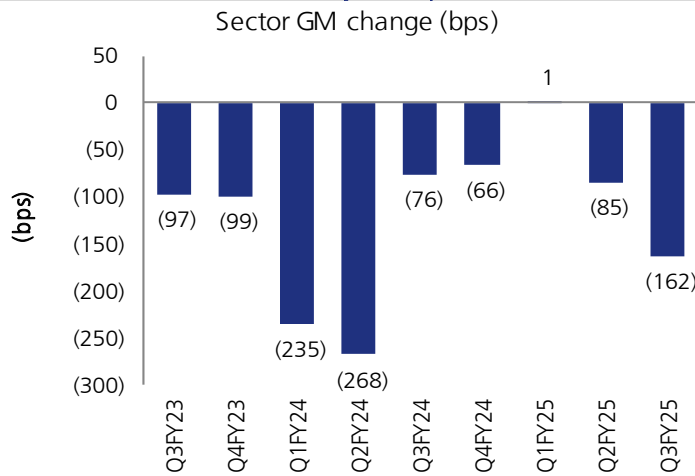
Source: Company, JM Financial; Note: Figures in circle represents organic growth

Exhibit 7. EBITDA grew only 8% YoY on margin contraction



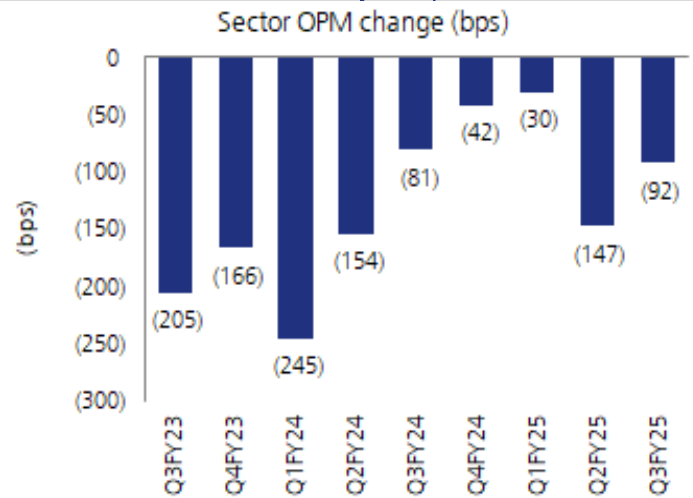
Source: Company, JM Financial

Exhibit 8. Sector GM contracted by ~160bps YoY



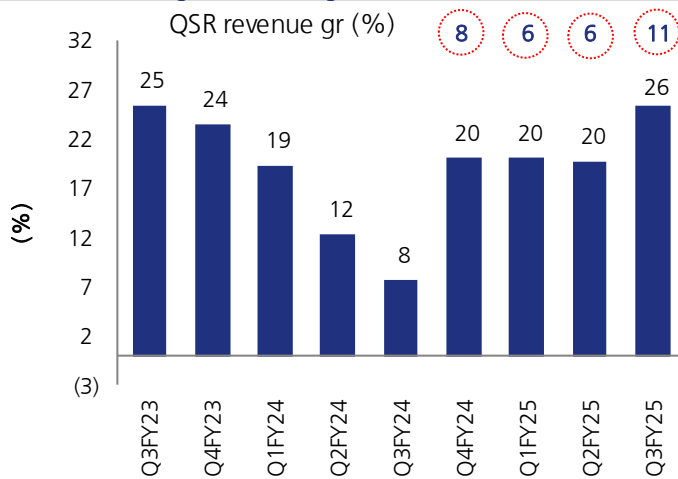
Source: Company, JM Financial

Exhibit 9. Sector OPM contracted by ~90bps YoY



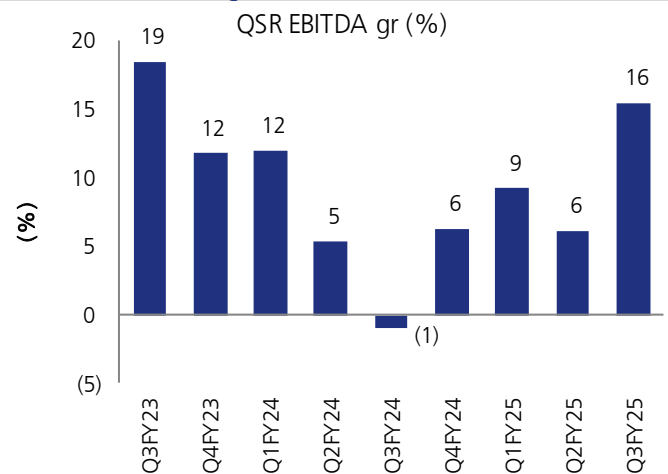
Source: Company, JM Financial

Exhibit 10. QSR organic revenue growth accelerated to 11% YoY



Source: Company, JM Financial; Note: (1) Figures in circle represent organic growth (ex-Thailand business acquisition in Devyani)

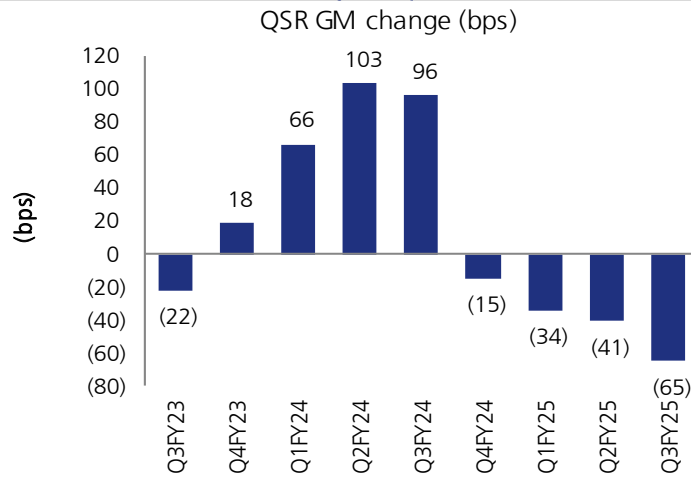
Exhibit 11. QSR EBITDA grew 16% YoY



Source: Company, JM Financial; Note: Q3FY25 growth includes Thailand business

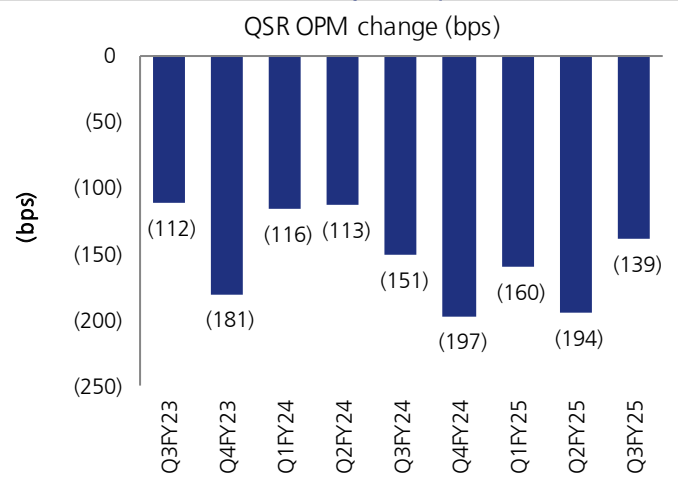


**Exhibit 12. QSR GM contracted by ~70bps YoY**



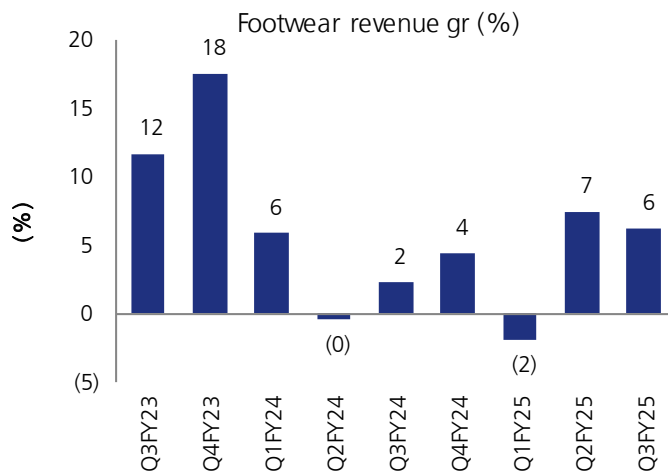
Source: Company, JM Financial

**Exhibit 13. QSR OPM contracted by ~140bps YoY**



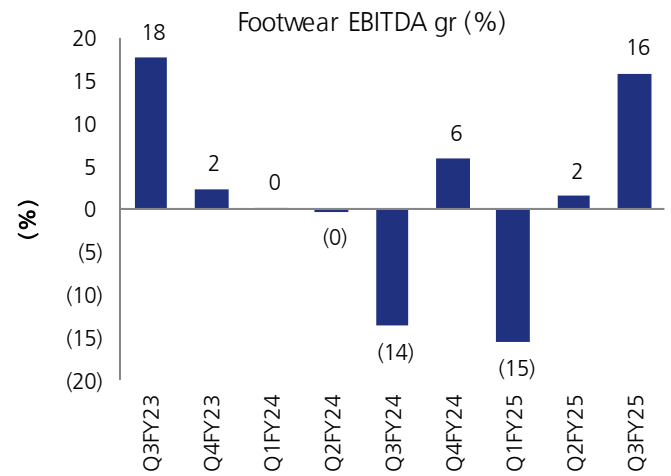
Source: Company, JM Financial

**Exhibit 14. Footwear revenue grew 6% YoY**



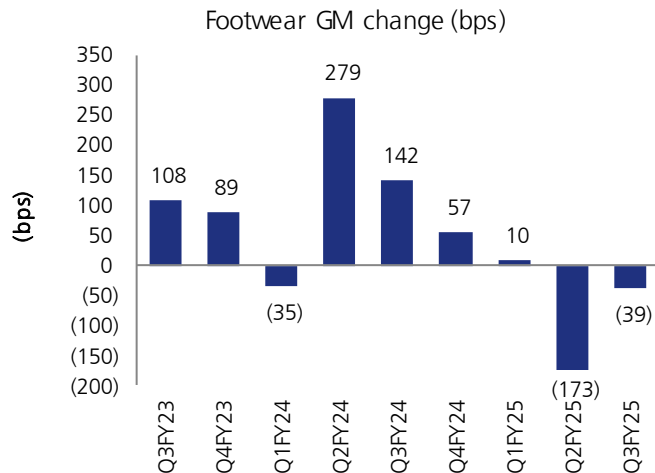
Source: Company, JM Financial

**Exhibit 15. Footwear EBITDA grew 16% YoY**



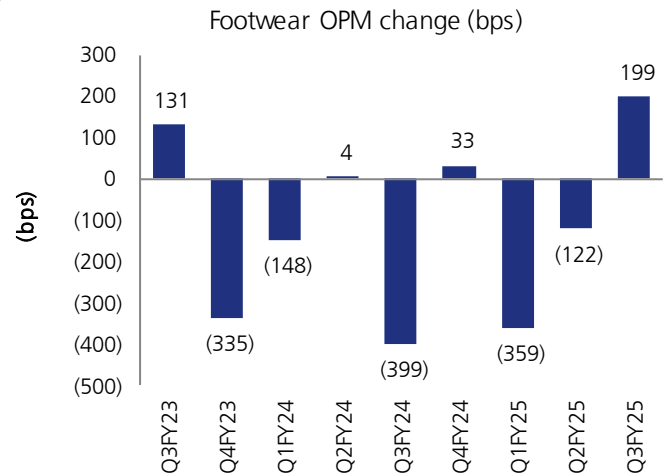
Source: Company, JM Financial; Note: Q3FY25 high growth is due to low base in Q3FY24

**Exhibit 16. Footwear GM contracted by ~40bps YoY**



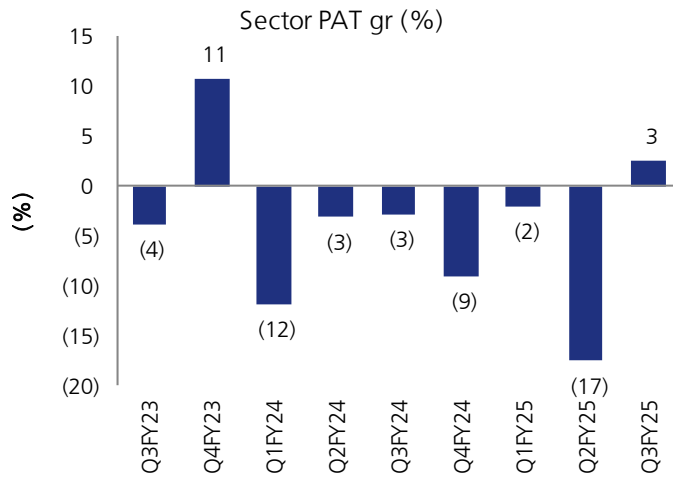
Source: Company, JM Financial

**Exhibit 17. Footwear OPM expanded by ~200bps YoY**



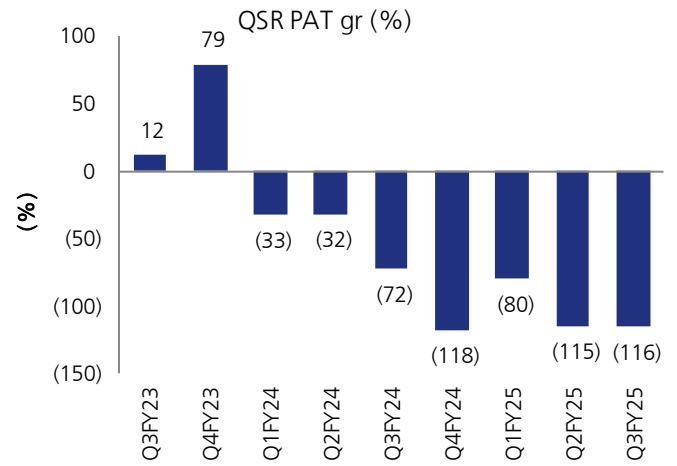
Source: Company, JM Financial; Note: Margin expansion in Q3FY25 is due to weak base in Q3FY24

**Exhibit 18. Consumer sector PAT grew 3% YoY**



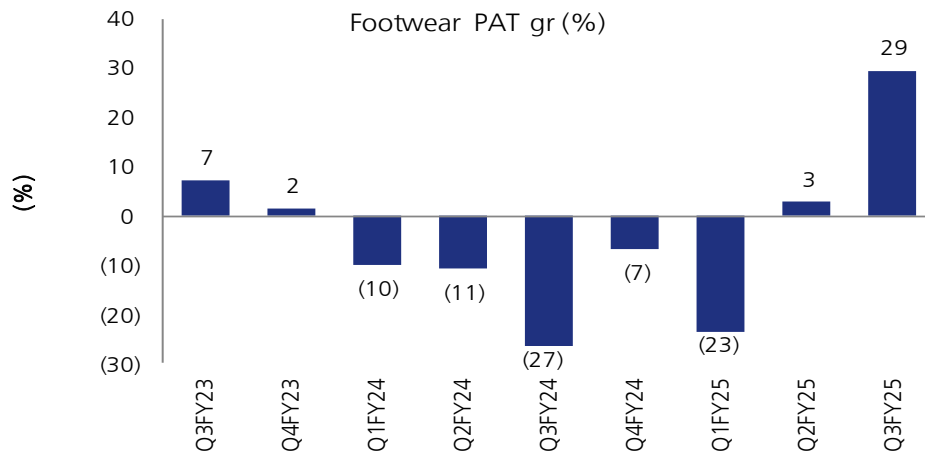
Source: Company, JM Financial

**Exhibit 19. QSR PAT declined 116% YoY**



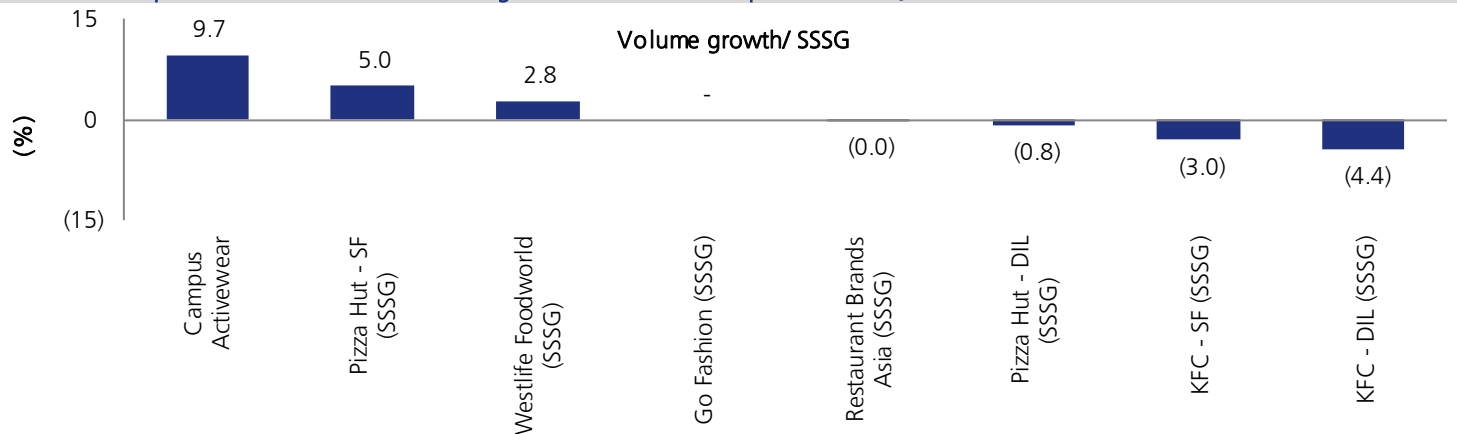
Source: Company, JM Financial

**Exhibit 20. Footwear PAT grew ~29% YoY**



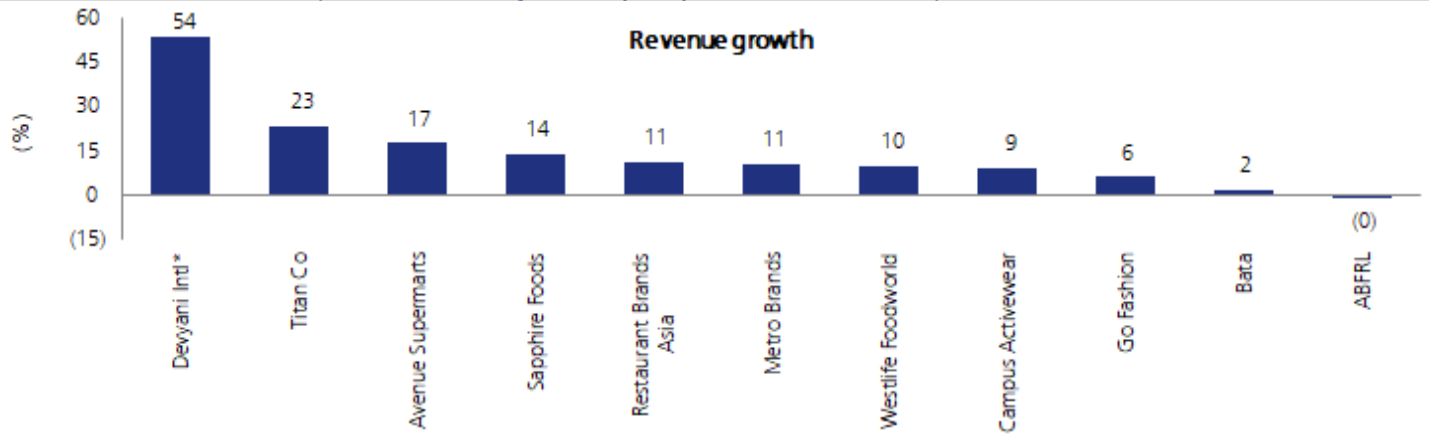
Source: Company, JM Financial; Note: PAT growth seems high in Q3FY25 is due to weak base in Q3FY24

**Exhibit 21. Campus Activewear leads the volume growth while KFC underperforms in 3Q**



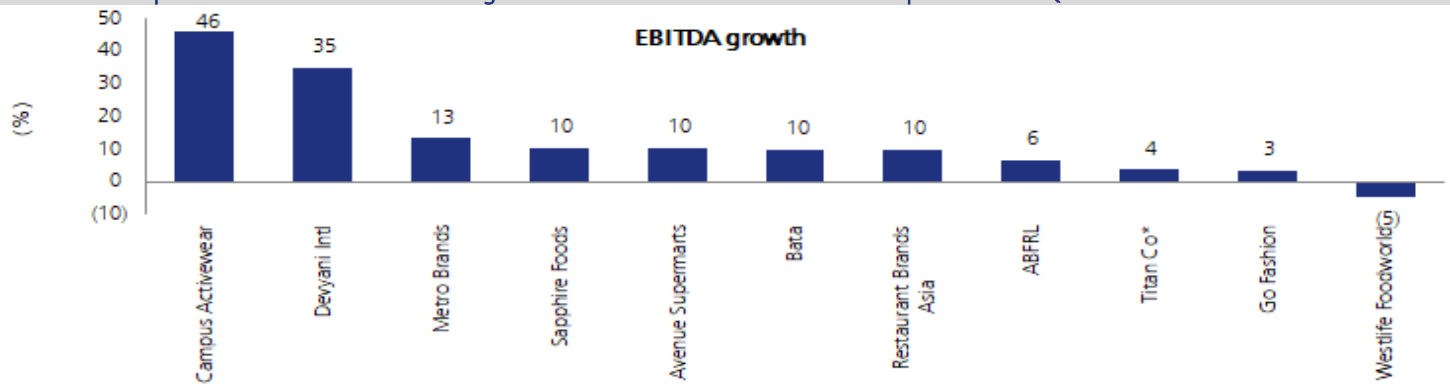
Source: Company, JM Financial

Exhibit 22. Titan and Avenue Supermarts leads the growth trajectory, Bata and ABFRL underperforms in 3Q



Source: Company, JM Financial; \*Note: Growth ex-Thailand business is ~13% YoY

Exhibit 23. Campus Activewear leads in EBITDA growth on low base while Westlife underperforms in 3Q



Source: Company, JM Financial; \*Note: EBITDA growth to remain at 21% for Titan excluding one-time custom duty impact.

## APPENDIX I

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