

Metro Brands

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	METROBRA IN
Equity Shares (m)	273
M.Cap.(INRb)/(USD\$)	246.2 / 2.6
52-Week Range (INR)	1250 / 807
1, 6, 12 Rel. Per (%)	-4/-12/-16
12M Avg Val (INR M)	93

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	32.8	36.9	41.6
EBITDA	9.8	11.2	12.7
Adj. PAT	4.4	5.0	5.7
EBITDA Margin (%)	30.0	30.3	30.5
Adj. EPS (INR)	16.3	18.4	21.0
EPS Gr. (%)	7.0	13.3	13.8
BV/Sh. (INR)	86.1	98.4	112.4

Ratios

Net D:E	0.2	0.2	0.1
RoE (%)	20.7	20.5	20.4
RoCE (%)	14.4	14.5	14.6
Payout (%)	34.6	35.6	35.6

Valuations

P/E (x)	55.1	48.6	42.7
EV/EBITDA (x)	26.1	22.9	19.9
EV/Sales (X)	7.8	6.9	6.1
Div. Yield (%)	0.6	0.7	0.8

Shareholding Pattern (%)

As On	Jun-26	Mar-26	Jun-25
Promoter	71.8	71.8	71.9
DII	7.7	7.6	7.5
FII	3.7	3.8	3.7
Others	16.8	16.9	17.0

FII includes depository receipts

CMP: INR903 TP: INR1,075 (+19%) Buy

Festive shift hurts growth; margins resilient

- Metro Brands (MBL)'s revenue growth further moderated to ~12% YoY in 2Q (from ~15%/20% YoY in 1QFY27/4QFY26) due to a shift in festive dates.
- However, reported EBITDA surged ~16% YoY, as ~215bp YoY gross margin expansion offsets the drag from higher minimum wages.
- MBL's 1HFY27 revenue and reported EBITDA grew ~13% YoY. However, operating deleverage from higher rentals and lower treasury income lead to a muted ~8% and 2% YoY growth in pre-IND AS EBITDA and PAT, respectively.
- MBL management continues to guide for 15-18% revenue growth over the medium term. However, muted store openings in 1HFY27, a conservative approach to store openings, and BIS-related challenges persisting in the S&A portfolio (Foot Locker, FILA, and MetroActiv) could create short term bumps in the growth rates, in our view.
- We cut our FY27-29E pre-IND AS EBITDA/PAT by 3-6% and model a 13%/12%/11% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- We reiterate our **BUY rating with a revised TP of INR1,075**, premised on ~35x Dec'28 pre-IND AS EV/EBITDA (implying ~53x Dec'28 EPS).

Revenue growth moderates; gross margin expansion aids profitability

- MBL's consolidated revenue grew ~12% YoY to INR7.3b, below our estimate of 15% YoY, owing to a shift in the festive calendar.
- In-store sales growth moderated to ~11% YoY (vs. ~15.5% YoY in 1Q) and was driven largely by 12% YoY area additions, as revenue per sqft (on closing area) declined 1% YoY to INR4,250.
- MBL added 21 new stores and closed nine stores during 2Q, bringing the total store count to 1,053 (up ~9% YoY, with 21 net additions in 1H).
- By format, MBL added five net stores under Crocs, four net stores under Metro, two net stores each under Mochi & Walkway, and one store under Foot Locker. The New Era count dipped by two (shift from kiosks to EBOs).
- E-commerce and omni channel revenue grew ~12% YoY to INR1b, with their share in overall revenue remaining stable YoY at 14.2%.
- Gross profit rose 17% YoY to INR4.2b (vs. our est. of INR4.1b) as margins expanded ~215bp YoY to 57.4% (~240bp beat), driven by lower discounting during EoSS and ~2-5% price hikes.
- Employee costs jumped 28% YoY (6% ahead of our est.) due to continued investments in talent and minimum wage revisions, while other expenses grew 12% YoY (3% below our estimate).
- As a result, EBITDA of INR1.97b grew 16% YoY (vs. our est. of INR1.9b).
- EBITDA margin expanded ~80bp YoY to 27% (~165bp beat), as better gross margins more than offset the increase in employee costs.
- Depreciation rose 12% YoY, in line with store expansion, while finance cost inched up 2% YoY. Other income declined ~19% YoY.
- Consequently, MBL's reported PAT of INR758m grew 12% YoY (in line).

Higher rentals weigh on pre-IND AS EBITDA and profitability in 1HFY27

- MBL's 1HFY27 consol. revenue/EBITDA/PAT grew ~13%/13%/2% YoY, as higher D&A (+17% YoY) and lower other income (-13% YoY) weighed on profitability.
- **Its 1H Pre-Ind AS EBITDA grew 8% YoY to INR2.45b, as margin dipped ~85bp YoY to 16.9%**, due to higher rentals (+21% YoY) from new format additions.
- Net working capital days increased to ~94 days (vs. 82 days in 1HFY26), driven by an increase in inventory days to 115 (from 109 YoY) and lower payable days (36 vs. 44 YoY). Absolute Core WC stood at INR7.8b (up 33% YoY).
- MBL's 1H pre-IND AS OCF improved to INR812m (vs. INR31m in 1HFY26), largely driven by a lower working capital build-up (INR1.1b vs. INR1.8b YoY). Further, with capex moderating ~8% YoY, 1H pre-IND AS FCF improved to INR248m (vs. an FCF outflow of INR580m YoY).
- Based on our estimates, the implied ask-rate for 2HFY27 revenue/EBITDA/PAT stands at 15%/13%/10%, with a lot resting on the festive quarter (3QFY27).

Key takeaways from the management commentary

- **Festive demand shift:** Management highlighted that the shift in the festive calendar affected 2Q growth by ~250bp. Early festive trends have been encouraging, with Durga Puja sales in the East witnessing healthy consumer traction, rendering confidence for a stronger performance in 3Q.
- **Store expansion:** Store expansion remained muted at 34 gross (21 net) additions in 1H. Management noted that supply constraints on suitable real estate are leading to rental inflation, which has prompted a more cautious stance. However, the company is looking to accelerate the pace of store openings in 2H.
- **Gross margin:** Margin improvement was driven by lower discounting during EOSS and improved product markups (2-5% price hikes). While lower EOSS discounting was limited to 2Q, improved markups should provide sustained uplift to margins.
- **Profitability:** Higher rentals, minimum-wage revisions, and talent and marketing investments weighed on 1H profitability. Marketing benefits are expected over the next 6-12 months. Higher treasury gains in 1HFY26 also weighed on pre-IND AS PAT growth. However, profitability is expected to improve in 2H, supported by favorable seasonality. Management aspires to maintain PAT margins of 13-15% over the medium to long term.
- **Clarks:** Management remains confident about Clarks' growth potential, with improving inventory availability and a nimble, robust supply chain expected to be key drivers of expansion. The brand's historical peak sales stood at ~INR2.0-2.5b, including distribution sales, while the corresponding sales opportunity at MRP was indicated at ~INR4-5b. The Clarks business is not expected to be margin-dilutive, with management indicating no meaningful headwinds to growth plans from BIS and/or brand repositioning.
- **FILA:** Its EBO expansion plans have been deferred to FY29 due to the challenges posed by BIS (certification renewal delays, higher MoQs). The company has focused on ramping-up local manufacturing, sharper positioning, and building a more relevant product assortment.

Valuation and view

- Management continues to guide for 15-18% revenue growth over the medium term, driven by 1) store additions, 2) mid-single digit SSSG, and 3) ramp-up of the newer formats (Clarks, Foot Locker, FILA).
- However, muted store openings in 1HFY27, a conservative approach to store openings, and BIS-related challenges persisting in the S&A portfolio (Foot Locker, FILA, and MetroActiv) could create short-term bumps in growth rates.
- We remain positive on MBL's long-term outlook, supported by 1) industry-leading store productivity and disciplined cost controls, 2) strategic partnerships with global brands, and 3) a long runway for growth across both core and emerging formats, funded largely through internal accruals.
- We cut our FY27-29E pre-IND AS EBITDA/PAT by 3-6% and model a 13%/12%/11% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- We reiterate our **BUY rating on the stock with a revised TP of INR1,075** (vs. INR1,100 earlier), premised on ~35x Dec'28 pre-IND AS EV/EBITDA (implying ~53x Dec'28 EPS).

Consolidated - Quarterly Earnings Summary

Y/E March	(INR m)											
	FY26				FY27E				FY26	FY27	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE			2QE	Var (%)
Revenue	6,282	6,511	8,113	7,730	7,204	7,303	9,472	8,799	28,636	32,777	7,485	-2.4
YoY Change (%)	9.1	11.2	15.4	20.3	14.7	12.2	16.8	13.8	14.2	14.5		
Total Expenditure	4,343	4,804	5,429	5,351	5,057	5,329	6,451	6,108	19,927	22,944	5,584	-4.6
EBITDA	1,939	1,707	2,684	2,379	2,147	1,974	3,022	2,691	8,709	9,833	1,901	3.8
EBITDA Margin (%)	30.9	26.2	33.1	30.8	29.8	27.0	31.9	30.6	30.4	30.0	25.4	163 bp
Depreciation	688	784	799	838	850	879	905	1,020	3,110	3,654	884	-0.5
Interest	237	294	288	290	296	300	321	367	1,109	1,284	317	-5.3
Other Income	286	282	161	314	263	229	274	328	1,042	1,094	300	-23.4
PBT	1,300	911	1,723	1,564	1,264	1,024	2,069	1,632	5,497	5,989	1,000	2.4
Tax	320	221	423	389	315	255	521	417	1,354	1,507	252	1.2
Rate (%)	24.6	24.3	24.6	24.9	24.9	24.9	25.2	25.6	24.6	25.2	25.2	
MI & Profit/Loss of Asso. Cos.	9	-15	-16	-9	-11	-12	-12	-10	-32	-45	-11	
PAT before MI	979	689	1,300	1,175	949	770	1,548	1,215	4,144	4,482	748	2.8
Adj PAT post MI	988	674	1,318	1,166	938	758	1,536	1,205	4,146	4,437	738	2.7
YoY Change (%)	7	-6	10	23	-5	12	17	3	9.4	7.0		

E: MOFSL Estimates

Exhibit 1: We ascribe a TP of INR1,075 to MBL based on 35x Dec'28 Pre-IND AS EBITDA

(INR/share)	Valuation	
	(INR b)	(INR/share)
Pre-IND AS EBITDA	7.9	
Target multiple (x)	35	
EV for Metro Brands	279	1,025
Net Debt	(14)	(50)
Target Price for Metro Brands	293	1,075
CMP		903
Upside (%)		19%



Detailed takeaways from the management commentary

- **Festive demand shift:** Management highlighted that the shift in the festive calendar affected 2Q growth by ~250bp. Early festive trends have been encouraging, with Durga Puja sales in the East witnessing healthy consumer traction, rendering confidence for a stronger performance in 3Q.
- **Store expansion:** Store expansion remained muted at 34 gross (21 net) additions in 1H. Management noted that supply constraints on suitable real estate are leading to rental inflation, which has prompted a more cautious stance. However, the company is looking to accelerate the pace of store openings in 2H. Expansion across newer formats and international brands remains dependent on inventory availability, operational readiness and brand repositioning.
- **Gross margin:** Margin improvement was driven by lower discounting during EOSS and improved product markups (2-5% price hikes). While lower EOSS discounting was limited to 2Q, improved markups should provide sustained uplift to margins, however, a higher contribution from Walkway, Foot Locker and emerging formats could weigh on blended margins.
- **Profitability:** Higher rentals, minimum-wage revisions, and talent and marketing investments weighed on 1H profitability. Marketing benefits are expected over the next 6-12 months. Higher treasury gains in 1HFY26 also weighed on pre-IND AS PAT growth. However, profitability is expected to improve in 2H, supported by favorable seasonality. Management aspires to maintain PAT margins of 13-15% over the medium to long term.
- **Clarks:** Management remains confident about Clarks' growth potential, with improving inventory availability and a nimble, robust supply chain expected to be key drivers of expansion. The brand's historical peak sales stood at ~INR2.0-2.5b, including distribution sales, while the corresponding sales opportunity at MRP was indicated at ~INR4-5b. The Clarks business is not expected to be margin-dilutive, with management indicating no meaningful headwinds to growth plans from BIS and/or brand repositioning.
- **FILA:** Its EBO expansion plans have been deferred to FY29 due to the challenges posed by BIS (certification renewal delays, higher MoQs). The company has focused on ramping-up local manufacturing, sharper positioning, and building a more relevant product assortment.
- **Raw material inflation:** Raw material costs have increased by ~10-15%, prompting the company to undertake selective price hikes of 2-5%.
- **BIS Certification:** It continues to constrain supply, particularly for import-dependent international brands. ~70% of compliance requirements have been addressed for brands under greater operational control, while overseas factories supplying other brands face licensing challenges, resulting in variable inventory availability. Resolving these constraints could unlock growth opportunities for brands with strong underlying demand.
- **Employee Expenses:** Management highlighted that employee expenses have witnessed some pressure following revisions to store-level staff compensation, including changes linked to minimum wages. The revision translates into ~0.5-1% increase in employee expenses as % of sales. However, management expects

improved store productivity and revenue growth to absorb the incremental expense over time, thereby limiting the impact on overall staff cost ratios.

- **Store closures:** MBL expects annual store closures at ~2-3% of its store base, with decisions driven by store-level profitability and location economics.
- **Inventory and Working Capital:** Elevated inventory reflects precautionary stocking amid US–Iran geopolitical uncertainty, front-loading for FitFlop ahead of BIS license renewals at four factories, and expansion across Clarks, Foot Locker and distribution channels. Management expects partial normalization of inventory by Mar’27, with working capital days declining towards ~80 by mid-to-late FY28; ~7 months of inventory (on COGS) is considered as ideal level.
- **Crocs:** Management remains confident in Crocs’ long-term growth potential in India, citing strong consumer acceptance, growth despite a high base and opening of CoCo stores by Crocs in high demand markets.
- **Rental Inflation:** Competition from D2C players and international brands is driving rental inflation. Management remains disciplined on lease negotiations, prioritizing store-level profitability over expansion.
- **Walkway:** ~30% of recent stores performed above expectations, while ~30% underperformed on the expectations. Corrective measures across assortment, pricing and store selection have shown encouraging traction.
- **Capex:** Annual capex guidance remains at INR0.8–1b, including new store openings and refurbishments.

Updates on the new business formats

Foot Locker & MetroActiv

- One store was added in Foot Locker during 2QFY27 (total at 7), while MetroActiv remained at three stores.
- BIS implementation challenges among select external brands continue to constrain expansion, though early signs of normalization are emerging; management will calibrate store expansion plans accordingly.

FILA

- Local manufacturing of FILA footwear has commenced in India to counter BIS-related challenges.
- FILA’s repositioning is underway with a sharper merchandise and pricing strategy, and the transformation is expected to take place over the next 12-18 months. No new EBOs were added in 2QFY27 (total at four), and store expansion is expected to pick up pace only from FY29.

Clarks partnership

- MBL has expanded Clarks’ ladies’ range to 400+ MBOs (vs. ~300 in 4QFY26) and its limited men’s range to 100+ MBOs.
- The supply of the complete EBO product range is now expected by 3QFY27, with Clarks EBOs to be launched in 2HFY27 post-stabilization of the supply chain and assortment (vs. the earlier plan for 3QFY27).

New Era

- MBL is shifting New Era’s expansion strategy from kiosks to an EBO-led model, opening two EBOs and closing four kiosks during 2QFY27 (total at eight, including two kiosks).

Exhibit 2: Quarterly performance

Consol P&L (INR m)	2QFY26	1QFY27	2QFY27	YoY%	QoQ%	2QFY27E	v/s Est (%)
Total Revenue	6,511	7,204	7,303	12	1	7,485	-2
Raw Material cost	2,914	2,919	3,110	7	7	3,368	-8
Gross Profit	3,598	4,284	4,193	17	-2	4,117	2
Gross margin (%)	55.3	59.5	57.4	217	-205	55.0	242
Employee Costs	662	759	845	28	11	793	6
SGA Expenses	1,229	1,379	1,374	12	0	1,422	-3
EBITDA	1,707	2,147	1,974	16	-8	1,901	4
EBITDA margin (%)	26.2	29.8	27.0	81	-277	25.4	163.2
Depreciation and amortization	784	850	879	12	3	884	-1
EBIT	923	1,297	1,095	19	-16	1,018	8
EBIT margin (%)	14.2	18.0	15.0	82	-301	13.6	140
Finance Costs	294	296	300	2	1	317	-5
Other income	282	263	229	-19	-13	300	-23
Profit before Tax	911	1,264	1,024	12	-19	1,000	2
Tax	221	315	255	15	-19	252	1
Tax rate (%)	24.3	24.9	24.9	56	-5	25.2	NM
Profit after Tax	689	949	770	12	-19	748	3
Adj Profit after Tax	674	938	758	12	-19	738	3
PAT margin (%)	10.4	13.0	10.4	2	-264	9.9	52

Consol P&L (INR m)	2QFY26	1QFY27	2QFY27	YoY%	QoQ%	2QFY27E	v/s Est (%)
Total Stores	966	1,032	1,053	9	2	1,077	-2
Net store adds	38	9	12			36	

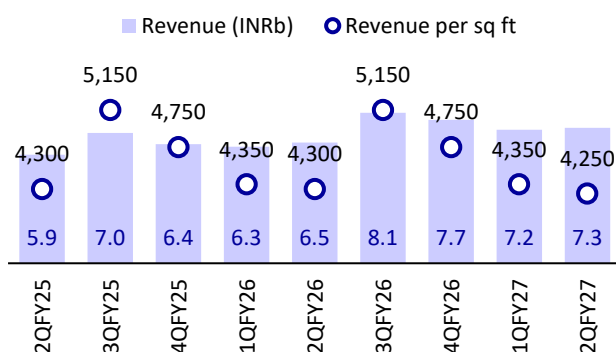
Source: MOFSL, Company

Exhibit 3: Summary of changes to our estimates

	FY27E	FY28E	FY29E
Revenue (INR m)			
Old	33,231	37,553	42,446
Actual/New	32,777	36,866	41,633
Change (%)	-1.4	-1.8	-1.9
GP (INR m)			
Old	19,241	21,781	24,682
Actual/New	19,142	21,567	24,356
Change (%)	-0.5	-1.0	-1.3
EBITDA (INR m)			
Old	10,036	11,510	13,095
Actual/New	9,833	11,152	12,698
Change (%)	-2.0	-3.1	-3.0
EBITDA margin (%)			
Old	30.2	30.7	30.9
Actual/New	30.0	30.3	30.5
Change (bp)	-20	-40	-35
Net Profit (INR m)			
Old	4,610	5,283	5,997
Actual/New	4,437	5,027	5,721
Change (%)	-3.8	-4.8	-4.6
EPS (INR)			
Old	16.9	19.4	22.0
Actual/New	16.3	18.4	21.0
Change (%)	-3.8	-4.8	-4.6

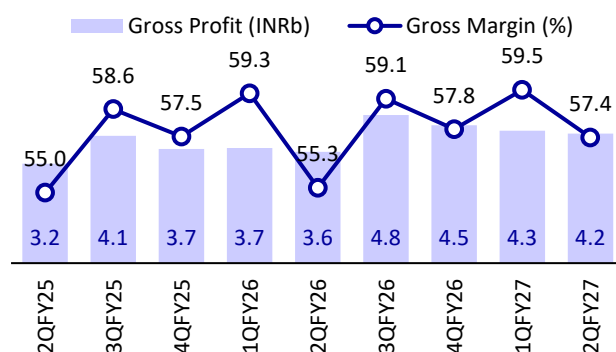
Story in charts

Exhibit 4: Consol. revenue grew 12% YoY, while quarterly revenue per sqft declined ~1% YoY



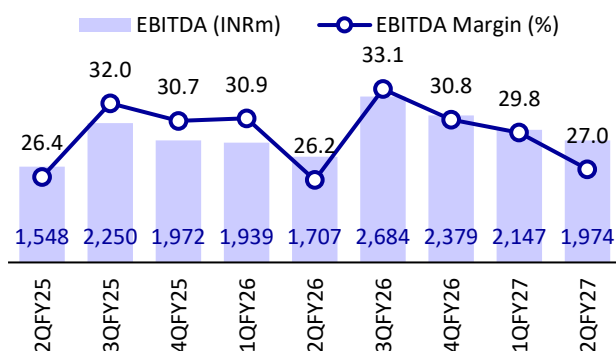
Source: MOFSL, Company

Exhibit 5: Gross profit rose ~17% YoY as gross margin expanded ~220bp YoY



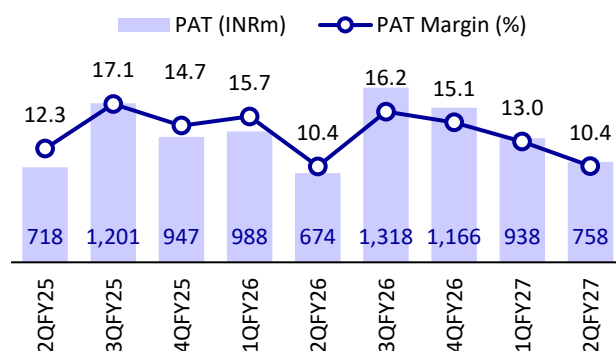
Source: MOFSL, Company

Exhibit 6: EBITDA rose 16% YoY; as margin expanded ~80bp YoY



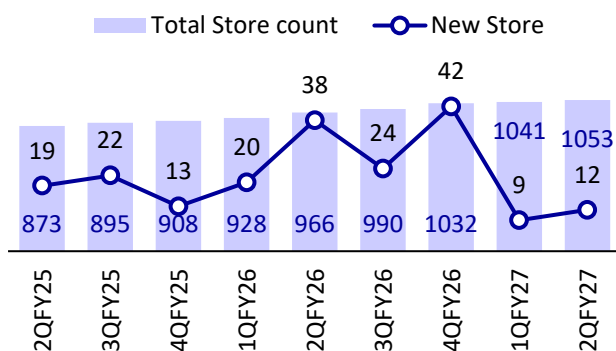
Source: MOFSL, Company

Exhibit 7: Adj. PAT grew ~12% YoY



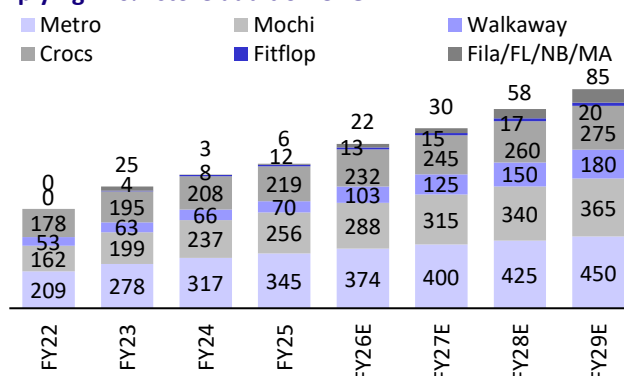
Source: MOFSL, Company

Exhibit 8: MBL added 12 net stores during 2QFY27



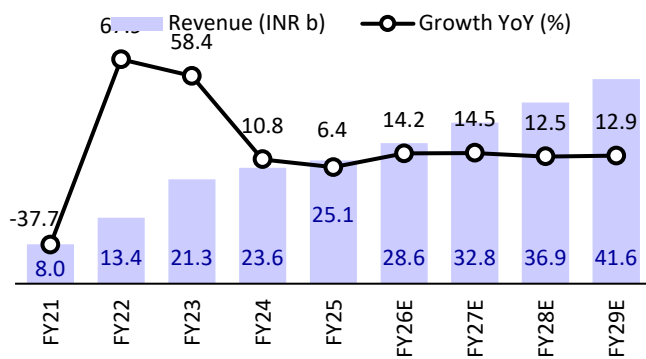
Source: MOFSL, Company

Exhibit 9: Expect MBL to reach ~1,375 stores by FY29, implying ~10% store addition CAGR



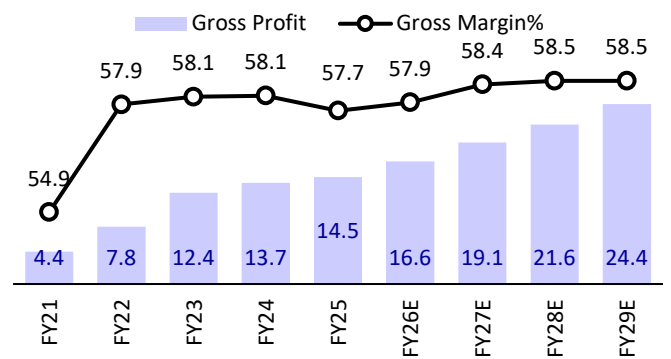
Source: MOFSL, Company

Exhibit 10: Expect 13% revenue CAGR over FY26-29



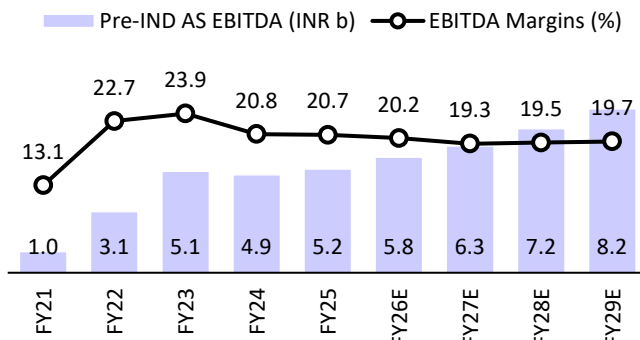
Source: MOFSL, Company

Exhibit 11: Expect MBL to clock a 14% GP CAGR



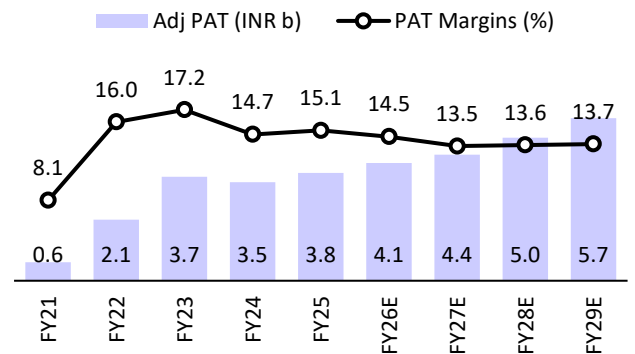
Source: MOFSL, Company

Exhibit 12: Expect 12% pre-IND AS EBITDA CAGR over FY26-29



Source: MOFSL, Company

Exhibit 13: Expect 11% adj. PAT CAGR over FY26-28



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total Income from Operations	13,429	21,271	23,567	25,074	28,636	32,777	36,866	41,633
Change (%)	67.9	58.4	10.8	6.4	14.2	14.5	12.5	12.9
Raw Materials	5,659	8,920	9,875	10,609	12,051	13,635	15,299	17,278
Gross Profit	7,770	12,351	13,692	14,465	16,585	19,142	21,567	24,356
Margin (%)	57.9	58.1	58.1	57.7	57.9	58.4	58.5	58.5
Employees Cost	1,212	1,843	2,280	2,450	2,764	3,474	3,889	4,351
Other Expenses	2,466	3,720	4,417	4,441	5,112	5,834	6,525	7,307
Total Expenditure	9,338	14,483	16,571	17,500	19,927	22,944	25,714	28,935
% of Sales	69.5	68.1	70.3	69.8	69.6	70.0	69.8	69.5
EBITDA	4,092	6,788	6,996	7,574	8,709	9,833	11,152	12,698
Margin (%)	30.5	31.9	29.7	30.2	30.4	30.0	30.3	30.5
Depreciation	1,342	1,810	2,291	2,580	3,110	3,654	4,195	4,835
EBIT	2,749	4,978	4,704	4,994	5,599	6,179	6,957	7,863
Int. and Finance Charges	504	631	789	905	1,109	1,284	1,398	1,547
Other Income	586	544	708	930	1,042	1,094	1,226	1,409
PBT bef. EO Exp.	2,831	4,891	4,624	5,019	5,532	5,989	6,785	7,726
EO Items	0	0	0	0	35	0	0	0
PBT after EO Exp.	2,831	4,891	4,624	5,019	5,497	5,989	6,785	7,726
Total Tax	702	1,257	499	1,491	1,354	1,507	1,708	1,945
Tax Rate (%)	24.8	25.7	10.8	29.7	24.6	25.2	25.2	25.2
Minority Interest/ JV-associates share	15	-19	1	-22	-32	-45	-50	-60
Reported PAT	2,115	3,653	4,124	3,551	4,144	4,482	5,077	5,781
Adjusted PAT	2,115	3,654	3,465	3,789	4,146	4,437	5,027	5,721
Change (%)	221.3	72.8	-5.2	9.4	9.4	7.0	13.3	13.8
Margin (%)	15.7	17.2	14.7	15.1	14.5	13.5	13.6	13.7

Consolidated - Balance Sheet

(INR m)

Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	1,358	1,359	1,360	1,361	1,363	1,363	1,363	1,363
Total Reserves	11,289	14,118	17,278	15,730	18,569	21,498	24,765	28,486
Net Worth	12,647	15,477	18,637	17,091	19,932	22,860	26,128	29,849
Minority Interest	224	264	294	289	336	336	336	336
Total Loans	6,922	9,430	10,984	12,271	15,702	16,873	18,615	20,446
Lease Liabilities	6,922	9,414	10,984	12,271	15,702	16,873	18,615	20,446
Deferred Tax Liabilities	0	0	0	0	0	0	0	0
Other Liabilities	6	45	10	8	9	9	9	9
Capital Employed	19,800	25,216	29,926	29,659	35,978	40,078	45,087	50,640
Gross Block	12,765	17,904	21,412	24,746	31,083	35,290	40,672	46,695
Less: Accum. Deprn.	4,287	4,883	6,589	8,727	11,241	14,895	19,090	23,925
Net Fixed Assets	8,478	13,021	14,823	16,020	19,842	20,395	21,583	22,770
Other Non-Current	614	661	795	957	1,239	1,239	1,239	1,239
Capital WIP	62	178	93	94	182	182	182	182
Total Investments	3,625	4,778	7,851	5,505	6,727	6,727	6,727	6,727
Curr. Assets, Loans & Adv.	10,140	10,579	9,566	10,375	11,733	15,953	20,330	25,394
Inventory	4,242	6,458	7,102	6,369	8,560	8,032	9,012	10,177
Account Receivables	577	1,261	757	912	998	1,192	1,341	1,514
Cash and Bank Balance	4,350	1,985	1,123	1,010	418	4,557	7,805	11,528
Loans and Advances	971	875	585	2,084	1,758	2,172	2,172	2,175
Curr. Liability & Prov.	3,342	4,056	3,601	3,676	4,175	4,848	5,403	6,102
Account Payables	2,343	2,813	2,570	2,258	2,782	3,026	3,353	3,787
Other Current Liabilities	958	1,114	950	1,316	1,233	1,639	1,843	2,082
Provisions	40	129	80	102	160	183	206	233
Net Current Assets	6,798	6,522	5,965	6,700	7,559	11,105	14,927	19,293
Deferred Tax assets	223	56	399	384	429	429	429	429
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	19,800	25,216	29,926	29,659	35,978	40,078	45,087	50,640

Financials and valuations

Ratios								
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)								
EPS	7.8	13.4	12.7	13.9	15.2	16.3	18.4	21.0
Cash EPS	13.0	20.6	21.7	24.0	27.3	30.5	34.7	39.8
BV/Share	47.6	58.3	70.2	64.4	75.1	86.1	98.4	112.4
DPS	0.8	5.0	2.2	19.9	3.0	5.7	6.6	7.6
Payout (%)	9.6	37.2	14.8	152.9	19.7	34.6	35.6	35.6
Valuation (x)								
P/E	115.1	66.7	70.3	64.4	58.9	55.1	48.6	42.7
Cash P/E	68.8	43.6	41.4	37.4	32.8	29.4	25.8	22.5
P/BV	18.8	15.4	12.8	13.9	11.9	10.4	9.1	8.0
EV/Sales	18.3	11.8	10.8	10.2	9.1	7.8	6.9	6.1
EV/EBITDA	60.1	37.0	36.3	33.7	29.8	26.1	22.9	19.9
Dividend Yield (%)	0.1	0.6	0.3	2.2	0.3	0.6	0.7	0.8
Return Ratios (%)								
RoE	20.0	26.0	20.3	21.2	22.4	20.7	20.5	20.4
RoCE	14.9	18.4	17.7	14.1	15.4	14.4	14.5	14.6
RoIC	19.7	24.6	21.4	16.0	16.3	16.1	17.7	18.8
Working Capital Ratios								
Fixed Asset Turnover (x)	1.1	1.2	1.1	1.0	0.9	0.9	0.9	0.9
Asset Turnover (x)	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Inventory (Days)	274	264	262	219	259	215	215	215
Debtor (Days)	16	22	12	13	13	13	13	13
Creditor (Days)	151	115	95	78	84	81	80	80
Leverage Ratio (x)								
Current Ratio	3.0	2.6	2.7	2.8	2.8	3.3	3.8	4.2
Interest Cover Ratio	5.5	7.9	6.0	5.5	5.0	4.8	5.0	5.1
Net Debt/Equity	-0.1	0.2	0.1	0.3	0.4	0.2	0.2	0.1
Consolidated - Cash Flow Statement								
						(INR m)		
Y/E March	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	2,831	4,891	4,624	5,019	5,497	5,989	6,785	7,726
Depreciation	1,342	1,810	2,291	2,580	3,110	3,654	4,195	4,835
Interest & Finance Charges	491	631	789	905	1,109	1,284	1,398	1,547
Direct Taxes Paid	-715	-1,412	-840	-1,363	-1,296	-1,507	-1,708	-1,945
(Inc)/Dec in WC	-638	-1,727	-490	574	-2,874	593	-574	-643
CF from Operations	3,312	4,193	6,374	7,715	5,547	10,013	10,096	11,520
Others	-491	-386	-474	-740	-809	-1,094	-1,226	-1,409
CF from Operating incl EO	2,821	3,807	5,901	6,975	4,738	8,918	8,870	10,111
(Inc)/Dec in FA	-479	-996	-1,161	-874	-1,391	-823	-1,073	-1,222
Free Cash Flow	2,342	2,810	4,740	6,101	3,347	8,095	7,797	8,888
(Pur)/Sale of Investments	538	-620	-1,885	1,587	-148	0	0	0
Others	68	-748	478	488	520	1,094	1,226	1,409
CF from Investments	127	-2,365	-2,569	1,200	-1,019	271	152	187
Issue of Shares	2,924	29	44	83	74	0	0	0
Inc/(Dec) in Debt	-14	-1,023	-15	0	0	0	0	0
Interest Paid	-1	-1	-3	-5	-8	-1,284	-1,398	-1,547
Dividend	0	-883	-1,155	-5,420	-1,498	-1,553	-1,810	-2,060
Others	-1,038	-1,710	-2,097	-2,389	-2,929	-2,213	-2,567	-2,969
CF from Fin. Activity	1,870	-3,588	-3,227	-7,730	-4,361	-5,050	-5,775	-6,575
Inc/Dec of Cash	4,818	-2,146	106	445	-642	4,139	3,248	3,722
Opening Balance	263	5,081	2,935	3,041	3,486	2,845	6,984	10,232
Closing Balance	5,081	2,935	3,041	3,486	2,845	6,984	10,232	13,954
Other Bank Balance/(OD)	-732	-950	-1,918	-2,476	-2,426	-2,426	-2,426	-2,426
Net Closing Balance	4,350	1,985	1,123	1,010	418	4,557	7,805	11,528

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UNDER REVIEW	Rating may undergo a change
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