5 August 2026

1QFY27 Results Update | Sector: Footwear

Metro Brands

Estimate change	↓
TP change	↓
Rating change	↔

Bloomberg	METROBRA IN
Equity Shares (m)	273
M.Cap.(INRb)/(USDb)	273.9 / 2.9
52-Week Range (INR)	1340 / 883
1, 6, 12 Rel. Per (%)	-4/1/-15
12M Avg Val (INR M)	91

Financials & Valuations (INR b)

Y/E March	FY27E	FY28E	FY29E
Sales	33.2	37.6	42.4
EBITDA	10.1	11.5	13.1
Adj. PAT	4.6	5.3	6.0
EBITDA Margin (%)	30.5	30.7	30.9
Adj. EPS (INR)	17.1	19.3	22.0
EPS Gr. (%)	12.1	13.4	13.8
BV/Sh. (INR)	86.6	99.5	114.2
Ratios			
Net D:E	0.3	0.2	0.1
RoE (%)	21.7	21.3	21.1
RoCE (%)	14.9	14.8	14.9
Payout (%)	34.7	35.7	35.6
Valuations			
P/E (x)	58.6	51.7	45.4
EV/EBITDA (x)	28.2	24.6	21.5
EV/Sales (X)	8.6	7.5	6.6
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: INR1,005 TP: INR1,200 (+19%) Buy

Remains with in the growth and profitability guidance

- Metro Brands' (MBL) revenue grew 15% YoY in 1QFY27, driven by demand recovery from mid-Jun'26, despite a muted Apr-May period due to weak consumer sentiment amid challenging the global backdrop.
- EBITDA growth was weak at 11% YoY (6% miss) as margin contracted 110bp YoY to 29.8%, due to higher investments in talent and brand-building and a slower ramp-up in new formats.
- MBL's growth trajectory remains within the guided range (15-18%), supported by store expansion, healthy demand across core formats, incubation of new banners and premiumization.
- Higher investments in brand-building, talent and incubating new formats weighed on margins; however, management expects profitability to remain within the guided range (~30% EBITDA and 13-15% PAT margin).
- We cut our FY27-28E EBITDA/PAT by 2-5% and model a 14-15% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- We reiterate our **BUY rating with a revised TP of INR1,200** (vs. INR1,250 earlier), premised on ~38x Sep'28E pre-IND AS EV/EBITDA (implies ~58x Sep'28E P/E).

Robust revenue growth (+15% YoY), profitability weak (EBITDA margin -110bp YoY)

- Consolidated revenue **grew ~15% YoY** to INR7.2b, though slightly weaker than our est. of 18% YoY growth due to a moderation in ecom sales and an adverse impact from lower weddings due to Adhikmaas.
  - In-store sales growth remained robust at ~15.5% (vs. ~16% YoY in 4Q), driven largely by 12% YoY store additions.
  - Revenue per sqft (on closing area) was stable YoY at INR4,350.
  - MBL added 13 new stores and closed four stores in 1Q to bring the total store count to 1,041 (up ~12% YoY).
  - Format-wise, MBL added one net store each in Metro/Mochi/Fitflop/ New Era, two net stores in Crocs and three net stores in Walkway.
  - E-commerce & omni channel revenue growth moderated to ~10% YoY (flat QoQ) to INR920m, with revenue share moderating to 13.1% (vs. 13.7% YoY) due to lower growth in SoR led 3P channel.
- Gross profit rose 15% YoY to INR4.3b (vs. our est. INR4.4b) as margins expanded ~15bp YoY to 59.5% (**~40bp beat**).
- Employee costs grew 21% YoY and other expenses jumped 19% YoY, offsetting better gross margins.
- As a result, EBITDA at INR2.15b **grew 11% YoY (6% miss)**.
  - EBITDA margin contracted ~110bp YoY to 29.8% (**~120bp miss**) due to increased investments in talent and brand-building.
- Depreciation (+23% YoY) and finance costs (+25% YoY) increased, likely due to higher rentals from new format additions. Other income declined ~8% YoY (16% below our est.).
- Resultantly, reported PAT at INR938b declined 5% YoY (12% miss).

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Key takeaways from the management commentary

- **Demand outlook:** Apr-May'26 saw weak demand due to the impact of geopolitical uncertainties on consumer sentiment and the lack of weddings due to Adhikmaas. However, demand rebounded from mid-Jun'26.
- **Long-term growth outlook:** Improving customer traffic, conversion rates and new customer acquisition indicate that marketing initiatives are translating into healthy business momentum. While quarterly growth may be influenced by the timing of festivals and weddings, the long-term growth outlook remains intact.
- **Margin outlook:** Margin pressure during the quarter reflected in higher investments in brand marketing (~100bp), talent, technology and incubation of new store formats, along with lower treasury income. These investments are intended to support long-term growth. Management reiterated its guidance of maintaining **gross margins of 55-57%, EBITDA margins of ~30% and PAT margins in the range of 13-15%** for FY27.
- **E-commerce:** E-commerce growth during 1Q was adversely impacted by lower sales in SoR-led 3P channel, while brand website and marketplace reported strong performance.
- **Clarks** continues to exceed expectations, with encouraging customer response, minimal cannibalization and a localized manufacturing base strengthening confidence in a faster scale-up. Distribution is expected to expand to ~700 MBOs by FY27-end, with EBO rollout commencing from 3QFY27.

Valuation and view

- MBL's growth trajectory remains within the guided range (15-18%), supported by store expansion, healthy demand across core formats and premiumization.
- Higher investments in brand-building, talent and incubating new formats weighed on margins; however, management expects profitability to remain within the guided range (~30% EBITDA and 13-15% PAT margin).
- While BIS-related challenges persist for the S&A portfolio (Foot Locker, FILA and MetroActiv), MBL continues to diversify its growth drivers through rapid expansion of Walkway and strategic partnerships with Clarks and New Era, supporting sustained double-digit growth over the medium term.
- 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 FY27-28E EBITDA/PAT by 2-5% and model a 14-15% CAGR in revenue/pre-IND AS EBITDA/PAT over FY26-29E.
- Reiterate our BUY rating with a revised TP of INR1,200 (earlier INR1,250), premised on ~38x Sep'28E Pre-Ind AS EV/EBITDA (implies ~58x Sep'28E P/E).
- Continued double-digit revenue growth and a successful scale-up of Clarks, MetroActiv, FILA and Foot Locker remain the key re-rating triggers.

Exhibit 1: Our TP of INR1,200 implies ~58x Sep'28E EPS

(INR/share)	Sep'28
EPS (INR)	20.7
Target P/E (x)	58
Target Price	**1,200**
CMP	1,000
Upside (%)	20.1%

Consolidated - Quarterly Earnings Summary (INR m)

Y/E March	FY26				FY27E				FY26	FY27E	FY27E	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			1QE	Var (%)
Revenue	**6,282**	**6,511**	**8,113**	**7,730**	**7,204**	**7,485**	**9,567**	**8,976**	**28,636**	**33,231**	**7,408**	**-2.8**
YoY Change (%)	9.1	11.2	15.4	20.3	14.7	15.0	17.9	16.1	14.2	16.0	-68.6	
Total Expenditure	4,343	4,804	5,429	5,351	5,057	5,516	6,372	6,167	19,927	23,113	5,113	-1.1
EBITDA	**1,939**	**1,707**	**2,684**	**2,379**	**2,147**	**1,969**	**3,195**	**2,809**	**8,709**	**10,119**	**2,295**	**-6.5**
EBITDA Margin (%)	30.9	26.2	33.1	30.8	29.8	26.3	33.4	31.3	30.4	30.5	31.0	-118 bp
Depreciation	688	784	799	838	850	884	910	1,115	3,110	3,758	880	-3.5
Interest	237	294	288	290	296	317	339	340	1,109	1,293	296	0.1
Other Income	286	282	161	314	263	300	300	336	1,042	1,199	313	-15.9
PBT	**1,300**	**911**	**1,723**	**1,564**	**1,264**	**1,068**	**2,245**	**1,690**	**5,497**	**6,266**	**1,431**	**-11.7**
Tax	320	221	423	389	315	269	565	429	1,354	1,577	360	-12.6
Rate (%)	24.6	24.3	24.6	24.9	24.9	25.2	25.2	25.4	24.6	25.2	25.2	
MI & Profit/Loss of Asso. Cos.	9	-15	-16	-9	-11	-11	-11	-7	-32	-40	-9	
PAT before MI	**979**	**689**	**1,300**	**1,175**	**949**	**799**	**1,680**	**1,262**	**4,144**	**4,689**	**1,071**	**-11.4**
Adj PAT post MI	**988**	**674**	**1,318**	**1,166**	**938**	**788**	**1,669**	**1,254**	**4,146**	**4,649**	**1,062**	**-11.7**
YoY Change (%)	7	-6	10	23	-5	17	27	8	9.4	12.1	12	

Exhibit 2: We ascribe a TP of INR1,200 to MBL based on 38x Sep'28E pre-IND AS EBITDA

(INR/share)	Valuation	
	(INR b)	(INR/share)
Pre-IND AS EBITDA (INR)	8.2	
Target multiple (x)	38	
EV for Metro Brands	**314**	**1,151**
Net Debt	(13)	(48)
Target Price for Metro Brands	**327**	**1,200**
CMP		1000
Upside (%)		**20%**

Exhibit 3: Relative valuation

FY26-28E CAGR (%)	M.Cap	MOFSL			P/E (X)		EV/EBITDA (x)		EV/Sales (X)		RoE (%)	
	INR b	Sales	EBITDA	PAT	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
VMM	520	19.1	24.8	26.6	49.2	38.6	31.4	24.6	3.2	2.6	13.3	14.7
V-Mart	64	18.7	27.5	33.9	43.0	28.7	22.3	16.5	1.4	1.2	14.6	18.5
Value Retailers		**18.9**	**26.2**	**30.2**	**46.1**	**33.7**	**26.8**	**20.6**	**2.3**	**1.9**	**13.9**	**16.6**
D-Mart	2,574	16.7	16.1	16.3	74.2	64.1	45.5	39.3	3.2	2.8	13.7	13.7
Trent	1,668	21.1	20.4	20.7	80.0	65.8	50.9	41.4	6.8	5.6	27.7	27.0
ABLBL	115	8.3	12.3	20.3	43.8	38.4	17.6	14.5	1.3	1.2	17.4	17.5
Manyavar	123	5.3	11.1	6.7	31.5	28.5	22.6	19.4	7.2	6.6	20.1	20.7
Arvind Fash	62	12.0	23.0	36.4	38.6	26.8	13.8	11.7	1.0	0.9	15.8	19.5
Traditional retailers		**13.0**	**20.1**	**23.0**	**55.6**	**43.7**	**29.5**	**23.7**	**3.8**	**3.2**	**14.3**	**15.5**
Metro	**273**	**14.5**	**15.3**	**12.7**	**58.7**	**51.8**	**38.9**	**33.6**	**7.9**	**6.9**	**21.7**	**21.3**
Relaxo	104	5.9	6.8	9.4	47.9	45.4	27.6	26.1	3.5	3.3	9.5	9.5
Bata	94	5.4	19.0	22.1	41.0	30.6	18.4	15.2	2.2	2.0	13.9	17.1
Campus	69	12.8	19.0	19.8	39.8	32.1	22.7	18.3	3.4	2.9	17.9	19.4
Footwear		**10.1**	**15.7**	**16.7**	**46.5**	**39.4**	**26.7**	**22.9**	**4.2**	**3.7**	**15.9**	**17.1**

Source: Company, MOFSL

CONFERENCE CALL

Detailed takeaways from the management commentary

- **Demand outlook:** Apr-May'26 saw weak demand due to the impact of geopolitical uncertainties on consumer sentiment and the lack of weddings due to Adhikmaas. However, demand rebounded from mid-Jun'26.
- **Long-term growth outlook:** Improving customer traffic, conversion rates and new customer acquisition indicate that marketing initiatives are translating into healthy business momentum. While quarterly growth may remain influenced by the timing of festivals and weddings, the long-term growth trajectory remains intact.
- **Margin outlook:** Margin pressure during the quarter reflected in higher investments in brand marketing (~100bp), talent, technology and incubation of new store formats, along with lower treasury income. These investments are intended to support long-term growth. Management reiterated its guidance of maintaining gross margins of **55-57%**, EBITDA margins of ~**30%** and PAT margins in the range of **13-15%** for FY27.
- **E-commerce:** E-commerce growth during 1Q was adversely impacted by lower sales in SoR-led 3P channel, while brand website and marketplace reported strong performance. After several quarters of exceptionally strong growth, e-commerce growth is expected to normalize to a healthier 20-30% annual rate. The focus remains on profitable growth and brand building rather than pursuing aggressive discount-led sales.
- **Store expansion:** Store additions are expected to remain healthy, with the company reiterating confidence in achieving its usual **triple-digit annual store additions**. Expansion will continue to be guided by return thresholds and store economics rather than fixed opening targets, leading to some QoQ volatility.
- **Same-store sales growth (SSSG):** Improving customer traffic, conversion rates and bill counts continue to support SSSG. Marketing investments are increasingly driving new customer acquisition, while higher basket sizes through cross-selling and premiumization remain important levers for sustaining comparable sales growth.
- **Clarks:** Early response has been encouraging, with both men's and women's ranges attracting incremental customers and exhibiting limited cannibalization impact on existing brands. Local manufacturing has materially improved confidence in scaling up the business, with plans to expand distribution to ~700 MBOs, launch EBOs from 3QFY27, and build a potential 100-150 store network over time.
- **Walkway:** Management reiterated that the format is likely to be dilutive to overall SPSF and margins. However, MBL expects Walkway to deliver ~25-30% RoCE over the long term (better than mid-to-high single-digit returns on treasury).
- **Sports portfolio:** Long-term sports opportunity extends beyond FootLocker and MetroActiv. Increasing sports penetration across the existing Metro and Mochi network is expected to be an important growth driver, while FILA, FootLocker and MetroActiv together represent a potential **300-500 store opportunity** over the next 5-7 years. BIS remains the key near-term constraint.
- **FILA:** The turnaround remains a work in progress. Newly opened stores are witnessing an encouraging initial response, while investments continue to focus

on rebuilding the brand through improved assortment, pricing and controlled expansion rather than maximizing near-term sales.

- **Capital allocation:** Investment decisions across formats and acquiring new brand continue to be guided by incremental returns and consumer opportunity rather than growth for its own sake. Despite having sufficient capital, expansion remains disciplined, with investments allocated only to formats offering the strongest long-term return potential.

Updates on the new business formats

- **Foot Locker:** No store additions during 1QFY27 (total at 6), owing to ongoing BIS implementation challenges faced by select external brands.
- **FILA:** To counter BIS-related challenges, local manufacturing of FILA products has commenced. FILA's repositioning is progressing as per plans and the company opened one EBO during 1QFY27 and closed one.
- **Clarks partnership:** MBL introduced Clarks Cloudstepper ladies' range in ~ 300 MBOs and limited men's range in ~100 MBOs. Plans to get supply of complete assortment by 2QFY27 and open Clarks EBO in 3QFY27.

Exhibit 4: Quarterly performance

Consol P&L (INR m)	1QFY26	4QFY26	1QFY27	YoY%	QoQ%	1QFY27E	v/s Est (%)
Total Revenue	**6,282**	**7,730**	**7,204**	**15**	**-7**	**7,408**	**-3**
Raw Material cost	2,555	3,264	2,919	14	-11	3,032	-4
Gross Profit	**3,727**	**4,466**	**4,284**	**15**	**-4**	**4,376**	**-2**
Gross margin (%)	**59.3**	**57.8**	**59.5**	**15**	**169**	**59.1**	**40**
Employee Costs	630	736	759	21	3	741	2
SGA Expenses	1,159	1,352	1,379	19	2	1,341	3
EBITDA	**1,939**	**2,379**	**2,147**	**11**	**-10**	**2,295**	**-6**
EBITDA margin (%)	**30.9**	**30.8**	**29.8**	**-107**	**-98**	**31.0**	**-117.8**
Depreciation and amortization	688	838	850	23	1	880	-3
EBIT	1,251	1,541	1,297	4	-16	1,414	-8
EBIT margin (%)	19.9	19.9	18.0	-190	-193	19.1	-109
Finance Costs	237	290	296	25	2	296	0
Other income	286	314	263	-8	-16	313	-16
Exceptional item	0	0	0	NM	NM	0	NM
Profit before Tax	**1,300**	**1,564**	**1,264**	**-3**	**-19**	**1,431**	**-12**
Tax	320	389	315	-2	-19	360	-13
Tax rate (%)	24.6	24.9	24.9	28	7	25.2	NM
Profit after Tax	**979**	**1,175**	**949**	**-3**	**-19**	**1,071**	**-11**
Adj Profit after Tax	**988**	**1,166**	**938**	**-5**	**-20**	**1,062**	**-12**
PAT margin (%)	15.7	15.1	13.0	-271	-207	14.3	-132
Consol P&L (INR m)	**1QFY26**	**4QFY26**	**1QFY27**	**YoY%**	**QoQ%**	**1QFY27E**	**v/s Est (%)**
Total Stores	928	1,032	1,041	12	1	1,050	-1
Net store adds	20	42	9			18	-50

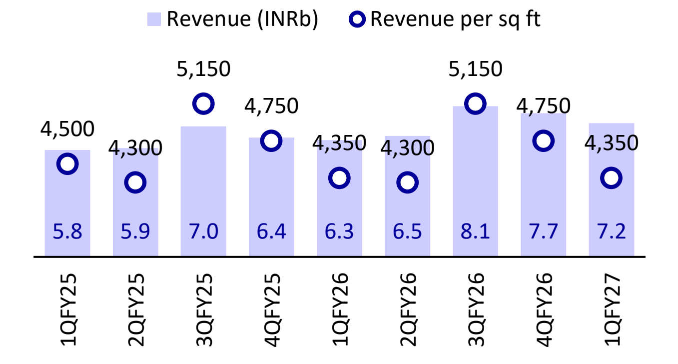
Source: MOFSL, Company

Exhibit 5: Summary of changes to our estimates

	FY27E	FY28E	FY29E
Revenue (INR m)			
Old	33,707	38,735	
Actual/New	33,231	37,553	42,446
Change (%)	-1.4	-3.1	
GP (INR m)			
Old	19,466	22,428	
Actual/New	19,208	21,781	24,682
Change (%)	-1.3	-2.9	
EBITDA (INR m)			
Old	10,281	11,911	
Actual/New	10,119	11,510	13,095
Change (%)	*-1.6*	*-3.4*	
EBITDA margin (%)			
Old	30.5	30.8	
Actual/New	30.5	30.7	30.9
Change (bp)	*-5*	*-10*	
Net Profit (INR m)			
Old	4,774	5,541	
Actual/New	4,649	5,271	5,996
Change (%)	*-2.6*	*-4.9*	
EPS (INR)			
Old	17.5	20.3	
Actual/New	17.1	19.3	22.0
Change (%)	*-2.6*	*-4.9*	

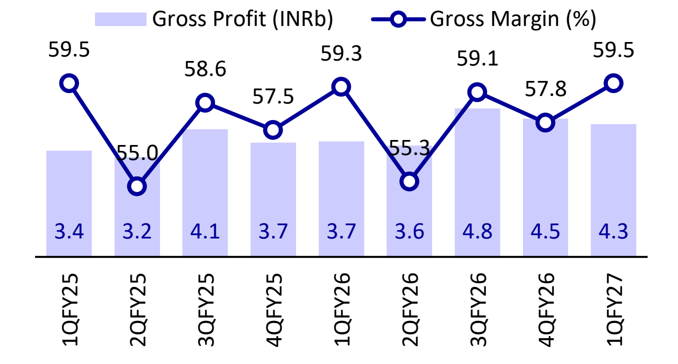
Story in charts

Exhibit 6: Consol revenue grew 15% YoY, while quarterly revenue per sqft was stable YoY



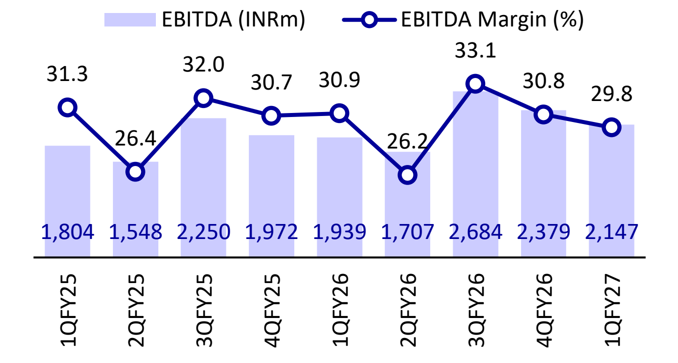
Source: MOFSL, Company

Exhibit 7: GP up ~15% YoY as gross margins expanded ~15bp YoY



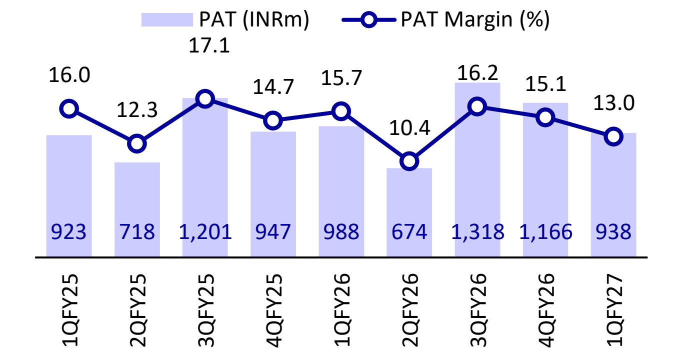
Source: MOFSL, Company

Exhibit 8: EBITDA rose 11% YoY; margins contracted ~110bp YoY



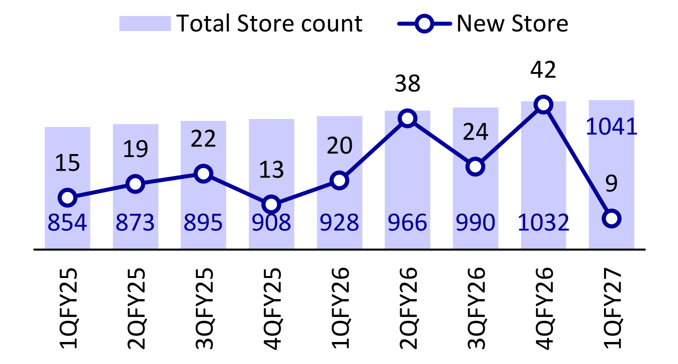
Source: MOFSL, Company

Exhibit 9: Adj. PAT declined 5% YoY



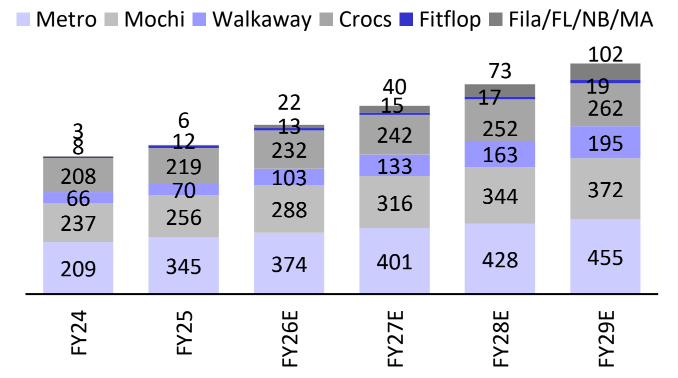
Source: MOFSL, Company

Exhibit 10: MBL added nine net stores during 1QFY27



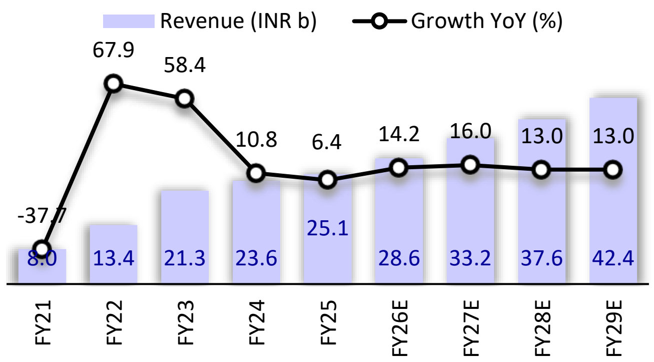
Source: MOFSL, Company

Exhibit 11: Expect MBL to reach ~1,400+ stores by FY29 (vs. 1,032 in FY26), implying ~11% store additions CAGR



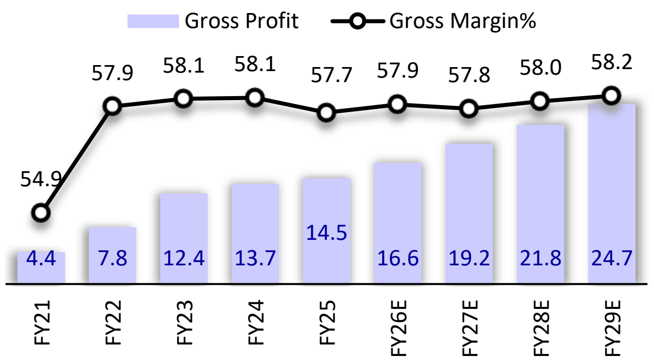
Source: MOFSL, Company

Exhibit 12: Expect 14% revenue CAGR over FY26-29



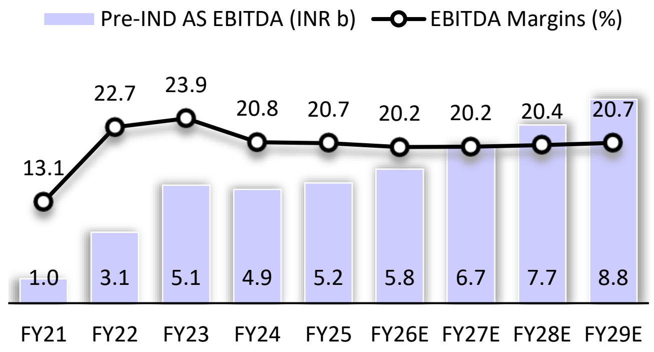
Source: MOFSL, Company

Exhibit 13: Expect MBL to clock a 14% GP CAGR



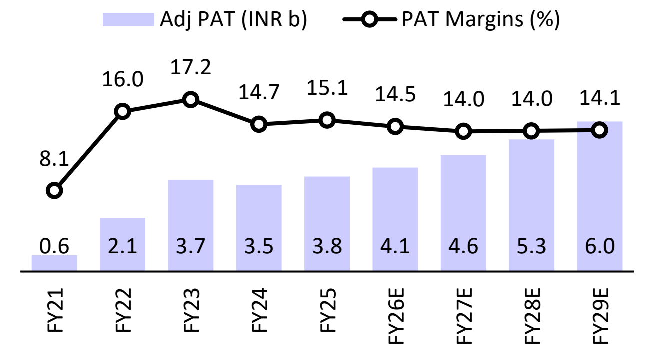
Source: MOFSL, Company

Exhibit 14: Expect 15% EBITDA CAGR over FY26-29



Source: MOFSL, Company

Exhibit 15: Expect 13% 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**	**33,231**	**37,553**	**42,446**
Change (%)	67.9	58.4	10.8	6.4	14.2	16.0	13.0	13.0
Raw Materials	5,659	8,920	9,875	10,609	12,051	14,024	15,772	17,764
Gross Profit	**7,770**	**12,351**	**13,692**	**14,465**	**16,585**	**19,208**	**21,781**	**24,682**
Margin (%)	57.9	58.1	58.1	57.7	57.9	57.8	58.0	58.2
Employees Cost	1,212	1,843	2,280	2,450	2,764	3,207	3,624	4,075
Other Expenses	2,466	3,720	4,417	4,441	5,112	5,882	6,647	7,513
Total Expenditure	**9,338**	**14,483**	**16,571**	**17,500**	**19,927**	**23,113**	**26,043**	**29,351**
% of Sales	69.5	68.1	70.3	69.8	69.6	69.6	69.4	69.2
EBITDA	**4,092**	**6,788**	**6,996**	**7,574**	**8,709**	**10,119**	**11,510**	**13,095**
Margin (%)	30.5	31.9	29.7	30.2	30.4	30.5	30.7	30.9
Depreciation	1,342	1,810	2,291	2,580	3,110	3,758	4,351	5,007
EBIT	**2,749**	**4,978**	**4,704**	**4,994**	**5,599**	**6,361**	**7,159**	**8,088**
Int. and Finance Charges	504	631	789	905	1,109	1,293	1,427	1,579
Other Income	586	544	708	930	1,042	1,199	1,378	1,585
PBT bef. EO Exp.	**2,831**	**4,891**	**4,624**	**5,019**	**5,532**	**6,266**	**7,110**	**8,093**
EO Items	0	0	0	0	35	0	0	0
PBT after EO Exp.	**2,831**	**4,891**	**4,624**	**5,019**	**5,497**	**6,266**	**7,110**	**8,093**
Total Tax	702	1,257	499	1,491	1,354	1,577	1,790	2,037
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	-40	-50	-60
Reported PAT	**2,115**	**3,653**	**4,124**	**3,551**	**4,144**	**4,689**	**5,321**	**6,056**
Adjusted PAT	**2,115**	**3,654**	**3,465**	**3,789**	**4,146**	**4,649**	**5,271**	**5,996**
Change (%)	221.3	72.8	-5.2	9.4	9.4	12.1	13.4	13.8
Margin (%)	15.7	17.2	14.7	15.1	14.5	14.0	14.0	14.1

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	21,631	25,054	28,952
Net Worth	**12,647**	**15,477**	**18,637**	**17,091**	**19,932**	**22,993**	**26,417**	**30,314**
Minority Interest	224	264	294	289	336	336	336	336
Total Loans	6,922	9,430	10,984	12,271	15,702	17,362	19,316	21,226
Lease Liabilities	6,922	9,414	10,984	12,271	15,702	17,362	19,316	21,226
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**	**40,700**	**46,078**	**51,885**
Gross Block	12,765	17,904	21,412	24,746	31,679	36,393	41,834	47,615
Less: Accum. Deprn.	4,287	4,883	6,589	8,727	11,837	15,595	19,947	24,954
Net Fixed Assets	**8,478**	**13,021**	**14,823**	**16,020**	**19,842**	**20,798**	**21,888**	**22,661**
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**	**16,285**	**21,157**	**26,900**
Inventory	4,242	6,458	7,102	6,369	8,560	8,261	9,291	10,464
Account Receivables	577	1,261	757	912	998	1,209	1,366	1,544
Cash and Bank Balance	4,350	1,985	1,123	1,010	418	4,639	8,324	12,714
Loans and Advances	971	875	585	2,084	1,758	2,177	2,177	2,178
Curr. Liability & Prov.	**3,342**	**4,056**	**3,601**	**3,676**	**4,175**	**4,960**	**5,545**	**6,253**
Account Payables	2,343	2,813	2,570	2,258	2,782	3,112	3,457	3,893
Other Current Liabilities	958	1,114	950	1,316	1,233	1,662	1,878	2,122
Provisions	40	129	80	102	160	186	210	237
Net Current Assets	**6,798**	**6,522**	**5,965**	**6,700**	**7,559**	**11,325**	**15,613**	**20,647**
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**	**40,700**	**46,078**	**51,885**

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**	**17.1**	**19.3**	**22.0**
Cash EPS	13.0	20.6	21.7	24.0	27.3	31.7	36.2	41.4
BV/Share	47.6	58.3	70.2	64.4	75.1	86.6	99.5	114.2
DPS	0.8	5.0	2.2	19.9	3.0	6.0	7.0	7.9
Payout (%)	9.6	37.2	14.8	152.9	19.7	34.7	35.7	35.6
Valuation (x)								
P/E	128.3	74.3	78.4	71.8	65.7	58.6	51.7	45.4
Cash P/E	76.8	48.6	46.1	41.7	36.6	31.6	27.6	24.1
P/BV	21.0	17.1	14.2	15.5	13.3	11.5	10.0	8.8
EV/Sales	20.4	13.1	12.0	11.3	10.0	8.6	7.5	6.6
EV/EBITDA	66.9	41.1	40.3	37.4	33.0	28.2	24.6	21.5
Dividend Yield (%)	0.1	0.5	0.2	2.0	0.3	0.6	0.7	0.8
Return Ratios (%)								
RoE	20.0	26.0	20.3	21.2	22.4	21.7	21.3	21.1
RoCE	14.9	18.4	17.7	14.1	15.4	14.9	14.8	14.9
RoIC	19.7	24.6	21.4	16.0	16.3	16.5	17.9	19.2
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	4.3
Interest Cover Ratio	5.5	7.9	6.0	5.5	5.0	4.9	5.0	5.1
Net Debt/Equity	-0.1	0.2	0.1	0.3	0.4	0.3	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	6,266	7,110	8,093
Depreciation	1,342	1,810	2,291	2,580	3,110	3,758	4,351	5,007
Interest & Finance Charges	491	631	789	905	1,109	1,293	1,427	1,579
Direct Taxes Paid	-715	-1,412	-840	-1,363	-1,296	-1,577	-1,790	-2,037
(Inc)/Dec in WC	-638	-1,727	-490	574	-2,874	454	-602	-644
CF from Operations	**3,312**	**4,193**	**6,374**	**7,715**	**5,547**	**10,194**	**10,497**	**11,999**
Others	-491	-386	-474	-740	-809	-1,199	-1,378	-1,585
CF from Operating incl EO	**2,821**	**3,807**	**5,901**	**6,975**	**4,738**	**8,996**	**9,118**	**10,414**
(Inc)/Dec in FA	-479	-996	-1,161	-874	-1,391	-944	-1,081	-1,139
Free Cash Flow	**2,342**	**2,810**	**4,740**	**6,101**	**3,347**	**8,051**	**8,037**	**9,275**
(Pur)/Sale of Investments	538	-620	-1,885	1,587	-148	0	0	0
Others	68	-748	478	488	520	1,199	1,378	1,585
CF from Investments	**127**	**-2,365**	**-2,569**	**1,200**	**-1,019**	**254**	**297**	**446**
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	-1,293	-1,427	-1,579
Dividend	0	-883	-1,155	-5,420	-1,498	-1,627	-1,897	-2,159
Others	-1,038	-1,710	-2,097	-2,389	-2,929	-2,109	-2,407	-2,732
CF from Fin. Activity	**1,870**	**-3,588**	**-3,227**	**-7,730**	**-4,361**	**-5,029**	**-5,731**	**-6,470**
Inc/Dec of Cash	**4,818**	**-2,146**	**106**	**445**	**-642**	**4,221**	**3,685**	**4,390**
Opening Balance	263	5,081	2,935	3,041	3,486	2,845	7,065	10,750
Closing Balance	**5,081**	**2,935**	**3,041**	**3,486**	**2,845**	**7,065**	**10,750**	**15,141**
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**	**4,639**	**8,324**	**12,714**

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Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.
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