

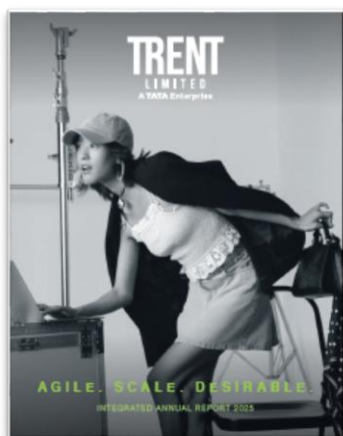
BSE SENSEX
82,571

S&P CNX
25,196

CMP: INR5,335

TP: INR6,650 (+25%)

Buy



Stock Info

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USD)	1889.2 / 22
52-Week Range (INR)	8346 / 4488
1, 6, 12 Rel. Per (%)	-6/-22/-8
12M Avg Val (INR M)	7415
Free float (%)	63.0

Financials Snapshot (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	213.6	255.0	300.3
EBITDA	34.0	40.2	47.2
NP	18.9	23.1	26.5
EBITDA Margin (%)	15.9	15.7	15.7
Adj. EPS (INR)	53.2	65.0	74.5
EPS Gr. (%)	23.3	22.1	14.5
BV/Sh. (INR)	215.4	278.6	351.3

Ratios

Net D:E	0.0	-0.1	-0.2
RoE (%)	30.0	28.2	25.3
RoCE (%)	19.3	18.1	16.4
Payout (%)	10.3	0.0	0.0

Valuations

P/E (x)	100.2	82.0	71.6
EV/EBITDA (x)	55.9	47.0	39.7
EV/Sales (x)	9.0	7.5	6.3
Div. Yield (%)	0.1	0.0	0.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	37.0	37.0	37.0
DII	17.2	15.3	13.9
FII	19.7	21.7	26.8
Others	26.1	26.0	22.3

Aggressive expansion continues to drive growth

We pored over Trent's FY25 annual report to get insights about its performance and other key developments. Here are the key takeaways:

Stellar growth continued, albeit with some moderation in LFL

- Trent reported revenue growth of 40% YoY, aided by footprint expansion (29%/40% YoY store/area additions) and double-digit LFL (SPSF up 4% YoY).
- Trent added 16/220 net Westside/Zudio stores and consolidated four other format stores to cross 1,000+ stores across its fashion formats.
- However, Trent's growth rate moderated in the past few quarters due to high base and contraction in LFL growth to a mid-single digit by 4QFY25.
- Despite ~70bp contraction in GM, reported/pre-IND AS 116 EBITDA margin expanded ~35bp/105bp YoY, aided by operating leverage, especially on employee and rental costs (2% YoY decline to ~INR179/sqft per month).
- Trent's OCF rose to ~INR10b (vs. INR7.8b YoY), driven by strong profitability, while FCF moderated to INR1.9b (vs. INR4b in FY24) due to higher capex.
- The company also saw an improvement in its return profile in FY25, backed by higher profitability and asset turns.

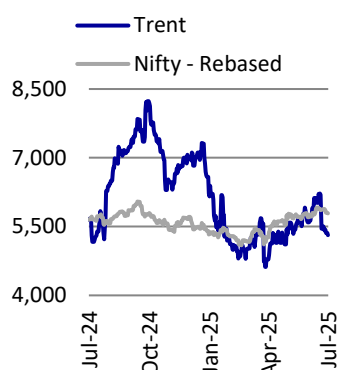
Westside: Growth impacted by store consolidation

- Westside store count grew by a modest ~7% YoY to 248 stores in FY25. New stores were added primarily in the top 7 states while consolidating the footprint in several states.
- Westside retail area increased by 20% YoY to 5.4m sqft, with sharp ~12% YoY increase in average store size to ~22k sqft (vs. 19.3k sqft in FY24) as the company consolidated smaller Westside stores and opened bigger stores.
- We expect ~17-18 annual store additions in Westside (~11% retail area CAGR over FY25-28E) as Trent continues to focus on larger stores with more space dedicated to emerging categories such as footwear, beauty, innerwear and lab-grown diamonds (LGDs).

Zudio: Scaled up to USD1b+ brand by sales

- Zudio continued to deliver robust growth, crossing USD1b in sales, led by footprint expansions (added net 220 stores in FY25, +40% YoY) with area addition of 58% YoY.
- Zudio entered 67 cities and strengthened its presence in large, high-potential markets, though its footprint concentration in the top 7 states is gradually decreasing (64% of stores in FY25 vs. ~68% in FY24).
- Despite strong footprint additions (~57% CAGR over FY20-25), we believe there is still significant headroom for growth in underpenetrated regions such as Bihar, Jharkhand and Uttar Pradesh, where other organized retailers have a stronger presence.
- We expect Trent to further add ~235 Zudio stores annually over FY26-28 to reach ~1,500 stores by FY28, while expanding the average store size of store to deliver ~26% retail area CAGR over FY25-28.

Stock Performance (1-year)



Star: Long runway for growth

- Star delivered ~24% YoY growth in sales to reach INR35b, driven by 12 net store additions (total 78 stores).
- Trent Hypermarket (THPL), which operates the majority of Star stores, reported ~20% gross margin (vs. ~14% for DMart), driven by its focus on improving the contribution from its private labels (reached 73% revenue share vs. 67% YoY).
- However, THPL again slipped into the red with an operating loss of INR120m, likely driven by a change in lease accounting (other expenses up 36% YoY, while depreciation and interest costs declined sharply).
- During FY25, Star strengthened its focus on fresh business by improving sourcing, store network, and supply chain infrastructure to provide a differentiated customer proposition.
- India's grocery market, estimated at INR60t, presents a massive growth runway for Star. With presence in just 10 cities and continued focus on improving store productivity and enhancing private label penetration, we believe the business is well-positioned to capitalize on this opportunity.

Scaling up emerging categories key to sustained growth

- The share of emerging categories in Trent's revenue has now inched up to ~20%, driven by robust volume growth.
- Trent has scaled up the emerging categories such as Beauty (65% YoY to 81m units, higher than several BPC players), Innerwear (47% YoY to 50m units vs. ~220m sold by industry leader) and Footwear (42% YoY to 27m units, even higher than footwear retailers such as Metro and Campus).
- The company is looking to ramp up its presence in the Beauty segment through Zudio Beauty and has also recently launched its range of LGDs under the brand "Pome".
- We believe the scale-up on these initiatives are key to sustained growth.

Valuation and view

- TRENT's growth rate has moderated in the last few quarters, though still robust, amid a weak discretionary demand environment.
- Back-ended strong store additions in Zudio should drive growth in FY26. However, a recovery in SSSG across fashion and Star formats would be a key near-term monitorable.
- We continue to like Trent for its robust footprint additions, strong double-digit growth, long runway for growth in Star (presence in just 10 cities) and potential scale-up of new categories (Beauty, Innerwear, and LGDs).
- Our FY26-27 estimates are broadly unchanged. We build in FY25-28E CAGR of ~21%/20%/18% in standalone revenue/EBITDA/PAT, driven by the continuation of robust area additions in Zudio.
- We assign 54x Jun'27E EV/EBITDA to the standalone business (Westside and Zudio; a premium over our Retail Universe, given TRENT's superior growth), ~3x Jun'27E EV/sales to Star JV, and 6.5x EV/EBITDA to Zara JV to arrive at our revised TP of INR6,650 (vs. INR6,600 earlier).
- Adjusting the value of Star and Zara, the stock is trading at 77x Jun'27E PE for the standalone business (vs. ~90x LT average 1-year forward PE). **We reiterate our BUY rating.**

Exhibit 1: Valuation based on SoTP as of Jun'27E

Particulars (INR b)	Financial metric	Multiple	EBITDA/Sales	Value	INR/share
Westside and Zudio	EBITDA	54.0	42	2,269	6,383
Star	Sales	3.0	27	82	231
Zara	EBITDA	6.5	2	13	36
Total Enterprise Value				2,364	
Net Debt				0	
Equity Value				2,364	
Shares (m)				356	
Target Price (INR/share)				6,650	
CMP				5,335	
Upside				25%	

Source: MOFSL, Company

Exhibit 2: Trent's key operating and financial trends and forecasts

	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Westside stores	165	174	200	214	232	248	266	283	300
Net adds	15	9	26	14	18	16	18	17	17
Zudio stores	80	133	233	352	545	765	985	1222	1472
Net adds	40	53	100	119	193	220	220	237	250
Retail area (m sq ft)	3.3	3.8	5.0	6.4	9.6	13.4	16.4	19.7	23.1
Revenue (INR m)	34,860	25,930	44,980	82,420	1,23,751	1,71,346	2,13,576	2,55,019	3,00,333
YoY (%)		-25.6	73.5	83.2	50.1	38.5	24.6	19.4	17.8
Rev/sqft		7,302	10,201	14,520	15,526	14,927	14,355	14,124	14,035
YoY (%)			39.7	42.3	6.9	-3.9	-3.8	-1.6	-0.6
Gross margin (%)	46.0	40.8	44.8	42.7	43.8	43.5	43.5	43.5	43.5
EBITDA (INR m)	5,440	1,719	5,739	10,737	19,221	27,498	33,984	40,151	47,203
EBITDA margin (%)	15.6	6.6	12.8	13.0	15.5	16.0	15.9	15.7	15.7
PAT (INR m)	1,060	-1,803	422	3,957	10,387	15,345	18,926	23,117	26,470
EPS	3.0	-5.1	1.2	11.1	29.2	43.2	53.2	65.0	74.5

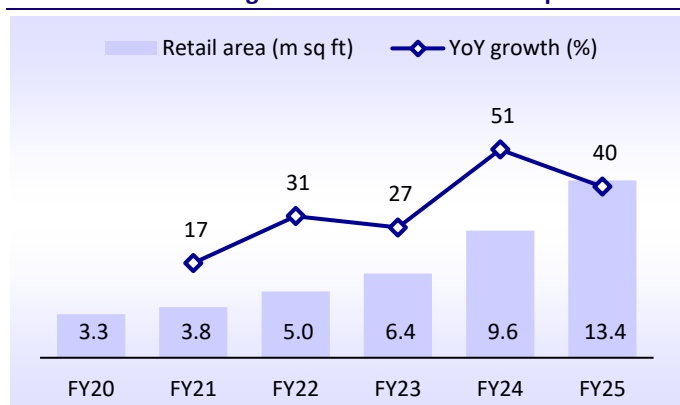
Source: MOFSL, Company

Robust ~40% revenue growth with operating leverage

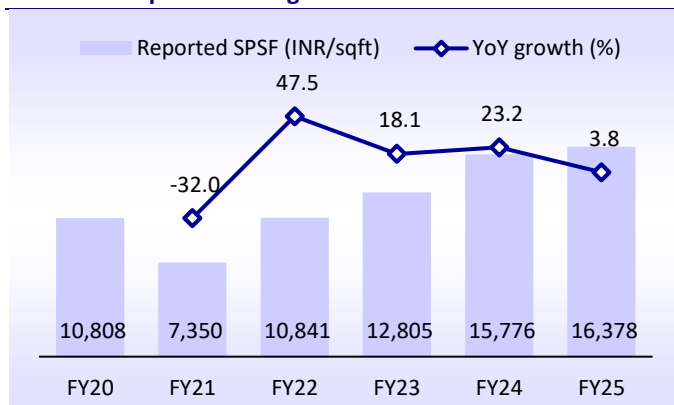
- Standalone revenue grew 40% YoY, driven by a robust footprint expansion (~29%/40% YoY store/area additions) and double-digit LFL.
- However, Trent's growth rate saw moderation in the past few quarters due to a high base and a contraction in LFL growth to a mid-single digit by 4QFY25.
- Trent added 16/220 net Westside/Zudio stores and consolidated four other format stores to cross 1,000+ stores across its fashion formats.
- Reported revenue per sqft for fashion concepts grew ~4% YoY to INR16,278.
- Despite ~70bp contraction in GM, reported/pre-IND AS 116 EBITDA margin expanded ~35/105bp YoY, aided by operating leverage on employee and rental costs.
- On the standalone basis, Trent's OCF improved to ~INR10b (vs. INR7.8b YoY), while FCF moderated to INR1.9b (vs. INR4b in FY24) due to higher capex.
- The company improved its return profile in FY25, backed by higher profitability and asset turns. Standalone pre-Ind-AS RoE/RoCE stood at 34.6%/24.9% (vs. 27.3%/21.2% in FY24).

Growing ahead of the industry, albeit with some moderation in SSSG

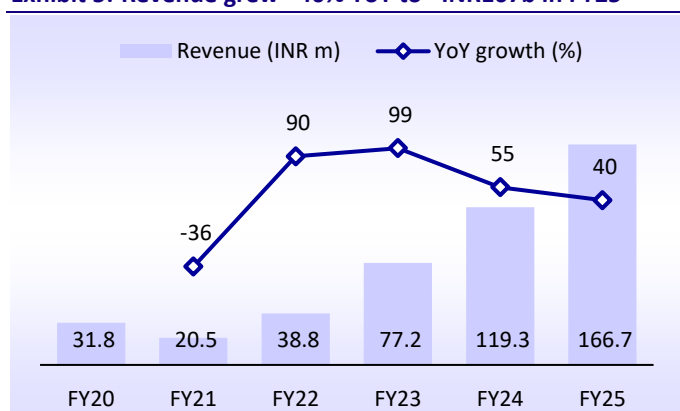
- Standalone revenue grew 40% YoY to INR167b, driven by strong footprint addition (29%/40% YoY net store/area additions) and double-digit LFL growth.
- Consolidated revenue grew 38% YoY to INR171b, led by the standalone performance.
 - Westside and Zudio both continued to deliver strong growth; supported by network expansion as total store count crossed 1,000 in FY25 and the average store size increased.
 - Reported sales per sq ft of Fashion & Lifestyle grew ~4% YoY to INR16,378.
 - Star reported ~24% YoY growth in revenue to reach ~INR3.5b, driven by 12 net store additions in FY25.
 - Zara revenue remained flat YoY, driven by net closure of 1 store.
- Standalone gross margins contracted ~70bp YoY to 44.4%, likely due to higher salience of Zudio in Trent's revenue mix.
- Despite weaker gross margin, profitability improved with **~105bp expansion in EBITDA margins (pre Ind-AS) to 12.8%**, driven by operating leverage.
 - Pre-IND AS 116 EBITDA grew 52% YoY to INR21.3b.
 - Reported EBITDA margin also improved ~35bp YoY to 16.5%.
- Adjusted standalone PAT jumped 78% YoY to INR15.8b.
- Its return ratio also improved, driven by better profitability and higher asset turns.

Exhibit 3: Retail area grew ~40% YoY to 13.4m sqft


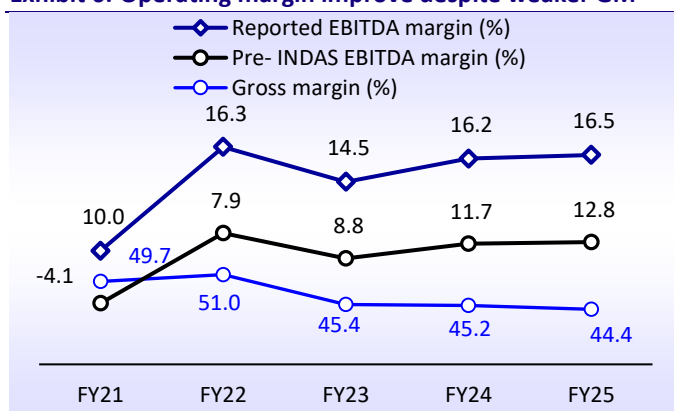
Source: MOFSL, Company

Exhibit 4: Reported SPSF grew ~4% YoY to ~INR16.4k


Source: MOFSL, Company

Exhibit 5: Revenue grew ~40% YoY to ~INR167b in FY25


Source: MOFSL, Company

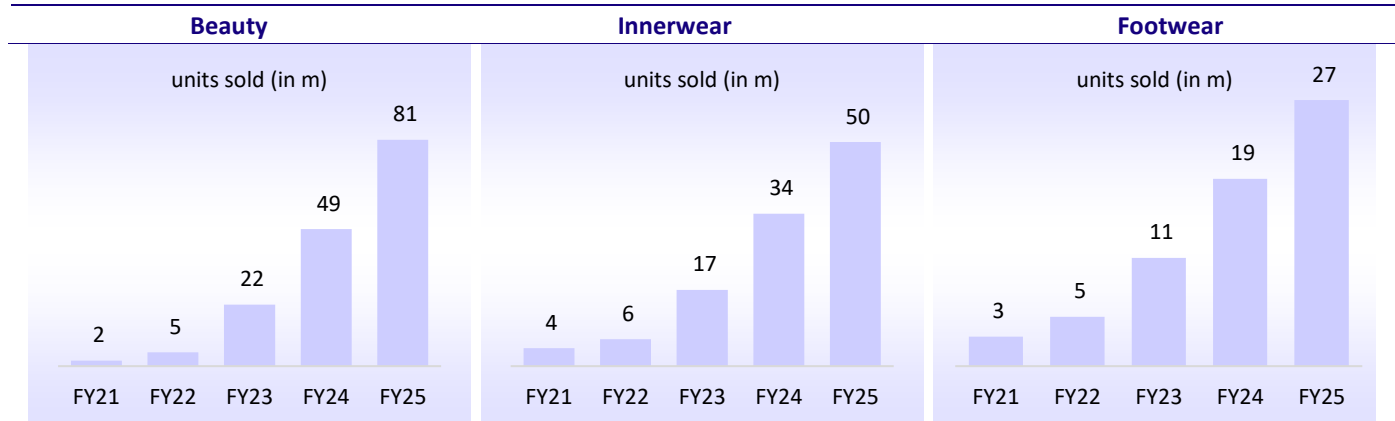
Exhibit 6: Operating margin improve despite weaker GM


Source: MOFSL, Company

Emerging categories

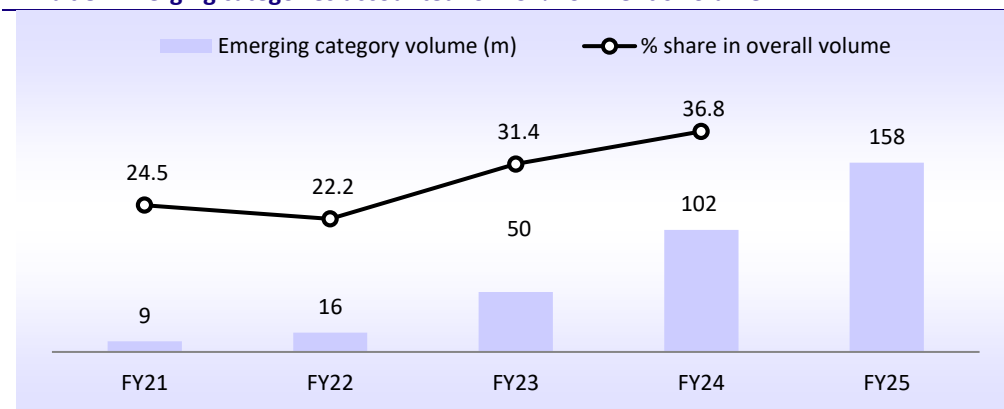
- Westside is focusing on seamless association of fashion with beauty and growing its beauty and personal care offerings under the umbrella of StudioWest.
- Emerging categories now account for over 20% of total revenue, led by strong growth in footwear, innerwear, and beauty segments.
- The innerwear segment is supplied through Trent MAS Fashion Pvt Ltd, a 50:50 joint venture, which strengthened capabilities and responsiveness in this growing category.
- Emerging categories contributed ~37% of total volume sold by Trent in FY24. Currently, the share of emerging categories in overall revenue exceeds 20%.
- During FY21-25, the beauty segment recorded ~150% volume CAGR to reach 81m units (larger than some of the BPC players).
- Similarly, the innerwear category posted ~92% CAGR to reach ~50m units (vs. ~220m units sold by the industry leader).
- Trent clocked 73% CAGR in footwear volume to reach ~27m units by FY25, which we note is significantly higher than volume sold by footwear retailers such as Metro and Campus.

Exhibit 7: Emerging categories now account for ~20% of revenue with sharp increase in volume



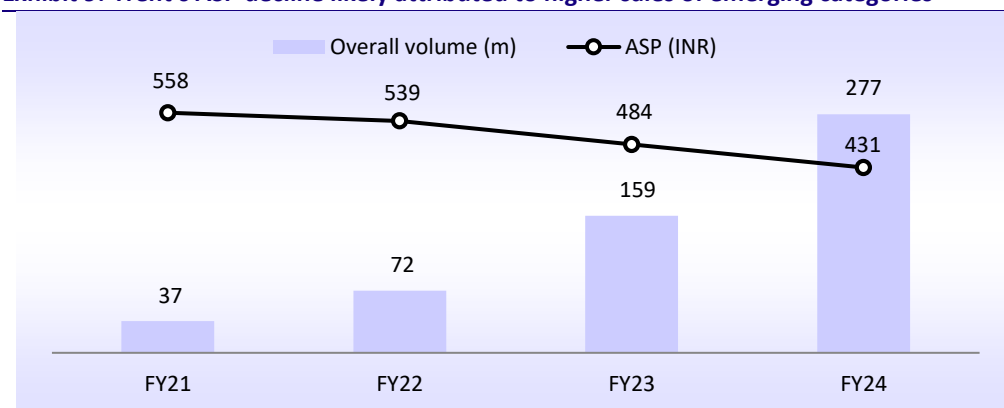
Source: MOFSL, Company

Exhibit 8: Emerging categories accounted for ~37% of Trent's volume in FY24



Source: Company, MOFSL

Exhibit 9: Trent's ASP decline likely attributed to higher sales of emerging categories



Source: Company, MOFSL

Operating leverage drives EBITDA margin expansion

Operating leverage boosts EBITDA margin despite weaker GM

- Trent's gross margin contracted ~70bp YoY to 44.4%, likely on rising salience of Zudio in the overall revenue mix.
- Employee expenses grew 28% YoY, but as a percentage of total revenue, they declined by 70bp, leading to operating leverage.
- Other expenses grew 37% YoY, while as a percentage of total revenue, it declined by ~40bp, indicating robust cost controls.
 - Variable rentals accounted for ~45% of other expenses and grew 38% YoY, but declined ~15bp YoY as % of sales.
 - Repairs and maintenance costs grew 18% YoY and declined 23bp YoY as % of sales.
 - Freight and forwarding expenses increased 37% YoY and declined 6bp YoY as % of sales.
 - Power and fuel costs rose 54% YoY and were 18bp higher YoY as % of sales.
 - Advertisement and promotion expenses grew 36% YoY and were broadly stable YoY at ~0.7% of sales (down from ~3% of sales in FY22).
 - Other miscellaneous expenses grew 35% YoY and were 17bp lower YoY as % of sales.
- **Reported EBITDA jumped ~43% YoY, with reported EBITDA margin expanding 37bp YoY to ~16.5%.**
- Further, we note that Trent's fixed lease rentals grew ~18% YoY and declined ~70bp YoY as % of revenue to ~3.8% in FY25.
- **As a result, Trent's pre-IND-AS 116 EBITDA margin expanded 105bp YoY to 12.8%, resulting in ~52% YoY increase in pre-IND-AS 116 EBITDA to INR21.3b.**

Exhibit 10: Operating leverage driven EBITDA margin expansion in FY25

% of sales	FY21	FY22	FY23	FY24	FY25	(YoY bp)
Gross Margin	49.7	51.0	45.4	45.2	44.4	-72
Employee Costs	12.5	8.7	7.5	7.9	7.2	-66
Variable rentals	9.0	9.4	9.2	9.5	9.3	-14
Ad and Promotion exp	2.1	2.9	1.8	0.7	0.7	-2
Repairs	3.6	2.4	1.7	1.4	1.2	-23
Freight and forward	1.8	2.5	2.9	3.0	2.9	-6
Power and fuel	2.1	1.7	1.7	1.8	2.0	18
Other expenses	8.7	7.1	5.9	4.7	4.5	-17
EBITDA	10.0	16.3	14.5	16.2	16.5	37
Lease rentals	14.1	8.5	5.8	4.5	3.8	-68
EBITDA margin (Pre-Ind AS)	-4.1	7.9	8.8	11.7	12.8	105

Source: MOFSL, Company

Exhibit 11: 40bp YoY decline in other expenses driven by lower variable rentals and repairs

Cost structure for other expenses	FY21	FY22	FY23	FY24	FY25	FY25 vs. FY24
Rent (including embedded lease component)	1,838	3,663	7,086	11,293	15,558	38%
<i>as a % of revenue</i>	9.0%	9.4%	9.2%	9.5%	9.3%	-14bp
Repairs to building, machinery, others	739	931	1,330	1,727	2,034	18%
<i>as a % of revenue</i>	3.6%	2.4%	1.7%	1.4%	1.2%	-23bp
Advertisement and sales promotion	439	1,131	1,420	879	1,194	36%
<i>as a % of revenue</i>	2.1%	2.9%	1.8%	0.7%	0.7%	-2bp
Freight and forward	365	965	2,264	3,528	4,831	37%
<i>as a % of revenue</i>	1.8%	2.5%	2.9%	3.0%	2.9%	-6bp
Power and fuel	436	642	1,343	2,193	3,371	54%
<i>as a % of revenue</i>	2.1%	1.7%	1.7%	1.8%	2.0%	18bp
Other expenses	1,775	2,753	4,559	5,589	7,529	45%
<i>as a % of revenue</i>	8.7%	7.1%	5.9%	4.7%	4.5%	-17bp
Total cost	5,591	10,084	18,003	25,210	34,517	37%
as a % of revenue	27.3%	26.0%	23.3%	21.1%	20.7%	-43bp

3Source: MOFSL, Company

Rental expenses: ~80bp YoY decline in rentals as % of sales

- After the change in lease accounting, bulk of Trent's rentals are now variable in nature and are captured above EBITDA.
- Variable rentals grew ~38% YoY to INR15.6b, while fixed lease rentals grew by a rather modest ~18% YoY to INR6.3b.
- Overall rent expenses increased to INR21.8b, up 32% YoY, mainly due to footprint addition (+40% YoY, and ~35% YoY on operational basis).
- Rental expenses as % of revenue declined ~80bp YoY to 13.1%.
- Rental costs stood at INR179/sqft per month (-2% YoY).

Exhibit 12: Overall rentals (incl. fixed lease rentals) grew ~32% YoY, but declined ~2% YoY to INR179 per sqft/month

Rent	FY21	FY22	FY23	FY24	FY25	Growth YoY
Variable rent (part of other exp.)	1,838	3,663	7,086	11,293	15,558	38%
Lease rentals (below EBITDA)	2,886	3,283	4,439	5,312	6,287	18%
Total rent	4,724	6,945	11,525	16,606	21,845	32%
<i>YoY growth</i>	-1.1%	47.0%	65.9%	44.1%	31.6%	
Rent as % of revenue	23.1%	17.9%	14.9%	13.9%	13.1%	
Rent per sqft per month	141	162	159	183	179	-2%
<i>YoY growth</i>		14.4%	-1.4%	14.8%	-2.3%	

Source: MOFSL, Company

Other Income: No dividend from Zara and lower profits on asset sale

- Other income declined 6% YoY to INR3.3b in FY25 primarily due to the absence of dividends from Zara and lower profits on the sale of fixed assets (-32% YoY).
- However, these factors were offset by higher interest income (+72% YoY) and gains on the sale of non-current investments.

Exhibit 13: Other income declined 6% YoY

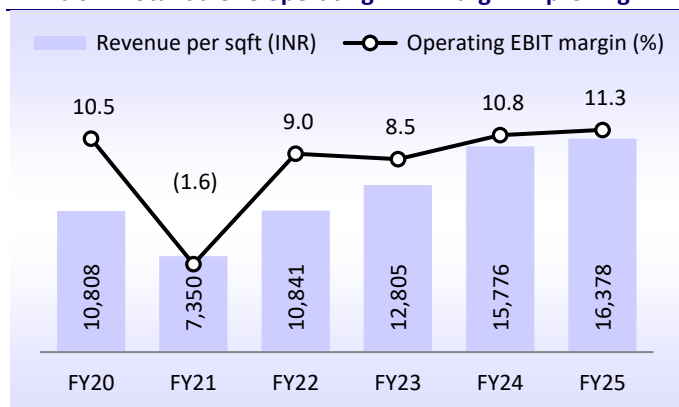
Other income (Post IND AS-116)	FY22	FY23	FY24	FY25	YoY (%)
Interest income	202	156	174	300	72%
Security Deposit	62	94	139	208	49%
Debentures/Bonds	58	37	-	-	-
Loans and Advances	30	18	16	21	33%
Others	52	6	19	71	276%
Dividend Income	1,115	1,482	750	245	-67%
Subsidiaries	25	0	2	242	-
Others (primarily Zara India)	1,089	1,482	747	3	-100%
Other non-operating income	1,473	2,479	2,586	2,749	6%
Provisions/ Liabilities written back	7	48	40	23	-42%
Gain on sale of Inv (net)	47	96	112	1,215	987%
Gain on Lease modification/termination	435	983	519	7	-99%
Profit on sale of Fixed asset (net)	104	1,350	1,567	1,061	-32%
Rent waiver/reduction	647	3	-	-	-
Change in FV of Investment	233	-	348	443	27%
Total	2,790	4,117	3,509	3,294	-6%

Source: MOFSL, Company

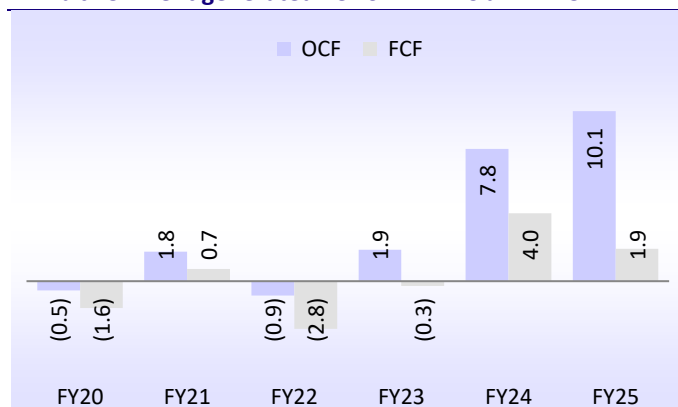
Strong cash flows and return ratio despite aggressive expansion

Standalone segment generates FCF despite aggressive store additions

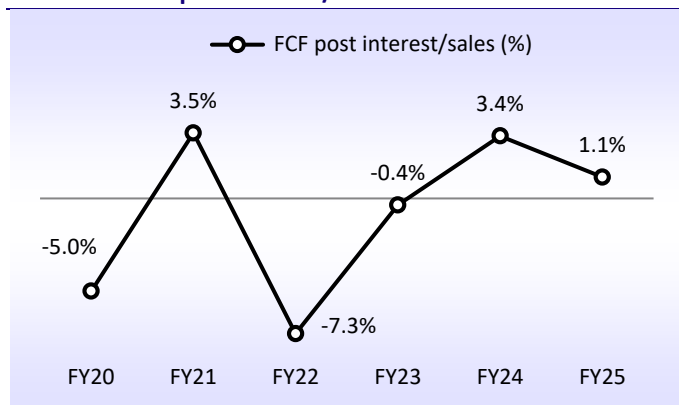
- Trent's operating cash flows (OCF) after interest and leases improved to INR10b (vs. INR7.8b in FY24), mainly aided by higher profitability (EBITDA up 43% YoY).
- After adjusting for net capex of INR8.2b (vs. INR3.8b in FY24), FCF stood at INR1.9b, down from ~INR4b in FY24.
- Dividend received from its subsidiary/JVs/associates declined to INR245m (vs. INR737m in FY24).
- In FY25, pre-IND AS OCF-to-EBITDA ratio moderated to ~47% from 56% in FY24.
- Despite strong store addition, its net working capital days declined to 37 from 40 in FY24.
 - Inventory days fell to 44 from 48 in FY24, likely due to higher inventory turns in the fast-growing Zudio format.
 - On a per sqft basis, inventory declined 7% YoY, indicating inventory optimization. Inventory per sqft stood at INR1,517 (vs. INR1,633 in FY24).

Exhibit 14: Standalone operating EBIT margin improving


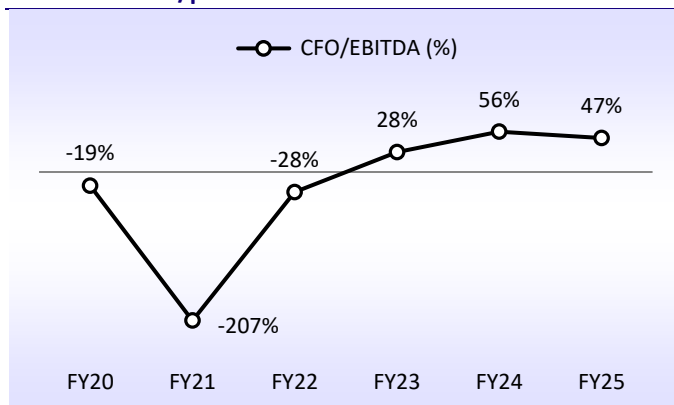
Source: MOFSL, Company

Exhibit 15: Trent generated FCF of ~INR1.9b in FY25


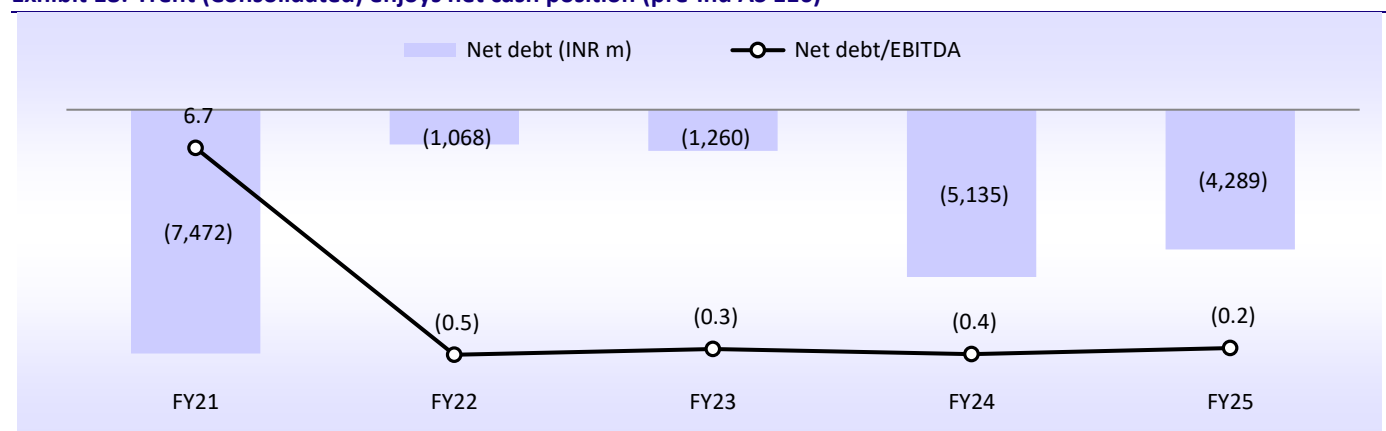
Source: MOFSL, Company

Exhibit 16: FCF post-interest/sales moderated in FY25


Source: MOFSL, Company

Exhibit 17: CFO/pre-IND AS EBITDA stood at ~47% in FY25


Source: MOFSL, Company

Exhibit 18: Trent (Consolidated) enjoys net cash position (pre-Ind AS 116)


Source: Company, MOFSL

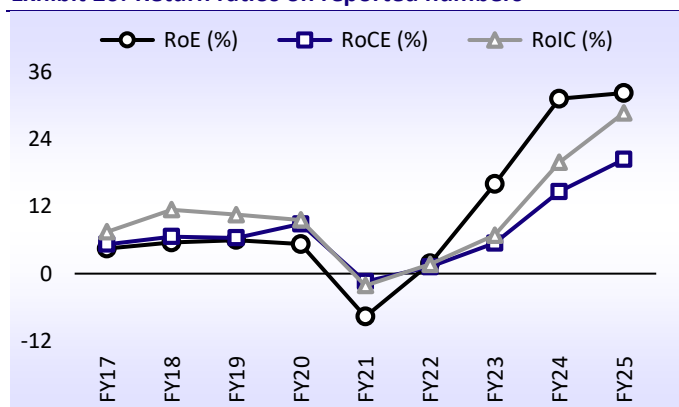
Exhibit 19: Inventory per sqft declined ~7% YoY to INR1,517

Standalone	FY21	FY22	FY23	FY24	FY25	YoY Growth
Inventory	3,946	8,225	13,369	15,648	20,284	30%
Stores	307	433	566	777	1,013	30%
Inventory per store	13	19	24	20	20	-1%
Total area (in m sqft)	3.8	5.0	6.1	9.6	13.4	40%
Inventory per sqft	1,039	1,656	2,209	1,633	1,517	-7%

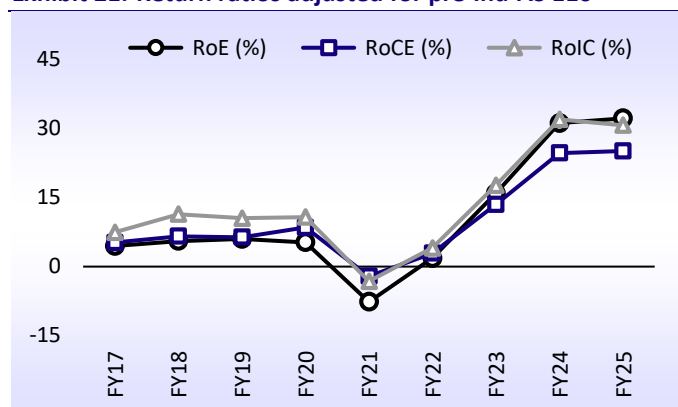
Source: MOFSL, Company

Return ratios remain strong

- Standalone pre-Ind-AS ROCE/ROIC (post tax) improved significantly in FY25 to 24.9%/29.4% (vs. 21.2%/25.6% in FY24) on the back of improved profitability and efficient working capital utilization.
- ROE also improved to 30.6% (vs. 27.3% in FY24), led by an improved asset turnover ratio and profitability.
- Consol. RoE/RoCE/RoIC improved significantly in FY25 to 32.2%/25.1%/30.7% (vs. 31.2%/24.7%/32.0%).

Exhibit 20: Return ratios on reported numbers


Source: MOFSL, Company

Exhibit 21: Return ratios adjusted for pre-Ind-AS 116


Source: MOFSL, Company

Exhibit 22: DuPont analysis for RoE on consol reported numbers

Du Pont analysis (amount in INR m)	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Adjusted Net Profit	970	1,060	-1,803	422	3,957	10,387	15,345
Revenue	26,302	34,860	25,930	44,980	82,420	1,23,751	1,71,346
Net profit margin (%)	3.7%	3.0%	-7.0%	0.9%	4.8%	8.4%	9.0%
Revenue	26,302	34,860	25,930	44,980	82,420	1,23,751	1,71,346
Total Assets	25,587	55,066	57,237	77,260	80,815	71,618	94,197
Average total assets	24,470	40,326	56,152	67,249	79,038	76,216	82,907
Assets turnover (x)	1.07	0.86	0.46	0.67	1.04	1.62	2.07
Total debt	3,942	25,260	26,686	47,338	44,722	17,583	22,837
Total equity	16,465	23,880	23,130	23,640	25,955	40,677	54,617
Average equity	16,209	20,173	23,505	23,385	24,797	33,316	47,647
Average total assets	24,470	40,326	56,152	67,249	79,038	76,216	82,907
Financial leverage (x)	1.51	2.00	2.39	2.88	3.19	2.29	1.74
RoE as per Du Pont analysis (%)	6.0%	5.3%	-7.7%	1.8%	16.0%	31.2%	32.2%

Source: Company, MOFSL

Outlook healthy for differentiated organized retailers

Indian economy: Strong growth despite global headwinds

- India's GDP has crossed INR330t (USD4t) and is on track to become the world's third-largest economy.
- Despite challenges from geopolitical instability and rising inflation, India's demographic dividend and focus on rapid urbanization, along with the rise of a digital-first society, ensured the country withstood the market turbulence well.
- India's consumer market is heterogeneous and geographically diverse, with different income groups showing different spending patterns. However, customers across all age groups are increasingly driven by aspirational purchases and are influenced by global fashion and lifestyle trends.

Indian retail market to double over FY25-34 to INR190t

- **The total retail market in India is valued at INR89t (USD1t) in 2025 and is expected to more than double to INR190t (USD2.2t) by 2034.**
- This growth will be driven by rising disposable income and consumers increasing preference for quality and convenience.
- Organized retail is expected to grow its share, underpinned by demand for standardized, aspirational offerings and efficient supply chains.

Fashion & Lifestyle: Growth driven by digitalization, fast fashion, and global exposure

- The fashion and lifestyle market is rapidly changing due to digitalization, evolving consumer preferences, and increased global access and exposure.
- **India's fashion and lifestyle market is valued at ~INR13t in 2025 and is expected to reach INR18t by 2028 at a 10-12% CAGR.**
- Digital channels, omni-channel retailing and smooth shopping experiences are becoming more popular. Consumers now expect a combination of value, convenience, and a good overall experience.
- Ethnic and fusion wear are trending, and fast fashion is becoming popular.
- The market remains very competitive, while companies are using AI and digital tools to improve forecasting, inventory, and personalized shopping experiences.

Food & Grocery: Large growth opportunity

- Food and grocery make up for **two-thirds of India's retail market** and remain the most high-frequency retail category. The segment is growing well due to rising demand for packaged food, health-conscious consumption and expansion of modern supermarkets.
- Premiumization is emerging as a key trend even in food categories, with consumers willing to spend more on convenience, quality, and wellness.
- QC platforms offering fast delivery and wide assortments are changing the market, but many customers are still value conscious.
- Retailers offering value-for-money private labels are being increasingly favored, leading to an increase in the formalization of kiranas to modern trade.

Westside – Growth impacted by store consolidation

- Westside store count grew by a modest ~7% YoY to 248 stores in FY25, with store additions focused primarily in the top 7 states, while consolidating its footprint in several states.
- Westside retail area increased by 20% YoY to 5.4m sqft, with sharp ~12% YoY increase in average store size to ~22k sqft (vs. 19.3k sqft in FY24) as the company consolidated smaller Westside stores and opened bigger stores.
- The online channel contributed ~6% to Westside's revenues in FY25.
- In FY25, Westside's loyalty program, WestStyleClub, drove over 90% of its revenue, with the subscriber base growing 38% YoY to 16.4m, including 5.3m new additions.
- We expect ~17-18 annual store additions in Westside (~11% retail area CAGR over FY25-28E) as the company continues to focus on larger stores with more space dedicated to emerging categories such as footwear, beauty, innerwear and LGDs.

Business model

- Westside is a destination lifestyle brand, catering to a discerning and diverse set of customers. It offers a diverse portfolio of exclusive in-house brands catering to various customer segments, lifestyles, and price points.
- Its key fashion and lifestyle brands include Nuon, E.T.A, WES, StudioWest, Vark, Wunderlove, Soleplay, Westside Home, Luna Blu, L.O.V, Wardrobe, Utsa, Studiofit, HOP, Bombay Paisley, Ascot, Gia Curves, Zuba, and Pome.
- These brands span across categories such as casual wear, ethnic wear, workwear, footwear, innerwear, beauty, home decor, and kidswear, allowing Westside to serve a wide demographic with curated fashion offerings.
- Westside owns the entire value chain from design and sourcing to pricing and promotion, enabling a quick turnaround from concept to store shelves, delivering fresh and trend-aligned fashion.
- ~80% of the merchandize is near-shored from within India, which ensures agility and transparency of supply chain. Westside's agile supply chain enables a quick conversion from concept to product in stores. Westside launches 500+ new product options per week.

Westside store additions muted, but average store size expanding

- Westside added 40 new stores and closed 24 stores in FY25, taking the total network to 248 stores (+7% YoY) in 86 cities (exited 5) across 25 states and union territories. The additions were slightly below the guidance given in FY24 AGM (addition of 30 Westside stores).
- The segment continued to grow in large markets, indicating its concentrated growth approach. The top 7 states accounted for ~95% of net store additions and ~68% of total Westside stores vs. 66% in FY24.
- Out of 16 net store additions, the company added the highest number of stores in Karnataka (4 stores), while the format witnessed net store closures in several states during FY25.
- While the pace of store additions has moderated (~8% CAGR over FY20-25), the average store size has increased further to 22k sqft in FY25 (vs. 19k sqft in FY24). Going forward the company targets to add 20k-30k sqft stores.

- Each store requires investment of ~INR80-90m for capex, deposits and inventory.
- Westside's targeted store size and investment strategy are aimed at enhancing the overall in-store experience by emphasizing striking visual merchandising, a vibrant and inviting store ambiance, and a strong focus on customer convenience.

Omni-channel presence

- Westside has built a robust omnichannel presence through its own website Westside.com, as well as Tata CliQ and Tata Neu, enabling seamless integration between its physical stores and digital platforms.
- Westside.com delivers to over 21,000 pincodes across 3,000 cities in India, ensuring access to style across the country. The online channel contributed ~6% to Westside's revenues in FY25 (vs. ~5% in FY24).
- Westside's online business is profitable and demonstrated strong momentum with a 41% volume growth in FY25.

FY25 key initiatives

- Westside focused on enhancing freshness and on-trend fashion, along with improving supply chain agility.
- It prioritized high-quality, street-facing stores while advancing seamless integration across physical and digital channels for a unified omnichannel experience.
- It deepened customer connections and community building through 'Wesness' wellness events and expanding its WestStyle Club loyalty program to boost customer engagement and retention.

Loyalty program: WestStyleClub

- WestStyleClub, the annual subscription program, helps the company build loyalty through personalized communication, curated experiences and GenZ collaborations.
- WestStyleClub continued to witness healthy traction, with 16.4m (+38% YoY) overall subscriptions in FY25 as it added 5.3m subscribers in FY25.
- In FY25, the contribution of WestStyleClub members to Westside's total sales was over 90%.

Brand engagement

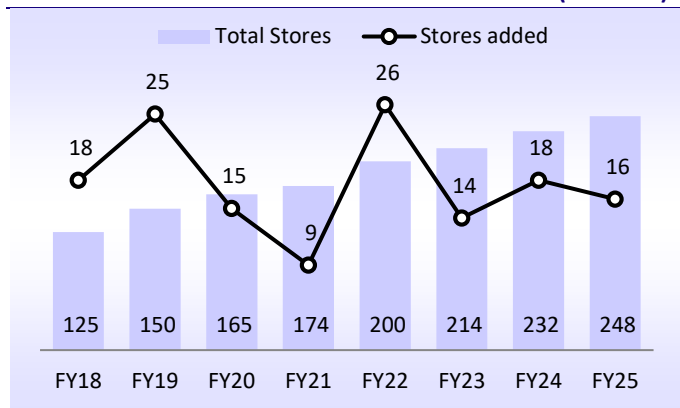
- The brand drives engagement through personalized communications, interactive social media content, and influencer collaborations.
- It also hosts experiential events like Wesness wellness runs, music festivals, and in-store activations, creating immersive touchpoints to connect with customers and reinforce brand identity.

Outlook

- Westside seeks to grow a portfolio of prominent stores that have significant street presence in marquee locations with a footprint between 20k-30k sqft.

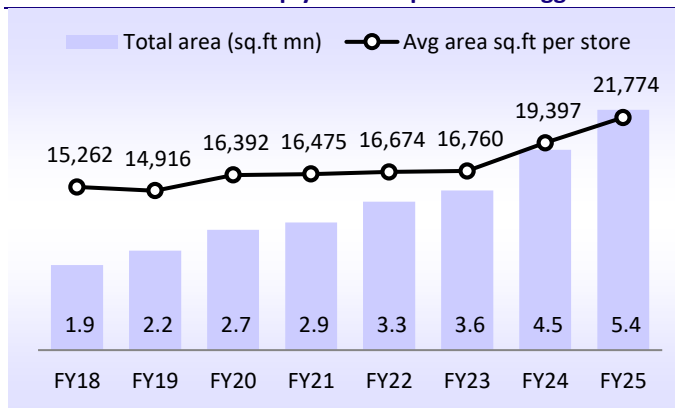
- Trent will continue to conduct an active store optimization program, identifying brand-diluting stores and consolidating or upgrading them with newer stores in more attractive micro-markets to ensure consistent customer experience.
- We expect the company to add 17-18 net stores annually over FY26-FY28E to reach ~300 Westside stores by FY28.

Exhibit 23: Added 16 net Westside stores in FY25 (+7% YoY)



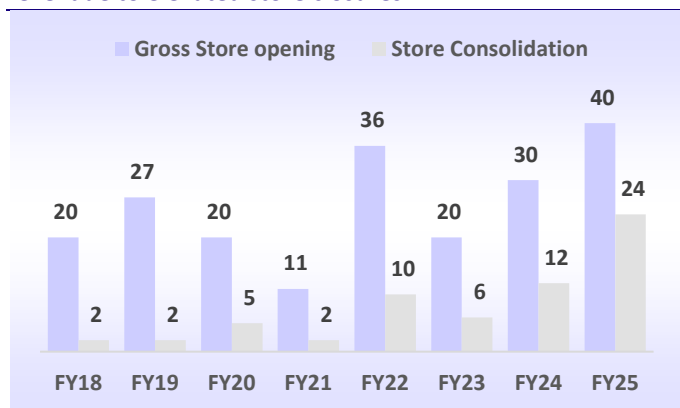
Source: MOFSL, Company

Exhibit 24: Westside's retail area grew ~20% YoY as average store size increased sharply with emphasis on bigger stores



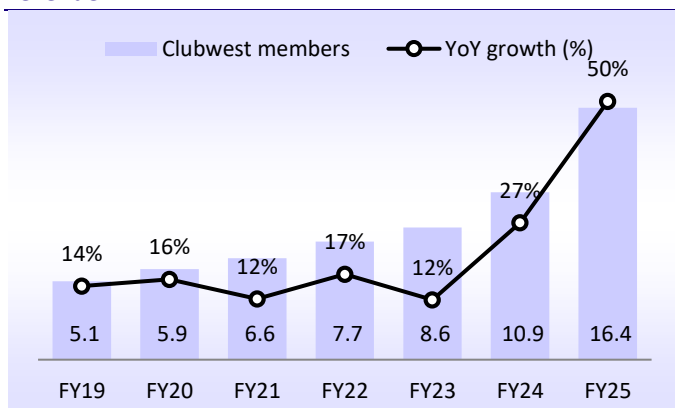
Source: MOFSL, Company

Exhibit 25: Net store adds remained slightly below guided level due to elevated store closures



Source: MOFSL, Company

Exhibit 26: Clubwest members now account for 90% of revenue



Source: MOFSL, Company

Exhibit 27: Westside store expansion primarily in top 7 states in FY24 and FY25

WestSide	FY20	FY21	FY22	FY23	FY24	FY25	5-yr CAGR	FY20	FY21	FY22	FY23	FY24	FY25
	Store count							Net store additions					
Maharashtra	28	31	33	36	39	42	8	0	3	2	3	3	3
Karnataka	15	23	23	24	26	30	15	1	8	0	1	2	4
Gujarat	15	18	17	21	27	28	13	0	3	-1	4	6	1
Telangana	10	13	14	15	19	22	17	2	3	1	1	4	3
Tamil Nadu	12	13	14	16	17	20	11	1	1	1	2	1	3
UP	13	14	13	14	14	16	4	6	1	-1	1	0	2
Kerala	5	9	10	9	12	11	17	0	4	1	-1	3	-1
Delhi	7	8	8	8	7	9	5	-7	1	0	0	-1	2
AP	6	7	6	6	6	8	6	2	1	-1	0	0	2
Rajasthan	6	6	6	6	7	8	6	0	0	0	0	1	1
MP	7	7	8	9	9	7	-	2	0	1	1	0	-2
West Bengal	7	7	7	7	7	7	-	0	0	0	0	0	0
Punjab	6	6	6	4	4	6	-	0	0	0	-2	0	2
Haryana	4	4	4	4	3	6	8	3	0	0	0	-1	3
Uttarakhand	4	4	4	4	5	4	-	1	0	0	0	1	-1
Assam	3	4	6	7	7	4	6	0	1	2	1	0	-3
Chhattisgarh	3	3	3	3	4	4	6	1	0	0	0	1	0
Bihar	3	3	4	4	4	3	-	2	0	1	0	0	-1
Others	11	13	14	17	15	13	3	1	2	1	3	-2	-2
Total	165	193	200	214	232	248	8	15	28	7	14	18	16
Top 7 states	98	121	124	135	154	169	12	10	23	3	11	19	15
% Share of top 7 states	59	63	62	63	66	68		67	82	43	79	106	94

Zudio – Scaled up to USD1b+ brand by sales

- Zudio continued to deliver robust growth, led by store expansion (added net 220 new stores in FY25, +40% YoY). The area addition was higher by ~58% YoY as the average store size expanded ~13% YoY to 10.3k sqft.
- In FY25, Zudio crossed USD1b in sales, marking a significant milestone in its growth journey. Zudio also made its international debut with its first global store in Dubai.
- Zudio is steadily expanding into new markets, gradually reducing its dependence on top states, with significant headroom for growth in underpenetrated regions such as Bihar, Jharkhand and UP, where other organized retailers have a stronger presence.
- We expect Trent to further add ~235 Zudio stores annually over FY26-28 to reach ~1,500 stores by FY28 while expanding the size of an average store to deliver ~26% retail area CAGR over FY25-28.

Brand identity and offerings

Zudio has grown quickly into a USD1b brand (by sales) by focusing on making fashion **affordable** and **accessible** to everyone. The brand is known for offering trendy, everyday fashion at low prices for men, women, and children. All of its products are designed in-house and sold exclusively through its own stores, keeping price points sharp and value strong.

Business model and strategy

- Zudio refreshes collections frequently, ensuring customers find new styles on every visit. **FY25 saw enhanced innerwear, footwear, and beauty proposition with a focus on quality, trendy packaging and competitive pricing.**
- Nearly all merchandise is **sourced domestically**, enabling a faster turnaround and better agility. Zudio also maintains full control over its value chain, ensuring long-term sustainability.
- Zudio stands out among its peers through a combination of quality, trend alignment, and price stability, catering especially to the younger demographic.
- It does not rely on price discounts or heavy advertising to attract customers; instead, it builds brand visibility through expansion of its presence in micro markets.
- Management consciously avoids online retail due to unattractive unit economics in this product segment.

Store additions remain robust; forayed internationally in FY25

- In FY25, the company added 244 new stores and consolidated 24 underperforming ones. Zudio now operates 765 stores across 235 cities, including several co-located with Star stores.
- Zudio entered 67 cities and added more presence in 56 cities, including many tier 2 and tier 3 locations in FY25.
- Store additions were slightly above the guidance provided in FY24 AGM (200 Zudio stores).
- Along with store additions, the company has also increased the average store size by ~13% YoY to 10.3k sqft (vs. 9.2k sqft in FY24). Zudio stores typically range from 7k to 12k sqft designed to effectively cater to micro-markets.

- **International entry:** In a key strategic move, Zudio also made its international debut with its first global store in Dubai, using the opportunity to test its value-fashion concept in a diverse, competitive market and gain insights for strengthening its India operations.
- Each new Zudio store requires INR30-40m as initial investment for capex, inventory, and deposits.

Further room to expand presence in select large states

- Zudio posted ~57% CAGR in store additions over FY20-25, reaching 765 stores.
- In FY25, Zudio strengthened its presence in large, high-potential markets, though the concentration in the top seven states is gradually reducing. As of FY25, the top seven states accounted for 64% of Zudio's total stores, down from 68% in FY24, with their share in net store additions declining to 54% (vs. ~60% YoY).
- Zudio's declining concentration in the top seven states indicates a deliberate and steady push into newer states and cities.
- Out of the 220 net new store additions in FY25, the highest additions came from Maharashtra (28), Telangana (24), and Uttar Pradesh (23).
- Despite strong overall growth, Zudio still has significant room for expansion in certain states. For example, in Bihar and Uttar Pradesh, Zudio has 14 and 56 stores respectively, compared to V-Mart's 70 and 155, a gap of ~160 stores. With rising per capita income and improving retail infrastructure, these regions present a sizable opportunity for future growth.

Exhibit 28: Stores comparison — Zudio and V-Mart (FY25)

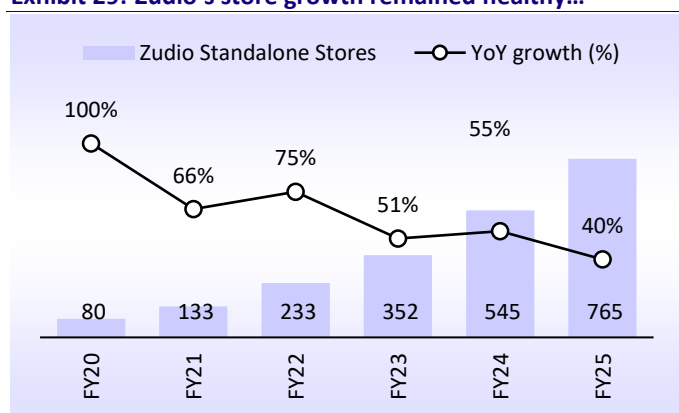
No of stores	Zudio	V-Mart
Odisha	13	13
Bihar	14	70
Andhra Pradesh	28	12
Haryana	23	4
Chhattisgarh	6	0
Kerala	56	4
Punjab	29	4
West Bengal	29	21
Madhya Pradesh	20	16
Rajasthan	33	29
Tamil Nadu	36	30
Uttar Pradesh	56	155
Telangana	66	16
Karnataka	76	17
Maharashtra	114	5
Gujarat	84	12
Jharkhand	7	28
Uttarakhand	10	15
Assam	15	15
Others	50	31
Total	763	497

Source: MOFSL, Company

Outlook

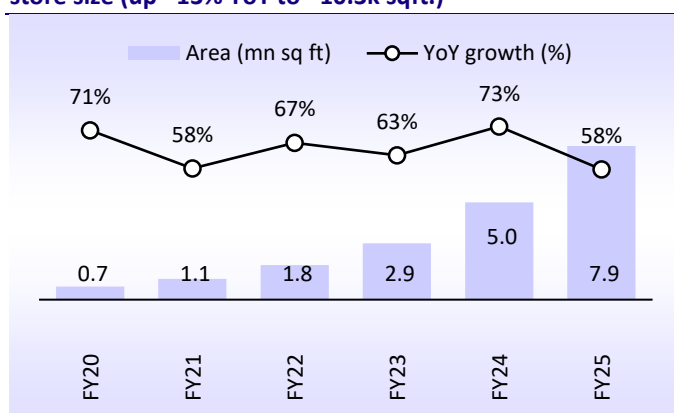
- Zudio aims to place its stores within arm's length of its target customers to ensure accessibility and visibility.
- As per management, the focus is on maximizing the market share in micro-markets rather than on increasing SSSG.
- We believe this expansion strategy could weigh on margin expansion, but management indicated that there is still room for significant operating leverage in the business.
- We expect Trent to add ~235 Zudio stores annually over FY26-28 to reach ~1,500 stores by FY28, while expanding the average size of its store to deliver ~26% retail area CAGR over FY25-28.

Exhibit 29: Zudio's store growth remained healthy...



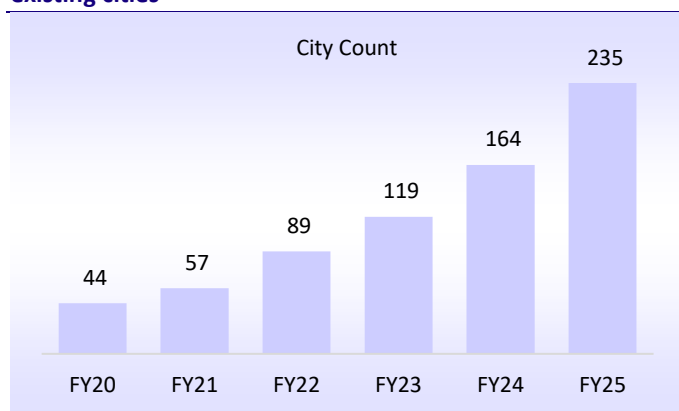
Source: MOFSL, Company

Exhibit 30: ...while area addition was higher, implying bigger store size (up ~13% YoY to ~10.3k sqft.)



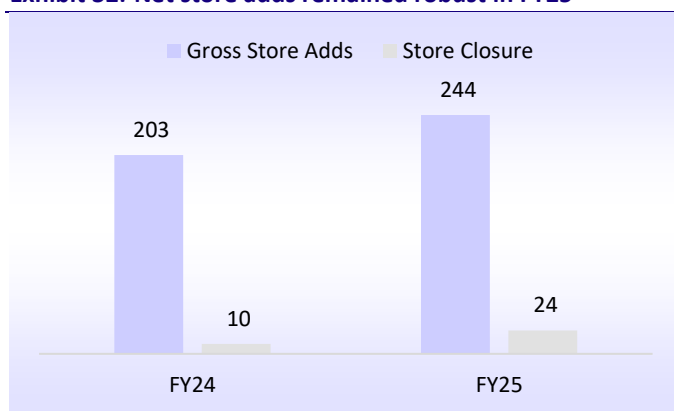
Source: MOFSL, Company

Exhibit 31: Entering newer cities and deepening presence in existing cities



Source: MOFSL, Company

Exhibit 32: Net store adds remained robust in FY25



Source: MOFSL, Company

Exhibit 33: Share of top 7 states in Zudio's store count as well as net store additions on a declining trend

Zudio	FY20	FY21	FY22	FY23	FY24	FY25	FY20-25 CAGR	FY20	FY21	FY22	FY23	FY24	FY25
	Store count							Net store additions					
MH	13	27	37	60	86	114	54	-2	14	10	23	26	28
Gujarat	18	28	37	55	82	84	36	9	10	9	18	27	2
Karnataka	10	27	33	42	58	76	50	0	17	6	9	16	18
Telangana	9	15	26	34	42	66	49	1	6	11	8	8	24
UP	0	3	12	20	33	56		0	3	9	8	13	23
Kerala	3	6	13	25	44	56	80	3	3	7	12	19	12
Tamil Nadu	5	6	10	17	24	36	48	5	1	4	7	7	12
Rajasthan	4	7	9	14	21	33	53	4	3	2	5	7	12
West Bengal	0	1	8	14	23	29		0	1	7	6	9	6
Punjab	3	5	7	9	15	29	57	0	2	2	2	6	14
AP	2	2	3	5	18	28	70	2	0	1	2	13	10
Haryana	0	2	6	8	13	23		0	2	4	2	5	10
MP	3	7	9	11	15	20	46	0	4	2	2	4	5
Bihar	2	3	4	7	9	14	48	2	1	1	3	2	5
Odisha	2	3	3	4	8	13	45	0	1	0	1	4	5
CG	0	1	5	5	5	6		0	1	4	0	0	1
Others	6	5	11	22	49	82	69	0	-1	6	11	27	33
Total	80	148	233	352	545	765	57	24	68	85	119	193	220
Top 7 states	58	112	168	253	369	488	53	16	54	56	85	116	119
% Share of top 7 states	73	76	72	72	68	64		67	79	66	71	60	54

Source: MOFSL, Company

Star – Long runway for growth

- Star reported ~24% YoY growth in revenue to reach ~INR35b, with THPL registering a higher ~25% YoY revenue growth in FY25.
- Trent added 12 net stores in FY25, taking the total store count to 78 across 10 cities. We believe there is significant room for store expansion.
- THPL's gross margin remains healthy at ~20% (vs. ~14% for DMart), driven by its focus on improving share of its private labels.
- However, driven by a change in lease accounting, THPL again slipped into minor operating loss.
- During FY25, Star strengthened its focus on fresh business by improving sourcing, store network, and supply chain infrastructure to provide a differentiated customer proposition.
- Scaling up stores with enhanced product offerings and improved in-store experience is expected to be a key lever to boost productivity and support the continued turnaround of the Star business segment.

Business model

- Star is Trent's food and grocery retail concept. Star stores are primarily operated by Trent Hypermarket Private Limited (THPL – a 50:50 JV between Trent Ltd. and Tesco Plc UK).
- It operates modern hypermarkets and supermarket stores offering a curated assortment of fresh food, staples, home care, apparel and packaged goods.
- The model emphasizes value, freshness, and credible quality, with over 73% of revenue coming from its own brands.

Store expansion accelerated in FY25; but still long way to grow

- The company added 12 net stores in FY25, increasing the store count to 78 stores in 10 cities. Star stores are operated by THPL and Fiora Hypermarket Ltd. (FHL).
- The brand follows a **clustered expansion strategy**, with a strong presence in 10 key cities primarily across Maharashtra, Karnataka, and Telangana to build local scale and enhance cost efficiency.
- The size of Star stores typically ranges from 18,000 sqft to 24,000 sqft, offering a spacious and optimized shopping environment.
- Many of these stores are co-located with Zudio, creating high-traffic retail destinations that offer both grocery and fashion under one roof.

Private label offerings now contribute ~73% of revenue share

- Star has built a differentiated offering through its strong private label portfolio, which includes Klia (home care), Fabsta (packaged food and beverages), Skye (personal care), ShubhAnand (Pooja products), Vaayo (disposables), Smartle (general merchandise), and Star (staples and fresh).
- Star continues to expand its exclusive range in defined categories at an affordable price and with great quality.
- As a result, the revenue share of own brands (non-third-party brands) now stands at 73% in FY25 (vs. 67% in FY24).

- The company's exclusive FMCG brands witnessed encouraging offtake and now comprise ~17% share among FMCG categories (vs. ~14.8% YoY).
- SMARTLE (Star's own brand in general merchandise) now accounts for 79% of total revenue share in participating categories and ranks #1 or #2 in sales in several sub categories.
- These exclusive brands are benchmarked against national brands in both quality and pricing, which has strengthened customer trust, improved net promoter scores, and enhanced overall brand loyalty.

Boosting supply chain and sourcing to support growth

- Star has increased its focus on fresh business by improving sourcing, store network and supply chain infra. The company has set up two new warehouses and upgraded the repackaging unit to support growth.
- The company has completely refurbished its three high-trading stores in Mumbai.
- Star sources more than 80% of vegetables and over 70% of fruits directly from a network of 1,000+ farmers, ensuring freshness and cost control.
- The company also offers a wide range of fresh meats and seafood, making it one of the few players in India doing so.
- The company also sources the majority of its staples directly from millers.

Slipped into losses again likely due to change in lease accounting

- THPL reported revenue growth of 25% YoY to INR27b (vs. INR21.7b in FY24).
 - Invoice count grew ~10% YoY on LFL basis, indicating healthy customer traction.
 - Star's reported revenue (incl. FHL) grew ~24% YoY to INR3.52b.
- Fresh contributed ~18% (up 220bp YoY), while FMCG contribution declined ~300bp YoY to 24%. GM&A and Stables contribution inched up ~50bp/20bp YoY to ~33%/25.5%, respectively.
- Revenue from private labels grew 35% YoY, with contribution rising to 73% in FY25 (vs. 67% YoY).
- Gross margin moderated 30bp YoY to 20% in FY25, despite ~300bp YoY decline in share of FMCG and rising contribution of private labels.
- THPL posted minor EBITDA loss of INR120m (vs. profit of INR255m in FY24). This was due to a substantial increase in other expenses, which surged ~36% YoY to INR4.2b in FY25.
- We believe the surge in other expenses was mainly due to a change in lease accounting during FY24, which led to a shift in Pre-IND AS rental expenses to other expenses. Both depreciation and finance costs reduced sharply YoY, as a result.
- Loss before exceptional items and tax narrowed slightly to INR880m in FY25 from INR938mn in FY24 owing to lower depreciation and finance costs.
- Net loss came in at INR703m in FY25 vs. loss of INR6m in FY24. FY24 profitability had a boost from exceptional income of INR938m.

Net cash position

- THPL has net cash of INR1.6b as of Mar'25 (vs. INR1.2b in Mar'24).

- We estimate THPL has operating cash outflow of INR138m (vs. inflow of INR1.07b in FY24).

Digital & Omnichannel Integration

- StarQuik, Star's online grocery platform, continues to gain traction in targeted micro-markets and is fully integrated with the physical store network, enabling a seamless omni-channel experience.
- Launched My STAR App to enhance customer convenience by allowing users to browse assortments, view past invoices, unlock exclusive offers and locate nearby stores easily.
- Deployment of Digital Shelf Edge Labels has automated price changes, improving in-store efficiency and enabling quicker response to competitive pricing dynamics.
- Further, the company has upgraded checkout experience by integrating the weighing scale to eliminate queuing up twice.

Outlook

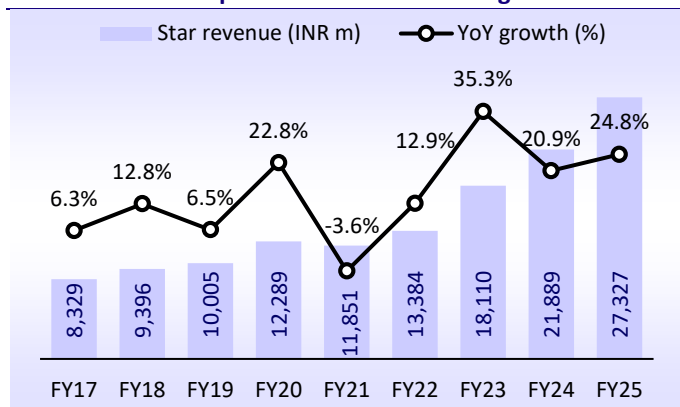
- Star's focus on Fresh and affordable own brands has helped it grow its loyal customer base, despite a rise in competitive intensity from QC.
- Store expansion has been slower than management's guidance. But investments in supply chain and Star's differentiated offerings should lead to faster scale-up of business, which should result in better economies of scale.
- We build in an acceleration in store additions over the next three years to reach 150 stores by FY28E (vs. 78 in FY25) to drive ~21% revenue CAGR over FY25-28E.
- We ascribe an enterprise valuation of INR164b to Star business, premised on 3x Jun'27E EV/sales for an attributable value of INR231/sh for Trent.

Exhibit 34: THPL's financial snapshot (INR m)

Star (INR b)	FY21	FY22	FY23	FY24	FY25
Reported revenue	12.4	13.7	21.8	28.3	35.2
YoY (%)		10.1	59.6	29.7	24.2
THPL financials					
Revenue	11.9	13.4	18.1	21.9	27.3
YoY (%)		12.9	35.3	20.9	24.8
<i>THPL as % of star</i>	95.4	97.8	82.9	77.3	77.7
Gross profit	2.2	2.3	3.4	4.4	5.5
THPL GM (%)	18.1	17.2	18.8	20.3	20.0
Employee expense	0.8	0.9	1.0	1.1	1.4
Other expenses	1.6	1.9	2.5	3.1	4.2
Cost of retailing	2.4	2.8	3.5	4.2	5.6
<i>CoR (% of sales)</i>	20.3	21.1	19.2	19.1	20.5
EBITDA	(0.3)	(0.5)	(0.1)	0.3	(0.1)
EBITDA margin (%)	(2.1)	(3.9)	(0.4)	1.2	(0.4)
Depreciation	0.7	0.7	0.7	1.1	0.8
EBIT	(0.9)	(1.2)	(0.8)	(0.8)	(0.9)
Interest cost	0.4	0.4	0.4	0.3	0.1
Other income	0.4	0.3	0.1	0.2	0.1
PBT	(0.9)	(1.4)	(1.0)	(0.9)	(0.9)
Exceptional items	(0.0)	-	-	(0.9)	(0.2)
Tax	0.0	(0.0)	(0.0)	0.0	0.0
PAT	-0.92	-1.37	-1.03	-0.01	-0.70

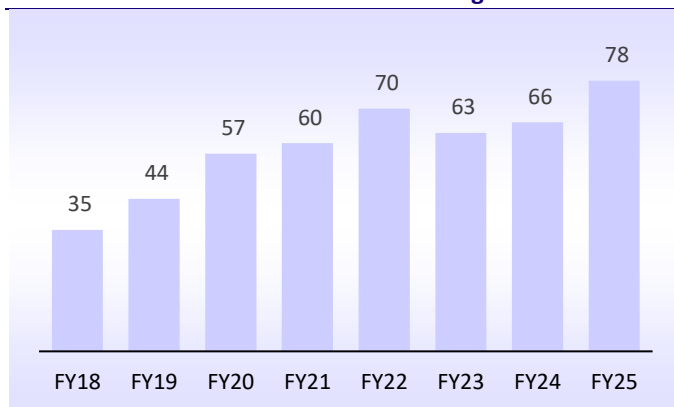
Source: Company, MOFSL

Exhibit 35: THPL reported 25% YoY revenue growth



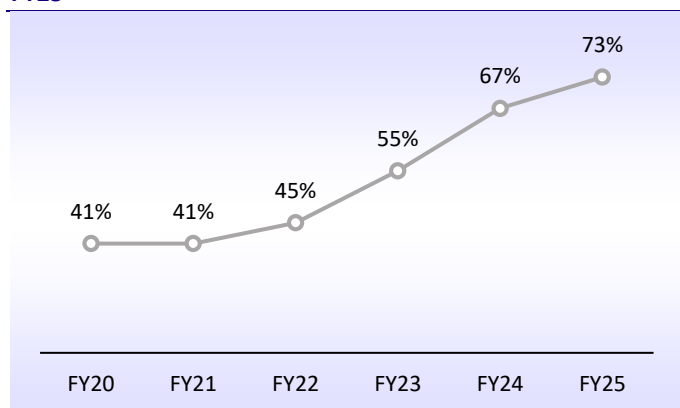
Source: MOFSL, Company

Exhibit 36: Added net 12 Star stores during FY25



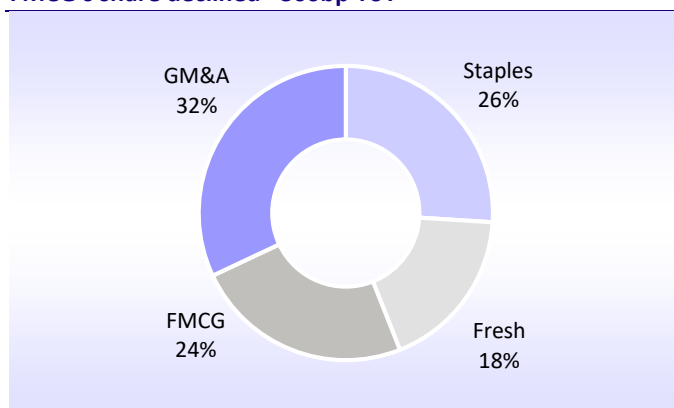
Source: MOFSL, Company

Exhibit 37: The share of own Brand in Star reached 73% in FY25



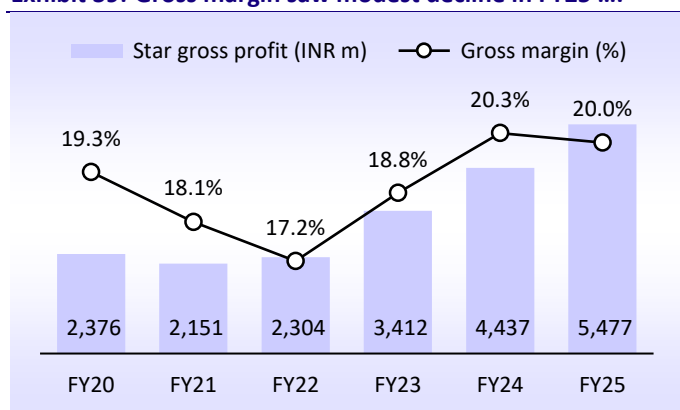
Source: MOFSL, Company

Exhibit 38: Share of Fresh improved ~220bp YoY, while FMCG's share declined ~300bp YoY



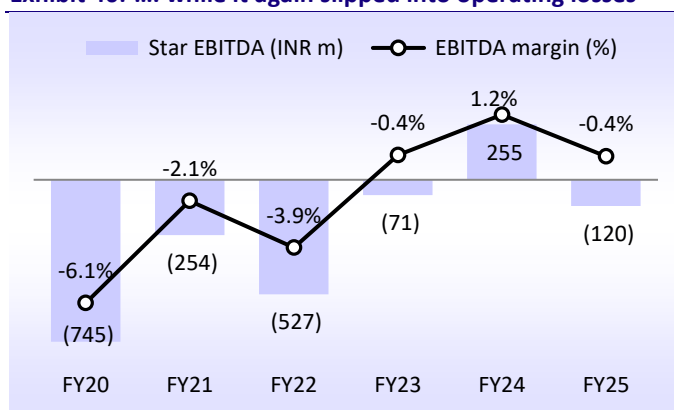
Source: MOFSL, Company

Exhibit 39: Gross margin saw modest decline in FY25



Source: MOFSL, Company

Exhibit 40: while it again slipped into operating losses



Source: MOFSL, Company

Zara – Revenue flat; GM expansion drives profitability

- Zara India delivered flattish revenue, while revenue per store declined 4% YoY. It consolidated net one stores in FY25, taking the total to 22 stores.
- Operating margins increased 130bp YoY, supported by a 170bp increase in GM.
- The company views its arrangement with Inditex as a financial investment, rather than a strategic or operational engagement.

Gross margin expansion boosts EBITDA amid flat revenue

- Zara's revenue remained largely flat at INR28b in FY25.
 - Zara closed one net store in FY25. It operates 22 stores in 13 cities.
 - Per store sales declined 4% YoY to INR1.24b.
- GM expanded ~170bp YoY to 39.9% in FY25.
- Reported EBITDA grew ~9% YoY to INR4.6b in FY25 as margins expanded 130bp YoY to 16.5%, primarily supported by 170bp YoY GM expansion.
- Reported PAT grew 23% YoY to INR3b in FY25, led by EBITDA growth and higher other income (INR574m vs. ~INR57m YoY).
- Zara did not announce any dividend in FY25, which also weighed on Trent's other income.

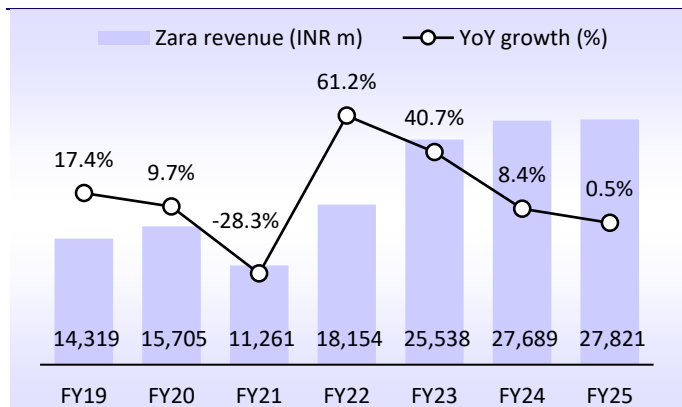
Stake declined to ~35% post buyback, implied valuation significantly lower

- During the year, Trent tendered 140,000 equity shares held by it in ITRIPL (Zara India) in the buyback offer made by ITRIPL for a consideration of INR1,050.8m (Implied valuation of ~INR7.5b). Consequent to the acceptance of the offer by ITRIPL, Trent's stake in Zara India has declined to 34.94% (earlier 49%) in ITRIPL w.e.f. 30th Aug'24. Given that Trent treats these assets as financial investments, we do not ascribe a significant valuation to this JV.
- We note Trent has also reduced its stake in Massimo Dutti (other JV with Inditex) to 20% (from 49%). Massimo Dutti operated three stores with revenue of INR1b in FY25 (flat YoY).
- Trent views its commitments to JVs, primarily as a financial investment rather than a strategic or operational engagement, as the majority partner (Inditex) retains full control over core customer proposition through the merchandise supply and brand ownership arrangements.

Outlook

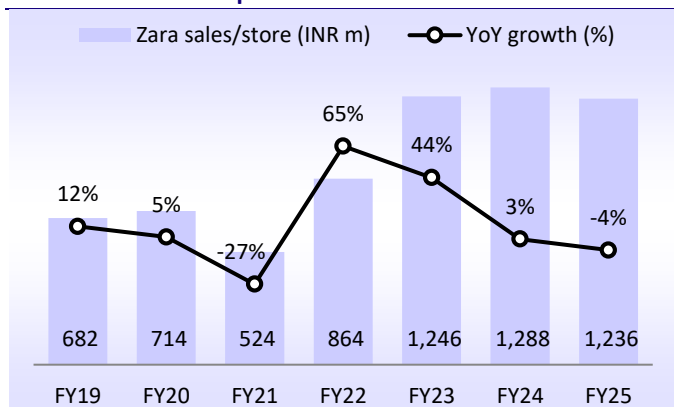
- **Conservative store additions could limit growth:** The company has remained conservative in incremental store additions that could potentially restrict overall growth. It closed net one stores during the year.
- **Not a strategic investment:** Trent's management reiterated that it does not consider the investment in the Zara JV as a strategic one as sourcing is exclusive to Inditex Group (JV partner). Further, its products and specifications are all at the partner's discretion, as is the use of brand names in India.
- **We ascribe an enterprise value of ~INR37b to Zara India, premised on 6.5x Jun'27E EV/EBITDA for an attributable value of ~INR36/share for Trent's ~35% stake.**

Exhibit 41: Zara's revenue was flat YoY in FY25



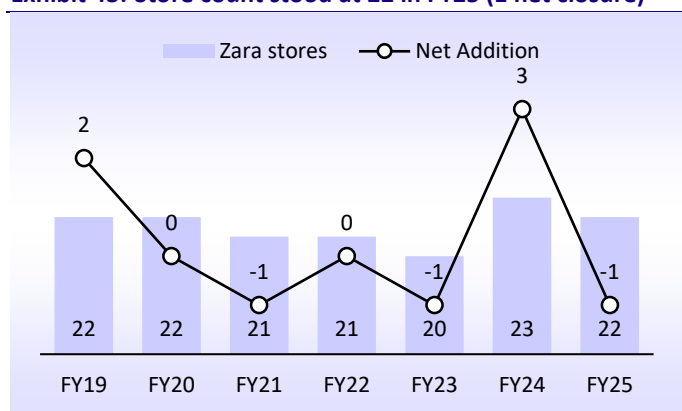
Source: MOFSL, Company

Exhibit 42: Revenue per store declined ~4% YoY



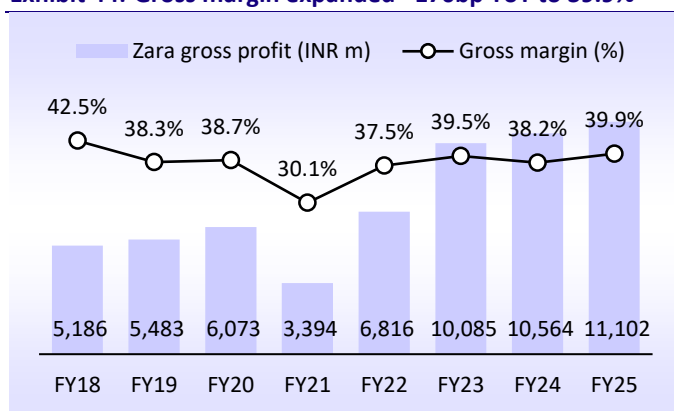
Source: MOFSL, Company

Exhibit 43: Store count stood at 22 in FY25 (1 net closure)



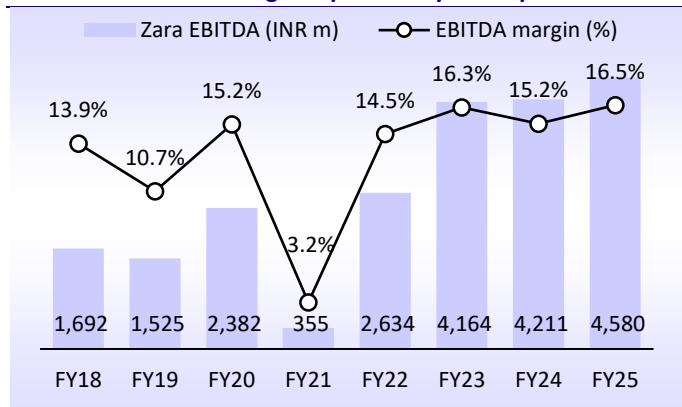
Source: MOFSL, Company

Exhibit 44: Gross margin expanded ~170bp YoY to 39.9%



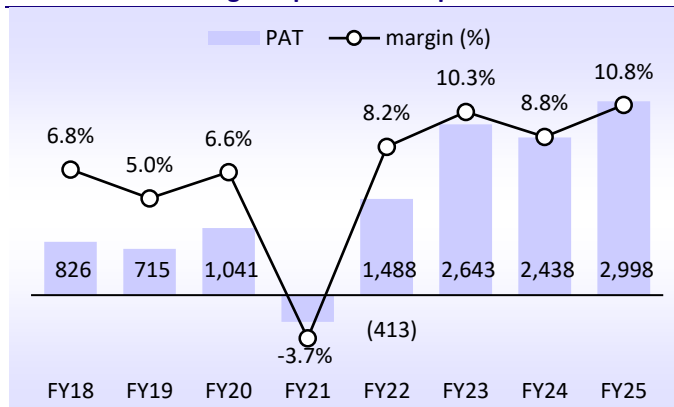
Source: MOFSL, Company

Exhibit 45: EBITDA margin expanded by ~130bp YoY to 16.5%



Source: MOFSL, Company

Exhibit 46: PAT margin expanded 200bp to ~10.8% in FY25



Source: MOFSL, Company

Exhibit 47: Zara's financial snapshot (INR m)

INR m	FY20	FY21	FY22	FY23	FY24	FY25
Revenue	15,705	11,261	18,154	25,538	27,689	27,821
YoY growth (%)	10%	-28%	61%	41%	8%	0%
No. of stores	22	21	21	20	23	22
Net store adds	0	-1	0	-1	3	(1)
EBITDA	2,382	355	2,634	4,164	4,211	4,580
YoY growth (%)	56%	-85%	642%	58%	1%	9%
Margin (%)	15.2%	3.2%	14.5%	16.3%	15.2%	16.5%
Interest cost	189	151	140	162	175	82
PAT	1,041	(413)	1,488	2,643	2,438	2,998
YoY growth (%)	46%	-140%	-460%	78%	-8%	23%
Margin (%)	6.6%	-3.7%	8.2%	10.3%	8.8%	10.8%
Total equity	5,514	5,004	4,291	3,928	4,864	6,595
Borrowings	-	-	-	-	-	-
Cash and equivalents	1,734	1,520	952	995	622	1,903
Inventory	1,300	1,725	2,243	2,160	2,403	2,286
Payables	498	1,065	1,330	1,768	1,937	1,427
Inventory days	30	56	45	31	32	30
Creditor days	12	35	27	25	26	19
NWC days	19	21	18	6	6	11
RoE	20%	-8%	32%	64%	55%	52%
RoCE	18%	-5%	24%	46%	40%	38%
RoIC	23%	-7%	30%	56%	47%	47%

Source: Company, MOFSL

Booker India

- Trent acquired a 51% stake in Booker India Ltd (BIL) in FY20 for INR225m. BIL operates four cash-and-carry stores under the Booker Wholesale banner.
- Booker Wholesale, cash-and-carry chain of stores, offers products such as staple foods, beverages, health and beauty products, dairy, non-vegetarian products and non-food products to caterers, retailers and other businesses.
- Booker Wholesale store size typically ranges 15,000-20,000 sqft and stores are strategically located in catchments with a large presence of traders and kiranas.
- BIL has been actively consolidating and realigning its store portfolio. It has also refrained from engaging in deeply discounted gross margin trade and is pivoting toward an own-branded range across multiple categories.
- In addition to its wholesale operations, BIL is developing a warehousing business as an additional and independent line of business. As part of group restructuring to consolidate warehousing businesses and enhance operational efficiencies, BIL acquired 100% stake of THPL Support Services from THPL on 26th Mar'25 for INR1.7b.
- During FY25, Trent invested INR0.97b in BIL.
- BIL registered consolidated revenue of INR5b in FY25 (vs. INR4.8b in FY24) and incurred a loss of INR297m (vs. loss of INR288m YoY). BIL's subsidiaries' performance is as below:
 - FHL, engaged in retail business under Star banner, reported a total income of INR2.3b (vs. INR1.9b YoY) and PAT of INR32.7m.
 - Fiora Online Limited (FOL), engaged in online grocery retailing business under the brand name – StarQuik, reported a total income of INR1.15b (vs. INR1.34b YoY) and a loss after tax of INR178m. The company has filed a scheme of amalgamation of FHL with FOL to enhance the operational, organizational and financial synergies.

Samoh – a premium and contemporary fashion concept

- Samoh offers luxurious occasion and differentiated ethnic wear for men and women through its physical stores.
- Trent launched its first Samoh store in 2023. The brand currently has stores in Bengaluru, Hyderabad, Lucknow, and Mumbai.

Trent MAS Fashion Private Limited (TMF)

- TMF was incorporated as a **50:50 joint venture between Trent and MAS Amity Pte. Ltd.** for undertaking the business of design, product development, manufacturing and import of apparel and apparel-related products, including but not limited to intimate wear.
- The venture is in early stages of development, and given the domain expertise of both the JV partners, the business is expected to progressively add value.
- In FY25, TMF contributed materially to the supply of innerwear for both Westside and Zudio.

Exhibit 48: Trent's profit build-up

INR m	FY22	FY23	FY24	FY25
Standalone	2,496	5,546	14,358	15,848
Subsidiaries	(1,132)	(842)	(231)	(141)
Booker India	(1,194)	(922)	(288)	(297)
Others	62	80	58	156
NCI in subsidiaries	(650)	(504)	(141)	(146)
Booker India	(585)	(452)	(141)	(146)
JVs	(685)	(516)	(3)	(439)
Trent Hypermarket	(685)	(516)	(3)	(347)
Trent MAS Fashion	-	-	(0)	(92)
Associates	736	1,302	1,239	1,309
Inditex Trent (Zara India)	729	1,295	1,195	1,259
Massimo Dutti	7	7	44	50
Consolidation adjustments	(420)	(1,049)	(447)	(1,087)
Consolidated PAT	346	3,937	14,775	15,344

Source: Company, MOFSL

Key Related-party transactions
Exhibit 49: Major related party transactions

Related party transactions (INR m)	FY23	FY24	FY25
Sales			
Trent Hypermarket Private Limited	4,923	7,053	8,763
Tata Digital Private Limited	-	31.8	98.6
Purchase			
Tata Sons Private Limited	264.2	309.7	381.5
Trent Hypermarket Private Limited	3,957	3,916	4,775
Tata Communication Limited	98.2	90.5	131.4
Tata Unistore Limited	118.7	247	274.7
THPL Support Services Limited	402.4	417	413.7
Purchase of property, plant and equipment			
Voltas Ltd	-	567.9	1208.6
Outstanding receivables			
Trent Hypermarket Private Limited	127.7	179.9	345
Outstanding payables			
Trent Hypermarket Private Limited	238.9	292.5	319.8
Tata Sons Private Limited	104.5	161.2	224.5

Source: MOFSL, Company

Exhibit 50: Long term investments by Trent standalone

Long term investments (INR m)	FY23	FY24	FY25
Subsidiaries	3,595	4,289	5,752
Nahar Retail Trading	1,107	1,107	1,407
Tata Brands	303		
Trent Global Holdings	47	68	258
Fiora Business Support Services	646	646	646
Booker India	1,536	2,512	3,485
Trent Foundation			1
Less: provision for impairment	(45)	(45)	(45)
Joint Ventures	6,651	7,269	7,635
Trent Hypermarket	6,651	7,264	7,540
Trent MAS Fashion	-	5	95
Associates	614	614	299
Inditex Trent Retail (Zara India)	318	318	178
Massimo Dutti India	297	297	121
Others	1,058	648	2,504
Government securities	-	-	981
Perpetual NCDs - Tata International			1,003
Other instruments	1,058	648	521

Source: MOFSL, Company

Exhibit 51: Remuneration of the non-executive directors

Directors	Ratio to Median	% increase/ (decrease) YoY
Mr. Noel N. Tata	26.5	54.04%
Mr. Bhaskar Bhat	13.28	43.84%
Mr. Harish Bhat	14.23	188.46%
Mr. Jayesh Merchant	19.61	49.76%
Ms. Susanne Given	10.18	106.41%
Mr. Ravneet Singh Gill	13.22	71.31%
Ms. Hema Ravichandar	15.62	78.99%
Mr. Johannes Holtzhausen	9.24	80.25%
Ms. Kiran Mazumdar Shaw	-	-
Mr. Venkatesalu Palaniswamy	340.18	89.44%

Mr. Bhaskar Bhat retired effective 29th August 2024 as per Tata Group retirement policy.

Mr. Johannes Holtzhausen ceased as Director effective 9th Aug'24.

Ms. Kiran Mazumdar Shaw was appointed on 1st April 2024, so YoY comparison and ratio are not applicable.

Source: MOFSL, Company

Financials and valuations – standalone

Standalone - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	20,475	38,807	77,152	1,19,266	1,66,681	2,08,678	2,49,876	2,94,933
Change (%)	-35.6	89.5	98.8	54.6	39.8	25.2	19.7	18.0
Raw Materials	10,296	19,009	42,156	65,407	92,616	1,16,129	1,39,306	1,64,720
Employees Cost	2,550	3,379	5,801	9,379	12,009	15,233	18,366	21,825
Other Expenses	5,591	10,084	18,003	25,210	34,517	43,301	51,974	61,051
Total Expenditure	18,437	32,472	65,959	99,996	1,39,141	1,74,663	2,09,646	2,47,596
% of Sales	90.0	83.7	85.5	83.8	83.5	83.7	83.9	84.0
EBITDA	2,038	6,335	11,193	19,269	27,540	34,014	40,230	47,337
Margin (%)	10.0	16.3	14.5	16.2	16.5	16.3	16.1	16.1
Depreciation	2,359	2,831	4,632	6,385	8,699	10,837	12,154	14,799
EBIT	-321	3,505	6,560	12,884	18,841	23,177	28,076	32,538
Int. and Finance Charges	2,380	2,933	3,572	3,094	1,369	1,837	2,456	3,106
Other Income	2,042	2,790	4,117	3,509	3,294	3,788	4,356	5,009
PBT bef. EO Exp.	-658	3,362	7,105	13,300	20,766	25,128	29,976	34,441
EO Items	-63	-132	0	5,434	0	0	0	0
PBT after EO Exp.	-721	3,230	7,105	18,733	20,766	25,128	29,976	34,441
Total Tax	-211	734	1,559	4,375	4,918	6,031	7,344	8,610
Tax Rate (%)	29.3	22.7	21.9	23.4	23.7	24.0	24.5	25.0
Minority Interest	0	0	0	0	0	0	0	0
Reported PAT	-510	2,496	5,546	14,358	15,848	19,097	22,632	25,831
Adjusted PAT	-465	2,598	5,546	10,292	15,848	19,097	22,632	25,831
Change (%)	-130.1	-658.4	113.5	85.6	54.0	20.5	18.5	14.1
Margin (%)	-2.3	6.7	7.2	8.6	9.5	9.2	9.1	8.8

Standalone - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	355	356	356	356	356	356	356	356
Total Reserves	24,803	26,845	30,444	44,116	58,789	77,886	1,00,517	1,26,348
Net Worth	25,159	27,200	30,799	44,472	59,144	78,241	1,00,873	1,26,703
Total Loans	28,612	45,893	43,186	17,383	22,059	30,428	39,737	49,014
Lease Liability	25,612	40,835	38,206	12,398	17,067	25,436	34,745	44,022
Deferred Tax Liabilities	-1,080	-1,225	-1,540	-553	-458	-458	-458	-458
Capital Employed	52,690	71,868	72,445	61,302	80,746	1,08,213	1,40,153	1,75,260
Net Fixed Assets	29,232	45,083	43,659	24,002	36,610	40,727	45,129	46,832
Right to use assets	22,265	37,336	34,346	11,891	16,964	16,219	15,497	12,519
Capital WIP	340	448	415	1,614	1,179	1,179	1,179	1,179
Total Investments	17,292	17,239	16,483	19,022	21,353	21,356	21,356	21,356
Curr. Assets, Loans&Adv.	9,126	14,126	21,114	29,390	37,389	67,372	98,861	1,36,585
Inventory	3,946	8,225	13,369	15,648	20,284	28,586	34,230	40,402
Account Receivables	206	163	314	786	596	1,143	1,369	1,616
Cash and Bank Balance	669	744	789	2,862	3,229	20,965	44,778	74,108
Loans and Advances	4,306	4,994	6,642	10,094	13,280	16,678	18,484	20,459
Curr. Liability & Prov.	3,301	5,028	9,226	12,726	15,785	22,421	26,372	30,692
Account Payables	2,196	3,142	6,437	7,523	9,299	14,293	17,115	20,201
Other Current Liabilities	938	1,572	2,121	3,480	4,635	6,277	7,406	8,640
Provisions	167	314	669	1,723	1,851	1,851	1,851	1,851
Net Current Assets	5,826	9,098	11,888	16,664	21,603	44,951	72,489	1,05,893
Appl. of Funds	52,690	71,868	72,445	61,302	80,745	1,08,213	1,40,153	1,75,260

Financials and valuations – standalone

Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)								
EPS	-1.3	7.3	15.6	29.0	44.6	53.7	63.7	72.7
Cash EPS	5.7	16.3	30.6	50.2	73.9	90.1	104.7	122.3
BV/Share	75.7	81.9	92.7	133.8	178.0	235.4	303.5	381.3
DPS	0.0	1.7	2.2	3.2	5.0	5.5	0.0	0.0
Payout (%)	0.0	24.2	14.1	7.9	11.2	10.2	0.0	0.0
Valuation (x)								
P/E	-4,075.9	730.0	342.0	184.3	119.7	99.3	83.8	73.4
Cash P/E	936.4	326.6	174.2	106.3	72.2	59.2	51.0	43.6
P/BV	70.5	65.2	57.6	39.9	30.0	22.7	17.6	14.0
EV/Sales	94.0	50.0	25.1	16.0	11.5	9.1	7.6	6.3
EV/EBITDA	944.2	306.5	173.2	99.2	69.5	56.0	47.0	39.5
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
FCF per share	8.7	-1.4	12.6	27.2	23.9	44.4	61.6	77.2
Return Ratios (%)								
RoE	-1.9	9.9	19.1	27.3	30.6	27.8	25.3	22.7
RoCE	-0.4	4.3	7.0	14.5	20.1	18.6	17.0	15.4
RoIC	-0.7	6.2	9.5	21.1	30.7	29.5	30.8	32.2
Working Capital Ratios								
Fixed Asset Turnover (x)	2.1	3.5	5.7	NA	NA	NA	NA	NA
Asset Turnover (x)	0.4	0.5	1.1	1.9	2.1	1.9	1.8	1.7
Inventory (Days)	70	77	63	48	44	50	50	50
Debtor (Days)	4	2	1	2	1	2	2	2
Creditor (Days)	39	30	30	23	20	25	25	25
Leverage Ratio (x)								
Current Ratio	2.8	2.8	2.3	2.3	2.4	3.0	3.7	4.5
Interest Cover Ratio	-0.1	1.2	1.8	4.2	13.8	12.6	11.4	10.5
Net Debt/Equity	0.4	1.0	0.8	-0.1	0.0	-0.2	-0.3	-0.4

Standalone - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	-658	3,362	7,105	13,300	20,766	25,128	29,976	34,441
Depreciation	2,359	2,831	4,639	6,392	8,706	10,837	12,154	14,799
Interest & Finance Charges	2,084	2,725	3,411	2,913	1,063	1,837	2,456	3,106
Direct Taxes Paid	-1	-782	-1,869	-2,942	-4,915	-6,031	-7,344	-8,610
(Inc)/Dec in WC	1,131	-4,020	-2,707	-2,725	-5,579	-5,612	-3,725	-4,074
CF from Operations	4,915	4,116	10,579	16,938	20,041	26,160	33,517	39,662
Others	-782	-2,624	-3,951	-3,455	-3,359	-3,788	-4,356	-5,009
CF from Operating incl EO	4,133	1,492	6,628	13,484	16,683	22,372	29,161	34,653
(Inc)/Dec in FA	-1,031	-1,979	-2,144	-3,819	-8,177	-6,587	-7,248	-7,226
Free Cash Flow	3,102	-487	4,485	9,665	8,506	15,785	21,913	27,427
(Pur)/Sale of Investments	1,195	2,317	57	-926	0	0	0	0
Others	-557	-397	657	-241	25	3,788	4,356	5,009
CF from Investments	-393	-59	-1,430	-4,985	-8,152	-2,799	-2,892	-2,216
Issue of Shares	0	0	0	0	0	0	0	0
Inc/(Dec) in Debt	0	1,969	-1,202	-2,566	-5,259	0	0	0
Interest Paid	-2,376	-2,350	-3,557	-3,076	-1,335	-1,837	-2,456	-3,106
Dividend Paid	-355	-426	-394	-783	-1,136	0	0	0
Others	-780	-552	0	0	0	0	0	0
CF from Fin. Activity	-3,512	-1,359	-5,153	-6,425	-7,730	-1,837	-2,456	-3,106
Inc/Dec of Cash	229	74	45	2,074	801	17,736	23,813	29,330
Opening Balance	441	669	744	789	2,849	3,229	20,965	44,778
Closing Balance	669	744	789	2,862	3,651	20,965	44,778	74,108

Financials and valuations – consolidated

Consolidated - Income Statement

	(INR m)							
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Total Income from Operations	25,930	44,980	82,420	1,23,751	1,71,346	2,13,576	2,55,019	3,00,333
Change (%)	-25.6	73.5	83.2	50.1	38.5	24.6	19.4	17.8
Raw Materials	15,340	24,815	47,197	69,589	96,891	1,20,611	1,43,999	1,69,634
Employees Cost	3,019	3,990	6,552	10,366	13,084	16,415	19,666	23,255
Other Expenses	5,852	10,437	17,934	24,575	33,874	42,566	51,203	60,241
Total Expenditure	24,211	39,241	71,684	1,04,530	1,43,849	1,79,592	2,14,867	2,53,130
% of Sales	93.4	87.2	87.0	84.5	84.0	84.1	84.3	84.3
EBITDA	1,719	5,739	10,737	19,221	27,498	33,984	40,151	47,203
Margin (%)	6.6	12.8	13.0	15.5	16.0	15.9	15.7	15.7
Depreciation	2,573	3,108	4,937	6,711	8,952	10,673	11,440	13,969
EBIT	-854	2,631	5,800	12,510	18,546	23,311	28,711	33,234
Int. and Finance Charges	2,487	3,047	3,692	3,191	1,386	1,905	2,198	2,801
Other Income	2,016	1,752	2,609	2,893	2,274	2,615	3,007	3,458
PBT bef. EO Exp.	-1,325	1,335	4,717	12,212	19,433	24,020	29,520	33,891
EO Items	-10	-274	-30	5,761	0	0	0	0
PBT after EO Exp.	-1,335	1,061	4,687	17,973	19,433	24,020	29,520	33,891
Total Tax	-237	766	1,584	4,434	4,953	6,046	7,430	8,530
Tax Rate (%)	17.8	72.2	33.8	24.7	25.5	25.2	25.2	25.2
MI/(Profit)/Loss from Assoc.	714	-51	-835	-1,236	-865	-952	-1,028	-1,110
Reported PAT	-1,811	346	3,937	14,775	15,345	18,926	23,117	26,470
Adjusted PAT	-1,803	422	3,957	10,387	15,345	18,926	23,117	26,470
Change (%)	-270.1	-123.4	837.0	162.5	47.7	23.3	22.1	14.5
Margin (%)	-7.0	0.9	4.8	8.4	9.0	8.9	9.1	8.8

Consolidated - Balance Sheet

	(INR m)							
Y/E March	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity Share Capital	355	355	356	356	356	356	356	356
Total Reserves	22,775	23,285	25,599	40,322	54,262	71,233	92,217	1,16,377
Net Worth	23,130	23,640	25,955	40,677	54,617	71,588	92,572	1,16,732
Minority Interest	445	459	675	349	1,216	1,216	1,216	1,216
Total Loans	26,686	47,338	44,722	17,583	22,837	31,600	41,667	51,692
Lease Liabilities	26,637	42,280	39,662	12,544	17,380	26,143	36,211	46,235
Deferred Tax Liabilities	-746	-1,264	-1,561	-544	-435	-435	-435	-435
Capital Employed	49,515	70,174	69,791	58,065	78,235	1,03,969	1,35,021	1,69,206
Gross Block	37,078	55,887	57,819	34,256	56,704	72,204	89,670	1,07,070
Less: Accum. Deprn.	6,749	9,397	13,093	10,298	18,293	28,966	40,406	54,375
Net Fixed Assets	30,329	46,491	44,726	23,958	38,411	43,238	49,264	52,695
Right to use assets	23,185	38,642	35,502	12,021	17,268	20,092	23,287	24,740
Goodwill on Consolidation	272	272	272	272	272	272	272	272
Capital WIP	340	448	1,017	2,238	1,795	1,795	1,795	1,795
Total Investments	15,550	13,541	11,370	14,429	15,071	16,023	17,050	18,160
Curr. Assets, Loans&Adv.	10,000	15,245	21,869	30,176	38,213	67,964	96,498	1,31,100
Inventory	4,284	8,678	13,612	15,827	20,451	34,875	41,760	49,290
Account Receivables	208	179	344	817	630	1,170	1,397	1,646
Cash and Bank Balance	815	864	863	2,976	3,398	13,030	32,297	56,765
Loans and Advances	4,694	5,525	7,051	10,556	13,735	18,889	21,044	23,400
Curr. Liability & Prov.	6,976	5,823	9,464	13,009	15,526	25,323	29,858	34,817
Account Payables	2,746	3,780	6,652	7,739	9,282	17,554	20,960	24,685
Other Current Liabilities	4,026	1,734	2,098	3,482	4,316	5,841	6,969	8,204
Provisions	204	309	713	1,788	1,929	1,929	1,929	1,929
Net Current Assets	3,024	9,422	12,406	17,167	22,687	42,641	66,640	96,283
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	49,515	70,174	69,791	58,064	78,236	1,03,969	1,35,021	1,69,205

Financials and valuations – consolidated

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Basic (INR)								
EPS	-5.1	1.2	11.1	29.2	43.2	53.2	65.0	74.5
Cash EPS	2.3	10.6	26.8	51.5	73.1	89.1	104.0	121.7
BV/Share	69.6	71.1	78.1	122.4	164.4	215.4	278.6	351.3
DPS	0.0	1.7	2.2	3.2	5.0	5.5	0.0	0.0
Payout (%)	0.0	174.6	19.9	7.7	11.6	10.3	0.0	0.0
Valuation (x)								
P/E	-1,051.9	4,485.0	479.3	182.6	123.6	100.2	82.0	71.6
Cash P/E	2,302.4	502.2	199.3	103.7	73.0	59.9	51.3	43.8
P/BV	76.6	75.0	68.3	43.6	32.5	24.8	19.2	15.2
EV/Sales	74.1	43.1	23.5	15.4	11.2	9.0	7.5	6.3
EV/EBITDA	1,109.3	335.8	179.7	98.7	69.1	55.9	47.0	39.7
Dividend Yield (%)	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0
FCF per share	8.0	-4.3	10.4	26.9	22.5	30.6	57.9	73.5
Return Ratios (%)								
RoE	-7.7	1.8	16.0	31.2	32.2	30.0	28.2	25.3
RoCE	-1.4	1.2	5.4	14.6	20.4	19.3	18.1	16.4
RoIC	-2.1	1.7	6.9	19.8	28.7	26.6	27.4	28.2
Working Capital Ratios								
Fixed Asset Turnover (x)	0.7	0.8	1.4	3.6	3.0	3.0	2.8	2.8
Asset Turnover (x)	0.5	0.6	1.2	2.1	2.2	2.1	1.9	1.8
Inventory (Days)	60	70	60	47	44	60	60	60
Debtor (Days)	3	1	2	2	1	2	2	2
Creditor (Days)	39	31	29	23	20	30	30	30
Leverage Ratio (x)								
Current Ratio	1.4	2.6	2.3	2.3	2.5	2.7	3.2	3.8
Interest Cover Ratio	-0.3	0.9	1.6	3.9	13.4	12.2	13.1	11.9
Net Debt/Equity	0.9	1.7	1.3	0.0	0.1	0.0	-0.1	-0.2

Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
OP/(Loss) before Tax	-2,038	1,387	5,551	13,448	20,297	24,020	29,520	33,891
Depreciation	2,573	3,108	4,937	6,711	8,952	10,673	11,440	13,969
Interest & Finance Charges	2,197	2,814	3,524	2,988	1,072	1,905	2,198	2,801
Direct Taxes Paid	-11	-816	-1,910	-2,989	-4,941	-6,046	-7,430	-8,530
(Inc)/Dec in WC	1,063	-4,293	-2,932	-2,715	-5,677	-10,323	-4,732	-5,175
CF from Operations	3,783	2,199	9,170	17,443	19,703	20,230	30,996	36,955
Others	-45	-1,615	-3,222	-3,953	-3,094	-2,615	-3,007	-3,458
CF from Operating incl EO	3,738	585	5,949	13,490	16,609	17,615	27,989	33,497
(Inc)/Dec in FA	-910	-2,101	-2,235	-3,937	-8,617	-6,737	-7,398	-7,376
Free Cash Flow	2,828	-1,516	3,714	9,552	7,992	10,878	20,591	26,121
(Pur)/Sale of Investments	1,400	2,084	65	-1,299	-1,586	0	0	0
Others	-308	562	1,135	154	969	2,615	3,007	3,458
CF from Investments	181	544	-1,036	-5,082	-9,234	-4,122	-4,391	-3,918
Issue of Shares	-3	2,504	463	357	935	0	0	0
Inc/(Dec) in Debt	0	0	0	0	0	0	0	0
Interest Paid	-2,489	-2,463	-3,587	-3,094	-1,339	-1,905	-2,198	-2,801
Dividend Paid	-355	-427	-393	-783	-1,136	-1,955	-2,133	-2,311
Others	-872	-694	-1,397	-2,775	-5,397	0	0	0
CF from Fin. Activity	-3,719	-1,080	-4,914	-6,295	-6,937	-3,860	-4,331	-5,111
Inc/Dec of Cash	201	49	-1	2,113	438	9,632	19,267	24,468
Opening Balance	614	815	864	863	2,960	3,398	13,030	32,297
Closing Balance	815	864	863	2,976	3,398	13,030	32,297	56,765

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