

# Shoppers Stop

Estimate change	↔
TP change	↔
Rating change	↔

**CMP: INR779**

**TP: INR780**

**Neutral**

## Demand slowdown and weak SSSG hurt earnings

- Shoppers Stop (SHOP) reported an 18% YoY decline in EBITDA (26% miss) due to weak SSSG and GM contraction. Revenue rose 5% YoY in 1QFY25, largely driven by the Beauty segment and some contribution from Intune.
- Management remains optimistic about Intune (a value segment) and the Beauty business. The departmental store expansion could be weak in FY25, offsetting the aggressive store expansion plan of Intune and growth in beauty distribution. We expect a 15%/20% revenue/EBITDA CAGR over FY24-26. We value SHOP at 13x FY26E EV/EBITDA to arrive at our TP of INR780. **Reiterate Neutral.**

Bloomberg	SHOP IN
Equity Shares (m)	110
M.Cap.(INRb)/(USDb)	85.7 / 1
52-Week Range (INR)	920 / 616
1, 6, 12 Rel. Per (%)	2/-1/-23
12M Avg Val (INR M)	93

### Financials & Valuations Stand (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	42.1	47.4	55.5
EBITDA	7.1	8.1	10.3
Adj. PAT	0.6	0.8	1.1
EBITDA Margin (%)	16.9	17.2	18.5
Adj. EPS (INR)	5.5	6.9	10.0
EPS Gr. (%)	-50.2	24.8	45.5
BV/Sh. (INR)	38.8	47.8	61.0

### Ratios

Net D:E	8.2	9.1	9.1
RoE (%)	21.8	20.9	24.2
RoCE (%)	8.6	7.3	7.4
Payout (%)	0.0	0.0	0.0

### Valuations

P/E (x)	141.4	113.3	77.9
EV/EBITDA (x)	15.8	15.1	12.9
EV/Sales (x)	2.7	2.6	2.4
Div. Yield (%)	0.0	0.0	0.0

### Shareholding pattern (%)

As On	Jun-24	Mar-24	Jun-23
Promoter	65.6	65.5	65.5
DII	22.2	22.2	21.4
FII	7.4	7.4	6.8
Others	4.8	4.9	6.3

FII Includes depository receipts

### EBITDA declines 18% YoY (26% miss) due to weak SSSG and GM contraction

- SHOP's standalone revenue grew 5% YoY to INR10.4b (5% miss) in 1QFY25, hit by LFL decline in the range of high-single digits to mid-teens.
- SHOP added (net) two new departmental stores (total 114) and nine Intune stores (total 31). It also added four Beauty SIS stores (total 148).
- Gross profit inched up 1% YoY, while margin contracted 170bp YoY to 40.6% due to a decline in the share of private labels (12.0% in 1QFY25 vs. 13.8% in 1QFY24) and early EOSS.
- Employee/other expenses were up 4%/21% YoY, led by store additions.
- As a result, EBITDA declined 18% YoY to INR1.4b (26% miss). EBITDA margin contracted 380bp YoY to 13.7%, dragged down by a contraction in gross margin and operating leverage.
- EBITDA (Pre-Ind-AS) for 1QFY25 stood at INR150m and margin was 1.4%.
- Depreciation/interest costs were up 11%/12% YoY, which led to a net loss of INR225m (est. PAT of INR77m).
- OCF was INR320m, led by an EBITDA of INR150m and working capital release of INR170m. SHOP opened 11 stores and incurred a capex of INR610m, which led to a cash outflow of INR280m and an increase in debt by INR310m.

### Highlights from the management commentary

- Demand:** The consumption demand environment was subdued due to uneven weather patterns, prolonged heatwaves, general elections, fewer weddings, and inflation. This led to a decline in volumes sold as well as flat footfalls. However, the value and beauty segments continued to do well.
- Outlook:** Management expects double-digit revenue growth fueled by ~8-9% area additions and SSSG. The mid-single-digit (pre-Ind-AS) EBITDA for FY25 will be driven by rationalization of larger-sized stores and cost optimization. SHOP expects the beauty segment to grow 12-15% for FY25.
- Store expansion guidance:** Management guided 11 (gross) departmental store additions and rationalization of 4-5 stores in FY25. For Intune, it will add 75 stores in FY25, with a target to add 20+ stores in 2Q. Its focus will be to open stores with a high RoCE and a shorter payback period.
- Capex:** For FY25, the company expects to incur INR2.25-2.50b on capex, including the shifting of a warehouse. The capex will be funded by borrowings of INR1b and internal accruals.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

**Valuation and view**

- SHOP's focus on: 1) opening smaller stores (30k sqft vs. existing average of 50k sqft) to improve store efficiency; 2) reviving the Private label mix; 3) the high-growth and margin-accretive Beauty segment, and d) increasing traction in Intune could drive overall growth. It plans to step up the pace of store additions for Intune, with 75+ additions annually, while the pace of departmental store additions is likely to be moderate in FY25.
- Its recent foray into the value category, through Intune, witnessed a healthy traction and had been EBITDA positive at the store level. The aggressive expansion plan of reaching +165 stores by FY26E from 31 currently could be the key lever for growth going forward. However, it will be crucial to expand design and private label merchandising capabilities in Intune to enhance the value proposition.
- Persistent weakness in discretionary demand has continued to hinder revenue growth, with a weak SSSG. Sustaining high single-digit SSSG will be crucial for driving overall growth and potential re-rating of the company.
- The stock is currently trading at a valuation of 13x/30x post-/pre-EV/EBITDA on FY26E. We trim our estimates given the slowdown; however, we factor in aggressive store expansion of Intune and expect good growth in the beauty segment.
- We are factoring in 15%/20% revenue/EBITDA CAGR over FY24-26E. We value SHOP at 13x FY26E EV/EBITDA to arrive at our TP of INR780. **Reiterate Neutral.**

**Standalone - Quarterly Earning Model**

(INR m)

Y/E March	FY24E				FY25E				FY24	FY25E	FY25	Est. Var (%)
	1Q	2Q	3Q	4QE	1Q	2QE	3QE	4QE			1QE	
<b>Total Revenue from Operations</b>	<b>9,816</b>	<b>10,252</b>	<b>12,068</b>	<b>9,997</b>	<b>10,337</b>	<b>11,170</b>	<b>13,999</b>	<b>11,864</b>	<b>42,132</b>	<b>47,370</b>	<b>10,861</b>	<b>-5</b>
YoY Change (%)	4.2	1.7	6.6	9.1	5.3	9	16	18.7	5.4	12.4		
Total Expenditure	8,093	8,654	9,914	8,356	8,916	9,439	11,199	9,682	35,016	39,236	8,930	0
<b>EBITDA</b>	<b>1,723</b>	<b>1,598</b>	<b>2,154</b>	<b>1,641</b>	<b>1,421</b>	<b>1,731</b>	<b>2,800</b>	<b>2,183</b>	<b>7,116</b>	<b>8,135</b>	<b>1,931</b>	<b>-26</b>
EBITDA Margin (%)	17.6	15.6	17.8	16.4	13.7	15.5	20	18.4	16.9	17.2	17.8	(403)
Depreciation	1,050	1,081	1,112	1,118	1,167	1,225	1,287	1,337	4,361	5,015	1,277	-9
Interest	541	548	579	568	604	621	629	662	2,236	2,516	576	5
Other Income	73	105	33	346	35	98	98	161	557	392	98	-64
<b>PBT before EO expense</b>	<b>204</b>	<b>74</b>	<b>496</b>	<b>301</b>	<b>-314</b>	<b>-17</b>	<b>982</b>	<b>345</b>	<b>1,076</b>	<b>996</b>	<b>176</b>	<b>-279</b>
Extra-Ord expense	0	-49	0	-16	0	0	0	0	-65	0	0	
<b>PBT</b>	<b>204</b>	<b>25</b>	<b>496</b>	<b>285</b>	<b>-314</b>	<b>-17</b>	<b>982</b>	<b>345</b>	<b>1,011</b>	<b>996</b>	<b>176</b>	<b>-279</b>
Tax	55	8	141	69	-89	-4	248	87	272	241	99	
Rate (%)	26.9	29.9	28.3	24.2	28.4	25.2	25.2	25.2	26.9	24.2	56.4	
<b>Reported PAT</b>	<b>149</b>	<b>18</b>	<b>356</b>	<b>216</b>	<b>-225</b>	<b>-13</b>	<b>735</b>	<b>258</b>	<b>739</b>	<b>755</b>	<b>77</b>	<b>-394</b>
<b>Adj PAT</b>	<b>149</b>	<b>52</b>	<b>356</b>	<b>48</b>	<b>-225</b>	<b>-13</b>	<b>735</b>	<b>258</b>	<b>605</b>	<b>755</b>	<b>77</b>	<b>-394</b>
YoY Change (%)	-34.4	-74.1	-42.7	-70.5	-250.7	-124.3	106.6	438.3	-50.1	24.8	-87.7	

**Exhibit 1: Valuation based on FY26E EV/EBITDA**

	Methodology	Driver (INR b)	Multiple	Fair Value (INR b)	Value/sh (INR)
Standalone (Shoppers Stop)	EV/EBITDA	10	13	132	1,204
<b>Total Enterprise Value</b>				<b>132</b>	<b>1,204</b>
Less Net debt				47	425
<b>Equity Value</b>				<b>85</b>	<b>780</b>
Shares o/s (m)				110	
CMP (INR)					778
<b>Upside (%)</b>					<b>0</b>

Source: MOFSL, Company



## Highlights from the management commentary

### Current environment

- The consumption demand environment was subdued due to uneven weather patterns, prolonged heatwaves, general elections, fewer weddings, and inflation. This led to a decline in volumes sold as well as flat footfalls. However, the value and beauty segments continued to do well. Even footfalls were flat.
- K-Shaped growth was witnessed where Luxury/Premium and Value fashion had been outgrowing.
- Commodity prices continue to remain benign, and hence, may negate any price increases in the short term.

### Outlook

- Management remains optimistic on its Value brand (Intune) to perform well. The distribution business is also growing well.
- Expect revenue growth of 15% led by 8-9% area additions and the rest by SSSG. Expect stronger demand during festive season, driven by lesser disruptions and higher wedding days (47 Days in 2H vs. 14 in 1H).
- Expectations of better monsoon, and a favorable budget may stimulate near-term growth

### Private brands

- The premium-plus portfolio performed well and recorded LFL growth of 10% and overall growth of 14% during the quarter.
- The slowness in Men's and Women's category has particularly impacted private brands.
- The company discontinued 1.1% some of the private exclusive Brand which were making low margin and not fitting in the redefinition of positioning which the company is currently doing.
- The company is launching autumn winter 2024 season in August (ahead of the previous year). This will ensure 70% full fresh stocks and will help drive revenue and margin.
- The company will work towards inventory optimization in private label.

### Intune:

- The Intune segment continued to clock healthy growth. It delivered a strong performance ahead of its internal budget.
- Intune expanded in north, launching two stores in NCR.
- 40% of the stores are in high street, which are on average three months operational
- As of today, the full-fledged pricing is upwards of 80%.
- Guided for 75+ store addition for FY25 while 20+ stores addition will be in 2Q.

### Beauty:

- Fragrance continued to outperform with 19% YoY growth. It added comfort and Kate Spread in the fragrance portfolio.
- It launched four SIS for MAC stores during the quarter.
- The company launched 27 brands with eight fragrance brands during 1Q and guided to launch three brands during 2Q.

- The distribution network improved to 444 POS.

#### **Optimize EBITDA margins and manage inventory**

- Gross margin remained flat QoQ; however, 1% higher gross margin led by Private brands trading was offset by other KPI's.
- The Intune and Beauty businesses remained EBITDA positive.
- Margins were hit by demand slowdown, which led to operating deleverage.
- Improved full price sale through SS24 range (Spring/Summer 2024 collection) – Strong demand and effective pricing strategy resulted in fewer discounts
- Management expects mid-single digit EBITDA margin (Pre-Ind-AS) for FY25.

#### **Strong store expansion plans**

- There were some delays (regulatory) in 4-5 departmental stores, and as a result, the earlier guided addition of 15 stores now stands at 11 (gross). Management expects to rationalize 4-5 stores during FY25. The average store size of new stores size will be 25-30k sqft.
- Management guided to add 75 Intune stores during FY25 with a target to add 20+ stores in 2Q. The average store size is expected to be ~5,000-5500 sqft.
- SHOP's focus is to open stores with high ROCE and shorter payback period.
- For FY25, the company expects to incur INR2.25b-2.50b on capex including the shifting of a warehouse.
- The company aims to borrow INR1b during the year for the mentioned capex.
- For the next 2-3 years, capex will be in similar lines, which the company will fund internally.

#### **Others:**

- LFL growth in the premium brand stood at 10%, while Departmental stores recorded an LFL decline of 6%.
- The company is spending on technology. It is working on an updated version of app and will be relaunching the app and website. The expected launch is on 30th Sept. This will increase the customer experience. Merging two platforms (ss.com and SSB) will also help rationalize cost and same-day delivery will also be possible.
- The company will be implementing a new inventory management system, which will help increase the inventory turn
- On a non-GAAP basis, the overall other expenses increased 10% YoY, while LFL growth was 2-3%.
- The Personal Shoppers have increased from 300 to 400 and expect to increase further. This will help to enhance the customer experience and increase the ATV which is normally 3x the normal customer
- The company is working on Masstige Brands (Beauty) and will be launching soon. This will help it in increasing volumes and growth.

**Exhibit 2: Standalone quarterly performance (INR m)**

Standalone P&L (INR m)	1QFY24	4QFY24	1QFY25	YoY%	QoQ%	1QFY25E	v/s Est (%)
<b>Total Revenue</b>	<b>9,816</b>	<b>9,997</b>	<b>10,337</b>	<b>5</b>	<b>3</b>	<b>10,861</b>	<b>-5</b>
Raw Material cost	5,664	5,946	6,141	8	3	6,267	-2
<b>Gross Profit</b>	<b>4,152</b>	<b>4,051</b>	<b>4,196</b>	<b>1</b>	<b>4</b>	<b>4,594</b>	<b>-9</b>
<b>Gross margin (%)</b>	<b>42.3</b>	<b>40.5</b>	<b>40.6</b>	<b>-171</b>	<b>7</b>	<b>42.3</b>	<b>-171</b>
Employee Costs	966	913	1,001	4	10	980	2
SGA Expenses	1,463	1,497	1,774	21	19	1,683	5
<b>EBITDA</b>	<b>1,723</b>	<b>1,641</b>	<b>1,421</b>	<b>-18</b>	<b>-13</b>	<b>1,931</b>	<b>-26</b>
<b>EBITDA margin (%)</b>	<b>17.6</b>	<b>16.4</b>	<b>13.7</b>	<b>-381</b>	<b>-267</b>	<b>17.8</b>	<b>-403</b>
Depreciation and amortization	1,050	1,118	1,167	11	4	1,277	-9
EBIT	673	523	254	-62	-51	654	-61
<b>EBIT margin (%)</b>	<b>6.9</b>	<b>5.2</b>	<b>2.5</b>	<b>-440.0</b>	<b>-277.7</b>	<b>6.0</b>	<b>-357</b>
Finance Costs	541	568	604	12	6	576	5
Other income	73	346	35	-51	-90	98	-64
Exceptional item	0	-16	0	NM	NM	0	NM
<b>Profit before Tax</b>	<b>204</b>	<b>285</b>	<b>-314</b>	<b>NM</b>	<b>-210</b>	<b>176</b>	<b>-279</b>
Tax	55	69	-89	NM	-230	99	-190
Tax rate (%)	26.9	24.2	28.4	155.4	426.9	56.4	-2793
<b>Profit after Tax</b>	<b>149</b>	<b>216</b>	<b>-225</b>	<b>-251</b>	<b>-204</b>	<b>77</b>	<b>-394</b>
<b>Adj Profit after Tax</b>	<b>149</b>	<b>48</b>	<b>-225</b>	<b>-251</b>	<b>-570</b>	<b>77</b>	<b>-394</b>

Source: MOFSL, Company

**Exhibit 3: Standalone estimate revision summary**

Standalone performance	FY25E	FY26E
<b>Revenue (INR m)</b>		
Old	48,161	56,913
Actual/New	47,370	55,540
Change (%)	-1.6	-2.4
<b>EBITDA (INR m)</b>		
Old	8,707	10,669
Actual/New	8,135	10,302
Change (%)	-6.6	-3.4
<b>EBITDA margin (%)</b>		
Old	18.1	18.7
Actual/New	17.2	18.5
Change (bp)	-91	-20
<b>Net Profit (INR m)</b>		
Old	1,175	1,593
Actual/New	755	1,098
Change (%)	-35.7	-31.1
<b>EPS (INR)</b>		
Old	10.7	14.5
Actual/New	6.9	10.0
Change (%)	-35.7	-31.1

Story in charts

Exhibit 4: Stand. revenue grew 1% YoY led by weak SSSG

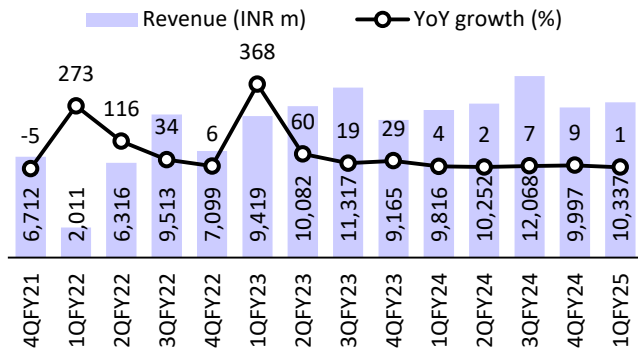


Exhibit 5: GM contracted 170bp YoY due to a decline in private label share

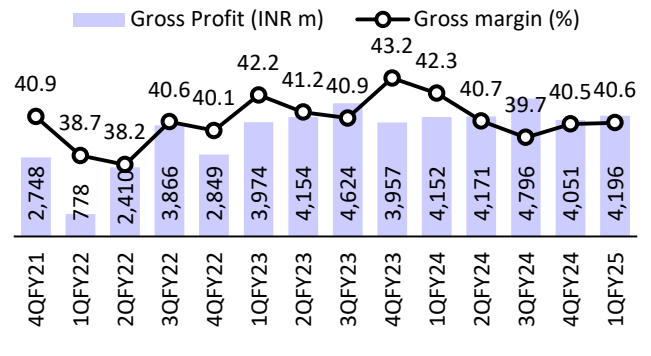


Exhibit 6: Stand. EBITDAM contracted 380bp YoY due to weak SSSG/GM...

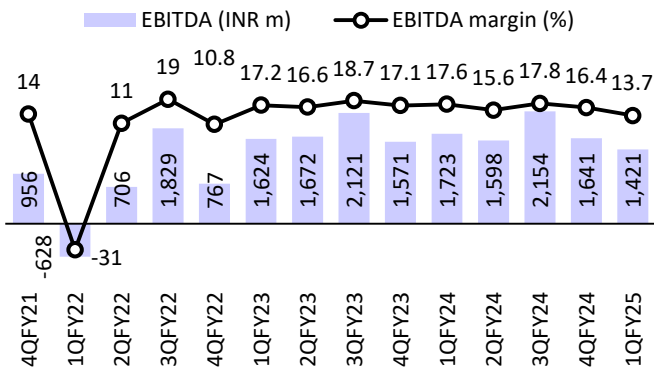


Exhibit 7: ...consequently, PAT declined

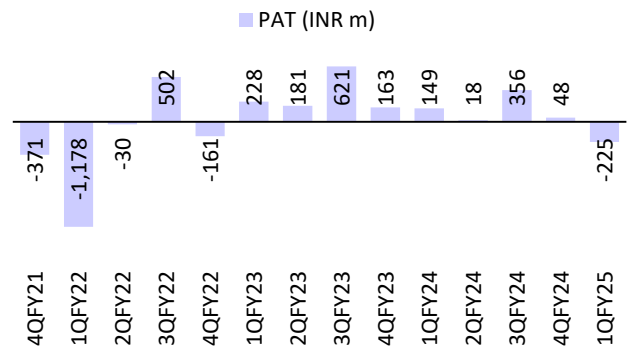


Exhibit 8: Beauty store count stood at 148, including SIS

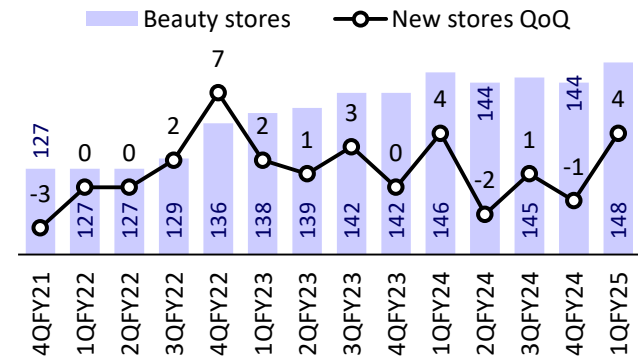


Exhibit 9: Added net two departmental stores

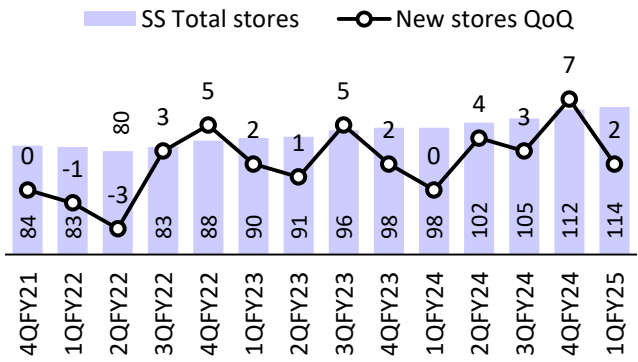


Exhibit 10: Standalone revenue trajectory

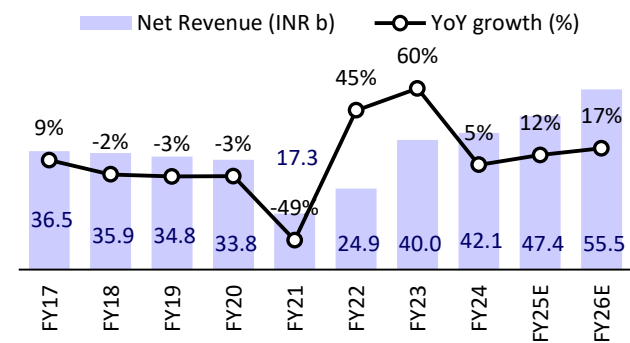
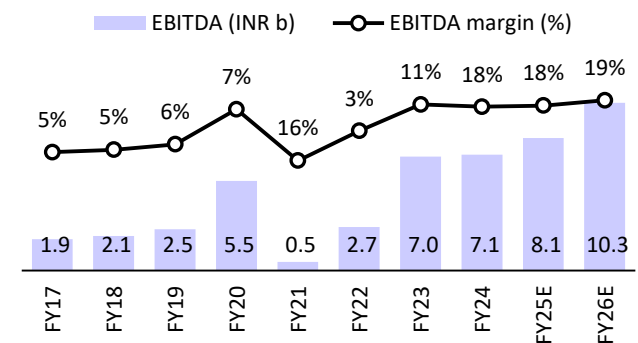


Exhibit 11: Expect EBITDA margin to improve gradually



Source: MOFSL, Company

Source: MOFSL, Company

## Standalone financials and valuations

### Standalone - Income Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Total Income from Operations</b>	<b>34,813</b>	<b>33,810</b>	<b>17,251</b>	<b>24,938</b>	<b>39,984</b>	<b>42,132</b>	<b>47,370</b>	<b>55,540</b>
Change (%)	-3.1	-2.9	-49.0	44.6	60.3	5.4	12.4	17.2
Raw Materials	20,272	19,676	10,651	15,034	23,274	24,963	27,949	32,075
Employees Cost	3,145	3,219	2,575	2,693	3,493	3,818	4,276	4,832
Lease Rentals	3,863	560	0	0	0	0	0	0
Other Expenses	5,000	4,860	3,492	4,536	6,229	6,235	7,011	8,331
<b>Total Expenditure</b>	<b>32,280</b>	<b>28,315</b>	<b>16,717</b>	<b>22,263</b>	<b>32,996</b>	<b>35,016</b>	<b>39,236</b>	<b>45,238</b>
% of Sales	92.7	83.7	96.9	89.3	82.5	83.1	82.8	81.5
<b>EBITDA</b>	<b>2,533</b>	<b>5,494</b>	<b>534</b>	<b>2,675</b>	<b>6,988</b>	<b>7,116</b>	<b>8,135</b>	<b>10,302</b>
Margin (%)	7.3	16.3	3.1	10.7	17.5	16.9	17.2	18.5
Depreciation	1,351	4,392	3,847	3,520	3,816	4,361	5,015	5,928
<b>EBIT</b>	<b>1,182</b>	<b>1,102</b>	<b>-3,313</b>	<b>-844</b>	<b>3,172</b>	<b>2,754</b>	<b>3,119</b>	<b>4,375</b>
Int. and Finance Charges	124	1,944	2,200	2,054	2,092	2,236	2,516	3,299
Other Income	179	335	2,188	1,661	561	557	392	392
<b>PBT bef. EO Exp.</b>	<b>1,237</b>	<b>-507</b>	<b>-3,325</b>	<b>-1,238</b>	<b>1,641</b>	<b>1,076</b>	<b>996</b>	<b>1,468</b>
EO Items	0	-200	-224	-150	-20	-65	0	0
<b>PBT after EO Exp.</b>	<b>1,237</b>	<b>-707</b>	<b>-3,549</b>	<b>-1,388</b>	<b>1,621</b>	<b>1,011</b>	<b>996</b>	<b>1,468</b>
Total Tax	449	703	-797	-521	429	272	241	370
Tax Rate (%)	36.3	-99.5	22.5	37.5	26.4	26.9	24.2	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>788</b>	<b>-1,409</b>	<b>-2,752</b>	<b>-867</b>	<b>1,192</b>	<b>739</b>	<b>755</b>	<b>1,098</b>
<b>Adjusted PAT</b>	<b>1,001</b>	<b>-1,609</b>	<b>-2,976</b>	<b>-717</b>	<b>1,212</b>	<b>605</b>	<b>755</b>	<b>1,098</b>
Change (%)	30.8	-260.8	84.9	-75.9	-269.2	-50.1	24.8	45.5
Margin (%)	2.9	-4.8	-17.3	-2.9	3.0	1.4	1.6	2.0

### Standalone - Balance Sheet

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
Equity Share Capital	440	440	547	548	548	550	550	550
Total Reserves	9,337	926	1,270	435	1,771	2,690	3,445	4,543
<b>Net Worth</b>	<b>9,776</b>	<b>1,366</b>	<b>1,817</b>	<b>983</b>	<b>2,320</b>	<b>3,240</b>	<b>3,994</b>	<b>5,093</b>
Total Loans	0	21,915	20,054	20,934	23,527	27,317	38,181	49,047
Lease Liabilities		20,678	19,116	18,995	22,487	26,069	26,069	26,069
Deferred Tax Liabilities	-320	-2,641	-3,424	-3,740	-3,312	-3,043	-3,043	-3,043
<b>Capital Employed</b>	<b>9,457</b>	<b>20,640</b>	<b>18,447</b>	<b>18,177</b>	<b>22,535</b>	<b>27,513</b>	<b>39,132</b>	<b>51,097</b>
Gross Block	9,907	11,457	11,923	14,913	12,080	13,545	16,398	19,527
Less: Accum. Deprn.	3,959	5,930	6,912	10,432	7,469	8,097	9,614	11,433
<b>Net Fixed Assets</b>	<b>5,948</b>	<b>5,527</b>	<b>5,011</b>	<b>4,481</b>	<b>4,612</b>	<b>5,448</b>	<b>6,784</b>	<b>8,094</b>
Right to use assets		13,257	12,096	12,764	16,361	20,299	30,044	41,614
Capital WIP	351	443	29	140	339	211	339	339
<b>Total Investments</b>	<b>2,935</b>	<b>2,057</b>	<b>1,279</b>	<b>1,464</b>	<b>734</b>	<b>554</b>	<b>554</b>	<b>554</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>15,199</b>	<b>16,727</b>	<b>13,902</b>	<b>15,240</b>	<b>20,629</b>	<b>22,831</b>	<b>25,447</b>	<b>27,266</b>
Inventory	10,535	12,239	8,472	10,075	14,863	16,153	16,872	16,738
Account Receivables	444	351	348	382	304	703	791	927
Cash and Bank Balance	167	13	416	321	254	162	1,254	1,944
Loans and Advances	4,052	4,125	4,666	4,462	5,208	5,813	6,531	7,657
<b>Curr. Liability &amp; Prov.</b>	<b>14,977</b>	<b>17,370</b>	<b>13,870</b>	<b>15,913</b>	<b>20,139</b>	<b>21,830</b>	<b>24,036</b>	<b>26,770</b>
Account Payables	12,542	14,967	11,399	14,419	18,259	19,547	21,440	23,726
Other Current Liabilities	2,341	2,295	2,409	1,409	1,841	2,283	2,596	3,043
Provisions	93	108	62	86	39	0	0	0
<b>Net Current Assets</b>	<b>222</b>	<b>-643</b>	<b>32</b>	<b>-673</b>	<b>490</b>	<b>1,001</b>	<b>1,411</b>	<b>496</b>
<b>Appl. of Funds</b>	<b>9,456</b>	<b>20,640</b>	<b>18,447</b>	<b>18,177</b>	<b>22,535</b>	<b>27,513</b>	<b>39,132</b>	<b>51,097</b>

## Standalone financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>12.0</b>	<b>-19.3</b>	<b>-27.2</b>	<b>-6.5</b>	<b>11.1</b>	<b>5.5</b>	<b>6.9</b>	<b>10.0</b>
Cash EPS	28.2	33.3	10.4	33.6	60.2	59.5	69.1	84.1
BV/Share	117.1	16.4	21.8	11.8	27.8	38.8	47.8	61.0
DPS	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	9.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	64.9	-40.4	-28.6	-118.9	70.4	141.4	113.3	77.9
Cash P/E	27.6	23.3	74.6	23.2	12.9	13.1	11.3	9.2
P/BV	6.6	47.5	35.8	66.1	28.0	20.1	16.3	12.8
EV/Sales	2.0	2.7	6.1	4.2	2.7	2.7	2.6	2.4
EV/EBITDA	27.0	16.4	196.3	39.6	15.5	15.8	15.1	12.9
Dividend Yield (%)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FCF per share	11.1	43.8	-6.6	25.8	38.1	40.5	52.0	76.5
<b>Return Ratios (%)</b>								
RoE	10.4	-28.9	-187.0	-51.2	73.4	21.8	20.9	24.2
RoCE	8.6	17.3	-3.9	2.3	11.5	8.6	7.3	7.4
RoIC	11.8	18.2	-14.7	-3.2	12.5	8.4	7.4	7.7
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.5	3.0	1.4	1.7	3.3	3.1	2.9	2.8
Asset Turnover (x)	3.7	1.6	0.9	1.4	1.8	1.5	1.2	1.1
Inventory (Days)	110	132	179	147	136	140	130	110
Debtor (Days)	5	4	7	6	3	6	6	6
Creditor (Days)	132	162	241	211	167	169	165	156
<b>Leverage Ratio (x)</b>								
Current Ratio	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.0
Interest Cover Ratio	9.5	0.6	-1.5	-0.4	1.5	1.2	1.2	1.3
Net Debt/Equity	-0.3	14.5	10.1	19.5	9.7	8.2	9.1	9.1

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E
OP/(Loss) before Tax	1,237	-707	-3,549	-1,388	1,621	1,011	996	1,468
Depreciation	1,351	4,392	3,847	3,520	3,816	4,361	5,015	5,928
Interest & Finance Charges	124	1,944	2,200	2,054	2,092	2,236	2,516	3,299
Direct Taxes Paid	-565	-422	124	210	-36	53	-241	-370
(Inc)/Dec in WC	-24	538	-575	899	-1,683	-1,116	681	1,605
<b>CF from Operations</b>	<b>2,124</b>	<b>5,745</b>	<b>2,046</b>	<b>5,295</b>	<b>5,810</b>	<b>6,544</b>	<b>8,968</b>	<b>11,930</b>
Others	-24	-101	-1,948	-1,403	-188	-381	-392	-392
<b>CF from Operating incl EO</b>	<b>2,100</b>	<b>5,644</b>	<b>99</b>	<b>3,892</b>	<b>5,622</b>	<b>6,164</b>	<b>8,575</b>	<b>11,537</b>
(Inc)/Dec in FA	-1,123	-1,786	-823	-1,067	-1,444	-1,712	-2,853	-3,129
<b>Free Cash Flow</b>	<b>977</b>	<b>3,858</b>	<b>-724</b>	<b>2,824</b>	<b>4,178</b>	<b>4,452</b>	<b>5,722</b>	<b>8,408</b>
(Pur)/Sale of Investments	-224	-1,033	578	-55	796	332	0	0
Others	-864	421	-721	-666	-365	-391	-141	-13
<b>CF from Investments</b>	<b>-2,211</b>	<b>-2,397</b>	<b>-965</b>	<b>-1,788</b>	<b>-1,013</b>	<b>-1,772</b>	<b>-2,994</b>	<b>-3,142</b>
Issue of Shares	11	0	2,960	25	27	98	0	0
Inc/(Dec) in Debt	-398	-400	1,500	-773	-1,102	-26	1,000	0
Interest Paid	-124	-1,944	-2,195	-2,056	-2,094	-2,233	-2,516	-3,299
Dividend Paid	-80	-80	0	0	0	0	0	0
Others	0	-1,809	-558	0	-2,203	-2,816	-3,379	-4,812
<b>CF from Fin. Activity</b>	<b>-591</b>	<b>-4,232</b>	<b>1,707</b>	<b>-2,804</b>	<b>-5,372</b>	<b>-4,977</b>	<b>-4,895</b>	<b>-8,111</b>
<b>Inc/Dec of Cash</b>	<b>-702</b>	<b>-986</b>	<b>841</b>	<b>-701</b>	<b>-763</b>	<b>-585</b>	<b>687</b>	<b>285</b>
Opening Balance	869	998	-425	1,022	1,017	747	567	1,659
<b>Closing Balance</b>	<b>167</b>	<b>12</b>	<b>416</b>	<b>321</b>	<b>254</b>	<b>162</b>	<b>1,254</b>	<b>1,944</b>

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Explanation of Investment Rating	
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