

# Barbeque Nation Hospitality

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	BARBEQUE IN
Equity Shares (m)	39
M.Cap.(INRb)/(USD\$)	12.4 / 0.1
52-Week Range (INR)	712 / 247
1, 6, 12 Rel. Per (%)	11/-41/-49
12M Avg Val (INR M)	78

## Financials & Valuations (INR b)

Y/E March	FY25	FY26E	FY27E
Sales	12.3	13.6	15.0
Sales Gr. (%)	-1.7	10.6	9.9
EBITDA	2.1	2.4	2.7
Margins (%)	17.1	17.6	18.1
Adj. PAT	-0.3	-0.2	-0.1
Adj. EPS (INR)	-6.9	-4.2	-1.5
EPS Gr. (%)	N/M	N/M	N/M
BV/Sh.(INR)	92.8	88.6	87.1

## Ratios

RoE (%)	-7.5	-4.7	-1.8
RoCE (%)	4.5	6.0	7.3

## Valuation

P/E (x)	N/M	N/M	N/M
EV/EBITDA (x)	6.0	5.4	4.5
Pre-IND AS EV/EBITDA (x)	14.0	12.2	9.6

## Shareholding Pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	33.7	33.6	33.7
DII	21.5	25.9	24.7
FII	10.5	12.8	16.9
Others	34.3	27.7	24.7

FII includes depository receipts

**CMP: INR317 TP: INR325 (+3%) Neutral**

## Bland performance; recovery to take time

- Barbeque Nation Hospitality's (BBQN) consolidated revenue declined 2% YoY to INR2.9b (miss) in 4QFY25, impacted by high competition in South India and sluggish demand. Same-store sales declined 2% YoY. Dine-in revenue fell 1% YoY to INR2.4b, while delivery was up 3% YoY at INR0.5b.
- BBQ India's revenue declined 5% YoY to INR2.3b, due to a decline in same-store sales and low store expansion. Same-store sales fell 2.9%. GP margin contracted 75bp YoY to 66.9%. RoM (Pre-Ind AS) margin contracted 210bp YoY to 10.1% due to operating deleverage. RoM was down 21% YoY. In the long term, management expects RoM to be ~16% on a blended store level basis.
- BBQ International's revenue was up 11% YoY at INR264m, supported by strong SSSG (up 10.9%). GP margin rose 70bp YoY to 75%. RoM (pre-Ind-AS) margin expanded 380bp YoY to 29.5%. RoM was up 28% YoY. In the long term, on an annualised basis, the company expects RoM to be at 23%-25%, with a payback period of ~2.5 years.
- Premium casual dining restaurant's (CDR) revenue was up 11% YoY at INR397m, led by store additions. Same-store sales were down 5.5%. GP margin expanded 30bp YoY to 74.6%. RoM (Pre-Ind AS) margin contracted 590bp YoY to 14.9%, due to new restaurant additions, while Matured portfolio (restaurants older than 2 years) delivered 19.2%. RoM declined 20% YoY to INR59m. Matured portfolio delivered ~21% pre-IND-AS RoM in FY25, and in the long term, BBQN expects to sustain this margin level (20-21%), as per management.
- The company plans to open 300-325 stores by FY27 vs. 230 stores as of FY25. BBQN's current valuations at 12x FY26E and 9.6x FY27E pre-Ind AS EV/EBITDA are comfortably positioned. However, we are watchful of BBQN's demand recovery as dine-in segment has been in pain for over two years now and any concrete green shoots will be a positive trigger for the company. We reiterate our Neutral rating on the stock as we still await clarity on earnings recovery. Our TP of INR325 is based on 10x Mar'27E Pre-Ind-AS EV/EBITDA (which reflects a weak RoCE profile and uncertainty of earnings recovery).

## Miss across parameters led by weak India performance; same-store sales down 2% YoY

- Muted trajectory continues:** BBQN reported a sales decline of 2% YoY to INR2.9b (est. INR 3.0b) in 4QFY25. Same-store sales fell 2% YoY (est. -2.1%). The dine-in channel (85% of sales) declined 1% YoY to INR2.4b, while the delivery channel (15% of sales) was up by 3% YoY at INR0.5b.
- Digital KPIs:** Cumulative App download was 7.4m in 4QFY25 vs. 6.7m in 4QFY24. Own digital asset contribution was 33.6% vs. 29.2% in 4QFY24.
- Store additions continue:** The company added 5 stores and closed 1 store, bringing the total store count to 230; BBQ India has 191 stores, BBQ international's store count is 9, and the Toscano & Salt count stands at 30. Total metro and tier-1 accounted for 180 stores and tier 2/3 accounted for 50 stores in 4QFY25.

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

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- **Contraction in margins:** Gross margin was down 40bp YoY at 68.5%. EBITDA margin contracted by 20bp YoY to 18.2% (est. 18%) as EBITDA declined 3% YoY to INR533m (est. INR545m). Pre-Ind AS EBITDA decreased by 1% YoY to INR190m in 4QFY25 and margin was flat YoY at 6.5%. RoM Pre-Ind AS was down 14% YoY and margin contracted 180bp YoY to 12.6%.
- BBQ recorded a loss of INR206m in 4QFY25 vs. a profit of INR0.37m in 4QFY24.
- FY25 sales declined ~2% YoY, EBITDA was flat YoY, and net loss was INR271.

### Highlights from the management commentary

- Eating-out has been slow for the last two years. The east region has been positive for BBQ, while the north region has been flat and the west region has been slightly negative. The south region is facing higher competition and has been the most affected region for the company.
- SSSG for the delivery business remained healthy in 4QFY25. BBQN repositioned UBQ, which led to some decline in same-store sales, while BBQ and Dumsafar reported SSSG in high single digits.
- Currently, the average group size for BBQ is 4.5, while it generates ~50% of revenue from the group size of 6.
- In the long term, ROM will be ~18% on mature stores and ~16% on a blended store level basis for its India business.
- The company expects a total cash requirement of INR1.4b per year for the next few years, including INR0.2b for maintenance expenses and INR1.2b for new store openings. Historically, capex is funded through internal accruals, while this year BBQ is raising external debt of INR300-350m. The current net debt is INR0.5b on a net worth of INR4b.

### Valuation and view

- We keep our EBITDA estimates unchanged for FY26E and FY27E.
- Management is looking to add 35-40 stores in FY26 with 7 stores planned for 1QFY26. The company plans to open 300-325 stores by FY27 vs. 230 stores as of FY25.
- BBQN's PBT margin profile is weaker than that of QSR players. Hence, despite a comfortable position on valuation, we are watchful of its operating margin delivery. Mid-single digit RoCE profile is weak considering the fine dine-in format.
- **BBQN's current valuations are at 12x FY26E and 9.6x FY27E pre-Ind AS EV/EBITDA. We reiterate our Neutral rating on the stock with a TP of INR325, based on 10x Mar'27E Pre Ind-AS EV/EBITDA.**

## Cons. Quarterly Performance

(INR m)

Y/E March	FY24				FY25				FY24	FY25	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	(%)
<b>SSSG (%)</b>	-7.7	-10.7	-4.9	1.4	-7.4	-2.5	-2.0	-2.0	-6.5	-3.8	-2.1	
<b>No. of stores</b>	212	212	210	217	219	222	226	230	217	230	233	
<b>Net Sales</b>	3,239	3,017	3,309	2,981	3,057	3,057	3,289	2,928	12,545	12,330	3,023	-3.2
YoY change (%)	2.9	-2.8	0.8	6.4	-5.6	1.3	-0.6	-1.8	1.7	-1.7	1.4	
<b>Gross Profit</b>	2,073	1,990	2,245	2,053	2,081	2,081	2,244	2,006	8,361	8,412	2,069	-3.0
Margin (%)	64.0	65.9	67.9	68.9	68.1	68.1	68.2	68.5	66.6	68.2	68.4	
<b>EBITDA</b>	468	444	663	547	509	456	615	533	2,122	2,113	545	-2.2
EBITDA growth %	-33.6	-23.9	7.0	37.3	8.8	2.7	-7.2	-2.6	-8.0	-0.4	-0.5	
Margin (%)	14.4	14.7	20.0	18.4	16.6	14.9	18.7	18.2	16.9	17.1	18.0	
Depreciation	375	443	414	447	405	409	428	523	1,679	1,765	424	
Interest	187	195	190	186	186	189	195	209	759	779	184	
Other Income	40	43	16	77	27	43	55	34	176	158	50	
<b>PBT</b>	-55	-151	75	-9	-55	-100	47	-165	-140	-272	-12	
Tax	-14	-32	27	-9	-11	-28	-3	42	-28	-1	-3	
Rate (%)	26.1	21.3	35.5	95.9	20.9	28.4	-6.5	-25.2	20.3	0.5	25.2	
<b>Adjusted PAT</b>	-41	-119	48	0	-43	-71	51	-207	-112	-271	-9	
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	N/M	

E: MOFSL Estimates

### BBQ India

- Revenue declined 5% YoY to INR2.3b. Same-store sales declined 2.9% YoY.
- BBQ India added net 1 store, taking the total to 191 in 4QFY25.
- GP margin compressed 75bp YoY to 66.9%. GP was down 6% YoY.
- RoM (Pre-Ind AS) margin compressed 210bp YoY to 10.1%. RoM was down 21% YoY.

### BBQ International

- Revenue was up 11% YoY at INR264m. Same-store sales were up 10.9%.
- BBQ International added 1 store during the quarter, taking the total to 9 stores.
- GP margin was up 70bp YoY to 75%. GP was up 13% YoY.
- RoM (Pre-Ind AS) margin expanded 380bp YoY to 29.5%. RoM was up 28% YoY.

### Premium CDR

- Revenue was up 11% YoY at INR397m, led by store addition. Same-store sales were down 5.5%.
- Premium CDR added 2 stores, taking the total to 30 stores during the quarter.
- GP margin expanded 30bp YoY to 74.6%. GP was up 12% YoY.
- RoM (Pre-Ind AS) margin contracted 590bp YoY to 14.9%, lower due to new restaurant additions while Matured portfolio delivered 19.2%. RoM declined 20% YoY to INR59m.

**Exhibit 1: BBQN business segment performance key metric**

<b>BBQ Consolidated</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>
Revenue (INR m)	2,981	3,057	3,057	3,289	2,928
YoY growth (%)	6%	-6%	1%	-1%	-2%
SSSG (%)	1.4	-7.4	-2.5	-2.0	-2.0
Stores	217	219	222	226	230
Store addition	1	2	3	4	4
YoY store addition (%)	0%	3%	2%	5%	6%
Annualised revenue/ outlet (INR/mn)	55	55	56	60	60
GP (INR m)	2,053	2,081	2,081	2,244	2,006
GP margin (%)	68.9%	68.1%	68.1%	68.2%	68.5%
ROM (pre -Ind AS) (INR m)	429	421	380	543	368
ROM (%)	14.4%	13.8%	12.4%	16.5%	12.6%
YoY growth (%)	38%	10%	12%	-2%	-14%
EBITDA (pre -Ind AS) (INR m)	191	212	166	339	190
EBITDA pre-Ind AS margin (%)	6.4%	6.9%	5.4%	10.3%	6.5%
YoY growth (%)	80%	43%	24%	-6%	-1%
EBITDA (INR m)	547	509	456	615	533
EBITDA margin (%)	37.3%	8.8%	2.7%	-7.2%	-2.6%
YoY growth (%)	18%	17%	15%	19%	18%

<b>BBQ India</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>
Revenue (INR m)	2,398	2,466	2,443	2,618	2,280
YoY growth (%)				-4%	-5%
SSSG (%)	0.9	-8.8	-3.0	-2.6	-2.9
Stores	186	186	187	190	191
Store addition	0	0	1	3	1
YoY store addition (%)	-5%	-2%	-1%	2%	3%
Annualised revenue/ outlet (INR/mn)	51	53	52	57	50
GP (INR m)	1,623	1,641	1,626	1,746	1,526
GP margin (%)	67.7%	66.5%	66.6%	66.7%	66.9%
ROM (pre -Ind AS) (INR m)	294	293	269	389	231
ROM (%)	12.3%	11.9%	11.0%	14.9%	10.1%
YoY growth (%)				-3.7%	-21.4%

<b>BBQ International</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>
Revenue	237	239	218	253	264
YoY growth (%)				8%	11%
SSSG (%)	5.5	-8.6	2	5.2	10.9
Stores	8	8	8	8	9
Store addition	0	0	0	0	1
Annualised revenue/ outlet (INR/mn)	119	119	109	126	132
GP (INR m)	176	178	159	188	198
GP margin (%)	74.3%	74.5%	72.9%	74.3%	75.0%
ROM (pre -Ind AS) (INR m)	61	60	44	66	78
ROM (%)	25.7%	25.1%	20.2%	26.1%	29.5%
YoY growth (%)				8%	28%

<b>BBQ Premium CDR</b>	<b>4QFY24</b>	<b>1QFY25</b>	<b>2QFY25</b>	<b>3QFY25</b>	<b>4QFY25</b>
Revenue	357	363	406	432	397
YoY growth (%)				24%	11%
SSSG (%)	2	0.9	-1.6	-2.7	-5.5
Stores	23	25	27	28	30
Store addition	1	2	2	1	2
YoY store addition (%)	64%	67%	23%	27%	30%
Annualised revenue/ outlet (INR/mn)	62	58	60	62	55
GP (INR m)	265	273	305	324	296
GP margin (%)	74.2%	75.2%	75.1%	75.0%	74.6%
ROM (pre -Ind AS) (INR m)	74	68	66	87	59
ROM (%)	20.7%	18.7%	16.3%	20.1%	14.9%

Source: Company, MOFSL



## Key takeaways from the management interaction

### Business environment

- The business condition remained challenging.
- Eating-out has been slow for the last two years. The east region has been positive, while the north region has been flat and the west region has been slightly negative for BBQ. The south region is facing higher competition and has been the most affected region for the company.
- SSSG recovery is expected to be gradual as the competitive intensity remains elevated.
- SSSG of the delivery business remained healthy in 4QFY25. The company repositioned UBQ, which led to some decline in same-store sales, while BBQ and Dumsafar reported SSSG in high single digits.
- Currently, the average group size for BBQ is 4.5, while BBQ generates ~50% of revenue from the group size of 6.
- BBQN records 50% of sales from Monday to Thursday and the rest 50% from Friday to Sunday.
- BBQN closes stores that continue to incur losses and believes that these locations are unlikely to turn profitable in the near-to-medium term.
- The company expects a total cash requirement of INR1.4b per year for the next few years, including INR0.2b for maintenance expenses and INR1.2b for new store openings. Historically the capex is funded through internal accruals, while this year BBQN is raising external debt of INR300-350m. The current net debt is INR0.5b on a net worth of INR4b.

### Barbeque Nation India

- FY25 saw various value-based initiatives targeting larger groups, positioning Barbeque Nation as a preferred celebration destination.
- BBQ focuses on driving enhanced guest experience through culinary and service innovations-led sales growth through targeted marketing campaigns and promotional activities.
- The company will continue to introduce culinary innovations to enhance the overall guest experience and differentiate its offerings in the market.
- FY25 pre-IND-AS ROM increased 70bp to 12.0%, led by efficient operating management despite same-store sales decline. In the long term, ROM will be ~18% on mature stores and ~16% on a blended store level basis.
- The company plans to upgrade and refurbish older restaurants to maintain a consistent and high-quality dining experience for customers.
- BBQ will implement efficient cost-control measures to sustain and improve operating margins despite economic and competitive challenges.

### Barbeque Nation International

- FY25 revenue growth of ~8% YoY was supported by SSSG (+0.8%) and ramp-up of new stores.
- In the medium term, the company expects to deliver SSSG in the range of 3-5%. That said, the company will focus more on margins.
- Contributed 8% to consolidated revenues in FY25.
- 4QFY25 ROM at 29.6% is not sustainable. On an annualised basis, BBQN expects ROM to be at 23%-25%, with a payback period at ~2.5 years.

- Launched a restaurant in Colombo, Sri Lanka, in 4QFY25
- The company will prioritize maintaining SSSG by focusing on customer engagement and operational efficiencies.
- Barbeque Nation International aims to sustain strong operating margins by optimizing costs and enhancing the dining experience.

#### **Premium CDR**

- INR55-60m annualized revenue per outlet is expected to continue in the coming quarters as well.
- The company aims to maintain its leadership position in the Italian cuisine casual dining restaurant segment by offering high-quality dining experiences.
- The segment is more dominant in Bangalore; however, in FY25, it entered 3 new markets – Hyderabad, Delhi and Mumbai. BBQN expects network expansion growth of ~30% YoY.
- Toscano, Barbeque Nation's premium dining brand, will continue to expand in newly launched cities, including Delhi, Mumbai, and Hyderabad.
- The company plans to expand Salt, another premium dining brand, into new metropolitan markets to capture a wider customer base.
- Matured portfolio (restaurants older than 2 years) delivered 21.3% Pre IND-AS ROM in FY25, and in the long term, BBQN aims to sustain this margin level (20-21%).
- BBQN is committed to maintaining strong operating margins in the premium CDR segment, ensuring profitability despite aggressive expansion.

#### **Store expansion**

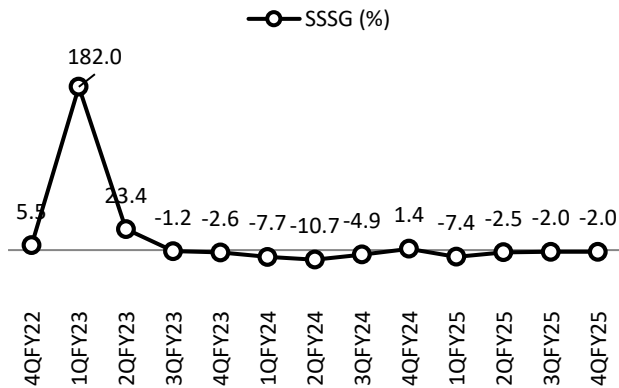
- Barbeque Nation India added one new restaurant in 4QFY25, bringing the total count to 191 stores, with 5 restaurants currently under construction.
- BBQ international operates a total of nine restaurants now, as the company launched a restaurant in Colombo, Sri Lanka, in 4QFY25. Three restaurants are currently under construction. The company is entering in Saudi Arabia.
- In Premium CDR, the company opened 2 new restaurants in 4QFY25, taking total stores count to 30 stores; 4 restaurants are currently under construction.
- BBQN added 18 restaurants and closed 5 restaurants in FY25 (total 230 restaurants).
- In 1QFY26, BBQN is opening 7 stores, of which 2-3 are international stores and 2 in premium CDR and the rest in BBQ India. For FY26, the company plans to open 35-40 stores.
- The company plans to open 300-325 stores by FY27 vs. 230 stores as of FY25.

#### **Food festival initiatives**

- BBQN launched food festival 'Lazeez-e-Gosht' during Ramadan to be a part of festive celebrations of guests. Special delicacies offered during the festival: Galouti Kebab, Nihari Gosht, Hyderabad Haleem, Zaffrani Biryani, Shahi Mutton Korma and many other succulent meat dishes.
- Ramadan promotions were done in Malaysia.
- In CDR space, BBQN did special day promotions like Republic Day brunch, Valentine Week's special menu, etc.

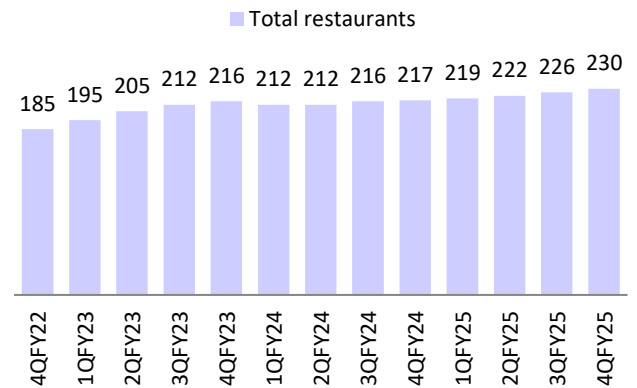
## Key Exhibits

**Exhibit 2: Same-store sales declined 2% YoY in 4QFY25**



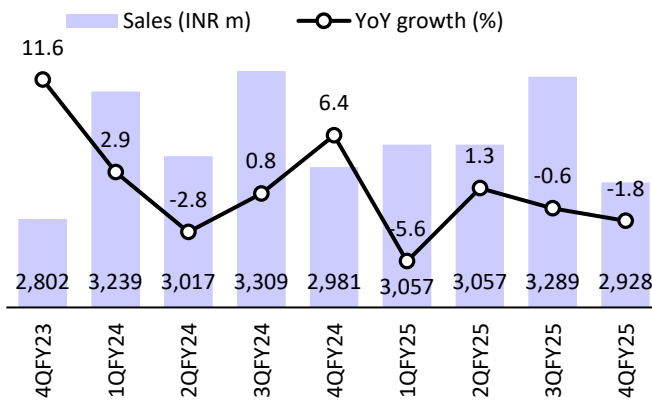
Source: Company, MOFSL

**Exhibit 3: Added net 4 stores (opened 5, closed 1) in 4QFY25**



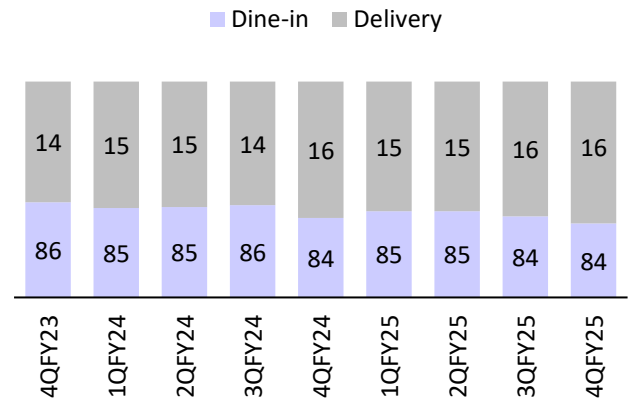
Source: Company, MOFSL

**Exhibit 4: Net sales fell 2% YoY to INR2.9b in 4QFY25**



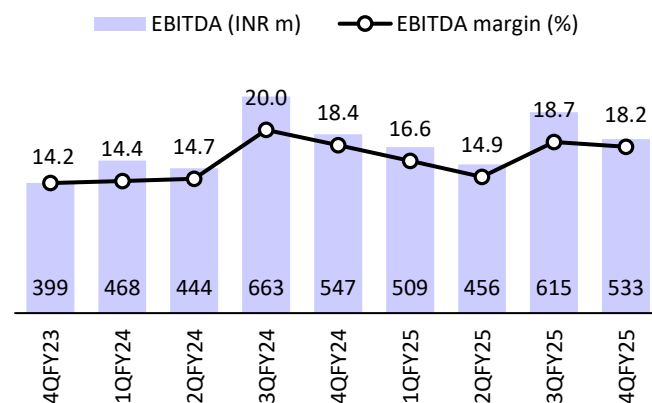
Source: Company, MOFSL

**Exhibit 5: Dine-in contribution stood at 84% in 4QFY25**



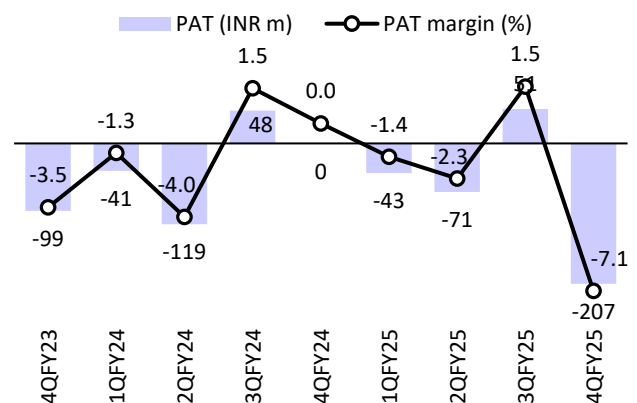
Source: Company, MOFSL

**Exhibit 6: EBITDA margin contracted 20bp YoY to 18.2% in 4QFY25**



Source: Company, MOFSL

**Exhibit 7: Adjusted loss came in at INR207m in 4QFY25**



Source: Company, MOFSL



### Valuation and view

- We keep our EBITDA estimates unchanged for FY26E and FY27E.
- Management is looking to add 35-40 stores in FY26 with 7 stores planned for 1QFY26. The company plans to open 300-325 stores by FY27 vs. 230 stores as of FY25.
- BBQN's PBT margin profile is weaker than that of QSR players. Hence, despite a comfortable position on valuation, we are watchful of its operating margin delivery. Mid-single digit RoCE profile is weak considering the fine dine-in format.
- **BBQN's current valuations are at 12x FY26E and 9.6x FY27E pre-Ind AS EV/EBITDA. We reiterate our Neutral rating on the stock with a TP of INR325, based on 10x Mar'27E Pre-Ind-AS EV/EBITDA.**

**Exhibit 8: We keep our EBITDA estimates unchanged for FY26E and FY27E**

INR m	New		Old		Change (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Sales	13,634	14,979	13,795	15,147	-1.2%	-1.1%
EBITDA	2,400	2,711	2,428	2,696	-1.2%	0.6%
PAT	-164	-60	-38	16	NA	NA

Source: Company, MOFSL



## Financials and valuations

Income Statement								(INR m)	
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Net Sales</b>	<b>7,390</b>	<b>8,470</b>	<b>5,071</b>	<b>8,606</b>	<b>12,338</b>	<b>12,545</b>	<b>12,330</b>	<b>13,634</b>	<b>14,979</b>
Change (%)	26.0	14.6	-40.1	69.7	43.4	1.7	-1.7	10.6	9.9
Material Consumed	2,476	2,922	1,782	3,047	4,152	4,184	3,919	4,295	4,718
<b>Gross Profit</b>	<b>4,914</b>	<b>5,548</b>	<b>3,288</b>	<b>5,558</b>	<b>8,186</b>	<b>8,361</b>	<b>8,412</b>	<b>9,339</b>	<b>10,261</b>
Gross Margin %	66.5	65.5	64.8	64.6	66.3	66.6	68.2	68.5	68.5
Operating expenses	3,455	3,906	2,825	4,221	5,880	6,239	6,299	6,940	7,549
<b>EBITDA</b>	<b>1,459</b>	<b>1,642</b>	<b>464</b>	<b>1,337</b>	<b>2,306</b>	<b>2,122</b>	<b>2,113</b>	<b>2,400</b>	<b>2,711</b>
Change (%)	7.0	12.6	-71.8	188.3	72.4	-8.0	-0.4	13.6	13.0
Margin (%)	19.7	19.4	9.1	15.5	18.7	16.9	17.1	17.6	18.1
Depreciation	895	1,340	1,212	1,273	1,450	1,679	1,765	1,893	2,064
Int. and Fin. Ch.	564	756	849	653	717	759	779	835	888
Other Non-recurring Inc.	35	38	460	263	80	176	158	165	180
<b>PBT</b>	<b>35</b>	<b>-415</b>	<b>-1,136</b>	<b>-326</b>	<b>219</b>	<b>-140</b>	<b>-272</b>	<b>-164</b>	<b>-60</b>
Change (%)	-79.1	P/L	-	-	L/P	-164.0	-	-	-
Margin (%)	0.5	-4.9	-22.4	-3.8	1.8	-1.1	-2.2	-1.2	-0.4
Tax	144	78	-197	-69	66	-28	-1	0	0
Tax Rate (%)	416.8	-18.8	17.3	21.1	30.1	20.3	0.5	0.0	0.0
<b>Adjusted PAT</b>	<b>-109</b>	<b>-493</b>	<b>-940</b>	<b>-257</b>	<b>153</b>	<b>-112</b>	<b>-271</b>	<b>-164</b>	<b>-60</b>
Change (%)	P/L	-	-	-	L/P	-172.9	-	-	-
Margin (%)	-1.5	-5.8	-18.5	-3.0	1.2	-0.9	-2.2	-1.2	-0.4
Non-rec. (Exp)/Inc.	-275	164	21	5	38	0	1	0	0
Minority interest	0	-5	-14	4	21	22	7	0	0
<b>Reported PAT</b>	<b>-384</b>	<b>-324</b>	<b>-905</b>	<b>-256</b>	<b>170</b>	<b>-134</b>	<b>-278</b>	<b>-164</b>	<b>-60</b>

Balance Sheet								(INR m)	
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Share Capital	140	140	170	195	195	195	195	195	195
Reserves	1,176	-81	2,269	3,665	3,816	3,734	3,431	3,268	3,208
<b>Net Worth</b>	<b>1,316</b>	<b>59</b>	<b>2,439</b>	<b>3,860</b>	<b>4,011</b>	<b>3,930</b>	<b>3,627</b>	<b>3,463</b>	<b>3,403</b>
Loans	1,579	2,450	1,528	218	196	397	695	695	695
Lease Liabilities	4,200	4,816	4,498	5,887	6,649	6,459	6,880	6,865	7,317
Others	0	52	38	93	82	110	82	82	82
<b>Capital Employed</b>	<b>7,095</b>	<b>7,377</b>	<b>8,503</b>	<b>10,057</b>	<b>10,939</b>	<b>10,896</b>	<b>11,284</b>	<b>11,105</b>	<b>11,497</b>
Gross Block	9,619	11,910	12,049	14,411	16,749	18,098	20,510	22,516	24,382
Less: Accum. Depn.	2,986	4,507	5,456	6,410	7,356	9,035	10,800	12,693	14,757
<b>Net Fixed Assets</b>	<b>6,634</b>	<b>7,404</b>	<b>6,593</b>	<b>8,000</b>	<b>9,393</b>	<b>9,460</b>	<b>9,710</b>	<b>9,823</b>	<b>9,626</b>
RTU	3,546	4,015	3,617	4,878	5,556	5,334	5,685	5,208	5,045
Capital WIP	159	109	60	212	273	47	140	140	140
Goodwill	190	723	723	723	723	897	897	897	897
Investments	0	0	0	0	0	0	121	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0
<b>Curr. Assets, L&amp;A</b>	<b>1,209</b>	<b>1,319</b>	<b>4,002</b>	<b>2,478</b>	<b>2,200</b>	<b>2,368</b>	<b>2,272</b>	<b>2,325</b>	<b>3,063</b>
Inventory	193	149	202	358	421	387	471	448	492
Account Receivables	49	22	26	57	74	267	311	374	410
Cash and Bank Balance	120	147	2,455	853	426	360	171	157	787
Others	847	1,001	1,319	1,210	1,280	1,355	1,319	1,346	1,373
<b>Curr. Liab. and Prov.</b>	<b>1,057</b>	<b>2,167</b>	<b>2,855</b>	<b>1,356</b>	<b>1,647</b>	<b>1,783</b>	<b>1,765</b>	<b>1,987</b>	<b>2,136</b>
Other Current Liabilities	141	894	1,237	199	227	390	425	437	451
Creditors	768	1,125	1,468	988	1,235	1,181	1,105	1,307	1,436
Provisions	148	148	150	168	185	212	235	242	250
<b>Net Curr. Assets</b>	<b>152</b>	<b>-848</b>	<b>1,147</b>	<b>1,122</b>	<b>553</b>	<b>586</b>	<b>507</b>	<b>338</b>	<b>926</b>
Current tax liabilities	-40	-11	-20	0	-4	-94	-92	-92	-92
<b>Appl. of Funds</b>	<b>7,095</b>	<b>7,377</b>	<b>8,503</b>	<b>10,057</b>	<b>10,939</b>	<b>10,896</b>	<b>11,284</b>	<b>11,105</b>	<b>11,497</b>

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
<b>Basic (INR)</b>									
EPS	-3.9	-17.6	-27.7	-6.6	3.9	-2.9	-6.9	-4.2	-1.5
BV/Share	47.0	2.1	71.9	99.2	102.9	100.6	92.8	88.6	87.1
<b>Valuation (x)</b>									
P/E	N/M	N/M	N/M	N/M	80.4	N/M	N/M	N/M	N/M
EV/Sales	2.0	1.9	2.8	2.0	1.5	1.5	1.0	0.9	0.8
EV/EBITDA	9.9	9.7	30.8	13.1	8.1	8.9	6.0	5.4	4.5
P/BV	6.7	149.5	4.4	3.2	3.1	3.1	3.4	3.6	3.6

### Return Ratios (%)

RoE	-8.3	-833.5	-38.5	-6.7	3.8	-2.8	-7.5	-4.7	-1.8
RoCE	-28.5	5.6	-3.0	2.8	6.2	4.5	4.5	6.0	7.3
RoIC	-28.7	5.2	-9.4	0.7	6.2	3.4	3.2	4.7	6.1

### Working Capital Ratios

Debtor (Days)	2	1	2	2	2	8	9	10	10
Inventory (Days)	10	6	15	15	12	11	14	12	12
Creditor (Days)	38	48	106	42	37	34	33	35	35
Asset Turnover (x)	1.0	1.1	0.6	0.9	1.1	1.2	1.1	1.2	1.3

### Leverage Ratio

Debt/Equity (x)	1.2	41.4	0.6	0.1	0.0	0.1	0.2	0.2	0.2
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### Cash Flow Statement

(INR m)

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
OP/(loss) before Tax	-295	-251	-1,115	-321	257	-140	-272	-164	-60
Int./Div. Received	207	-149	-412	-137	28	7	4	-165	-180
Depreciation & Amort.	1,022	1,340	1,212	1,273	1,450	1,679	1,765	1,893	2,064
Interest Paid	-488	-659	-739	-500	-559	-597	-655	-835	-888
Direct Taxes Paid	143	78	-12	31	57	-29	32	0	0
Inc/(Dec) in WC	57	-291	-244	686	-38	-35	187	-156	-41
<b>CF from Operations</b>	<b>1,223</b>	<b>1,811</b>	<b>679</b>	<b>598</b>	<b>2,276</b>	<b>2,206</b>	<b>1,934</b>	<b>2,555</b>	<b>2,753</b>
Inc/(Dec) in FA	-1,299	-840	-143	-932	-1,459	-874	-810	-925	-866
<b>Free Cash Flow</b>	<b>-76</b>	<b>971</b>	<b>536</b>	<b>-334</b>	<b>817</b>	<b>1,331</b>	<b>1,123</b>	<b>1,630</b>	<b>1,886</b>
Others	7	-678	71	30	-59	-185	-89	-292	180
Pur of Investments	0	0	0	0	0	0	0	0	0
<b>CF from Invest.</b>	<b>-1,292</b>	<b>-1,518</b>	<b>-72</b>	<b>-902</b>	<b>-1,518</b>	<b>-1,059</b>	<b>-899</b>	<b>-1,217</b>	<b>-686</b>
Issue of Shares	320	1	1,495	1,844	15	22	2	0	0
Incr in Debt	302	876	73	-1,310	-22	177	297	0	0
Dividend Paid	-34	-34	0	0	0	0	0	0	0
Others	-836	-1,109	133	-1,832	-1,179	-1,410	-1,525	-1,350	-1,436
<b>CF from Fin. Activity</b>	<b>-247</b>	<b>-265</b>	<b>1,700</b>	<b>-1,298</b>	<b>-1,186</b>	<b>-1,211</b>	<b>-1,226</b>	<b>-1,350</b>	<b>-1,436</b>
<b>Incr/Decr of Cash</b>	<b>-316</b>	<b>27</b>	<b>2,308</b>	<b>-1,602</b>	<b>-428</b>	<b>-65</b>	<b>-191</b>	<b>-12</b>	<b>630</b>
Add: Opening Balance	436	120	147	2,455	853	426	361	169	157
<b>Closing Balance</b>	<b>120</b>	<b>147</b>	<b>2,455</b>	<b>853</b>	<b>426</b>	<b>361</b>	<b>169</b>	<b>157</b>	<b>787</b>

E: MOFSL Estimates

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SELL	< - 10%
NEUTRAL	< - 10 % to 15%
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NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.