2 April 2026

Company Update | Sector: Footwear

Metro Brands

BSE SENSEX	S&P CNX
73,320	22,713

Bloomberg	METROBRA IN
Equity Shares (m)	272
M.Cap.(INRb)/(USDb)	250.5 / 2.7
52-Week Range (INR)	1340 / 883
1, 6, 12 Rel. Per (%)	-1/-18/-11
12M Avg Val (INR M)	110

Financials & Valuations (INR b)

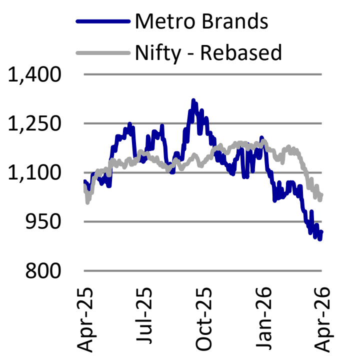
Y/E March	FY26E	FY27E	FY28E
Sales	28.4	32.9	37.7
EBITDA	8.6	10.1	11.6
Adj. PAT	4.0	4.5	5.1
EBITDA Margin (%)	30.5	30.7	30.8
Adj. EPS (INR)	14.8	16.8	18.8
EPS Gr. (%)	5.9	13.8	12.0
BV/Sh. (INR)	74.0	85.1	97.5
Ratios			
Net D:E	0.4	0.3	0.3
RoE (%)	21.9	21.6	21.1
RoCE (%)	14.8	14.0	13.6
Payout (%)	36.1	34.8	34.8
Valuations			
P/E (x)	62.2	54.7	48.9
EV/EBITDA (x)	30.5	26.1	22.7
EV/Sales (X)	9.3	8.0	7.0
Div. Yield (%)	0.6	0.6	0.7

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	71.8	71.9	71.9
DII	7.5	7.4	7.2
FII	3.8	3.9	3.4
Others	16.8	16.9	17.5

FII includes depository receipts

Stock's performance (one-year)



CMP: INR919 TP: INR1,215 (+32%) Buy

Growth visibility strengthens with replacement demand kicking in

We recently interacted with Mr. Kaushal Parekh, CFO, Metro Brands (MBL). Below are the key takeaways:

- MBL continues to guide a 15-18% long-term revenue CAGR. However, the confidence in delivering the growth guidance has improved, driven by 1) early signs of replacement demand kicking in (after a lumpy wardrobe refresh post-Covid in FY23), 2) acceleration in store openings with moderating rental inflation, and 3) strong traction and opportunity in partner brands such as Clarks, and FILA, and acceleration of the Walkway (value) format.
- Return to mid-single-digit SSSG, ~10% annual footprint addition, and annualization of contribution from the stores opened last year should help deliver ~15% growth, with the remaining to be contributed from the scale-up of relatively nascent brands.
- Given the strong store economics and robust cashflow generation in the core Metro and Mochi formats, a large runway for growth in the Walkway format, and significant growth opportunities in FILA/Foot Locker/Clarks, we model a revenue/EBITDA/adj. PAT CAGR of 15%/15%/11% over FY25-28E.
- **We reiterate our BUY rating on MBL with a revised TP of INR1,215,** premised on ~40x Mar'28 pre-IND AS EV/EBITDA (implied 65x FY28E EPS).
- Following the recent correction, the stock now trades at 55x FY27 P/E (one SD below its LT one-year forward mean P/E). Consistent double-digit growth remains the key re-rating trigger.

Replacement demand recovery and network expansion to drive growth

- Management indicated that comfort in guiding a 15-18% revenue growth over the long term has increased, with early signs of replacement demand coming back (after the lumpy wardrobe refresh post-Covid).
- MBL is targeting 15%+ revenue growth driven by equal contribution from: 1) mid-single-digit SSSG, 2) ~10% annual net footprint addition (partial contribution), and 3) annualization of stores opened last year.
- Management believes further acceleration is possible over the medium term as nascent brands such as FILA, Foot Locker, and MetroActiv scale up.
- Robust store economics (40%+ store RoIC, ~2-year payback), and strong cash-flow generation (can potentially open 200 new stores annually from internal accruals), provide a long runway for growth in core Metro/Mochi formats.
- The company has fine-tuned the economics in its value format, Walkway, and expects to deliver ~25% RoCE in the format over the long term (lower than the core formats but better than the ~7% yield on cash balance).
- Clarks is witnessing strong traction within Metro/Mochi stores without cannibalizing the sales of the company's other own brands. The plans for opening Clarks EBO by 3QFY27 remain on track.
- We model ~15% revenue CAGR over FY26-28E, driven by mid-single-digit SSSG and ~12% CAGR in area additions.

Research Analyst: Aditya Bansal - (Aditya.Bansal@MotilalOswal.com) | **Avinash Karumanchi** (Avinash.Karumanchi@MotilalOswal.com)

Research Analyst: Siddhesh Chaudhari (Siddhesh.Chaudhari@MotilalOswal.com) | **Niraj Harwande** (Niraj.Harwande@MotilalOswal.com)

Robust store economics and strong cash generation provide a long runway

- MBL is present in ~212 cities across 31 states and UTs, with its core Metro format spanning 182 cities. Management believes that the core Metro format still has significant headroom for expansion into new cities, while the opportunity for other banners is even higher.
- Further, management indicated that even in its core market, such as Mumbai, the company's presence beyond Borivali/Thane remains sparse, and it sees significant room for expansion in adjacent locations such as Vasai, Kalyan, etc.
- Management indicated that the rental spike from the post-Covid bump-up period now appears to be easing out as several brands face profitability pressures. While the company does not guide explicit store addition targets, the annual cashflow generation could support ~20% store additions yearly.
- As the company is more confident in accelerating the Walkway format, there is a significant opportunity to deepen its presence in Tier II and smaller towns, where Metro's current presence is limited (1.2-2 stores/city beyond metros).
- FILA, Foot Locker, and MetroActiv provide MBL with a comprehensive portfolio to tap into the fast-growing sports and athleisure (S&A) space.

Brand portfolio well-positioned across price points and usecases

- The portfolio is well segmented across price points and use cases, with management systematically addressing white spaces. This approach enables a clear multi-brand growth strategy with minimal cannibalization.
- The recent additions in the Clarks Cloudsteppers range have helped MBL address the gap in its women's footwear segment in the mid-premium range (INR 3.5-5k). MBL indicated that Clarks is witnessing strong early traction in the Metro/Mochi stores without cannibalizing sales of its own existing brands. It remains on track to open Clarks EBOs by 3QFY27.
- Walkway, a value-focused format, has now achieved product-market fit and is now seeing acceleration in store addition (20 net additions in 9MFY26 on an FY25 base of 70 stores). The format benefits from the recent GST rationalization and remains a profitable venture. Over time, management expects to reach ~25% RoCE in the format (lower than 40%+ in its core formats but better than a 7% yield on cash balance).
- FILA is a strategic, long-gestation play currently in the incubation and brand-building phase. The initial focus was on localizing the supply chain and improving the design quotient; however, management now expects FILA to scale up from FY27/28, driven by a large TAM in the S&A category. Further, the license provides for control on pricing (which would lead to better intake margins), category extension (apparel, accessories), and a foray into neighboring SAARC countries.
- Management is calibrating the near-term expansion plans at Foot Locker due to the challenges posed by BIS in sourcing high-end merchandise, which dilutes the customer experience. However, it expects the supply challenges to ebb over the next 6-9 months.

Valuation and view

- MBL's revenue growth has experienced a pick-up since 2HFY25, driven by rising traction in e-commerce, acceleration in store additions, and likely replacement demand kicking in after a three-year hiatus.
- While BIS-related challenges persist for the S&A category (Foot Locker and FILA), MBL has intensified its focus on the value category (Walkway), signed strategic partnerships (New Era and Clarks), and launched a new sports performance format (MetroActiv). These initiatives should help sustain double-digit growth over the medium term.
- We remain positive on MBL's long-term outlook, given 1) its superior store economics, with industry-leading store productivity and strong cost controls; 2) the strategic tie-ups with leading brands; and 3) a long runway for growth in its core formats, primarily funded through internal accruals.
- We marginally fine-tune our growth and margin estimates for FY26-28. Given the strong runway for growth in the Metro, Mochi, and Walkway formats, along with significant growth opportunities in FILA/Foot Locker/Clarks, we model a revenue/EBITDA/adjusted PAT CAGR of 15%/15%/11% over FY25-28E.
- We assign a 40x Pre-IND AS EV/EBITDA multiple (implied ~65x FY28 P/E) and **reiterate our BUY rating on MBL** with a revised TP of INR1,215 (earlier INR1,315).
- Following the recent correction, MBL now trades at ~55x FY27 P/E (1 SD below its LT one-year forward avg. P/E). Consistent double-digit revenue growth and ramp-up of newer formats, such as FILA, Foot Locker, and Clarks, remain the key re-rating triggers.

Exhibit 1: We ascribe a TP of INR1,215 to MBL based on 40x Mar'28 Pre-IND AS EBITDA

(INR/share)	Valuation	
	(INR b)	(INR/share)
Pre-IND AS EBITDA (INR)	8.0	
Target multiple (x)	40	
EV for Metro Brands	**318**	**1,170**
Net Debt	-12	-45
Target Price for Metro Brands	**331**	**1,215**
CMP		919
Upside (%)		**32%**

Exhibit 2: Our TP of INR1,215 implies ~65x FY28E EPS

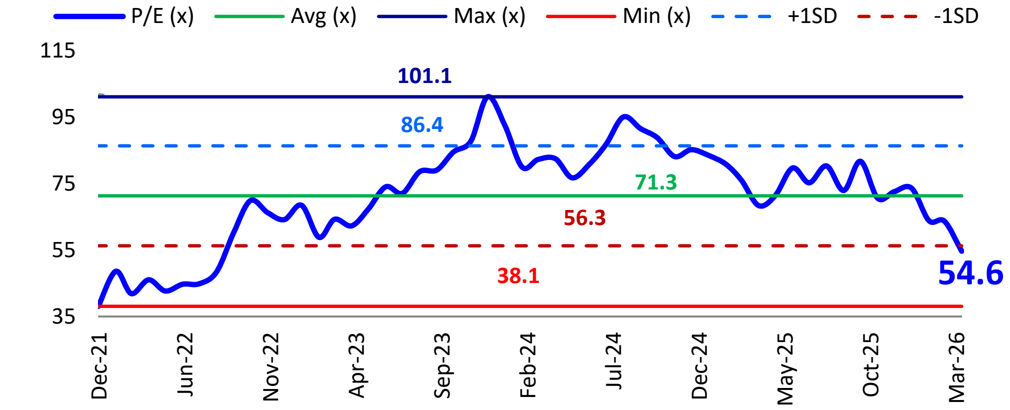
(INR/share)	Mar'28
EPS (INR)	18.8
Target P/E (x)	65
Target Price	**1,215**
CMP	919
Upside (%)	**32%**

Exhibit 3: Despite the recent correction, MBL continues to trade at a premium to other footwear peers

Footwear comps	Enterprise Value	MCap	EV/Sales			EV/EBITDA			P/E			EBITDA CAGR (%)
	(INR b)	(INR b)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	2025-28E
Metro	**263**	**255**	**9.3**	**8.0**	**7.0**	**30.4**	**26.0**	**22.7**	**63.6**	**55.9**	**49.9**	**15.3**
Campus	72	69	4.1	3.6	3.2	25.1	21.5	18.0	46.4	40.1	33.1	18.1
Bata	93	84	2.7	2.5	2.4	12.5	11.1	10.0	44.1	34.5	27.7	8.0
Relaxo	66	67	2.5	2.4	2.2	19.3	16.3	14.3	41.4	33.2	28.4	6.7
Average			**4.6**	**4.1**	**3.7**	**21.8**	**18.7**	**16.2**	**48.9**	**40.9**	**34.8**	

Source: MOFSL, Company

Exhibit 4: Post-correction, MBL trades at ~55x one-year forward P/E (below -1 SD of its LT average mean)



Source: MOFSL, Company

Exhibit 5: Summary of the changes to our estimates

	FY26E	FY27E	FY28E
Revenue (INR m)			
Old	28,469	33,305	38,379
Actual/New	28,354	32,894	37,662
Change (%)	-0.4	-1.2	-1.9
GP (INR m)			
Old	16,484	19,383	22,356
Actual/New	16,403	19,079	21,844
Change (%)	-0.5	-1.6	-2.3
EBITDA (INR m)			
Old	8,690	10,299	11,898
Actual/New	8,648	10,113	11,600
Change (%)	*-0.5*	*-1.8*	*-2.5*
EBITDA margin (%)			
Old	30.5	30.9	31.0
Actual/New	30.5	30.7	30.8
Change (bp)	*-3*	*-18*	*-20*
Net Profit (INR m)			
Old	4,072	4,823	5,514
Actual/New	4,019	4,572	5,119
Change (%)	*-1.3*	*-5.2*	*-7.2*
EPS (INR)			
Old	15.0	17.7	20.3
Actual/New	14.8	16.8	18.8
Change (%)	*-1.3*	*-5.2*	*-7.2*

Key takeaways from the management interaction

Growth guidance and replacement demand

- Management continues to guide for a 15-18% revenue CAGR over the long term. While the growth rate has lagged management's guidance in FY24/FY25, management appears more confident in delivering on the guidance with signs of demand recovery (9MFY26 revenue growth at ~12% YoY, with the company achieving 15% YoY growth in 3QFY26).
- Management noted that post-Covid, there was a demand bump-up in FY23 as customers undertook a wardrobe refresh with the reopening of the economy, which subsequently led to slower growth in subsequent years. However, management believes there are early signs of replacement demand kicking in.
- The three key levers for 15% annual growth remain 1) mid-single digit SSSG, 2) partial contribution from ~10% annual store footprint additions, and 3) annualization of stores opened last year.
- According to the management, the first target is to achieve ~15% revenue CAGR. Once this target is achieved, the recently tied-up partner brands such as Foot Locker, Clarks, and FILA will start contributing meaningfully in the future.

Network expansion

- Given an influx of brands opening retail stores post-Covid, rentals had firmed up. However, with several smaller players facing profitability pressure, management believes that rental trends are now stabilizing.
- MBL typically signs long-term (nine-year) lease rentals and therefore wants to be judicious in signing the right deals. The company typically maintains a rental threshold of 12-15% of the revenue.
- MBL is targeting ~10% annual store footprint additions in the normal course and believes that the company has significant headroom for expansion across its multiple formats, given the strong store economics and robust cashflows.
- Further, management indicated that store addition can continue for fairly long period given: 1) MBL's presence in tier 1 and tier 2 cities remain fairly small (1.2-2 store/city), 2) potential to at least double city count even in the most widespread Metro brand, 3) significant room to expand even in its core metro markets such as Mumbai beyond Borivali/Thane (limited presence in adjoining markets such as Vasai, Meera Road, Kalyan etc.).

Walkway business

- The company has been fine-tuning the Walkway (value) model for the past few years and is now looking to accelerate the pace of store additions (21 stores opened in 9MFY26) with more comfort on the store economics.
- Management believes there is still room for improvement in the model over the next few years and is targeting a long-term RoCE of ~25% (lower vs. ~40%+ store RoCE for core formats, but better than 7-8% yield on cash in hand). The Walkway business is currently profitable, and the current focus is on improving topline with scale benefits likely to drive operating leverage.
- Post-COVID, the company had exited the INR 500 price point, which has now been reintroduced. ~95% of Walkway products are priced below INR 2,500, and GST reductions have been positive for this segment.

- Walkway customers are not cannibalizing Metro/Mochi sales, highlighting the strength of the portfolio.

Brand selection framework:

- The company evaluates partnering with new brands based on the following criteria: 1) whether there is a genuine customer need, 2) whether the brand can add incremental sales to Metro/Mochi format without cannibalizing the own brands, 3) whether the format can scale up to have its own EBOs, and 4) if it has potential to scale to INR3-5b revenue over the medium term. Management is broadly happy with the current portfolio and does not see any significant whitespace that needs to be addressed.

Clarks

- Clarks, which was signed up by MBL in mid-CY25, saw a rapid rollout with 150+ stores in just two months and has witnessed strong traction in the Metro/Mochi stores.
- The Cloudsteppers range (~40% of Clark's women's portfolio) has addressed the gap in MBL's portfolio in the mid-premium range (INR3-5k), and thereby, management believes Clarks would contribute incremental revenue and not cannibalize the sales of existing brands.
- Clarks' portfolio has also shifted meaningfully towards casualization and is witnessing strong traction without any significant overlap with Metro's existing brands, such as Da Vinci.
- MBL is planning to open Clarks EBO from 3QFY27, which will contribute incremental revenue and become a meaningful growth driver.

FILA

- BIS implementation led to delays in MBL's plans of scaling up FILA. However, the company now has a localized supply chain, strengthened the design quotient, and is now on track for repositioning FILA.
- MBL plans to open two EBOs for FILA in 4QFY26 as test stores alongside the existing two EBOs currently operational. Management remains confident on long term potential for FILA, given the fast growth in the S&A category, and believes FILA can replicate the scale of competitive brands, having 350+ retail outlets and INR30b+ sales over the long run.
- Further, management indicated that the license provides for 1) MBL to decide on design/pricing, which helps in achieving desired intake margins, 2) category expansion opportunities, and 3) neighboring SAARC countries as well.

Foot Locker:

- The company is slowing down the pace of Foot Locker store opening as it is not able to source high-end products due to challenges posed by BIS. Management expects BIS-related challenges to be resolved over the next 6-9 months.
- Any potential relaxation in sourcing from China would benefit Foot Locker, as the time lag in product design to launch and the minimum order quantity is significantly lower (vs. countries such as Vietnam).
- Foot Locker stores require ~3x higher capex for stores that are ~3x larger than Metro/Mochi stores. The initial stores have provided learnings such as avoiding double or triple storey building formats, ensuring adequate parking space, etc., which should help in the longer-term scale-up.

Raw materials & margins

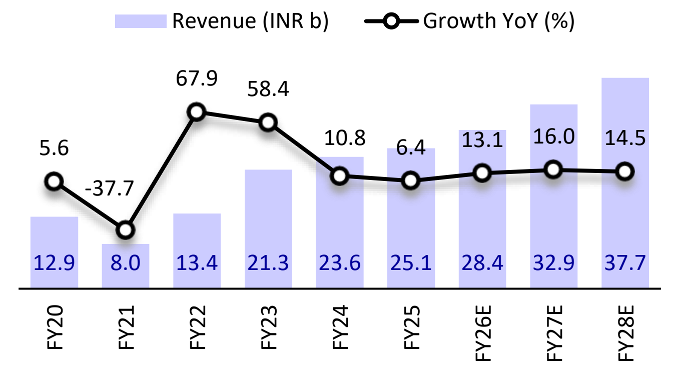
- There has been inflation in input costs due to macro-economic factors, and the company is also getting quotations with higher prices from the vendors. However, as the situation remains volatile currently, the sustainability of raw material trends is difficult to predict.
- Management believes that pricing pass-through is easier in certain categories, while others may take time. There may be short-term impacts in some quarters, but overall gross margins are expected to remain stable, as historically the company has successfully passed on the cost increases.

Apparel strategy

- For a sports and athleisure (S&A) format, apparel is necessary. Management indicated that Fila China derives 55-60% of revenue from apparel and accessories, indicating long-term potential. However, MBL will gradually build capability in apparel and will focus on footwear first with FILA, followed by accessories.
- Metro Activ also has a play in apparel, with a contribution of ~10% of sales, which is expected to increase over time.

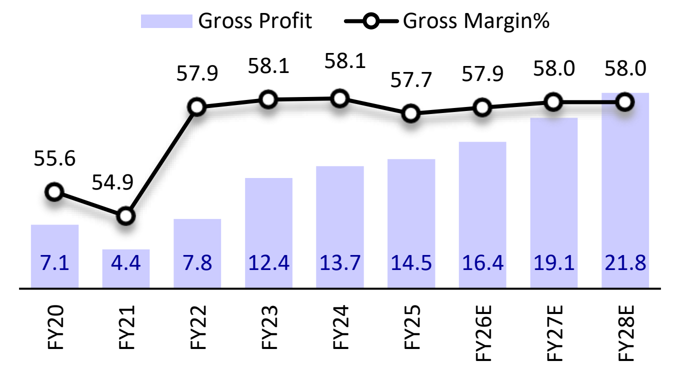
Capital allocation: The company remains focused on scaling existing brands (Clarks, FILA, Walkway, and MetroActiv) rather than acquisitions. Reinvestment in growth is preferred over treasury yields or special dividends.

Exhibit 6: Expect 15% revenue CAGR for MBL over FY25-28



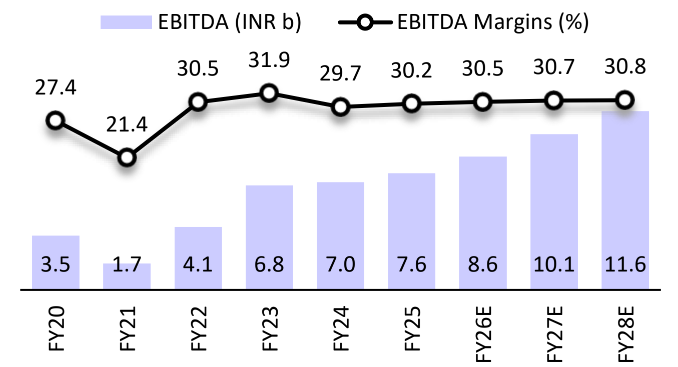
Source: MOFSL, Company

Exhibit 7: Expect 15% GP CAGR over FY25-28



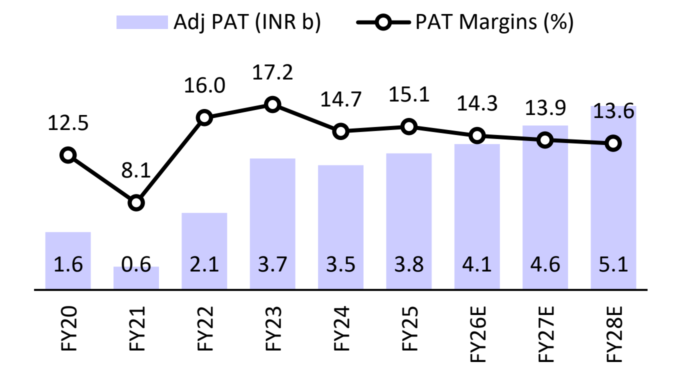
Source: MOFSL, Company

Exhibit 8: Expect 15% EBITDA CAGR over FY25-28



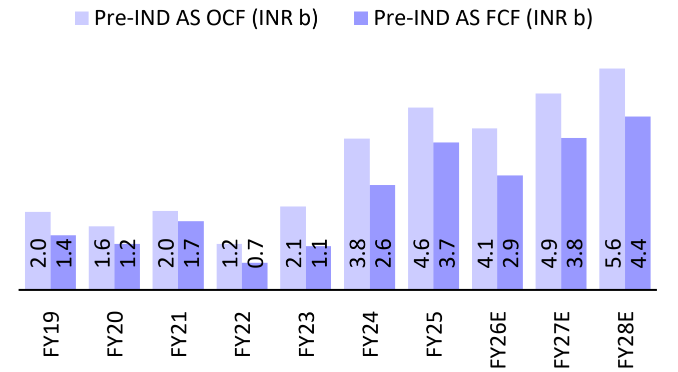
Source: MOFSL, Company

Exhibit 9: Expect ~11% adj. PAT CAGR over FY25-28



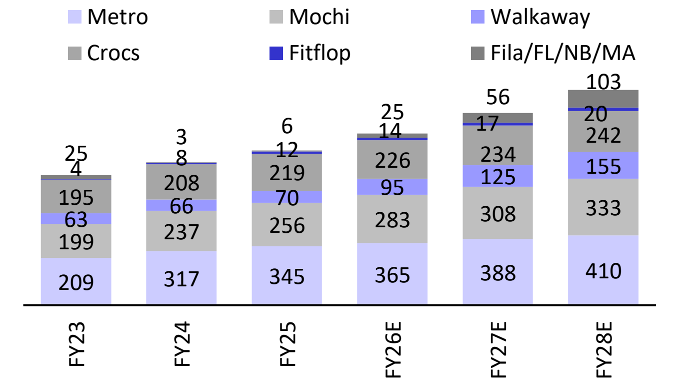
Source: MOFSL, Company

Exhibit 10: Free cash flow generation to remain robust



Source: MOFSL, Company

Exhibit 11: Expect MBL to reach ~1,263 stores by FY28 (vs. 908 in FY25), implying ~12% store addition CAGR



Source: MOFSL, Company

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Total Income from Operations	**8,001**	**13,429**	**21,271**	**23,567**	**25,074**	**28,354**	**32,894**	**37,662**
Change (%)	-37.7	67.9	58.4	10.8	6.4	13.1	16.0	14.5
Raw Materials	3,605	5,659	8,920	9,875	10,609	11,951	13,816	15,818
Gross Profit	**4,396**	**7,770**	**12,351**	**13,692**	**14,465**	**16,403**	**19,079**	**21,844**
Margin (%)	54.9	57.9	58.1	58.1	57.7	57.9	58.0	58.0
Employees Cost	1,026	1,212	1,843	2,280	2,450	2,736	3,166	3,616
Other Expenses	1,655	2,466	3,720	4,417	4,441	5,019	5,799	6,628
Total Expenditure	**6,285**	**9,338**	**14,483**	**16,571**	**17,500**	**19,706**	**22,781**	**26,062**
% of Sales	78.6	69.5	68.1	70.3	69.8	69.5	69.3	69.2
EBITDA	**1,715**	**4,092**	**6,788**	**6,996**	**7,574**	**8,648**	**10,113**	**11,600**
Margin (%)	21.4	30.5	31.9	29.7	30.2	30.5	30.7	30.8
Depreciation	1,218	1,342	1,810	2,291	2,580	3,134	3,809	4,491
EBIT	**497**	**2,749**	**4,978**	**4,704**	**4,994**	**5,514**	**6,304**	**7,108**
Int. and Finance Charges	437	504	631	789	905	1,115	1,360	1,614
Other Income	785	586	544	708	930	967	1,112	1,279
PBT bef. EO Exp.	**845**	**2,831**	**4,891**	**4,624**	**5,019**	**5,366**	**6,056**	**6,774**
EO Items	0	0	0	0	0	35	0	0
PBT after EO Exp.	**845**	**2,831**	**4,891**	**4,624**	**5,019**	**5,331**	**6,056**	**6,774**
Total Tax	193	702	1,257	499	1,491	1,342	1,524	1,705
Tax Rate (%)	22.8	24.8	25.7	10.8	29.7	25.2	25.2	25.2
Minority Interest/ JV-associates share	-6	15	-19	1	16	30	40	50
Reported PAT	**658**	**2,115**	**3,653**	**4,124**	**3,512**	**3,989**	**4,532**	**5,069**
Adjusted PAT	**658**	**2,115**	**3,654**	**3,465**	**3,795**	**4,019**	**4,572**	**5,119**
Change (%)	-58.6	221.3	72.8	-5.2	9.5	5.9	13.8	12.0
Margin (%)	8.2	15.7	17.2	14.7	15.1	14.2	13.9	13.6

Consolidated - Balance Sheet								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	1,328	1,358	1,359	1,360	1,361	1,361	1,361	1,361
Total Reserves	7,147	11,289	14,118	17,278	15,730	18,280	21,235	24,537
Net Worth	**8,474**	**12,647**	**15,477**	**18,637**	**17,091**	**19,641**	**22,596**	**25,899**
Minority Interest	0	224	264	294	289	289	289	289
Total Loans	5,669	6,922	9,430	10,984	12,271	16,706	20,170	23,936
Lease Liabilities	5,655	6,922	9,414	10,984	12,271	16,706	20,170	23,936
Deferred Tax Liabilities	0	0	0	0	0	0	0	0
Other Liabilities	6	6	45	10	8	8	8	8
Capital Employed	**14,150**	**19,800**	**25,216**	**29,926**	**29,659**	**36,644**	**43,062**	**50,132**
Gross Block	10,394	12,765	17,904	21,412	24,746	31,975	38,371	45,366
Less: Accum. Deprn.	3,158	4,287	4,883	6,589	8,727	11,861	15,670	20,161
Net Fixed Assets	**7,236**	**8,478**	**13,021**	**14,823**	**16,020**	**20,114**	**22,701**	**25,205**
Other Non-Current	493	614	661	795	957	957	957	957
Capital WIP	45	62	178	93	94	94	94	94
Total Investments	**3,997**	**3,625**	**4,778**	**7,851**	**5,505**	**5,505**	**5,505**	**5,505**
Curr. Assets, Loans & Adv.	**4,655**	**10,140**	**10,579**	**9,566**	**10,375**	**13,808**	**18,266**	**23,490**
Inventory	2,898	4,242	6,458	7,102	6,369	7,203	8,138	9,317
Account Receivables	506	577	1,261	757	912	1,031	1,196	1,370
Cash and Bank Balance	879	4,350	1,985	1,123	1,010	3,412	6,765	10,637
Loans and Advances	373	971	875	585	2,084	2,162	2,167	2,166
Curr. Liability & Prov.	**2,444**	**3,342**	**4,056**	**3,601**	**3,676**	**4,218**	**4,844**	**5,503**
Account Payables	2,047	2,343	2,813	2,570	2,258	2,685	3,066	3,467
Other Current Liabilities	389	958	1,114	950	1,316	1,418	1,645	1,883
Provisions	8	40	129	80	102	115	134	153
Net Current Assets	**2,212**	**6,798**	**6,522**	**5,965**	**6,700**	**9,591**	**13,422**	**17,987**
Deferred Tax assets	167	223	56	399	384	384	384	384
Misc Expenditure	0	0	0	0	0	0	0	0
Appl. of Funds	**14,150**	**19,800**	**25,216**	**29,926**	**29,659**	**36,644**	**43,062**	**50,132**

Financials and valuations

Ratios								
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Basic (INR)								
EPS	**2.5**	**7.8**	**13.4**	**12.7**	**13.9**	**14.8**	**16.8**	**18.8**
Cash EPS	7.1	13.0	20.6	21.7	24.0	26.9	31.6	36.2
BV/Share	31.9	47.6	58.3	70.2	64.4	74.0	85.1	97.5
DPS	1.1	0.8	5.0	2.2	19.9	5.3	5.8	6.5
Payout (%)	45.4	9.6	37.2	14.8	154.6	36.1	34.8	34.8
Valuation (x)								
P/E	370.8	118.0	68.3	72.1	65.9	62.2	54.7	48.9
Cash P/E	130.0	70.6	44.7	42.4	38.3	34.1	29.1	25.4
P/BV	28.8	19.3	15.8	13.1	14.3	12.4	10.8	9.4
EV/Sales	31.1	18.8	12.1	11.0	10.4	9.3	8.0	7.0
EV/EBITDA	145.1	61.6	37.9	37.1	34.5	30.5	26.1	22.7
Dividend Yield (%)	0.1	0.1	0.5	0.2	2.2	0.6	0.6	0.7
Return Ratios (%)								
RoE	7.8	20.0	26.0	20.3	21.2	21.9	21.6	21.1
RoCE	7.1	14.9	18.4	17.7	14.1	14.8	14.0	13.6
RoIC	4.0	19.7	24.6	21.4	16.0	16.3	16.2	16.5
Working Capital Ratios								
Fixed Asset Turnover (x)	0.8	1.1	1.2	1.1	1.0	0.9	0.9	0.8
Asset Turnover (x)	0.6	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Inventory (Days)	293	274	264	262	219	220	215	215
Debtor (Days)	23	16	22	12	13	13	13	13
Creditor (Days)	207	151	115	95	78	82	81	80
Leverage Ratio (x)								
Current Ratio	1.9	3.0	2.6	2.7	2.8	3.3	3.8	4.3
Interest Cover Ratio	1.1	5.5	7.9	6.0	5.5	4.9	4.6	4.4
Net Debt/Equity	0.1	-0.1	0.2	0.1	0.3	0.4	0.3	0.3

Consolidated - Cash Flow Statement								(INR m)
Y/E March	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
OP/(Loss) before Tax	845	2,831	4,891	4,624	5,019	5,366	6,056	6,774
Depreciation	1,218	1,342	1,810	2,291	2,580	3,134	3,809	4,491
Interest & Finance Charges	437	491	631	789	905	1,115	1,360	1,614
Direct Taxes Paid	-204	-715	-1,412	-840	-1,363	-1,342	-1,524	-1,705
(Inc)/Dec in WC	1,135	-638	-1,727	-490	574	-489	-478	-693
CF from Operations	**3,432**	**3,312**	**4,193**	**6,374**	**7,715**	**7,784**	**9,223**	**10,481**
Others	-779	-491	-386	-474	-740	-1,002	-1,112	-1,279
CF from Operating incl EO	**2,653**	**2,821**	**3,807**	**5,901**	**6,975**	**6,782**	**8,111**	**9,202**
(Inc)/Dec in FA	-251	-479	-996	-1,161	-874	-1,187	-1,120	-1,204
Free Cash Flow	**2,402**	**2,342**	**2,810**	**4,740**	**6,101**	**5,595**	**6,990**	**7,998**
(Pur)/Sale of Investments	-329	538	-620	-1,885	1,587	0	0	0
Others	-644	68	-748	478	488	967	1,112	1,279
CF from Investments	**-1,224**	**127**	**-2,365**	**-2,569**	**1,200**	**-220**	**-8**	**75**
Issue of Shares	0	2,924	29	44	83	0	0	0
Inc/(Dec) in Debt	-101	-14	-1,023	-15	0	0	0	0
Interest Paid	-6	-1	-1	-3	-5	-1,115	-1,360	-1,614
Dividend	-498	0	-883	-1,155	-5,420	-1,439	-1,577	-1,766
Others	-665	-1,038	-1,710	-2,097	-2,389	-1,606	-1,812	-2,025
CF from Fin. Activity	**-1,271**	**1,870**	**-3,588**	**-3,227**	**-7,730**	**-4,160**	**-4,750**	**-5,405**
Inc/Dec of Cash	**158**	**4,818**	**-2,146**	**106**	**445**	**2,402**	**3,353**	**3,872**
Opening Balance	105	263	5,081	2,935	3,041	3,486	5,888	9,241
Closing Balance	**263**	**5,081**	**2,935**	**3,041**	**3,486**	**5,888**	**9,241**	**13,113**
Other Bank Balance/(OD)	**616**	**-732**	**-950**	**-1,918**	**-2,476**	**-2,476**	**-2,476**	**-2,476**
Net Closing Balance	**879**	**4,350**	**1,985**	**1,123**	**1,010**	**3,412**	**6,765**	**10,637**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a changn□/P4 reﬁ*□EMC d5%

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com.

Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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

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.