

| | |
|-----------------|--|
| Estimate change | |
| TP change | |
| Rating change | |

| Bloomberg | TRENT IN |
|-----------------------|---------------|
| Equity Shares (m) | 355 |
| M.Cap.(INRb)/(USDb) | 1904.2 / 21.7 |
| 52-Week Range (INR) | 8346 / 4488 |
| 1, 6, 12 Rel. Per (%) | 2/-3/0 |
| 12M Avg Val (INR M) | 7429 |

| Financials & Valuations Consol (INR b) | | | |
|--|-------|-------|-------|
| Y/E March | FY26E | FY27E | FY28E |
| Sales | 213.6 | 253.2 | 293.1 |
| EBITDA | 34.1 | 40.0 | 45.4 |
| NP | 18.3 | 21.6 | 24.1 |
| EBITDA Margin (%) | 16.0 | 15.8 | 15.5 |
| Adj. EPS (INR) | 51.3 | 60.8 | 67.9 |
| EPS Gr. (%) | 19.0 | 18.4 | 11.7 |
| BV/Sh. (INR) | 213.4 | 272.0 | 337.7 |
| Ratios | | | |
| Net D:E | 0.0 | -0.1 | -0.2 |
| RoE (%) | 29.1 | 26.8 | 23.8 |
| RoCE (%) | 18.6 | 17.2 | 15.4 |
| Payout (%) | 10.7 | 9.9 | 9.6 |
| Valuations | | | |
| P/E (x) | 103.9 | 87.8 | 78.6 |
| EV/EBITDA (x) | 55.7 | 47.2 | 41.3 |
| EV/Sales (x) | 9.0 | 7.5 | 6.5 |
| Div. Yield (%) | 0.1 | 0.1 | 0.1 |

| Shareholding Pattern (%) | | | |
|--------------------------|--------|--------|--------|
| As On | Jun-25 | Mar-25 | Jun-24 |
| Promoter | 37.0 | 37.0 | 37.0 |
| DII | 18.5 | 17.2 | 13.2 |
| FII | 18.4 | 19.7 | 27.9 |
| Others | 26.1 | 26.1 | 21.9 |

FII includes depository receipts

CMP: INR5,356 **TP: INR6,400 (+20%)** **Buy**

Surprising margin expansion despite deceleration in growth

- Despite a continued deceleration in revenue growth (+20% YoY) and a ~110bp YoY decline in gross margin, Trent delivered a strong EBITDA growth of ~37% YoY (17% beat), with margin expanding ~225bp YoY.
- The significant margin beat was led by effective cost control—employee expenses fell 7% YoY, while rental costs rose only 7% YoY, despite a 36% increase in retail area, reflecting the strength of Trent's variable cost structure.
- However, the Star business underperformed with just ~7% YoY revenue growth, flat like-for-like sales, and a 14% YoY drop in revenue per sq ft to INR26.7k, (vs. 2% YoY uptick, despite a much larger base for DMart).
- Our FY26-27E EBITDA estimates remain largely unchanged as we expect store expansion-related costs to catch up over the next few quarters. while, we lower PAT by 3-6% due to higher depreciation. We build in with a 20%/18%/16% CAGR in revenue/EBITDA/PAT over FY25-28E, driven by aggressive store expansion.
- 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 emerging categories (Beauty, Innerwear, Footwear, and LGDs). However, revenue growth acceleration remains a key trigger.
- Reiterate Buy on Trent with a revised TP of INR6,400**, premised on 50x Sep'27 EV/EBITDA for the standalone (Westside and Zudio) business, ~3x EV/sales for Star JV, and ~7x EV/EBITDA for Zara JV.

Robust cost controls drive significant EBITDA beat

- Standalone revenue growth further decelerated in 1QFY26 to 20% YoY (vs. 57%/40%/37%/29% in the last four quarters), despite large back-ended store additions in Zudio (~130 net additions) in 4QFY25.
- Gross profit grew 17% YoY to INR21.5b (2% miss) as **gross margin contracted ~110bp YoY to 45.1%**.
- Occupancy cost (including rent) grew modest ~7% YoY (though rose 63% QoQ), despite ~37% YoY area additions in Zudio. We believe there could have been some reversals in rental provisions in 4QFY25.
- Surprisingly, employee costs declined 7% YoY and QoQ (21% lower than our estimate), despite significant store additions over the past few quarters.
- Other expenses grew 16% YoY (+12% QoQ), driving operating leverage.
- Driven by lower increase in rentals and employee cost, **EBITDA grew 37% YoY to INR8.4b (17% beat), as margins expanded ~225bp to 17.5%**.
- Reported operating EBIT margin expanded to 11.2% (vs. 10.4% YoY).
- PAT grew 24% YoY to INR4.2b (19% beat) as higher EBITDA was offset by lower other income (-11% YoY, 26% below).

After back-ended growth in 4QFY25, store expansion remains muted in 1QFY26

- Store expansion activity remained subdued in 1QFY26, with store count across fashion formats stable QoQ at 1,043 stores (up 27% YoY).
- **Westside** added just one store but also closed one, resulting in a flat store count of 248 (+9% YoY). However, the retail area increased ~20% YoY as Trent added larger Westside stores during FY25.
- **Zudio** witnessed 11 new store openings, though these were offset by 10 store closures. As a result, the company effectively added only one net store to reach 766 stores (+37% YoY). However, similar to Westside, with rising store sizes, the retail area increased ~54% YoY.
- Further, there was a consolidation of one store in Trent's other fashion formats to 29 stores (-19% YoY).

Star: Subdued performance with flat LFL and one net store closure

- Revenue growth decelerated to ~7% YoY (vs. 29%/27%/25%17% YoY in the last few quarters) as LFL growth moderated to flat YoY (vs. ~22%/2% in 1QFY25/4QFY25).
- STAR consolidated one store during the quarter and has a footprint of 77 stores.
- Calculated revenue per sq ft declined 14% YoY to INR26.7k (vs. 2% YoY uptick to INR36.6k/sq ft for DMart) and revenue per store declined 5% YoY to INR449m.
- The share of own-brand offerings now contributes ~73% to Star's revenue.

Highlights from the management commentary

- Like-for-like growth for Trent's fashion concepts was in low single digits due to the early onset of monsoon and geopolitical disruptions. However, revenue growth across comparable micro-markets remained healthy.
- Trent's strategy is centered on expanding revenue share and presence in key markets by increasing store density and **improving portfolio quality rather than focusing solely on like-for-like store performance**.
- Simultaneously, Trent is entering emerging Tier 2/3 cities with significant long-term potential, although revenue trajectories in these newer markets may differ from mature metro locations due to varying levels of fashion adoption and consumption density.
- Management indicated that investments in technology and automation in recent years have driven stable operating economics and operating leverage.
- **Emerging categories**, including beauty and personal care, innerwear, and footwear, contributed to 21% of standalone revenue (vs. 20% in 4QFY25).
- **Online revenue** grew 35% YoY, contributing 6%+ of Westside sales.

Valuation and view

- TRENT's growth rate has decelerated sharply in the last few quarters due to a weak LFL amid a subdued demand environment. However, the company continues to display strong cost controls to report healthy EBITDA growth.
- Back-ended strong store additions in Zudio from 4QFY25, coupled with a continued ramp-up with a focus on increasing share in key micro-markets, are likely to support growth.

- 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 emerging categories (Beauty, Innerwear, Footwear, and LGDs).
- Our FY26-27E EBITDA estimates remain largely unchanged, while we lower PAT by 1-5% due to higher depreciation. We build in with a 20%/18%/17% CAGR in revenue/EBITDA/PAT over FY25-28E, driven by aggressive store expansion.
- **We reiterate BUY on Trent with revised TP of INR6,400**, premised on 50x Sep'27 EV/EBITDA for the standalone (Westside and Zudio) business and ~3x EV/sales for Star JV and ~7x EV/EBITDA for Zara JV.

Standalone - Quarterly Earnings Model

| Y/E March | | | | | | | | | | | (INR m) | |
|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|-----------|
| | FY25 | | | | | FY26E | | | | FY25 | FY26E | FY26E |
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | | 1QE | Est. Var | |
| Revenue | 39,917 | 40,356 | 45,347 | 41,061 | 47,813 | 50,445 | 57,818 | 52,679 | 166,681 | 208,753 | 47,901 | 0 |
| YoY Change (%) | 57.4 | 39.6 | 36.9 | 28.8 | 19.8 | 25.0 | 27.5 | 28.3 | 39.8 | 25.2 | 23.4 | |
| Total Expenditure | 33,812 | 33,949 | 36,971 | 34,497 | 39,435 | 42,676 | 47,353 | 44,845 | 139,229 | 174,309 | 40,716 | -3 |
| EBITDA | 6,106 | 6,407 | 8,376 | 6,564 | 8,377 | 7,768 | 10,465 | 7,834 | 27,452 | 34,444 | 7,185 | 17 |
| EBITDA Margin (%) | 15.3 | 15.9 | 18.5 | 16.0 | 17.5 | 15.4 | 18.1 | 14.9 | 16.5 | 16.5 | 15.0 | -252 |
| Depreciation | 1,759 | 1,915 | 2,393 | 2,631 | 2,839 | 2,952 | 3,011 | 2,370 | 8,699 | 11,172 | 2,657 | 7 |
| Interest | 312 | 324 | 363 | 371 | 395 | 423 | 453 | 574 | 1,369 | 1,845 | 397 | 0 |
| Other Income | 461 | 1,387 | 564 | 970 | 409 | 1,387 | 676 | 888 | 3,381 | 3,360 | 553 | -26 |
| PBT before EO expense | 4,496 | 5,554 | 6,184 | 4,532 | 5,552 | 5,780 | 7,678 | 5,778 | 20,766 | 24,788 | 4,684 | 19 |
| Extra-Ord expense | - | - | - | - | - | - | - | - | - | - | - | - |
| PBT | 4,496 | 5,554 | 6,184 | 4,532 | 5,552 | 5,780 | 7,678 | 5,778 | 20,766 | 24,788 | 4,684 | 19 |
| Tax | 1,074 | 1,320 | 1,490 | 1,033 | 1,326 | 1,387 | 1,843 | 1,393 | 4,918 | 5,949 | 1,124 | 18 |
| Reported PAT | 3,422 | 4,234 | 4,693 | 3,499 | 4,226 | 4,393 | 5,835 | 4,385 | 15,848 | 18,839 | 3,560 | 19 |
| Adj PAT | 3,422 | 4,234 | 4,693 | 3,499 | 4,226 | 4,393 | 5,835 | 4,385 | 15,848 | 18,839 | 3,560 | 19 |
| YoY Change (%) | 130.8 | 46.2 | 36.6 | 41.3 | 23.5 | 3.7 | 24.3 | 25.3 | 54.0 | 18.9 | 37.0 | |

E: MOFSL Estimates

Consolidated performance

- Consolidated revenue grew 19% YoY to INR49b.
- Reported EBITDA grew 39% YoY to INR8.5b, with a 245bp YoY margin expansion to 17.4%.
- Adjusted PAT stood at INR4.2b (up 9% YoY) due to lower contribution from associates.

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

| Particulars | Financial metric | Multiple | EBITDA/Sales | EV |
|-------------------------------|------------------|----------|--------------|--------------|
| Westside and Zudio | EBITDA | 50 | 43 | 2,174 |
| Star JV (50% stake) | Sales | 3 | 29 | 86 |
| Zara | EBITDA | 6.5 | 2 | 13 |
| Total Enterprise Value | | | | 2,273 |
| Net Debt | | | | -2 |
| Equity Value | | | | 2,275 |
| Shares (m) | | | | 356 |
| Target Price | | | | 6,400 |
| CMP | | | | 5,355 |
| Upside | | | | 20% |

Source: MOFSL, Company

Exhibit 2: Standalone quarterly performance (INR m)

| Standalone P&L (INR m) | 1QFY25 | 4QFY25 | 1QFY26 | YoY% | QoQ% | 1QFY26E | v/s est (%) |
|-------------------------------|---------------|---------------|---------------|-------------|-------------|---------------|-------------|
| Revenue | 39,917 | 41,061 | 47,813 | 19.8 | 16.4 | 47,901 | -0.2 |
| Raw Material cost | 21,464 | 23,557 | 26,226 | 22.2 | 11.3 | 25,866 | 1.4 |
| Gross Profit | 18,454 | 17,504 | 21,587 | 17.0 | 23.3 | 22,034 | -2.0 |
| <i>Gross margin (%)</i> | <i>46.2</i> | <i>42.6</i> | <i>45.1</i> | -108bps | 252bps | 46.0 | -85bps |
| Employee Costs | 3,046 | 3,073 | 2,843 | -6.7 | -7.5 | 3,593 | -20.9 |
| Rent | 4,654 | 3,064 | 4,984 | 7.1 | 62.7 | | |
| SGA Expenses | 4,648 | 4,804 | 5,383 | 15.8 | 12.1 | 11,257 | -7.9 |
| Total Opex | 33,812 | 34,497 | 39,435 | 16.6 | 14.3 | 40,716 | -3.1 |
| EBITDA | 6,106 | 6,564 | 8,377 | 37.2 | 27.6 | 7,185 | 16.6 |
| <i>EBITDA margin (%)</i> | <i>15.3</i> | <i>16.0</i> | <i>17.5</i> | 223bps | 154bps | 15.0 | 252bps |
| Depreciation and amortization | 1,759 | 2,631 | 2,839 | 61.3 | 7.9 | 2,657 | 6.8 |
| EBIT | 4,346 | 3,933 | 5,539 | 27.4 | 40.8 | 4,528 | 22.3 |
| <i>EBIT margin (%)</i> | <i>10.9</i> | <i>9.6</i> | <i>11.6</i> | 70bps | 201bps | 9.5 | 213bps |
| Finance Costs | 312 | 371 | 395 | 26.9 | 6.6 | 397 | -0.4 |
| Other income | 461 | 970 | 409 | -11.4 | -57.9 | 553 | -26.2 |
| Exceptional item | 0 | 0 | 0 | 0.0 | 0.0 | 0 | NM |
| Profit before Tax | 4,496 | 4,532 | 5,552 | 23.5 | 22.5 | 4,684 | 18.5 |
| Tax | 1,074 | 1,033 | 1,326 | 23.4 | 28.3 | 1,124 | 17.9 |
| <i>Tax rate (%)</i> | <i>23.9</i> | <i>22.8</i> | <i>23.9</i> | -1bps | 108bps | 24.0 | -12bps |
| Profit after Tax | 3,422 | 3,499 | 4,226 | 23.5 | 20.8 | 3,560 | 18.7 |
| Adj Profit after Tax | 3,422 | 3,499 | 4,226 | 23.5 | 20.8 | 3,560 | 18.7 |

Source: MOFSL, Company

Exhibit 3: Standalone quarterly store data

| Store and SSSG | 1QFY25 | 4QFY25 | 1QFY26 | YoY% | QoQ% | 1QFY26E | v/s est (%) |
|---------------------|------------|-------------|-------------|-------------|------------|-------------|-------------|
| Westside stores | 228 | 248 | 248 | 8.8 | 0.0 | 248 | 0.0 |
| Store adds | 6 | 13 | 0 | | | 0 | |
| Zudio stores | 559 | 765 | 766 | 37.0 | 0.1 | 766 | 0.0 |
| Store adds | 14 | 130 | 1 | | | 1 | |
| Total stores | 823 | 1043 | 1043 | 26.7 | 0.0 | 1043 | 0.0 |
| Store adds | 12 | 136 | 220 | | | 220 | |

Exhibit 4: Star's growth slows down

| Star | 1QFY25 | 4QFY25 | 1QFY26 | YoY | QoQ |
|---------------------|-----------|-----------|-----------|-----------|------------|
| Revenue (INRm) | 8,150 | 8,570 | 8,690 | 7% | 1% |
| YoY | 29% | 17% | 7% | | |
| SSSG | 22% | 2% | 0% | | |
| No of stores | 72 | 78 | 77 | 7% | -1% |
| Revenue per sq.ft | 31,048 | 27,424 | 26,738 | -14% | -2% |

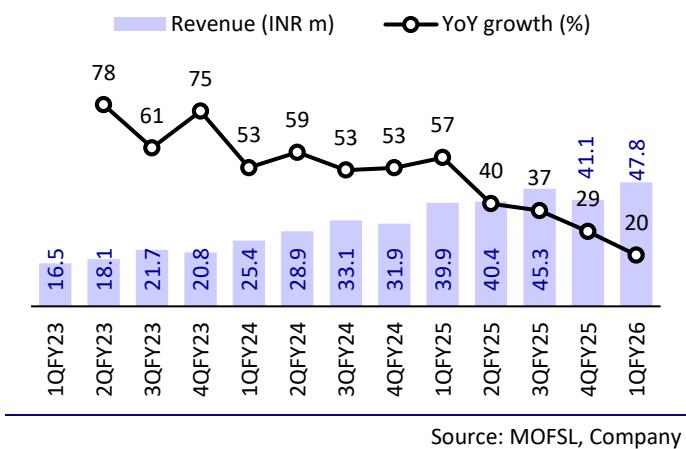
Exhibit 5: Our standalone estimate change summary

| | FY26E | FY27E | FY28E |
|---------------------------|---------|---------|---------|
| Revenue (INR m) | | | |
| Old | 208,438 | 249,128 | 293,650 |
| Actual/New | 208,753 | 248,148 | 287,793 |
| <i>Change (%)</i> | 0.2 | -0.4 | -2.0 |
| EBITDA (INR m) | | | |
| Old | 33,975 | 40,110 | 47,131 |
| Actual/New | 34,444 | 40,448 | 45,903 |
| <i>Change (%)</i> | 1.4 | 0.8 | -2.6 |
| EBITDA margin (%) | | | |
| Old | 16.3 | 16.1 | 16.1 |
| Actual/New | 16.5 | 16.3 | 16.0 |
| <i>Change (bp)</i> | 20 | 20 | -10 |
| Net Profit (INR m) | | | |
| Old | 19,077 | 22,577 | 25,748 |
| Actual/New | 18,839 | 22,006 | 24,420 |
| <i>Change (%)</i> | -1.3 | -2.5 | -5.2 |
| EPS (INR) | | | |
| Old | 53.7 | 63.5 | 72.4 |
| Actual/New | 53.0 | 61.9 | 68.7 |
| <i>Change (%)</i> | -1.3 | -2.5 | -5.2 |

Source: MOFSL, Company

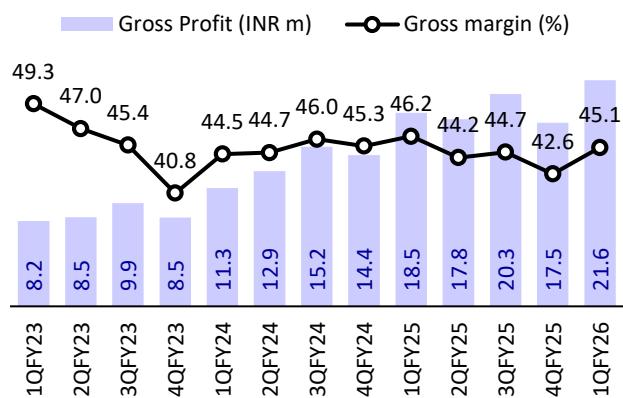
Story in charts

Exhibit 6: Standalone revenue grew 20% YoY, impacted by weak LFL and muted store adds during 1QFY26



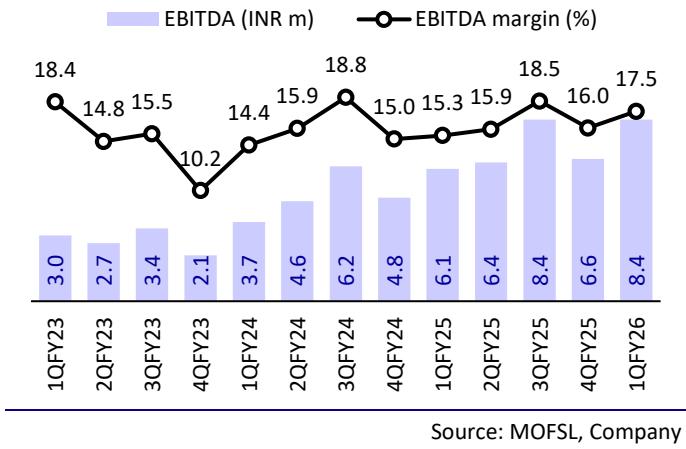
Source: MOFSL, Company

Exhibit 7: Standalone GM contracted 110bp YoY



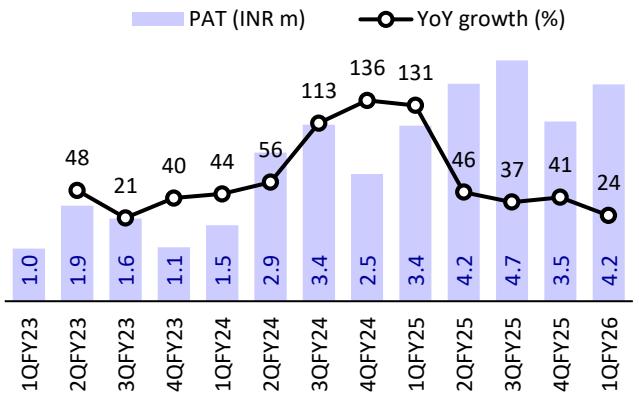
Source: MOFSL, Company

Exhibit 8: Standalone EBITDA margin expanded ~225bp YoY



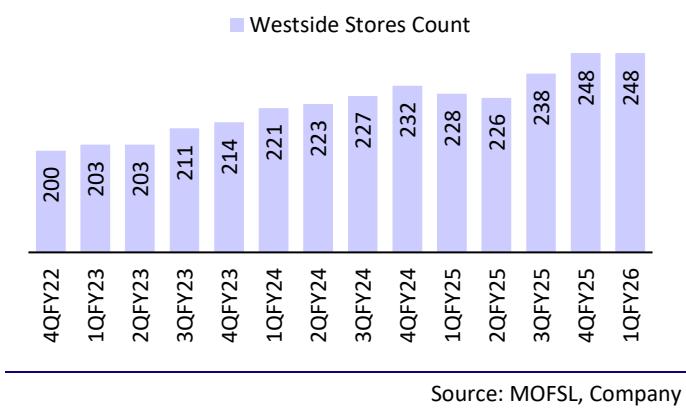
Source: MOFSL, Company

Exhibit 9: Standalone PAT increased 24% YoY



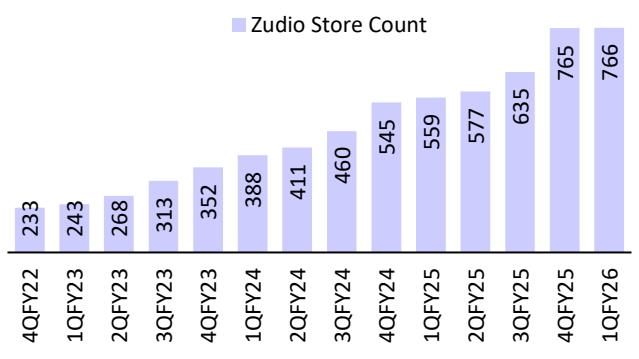
Source: MOFSL, Company

Exhibit 10: Westside store count remained flat QoQ



Source: MOFSL, Company

Exhibit 11: Zudio added only one net store during 1QFY26



Source: MOFSL, Company

Exhibit 12: Star's revenue slowed down to 7% YoY

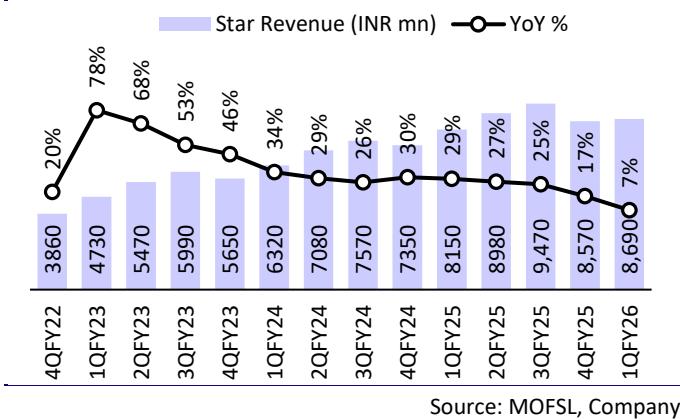


Exhibit 13: Star consolidated one store during the quarter

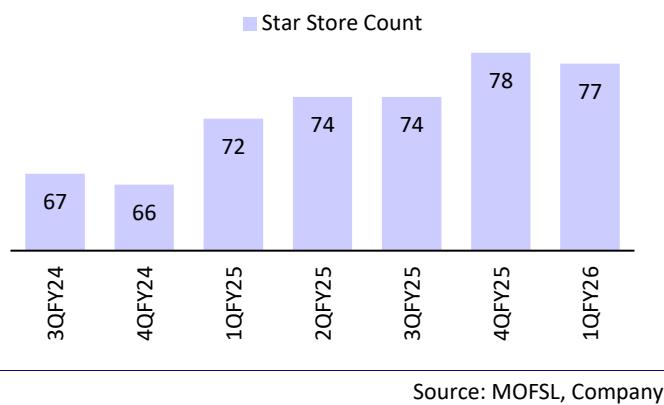


Exhibit 14: Expect 20% consol. revenue CAGR over FY25-28

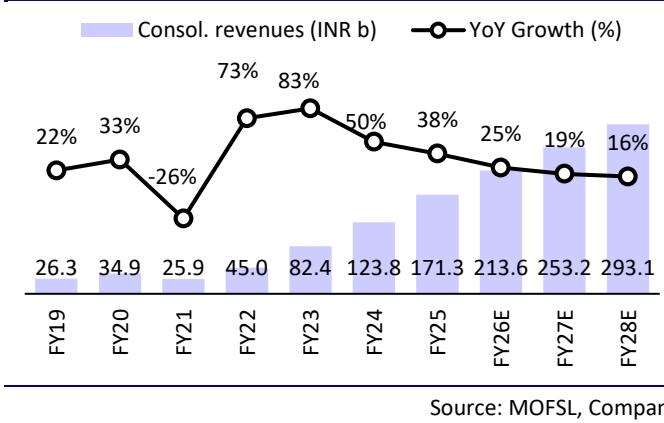


Exhibit 15: Expect 18% consol. EBITDA CAGR over FY25-28

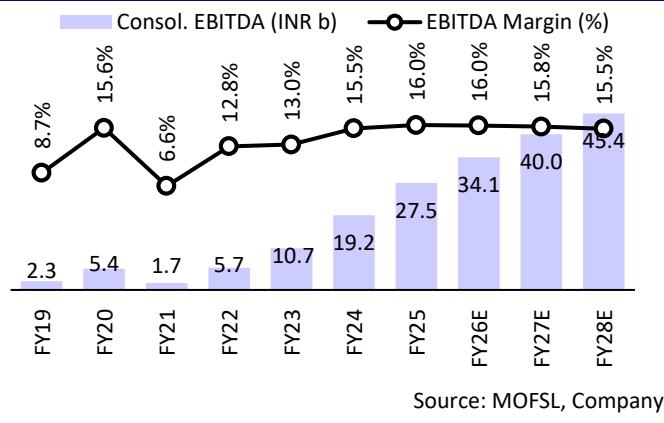
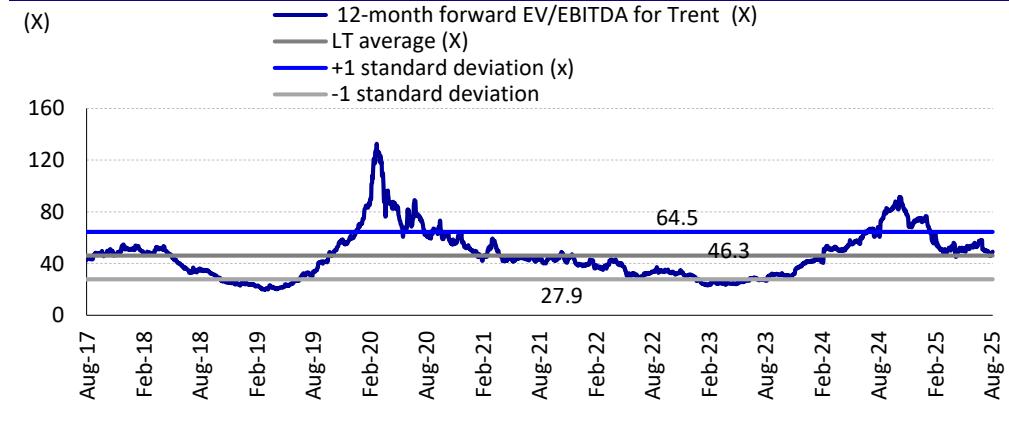


Exhibit 16: Trent trades at ~50x one-year forward EV/EBITDA



Financials and valuations – standalone

| Standalone - Income Statement | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
| Total Income from Operations | 20,475 | 38,807 | 77,152 | 119,266 | 166,681 | 208,753 | 248,148 | 287,793 |
| Change (%) | -35.6 | 89.5 | 98.8 | 54.6 | 39.8 | 25.2 | 18.9 | 16.0 |
| Raw Materials | 10,296 | 19,009 | 42,156 | 65,407 | 92,616 | 116,380 | 138,591 | 161,164 |
| Employees Cost | 2,550 | 3,379 | 5,801 | 9,379 | 12,009 | 14,508 | 17,370 | 20,577 |
| Other Expenses | 5,591 | 10,084 | 18,003 | 25,210 | 34,517 | 43,421 | 51,739 | 60,149 |
| Total Expenditure | 18,437 | 32,472 | 65,959 | 99,996 | 139,141 | 174,309 | 207,700 | 241,890 |
| % of Sales | 90.0 | 83.7 | 85.5 | 83.8 | 83.5 | 83.5 | 83.7 | 84.1 |
| EBITDA | 2,038 | 6,335 | 11,193 | 19,269 | 27,540 | 34,444 | 40,448 | 45,903 |
| Margin (%) | 10.0 | 16.3 | 14.5 | 16.2 | 16.5 | 16.5 | 16.3 | 16.0 |
| Depreciation | 2,359 | 2,831 | 4,632 | 6,385 | 8,699 | 11,172 | 12,366 | 14,114 |
| EBIT | -321 | 3,505 | 6,560 | 12,884 | 18,841 | 23,273 | 28,082 | 31,789 |
| Int. and Finance Charges | 2,380 | 2,933 | 3,572 | 3,094 | 1,369 | 1,845 | 2,462 | 3,109 |
| Other Income | 2,042 | 2,790 | 4,117 | 3,509 | 3,294 | 3,360 | 3,528 | 3,880 |
| PBT bef. EO Exp. | -658 | 3,362 | 7,105 | 13,300 | 20,766 | 24,788 | 29,147 | 32,561 |
| EO Items | -63 | -132 | 0 | 5,434 | 0 | 0 | 0 | 0 |
| PBT after EO Exp. | -721 | 3,230 | 7,105 | 18,733 | 20,766 | 24,788 | 29,147 | 32,561 |
| Total Tax | -211 | 734 | 1,559 | 4,375 | 4,918 | 5,949 | 7,141 | 8,140 |
| 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 | 18,839 | 22,006 | 24,420 |
| Adjusted PAT | -465 | 2,598 | 5,546 | 10,292 | 15,848 | 18,839 | 22,006 | 24,420 |
| Change (%) | -130.1 | -658.4 | 113.5 | 85.6 | 54.0 | 18.9 | 16.8 | 11.0 |
| Margin (%) | -2.3 | 6.7 | 7.2 | 8.6 | 9.5 | 9.0 | 8.9 | 8.5 |

| Standalone - Balance Sheet | | | | | | | | |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | 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 | 77,627 | 99,633 | 124,054 |
| Net Worth | 25,159 | 27,200 | 30,799 | 44,472 | 59,144 | 77,983 | 99,989 | 124,409 |
| Total Loans | 28,612 | 45,893 | 43,186 | 17,383 | 22,059 | 30,647 | 39,695 | 49,129 |
| Lease Liability | 25,612 | 40,835 | 38,206 | 12,398 | 17,067 | 25,655 | 34,703 | 44,137 |
| 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 | 108,172 | 139,226 | 173,080 |
| Net Fixed Assets | 29,232 | 45,083 | 43,659 | 24,002 | 36,610 | 40,752 | 44,496 | 47,170 |
| Right to use assets | 22,265 | 37,336 | 34,346 | 11,891 | 16,964 | 16,108 | 14,915 | 12,780 |
| 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 | 67,315 | 98,401 | 133,383 |
| Inventory | 3,946 | 8,225 | 13,369 | 15,648 | 20,284 | 28,596 | 33,993 | 39,424 |
| Account Receivables | 206 | 163 | 314 | 786 | 596 | 1,144 | 1,360 | 1,577 |
| Cash and Bank Balance | 669 | 744 | 789 | 2,862 | 3,229 | 20,893 | 44,641 | 72,237 |
| Loans and Advances | 4,306 | 4,994 | 6,642 | 10,094 | 13,280 | 16,681 | 18,408 | 20,146 |
| Curr. Liability & Prov. | 3,301 | 5,028 | 9,226 | 12,726 | 15,785 | 22,428 | 26,206 | 30,007 |
| Account Payables | 2,196 | 3,142 | 6,437 | 7,523 | 9,299 | 14,298 | 16,996 | 19,712 |
| Other Current Liabilities | 938 | 1,572 | 2,121 | 3,480 | 4,635 | 6,279 | 7,359 | 8,445 |
| 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 | 44,886 | 72,195 | 103,376 |
| Appl. of Funds | 52,690 | 71,868 | 72,445 | 61,302 | 80,745 | 108,173 | 139,226 | 173,081 |

Financials and valuations – standalone

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|-------------------------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | -1.3 | 7.3 | 15.6 | 29.0 | 44.6 | 53.0 | 61.9 | 68.7 |
| Cash EPS | 5.7 | 16.3 | 30.6 | 50.2 | 73.9 | 90.3 | 103.4 | 116.0 |
| BV/Share | 75.7 | 81.9 | 92.7 | 133.8 | 178.0 | 234.7 | 300.9 | 374.4 |
| DPS | 0.0 | 1.7 | 2.2 | 3.2 | 5.0 | 5.5 | 6.0 | 6.5 |
| Payout (%) | 0.0 | 24.2 | 14.1 | 7.9 | 11.2 | 10.4 | 9.7 | 9.5 |
| Valuation (x) | | | | | | | | |
| P/E | -4,075.9 | 730.0 | 342.0 | 184.3 | 119.7 | 100.7 | 86.2 | 77.7 |
| Cash P/E | 936.4 | 326.6 | 174.2 | 106.3 | 72.2 | 59.1 | 51.6 | 46.0 |
| P/BV | 70.5 | 65.2 | 57.6 | 39.9 | 30.0 | 22.7 | 17.7 | 14.3 |
| EV/Sales | 94.0 | 50.0 | 25.1 | 16.0 | 11.5 | 9.1 | 7.6 | 6.5 |
| EV/EBITDA | 944.2 | 306.5 | 173.2 | 99.2 | 69.5 | 55.3 | 46.8 | 40.8 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| FCF per share | 8.7 | -1.4 | 12.6 | 27.2 | 23.9 | 45.4 | 63.8 | 75.5 |
| Return Ratios (%) | | | | | | | | |
| RoE | -1.9 | 9.9 | 19.1 | 27.3 | 30.6 | 27.5 | 24.7 | 21.8 |
| RoCE | -0.4 | 4.3 | 7.0 | 14.5 | 20.1 | 18.6 | 17.1 | 15.2 |
| RoIC | -0.7 | 6.2 | 9.5 | 21.1 | 30.7 | 29.7 | 31.0 | 31.7 |
| 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 | 3.8 | 4.4 |
| Interest Cover Ratio | -0.1 | 1.2 | 1.8 | 4.2 | 13.8 | 12.6 | 11.4 | 10.2 |
| Net Debt/Equity | 0.4 | 1.0 | 0.8 | -0.1 | 0.0 | -0.1 | -0.3 | -0.4 |

Standalone - Cash Flow Statement

(**INR m**)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | -658 | 3,362 | 7,105 | 13,300 | 20,766 | 24,788 | 29,147 | 32,561 |
| Depreciation | 2,359 | 2,831 | 4,639 | 6,392 | 8,706 | 11,172 | 12,366 | 14,114 |
| Interest & Finance Charges | 2,084 | 2,725 | 3,411 | 2,913 | 1,063 | 1,845 | 2,462 | 3,109 |
| Direct Taxes Paid | -1 | -782 | -1,869 | -2,942 | -4,915 | -5,949 | -7,141 | -8,140 |
| (Inc)/Dec in WC | 1,131 | -4,020 | -2,707 | -2,725 | -5,579 | -5,618 | -3,562 | -3,584 |
| CF from Operations | 4,915 | 4,116 | 10,579 | 16,938 | 20,041 | 26,236 | 33,273 | 38,059 |
| Others | -782 | -2,624 | -3,951 | -3,455 | -3,359 | -3,360 | -3,528 | -3,880 |
| CF from Operating incl EO | 4,133 | 1,492 | 6,628 | 13,484 | 16,683 | 22,877 | 29,745 | 34,178 |
| (Inc)/Dec in FA | -1,031 | -1,979 | -2,144 | -3,819 | -8,177 | -6,727 | -7,064 | -7,354 |
| Free Cash Flow | 3,102 | -487 | 4,485 | 9,665 | 8,506 | 16,149 | 22,682 | 26,824 |
| (Pur)/Sale of Investments | 1,195 | 2,317 | 57 | -926 | 0 | 0 | 0 | 0 |
| Others | -557 | -397 | 657 | -241 | 25 | 3,360 | 3,528 | 3,880 |
| CF from Investments | -393 | -59 | -1,430 | -4,985 | -8,152 | -3,368 | -3,536 | -3,474 |
| 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 | -1,845 | -2,462 | -3,109 |
| 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 | -1,845 | -2,462 | -3,109 |
| Inc/Dec of Cash | 229 | 74 | 45 | 2,074 | 801 | 17,664 | 23,747 | 27,596 |
| Opening Balance | 441 | 669 | 744 | 789 | 2,849 | 3,229 | 20,893 | 44,641 |
| Closing Balance | 669 | 744 | 789 | 2,862 | 3,651 | 20,893 | 44,641 | 72,237 |

Financials and valuations – consolidated

| Consolidated - Income Statement | | | | | | | | (INR m) |
|-------------------------------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
| Total Income from Operations | 25,930 | 44,980 | 82,420 | 123,751 | 171,346 | 213,558 | 253,193 | 293,090 |
| Change (%) | -25.6 | 73.5 | 83.2 | 50.1 | 38.5 | 24.6 | 18.6 | 15.8 |
| Raw Materials | 15,340 | 24,815 | 47,197 | 69,589 | 96,891 | 120,764 | 143,187 | 165,985 |
| Employees Cost | 3,019 | 3,990 | 6,552 | 10,366 | 13,084 | 15,959 | 18,966 | 22,332 |
| Other Expenses | 5,852 | 10,437 | 17,934 | 24,575 | 33,874 | 42,748 | 51,032 | 59,407 |
| Total Expenditure | 24,211 | 39,241 | 71,684 | 104,530 | 143,849 | 179,471 | 213,185 | 247,724 |
| % of Sales | 93.4 | 87.2 | 87.0 | 84.5 | 84.0 | 84.0 | 84.2 | 84.5 |
| EBITDA | 1,719 | 5,739 | 10,737 | 19,221 | 27,498 | 34,087 | 40,008 | 45,366 |
| Margin (%) | 6.6 | 12.8 | 13.0 | 15.5 | 16.0 | 16.0 | 15.8 | 15.5 |
| Depreciation | 2,573 | 3,108 | 4,937 | 6,711 | 8,952 | 11,545 | 12,861 | 14,715 |
| EBIT | -854 | 2,631 | 5,800 | 12,510 | 18,546 | 22,542 | 27,147 | 30,651 |
| Int. and Finance Charges | 2,487 | 3,047 | 3,692 | 3,191 | 1,386 | 1,932 | 2,618 | 3,340 |
| 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 | 23,225 | 27,536 | 30,769 |
| 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 | 23,225 | 27,536 | 30,769 |
| Total Tax | -237 | 766 | 1,584 | 4,434 | 4,953 | 5,922 | 6,953 | 7,745 |
| Tax Rate (%) | 17.8 | 72.2 | 33.8 | 24.7 | 25.5 | 25.5 | 25.3 | 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 | 18,254 | 21,611 | 24,134 |
| Adjusted PAT | -1,803 | 422 | 3,957 | 10,387 | 15,345 | 18,254 | 21,611 | 24,134 |
| Change (%) | -270.1 | -123.4 | 837.0 | 162.5 | 47.7 | 19.0 | 18.4 | 11.7 |
| Margin (%) | -7.0 | 0.9 | 4.8 | 8.4 | 9.0 | 8.5 | 8.5 | 8.2 |

| Consolidated - Balance Sheet | | | | | | | | (INR m) |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | 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 | 70,561 | 90,039 | 111,862 |
| Net Worth | 23,130 | 23,640 | 25,955 | 40,677 | 54,617 | 70,917 | 90,394 | 112,218 |
| 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 | 32,351 | 42,458 | 52,969 |
| Lease Liabilities | 26,637 | 42,280 | 39,662 | 12,544 | 17,380 | 26,894 | 37,002 | 47,512 |
| 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 | 104,049 | 133,634 | 165,968 |
| Gross Block | 37,078 | 55,887 | 57,819 | 34,256 | 56,704 | 73,095 | 90,417 | 108,431 |
| Less: Accum. Deprn. | 6,749 | 9,397 | 13,093 | 10,298 | 18,293 | 29,837 | 42,698 | 57,413 |
| Net Fixed Assets | 30,329 | 46,491 | 44,726 | 23,958 | 38,411 | 43,258 | 47,718 | 51,018 |
| Right to use assets | 23,185 | 38,642 | 35,502 | 12,021 | 17,268 | 19,981 | 21,800 | 22,996 |
| 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 | 68,025 | 96,459 | 128,749 |
| Inventory | 4,284 | 8,678 | 13,612 | 15,827 | 20,451 | 34,888 | 41,471 | 48,097 |
| Account Receivables | 208 | 179 | 344 | 817 | 630 | 1,170 | 1,387 | 1,606 |
| Cash and Bank Balance | 815 | 864 | 863 | 2,976 | 3,398 | 13,078 | 32,650 | 56,022 |
| Loans and Advances | 4,694 | 5,525 | 7,051 | 10,556 | 13,735 | 18,889 | 20,950 | 23,024 |
| Curr. Liability & Prov. | 6,976 | 5,823 | 9,464 | 13,009 | 15,526 | 25,324 | 29,661 | 34,026 |
| Account Payables | 2,746 | 3,780 | 6,652 | 7,739 | 9,282 | 17,553 | 20,810 | 24,090 |
| Other Current Liabilities | 4,026 | 1,734 | 2,098 | 3,482 | 4,316 | 5,843 | 6,922 | 8,008 |
| 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 | 42,701 | 66,798 | 94,723 |
| Misc Expenditure | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Appl. of Funds | 49,515 | 70,174 | 69,791 | 58,064 | 78,236 | 104,048 | 133,634 | 165,968 |

Financials and valuations – consolidated

Ratios

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|-------------------------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Basic (INR) | | | | | | | | |
| EPS | -5.1 | 1.2 | 11.1 | 29.2 | 43.2 | 51.3 | 60.8 | 67.9 |
| Cash EPS | 2.3 | 10.6 | 26.8 | 51.5 | 73.1 | 89.7 | 103.7 | 116.9 |
| BV/Share | 69.6 | 71.1 | 78.1 | 122.4 | 164.4 | 213.4 | 272.0 | 337.7 |
| DPS | 0.0 | 1.7 | 2.2 | 3.2 | 5.0 | 5.5 | 6.0 | 6.5 |
| Payout (%) | 0.0 | 174.6 | 19.9 | 7.7 | 11.6 | 10.7 | 9.9 | 9.6 |
| Valuation (x) | | | | | | | | |
| P/E | -1,051.9 | 4,485.0 | 479.3 | 182.6 | 123.6 | 103.9 | 87.8 | 78.6 |
| Cash P/E | 2,302.4 | 502.2 | 199.3 | 103.7 | 73.0 | 59.5 | 51.4 | 45.6 |
| P/BV | 76.6 | 75.0 | 68.3 | 43.6 | 32.5 | 25.0 | 19.6 | 15.8 |
| EV/Sales | 74.1 | 43.1 | 23.5 | 15.4 | 11.2 | 9.0 | 7.5 | 6.5 |
| EV/EBITDA | 1,109.3 | 335.8 | 179.7 | 98.7 | 69.1 | 55.7 | 47.2 | 41.3 |
| Dividend Yield (%) | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| FCF per share | 8.0 | -4.3 | 10.4 | 26.9 | 22.5 | 30.8 | 60.0 | 71.9 |
| Return Ratios (%) | | | | | | | | |
| RoE | -7.7 | 1.8 | 16.0 | 31.2 | 32.2 | 29.1 | 26.8 | 23.8 |
| RoCE | -1.4 | 1.2 | 5.4 | 14.6 | 20.4 | 18.6 | 17.2 | 15.4 |
| RoIC | -2.1 | 1.7 | 6.9 | 19.8 | 28.7 | 25.6 | 26.1 | 26.7 |
| Working Capital Ratios | | | | | | | | |
| Fixed Asset Turnover (x) | 0.7 | 0.8 | 1.4 | 3.6 | 3.0 | 2.9 | 2.8 | 2.7 |
| 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 | 3.3 | 3.8 |
| Interest Cover Ratio | -0.3 | 0.9 | 1.6 | 3.9 | 13.4 | 11.7 | 10.4 | 9.2 |
| 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 | FY21 | FY22 | FY23 | FY24 | FY25E | FY26E | FY27E | FY28E |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| OP/(Loss) before Tax | -2,038 | 1,387 | 5,551 | 13,448 | 20,297 | 23,225 | 27,536 | 30,769 |
| Depreciation | 2,573 | 3,108 | 4,937 | 6,711 | 8,952 | 11,545 | 12,861 | 14,715 |
| Interest & Finance Charges | 2,197 | 2,814 | 3,524 | 2,988 | 1,072 | 1,932 | 2,618 | 3,340 |
| Direct Taxes Paid | -11 | -816 | -1,910 | -2,989 | -4,941 | -5,922 | -6,953 | -7,745 |
| (Inc)/Dec in WC | 1,063 | -4,293 | -2,932 | -2,715 | -5,677 | -10,335 | -4,525 | -4,553 |
| CF from Operations | 3,783 | 2,199 | 9,170 | 17,443 | 19,703 | 20,444 | 31,537 | 36,527 |
| 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 | 17,830 | 28,531 | 33,069 |
| (Inc)/Dec in FA | -910 | -2,101 | -2,235 | -3,937 | -8,617 | -6,878 | -7,214 | -7,504 |
| Free Cash Flow | 2,828 | -1,516 | 3,714 | 9,552 | 7,992 | 10,952 | 21,317 | 25,565 |
| (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 | -4,263 | -4,207 | -4,046 |
| 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 | -1,932 | -2,618 | -3,340 |
| 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 | -3,887 | -4,751 | -5,651 |
| Inc/Dec of Cash | 201 | 49 | -1 | 2,113 | 438 | 9,680 | 19,573 | 23,372 |
| Opening Balance | 614 | 815 | 864 | 863 | 2,960 | 3,398 | 13,078 | 32,650 |
| Closing Balance | 815 | 864 | 863 | 2,976 | 3,398 | 13,078 | 32,650 | 56,022 |

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NOTES

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

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