

Estimate change 

TP change 

Rating change 

Bloomberg	TRENT IN
Equity Shares (m)	355
M.Cap.(INRb)/(USDb)	1282.4 / 15.5
52-Week Range (INR)	3635 / 1206
1, 6, 12 Rel. Per (%)	17/102/174
12M Avg Val (INR M)	1283

### Financials & Valuations Consol (INR b)

INR b	FY23	FY24E	FY25E
Sales	82.4	125.4	166.4
EBITDA	10.7	18.1	25.1
NP	4.0	8.7	12.5
EBITDA Margin (%)	13.0	14.4	15.1
Adj. EPS (INR)	11.1	24.4	35.0
EPS Gr. (%)	835.7	119.3	43.5
BV/Sh. (INR)	78.1	104.2	141.7

### Ratios

Net D:E	1.3	1.3	1.2
RoE (%)	16.0	28.6	30.5
RoCE (%)	7.9	14.9	15.6
Payout (%)	19.9	0.0	0.0

### Valuations

P/E (x)	325.8	148.5	103.5
EV/EBITDA (x)	123.1	73.9	53.5
EV/Sales (x)	16.2	10.7	8.1
Div. Yield (%)	0.1	0.0	0.0
FCF Yield (%)	0.3	0.6	0.8

### Shareholding pattern (%)

As On	Dec-23	Sep-23	Dec-22
Promoter	37.0	37.0	37.0
DII	14.8	14.9	16.1
FII	25.9	26.2	24.8
Others	22.3	22.2	22.1

FII Includes depository receipts

**CMP: INR3,608 TP: INR4,200 (+16%)**

**BUY**

### Stellar performance in a weak market

- TRENT reported a strong standalone revenue growth of 53% (5% miss) led by 10% LFL and store additions in 3QFY24. This, along with RM cost tailwinds, led to a gross margin improvement. Further, controlled costs drove EBITDA/PAT growth of 86%/2.1x YoY (6%/8% beat) for the quarter.
- Based on strong revenue productivity, aggressive store additions, margin tailwinds from moderating RM, and operating leverage, we have modeled 30%/31% revenue/EBITDA CAGR over FY24-26. We have also maintained our estimates broadly. The continued momentum within Star and improving store metrics offer further upside potential. **We reiterate our BUY rating with a revised TP of INR4,200**, given TRENT's strong growth opportunity going forward.

### Strong LFL growth and margin expansion boost earnings

- TRENT's standalone revenue continued with its strong growth of 52.5% YoY to INR33.1b (a slight miss) due to healthy store additions and an impressive 10% LFL growth in fashion concepts.
  - Westside's revenue (calc.) rose 24% YoY to ~INR15.4b, led by 10% LFL growth and 8% YoY store adds. It added five new stores and closed one, taking the total count to 227 stores.
  - Zudio's revenue (calc.) surged 93% YoY to INR17.6b, led by a strong footprint addition of 41% YoY. It added 50 new stores and closed one, taking the total count to 460 stores.
  - Star's revenue jumped 26% YoY to INR7.6b, driven entirely by a big LFL jump of 24% YoY. It added two stores (net), taking the count to 67 stores in 10 cities.
- Gross profit grew 54% YoY to INR15.2b (in line), while margin expanded 60bp YoY to 46.0%, possibly due to RM moderation. TRENT was among the few retailers that did not take price increases in FY22-23 RM upcycle, and it is now reaping the rewards of moderating RM prices.
- Employee/other expenses grew 53%/34% YoY to INR2.4b/6.5b (in line/8% above estimate).
- EBITDA jumped 86% YoY to INR6.2b (6% beat), led by: a) GM improvement, and b) leverage in other expenses. Margin improved 340bp YoY to 18.8% (180bp beat).
- Pre-Ind AS EBITDA (calc.) jumped 2.2x to ~INR4.8b, with a margin expansion of 450bp to ~14.4%.
- PAT surged 2.1x YoY to INR3.4b (8% beat), led by strong SSSG, aggressive footprint growth, RM tailwinds, and operating leverage.

### Highlights from the management commentary

- As per the management, standalone Pre-Ind AS EBIT margin stood at 13% (vs. 8.5% in 3QFY23).
- Fashion concept formats registered LFL growth of over 10% YoY for 3Q.

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

Motilal Oswal research is available on [www.motilaloswal.com/Institutional-Equities](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- The portfolio included 227 Westside, 460 Zudio, and 28 stores across other lifestyle concepts. In 9MFY24, it has added 13/108/4 stores for Westside/Zudio and other lifestyle concepts.
- Emerging categories, including beauty and personal care, innerwear, and footwear contributed to over 19% of the standalone revenue.
- Online revenue continued to grow profitably through Westside.com and other Tata group platforms, and currently it contributes over 5% of Westside's revenue.

#### Valuation and view

- TRENT's strong performance with 10% LFL growth and robust footprint additions remains an outlier within our retail coverage universe that is witnessing a challenging demand environment. Unlike peers that passed on the sharp RM price increases last fiscal, Trent absorbed the impact, seeing strong customer reception and is now reaping the benefits as RM prices turn benign.
- Further, despite adding stores aggressively, the company has observed limited balance sheet risk or weakness in operations.
- TRENT's industry-leading revenue growth, driven by: a) healthy SSSG and productivity, b) robust footprint additions, and c) healthy scale up within the Zudio, offer a huge runway for growth over the next three to five years.
- The company's grocery segment, Star, with merely 67 stores and an annualized revenue of INR26.9b (FY24E) is seeing strong LFL growth. This presents a huge opportunity for growth. Its own brand strategy and curated range are witnessing strong customer reception.
- We broadly keep our estimates unchanged and factor in a standalone revenue/EBITDA CAGR of 30%/31% over FY24-26, led by a strong 20% YoY footprint addition and a healthy SSSG.
- We assign 45x EV/EBITDA to the standalone business (Westside and Zudio; premium over our Retail Universe, given its superlative growth), 2x EV/sales to Star Bazaar, and 15x EV/EBITDA to Zara on FY26E, and arrive at our TP of INR4,200. Adjusting Star and Zara value, the stock is trading at 66x PE on FY26E for the Standalone business. **We reiterate our BUY rating on the stock.**

#### Standalone - Quarterly Earning Model

Y/E March	(INR m)											
	FY23				FY24E				FY23	FY24E	FY24E	Est. Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		3QE	(%)	
Revenue	16,529	18,136	21,715	20,772	25,364	28,907	33,125	32,692	77,152	1,20,088	34,744	-5
YoY Change (%)	405.0	77.7	61.1	75.3	53.5	59.4	52.5	57.4	98.8	55.7	60.0	
Total Expenditure	13,488	15,461	18,359	18,652	21,708	24,299	26,893	28,394	65,959	1,01,294	28,838	-7
EBITDA	3,041	2,675	3,356	2,120	3,657	4,609	6,232	4,297	11,193	18,794	5,907	6
EBITDA Margin (%)	18.4	14.8	15.5	10.2	14.4	15.9	18.8	13.1	14.5	15.7	17.0	
Depreciation	1,202	1,043	1,106	1,281	1,335	1,448	1,575	1,678	4,632	6,037	1,547	2
Interest	925	880	885	883	891	923	957	1,019	3,572	3,791	953	0
Other Income	415	1,680	730	1,291	498	1,511	768	929	4,117	3,705	848	-9
PBT before EO expense	1,330	2,432	2,095	1,248	1,928	3,748	4,467	2,529	7,105	12,671	4,255	5
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,330	2,432	2,095	1,248	1,928	3,748	4,467	2,529	7,105	12,671	4,255	5
Tax	303	574	486	197	445	851	1,031	632	1,559	2,959	1,064	
Reported PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	1,897	5,546	9,712	3,191	8
Adj PAT	1,026	1,859	1,610	1,051	1,483	2,897	3,436	1,897	5,546	9,712	3,191	8
YoY Change (%)	-222.5	37.1	21.1	40.2	44.5	55.9	113.5	80.4	113.5	75.1	98.3	

E: MOFSL Estimates

**Consolidated performance**

- Consolidated revenue grew 51% YoY to INR34.7b.
- Reported EBITDA doubled YoY to INR6.3b with 18.1% margin (+410bp YoY).
- Adjusted PAT stood at INR3.4b v/s INR1.2b in 3QFY23.

**Valuation based on SoTP on FY26E**

Particulars (INR b)	Financial metric	Multiple	EBITDA/Sales	Value
Westside and Zudio	EBITDA	45	32.4	1,463
Star	Sales	2	14.9	30
Zara	EBITDA	15	3.7	56
<b>Total Enterprise Value</b>				<b>1,549</b>
Net Debt				57
<b>Equity Value</b>				<b>1,492</b>
Shares (m)				356
<b>Target Price</b>				<b>4,200</b>
CMP				3,626
Upside				16%

Source: MOFSL, Company

**Exhibit 1: Standalone quarterly performance (INR m)**

	3QFY23	2QFY24	3QFY24	YoY%	QoQ%	3QFY24E	v/s est (%)
<b>Revenue</b>	<b>21,715</b>	<b>28,907</b>	<b>33,125</b>	<b>52.5</b>	<b>14.6</b>	<b>34,744</b>	<b>-4.7</b>
Raw Material cost	11,861	15,997	17,904	50.9	11.9	19,283	-7.2
<b>Gross Profit</b>	<b>9,854</b>	<b>12,911</b>	<b>15,221</b>	<b>54.5</b>	<b>17.9</b>	<b>15,461</b>	<b>-1.6</b>
<b>Gross margin (%)</b>	<b>45.4</b>	<b>44.7</b>	<b>46.0</b>	<b>57bps</b>	<b>129bps</b>	<b>44.5</b>	<b>145bps</b>
Employee Costs	1,600	2,106	2,441	52.6	15.9	2,432	0.4
SGA Expenses	4,899	6,196	6,548	33.7	5.7	7,123	-8.1
<b>Total Opex</b>	<b>18,359</b>	<b>24,299</b>	<b>26,893</b>	<b>46.5</b>	<b>10.7</b>	<b>28,838</b>	<b>-6.7</b>
<b>EBITDA</b>	<b>3,356</b>	<b>4,609</b>	<b>6,232</b>	<b>85.7</b>	<b>35.2</b>	<b>5,907</b>	<b>5.5</b>
<b>EBITDA margin (%)</b>	<b>15.5</b>	<b>15.9</b>	<b>18.8</b>	<b>336bps</b>	<b>287bps</b>	<b>17.0</b>	<b>181bps</b>
Depreciation and amortization	1,106	1,448	1,575	42.4	8.8	1,547	1.9
EBIT	2,250	3,160	4,656	107.0	47.3	4,360	6.8
<b>EBIT margin (%)</b>	<b>10.4</b>	<b>10.9</b>	<b>14.1</b>	<b>36bps</b>	<b>29bps</b>	<b>12.5</b>	<b>151bps</b>
Finance Costs	885	923	957	8.2	3.7	953	0.5
Other income	730	1,511	768	5.2	-49.2	848	-9.5
Exceptional item	0	0	0	0.0	0.0	0	NM
<b>Profit before Tax</b>	<b>2,095</b>	<b>3,748</b>	<b>4,467</b>	<b>113.2</b>	<b>19.2</b>	<b>4,255</b>	<b>5.0</b>
Tax	486	851	1,031	112.3	21.2	1,064	-3.1
<b>Tax rate (%)</b>	<b>23.2</b>	<b>22.7</b>	<b>23.1</b>	<b>-10bps</b>	<b>37bps</b>	<b>25.0</b>	<b>-192bps</b>
<b>Profit after Tax</b>	<b>1,610</b>	<b>2,897</b>	<b>3,436</b>	<b>113.5</b>	<b>18.6</b>	<b>3,191</b>	<b>7.7</b>
<b>Adj Profit after Tax</b>	<b>1,610</b>	<b>2,897</b>	<b>3,436</b>	<b>113.5</b>	<b>18.6</b>	<b>3,191</b>	<b>7.7</b>

Source: MOFSL, Company

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

	3QFY23	2QFY24	3QFY24	YoY	QoQ
<b>Total Revenue</b>	<b>21,715</b>	<b>28,907</b>	<b>33,125</b>	<b>53%</b>	<b>15%</b>
<b>Westside</b>	<b>12,456</b>	<b>11,839</b>	<b>15,385</b>	<b>24%</b>	<b>30%</b>
mix	57.4%	41.0%	46.4%		
<b>Zudio</b>	<b>9,140</b>	<b>16,949</b>	<b>17,621</b>	<b>93%</b>	<b>4%</b>
mix	42.1%	58.6%	53.2%		
<b>Gross Profit</b>	<b>9,854</b>	<b>12,911</b>	<b>15,221</b>	<b>54%</b>	<b>18%</b>
Margin	45.4%	44.7%	46.0%		
<b>Westside</b>	<b>6,477</b>	<b>6,346</b>	<b>8,246</b>	<b>27%</b>	<b>30%</b>
Margin	52.0%	53.6%	53.6%		
<b>Zudio</b>	<b>3,377</b>	<b>6,565</b>	<b>6,975</b>	<b>107%</b>	<b>6%</b>
Margin	36.9%	38.7%	39.6%		

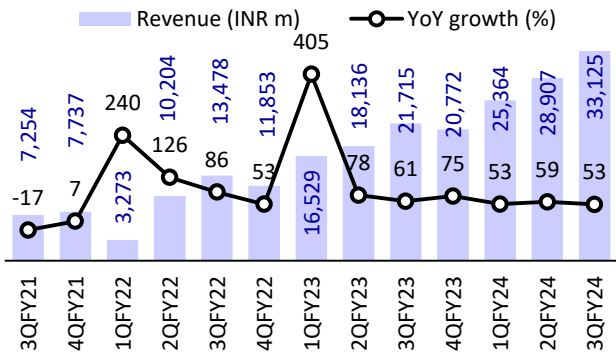
**Exhibit 3: Our standalone estimate change summary**

	FY24E	FY25E
<b>Revenue (INR m)</b>		
Old	1,23,467	1,65,116
Actual/New	1,20,088	1,61,157
Change (%)	-2.7	-2.4
<b>RM cost (INR m)</b>		
Old	69,141	92,878
Actual/New	67,249	90,651
Change (%)	-2.7	-2.4
<b>EBITDA (INR m)</b>		
Old	19,076	25,676
Actual/New	18,794	25,866
Change (%)	-1.5	0.7
<b>EBITDA margin (%)</b>		
Old	15.5	15.6
Actual/New	15.7	16.1
Change (bp)	20	50
<b>Depreciation &amp; amortization (INR m)</b>		
Old	5,955	6,715
Actual/New	6,037	6,813
Change (%)	1.4	1.5
<b>Finance cost (INR m)</b>		
Old	3,812	4,032
Actual/New	3,791	4,036
Change (%)	-0.6	0.1
<b>Net Profit (INR m)</b>		
Old	9,883	13,976
Actual/New	9,712	14,041
Change (%)	-1.7	0.5
<b>EPS (INR)</b>		
Old	28	39
Actual/New	27.32	39.50
Change (%)	-1.7	0.5

Source: MOFSL, Company

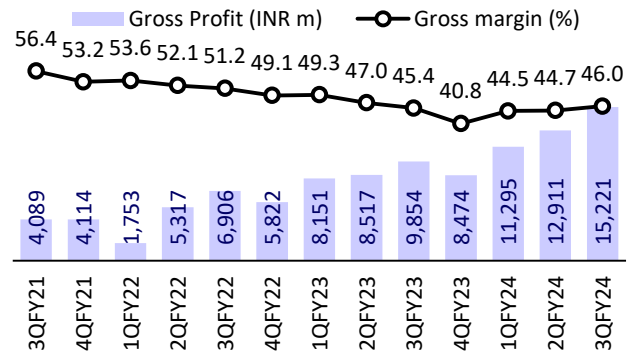
Story in charts

Exhibit 4: Standalone revenue grew led by both Zudio/ Westside



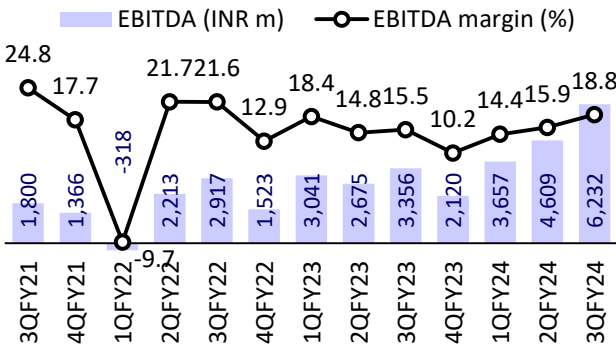
Source: MOFSL, Company

Exhibit 5: Standalone GM improved



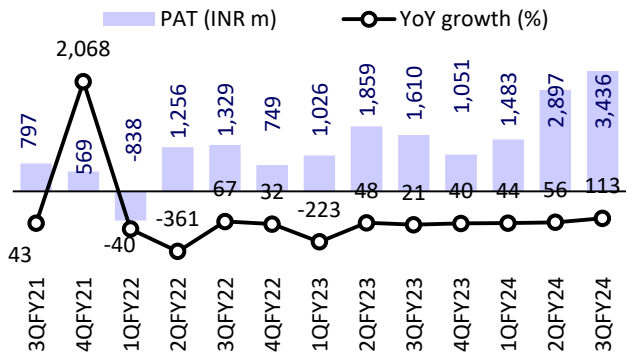
Source: MOFSL, Company

Exhibit 6: Standalone margin improved due to GM and controlled cost



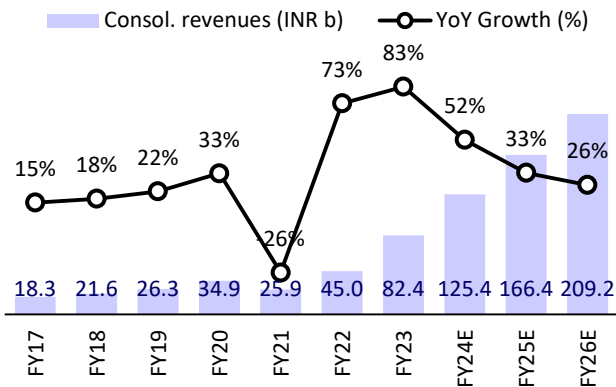
Source: MOFSL, Company

Exhibit 7: Standalone PAT surged 2.1x YoY



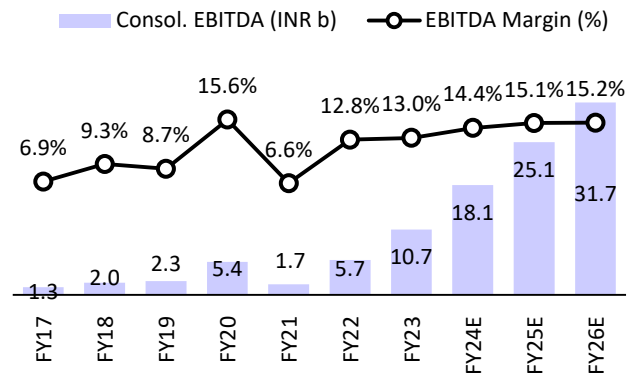
Source: MOFSL, Company

Exhibit 8: Expect 29% consol. revenue CAGR over FY24-26



Source: MOFSL, Company

Exhibit 9: Expect 32% consol. EBITDA CAGR over FY24-26



Source: MOFSL, Company

## Financials and valuations – standalone

Standalone - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>25,317</b>	<b>31,777</b>	<b>20,475</b>	<b>38,807</b>	<b>77,152</b>	<b>1,20,088</b>	<b>1,61,157</b>	<b>2,03,945</b>
Change (%)	22.5	25.5	-35.6	89.5	98.8	55.7	34.2	26.5
Raw Materials	12,324	16,037	10,296	19,009	42,156	67,249	90,651	1,15,229
Employees Cost	2,524	3,131	2,550	3,379	5,801	8,826	11,603	14,480
Other Expenses	4,924	4,950	5,591	10,084	18,003	25,218	33,037	41,809
<b>Total Expenditure</b>	<b>22,951</b>	<b>26,145</b>	<b>18,437</b>	<b>32,472</b>	<b>65,959</b>	<b>1,01,294</b>	<b>1,35,292</b>	<b>1,71,517</b>
% of Sales	90.7	82.3	90.0	83.7	85.5	84.4	84.0	84.1
<b>EBITDA</b>	<b>2,366</b>	<b>5,632</b>	<b>2,038</b>	<b>6,335</b>	<b>11,193</b>	<b>18,794</b>	<b>25,866</b>	<b>32,427</b>
Margin (%)	9.3	17.7	10.0	16.3	14.5	15.7	16.1	15.9
Depreciation	465	2,311	2,359	2,831	4,632	6,037	6,813	7,599
<b>EBIT</b>	<b>1,902</b>	<b>3,321</b>	<b>-321</b>	<b>3,505</b>	<b>6,560</b>	<b>12,757</b>	<b>19,053</b>	<b>24,828</b>
Int. and Finance Charges	368	2,383	2,380	2,933	3,572	3,791	4,036	4,359
Other Income	363	1,518	2,042	2,790	4,117	3,705	3,705	3,705
<b>PBT bef. EO Exp.</b>	<b>1,897</b>	<b>2,456</b>	<b>-658</b>	<b>3,362</b>	<b>7,105</b>	<b>12,671</b>	<b>18,722</b>	<b>24,175</b>
EO Items	-5	0	-63	-132	0	0	0	0
<b>PBT after EO Exp.</b>	<b>1,892</b>	<b>2,456</b>	<b>-721</b>	<b>3,230</b>	<b>7,105</b>	<b>12,671</b>	<b>18,722</b>	<b>24,175</b>
Total Tax	617	909	-211	734	1,559	2,959	4,680	6,085
Tax Rate (%)	32.6	37.0	29.3	22.7	21.9	23.4	25.0	25.2
Minority Interest	0	0	0	0	0	0	0	0
<b>Reported PAT</b>	<b>1,276</b>	<b>1,546</b>	<b>-510</b>	<b>2,496</b>	<b>5,546</b>	<b>9,712</b>	<b>14,041</b>	<b>18,090</b>
<b>Adjusted PAT</b>	<b>1,279</b>	<b>1,546</b>	<b>-465</b>	<b>2,598</b>	<b>5,546</b>	<b>9,712</b>	<b>14,041</b>	<b>18,090</b>
Change (%)	9.6	20.9	-130.1	-658.4	113.5	75.1	44.6	28.8
Margin (%)	5.1	4.9	-2.3	6.7	7.2	8.1	8.7	8.9

Standalone - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	332	355	355	356	356	356	356	356
Total Reserves	16,636	24,627	24,803	26,845	30,444	40,156	54,197	72,287
<b>Net Worth</b>	<b>16,968</b>	<b>24,983</b>	<b>25,159</b>	<b>27,200</b>	<b>30,799</b>	<b>40,511</b>	<b>54,553</b>	<b>72,643</b>
Total Loans	3,942	24,468	28,612	45,893	43,186	46,514	50,451	54,487
Lease Liability		21,471	25,612	40,835	38,206	38,206	38,206	38,206
Deferred Tax Liabilities	-72	-1,070	-1,080	-1,225	-1,540	-1,540	-1,540	-1,540
<b>Capital Employed</b>	<b>20,838</b>	<b>48,382</b>	<b>52,690</b>	<b>71,868</b>	<b>72,445</b>	<b>85,485</b>	<b>1,03,464</b>	<b>1,25,590</b>
<b>Net Fixed Assets</b>	<b>6,271</b>	<b>26,175</b>	<b>29,232</b>	<b>45,083</b>	<b>43,659</b>	<b>45,341</b>	<b>46,614</b>	<b>47,200</b>
Right to use assets		19,041	22,265	37,336	34,346	34,346	34,346	34,346
Capital WIP	850	231	340	448	415	415	415	415
<b>Total Investments</b>	<b>9,410</b>	<b>16,068</b>	<b>17,292</b>	<b>17,239</b>	<b>16,483</b>	<b>16,483</b>	<b>16,483</b>	<b>16,483</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>9,001</b>	<b>10,399</b>	<b>9,126</b>	<b>14,126</b>	<b>21,114</b>	<b>36,962</b>	<b>58,056</b>	<b>84,168</b>
Inventory	4,894	5,865	3,946	8,225	13,369	19,740	26,492	33,525
Account Receivables	141	133	206	163	314	658	883	1,118
Cash and Bank Balance	509	441	669	744	789	2,614	13,131	28,224
Loans and Advances	3,457	3,960	4,306	4,994	6,642	13,949	17,550	21,301
<b>Curr. Liability &amp; Prov.</b>	<b>4,696</b>	<b>4,492</b>	<b>3,301</b>	<b>5,028</b>	<b>9,226</b>	<b>13,716</b>	<b>18,104</b>	<b>22,676</b>
Account Payables	2,289	2,565	2,196	3,142	6,437	9,541	12,804	16,204
Other Current Liabilities	2,221	1,710	938	1,572	2,121	3,505	4,631	5,803
Provisions	186	218	167	314	669	669	669	669
<b>Net Current Assets</b>	<b>4,306</b>	<b>5,907</b>	<b>5,826</b>	<b>9,098</b>	<b>11,888</b>	<b>23,246</b>	<b>39,952</b>	<b>61,492</b>
<b>Appl. of Funds</b>	<b>20,838</b>	<b>48,381</b>	<b>52,690</b>	<b>71,868</b>	<b>72,445</b>	<b>85,485</b>	<b>1,03,464</b>	<b>1,25,590</b>

## Financials and valuations – standalone

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>3.8</b>	<b>4.3</b>	<b>-1.3</b>	<b>7.3</b>	<b>15.6</b>	<b>27.3</b>	<b>39.5</b>	<b>50.9</b>
Cash EPS	5.2	11.6	5.7	16.3	30.6	47.4	62.8	77.3
BV/Share	51.1	75.2	75.7	81.9	92.7	121.9	164.2	218.6
DPS	1.3	1.0	0.0	1.7	2.2	0.0	0.0	0.0
Payout (%)	40.8	23.0	0.0	24.2	14.1	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	942.2	833.7	-2,770.2	496.1	232.4	132.7	91.8	71.3
Cash P/E	691.1	312.4	636.4	222.0	118.4	76.5	57.8	46.9
P/BV	71.0	48.2	47.9	44.3	39.1	29.7	22.1	16.6
EV/Sales	47.7	41.3	64.3	34.4	17.3	11.1	8.2	6.4
EV/EBITDA	510.7	233.1	646.2	210.6	119.0	70.9	51.3	40.6
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	-4.7	7.4	8.7	-1.4	12.6	5.4	30.5	44.3
<b>Return Ratios (%)</b>								
RoE	7.7	7.4	-1.9	9.9	19.1	27.2	29.5	28.4
RoCE	7.4	8.7	2.4	7.7	11.3	15.7	17.8	18.4
RoIC	13.3	10.0	-0.7	6.2	9.5	16.2	20.5	24.1
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	3.0	3.2	2.1	3.5	5.7	NA	NA	NA
Asset Turnover (x)	1.2	0.7	0.4	0.5	1.1	1.4	1.6	1.6
Inventory (Days)	71	67	70	77	63	60	60	60
Debtor (Days)	2	2	4	2	1	2	2	2
Creditor (Days)	33	29	39	30	30	29	29	29
<b>Leverage Ratio (x)</b>								
Current Ratio	1.9	2.3	2.8	2.8	2.3	2.7	3.2	3.7
Interest Cover Ratio	5.2	1.4	-0.1	1.2	1.8	3.4	4.7	5.7
Net Debt/Equity	-0.4	0.3	0.4	1.0	0.8	0.7	0.4	0.1

### Standalone - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	1,896	2,454	-658	3,362	7,105	12,671	18,722	24,175
Depreciation	465	2,311	2,359	2,831	4,639	6,037	6,813	7,599
Interest & Finance Charges	180	2,058	2,084	2,725	3,411	3,791	4,036	4,359
Direct Taxes Paid	-781	-807	-1	-782	-1,869	-2,959	-4,680	-6,085
(Inc)/Dec in WC	-1,356	-1,112	1,131	-4,020	-2,707	-9,533	-6,189	-6,447
<b>CF from Operations</b>	<b>404</b>	<b>4,905</b>	<b>4,915</b>	<b>4,116</b>	<b>10,579</b>	<b>10,007</b>	<b>18,702</b>	<b>23,600</b>
Others	-122	-1,220	-782	-2,624	-3,951	-3,705	-3,705	-3,705
<b>CF from Operating incl EO</b>	<b>282</b>	<b>3,685</b>	<b>4,133</b>	<b>1,492</b>	<b>6,628</b>	<b>6,301</b>	<b>14,997</b>	<b>19,895</b>
(Inc)/Dec in FA	-1,859	-1,050	-1,031	-1,979	-2,144	-4,391	-4,149	-4,149
<b>Free Cash Flow</b>	<b>-1,577</b>	<b>2,635</b>	<b>3,102</b>	<b>-487</b>	<b>4,485</b>	<b>1,911</b>	<b>10,848</b>	<b>15,746</b>
(Pur)/Sale of Investments	2,234	-5,870	1,195	2,317	57	0	0	0
Others	-833	-650	-557	-397	657	3,705	3,705	3,705
<b>CF from Investments</b>	<b>-457</b>	<b>-7,570</b>	<b>-393</b>	<b>-59</b>	<b>-1,430</b>	<b>-685</b>	<b>-443</b>	<b>-443</b>
Issue of Shares	0	9,498	0	0	0	0	0	0
Inc/(Dec) in Debt	1,061	-2,725	0	1,969	-1,202	0	0	0
Interest Paid	-220	-2,437	-2,376	-2,350	-3,557	-3,791	-4,036	-4,359
Dividend Paid	-459	-520	-355	-426	-394	0	0	0
Others	0	0	-780	-552	0	0	0	0
<b>CF from Fin. Activity</b>	<b>382</b>	<b>3,816</b>	<b>-3,512</b>	<b>-1,359</b>	<b>-5,153</b>	<b>-3,791</b>	<b>-4,036</b>	<b>-4,359</b>
<b>Inc/Dec of Cash</b>	<b>206</b>	<b>-69</b>	<b>229</b>	<b>74</b>	<b>45</b>	<b>1,825</b>	<b>10,517</b>	<b>15,093</b>
Opening Balance	303	509	441	669	744	789	2,614	13,131
<b>Closing Balance</b>	<b>509</b>	<b>441</b>	<b>669</b>	<b>744</b>	<b>789</b>	<b>2,614</b>	<b>13,131</b>	<b>28,224</b>



## Financials and valuations – consolidated

Consolidated - Income Statement								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Total Income from Operations</b>	<b>26,302</b>	<b>34,860</b>	<b>25,930</b>	<b>44,980</b>	<b>82,420</b>	<b>1,25,356</b>	<b>1,66,426</b>	<b>2,09,213</b>
Change (%)	21.9	32.5	-25.6	73.5	83.2	52.1	32.8	25.7
Raw Materials	13,114	18,818	15,340	24,815	47,197	72,291	95,692	1,20,270
Employees Cost	2,868	3,585	3,019	3,990	6,552	9,578	12,355	15,232
Other Expenses	4,878	5,083	5,852	10,437	17,934	25,416	33,235	42,006
<b>Total Expenditure</b>	<b>24,025</b>	<b>29,420</b>	<b>24,211</b>	<b>39,241</b>	<b>71,684</b>	<b>1,07,285</b>	<b>1,41,282</b>	<b>1,77,508</b>
% of Sales	91.3	84.4	93.4	87.2	87.0	85.6	84.9	84.8
<b>EBITDA</b>	<b>2,277</b>	<b>5,440</b>	<b>1,719</b>	<b>5,739</b>	<b>10,737</b>	<b>18,072</b>	<b>25,144</b>	<b>31,705</b>
Margin (%)	8.7	15.6	6.6	12.8	13.0	14.4	15.1	15.2
Depreciation	517	2,472	2,573	3,108	4,937	4,964	6,609	8,133
<b>EBIT</b>	<b>1,761</b>	<b>2,967</b>	<b>-854</b>	<b>2,631</b>	<b>5,800</b>	<b>13,107</b>	<b>18,535</b>	<b>23,572</b>
Int. and Finance Charges	368	2,458	2,487	3,047	3,692	4,771	6,133	7,495
Other Income	408	1,445	2,016	1,752	2,609	3,262	4,240	5,512
<b>PBT bef. EO Exp.</b>	<b>1,801</b>	<b>1,954</b>	<b>-1,325</b>	<b>1,335</b>	<b>4,717</b>	<b>11,598</b>	<b>16,642</b>	<b>21,588</b>
EO Items	0	0	-10	-274	-30	0	0	0
<b>PBT after EO Exp.</b>	<b>1,802</b>	<b>1,954</b>	<b>-1,335</b>	<b>1,061</b>	<b>4,687</b>	<b>11,598</b>	<b>16,642</b>	<b>21,588</b>
Total Tax	736	590	-237	766	1,584	2,919	4,189	5,434
Tax Rate (%)	40.9	30.2	17.8	72.2	33.8	25.2	25.2	25.2
MI/(Profit)/Loss from Assoc.	95	304	714	-51	-835	0	0	0
<b>Reported PAT</b>	<b>970</b>	<b>1,060</b>	<b>-1,811</b>	<b>346</b>	<b>3,937</b>	<b>8,679</b>	<b>12,453</b>	<b>16,154</b>
<b>Adjusted PAT</b>	<b>970</b>	<b>1,060</b>	<b>-1,803</b>	<b>422</b>	<b>3,957</b>	<b>8,679</b>	<b>12,453</b>	<b>16,154</b>
Change (%)	11.6	9.2	-270.1	-123.4	837.0	119.3	43.5	29.7
Margin (%)	3.7	3.0	-7.0	0.9	4.8	6.9	7.5	7.7

Consolidated - Balance Sheet								(INR m)
Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
Equity Share Capital	332	355	355	355	356	356	356	356
Total Reserves	16,133	23,525	22,775	23,285	25,599	34,278	46,731	62,885
<b>Net Worth</b>	<b>16,465</b>	<b>23,880</b>	<b>23,130</b>	<b>23,640</b>	<b>25,955</b>	<b>34,633</b>	<b>47,086</b>	<b>63,241</b>
Minority Interest	-29	803	445	459	675	675	675	675
Total Loans	3,942	25,260	26,686	47,338	44,722	59,641	76,667	93,693
Lease Liabilities		23,188	26,637	42,280	39,662	59,560	76,586	93,612
Deferred Tax Liabilities	255	-1,104	-746	-1,264	-1,561	-1,561	-1,561	-1,561
<b>Capital Employed</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>93,389</b>	<b>1,22,868</b>	<b>1,56,048</b>
Gross Block	9,117	32,192	37,078	55,887	57,819	82,108	1,03,283	1,24,458
Less: Accum. Deprn.	2,757	5,078	6,749	9,397	13,093	18,057	24,665	32,799
<b>Net Fixed Assets</b>	<b>6,360</b>	<b>27,114</b>	<b>30,329</b>	<b>46,491</b>	<b>44,726</b>	<b>64,051</b>	<b>78,617</b>	<b>91,659</b>
Right to use assets		<b>19,856</b>	<b>23,185</b>	<b>38,642</b>	<b>35,502</b>	51,144	62,436	72,366
Goodwill on Consolidation	261	272	272	272	272	272	272	272
Capital WIP	872	231	340	448	1,017	1,017	1,017	1,017
<b>Total Investments</b>	<b>8,828</b>	<b>15,148</b>	<b>15,550</b>	<b>13,541</b>	<b>11,370</b>	<b>11,370</b>	<b>11,370</b>	<b>11,370</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>9,265</b>	<b>11,197</b>	<b>10,000</b>	<b>15,245</b>	<b>21,869</b>	<b>31,079</b>	<b>50,492</b>	<b>75,321</b>
Inventory	4,970	6,078	4,284	8,678	13,612	19,740	26,933	34,084
Account Receivables	165	171	208	179	344	515	912	1,146
Cash and Bank Balance	542	614	815	864	863	2,180	10,493	25,709
Loans and Advances	3,587	4,334	4,694	5,525	7,051	8,643	12,155	14,382
<b>Curr. Liability &amp; Prov.</b>	<b>4,955</b>	<b>5,123</b>	<b>6,976</b>	<b>5,823</b>	<b>9,464</b>	<b>14,401</b>	<b>18,902</b>	<b>23,591</b>
Account Payables	2,450	2,976	2,746	3,780	6,652	10,303	13,679	17,196
Other Current Liabilities	2,293	1,893	4,026	1,734	2,098	3,385	4,510	5,682
Provisions	212	254	204	309	713	713	713	713
<b>Net Current Assets</b>	<b>4,311</b>	<b>6,074</b>	<b>3,024</b>	<b>9,422</b>	<b>12,406</b>	<b>16,678</b>	<b>31,591</b>	<b>51,730</b>
Misc Expenditure	0	0	0	0	0	0	0	0
<b>Appl. of Funds</b>	<b>20,632</b>	<b>48,839</b>	<b>49,515</b>	<b>70,174</b>	<b>69,791</b>	<b>93,388</b>	<b>1,22,867</b>	<b>1,56,048</b>



## Financials and valuations – consolidated

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>2.9</b>	<b>3.0</b>	<b>-5.1</b>	<b>1.2</b>	<b>11.1</b>	<b>24.4</b>	<b>35.0</b>	<b>45.4</b>
Cash EPS	4.5	10.6	2.3	10.6	26.8	41.1	57.4	73.1
BV/Share	49.5	71.9	69.6	71.1	78.1	104.2	141.7	190.3
DPS	1.3	1.0	0.0	1.7	2.2	0.0	0.0	0.0
Payout (%)	53.7	33.5	0.0	174.6	19.9	0.0	0.0	0.0
<b>Valuation (x)</b>								
P/E	1,241.9	1,216.1	-714.9	3,048.3	325.8	148.5	103.5	79.8
Cash P/E	810.4	341.1	1,564.8	341.3	135.5	88.3	63.2	49.6
P/BV	73.2	50.5	52.1	51.0	46.4	34.8	25.6	19.1
EV/Sales	45.9	37.7	50.7	29.7	16.2	10.7	8.1	6.5
EV/EBITDA	526.7	238.7	755.8	230.0	123.1	73.9	53.4	42.4
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FCF per share	-5.2	6.8	8.0	-4.3	10.4	22.0	28.7	48.4
<b>Return Ratios (%)</b>								
RoE	6.0	5.3	-7.7	1.8	16.0	28.6	30.5	29.3
RoCE	6.4	8.9	1.9	2.0	7.9	14.9	15.6	15.5
RoIC	10.5	9.6	-2.1	1.7	6.9	14.5	15.5	16.2
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.9	1.1	0.7	0.8	1.4	1.5	1.6	1.7
Asset Turnover (x)	1.3	0.7	0.5	0.6	1.2	1.3	1.4	1.3
Inventory (Days)	69	64	60	70	60	57	59	59
Debtor (Days)	2	2	3	1	2	2	2	2
Creditor (Days)	34	31	39	31	29	30	30	30
<b>Leverage Ratio (x)</b>								
Current Ratio	1.9	2.2	1.4	2.6	2.3	2.2	2.7	3.2
Interest Cover Ratio	4.8	1.2	-0.3	0.9	1.6	2.7	3.0	3.1
Net Debt/Equity	-0.4	0.7	0.9	1.7	1.3	1.3	1.2	0.9

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24E	FY25E	FY26E
OP/(Loss) before Tax	1,685	1,650	-2,038	1,387	5,551	11,598	16,642	21,588
Depreciation	517	2,472	2,573	3,108	4,937	4,964	6,609	8,133
Interest & Finance Charges	165	2,126	2,197	2,814	3,524	4,771	6,133	7,495
Direct Taxes Paid	-791	-835	-11	-816	-1,910	-2,919	-4,189	-5,434
(Inc)/Dec in WC	-1,352	-1,033	1,063	-4,293	-2,932	-2,955	-6,600	-4,923
<b>CF from Operations</b>	<b>223</b>	<b>4,381</b>	<b>3,783</b>	<b>2,199</b>	<b>9,170</b>	<b>15,459</b>	<b>18,595</b>	<b>26,860</b>
Others	-14	-828	-45	-1,615	-3,222	-3,262	-4,240	-5,512
<b>CF from Operating incl EO</b>	<b>210</b>	<b>3,553</b>	<b>3,738</b>	<b>585</b>	<b>5,949</b>	<b>12,198</b>	<b>14,355</b>	<b>21,348</b>
(Inc)/Dec in FA	-1,953	-1,142	-910	-2,101	-2,235	-4,391	-4,149	-4,149
<b>Free Cash Flow</b>	<b>-1,743</b>	<b>2,411</b>	<b>2,828</b>	<b>-1,516</b>	<b>3,714</b>	<b>7,807</b>	<b>10,206</b>	<b>17,199</b>
(Pur)/Sale of Investments	2,253	-6,574	1,400	2,084	65	0	0	0
Others	-670	-382	-308	562	1,135	3,262	4,240	5,512
<b>CF from Investments</b>	<b>-370</b>	<b>-8,098</b>	<b>181</b>	<b>544</b>	<b>-1,036</b>	<b>-1,129</b>	<b>91</b>	<b>1,363</b>
Issue of Shares	0	9,349	-3	2,504	463	0	0	0
Inc/(Dec) in Debt	1,061	-1,773	0	0	0	0	0	0
Interest Paid	-227	-2,511	-2,489	-2,463	-3,587	-4,771	-6,133	-7,495
Dividend Paid	-459	-398	-355	-427	-393	0	0	0
Others	0	-50	-872	-694	-1,397	-4,980	0	0
<b>CF from Fin. Activity</b>	<b>375</b>	<b>4,617</b>	<b>-3,719</b>	<b>-1,080</b>	<b>-4,914</b>	<b>-9,751</b>	<b>-6,133</b>	<b>-7,495</b>
<b>Inc/Dec of Cash</b>	<b>214</b>	<b>72</b>	<b>201</b>	<b>49</b>	<b>-1</b>	<b>1,317</b>	<b>8,312</b>	<b>15,216</b>
Opening Balance	328	542	614	815	864	863	2,180	10,493
<b>Closing Balance</b>	<b>542</b>	<b>614</b>	<b>815</b>	<b>864</b>	<b>863</b>	<b>2,180</b>	<b>10,493</b>	<b>25,709</b>

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

NOTES

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 change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

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