27 January 2026

3QFY26 Results Update | Sector: Retail

# Raymond Lifestyle

| | |
|---|---|
| Estimate change | ↔ |
| TP change | ↑ |
| Rating change | ↔ |

| | |
|---|---|
| Bloomberg | RAYMONDL IN |
| Equity Shares (m) | 61 |
| M.Cap.(INRb)/(USDb) | 57 / 0.6 |
| 52-Week Range (INR) | 1820 / 860 |
| 1, 6, 12 Rel. Per (%) | -4/-16/-55 |
| 12M Avg Val (INR M) | 288 |

**Financials & valuations (INR b)**

| Y/E MARCH | FY26E | FY27E | FY28E |
|---|---|---|---|
| Sales | 66.5 | 72.5 | 78.3 |
| EBITDA | 6.6 | 8.5 | 9.7 |
| Adj. PAT | 2.2 | 3.3 | 4.1 |
| EPS (INR) | 35.6 | 54.4 | 66.5 |
| EPS Gr. (%) | 116.0% | 52.5% | 22.3% |
| **Ratios** | | | |
| BV/Sh. (INR) | 1,600 | 1,654 | 1,721 |
| RoE (%) | 4.9 | 7.1 | 8.1 |
| RoCE (%) | 7.9 | 10.5 | 11.5 |
| **Valuations** | | | |
| P/E (x) | 26.3 | 17.2 | 14.1 |
| P/BV (x) | 0.6 | 0.6 | 0.5 |
| EV/EBITDA (x) | 9.3 | 7.2 | 6.4 |

**Shareholding pattern (%)**

| As of | Dec-25 | Sep-25 | Dec-24 |
|---|---|---|---|
| Promoter | 58.2 | 57.2 | 54.7 |
| DII | 6.2 | 7.5 | 7.9 |
| FII | 8.7 | 9.0 | 12.4 |
| Others | 26.9 | 26.4 | 25.0 |

FII includes depository receipts

**CMP: INR936** **TP: INR1,425 (+52%)** **Buy**

## Profitability rebounds due to the mix & operating leverage

- Raymond Lifestyle (RLL) reported robust profitability growth, with EBITDA at INR2.4b (+32% YoY; 11% beat), driven by sharp margin expansion in core branded textiles.
- Gross margins expanded 240bp, and EBITDA margins improved 260bp YoY to 12.8%, supported by favourable segmental mix and operating leverage.
- Working capital remained elevated at 94 days (vs. 89 days YoY), reflecting higher inventory holding for the US shipments and an increased mix of domestic and apparel businesses.
- RLL has staged a meaningful recovery in FY26YTD, with revenue/EBITDA up 9%/19% YoY after a subdued FY25, led by domestic strength, while exports remain pressured by tariff uncertainty.
- We assume sustained momentum in the domestic business and a gradual recovery in export markets, driving ~8% revenue CAGR over FY25–28E with EBITDA margins expanding to 12.4% by FY28 (vs. 10.6% in 9MFY26), translating into ~28% EBITDA CAGR.
- We value RLL at 21x FY28E P/E to arrive at our revised TP of INR1,425 (earlier INR1,400)**. We reiterate our BUY rating on RLL, primarily due to reasonable valuations (based on 17x FY27 P/E and 0.8x FY27 EV/sales).**

## Recovery continues, driven by a robust show in domestic business

- RLL's consolidated revenue rose 5% YoY to INR18.5b (vs. our estimate of 7% YoY growth).
- Revenue growth was mainly driven by an acceleration in domestic demand, driving improved performance in Branded Textile (up 11% YoY).
- RLL added 12 stores in 3Q (13 net closures in 9M), bringing the total retail store network to 1,675.
- Gross profit grew 11% YoY to INR8.3b (in line), led by gross margin, which expanded ~240bp YoY to 44.9% (220bp beat).
- EBITDA grew **32% YoY** to INR2.4b (**11% beat**) due to improved segmental mix and operating leverage in the Branded Textile segment.
- EBITDA margin expanded ~260bp YoY to 12.8% (150bp beat), due largely to better than expected performance in Branded Textile and Apparel.
- Depreciation and amortization jumped 16% YoY (in line), while finance costs rose 11% YoY (19% above).
- RLL posted an exceptional expense of INR568m owing to the new labor code impact. Adjusted for this, its PAT at INR1b rose 54% YoY (~21% beat).

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## Highlights from the management commentary

- **Demand**: RLL's 3QFY26 demand strengthened meaningfully, driven by tax-led discretionary uplift and a strong festive and wedding season. Consumption recovery was most visible in tier-2/3 markets. A large part of the earnings growth was volume-led, supported by a richer mix and premiumization. ASPs increased ~INR26/m, aiding margin expansion despite continued investments in brand building, advertising, and future capabilities.
- **Branded Apparel** delivered healthy growth, led by strong momentum in owned channels, with EBOs recording mid-double-digit LFL growth and LFS posting low-double-digit LFL growth. MBOs continue to provide scalable reach without incremental capital intensity. Expansion remains calibrated and asset-light, focused on return-led store additions. Store rationalization to continue for another couple of quarters.
- **Working capital** remained elevated due to higher inventory holding for US shipments and an increased mix toward domestic and apparel businesses, which carry longer cycles. Management guided for visible working capital reduction by March as corrective measures take effect.

## Valuation and view

- With domestic demand momentum intact, calibrated expansion and working capital expected to normalize, RLL appears well positioned for a steadier growth–profitability trajectory, even as export recovery remains gradual and not entirely in company's control.
- RLL is expected to surpass FY24 revenue levels by FY26; however, EBITDA normalization is likely to lag until FY28E, reflecting continued investments in domestic apparel brand building.
- We build in ~8% revenue CAGR over FY25–28E with EBITDA margins expanding to 12.4% by FY28 (vs. 10.6% in 9MFY26), translating into ~28% EBITDA CAGR.
- We value RLL at 21x FY28E P/E to arrive at our revised TP of INR1,425 (earlier INR1,400). **We reiterate our BUY rating on RLL, primarily due to reasonable valuations (based on 17x FY27 P/E and 0.8x FY27 EV/sales).**

**Consolidated - Quarterly Earnings** (INR m)

| Y/E March | FY25 | | | | FY26 | | | | FY25 | FY26E | FY26 | Est |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4QE | | | 2QE | Var (%) |
| **Revenue** | **12,201** | **17,083** | **17,542** | **14,942** | **14,304** | **18,324** | **18,487** | **15,425** | **61,767** | **66,540** | **18,811** | **-1.7%** |
| YoY Change (%) | -8% | -5% | 2% | -11% | 17% | 7% | 5% | 3% | -5% | 8% | 7% | |
| Total Expenditure | 11,604 | 14,935 | 15,745 | 14,806 | 13,534 | 16,064 | 16,118 | 14,192 | 57,090 | 59,908 | 16,683 | -3.4% |
| **EBITDA** | **597** | **2,148** | **1,797** | **136** | **770** | **2,260** | **2,369** | **1,233** | **4,678** | **6,632** | **2,128** | **11.3%** |
| **EBITDA Margin** | **4.9%** | **12.6%** | **10.2%** | **0.9%** | **5.4%** | **12.3%** | **12.8%** | **8.0%** | **7.6%** | **10.0%** | **11.3%** | |
| Change YoY (%) | -59% | -17% | -0.4 | -0.9 | 29% | 5% | 32% | 810% | -50% | 42% | 0.2 | |
| Depreciation | 746 | 763 | 794 | 911 | 888 | 914 | 923 | 963 | 3,214 | 3,689 | 944 | -2.2% |
| Interest | 463 | 532 | 544 | 534 | 575 | 600 | 603 | 387 | 2,074 | 2,165 | 509 | 18.6% |
| Other Income | 294 | 270 | 413 | 856 | 445 | 330 | 341 | 795 | 1,832 | 1,911 | 429 | -20.6% |
| **PBT** | **-323** | **528** | **867** | **-473** | **-248** | **1,029** | **615** | **677** | **600** | **2,074** | **1,105** | **-44.3%** |
| Tax | -91 | 106 | 226 | -23 | -50 | 277 | 187 | 104 | 218 | 518 | 278 | -32.9% |
| Rate (%) | 28.1% | 20.1% | 26.0% | 4.9% | 20.0% | 27.0% | 30.3% | 15.3% | 36.4% | 25.0% | 25.2% | |
| **Reported PAT** | **-232** | **422** | **642** | **-450** | **-198** | **752** | **429** | **573** | **382** | **1,555** | **827** | **-48.2%** |
| **Adj PAT** | **-227** | **1,016** | **645** | **-430** | **-198** | **799** | **997** | **573** | **1,005** | **2,170** | **827** | **20.5%** |
| YoY Change (%) | -139.5% | -27.1% | -60% | -134.7% | -13% | -21.4% | 54.4% | nm | -79.4% | 116.0% | 0.3 | |

**Exhibit 1: Valuation – we ascribe INR1,425 TP to RLL**

| Mar'28 | INRm |
|---|---|
| PAT | 4,050 |
| PE | 21 |
| Equity | 86,792 |
| NOS | 60.9 |
| **TP (INR/share)** | **1,425** |
| CMP | 936 |
| **upside** | **52.3%** |

## Segmental performance

- **Branded Textile:** Revenue at INR9.5b (2% above), grew ~11% YoY led by robust volume growth, and higher weddings. EBITDA grew 35% YoY to INR2.1b (11% beat) as margin expanded 380bp YoY to 21.8% (~180bp beat on our estimates) on account of improved product mix and operating leverage.
- **Branded Apparel:** Revenue at INR4.9b (4% miss), grew 5% YoY. EBITDA came in at INR352m (27% beat) as margin contracted to 7.3% (vs. 9.6% YoY, our est. of 5.5%), due to increased marketing costs and lower sales from new stores (opened in the last 12 months). EBO count grew by ~12 QoQ in 3QFY26.
- **Garmenting:** Revenue at INR2.6b declined 17% YoY (14% miss) due to uncertainty around US tariffs. The segment reported EBITDA declined to a modest ~INR110m (vs. ~INR240m YoY) on account of scale deleverage.
- **High Value Cotton Shirting (HVCS):** Revenue at INR2.05b (6% miss) grew ~2% YoY due to subdued demand from B2B customers. However, EBITDA grew 10% YoY to INR227m (in line), as margins expanded ~80bp YoY to 11.1% (60bp beat), driven by improved product mix.

**Exhibit 2: Consolidated P&L (INR m)**

| Consol P&L (INR m) | 3QFY25 | 2QFY26 | 3QFY26 | YoY% | QoQ% | 3QFY26E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| **Total Revenue** | **17,542** | **18,324** | **18,487** | **5** | **1** | **18,811** | **-2** |
| Raw Material cost | 10,090 | 10,340 | 10,187 | 1 | -1 | 10,779 | -5 |
| **Gross Profit** | **7,453** | **7,985** | **8,300** | **11** | **4** | **8,032** | **3** |
| **Gross margin (%)** | **42.5%** | **43.6%** | **44.9%** | **241.2** | **132.1** | **42.7%** | **219.5** |
| Employee Costs | 2,437 | 2,265 | 2,387 | -2 | 5 | 2,483 | -4 |
| Other expenses | 3,219 | 3,460 | 3,543 | 10 | 2 | 3,421 | 4 |
| **EBITDA** | **1,797** | **2,260** | **2,369** | **32** | **5** | **2,128** | **11** |
| **EBITDA margin (%)** | **10.2%** | **12.3%** | **12.8%** | **257.3** | **48.5** | **11.3%** | **150.2** |
| Depreciation and amortization | 794 | 914 | 923 | 16 | 1 | 944 | -2 |
| EBIT | 1,003 | 1,346 | 1,446 | 44 | 7 | 1,185 | 22 |
| EBIT margin (%) | 0.1 | 7.3% | 7.8% | NM | NM | 6.3% | 1.5 |
| Finance Costs | 544 | 600 | 603 | 11 | 1 | 509 | 19 |
| Other income | 413 | 330 | 341 | -17 | 3 | 429 | -21 |
| Exceptional item | -4 | -47 | -568 | NM | NM | 0 | NM |
| **Profit before Tax** | **867** | **1,029** | **615** | **-29** | **-40** | **1,105** | **-44** |
| Tax | 226 | 277 | 187 | -17 | -33 | 278 | -33 |
| Tax rate (%) | 26.0% | 27.0% | 30.3% | 16.6 | 12.6 | 25.2% | 20.6 |
| **Profit after Tax** | **642** | **752** | **429** | **-33** | **-43** | **827** | **-48** |
| **Adj Profit after Tax** | **645** | **799** | **997** | **54** | **25** | **827** | **21** |

| Segment Revenue | 3QFY25 | 2QFY26 | 3QFY26 | YoY% | QoQ% | 3QFY26E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| Branded Textile | 8,563 | 9,369 | 9,513 | 11% | 2% | 9,333 | 2% |
| Branded Apparel | 4,580 | 4,908 | 4,817 | 5% | -2% | 5,015 | -4% |
| Garmenting | 3,088 | 2,693 | 2,576 | -17% | -4% | 2,995 | -14% |
| HVCS | 2,010 | 2,116 | 2,045 | 2% | -3% | 2,171 | -6% |
| **Consolidated Revenue** | **17,542** | **18,324** | **18,487** | **5%** | **1%** | **18,811** | **-2%** |
| **Elimination** | **698** | **762** | **463** | | | **702** | |

| Segment EBITDA | 3QFY25 | 2QFY26 | 3QFY26 | YoY% | QoQ% | 3QFY26E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| Branded Textile | 1,538 | 1,874 | 2,074 | 35% | 11% | 1,867 | 11% |
| Branded Apparel | 438 | 255 | 352 | -20% | 38% | 276 | 27% |
| Garmenting | 240 | 145 | 108 | -55% | -26% | 240 | -55% |
| HVCS | 207 | 250 | 227 | 10% | -9% | 228 | 0% |
| **Consolidated EBITDA** | **1,797** | **2,260** | **2,369** | **32%** | **5%** | **2,128** | **11%** |
| **Elimination** | **626** | **264** | **391** | | | **482** | |

| Segment EBITDA Margin | 3QFY25 | 2QFY26 | 3QFY26 | YoY% | QoQ% | 3QFY26E | v/s Est (%) |
|---|---|---|---|---|---|---|---|
| Branded Textile | 18.0 | 20.0 | 21.8 | 384 | 180 | 20.0 | 180 |
| Branded Apparel | 9.6 | 5.2 | 7.3 | -226 | 210 | 5.5 | 180 |
| Garmenting | 7.8 | 5.4 | 4.2 | -357 | -120 | 8.0 | -380 |
| HVCS | 10.3 | 11.8 | 11.1 | 80 | -70 | 10.5 | 60 |
| **Consolidated EBITDA** | **10.2** | **12.3** | **12.8** | **257** | **48** | **11.3** | **150** |

### Exhibit 3: Our key estimate changes

| Consol | FY26E | FY27E | FY28E |
|---|---|---|---|
| **Revenue (INR m)** | | | |
| Old | 67,330 | 72,894 | 78,733 |
| Actual/New | 66,540 | 72,476 | 78,266 |
| Change (%) | -1.2% | -0.6% | -0.6% |
| **Gross Profit (INR m)** | | | |
| Old | 28,851 | 31,782 | 34,957 |
| Actual/New | 28,612 | 31,599 | 34,750 |
| Change (%) | -0.8% | -0.6% | -0.6% |
| **Gross margin (%)** | | | |
| Old | 42.9 | 43.6 | 44.4 |
| Actual/New | 43.0 | 43.6 | 44.4 |
| Change (bp) | 0.1 | 0.0 | 0.0 |
| **EBITDA (INR m)** | | | |
| Old | 6,606 | 8,486 | 9,710 |
| Actual/New | 6,632 | 8,529 | 9,687 |
| Change (%) | 0.4% | 0.5% | -0.2% |
| **EBITDA margin (%)** | | | |
| Old | 9.8 | 11.6 | 12.3 |
| Actual/New | 10.0 | 11.8 | 12.4 |
| Change (bp) | 15.6 | 12.7 | 4.3 |
| **PAT (INR m)** | | | |
| Old | 2,145 | 3,318 | 4,063 |
| Actual/New | 2,028 | 3,310 | 4,050 |
| Change (%) | -5.4% | -0.2% | -0.3% |

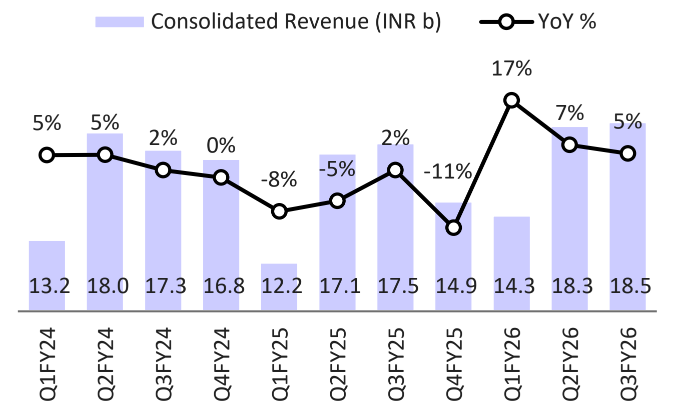
CONFERENCE CALL

## Highlights from the management commentary

- **Demand**: 3QFY26 demand strengthened meaningfully, driven by tax-led discretionary uplift and a strong festive and wedding season. Consumption recovery was most visible in tier-2/3 markets. A large part of the earnings growth was volume-led, supported by a richer mix and premiumization. ASPs increased ~INR26/m, aiding margin expansion despite continued investments in brand building, advertising, and future capabilities.
- **Channel Mix:** Primary sales were aligned with improved on-ground demand during the quarter. Secondary inventories corrected YoY, reversing last year's build-up, indicating healthier channel throughput. Tertiary demand strengthened materially post tax cuts, with festive and wedding-led consumption driving strong off-take, particularly across tier-2/3 markets.
- **Ethnix**: Ethnic wear recorded high single-digit growth, trailing other apparel segments. The business remains in a multi-year brand-building and stabilization phase, with emphasis on product correction and communication, and meaningful acceleration expected over the next 2–3 years.
- **Branded Apparel**: delivered healthy growth, led by strong momentum in owned channels, with EBOs recording mid-double-digit LFL growth and LFS posting low-double-digit LFL growth. MBOs continue to provide scalable reach without incremental capital intensity. Expansion remains calibrated and asset-light, focused on return-led store additions. Store rationalization to continue for another couple of quarters.
- **Branded Textiles** reported robust growth and ~21% EBITDA margins, driven by full capacity utilization, cost rationalization, and richer premium/technical mix. Domestic growth (>12%) outpaced industry trends, with mix optimization and premiumisation key medium-term margin levers.
- **Garment exports** remained under pressure due to US tariff uncertainty, limiting competitiveness versus lower-duty peers. The company reduced US exposure to ~35% and is pivoting toward Europe, the UK, and Asia-Pacific. Mix is shifting toward higher value-added finished apparel to protect margins, with volume recovery expected to be gradual. Ongoing FTAs are structurally positive for exports but remain sentiment-led near term, with meaningful volume benefits expected to accrue gradually rather than immediately.
- **Working capital** remained elevated due to higher inventory holding for US shipments and an increased mix toward domestic and apparel businesses, which carry longer cycles. Management guided for visible working capital reduction by March as corrective measures take effect.
- A one-time non-cash charge of INR570m was recognized due to the actuarial impact from the new labor code implementation. Management indicated no material recurring impact going forward.

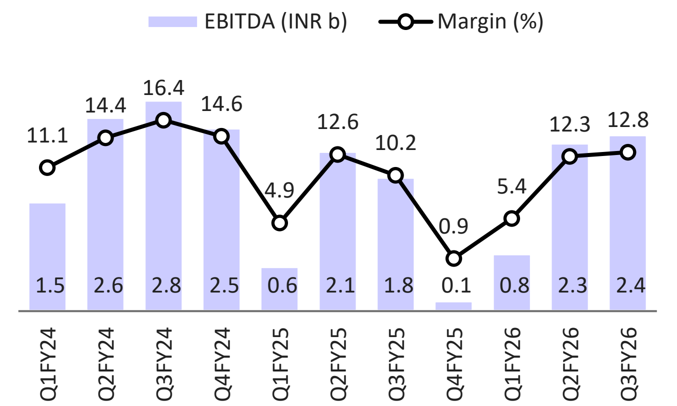
## Key exhibits

**Exhibit 4: Consolidated revenue grew 5% YoY**



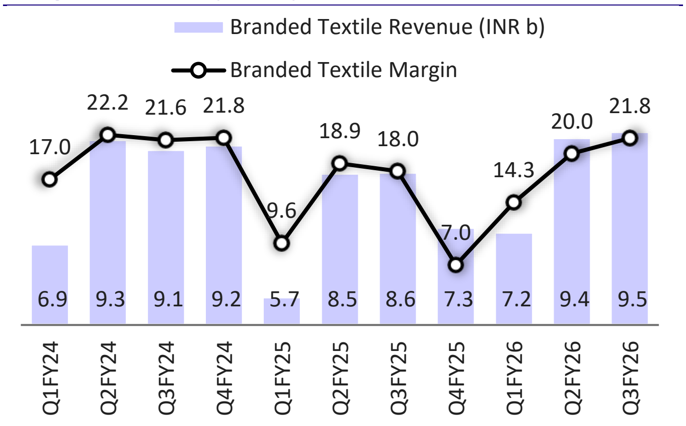

Source: Company, MOFSL

**Exhibit 5: Margin expanded ~260bp YoY, led by strong GM**



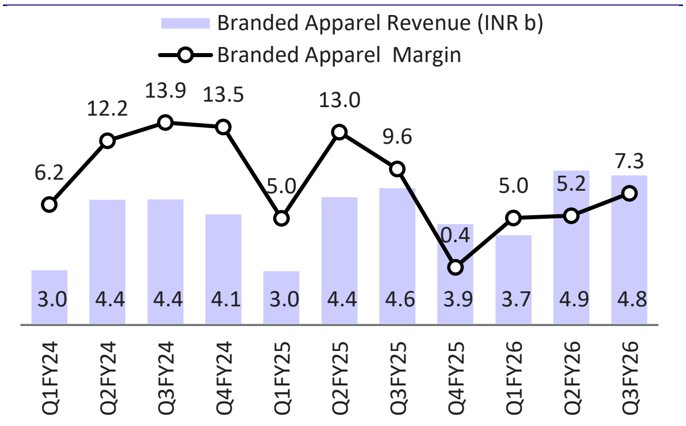

Source: Company, MOFSL

**Exhibit 6: Branded Textile revenue grew 11% YoY, with margin at 21.8% (up 385bp YoY)**



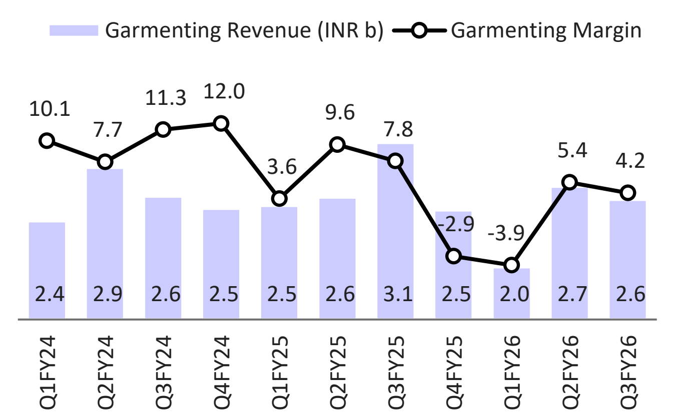

Source: Company, MOFSL

**Exhibit 7: Branded Apparel revenue rose 5% YoY; margin remained subdued at 7.3%**



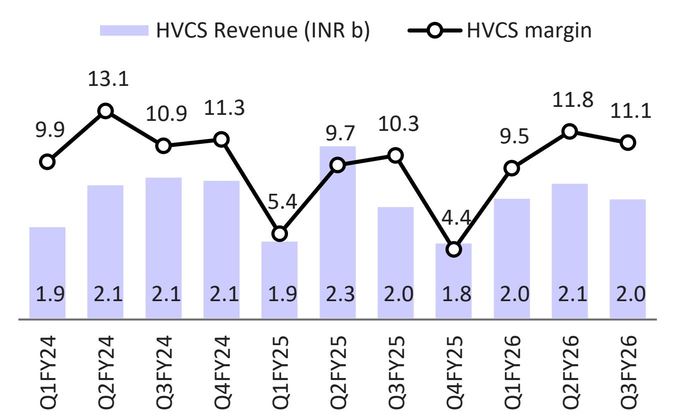

Source: Company, MOFSL

**Exhibit 8: Garmenting revenue declined 17% YoY**



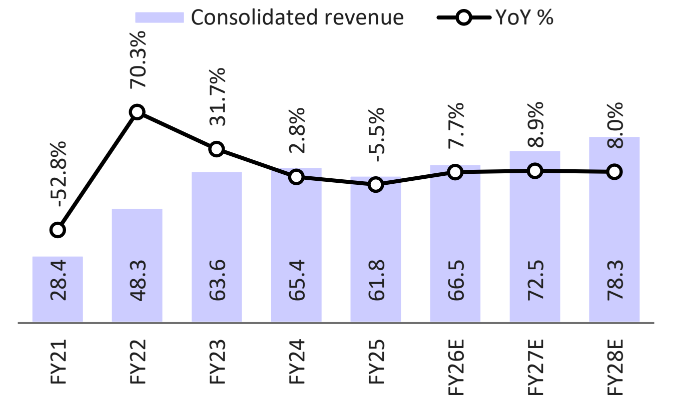

Source: Company, MOFSL

**Exhibit 9: HVCS margin expanded 80bp to 11.1%**



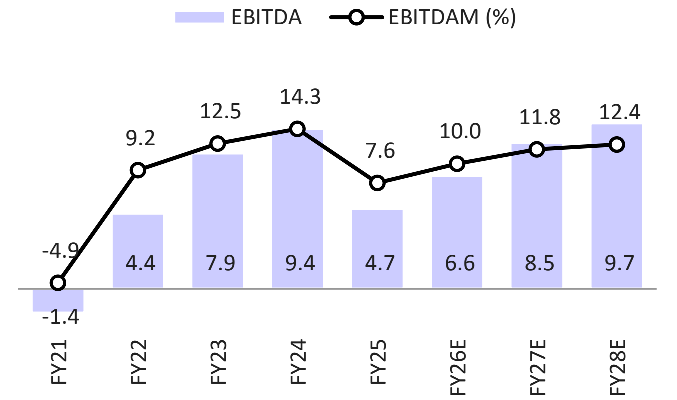

Source: Company, MOFSL

**Exhibit 10: Consolidated revenue to record ~8% CAGR over FY25-28E**



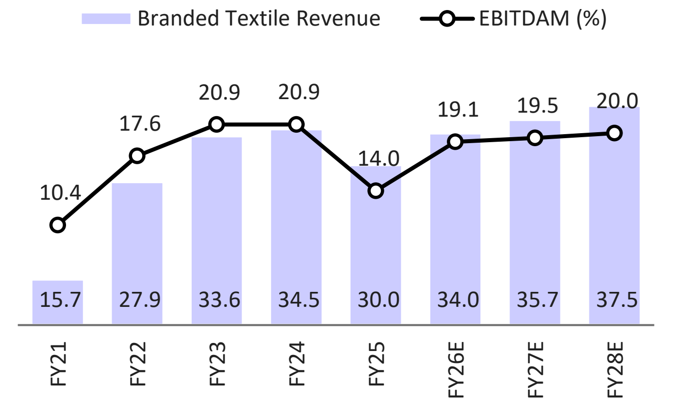

Source: Company, MOFSL

**Exhibit 11: EBITDA margin to expand ~480bp over FY25-28 on a low base of FY25**



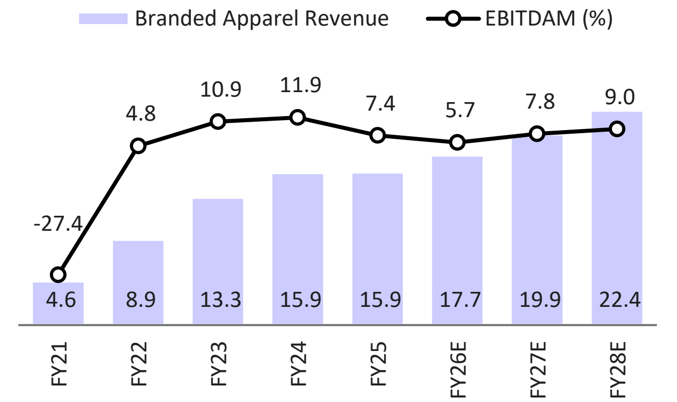

Source: Company, MOFSL

**Exhibit 12: Branded textiles to grow steadily with margins recovering to historical levels**



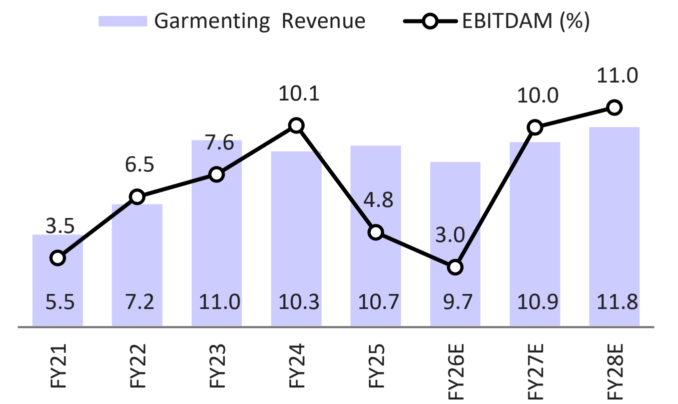

Source: Company, MOFSL

**Exhibit 13: Apparel to post a 12% CAGR, with steady margin improvement**



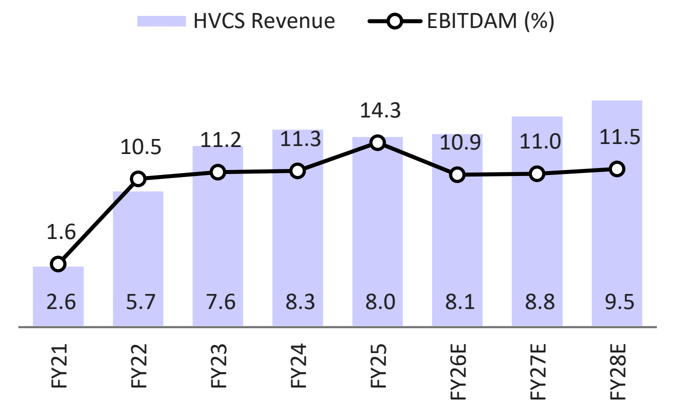

Source: Company, MOFSL

**Exhibit 14: Garmenting margin to recover likely on tariff resolution**




Source: Company, MOFSL

**Exhibit 15: HVCS to grow steadily with margins normalizing**




Source: Company, MOFSL

# Financials and valuations

**Consolidated - Income Statement** (INR m)

| Y/E March | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Revenue from Operations** | **65,354** | **61,767** | **66,540** | **72,476** | **78,266** |
| Change (%) | | *-5* | *8* | *9* | *8* |
| Raw Materials | 29,259 | 27,749 | 30,276 | 32,614 | 34,828 |
| Manufacturing & opex | 6,902 | 7,391 | 7,652 | 8,262 | 8,687 |
| **Gross Profit** | **29,193** | **26,627** | **28,612** | **31,599** | **34,750** |
| Margin (%) | 44.7 | 43.1 | 43.0 | 43.6 | 44.4 |
| Employee Costs | 9,182 | 9,452 | 9,316 | 10,074 | 10,566 |
| Other Expenses | 10,646 | 12,498 | 12,665 | 12,997 | 14,497 |
| **EBITDA** | **9,366** | **4,678** | **6,632** | **8,529** | **9,687** |
| Margin (%) | 14.3 | 7.6 | 10.0 | 11.8 | 12.4 |
| Depreciation | 2,463 | 3,214 | 3,689 | 3,903 | 4,229 |
| **EBIT** | **6,903** | **1,464** | **2,943** | **4,626** | **5,458** |
| Margin (%) | 10.6 | 2.4 | 4.4 | 6.4 | 7.0 |
| Finance costs | 1,957 | 2,074 | 2,165 | 2,084 | 2,073 |
| Other Income | 1,544 | 1,832 | 1,911 | 1,882 | 2,028 |
| Exceptional Items loss (gain) | -92 | -623 | -615 | 0 | 0 |
| **PBT bef. EO Exp.** | **6,398** | **600** | **2,074** | **4,424** | **5,412** |
| Total Tax | -1,603 | -218 | -518 | -1,114 | -1,362 |
| Tax Rate (%) | 25.1 | 36.4 | 25.0 | 25.2 | 25.2 |
| **PAT** | **4,795** | **382** | **1,555** | **3,310** | **4,050** |
| **Adjusted PAT** | **4,887** | **1,005** | **2,170** | **3,310** | **4,050** |
| Change (%) | | *-79* | *116* | *63* | *22* |

**Consolidated - Balance Sheet** (INR m)

| Y/E March | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| Equity Share Capital | 122 | 122 | 122 | 122 | 122 |
| Total Reserves | 96,500 | 95,755 | 97,310 | 100,621 | 104,671 |
| **Net Worth** | **96,622** | **95,877** | **97,432** | **100,743** | **104,793** |
| Total Loans | 8,254 | 12,696 | 11,696 | 10,696 | 9,696 |
| Lease Liability | 7,135 | 10,188 | 8,810 | 9,073 | 9,791 |
| **Capital Employed** | **112,010** | **118,761** | **117,938** | **120,511** | **124,280** |
| | | | | | |
| **Fixed Assets** | **75,474** | **78,854** | **76,217** | **74,820** | **73,514** |
| **Total Investments** | **9,000** | **9,658** | **9,658** | **9,658** | **9,658** |
| **Curr. Assets, Loans&Adv.** | **32,277** | **36,140** | **38,909** | **44,617** | **51,767** |
| Inventory | 17,328 | 17,568 | 18,595 | 19,856 | 21,443 |
| Account Receivables | 9,248 | 9,172 | 10,027 | 10,524 | 10,721 |
| Cash and Bank Balance | 1,601 | 4,009 | 4,896 | 8,845 | 14,211 |
| Loans and Advances | 4,100 | 5,392 | 5,392 | 5,392 | 5,392 |
| **Curr. Liability & Prov.** | **18,427** | **19,417** | **19,853** | **20,477** | **21,190** |
| Account Payables | 12,593 | 13,237 | 13,673 | 14,297 | 15,010 |
| Other Current Liabilities | 5,100 | 5,371 | 5,371 | 5,371 | 5,371 |
| Provisions | 734 | 809 | 809 | 809 | 809 |
| **Net Current Assets** | **13,850** | **16,723** | **19,057** | **24,140** | **30,577** |
| Deferred Tax assets | 11,330 | 11,268 | 10,749 | 9,636 | 8,274 |
| Other Assets | 2,356 | 2,257 | 2,257 | 2,257 | 2,257 |
| **Appl. of Funds** | **112,011** | **118,760** | **117,938** | **120,511** | **124,280** |

E: MOFSL Estimates

# Financials and valuations

## Ratios

| Y/E March | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| **Basic (INR)** | | | | | |
| **EPS** | **80.2** | **16.5** | **35.6** | **54.4** | **66.5** |
| Cash EPS | 120.7 | 69.3 | 96.2 | 118.4 | 135.9 |
| BV/Share | 1,587 | 1,574 | 1,600 | 1,654 | 1,721 |
| **Valuation (x)** | | | | | |
| P/E | 11.7 | 56.7 | 26.3 | 17.2 | 14.1 |
| Cash P/E | 7.8 | 13.5 | 9.7 | 7.9 | 6.9 |
| P/BV | 0.6 | 0.6 | 0.6 | 0.6 | 0.5 |
| EV/Sales | 0.9 | 1.0 | 0.9 | 0.9 | 0.8 |
| EV/EBITDA | 6.6 | 13.2 | 9.3 | 7.2 | 6.4 |
| FCF per share | -66.9 | -22.9 | -0.4 | 50.3 | 71.2 |
| **Return Ratios (%)** | | | | | |
| **--Adjusted to revaluation, goodwill and cash** | | | | | |
| Adj RoE | 11.1 | 2.3 | 4.9 | 7.1 | 8.1 |
| Adj RoCE | 15.4 | 5.7 | 7.9 | 10.5 | 11.5 |
| Adj RoIC | 20.9 | 4.4 | 8.2 | 13.6 | 16.5 |
| **--Pre Ind-AS ratios** | | | | | |
| Adj RoCE | 22.0 | 7.3 | 10.2 | 13.9 | 15.3 |
| Adj RoIC | 25.1 | 3.9 | 8.6 | 16.6 | 22.2 |
| **Working Capital Ratios** | | | | | |
| Fixed Asset Turnover (x) | 0.9 | 0.8 | 0.9 | 1.0 | 1.1 |
| Asset Turnover (x) | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 |
| Inventory (Days) | 97 | 104 | 102 | 100 | 100 |
| Debtor (Days) | 52 | 54 | 55 | 53 | 50 |
| Creditor (Days) | 70 | 78 | 75 | 72 | 70 |
| WC (Days) | 78 | 80 | 82 | 81 | 80 |
| **Leverage Ratio (x)** | | | | | |
| Current Ratio | 1.8 | 1.9 | 2.0 | 2.2 | 2.4 |
| Interest Cover Ratio | 3.5 | 0.7 | 1.4 | 2.2 | 2.6 |
| Net Debt/EBITDA | 0.5 | 2.0 | 0.9 | 0.1 | -0.5 |
| Net Debt/Equity | 0.0 | 0.1 | 0.1 | 0.0 | 0.0 |

## Consolidated - Cash Flow Statement (INR m)

| Y/E March | FY24 | FY25 | FY26E | FY27E | FY28E |
|---|---|---|---|---|---|
| OP/(Loss) before Tax | 6,398 | 600 | 2,074 | 4,424 | 5,412 |
| Depreciation | 2,463 | 3,232 | 3,689 | 3,903 | 4,229 |
| Interest & Finance Charges | 1,957 | 2,074 | 2,165 | 2,084 | 2,073 |
| Others | -939 | -611 | -1,911 | -1,882 | -2,028 |
| Direct Taxes Paid | -402 | 568 | -518 | -1,114 | -1,362 |
| (Inc)/Dec in WC | -9,101 | -1,819 | -928 | -21 | 292 |
| **CF from Operating** | **376** | **4,043** | **4,571** | **7,394** | **8,616** |
| (Inc)/Dec in FA | -1,478 | -2,160 | -1,000 | -1,000 | -1,000 |
| **Free Cash Flow** | **-1,102** | **1,883** | **3,571** | **6,394** | **7,616** |
| (Pur)/Sale of Investments | -8,826 | -1,249 | 0 | 0 | 0 |
| Others | 23,350 | 603 | 1,911 | 1,882 | 2,028 |
| **CF from Investments** | **13,047** | **-2,806** | **911** | **882** | **1,028** |
| Inc/(Dec) in Debt | -11,054 | 4,459 | -1,000 | -1,000 | -1,000 |
| Inc/(Dec) in Lease | -1,365 | -1,931 | -2,349 | -2,247 | -2,308 |
| Interest Paid | -1,607 | -1,343 | -1,246 | -1,080 | -970 |
| **CF from Fin. Activity** | **-14,026** | **585** | **-4,595** | **-4,328** | **-4,277** |
| **Inc/Dec of Cash** | **-604** | **1,822** | **887** | **3,949** | **5,366** |
| Opening Balance | 1,424 | 824 | 2,646 | 3,533 | 7,481 |
| Other bank balance | 781 | 1,363 | 1,363 | 1,363 | 1,363 |
| **Closing Balance** | **1,601** | **4,009** | **4,896** | **8,845** | **14,211** |

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

# 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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