31 January 2026

3QFY26 Results Update | Sector: Retail

United Foodbrands

Estimate change	↑
TP change	⟷
Rating change	⟷

Bloomberg	UFBL IN
Equity Shares (m)	39.09
M.Cap.(INRb)/(USDb)	7.1 / 0.1
52-Week Range (INR)	356 / 171
1, 6, 12 Rel. Per (%)	-9/-40/-52
12M Avg Val (INR M)	52

Financials & Valuations (INR b)

Y/E March	FY26E	FY27E	FY28E
Sales	13.1	14.4	15.6
Sales Gr. (%)	6.6	9.8	8.3
EBITDA	2.1	2.4	2.7
Margins (%)	16.1	16.8	17.1
Adj. PAT	-0.4	-0.4	-0.3
Adj. EPS (INR)	-10.8	-9.6	-8.4
EPS Gr. (%)	N/M	N/M	N/M
BV/Sh. (INR)	82.0	72.4	64.0
Ratios			
RoE (%)	-13.2	-13.3	-13.2
RoCE (%)	2.8	4.8	5.5
Valuation			
P/E (x)	N/M	N/M	N/M
EV/EBITDA (x)	3.7	3.1	2.7
Pre-IND AS EV/ EBITDA (x)	10.7	7.8	6.3

Shareholding Pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	34.6	33.7	33.6
DII	16.8	18.6	25.9
FII	9.3	9.7	12.8
Others	39.3	38.0	27.7

FII includes depository receipts

CMP: INR183 TP: INR215 (+18%) Neutral

Growth returns after a long pause; sustainability to be monitored

- United Foodbrands (BBQ India)'s consolidated revenue grew 14% YoY to INR3.8b (beat). The same-store sales grew 8.2% in 3QFY26 (est. flat), marking a growth after six quarters. Demand improved sequentially with 5% SSSG in Oct'25, moderate improvement in Nov, and stronger momentum in Dec, which has continued into Jan'26. Dine-in revenue grew 15% YoY to INR3.2b (+25% volume), and delivery revenue increased 14% YoY to INR0.6b (+29% transaction growth).
- BBQ India's revenue rose 10% YoY to INR2.9b, led by SSSG of 8.3% and store expansion (5% YoY). GP margin compressed 250bp YoY to 64.2%, impacted by consumer-led initiatives. GP was up 6% YoY. RoM (Pre-Ind AS) margin contracted 20bp YoY to 14.6%, partly offset by operating leverage. RoM was up 8% YoY. BBQ India added four stores, taking the total count to 199 in 3Q.
- BBQ International's revenue rose 47% YoY to INR372m, supported by SSSG of 5.8% and store addition (50% YoY). GP margin expanded 20bp YoY to 74.5%. GP was up 47% YoY. RoM (Pre-Ind AS) margin contracted 300bp YoY to 23.1%. RoM improved 30% YoY. Mature stores delivered over 27% margins. No new stores were added during the quarter, and the total store count stood at 12.
- Premium Casual Dining Restaurant's (CDR) revenue was up 20% YoY to INR517m, led by store additions (36% YoY) and SSSG of 9.4%. GP margin contracted 190bp YoY to 73.1%. GP rose 17% YoY. RoM (Pre-Ind AS) margin contracted 510bp YoY to 15.1%, hit by new restaurant additions. RoM declined 10% YoY to INR78m. The matured portfolio (restaurants older than two years) delivered 21.7% Pre-IND AS RoM.
- Consolidated GM dipped 190bp YoY to 66.4%. EBITDA margin contracted by 60bp YoY to 18.1% (est. 18%). EBITDA Pre-Ind AS margin dipped 70bp YoY to 9.6%. RoM (Pre-Ind AS) contracted 80bp YoY to 15.7%.
- The company plans to add 9–12 stores per quarter, targeting 265 stores by FY26 and 300 by FY27. While demand trends improved notably in 3Q, we will monitor their sustainability. **Reiterate Neutral** with a TP of INR215, based on 8x Dec'27E Pre-Ind AS EV/EBITDA, reflecting a weak RoCE profile.

Performance above our estimates; SSSG up 8%

- **Growth surges:** Consolidated sales grew 14% YoY to INR3.8b (est. INR 3.4b) in 3QFY26. Same-store sales rose 8.2% in 3Q (est. flat), marking a growth after six quarters. The dine-in channel (84% of sales) grew 15% YoY to INR3.2b. Delivery channel (16% of sales) rose 14% YoY to INR0.6b.
- **Digital KPIs:** Cumulative app downloads were 8.8m in 3QFY26 vs 7.2m in 3QFY25. Own digital asset contribution was at 53.3% vs. 31.7% in 3QFY25

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- **Store additions continue:** The company added eight stores, leading to a store count of 249. Out of 249 stores, BBQN has 199 stores, 12 international BBQN stores, and 38 Toscano and salt stores. Total metro and tier-1 accounted for 197 stores, and tier 2/3 accounted for 52 stores in 3QFY26.
- **Margins contract:** Gross margin dipped 190bp YoY to 66.4%. (est. 67.1%). EBITDA grew 11% YoY to INR682m (est. INR619m). EBITDA margin contracted 60bp YoY to 18.1% (est. 18.0%). Pre-Ind AS EBITDA increased 6% YoY to INR361m in 3QFY26, and the margin contracted 70bp YoY to 9.6%. RoM Pre-Ind AS was up 9% YoY, and margin contracted 80p YoY to 15.7%. We treated the cost impact of INR134m arising from the implementation of the new labor codes as an exceptional item. Employee expenses grew 6% YoY (adjusted INR134m due to new labor codes), and other expenses were also up 16% YoY.
- Loss before tax came in at INR10m as compared to our expectation of INR30m loss. The reported loss was INR77m. Adjusting for a one-time employee cost (INR134m), APAT was INR57m.

Highlights from the management commentary

- The company delivered 8% SSSG in 3QFY26. Management indicated that the positive momentum witnessed in 3Q has continued into Jan'26. SSSG trends improved MoM, with ~5% growth in Oct, some more improvement in Nov, and stronger acceleration in Dec'25.
- The company has witnessed strong transaction growth driven by improved customer experience, value-led campaigns, and higher engagement across its app and digital platforms. These initiatives have led to higher repeat behavior, increased digital-led transactions, and positive consumer feedback.
- No price hikes were taken in the quarter, with growth aided by higher throughput and volumes. The company currently has no plan to take any price hike.
- The total store count is likely to reach ~265 by the end of 4Q. The company remains on track to cross 300 restaurants by FY27 and 400 stores by FY30.

Valuation and view

- We raise our EBITDA estimates by 5-6% for FY27 and FY28 on better delivery of revenue in 3QFY26.
- BBQ India's current valuations at 8x FY27E and 6x FY28E pre-Ind AS EV/EBITDA are comfortably positioned. The company plans to add 9–12 stores per quarter, targeting 265 stores by FY26 and 300 stores by FY27. While demand trends improved meaningfully in 3Q, we remain watchful of sustainability.
- **We reiterate our Neutral rating with a TP of INR215, based on 8x Dec'27E Pre-Ind AS EV/EBITDA, reflecting a weak RoCE profile.**

Cons. Quarterly Performance (INR m)

Y/E March	FY25				FY26E				FY25	FY26E	FY26	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE			3QE	(%)
SSSG (%)	-7.4	-2.5	-2.0	-2.0	-3.4	-2.2	8.2	8.4	-3.8	2.8	0.0	
No. of stores	219	222	226	230	236	241	249	260	230	260	253	
Net Sales	3,057	3,057	3,289	2,928	2,970	3,048	3,766	3,367	12,330	13,150	3,437	9.5
YoY change (%)	-5.6	1.3	-0.6	-1.8	-2.8	-0.3	14.5	15.0	-1.7	6.6	4.5	
Gross Profit	2,081	2,081	2,244	2,006	2,010	2,019	2,499	2,256	8,412	8,784	2,307	8.3
Margin (%)	68.1	68.1	68.2	68.5	67.7	66.2	66.4	67.0	68.2	66.8	67.1	
EBITDA	509	456	615	533	460	377	682	598	2,113	2,117	619	10.2
EBITDA growth %	8.8	2.7	-7.2	-2.6	-9.6	-17.2	10.9	12.1	-0.4	0.2	0.6	
Margin (%)	16.6	14.9	18.7	18.2	15.5	12.4	18.1	17.7	17.1	16.1	18.0	
Depreciation	405	409	428	523	449	483	482	488	1,765	1,902	490	
Interest	186	189	195	209	200	207	227	232	779	866	210	
Other Income	27	43	55	34	19	81	17	33	158	150	50	
PBT	-55	-100	47	-165	-170	-232	-10	-90	-272	-501	-31	
Tax	-11	-28	-3	42	-3	-7	-67	-2	-1	-78	-2	
Rate (%)	20.9	28.4	-6.5	-25.2	1.8	2.8	692.6	2.0	0.5	15.7	5.0	
Adjusted PAT	-43	-71	51	-207	-167	-225	57	-88	-271	-422	-30	
YoY change (%)	N/M	N/M	N/M	N/M	N/M	N/M	13.4	N/M	N/M	N/M	N/M	

E: MOFSL Estimates

BBQ India

- Revenue increased by 10% YoY to INR2.9b. Same-store sales grew 8.3%.
- BBQ India added four net stores to reach 199 in 3QFY26.
- GP margin contracted 250bp YoY to 64.2%. GP up 6% YoY.
- RoM (Pre-Ind AS) margin contracted by 20bp YoY to 14.6%. RoM up 8% YoY.

BBQ International

- Revenue grew 47% YoY to INR372m. Same-store sales were up 5.8%.
- BBQ International added no stores during the quarter. The total store count was 12 stores.
- GP margin expanded 20bp YoY to 74.5%. GP up 47% YoY.
- RoM (Pre-Ind AS) margin contracted 300bp YoY to 23.1%. RoM was up 30% YoY.

Premium CDR

- Revenue was up 20% YoY to INR517m, led by store additions (+36% YoY). Same-store sales grew 9.4%.
- Premium CDR added four stores to reach 38 during the quarter.
- GP margin contracted 190bp YoY to 73.1%. GP was up 17% YoY.
- RoM (Pre-Ind AS) margin contracted 510bp YoY to 15.1%. RoM declined 10% YoY at INR78m.

Exhibit 1: BBQN's business segment performance – key metrics

BBQ Consolidated	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Revenue (INR m)	3,057	3,057	3,289	2,928	2,970	3,048	3,766
YoY growth (%)	-6%	1%	-1%	-2%	-3%	0%	14%
SSSG (%)	-7.4	-2.5	-2.0	-2.0	-3.4	-2.2	8.2
Stores	219	222	226	230	236	241	249
Store addition	2	3	4	4	6	5	8
YoY store addition (%)	3%	2%	5%	6%	8%	9%	10%
Annualised revenue/ outlet (INR/m)	55	56	60	53	54	54	54
GP (INR m)	2,081	2,081	2,244	2,006	2,010	2,019	2,499
GP margin (%)	68.1%	68.1%	68.2%	68.5%	67.7%	66.2%	66.4%
RoM (pre -Ind AS) (INR m)	421	380	543	368	342	250	590
RoM (%)	13.8%	12.4%	16.5%	12.6%	11.5%	8.2%	15.7%
YoY growth (%)	10%	12%	-2%	-14%	-19%	-34%	9%
EBITDA (pre -Ind AS) (INR m)	212	166	339	190	136	33	361
EBITDA pre-Ind AS margin (%)	6.9%	5.4%	10.3%	6.5%	4.6%	1.1%	9.6%
YoY growth (%)	43%	24%	-6%	-1%	-36%	-80%	6%
EBITDA (INR m)	509	456	615	533	460	377	682
EBITDA margin (%)	8.8%	2.7%	-7.2%	-2.6%	-9.6%	-17.2%	10.9%
YoY growth (%)	17%	15%	19%	18%	15%	12%	18%

BBQ India	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Revenue (INR m)	2,466	2,443	2,618	2,280	2,289	2,300	2,883
YoY growth (%)			-4%	-5%	-7%	-6%	10%
SSSG (%)	-8.8	-3.0	-2.6	-2.9	-5.2	-4.3	8.3
Stores	186	187	190	191	193	195	199
Store addition	0	1	3	1	2	2	4
YoY store addition (%)	-2%	-1%	2%	3%	4%	4%	5%
Annualised revenue/ outlet (INR/m)	53	52	57	50	50	50	61
GP (INR m)	1,641	1,626	1,746	1,526	1,513	1,479	1,851
GP margin (%)	66.5%	66.6%	66.7%	66.9%	66.1%	64.3%	64.2%
RoM (pre -Ind AS) (INR m)	293	269	389	231	220	140	422
RoM (%)	11.9%	11.0%	14.9%	10.1%	9.6%	6.1%	14.6%
YoY growth (%)			-3.7%	-21.4%	-24.9%	-48.0%	8.5%

BBQ International	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Revenue	239	218	253	264	263	276	372
YoY growth (%)			8%	11%	10%	27%	47%
SSSG (%)	-8.6	2	5.2	10.9	8.5	8.4	5.8
Stores	8	8	8	9	11	12	12
Store addition	0	0	0	1	2	1	0
Annualised revenue/ outlet (INR/m)	119	109	126	132	105	105	123
GP (INR m)	178	159	188	198	191	200	277
GP margin (%)	74.5%	72.9%	74.3%	75.0%	72.6%	72.5%	74.5%
RoM (pre -Ind AS) (INR m)	60	44	66	78	59	49	86
RoM (%)	25.1%	20.2%	26.1%	29.5%	22.4%	17.8%	23.1%
YoY growth (%)			8%	28%	-3%	-2%	-3%

BBQ Premium CDR	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Revenue	363	406	432	397	431	473	517
YoY growth (%)			24%	11%	19%	17%	20%
SSSG (%)	0.9	-1.6	-2.7	-5.5	1.6	5.3	9.4
Stores	25	27	28	30	32	34	38
Store addition	2	2	1	2	2	2	4
YoY store addition (%)	67%	23%	27%	30%	28%	26%	36%
Annualised revenue/ outlet (INR/m)	58	60	62	55	57	60	64
GP (INR m)	273	305	324	296	317	345	378
GP margin (%)	75.2%	75.1%	75.0%	74.6%	73.5%	72.9%	73.1%
RoM (pre -Ind AS) (INR m)	68	66	87	59	62	62	78
RoM (%)	18.7%	16.3%	20.1%	14.9%	14.4%	13.1%	15.1%
YoY growth (%)			0%	-20%	-9%	-6%	-10%

Source: Company, MOFSL

CONFERENCE CALL

Key takeaways from the management commentary

Business environment and performance

- The company delivered 8% SSSG in 3QFY26. Management indicated that the positive momentum witnessed in 3Q has continued into Jan'26.
- The company believes a structural shift in the business is supporting sustained growth momentum going forward.
- SSSG has been driven primarily by volume growth and was broad-based across India.
- **SSSG trends improved MoM, with ~5% growth in October, some more improvement in November, and stronger acceleration in December.**
- The company reported a 26% YoY growth in consolidated transactions.
- **Consolidated dine-in volumes increased 25% YoY. Delivery transactions jumped 29% YoY.**
- The company has witnessed strong transaction growth driven by improved customer experience, value-led campaigns, and higher engagement across its app and digital platforms. These initiatives have led to higher repeat behavior, increased digital-led transactions, and positive consumer feedback.
- Over the last six months, the company has seen a sustained improvement in transaction growth.
- 53% of dine-in transactions are now conducted through the company's own digital channels.
- In India, the company is curating themed food events to enhance guest engagement and footfalls.
- The company continues to introduce new offerings in the Premium Casual Dining Restaurant (CDR) segment.
- Management remains focused on scaling the existing portfolio of high-potential brands to drive long-term growth.
- The average time gap between repeat customer visits has improved by 10%, indicating stronger customer stickiness.
- Customer feedback is tracked through three mechanisms: 1) an in-house structured guest feedback system, 2) digital LPA scores, and 3) ratings on Google and other app platforms. The rating on all platforms is increasing.
- Cancellation rates have declined, while customer conversion ratios have improved meaningfully.
- **No price hikes were taken during the quarter, with growth supported by higher throughput and volumes. The company currently has no plan to take any price hike.**
- South India markets are performing well, with growth trends returning to levels broadly in line with the company's overall growth.
- Matured restaurants delivered strong annualized revenues of INR67m per restaurant, supported by healthy SSSG. It reported an operating margin of 17.2% in mature restaurants, which remained broadly in line with last year.
- New restaurants generated annualized revenues of INR49m per restaurant, with healthy sequential improvement as stores continue to ramp up.

Store expansion

- The company is well-positioned to add 9–12 restaurants every quarter.
- The company currently has 18 restaurants under construction, of which 14–15 are expected to be launched in 4Q.

- Three international restaurants are currently under construction. Five new stores are under development in the premium Casual Dining Restaurant (CDR) segment.
- The company plans to operate 15 international stores by FY26 and expand to 23–25 international stores by FY27.
- No stores were closed during the quarter, though management expects 2–3 loss-making store closures annually as part of portfolio optimization.
- The total store count is expected to reach around 265 by the end of 4Q.
- The company remains on track to cross 300 restaurants by FY27 and 400 stores by FY30.

Cost and Margins
- The company reiterated gross margin guidance of 67–68%.
- The company continues to invest in gross margin initiatives and marketing to drive transaction growth and attract customers.
- Marketing spends are maintained at ~3% of sales and are expected to remain at this level in the near term, which is still below industry averages.
- Commodity prices declined during the period, and pricing was also moderated to support customer acquisition, which led to some pressure on gross margins.
- The impact of lower gross margins and higher marketing spends was partly offset by the operating leverage benefits of ~2.2% in 3Q.
- Operating margins are expected to improve gradually as revenues scale up across new outlets.

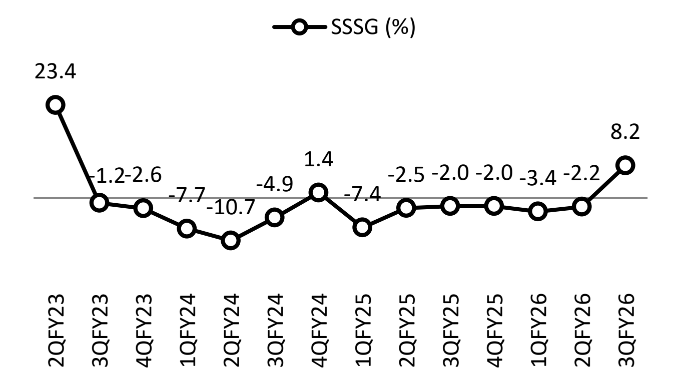
Debt
- Net debt stood at INR900m in 1HFY26 and reduced to INR800m in 3Q, net of capex.
- The company is funding new store additions primarily through internal cash flows.
- Management expects short-term net debt to remain within the range of INR1,000m.

Outlook
- **The company expects to maintain a monthly revenue run rate of ~INR1,250m.**
- **Management is targeting an improvement in EBITDA (post-Ind AS) to 18% over time.**
- Management remains confident that the growth momentum will continue, supported by ongoing initiatives across digital, marketing, operations, and store expansion.

Premium Casual Dining Restaurants (CDR)
- The addition of new stores led to a decline in gross profit margins in the Premium CDR segment.
- In the Premium CDR business, delivery revenue growth has outpaced dine-in growth; however, delivery carries lower GP margins compared to dine-in.
- Of the 10 Premium CDR restaurants in the pipeline, 6–7 will be under the Toscano brand, while the remaining 3 will be under the Salt brand.

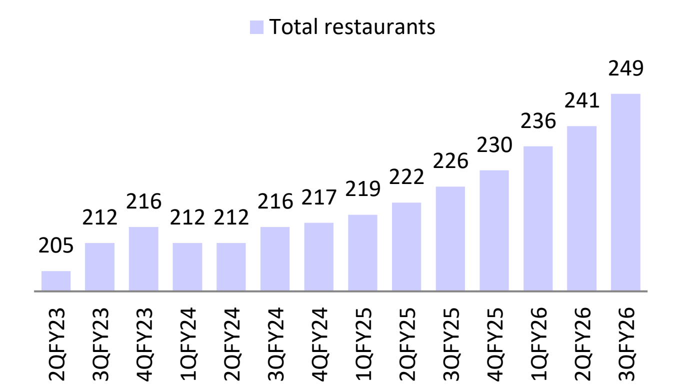
Key exhibits

Exhibit 2: SSSG up 8.2% YoY in 3QFY26



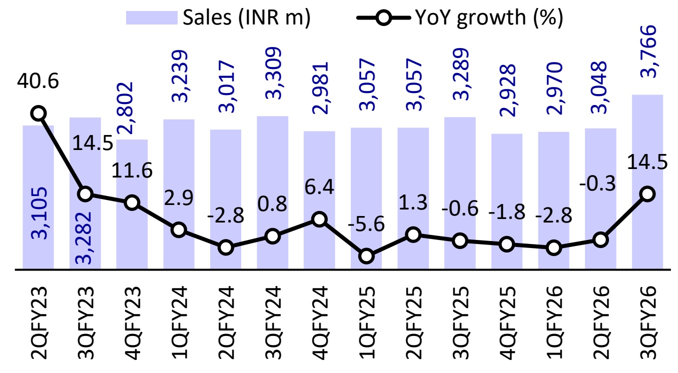
Source: Company, MOFSL

Exhibit 3: Added 8 net stores (opened 8) in 3QFY26



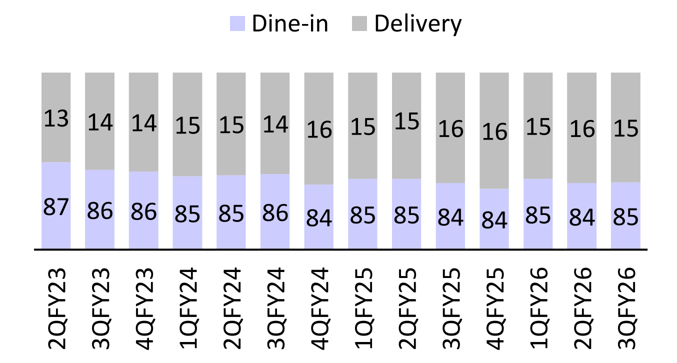
Source: Company, MOFSL

Exhibit 4: Net sales were up 15% YoY to INR3.8b in 3QFY26



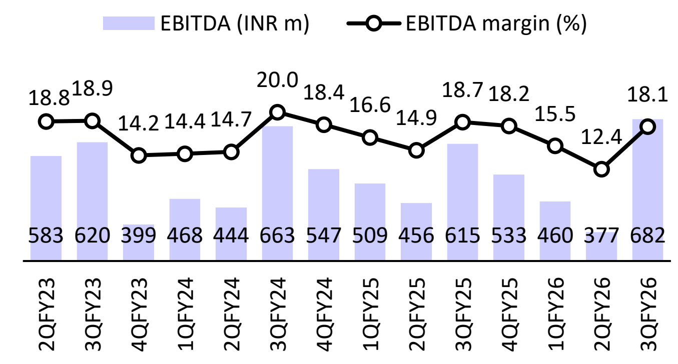
Source: Company, MOFSL

Exhibit 5: Dine-in contribution stood at 85% in 3QFY26



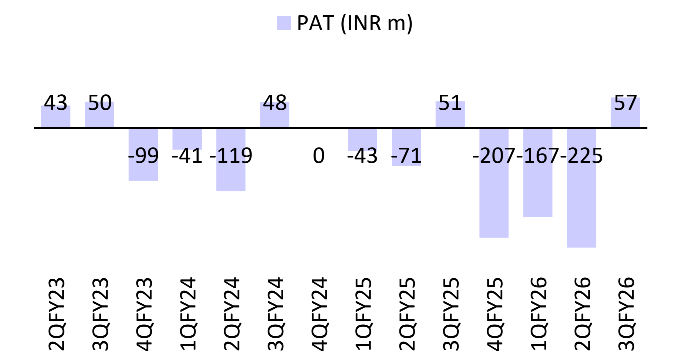
Source: Company, MOFSL

Exhibit 6: EBITDA margin contracted 60bp YoY to 18.1%



Source: Company, MOFSL

Exhibit 7: Adjusted profit came in at INR57m in 3QFY26



Source: Company, MOFSL

Valuation and view

- We raise our EBITDA estimates by 5-6% for FY27 and FY28 on better delivery of revenue in 3QFY26.
- BBQ India's current valuations at 8x FY27E and 6x FY28E pre-Ind AS EV/EBITDA are comfortably positioned. The company plans to add 9–12 stores per quarter, targeting 265 stores by FY26 and 300 stores by FY27. While demand trends improved meaningfully in 3Q, we remain watchful of sustainability.
- **We reiterate our Neutral rating with a TP of INR215, based on 8x Dec'27E Pre-Ind AS EV/EBITDA, reflecting a weak RoCE profile.**

Exhibit 8: We raise our EBITDA estimates by 5-6% for FY27 and FY28

`	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	13,150	14,432	15,634	12,627	13,631	14,801	4.1%	5.9%	5.6%
EBITDA	2,117	2,425	2,673	2,008	2,290	2,531	5.4%	5.9%	5.6%
PAT	-422	-375	-329	-558	-533	-497	NA	NA	NA

Source: Company, MOFSL

Financials and valuations

Income Statement									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Net Sales	**8,470**	**5,071**	**8,606**	**12,338**	**12,545**	**12,330**	**13,150**	**14,432**	**15,634**
Change (%)	14.6	-40.1	69.7	43.4	1.7	-1.7	6.6	9.8	8.3
Gross Profit	**5,548**	**3,288**	**5,558**	**8,186**	**8,361**	**8,412**	**8,784**	**9,814**	**10,631**
Gross Margin %	65.5	64.8	64.6	66.3	66.6	68.2	66.8	68.0	68.0
EBITDA	**1,642**	**464**	**1,337**	**2,306**	**2,122**	**2,113**	**2,117**	**2,425**	**2,673**
Change (%)	12.6	-71.8	188.3	72.4	-8.0	-0.4	0.2	14.5	10.3
Margin (%)	19.4	9.1	15.5	18.7	16.9	17.1	16.1	16.8	17.1
Depreciation	1,340	1,212	1,273	1,450	1,679	1,765	1,902	2,082	2,246
Int. and Fin. Ch.	756	849	653	717	759	779	866	898	937
Other Non-recurring Inc.	38	460	263	80	176	158	150	180	180
PBT	**-415**	**-1,136**	**-326**	**219**	**-140**	**-272**	**-501**	**-375**	**-329**
Change (%)	P/L	-	-	L/P	-164.0	-	-	-	-
Margin (%)	-4.9	-22.4	-3.8	1.8	-1.1	-2.2	-3.8	-2.6	-2.1
Tax	78	-197	-69	66	-28	-1	-78	0	0
Tax Rate (%)	-18.8	17.3	21.1	30.1	20.3	0.5	15.7	0.0	0.0
Adjusted PAT	**-493**	**-940**	**-257**	**153**	**-112**	**-271**	**-422**	**-375**	**-329**
Change (%)	-	-	-	L/P	-172.9	-	-	-	-
Margin (%)	-5.8	-18.5	-3.0	1.2	-0.9	-2.2	-3.2	-2.6	-2.1
Non-rec. (Exp)/Inc.	164	21	5	38	0	1	0	0	0
Minority interest	-5	-14	4	21	22	7	0	0	0
Reported PAT	**-324**	**-905**	**-256**	**170**	**-134**	**-278**	**-422**	**-375**	**-329**

Balance Sheet									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Share Capital	140	170	195	195	195	195	195	195	195
Reserves	-81	2,269	3,665	3,816	3,734	3,431	3,009	2,634	2,305
Net Worth	**59**	**2,439**	**3,860**	**4,011**	**3,930**	**3,627**	**3,204**	**2,829**	**2,500**
Loans	2,450	1,528	218	196	397	695	695	695	695
Lease Liabilities	4,816	4,498	5,887	6,649	6,459	6,880	6,977	7,421	7,833
Others	52	38	93	82	110	82	82	82	82
Capital Employed	**7,377**	**8,503**	**10,057**	**10,939**	**10,896**	**11,284**	**10,958**	**11,027**	**11,110**
Gross Block	11,910	12,049	14,411	16,749	18,098	20,510	22,726	24,592	26,460
Less: Accum. Depn.	4,507	5,456	6,410	7,356	9,035	10,800	12,702	14,784	17,031
Net Fixed Assets	**7,404**	**6,593**	**8,000**	**9,393**	**9,460**	**9,710**	**10,023**	**9,808**	**9,429**
RTU	4,015	3,617	4,878	5,556	5,334	5,685	5,188	5,026	4,863
Capital WIP	109	60	212	273	47	140	140	140	140
Goodwill	723	723	723	723	897	897	897	897	897
Investments	0	0	0	0	0	121	0	0	0
Deferred tax assets	0	0	0	0	0	0	0	0	0
Curr. Assets, L&A	**1,319**	**4,002**	**2,478**	**2,200**	**2,368**	**2,272**	**1,931**	**2,279**	**2,742**
Inventory	149	202	358	421	387	471	396	474	514
Account Receivables	22	26	57	74	267	311	324	395	428
Cash and Bank Balance	147	2,455	853	426	360	171	23	198	564
Others	1,001	1,319	1,210	1,280	1,355	1,319	1,187	1,211	1,235
Curr. Liab. and Prov.	**2,167**	**2,855**	**1,356**	**1,647**	**1,783**	**1,765**	**1,941**	**2,005**	**2,006**
Other Current Liabilities	894	1,237	199	227	390	425	437	451	464
Creditors	1,125	1,468	988	1,235	1,181	1,105	1,261	1,305	1,285
Provisions	148	150	168	185	212	235	242	250	257
Net Curr. Assets	**-848**	**1,147**	**1,122**	**553**	**586**	**507**	**-10**	**274**	**736**
Current tax liabilities	-11	-20	0	-4	-94	-92	-92	-92	-92
Appl. of Funds	**7,377**	**8,503**	**10,057**	**10,939**	**10,896**	**11,283**	**10,958**	**11,027**	**11,110**

E: MOFSL Estimates

Financials and valuations

Ratios									
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
Basic (INR)									
EPS	**-17.6**	**-27.7**	**-6.6**	**3.9**	**-2.9**	**-6.9**	**-10.8**	**-9.6**	**-8.4**
BV/Share	2.1	71.9	99.2	102.9	100.6	92.8	82.0	72.4	64.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout %	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)									
P/E	N/M	N/M	N/M	46.3	N/M	N/M	N/M	N/M	N/M
EV/Sales	1.4	1.9	1.4	1.1	1.1	0.6	0.6	0.5	0.5
EV/EBITDA	7.4	21.0	9.2	5.9	6.4	3.6	3.7	3.1	2.7
P/BV	86.1	2.5	1.8	1.8	1.8	2.0	2.2	2.5	2.8
Dividend Yield (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return Ratios (%)									
RoE	-833.5	-38.5	-6.7	3.8	-2.8	-7.5	-13.2	-13.3	-13.2
RoCE	5.6	-3.0	2.8	6.2	4.5	4.5	2.8	4.8	5.5
RoIC	5.2	-9.4	0.7	6.2	3.4	3.2	1.7	3.2	4.1
Working Capital Ratios									
Debtor (Days)	1	2	2	2	8	9	9	10	10
Inventory (Days)	6	15	15	12	11	14	11	12	12
Creditor (Days)	48	106	42	37	34	33	35	33	30
Asset Turnover (x)	1.1	0.6	0.9	1.1	1.2	1.1	1.2	1.3	1.4
Leverage Ratio									
Debt/Equity (x)	41.4	0.6	0.1	0.0	0.1	0.2	0.2	0.2	0.3

Cash Flow Statement									(INR m)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026E**	**2027E**	**2028E**
OP/(loss) before Tax	-251	-1,115	-321	257	-140	-272	-501	-375	-329
Int./Div. Received	-149	-412	-137	28	7	4	-150	-180	-180
Depreciation & Amort.	1,340	1,212	1,273	1,450	1,679	1,765	1,902	2,082	2,246
Interest Paid	-659	-739	-500	-559	-597	-655	-866	-898	-937
Direct Taxes Paid	78	-12	31	57	-29	32	-78	0	0
Inc/(Dec) in WC	-291	-244	686	-38	-35	187	-369	109	95
CF from Operations	**1,811**	**679**	**598**	**2,276**	**2,206**	**1,934**	**2,564**	**2,316**	**2,578**
Extraordinary Items	0	0	0	0	0	0	0	0	0
Inc/(Dec) in FA	-840	-143	-932	-1,459	-874	-810	-1,015	-866	-868
Free Cash Flow	**971**	**536**	**-334**	**817**	**1,331**	**1,123**	**1,549**	**1,449**	**1,710**
Others	-678	71	30	-59	-185	-89	-307	180	180
Pur of Investments	0	0	0	0	0	0	0	0	0
CF from Invest.	**-1,518**	**-72**	**-902**	**-1,518**	**-1,059**	**-899**	**-1,322**	**-686**	**-688**
Issue of Shares	1	1,495	1,844	15	22	2	0	0	0
Incr in Debt	876	73	-1,310	-22	177	297	0	0	0
Dividend Paid	-34	0	0	0	0	0	0	0	0
Others	-1,109	133	-1,832	-1,179	-1,410	-1,525	-1,389	-1,454	-1,524
CF from Fin. Activity	**-265**	**1,700**	**-1,298**	**-1,186**	**-1,211**	**-1,226**	**-1,389**	**-1,454**	**-1,524**
Incr/Decr of Cash	**27**	**2,308**	**-1,602**	**-428**	**-65**	**-191**	**-147**	**175**	**366**
Add: Opening Balance	120	147	2,455	853	426	361	169	23	198
Closing Balance	**147**	**2,455**	**853**	**426**	**361**	**169**	**23**	**198**	**564**

E: MOFSL Estimates

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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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