

# Campus Activewear

Estimate change	↔
TP change	↑
Rating change	↔

Bloomberg	CAMPUS IN
Equity Shares (m)	306
M.Cap.(INRb)/(USD\$b)	72.1 / 0.8
52-Week Range (INR)	304 / 215
1, 6, 12 Rel. Per (%)	-3/-7/-10
12M Avg Val (INR M)	122

## Financials & Valuations (INR b)

Y/E March	FY26	FY27E	FY28E
Sales	17.7	20.1	22.6
EBITDA	2.9	3.4	4.1
Adj. PAT	1.5	1.7	2.2
EBITDA Margin (%)	16.5	16.8	18.0
Adj. EPS (INR)	4.9	5.7	7.2
EPS Gr. (%)	23.9	16.4	26.5
BV/Sh. (INR)	29.6	33.8	39.0

## Ratios

Net D:E	0.3	0.1	0.0
RoE (%)	18.1	18.0	19.8
RoCE (%)	16.4	16.5	17.8
Payout (%)	30.6	35.1	34.6

## Valuations

P/E (x)	48.0	41.2	32.6
EV/EBITDA (x)	25.5	21.7	17.6
EV/Sales (X)	4.2	3.6	3.2
Div. Yield (%)	0.6	0.9	1.1

## Shareholding pattern (%)

As On	Mar-26	Dec-25	Mar-25
Promoter	72.1	72.1	72.1
DII	11.6	11.7	11.1
FII	6.1	6.2	6.6
Others	10.2	10.0	10.1

FII includes depository receipts

**CMP: INR233**

**TP: INR325 (+40%)**

**Buy**

## Robust 4Q; price hikes to cushion margins against RM inflation

- Campus Activewear (CAMPUS) ended FY26 on a robust note, with ~12%/15% YoY revenue/EBITDA growth, led by ~10% YoY volume growth and ~50bp EBITDA margin expansion in 4Q.
- For FY26, CAMPUS delivered ~11% YoY revenue growth, with ~115bp YoY EBITDA margin expansion, resulting in ~20% reported EBITDA growth.
- The growth was driven by strong performance in D2C channels, aided by strong traction in the sneakers portfolio, which also led to margin expansion.
- The company has implemented calibrated price hikes across the portfolio, which should cushion the impact from RM inflation in the near term and drive margin expansion over the medium term (as RM prices ease).
- CAMPUS continues to strengthen its positioning through faster product launches, expansion of in-house sneaker capacities, and improved marketplace execution, supporting market share gains amid rising competitive intensity.
- We fine-tune our FY27-28 estimates and now model ~13%/18%/21% FY26-28E CAGR in revenue/reported EBITDA/PAT, with EBITDA margin expanding 155bp to ~18% by FY28.
- **Reiterate BUY rating with a revised TP of INR325**, based on 45x FY28E EPS.

## Robust 4Q; Strong cost control, operating leverage drive higher margins

- 4Q revenue at INR4.6b grew 12% YoY (vs. our est. of 10% YoY).
- Volume grew ~10% YoY to 6.8m pairs, while ASP rose ~1.5% YoY to INR668, adversely impacted by logistics cost changes in the online segment.
- D2C online sustained strong growth momentum from 3Q, with 23% YoY growth. D2C offline grew ~13% YoY, while trade distribution grew ~5% YoY.
- Gross profit rose 12% YoY to INR2.3b (vs. our est. INR2.1b).
- Gross Margin (GM) moderated ~25bp YoY to 51.5% (~50bp miss).
- Employee costs rose 21% YoY (in line), while other expenses grew 7% YoY (4% below our est.).
- As a result, EBITDA grew 15% YoY to INR825m (vs. our est. of INR792m), led by operating leverage.
- EBITDA margin expanded ~50bp YoY to 18.1% (40bp beat).
- Reported PAT jumped ~26% YoY to INR441m (6% beat).

## Robust growth and reported margin expansion in FY26

- Revenue grew ~11% YoY to INR17.7b, driven by 4% YoY growth in volume, while ASP rose ~7% YoY to INR683.
- D2C offline led with ~17% YoY growth, followed by 11% YoY growth in D2C online (despite accounting change) and ~10% YoY in trade distribution.
- Gross profit grew ~14% YoY to INR9.4b, aided by ~105bp gross margin expansion to 52.9%.
- Reported EBITDA rose 20% YoY to INR2.9b, led by ~115bp margin expansion.

- Adjusted pre-IND AS EBITDA grew 18% YoY to INR2.4b, with margin expanding ~70bp YoY to 13.5%. Lease rentals had a one-off cost of INR0.64b for long-term land acquisition pertaining to the Pantnagar facility.
- Reported PAT grew 24% YoY to INR1.5b, driven by robust EBITDA growth and higher other income (56% YoY).
- CAMPUS' net working capital (NWC) days inched up ~8 days YoY to 78, driven by higher inventory days (93 vs. 87 YoY) and lower payable days (46 vs. 52 YoY).
- Adjusted OCF (post interest and leases) moderated to INR770m (vs. INR1.9b YoY), due to working capital build-up of INR1.1b (vs. release of ~INR300m YoY).
- Capex was elevated at INR1.5b (vs. INR588m YoY), due to land acquisition for the Panatnagar facility expansion (INR0.64b), leading to FCF (post interest and leases) outflow of INR0.7b (vs. INR1.4b generation YoY).

#### Key takeaways from the management commentary

- **Demand trends** have remained resilient despite aggressive pricing actions, with 1QFY27 starting on a positive note. Management indicated some near-term resistance to price hikes; however, it expects strong product launches, premiumization, and potential market share gains (at the expense of smaller players) to support volume growth.
- **Price hikes:** Amid a sharp inflation in key RM prices (EVA/PU) and higher minimum wages, CAMPUS has implemented calibrated price hikes across its portfolio, which should cushion margins in the near term. Further, management indicated that RM cost pressures have started easing, while price hikes are sticky, which should provide tailwinds for further margin expansion.
- **Sneaker portfolio** continued to remain the key growth driver, delivering ~100% growth for the second consecutive year (~50% growth in 4Q). Faster product development cycles, integrated manufacturing, and improving product quality are strengthening premiumization and consumer acceptance. The company is investing in capacity expansion to meet the growing demand for sneakers.

#### Valuation and view

- CAMPUS is expanding beyond its core category of sports shoes into sneakers, women's, and kids' categories. Sharper segmentation, affordability-led positioning, and ongoing operational initiatives are supporting stronger execution and an improving product mix. Channel feedback on execution remains stronger vs. peers.
- We fine-tune our estimates and build in revenue CAGR of 13% over FY26-28, driven by ~8% ASP growth and 5% volume growth. Improving product mix, price hikes, and recent launches are likely to support stronger ASP growth, while the focus remains on volume growth, as the company has linked distributors' incentives to volume growth rather than value growth for FY27.
- We build in ~155bp EBITDA margin expansion over FY26-28E, with gross margin expansion contributing ~65bp, led by premiumization and mix improvements. The recent price hike is expected to cushion margins against near-term headwinds from raw material inflation. Accordingly, we model EBITDA/PAT CAGR of 18%/21% over FY26-28E.
- **Reiterate BUY rating with a revised TP of INR325 (earlier INR305), based on 45x FY28E EPS.**

**Consolidated Quarterly Earnings**

(INR m)

Y/E March	FY25				FY26				FY25	FY26	FY26	Est
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q				
<b>Revenue</b>	<b>3,392</b>	<b>3,333</b>	<b>5,148</b>	<b>4,057</b>	<b>3,433</b>	<b>3,866</b>	<b>5,886</b>	<b>4,556</b>	<b>15,930</b>	<b>17,741</b>	<b>4,466</b>	<b>2.0</b>
YoY Change (%)	-4.1	28.9	9.1	11.5	1.2	16.0	14.3	12.3	10.0	11.4		
<b>Gross Profit</b>	<b>1,797</b>	<b>1,745</b>	<b>2,617</b>	<b>2,098</b>	<b>1,875</b>	<b>2,062</b>	<b>3,097</b>	<b>2,345</b>	<b>8,257</b>	<b>9,378</b>	<b>2,321</b>	<b>1.0</b>
Gross margin	53.0	52.4	50.8	51.7	54.6	53.3	52.6	51.5	51.8	52.9	52.0	
Total Expenditure	2,874	2,951	4,326	3,343	2,940	3,367	4,784	3,732	13,494	14,822	3,674	1.6
<b>EBITDA</b>	<b>517</b>	<b>382</b>	<b>822</b>	<b>715</b>	<b>493</b>	<b>499</b>	<b>1,103</b>	<b>825</b>	<b>2,435</b>	<b>2,919</b>	<b>792</b>	<b>4.2</b>
EBITDA margins (%)	15.3	11.5	16.0	17.6	14.4	12.9	18.7	18.1	15.3	16.5	17.7	
Depreciation	162	176	189	228	201	219	224	239	755	883	237	0.7
Interest	37	45	43	64	49	62	73	59	188	243	77	-23.6
Other Income	23	34	37	53	61	52	55	61	147	228	62	-1.7
<b>PBT</b>	<b>341</b>	<b>196</b>	<b>626</b>	<b>476</b>	<b>304</b>	<b>270</b>	<b>861</b>	<b>588</b>	<b>1,639</b>	<b>2,022</b>	<b>539</b>	<b>9.0</b>
Tax	87	53	162	126	82	69	224	146	428	521	122	19.7
Rate (%)	25.6	27.0	25.8	26.4	26.9	25.5	26.0	24.9	26.1	25.8	22.7	
<b>Reported PAT</b>	<b>254</b>	<b>143</b>	<b>465</b>	<b>350</b>	<b>222</b>	<b>201</b>	<b>637</b>	<b>441</b>	<b>1,212</b>	<b>1,501</b>	<b>417</b>	<b>5.8</b>
<b>Adj PAT</b>	<b>254</b>	<b>143</b>	<b>465</b>	<b>350</b>	<b>222</b>	<b>201</b>	<b>637</b>	<b>441</b>	<b>1,212</b>	<b>1,501</b>	<b>417</b>	<b>5.8</b>
YoY Change (%)	-19	4,369	87	7	-13	40	37	26	35.5	23.9		

E: MOFSL Estimates

**Exhibit 1: Valuation based on FY28E P/E**

Particulars	INR/Share
EPS	7.2
Target PE (x)	45
<b>Equity value/share (INR)</b>	<b>325</b>
CMP (INR)	233
Upside/(Downside) (%)	40%

Source: MOFSL, Company



## Detailed takeaways from the management commentary

- **Demand trends** have remained resilient despite aggressive pricing actions, with 1QFY27 starting on a positive note. Management indicated some near-term resistance to price hikes; however, it expects strong product launches, premiumization, and potential market share gains (at the expense of smaller players) to support volume growth.
- **Price hikes:** Amid a sharp inflation in key RM prices (EVA/PU) and higher minimum wages, CAMPUS has implemented calibrated price hikes across its portfolio, which should cushion margins in the near term. Further, management indicated that RM cost pressures have started easing, while price hikes are sticky, which should provide tailwinds for further margin expansion.
- **Sneaker portfolio** continued to remain the key growth driver, delivering ~100% growth for the second consecutive year (~50% growth in 4Q). Faster product development cycles, integrated manufacturing, and improving product quality are strengthening premiumization and consumer acceptance. The company is investing in capacity expansion to meet the growing demand for sneakers.
- **ASP:** Premiumization and rising sneaker salience continue to support underlying ASP improvement, although reported ASP growth (1.5% in 4Q) remained muted due to marketplace freight accounting changes and GST-led shifts.
- **Product innovation** remained strong with ~250 new SKUs launched during FY26, supported by continuous benchmarking of consumer trends, regional preferences, and online demand shifts. Wider assortment and faster refresh cycles are improving relevance across channels and geographies.
- **In-house manufacturing** scale-up remains on track, with Pantnagar currently producing ~200k sneaker pairs/month and long-term phased capacity expansion targeted at ~800k pairs/month, including ~600k at Pantnagar, rest at Haridwar-II. Growth is expected to be increasingly serviced through owned facilities, supporting margins and quality control.
- **Marketing investments** will remain elevated, reflecting continued focus on brand building and market share gains rather than performance marketing. Advertising spends increased ~20% YoY in FY26, while operating cost excluding advertisement expenses were softer in 4Q due to favorable marketplace commission dynamics during key online events and stable retail store count.
- **Marketplace channels** continued to materially outperform, driven by stronger execution across platforms and own website. Increasing use of platform-led warehousing and fulfillment models is improving delivery efficiency and online scalability, while the Amazon partnership continues to strengthen.
- **Retail strategy** remained profitability-led during FY26, with closure of ~9–10 weaker stores and addition of ~13–14 stores improving store economics. With profitability stabilizing, the company plans to accelerate expansion in FY27 with ~60–80 store additions, largely through franchise-led formats (~60% FOFO mix).
- **Inventory** normalization is largely complete following the liquidation of BIS inventory, with current finished goods inventory aligned to targeted growth requirements.
- Elevated FY26 cash outflow was largely driven by the land acquisition for Pantnagar facility, which included ~INR654m long term lease-hold land.

- **Capex during FY26** was elevated due to the Pantnagar acquisition, while FY27 capex is expected to normalize toward routine maintenance, IT infrastructure, and selective store additions. Incremental investments over the next few years will primarily support phased sneaker capacity expansion and assembly line additions.
- **CAMPUS** highlighted its strengthening pan-India positioning, with Maharashtra now emerging as the second-largest state in distribution channel and cities such as Pune and Bengaluru featuring in top five states in terms of online sales. Integrated manufacturing, strong distribution reach, and faster product development continue to strengthen the competitive positioning.

**Exhibit 2: Quarterly performance**

INRm	4QFY25	3QFY26	4QFY26	YoY%	QoQ%	4QFY26E	vs. est (%)	FY25	FY26	YoY%
<b>Total Revenue</b>	<b>4,057</b>	<b>5,886</b>	<b>4,556</b>	<b>12</b>	<b>-23</b>	<b>4,466</b>	<b>2</b>	<b>15,930</b>	<b>17,741</b>	<b>11</b>
Raw Material cost	1,959	2,789	2,212	13	-21	2,145	3	7,673	8,363	9
<b>Gross Profit</b>	<b>2,098</b>	<b>3,097</b>	<b>2,345</b>	<b>12</b>	<b>-24</b>	<b>2,321</b>	<b>1</b>	<b>8,257</b>	<b>9,378</b>	<b>14</b>
<b>Gross margin (%)</b>	<b>51.7%</b>	<b>52.6%</b>	<b>51.5%</b>	<b>-26</b>	<b>-116</b>	<b>52.0%</b>	<b>-52</b>	<b>51.8%</b>	<b>52.9%</b>	<b>103</b>
Employee Costs	305	368	370	21	1	336	10	1,190	1,402	18
SGA Expenses	1,079	1,626	1,150	7	-29	1,193	-4	4,632	5,058	9
<b>EBITDA</b>	<b>715</b>	<b>1,103</b>	<b>825</b>	<b>15</b>	<b>-25</b>	<b>792</b>	<b>4</b>	<b>2,435</b>	<b>2,919</b>	<b>20</b>
<b>EBITDA margin (%)</b>	<b>17.6%</b>	<b>18.7%</b>	<b>18.1%</b>	<b>49</b>	<b>-63</b>	<b>17.7%</b>	<b>37</b>	<b>15.3%</b>	<b>16.5%</b>	<b>116</b>
Depreciation and amortization	228	224	239	5	7	237	1	755	883	17
EBIT	487	879	586	20	-33	555	6	1,680	2,036	21
<b>EBIT margin (%)</b>	<b>12.0%</b>	<b>14.9%</b>	<b>12.9%</b>	<b>86</b>	<b>-207</b>	<b>12.4%</b>	<b>44</b>	<b>10.5%</b>	<b>11.5%</b>	<b>93</b>
Finance Costs	64	73	59	-8	-20	77	-24	188	243	29
Other Income	53	55	61	14	10	62	-2	147	228	55
<b>Profit before Tax</b>	<b>476</b>	<b>861</b>	<b>588</b>	<b>23</b>	<b>-32</b>	<b>539</b>	<b>9</b>	<b>1,639</b>	<b>2,022</b>	<b>23</b>
Tax	126	224	146	16	-35	122	20	428	521	22
<b>Profit after Tax</b>	<b>350</b>	<b>637</b>	<b>441</b>	<b>26</b>	<b>-31</b>	<b>417</b>	<b>6</b>	<b>1,212</b>	<b>1,501</b>	<b>24</b>
<b>PAT margin (%)</b>	<b>8.6%</b>	<b>10.8%</b>	<b>9.7%</b>	<b>105</b>	<b>-113</b>	<b>9.3%</b>	<b>35</b>	<b>7.6%</b>	<b>8.5%</b>	<b>85</b>

Source: MOFSL, Company

**Exhibit 3: Key operating metrics**

INR m	4QFY25	3QFY26	4QFY26	YoY%	QoQ%
Trade Distribution	2,240	2,908	2,356	5	-19
Direct to consumer (online)	1,396	2,372	1,722	23	-27
Direct to consumer (offline)	422	606	478	13	-21
<b>Mix (%)</b>					
Trade Distribution	55.2%	49.4%	51.7%	-350	230
Direct to consumer (online)	34.4%	40.3%	37.8%	340	-250
Direct to consumer (offline)	10.4%	10.3%	10.5%	10	20
	<b>4QFY25</b>	<b>3QFY26</b>	<b>4QFY26</b>	<b>YoY%</b>	<b>QoQ%</b>
ASP (INR/pair)	658	711	668	2	-6
Volume (m pairs)	6	8	7	10	-18

Source: MOFSL, Company

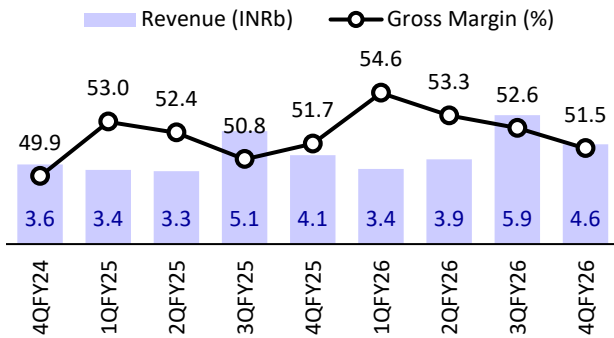
**Exhibit 4: Changes to our estimates**

	FY26	FY27E	FY28E
<b>Revenue (INR m)</b>			
Old		19,831	22,280
Actual/New	17,741	20,099	22,581
Change (%)		1.4	1.4
<b>Gross Profit (INR m)</b>			
Old		10,609	12,031
Actual/New	9,378	10,652	12,081
Change (%)		0.4	0.4
<b>Gross margin (%)</b>			
Old		53.5%	54.0%
Actual/New	52.9%	53.0%	53.5%
Change (bp)		-50	-50
<b>EBITDA (INR m)</b>			
Old		3,371	4,010
Actual/New	2,919	3,367	4,065
Change (%)		-0.1	1.4
<b>EBITDA margin (%)</b>			
Old		17.0%	18.0%
Actual/New	16.5%	16.8%	18.0%
Change (bp)		-25	0
<b>Net Profit (INR m)</b>			
Old		1,710	2,072
Actual/New	1,501	1,747	2,210
Change (%)		2.2	6.7
<b>EPS (INR)</b>			
Old		5.6	6.8
Actual/New	4.9	5.7	7.2
Change (%)		2.2	6.7

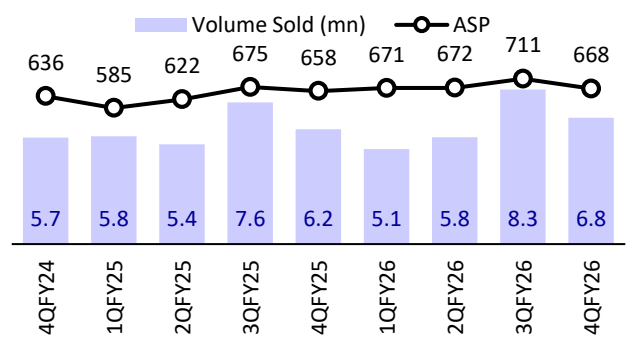
Source: MOFSL, Company

## Story in charts

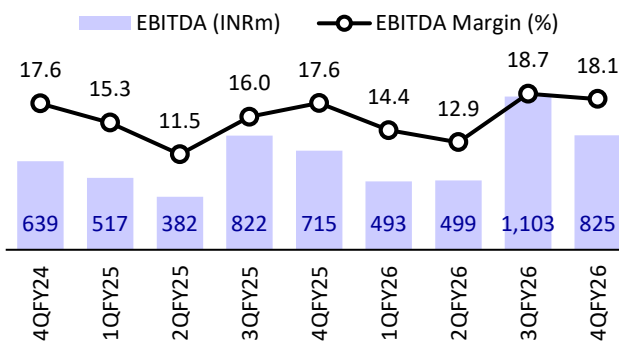
**Exhibit 5: Revenue grew 12% YoY; GM contracted ~25bp YoY**



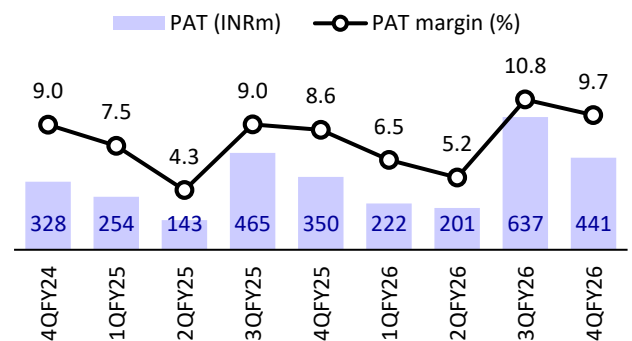
**Exhibit 6: Volumes grew 10% YoY; ASP rose 2% YoY**



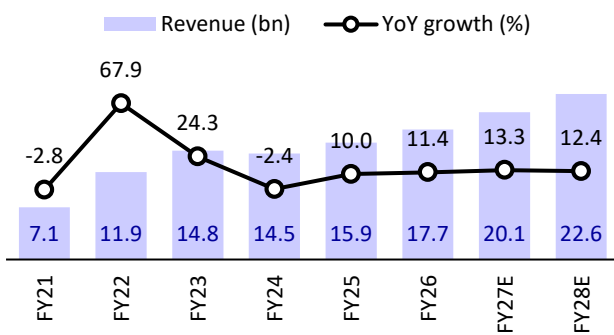
**Exhibit 7: EBITDA rose 15% YoY; margin expanded 50bp YoY**



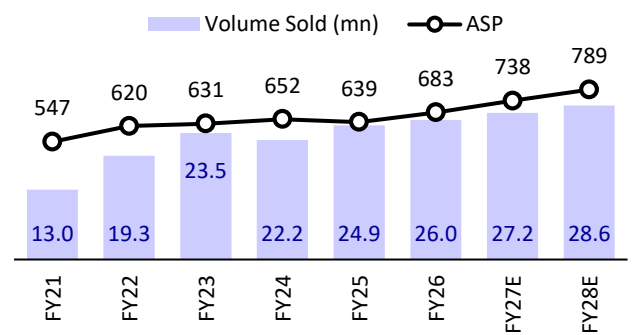
**Exhibit 8: PAT rose 26% YoY, margin expanded 105bp YoY**



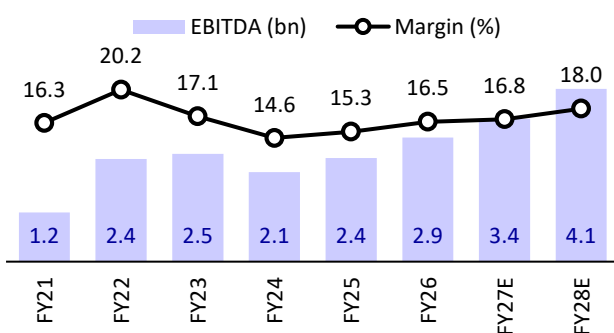
**Exhibit 9: Expect 13% revenue CAGR over FY26-28**



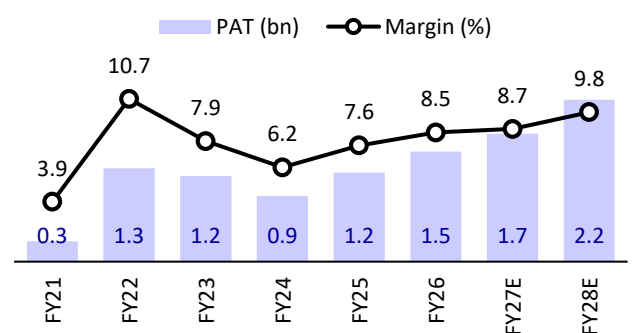
**Exhibit 10: Expect 8%/5% ASP/volume CAGR over FY26-28**



**Exhibit 11: Expect 18% EBITDA CAGR over FY26-28, with 155bp margin expansion by FY28**



**Exhibit 12: Expect 21% PAT CAGR over FY26-28**



Source: MOFSL, Company

Source: MOFSL, Company

## Financials and valuations

### Consolidated - Income Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Revenue from Operations</b>	<b>7,113</b>	<b>11,942</b>	<b>14,842</b>	<b>14,483</b>	<b>15,930</b>	<b>17,741</b>	<b>20,099</b>	<b>22,581</b>
Change (%)	-3	68	24	-2	10	11	13	12
Raw Materials	3,744	5,973	7,520	6,955	7,673	8,363	9,446	10,500
<b>GROSS PROFIT</b>	<b>3,369</b>	<b>5,968</b>	<b>7,323</b>	<b>7,528</b>	<b>8,257</b>	<b>9,378</b>	<b>10,652</b>	<b>12,081</b>
Margin (%)	47	50	49	52	52	52.9	53.0	53.5
Employees Cost	552	679	802	1,015	1,190	1,402	1,558	1,694
Other Expenses	1,657	2,874	3,985	4,405	4,632	5,058	5,728	6,323
<b>Total Expenditure</b>	<b>2,209</b>	<b>3,553</b>	<b>4,787</b>	<b>5,420</b>	<b>5,822</b>	<b>6,459</b>	<b>7,286</b>	<b>8,016</b>
% of Sales	31.1	29.8	32.3	37.4	36.5	36.4	36.3	35.5
<b>EBITDA</b>	<b>1,160</b>	<b>2,415</b>	<b>2,536</b>	<b>2,108</b>	<b>2,435</b>	<b>2,919</b>	<b>3,367</b>	<b>4,065</b>
Margin (%)	16.3	20.2	17.1	14.6	15.3	16.5	16.75	18.00
Depreciation	327	532	710	721	755	883	1,021	1,127
<b>EBIT</b>	<b>833</b>	<b>1,883</b>	<b>1,826</b>	<b>1,387</b>	<b>1,680</b>	<b>2,036</b>	<b>2,346</b>	<b>2,938</b>
Margin (%)	11.7	15.8	12.3	9.6	10.5	11.5	11.7	13.0
Finance costs	172	196	287	232	188	243	263	267
Other Income	38	24	28	45	147	228	251	282
<b>PBT bef. EO Exp.</b>	<b>699</b>	<b>1,711</b>	<b>1,567</b>	<b>1,200</b>	<b>1,639</b>	<b>2,022</b>	<b>2,335</b>	<b>2,953</b>
Total Tax	431	634	396	306	428	521	588	743
Tax Rate (%)	61.6	37.0	25.0	25.0	25.0	25.8	25.2	25.2
<b>Reported PAT</b>	<b>269</b>	<b>1,078</b>	<b>1,171</b>	<b>894</b>	<b>1,212</b>	<b>1,501</b>	<b>1,747</b>	<b>2,210</b>
<b>Adjusted PAT</b>	<b>279</b>	<b>1,273</b>	<b>1,171</b>	<b>894</b>	<b>1,212</b>	<b>1,501</b>	<b>1,747</b>	<b>2,210</b>
Change (%)	-54.5	356.9	-8.0	-23.6	35.5	23.9	16.4	26.5
Margin (%)	3.9	10.7	7.9	6.2	7.6	8.5	8.7	9.8

### Consolidated - Balance Sheet

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Equity Share Capital	1,519	1,522	1,523	1,526	1,527	1,527	1,527	1,527
Total Reserves	1,608	2,754	3,998	4,990	6,038	7,535	8,822	10,420
<b>Net Worth</b>	<b>3,126</b>	<b>4,276</b>	<b>5,521</b>	<b>6,517</b>	<b>7,565</b>	<b>9,062</b>	<b>10,349</b>	<b>11,947</b>
Minority Interest	4				0	0	0	0
Total Loans	1,772	2,890	3,350	1,778	2,323	2,362	2,634	2,855
Lease Liability	416	1,147	1,542	1,535	2,323	1,999	2,271	2,493
<b>Capital Employed</b>	<b>4,902</b>	<b>7,166</b>	<b>8,871</b>	<b>8,294</b>	<b>9,888</b>	<b>11,423</b>	<b>12,983</b>	<b>14,802</b>
Gross Block	3,318	4,460	5,695	6,384	7,614	9,125	10,130	11,135
Less: Accum. Deprn.	753	1,214	1,924	2,645	2,968	3,851	4,872	5,999
<b>Net Fixed Assets</b>	<b>2,564</b>	<b>3,246</b>	<b>3,770</b>	<b>3,739</b>	<b>4,645</b>	<b>5,274</b>	<b>5,259</b>	<b>5,136</b>
Right to use assets	491	1,208	1,501	1,437	2,141	2,421	2,673	2,879
Capital WIP	3	25	38	201	344	113	113	113
<b>Total Investments</b>					<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>3,067</b>	<b>4,975</b>	<b>6,677</b>	<b>5,599</b>	<b>6,321</b>	<b>6,245</b>	<b>8,186</b>	<b>10,473</b>
Inventory	2,025	3,543	4,490	3,963	3,798	4,495	4,723	5,178
Account Receivables	982	1,337	1,766	1,183	1,480	1,528	1,652	1,856
Cash and Bank Balance	12	3	240	248	245	40	1,628	3,256
Loans and Advances	48	92	181	206	798	183	183	183
<b>Curr. Liability &amp; Prov.</b>	<b>1,888</b>	<b>2,386</b>	<b>2,776</b>	<b>2,504</b>	<b>2,947</b>	<b>3,000</b>	<b>3,400</b>	<b>3,776</b>
Account Payables	1,709	1,966	2,144	2,002	2,261	2,247	2,588	2,877
Other Current Liabilities	175	414	623	484	664	726	785	872
Provisions	5	6	10	18	22	27	27	27
<b>Net Current Assets</b>	<b>1,179</b>	<b>2,590</b>	<b>3,901</b>	<b>3,095</b>	<b>3,374</b>	<b>3,245</b>	<b>4,786</b>	<b>6,697</b>
Deferred Tax assets	401	218	309	382	416	429	429	429
Other Assets	758	1,112	891	1,078	1,452	2,476	2,511	2,541
<b>Appl. of Funds</b>	<b>4,902</b>	<b>7,166</b>	<b>8,871</b>	<b>8,294</b>	<b>9,888</b>	<b>11,424</b>	<b>12,984</b>	<b>14,803</b>

## Financials and valuations

### Ratios

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
<b>Basic (INR)</b>								
<b>EPS</b>	<b>0.9</b>	<b>4.2</b>	<b>3.8</b>	<b>2.9</b>	<b>4.0</b>	<b>4.9</b>	<b>5.7</b>	<b>7.2</b>
Cash EPS	2.0	5.9	6.1	5.3	6.4	7.8	9.0	10.9
BV/Share	10.3	14.1	18.0	21.3	24.7	29.6	33.8	39.0
DPS	-	-	-	-	1.00	1.50	2.00	2.50
Payout (%)	-	-	-	-	25	31	35	35
<b>Valuation (x)</b>								
P/E	302.3	66.2	71.9	94.2	68.2	48.0	41.2	32.6
Cash P/E	137.9	46.4	44.8	52.1	42.0	30.2	26.0	21.6
P/BV	26.7	19.6	15.3	12.9	10.9	7.9	7.0	6.0
EV/Sales	12.0	7.2	5.9	5.9	5.3	4.2	3.6	3.2
EV/EBITDA	73.5	35.8	34.4	40.7	34.8	25.5	21.7	17.6
Dividend Yield (%)	-	-	-	-	0.37	0.64	0.85	1.06
FCF per share	2.3	-0.5	1.9	6.2	2.6	1.5	8.3	9.1
<b>Return Ratios (%)</b>								
RoE	8.9	29.8	21.2	13.7	16.0	18.1	18.0	19.8
RoCE	8.4	21.1	18.2	13.1	15.4	16.4	16.5	17.8
RoIC	8.4	20.8	18.2	13.2	14.6	14.7	15.6	19.4
<b>Working Capital Ratios</b>								
Fixed Asset Turnover (x)	2.1	2.7	2.6	2.3	2.1	1.9	2.0	2.0
Asset Turnover (x)	1.5	1.7	1.7	1.7	1.6	1.6	1.5	1.5
Inventory (Days)	182	170	195	222	185	181	183	180
Debtor (Days)	62	35	38	37	31	31	30	30
Creditor (Days)	143	112	100	109	101	98	100	100
WC (Days)	101	93	133	150	114	114	113	110
<b>Leverage Ratio (x)</b>								
Current Ratio	1.6	2.1	2.4	2.2	2.1	2.1	2.4	2.8
Interest Cover Ratio	4.9	9.6	6.4	6.0	8.9	8.4	8.9	11.0
Net Debt/Equity	0.6	0.7	0.6	0.2	0.3	0.3	0.1	0.0

### Consolidated - Cash Flow Statement

(INR m)

Y/E March	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	699	1,711	1,566	1,200	1,639	2,022	2,335	2,953
Depreciation	327	532	710	721	755	883	1,021	1,127
Interest & Finance Charges	172	196	287	232	188	242	263	267
Others	87	65	180	282	(36)	(113)	-	-
Direct Taxes Paid	(252)	(436)	(525)	(350)	(498)	(558)	(588)	(743)
(Inc)/Dec in WC	210	(1,890)	(954)	560	304	(1,128)	13	(313)
<b>CF from Operations</b>	<b>1,243</b>	<b>178</b>	<b>1,265</b>	<b>2,645</b>	<b>2,352</b>	<b>1,348</b>	<b>3,043</b>	<b>3,290</b>
Others	-	-	-	-	-	-	-	-
<b>CF from Operating incl EO</b>	<b>1,243</b>	<b>178</b>	<b>1,265</b>	<b>2,645</b>	<b>2,352</b>	<b>1,348</b>	<b>3,043</b>	<b>3,290</b>
(Inc)/Dec in FA	(539)	(341)	(697)	(745)	(1,546)	(890)	(505)	(505)
<b>Free Cash Flow</b>	<b>704</b>	<b>(163)</b>	<b>568</b>	<b>1,900</b>	<b>806</b>	<b>458</b>	<b>2,538</b>	<b>2,785</b>
(Pur)/Sale of Investments	449	-	-	-	-	229	-	-
Others	-	-	-	-	-	114	-	-
<b>CF from Investments</b>	<b>(90)</b>	<b>(341)</b>	<b>(697)</b>	<b>(745)</b>	<b>(1,546)</b>	<b>(547)</b>	<b>(505)</b>	<b>(505)</b>
Issue of Shares	-	32	38	98	23	27	-	-
Inc/(Dec) in Debt	(1,077)	387	65	(1,565)	(243)	363	-	-
Interest Paid	(140)	(121)	(137)	(99)	(23)	(63)	(91)	(91)
Lease instalment	(77)	(143)	(297)	(359)	(390)	(1,170)	(400)	(454)
Dividends	-	-	-	-	(214)	(92)	(459)	(613)
<b>CF from Fin. Activity</b>	<b>(1,294)</b>	<b>155</b>	<b>(331)</b>	<b>(1,925)</b>	<b>(847)</b>	<b>(935)</b>	<b>(950)</b>	<b>(1,157)</b>
<b>Inc/Dec of Cash</b>	<b>(141)</b>	<b>(9)</b>	<b>236</b>	<b>(25)</b>	<b>(41)</b>	<b>(135)</b>	<b>1,588</b>	<b>1,628</b>
Opening Balance	153	12	3	240	248	174	40	1,628
<b>Closing Balance</b>	<b>12</b>	<b>3</b>	<b>240</b>	<b>248</b>	<b>208</b>	<b>40</b>	<b>1,628</b>	<b>3,256</b>

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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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Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dp grievances@motilaloswal.com.