

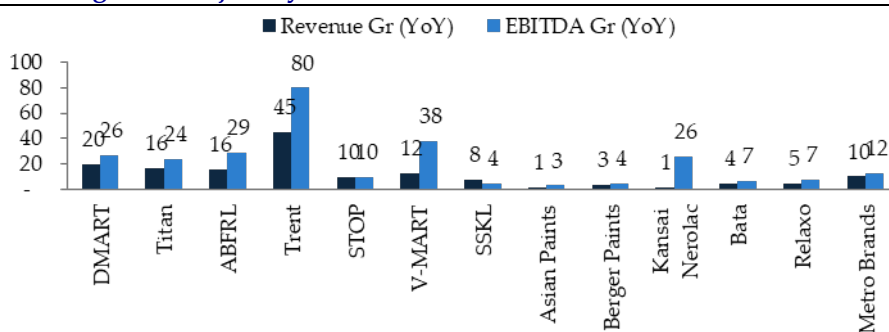
Consumer Discretionary

Soft quarter; green shoots visible in value fashion

Our discretionary universe is expected to grow by ~13.1% YoY in Q4FY24 (ex-jewellery: ~12%). Q4 is likely to be the last quarter contending with a high base. Wedding season hasn't been as upbeat as expected. SSSGs across categories range between negative to positive single digits as ticket sizes and purchase frequencies continue to normalise downwards. That said, green shoots in value fashion can be seen in Q4 (albeit on a low base). We expect jewellery, F&G, paints, apparel, and footwear to clock ~16%, 20%, 2%, 23%, and 6% YoY in Q4. **Note: Organic apparel growth (ex-Trent) is expected to be sub-10%.**

- Demand – a mixed bag:** Performance across categories has been a mixed bag. (1) Organized jewellery courtesy the hand of GO(L)D and aggressive expansion remains the outperforming category in retail. That said, growth rates are moderating and incremental growth is likely to come at lower GMs and higher cost of funds as gold exchange increases within the sourcing mix. F&G growth is largely stable (driven by a balanced dose of SSSG and expansion). Organic growth in apparel and footwear (ex-Trent) remains soft at ~8%. Paint growth is likely to be weak (1-3%) for the top three.
- Margins to stabilise:** Ex-apparel, margins for our discretionary space are expected to inch up a bit (an increase of ~40-60bps YoY). Divergence in margin profile is seen in apparel with an increase of 124bps YoY (primarily led by Trent). Margin expansion will be operating leverage-led (on a low margin base). Barring a few, apparel and footwear categories have seen (1) normalisation of ticket sizes and purchase frequencies and (2) moderate per sq ft. footfall. Inventory levels remain high, but some sequential moderation is expected in inventory levels (vs. Q3FY24). Overall, we build in 13% EBITDAM (vs 12.7% in Q4FY23) for our universe (EBITDA growth: ~15.8% YoY). Margin improvement of 29bps YoY flows down primarily from apparel, (largely Trent-led). Ex-apparel, margins are likely to be stable.
- Channel checks:** (1) Within apparel and footwear, ethnic wear demand remains weak. Green shoots can be seen in value fashion (on a low base) as footfall density normalises. (2) In F&G, the competitive intensity seems to be moderating and stock-up retailers have improved upon their GM and apparel portfolio. In jewellery, fresh jewellery purchases are down and old gold exchange is on the rise as gold prices sky-rocketed in Mar-24.
- Margin of safety missing:** Most discretionary categories (ex-jewellery and travel) are staring at moderating growth, negative-to-flat SSSGs in FY24 (on a high base). A pick-up in demand is only likely to be 2HFY25 onwards. The sector as suspected has gone through a round of earnings plus multiple downgrade cycles. However, valuations aren't particularly cheap enough (most trade between 40-100x Mar-26 P/E) to be constructive on names. **No change in ratings across the universe.**

Revenue growth trajectory (%)



Company	RECO	TP (Rs)	Prev. TP (Rs)
Avenue Supermarts	Reduce	3,600	3,400
Titan	SELL	2,750	2,750
ABFRL	SELL	205	160
Trent	SELL	2,550	2,330
STOP	SELL	600	600
V-MART	BUY	2,560	2,550
Asian Paints	REDUCE	2,900	3,000
Berger Paints	REDUCE	550	560
Kansai Nerolac	REDUCE	300	330
Bata	REDUCE	1,450	1,450
Relaxo	SELL	750	740
FSN E-Comm (Nykaa)	REDUCE	150	145
SSKL	BUY	310	310
Metro Brands	SELL	870	870

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Retail

COMPANY	Q4FY24E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Avenue Supermarts	GOOD	<ul style="list-style-type: none"> As per DMART's revenue update, reported revenue grew 19.9% YoY to INR123.9bn. Sales per sq. ft grew 5% YoY to INR32.4k. The grocer added 24 stores (net) in Q4. Recovery signs are visible in GM & Apparel segment. Building in 8.0% EBITDAM (vs 7.6% in Q4FY23). 	<ul style="list-style-type: none"> GM & Apparel recovery Commentary on store expansion Commentary on competitive landscape
Titan	GOOD	<ul style="list-style-type: none"> As per Titan's quarterly update, it reported a 17% YoY growth in revenue (standalone). Domestic Jewellery sales (ex-Caratlane and bullion) grew by 19% YoY on standalone basis led by double digit buyers' and SSSG growth. Watches/eyewear/others grew 6/-1/24% YoY (4-year CAGR: 14/11/14%) Building in 10.1% EBIT margin at company level. Expect 11.6/9.3/5.1% EBIT margins for jewellery/watches/eyewear respectively. 	<ul style="list-style-type: none"> Commentary on gains in South market and on sustainable volume growth Inventory levels and capital base movement
Trent	GOOD	<ul style="list-style-type: none"> We expect revenue to grow 45.1% YoY (4-year CAGR: 42.9%) to INR30.1bn. We estimate strong 11.1/80.0% YoY growth for Westside and Zudio resp. Building in 40.6% Gross Margin for Q4FY24 (vs 40.8% in Q4FY23). Building in 12.7% EBITDA margin (vs. 10.2% in Q4FY23). 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy
ABFRL	WEAK	<ul style="list-style-type: none"> We expect revenue to grow by 15.5% YoY to INR 33.3bn. Expect Madura/Pantaloons to grow 5.1/7.3% YoY in Q4. Building in 7.5% EBITDAM in Q4FY24 (vs. 6.7% in Q4FY23). 	<ul style="list-style-type: none"> Commentary on demand trends Cost normalization pace Expansion strategy
V-MART Retail	GOOD	<ul style="list-style-type: none"> As per V-Mart's revenue update, reported revenue grew 12.5% YoY to INR6.7bn. SSSG stood at 6% for Q4. Building in EBITDAM of 4.7% (vs. 3.9% in Q4FY23) considering improvement in performance of 'Unlimited' and paring down of Limeroad losses. V-Mart added 9 new stores and closed 19 stores in Q4 (store count 444). 	<ul style="list-style-type: none"> Commentary on rural recovery Cost normalization pace Expansion strategy Unlimited's profitability

COMPANY	Q4FY24E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Shoppers Stop	WEAK	<ul style="list-style-type: none"> We expect revenue to grow 9.9% YoY to INR 10.1bn. Gross margin built: 42.8% (down 39bps YoY). Building in EBITDAM of 17.1% (same YoY). 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy
Bata	AVG	<ul style="list-style-type: none"> Building in 4.2% YoY growth in Q4 to INR 8.1bn. Building in 57.1% GM for Q4 (down 129bps YoY). Building in 23.5% EBITDAM for Q4 (up 53 bps YoY) Store additions to remain steady. 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy Wholesale strategy
Relaxo Footweares	AVG	<ul style="list-style-type: none"> Building in 4.9% YoY growth in Q4 to INR 8.0bn. Volume/realisation growth of -0.8/+5.8% YoY expected courtesy moderate demand in Q4. Building in 15.8% EBITDAM for Q4FY24 (vs 15.4% in Q4FY23). 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on margins Expansion strategy
Metro Brands	GOOD	<ul style="list-style-type: none"> Building in 10.1% YoY revenue growth to INR 6.0bn. Building in 55.5% gross margins for Q4FY24 (vs 55.9% in Q4FY23). Building in 26.9% EBITDAM for Q4FY24 (vs 26.4% in Q4FY23). Store addition to remain healthy. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on margins Expansion strategy
Sai Silk (Kalamandir)	GOOD	<ul style="list-style-type: none"> We expect sub-par revenue growth of 7.9% YoY to INR 3.5bn. Building in 40.3% gross margin in Q4FY24 (vs 39.8% in Q4FY23). Building in 15.2% EBITDA margin in Q4FY24 (vs 15.7% in Q4FY23). 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on margins Expansion strategy
Fsn E-Commerce Ventures (Nykaa)	AVG	<ul style="list-style-type: none"> As per Nykaa's revenue update, reported revenue grew by mid-20's YoY (factored 28.7% YoY growth to INR 16.8bn). BPC/Fashion revenue to clock 30/28% YoY growth resp. in GMV. BPC AoV likely to be healthy at ~INR1.92k. Building in 21/16% YoY growth in BPC/Fashion AUTC and 25/37% YoY growth in BPC/Fashion orders. Building in a 4.9% EBITDA margin in Q4FY24 (vs 1.4% Q4FY23). 	<ul style="list-style-type: none"> Commentary on fashion segment Commentary on unwinding on working capital Competitive landscape shift

COMPANY	Q4FY24E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Asian Paints	AVG	<ul style="list-style-type: none"> We expect a revenue growth of 1.4% YoY for the consolidated business in Q4 (-0.4% growth in standalone business). 6/-5.4% volume/price growth built-in. We expect 120/9 bps YoY/QoQ expansion in gross margin driven by correction in crude/paint input prices till Q4FY24. We expect 35/-102 bps YoY/QoQ expansion in EBITDA margin to 21.6%. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Rebating and discounting trends Dealer addition trajectory
Berger Paints	AVG	<ul style="list-style-type: none"> We expect a revenue growth of 3.1% YoY for the consolidated business in Q4 (3.0% growth in standalone business). 6.2/-3.0% volume/price growth built-in. We expect 100/-24 bps YoY/QoQ expansion in gross margin to 40.8% driven by the correction in crude/paint input prices till Q4FY24. GM gains to partially flow down to EBITDA margins level; expect 20/-137 bps YoY/QoQ expansion to 15.3%. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Dealer addition trajectory Rebating and discounting trends
Kansai Nerolac	AVG	<ul style="list-style-type: none"> We expect revenue growth of 1.2% YoY for the consolidated business in Q4 (0.3% growth in standalone business). 6/-6.2% volume/price growth built-in for deco segment. We expect 442/24 bps YoY/QoQ expansion in gross margin to 36.3% courtesy correction in crude/paint input prices along with weak margins in Q4FY23. GM recovery to be partially offset by higher ad spends as efforts are made to recover lost ground. This will drive EBITDA margin up by 235/-67 bps YoY/QoQ to 12.0%. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Dealer addition trajectory Rebating and discounting trends

Estimate changes

Retail

Avenue Supermarts

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	4,95,330	4,95,666	(0.1)	5,89,616	5,86,411	0.5	6,92,858	6,86,005	1.0
Gross Profit	70,045	70,804	(1.1)	86,001	85,833	0.2	1,02,474	1,01,818	0.6
Gross Profit Margin (%)	14.1	14.3	(14.4)	14.6	14.6	(5.1)	14.8	14.8	(5.2)
EBITDA	39,770	40,613	(2.1)	50,043	50,030	0.0	60,245	59,796	0.8
EBITDA margin (%)	8.0	8.2	(16.5)	8.5	8.5	(4.4)	8.7	8.7	(2.1)
APAT	27,311	27,932	(2.2)	34,412	34,421	(0.0)	41,500	41,185	0.8
APAT margin (%)	5.5	5.6	(12.2)	5.8	5.9	(3.3)	6.0	6.0	(1.4)
EPS (Rs)	42.1	43.1	(2.2)	53.1	53.1	(0.0)	64.0	63.5	0.8

Source: HSIE Research

The Titan Company

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	5,05,122	5,05,011	0.0	5,71,829	5,70,517	0.2	6,37,122	6,34,216	0.5
Gross Profit	1,16,935	1,16,910	0.0	1,35,523	1,35,212	0.2	1,52,909	1,52,211	0.5
Gross Profit Margin (%)	23.1	23.1	0 bps	23.7	23.7	0 bps	24.0	24.0	(0 bps)
EBITDA	48,304	50,291	(4.0)	58,686	59,096	(0.7)	67,299	67,280	0.0
EBITDA margin (%)	9.6	10.0	(40 bps)	10.3	10.4	(10 bps)	10.6	10.6	(5 bps)
APAT	35,522	37,389	(5.0)	43,329	43,829	(1.1)	50,375	50,716	(0.7)
APAT margin (%)	7.0	7.4	(37 bps)	7.6	7.7	(11 bps)	7.9	8.0	(9 bps)
EPS	40.0	42.1	(5.0)	48.8	49.4	(1.1)	56.7	57.1	(0.7)

Source: HSIE Research

Trent

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,17,540	1,16,928	0.5	1,53,122	1,52,661	0.3	1,90,637	1,89,447	0.6
Gross Profit	51,679	51,367	0.6	65,283	65,351	(0.1)	81,317	81,049	0.3
Gross Profit Margin (%)	44.0	43.9	4 bps	42.6	42.8	(17 bps)	42.7	42.8	(13 bps)
EBITDA	13,238	12,650	4.7	15,115	14,682	3.0	19,109	18,324	4.3
EBITDA margin (%)	11.3	10.8	44 bps	9.9	9.6	25 bps	10.0	9.7	35 bps

Source: HSIE Research

Fsn E-Commerce Ventures (Nykaa)

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	63,929	62,992	1.5	83,114	81,787	1.6	1,04,483	1,02,805	1.6
Gross Profit	27,382	27,013	1.4	35,536	34,870	1.9	44,233	43,341	2.1
Gross Profit Margin (%)	42.8	42.9	(5 bps)	42.8	42.6	12 bps	42.3	42.2	18 bps
EBITDA	1,780	1,694	5.1	4,074	3,958	2.9	6,200	6,156	0.7
EBITDA margin (%)	2.8	2.7	10 bps	4.9	4.8	6 bps	5.9	6.0	(5 bps)
APAT	57	67	(14.7)	1,913	1,807	5.9	3,677	3,620	1.6
APAT margin (%)	0.1	0.1	(2 bps)	2.3	2.2	9 bps	3.5	3.5	(0 bps)
EPS (Rs)	0.02	0.02	(14.7)	0.67	0.63	5.9	1.29	1.27	1.6

Source: HSIE Research

Aditya Birla fashion Retail Limited

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,39,627	1,41,692	(1.5)	1,57,062	1,59,571	(1.6)	1,75,819	1,78,849	(1.7)
Gross Profit	77,200	78,342	(1.5)	86,526	87,909	(1.6)	96,684	98,350	(1.7)
Gross Profit Margin (%)	55.3	55.3	0	55.1	55.1	0	55.0	55.0	0
EBITDA	3,056	4,032	(24.2)	6,324	7,361	(14.1)	9,278	10,887	(14.8)
EBITDA margin (%)	2.2	2.8	(65.7)	4.0	4.6	(58.7)	5.3	6.1	(81.0)

Source: HSIE Research

Shoppers STOP

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	42,211	41,946	0.6	49,963	49,686	0.6	58,126	57,644	0.8
Gross Profit	17,429	17,320	0.6	20,580	20,466	0.6	23,884	23,686	0.8
Gross Profit Margin (%)	41.3	41.3	-	41.2	41.2	-	41.1	41.1	(0)
EBITDA	2,495	2,462	1.4	3,162	3,113	1.6	3,603	3,516	2.5
EBITDA margin (%)	5.9	5.9	4	6.3	6.3	6	6.2	6.1	10
APAT	719	687	4.7	1,178	1,147	2.7	1,857	1,802	3.0
APAT margin (%)	1.7	1.6	7	2.4	2.3	5	3.2	3.1	7
EPS (Rs)	6.6	6.3	30	10.8	10.5	28	17.0	16.5	50

Source: HSIE Research

V-MART Retail

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	27,850	27,104	2.8	31,950	31,675	0.9	36,661	36,739	(0.2)
Gross Profit	9,665	9,461	2.2	10,992	10,898	0.9	12,467	12,493	(0.2)
Gross Profit Margin (%)	34.7	34.9	(20 bps)	34.4	34.4	-	34.0	34.0	0 bps
EBITDA	77	(69)	(212.6)	1,472	1,463	0.6	2,286	2,273	0.6
EBITDA margin (%)	0.3	(0.3)	53 bps	4.6	4.6	(1 bps)	6.2	6.2	5 bps
APAT	(935)	(1,126)	(16.9)	23	23	0.5	529	525	0.9
APAT margin (%)	(3.4)	(4.2)	80 bps	0.1	0.1	(0 bps)	1.4	1.4	2 bps
EPS (Rs)	(47.5)	(57.1)	(16.9)	1.2	1.2	0.5	26.9	26.6	0.9

Source: HSIE Research

Sai Silk Kalamandir

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	13,633	13,633	-	16,637	16,637	-	20,399	20,399	-
Gross Profit	5,525	5,525	-	6,888	6,888	-	8,603	8,603	-
Gross Profit Margin (%)	40.5	40.5	-	41.4	41.4	-	42.2	42.2	-
EBITDA	1,778	1,778	-	2,391	2,391	-	3,267	3,267	-
EBITDA margin (%)	13.0	13.0	-	14.4	14.4	-	16.0	16.0	-
APAT	972	972	-	1,602	1,602	-	2,290	2,290	-
APAT margin (%)	7.1	7.1	-	9.6	9.6	-	11.2	11.2	-
EPS (Rs)	6.3	6.3	-	10.4	10.4	-	14.9	14.9	-
Cost of Retailing (%)	27.5	27.5	-	27.0	27.0	-	26.2	26.2	-

Source: HSIE Research

Metro Brands

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	23,728	23,755	(0.1)	28,023	28,130	(0.4)	32,724	32,922	(0.6)
Gross Profit	13,731	13,699	0.2	16,076	16,081	(0.0)	18,724	18,771	(0.3)
Gross Profit Margin (%)	57.9	57.7	20 bps	57.4	57.2	20 bps	57.2	57.0	20 bps
EBITDA	5,189	5,147	0.8	6,086	6,053	0.5	7,116	7,094	0.3
EBITDA margin (%)	21.9	21.7	20 bps	21.7	21.5	20 bps	21.7	21.5	20 bps
APAT	3,343	3,333	0.3	4,285	4,293	(0.2)	5,249	5,277	(0.5)
APAT margin (%)	14.1	14.0	6 bps	15.3	15.3	3 bps	16.0	16.0	1 bps
EPS	12.3	12.3	0.3	15.8	15.8	(0.2)	19.3	19.4	(0.5)

Source: HSIE Research

Bata India

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	34,917	35,043	(0.4)	39,388	39,523	(0.3)	44,368	44,514	(0.3)
Gross Profit	19,698	19,782	(0.4)	21,571	21,661	(0.4)	23,961	24,057	(0.4)
Gross Profit Margin (%)	56.4	56.5	(4 bps)	54.8	54.8	(4 bps)	54.0	54.0	(4 bps)
EBITDA	4,677	4,843	(3.4)	5,469	5,593	(2.2)	6,528	6,679	(2.3)
EBITDA margin (%)	13.4	13.8	(43 bps)	13.9	14.2	(27 bps)	14.7	15.0	(29 bps)
APAT	3,027	3,177	(4.7)	3,957	4,047	(2.2)	4,985	5,094	(2.1)
APAT margin (%)	8.7	9.1	(40 bps)	10.0	10.2	(19 bps)	11.2	11.4	(21 bps)
Post IND-AS 116 EPS	23.5	24.7	(4.7)	30.8	31.5	(2.2)	38.8	39.6	(2.1)

Source: HSIE Research

Relaxo Footwear

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	29,696	29,696	-	34,601	34,601	-	39,574	39,574	-
Gross Profit	14,205	14,175	0.2	16,689	16,655	0.2	19,168	19,128	0.2
Gross Profit Margin (%)	47.8	47.7	10 bps	48.2	48.1	10 bps	48.4	48.3	10 bps
EBITDA	4,177	4,132	1.1	5,490	5,455	0.6	6,655	6,615	0.6
EBITDA margin (%)	14.1	13.9	15 bps	15.9	15.8	10 bps	16.8	16.7	10 bps
APAT	2,087	2,065	1.1	2,976	2,963	0.5	3,740	3,724	0.4
APAT margin (%)	7.0	7.0	7 bps	8.6	8.6	4 bps	9.5	9.4	4 bps
EPS (Rs)	8.4	8.3	1.1	12.0	11.9	0.5	15.0	15.0	0.4

Source: HSIE Research

Asian Paints

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	3,56,729	3,61,886	(1.4)	3,94,755	4,00,533	(1.4)	4,36,591	4,43,057	(1.5)
Gross Profit	1,54,816	1,55,844	(0.7)	1,69,969	1,71,352	(0.8)	1,87,896	1,89,688	(0.9)
Gross Profit Margin (%)	43.4	43.1	33.43	43.1	42.8	27.59	43.0	42.8	22.36
EBITDA	78,149	78,757	(0.8)	83,551	84,430	(1.0)	91,621	92,829	(1.3)
EBITDA margin (%)	21.9	21.8	14.43	21.2	21.1	8.59	21.0	21.0	3.36
APAT	54,324	55,071	(1.4)	57,098	57,670	(1.0)	61,578	62,369	(1.3)
APAT margin (%)	15.2	15.2	1.08	14.5	14.4	6.57	14.1	14.1	2.74
EPS (Rs)	56.6	57.4	(1.4)	59.5	60.1	(1.0)	64.2	65.0	(1.3)

Source: HSIE Research

Berger Paints

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,11,991	1,12,931	(0.8)	1,25,498	1,26,554	(0.8)	1,40,584	1,41,768	(0.8)
Gross Profit	45,572	46,011	(1.0)	51,068	51,561	(1.0)	57,208	57,760	(1.0)
Gross Profit Margin (%)	40.7	40.7	(5.0)	40.7	40.7	(5.0)	40.7	40.7	(5.0)
EBITDA	18,958	19,838	(4.4)	21,558	22,231	(3.0)	24,571	25,187	(2.4)
EBITDA margin (%)	16.9	17.6	(63.8)	17.2	17.6	(38.8)	17.5	17.8	(28.8)
APAT	11,557	12,200	(5.3)	13,556	14,034	(3.4)	15,782	16,215	(2.7)
APAT margin (%)	10.3	10.8	(48.3)	10.8	11.1	(28.7)	11.2	11.4	(21.2)
EPS (Rs)	9.9	10.5	(5.3)	11.6	12.0	(3.4)	13.5	13.9	(2.7)

Source: HSIE Research

Kansai Nerolac

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	78,058	79,172	(1.4)	87,815	89,059	(1.4)	98,949	1,00,343	(1.4)
Gross Profit	28,062	27,679	1.4	31,789	31,305	1.5	35,839	35,293	1.5
Gross Profit Margin (%)	35.9	35.0	99.0	36.2	35.2	104.9	36.2	35.2	104.8
EBITDA	10,798	10,651	1.4	11,841	11,618	1.9	13,015	12,860	1.2
EBITDA margin (%)	13.8	13.5	38.0	13.5	13.0	43.9	13.2	12.8	33.8
APAT	5,547	6,916	(19.8)	7,677	7,488	2.5	8,407	8,267	1.7
APAT margin (%)	7.1	8.7	(162.8)	8.7	8.4	33.4	8.5	8.2	25.7
EPS (Rs)	6.9	8.6	(19.8)	9.5	9.3	2.5	10.4	10.2	1.7

Source: HSIE Research

Financial Summary

Company	NET SALES (Rs bn)					EBITDA (Rs bn)					EBITDA Margin (%)					APAT (Rs. bn)				
	4Q FY23	3Q FY24	4Q FY24E	QoQ (%)	YoY (%)	4Q FY23	3Q FY24	4Q FY24E	QoQ (%)	YoY (%)	4Q FY23	3Q FY24	4Q FY24E	QoQ (bps)	YoY (bps)	4Q FY23	3Q FY24	4Q FY24E	QoQ (%)	YoY (%)
Food & Grocery																				
Avenue Supermarts	103.4	132.5	123.9	(6.4)	19.9	7.8	11.2	9.9	(11.8)	26.4	7.6	8.5	8.0	(49)	41	5.1	7.4	6.4	(13.1)	26.7
Jewellery																				
Titan	103.6	141.6	120.6	(14.9)	16.4	10.9	15.7	13.5	(13.7)	24.0	10.5	11.0	11.2	15	68	7.4	10.5	9.8	(6.7)	33.5
-Jewellery	91.2	127.4	105.6	(17.1)	15.8	10.0	14.8	12.2	(17.6)	21.6	11.0	11.6	11.6	(7)	55					
Apparel																				
ABFRL	28.8	41.7	33.3	(20.2)	15.5	1.9	5.5	2.5	(55.1)	28.8	6.7	13.3	7.5	(581)	77	(1.9)	(1.1)	(3.2)	196.1	63.8
Trent	20.8	33.1	30.1	(9.0)	45.1	2.1	6.2	3.8	(38.8)	79.8	10.2	18.8	12.7	(616)	244	1.1	3.4	1.9	(45.2)	79.2
STOP	9.2	12.1	10.1	(16.5)	9.9	1.6	2.2	1.7	(19.8)	10.0	17.1	17.8	17.1	(70)	1	0.2	0.4	0.1	(58.5)	(9.2)
V-MART	5.9	8.9	6.7	(24.9)	12.5	0.2	1.2	0.3	(73.6)	37.8	3.9	13.5	4.7	(873)	87	(0.4)	0.3	(0.4)	(233.0)	1.6
SSKL	3.2	3.8	3.5	(8.6)	7.9	0.5	0.6	0.5	(8.9)	4.4	15.7	15.2	15.2	(5)	(51)	0.2	0.3	0.3	(20.9)	25.0
Paints																				
Asian Paints	87.9	91.0	89.1	(2.1)	1.4	18.6	20.6	19.2	(6.6)	3.0	21.2	22.6	21.6	(102)	35	12.3	14.8	13.5	(8.4)	9.5
Berger Paints	24.4	28.8	25.2	(12.5)	3.1	3.7	4.8	3.9	(19.7)	4.5	15.1	16.7	15.3	(137)	20	1.9	3.0	2.1	(30.5)	12.1
Kansai Nerolac	17.3	19.2	17.5	(8.6)	1.2	1.7	2.4	2.1	(13.4)	25.7	9.7	12.7	12.0	(67)	235	1.0	1.5	1.3	(17.8)	31.8
Footwear																				
Bata	7.8	9.0	8.1	(10.2)	4.2	1.8	1.8	1.9	4.6	6.6	23.0	20.2	23.5	335	53	0.7	0.6	0.6	8.5	(3.9)
Relaxo	7.6	7.1	8.0	12.6	4.9	1.2	0.9	1.3	45.1	7.2	15.4	12.2	15.8	353	33	0.6	0.4	0.7	80.5	10.0
Metro Brands	5.4	6.4	6.0	(5.7)	10.1	1.4	2.0	1.6	(19.0)	12.3	26.4	31.3	26.9	(440)	53	0.7	1.0	0.7	(24.9)	7.9
Others																				
FSN E-Comm Ventures (Nykaa)	13.0	17.9	16.7	(6.4)	28.7	0.2	1.0	0.8	(17.7)	354.4	1.4	5.5	4.9	(67)	348	(0.5)	0.2	0.1	(60.0)	(113.8)

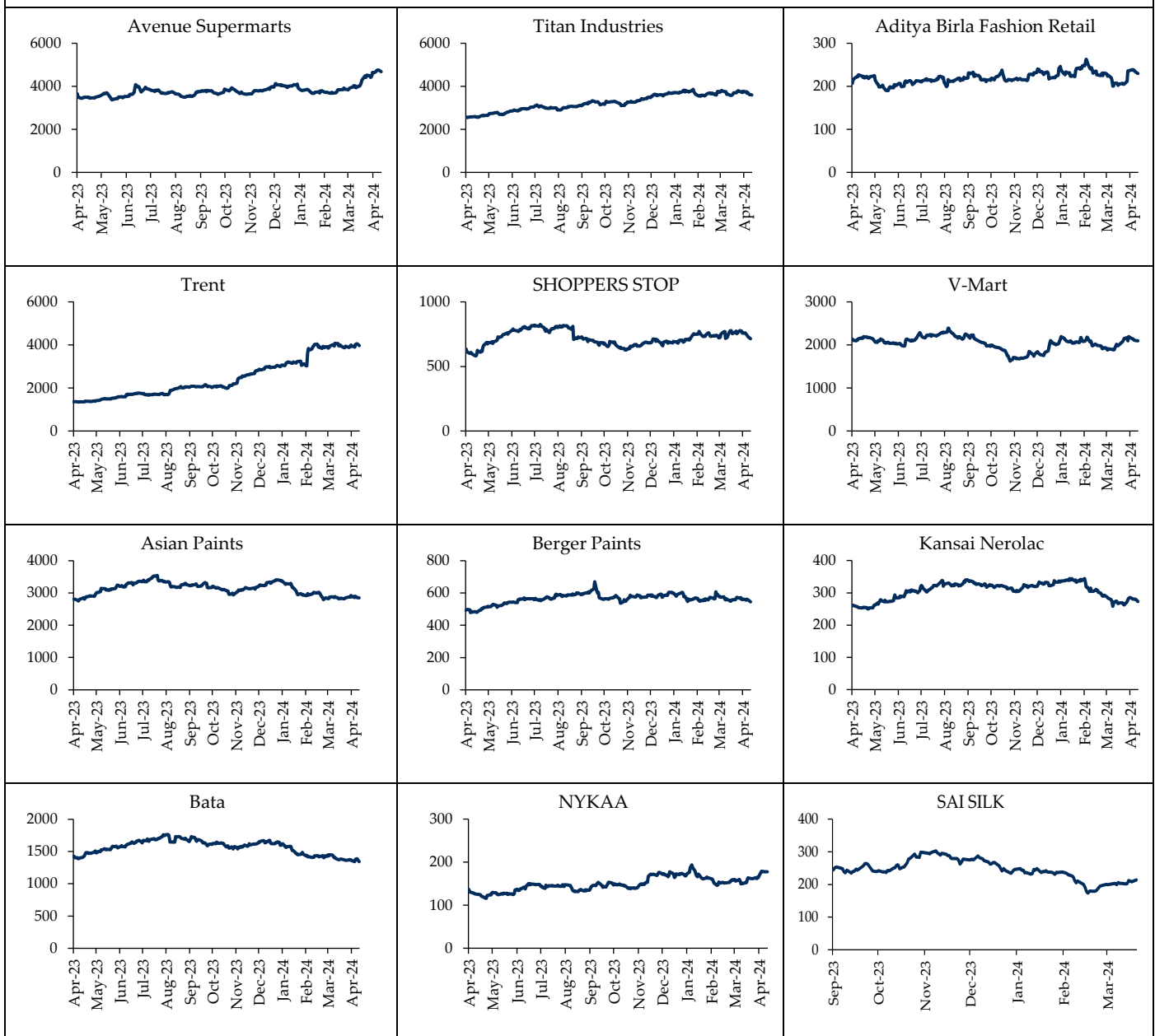
Source: HSIE Research

Valuation Summary

Company	Mcap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)			ROCE (%)		
					FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
Avenue Supermarts	3,029	4,673	Reduce	3,600	42.1	53.1	64.0	111	88	73	76	60	50	15.9	16.9	17.1
Titan Company	3,216	3,622	Sell	2,750	40.0	48.8	56.7	91	74	64	69	57	49	15.8	15.6	15.4
ABFRL	218	230	Sell	205	-7.8	-4.5	-3.4	-30	-51	-67	86	39	26	-3.8	-1.4	0.0
Trent	1,431	4,026	Sell	2,550	27.3	30.6	39.0	148	132	103	108	94	74	26.2	23.0	23.5
Shoppers Stop	80	730	Sell	600	6.6	10.8	17.0	111	68	43	25	20	17	7.8	10.6	13.1
V-MART	41	2,073	Buy	2,560	-47.5	1.2	26.9	-44	1,786	78	549	29	19	-7.9	1.8	6.7
SSKL	31	205	Buy	310	6.3	10.4	14.9	31	19	13	15	11	8	12.6	12.9	15.5
Bata India	175	1,363	Reduce	1,450	23.5	30.8	38.8	61	47	37	38	32	26	15.8	16.9	17.7
Relaxo Footwears	205	823	Sell	750	8.4	12.0	15.0	98	69	55	48	36	30	11.1	14.6	16.8
Metro Brands	287	1,055	Sell	870	12.3	15.8	19.3	86	67	55	53	45	37	17.5	18.1	18.0
Asian Paints	2,723	2,839	Reduce	2,900	59.7	59.5	64.2	48	48	44	35	33	29	27.2	24.6	23.2
Berger Paints	534	550	Reduce	550	9.9	11.6	13.5	55	47	41	34	29	25	19.5	19.7	19.6
Kansai Nerolac	223	276	Reduce	300	6.9	9.5	10.4	40	29	26	20	18	16	11.0	13.3	13.6
FSN E-Commerce (Nykaa)	508	178	Reduce	150	0.0	0.7	1.3	8,009	239	125	260	114	75	0.7	8.4	11.6

Source: HSIE Research

1 Yr Price history



Rating Criteria

- BUY: >+15% return potential
- ADD: +5% to +15% return potential
- REDUCE: -10% to +5% return potential
- SELL: > 10% Downside return potential

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