

Resilience through evolving landscapes!

- Dmart's Q4FY25 GP/EBITDA/APAT came soft, primarily due to higher discounting & increased opex. Q4/FY25 StdI. Revenue/GP/ EBITDA/ APAT came at 16.7/14.7/4.4/-3.4% YoY & 16.7/17.0/10.8/7.3% resp.
- The business model remains strong, thereby positioning Dmart to deliver 16-18% Revenue/EPS CAGR in the long run, led by sizeable opportunity in the large F&G space. Accelerated store expansion, growth from micro markets, category-mix improvement, new category launches and build-in Dmart Ready are some potential triggers. Increased competition from Qcom is for a short-term, which in our view, shall start subsiding in 2-4 quarters (after which Dmart shall benefit even more) driven by weak profitability and funding crunch, if any. In the interim Dmart is competing effectively.
- We trim our APAT by 5/3% for FY26/27E to factor Qcom competition impact. Downgrade to 'Reduce' rating with revised TP of Rs 4,150 (incl. Rs 200 for Dmart Ready) valuing at 65x FY27E standalone EPS (earlier Rs 4,260 @ 65x FY27). D/G is driven largely by 10% stock run-up since the last result update and near-term headwinds.

Healthy Rev growth, margins hit by competitive pressures

In Q4FY25/FY25, Dmart's standalone revenue grew healthily by 16.7% YoY. The SSSG for 2-year and older stores was strong at 8.4% YoY for FY25, led by higher footfalls vs 10.4% YoY. GP grew by 14.7% YoY (-24bps margin YoY to 13.5%) in the backdrop of increased discounting in the FMCG category (~20% of revenues), yet healthy. EBITDA growth was muted at 4.4%, led by higher employee costs (+28%) and other opex (+27%) due to an increase in wages for entry-level employees, capability build-up and large number of store openings. APAT was at -3.4%, due to higher D&A costs.

Dmart's playbook for sustainable growth

Long-term growth in our view shall be driven by (1) accelerated store openings, (2) higher SSSG, (3) mix improvements and (4) pick-up in Qcom. The company has geared well to capitalize on the above with necessary investments aimed at building future-ready capabilities in the trailing two years.

Likely to be a potential beneficiary of the Qcom aggression!

We believe accelerated store expansion, particularly in non-metro and underpenetrated metro areas, as well as in new states of UP and Orissa, will serve as a key growth catalyst. These regions face lower competition from Qcom and are well suited to Dmart's value proposition. While QCom intensifies competition in metros, it also accelerates the unorganised to organized shift, widening market potential. Also, hyper-competition seems unsustainable.

Key Data

Nifty	24,347
Equity / FV	Rs 6,507mn / Rs 10
Market Cap	Rs 2,641bn
	USD 31.3bn
52-Week High/Low	Rs 5,485/ 3,340
Avg. Volume (no)	5,95,024
Bloom Code	DMART IN

	Current	Previous
Rating	Reduce	BUY
Target Price	4,150	4,275

Change in Estimates

(Rs.bn)	Current		Chg (%) /bps	
	FY26E	FY27E	FY26E	FY27E
Revenue	677	802	(0.3)	1.3
EBITDA	53	64	(4.6)	(2.7)
EBITDA (%)	7.8	7.9	(35)	(32)
APAT	33	40	(5.2)	(3.0)
EPS (Rs)	50.6	60.8	(5.2)	(3.0)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	91.4	80.1	66.8
EV/EBITDA	58.2	50.1	41.7
ROE (%)	13.9	14.5	16.6
RoACE (%)	13.1	13.7	15.6

Q4FY25 Result (Rs Mn)

Particulars	Q4FY25	YoY (%)	QoQ(%)
Revenue	1,44,624	16.7	(7.1)
Total Expense	1,34,810	17.7	(5.9)
EBITDA	9,814	4.4	(20.5)
Depreciation	2,160	21.3	6.0
EBIT	7,654	0.4	(25.8)
Other Income	391	(25.0)	7.4
Interest	160	51.9	5.3
EBT	7,885	(1.9)	(25.1)
Tax	2,048	2.6	(23.6)
RPAT	5,837	(3.4)	(25.6)
APAT	5,837	(3.4)	(25.6)
		(bps)	(bps)
Gross Margin	13.5	(24)	(59)
EBITDA (%)	6.8	(80)	(115)
NPM (%)	4.0	(84)	(100)
Tax Rate (%)	26.0	114	52
EBIT (%)	5.3	(86)	(133)

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Mr. Neville Noronha, MD & CEO, comments on Dmart:

- Mr. Neville Noronha highlighted 3 key factors impacting margins: 1) heightened FMCG competition, 2) rising entry-level wages due to skilled labour shortages, and 3) ongoing investments in service quality and store expansion.
- With the new CEO set to take charge in the next 4–5 months, Noronha will shift focus toward accelerating store growth, capability build-up in e-commerce and other aspects of non-retail business.
- He noted that while metro markets remain resilient, non-metro towns are outperforming. Like-for-like growth is stronger in underpenetrated metro areas, with DMart's value proposition firmly established.

Exhibit 2: Actual vs. Estimates – Q3FY25

Particulars (Rs mn)	Actual	Estimate	Variance (%/bps)	Remarks
Revenue	1,44,624	1,44,624	-	Below our estimates led by higher employee costs and other opex
Gross Profit	19,482	19,608	(0.6)	
GP Margin (%)	13.5	13.6	(9)	
EBITDA	9,814	10,039	(2.2)	
EBITDA Margin (%)	6.8	6.9	(16)	
APAT	5,837	6,073	(3.9)	
APAT Margin (%)	4	4.2	(16)	
AEPS (Rs)	9	9.3	(3.9)	

Source: Dolat Capital, Company

Exhibit 3: Change in Estimates

Particulars (Rs mn)	FY26E			FY27E			Remarks
	New	Old	Chg %/bps	New	Old	Chg %/bps	
Revenue	676,826	679,188	(0.3)	801,629	791,270	1.3	Trim estimates to factor near-term headwinds from hyper competition
Gross Profit	95,951	97,996	(2.1)	115,249	116,147	(0.8)	
EBITDA	52,818	55,385	(4.6)	63,531	65,278	(2.7)	
APAT	32,958	34,757	(5.2)	39,571	40,801	(3.0)	
AEPS (Rs)	50.6	53.4	(5.2)	60.8	62.7	(3.0)	
Margin (%)							
GP Margin (%)	14.2	14.4	(22)	14.4	14.7	(32)	
EBITDA (%)	7.8	8.2	(40)	7.9	8.2	(27)	
APAT Margin (%)	4.9	5.1	(23)	4.9	5.2	(26)	
Operating KPIs							
Stores (No)	475	468	1.5	541	528	2.5	
S. Area (Mn Sq ft)	19.6	19.3	1.6	22.2	21.7	2.5	
Avg Per Sq Ft –Rs							
Revenue	36,784	37,236	(1.2)	38,319	38,523	(0.5)	
Gross Profit	5,215	5,373	(2.9)	5,509	5,655	(2.6)	
EBITDA	2,871	3,036	(5.4)	3,037	3,178	(4.4)	
Net Profit	1,791	1,906	(6.0)	1,892	1,986	(4.8)	

Source: Dolat Capital, Company

Exhibit 4: Revenue Mix – Annual trend (%)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Remarks
Food	51.3	52.4	57.4	56.9	56.0	57.0	57.7	High-margin GM&A are stable YoY, but with lower margins, in our view
FMCG	20.5	20.3	19.7	19.7	21.0	20.7	20.0	
GM&A	28.3	27.3	22.9	23.4	23.0	22.4	22.3	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Source: Dolat Capital, Company

Exhibit 5: Category-wise Revenues – Annual Trend (Rs Bn)

Particulars	FY20	FY21	FY22	FY23	FY24	FY25	FY17-20 CAGR %	FY23-25 CAGR %
Food	129.3	136.6	172.6	234.4	282.1	333.6	26.8	19.3
FMCG	50.1	46.8	59.9	87.6	102.4	115.6	28.5	14.9
GM&A	67.4	54.5	71.0	96.4	110.8	128.6	28.3	15.5
Total	246.8	237.9	303.5	418.3	495.3	577.9	27.6	17.5
Chg YoY %								
Food	26.7	5.6	26.4	35.8	20.4	18.2		
FMCG	22.9	(6.4)	27.9	46.1	17.0	12.9		
GM&A	19.6	(19.2)	30.4	35.7	14.9	16.1		
Total	23.9	(3.6)	27.6	37.8	18.4	16.7		
Mix %								
Food	52.4	57.4	56.9	56.0	57.0	57.7		
FMCG	20.3	19.7	19.7	20.9	20.7	20.0		
GM&A	27.3	22.9	23.4	23.0	22.4	22.3		
Total	100.0	100.0	100.0	100.0	100.0	100.0		

Source: Dolat Capital, Company

Exhibit 6: Standalone Operating and Financial Parameters

Particulars	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
No of stores	110	131	155	176	214	234	284	324	365	415
- Net Additions	21	21	24	21	38	20	50	40	41	50
Retail Area (Mn Sq ft)	3.3	4.1	4.9	5.9	7.8	8.8	11.5	13.4	15.1	17.2
- Inc Area (Mn Sq ft)	0.6	0.8	0.8	1.0	1.9	1.0	2.7	1.9	1.7	2.1
Area/Store (Sq ft)	30,000	31,298	31,613	33,523	36,449	37,692	40,493	41,235	41,370	41,494
- Inc Area/Store (Mn Sq ft)	28,571	38,095	33,333	47,619	50,000	51,000	53,600	47,500	41,463	42,400
Total bills (Mn)	85.0	108.5	134.4	171.8	201.0	152.0	181.0	258.0	303.0	353.0
- Inc Bills (Mn)	18.0	23.5	25.9	37.4	29.2	(49.0)	29.0	77.0	45.0	50.0
Basket Size (Rs)	1,009	1,095	1,117	1,159	1,228	1,565	1,677	1,621	1,635	1,637
LTL growth (2 years old stores) (%)	21.5	21.2	14.2	17.8	10.9	(13.1)	16.7	24.2	9.9	8.4
Revenue/Sq ft (Rs)	28,136	31,120	32,719	35,647	32,879	27,306	27,454	31,096	32,941	33,896
No of days										
- Inventory	29.7	28.8	30.0	29.3	30.4	36.5	33.3	28.8	29.2	31.4
- Payables	8.4	8.4	8.4	8.3	7.9	9.1	7.7	6.3	7.1	7.2
Total Debt	11,770	14,810	4,390	6,950	2,800	2,960	4,160	4,390	4,640	6,930
Equity	15,120	38,370	46,430	55,940	111,360	123,050	139,240	165,030	192,810	2,22,300
Debt/Equity	0.78	0.39	0.09	0.12	0.03	0.02	0.03	0.03	0.02	0.03
Fixed Asset T/O ratio	4.0	4.4	4.4	4.3	4.1	3.1	3.1	3.7	3.6	3.4
Inventory T/O ratio	14.4	14.9	14.4	14.6	14.2	11.7	12.8	14.8	14.6	13.6
ROE (%)	23.5	27.7	13.4	18.3	16.1	9.9	12.3	16.8	15.1	14.1
ROCE (%)	23.8	27.6	17.6	25.9	20.4	11.5	15.6	20.1	19.1	17.8
CF from Operations (Rs Mn)	4,240	6,200	9,340	11,530	16,740	15,400	20,500	31,130	33,430	37,240

Source: Dolat Capital, Company

Exhibit 7: Capex Trend – rising capex, moderating growth

Particulars		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Cumu Lative
Capex	A	5,808	8,867	11,287	11,947	10,833	22,250	24,310	26,902	33,569	1,55,773
Chg in CWIP	B	712	(58)	2,295	(146)	6,443	669	(2,442)	1,011	1,605	10,088
Chg in ROU	C	-	-	-	6,470	2,003	2,992	1,371	1,113	2,046	15,994
Total	D	6,520	8,809	13,581	18,270	19,278	25,912	23,239	29,026	37,219	1,81,855
No of stores added	E	21	24	21	38	20	50	40	41	50	305
Mn Sqft added	F	0.8	0.8	1.0	1.9	1.0	2.7	1.9	1.7	2.1	14.0
Capex/store (Mn)	(A+C)/E	277	369	537	485	642	505	642	683	712	563
Capex/sqft (Mn)	(A+C)/F	7,260	11,084	11,287	9,693	12,584	9,419	13,516	16,479	16,799	12,340
Cash capex	G	6,422	8,968	13,800	16,831	19,699	22,832	21,313	26,870	33,503	1,36,734

Source: Dolat Capital, Company

Exhibit 8: Quarterly Operating Performance

Particulars (Rs Mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (%)	Chg QoQ (%)
Revenue (Rs mn)	1,23,935	1,37,119	1,40,503	1,55,652	1,44,624	16.7	(7.1)
No of Stores	365	371	377	387	415	13.7	7.2
Net new stores	24	6	6	10	28	16.7	180.0
Avg stores	353	368	374	382	401	13.6	5.0
Retail Area (Mn Sq ft)	15.1	15.4	15.8	16.1	17.2	14.0	7.0
Avg business area	14.6	15.3	15.6	16.0	16.7	14.0	4.5
Size/store (Sq ft)	41,370	41,509	41,910	41,602	41,494	0.3	(0.3)
Revenue/Sq Ft (Rs) – computed	8,482	8,991	9,007	9,759	8,652	2.0	(11.3)
LTL growth (%)*	7.7	-	5.5	8.3	8.4	9.1	1.2
Rev./Retail Business Area sq ft (Rs)	9,014	-	8,582	9,317	361	2.7	(11.5)

Source: Dolat Capital, Company * LTL growth and Rev./Retail Business Area is for 2-years and older stores

Exhibit 9: Standalone Quarterly P&L

Particulars (Rs Mn)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (%)	Chg QoQ (%)
Revenue	1,23,935	1,37,119	1,40,503	1,55,652	1,44,624	16.7	(7.1)
COGS	1,06,946	1,16,680	1,20,579	1,33,762	1,25,142	17.0	(6.4)
Gross Profit	16,989	20,439	19,924	21,890	19,482	14.7	(11.0)
Employee costs	2,096	2,311	2,483	2,660	2,679	27.8	0.7
Other expenses	5,491	5,917	6,391	6,879	6,989	27.3	1.6
Total Expenses	7,587	8,228	8,874	9,539	9,668	27.4	1.4
EBITDA	9,402	12,210	11,051	12,351	9,814	4.4	(20.5)
D&A	1,781	1,710	1,849	2,039	2,160	21.3	6.0
EBIT	7,621	10,500	9,201	10,313	7,654	0.4	(25.8)
Finance costs	105	132	134	152	160	51.9	5.3
Other income	522	520	465	364	391	(25.0)	7.4
PBT	8,038	10,888	9,533	10,525	7,885	(1.9)	(25.1)
Tax expense	1,996	2,763	2,429	2,680	2,048	2.6	(23.6)
Eo (inc)/exp	-	-	-	-	(360)	-	-
APAT	6,042	8,125	7,104	7,845	5,837	(3.4)	(25.6)
EPS (Rs)	9.3	12.5	11.0	12.1	9.0	(3.4)	(25.6)

Source: Dolat Capital, Company

Exhibit 10: Margin Analysis

(% of revenue)	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Chg YoY (bps)	Chg QoQ (bps)
COGS	86.3	85.1	85.8	85.9	86.5	24	59
Gross Profit	13.7	14.9	14.2	14.1	13.5	(24)	(59)
Employee costs	1.7	1.7	1.8	1.7	1.9	16	14
Other expenses	4.4	4.3	4.5	4.4	4.8	40	41
Total Expenses	6.1	6.0	6.3	6.1	6.7	56	56
EBITDA	7.6	8.9	7.9	7.9	6.8	(80)	(115)
EBIT	6.1	7.7	6.5	6.6	5.3	(86)	(133)
BT	6.5	7.9	6.8	6.8	5.5	(103)	(131)
APAT	4.9	5.9	5.1	5.0	4.0	(84)	(100)
Tax as % of PBT	24.8	25.4	25.5	25.5	26.0	114	52

Source: Dolat Capital, Company

Exhibit 11: Key Assumptions

Rs mn)	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Store count (Nos)	155	176	214	234	284	324	365	415	475	541
New Stores (Nos)	24	21	38	20	50	40	41	50	60	66
Store Area (Mn Sq ft)	4.9	5.9	7.8	8.8	11.5	13.4	15.1	17.2	19.6	22.2
Area/Store (Sq Ft)	31,613	33,523	36,449	37,692	40,493	41,358	41,370	41,446	41,263	41,109
Inc Area/Store (Sq Ft)	33,333	47,619	50,000	51,000	53,600	47,500	41,463	42,000	40,000	40,000
Financial Parameters										
Revenue	1,50,089	1,99,163	2,46,750	2,37,872	303,525	4,18,333	4,95,330	5,77,898	6,76,826	8,01,629
Gross Profit	23,600	29,363	36,591	34,309	42,998	60,580	69,863	81,735	95,951	1,15,249
EBITDA	13,373	16,422	21,221	17,417	25,015	36,594	40,994	45,426	52,818	63,531
APAT	7,847	9,363	13,499	11,653	16,162	24,156	26,949	28,911	32,958	39,571
YE No of shares (Mn)	624	624	648	648	648	648	651	651	651	651
EPS (Rs)	12.6	15.0	20.8	18.0	24.9	37.3	41.4	44.4	50.6	60.8
Margin %										
Gross Profit	15.7	14.7	14.8	14.4	14.2	14.5	14.1	14.1	14.2	14.4
EBITDA	8.9	8.2	8.6	7.3	8.2	8.7	8.3	7.9	7.8	7.9
APAT	5.2	4.7	5.5	4.9	5.3	5.8	5.4	5.0	4.9	4.9
Avg Per Sq Ft (Rs)										
Revenue	33,353	36,882	36,022	28,625	29,875	33,601	34,760	35,783	36,784	38,319
Gross Profit	5,244	5,438	5,342	4,129	4,232	4,866	4,903	5,061	5,215	5,509
EBITDA	2,972	3,041	3,098	2,096	2,462	2,939	2,877	2,813	2,871	3,037
APAT	1,744	1,734	1,971	1,402	1,591	1,940	1,891	1,790	1,791	1,892
Avg/Store (Rs Mn)										
Revenue	1,050	1,203	1,265	1,062	1,172	1,376	1,438	1,482	1,521	1,578
Gross Profit	165	177	188	153	166	199	203	210	216	227
EBITDA	94	99	109	78	97	120	119	116	119	125
APAT	55	57	69	52	62	79	78	74	74	78
Growth %										
Store count (Nos)	18.3	13.5	21.6	9.3	21.4	14.1	12.7	13.7	14.5	13.9
Area (Mn Sq ft)	19.5	20.4	32.2	13.1	30.4	16.5	12.7	13.9	14.0	13.5
Revenue	26.3	32.7	23.9	(3.6)	27.6	37.8	18.4	16.7	17.1	18.4
Gross Profit	32.2	24.4	24.6	(6.2)	25.3	40.9	15.3	17.0	17.4	20.1
EBITDA	38.8	22.8	29.2	(17.9)	43.6	46.3	12.0	10.8	16.3	20.3
APAT	62.6	19.3	44.2	(13.7)	38.7	49.5	11.6	7.3	14.0	20.1
EPS (Rs)	46.7	19.3	38.8	(13.7)	38.7	49.5	11.1	7.3	14.0	20.1
Avg Per Sq Ft										
Revenue	3.9	10.6	(2.3)	(20.5)	4.4	12.5	3.4	2.9	2.8	4.2
Gross Profit	8.7	3.7	(1.8)	(22.7)	2.5	15.0	0.8	3.2	3.0	5.6
EBITDA	14.1	2.3	1.9	(32.3)	17.5	19.4	(2.1)	(2.2)	2.1	5.8
APAT	33.7	(0.6)	13.6	(28.8)	13.4	22.0	(2.5)	(5.3)	0.1	5.6
Avg/Store										
Revenue	6.4	14.7	5.2	(16.1)	10.4	17.4	4.5	3.1	2.6	3.8
Gross Profit	11.4	7.5	5.8	(18.4)	8.4	20.0	1.8	3.3	2.9	5.2
EBITDA	16.9	6.1	9.7	(28.6)	24.2	24.6	(1.1)	(2.1)	1.9	5.4
APAT	37.0	3.1	22.4	(24.8)	19.9	27.3	(1.6)	(5.2)	(0.1)	5.2

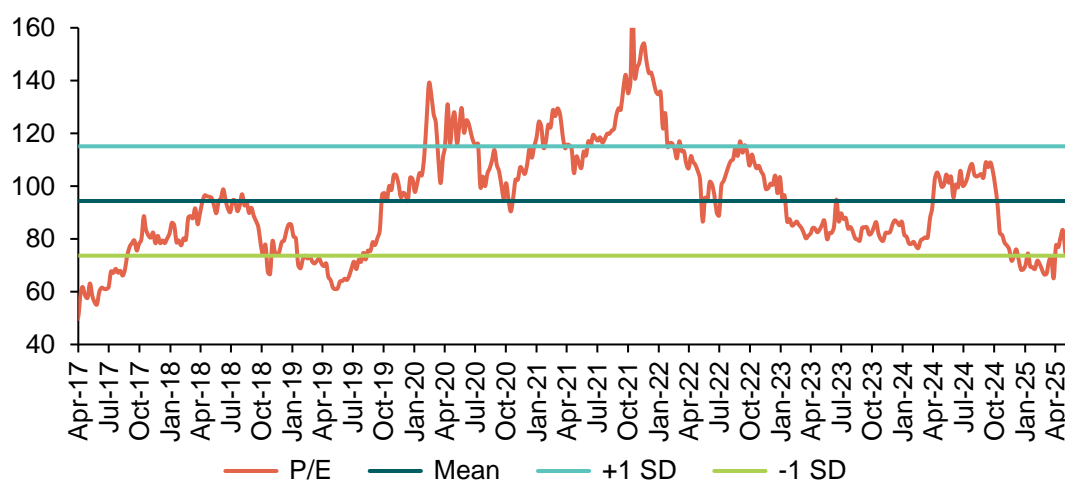
Source: Dolat Capital, Company

Exhibit 12: Dmart's state-wise store footprint

State	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
No. of Stores										
Maharashtra	58	60	62	70	76	74	88	99	109	115
Gujarat	26	29	30	34	37	42	48	55	60	67
Telangana	14	14	19	21	24	27	31	36	41	45
Karnataka	6	11	12	16	20	21	29	29	32	40
Andhra Pradesh	2	6	10	11	17	21	23	29	34	41
Madhya Pradesh	4	5	6	6	11	14	17	19	21	24
Tamil Nadu	-	1	3	4	10	12	15	19	22	26
Rajasthan	-	3	5	5	7	8	10	12	17	22
Punjab	-	-	3	4	5	7	9	11	13	19
NCR	-	1	1	1	1	2	7	8	9	9
Chhattisgarh	-	-	3	3	5	5	6	6	6	6
Daman	-	1	1	1	1	1	1	1	1	1
Total	110	131	155	176	214	234	284	324	365	415
Store Additions										
Maharashtra	8	2	2	8	6	(2)	14	11	10	6
Gujarat	4	3	1	4	3	5	6	7	5	7
Telangana	4	-	5	2	3	3	4	5	5	4
Karnataka	1	5	1	4	4	1	8	-	3	8
Andhra Pradesh	2	4	4	1	6	4	2	6	5	7
Madhya Pradesh	2	1	1	-	5	3	3	2	2	3
Tamil Nadu	-	1	2	1	6	2	3	4	3	4
Rajasthan	-	3	2	-	2	1	2	2	5	5
Punjab	-	-	3	1	1	2	2	2	2	6
NCR	-	1	-	-	-	1	5	1	1	-
Chhattisgarh	-	-	3	-	2	-	1	-	-	-
Daman	-	1	-	-	-	-	-	-	-	-
Total	21	21	24	21	38	20	50	40	41	50
State Mix (%)										
Maharashtra	52.7	45.8	40.0	39.8	35.5	31.6	31.0	30.6	29.9	27.7
Gujarat	23.6	22.1	19.4	19.3	17.3	17.9	16.9	17.0	16.4	16.1
Telangana	12.7	10.7	12.3	11.9	11.2	11.5	10.9	11.1	11.2	10.8
Karnataka	5.5	8.4	7.7	9.1	9.3	9.0	10.2	9.0	8.8	9.6
Andhra Pradesh	1.8	4.6	6.5	6.3	7.9	9.0	8.1	9.0	9.3	9.9
Madhya Pradesh	3.6	3.8	3.9	3.4	5.1	6.0	6.0	5.9	5.8	5.8
Tamil Nadu	-	0.8	1.9	2.3	4.7	5.1	5.3	5.9	6.0	6.3
Rajasthan	-	2.3	3.2	2.8	3.3	3.4	3.5	3.7	4.7	5.3
Punjab	-	-	1.9	2.3	2.3	3.0	3.2	3.4	3.6	4.6
NCR	-	0.8	0.6	0.6	0.5	0.9	2.5	2.5	2.5	2.2
Chhattisgarh	-	-	1.9	1.7	2.3	2.1	2.1	1.9	1.6	1.4
Daman	-	0.8	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Top 5	96.4	91.6	85.8	86.4	81.3	79.1	77.1	76.5	75.6	74.2

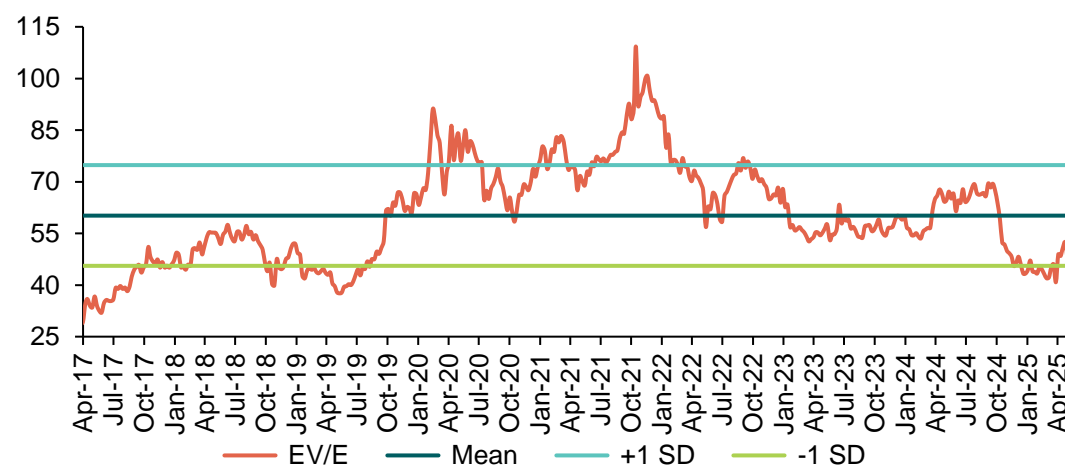
Source: Dolat Capital, Company

Exhibit 13: 1-year forward P/E multiple



Source: Dolat Capital, Company

Exhibit 14: 1-year forward EV/EBITDA multiple



Source: Dolat Capital, Company

Exhibit 10: Valuation Snapshot

Parameters	Value	Multiple (x)	Value per share (Rs)
FY27E Standalone EPS (Rs)	60.8	65	3,950
FY27E Subsidiaries revenue* (Rs Mn)	26,096	5	200
			4,150

* net of inter-company revenues

Exhibit 15: Exhibit 11: TP sensitivity to Standalone EPS

EPS (Rs)----->	44.4	50.6	60.8
Tgt PE (x)	FY25E	FY26E	FY27E
45	2,199	2,479	2,936
55	2,643	2,985	3,544
65	3,087	3,492	4,150
75	3,532	3,998	4,760
85	3,976	4,505	5,368

Source: Dolat Capital, Company

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	4,95,330	5,77,898	6,76,826	8,01,629
Total Expense	4,54,336	5,32,472	6,24,007	7,38,098
COGS	4,25,467	4,96,163	5,80,875	6,86,380
Employees Cost	7,857	10,133	12,210	14,951
Other expenses	21,012	26,176	30,922	36,766
EBIDTA	40,994	45,426	52,818	63,531
Depreciation	6,328	7,758	9,555	11,543
EBIT	34,666	37,668	43,263	51,988
Interest	443	578	690	770
Other Income	1,891	1,740	1,666	1,896
Exc. / E.O. items	0	0	0	0
EBT	36,114	38,831	44,240	53,115
Tax	9,165	9,920	11,281	13,544
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	26,949	28,911	32,958	39,571
Adjustments	0	0	0	0
APAT	26,949	28,911	32,958	39,571

Balance Sheet

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Sources of Funds				
Equity Capital	6,507	6,507	6,507	6,507
Minority Interest	0	0	0	0
Reserves & Surplus	1,86,299	2,15,794	2,25,994	2,38,098
Net Worth	1,92,806	2,22,302	2,32,502	2,44,605
Total Debt	4,641	6,932	7,625	8,387
Net Deferred Tax Liability	940	1,152	1,209	1,270
Total Capital Employed	1,98,388	2,30,385	2,41,335	2,54,261

Applications of Funds

Net Block	1,15,219	1,41,029	1,48,559	1,54,465
CWIP	9,300	10,905	11,178	11,457
Investments	28,288	35,093	36,170	38,850
Current Assets, Loans & Advances	62,855	61,888	61,967	68,747
Current Investments	0	0	0	0
Inventories	37,234	48,055	48,602	57,234
Receivables	3,933	3,485	1,669	1,977
Cash and Bank Balances	7,851	3,474	4,937	1,516
Loans and Advances	0	0	0	0
Other Current Assets	13,837	6,874	6,759	8,020
Less: Current Liabilities & Provisions	17,274	18,529	16,538	19,258
Payables	9,528	10,042	10,512	12,121
Other Current Liabilities	7,746	8,488	6,027	7,138
<i>sub total</i>				
Net Current Assets	45,582	43,359	45,429	49,489
Total Assets	1,98,388	2,30,385	2,41,335	2,54,261

E – Estimates

Important Ratios

Particulars	FY24A	FY25A	FY26E	FY27E
(A) Margins (%)				
Gross Profit Margin	14.1	14.1	14.2	14.4
EBIDTA Margin	8.3	7.9	7.8	7.9
EBIT Margin	7.0	6.5	6.4	6.5
Tax rate	25.4	25.5	25.5	25.5
Net Profit Margin	5.4	5.0	4.9	4.9
(B) As Percentage of Net Sales (%)				
COGS	85.9	85.9	85.8	85.6
Employee	1.6	1.8	1.8	1.9
Other	4.2	4.5	4.6	4.6
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	78.3	65.2	62.7	67.6
Inventory days	27	30	26	26
Debtors days	3	2	1	1
Average Cost of Debt	9.8	10.0	9.5	9.6
Payable days	7	6	6	6
Working Capital days	34	27	24	23
FA T/O	4.3	4.1	4.6	5.2
(D) Measures of Investment				
AEPS (Rs)	41.4	44.4	50.6	60.8
CEPS (Rs)	51.1	56.4	65.3	78.5
DPS (Rs)	0.0	0.0	0.0	0.1
Dividend Payout (%)	0.1	0.1	0.1	0.1
BVPS (Rs)	296.3	341.6	357.3	375.9
RoANW (%)	15.1	13.9	14.5	16.6
RoACE (%)	14.0	13.1	13.7	15.6
RoAIC (%)	15.0	13.4	13.9	15.8
(E) Valuation Ratios				
CMP (Rs)	4059	4059	4059	4059
Mcap (Rs Mn)	26,41,456	26,41,456	26,41,456	26,41,456
EV	26,38,246	26,44,913	26,44,143	26,48,326
MCap/ Sales	5.3	4.6	3.9	3.3
EV/Sales	5.3	4.6	3.9	3.3
P/E	98.0	91.4	80.1	66.8
EV/EBITDA	64.4	58.2	50.1	41.7
P/BV	13.7	11.9	11.4	10.8
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	18.4	16.7	17.1	18.4
EBITDA	12.0	10.8	16.3	20.3
EBIT	11.2	8.7	14.9	20.2
PBT	11.8	7.5	13.9	20.1
APAT	11.6	7.3	14.0	20.1
EPS	11.6	7.3	14.0	20.1

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	36,114	38,831	44,240	53,115
Depreciation & w.o.	6,328	7,758	9,555	11,543
Net Interest Exp	443	578	690	770
Direct taxes paid	(9,165)	(9,920)	(11,281)	(13,544)
Change in Working Capital	(10,311)	(2,154)	(607)	(7,481)
Non Cash	0	0	0	0
(A) CF from Operating Activities	23,409	35,093	42,596	44,402
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(27,953)	(35,154)	(17,403)	(17,776)
Free Cash Flow	(4,544)	(62)	25,193	26,626
(Inc.)/ Dec. in Investments	(1,895)	(2,911)	(628)	(659)
Other	(834)	(1,413)	346	(1,152)
(B) CF from Investing Activities	(30,682)	(39,478)	(17,684)	(19,587)
Issue of Equity/ Preference	14,173	17,850	0	0
Inc./(Dec.) in Debt	(1)	1	0	0
Interest exp net	(443)	(578)	(690)	(770)
Dividend Paid (Incl. Tax)	(13,341)	(17,265)	(22,759)	(27,467)
Other	0	0	0	0
(C) CF from Financing	388	8	(23,448)	(28,237)
Net Change in Cash	(6,885)	(4,377)	1,463	(3,421)
Opening Cash balances	14,736	7,851	3,474	4,937
Closing Cash balances	7,851	3,474	4,937	1,516

E – Estimates

Notes

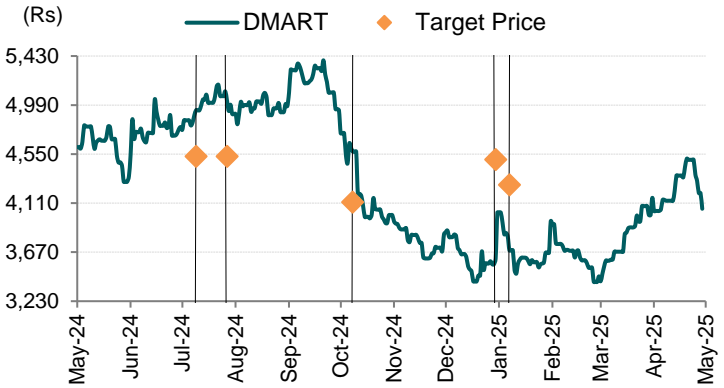
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	0	4	(12)
Rel to NIFTY (%)	(6)	1	(20)

Shareholding Pattern

Particulars	Sep'24	Dec'24	Mar'25
Promoters	74.7	74.7	74.7
MF/Banks/FIs	8.0	7.5	9.2
FIIIs	9.2	10.0	8.2
Public / Others	8.1	7.9	8.0



Month	Rating	TP (Rs.)	Price (Rs.)
Jul-24	Reduce	4,530	4,944
Jul-24	Reduce	4,530	5,027
Oct-24	Reduce	4,120	4,573
Jan-25	BUY	4,500	3,611
Jan-25	BUY	4,275	3,686

**Price as on recommendation date*

Notes

Dolat Rating Matrix

Total Return Expectation (12 Months)

Buy	> 20%
Accumulate	10 to 20%
Reduce	0 to 10%
Sell	< 0%

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