

Soft earnings growth nearing trough!

- Dmart's Q1FY26 results were inline and soft. Standalone Revenue/GP /EBITDA/APAT were at 16.2/14.1/7.6/2.3% YoY. Earnings growth was in single digit for four consecutive quarters and ~9% over FY23-25.
- The business model remains strong to deliver 14-16% Revenue/ EPS CAGR over the long-term, led by sizeable opportunity in large F&G space. Accelerated store expansion, soft base, category-mix improvement, new launches & built-up in Dmart Ready are potential triggers. While increased competition from Qcom presents a short-term challenge, we believe this pressure will ease within 2-4 quarters due to weak profitability and funding crunch (after which Dmart shall benefit even more). In the interim Dmart is competing effectively.
- We trim our FY26/27E APAT by 1/3% to factor weak margins. Reiterate 'Reduce' rating with revised TP of Rs 4,065 (incl. Rs 200 for Dmart Ready) valuing at 65x FY27E standalone EPS (earlier Rs 4,150 @ 65x FY27). Our rating reflects near-term weak performance, competition from Qcom and rich valuations; bias remains positive.

A tad soft, yet healthy revenue growth.....

Dmart's standalone revenue growth was a tad soft at 16.2% YoY. Growth was impacted by 100-150bps due to deflation in many staples and non-food products. The SSSG for 2-year and older stores (~327 or 77% of stores) was 7.1% YoY. Yet, Rev/sqft growth was 1.5% and Rev/store 1.9% YoY. This implies softer revenue contribution from newer stores in our view.

.....margins hit by competitive pressures

GP growth was soft at 14.1% YoY (-27bps YoY to 14.6%). This is due to continued competitive intensity in the FMCG space (~20% of revenues). EBITDA was muted at 7.6% led by higher employee costs (+31%) on account of inflation in entry level wages and other opex (+21%) due to efforts on improving service levels and capacity buildings. APAT was 2.3% due to the lower D&A costs QoQ offset by higher finance costs.

Dmart's playbook for sustainable growth

DMart's 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. It has geared well to capitalize on the above with necessary investments in the trailing two years. Store expansion in non-metro and underpenetrated metro will serve as key growth catalyst. These regions face lower competition from Qcom and are well suited to Dmart's value proposition. While QCom competition remains intense it also accelerates the unorganized to organized shift. Also, Qcom's hyper-competition too seems unsustainable.

Key Data

Nifty	25,150
Equity / FV	Rs 6,507mn / Rs 10
Market Cap	Rs 2,645bn
	USD 30.8bn
52-Week High/Low	Rs 5,485/ 3,340
Avg. Volume (no)	5,87,588
Bloom Code	DMART IN

	Current	Previous
Rating	Reduce	Reduce
Target Price	4,065	4,150

Change in Estimates

(Rs.bn)	Current FY26E	Current FY27E	Chg (%) /bps FY26E	Chg (%) /bps FY27E
Revenue	676	794	(0.1)	(1.0)
EBITDA	52	62	(1.0)	(1.9)
EBITDA (%)	7.7	7.9	(7)	(7)
APAT	33	39	(0.8)	(2.2)
EPS (Rs)	50.3	59.5	(0.8)	(2.2)

Valuation (x)

	FY25A	FY26E	FY27E
P/E	91.5	80.9	68.3
EV/EBITDA	58.3	50.6	42.6
ROE (%)	13.9	14.4	16.3
RoACE (%)	13.1	13.7	15.5

Q1FY26 Result (Rs Mn)

Particulars	Q1FY26	YoY (%)	QoQ (%)
Revenue	1,59,321	16.2	10.2
Total Expense	1,46,188	17.0	8.4
EBITDA	13,133	7.6	33.8
Depreciation	2,096	22.6	(3.0)
EBIT	11,037	5.1	44.2
Other Income	341	(34.3)	(12.8)
Interest	266	101.8	66.5
EBT	11,113	2.1	40.9
Tax	2,815	1.9	37.4
RPAT	8,297	2.1	42.2
APAT	8,297	2.1	42.2
		(bps)	(bps)
Gross Margin	14.6	(27)	117
EBITDA (%)	8.2	(66)	146
NPM (%)	5.2	(72)	117
Tax Rate (%)	25.3	(5)	(64)
EBIT (%)	6.9	(73)	164

Director Research: Himanshu Shah
+91 22 4096 9737

himanshu.shah@dolatcapital.com

Associate: Mohit Rajani
+9122 40969714
mohitr@dolatcapital.com

Exhibit 1: Actual vs. Estimates – Q1FY26

Particulars (Rs mn)	Actual	Estimate	Variance (%/bps)	Remarks
Revenue	1,59,321	1,59,321	-	Inline
Gross Profit	23,323	23,350	(0.1)	
GP Margin (%)	14.6	14.7	(2)	
EBITDA	13,133	13,159	(0.2)	
EBITDA Margin (%)	8.2	8.3	(2)	
APAT	8,297	8,321	(0.3)	
APAT Margin (%)	5.2	5.2	(1)	
AEPS (Rs)	12.8	12.8	(0.3)	

Source: Dolat Capital, Company

Exhibit 2: Change in Estimates

Particulars (Rs mn)	FY26E			FY27E			Remarks
	Old	New	Chg %/bps	Old	New	Chg %/bps	
Revenue	676,826	6,76,275	(0.1)	801,629	7,93,509	(1.0)	Trim estimates to factor near-term headwinds from hyper competition
Gross Profit	95,951	95,754	(0.2)	115,249	1,13,943	(1.1)	
EBITDA	52,818	52,307	(1.0)	63,531	62,333	(1.9)	
APAT	32,958	32,710	(0.8)	39,571	38,695	(2.2)	
AEPS (Rs)	50.6	50.3	(0.7)	60.8	59.5	(2.2)	
Margin (%)							
GP Margin (%)	14.2	14.2	(2)	14.4	14.4	(4)	
EBITDA (%)	7.8	7.7	(7)	7.9	7.9	(4)	
APAT Margin (%)	4.9	4.8	(3)	4.9	4.9	(2)	
Operating KPIs							
Stores (No)	475	478	0.6	541	547	1.1	
S. Area (Mn Sq ft)	19.6	19.8	0.8	22.2	22.5	1.4	
Avg Per Sq Ft –Rs							
Revenue	36,784	36,595	(0.5)	38,319	37,536	(2.0)	
Gross Profit	5,215	5,181	(0.6)	5,509	5,390	(2.2)	
EBITDA	2,871	2,830	(1.4)	3,037	2,949	(2.9)	
Net Profit	1,791	1,770	(1.2)	1,892	1,830	(3.3)	

Source: Dolat Capital, Company

Exhibit 3: Revenue Mix – Annual trend (%)

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q1FY25	Q1FY26	Remarks
Food	51.3	52.4	57.4	56.9	56.0	57.0	57.7	54.8	55.6	High-margin GM&A has been stable YoY but with lower margins in our view
FMCG	20.5	20.3	19.7	19.7	21.0	20.7	20.0	20.3	19.7	
GM&A	28.3	27.3	22.9	23.4	23.0	22.4	22.3	24.9	24.7	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

Source: Dolat Capital, Company

Exhibit 4: 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 5: 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 6: Capex Trend – rising capex, moderating growth

Particulars		FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Cumulative
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 7: Quarterly Operating Performance

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (%)	Chg QoQ (%)
Revenue (Rs mn)	1,37,119	1,40,503	1,55,652	1,44,624	1,59,321	16.2	10.2
No of Stores	371	377	387	415	424	14.3	2.2
Net new stores	6	6	10	28	9	50.0	(67.9)
Avg stores	368	374	382	401	420	14.0	4.6
Retail Area (Mn Sq ft)	15.4	15.8	16.1	17.2	17.6	15.0	2.3
Avg business area	15.3	15.6	16.0	16.7	17.4	14.5	4.5
Size/store (Sq ft)	41,509	41,910	41,602	41,494	41,509	0.7	0.2
Revenue/Sq Ft (Rs) – computed	8,991	9,007	9,759	8,652	9,156	1.5	5.4
LTL growth (%)*	9.1	5.5	8.3	8.1	7.1		
Rev./Retail Business Area sq ft (Rs)	8,648	8,582	9,317	8,313	8,779	1.5	5.6

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

Exhibit 8: Standalone Quarterly P&L

Particulars (Rs Mn)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (%)	Chg QoQ (%)
Revenue	1,37,119	1,40,503	1,55,652	1,44,624	1,59,321	16.2	10.2
COGS	1,16,680	1,20,579	1,33,762	1,25,142	1,35,998	16.6	8.7
Gross Profit	20,439	19,924	21,890	19,482	23,323	14.1	19.7
Employee costs	2,311	2,483	2,660	2,679	3,018	30.6	12.7
Other expenses	5,917	6,391	6,879	6,989	7,172	21.2	2.6
Total Expenses	8,228	8,874	9,539	9,668	10,190	23.8	5.4
EBITDA	12,210	11,051	12,351	9,814	13,133	7.6	33.8
D&A	1,710	1,849	2,039	2,160	2,096	22.6	(3.0)
EBIT	10,500	9,201	10,313	7,654	11,037	5.1	44.2
Finance costs	132	134	152	160	266	101.8	66.5
Other income	520	465	364	391	341	(34.3)	(12.8)
PBT	10,888	9,533	10,525	7,885	11,113	2.1	40.9
Tax expense	2,763	2,429	2,680	2,048	2,815	1.9	37.4
EO (inc)/exp	-	-	-	(360)	-	-	(100.0)
APAT	8,125	7,104	7,845	5,837	8,297	2.1	42.2
EPS (Rs)	12.5	11.0	12.1	9.0	12.8	2.1	42.2

Source: Dolat Capital, Company

Exhibit 9: Margin Analysis

(% of revenue)	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Chg YoY (bps)	Chg QoQ (bps)
COGS	85.1	85.8	85.9	86.5	85.4	27	(117)
Gross Profit	14.9	14.2	14.1	13.5	14.6	(27)	117
Employee costs	1.7	1.8	1.7	1.9	1.9	21	4
Other expenses	4.3	4.5	4.4	4.8	4.5	19	(33)
Total Expenses	6.0	6.3	6.1	6.7	6.4	39	(29)
EBITDA	8.9	7.9	7.9	6.8	8.2	(66)	146
EBIT	7.7	6.5	6.6	5.3	6.9	(73)	164
BT	7.9	6.8	6.8	5.5	7.0	(97)	152
APAT	5.9	5.1	5.0	4.0	5.2	(72)	117
Tax as % of PBT	25.4	25.5	25.5	26.0	25.3	(4)	(64)

Source: Dolat Capital, Company

Exhibit 10: 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	478	547
New Stores (Nos)	24	21	38	20	50	40	41	50	63	69
Store Area (Mn Sq ft)	4.9	5.9	7.8	8.8	11.5	13.4	15.1	17.2	19.8	22.5
Area/Store (Sq Ft)	31,613	33,523	36,449	37,692	40,493	41,358	41,370	41,446	41,339	41,170
Inc Area/Store (Sq Ft)	33,333	47,619	50,000	51,000	53,600	47,500	41,463	42,000	40,635	40,000
FinancialParameters										
Revenue	1,50,089	1,99,163	2,46,750	2,37,872	303,525	4,18,333	4,95,330	5,77,898	676,275	793,509
Gross Profit	23,600	29,363	36,591	34,309	42,998	60,580	69,863	81,735	95,754	113,943
EBITDA	13,373	16,422	21,221	17,417	25,015	36,594	40,994	45,426	52,307	62,333
APAT	7,847	9,363	13,499	11,653	16,162	24,156	26,949	28,911	32,710	38,695
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	50.3	59.5
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	7.7	7.9
APAT	5.2	4.7	5.5	4.9	5.3	5.8	5.4	5.0	4.8	4.9
Avg Per Sq Ft (Rs)										
Revenue	33,353	36,882	36,022	28,625	29,875	33,601	34,760	35,783	36,595	37,536
Gross Profit	5,244	5,438	5,342	4,129	4,232	4,866	4,903	5,061	5,181	5,390
EBITDA	2,972	3,041	3,098	2,096	2,462	2,939	2,877	2,813	2,830	2,949
APAT	1,744	1,734	1,971	1,402	1,591	1,940	1,891	1,790	1,770	1,830
Avg/Store (Rs Mn)										
Revenue	1,050	1,203	1,265	1,062	1,172	1,376	1,438	1,482	1,515	1,548
Gross Profit	165	177	188	153	166	199	203	210	214	222
EBITDA	94	99	109	78	97	120	119	116	117	122
APAT	55	57	69	52	62	79	78	74	73	76
Growth %										
Store count (Nos)	18.3	13.5	21.6	9.3	21.4	14.1	12.7	13.7	15.2	14.4
Area (Mn Sq ft)	19.5	20.4	32.2	13.1	30.4	16.5	12.7	13.9	14.9	14.0
Revenue	26.3	32.7	23.9	(3.6)	27.6	37.8	18.4	16.7	17.0	17.3
Gross Profit	32.2	24.4	24.6	(6.2)	25.3	40.9	15.3	17.0	17.2	19.0
EBITDA	38.8	22.8	29.2	(17.9)	43.6	46.3	12.0	10.8	15.1	19.2
APAT	62.6	19.3	44.2	(13.7)	38.7	49.5	11.6	7.3	13.1	18.3
EPS (Rs)	46.7	19.3	38.8	(13.7)	38.7	49.5	11.1	7.3	13.1	18.3
Avg Per Sq Ft										
Revenue	3.9	10.6	(2.3)	(20.5)	4.4	12.5	3.4	2.9	2.3	2.6
Gross Profit	8.7	3.7	(1.8)	(22.7)	2.5	15.0	0.8	3.2	2.4	4.0
EBITDA	14.1	2.3	1.9	(32.3)	17.5	19.4	(2.1)	(2.2)	0.6	4.2
APAT	33.7	(0.6)	13.6	(28.8)	13.4	22.0	(2.5)	(5.3)	(1.1)	3.4
Avg/Store										
Revenue	6.4	14.7	5.2	(16.1)	10.4	17.4	4.5	3.1	2.2	2.2
Gross Profit	11.4	7.5	5.8	(18.4)	8.4	20.0	1.8	3.3	2.3	3.7
EBITDA	16.9	6.1	9.7	(28.6)	24.2	24.6	(1.1)	(2.1)	0.6	3.8
APAT	37.0	3.1	22.4	(24.8)	19.9	27.3	(1.6)	(5.2)	(1.2)	3.1

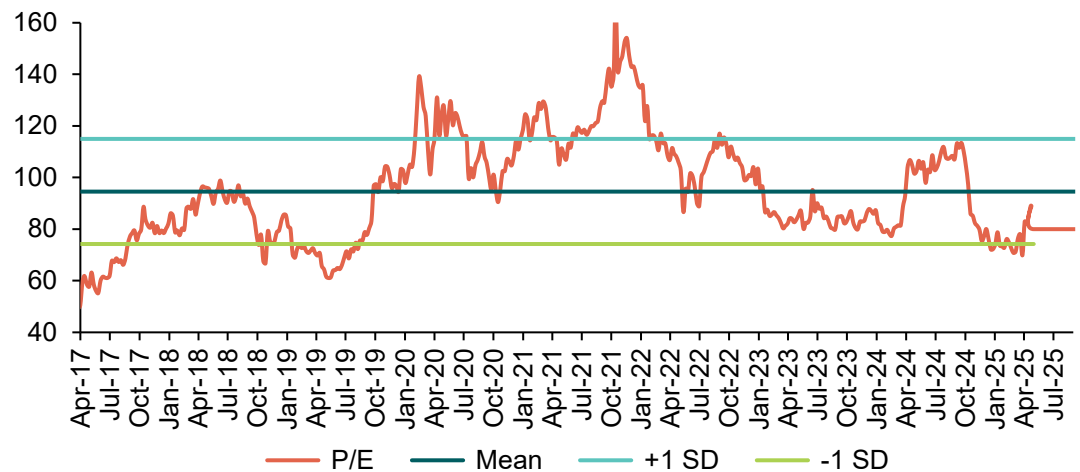
Source: Dolat Capital, Company

Exhibit 11: Dmart's state-wise store footprint

State	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	Q1FY26
No. of Stores										
Maharashtra	60	62	70	76	74	88	99	109	115	117
Gujarat	29	30	34	37	42	48	55	60	67	68
Telangana	14	19	21	24	27	31	36	41	45	45
Karnataka	11	12	16	20	21	29	29	32	40	41
Andhra Pradesh	6	10	11	17	21	23	29	34	41	41
Madhya Pradesh	5	6	6	11	14	17	19	21	24	26
Tamil Nadu	1	3	4	10	12	15	19	22	26	27
Rajasthan	3	5	5	7	8	10	12	17	22	22
Punjab	-	3	4	5	7	9	11	13	19	20
NCR	1	1	1	1	2	7	8	9	9	9
Chhattisgarh	-	3	3	5	5	6	6	6	6	6
Daman	1	1	1	1	1	1	1	1	1	1
Uttar Pradesh										1
Total	131	155	176	214	234	284	324	365	415	424
Store Additions										
Maharashtra	2	2	8	6	(2)	14	11	10	6	2
Gujarat	3	1	4	3	5	6	7	5	7	1
Telangana	-	5	2	3	3	4	5	5	4	-
Karnataka	5	1	4	4	1	8	-	3	8	1
Andhra Pradesh	4	4	1	6	4	2	6	5	7	-
Madhya Pradesh	1	1	-	5	3	3	2	2	3	2
Tamil Nadu	1	2	1	6	2	3	4	3	4	1
Rajasthan	3	2	-	2	1	2	2	5	5	-
Punjab	-	3	1	1	2	2	2	2	6	1
NCR	1	-	-	-	1	5	1	1	-	-
Chhattisgarh	-	3	-	2	-	1	-	-	-	-
Daman	1	-	-	-	-	-	-	-	-	-
Uttar Pradesh										1
Total	21	24	21	38	20	50	40	41	50	9
State Mix (%)										
Maharashtra	45.8	40.0	39.8	35.5	31.6	31.0	30.6	29.9	27.7	27.6
Gujarat	22.1	19.4	19.3	17.3	17.9	16.9	17.0	16.4	16.1	16.0
Telangana	10.7	12.3	11.9	11.2	11.5	10.9	11.1	11.2	10.8	10.6
Karnataka	8.4	7.7	9.1	9.3	9.0	10.2	9.0	8.8	9.6	9.7
Andhra Pradesh	4.6	6.5	6.3	7.9	9.0	8.1	9.0	9.3	9.9	9.7
Madhya Pradesh	3.8	3.9	3.4	5.1	6.0	6.0	5.9	5.8	5.8	6.1
Tamil Nadu	0.8	1.9	2.3	4.7	5.1	5.3	5.9	6.0	6.3	6.4
Rajasthan	2.3	3.2	2.8	3.3	3.4	3.5	3.7	4.7	5.3	5.2
Punjab	-	1.9	2.3	2.3	3.0	3.2	3.4	3.6	4.6	4.7
NCR	0.8	0.6	0.6	0.5	0.9	2.5	2.5	2.5	2.2	2.1
Chhattisgarh	-	1.9	1.7	2.3	2.1	2.1	1.9	1.6	1.4	1.4
Daman	0.8	0.6	0.6	0.5	0.4	0.4	0.3	0.3	0.2	0.2
Uttar Pradesh	-	-	-	-	-	-	-	-	-	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	91.6	85.8	86.4	81.3	79.1	77.1	76.5	75.6	74.2	73.6

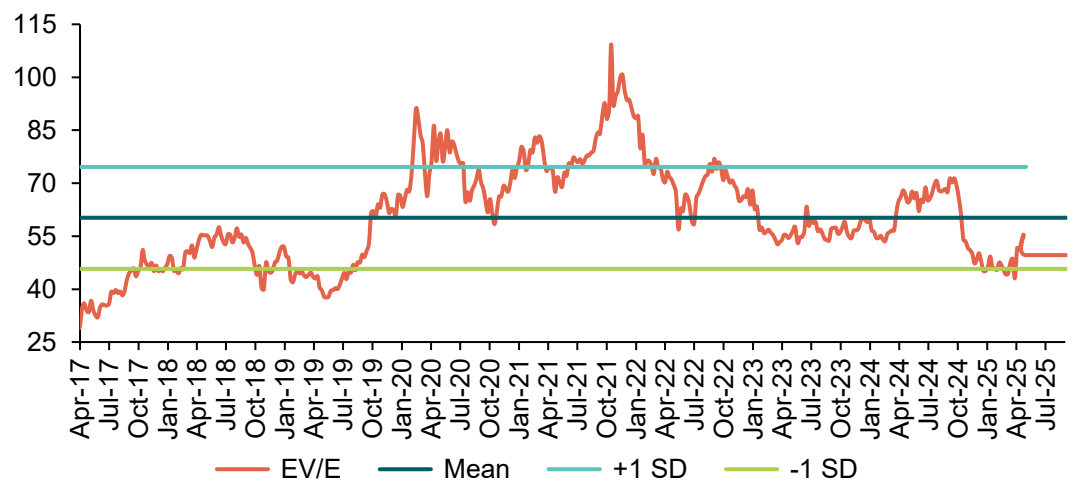
Source: Dolat Capital, Company

Exhibit 12: 1-year forward P/E multiple



Source: Dolat Capital, Company

Exhibit 13: 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)	59.5	65	3,865
FY27E Subsidiaries revenue* (Rs Mn)	25,709	5	200
			4,065

* net of inter-company revenues

Exhibit 14: Exhibit 11: TP sensitivity to Standalone EPS

EPS (Rs)----->	50.6	60.8
Tgt PE (x)	FY26E	FY27E
45	2,462	2,875
55	2,964	3,470
65	3,467	4,065
75	3,970	4,659
85	4,472	5,254

Source: Dolat Capital, Company

Financial Performance

Profit and Loss Account

(Rs Mn)	FY24A	FY25A	FY26E	FY27E
Revenue	4,95,330	5,77,898	6,76,275	7,93,509
Total Expense	4,54,336	5,32,472	6,23,968	7,31,176
COGS	4,25,467	4,96,163	5,80,521	6,79,566
Employees Cost	7,857	10,133	12,958	15,530
Other expenses	21,012	26,176	30,488	36,081
EBIDTA	40,994	45,426	52,307	62,333
Depreciation	6,328	7,758	8,999	10,922
EBIT	34,666	37,668	43,308	51,411
Interest	443	578	835	854
Other Income	1,891	1,740	1,408	1,383
Exc. / E.O. items	0	0	0	0
EBT	36,114	38,831	43,881	51,940
Tax	9,165	9,920	11,171	13,245
Minority Interest	0	0	0	0
Profit/Loss share of associates	0	0	0	0
RPAT	26,949	28,911	32,710	38,695
Adjustments	0	0	0	0
APAT	26,949	28,911	32,710	38,695

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	2,25,746	2,36,973
Net Worth	1,92,806	2,22,302	2,32,253	2,43,481
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	2,41,087	2,53,137

Applications of Funds

Net Block	1,15,219	1,41,029	1,50,207	1,57,499
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	60,057	64,394
Current Investments	0	0	0	0
Inventories	37,234	48,055	48,562	56,655
Receivables	3,933	3,485	1,668	1,957
Cash and Bank Balances	7,851	3,474	3,073	(2,156)
Loans and Advances	0	0	0	0
Other Current Assets	13,837	6,874	6,754	7,939
Less: Current Liabilities & Provisions	17,274	18,529	16,525	19,063
Payables	9,528	10,042	10,503	11,998
Other Current Liabilities	7,746	8,488	6,022	7,065
<i>sub total</i>				
Net Current Assets	45,582	43,359	43,532	45,330
Total Assets	1,98,388	2,30,385	2,41,087	2,53,137

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	7.7	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	4.8	4.9
(B) As Percentage of Net Sales (%)				
COGS	85.9	85.9	85.8	85.6
Employee	1.6	1.8	1.9	2.0
Other	4.2	4.5	4.5	4.5
(C) Measure of Financial Status				
Gross Debt / Equity	0.0	0.0	0.0	0.0
Interest Coverage	78.3	65.2	51.9	60.2
Inventory days	27	30	26	26
Debtors days	3	2	1	1
Average Cost of Debt	9.8	10.0	11.5	10.7
Payable days	7	6	6	6
Working Capital days	34	27	23	21
FA T/O	4.3	4.1	4.5	5.0
(D) Measures of Investment				
AEPS (Rs)	41.4	44.4	50.3	59.5
CEPS (Rs)	51.1	56.4	64.1	76.2
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	356.9	374.2
RoANW (%)	15.1	13.9	14.4	16.3
RoACE (%)	14.0	13.1	13.7	15.5
RoAIC (%)	15.0	13.4	13.9	15.5
(E) Valuation Ratios				
CMP (Rs)	4064	4064	4064	4064
Mcap (Rs Mn)	26,44,709	26,44,709	26,44,709	26,44,709
EV	26,41,499	26,48,167	26,49,260	26,55,252
MCap/ Sales	5.3	4.6	3.9	3.3
EV/Sales	5.3	4.6	3.9	3.3
P/E	98.1	91.5	80.9	68.3
EV/EBITDA	64.4	58.3	50.6	42.6
P/BV	13.7	11.9	11.4	10.9
Dividend Yield (%)	0.0	0.0	0.0	0.0
(F) Growth Rate (%)				
Revenue	18.4	16.7	17.0	17.3
EBITDA	12.0	10.8	15.1	19.2
EBIT	11.2	8.7	15.0	18.7
PBT	11.8	7.5	13.0	18.4
APAT	11.6	7.3	13.1	18.3
EPS	11.6	7.3	13.1	18.3

E – Estimates

Cash Flow

Particulars	FY24A	FY25A	FY26E	FY27E
Profit before tax	36,114	38,831	43,881	51,940
Depreciation & w.o.	6,328	7,758	8,999	10,922
Net Interest Exp	443	578	835	854
Direct taxes paid	(9,165)	(9,920)	(11,171)	(13,245)
Change in Working Capital	(10,311)	(2,154)	(574)	(7,028)
Non Cash	0	0	0	0
(A) CF from Operating Activities	23,409	35,093	41,969	43,443
Capex {(Inc.)/ Dec. in Fixed Assets n WIP}	(27,953)	(35,154)	(18,495)	(18,541)
Free Cash Flow	(4,544)	(62)	23,474	24,902
(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)	(18,776)	(20,352)
Issue of Equity/ Preference	14,173	17,850	0	0
Inc./(Dec.) in Debt	(1)	1	0	0
Interest exp net	(443)	(578)	(835)	(854)
Dividend Paid (Incl. Tax)	(13,341)	(17,265)	(22,759)	(27,467)
Other	0	0	0	0
(C) CF from Financing	388	8	(23,593)	(28,321)
Net Change in Cash	(6,885)	(4,377)	(401)	(5,230)
Opening Cash balances	14,736	7,851	3,474	3,073
Closing Cash balances	7,851	3,474	3,073	(2,156)

E – Estimates

Notes

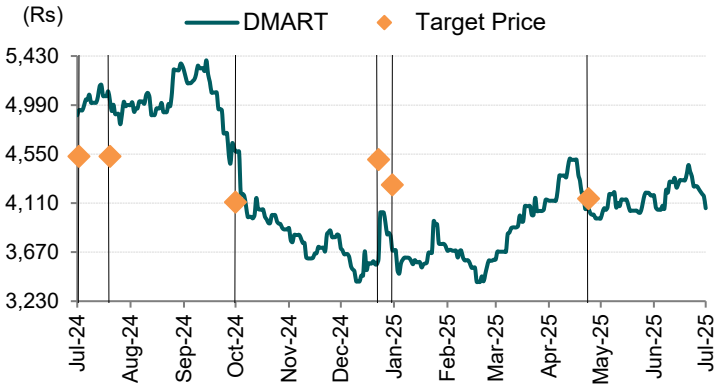
Stock Info and Rating History

Price Performance

Particulars	1M	3M	12M
Absolute (%)	(3)	(2)	(17)
Rel to NIFTY (%)	(3)	(12)	(20)

Shareholding Pattern

Particulars	Dec'24	Mar'25	Jun'25
Promoters	74.7	74.7	74.7
MF/Banks/FIs	7.5	9.2	9.2
FIIIs	10.0	8.2	8.2
Public / Others	7.9	8.0	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
May-25	Reduce	4,150	4,059

*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%

Dolat Team

Purvag Shah	Managing Director	purvag@dolatcapital.com	+9122 4096 9747
Amit Khurana, CFA	Head of Equities	amit@dolatcapital.com	+9122 4096 9745

CONTACT DETAILS

Equity Sales	Designation	E-mail	Direct Lines
Dinesh Bajaj	Director - Equity Sales	dineshb@dolatcapital.com	+9122 4096 9709
Kapil Yadav	Director - Equity Sales & Corporate Access	kapil@dolatcapital.com	+9122 4096 9735
Jubbin Shah	Director - Equity Sales	jubbins@dolatcapital.com	+9122 4096 9779
Nikhil Thacker	Director - Equity Sales	nikhilt@dolatcapital.com	+9122 4096 9700
Pratik Shroff	AVP - Equity Sales	pratiks@dolatcapital.com	+9122 4096 9621
Rajeev Lala	AVP - Equity Sales	rajeevl@dolatcapital.com	+9122 4096 9767
Equity Trading	Designation	E-mail	
P. Sridhar	Director and Head of Sales Trading	sridhar@dolatcapital.com	+9122 4096 9728
Chandrakant Ware	Director - Sales Trading	chandrakant@dolatcapital.com	+9122 4096 9707
Shirish Thakkar	Director - Sales Trading	shirisht@dolatcapital.com	+9122 4096 9702
Kartik Mehta	Director - Sales Trading	kartikm@dolatcapital.com	+9122 4096 9715
Nishit Sariya	VP - Derivatives Sales Trading	nishits@dolatcapital.com	+9122 4096 9765
Monali Jobanputra	Co - Head Asia Derivatives	monalij@dolatcapital.com	+9122 6176 4841
Bhavin Mehta	Director Research - Derivatives Strategist	bhavinm@dolatcapital.com	+9122 4096 9705

Analyst(s) Certification

The research analyst(s), with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

I. Analyst(s) and Associate (S) holding in the Stock(s): (Nil)

II. Disclaimer:

This research report has been prepared by Dolat Capital Market Private Limited, to provide information about the company(ies) and sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies) solely for the purpose of information of the select recipient of this report. This report and/or any part thereof, may not be duplicated in any form and/or reproduced or redistributed without the prior written consent of Dolat Capital Market Private Limited. This report has been prepared independent of the companies covered herein. Dolat Capital Market Private Limited, and its affiliated companies are part of a multi-service, integrated investment banking, brokerage and financing group. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have provided or may provide services in respect of managing offerings of securities, corporate finance, investment banking, mergers & acquisitions, financing or any other advisory services to the company(ies) covered herein. Dolat Capital Market Private Limited, and/or its affiliated company(ies) might have received or may receive compensation from the company(ies) mentioned in this report for rendering any of the above services. Research analysts and sales persons of Dolat Capital Market Private Limited, may provide important inputs to its affiliated company(ies) associated with it. While reasonable care has been taken in the preparation of this report, it does not purport to be a complete description of the securities, markets or developments referred to herein, and Dolat Capital Market Private Limited, does not warrant its accuracy or completeness. Dolat Capital Market Private Limited, may not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. This report is provided for information only and is not an investment advice and must not alone be taken as the basis for an investment decision. The investment discussed or views expressed herein may not be suitable for all investors. The user assumes the entire risk of any use made of this information. The information contained herein may be changed without notice and Dolat Capital Market Private Limited, reserves the right to make modifications and alterations to this statement as they may deem fit from time to time. Dolat Capital Market Private Limited, and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions. This report is neither an offer nor solicitation of an offer to buy and/or sell any securities mentioned herein and/or not an official confirmation of any transaction. This report is not directed or intended for distribution to, or use by any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Dolat Capital Market Private Limited, and/or its affiliated company(ies) to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this report may come, are required to inform themselves of and to observe such restrictions.

For U.S. persons only: This research report is a product of Dolat Capital Market Private Limited, under Marco Polo Securities 15a-6 chaperone service, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

Research reports are intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor. In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Dolat Capital Market Private Limited has entered into a chaperoning agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be affected through Marco Polo or another U.S. registered broker dealer.



Dolat Capital Market Private Limited.

Corporate Identity Number: U65990GJ993PTC116741

Member: BSE Limited and National Stock Exchange of India Limited.

SEBI Registration No: BSE - INZ000274132, NSE - INZ000274132, Research: INH000014012

Regd. office: 1401-1409, Dalal Street Commercial, Block 53 (Bldg. No.53E) Zone-5, Road-5E, Gift City, Sector 9, Gandhinagar-382355 Gujarat, India.

Board: +9122 40969700 | Fax: +9122 22651278 | Email: research@dolatcapital.com | www.dolatresearch.com
