

# Avenue Supermarts (DMART IN)

**Q2FY27 Result  
Update**

October 11, 2026

☒ Estimate Change | ☒ Target | ☒ Reco.

## Change in Estimates

|                 | Current |           | Previous |           |
|-----------------|---------|-----------|----------|-----------|
|                 | FY28E   | FY29E     | FY28E    | FY29E     |
| Rating          | Reduce  |           | Hold     |           |
| Target Price    | 3,214   |           | 4,027    |           |
| Sales (INR mn)  | 952,794 | 1,118,764 | 961,970  | 1,129,509 |
| % Chng.         | (1.0)   | (1.0)     |          |           |
| EBITDA (INR mn) | 67,465  | 78,256    | 70,111   | 80,783    |
| % Chng.         | (3.8)   | (3.1)     |          |           |
| EPS (INR)       | 57.7    | 65.9      | 59.6     | 68.9      |
| % Chng.         | (3.2)   | (4.4)     |          |           |

## Key Data

AVEU.BO | DMART IN

|                     |                             |
|---------------------|-----------------------------|
| BSE Code            | 540376                      |
| NSE Code            | DMART                       |
| 52-W High / Low     | INR 4,644 / INR 3,497       |
| Face Value          | 10                          |
| Sensex / Nifty      | 72,472 / 22,520             |
| Market Cap          | INR 2,294 bn / \$ 23,715 mn |
| Shares Outstanding  | 652.31 mn                   |
| 3M Avg. Daily Value | INR 2,738.19 mn             |

## Shareholding Pattern (%)

|                            |       |
|----------------------------|-------|
| Promoters                  | 74.65 |
| FIs                        | 8.71  |
| Mutual Funds               | 6.69  |
| Domestic Institutions      | 2.20  |
| Public & Others            | 7.75  |
| Promoter's Pledge (INR bn) | -     |

## Stock Performance (%)

|          | 1M    | 3M     | 6M     | 12M    |
|----------|-------|--------|--------|--------|
| Absolute | (5.8) | (13.8) | (20.4) | (18.3) |
| Relative | (2.9) | (8.7)  | (15.8) | (7.4)  |

## Key Financials - Consolidated

| Y/e Mar             | FY26      | FY27E     | FY28E     | FY29E     |
|---------------------|-----------|-----------|-----------|-----------|
| Sales (INR mn)      | 688,207   | 805,239   | 952,794   | 1,118,764 |
| EBITDA (INR mn)     | 51,866    | 58,882    | 67,465    | 78,256    |
| Margin (%)          | 7.5       | 7.3       | 7.1       | 7.0       |
| PAT (INR mn)        | 29,692    | 32,519    | 37,589    | 42,980    |
| EV (INR mn)         | 2,299,391 | 2,311,578 | 2,319,217 | 2,323,140 |
| Total Debt (INR mn) | 9,653     | 30,000    | 33,000    | 39,000    |
| C&C Eq. (INR mn)    | 3,038     | 11,203    | 6,563     | 8,606     |
| EPS (INR)           | 45.5      | 49.9      | 57.7      | 65.9      |
| Gr. (%)             | 9.5       | 9.5       | 15.6      | 14.3      |
| DPS (INR)           | -         | -         | -         | -         |
| Yield (%)           | -         | -         | -         | -         |
| RoE (%)             | 12.9      | 12.5      | 12.7      | 12.8      |
| RoCE (%)            | 17.7      | 16.5      | 16.2      | 16.5      |
| EV/Sales (x)        | 3.3       | 2.9       | 2.4       | 2.1       |
| EV/EBITDA (x)       | 44.3      | 39.3      | 34.4      | 29.7      |
| PE (x)              | 77.2      | 70.5      | 61.0      | 53.3      |
| P/BV (x)            | 9.4       | 8.3       | 7.3       | 6.4       |

## QC Competition to Cap Growth and Margins

### Quick Pointers

- GM remained under pressure as D'Mart was unable to pass on commodity inflation to consumers due to competition
- D'Mart ready to focus on existing 11 cities
- LFL at 9.5% (5.5% in Q1) due to product inflation and some pantry loading ahead of potential price hikes

We cut our FY27/FY28/FY29 estimates by 4.4%/3.2%/4.4% and rating from Hold to Reduce, driven by 1) heightened competitive intensity from QC players, 2) limited pricing power amid commodity inflation, capping margin upside, and 3) continued muted store metrics. Q2FY27 results missed our estimates as lower GM, higher interest cost and lower other income affected profitability. Gross margin remained under pressure as D'Mart was unable to pass on commodity inflation amid heightened competition from QC players, with no meaningful competitive relief in sight. Store metrics remained muted, with sales/store and sales/sq. ft. declining by 0.7% and 0.1% YoY, respectively. Bill cuts grew 14.4% YoY, led by 76 store additions over the last three quarters; however, bills/store/day declined by 4.1%, reflecting dilution in store throughput as share of new clusters improves.

Moreover, D'Mart Ready is confined to 11 cities and D'Mart does not have any new playbook to counter and participate in fast consumer shift towards QC. We build in EBITDA margins of 7.3%/7.1%/7.0% for FY28/FY29/FY30, respectively, vs. 7.5% in FY26 with ~75 store additions annually in FY27/FY28/FY29. We estimate an EPS CAGR of 13.2% over FY26–29 and value D'Mart at 52xSept28 EPS (DCF earlier) and arrive at a TP of Rs3,214 (Rs4,027 earlier). We cut rating from HOLD to Reduce, given rich valuations of 61x/53.3x FY28E/FY29E EPS, sustained competition from QC, limited success of D'Mart Ready and deterioration in ROE from 16.5% in FY23 to current levels of 12.8%.

## Financial Highlights

- Consol Revenues grew by 17.8% YoY to Rs196.7bn. Gross margins contracted by 15bps YoY to 14.9% (PL:15.4%).
- EBITDA grew by 14.8% YoY to Rs13.9bn (PL:Rs14.5bn). Margins contracted by 19bps YoY to 7.1%. (PL: 7.4%).
- Cost of Retail expanded by 4bps YoY to 7.8%. Adj PAT grew by 8.5% YoY to Rs7.4bn (PL:Rs8bn).LFL came at 9.5%

### Quarter Summary

| Y/e Mar            | Q2'27E   | Q2'27A   | % Var.   | Q2'26A   | YoY gr. (%) |
|--------------------|----------|----------|----------|----------|-------------|
| Net Sales (INR mn) | 1,96,780 | 1,96,440 | (0.2)    | 1,66,763 | 17.8        |
| EBITDA (INR mn)    | 14,561   | 13,930   | (4.3)    | 12,137   | 14.8        |
| Margin (%)         | 7.4      | 7.1      | (30) bps | 7.3      | (20) bps    |
| PAT (INR mn)       | 8,074    | 7,436    | (7.9)    | 6,850    | 8.6         |

Source: Company, PL

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- Bill cuts in Q2 grew by 14.4% YoY to 111mn, while average bill value came at Rs1770 vs Rs1719 in Q2FY26 up 2.9% YoY.
- D'Mart Ready: Focus to remain on existing 11 cities over near term as competition intensifies

**Continued competitive pressure from QC impacted growth & margins:** Q2 sales remained impacted by heightened competition from QC, which continued to drive a shift towards online channels and weigh on store footfalls, particularly in urban markets. Gross margins remained under pressure as D'Mart was unable to pass on commodity inflation to consumers amid intensifying competition. The sales mix also shifted, with Foods/GM&A share declining by 11bps/17bps YoY, while GM&A share increased by 28bps YoY. We remain cautious on the medium-term outlook, as intensifying QC competition in urban markets and narrowing price gap are likely to structurally constrain growth and margins.

**Adds 15 stores in 2Q, store size increased QoQ:** D'Mart added 15 stores in 2QFY27 (vs. 3 stores in 1QFY27), taking the total store count to 518 with retail business area expanding to 21.4 mn sq. ft (vs. 20.7 mn sq. ft in 1QFY27). The average area per new store increased to ~46.6k sq. ft in 2QFY27, compared to 33.3k sq. ft in 1QFY27.

**Exhibit 1: Quarterly Estimates (INR mn)**

|            | 1QFY27   | YoY gr. (%) | Q2FY27   | YoY gr. (%) | Q3FY27E  | YoY gr. (%) | Q4FY27E  | YoY gr. (%) |
|------------|----------|-------------|----------|-------------|----------|-------------|----------|-------------|
| Sales      | 1,87,945 | 14.9        | 1,96,440 | 17.8        | 2,13,590 | 18.0        | 2,07,263 | 17.2        |
| EBITDA     | 14,993   | 15.4        | 13,930   | 14.8        | 16,446   | 12.4        | 13,513   | 11.6        |
| Margin (%) | 8.0      |             | 7.1      |             | 7.7      |             | 6.5      |             |
| Adj PAT    | 8,604    | 11.3        | 7,436    | 8.5         | 9,294    | 8.6         | 7,198    | 9.7         |

Source: Company, PL

**Exhibit 2: Revenue increased by 17.8%, EBITDA margin contract by ~19bps YoY**

| (INR mn)       | 2QFY27   | 2QFY26   | YoY gr. (%) | 2Q27E    | % Chng. | 1QFY27   | H1FY27   | H1FY26   | YoY gr. (%) |
|----------------|----------|----------|-------------|----------|---------|----------|----------|----------|-------------|
| Net Sales      | 1,96,440 | 1,66,763 | 17.8        | 1,96,780 | -0.2%   | 1,87,945 | 3,84,385 | 3,30,360 | 16.4        |
| Gross Profit   | 29,319   | 25,133   | 16.7        | 30,304   | -3.2%   | 29,687   | 59,006   | 50,180   | 17.6        |
| % of NS        | 14.9     | 15.1     | (0.146)     | 15.4     | -3.1%   | 15.8     | 15.4     | 15.2     | 0.2         |
| Other Expenses | 15,390   | 12,996   | 18.4        | 15,742   | -2.2%   | 14,694   | 30,083   | 25,053   | 20.1        |
| % of NS        | 7.8      | 7.8      | 0.0         | 8.0%     |         | 7.8      | 7.8      | 7.6      | 0.2         |
| EBITDA         | 13,930   | 12,137   | 14.8        | 14,562   | -4.3%   | 14,993   | 28,923   | 25,127   | 15.1        |
| Margins %      | 7.1      | 7.3      | (0.2)       | 7.4      |         | 8.0      | 7.5      | 7.6      | (0.1)       |
| Depreciation   | 3,178    | 2,535    | 25.4        | 3,120    |         | 2,877    | 6,055    | 4,852    | 24.8        |
| Interest       | 639      | 350      | 82.8        | 550      |         | 543      | 1,182    | 643      | 83.9        |
| Other Income   | 135      | 196      | (30.9)      | 200.0    |         | 258      | 393      | 390      | 0.8         |
| PBT            | 10,248   | 9,448    | 8.5         | 11,092   | -7.6%   | 11,831   | 22,080   | 20,023   | 10.3        |
| Tax            | 2,819    | 2,599    | 8.4         | 3,017    |         | 3,227    | 6,046    | 5,446    | 11.0        |
| Tax rate %     | 27.5     | 27.5     | (0.0)       | 27.2     |         | 27.3     | 27.4     | 27.2     | 0.2         |
| Adjusted PAT   | 7,436    | 6,850    | 8.5         | 8,075    | -7.9%   | 8,604    | 16,040   | 14,578   | 10.0        |

Source: Company, PL

**Exhibit 3: Sales/ft to grow by ~2.7% CAGR over FY26-FY29**

|                  | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027E | FY2028E | FY2029E |
|------------------|--------|--------|--------|--------|--------|---------|---------|---------|
| Sales/Ft         | 27454  | 31096  | 32941  | 33896  | 33422  | 33340   | 34644   | 36191   |
| Gross Profit/Ft  | 4507   | 5185   | 5273   | 5453   | 5482   | 5438    | 5618    | 5773    |
| EBIDTA/FT        | 2459   | 2922   | 2880   | 2778   | 2744   | 2651    | 2652    | 2728    |
| Capex/Ft         | 9898   | 11512  | 13908  | 12003  | 12418  | 11975   | 12547   | 13072   |
| Cost of retail % | 6.7%   | 6.6%   | 6.7%   | 7.3%   | 7.5%   | 7.7%    | 7.9%    | 7.8%    |
| Working Cap/Ft   | 1890   | 1904   | 1785   | 2366   | 2304   | 2330    | 2460    | 2580    |

Source: Company, PL

**Exhibit 4: Bill cut to grow at 14.6% CAGR over FY26-FY29, while AV Bill value to grow at 2.2% CAGR over FY26-FY29**

|                              | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027E | FY2028E | FY2029E |
|------------------------------|--------|--------|--------|--------|--------|---------|---------|---------|
| D'Mart Bills (mn)            | 181    | 258    | 303    | 353    | 398    | 454     | 525     | 599     |
| Growth                       | 19.1%  | 42.5%  | 17.4%  | 16.5%  | 12.7%  | 14.0%   | 15.7%   | 14.2%   |
| Number of Stores             | 284    | 324    | 365    | 415    | 500    | 575     | 650     | 725     |
| Addition                     | 50     | 40     | 41     | 50     | 85     | 75      | 75      | 75      |
| Bills/Store/Day              | 1915   | 2325   | 2410   | 2480   | 2383   | 2312    | 2347    | 2388    |
| Growth                       | 3.0%   | 21.4%  | 3.6%   | 2.9%   | -3.9%  | -3.0%   | 1.5%    | 1.8%    |
| Average Bill Value (Rs/Bill) | 1677   | 1621   | 1635   | 1637   | 1683   | 1716    | 1751    | 1794    |
| Growth                       | 7.2%   | -3.3%  | 0.8%   | 0.1%   | 2.8%   | 2.0%    | 2.0%    | 2.5%    |

Source: Company, PL

**Exhibit 5: D'Mart added 15 stores in 2Q vs 3 addition in 1Q**

| Stores                         | FY19 | FY20 | FY21 | FY22 | FY23E | FY24 | FY25 | FY26 | 1QFY27 | 2QFY27 |
|--------------------------------|------|------|------|------|-------|------|------|------|--------|--------|
| Total Stores                   | 176  | 214  | 234  | 284  | 324   | 365  | 415  | 500  | 503    | 518    |
| Addition                       | 21   | 38   | 20   | 50   | 40    | 41   | 50   | 85   | 3      | 15     |
| Mature Clusters (Top 5 States) | 152  | 174  | 185  | 219  | 248   | 276  | 308  | 348  | 349    | 357    |
| Addition                       | 19   | 22   | 11   | 34   | 29    | 28   | 32   | 40   | 1      | 8      |
| % of Total                     | 90.5 | 57.9 | 55.0 | 68.0 | 72.5  | 41.4 | 64.0 | 47.1 | 33.3   | 53.3   |
| Total States                   | 12   | 12   | 12   | 12   | 12    | 12   | 12   | 17   | 17     | 17     |
| Stores in Emerging Clusters    | 24   | 40   | 49   | 65   | 76    | 89   | 107  | 152  | 154    | 161    |
| % of Total                     | 13.6 | 18.7 | 20.9 | 22.9 | 23.5  | 24.3 | 25.8 | 30.4 | 30.6   | 31.1   |
| Emerging Cluster Addition      | 2    | 16   | 9    | 16   | 11    | 13   | 18   | 45   | 2      | 7      |
| % of Total                     | 9.5  | 42.1 | 45.0 | 32.0 | 27.5  | 31.7 | 36.0 | 52.9 | 66.7   | 46.7   |

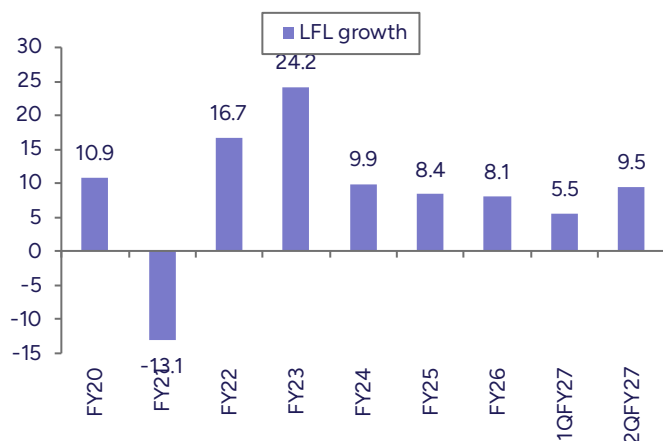
Source: Company, PL

**Exhibit 6: GM&A share increased by ~28bps YoY**

| Sales Mix                     | FY18  | FY19  | FY20  | FY21  | FY22  | FY23  | FY24  | FY25  | 1QFY26 | FY26  | 1QFY27 | 1HFY27 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|--------|-------|--------|--------|
| Foods                         | 51.6% | 51.3% | 52.4% | 57.4% | 56.9% | 56.0% | 57.0% | 57.7% | 55.6%  | 57.9% | 54.9%  | 56.9%  |
| Non Foods                     | 20.0% | 20.5% | 20.3% | 19.7% | 19.7% | 20.9% | 20.7% | 20.0% | 19.7%  | 19.8% | 19.6%  | 19.5%  |
| General merchandise & Apparel | 28.4% | 28.3% | 27.3% | 22.9% | 23.4% | 23.0% | 22.4% | 22.6% | 25.5%  | 22.3% | 25.5%  | 23.6%  |
| Total                         | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%  | 100%   | 100%  | 100%   | 100%   |

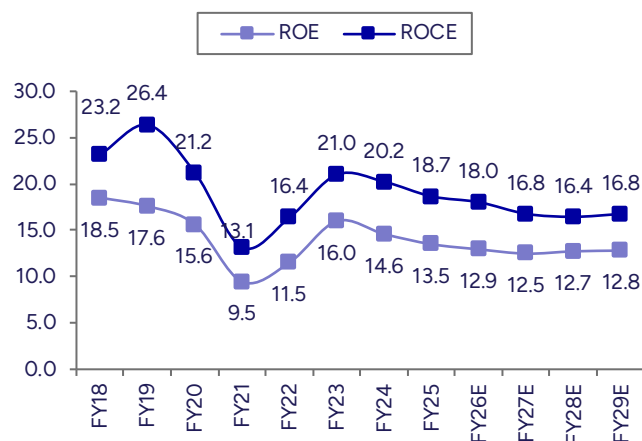
Source: Company, PL

Exhibit 7: Q2FY27 LFL growth came to 9.5%



Source: Company, PL

Exhibit 8: ROE/ROCE to continue to remain under pressure



Source: Company, PL

Exhibit 9: 50% of stores in 1HFY27 were opened in top 5 states

| Number of stores | FY19       | FY20       | FY21       | FY22       | FY23       | FY24       | FY25       | FY26       | 1HFY27     |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Maharashtra      | 70         | 76         | 74         | 88         | 99         | 109        | 116        | 128        | 132        |
| Gujarat          | 34         | 37         | 42         | 48         | 55         | 60         | 66         | 75         | 77         |
| Telangana        | 21         | 24         | 27         | 31         | 36         | 41         | 45         | 48         | 48         |
| Andhra Pradesh   | 11         | 17         | 21         | 23         | 29         | 34         | 41         | 47         | 47         |
| Karnataka        | 16         | 20         | 21         | 29         | 29         | 32         | 40         | 50         | 53         |
| Madhya Pradesh   | 6          | 11         | 14         | 17         | 19         | 21         | 24         | 29         | 30         |
| Chattisgarh      | 3          | 5          | 5          | 6          | 6          | 6          | 6          | 8          | 8          |
| NCR              | 1          | 1          | 2          | 7          | 8          | 9          | 9          | 20         | 22         |
| Tamil Nadu       | 4          | 10         | 12         | 15         | 19         | 22         | 26         | 35         | 36         |
| Daman            | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          | 1          |
| Rajasthan        | 5          | 7          | 8          | 10         | 12         | 17         | 22         | 28         | 30         |
| Punjab           | 4          | 5          | 7          | 9          | 11         | 13         | 19         | 24         | 26         |
| Haryana          |            |            |            |            |            |            |            | 1          | 1          |
| Uttarakhand      |            |            |            |            |            |            |            | 1          | 1          |
| UP               |            |            |            |            |            |            |            | 3          | 4          |
| Goa              |            |            |            |            |            |            |            | 1          | 1          |
| Odisha           |            |            |            |            |            |            |            | 1          | 1          |
| <b>Total</b>     | <b>176</b> | <b>214</b> | <b>234</b> | <b>284</b> | <b>324</b> | <b>365</b> | <b>415</b> | <b>500</b> | <b>518</b> |

Source: Company, PL

## Financials

### Income Statement (INR mn)

| Y/e Mar                       | FY26          | FY27E         | FY28E         | FY29E         |
|-------------------------------|---------------|---------------|---------------|---------------|
| Net Revenues                  | 688,207       | 805,239       | 952,794       | 1,118,764     |
| YoY gr. (%)                   | 15.9          | 17.0          | 18.3          | 17.4          |
| Cost of Goods Sold            | 584,597       | 684,453       | 809,875       | 953,187       |
| Gross Profit                  | 103,610       | 120,786       | 142,919       | 165,577       |
| Margin (%)                    | 15.1          | 15.0          | 15.0          | 14.8          |
| Employee Cost                 | 15,415        | 18,206        | 21,911        | 25,640        |
| Other Expenses                | 36,330        | 43,697        | 53,543        | 61,682        |
| <b>EBITDA</b>                 | <b>51,866</b> | <b>58,882</b> | <b>67,465</b> | <b>78,256</b> |
| YoY gr. (%)                   | 15.6          | 13.5          | 14.6          | 16.0          |
| Margin (%)                    | 7.5           | 7.3           | 7.1           | 7.0           |
| Depreciation and Amortization | 10,370        | 12,603        | 14,455        | 16,772        |
| <b>EBIT</b>                   | <b>41,495</b> | <b>46,280</b> | <b>53,010</b> | <b>61,484</b> |
| Margin (%)                    | 6.0           | 5.7           | 5.6           | 5.5           |
| Net Interest                  | 1,421         | 2,307         | 2,083         | 3,189         |
| Other Income                  | 741           | 706           | 717           | 756           |
| <b>Profit Before Tax</b>      | <b>40,816</b> | <b>44,679</b> | <b>51,644</b> | <b>59,052</b> |
| Margin (%)                    | 5.9           | 5.5           | 5.4           | 5.3           |
| Total Tax                     | 11,118        | 12,153        | 14,047        | 16,062        |
| Effective Tax Rate (%)        | 27.2          | 27.2          | 27.2          | 27.2          |
| <b>Profit After Tax</b>       | <b>29,698</b> | <b>32,526</b> | <b>37,597</b> | <b>42,990</b> |
| Minority Interest             | 6             | 7             | 8             | 9             |
| Share Profit from Associate   | -             | -             | -             | -             |
| <b>Adjusted PAT</b>           | <b>29,692</b> | <b>32,519</b> | <b>37,589</b> | <b>42,980</b> |
| YoY gr. (%)                   | 9.7           | 9.5           | 15.6          | 14.3          |
| Margin (%)                    | 4.3           | 4.0           | 3.9           | 3.8           |
| Extra Ord. Income / (Exp)     | (55)          | -             | -             | -             |
| <b>Reported PAT</b>           | <b>29,637</b> | <b>32,519</b> | <b>37,589</b> | <b>42,980</b> |
| YoY gr. (%)                   | 9.9           | 9.7           | 15.6          | 14.3          |
| Margin (%)                    | 4.3           | 4.0           | 3.9           | 3.8           |
| Other Comprehensive Income    | -             | -             | -             | -             |
| Total Comprehensive Income    | 29,637        | 32,519        | 37,589        | 42,980        |
| <b>Equity Shares O/s (mn)</b> | <b>652</b>    | <b>652</b>    | <b>652</b>    | <b>652</b>    |
| <b>EPS (INR)</b>              | <b>45.5</b>   | <b>49.9</b>   | <b>57.7</b>   | <b>65.9</b>   |

Source: Company, PL

### Balance Sheet (INR mn)

| Y/e Mar                               | FY26           | FY27E          | FY28E          | FY29E          |
|---------------------------------------|----------------|----------------|----------------|----------------|
| <b>Non-Current Assets</b>             |                |                |                |                |
| <b>Gross Block</b>                    | <b>210,431</b> | <b>250,360</b> | <b>288,502</b> | <b>328,581</b> |
| Tangibles                             | 209,169        | 248,972        | 286,975        | 326,900        |
| Intangibles                           | 1,263          | 1,389          | 1,528          | 1,680          |
| <b>Acc: Dep / Amortization</b>        | <b>34,125</b>  | <b>46,926</b>  | <b>57,041</b>  | <b>68,633</b>  |
| Tangibles                             | 33,226         | 45,882         | 55,891         | 67,365         |
| Intangibles                           | 898            | 1,044          | 1,151          | 1,268          |
| <b>Net Fixed Assets</b>               | <b>176,307</b> | <b>203,435</b> | <b>231,461</b> | <b>259,947</b> |
| Tangibles                             | 175,942        | 203,089        | 231,084        | 259,535        |
| Intangibles                           | 364            | 345            | 377            | 412            |
| Capital Work In Progress              | 13,000         | 14,300         | 15,730         | 17,302         |
| Goodwill                              | 783            | 783            | 783            | 783            |
| Non-Current Investments               | 1,987          | 4,607          | 5,306          | 6,073          |
| Net Deferred Tax Assets               | (1,219)        | (1,040)        | (833)          | (597)          |
| Other Non-Current Assets              | 28,322         | 32,478         | 36,005         | 39,901         |
| <b>Current Assets</b>                 |                |                |                |                |
| Investments                           | 20             | 15             | 17             | 50             |
| Inventories                           | 59,006         | 70,974         | 83,804         | 97,668         |
| Trade Receivables                     | 1,493          | 2,096          | 2,480          | 2,912          |
| Cash & Bank Balance                   | 3,038          | 11,203         | 6,563          | 8,606          |
| Other Current Assets                  | 4,021          | 4,097          | 4,838          | 5,671          |
| <b>Total Assets</b>                   | <b>295,243</b> | <b>346,805</b> | <b>390,321</b> | <b>442,830</b> |
| <b>Equity</b>                         |                |                |                |                |
| Equity Share Capital                  | 6,520          | 6,520          | 6,520          | 6,520          |
| Other Equity                          | 238,121        | 269,966        | 307,571        | 350,569        |
| <b>Total Network</b>                  | <b>244,640</b> | <b>276,485</b> | <b>314,090</b> | <b>357,089</b> |
| <b>Non-Current Liabilities</b>        |                |                |                |                |
| Long Term Borrowings                  | -              | -              | 33,000         | 39,000         |
| Provisions                            | 147            | 202            | 267            | 344            |
| Other Non Current Liabilities         | 11,425         | 10,931         | 10,343         | 9,728          |
| <b>Current Liabilities</b>            |                |                |                |                |
| ST Debt / Current of LT Debt          | 9,653          | 30,000         | -              | -              |
| Trade Payables                        | 13,382         | 14,625         | 17,277         | 20,308         |
| Other Current Liabilities             | 14,788         | 13,534         | 14,522         | 15,775         |
| <b>Total Equity &amp; Liabilities</b> | <b>295,243</b> | <b>346,805</b> | <b>390,321</b> | <b>442,830</b> |

Source: Company, PL

## Cash Flow (INR mn)

| Y/e Mar                              | FY26            | FY27E           | FY28E           | FY29E           |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|
| PBT                                  | 40,816          | 44,679          | 51,644          | 59,052          |
| Add. Depreciation                    | 10,370          | 12,603          | 14,455          | 16,772          |
| Add. Interest                        | 1,421           | 2,307           | 2,083           | 3,189           |
| Less Financial Other Income          | 741             | 706             | 717             | 756             |
| Add. Other                           | (748)           | (7,391)         | (4,951)         | (5,430)         |
| Op. Profit before WC Changes         | 51,859          | 52,197          | 63,231          | 73,582          |
| Net Changes-WC                       | (5,344)         | (8,205)         | (10,829)        | (11,423)        |
| Direct Tax                           | (11,118)        | (12,153)        | (14,047)        | (16,062)        |
| <b>Net Cash from Op. Activities</b>  | <b>35,397</b>   | <b>31,840</b>   | <b>38,355</b>   | <b>46,097</b>   |
| Capital Expenditures                 | (44,818)        | (41,031)        | (43,911)        | (46,831)        |
| Interest / Dividend Income           | -               | -               | -               | -               |
| Others                               | (62)            | 5               | (2)             | (33)            |
| <b>Net Cash from Inv. Activities</b> | <b>(44,880)</b> | <b>(41,026)</b> | <b>(43,913)</b> | <b>(46,865)</b> |
| Issue of Share Cap. / Premium        | 713             | (688)           | -               | -               |
| Debt Changes                         | 9,653           | 20,347          | 3,000           | 6,000           |
| Dividend Paid                        | -               | -               | -               | -               |
| Interest Paid                        | (1,421)         | (2,307)         | (2,083)         | (3,189)         |
| Others                               | (6)             | -               | -               | -               |
| <b>Net Cash from Fin. Activities</b> | <b>8,939</b>    | <b>17,352</b>   | <b>917</b>      | <b>2,811</b>    |
| <b>Net Change in Cash</b>            | <b>(544)</b>    | <b>8,166</b>    | <b>(4,641)</b>  | <b>2,043</b>    |
| Free Cash Flow                       | (9,421)         | (9,191)         | (5,556)         | (735)           |

Source: Company, PL

## Quarterly Financials (INR mn)

| Y/e Mar                           | Q3FY26         | Q4FY26         | Q1FY27         | Q2FY27         |
|-----------------------------------|----------------|----------------|----------------|----------------|
| <b>Net Revenues</b>               | <b>181,009</b> | <b>176,839</b> | <b>187,945</b> | <b>196,440</b> |
| YoY gr. (%)                       | 13.3           | 18.9           | 14.9           | 17.8           |
| Raw Material Expenses             | 153,311        | 151,106        | 158,258        | 167,121        |
| Gross Profit                      | 27,698         | 25,733         | 29,687         | 29,319         |
| Margin (%)                        | 15.3           | 14.6           | 15.8           | 14.9           |
| <b>EBITDA</b>                     | <b>14,634</b>  | <b>12,105</b>  | <b>14,993</b>  | <b>13,930</b>  |
| YoY gr. (%)                       | 20.2           | 26.7           | 15.4           | 14.8           |
| Margin (%)                        | 8.1            | 6.8            | 8.0            | 7.1            |
| Depreciation / Depletion          | 2,683          | 2,836          | 2,877          | 3,178          |
| <b>EBIT</b>                       | <b>11,951</b>  | <b>9,270</b>   | <b>12,116</b>  | <b>10,752</b>  |
| Margin (%)                        | 6.6            | 5.2            | 6.4            | 5.5            |
| Net Interest                      | 368            | 410            | 543            | 639            |
| Other Income                      | 169            | 182            | 258            | 135            |
| <b>Profit before Tax</b>          | <b>11,752</b>  | <b>9,042</b>   | <b>11,831</b>  | <b>10,248</b>  |
| Margin (%)                        | 6.5            | 5.1            | 6.3            | 5.2            |
| Total Tax                         | 3,194          | 2,478          | 3,227          | 2,819          |
| Effective Tax Rate (%)            | 27.2           | 27.4           | 27.3           | 27.5           |
| <b>Profit After Tax</b>           | <b>8,558</b>   | <b>6,564</b>   | <b>8,604</b>   | <b>7,430</b>   |
| Minority Interest                 | -              | -              | -              | (6)            |
| Share Profit from Associate       | -              | -              | -              | -              |
| <b>Adjusted PAT</b>               | <b>8,558</b>   | <b>6,564</b>   | <b>8,604</b>   | <b>7,436</b>   |
| YoY gr. (%)                       | 18.3           | 19.2           | 11.3           | 8.5            |
| Margin (%)                        | 4.7            | 3.7            | 4.6            | 3.8            |
| Extra Ord. Income / (Exp)         | -              | -              | -              | -              |
| <b>Reported PAT</b>               | <b>8,558</b>   | <b>6,564</b>   | <b>8,604</b>   | <b>7,436</b>   |
| YoY gr. (%)                       | 18.3           | 19.2           | 11.3           | 8.5            |
| Margin (%)                        | 4.7            | 3.7            | 4.6            | 3.8            |
| Other Comprehensive Income        | (26)           | 83             | (22)           | (100)          |
| <b>Total Comprehensive Income</b> | <b>8,532</b>   | <b>6,648</b>   | <b>8,583</b>   | <b>7,336</b>   |
| Avg. Shares O/s (mn)              | 651            | 652            | 652            | 652            |
| <b>EPS (INR)</b>                  | <b>13.2</b>    | <b>10.1</b>    | <b>13.2</b>    | <b>11.4</b>    |

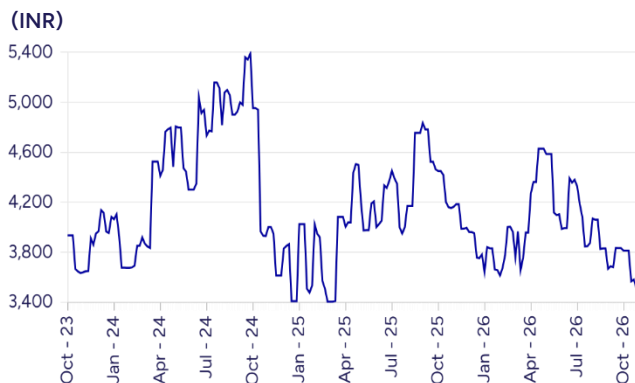
Source: Company, PL

## Key Financial Metrics

| Y/e Mar                    | FY26   | FY27E  | FY28E | FY29E |
|----------------------------|--------|--------|-------|-------|
| <b>Per Share (INR)</b>     |        |        |       |       |
| EPS                        | 45.5   | 49.9   | 57.7  | 65.9  |
| CEPS                       | 61.4   | 69.2   | 79.8  | 91.7  |
| BVPS                       | 375.2  | 424.1  | 481.8 | 547.7 |
| FCF                        | (14.5) | (14.1) | (8.5) | (1.1) |
| DPS                        | -      | -      | -     | -     |
| <b>Return Ratio (%)</b>    |        |        |       |       |
| RoCE                       | 17.7   | 16.5   | 16.2  | 16.5  |
| ROIC                       | 14.2   | 13.8   | 13.8  | 14.2  |
| RoE                        | 12.9   | 12.5   | 12.7  | 12.8  |
| <b>Balance Sheet</b>       |        |        |       |       |
| Net Debt : Equity (x)      | -      | 0.1    | 0.1   | 0.1   |
| Net Working Capital (Days) | 25     | 26     | 26    | 26    |
| <b>Valuation (x)</b>       |        |        |       |       |
| PER                        | 77.2   | 70.5   | 61.0  | 53.3  |
| P/B                        | 9.4    | 8.3    | 7.3   | 6.4   |
| P/CEPS                     | 57.2   | 50.8   | 44.1  | 38.4  |
| EV/EBITDA                  | 44.3   | 39.3   | 34.4  | 29.7  |
| EV/Sales                   | 3.3    | 2.9    | 2.4   | 2.1   |
| Dividend Yield (%)         | -      | -      | -     | -     |
| FCFF Yield (%)             | -      | -      | -     | -     |
| PEG Ratio                  | 8.1    | 7.4    | 3.9   | 3.7   |

Source: Company, PL

### Price Chart



### Recommendation History

| No. | Date      | Rating | TP (INR) | Share Price (INR) |
|-----|-----------|--------|----------|-------------------|
| 1   | 08-Oct-26 | HOLD   | 4027     | 3636              |
| 2   | 28-Jul-26 | HOLD   | 4000     | 3847              |
| 3   | 12-Jul-26 | HOLD   | 4103     | 4081              |
| 4   | 08-Jul-26 | Hold   | 4103     | 4071              |
| 5   | 03-May-26 | Hold   | 4410     | 4586              |
| 6   | 09-Apr-26 | Hold   | 4362     | 4416              |
| 7   | 12-Jan-26 | Hold   | 3783     | 3801              |
| 8   | 08-Jan-26 | Hold   | 3736     | 3842              |
| 9   | 12-Oct-25 | Hold   | 4111     | 4320              |
| 10  | 08-Oct-25 | Hold   | 4138     | 4303              |

### Analyst Coverage Universe

| Sr. No. | Company Name           | Rating     | TP (INR) | Share Price (INR) |
|---------|------------------------|------------|----------|-------------------|
| 1       | Asian Paints           | HOLD       | 2720     | 2372              |
| 2       | Avenue Supermarts      | HOLD       | 4027     | 3636              |
| 3       | Britannia Industries   | BUY        | 6579     | 4780              |
| 4       | Colgate Palmolive      | HOLD       | 2114     | 1757              |
| 5       | Dabur India            | HOLD       | 476      | 384               |
| 6       | Emami                  | HOLD       | 448      | 375               |
| 7       | Hindustan Unilever     | Accumulate | 2326     | 1865              |
| 8       | ITC                    | HOLD       | 291      | 266               |
| 9       | Jubilant FoodWorks     | BUY        | 553      | 461               |
| 10      | Kansai Nerolac Paints  | Accumulate | 259      | 192               |
| 11      | Marico                 | Accumulate | 940      | 787               |
| 12      | Metro Brands           | HOLD       | 964      | 826               |
| 13      | Mold-tek Packaging     | Accumulate | 743      | 667               |
| 14      | Nestle India           | Accumulate | 1514     | 1324              |
| 15      | Pidilite Industries    | Accumulate | 1739     | 1489              |
| 16      | Restaurant Brands Asia | Accumulate | 101      | 96                |
| 17      | Titan Company          | BUY        | 5388     | 4377              |
| 18      | Westlife Foodworld     | Accumulate | 543      | 487               |

### PL's Recommendation Nomenclature (Absolute Performance)

|                          |                                   |
|--------------------------|-----------------------------------|
| <b>BUY</b>               | : > 15%                           |
| <b>Accumulate</b>        | : 5% to 15%                       |
| <b>Hold</b>              | : +5% to -5%                      |
| <b>Reduce</b>            | : -5% to -15%                     |
| <b>Sell</b>              | : < -15%                          |
| <b>Not Rated (NR)</b>    | : No specific call on the stock   |
| <b>Under Review (UR)</b> | : Rating likely to change shortly |

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