INSTITUTIONAL RESEARCH

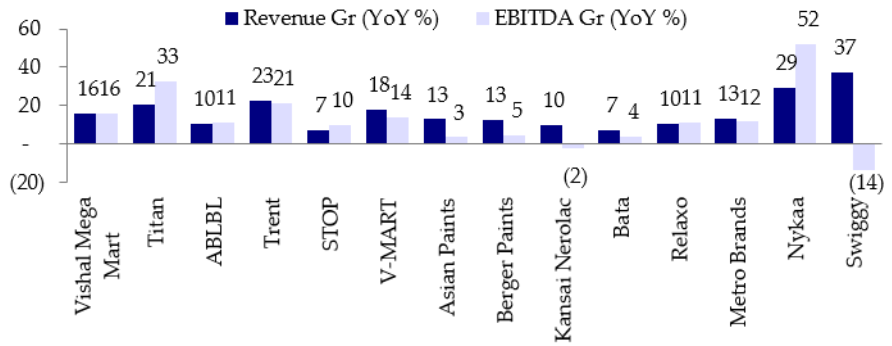
Consumer Discretionary

Q2FY27 – A mixed bag; signs of margin pressure visible

Our consumer discretionary coverage universe is expected to deliver ~18% YoY revenue growth in Q2, led by sustained momentum in jewelry (driven by gold price-led higher ticket size and healthy buyer growth), ongoing customer acquisition in new-age businesses, recovery in paints (price hike-led), and strong value retail performance fueled by store expansion and single-digit SSSG. We expect jewelry, paints, apparel, and footwear to clock ~24%, 12%, 17%, and 10% YoY growth in Q2. Margins for our discretionary space (ex-new-age) are expected to contract by ~10bps YoY to 12.7%, with EBITDA growth of ~17% YoY.

- **Big keeps getting bigger:** While the 18% revenue growth (expected) seems healthy, averages continue to mask the laggards. Across categories, the top 1-2 players continue to gain market share: in apparel, Trent is likely to outperform ABLBL; V-MART outperformed other value retailers in SSSG, per business update; in jewelry; Titan continues to maintain market share. Across new-age businesses, Eternal is likely to gain market share across both food delivery and quick commerce. In footwear, MBL is likely to outperform Bata India and Relaxo as the latter two grapple with channel-specific issues. In paints, APNT and BRGR continue to scale faster than KNPL. Nykaa continues to outperform Myntra (per channel checks). In paints, a mean reversion in volumes meeting price hikes will keep revenue growth healthy; however, margin woes remain. Across retail and new-age, growth is likely to be expansion-heavy while SSSG remains weak (low single digits) at the universe level.
- **RM inflation + minimum wage hikes impact gradually seeps into the system:** Margins for our discretionary space (ex-new-age) are expected to contract by ~10bps to 12.7% YoY. RM inflation is likely to weigh on GM for paints, apparel, and footwear players. In paints, we expect an average 200bps GM contraction for all players as high-cost channel inventory (from Q1) unwinds. In retail, the impact of minimum wage hikes across select states has started to seep into the P&L. Within new-age businesses, Swiggy's QC losses could increase as it attempts to recoup lost market share. Eternal's margin performance is likely to remain steady while it continues to gain market share. For Nykaa, margin expansion will be led by operating leverage in BPC and improving profitability in fashion. Overall, we model an EBITDA growth of ~17% YoY for our universe (ex-new-age).
- **Not all growth is equal; prefer disciplined operators:** The universe remains froth with candidates showcasing (a) strong growth but little in terms of unit economics, (b) laggards with a dwindling brand equity but cheap, and (c) disciplined operators (steady performers and opportunistic capital allocators). We prefer disciplined operators and believe Metro Brands fits the framework. A 30% stock price correction and no meaningful dent in fundamentals makes us constructive on the name. Hence, we upgrade the stock to BUY (earlier Add) with a DCF-based TP of INR1,030/sh (implying 43x Sep-27 P/E). We downgrade V-MART to ADD (earlier reco: BUY), given limited upside post the stock rally.

Revenue/EBITDA growth trajectory (%)



Company	RECO	TP (Rs)	Prev. TP (Rs)
Avenue Supermarts	ADD	4,100	4,100
Titan	REDUCE	4,500	4,350
Trent	ADD	3,100	3,060
STOP	REDUCE	360	360
V-MART	ADD	850	875
Bata	REDUCE	610	720
Relaxo	ADD	400	420
Metro Brands	BUY	1,030	1,030
Asian Paints	ADD	2,900	3,000
Berger Paints	ADD	540	550
Kansai Nerolac	REDUCE	200	215
FSN E-Comm (Nykaa)	SELL	240	230
Swiggy	BUY	460	470
Eternal	BUY	395	390
Vishal Megamart	BUY	140	140
ABLBL	BUY	135	150

Change in recommendation

Company	New RECO	Earlier RECO
Metro Brands	BUY	ADD
V-MART	ADD	BUY

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Company	Q2FY27E Outlook	What's Likely	Key Monitorables
Titan	**GOOD**	▪ As per Titan's quarterly update, it reported ~25% YoY growth in revenue. ▪ Domestic jewelry sales (ex-bullion) grew by 21% YoY, driven by double-digit ticket size growth and mid-single-digit buyer growth. ▪ Watches/eyewear/others grew 30/28/21% YoY. ▪ Building in 9.9% EBIT margin at company level. Expect 10.2/15/7% EBIT margins for jewelry/watches/eyewear respectively.	▪ Commentary on volume growth ▪ Inventory levels and capital base movement ▪ Commentary on gold lease exposure ▪ Commentary gold prices expectations and salience of gold exchange program.
Trent	**AVG**	▪ As per Trent's revenue update, reported revenue grew ~23% YoY to INR57.88bn. ▪ We estimate ~29/19% YoY growth for Westside and Zudio respectively. ▪ Building in flat GM YoY for Q2FY27 at 43.4% as higher salience of westside in the mix is likely to be offset by crude-linked material inflation across overall portfolio ▪ Building in 17.1% EBITDAM (flat YoY).	▪ Commentary on demand trends ▪ Expansion strategy ▪ Commentary on recovery in SSSG ▪ Commentary on Star's performance
V-MART Retail	**GOOD**	▪ As per V-Mart's revenue update, reported revenue grew +18% YoY to INR 9.53bn. ▪ SSSG for Q2FY27 was +3%, with core V-Mart at +2% and Unlimited at +11%. Adj. for festive season shift SSSG stood at 11% (Core V-MART at 10% and Unlimited at 12%). ▪ Building in 33% GM for Q2FY27 (vs 33.6% in Q2FY26) - a 60bps contraction as more value is passed on to the consumers to gain market share and crude-linked raw material inflation is likely to weigh on margins. ▪ Building in ~40bps contraction in EBITDAM (on a high base) to 8.5% (vs. 8.9% in Q2FY26) ▪ V-Mart added 22 new stores (net) in Q2 (store count - 613).	▪ Commentary on rural recovery/monsoon impact ▪ Input cost pressure ▪ Expansion strategy ▪ Unlimited's profitability
ABLBL	**AVG**	▪ Overall we pencil in 10.5% growth for ABLBL. Lifestyle brands to grow ~8% YoY to INR18.9bn, while youth brands and innerwear business to grow by ~25% YoY to INR 3.6bn. ▪ Building in EBITDAM of 15.7% overall. (lifestyle brands/youth brands and inner wear EBITDAM of 19/4%, respectively.	▪ Commentary on demand trends ▪ Expansion strategy ▪ Commentary on recovery of innerwear business
Shoppers Stop	**AVG**	▪ We expect revenue to grow ~7% YoY to INR 12.6bn. ▪ GM built: 39% (down ~20bps YoY). ▪ Building in Pre-IND-AS EBITDAM of 2%	▪ Commentary on demand trends ▪ Expansion strategy
Vishal Mega Mart	**GOOD**	▪ We expect revenue to grow by ~16% YoY to INR34.6bn. (SSSG built in 6%) ▪ Building in 28.3/13.2% GM/EBITDAM for Q2FY27 (flat YoY). ▪ We expect VMM to add 25 stores this quarter.	▪ Commentary on demand trends ▪ Expansion strategy ▪ Commentary on competitive landscape
Bata	**AVG**	▪ Building in ~7% YoY revenue growth in Q2 (on a low base) to INR 8.57bn. ▪ Building in 55.1% GM for Q2 (down ~30bps YoY). ▪ Building in 17.6% EBITDAM (down ~40bps YoY) ▪ Store additions to remain steady.	▪ Commentary on demand trends ▪ Expansion strategy ▪ Wholesale strategy
Relaxo Footwear	**AVG**	▪ We expect revenue to grow by 10.4% YoY (on a low base) in 14 to INR 6.9bn. ▪ Expected volume/realization growth of -4/15% YoY in Q2. ▪ Building in 13% EBITDAM for Q2FY27 (stable YoY).	▪ Commentary on demand trends ▪ Commentary on margins ▪ Expansion strategy ▪ Commentary on distribution channel

Company	Q2FY27E Outlook	What's Likely	Key Monitorables
Metro Brands	**GOOD**	▪ Building in 13.2% YoY revenue growth to INR 7.36bn. ▪ Building in 55.3% GM for Q2FY27 (steady YoY). However, EBITDAM is expected to contract (40bps to 25.8%) as impact of minimum wage hikes across select states starts trickling in. ▪ We have built in 32 store adds in Q2.	▪ Commentary on demand trends ▪ Commentary on margins Expansion strategy
Fsn E-Commerce Ventures (Nykaa)	**GOOD**	▪ Building in revenue growth of ~29% YoY to INR30.3bn. ▪ BPC/Fashion to clock ~28/42.6% YoY growth resp. in revenue. NSV growth of 29/47% resp). ▪ AoV growth is likely to be healthy for BPC. ▪ Building in ~28/43% YoY growth in BPC/Fashion AUTC. ▪ Margins expected to expand by 120bps YoY to 8% as fashion improves in profitability and private labels rise in mix.	▪ Commentary on fashion segment ▪ Commentary on profitability of eB2B segment ▪ Competitive landscape shift
Asian Paints	**GOOD**	▪ We expect consolidated revenue to grow by ~12.8% YoY in Q2 (12.3% growth in standalone business). +5/+6% volume/price growth built-in for Q2. ▪ We expect ~200bps YoY contraction in gross margin to 41% due to crude-linked raw material inflation (consolidated) and utilization of higher cost inventory (stocked in Q1 across dealer channel). Realizations are likely to be lower than price hikes too given higher rebates. ▪ We expect ~150bps YoY contraction in EBITDA margin to 17% as GM impact is partially cushioned by cost efficiencies.	▪ Commentary on demand trends ▪ Commentary on input cost trends ▪ Rebating and discounting trends ▪ Dealer addition trajectory
Berger Paints	**AVG**	▪ We expect revenue growth of ~13% YoY for the consolidated business in Q2 (12.3% growth in standalone business). +5/+7% volume/price growth built in. ▪ We expect 49.7% gross margin (down ~190 bps YoY) in Q2FY27 (consolidated) due to raw material inflation and utilization of higher cost inventory in Q2. ▪ We expect EBITDA margins to contract by ~90bps YoY to 11.6%.	▪ Commentary on demand trends ▪ Commentary on input cost trends ▪ Dealer addition trajectory ▪ Rebating and discounting trends
Kansai Nerolac	**WEAK**	▪ We expect decorative/industrial revenue growth of ~6/15% YoY respectively. Overall revenue growth of 10% built in. ▪ We expect 33.1% gross margin (down ~200bps YoY) in Q2FY26 due to crude-linked raw material inflation (consolidated). ▪ We expect EBITDA margins to decline by ~120bps YoY to 9.8%, as cost efficiency partly offsets GM contraction.	▪ Commentary on demand trends ▪ Commentary on input cost trends ▪ Dealer addition trajectory ▪ Rebating and discounting trends
Swiggy	**AVG**	▪ We expect gross revenue growth of ~32% YoY to INR 78.2bn. ▪ Food Delivery to clock ~18.4% YoY in GOV, and we pencil in CM/EBITDAM of 7.7/3.4% respectively in FD (up 40bps each YoY). ▪ In QC, pencilling in 14% QoQ growth in NOV and revenue. Given the revival in MTU addition, Contribution and EBITDA losses are likely to rise. We pencil in INR0.84/8.84bn in CM/EBITDA losses for Instamart in Q2. ▪ Building in -9% adj. EBITDA margin in Q2FY27.	▪ MTU growth in Food Delivery ▪ QC Adj. EBITDA break-even timelines. ▪ Competitive landscape
Eternal	**AVG**	▪ We expect Eternal to continue gaining market share across FD and QC. ▪ In FD, We expect Zomato to clock adj. revenue of ~INR 34.9bn (up 22% YoY). In QC, we expect Blinkit to grow NOV/adj. revenue by 17.1/17.8% respectively. Note: revenue growth is not comparable YoY due to Blinkit's shift to the 1P model. ▪ On margins, in FD, we build in 30/10 bps improvement QoQ. For Blinkit, we expect 30bps improvement in EBITDAM as dark store efficiencies improve. We expect Blinkit to add 250 stores in Q2. ▪ Building in 2.8% adj. EBITDA margin (on revenue) in Q2FY27.	▪ MTU growth in Food Delivery & QC ▪ Competitive landscape

Estimate changes

Titan Company

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	10,39,733	10,38,388	*0.1*	11,83,785	11,84,573	*(0.1)*	13,44,304	13,46,334	*(0.2)*
Gross Profit	2,14,821	2,14,543	*0.1*	2,44,583	2,44,746	*(0.1)*	2,77,748	2,78,168	*(0.2)*
Gross Profit Margin (%)	20.7	20.7	-	20.7	20.7	***(0 bps)***	20.7	20.7	***(0 bps)***
EBITDA	1,00,528	1,00,544	*(0.0)*	1,11,449	1,06,135	*5.0*	1,27,954	1,21,933	*4.9*
EBITDA margin (%)	9.7	9.7	***(1 bps)***	9.4	9.0	***45 bps***	9.5	9.1	***46 bps***
APAT	69,248	70,255	*(1.4)*	77,997	73,684	*5.9*	92,026	86,593	*6.3*
APAT margin (%)	6.7	6.8	***(11 bps)***	6.6	6.2	***37 bps***	6.8	6.4	***41 bps***
EPS	78.0	79.1	*(1.4)*	87.9	83.0	*5.9*	103.7	97.5	*6.3*

Source: HSIE Research

Avenue Supermarts Ltd

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	7,93,348	7,96,792	*(0.4)*	9,38,830	9,43,032	*(0.4)*	10,96,550	11,01,425	*(0.4)*
Gross Profit	1,16,118	1,16,616	*(0.4)*	1,37,999	1,38,611	*(0.4)*	1,62,147	1,62,861	*(0.4)*
Gross Profit Margin (%)	14.6	14.6	***0 bps***	14.70	14.7	***0 bps***	14.79	14.8	***0 bps***
EBITDA	61,247	62,013	*(1.2)*	73,180	74,135	*(1.3)*	86,850	87,997	*(1.3)*
EBITDA margin (%)	7.7	7.8	***-6 bps***	7.8	7.9	***-7 bps***	7.9	8.0	***-7 bps***
APAT	38,541	39,112	*(1.5)*	46,677	47,390	*(1.5)*	56,389	57,245	*(1.5)*
APAT margin (%)	4.9	4.9	***-5 bps***	5.0	5.0	***-5 bps***	5.1	5.2	***-5 bps***
EPS (Rs)	59.1	60.0	*(1.5)*	71.6	72.7	*(1.5)*	86.5	87.8	*(1.5)*

Trent

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,36,986	2,36,986	-	2,79,072	2,79,072	-	3,22,524	3,22,524	-
EBITDA (Pre-IND-AS 116)*	33,798	33,798	-	39,570	39,570	-	46,577	46,577	-
EBITDA margin (%)*	14.3	14.3	-	14.2	14.2	-	14.4	14.4	-
APAT	22,703	22,754	*(0.2)*	27,194	27,250	*(0.2)*	31,826	31,882	*(0.2)*
APATM (%)	9.6	9.6	***(2 bps)***	9.7	9.8	***(2 bps)***	9.9	9.9	***(2 bps)***

Source: HSIE Research

Fsn E-Commerce Ventures (Nykaa)

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,27,563	1,27,172	*0.3*	1,56,660	1,56,057	*0.4*	1,89,596	1,88,720	*0.5*
Gross Profit	57,353	57,466	*(0.2)*	70,233	70,249	*(0.0)*	84,865	84,737	*0.2*
Gross Profit Margin (%)	45.0	45.2	***(23 bps)***	44.8	45.0	***(18 bps)***	44.8	44.9	***(14 bps)***
Reported EBITDA	10,967	11,256	*(2.6)*	15,065	15,299	*(1.5)*	19,814	19,949	*(0.7)*
Reported EBITDA margin (%)	8.6	8.9	***(25 bps)***	9.6	9.8	***(19 bps)***	10.5	10.6	***(12 bps)***
Pre-IND AS EBITDA	7,470	7,769	*(3.9)*	10,786	11,036	*(2.3)*	14,654	14,812	*(1.1)*
EBITDA margin (%)	5.9	6.1	***(25 bps)***	6.9	7.1	***(19 bps)***	7.7	7.8	***(12 bps)***

Source: HSIE Research

ABLBL

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	94,044	95,722	(1.8)	1,05,370	1,07,069	(1.6)	1,17,414	1,18,417	(0.8)
Gross Profit	56,202	57,396	(2.1)	63,445	64,575	(1.7)	70,872	71,537	(0.9)
Gross Profit Margin (%)	59.8	60.0	**-20 bps**	60.2	60.3	**-10 bps**	60.4	60.4	**-5 bps**
EBITDA	7,828	8,080	(3.1)	9,239	9,497	(2.7)	10,670	10,895	(2.1)
EBITDA margin (%)	8.3	8.4	**-12 bps**	8.8	8.9	**-10 bps**	9.1	9.2	**-11 bps**

Source: HSIE Research

Shoppers STOP

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	51,088	50,800	*0.6*	56,193	55,928	*0.5*	62,530	62,363	*0.3*
Gross Profit	20,393	20,532	*(0.7)*	22,656	22,773	*(0.5)*	25,336	25,455	*(0.5)*
Gross Profit Margin (%)	39.9	40.4	***-50 bps***	40.3	40.7	***-40 bps***	40.5	40.8	***-30 bps***
EBITDA	2,098	2,068	*1.5*	2,752	2,728	*0.9*	3,221	3,195	*0.8*
EBITDA margin (%)	4.1	4.1	***4 bps***	4.9	4.9	***2 bps***	5.2	5.1	***3 bps***

Source: HSIE Research

V-MART Retail

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	44,650	44,796	*(0.3)*	51,378	51,545	*(0.3)*	59,473	59,405	*0.1*
Gross Profit	15,132	15,226	*(0.6)*	17,463	17,520	*(0.3)*	20,214	20,191	*0.1*
Gross Profit Margin (%)	33.9	34.0	***-10 bps***	34.0	34.0	***0 bps***	34.0	34.0	***0 bps***
EBITDA	2,664	2,738	*(2.7)*	3,196	3,289	*(2.9)*	3,889	4,042	*(3.8)*
EBITDA margin (%)	6.0	6.1	***-15 bps***	6.2	6.4	***-16 bps***	6.5	6.8	***-26 bps***

Source: HSIE Research

Vishal Mega Mart

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,52,399	1,52,399	*(0.0)*	1,77,626	1,77,626	*(0.0)*	2,03,748	2,03,748	*(0.0)*
Gross Profit	43,239	43,239	*(0.0)*	50,480	50,480	*(0.0)*	58,000	58,000	*(0.0)*
Gross Profit Margin (%)	28.4	28.4	***0 bps***	28.4	28.4	***0 bps***	28.5	28.5	***0 bps***
EBITDA	15,180	15,175	*0.0*	18,316	18,307	*0.1*	21,653	21,638	*0.1*
EBITDA margin (%)	10.0	10.0	***0 bps***	10.3	10.3	***1 bps***	10.6	10.6	***1 bps***
APAT	10,644	10,592	*0.5*	13,366	13,386	*(0.1)*	16,425	16,472	*(0.3)*
APAT margin (%)	7.0	7.0	***3 bps***	7.5	7.5	***-1 bps***	8.1	8.1	***-2 bps***
EPS (Rs)	2.3	2.3	*0.5*	2.9	2.9	*(0.1)*	3.5	3.5	*(0.3)*

Source: HSIE Research

Metro Brands

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	33,345	33,968	*(1.8)*	39,347	40,233	*(2.2)*	46,390	47,552	*(2.4)*
Gross Profit	19,295	19,656	*(1.8)*	22,729	23,301	*(2.5)*	26,751	27,493	*(2.7)*
Gross Profit Margin (%)	57.9	57.9	***(0 bps)***	57.8	57.9	***(15 bps)***	57.7	57.8	***(15 bps)***
EBITDA	6,713	6,839	*(1.8)*	7,973	8,233	*(3.2)*	9,437	9,792	*(3.6)*
EBITDA margin (%)	20.1	20.1	***(0 bps)***	20.3	20.5	***(20 bps)***	20.3	20.6	***(25 bps)***
APAT	4,534	4,748	*(4.5)*	5,775	6,189	*(6.7)*	7,361	7,800	*(5.6)*
APAT margin (%)	13.6	14.0	***(38 bps)***	14.7	15.4	***(71 bps)***	15.9	16.4	***(54 bps)***
EPS	16.6	17.4	*(4.5)*	21.2	22.7	*(6.7)*	27.0	28.6	*(5.6)*

Source: HSIE Research

Bata India

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	37,639	38,132	*(1.3)*	41,125	41,614	*(1.2)*	44,825	45,345	*(1.1)*
Gross Profit	20,783	21,051	*(1.3)*	22,577	22,870	*(1.3)*	24,394	24,694	*(1.2)*
Gross Profit Margin (%)	55.2	55.2	***1 bps***	54.9	55.0	***(6 bps)***	54.4	54.5	***(4 bps)***
EBITDA	3,951	4,235	*(6.7)*	4,621	5,029	*(8.1)*	5,260	5,800	*(9.3)*
EBITDA margin (%)	10.5	11.1	***(61 bps)***	11.2	12.1	***(85 bps)***	11.7	12.8	***(106 bps)***
APAT	2,134	2,568	*(16.9)*	3,050	3,482	*(12.4)*	3,923	4,257	*(7.9)*
APAT margin (%)	5.7	6.7	***(107 bps)***	7.4	8.4	***(95 bps)***	8.8	9.4	***(64 bps)***
Post IND-AS 116 EPS	16.6	20.0	*(16.9)*	23.7	27.1	*(12.4)*	30.5	33.1	*(7.9)*

Source: HSIE Research

Relaxo Footwear

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	29,564	29,760	*(0.7)*	32,567	32,782	*(0.7)*	35,869	36,106	*(0.7)*
Gross Profit	14,398	14,493	*(0.7)*	15,942	16,047	*(0.7)*	17,648	17,765	*(0.7)*
Gross Profit Margin (%)	48.7	48.7	***(0 bps)***	49.0	49.0	-	49.2	49.2	-
EBITDA	3,660	3,684	*(0.7)*	4,357	4,386	*(0.7)*	5,014	5,048	*(0.7)*
EBITDA margin (%)	12.4	12.4	***(0 bps)***	13.4	13.4	***0 bps***	14.0	14.0	***(0 bps)***
APAT	2,042	2,060	*(0.9)*	2,508	2,527	*(0.8)*	2,989	3,012	*(0.7)*
APAT margin (%)	6.9	6.9	***(1 bps)***	7.7	7.7	***(1 bps)***	8.3	8.3	***(1 bps)***
EPS (Rs)	8.2	8.3	*(0.9)*	10.1	10.2	*(0.8)*	12.0	12.1	*(0.7)*

Source: HSIE Research

Asian Paints

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	4,12,661	4,07,771	*1.2*	4,46,717	4,41,099	*1.3*	4,83,338	4,76,941	*1.3*
Gross Profit	1,81,133	1,79,150	*1.1*	1,95,524	1,93,013	*1.3*	2,12,508	2,10,339	*1.0*
Gross Profit Margin (%)	43.9	43.9	***-4 bps***	43.8	43.8	***1 bps***	44.0	44.1	***-13 bps***
EBITDA	78,395	76,027	*3.1*	84,442	82,521	*2.3*	92,947	91,846	*1.2*
EBITDA margin (%)	19.0	18.6	***35 bps***	18.9	18.7	***19 bps***	19.2	19.3	***-3 bps***
APAT	53,176	51,165	*3.9*	59,140	60,125	*(1.6)*	66,109	69,099	*(4.3)*
APAT margin (%)	12.9	12.5	***34 bps***	13.2	13.6	***-39 bps***	13.7	14.5	***-81 bps***
EPS (Rs)	55.4	53.3	*3.9*	61.7	62.7	*(1.6)*	68.9	72.0	*(4.3)*

Source: HSIE Research

Berger Paints

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,37,492	1,37,547	*(0.0)*	1,50,915	1,50,972	*(0.0)*	1,66,105	1,66,163	*(0.0)*
Gross Profit	58,410	58,434	*(0.0)*	64,264	64,288	*(0.0)*	70,732	70,757	*(0.0)*
Gross Profit Margin (%)	42.5	42.5	***0 bps***	42.6	42.6	***0 bps***	42.6	42.6	***0 bps***
EBITDA	20,884	21,225	*(1.6)*	23,979	24,429	*(1.8)*	26,725	27,220	*(1.8)*
EBITDA margin (%)	15.2	15.4	***-24 bps***	15.9	16.2	***-29 bps***	16.1	16.4	***-29 bps***
APAT	13,533	13,669	*(1.0)*	15,633	15,890	*(1.6)*	17,646	17,916	*(1.5)*
APAT margin (%)	9.8	9.9	***-10 bps***	10.4	10.5	***-17 bps***	10.6	10.8	***-16 bps***
EPS (Rs)	11.6	11.7	*(1.0)*	13.4	13.6	*(1.6)*	15.1	15.4	*(1.5)*

Source: HSIE Research

Kansai Nerolac

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	88,066	86,326	*2.0*	94,656	94,153	*0.5*	1,02,627	1,02,904	*(0.3)*
Gross Profit	30,786	29,916	*2.9*	33,572	33,199	*1.1*	37,240	36,894	*0.9*
Gross Profit Margin (%)	35.0	34.7	***30 bps***	35.5	35.3	***21 bps***	36.3	35.9	***43 bps***
EBITDA	10,357	9,890	*4.7*	11,757	11,519	*2.1*	13,690	13,373	*2.4*
EBITDA margin (%)	11.8	11.5	***30 bps***	12.4	12.2	***19 bps***	13.3	13.0	***34 bps***
APAT	7,467	7,148	*4.5*	8,258	8,026	*2.9*	9,574	9,199	*4.1*
APAT margin (%)	8.5	8.3	***20 bps***	8.7	8.5	***20 bps***	9.3	8.9	***39 bps***
EPS (Rs)	9.2	8.8	*4.4*	10.2	9.9	*2.8*	11.8	11.4	*4.0*

Source: HSIE Research

Swiggy

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,99,133	2,95,138	*1.4*	3,62,802	3,57,396	*1.5*	4,33,129	4,26,000	*1.7*
Adj. EBITDA	(25,390)	(23,706)	*NM*	(8,306)	(7,563)	*NM*	8,125	9,010	*(9.8)*
Adj. EBITDAM (%)	(8.5)	(8.0)	***-46 bps***	(2.3)	(2.1)	***-17 bps***	1.9	2.1	***-24 bps***
Pre-IND AS EBITDA	(30,790)	(29,106)	*NM*	(10,036)	(9,293)	*NM*	7,265	8,150	*(10.9)*
Pre-IND AS EBITDA margin (%)	(10.3)	(9.9)	***-43 bps***	(2.8)	(2.6)	***-17 bps***	1.7	1.9	***-24 bps***

Source: HSIE Research

Eternal

(INR mn)	FY27E			FY28E			FY29E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	9,54,371	9,54,743	*(0.0)*	13,46,396	13,45,892	*0.0*	17,44,849	17,43,998	*0.0*
Adj. EBITDA	29,026	30,965	*(6.3)*	50,698	50,938	*(0.5)*	75,304	75,650	*(0.5)*
Adj. EBITDAM (%)	3.0	3.2	***-20 bps***	3.8	3.8	***-2 bps***	4.3	4.3	***-2 bps***
Pre-IND AS EBITDA	20,336	22,275	*(8.7)*	41,608	41,848	*(0.6)*	66,214	66,560	*(0.5)*
Pre-IND AS EBITDA margin (%)	2.1	2.3	***-20 bps***	3.1	3.1	***-2 bps***	3.8	3.8	***-2 bps***
APAT	11,911	13,519	*(11.9)*	25,911	26,193	*(1.1)*	42,888	43,003	*(0.3)*
APAT margin (%)	1.2	1.4	***-17 bps***	1.9	1.9	***-2 bps***	2.5	2.5	***-1 bps***
EPS (Rs)	1.2	1.4	*(11.9)*	2.7	2.7	*(1.1)*	4.4	4.5	*(0.3)*

Source: HSIE Research

Financial Summary

Company	NET SALES (Rs bn)					EBITDA (Rs bn)					EBITDA Margin (%)					APAT (Rs. bn)				
	2Q FY26	1Q FY27	2Q FY27E	QoQ (%)	YoY (%)	2Q FY26	1Q FY27	2Q FY27E	QoQ (%)	YoY (%)	2Q FY26	1Q FY27	2Q FY27E	QoQ (bps)	YoY (bps)	2Q FY26	1Q FY27	2Q FY27E	QoQ (%)	YoY (%)
Food & Grocery																				
Avenue Supermarts	162.2	183.4	192.1	*4.7*	*18.4*	12.3	15.3	14.6	*(4.1)*	*19.1*	7.6	8.3	7.6	(70)	4	7.5	9.4	8.8	*(5.8)*	*18.1*
Jewellery																				
Titan	187.3	213.6	225.7	*5.7*	*20.5*	18.8	28.9	24.9	*(14.0)*	*32.6*	10.0	13.5	11.0	(251)	101	11.2	17.8	15.0	*(15.6)*	*34.0*
-Jewellery	140.9	182.5	175.3	*(4.0)*	*24.4*	15.1	23.6	20.2	*(14.6)*	*33.9*	10.7	12.9	11.5	(143)	81					
Apparel																				
Trent	47.2	56.7	57.9	*2.2*	*22.5*	8.1	11.1	9.9	*(11.1)*	*21.4*	17.2	19.6	17.1	(254)	(15)	4.5	5.3	4.8	*(10.6)*	*5.5*
STOP	11.8	11.9	12.6	*6.1*	*7.0*	1.6	1.8	1.8	*(0.0)*	*9.9*	14.0	15.2	14.3	(88)	38	(0.2)	(0.2)	(0.1)	*(15.3)*	*(37.6)*
V-MART	8.1	10.9	9.5	*(12.5)*	*18.1*	0.7	1.6	0.8	*(49.3)*	*13.9*	8.9	14.8	8.5	(620)	(31)	(0.1)	0.5	(0.2)	*(131.9)*	*69.9*
ABLBL	20.4	20.5	22.5	*10.1*	*10.5*	3.2	3.1	3.5	*14.6*	*11.5*	15.5	15.1	15.7	62	14	0.2	0.3	0.5	*83.5*	*127.2*
Vishal Mega Mart	29.8	37.3	34.6	*(7.2)*	*16.0*	3.9	5.4	4.6	*(16.0)*	*16.0*	13.2	14.6	13.2	(138)	(0)	1.5	2.6	1.8	*(29.9)*	*19.1*
Paints																				
Asian Paints	85.3	105.4	96.3	*(8.7)*	*12.8*	15.0	21.7	15.6	*(28.3)*	*3.5*	17.6	20.6	16.2	(441)	(146)	9.9	15.4	10.8	*(29.9)*	*8.6*
Berger Paints	28.3	35.8	31.9	*(11.1)*	*12.7*	3.5	6.1	3.7	*(39.4)*	*4.5*	12.5	16.9	11.6	(540)	(91)	2.1	4.0	2.3	*(42.8)*	*12.1*
Kansai Nerolac	19.5	23.7	21.5	*(9.4)*	*10.1*	2.2	3.3	2.1	*(35.7)*	*(2.0)*	11.0	13.8	9.8	(402)	(120)	1.3	2.3	1.3	*(43.8)*	*(3.6)*
Footwear																				
Bata	8.0	9.8	8.6	*(12.4)*	*7.0*	1.4	2.1	1.5	*(27.9)*	*4.0*	18.1	21.4	17.6	(377)	(50)	0.2	0.7	0.2	*(66.4)*	*4.9*
Relaxo	6.3	7.1	6.9	*(1.6)*	*10.4*	0.8	1.1	0.9	*(16.6)*	*11.3*	12.9	15.4	13.0	(234)	10	0.4	0.5	0.4	*(25.9)*	*12.5*
Metro Brands	6.5	7.2	7.4	*2.3*	*13.2*	1.7	2.1	1.9	*(11.3)*	*11.5*	26.2	29.8	25.8	(396)	(38)	0.7	1.0	0.7	*(24.3)*	*4.5*
New Age																				
FSN E-Comm Ventures (Nykaa)	23.5	27.8	30.3	*18.6*	*29.1*	1.6	2.4	2.4	*2.5*	*52.2*	6.8	8.5	8.0	(51)	120	0.3	0.8	1.0	*19.2*	*188.2*
Swiggy	55.6	68.1	73.6	*22.5*	*37.3*	(8.0)	(6.5)	(6.9)	*6.0*	*(13.7)*	(14.3)	(9.5)	(9.4)	18	499	(10.9)	(7.9)	(8.4)	*6.6*	*(22.8)*
Eternal	135.9	202.1	229.9	*48.7*	*182.0*	2.4	5.9	7.3	*23.0*	*205.8*	1.8	2.9	3.2	24	142	0.7	0.9	3.0	*229.7*	*366.6*

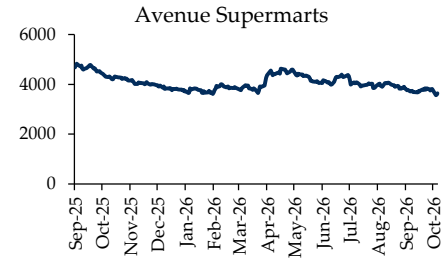
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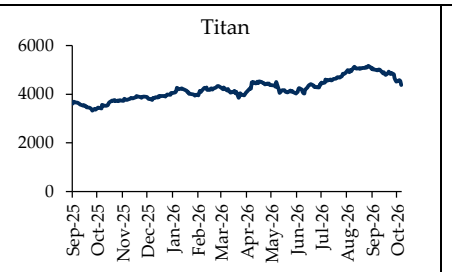
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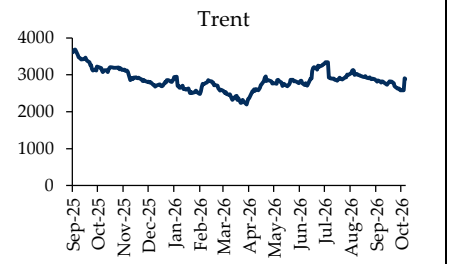
Company	Mcap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)			ROCE (%)		
					FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E	FY27E	FY28E	FY29E
ABLBL	90	73	Buy	135	2.4	3.2	4.1	42	32	25	16	13	10	10.6	10.9	11.5
Avenue Supermarts	2,312	3,544	Add	4,100	59.1	71.6	86.5	60	50	41	38	32	26	14.0	14.5	15.3
Vishal Mega Mart	458	98	Buy	140	2.3	2.9	3.5	43	34	28	28	23	18	12.9	13.7	14.1
Titan Company	3,893	4,385	Reduce	4,500	78.0	87.9	103.7	56	50	42	41	37	32	16.0	15.9	15.9
Trent	1,558	2,922	Add	3,100	42.6	51.0	59.7	69	57	49	30	25	21	23.8	21.9	19.9
Shoppers Stop	42	383	Reduce	360	-1.0	3.4	8.2	NM	112	47	20	15	12	16.8	18.1	17.8
V-MART	65	818	Add	850	19.2	26.1	36.3	43	31	23	24	19	15	13.9	15.1	16.6
Bata India	78	606	Reduce	610	16.6	23.7	30.5	37	26	20	18	14	12	10.0	12.5	14.1
Relaxo Footwears	71	287	Add	400	8.2	10.1	12.0	35	28	24	18	15	13	9.7	11.2	12.5
Metro Brands	233	856	Buy	1,030	16.6	21.2	27.0	51	40	32	33	27	22	18.0	18.4	18.9
Asian Paints	2,246	2,342	Add	2,900	55.4	61.7	68.9	42	38	34	29	26	24	19.7	20.1	20.7
Berger Paints	546	468	Add	540	11.6	13.4	15.1	40	35	31	26	22	20	17.3	17.8	17.8
Kansai Nerolac	146	180	Reduce	200	9.2	10.2	11.8	19	18	15	14	12	10	10.6	10.9	11.8
FSN E-Commerce (Nykaa)	985	344	Sell	240	1.6	2.5	3.6	214	139	96	132	91	67	20.8	24.2	25.7
Swiggy	649	235	Buy	460	-12.4	-5.2	0.8	NM	NM	292	NM	-444	33	-16.4	-6.5	3.0
Eternal	3,136	325	Buy	395	1.2	2.7	4.4	263	121	73	147	72	45	4.3	7.7	11.1

Source: HSIE Research

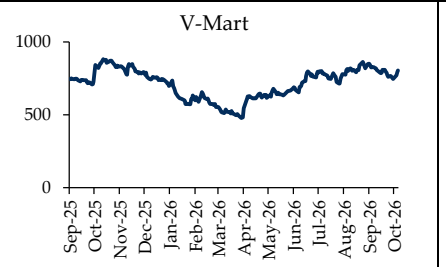
Price history



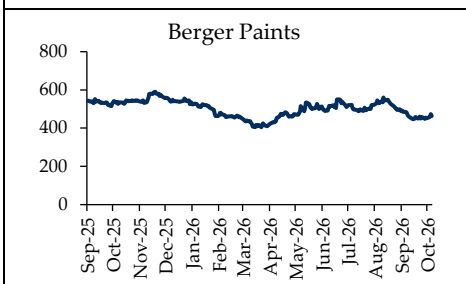


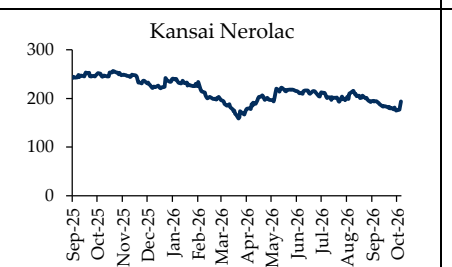


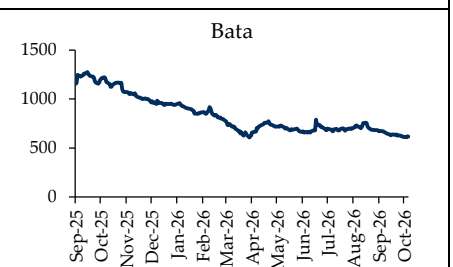




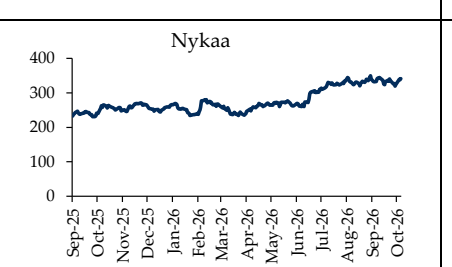


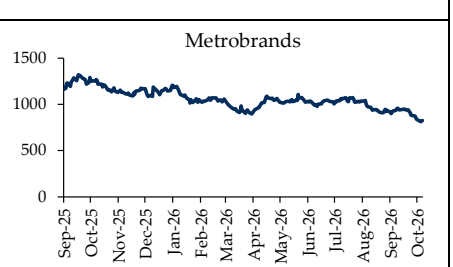


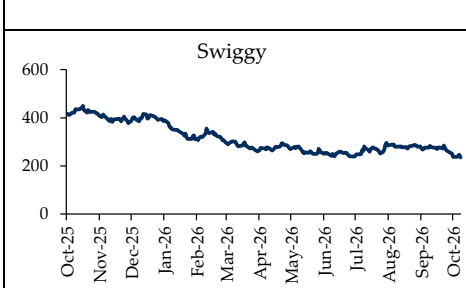


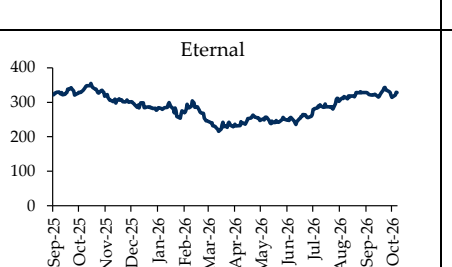


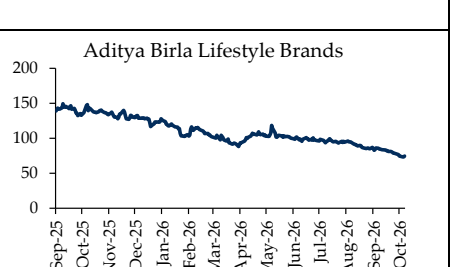


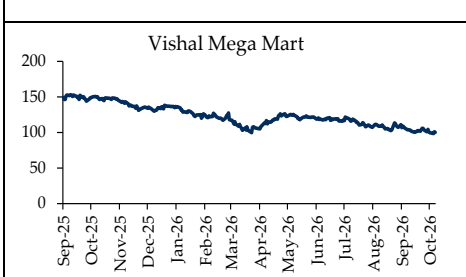












Rating Criteria

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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