

# Consumer Discretionary

## Q4FY26 – green shoots emerging across segments

Our consumer discretionary coverage universe (ex-Eternal) is expected to deliver ~23% YoY revenue growth in Q4, underpinned by a broad-based demand recovery. This topline performance is mainly driven by sustained momentum in jewelry (driven by surge in gold prices), ongoing customer acquisition efforts in new-age businesses, and recovery in apparel growth YoY. We expect jewelry, F&G, paints, apparel, and footwear to clock ~47%, 19%, 5%, 16%, and 9% YoY revenue growth in Q4. Margins for our discretionary space (ex-Eternal) are expected to expand by 50bps YoY to 10%, with EBITDA growth of ~29% YoY.

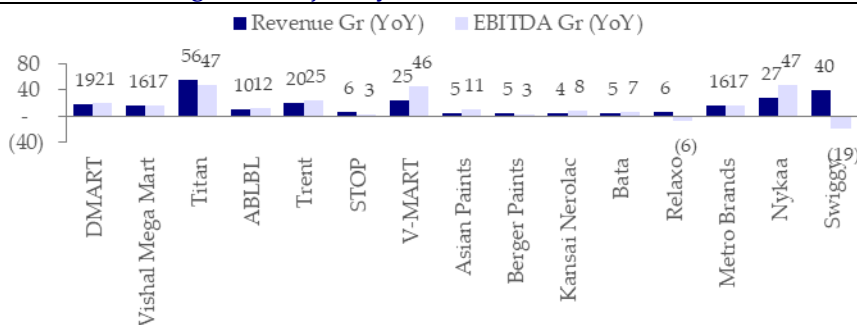
- Uptick in demand visible:** In Q4FY26, we anticipate broad-based recovery across segments (ex-Swiggy, Eternal; seasonality impact). (1) The jewelry segment continued its strong growth momentum, driven by the steep increase in gold prices and rebound to high single-digit buyer growth following three flat quarters. (2) Apparel sector is likely to report ~16% revenue growth YoY. Value apparel retailers are likely to outperform premium retailers, driven by recovery in SSSG and retail area expansion. (3) In footwear, Metro Brands is poised to continue its recovery trajectory, while other footwear players will likely report sluggish growth (on a low base). (4) In paints, growth is expected to accelerate (on a low base), supported by preemptive channel stocking ahead of industry-wide price hikes in April. (5) In new-age businesses, Nykaa is expected to sustain strong YoY growth as it continues to prioritize customer acquisition. In food delivery, less operational restaurants will likely impact ad revenues; however, we expect minimal impact on order volumes despite menu curtailments caused by LPG shortages. QC is expected to see a seasonal dip in AOVs alongside a moderating non-grocery mix.
- EBITDA growth for coverage universe remains robust:** Margins for our discretionary space (ex- new age) are expected to remain largely stable at 12.3% YoY. In jewelry (ex-bullion), we have penciled in ~20bps margin expansion to 11.1% as strong SSSG is partially offset by unfavorable product mix. In paints, favorable raw material prices (no material impact from crude inflation as prices held steady during Jan-Feb) should drive GM expansion. We have built in ~60bps margin expansion YoY, driven by steady GM print and some operating leverage. Footwear companies (ex-Relaxo) are likely to see margin expansion of ~50bps YoY, while apparel margins are likely to expand by ~40bps YoY due to operating leverage. Food delivery margins are expected to improve due to higher platform fees and operating leverage. However, high competitive intensity in QC might keep margin expansion in check. Minimal pressure on cost structures due to LPG shortage in Q4. However, it will be a key monitorable in Q1FY27 and beyond. Overall, we build in an EBITDA growth of ~29% YoY for our universe.
- Risk-reward ratio turns favourable:** With valuations moderating significantly following recent stock price corrections, and fundamental green shoots emerging across segments, most pockets of our coverage now offer a reasonable risk-reward ratio (most names excluding new age trade now between 20-60x FY28 P/E).

Company	RECO	TP (Rs)	Prev. TP (Rs)
Avenue Supermarts	ADD	4,300	4,300
Titan	REDUCE	4,000	4,000
Trent	BUY	4,300	4,300
ABLBL	BUY	155	155
STOP	REDUCE	340	360
V-MART	BUY	850	850
Asian Paints	ADD	2,800	2,800
Berger Paints	ADD	540	540
Kansai Nerolac	REDUCE	220	235
Bata	REDUCE	800	890
Relaxo	ADD	410	430
FSN E-Comm (Nykaa)	SELL	205	205
Metro Brands	BUY	1,080	1,080
Swiggy	BUY	460	460
Eternal	BUY	340	340
VMM	BUY	130	130

### Change in recommendation

Company	New RECO	Earlier RECO
-	-	-

### Revenue/EBITDA growth trajectory (%)



Note – Eternal's revenue growth is not comparable YoY due to Blinkit's shift to the 1P model from Q1FY26 onwards.

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COMPANY	Q4FY26 OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Avenue Supermarts	GOOD	<ul style="list-style-type: none"> <li>As per DMART's revenue update, reported revenue grew 19% YoY to INR172bn.</li> <li>We expect annualized sales per sq. ft to grow ~3% YoY to INR36.9k.</li> <li>The grocer added 58 stores (net) in Q4 (store count – 500).</li> <li>Building in ~10bps EBITDAM expansion YoY to 6.9% as intense competition continues to elevate employee and other operational costs.</li> </ul>	<ul style="list-style-type: none"> <li>GM and Apparel recovery</li> <li>Commentary on store expansion</li> <li>Commentary on competitive landscape</li> <li>Expansion of DMart Ready business</li> </ul>
Titan	GOOD	<ul style="list-style-type: none"> <li>As per Titan's quarterly update, it reported ~46% YoY growth in revenue.</li> <li>Domestic jewelry sales (ex-bullion) grew by 46% YoY, driven by steep increase in gold prices and rebound to high single-digit buyer growth following three flat quarters.</li> <li>Watches/eyewear/others grew 7/16/17% YoY.</li> <li>Building in 8.9% EBIT margin at company level. Expect 9.3/11.1/8.1% EBIT margins for jewelry/watches/eyewear respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on gains in South market and on sustainable volume growth</li> <li>Inventory levels and capital base movement</li> <li>Commentary on gold lease interest rate</li> <li>Commentary on volatility of gold prices and salience of gold exchange program.</li> </ul>
Trent	AVG	<ul style="list-style-type: none"> <li>As per Trent's revenue update, reported revenue grew ~20% YoY to INR49.4bn.</li> <li>We estimate ~26/18% YoY growth for Westside and Zudio respectively.</li> <li>Building in ~70bps expansion in GM YoY for Q4FY26 at 43.3% due to improving salience of Westside in the mix.</li> <li>Building in 16.6% EBITDAM (up ~60bps YoY).</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Expansion strategy</li> <li>Commentary on recovery in SSSG</li> <li>Commentary on Star's performance</li> </ul>
V-MART Retail	GOOD	<ul style="list-style-type: none"> <li>As per V-Mart's revenue update, reported revenue grew +24% YoY to INR9.7bn.</li> <li>SSSG for Q4FY26 was +12%, with core V-Mart at +12% and Unlimited at +9%.</li> <li>Building in 33% GM for Q4FY26 (vs 33.1% in Q4FY25) as they intend to pass on more value to consumers to gain market share.</li> <li>Building in ~150bps expansion in EBITDAM to 10.3% (vs. 8.7% in Q4FY25), due to strong operating leverage.</li> <li>V-Mart added 29 new stores and closed six stores in Q4 (store count - 577).</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on rural recovery</li> <li>Cost normalization pace</li> <li>Expansion strategy</li> <li>Unlimited's profitability</li> </ul>
ABLBL	AVG	<ul style="list-style-type: none"> <li>We expect lifestyle brands to grow ~7% YoY to INR 17.5bn. We expect youth brands and innerwear business to grow by ~28% YoY to INR 3.9bn.</li> <li>GM built: 59.1%</li> <li>Building in EBITDAM of 20.3/5.8% for lifestyle brands/ youth brands and inner wear, respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Expansion strategy</li> <li>Commentary on recovery of innerwear business</li> </ul>
Shoppers Stop	AVG	<ul style="list-style-type: none"> <li>We expect revenue to grow ~6% YoY to INR 10.8bn.</li> <li>GM built: 44.1% (down ~20bps YoY).</li> <li>Building in Pre-IND-AS EBITDAM of 2.8% (down ~ 30bps YoY).</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Expansion strategy</li> </ul>
Vishal Mega Mart	GOOD	<ul style="list-style-type: none"> <li>We expect revenue to grow by ~16% YoY to INR29.7bn.</li> <li>Building in 28.4% GM for Q4FY26 (vs 28.3% in Q4FY25).</li> <li>Building in 14.1% EBITDAM for Q4FY26 (vs 14% in Q4FY25).</li> <li>We expect VMM to add 30 stores in Q4.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Expansion strategy</li> <li>Commentary on competitive landscape</li> </ul>

COMPANY	Q4FY26 OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Bata	WEAK	<ul style="list-style-type: none"> <li>Building in ~5% YoY revenue growth in Q4 to INR 8.3bn.</li> <li>Building in 58% GM for Q4 (up ~10bps YoY).</li> <li>Building in 23% EBITDAM (up ~30bps YoY)</li> <li>Store additions to remain steady.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Expansion strategy</li> <li>Wholesale strategy</li> </ul>
Relaxo Footwears	WEAK	<ul style="list-style-type: none"> <li>We expect revenue growth to grow by 6.1% YoY in Q4 to INR 7.4bn.</li> <li>Expected volume/realization growth of ~5/1% YoY in Q4.</li> <li>Building in 14.2% EBITDAM for Q4FY26 (vs 16.1% in Q4FY25).</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Commentary on margins</li> <li>Expansion strategy</li> <li>Commentary on distribution channel</li> </ul>
Metro Brands	GOOD	<ul style="list-style-type: none"> <li>Building in 15.7% YoY revenue growth to INR 7.4bn.</li> <li>Building in 57.8% GM for Q4FY26 (vs 57.5% in Q4FY25).</li> <li>Building in 31% EBITDAM for Q4FY26 (vs 30.7% in Q4FY25).</li> <li>We have built in 37 store adds in Q4.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Commentary on margins</li> <li>Expansion strategy</li> </ul>
Fsn E-Commerce Ventures (Nykaa)	GOOD	<ul style="list-style-type: none"> <li>As per Nykaa's revenue update, revenue grew 27-29% YoY (factored 27.3% YoY growth to INR 26.2bn).</li> <li>BPC/Fashion to clock ~26/29% YoY growth resp. in GMV.</li> <li>AoVs are likely to be healthy for BPC. Building in ~22/27% YoY growth in BPC/Fashion AUTC and ~27/35% YoY growth in BPC/Fashion orders respectively.</li> <li>Building in a 7.5% EBITDA margin in Q4FY26 (vs 6.5% in Q4FY25).</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on fashion segment</li> <li>Commentary on unwinding on working capital</li> <li>Commentary on profitability of eB2B segment</li> <li>Competitive landscape shift</li> </ul>
Asian Paints	AVG	<ul style="list-style-type: none"> <li>We expect consolidated revenue to grow by ~5% YoY in Q4 (5.3% growth in standalone business). +10.5/-4.8% volume/price growth built-in for Q4.</li> <li>We expect ~70bps YoY expansion in gross margin to 44.6% due to favourable raw material prices (consolidated).</li> <li>We expect ~90bps YoY expansion in EBITDA margin to 18.1% due to steady GM print and some operating leverage.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Commentary on input cost trends</li> <li>Rebating and discounting trends</li> <li>Dealer addition trajectory</li> </ul>
Berger Paints	AVG	<ul style="list-style-type: none"> <li>We expect revenue growth of ~5% YoY for the consolidated business in Q4 (5.1% growth in standalone business). +10.2/-4.6% volume/price growth built-in.</li> <li>We expect 42.9% gross margin (up ~20 bps YoY) in Q4FY26 (consolidated) due to benign material cost.</li> <li>We expect EBITDA margins to contract by ~30bps YoY to 15.5%, due to elevated operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Commentary on input cost trends</li> <li>Dealer addition trajectory</li> <li>Rebating and discounting trends</li> </ul>
Kansai Nerolac	AVG	<ul style="list-style-type: none"> <li>We expect revenue growth of ~4% YoY for the consolidated business in Q4 (4.4% growth in standalone business). +2/0% volume/price growth built-in for deco segment.</li> <li>We expect 34.8% gross margin (up ~30bps YoY) in Q4FY26 due to favourable raw material prices (consolidated).</li> <li>We expect EBITDA margins to improve ~30bps YoY to 9.4%, primarily due to GM expansion.</li> </ul>	<ul style="list-style-type: none"> <li>Commentary on demand trends</li> <li>Commentary on input cost trends</li> <li>Dealer addition trajectory</li> <li>Rebating and discounting trends</li> </ul>
Swiggy	AVG	<ul style="list-style-type: none"> <li>We expect adj. revenue growth of ~40% YoY to INR 61.9bn.</li> <li>Food Delivery/QC to clock ~19/80% YoY growth respectively in GoV. QC to clock ~62% YoY growth in NoV.</li> <li>Food Delivery/QC AoV likely to be at ~INR453/740 resp. Building in ~20/41% YoY growth in Food Delivery/QC Avg. MTUs and ~23/28% YoY growth in Food Delivery/QC orders.</li> <li>Building in -9.7% adj. EBITDA margin in Q4FY26.</li> </ul>	<ul style="list-style-type: none"> <li>MTU growth in Food Delivery</li> <li>Trajectory of platform funded discounts and discounts in quick commerce</li> </ul>

COMPANY	Q4FY26 OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Eternal	AVG	<ul style="list-style-type: none"> <li>■ We expect Eternal to clock adj. revenue of ~INR 179bn. Note: revenue growth is not comparable due to Blinkit's shift to the 1P model.</li> <li>■ Food Delivery/QC to clock ~18/100% YoY growth respectively in NoV.</li> <li>■ Food Delivery/QC AoV likely to be at INR466/660 resp. Building in ~20/90% YoY growth in Food Delivery/QC Avg. MTUs and ~24/97% YoY growth in Food Delivery/QC orders.</li> <li>■ Building in 1.8% adj. EBITDA margin in Q4FY26.</li> </ul>	<ul style="list-style-type: none"> <li>■ MTU growth in Food Delivery</li> <li>■ Trajectory of platform funded discounts &amp; discounts in quick commerce</li> </ul>

## Estimate changes

### Avenue Supermarts

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	6,69,680	6,73,612	(0.6)	8,15,745	8,20,623	(0.6)	9,89,643	9,95,469	(0.6)
Gross Profit	95,761	96,182	(0.4)	1,18,948	1,19,488	(0.5)	1,45,414	1,46,262	(0.6)
Gross Profit Margin (%)	14.3	14.3	2 bps	14.6	14.6	2 bps	14.7	14.7	0 bps
EBITDA	49,471	49,033	0.9	62,808	62,303	0.8	78,534	78,437	0.1
EBITDA margin (%)	7.4	7.3	11 bps	7.7	7.6	11 bps	7.9	7.9	6 bps
APAT	32,041	31,384	2.1	40,017	39,692	0.8	50,191	50,391	(0.4)
APAT margin (%)	4.8	4.7	13 bps	4.9	4.8	7 bps	5.1	5.1	1 bps
EPS (Rs)	49.2	48.2	2.2	61.5	61.0	0.8	77.1	77.4	(0.3)

### Titan Company

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	8,38,920	8,18,689	2.5	9,50,003	9,26,974	2.5	10,74,966	10,49,640	2.4
Gross Profit	1,77,788	1,73,500	2.5	2,06,079	2,01,084	2.5	2,38,562	2,32,941	2.4
Gross Profit Margin (%)	21.2	21.2	0 bps	21.7	21.7	(0 bps)	22.2	22.2	0 bps
EBITDA	75,574	74,720	1.1	86,380	85,327	1.2	99,514	98,385	1.1
EBITDA margin (%)	9.0	9.1	(12 bps)	9.1	9.2	(11 bps)	9.3	9.4	(12 bps)
APAT	54,421	53,614	1.5	61,505	60,590	1.5	71,570	70,616	1.4
APAT margin (%)	6.5	6.5	(6 bps)	6.5	6.5	(6 bps)	6.7	6.7	(7 bps)
EPS	61.1	60.2	1.6	69.1	68.1	1.5	80.4	79.3	1.4

Source: HSIE Research

### Trent

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,97,018	1,96,452	0.3	2,44,122	2,41,340	1.2	2,82,526	2,80,455	0.7
EBITDA (Pre-IND-AS 116)*	26,131	25,774	1.4	32,924	31,872	3.3	37,981	37,338	1.7
EBITDA margin (%)*	13.3	13.1	14 bps	13.5	13.2	28 bps	13.4	13.3	13 bps
APAT	19,019	18,620	2.1	23,108	22,326	3.5	26,851	26,357	1.9
APATM (%)	9.7	9.5	18 bps	9.5	9.3	22 bps	9.5	9.4	11 bps

Source: HSIE Research

## Fsn E-Commerce Ventures (Nykaa)

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	99,987	99,485	0.5	1,23,840	1,23,105	0.6	1,50,128	1,48,975	0.8
Gross Profit	44,618	44,386	0.5	54,948	54,618	0.6	66,318	65,708	0.9
Gross Profit Margin (%)	44.6	44.6	1 bps	44.4	44.4	0 bps	44.2	44.1	7 bps
Reported EBITDA	7,250	7,309	(0.8)	10,571	10,777	(1.9)	14,296	14,331	(0.2)
Reported EBITDA margin (%)	7.3	7.3	(10 bps)	8.5	8.8	(22 bps)	9.5	9.6	(10 bps)
Pre-IND AS EBITDA	4,455	4,528	(1.6)	7,109	7,335	(3.1)	10,114	10,181	(0.7)
EBITDA margin (%)	4.5	4.6	(10 bps)	5.7	6.0	(22 bps)	6.7	6.8	(10 bps)

Source: HSIE Research

## ABLBL

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	83,550	83,550	-	94,880	94,880	-	1,06,117	1,06,117	-
Gross Profit	49,638	49,638	-	56,797	56,797	-	63,895	63,895	-
Gross Profit Margin (%)	59.4	59.4	0 bps	59.9	59.9	0 bps	60.2	60.2	0 bps
EBITDA	6,465	6,465	-	8,000	8,000	-	9,404	9,404	-
EBITDA margin (%)	7.7	7.7	0 bps	8.4	8.4	0 bps	8.9	8.9	0 bps

Source: HSIE Research

## Shoppers STOP

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	46,706	48,008	(2.7)	50,619	50,801	(0.4)	55,189	54,985	0.4
Gross Profit	19,057	19,780	(3.7)	20,831	20,982	(0.7)	22,794	22,710	0.4
Gross Profit Margin (%)	40.8	41.2	-40 bps	41.2	41.3	-15 bps	41.3	41.3	0 bps
EBITDA	1,427	2,457	(41.9)	2,340	2,694	(13.1)	2,829	2,977	(5.0)
EBITDA margin (%)	3.1	5.1	-206 bps	4.6	5.3	-68 bps	5.1	5.4	-29 bps

Source: HSIE Research

## V-MART Retail

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	37,897	37,481	1.1	44,001	43,447	1.3	50,877	49,929	1.9
Gross Profit	13,111	12,968	1.1	15,201	15,010	1.3	17,526	17,200	1.9
Gross Profit Margin (%)	34.6	34.6	0 bps	34.5	34.5	0 bps	34.4	34.4	0 bps
EBITDA	2,304	2,252	2.3	2,733	2,675	2.2	3,279	3,201	2.5
EBITDA margin (%)	6.1	6.0	7 bps	6.2	6.2	5 bps	6.4	6.4	4 bps

Source: HSIE Research

## Vishal Mega Mart

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,27,580	1,27,291	0.2	1,50,001	1,50,515	(0.3)	1,74,902	1,76,350	(0.8)
Gross Profit	36,438	36,355	0.2	42,909	43,056	(0.3)	50,115	50,530	(0.8)
Gross Profit Margin (%)	28.6	28.6	0 bps	28.6	28.6	0 bps	28.7	28.7	0 bps
EBITDA	12,423	12,366	0.5	14,939	15,099	(1.1)	17,821	18,127	(1.7)
EBITDA margin (%)	9.7	9.7	2 bps	10.0	10.0	-7 bps	10.2	10.3	-9 bps
APAT	8,433	8,601	(2.0)	10,834	10,947	(1.0)	13,496	13,727	(1.7)
APAT margin (%)	6.6	6.8	-15 bps	7.2	7.3	-5 bps	7.7	7.8	-7 bps
EPS (Rs)	1.8	1.8	(2.0)	2.3	2.3	(1.0)	2.9	2.9	(1.7)

Source: HSIE Research

## Metro Brands

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	28,344	28,267	0.3	34,068	33,976	0.3	40,617	40,508	0.3
Gross Profit	16,417	16,373	0.3	19,698	19,645	0.3	23,444	23,381	0.3
Gross Profit Margin (%)	57.9	57.9	<b>(0 bps)</b>	57.8	57.8	<b>0 bps</b>	57.7	57.7	-
EBITDA	5,903	5,883	0.3	7,140	7,132	0.1	8,544	8,536	0.1
EBITDA margin (%)	20.8	20.8	<b>1 bps</b>	21.0	21.0	<b>(3 bps)</b>	21.0	21.1	<b>(4 bps)</b>
APAT	4,047	4,026	0.5	5,113	5,100	0.3	6,566	6,549	0.2
APAT margin (%)	14.3	14.2	<b>4 bps</b>	15.0	15.0	<b>(0 bps)</b>	16.2	16.2	<b>(0 bps)</b>
EPS	14.9	14.8	0.5	18.8	18.7	0.3	24.1	24.1	0.2

Source: HSIE Research

## Bata India

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	35,161	35,161	-	38,255	38,387	(0.3)	41,635	41,890	(0.6)
Gross Profit	19,569	19,569	-	21,248	21,333	(0.4)	23,015	23,146	(0.6)
Gross Profit Margin (%)	55.7	55.7	-	55.5	55.6	<b>(3 bps)</b>	55.3	55.3	<b>2 bps</b>
EBITDA	3,870	3,835	0.9	4,491	4,514	(0.5)	5,242	5,286	(0.8)
EBITDA margin (%)	11.0	10.9	<b>10 bps</b>	11.7	11.8	<b>(2 bps)</b>	12.6	12.6	<b>(3 bps)</b>
APAT	2,074	2,046	1.4	2,744	2,891	(5.1)	3,543	3,868	(8.4)
APAT margin (%)	5.9	5.8	<b>8 bps</b>	7.2	7.5	<b>(36 bps)</b>	8.5	9.2	<b>(72 bps)</b>
Post IND-AS 116 EPS	16.1	15.9	1.4	21.4	22.5	(5.1)	27.6	30.1	(8.4)

Source: HSIE Research

## Relaxo Footwear

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	26,889	26,889	-	29,808	29,808	-	32,980	32,980	-
Gross Profit	13,024	13,024	-	14,527	14,527	-	16,106	16,106	-
Gross Profit Margin (%)	48.4	48.4	-	48.7	48.7	-	48.8	48.8	-
EBITDA	2,877	2,706	6.3	3,756	3,775	(0.5)	4,420	4,539	(2.6)
EBITDA margin (%)	10.7	10.1	<b>64 bps</b>	12.6	12.7	<b>(6 bps)</b>	13.4	13.8	<b>(36 bps)</b>
APAT	1,657	1,530	8.3	2,233	2,247	(0.6)	2,612	2,701	(3.3)
APAT margin (%)	6.2	5.7	<b>47 bps</b>	7.5	7.5	<b>(5 bps)</b>	7.9	8.2	<b>(27 bps)</b>
EPS (Rs)	6.7	6.1	8.3	9.0	9.0	(0.6)	10.5	10.8	(3.3)

Source: HSIE Research

## Asian Paints

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	3,51,310	3,52,552	(0.4)	3,87,953	3,91,642	(0.9)	4,31,090	4,34,782	(0.8)
Gross Profit	1,53,646	1,53,261	0.3	1,67,920	1,68,511	(0.4)	1,87,210	1,87,725	(0.3)
Gross Profit Margin (%)	43.7	43.5	<b>26 bps</b>	43.3	43.0	<b>26 bps</b>	43.4	43.2	<b>25 bps</b>
EBITDA	65,005	64,835	0.3	71,585	71,847	(0.4)	81,089	81,349	(0.3)
EBITDA margin (%)	18.5	18.4	<b>11 bps</b>	18.5	18.3	<b>11 bps</b>	18.8	18.7	<b>10 bps</b>
APAT	43,678	43,080	1.4	50,138	49,895	0.5	59,241	58,914	0.6
APAT margin (%)	12.4	12.2	<b>21 bps</b>	12.9	12.7	<b>18 bps</b>	13.7	13.6	<b>19 bps</b>
EPS (Rs)	45.5	44.9	1.4	52.3	52.0	0.5	61.8	61.4	0.6

Source: HSIE Research

### Berger Paints

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,18,565	1,18,388	0.1	1,29,597	1,29,405	0.1	1,43,181	1,42,967	0.1
Gross Profit	50,068	50,135	(0.1)	55,051	55,124	(0.1)	61,036	61,116	(0.1)
Gross Profit Margin (%)	42.2	42.3	-12 bps	42.5	42.6	-12 bps	42.6	42.7	-12 bps
EBITDA	17,938	17,769	1.0	20,903	20,846	0.3	23,696	23,632	0.3
EBITDA margin (%)	15.1	15.0	12 bps	16.1	16.1	2 bps	16.5	16.5	2 bps
APAT	11,582	11,427	1.4	13,548	13,511	0.3	15,521	15,478	0.3
APAT margin (%)	9.8	9.7	12 bps	10.5	10.4	1 bps	10.8	10.8	1 bps
EPS (Rs)	9.2	9.0	1.5	11.6	11.6	0.3	13.3	13.3	0.3

Source: HSIE Research

### Kansai Nerolac

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	79,883	79,805	0.1	86,442	86,469	(0.0)	94,170	94,318	(0.2)
Gross Profit	28,342	28,295	0.2	30,785	30,770	0.1	33,723	33,743	(0.1)
Gross Profit Margin (%)	35.5	35.5	2 bps	35.6	35.6	3 bps	35.8	35.8	4 bps
EBITDA	9,366	9,322	0.5	10,399	10,360	0.4	11,674	11,640	0.3
EBITDA margin (%)	11.7	11.7	4 bps	12.0	12.0	5 bps	12.4	12.3	6 bps
APAT	6,351	6,342	0.2	7,529	7,507	0.3	8,256	8,225	0.4
APAT margin (%)	8.0	7.9	0 bps	8.7	8.7	3 bps	8.8	8.7	5 bps
EPS (Rs)	7.9	7.8	0.2	9.3	9.3	0.3	10.2	10.2	0.4

Source: HSIE Research

### Swiggy

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,28,614	2,28,693	(0.0)	2,85,405	2,84,780	0.2	3,48,394	3,46,835	0.4
Adj. EBITDA	(28,613)	(28,488)	NM	(14,643)	(14,972)	NM	(3,684)	(4,659)	NM
Adj. EBITDAM (%)	(12.5)	(12.5)	-6 bps	(5.1)	(5.3)	13 bps	(1.1)	(1.3)	29 bps
Pre-IND AS EBITDA	(36,573)	(36,448)	NM	(20,043)	(20,372)	NM	(5,414)	(6,389)	NM
Pre-IND AS EBITDA margin (%)	(16.0)	(15.9)	-6 bps	(7.0)	(7.2)	13 bps	(1.6)	(1.8)	29 bps
APAT	(36,235)	(36,191)	NM	(21,160)	(21,647)	NM	(7,102)	(8,175)	NM
APAT margin (%)	(15.8)	(15.8)	-2 bps	(7.4)	(7.6)	19 bps	(2.0)	(2.4)	32 bps
EPS (Rs)	(13.1)	(13.1)	NM	(7.7)	(7.8)	NM	(2.6)	(3.0)	NM

Source: HSIE Research

### Eternal

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	5,45,603	5,45,194	0.1	8,85,305	8,84,818	0.1	11,81,771	11,81,190	0.0
Adj. EBITDA	10,913	10,752	1.5	24,777	24,121	2.7	37,230	36,053	3.3
Adj. EBITDAM (%)	2.0	2.0	3 bps	2.8	2.7	7 bps	3.2	3.1	10 bps
Pre-IND AS EBITDA	2,313	2,152	7.5	16,177	15,521	4.2	28,230	27,053	4.4
Pre-IND AS EBITDA margin (%)	0.4	0.4	3 bps	1.8	1.8	7 bps	2.4	2.3	10 bps
APAT	3,017	2,931	3.0	12,310	11,840	4.0	20,947	20,090	4.3
APAT margin (%)	0.6	0.5	2 bps	1.4	1.3	5 bps	1.8	1.7	7 bps
EPS (Rs)	0.3	0.3	3.0	1.3	1.2	4.0	2.2	2.1	4.3

Source: HSIE Research

Financial Summary

Company	NET SALES (Rs bn)					EBITDA (Rs bn)					EBITDA Margin (%)					APAT (Rs. bn)				
	4Q FY25	3Q FY26	4Q FY26E	QoQ (%)	YoY (%)	4Q FY25	3Q FY26	4Q FY26E	QoQ (%)	YoY (%)	4Q FY25	3Q FY26	4Q FY26E	QoQ (bps)	YoY (bps)	4Q FY25	3Q FY26	4Q FY26E	QoQ (%)	YoY (%)
<b>Food &amp; Grocery</b>																				
Avenue Supermarts	144.6	176.1	172.0	(2.3)	19.0	9.8	14.8	11.8	(20.1)	20.6	6.8	8.4	6.9	(153)	9	6.2	9.2	7.0	(23.6)	13.7
<b>Jewellery</b>																				
Titan	149.2	254.2	232.3	(8.6)	55.7	15.4	27.1	22.6	(16.7)	47.1	10.3	10.7	9.7	(94)	(57)	8.7	18.4	13.9	(24.1)	59.9
-Jewellery	122.7	225.2	180.2	(20.0)	46.9	13.3	24.8	20.0	(19.4)	49.7	10.9	11.0	11.1	8	21					
<b>Apparel</b>																				
Trent	41.1	52.6	49.4	(6.1)	20.2	6.6	10.7	8.2	(23.5)	25.1	16.0	20.4	16.6	(378)	64	3.5	6.7	3.6	(45.5)	3.7
STOP	10.2	13.2	10.8	(18.2)	5.7	1.7	2.1	1.7	(16.9)	2.9	16.6	15.9	16.1	25	(44)	0.0	0.3	(0.2)	(151.2)	(3,769.4)
V-MART	7.8	11.3	9.7	(13.8)	24.5	0.7	2.1	1.0	(52.4)	46.3	8.7	18.6	10.3	(834)	153	(0.1)	0.9	0.0	(99.3)	(110.6)
ABLBL	19.4	23.4	21.3	(9.0)	9.8	3.1	4.1	3.5	(15.8)	12.3	15.9	17.6	16.3	(132)	36	0.3	1.1	0.3	(72.1)	7.3
Vishal Mega Mart	25.5	36.7	29.7	(19.2)	16.4	3.6	6.1	4.2	(31.0)	16.9	14.0	16.5	14.1	(241)	6	1.2	3.1	1.8	(43.5)	53.5
<b>Paints</b>																				
Asian Paints	83.6	88.7	87.9	(0.8)	5.2	14.4	17.8	15.9	(10.7)	10.8	17.2	20.1	18.1	(199)	91	8.8	12.2	10.6	(13.2)	20.8
Berger Paints	27.0	29.8	28.4	(4.7)	5.2	4.3	4.7	4.4	(6.1)	3.4	15.8	15.8	15.5	(24)	(27)	2.6	2.7	2.8	1.8	5.3
Kansai Nerolac	18.2	19.8	18.9	(4.6)	4.0	1.7	2.4	1.8	(25.5)	7.7	9.1	12.1	9.4	(265)	32	1.1	1.2	1.1	(6.7)	4.4
<b>Footwear</b>																				
Bata	7.9	9.4	8.3	(12.3)	5.1	1.8	2.1	1.9	(10.3)	6.6	22.6	22.4	23.0	51	33	0.5	0.7	0.5	(26.5)	18.5
Relaxo	7.0	6.7	7.4	10.5	6.1	1.1	0.7	1.0	51.3	(6.3)	16.1	10.4	14.2	384	(189)	0.6	0.3	0.5	103.9	(3.8)
Metro Brands	6.4	8.1	7.4	(8.3)	15.7	2.0	2.6	2.3	(12.9)	17.0	30.7	32.7	31.0	(163)	35	1.0	1.3	1.1	(18.3)	11.8
<b>New Age</b>																				
FSN E-Comm Ventures (Nykaa)	20.6	28.7	26.2	(8.7)	27.3	1.3	2.1	2.0	(5.8)	46.8	6.5	7.2	7.5	22	99	0.2	0.7	0.6	(4.2)	240.6
Swiggy	44.1	61.5	61.9	0.7	40.4	(9.6)	(7.8)	(7.8)	(0.4)	(19.0)	(21.8)	(12.7)	(12.6)	14	923	(10.8)	(10.7)	(2.7)	(74.5)	(74.9)
Eternal	58.3	163.2	174.9	7.2	199.8	0.7	3.7	0.7	(81.0)	(2.7)	1.2	2.3	0.4	(186)	(83)	0.4	1.0	1.1	7.6	181.3

Source: HSIE Research

Valuation Summary

Company	Mcap (Rs bn)	CMP (Rs)	Reco.	TP (Rs)	EPS (Rs)			P/E (x)			EV/EBITDA (x)			ROCE (%)		
					FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
ABLBL	131	107	Buy	155	1.5	2.6	3.5	69	41	31	21	16	13	8.7	9.9	10.4
Avenue Supermarts	2,908	4,469	Add	4,300	49.2	61.5	77.1	91	73	58	59	46	37	13.8	14.5	15.5
Vishal Mega Mart	547	117	Buy	130	1.8	2.3	2.9	64	50	40	43	34	28	12.2	13.3	14.1
Titan Company	4,025	4,523	Reduce	4,000	61.1	69.1	80.4	74	65	56	56	49	43	17.1	16.1	15.8
Trent	1,414	3,977	Buy	4,300	52.8	65.0	75.5	75	61	53	54	42	36	24.7	22.5	20.2
Shoppers Stop	33	299	Reduce	340	-2.4	3.0	6.3	-127	100	47	24	15	11	-0.9	16.8	16.5
V-MART	49	612	Buy	850	14.5	21.8	29.3	42	28	21	21	17	13	11.9	13.5	14.4
Bata India	95	741	Reduce	800	16.1	21.4	27.6	46	35	27	23	19	15	9.5	11.6	12.9
Relaxo Footwears	76	305	Add	410	6.7	9.0	10.5	46	34	29	25	19	15	8.2	10.5	11.4
Metro Brands	271	995	Buy	1,080	14.9	18.8	24.1	67	53	41	45	36	29	20.7	22.1	21.8
Asian Paints	2,323	2,422	Add	2,800	42.2	52.3	61.8	57	46	39	35	32	28	18.8	20.0	21.7
Berger Paints	553	474	Add	540	9.9	11.6	13.3	48	41	36	30	26	22	15.4	17.6	17.9
Kansai Nerolac	158	196	Reduce	220	7.9	9.3	10.2	25	21	19	17	15	13	9.9	11.0	11.2
FSN E-Commerce (Nykaa)	747	261	Sell	205	0.7	1.4	2.3	360	181	116	169	106	74	10.2	16.4	20.1
Swiggy	751	272	Buy	460	-13.1	-7.7	-2.6	NM	NM	NM	NM	NM	NM	-33.1	-13.4	-2.9
Eternal	2,374	246	Buy	340	0.3	1.3	2.2	787	193	113	964	139	79	1.5	4.2	6.5

Source: HSIE Research

Price history		
<p>Avenue Supermarts</p>	<p>Titan</p>	<p>Trent</p>
<p>SHOPPERS STOP</p>	<p>V-Mart</p>	<p>Asian Paints</p>
<p>Berger Paints</p>	<p>Kansai Nerolac</p>	<p>Bata</p>
<p>Relaxo</p>	<p>NYKAA</p>	<p>Metrobrands</p>
<p>Swiggy</p>	<p>Eternal</p>	<p>Aditya Birla Lifestyle Brands</p>
<p>Vishal Mega Mart</p>	<p><b>Rating Criteria</b></p> <p>BUY: &gt;+15% return potential</p> <p>ADD: +5% to +15% return potential</p> <p>REDUCE: -10% to +5% return potential</p> <p>SELL: &gt; 10% Downside return potential</p>	

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