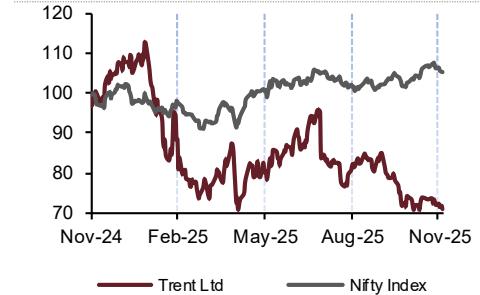


**Trent Q2FY26 revenues were in-line with our estimates, however margins were slightly better.**

- For Q2FY26 on a standalone basis Trent recorded Revenue growth of 17.1% YoY to Rs 47240mn. The like-for-like growth for Trent fashion stores stood at low-single digits.
- On a year-over-year basis, Westside and Zudio together added 4.4 million square feet, increasing the total retail footprint to 14.6 million square feet, representing a growth of 43%.
- EBIDTA on a absolute terms increased by 27% YoY to Rs 8132mn, aided by lower growth in employee and rent expenses
- For Q2FY26 employee cost as well as other were flat on a YoY basis.
- EBIDTA margins for Q2FY26 stood at 17.2% v/s 15.9% YoY.
- Operating EBIDTA (ex of IND-AS impact) stood at Rs 5750mn recording a growth of 16% YoY.***
- Post IND-AS depreciation and Interest expenses increased by 65% and 27.5% (YoY) respectively mainly on account of store additions
- Pat for Q2FY26 increased by 6.5% YoY to Rs 4507mn.
- On a consolidated basis Revenue increased by 16% YoY to Rs 48176mn and PAT (owners share) increased by 11% to Rs 3,768,6mn. Losses from JV and Associates was stood at 11mn against the profit of Rs 57.5mn YoY.

Rating	TP (Rs)	Up/Dn (%)
<b>HOLD</b>	<b>5,134</b>	<b>11</b>
<b>Market data</b>		
Current price	Rs 4,627	
Market Cap (Rs.Bn)	(Rs Bn) 1,645	
Market Cap (US\$ Mn)	(US\$ Mn) 18,561	
Face Value	Rs 1	
52 Weeks High/Low	Rs 7493.05 / 4488	
Average Daily Volume	(000) 487	
BSE Code	500251	
Bloomberg	TRENT.IN	

Source: Bloomberg

**One Year Performance**

Source: Bloomberg

% Shareholding	Sep-25	Jun-25
Promoters	37	37
Public	63	63
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Bloomberg

**Financial Summary Standalone**

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e
Net sales	77,152	119,266	166,681	200,937	249,547
% Growth	98.8	54.6	39.8	20.6	24.2
EBIDTA	11,193	19,269	27,540	33,950	43,435
Margins	15	16	17	17	17
PAT	5,546	10,292	15,848	17,996	23,592
growth (%)	113.5	85.6	54.0	13.5	31.1
EPS	15.6	29.0	44.6	50.6	66.4
P/E (x)	296.4	159.7	103.7	91.3	69.7
P/B (x)	53.4	37.0	27.8	21.8	16.9
EV/EBITDA (x)	147.2	85.4	59.7	48.3	37.3
ROCE (%)	18.3	26.1	29.4	27.3	28.8
RoE (%)	18.0	23.1	26.8	23.9	24.3

Source: Dalal and Broacha

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## Presentation KTA's

- **Demand environment:** Consumer sentiment in Q2FY26 was relatively muted and also witnessed headwinds given unseasonal rains.
- Emerging categories contributed 21% of Revenue similar to Q1FY26
- Online contributed 6% of Westside revenue and grew by 56% YoY
- **Productivity enhancement:** Investment in technology such as RFID has aided productivity at store level and optimized man power. Trent would continue to invest behind technology in product design, logistics, warehousing etc. to improve productivity .
- **Strategy for Store additions:** Add stores in T2 and T3, trying out newer markets hence the revenue profile and growth trajectory is expected to be different compared to existing Aim is remain focused on portfolio growth, elevating products and enhancing store experience for customers. Consolidation of stores will continue to enhance quality of the store
- **New Format:** Launched new youth-focused fashion brand, "Burnt Toast", with a range of bold apparel and accessories, aimed at inspiring young, 4 stores were open in Bangalore, Thane, Pune and Surat.

## Financial KTA's

Westside	Q2FY25	Q1FY26	Q2FY26	Growth	
				YoY	QoQ
Stores NO.s	226	248	261	15.5%	5.2%
Sq FT Mns	4.7	5.5	6.0	27.7%	9.1%
Cities	81	86	88	8.6%	2.3%
Stores Opened	7	1	19		
Stores Consolidated	9	1	6		
Zudio	Q2FY25	Q1FY26	Q2FY26	Growth	
				YoY	QoQ
Stores NO.s	577	766	806	39.7%	5.2%
Sq FT Mns	5.5	8.0	8.6	56.4%	7.5%
Cities	184	235	244	32.6%	3.8%
Stores Opened	34	11	44		
Stores Consolidated	16	10	4		
Revenue STANDALONE	40355.6	47813	47241	17.1%	-1.2%
Average Sq FT					
Westside	20796	22177	22989	10.5%	3.7%
Zudio	9532	10444	10670	11.9%	2.2%
Sales Per Sq Ft STANDALONE	3956	3542	3236	-18.2%	-8.6%
Total Sq FT	10.2	13.5	14.6	43.1%	8.1%

Star Bazaar	Q2FY25	Q1FY26	Q2FY26	Growth	
				YoY	QoQ
Revenue ( Rs Mns)	8980	8690	8790	-2.1%	1.2%
Stores NO.s	74	77	77	4.1%	0.0%
Sq FT Mns	1.2	1.3	1.31	9.2%	0.8%
Cities	10	10	10		
Own Brands	73	73	73		
LFL	14	0			
Average Sq Ft	16216	16883	17013	4.9%	0.8%

- LFL for (Zudio+Westside) low single digit
- Standalone sqft increased by 43%/8% YoY/ QoQ however sales per sqft dropped by 18%/8.6% YoY/QoQ
- **Key Observations from Standalone Cashflow statement:**  
ICD given Rs 1610 mn
  - CAPEX Rs 10.18bn v/s 5.64bn YoY
  - Net Investment in Subsidiaries Rs 915mn.
- StarBazaar revenue dropped by 2.1%, and owned brand sales stood at 73%.

## Quarterly Financials

TRENT Particulars (Rs Mns)	Q2FY26	Q2FY25	YoY Growth	Q1FY26	QoQ Growth
<b>Revenue</b>	<b>47,240.6</b>	<b>40,355.6</b>	<b>17.1%</b>	<b>47,812.5</b>	<b>-1.2%</b>
Raw Material	26,781.4	22,521.2	18.9%	26,225.7	2.1%
Employee Cost	2,873.1	2,880.1	-0.2%	2,842.8	1.1%
Rent Exps	4,022.9	4,039.7	-0.4%	4,983.5	-19.3%
Other Expenses	5,430.8	4,508.0	20.5%	5,383.2	0.9%
<b>EBIDTA</b>	<b>8,132.4</b>	<b>6,406.6</b>	<b>26.9%</b>	<b>8,377.3</b>	<b>-2.9%</b>
Depreciation	3,152.9	1,915.0	64.6%	2,838.5	11.1%
Interest	412.8	323.8	27.5%	395.4	4.4%
<b>PBT (before O.Inc &amp; Exceptional )</b>	<b>4,566.7</b>	<b>4,167.8</b>	<b>9.6%</b>	<b>5,143.4</b>	<b>-11.2%</b>
Other Income	1,192.1	1,386.6	-14.0%	408.5	191.8%
Exceptional Items					
PBT Reported	5,758.8	5,554.4	3.7%	5,551.9	3.7%
PAT (reported)	4,507.7	4,234.4	6.5%	4,225.9	6.7%
Adjusted PAT	4,507.7	4,234.4	6.5%	4,225.9	6.7%
<b>Equity</b>	<b>355.49</b>	<b>355.49</b>	<b>0.0%</b>	<b>355.49</b>	<b>0.0%</b>
EPS (on adj)	12.68	11.91	6.5%	11.89	6.7%
<b>Tax Rate</b>	<b>22%</b>	<b>24%</b>		<b>24%</b>	
<b>% to Revenue</b>					
Raw Material	56.7%	55.8%		54.9%	
Employee Cost	6.1%	7.1%		5.9%	
Rent Exps	8.5%	10.0%		10.4%	
Other Expenses	11.5%	11.2%		11.3%	
<b>EBIDTA Margins</b>	<b>17.2%</b>	<b>15.9%</b>		<b>17.5%</b>	
<b>CONDOLIDATED</b>	<b>Q2FY26</b>	<b>Q2FY25</b>	<b>YoY Growth</b>	<b>Q1FY26</b>	<b>QoQ Growth</b>
Revenue	48176.80	41566.70	16%	48834.80	-1%
EBIDTA Margins	17.0%	15.5%		17.4%	
PAT (owners share)	3768.60	3387.50	11%	4296.90	-12%
Sh of Pft/ Loss of JV	-11.00	57.70	-119%	92.10	-112%

Source: Company

## Outlook and valuations

Trent SOTP Method					
Segment	Particulars	FY27	Metric	Multiple (X)	Value/Per Share Contribution
<b>Westside + Zudio PAT</b>	PAT Standalone (Rs Mns)	23592	P/E	70	1,651,472
<b>Star Bazaar 50% JV</b>	Sales (Rs Mns)	31615	P/Sales	4	126,460
<b>Booker India 51%</b>	Sales (Rs Mns)	3228	P/Sales	1	3,228
Less: Debt (Rs Mns)					4,995
Add: Cash + Invest ( Rs Mns) less Inv in Subs					48,884
<b>Total Value in Mns</b>					<b>1,825,049</b>
<b>NO. of Shares ( In Mns)</b>					<b>355</b>
<b>Value Per Share Rs</b>					<b>5,134</b>
CMP					4,624
Upside					11%

Trent remains firmly committed to its long-term vision of cultivating a diversified portfolio of scalable, home-grown brands, notably Westside and Zudio, both of which have matured into profitable and sustainable business models.

The introduction of innovative formats such as the youth-focused "Burnt Toast" brand and continued investments in technology and productivity enhancements underscore Trent's commitment to evolving consumer preferences and operational excellence.

The company's strategic focus on expanding its footprint across comparable micro-markets has led to a 39% year-over-year increase in city presence to 251, with Zudio driving significant growth, now operating in 244 cities, reflecting a 33% increase year-on-year including 2 in UAE.

This targeted expansion into new, tier-2 and tier-3 micro-markets is expected to underpin sustainable long-term revenue growth, emphasizing scale and market reach over mere same-store sales improvements.

**Our SOTP valuation model targets Rs 5,134 over 12 months, indicating an 11% upside. Management's goal of 25% CAGR, supported by steady store expansion and strong cash flows, underpins a positive outlook.**

## Financial (standalone)

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	77,151.9	119,265.6	166,681.1	200,936.7	249,546.9
Cost of sales	(65,959.4)	(99,996.3)	(139,141.1)	(166,987.2)	(206,112.1)
<b>Operating Profit</b>	<b>11,192.5</b>	<b>19,269.3</b>	<b>27,540.0</b>	<b>33,949.6</b>	<b>43,434.8</b>
Depreciation	(4,632.1)	(6,385.2)	(8,698.6)	(12,000.0)	(14,049.0)
PBIT	6,560.4	12,884.1	18,841.4	21,949.6	29,385.8
Other income	4,117.0	3,509.3	3,293.7	3,434.0	3,711.4
Interest	(3,572.3)	(3,093.7)	(1,368.9)	(1,334.7)	(1,569.1)
Profit before tax	7,105.1	13,299.7	20,766.2	24,048.9	31,528.1
Exceptional and Extra Ordinary	-	5,433.5	-	-	-
PBT (Post Extra Ordinary)	7,105.1	18,733.2	20,766.2	24,048.9	31,528.1
Provision for tax	(1,559.4)	(4,375.0)	(4,917.8)	(6,053.1)	(7,935.6)
<b>Reported PAT</b>	<b>5,545.7</b>	<b>14,358.2</b>	<b>15,848.4</b>	<b>17,995.8</b>	<b>23,592.5</b>
MI	-	-	-	-	-
<b>Adjusted PAT</b>	<b>5,545.7</b>	<b>10,292.2</b>	<b>15,848.4</b>	<b>17,995.8</b>	<b>23,592.5</b>

Balance Sheet	FY23	FY24	FY25	FY26E	FY27E
Equity capital	355.5	355.5	355.5	355.5	355.5
Reserves	30,443.9	44,116.4	58,788.5	75,006.9	96,822.0
<b>Net worth</b>	<b>30,799.4</b>	<b>44,471.9</b>	<b>59,144.0</b>	<b>75,362.4</b>	<b>97,177.5</b>
<b>Non Current Liabilities</b>	<b>41,965.7</b>	<b>15,081.5</b>	<b>17,997.3</b>	<b>14,854.9</b>	<b>17,263.9</b>
<b>Current Liabilities</b>	<b>10,446.1</b>	<b>15,027.4</b>	<b>19,847.4</b>	<b>31,736.5</b>	<b>35,526.6</b>
<b>CAPITAL EMPLOYED</b>	<b>83,211.2</b>	<b>74,580.8</b>	<b>96,988.7</b>	<b>121,953.8</b>	<b>149,968.1</b>
<b>Non Current Assets</b>	<b>57,546.6</b>	<b>39,002.2</b>	<b>54,444.2</b>	<b>64,100.8</b>	<b>62,582.7</b>
Fixed Assets	44,074.2	25,616.1	37,786.0	46,240.0	44,720.0
Non Current Investments	11,917.9	12,820.0	16,189.7	17,221.0	17,221.0
Deferred Tax Asset	1,540.3	553.4	457.8	630.3	630.3
Long Term Loans and Advances	14.2	12.7	10.7	9.5	11.4
<b>Current Assets</b>	<b>25,664.6</b>	<b>35,578.6</b>	<b>42,544.5</b>	<b>57,853.0</b>	<b>87,385.4</b>
<b>Current investments</b>	<b>4,564.8</b>	<b>6,201.8</b>	<b>5,166.4</b>	<b>5,097.9</b>	<b>6,097.9</b>
Inventories	13,368.8	15,648.1	20,283.8	24,469.3	30,408.5
Trade Receivables	314.3	786.0	596.2	719.2	893.8
Cash and Bank Balances	788.7	2,861.9	3,228.9	8,363.6	26,941.6
Short Term Loans and Advance	167.9	168.5	177.6	1,637.9	1,965.5
Other Current Assets	6,460.1	9,912.3	13,091.6	17,565.1	21,078.1
<b>CAPITAL DEPLOYED</b>	<b>83,211.2</b>	<b>74,580.8</b>	<b>96,988.7</b>	<b>121,953.8</b>	<b>149,968.1</b>

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E
Net Profit	5,545.7	14,358.2	15,848.4	17,995.8	23,592.5
Add: Dep. & Amort.	4,632.1	6,385.2	8,698.6	12,000.0	14,049.0
<b>Cash profits (Inc)/Dec in</b>	<b>10,177.8</b>	<b>20,743.4</b>	<b>24,547.0</b>	<b>29,995.8</b>	<b>37,641.5</b>
Sundry debtors	(151.0)	(471.7)	189.8	(123.0)	(174.6)
Inventories	(5,144.3)	(2,279.3)	(4,635.7)	(4,185.5)	(5,939.2)
Loans/advances	(1,648.1)	(3,451.3)	(3,186.4)	(5,932.6)	(3,842.5)
Current Liab and Provision	5,213.6	5,576.3	4,864.3	7,153.1	3,976.1
Change in working capital	(1,729.8)	(626.0)	(2,768.0)	(3,088.0)	(5,980.1)
<b>CF from Oper. activities</b>	<b>8,448.0</b>	<b>20,117.4</b>	<b>21,779.0</b>	<b>26,907.8</b>	<b>31,661.3</b>
<b>CF from Inv. activities</b>	<b>(2,418.5)</b>	<b>9,533.8</b>	<b>(23,202.8)</b>	<b>(21,416.8)</b>	<b>(13,529.0)</b>
<b>CF from Fin. activities</b>	<b>(5,984.6)</b>	<b>(27,578.0)</b>	<b>1,790.8</b>	<b>(356.3)</b>	<b>445.7</b>
<b>Cash generated/(utilise</b>	<b>44.9</b>	<b>2,073.2</b>	<b>367.0</b>	<b>5,134.7</b>	<b>18,578.0</b>
Cash at start of the year	743.8	788.7	2,861.9	3,228.9	8,363.6
Cash at end of the year	788.7	2,861.9	3,228.9	8,363.6	26,941.6
Ratios	FY23	FY24	FY25	FY26E	FY27E
OPM	14.5	16.2	16.5	16.9	17.4
NPM	6.8	8.4	9.3	8.8	9.3
Tax rate	(21.9)	(32.9)	(23.7)	(25.2)	(25.2)
Growth Ratios (%)					
Net Sales	98.8	54.6	39.8	20.6	24.2
Operating Profit	60.3	72.2	42.9	23.3	27.9
PBIT	58.0	96.4	46.2	16.5	33.9
PAT	113.5	85.6	54.0	13.5	31.1
Per Share (Rs.)					
Net Earnings (EPS)	15.6	29.0	44.6	50.6	66.4
Cash Earnings (CPS)	28.6	46.9	69.1	84.4	105.9
Dividend	2.2	3.2	5.0	5.0	5.0
Book Value	86.6	125.1	166.4	212.0	273.4
Free Cash Flow	17.0	83.4	(4.0)	15.4	51.0
Valuation Ratios					
P/E(x)	296.4	159.7	103.7	91.3	69.7
P/B(x)	53.4	37.0	27.8	21.8	16.9
EV/EBIDTA(x)	147.2	85.4	59.7	48.3	37.3
Div. Yield(%)	0.0	0.1	0.1	0.1	0.1
FCF Yield(%)	0.4	1.8	(0.1)	0.3	1.1
Return Ratios (%)					
ROE	18.0	23.1	26.8	23.9	24.3
ROCE	18.3	26.1	29.4	27.3	28.8

Source: Dalal &amp; Broacha Research, Company

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