

Trent Q4FY26 revenues were in-line with our estimates, however margins were better than expected.

- For Q4FY26 on a standalone basis Trent recorded Revenue growth of 20% YoY to Rs 49366mn. The like-for-like growth for Trent fashion stores stood was low single digits for Q4FY26 as well as for the full year.
- On a year-over-year basis, Westside and Zudio together added 4.3 million square feet, increasing the total retail footprint to 17.6 million square feet, representing a growth of 32.6%.
- EBIDTA on an absolute terms increased by 40% YoY to Rs 9190mn, aided better gross margins and lower growth in employee and rental costs.
- EBIDTA margins for Q4FY26 stood at 18.6% v/s 16% YoY.
- Operating EBIDTA (ex of IND-AS impact) stood at Rs 6680mn recording a growth of 43% YoY. (as per presentation)**
- Post IND-AS depreciation and Interest expenses increased by 37.6% and 12% (YoY) respectively mainly on account of store additions
- PBT ex of other income increased by 44.7% YoY to Rs 5154mn.**
- Q4FY26 other income declined by 37% to Rs 610.7mn.
- PAT (adjusted) for Q4FY26 increased by 30% YoY to Rs 4548mn.
- On a consolidated basis Revenue increased by 19% YoY to Rs 50279.9mn and PAT (owners share) increased by 26% YoY to Rs 4003mn. Profit from JV and Associates stood at loss of Rs 160.8mn against the loss of Rs 11mn YoY, since share in Zara has come down to 20% from 49% earlier.

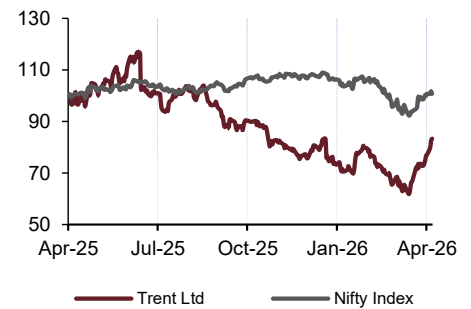
Rating	TP (Rs)	Up/Dn (%)
HOLD	4,760	7

Market data

Current price	Rs	4,435
Market Cap (Rs.Bn)	(Rs Bn)	1,576
Market Cap (US\$ Mn)	(US\$ Mn)	16,860
Face Value	Rs	1
52 Weeks High/Low	Rs	6261 / 3275.5
Average Daily Volume	('000)	2,604
BSE Code		500251
Bloomberg		TRENT.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Mar-26	Dec-25
Promoters	37	37
Public	63	63
Total	100	100

Source: Bloomberg

Financial Summary Standalone

Y/E Mar (Rs mn)	FY24	FY25	FY26e	FY27e	FY28e
Net sales	119,266	166,681	197,014	236,345	285,230
% Growth	54.6	39.8	18.2	20.0	20.7
EBIDTA	19,269	27,540	36,433	44,647	55,920
Margins	16.2	16.5	18.5	18.9	19.6
PAT	10,292	15,848	19,880	22,824	28,943
growth (%)	85.6	54.0	25.4	14.8	26.8
EPS	29.0	44.6	55.9	64.2	81.4
P/E (x)	153.2	99.5	79.3	69.1	54.5
P/B (x)	35.4	26.7	20.5	16.1	12.7
EV/EBITDA (x)	81.9	57.3	43.3	35.1	27.7
ROCE (%)	26.1	29.4	28.4	28.2	28.6
RoE (%)	23.1	26.8	25.8	23.4	23.2

Source: Dalal and Broacha

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Presentation KTA's

- **Demand Trends:** Consumer sentiment stable at the start of Q4; discretionary spending moderated amid macro uncertainties and rising cost of living
- **External Risks:** Middle East developments may impact near-term demand through supply chain disruptions, commodity prices and inflation
- **Cost Environment:** Early signs of inflation in select raw materials; some supplier-side labour constraints
- **Sourcing / Availability:** Predominantly India-based sourcing with diversified hubs supporting consistent availability and stable customer value proposition
- **Store Network / Scale**
 - a. **~1,250+ stores across 321 cities** (incl. **3 UAE**); footprint **17.7 mn sqft**
 - b. **Q4FY26:** +23 Westside, +109 Zudio (incl. 2 UAE); 1 Westside closure; entry into **47 new cities**
 - c. **FY26:** +60 Westside, +212 Zudio (incl. 4 UAE); closures: 8 Westside, 14 Zudio
 - d. **Total (Mar'26):** 300 Westside, 963 Zudio (incl. 6 UAE), 23 other formats
 - e. Sustained addition run-rate of **~250 stores annually**
- **Expansion Strategy**
 - a. Increasing density in Tier I/II markets while accelerating expansion into smaller markets
 - b. **>80% of Zudio additions in Tier II/III & new micro-markets**
 - c. Cluster-led expansion driving improving **revenue density & profitability**
 - d. New markets have **2–3 year maturity curve**; not directly comparable to mature stores
- **Growth Metrics / Channels**
 - a. **LFL growth:** low single digit (Q4FY26 & FY26). Primarily seeking to pursue revenue growth across comparative micro-markets vis-à-vis just the performance of comparative stores.
 - b. Emerging categories (beauty, innerwear, footwear) **>21% of revenues**
 - c. **Westside online:** +25% YoY in Q4; **>6% of revenues**; continues to scale profitably (incl. Tata Neu). Westside today registers some of the highest volumes online vis-à-vis comparative players in the Indian market.

Fund Raise / Investments

- d. *In-principle* approval for **₹25.0 bn equity raise** (structure/timelines TBD)
- e. Use: store upgrades, new brands/categories/geographies, supply chain & warehouse automation, digital initiatives, Star expansion (incl. retail real estate)

Competitive Positioning

- f. Competitive intensity remains high; no material change
- g. Own-brand + direct-to-consumer model supporting differentiation and premiumization
- h. Focus on strengthening product proposition, efficiency and brand relevance

Pricing / Positioning

- i. Stable pricing strategy; not used as a demand lever
- j. Focus on own brands, product relevance and consistent value proposition
- k. Aim to maintain stable margin profile through efficiency-led approach

Store Economics / Profitability

- l. Cluster-based expansion driving higher revenue density & profitability at market level
- m. Improving outcomes from store portfolio management and density strategy

Return Ratios

- n. ROCE >29% in FY26, indicating continued capital efficiency

Technology / Efficiency

- o. RFID-led automation improving supply chain and in-store productivity
- p. Manpower optimization benefits largely realized; cost growth contained
- q. Ongoing investments in digital, technology and AI across value chain

Cost Structure / Operating Leverage

- r. Increasing share of variable cost structures (rent / associate payouts linked to revenue)
- s. IND AS 116 impacts reported occupancy costs; underlying costs aligned to revenue
- t. New store maturity impacts depreciation; EBITDA remains key metric

Operating Model

- u. Preference for company-operated stores with full merchandise ownership
- v. Franchising remains selective and primarily property-linked

Bonus Issue: A bonus share issuance was approved in a 1:2 ratio (one bonus share for every two existing shares held)

Financial KTA's

Westside	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Growth YoY	Growth QoQ
Stores NO.s	248	248	261	278	300	21.0%	7.9%
Sq FT Mns	5.4	5.5	6.0	6.5	7.3	34.4%	11.7%
Cities	86	86	88	93	97	12.8%	4.3%
Stores Opened	13	1	19	17	23		
Stores Consolidated	3	1	6	0	1		
Zudio	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Growth YoY	Growth QoQ
Stores NO.s	765	766	806	854	963	25.9%	12.8%
Sq FT Mns	7.9	8.0	8.6	9.2	10.4	31.4%	12.8%
Cities	235	235	244	265	313	33.2%	18.1%
Stores Opened	132	11	44	48	109		
Stores Consolidated	2	10	4	0	0		
Revenue STANDALONE	41061	47813	47241	52595	49366	20.2%	-6.1%
Average Sq FT							
Westside	21774	22177	22989	23381	24200	11.1%	3.5%
Zudio	10327	10444	10670	10773	10779	4.4%	0.1%
Sales Per Sq Ft STANDALONE	3087	3542	3236	3350	2799	-9.4%	-16.5%
Total Sq FT	13.3	13.5	14.6	15.7	17.6	32.6%	12.4%

Star Bazaar	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Growth YoY	Growth QoQ
Revenue (Rs Mns)	8570	8690	8790	8960		-100.0%	-100.0%
Revenue Ex GST (Rs	8030			8960	8500	5.9%	-5.1%
Stores NO.s	78	77	77	79	84	7.7%	6.3%
Sq FT Mns	1.3	1.3	1.31	1.36	1.44	10.8%	5.9%
Cities	10	10	10	11	12	20.0%	9.1%
Own Brands	72	73	73	74	73	1.4%	-1.4%
LFL	2	0					
Average Sq Ft	16667	16883	17013	17215	17143	2.9%	-0.4%

Outlook and valuations

Trent SOTP Method					
Segment	Particulars	FY28	Metric	Multiple (X)	Value/ Per Share Contribution
Westside + Zudio PAT	PAT Standalone (Rs Mns)	28943	P/E	55	1,591,866
Star Bazaar 50% JV	Sales (Rs Mns)	22913	P/Sales	2	45,827
Booker India 51%	Sales (Rs Mns)	4462	P/Sales	1	4,462
Less: Debt (Rs Mns)					4,999
Add: Cash + Invest (Rs Mns) less Inv in Subs					55,019
Total Value in Mns					1,692,175
NO. of Shares (In Mns)					355
Value Per Share Rs					4,760
CMP					4,435
Upside					7%

Trent continues to execute well on its **scale-led growth strategy** (≈ 250 store additions annually) with strong traction in Tier II/III markets and improving cluster economics

- Despite near-term headwinds (low LFL growth, input cost pressures, slower Star rollout), structural drivers remain intact \rightarrow premiumisation, own-brand mix, and omnichannel scale
- Strong ROCE $>29\%$, stable pricing architecture and increasing operating efficiencies provide comfort on long-term profitability
- Incremental ₹25.0 bn equity raise signals acceleration in store expansion, supply chain and digital capabilities, though dilution remains a monitorable
- Star business seeing improving mix ($>73\%$ own brands) with scope for acceleration, supporting long-term optionality

Based on SOTP (55x FY28E), TP stands at ₹4,760 ($\sim 7\%$ upside), implying a balanced near-term risk-reward.

Financial (standalone)

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	77,151.9	119,265.6	166,681.1	197,014.1	236,345.2	285,229.6
Cost of sales	(65,959.4)	(99,996.3)	(139,141.1)	(160,581.3)	(191,698.1)	(229,309.4)
Operating Profit	11,192.5	19,269.3	27,540.0	36,432.8	44,647.1	55,920.2
Depreciation	(4,632.1)	(6,385.2)	(8,698.6)	(13,156.9)	(15,714.3)	(18,894.7)
PBIT	6,560.4	12,884.1	18,841.4	23,275.9	28,932.8	37,025.5
Other income	4,117.0	3,509.3	3,293.7	3,744.6	3,340.8	3,593.8
Interest	(3,572.3)	(3,093.7)	(1,368.9)	(1,647.2)	(1,842.0)	(2,028.7)
Profit before tax	7,105.1	13,299.7	20,766.1	25,373.3	30,431.7	38,590.7
Exceptional and Extra Ordinary	-	5,433.5	-	(257.9)	-	-
PBT (Post Extra Ordinary)	7,105.1	18,733.2	20,766.1	25,115.4	30,431.7	38,590.7
Provision for tax	(1,559.4)	(4,375.0)	(4,917.8)	(5,437.2)	(7,607.9)	(9,647.7)
Reported PAT	5,545.7	14,358.2	15,848.3	19,678.2	22,823.7	28,943.0
MI	-	-	-	-	-	-
Adjusted PAT	5,545.7	10,292.2	15,848.3	19,880.3	22,823.7	28,943.0

Balance Sheet	FY23	FY24	FY25	FY26E	FY27E	FY28E
Equity capital	355.5	355.5	355.5	355.5	355.5	355.5
Reserves	30,443.9	44,116.4	58,788.5	76,672.5	97,363.2	124,173.3
Net worth	30,799.4	44,471.9	59,144.0	77,028.0	97,718.7	124,528.8
Non Current Liabilities	41,965.7	15,081.5	17,997.3	13,593.0	15,453.3	17,258.2
Current Liabilities	10,446.1	15,027.4	19,847.4	31,636.1	35,453.0	39,991.3
CAPITAL EMPLOYED	83,211.2	74,580.8	96,988.7	122,257.1	148,625.0	181,778.3
Non Current Assets	57,546.6	39,002.2	54,444.2	73,383.2	76,550.8	83,273.6
Fixed Assets	44,074.2	25,616.1	37,786.0	53,248.2	56,092.1	62,426.7
Non Current Investments	11,917.9	12,820.0	16,189.7	17,836.3	17,836.3	17,836.3
Deferred Tax Asset	1,540.3	553.4	457.8	680.6	680.6	680.6
Long Term Loans and Advances:	14.2	12.7	10.7	1,618.1	1,941.7	2,330.1
Current Assets	25,664.6	35,578.6	42,544.5	48,873.9	72,074.3	98,504.6
Current investments	4,564.8	6,201.8	5,166.4	5,236.5	6,236.5	7,236.5
Inventories	13,368.8	15,648.1	20,283.8	22,686.1	27,225.8	32,860.4
Trade Receivables	314.3	786.0	596.2	711.5	853.9	1,030.6
Cash and Bank Balances	788.7	2,861.9	3,228.9	2,636.6	16,343.6	31,322.1
Short Term Loans and Advance	167.9	168.5	177.6	23.7	29.2	35.9
Other Current Assets	6,460.1	9,912.3	13,091.6	17,579.5	21,385.4	26,019.2
CAPITAL DEPLOYED	83,211.2	74,580.8	96,988.7	122,257.1	148,625.0	181,778.3

Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Profit	5,545.7	14,358.2	15,848.3	19,678.2	22,823.7	28,943.0
Add: Dep. & Amort.	4,632.1	6,385.2	8,698.6	13,156.9	15,714.3	18,894.7
Cash profits	10,177.8	20,743.4	24,546.9	32,835.1	38,538.1	47,837.7
(Inc)/Dec in						
Sundry debtors	(151.0)	(471.7)	189.8	(115.3)	(142.4)	(176.7)
Inventories	(5,144.3)	(2,279.3)	(4,635.7)	(2,402.3)	(4,539.7)	(5,634.6)
Loans/advances	(1,648.1)	(3,451.3)	(3,186.4)	(5,941.4)	(4,135.0)	(5,028.8)
Current Liab and Provision	5,213.6	5,576.3	4,864.3	6,597.9	3,957.7	4,693.3
Change in working capital	(1,729.8)	(626.0)	(2,768.0)	(1,861.1)	(4,859.3)	(6,146.9)
CF from Oper. activities	8,448.0	20,117.4	21,778.9	30,974.0	33,678.8	41,690.8
CF from Inv. activities	(2,418.5)	9,533.8	(23,202.8)	(30,335.8)	(19,558.2)	(26,229.2)
CF from Fin. activities	(5,984.6)	(27,578.0)	1,790.9	(1,230.5)	(413.5)	(483.1)
Cash generated/(utilise	44.9	2,073.2	367.0	(592.3)	13,707.0	14,978.5
Cash at start of the year	743.8	788.7	2,861.9	3,228.9	2,636.6	16,343.6
Cash at end of the year	788.7	2,861.9	3,228.9	2,636.6	16,343.6	31,322.1

Rat ios	FY23	FY24	FY25	FY26E	FY27E	FY28E
OPM	14.5	16.2	16.5	18.5	18.9	19.6
NPM	6.8	8.4	9.3	9.9	9.5	10.0
Tax rate	(21.9)	(32.9)	(23.7)	(21.4)	(25.0)	(25.0)
Growth Ratios (%)						
Net Sales	98.8	54.6	39.8	18.2	20.0	20.7
Operating Profit	60.3	72.2	42.9	32.3	22.5	25.2
PBIT	58.0	96.4	46.2	23.5	24.3	28.0
PAT	113.5	85.6	54.0	25.4	14.8	26.8
Per Share (Rs.)						
Net Earnings (EPS)	15.6	29.0	44.6	55.9	64.2	81.4
Cash Earnings (CPS)	28.6	46.9	69.0	92.9	108.4	134.6
Dividend	2.2	3.2	5.0	5.0	6.0	6.0
Book Value	86.6	125.1	166.4	216.7	274.9	350.3
Free Cash Flow	17.0	83.4	(4.0)	1.8	39.7	43.5
Valuation Ratios						
P/E(x)	284.3	153.2	99.5	79.3	69.1	54.5
P/B(x)	51.2	35.4	26.7	20.5	16.1	12.7
EV/EBIDTA(x)	141.2	81.9	57.3	43.3	35.1	27.7
Div. Yield(%)	0.0	0.1	0.1	0.1	0.1	0.1
FCF Yield(%)	0.4	1.9	(0.1)	0.0	0.9	1.0
Return Ratios (%)						
ROE	18.0	23.1	26.8	25.8	23.4	23.2
ROCE	18.3	26.1	29.4	28.4	28.2	28.6

Source: Dalal & Broacha Research, Company

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