



Trent Q4FY25 Standalone results were in line with our expectation with LFL growth @ low-single digits in Fashion concept however operational performance improved.

- **Standalone revenue** growth stood at 19.8% YoY aided strong store openings in Q4 which has led to 37.8% sqft growth (including zudio and Westside). However LFL remained at low single digits.
- The average sqft per store in case of Westside has increased by 10% and 12% in Zudio, however the sale per sqft for the combined fashion stores is still down by 13% to Rs 3542 for Q1FY26.
- **Gross margins** were down by 110bps to 45.1% which we anticipate to higher store openings via Zudio. We believe this gross margins trajectory is the new normal considering the fact that the management wants to expand in T2 and T3 cities which will happen via higher Zudio stores.
- **Employee costs declined** by 6.7% YoY, might be driven by:
 - a) Enhanced store automation reducing overtime expenses,
 - b) Single-digit same-store growth in metro stores likely lowering variable labor costs,
 - c) Expansion in Tier 2 and Tier 3 cities enabling employment of store-level staff at lower wage rates
- **EBIDTA (post Ind-as)** rose by 37% to Rs 8377mn due to the above factors.
- As expected in totality due to Ind-As Rent / depreciation / interest were up 7.2%/61%/27% respectively due to 38% rise in sq footage on a YoY basis (westside and Zudio put together)
- **Pre-Ind As EBIT margins** as mentioned by the company stood at 11.4% v/s 10.6% indicating operational improvement in the business. Emerging categories now contribute ~21% which would have also contributed to this expansion.
- This led Standalone PAT grow by 23.5% to Rs 4226mn lower than EBIDTA on account of 11% drop in other income.

Financial Summary Standlone

Y/E Mar (Rs mn)	FY23	FY24	FY25	FY26e	FY27e
Net sales	77,152	119,266	166,681	214,699	271,498
% Growth	98.8	54.6	39.8	28.8	26.5
EBIDTA	11,193	19,269	27,540	36,741	47,581
Margins	15	16	17	17	18
PAT	5,546	10,292	15,848	19,994	26,626
growth (%)	113.5	85.6	54.0	26.2	33.2
EPS	15.6	29.0	44.6	56.2	74.9
P/E (x)	343.5	185.1	120.2	95.3	71.5
P/B (x)	61.9	42.8	32.2	24.6	18.6
EV/EBITDA (x)	170.6	99.0	69.2	51.5	39.3
ROCE (%)	18.3	26.1	29.4	30.7	31.8
RoE (%)	18.0	23.1	26.8	25.8	26.1

Source: Dalal and Broacha

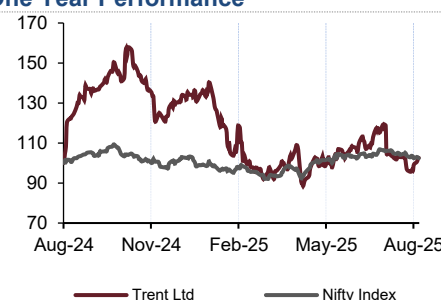
Rating	TP (Rs)	Up/Dn (%)
ACCUMULATE	5,802	8

Market data

Current price	Rs	5,357
Market Cap (Rs.Bn)	(Rs Bn)	1,904
Market Cap (US\$ Mn)	(US\$ Mn)	21,686
Face Value	Rs	1
52 Weeks High/Low	Rs	8345.85 / 4488
Average Daily Volume	('000)	1,002
BSE Code		500251
Bloomberg		TRENT.IN

Source: Bloomberg

One Year Performance



Source: Bloomberg

% Shareholding	Jun-25	Mar-25
Promoters	37.01	37.01
Public	62.99	62.99
Total	100.00	100.00

Source: Bloomberg

Kunal Bhatia

+91 22 67141442

kunal.bhatia@dalal-broacha.com

Consolidated Results

- **Revenue** grew by 19% YoY to Rs 48835mn (+16% QoQ)
- **EBIDTA** margins stood at 17.4% v/s 14.9% YoY and 15.5% QoQ
- **PAT** adjusted owners shares stood at Rs 4297mn +9% YoY and was up by 35% QoQ
- Share of Profits from JV and Associates was Rs 92.1mn as against Rs 556mn YoY.
- Our internal estimates indicate Star Bazaar has not broken even on Pat levels.

Other KTA's

- StarBazaar's business momentum appears subdued, as an 18% year-over-year increase in square footage translated into only a 6.6% rise in sales. Notably, 73% of sales are now driven by owned brands, reflecting a strategic focus on private label products
- The 83% YoY decline in Share of Profit and loss in Associates to Rs 92mn is majorly due to loss in Star Bazaar.
- **Emerging categories** Emerging categories including beauty and personal care, innerwear and footwear contribute 21% to standalone Revenue
- **Online Revenue** through Westside.com and other Tata group platforms and currently contribute over 6% of Westside revenues and grew by 35

Presentation KTA's

Westside	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Growth YoY	Growth QoQ
Stores NO.s	228	226	238	248	248	8.8%	0.0%
Sq FT Mns	4.6	4.7	5.1	5.4	5.5	19.6%	1.9%
Cities	86	81	82	86	86	0.0%	0.0%
Stores Opened	6	7	14	13	1		
Stores Consolidated	10	9	2	3	1		
Zudio	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Growth YoY	Growth QoQ
Stores NO.s	559	577	635	765	766	37.0%	0.1%
Sq FT Mns	5.2	5.5	6.2	7.9	8.0	53.8%	1.3%
Cities	164	184	190	235	235	43.3%	0.0%
Stores Opened		34	62	132	11		
Stores Consolidated		16	4	2	10		
Revenue STANDALONE	39917.4	40355.6	45347	41061	47813	19.8%	16.4%
Average Sq FT							
Westside	20175	20796	21429	21774	22177	9.9%	1.9%
Zudio	9302	9532	9764	10327	10444	12.3%	1.1%
Sales Per Sq Ft STANDALONE	4073	3956	4013	3087	3542	-13.0%	14.7%
Total Sq FT	9.8	10.2	11.3	13.3	13.5	37.8%	1.5%

Star Bazaar	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Growth YoY	Growth QoQ
Revenue (Rs Mns)	8150	8980	9470	8570	8690	6.6%	1.4%
Stores NO.s	72	74	74	78	77	6.9%	-1.3%
Sq FT Mns	1.1	1.2	1.2	1.3	1.3	18.2%	0.0%
Cities	10	10	10	10	10		
Own Brands	72	73	74	72	73		
LFL	22	14	10	2	0		
Average Sq Ft	15278	16216	16216	16667	16883	10.5%	1.3%

Source: Dalal & Broacha Research, Company

Quarterly Financials

TRENT Particulars (Rs Mns)	Q1FY26	Q1FY25	YoY Growth	Q4FY25	QoQ Growth
Revenue	47,812.5	39,917.4	19.8%	41,061.0	16.4%
Raw Material	26,225.7	21,463.9	22.2%	23,556.6	11.3%
Employee Cost	2,842.8	3,045.7	-6.7%	3,072.8	-7.5%
Rent Exps	4,983.5	4,648.3	7.2%	3,063.7	62.7%
Other Expenses	5,383.2	4,654.0	15.7%	4,804.0	12.1%
EBIDTA	8,377.3	6,105.5	37.2%	6,563.9	27.6%
Depreciation	2,838.5	1,759.3	61.3%	2,630.9	7.9%
Interest	395.4	311.6	26.9%	370.9	6.6%
PBT (before O.Inc & Exceptional)	5,143.4	4,034.6	27.5%	3,562.1	44.4%
Other Income	408.5	461.1	-11.4%	970.4	-57.9%
Exceptional Items					
PBT Reported	5,551.9	4,495.7	23.5%	4,532.5	22.5%
PAT (reported)	4,225.9	3,421.5	23.5%	3,499.2	20.8%
Adjusted PAT	4,225.9	3,421.5	23.5%	3,499.2	20.8%
Equity	355.49	355.49	0.0%	355.49	0.0%
EPS (on adj)	11.89	9.62	23.5%	9.84	20.8%
Tax Rate	24%	24%		23%	
% to Revenue					
Raw Material	54.9%	53.8%		57.4%	
Employee Cost	5.9%	7.6%		7.5%	
Rent Exps	10.4%	11.6%		7.5%	
Other Expenses	11.3%	11.7%		11.7%	
EBIDTA Margins	17.5%	15.3%		16.0%	
CONDOLIDATED	Q1FY26	Q1FY25	YoY Growth	Q4FY25	QoQ Growth
Revenue	48834.80	41044.40	19%	42169.40	16%
EBIDTA Margins	17.4%	14.9%		15.5%	
PAT (owners share)	4296.90	3925.70	9%	3181.50	35%
Sh of Pft/ Loss of JV	92.10	556.00	-83%	-11.00	-937%

Source: Company, Dalal & Broacha Research

Outlook and valuations

Trent SOTP Method					
Segment	Particulars	FY27	Metric	Multiple (X)	Value/ Per Share Contribution
Westside + Zudio PAT	PAT Standalone (Rs Mns)	26626	P/E	70	1,863,818
Star Bazaar 50% JV	Sales (Rs Mns)	31615	P/Sales	4	126,460
Booker India 51%	Sales (Rs Mns)	3855	P/Sales	4	15,420
Less: Debt (Rs Mns)					4,992
Add: Cash + Invest (Rs Mns) less Inv in Subs					61,766
Total Value in Mns					2,062,473
NO. of Shares (In Mns)					355
Value Per Share Rs					5,802
CMP					5,359
Upside					8%

Trent's longer-term focus is to be a *"Portfolio of Brands"* which are originated and scalable, like Westside and Zudio that are now both profitable and sustainable business models.

Management is focused on driving revenue growth across comparable micro markets, as evidenced by a 42% year-over-year increase in the number of cities to 242. This expansion was primarily driven by Zudio's growth, which now operates in 235 cities, reflecting a 43% YoY increase.

The management is aiming at the critical mass by expanding in newer micro markets which according to us would generate higher revenue in the long run vs just focusing on getting higher same-store-sales growth.

We believe the downside risk to the stock is limited, based on our (SOTP) valuation model, **12-month target price is Rs 5,802**, representing an upside potential of 8%. The longer-term outlook remains positive, anchored by management's guidance of a robust 25% CAGR for next few years.

Financial (standalone)

P&L (Rs mn)	FY23	FY24	FY25	FY26E	FY27E	Cash Flow St. (Rs. mn)	FY23	FY24	FY25	FY26E	FY27E
Net Sales	77,151.9	119,265.6	166,681.1	214,698.5	271,498.0	Net Profit	5,545.7	14,358.2	15,848.4	19,993.9	26,626.0
Cost of sales	(65,959.4)	(99,996.3)	(139,141.1)	(177,957.2)	(223,917.3)	Add: Dep. & Amort.	4,632.1	6,385.2	8,698.6	11,435.8	13,467.4
Operating Profit	11,192.5	19,269.3	27,540.0	36,741.3	47,580.7	Cash profits (Inc)/Dec in					
Depreciation	(4,632.1)	(6,385.2)	(8,698.6)	(11,435.8)	(13,467.4)	Sundry debtors	(151.0)	(471.7)	189.8	(172.5)	(204.1)
PBIT	6,560.4	12,884.1	18,841.4	25,305.5	34,113.3	Inventories	(5,144.3)	(2,279.3)	(4,635.7)	(5,868.4)	(6,942.6)
Other income	4,117.0	3,509.3	3,293.7	3,057.7	3,346.8	Loans/advances	(1,648.1)	(3,451.3)	(3,186.4)	(2,656.0)	(3,187.2)
Interest	(3,572.3)	(3,093.7)	(1,368.9)	(1,644.1)	(1,878.1)	Current Liab and Provision	5,213.6	5,576.3	4,864.3	3,381.2	3,855.9
Profit before tax	7,105.1	13,299.7	20,766.2	26,719.1	35,582.0	Change in working capital	(1,729.8)	(626.0)	(2,768.0)	(5,315.7)	(6,478.0)
Exceptional and Extra Ordinary	-	5,433.5	-	-	-	CF from Oper. activities	8,448.0	20,117.4	21,779.0	26,114.1	33,615.5
PBT (Post Extra Ordinary)	7,105.1	18,733.2	20,766.2	26,719.1	35,582.0	CF from Inv. activities	(2,418.5)	9,533.8	(23,202.8)	(11,028.7)	(12,612.5)
Provision for tax	(1,559.4)	(4,375.0)	(4,917.8)	(6,725.2)	(8,956.0)	CF from Fin. activities	(5,984.6)	(27,578.0)	1,790.8	23.3	445.7
Reported PAT	5,545.7	14,358.2	15,848.4	19,993.9	26,626.0	Cash generated/(utilise	44.9	2,073.2	367.0	15,108.7	21,448.7
MI	-	-	-	-	-	Cash at start of the year	743.8	788.7	2,861.9	3,228.9	18,337.6
Adjusted PAT	5,545.7	10,292.2	15,848.4	19,993.9	26,626.0	Cash at end of the year	788.7	2,861.9	3,228.9	18,337.6	39,786.2

Balance Sheet	FY23	FY24	FY25	FY26E	FY27E	Ratios	FY23	FY24	FY25	FY26E	FY27E
Equity capital	355.5	355.5	355.5	355.5	355.5	OPM	14.5	16.2	16.5	17.1	17.5
Reserves	30,443.9	44,116.4	58,788.5	77,005.1	101,853.7	NPM	6.8	8.4	9.3	9.2	9.7
Net worth	30,799.4	44,471.9	59,144.0	77,360.5	102,209.2	Tax rate	(21.9)	(32.9)	(23.7)	(25.2)	(25.2)
Non Current Liabilities	41,965.7	15,081.5	17,997.3	19,958.0	22,357.2	Growth Ratios (%)					
Current Liabilities	10,446.1	15,027.4	19,847.4	23,068.6	26,748.4	Net Sales	98.8	54.6	39.8	28.8	26.5
CAPITAL EMPLOYED	83,211.2	74,580.8	96,988.7	120,387.1	151,314.7	Operating Profit	60.3	72.2	42.9	33.4	29.5
Non Current Assets	57,546.6	39,002.2	54,444.2	53,039.2	51,186.9	PBIT	58.0	96.4	46.2	34.3	34.8
Fixed Assets	44,074.2	25,616.1	37,786.0	36,378.9	34,524.0	PAT	113.5	85.6	54.0	26.2	33.2
Non Current Investments	11,917.9	12,820.0	16,189.7	16,189.7	16,189.7	Per Share (Rs.)					
Deferred Tax Asset	1,540.3	553.4	457.8	457.8	457.8	Net Earnings (EPS)	15.6	29.0	44.6	56.2	74.9
Long Term Loans and Advance:	14.2	12.7	10.7	12.8	15.4	Cash Earnings (CPS)	28.6	46.9	69.1	88.4	112.8
Current Assets	25,664.6	35,578.6	42,544.5	67,347.9	100,127.9	Dividend	2.2	3.2	5.0	5.0	5.0
Current investments	4,564.8	6,201.8	5,166.4	6,166.4	7,166.4	Book Value	86.6	125.1	166.4	217.6	287.5
Inventories	13,368.8	15,648.1	20,283.8	26,152.2	33,094.8	Free Cash Flow	17.0	83.4	(4.0)	42.4	59.1
Trade Receivables	314.3	786.0	596.2	768.7	972.8	Valuation Ratios					
Cash and Bank Balances	788.7	2,861.9	3,228.9	18,337.6	39,786.2	P/E(x)	343.5	185.1	120.2	95.3	71.5
Short Term Loans and Advance	167.9	168.5	177.6	213.1	255.7	P/B(x)	61.9	42.8	32.2	24.6	18.6
Other Current Assets	6,460.1	9,912.3	13,091.6	15,709.9	18,851.9	EV/EBIDTA(x)	170.6	99.0	69.2	51.5	39.3
CAPITAL DEPLOYED	83,211.2	74,580.8	96,988.7	120,387.1	151,314.7	Div. Yield(%)	0.0	0.1	0.1	0.1	0.1
						FCF Yield(%)	0.3	1.6	(0.1)	0.8	1.1
						Return Ratios (%)					
						ROE	18.0	23.1	26.8	25.8	26.1
						ROCE	18.3	26.1	29.4	30.7	31.8

Source: Dalal & Broacha Research, Company

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Address: - 508, Maker Chambers V, 221 Nariman Point, Mumbai 400 021.

Tel: 91-22- 2282 2992, 2287 6173, Fax: 91-22-2287 0092

E-mail: equity.research@dalal-broacha.com