

# Avenue Supermarts

BSE SENSEX	S&P CNX
79,441	24,124

**CMP: INR4,778    TP: INR 5,310(+11%)    Neutral**

## Financials Snapshot (INR b)

Y/E March	FY24	FY25E	FY26E
Sales	508	624	770
EBITDA	41	55	71
Adj. PAT	25	34	45
EBITDA Margin (%)	8	9	9
Adj. EPS (INR)	39	53	70
EPS Gr. (%)	6	35	32
BV/Sh. (INR)	287	340	409

## Ratios

Net D:E	-0.1	-0.1	NA
RoE (%)	14.6	16.8	18.6
RoCE (%)	14.3	16.5	18.3
Payout (%)	0.0	0.0	0.0

## Valuations

P/E (x)	122.6	90.8	68.7
EV/EBITDA (x)	75.7	56.6	43.3
EV/Sales (X)	6.1	5.0	4.0
Div. Yield (%)	0.0	0.0	0.0
FCF Yield (%)	0.0	0.1	0.6

## 1QFY25 pre-quarter update

Revenue grew 18% YoY (in line)

### Revenue growth supported by high productivity and footprint adds

- Standalone revenue grew 18% YoY to INR137b (in line), driven by 5% growth in revenue/store and 13% YoY store addition.
- Revenue/store rose 5% YoY to INR1,490m (+7% YoY in 4QFY24).
- Revenue/sqft (calc) increased by ~4% YoY to INR35.9k. The gap between revenue/store and revenue/sqft stood at ~1%.

### Recovery visible:

- Revenue/sqft has been growing for the last 4-5 quarters (4-6% YoY growth in each quarter).
- In the last three years, revenue/sqft remained subdued due to the **addition of large-size stores** and **weak discretionary spending (revenue contribution 23-25%)**. **This trend has been reversing gradually for the last 4-5 quarters**, which is evident from the narrowing gap between revenue/store growth and revenue/sqft growth.

### Store addition:

- The company added seven stores in 1QFY25, taking the total count to 371 stores.

## Trajectory in store additions and thru-put

	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25
Revenue (INR b)	98	104	113	103	116	123	132	124	137
YoY growth	95%	36%	25%	20%	18%	19%	17%	20%	18%
Store count	294	302	306	324	327	336	341	365	371
Store adds	10	8	4	18	3	9	5	24	6
YoY growth	26%	23%	16%	14%	11%	11%	11%	13%	13%
Total Area (mn sqft)	12.1	12.4	12.6	13.4	13.5	13.9	14.2	15.2	15.4
YoY growth	38%	31%	22%	17%	12%	12%	13%	13%	14%
Rev/Store (INR m)	1,357	1,394	1,487	1,313	1,424	1,485	1,565	1,404	1,490
YoY growth	59%	10%	4%	4%	5%	7%	5%	7%	5%
Rev/sq ft*	33,244	33,909	36,175	31,807	34,452	35,935	37,728	33,793	35,900
YoY growth	47%	2%	-2%	1%	4%	6%	4%	6%	4%

Source: MOFSL, Company ; \*calculated number