

Consumer Discretionary

Q3FY26 – a mixed bag

Our consumer discretionary coverage universe (ex-Eternal) is expected to deliver ~20% YoY revenue growth in Q3. The growth primarily stems from jewelry (gold price-led) and new-age businesses (customer acquisition push). In other sectors, demand continues to remain subdued. Across apparel retailers, growth hinged on store expansion amid softening SSSG. We expect jewelry, paints, apparel, and footwear to clock ~41%, 4%, 13%, and 4% YoY revenue growth in Q3. Margins for our discretionary space (ex-Eternal) are expected to remain largely stable at 10%. Note – New age's revenue growth is not comparable YoY due to Blinkit's shift to the 1P model from Q1FY26 onwards.

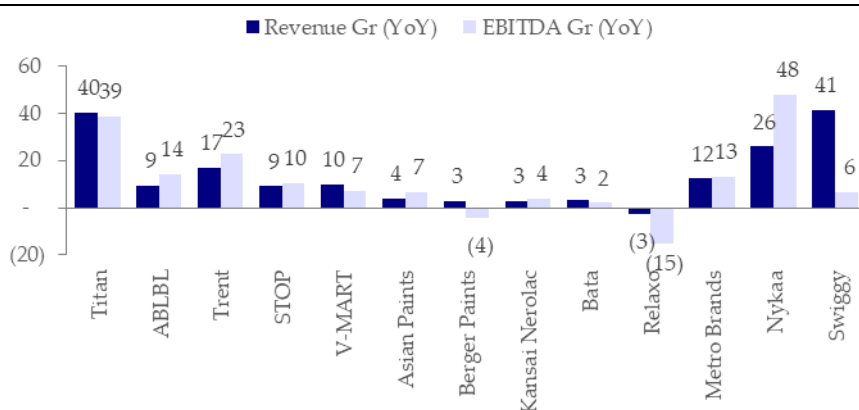
- **Demand – a mixed bag:** Q3 performance is anticipated to exhibit significant divergence across categories: (1) The jewelry segment is expected to maintain healthy growth, driven by gold prices (up ~65% YoY in Q3), though buyer growth is likely to remain flat; (2) In apparel sector (ex-Trent), players are likely to report ~9% YoY growth. SSSG remains in the low-single digits across apparel retailers; growth likely supported by store expansion; (3) Demand in footwear remains sluggish too (MBL recovering though); (4) Paint companies continue to face subdued demand and fierce competition, although (akin to Q2) Asian Paints is anticipated to outperform its rivals; (5) New-age businesses are expected to sustain strong YoY growth as they continue to prioritize customer acquisition.
- **Largely stable margins expected:** Margins for our discretionary space (ex-Eternal) are expected to remain largely stable at 10%. In jewelry (ex-bullion), we have penciled in ~10bps margin contraction to 9.3% due to unfavorable mix. In paints, while favorable raw material prices should expand gross margins, but intense competition will likely offset these gains due to elevated operating costs (built in ~10bps margin expansion YoY). Footwear companies (ex-Metro) are likely to see margin contractions due to negative operating leverage (~65bps YoY contraction built in), while we expect Metro to deliver ~20bps margin expansion. In apparel, we have built in ~60bps margin expansion (on a low base). In food delivery, we expect margins to improve due to higher platform fees in Q3. In QC, competition intensity remains high. Overall, we build in an EBITDA growth of ~21% YoY for our universe.
- **Discretionary remains a bottom-up story with value emerging in pockets:** Discretionary categories (ex-new age, jewellery) continue to witness moderating growth. Value continues to emerge in pockets (most names excl. new age now trade between 30-55x FY28 P/E). **Change in recommendation (1) ETERNAL: Upgrade to ADD (from REDUCE) and (2) Swiggy: Upgrade to BUY (from ADD) as the ask from QC players has meaningfully corrected.**

Company	RECO	TP (Rs)	Prev. TP (Rs)
Titan	REDUCE	3,800	3,800
Trent	ADD	4,700	4,700
ABLBL	BUY	185	175
STOP	REDUCE	400	500
V-MART	BUY	890	870
Asian Paints	ADD	2,800	2,750
Berger Paints	ADD	570	570
Kansai Nerolac	REDUCE	245	255
Bata	REDUCE	950	1,050
Relaxo	ADD	450	460
FSN E-Comm (Nykaa)	SELL	200	200
Metro Brands	SELL	1000	1,050
Swiggy	BUY	465	450
Eternal	ADD	340	320

Change in recommendation

Company	New RECO	Earlier RECO
ETERNAL	ADD	REDUCE
SWIGGY	BUY	ADD

Revenue 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	Q3FY26E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Titan	GOOD	<ul style="list-style-type: none"> As per Titan's quarterly update, it reported ~40% YoY growth in revenue. Domestic jewelry sales (ex-bullion) grew by 41% YoY, primarily driven by ASP increase from gold price surge. Buyer growth remained flat. Watches/eyewear/others grew 13/6/14% YoY. Building in 8.6% EBIT margin at company level. Expect 9.1/10/9% EBIT margins for jewelry/watches/eyewear respectively. 	<ul style="list-style-type: none"> Commentary on gains in South market and on sustainable volume growth Inventory levels and capital base movement Commentary on gold lease interest rate
Trent	AVG	<ul style="list-style-type: none"> As per Trent's revenue update, reported revenue grew 16.9% YoY to INR52.2bn. We estimate 13/19% YoY growth for Westside and Zudio respectively. Building in 60bps contraction in GM YoY for Q3FY26 at 43.3% due to higher salience of Zudio in the mix. Building in 18.1% EBITDAM (up ~80bps YoY) due to operational efficiencies. 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy
V-MART Retail	AVG	<ul style="list-style-type: none"> As per V-Mart's revenue update, reported revenue grew 9.7% YoY to INR11.3bn. SSSG was flat for Q3FY26, with core V-Mart at 0% and Unlimited at +2%. Building in 35.5% GM for Q3FY26 (vs 35.8% in Q3FY25) as they intend to pass on more value to consumers to gain market share. Building in ~40bps contraction in EBITDAM to 16.3% (vs. 16.7% in Q3FY25), due to lower GM and negative operating leverage. V-Mart added 23 new stores and closed two stores in Q3 (store count - 554). 	<ul style="list-style-type: none"> Commentary on rural recovery Cost normalization pace Expansion strategy Unlimited's profitability
ABLBL	AVG	<ul style="list-style-type: none"> We expect lifestyle brands to grow ~9% YoY to INR 19.9bn. We expect youth brands and innerwear business to decline by ~2% YoY to INR 3.3bn. GM built: 60.3% Building in EBITDAM of 20/2.5% for lifestyle brands/ youth brands and inner wear, respectively. 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy Commentary on recovery of innerwear business
Shoppers Stop	AVG	<ul style="list-style-type: none"> We expect revenue to grow ~9% YoY to INR 14.3bn. GM built: 40.5% (down ~20bps YoY). Building in Pre-IND-AS EBITDAM of 8.3% (up ~10bps YoY). 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy

COMPANY	Q3FY26E OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Bata	WEAK	<ul style="list-style-type: none"> Building in 3% YoY revenue growth in Q3 to INR 9.5bn. Building in 56.2% GM for Q3 (flat YoY). Building in 21.5% EBITDAM (down ~20bps YoY) Store additions to remain steady. 	<ul style="list-style-type: none"> Commentary on demand trends Expansion strategy Wholesale strategy
Relaxo Footwears	WEAK	<ul style="list-style-type: none"> We expect revenue growth to decline by 2.5% YoY in Q3 to INR 6.5bn. Expected volume/realization growth of -3.5/+1% YoY in Q3. Building in 10.9% EBITDAM for Q3FY26 (vs 12.5% in Q3FY25). 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on margins Expansion strategy Commentary on distribution channel
Metro Brands	GOOD	<ul style="list-style-type: none"> Building in 12.3% YoY revenue growth to INR 7.9bn. Building in 58.9% GM for Q3FY26 (vs 58.6% in Q3FY25). Building in 32.2% EBITDAM for Q3FY26 (vs 32% in Q3FY25). We have built in 34 store adds in Q3. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on margins Expansion strategy
Fsn E-Commerce Ventures (Nykaa)	GOOD	<ul style="list-style-type: none"> As per Nykaa's revenue update, revenue grew 25-27% YoY (factored 25.8% YoY growth to INR 28.5bn). BPC/Fashion to clock ~28/22% YoY growth resp. in GMV. AoVs are likely to be healthy for both BPC and Fashion. Building in ~30/28% YoY growth in BPC/Fashion AUTC and ~35/34% YoY growth in BPC/Fashion orders respectively. Building in a 7.3% EBITDA margin in Q3FY26 (vs 6.2% in Q3FY25). 	<ul style="list-style-type: none"> Commentary on fashion segment Commentary on unwinding on working capital Commentary on profitability of eB2B segment Competitive landscape shift
Asian Paints	AVG	<ul style="list-style-type: none"> We expect consolidated revenue to grow by ~4% YoY in Q3 (4.2% growth in standalone business). +8/-3.7% volume/price growth built-in for Q3. We expect ~160bps YoY expansion in gross margin to 44% due to favourable raw material prices (consolidated). We expect ~50bps YoY expansion in EBITDA margin to 19.6% as elevated operating costs persist amid intense competition. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Rebating and discounting trends Dealer addition trajectory

COMPANY	Q3FY26 OUTLOOK	WHAT'S LIKELY	KEY MONITORABLES
Berger Paints	AVG	<ul style="list-style-type: none"> We expect revenue growth of 2.7% YoY for the consolidated business in Q3 (1.6% growth in standalone business). +7.5/-5.5% volume/price growth built-in. We expect 42% gross margin (up ~40 bps YoY) in Q3FY26 (consolidated) due to benign material cost partly offset by unfavourable mix. We expect EBITDA margins to contract by ~110bps YoY to 14.8%, due to elevated operating costs and negative operating leverage. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Dealer addition trajectory Rebating and discounting trends
Kansai Nerolac	WEAK	<ul style="list-style-type: none"> We expect revenue growth of 2.7% YoY for the consolidated business in Q3 (2.8% growth in standalone business). -1.3/-0.5% volume/price growth built-in for deco segment. We expect 36.1% gross margin (up ~90bps YoY) in Q3FY26 due to favourable raw material prices (consolidated). We expect EBITDA margins to improve ~20bps YoY to 12.4%, primarily due to GM expansion but partly offset by elevated operating costs. 	<ul style="list-style-type: none"> Commentary on demand trends Commentary on input cost trends Dealer addition trajectory Rebating and discounting trends
Swiggy	AVG	<ul style="list-style-type: none"> We expect adj. revenue growth of 41% YoY to INR 60bn. Food Delivery/QC to clock ~18/107% YoY growth respectively in GoV. QC to clock ~78% YoY growth in NoV. Food Delivery/QC AoV likely to be at ~INR466/718 resp. Building in ~19/84% YoY growth in Food Delivery/QC Avg. MTUs and ~18/54% YoY growth in Food Delivery/QC orders. Building in -11.8% adj. EBITDA margin in Q3FY26. 	<ul style="list-style-type: none"> MTU growth in Food Delivery Trajectory of platform funded discounts and discounts in quick commerce
Eternal	GOOD	<ul style="list-style-type: none"> We expect Eternal to clock adj. revenue growth of INR 158.6bn. Note: revenue growth is not comparable due to Blinkit's shift to the 1P model. Food Delivery/QC to clock ~15/127% YoY growth respectively in NoV. Food Delivery/QC AoV likely to be at ~INR458/700 resp. Building in ~20/120% YoY growth in Food Delivery/QC Avg. MTUs and 19/131% YoY growth in Food Delivery/QC orders. Building in 1.7% adj. EBITDA margin in Q3FY26. 	<ul style="list-style-type: none"> MTU growth in Food Delivery Trajectory of platform funded discounts & discounts in quick commerce

Estimate changes

Titan Company

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	7,86,838	7,86,838	-	8,89,795	8,89,795	-	10,08,568	10,08,568	-
Gross Profit	1,72,258	1,72,258	-	1,99,247	1,99,247	-	2,30,886	2,30,886	-
Gross Profit Margin (%)	21.9	21.9	-	22.4	22.4	-	22.9	22.9	-
EBITDA	67,951	67,951	-	79,911	79,911	-	93,724	93,724	-
EBITDA margin (%)	8.6	8.6	-	9.0	9.0	-	9.3	9.3	-
APAT	46,665	46,665	-	56,983	56,983	-	67,130	67,130	-
APAT margin (%)	5.9	5.9	-	6.4	6.4	-	6.7	6.7	-
EPS	52.4	52.4	-	64.0	64.0	-	75.4	75.4	-

Source: HSIE Research

Trent

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,96,452	2,00,528	(2.0)	2,44,145	2,44,288	(0.1)	2,86,395	2,82,484	1.4
EBITDA (Pre-IND-AS 116)*	25,422	26,139	(2.7)	32,144	32,367	(0.7)	37,831	38,018	(0.5)
EBITDA margin (%)*	12.9	13.0	(9 bps)	13.2	13.2	(8 bps)	13.2	13.5	(25 bps)
APAT	16,812	17,426	(3.5)	21,661	21,997	(1.5)	25,807	25,940	(0.5)
APATM (%)	8.6	8.7	(13 bps)	8.9	9.0	(13 bps)	9.0	9.2	(17 bps)

Source: HSIE Research

Fsn E-Commerce Ventures (Nykaa)

(Rs mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	99,398	99,398	-	1,22,994	1,22,994	-	1,48,849	1,48,849	-
Gross Profit	44,060	44,060	-	54,231	54,231	-	65,264	65,264	-
Gross Profit Margin (%)	44.3	44.3	-	44.1	44.1	-	43.8	43.8	-
Reported EBITDA	7,292	7,292	-	10,665	10,665	-	14,274	14,274	-
Reported EBITDA margin (%)	7.3	7.3	-	8.7	8.7	-	9.6	9.6	-
Pre-IND AS EBITDA*	4,514	4,514	-	7,227	7,227	-	10,128	10,128	-
EBITDA margin (%)*	4.5	4.5	-	5.9	5.9	-	6.8	6.8	-

Source: HSIE Research

ABLBL

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	83,425	82,247	1.4	93,640	92,500	1.2	1,04,507	1,03,375	1.1
Gross Profit	49,981	48,947	2.1	56,335	55,325	1.8	63,134	62,141	1.6
Gross Profit Margin (%)	59.9	59.5	40 bps	60.2	59.8	35 bps	60.4	60.1	30 bps
EBITDA	6,163	6,022	2.3	7,801	7,656	1.9	9,195	9,051	1.6
EBITDA margin (%)	7.4	7.3	7 bps	8.3	8.3	5 bps	8.8	8.8	4 bps

Source: HSIE Research

Shoppers STOP

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	48,406	48,739	(0.7)	51,624	52,237	(1.2)	56,275	56,988	(1.3)
Gross Profit	19,944	20,228	(1.4)	21,321	21,732	(1.9)	23,242	23,708	(2.0)
Gross Profit Margin (%)	41.2	41.5	-30 bps	41.3	41.6	-30 bps	41.3	41.6	-30 bps
EBITDA	2,530	2,630	(3.8)	2,845	2,953	(3.6)	3,215	3,387	(5.1)
EBITDA margin (%)	5.2	5.4	-17 bps	5.5	5.7	-14 bps	5.7	5.9	-23 bps

Source: HSIE Research

V-MART Retail

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	37,320	38,149	(2.2)	43,219	44,107	(2.0)	49,834	50,721	(1.7)
Gross Profit	12,875	13,027	(1.2)	14,910	15,062	(1.0)	17,142	17,269	(0.7)
Gross Profit Margin (%)	34.5	34.1	35 bps	34.5	34.1	35 bps	34.4	34.0	35 bps
EBITDA	1,956	2,085	(6.2)	2,561	2,639	(2.9)	3,197	3,271	(2.2)
EBITDA margin (%)	5.2	5.5	-22 bps	5.9	6.0	-6 bps	6.4	6.4	-3 bps

Source: HSIE Research

Metro Brands

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	28,057	28,613	(1.9)	33,831	34,560	(2.1)	40,401	41,261	(2.1)
Gross Profit	16,186	16,449	(1.6)	19,517	19,869	(1.8)	23,267	23,680	(1.7)
Gross Profit Margin (%)	57.7	57.5	20 bps	57.7	57.5	20 bps	57.6	57.4	20 bps
EBITDA	5,803	5,860	(1.0)	7,092	7,175	(1.2)	8,501	8,599	(1.1)
EBITDA margin (%)	20.7	20.5	20 bps	21.0	20.8	20 bps	21.0	20.8	20 bps
APAT	4,033	4,085	(1.3)	5,273	5,318	(0.8)	6,799	6,865	(1.0)
APAT margin (%)	14.4	14.3	10 bps	15.6	15.4	20 bps	16.8	16.6	19 bps
EPS	14.8	15.0	(1.3)	19.4	19.5	(0.8)	25.0	25.2	(1.0)

Source: HSIE Research

Bata India

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	35,249	36,489	(3.4)	38,864	40,179	(3.3)	42,653	44,309	(3.7)
Gross Profit	19,708	20,412	(3.4)	21,671	22,346	(3.0)	23,589	24,399	(3.3)
Gross Profit Margin (%)	55.9	55.9	(3 bps)	55.8	55.6	14 bps	55.3	55.1	24 bps
EBITDA	3,781	4,271	(11.5)	4,831	5,253	(8.0)	5,710	6,183	(7.7)
EBITDA margin (%)	10.7	11.7	(98 bps)	12.4	13.1	(64 bps)	13.4	14.0	(57 bps)
APAT	1,989	2,320	(14.3)	3,188	3,455	(7.7)	4,161	4,460	(6.7)
APAT margin (%)	5.6	6.4	(71 bps)	8.2	8.6	(40 bps)	9.8	10.1	(31 bps)
Post IND-AS 116 EPS	15.5	18.1	(14.3)	24.8	26.9	(7.7)	32.4	34.7	(6.7)

Source: HSIE Research

Relaxo Footwear

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	26,814	27,088	(1.0)	29,779	31,475	(5.4)	32,947	34,837	(5.4)
Gross Profit	13,068	13,066	0.0	14,543	15,214	(4.4)	16,090	16,839	(4.4)
Gross Profit Margin (%)	48.7	48.2	50 bps	48.8	48.3	50 bps	48.8	48.3	50 bps
EBITDA	3,122	3,205	(2.6)	4,048	4,244	(4.6)	4,660	4,888	(4.7)
EBITDA margin (%)	11.6	11.8	(19 bps)	13.6	13.5	11 bps	14.1	14.0	11 bps
APAT	1,862	1,878	(0.8)	2,339	2,475	(5.5)	2,770	2,921	(5.2)
APAT margin (%)	6.9	6.9	1 bps	7.9	7.9	(1 bps)	8.4	8.4	2 bps
EPS (Rs)	7.5	7.5	(0.8)	9.4	9.9	(5.5)	11.1	11.7	(5.2)

Source: HSIE Research

Asian Paints

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	3,52,552	3,57,770	(1.5)	3,91,642	3,96,389	(1.2)	4,34,782	4,39,540	(1.1)
Gross Profit	1,53,261	1,54,691	(0.9)	1,68,511	1,69,452	(0.6)	1,87,725	1,88,541	(0.4)
Gross Profit Margin (%)	43.5	43.2	23 bps	43.0	42.7	28 bps	43.2	42.9	28 bps
EBITDA	64,835	65,243	(0.6)	71,847	71,934	(0.1)	81,349	81,352	(0.0)
EBITDA margin (%)	18.4	18.2	15 bps	18.3	18.1	20 bps	18.7	18.5	20 bps
APAT	43,080	43,432	(0.8)	49,895	49,824	0.1	58,914	58,788	0.2
APAT margin (%)	12.2	12.1	8 bps	12.7	12.6	17 bps	13.6	13.4	18 bps
EPS (Rs)	44.9	45.3	(0.8)	52.0	51.9	0.1	61.4	61.3	0.2

Source: HSIE Research

Berger Paints

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	1,19,593	1,20,727	(0.9)	1,36,430	1,37,537	(0.8)	1,52,992	1,53,775	(0.5)
Gross Profit	50,203	50,498	(0.6)	57,612	57,873	(0.5)	64,835	64,937	(0.2)
Gross Profit Margin (%)	42.0	41.8	15 bps	42.2	42.1	15 bps	42.4	42.2	15 bps
EBITDA	18,046	18,867	(4.4)	21,814	22,257	(2.0)	25,028	25,377	(1.4)
EBITDA margin (%)	15.1	15.6	-54 bps	16.0	16.2	-19 bps	16.4	16.5	-14 bps
APAT	11,226	11,851	(5.3)	13,973	14,276	(2.1)	16,157	16,393	(1.4)
APAT margin (%)	9.4	9.8	-43 bps	10.2	10.4	-14 bps	10.6	10.7	-10 bps
EPS (Rs)	9.3	9.8	(5.4)	12.0	12.2	(2.1)	13.9	14.1	(1.4)

Source: HSIE Research

Kansai Nerolac

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	79,608	80,706	(1.4)	88,239	88,914	(0.8)	97,592	98,318	(0.7)
Gross Profit	28,296	28,584	(1.0)	31,356	31,509	(0.5)	34,803	34,957	(0.4)
Gross Profit Margin (%)	35.5	35.4	13 bps	35.5	35.4	10 bps	35.7	35.6	11 bps
EBITDA	9,346	9,736	(4.0)	10,502	10,807	(2.8)	11,904	12,182	(2.3)
EBITDA margin (%)	11.7	12.1	-32 bps	11.9	12.2	-25 bps	12.2	12.4	-19 bps
APAT	6,473	6,710	(3.5)	7,680	7,798	(1.5)	8,428	8,576	(1.7)
APAT margin (%)	8.1	8.3	-18 bps	8.7	8.8	-7 bps	8.6	8.7	-9 bps
EPS (Rs)	8.0	8.3	(3.5)	9.5	9.6	(1.5)	10.4	10.6	(1.7)

Source: HSIE Research

Swiggy

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	2,20,651	2,02,806	8.8	2,73,848	2,51,022	9.1	3,33,444	3,06,344	8.8
Adj. EBITDA	(28,365)	(25,015)	NM	(16,204)	(13,404)	NM	(7,325)	(3,095)	NM
Adj. EBITDAM (%)	(12.9)	(12.3)	-52 bps	(5.9)	(5.3)	-58 bps	(2.2)	(1.0)	-119 bps
Pre-IND AS EBITDA	(36,325)	(32,975)	NM	(21,604)	(18,804)	NM	(9,055)	(4,825)	NM
Pre-IND AS EBITDA margin (%)	(16.5)	(16.3)	-20 bps	(7.9)	(7.5)	-40 bps	(2.7)	(1.6)	-114 bps
APAT	(36,201)	(32,927)	NM	(22,959)	(20,196)	NM	(10,888)	(6,658)	NM
APAT margin (%)	(16.4)	(16.2)	-17 bps	(8.4)	(8.0)	-34 bps	(3.3)	(2.2)	-109 bps
EPS (Rs)	(13.1)	(13.2)	NM	(8.3)	(8.1)	NM	(3.9)	(2.7)	NM

Source: HSIE Research

Eternal

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	5,29,289	5,44,520	(2.8)	8,60,826	8,67,089	(0.7)	11,47,052	11,54,209	(0.6)
Adj. EBITDA	10,277	11,012	(6.7)	22,347	22,292	0.2	35,241	35,127	0.3
Adj. EBITDAM (%)	1.9	2.0	-8 bps	2.6	2.6	3 bps	3.1	3.0	3 bps
Pre-IND AS EBITDA	1,677	2,412	(30.5)	13,747	13,692	0.4	26,241	26,127	0.4
Pre-IND AS EBITDA margin (%)	0.3	0.4	-13 bps	1.6	1.6	2 bps	2.3	2.3	2 bps
APAT	2,577	3,129	(17.6)	10,518	10,484	0.3	19,494	19,421	0.4
APAT margin (%)	0.5	0.6	-9 bps	1.2	1.2	1 bps	1.7	1.7	2 bps
EPS (Rs)	0.3	0.3	(17.6)	1.1	1.1	0.3	2.0	2.0	0.4

Source: HSIE Research

Financial Summary

Company	NET SALES (Rs bn)					EBITDA (Rs bn)					EBITDA Margin (%)					APAT (Rs. bn)				
	3Q FY25	2Q FY26	3Q FY26E	QoQ (%)	YoY (%)	3Q FY25	2Q FY26	3Q FY26E	QoQ (%)	YoY (%)	3Q FY25	2Q FY26	3Q FY26E	QoQ (bps)	YoY (bps)	3Q FY25	2Q FY26	3Q FY26E	QoQ (%)	YoY (%)
Jewellery																				
Titan	177.4	187.3	248.4	32.7	40.0	16.7	18.8	23.2	23.8	38.6	9.4	10.0	9.3	(67)	(10)	10.5	11.2	14.4	29.0	38.0
-Jewellery	158.5	140.9	224.2	59.1	41.5	14.9	15.1	20.9	38.8	40.2	9.4	10.7	9.3	(137)	(8)					
Apparel																				
Trent	44.7	47.2	52.2	10.5	16.9	7.7	8.1	9.4	15.9	22.6	17.2	17.2	18.1	84	84	4.0	4.5	4.7	3.5	16.5
STOP	13.1	11.8	14.3	21.6	9.0	2.4	1.6	2.6	61.3	10.2	18.3	14.0	18.5	455	21	0.5	(0.2)	0.5	(336.9)	10.1
V-MART	10.3	8.1	11.3	39.6	9.7	1.7	0.7	1.8	157.1	7.3	16.7	8.9	16.3	747	(36)	0.7	(0.1)	0.7	(934.2)	3.3
ABLBL	21.0	20.4	23.0	13.0	9.4	3.3	3.2	3.8	20.2	14.2	15.8	15.5	16.5	99	70	0.6	0.2	0.6	167.2	(1.4)
Paints																				
Asian Paints	85.5	85.3	88.9	4.2	3.9	16.4	15.0	17.5	16.1	6.6	19.1	17.6	19.6	202	50	11.1	9.9	11.6	16.3	4.0
Berger Paints	29.8	28.3	30.6	8.1	2.7	4.7	3.5	4.5	28.4	(4.1)	15.9	12.5	14.8	235	(105)	3.0	2.1	2.8	34.3	(6.1)
Kansai Nerolac	19.2	19.5	19.7	1.1	2.7	2.4	2.2	2.4	13.6	4.1	12.2	11.0	12.4	137	16	6.8	1.3	1.6	19.4	(76.3)
Footwear																				
Bata	9.2	8.0	9.5	18.1	3.0	2.0	1.4	2.0	40.4	2.0	21.7	18.1	21.5	341	(22)	0.6	0.1	0.6	341.5	4.5
Relaxo	6.7	6.3	6.5	3.4	(2.5)	0.8	0.8	0.7	(12.6)	(14.9)	12.5	12.9	10.9	(200)	(159)	0.3	0.4	0.3	(17.4)	(9.6)
Metro Brands	7.0	6.5	7.9	21.2	12.3	2.3	1.7	2.5	48.9	13.0	32.0	26.2	32.2	598	19	1.0	0.7	1.3	86.7	35.5
New Age																				
FSN E-Comm Ventures (Nykaa)	22.7	23.5	28.5	21.6	25.8	1.4	1.6	2.1	30.8	47.7	6.2	6.8	7.3	51	108	0.3	0.3	0.8	128.8	185.8
Swiggy	39.9	55.6	56.4	1.5	41.4	(7.3)	(8.0)	(7.7)	(3.3)	6.4	(18.2)	(14.3)	(13.7)	68	450	(8.0)	(10.9)	(10.7)	(2.0)	33.9
Eternal	54.1	135.9	154.7	13.9	186.3	1.6	2.4	3.0	24.0	82.9	3.0	1.8	1.9	16	(108)	0.6	0.7	1.3	106.4	127.4

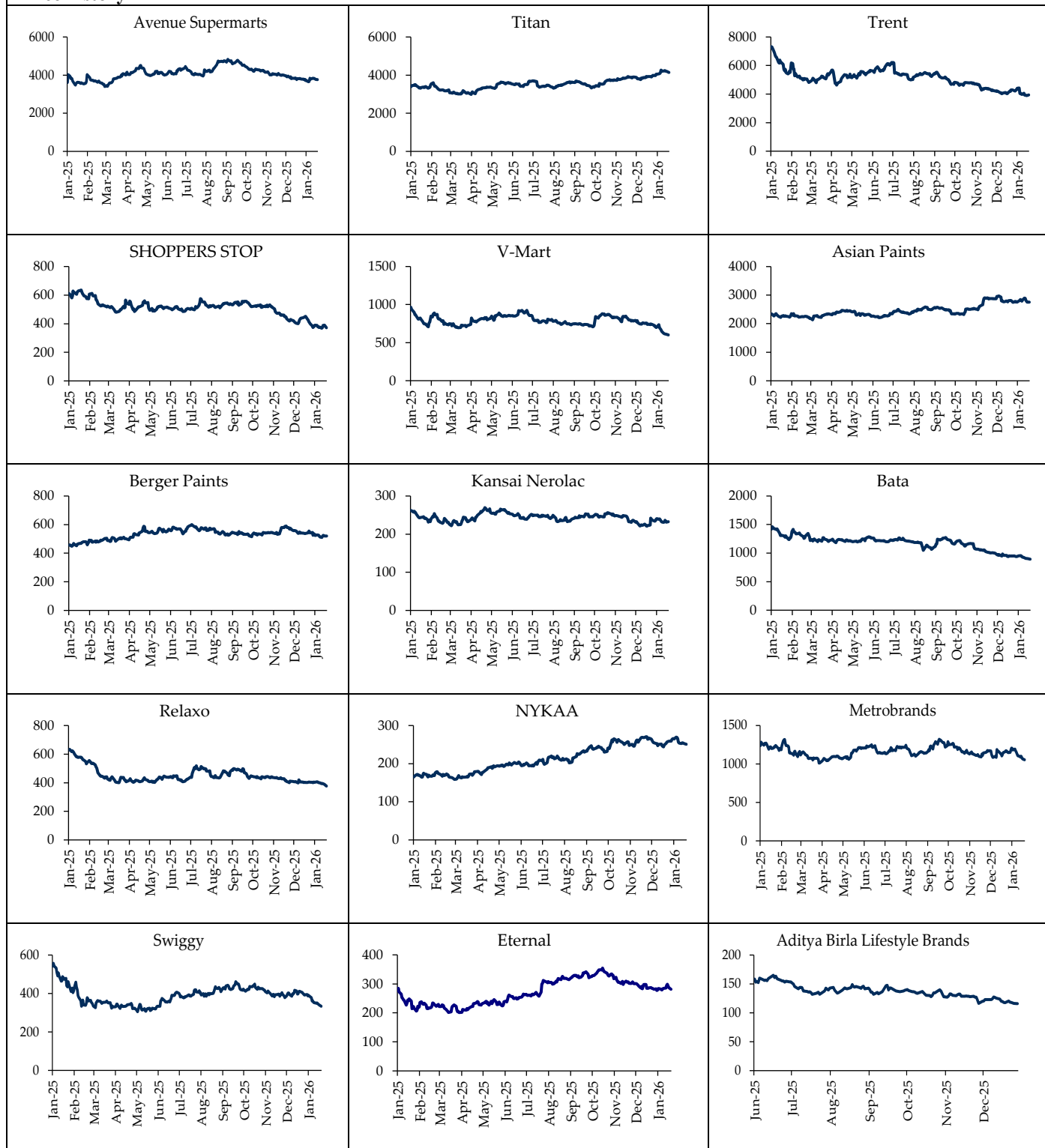
Source: HSIE Research

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	140	115	Buy	185	1.0	3.2	4.3	121	39	30	26	19	16	6.9	11.6	12.3
Titan Company	3,696	4,153	Reduce	3,800	52.4	64.0	75.4	79	65	55	58	49	42	15.2	15.6	15.6
Trent	1,395	3,925	Add	4,700	47.3	60.9	72.6	83	64	54	55	42	35	22.5	21.6	20.0
Shoppers Stop	41	375	Reduce	400	3.0	3.9	5.8	126	95	65	18	16	14	3.5	16.7	16.0
V-MART	48	603	Buy	890	11.8	19.9	27.5	51	30	22	24	17	13	10.0	12.9	14.3
Bata India	115	892	Reduce	950	15.5	24.8	32.4	58	36	28	28	21	17	9.3	13.5	14.9
Relaxo Footwears	94	376	Add	450	7.5	9.4	11.1	50	40	34	28	21	18	9.1	10.9	11.9
Metro Brands	281	1,032	Sell	1,000	14.8	19.4	25.0	70	53	41	47	38	31	20.6	22.7	22.3
Asian Paints	2,650	2,763	Add	2,800	44.9	52.0	61.4	62	53	45	41	36	32	18.5	19.7	21.4
Berger Paints	602	516	Add	570	9.9	12.0	13.9	52	43	37	33	27	23	15.6	18.0	18.3
Kansai Nerolac	185	229	Reduce	245	8.0	9.5	10.4	29	24	22	20	17	15	10.0	11.1	11.3
FSN E-Commerce (Nykaa)	721	252	Sell	200	0.8	1.5	2.2	302	172	113	161	100	71	11.6	16.4	19.7
Swiggy	936	339	Buy	465	-13.1	-8.3	-3.9	NM	NM	NM	NM	NM	NM	-32.6	-14.3	-4.7
Eternal	2,702	280	Add	340	0.3	1.1	2.0	1,049	257	139	1,525	187	98	1.3	3.7	6.1

Source: HSIE Research

Price history



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

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