

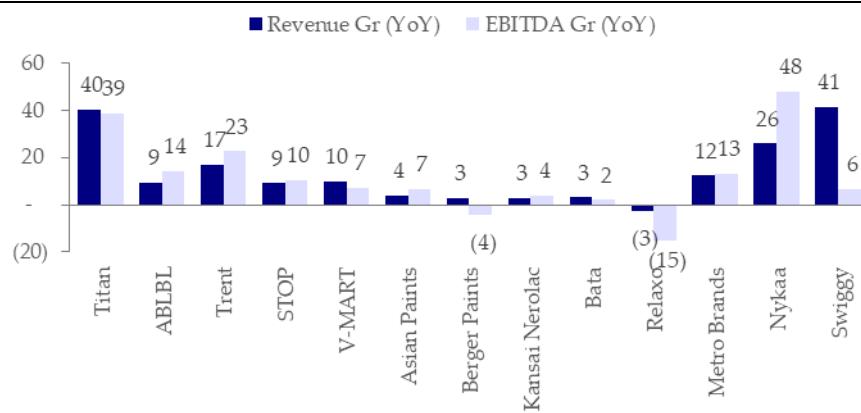
Consumer Discretionary

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.

Revenue growth trajectory (%)



Note – Eternal's revenue growth is not comparable YoY due to Blinkit's shift to the 1P model from Q1FY26 onwards.

| 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 |

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Consumer Discretionary: Q3FY26 Results Preview

| 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 |

Consumer Discretionary: Q3FY26 Results Preview

| 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 |

Consumer Discretionary: Q3FY26 Results Preview

| COMPANY | Q3FY26E 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 Blinki'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 |

Consumer Discretionary: Q3FY26 Results Preview

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

Consumer Discretionary: Q3FY26 Results Preview

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

Consumer Discretionary: Q3FY26 Results Preview

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

Consumer Discretionary: Q3FY26 Results Preview

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

Consumer Discretionary: Q3FY26 Results Preview

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 |

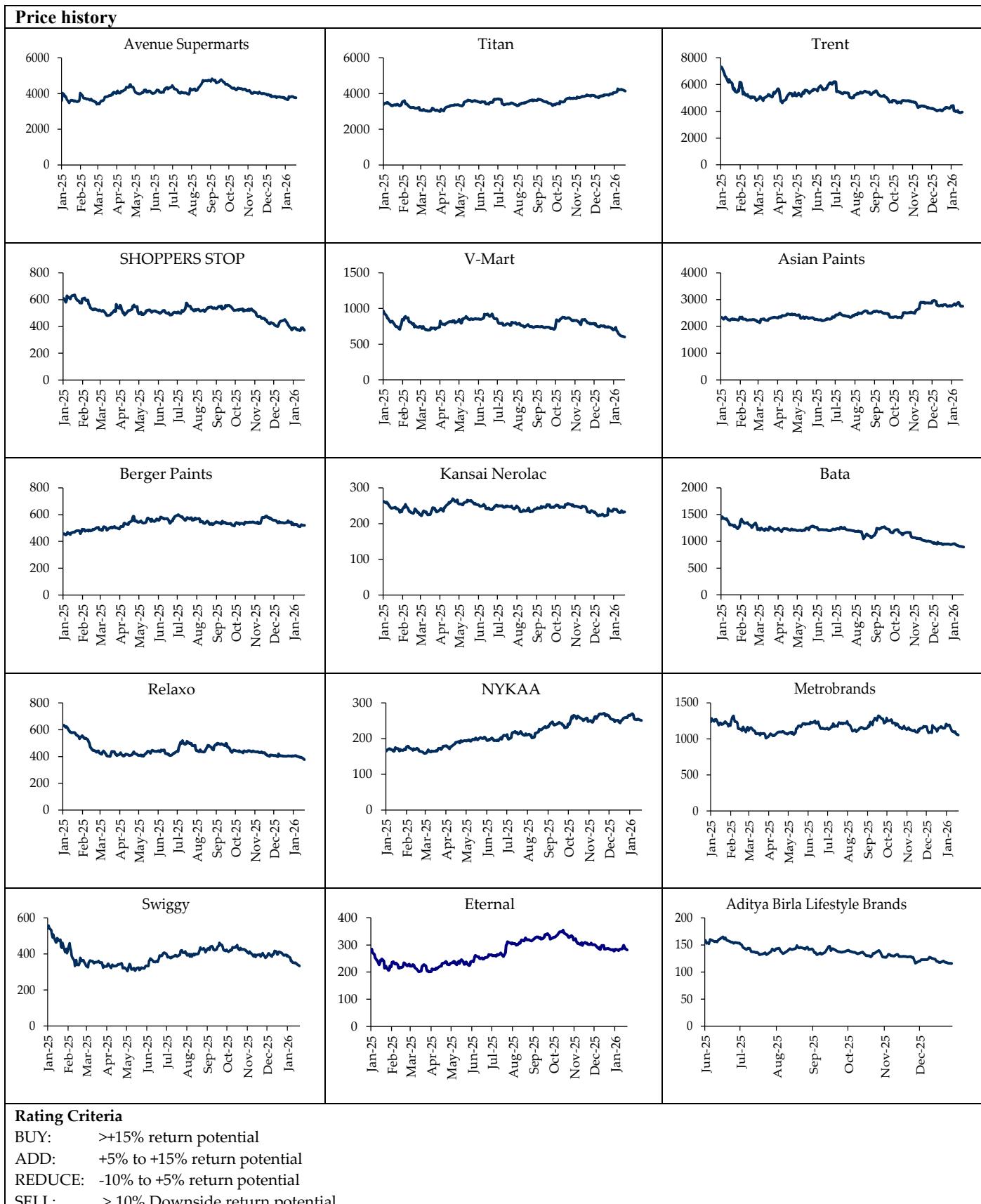
Source: HSIE Research

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

Consumer Discretionary: Q3FY26 Results Preview



Rating Criteria

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

Consumer Discretionary: Q3FY26 Results Preview

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